



Religare Enterprises Limited

Corporate Overview



Religare Overview

Religare is present in three verticals within the financial services space in India

Religare Snapshot

Leading financial services platform

Religare Enterprises Limited (REL) through its subsidiaries has an established presence in three verticals within Financial Services, viz. Lending, Health Insurance and Retail Broking

Nationwide distribution footprint

Subsidiaries service over 1.1 mn. clients from over 1,275 locations having presence in more than 400 cities

Key Financials (as at/year ended 31-Mar-2017)

Net worth: ₹2,752 cr. (USD 424 mn.)

Total assets: ₹21,038 cr. (USD 3.24 bn.)

Total revenues: ₹3,841 cr. (USD 573 mn.)

Pre-exceptional PBT: ₹306 cr. (USD 46 mn.)

Business Lines

Lending



Leading SME-focused NBFC with deep domain knowledge

SMEs are constrained by lack of funding; the gap presents a lucrative opportunity for specialist financiers

Tapping the growing opportunity in lending for affordable housing

Health Insurance*



One of six standalone health insurers in India

Low insurance density; health insurance in particular growing rapidly due to rising cost of healthcare and disproportionate share of out-of-pocket expenditure

Retail Broking



Large retail broking and distribution platform

Immense opportunity from structurally high savings and low penetration of financial assets; equities in particular to benefit

*REL has entered into a definitive agreement with a consortium of investors led by Private Equity Firm True North to buy out its entire stake in the Health Insurance business

Robust platform in place

Multi-product manufacturing capabilities and distribution network



Lending

SME-focused Lending

- Balance sheet size of ₹17,158 cr. (USD 2.65 bn.)
- Net Worth of ₹3,041 cr. (USD 469 mn.)
- Capital adequacy (CRAR) of 21.2%

Affordable Housing Finance

- Loan book of ₹1,016 cr. (USD 156 mn.)
- Net Worth of ₹190 cr. (USD 29 mn.)

Health Insurance

Health Insurance

- GWP of ₹726 cr. (USD ~108 mn.); YOY growth of 44%
- 5,089 hospitals in provider network
- Multi-channel distribution including significant online presence

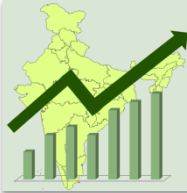
Retail Broking

Retail Broking

- Distribution across more than 415 cities, 1,200 locations
- Catering to over 1.03 mn. clients
- Partnership with 12 banks offering online share trading facility

The Financial Services industry is experiencing rapid growth

Financial Services highly correlated to economic growth and will gain from India's superior growth trajectory



The Indian economy is the fastest growing large economy; set to sustain world leadership in GDP growth rate



Financial Services businesses are highly correlated with economic growth; at India's current stage of development, Financial Services is likely to grow at a multiple of the broader economy, unlocking the structural potential across the spectrum

Religare Operating Businesses



Lending

Providing debt capital to power growth of SMEs and affordable housing



Health Insurance

Protection for individuals, SMEs



Retail Broking

Channelising risk capital to the markets



- ✓ Leading financial services platform with presence across three verticals
- ✓ Judicious mix of balance sheet-led and fee-based businesses



Retail and Mass Retail

Higher savings from rising incomes



SME & Mid-corporates Debt financing

Target Customer Segments



Key Businesses Overview

Religare Finvest

Conserving capital in a challenging credit environment

Lending

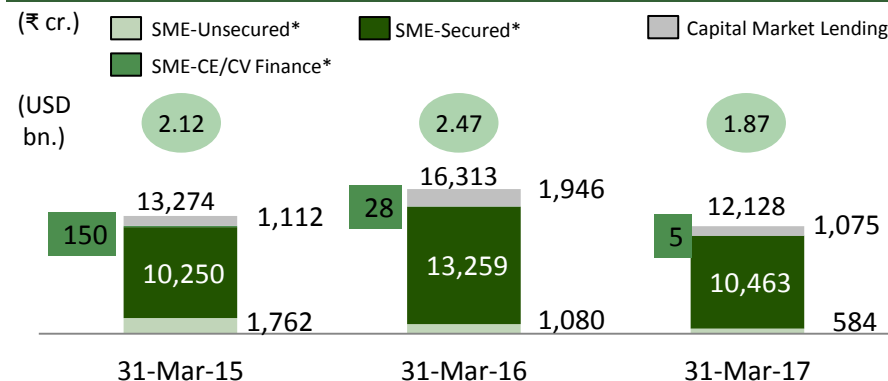
Health Insurance

Retail Broking

Key highlights

- Growth capital provider focused on fast-growing SME segment
 - The sector contributes 17% to India's GDP, 45% to manufacturing output and 40% to the total value of exports
- Strong operating benchmarks
 - Well-diversified portfolio covering customers from over 80+ different industries
 - Secured with asset coverage of around 2x
 - Over 1,100 employees
- Offerings tailor-made for the SME sector:
 - SME-Secured: Loans against residential or commercial property for business expansion and purchase of plant and machinery
 - SME-Unsecured: Caters to working capital and other financial requirements of small and medium enterprises, self-employed businessmen and professionals
- Winner of CIBIL 'Commercial Bureau' Data Quality Award at the TransUnion CIBIL Credit Information Conference held in March 2017
- Certified as a 'Great Place to Work' by the Great Place to Work Institute

Book size



Credit Ratings

Rating Type	Rating	Agency	Amount	
			₹ cr.	USD mn.
Commercial Paper	[ICRA] A3 (on watch with developing implications)	ICRA	2,000	310
LT Debt	[ICRA] BBB (on watch with developing implications)	ICRA	1,000	155
LT Bank Loans	[ICRA] BBB (on watch with developing implications)	ICRA	12,000	1,862
Tier-2 Sub. Debt	IND BBB (RWN)	Ind-Ra	750	116
Commercial Paper	IND A3+ (RWN)	Ind-Ra	3,000	465
ST Bank Loans	IND A3+ (RWN)	Ind-Ra	3,000	465
LT Debt	IND BBB (RWN)	Ind-Ra	3,000	465
LT Bank Loans	IND BBB (RWN)	Ind-Ra	15,000	2,307

Additional Long Term rating of 'CARE A' (on watching with developing implications for ₹36.93 cr. [~USD 5.7 mn])

*Net of portfolio assigned to other lenders
RWN = Rating Watch Negative

Religare Housing Development Finance Corporation

Targeting the growing opportunity of lending for affordable housing

Lending

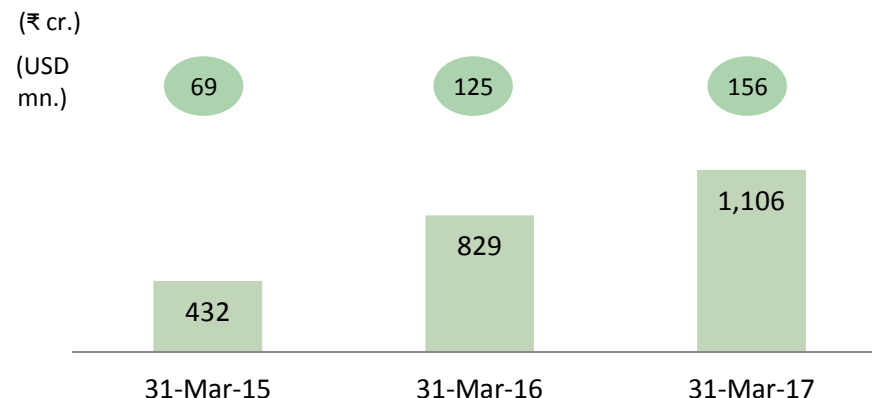
Health Insurance

Retail Broking

Key Highlights

- Significant shortfall of housing units in India; urban housing shortage of 18.78 mn. units with majority among the low income group and the economically weaker sections
- Housing for All scheme by the Government aims to provide affordable housing to urban poor; 20 mn. houses to be built in urban areas by 2022 through financial assistance from the Central Government
- RHDFC focuses on finance needs of first time home buyers for self use in the affordable housing segment
 - Loan book size of ₹1,016 cr. (USD 156 mn.)
- Portfolio of products offered include
 - Loans for home purchase
 - Construction finance loans to affordable housing developers
 - Loan against residential property for business purpose
- RHDFC has created a distinct underwriting framework to evaluate ability and intent of the borrower; additional parameters assessed include qualitative checks

Book size



Credit Ratings

Rating Type	Rating	Agency	Amount	
			₹ cr.	USD mn.
ST Debt	[ICRA] A3 (on watch with developing implications)	ICRA	200	31
ST Bank Loans	[ICRA] A3 (on watch with developing implications)	ICRA	200	31
LT Bank Loans	[ICRA] BBB (on watch with developing implications)	ICRA	1,000	155
Commercial Paper	IND A3 (RWN)	Ind-RA	200	31
ST Bank Loans	IND A3 (RWN)	Ind-RA	200	31
LT Bank Loans	IND BBB- (RWN)	Ind-RA	1,000	155
LT Debt	IND BBB- (RWN)	Ind-RA	1,000	155

RWN = Rating Watch Negative

Religare Health Insurance

Robust distribution aiding in rapidly achieving scale

Lending

Health Insurance

Retail Broking

Key Highlights

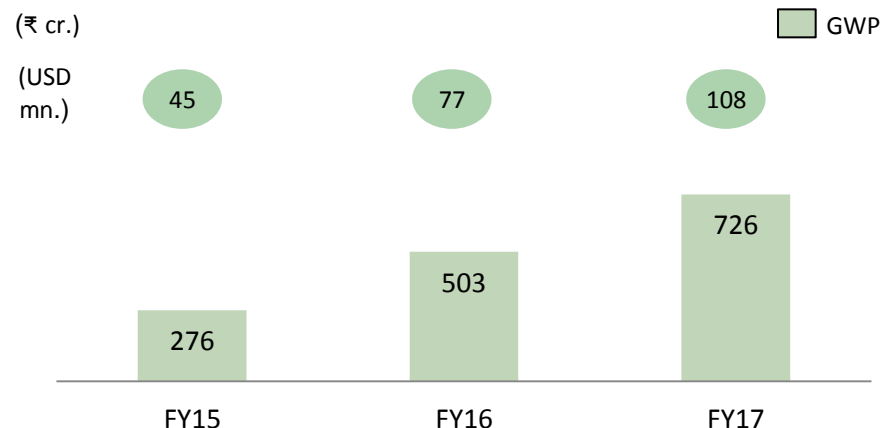
- Fourth standalone health insurer to be set up in India
- Equity participation of ~5% each by Union Bank of India and Corporation Bank
- Pan-India coverage through 61 offices
- Multi-channel distribution strategy through Agency, Brokers, Corporate Agents, Online and Bancassurance
- Gross Written Premium (GWP) of ₹726 cr. (USD 108 mn.) in FY17; increase of 44% over the previous year
- Bouquet of 13 products covering health, personal accident, critical illness and travel

Performance of standalone health insurers

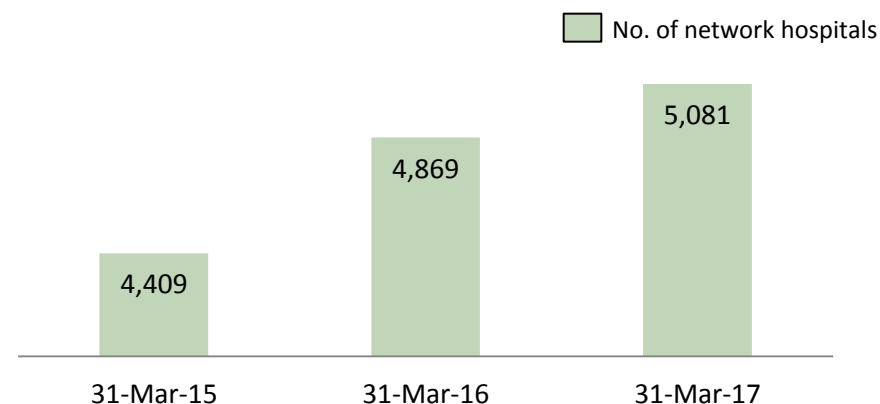
	PSU	Private	SAHI
No. of companies	4	18	6
No. of years in existence	42	15	8
GWP* – FY16 (₹ cr.)	16,308	6,908	4,154
GWP* – FY17 (₹ cr.)	20,457	8,324	5,593
YOY Growth	25%	20%	35%
GWP* – FY16 (USD mn.)	2,497	1,058	636
GWP* – FY17 (USD mn.)	3,049	1,240	833

*Health & Personal Accident only; Source: Industry Reports

Gross written premium



Consistently expanding the Hospital Network



Retail Broking

Structural changes yielding results

Lending

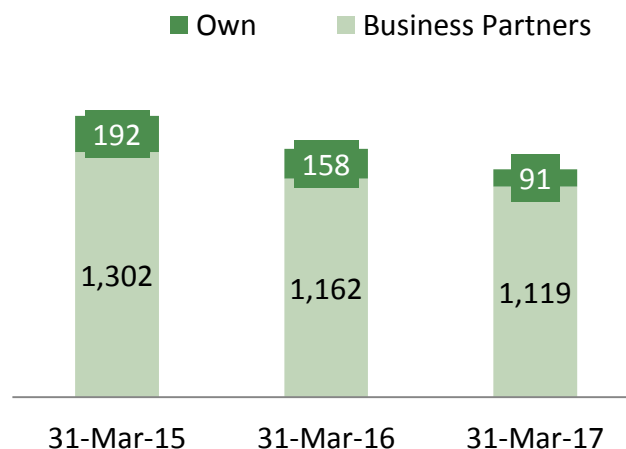
Health Insurance

Retail Broking

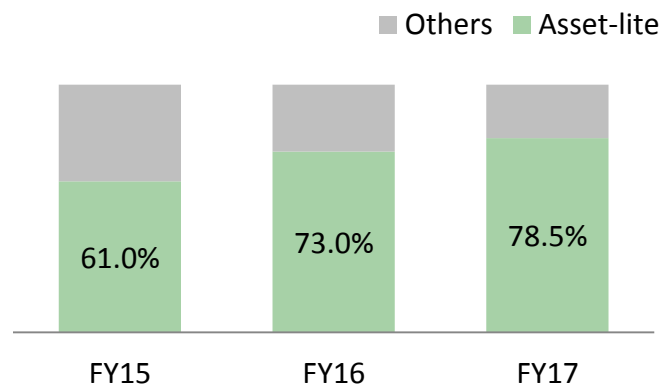
Key Highlights

- One of India's largest retail broking networks
- Asset-lite broking model to enhance efficiency
- Growing use of online and mobile platforms by customers
- Focus on compliance adherence and improvement in customer service and experience
- Pricing standardized to improve yields in the equities and commodities segments
- Head of Retail Distribution conferred with the 'Top Equity Personality of the Year' award at The BSE Commodity Equity Outlook (CEO) Weekend Awards 2017

Focus on distribution network productivity

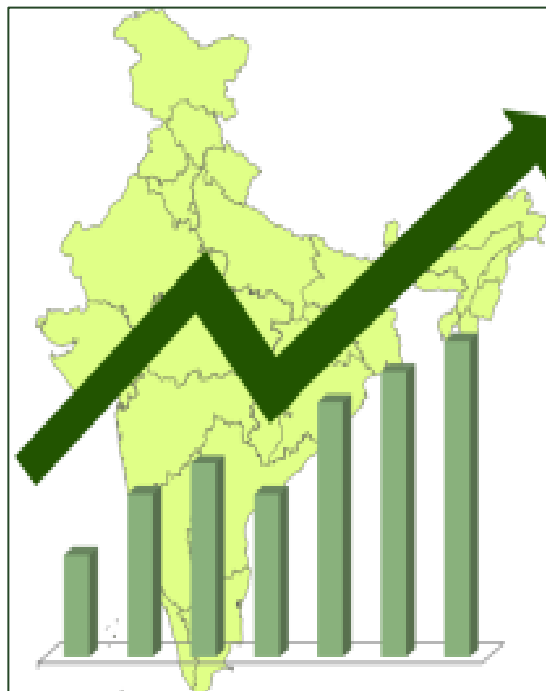


Growing contribution from asset-lite channels



Business update

- Strong year for the equity market as trading volumes increased each quarter with average daily turnover for FY2017 at ₹4.06 lakh crore
- Asset-lite model contributed ~78.5% of total brokerage in FY17
- Quality of relationship continues to be the focus in new client acquisition, third party sales and BP acquisition.
- No. of bank tie-ups increased to 12 in the Bancinvest channel. Retail Broking provides online trading facilities to the banks' customers by integrating the trading platform with the banks' internet banking platform

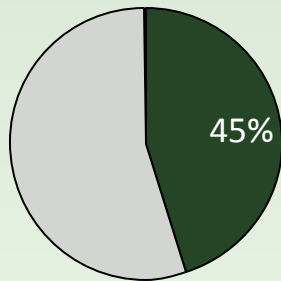


Financial Services Opportunity in India

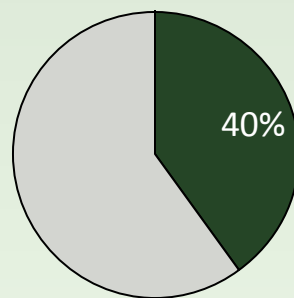
Gap in funding for SMEs presents a lucrative opportunity for specialist financiers

SME Lending

SMEs constitute a large contributor to national output and exports



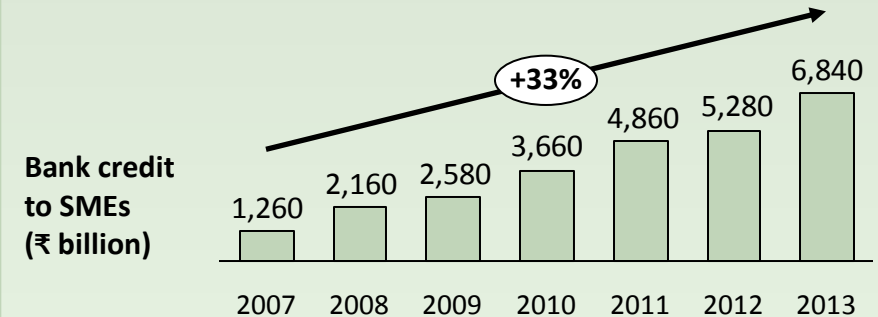
Share of SMEs in
India's manufacturing
output



Share of SMEs in
India's total exports

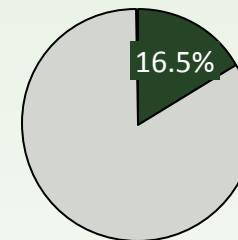
The SME sector is one of the largest generators of employment in India, employing 73 million people. The sector has been observed to outpace GDP growth in years of high growth.

Credit flow to the sector has improved in recent years as the potential of the sector is better understood

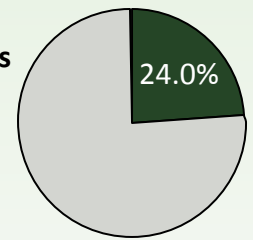


However, providing credit to the sector commensurate with its contribution to national output is too daunting a task for banks

Outstanding
SME credit
as % of total
outstanding
bank credit

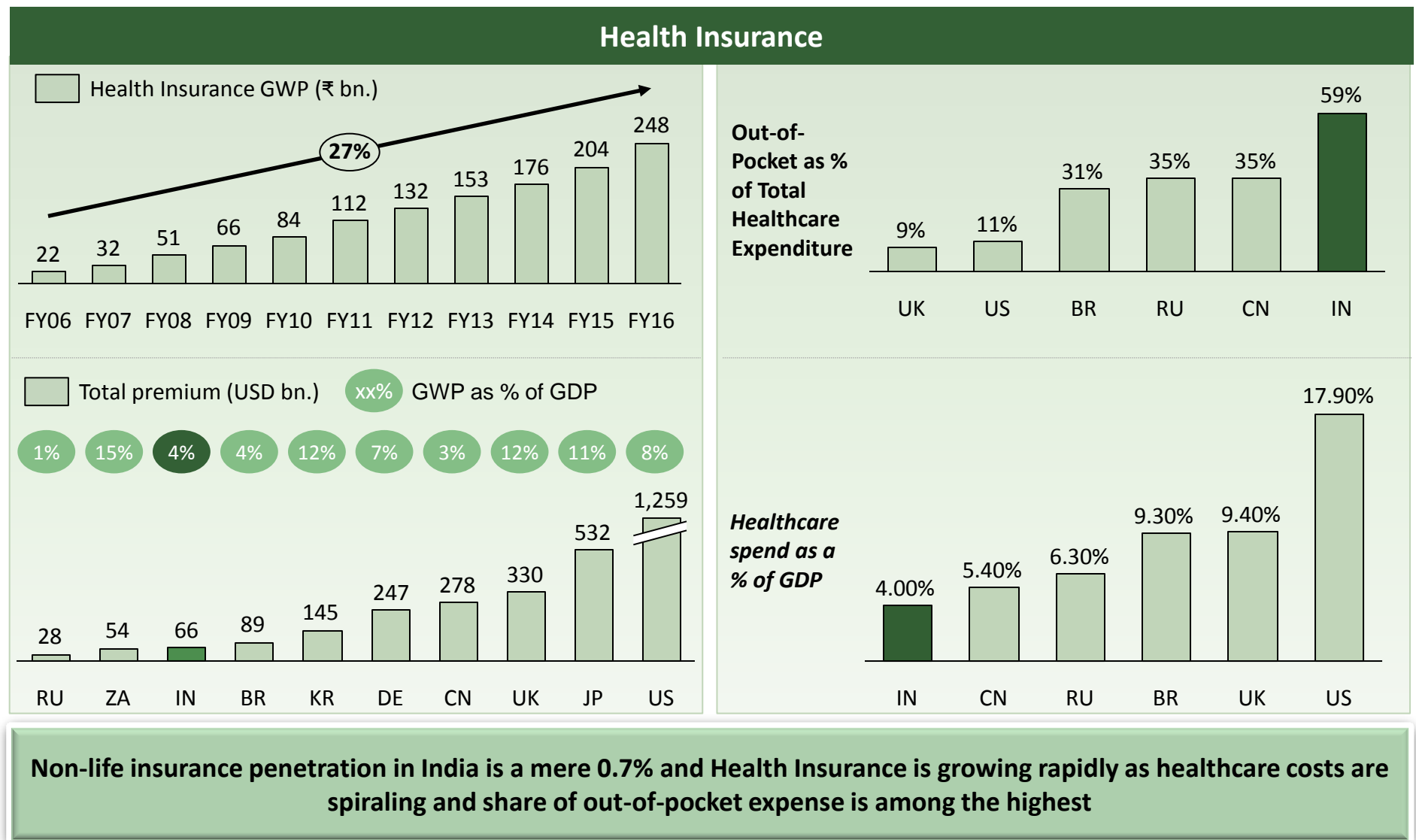


Share of SMEs
in banks'
industry and
services
portfolio



SMEs are the backbone of India's economy but are constrained by lack of funding; specialist NBFCs with deep understanding of the workings of SMEs are crucial for bridging the gap

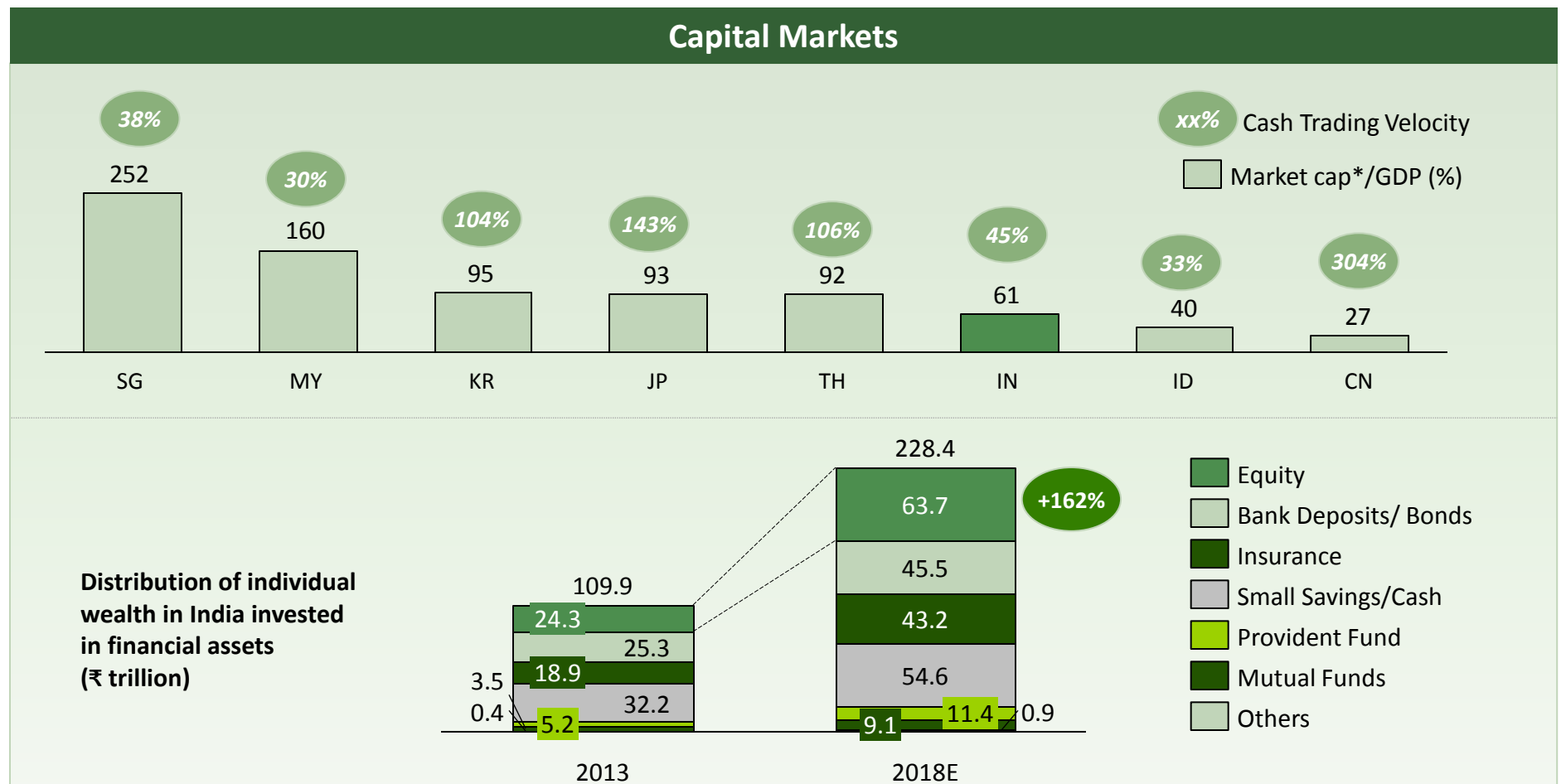
Health Insurance is on a high growth trajectory



Source: Reserve Bank of India, World Bank, Economist Intelligence Unit, India Brand Equity Foundation, Karvy, Industry reports, Swiss Re, IRDAI

SG=Singapore, MY=Malaysia, KR=S. Korea, JP=Japan, TH=Thailand, IN=India, ID=Indonesia, CN=China, RU=Russia, ZA=South Africa, DE=Germany, UK=United Kingdom, US= United States

Reallocation across asset classes to revive interest in Equities



Equity-related businesses to benefit from tailwinds as India is under-penetrated c.f. regional peers and a correction to under-ownership of equities is imminent



Religare Enterprises Limited

A-3,4,5, Prius Global, Sector 125, Noida, U.P. – 201301, India