

RELIANCE

**NIPPON LIFE ASSET
MANAGEMENT LTD**

Joint Venture between Reliance Capital & Nippon Life Group



Nippon Life Company

Investor Presentation – Q4 FY19

Key Highlights

AUM	One of the largest AMCs in India - Managing AUM of INR 4.2 tn
Profit	Net Profit at INR 1.51 bn for Q4 FY19 grew by 34% & INR 4.86 bn for FY19 grew by 7%
Retail	Largest Retail AMC – INR ~900 bn Received highest share of Retail incremental assets – INR 167 bn
SIP	Annualized SIP Book of INR 103 bn – up 14% this year Getting flow from ~ 3.1 mn SIPs
ETF	RNAM largest private ETF player; 2 successful FFOs of CPSE ETF – Issue: INR 270 bn
Digital	1 mn Digital purchases this year, up 47% YoY
B30	Higher AUM % sourced from B-30 locations (RMF: 20%; Industry: 15%) Grew at 16% this year, faster than Industry growth of 13%
International	Launched UCITS India Fixed Income Fund

RNAM Snapshot



Snapshot

RNAM is one of largest asset manager in India, with 23 years of track record

RNAM AUM as of MAR'19

INR 4.22 tn

Mutual Funds

INR 2,278 bn

Managed Accounts

INR 1,913 bn

International

INR 31 bn*

Advisory INR 55 bn

Trusted Asset Manager - Holding Fund Mandates from



EPFO



ESIC



PFRDA



CMPFO



300
Locations



1,145
Employees



73,400+
Distributors



38 mn
FY19 Trnx



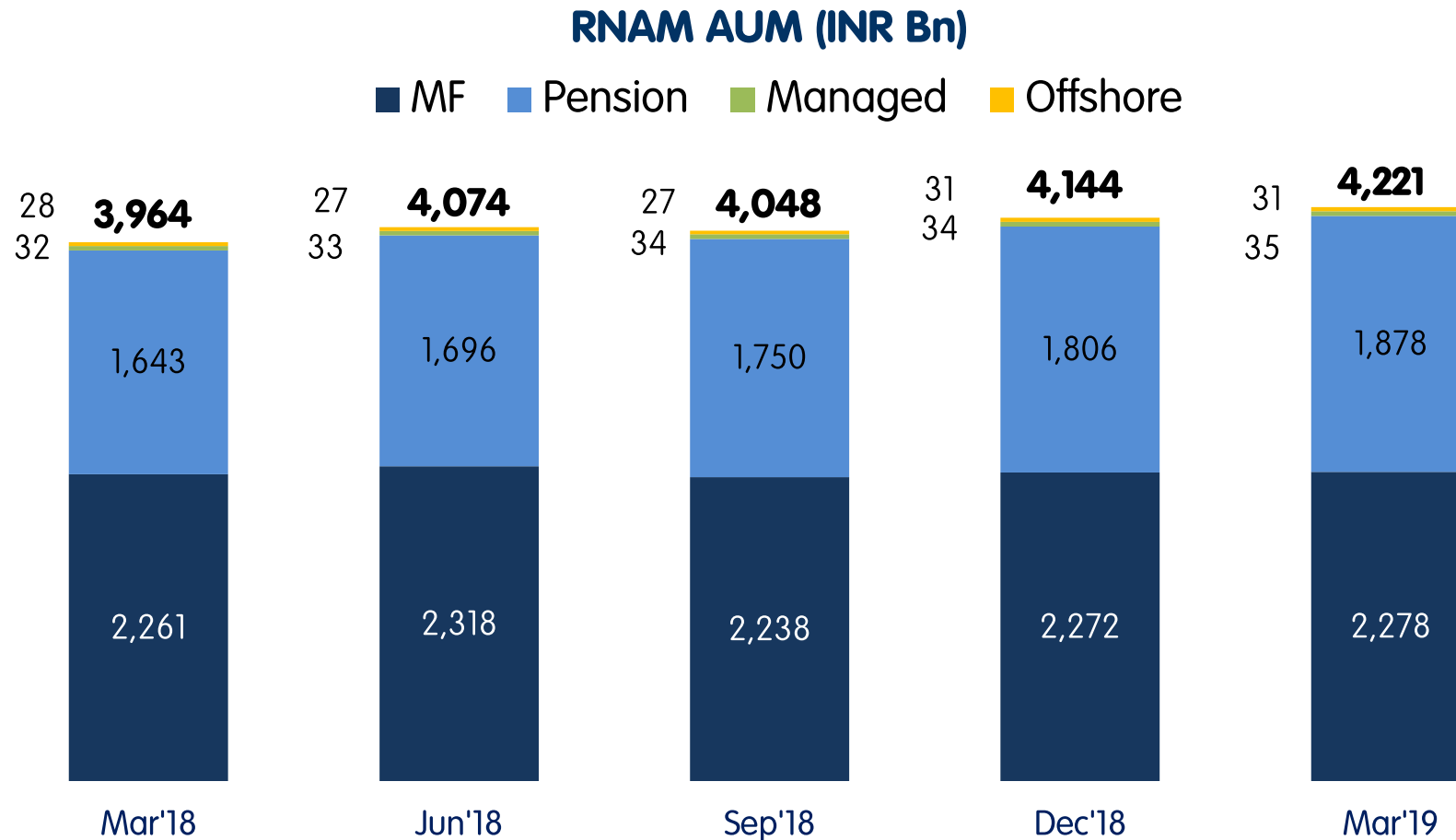
9.1 mn
Folios



RNAM Quarterly Performance



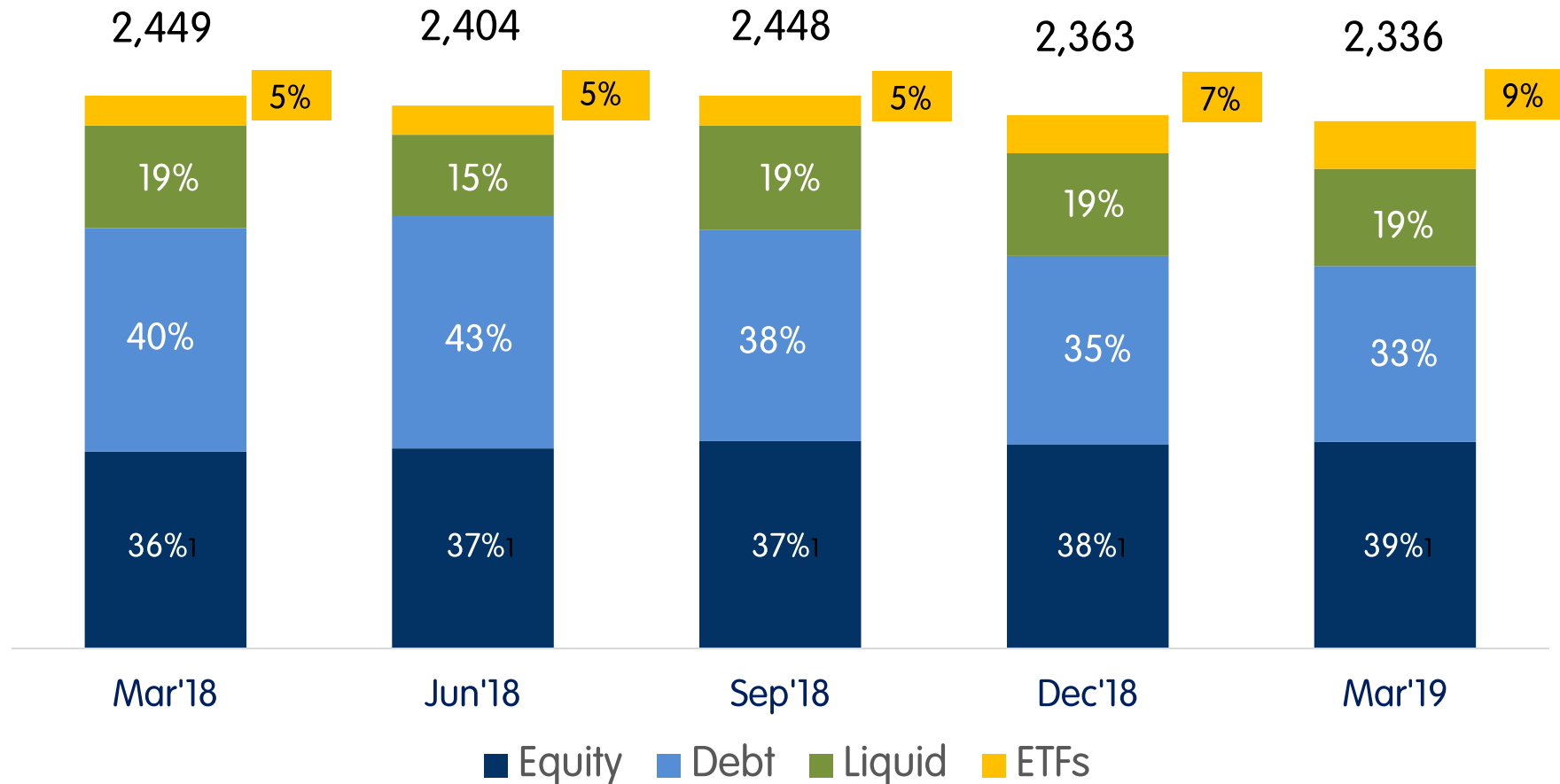
Leading asset management player



RNAM AUM one of the highest in Industry - INR 4.22 Tn
MF contributes 54% of overall AUM

Leading asset management player

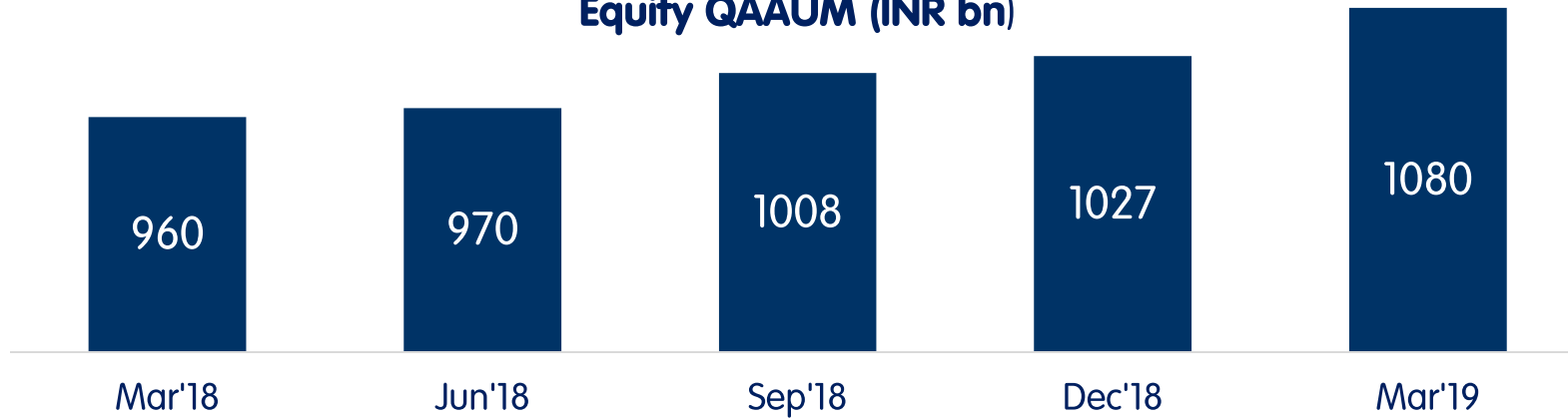
RMF QAAUM (INR Bn)



Composition of Equity Assets Increased by 300 bps YoY

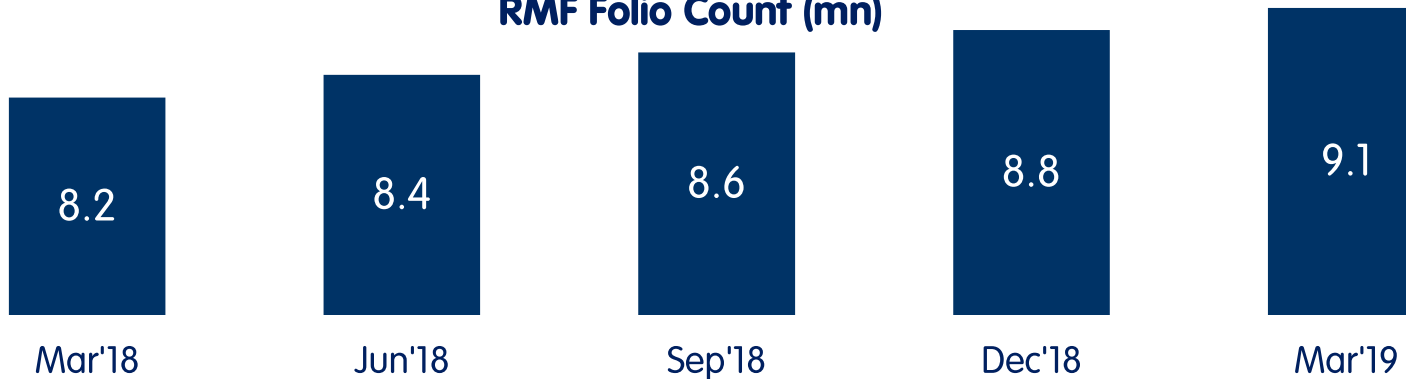
Equity Assets (Incl. ETF)

Equity QAAUM (INR bn)



RMF Equity Assets grew by 13% YoY

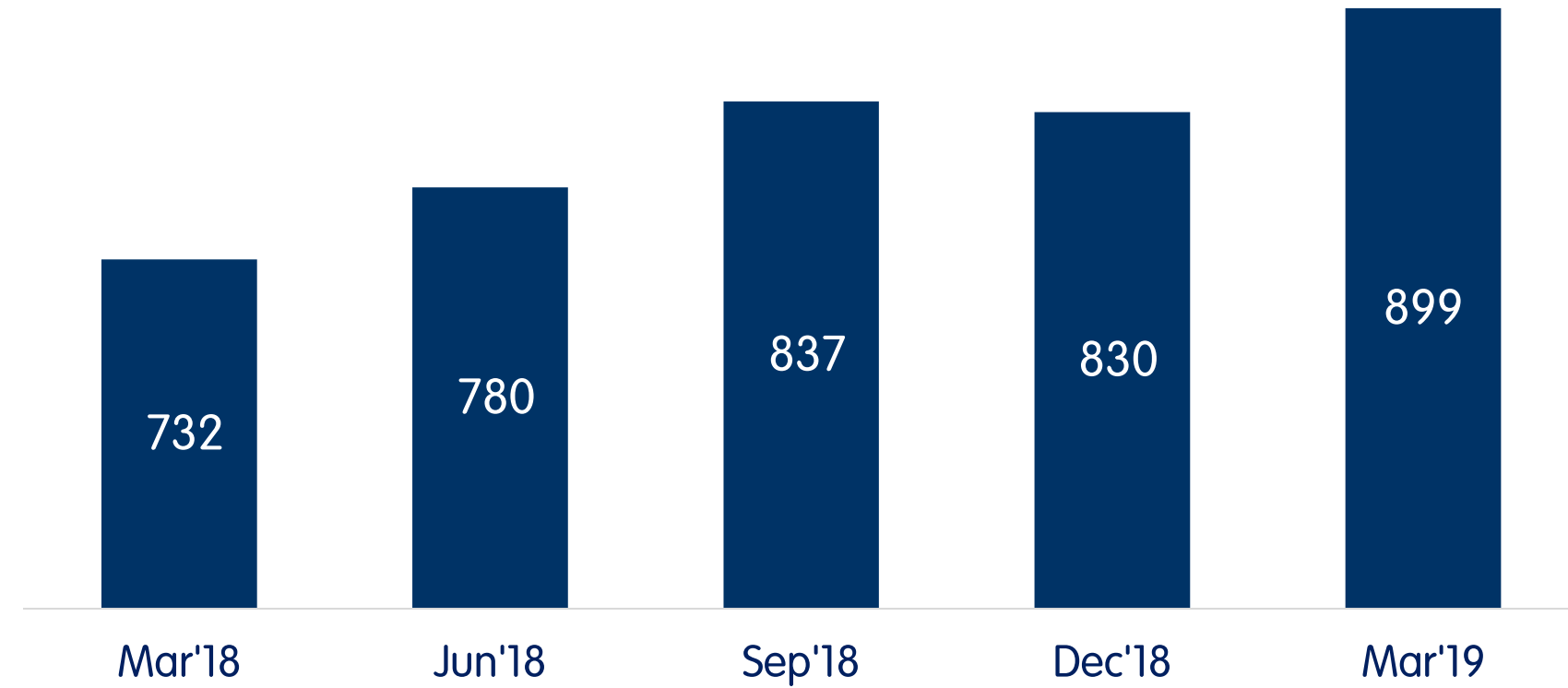
RMF Folio Count (mn)



Added ~ 0.9 mn folios in last 12 months

Focus on Retail & Small towns

Retail MAAUM (INR bn)

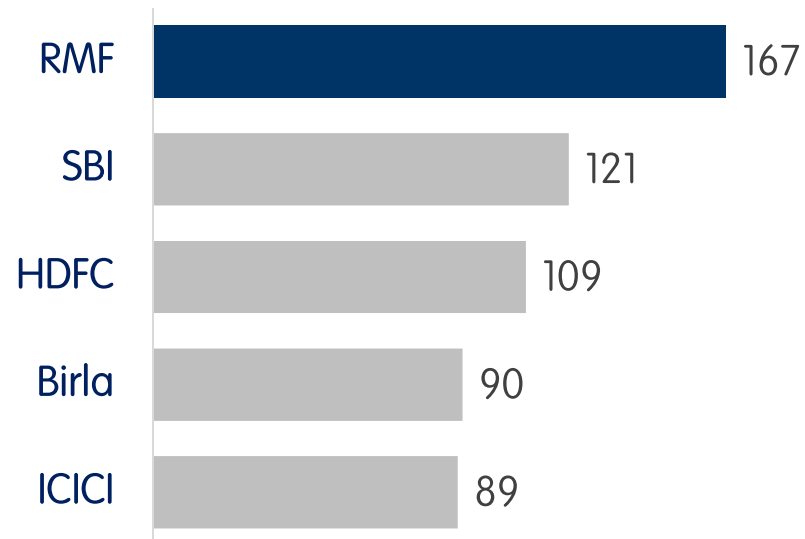


Highest Retail Assets in the Industry

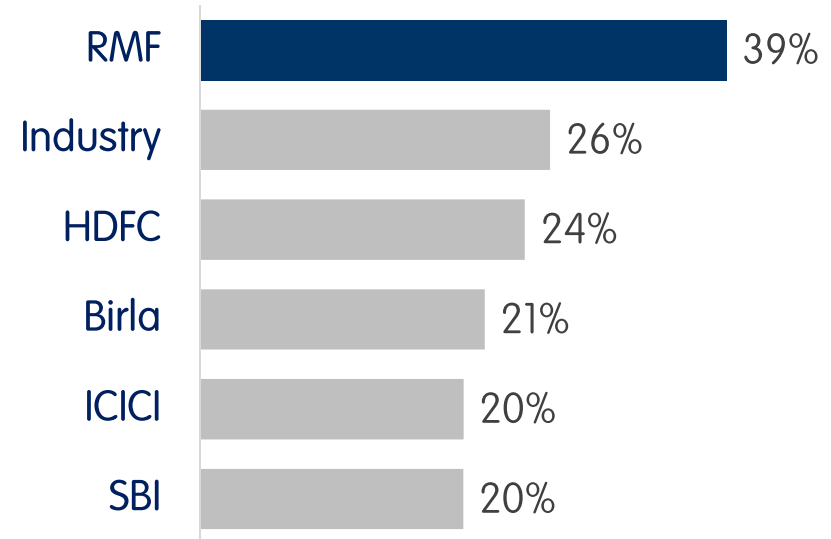
Higher Contribution from Retail Assets

Retail have higher share of Equity Assets

Retail AAUM growth (INR bn)



Retail AAUM / Total AAUM (%)



RMF Retail AAUM up 22.8% vs Industry growth of 20.4%

Source: AMFI

Beyond 30 cities (B-30) Contribution

Higher AUM % sourced from B-30 locations as compared to Industry

B-30 AAUM / Total AAUM (%)



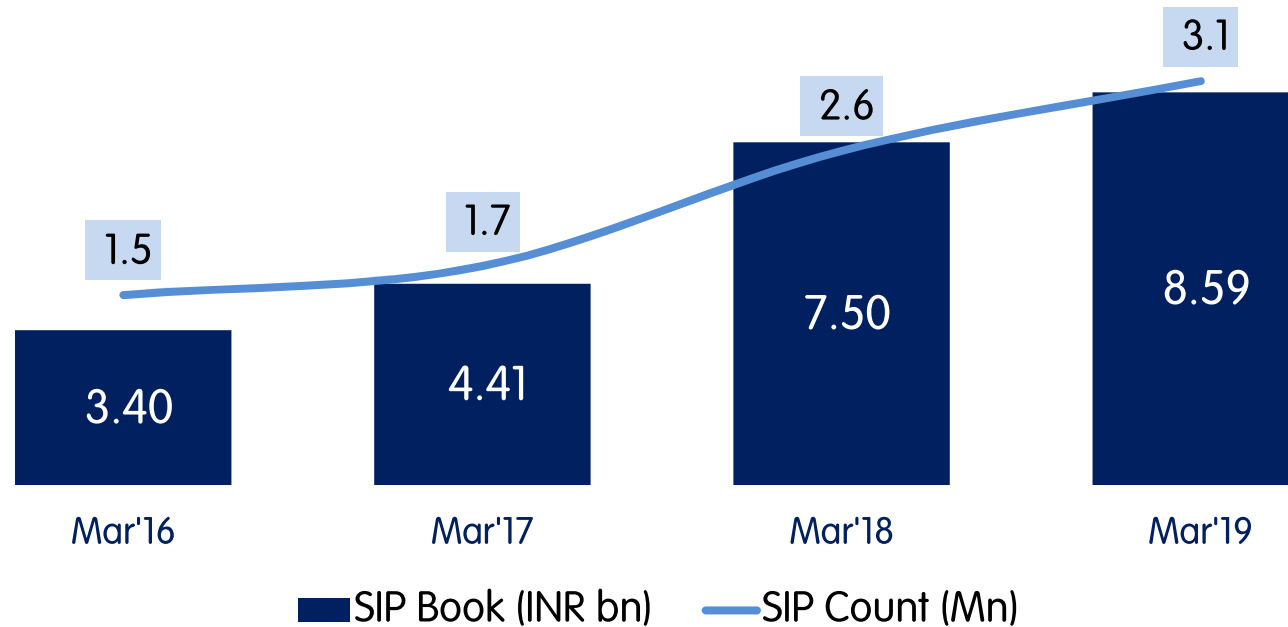
B-30 has higher proportion of Equity Assets

Growing B-30 AUM by increasing on ground presence

Source: AMFI

Systematic Investment Plan – Long & Stable Inflows

SIP Monthly Flows



Annualized SIP book of ~ INR 103 bn (+14%)

~ 3.1 mn of SIP accounts contributing monthly Inflow of INR 8.59 bn

78% of Incremental SIPs have a tenure of 5+ years

Distribution



Strong Distribution

Empaneled ~ 8,100 New Distributors in FY19; total base at over 73,400

Banks
69



Citibank, Standard Chartered, Deutsche Bank, HDFC BANK, ICICI Bank, AXIS BANK

National Distributors
99



India Invest, BAJAJ CAPITAL, KARVY, HDFC securities

Alternate (incl. PSU banks)
91



RBL BANK, बैंक ऑफ़ इंडिया Bank of India, IDBI BANK, बैंक ऑफ़ बड़ौदा Bank of Baroda

Independent Financial Advisors
73,000+

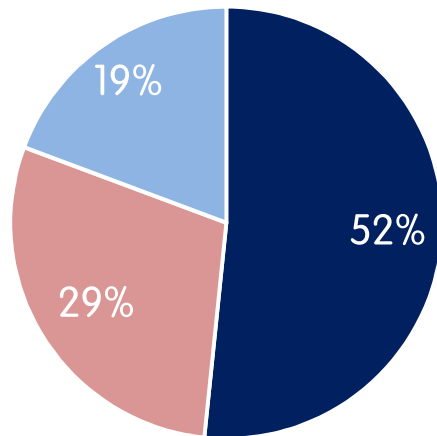


IFAs

Leveraging Partnership with IFA

Distribution Mix*

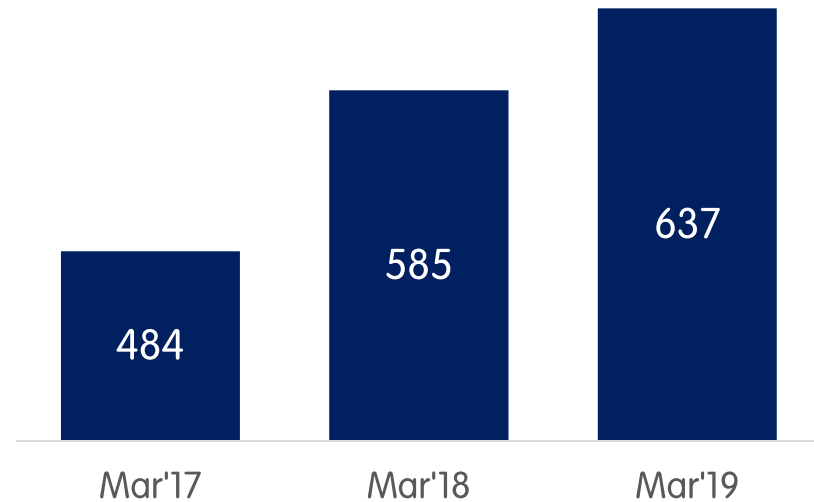
- Independent Financial Advisors
- Banking Distributors
- National Distributors



*Excluding Direct AUM As on Mar'19

Growing IFA Base

IFA AUM (INR Bn)



Derisked Distribution Model

No Single distributor contributes **more than 5% of AUM**

End of E Period AUM, Calculated on Monthly Average AUM

Digital the way Ahead

RMF Digital Purchase + New SIPs ('000)



- ❑ 1 of every 3 Purchase + SIP concluded on RMF Digital
- ❑ RMF Digital clocking ~1.1mn purchase+SIP
- ❑ Digital Purchase + SIP witnessed a Growth of 47% y.o.y

In FY19, RMF processed one online purchase transaction including (New SIP) every 30 seconds

Conversational Commerce

A cutting-edge solution that allows RMF investors to transact on the Simply Save App through a very natural, simple, easy and intuitive medium – the human voice



SALIENT POINTS

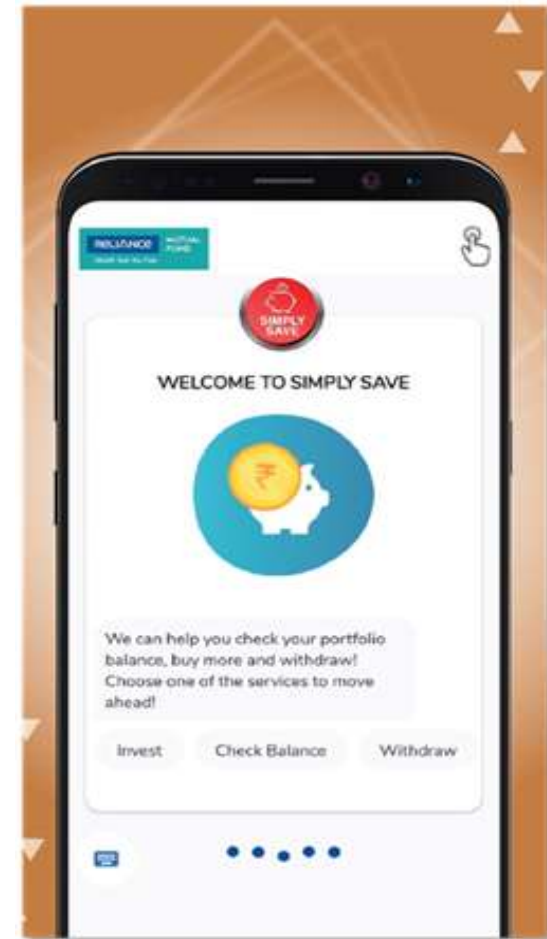
India's first AI powered, transactional oriented, Voice Interface

Built in collaboration with Google

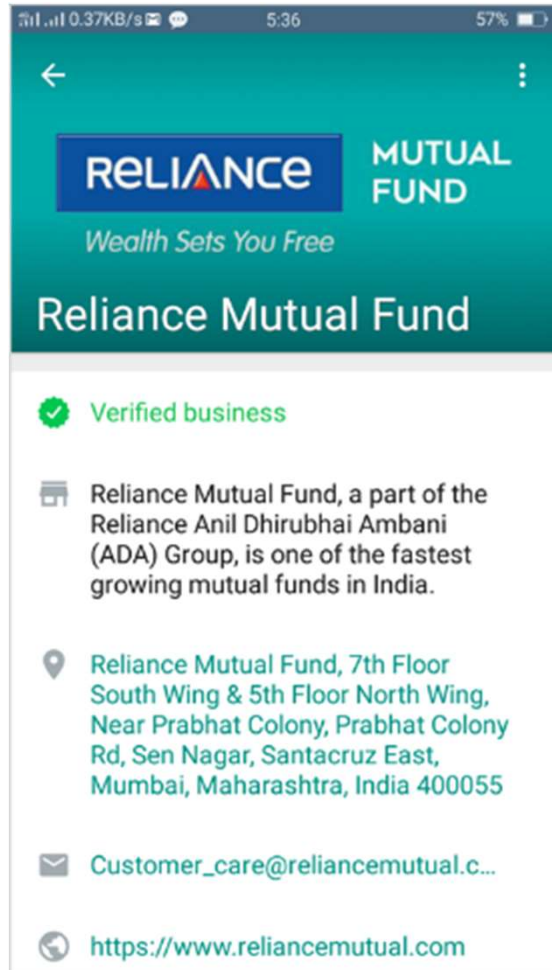
Enables Purchase, Redemption & Balance Enquiry for Reliance liquid Fund in the Simply Save App

KEY STATS

Rated 4.1 on Playstore
8K Voice Invokes in <1 month



WhatsApp for Business



Launched WhatsApp for Business for effective communication with Investors & Partners.

Opted within the first month by:

- 1 lakh Investors
- 16K Partners

Digital Ecosystem



Traditional

Digital

Retail – Non Traditional

Platforms/ Exchange

Easy to navigate

www.reliancecmutual.com

RMF Investor APPS

Simply Save Invest Easy

Website/App for Partners

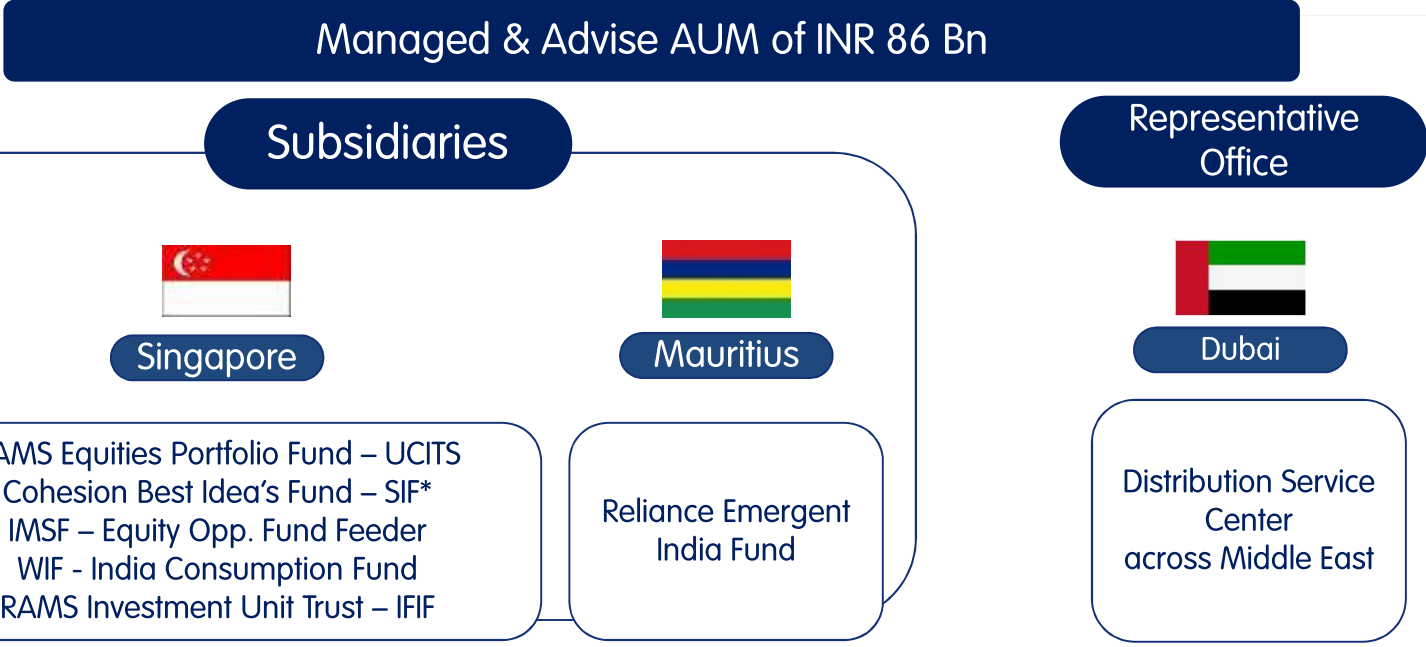
www.rmfparters.com

Business Easy
Smarter & Faster than before

Other Business



Offshore Business



Leverage Nippon Life’s Network to Increasing Global Footprint



Bualuang Bharata Fund



Nissay Short Term Indian Bond
 Nissay India Equity Selection Fund
 Nissay Indian Bond Mother Fund

Other International Tie-ups



Cohesion Best Idea’s Fund – SIF



Samsung India S&M Focus Fund

Global Presence



Added a Strategic & Distribution Partner in Australia and a Strategic Partner in Japan for the year 2018-19

● Local - Distributor ● Strategic Partnership

ETF - Future Ready

Experience

Only AMC with **18 years of experience** in managing ETFs

Innovators

Innovator in Gold ETFs & Money Market ETFs
First AMC to launch CPSE ETF jointly in partnership with GOI as part of divestment program

ETF Bouquet

Largest bouquet of 17 ETFs in the industry across Equities, Debts & Commodity (Gold)

Volumes

82.1% Market Share in ETF Volumes on the NSE & BSE (April'18 to March'19)

Market Share

On **QAAUM** basis, ETF Industry Size **INR 1,188.1 bn**
RNAM ETFs holding INR 211.3 bn (market share of **17.8%**)

Folios

Highest investor folios in Industry → **56%** Market Share of ETF folios as on Dec'18

GOI Divestment via ETF

Successfully launched two CPSE ETF FFOs during 2018-19 with issue sizes of INR **270 Bn** and participation across various categories

Alternate Investment Fund (AIF)

- ❑ At Present Offer Category II & Category III AIFs across
 - Real Estate: Reliance Yield Maximiser AIF Series, Reliance Yield Plus AIF
 - Equity: Reliance Equity Opportunities AIF Series
 - Credit: Reliance Yield Opportunities
- ❑ Launched / incubated the Industry's first Commodity Fund
- ❑ Raised Commitments of over **INR 25 bn**
- ❑ Launched the first Real Estate offshore fund
- ❑ Building capabilities across newer asset classes & strategies

Other Initiatives



Customer Outreach

- Business Building



- Engagement



- Social Media Presence



14,18,549



1,00,188



1,00,089

Integrated Communication across multiple touch points

Brand Initiatives

Constitution of Investing



Large Cap Fund



CPSE ETF FFO-4



Women's Day



Stable & Experienced Team

Leadership Team

Avg, tenure of 10 Yrs

Strong Investment Team

comprising of 68

members

Dedicated Credit

Research team of 8

members

Awards & Recognition





Leaders in Investor Education

EDGE Learning Academy : FY 19

Investor Education

1,312
Programs

67,900+
Investors

Unique Locations

T-30
602 Programs
30 Cities

B-30
710 Programs
194 Towns

Mobile Apps MFx



Launched a dedicated Investor Education App **MFx**



Regulatory Update



Regulatory Update

Circular Issued with effect from October 22, 2018

- No Upfront Commission on Lumpsum investment
- Upfront Commission allowed only on SIP from New investors
- All Scheme related expenses to be paid from Scheme Only, and not from AMC
- Incentive for inflows from B-30 cities now be based only on retail investors

Notification received effective from April 1, 2019

- Reduction in SLABs of Expense Ratios for Open Ended Schemes
- Reduction in Expense of Close Ended Schemes from 2.25% to 1.25%

Financial Overview



IND AS Transition

- RNAM has adopted Indian Accounting Standards (IND AS) with effect from 1st April 2018
- Results of Q4 FY19 & FY19 are prepared as per IND AS requirements
- Accordingly previous year quarter figures have been restated



IND AS Transition

Key Changes	Impact	IGAAP	IND AS
Management Fees	Revenue	No change	No Change
Investment Income	Other Income	Cost Basis	Fair Value
Distribution Expense	Expense	No Change	No Change
ESOP	Expense	Intrinsic Method	Black - Scholes Pricing Model
Asset Mgt. Rights	Expense	Amortisation	Impairment Testing
Preference Shares	Balance Sheet	Share capital / Dividend	Liabilities / Finance Cost
Set-Up Fees (AIF)	Revenue	Upfront charge	Over the Tenure

Financial Summary- As per IND AS

Consolidated

INR in Mn.

Particulars	FY19	FY18
Revenue from operations	14,786	15,918
Operating Expenditure	9,496	10,930
Fee & Commission Expenses	2,583	3,105
Employee benefits expense	2,935	2,572
Other Expenses	3,877	5,146
Depreciation & Finance Charges	101	107
Core Operating Profit	5,290	4,988
Other Income	1,713	1,569
Profit before Tax	7,003	6,557
Profit for the Period	4,861	4,558

Standalone

Particulars	FY19	FY18
Revenue from operations	14,153	15,320
Core Operating Profit	5,130	4,878
Profit For the Period	4,730	4,486

Financial Summary- As per IND AS

Consolidated

INR in Mn.

Particulars	Q4 FY19	Q4 FY18
Revenue from operations	3,432	4,381
Operating Expenditure	1,854	2,865
Fee & Commission Expenses	628	1,034
Employee benefits expense	768	818
Other Expenses	622	1,175
Depreciation & Finance Charges	(164)	(162)
Core Operating Profit	1,578	1,516
Other Income	543	21
Profit before Tax	2,121	1,537
Profit For the Period	1,511	1,126

Standalone

Particulars	Q4 FY19	Q4 FY18
Revenue from operations	3,239	4,122
Core Operating Profit	1,504	1,406
Profit For the Period	1,450	1,150

Consolidated Financials - As per IND AS

INR in Mn.

Assets	As at 31st Mar'19	As at 31st Mar'18
Financial Assets	23,603	21,276
Non Financial Assets	4,155	5,949
Total Assets	27,758	27,225

Liabilities & Equity	As at 31st Mar'19	As at 31st Mar'18
Financial Liabilities	1,080	1,970
Non- Financial Liabilities	978	948
Equity	25,700	24,307
Total Liabilities & Equity	27,758	27,225

Reconciliation of consolidated profit with previous GAAP

INR in Mn.

Profit Reconciliation for the period ended Mar 31 st , 2018	Q4 FY18	FY18
Net profit after tax as reported under previous GAAP	1,618	5,221
Adjustment increasing/(decreasing) net profit after tax as reported under previous GAAP :		
Fair valuation of financial assets at fair value through P & L	(742)	(601)
Consolidation of Employees Benefit Trust	(74)	(269)
Reversal of Fair Value Gains on Equity Investments – FVOCI	-	(61)
Dividend on Preference shares classified as Liability	-	(22)
Actuarial loss on employee defined benefit plan recognised in OCI	3	13
Employee Share Based Payments	(5)	(14)
Reversal of Amortisation of Asset Management Rights	250	250
Other adjustments	10	0
Deferred tax adjustments on above	95	55
Other Comprehensive Income, Net of tax	(2)	10
Total Comprehensive Income for the Period	1,153	4,582

Ind AS – Equity Reconciliation with previous GAAP

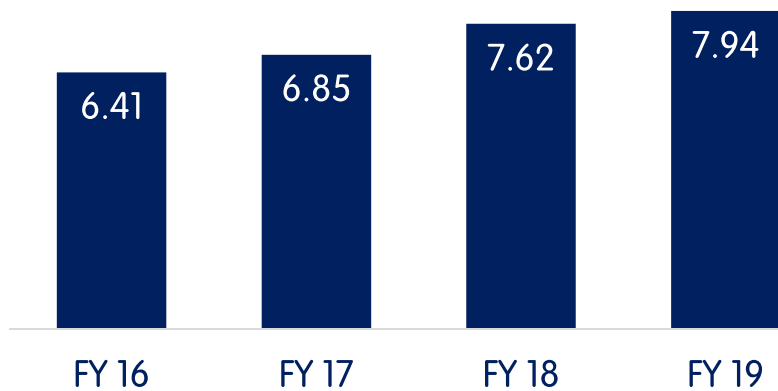
INR in Mn.

Particulars	As at 31 st March 2018
Total Equity (shareholder's funds) as per previous GAAP	22,865
Adjustments	
Investments in MF / Pref. Shares - Fair value through P&L	572
Reversal of Fair Value Gain on Equity Investment - FVOCI	19
Employee Share Based Payments	(14)
ESOP trust consolidation	26
Scheme Consolidation	654
Reversal of Amortisation of Asset Management Rights	250
Straight lining of Set up Fees (AIF)	(63)
Other Adjustments	6
Deferred tax on IND AS adjustments above	(8)
Total Equity as per Ind AS	24,307

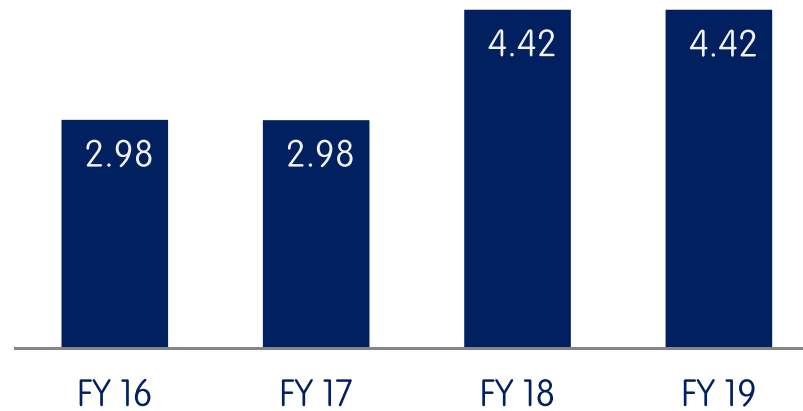
Dividends & ROE

Return on Equity of 19% in FY19

Earnings Per Share (INR)



Dividend Payout (INR Bn)



Board Declared Second Interim Dividend of INR 3 Per Share on Apr 29th, 2019

91% of FY19 Earnings shared with Shareholders

Paid cumulative dividend of INR 20+bn in last 6 financial years

* Including Dividend Distribution Tax

Board Of Directors



Profile of Board Members



Mr. Kanu Doshi

(Independent Director)

Dean – Finance, at Welingkar Institute of Management, Mumbai



Mr. S. C. Tripathi

(Independent Director)

Held several senior level posts including Principal Secretary, Finance and Industry in Govt. of UP, Joint Secretary (Economic Affairs); Additional Secretary Mines in Govt.



Gen. V. P. Malik (Retd.)

(Independent Director)

Held Chief of the Army Staff position (Oct'1997-Sep2000) in Indian Army



Ms. Ameeta Chatterjee

(Independent Director)

Over 18 years of corporate finance experience in developing, managing and executing infrastructure projects across sectors in India and UK.

Profile of Board Members



Mr. Minoru Kimura

(Associate Director)

Executive Officer, Head of Asia Pacific at Nippon Life Insurance Company



Mr. Akira Shibata

(Associate Director)

General Manager / Global Business Planning Department at Nippon Life Insurance Company



Mr. Sundeep Sikka

(Associate Director)

Executive Director & CEO of RNAM

Held both the positions Vice-Chairman and Chairman of AMFI



Mr. Jai Anmol Anil Ambani

(Associate Director)

Serves as the Executive Director at Reliance Capital Limited

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MANAGEMENT LTD**

Joint Venture between Reliance Capital & Nippon Life Group



Nippon Life Company

Thank you for
your time.