
Religare Enterprises Limited

Q3 FY12 Results

February 10, 2012

Religare vision and strategic framework

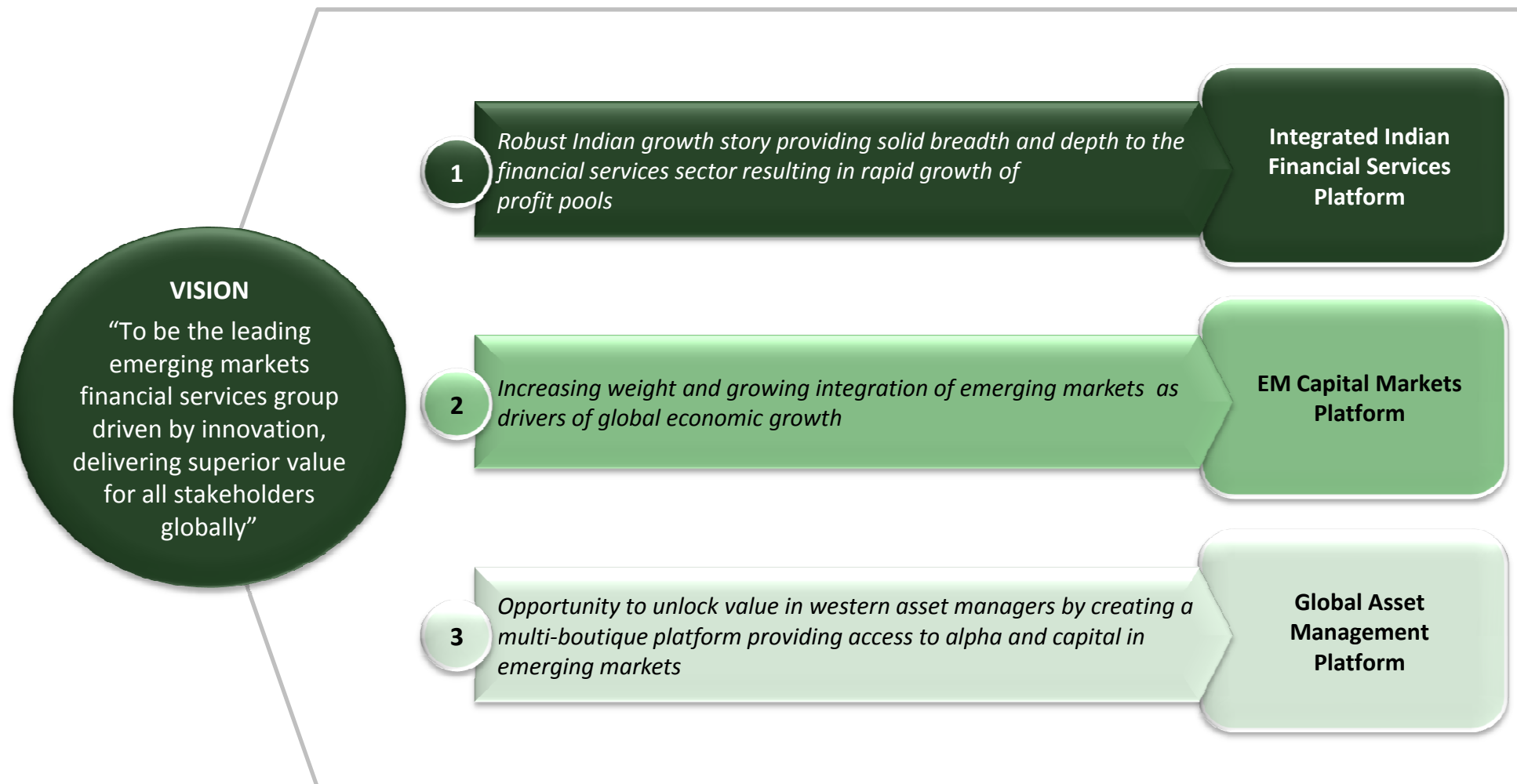


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Q3 FY12 Highlights

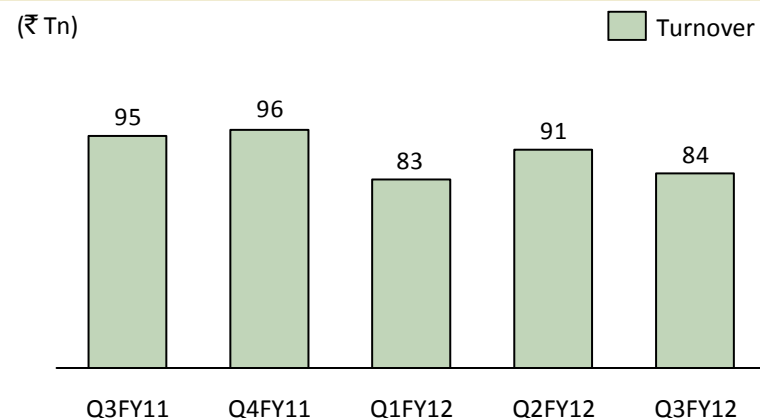
Appendix 1: Performance of Key Subsidiaries

Appendix 2: Performance of JVs

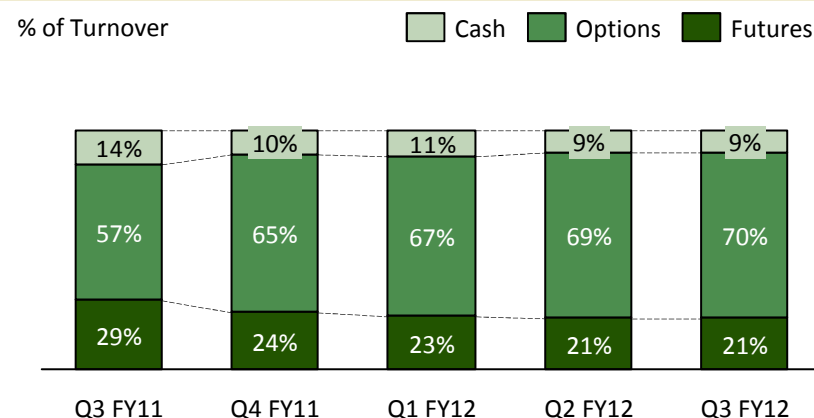
Appendix 3: Subsidiary and JV Balance Sheets

Q3FY12 characterized by continuing global uncertainty and tight domestic liquidity

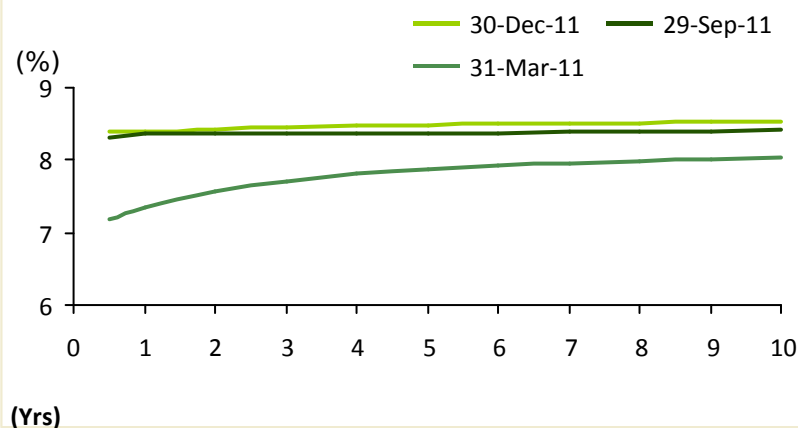
BSE & NSE volumes volatile; continue to remain below year-ago levels



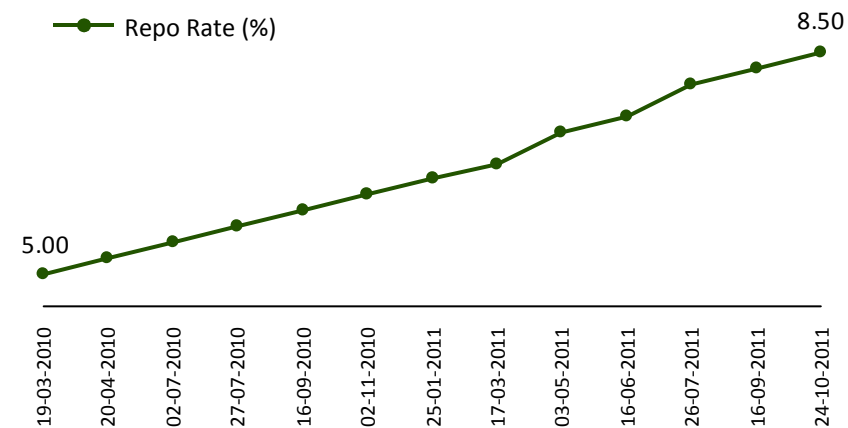
Share of options in overall market volumes appears to be stabilising around 70%



Yield curve remains flat; high cost of short-term money exacerbated by tight liquidity

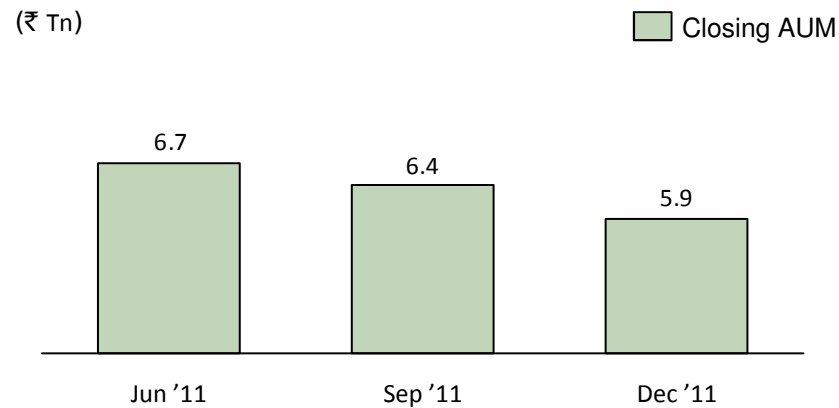


Pause in rate hikes after 13 successive increases; interest rate cycle appears to have peaked

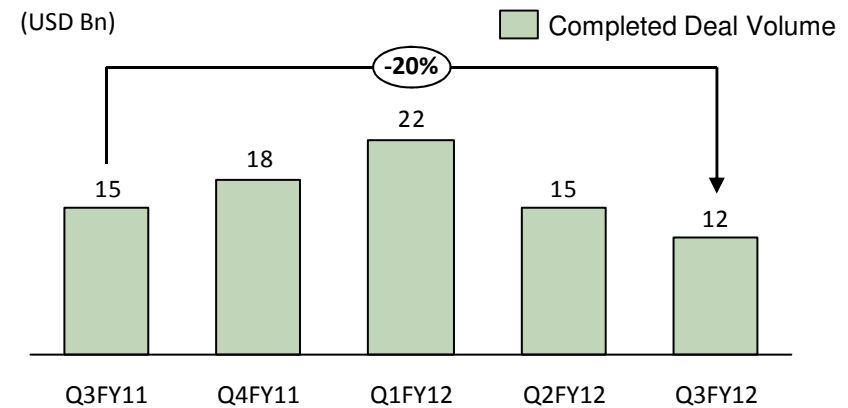


Macro overhang had an adverse impact across the board

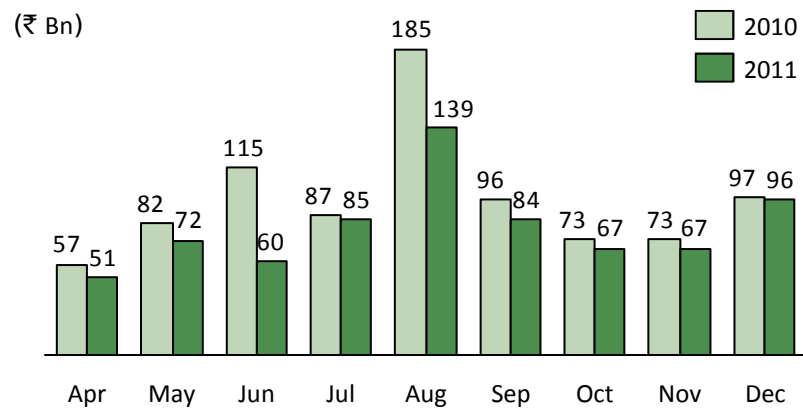
Mutual Fund AUM has been declining every quarter in FY12



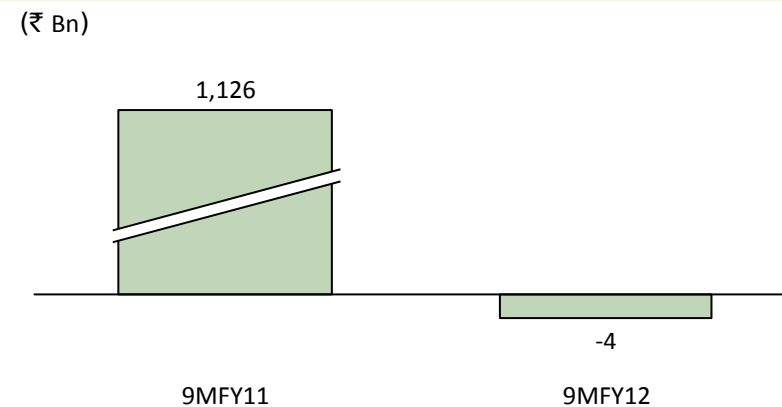
M&A and ECM deal volume remained subdued



New Business Premium for the Life Insurance industry lower YOY in each month this year



FIs made massive net investment in Indian equities in 9MFY11 but withdrew funds in 9MFY12

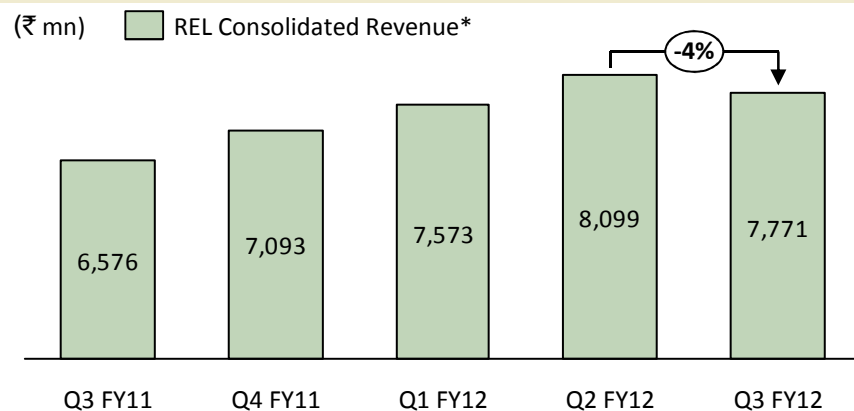


Long term funding arrangement for RCML in place

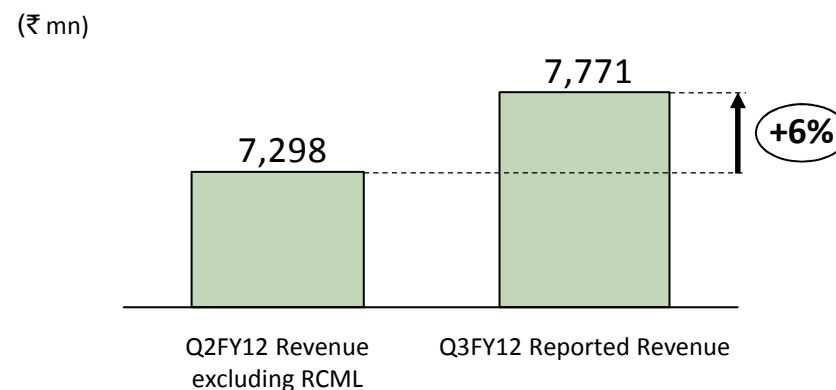
Context	• A fragile recovery from the global crisis and subsequent continuing uncertainty has meant that the environment has not been conducive to the complete realisation of RCML's plans; RCML has reduced the revenue risk by focusing on the high-growth markets of Asia • However, in the current environment, the time horizon for building a profitable franchise could get stretched, putting strain on the REL balance sheet
Way forward	REL promoters are committed to Religare's vision, and have therefore agreed to fund RCML's business requirements from their private sources • Starting 1st October 2011, promoter group to fund RCML through non-equity instruments • Arrangement subject to reasonable safeguards for promoters: RCML required to repay promoters before any distribution of profits or return of capital to REL
Impact	▪ Strain taken off REL financials as RCML build-out funded externally ▪ Arrangement places restrictions on distribution of profits and return of capital, and therefore AS-21 requires that RCML financials not be consolidated with REL; REL's holdings in RCML will now be treated as a long-term investment as per AS-13 ▪ REL continues to hold 100% equity in RCM, upside will accrue to REL once promoters are repaid ▪ No operational change: RCM continues to remain a key pillar of REL's strategy

Key financial indicators – Q3 FY12

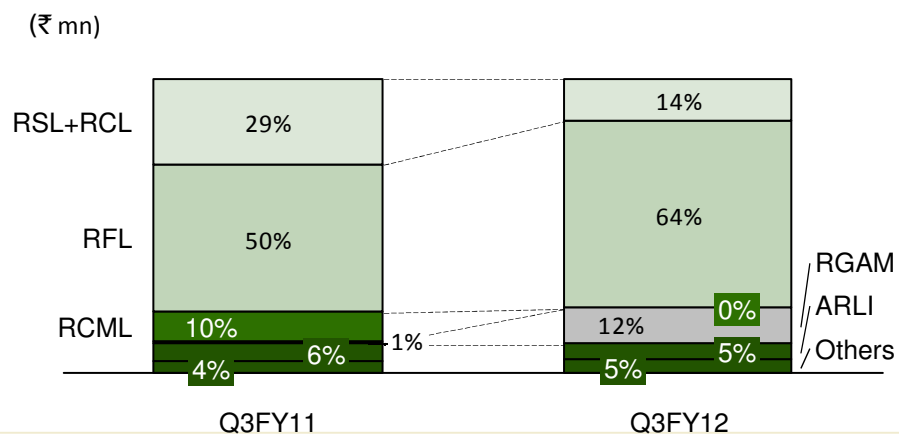
Reported revenue declined 4% sequentially as RCML has been deconsolidated



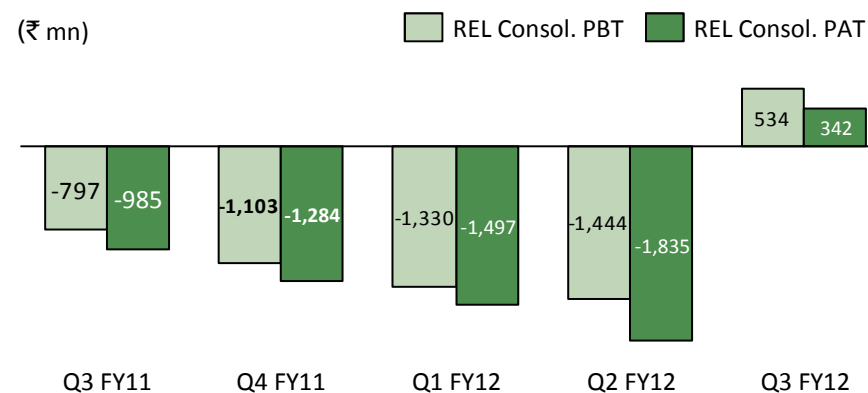
Underlying revenue performance robust



Continued diversification of revenue**



REL profitable post-RCML deconsolidation



* Net of Cost of Bullion Sold and one time gain in Q4FY11 of ₹ 1,287 mn on account of sale of property by a subsidiary

** Considering Bullion revenue on net basis

Consolidated Income Statement – Q3FY12

(₹ mn)	Q3FY12	Q2FY12	QOQ Change (%)	Q3FY11	YOY Change (%)
Income from Operations	7,565	8,050	-6%	6,267	21%
Other Operating Income	172	40	327%	309	-44%
Sale of Bullion*	2,566	3,198	-20%	593	332%
Total Income	10,302	11,288	-9%	7,170	44%
Cost of Bullion Sold	2,531	3,189	-21%	593	327%
Personnel Expenses	1,497	3,294	-55%	2,693	-44%
Operating and Admin Expenses	2,057	2,650	-22%	2,386	-14%
Less: Net Exp. of JV Recoverable	(217)	(234)	nm	(322)	nm
Total Expenses	5,868	8,899	-34%	5,351	10%
EBITDA	4,435	2,389	86%	1,819	144%
Interest and Finance Charges	3,741	3,591	4%	2,291	63%
Depreciation	160	242	-34%	325	-51%
PBT	534	(1,444)	nm	(797)	nm
Provision for Tax	62	199	-69%	169	-64%
Minority Interest and Share in Associates	131	191	-31%	18	627%
Net Profit	342	(1,835)	nm	(985)	nm

* Net of impact of derivative transactions undertaken for hedging

NOTE: REL, RCML and a Promoter Group company have entered into an agreement that places severe long term restrictions on RCML, significantly impairing its ability to transfer funds to REL. Accordingly, RCML's consolidated financial statements have been excluded from REL's consolidated financial statements w.e.f. 01-Oct- 2011, and the excess of liabilities over assets of RCML and its subsidiaries have been credited to reserves.



Consolidated Balance Sheet

(₹ mn)	As at Dec 31, 2011	As at Sep 30, 2011	As at Dec 31, 2010
Owners' Funds	39,836	32,359	30,737
Share Capital*	5,932	6,247	1,764
Reserves and Surplus	33,904	26,112	28,974
Loan Funds	1,33,503	1,43,696	1,04,461
Secured Loans	96,742	94,716	46,900
Unsecured Loans	36,761	48,980	57,561
Policy Holders' Fund	2,525	2,342	1,396
Funds for Discontinued Policies	13	1	-
Minority Interest	3,083	4,115	2,138
Total Liabilities	1,78,961	1,82,514	1,38,733
Fixed Assets	17,584	25,841	16,792
Gross Block	19,001	27,416	18,504
Less : Depreciation	2,521	3,064	2,465
Net Block	16,480	24,352	16,039
Capital Work-in-Progress (including capital advances)	1,103	1,489	754
Investments	13,043	6,804	4,211
Deferred Tax Assets (Net)	477	339	191
Net Current Assets	1,47,858	1,49,529	1,17,538
Current Assets, Loans and Advances	1,63,591	1,70,482	1,40,951
Less : Current Liabilities and Provisions	15,733	20,953	23,413
Total Assets	1,78,961	1,82,514	1,38,733

* Includes Warrants and Share Application Money

NOTE: REL, RCML and a Promoter Group company have entered into an agreement that places severe long term restrictions on RCML, significantly impairing its ability to transfer funds to REL. Accordingly, RCML's consolidated financial statements have been excluded from REL's consolidated financial statements w.e.f. 01-Oct- 2011, and the excess of liabilities over assets of RCML and its subsidiaries have been credited to reserves.



Strategy implementation update – 1/2

Continued focus on growth and delivery while managing headwinds...

Integrated Indian
Financial Services
Platform

- **Uncertain global outlook and domestic macro concerns resulted in subdued sentiment coupled with tight liquidity conditions during Q3FY12; Religare continues to build resilience in the model**
 - **Lending:** Augmenting RFL's capital base to increase lending capacity
 - Completed the announced investment of ₹1.5 bn. by Avigo Capital Partners
 - Announced an investment of ₹2 bn. by Jacob Ballas (Jan 2012)
 - **Asset Finance:** Loan book grew 58% YOY to ₹80 bn.* with improved yields
 - **Capital Market Lending:** Book size consciously scaled back to ₹21.6 bn. as at 31-Dec-2011 as against ₹24.6 bn. a quarter ago
 - **Retail Broking:** Significant progress in redefining the operating model – branches consolidated and journey to an asset-light structure progressing. Focus now on creating a distinctive service proposition for customers.
 - **Asset Management:** Religare Mutual Fund continues to be recognized for consistent fund performance. Focus on high-margin, differentiated products
 - **Wealth Management:** Continued focus on improving productivity and client loyalty
 - **Life Insurance:** Focus on capital conservation as the industry remains challenged

* As at Dec 31, 2011

Strategy implementation update – 2/2

...and consolidating international platform

EM Capital Markets Platform

- Sharpened focus on profitability and greater sustainability
 - Restructuring under way to ensure capital efficiency and flexible cost structures
 - Renewed focus on the build out of the Asia platform
- Institutional Equities research covers 159 stocks in India as of 31-Dec-2011, representing 72% of BSE market capitalization; 167 stocks under active coverage internationally. Institutional Cash Equities market share in India stands at ca. 1.6% in FY12Q3
- Reasonable success in investment banking in the face of a subdued market

Global Asset Management Platform

- Healthy acquisition pipeline; focus is on alternatives
- Continuing to build centralized Asia distribution team
- Affiliates benefitting from REL's emerging market presence

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Q3 FY12 Highlights

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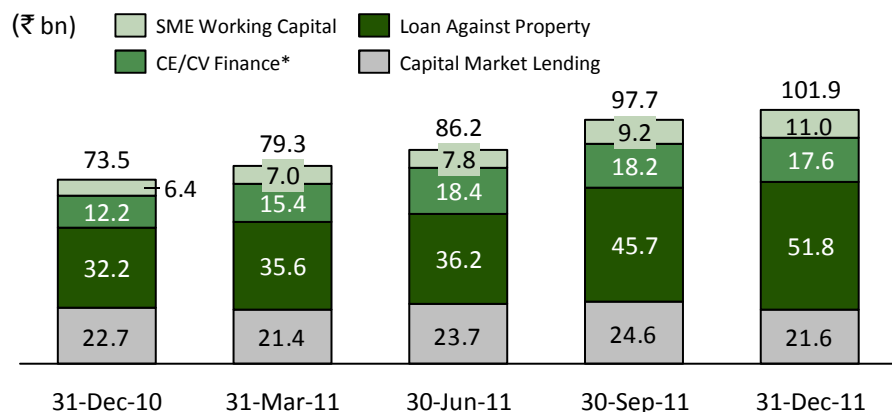
Appendix 3: Subsidiary and JV Balance Sheets

Lending – Religare Finvest

NIM stabilized as transmission of higher rates effective

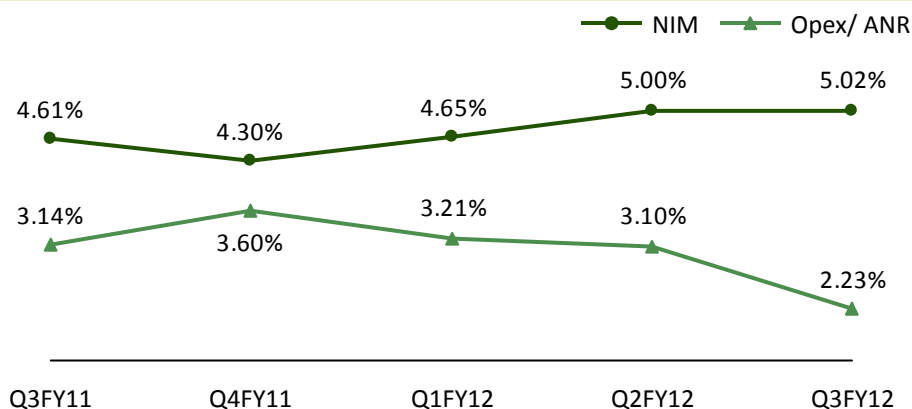
Lending

Overall loan book higher by 39% YOY



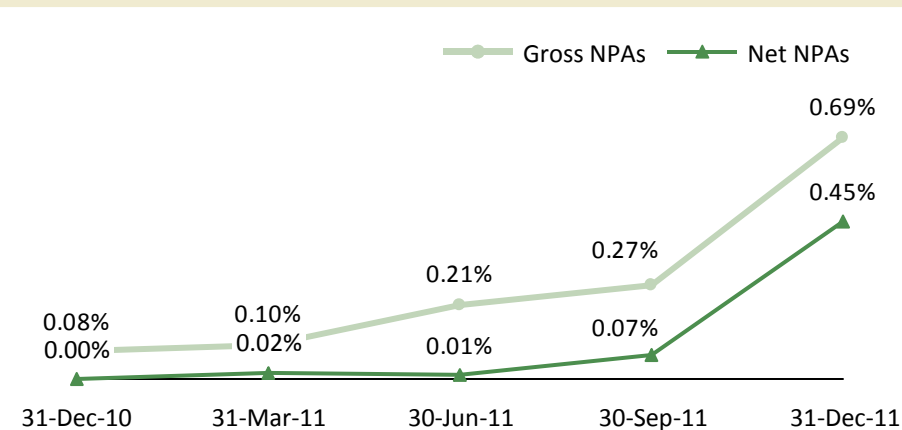
Retail Broking

NIM healthy as higher interest rates flow through



India Asset Management

Portfolio quality in control – increase in reported NPA is a result of a more prudent provisioning policy**



Capital Markets

Borrowing programme supported by superior ratings

Rating Type	Rating	Rating Agency	Amount (₹ mn)
Short term	[ICRA] A1+	ICRA	50,000
Long Term Bank Loans	[ICRA] AA-	ICRA	75,000
Short term Bank Loans	[ICRA] A1+	ICRA	4,500
Long Term	[ICRA] AA-	ICRA	25,000
Preference Shares	[ICRA] A+	ICRA	1,250

- Tier 2 Subordinate Debt rated 'FITCH AA-(ind)' [₹4,500 mn.]
- Additionally obtained Long Term rating of 'CARE AA-' [₹15,000 mn.]
- Listed NCDs rated '[ICRA] AA- (stable)' / 'CARE AA-' (outstanding amount: ₹7.54 bn.)

Global Asset Management

* Net of CE/CV portfolio assigned to other lenders, cumulatively amounting to ~ ₹2 bn. as at 30-Sep-11 and ~ ₹4.5 bn. as at 31-Dec-11

** Under the old policy, Gross and Net NPA would have been 0.26% and 0.09% respectively as at 31-Dec-11

Lending – Religare Finvest

Financial Performance

Lending	RFL Abridged Income Statement					
	(₹mn)	Q3FY12	Q2FY12	QOQ Change (%)	Q3FY11	YOY Change (%)
Retail Broking	Income from Operations	4,822	4,254	13%	3,076	57%
	Other Income	158	100	57%	233	-32%
	Total Income	4,980	4,354	14%	3,309	51%
India Asset Management	Operating Expenses	277	260	7%	237	17%
	Personnel Expenses	275	292	-6%	300	-9%
	Administrative and Other Expenses	295	452	-35%	332	-11%
Capital Markets	Total Expenses	846	1,004	-16%	870	-3%
	EBITDA	4,134	3,351	23%	2,440	69%
	Interest and Finance Charges	3,393	2,961	15%	2,045	66%
Global Asset Management	Depreciation	26	22	22%	29	-8%
	PBT	715	368	94%	366	95%
	PAT	588	197	198%	242	143%

Retail Broking – Religare Securities

Business going through a period of adjustment as the model is recalibrated

Lending

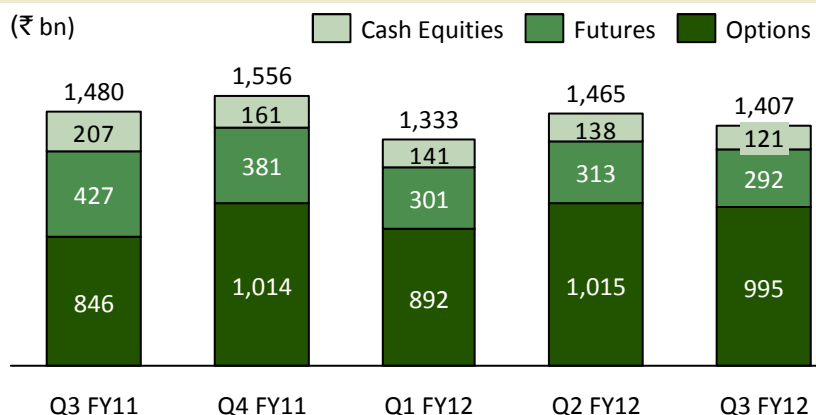
Retail Broking

India Asset Management

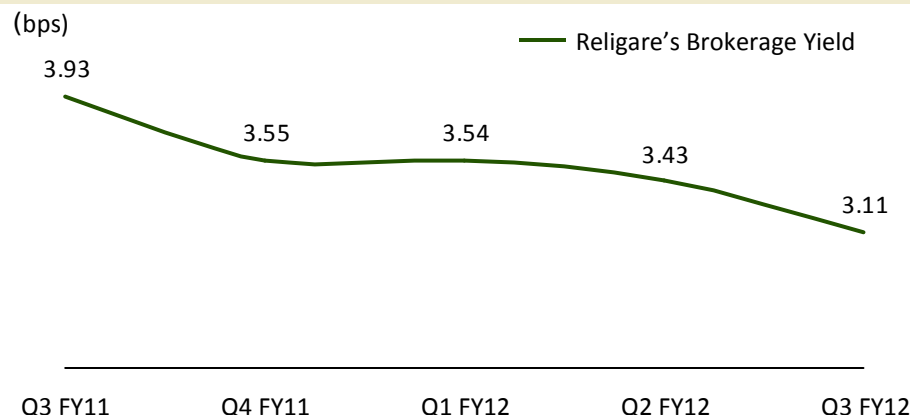
Capital Markets

Global Asset Management

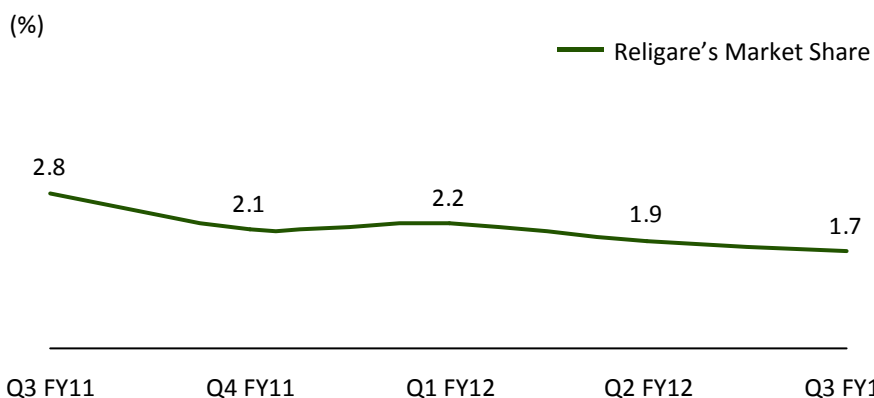
Market-wide Cash Equities average daily turnover continues to decline



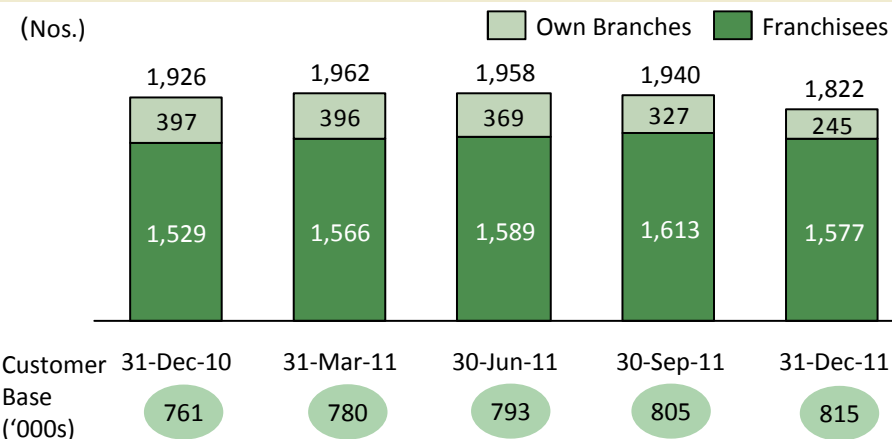
Brokerage yield declined in line with business mix



Market share affected by falling retail participation



Branch consolidation progressing as per plan



* Source: NSE, BSE

Retail Broking – Religare Commodities

Structural growth story in commodities trading continues to play out

Lending

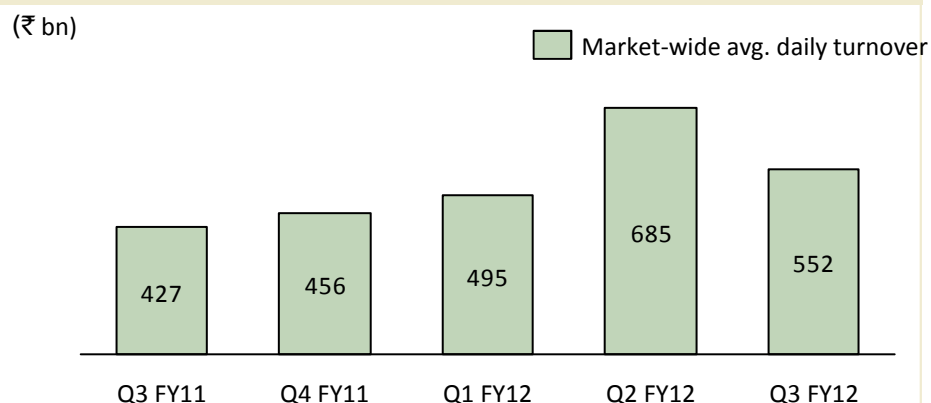
Retail Broking

India Asset Management

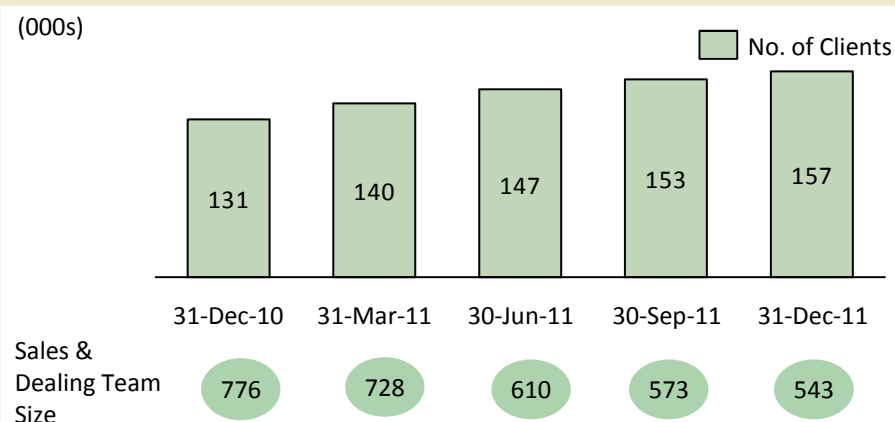
Capital Markets

Global Asset Management

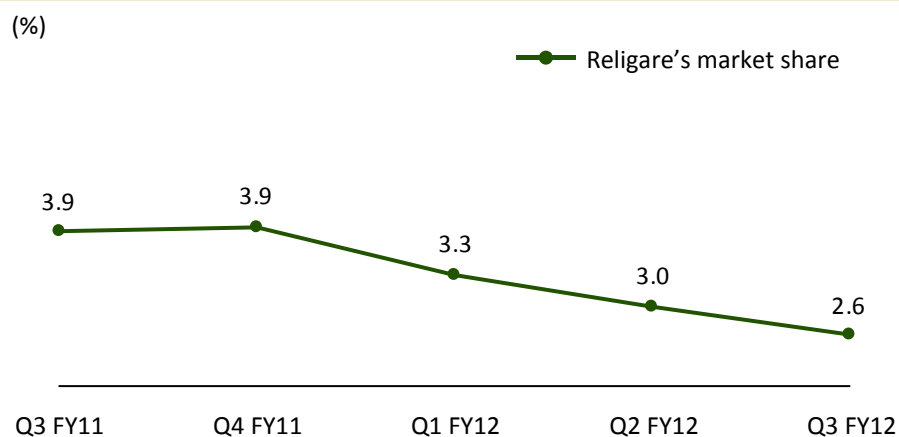
Market underpinned by a secular growth trend; QOQ decline illusory as turnover had spiked in Q2FY12



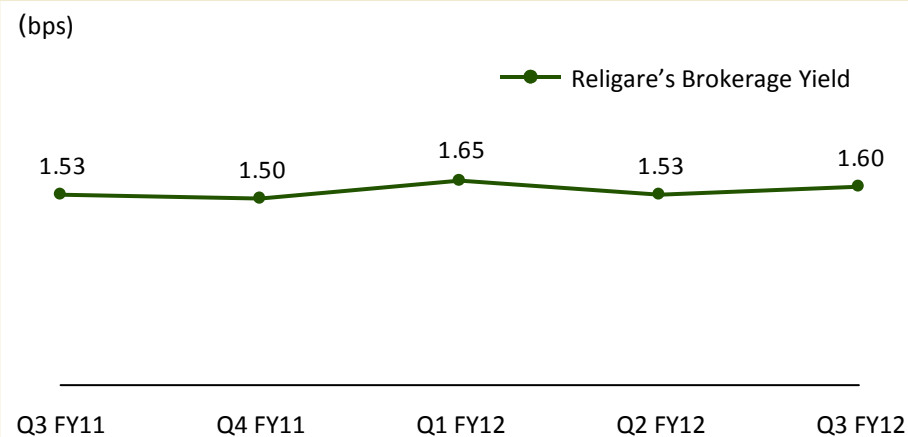
Focus on improving productivity – larger client base serviced by a leaner team



Competition remains intense; market fragmented



Brokerage yield moves in a narrow band



Retail Broking

Financial Performance

Lending	<i>RSL & RCL Combined Abridged Income Statement</i>					
Retail Broking	(₹mn)	Q3FY12	Q2FY12	QOQ Change (%)	Q3FY11	YOY Change (%)
	Income from Operations	1,028	1,265	-19%	1,737	-41%
	Other Income	93	206	-55%	153	-39%
	Total Income	1,120	1,471	-24%	1,890	-41%
India Asset Management	Operating Expenses	345	393	-12%	491	-30%
	Personnel Expenses	438	460	-5%	499	-12%
	Administrative and Other Expenses	267	445	-40%	537	-50%
	Total Expenses	1,050	1,299	-19%	1,527	-31%
Capital Markets	EBITDA	71	172	-59%	363	-81%
	Interest and Finance Charges	206	234	-12%	142	45%
	Depreciation	64	56	13%	69	-8%
Global Asset Management	PBT	(199)	(118)	nm	151	nm
	PAT	(144)	(88)	nm	97	nm

Asset Management – Religare AMC

Continued recognition for consistent fund performance

Lending

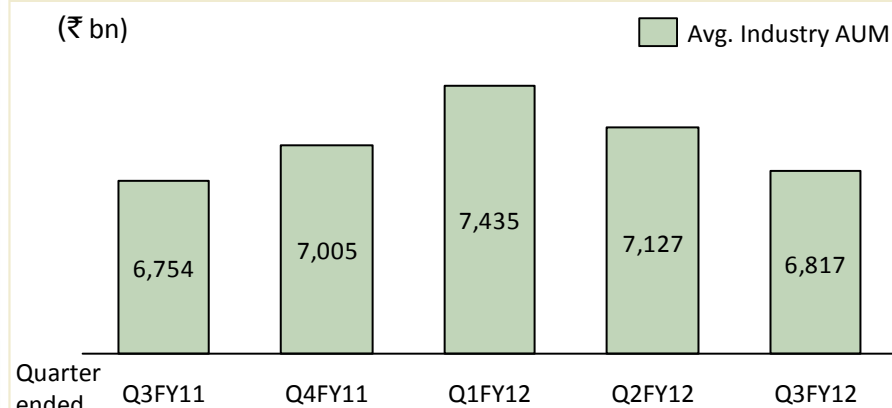
Retail Broking

India Asset Management

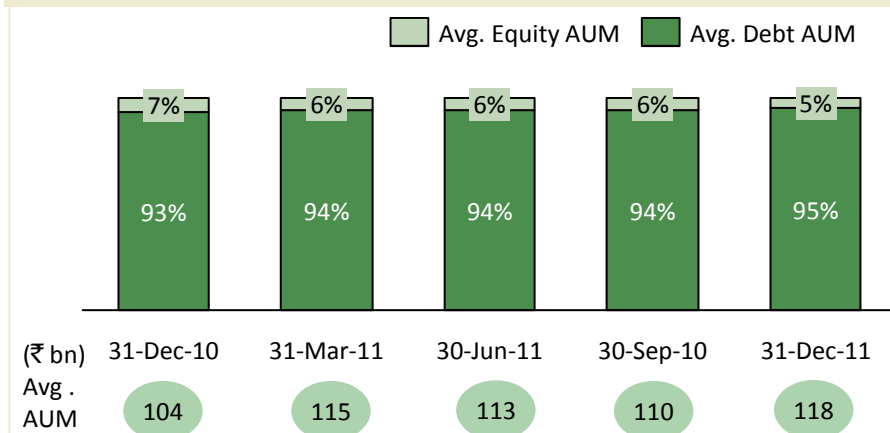
Capital Markets

Global Asset Management

Industry-wide average AUM at year-ago level after peaking in Q1FY12



Marginal growth in average AUM; composition largely stable



Business update

- Religare Mutual Fund is the 14th largest out of 44 Mutual Funds in India as of 31-Dec-2011
- Successfully launched new funds
 - Religare Gold FOF garnered subscriptions from over 10,000 investors
 - New overseas debt fund has raised over US\$20 m in Jan/Feb 2012
- Religare Mutual Fund recognized for fund performance
 - Two funds figure in the ET100 list of top performing funds
 - Religare Credit Opportunities Fund conferred CRISIL Mutual Fund Rank 1 and four funds conferred CRISIL Mutual Fund Rank 2
- Continue to focus on high-margin, differentiated offerings

Asset Management – Religare AMC

Financial Performance

Lending	RAMC Abridged Income Statement					
Retail Broking	(₹ mn)	Q3FY12	Q2FY12	QOQ Change (%)	Q3FY11	YOY Change (%)
	Income from Operations	138	139	-1%	84	64%
	Other Income	0	2	-80%	2	-78%
	Total Income	138	140	-2%	85	62%
India Asset Management	Operating Expenses	29	12	131%	23	24%
	Personnel Expenses	86	85	1%	62	38%
	Administrative and Other Expenses	30	37	-17%	45	-33%
	Total Expenses	145	134	8%	130	11%
Capital Markets	EBITDA	(7)	7	nm	(45)	nm
	Interest and Finance Charges	-	-	-	-	-
	Depreciation	4	5	-14%	7	-44%
	PBT	(11)	2	nm	(53)	nm
Global Asset Management	PAT	(11)	2	nm	(53)	nm

Religare Capital Markets

Focus on Asia

Lending

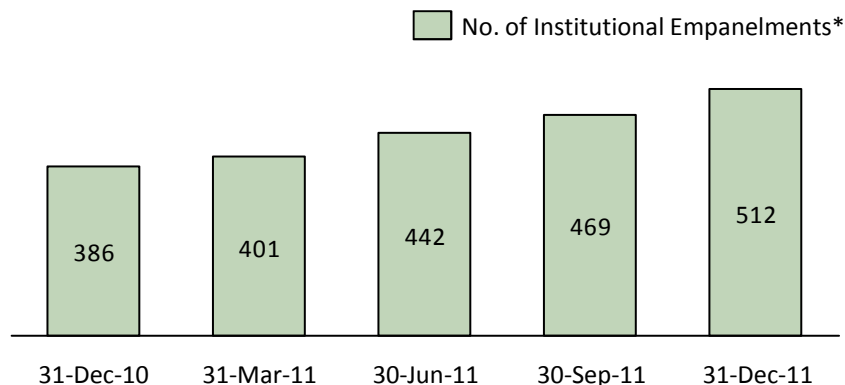
Retail Broking

India Asset Management

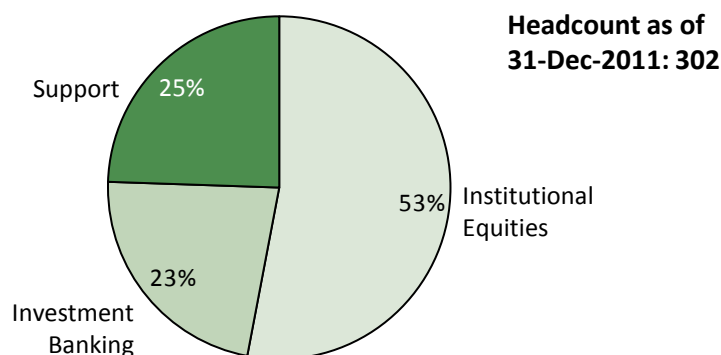
Capital Markets

Global Asset Management

Client empanelment



Headcount reduced by 42 in Q3FY12 as business restructuring progresses



* Previous quarters' data restated following consolidation of client lists

Business update

Sharpened focus on profitability and greater sustainability:

- Business restructuring under way to ensure capital efficiency and flexible cost structures
- Renewed focus on the build out of the Asia platform

Institutional Equities

- India research covers 159 stocks as of 31-Dec-2011, representing 72% of BSE market capitalization
- 167 stocks under active coverage internationally

IBD and ECM: Advised on several transactions during the quarter, notably

- Lead Manager and Financial Advisor for the buy-back offer of Rs 675 mn. for HEG Limited
- Acted as sole Sell side and Buy side Advisor in the sale of 85% in RadLink Asia to Fortis Healthcare for SGD 63 mn. (completed Jan 2012)

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Religare Global Asset Management

Financial Performance

	<i>RGAM Abridged Income Statement *</i>			
	(₹ mn)	Q3FY12	Q2FY12	QOQ Change (%)
Lending				
	Income from Operations	913	863	6%
	Other Income	(0)	(0)	nm
	Total Income	913	863	6%
Retail Broking				
	Operating Expenses	8	8	10%
	Personnel Expenses	422	355	19%
	Administrative and Other Expenses	200	115	74%
	Total Expenses	631	478	32%
India Asset Management				
	EBITDA	283	385	-27%
	Interest and Finance Charges	141	127	11%
	Depreciation	5	5	11%
	PBT	136	254	-46%
	PAT	137	225	-39%
	PAT After Minority Interest	5	50	-90%
Capital Markets				
Global Asset Management				

Business Update

- Healthy acquisition pipeline; focus is on alternatives
- Continuing to build centralized Asia distribution team
- Affiliates have started to benefit from REL's emerging market presence by way of local deal flow / market intelligence and client leads

* Consolidated Income Statement of Religare Global Asset Management Inc., incorporating affiliates from their respective dates of acquisition

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Q3 FY12 Highlights

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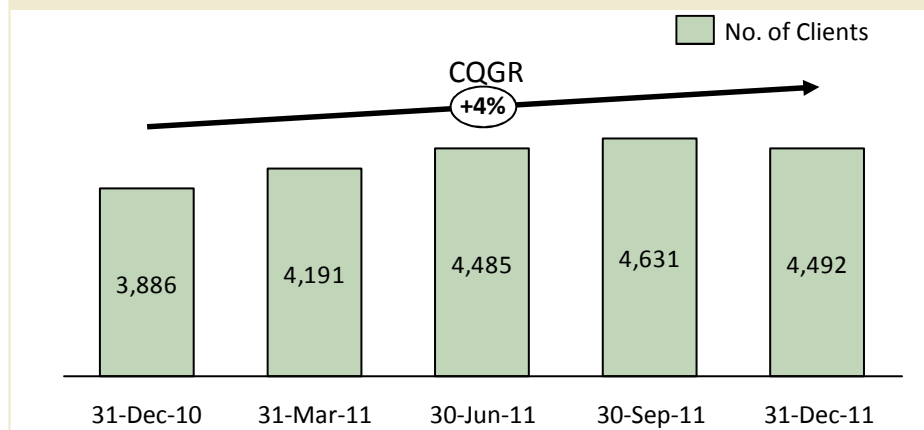
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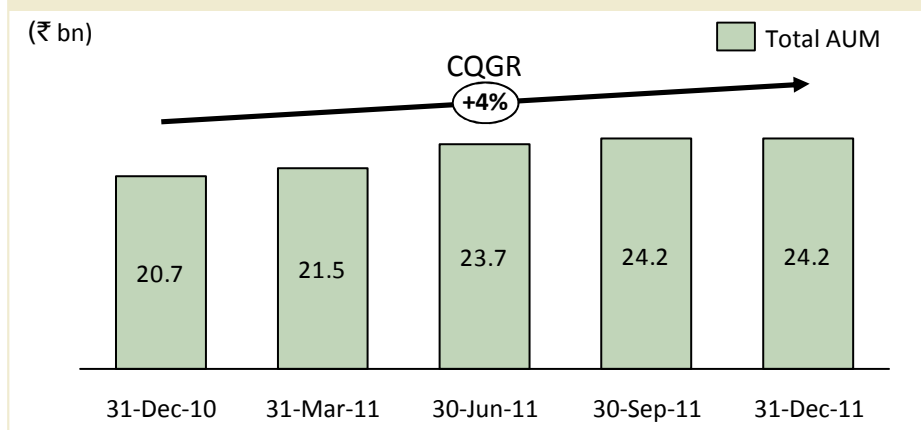
Religare Macquarie Wealth Management

Continued focus on productivity improvement

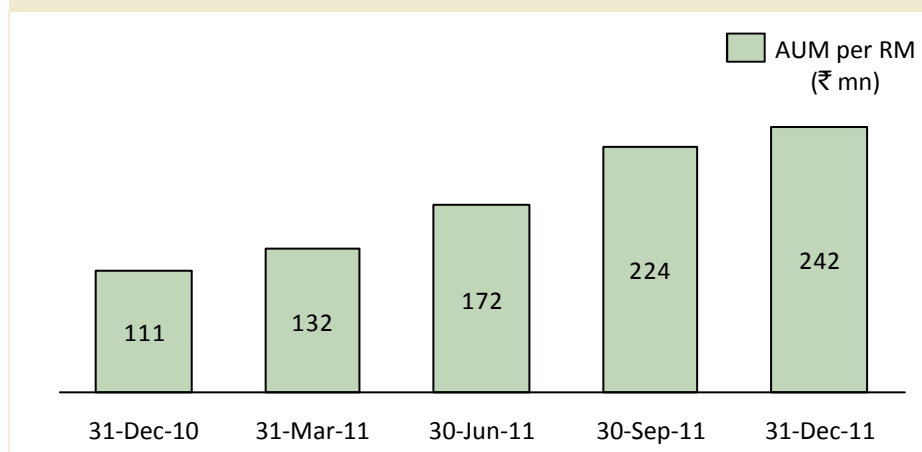
Robust client base



AUM steady



Focus on Relationship Manager Productivity



Religare Macquarie Wealth Management

Financial Performance

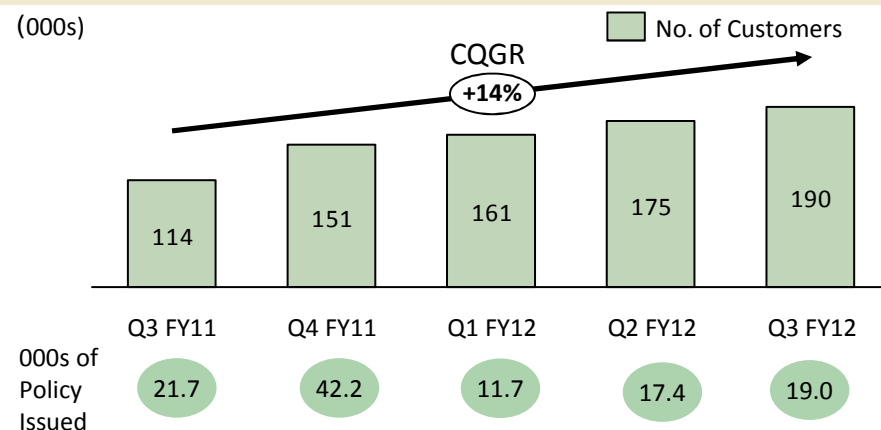
<i>RMWM Abridged Income Statement*</i>					
<i>(₹mn)</i>	Q3FY12	Q2FY12	QOQ Change (%)	Q3FY11	YOY Change (%)
Income from Operations	58	68	-14%	81	-28%
Other Income	4	2	118%	1	581%
Total Income	62	70	-10%	81	-23%
Operating Expenses	1	3	-61%	2	-39%
Personnel Expenses	72	86	-16%	136	-47%
Administrative and Other Expenses	26	32	-18%	52	-49%
Total Expenses	100	122	-18%	190	-47%
EBITDA	(37)	(52)	nm	(108)	nm
Interest and Finance Charges	-	-	-	-	-
Depreciation	4	3	17%	5	-23%
PBT	(41)	(55)	nm	(113)	nm
PAT	(41)	(55)	nm	(113)	nm

* Financials reflect 100% of the company

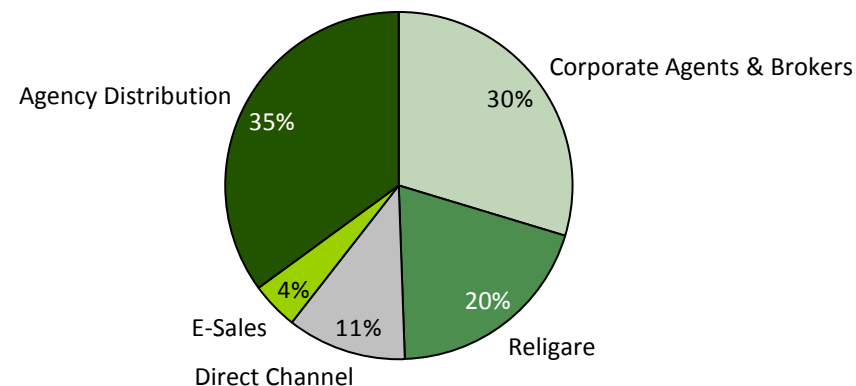
AEGON Religare Life Insurance

Robust growth in premium collected

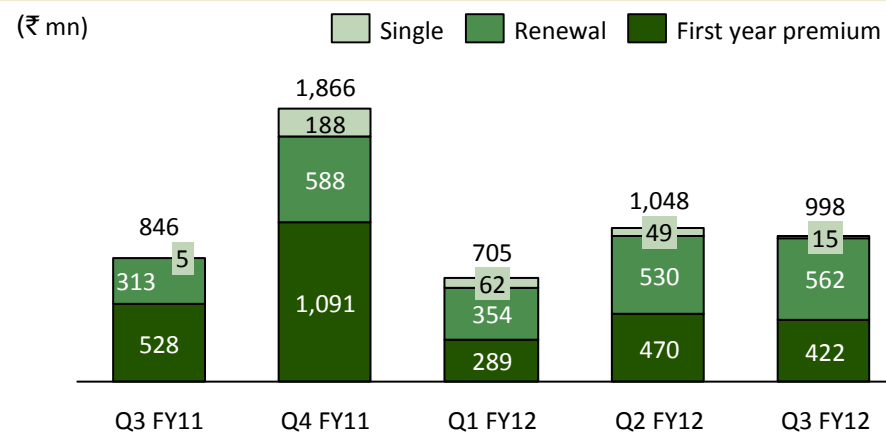
Steady increase in customer base



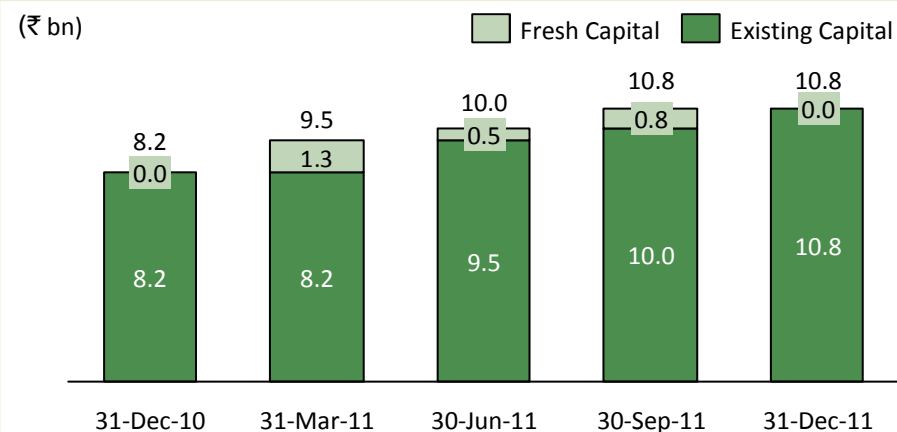
Balanced distribution mix



Premium collection grew 18% YOY in Q3FY12



Share Capital



AEGON Religare Life Insurance

Financial Performance

<i>ARLI Abridged Income Statement*</i>					
<i>(₹mn)</i>	Q3FY12	Q2FY12	QOQ Change (%)	Q3FY11	YOY Change (%)
Income from Operations	974	1,022	-5%	832	17%
Other Income	(104)	(285)	nm	82	nm
Total Income	870	736	18%	914	-5%
Operating Expenses	509	460	11%	704	-28%
Personnel Expenses	421	403	5%	448	-6%
Administrative and Other Expenses	409	378	8%	426	-4%
Total Expenses	1,340	1,240	8%	1,578	-15%
EBITDA	(470)	(504)	nm	(664)	nm
Interest and Finance Charges	3	2	46%	2	26%
Depreciation	21	27	-23%	67	-69%
PBT	(494)	(533)	nm	(733)	nm
PAT	(494)	(533)	nm	(733)	nm

* Financials reflect 100% of the company

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Q3 FY12 Highlights

Appendix 1: Performance of Key Subsidiaries

Appendix 2: Performance of JVs

Appendix 3: Subsidiary and JV Balance Sheets

Subsidiary and JV Balance Sheets (1/3)

<i>RFL Abridged Balance Sheet</i>		<i>RSL & RCL Combined Abridged Balance Sheet</i>	
<i>(₹mn)</i>	<i>As at December 31, 2011</i>	<i>(₹mn)</i>	<i>As at December 31, 2011</i>
Share Capital	2,052	Share Capital	395
Reserves and Surplus	17,526	Reserves and Surplus	3,774
Loan Funds	1,14,648	Loan Funds	9,016
Total Liabilities	1,34,226	Total Liabilities	13,185
Fixed Assets	763	Fixed Assets	513
Investments	2,073	Investments	2,714
Deferred Tax Assets (Net)	214	Deferred Tax Assets (Net)	296
Net Current Assets	1,31,177	Net Current Assets	9,662
Total Assets	1,34,226	Total Assets	13,185

Subsidiary and JV Balance Sheets (2/3)

<i>RAMC Abridged Balance Sheet</i>		<i>RGAM Abridged Balance Sheet</i>	
<i>(₹mn)</i>	<i>As at December 31, 2011</i>	<i>(₹mn)</i>	<i>As at December 31, 2011</i>
Share Capital	603	Share Capital	0
Reserves and Surplus	-352	Reserves and Surplus	3,726
Loan Funds	-	Loan Funds	11,117
Total Liabilities	250	Total Liabilities	15,033
Fixed Assets	27	Fixed Assets	14,197
Investments	176	Investments	93
Deferred Tax Assets (Net)	-	Deferred Tax Assets (Net)	-69
Net Current Assets	48	Net Current Assets	812
Total Assets	250	Total Assets	15,033

Subsidiary and JV Balance Sheets (3/3)

<i>RMWM Abridged Balance Sheet*</i>	
(₹mn)	As at December 31, 2011
Share Capital	1,150
Reserves and Surplus	-961
Loan Funds	-
Total Liabilities	189
Fixed Assets	56
Investments	40
Deferred Tax Assets (Net)	-
Net Current Assets	92
Total Liabilities	189

<i>ARLI Abridged Balance Sheet*</i>	
(₹mn)	As at December 31, 2011
Share Capital	10,750
Reserves and Surplus	- 9,014
Policy Holders' Funds	5,774
Funds for Discontinued Policies	29
Total Liabilities	7,539
Fixed Assets	106
Investments	7,138
Deferred Tax Assets (Net)	-
Net Current Assets	295
Total Assets	7,539

* Financials reflect 100% of the company

Thank You