

RELIANCE

**NIPPON LIFE ASSET
MANAGEMENT LTD**

Joint Venture between Reliance Capital & Nippon Life Group



Nippon Life Company

Investor Presentation Q1 FY20

Key Highlights

AUM	One of the largest AMC's in India – Managing AUM of INR 4.31 tn
Profit	Net profit of INR 1,254 mn for Q1 FY20 grew by 13%
AIF	To launch Indo-Japan technology fund, announced during Osaka G20 summit
International	Launched first Indian ETF in Australia with ETF Securities Australia for attracting higher inflows into India
SIP	Annualized SIP book of over INR 103 bn, from 3.2 mn SIP accounts
Digital	Digital Purchases at ~391,600 in Q1 FY20 – doubled YoY
B30	Higher AUM % sourced from B-30 locations (RMF 20% – Industry 16%)
Retail	One of the largest Retail AMC with AUM of INR 863 bn Contributes 40% of Total AUM

RNAM Snapshot

Snapshot

RNAM is one of largest asset manager in India, with 24 years of track record

RNAM AUM as of Jun'19
INR 4.31 tn

Mutual Funds

INR 2,025 bn

Managed Accounts

INR 2,251 bn

International

INR 31 bn*

Advisory INR 54 bn

Trusted Asset Manager - Holding Fund Mandates from



EPFO



ESIC



PFRDA



CMPFO



294
Locations



~1,100
Employees



74,400+
Distributors



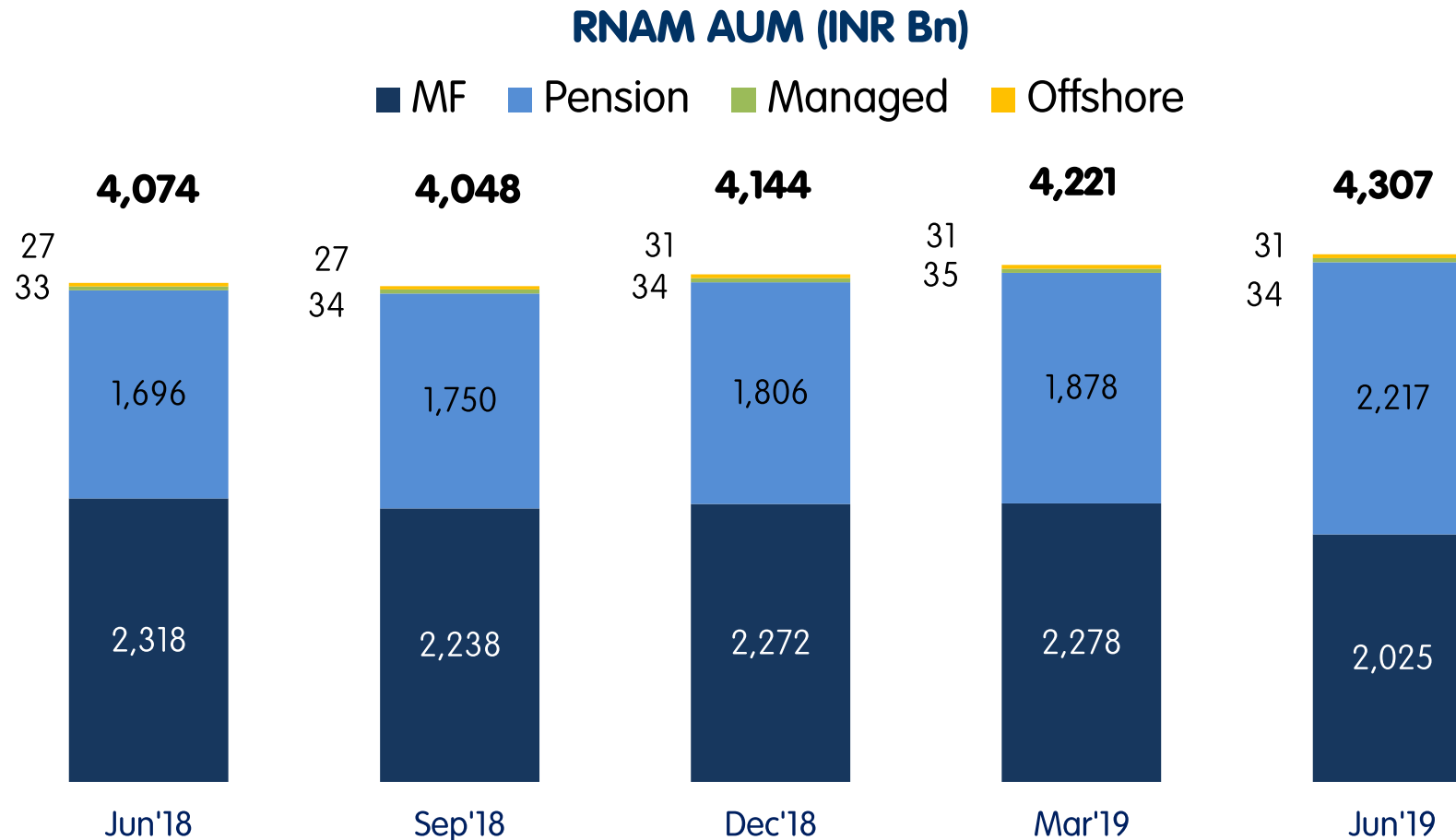
9.2 mn
Q1 FY20 Trnx



8.9 mn
Folios

RNAM Quarterly Performance

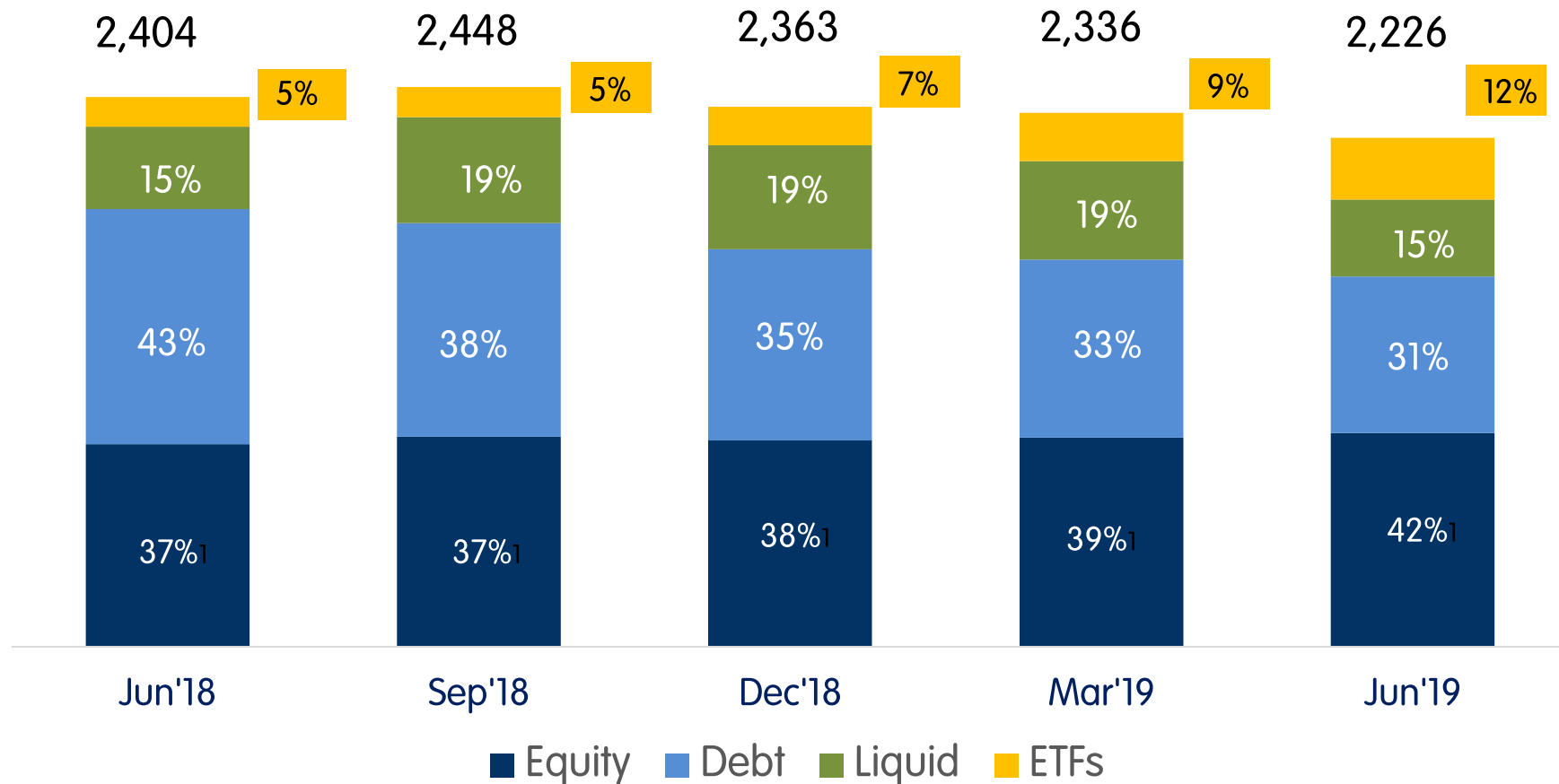
Leading asset management player



RNAM AUM one of the highest in Industry - INR 4.31 Tn
MF contributes 47% of overall AUM

Leading asset management player

RMF QAAUM (INR Bn)



Equity now contributes 42% of Total AUM

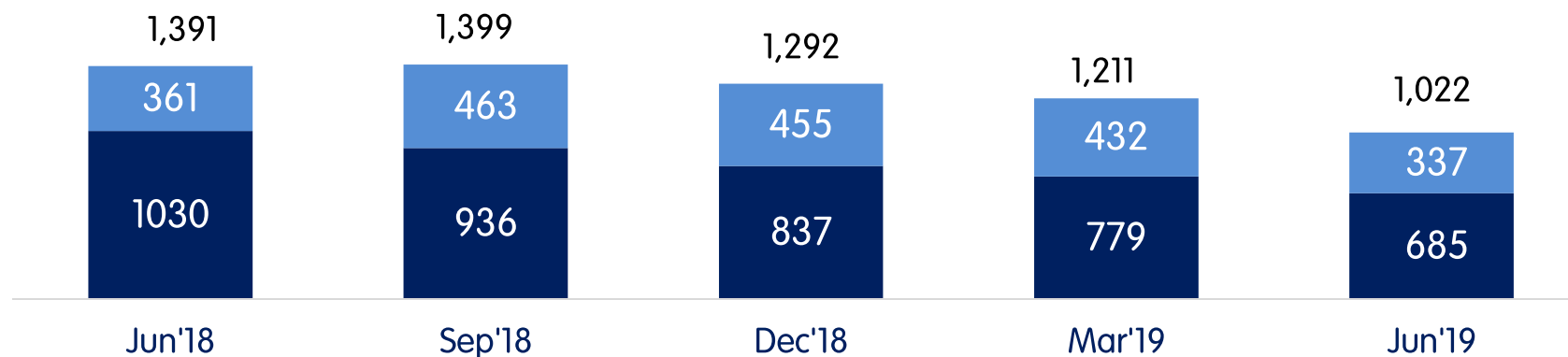
Equity & Fixed Income Assets

Equity (Incl. ETF) QAAUM (INR bn)



RMF Equity Assets (incl. ETF) grew by 19% YoY

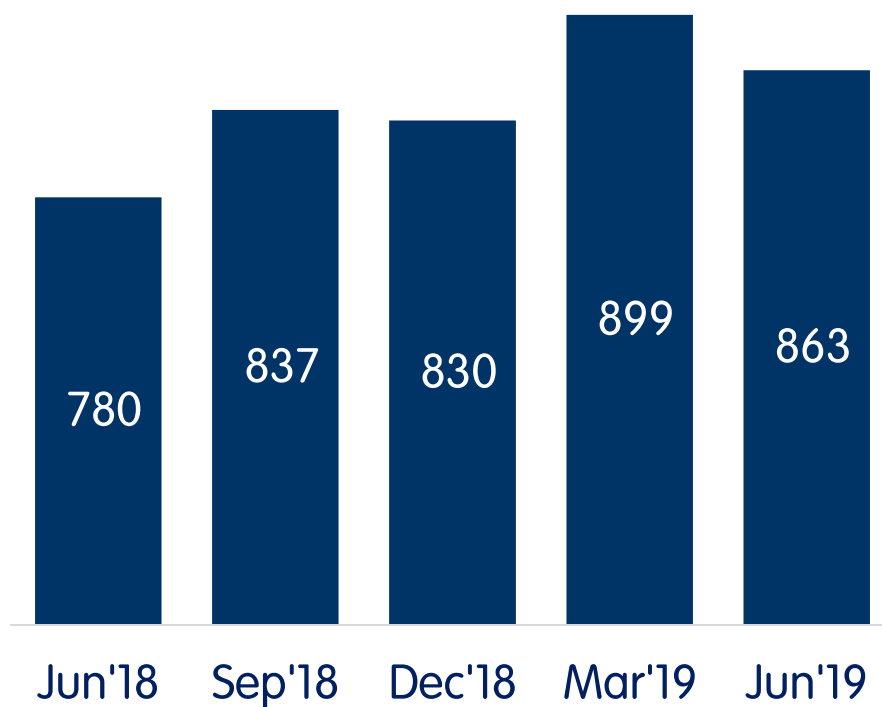
Fixed Income QAAUM (INR bn)



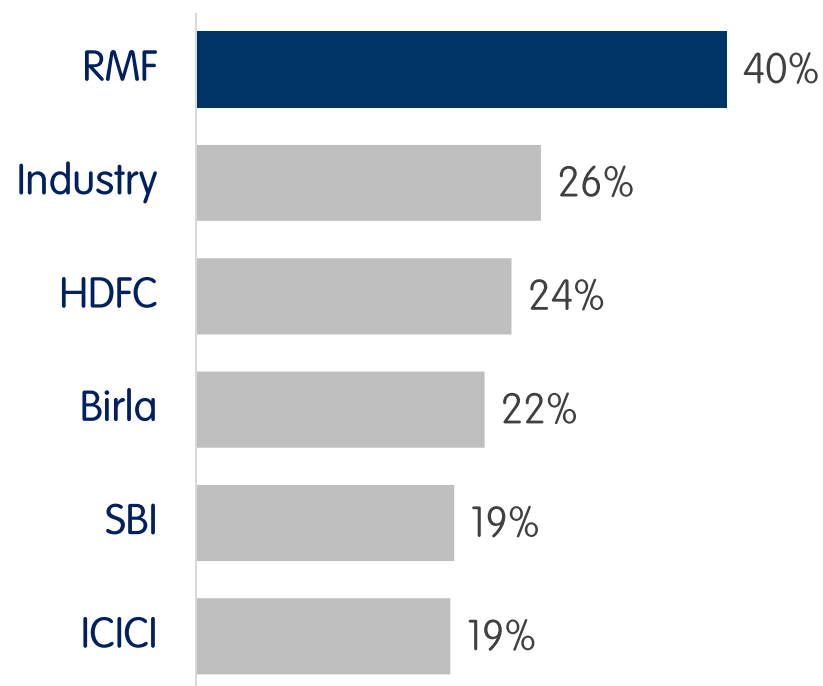
■ Debt ■ Liquid

Focus on Retail & Small towns

Retail MAAUM (INR bn)



Retail AAUM / Total AAUM (%)



Higher composition of Retail Assets in AUM at 40% V/S Industry 26%

Beyond 30 cities (B-30) Contribution

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

B-30 AAUM / Total AAUM (%)

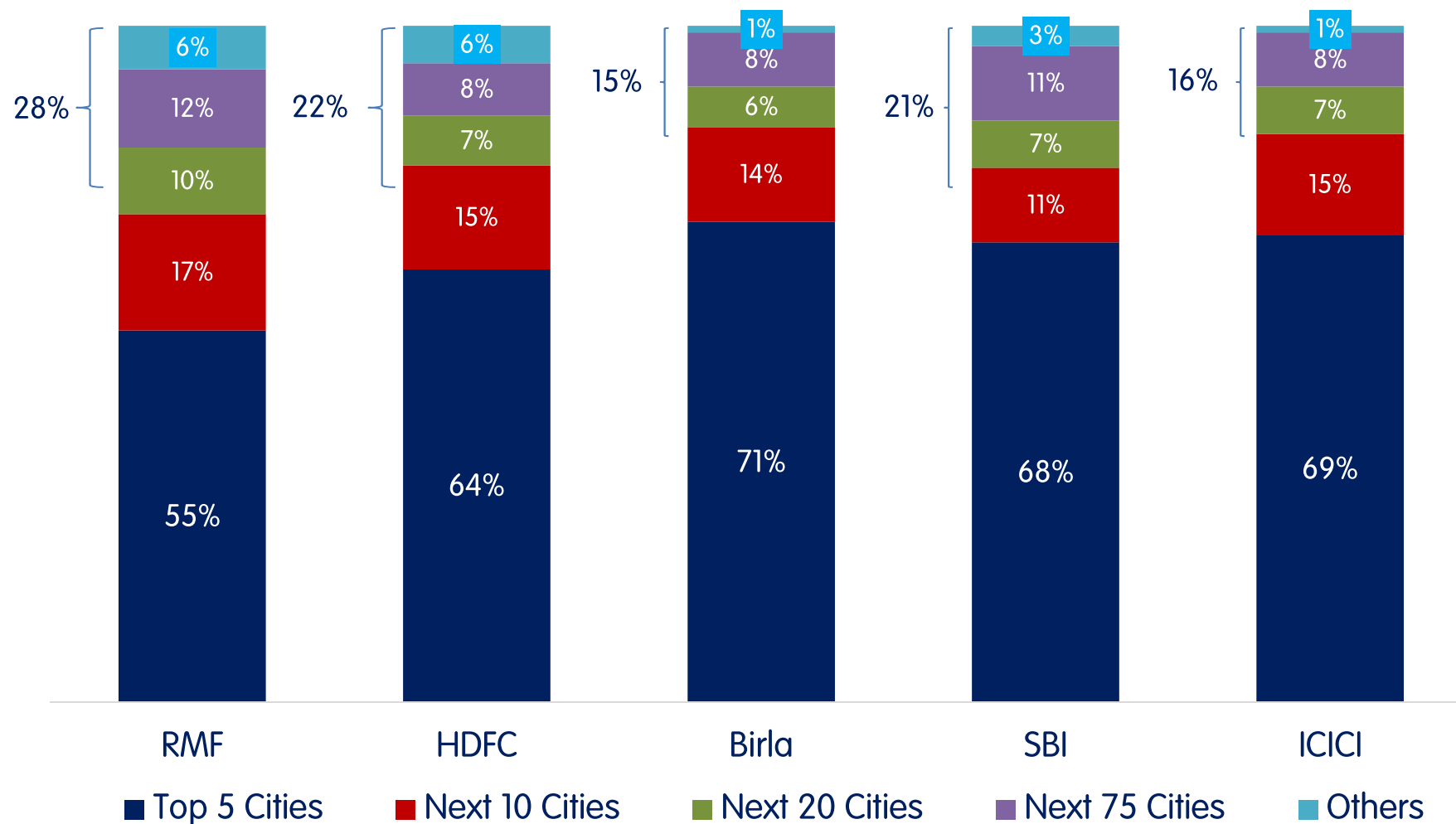


B-30 has higher proportion of Equity Assets

Growing B-30 AUM by increasing on ground presence

Source: AMFI

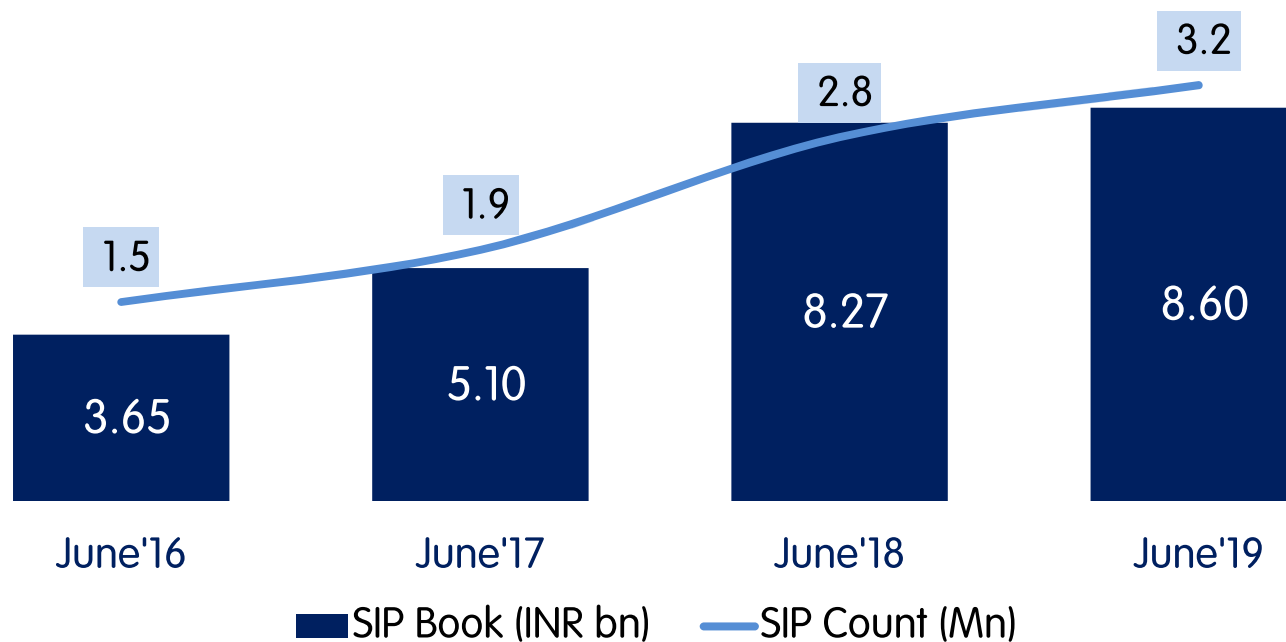
City wise break up of AUM



RMF has 28% of AUM from Beyond Top 15 cities highest among Top 5 AMC's

Systematic Investment Plan – Long & Stable Inflows

SIP Monthly Flows



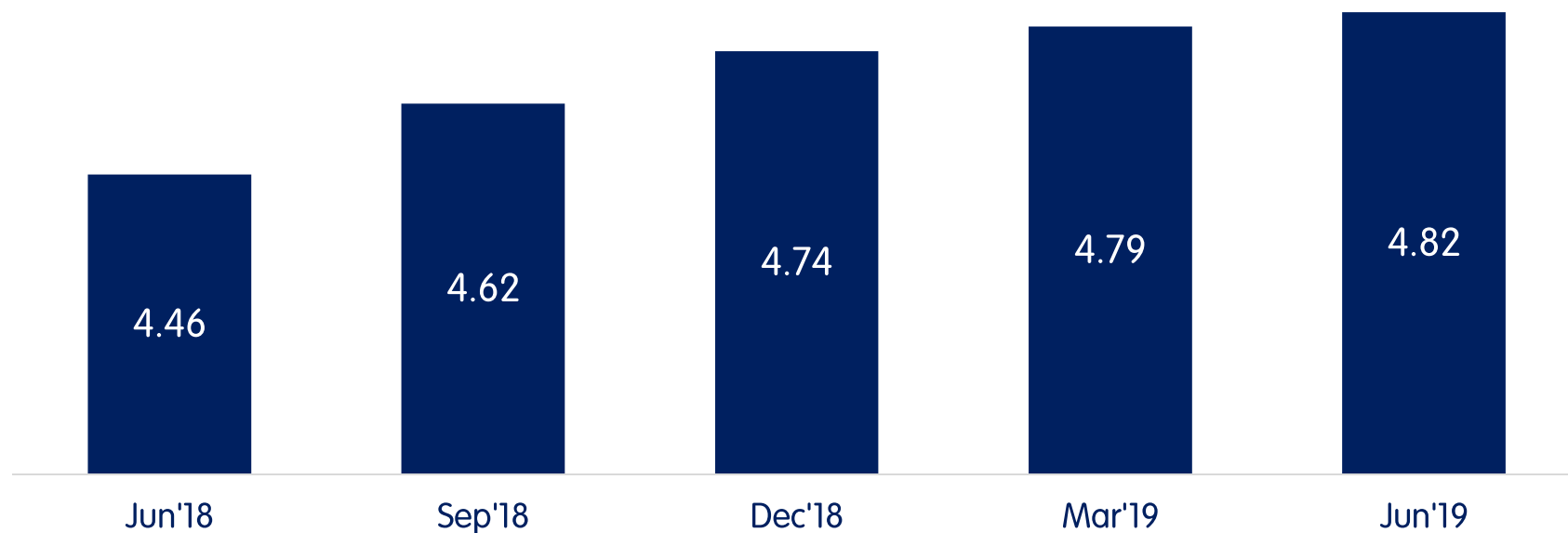
Annualized SIP book of over INR 103 bn

~ 3.2 mn of SIP accounts contributing monthly Inflow of INR 8.6 bn

79% of Incremental SIPs have a tenure of 5+ years

Unique Investors

Unique Investors Count (mn)*



Unique Investor Base has Increased by 8% YoY

* Based on PAN basis

Distribution

Strong Distribution

Empaneled over 1,000 New Distributors in Q1 FY20; total base at ~ 74,500

Banks

73



Deutsche Bank



National
Distributors

96



Alternate
(incl. PSU banks)

90



Independent Financial
Advisors

74,100+

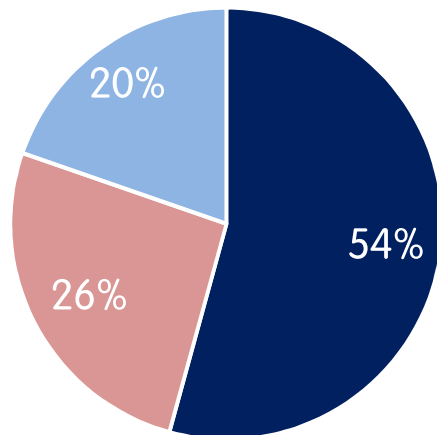


IFAs

Leveraging Partnership with IFA

Distribution Mix*

- Independent Financial Advisors
- Banking Distributors
- National Distributors

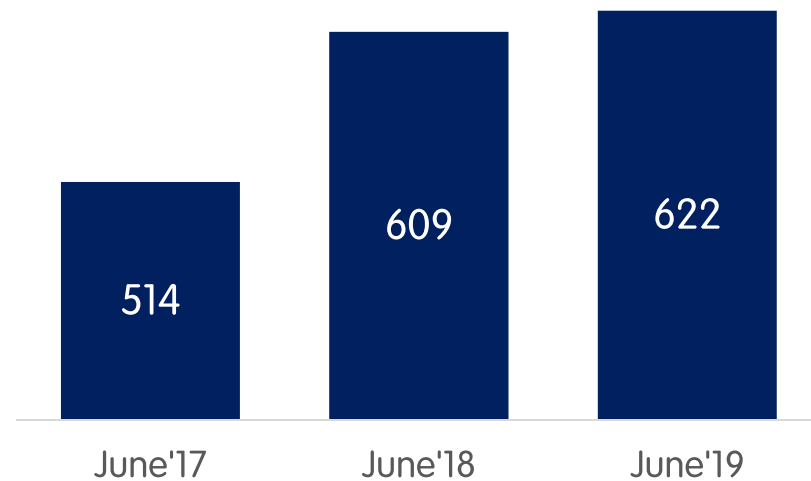


*Excluding Direct AUM

As on June'19

Growing IFA Base

IFA AUM (INR Bn)

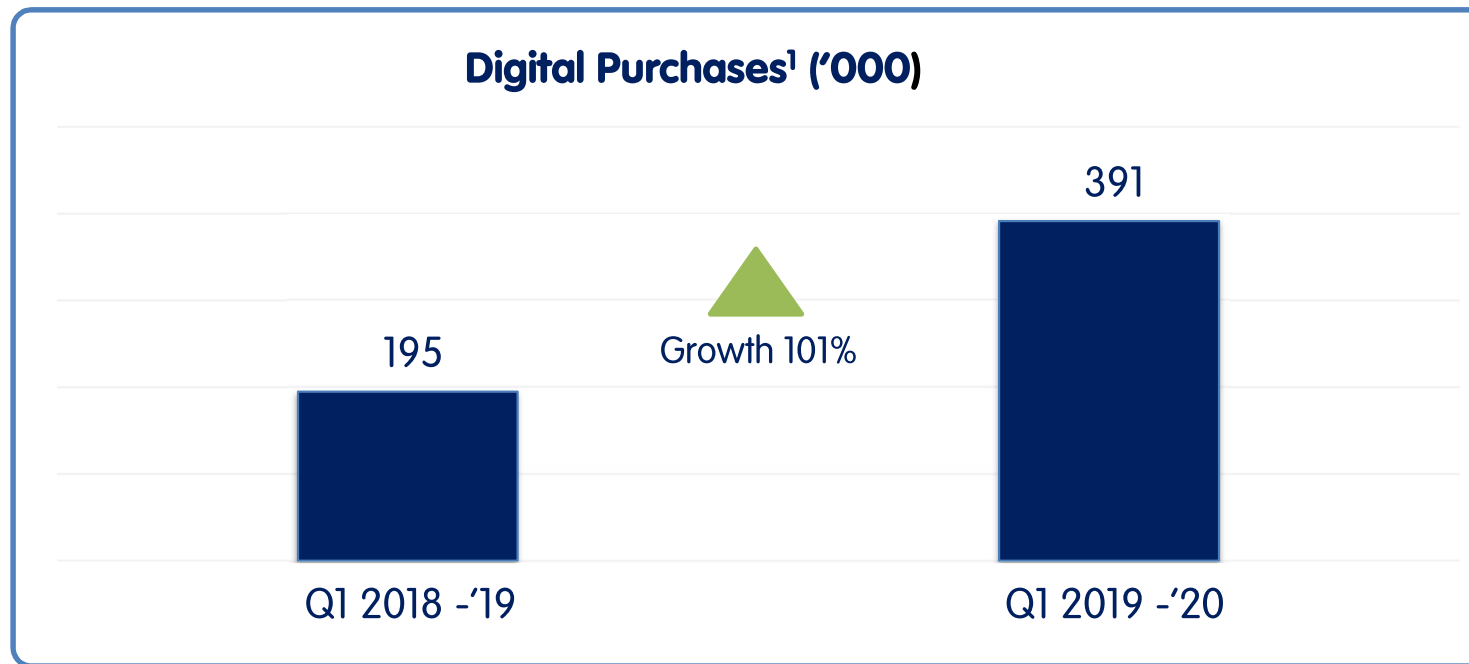


Derisked Distribution Model

No Single distributor contributes **more than 5.4% of AUM**

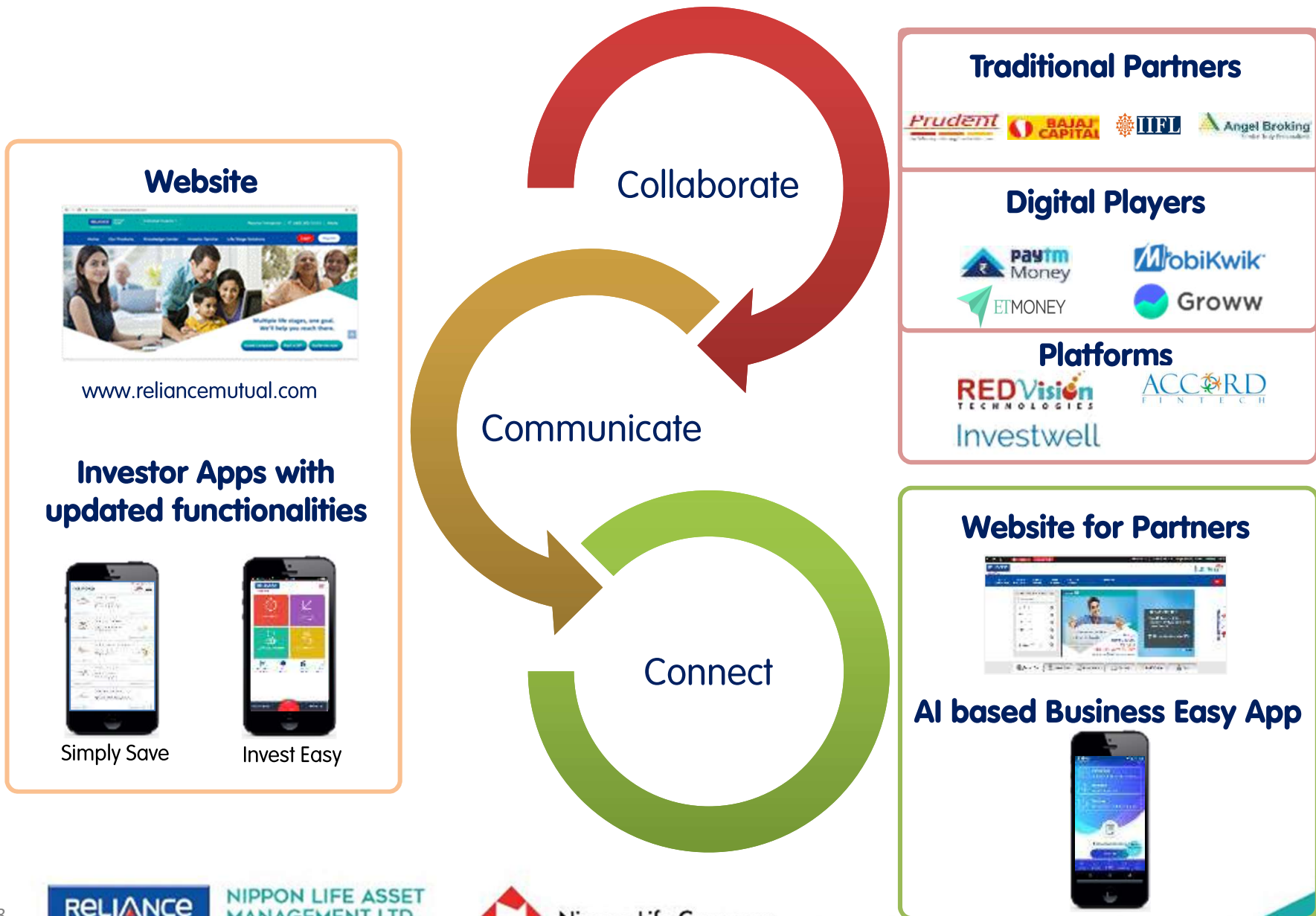
End of Period AUM, Calculated on Monthly Average AUM

Digital Business – Driving on Innovation



- ❑ Digital **contribute 41% of total purchase transactions** for Q1 FY20
- ❑ Digital purchases in Q1 FY20 **more than 2X YoY**
- ❑ RNAM among the first AMCs to launch e-NACH mandate in June 2019

Pillars of Digital Ecosystem



Other Business



Alternate Investment Fund (AIF)

- ❑ At Present Offer **Category II & Category III AIFs**
 - Equity: Reliance Equity Opportunities AIF Series
 - Credit: Reliance Yield Opportunities AIF
 - Real Estate: Reliance Yield Maximiser AIF Series, Reliance Yield Plus AIF Series
- ❑ Raised Commitments of **approx. INR 26 bn**
- ❑ Fund raising underway for Equity & Real Estate
- ❑ Continue building capabilities across newer asset classes & strategies
- ❑ At advanced stage for the launch of **our first Fund of Fund (FoF) in the Tech/VC Space** -
Indo Japan Emerging Technology & Innovation Fund

Indo Japan Emerging Technology & Innovation Fund

- ❑ **Japan and India** committed to strengthen industrial competitiveness in both countries by creating funds to invest in **India's fast-growing start-ups**
- ❑ **RNAM (as a General Partner)** signed letter of intent along with Limited Partners: Nippon Life, Mizuho Bank, Development Bank of Japan
- ❑ This is a **Fund of Fund** vehicle with a unique proposition of **investing and managing:**
 - **Portfolio of 15 to 25 India dedicated Venture Capital (VC) Funds**
 - Accessing an investment portfolio of 300-400 start-up companies
 - The FoF will raise investments from **both Japanese and Indian investors**

ETF - Future Ready

Experience

Only AMC with **17 years of experience** in managing ETFs

Innovators

Innovator in Gold ETFs & Money Market ETFs
First AMC to launch ETF jointly in partnership with GOI as a part of divestment program
Launched ETFS Reliance India Nifty 50 ETF in Australia in June 2019

ETF Bouquet

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

Volumes

78.6% Market Share in ETF Volumes on the NSE & BSE (July'18 to June'19)

Market Share

On **QAAUM** basis, ETF Industry Size **INR 1,401.1 bn**
RNAME ETFs holding INR 270.0 bn (market share of **19.3%**)

Folios

Highest investor folios in Industry → **60%** Market Share of ETF folios as on Mar'19

Offshore Business

Managed & Advise AUM of over INR 84.5 Bn

Subsidiaries



Singapore



Mauritius

Singapore

RAMS Equities Portfolio Fund – UCITS
RAMS Investment Unit Trust – IFIF
Cohesion Best Idea's Fund – SIF*
IMSF – Equity Opp. Fund Feeder
WIF - India Consumption Fund

Mauritius

Reliance Emergent
India Fund

Representative Office



Dubai

Distribution Service
Center
across Middle East

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



ETFS Reliance India Nifty 50 ETF



NIPPON LIFE ASSET
MANAGEMENT LTD



Nippon Life Company

* AUM as on 28th June 2019 * Investment Manager
Joint Venture between Reliance Capital & Nippon Life Group

Global Presence

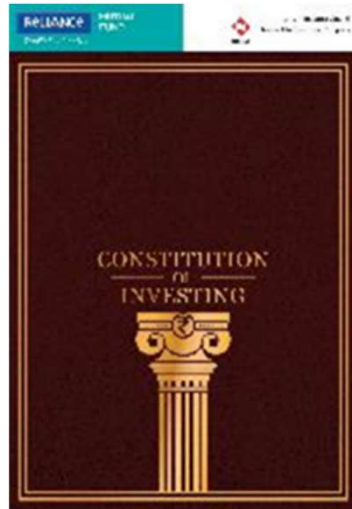


Launched - ETFS Reliance India Nifty 50 ETF in Australia

Other Initiatives

Brand Initiatives

Constitution of Investing



Father's Day



#PowerInPortfolio



Mothers Day





Leaders in Investor Education

EDGE Learning Academy : Q1 FY20

Investor Education

162

Programs

8,336

Investors

Unique Locations

T-30

69 Programs
22 Cities

B-30

93 Programs
59 Towns

Mobile App MFx



Dedicated Investor Education App **MFX**



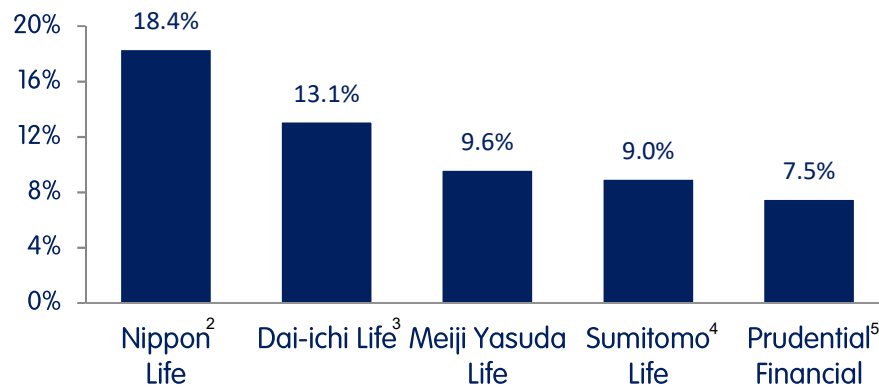
About Nippon Life



About Nippon Life Insurance

- ❑ Nippon Life Insurance Company is a **Fortune 500** company
- ❑ **130 year old** history was founded as Nippon Life Assurance Co., Inc. in July 1889
- ❑ **Second largest** Insurance company in Asia*
- ❑ **Largest market share in Japan** among private life insurance companies#
- ❑ Presence across **Four continents** and investment in 48 asset management related operations

Market Share in Japan (Premium Income)¹



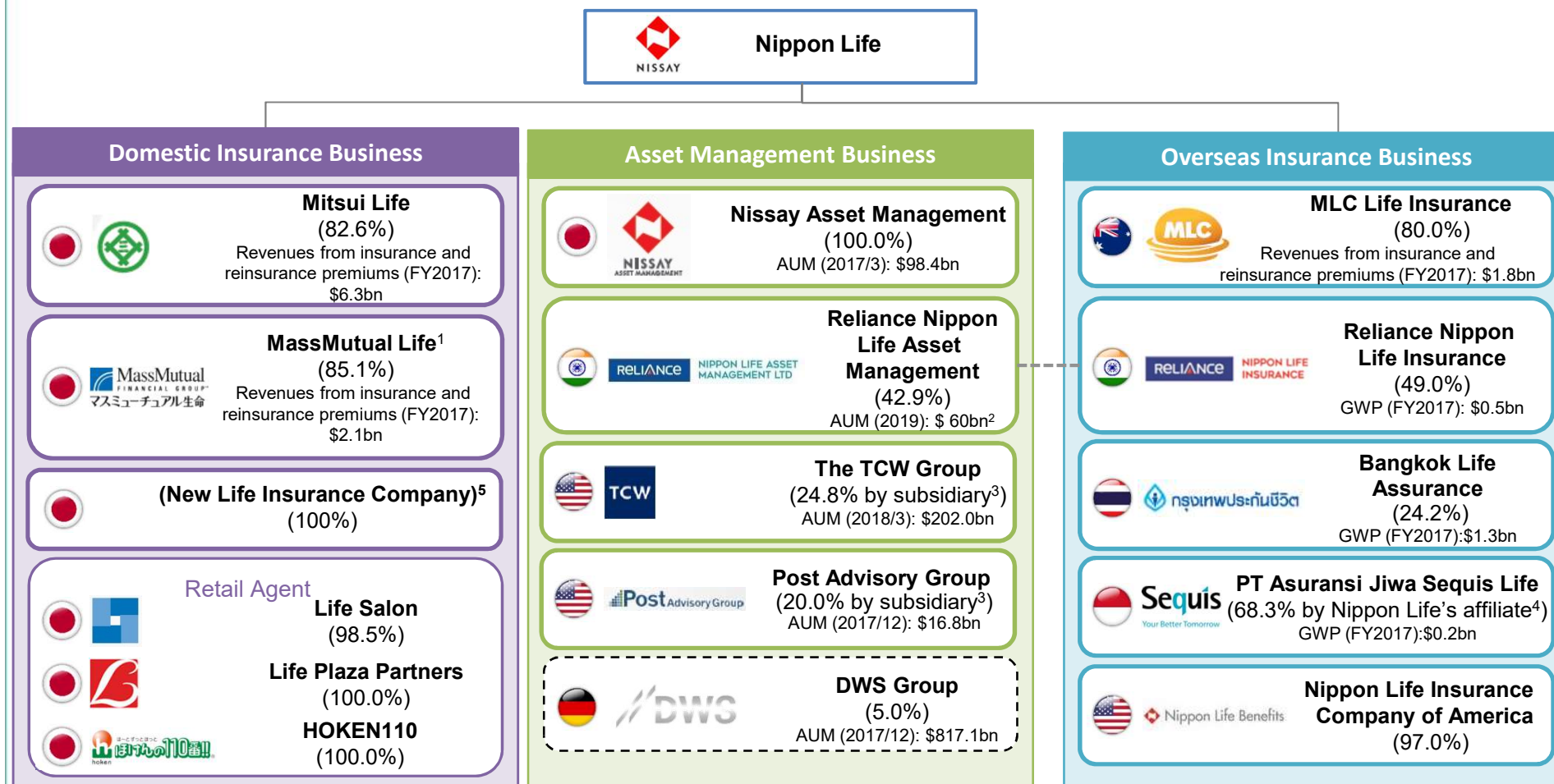
Key Figures

Premium income ⁶	¥5,422.0bn (FY2017)
Core operating profit ⁷	¥722.7bn (FY2017)
Total assets	¥74,392.5bn (Mar-2018)
Solvency margin ratio	968.0% (Mar-2018)
Number of insured persons ⁸	13.81 million (Mar-2018)
Sales representatives ⁸	59,548 (Mar-2018)

*www.reinsurance.ws/world-largest-insurance-companies
Basis Premium Income

Nippon Life Group

Nippon Life Group



Source: Company filings, SNL. Notes: USD1=JPY108.64; USD1=INR67.48; USD1=EUR0.86; USD1=AUD1.32; USD1=THB31.99; USD1=IDR13,895 (as of May 31, 2018)

1. To be renamed to Nippon Wealth Life in Jan. 2019

2. AUM represents the average of Jan. – Mar. 2019

3. Held by Nippon Life's fully owned subsidiary NLI US Investments

4. 68.34% held by Nippon Life's equity-method affiliate PT Sequis, in which Nippon Life holds 29.26% of the total voting rights. 0.01% is held directly by Nippon Life.

5. Launched a preparing company in July. 2018

Deal Timelines

Timelines

May 23rd 2019

Nippon life Insurance signs Binding Definitive agreement with Reliance Capital Limited to increase stake in RNAM upto 75%

May 27th 2019

Sale of 7.89 % holding in RNAM by Reliance Capital Limited under First Offer for Sale

June 14th 2019

Sale of 2.86% holding in RNAM by Reliance Capital Limited under Second Offer for Sale

July 23rd – Aug 5th
2019

Open offer tendering Period at INR 230 per share

August 21st 2019

Last Date for communication of Rejection/ Acceptance and completion of payment or refund of equity Shares

Aug/Sept 2019

Likely Conclusion of the deal subject to regulatory Approvals

Financial Overview

Adoption of Ind AS 116 - Leases

Background

- ☐ Ind AS 116 - Leases has come into effect from April 1, 2019
- ☐ Eliminates the classification of leases between operating and finance lease
- ☐ Leases are required to be initially recognized
 - as a lease liability for the obligation to make payments
 - as a right -of- use asset for the underlying asset for the lease term
- ☐ Interest expense and depreciation to be charged to P&L instead of rent expense
- ☐ Under the transitional provisions, no requirement to restate comparative figures

Impact

- ☐ The Company has recognized lease liability using modified retrospective approach
- ☐ On April 1, 2019 the Company has recognized :
 - Right of Use asset (ROU) of INR 793.6 mn
 - Lease liability of INR 860.10 mn
 - Impact on Retained earnings of INR 43.20 mn (net of taxes)
- ☐ Effect of this adoption is not material to the profit for the period

Financial Summary- As per IND AS

Consolidated

INR in Mn.

Particulars	Q1 FY20	Q1 FY19
Revenue from Operations	3,251	3,945
Operating Expenditure	1,799	2,617
Fee & Commission Expenses	252	666
Employee benefits expense	825	677
Finance cost	17	-
Other Expenses	629	1,186
Depreciation	76	88
Core Operating Profit	1,452	1,328
Other Income	353	300
Profit before Tax	1,805	1,628
Profit For the Period	1,254	1,111

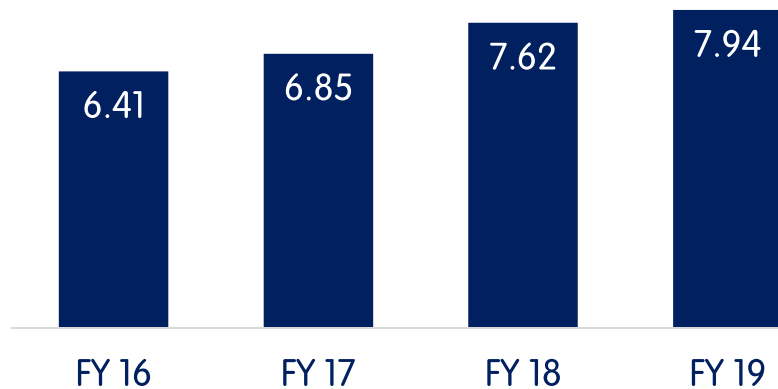
Standalone

Particulars	Q1 FY20	Q1 FY19
Revenue from operations	3,082	3,779
Core Operating Profit	1,435	1,267
Profit For the Period	1,212	1,076

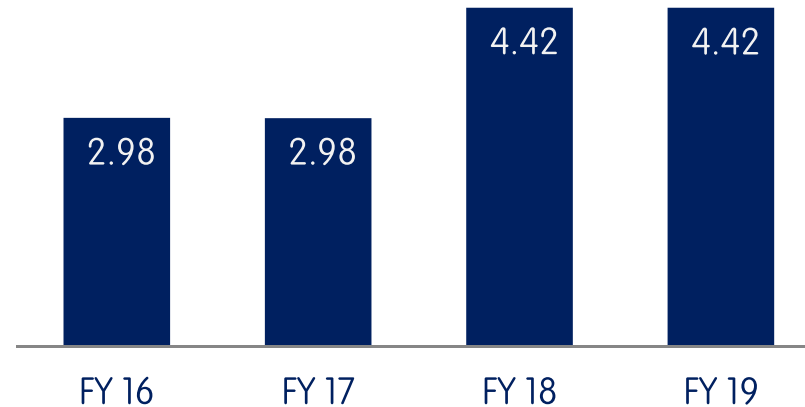
Dividends

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. of India



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

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Nippon Life Company

Thank you for
your time.