

FINANCIAL RESULTS: Q1 FY21

MUMBAI

7th August 2020



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

A Leading Financial Services Conglomerate

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NOTE 1: The financials of Aditya Birla Capital Ltd are consolidated financials prepared based on Ind AS unless otherwise specified

NOTE 2: The financial figures in this presentation have been rounded off to the nearest Rs 1 Crore

Q1 FY21: Key highlights



Resilience across businesses despite lockdown;
Consolidated ABCL PAT grew **1.4x q-o-q to Rs 198 Crore**



91% of overall ABC branches operational with strict health measures and protocols in place



Life Insurance Individual FYP grew **5% y-o-y**; Growth significantly ahead of industry



Health Insurance GWP grew **72% y-o-y** to ~Rs 246 Crore; Retail mix at **73%**; **Fastest growing** HI company



AMC **monthly AAUM growth rebounds**, aided by retail, SIP and B-30



Maintained core operating profit in NBFC and HFC despite slower disbursements under lockdown



NBFC PBT (ex-CoVID provision) grew by **42% q-o-q**, aided by reduction in CIR **~220 bps** and lower credit cost



HFC **NIM expanded** q-o-q; PAT (ex-CoVID provision) grew by **40% y-o-y**



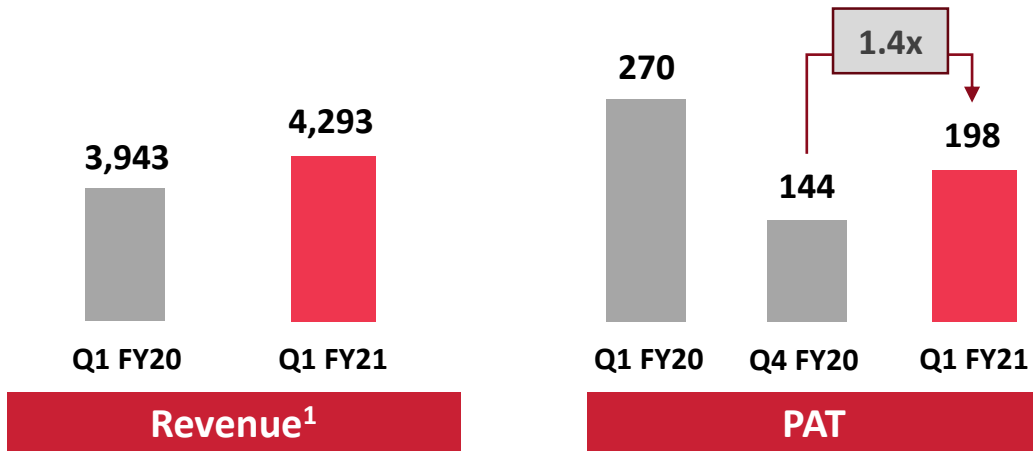
Other financial services business PBT grew **64% y-o-y**



Deployment of technology across the platform to **improve experience and efficiency**

Q1 FY21: Consolidated Financials

Consolidated PAT grew by 1.4x q-o-q



Cost Savings

- Opex optimisation is a key area of focus in our plans for the year
- Aggregate⁴ (non-vol linked and excl. ABHI) Q1 Opex ↓ 10% Q-o-Q
- Q1 Standalone Cost ↓ Rs 42 Crore vs. Q1 FY20, driven by:
 - Brand & Marketing Expenses ↓ 83% Y-o-Y
 - Interest Cost of Rs 29 crores eliminated post equity raise in FY20
- On target to achieve overall reduction of 8% over annualized FY20 cost base

Figures in Rs Crore

Businesses	Q1 FY20	Q4 FY20	Q1 FY21
NBFC	262	137	140
Asset Management	117	99	97
Life Insurance	20	22	17
Housing	27	21	28
General Insurance Broking	16	(0)	21
Stock & Securities Broking	3	3	4
Profitable Businesses PAT	446	282	307
Health Insurance	(65)	(58)	(58)
Less: Interest Cost	(29)	(6)	(0)
Less: Brand & Marketing	(10)	(11)	(2)
Less: Others ² / Eliminations	(29)	(33)	(12)
Less: Minority Interest	(43)	(31)	(36)
Consolidated PAT³	270	144	198

Q1 FY21 Consol. PAT (ex-COVID provision): Rs. 245 Crore (PQ: 225 Crore) | ↑ 9%

¹ Consolidated segment revenue ; for Ind AS statutory reporting purpose Asset management and wellness business are not consolidated and included under equity accounting

² Includes ABCL standalone (ex-interest and brand expenses), Online Personal Finance, Private Equity, ARC, ABMM and other businesses

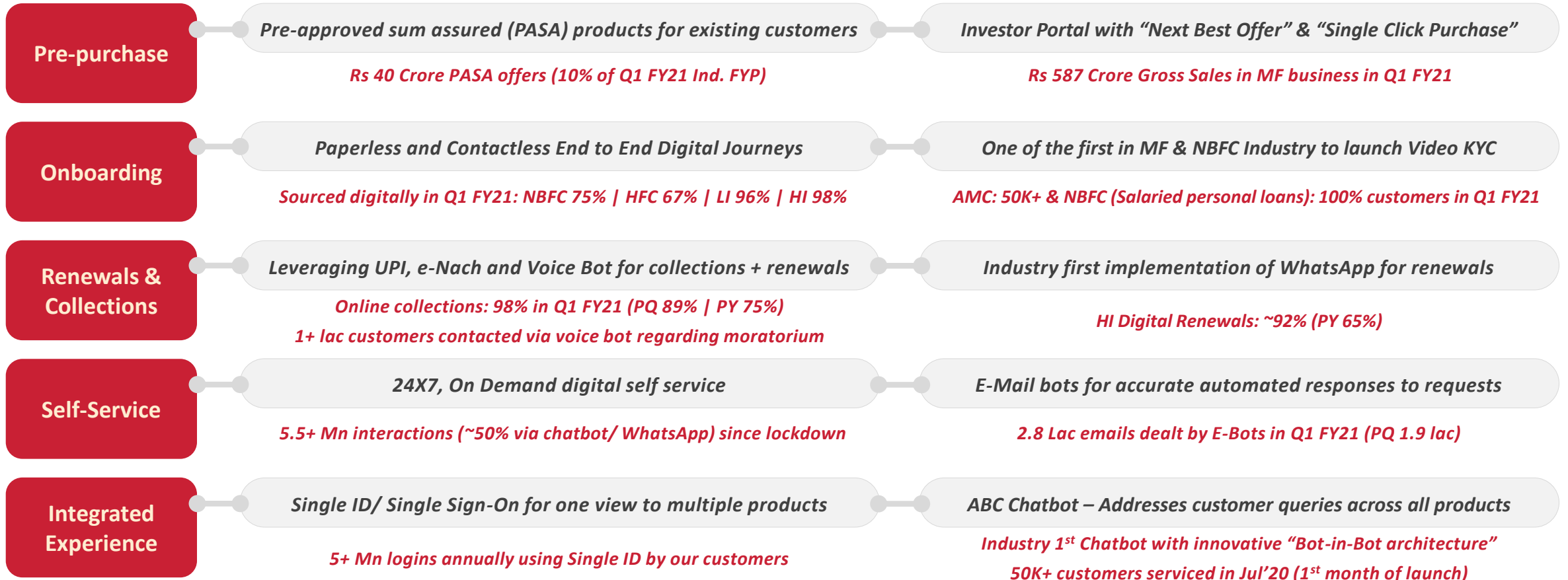
³ Aditya Birla Sun Life AMC Ltd and Aditya Birla Wellness Pvt Ltd consolidated based on equity accounting under Ind AS, however considered as a part of segmental performance to show holistic financial performance

⁴ Excluding Aditya Birla Health Insurance operating expenses given the business is scaling up and on path to break-even

Technology being leveraged in 5 key focus areas

5 Focus Areas

10 outcomes using technology and analytics



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Performance Summary for Q1 FY21



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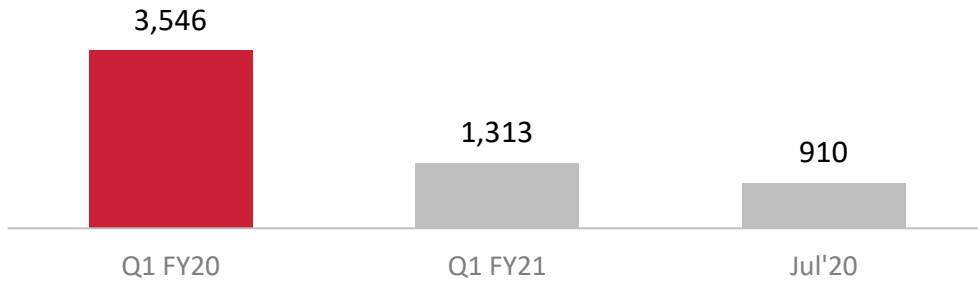
- 1. Restarted lending with caution during the quarter. Gradual ramp up of activity in Q1 with greater momentum in July**
 - **100% branches operational.** Rebound witnessed in gross disbursal:
 - **Disbursements in Q1 FY21:** 37% of Q1 FY20 | 42% of Q4 FY20
 - **Disbursements in Jul'20:** ~70% of Q1 FY21 | 66% towards Retail and SME
 - Continue to leverage Govt. Schemes (ECLGS, SIDBI CGTMSE) for disbursals to MSMEs to reduce risk
- 2. Strong push to digital through lockdown:**
 - **75% customer onboarded digitally in Q1 FY21**
 - Chatbot & WhatsApp channel seen significant uplift during lockdown with ~ **1.8+ lakhs monthly** customer-initiated interactions
 - Voice bot used for collection and moratorium calls
- 3. Continued focus on rebalancing portfolio towards target segments, with Retail portfolio ↑ 17% y-o-y**
- 4. Maintained core margins with improving sub-segment mix; Reduced Opex by 11% q-o-q;**
- 5. Net Stage 3 at 2.21% with PCR improving to 38.6% (PQ: 33.3%)**
 - Collection efficiency in loan book not under moratorium at similar level as in Q1 FY20
- 6. Core operating profit (PPOP) stable q-o-q; PBT (Ex-CoVID provision) grew by 42% q-o-q**

Revival in disbursements with focus on target segments

Figures in Rs Crore

Revival in disbursements

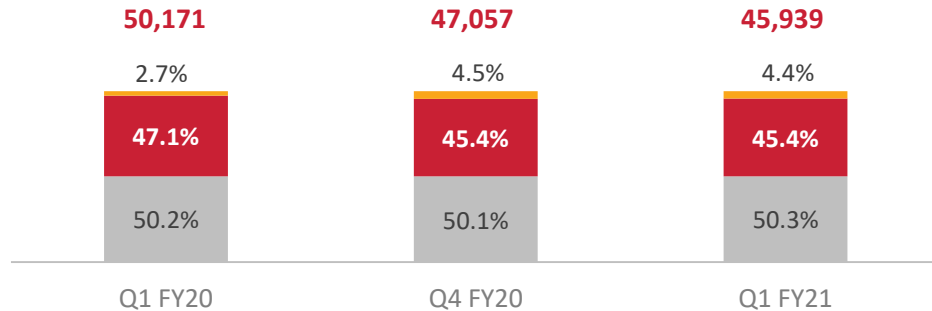
Disbursements in Q1 FY21: **37% of Q1 FY20** | **42% of Q4 FY20**



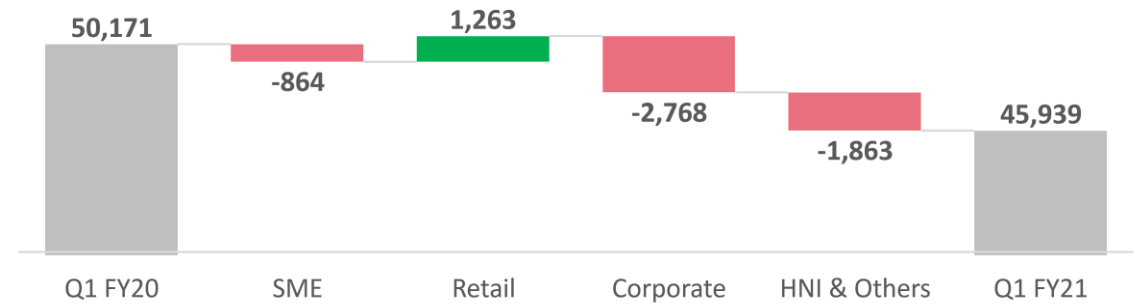
Disbursals

■ SME + Retail + HNI ■ Large + Mid Corporate ■ Others

Loan Book Mix



Focusing new disbursement in target segments



SME

Focus on secured TL/ WCDL segment

Broker Funding: ↓ 64% y-o-y | Supply chain finance: ↓ 19% y-o-y
LRD: ↓ 15% y-o-y

Retail

Focus on growing small ticket loan book

Personal Loans: ↑ 29% y-o-y | Business Loans: ↑ 27% y-o-y

Corporate

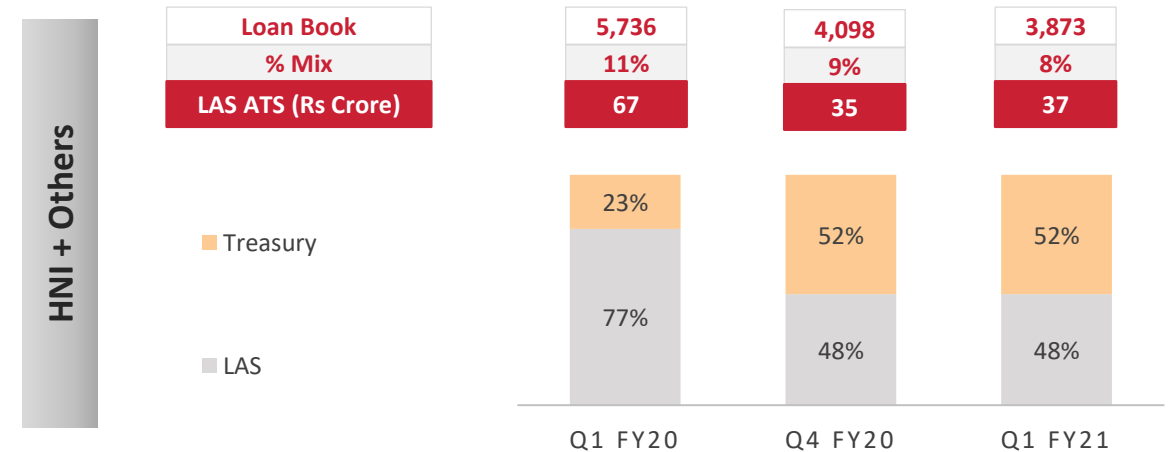
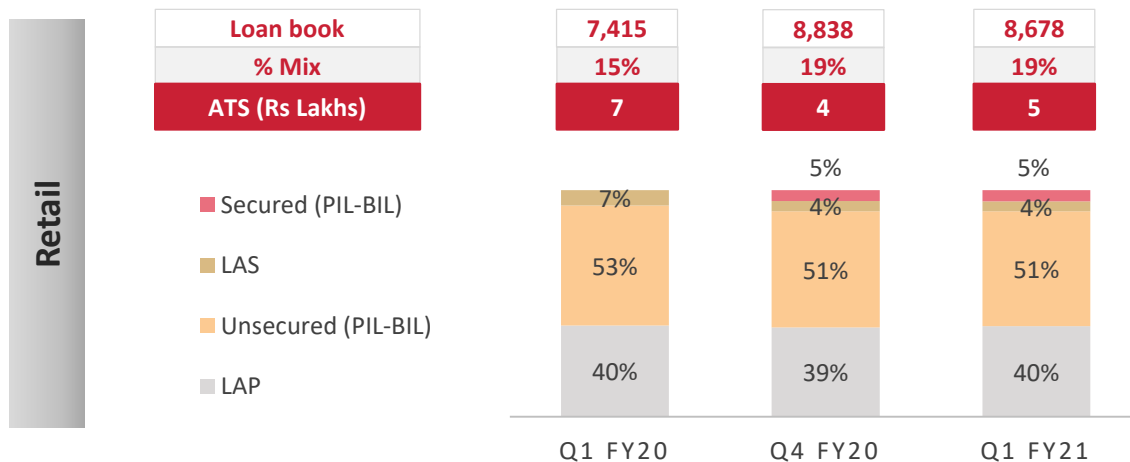
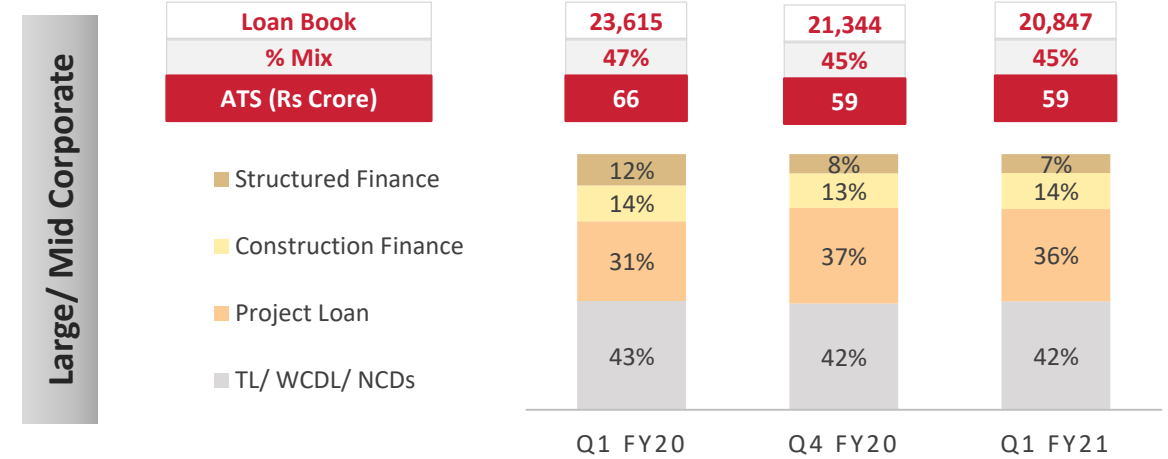
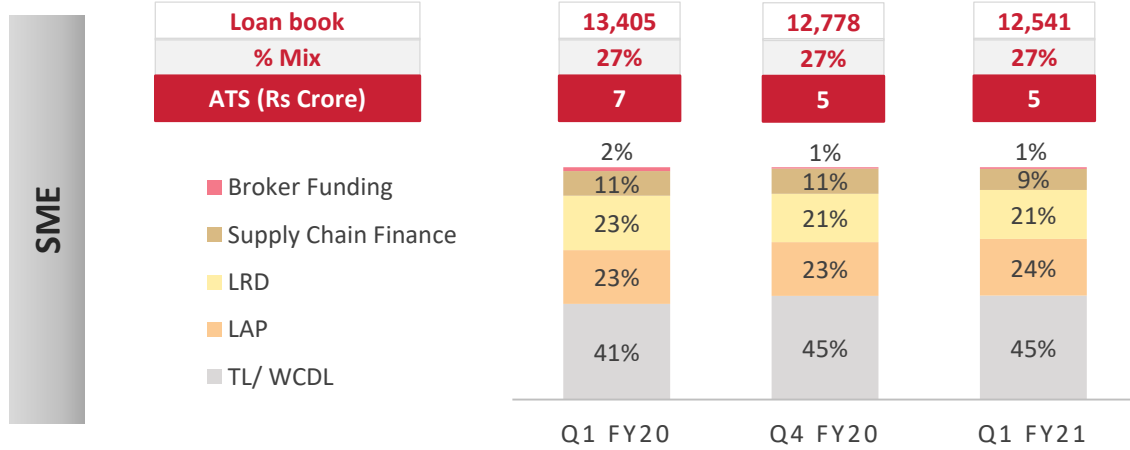
Strategic repayment/ pre-payment in large/ mid corporate

Structured Finance: ↓ 46% y-o-y | Construction Finance: ↓ 12% y-o-y

HNI

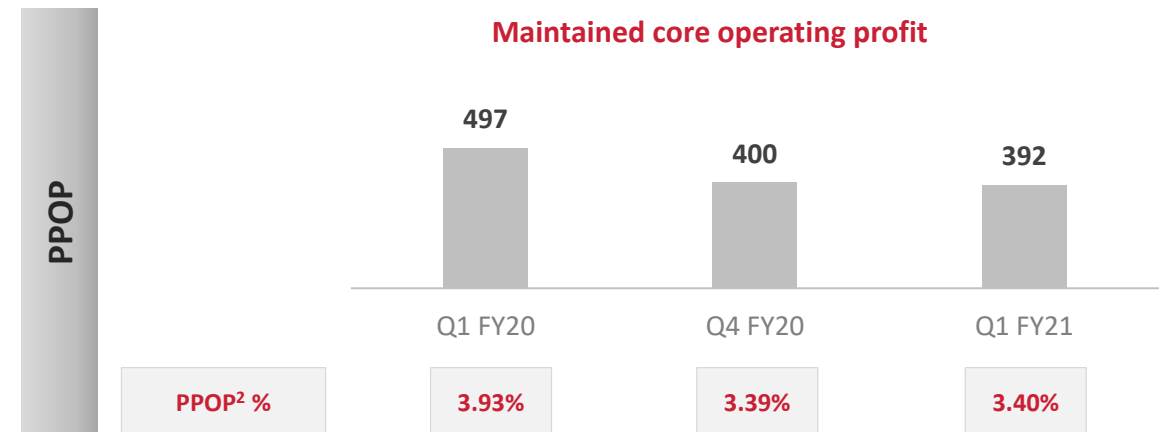
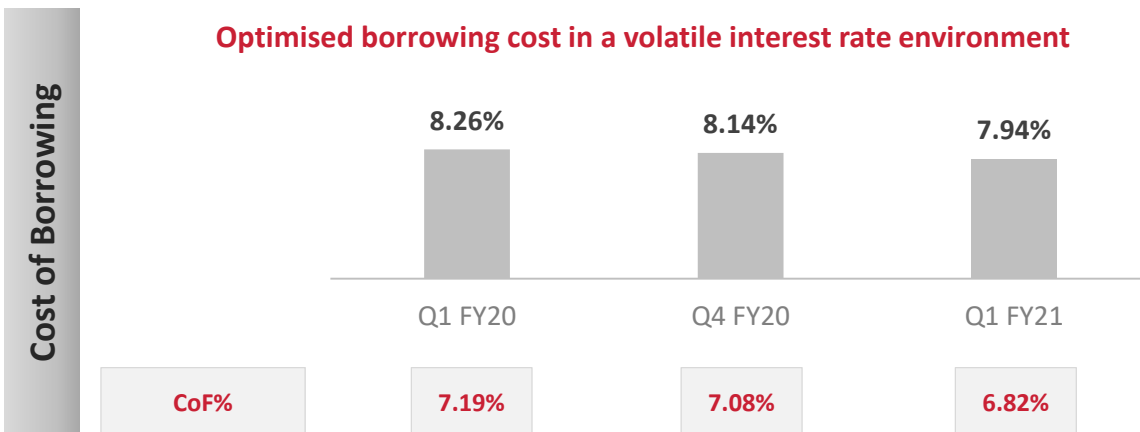
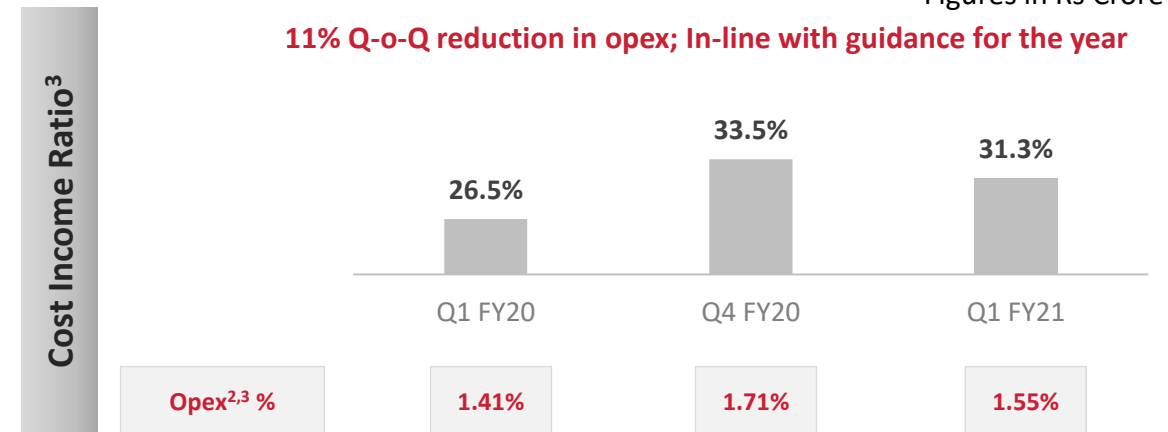
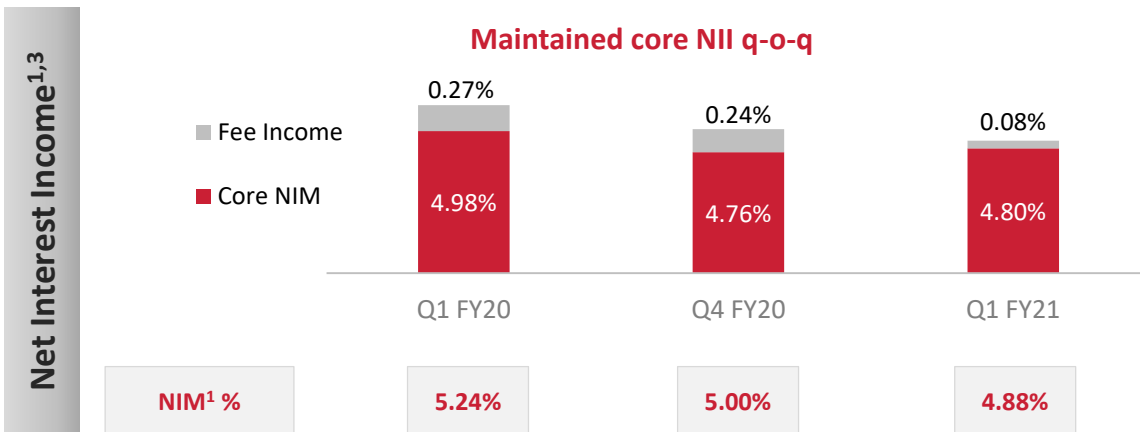
LAS: ↓ 57% y-o-y

Building granularity across segments



Maintaining core operating profit

Figures in Rs Crore

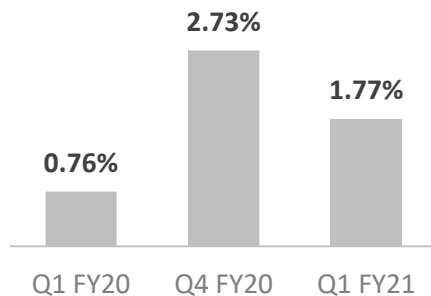


Increased provisions given the environment

Stage-wise assets and with enhanced provision coverage

Figures in Rs Crores	Q4 FY20		Q1 FY21	
	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3
Loan Book	45,360	1,697	44,284	1,655
% Loan Book (Gross)	96.39%	IL&FS	96.40%	IL&FS
		Ex-IL&FS		Ex-IL&FS
		0.47%		3.15%
ECL Provision	316	566	386	638
Provision Coverage	0.70%	33.3%	0.87%	38.6%
% Loan Book (Net)		2.40%		2.21%

Credit Cost % of Avg. Loan Book



Additional CoVID related provision of Rs. 50 Crore in Q1 FY21 (PY: Rs 90 Crore)

- Overall CoVID-19 provision of Rs 140 Crore; 30 bps of Loan Book as on 30th Jun'20, considering LGD/PD assumptions based on extensive stress-testing

Update on Stage 3

- Stage 3 PCR increased from 33.3% to 38.6%
- Security value of Rs 1,766 Crore against Net Stage 3 assets of Rs 1,017 Crore (1.7x security cover)
- Expecting ~50% resolution of Stage 3 book by end FY21

Moratorium

- 28% of AUM under moratorium; Reducing as lockdown eases
- 85% of loan book under moratorium never in 30+ DPD buckets resp. during the 3 months (Dec, Jan, Feb) prior to the lockdown

Collection Efficiency

- Collection efficiency in loan book not under moratorium at similar level as in Q1 FY20
- Automated and Analytics driven Collections; Dedicated focus on settlements/recoveries across products

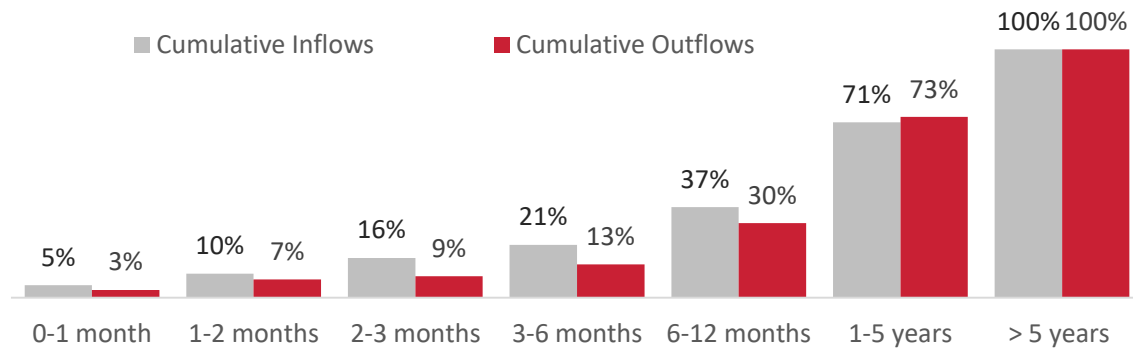
Secured Loan Book

- Secured loan book ~80% of total
- Additional 4% secured through CGTMSE guarantee scheme
- Primarily focused on cash flow-based underwriting

Well matched ALM with adequate liquidity

Figures in Rs Crore

ALM optimised for liquidity and costs (As on 30th June 2020)



Cumulative Surplus/ (Gap)

62%	31%	84%	58%	21%	(3)%	0%
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Raised LT borrowing of ~Rs 1,200 Crore in Q1 FY21

Term Loans: Rs 500 Crore | NCD: ~Rs 700 Crore

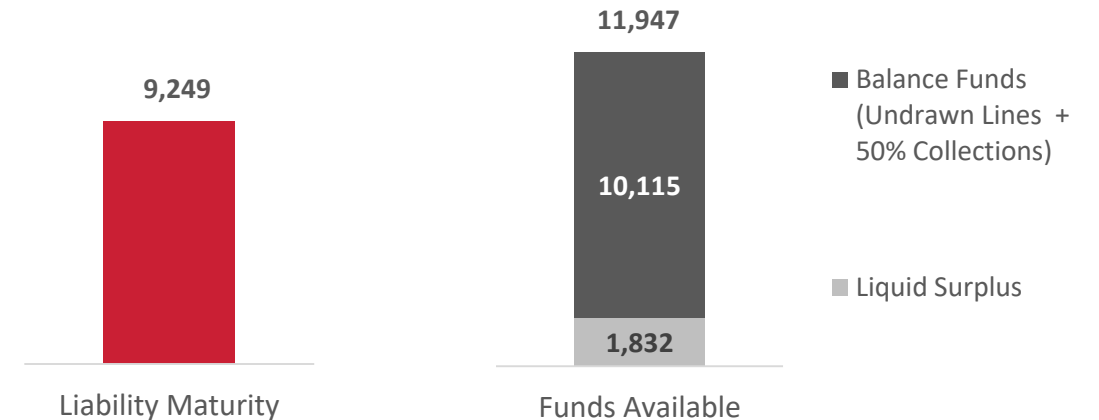
Diversified borrowing profile with LT Mix at 87%

AAA rating re-affirmed by ICRA and India Ratings

Adequate liquidity under stress test scenario

Liability Maturity (FY21)
(Including interest payments)

Fund Available as on 31st July 2020
(Assuming 50% of collections)



Optimised cost of borrowing despite increased spreads for NBFCs and surplus liquidity

Maintaining comfortable capital adequacy

Q1 FY21: CRAR at ~20.1%

Leveraging technology

Figures in Rs Crore

Technology initiatives + Digital Assets deployed

Customer Onboarding

- Deployed paperless onboarding using OCR, Video KYC, Face ID, video PD + geotagging, e-sign and e-Contract features
- Salaried PL business sourcing, underwriting and disbursement journey end-to-end migrated to digital platform since Jun'20

Distributor onboarding

- Launched digital platform for distributor onboarding across all product lines in FY20
- 100% of distributors onboarded digitally in Q1 FY21

Digital Payments & Collections

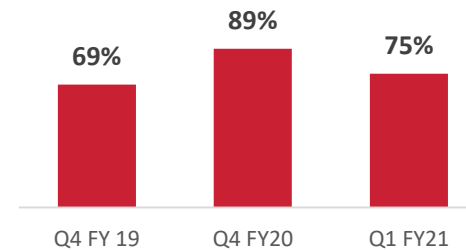
- ABFL payment hub and new channels such as UPI, Wallets, eNach etc. introduced for digital payments collections.
- Voice bot used for collection and moratorium calling in FY21.

Customer Self Service

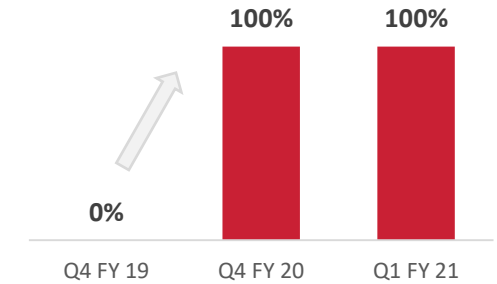
- Chatbot & WhatsApp channel seen significant uplift during CoVID lockdown with 1.8+ lakhs monthly customer-initiated interactions.
- Email bot has been able to respond to the increased volume of 39k per month emails during CoVID lockdown.

Outcomes

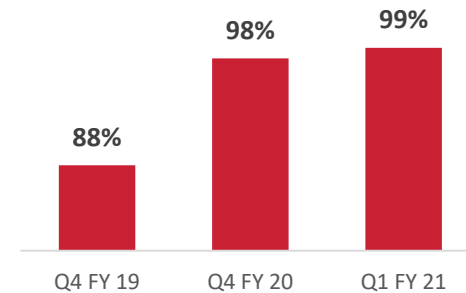
% Customers onboarded Digitally



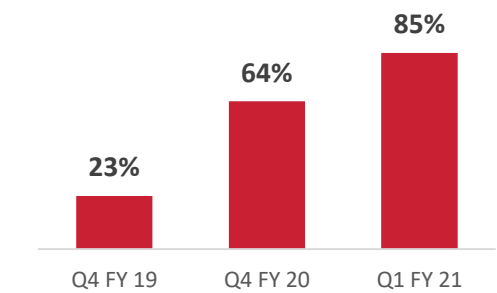
Digital Distributor Onboarding



Digital Payments



Digital Customer service interactions



Key Financials – Aditya Birla Finance Limited



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Figures in Rs Crore	Quarter 1	Quarter 4	Quarter 1
Key Performance Parameters	FY 19-20 (PY)	FY 19-20 (PY)	FY 20-21 (CY)
Lending book	50,171	47,057	45,939
Average yield (Incl. Fee Income)	12.44%	12.08%	11.70%
Interest cost / Avg. Lending book	7.19%	7.08%	6.82%
Net Interest Margin (Incl. Fee Income)	5.24%	5.00%	4.88%
Net Interest Income (Incl. Fee Income)	676	601	571
Opex	179	201	178
Opex / Avg. Lending book	1.41%	1.71%	1.55%
Cost Income Ratio	26.5%	33.5%	31.3%
Credit Provisioning	96	321	204
Credit Provisioning/ Avg. Lending book	0.76%	2.73%	1.77%
Profit before tax	401	78	189
Profit after tax	262	137	140
Net worth	7,673	8,078	8,196

Opex ↓ 11% q-o-q
CIR ↓ 223 bps q-o-q

Aditya Birla Housing Finance Limited



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Performance Summary for Q1 FY21



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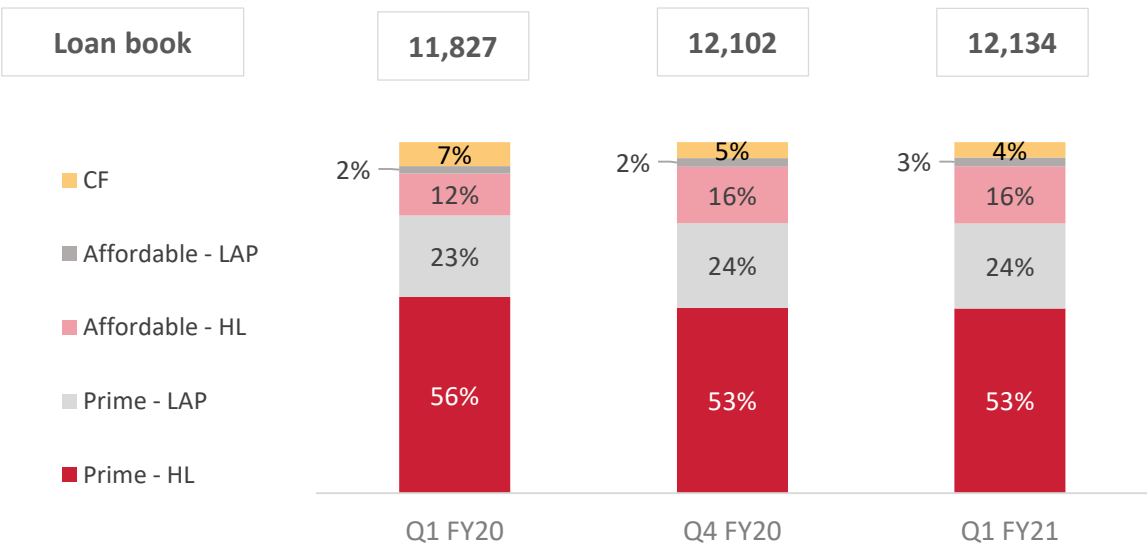
- 1. Restarted lending with caution during the quarter with operations gradually heading back to normal**
 - **Logins (Count)** in Jul'20: **84%** of PY | Jun'20: **53%** of PY
 - **Gross disburseals (Value)** in Jul'20: **~53%** of PY | Jun'20: **23%** of PY | Gross disbursement in Jul'20 was **~2x of Q1 FY21**
- 2. Strong drive towards technology deployment to drive sales and customer engagement**
 - Increased adoption of Mobile Sales Onboarding App
 - Direct/ DSA assisted digital pre-purchase onboarding journeys deployed. 85% of all files sourced digitally in Jul'20 (2x that of Q1 FY21)
 - Email and Voice Bots deployed to serve customers with moratorium related queries/ service requests
- 3. Focused approach to rebalance overall portfolio**
 - Affordable Home Loans **↑ 37%** y-o-y | Construction Finance **↓ 34%** y-o-y
 - Construction Finance exposure down from 9% to 4% of overall loan book in 2 years
- 4. NIM **↑ 31 bps** q-o-q & **↑ 29 bps** y-o-y. Opex and PPOP flat compared to PQ & PY**
- 5. GNPA at 1.20% | NNPA at 0.81%; Flat compared to Q4 FY20**
 - Collection efficiency in loan book not under moratorium at similar level as in Q1 FY20
- 6. Core operating profit (PPOP) stable q-o-q; PBT (Ex-CoVID provision) grew by 23% q-o-q**

Gradual recovery in disbursement

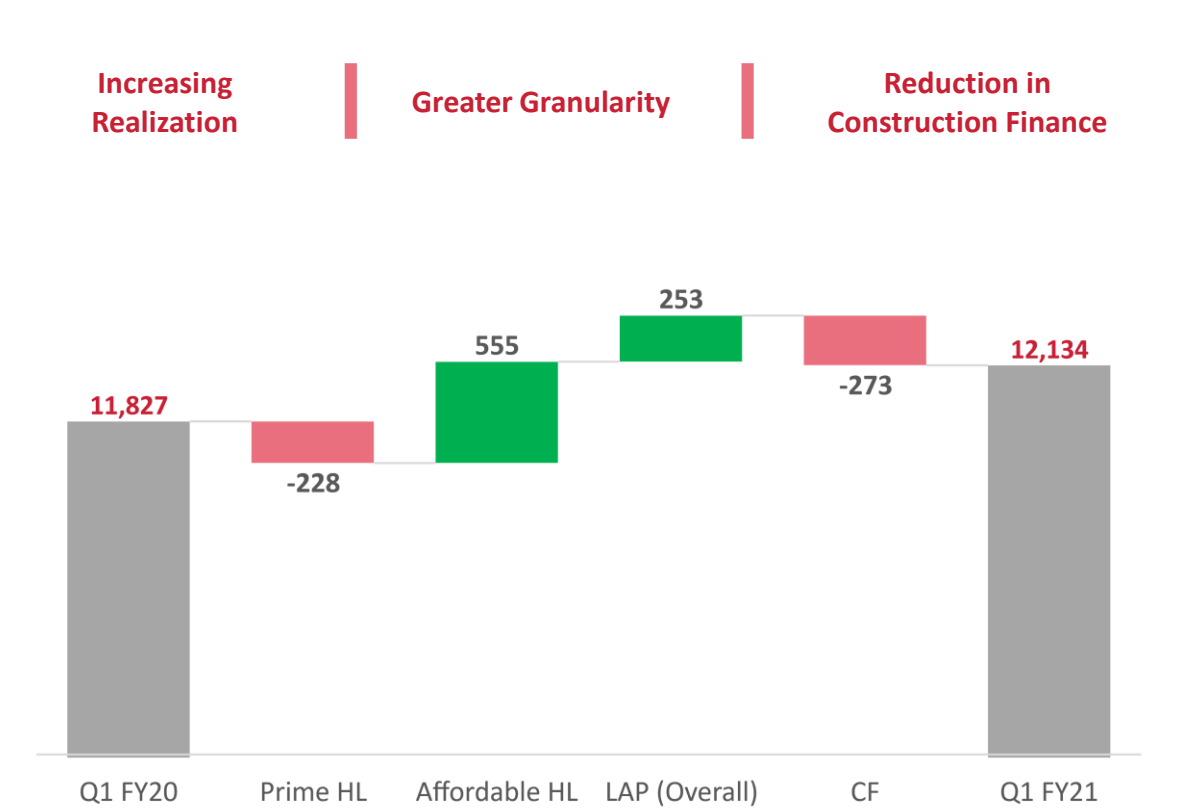
Figures in Rs Crore

Growing loan book with increased retail mix

Loan Book	Retail Mix	Home Loans	Affordable
2Y CAGR: 15%	2Y: 91% → 96%	2Y CAGR: 19%	3.5x over 2 yrs



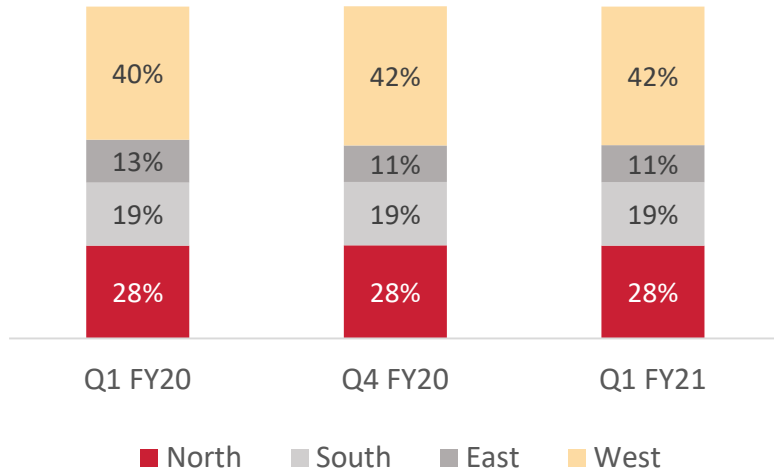
Change in Loan Book and Disbursement Mix



Sourcing strategy

Figures in Rs Crore

Diversified Geographic Mix (%)

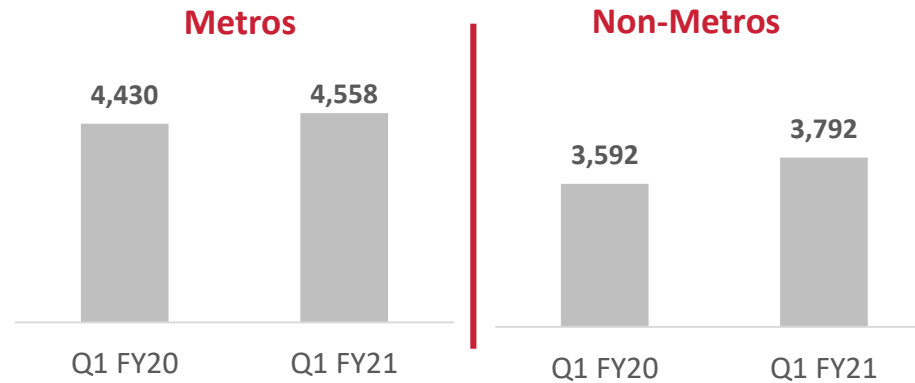


Balanced distribution strategy

Tapping growth in smaller cities through affordable

Focus on increasing reach and building retail granularity

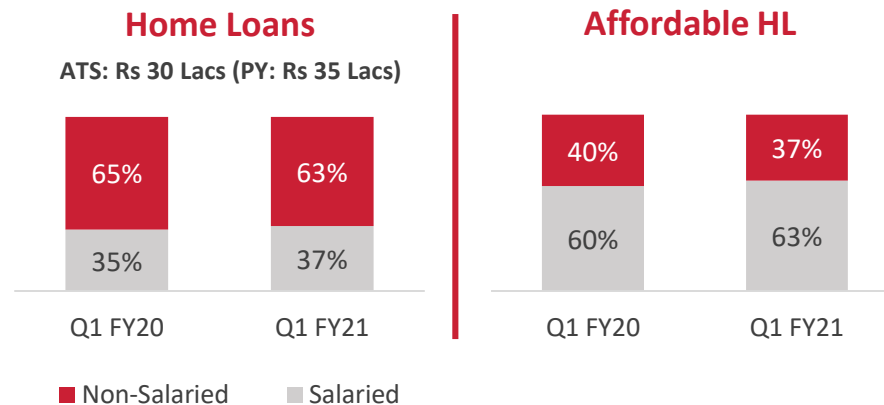
Home Loans Sourcing



Non-metro loan book mix at 45%

65 branches currently operational pan-India

Customer Mix

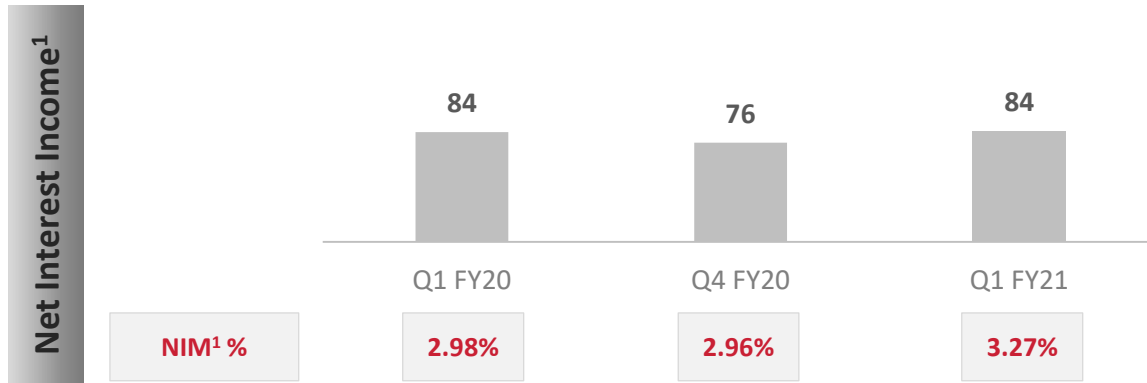


Continue to focus on salaried customers in Affordable HL segment

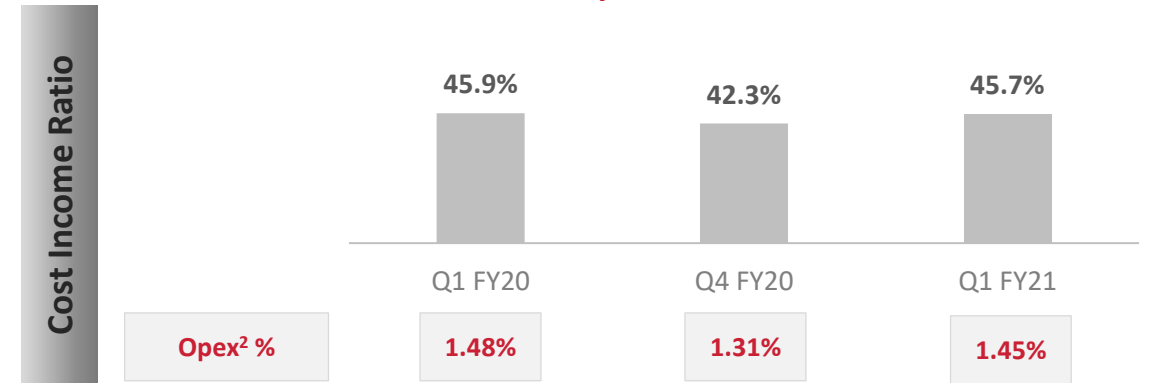
Delivering strong core operating profits

Figures in Rs Crore

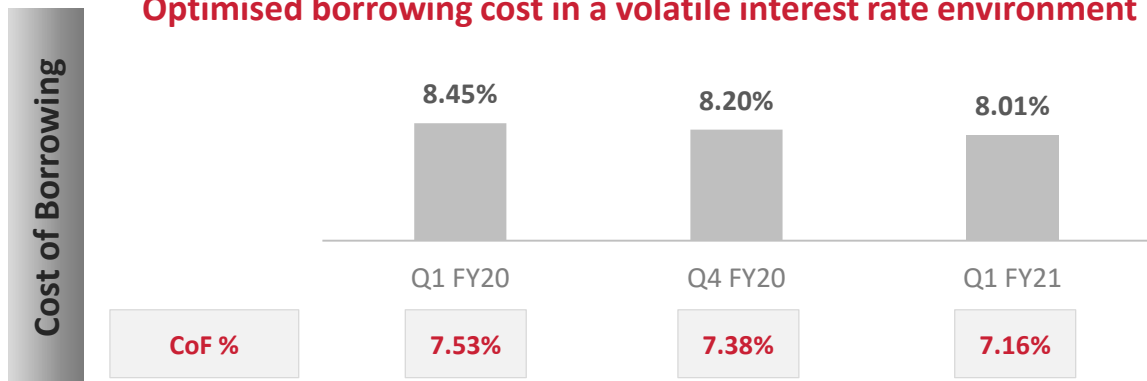
Maintained margins with change in product mix



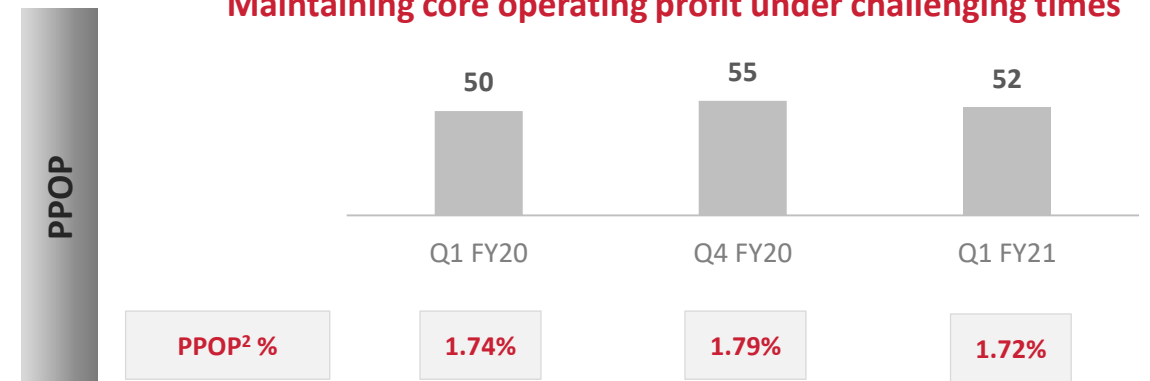
CIR maintained with opex at similar levels as Q1 FY20



Optimised borrowing cost in a volatile interest rate environment



Maintaining core operating profit under challenging times



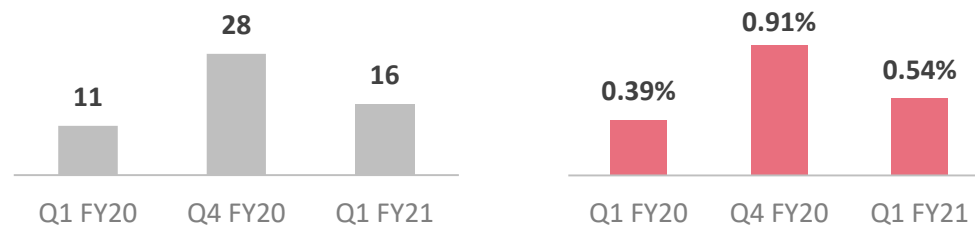
Update on portfolio quality

Figures in Rs Crore

Stage-wise assets and provision coverage

Figures in Rs Crores	Q4 FY20		Q1 FY21	
	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3
Loan Book	11,955	147	11,989	146
% of Loan Book (Gross)	98.79%	1.21%	98.80%	1.20%
ECL Provision	56	47	70	47
Provision Coverage	0.47%	32%	0.58%	32%
% of Loan Book (Net)		0.82%		0.81%

Credit Cost



Additional COVID-19 provision of Rs 12 Crore in Q1 FY21
Overall COVID-19 provision of Rs 30 Crore (PY: Rs 18 Crore)
(25 bps of Loan Book as on 30th Jun'20)

Moratorium

- **28% of retail loan book under moratorium; ↓ as lockdown eases**
- **92% of loan book under moratorium never in 30+ DPD buckets resp. during the 3 months (Dec, Jan, Feb) prior to lockdown**

Collections & Security Cover

- **Collection efficiency in loan book not under moratorium at similar level as in Q1 FY20**
- **Security value of Rs 240 Crore against Net Stage 3 assets of Rs 99 Crore (2.4x security cover)**

Construction Finance

- **ATS on exposure: Rs 19 Crore**
- **ATS on outstanding: Rs 9 Crore**
- **~88% of CF exposure to Bangalore, Mumbai, Pune, Surat, Ahmedabad and Noida**

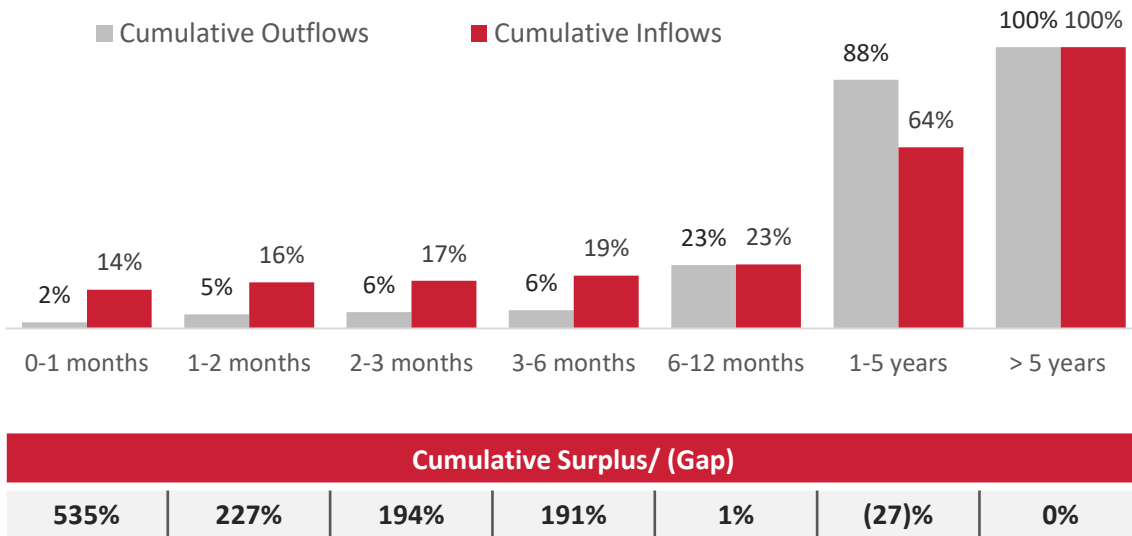
Affordable Home Loans

- **ATS ~ Rs 13 Lacs**
- **29% of Affordable Home Loans portfolio backed by IMGC and 48% eligible for PMAY subsidy.**
- **30% of book under moratorium is covered by IMGC**

Well matched ALM with adequate liquidity

Figures in Rs Crore

ALM optimised for liquidity and costs (As on 30th June 2020)



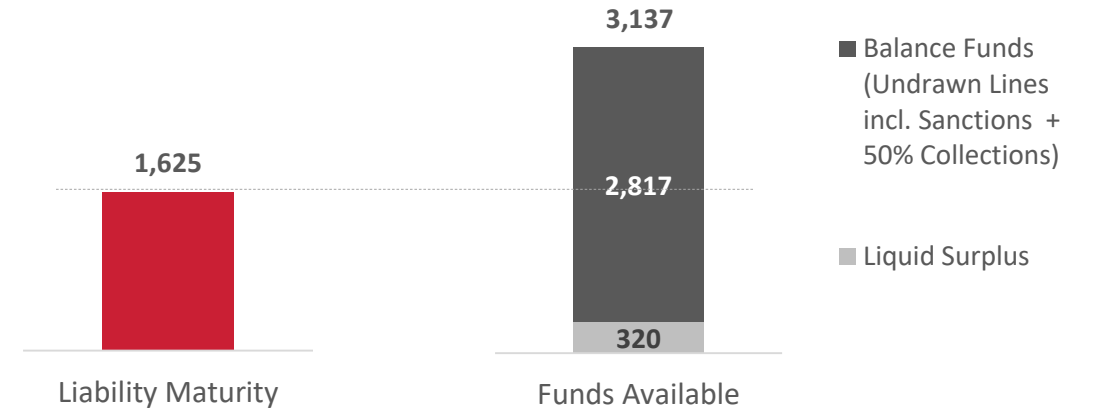
Raised LT borrowing of ~Rs 400+ Crore (through debenture) in Q1 FY21

Term loan (NHB): Rs 228 Crore (1 Year Refinance facility)

Adequate liquidity under stress test scenario

Liability Maturity (FY21)
(Including interest payments)

Fund Available as on 31st July 2020
(Assuming 50% of collections)



Maintaining comfortable capital adequacy
Q1 FY21: CRAR at ~17.8% (Regulatory requirement: 14%)

Leveraging technology

Figures in Rs Crore

Technology initiatives + Digital Assets deployed

Onboarding

- Mobile App launched for Digital onboarding of customers leveraging technologies like e-Aadhaar, live photo, facial match, credit bureau integration, ITR & GST database integration and online payment system

Digital Collections

- Launched Voice Bot for collections and moratorium calling in Q1 FY 21.
- Deployed 2-way switch calling platform enabling In-House Collections for Sales Teams during WFH on moratorium & overdues collections follow-up

Digital Payments

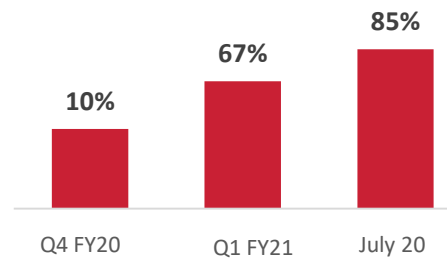
- Launched a Collections App for Digital payment collection
- Use of Wallets/ Virtual Accounts for payment has enabled faster reconciliation & real time account update.
- Part payment automation using RPA has reduced Overall TAT by 75%

Customer Self Service

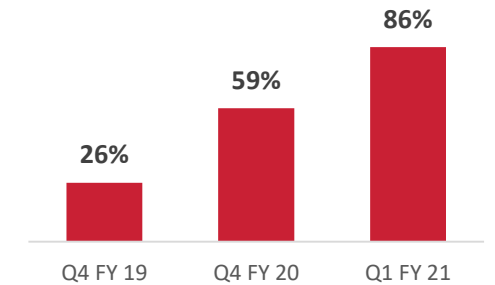
- Focus on digitization of self-service journeys with 24+ new services launched
- Chatbot & WhatsApp channel seen significant uplift during CoVID lockdown with number of customer-initiated interactions at 35k monthly.
- Email bot has been able to respond to the increased volume of 14k per month emails

Outcomes

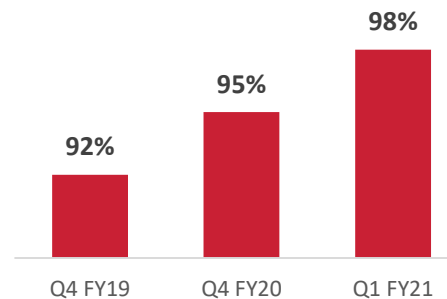
Digital Onboarding



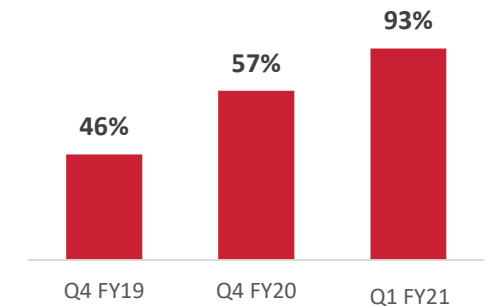
% Customer interactions on digital channels



% Digital Collection



Self Service available

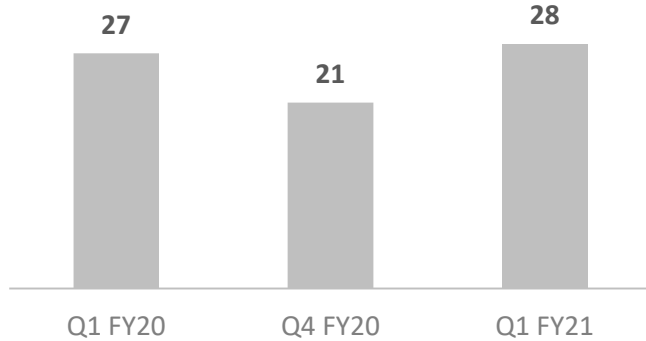


Value accretive growth

Figures in Rs Crore

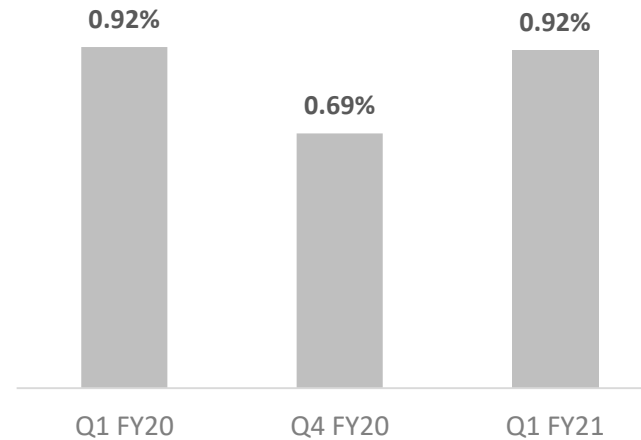
PAT

PAT (ex-CoVID provision) at **Rs 37 Cr** (PQ: Rs 35 Cr)



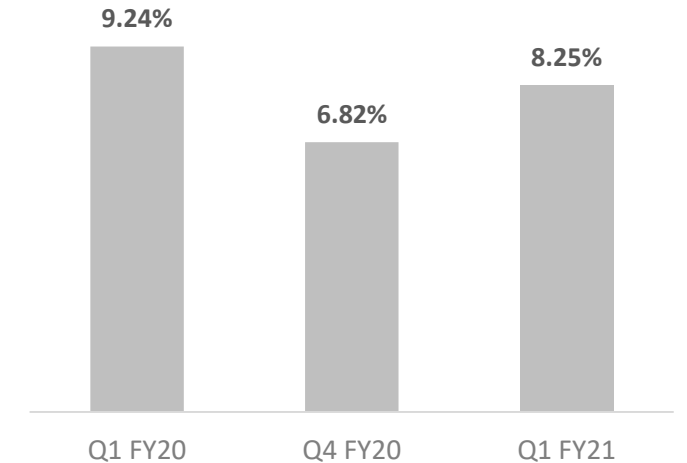
Return on Assets

RoA (ex-CoVID provision) at **1.24%** (PQ: 1.18%)



Return on Equity¹

RoE (ex-CoVID provision) at **11.2%** (PQ: 11.66%)



Key Financials – Aditya Birla Housing Finance Limited



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Figures in Rs Crore	Quarter 1	Quarter 4	Quarter 1
Key Performance Parameters	FY 19-20 (PY)	FY 19-20 (PY)	FY 20-21 (CY)
Lending book	11,827	12,102	12,134
Average yield	10.47%	10.28%	10.36%
Net Interest cost / Avg. Loan book	7.53%	7.38%	7.16%
NIM (incl. Fee Income)	2.98%	2.96%	3.27%
Net Interest Income	84	76	84
Opex	43	40	44
Opex/ Avg. Loan Book	1.48%	1.31%	1.45%
Cost Income Ratio (%)	45.9%	42.3%	45.7%
Credit Provisioning	11	28	16
Credit Provisioning/ Avg. Loan Book	0.39%	0.91%	0.54%
Profit Before Tax	39	27	36
Profit After Tax	27	21	28
Net worth	1,215	1,383	1,405

Aditya Birla Sun Life AMC Limited



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

Performance Summary for Q1 FY21



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1. Focus on growth

- Overall Closing AUM ↑ 8% from Rs 2,02,396 Crore in Mar'20 to Rs. 2,17,643 Crore in Jun'20
- Closing Equity AUM ↑ 19% from Rs 65,697 Crore in Mar'20 to Rs. 78,017 Crore in Jun'20
- Maintained leadership in fixed income category (ex-Liquid) with closing AUM of ~Rs. 98,000 Crore

2. Continued focus on building retail customer franchise

- **Retail AAUM:** Increase of 12% from Apr-20 to Rs 43,818 Crore in Jun'20
- **B-30 AAUM:** Continued traction with growth of 12% since Apr'20
- **SIP :** Increase in SIP AUM by 27% q-o-q to Rs 31,962 Crore; Improved SIP Market share to 10.29%

3. Leveraging digital adoption

- Digital transactions account for 94% of overall transactions as compared to 81% in previous quarter
- Ramped up digital enrolment of customers with over 50,000 a month digitally enrolled this quarter
- Increased footprint in digital platforms and several steps taken to improve digital servicing

4. Maintained Profitability in challenging environment

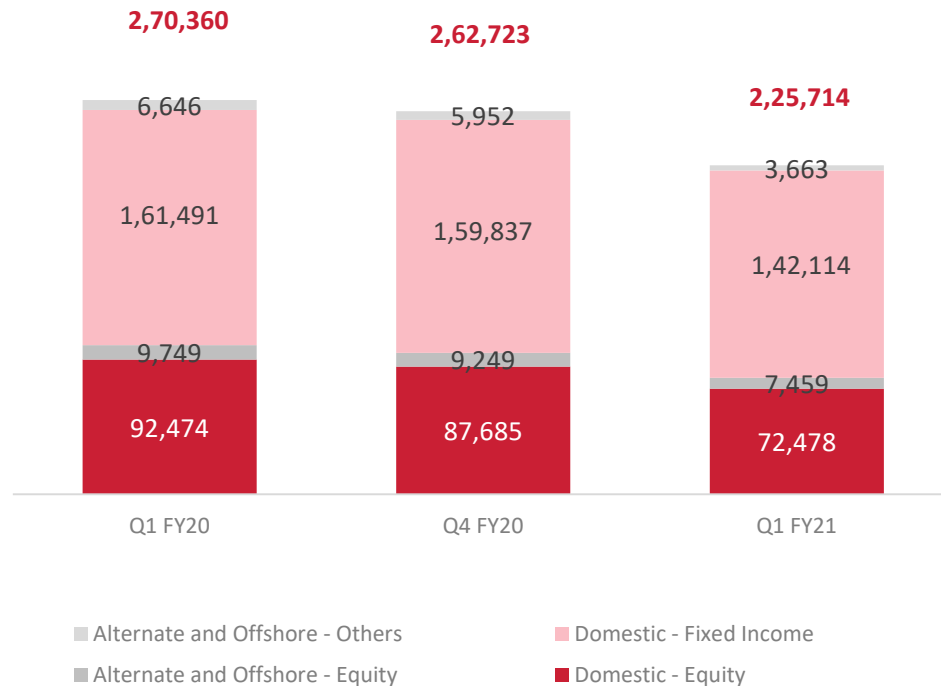
- PBT/ AUM at 24 bps vs. 22 bps in Q4 FY20, maintaining PAT compared to last quarter
- Focus on cost control with reduction of ~7% on both q-o-q and y-o-y basis

Focus on growth

Figures in Rs Crore

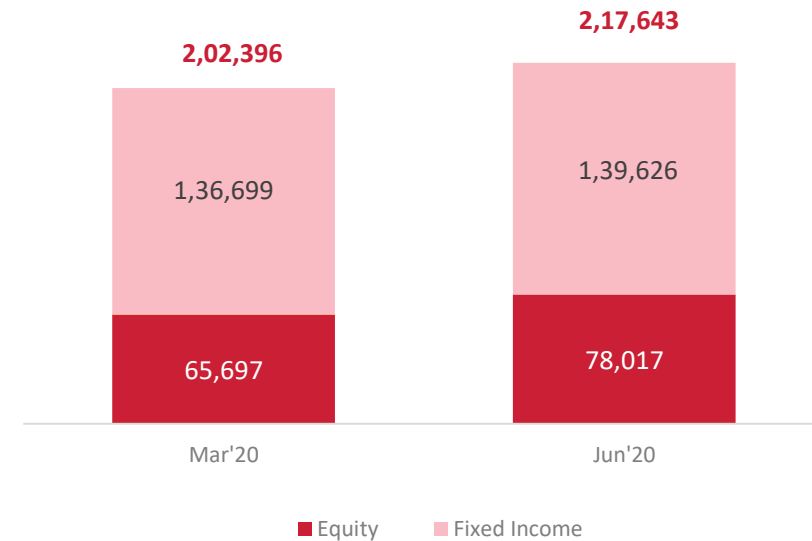
Overall Average Assets under Management

Strong retail franchise with investor folio count at ~7.2 Mn



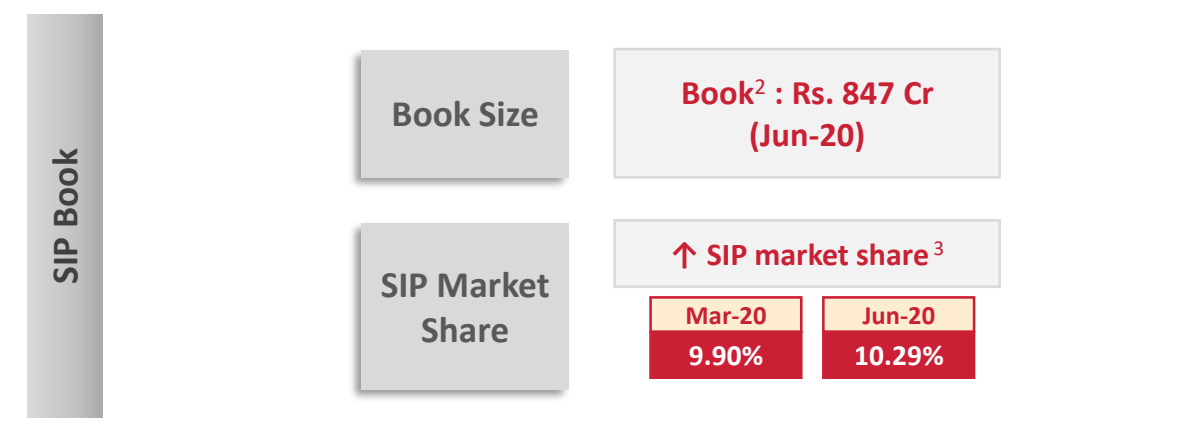
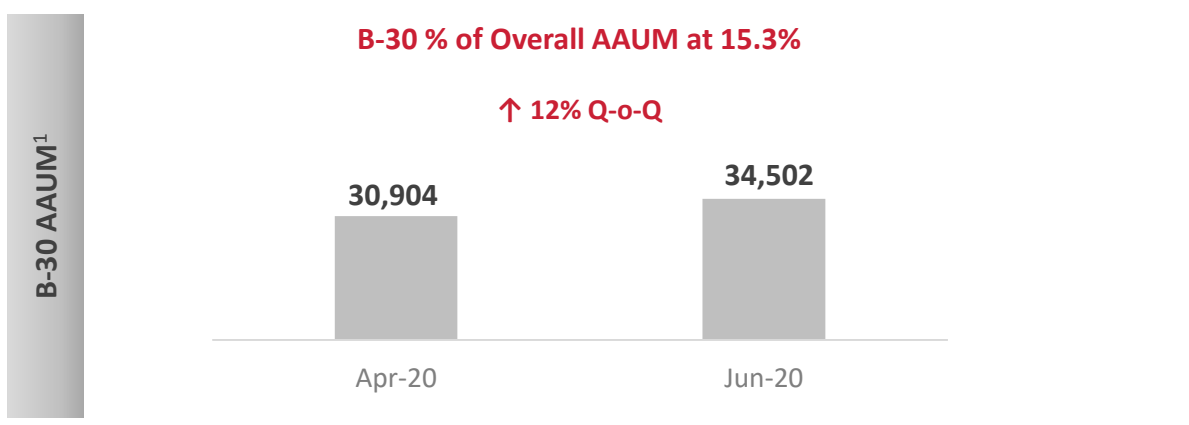
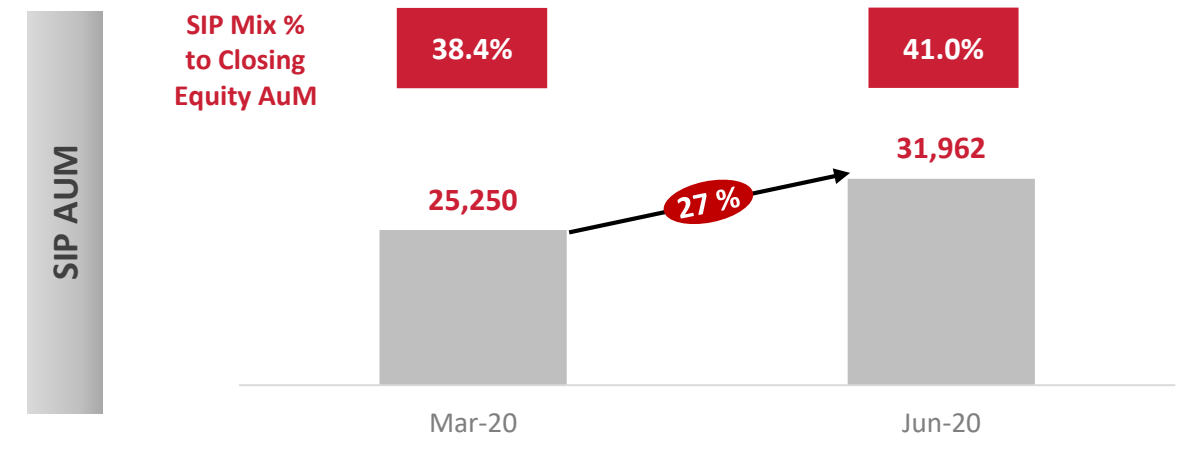
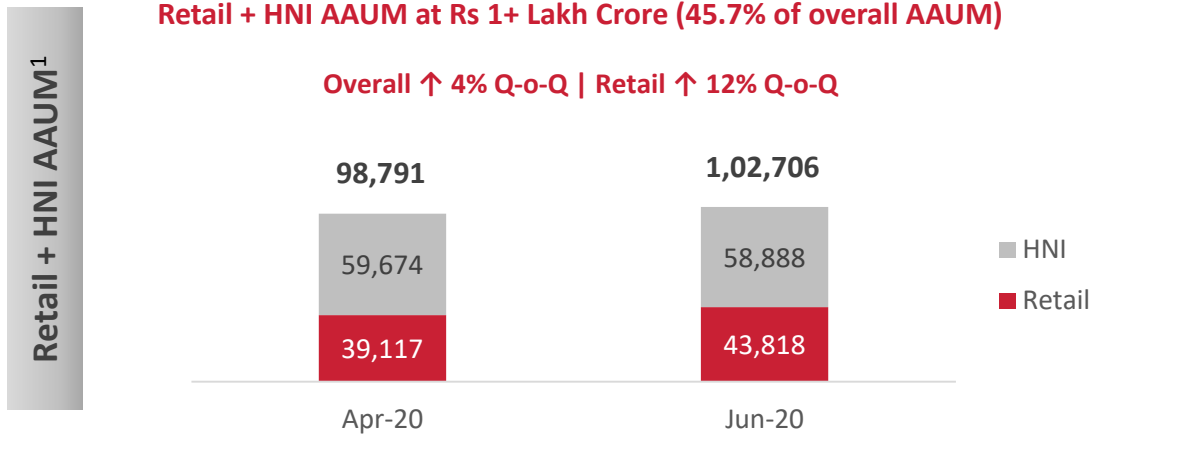
Domestic Closing Assets under Management

Overall ↑ 8% Q-o-Q | Equity ↑ 19% Q-o-Q



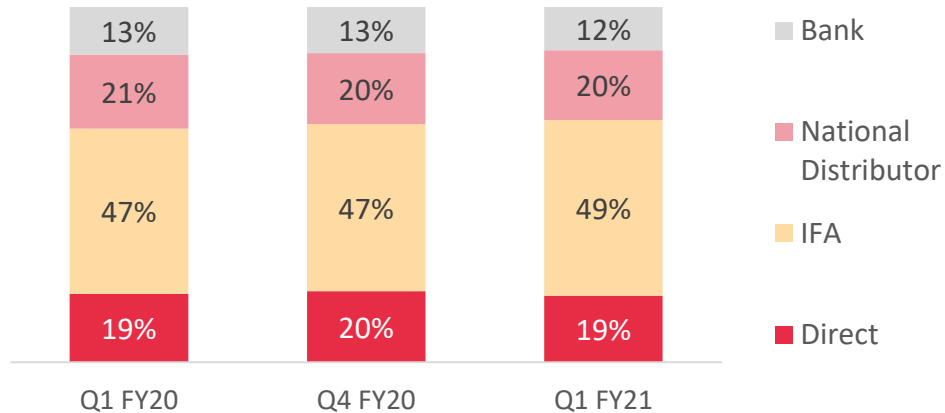
Continued traction in Retail, B-30 and SIPs

Figures in Rs Crore



Large and diversified distribution network

Continue to grow IFA share in equity sourcing



Locations (>75% in B-30 cities)	310	IFAs	80,400+
National Distributors	230+	Banks	88

Investor Education and Distributor development

- *Conducted innovative campaigns and services with the objective of spreading awareness among investors and providing support to business partners*
- *Conducted 98 digital investor education programs covering 18,000+ Investors*
- *Conducted 136 distributor development program covering 16,000+ channel partners*
- *Empanelled 300+ new IFAs in Q1 FY21*
- *Tie ups with over 75 digital distributors*
- *Digital asset awareness campaign to assist advisors to use digital assets for transactions*

Leveraging technology

Technology initiatives + Digital Assets deployed

Onboarding

- Acquired 50,000 Investors through our Video KYC platform during CoVID lockdown
- Paperless onboarding using OCR, e-NACH, eScan & Analytics/ revamping of Investor Portal
- Partnered with strategic platforms for seamless onboarding through APIs
- Launched an Industry first LumpSum and SIP purchase journey on WhatsApp

Pre-purchase journey

- Investor Portal powered by Hyper personalized “Next Best Offer” and “single click” journey resulted in gross sales of Rs. 587 Crore in Q1 FY21
- AI & Analytics based platform used for NBO and campaigns resulting in gross sale of Rs. 150 Crore in Q1 FY21

Customer Retention

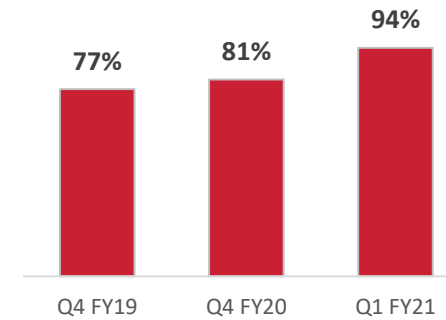
- Analytics models for target segments and proactive triggers for retention –quick renewal links, payment links with electronic payment mandates and OTMs.
- Retention Program and digital campaigns resulted in retaining redemptions/ cancellations of over Rs 1,000 Crore in FY20

Customer Self - Service

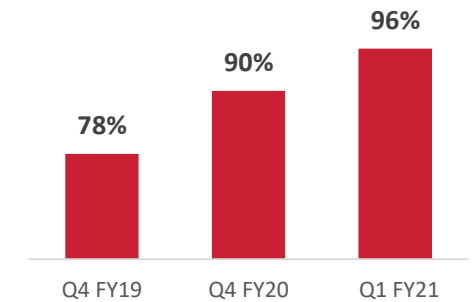
- Google Assistant based voice bot launched
- Chatbot & WhatsApp channel seen significant uplift during CoVID lockdown with 2 lakh + customer interactions monthly.
- Email bot has been able to assist increased volume of emails during CoVID lockdown (11k per month for customer & 30k per month for distributors).

Outcomes

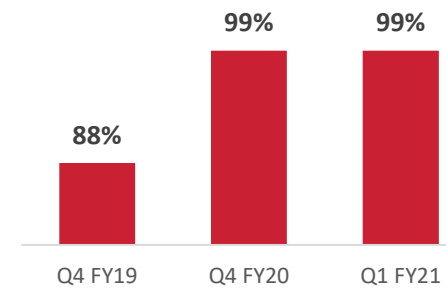
Digital Transactions



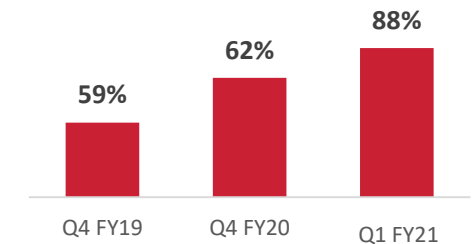
% Customer Interactions on digital channels



Digital Payments



Self Service Channel available



Digital Platforms

Customer



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Mobile Apps



Reference link for prefilled transactions experience

Partner



abslmfpartner.adityabirlacapital.com



Mobile App & API services for IFAs



ARN hard coded pre-filled Transaction Link for Partners

Key Financials – Aditya Birla Sun Life AMC Limited



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Figures in Rs Crore	Quarter 1	Quarter 4	Quarter 1
Key Performance Parameters	FY 19-20 (PY)	FY 19-20 (PY)	FY 20-21 (CY)
Domestic AAUM	2,53,965	2,47,522	2,14,592
Domestic Equity AAUM	92,474	87,685	72,478
Alternate and Offshore Equity AAUM	9,749	9,249	7,459
Total Equity	1,02,223	96,935	79,937
Revenue	315	278	261
Costs	140	141	131
Profit Before Tax	175	137	130
Profit Before Tax (bps¹)	28 bps	22 bps	24 bps
Profit After Tax	117	99	97

¹ Margin based on annualized earnings as % of Domestic AAUM

Aditya Birla Sun Life Insurance Limited



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Performance Summary for Q1 FY21

1. Strong rebound in New Business Premium Under Lockdown

- Individual FYP ↑ 5% y-o-y in Q1 FY21 (*Industry ↓ 23% y-o-y*)
- Group NBP grew 3x y-o-y in Q1 FY21 (*Industry ↓ 20% y-o-y*)

2. Strong focus on digital enablement

- >3.5Lacs customers engaged digitally with ~10% business coming through Pre-Approved Offers
- 96% Individual business sourced digitally
- Enabled Customer Servicing through WhatsApp, Bots and Self-Service portals
- Digital Renewal Collection: By Ind. FYP: ↑ 65% in Q1 FY21 (PY: 49%) | By NOP: ↑ 87% in Q1 FY21 (PY: 71%)

3. Multi channel distribution strategy

- Healthy Sourcing Mix through Proprietary and Partnership Channels, contribution of 42:58 respectively
- Product mix for both sourcing channels improved with controlled ULIPs and higher Protection

4. Improving Quality of Business

- Continuous improvements in Persistency over the years with 13th month persistency up by 200bps YoY
- Well managed Opex during Q1FY21; Improved Opex to Premium Ratio of 16.3% for the quarter

5. Improvement in VNB Margins

- Gross Margins at 33.1% for Q1FY21 despite fall in Interest rates over the period
- Improved Net Margins y-o-y

Strong rebound in New Business Premium under lockdown

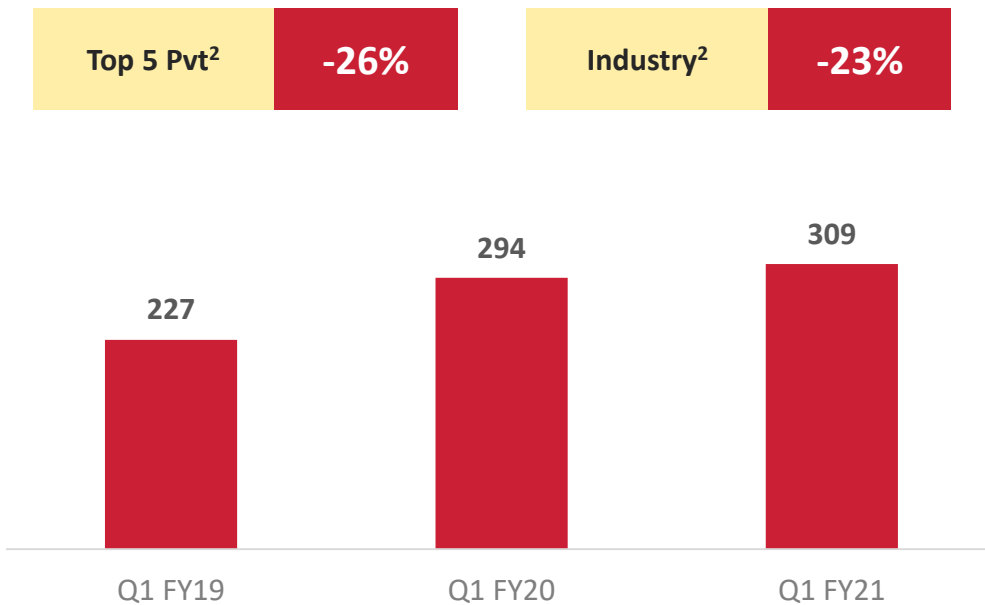


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Figures in Rs Crore

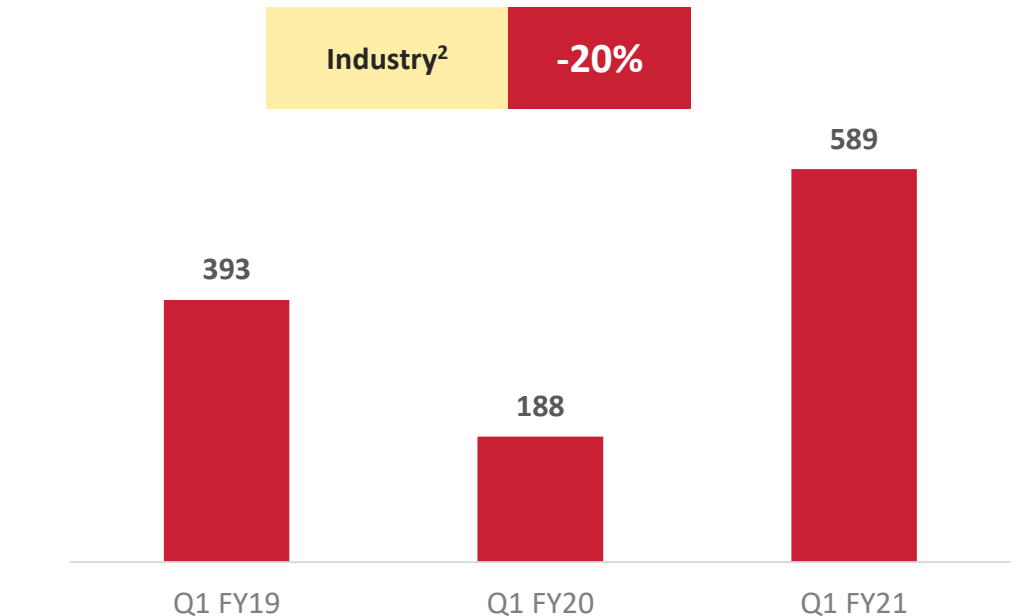
Strong rebound in Individual FYP¹

5 % Y-o-Y in Q1 FY21



Group New Business Premium

Y-o-Y Growth ~3x | 2Y CAGR ~22%



Segment continues to be value accretive contributing Bottom Line of the Company

Leveraging technology

Figures in Rs Crore

Technology initiatives + Digital Assets deployed

Pre-Purchase

- 3.5 Lacs customers engaged digitally across platforms
- Rs. 40 Crore Ind. FYP through PASA offers in Q1 FY21
- Distribution Expansion: Advisor Win Back in lieu of New Licensing & hiring through predictive modeling

Onboarding

- 96% New business sourced digitally
- Seamless Onboarding of WFH Suite – CKYC , E- CDF. OCR
- Kick started development on Digital Prospecting Journeys for Advisors focused on customer acquisition

Renewals and Persistency

- Digital Renewal Collection (by Ind. FYP) increased to 65% in Q1 FY21 (PY: 49%)
- Analytics driven propensity driving higher persistency

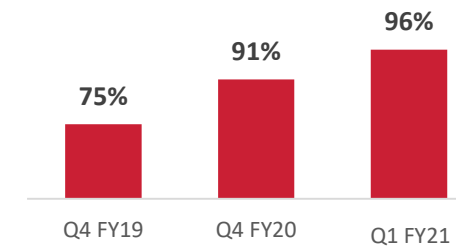
Customer Servicing

- 95%+ services available online
- WhatsApp & Chatbot have seen significant rise in adoption with total customer initiated interactions crossing 2 lakh per month
- 1,412 claims settled in Q1 (Group + Individual Life) during lockdown

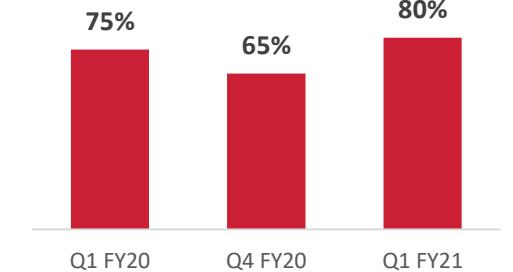
Outcomes

Digital Onboarding

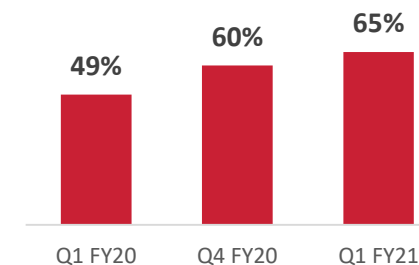
InstaVerify adoption at 30%+



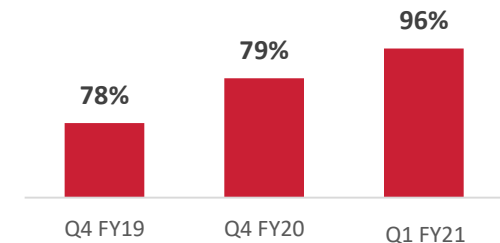
Distributor Portal



Digital Renewal (Value)



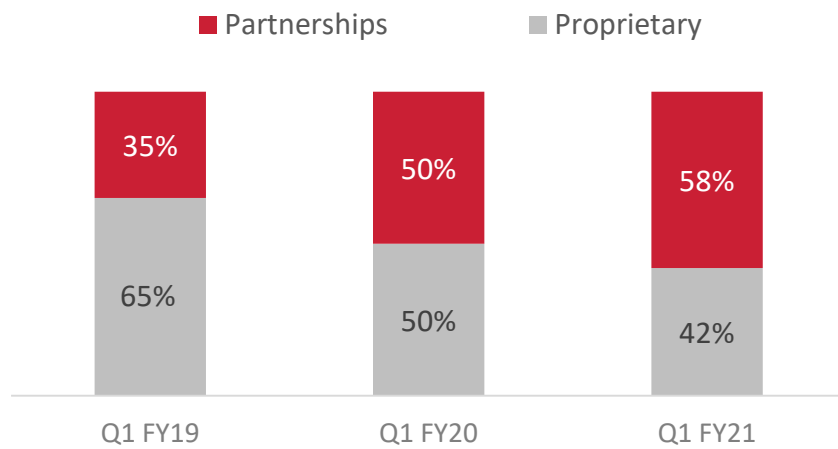
Self Service available



Multi channel distribution strategy

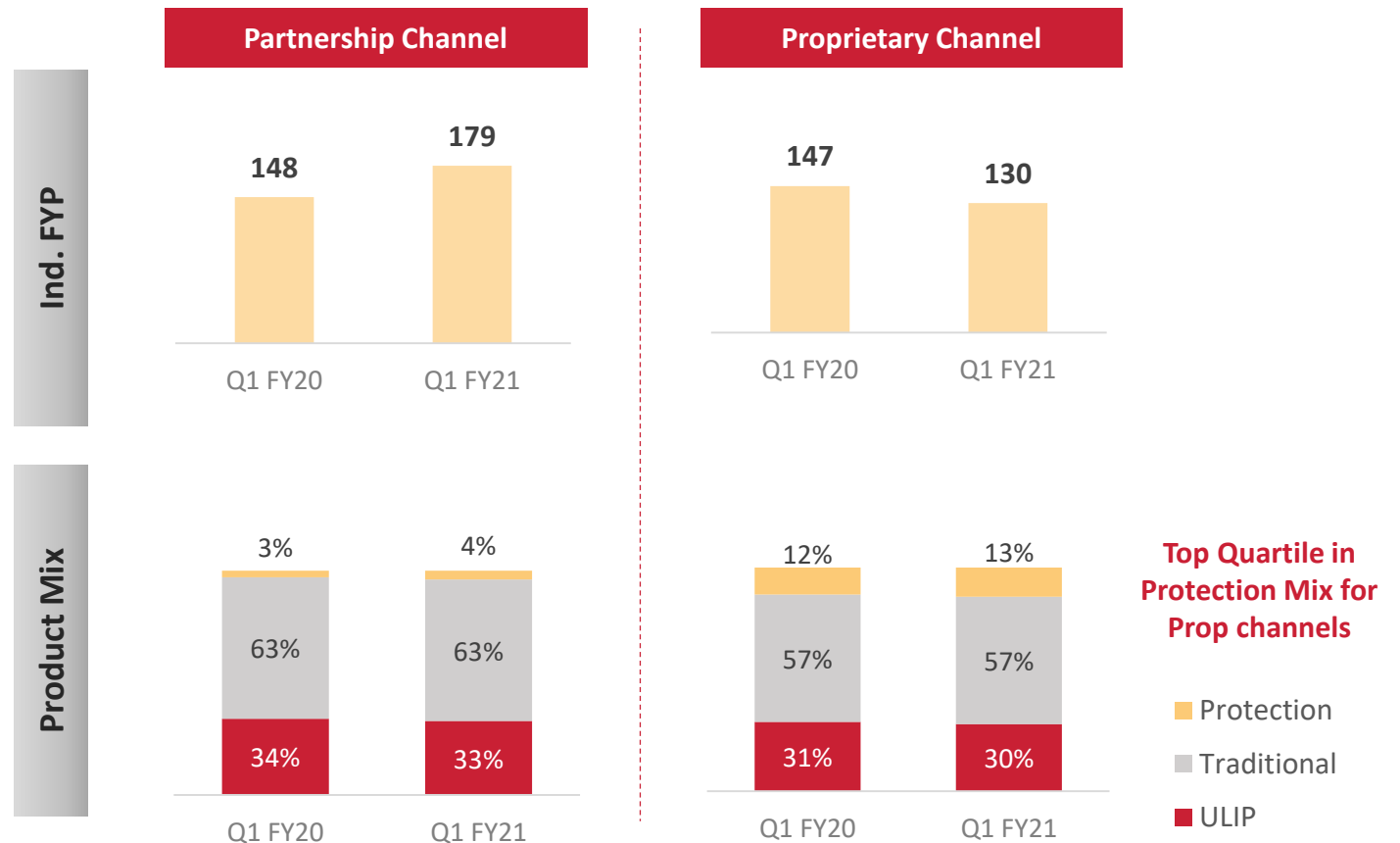
Figures in Rs Crore

Sourcing Mix



Banca Tie-ups	8	Agents	85,000+
Bank Branches	9,500+	Own Branches	395+
Incl. HDFC Bank, DCB, KVB, Indian Bank etc		Cities	2,750+

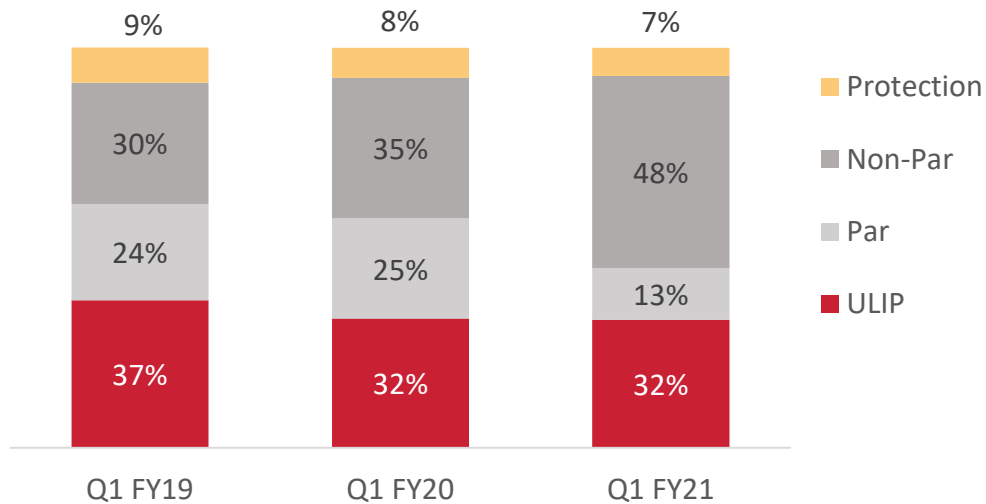
Channel Wise Highlights



Focus on value accretive product mix

Figures in Rs Crore

Improvement in Product Mix



100% of expected maturity benefits of guaranteed portfolio are hedged

New Products and Processes

New Product Launches

- New Product **Child Plan** launched on Non-Participating Platform
- New **Riders launched for ULIP** products to improve overall customer proposition and value
- A new product in pipeline under Non-Participating Platform with a proposition for **flexible income to the customer**

Pre-Approved Sum Assured

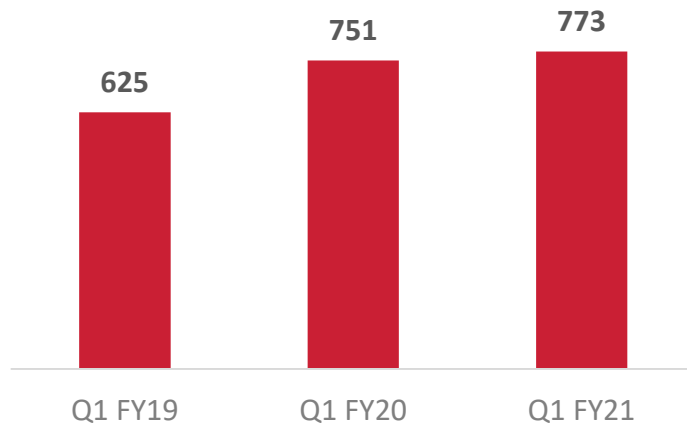
- Analytics driven customized offers with no Medicals & Income proofs required
- 5.5L+ offers generated
- Seamless 3-click to payment digital journey for Customers, enabling a Digital first approach

Improving Quality of Business

Figures in Rs Crore

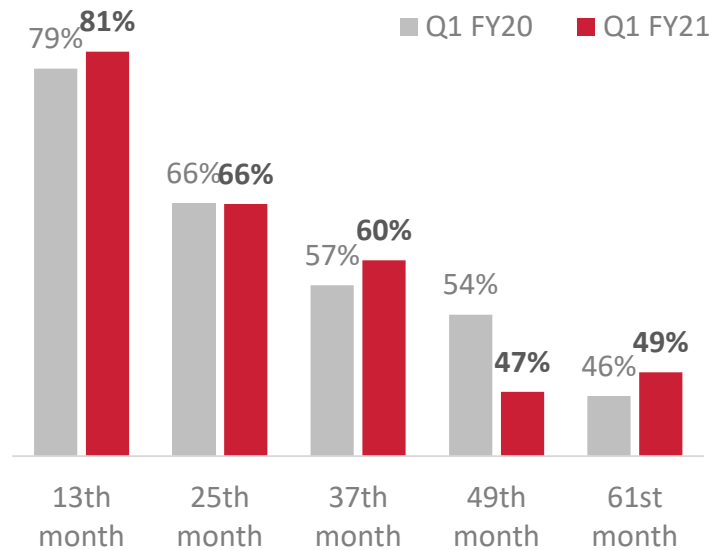
Renewal Premium

Y-o-Y Growth ~3% | 2Y CAGR ~11%



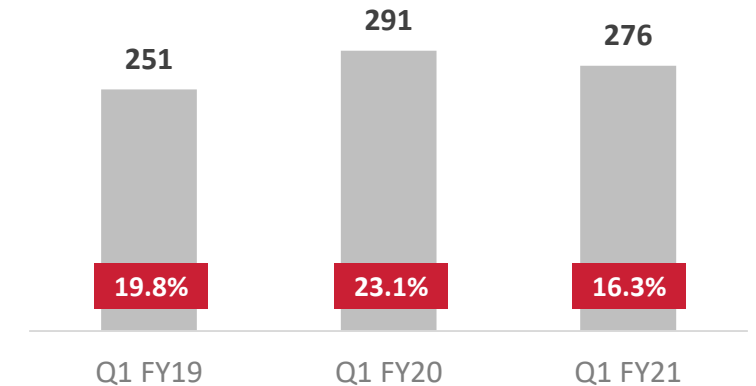
Persistency¹

Improving Persistency Trends y-o-y



Controlled Opex²

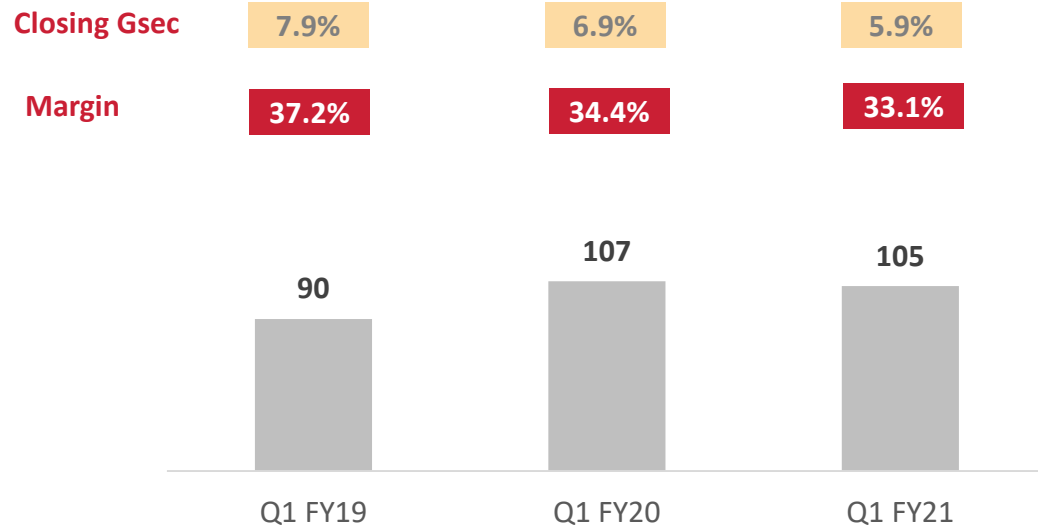
Reduction in opex to premium ratio



Improvement in VNB Margins

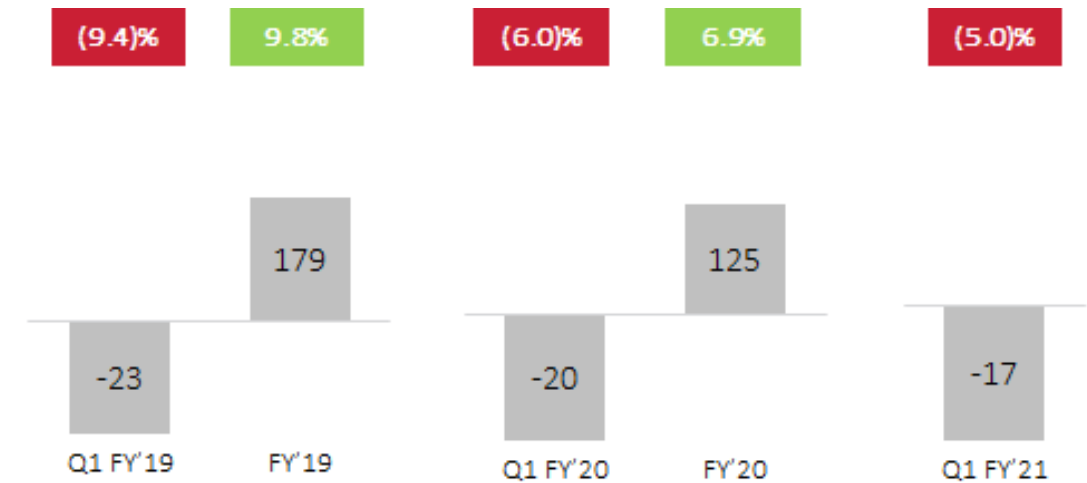
Figures in Rs Crore

Gross VNB¹



Gross margin maintained despite falling interest rates

Net VNB²



Net VNB better than PY given steady topline and better expense management

Key Financials – Aditya Birla Sun Life Insurance Limited



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Figures in Rs Crore	Quarter 1	Quarter 4	Quarter 1
Key Performance Parameters	FY 19-20 (PY)	FY 19-20 (PY)	FY 20-21 (CY)
Individual First year Premium	322	542	328
Group First year Premium	188	596	589
Renewal Premium	751	1,559	773
Total Gross Premium	1,261	2,697	1,690
Opex (Excl. Commission)	291	339	276
Opex to Premium (Excl. Commission)	23.1%	12.6%	16.3%
Opex to Premium (Incl. Commission)	29.4%	17.9%	20.9%
Profit Before Tax	26	37	27
Profit After Tax	21	21	16

Aditya Birla Health Insurance Limited



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Performance Summary for Q1 FY21

1. Fastest growing HI with Q1 GWP growth at 72% vs Industry at 6% (SAHI at 16%)

- Strong retail growth at 95% with Retail GWP mix at 73% (PY: 64%)

2. Unique & Differentiated “Health First Model” anchored in

- A. Differentiated core offering &
- B. Health data based hyper-personalized engagement via health ecosystem

- **Comprehensive Product Suite** catering to all segments, from Byte-sized products to Global health coverage products
- Unique model of **Incentivized wellness & Health Management** driving consumer health outcomes
- Impact already seen on outcomes: **20%** higher retention & **6%** lower claims ratio for active customers

3. Scaled-up and Diversified digitally enabled Distribution network

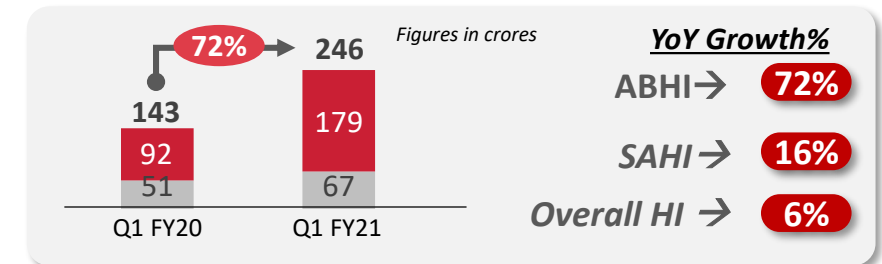
- **9 Banca tie-ups** with 14,000+ branches enabling access to diversified customer segments | **Banca mix: 66%** of retail (PY: 61%)
- Strength in tele-enabled digital sales leveraged across channels in COVID times
- **End-to-end digitally enabled:** Digital Issuance at 98% in Q1 FY21 vs 93% FY20

4. Readiness of technology and comprehensive digital assets enabling end-to-end digital journeys

- Portfolio of digital assets catering to all stakeholders | **All customer-facing processes** enabled for digital servicing
- **Digital Renewals:** ~92% Q1 FY21 vs ~65% Q1 FY20 | **WhatsApp self-servicing:** Increased by 70% Q1 FY21 avg. vs FY20 avg.

5. Strong financial management resulted in Combined Ratio reducing to 132% (PY: 146%)

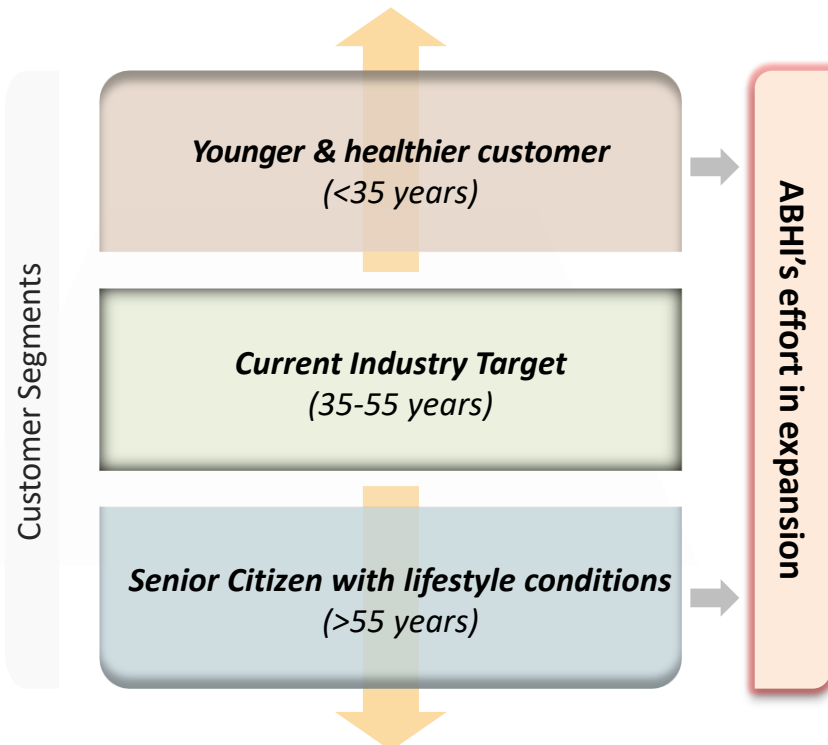
- Estimated exit combined ratio for Q4 FY21 below 110% | **On track for break even by Q4 FY 21-22**



Unique & Differentiated Health First Model: Core offerings .. 1/2

Large & diversified product suite with health first offerings enabling traditional & non-traditional customer segment acquisition

Expanding the Market



Product Differentiators

- ✓ Incentivized wellness
- ✓ Chronic Care Management
- ✓ Disease Risk Management
- ✓ Health ecosystem enabled Senior Citizen Plan

Comprehensive Product Range

Cater to all customer segments:

Indemnity Top-up, 4-in-1 CI/CA/PA/HCB, Senior Citizen etc.

Digital:

1 click product / Byte size products for ease of sale

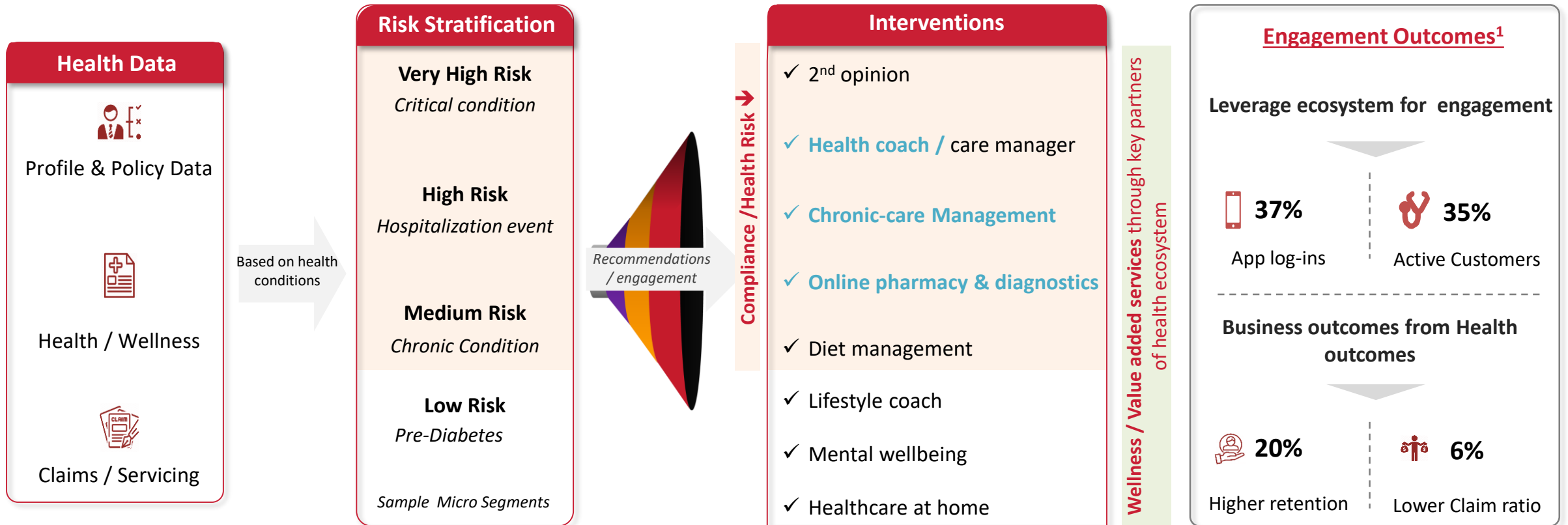
Differentiated:

Global Coverage, 1 Crore Top-up, Chronic Care, Incentivized Wellness

Contextual & Need based:

CoVID product, Disease specific, partner specific





Health data based hyper-personalized engagement ...2/2

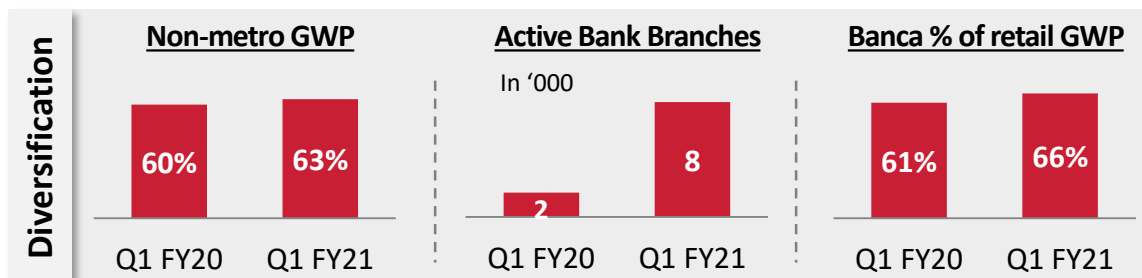


Health Ecosystem enabled through key partners

Scaled-up and diversified digitally enabled distribution network

Diversified and scaled distribution and provider network

		Q1 FY20	Q1 FY21
Scale	 Branches	59	76
	 Agents	20,500+	29,700+
	 Sales force	1,800+	2,000+
	 Cities	850+	2,100+
	 Hospitals	5,800+	6,900+



Digitally enabled distribution lifecycle



Digital Agency: Digital Onboarding, training & engagement

100% advisors digitally on-boarded | **12k+** advisors digitally trained



Digital Bancassurance: API integration | multiple digital platform across banks activated

4-click digital journey launched



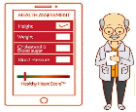
Dedicated ABG focused channels showing good early results

Digital issuance: 98% in Q1 FY21 avg. vs **93%** FY 20 avg.


Suite of Digital Assets enabling end-to-end digital journeys

Investments in Digital assets and end-to-end digitally enabled journeys provided insulation & enabled leverage during lockdown


Customer Servicing Assets




Activ Health App



WhatsApp*

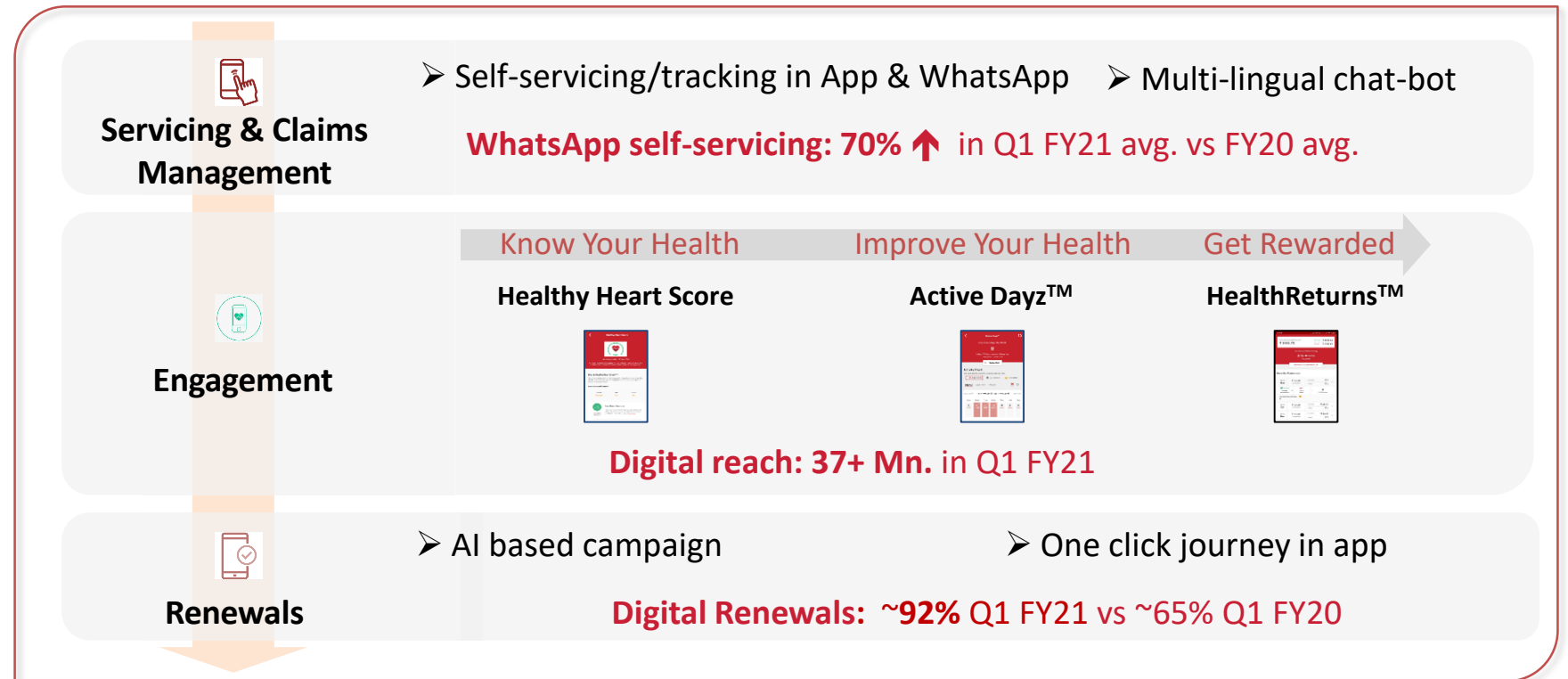


Chatbot



Tech enabled Health & Wellness ecosystem¹

Digitally enabled Journeys

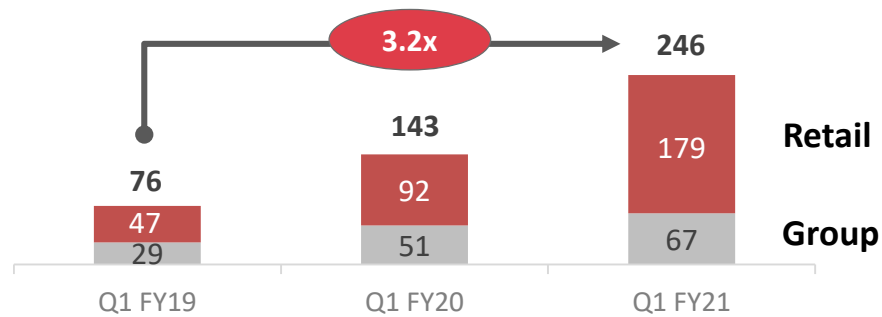


Business Outcomes

Figures in Rs Crore

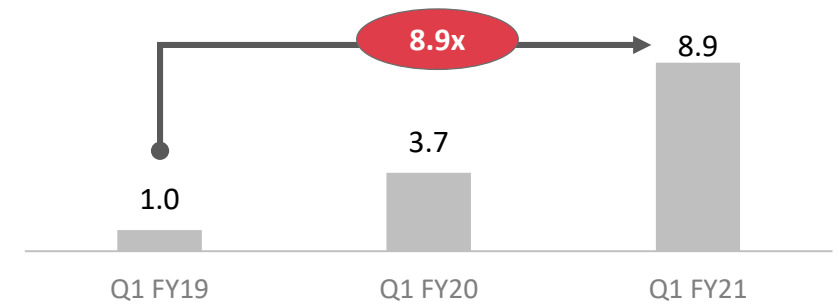
Revenue

GWP grew 72% y-o-y with 2x retail growth
Retail GWP grew 95% y-o-y (Retail Mix at 73%)



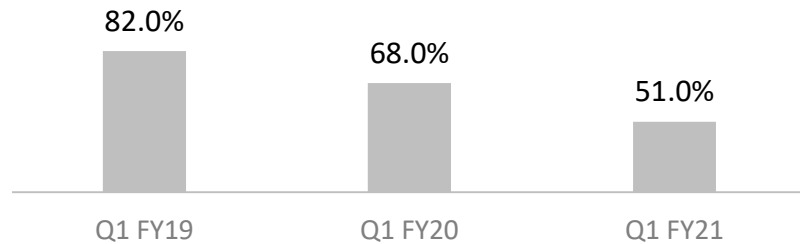
Lives Covered (Mn)

5 Mn+ through rural & micro/ byte-sized products



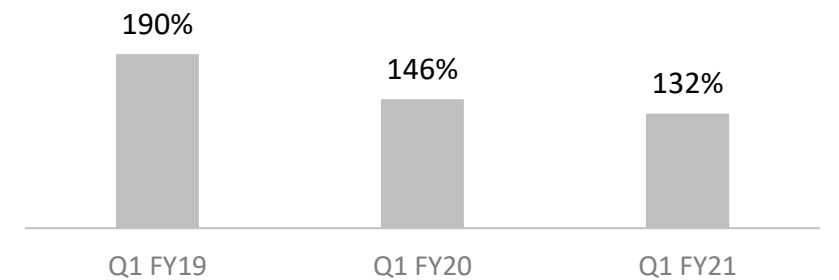
Claims Ratio

Holistic health risk management
Focus on improving overall Claims Ratio
Retail Claims Ratio at 40% (PY: 45%)



Combined Ratio

Estimated exit combined ratio for Q4 FY21 below 110%
Combined Ratio trending as per plan



External trends providing tailwinds for continued growth



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COVID Impact on Industry & Emerging Trends

Customer Behavior & Patterns

- ↑ trends of **savings & protection** vs consumption
- Acceptance of **online services**

Channel Mix

- **Banca** partnerships pushing **more HI**
- **Agents** focusing on **digital** on-boarding & selling

Product & Digital servicing

- ↑ **digital fulfillment**
- Critical **processes** enabled **remotely**

Short-term

- ↑ in **HI/wellness Mindshare** in customer wallet

- ↑ collaboration with **digital players**

- End-to-end **Digital journeys & digital self-servicing** ↑
- **Product/service innovation**

Long-term

Leveraging the trends: ABHI's position of strength

Our differentiated Health First Model more relevant today and anchored in:

- 1 Core product offerings
- 2 Customer engagement via health ecosystem
- 3 Scaled-up and Diversified digitally enabled Distribution network
- 4 Readiness of technology and comprehensive digital assets enabling end-to-end digital journeys

Key Financials – Aditya Birla Health Insurance Limited



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Figures in Rs Crore	Quarter 1	Quarter 4	Quarter 1
Key Performance Parameters ¹	FY 19-20 (PY)	FY 19-20 (PY)	FY 20-21 (CY)
Retail Premium	92	245	179
Group Premium	51	81	67
Gross Written Premium	143	326	246
Revenue	146	296	203
Combined Ratio	146%	117%	132%
Profit Before Tax	(65)	(58)	(58)

¹ Financials for Aditya Birla Health Insurance include Aditya Birla Wellness Private Limited

Other Financial Services businesses

Other Financial Services Businesses

Figures in Rs Crore	Quarter 1	Quarter 4	Quarter 1
Key Performance Parameters Other Financial Services Businesses ¹	FY 19-20 (PY)	FY 19-20 (PY)	FY 20-21 (CY)
Aggregate Revenue	186	188	155
Aggregate Profit Before Tax	25	14	41

General Insurance Broking	<ul style="list-style-type: none"> • Premium placement grew q-o-q by 17% to Rs 1,066 Crore (flat compared to Q1 FY20 at Rs 1,162 Crore) • Revenue at Rs 104 Crore (PY: Rs 135 Crore) • PBT grew 20% y-o-y to Rs 29 Crore
Stock and Securities Broking	<ul style="list-style-type: none"> • Revenue at Rs 44 Crore • PBT at Rs 5 Crore
ARC	<ul style="list-style-type: none"> • ARC AUM at ~Rs 2,538 Crore. • PBT grew year on year from Rs. 3.7 at Rs. 8.3 Cr.

Annexure A

Consolidated Financials

Consolidated Profit & Loss



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Figures in Rs Crore

Figures in Rs Crore	Quarter 1	Quarter 4	Quarter 1
Consolidated Profit & Loss	FY 19-20 (PY)	FY 19-20 (PY)	FY 20-21 (CY)
Revenue	3,627	4,817	4,035
Profit Before Tax (before share of profit/(loss) of JVs)	378	78	235
Add: Share of Profit/(loss) of associate and JVs	59	50	50
Profit Before Tax	437	129	285
Less: Provision for taxation	181	3	98
Less: Minority Interest	(14)	(18)	(11)
Net Profit (after minority interest)	270	144	198

A financial services conglomerate meeting the life time needs of its customers

PROTECTING INVESTING FINANCING ADVISING

Life Insurance
Health Insurance
Motor Insurance
Corp General Insurance
Travel Insurance

Mutual Funds
Wealth Management
Stocks and Securities
PMS
Real Estate Investment
Pension Funds

Home Finance
Personal Finance
SME Finance
Real Estate Finance
Project Finance
Loan Against Securities
Corporate Finance
DCM & Loan Syndication
Stressed Assets

Online Personal Finance
Management
Money for Life Planner

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Regd. Office: Indian Rayon Compound, Veraval – 362 266, Gujarat

Corporate Office: One Indiabulls Centre, Tower 1, Jupiter Mills Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013

Website: www.adityabirlacapital.com

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