

FINANCIAL RESULTS: Q4 FY21

MUMBAI

14th May 2021



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

A Leading Financial Services Conglomerate

1 | Overview**Pg. 3 - 11****2 | Business-wise Performance****Pg. 12 - 62****3 | Other Updates****Pg. 63 - 69**

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

NOTE 2: All financial figures in this presentation are in INR Crore unless otherwise stated

NOTE 3: The financial figures in this presentation have been rounded off to the nearest Rs 1 Crore

Q4 FY21 | Key Highlights



Strong growth across businesses leading to highest ever quarterly profit; Q4 FY21 Consolidated ABCL PAT at Rs 375 Crore (↑ 2.6x y-o-y and ↑ 30% q-o-q)



Highest ever quarterly profit in AMC led by improvement in equity mix to 36%; PBT/ AAUM at 28 bps in FY21 (PY: 26 bps); FY21 RoE at 35%



Rebound in gross disbursement ↑ 2x y-o-y in NBFC and HFC; Overall loan book (incl. HFC) ↑ 2% y-o-y; Retail + SME loan book ↑ 11% y-o-y (Retail + SME mix highest ever at 64%)



Life Insurance FY21 Ind. FYP ↑ 14% y-o-y; Growth significantly ahead of Pvt. Players at 8%; Group NBP ↑ 34% y-o-y vs. Private Players ↑ 20% y-o-y; Renewal Premium ↑ 20% y-o-y



NBFC Q4 NIM highest at 5.98%, ↑ 98 bps y-o-y and ↑ 74 bps q-o-q; Q4 PAT at Rs 254 Crore, ↑ 1.9x y-o-y with ROA at 2.2%



Life Insurance achieves highest ever Net VNB Margin at 10.6% (PY: 6.9%); Strong RoEV of 13.7%; EV growth of 24.2% in FY21



HFC Q4 NIM highest at 3.85%, ↑ 77 bps y-o-y and ↑ 16 bps q-o-q; Q4 PAT at Rs 36 Crore, ↑ 71% y-o-y with ROA at 1.2%



Fastest growing Health Insurer; FY21 GWP ↑ 49% y-o-y vs industry at 16%; Retail mix at 72% and Combined Ratio at 120% (Q4 Combined Ratio 107%, lowest in ABHI history)



AMC Domestic AAUM ↑ 5% y-o-y, Equity AAUM ↑ 11% y-o-y; Aided by strong revival in retail, SIP and B-30



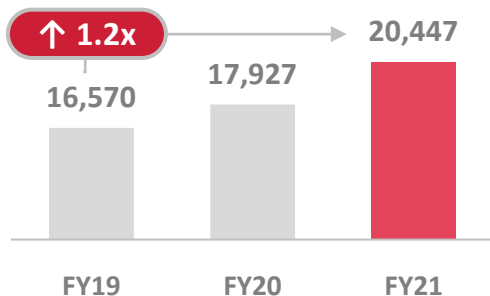
Highest ever active customer base at 24 Million (↑ 22% y-o-y) aided by focus on granular retail growth across all businesses

Strong financial performance

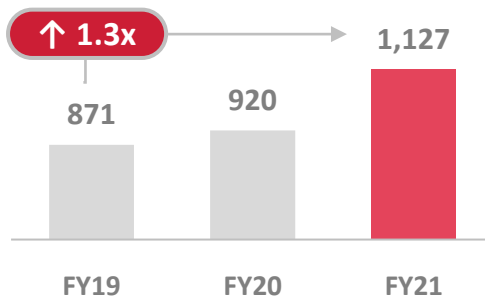


Strong Financial Delivery

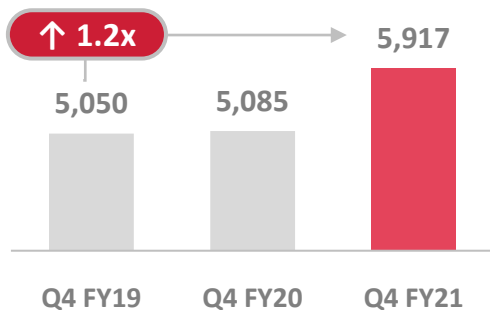
Revenue¹ (FY) ↑ 14% y-o-y



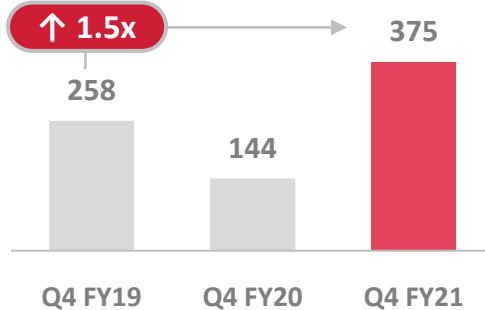
PAT (FY) ↑ 22% y-o-y



Revenue¹ (Q4) ↑ 16% y-o-y



PAT (Q4) ↑ 2.6x y-o-y



Business-wise PAT performance

Businesses (INR Crores)	FY20	FY21
NBFC	805	769
Asset Management	494	526
Life Insurance	103	102
Housing	103	137
General Insurance Broking	31	53
Stock & Securities Broking	12	16
ARC	23	28
Profitable Businesses PAT	1,572	1,631
Health Insurance	(246)	(199)
Less: Interest Cost	(77)	-
Less: Brand & Marketing	(40)	(9)
Less: Others ² / Eliminations	(102)	(59)
Less: Minority Interest	(187)	(237)
Consolidated PAT	920	1,127

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,, ABMM and other businesses

Delivery in line with guidance..(1/2)

LoB	We said...	We delivered...	
NBFC	Target loan book growth in Q4 FY21	Loan book ↑3%; Retail + SME + HNI book ↑17%	✓
	Increase Retail + SME mix leading to improving NIMs	Retail + SME Mix ↑6%; Q4 NIM at 5.98% (↑98 bps)	✓
	Branch expansion in tier II-IV markets in H2 FY21	41 new branches set up	✓
	Credit cost in H2 FY21 ~1.25%	H2 FY21 Credit cost at 1.30% (incl. floating provisions)	✓
	Resolve 50% of FY20 GS3 (ex ILFS) in NBFC	Resolved Rs 725 Crore or ~50% of FY20 GS3 book	✓
HFC	Scale up affordable segment leading to improving NIMs	Affordable Mix ↑9%; Q4 NIM at 3.85% (↑77 bps)	✓
	Launch informal affordable business to expand margins	Launched in 41 locations in Oct'20	✓
	Increase share of digital on-boarding to 50%	88% in Q4 FY21	✓
AMC	Continue to improve Domestic Equity Mix and PBT bps	Equity Mix at 36% (PY 35%); PBT/ AAUM at 28 bps (PY: 26 bps)	✓
Life	Expect 10% Net VNB in FY21	Highest ever Net VNB % at 10.6%; Q4 Net VNB: ~19.4%	✓
	Grow protection by 2x over 12 – 18 months	Ind. FYP (protection) ↑23% y-o-y in Q4	WIP
Health	Combined ratio for Q4 FY21 below 110%	107% in Q4	✓

Delivery in line with guidance ..(2/2)

LoB	We said...	We delivered...	
	Optimise portfolio with rationalization of loss-making businesses	Other business PBT at Rs 130 Cr (↑ 83% y-o-y)	✓
	Targeting Rs 260 – 285 Crore of cost savings over exit run rate	Cost saving of ~Rs 300 Crore	✓
	Approach to value unlocking given scale of our businesses	Filed DRHP for AMC listing in April 2021	✓
ABCL	Drive digital, technology, analytics and synergy	<ul style="list-style-type: none"> a. Integrated audio + video + chat + co-browsing tech [Implemented] b. Leveraging Voice Technologies [Implemented] c. Multilingual digital assets (website/ chatbots) [underway] d. Build cross sell Offer Factory [underway] e. Partner Integration [Implemented] f. Multi-product distributor platform (SELECT Advisor Portal) [Implemented] 	WIP

Our focus on delivery of our key strategic goals has meant we continue to deliver consistent profitability growth through cycles

Y-o-Y Growth (FY20 – FY21): 22%

5Y CAGR (FY17 – FY21): 18.5%

Strong track record in building scale, retailization & profitability



PROTECTING

	FY17	FY21	Key Achievements
Total Gross Premium ¹	5,778	11,076	<ul style="list-style-type: none"> ➤ Overall GWP (LI + HI) Retail Mix at 72% ➤ Doubled protection mix to 6% ➤ Established fastest growing health insurance company ➤ Tied-up with HDFC Bank for Life and Health Insurance
LI: Net VNB Margin	-5.5%	10.6%	
LI: 13M Persistency	71%	84%	
LI: EV Growth	5%	24%	
HI: Combined Ratio	283%	120%	

INVESTING

	FY17	FY21	Key Achievements
AMC: Domestic AAUM	1.88 Lac	2.69 Lac	<ul style="list-style-type: none"> ➤ #1 non-bank AMC ➤ SIP % Equity AUM scaled up from 24% to 43% ➤ Highest folio growth amongst top 5 industry players ➤ Consistent fund performance
AMC: Equity Mix	24%	36%	
AMC: Retail + HNI AUM	0.84 Lac	1.27 Lac	
AMC: Investor Folios	3.9 M	7.1 M	
AMC: PBT bps	19	28	

FINANCING

	FY17	FY21	Key Achievements
Total Lending Book ²	38,839	60,557	<ul style="list-style-type: none"> ➤ Rebalanced portfolio with focus on granularization ➤ Scaling up retail and SME ➤ Scaling up affordable housing ➤ Maintained one of industry lowest cost of funds
Retail + SME (incl. HFC) %	41%	64%	
NBFC: PPOP%	2.9%	3.8%	
HFC: PPOP%	(0.1)%	2.2%	
Lending Net Worth ⁴	5,558	10,357	

OTHER BUSINESSES

	FY17	FY21	Key Achievements
GI Broking: Premium	2,580	4,852	<ul style="list-style-type: none"> ➤ JV with Varde partners to establish ARC; Profitable within 1 year of operation ➤ Strong RoE in General Insurance, & Stock Broking ➤ Optimised portfolio for loss making businesses
GI Broking: RoE %	42%	52%	
Stock Broking: RoE %	17%	40%	
ARC: PBT	-	37	
Other Business Total PBT	-10	130	

¹ for Life Insurance and Health Insurance businesses

² Including NBFC and HFC

Advantages of the ABC platform



Diversified platform allowing us to capitalize on multiple opportunities and delivering strong earnings through the cycle



Strong parentage and brand with recall and appeal across the country



Pan India multi channel distribution network, allowing our customers to access us as they choose



Integrated risk management and robust processes allowing us to mitigate risk



Talented employee pool with strong domain expertise and a mix of experience and youth



Large customer eco system and analytics provides basis for deepening customer relationships through cross sell



Focus on technology to grow revenues, reduce costs, build scalable processes and create best in class customer experience



Ability to synergise so as to reduce costs, transport best practices and scale quickly.

Our Scale

Rs 3.4 Lac Crore

Total AUM

22,500+

Employees

Rs 60,557 Crore

Total Lending Book

861

Branches

Rs 11,076 Crore

Total GWP

2 Lac+

Agents & Channel Partners

24 Mn

Active Customers

100+

Bank Partners

Leveraging digital technology and analytics



1 Leveraging voice Technologies for customer convenience

Contact Center on Cloud ★

Industry 1st contact center on Cloud resulting in uninterrupted service to customers

Audio Visual Voice Bots

Implemented 20 Audio Visual Voice bots for welcome calls, renewal, NPS etc; 2mm+ calls with 40-60% reduction in cost per call

Voice Biometrics

Implemented voice biometric for customer authentication and fraud prevention reducing call handling time and simplification of process

2 Building digital Assets for Distribution partners

Select Advisor Portal

One Stop Solution to fulfill all advisor needs across ABC Platform incl. customer onboarding, servicing, commissions etc.

WhatsApp for distributor

WhatsApp channel for distributor enablement including servicing and quick links for product purchase etc.

Video Co-browsing ★

Video Co-browsing solution for distributors to connect remotely with customers for advising and onboarding

3 Technologies for differentiated customer experience

Omnichannel orchestration ★

Omnichannel orchestration of 120 + customer service journeys. Over 1 Lakh omnichannel interactions in FY21

Hyper personalization

AI/ML based engine for identification of personalized next best action/next best offer for customers resulting in Rs 415 Cr of incremental AUM in Mutual Funds

Speech Analytics

Using sentiment analysis for monitoring call quality and identifying issues, thus reducing repeat calls to improve customer experience

4 Leverage Analytics and advanced AI/ML models

Customer Retention

Analytics models for identifying customer propensity to attrite, resulting in 500 Cr + renewal collection and reduction in surrenders

Advisor Activation

Analytics models for identifying 'Good Advisors', improving advisor productivity, re-hiring and activation

Underwriting, claims & fraud

Leveraging AI ML technologies for underwriting, claims processing and fraud detection across ABC platform

ABC ONE APP

First Of Its Kind In Financial Services ONE ABC APP offers customers convenience of ONE PLATFORM for all their MONEY NEEDS

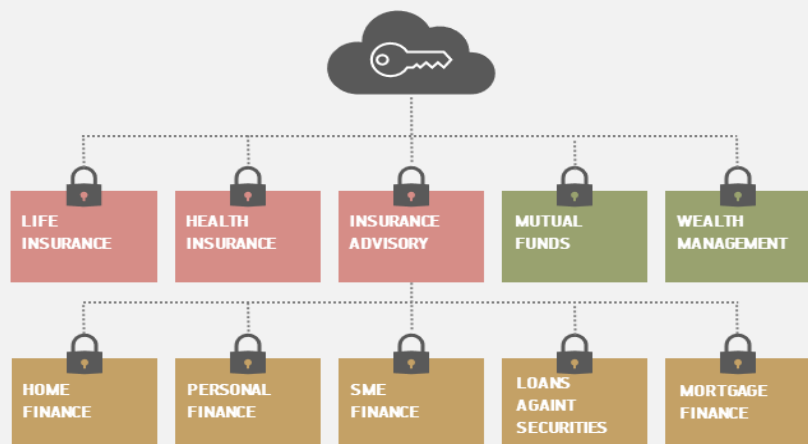
- | | |
|---------------------------------------|-------------------------------------|
| Single Sign-on for all ABC Businesses | Purchase Recommendations |
| One View Of All ABC Product Holdings | Personalized Pre-Approved Offers |
| All Needs Serviced At One Place | Advisor Assistance With Co-browsing |

ABC ADVISOR NEAR YOU

First Of Its Kind, Geo-Tagged, Advisor Locator enables Prospects to locate an ABC SELECT Advisor near their PIN CODE

- | | |
|--|---|
| Find a Select Advisor Basis Pin Code | Higher Service Footprint per Advisor |
| Instant Connect Through ABC Co-browsing Platform. | Lower Journey Drops Due to Co-browsing With Advisor |
| If Advisor Unavailable, Instant Connect To ABC Call Centre | Boosting Acquisitions For Advisors |

SINGLE SIGN-ON One Login For All Businesses



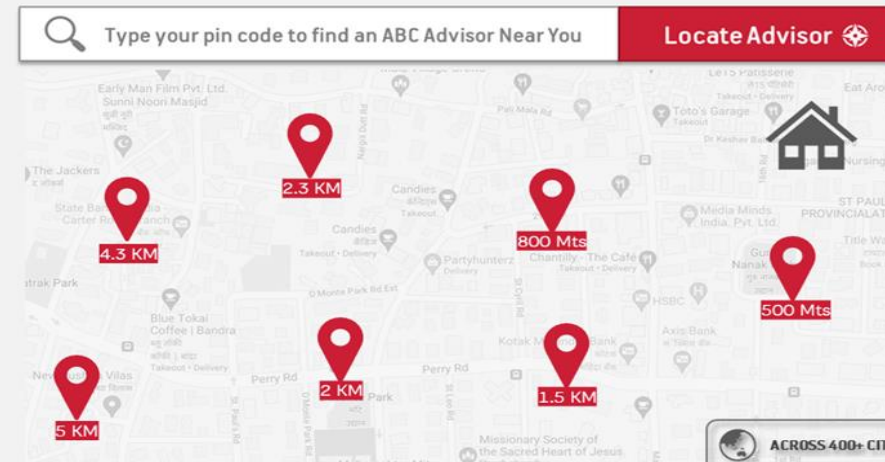
CHATBOT ASSIST

LIVE CHAT ASSIST

LIVE AGENT ASSIST

Find An Advisor Near You

Launching on adityabirlacapital.com in June 2021



MONEY-FOR-LIFE PLANNER

First Of Its Kind Money-For-Life Planner enables individuals to plan their Life's Goals basis the time and money they have

- Plans and Recommends Timely Solutions based on Life Goals
- Offers ABC Solutions within the Tool
- Notifies Consumers When They Are Nearing A Goal
- Allows Editing and Addition of Goals
- A Money Planning Partner For Life
- 600,000+ Customers have already started planning their finances

MULTI-LINGUAL ABC.COM

90% of internet users in India prefer to consume content in their local language” - Google, 2020

- adityabirlacapital.com to be published in 6 languages in FY22
- Language to change basis predictive analysis of consumer's preference
- Will support our geographic presence
- Will Increase Visitors To Website Exponentially
- Will enable users to complete their journeys with greater ease
- Will Boost Online Acquisitions

Money-For-Life Planner Launched on adityabirlacapital.com



adityabirlacapital.com To Be Published In 6 Languages



NBFC

Aditya Birla
Finance Ltd.



ADITYA BIRLA
CAPITAL

Performance Summary | NBFC | Aditya Birla Finance

1 Strong growth in disbursements to Retail and SME segments

- Loan book ↑ 3% y-o-y at Rs. 48,689 Crore; Retail + SME + HNI ↑17% y-o-y
- Strong revival in gross disbursal at Rs 6,570 Crore (↑ 2.1x y-o-y); Retail + SME + HNI contributing 64% in Q4 FY21
- Retail + SME + HNI mix highest at 56% (FY18: 46%); Customer # ↑5x over 3 years
- Added ~41 new branches taking total branch count to 94 in FY21

3 Improvement in Quality of Book & Collections

- Gross stage 3 reduced from 3.61% in Mar'20 to 2.68% (↓ 93 bps y-o-y)
- Resolution of stressed assets: Rs 725 Crore; 50% of FY20 GS3 book (ex-IL&FS)
- Enhanced Stage 3 PCR to 45.2% (PY: 33.3%); Net Security cover: 1.7x
- Overall floating provision for Stage 1 & 2 assets of Rs 129 Crore as of Mar'21
- Collection Efficiency at 98.7% in Mar'21

5 Liquidity and Balance Sheet Resilience

- Strong funding access with adequate liquidity surplus and amongst best cost of borrowing in industry
- Optimised borrowing cost (Q4 CoB ↓ 30 bps q-o-q | ↓ 94 bps y-o-y)
- Raised LT borrowing of ~Rs 8,276 Crore in FY21
- Comfortable capital adequacy with CRAR at ~22.8%

2 Continue to Focus on granular portfolio mix

- Reduction in portfolio ATS to Rs 23 Lacs from Rs 1 Crore in Mar'18
 - ATS: Retail ~Rs 5 Lacs; SME ~Rs 5 Crore; Large/ Mid Corp ~Rs 53 Crore
- Large/ Mid Corp loan book down by ~Rs 5,000 Crore since its peak
 - Top 20 ~9.5% of loan book (13.0% in Mar'18)
 - Top 100 ~28% of loan book (37% in Mar'18); Average rating ~ A

4 Improving margins & Core Profitability

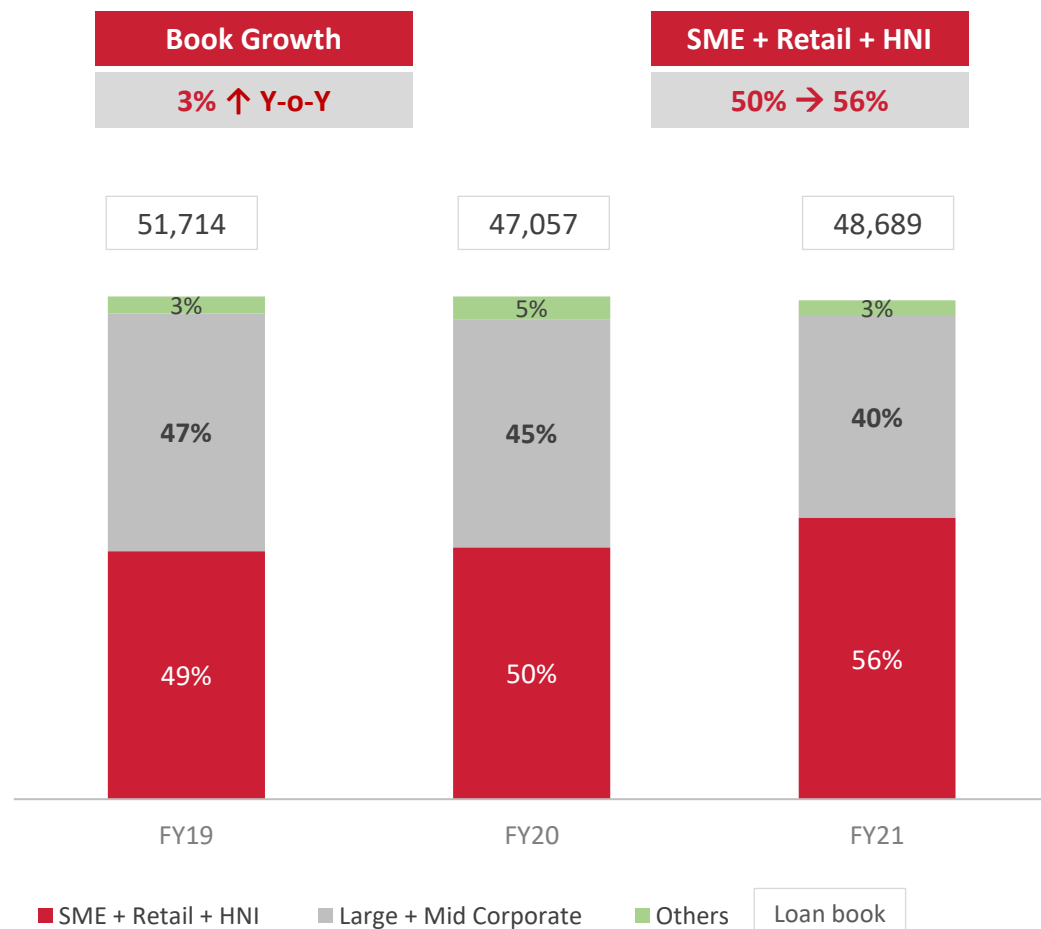
- New sourcing yield at 12.9% and portfolio yield at 11.85% for Q4
- Q4 NIM highest at 5.98% (↑ 98 bps y-o-y); Change led by mix and CoF
- Credit cost: 1.22% for Q4 and 1.30% for H2 FY21; In line with guidance
- Q4 PAT at Rs. 254 Crore (↑ 1.9x y-o-y); FY21 PAT at Rs 769 Crore ↓ 4% y-o-y
- Profitability rebound in line with guidance: Q4 RoA at 2.2%; RoE at 12.5%

6 Digital Adoption

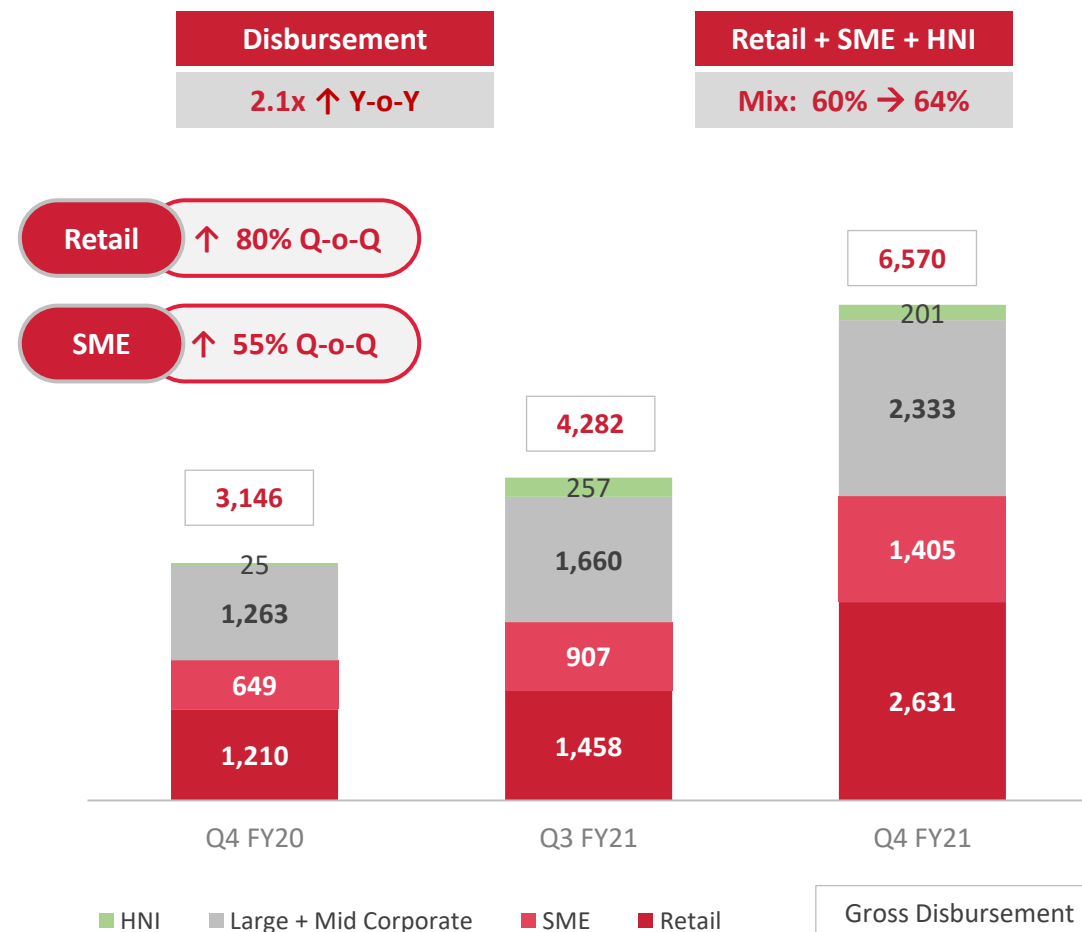
- Leveraging technology and data analytics for sourcing, underwriting, servicing and collections
- 84% salaried Personal Loans sourced, underwritten and disbursed digitally
- Service to Sales: Pre-Approved offers in FY21 across digital touchpoints

Strong revival in disbursements with focus on retailisation

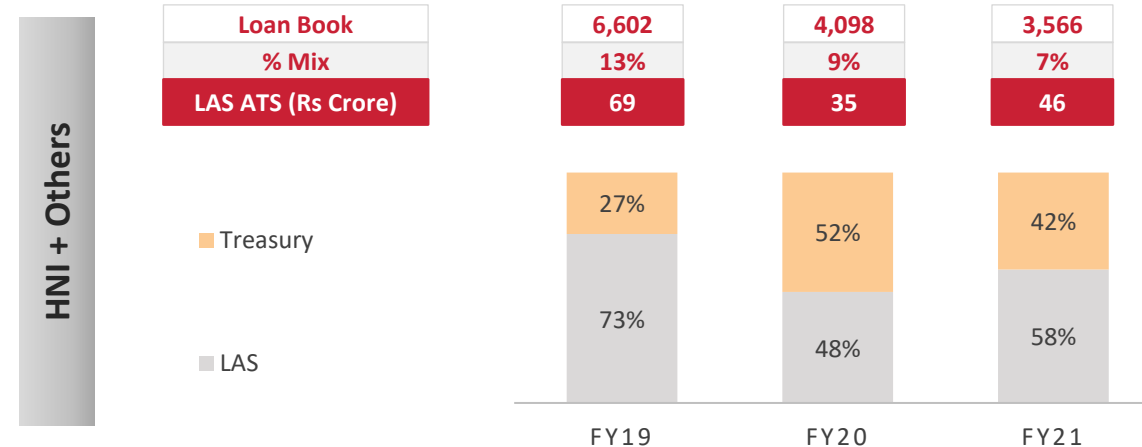
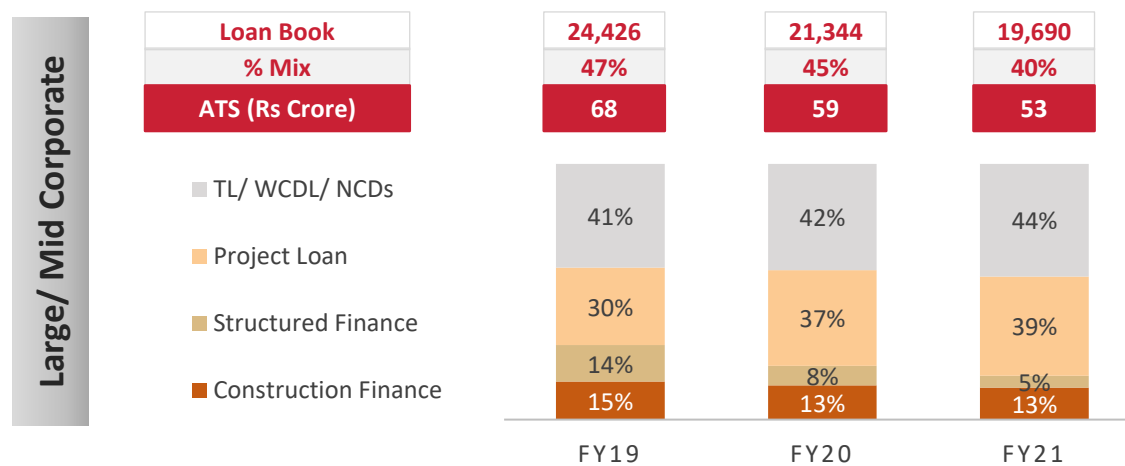
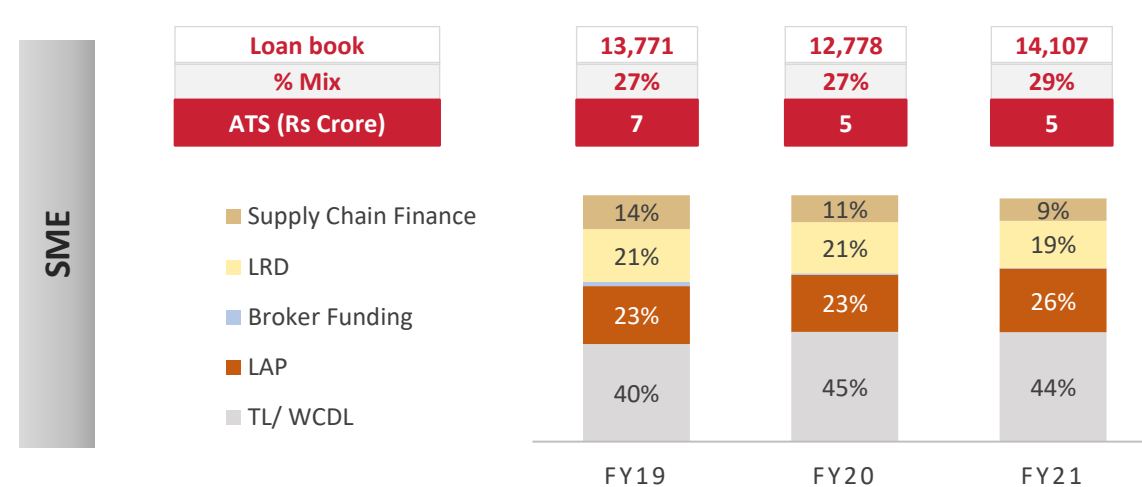
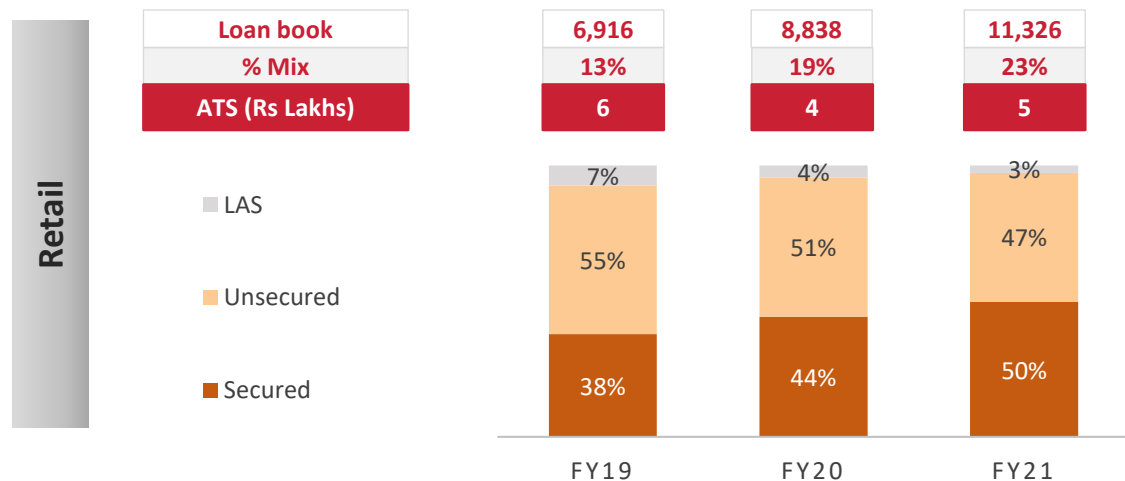
Change in Loan Book Mix



Focusing new disbursement in Retail and SME Segments

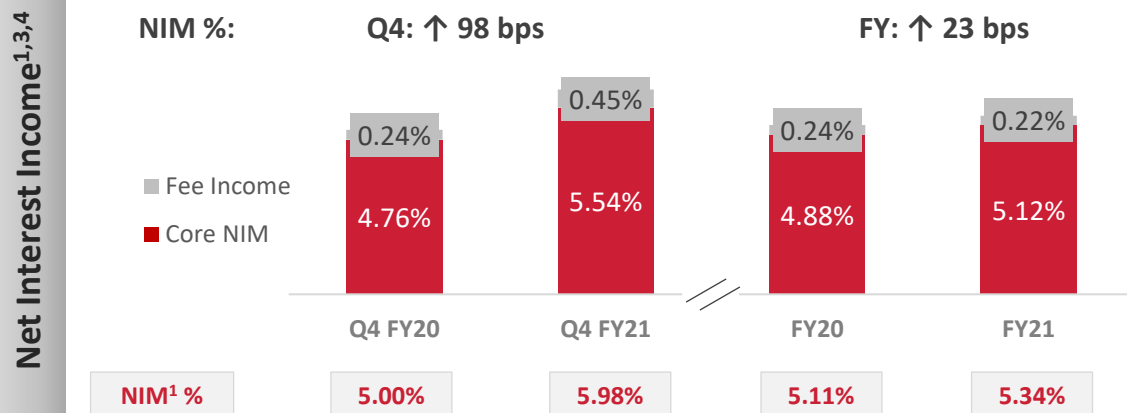


Building granularity across segments

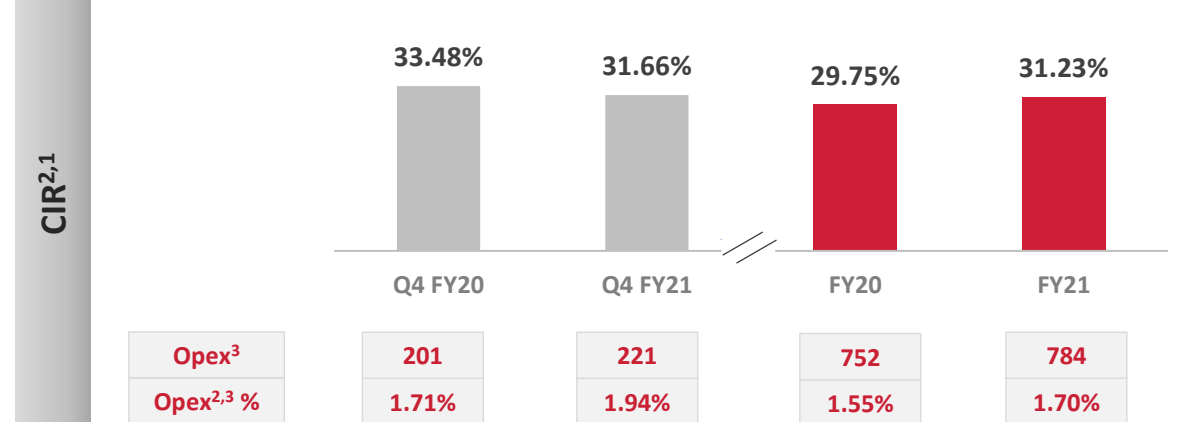


Continue to deliver strong core operating profits

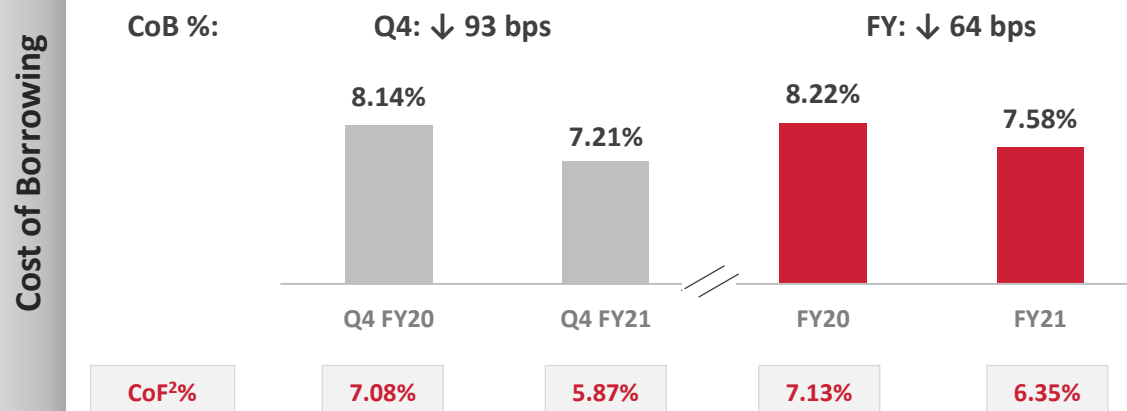
Margin improvement led by change in product mix



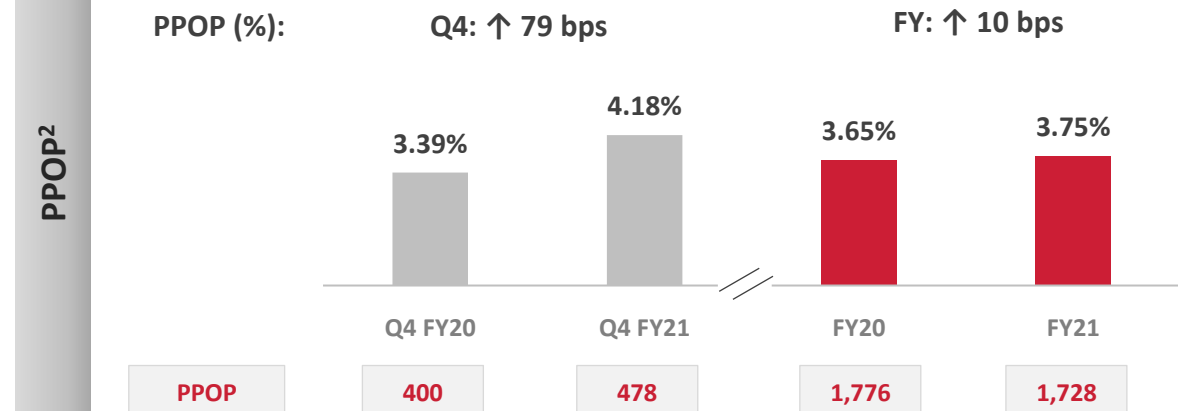
CIR increase managed inspite of retail expansion strategy



Optimised borrowing cost



Strong expansion in core profit margin (PPOP % of AAUM)



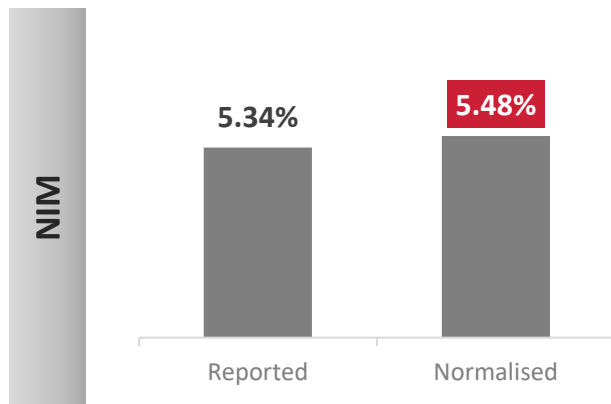
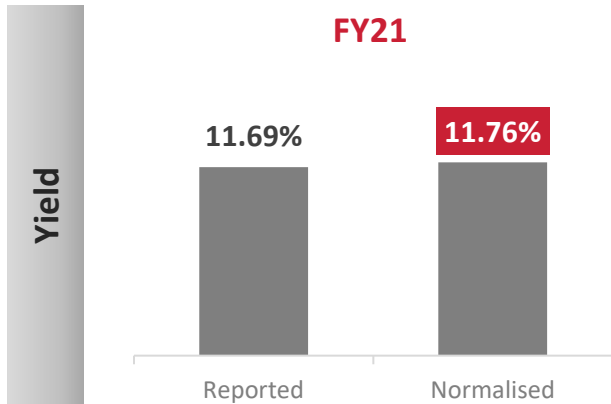
¹ NIM including fee (net of DSA Expenses and Processing Cost)

² Calculated basis % of average Loan Book

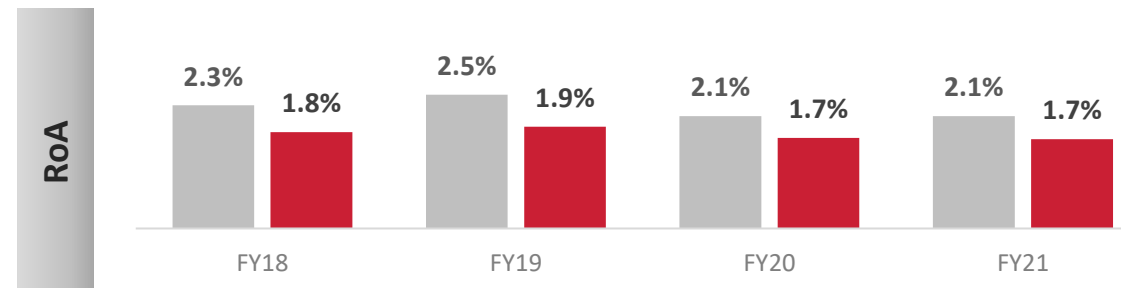
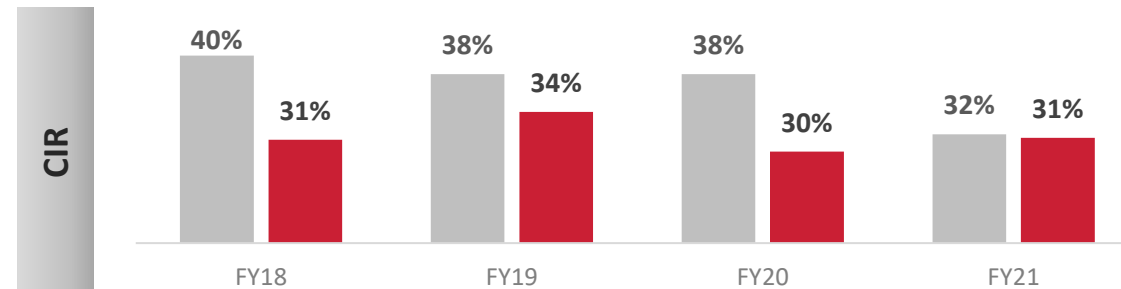
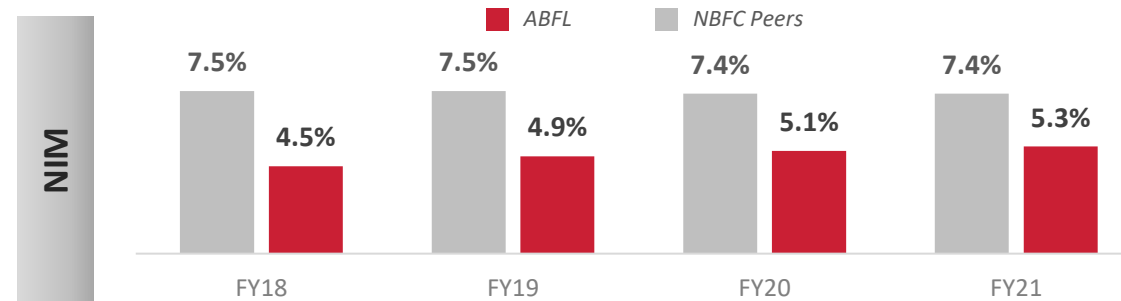
⁴ NIM excluding Reversal of Interest on Interest comes to 6.13%

³ DSA commission and Processing cost netted off against Total Revenue, accordingly previous quarter financials are reinstated; Processing costs netted off against revenue in current year

Margin improvement to continue to drive ROA



**Net accounting adjustment
(One-offs & yield loss on NPA A/Cs)**



Peer numbers based on disclosed results

**Margins expanding over time
as Retail + SME mix increases**

Normalised NIM: 5.5%

**Operating cost expected to
normalize once operating
leverage kicks-in**

**RoA remained stable despite
tough environment**

Q4 RoA at 2.2%

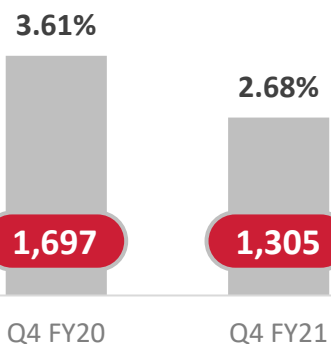
¹ 6 NBFC Peer include: Bajaj Finance, L&T Finance, Mahindra Finance, Cholamandalam Finance, Shriram City Union Finance, IIFL Finance

Continued focus on quality of book

Reducing Gross Stage 3 %

Δ: ↓ 93 bps Y-o-Y

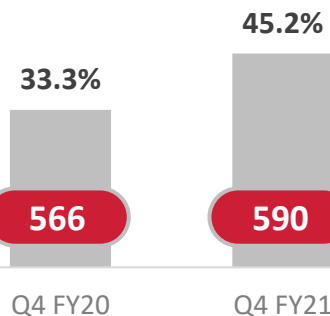
GS3



Increasing Stage 3 PCR %

Δ: ↑ ~12% Y-o-Y

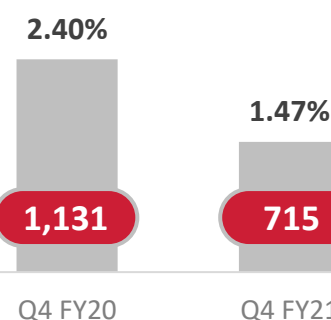
Provision



Net Stage 3 %

Δ: ↓ 93 bps Y-o-Y

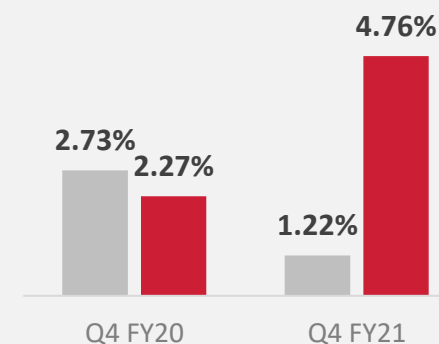
NS3



Risk Adjusted Margins

Δ: ↑ 249 bps Y-o-Y

■ Core Credit Cost % ■ NIM (adj. Credit Cost) %



Resolutions

- Resolutions of stressed assets: Rs 725 Crore; 50% FY20 GS3 book (ex-IL&FS)
- No additional provisioning on recovery required to be taken on resolution of secured assets in last 2 years

Provisioning

- Enhanced PCR for Stage 3 to 45.2%
- Total floating CoVID-19 provision: Rs 129 Crore (26 bps of Loan Book) as of Mar'21

Other updates

- Collection Efficiency at 98.7% in Mar'21
- Restructured 2.3% of loan book in FY21
- 51% of restructured pool in Stage 1

H2 FY21 Credit cost at 1.30%

In line with guidance provided in Q2

Adequate provisioning and security cover across segments

1.7x Net Security Cover¹ overall and on GS3

- 77% of total loan book secured. ~Additional 3.4% secured through CGTMSE guarantee scheme
- Security Cover:
 - Overall Loan Book:** Security value of Rs 79,697 Crore Vs. loan book of Rs 48,689 Crore (**Net Security Cover¹ : 1.7x**)
 - Net Stage 3 Book:** Security value of Rs 1,194 Crore Vs. Net Stage 3 assets of Rs 739 Crore (**Net Security Cover¹ : 1.7x**)
- 60%² of Existing MSME Unsecured Loans are covered under credit guarantee with SIDBI (CGTMSE Program)
- Total disbursement under ECLGS scheme during FY21 of Rs 1,297 Crores (largely in retail and SME segments)

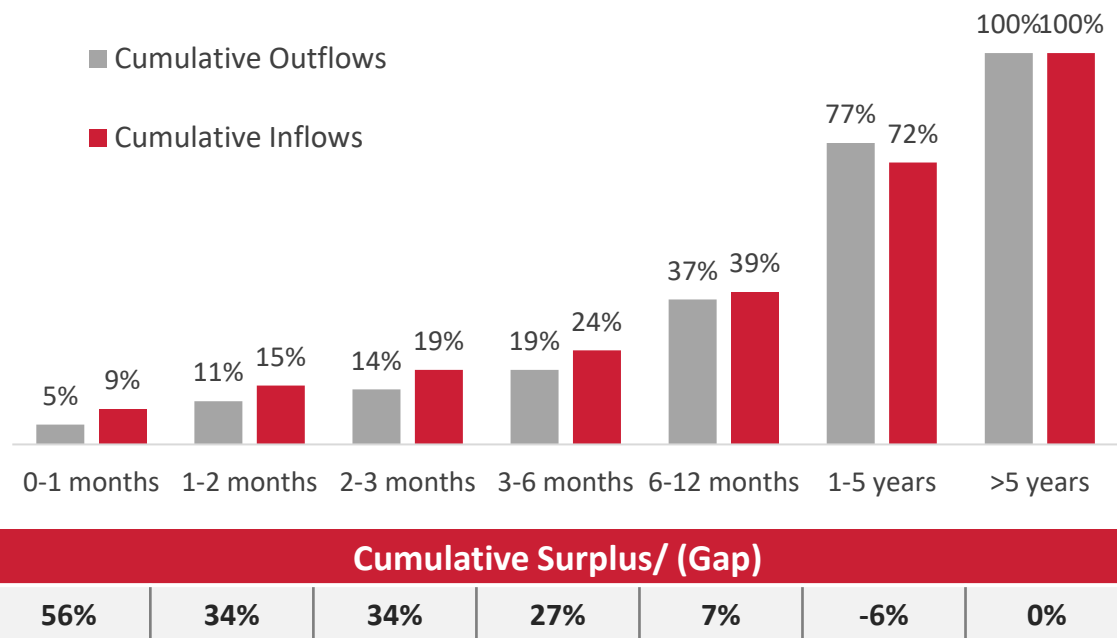
Customer Segment	GS3	Provision	NS3	Security Value	Net Security Cover ¹
SME	252	99	153	305	2.0x
Retail – Secured	81	22	59	115	2.0x
Retail – Unsecured	232	128	103	-	-
Large Corp (ex IL&FS)	521	234	287	587	2.0x
Large Corp (IL&FS)	220	106	114	187	1.6x
HNI & Others	-	-	-	-	-
Total Book	1,305	590	716	1,194	1.7x

¹ Net Security Cover = Security Value/ (GS3 – Provision)

² JFM disbursements were not covered under CGTMSE scheme due to system development at CGTMSE end. Q3 had 75% coverage under this scheme.

Well matched ALM with adequate liquidity

ALM optimised for liquidity and costs (As on 31st March 2021)



Raised LT borrowing of Rs 8,276 Crore

Term Loans: Rs 5,060 Crore; NCD: Rs 3,216 Crore

Diversified borrowing profile with long- term borrowing mix at 89%

Adequate liquidity under stress test scenario

Liability Maturity (Mar'22)
(Including interest payments)

15,298

Liability Maturity

Fund Available as on 31th Mar 2022
(Assuming 50% of collections)

17,909

16,209

1,700

Funds Available

■ Balance Funds
(Undrawn Lines +
50% Collections)

■ Liquid Surplus

Surplus under various stress test scenarios (incl. undrawn line):

- At 95% collection, surplus of Rs 11,805 Crore
- At 50% collection, surplus of Rs 2,611 Crore

Maintaining Comfortable Capital Adequacy in Q4FY21 CRAR at ~22.8%

Leveraging technology and data analytics in NBFC business

Strong Digital KPIs with focus on scalability, superior customer servicing and use of data analytics to cross-sell

Sourcing

- ▶ **Fully agile tech stack for customer onboarding:** APIs for onboarding through partner model – KYC, Bureau API, BRE API and scorecards
- ▶ **State of the art LOS/LMS system for retail business** leveraging CKYC/O-KYC, facial recognition, bureau integration
- ▶ **Pre-approved, pre-qualified** top-up offering using technology, data analytics (Application and behavioral scores)

Underwriting

- ▶ **Instant eligibility** through in-built scorecards, BRE, value added services for customer's financial and demographic due diligence such as GST, ITR, Bank statement analysis, GEO tag, etc.
- ▶ **Video PD**, Domain checks, employment verification, and other fraud control tools

Self-Servicing

- ▶ **WhatsApp/Chatbot/Portal:** Live on 23 Service Requests catering 35% of service request volumes
- ▶ **Email-BOT with 87% efficiency**
- ▶ **Self-Service to reach 60% by Q2 FY22**

Collections

- ▶ **AI voice BOT for proactive and Low-risk bounce cases calling**
- ▶ **ABFL payment hub**, and new channels such as UPI, Wallets, eNach etc. introduced for **digital payments collections**
- ▶ Fin-tech platform leveraged for **WFH Collections calling**

Customer Onboarding

84%

Partners Onboarding

100%

Digital Service Interaction

85%

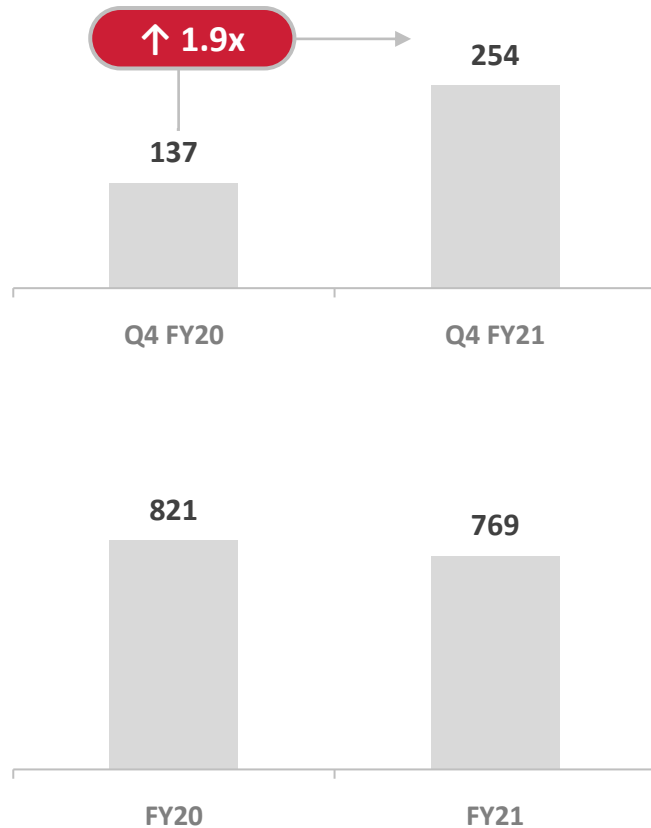
Digital Collections

98%

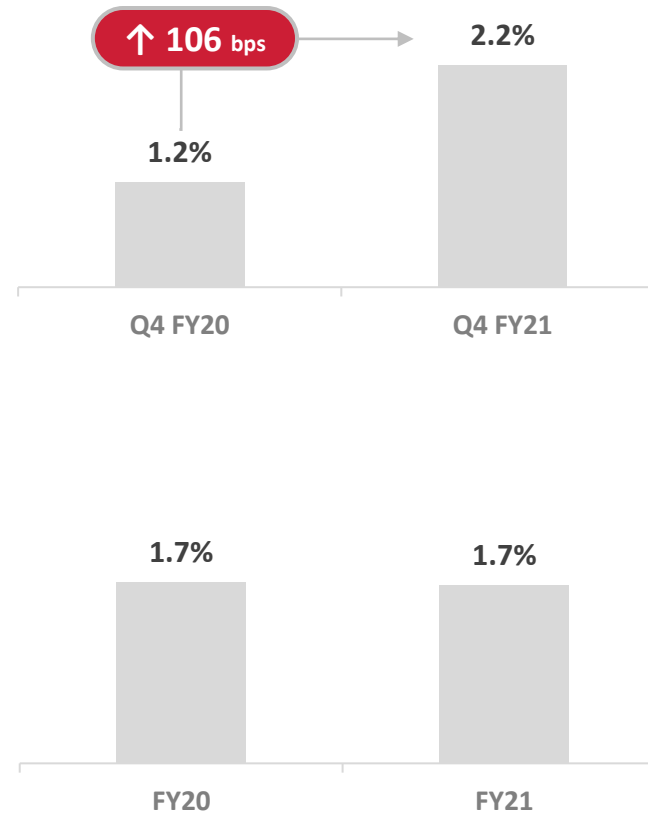
Value accretive growth

Strong revival in profitability in Q4 • Returns much higher than Q4 last year • Delivery against stated goals

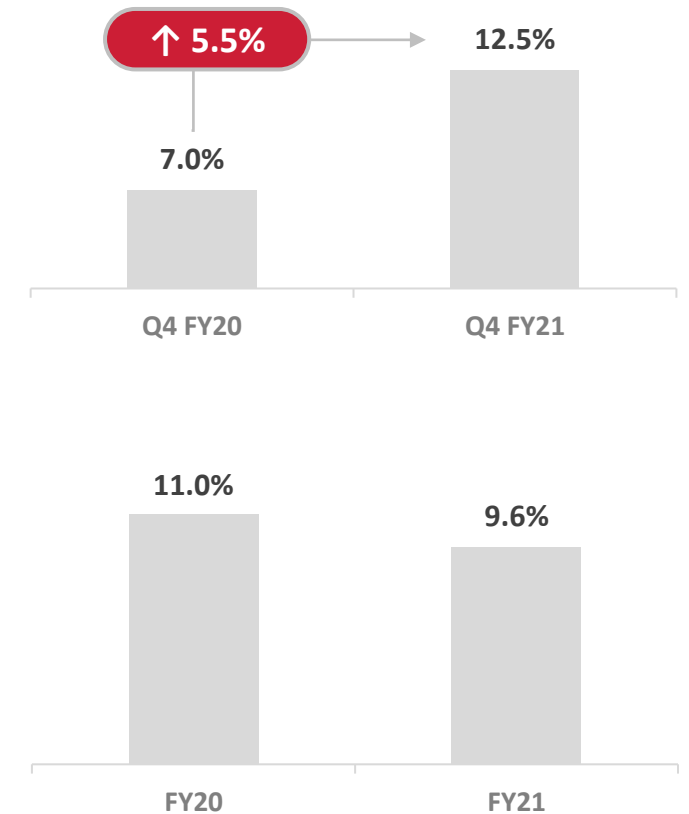
PAT



Return on Assets



Return on Equity¹



¹ Based on monthly compounding of annualised RoE

Key Financials – Aditya Birla Finance Limited



Quarter 4	
FY 19-20 (PY)	FY 20-21 (CY)
47,057	48,689
12.08%	11.85%
7.08%	5.87%
5.00%	5.98%
601	699
201	221
1.71%	1.94%
33.5%	31.7%
321	140
2.73%	1.22%
78	338
137	254
8,078	8,838
1.2%	2.2%
7.0%	12.5%

Figures in Crs
Key Performance Parameters
Lending book
Average yield (Incl. Fee Income)
Interest cost / Avg. Lending book
Net Interest Margin (Incl. Fee Income)
Net Interest Income (Incl. Fee Income)
Opex
Opex / Avg. Lending book
Cost Income Ratio
Credit Provisioning
Credit Provisioning/ Avg. Lending book
Profit before tax
Profit after tax
Net worth
Return on Asset %
Return on Equity %

Full Year	
FY 19-20 (PY)	FY 20-21 (CY)
47,057	48,689
12.24%	11.69%
7.13%	6.35%
5.11%	5.34%
2,528	2,512
752	784
1.55%	1.70%
29.8%	31.2%
707	696
1.46%	1.51%
1,069	1,031
821	769
8,078	8,838
1.7%	1.7%
11.0%	9.6%

Note 1: DSA commission netted off against Total Revenue, accordingly previous period financials are reinstated; NIM including fee (net of DSA Expenses); Processing costs netted off against revenue in current year

Note 2: Aditya Birla MyUniverse demerged transaction business into ABFL's wealth business w.e.f. 1st January 2020; Prior period accounts not restated.

Note 3: Yield excluding Reversal of Interest on Interest comes to 12.00% for Q4 FY21. Similarly NIM excluding Reversal of Interest on Interest comes to 6.13% for Q4 FY21.

Housing Finance

Aditya Birla Housing
Finance Ltd.



ADITYA BIRLA
CAPITAL

Performance Summary | Housing Finance | AB Housing Finance

1 Strong disbursements to target segment

- Strong rebound in Q4 gross disbursements at Rs 1,131 Crore (↑ 47% y-o-y)
- Focus on target segments: 52% disbursement in affordable in Q4 (PY: 31%)
- Affordable segment mix increased to 27% (PY: 18%)
- Added 21 new locations (Tier 3-4) in FY21 and augmented front line capacity

2 Focus on granularity and higher margin segments

- Home Loan ATS at Rs 26 lacs (PY: Rs 31 Lacs); ↓ 16% y-o-y
- Q4 FY21 new sourcing yield at 11.40%; ↑ 58 bps y-o-y; Q4 FY21 Normalised Portfolio Yield¹ at 10.39% (PY: 10.32%)
- 49% overall retail book mix originating from non-metro locations
- Launched informal business with 41 locations activated

3 Change in Mix leading to Improving margins & Core Profitability

- Q4 NIM highest at 3.85% (↑ 77 bps y-o-y); CIR at 38.58% (↓ 3.69% y-o-y)
- Q4 PPOP at Rs 71 Crore (↑ 30% y-o-y); Q4 Credit cost: 0.80% (↓ 12 bps y-o-y)
- Q4 PAT at Rs 36 Crore (↑ 71% y-o-y); FY21 PAT at Rs 137 Crore (↑ 34% y-o-y)
- Profitability in line with guidance: FY21 ROA at 1.2% and ROE at 10%

4 Quality of Book & Collections revival

- Pull back in Gross Stage 3 since Q3 FY21; GS3 and NS3 at 1.83% and 1.16% resp.
- Stage 3 PCR enhanced to 36.3% (PY: 32%); Security cover: 2x
- Overall floating provision in Stage 1 & 2 of Rs 42 Crore as of Mar'21
- Strong collection efficiency at 95.2% in Mar'21

5 Liquidity and Balance Sheet Resilience

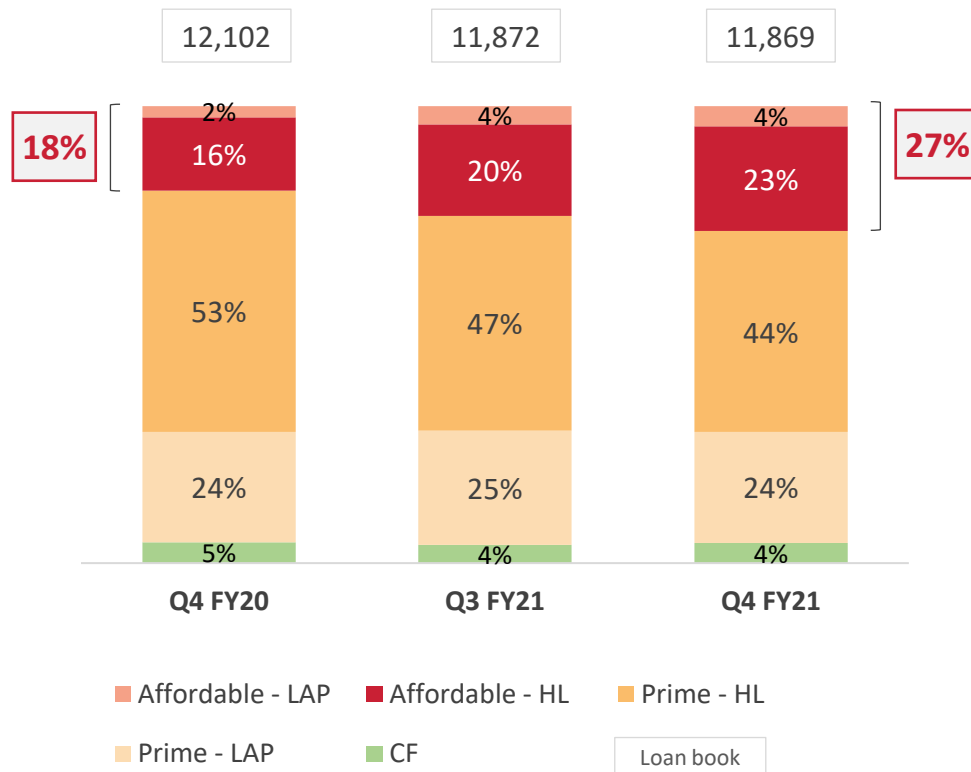
- Strong funding access and amongst best cost of borrowing in industry
- Optimised borrowing cost (↓ 83 bps y-o-y | ↓ 21 bps q-o-q)
- Raised LT borrowing of Rs 2,375 Crore in FY21
- Comfortable capital adequacy with CRAR at ~21.73%

6 Digital Adoption

- 88% of all files sourced digitally in Q4 FY21
- Leveraging Collections App; Digital payment ~95% of total collections
- WhatsApp Live on 35 Service Requests catering 70% of overall digital volume
- Omni Channel Inclusion across all channels for seamless customer experience

Recovery in disbursement with growth in focused segments

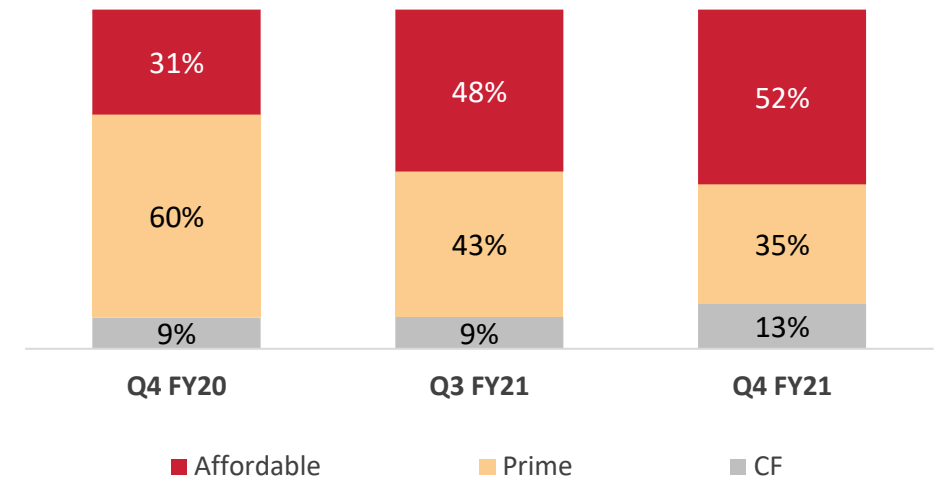
Growing loan book with increased retail mix



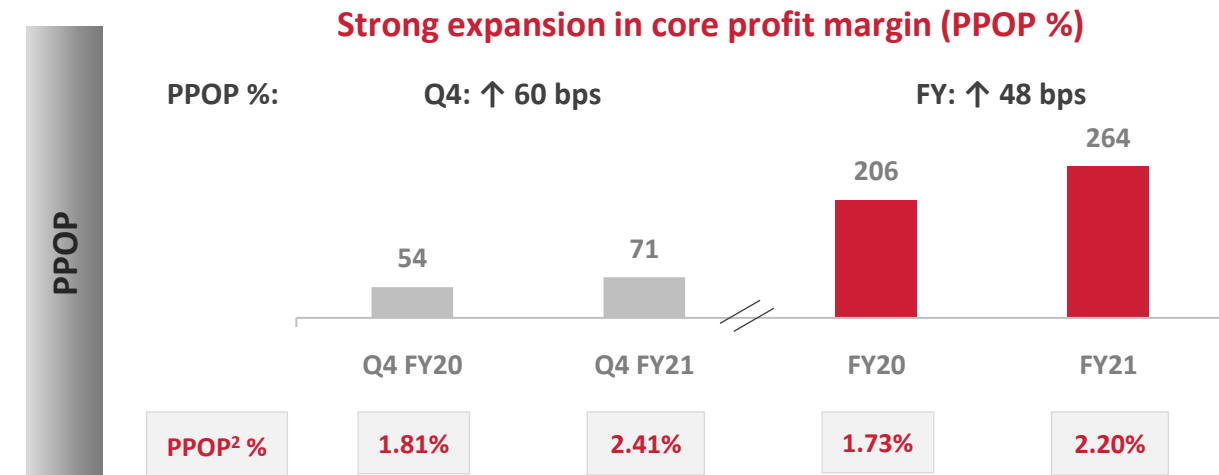
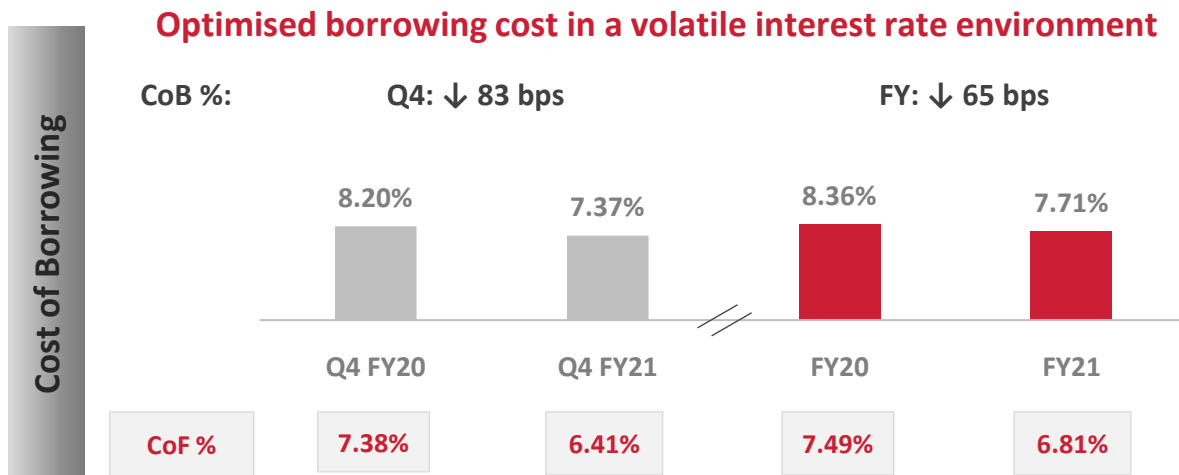
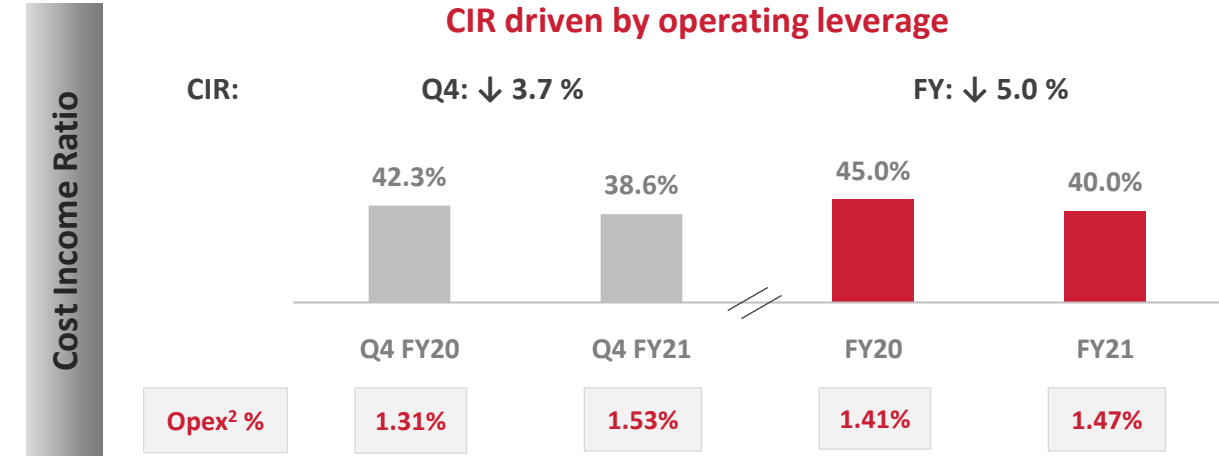
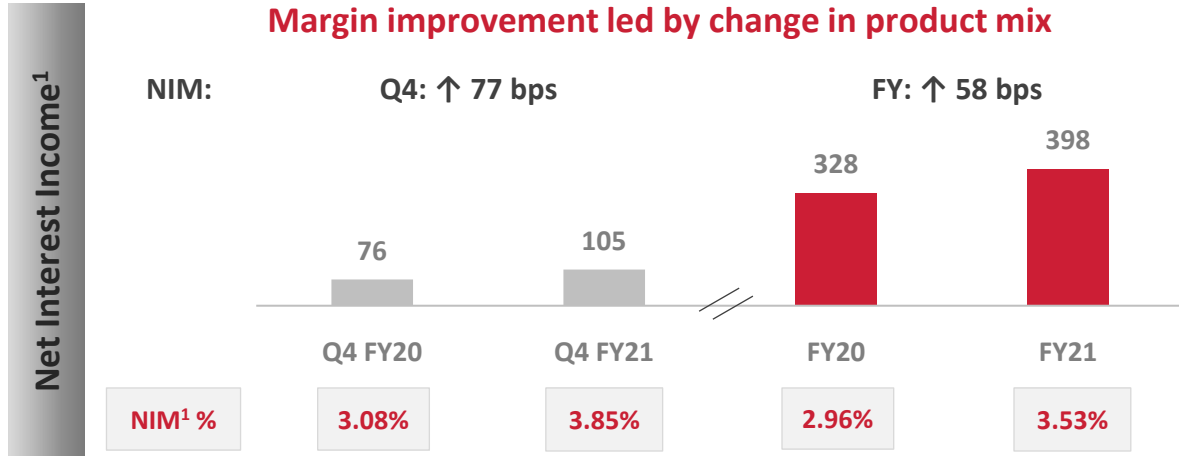
Strong disbursements revival in target segment



	Q4 FY20	Q3 FY21	Q4 FY21	Change
Gross Disbursal	769	813	1,131	↑ 1.5x y-o-y
Sourcing Yield	10.8%	11.3%	11.4%	↑ 58 bps y-o-y
ATS (Lacs)	35	27	24	↓ 31% y-o-y



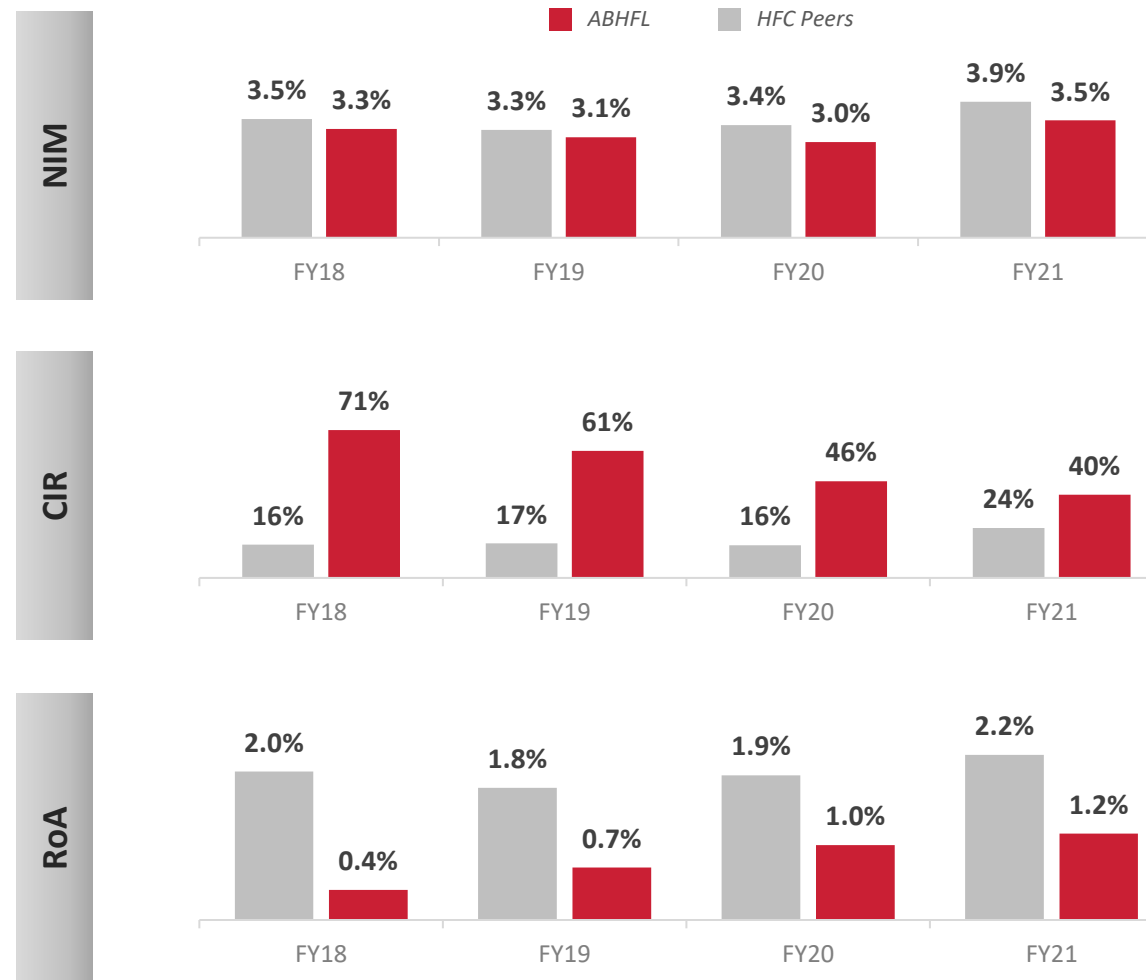
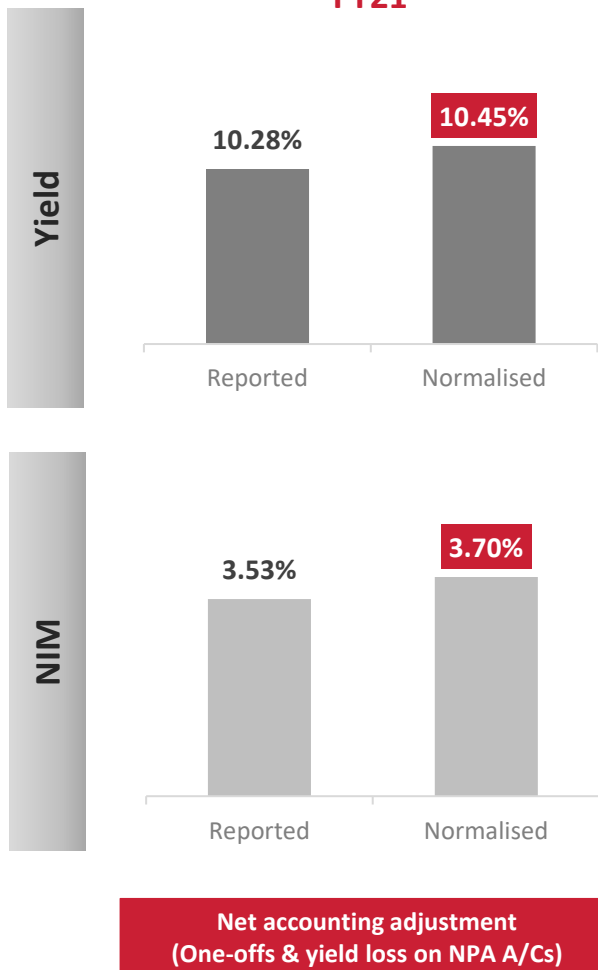
Increase in core profits driven by margins and control on cost



¹ NIM including fee (net of DSA Expenses) ² % computed based on average Loan Book ³ DSA commission netted off against Total Revenue, accordingly previous period financials are reinstated

Scale to drive improving ROA

FY21



Margins expand as we increase affordable share of the book

FY21 Normalised NIM at 3.70%

CIR expected to normalise as platform scales

(Peers with Avg. AUM > Rs 50k+ Crore)

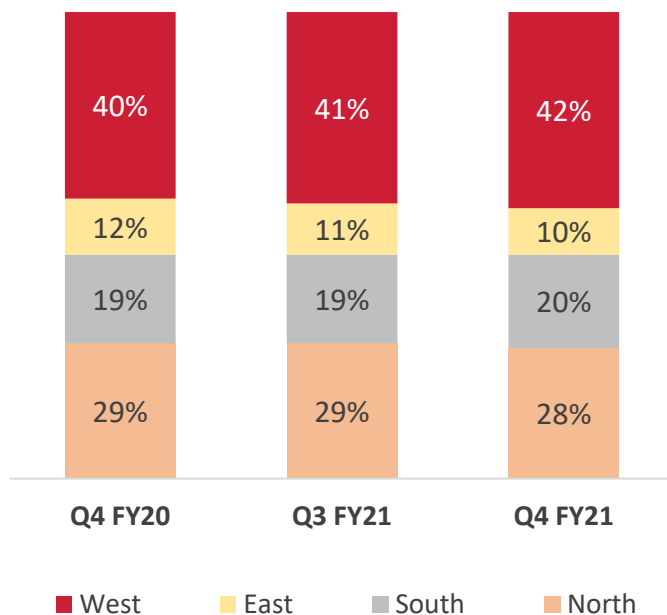
RoAs to increase as business scales up and CIR reduces

Peer numbers based on disclosed results. For ABHFL: All KPIs are based on Reported numbers

¹5 HFC Peergroup includes: HDFC Ltd, PNB Housing, Can Fin Homes, L&T Housing, LIC Housing; FY21 numbers do not include LIC Housing & HDC as not available

Balanced geographic and product mix

Diversified Geographic Mix (%)



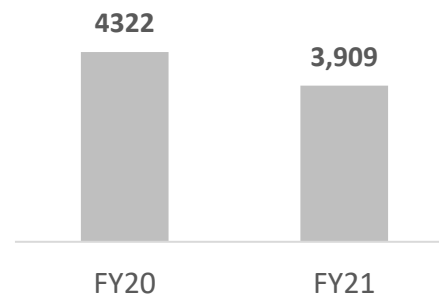
Balanced distribution strategy

Tapping growth in smaller cities

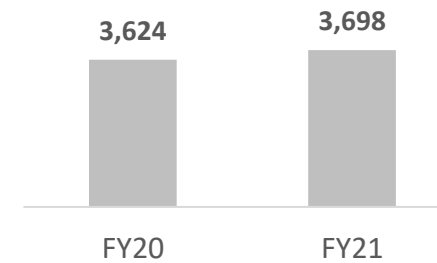
Focus on increasing reach and building retail granularity

Home Loans Sourcing

Metros



Non-Metros



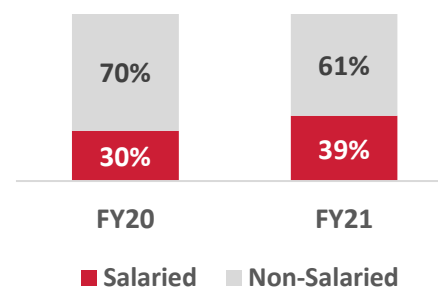
Non-metro loan book mix at 49%

74 branches currently operational pan-India

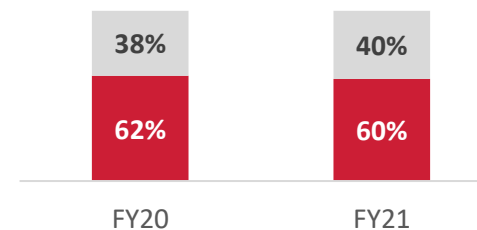
Customer Mix

Overall Home Loans

ATS: Rs 26 Lacs (PY: Rs 31 Lacs)



Affordable Home Loans



Focus on affordable segment

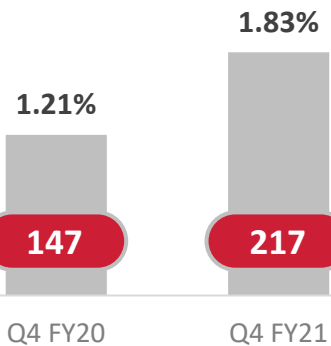
Note: Metro cities includes Delhi-NCR, Mumbai-MMR, Kolkata, Chennai, Bangalore, Pune and Hyderabad

Continued focus on quality of book

Gross Stage 3 %

Δ: ↑ 62 bps Y-o-Y

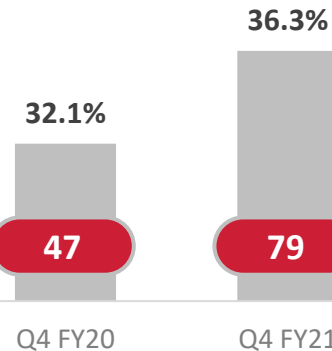
GS3



Increasing Stage 3 PCR %

Δ: ↑ ~4% Y-o-Y

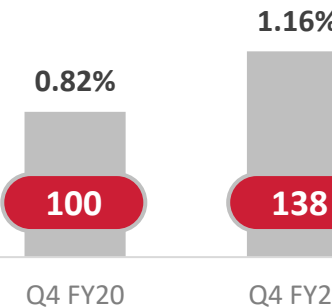
Provision



Net Stage 3 %

Δ: ↑ 34 bps Y-o-Y

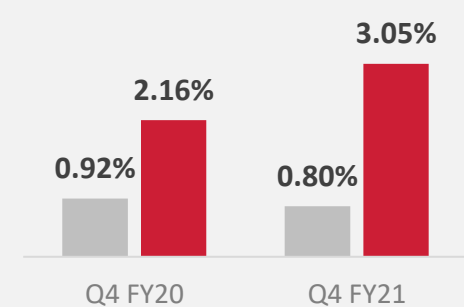
NS3



Risk Adjusted Margins³

Δ: ↑ 89 bps Y-o-Y

■ Core Credit Cost % ■ NIM (adj. Credit Cost) %



Credit Cost

- Overall floating provision in Stage 1 & 2 of Rs 42 Crore as of Mar'21
- Security value of Rs 277 Crore against Net Stage 3 assets of Rs 138 Crore (2X security cover)

Affordable Loan Book

- ATS ~ Rs 14 Lacs
- 26% of Affordable Home Loans portfolio backed by IMGIC and 47% eligible for PMAY subsidy

Construction Finance

- ATS on exposure: Rs 19 Crore / ATS on outstanding: Rs 8 Crore
- ~87% exposure to Bangalore, MMR, Pune, Surat, Hyderabad and NCR

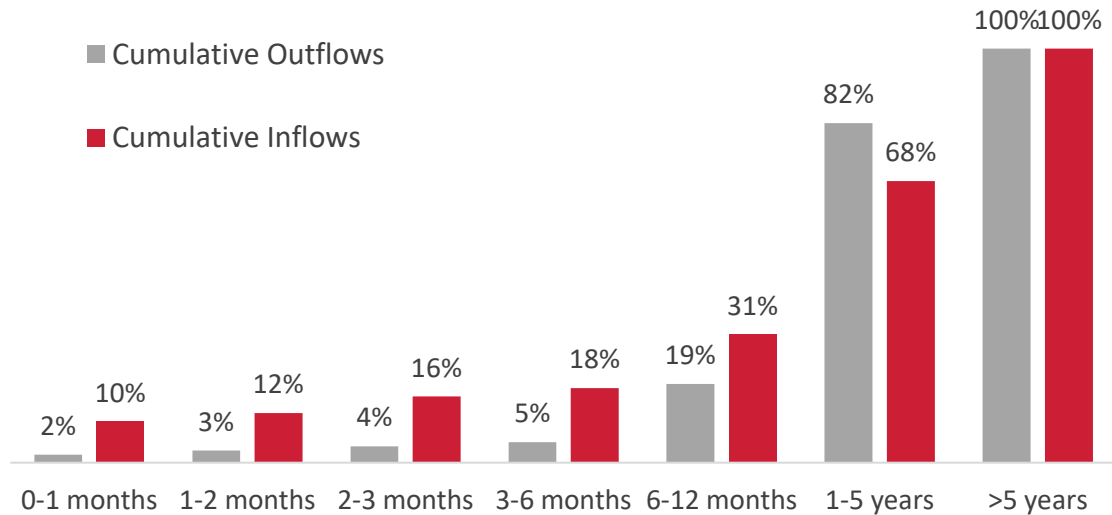
Other Updates

- Collection Efficiency at 95.2% in Mar'21
- Restructured 4% of Loan Book during FY21; 56% of the restructured pool in Stage 1

³ As per NHB regulatory norms, Regular Restructured pool of Rs 117 Crore will be reported as sub-standard. For ECL model, under IND AS same is considered as Stage-2

Well matched ALM with adequate liquidity

ALM optimised for liquidity and costs (As on 31st March 2021)



Cumulative Surplus/ (Gap)

337%	365%	353%	249%	61%	-17%	0%
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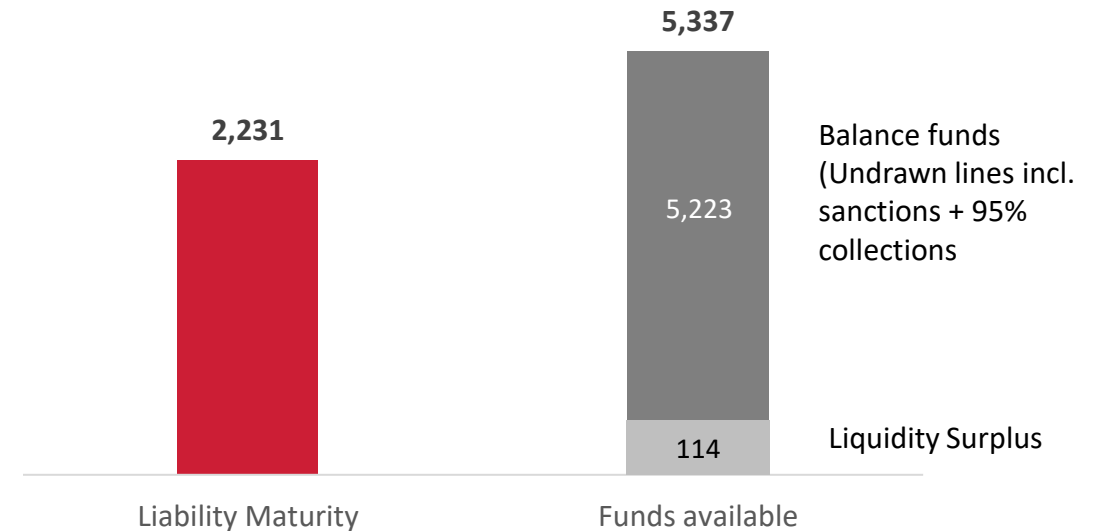
Raised LT borrowings of Rs 2,375 Crore in FY21

(Term Loan: Rs 1,600 Crore, NCD: Rs 700 Crore)

Adequate liquidity under stress test scenario

Liability Maturity (Till March'22)
Including interest payments

Funds available as on Mar 31, 2021
Assuming 95% collections



Maintaining comfortable capital adequacy

Q4 FY21: CRAR at ~21.69% (Regulatory requirement: 14%)

Leveraging technology and data analytics in Housing Finance



Strong Digital KPIs with focus on scalability, superior customer servicing and use of data analytics to cross-sell

Sourcing

- ▶ Focus on granular retail sourcing through direct channel in tier II/III markets
- ▶ CRM Integration for lead generation, fulfillment & resource allocation
- ▶ Frontline equipped with digital on-boarding platform which leverages
 - e-KYC
 - Facial recognition
 - Credit Bureau
 - ITR & GST, banking
 - Online payment

Underwriting

- ▶ Central Processing Hub for data standardization, cost optimization & resource planning
- ▶ Faster decision through bureau integrated scorecard
- ▶ Credit PD mandatory with Video PD & geo-tagging options
- ▶ Digitally produced disbursement kit along with prefilled loan agreement for superior customer experience

Collection and Self Servicing

- ▶ Bucketed approach for customers with tele-calling, field visit & legal desk setup
- ▶ Multi-channel follow up through digital platforms incl AI voice BOT, 2-way switch calling
- ▶ Integrated collection application for digital payments enabling real time a/c recon
- ▶ Predictive model, data analytics used for portfolio management & early warning signals
- ▶ Multi channel servicing including WhatsApp, e-Bots, Google Assistant & Self serve portal

Customer Onboarding

88%

Customer Interaction

74%

Digital Payout

62%

Digital Collection

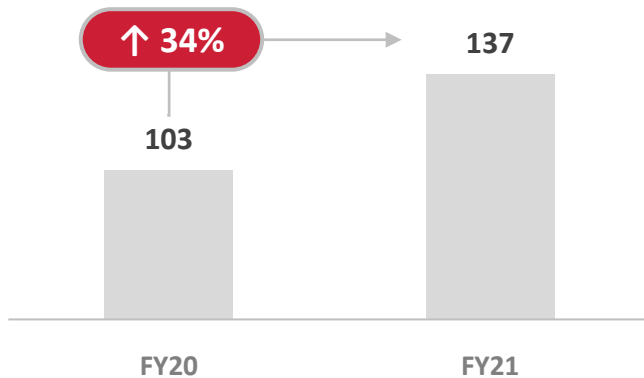
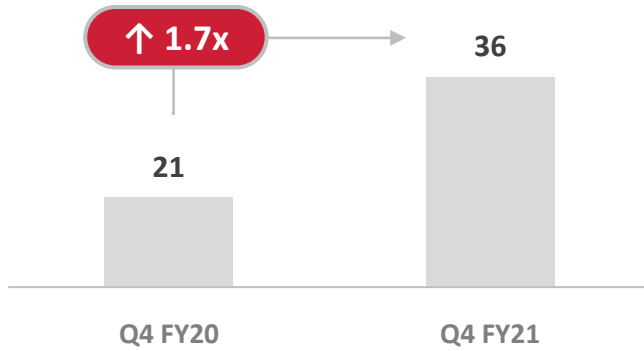
98%

Note: CRM : Customer Relationship mgt; Credit PD: Personal Discussion with customer Data as of March 31, 2020

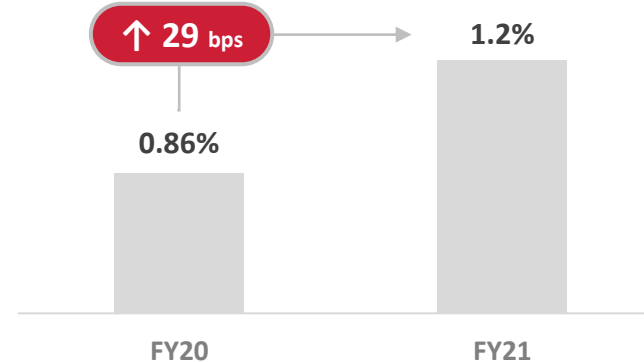
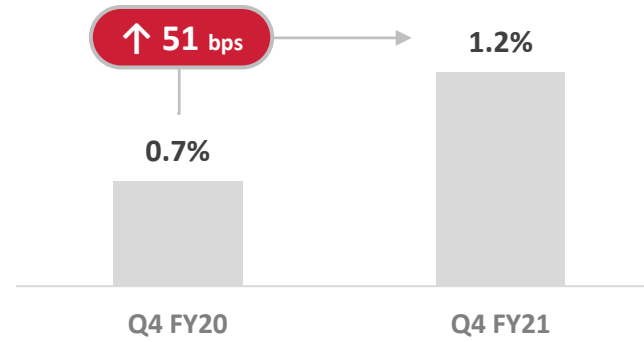
Value accretive growth

Strong revival in profitability • Returns higher than a year ago • Delivery against stated goals

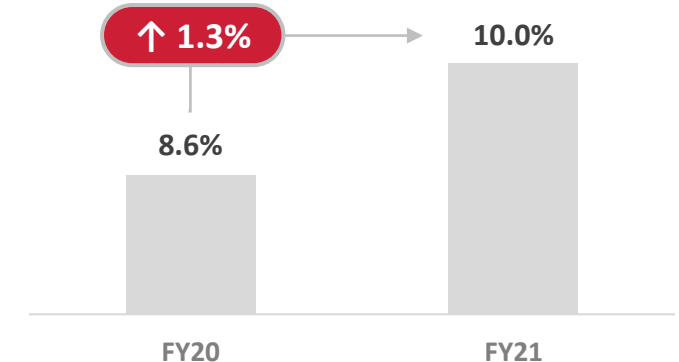
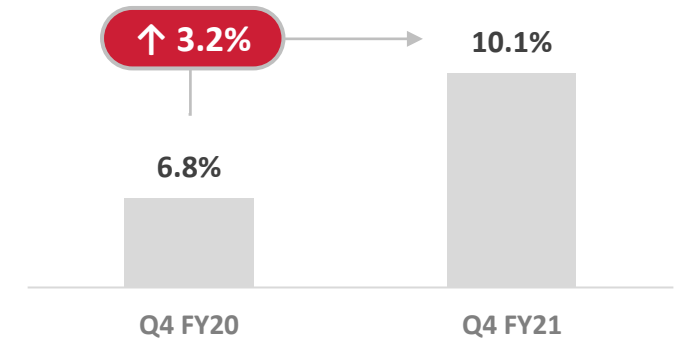
PAT



Return on Assets



Return on Equity¹



¹ Based on monthly compounding of annualised RoE

Key Financials – Aditya Birla Housing Finance Limited



Quarter 4		Figures in Rs Crore	FY	
FY 19-20 (PY)	FY 20-21 (CY)		FY 19-20 (PY)	FY 20-21 (CY)
		Key Performance Parameters		
12,102	11,869	Lending book	12,102	11,869
10.28%	10.19%	Average yield	10.39%	10.28%
7.38%	6.41%	Net Interest cost / Avg. Loan book	7.49%	6.81%
3.08%	3.85%	NIM *	2.96%	3.53%
94	115	Net Interest Income	375	440
40	44	Opex	169	176
1.31%	1.53%	Opex/ Avg. Loan Book	1.41%	1.47%
42.3%	38.6%	Cost Income Ratio (%)	45.0%	39.9%
28	23	Credit Provisioning	70	88
0.92%	0.80%	Credit Provisioning/ Avg. Loan Book	0.59%	0.73%
27	48	Profit Before Tax	136	176
21	36	Profit After Tax	103	137
1,383	1,519	Net worth	1,383	1,519

Note: DSA commission netted off against Total Revenue, accordingly previous period financials are reinstated; NIM including fee (net of DSA Expenses)

*NIM is NIM including fee net off DSA Commission

Asset Management

Aditya Birla Sun Life
AMC Ltd.



ADITYA BIRLA
CAPITAL

Performance Summary | Asset Management | ABSL Asset Management Co

1 Maintaining Leadership and Market Share

- Largest non-bank affiliated AMC with overall AAUM market share¹ at 9.20% and amongst the 4 largest AMCs in India by QAAUM
- Dominant position in fixed income; AAUM Market share¹ at 10.86%
- Backed by Strong Brand, Sponsors and an Experienced Management Team
- Individual⁵ MAAUM: Rs 1.3 Lac Cr (↑19% y-o-y); Mix: 47% | Market Share: 7.4%

3 Solid and Resilient Retail Franchise

- Strong retail franchise with investor folio count at ~7.1 Mn
- B-30 MAAUM ↑30% y-o-y (Mix at 16.1%³); SIP AUM ↑66% y-o-y (Mix at 43%⁴)
- New SIP registrations for the quarter ↑ 13% y-o-y (↑ 11% q-o-q)
- Consistent improvement in SIP tenure over 2 years (amongst the best in industry) Tenure 5Y: 80% (Mar19) → 86% (Mar21) | : 10Y: 71% (Mar19) → 76% (Mar21)

5 Investor & Distributor Engagement

- Large pan-India network of empaneled distributors with presence in 280+ locations; 65,000+ KYD compliant MFDs, 230+ National Distributors and 100+ bank partners; Empaneled 2400+ new MFDs in FY21
- 1,171 digital investor education programs covering 94,500+ Investors in FY21
- 465 distributor development programs covering 45,500+ partners in FY21

2 Momentum in AUM growth and Value Accretive Mix

- Strong revival in AAUM across asset classes with closing domestic AUM ↑ 28% y-o-y; Equity ↑ 47% y-o-y; Fixed Income (Excl. Liquid) ↑ 32% y-o-y
- Overall Domestic AAUM at Rs 2,69,278 Crore (↑ 9% y-o-y)
- Domestic Equity AAUM at Rs 96,934 Crore (↑ 11% y-o-y);
- Equity Mix expanded to 36% (PY 35%); In line with guidance of improving mix

4 Strong Financial Performance

- Highest ever quarterly profit; PBT/ AUM at 28 bps in FY21 (FY20: 26 bps)
- FY21 PAT at Rs 526 Crore (↑ 6% y-o-y)
- Opex ↓ 11% y-o-y driven by operating leverage and productivity enhancements
- FY21 RoE at 35% - Amongst the Top 3 AMCs in India²; with a consistent dividend paying track record

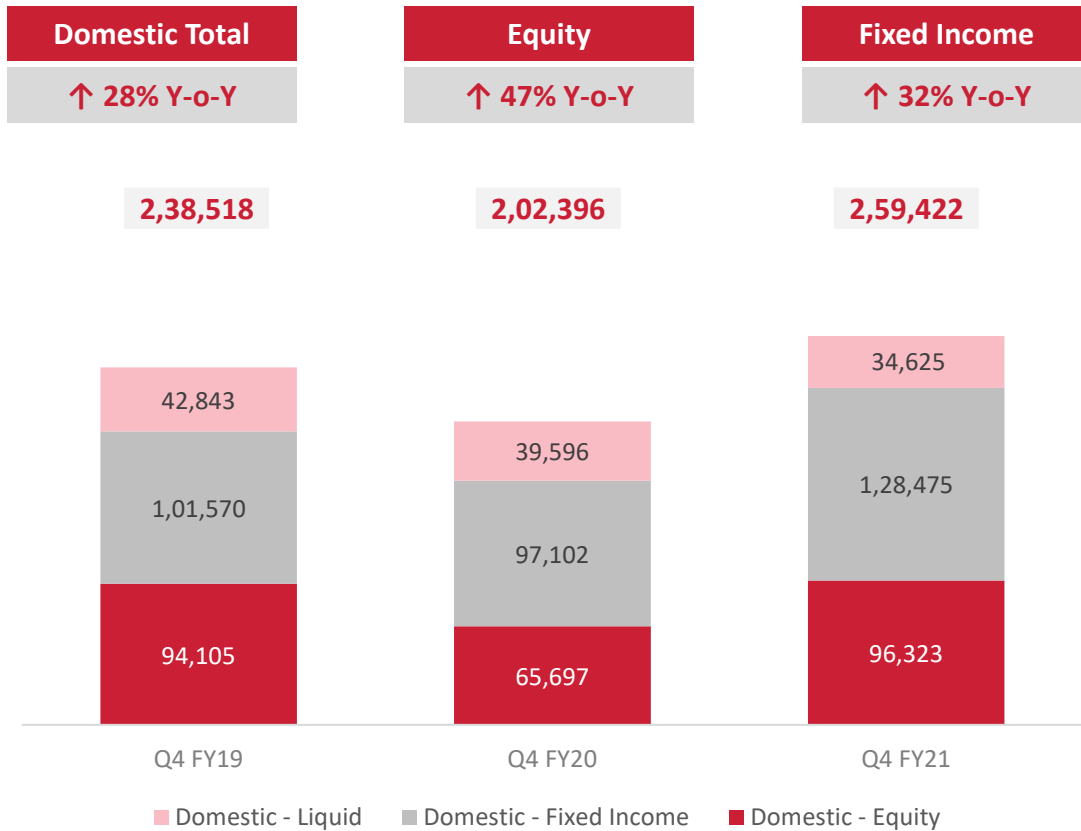
6 Distribution Powered by Technology and Data Analytics

- Relunched Fingo – our new Investor Mobile Application
- Digital transactions account for 85% of overall transactions; 74% of new Folios created digitally
- Improved engagement with Digital Distributor for customer interactions
- Net promoter scores improving every quarter for MFDs and retail customers

Rebound in AUM growth

Closing Assets under Management

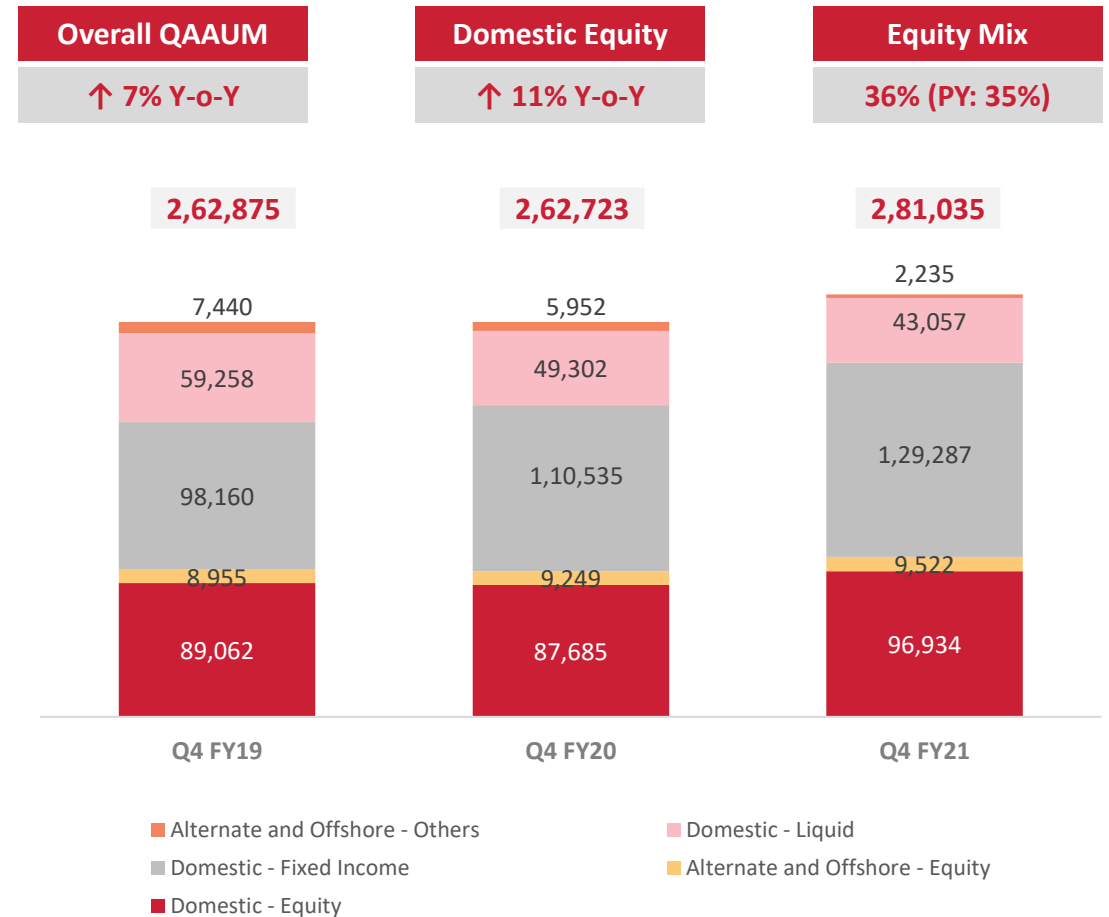
All figures in Rs. Cr



Domestic – Fixed Income include ETF

Average Assets under Management

All figures in Rs. Cr



Strong and sustained rebound in SIP

SIP AUM

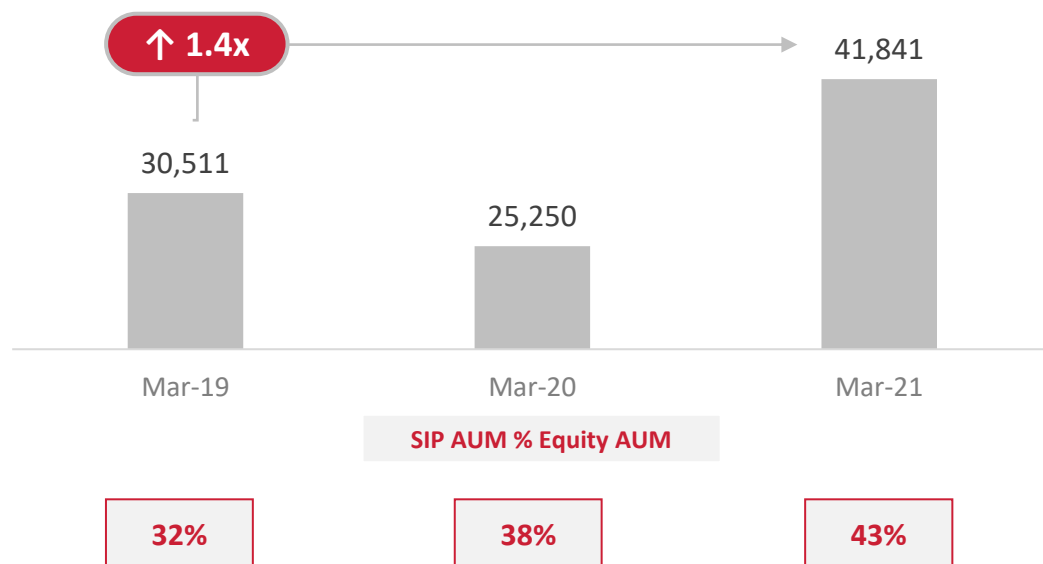
All figures in Rs. Cr

SIP AUM

↑ 66% Y-o-Y

SIP AUM % Equity

↑ 4% Y-o-Y



SIP AUM as % of Equity increased 10% over 2 years

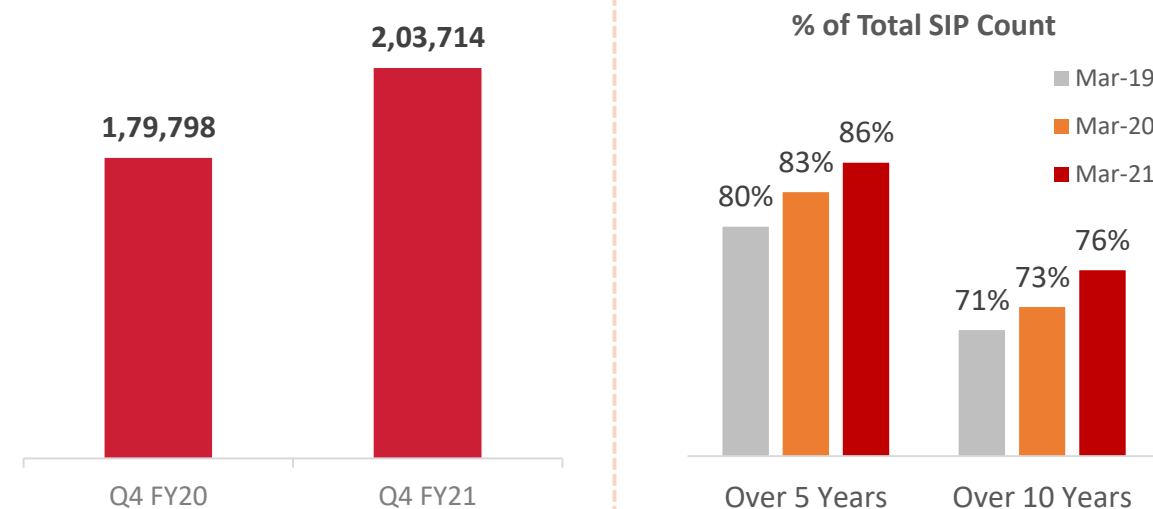
Strong revival in new SIP registrations

SIP Registration #

↑ 13% Y-o-Y

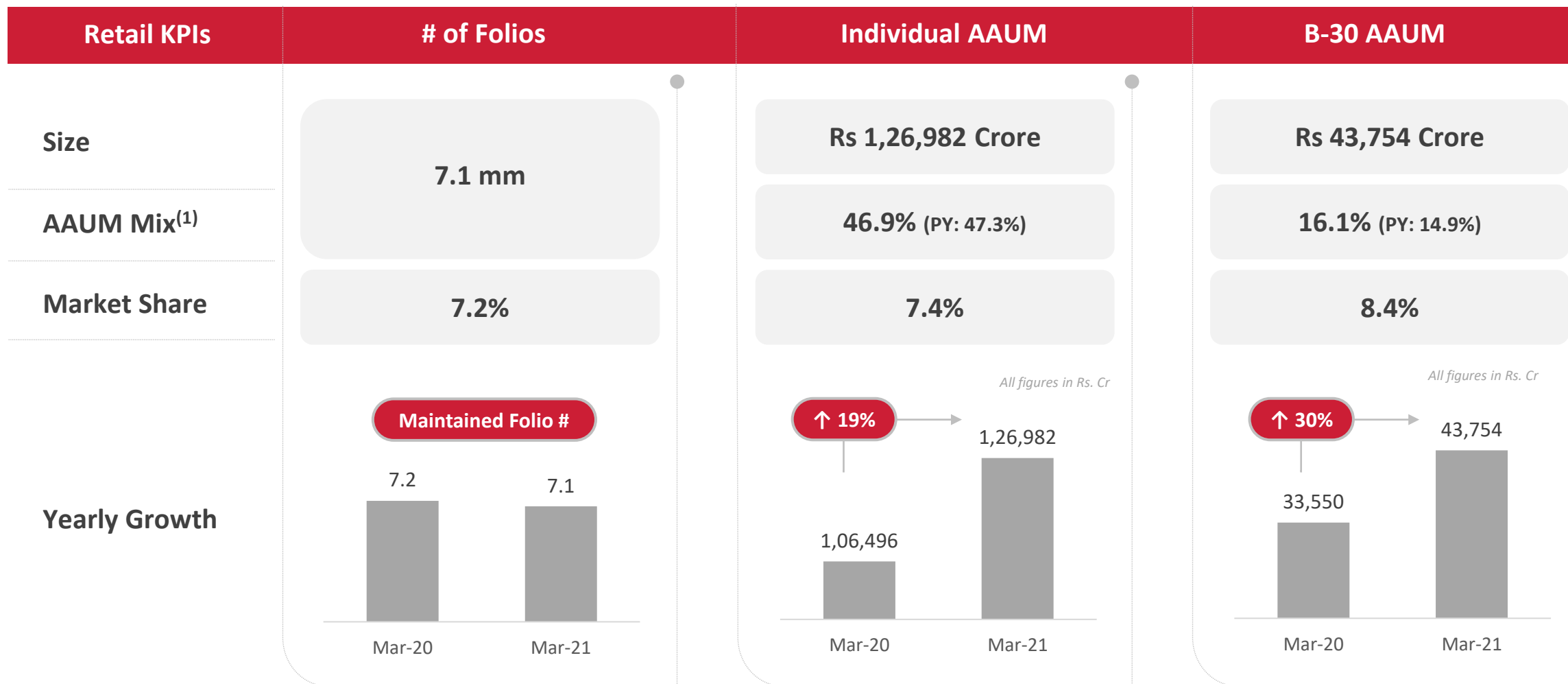
SIP Tenure¹

Gain across cohorts



Long Tenure SIP Book

Strong retail franchise



Source: AMFI;
(1) MAAUM; Above numbers as of March 2021

Large and well-diversified distribution network

One of the largest empaneled distributor base ⁽¹⁾ | Continue to expand distributor base and empaneled 2400+ new MFDs in FY21



280+
Locations⁽³⁾



65,000+
MFDs



100+
Banks

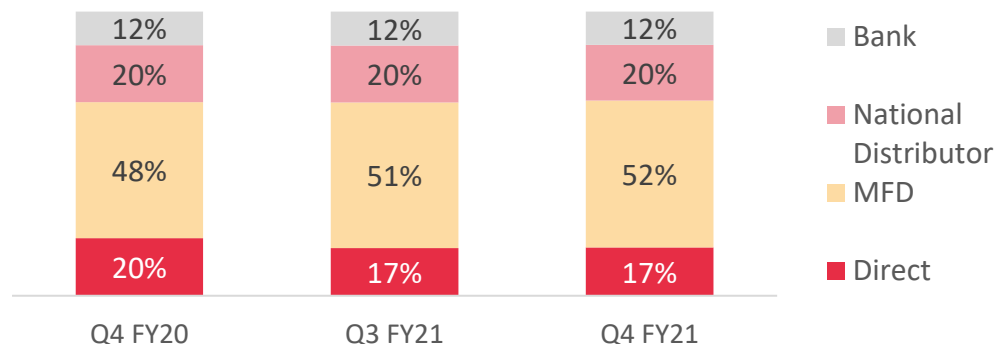


90
Emerging Market
Representatives



230+
National
Distributors

Continue to grow MFD share in equity sourcing



Focus on Diversifying Distributor Base⁽²⁾

% AUM Sourced	FY16	FY20	Δ
Top Distributor	10%	8%	↓ 2%
Top 5	42%	24%	↓ 18%
Top 10	49%	37%	↓ 12%
Beyond Top 10	51%	63%	↑ 12%

Strategic focus to reduce distributor concentration while maintaining our leadership position as the largest non-Bank AMC in India

Note: (1) Data as of Mar 31, 2021; MFD – Mutual Fund Distributor. (2) % of total AUM for the respective period; List of Distributors based on disclosure of commission report by AMFI (3) Includes 194 branches and 90 EM representatives

Leveraging technology and data analytics in AMC

Strong Digital KPIs with focus on scalability, superior customer servicing and use of data analytics to cross-sell

Customer
Onboarding

74%

Customer
Interaction

89%

Distributor
Onboarding

88%

Digital Payments 99%

Scalability and Efficiency

- ▶ Robust on-boarding platform with API suites for Video KYC on own platform.
- ▶ Cloud based Sales Tools for streaming activity for Sales representatives
- ▶ Fintech partner's customers on-boarded through our API gateway

DIY - Self-Servicing

- ▶ Overhauled FINGO app and New Investor app with Progressive Web App feature
- ▶ Enabling ETF on our platform
- ▶ Partnerships with Fintech and Digital Platforms to enable fund transactions in paperless manner

Customer Centricity

- ▶ Next Best Conversation Campaign using Advanced Data and Predictive analysis
- ▶ Developing & Integrating MDP to offer omni-channel experience
- ▶ Adopting ML/ AI to develop hyper-personalised conversations

Mission Happiness

- ▶ IFA assets Net Word of Mouth (NWOM) improvement in Q4
- ▶ NPS of Investors and MFDs is 35% and 5% respectively
- ▶ NPS Scores improving every quarter for both types of Asset viz. IFA and Retail Customers

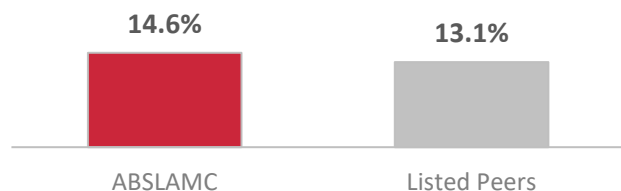
Note: IVR : Interactive Voice Response; VDI: Virtual Desktop Infrastructure; MDP – Multi Digital Platform ; Data for the quarter March 31, 2021

Strong performance vs. Listed peers

Overall AAUM

5Y CAGR: Q4 FY16 → Q4 FY21

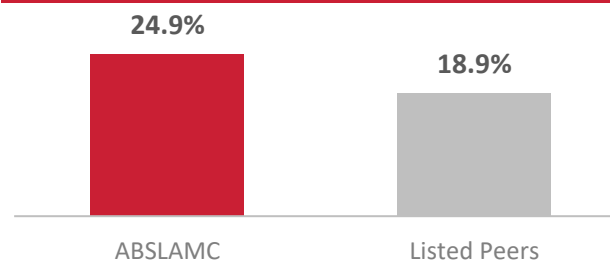
2nd Highest Amongst Peers



Equity AAUM

5Y CAGR: Mar-16 → Mar-21

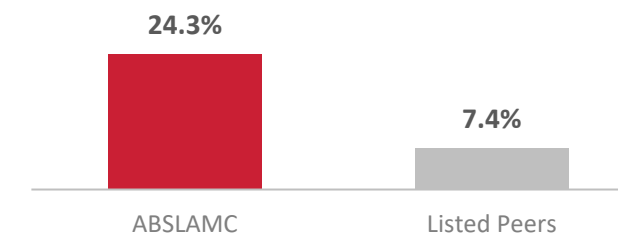
Highest Amongst Peers



Folio Growth

5Y CAGR: Mar-15 → Mar-20

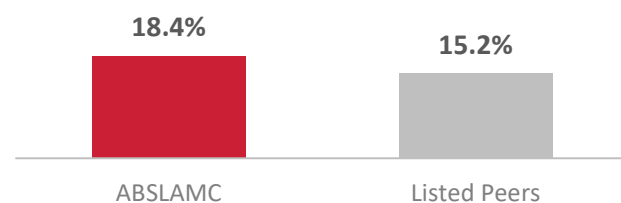
Highest Amongst Peers



Individual AAUM

5Y CAGR: Mar-16 → Mar-21

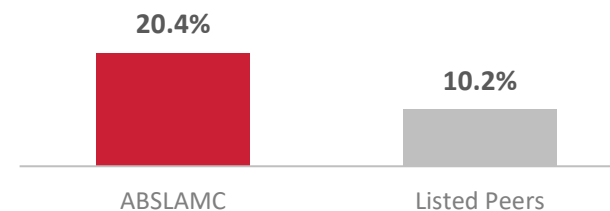
2nd Highest Amongst Peers



B-30* AAUM

5Y CAGR: Mar-16 → Mar-21

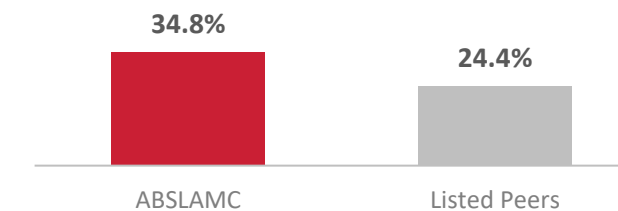
Highest Amongst Peers



RoE

FY21

Highest Amongst Peers



Listed Peers – HDFC MF, Nippon MF, UTI MF | *For Mar-16, B-15 AAUM is considered

Key Financials – Aditya Birla Sun Life AMC Limited



Figures in INR Crores	Full Year	
	FY 19-20 (PY)	FY 20-21 (CY)
Key Performance Parameters		
Domestic AAUM	2,51,310	2,44,501
Domestic Equity AAUM	90,234	84,776
Alternate and Offshore Equity AAUM	9,471	8,437
Total Equity	99,705	93,213
Revenue	1,235	1,206
Costs	574	510
Profit Before Tax	661	696
Profit Before Tax (bps¹)	26 bps	28 bps
Profit After Tax	494	526

¹ Margin based on annualized earnings as % of Domestic AAUM

Life Insurance

**Aditya Birla Sun Life
Insurance Co. Ltd.**



**ADITYA BIRLA
CAPITAL**

Performance Summary | Life Insurance | ABSL Insurance Co

1 Strong growth in business

- Individual FYP ↑ 14% y-o-y; vs Private Players ↑ 8% y-o-y; Market share ↑ 24 bps y-o-y in FY21. Group NBP ↑ 34% y-o-y vs. Private Players ↑ 20% y-o-y; Market share ↑ 73 bps y-o-y in FY21
- FY 21 Renewal premium ↑ 20% y-o-y; Digital Renewal Collection¹ up at 65%
- Total Gross Premium of Rs 9,775 Crore in FY21 (↑ 22% y-o-y)

2 Improvement on all quality vectors

- Continuous improvement in persistency across all cohorts over last 2 years:
 - 13th Month at 84% (↑ 6%): 61st Month at 51% (↑ 6%)
- Improved Opex to Premium Ratio to 13.9% for FY21 (PY: 15.9%)
- FY21 Surrender Ratio² at 6.1% (PY: 9.8%)
- “ZARA” renewal bot collection stands at ~Rs. 258 Crore since launch

3 Improving Margins & Embedded Value

- Improved Gross VNB Margins³ to 38.6% (FY21) vs. 33.8% (FY20)
- Highest ever Net VNB Margin at 10.6% (↑ 370 bps y-o-y); Q4 Net VNB: ~19.4%
- EV⁴ at Rs 6,441 Crore; Strong RoEV of 13.7% with overall EV growth of 24.2%

4 Product Strategy Showing Results

- New products launched in current year contributed 24%+ of FY21 Individual FYP
- Pre-Approved Sum Assured (PASA) contributed to 15% of FY21 FYP
- Healthy Sourcing Mix through Proprietary and Partnership Channels, contribution of 45:55 respectively with controlled ULIPs

5 Risk Management

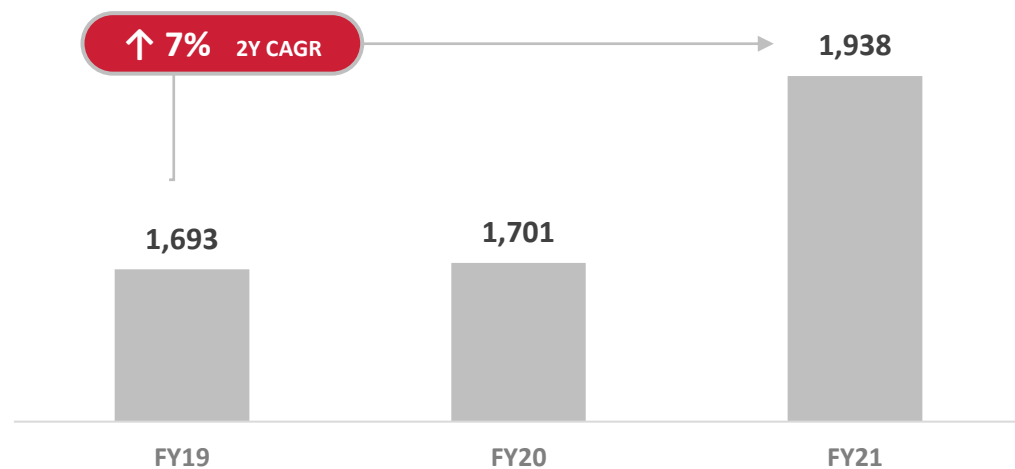
- ABSLI is well placed to protect Policyholder’s guaranteed benefit i.e., 100% of expected maturity and survival benefits by using hedging instruments
- Company is actively monitoring impact of Covid-19 given current situation of second wave and has also kept adequate COVID reserves as of Mar’21 which will be reviewed on a monthly basis.

6 Leveraging Digital, Data and Analytics

- 95% Individual business sourced digitally in FY21
- 85% Auto Pay adoption in FY21, leading to strong digital renewal collections
- 45% adoption for Contactless Digital Verification (Insta-verify) for customers
- 95% of overall services available online

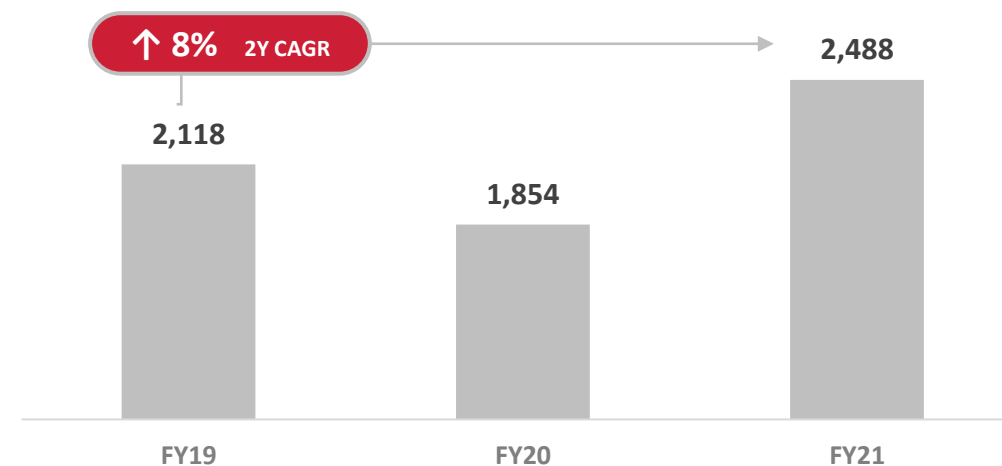
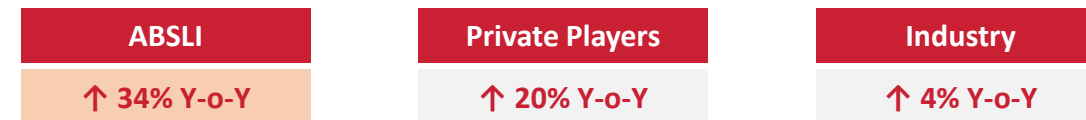
Strong growth in New Business Premium

Individual FYP¹



ABSLI Market Share² 4.3% ↑ ~24 bps over LY

Group New Business Premium



ABSLI Market Share² 6.8% ↑ ~73 bps over LY

¹ Individual FYP adjusted for 10% of single premium Note: Industry and Private Players represents Life Insurance Companies (excluding LIC); FYP for Industry players: Source IRDAI; ²Market Share among private players

Improving quality of business

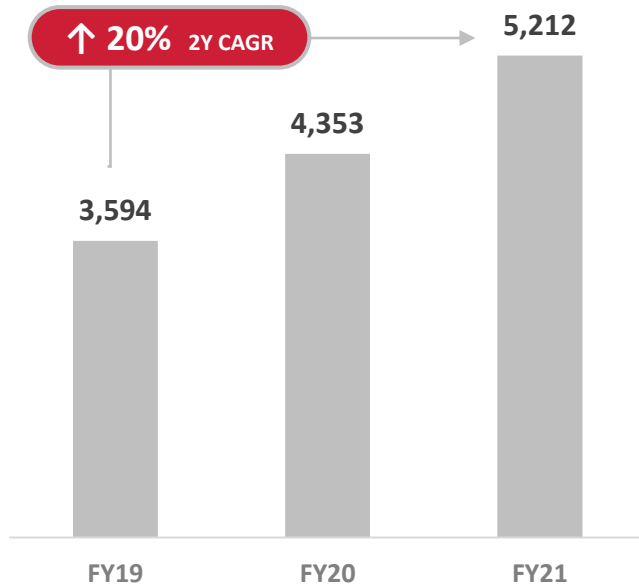
Renewal Premium

Renewal Growth

↑ 20% Y-o-Y

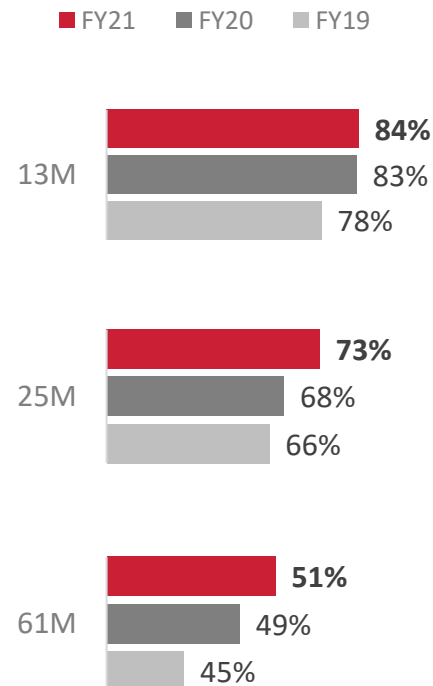
Digital Renewal

65% (PY: 56%)



Persistency¹

Improving Persistency across cohorts



Δ 2Y

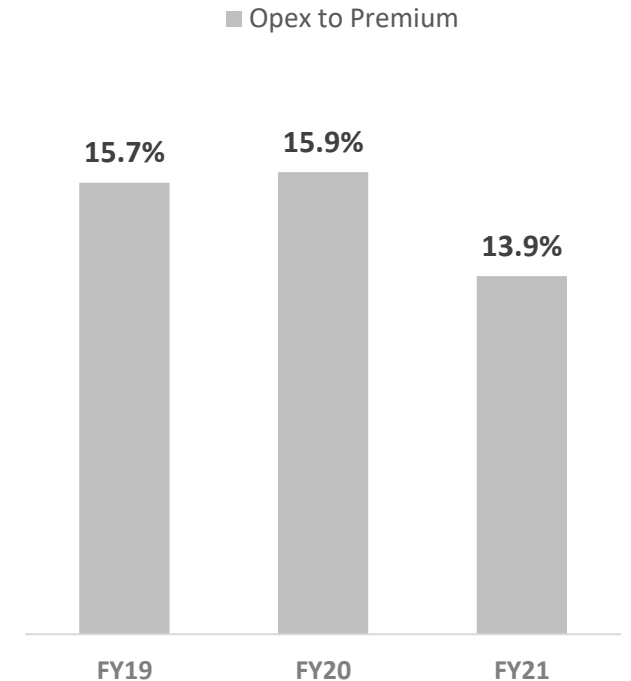
↑ 6%

↑ 6%

↑ 6%

Controlled Opex²

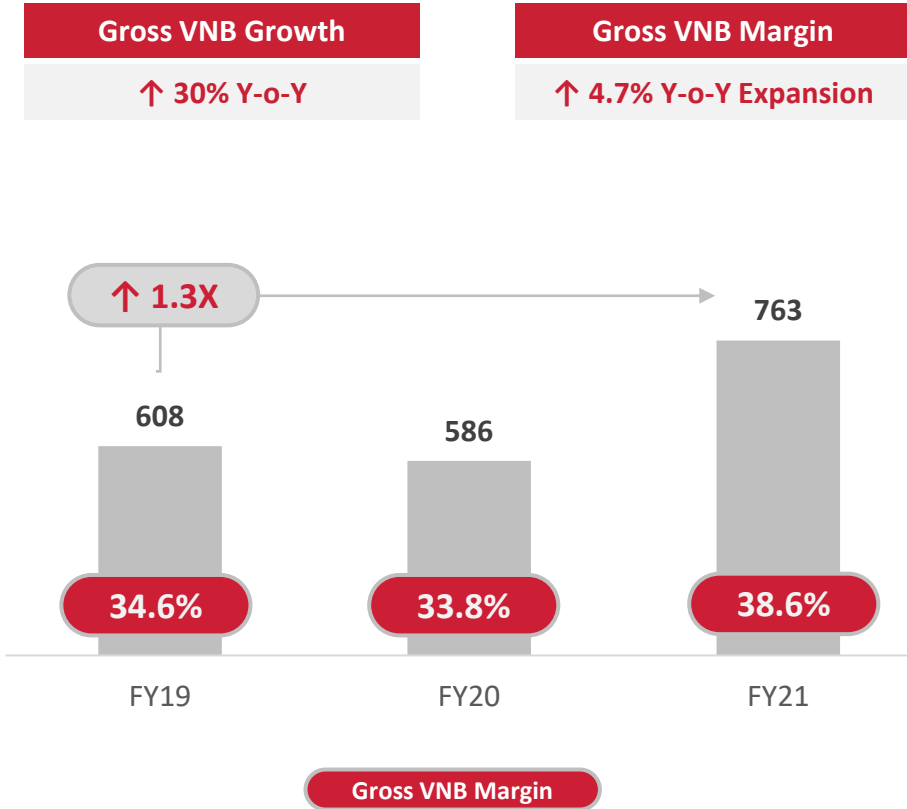
200 bps reduction in opex to premium ratio



¹ 12month rolling block as per IRDAI ² % figures in the chart denote Opex to Premium ratio

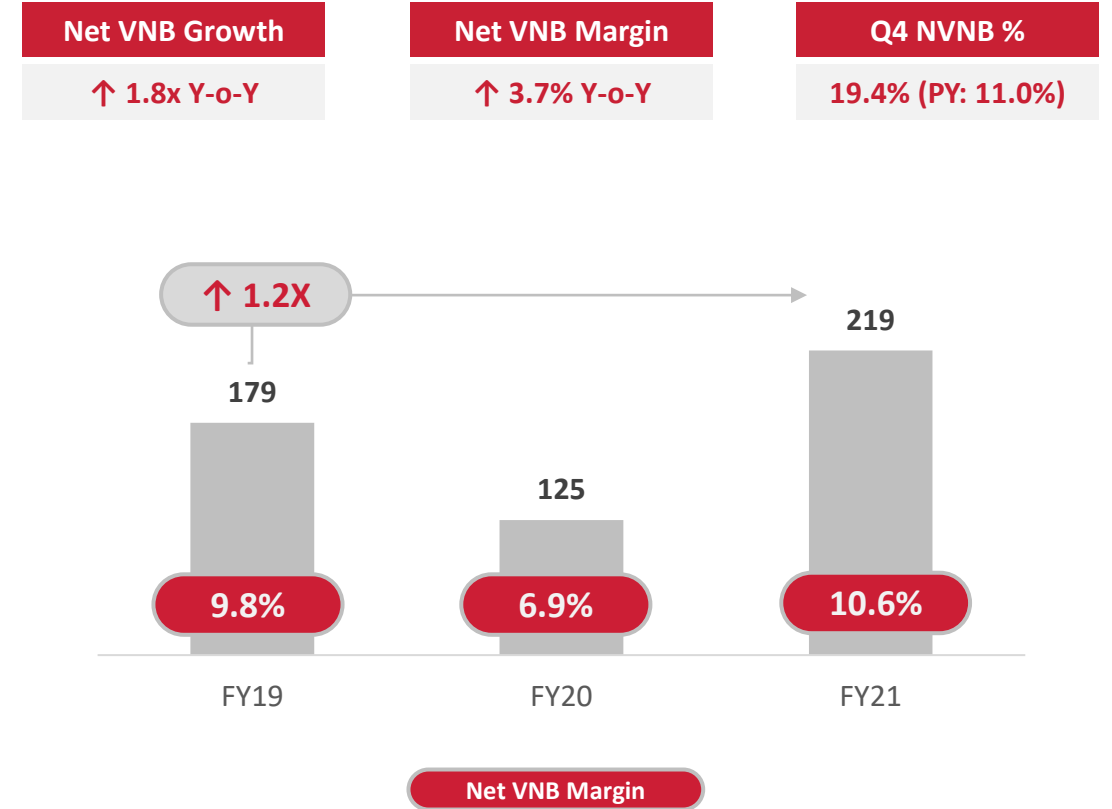
Improvement in VNB Margins

Gross VNB¹



Healthy Gross VNB margins despite falling interest rates

Net VNB²



Improvement due to topline growth, better mix and efficient expense management

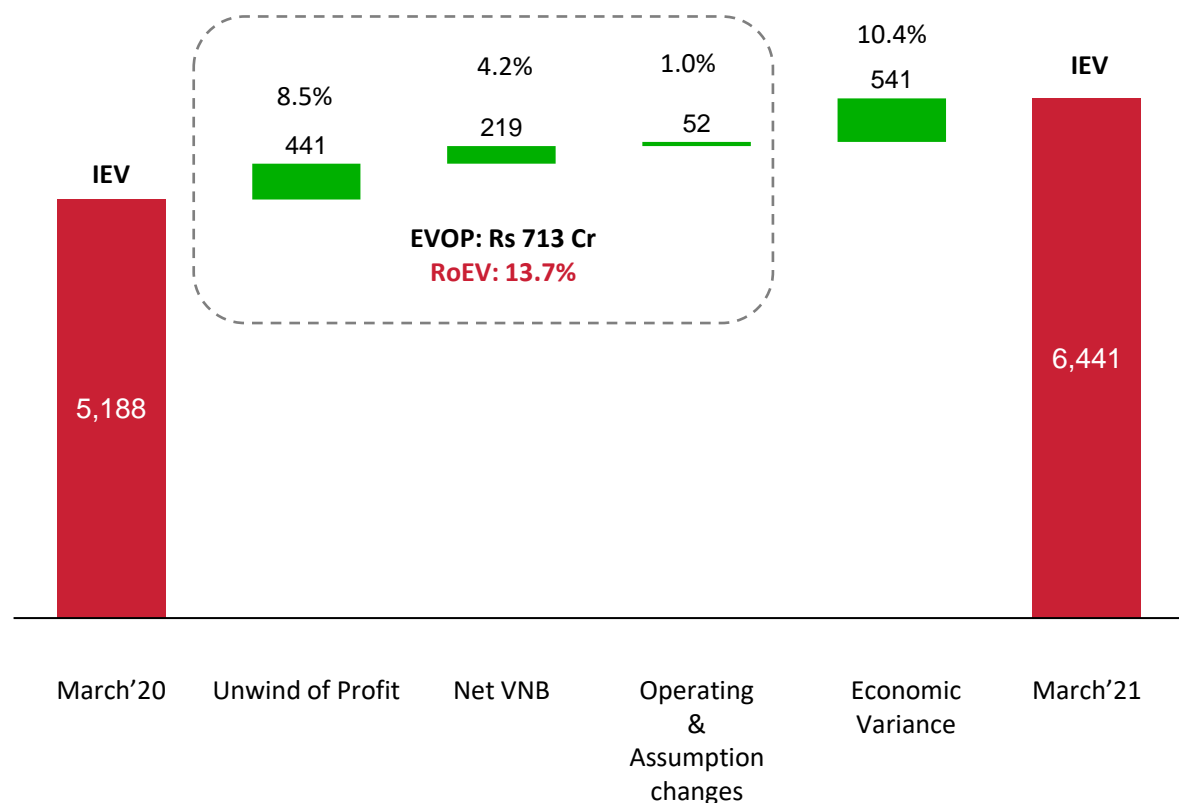
¹ Gross VNB is for Individual Life

² Net VNB includes Group Risk business

Strong RoEV of 13.7% with overall EV growth of 24.2%

Embedded Value

Figures in Rs Crore



Sensitivity Table

Scenarios	Δ IEV	Δ Gross VNB
Reference Rates and Assets		
Increase of 100 bps in the reference rates	2.80%	7.00%
Decrease of 100 bps in the reference rates	-3.70%	-8.00%
Policy/premium discontinuance rates (proportionate)		
10% increase (multiplicative)	-0.20%	-1.60%
10% decrease (multiplicative)	0.20%	1.60%
Insurance risks (Mortality and Morbidity)		
An increase of 5% (multiplicative)	-0.40%	-0.80%
A decrease of 5% (multiplicative)	0.40%	0.80%
Equity Value		
10% decrease	-1.30%	-0.20%
Maintenance Expenses		
10% increase	-1.40%	-1.90%
10% decrease	1.40%	1.90%

Leveraging technology and data analytics in Life Insurance

Strong Digital KPIs with focus on scalability, superior customer servicing and use of data analytics to cross-sell

Customer
Onboarding

95%

Digital Renewal

65%

Customer Self
Servicing

75%

Pre-Approved
New Business

15%

Engagement

- ▶ 95% New business sourced digitally during FY21
- ▶ 95% services available online with 2 Mn+ traffic on the website
- ▶ WhatsApp & Chatbot adoption crossing 4 lacs per month customer-initiated interactions

Customer Retention

- ▶ Digital collection at 65% in FY21 vs. 56% in FY20
- ▶ 85% Auto pay adoption at onboarding stage in FY21
- ▶ 45% adoption for Contactless Digital Verification (Insta – verify) for customers

Customer Centricity

- ▶ 13000+ digital sessions for prop. channels covering 100% FLS, 60% new advisors
- ▶ 92% adoption of training app (Launchpad)
- ▶ ZARA (Bot) collected ~ Rs. 258 Cr. since Aug'20: 16% delta over traditional Contact Centre

Pre-Purchase

- ▶ PASA contributed 15% of new business in FY21 (H2: 18%)
- ▶ 95% LMS adoption in direct channel
- ▶ UW decision launched at front end

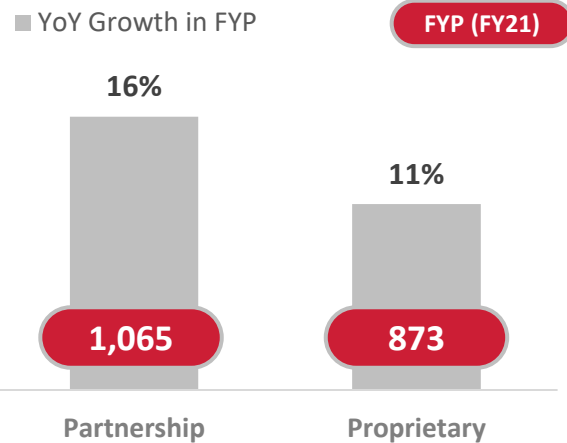
Large and well-diversified distribution network

Pan India well diversified distribution scale

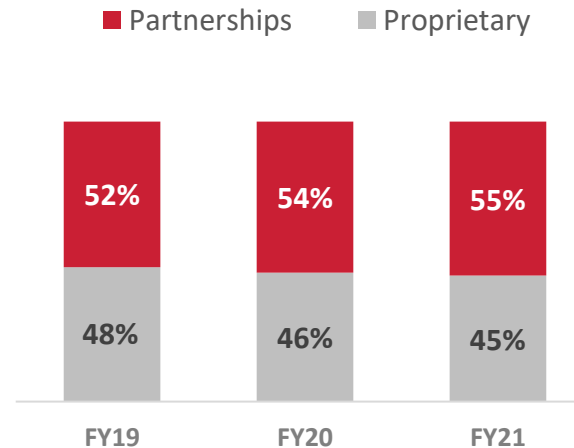


HDFC Bank, DCB, KVB, Indian Bank, DB, DBS, Ujjivan

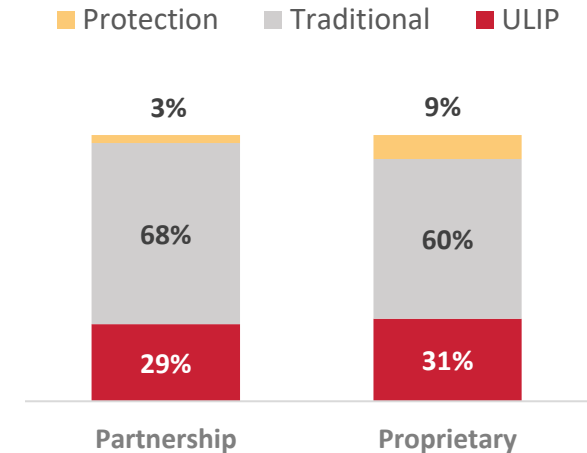
Strong growth across channels



Resulting in a balanced sourcing mix



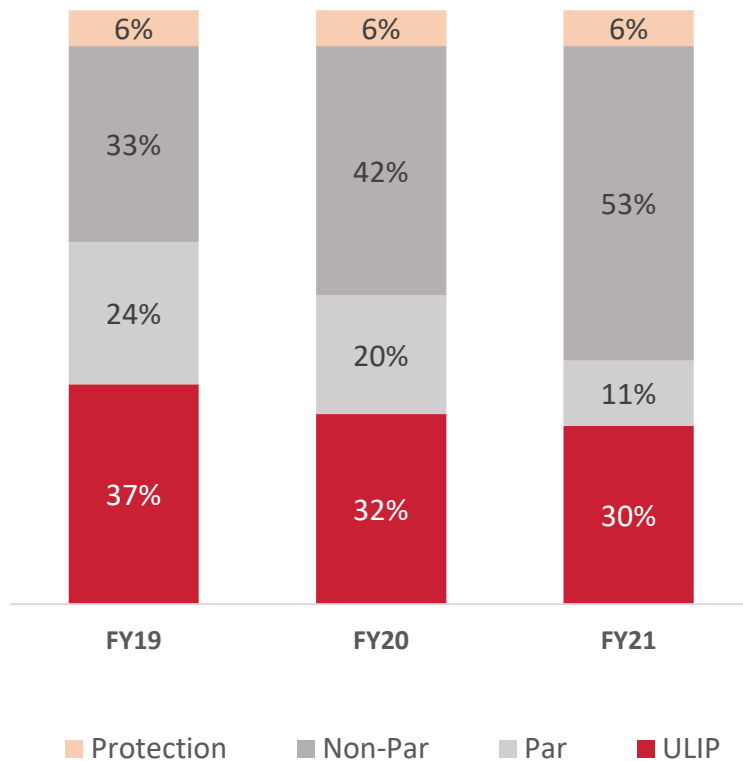
Product Mix by Channel (FY21)



Note: Bancassurance tie-up reduced by 1 due to LVB-DBS Merger

Focus on value accretive product mix

Improvement in Product Mix



Products and Risk Management

New products contributed to 24% of overall new business during FY21

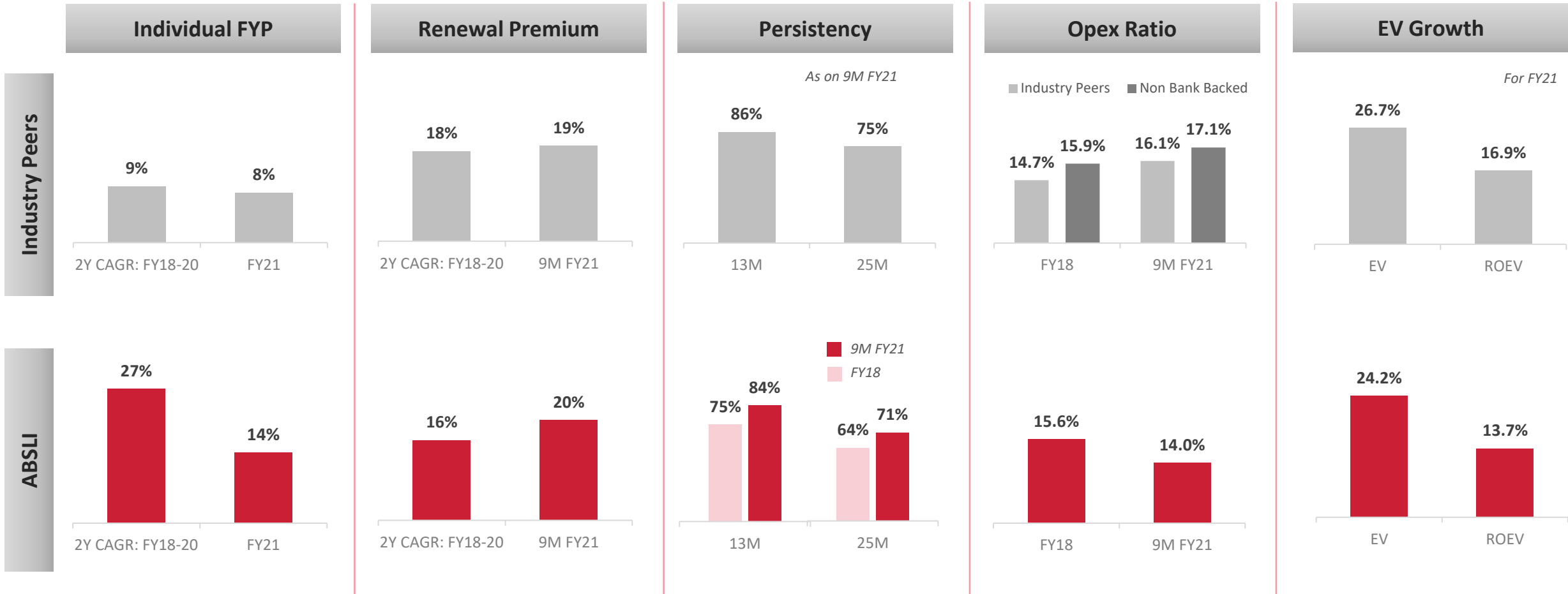
New Product Launches in FY21

- **Child Future Assured Plan** – special need based customized plan targeted at comprehensive planning for child’s future
- **Assured Flexi Savings Plan** – Guaranteed savings providing flexibility to get instant access to money
- **Assured Income Plus** – Providing guaranteed long term income benefit
- **Digishield** – New Protection product with top features and attractive customer value proposition.

Active Risk Mitigation Strategy

- **Well placed to protect Policyholder’s guaranteed benefits i.e. 100% of expected maturity and survival benefits by using hedging instruments such as FRAs and others**
- Guarantees are actively monitored, and products are repriced for adjustments in Interest Rate

Delivering robust performance across parameters



Delivering superior performance compared to peers (Top 8-Ex-ABSLI): Growth ahead of Industry with consistent focus on quality and opex control

Life Insurance Peers Include: SBI Life, ICICI Prudential Life, HDFC Life, Max Life, Kotak Life, Bajaj Life, Tata AIA and PNB MetLife; EV peer average excludes Max Life as not disclosed

Key Financials – Aditya Birla Sun Life Insurance Limited



Quarter 4		Figures in Rs Crore	Year Ended	
FY 19-20 (PY)	FY 20-21 (CY)		FY 19-20 (PY)	FY 20-21 (CY)
		Key Performance Parameters		
542	739	Individual First year Premium	1,804	2,076
596	597	Group First year Premium	1,854	2,488
1,559	1,856	Renewal Premium	4,353	5,212
2,697	3,193	Total Gross Premium	8,010	9,775
339	437	Opex (Excl. Commission)	1,274	1,362
12.6%	13.7%	Opex to Premium (Excl. Commission)	15.9%	13.9%
17.9%	19.2%	Opex to Premium (Incl. Commission)	21.6%	19.1%
38	44	Profit Before Tax	137	151
22	35	Profit After Tax	103	102

Health Insurance

**Aditya Birla Health
Insurance Co. Ltd.**



**ADITYA BIRLA
CAPITAL**

Performance Summary | Health Insurance | AB Health Insurance Co

1 Fastest growing Health Insurer

- **Fastest growing HI:** FY21 growth at 49% vs Industry: 16%, SAHI: 32%
- **FY21 Total GWP** at Rs 1,301 Crore (LY: Rs 872 Crore), **Retail mix at 72%** (PY: 72%)
- **FY21 Retail GWP** at Rs 940 Crore; ↑ 1.5x of PY
- **FY21 Total Lives covered: 13.4 Mn** (LY: 8.3 Mn.)

2 Strong Financial Management

- **Strong financial management:** Combined Ratio ↓ to 119.8% (PY: 134.4%)
- **Q4 FY21 exit combined ratio at 107%; lowest ever in ABHI history**
- **Q4 FY21 loss at Rs 23 Crore** (PY: Rs 58 crore)

3 Unique and Differentiated health first Business Model

- **Differentiated core offerings** like incentivized wellness with Industry first **100% return of premium** (HealthReturns™)
- Health-data based **WellBeing Score** Live for 5.3Lac + customers | Early success in hyper-personalized engagement with 30%+ customers (11% in Q3)
- Business outcomes: 20% higher retention, 6% lower claims ratio

4 Scaled & Diversified Digitally Enabled Distribution

- **Diversified distribution mix** enabling access to large customer segments | Banca mix 64% of retail (PY 64%) | Agency growth at 50%
- **70+ digital, rural & MFI partners** with 9.8Mn+ lives
- **Proven digital capability** of providing multi million byte size coverages per month to a cab aggregator, travel company, telecom provider etc.

5 Leveraging Digital, Data & Analytics

- **Digitally enabled analytics led acquisition & retention** | Increasing digital touchpoints | **Digital Issuance: 98%** (PY: 93%) | **Digital Renewals: 92%** (PY: 78%)
- Analytics led PASA campaign & ML based cross-sell
- Propensity based voice bot enabled renewal journey

6 Risk Management

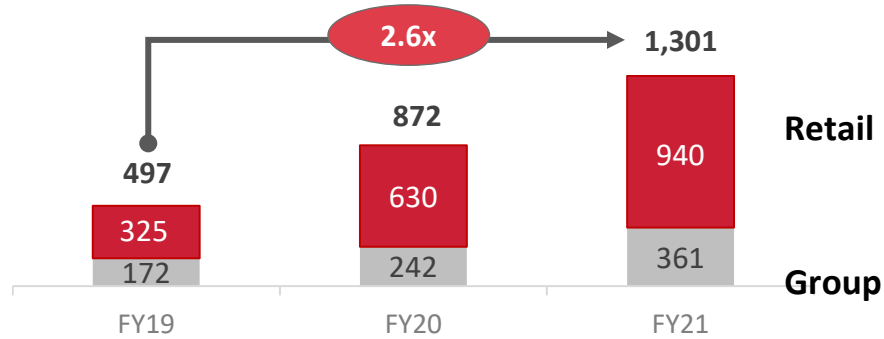
- **Holistic Health Risk Management** covering Right Sourcing & benefit management, Provider network management, Claims and Clinical Risk management protocols
- **Real time AI/ML** enabled fraud, Waste and abuse management engine
- **Leveraged ABC ERM framework** including managing scale induced operational risks

Business Outcomes

GWP growth at 49% y-o-y

Retail GWP grew to 1.5x of PY (Retail Mix at 72%)

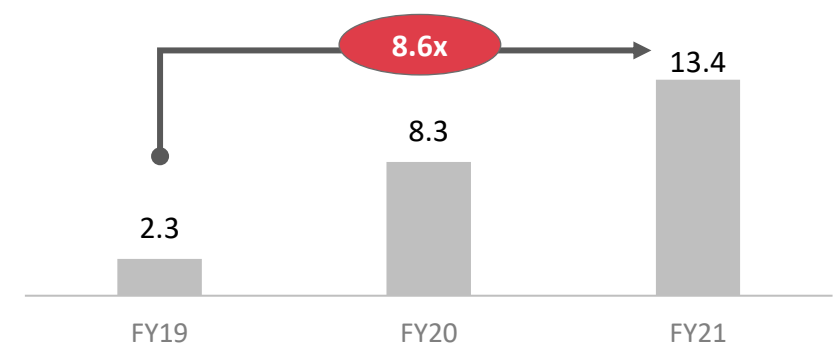
Revenue (Rs. Crs.)



Lives covered growth at 61% y-o-y

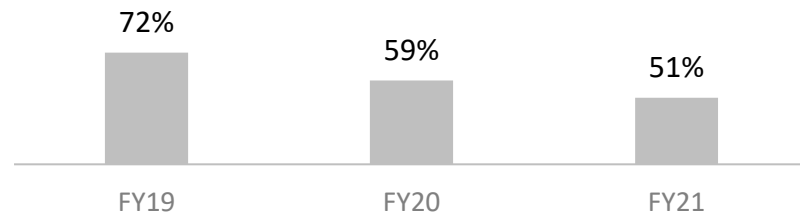
9.8 Mn+ through rural & micro/ byte-sized products

Lives Covered (Mn)



Holistic health risk management

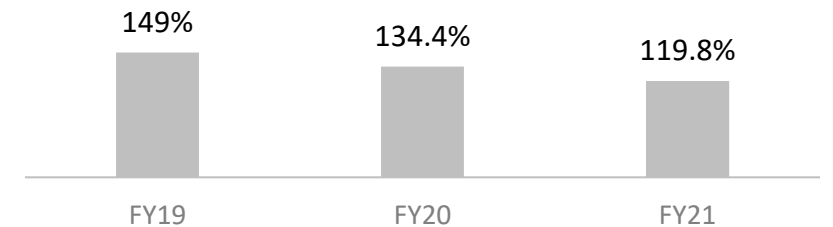
Claims Ratio



Q4 FY21 exit combined ratio at 106.6%

Combined Ratio trending as per plan

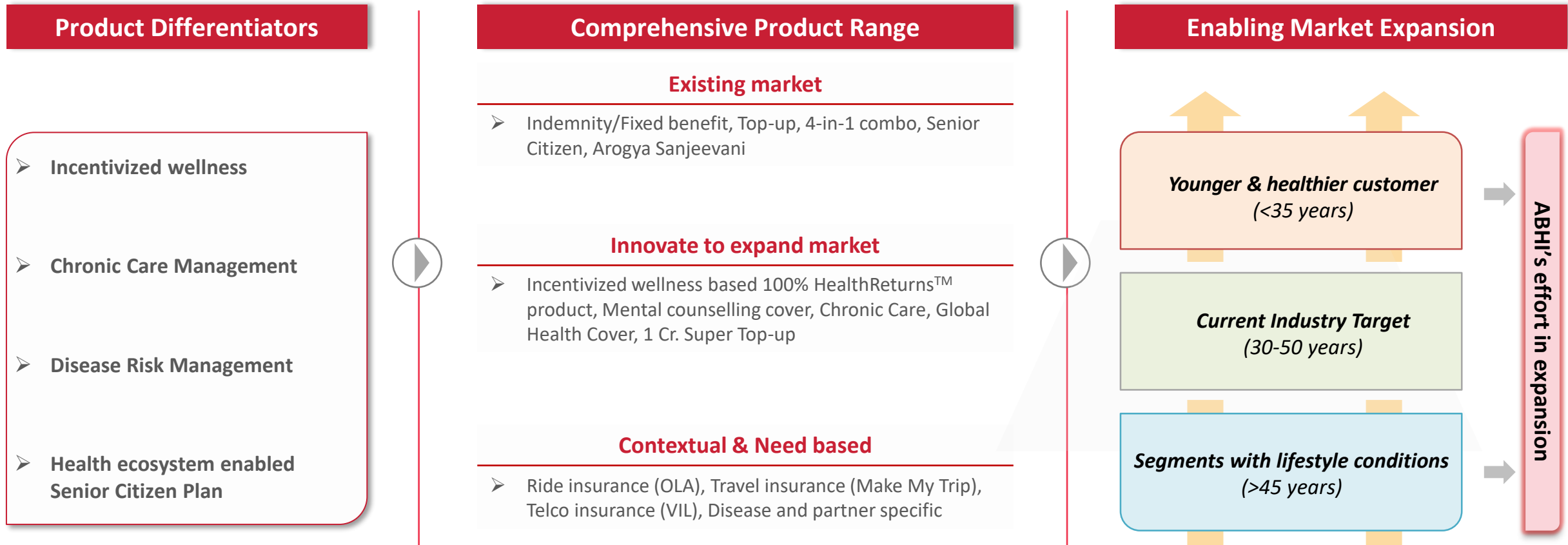
Combined Ratio



GWP is as per ABHI Financials

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

Diversified product suite with differentiated health first offerings enabling market expansion



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

Health Ecosystem enabled through key partners for services like doctor on call, telemedicine, nutritionist, mental wellness, homeopathy and others

**Q4
Engagement
Outcomes¹**

5.3lac + customers
WellBeing score live

37%
App log-ins

**Business
outcomes**

20%
Higher retention

6%
Lower Claim ratio

Health Data

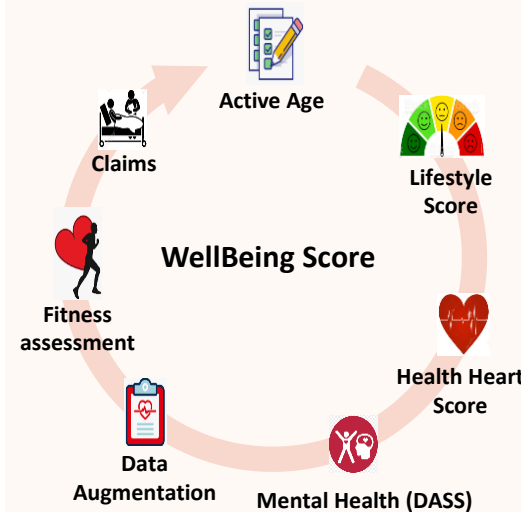
150+ health data points



- Data Source:**
- Profile & Policy Data
 - Health / Wellness
 - Claims / Servicing

WellBeing Score

Holistic health score



Risk Stratification based hyper-personalized recommendation

Very High Risk
Critical condition

- ✓ 2nd opinion
- ✓ Health / Lifestyle coach
- ✓ Health chat-bot
- ✓ Online pharmacy & diagnostics
- ✓ Doctor Network

High Risk
Hospitalization event

Medium Risk
Chronic Condition

Recommendations

- ✓ Telemedicine

Low Risk

- ✓ Nutrition
- ✓ Homeopathy
- ✓ Dental care
- ✓ Healthcare at home

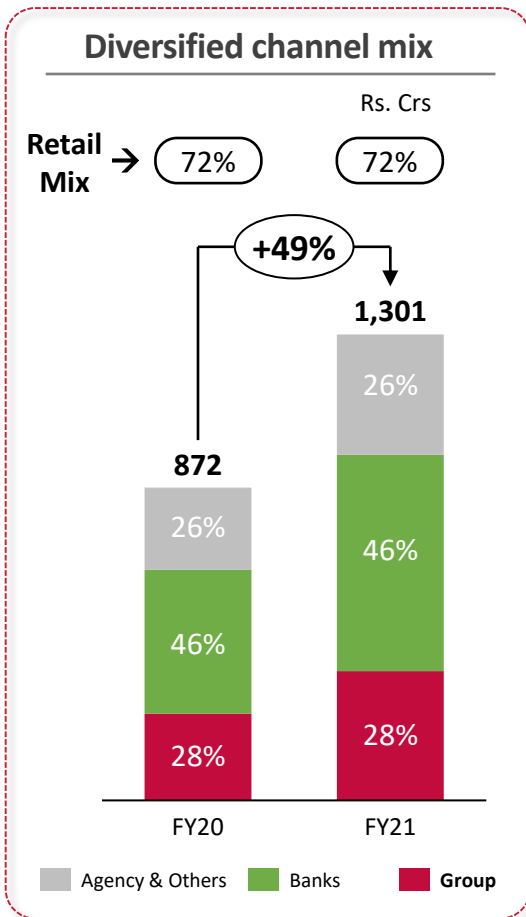
Healthy

- ✓ Mental wellbeing

¹Attributable to Retail Indemnity customers

Scaled-up, diversified and digitally enabled distribution

Multi-channel & Digitally enabled distribution



➤ **Agency:** Scalable channel with 140 branch locations | Agency GWP ↑ +1.5x of PY | ABC synergy → agent base expansion

➤ **Bancassurance:** 9 partners → 14,000+ branches | Large banks → 50%+ banca ↑ | Banca mix at 64% of retail

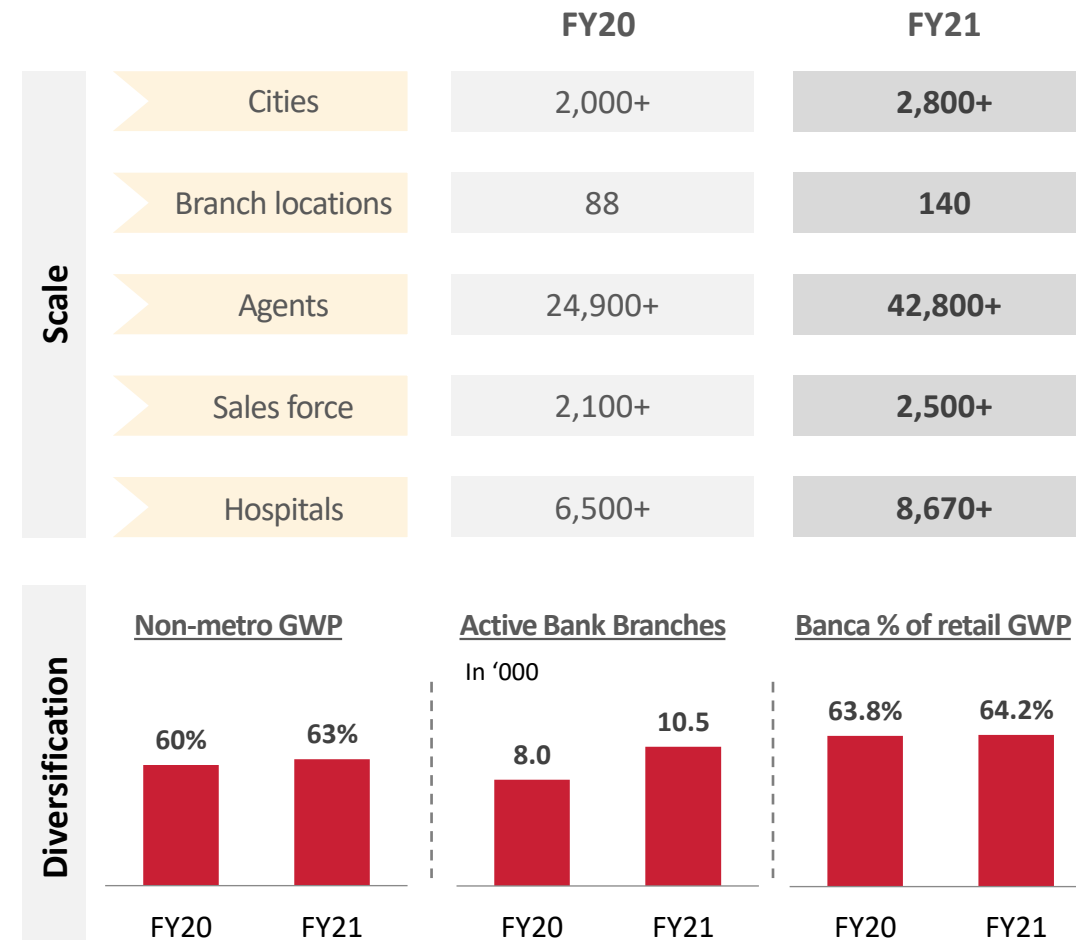
➤ **Leveraging Digital partnerships:** 38+ partners covering 4Mn.+ lives | 50+ byte-size and contextual products

➤ **Rural & MFI* Partners:** 35+ partners covering 5Mn.+ lives

➤ Dedicated ABG focused channels showing good results

*MFI: Micro-Finance Institutions

Diversified and scaled network



Leveraging technology and data analytics in Health Insurance



Strong Digital KPIs with focus on scalability, superior customer servicing and use of data analytics to cross-sell

Digital Issuance 98%

Advisor Onboarding 100%

Self-servicing ↑81%

Digital Renewal 92%

Prospecting / Selling



Digital marketing campaigns: 17k+ leads, 4.2lac+ engaged



Health Awareness: Active Living Blog (10 lac+)



Analytics led PASA campaign & ML based cross-sell

On-boarding



Personalized digital training for advisors



Digital touchpoints across banks: **API Integrations; 4-click journey live**



Co-Browsing on buy journey | **Voice bot enabled Welcome calling**

Engagement & Self-Service



Multi-lingual App | ABHI Website 2.0 | IVR bot



Claims self-servicing through WhatsApp & Web



Multi-lingual AI Chat-bot & WhatsApp: 18+ services

Retention/ Renewals



Analytics led up-sell model; **Propensity based voice bot enabled renewal journey**



Renewal focused campaigns in banks



Deep partner ecosystem integration; **Omni-channel click-thru renewal journey**

Note: IVR : Interactive Voice Response; VDI: Virtual Desktop Infrastructure; MDP – Multi Digital Platform ; Data as of December 31, 2020

Key Financials – Aditya Birla Health Insurance Limited



Quarter 4		Figures in Rs Crore	Full Year	
FY 19-20 (PY)	FY 20-21 (CY)		FY 19-20 (PY)	FY 20-21 (CY)
		Key Performance Parameters¹		
245	308	Retail Premium	630	940
81	133	Group Premium	242	361
326	441	Gross Written Premium	872	1,301
296	428	Revenue	803	1,214
116.2%	106.6%	Combined Ratio	134.4%	119.8%
(58)	(23)	Profit Before Tax (IND AS)	(246)	(199)

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

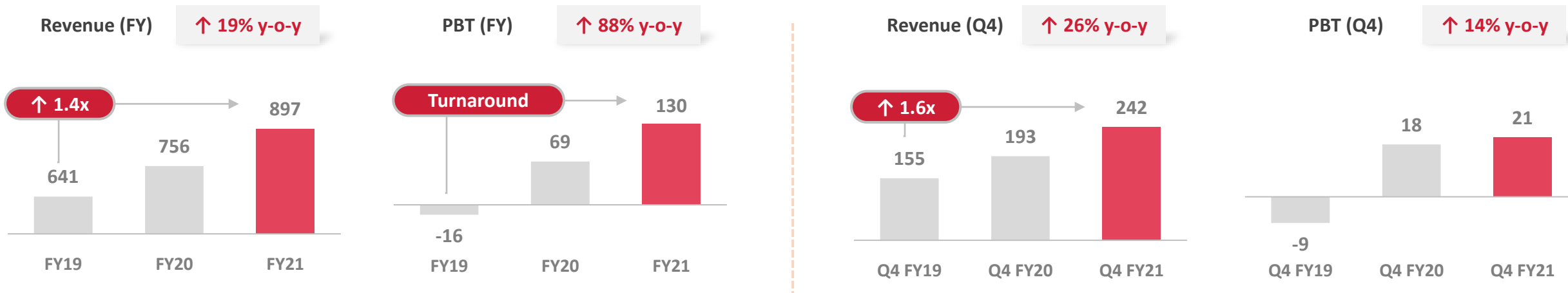
Other Updates



PROTECTING INVESTING FINANCING ADVISING

Other Financial Services Businesses

Financials for Other Businesses • Strong financial delivery leading to turn around in profitability



General Insurance Broking

	FY20	FY21	Δ
Premium Placement	4,242	4,852	↑ 14%
Revenue	515	591	↑ 15%
PBT	42	71	↑ 68%

Return on Equity (FY21) ~ 52%

Stock & Securities Broking

	FY20	FY21	Δ
# Customers (Active)	1.0 lac	1.2 lac	↑ 20%
Revenue	171	192	↑ 13%
PBT	17	22	↑ 36%

Return on Equity (FY21) ~ 40%









Asset Reconstruction Company

	FY20	FY21	Δ
Closing AUM	2,791	2,400	↓ 14%
Revenue	47	83	↑ 76%
PBT	24	37	↑ 52%

Return on Equity (FY21) ~ 17%

¹ Includes General Insurance Broking, Stock and Securities Broking, Private Equity, Online Personal Finance and ARC business

CoVID second wave

	Macro economics	30-35% drop in economic activity; future trajectory based on lockdowns and vaccination
	Digital Preparedness	We continue to be digitally prepared from origination to servicing in a WFH situation
	Risk Assessment	We continue to monitor risk closely and will take proactive actions wherever required
	Enhanced Collections focus	While collections have been hampered a bit due to lockdowns, our bounce rates are holding up; we will intensify collections as things normalise
	Claims Management	Health related claims are expectedly higher in the second wave and we are keeping a close eye on this and will mitigate the impact to the extent possible
	Adequate Provisioning	Taken adequate floating provisioning on the balance sheet based on stress testing
	Focus on Employee Health & Safety	24x7 hotline for help; Camps to vaccinate our employees and their families
	Stringent Operating Protocols	For business continuity, we have set up strict protocols to ensure offices can run as per guidelines announced

Consolidated Profit & Loss



		Figures in Rs Crore					
		Quarter 4		Full Year			
		FY 19-20 (PY)	FY 20-21 (CY)	Consolidated Profit & Loss	FY 19-20 (PY)	FY 20-21 (CY)	
↑ 16%		4,808	5,587	Revenue	16,691	19,248	↑ 15%
		98	420	Profit Before Tax (before share of profit/(loss) of JVs)	1,049	1,277	
		50	80	Add: Share of Profit/(loss) of associate and JVs	251	268	
		129	500	Profit Before Tax	1,280	1,546	
		3	117	Less: Provision for taxation	414	440	
		(18)	8	Less: Minority Interest	(54)	(21)	
↑ 2.6x		144	375	Net Profit (after minority interest)	920	1,127	↑ 22%

Aditya Birla Sun Life AMC Ltd and Aditya Birla Wellness Pvt Ltd consolidated based on equity accounting under Ind AS,

Awards and Accolades



Other noteworthy awards for Aditya Birla Capital and its subsidiaries in 2020 & 2021

<i>'Best Digital Wealth Management' Asia Asset Management Best of the Best Award, 2020</i>	<i>FICCI Insurance Industry Awards 2020 for Comprehensive Maternal & Child healthcare (CSR Programs)</i>
<i>'Best Overall Loyalty Program' 14th Customer Fest Awards, 2020</i>	<i>Best Campaign of the Year in BFSI, ET Brand Disruption Awards, 2021</i>
<i>Golden Peacock Award for Excellence in Corporate Governance 2019- Institute of Directors, Delhi</i>	<i>AAA Asset Award for Best Trade Finance Solution, 2021</i>

Developed and Implemented Scorecards to assess ESG risks

Signed up for United Nations Women Empowerment Principles

4 focus areas of our CSR Mantra “Money for Good”

35
NGOs Partners

36 Projects
Implemented

Present in 13
states

2.54 Lac lives
Impacted

1

Healthcare



- 25000+ mother have been the recipients of our comprehensive mother and child health care programmes
- Supported to revive underperforming 3 Govt. Primary Health Centers (PHC) and 10 Sub Centers benefited 1 lac+ patients in Rajasthan
- 1400 + children suffering from cancer provided health care support in Uttar Pradesh

2

Education



- Project ‘Knowledge on Wheel’ Mumbai, provided mobile science labs to 52 Govt. schools, reaching 5K+ students
- Helped improve digital infrastructure and learning environment in 15 schools in UP, benefiting 4500+ students
- 320 government schools in Uttar Pradesh provided support for mainstreaming of out of school children and infrastructure development.

3

Women Empowerment



- Our 120 SHGs introduced 2k + households into formalized banking and provided livelihood support.
- 1000 + rural women in Karnataka identified for entrepreneurship development
- In MP 6166 small/ marginal women farmers have been benefitted through integrated land management & improved agriculture practices project

4

Sports



- Our partnership with GoSports Foundation to improve the performance of athletes has augmented the performance of 25 athletes at international level sporting events.
- These athletes have won 99 medals at national & international level.
- 3 athletes of this program have secured upcoming Olympic quota

Ensuring employee wellbeing and nurturing talent

1

Learning



- 100% trainings delivered through digital medium
- Whatsapp BOT (ABC Virtual assistant) launched for creating multiproduct awareness
- 3000+ E learning Courses, 19k Video based modules for training used by employees

2

Employee Engagement



- Various initiatives like ABC annual health check up, Doctor on call, Desk Yoga, Online fitness sessions, Build your immunity etc., to keep the employee health and wellness as our key priority
- Launched several initiatives to keep employees and their families connected, engaged and stress free through various digital platforms during the lockdown

3

Talent Development



- Our talent development programmes are curated to develop leaders across all levels
- Over 500 employees moved into new roles in the last 3 years
- 350+ employees from talent pool in middle management and above participated in development initiatives

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Health and Safety



- Identified Flu Prevention Managers across all regions to monitor and report on employee health
- Undertook regular communication around awareness and best practices with employees
- Implemented several learning and development initiatives during the lockdown to upskill employees

22500
Employees

71% Millennials

27% women
workforce

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

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**ADITYA BIRLA
CAPITAL**

PROTECTING

Enable People
to protect what
they value

Life Insurance

Health Insurance

Insurance Advisory

INVESTING

Enable People to
make their money
work so they can
meet their
aspirations

Mutual Funds

Wealth Management

Stocks & Securities

Portfolio
Management
Services

Pension Funds

Mortgage Finance

FINANCING

Enable People to
fulfill their needs
and desires without
any delay

Home Finance

Personal Finance

SME Finance

Mortgage Finance

Loan Against Securities

Corporate Finance

Debt Capital Market
& Loan Syndication

Asset Reconstruction

EMI Solutions

ADVISING

Understand
People's lives'
needs and accordingly
advise the right
solution

MoneyForLife Planner

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