

FINANCIAL RESULTS: Q1 FY22

MUMBAI

5th August 2021



**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: 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

Q1 FY22 | Key Highlights



Strong growth across businesses leading to Consol. ABCL PAT for Q1 at Rs 302 Crore with 52% growth y-o-y



AMC PBT at Rs 206 Crore, ↑ 58% y-o-y; PBT/ AAUM at 30 bps (PY: 24 bps) led by equity mix increasing to 37% (PY: 34%)



NBFC lending book growth impacted due to CoVID second wave; However, Retail + SME + HNI loan book ↑ 15% y-o-y, with Retail + SME + HNI mix highest ever at 58%



Life Insurance Ind. FYP ↑ 5% y-o-y; Renewal Premium ↑ 41% y-o-y; Protection Mix ↑ 100 bps y-o-y to 8.4%; Net VNB Margin ↑ 300 bps y-o-y led by mix and quality; In spite of Covid claims, PBT ↑ 8% y-o-y



NBFC NIM highest at 6.14%, ↑ 131 bps y-o-y; PAT at Rs 235 Crore, ↑ 1.7x y-o-y with ROA at 2.0% (PY: 1.2%)



Health Insurance GWP ↑ 50% y-o-y with Retail mix at 70%; Combined Ratio (ex-COVID) at 110%, trending as per plan; Total lives covered 14 million



HFC Affordable Book mix increased to 29% (PY: 19%) leading to highest NIM at 4.24%, ↑ 97 bps y-o-y; PAT at Rs 39 Crore, ↑ 39% y-o-y with ROA at 1.3% (PY: 0.9%)



Other financial services businesses PBT ↑ 31% y-o-y to Rs 54 Crore; Growth across General Insurance broking, ARC and Stock & Securities businesses



AMC Domestic AAUM ↑ 28% y-o-y, Equity AAUM ↑ 42% y-o-y; Aided by strong revival in retail, SIP and B-30

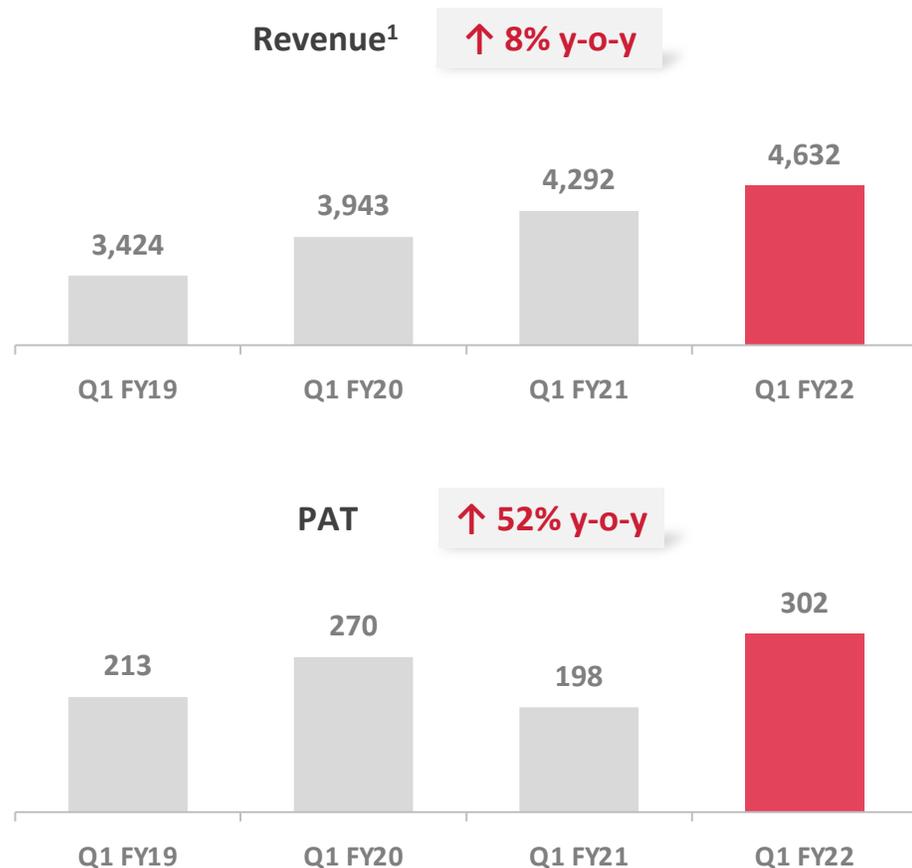


Highest ever active customer base at 25 Million (↑ 30% y-o-y) aided by focus on granular retail growth across all businesses

Strong financial performance



Financial performance better than pre Covid levels



Business-wise profitability

Businesses (INR Crores)	Q1 FY21	Q1 FY22
NBFC	189	315
Asset Management	130	206
Life Insurance	29	31
Housing	36	49
General Insurance Broking	29	37
Stock & Securities Broking	5	8
ARC	8	10
Profitable Businesses PBT	425	656
Health Insurance	(58)	(127)
Less: Others ² / Eliminations	(2)	(4)
Aggregate PBT	365	525
Less: Provision for Taxes	(130)	(178)
Less: Minority Interest	(36)	(45)
Consolidated PAT	198	302

↑ 54%

↑ 52%

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, Online Personal Finance, Private Equity,, ABMM and other businesses

Progress against long term targets

	Targets for FY24	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Y-o-Y
NBFC	Retail + SME mix targeted at ~65%	50%	52%	53%	56%	58%	↑ 8%
	NIMs to increase to 6.25%+	4.8%	5.3%	5.2%	6.0%	6.1%	↑ 131 bps
	RoA: 2.5 – 2.7%	1.2%	1.4%	1.7%	2.2%	2.0%	↑ 81 bps
Housing	Affordable mix to improve to ~65%	19%	21%	24%	27%	29%	↑ 10%
	NIMs to improve to 4.25%+	3.3%	3.3%	3.7%	3.9%	4.2%	↑ 97 bps
	RoA: 1.5 – 1.6%	0.9%	1.0%	1.1%	1.2%	1.3%	↑ 43 bps
AMC	Domestic Equity AAUM mix ~40%	34%	34%	34%	36%	37%	↑ 3%
	PBT CAGR ~ 15% p.a.	130	164	194	208	206	↑ 58%
	Target RoE 35 – 40%	29%	31%	33%	35%	35%	↑ 6%
Life Insurance	Improvement in protection mix to 12-15%	7.4%	5.7%	4.5%	6.0%	8.4%	↑ 100 bps
	Opex Ratio reduction to ~ 12%	16.5%	13.2%	13.3%	13.7%	16.4%	↓ 10 bps
	Net VNB Margin 16 – 17%	-4.9%	6.4%	5.9%	19.4%	-1.9%	↑ 300 bps
Health Insurance	Target ~40% CAGR to get to GWP Rs 3,500 Cr	72%	74%	36%	35%	50%	On track
	CR to decline; Breakeven by Q4 FY22	132%	126%	125%	107%	110% ¹	↓ 22%

¹ Combined Ratio for Health Insurance is normalized for CoVID claims impact in Q1 FY22

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 as of Jun'21

Rs 3.43 Lac Crore

Total AUM

23,500+

Employees

Rs 57,182 Crore

Total Lending Book

900+

Branches

Rs 11,076 Crore

Total GWP (FY21)

2 Lac+

Agents & Channel Partners

25 Mn

Active Customers

100+

Bank Partners

Leveraging digital technology



Leverage digital for customer acquisition & onboarding

Ecosystem Integration

1300+ API's and digital journeys for customer acquisition through Ecosystem / Partnerships

A/V Bot For Welcome Call

Industry first Implementation of Audio -Visual bot for welcome/PIVC calls

Video Technologies

Leveraging Video KYC, Video interview across MF, Lending, HI & LI. Micro expressions for Fraud detection.



Digital self-service channels for customer convenience

One ABC App

Launched One ABC App for seamless purchase and service experience for customers across ABC products

Virtual Branches

Virtualization of branches for remote servicing of customers through digital service Journeys & Video/Co Browsing

Inbound IVR A/V Bot

Industry first Machine Learning based Audio-Visual BOT for 24x7 response to inbound customer calls launched in LI & HI.



Digital assets for distributor Enablement

Distributor Productivity

Digital apps for enabling front line sales and distributor partners to drive revenue & engagement

Select Advisor Portal

Platform for multi product sourcing distributors to drive engagement and cross sell.

Digital Assets for Training

Significant increase in adoption of digital Assets for online training and communication with advisors.



Scalability & automation

Focus on STP Service Journeys

Reengineered service journeys for straight through processing leveraging emerging tech.

Leveraging Robotics

400+ RPA Robots live in mid and back-office processes, driving automation and robustness

Intelligent OCR Tech

Auto extraction and intelligent analysis of data extracted from customer documents with 60-80% reduction in manual effort.

Mobile App with 250 Services across products

Launched ABC MOBILE APP

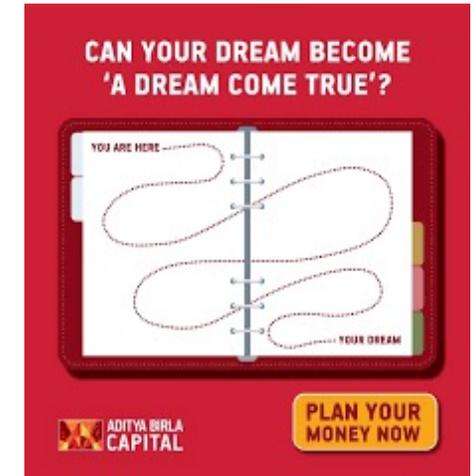
Power in the hands of customers with unified mobile app with 250 services with seamless, personalized experience to drive multiple products per customer

~1.5 Million customers enabled on the platform

MONEY PLANNER

First of its kind robotic advisory tool that enables customers to plan their life's goals with personalized financial plans which are then linked to ABC products.

6.5+ Lac individuals started planning their money for their life's goals.



CO-BROWSING WITH ADVISOR

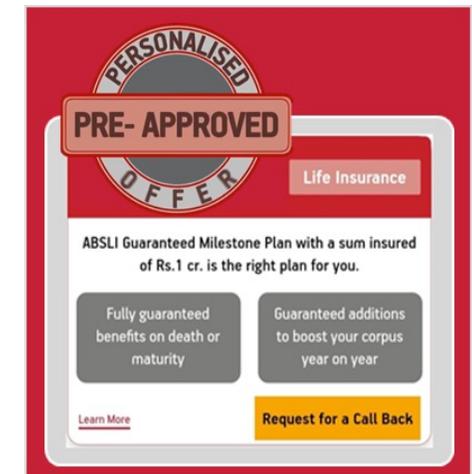
Enabling customers to first locate an advisor near them and then be able to co-browse for live assistance thus improving distributor productivity and customer experience

1+ Million interactions between customers and our agents in FY21.

ABC PRE-APPROVED

Using Data Analytics to present personalized, curated pre-approved product offers to our direct customers on their ABC dashboards.

100,000+ customers have started receiving offers on the ABC Dashboard as of Q1 FY22.



Leveraging Ecosystems for acquiring customers at scale



Partner ecosystems



Banking & Finance



Ecommerce Cos



Aggregators



Payment Platforms

Cloud Infrastructure



Contact Centre



Channel Mgmt.



Fraud Analytics



AI/ML based U/W

OUTCOMES

150+ ecosystem partners, including banks, digitally enabled across ABC as of Jun'21

50%+ purchase transactions enabled through partners using **1300+ APIs**

59%+ new customer additions through these ecosystem partners in Mutual Fund in Q1

50% personal loan customer acquisition through ecosystem partnerships in Q1

50%+ of new business premium acquired digitally through partner integrations in Life Insurance in Q1

10 Mil. lives covered in Health Insurance with bite-sized product offerings in FY21

APIs
across ABC LOBs



Enterprise
Service Bus (ESB)

Applications & Systems



Core Applications



Analytic Engines



Network Infrastructure



Data Storage

Engagement Channels



Portal/
App



Emails/
SMS



WhatsApp



Social
Media

Digital impact metrics

Progress on multiple vectors across businesses as a result of digital focus

All metrics are for Q1 FY22 unless specified

REVENUE ENABLEMENT through digital customer acquisition engines	50%+ of customers acquired through integration with Ecosystem Partners	90%+ Customers onboarded digitally	80%+ Welcome Calls to Health Insurance & Stocks & Securities customers on audio voice bots	90%+ payments and collections happening on electronic channels	89% purchase transactions in Mutual Fund done digitally
CUSTOMER EXPERIENCE through new age digital channels	88%+ Services available on our 24x7 digital channels	6 mil+ Customers have access to our 280+ services	92% Policies renewed digitally in Health Insurance	82% policies renewed digitally in Life Insurance	86%+ OVERALL customer interactions on Digital channels
SCALABILITY & COST EFFICIENCIES with mid & back office automation	50%+ Service journeys are end-to-end automated, no human intervention	400+ RPA Robots live in our mid & back offices	2.5 mil Customer interactions on audio visual voice bots in FY21	1 mil+ Emails handled by ML based Email Bot in FY21	87% Applications hosted on our hybrid Public & Private cloud



Leveraging synergies across the platform



1

Branch Network synergies

- Co-locating businesses to drive synergies
- Improves real-estate space utilization, driving cost benefits
- Provides low cost opportunity to businesses to expand to new locations and thus grow revenues
- Program underway with ~1000 branches across ABC in FY22

2

Distribution synergies

- ABC SELECT ADVISOR PLATFORM is a unique platform for advisors of individual LOBs to become 'Complete Money Solution' providers; 6,500 advisors enrolled under program
- This drives distributor earnings and builds multi product customers
- We are also building common advisors in Life and Health Ins

3

Product synergies

- Mutual Funds and Life Insurance through Century SIP and Smart Premium Payment Facility
- Life and Health Insurance e.g. Term + Indemnity / Trad + Indemnity launched
- Lending plus Health/ Life Insurance with significant attachment ratio

4

ABC/ ABG synergies

- Centralised IT infra and app development, driving synergies for all businesses
- Term cover for all ABG employees
- Working with ABG businesses to drive market access and financing of supply chain

NBFC

**Aditya Birla
Finance Ltd.**



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Performance Summary | NBFC | Aditya Birla Finance

1 Disbursement targeted towards Retail and SME segments

- Due to lockdown, loan book flat y-o-y at Rs 45,881 Crore; However, Retail + SME + HNI ↑15% y-o-y
- Consequently, Retail + SME + HNI mix at highest level of 58% (PY: 50%)
- Gross disbursement in Q1 at Rs 2,553 Crore with Jun '21 disbursement of Rs 1,276 Crore almost at pre covid levels
- Plan to expand branches to 150 and grow Retail + SME book by 20-25% in FY22

2 Improving margins & core profitability

- NIM increased 131 bps y-o-y to highest level of 6.14%; Net Interest Income (NII) at Rs 722 Cr, ↑ 28% y-o-y
- Risk adjusted returns (NIM less credit cost) ↑ 140 bps y-o-y
- CIR at 29.5% (↓ 102 bps y-o-y); PPOP (Rs 508 Crore) at 4.41% (↑ 100 bps y-o-y)
- PAT at Rs. 235 Crore (↑ 1.7x y-o-y); RoA at 2.0% (PY: 1.2%)

3 Continue to focus on retailisation and granularity

- Continued focus on retailisation of portfolio; Total customer count at 5.4 lac as of July 2021, ↑ 2x y-o-y
- Reduction in portfolio ATS to Rs 15 Lacs from Rs 26 lacs in Jun'21
 - ATS: Retail ~Rs 4 Lacs; SME ~Rs 5 Crore; Large/ Mid Corp ~Rs 52 Crore
- Large/ Mid Corporate loan book down by ↓ 12% YoY; Average rating: A-

4 Quality of book & collections

- Collections impacted in Apr/ May; Collection efficiency strong at 97.1% in Jun'21
- Stage 2 book at 7.7% (↓ Rs 100 Crore since Mar'21); 60 dpd+ at 3.27%
- GS3: 3.64% (PY: 3.60%) and NS3: 2.09% (PY: 2.21%); Stage 3 PCR at 42.7% (PY: 38.6%); Net Security cover: 1.7x ; 80% of overall loan book secured
- Maintained overall floating provision for Stage 1 & 2 assets of Rs 129 Crore

5 Liquidity and Balance Sheet Resilience

- Strong funding access with adequate liquidity surplus and amongst best cost of borrowing in industry
- Optimised borrowing cost (Q1 CoB ↓ 7 bps q-o-q | ↓ 80 bps y-o-y)
- Raised LT borrowing of ~Rs 1,850 Crore in YTD FY22
- Comfortable capital adequacy with CRAR at ~24.5%

6 Digital Adoption

- 100% digital onboarding enabled for personal and business loans
- Digitisation of onboarding processes have led to ↓ 80% in form-filling effort, ↓ 70% in TAT and ↓ 40% in onboarding cost
- ~4.1 Lac customers onboarded in YTD Jul'21 through digital partnership ecosystems contributing to 22% of Retail + SME disbursement

Change in loan book mix with focus on target segments

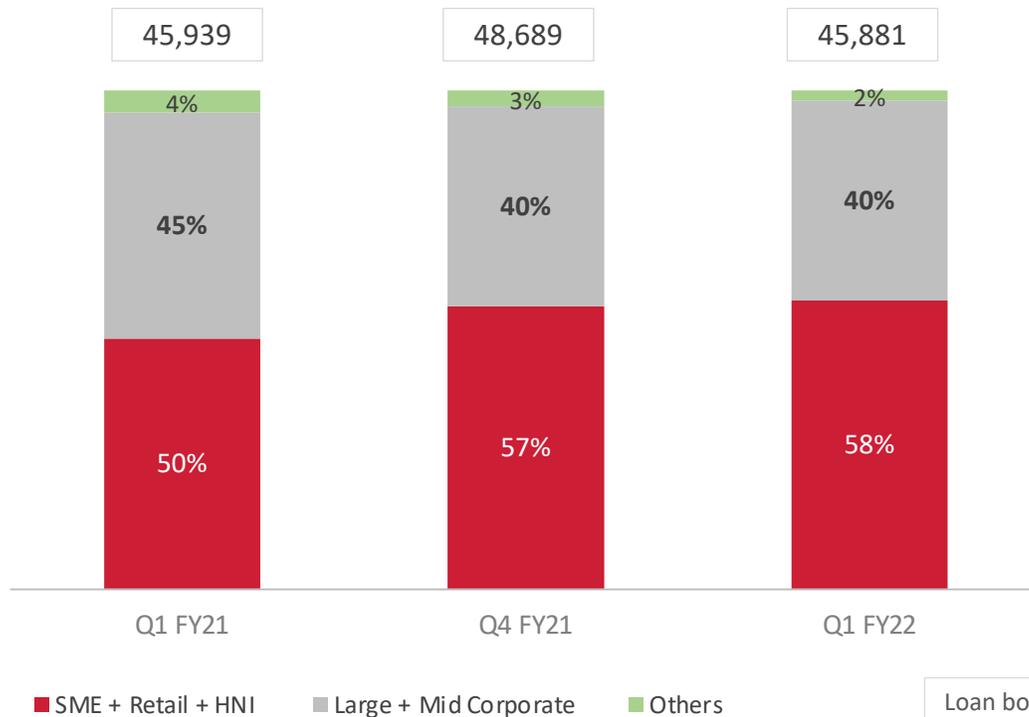
Change in Loan Book Mix

SME + Retail + HNI book

15% ↑ Y-o-Y

SME + Retail + HNI mix

50% → 58%



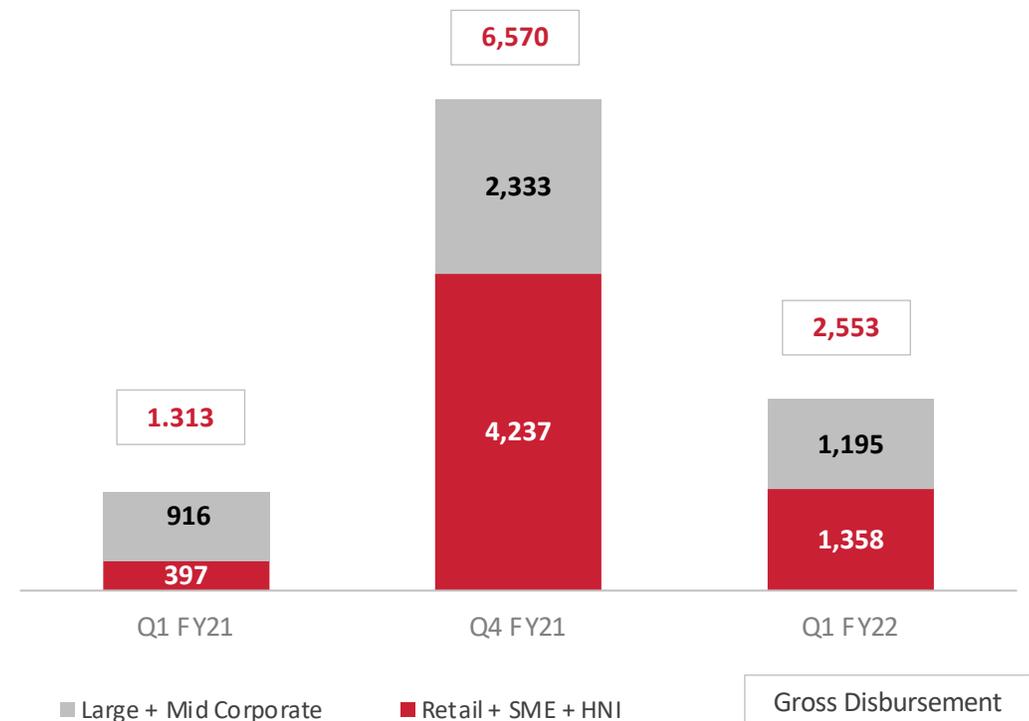
Focusing new disbursement to Retail and SME Segments

Disbursement

1.9x ↑ Y-o-Y

SME + Retail + HNI

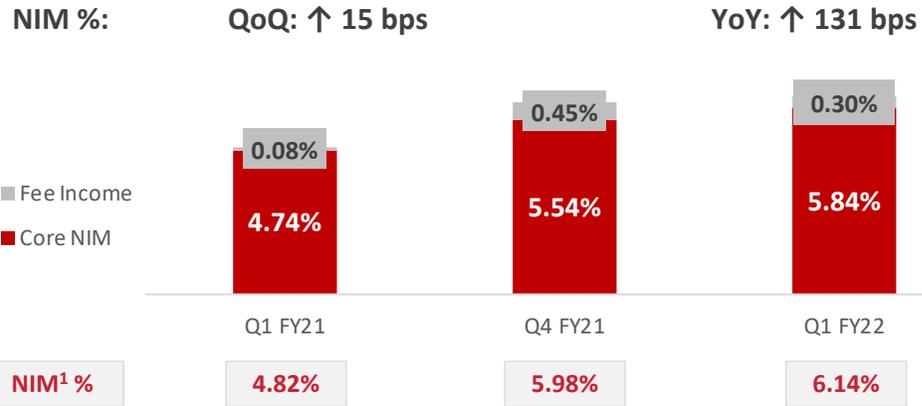
3.4x ↑ Y-o-Y



Continue to deliver strong core operating profits

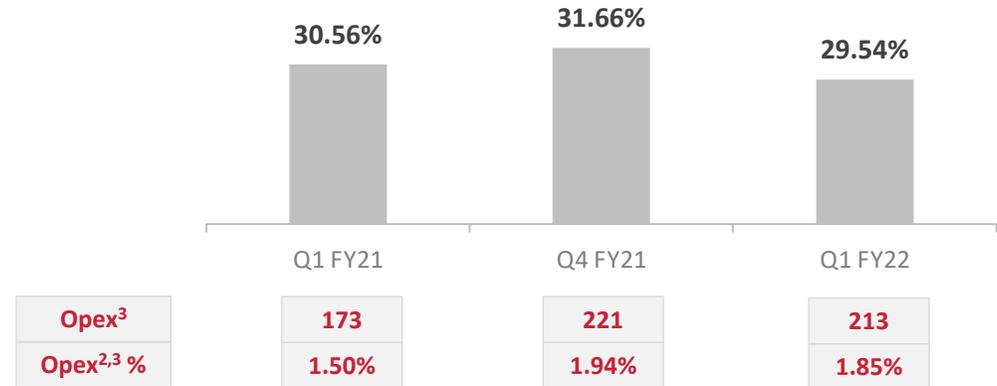
Margin improvement led by change in product mix

Net Interest Income^{1,3}



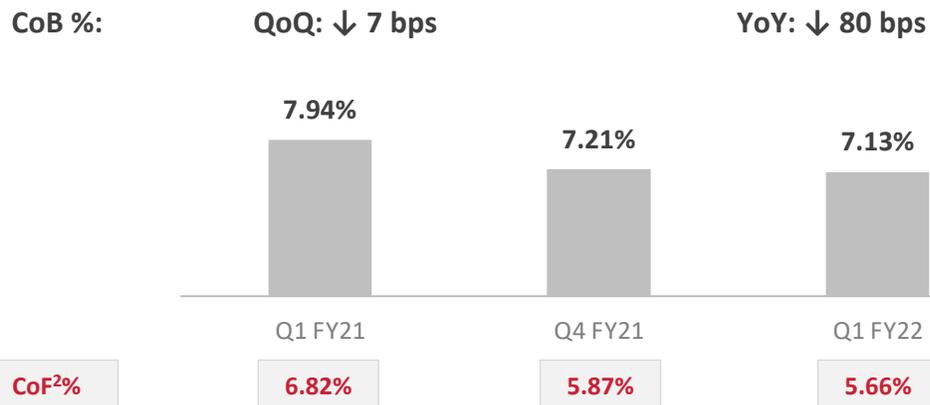
CIR reduction of 102 bps y-o-y

CIR^{1,2}



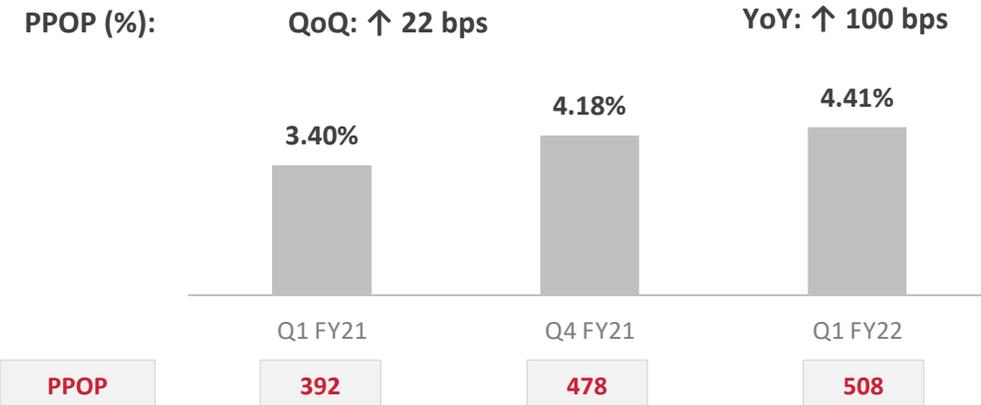
Optimised borrowing cost

Cost of Borrowing



Expansion in core profit margin (PPOP % of AAUM)

PPOP²

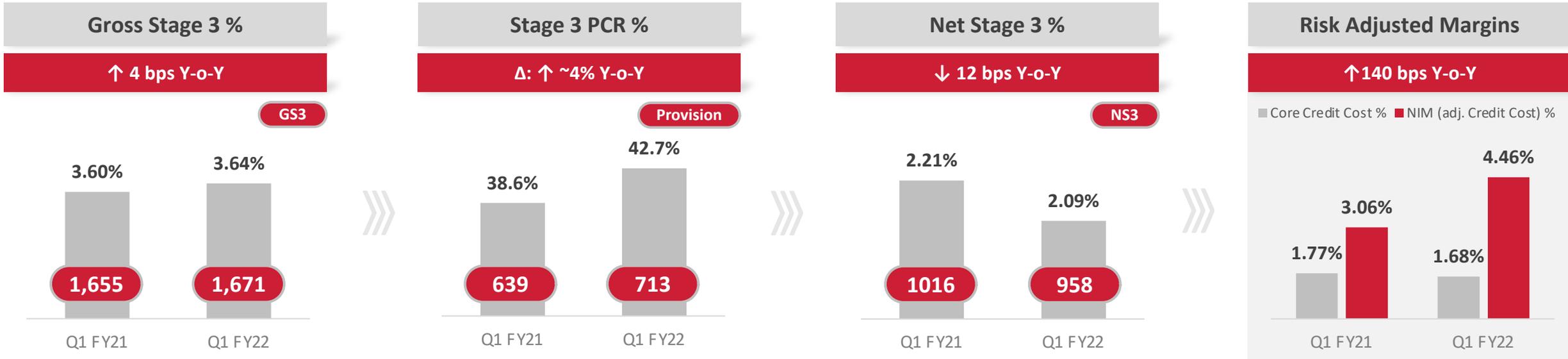


¹ NIM including fee (net of DSA Expenses and Processing Cost)

² Calculated basis % of average Loan Book

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

Continued focus on quality of book



Quality and Provisioning

- Stage 2 at 7.7% (↓ Rs 100 Crore since Mar'21); 60 dpd+ at 3.27%
- PCR for Stage 3 at 42.7% for a largely secured portfolio
- Maintained floating CoVID-19 provision of Rs 129 Crore (28 bps of Loan Book) based on stress-testing

Collections and Restructuring

- Collections impacted in Apr/ May; Collection efficiency back at 97.1% in Jun'21
- Restructured book at Rs 1,485 Crore, 3.2% of overall loan book as of Q1 FY22 (added 0.9% in Q1 FY22)

Adequate provisioning and security cover across segments



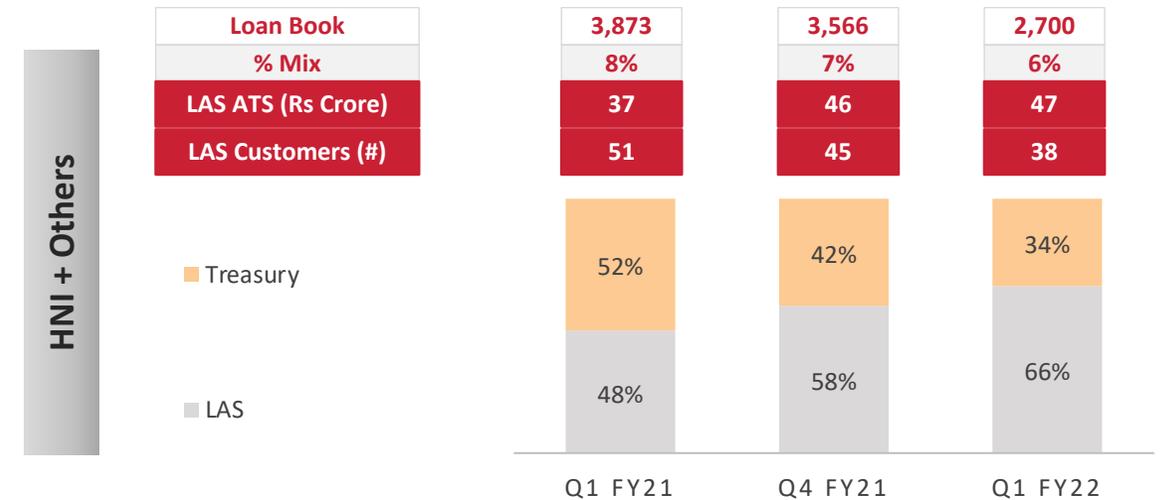
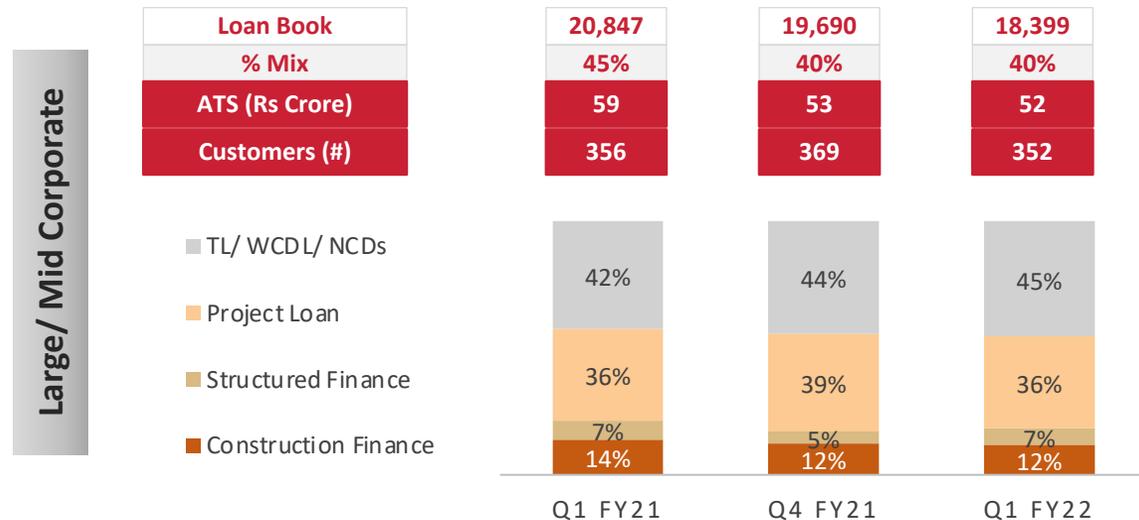
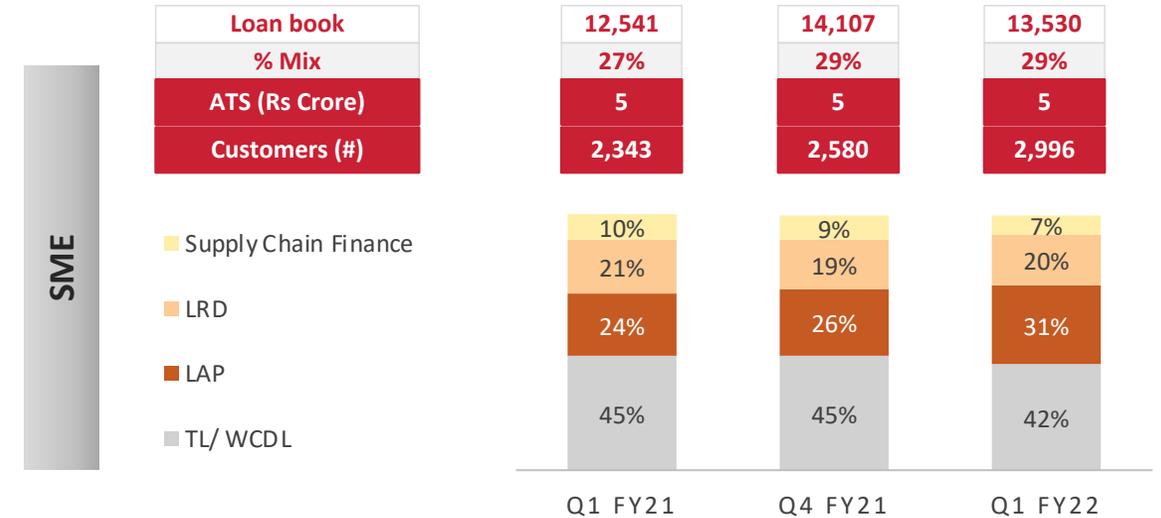
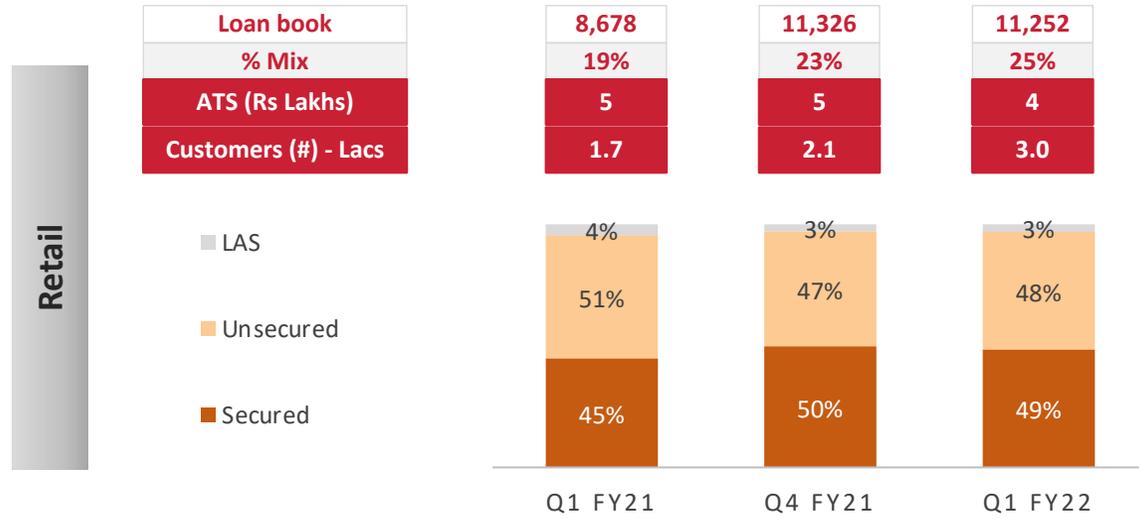
1.7x Net Security Cover¹

- **78% of total loan book secured. ~Additional 3.2% secured through CGTMSE scheme, making over 80% of book secured.**
- **~70% retail portfolio secured through assets, government guarantee schemes (e.g. CGTMSE, ECLGS) and lending programs**
- **Security Cover:**
 - **Overall Loan Book:** Security value of Rs 80,956 Crore Vs. loan book of Rs 45,881 Crore (**Net Security Cover¹ : 1.7x**)
 - **Net Stage 3 Book:** Security value of Rs 1,642 Crore Vs. Net Stage 3 assets of Rs 958 Crore (**Net Security Cover¹ : 1.7x**)

Customer Segment	GS3	Provision	NS3	Security Value	Net Security Cover ¹
SME	302	119	183	350	1.9x
Retail – Secured	106	39	68	133	1.2x
Retail – Unsecured	288	149	139	-	-
Large Corp (ex IL&FS)	755	300	455	972	2.1x
Large Corp (IL&FS)	220	106	114	187	1.6x
Total Book	1,671	713	958	1,642	1.7x

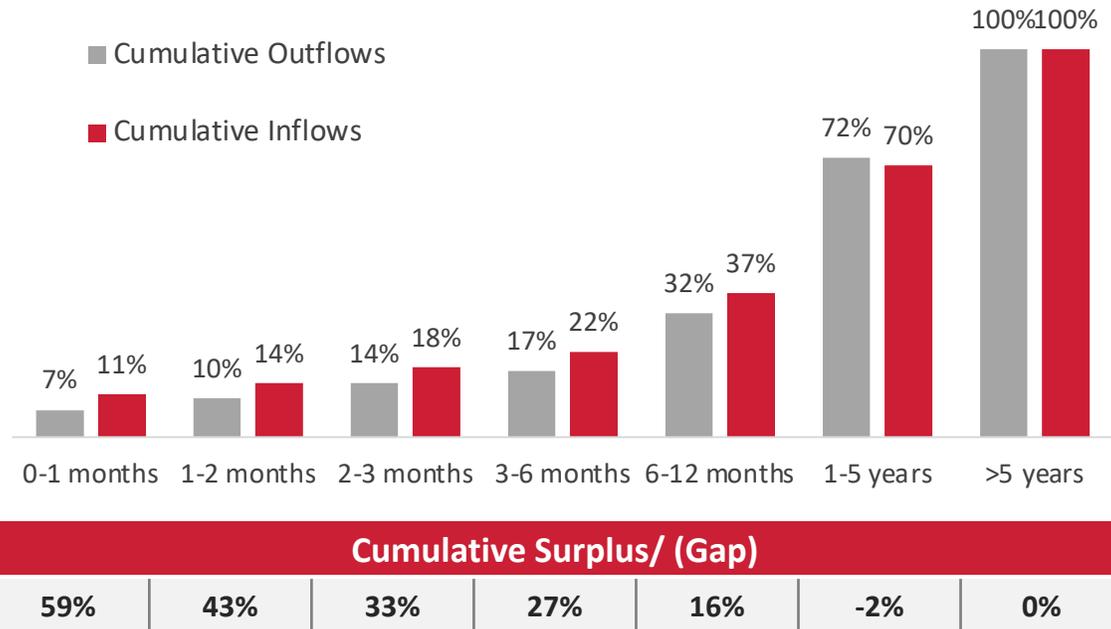
¹ Net Security Cover = Security Value/ (GS3 – Provision).

Building granularity across segments



Well matched ALM with adequate liquidity

ALM optimised for liquidity and costs (As on 30th June 2021)



Raised LT borrowing of Rs 1850 Crore

Term Loans: Rs 650 Crore; NCD: Rs 1,200 Crore

Diversified borrowing profile with long- term borrowing mix at 90%

Adequate liquidity under stress test scenario

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

13,039

Liability Maturity

Fund Available as on 30th Jun 2022
(Assuming 50% of collections)

15,677

14,409

1,268

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 11,200 Crore
- At 50% collection, surplus of Rs 2,638 Crore

Maintaining Comfortable Capital Adequacy in Q1 FY22 CRAR at ~24.5%

Digital impact metrics in NBFC business



Progress on multiple vectors contributing to customer acquisition, service & process efficiencies

Sourcing

- **Fully agile tech stack for customer onboarding:** API hub for onboarding through partner model
- **State of the art LOS/LMS system for retail business** leveraging CKYC/O-KYC, facial recognition, bureau integration & E-contract

Collections

- **ABFL Re-payment hub** activated with multiple digital payment channels (e.g., BPPS, UPI, Wallets, e-Nach) for EMI collections
- **AI voice BOT** for proactive and Low-risk bounce cases calling

Ecosystems

- **14 partners live for sourcing** as of Q1 FY22 across Consumer, MSME and focused segments like education and healthcare
- **10+ more partners in pipeline** to enable further scale across new product variants and segments

Analytics

- **11 Scorecards live** across Sourcing, Underwriting and Collections; **14** more in development
- **Application and behavioral scores for pre-approved, pre-qualified top-up** offers using technology, data analytics deployed

Revenue Enablement through digital customer acquisition

100%

Customers onboarding digitally enabled for Personal and Business Loans (Q1 FY22)

60%+

Reduction in TAT over Q1 FY21 for Personal loan customer onboarding

4.1 Lac

Customers acquired through digital ecosystems (YTD Jul'21)

Customer Advocacy through Self Service Channels

96%

EMIs collected digitally (Q1 FY22)

89%

Email BOT efficiency (incl AI BOT activation) as on Jun'21

86%

Digital service interactions (Q1 FY22)

Scalability & Automation of back-end processes and Systems

58%+

STP service journeys (end-to-end automated, no human intervention) as on Jun'21

50%+

Reduction in manual reviews for Digital KYC processes from Q3FY21 to Q1FY22

18%+

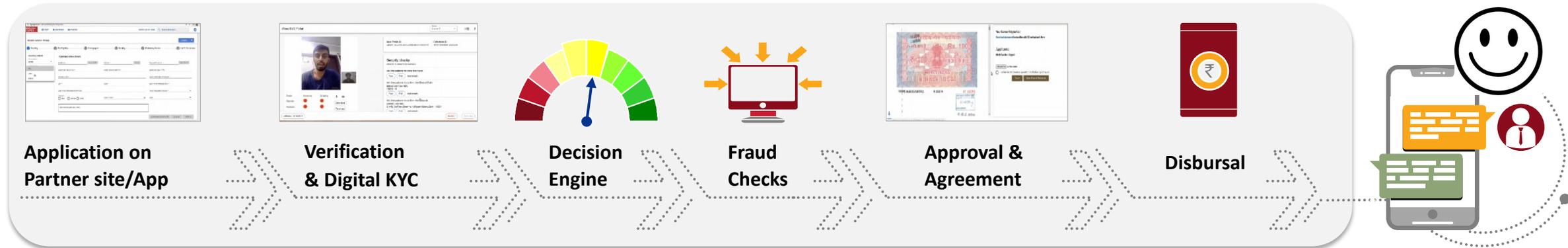
Incremental collections using Voice bots over Q1 FY21

All metrics for Q1 FY22

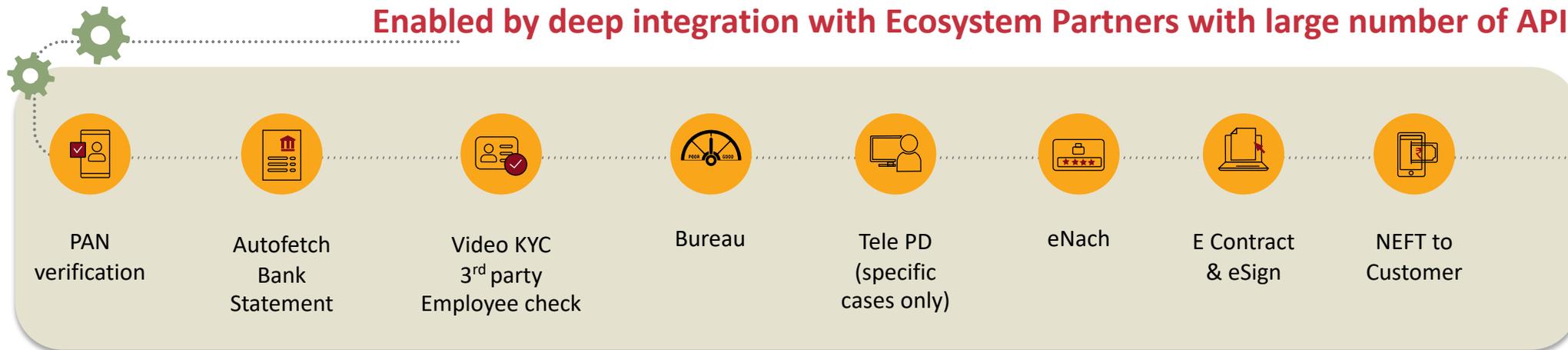
End-to-End Digital Onboarding for Personal & Business Loans



100% digital onboarding process enabled for personal and business loans



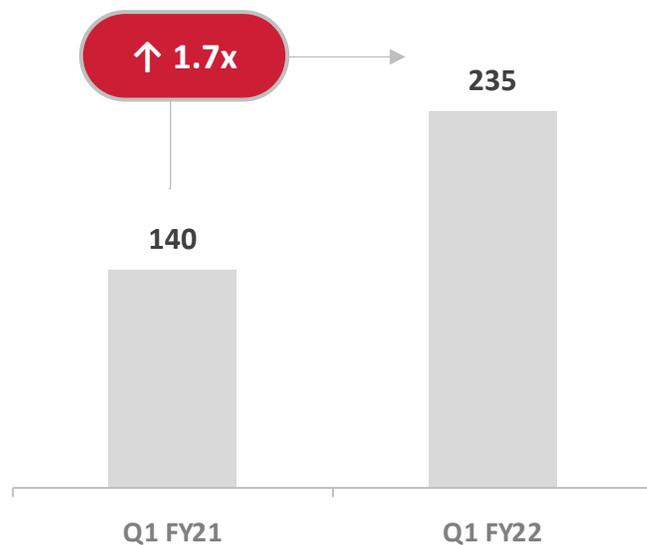
Enabled by deep integration with Ecosystem Partners with large number of APIs



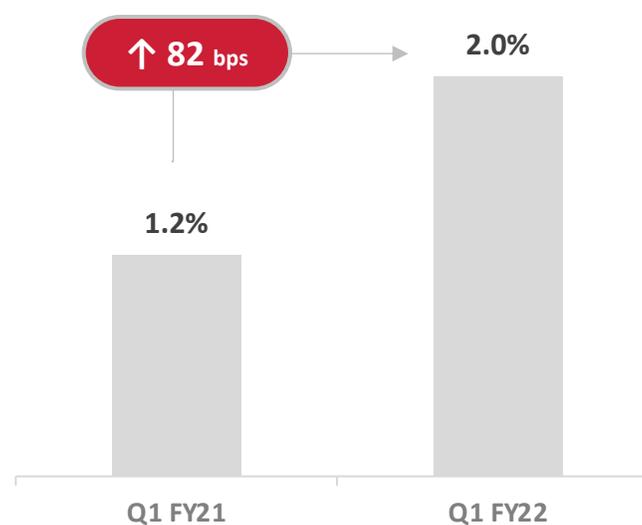
80% reduction in form-filling effort, 60% reduction in TAT, 40% reduction in onboarding cost

Value accretive growth

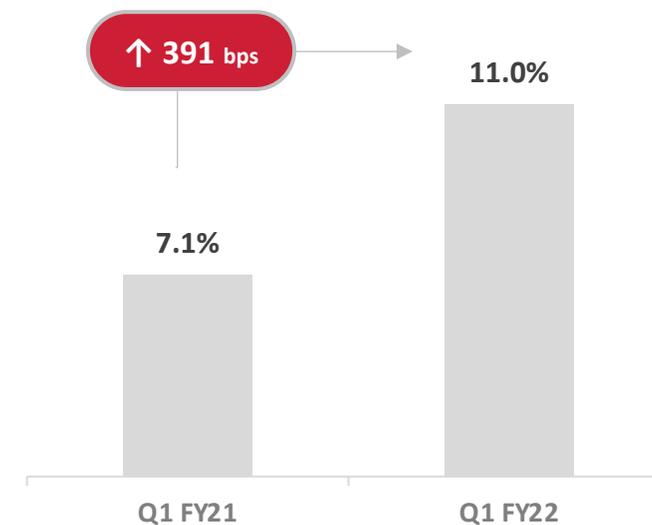
PAT



Return on Assets



Return on Equity¹



¹ Based on monthly compounding of annualised RoE

Key Financials – Aditya Birla Finance Limited



Quarter 4	Figures in Crs	Quarter 1	
FY 20-21 (PY)	Key Performance Parameters	FY 20-21 (PY)	FY 21-22 (CY)
48,689	Lending book	45,939	45,881
11.85%	Average yield (Incl. Fee Income)	11.64%	11.80%
5.87%	Interest cost / Avg. Lending book	6.82%	5.66%
5.98%	Net Interest Margin (Incl. Fee Income)	4.82%	6.14%
699	Net Interest Income (Incl. Fee Income)	565	722
221	Opex	173	213
1.94%	Opex / Avg. Lending book	1.50%	1.85%
31.7%	Cost Income Ratio	30.6%	29.5%
140	Credit Provisioning	204	194
1.22%	Credit Provisioning/ Avg. Lending book	1.77%	1.68%
338	Profit before tax	189	315
254	Profit after tax	140	235
8,838	Net worth	8,196	9,073
2.2%	Return on Asset %	1.2%	2.0%
12.5%	Return on Equity %	7.1%	11.0%

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

Housing Finance

Aditya Birla Housing
Finance Ltd.



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Performance Summary | Housing Finance | AB Housing Finance

1 Disbursements to target segment

- Gross disbursements at Rs 321 Crore; Healthy pick-up in July logins ↑ 53% y-o-y; number of logins being highest so far
- 58% disbursement in affordable (PY: 43%); Affordable mix up at 29% (PY: 19%)
- Plan to expand branch footprint to 120 branches in Tier II/III towns and affordable segment mix to 35 - 40% by Mar'22

3 Focus on granularity and higher margin segments

- Overall loan book retail mix 95% with ATS reducing across segments:
 - Home Loans: Rs 25 lacs (PY: Rs 31 Lacs); ↓ 22% y-o-y
 - LAP: Rs 27 lacs (PY: Rs 41 Lacs); ↓ 36% y-o-y
 - CF: Rs 6.5 Crore (PY: Rs 8.2 Crore); ↓ 21% y-o-y
- Q1 FY22 new sourcing yield at 11.53%; ↑ 128 bps y-o-y
- 49% overall retail book mix originating from non-metro locations

5 Liquidity and Balance Sheet Resilience

- Strong funding access and amongst best cost of borrowing in industry
- Optimised borrowing cost (↓ 92 bps y-o-y | ↓ 28 bps q-o-q)
- Raised LT borrowing of Rs 700 Crore in Q1 FY22
- Comfortable capital adequacy with CRAR at ~23.4%

2 Change in Mix leading to Improving margins & Core Profitability

- NIM highest at 4.24% (↑ 97 bps y-o-y); NII at Rs 116 Crore ↑ 28% y-o-y
- Risk adjusted returns (NIM less credit cost) ↑ 37 bps y-o-y
- CIR at 35.31% (↓ 10.39% y-o-y); PPOP at Rs 82 Crore (↑ 59% y-o-y)
- PAT at Rs 39 Crore (↑ 39% y-o-y); ROA at 1.34% and ROE at 10.52%

4 Quality of Book & Collections

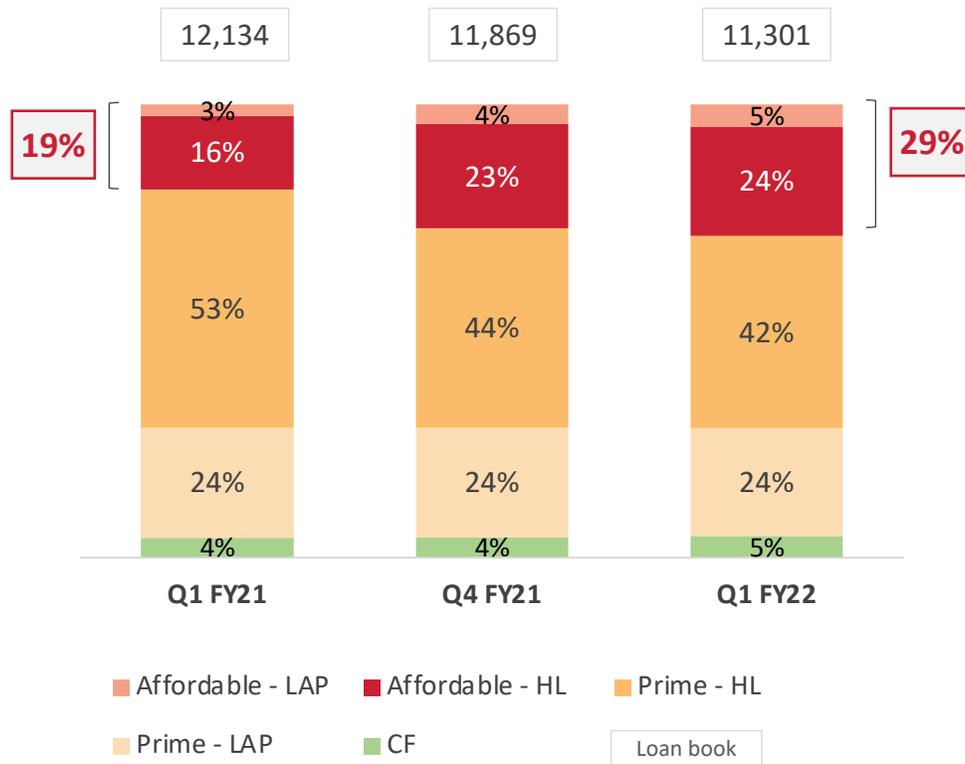
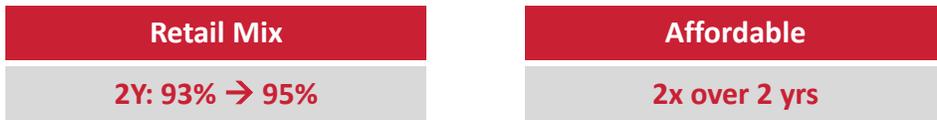
- Collections was impacted during April/ May due to lockdown; Collection efficiency back to pre-CoVID levels at 96.4% in Jun'21
- GS3: 2.08% (Q4: 1.83%) and NSE: 1.39% (Q4: 1.16%);
- Stage 2 book at 7.7% ; 60 dpd+ at 1.7%
- Stage 3 PCR at 33.5% (PY: 32.3%); Security cover: 2x
- Overall floating provision in Stage 1 & 2 of Rs 42 Crore (37 bps of Loan book)

6 Digital Adoption

- 90% of all files sourced digitally in Q1 FY22
- Leveraging Collections App; Digital payment ~96% of total collections
- WhatsApp Live on 35 Service Requests catering to 75% of overall digital volume
- 95 RPAs operational leading to Average reduction in TAT from 7 days to 1 day.

Disbursement pick up with focus on target segments

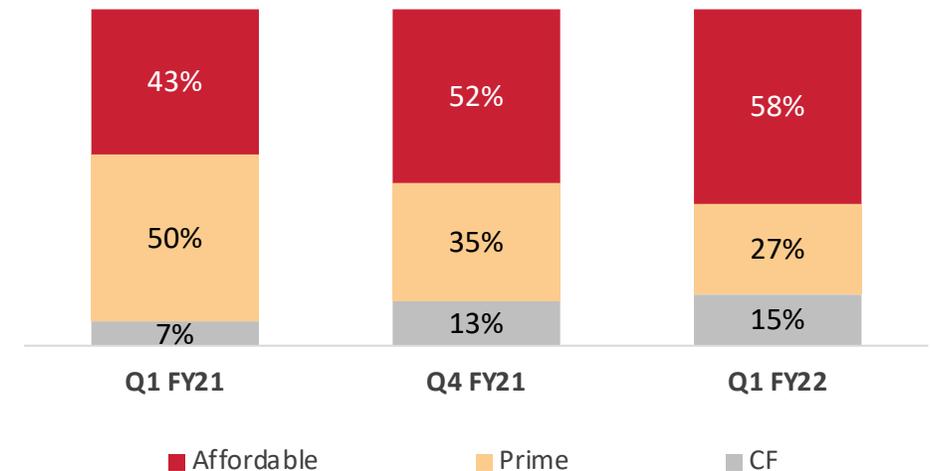
Growing loan book with increased retail mix



Strong disbursements revival in target segment

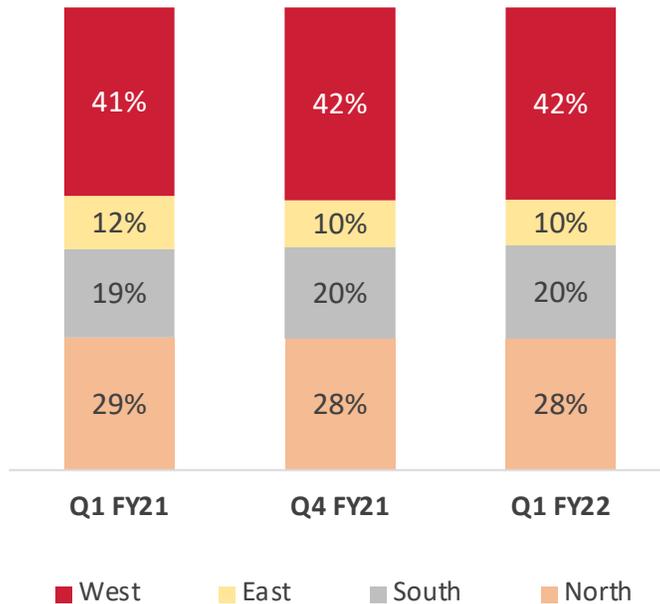


	Q1 FY21	Q4 FY21	Q1 FY22	Change
Gross Disbursal	108	1,131	321	↑ 3x y-o-y
Sourcing Yield	11.3%	11.4%	11.5%	↑ 20 bps y-o-y
ATS (Lacs)	30	24	28	↓ 31% y-o-y



Balanced geographic and product mix

Diversified Geographic Mix (%)



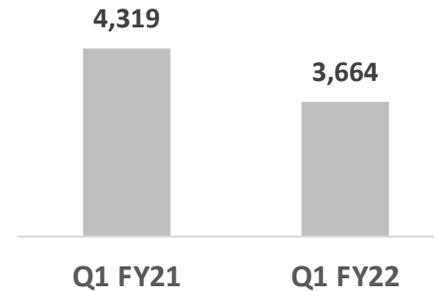
Balanced distribution strategy

Tapping growth in smaller cities

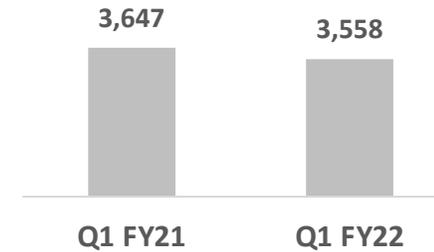
Focus on increasing reach and building retail granularity

Home Loans Sourcing

Metros



Non-Metros



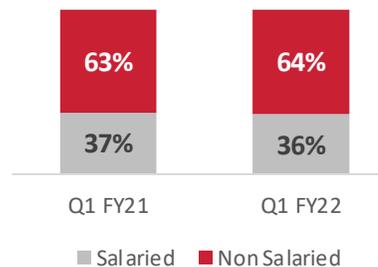
Non-metro loan book mix at 49%

75 branches currently operational pan-India

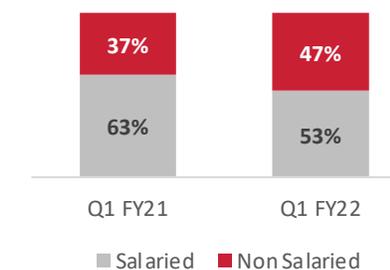
Customer Mix

Overall Home Loans

ATS: Rs 25 Lacs (PY: Rs 31 Lacs)



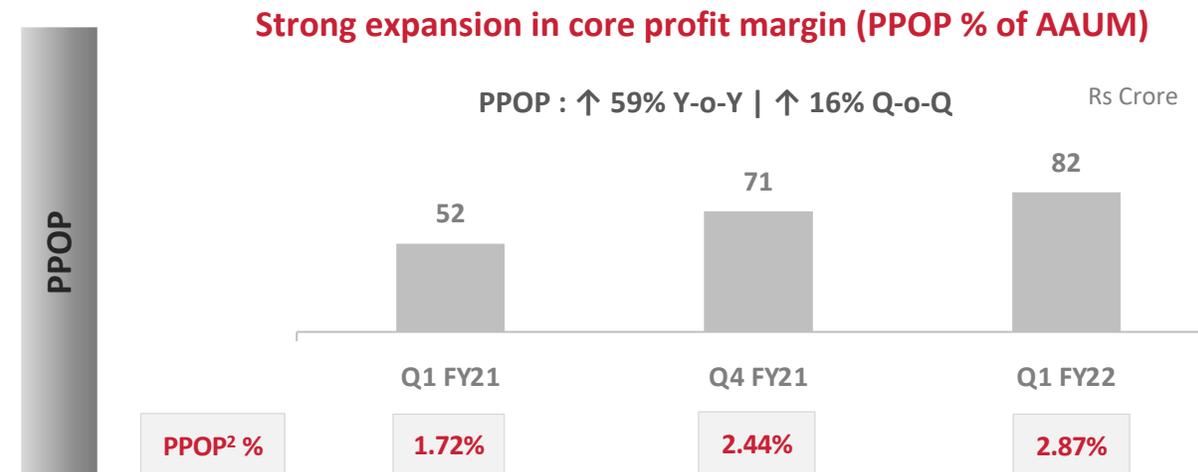
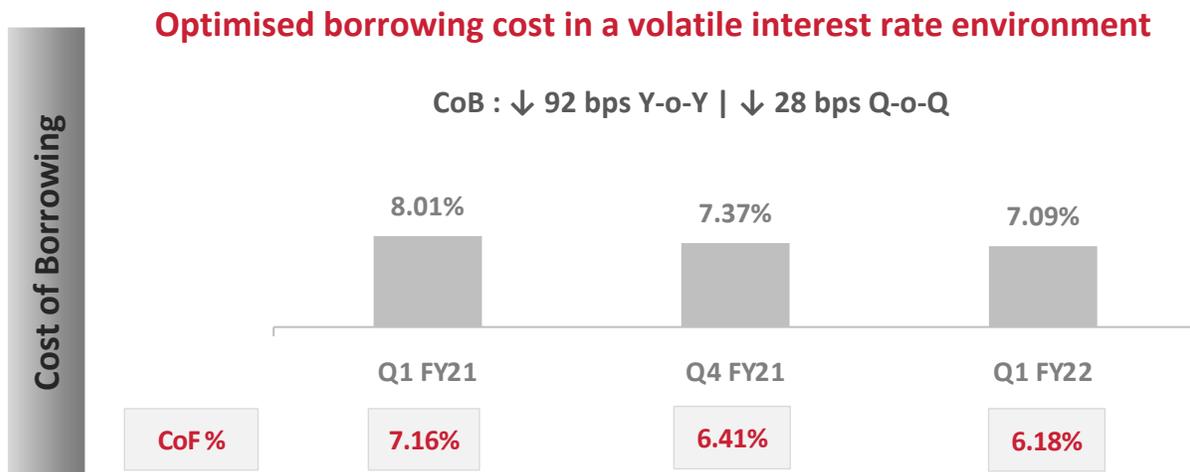
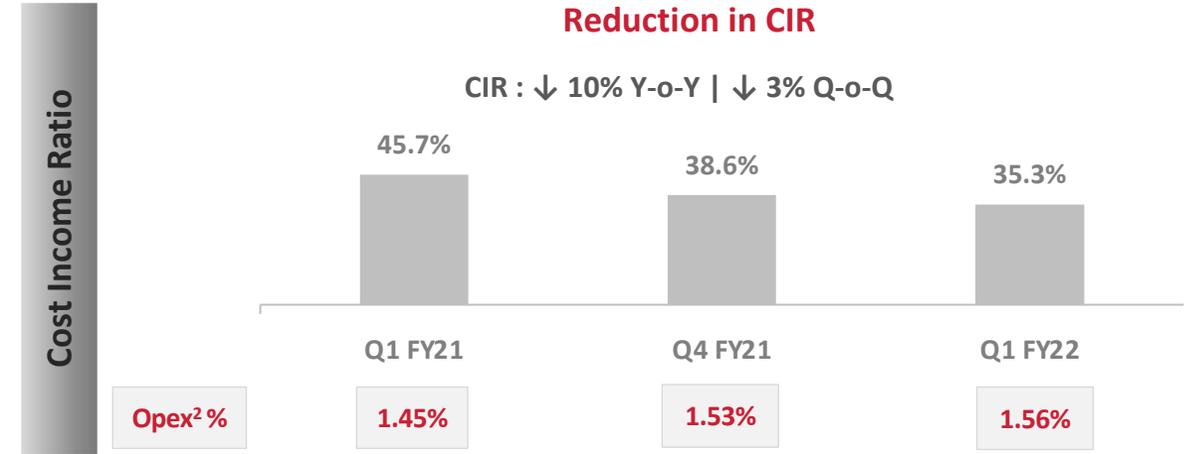
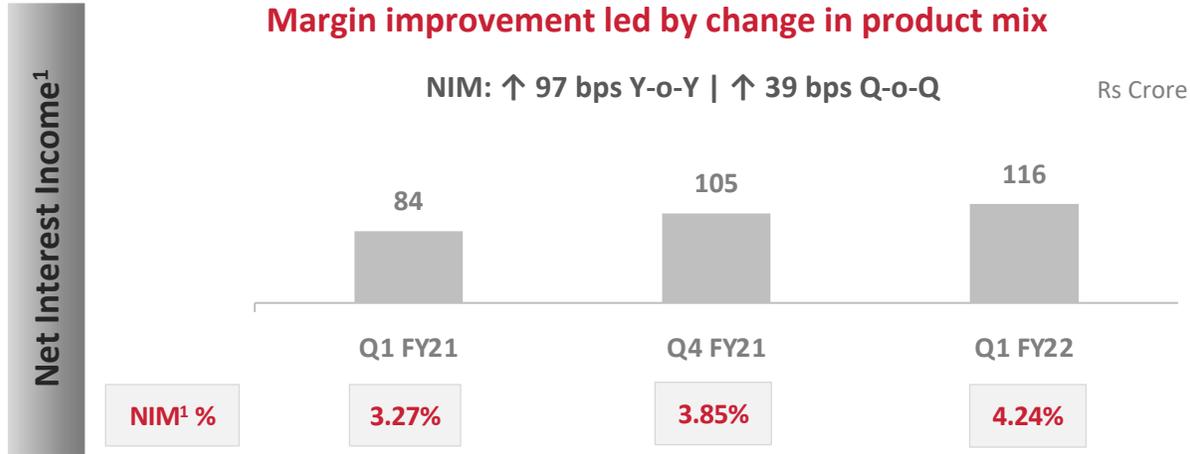
Affordable Home Loans



Focus on affordable segment

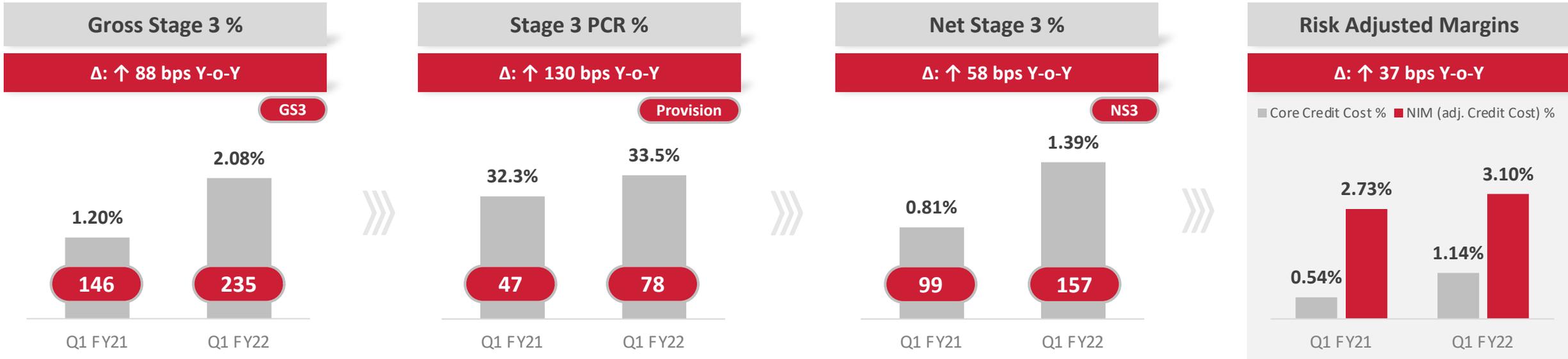
Note: Metro cities includes Delhi-NCR, Mumbai-MMR, Kolkata, Chennai, Bangalore, Pune and Hyderabad

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

Continued focus on quality of book



Provisioning

- Overall floating provision in Stage 1 & 2 of Rs 42 Crore as of Jun'21
- Security value of Rs 318 Crore against Net Stage 3 assets of Rs 157 Crore (2x security cover)

Affordable Loan Book

- ATS ~ Rs 14 Lacs
- 32% of Affordable Home Loans portfolio backed by IMGIC and 57% eligible for PMAY subsidy

Construction Finance

- ATS on exposure: Rs 11 Crore | ATS on outstanding: Rs 6.5 Crore
- ~88.3% exposure to Bangalore, MMR, Pune, Surat, Hyderabad and NCR

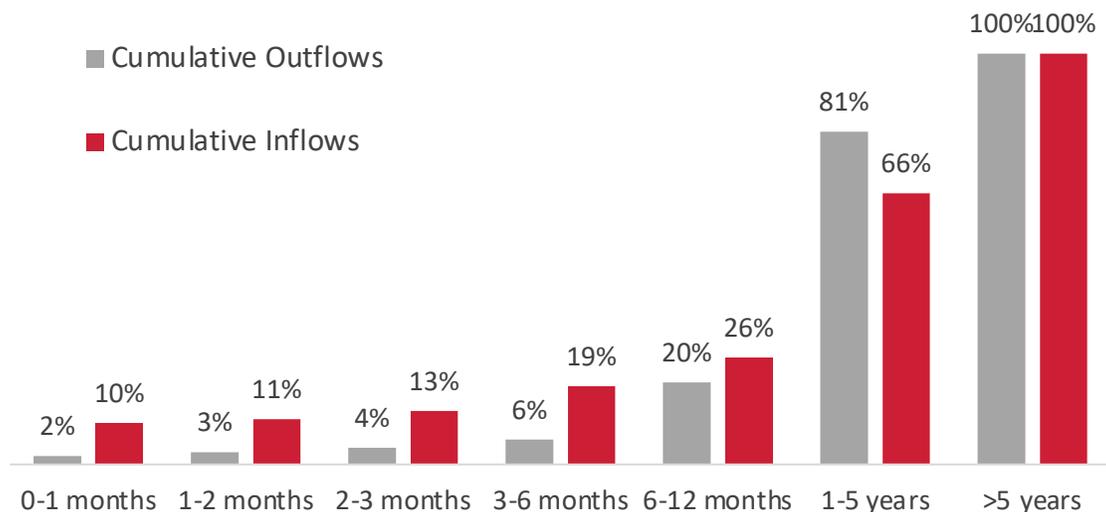
Other Updates

- Collection Efficiency at 96.4% in June'21
- Restructured 5% of Loan Book

¹ As per NHB regulatory norms, Regular Restructured pool of Rs 118 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 30th June 2021)



Cumulative Surplus/ (Gap)

359%	236%	243%	214%	34%	-18%	0%
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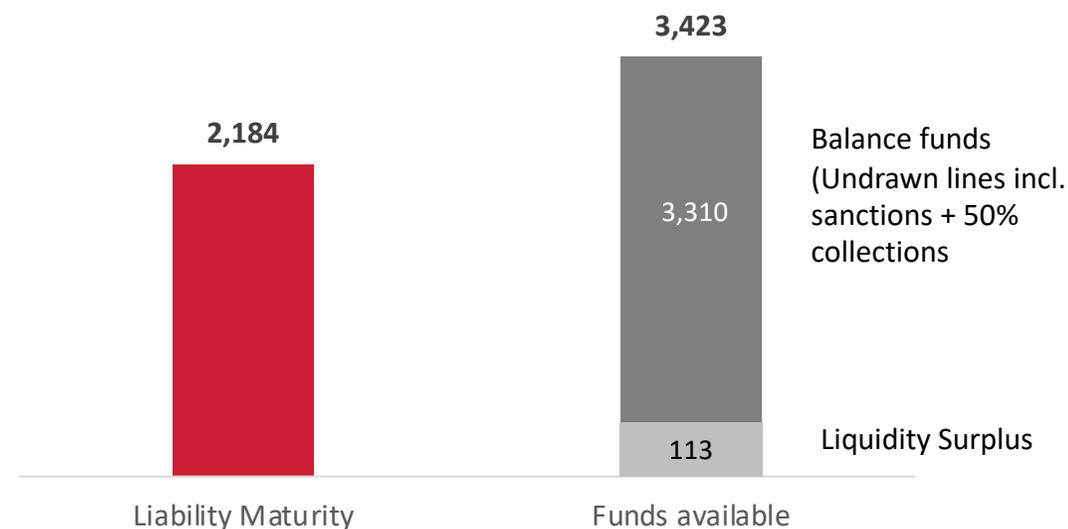
Raised LT borrowings of Rs 700 Crore (Term Loans) in Q1 FY22

Diversified borrowing profile with LT Mix at 98%

Adequate liquidity under stress test scenario

Liability Maturity (Till June'22)
Including interest payments

Funds available as on June 30, 2021
Assuming 50% collections



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

- At 95% collection, surplus of Rs 1,860 Crore
- At 50% collection, surplus of Rs 1,239 Crore

Maintaining comfortable capital adequacy

Q1 FY22: CRAR at ~23.4% (Regulatory requirement: 14%)

Digital impact metrics in Housing Finance



Progress on multiple vectors contributing to customer acquisition, service & process efficiencies

Sourcing

- Frontline equipped with **digital onboarding platform** which leverages e-KYC, Facial recognition, Credit Bureau, ITR & GST, banking and Online payment
- Granular retail sourcing through direct channel** in tier II/III markets

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**

Collections

- Voice Bot** for collection
- Leveraging **Collections App** for Digital payment
- Deployed **2-way switch calling platform** enabling In-House Collections for overdues collections follow-up

Servicing

- Multi channel servicing** including WhatsApp, e-Bots, Google Assistant & Self serve portal
- E-Bot deployment** for a seamless experience in customer self-servicing

Revenue Enablement through digital customer acquisition

90%

customers onboarded digitally (in Q1 FY22)

45%+

Onboarding TAT reduction over Q1 FY21

40%+

Reduction in onboarding cost over Q1 FY21 by leveraging digital technologies

Customer Advocacy through Self Service Channels

91%

Services available digitally as on Jun'21

48%+

STP service journeys (end-to-end automated, no human intervention) as on Jun'21

96%+

digital repayment by customers (Q1 FY22)

Scalability & Automation of back-end processes and Systems

95%+

E-bot efficiency for customer emails (as on Jun'21)

80+

RPA Robots live for back & mid office automation (as on Jun'21)

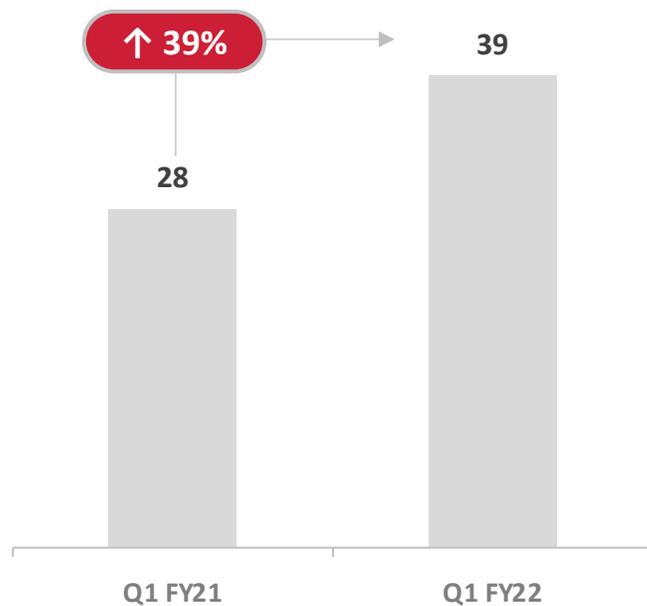
65%+

Reduction in effort over Q1 FY21 due to auto extraction using intelligent OCR

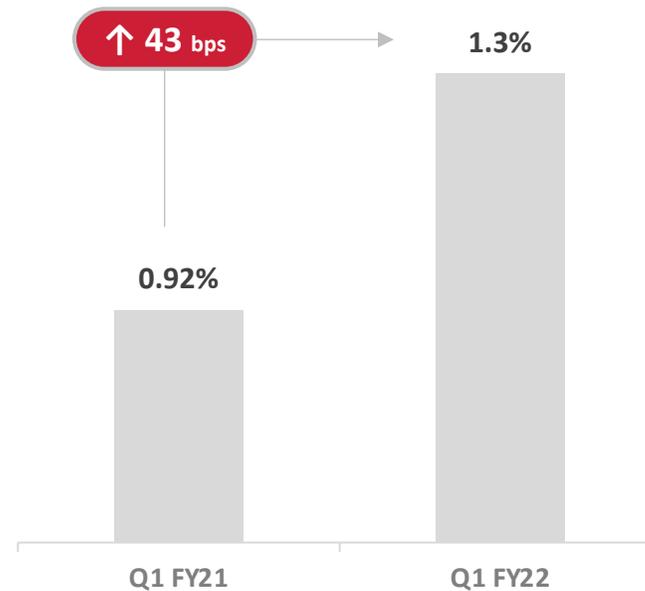
All metrics for Q1 FY22 unless specified

Value accretive growth

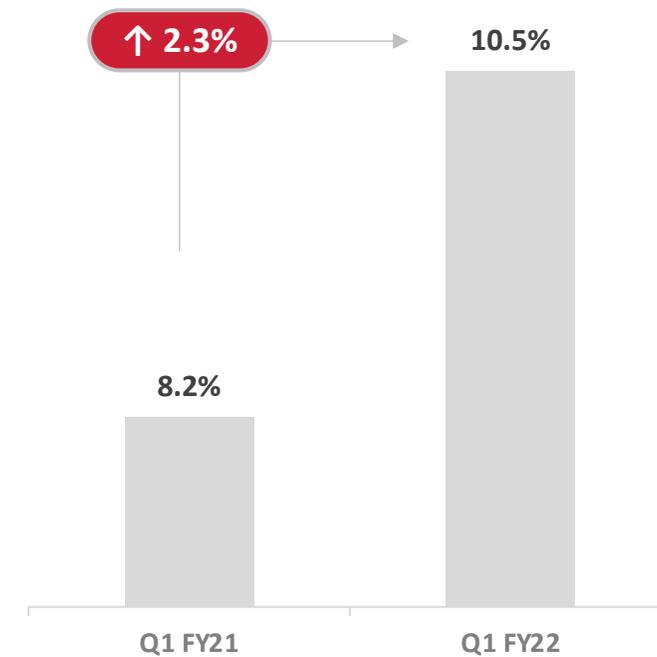
PAT



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	Quarter 1	
FY 20-21 (PY)	Key Performance Parameters	FY 20-21 (PY)	FY 21-22 (CY)
11,869	Lending book	12,134	11,301
10.19%	Average yield	10.36%	10.34%
6.41%	Net Interest cost / Avg. Loan book	7.16%	6.18%
3.85%	NIM *	3.27%	4.24%
115	Net Interest Income	95	127
44	Opex	44	45
1.53%	Opex/ Avg. Loan Book	1.45%	1.57%
38.6%	Cost Income Ratio (%)	45.7%	35.3%
23	Credit Provisioning	16	33
0.80%	Credit Provisioning/ Avg. Loan Book	0.54%	1.14%
48	Profit Before Tax	36	49
36	Profit After Tax	28	39
1,519	Net worth	1,405	1,558

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 AAUM market share¹ at 9.12% and amongst the 4 largest AMCs in India by QAAUM
- Dominant position in fixed income; AAUM Market share¹ at 10.98%
- Backed by Strong Brand, Sponsors and an Experienced Management Team
- Individual² MAAUM: Rs 1.3 Lac Cr (↑30% y-o-y); Mix: 47% | Market Share: 7.3%

3 Solid and growing retail franchise

- Strong retail franchise with investor folios ~7.2 Mn; Added 0.12 Mn folios q-o-q
- B-30 MAAUM ↑30% y-o-y (Mix³ at 15.8%); SIP AUM ↑43% y-o-y (Mix⁴ at 42%)
- New SIP registrations above 2 lac for the quarter, ↑ 91% y-o-y
- Consistent improvement in SIP tenure over 2 yrs (amongst the best in industry)
Tenure 5Y: 81% (Jun'19) → 86% (Jun'21) | 10Y: 71% (Jun'19) → 77% (Jun'21)

5 Focus on growing Alternate Assets Segment

- Building dedicated team including product, sourcing, investment etc.
- Filed 8-10 new products and launched 3 ETFs in Q1
- Signed term sheet with BentallGreenOak (BGO), a leading global real estate investment management platform with \$62 Bn AUM, to raise real estate fund
- Target to raise \$300 Mn funds in alternate assets segment

2 Momentum in AUM growth and value accretive mix

- Solid revival in AUM reaching Rs 3 Lac Crore milestone in July 21; Backed by consistent investment performance; Strong equity net sales in Q1
- Domestic AAUM at Rs 2,75,454 Cr (↑ 28% y-o-y); Equity AAUM at Rs 1,02,678 Cr (↑ 42% y-o-y). Fixed Income (Excl. Liquid)⁵ at Rs 1,30,543 Cr (↑ 38% y-o-y)
- Mobilized Rs 1,922 Cr in Multi Cap NFO. Equity mix expanded to 37% (PY 34%)

4 Strong Financial Performance

- PBT/ AUM at 30 bps in Q1 FY22 (Q1 FY21: 24 bps)
- Q1 FY22 PAT at Rs 155 Crore (↑ 59% y-o-y)
- Opex (Excl. AMC ESOP cost) ↓ 9% y-o-y
- FY21 RoE at 35% - Amongst the Top 3 listed AMCs in India

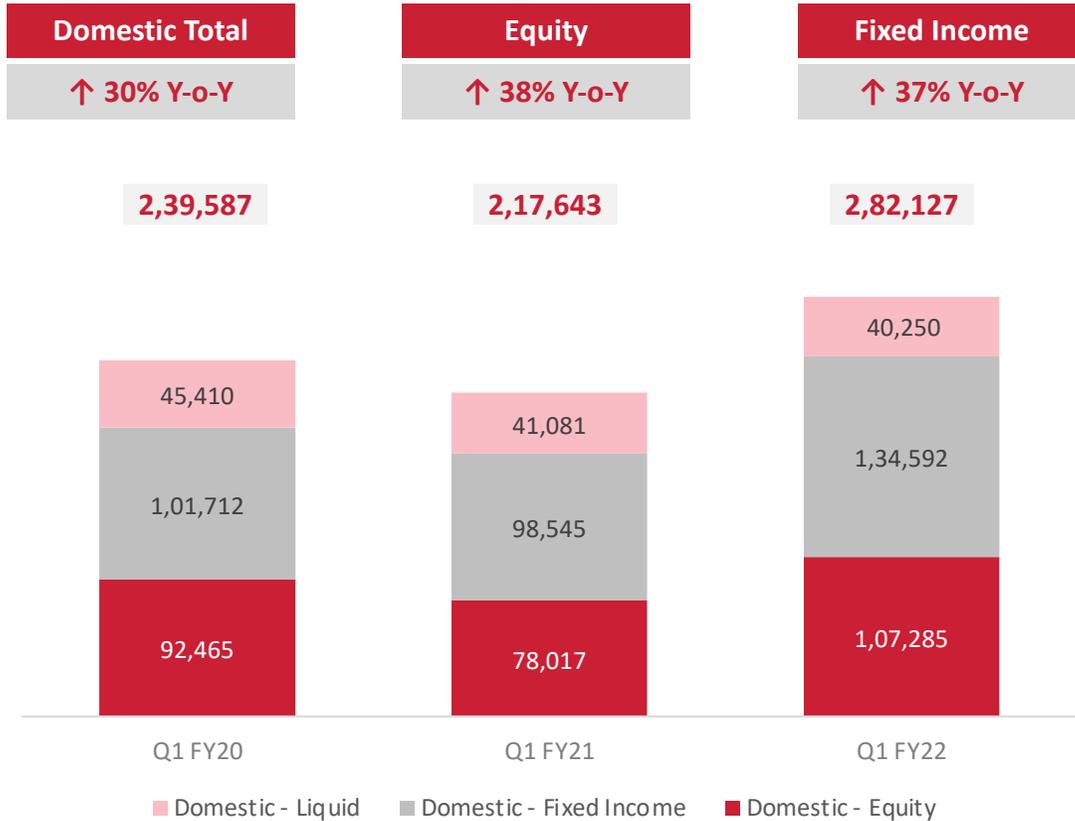
6 Distribution Powered by Technology and Data Analytics

- Launched new age investor App for customer self-servicing; Hyper personalization for over 2 lakh active devices
- ~89% of overall transactions done digitally; 81% new Folios created digitally; 90%+ services available online through various digital assets
- Productivity App to empower sales team by enhanced scheduling and tracking with deeper analytics

Rebound in AUM growth

Closing Assets under Management

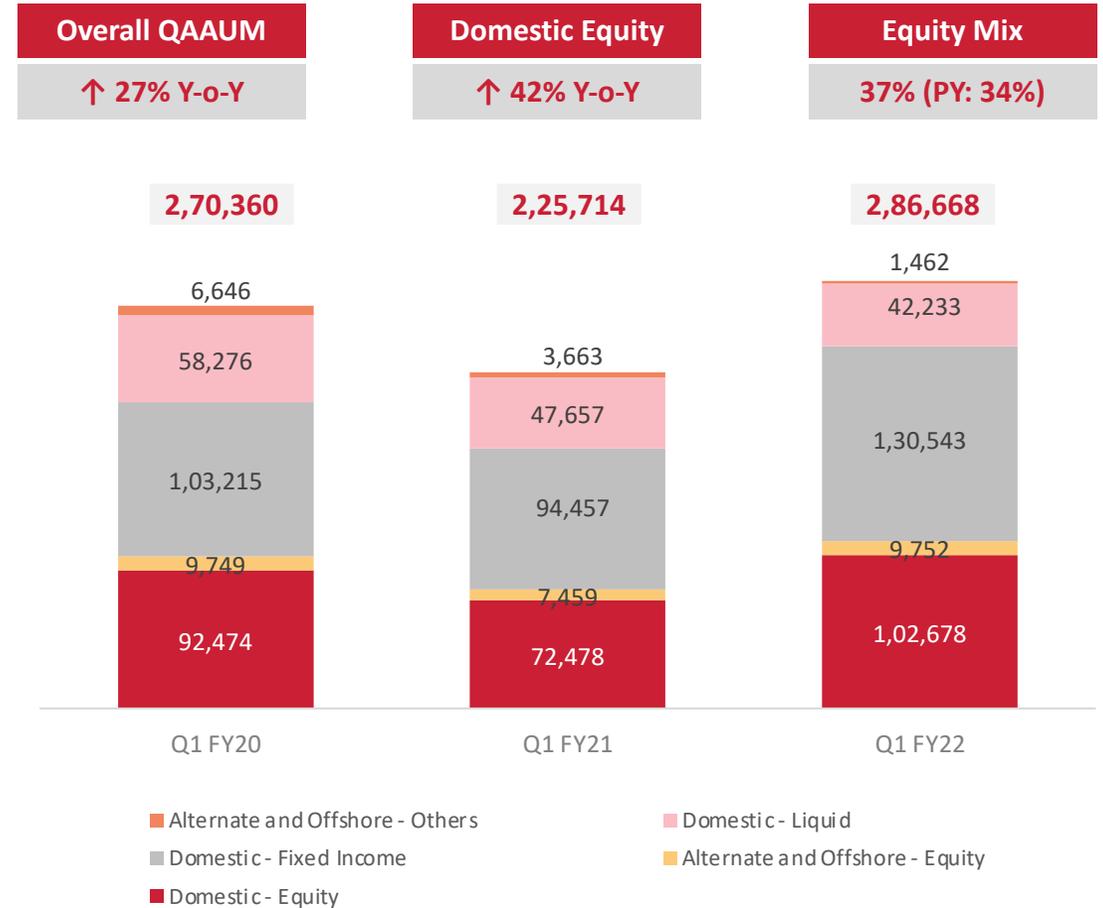
All figures in Rs. Cr



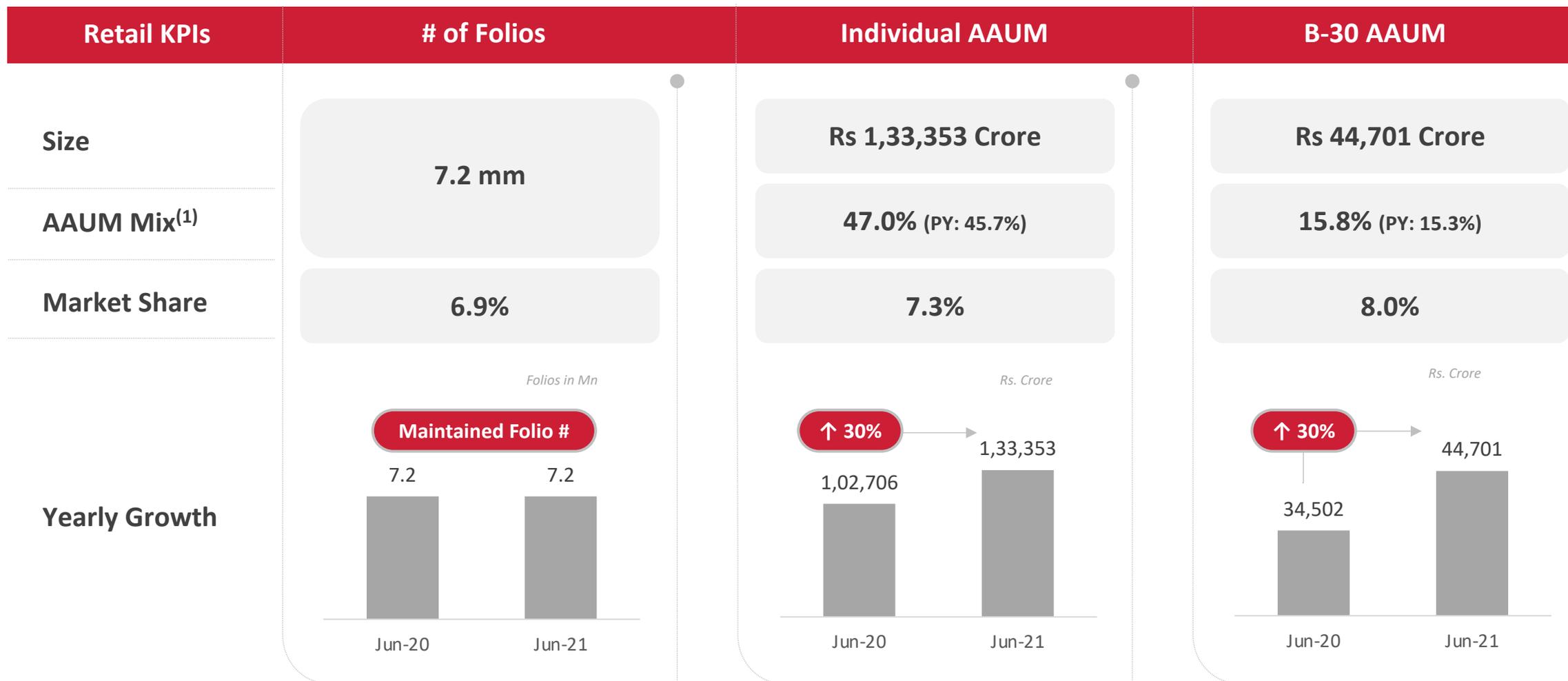
Domestic – Fixed Income include ETF

Average Assets under Management

All figures in Rs. Cr



Strong retail franchise



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

Strong and sustained rebound in SIP

SIP AUM

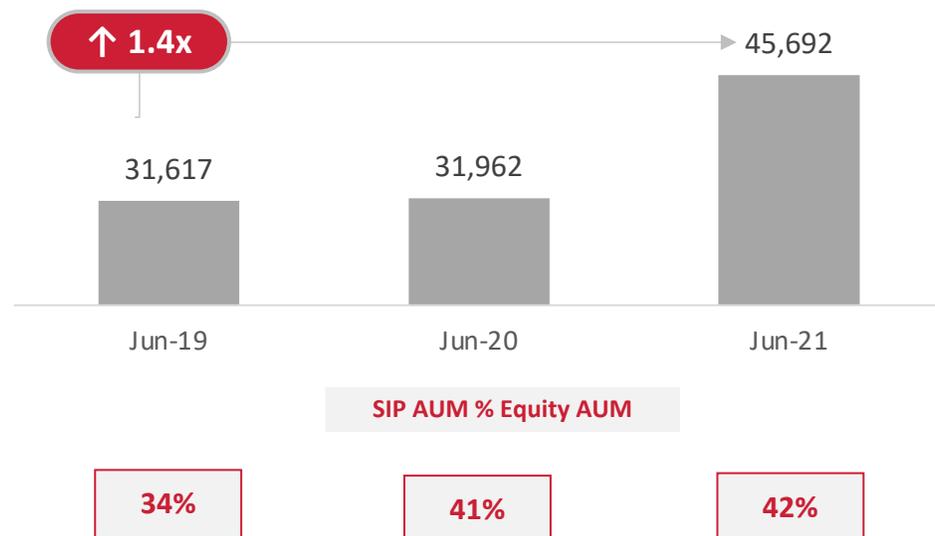
All figures in Rs. Cr

SIP AUM

↑ 43% Y-o-Y

SIP AUM % Equity

↑ 1% Y-o-Y



SIP AUM as % of Equity increased 8% over 2 years

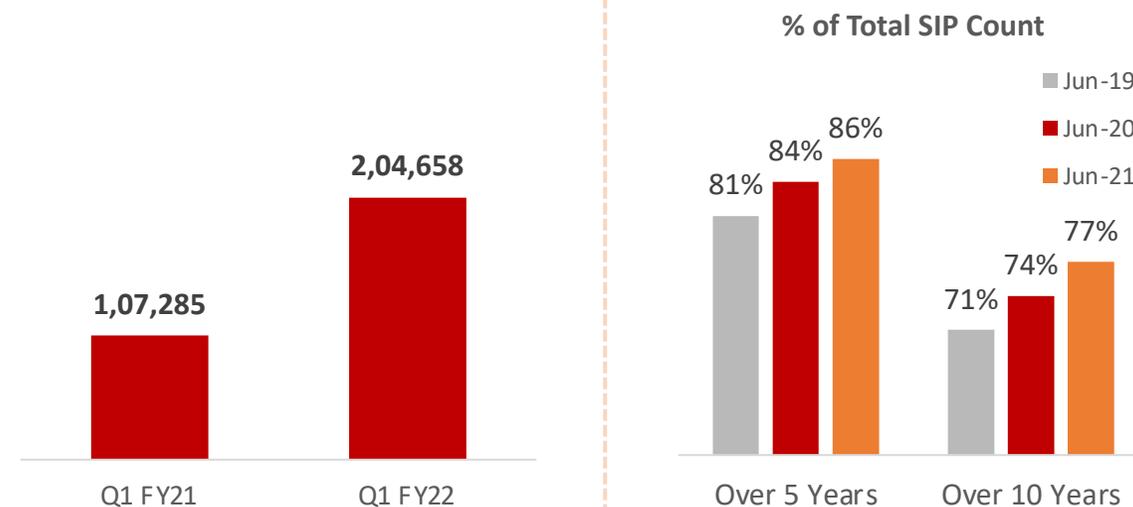
Strong revival in new SIP registrations

SIP Registration

↑ 91% Y-o-Y

SIP Tenure¹

Gain across cohorts



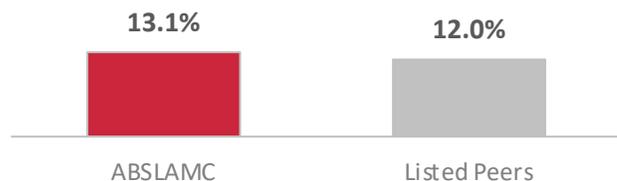
Long Tenure SIP Book

Strong performance vs. Listed peers

Overall AAUM

5Y CAGR: Q1 FY17 → Q1 FY22

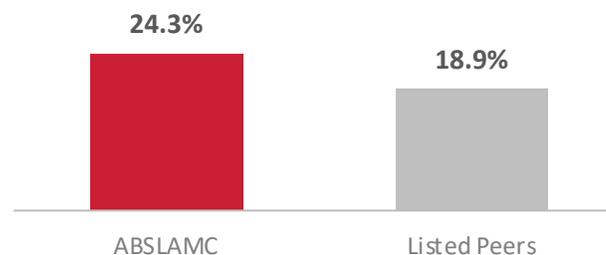
2nd Highest Amongst Peers



Equity AAUM

5Y CAGR: Jun-16 → Jun-21

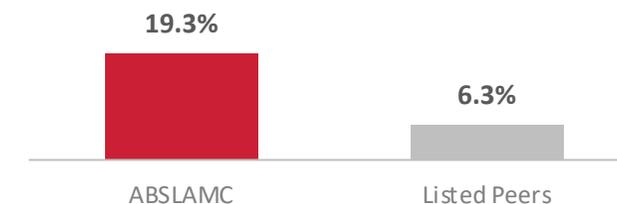
Highest Amongst Peers



Folio Growth

5Y CAGR: Mar-16 → Mar-21

Highest Amongst Peers



Individual AAUM

5Y CAGR: Jun-16 → Jun-21

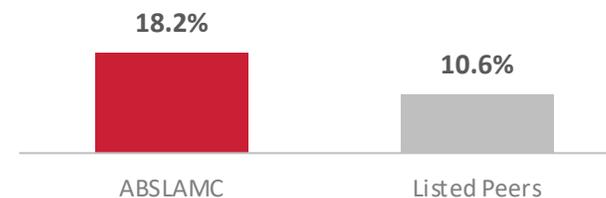
2nd Highest Amongst Peers



B-30* AAUM

5Y CAGR: Jun-16 → Jun-21

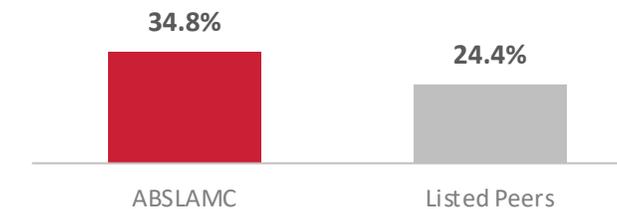
Highest Amongst Peers



RoE

FY21

Highest Amongst Peers



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

Digital impact metrics in Asset Management



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

Scalability	Servicing	Revenue Enablement through digital customer acquisition	89%	59%+	81%	Rs 3.4k Cr
<ul style="list-style-type: none"> Robust on-boarding platform with API suites for Video KYC on own platform Launched Multi SIP on Partner's Digital Assets to facilitate advisors to register multiple SIPs 	<ul style="list-style-type: none"> Enabled SIP's in Liquid fund across Digital Assets and ETF transactions on our platform AMC recommended Multi SIP combos and Do It Yourself (DIY) journey for investors 	Customer purchase transactions on Digital channels (Q1 FY22)		customer acquisitions through digital integration with Ecosystems/ Partners (Q1 FY22)	New folios created digitally (Q1 FY22)	Gross Sale through Upsell (incl. analytics driven programs) during Q1 FY22
Ecosystems	Analytics	Customer & Distributor Advocacy through Self Service Channels	90%	1.7 mn+	92%+	Rs 3.3k Cr
<ul style="list-style-type: none"> Partnership with Fintechs and Digital Platforms to enable paperless fund transactions Fintech partner's customers on-boarded through our API gate 	<ul style="list-style-type: none"> Adopting ML/ AI to develop hyper-personalised conversations Recommending Next Best Schemes to investors based on a ML model suite, with a 'One-click SIP journey 	Services available digitally as on Jun'21		Customer footfall on Investor Portal in FY21	Distributors onboarded digitally (Q1 FY22)	Gross Sale through SIP renewals and win back campaigns during Q1 FY22
		Scalability & Automation	60%+	334	25%	90%+
		STP service journeys (end-to-end automated, no human intervention) as on Jun'21		Digital Investor education events despite lockdown during Q1 FY22	Productivity improvement over Q1 FY21 through e-Scan model in branches	Accuracy of ML / NLP based Email Bot as on Jun'21

All metrics for Q1 FY22 unless specified

Digital Self Service – New Age Investor App for Mutual Fund



Make investing experience the best with all new **ABSLMF Investor App**



Systematic Corner with holistic view



Bio Metric Authentication



Multi Account Login



Purchase and Redeem can be executed like Lumpsum, SIP, STP, SWP



One day change in Returns of your financial investment



Hyper personalization for 2 lakh+ active devices – Contextual features like daily Change in portfolio, Asset Allocation, Next best offer etc.

Driving sales productivity with use of technology



Distributor 360 view

RMs can now view mapped IFA's/Distributor profiles and get contact and business information in one place



Activity Tracker

Schedule activities (internal/external) and auto calendaring of all activities



Service Requests

Create service tickets and map it to activities on-the-go



Documentation

View all scheme and product related documents in one place, with easy offline access



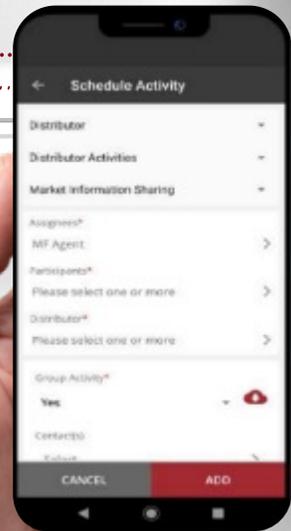
Engagement Nudges

Nudge RMs to schedule engagement activities and auto captures the outcome



Expense Manager

Allows RMs to claim expenses across budgets, conveyance and other expenses



1

Strengthen the RM & Distributor relationship to exponentially improve productivity

2

Scheduling of Activities, and tracking of the Birla Way of Selling

3

Deeper analytics to strengthen Focus & Market share

4

Readily available 'Product pitch', 'Market information sharing', 'Pricing negotiation' information

5

Training and Product content at fingertips

Productivity App to empower sales team by enhanced scheduling and tracking with deeper analytics

Large and well-diversified distribution network

One of the largest empaneled distributor base ⁽¹⁾ | Continue to expand distributor base and empaneled 1150+ new MFDs in Q1 FY22



280+
Locations⁽³⁾



66,000+
MFDs



100+
Banks

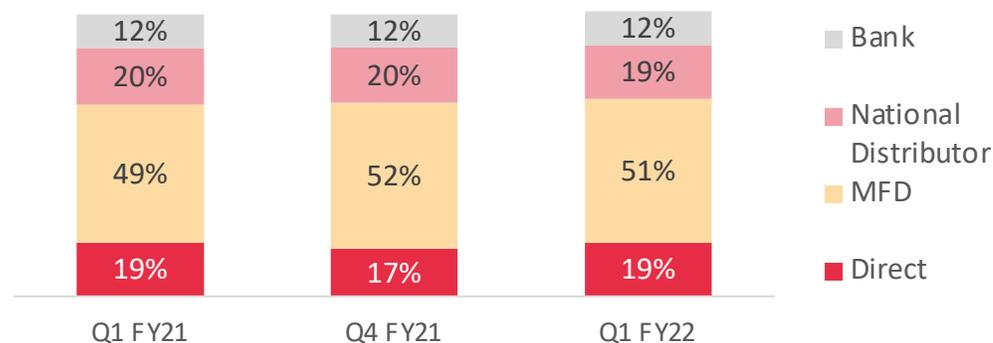


90
Emerging Market
Representatives



240+
National
Distributors

Continue to grow MFD share in equity sourcing



Focus on Diversifying Distributor Base⁽²⁾

% AUM Sourced	FY16	FY21	Δ
Top Distributor	10%	8%	↓ 2%
Top 5	42%	26%	↓ 16%
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 Jun 30, 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

Key Financials – Aditya Birla Sun Life AMC Limited



Quarter 4	Figures in Rs Crore		Quarter 1	
FY 20-21 (PY)	Key Performance Parameters		FY 20-21 (PY)	FY 21-22 (CY)
2,69,278	Domestic AAUM		2,14,592	2,75,454
96,934	Domestic Equity AAUM		72,478	1,02,678
9,522	Alternate and Offshore Equity AAUM		7,459	9,752
1,06,456	Total Equity		79,937	1,12,430
332	Revenue		261	336
124	Costs		131	130
208	Profit Before Tax		130	206
31 bps	Profit Before Tax (bps¹)		24 bps	30 bps
157	Profit After Tax		97	155

¹ Margin based on annualized earnings as % of Domestic AAUM

Life Insurance

Aditya Birla Sun Life
Insurance Co. Ltd.



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Performance Summary | Life Insurance | ABSL Insurance Co

1 Strong growth in business

- Individual FYP ↑ 5% y-o-y on the back of 5% growth in Q1 FY21
- Group FYP has de-grown by ↓ 49% y-o-y
- Q1 Renewal premium ↑ 41% y-o-y; Digital Renewal Collection up at 69%
- Total Gross Premium of Rs 1,763 Crore in Q1 FY22 (↑ 4% y-o-y)

2 Improvement on all quality vectors

- Continuous improvement in persistency across all cohorts over last 2 years:
 - 13th Month at 83% (↑ 2%): 61st Month at 50% (↑ 2%)
- Opex-Premium Ratio at 16.4%, target to reach 13.5% for FY22
- Sustained reduction in Surrender Ratio at 5.8% in Q1 (FY21: 6.1%)
- “ZARA” renewal bot collection stands at ~Rs. 66 Crore for Q1 FY22

3 Improving Margins

- Net VNB Margin ↑ 300 bps y-o-y at -1.9% (Q1 FY21 -4.9% → FY 21 10.6%)
- On track for 12%+ net VNB margins for FY22
- Protection Mix improved from 7.4% (Q1 FY21) to 8.4% (Q1 FY22); ↑ 19% y-o-y
- In spite of covid claims, Q1 FY22 PBT at Rs 31 Crore (↑ 8% y-o-y)

4 Product Strategy Showing Results

- New products launched in mid Q1 contributed to 8% Individual FYP
- Products launched over last 18 months contributed ~35% of Ind FYP
- Pre-Approved Sum Assured (PASA) at 13% of Individual FYP (Q1 FY21: 8%)
- Healthy Sourcing Mix through Proprietary and Partnership Channels, contribution of 41:59 respectively with controlled ULIPs

5 Covid-19 updates

- India Q1 FY22 Covid death count ~1.5x of FY21. Similar trends witnessed by ABSLI.
- Net of reinsurance, Q1 FY22 Covid claims amounted to Rs. 108 Cr
- Company is carrying reserves of Rs. 100 Cr for claims in Q2 FY22

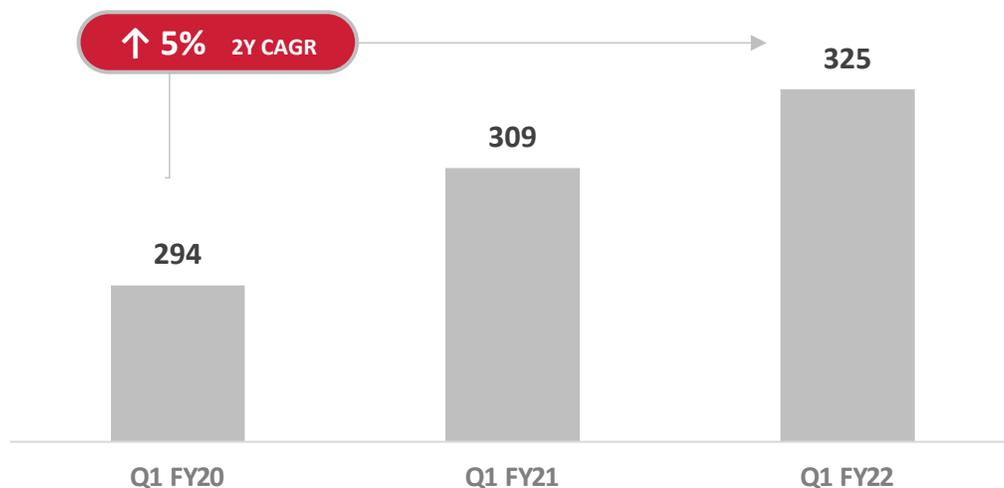
6 Leveraging Digital, Data and Analytics

- 91% Individual business sourced digitally in Q1 FY22
- 91% adoption of Auto Pay leading to strong renewals
- 47% adoption for Contactless Digital Verification (Insta-verify) for customers
- Conversion from Prospecting tool (Sales Buddy) at 4.5% in terms of policies sold in Q1FY22

Strong growth in New Business Premium

Individual FYP¹

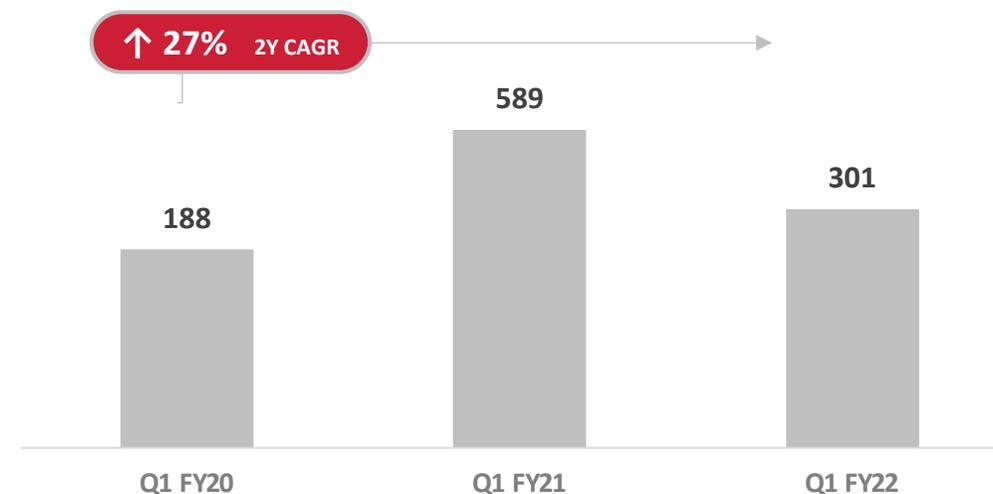
	ABSLI	Private Players	Industry
Δ Q1 FY'22	↑ 5% Y-o-Y	↑ 26% Y-o-Y	↑ 16% Y-o-Y
Δ Q1 FY'20	↑ 10% Y-o-Y	↓ -3% Y-o-Y	↓ -5% Y-o-Y



ABSLI Market Share² **4.4%**

Group New Business Premium

	ABSLI	Private Players	Industry
Δ Q1 FY'22	↓ -49% Y-o-Y	↑ 42% Y-o-Y	↑ 4% Y-o-Y
Δ Q1 FY'20	↑ 61% Y-o-Y	↑ 12% Y-o-Y	↓ -17% Y-o-Y



ABSLI Market Share² **4.1%**

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

Improving quality of business

Renewal Premium

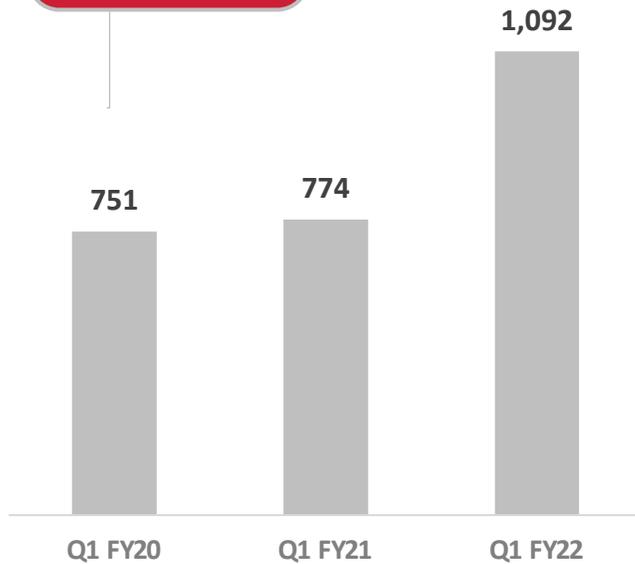
Renewal Growth

↑ 41% Y-o-Y

Digital Renewal

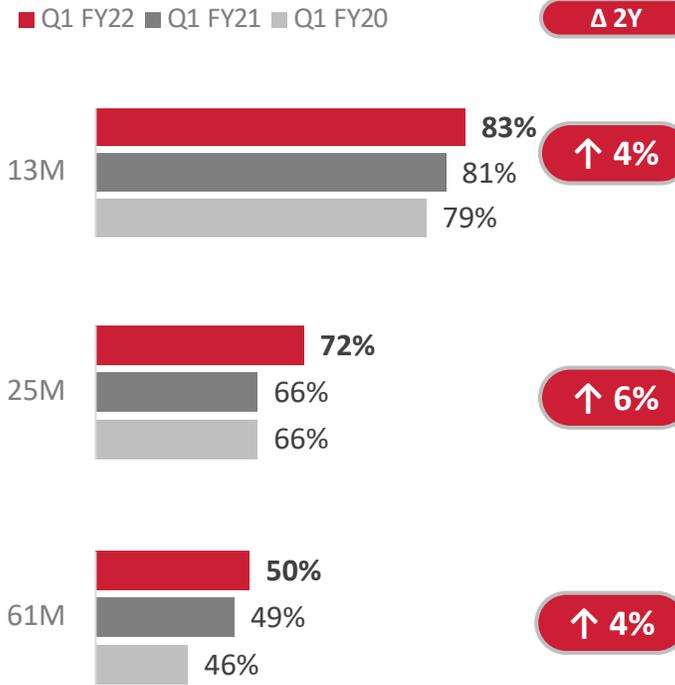
69% (PY: 64%)

↑ 21% 2Y CAGR



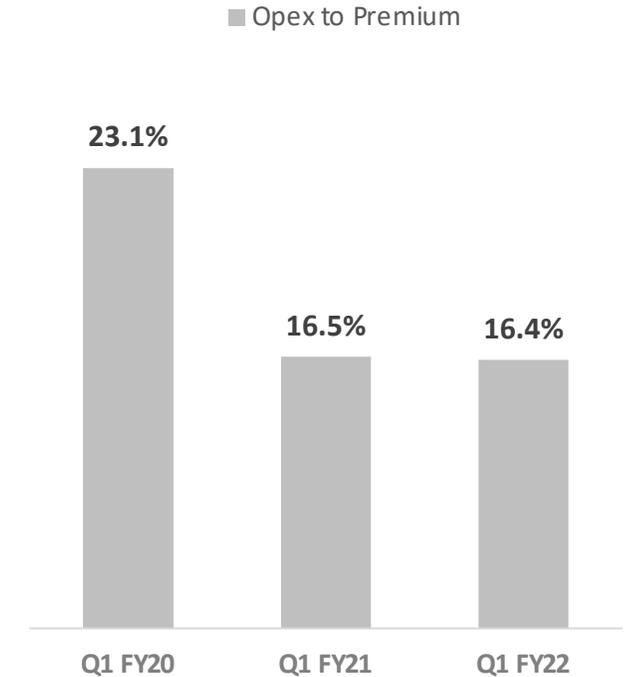
Persistency¹

Improving Persistency across all cohorts



Controlled Opex²

Controlled Opex to premium ratio

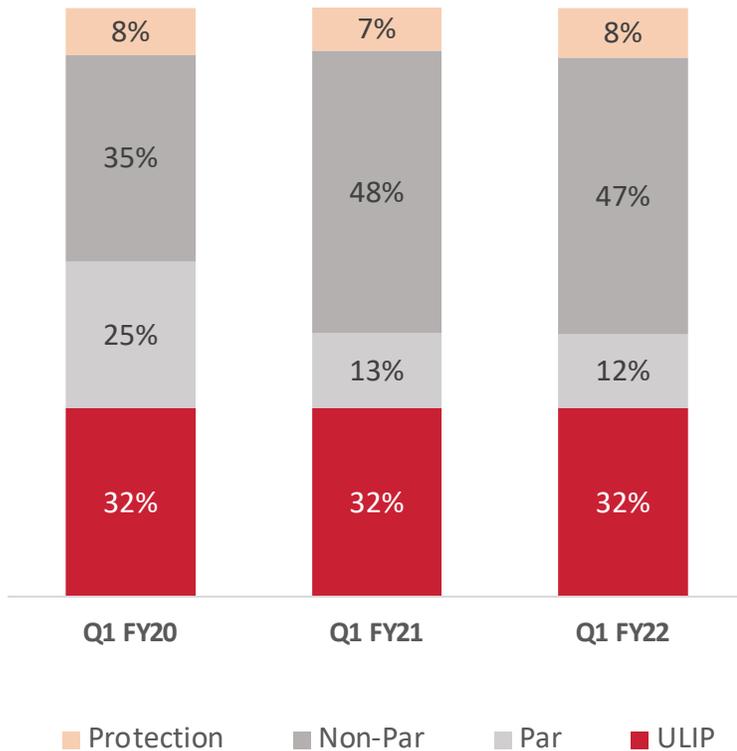


¹ 12month rolling block as per IRDAI ² % figures in the chart denote Opex to Premium ratio

Focus on value accretive product mix

Improvement in Product Mix

Protection Ind. FYP ↑ 41% y-o-y



Products and Risk Management

New products contributed to 8% of overall new business during Q1 FY22

New Product Launches in Q1 FY22

- **Wealth Infinia Plan**– launched with industry top features to attract HNI customers
- **Vision Life Income Plus** – launched to provide regular income & guaranteed return to customers

Protection share of Business

- **Achieved 8.4% protection share of FYP business with 19% growth in absolute terms**
- Major protection is coming from Medical underwriting

Active Risk Mitigation Strategy

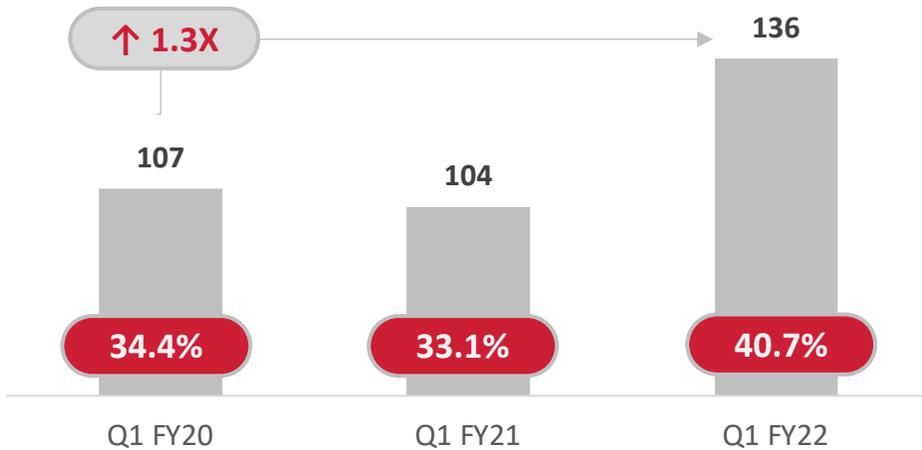
- **Intend to protect Policyholder's guaranteed benefits i.e. 100% of expected maturity and survival benefits even at low interest rate scenarios by using hedging instruments such as FRAs and others**
- Guarantees are actively monitored, and products are repriced for adjustments in Interest Rate

Improvement in VNB Margins

Gross VNB¹

Gross VNB Growth

↑ 31% Y-o-Y



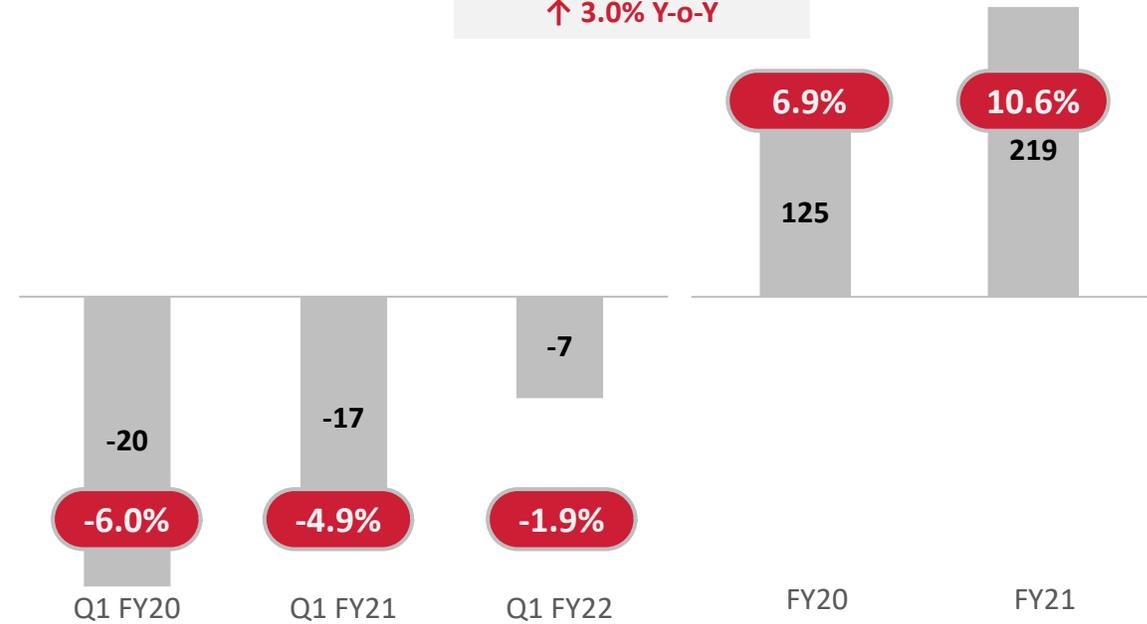
Gross VNB Margin

Strong Gross VNB driven by favourable product mix

Net VNB²

Net VNB Margin

↑ 3.0% Y-o-Y



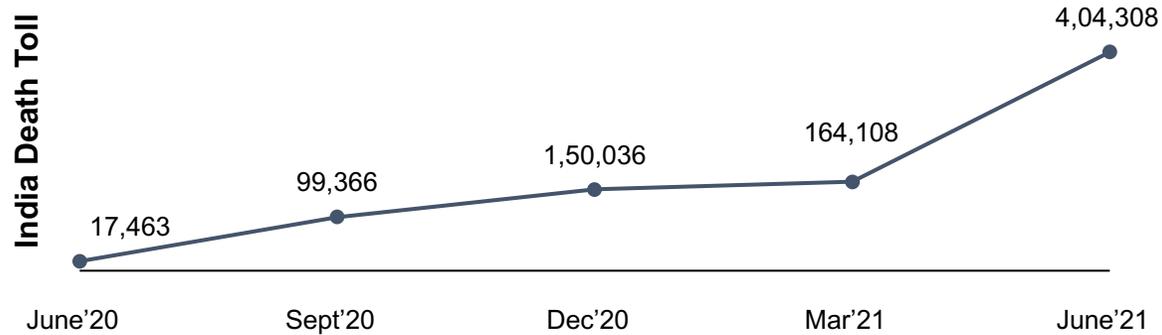
Net VNB Margin

Improvement due to efficient expense management and better Gross VNB

¹ Gross VNB is for Individual Life

² Net VNB includes Group Risk business

Country level



Vaccination Update as on 25th Jul'21

Dosage taken	Count (in Cr)	% of Total Population
1 st dose	34	25%
Both doses	9	7%

Total recovered cases in India as on 26th Jul'21 were ~ 3.1 Cr
Recovery rate of 98.6%

1. Source: www.worldometers.com;
2. Source: www.ourworldindata.org

ABSLI

- India's Q1 FY'22 Covid death count is 1.5x of FY21
- For ABSLI, Q1 FY22 Covid claims (#) were also **1.5x** of FY21
- Net of Reinsurance, Q1 FY22 Covid claims amounted to **Rs 108 Crore**; Company is carrying reserves of **Rs 100 Crore** for meeting any covid claims in Q2 FY22
- Excluding Covid, mortality experience is within the pricing assumptions

Digital Impact in Life Insurance

Progress on multiple vectors contributing to customer acquisition, service & retention across LOB's

Revenue Enablement through digital customer acquisition

91%+

Customers onboarded digitally in Q1 FY22

91%+

Auto Pay Adoption when onboarding a new customer in Q1 FY22

4.5%

Conversion to sales for prospecting tool for top 10 products in Q1 FY22

Rs.400+ Cr

Premium leveraging analytics-based models for up-sell in FY21

15%+

FYP contribution through pre-approved offers to existing customers in FY21

Customer experience and self servicing

69%+

Renewal Premium Collection done digitally in Q1 FY22

82%+

Count of Policies renewed digitally in Q1 FY22

47%

Contactless digital verification of new customers in Q1 FY22

80%+

Services available online as on Jun'21

40%

Customer transactions through Mobile/Tablets on the portal in Q1 FY22

Scalability & Automation of back-end processes and Systems

89%

Contribution of Digital interaction to total customer interactions in FY21

66 L

Total transactions processed digitally in FY21

53%+

STP service journeys (*end-to-end automated, no human intervention*)

280 APIs

5.1 million transactions in FY21 at 4x over last FY

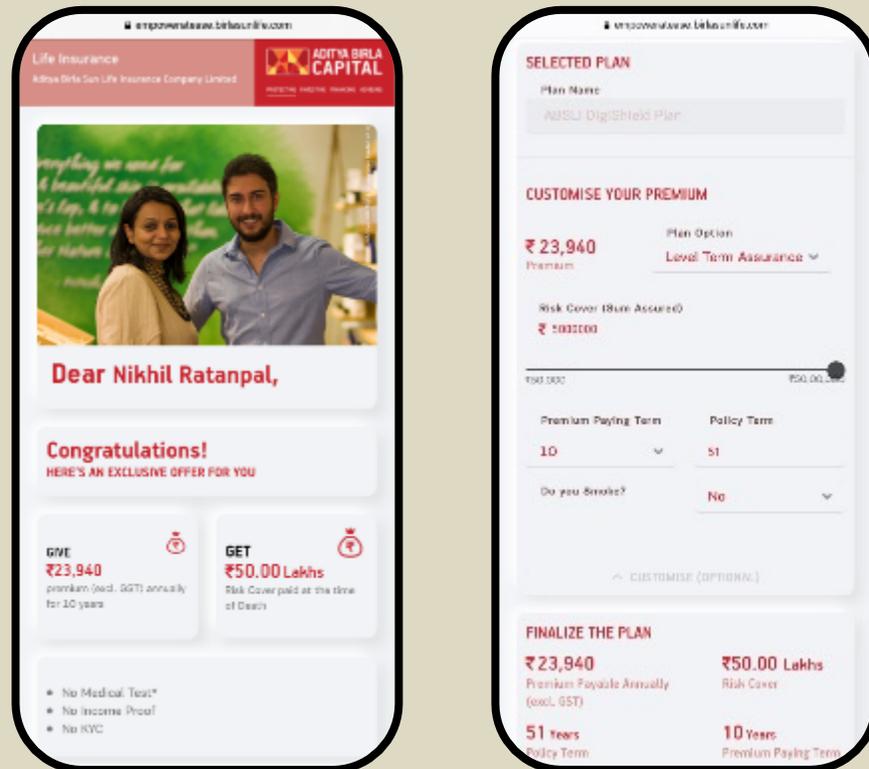
1.02 Bn

Total transactions on ESB in FY21 at 2x over last FY



PASA (Pre-Approved Sum Assured)

3 Click PASA Journey



Key Highlights

Business Impact

- PASA contributed Rs.42.25 Cr premium in Q1 FY22

AI based underwriting

- Automated underwriting basis external and internal data

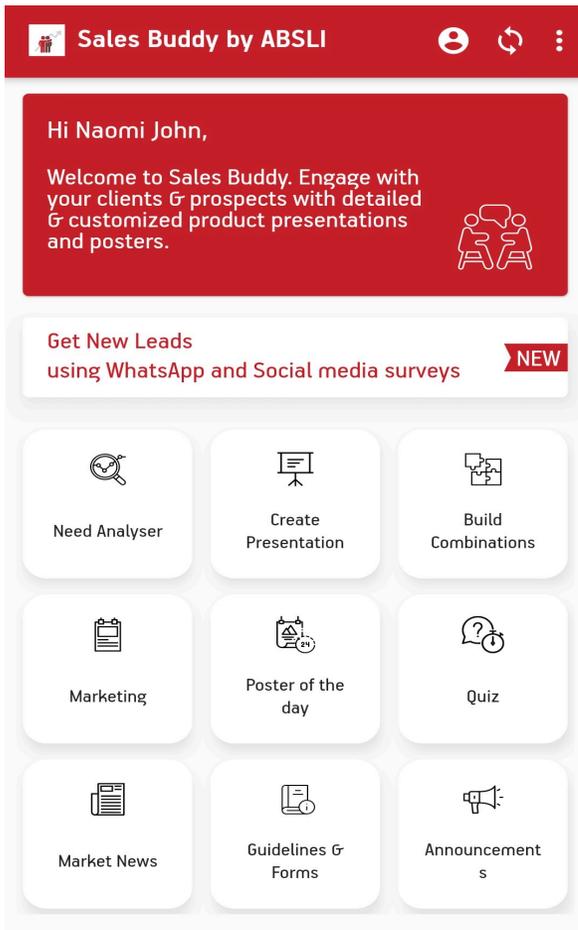
Issuance TAT

- 40% reduction in issuance TAT

Ease of purchase

- No Income Proof & No Medical Tests
- 3 click journey

Sales Buddy – Customer prospecting App



Quote Generation

- Easily create quotes for products & combinations
- Personalized & Simplified Illustrations

Digital Engagement

- Daily social media shareable content
- Sales pitch content repository

Get More Prospects

- lead generation tools as conversation Ice breaker
- Lead engagement dashboard

25%

Growth in active users

Active users increased by 25% over Q4

+71NPS

4.5 rated on app store

Steadily Increasing NPS from +58 at launch to +71 now

50%

Quotes

50% increase over Q4

4.5%

Conversion

For top 10 products adopted in Sales Buddy, conversion to Sales is 4.5%

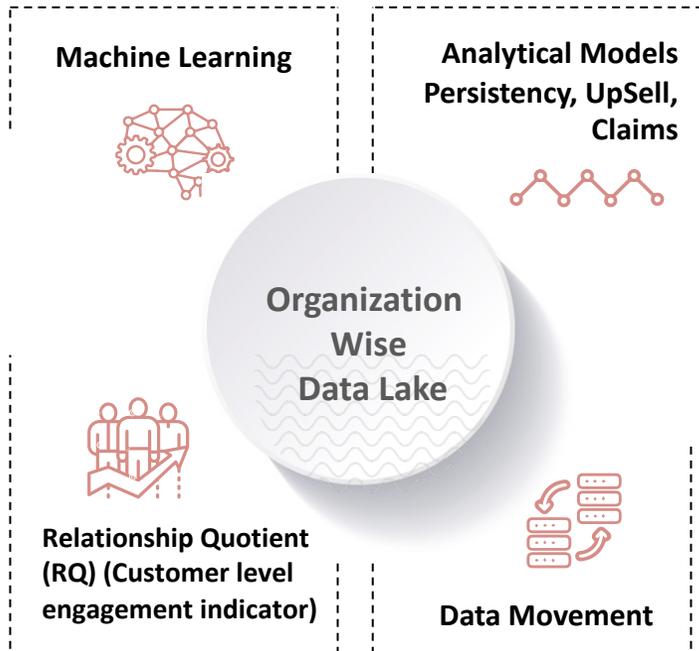
52%

Average time spent on the app

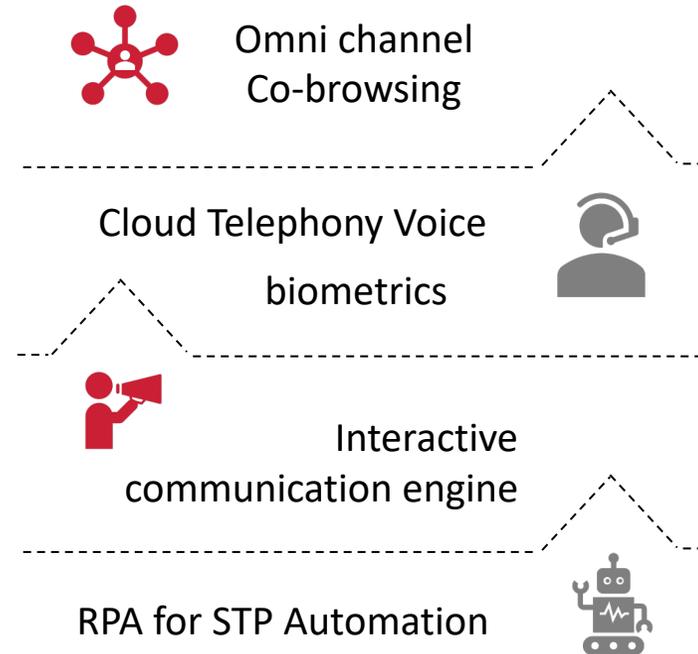
Up by 52% over Q4

Digital service experience

Harnessing power of data

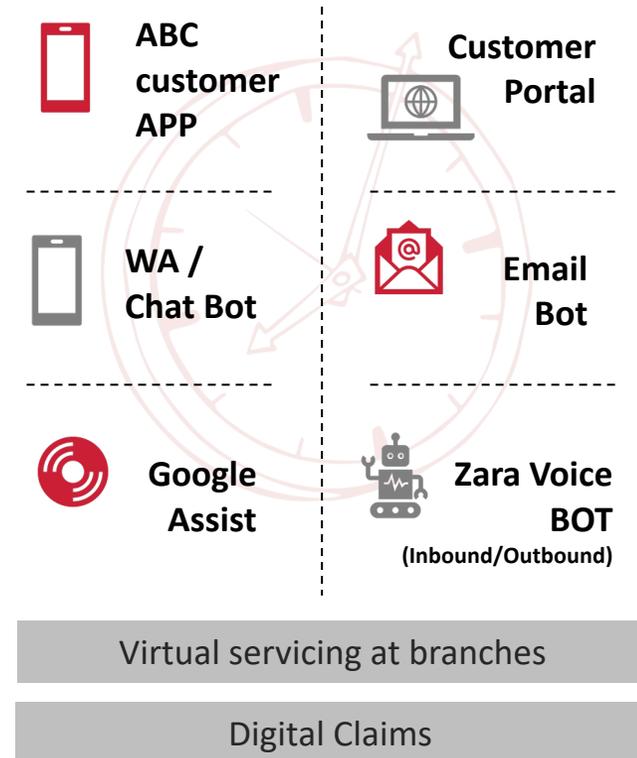


Enhancing processing capabilities



RPA – Robotic process automation | STP – Straight through processing

24/7 contactless servicing



83% services available digitally (13% up y-o-y)

Digital Interactions contribute 89% (11% up y-o-y), 66Lakhs transactions in FY21

Improvement in claims settlement ratio to 98% for FY21

Large and well-diversified distribution network

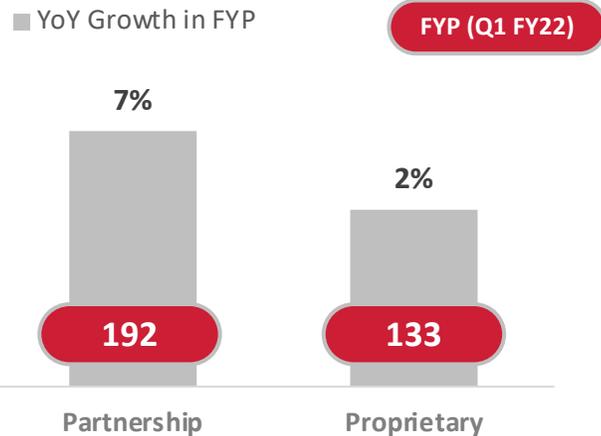


Pan India well diversified distribution scale

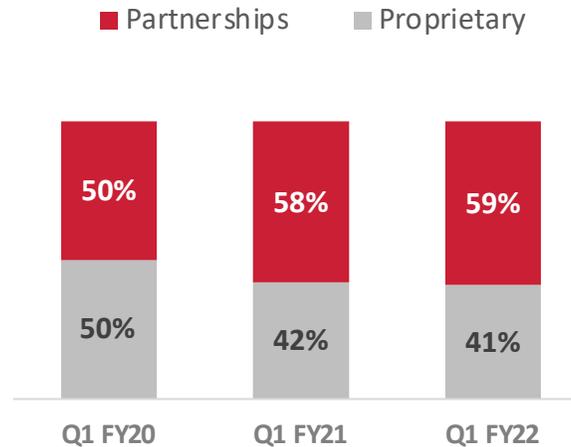


HDFC Bank, DCB, KVB, Indian Bank, DB, DBS, Ujjivan

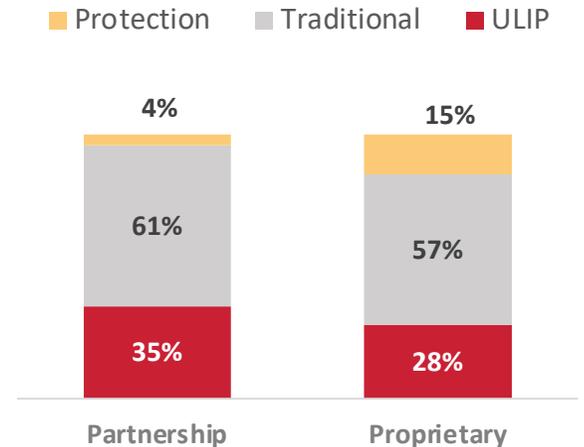
Strong growth across channels



Resulting in a balanced sourcing mix



Product Mix by Channel (Q1 FY22)



Key Financials – Aditya Birla Sun Life Insurance Limited



Quarter 4	Figures in Rs Crore	Quarter 1	
FY 20-21 (PY)	Key Performance Parameters	FY 20-21 (PY)	FY 21-22 (CY)
739	Individual First year Premium	328	369
597	Group First year Premium	589	301
1,856	Renewal Premium	774	1,092
3,193	Total Gross Premium	1,690	1,763
437	Opex (Excl. Commission)	278	289
13.7%	Opex to Premium (Excl. Commission)	16.5%	16.4%
19.2%	Opex to Premium (Incl. Commission)	21.1%	21.5%
44	Profit Before Tax	29	31
35	Profit After Tax	17	19

Health Insurance

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



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Performance Summary | Health Insurance | AB Health Insurance Co

1 Sustained strong growth

- Sustained strong growth: Q1 FY22 Total GWP at Rs 368 Crore, ↑ 50% of LY in spite of higher base effect of last year (Q1 FY21: ABHI ↑ 72% y-o-y | SAHI ↑ 21% y-o-y)
- Q1 FY22 Retail GWP at Rs 260 Crore; ↑ 1.45x of LY
- Q1 FY22 Total Lives covered: 14.4 Million (LY: 8.9 Million); ↑ 1.6x y-o-y

2 Strong financial management

- Q1 loss at Rs 128 Crore (LY: Rs 58 Crore) → due to CoVID claims at Rs 112 Crore
- Share of CoVID claims at 1.7% vs GWP market share of 2%
- Combined Ratio ↑ 154% (LY: 132%) | Combined ratio normalized for CoVID claims at 110%
- Breakeven on track for Q4 in the absence of significant third wave

3 Unique and Differentiated health first Business Model

- Early success with 100% return of premium (HealthReturns™) contributing >50% of retail health new business
- WellBeing Score driven by 180+ customer health data points live for 5.65 Lac customers | 25% higher retention & 6% ↓ claims for engaged customers
- Risk Based Segmented intervention by leveraging ecosystem of 60+ partners

4 Scaled & Diversified Distribution

- Agency Q1 growth 70% (LY: 66%) | 35 new branch locations operational with total footprint expanding to 175 locations
- Diversified distribution mix → Banca mix 61% (LY: 66%) | Onboarding 3 new banks in Q2
- 78+ digital, rural & MFI partners with 10 Mn+ lives

5 Leveraging Digital capabilities

- Active Health App ecosystem → End to end customer acquisition, servicing, retention & health based engagement | 40+ features Live
- 93% of customer services from onboarding to retention digitally enabled
- Digital office: One stop digital sales solution to drive virtual agency expansion
- First health insurer with comprehensive multilingual Chatbot, App & Website

6 Enhanced Analytical capabilities

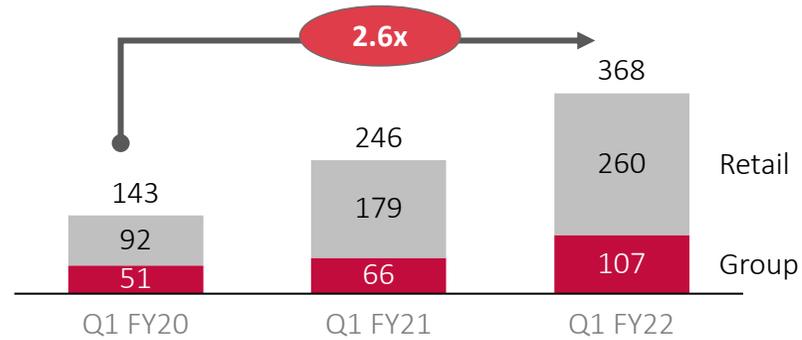
- PASA campaign 5Mn.+ offers | Automated UW engine → 1000+ STP clusters
- Propensity based renewal calling | NLP based VoC insights for non-renewals
- Facial Recognition & Micro Expression driven Health Calculators live for Health Assessment and risk selection
- FWA predictive model for TPA & in-house Claims (Savings Rs.8 Cr)

Business Outcomes

GWP growth at 1.5x y-o-y

Retail GWP grew to 1.45x of PY (Retail Mix at 70%)

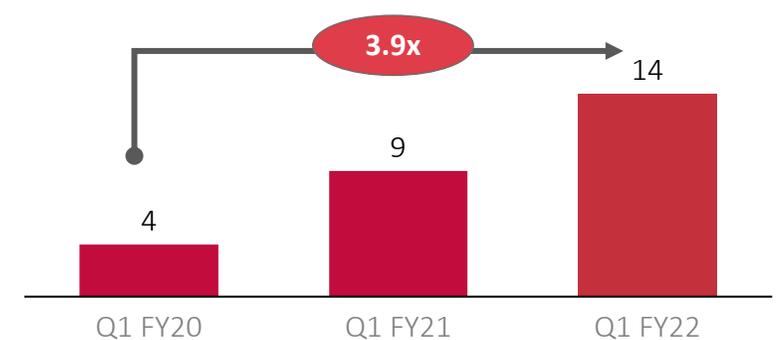
Revenue (Rs. Mn.)



Lives covered growth at 1.6x y-o-y

10.3 Mn.+ through rural & micro/ byte-sized products

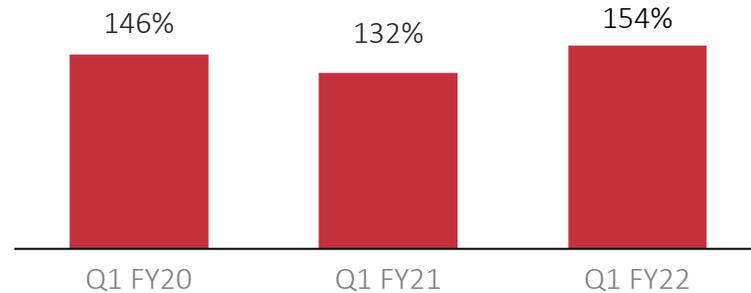
Lives Covered (Mn)



Q1 FY22 exit combined ratio at 154%

Q1 FY22 Combined ratios normalized for CoVID claims at 110%

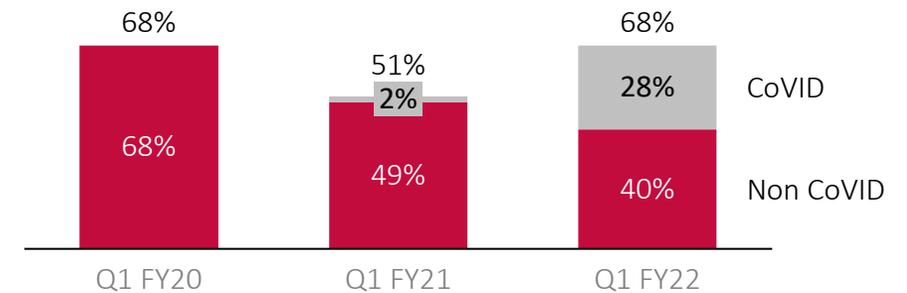
Combined Ratio*



Q1 FY22 ratio at 68%

Claims ratio shot up due to CoVID

Claims Ratio¹



Health data based hyper-personalized engagement

Attracting health conscious customers

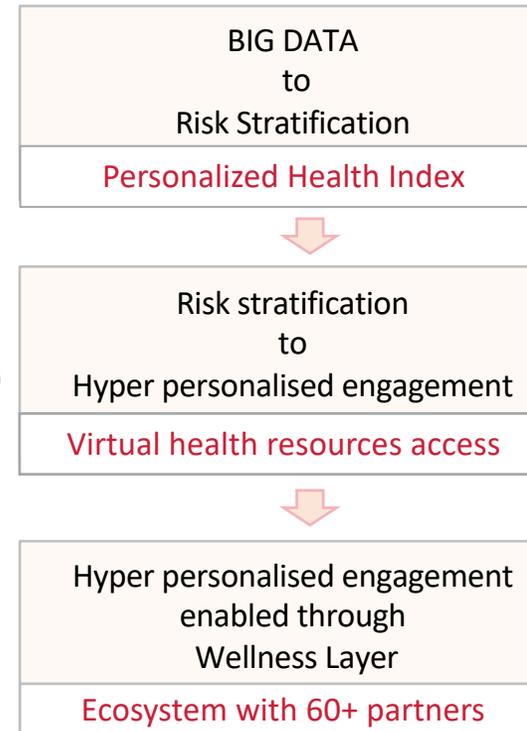
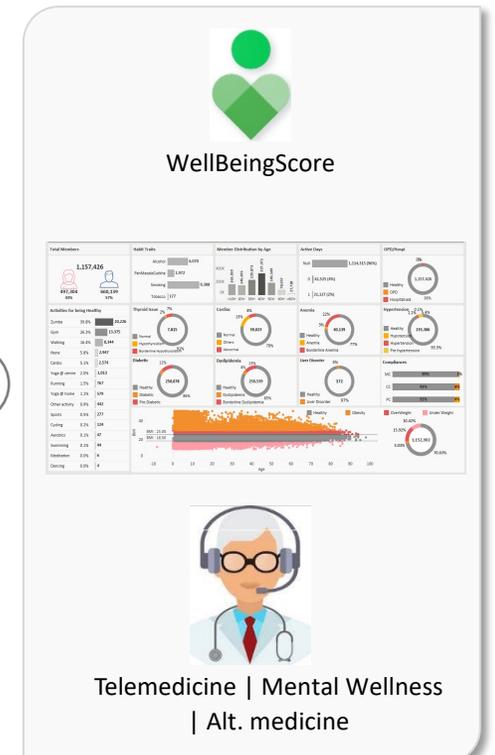


Keeping customer pools healthier

Distinctive Capabilities

BIG DATA

- 180+ data points captured
- Real time data - App & wearables
- Active Dayz | Healthy Heart score | WellBeing score

WellBeingScore

Telemedicine | Mental Wellness | Alt. medicine

Avg. customer age < 5 years vs Industry

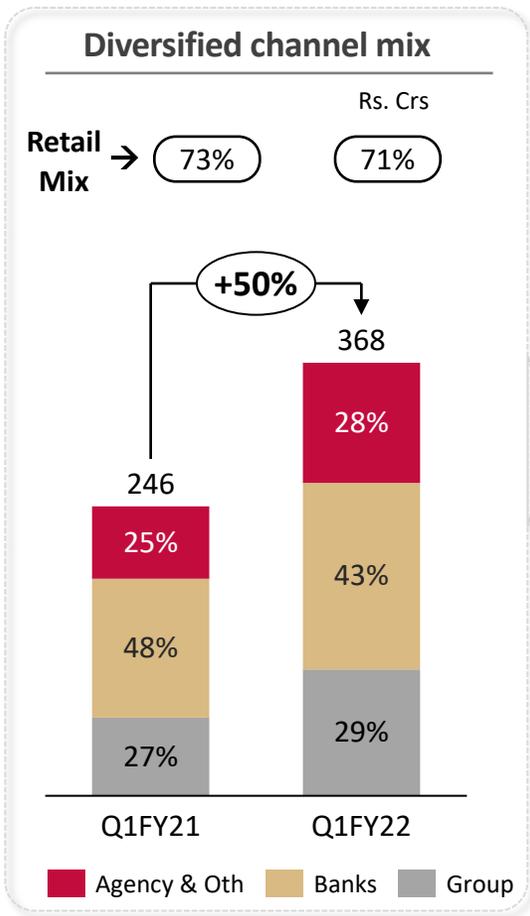
WBS live for 565K+ customers

25% higher persistency for engaged customer

6% lower claims ratio for engaged customer

Scaled-up, diversified and digitally enabled distribution

Multi-channel & Digitally enabled distribution



➤ **Agency:** Scalable channel with 175 branch locations | Agency GWP ↑ +1.7x of PY | ABC synergy → agent base expansion

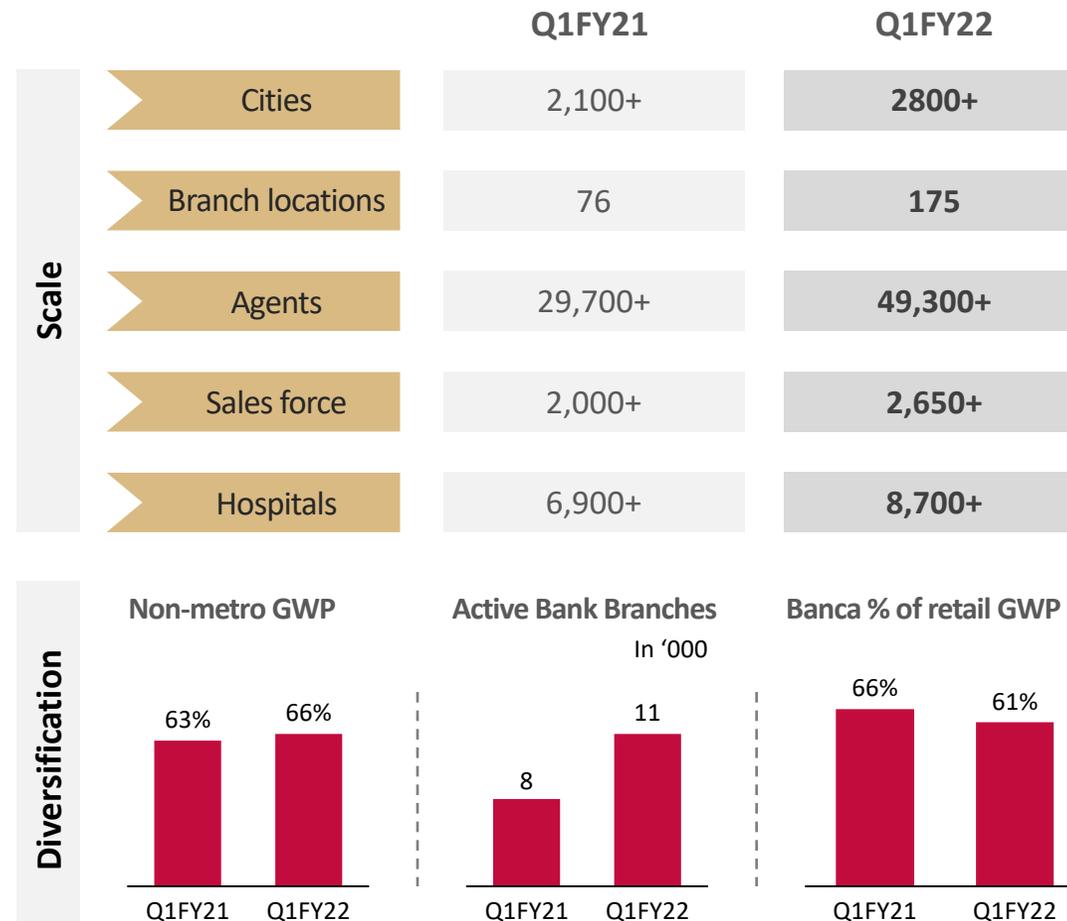
➤ **Bancassurance:** 9 partners → 16000+ branches | Banca mix at 61% of retail

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

➤ **Rural & MFI Partners:** 40+ partners covering 6 Mn.+ lives

➤ Dedicated ABG focused channels showing good results

Diversified and scaled network



Digital impact metrics for Health Insurance



Progress on multiple vectors contributing to customer acquisition, retention & process efficiencies

Selling/ Onboarding

- Digital : API Integrations; 4-click journey live
- Targeted digital marketing campaigns 20L+ views
- Co-Browsing on buy journey

Engagement

- 24*7 self service through multilingual chatbot
- Bot led end to end renewal journey
- Customer outreach mgmt system (outreach ↑ 50%)

Ecosystems

- Deep partner ecosystem integration; Omni-channel click-thru renewal journey
- Leveraging Digital partnerships: 38+ partners covering 4Mn.+ lives | 50+ byte-size and contextual products

Analytics

- Propensity based renewal calling
- Rs 12 Crore GWP sourced through analytics
- 19% renewal premium collection through analytics driven campaigns in Q1 FY22

Revenue Enablement though digital customer acquisition

98%+

of customer onboarded digitally in Q1 FY21

4 mn+

Byte size lives covered through integration with ecosystem partners

51%+

Welcome Calls to customers through voice bots in Q1 FY21

48 lac

Screen views per month on Activ App & website with 40+ live features

Customer Advocacy through Self Service Channels

93%

Services available digitally as on Jun'21

73%

Increase in multi-lingual WhatsApp chatbot self-servicing over Q1 FY21

~6 lac

WellBeing score live for hyper-personalized interventions as on Jun'21

92%

Digital Renewals by multiple channels (incl. Propensity model & bot-led calling)

Scalability & Automation of back-end processes and Systems

80%+

Policies issued through STP service in Q1 FY22

41%

Reimbursement claims documents processed digitally through OCR in FY21

10k+

Customers reached out in a day for renewals through Voice Bot in Q1 FY22

12

Inbound IVR Audio Visual Bots for 24X7 response to top customer requests as on Jun'21

All metrics for Q1 FY22 unless specified

Customer Experience – Activ Health App

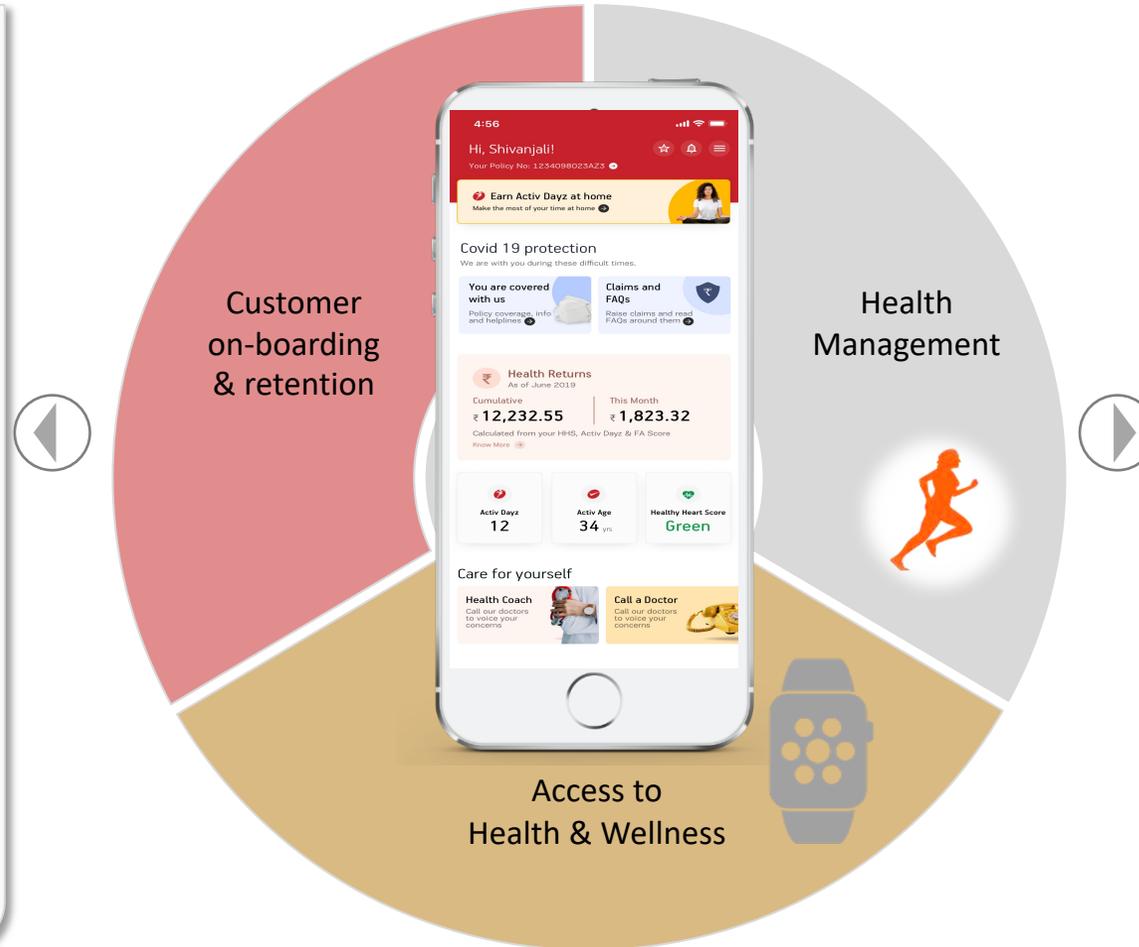
40+ features Live on Activ Health App

- Fresh & renewal premium
- Customer self service
- Raise & track claims

- Telemedicine & 2nd opinion
- Gyms & Pharmacy
- Community engagement

- Personalised health recommendations
- Digital health records (EHR)
- Wellbeing Score

Industry first multilingual App

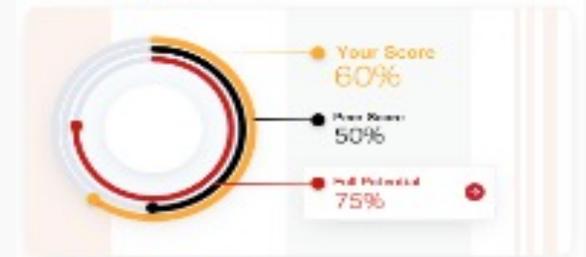


Early success metrics

18% digital self-service -> App

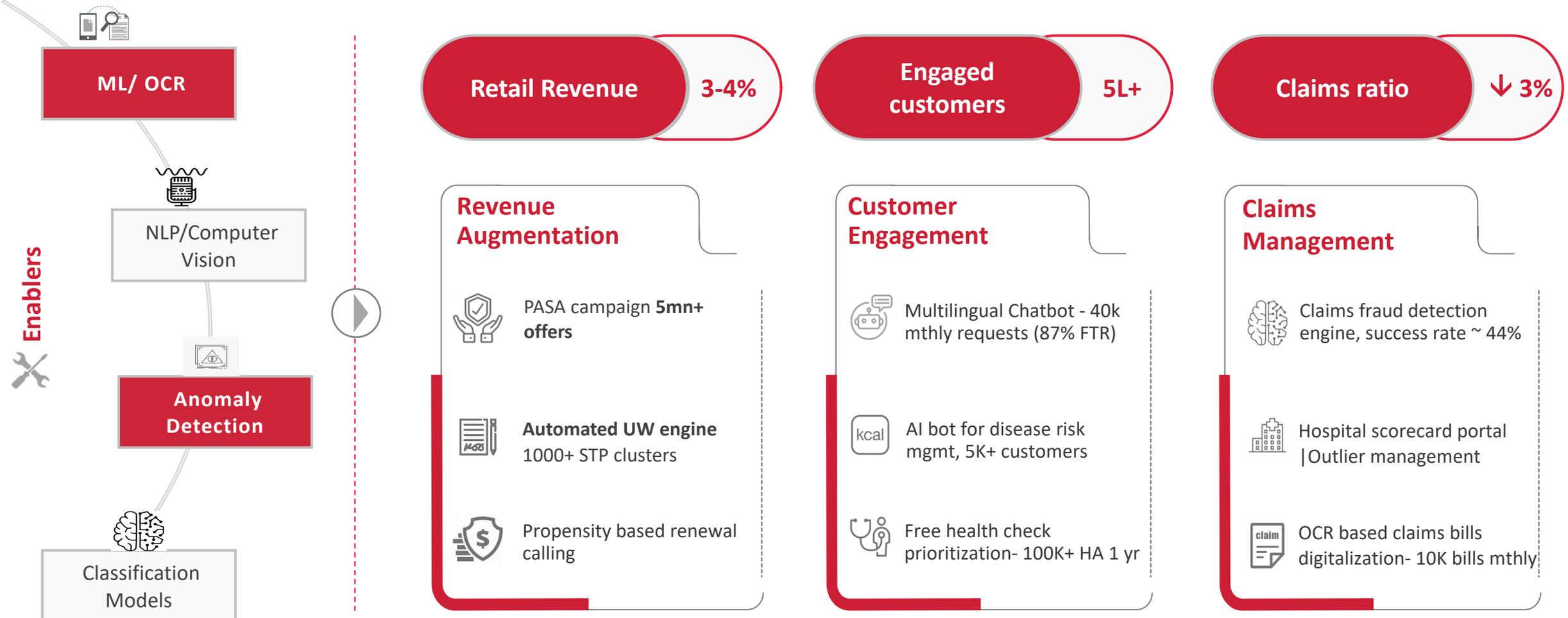
Screen views 48L per month

My Wellbeing Score



Leveraging data and analytics

Data Augmentation - leveraging unstructured data & external sources



Key Financials – Aditya Birla Health Insurance Limited



Quarter 4	Figures in Rs. Crore	Quarter 1	
FY 20-21 (LY)	Key Performance Parameters	FY 20-21 (LY)	FY 21-22 (CY)
308	Retail Premium	179	260
134	Group Premium	66	107
441	Gross Written Premium	246	368
425	Revenue	222	350
199	Operating expenses	148	154
(24)	Profit Before Tax (IND AS)	(58)	(128)

Other Updates



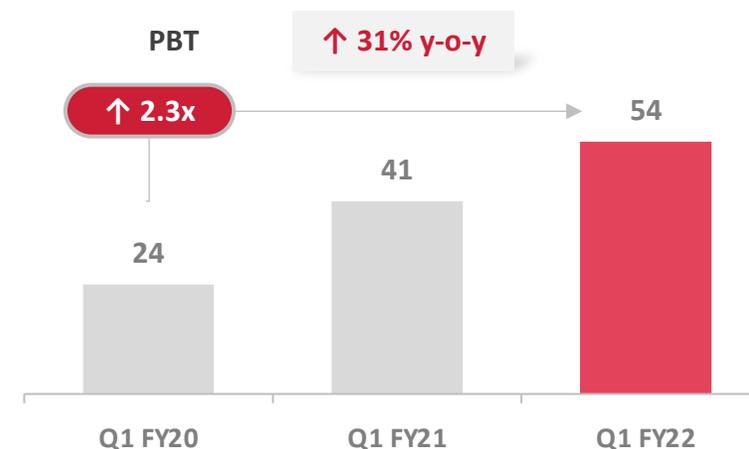
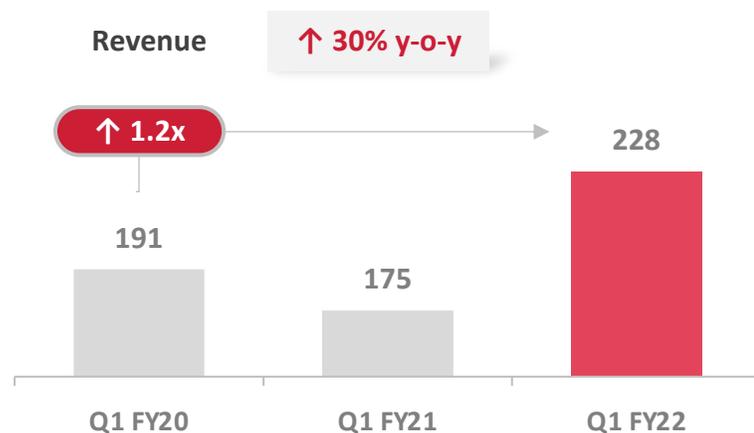
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PROTECTING INVESTING FINANCING ADVISING

Other Financial Services Businesses



Strong performance across financial metrics across these businesses



General Insurance Broking

	Q1 FY21	Q1 FY22	Δ
Premium Placement	1,066	1,323	↑ 24%
Revenue	104	147	↑ 41%
PBT	29	37	↑ 29%

Stock & Securities Broking

	Q1 FY21	Q1FY22	Δ
# Customers (Active)	1.12 Lac	1.24 Lac	↑ 10%
Revenue	44	53	↑ 19%
PBT	5	8	↑ 57%

Asset Reconstruction Company

	Q1FY21	Q1FY22	Δ
Closing AUM	2,564	1,978	↓ 23%
Revenue	20	21	↑ 4%
PBT	8	10	↑ 15%

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

Consolidated Profit & Loss



Quarter 4	Figures in Rs Crore	Quarter 1		
FY 20-21 (PY)	Consolidated Profit & Loss	FY 20-21 (PY)	FY 21-22 (CY)	
5,587	Revenue	4,034	4,299	↑ 7%
420	Profit Before Tax (before share of profit/(loss) of JVs)	235	318	
80	Add: Share of Profit/(loss) of associate and JVs	50	80	
500	Profit Before Tax	285	398	
(117)	Less: Provision for taxation	(98)	(127)	
8	Less: Minority Interest	(11)	(32)	
375	Net Profit (after minority interest)	198	302	↑ 52%

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

Financial Snapshot



Figures in Rs. Cr.	FY17	FY18	FY19	FY20	FY21	CAGR (FY17 - FY21)	Q1 FY21	Q1 FY22	Y-o-Y
Lending Book	38,839	51,379	63,119	59,159	60,557	12%	58,073	57,182	(2%)
Gross Insurance Premium	5,778	6,146	8,008	8,882	11,076	18%	1,935	2,130	10%
Active Customers (Mn)	10	11	12	20	24	24%	19	25	30%
Assets under Management	2,46,159	3,05,372	3,04,322	3,05,587	3,35,919	8%	2,72,488	3,43,266	26%
Revenue ¹	11,071	12,841	16,570	17,927	20,447	17%	4,292	4,632	8%
Profit Before Tax	1,150	1,438	1,797	1,687	1,973	14%	365	525	44%
NBFC	837	1,051	1,328	1,053	1,031	5%	189	315	67%
Asset Management	337	523	647	661	696	20%	130	206	58%
Life Insurance	124	130	131	137	151	5%	29	31	8%
Housing	(16)	34	107	136	176	-	36	49	39%
General Insurance Broking	39	39	27	42	71	16%	29	37	29%
Stock & Securities Broking	8	10	14	17	22	29%	5	8	57%
ARC Business	-	-	(3)	24	37	-	8	10	15%
Health Insurance	(89)	(197)	(257)	(246)	(199)	-	(58)	(127)	-
Interest and Brand expenses	(1)	(87)	(124)	(117)	(10)	-	(2)	(1)	-
Others ² / Eliminations	(89)	(66)	(73)	(21)	(3)	-	(0)	(3)	-
Consolidated PAT (after minority)	573	693	871	920	1,127	18%	198	302	52%

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 (Excl. interest and Brand expenses), Digital Technology & Services, Private Equity, ABMM, other businesses

³ Figures of FY17 are as per IGAAP, whereas for FY18 onwards are as per Ind AS

⁴ ABNL transferred its 51% stake in Aditya Birla Sun Life Insurance (ABSLI) to ABCL w.e.f 23rd March 2017. FY17 financials have been re-stated including earnings of ABSLI for full year to make performance comparable.

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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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Stocks & Securities

Portfolio
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Services

Pension Funds

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fulfill their needs
and desires without
any delay

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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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