

# FINANCIAL RESULTS – Q3 FY20

MUMBAI

31<sup>st</sup> January 2020



**ADITYA BIRLA  
CAPITAL**

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**A Leading Financial Services Conglomerate**

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

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

# Key highlights



Consistent profit delivery from diversification;  
Consolidated ABCL Q3 PAT grew by **17% y-o-y**;  
YTD PAT grew by **27% y-o-y**



Ind. APE<sup>1</sup> YTD grew by **14% y-o-y** in Life Insurance,  
Net VNB margin **improved 340 bps y-o-y**



Health Insurance Q3 GWP grew **67% y-o-y** to  
~ **Rs 231 Crore** with retail mix at **74%** with **6.5 million (5x y-o-y)** lives covered



AMC equity mix increased to **37%** with YTD PBT  
to AAUM<sup>2</sup> at **28 bps (PY: 25 bps)**



Q3 AMC PAT increased by **19% y-o-y**, with  
consistent improvement in YTD RoE to **37%**



NBFC Q3 NIM<sup>3</sup> expanded y-o-y by **41 bps** to  
**5.24%**; Retail loan book grew by **30% y-o-y**



NBFC YTD PAT<sup>4</sup> grew by **15% y-o-y**, YTD RoA<sup>4</sup>  
at **2.0%**



HFC Q3 PAT<sup>4</sup> grew by **31% y-o-y**, YTD RoE<sup>4,5</sup> at  
**9.9% (PY: 5.4%)**; Retail Mix at **95%**



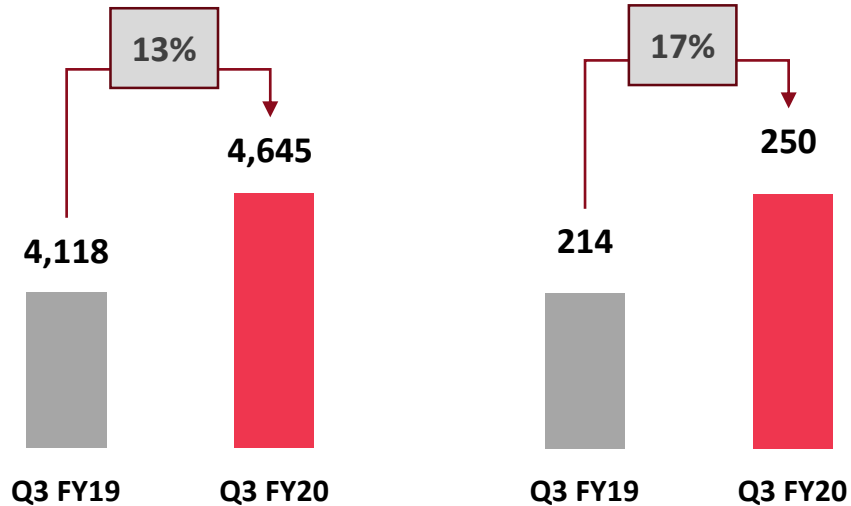
Lending businesses raised LT funds of **Rs 11,000+ Crore** in YTD Dec'19



ARC AUM at ~**Rs 2,900 Crore** within a year of  
operation

# Q3 FY20: Key Financials

## CONSOLIDATED



Revenue<sup>1</sup>

PAT

*Continue to deliver consistent PAT growth*

## Figures in Rs Crore

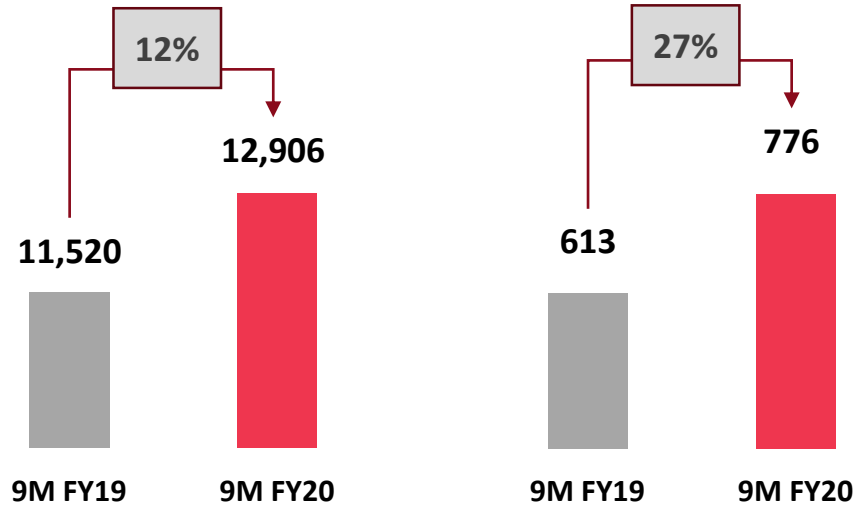
Businesses	Quarter 3		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)	
NBFC	212	203	
Asset Management	109	130	↑ 19%
Life Insurance	38	27	
Housing	21	27	↑ 31%
General Insurance Broking	3	5	↑ 2x
Stock & Securities Broking	2	3	↑ 18%
<b>Profitable Businesses PAT</b>	<b>384</b>	<b>396</b>	↑ 3%
Health Insurance	(54)	(53)	
Less: Interest Cost	(29)	(14)	
Less: Brand & Marketing	(11)	(9)	
Less: Others <sup>2</sup> / Eliminations	(29)	(16)	
Less: Minority Interest	(47)	(54)	
<b>Consolidated PAT</b>	<b>214</b>	<b>250</b>	↑ 17%

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

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

# 9M FY20: Key Financials

## CONSOLIDATED



Revenue<sup>1</sup>

PAT

**Continue to deliver consistent PAT growth**

YTD FY20 Consolidated PAT (ex-DTA impact) grew by 37%

## Figures in Rs Crore

Businesses	Nine Months		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)	
NBFC	642	684	↑ 7%
Asset Management	316	395	↑ 25%
Life Insurance	52	81	↑ 56%
Housing	43	82	↑ 90%
General Insurance Broking	19	31	↑ 63%
Stock & Securities Broking	7	9	↑ 36%
<b>Profitable Businesses PAT</b>	<b>1,079</b>	<b>1,282</b>	<b>↑ 19%</b>
Health Insurance	(191)	(188)	
Less: Interest Cost	(62)	(72)	
Less: Brand & Marketing	(26)	(29)	
Less: Others <sup>2</sup> / Eliminations	(90)	(61)	
Less: Minority Interest	(97)	(157)	
<b>Consolidated PAT</b>	<b>613</b>	<b>776</b>	<b>↑ 27%</b>

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

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

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# Diversified portfolio with value accretive growth

Figures in Rs Crore

## Focus on growth in high margin segments

- Strong retail momentum ↑ 30% y-o-y
- SME secured TL/WCDL ↑ 17% y-o-y
- Structured Finance ↓ 50% y-o-y

## Expanding footprint to tap new markets

Plan to open 150-200 branches over 18-24 months

## NIM<sup>1</sup> expanded y-o-y by 41 bps to 5.24%

## Marginal drop in quarter profitability in a challenging market environment

YTD PAT<sup>2</sup> at Rs 739 Crore (grew 15% y-o-y)

Reported PAT: Rs 684 Crore (grew 7% y-o-y)

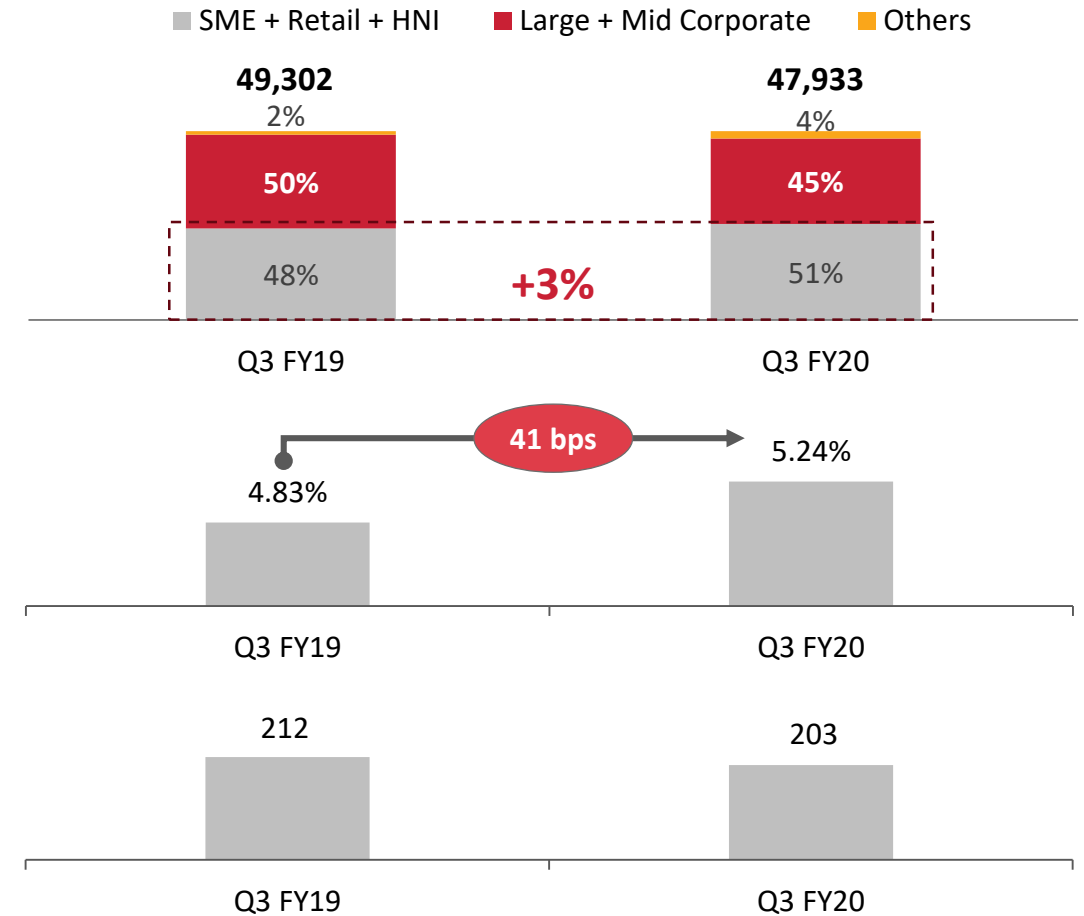
## YTD RoE<sup>2,3</sup> at 13.5% & RoA<sup>2,3</sup> at 2.0%

Closing leverage at 5.2x (PY: 5.9x)

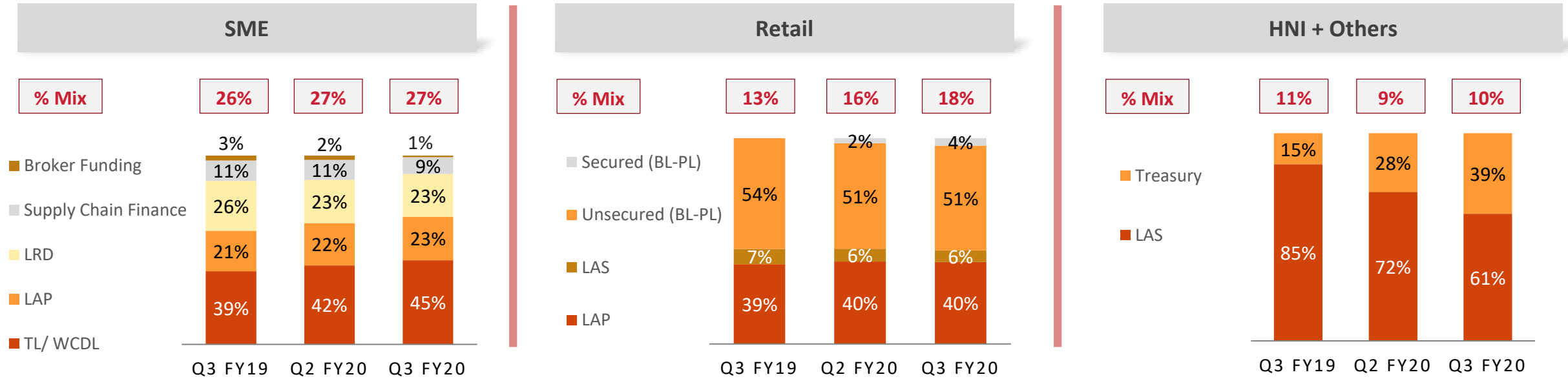
Loan book composition shift underway

Improving Net Interest Margins<sup>1</sup>

Profit after Tax



# Building granularity with ticket sizes reducing across segments



### SME

- **ATS: Rs 4.9 Crore (↓ 27% y-o-y)**
- **Focus on secured TL/WCDL, grew by 17% y-o-y; Backed by future cash flows and adequate security cover of ~1.75x**

### LAP & LRD

- **LAP ATS: Rs 2.0 Crore (↓ 26% y-o-y)**
- **LAP LTV of ~50%**
- **Selective approach in LRD, degrew 13% y-o-y**

### Retail

- **ATS: Rs 5 Lacs (↓ 27% y-o-y)**
- **Scaling up newly launched small business secured loan segment**
- **Identified new segments for growth – Travel, Healthcare and Education**

### LAS

- **Overall book reduced by ~36% y-o-y**
- **No stage- 3 exposure**
- **~80% of LAS exposure in securities of companies having M.Cap > Rs 10,000 Crore**

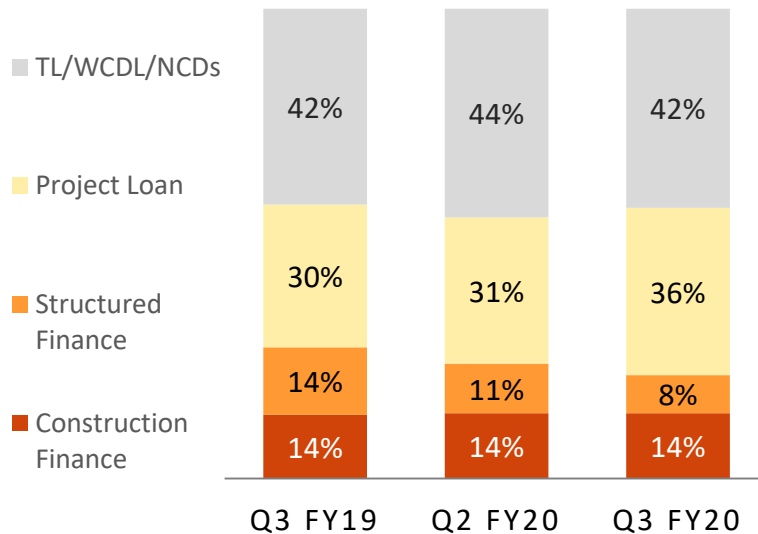


# Selective approach in Large and Mid Corporate segment

Figures in Rs Crore

## Large & Mid Corporate

<b>% Mix</b>	<b>50%</b>	<b>47%</b>	<b>45%</b>
<b>Loan Book</b>	<b>24,490</b>	<b>22,647</b>	<b>21,720</b>



## Portfolio Update

- ~Rs 1,750 Crore run down of structured finance book over 1 year (↓ 50% y-o-y)
- Top 20 customers in large and mid corporate contribute ~10% of overall Loan Book
- No stage-3 in Top 20 accounts
- Exposure to Aditya Birla Group companies < 1% of overall Loan Book

## Project Loan (16% of overall Loan Book)

- No stage-3 exposure
- Funding towards projects with ring-fenced cashflows
- 96% of exposure has recourse to cash flows from operational projects; balance 4% of projects have recourse to pedigreed sponsors

## Large & Mid Corporate Concentration

Ticket Size Range	# of Customer	% of Total Book
0 – 50	191	7%
51 – 100	73	11%
101 – 200	59	18%
201 – 400	16	9%
<b>Total</b>	<b>339</b>	<b>45%</b>

## Construction Finance (6% of overall Loan Book)

- No stage-3 exposure | No luxury residential project exposure
- 90%+ exposure to Mumbai, Pune, Bangalore, Chennai and Noida | No other NCR exposure
- 30% of o/s as on 31<sup>st</sup> Dec 2019 repaid out of sales proceeds in last 1 year
- Average actual loan tenor 2.5 years

# Stage-wise assets and ECL Provisioning

Figures in Rs Crore

## Gross Stage 3 (excl. IL&FS) at 2.26%

Increase of 0.83% due to 3 corporate accounts

- All 3 exposures are secured and adequately collateralised
- Provision of Rs 80 Crore on above 3 accounts
- Resolution process is on-going

## Secured loan book at ~80% of total

Primarily focused on cash flow-based underwriting

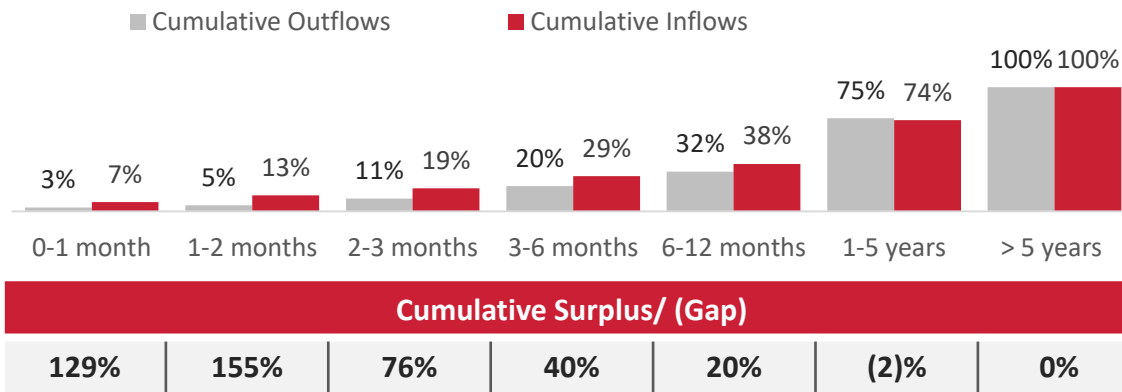
## Rs 220 Crore of exposure to 4 IL&FS entities categorized as stage 3

Rs 62 Cr provided for ECL on the above exposure

Asset Quality	Q2 FY20		Q3 FY20	
Gross Stage 1 & 2	98.15%		97.27%	
	Excl. IL&FS	IL&FS	Excl. IL&FS	IL&FS
Gross Stage 3	1.39%	0.46%	2.26%	0.46%
Less: ECL Provision	0.48%	0.13%	0.65%	0.13%
Net Stage 3	0.91%	0.33%	1.62%	0.33%
Provision Coverage	35%	28%	29%	28%

# Well matched ALM with diversified borrowing mix

## ALM optimised for liquidity and costs



## Raised LT borrowing of ~Rs 8,400 Crore in 9M

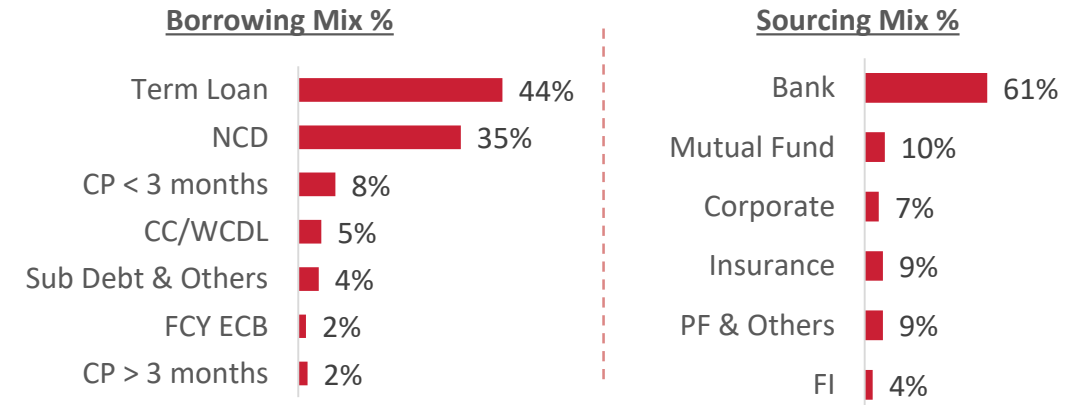
Term Loans: Rs 4,400 Crore (Sanctioned ~ Rs 4,900 Crore)

NCD: ~Rs 3,050 Crore; ECB: ~ Rs 950 Crore

## Adequate liquidity to meet growth requirements

- Maintaining cash and cash equivalent for liquidity
- Undrawn CC/WCDL of Rs 3,800+ Crore and additional ECB sanction of USD 70 Mn (not considered in ALM above)

## Diversification across instruments and investors



## Continue to broad base investor profile

Institutional investor base increased to 497

## Maintaining comfortable capital adequacy

Q3 FY20: CRAR at 19.7% (PY: 17.4%)

## Additional sanction of Rs 2,200 Crore in Jan'20

From LIC (Rs 1,000 Crore) and SIDBI (Rs 1,000 Crore)

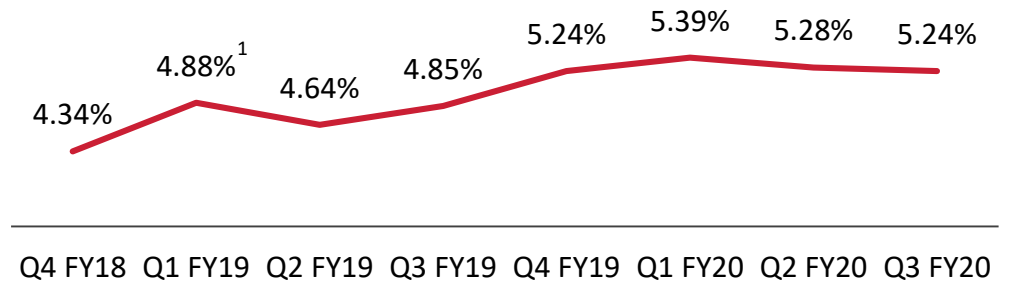
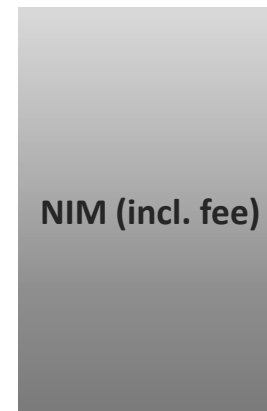
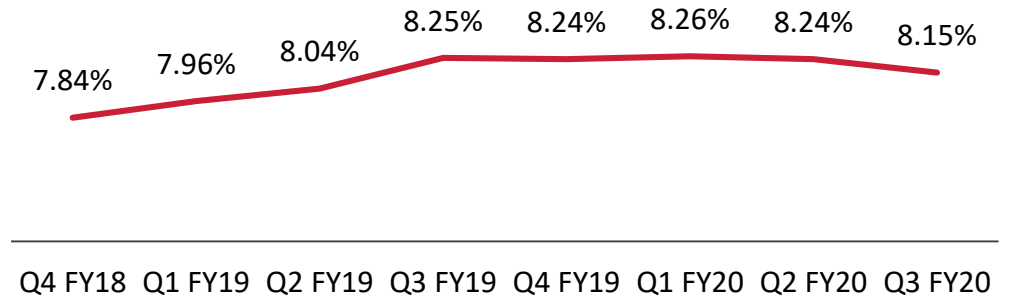
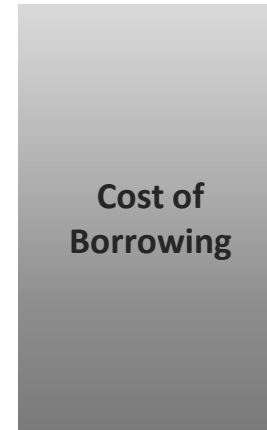
# Consistent margin expansion across quarters

**Cost of borrowing dropped by 9 bps q-o-q**

**Optimised borrowing cost in a volatile interest rate environment**

**Factors contributing to margin expansion:**

- Increasing product mix towards retail and SME
- Ability to pass on borrowing cost increases
- Prudent treasury management with diversified borrowing mix



# Key Financials – Aditya Birla Finance Limited



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Δ LY%	Quarter 3		Figures in Rs Crore	Nine Months		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
	<b>49,301</b>	<b>47,933</b>	<b>Lending book</b>	<b>49,301</b>	<b>47,933</b>	
+35 bps ↑	11.97%	12.32%	Average yield (Incl. Fee Income)	11.76%	12.46%	↑ +69 bps
	7.14%	7.07%	Net Interest cost / Avg. Lending book	6.97%	7.15%	
+41 bps ↑	4.83%	5.24%	NIM (Incl. Fee Income)	4.79%	5.31%	↑ +52 bps
9% ↑	<b>579</b>	<b>629</b>	<b>NII (Incl. Fee Income)</b>	<b>1,636</b>	<b>1,954</b>	↑ 19%
	1.66%	1.78%	Opex / Avg. Lending book	1.65%	1.66%	
	34%	33%	Cost Income Ratio	33%	31%	
	0.57%	1.29%	Credit Provisioning/ Avg. Lending book	0.43%	1.05%	
	<b>323</b>	<b>272</b>	<b>Profit before tax</b>	<b>975</b>	<b>990</b>	↑ 2%
	<b>212</b>	<b>203</b>	<b>Profit after tax</b>	<b>642</b>	<b>684</b>	↑ 7%
	<b>7,115</b>	<b>8,089</b>	<b>Net worth</b>	<b>7,115</b>	<b>8,089</b>	

Aditya Birla Housing Finance Limited



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# Delivery in line with stated targets

Figures in Rs Crore

**Lending book at ~Rs 12,190 Cr (Retail: 95%)**  
Affordable book at ~ Rs. 2,100 Crore (grew 1.8x y-o-y)

**Improvement in Cost Income Ratio y-o-y**  
Led by scale and operating efficiency

**Maintaining quality of asset book**  
Gross Stage 3: 1.04% | Net Stage 3: 0.73%

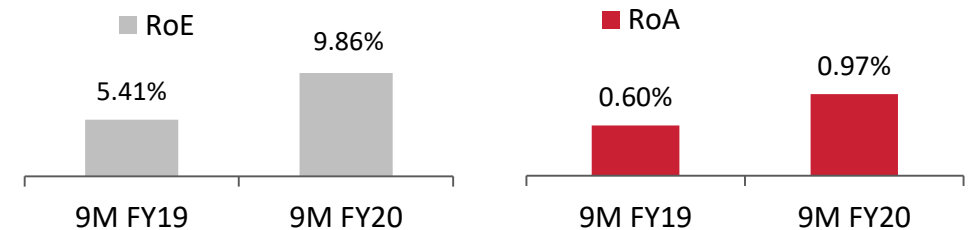
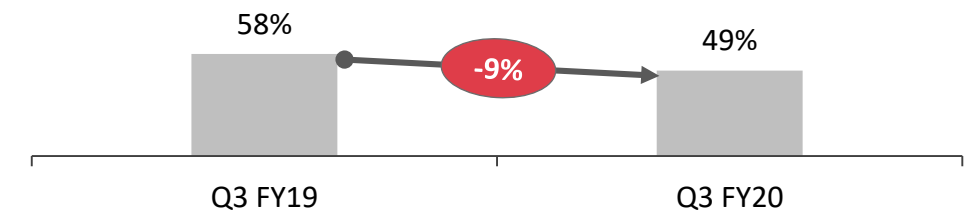
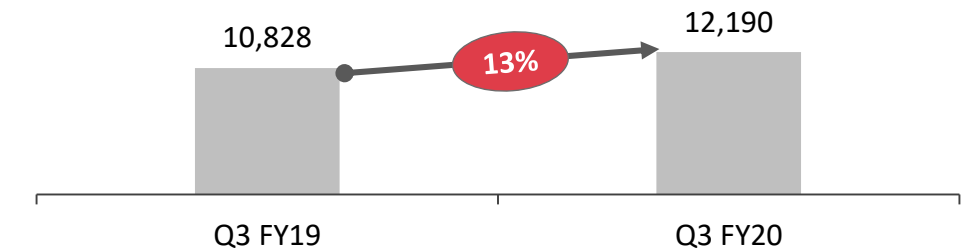
**Q3 PAT grew 31% y-o-y to Rs 27 Crore**  
YTD PAT (ex-DTA) at Rs 87 Crore (grew 2x y-o-y)  
YTD Reported PAT at Rs 82 Crore

**Continued improvement in RoE and RoA**

Growth in  
Lending Book

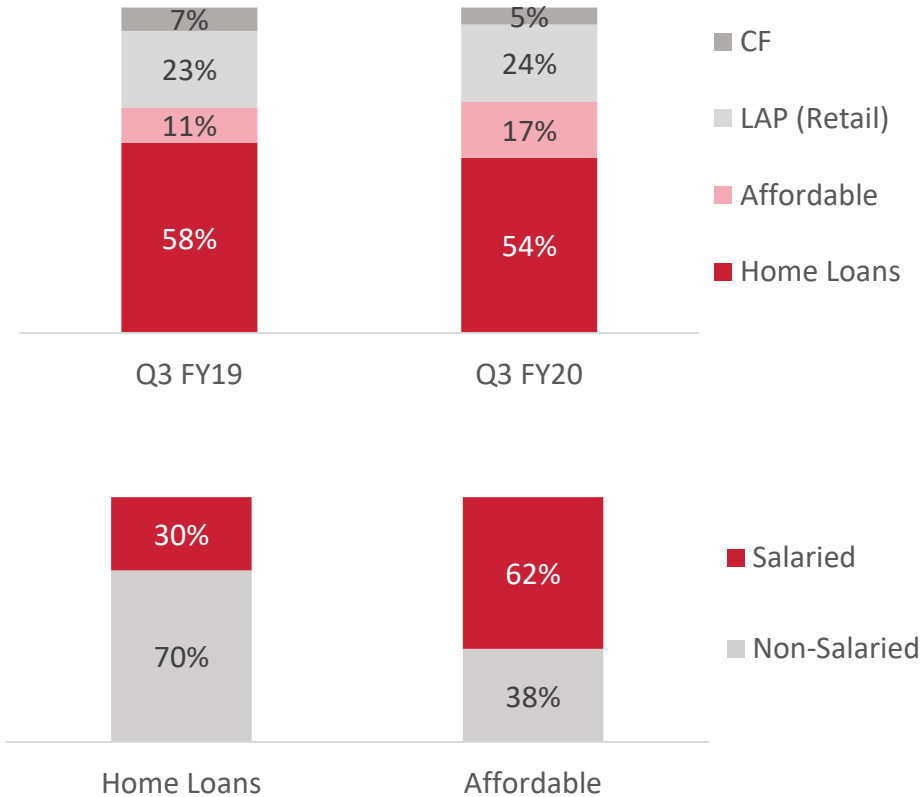
Improvement  
in Cost  
Income Ratio

Building  
profitable  
scale<sup>1,2</sup>



# Systematic approach to build a healthy portfolio mix

## Segment Mix (%)



### Affordable Loans

- ATS for Affordable Home Loans ~ Rs 14 Lacs
- 28% of affordable HL portfolio backed by IMGIC and 45% eligible for PMAY subsidy

### Retail LAP

- ATS: Rs 56 Lacs (PY: Rs 79 Lacs)
- LTV: 47%

## Construction Finance

### Quality

- No stage 3 exposure

### Average Ticket Size

- ATS on exposure: Rs 18 Crore
- ATS on outstanding: Rs 9 Crore (PY: 15 Crore)

### Exposure

- ~85% of CF exposure to Bangalore, Mumbai, Pune, Surat, Ahmedabad and Noida | No NCR exposure other than Noida

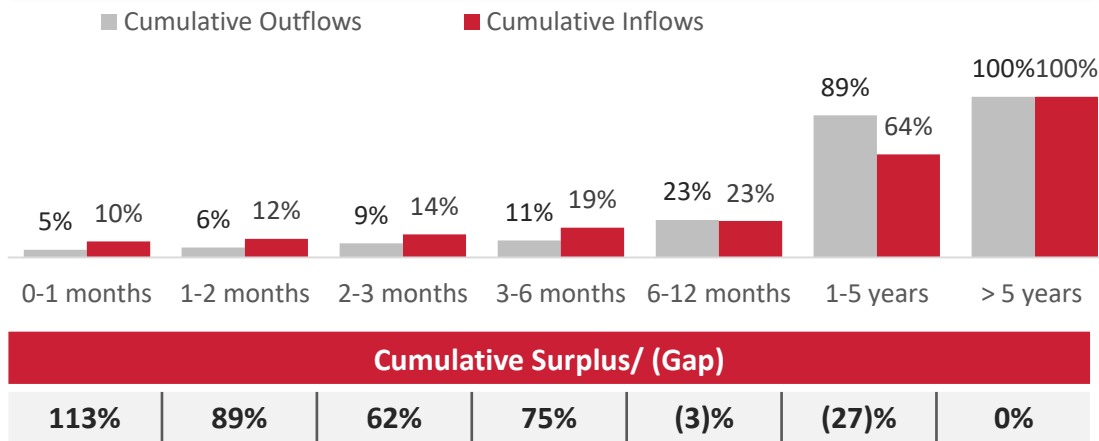
### Sales Velocity

- 35%+ outstanding repaid out of sales proceeds in last 1 year



# Prudent asset liability management

## Optimised ALM for liquidity and cost



### Raised LT borrowing of ~Rs 2,600 Crore (9M FY20)

Term loans (Banks): Rs 1,750 Crore (Sanctioned: Rs 2,575 Crore)

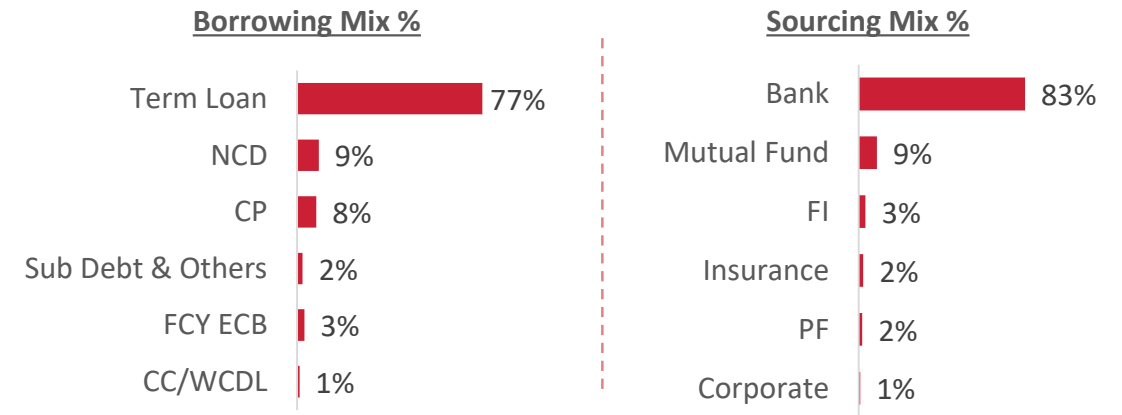
Term loan (NHB): Rs 400 Crore; NCDs: Rs 85 Cr

ECB: Drawn Rs 350 Crore (Sanction of USD 100 Mn)

### Adequate liquidity to meet growth requirements

Maintaining cash and cash equivalent for liquidity

## Diversification in borrowing mix and investor profile



### Continue to broad base investor profile

- Investor base increased to 106; Funding from 22 banks

### Maintaining comfortable capital adequacy

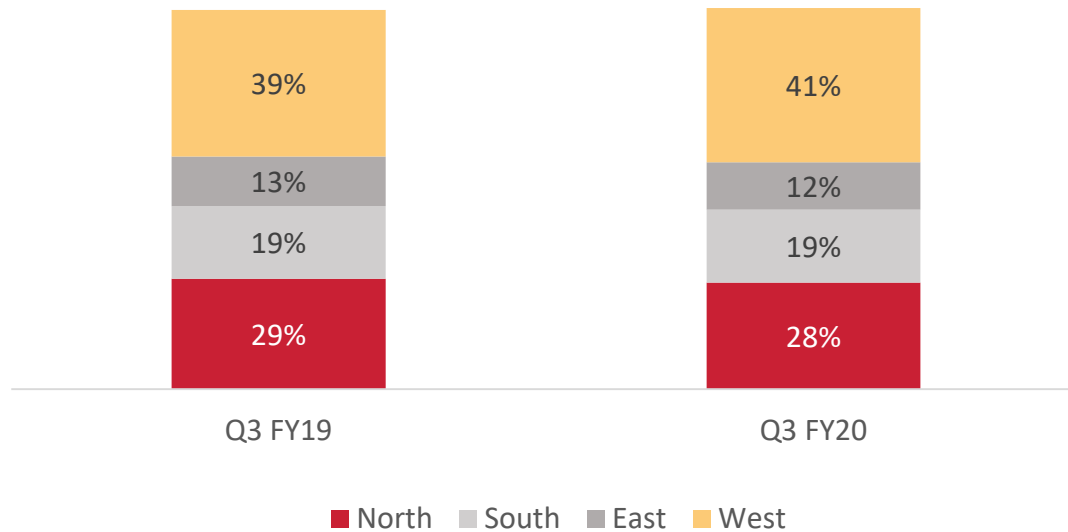
Q3 FY20: CRAR at 17.1% (Regulatory requirement: 13%)

### Additional sanction of Rs 1,500 Crore in Jan'20

Including refinance from NHB

# Pan India distribution network

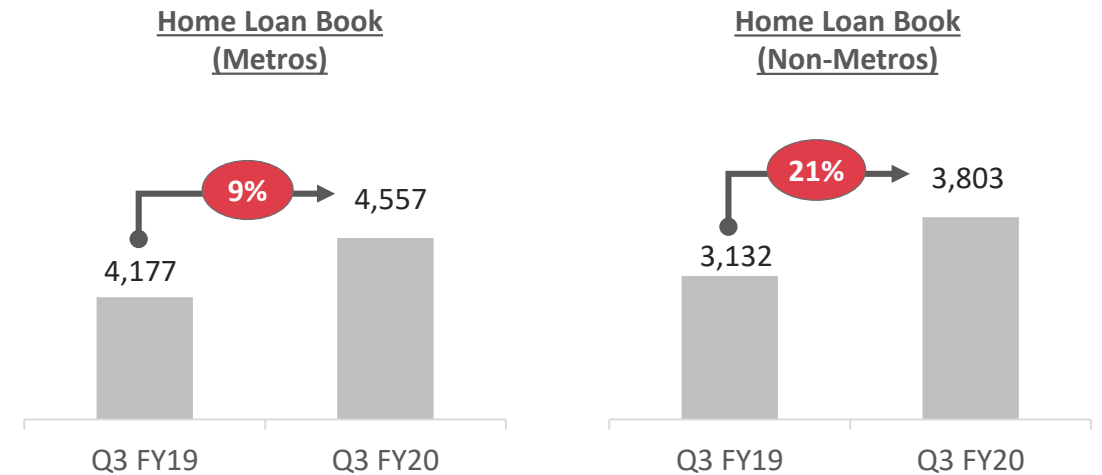
## Stable Geographic Mix (%)



### Balanced distribution strategy

Tapping growth in smaller cities through affordable

## Focus on increasing reach and building retail granularity



### Non-metro loan book mix at 45% (PY: 43%)

65 branches currently operational pan-India; Plan to double presence (mainly in non-metros) over 18-24 months

Note: Metro cities includes Delhi, Mumbai, Kolkata, Chennai, Bangalore and Pune

# Maintaining margins through interest rate cycles

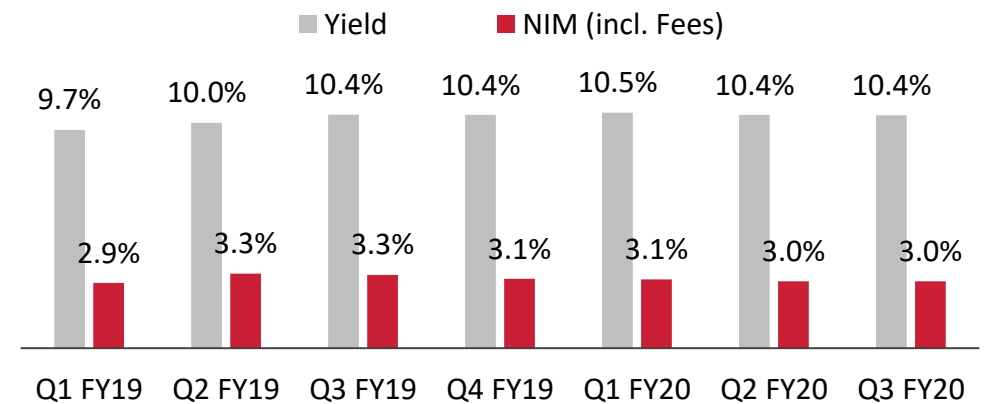
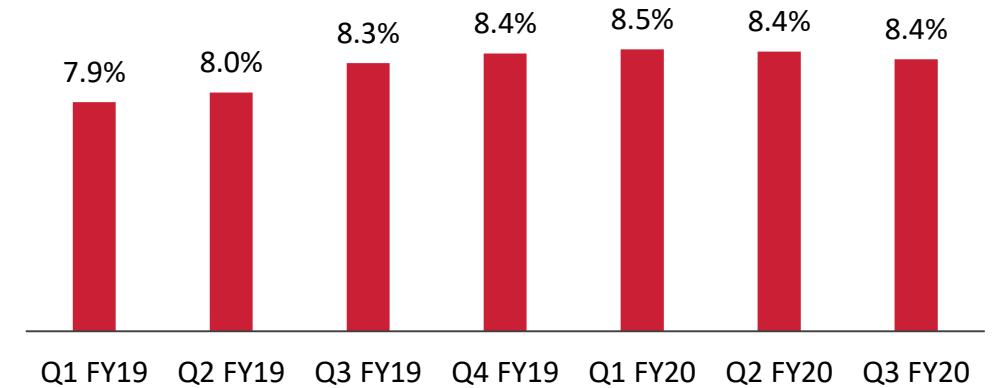
**Optimised borrowing cost in a volatile interest rate environment**

**Maintained margins across interest rate cycles**

**Demonstrating ability to successfully pass on borrowing cost increases**

Cost of Borrowing

Maintaining stable Margins



# Key Financials – Aditya Birla Housing Finance Limited



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Δ LY%	Quarter 3		Figures in Rs Crore	Nine Months		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
↑ 13%	<b>10,828</b>	<b>12,190</b>	<b>Lending book</b>	<b>10,828</b>	<b>12,190</b>	↑ 13%
	10.38%	10.35%	Average yield	10.05%	10.39%	
	7.35%	7.51%	Net Interest cost / Avg. Loan book	7.24%	7.52%	
	3.26%	2.97%	NIM (incl. Fee Income)	3.17%	3.00%	
	<b>275</b>	<b>333</b>	<b>Revenue</b>	<b>736</b>	<b>968</b>	
	1.91%	1.54%	Opex/ Avg. Loan Book	2.21%	1.49%	
↓ 9%	58%	49%	Cost Income Ratio (%)	67%	47%	↓ 19%
	0.14%	0.45%	Credit Provisioning/ Avg. Loan Book	0.19%	0.48%	
↑ 31%	<b>32</b>	<b>35</b>	<b>Profit Before Tax</b>	<b>67</b>	<b>109</b>	↑ 1.9x
	<b>21</b>	<b>27</b>	<b>Profit After Tax</b>	<b>43</b>	<b>82</b>	
	<b>1,159</b>	<b>1,270</b>	<b>Net worth</b>	<b>1,159</b>	<b>1,270</b>	

Aditya Birla Sun Life AMC Limited



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# Profitable growth aided by robust asset mix

**Domestic Equity AAUM<sup>1</sup> grew by 6% y-o-y**

Total Domestic AAUM grew by 3% y-o-y

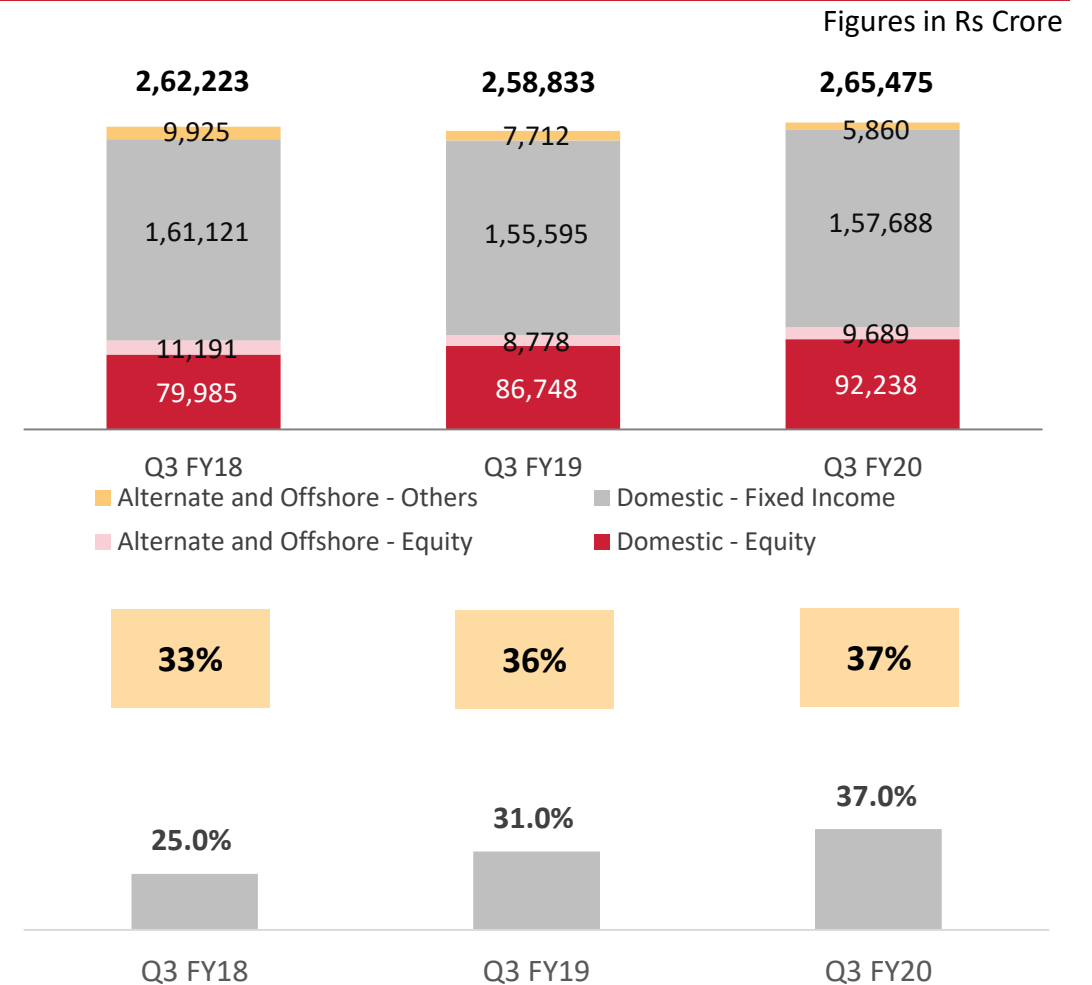
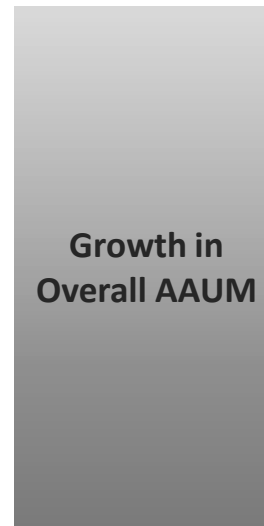
**Improvement in Equity AAUM Mix**

Domestic Equity AAUM mix at 37% (PQ: 35 %)

**Domestic AAUM market share<sup>2</sup> at 9.93%**

Continue to grow retail market share

**Consistent increase in SIP share of Domestic Equity AAUM**



# Maintaining profitability track record in a challenging environment



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**Improvement in profitability led by change in asset mix towards high margin segments**

## Strong growth in profitability

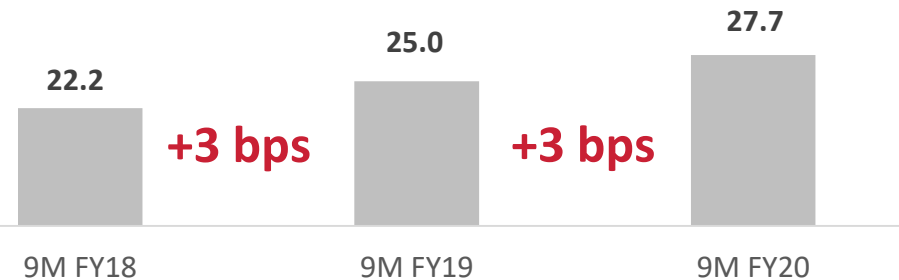
YTD PAT at Rs 395 Crore (grew by 25% y-o-y)

Q3 PAT at Rs 130 Crore (grew by 19% y-o-y)

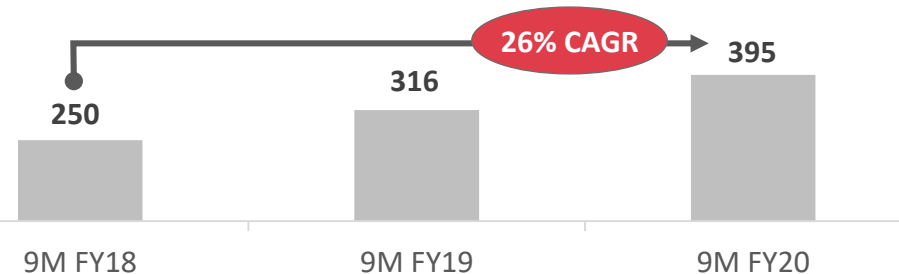
## Consistently delivering on RoE improvement

YTD RoE improved to 36.8% (PY: 33.2%)

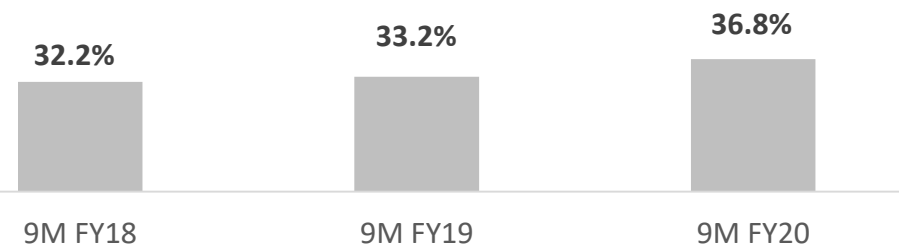
PBT margin  
(bps) PBT  
Margin<sup>1</sup>



Profit After  
Tax



Return on  
Equity



Figures in Rs Crore

<sup>1</sup>Based on annualized earnings as % of domestic AAUM

# Continued focus on retail expansion

Figures in Rs Crore

## Focus on expanding retail presence

Added 53 locations to reach 310 with >75% in B-30 cities; Similar addition expected in the coming year

## Broad based penetration in B-30 cities with AUM<sup>1</sup> at ~ Rs 37,437 Crore

Market Share<sup>1</sup> at 8.78% (PY : 8.67%)  
B-30 contributes 24%<sup>1</sup> of retail + HNI AUM

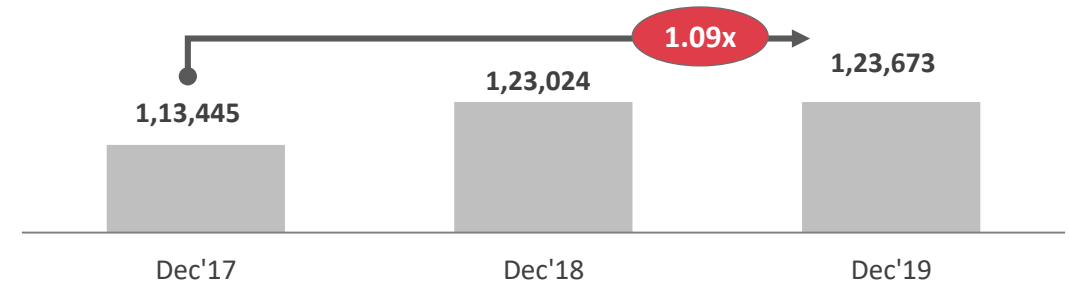
## Investor folios up 1.35x in 2 years

5 Year CAGR as on FY19: 29% | Industry: 15%

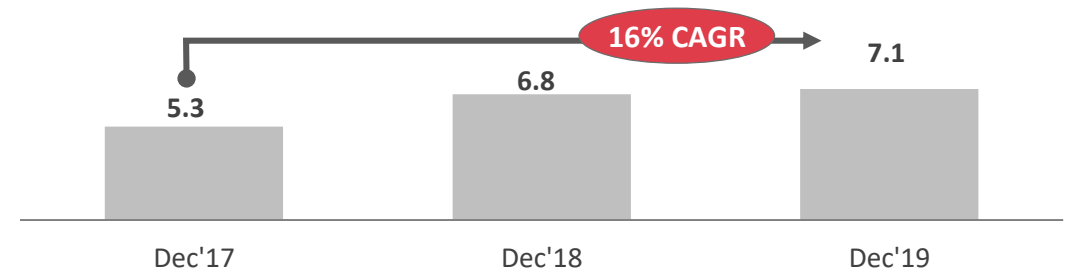
## Monthly SIP<sup>2</sup> book ~Rs. 950 Crore

SIP Market Share<sup>3</sup> 10.39%  
3 Year CAGR: 33% | Industry: 29%

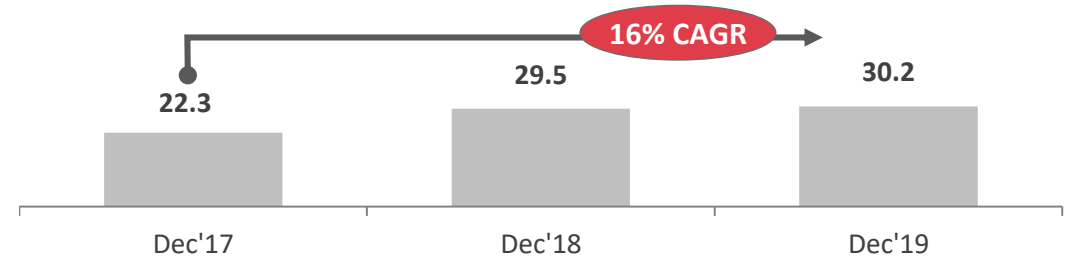
Increasing  
Retail  
Penetration  
(AUM)



Significant  
Growth in  
Investor Folio  
(Million)



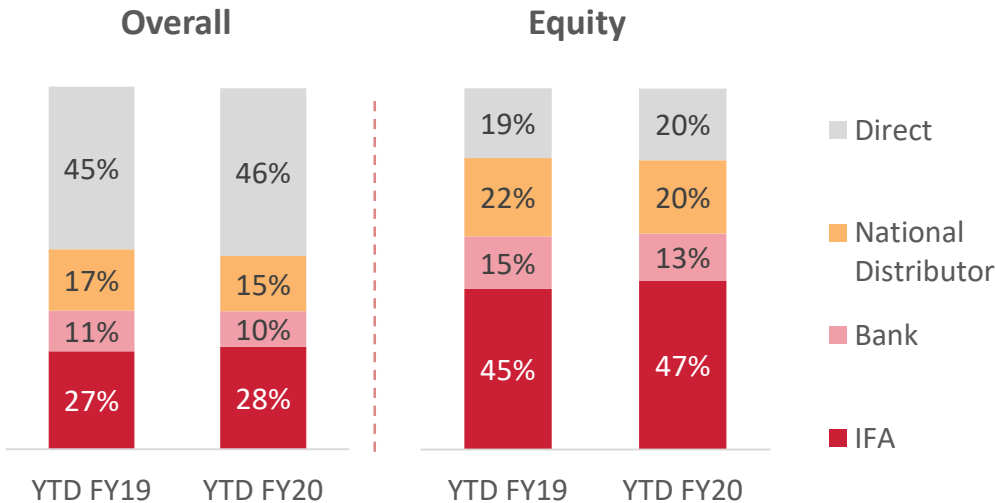
SIP Count  
(Lacs)





# Balanced Distribution Network

## AAUM Sourcing Mix (%)



## Continue to grow IFA share in Equity Sourcing

Large bank owned AMC's benefit from 30 - 90% share of their associate distributor Bank's total AUM sourced

## Distribution Scale

**310** Locations  
> 75% in B-30 cities

**88** Banks

**80,000+** IFAs

**230+**  
National Distributors

## Digital Tech enablement

### Customers

- Launched new investor portal with simplified UX
- Launched micro ticket size and 1 Click SIP product
- Up-sell: Launched "Next-best-offer" programme, expected to contribute ~Rs 1,000 Crore of gross sales for the year
- Simpler and paperless SIP registration through e-mandate in 28 large banks

### Distribution

- Distributor portal with customized customer journeys and simplified distributor experience
- 10+ new-age digital ecosystem partners/ distributors on-boarded through API gateway

### Outcome

- Increase in digital penetration: Digital transactions ~ 75% (PY: 67%)

# Key Financials – Aditya Birla Sun Life AMC Limited



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Δ LY%	Quarter 3		Figures in Rs Crore	Nine Months		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
	2,42,344	2,49,926	<b>Domestic AAUM</b>	2,48,607	2,52,573	
↑ 6%	86,748	92,238	Domestic Equity AAUM	88,920	91,084	
	8,778	9,689	Alternate and Offshore Equity AAUM	9,657	9,544	
↑ 7%	<b>95,527</b>	<b>101,928</b>	<b>Total Equity</b>	<b>98,577</b>	<b>1,00,628</b>	
	338	319	Revenue	1,087	957	
	173	145	Costs	621	433	
↑ 5%	<b>166</b>	<b>173</b>	<b>Profit Before Tax</b>	<b>467</b>	<b>524</b>	↑ 12%
	27 bps	28 bps	<b>Profit Before Tax (bps<sup>1</sup>)</b>	25 bps	28 bps	↑ +3 bps
↑ 19%	109	130	Profit After Tax	316	395	↑ 25%

<sup>1</sup> Margin based on annualized earnings as % of domestic AAUM

Aditya Birla Sun Life Insurance Limited



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# Growth with significant value creation

## Individual FYP<sup>1</sup> (YTD) grew by 14% y-o-y

Maintained market share at 4%

## Net VNB for Q3 FY20 grew 2x y-o-y

9M Net VNB Margin<sup>3</sup> at 4.4% (improved ~340 bps y-o-y)

## Continued improvement across quality metrics

13th Month persistency at 81% (PY: 75%)

Surrender ratio reduced to half in 2 years

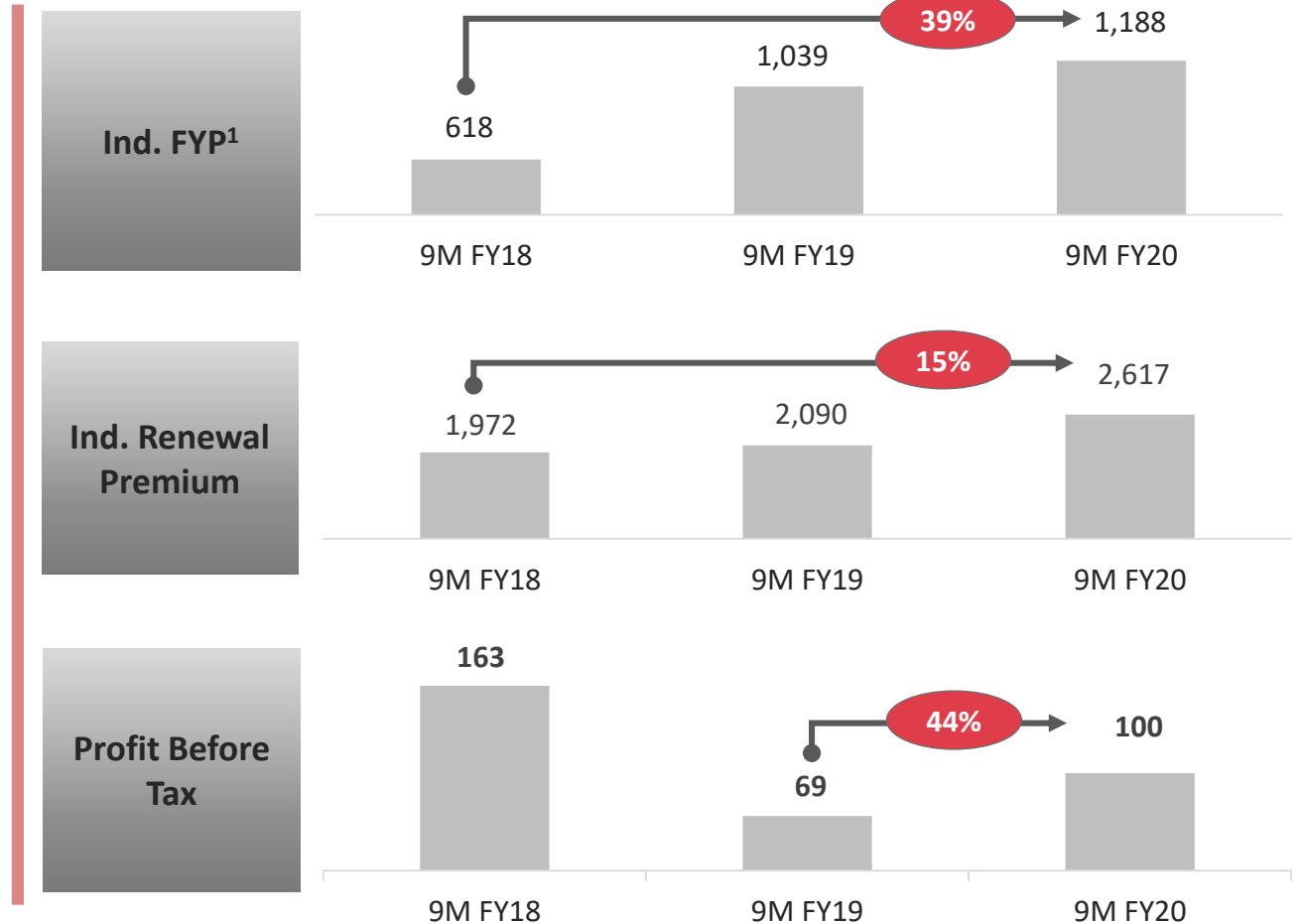
Q3 Ind. Renewal Premium grew by 33% y-o-y

## Selective approach in growing Group business

Segment continues to be value accretive

## Strong rebound in profits

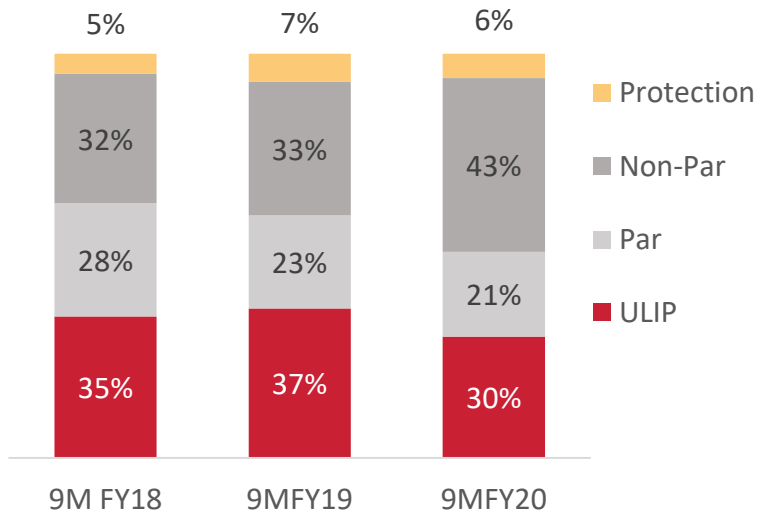
YTD PBT at Rs 100 Cr (grew by 44% y-o-y)



# Focus on value accretive product mix

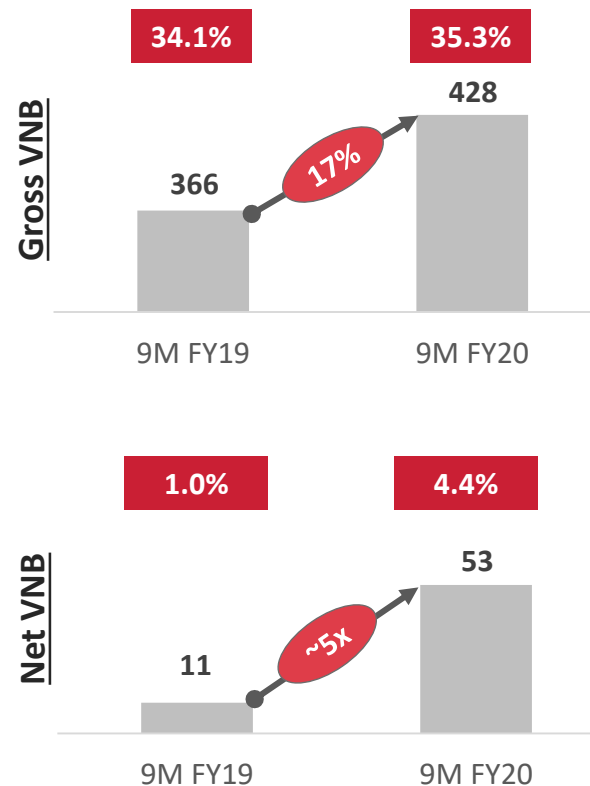
Figures in Rs Crore

## Product Mix



**70% of maturity benefit of guaranteed products are protected**

## Improvement in Ind. VNB Margins<sup>1</sup>



**Gross VNB grew 17% y-o-y**

Q3FY20 Gross VNB at 34.0% (PY: 31.2%)

**Net VNB for Q3 FY20 grew 2x y-o-y**

Net VNB for Q3 FY20 at 10.4% (PY: 5.2%)

**On target to achieve double digit Net VNB margin by year end**

Key drivers:

- Steady topline growth
- Well managed product mix
- Productivity driven growth in all channels

# Balanced sourcing strategy

Figures in Rs Crore

## Driving growth through partnerships and operating leverage in proprietary

- 8 Banca tie-ups incl. HDFC Bank, DCB and KVB
- Pan India presence across 2,750+ cities through 82,000+ agents, 9,500+ bank branches and 395+ own branches

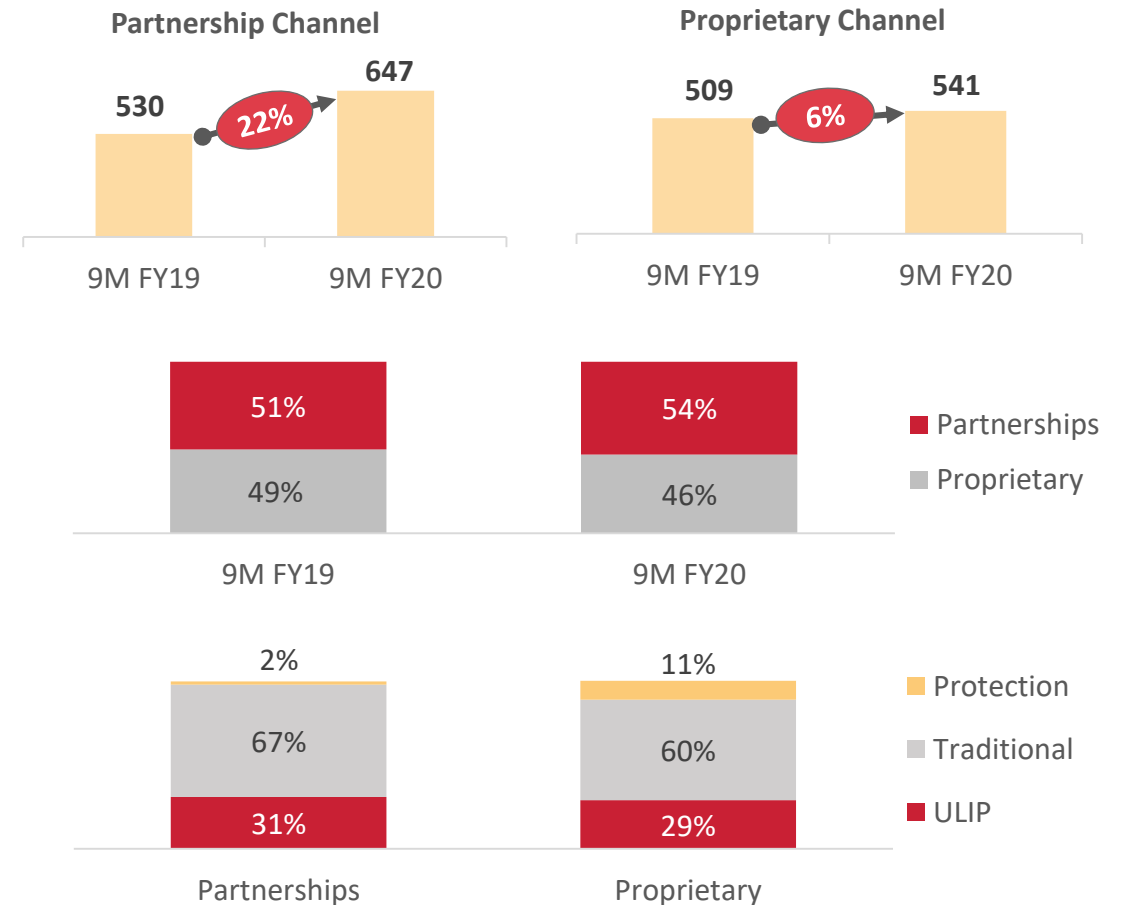
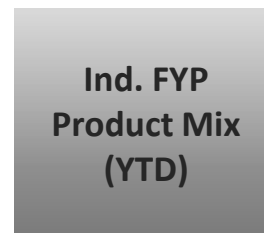
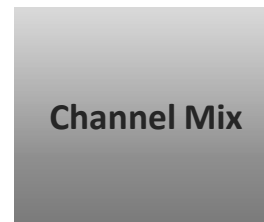
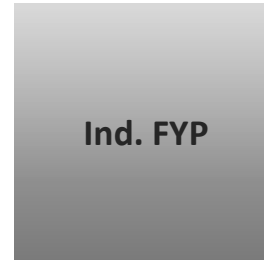
## Indian Bank ramp up

Activated 650+ out of 2,900 branches

## Proprietary channel contributing to margin improvement

Efficiencies in proprietary channel driven by:

- Increase in productivity
- Protection mix at YTD 11%



# Focus on quality of business

## Continuous improvement in persistency across products and cohorts

13<sup>th</sup> Month persistency at 81% (PY: 75%)

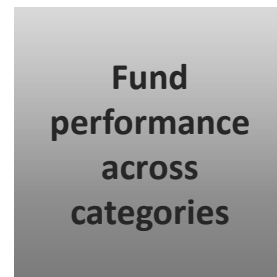
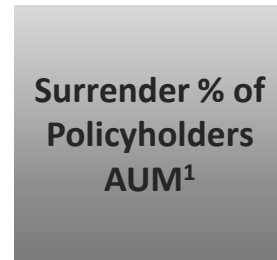
## Focus on customer retention

Q3 Ind. renewal premium grew 33% y-o-y  
Surrender ratio reduced to half in 2 years

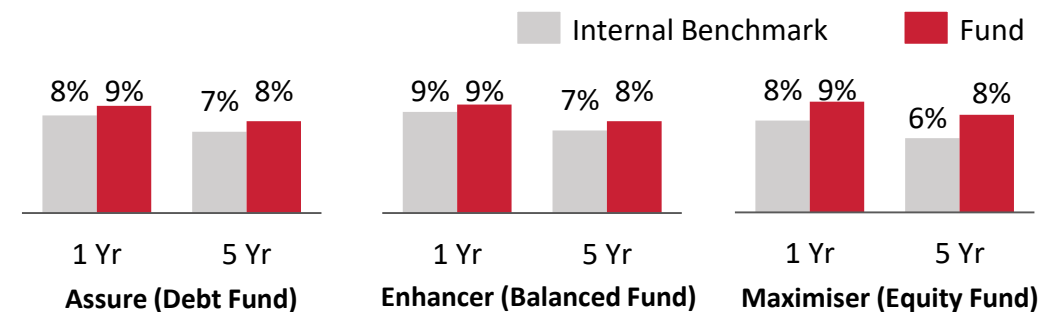
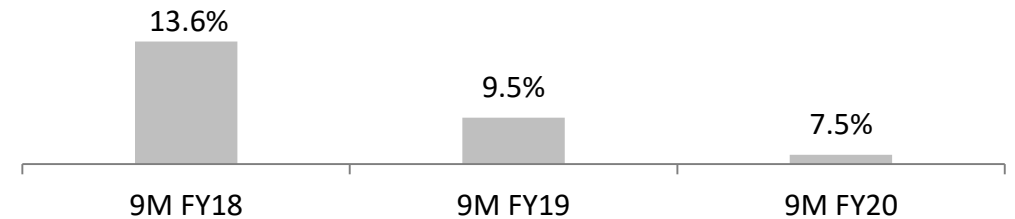
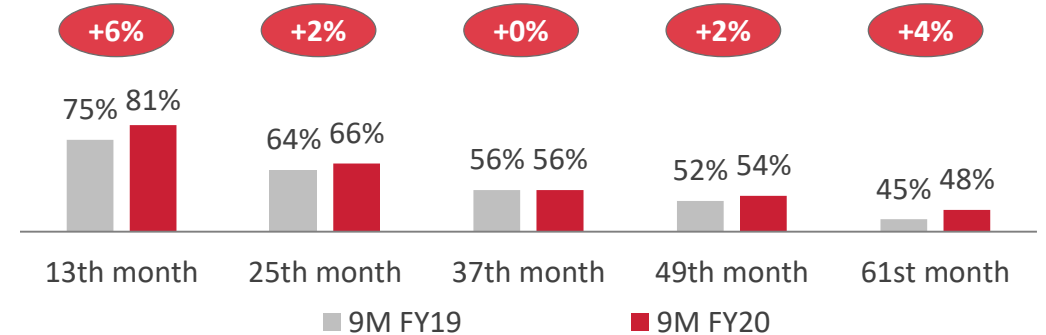
## Complaints per 1000 policies reduced by 1/3<sup>rd</sup> over last 2 years

## Healthy in-force book and new business contributing to growth in AUM

AUM at Rs 43,512 Crore (grew 11% y-o-y)



Figures in Rs Crore



# Key Financials – Aditya Birla Sun Life Insurance Limited



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Δ LY%	Quarter 3		Figures in Rs Crore	Nine Months		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
			<b>Key Performance Parameters</b>			
↑ 8%	480	516	Individual First year Premium	1,107	1,261	↑ 14%
	530	579	Group First year Premium	1,579	1,258	
↑ 33%	851	1,133	Renewal Premium	2,247	2,794	↑ 24%
	<b>1,860</b>	<b>2,228</b>	<b>Total Gross Premium</b>	<b>4,933</b>	<b>5,313</b>	
	307	317	Opex (Excl. Commission)	843	934	
	16.5%	14.2%	Opex to Premium (Excl. Commission)*	17.1%	17.6%	
	22.5%	19.8%	Opex to Premium (Incl. Commission)	22.3%	23.4%	
	<b>49</b>	<b>34</b>	<b>Profit Before Tax</b>	<b>69</b>	<b>100</b>	↑ 44%
	<b>38</b>	<b>27</b>	<b>Profit After Tax</b>	<b>52</b>	<b>81</b>	

\* YTD Opex to Premium (Excl. Commission) is higher mainly due to lower Group Business



Aditya Birla Health Insurance Limited



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# Strong growth led by retail

**GWP grew 73% YoY with retail growth at 2x**

Retail GWP Mix: 71% (PY: 60%)

**6.5+ million lives covered**

3.8 million lives through micro products

Grew ~ 5x y-o-y (PY: 1.3 million lives)

**Improved retail Claim Ratio 45% (PY: 46%)**

Holistic health risk management - better sourcing, provider management, claims and care management

**Q3 FY20 Combined ratio at 128%**

**Steady path to break even**

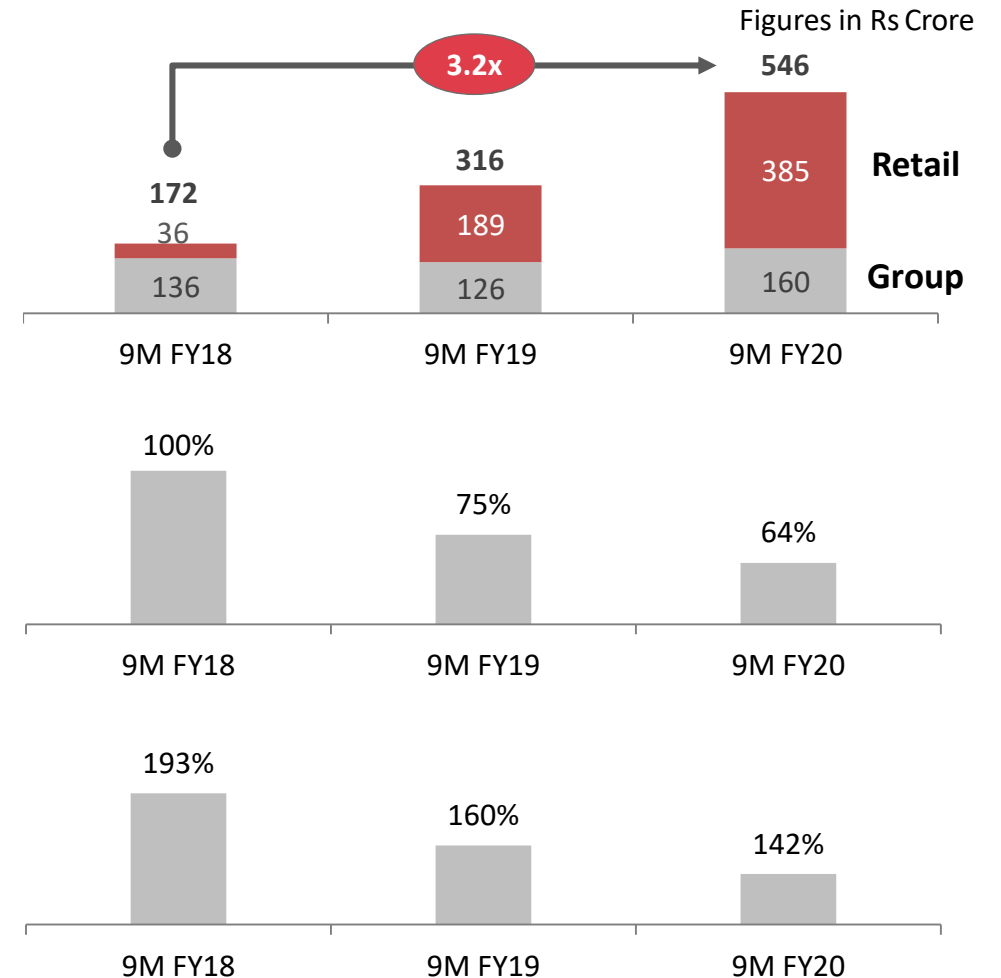
Q3 PBT loss at Rs 53 Cr (Peak loss Rs 73 Cr in Q2 FY19)

Expected to break-even in FY21-22

Strong GWP growth led by Retail

Focus on improving overall Claims Ratio

Improvement in Combined Ratio

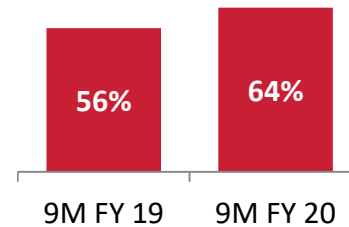


# Driving value through Scale





One of the largest 3rd party distribution capacities

Banca tie-ups: 9 banks with 12,000+ branches


**Banca % of retail GWP**



- Bank growth contributing to 2.4x y-o-y growth in Banca GWP
- Significant scale-up and momentum in banca partnerships
- Leverage digital & e-commerce partnerships. Tie-ups with 28+ digital partners

	9M FY19	9M FY20
 <b>Branches</b>	59	76
 <b>Agents</b>	17,100+	25,400+
 <b>Sales force</b>	1,450+	2,200+
 <b>Cities</b>	650+	2,500+

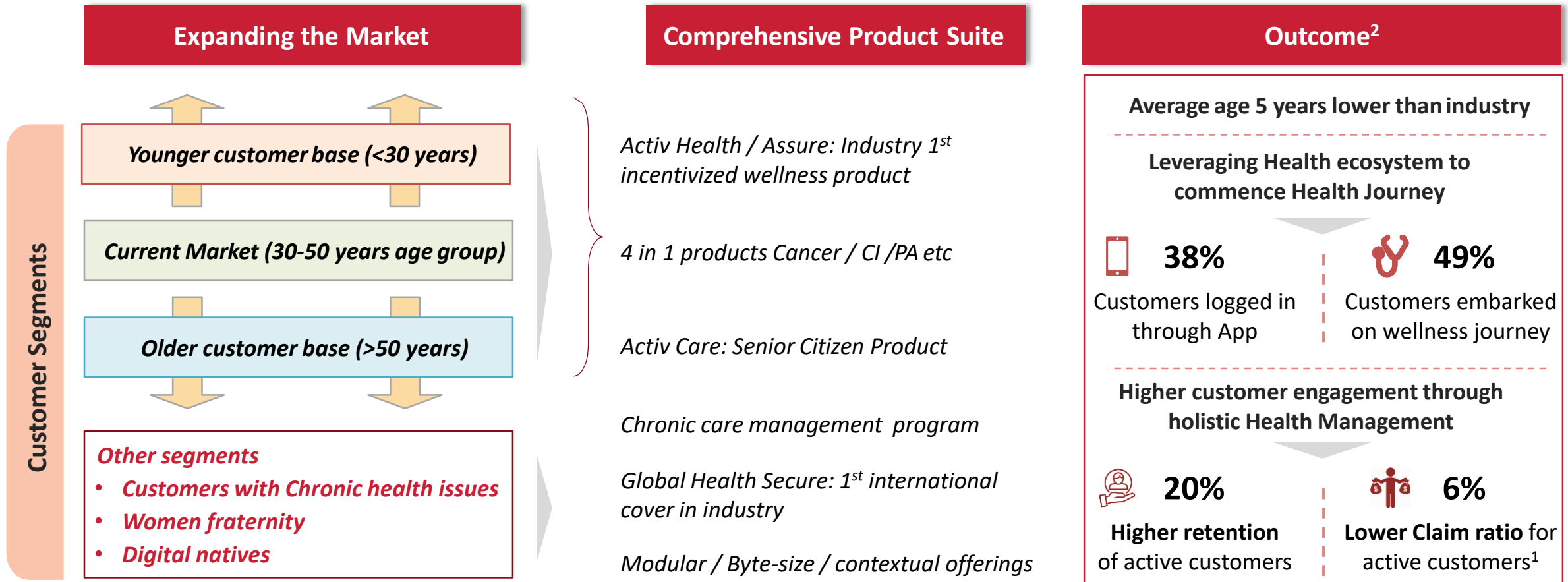
Provider Network

	9M FY19	9M FY20
 <b>Hospitals</b>	5,300+	6,100+

One of the largest provider networks with presence across 750+ cities

# Expanding market through customer value proposition

Large & diversified product suite enabling traditional & non-traditional customer acquisition



<sup>1</sup> 40% Claims ratio for active & engaged customers vs 46% for Non-active customers <sup>2</sup> Attributable to Retail Indemnity customers

# Higher customer engagement by leveraging our digital capabilities



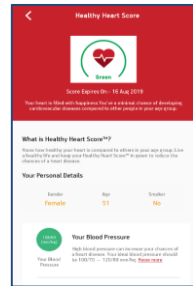
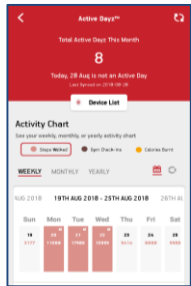
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## Engagement through customer health journey

Know your health

Active Dayz™

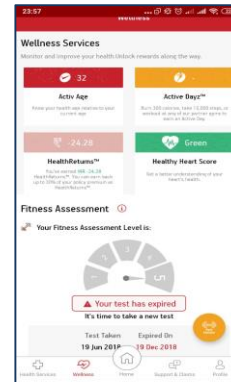
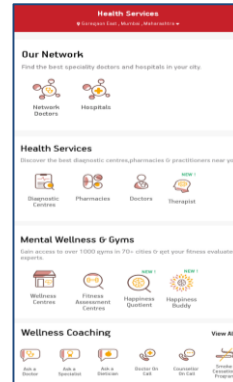
Healthy Heart Score



Improve your health

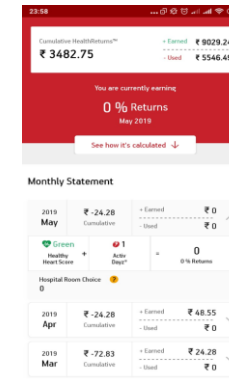
Health Services

Wellness Services



Get Rewarded

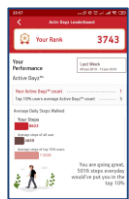
HealthReturns™



Activ Health App

Other features ▶ Health Assessment  
Active Age

## Ongoing enhancements in features attributing to increased customer engagement



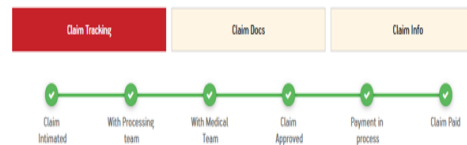
Leader-board



Activ Together Community



WhatsApp integration



Refined claims tracking



Chatbot

## Outcome

Digital servicing

↑ from 20% to 38%

Leverage large datasets for customer insights through analytical models

# Key Financials – Aditya Birla Health Insurance Limited



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Δ LY%	Quarter 3		Figures in Rs Crore	Nine Months		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
			<b>Key Performance Parameters<sup>1</sup></b>			
↑ 2.1x	81	170	Retail Premium	189	385	↑ 2.0x
	57	60	Group Premium	126	160	
↑ 1.7x	139	231	<b>Gross Written Premium</b>	316	546	↑ 1.7x
	140	212	Revenue	318	507	
	136%	128%	Combined Ratio	160%	142%	
	(54)	(53)	<b>Profit Before Tax</b>	(191)	(188)	

## Other Financial Services businesses

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# Other Financial Services Businesses

Quarter 3		Figures in Rs Crore	Nine Months	
FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)
<b>Key Performance Parameters Other Financial Services Businesses<sup>1</sup></b>				
162	200	Aggregate Revenue	482	542
(6)	10	Aggregate Profit Before Tax	(8)	44

## General Insurance Broking

- Premium placement in 9M FY20 grew y-o-y by 14% to Rs 3,330 Crore
- Q3 Revenue increased by 29% y-o-y to Rs 148 Crore (PY: Rs 115 Crore)
- Q3 PBT grew 2x y-o-y to Rs 7 Crore

## Stock and Securities Broking

- Q3 Revenue at Rs 40 Crore (PY: Rs 42 Crore)
- Q3 PBT at Rs 4 Crore

## ARC

- Launched ARC platform in partnership with Varde in FY19
- ARC AUM at ~Rs 2,900 Crore. Platform profitable within first year of operation

## MyUniverse

- Aditya Birla MyUniverse demerged transaction business into ABFL w.e.f. 1<sup>st</sup> January 2020



## **Annexure A**

## **Consolidated Financials**

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# Consolidated Profit & Loss



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Figures in Rs Crore

Δ LY%	Quarter 3		Figures in Rs Crore	Nine Months		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
			<b>Consolidated Profit &amp; Loss</b>			
↑ 14%	3,780	4,326	Revenue	10,434	11,947	↑ 15%
	300	276	Profit Before Tax (before share of profit/(loss) of JVs)	813	951	
	55	66	Add: Share of Profit/(loss) of associate and JVs	159	201	
	355	342	Profit Before Tax	972	1,151	↑ 18%
	147	101	Less: Provision for taxation	416	411	
	(5)	(9)	Less: Minority Interest	(56)	(36)	
↑ 17%	214	250	Net Profit (after minority interest)	613	776	↑ 27%

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Corp General Insurance  
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Wealth Management  
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Personal Finance  
SME Finance  
Real Estate Finance  
Project Finance  
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# Glossary

- AAUM – Quarterly Average Assets under Management
- ALM – Asset Liability Management
- ANW – Adjusted Net Worth
- ATS – Average Ticket Size
- FYP – First Year Premium Income
- Bps – Basis points
- Banca - Bancassurance
- CAB – Corporate Agents and Brokers
- CF – Construction Finance
- CP – Commercial Paper
- Cr - Crore
- CY – Current Year
- DPD – Days Past Due
- ECL – Expected Credit Loss
- EIR – Effective Interest Rate
- FV – Fair Value (IndAS)
- FY – Financial Year (April-March)
- Ind FYP – Individual First Year Premium
- GNPA – Gross Non-Performing Assets
- GWP – Gross Written Premium
- HL – Home Loan
- JV – Joint Ventures
- LAP – Loan Against Property
- LAS – Loan Against Securities
- LIC – Life Insurance Corporation of India
- LRD – Lease Rental Discounting
- LT – Long Term
- LTV – Loan to Value
- MI – Minority Interest
- MTM – Mark to Market
- NII – Net Interest Income
- NIM – Net Interest Margin (including fee income)
- NNPA – Net Non-Performing Assets
- PAT – Profit after Tax
- PBT – Profit before Tax
- PY – Corresponding period in Previous Year
- PQ – Previous Quarter
- Q1– April-June
- Q2 – July-September
- Q3 – October – December
- Q4 – January – March
- Rs – Indian Rupee
- SIP – Systematic Investment Plan
- SME – Small and Medium Sized Enterprise
- TL/WCDL – Term Loan/ Working Capital Loan
- VIF – Value In-Force
- VNB – Value of New business
- Y-o-Y – Year on Year
- Q-o-Q - Quarter on Quarter
- YTD – Year to date
- GS 3 – Gross Stage 3