

FINANCIAL RESULTS – FY20

MUMBAI

5th June 2020



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

A Leading Financial Services Conglomerate

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

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

Our response to the Lockdown



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Employee Health and Safety

- Identified Flu Prevention Managers across all regions to monitor and report on employee health
- Branch operating plan with stringent protocols
- Regular employee communication and engagement to ensure connect
- Big push to employee learning and development during lockdown

24x7 Doctor-on-call + health partner services onboarded

5+ Lac hours covering 64% (PY: 16%) employees of digital learning

Business Continuity

- One of the early companies to go 100% WFH a week before lockdown
- All systems were tested for remote working which allowed us to operate fully during lockdown
- Contact centers were also tested to WFH

Complete test for 100% WFH conducted a week before lockdown

85% branches operational as on date

Customer and distributor engagement

- Hyper-personalized digital engagement with existing customers and warm prospect pool
- Pre approved digital products and simplified telesales journeys for selling to existing customers
- Driving 'service-to-sale' at service touchpoints using the Next Best Product model
- Continuous reach out to distributors and customers throughout this period

Rs 7.4 cr LI FYP PASA offers in May'20

100% advisors for Life Insurance and Mutual Fund business onboarded on digital solutions

Technology Readiness

- Enhanced bandwidth and ensured access of all users securely to key systems with controls in place
- Increased coverage of self serve digital channels (Web portals, Apps, Chatbot & WhatsApp)
- AI-Voice Bot Calling implemented
- Smooth running of 200 + Robots in mid & back office processes. No processing backlogs

94% of services offered digitally (61% last year)

WhatsApp channel now has >3 Million customers and 180+ services LIVE.

FY 20: Key highlights



Consistent profit delivery from diversification;
Consolidated ABCL FY20 PAT grew by **6% y-o-y**;
PAT (ex-CoVID provision) grew by **15% y-o-y**



Total active customer base **grown to ~20 Million**



Raised **Rs 2,100 Crore of equity capital in Sep'19**
through preferential allotment to Promoter/
Promoter group and marquee investors



Life Insurance EV at **Rs 5,188 Crore**; RoEV at **13.2%**



Health Insurance GWP grew **76% y-o-y** to **~ Rs 872 Crore**; Retail mix at **72%**; Fastest growing HI Company



AMC PAT grew **10% y-o-y**, maintaining equity mix at **36%** with PBT to AAUM¹ at **26 bps**



NBFC NIM² expanded y-o-y by **38 bps** to **5.29%**; led by improving Retail and SME Mix, now at **50%**; PPOP grew **16% y-o-y**



HFC PAT (ex-CoVID provision) grew by **55% y-o-y**, RoE³ at **9.8% (PY: 7.0%)**; Retail Mix at **95%**



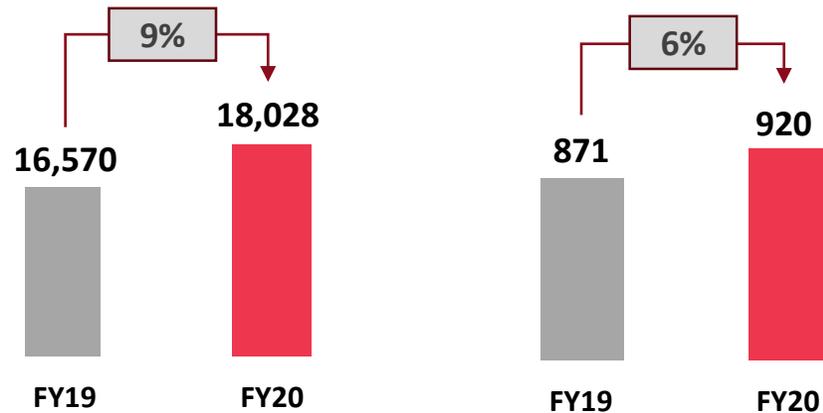
Lending businesses raised LT funds of **Rs 15,000+ Crore** in FY20; **AAA Rating reaffirmed**



ARC **turns profitable in first year** of operation with AUM at **~Rs 2,800 Crore**

FY20: Key Financials

CONSOLIDATED



Revenue¹

PAT

Continue to deliver consistent PAT growth

FY20 Consolidated PAT (ex COVID Provision) grew y-o-y by 15%

Identified savings of ~Rs 110 Crore; targeting further Rs 150 – 175 Crore of cost savings in FY21

Figures in Rs Crore

| Businesses | Full Year | | Δ LY% |
|--|--------------|--------------|-------|
| | FY 19 | FY 20 | |
| NBFC | 869 | 821 | |
| Asset Management | 448 | 494 | ↑ 10% |
| Life Insurance | 107 | 103 | |
| Housing | 74 | 103 | ↑ 38% |
| General Insurance Broking | 20 | 31 | ↑ 56% |
| Stock & Securities Broking | 10 | 12 | ↑ 20% |
| Profitable Businesses PAT | 1,528 | 1,564 | |
| Health Insurance | (257) | (246) | |
| Less: Interest Cost | (89) | (77) | |
| Less: Brand & Marketing | (35) | (40) | |
| Less: Others ² / Eliminations | (119) | (95) | |
| Less: Minority Interest | (157) | (187) | |
| Consolidated PAT³ | 871 | 920 | ↑ 6% |

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

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

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

⁴ Aditya Birla MyUniverse demerged transaction business into ABFL's wealth business w.e.f. 1st January 2020; Prior period accounts not restated.

Progress on digitalization: Customer and Advisor Onboarding

Digital Assets



Customer direct digital Onboarding/ Purchase

Digitization of customer onboarding journeys leveraging biometric, OCR & KYC technologies



Advisor assisted digital onboarding

Distributor assisted paperless purchase journeys for customers enabled through mobile apps and tabs



Advisor onboarding On digital solution

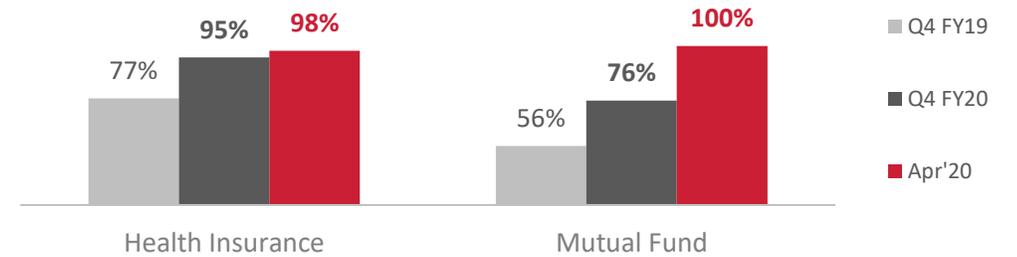
"Office in a Box" digital solution across advisor lifecycle needs

Deployment

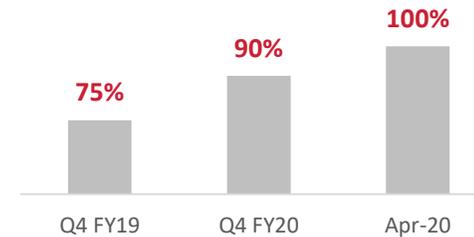
| Key Business | Status |
|----------------------------|--------------------------------------|
| Mutual Fund | ● |
| Life Insurance | ● |
| Health Insurance | ● |
| NBFC | ● |
| Housing Finance | ● |
| Securities & Stock Broking | ● |
| Insurance Broking | ● |

Outcomes

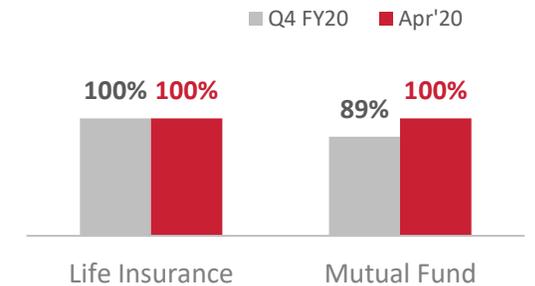
% Customers onboarded digitally



Policies sourced through tablet/mobile App by advisors in Life Insurance



% Advisors onboarded on digital solutions



Progress on digitalization: Customer Servicing

Digital Assets



Website/ mobile apps

Expansion of digital self service channels for all customer requests and transactions across LOB's



Chatbot

Servicing over 2 lakh customer service requests/queries per month



WhatsApp

WhatsApp & Chatbot integration for conversational experience for 200+ services

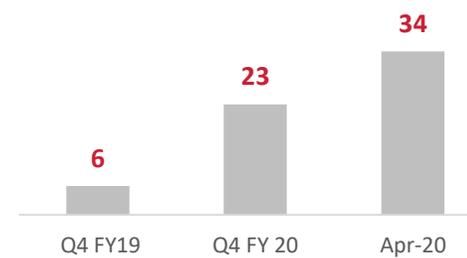
Deployment

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Outcomes

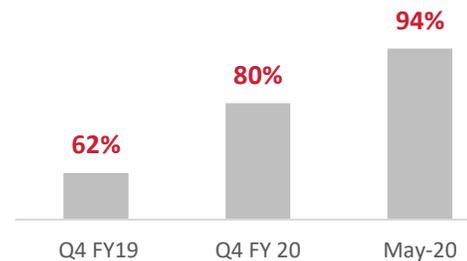
No of registered customers for WhatsApp services across ABC (Lacs)



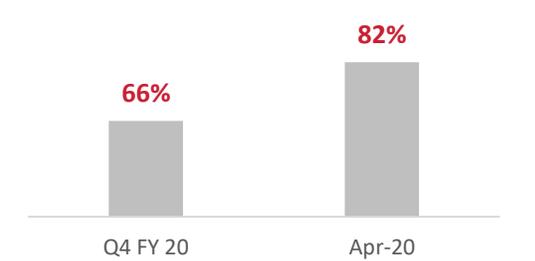
No of customer initiated interactions on WhatsApp across ABC (Lacs)



% services available digitally across ABC (Web, App, Chatbot, WhatsApp)



Policy Renewal (%) via Digital Channel for Health Insurance



Future digitalization initiatives underway



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| # | Initiatives | Future technology readiness |
|---|--|---|
| 1 | Integrated audio + video + chat + co-browsing technology | To provide remote advisory by sales / partners for touchless pre-sales and purchase experience |
| 2 | Leveraging Voice Technologies | Developing self service Voice channel to service top queries and requests for customer convenience Leverage Voice technology for telesales, customer retention & cross sell |
| 3 | Multilingual digital assets (website/ chatbots) | To improve reach across new customer segments and geographies |
| 4 | Build cross sell Offer Factory | Next best action/offers for customers using Natural language processing and Machine learning |
| 5 | Partner Integration | Building tech platform for faster integration and go to market with ecosystem partners Fintech partnerships (Bizlabs) – Working with 30+ Fintechs to address business challenges |

Aditya Birla Finance Limited



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Business resilience under Lockdown

1 Employee Safety

- **Active and positive engagement** with all employees, across multiple channels
- Before opening of any branch, full sanitization undertaken; housekeeping and security trained on safety protocols and alternate shifts; offices equipped with precaution tools
- Opening of branches in a **gradual and phased manner**
- **Alternate day attendance rosters for employees** in all open branches
- Actively mitigating risks of all members of critical teams working from same location

2 Strong focus on portfolio

- **~80% portfolio is secured** - average security cover **>1.5x**
- **Every Relationship account (Corporate, SME, HNI) assessed** on COVID impact; Retail Loans portfolio assessed on sectoral impact and Bureau performance trend; account plans developed; sales and credit teams actively engaging with customers
- **75% of Existing MSME Unsecured Loans** are covered under credit guarantee with **SIDBI (CGTMSE Program)**
- **Strong focus on Collections** - Sales & Credit teams also on tele-Collections; **Tech platform for WFH Collections Calling by in-house Sales/Credit/Collections teams**

3 Business Continuity Action Plan

- **WFH fully enabled**; VPN and Laptop to all employees, as needed
- **All-staff trainings on virtual working tools (video and tele conferencing)**
- **> 80% branches opened and operational in May-20**
- **AI-Voice Bot calling for Clients**; communicated to all customers – informing and encouraging use of **digital self-servicing platforms**
- **Active engagement with lead generating and customer sourcing partners (alliances and channels)** for starting business, in the new environment

4 Building Liquidity buffers

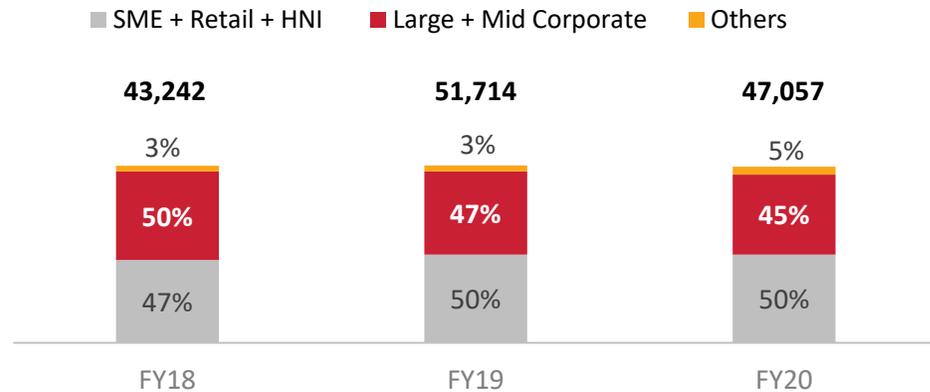
- **Raised Rs 4,100 cr in lockdown** at optimal pricing. Over and above this, an additional **~Rs 3,100 cr Term Loans** sanctioned
- **Reaffirmed “AAA” rating**;
- **Comfortable CRAR of 19%**
- **ALM comfortable with adequate liquidity surpluses**
- **Long-term funds account for 90% of total borrowing**

Rebalancing the portfolio along stated strategy

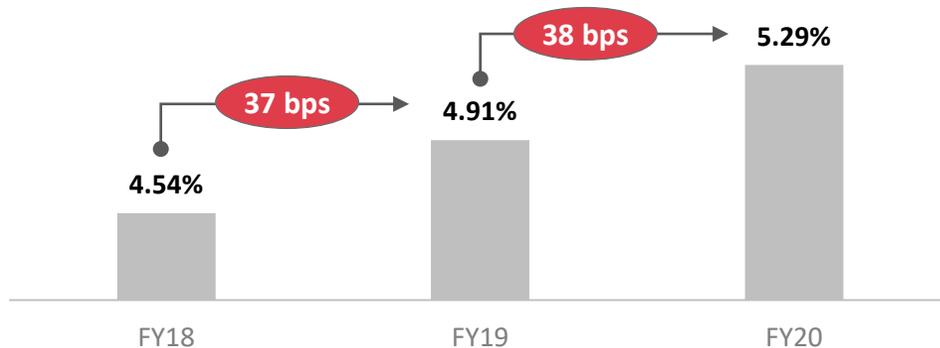
Figures in Rs Crore

Margin Improvement Driven by Product Mix Change and repricing

Loan Book Mix



Improving NIM¹



Focusing New Disbursement in Select Growth Segments



SME

Focus on secured TL/ WCDL segment (grew 4% y-o-y)

Broker Funding: ↓ 69% y-o-y | Supply chain finance: ↓ 26% y-o-y
LAP & LRD: ↓ 9% y-o-y

Corporate

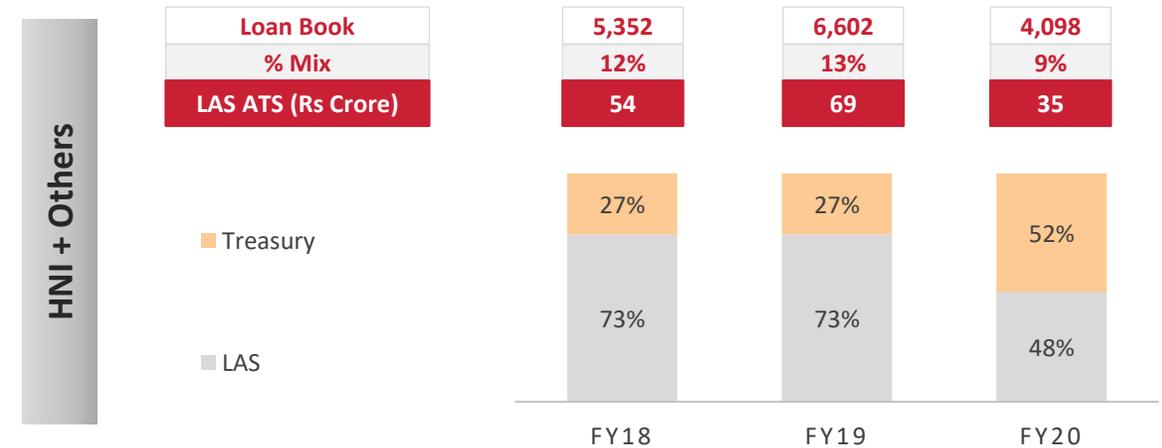
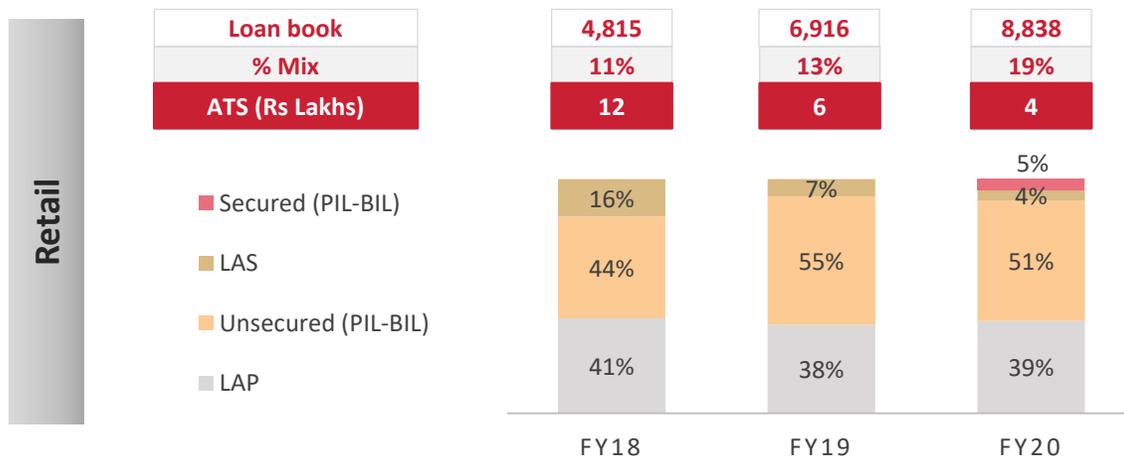
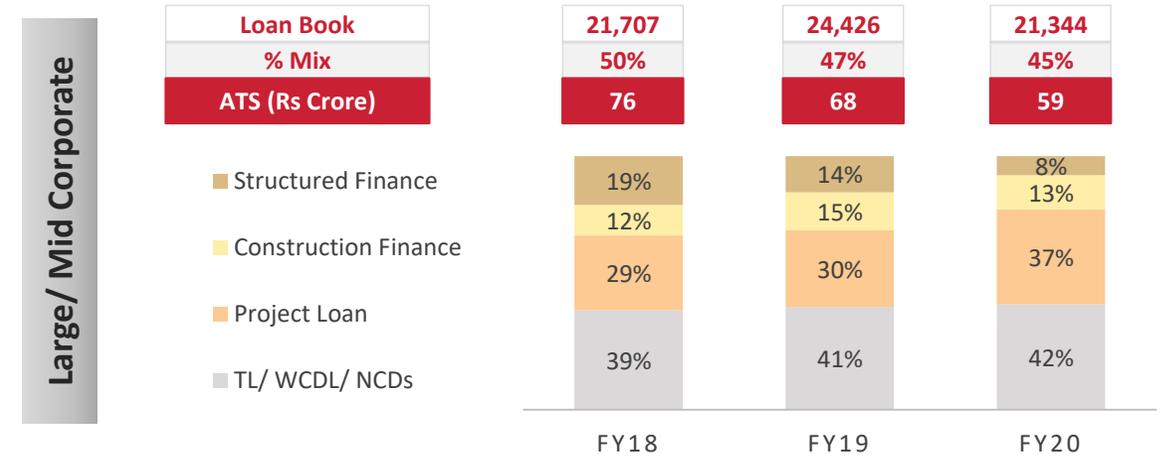
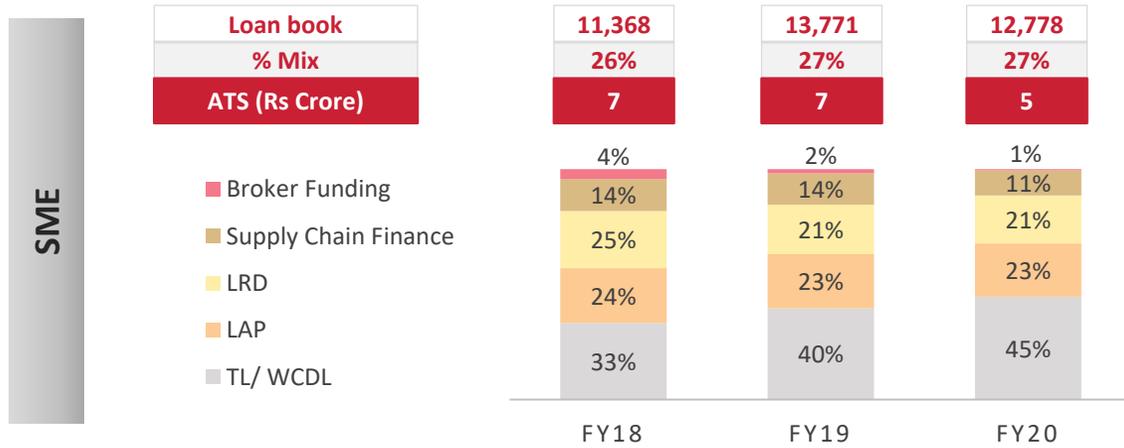
Strategic repayment/ pre-payment in large/ mid corporate

Structured Finance: ↓ 54% y-o-y | Construction Finance: ↓ 21% y-o-y

HNI

LAS: ↓ 59% y-o-y

Building granularity across segments

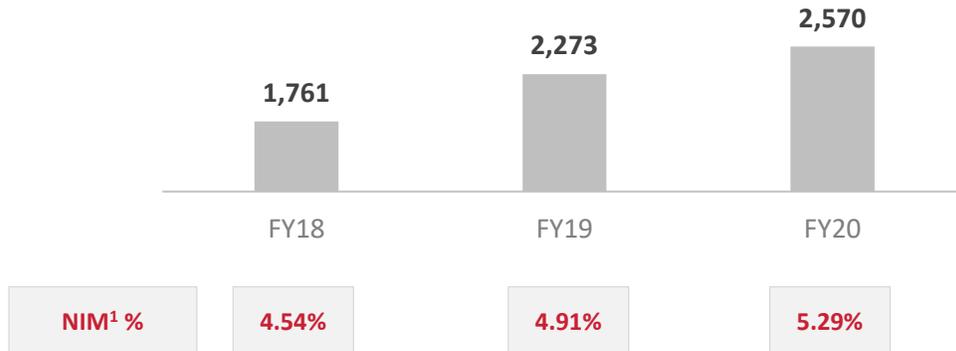


Continued delivery of strong core operating profit

Figures in Rs Crore

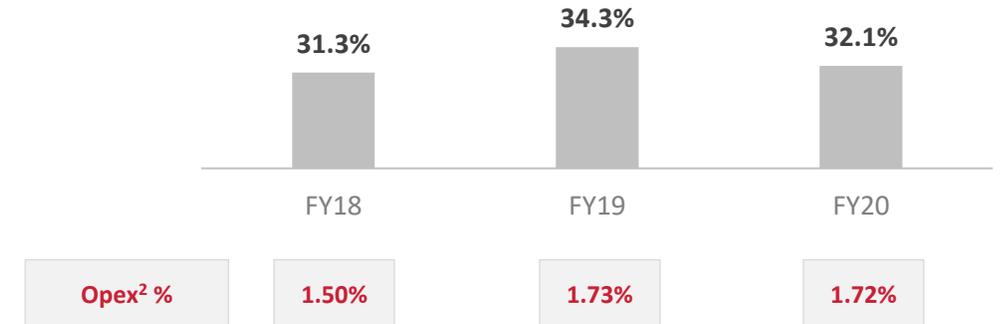
Net Interest Income¹

2 year CAGR: 21%



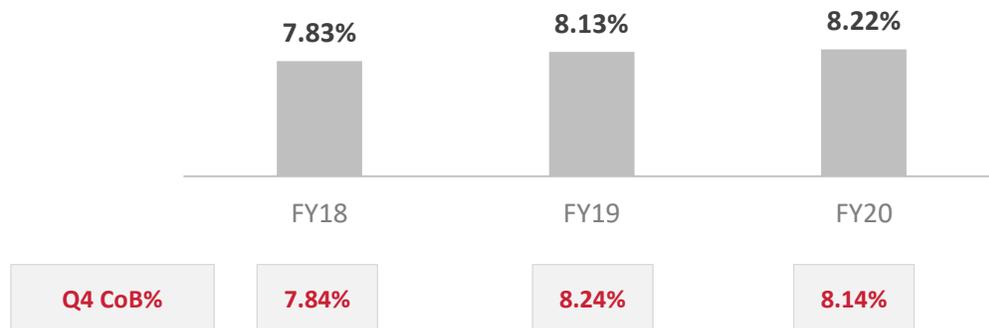
Cost Income Ratio

Cost optimization aided by productivity



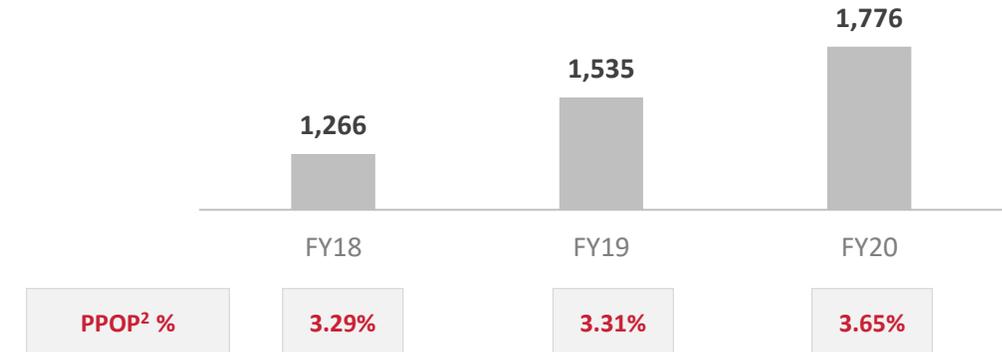
Cost of Borrowing

Optimised borrowing cost in a volatile interest rate environment



PPOP

2 year CAGR: 18%



Increased provisions given the environment

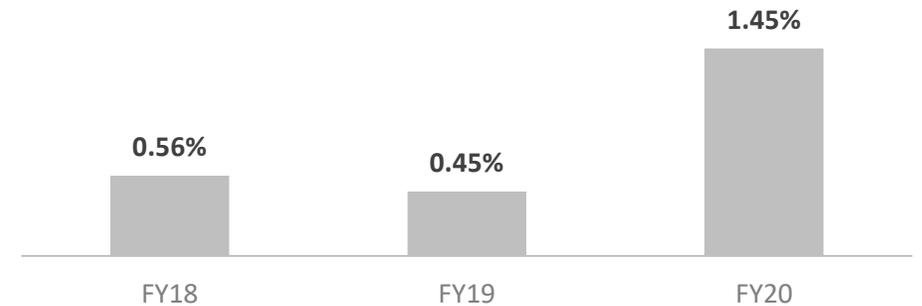
Stage-wise assets and with enhanced provision coverage

| Figures in Rs Crores | Q3 FY20 | | Q4 FY20 | |
|------------------------|-------------|---------|-------------|----------|
| | Stage 1 & 2 | Stage 3 | Stage 1 & 2 | Stage 3 |
| Loan Book | 46,635 | 1,298 | 45,360 | 1,697 |
| % of Loan Book (Gross) | 97.29% | IL&FS | 96.39% | IL&FS |
| | | 0.46% | | Ex-IL&FS |
| | | 2.26% | | 0.47% |
| ECL Provision | 243 | 376 | 316 | 566 |
| Provision Coverage | 0.52% | 28.9% | 0.70% | 33.3% |
| % of Loan Book (Net) | | 1.95% | | 2.40% |

Largely secured book provides additional safety layer

| % of Segment Loan Book | GS3 % | PCR % | NS3 % | GS3 | Provision | Security |
|----------------------------|--------------|--------------|--------------|--------------|------------|--------------|
| SME | 1.28% | 35.7% | 0.82% | 163 | 58 | 233 |
| Retail | 2.62% | 48.7% | 1.34% | 232 | 113 | 78 |
| Large/ Mid Corp (Ex-IL&FS) | 5.08% | 30.7% | 3.52% | 1,082 | 332 | 1,239 |
| Large/ Mid Corp (IL&FS) | 1.03% | 28.3% | 0.74% | 220 | 62 | 198 |
| HNI & Others | - | - | - | - | - | - |
| Total Book | 3.61% | 33.3% | 2.40% | 1,697 | 566 | 1,748 |

Credit Cost % of Avg. Loan Book



Additional CoVID related provision of Rs. 163 Crore in FY20

- Stage 3 enhanced ECL provision of Rs 73 Crore, and
- Additional CoVID-19 provision of Rs 90 Crore
 - ~ 20 bps of Loan Book as on 31st Mar'20, considering LGD/PD assumptions based on extensive stress-testing
- 33% of AUM under moratorium; % reducing as lockdown eases

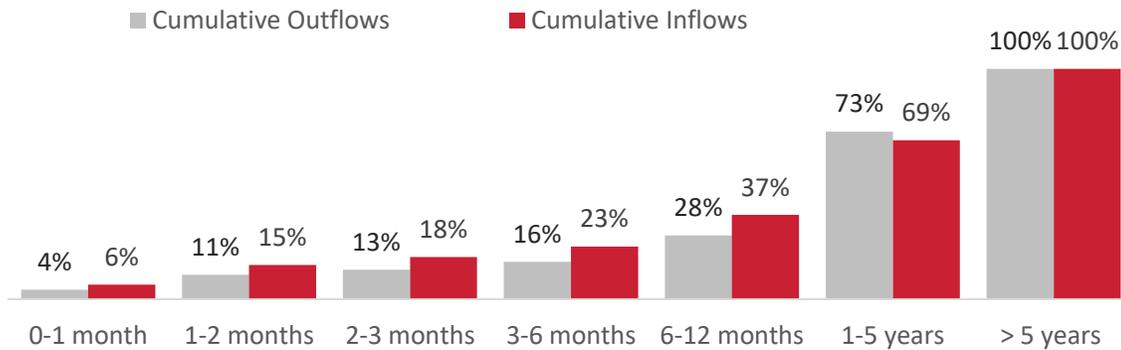
Secured loan book at ~80% of total + CGTSME

Primarily focused on cash flow-based underwriting

Well matched ALM with adequate liquidity

Figures in Rs Crore

ALM optimised for liquidity and costs (As on Apr'20)



Cumulative Surplus/ (Gap)

| | | | | | | |
|-----|-----|-----|-----|-----|------|----|
| 57% | 41% | 43% | 41% | 32% | (5)% | 0% |
|-----|-----|-----|-----|-----|------|----|

Raised LT borrowing of ~Rs 11,700 Crore in FY20

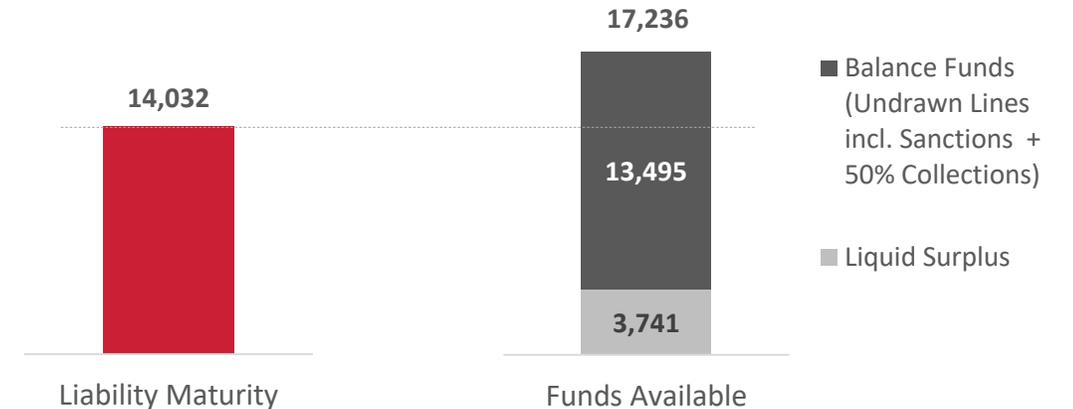
- Term Loans: Rs 6,100 Crore | NCD: ~Rs 4,100 Crore
- ECB: ~ Rs 1,500 Crore (USD 200 Mn)

AAA rating re-affirmed by ICRA and India Ratings

Adequate liquidity under stress test scenario

Liability Maturity (FY21)
(Including interest payments)

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



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

Maintaining comfortable capital adequacy
Q4 FY20: CRAR at ~19%

Way Forward in FY21

New Business

Start with caution

- Retail **secured loans and high quality salaried personal loans**
- Leverage **Emergency Credit Line** (100% Credit Guarantee from NCGTCL) for top-up loans to existing Retail, SME clients
- Leverage **CGTMSE (SIDBI)** Program for new unsecured loans to retail MSME customers
- **Top up to supply chain/ SME clients and cross sell (loans/ 3rd party products)** to existing ABC/ ABG ecosystem
- **Branch expansion** in tier II-IV markets → Implementation in H2FY21, post assessment of macro-economic scenario

Cost Efficiency

Target 8-9 %
annualized cost
savings

- **Opex rationalization:**
 - Rent renegotiations and administrative costs ;
 - Reassessment of all outsourced costs; and
 - Leveraging technology to save costs on travel and other discretionary spends

Continued strong focus
on business enablers

- Maintain **adequate Liquidity** and **well-matched ALM** profile
- **Underwriting (Corporate & SME):** Focus on select sectors – evaluation with stressed scenario cash flow of customer
- **Underwriting (Retail and MSME):** Tech enabled stronger underwriting - Automated Fraud checks, API based KYC & real-time due diligence, Digital Credit Underwriting scorecards, leverage video PD
- Automated and Analytics driven **Collections**; Dedicated focus on **settlements/recoveries across products**

Key Financials – Aditya Birla Finance Limited



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| Quarter 4 | | Figures in Rs Crore | Full Year | | Δ LY% |
|---------------|---------------|---|---------------|---------------|-----------|
| FY 18-19 (PY) | FY 19-20 (CY) | | FY 18-19 (PY) | FY 19-20 (CY) | |
| | | Key Performance Parameters | | | |
| 51,714 | 47,057 | Lending book | 51,714 | 47,057 | |
| 12.40% | 12.31% | Average yield (Incl. Fee Income) | 11.93% | 12.42% | ↑ +49 bps |
| 7.16% | 7.08% | Interest cost / Avg. Lending book | 7.02% | 7.13% | |
| 5.25% | 5.24% | Net Interest Margin (Incl. Fee Income) | 4.91% | 5.29% | ↑ +38 bps |
| 637 | 617 | Net Interest Income (Incl. Fee Income) | 2,273 | 2,570 | ↑ 13% |
| 1.97% | 1.94% | Opex / Avg. Lending book | 1.73% | 1.72% | |
| 36.8% | 36.4% | Cost Income Ratio | 34.3% | 32.1% | |
| 0.49% | 2.73% | Credit Provisioning/ Avg. Lending book | 0.45% | 1.46% | |
| 353 | 78 | Profit before tax | 1,328 | 1,069 | |
| 227 | 137 | Profit after tax | 869 | 821 | |
| 7,417 | 8,078 | Net worth | 7,417 | 8,078 | |

Aditya Birla Housing Finance Limited



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Business resilience under Lockdown

1 Portfolio

- *Connect with 100% customers across targeted segments*
- *AI Voice Bot implemented with Fin-Tech Partner, assisting in extensive calling on Morat & Front End Buckets*
- *Granular portfolio backed by ~2x collateral*
- *A third of affordable book under moratorium is covered by IMGCC*

2 Liquidity/ Balance Sheet management

- *Raised Rs 400 Cr from NCD in April'20*
- *Received sanction of Rs 228 Cr from NHB under special refinance facility*
- *More than 2000 Cr of bank sanction in pipeline available*
- *Reaffirmed "AAA" rating*
- *Comfortable CRAR of ~19%*

3 Digital Enablement

- *Digital service : Leveraged several digital services like Whatsapp , IVR , eBoT, customer web portal for superior customer service*
- *Leveraged EBOT technology with CRM to ensure faster turn around time for customers, currently at 81% Vs. 65% pre-lockdown*
- *Onboarded all customers for service through WhatsApp*

4 Employee Safety

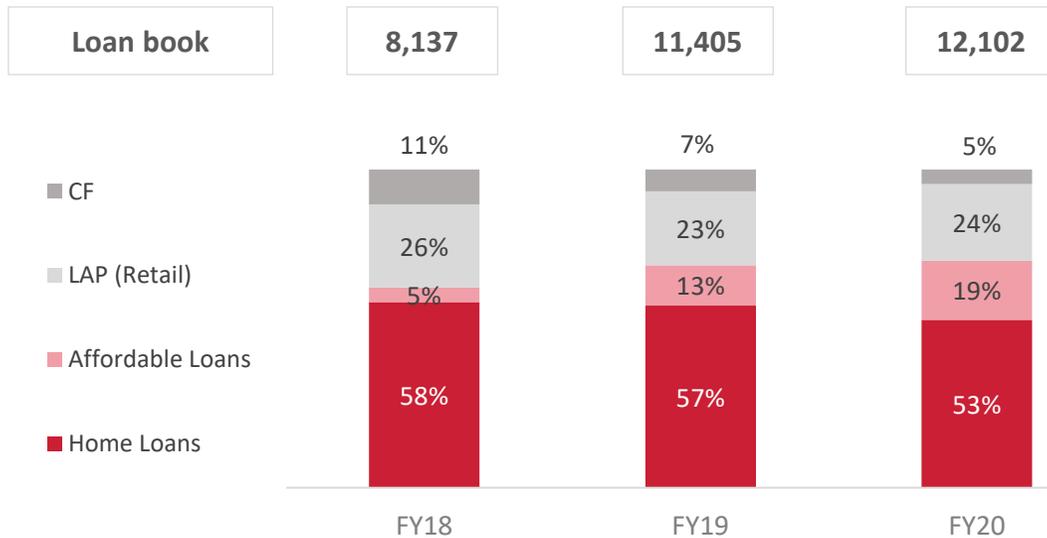
- *Adopted Flexi-work policy with virtual desktop interface over cloud infrastructure*
- *Successfully invoked 'Work From Home', leveraging on advanced technologies providing continued support to customers, vendors etc.*
- *In a phased and calculated fashion given permission to employees and branches to open and operate*
- *100% branches activated as on date*

Increasing retailisation with focus on margins

Figures in Rs Crore

Growing loan book with increased retail mix

| Loan Book | Retail Mix | Home Loans | Affordable |
|--------------|------------|--------------|-----------------|
| 2Y CAGR: 22% | 89% → 95% | 2Y CAGR: 30% | 6x over 2 years |



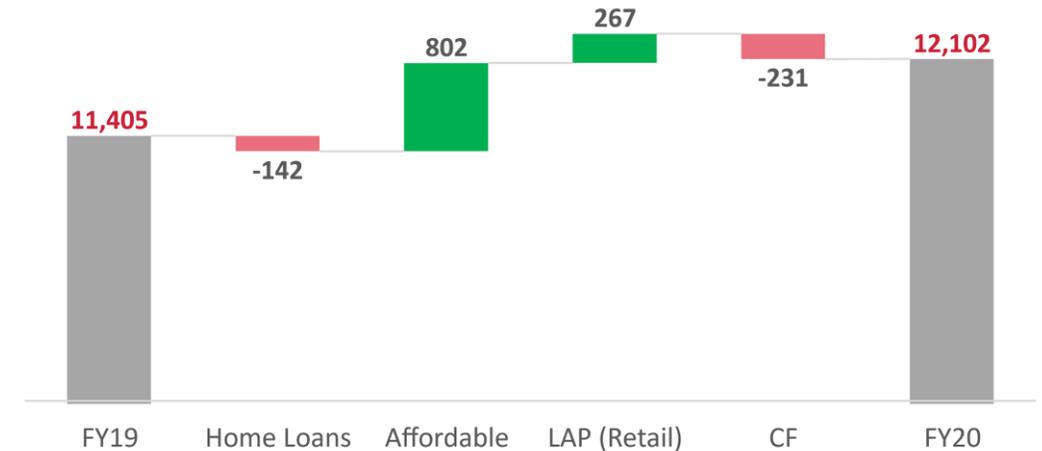
Our approach in FY20

Increasing Realization

Greater Granularity

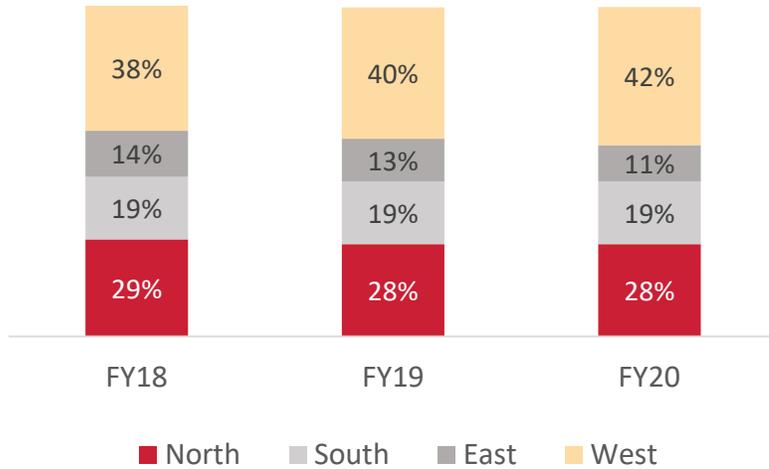
Reduction in Construction Finance

Net Disbursements



Sourcing Strategy

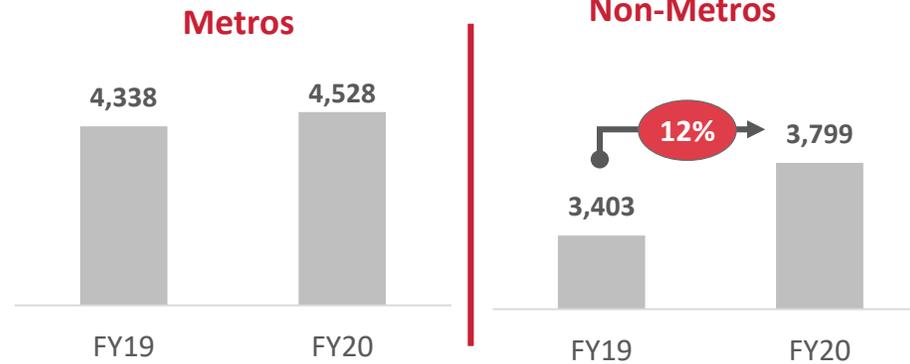
Diversified Geographic Mix (%)



Balanced distribution strategy
Tapping growth in smaller cities through affordable

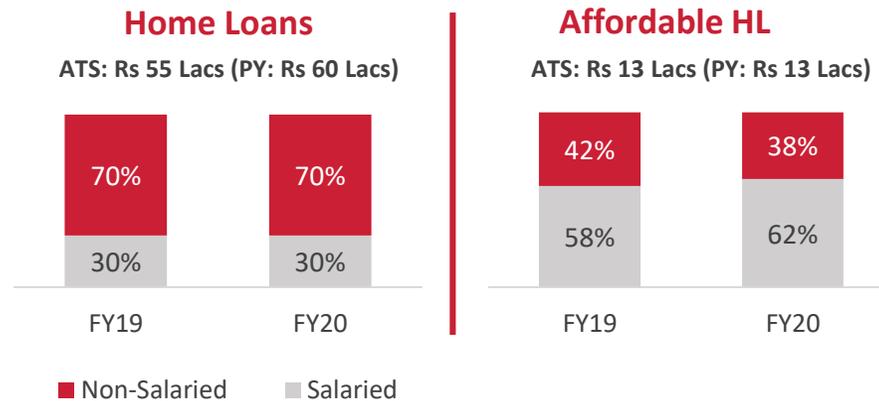
Focus on increasing reach and building retail granularity

Home Loans Sourcing



Non-metro loan book mix at 46%
65 branches currently operational pan-India

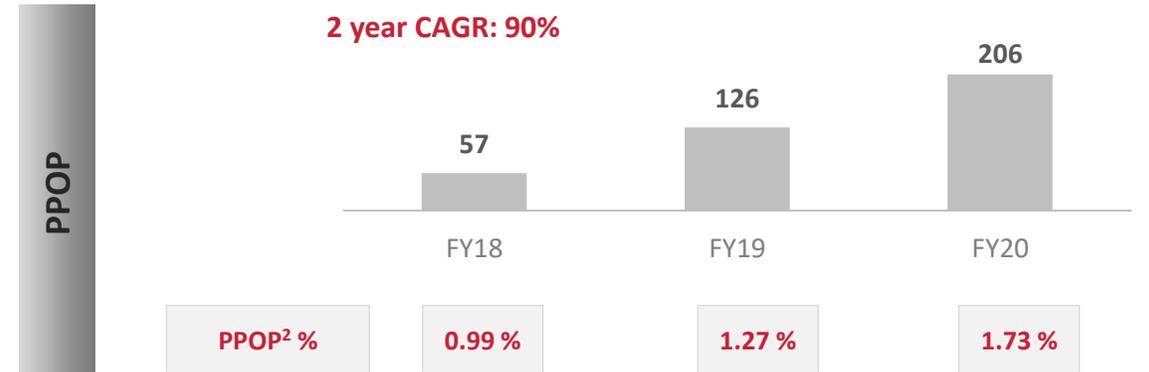
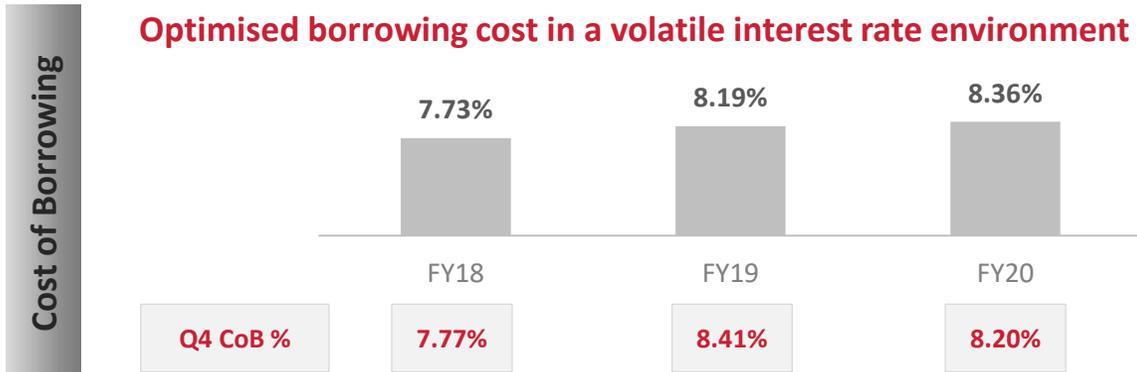
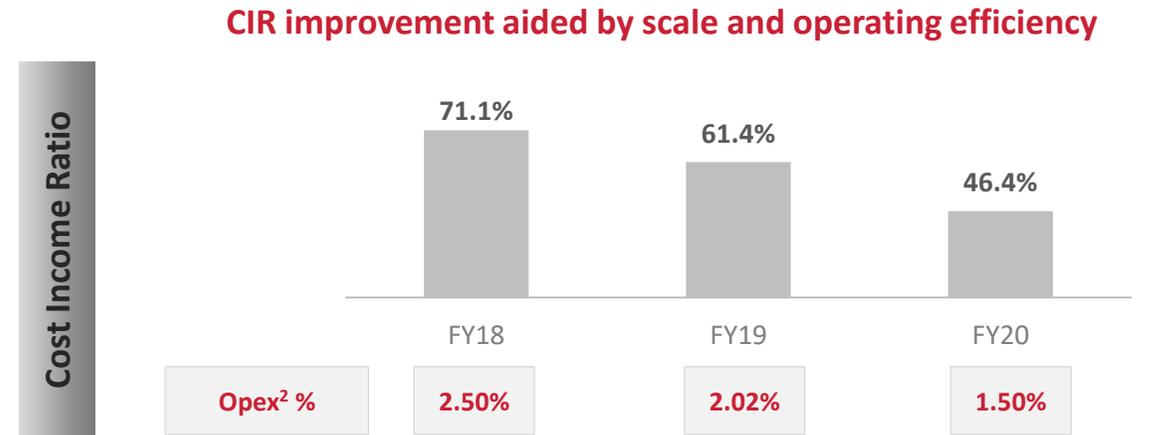
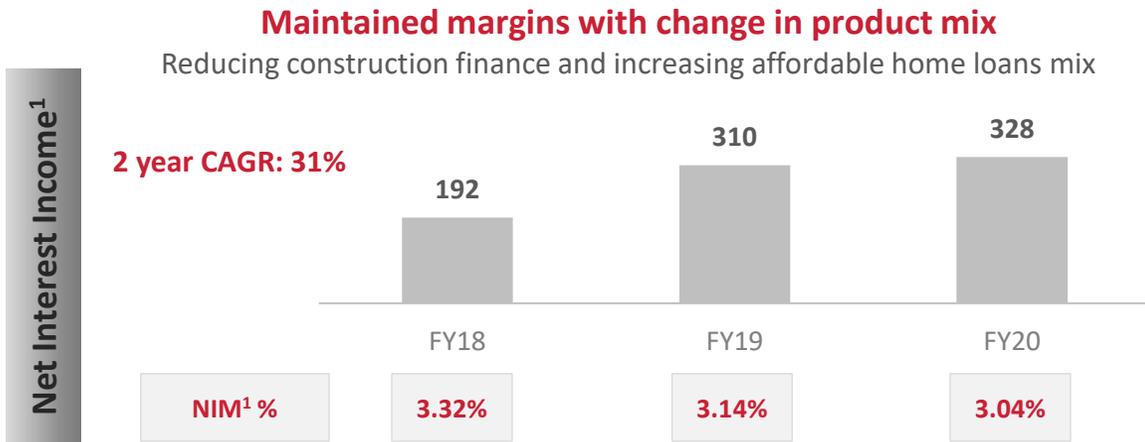
Customer Mix



Continue to focus on salaried customers in Affordable HL segment

Delivering strong core operating profits

Figures in Rs Crore



Update on portfolio quality

Stage-wise assets and provision coverage

| Figures in Rs Crores | Q3 FY20 | | Q4 FY20 | |
|-------------------------------|---------------|--------------|---------------|--------------|
| | Stage 1 & 2 | Stage 3 | Stage 1 & 2 | Stage 3 |
| Loan Book | 12,063 | 127 | 11,955 | 147 |
| % of Loan Book (Gross) | 98.96% | 1.04% | 98.79% | 1.21% |
| ECL Provision | 40 | 40 | 56 | 47 |
| Provision Coverage | 0.33% | 31% | 0.47% | 32% |
| % of Loan Book (Net) | | 0.73% | | 0.82% |

Credit Cost



Secured loan book provides safety

| % of Segment Loan Book | GS3 % | PCR % | NS3 % | GS3 | Provision | LTV% |
|------------------------|--------------|------------|--------------|------------|-----------|------------|
| Home Loan | 1.30% | 32% | 0.88% | 108 | 34 | 64% |
| LAP (Retail) | 1.77% | 33% | 1.19% | 39 | 13 | 48% |
| Construction Finance | - | - | - | - | - | - |
| Total Loan Book | 1.21% | 32% | 0.82% | 147 | 47 | 59% |

- Additional COVID-19 provision of Rs 18 Crore (20 bps of total ECL provision pool)
- 30% of AUM under moratorium; % reducing as lockdown eases

Affordable Loans

- ATS for Affordable Home Loans ~ Rs 13 Lacs
- 29% of affordable Home Loans portfolio backed by IMGIC and 49% eligible for PMAY subsidy. 33% of book under moratorium is covered by IMGIC

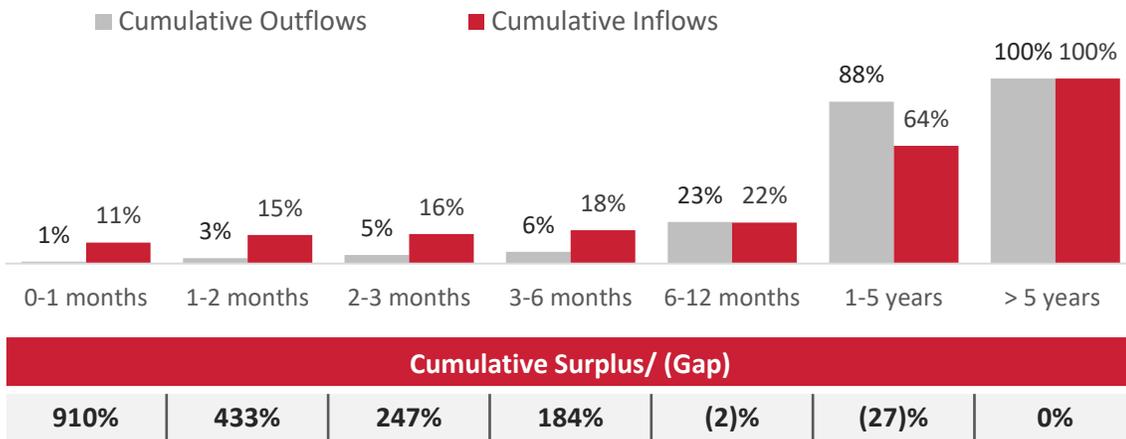
Construction Finance

- ATS on exposure: Rs 18 Crore | ATS on outstanding: Rs 9 Crore (PY: 13 Crore)
- ~85% of CF exposure to Bangalore, Mumbai, Pune, Surat, Ahmedabad and Noida | No NCR exposure other than Noida

Well matched ALM with adequate liquidity

Figures in Rs Crore

ALM optimised for liquidity and costs (As on Apr'20)



Raised LT borrowing of ~Rs 3,100 Crore in FY20

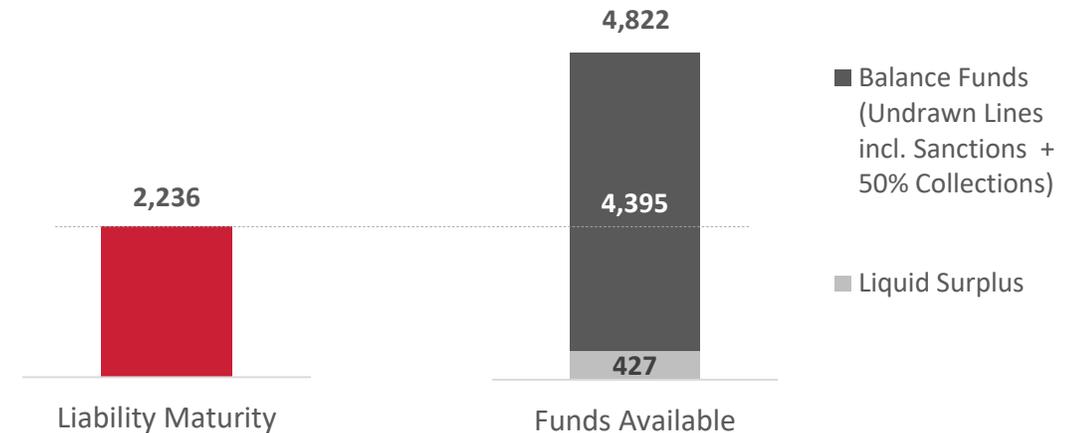
- Term loans (Banks): Rs 2,275 Crore | NCDs: Rs 110 Cr
- Term loan (NHB): Rs 400 Crore;
- ECB: Drawn Rs 354 Crore (Sanction of USD 100 Mn)

AAA rating re-affirmed by ICRA and India Ratings

Adequate liquidity under stress test scenario

Liability Maturity (FY21)
(Including interest payments)

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

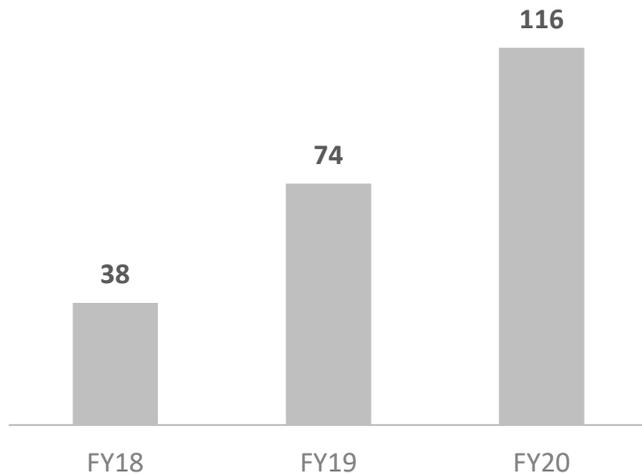


Maintaining comfortable capital adequacy
Q4 FY20: CRAR at ~19% (Regulatory requirement: 13%)

Value accretive growth

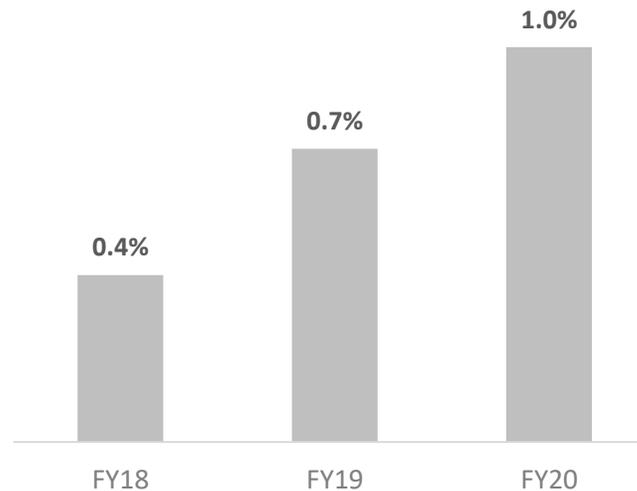
PAT¹

2 year Growth: 3x



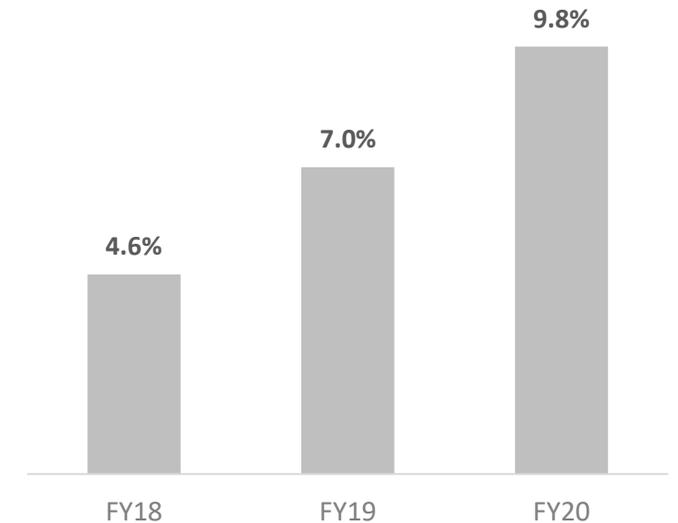
Return on Assets¹

2 year RoA increased by 60 bps



Return on Equity^{1,2}

2 year RoA increased by 5.2%



Way Forward in FY21

Portfolio Management

**Start with caution,
Focus on risk-
adjusted-returns**

- Focus on segments to increase risk-adjusted-returns
- Focus on upsell/ cross-sell; Curating pre approved offers for customers through analytics
- Focus on collections:
 - AI Voice Bot implemented with Fin-Tech Partner, assisting in extensive calling on Morat & Front End Buckets
 - Tie up with Fintech platform that facilitates WFH calling by our In-House Sales Credit & Collections.
 - Analytics based Risk Segmentation on Delinquent Portfolio
- Under-writing fine tuned to ensure cautious approach as we start business in a calibrated way post lockdown

Digital Journeys

**Increase share of
digital on-boarding
to 50%**

- **Digital onboarding integrated with LOS coupled with LMS and digital customer service platform**
 - Automation of KYC, Banking, ITR, Video PD, underwriting score cards for straight through processing
 - Digital service : Leveraged several digital services like Whatsapp , IVR , eBoT, customer web portal for superior customer service

Cost Efficiency

- **Targeting 8-9% annualized cost savings over FY20:**
 - Real estate and admin price negotiations ;
 - reassessment of outsourced costs; and
 - leveraging technology to save cost of acquisition , control on travel and other discretionary spends

Key Financials – Aditya Birla Housing Finance Limited



adityabirlacapital.com

| Δ LY% | Quarter 4 | | Figures in Rs Crore | Full Year | | Δ LY% |
|--------|------------------|------------------|-------------------------------------|------------------|------------------|---------|
| | FY 18-19 (PY) | FY 19-20 (CY) | Key Performance Parameters | FY 18-19 (PY) | FY 19-20 (CY) | |
| ↑ 6% | 11,405 | 12,102 | Lending book | 11,405 | 12,102 | ↑ 6% |
| | 10.36% | 10.28% | Average yield | 10.13% | 10.39% | |
| | 7.46% | 7.38% | Net Interest cost / Avg. Loan book | 7.30% | 7.49% | |
| | 3.08% | 3.05% | NIM (incl. Fee Income) | 3.14% | 3.04% | |
| | 289 | 331 | Revenue | 1,025 | 1,298 | |
| | 1.50% | 1.41% | Opex/ Avg. Loan Book | 2.02% | 1.50% | |
| ↓ 3.1% | 47.1% | 44.0% | Cost Income Ratio (%) | 61.4% | 46.4% | ↓ 14.9% |
| | 0.19% | 0.91% | Credit Provisioning/ Avg. Loan Book | 0.19% | 0.59% | |
| | 40 | 27 | Profit Before Tax | 107 | 136 | |
| | 31 | 21 | Profit After Tax | 74 | 103 | ↑ 38% |
| | 1,190 | 1,383 | Net worth | 1,190 | 1,383 | |

Aditya Birla Sun Life AMC Limited



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

Business resilience under Lockdown

Focus on investor/ distributor outreach, tech enablement, risk management and employees

1 Investor and Distributor Outreach

- Actively engaged with investors and reached out to distributors across channels.
- Conducted Digital edition of our Flagship Annual Conference “Voyage” to communicate our view on market & investing which was **attended by ~40,000 distributors/ investors**

2 Liquidity, Investment & Risk Management

- Investment team enabled to work from home with all necessary controls in place**
- Sufficient liquidity created in schemes/ portfolios**
- Proactive repositioning of the portfolio to derisk portfolio

3 Operations and Digital Enablement

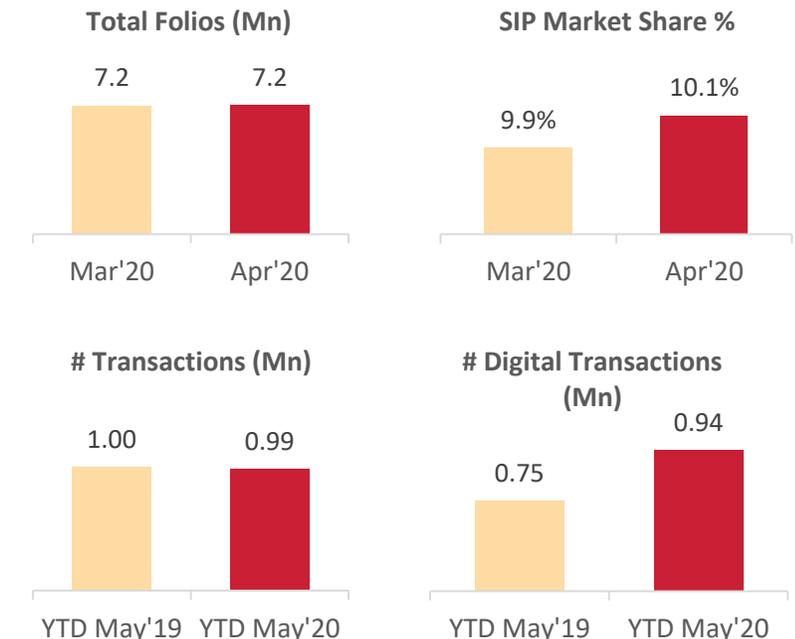
- Accelerated digital transaction adoption – achieved 97% digital transactions in Apr '20
- Initiated Service to Sales model across entire branch customer service platform
- All digital asset operational with more than 99%+ up time

4 Employee Safety and productivity

- 100% employee WFH prior to lockdown and rotation basis of employees for critical systems
- Sales enablement tool launched which can be used to track sales activity and productivity
- All operational processes worked smoothly through the lockdowns

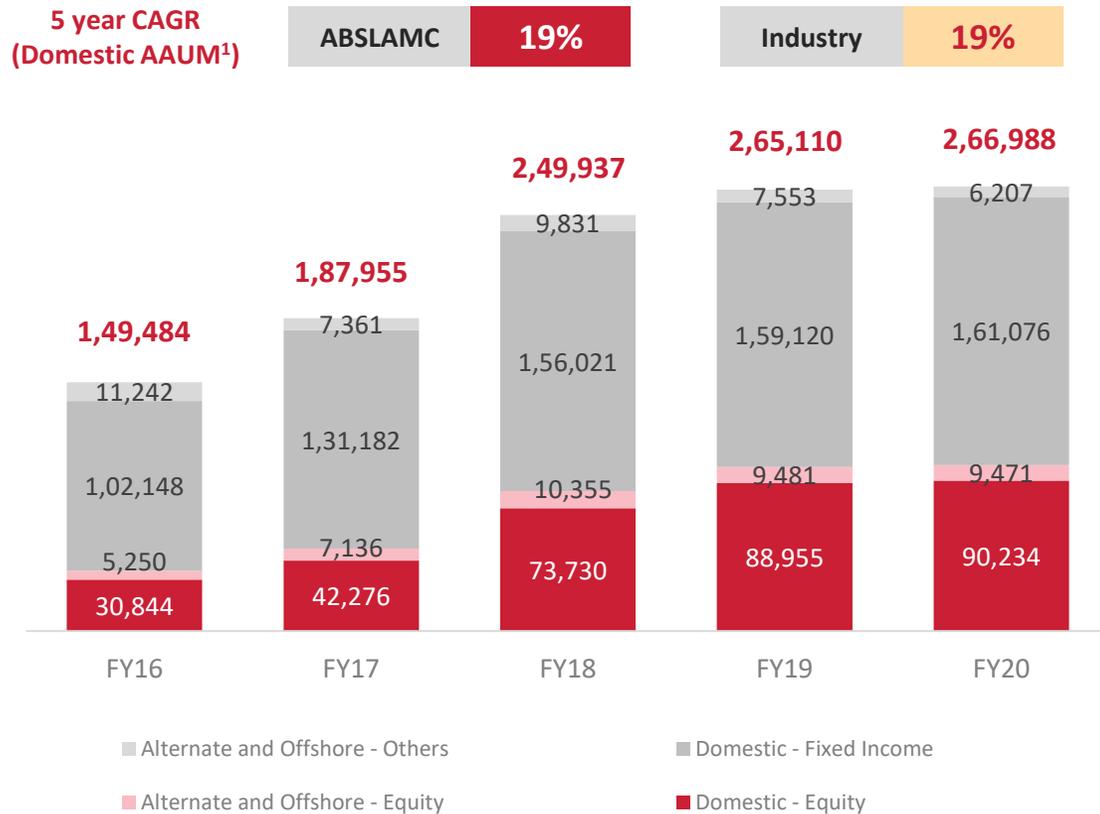
Performance under Lockdown

- Nearly 1 Million digital transactions under lockdown**
- 95% of transactions serviced digitally for YTD May'20**
- >70% of branches operational**

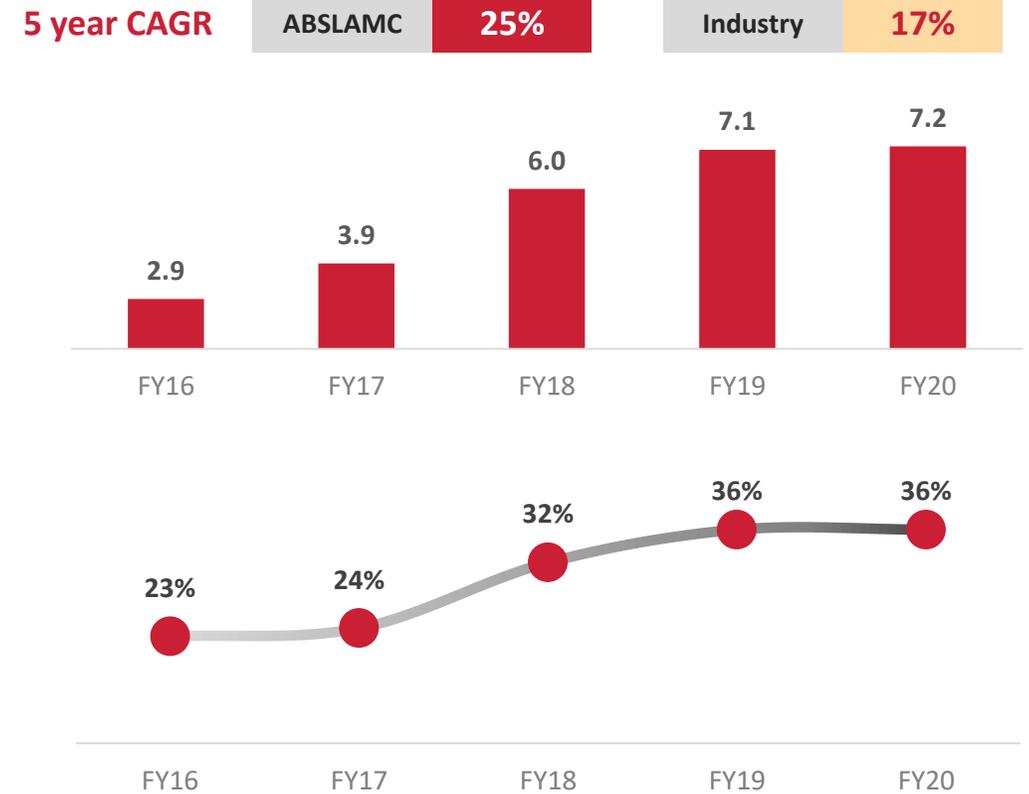


Building profitable scale through time

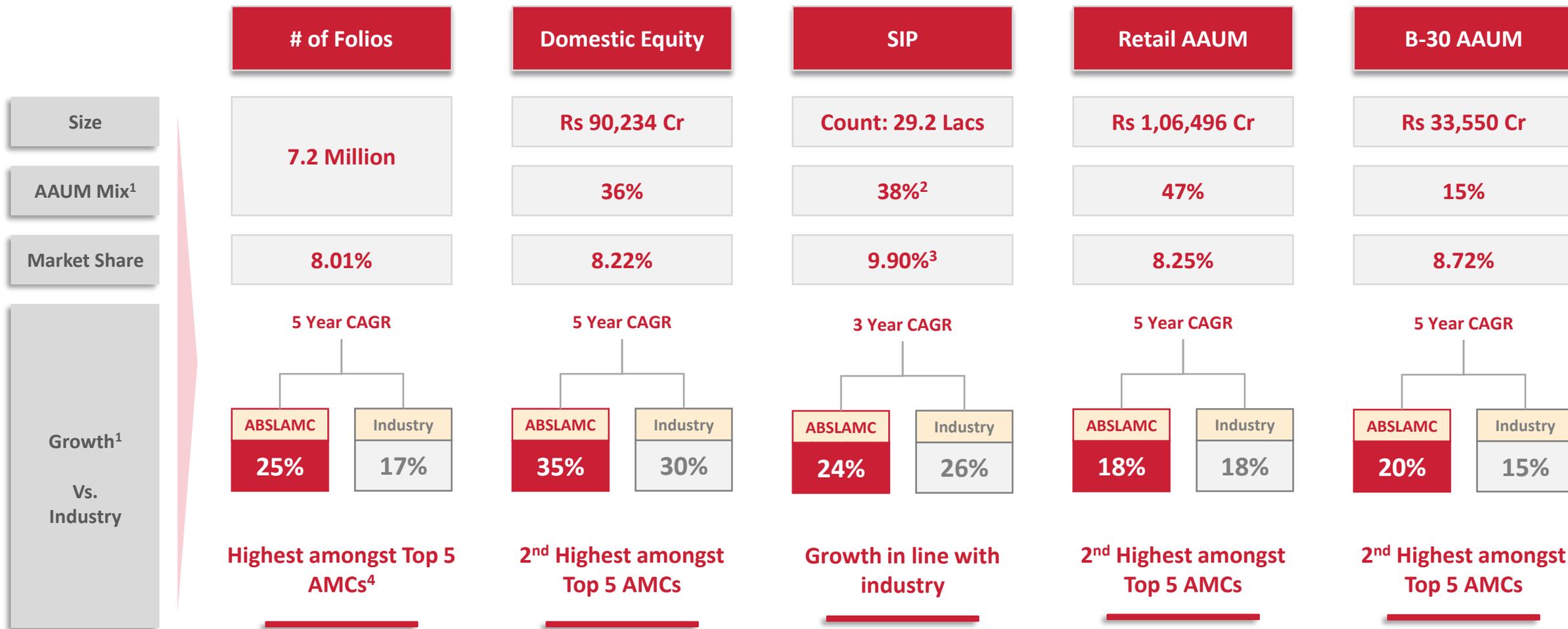
Assets under management



Consistent focus in growing high margin retail assets

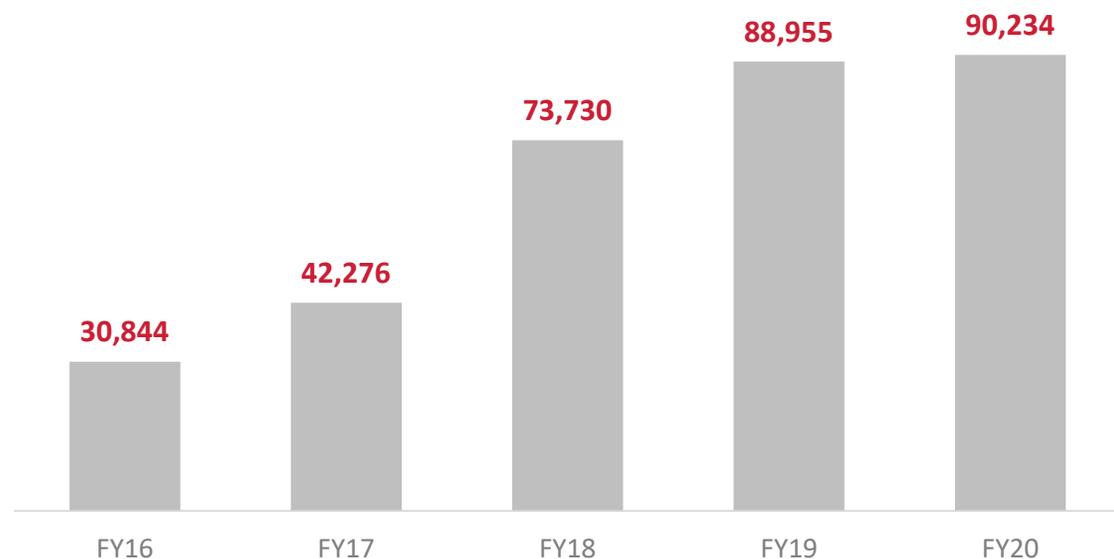


Strong growth across retail vectors in line with stated strategy



Continued focus on equity assets

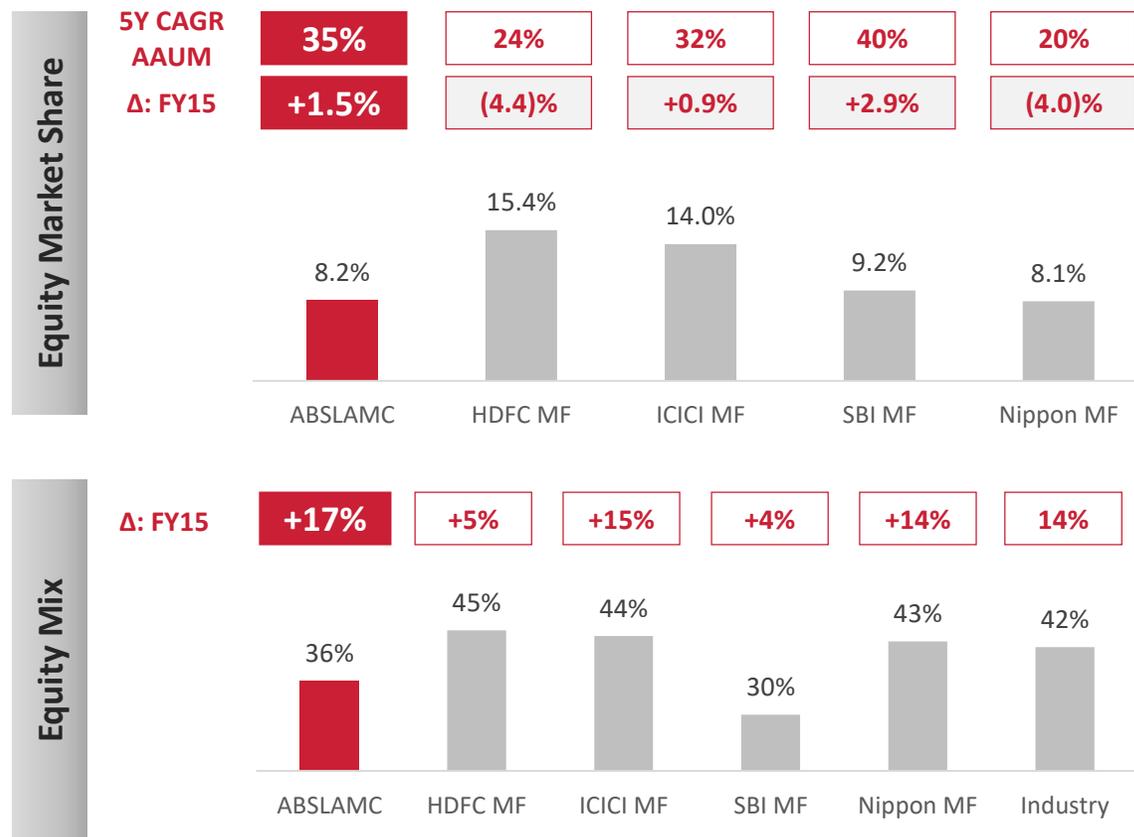
Domestic Equity Assets



5 year CAGR¹

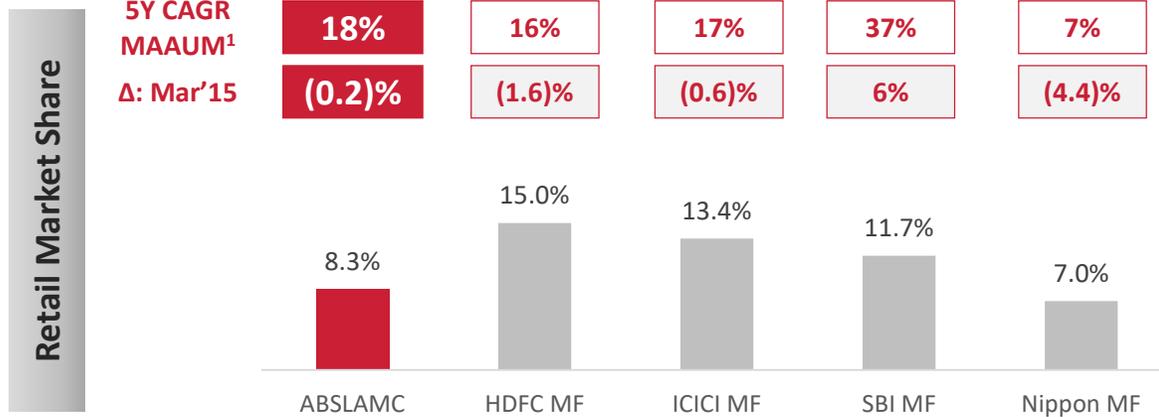


2nd fastest growing AMC amongst top 5 players¹

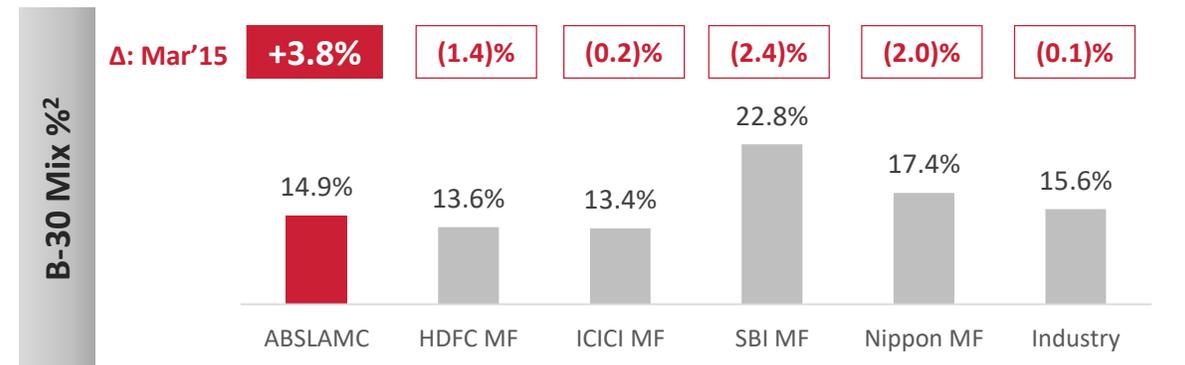
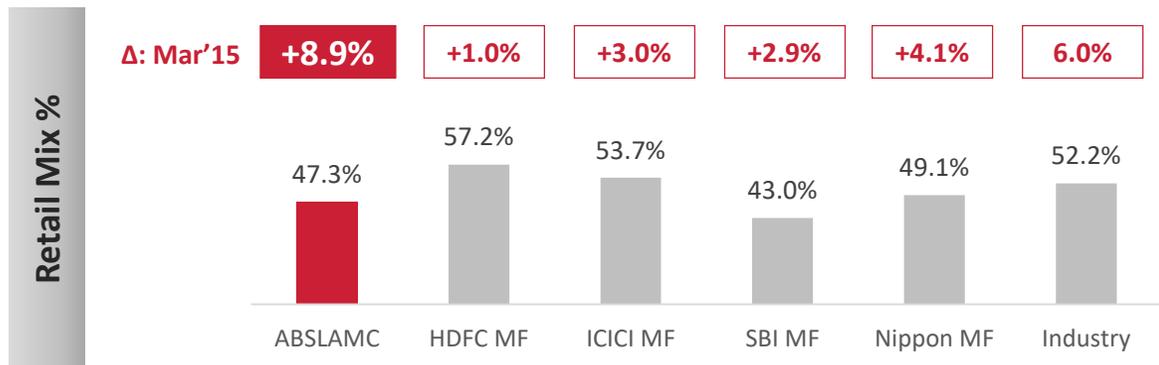
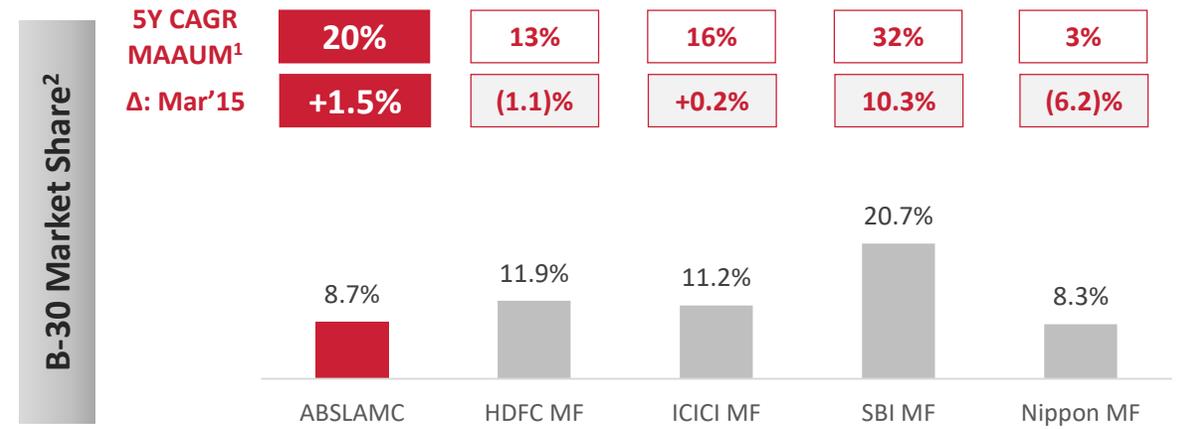


Focus on retail expansion

2nd Highest 5Y CAGR amongst Top 5 AMCs

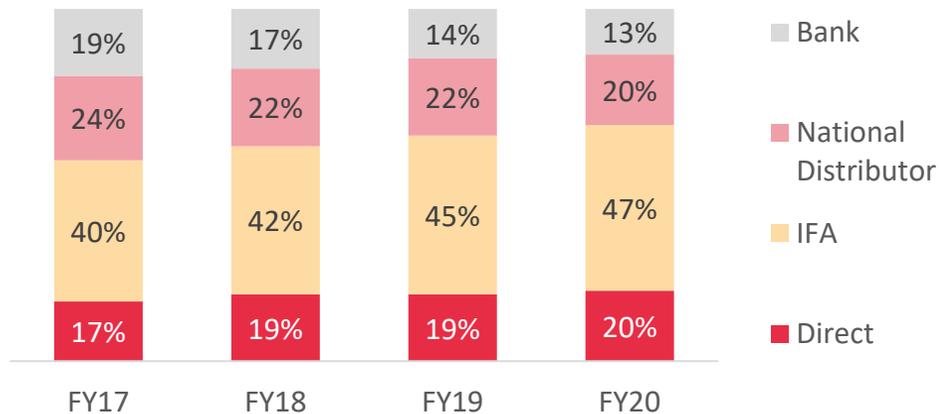


2nd Highest 5Y CAGR amongst Top 5 AMCs



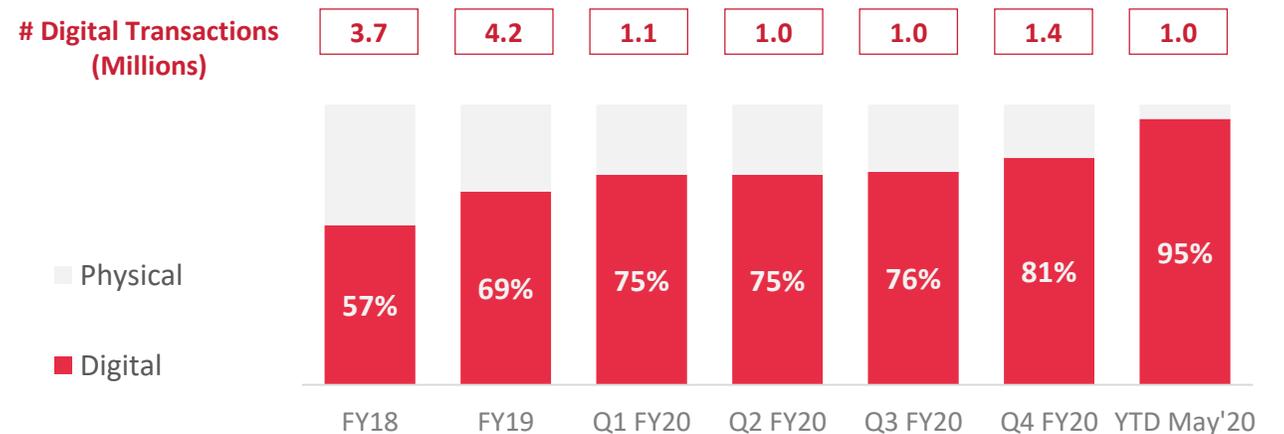
Large and diversified digitally-enabled distribution network

Continue to grow IFA share in equity sourcing



| | | | |
|---|-------------|--------------|----------------|
| Locations (>75% in B-30 cities) | 310 | IFAs | 80,100+ |
| National Distributors | 230+ | Banks | 88 |

Digital Tech enablement



Customers

- Launched micro ticket size and 1 Click SIP product
- Up-sell: Launched “Next-best-offer” programme: ~Rs 900 Crore of gross sales during FY20
- Simpler and paperless SIP registration through e-mandate in 33 large banks

Distribution

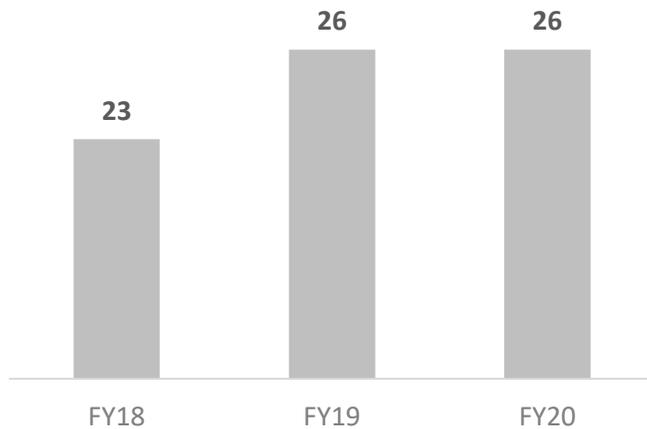
- Distributor portal with customized customer journeys and simplified distributor experience
- 10+ new-age digital ecosystem partners/distributors on-boarded through API integrations
- Launched exclusive products with strategic digital partners

Improving profitability over time

Figures in Rs Crore

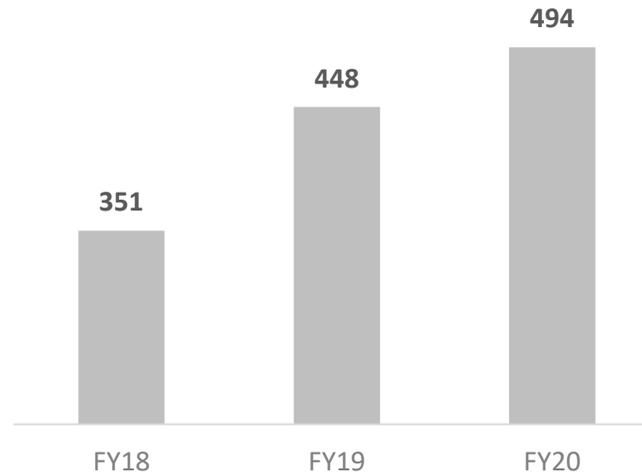
PBT/ AAUM (bps)

Increase of 3 bps over two years
(Δ : +9 bps over FY15)



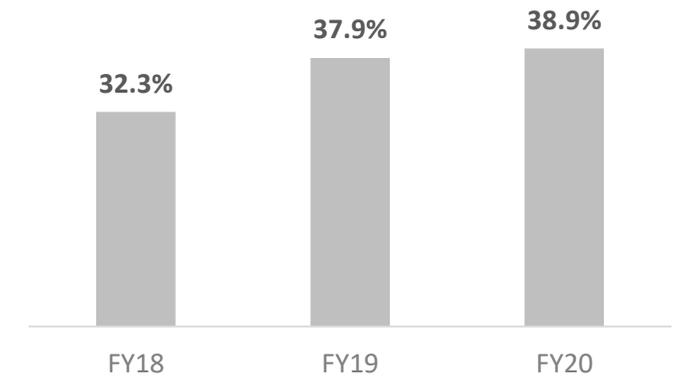
PAT

2Y CAGR: 19%
(5Y CAGR: 32%)



Return on Equity

Increase of 6.6% over 2 years
(Δ : +15% over FY15)



Key Financials – Aditya Birla Sun Life AMC Limited



adityabirlacapital.com

| Quarter 4 | | Figures in Rs Crore | Full Year | |
|------------------|------------------|--|------------------|------------------|
| FY 18-19 (PY) | FY 19-20 (CY) | | FY 18-19 (PY) | FY 19-20 (CY) |
| | | Key Performance Parameters | | |
| 2,46,480 | 2,47,522 | Domestic AAUM | 2,48,075 | 2,51,310 |
| 89,062 | 87,685 | Domestic Equity AAUM | 88,955 | 90,234 |
| 8,955 | 9,249 | Alternate and Offshore Equity AAUM | 9,481 | 9,471 |
| 98,017 | 96,935 | Total Equity | 98,436 | 99,705 |
| 320 | 278 | Revenue | 1,407 | 1,235 |
| 140 | 141 | Costs | 760 | 574 |
| 180 | 137 | Profit Before Tax | 647 | 661 |
| 29 bps | 22 bps | Profit Before Tax (bps¹) | 26 bps | 26 bps |
| 131 | 99 | Profit After Tax | 448 | 494 |

¹ Margin based on annualized earnings as % of domestic AAUM

Aditya Birla Sun Life Insurance Limited



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Business resilience under Lockdown

Steps taken to ensure business continuity, customer servicing and employee safety

1 Sales Continuity

- 92% of Front-Line Sales activated in April
- New Pre-Approved Sum Assured (PASA) Campaigns Driven in April
- Launched distribution chatbot for agent servicing
- Digital customer meetings conducted across channels

2 Customer Service

- 1,041 claims settled in last 15 days of March
- More than 90% customer service requests met on digital platforms in Apr '20
- Digital fulfilment of renewals
- Analytics driven propensity driving higher persistency

3 Business continuity

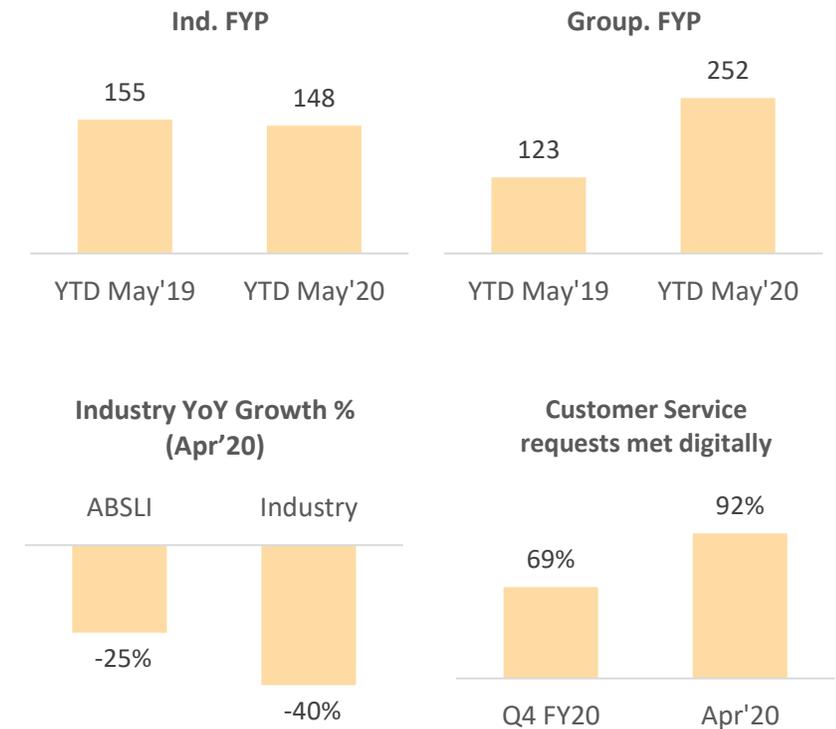
- Entire investments managed remotely with voice logging
- Hedged non PAR portfolio fully
- Ran several scenarios to stress test portfolios and took appropriate actions

4 Employee Safety & Productivity

- Flu Prevention Managers identified across all branches for health and safety protocol
- **More than 85% branches operational throughout May to service customers**
- All back-end employees enabled through technology to service Sales and Customers

Performance under Lockdown

100% of Individual Business sourced digitally

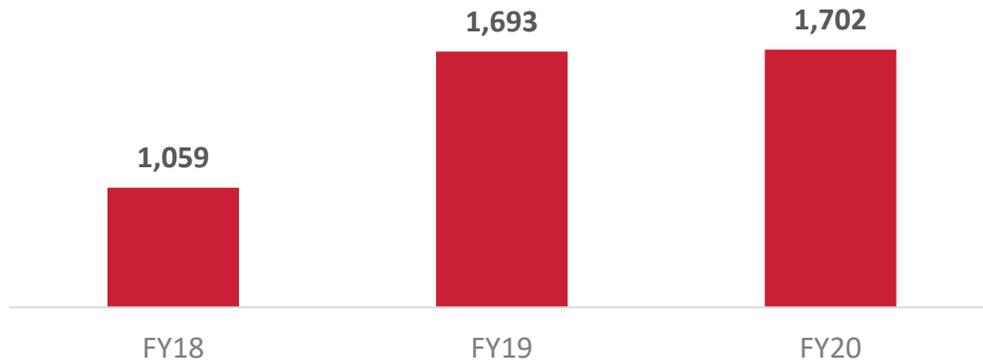


Robust growth in individual business

Figures in Rs Crore

Ind. FYP Market share maintained

Individual FYP¹



Ind. FYP¹ (YTD – Feb'20) was up 10% y-o-y

2 year CAGR

ABSLI

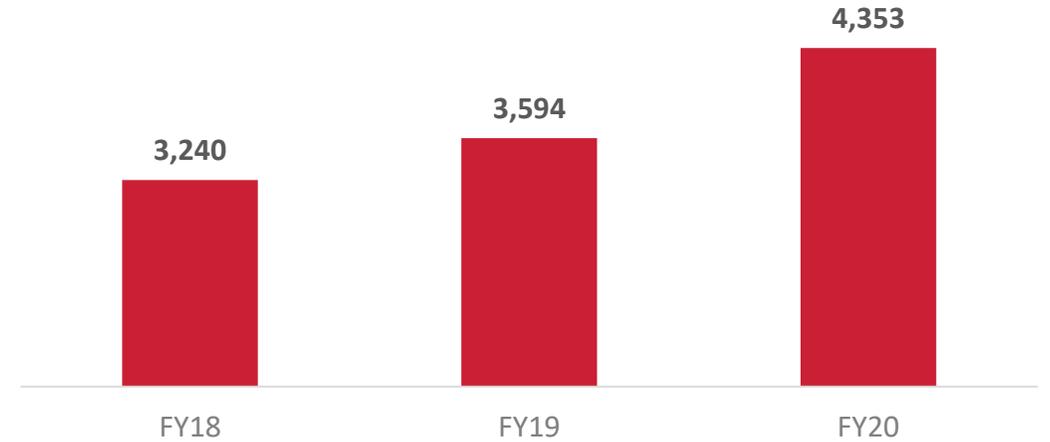
27%

Industry²

11%

Strong growth in Renewal Premium

Renewal Premium



Renewal Premium (YTD – Feb'20) was up 21% y-o-y

2 year CAGR

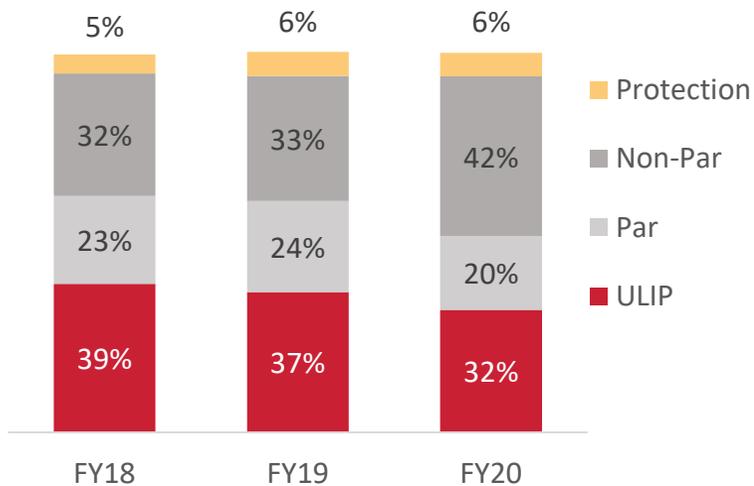
ABSLI

16%

Focus on value accretive product mix

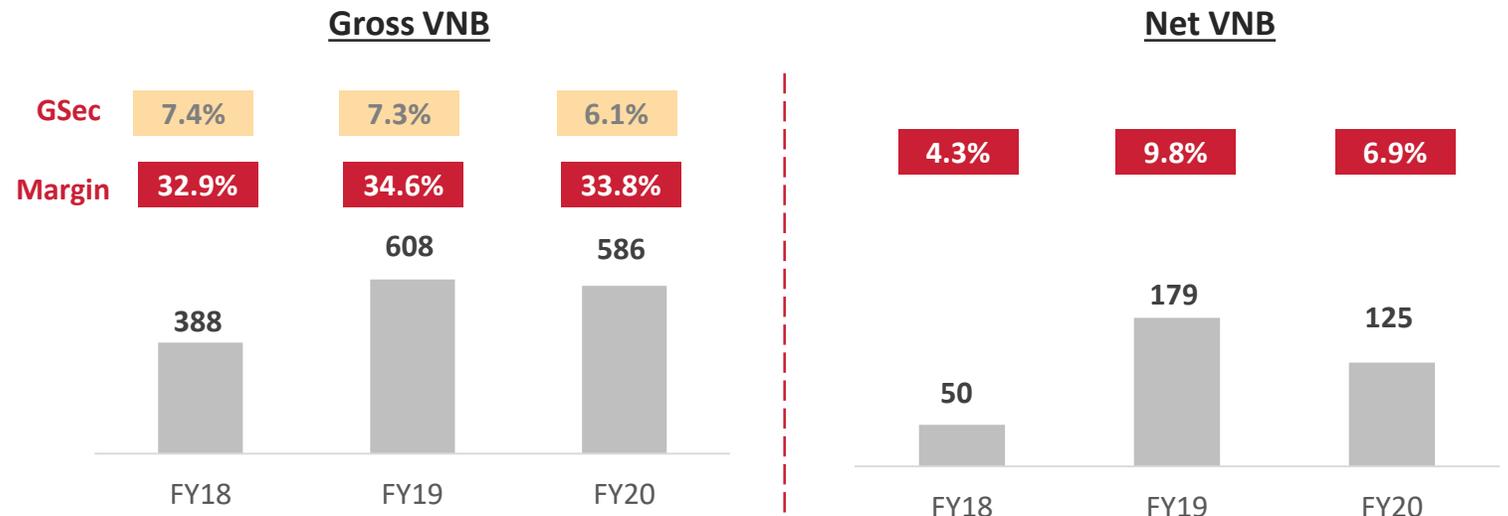
Figures in Rs Crore

Improvement in Product Mix



100% of expected maturity benefits of guaranteed portfolio are hedged

Improvement in VNB Margins¹



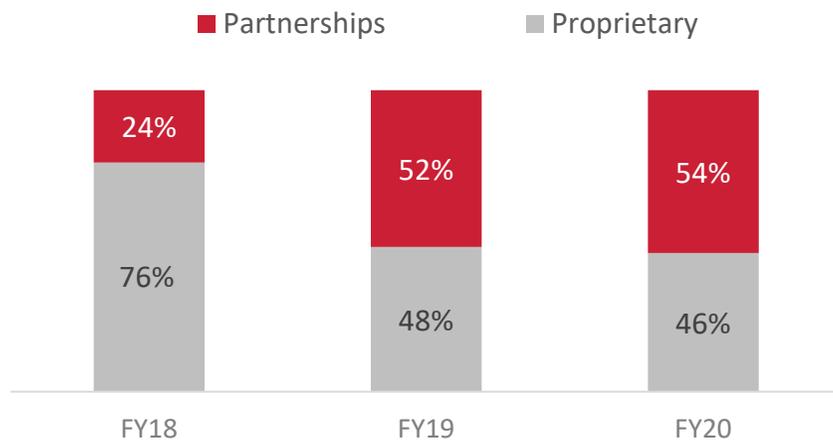
Gross margin maintained despite falling interest rates

Without COVID-19 impact, FY20 Net VNB would have been 11% to 12%

Multi channel distribution strategy

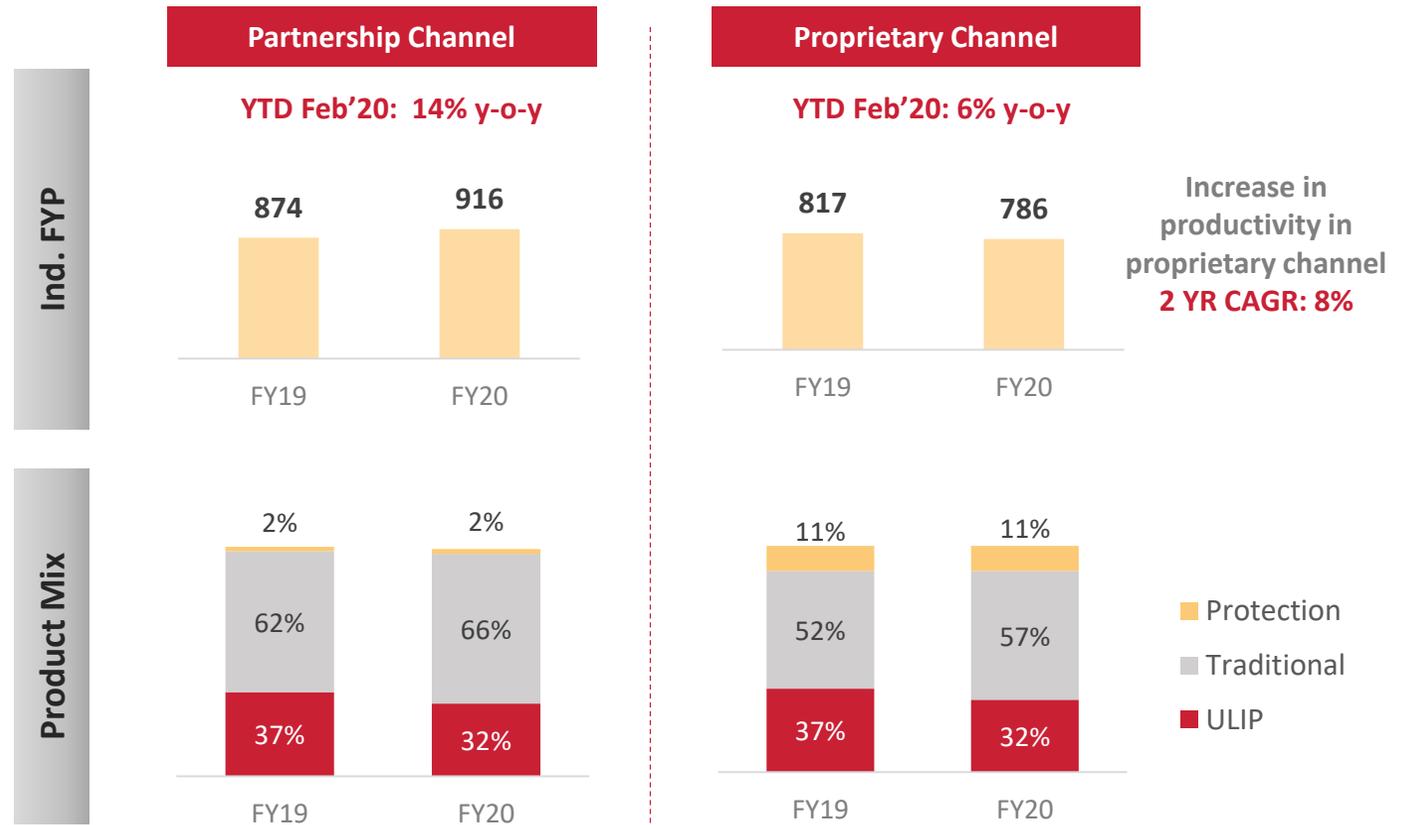
Figures in Rs Crore

Sourcing Mix

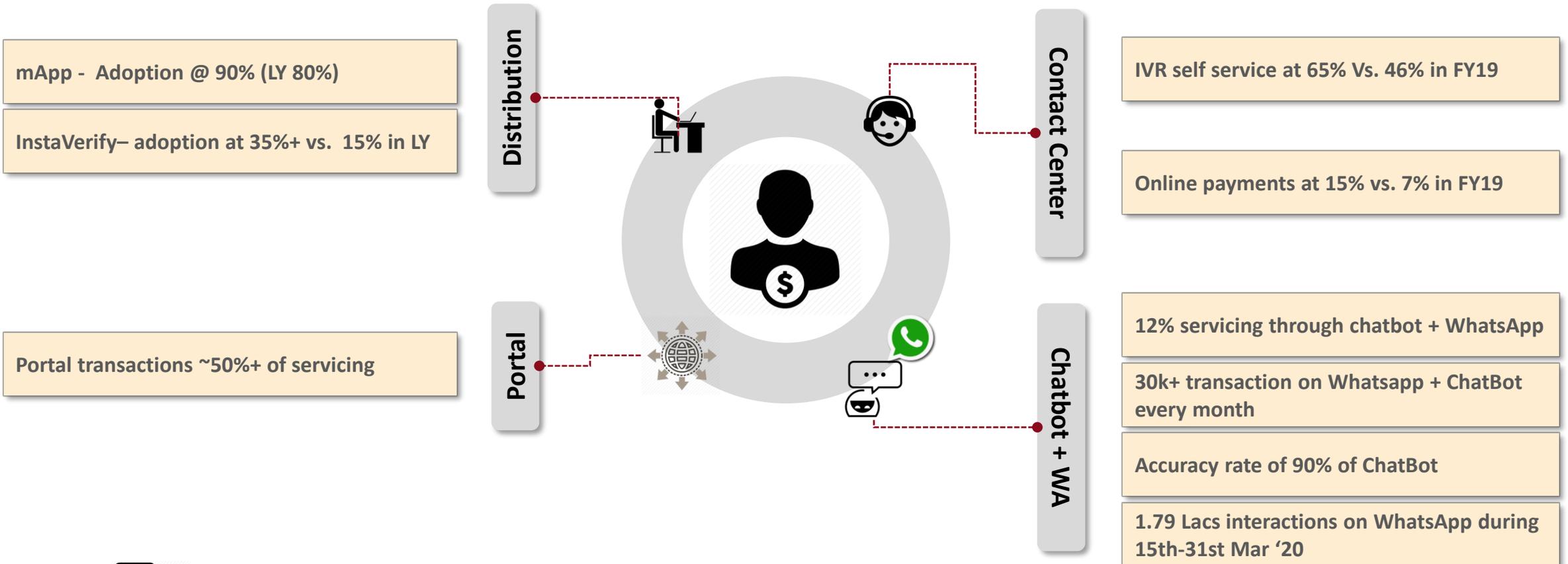


| | | | |
|--|--------|--------------|---------|
| Banca Tie-ups | 8 | Agents | 82,000+ |
| Bank Branches | 9,500+ | Own Branches | 395+ |
| Incl. HDFC Bank, DCB, KVB, Indian Bank etc | | Cities | 2,750+ |

Proprietary channel driving margin improvement



Digitally enabled customer experience

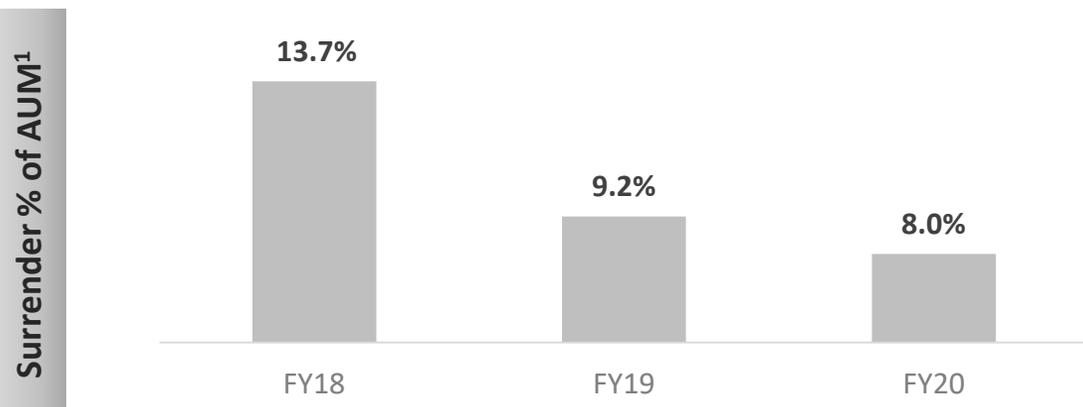
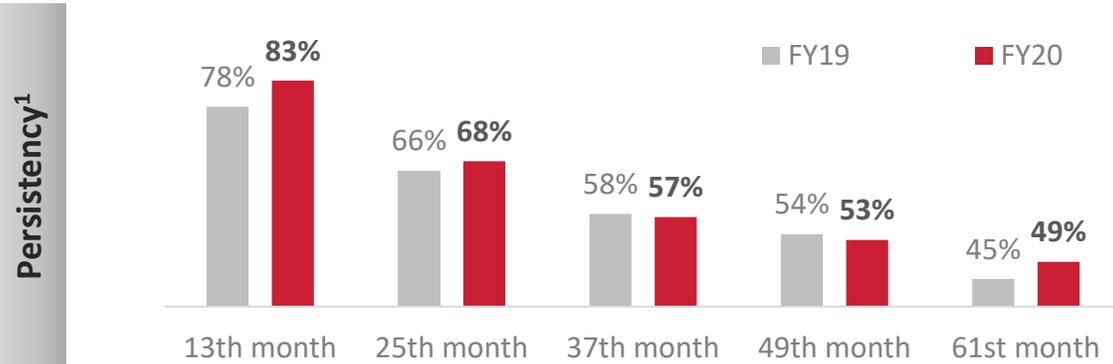


Self Service improved to 63% in FY20 from 52% in FY19 . For March 2020 was 71.6%

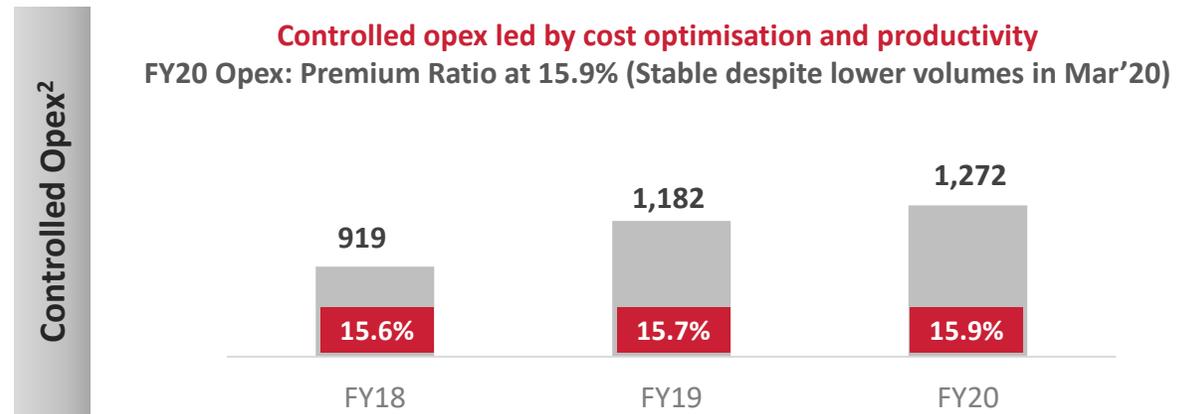
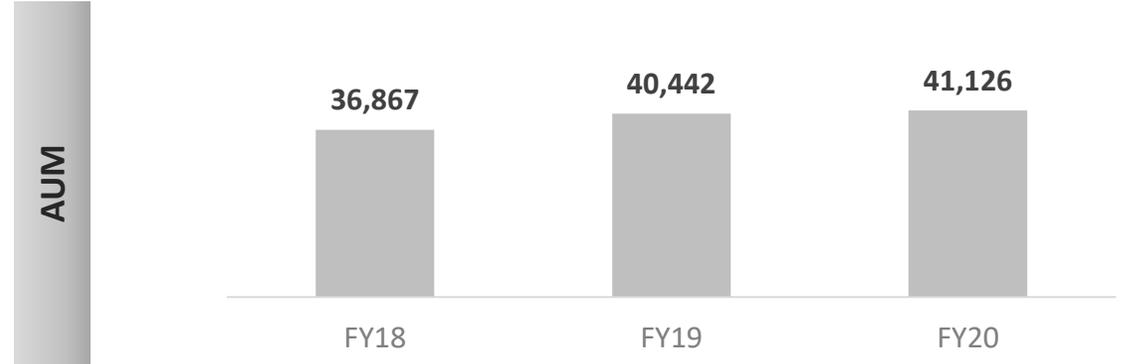
Focus on quality of business

Figures in Rs Crore

Improvement in persistency and reduction in surrenders



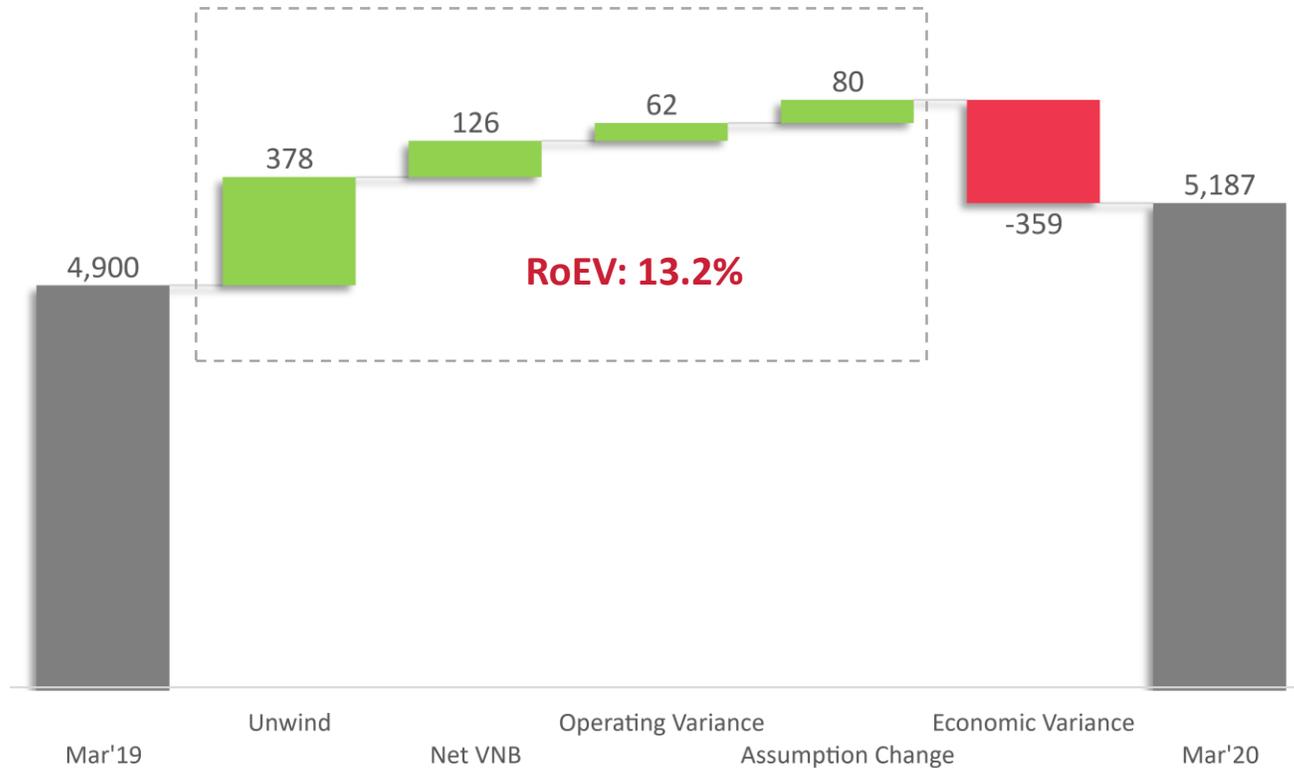
Consistent growth in AUM: 2 year CAGR ~6%



MCEV growth with RoEV of 13.2%

Figures in Rs Crore

Embedded Value



Sensitivity Table

| Scenarios | % Δ in IEV | % Δ Gross VNB |
|--|------------|---------------|
| Reference Rates and Assets | | |
| Increase of 100 bps in the reference rates | 4.6% | 16.8% |
| Decrease of 100 bps in the reference rates | (5.5%) | (21.0%) |
| Policy/premium discontinuance rates (proportionate) | | |
| 10% increase (multiplicative) | (0.3%) | (2.0%) |
| 10% decrease (multiplicative) | 0.3% | 2.0% |
| Insurance risks (Mortality and Morbidity) | | |
| An increase of 5% (multiplicative) | (0.5%) | (0.7%) |
| A decrease of 5% (multiplicative) | 0.6% | 0.7% |
| Equity Value | | |
| 10% decrease | (1.0%) | (0.2%) |
| Maintenance Expenses | | |
| 10% increase | (2.0%) | (2.0%) |
| 10% decrease | 2.1% | 2.0% |

Key Financials – Aditya Birla Sun Life Insurance Limited



adityabirlacapital.com

| Δ LY% | Quarter 4 | | Figures in Rs Crore | Full Year | | Δ LY% |
|-------|---------------|---------------|--------------------------------------|---------------|---------------|-------|
| | FY 18-19 (PY) | FY 19-20 (CY) | | FY 18-19 (PY) | FY 19-20 (CY) | |
| | | | Key Performance Parameters | | | |
| | 691 | 542 | Individual First year Premium | 1,798 | 1,804 | |
| | 540 | 596 | Group First year Premium | 2,119 | 1,854 | |
| ↑ 16% | 1,347 | 1,559 | Renewal Premium | 3,594 | 4,353 | ↑ 21% |
| ↑ 5% | 2,578 | 2,697 | Total Gross Premium | 7,511 | 8,010 | ↑ 7% |
| | 339 | 339 | Opex (Excl. Commission) | 1,182 | 1,272 | |
| | 13.4% | 12.6% | Opex to Premium (Excl. Commission) | 15.7% | 15.9% | |
| | 19.7% | 17.9% | Opex to Premium (Incl. Commission) | 21.3% | 21.6% | |
| | 62 | 38 | Profit Before Tax | 131 | 137 | |
| | 55 | 22 | Profit After Tax | 107 | 103 | |

Aditya Birla Health Insurance Limited



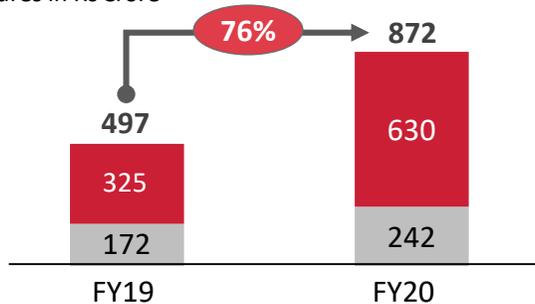
**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

Fastest Growing health Insurance Company

Strong GWP growth led by Retail

Figures in Rs Crore



Growth Rate

| | FY19 | FY20 |
|--------------|-------------|------------|
| ABHI → | 104% | 76% |
| SAHI → | 37% | 27% |
| GI overall → | 13% | 11% |

Key Metrics:



Retail YoY: 95% **Retail Mix: 72%** (PY:65%)



Lives: 8.3+ Mn (PY: 2.3+ Mn.) **Combined Ratio: 134%** (PY: 149%)



COVID Industry Impact: Trends & Opportunities



↑ digital fulfillment & servicing



HI Mindshare in customer wallet



Product/channel innovation



Health first business model

50-60% will increase spends on insurance/ health in next 6months*

ABHI's position of strength

- 1 Strong Distribution driving scale
- 2 Comprehensive Suite of Digital & Virtual Assets enabling end-to-end digital journeys
- 3 Comprehensive Product Suite
- 4 Driving customer engagement through health management & CVP

Our purpose driven model is more relevant today

Validated by Apr & May 20 performance

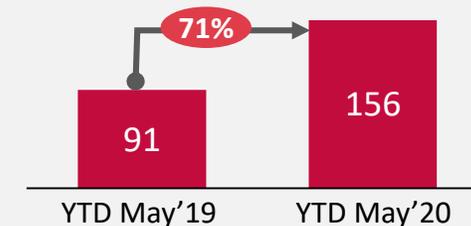


Fig. in Rs Crore

Strong distribution driving scale

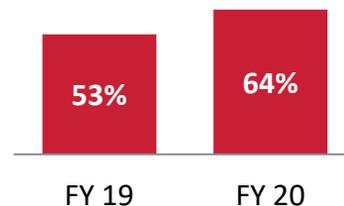
Diversified and scaled distribution and provider network

| | | FY19 | FY20 |
|--|-------------|---------|---------|
| | Branches | 59 | 76 |
| | Agents | 18,700+ | 24,900+ |
| | Sales force | 1,500+ | 2,100+ |
| | Cities | 800+ | 2,000+ |
| | Hospitals | 5,800+ | 6,500+ |

9 banca tie-ups incl. Axis Bank and HDFC Bank with 14,000+ branches

Diversified customer base across income, occupation & geography

Banca % of retail GWP



Digitally enabled acquisition and onboarding



Digital Platforms enabling multi-channel sale



Digital Onboarding & training for advisors



Third party: API integration & Lead Management System



Seamless transition from F2F to digital/remote selling modes in large banks

Digitally enabled sales journeys

Digital issuance: 97% YTD May'20 vs 93% FY 20 avg.

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

Comprehensive suite of Digital & Virtual assets

Distributor Enablement



H-app-y app
(Seller app)



Banks/Digital partners integration



Knowledge management app

Customer Servicing & Engagement



Activ Health App



Chatbot



WhatsApp*



Tech enabled Health & Wellness ecosystem¹

End-to-end digitally enabled journeys

Servicing & Claims Management

- ~90% processes online
- Multi-lingual chat-bot
- Claims tracking in app
- WhatsApp self-servicing

WhatsApp self-servicing: 65%↑ Apr'20 vs FY20 avg.

Engagement

- COVID Communication
 - Health from Home: FB live
- Know Your Health Improve Your Health Get Rewarded

Healthy Heart Score



Active Dayz™



HealthReturns™



Digital reach: 30+ Mn. in Apr'20 vs 7+ Mn. FY20 avg.

Renewals

- Digital renewals
- One click journey in app
- AI based campaigns
- eMandate for payments

Digital Renewals: 82% Apr'20 vs 58% FY20 avg.



Comprehensive Product Suite

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

Expanding the Market

Customer Segments

Younger customer base (<30 years)

Current Market (30-50 years age group)

Older customer base (>50 years)

Other segments

- Customers with Chronic health issues
- Women
- Digital natives

Comprehensive Product Suite

Activ Health / Assure: Industry 1st incentivized wellness product

4 in 1 products Cancer / CI / PA etc

Activ Care: Senior Citizen Product

Chronic care management program

Global Health Secure: international cover

Product innovation leading to new product categories: 1Cr Super Top-up

Product Portfolio



COVID Cover already embedded in our products

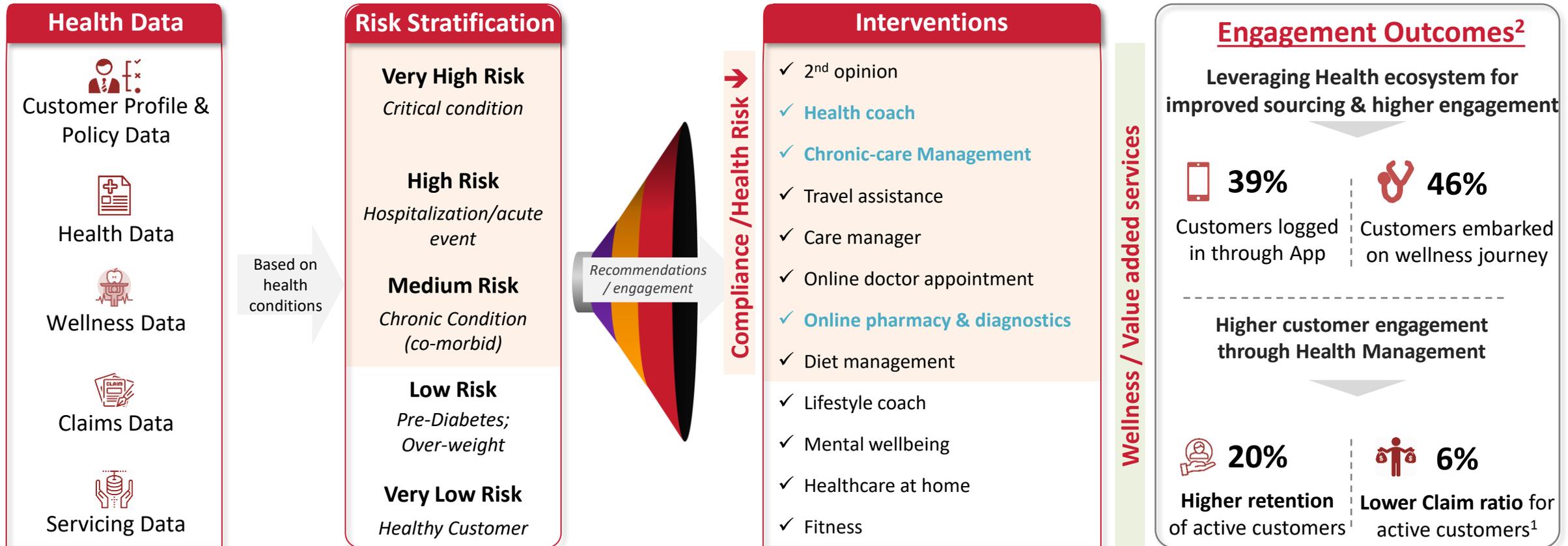


Digitally enabled products for digital partners **30+** Partners



Modular / Byte-size / contextual offerings starting from Re. 1 **40+** Products

Driving customer engagement through health management



Sample Micro Segments

Disease Risk Management

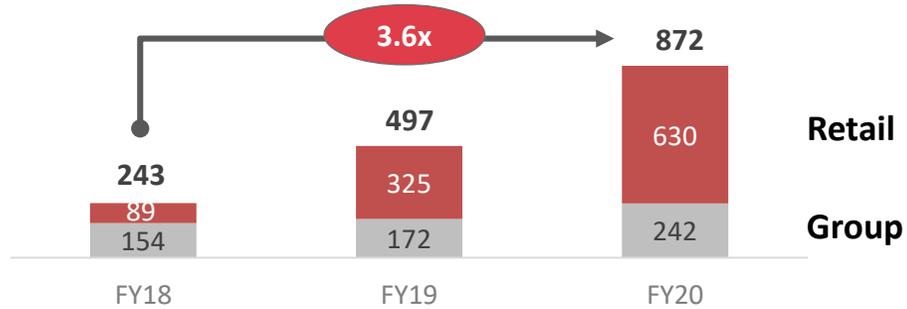
Key Partners:

Business Outcomes

Figures in Rs Crore

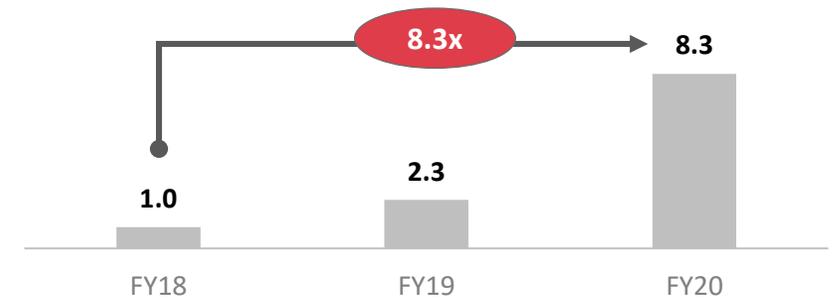
Revenue

GWP grew 76% YoY with 2x retail growth



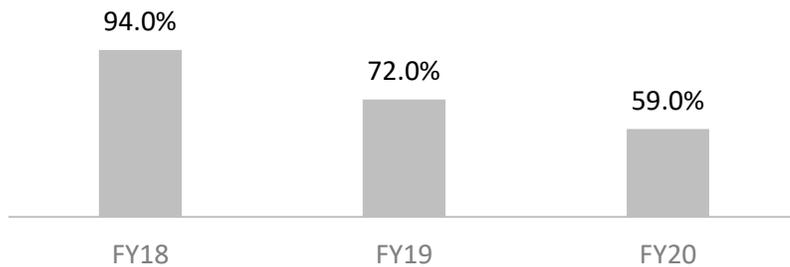
Lives Covered (Mn)

5.2 Mn. through rural & micro/ byte-sized products



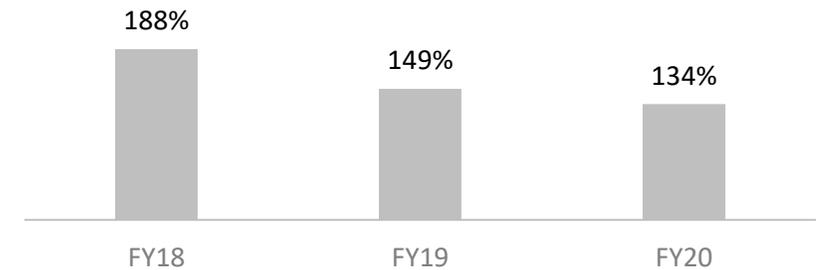
Claims Ratio

Holistic health risk management
Focus on improving overall Claims Ratio



Combined Ratio

On track for break even by FY 21-22
CR trending as per plan



Key Financials – Aditya Birla Health Insurance Limited



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| Quarter 4 | | Figures in Rs Crore | Full Year | | Δ LY% |
|---------------|---------------|---|---------------|---------------|---------|
| FY 18-19 (PY) | FY 19-20 (CY) | | FY 18-19 (PY) | FY 19-20 (CY) | |
| | | Key Performance Parameters¹ | | | |
| 123 | 245 | Retail Premium | 325 | 630 | ↑ ~2x |
| 58 | 81 | Group Premium | 172 | 242 | |
| 181 | 326 | Gross Written Premium | 497 | 872 | ↑ ~1.8x |
| 181 | 296 | Revenue | 500 | 803 | |
| 129% | 117% | Combined Ratio | 149% | 134% | |
| (66) | (58) | Profit Before Tax | (257) | (246) | |

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

Other Financial Services businesses

Other Financial Services Businesses

| Quarter 4 | | Figures in Rs Crore | Full Year | |
|---|------------------|-----------------------------|------------------|------------------|
| FY 18-19 (PY) | FY 19-20 (CY) | | FY 18-19 (PY) | FY 19-20 (CY) |
| Key Performance Parameters Other Financial Services Businesses¹ | | | | |
| 155 | 188 | Aggregate Revenue | 641 | 743 |
| (9) | 14 | Aggregate Profit Before Tax | (16) | 58 |

General Insurance Broking

- Premium placement grew y-o-y by 13% to Rs 4,242 Crore
- Revenue increased by 15% y-o-y to Rs 515 Crore (PY: Rs 449 Crore)
- PBT grew 54% y-o-y to Rs 42 Crore

Stock and Securities Broking

- Revenue at Rs 171 Crore
- PBT grew 18% y-o-y at Rs 17 Crore

ARC

- Launched ARC platform in partnership with Varde in FY19
- ARC AUM at ~Rs 2,800 Crore. Platform profitable within first year of operation

MyUniverse

- Aditya Birla MyUniverse demerged transaction business into ABFL's wealth business w.e.f. 1st January 2020

Annexure A

Consolidated Financials

Consolidated Profit & Loss



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Figures in Rs Crore

| Quarter 4 | | Figures in Rs Crore | Full Year | | Δ LY% |
|---------------|---------------|--|---------------|---------------|-------|
| FY 18-19 (PY) | FY 19-20 (CY) | | FY 18-19 (PY) | FY 19-20 (CY) | |
| | | Consolidated Profit & Loss | | | |
| 4,730 | 4,845 | Revenue | 15,164 | 16,792 | ↑ 11% |
| 342 | 78 | Profit Before Tax (before share of profit/(loss) of JVs) | 1,155 | 1,029 | |
| 67 | 50 | Add: Share of Profit/(loss) of associate and JVs | 226 | 251 | |
| 409 | 129 | Profit Before Tax | 1,381 | 1,280 | |
| 154 | 3 | Less: Provision for taxation | 569 | 414 | |
| (4) | (18) | Less: Minority Interest | (60) | (54) | |
| 258 | 144 | Net Profit (after minority interest) | 871 | 920 | ↑ 6% |

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

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Motor Insurance
Corp General Insurance
Travel Insurance

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

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

Online Personal Finance
Management
Money for Life Planner

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