



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

Ref: No. ABCL/SD/MUM/2019-20/NOV/04

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 540691

Scrip ID: ABCAPITAL

Dear Sir/Madam,

Re: **Investor presentation**

Sub: **Presentation on Unaudited Financial Results for the quarter ended 30th September, 2019**

7th November, 2019

The National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor,
Plot. C/1, G-Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai 400 051

Symbol: ABCAPITAL

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of the Presentation on the Unaudited Financial Results of the Company for the quarter ended 30th September, 2019 which will be presented to our investors and also posted on our website.

The above is for your information and records.

Thanking you,

Yours sincerely,

For **Aditya Birla Capital Limited**

Sailesh Daga
Company Secretary

Encl: As above

Cc:

Luxembourg Stock Exchange
Market & Surveillance Dept.,
P.O. Box 165, L-2011 Luxembourg,
Grand Duchy of Luxembourg

Citi Bank N.A.

Depository Receipt Services
388 Greenwich Street
14th Floor, New York,
NY 10013



Citi Bank N.A.

Custodial Services
FIFC, 11th Floor, C-54 & 55, G Block
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Bandra (East), Mumbai 400 051

Listing Agent

Banque Internationale à Luxembourg
SA
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Grand Duchy of Luxembourg

Aditya Birla Capital Ltd.

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Registered Office:

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FINANCIAL RESULTS – Q2 FY20

MUMBAI

7th November 2019



**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

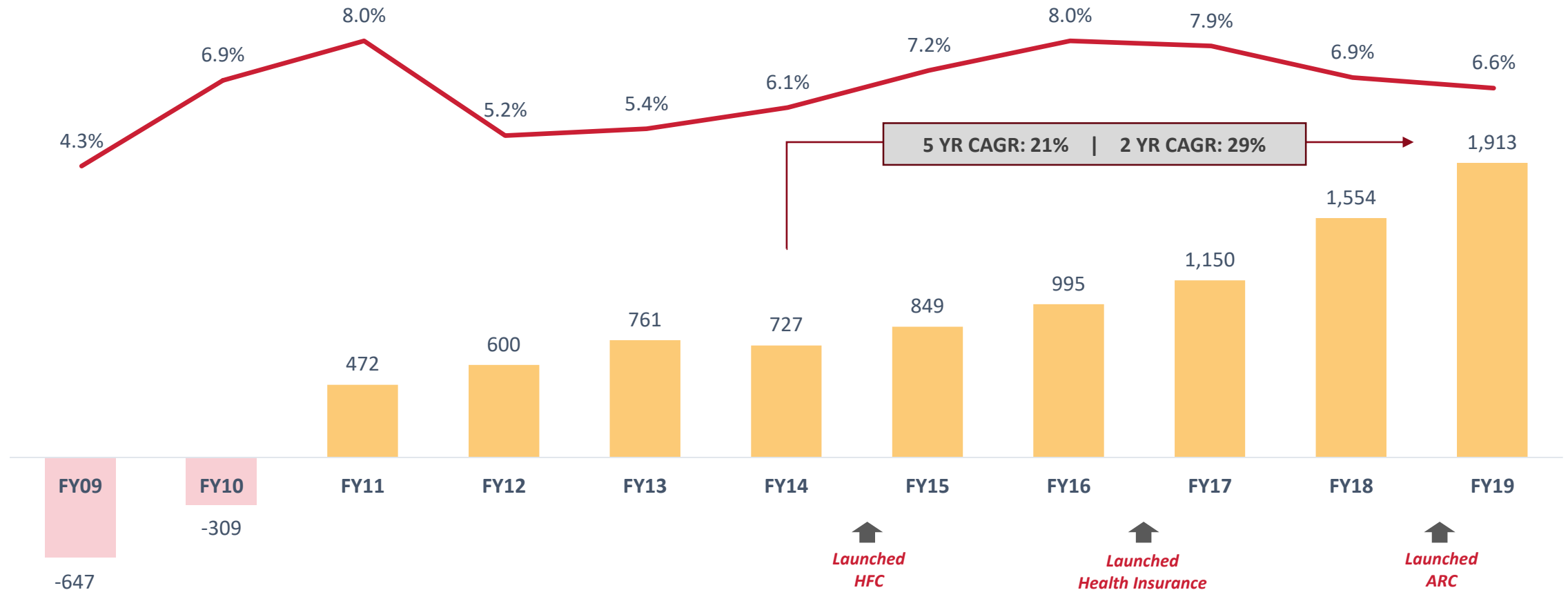
Diversified portfolio delivering returns across economic cycles



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Figures in Rs Crore

ABCL Aggregate PBT (IGAAP) vs India GDP Growth %



A strong track record of delivery across businesses

Figures in Rs Crore

PROTECTING

	FY14	H1 FY20	3 Year Aspiration
Total Gross Premium¹	4,833	8,008 ²	➤ LI Protection 10-12 %
LI: Gross VNB Margin	16.2% ³	36.3%	➤ LI Net VNB ~ 18-20 %
LI: 13M Persistency	60%	80%	
LI: EV Growth	(12.5)%	14.4%	➤ HI to break-even in FY21-22; GWP of Rs 1,700 – 2,000 Crore
HI: Combined Ratio	NA	155%	

INVESTING

	FY14	H1 FY20	3 Year Aspiration
AMC: Domestic AAUM	82,767	2,53,897	
AMC: Equity Mkt share	5.8%	8.5%	➤ Domestic Equity AAUM Mix ~ 40% (in line with industry avg.)
AMC: Equity AUM Mix	13%	36%	
AMC: Monthly SIP Book	96	968	➤ PAT to grow at 15-20 %
AMC: PBT bps	17	28	

FINANCING

	FY14	H1 FY20	3 Year Aspiration
Total Lending Book⁴	11,735	60,477	
NBFC: NIM (Incl. Fee)	5.10%	5.34%	➤ Continue to focus on retail growth
NBFC: GNPA / GS3	1.29%	1.85%	➤ NBFC RoE ~ 17-18 %
HFC: RoE⁵	NA	10.2% ⁶	➤ HFC RoE ~ 14-15 %
Lending Net Worth⁴	1,769	9,132	

OTHER BUSINESSES

	FY14	H1 FY20	3 Year Aspiration
GI Broking: Customers	0.3 M	4.2 M	
GI Broking: Mkt share	1.1%	2.2%	
GI Broking: RoE %	46%	34% ²	➤ Other Business (i.e. ABIBL, ABML and ARC) to contribute to RoE
Stock Broking: RoE %	(34) %	47% ²	

Disciplined approach in a challenging business environment



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Securing Long-term Growth Capital

- 1 | **Raised Rs 2,100 Crore of equity capital** through preferential allotment to marquee investors and the Promoter/ Promoter Group entities
- 2 | Fund raise at **Rs 100/ share (at a premium over traded price)** reflecting strong confidence in business

Strategically Managing Risk

- 1 | **Greater diligence in underwriting** with approval rates coming down
- 2 | **Reduced ticket sizes** across the board
- 3 | Continued focus on **quality, over growth**

Maintaining Sufficient Liquidity

- 1 | Raised LT borrowing of **~Rs 8,000 Crore** in Lending Business
- 2 | **ALM optimised** in lending businesses
- 3 | Further diversification of borrowing profile, with sanction of **USD 275 Mn (drawn USD 100 Mn) through ECB route**

Optimising Portfolio

- 1 | Aligning other businesses basis future potential and contribution to overall RoE; PBT from Other Businesses¹ - **H1 FY20: Rs. 39 Crore vs. PY: (2) Crore**
- 2 | Reducing annualised interest Cost **~ Rs (100) Crore at ABCL standalone**

Strong Focus on Quality

- 1 | Stage-3 book for NBFC at **1.39% (Ex-IL&FS), HFC at 0.85%**
- 2 | LI persistency improvement across all buckets 13th Month at **80% (H1FY19: 74%)**
- 3 | Health insurance business with retail claim ratio at **44% (H1FY19: 48%)**

Leveraging Technology

- 1 | To improve **customer, distributor and employee experience**
- 2 | To find ways of **growing revenues**
- 3 | To build a **more robust, scalable business model**

Leveraging Technology for our Customers, Partners & Employees



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BETTER EXPERIENCE

1. **One million customers with One ABC ID; One Call in number**
2. **AI/ML/NLP conversational UI:** Whatsapp + Chatbot (30 + services across LOB's) and Email Bot. Building voice capability
3. **Office-in-a-Box** approach for distributor and partner end to end journey
4. **Digital Loan Origination system** for lending business with end to end digitization (Q4)
5. **Mobile app** for employee services and learning interventions



GREATER REVENUE

1. **Analytics driven persona-based suitable upsell & cross sell offers**
2. **Holistic Financial Needs Planner** & connected purchase journeys
3. **Real time Lead integrations** with partners
4. **AI based Renewal Premium intervention** (Persistency 13th month: 80% ↑) & **Policy Surrender** (18% ↓)
5. **AI/ML backed** sales officer hiring, success profile mapping and **predictive attrition analysis**



IMPROVED OPERATING MODEL

1. **Video KYC, online validations and AI based OCR** to scale up acquisition
2. **ML based model for risk-based pricing;** early fraud detection; payment behavior prediction
3. **Automation Index approach:** 150 automations p.a.; 100 Robots (RPA)
4. **Hybrid Cloud strategy** with private (onsite) & public cloud for scalability, cost efficiency & resilience
5. **Plug-n-play ecosystem** of APIs for partner integration. Building ABC level API portal
6. **Sales force enablement** through technology

Fostering innovation through BizLabs Fintech Program



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- Aiming to **fuel innovation culture through collaboration** with startups
- Platform to leverage innovation ecosystem to **address our key focus areas through advanced fintech capabilities**
- 3 month **fast-track program which saw 570+ start-ups** targeting defined focus areas of which a select group will work on specific areas

SOURCING INNOVATIVE SOLUTIONS TO DRIVE KEY OBJECTIVES



Key highlights



H1 Ind. APE¹ grew by 20% in Life Insurance, higher than industry (ex-LIC) **at 11%**



Life Insurance Net VNB margin **improved by 250 bps** in H1; EV **grew by 14.4% y-o-y**



Health Insurance Q2 GWP **grew 70% y-o-y** to ~ **Rs 172 Crore** with retail mix at **69%**



Q2 AMC PAT increased by **40% y-o-y** with PBT to AAUM^{2,7} at **27 bps (increased 3 bps y-o-y)**



NBFC Q2 NIM³ **expanded by 64 bps** to 5.28%; Q2 NII³ **grew by 20% y-o-y**



NBFC H1 PAT⁴ grew by **24% y-o-y**; YTD RoE^{4,5} at **15%** and RoA^{4,5} at **2.2%**



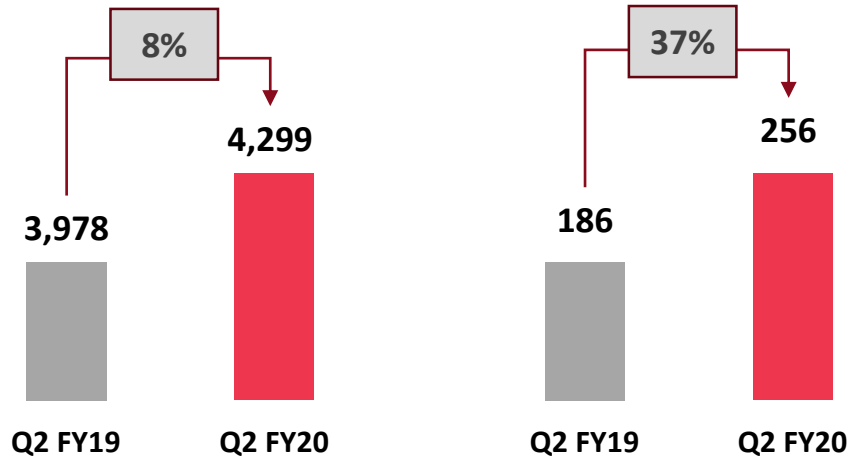
HFC Q2 PAT⁴ **grew 2.5x y-o-y**, YTD RoE^{4,5} at **10.2% (PY: 4.3%)** and RoA^{4,5} at **1% (PY: 0.5%)**



ARC platform **turns profitable in first year of operation**

Q2 FY20: Key Financials

CONSOLIDATED



Revenue¹

PAT

Delivered strong growth across businesses

Figures in Rs Crore

Businesses (Aggregated on 100% basis)	Quarter 2		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)	
NBFC	317	317	
Asset Management	155	175	↑ 13%
Life Insurance	(2)	41	
Housing	21	36	↑ 1.7x
General Insurance Broking	8	11	↑ 35%
Stock & Securities Broking	3	4	↑ 17%
Profitable Businesses	503	585	↑ 16%
Health Insurance	(73)	(70)	
Less: Interest Cost	(18)	(28)	
Less: Brand & Marketing	(7)	(10)	
Less: Others ² / Eliminations	(21)	(5)	
Aggregate PBT³ (pre – MI)	385	471	↑ 23%

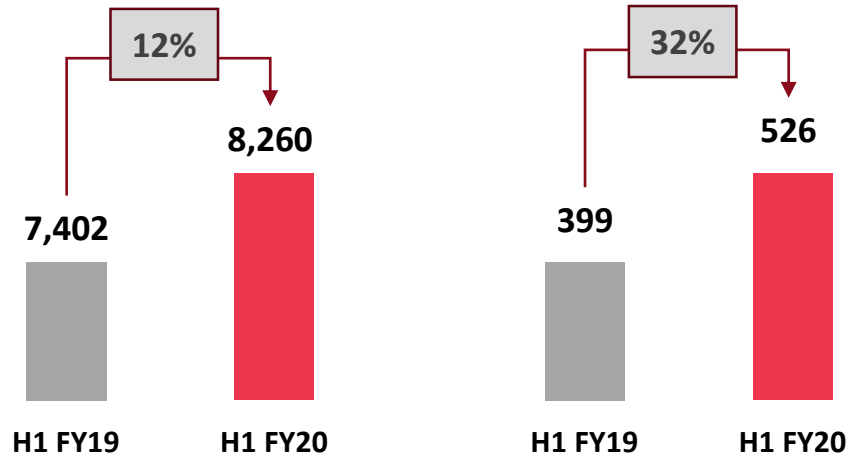
¹ Consolidated segment revenue ; for Ind AS statutory reporting purpose Asset management and wellness business are not consolidated and included under equity accounting

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

H1 FY20: Key Financials

CONSOLIDATED



Revenue¹

PAT

Delivered strong growth across businesses

H1 FY20 Consolidated PAT (ex-DTA impact) grew by 47%

Figures in Rs Crore

Businesses (Aggregated on 100% basis)	Half Year		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)	
NBFC	652	718	↑ 10%
Asset Management	301	351	↑ 17%
Life Insurance	20	66	↑ 3.3x
Housing	34	74	↑ 2.2x
General Insurance Broking	23	35	↑ 51%
Stock & Securities Broking	6	9	↑ 52%
Profitable Businesses	1,037	1,254	↑ 21%
Health Insurance	(137)	(135)	
Less: Interest Cost	(32)	(57)	
Less: Brand & Marketing	(35)	(20)	
Less: Others ² / Eliminations	(21)	(18)	
Aggregate PBT³ (pre – MI)	811	1,024	↑ 26%

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

Aditya Birla Finance Limited



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A 5-year perspective: Resilience through changing times

Figures in Rs Crore	FY14	What the Industry witnessed?	H1 FY20	3 Year Aspiration
Loan Book	11,735	<p><u>Factors impacting credit quality</u></p> <ul style="list-style-type: none"> ➤ Increase in defaults across multiple sectors ➤ NBFC crisis ➤ Slowdown in economy <p><u>Factors impacting credit provisioning</u></p> <ul style="list-style-type: none"> ➤ Credit provisioning norms changed from 180 dpd in FY14 to 90 dpd by FY18 ➤ Accounting transition from IGAAP to IndAS in FY19, adoption of ECL 	48,368	<ul style="list-style-type: none"> ➤ Continue to grow retail loan book with expansion of NIM ➤ Open ~100 branches in line with retail growth strategy ➤ Leverage tech platform to manage cost effectively ➤ Target RoE: 17 – 18%
NIM (incl. Fees) %	5.10%		5.34%	
Opex to Avg. Loan Book	1.6%		1.6%	
GNPA/ GS-3	1.29%		1.39% ¹	
Credit Cost %	0.8%		0.9%	
RoE %²	13.1%		15.0% ³	
Leverage	5.5x		5.4x	

Diversified portfolio with value accretive growth

Figures in Rs Crore

SME + Retail Loan Book grew by 14% y-o-y
Continue to diversify loan book with focus on higher margin segments

Q2 Net Interest Income grew 20% y-o-y
NIM expanded by 63 bps to 5.28%

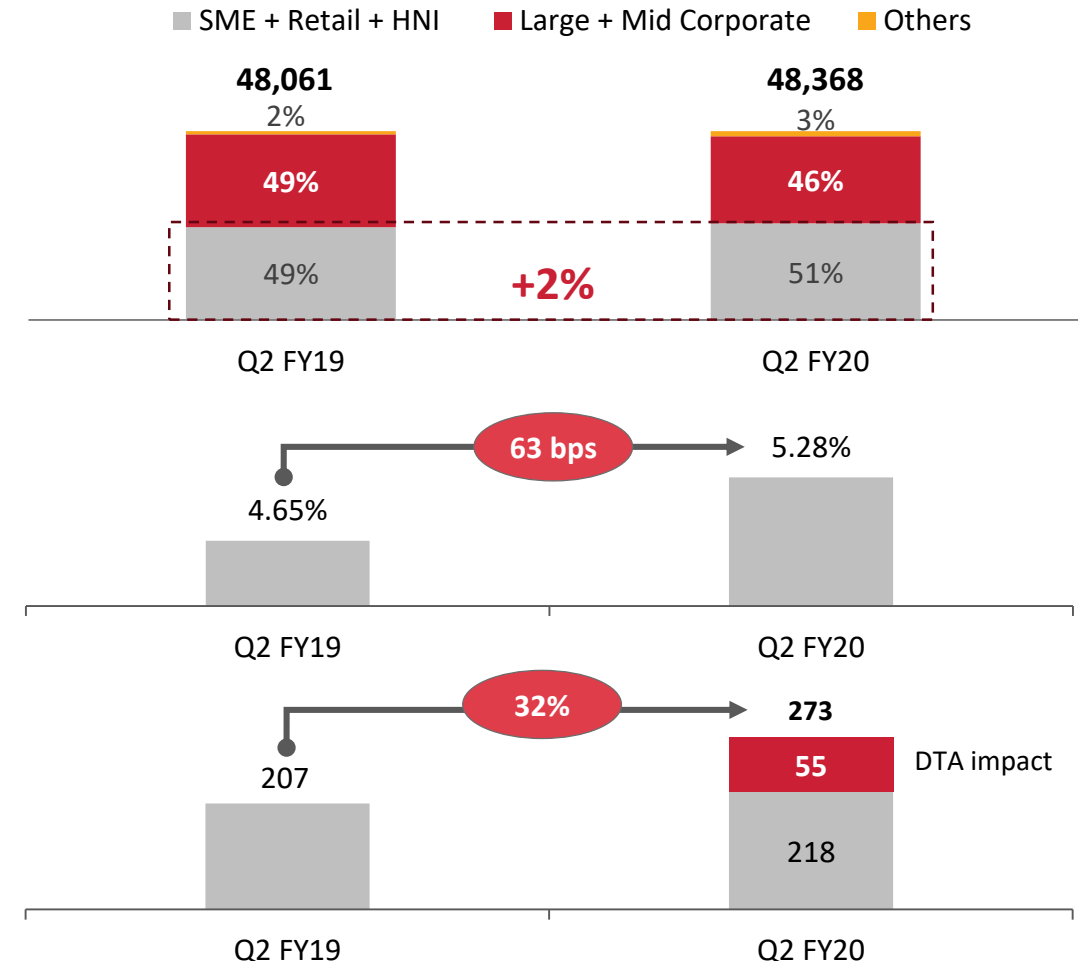
**Q2 PAT¹ at Rs 273 Crore (ex-DTA impact),
grew 32% y-o-y**
Reported PAT Rs 218 Crore (grew 6% y-o-y)

YTD RoE^{1,3} at 15.0% & RoA^{1,3} at 2.2%
Closing leverage at 5.4x (PY: 5.8x)

Loan book
shift
underway

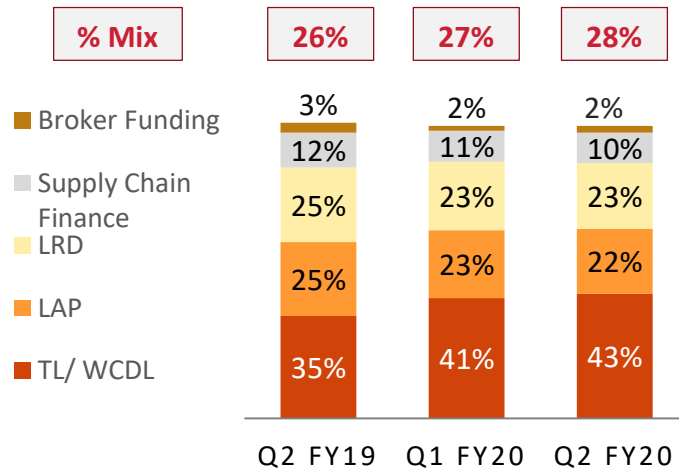
Improving Net
Interest
Margins²

Strong growth
in profitability
(PAT)

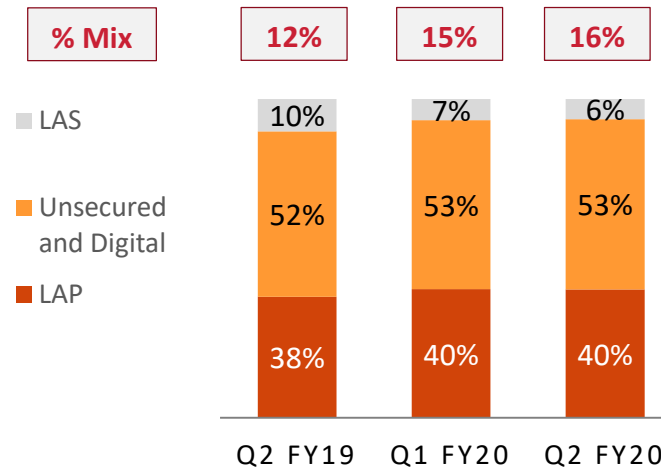


Multiple products catering to a range of customer needs

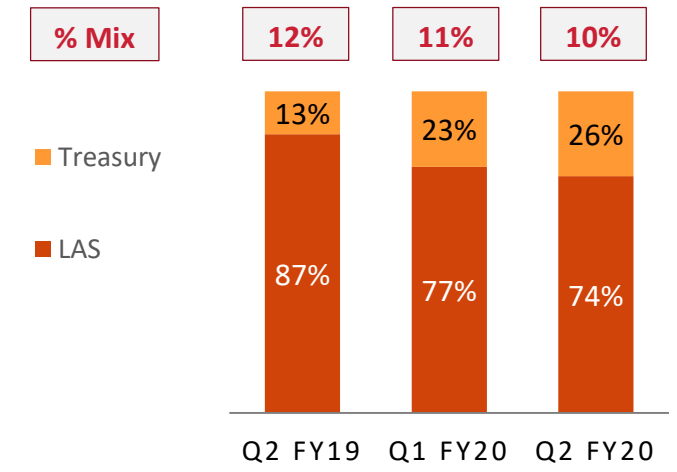
SME (Grew 5% y-o-y)



Retail (Grew 32% y-o-y)



HNI + Others



SME

- **ATS: Rs 5 Crore (↓ 24% y-o-y)**
- **Focus on secured TL/WCDL segment, grew by 30%+ y-o-y; Backed by future cash flows and adequate security cover of ~1.75x**

LAP & LRD

- **LAP ATS: Rs 2.3 Crore (↓ 27% y-o-y)**
- **LAP LTV of ~50%**
- **Selective approach in LRD, degrew 6% y-o-y**

Retail

- **ATS: Rs 6 Lacs**
- **Continue to grow retail, pricing in credit risk adequately**
- **Identified new segments for growth – Travel, Healthcare and Education**

LAS

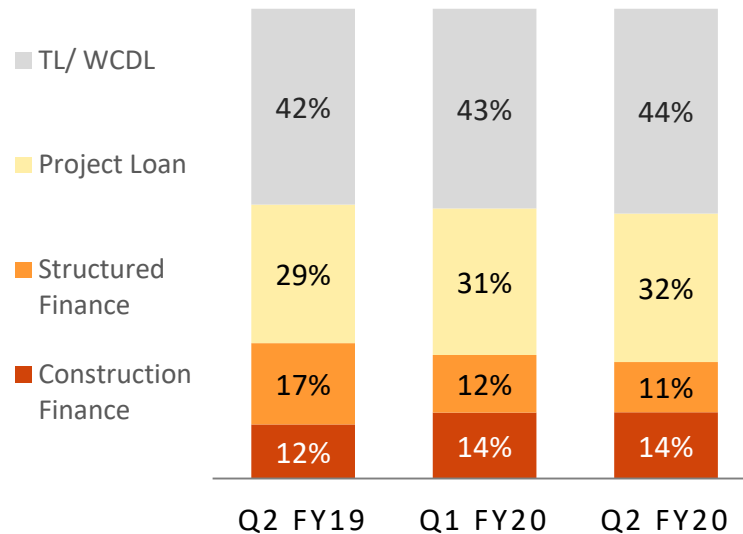
- **Overall book reduced by ~27% y-o-y**
- **No stage- 3 exposure**
- **~80% of LAS exposure in securities of companies having M.Cap > Rs 10,000 Crore**

Portfolio Update: Large and Mid Corporate Loan Book

Figures in Rs Crore

Large & Mid Corporate (De-grew 6% y-o-y)

% Mix	49%	47%	46%
Loan Book	23,632	23,615	22,331



Portfolio Update

- ~Rs 1,700 Crore run down of structured finance book over 1 year (degrew 41% y-o-y)
- Top 20 customers in large and mid corporate contribute ~10% of overall Loan Book
- No stage-3 exposure in Top 20 exposure
- Exposure to Aditya Birla Group companies < 1% of overall Loan Book

Project Loan (15% 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	180	7%
50 – 100	75	11%
100 – 200	66	19%
200 – 400	16	9%
Total	337	46%

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 30th Sept 2018 repaid out of sales proceeds in last 1 year
- Average actual loan tenor 2.5 years

Strong focus on growth with quality of loan book



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Figures in Rs Crore

Maintaining asset quality

Gross Stage 3 (excl. IL&FS) at 1.39%

Gross Stage 3 exposure for all segments (ex-retail) below overall portfolio average

Retail credit risk adequately priced-in

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

Stage-wise assets and ECL Provisioning

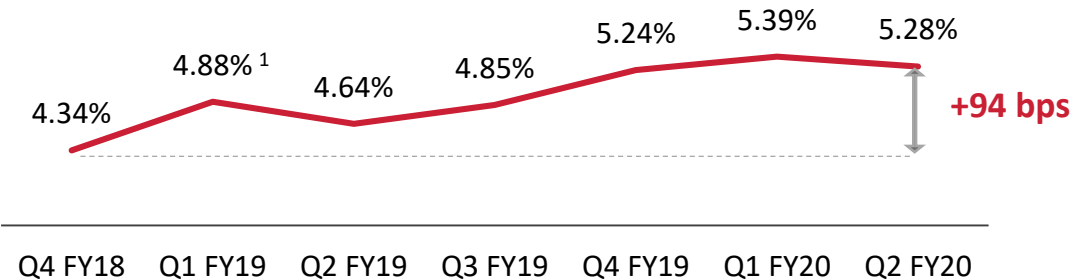
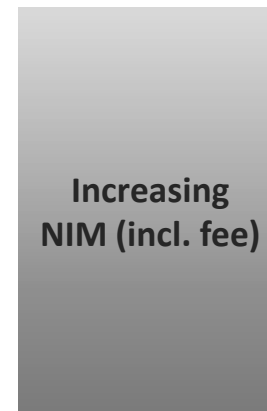
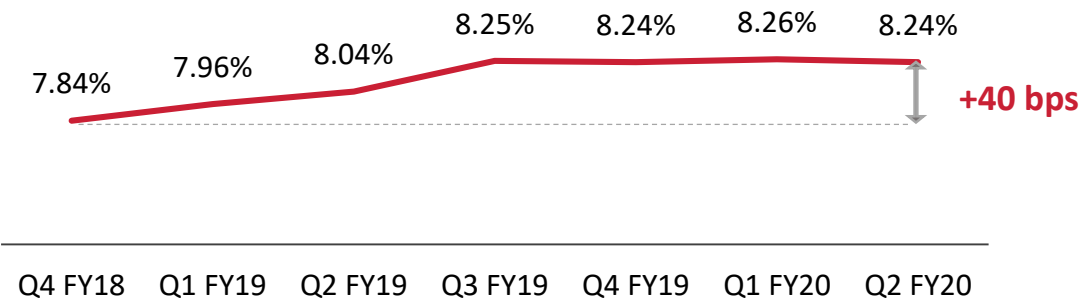
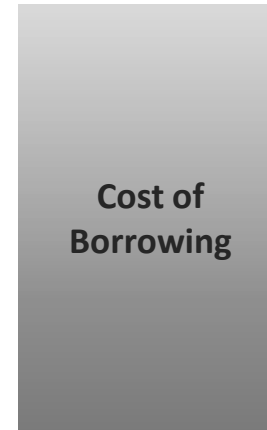
Asset Quality	Q1 FY20		Q2 FY20	
Gross Stage 1 & 2	98.31%		98.15%	
	Excl. IL&FS	IL&FS	Excl. IL&FS	IL&FS
Gross Stage 3	1.24%	0.45%	1.39%	0.46%
Less: ECL Provision	0.52%	0.13%	0.48%	0.13%
Net Stage 3	0.72%	0.32%	0.91%	0.33%
Provision Coverage	42%	28%	35%	28%

Consistent margin expansion across quarters

Optimised borrowing cost in a volatile interest rate environment

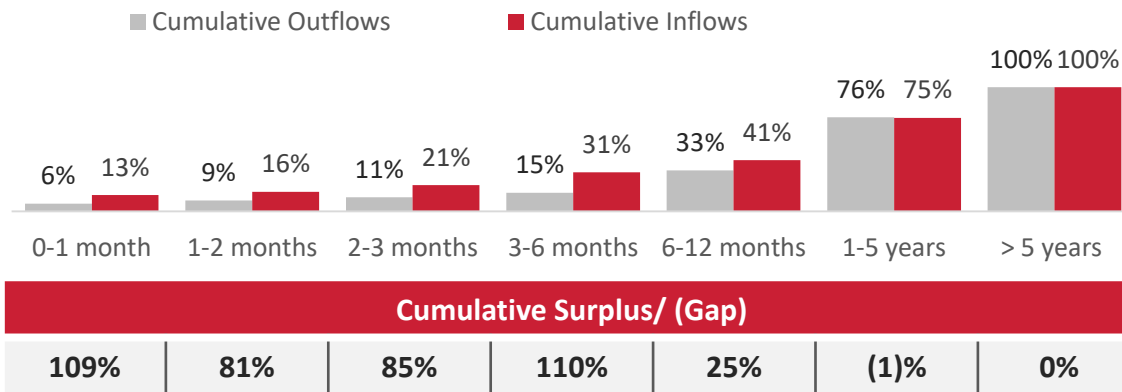
Factors contributing to margin expansion:

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



Well matched ALM with diversified borrowing mix

ALM optimised for liquidity and costs



Raised LT borrowing of ~Rs 6,000 Crore in H1

Term Loans: Rs 2,450 Crore (Sanctioned ~ Rs 4,100 Crore)

NCD: ~Rs 2,800 Crore

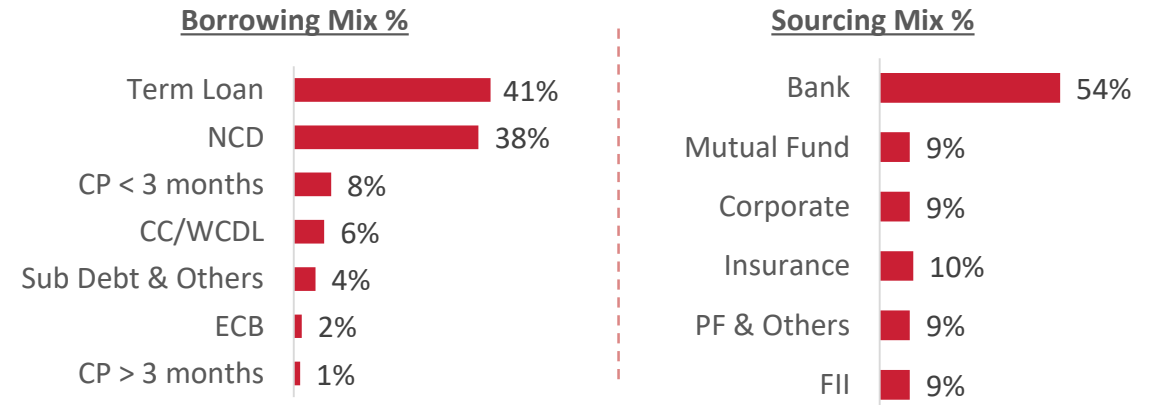
ECB: ~ Rs 700 Crore (USD 100 Mn)

Adequate liquidity to meet growth requirements

Undrawn CC/WCDL of Rs 3,000+ Crore (not considered for ALM)

Received additional ECB sanction of USD 75 Mn

Diversification across instruments and investors



Continue to broad base investor profile

Institutional investor base increased to 490 (PY: 331)

Maintaining comfortable capital adequacy

Q2 FY20: CRAR at 19.1% (PY: 17.2%)

Key Financials – Aditya Birla Finance Limited



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Δ LY%	Quarter 2		Figures in Rs Crore	Half Year		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
	48,061	48,368	Lending book	48,061	48,368	
+118 bps ↑	11.59%	12.76%	Average yield (Incl. Fee Income)	11.66%	12.73%	↑ +107 bps
	6.94%	7.48%	Interest cost / Avg. Lending book	6.89%	7.40%	
+63 bps ↑	4.65%	5.28%	Net Interest Margin (Incl. Fee Income)	4.77%	5.34%	↑ +57 bps
20% ↑	533	643	Net Interest Income (Incl. Fee Income)	1,057	1,324	↑ 25%
	1.68%	1.64%	Opex / Avg. Lending book	1.64%	1.60%	
	35%	31%	Cost Income Ratio	33%	30%	
	0.40%	1.11%	Credit Provisioning/ Avg. Lending book	0.36%	0.93%	
	317	317	Profit before tax	652	718	↑ 10%
6% ↑	207	218	Profit after tax	430	481	↑ 12%
	6,903	7,890	Net worth	6,903	7,890	

Aditya Birla Housing Finance Limited



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Delivery in line with stated targets

Figures in Rs Crore

Lending book at ~Rs 12,079 Cr (Retail: 94%)

Overall growth 22% y-o-y

Affordable book at ~ Rs. 1,900 Crore

Improvement in Cost Income Ratio y-o-y

Led by scale and operating efficiency

Maintaining quality of asset book

Gross Stage 3: 0.85% | Net Stage 3: 0.62%

Q2 PAT² grew 2.5x y-o-y to Rs 33 Crore

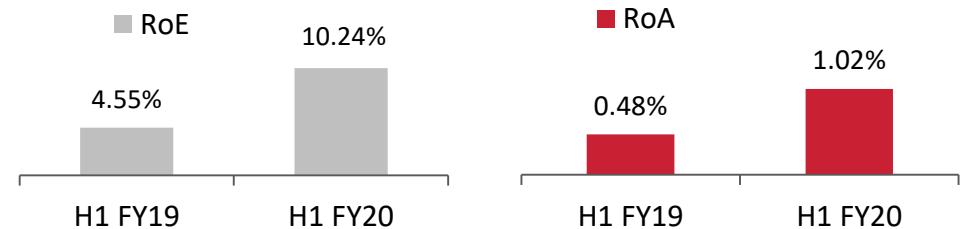
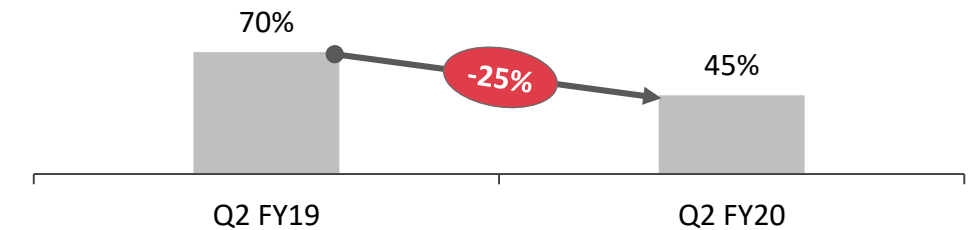
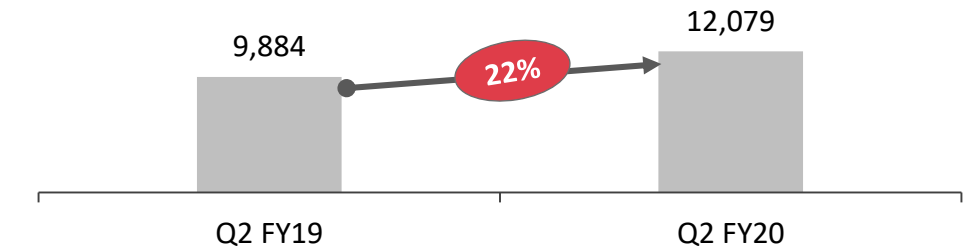
Reported PAT at Rs 28 Crore (Grew 2.1x y-o-y)

Significant improvement in RoE and RoA

Strong growth
in Lending
Book

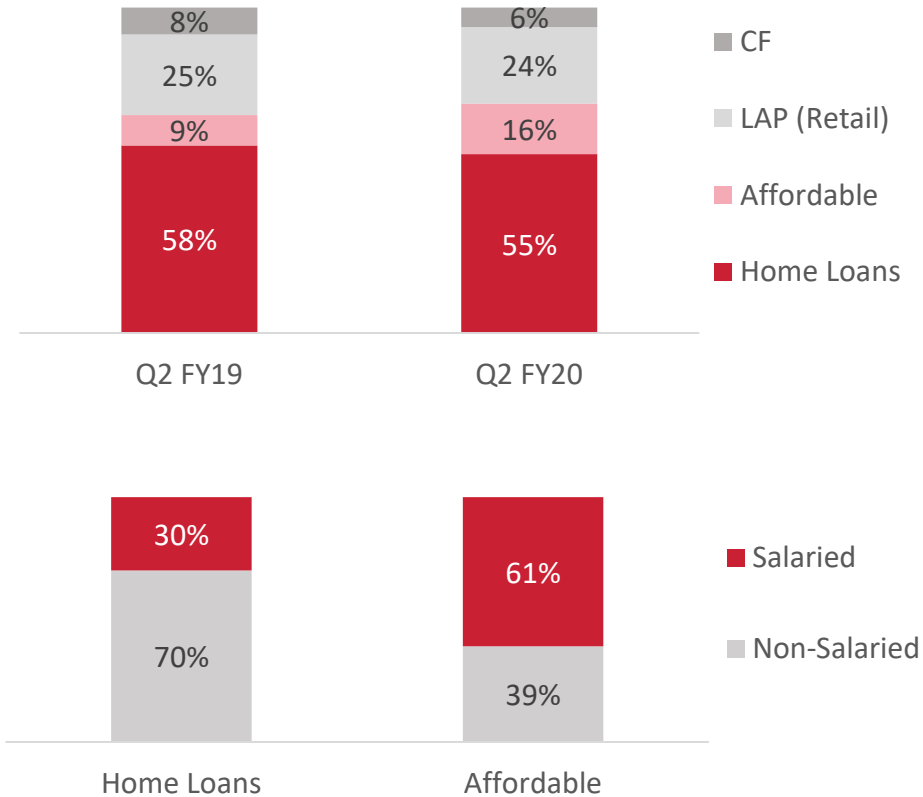
Improvement
in Cost
Income Ratio

Building
profitable
scale^{1,2}



Systematic approach to build a healthy portfolio mix

Segment Mix (%)



Affordable Loans

- ATS for Affordable Home Loans ~ Rs 12 Lacs
- 27% of affordable HL portfolio backed by IMGCC (PQ: 21%) and 48% eligible for PMAY subsidy (PQ: 39%)

Retail LAP

- ATS: Rs 51 Lacs (PY: Rs 63 Lacs)
- LTV: 47 %

Construction Finance

Quality

- No stage 3 exposure

Average Ticket Size

- ATS on exposure: Rs 14 Crore
- ATS on outstanding: Rs 9 Crore (PY: 15 Crore)

Exposure

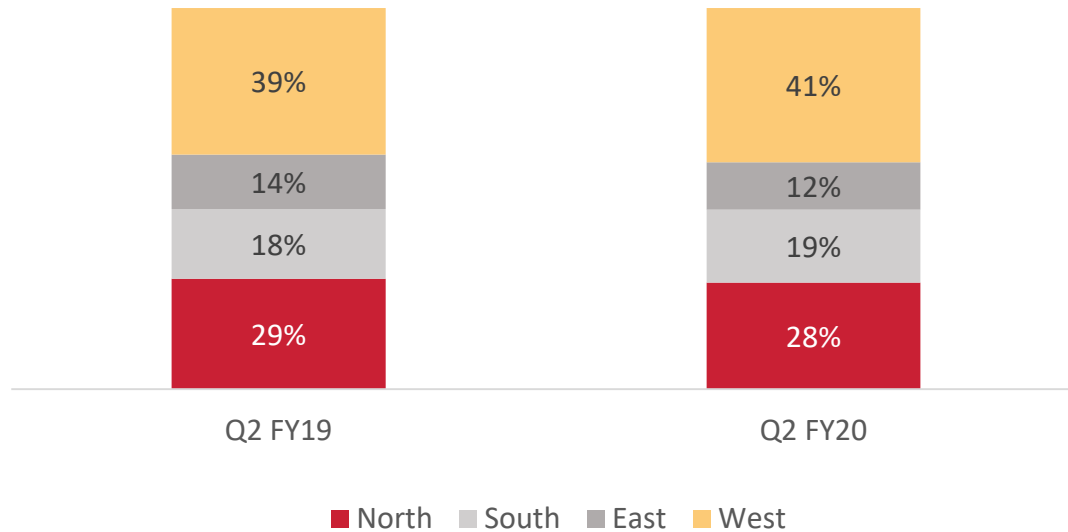
- ~85% of CF exposure to Bangalore, Mumbai, Pune, Surat, Ahmedabad and Noida | No other NCR exposure

Sales Velocity

- 30%+ outstanding repaid out of sales proceeds in last 1 year

Pan India distribution network

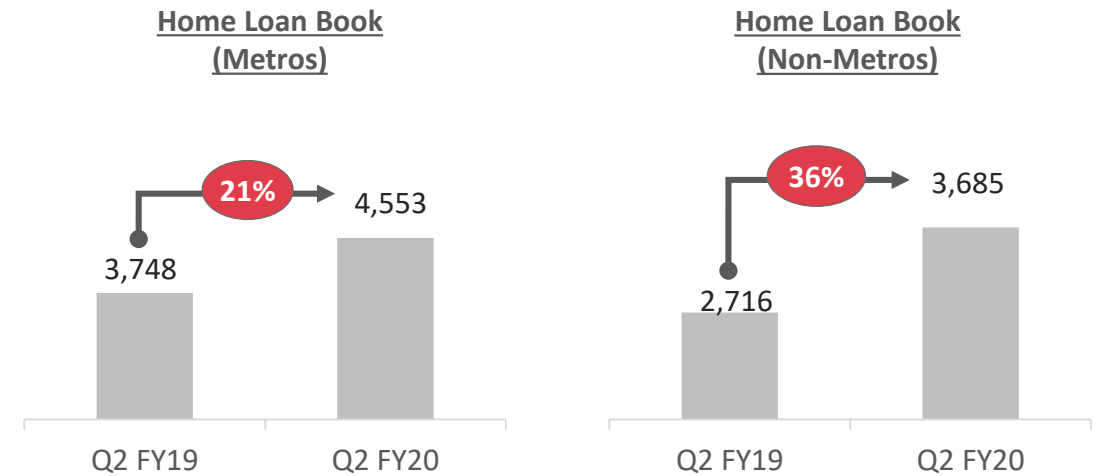
Stable Geographic Mix (%)



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: 42%)

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

Maintaining margins through interest rate cycles

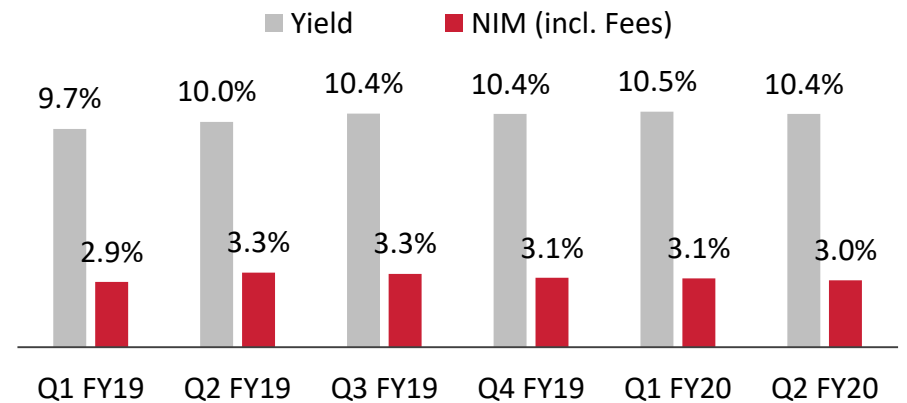
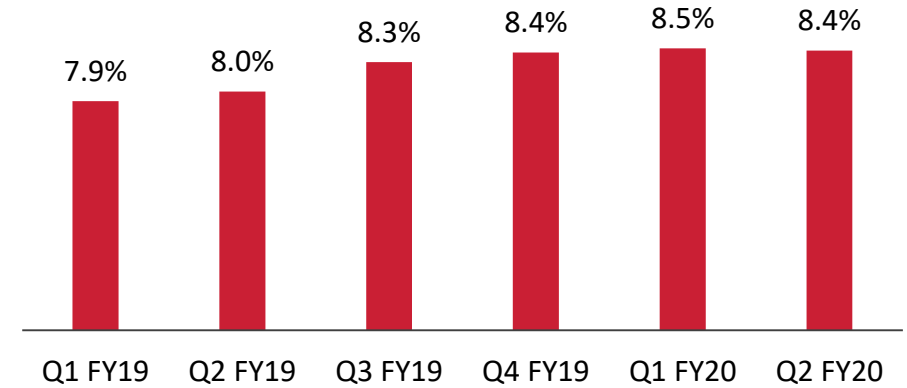
Optimised borrowing cost in a volatile interest rate environment

Maintained margins across interest rate cycles

Demonstrating ability to successfully pass on borrowing cost increases

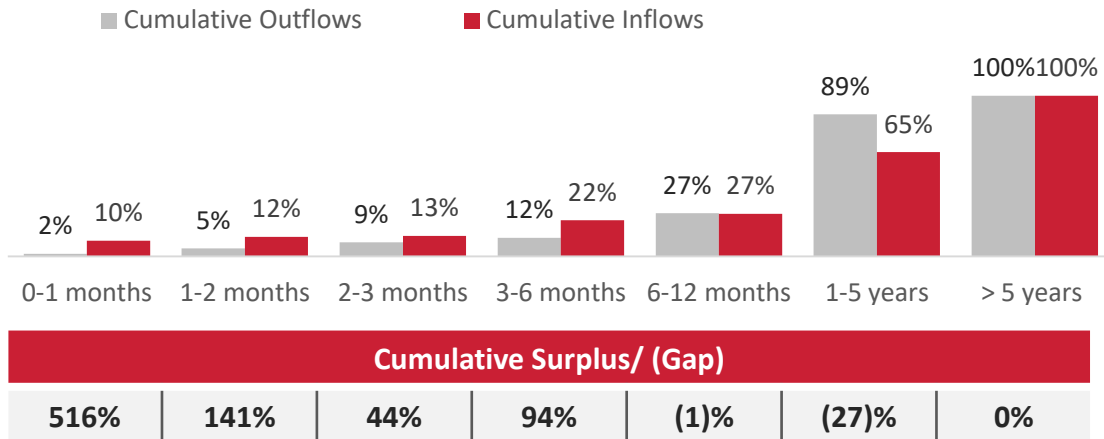
Cost of Borrowing

Maintaining stable Margins



Prudent asset liability management

Optimised ALM for liquidity and cost¹



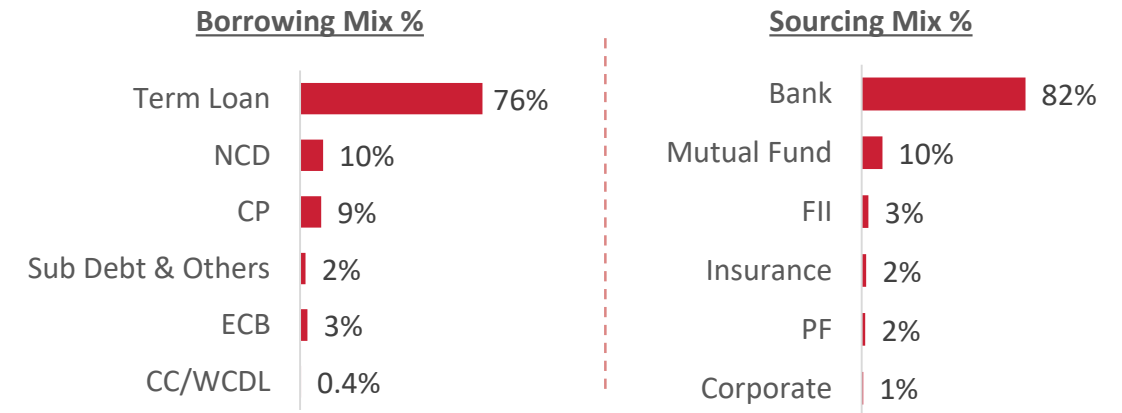
Raised LT borrowing of ~Rs 2,150 Crore

Actively pursuing overseas funding through ECB

Drawn USD 50 Mn (sanction of USD 100 Mn)

Adequate liquidity to meet growth requirements

Diversification in borrowing mix and investor profile¹



Continue to broad base investor profile

- Investor base increased to 103
- Funding from 21 banks and refinance from NHB

Maintaining comfortable capital adequacy

Q2 FY20: CRAR at 16.3% (Regulatory requirement: 13%)

Key Financials – Aditya Birla Housing Finance Limited



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Δ LY%	Quarter 2		Figures in Rs Crore	Half Year		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
			Key Performance Parameters			
↑ 22%	9,884	12,079	Lending book	9,884	12,079	↑ 22%
↑ 35 bps	10.01%	10.36%	Average yield (Incl. Fee Income)	9.86%	10.41%	↑ 55 bps
	7.20%	7.54%	Interest cost / Avg. Loan book	7.18%	7.53%	
	3.32%	2.97%	Net Interest Margin (incl. Fee Income)	3.12%	3.01%	
	242	325	Revenue	461	635	
	2.42%	1.48%	Opex/ Avg. Loan Book	2.40%	1.52%	
↓ 25%	70%	45%	Cost Income Ratio (%)	71%	46%	↓ 25%
	0.18%	0.58%	Credit Provisioning/ Avg. Loan Book	0.21%	0.49%	
	21	36	Profit Before Tax	34	74	
↑ 2.1x	13	28	Profit After Tax	22	54	↑ 2.5x
	1,136	1,243	Net worth	1,136	1,243	

Aditya Birla Sun Life AMC Limited



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Profitable growth aided by robust asset mix

Figures in Rs Crore

Maintained domestic AAUM¹ Market Share

Overall Domestic AAUM market share² at 10.47% (PQ: 10.52%)

Fixed Income AAUM¹ market share improved

Market share² at 12.17% (PQ: 12.08%)

Domestic Equity AAUM mix steady at 35%

SIP Book share of domestic equity : 35% (PY: 29%)

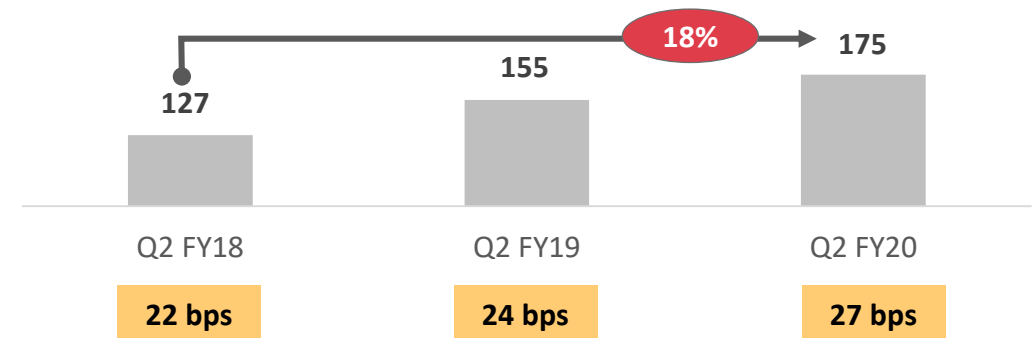
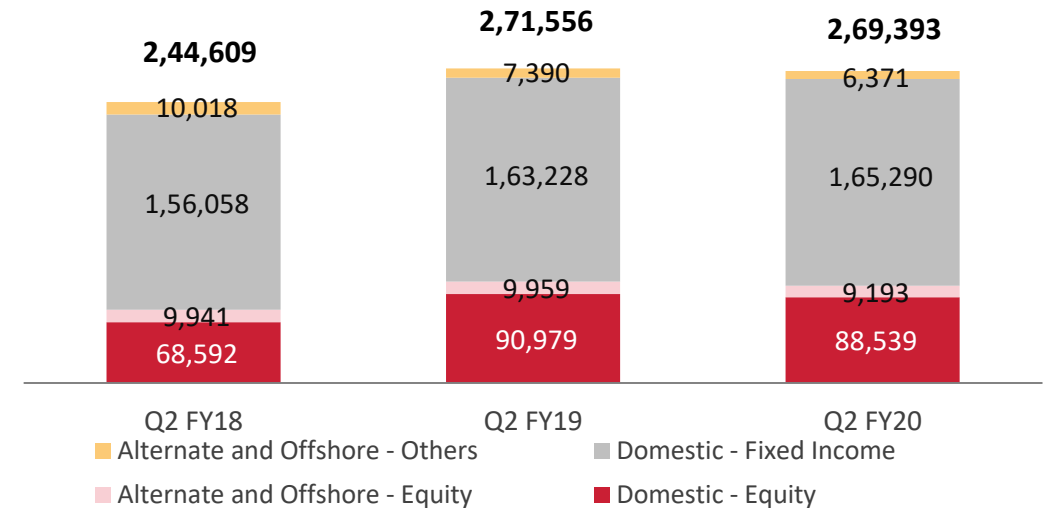
Q2 PAT at Rs 148 Crore (grew 40% y-o-y)

Margin maintained post regulatory changes

PBT at 27 bps³ of AAUM (PY: 24 bps³)

Growth in Overall AAUM

Strong growth in PBT with margin (bps) expansion³



Continued focus on retail expansion

Retail + HNI AUM¹ at Rs ~1,20,000 Crore

Broad based penetration in B-30 cities with AUM¹ at ~ Rs 35,600 Crore.

Market Share² at 8.90% (PQ : 9.11%)
B-30 contributes 23%¹ of retail AUM

Investor folios up 1.5x in 2 years

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

Monthly SIP³ book ~Rs. 1,000 Crore

SIP Market Share⁴ 11.01%

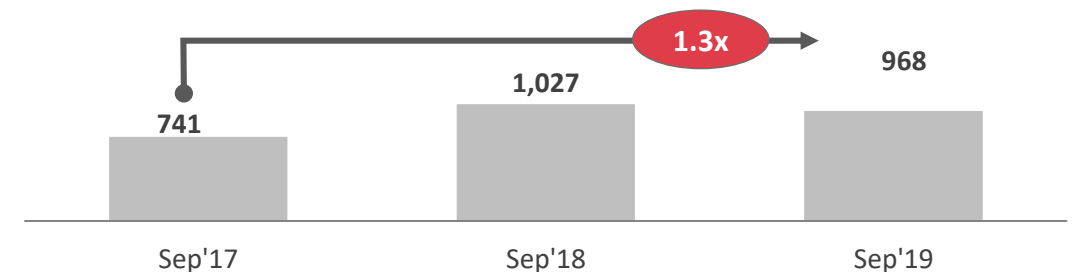
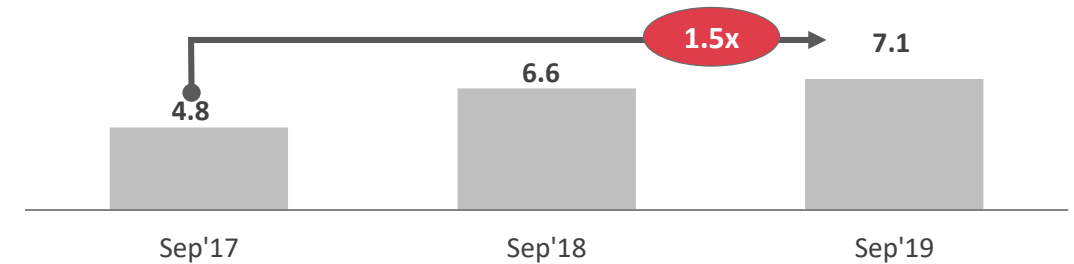
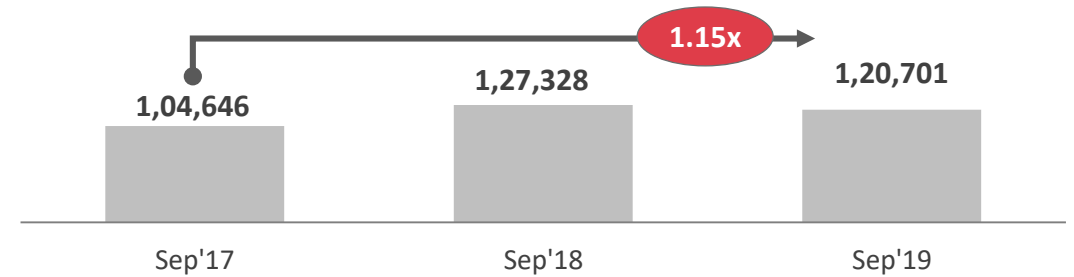
3 Year CAGR as on FY19: 33% | Industry: 29%

**Increasing
Retail
Penetration
(AUM)**

**Significant
Growth in
Investor Folio
(Million)**

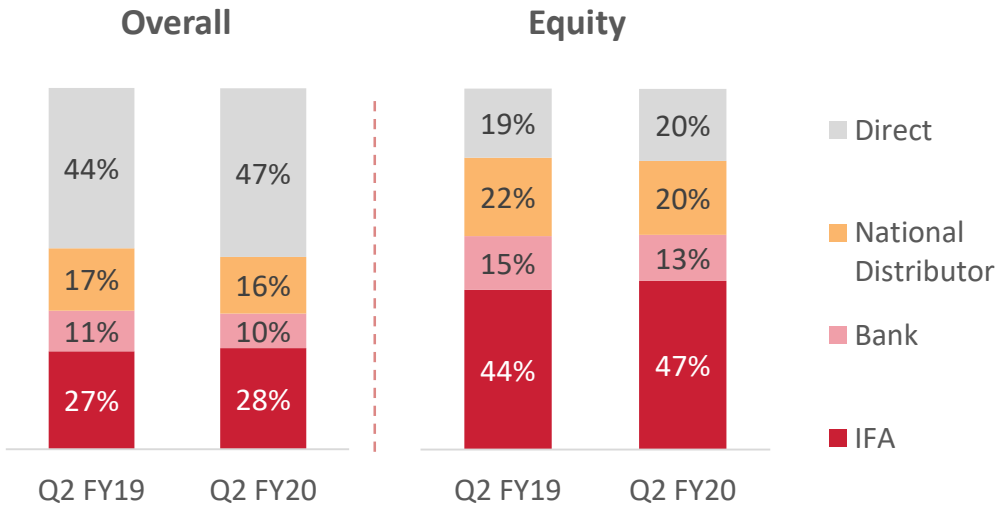
**SIP Monthly
Book³ Growth**

Figures in Rs Crore



Balanced Distribution Network

AAUM Sourcing Mix (%)



Continue to grow IFA share in Equity Sourcing

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

Distribution Scale

300 Locations
> 75% in B-30 cities

88 Banks

79,000+ IFAs

230+
National Distributors

Digital Tech enablement

Customers

- Launched new investor portal with simplified UX
- Launched micro ticket size SIP product
- Up-sell: Launched "Next-best-offer" programme
- Video KYC API enabling ease of customer onboarding

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 2		Figures in Rs Crore	Half Year		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
			Key Performance Parameters			
	2,54,207	2,53,828	Domestic AAUM	2,51,739	2,53,897	
	90,979	88,539	Domestic Equity AAUM	90,005	90,506	
	9,959	9,193	Alternate and Offshore Equity AAUM	10,097	9,471	
	1,00,938	97,732	Total Equity	100,102	99,977	
	387	323	Revenue	749	638	
	232	148	Costs	448	287	
↑ 13%	155	175	Profit Before Tax	301	351	↑ 17%
↑ +3 bps	24 bps	27 bps	Profit Before Tax (bps¹)	24 bps	28 bps	↑ +4 bps
↑ 40%	106	148	Profit After Tax	207	265	↑ 28%

¹ Margin based on annualized earnings as % of domestic AAUM

Aditya Birla Sun Life Insurance Limited



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Fast growing franchise with significant value creation



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Figures in Rs Crore

Individual FYP¹ grew by 20% y-o-y

Significantly higher than industry growth

Industry²: **11%** | Private²: **16%** | Top 4 Private²: **17%**

Market share² increased to 3.8%

Maintained rank in Individual business at No.7²

H1 Net VNB improved ~250 bps y-o-y

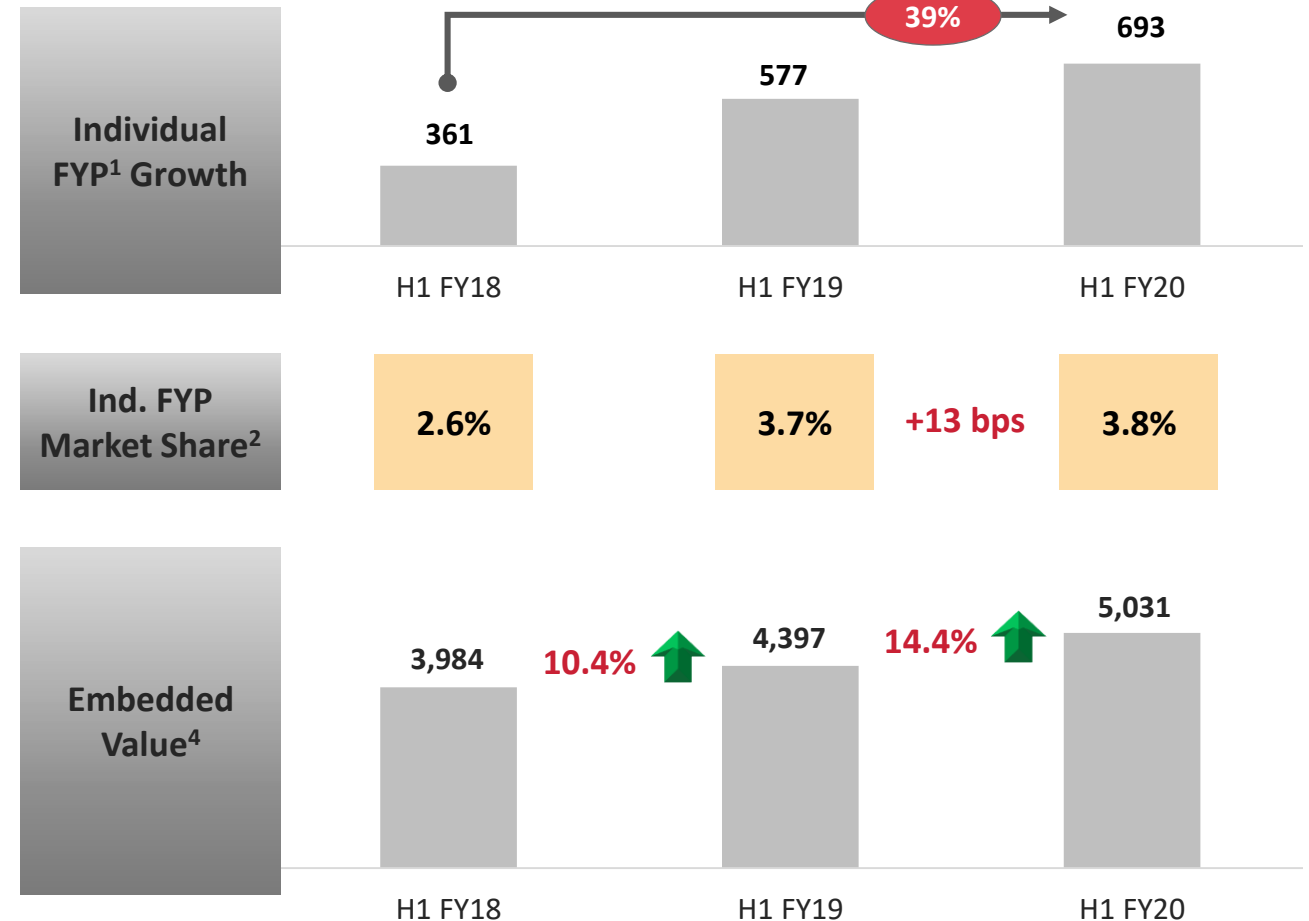
H1 Net VNB Margin³ at 0.2%

H1 Embedded Value at Rs 5,031 Crore

EV grew by 14.4% y-o-y

Group business continues to be value accretive

Risk business grew by 16% y-o-y



¹ Individual FYP adjusted for 10% of single premium

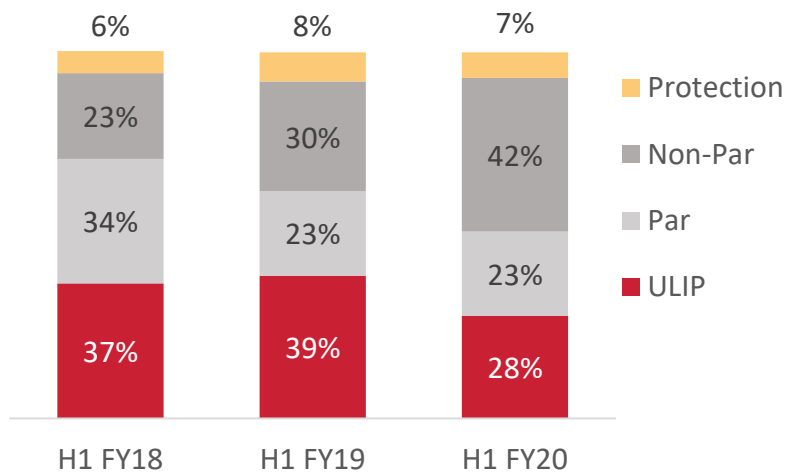
² Rank and Market Share amongst players (Excl. LIC) based on adjusted Individual FYP: Source IRDAI

³ Based on Individual Business basis Management estimates

Focus on value accretive product mix

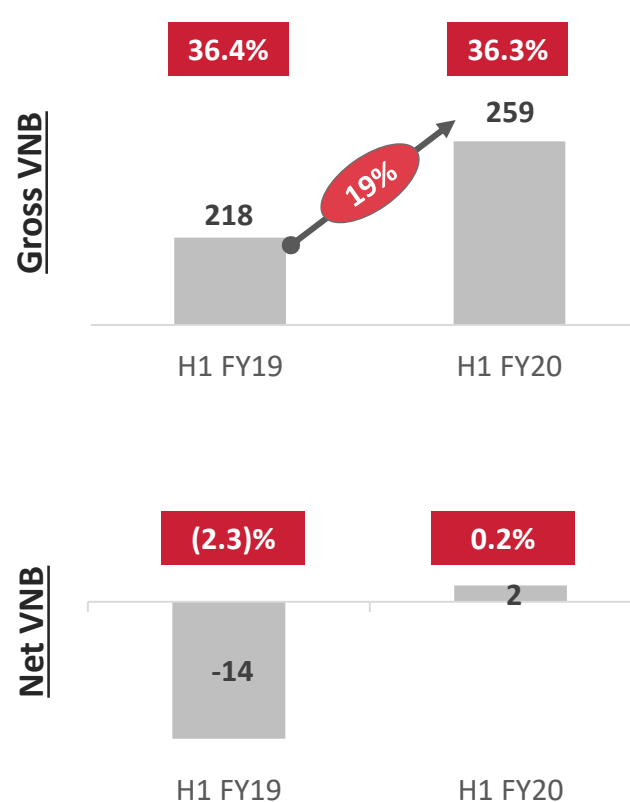
Figures in Rs Crore

Continued focus on balanced product mix



70% of maturity benefit of guaranteed products are protected

Improvement in VNB Margins¹



Gross VNB grew 19% y-o-y

Q2FY20 Gross VNB at 37.7% (PY: 35.9%)

H1 Net VNB Margin at 0.2% (PY: -2.3%)

Q2FY20 Net VNB at 5.7% (PY: 2.5%)

Factors contributing to improvement in Net VNB:

- Higher volume and productivity
- Balanced channel mix and better product mix

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 87,000+ agents, 9,500+ bank branches and 390+ own branches

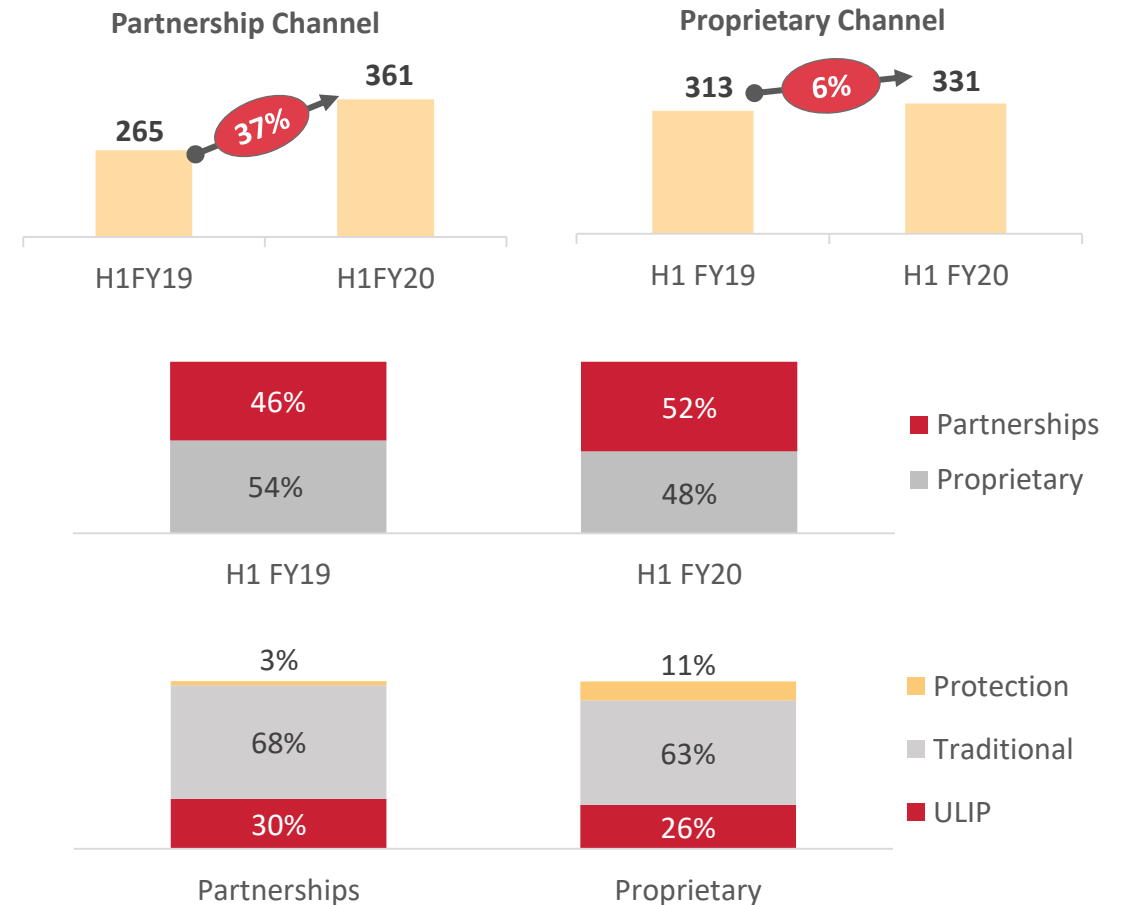
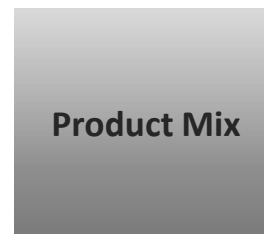
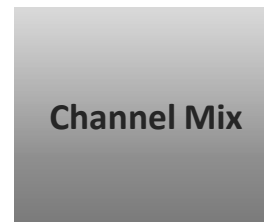
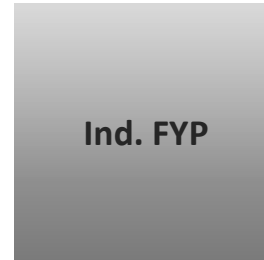
Partnership with Indian Bank

Providing access to 2,900 branches

Proprietary channel contributing to margin improvement

Efficiencies in proprietary channel driven by:

- Increase in productivity ; Controlled ULIP mix
- Protection mix at 11%



Focus on quality of business

Continuous improvement in persistency across periods

13th Month persistency at 80% (PY: 74%)
HDFC Bank experience will lead to further improvement

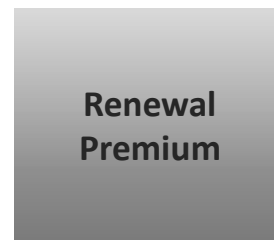
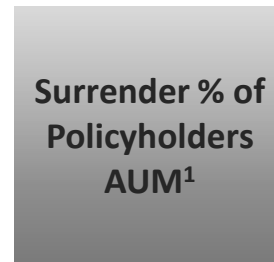
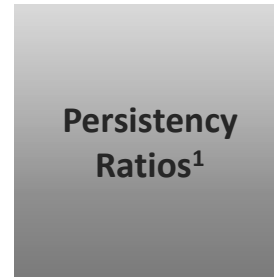
Focus on customer retention

Ind. renewal premium grew 19% y-o-y
Continuous improvement in surrender ratios

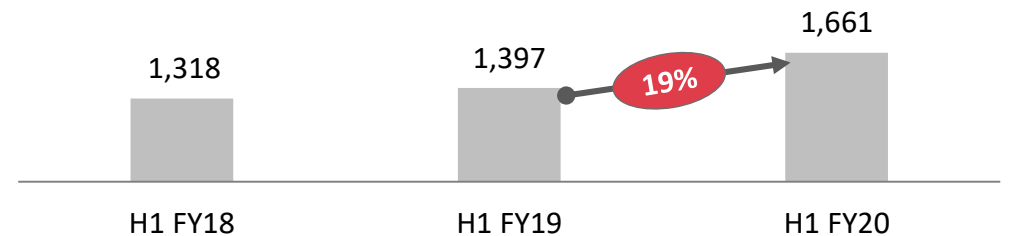
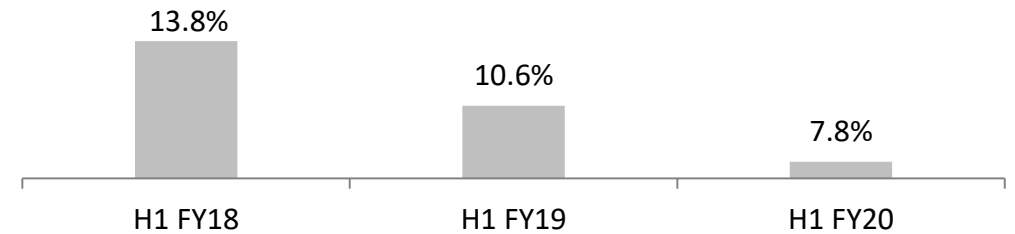
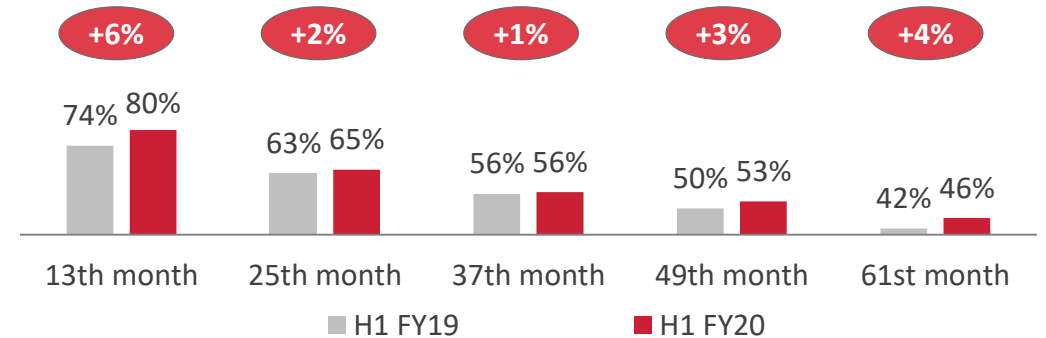
Complaints reduced by ~50% over 2 years

Improvement in claim settlement ratio

FY19 Claim Settlement Ratio: 97.2% (PY: 96.4%)



Figures in Rs Crore



¹ Parameters are pertaining to Individual Business

Key Financials – Aditya Birla Sun Life Insurance Limited



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Δ LY%	Quarter 2		Figures in Rs Crore	Half Year		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
			Key Performance Parameters			
↑ 12%	379	423	Individual First year Premium	627	745	↑ 19%
	656	491	Group First year Premium	1,049	679	
↑ 18%	771	911	Renewal Premium	1,397	1,661	↑ 19%
	1,806	1,825	Total Gross Premium	3,073	3,086	
↑ 14%	287	327	Opex (Excl. Commission)	539	620	↑ 15%
	15.9%	17.9%	Opex to Premium (Excl. Commission)*	17.5%	20.1%	
	20.6%	23.7%	Opex to Premium (Incl. Commission)	22.2%	26.1%	
	(2)	41	Profit Before Tax	20	66	↑ 3.3x
	(3)	34	Profit After Tax	14	54	

* 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 78% YoY with retail growth at 83%

Retail GWP Mix: 67% (PY: 65%)

5+ million lives covered

2.4 million lives through micro products

Grew ~ 4x y-o-y (PY: 1.2 million lives)

Improved retail Claim Ratio 44% (PY: 48%)

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

Combined ratio at 155% (PY: 180%)

Steady path to break even

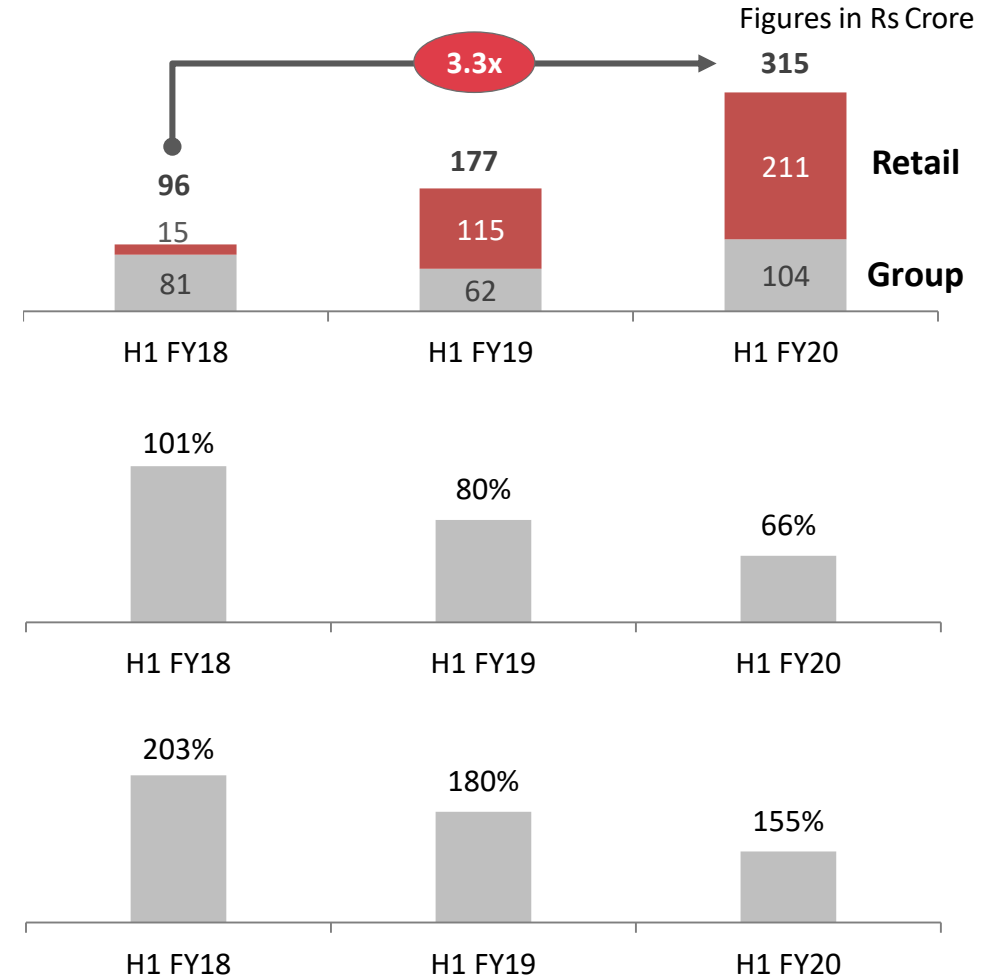
Q2 PBT loss at Rs 70 Cr (Peak loss Rs 73 Cr in Q2 FY19)

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 and Diversification

One of the largest 3rd party distribution capacities

- ✓ 10 Bank tie-ups incl. HDFC Bank, Axis Bank (Q2 go-live)
- ✓ 10,000+ bank branches through Banca channel
- ✓ Monthly utilization of available capacity still leaves significant upside potential
- ✓ Focus on new age digital partners



Cities



H1 FY19

650+

H1 FY20

1,200+



Agents



18,100+

22,500+



Sales force



1,400+

2,100+

Diversification drivers

- ✓ Diversification across channels, geographies, products customer segments lead to better claims ratio
- ✓ New product launched in H1 to further diversify product and customer segments:
 - Activ Care (Senior Citizen)
 - Group Product (8 in 1 product incl. Cancer Care, CVD)



Geographical diversification

(non-metro % retail GWP)



34%

39%



Fixed benefit % of GWP



16%

18%



Banca % of retail GWP

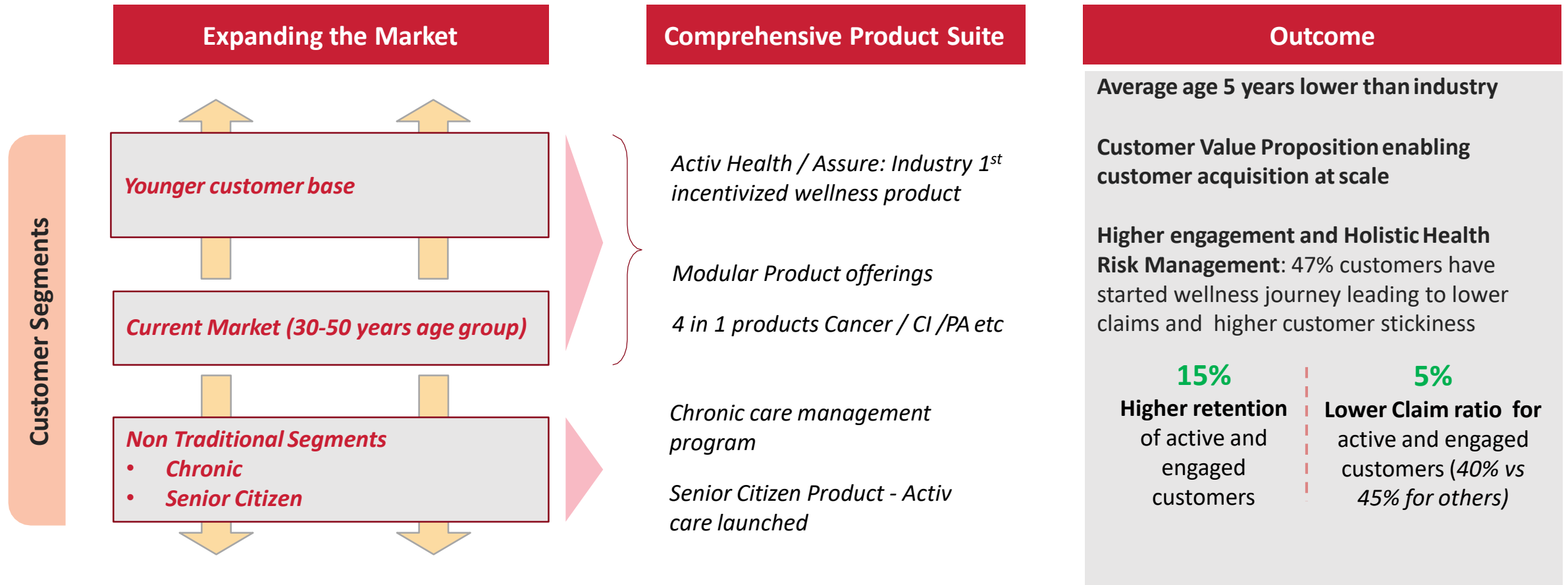


57%

62%

Expanding market through customer value proposition

Comprehensive Product suite enabling traditional & non traditional customer acquisition



Key Financials – Aditya Birla Health Insurance Limited



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Δ LY%	Quarter 2		Figures in Rs Crore	Half Year		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
			Key Performance Parameters¹			
↑ 1.8x	70	123	Retail Premium	115	211	↑ 1.7x
	32	53	Group Premium	62	104	
↑ 1.6x	102	176	Gross Written Premium	177	315	↑ 1.8x
	102	149	Revenue	179	294	
	170%	167%	Combined Ratio	180%	155%	
	(73)	(70)	Profit Before Tax	(137)	(135)	

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

Other Financial Services businesses

Other Financial Services Businesses

Quarter 2		Figures in Rs Crore	Half Year	
FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)
Key Performance Parameters Other Financial Services Businesses¹				
156	168	Aggregate Revenue	323	361
(4)	14	Aggregate Profit Before Tax	(2)	39

General Insurance Broking

- Premium placement in H1 FY20 grew y-o-y by 12% to Rs 2,164 Crore
- Q2 Revenue increased by 7% y-o-y to Rs 116 Crore (PY: Rs 109 Crore)
- Q2 PBT grew 35% y-o-y to Rs 11 Crore

Stock and Securities Broking

- Q2 Revenue at Rs 40 Crore (PY: Rs 44 Crore)
- Q2 PBT grew 17% to Rs 4 Crore (PY: Rs 3 Crore)

ARC

- Launched ARC platform in partnership with Varde in FY19
- Platform profitable within first year of operation

Annexure A

Consolidated Financials

Consolidated Profit & Loss



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Figures in Rs Crore

Δ LY%	Quarter 2		Figures in Rs Crore	Half Year		Δ LY%
	FY 18-19 (PY)	FY 19-20 (CY)		FY 18-19 (PY)	FY 19-20 (CY)	
			Consolidated Profit & Loss			
↑ 11%	3,591	3,976	Revenue	6,654	7,622	↑ 15%
	231	296	Profit Before Tax (before share of profit/(loss) of JVs)	513	675	
	53	75	Add: Share of Profit/(loss) of associate and JVs	104	134	
↑ 31%	284	372	Profit Before Tax	617	809	↑ 31%
	131	129	Less: Provision for taxation	269	310	
	(33)	(13)	Less: Minority Interest	(51)	(27)	
↑ 37%	186	256	Net Profit (after minority interest)	399	526	↑ 32%

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

PROTECTING INVESTING FINANCING ADVISING

Life Insurance
Health Insurance
Motor Insurance
Corp General Insurance
Travel Insurance

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

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

Online Personal Finance
Management
Money for Life Planner

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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
- YTD – Year to date
- GS 3 – Gross Stage 3