

1 November 2021**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001**Scrip Code: 540691**
Scrip ID: ABCAPITAL**Dear Sir/Madam,****Re: Investor presentation****Sub: Intimation under Regulation 30 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)**

Pursuant to Regulation 30 of the SEBI Listing Regulations, please find attached a presentation on the Unaudited Financial Results of the Company for the quarter and half year ended 30 September 2021 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**

Amber Gupta
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.**
Depositary Receipt Services
388 Greenwich Street
14th Floor, New York,
NY 10013**Citi Bank N.A.**
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FIFC, 11th Floor, C-54 & 55, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051**Listing Agent**
Banque Internationale à Luxembourg SA
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Grand Duchy of Luxembourg

FINANCIAL RESULTS: Q2 FY22

MUMBAI

1st November 2021



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

A Leading Financial Services Conglomerate

1 | Overview**Pg. 3 - 13****2 | Business-wise Performance****Pg. 14 - 69****3 | Other Updates****Pg. 70 - 74**

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

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

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

Q2 FY22 | Performance Highlights



SNAPSHOT

Q2 Consol. PAT

₹ 377 Cr.

Grew 43% Y-o-Y

FY22 Profit Guidance

Over ₹ 1,500 Cr. PAT

Aspire to be among Top 100 listed Companies

Delivery Vs. Targets

Target to deliver a year ahead of FY24 Targets

Active Customers

28 MILLION

Grew 42% Y-o-Y

Value Unlocking

AMC IPO

Listed in Oct'21

OUR SCALE

Lending Book

₹ 59,060 Cr

↑ 3% Y-o-Y

Total AUM

₹ 3.7 LAC Cr

↑ 24% Y-o-Y

GWP (H1 FY22)

₹ 5,685 Cr

↑ 25% Y-o-Y

Branches

935

Agents and Channel Partners

2 Lac+

Ecosystem Partners*

150+

Employees

27,000+

Q2 FY22 | Performance Highlights



NBFC & HOUSING FINANCE

LENDING BOOK GROWTH & MIX

NBFC: Retail + SME¹ ↑ 19% y-o-y; Mix: 59%
HFC: Affordable book ↑ 49% y-o-y; Mix: 33%

MARGIN EXPANSION

NBFC: NIM 6.23%; ↑ 91 bps y-o-y
HFC: NIM 4.32%; ↑ 99 bps y-o-y

STRONG PROFIT DELIVERY

NBFC: PAT ↑ 1.6x y-o-y; RoA 2.4%
HFC: PAT ↑ 43% y-o-y; RoA 1.8%

ASSET MANAGEMENT

AUM GROWTH & MIX

Domestic AAUM ↑ 26% y-o-y
Equity AAUM ↑ 41% y-o-y; Mix: 39%

MARGIN EXPANSION

Operating PBT/ AAUM: 25 bps (PY: 21 bps)
PBT/ AAUM: 31 bps (PY: 27 bps)

STRONG PROFIT DELIVERY

PBT at Rs 230 Crore, ↑ 41% y-o-y
RoE at 36.5% (PY: 33.9%)

LIFE & HEALTH INSURANCE

PREMIUM GROWTH & MIX

LI: Ind. FYP ↑ 27% y-o-y; Protection Mix: 6%
HI: GWP ↑ 30% y-o-y; Retail Mix: 68%

MARGIN & COMBINED RATIO

LI: Net VNB margin: 12.5%, ↑ 637 bps y-o-y
HI: Combined Ratio (ex-CoVID) at 110%

VALUE ACCRETION

LI: EV: Rs 7,009 Crore; ↑ 22% y-o-y
HI: On track to break even by Q4 FY22

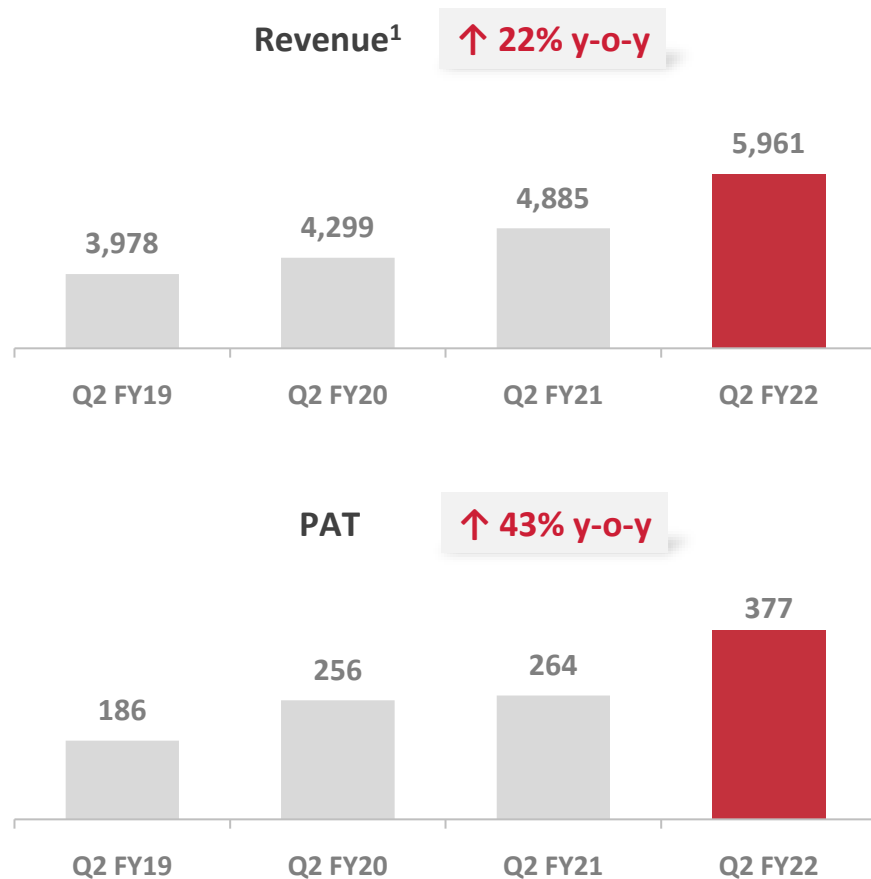
On track to deliver ahead of FY24 targets

	Targets for FY24	Q2 FY21	Q2 FY22	Target
NBFC	Retail + SME mix	52%	59%	65%
	Net Interest Margin	5.3%	6.2%	6.25%+
	Return on Assets	1.4%	2.4%	2.5 – 2.7%
Housing	Affordable mix	21%	33%	~65%
	Net Interest Margin	3.3%	4.3%	4.25%+
	Return on Assets	1.0%	1.8%	1.5 – 1.6%
AMC	Domestic Equity AAUM mix	34%	39%	~40%
	PBT CAGR	164	230	~15% p.a.
	Return on Equity	33.9%	36.5%	35 – 40%
Life Insurance	Protection mix	5.7%	5.7%	12-15%
	Opex Ratio	13.2%	12.2%	~12%
	Net VNB Margin	6.4%	12.5%	16 – 17%
Health Insurance	GWP CAGR (to reach Rs 3,500 Cr)	74%	30%	~40%
	Combined Ratio; Breakeven Target	126%	110% ¹	Q4 FY22

¹ Combined Ratio for Health Insurance is normalized for CoVID claims impact in H1 FY22

Delivered highest ever quarterly Profits

Strong Financial performance



Business-wise profitability

Businesses (INR Crores)	Q1 FY22	Q2 FY21	Q2 FY22
NBFC	315	244	387
Asset Management	206	164	231
Life Insurance	31	42	50
Housing	49	45	66
Other Businesses	55	32	46
Profitable Businesses PBT	656	527	780
Health Insurance	(127)	(66)	(100)
Less: Others ² / Eliminations	(4)	(2)	(7)
Aggregate PBT	525	459	672
Less: Provision for Taxes	(178)	(146)	(230)
Less: Minority Interest	(45)	(49)	(66)
Consolidated PAT	302	264	377

↑ 46%

↑ 43%

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

² Includes ABCL standalone, Online Personal Finance, Private Equity,, ABMM and other businesses

Financial Performance



Figures in Rs. Cr.	FY17	FY18	FY19	FY20	FY21	CAGR (FY17 - FY21)	H1 FY21	H1 FY22	Y-o-Y
Lending Book	38,839	51,379	63,119	59,159	60,557	12%	57,592	59,060	3%
Gross Insurance Premium	5,778	6,146	8,008	8,882	11,076	18%	4,533	5,685	25%
Active Customers (Mn)	10	11	12	20	24	24%	20	28	42%
Assets under Management	2,46,159	3,05,372	3,04,322	3,05,587	3,35,919	8%	2,99,410	3,70,290	24%
Revenue ¹	11,071	12,841	16,570	17,927	20,447	17%	9,177	10,593	15%
Profit Before Tax	1,150	1,438	1,797	1,687	1,973	14%	825	1,197	45%
NBFC	837	1,051	1,328	1,053	1,031	5%	433	702	62%
Asset Management	337	523	647	661	696	20%	294	436	48%
Life Insurance	124	130	131	137	151	5%	71	82	14%
Housing	(16)	34	107	136	176	-	81	115	42%
General Insurance Broking	39	39	27	42	71	16%	45	61	37%
Stock & Securities Broking	8	10	14	17	22	29%	11	17	52%
ARC Business	-	-	(3)	24	37	-	18	22	24%
Health Insurance	(89)	(197)	(257)	(246)	(199)	-	(125)	(227)	-
Interest and Brand expenses	(1)	(87)	(124)	(117)	(10)	-	(3)	(3)	-
Others / Eliminations	(89)	(66)	(73)	(21)	(3)	-	(1)	(8)	-
Consolidated PAT (after minority)	573	693	871	920	1,127	18%	463	679	47%

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

² Figures of FY17 are as per IGAAP, whereas for FY18 onwards are as per Ind AS

³ ABNL transferred its 51% stake in Aditya Birla Sun Life Insurance (ABSLI) to ABCL w.e.f 23rd March 2017. FY17 financials have been re-stated including earnings of ABSLI for full year to make performance comparable.

Capital Allocation Approach



Focused Approach

- **Ensure adequate capital allocation for:**
 - Scalable, higher return growth opportunities
 - Productivity improvements and innovation funding
 - Cash returns to shareholders

Where have we invested....

- Raised equity capital of ~Rs 2,800 Crore since ABC listing in Sept'17
- Funds primarily utilised for:
 - A. Growth capital (existing businesses)**
 - Lending: ~ Rs 1,725 Crore
 - B. New business incubation**
 - Health Insurance: ~Rs 600 Crore
 - ARC platform: ~Rs 225 Crore

Priorities for next 3 years

- **Continue to deploy growth capital:**
 - Lending businesses as required
 - Life and Health Insurance
 - Stressed Asset Platform
- **Investment in building digital capability:**
 - Assess Investment in Fintech and Ecosystem Partners
 - Disruptive ideas sourced internally
- **Shareholder Returns:**
 - Assess potential for dividend to ABCL shareholders

Funding requirement over next 3 years (FY22-FY24) will be entirely met through internal Sources

Transformational initiatives driven by ABC



Dedicated ABC functional CoEs drive and monitor effective deployment across businesses

Increase customer wallet share using analytics

- **ABC Pre-approved** - presents personalized, curated pre-approved offers to our direct customers on ABC dashboard
- **AI driven hyper-personalised** communication based upon 'Customer Genome'
- **Omnichannel "Next Best Offers"** for every customer to drive upsell and cross-sell

Drive multi-product Fintech partnerships

- **Structured approach** to onboard and operationalize Fintech partners
- **150+ ecosystem partners** including banks digitally enabled across ABC
- **Ability to offer multi products** bespoke offering to customer base with digital journeys

Infrastructure Synergies

- **Co-locating to 1 ABC Branch** format to drive distribution synergies. Target ~1,000 branches across ABC by Mar'22
- ABC SELECT ADVISOR – **Unique 'Complete Money Solution' provider phygital model** with 6,500 advisors enrolled
- **Building common advisor** in Life and Health Insurance

Functional Synergies

- **Investment in Tech and IT** infrastructure leading to faster and effective implementation
- **Upskill and Build leadership pipeline** with 500+ employee movements into new or larger roles over last 2 years
- **Unified ABC Brand catering to** products across customer life cycle to save cost and gain brand recall

	LIFE INSURANCE	HEALTH INSURANCE	AMC	LENDING
ACQUISITION	16% of Individual First Year Premium	7% of Retail Fresh Premium (Excl. Micro/ Byte size products)	5% of Retail Gross Sale	24% of retail portfolio using ML risk scorecards
UPSELL & CROSS-SELL	18% of Individual First Year Premium	18% of Retail Fresh Premium (Excl. Micro/ Byte size products)	11% of Retail Gross sale	19% of Personal Loan disbursals
RETENTION & WINBACK	10% Additional Renewal Premium collected	9% Lift in Renewal Premium collected	9% of Retail Gross Sale	3.4x Lift in collections from digital lending / Personal loan NPAs



All metrics are for Q2 FY22 unless specified

Multi-product Fintech partnerships

Partner ecosystems



Banking & Finance



Ecommerce Cos



Aggregators



Payment Platforms

Cloud Infrastructure



Contact Centre



Channel Mgmt.



Fraud Analytics



AI/ML based U/W

APIs
across ABC LOBs



Enterprise Service Bus (ESB)

Applications & Systems



Core Applications



Analytic Engines



Network Infrastructure



Data Storage

Engagement Channels



Portal/App



Emails/SMS



WhatsApp



Social Media

OUTCOMES

150+ ecosystem partners including banks digitally enabled across ABC

1.4 Mn. customers acquired through digital ecosystem in Lending business in H1 FY22

30+ Mn. policies issued in Health Insurance with bite-sized product offerings in H1 FY22

60%+ purchase transactions enabled through partners using 1300+ APIs

62%+ new customer additions through ecosystem partners in Mutual Fund in Q2 FY22

52% of FYP acquired digitally through partners integrations in Life Insurance in H1 FY 22

Leveraging digital technology



Customer Acquisition

Leveraging Ecosystems

Customer Acquisition through ecosystems at scale in Lending, MF and Health Insurance

Distributor Enablement

Next best offer for customers shown to Multi LOB distributors.
Campaign Capabilities for Advisors for reaching out to customers

Voice Bot for reach & scale

Outbound calling Audio Visual Bot for upsell and cross sell.
Hot transfer of lead to agent if customer shows interest in the offer.



Customer Service

Instant Fulfilment

Focus on end-to-end automation of service journeys using API's and Robotics.
50+% service journeys STP across

ML based Voice Bots

50+ Multi-lingual Inbound IVR and outbound calling Voice Bots.

Proactive Service

Display of service status and fulfilment of incomplete journey through Omnichannel orchestration.



Customer Analytics & Value

Hyper-personalized offers

Leverage Pre-Approved/NBO offers for customers of LI, Lending, HI & MF.

AI-ML Advisor Hiring

*AI-ML based models for good advisor and good FLS hiring
Model used for over 10% of total hires.*

Cross Sell for Banca Partners

*Cross selling engine for pre-approved offers to customers of our Banca partners
E.g. HI products to LI customer*



Scalability

Robotics

Continue on journey for automation of back-office processes

Leveraging Digilocker & KYC

Digilocker & CKYC for customers of LI, Stock Broking, Lending & HFL
50% + Reduction in cost and eliminating manual verification

Central Risk Database

Central Database to monitor risk and exposure of Institutional customers across all ABC LOB's

ABC Digital impact metrics

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

All metrics are for Q2 FY22 unless specified

REVENUE ENABLEMENT through digital customer acquisition engines

93%+

Customers onboarded digitally across businesses in H1 FY22

1.4+ Mn.

Customers acquired through eco system partners by Lending in H1 FY22

6000+ Cr.

Mutual Fund gross sale through Next Best Offer in H1 FY22

30+ Mn.

No. of policies acquired through Eco System partners in Health insurance in H1 FY22

CUSTOMER EXPERIENCE through new age digital channels

50+

Voice Bots for Inbound & Outbound calls across LI, HI, HFL, MF and Stocks & Securities

6.5 Mn.

Customer Interactions on Digital Channels

1+ Mn.

Omni Channel Interactions

86%

policies renewed digitally in Life Insurance & Health Insurance

SCALABILITY & COST EFFICIENCIES with mid & back office automation

50%+

Reduction in manual reviews for Digital KYC processes

432

RPA Robots live in our mid & back offices

2.5 Mn.

Customer interactions on audio visual voice bots in FY21

0.5+ Bn.

transactions through 1300 APIs routed through ESB in H1 FY22



NBFC

**Aditya Birla
Finance Ltd.**



**ADITYA BIRLA
CAPITAL**

Performance Summary | NBFC | Aditya Birla Finance

1 Disbursement targeted towards Retail and SME segments

- Retail + SME¹ book ↑ 19% y-o-y; Loan book at Rs 47,733 Crore (↑ 5% y-o-y)
- Retail + SME mix at highest level of 59% (PY: 52%); Disbursal mix at 69%
- Momentum in retail sourcing through Ecosystems; H1 FY22 Sourcing mix at 27%

2 Improving margins & core profitability

- NIM ↑ 91 bps y-o-y to 6.23%; NII ↑ 21% y-o-y at Rs 765 Crore
- Margin expansion led by growth in select retail and SME segments, cost of borrowing and scale up in ecosystem sourcing channels
- PPOP ↑ 73 bps y-o-y at 4.48% (Rs 535 Crore)
- PAT at Rs 289 Crore (↑ 1.6x y-o-y); RoA at 2.4% (PY: 1.6%)

3 Continue to focus on retailisation and granularity

- Customer count ↑ 6x y-o-y at 10 lac; Portfolio ATS at Rs 5 Lacs (PY: Rs 26 lacs)
- ATS: Retail ~Rs 1 Lacs; SME ~Rs 5 Crore; Large/ Mid Corp ~Rs 52 Crore
- Branch count at 119 with 66% presence in Tier 3/4 cities; plan to expand to 150 branches by Mar '21
- Retail book mix in Tier 3/4 grew 2X since Sept '19

4 Quality of book & collections

- 80% of overall loan book secured; Net Security cover: 2.0x
- Collection efficiency strong at 98% in Sep'21
- Stage 2 book at 7.7%; 60 dpd+ at 2.29%
- Maintained overall floating provision for Stage 1 & 2 assets of Rs 129 Crore
- GS3: 3.64% and NS3: 2.03%; Stage 3 PCR at 44.1% (PY: 44.5%)

5 Liquidity and Balance Sheet Resilience

- Strong funding access with adequate liquidity surplus and amongst best cost of borrowing in industry
- Comfortable capital adequacy with CRAR at ~23.7%
- Raised LT borrowing of ~Rs 5,059 Crore in YTD FY22

6 Digital Adoption

- 100% digital onboarding enabled for personal and business loans
- Digitisation of onboarding processes have led to ↓ 80% in form-filling effort, ↓ 70% in TAT and ↓ 40% in onboarding cost
- ~14.5 Lac customers onboarded through digital partnership ecosystems

Change in loan book mix with focus on target segments

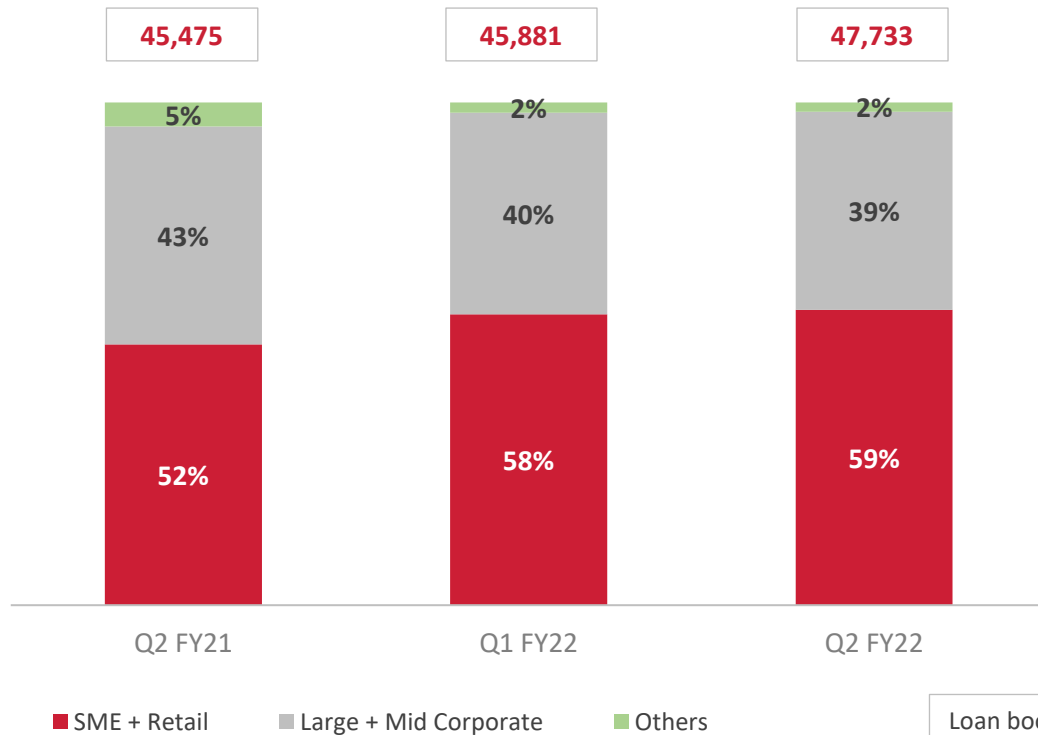
Change in Loan Book Mix

SME + Retail + HNI book

19% ↑ Y-o-Y

SME + Retail¹ mix

52% → 59%



¹ Includes HNI book

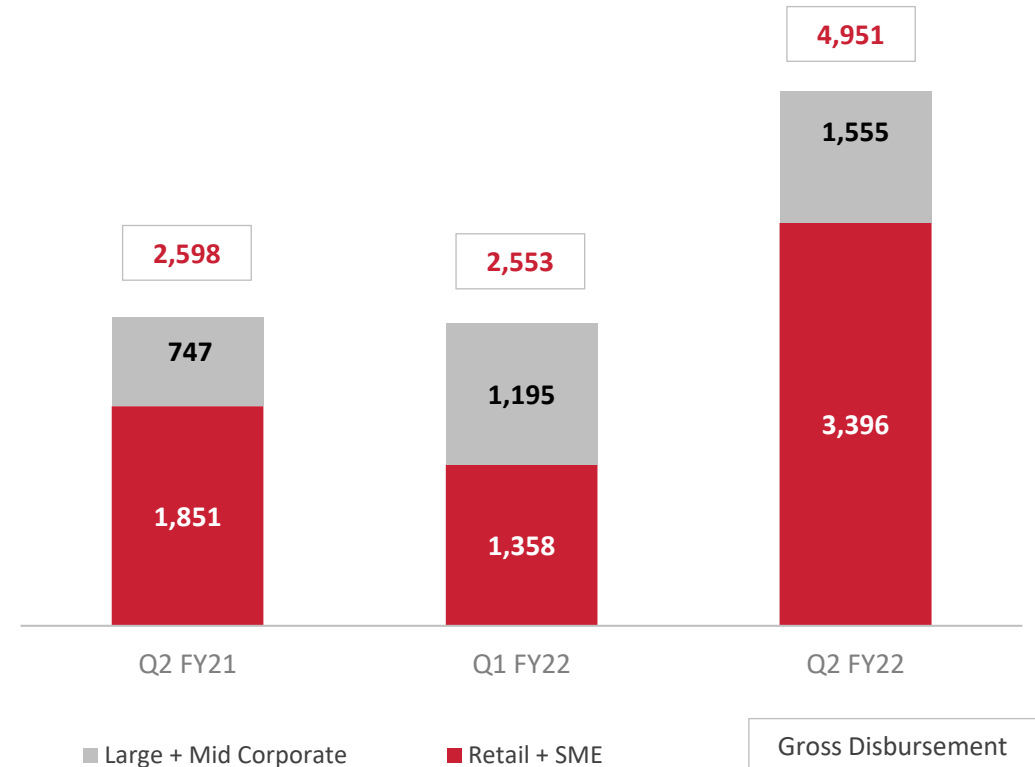
Focusing new disbursement to Retail and SME Segments

Disbursement

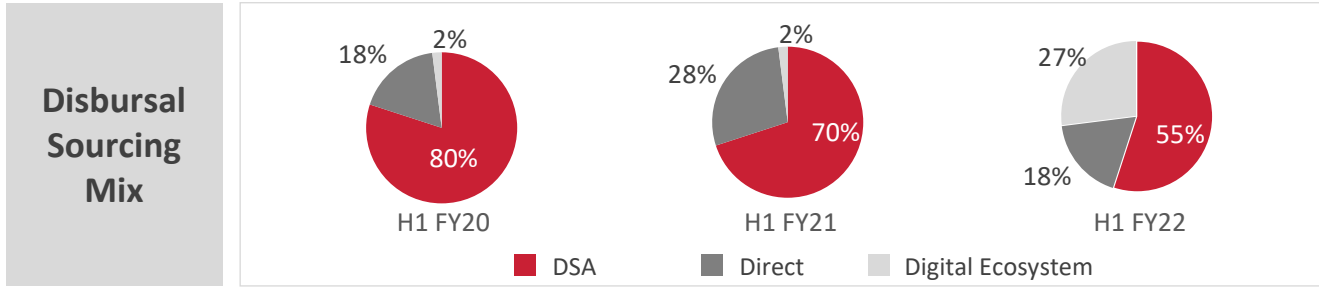
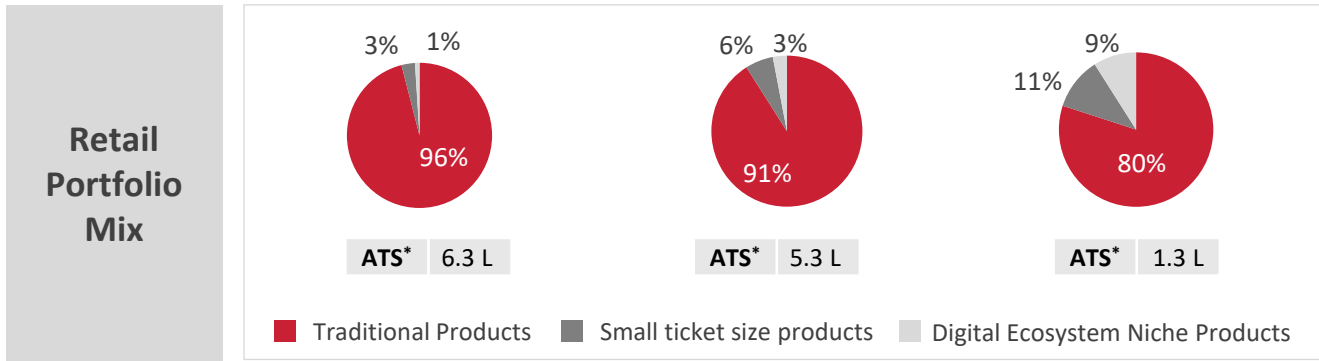
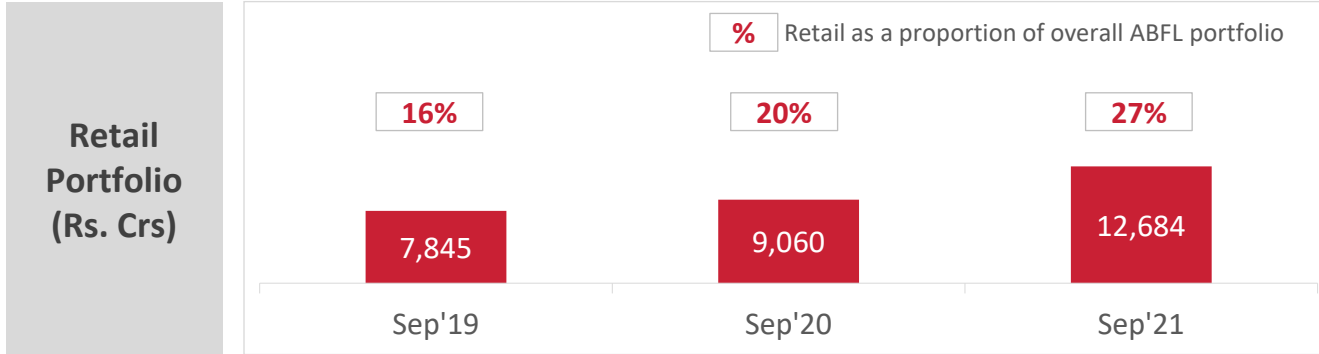
1.9x ↑ Y-o-Y

SME + Retail¹

1.8x ↑ Y-o-Y



Transformative journey in Retail segment



New products launched in Retail segment

- **Traditional products:** like personal loans, business loans, loan against property etc.
- **Small ticket new products and ecosystem products** with lower average ticket size
- Launched **ecosystem niche products** like Buy Now Pay Later (BNPL), Checkout EMI, etc.

Enhancing Returns in Retail to deliver target RoA

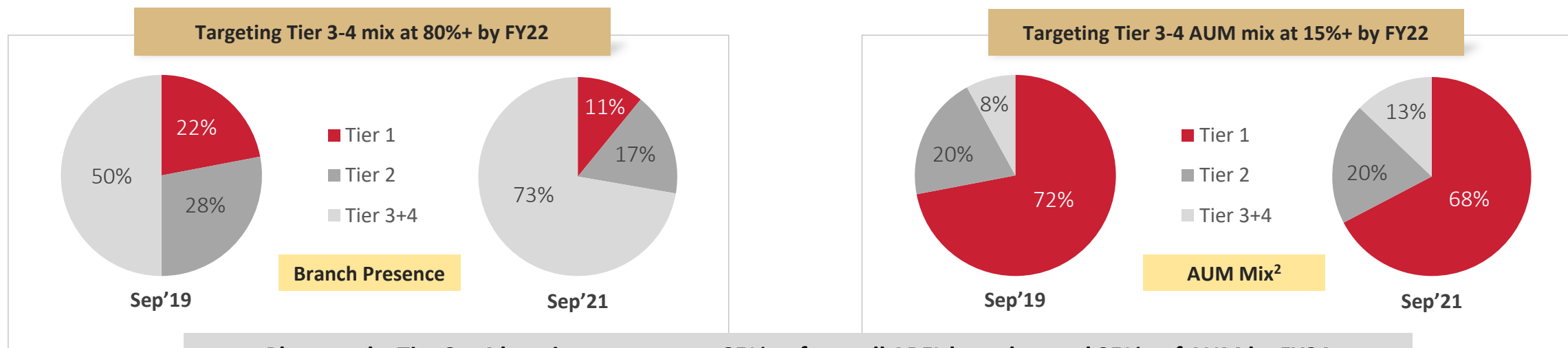
- Scale up of micro loan segment driven by **lean branch model** in tier III/IV markets
- New products yielding higher returns**
- High-yield unsecured small ticket & Ecosystem niche products **driving higher RoA** than traditional segment
- Increasing Direct & Digital Ecosystem Sourcing for better returns**
- Direct and digital ecosystem sourcing **increased 1.5x** from H1FY20 to H1FY22
- Generating **higher returns from Directly sourced** customers
- Direct sourcing to increase further with branch expansion in Tier 3-4 locations

Deepening our penetration in Tier 3-4 markets

Significant market opportunity for growth in Tier 3/4 markets: **~35%** market share in PL & BL from outside Top 50 cities¹



Retail Branch Expansion – Focused penetration into Semi-Urban markets; grew from **50** locations (Sep'19) to **102** locations (Sep'21), target **150** locations by FY22

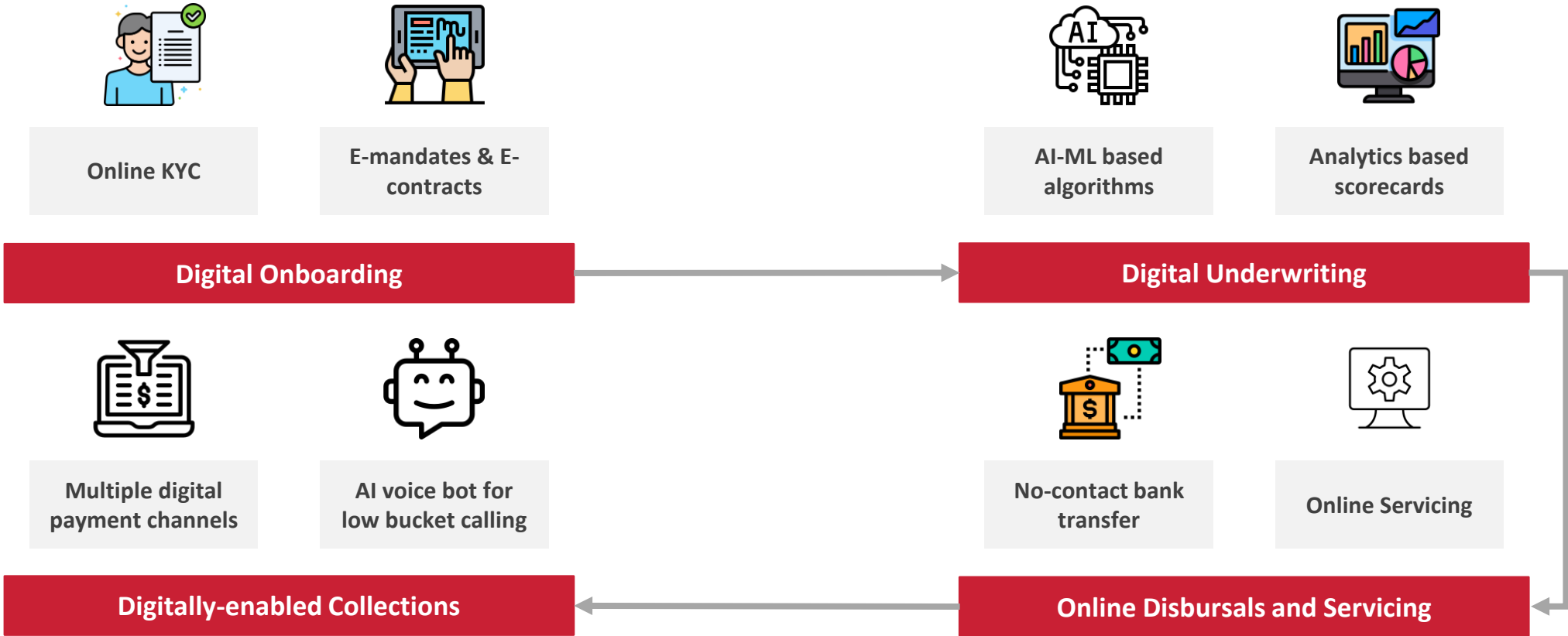


Plan to take Tier 3 + 4 location presence to 85%+ of overall ABFL branches and 25%+ of AUM by FY24

Successfully built a best-in-class Digital lending Platform



End-to-end online journeys through plug-&-play Ecosystem to help build a much leaner operating model in the long term



Enhanced our offerings across Customer moments of truth...

Individual Customers



Education Loans



Lifestyle Loans



Travel Loans#



Healthcare Loans



Buy Now Pay Later (BNPL)



Checkout EMI



Secured Individual Loans



Credit Cards

MSME Customers



Merchant Loans



Supply Chain Financing



Medical Equipment Loans



Machinery Loans



Working Capital Demand Loan



Secured Enterprise Loans



Purchase Financing



Business Expansion Loans

...leading to large scale customer acquisition

1.4+ Million

customers acquired via Digital Ecosystems in H1 FY22

9%

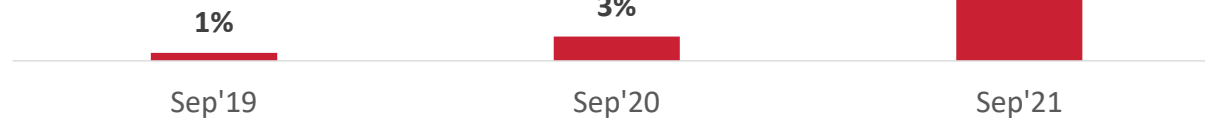
of Retail segment portfolio in Sep'21 is from Digital Ecosystem niche products

27%

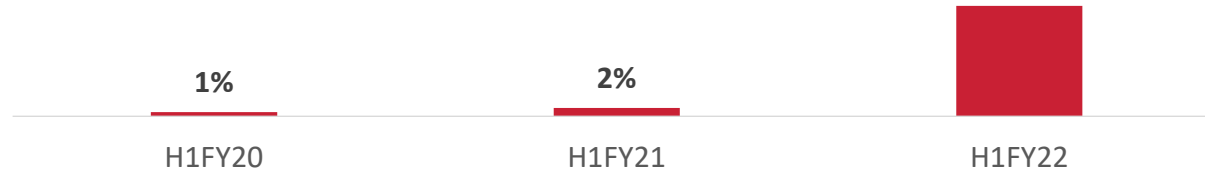
of Retail segment disbursements in H1FY22 via Digital Ecosystems

Digital ecosystem portfolio and disbursals as a proportion of overall Retail increasing continuously

Portfolio %



Disbursal %



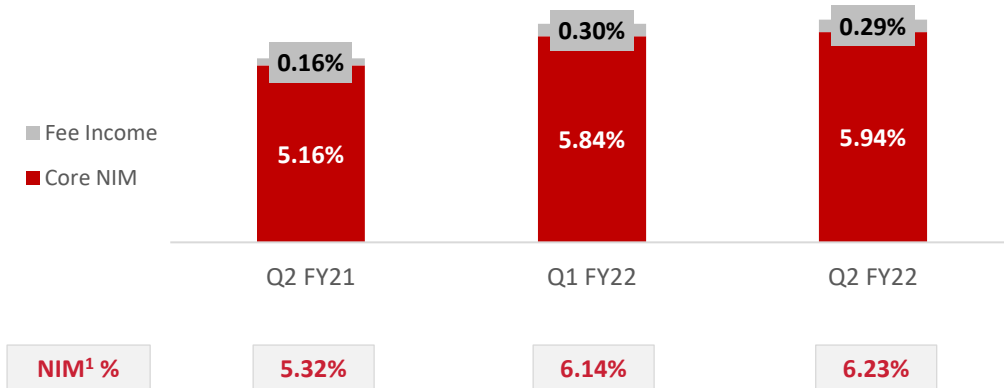
Right To Win

- Strong **Balance sheet** support
- **Lowest Cost of Borrowings** amongst industry peers
- End-to-end agile, plug-&-play **lending API tech-stack**
- Partner specific **bespoke underwriting** policy
- **Product bundling** for customer's 360° financial needs

Continue to deliver strong core operating profits

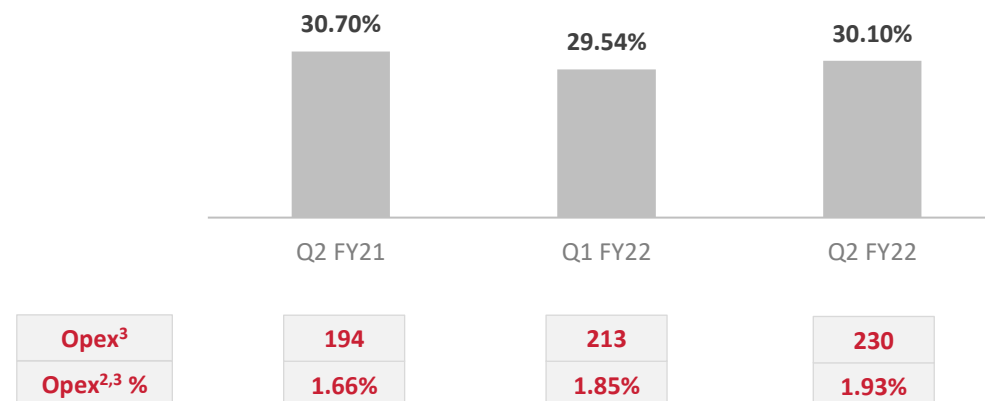
Margin improvement led by change in product mix

Net Interest Income^{1,3}



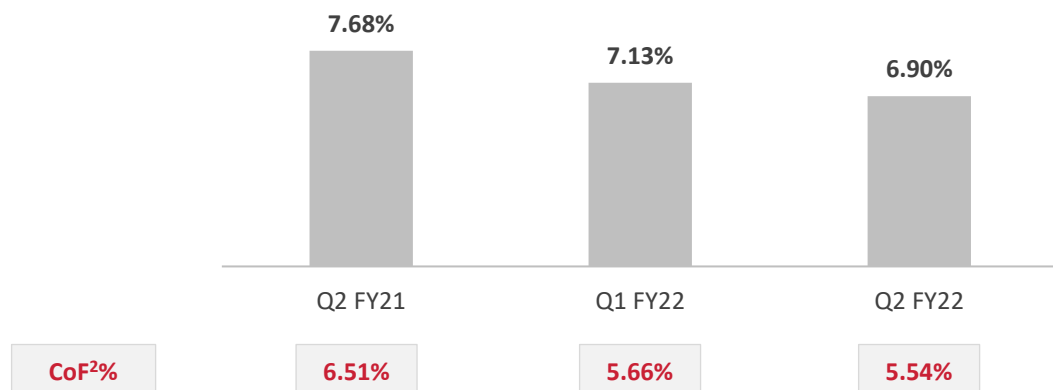
CIR reduction of 60 bps y-o-y

CIR^{1,2}



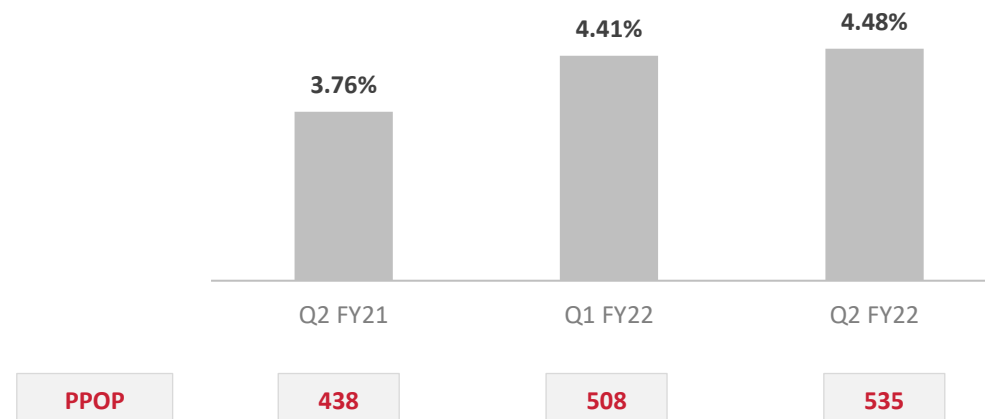
Optimised borrowing cost

Cost of Borrowing



Expansion in core profit margin (PPOP % of AAUM)

PPOP²

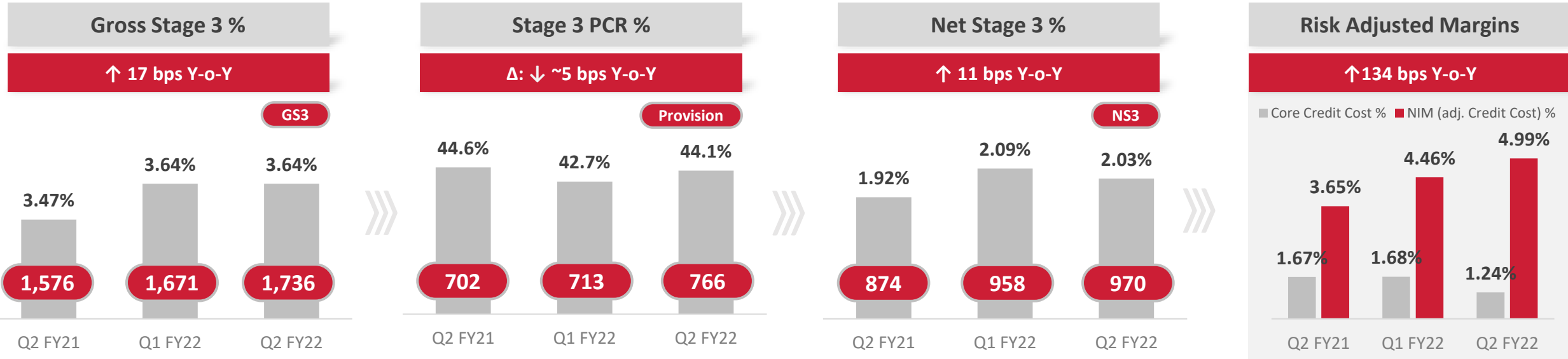


¹ NIM including fee (net of DSA Expenses and Processing Cost)

² Calculated basis % of average Loan Book

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

Continued focus on quality of book



Quality and Provisioning

- **Stage 2 at 7.7%; 60 dpd+ at 2.29%**
- **PCR for Stage 3 at 44.1% for a largely secured portfolio**
- **Maintained floating CoVID-19 provision of Rs 129 Crore (27 bps of Loan Book) based on stress-testing**

Collections and Restructuring

- **Collection efficiency back at 98% in Sep'21**
- **Restructured book at Rs 1,840 Crore, 3.9% of overall loan book as of Q2 FY22 (added 0.79% in Q2 FY22)**

Adequate provisioning and security cover across segments

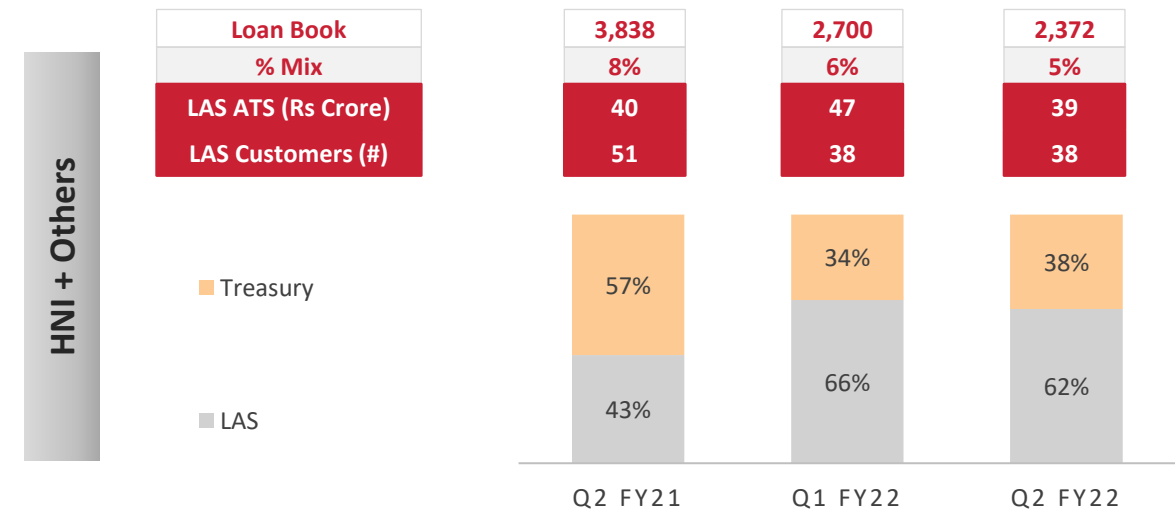
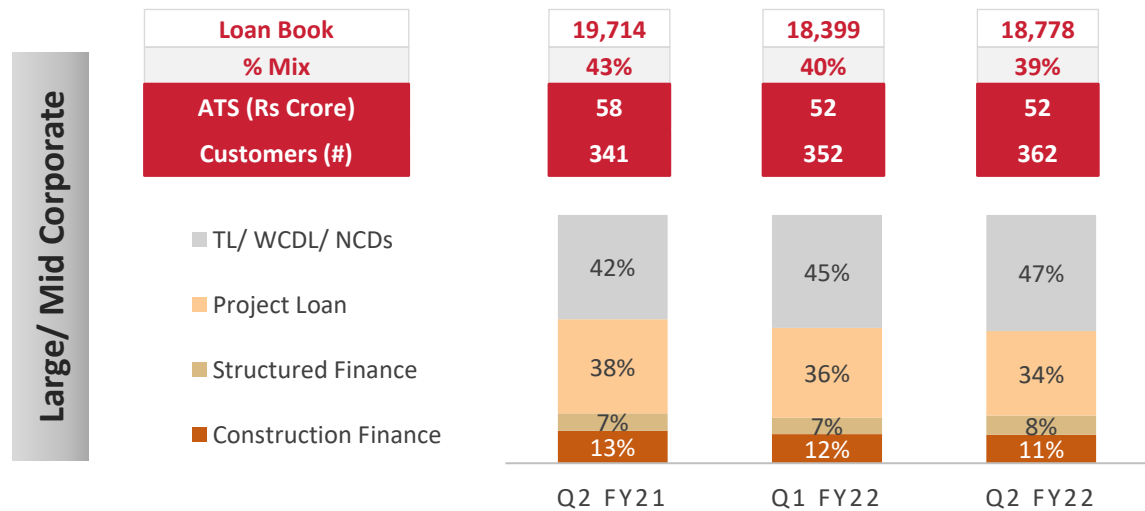
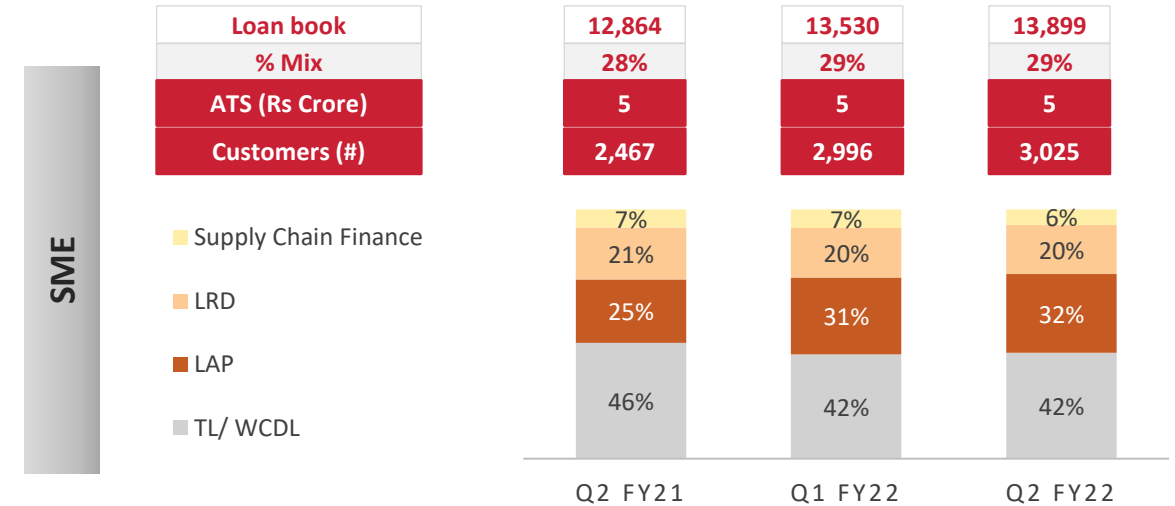
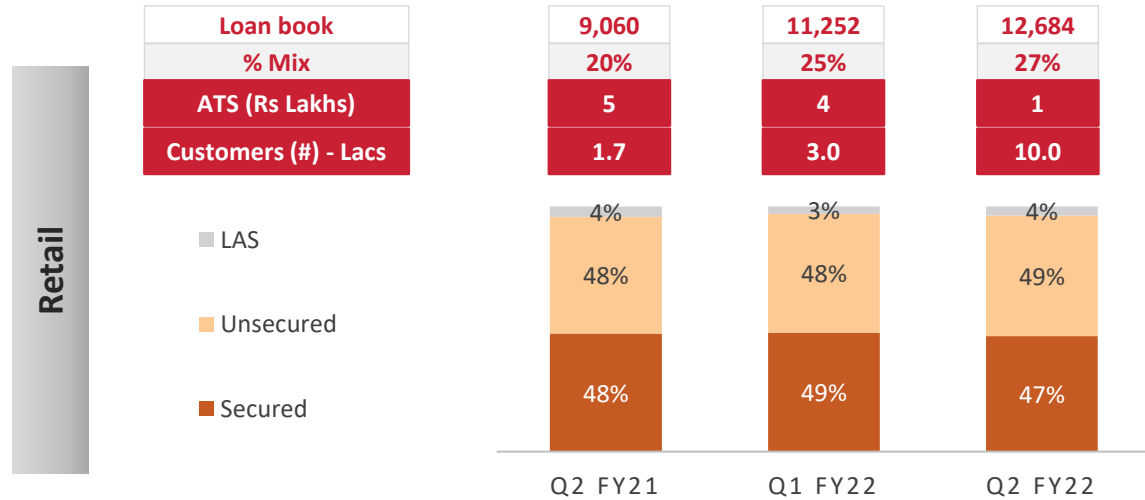
2.0x Net Security Cover¹

- **77% of total loan book secured. ~Additional 3.0% secured through CGTMSE scheme, making over 80% of book secured.**
- **~70% retail portfolio secured through assets, government guarantee schemes (e.g. CGTMSE, ECLGS) and lending programs**
- **Security Cover:**
 - **Overall Loan Book:** Security value of Rs 84,459 Crore Vs. loan book of Rs 47,733 Crore (**Security Cover : 1.8x**)
 - **Net Stage 3 Book:** Security value of Rs 1,984 Crore Vs. Net Stage 3 assets of Rs 970 Crore (**Net Security Cover¹ : 2.0x**)

Customer Segment	GS3	GS3 %	Provision	NS3	Security Value	Net Security Cover ¹
SME	296	2.13%	120	176	487	2.8x
Retail	452	3.56%	191	260	208	0.8x
Large Corp (ex IL&FS)	770	4.10%	347	422	1102	2.6x
Large Corp (IL&FS)	219	1.16%	106	112	187	1.7x
Total Book	1,736	3.64%	766	970	1,984	2.0x

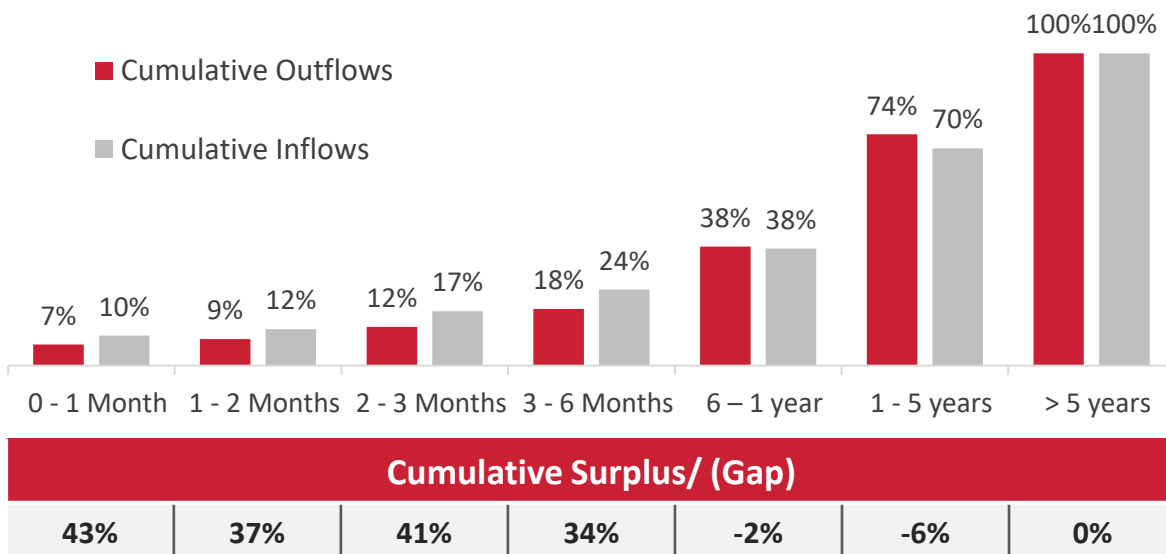
¹ Net Security Cover = Security Value/ (GS3 – Provision).

Building granularity across segments



Well matched ALM with adequate liquidity

ALM optimised for liquidity and costs 30th Sep 2021



Raised LT borrowing of Rs 5059 Crore

Term Loan: Rs 3060 Crore; NCD: Rs 1924 Crore; Sub-debt: Rs 75 Crore

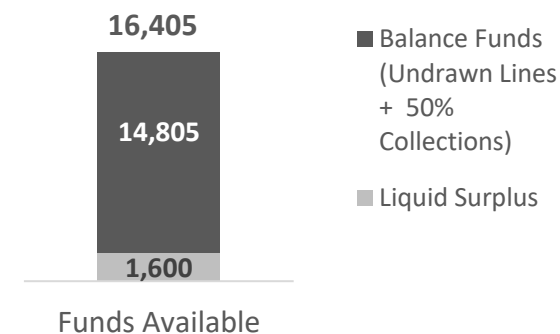
Diversified borrowing profile with long-term borrowing mix at 91%

Adequate liquidity under stress test scenario

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



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



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

- At 95% collections, surplus of Rs 10,981 Crore
- At 75% collections, surplus of Rs 7,102 Crore

Maintaining Comfortable Capital Adequacy in Q2 FY22 CRAR at ~23.7%

Digital impact metrics in NBFC business



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

Sourcing

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

Collections

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

Ecosystems

- **15 partners live for sourcing** as of Q2 FY22 across Consumer, MSME and focused segments like education and healthcare
- **12+ more partners in pipeline** to enable further scale across new product variants and segments

Analytics

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

Revenue Enablement through digital customer acquisition

98%

Customers onboarding digitally

14.5 Lac

Customers acquired through digital ecosystems in H1 FY22

27%

Retail Disbursements in H1FY22 through Digital Ecosystems

Customer Advocacy through Self Service Channels

98%

EMIs collected digitally

63%

Services available on our 24x7 digital channels

86%

Digital service interactions in H1 FY22

Scalability & Automation of back-end processes and Systems

58%+

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

76+

RPA Robots live in operations processes (As on Sep 21)

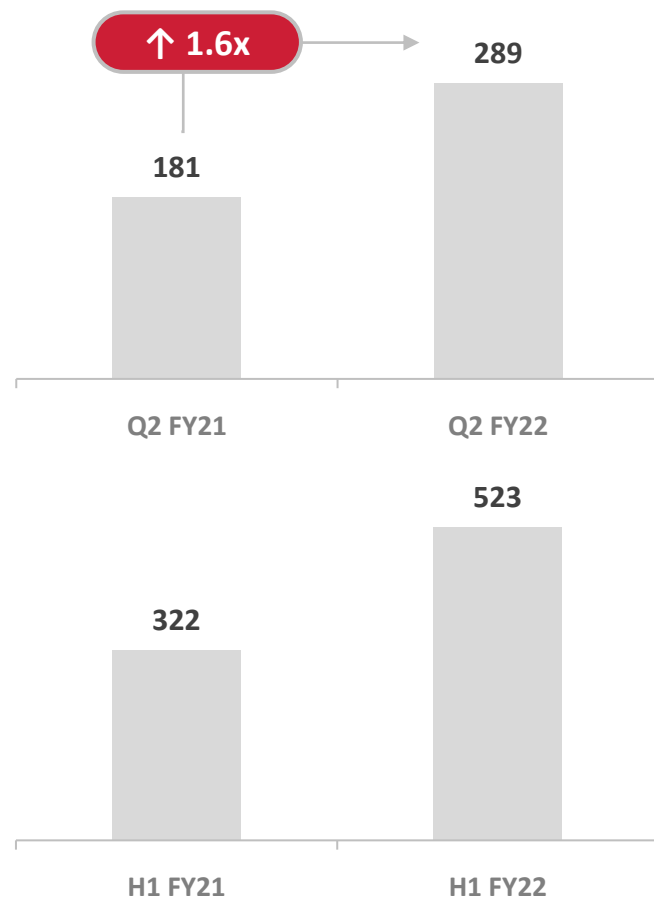
1.3 lacs

Emails handled through AI Bot for H1 FY22

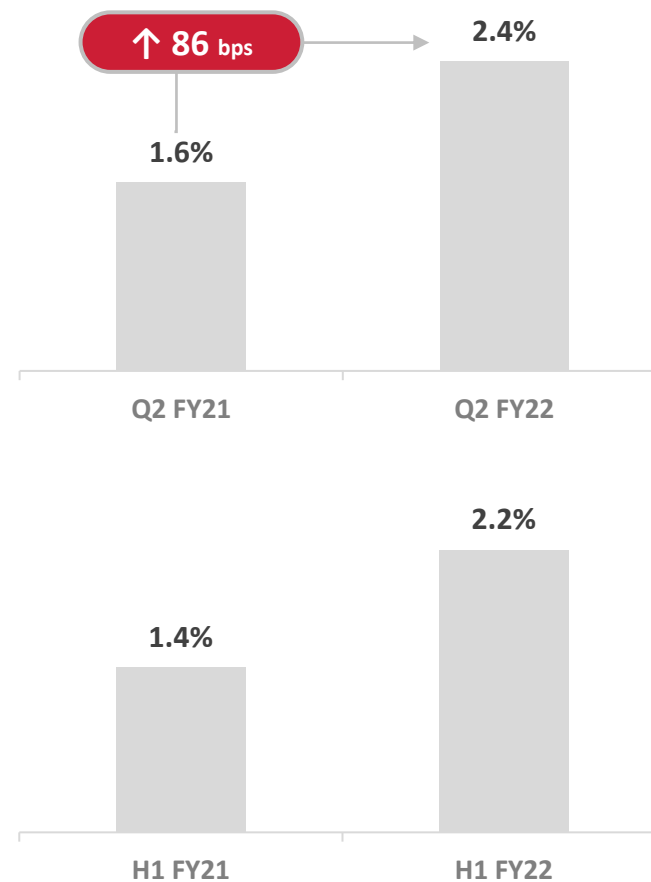
All metrics for Q2 FY22

Value accretive growth

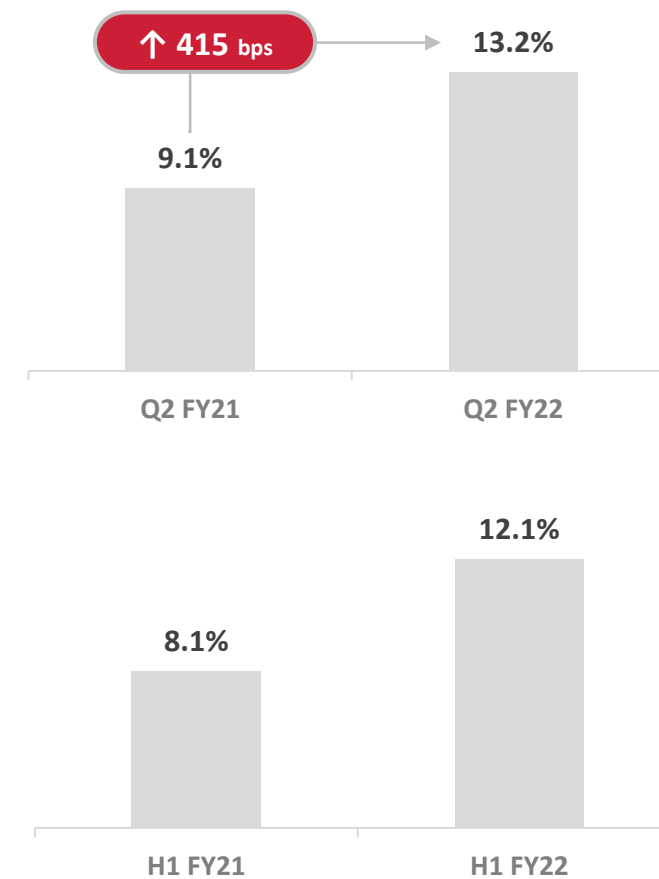
PAT



Return on Assets



Return on Equity¹



¹ Based on monthly compounding of annualised RoE

Key Financials – Aditya Birla Finance Limited



Quarter 1	Quarter 2		Figures in Crs	Half Year	
FY 21-22 (CY)	FY 20-21 (PY)	FY 21-22 (CY)		FY 20-21 (PY)	FY 21-22 (CY)
45,881	45,475	47,733	Key Performance Parameters	45,475	47,733
11.80%	11.83%	11.77%	Lending book	11.74%	11.78%
5.66%	6.51%	5.54%	Average yield (Incl. Fee Income)	6.67%	5.60%
6.14%	5.32%	6.23%	Interest cost / Avg. Lending book	5.07%	6.18%
722	632	765	Net Interest Income (Incl. Fee Income)	1,197	1,487
213	194	230	Opex	367	443
1.85%	1.66%	1.93%	Opex / Avg. Lending book	1.58%	1.89%
29.5%	30.7%	30.1%	Cost Income Ratio	30.6%	29.8%
194	194	148	Credit Provisioning	398	341
1.68%	1.67%	1.24%	Credit Provisioning/ Avg. Lending book	1.71%	1.45%
315	244	387	Profit before tax	433	702
235	181	289	Profit after tax	322	523
9,073	8,379	9,367	Net worth	8,379	9,367
2.0%	1.6%	2.4%	Return on Asset %	1.4%	2.2%
11.0%	9.1%	13.2%	Return on Equity %	8.1%	12.1%

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

Housing Finance

Aditya Birla Housing
Finance Ltd.



ADITYA BIRLA
CAPITAL

Performance Summary | Housing Finance | AB Housing Finance

1 Disbursements to target segment

- Rebound in gross disbursal at Rs 974 Crore (↑ 3x q-o-q ; ↑ 1.4x Y-o-Y)
- Affordable disbursement mix at 57% (PY: 38%); Affordable mix 33% (PY: 21%)
- Branch count at 80 with 57% presence in Tier 3/4 cities; plan to expand to 120 branches by Mar '22
- Strong momentum in affordable with targeted book mix of 35-40% by Mar'22

2 Change in Mix leading to Improving margins & Core Profitability

- NIM highest at 4.32% (↑ 99 bps y-o-y); NII ↑ 28% y-o-y
- Risk adjusted returns (NIM less credit cost) ↑ 102 bps y-o-y
- CIR at 36.50% (↓ 5% y-o-y); PPOP at Rs 82 Crore (↑ 29% y-o-y)
- PAT at Rs 51 Crore (↑ 43% y-o-y); RoA at 1.80% and RoE at 13.88%

3 Focus on granularity and higher margin segments

- Overall loan book retail mix 95%:
 - Home Loan ATS at Rs 22 lacs (PY: Rs 29 Lacs); ↓ 21% y-o-y
 - LAP ATS at Rs 39 lacs (PY: Rs 54 Lacs); ↓ 27% y-o-y
 - CF ATS at Rs 6.45 cr (PY: Rs 6.85 cr); ↓ 6% y-o-y
- 3800+ customers on boarded in Q2 FY22 with avg. ticket size of Rs. 22 lakh in retail business

4 Quality of Book & Collections revival

- Strong collection efficiency at 96% in Sep'21
- GS3 and NS3 at 2.13% (Q1: 2.08%) and 1.40% (Q1: 1.39%) respectively
- Stage 3 PCR at 34.3% (PY: 37.0%, Q1: 33.5%); Security cover: 2x
- Overall floating provision in Stage 1 & 2 of Rs 49 Crore as of Sep'21

5 Liquidity and Balance Sheet Resilience

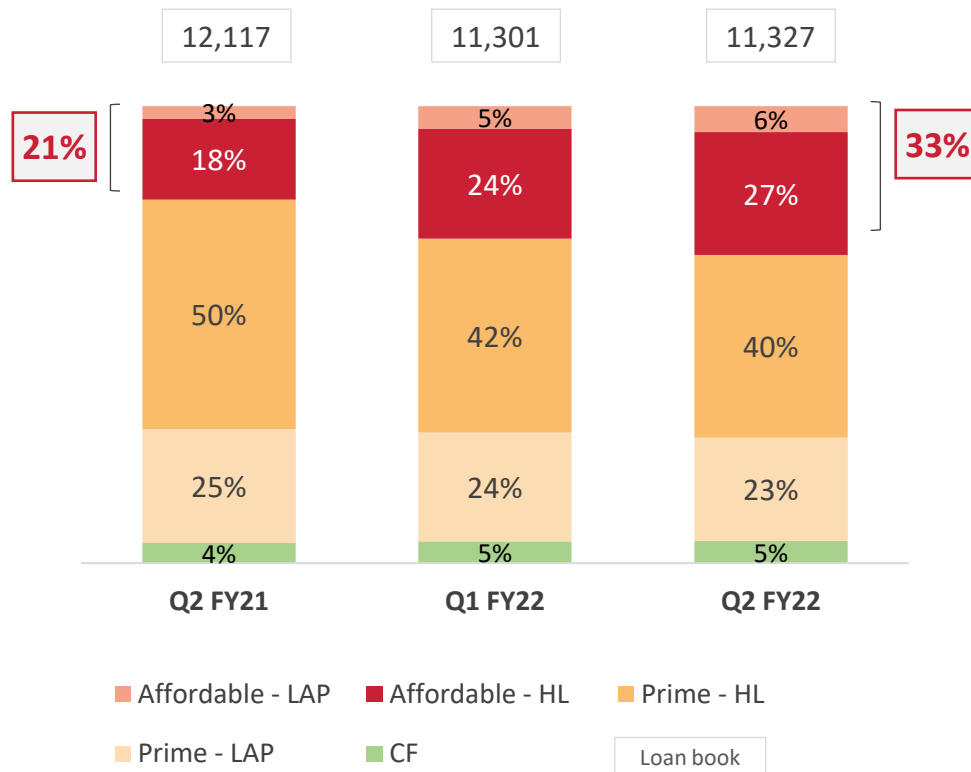
- Strong funding access and amongst best cost of borrowing in industry
- Optimised borrowing cost (↓ 96 bps y-o-y | ↓ 18 bps q-o-q)
- Raised LT borrowing of Rs 250 Crore in Q2 FY22
- Comfortable capital adequacy with CRAR at ~23.56%

6 Digital Adoption

- 81% of all files sourced digitally in Q2 FY22
- Leveraging Collections App; Digital payment ~98% of total collections
- WhatsApp Live on 37 Service Requests catering 71% of overall digital volume
- 95 RPAs operational leading to Average reduction in TAT from 7 days to 1 day.

Recovery in disbursement with growth in focused segments

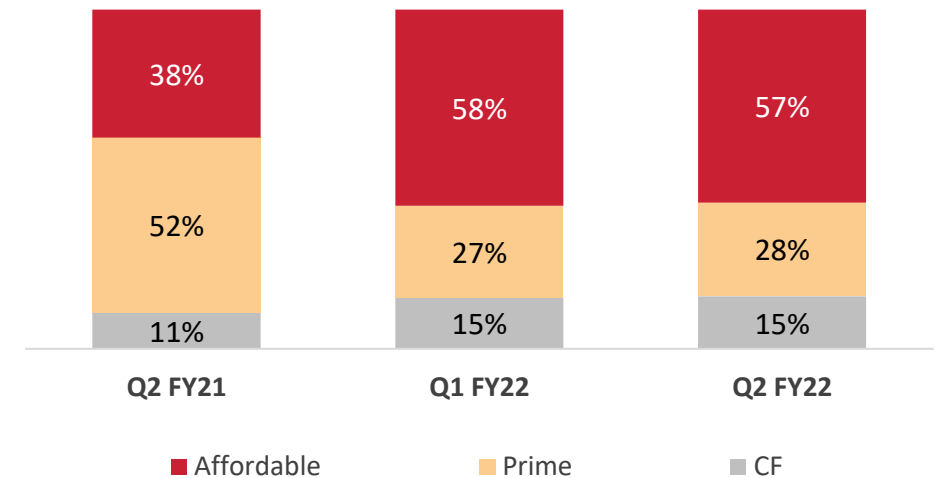
Growing loan book with increased retail mix



Strong disbursements revival in target segment



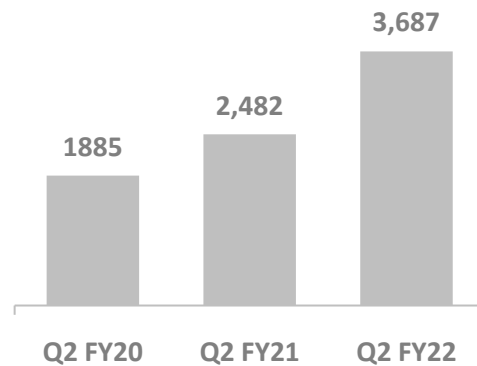
	Q2 FY21	Q1 FY22	Q2 FY22	Change
Gross Disbursal	688	321	974	↑ 1.4x y-o-y
Sourcing Yield	11.4%	11.5%	11.2%	↓ 18 bps y-o-y
ATS (Lacs)	33	28	25	↓ 24% y-o-y



Growth in Affordable Segment

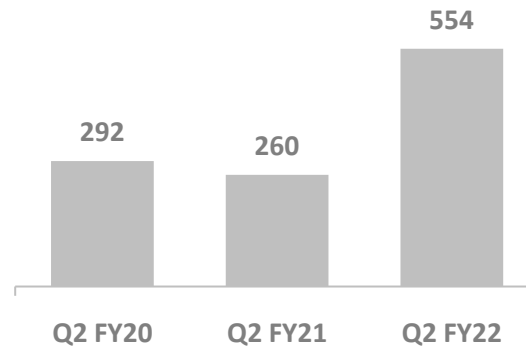
Affordable AUM

AUM: 2Y CAGR ↑ 40%

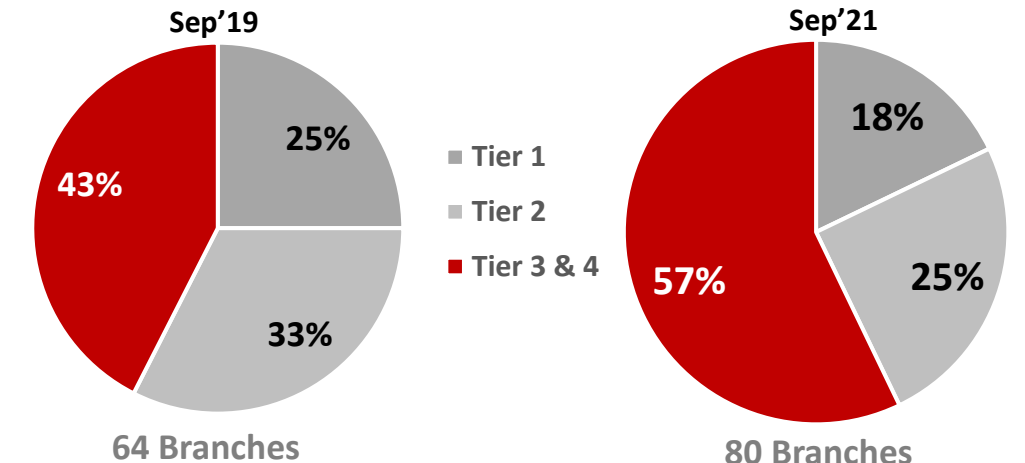


Affordable disbursement

Disbursal: 2Y CAGR ↑ 38%



Tier wise branch presence for Affordable segment



Capacity

- Plan to expand branch footprint to **120 branches by Mar'22**, with tier 3/4 presence **increasing to 70%+**
- Focused approach for Cross sell & Up sell opportunities
- FOS count to be increased 2x **by Mar'22** over Mar '21

Customer

- 3300+ customers** onboarded in Q2 FY22 ; ; **ATS of Rs. 14 lakh**
- Focus on **steady state income** customers in Tier III/IV cities
- Largely first time home owners

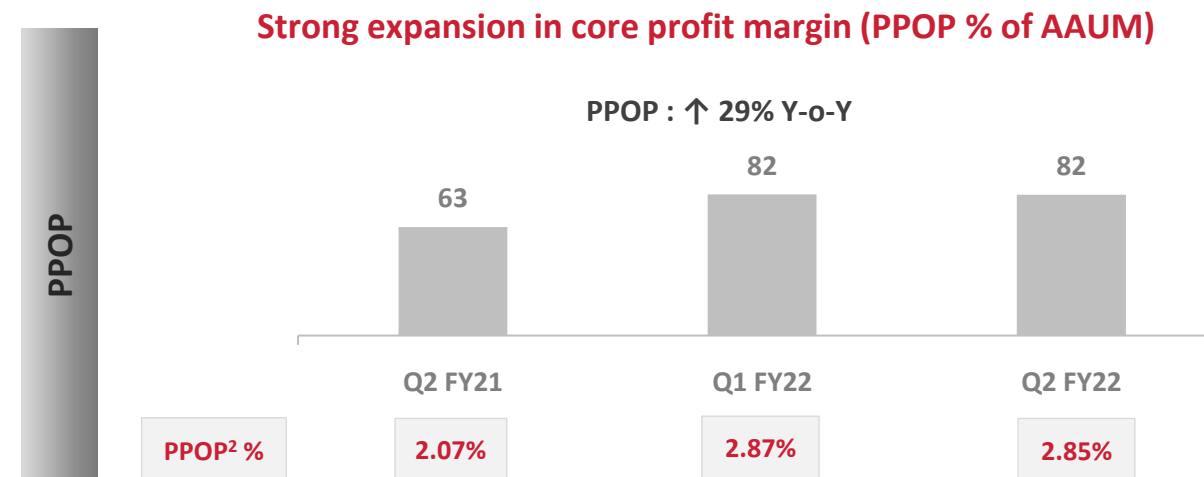
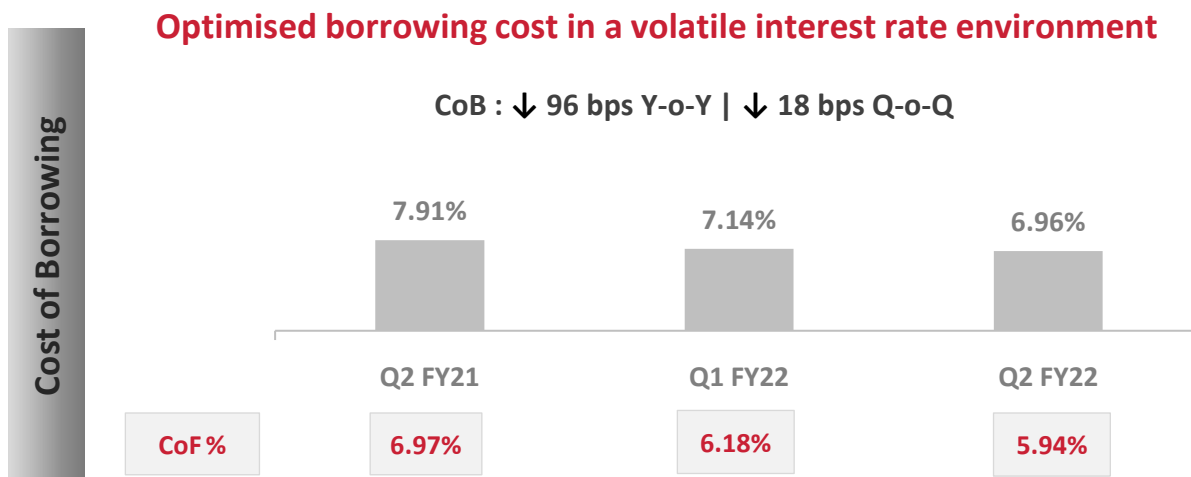
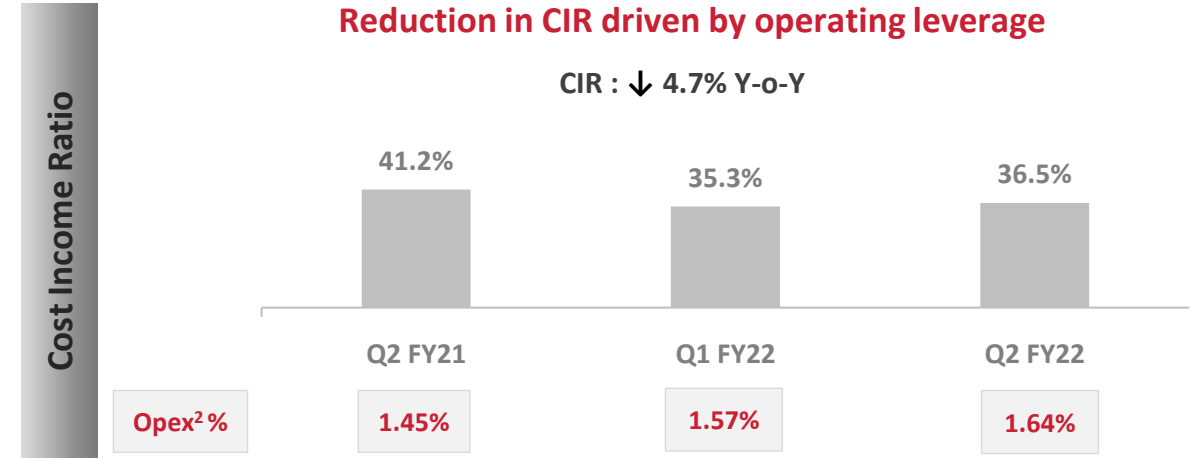
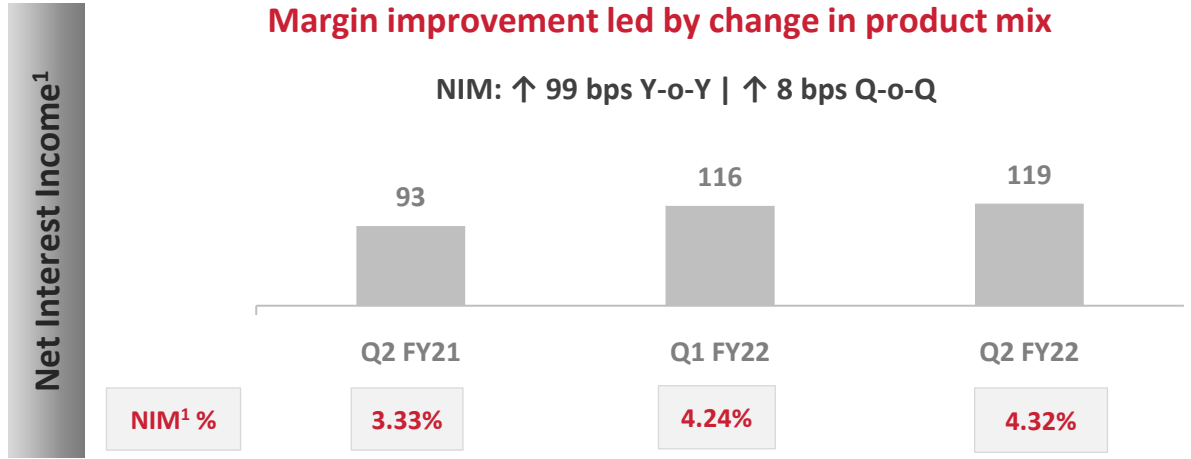
Sourcing

- 77% direct sourcing** in Q2 FY22 ensuring higher customer stickiness
- Target to increase **direct sourcing to 80%** by Mar'22
- Expansion through 6000+ ABC Select distributor network

Capability

- Digital customer onboarding
- Leveraging Data Analytics & Scorecard for customer persona & underwriting
- Early warning system for Portfolio monitoring
- 5 ecosystem partners to be onboarded by Mar'22**

Increase in core profits driven by margins



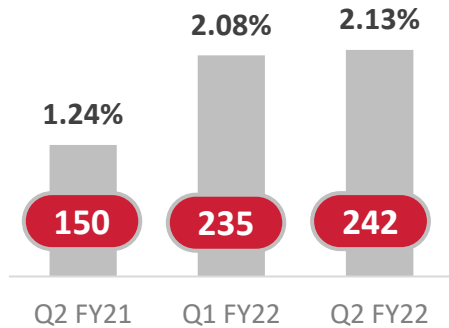
¹ NIM including fee (net of DSA Expenses) ² % computed based on average Loan Book ³ DSA commission netted off against Total Revenue, accordingly previous period financials are reinstated

Continued focus on quality of book

Gross Stage 3 %

Δ: ↑ 89 bps Y-o-Y

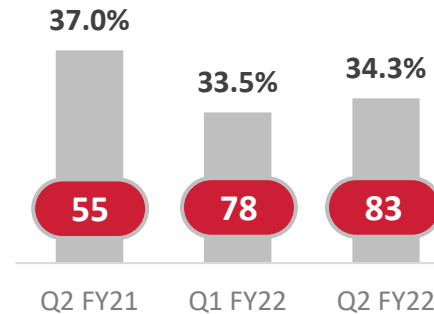
GS3



Stage 3 PCR %

Δ: ↓ 2.7% Y-o-Y

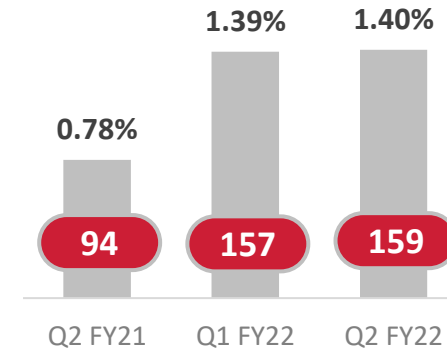
Provision



Net Stage 3 %

Δ: ↑ 62 bps Y-o-Y

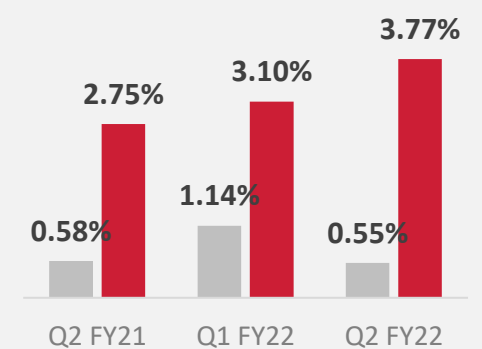
NS3



Risk Adjusted Margins

Δ: ↑ 102 bps Y-o-Y

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



Credit Cost

- Overall floating provision in Stage 1 & 2 of Rs 49 Crore as of Sep'21
- Security value of Rs 319 Crore against Net Stage 3 assets of Rs 159 Crore (2x security cover)

Affordable Loan Book

- ATS ~ Rs 14 Lacs
- 31% of Affordable Home Loans portfolio backed by IMGIC and 55% eligible for PMAY subsidy

Construction Finance

- ATS on exposure: Rs 10.63 Crore
ATS on outstanding: Rs 6.45 Crore
- ~88.55% exposure to Bangalore, MMR, Pune, Surat, Hyderabad and NCR

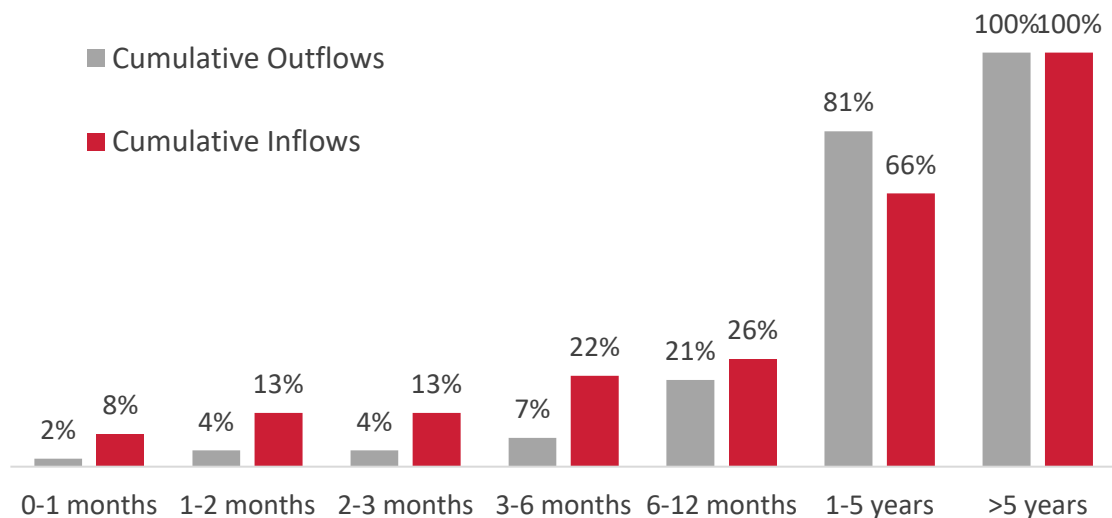
Other Updates

- Collection Efficiency at 96% in Sep'21
- Restructured Loan Book as on Sep'21 is 7.5%

¹ As per NHB regulatory norms, Regular Restructured pool of Rs 114 Crore will be reported as sub-standard. For ECL model, under IND AS same is considered as Stage-2

Well matched ALM with adequate liquidity

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



Cumulative Surplus/ (Gap)

362%	241%	207%	239%	27%	-18%	0%
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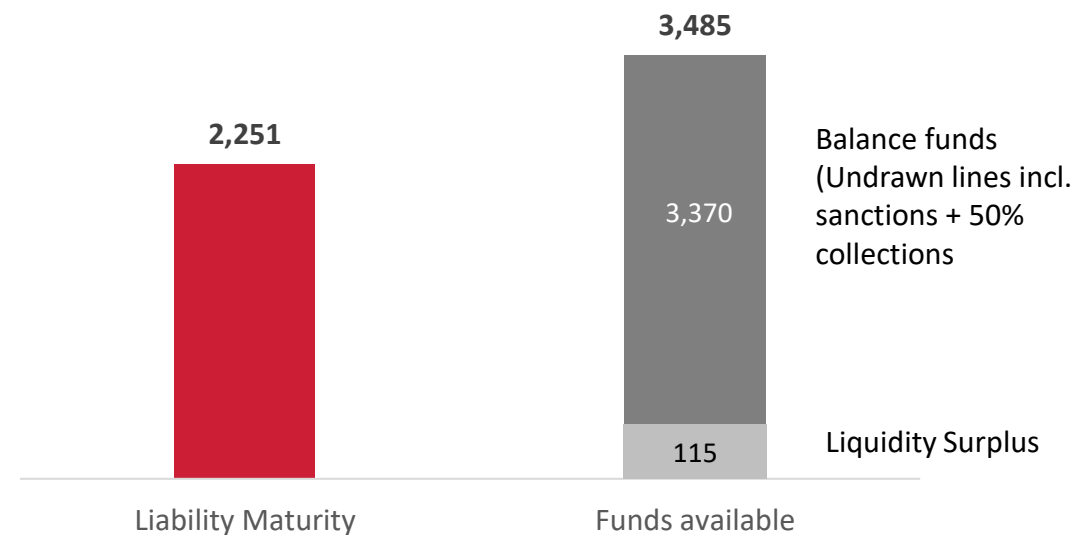
Raised LT borrowings of Rs 950 Crore (Term Loans) in H1 FY22

Diversified borrowing profile with LT Mix at 99%

Adequate liquidity under stress test scenario

Liability Maturity (Till Sept'22)
Including interest payments

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



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

- At 95% collection, surplus of Rs 1,855 Crore
- At 50% collection, surplus of Rs 1,234 Crore

Maintaining comfortable capital adequacy

Q2 FY22: CRAR at ~23.9% (Regulatory requirement: 14%)

Digital impact metrics in Housing Finance



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

Sourcing

- Frontline **digital on-boarding platform** leverages e-KYC, Facial recognition, Credit Bureau, ITR & GST, banking and Online payment
- **Retail sourcing through direct channel** in tier II/III markets

Underwriting

- **Central Processing Hub** for data standardization, cost optimization & resource planning
- Faster decision through **bureau integrated scorecard**
- Credit PD mandatory with **Video PD & geo-tagging options**

Collections

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

Servicing

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

Revenue Enablement through digital customer acquisition

81%+

customers onboarded digitally

85%+

Reduction of physical documents for onboarding

46%+

Reduction in onboarding cost by leveraging digital technologies

Customer Advocacy through Self Service Channels

91%

Services available digitally

74%+

Customer interactions on Digital Channels

98%

digital repayment by customers

Scalability & Automation of back-end processes and Systems

90%+

E-bot efficiency for customer emails

101+

RPA Robots live for back & mid office automation

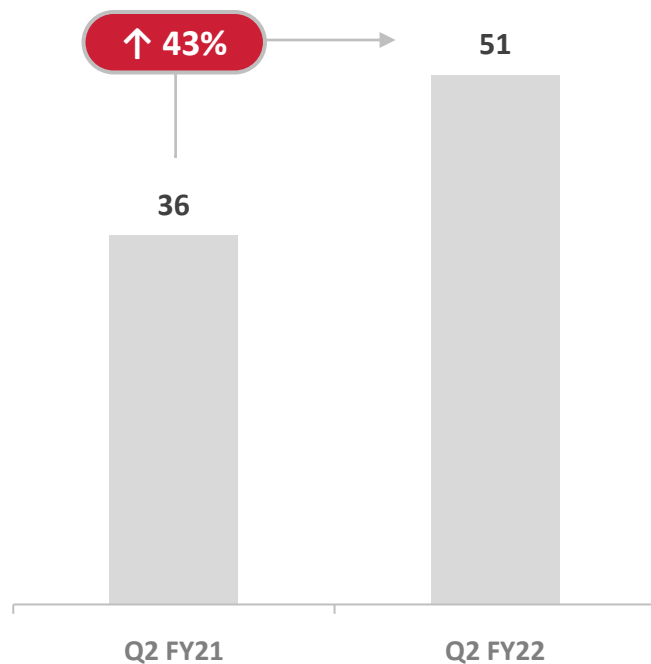
48%+

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

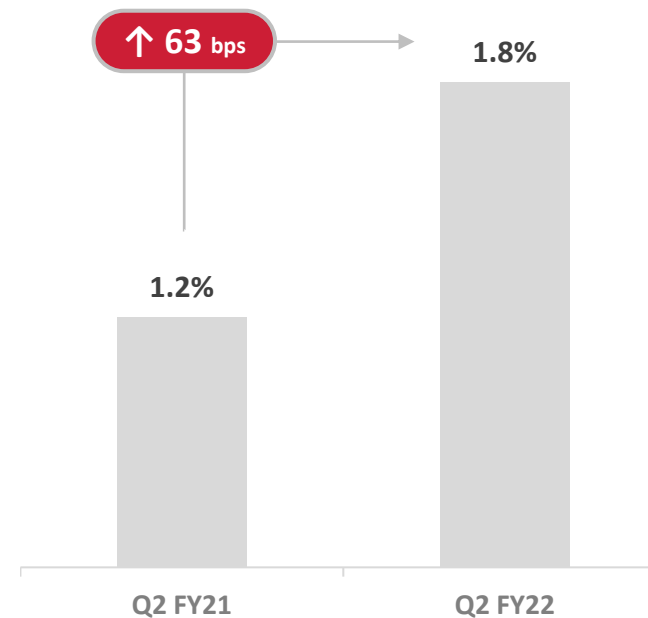
All metrics for Q2 FY22 unless specified

Value accretive growth

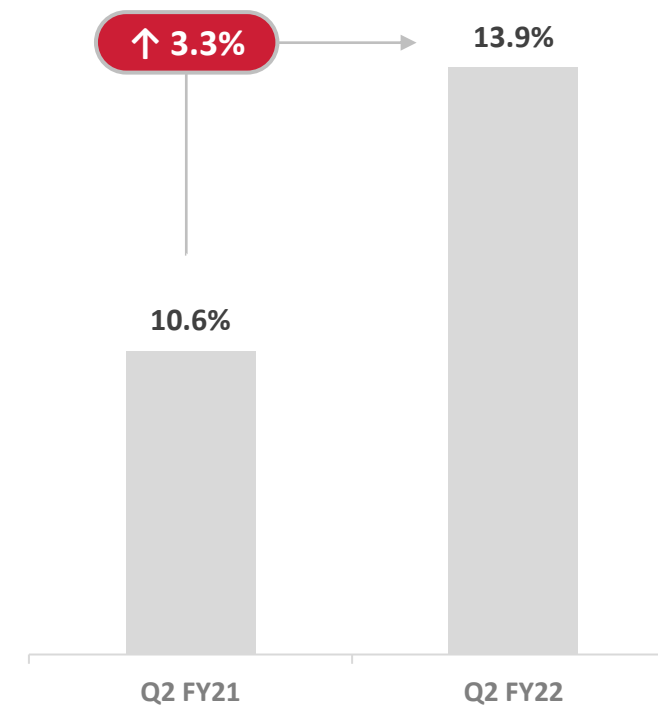
PAT



Return on Assets



Return on Equity¹



¹ Based on monthly compounding of annualised RoE

Key Financials – Aditya Birla Housing Finance Limited



Quarter 1	Quarter 2		Figures in Rs Crore	Half Year	
FY 20-21 (PY)	FY 20-21 (PY)	FY 21-22 (CY)	Key Performance Parameters	FY 20-21 (PY)	FY 21-22 (CY)
11,301	12,117	11,327	Lending book	12,117	11,327
10.34%	10.25%	10.17%	Average yield	10.30%	10.28%
6.18%	6.97%	5.94%	Net Interest cost / Avg. Loan book	7.07%	6.06%
4.24%	3.33%	4.32%	NIM *	3.30%	4.30%
127	108	129	Net Interest Income	203	256
45	44	47	Opex	84	87
1.57%	1.45%	1.64%	Opex/ Avg. Loan Book	1.45%	1.64%
35.30%	41.23%	36.50%	Cost Income Ratio (%)	43%	37%
33	18	16	Credit Provisioning	34	49
1.14%	0.58%	0.55%	Credit Provisioning/ Avg. Loan Book	0.56%	0.81%
49	45	66	Profit Before Tax	81	115
39	36	51	Profit After Tax	63	90
1,558	1,442	1,610	Net worth	1,442	1,610

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

*NIM is NIM including fee net off DSA Commission

Asset Management

Aditya Birla Sun Life
AMC Ltd.



ADITYA BIRLA
CAPITAL

Performance Summary | Asset Management | ABSL Asset Management Co

1 Momentum in AUM growth and value accretive mix

- Solid revival in Mutual Fund QAAUM crossing Rs 3 Lac Crore (↑ 26% y-o-y); Backed by consistent investment performance
- Equity QAAUM at Rs 1,16,151 Crore (↑ 41% y-o-y); mix at 39% (PY 34%)
- Dominant position in fixed income; QAAUM¹ at Rs 1,84,138 Crore (↑18% y-o-y)

3 Diversified Distribution Network

- Presence across 280+ locations, over 80% are in B-30 cities
- Network of 67,000+ MFDs, 100+ banks⁴, 240+ national distributors
- 51% of Equity AUM is sourced from MFDs
- Strategic partnership with 70+ Fintechs to scale up sourcing through ecosystems

5 Focus on growing Alternate Assets Segment

- Playing passive segment with Smart Beta (alternate weighting) strategies through ETFs, FoFs and Index Funds; 8 new products in pipeline
- Launched 4 Index Funds and raised Rs 702 Crore
- Signed term sheet with BentallGreenOak; Launched Cat. II Real Estate Fund AIF
- Fund raising underway for AIF category III - India Equity Opportunities Fund

2 Strong and growing retail franchise

- Investor folios ~7.3 Mn; Added 0.6 Mn folios in H1 FY22
- Individual² MAAUM: Rs. 1,43,068 Crore ↑29% y-o-y (Mix: 47.2%)
- B-30 MAAUM ↑23% y-o-y (Mix at 15.9%)
- SIP AUM ↑43% y-o-y; New SIP³ registrations 3.20 lac in Q2; ↑ 110% y-o-y

4 Strong Financial Performance

- Operating Revenue at Rs 332 Crore (↑ 30% y-o-y)
- Operating Revenue/AAUM at 43.9 bps (PY: 42.4)
- PBT/ AAUM at 30.5 bps in Q2 FY22 (PY: 27.3 bps)
- Q2 PAT at Rs 173 Crore (↑ 38% y-o-y); ROE⁵ at 36.5%

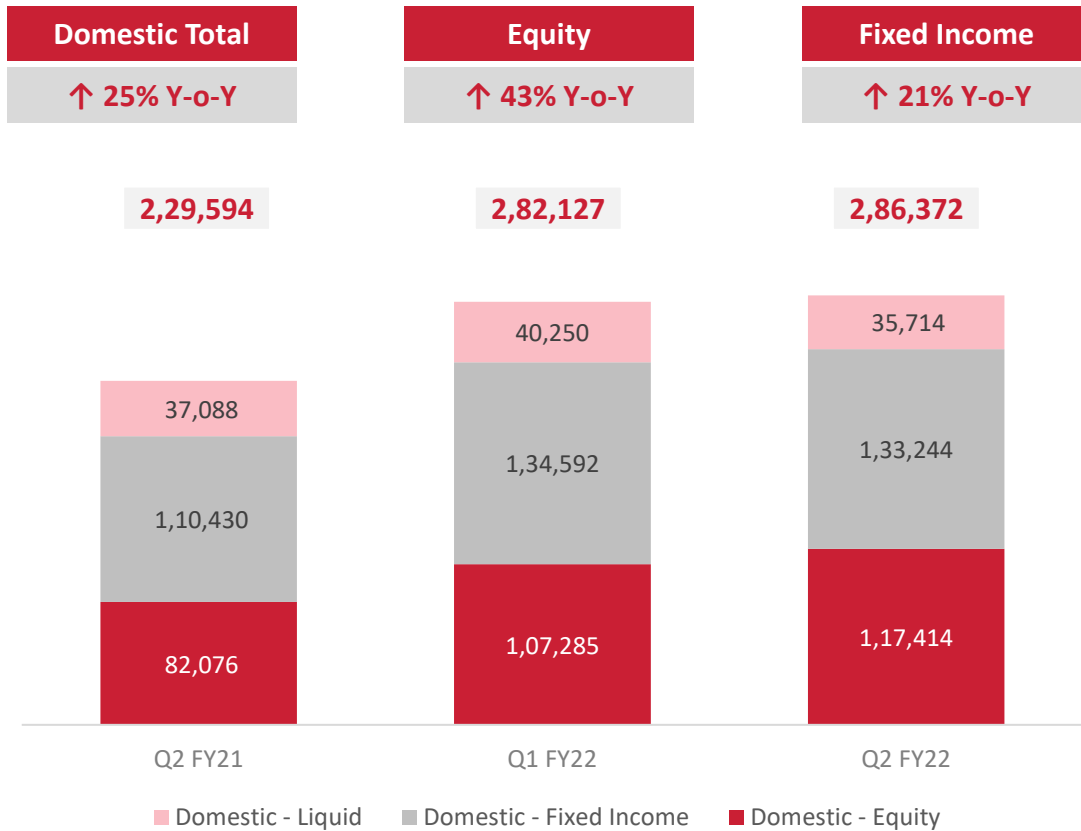
6 Strong Digital & technology Innovation

- New Launches of ETF and FoF products on all new age fintech & own platforms
- ~84% of overall transactions done digitally; 77% new Folios created digitally
- 91% customer serviced online through various digital assets

Rebound in AUM growth

Closing Assets under Management

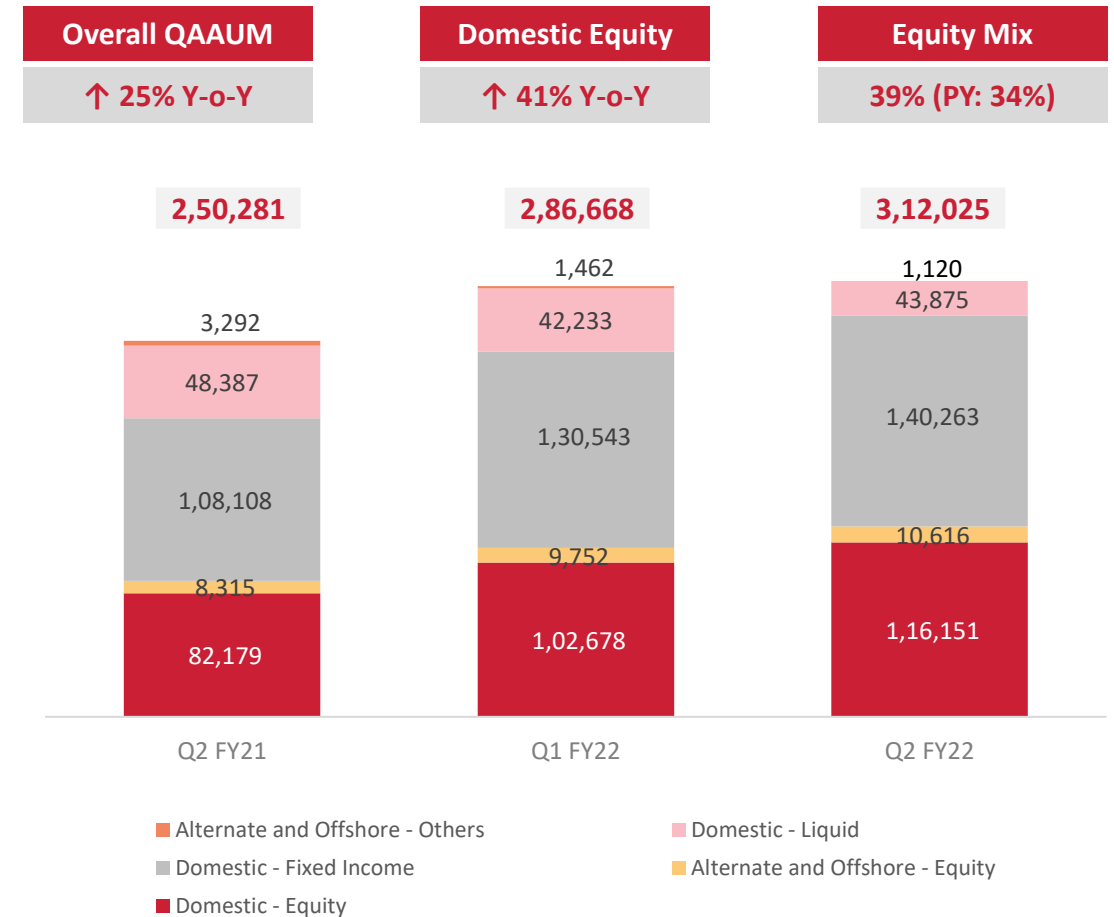
All figures in Rs. Cr



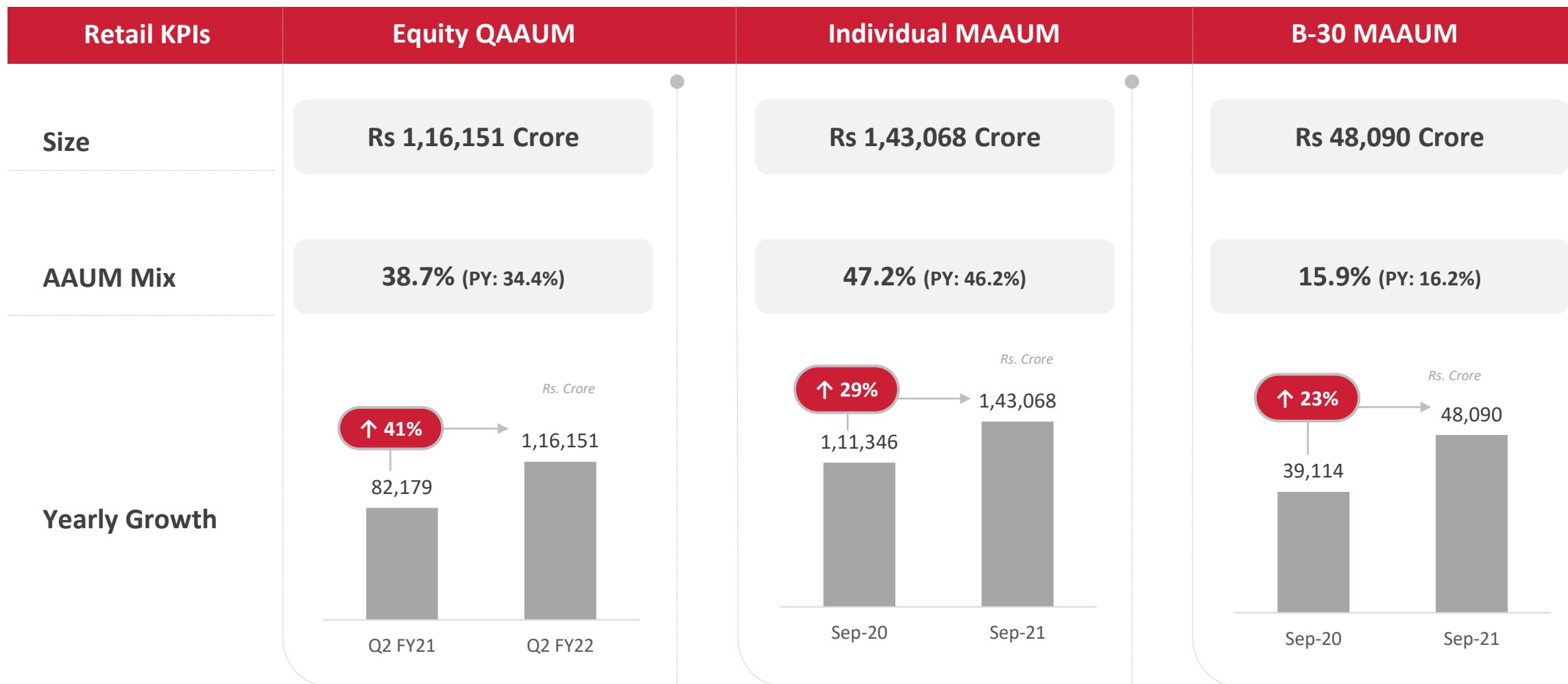
Domestic – Fixed Income include ETF

Average Assets under Management

All figures in Rs. Cr



Strong retail franchise

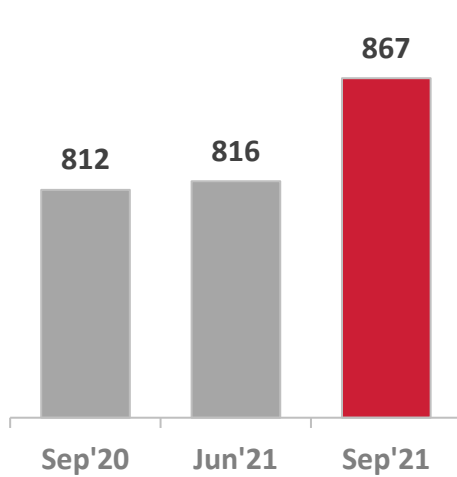


Source: AMFI;

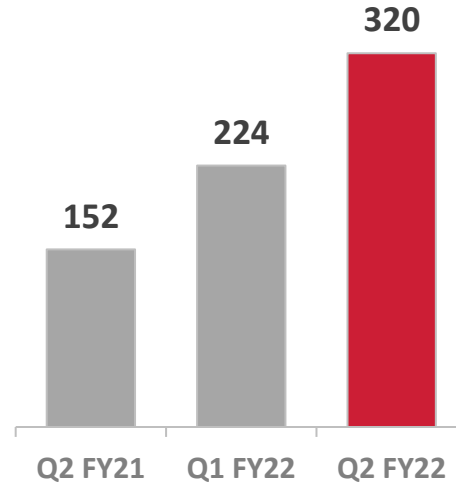
Focus on Growing SIP Book

Increasing traction in SIP

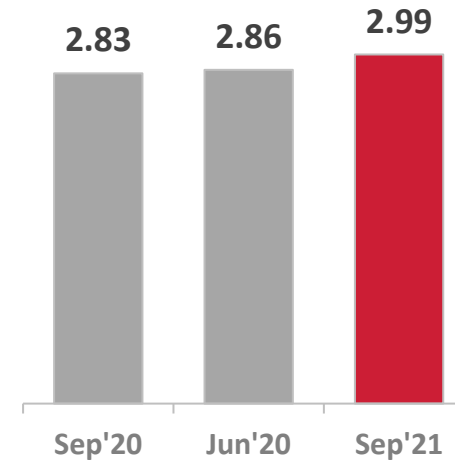
SIP Book in Rs Cr.⁽¹⁾



Quarterly New SIP⁽¹⁾ registrations
Count('000)

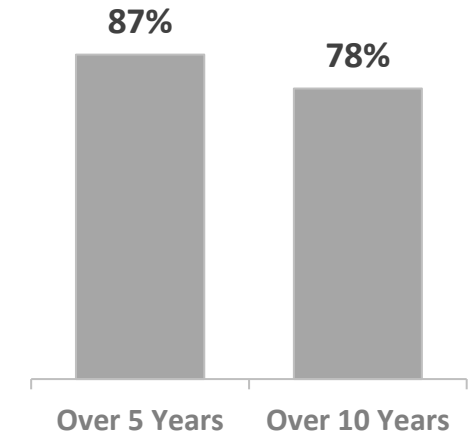


of Live Outstanding SIPs⁽¹⁾ (Mn)



Long Tenure SIP Book

% Count of Total SIPs⁽²⁾
(Sep'21)



Launched #WinWithSIP and Multi SIP campaign to drive SIP growth

(1) Includes STP (2) Based on tenure at the time of registration of all live SIPs as on Sep 30, 2021

Large and well-diversified distribution network

One of the largest empaneled distributor base | Continue to expand distributor base and empaneled 1800+ new MFDs in Q2 FY22



280+
Locations¹



67,000+
MFDs



100+
Banks²



90
Emerging Market
Representatives

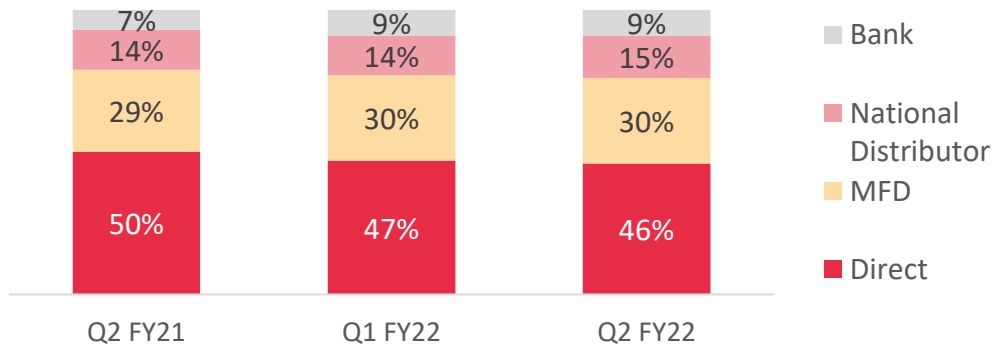


240+
National
Distributors

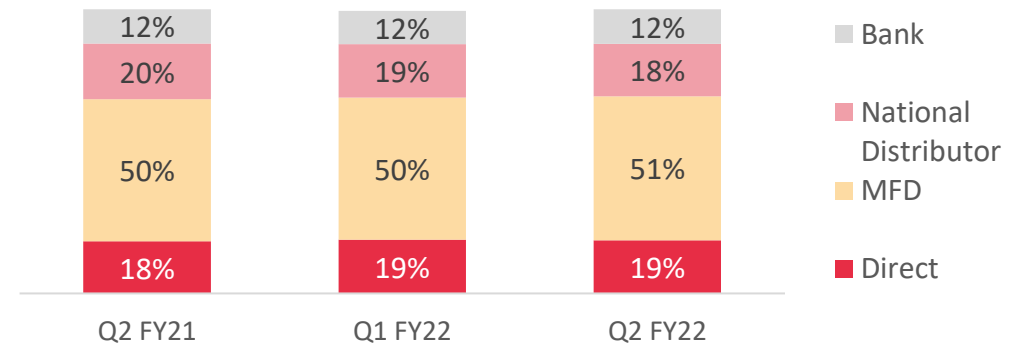


70+
Digital
Partners

Overall Asset Sourcing Mix¹



Higher MFD Share in Equity Sourcing



¹ Includes 194 branches and 90 EM representatives ² Banks and Financial Institutions

Alternative Assets: Expanding bouquet of product offering



Passives

Emphasis on Smart Beta (alternate weighting) passive strategies through ETFs, FoFs and Index Funds

New product launched and raised: Rs. 702 Crore

- ▶ ABSL Nifty Midcap 150 Index Fund
- ▶ ABSL Nifty Smallcap 50 Index Fund
- ▶ ABSL Nifty 50 Equal Weight Index Fund
- ▶ ABSL Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund

Scheme Pipeline

- ▶ ABSL Financial Services ETF
- ▶ ABSL Global Innovation FOF
- ▶ ABSL China Technology FOF
- ▶ ABSL Passive FOF
- ▶ ABSL Nifty Next 50 Index Fund
- ▶ ABSL Silver ETF /FOF
- ▶ ABSL Nifty Healthcare ETF
- ▶ ABSL Nifty IT Fund

Passives AUM ¹ grew from Rs 1,692 Crore in Mar'21 to Rs 2,964 Crore in Sep'21



PMS / AIF

Fund raising underway for AIF category III
- **India Equity Opportunities Fund**

Increasing fund management capabilities
for **launch of Category I & II Equity oriented propositions**



Offshore

Setting up new IFSC unit in GIFT city, Gujarat

In process of applying to IFSC Authority for rendering portfolio management and investment advisory services to India dedicated offshore fund



Real Estate

Signed term sheet with **BentallGreenOak, 5th largest global real estate advisory with \$69 bn ⁽²⁾ AUM**, to jointly source and underwrite deals for real estate fund

Launched **Category II Real Estate Fund**

⁽¹⁾Closing AUM for ETFs/FoFs/Index Funds ⁽²⁾As on 30th June 2021

Holistic Digital Transformation - Rooted within us

360 Degree Digital Transformation

Customer Journey

Cloud based IVR & voice-based technology to improve the customer experience.

State of the art UI/UX to provide enhanced investor experience & instant access to functionalities.

Automation

Automated internal processes to bring in efficiency using low code business platform

An Email BOT for processing customer requests

Investment Tools

A cutting-edge tool for investments delivering real-time data on market, breaking news, in-depth research and powerful analytics.

Analytics platform for asset class investment risk & performance attributions

Digital Integration & Strategic Partnerships

Creating customer omnichannel experience by integrating platforms and communication channels

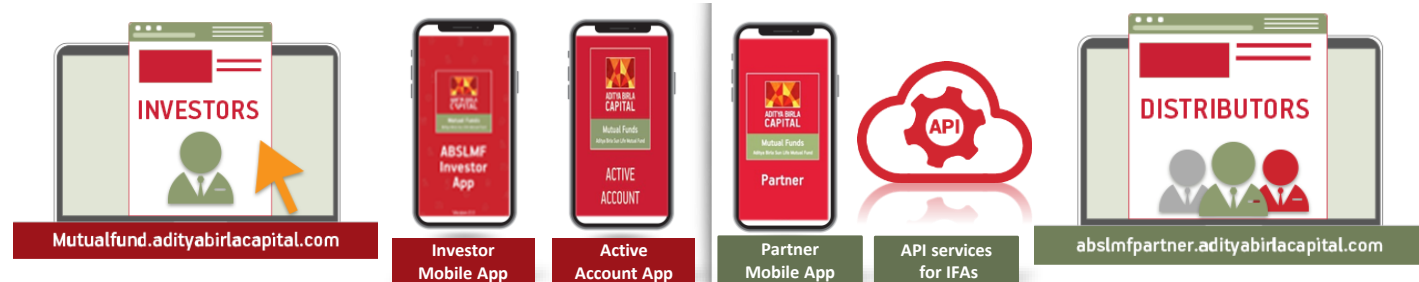
API platform for rapid integration with partners and fintechs

Data & Analytics

Adopting Predictive and Prescriptive Analysis to gauge investor preferences.

Leveraging first mover advantage with Fintechs for distribution

Enhancing own Digital Capabilities



Digital Partners and Fintechs



Leveraging strong digital Ecosystem

Customer
Onboarding

77%

Customer
Servicing

91%

Distributor
Onboarding

91%

Digital Payments

99%

New Customer Acquisition

- Deeper and real time integration for leads Closures
- Mushrooming partnerships with Fintech

Customer Engagement

- Engage with prospects and customers through Push notifications
- Intelligent rule engine to offer multi-product to single Investor on Partner Portal

Data Analytics

- Propensity Modelling & Customer Persona based tools for Investors and Partners
- Intuitive Dashboard and Customer Portfolio

Customer Advocacy

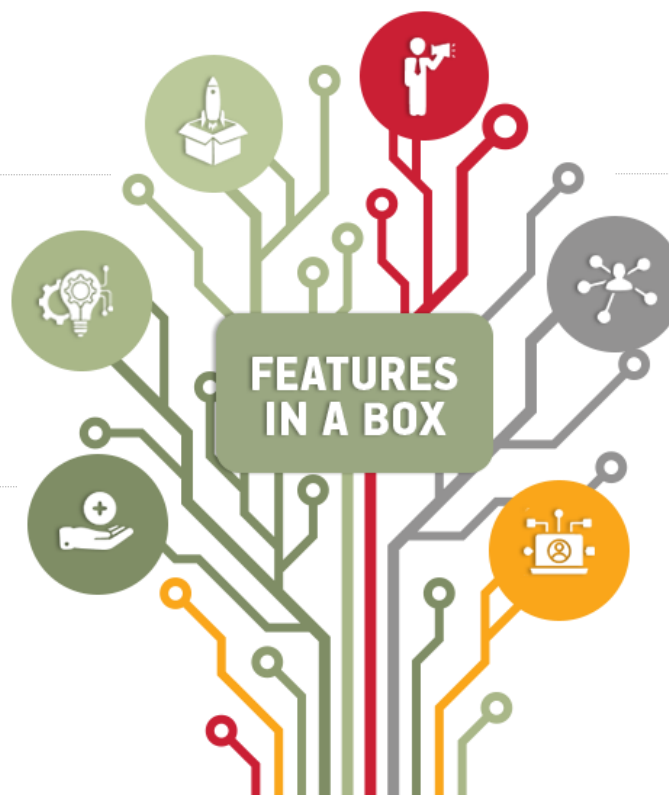
- Video KYC for seamless digital onboarding
- “e-OTM” registration for automated SIP payments
- “Voice-bot” for SIP renewal

Distributor Advocacy

- Online empanelment of MFDs through a single click
- Digital self-service solutions
- WhatsApp based servicing

Digital Journey

- Application performance and log monitoring
- Active account application to facilitate transactions in liquid funds



Key Financials – Aditya Birla Sun Life AMC Limited



Quarter 1	Quarter 2		Figures in Rs Crore	Half Year	
FY 21-22 (CY)	FY 20-21 (PY)	FY 21-22 (CY)	Key Performance Parameters	FY 20-21 (PY)	FY 21-22 (CY)
2,75,454	2,38,674	3,00,289	Domestic AAUM	2,26,633	2,87,872
1,02,678	82,179	1,16,151	Domestic Equity AAUM	77,328	1,09,414
9,752	8,315	10,616	Alternate and Offshore Equity AAUM	7,887	10,184
1,12,430	90,494	1,26,767	Total Equity	85,215	1,19,598
336	291	372	Revenue	552	708
130	127	142	Costs	258	272
206	164	230	Profit Before Tax	294	436
30.0 bps	27.3 bps	30.5 bps	Profit Before Tax (bps¹)	25.9 bps	30.2 bps
155	125	173	Profit After Tax	223	328

¹ Margin based on annualized earnings as % of Domestic AAUM

Life Insurance

Aditya Birla Sun Life
Insurance Co. Ltd.



ADITYA BIRLA
CAPITAL

Performance Summary | Life Insurance | ABSL Insurance Co

1

High Momentum in Individual Business

- Ind. FYP ↑ 27% in Q2 and ↑ 18% in H1 on the back of 7% growth in H1 FY21
- PASA contribution at 19% for H1 FY22 (PY: 11%)
- Increase in productivity across Proprietary & Partnership by 23%. Plan for further investments in Partnerships in H2 FY22 to gain mindshare
- Products launched in H1 FY22 and last 18 months contributed 12% and 29% resp.

2

Consistent Growth in Value accerative Group Business

- Group FYP ↑ 68% in Q2 and ↑ 11% in H1 on the back of 78% growth in H1 FY21
- First mover in repricing term business in Q2 to protect margins
- Group AUM at Rs. 14,850 Crore ↑ 18% y-o-y
- Among the Top 2 players in profitable ULIP segment

3

High growth in Renewal and Total Premium

- H1 Renewal premium¹ ↑ 31% y-o-y
- Total Premium of Rs 4,921 Crore (↑ 24% y-o-y)
- Digital Renewal Collection at 73% with 85%+ policies renewed digitally
- Zara Bot collection at Rs. 153 Crore

4

Constant Quality Improvements

- Improvement in persistency across all cohorts over last 2 years with an aim to reach top quartile numbers in next 12 months
 - 13th Month at 83% (↑ 2%); 61st Month at 51% (↑ 4%)
- Opex to Premium Ratio at 13.7% (PY: 14.6%); on track to reach 12.5% for FY23 as per previous guidance

5

Steady increase in Margins, fast progress on guidance

- H1 Net VNB Margin ↑ 600+ bps y-o-y at 7.6% (H1 FY21 1.6% → FY21 10.6%)
- On track to achieve ~14% Net VNB margins for FY22
- EV at Rs 7,009 Crore as on Sept '21 (↑ 22% y-o-y) with a target to achieve EV of Rs 7,500+ Crore by Mar '22 and RoEV of 13% - 14%

6

Covid Updates and Increased Profitability

- Net of Insurance, H1 FY22 Covid claims amounted to Rs. 242 Crore
- Company is carrying additional reserves of Rs 90 Crore for claims as on Sept'21
- By Sep'21 end, claims have gone down to 1/3rd of Q1 FY22 and same is expected to normalize to Pre-COVID levels in Q3 FY22
- H1 FY22 PBT at Rs 82 Crore (↑ 16% y-o-y) despite COVID challenges

Outperforming Industry/Peers across metrics



* Comparison with Industry ** Comparison with Peers ^ Comparison with listed Life Insurance Companies

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Digital Landscape – Across Customer Acquisition and Servicing



Empowering Partner / Customers

Lead Management

Pre-sales App

- Advisor Recruitment
- Sales Productivity
- PASA Campaigns

Prospecting

Sales Buddy

- Custom presentations
- Lead gamification
- Vernacular content
- Social media lead tools

52%
Contactless digital verification

93%+
Customers onboarded digitally in FY22

90%+
Auto Pay Adoption on customer onboarding

Acquisition

Advisor Servicing

Service Buddy

- Customer details
- Policy details
- Downloads
- Statements

Customer Self Servicing

WhatsApp / Chatbot

- NLP enabled platform
- 2000 plus FAQs
- Google / Voice assistant

75%
Services available online as on Sep'21

89%
Digital interaction to total interactions

85%+
Policies renewed digitally

Servicing

Copyright Content / 2016
Digitalising Processes and Customer Experiences

AI & ML driven Underwriting

Building intelligence basis Data Sources, Risk Scoring, Pattern Analysis and Profiling

- Digitization & structuring of data
- Automated checking & validation of data
- Assisted decisioning – improved productivity
- Automating the Underwriting decision

76%
Auto underwriting target to achieve by Sep'22

Insta Issuance Capabilities

Adopting new age technology workflow

- Product**
Faster time to market and Enhanced combinations
- Digital and Analytics**
Seamless integrations and Segmentation
- Automation**
Cost optimization and Higher productivity
- Processing**
Sustainability & productivity and Reduced dependency

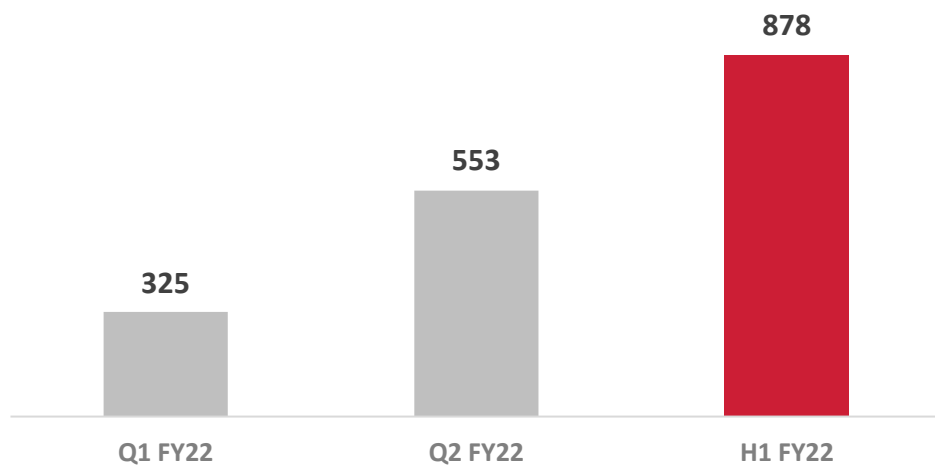
T+4 hrs
Target Issuance TAT capability by Jun'22

24/7
processing capability

Strong growth in New Business Premium

Individual FYP¹

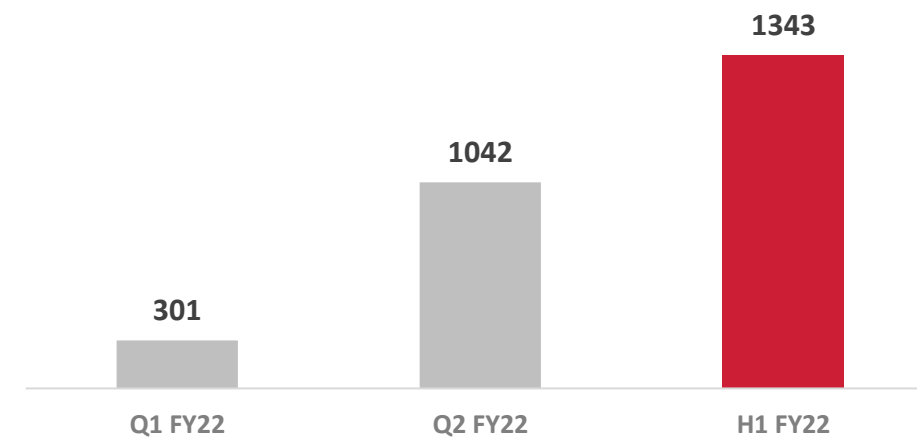
	ABSLI	Private Players	Industry
Q2 FY'22	↑ 27% Y-o-Y	↑ 35% Y-o-Y	↑ 21% Y-o-Y
Q1 FY'22	↑ 5% Y-o-Y	↑ 26% Y-o-Y	↑ 16% Y-o-Y



ABSLI Market Share² 4.2%

Group New Business Premium

	ABSLI	Private Players	Industry
Q2 FY'22	↑ 68% Y-o-Y	↑ 12% Y-o-Y	↑ 7% Y-o-Y
Q1 FY'22	↓ 49% Y-o-Y	↑ 42% Y-o-Y	↑ 4% Y-o-Y



ABSLI Market Share² 7.0%

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

Improving quality of business

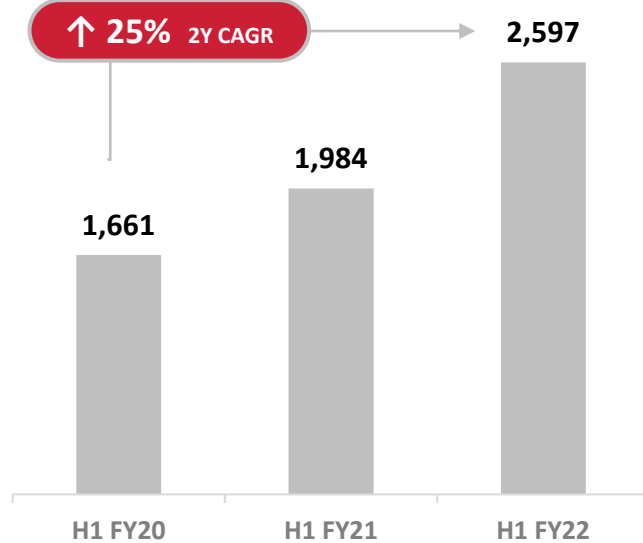
Total Renewal Premium

Renewal Growth

↑ 31% Y-o-Y

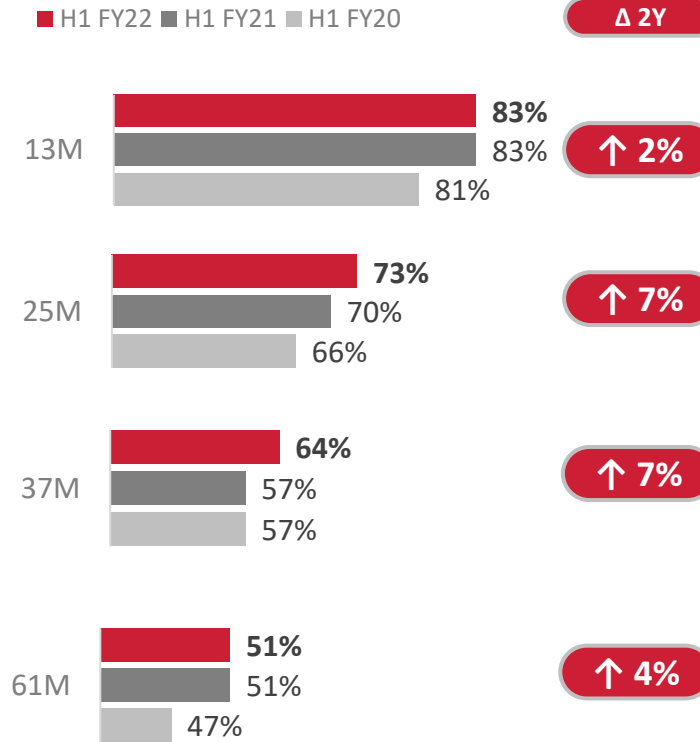
Digital Renewal

73%



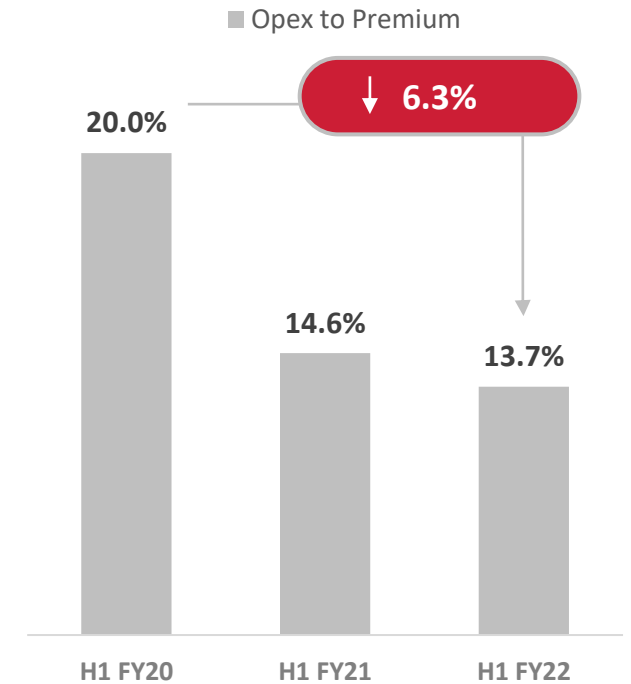
Persistency¹

Improving Persistency across all cohorts



Controlled Opex²

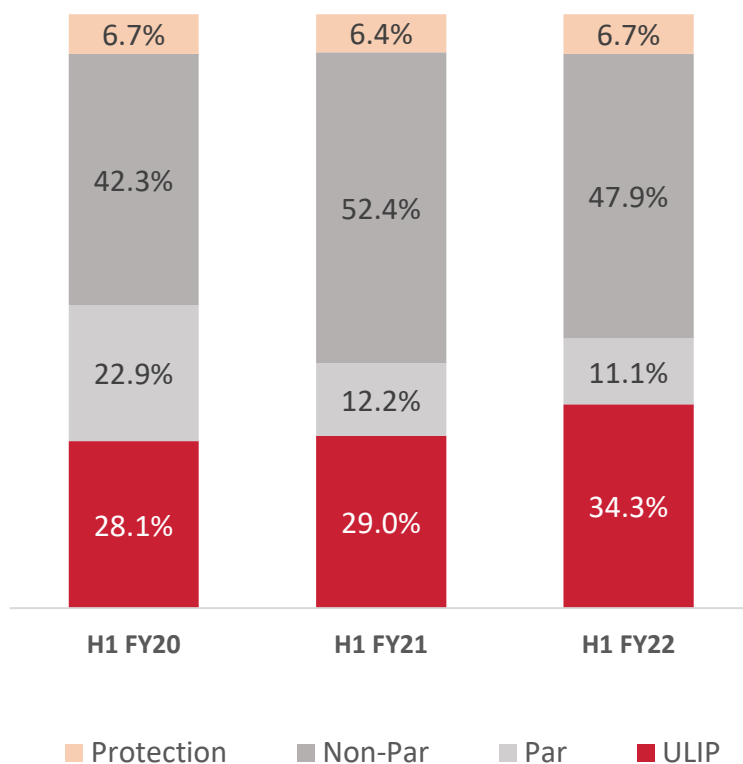
Controlled Opex to premium ratio



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

Focus on value accretive product mix

Improvement in Product Mix



Products and Risk Management

New products contributed to 12% of Ind. new business during H1 FY'22

New Product Launches in H1 FY22

- **ABSLI Guaranteed Annuity Plus** - launched in Q2 in the Traditional segment with key features such as Guaranteed lifelong income and option to defer annuity payouts up to 15 years
- **Pre Approved Sum assured** contribution stands at 19% of FYP for H1 FY'22

Protection share of Business

- **Achieved 6.7% protection share in H1 with 24% growth in absolute terms**
- Major protection is coming from Medical underwriting

Active Risk Mitigation Strategy

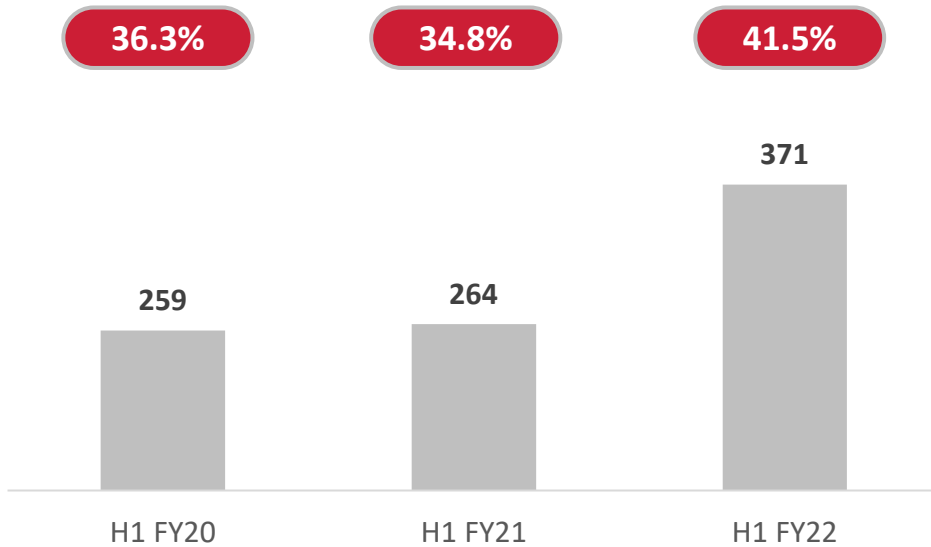
- **Intend to protect Policyholder's guaranteed benefits i.e. 100% of expected maturity and survival benefits even at low interest rate scenarios by using hedging instruments such as FRAs and others**
- Guarantees are actively monitored, and products are repriced for adjustments in Interest Rate

Improvement in VNB Margins

Gross VNB¹

Gross VNB Growth

↑ 41% Y-o-Y



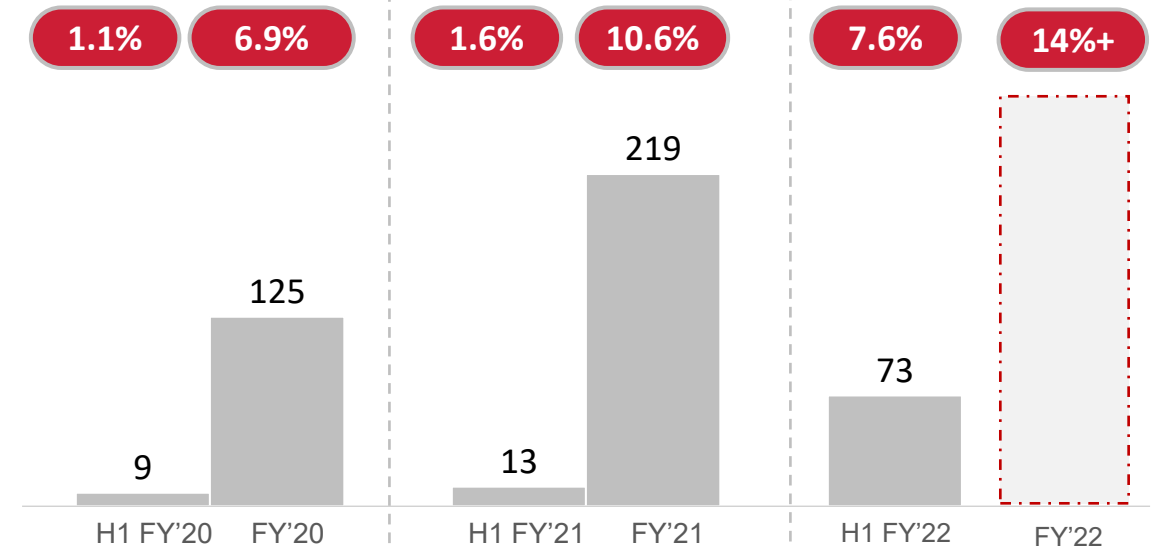
Gross VNB Margin

Strong Gross VNB

Net VNB²

Net VNB Margin

↑ 375% Y-o-Y



Net VNB Margin

Improvement due to efficient expense management and better Gross VNB

¹ Gross VNB is for Individual Life

² Net VNB includes Group Risk business

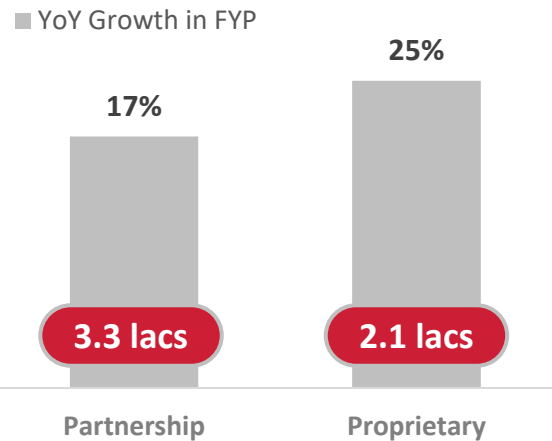
Large and well-diversified distribution network

Pan India well diversified distribution scale

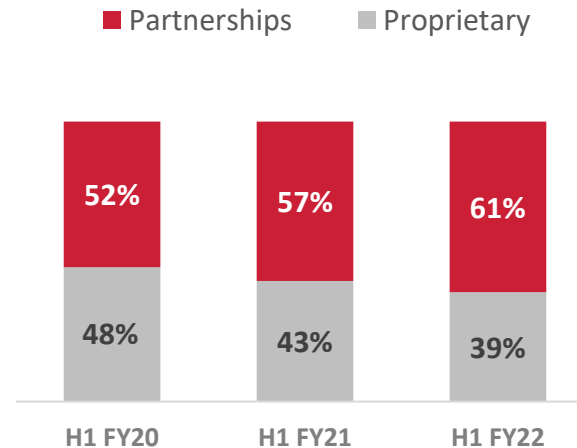


HDFC Bank, DCB, KVB, Indian Bank, DB, DBS, Ujjivan

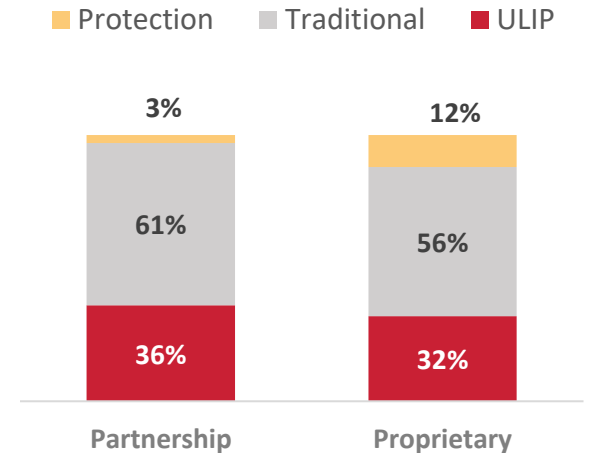
Strong productivity growth across channels



Resulting in a balanced sourcing mix



Product Mix by Channel (H1 FY'22)



Key Financials – Aditya Birla Sun Life Insurance Limited



Quarter 1	Quarter 2		Figures in Rs Crore	Half Year	
FY 21-22 (CY)	FY 20-21 (PY)	FY 21-22 (CY)	Key Performance Parameters	FY 20-21 (PY)	FY 21-22 (CY)
369	464	612	Individual First year Premium	791	981
301	620	1,042	Group First year Premium	1,209	1,343
1,092	1,210	1,505	Renewal Premium	1,984	2,597
1,763	2,294	3,159	Total Gross Premium	3,983	4,921
289	303	384	Opex (Excl. Commission)	581	672
16.4%	13.2%	12.2%	Opex to Premium (Excl. Commission)	14.6%	13.7%
21.5%	18.4%	16.6%	Opex to Premium (Incl. Commission)	19.5%	18.4%
31	42	50	Profit Before Tax	71	82
19	23	32	Profit After Tax	41	51

Health Insurance

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



**ADITYA BIRLA
CAPITAL**

Performance Summary | Health Insurance | AB Health Insurance Co

1 Sustained strong growth

- Continued growth momentum: H1 FY22; Total GWP Rs 764 Crore, ↑ 39% YOY | Industry market share ↑ 1.9% (LY: 1.8%)
- Retail GWP at Rs 530 Crore in H1 FY22 | Value accretive group business – driven by upsell/cross-sell & Wellness offerings
- Total Lives covered: 16.2 Million (LY: 9.5 Million); ↑ 1.7x y-o-y

3 Unique and Differentiated health first Business Model

- Product offerings attracting healthy lives (largely uninsured) | 100% return of premium product (HealthReturns™) ~ 3.5 Lac lives
- Health data driven risk stratification → hyper personalized communication
- Built a holistic & integrated health ecosystem with 60+ partners
- Superior outcomes reflected in Average Customer Age lower by 5 years vs Industry, ~5% lower claims & 26% ↑ persistency for highly engaged customers

5 Leveraging Digital capabilities

- Deep partner ecosystem integration | BOT led end to end journeys | 98% of policies issued digitally | 100% of agents on boarded digitally
- Scalable processes & systems | 85% policies issued through STP with 80% policies issued on T Day
- Industry first multi lingual digital assets | 93% of customers serviced digitally

2 Strong financial management

- H1 loss at Rs. 230 Crore (LY: Rs 124 Crore) → due to high CoVID claims | ABHI share of CoVID claims lower than market share in GWP
- Combined ratio normalized for CoVID claims at 110% (PY : 118%): Reported Combined Ratio at 144% (PY: 129%)
- Fastest Breakeven (among SAHI players); on track for Q4 FY22 in the absence of third wave

4 Scaled & Diversified Distribution

- Growth focus in Proprietary channel - 24% (LY 23%) | Scale up by leveraging One ABC branch infrastructure → 35 branches
- Presence in 2800 cities through 11 bank partners
- Federal Bank & Catholic Syrian bank on-boarded in Q2 FY22
- Innovative byte size product | 82+ digital, rural & MFI partners with 12 Mn+ lives

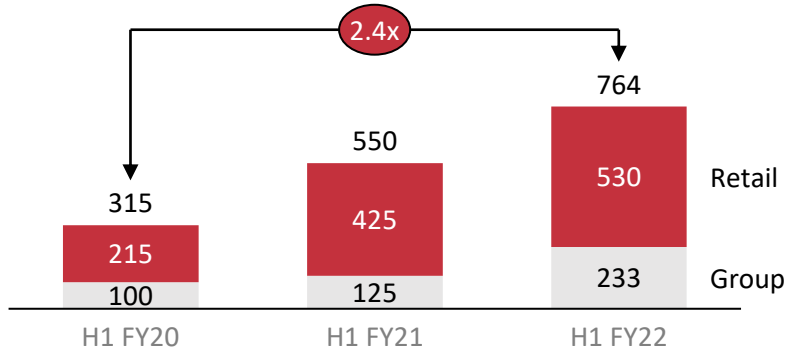
6 Enhanced Analytical capabilities

- Building deep expertise in Data & Analytics on both structured & unstructured data for enhanced customer understanding to drive superior business outcomes
- Customer life value proposition through customer acquisition, retentions & upsell | 5 Mn+ PASA offers generated | Propensity based renewal 9% uplift
- Claims fraud detection engine savings Rs. 25 Crore+ | AI bot for disease risk management | Customer Experience (CX) score

Business Outcomes

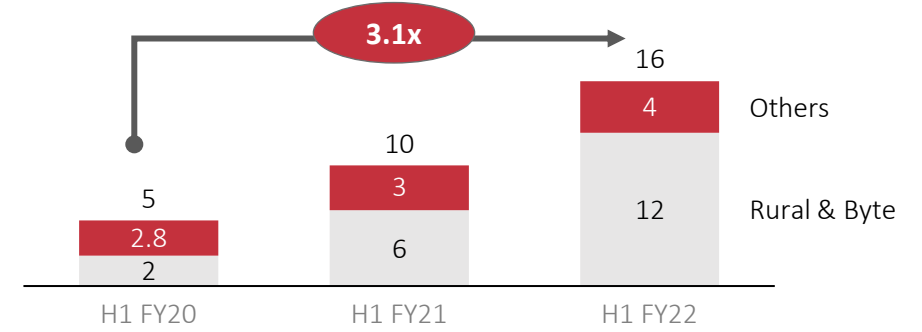
GWP growth at 1.4x y-o-y
Retail Mix at 69%

Revenue (Rs. Cr.)



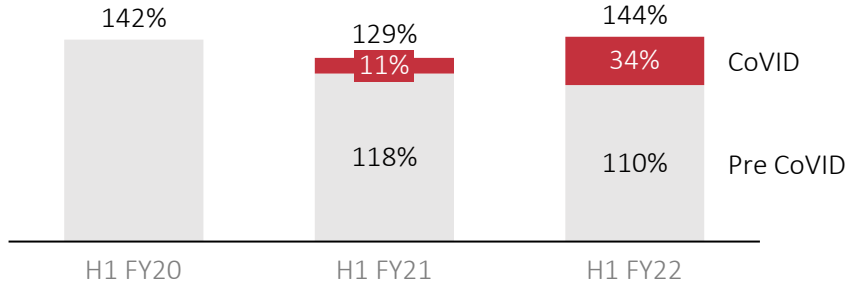
Lives covered growth at 1.7x y-o-y
12 Mn.+ through rural & micro/ byte-sized products

Lives Covered (Mn)



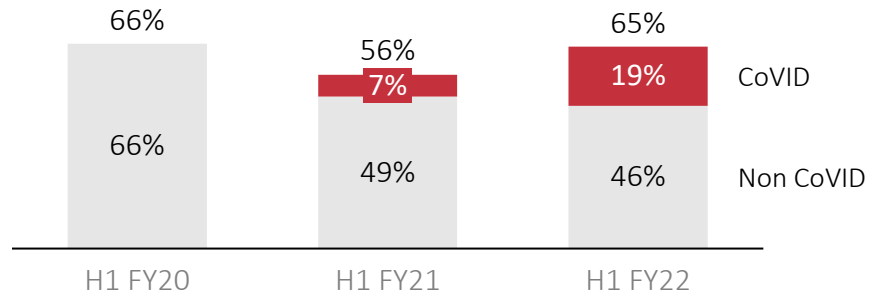
H1 FY22 exit combined ratio at 144%
H1 FY22 Combined ratios normalized for CoVID claims at 110%

Combined Ratio*



H1 FY22 Non Covid Claim ratio at 46%
Claims ratio increased due to CoVID

Claims Ratio¹

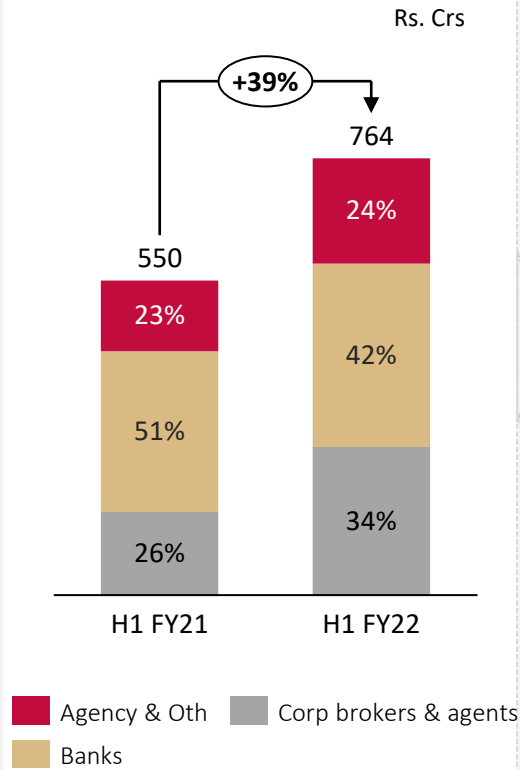


Scaled-up, diversified and digitally enabled distribution



Multi-channel & Digitally enabled distribution

Diversified channel mix



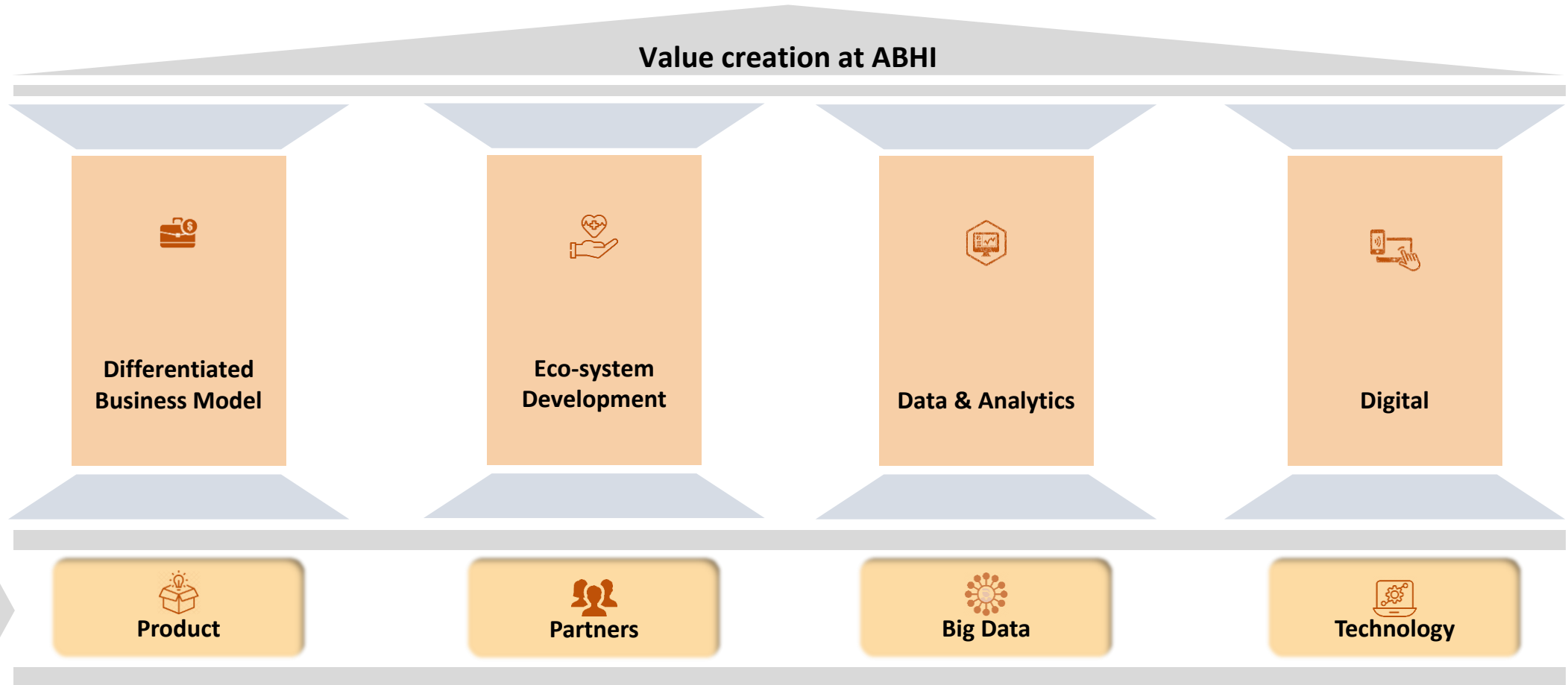
- **Agency:** Scalable channel with 175 branch locations | Agency GWP ↑ +1.4x of PY | ABC synergy → agent base expansion
- **Bancassurance:** 11 partners → 16000+ branches | Banca mix at 60% of retail
- **New Partners:** Federal Bank & CSB Bank
- **Leveraging Digital partnerships:** 39 partners covering 6Mn.+ lives | 50+ byte-size and contextual products
- **Rural & MFI* Partners:** 43 partners covering 6 Mn.+ lives
- **Wellness based sourcing of value accretive Group business**

Diversified and scaled network

	H1FY21	H1FY22
Scale		
Cities	2,300+	2800+
Branch locations	115	175
Agents	34,000+	51,120+
Sales force	2,250+	2,670+
Hospitals	7,500+	8,900+
Diversification		
Non-metro GWP	63%	65%
Active Bank Branches In '000	8	8
Banca % of retail GWP	66%	60%

4 Pillars for achieving scale and differentiation

ABHI Purpose – Empower & Motivate families to prioritize their health and live fulfilling lives



 Key Enablers

Differentiated Business Model

Attracting health conscious customers

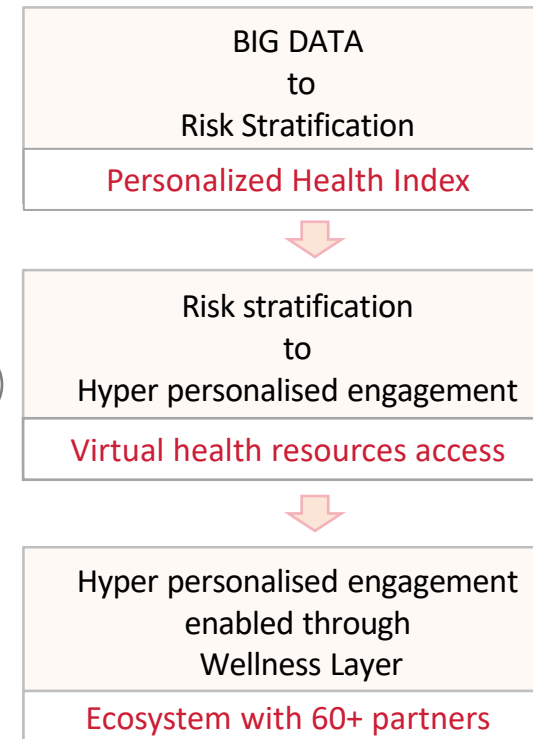
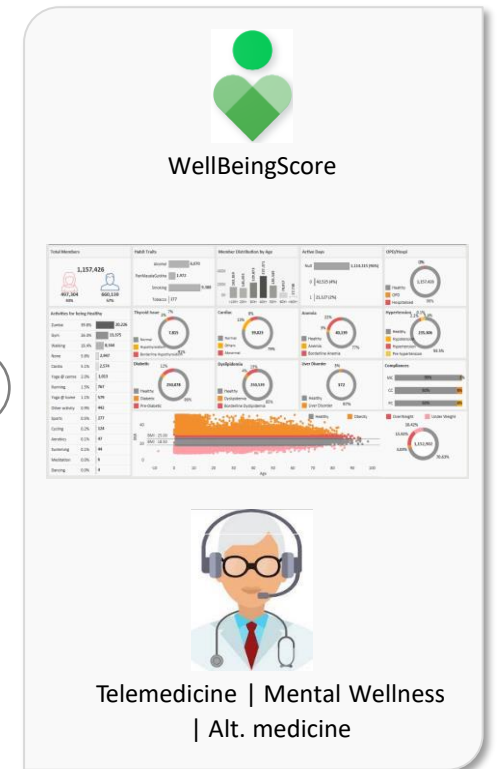


Distinctive Capabilities

BIG DATA

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

Keeping customer pools healthier

WellBeingScore

Telemedicine | Mental Wellness | Alt. medicine

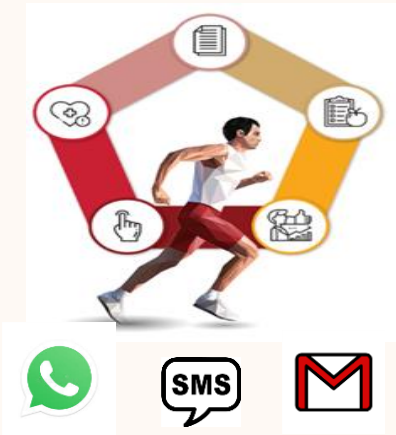
Avg. customer age < 5 years vs Industry

WBS live for 607K+ customers

26% higher persistency for engaged customer

~5% lower claims ratio for engaged customer

Hyper-Personalized Engagement



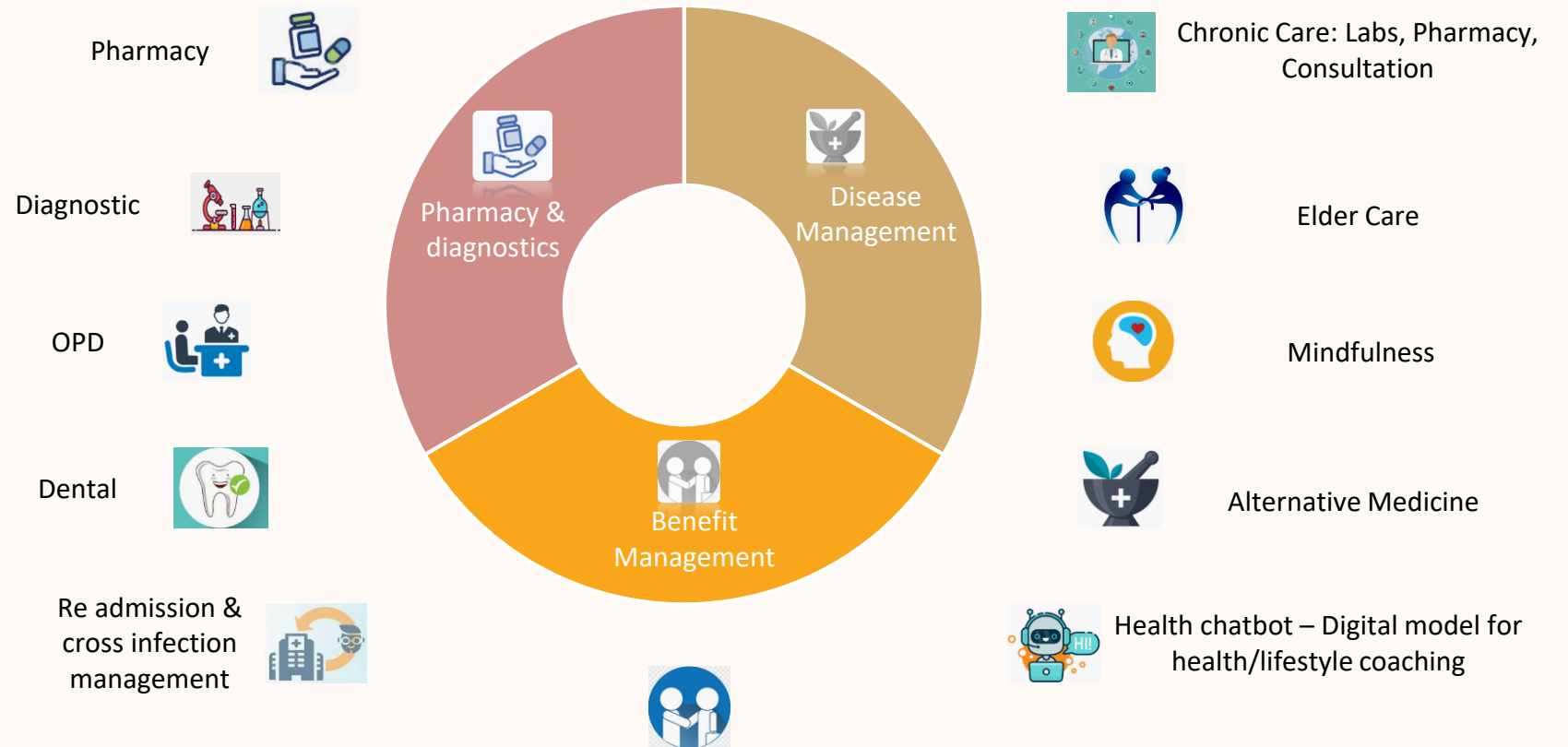
Alert on any out of range parameter

Track your health status with WBS

Nudge if missing any required check ups or compliance

Diet and Fitness plan

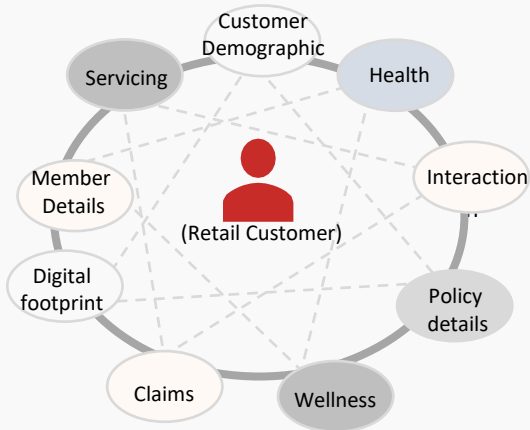
Ecosystem Development



WBS & Hyper personalized engagement (6.07L customers), Lifestyle tracking

Themes

A deeper understanding of our customers



Initiatives

CLTV – Acquisition /Retention / Cross sell



Acquisition – PASA

5Mn+ offers

Rs. 5.5Cr GWP



Renewal propensity model

9% lift (GWP Rs. 8 Crs.) in Test vs Control group

Customer Engagement/Wellness



Well being score based intervention

Generated for 5lakh customers



CX-Score

Scoring SLAS, events and interaction



HA/HHS propensity model

3-4% improvement over control set

Risk Management-UW & Fraud



Claims fraud detection engine

~Rs. 25 Cr. savings



Automated UW engine

1000+ STP clusters



Hospital scorecard

Outlier hospital ACS

Digital impact metrics for Health Insurance



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

Selling/ Onboarding	Engagement	Revenue Enablement though digital customer acquisition	98%	12 Mn+	28%+	30 Mn
<ul style="list-style-type: none"> Digital : API Integrations; 4-click journey live Co-Browsing on buy journey 	<ul style="list-style-type: none"> 24*7 self service through multilingual chatbot Bot led end to end renewal journey Customer outreach mgmt system (outreach ↑ 50%) 		of customer on-boarded digitally	Byte size lives integrated with partners	Welcome Calls through voice bots	Revenue through digital channel
Ecosystems	Analytics	Customer Advocacy through Self Service Channels	93%	9Lac+	6 lac+	35%
<ul style="list-style-type: none"> Deep partner ecosystem integration; Omni-channel click-thru renewal journey Leveraging Digital partnerships: 39 partners covering 6 Mn.+ lives 50+ byte-size and contextual products 	<ul style="list-style-type: none"> Propensity based renewal calling 10% in fresh revenue through analytics driven campaigns in H1 FY22 		Services available digitally	Customer interactions on web portal	WellBeing score live for hyper-personalized interventions	Digital Self service
		Scalability & Automation of back-end processes & Systems	80%+	85%	84%	22%
			Same Day policy Issuance (T day)	Auto Underwriting (STP)	Inbound calls answered within SLA	STP Service Journeys (end to end automated)

All metrics for Q2 FY22 unless specified

Key Financials – Aditya Birla Health Insurance Limited



Quarter 1	Quarter 2		Figures in Rs Crore	Half Year	
FY 21-22 (CY)	FY 20-21 (PY)	FY 21-22 (CY)		FY 20-21 (PY)	FY 21-22 (CY)
			Key Performance Parameters		
260	246	270	Retail Premium	425	530
107	58	126	Group Premium	125	233
368	304	396	Gross Written Premium	550	764
350	268	360	Revenue	489	710
154	146	187	Operating expenses	294	341
(128)	(66)	(102)	Profit Before Tax (IND AS)	(124)	(230)

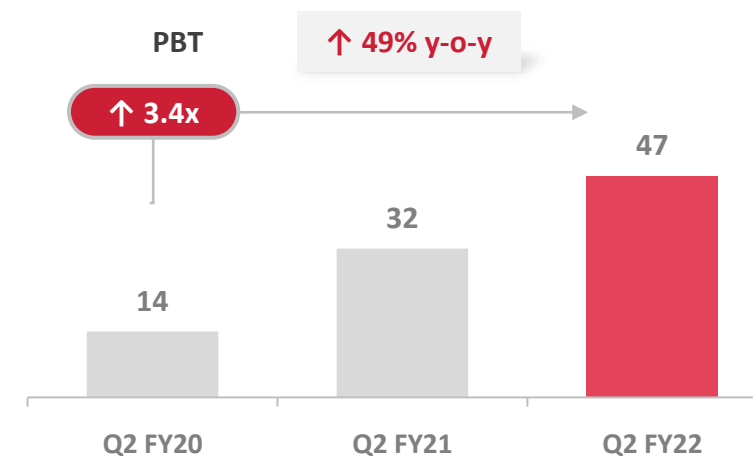
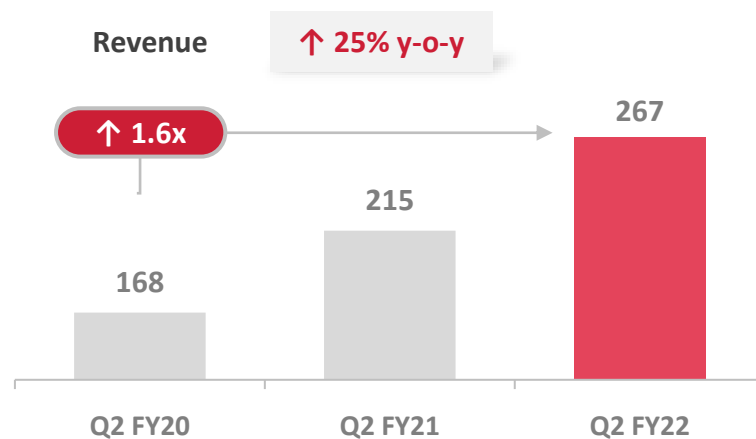
Other Updates



PROTECTING INVESTING FINANCING ADVISING

Other Financial Services Businesses

Strong performance across financial metrics across these businesses



General Insurance Broking

	Q2 FY21	Q2 FY22	Δ
Premium Placement	1,125	1,355	↑ 20%
Revenue	137	175	↑ 28%
PBT	16	24	↑ 49%

Stock & Securities Broking

	Q2 FY21	Q2 FY22	Δ
# Customers (Active)	1.1 Lac	1.3 Lac	↑ 18%
Revenue	49	58	↑ 17%
PBT	6	9	↑ 48%

Asset Reconstruction Company

	Q2 FY21	Q2 FY22	Δ
Closing AUM	2,779	2,533	↓ 10%
Revenue	21	22	↑ 6%
PBT	9	12	↑ 27%

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

Consolidated Profit & Loss



Quarter 1	Quarter 2		Figures in Rs Crore		
	FY 20-21 (PY)	FY 21-22 (CY)		FY 20-21 (PY)	FY 21-22 (CY)
4,299	4,595	5,593	Revenue	8,629	9,892
318	296	440	Profit Before Tax (before share of profit/(loss) of JVs)	531	758
80	64	89	Add: Share of Profit/(loss) of associate and JVs	114	169
398	360	529	Profit Before Tax	644	927
127	107	172	Less: Provision for taxation	205	299
(32)	(12)	(20)	Less: Minority Interest	(24)	(52)
302	264	377	Net Profit (after minority interest)	463	679

↑ 15%

↑ 47%

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

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

CIN: L67120GJ2007PLC058890

Regd. Office: Indian Rayon Compound, Veraval – 362 266, Gujarat

Corporate Office: One Indiabulls Centre, Tower 1, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013

Website: www.adityabirlacapital.com



**ADITYA BIRLA
CAPITAL**

PROTECTING

Enable People
to protect what
they value

Life Insurance

Health Insurance

Insurance Advisory

INVESTING

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

Mutual Funds

Wealth Management

Stocks & Securities

Portfolio
Management
Services

Pension Funds

Mortgage Finance

FINANCING

Enable People to
fulfill their needs
and desires without
any delay

Home Finance

Personal Finance

SME Finance

Mortgage Finance

Loan Against Securities

Corporate Finance

Debt Capital Market
& Loan Syndication

Asset Reconstruction

EMI Solutions

ADVISING

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

MoneyForLife Planner

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