



**ADITYA BIRLA  
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

**5 February 2021**

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**Scrip Code: 540691**

**Scrip ID: ABCAPITAL**

**Dear Sir/Madam,**

**Re: Investor presentation and Press Release**

**Sub: Presentation and Press Release on Unaudited Financial Results for the quarter ended 31 December 2020**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a presentation and press release on the Unaudited Financial Results of the Company for the quarter ended 31 December 2020 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  
14<sup>th</sup> Floor, New York,  
NY 10013

**Citi Bank N.A.**

Custodial Services  
FIFC, 11<sup>th</sup> Floor, C-54 & 55, G Block  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051

**Listing Agent**

Banque Internationale à Luxembourg  
SA  
69 route d'Esch  
L - 2953 Luxembourg  
Grand Duchy of Luxembourg

**Aditya Birla Capital Ltd.**

One World Centre, Tower 1, 18<sup>th</sup> Floor, Jupiter Mill Compound,  
841, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013  
+91 22 4356 7000 | (F) +91 22 4356 7111

[abc.secretarial@adityabirlacapital.com](mailto:abc.secretarial@adityabirlacapital.com) | [www.adityabirlacapital.com](http://www.adityabirlacapital.com)

**Registered Office**

Indian Rayon Compound, Veraval- 362 266, Gujarat  
+91 28762 45711  
CIN L67120GJ2007PLC058890

# FINANCIAL RESULTS: Q3 FY21

MUMBAI

5<sup>th</sup> February 2021



**ADITYA BIRLA  
CAPITAL**

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**A Leading Financial Services Conglomerate**

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*Figures in Rs Crore*

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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

# Q3 FY21 | Key Highlights



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Figures in Rs Crore



Strong growth in business leading to **highest ever quarterly profit**; Consol. ABCL Revenue **↑ 16% y-o-y to 5,346 Crore** and PAT **↑ 15% y-o-y to Rs 289 Crore**



Gross disbursement in lending businesses (incl. Housing) at **~Rs 5,100 Crore**; **↑ 18% y-o-y** with focus on target segments



NBFC NIM expanded to **5.24% (↑ 18 bps y-o-y)**; PAT at Rs 193 Crore; up **↑ 6% q-o-q** and close to previous year levels



HFC NIM expanded to **3.68% (↑ 81 bps y-o-y)**; PPOP **↑ 60% y-o-y**; PAT **↑ 38% y-o-y**



AMC Domestic AAUM **↑ 7% q-o-q**, Equity AAUM **↑ 6% q-o-q**; Growth aided by strong revival in retail, SIP and B-30 during the quarter



Strong improvement in AMC profitability; Q3 FY21 PBT/ Domestic AAUM: **30 bps (PY: 28 bps)**



Life Insurance 9M FY21 Individual FYP **↑ 6% y-o-y**; Significantly ahead of Pvt. players (**↓ 6% y-o-y**); Group NBP **↑ 50% y-o-y** ahead of Pvt. Players (**↑ 15% y-o-y**)



**Fastest growing Health Insurance** player; 9M FY21 GWP **↑ 57% y-o-y** to ~Rs 859 Crore; Retail mix at **74%** and Combined Ratio at **126% (PY: 142%)**



Other financial services business PBT **↑ 2.8x y-o-y to Rs 36 Crore**; Growth aided by general insurance broking, ARC and Stock & Securities businesses



ABC adjudged one of the **'Top 25 Innovative Companies'** in India at **CII Industrial Innovation Awards 2020**; Digital journey to improve customer experience and processes ongoing

# Consolidated Financials

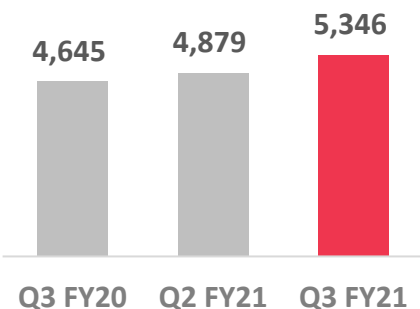


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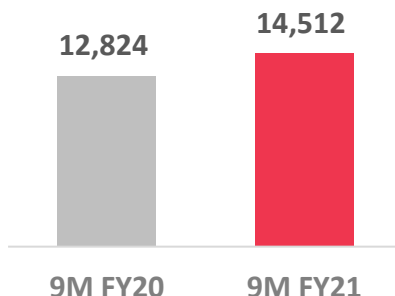
Figures in Rs Crore

Revenue<sup>1</sup>

↑ 16% Y-o-Y | 10% Q-o-Q

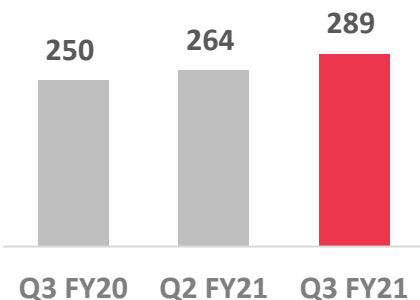


↑ 13% Y-o-Y

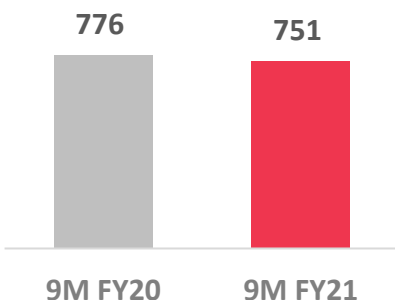


Profit After Tax

↑ 15% Y-o-Y | ↑ 9% Q-o-Q



↓ 3% Y-o-Y



Businesses	Q2 FY21	Q3 FY20	Q3 FY21
NBFC	181	203	193
Asset Management	125	130	147
Life Insurance	23	27	26
Housing	36	27	38
General Insurance Broking	13	5	14
Stock & Securities Broking	4	3	4
ARC	7	5	9
<b>Profitable Businesses PAT</b>	<b>390</b>	<b>401</b>	<b>431</b>
Health Insurance	(66)	(53)	(51)
Less: Interest Cost	(0)	(14)	(0)
Less: Brand & Marketing	(2)	(9)	(3)
Less: Others <sup>2</sup> / Eliminations	(9)	(21)	(23)
Less: Minority Interest	(49)	(54)	(66)
<b>Consolidated PAT<sup>3</sup></b>	<b>264</b>	<b>250</b>	<b>289</b>

## Aditya Birla Capital Limited

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

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

<sup>3</sup> 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

<sup>4</sup> Excluding Aditya Birla Health Insurance operating expenses given the business is scaling up and on path to break-even

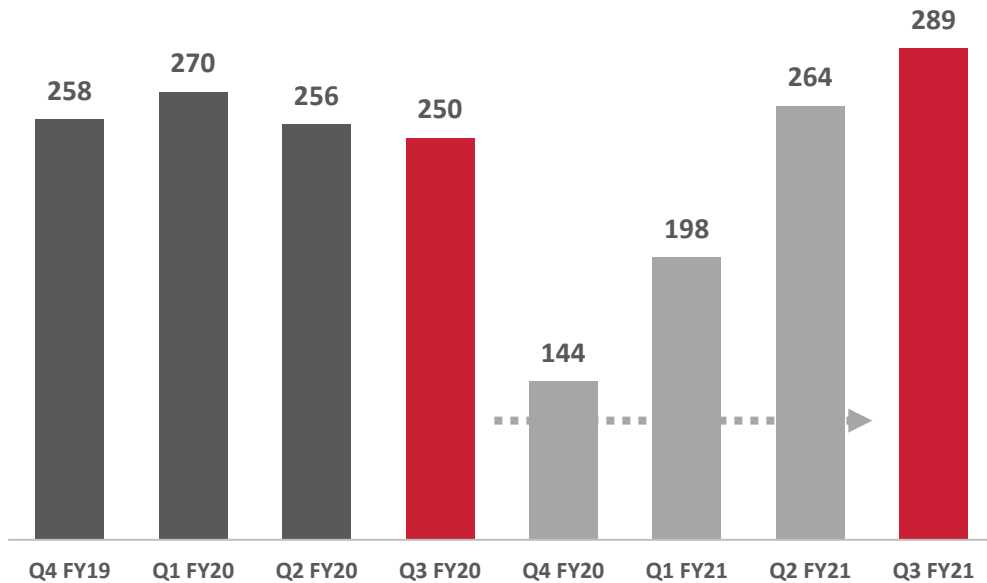
# Strong rebound delivers highest ever quarterly profits



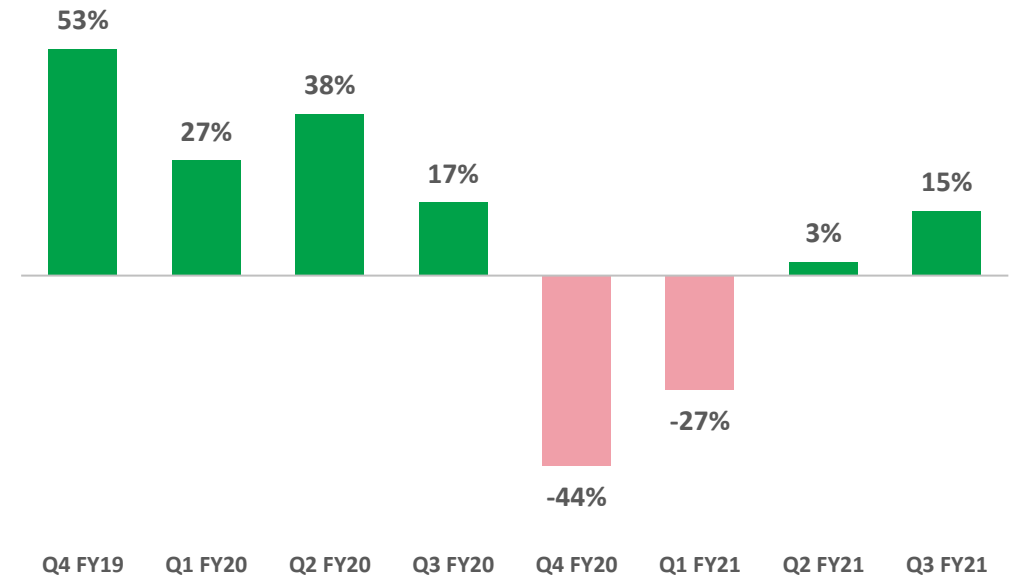
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Figures in Rs Crore

### ABCL Quarterly Consolidated PAT



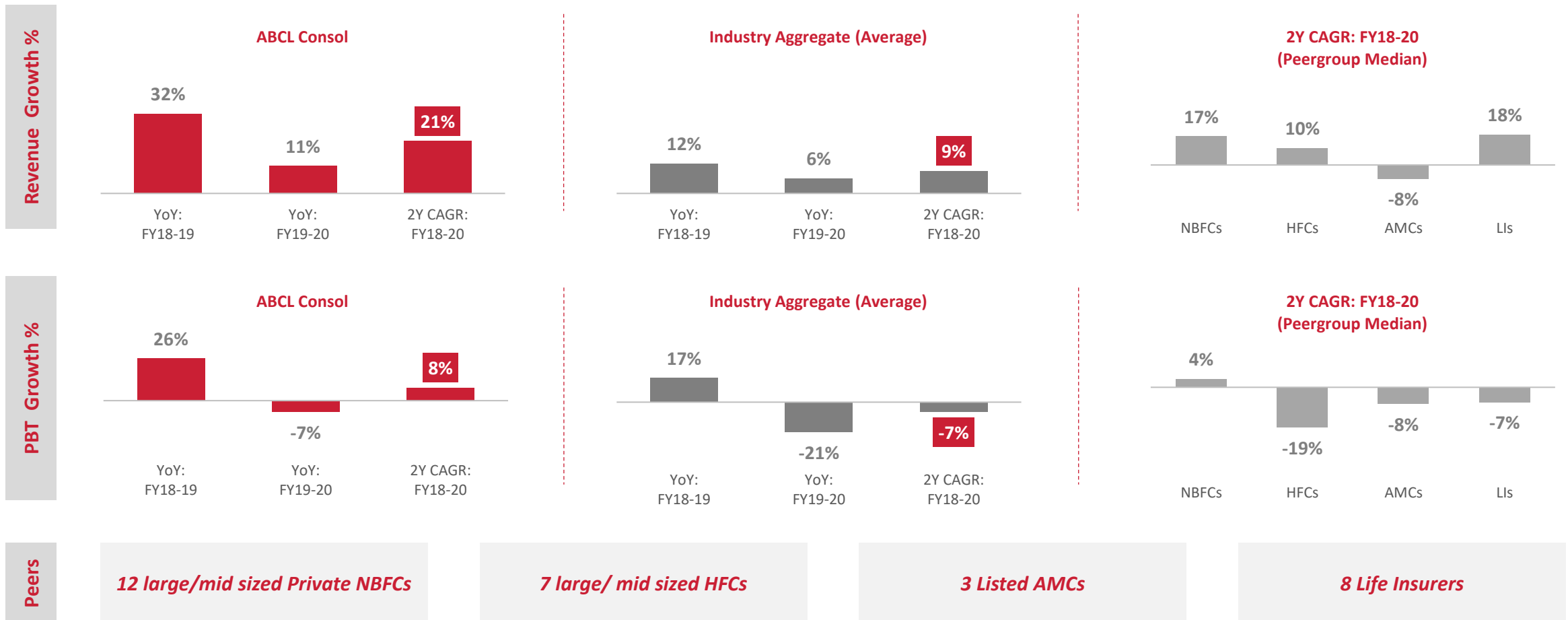
### ABCL Quarterly Consolidated PAT YoY %



# Delivering superior performance through portfolio diversification

Review period considered from FY18 due to transition to IndAS Accounting Standard from erstwhile IGAAP

Figures in Rs Crore



# A strong track record in building scale, retailisation & profitability



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Figures in Rs Crore

PROTECTING			
	FY17	9M FY21	Key Achievements
<b>Total Gross Premium<sup>1</sup></b>	5,778	8,008 <sup>2</sup>	<ul style="list-style-type: none"> <li>➤ Turnaround in profitability Gross VNB: 28.9% (FY17) → 36.4% (9MFY21)</li> <li>➤ Doubled protection mix to 6%</li> <li>➤ Established fastest growing HI company with 11 million lives</li> <li>➤ Tied-up with HDFC Bank for Life and Health Insurance</li> </ul>
<b>LI: Net VNB Margin</b>	-5.5%	5.9%	
<b>LI: 13M Persistency</b>	71%	84%	
<b>LI: EV Growth</b>	5%	14% <sup>3</sup>	
<b>HI: Combined Ratio</b>	283%	126%	

INVESTING			
	FY17	9M FY21	Key Achievements
<b>AMC: Domestic AAUM</b>	1.73 Lac	2.36 Lac	<ul style="list-style-type: none"> <li>➤ #1 amongst non-bank AMCs</li> <li>➤ SIP % Equity AUM scaled up from 24% to 43%</li> <li>➤ Significant folio growth amongst top 5 industry players</li> <li>➤ Consistent fund performance</li> <li>➤ Strong improvement in Profit/AAUM</li> </ul>
<b>AMC: Equity Mix</b>	24%	34%	
<b>AMC: Retail + HNI AUM</b>	0.84 Lac	1.23 Lac	
<b>AMC: Investor Folios</b>	3.9 M	7.1 M	
<b>AMC: PBT bps</b>	19	28	

FINANCING			
	FY17	9M FY21	Key Achievements
<b>Total Lending Book<sup>4</sup></b>	38,839	57,522	<ul style="list-style-type: none"> <li>➤ Rebalanced portfolio with focus on granularization as per stated strategy</li> <li>➤ Scaling up retail and SME</li> <li>➤ Scaling up affordable housing</li> <li>➤ Maintained one of industry lowest cost of funds through cycles with AAA rating</li> </ul>
<b>Retail + SME (incl. HFC) %</b>	41%	60%	
<b>NBFC: PPOP%</b>	3.3%	3.6%	
<b>HFC: PPOP%</b>	(0.1)%	2.6%	
<b>Lending Net Worth<sup>4</sup></b>	5,558	10,062	

OTHER BUSINESSES			
	FY17	9M FY21	Key Achievements
<b>GI Broking: Premium</b>	2,580	3,484	<ul style="list-style-type: none"> <li>➤ JV with Varde partners to establish ARC; Profitable within 1 year of operation</li> <li>➤ RoE of 40%+ in General Insurance, &amp; Stock Broking</li> <li>➤ Optimised portfolio for loss making businesses</li> </ul>
<b>GI Broking: RoE %</b>	44%	57%	
<b>Stock Broking: RoE %</b>	19%	43%	
<b>ARC: PBT</b>	-	29	
<b>Other Business Total PBT</b>	-10	109	

<sup>1</sup> for Life Insurance and Health Insurance businesses

<sup>2</sup> For FY20

<sup>3</sup> As per H1 basis

<sup>4</sup> Including NBFC and HFC



# 3 Year aspiration and key levers

Figures in Rs Crore

Business	Growth aspiration & profitability levers	Current (9MFY21)	FY24 Target (3Y)
<b>NBFC</b>	<ul style="list-style-type: none"> <li>Overall Loan book 3Y CAGR ~15 - 17%; Retail + SME mix targeted at ~65% by FY24</li> <li>125 additional lean branches in Tier II/III locations in 12 – 18 months</li> <li>NIMs to increase to 6.25%+; CIR to reduce by 200 bps</li> </ul>	<p>RoA: 1.5%</p> <p>RoE: 8.6%</p>	<p>RoA: 2.5 – 2.7%</p> <p>RoE: 16 – 17%</p>
<b>Housing Finance</b>	<ul style="list-style-type: none"> <li>Overall Loan book 3Y CAGR ~18 - 20%; Affordable mix to improve to ~65% by FY24</li> <li>Build higher yielding informal segment and increase branch footprint</li> <li>NIMs to improve by ~50 bps; CIR to reduce to &lt;30%</li> </ul>	<p>RoA: 1.12%</p> <p>RoE: 9.9%</p>	<p>RoA: 1.5 – 1.6%</p> <p>RoE: 14 – 15%</p>
<b>Asset Management</b>	<ul style="list-style-type: none"> <li>Continue to grow with 3Y Overall AUM CAGR: ~12 - 15%</li> <li>Equity AAUM mix expected to improve from 34% to 40% in 3 years</li> <li>Execute alternate asset strategy</li> </ul>	<p>RoE: ~33%</p> <p>PBT YoY ~12%</p>	<p>RoE: 35 – 40%</p> <p>PBT CAGR ~15%</p>
<b>Life Insurance</b>	<ul style="list-style-type: none"> <li>Ind FYP 3Y CAGR of ~15-18%; Continue to grow renewals at 3Y CAGR of ~16-17%</li> <li>Improvement in protection mix to 12-15% by FY24;</li> <li>Opex/ Premium to reduce by ~150 bps to 12.5% in 3 years</li> </ul>	<p>Net VNB: 5.9%</p> <p>FY21E ~10%</p>	<p>Net VNB: 16-17%</p>
<b>Health Insurance</b>	<ul style="list-style-type: none"> <li>Continue to grow faster than industry; GWP in Rs 1,800 – 2,000 Crore range by FY22</li> <li>Estimated exit combined ratio for Q4 FY21 &lt; 110%; Target breakeven by Q4 FY22</li> </ul>	<p>GWP: ~ Rs 859 Cr</p>	<p>GWP: ~ Rs 3,200 - 3,500 Cr</p>

# Key focus areas

*Figures in Rs Crore*

1

**Unlock value given the scale of our businesses**

2

**Driving revenue potential through focused approach to cross sell & upsell**

3

**Leveraging digital, data and analytics across the platform**

# Focused approach on Upsell and Cross-sell

ABC currently has over 20 million active customers

Initiatives to scale up revenue potential by enhancing product per customer

## Upsell Opportunity

Increasing Product per customer (PPC) within businesses from current levels:

Business	Product Per Customer
Asset Management	1.57
Life Insurance	1.54
NBFC	1.98
Housing Finance	1.93
Health Insurance	1.37

## Cross Business Opportunity

Increase product per customer by cross selling more across lines of business:

- From current level where about 1.8M customers have PPC >2, &
- 0.2M customers have products of more than one line of business

## Leveraging Analytics

Accessing ecosystems outside existing customer base:

- Leveraging analytics and digital customer journeys to cross sell products to these customers
- Designing pilots that will generate learnings for us to scale this up in the next year

**Focus Areas for leveraging technology going forward**

Leveraging technology to grow revenues, improve customer experience, optimize costs and build scalable processes

Several use cases across businesses driving digital adoption up significantly

Partner with Fintechs through a structured program to leverage expertise in specific areas

Partner with Fintechs to drive customer acquisition across lending, insurance and asset management businesses

**Select Use Cases where we have pioneered in the industry**

**Audio / Visual Bot**

Voice Bot with Visual interface for completing transaction

**Video KYC**

Contactless & Paperless remote KYC for customers

**Intelligent OCR**

Automated ML based data extraction from unstructured documents

**PASA / NBO**

Analytics based hyper personalized offer for customer

**WhatsApp based documentation**

Submission of requirements for application process

**WhatsApp based purchase**

End to end purchase journey on WhatsApp

**Aditya Birla Finance Limited**

NBFC Business



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# Performance Summary | NBFC | Aditya Birla Finance

## 1 Retail and SME disbursements above Pre COVID level

- Gross Disbursal ~Rs 4,282 Crores (↑ 20% y-o-y) of which 55% in Retail and SME target segments (Higher than pre-CoVID disbursement levels)
- Loan book at Rs. 45,650 Crore (PQ: 45,475 Crore); Retail + SME ↑ 2% q-o-q
- 34 new branches opened in Q3 in semi-urban locations; Total branches at 91

## 3 Improving margins & Core Profitability

- Portfolio yield at 11.45% and new disbursement Rol at 12.63% for Q3 FY21
- Q3 NIM at 5.24% (↑ 18 bps y-o-y); Normalised NIM at 5.60% (↑ 50 bps y-o-y); Normalised Net Interest Income grew by 5% y-o-y
- PPOP % at 3.65% (↑ 8 bps y-o-y) at Rs. 419 Crore
- PBT at Rs. 261 Crore; Profitability back at near pre-CoVID levels

## 5 Liquidity and Balance Sheet Resilience

- Strong funding access and amongst best cost of borrowing in industry; demonstrated over last 2 years of economic cycles
- Optimised borrowing cost (CoB ↓ 17 bps q-o-q | ↓ 64 bps y-o-y)
- Raised LT borrowing of ~Rs 3,146 Crore in 9M FY21
- Comfortable capital adequacy with CRAR at ~23.2%

## 2 Continue to Focus on granular portfolio mix

- Focused approach towards reducing ATS; Overall ATS ~Rs 24 lacs (↓ 18% y-o-y)
- Portfolio rebalancing in line with stated strategy:
  - Mid/ Large Corp – Structured Finance: ↓ 59% y-o-y and CF: ↓ 16% y-o-y
  - Retail – Personal Loans: ↑ 19% y-o-y | Business Loans: ↑ 3% y-o-y
  - SME – Term Loans: ↑ 6% y-o-y

## 4 Improvement in Quality of Book & Collections

- Resolved ~Rs 550 Crores of Stage 3 in Q3; GS3 at 1.78% and NS3 at 1.12%<sup>1</sup>
- Maintaining provision cover across stages:
  - Stage 1: 0.63 % (↑ 2x y-o-y) | Stage 2: 7.09 % (↑ 1.4x y-o-y)
  - Stage 3: 38.5 % (Q4 FY20: 33.0%) | Security cover: 1.5x (post provision)
- Collection efficiency at 96.4% in Dec'20%; Trending towards pre-CoVID levels
- Restructured 1.5% of Loan Book in Q3 FY21; 85% from Stage 1

## 6 Digital Adoption

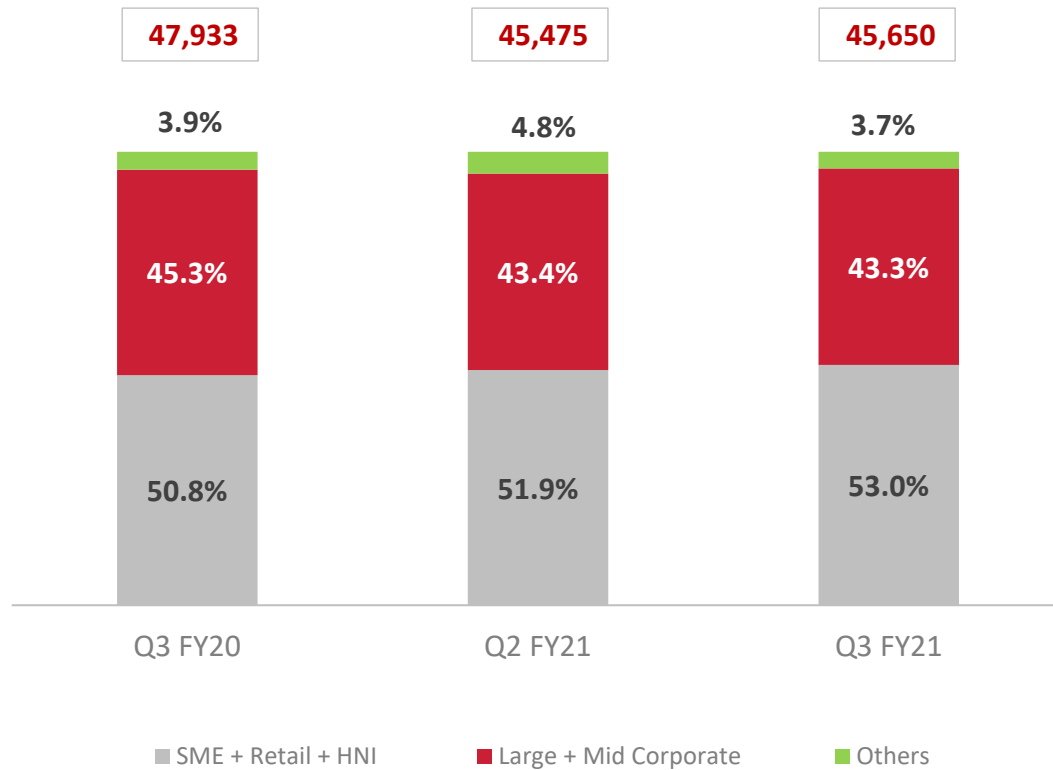
- 84% customers onboarded digitally in Q3 FY21
- 100% salaried Personal Loans sourced, underwritten and disbursed digitally
- Video KYC enabled digital customer journeys deployed
- Chatbot & WhatsApp channel seen significant uplift during lockdown with ~1.8+ lakhs monthly customer-initiated interactions

<sup>1</sup>Without considering the Hon'ble Supreme Court's interim order of not classifying customers as NPA after 31 Aug, GNPA and NNPA will be 3.08% & 1.89% respectively

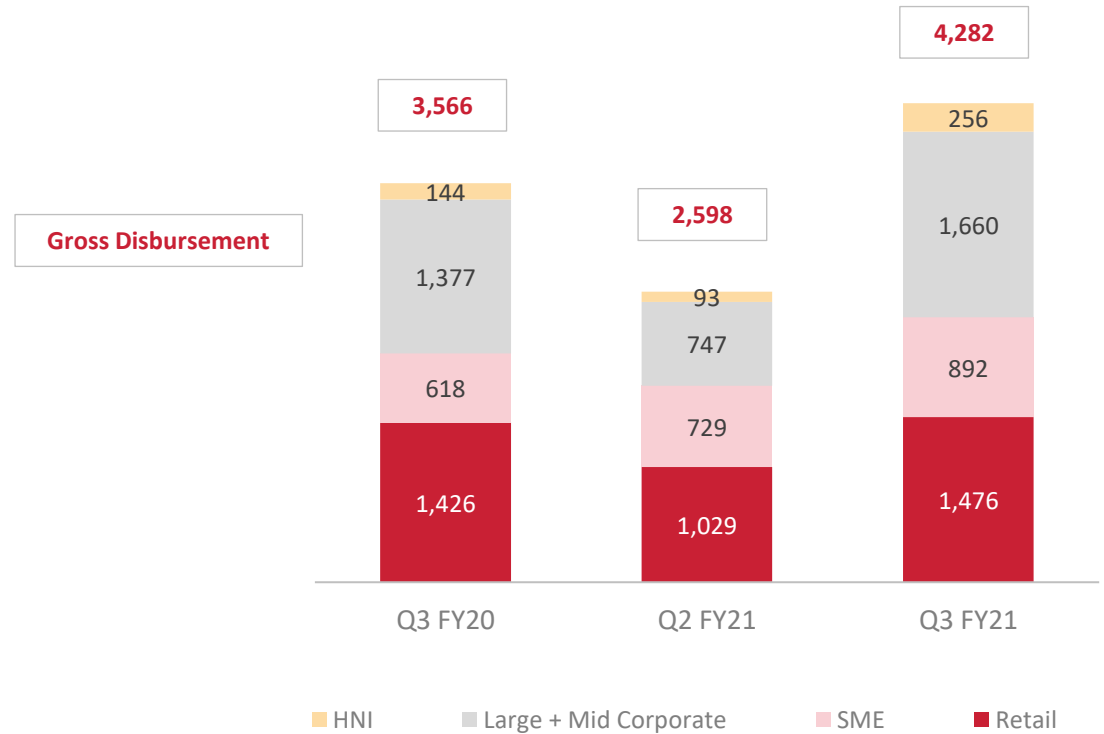
# Strong revival in disbursements with focus on retailisation

Figures in Rs Crore

## Change in Loan Book Mix

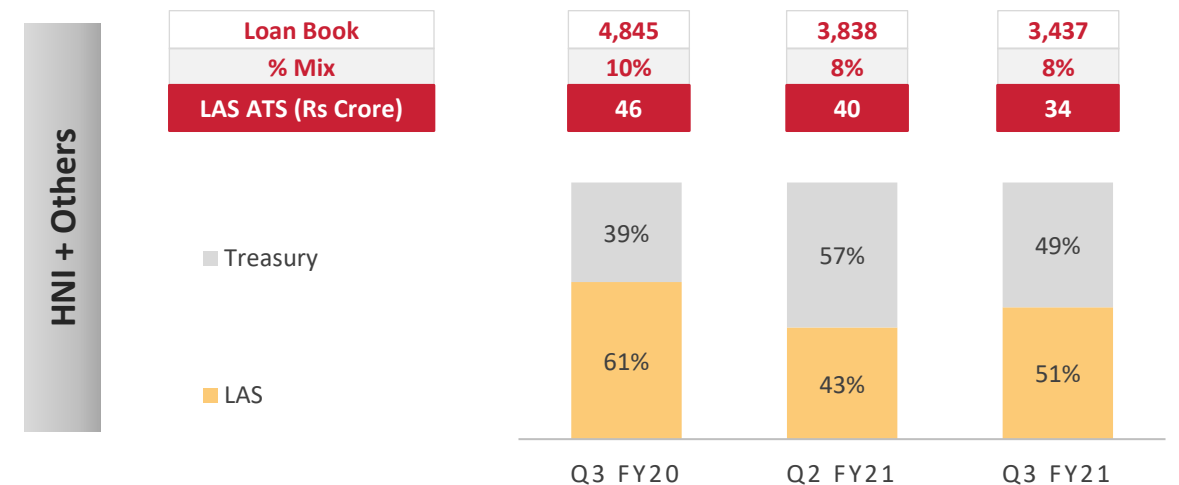
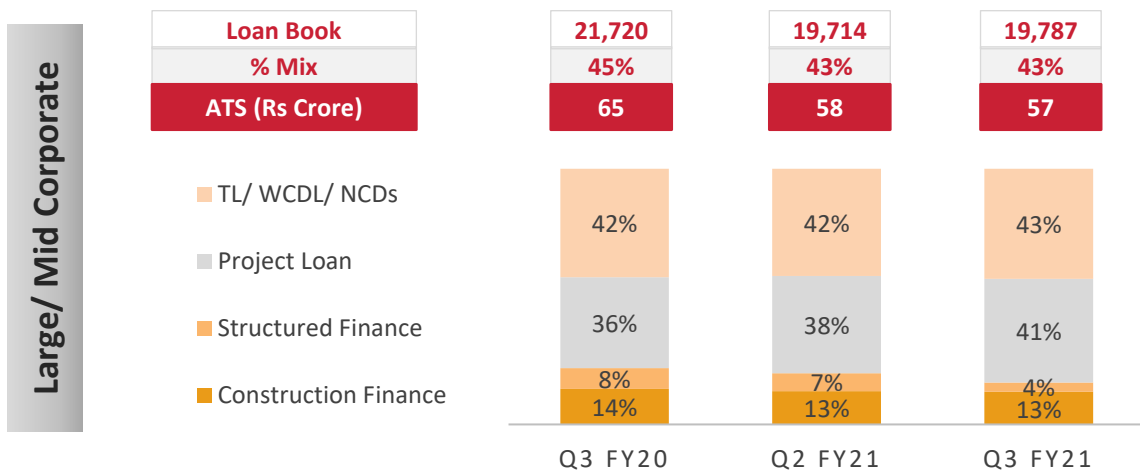
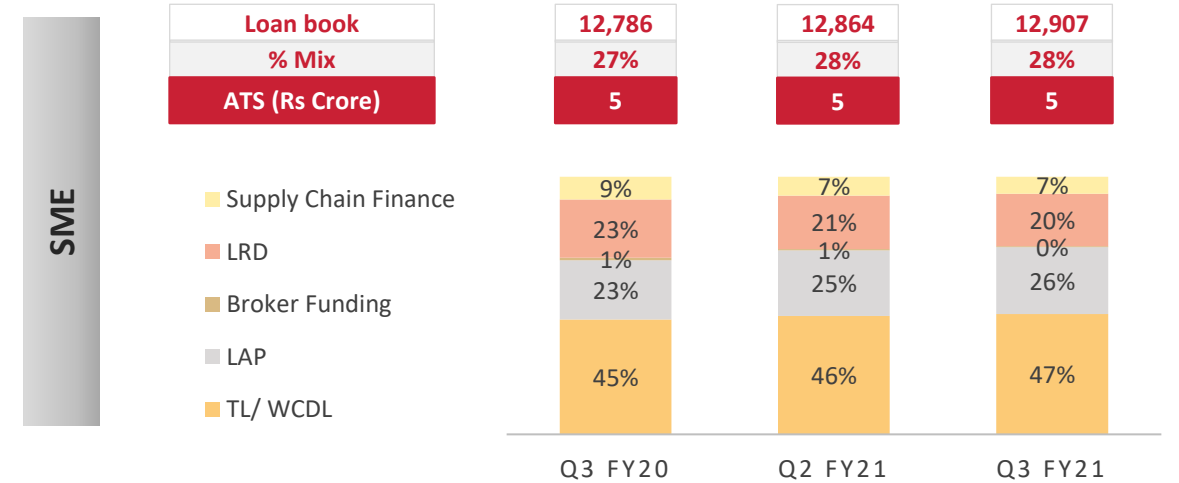
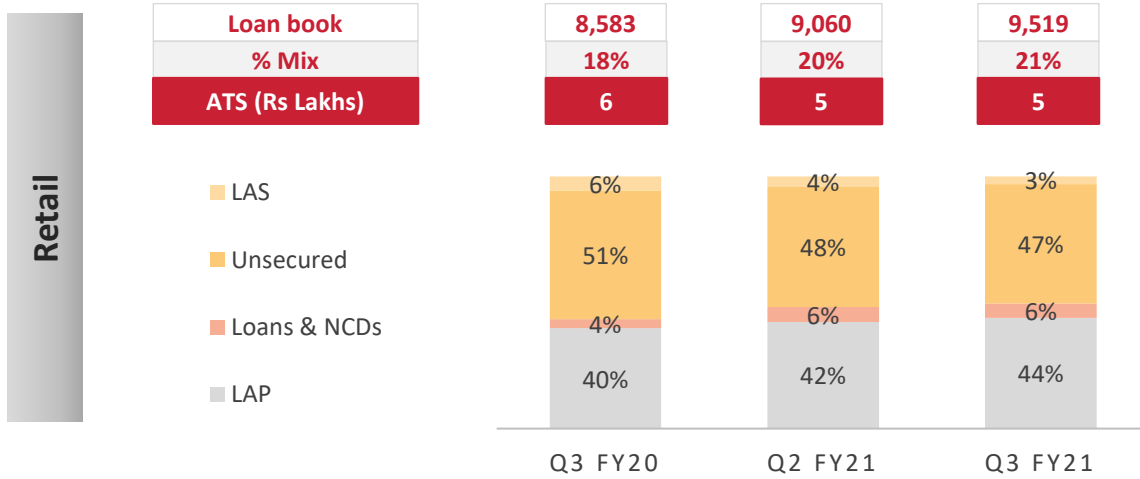


## Focusing new disbursement in Retail and SME Segments



# Building granularity across segments

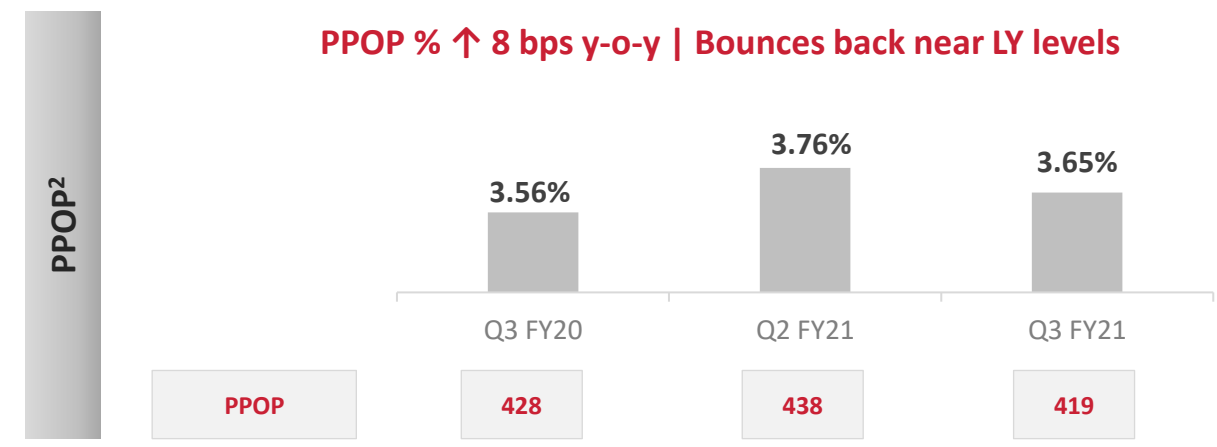
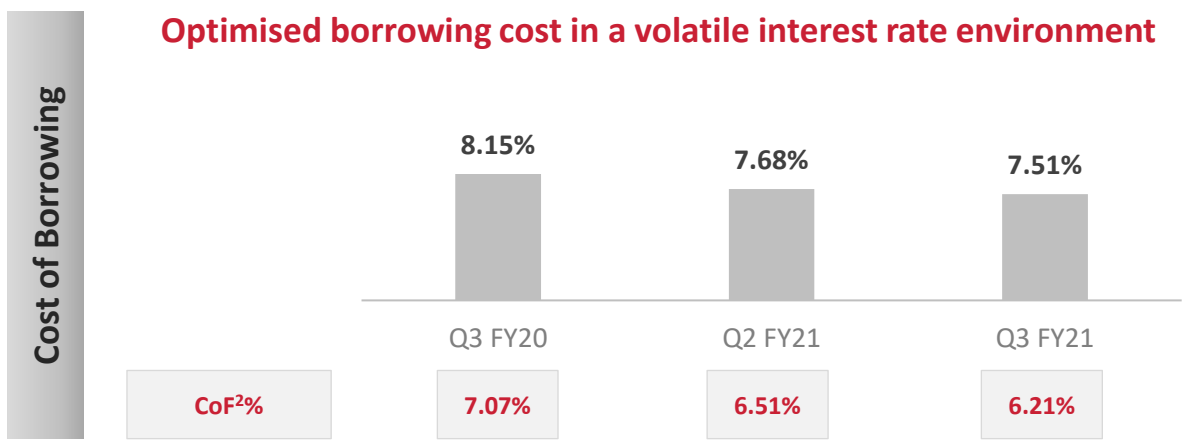
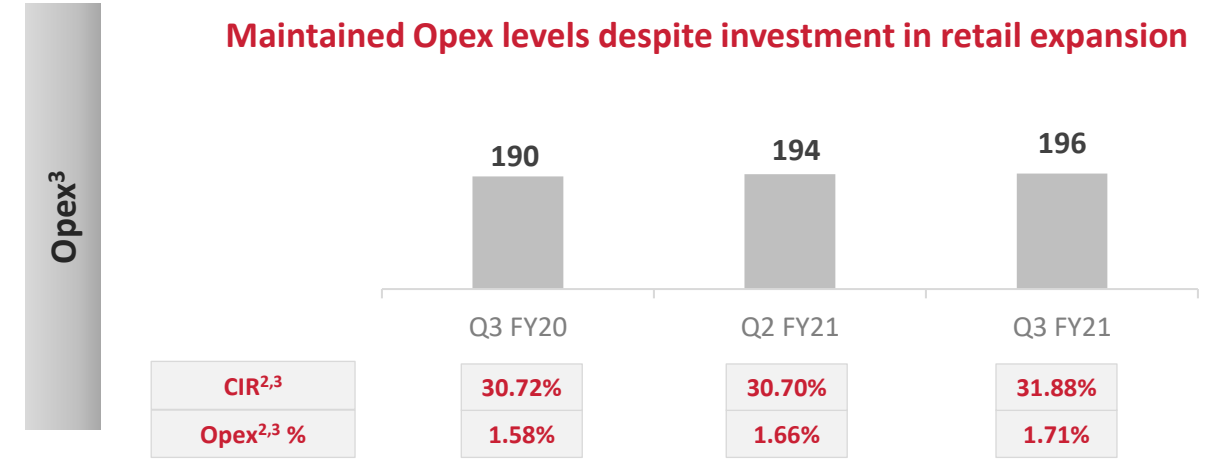
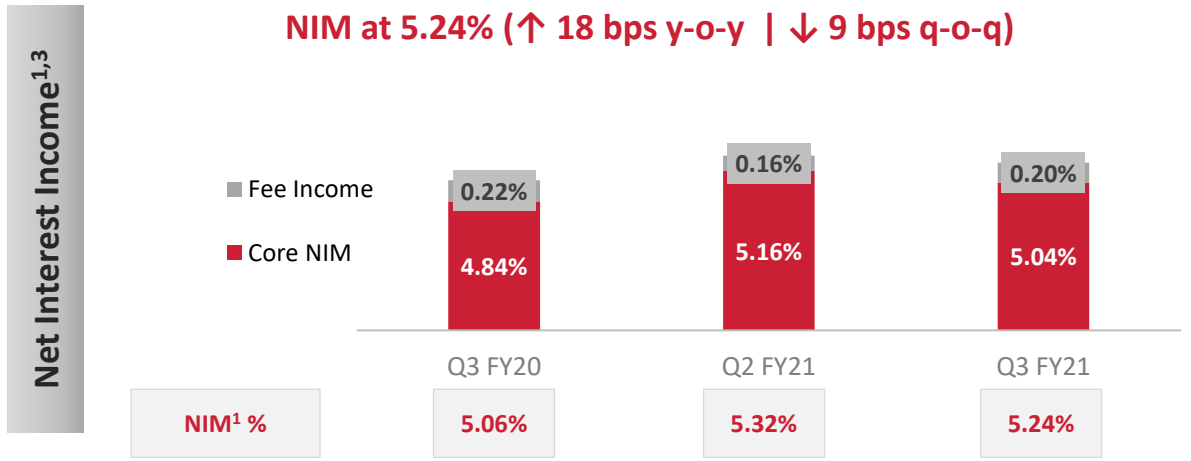
Figures in Rs Crore





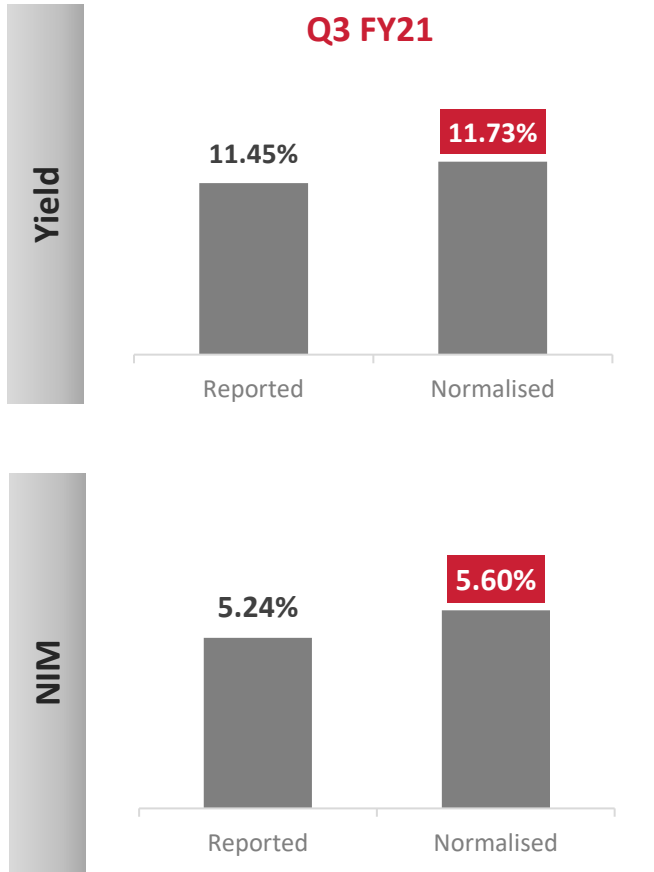
# Continue to deliver strong core operating profits

Figures in Rs Crore

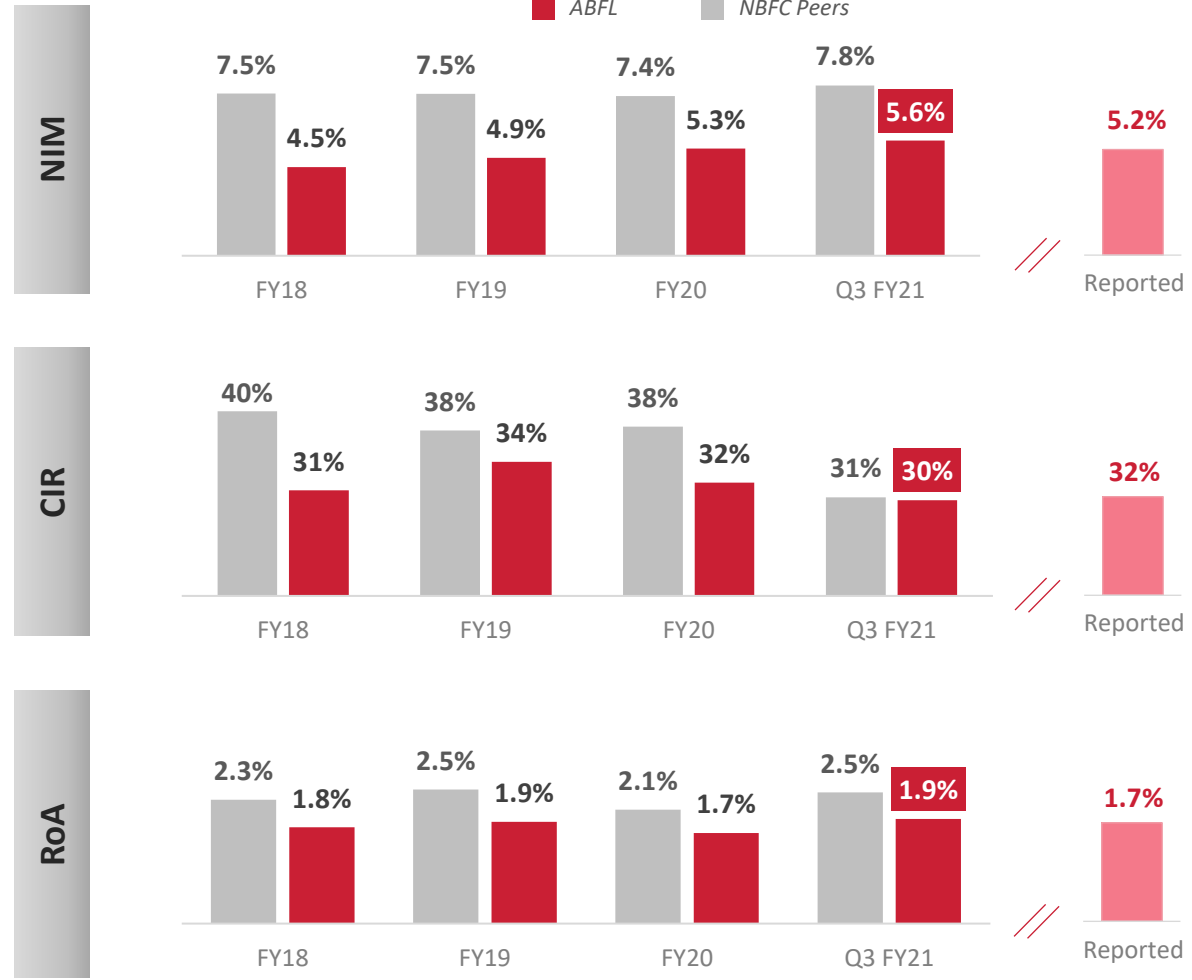


# Margin improvement to continue to drive ROA

Figures in Rs Crore



**Net accounting adjustment  
(One-offs & yield loss on NPA A/Cs)**



**Net Margins expanding over time as our Retail + SME loan book mix increases**

**Operating cost comparable and expected to stabilise at 30% levels after retail footprint is scaled up**

**RoA impacted by elevated credit costs mainly in large corporate segment; Expected to normalise as resolutions take place**

Peer numbers based on disclosed results. For ABFL: Q3 FY21 NIM, CIR & RoA are based on normalized numbers, FY18 to FY20 KPIs are as reported

<sup>1</sup> 6 NBFC Peer include: Bajaj Finance, L&T Finance, Mahindra Finance, Cholamandalam Finance, Shriram City Union Finance, IIFL Finance

# Quality of book

Figures in Rs Crore

Stage 1 & 2 PCR from 0.70% (Q4 FY20) → 1.04% (Q3 FY21) | Stage 3 PCR from 33.0% (Q4 FY20) → 38.5% (Q3 FY21) | ~Rs 550 Crore resolutions in Q3

Figures in Rs Crores	Q4 FY20			Q1 FY21			Q2 FY21			Q3 FY21		
	Stage 1 & 2	Stage 3		Stage 1 & 2	Stage 3		Stage 1 & 2	Stage 3		Stage 1 & 2	Stage 3	
Loan Book	45,360	1,697		44,284	1,655		43,899	1,576		44,246	1,404	
% Loan Book (Gross)	96.39%	IL&FS	Ex-IL&FS	96.40%	IL&FS	Ex-IL&FS	96.53%	IL&FS	Ex-IL&FS	96.92%	IL&FS	Ex-IL&FS
		0.47%	3.15%		0.48%	3.13%		0.48%	2.98%		0.48%	2.59%
ECL Provision	316	566		386	638		425	702		457	541	
Provision Coverage	0.70%	33.0%		0.87%	38.60%		0.97%	44.55% <sup>1</sup>		1.03%	38.54%	
% Loan Book (Net)		2.40%			2.21%			1.92%			1.89%	

## Stage 3

- **GNPA: 1.78% and NNPA: 1.12%**, based on Hon'ble Supreme Court's interim order of not classifying customers as NPA after 31 Aug
- **76% of incremental GS3 is from the morat book**

## Resolutions and Restructuring

- **Resolutions in line with guidance; Resolved ~Rs 550 crores of Stage 3 cases in Q3 FY21**
- **Restructured 1.5% of overall loan book in Q3 FY21; 85% in Stage 1**

## Provisioning

- **Incremental provisioning of Rs 36 Crores in Q3 FY21 on loan book under Stage 1 & 2**
- **Additionally, CoVID-19 provision of Rs 139 Crore (30 bps of Loan Book) still available**

## Credit Cost

- **Credit cost % of AAUM at 1.38% (PQ: 1.67% | PY: 1.29%)**
- **Credit cost for H2 FY21 expected to be in ~1.25% range, depending on economic conditions**

<sup>1</sup> Considering Stage 3 resolutions in Q3FY21, the normalized Q2FY21 PCR would stand at 37.2%

# Adequate provisioning and security cover across segments



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Figures in Rs Crore

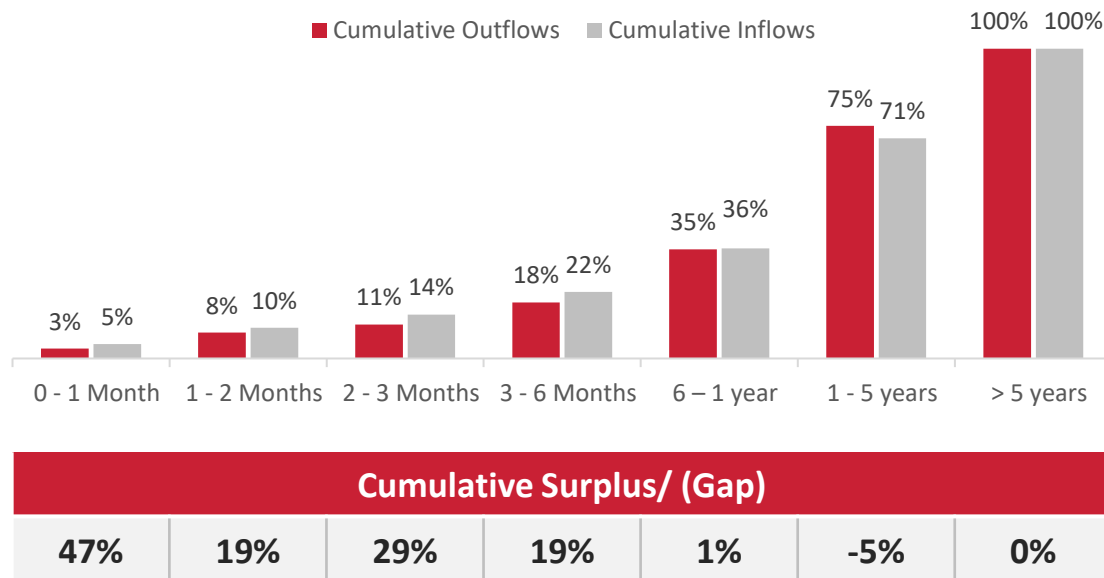
## Security cover and Guarantee Programs

- **~80%** of total loan book secured. Security Cover:
  - **Overall Loan Book:** Security value of Rs 78,870 Crore Vs. overall loan book of Rs 45,650 Crore (**Net Security Cover<sup>1</sup>: 1.7x**)
  - **Net Stage 3 Book:** Security value of Rs 1,322 Crore Vs. Net Stage 3 assets of Rs 863 Crore (**Net Security Cover<sup>1</sup>: 1.5x**)
- **Additional 4% secured** through CGTMSE guarantee scheme
  - **75% of Existing MSME Unsecured Loans** are covered under credit guarantee with SIDBI (CGTMSE Program)

Customer Segment	Gross Stage 3	Provision	Net Stage 3	Security Value	Net Security Cover <sup>1</sup>
SME	242	80	162	282	1.7x
Retail - Secured	75	19	55	104	1.9x
Retail - Unsecured	177	98	79	-	-
Large Corp (ex IL&FS)	690	272	418	749	1.8x
Large Corp (IL&FS)	220	72	148	187	1.3x
HNI & Others	-	-	-	-	-
<b>Total Book</b>	<b>1,404</b>	<b>541</b>	<b>863</b>	<b>1,322</b>	<b>1.5x</b>

# Well matched ALM with adequate liquidity

## ALM optimised for liquidity and costs 31<sup>st</sup> December 2020



**Raised LT borrowing of Rs 3,146 Crores in 9M FY21**  
 Term Loans: Rs 1,900 Crore NCD: Rs 1,246 Crores

**Diversified borrowing profile with LT Mix at 88%**

## Adequate liquidity under stress test scenario

**Liability Maturity (Dec'21)**  
 (Including interest payments)

13330

Liability Maturity

**Fund Available as on 31<sup>th</sup> Dec 2020**  
 (Assuming 50% of collections)

14,392

13,933

460

Funds Available

■ Balance Funds  
 (Undrawn Lines +  
 50% Collections)

■ Liquid Surplus

**Optimised cost of borrowing despite increased spreads for NBFCs**

**Maintaining comfortable capital adequacy**  
 Q3FY21: CRAR at ~23.2%

## Digital initiatives/ Assets deployed

### Customer Onboarding

- **Completely digital and paperless onboarding**
- **All Salaried Personal Loans business in Q2 FY21 sourced, underwritten and disbursed digitally**
- Business loans and Retail LAP: Pan-India deployment of digital LOS in progress
- Leveraging OCR, Video KYC, Face ID, video PD + geotagging, e-sign and e-Contract features

### Digital Payments and Collections

- ABFL payment hub and new channels such as UPI, Wallets, eNach etc. introduced for digital payments collections.
- Voice bot used for collection and moratorium calling in FY21

### Top-up and cross-sell

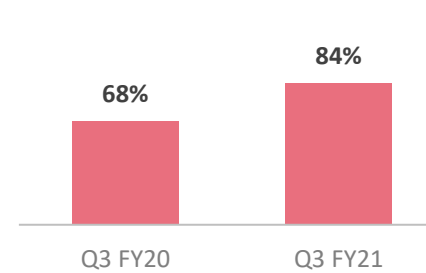
- Policy rules digitally coded for auto-generating top up and cross sell offers
- Pre-approved and pre-qualified offers auto-generated monthly from Bureau refresh
- CRM workflows deployed for smooth transitioning of leads
- Customer connectivity **improved to avg 78 % since inception**

### Customer Self-Service

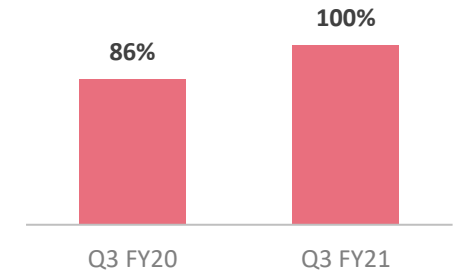
- Chatbot & WhatsApp channel seen significant uplift in Q3, **self serve up from 52% to 66%**
- Significant increase in **Email BOT Auto response from 50% to 64%**
- **WhatsApp channel interactions up 5x to 74k/month; 4-5 new services added**
- Omni Channel being leveraged to propose Service to Sales Top up offer

## Business KPIs

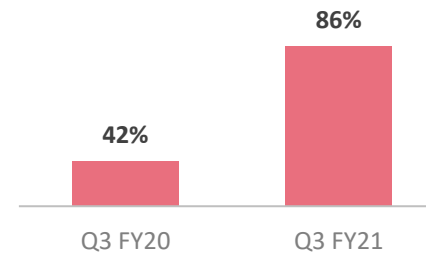
### Digital Onboarding



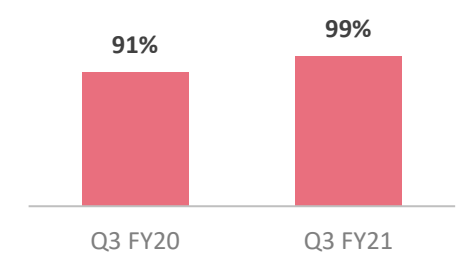
### Digital Payouts



### Service Interaction Digitally



### Digital Collection



# Key Financials – Aditya Birla Finance Limited



adityabirlacapital.com

Figures in Rs Crore

Quarter 2	Quarter 3	
FY 20-21 (CY)	FY 19-20 (PY)	FY 20-21 (CY)
<b>45,475</b>	<b>47,933</b>	<b>45,650</b>
11.83%	12.13%	11.45%
6.51%	7.07%	6.21%
5.32%	5.06%	5.24%
<b>632</b>	<b>617</b>	<b>615</b>
<b>194</b>	<b>190</b>	<b>196</b>
1.66%	1.58%	1.71%
30.7%	30.7%	31.9%
<b>194</b>	<b>155</b>	<b>159</b>
1.67%	1.29%	1.38%
<b>244</b>	<b>272</b>	<b>261</b>
<b>181</b>	<b>203</b>	<b>193</b>
<b>8,380</b>	<b>8,089</b>	<b>8,581</b>
<b>1.6%</b>	<b>1.7%</b>	<b>1.7%</b>
<b>9.1%</b>	<b>10.7%</b>	<b>9.5%</b>

Key Performance Parameters
<b>Lending book</b>
Average yield (Incl. Fee Income)
Interest cost / Avg. Lending book
Net Interest Margin (Incl. Fee Income)
<b>Net Interest Income (Incl. Fee Income)</b>
<b>Opex</b>
Opex / Avg. Lending book
Cost Income Ratio
<b>Credit Provisioning</b>
Credit Provisioning/ Avg. Lending book
<b>Profit before tax</b>
<b>Profit after tax</b>
<b>Net worth</b>
<b>Return on Assets %</b>
<b>Return on Equity %</b>

Nine Months	
FY 19-20 (PY)	FY 20-21 (CY)
<b>47,933</b>	<b>45,650</b>
12.30%	11.64%
7.15%	6.51%
5.15%	5.13%
<b>1,927</b>	<b>1,813</b>
<b>551</b>	<b>563</b>
1.50%	1.63%
28.6%	31.1%
<b>386</b>	<b>557</b>
1.05%	1.60%
<b>990</b>	<b>693</b>
<b>684</b>	<b>515</b>
<b>8,089</b>	<b>8,581</b>
<b>1.9%</b>	<b>1.5%</b>
<b>12.4%</b>	<b>8.6%</b>

**Aditya Birla Housing Finance Limited**

Housing Finance Business



**ADITYA BIRLA  
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

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# Performance Summary | Housing Finance | AB Housing Finance

## 1 Strong disbursements revival in target segment

- Strong rebound in gross disbursement at Rs.815 Crore (↑19% q-o-q ; ↑5% y-o-y)
- Focus on granular business continues with **48% disbursement in affordable segment** in Q3 FY21 (PY: 33%); **Affordable book Mix at 24% (PY:17%)**
- Expanding into **30 new locations (Tier 3-4) in Q4** and augmenting front line capability

## 3 Improving margins & Core Profitability

- NIM expanded to 3.68% (↑ 4 bps q-o-q | ↑ 81 bps y-o-y)
- Cost income ratio at 35.7% (↓ 6% q-o-q | ↓ 12% y-o-y)
- Pre-provision operating profit at Rs 78 Crore (↑ 60% y-o-y)
- PAT at Rs 38 Crore; Grew by 38% y-o-y

## 5 Digital Adoption

- **86% of all files sourced digitally in Q3 FY21**
- **Onboarded 38% of our total customers through ABC One ID portal**
- **WhatsApp gone Live on 29 Service Requests; Adoption level is 95%**

## 2 Increasing retail granularity and focus on affordable segment

- **Focused approach to build granular higher-yielding business:**
  - HL ATS at Rs 27 Lacs ↓ 18% y-o-y
  - Construction Finance ↓ 19% y-o-y to 4% of loan book
- **Focus on growing informal segment (assessed income category) within Affordable Segment**

## 4 Quality of Book & Collections revival

- **Strong collection efficiency at 96.3% in Dec'20**
- **GNPA and NNPA at 1.14% and 0.75% respectively<sup>1</sup>**
- **Enhanced provision cover over Dec'19 (LY). PCR by stages:**
  - Stage 1: **0.47% (↑ 1.6x y-o-y) | Stage 2: 7.86% (↑ 3x y-o-y)**
  - Stage 3: **33.5% (PY: 32%)**
- **Restructured Rs 375 Crores in Q3 FY21 (3.2% of Loan Book | 75% in Stage 1)**

## 6 Liquidity and Balance Sheet Resilience

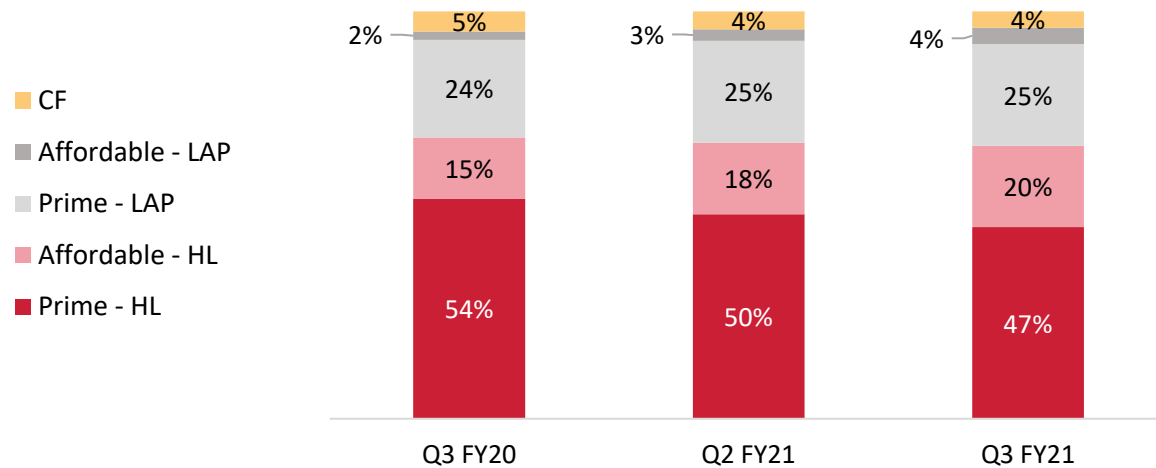
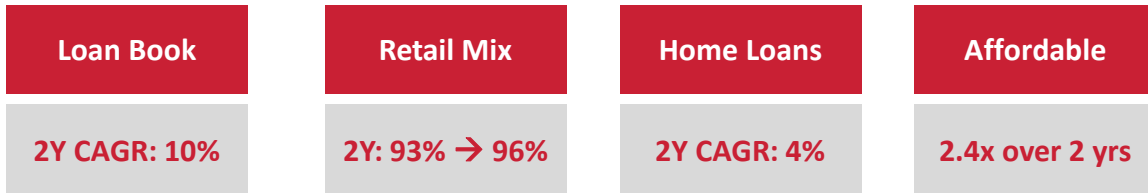
- Dynamic treasury management helped optimise borrowing cost despite increased spreads for HFCs and surplus liquidity: CoB ↓ **77 bps y-o-y | ↓ 28 bps q-o-q**
- **Raised LT borrowing of Rs 1,550 Crore in YTD FY21**
- **Comfortable capital adequacy with CRAR at ~19.4%**

<sup>1</sup> Without considering the Hon'ble Supreme Court's interim order of not classifying customers as NPA after 31 Aug, GNPA and NNPA stood at 1.89% & 1.26% respectively; Incremental slippages in Q3 were from morat pool only

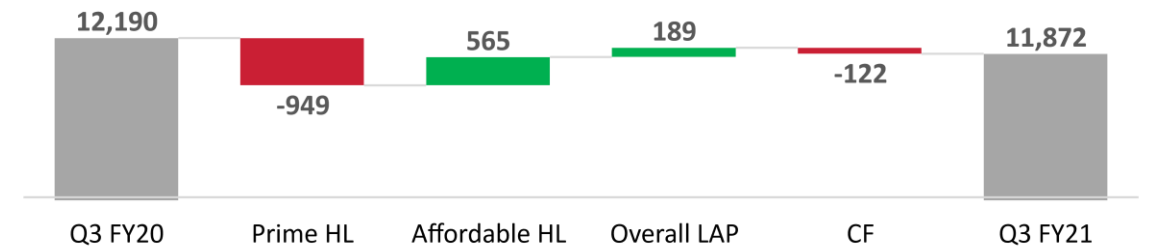
# Recovery in disbursement with growth in focused segments

Figures in Rs Crore

## Growing loan book with increased retail mix

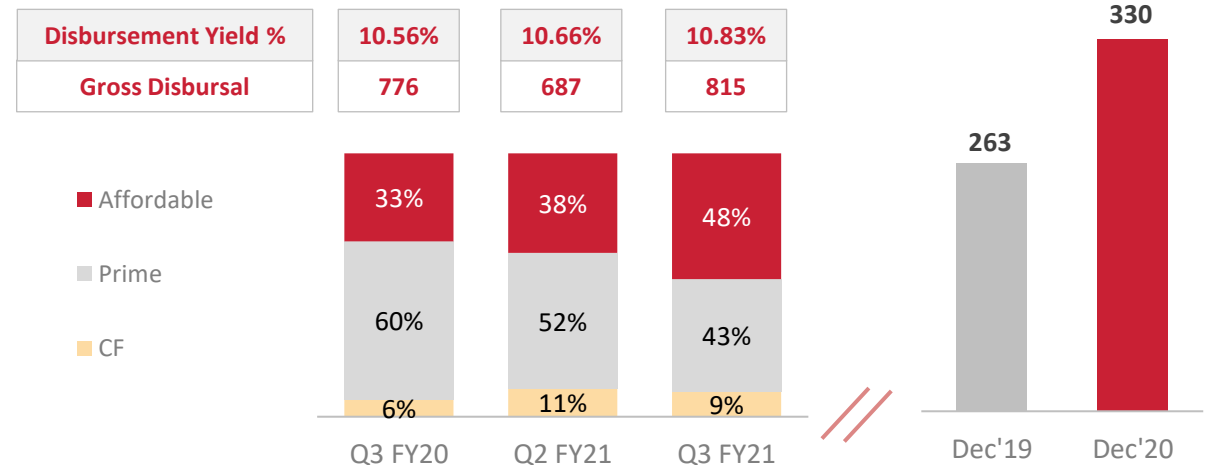


## Improving margins through change in mix



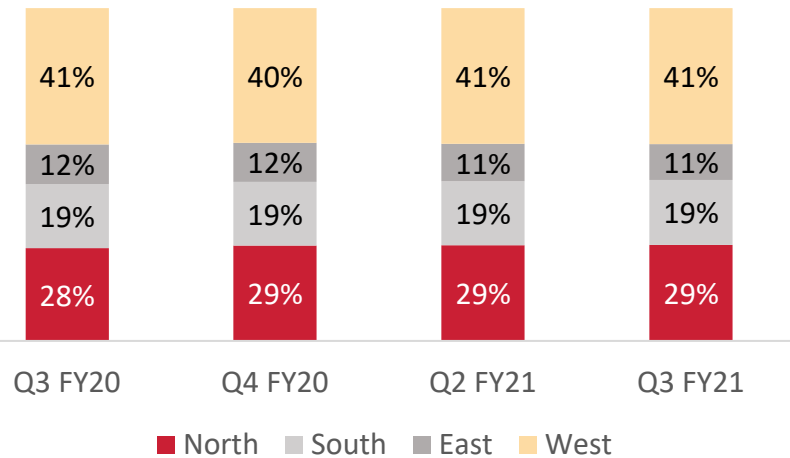
Gross disburseals (Q3 FY21) ↑ 5% y-o-y | ↑ 19% q-o-q

Growth: 26% Y-o-Y



# Sourcing strategy

## Diversified Geographic Mix (%)



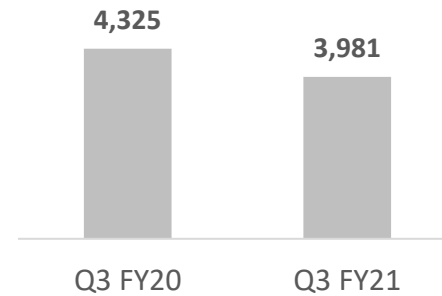
**Balanced distribution strategy**

Tapping growth in smaller cities

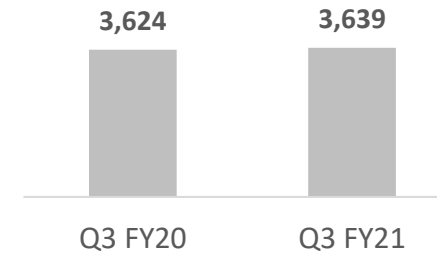
## Focus on increasing reach and building retail granularity

### Home Loans Sourcing

#### Metros



#### Non-Metros



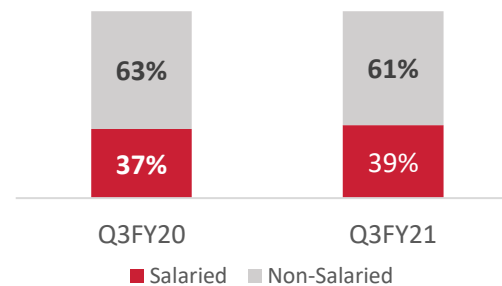
**Non-metro loan book mix at 48%**

57 branches currently operational pan-India

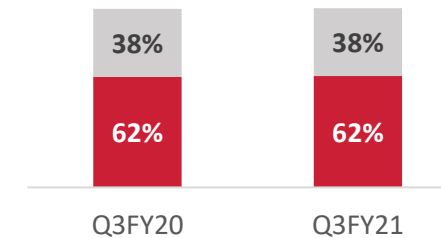
### Customer Mix

#### Overall Home Loans

ATS: Rs 27 Lacs (PY: Rs 33 Lacs)

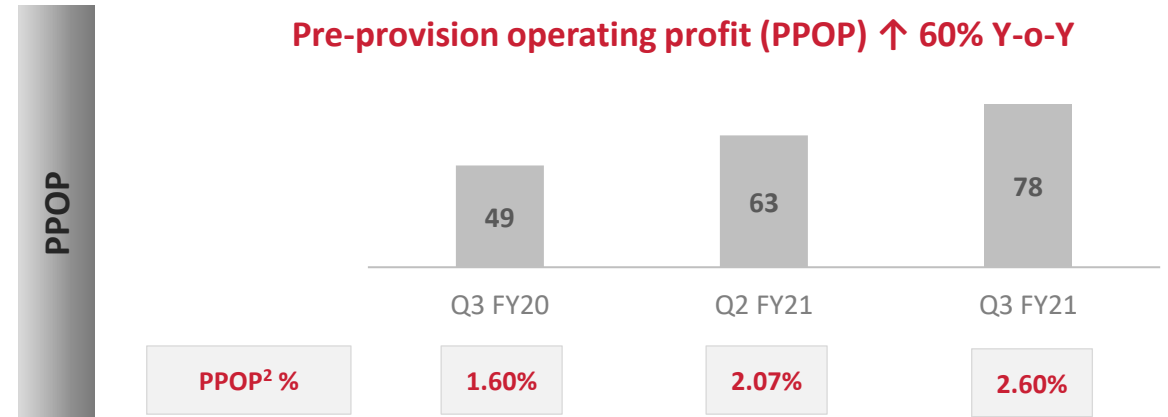
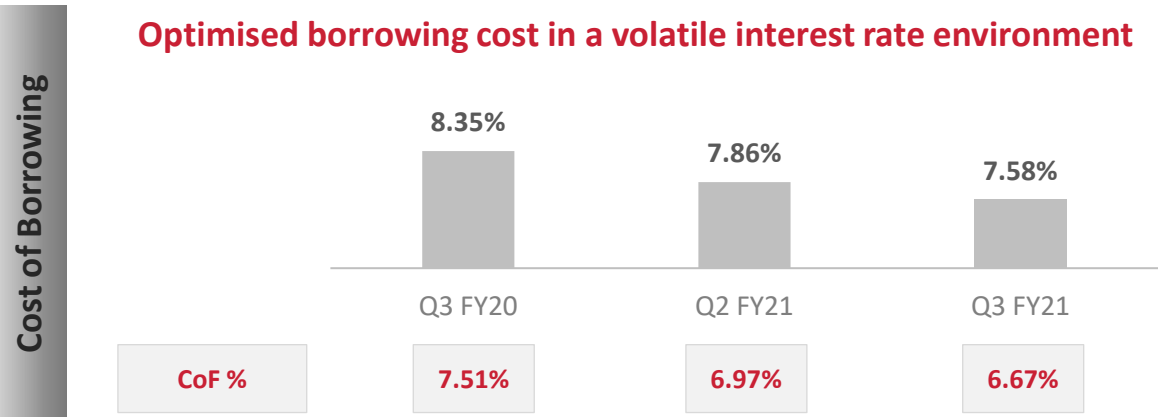
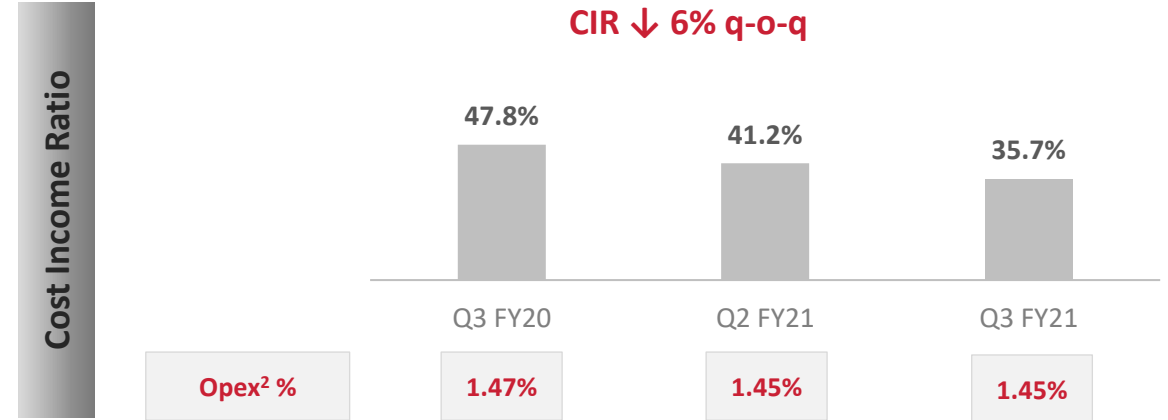
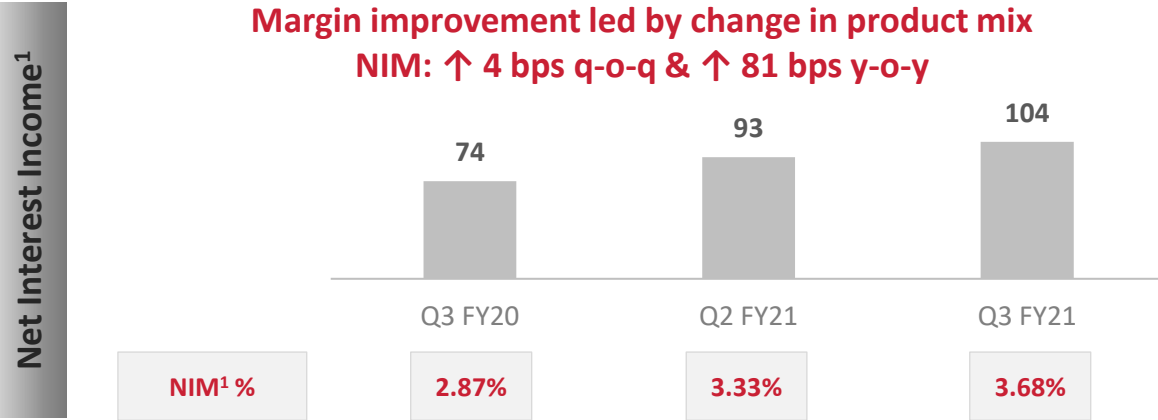


#### Affordable Home Loans



**Focus on affordable segment**

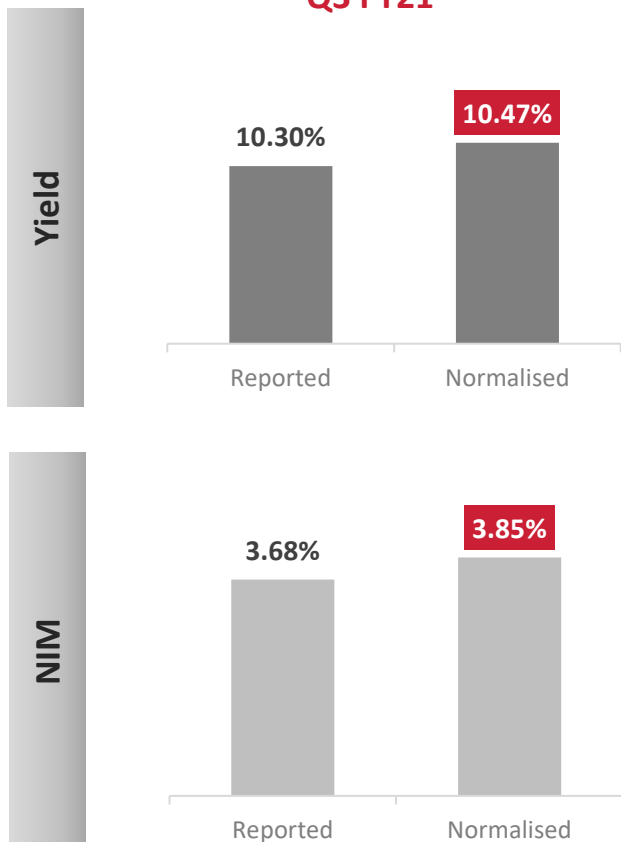
# Increase in core profits driven by margins and control on cost



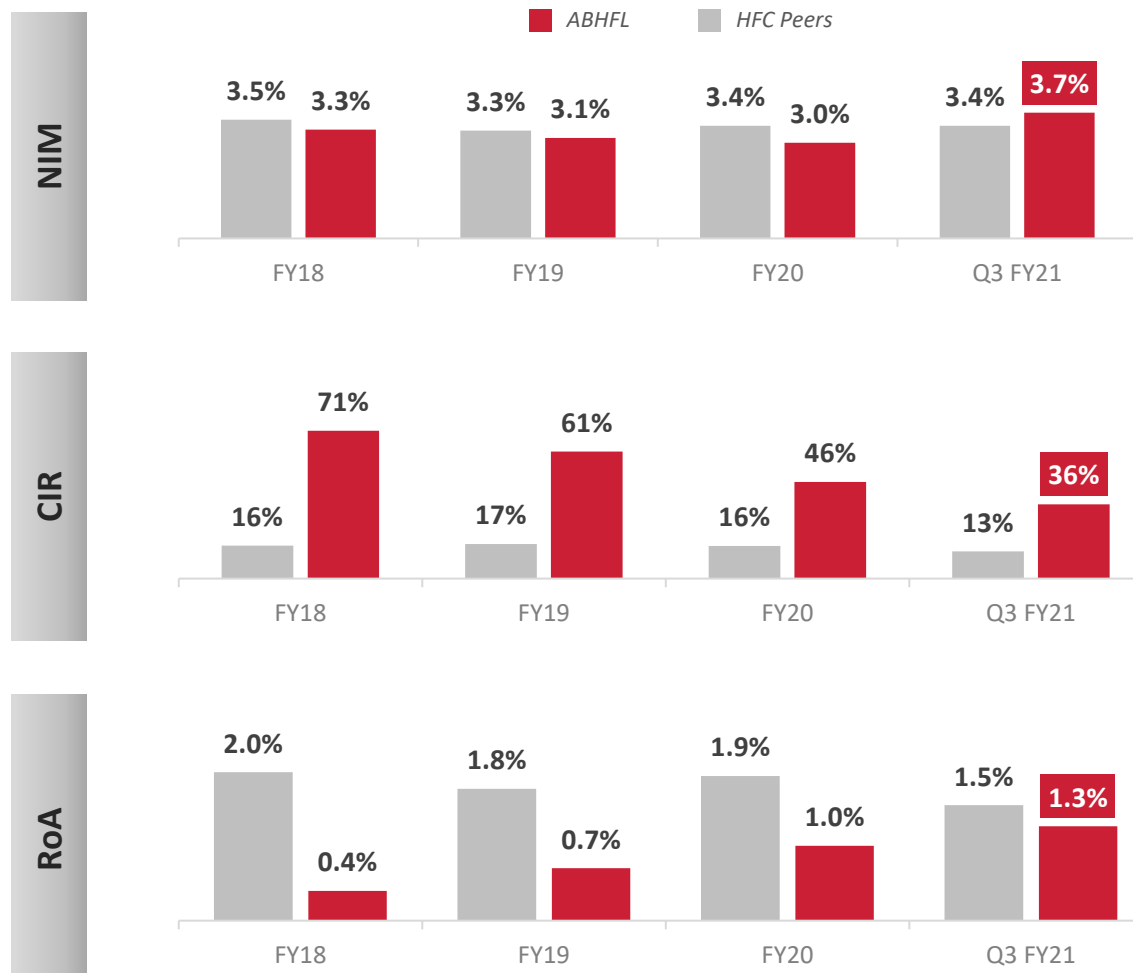
# Scale to drive improving ROA

Figures in Rs Crore

**Q3 FY21**



**Net accounting adjustment  
(One-offs & yield loss on NPA A/Cs)**



Peer numbers based on disclosed results. For ABHFL: All KPIs are based on Reported numbers

**Net Margins expanded over time as we increase affordable share of the book**

**CIR expected to normalise as platform scales compared with the vintage and scale of peers with Avg. AUM > Rs 50k+ Cr**

**RoAs to increase as business scales up and CIR reduces**

# Quality of book

Stage 1 & 2 PCR from 0.47% (Q4 FY20) → 0.74% (Q3 FY21) | Stage 3 PCR from 32% (Q4 FY20) → 34% (Q3 FY21)

Figures in Rs Crores	Q4 FY20		Q1 FY21		Q2 FY21		Q3 FY21	
	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3
Loan Book	11,955	147	11,989	146	11,967	150	11,648	224
% of Loan Book (Gross)	98.79%	1.21%	98.80%	1.20%	98.76%	1.24%	98.11%	1.89% <sup>1</sup>
ECL Provision (incl. CoVID)	56	47	70	47	79	55	87	75
Provision Coverage	0.47%	32%	0.58%	32%	0.66%	37%	0.74%	34%
% of Loan Book (Net)		0.82%		0.81%		0.78%		1.26%

## Credit Cost

- Overall CoVID-19 provision: Rs 30 Crore (32 bps of Loan Book)
- Security value of Rs 294 Crore against Net Stage 3 assets of Rs 149 Crore (1.97x security cover)

## Affordable Loan Book

- ATS ~ Rs 16 Lacs
- 31% of Affordable Home Loans portfolio backed by IMGC and 46% eligible for PMAY subsidy

## Construction Finance

- ATS on exposure: Rs 20 Crore | ATS on outstanding: Rs 8 Crore
- ~83% exposure to Bangalore, MMR, Pune, Surat, Hyderabad and NCR

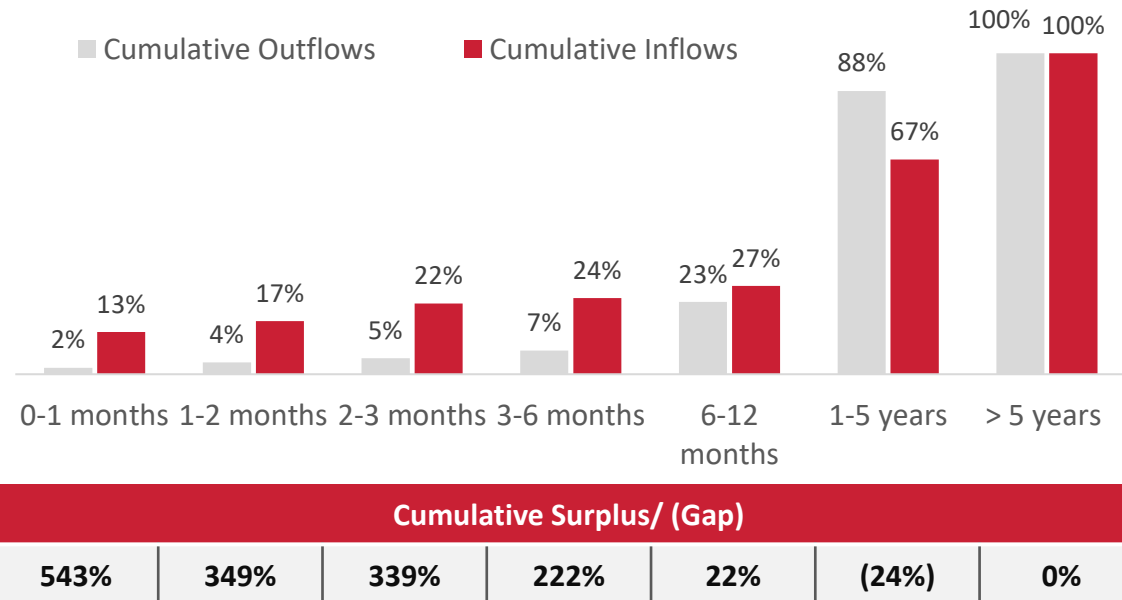
## Other Updates

- Collection Efficiency at 96.3% in Dec'20
- Restructured Rs 375 Crores of loan book during Q3 FY21
  - 3.2% of Loan Book
  - 75% in Stage 1

# Well matched ALM with adequate liquidity

Figures in Rs Crore

## ALM optimised for liquidity and costs (As on 31<sup>st</sup> December 2020)

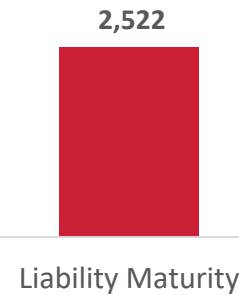


**Raised LT borrowings of Rs 1,550 Crore in YTD FY21**

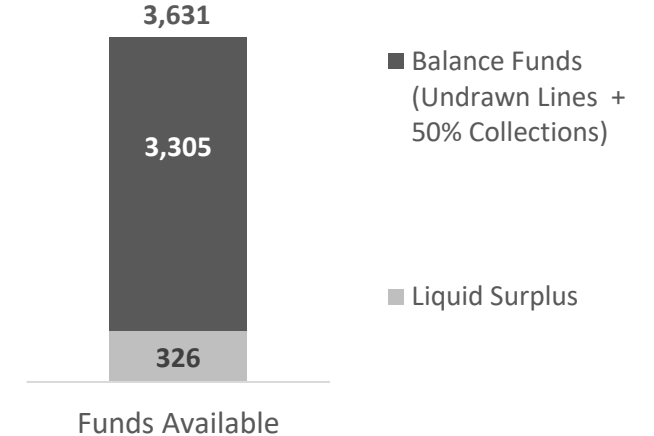
**(Term Loan: Rs 1,100 Crore, NCD: Rs 450 Crore)**

## Adequate liquidity under stress test scenario

**Liability Maturity (Dec'21)**  
(Including interest payments)



**Fund Available as on 31<sup>st</sup> Dec 2020**  
(Assuming 50% of collections)



**Maintaining comfortable capital adequacy**  
**Q3 FY21: CRAR at ~19.4% (Regulatory requirement: 14%)**

## Digital initiatives/ Assets deployed

### Customer Onboarding

- Mobile App for Digital onboarding of customers leveraging e-Aadhaar, facial recognition, bureau integration, ITR & GST database integration.
- **Processing time reduction with better credit decisioning capability through:**
  - Instant eligibility through in-built calculator
  - API assessment of financial eligibility
  - Video PD with geo-tagging option

### Digital Collections

- Voice Bot for collections and moratorium calling 69% Promise to Pay
- Leveraging Collections App for Digital payment
- Deployed 2-way switch calling platform enabling In-House Collections for Sales Teams during WFH on moratorium & overdues collections follow-up

### Digital Payments

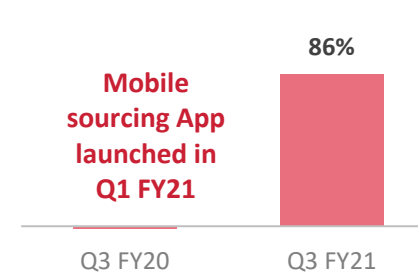
- Use of Paytm, Bill desk & Virtual Accounts for payment has enabled faster reconciliation & real time account update.
- Part payment automation using RPA has reduced Overall TAT by 75%

### Digital Servicing

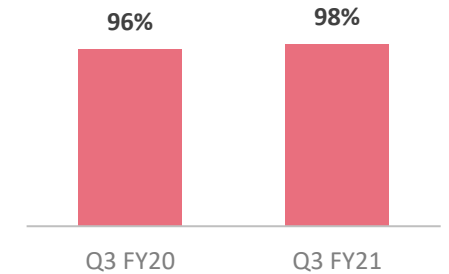
- WhatsApp: Live on 29 Service Requests | 24 are STP | Adoption level is 95%.
- E-Bot efficiency increased from 84% to 90%
- Cust portal: Live on 62 service requests catering to 60% of overall service requests

## Business KPIs

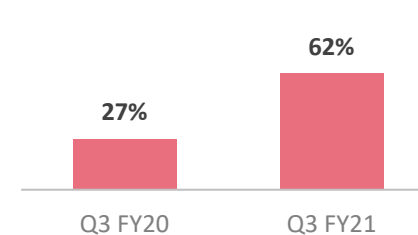
### Customer Onboarding



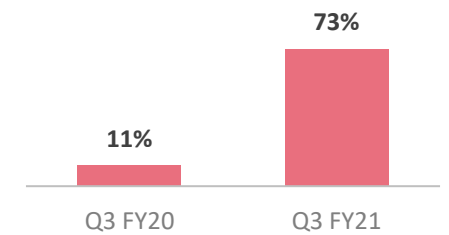
### Digital Collection



### Digital Payout



### Service Interaction Digitally

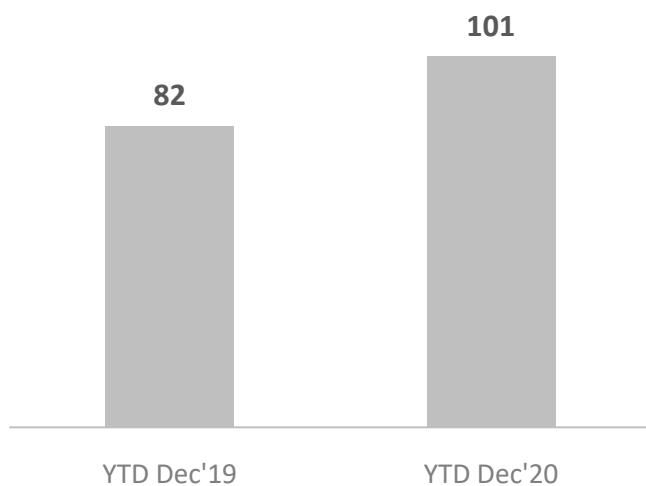




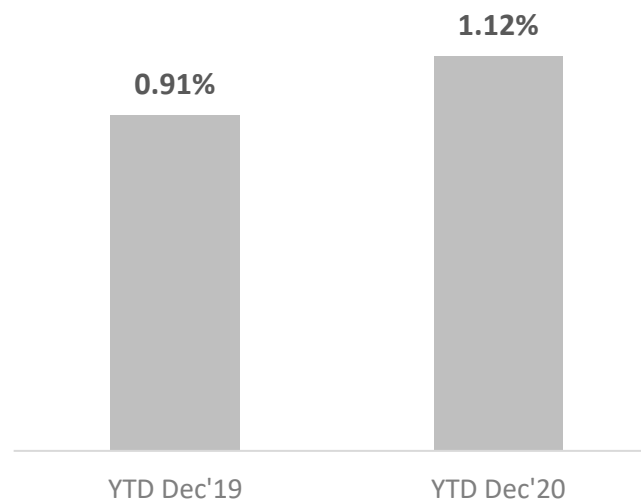
# Value accretive growth

Figures in Rs Crore

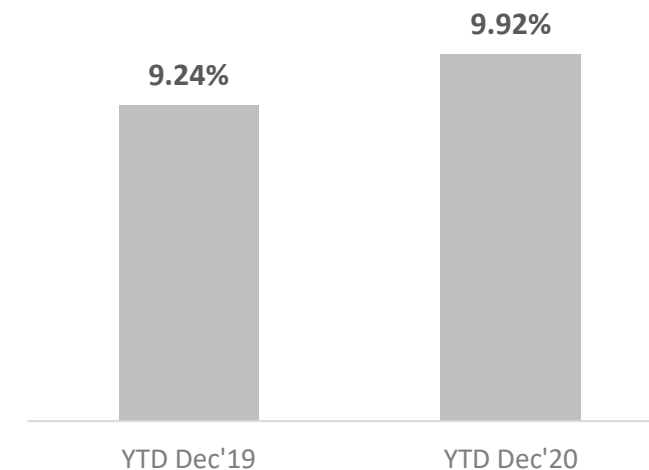
## PAT



## Return on Assets



## Return on Equity<sup>1</sup>



# Key Financials – Aditya Birla Housing Finance Limited



adityabirlacapital.com

Figures in Rs Crore

Quarter 2	Quarter 3			Nine Months	
FY 20-21 (CY)	FY 19-20 (PY)	FY 20-21 (CY)	Key Performance Parameters	FY 19-20 (PY)	FY 20-21 (CY)
<b>12,117</b>	<b>12,190</b>	<b>11,872</b>	<b>Lending book</b>	<b>12,190</b>	<b>11,872</b>
10.25%	10.35%	10.30%	Average yield	10.39%	10.30%
6.97%	7.51%	6.67%	Net Interest cost / Avg. Loan book	7.52%	6.94%
3.33%	2.87%	3.68%	NIM*	2.92%	3.42%
<b>108</b>	<b>94</b>	<b>122</b>	<b>Net Interest Income</b>	<b>281</b>	<b>325</b>
<b>44</b>	<b>45</b>	<b>44</b>	<b>Opex</b>	<b>129</b>	<b>131</b>
1.45%	1.47%	1.45%	Opex/ Avg. Loan Book	1.44%	1.45%
41.2%	47.8%	35.7%	Cost Income Ratio (%)	45.9%	40.5%
18	14	31	<b>Credit Provisioning</b>	42	64
0.58%	0.45%	1.01%	Credit Provisioning/ Avg. Loan Book	0.48%	0.71%
<b>45</b>	<b>35</b>	<b>48</b>	<b>Profit Before Tax</b>	<b>109</b>	<b>129</b>
<b>36</b>	<b>27</b>	<b>38</b>	<b>Profit After Tax</b>	<b>82</b>	<b>101</b>
<b>1,442</b>	<b>1,270</b>	<b>1,481</b>	<b>Net worth</b>	<b>1,270</b>	<b>1,481</b>

**Aditya Birla Sun Life AMC Limited**  
Asset Management Business



**ADITYA BIRLA  
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

# Performance Summary | Asset Management | ABSL Asset Management Co

## 1 Momentum in AUM growth and Mix

- Overall Domestic AAUM at Rs. 2,55,458 Crore in Dec'20 (↑ ~7% q-o-q)
- Domestic Equity AAUM Rs. 87,516 Crore in Dec'20 (↑ ~6% q-o-q) with mix at 34%
- Retail+HNI AAUM at Rs 1,22,574 Crore in Dec'20 (↑ ~10% q-o-q); 5Y CAGR ~18%

## 2 Maintaining Leadership and Market Share

- Maintained overall AAUM market share (Ex. ETF) at 9.35%;
- Maintained leadership in fixed income (Ex ETF); AAUM Market share at 10.86%
- Strong retail franchise with investor folio count at ~7.1 Mn; Significant growth in terms of folios with 5 years CAGR at 21% vs. Industry at 16% (as on Dec-20)

## 3 Solid and Resilient Retail Franchise

- Retail AAUM at Rs 55,635 Crore (↑ ~13% q-o-q)
- B-30 AAUM crosses Rs 40,000 Crore mark (↑ ~9% q-o-q) ; 5 Year CAGR ~ 21%
- New SIP registrations ↑ 28% q-o-q; Rebound back to ~98% of PY level
- SIP AUM % of Equity AUM increased to 43% in Dec'20 (PY: 37%)

## 4 Strong Profitability

- PBT/ AUM at 30 bps vs. 28 bps in Q3 FY20
- Highest ever quarterly PBT at Rs 194 Crore (↑ 12% y-o-y | ↑ 18% q-o-q )
- Focus on Opex with reduction of 11% y-o-y for 9M FY21

## 5 Leveraging Digital Adoption

- Digital transactions account for 85% of overall transactions
- 75% of new Folios created digitally
- Net promoter scores improving every quarter for IFAs and retail customers
- Improved engagement with Digital Distributor for customer interactions

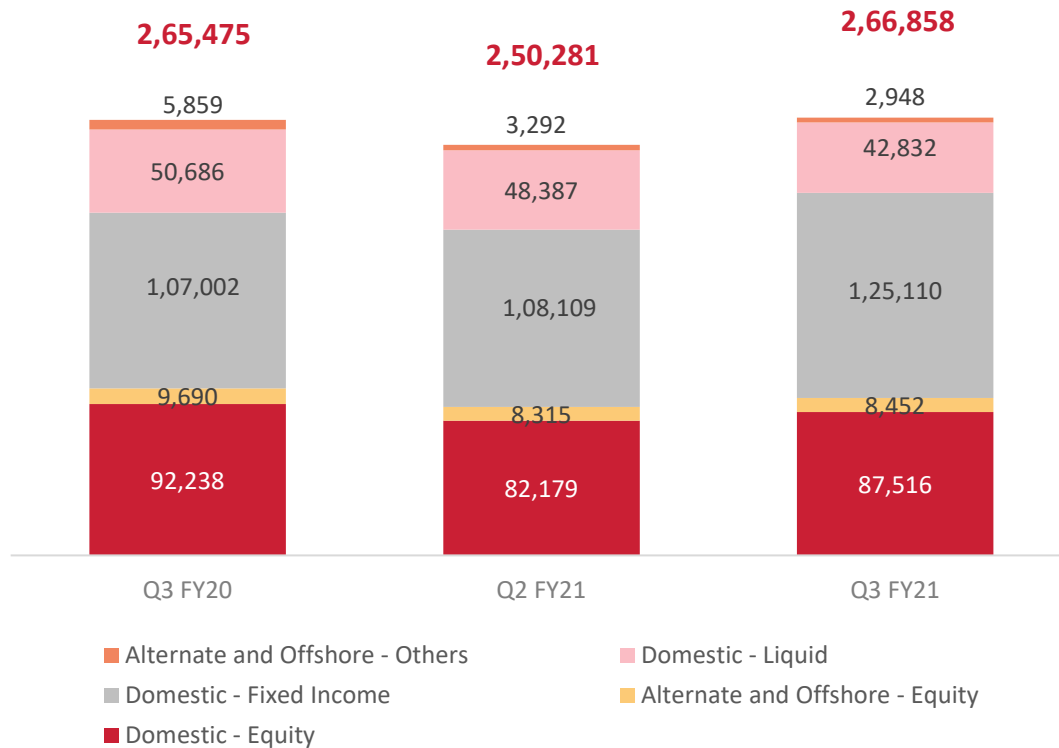
## 6 Investor & Distributor Engagement

- Pan India presence with 300+ locations; 81,500+ IFA's, 260+ National Distributors and 100+ bank partners
- Empaneled 1500+ new IFAs in 9M FY21
- 710 digital investor education programs covering 69,000+ Investors in 9M FY21
- 357 distributor development programs covering 37,000+ partners in 9M FY21

# Rebound in AUM growth

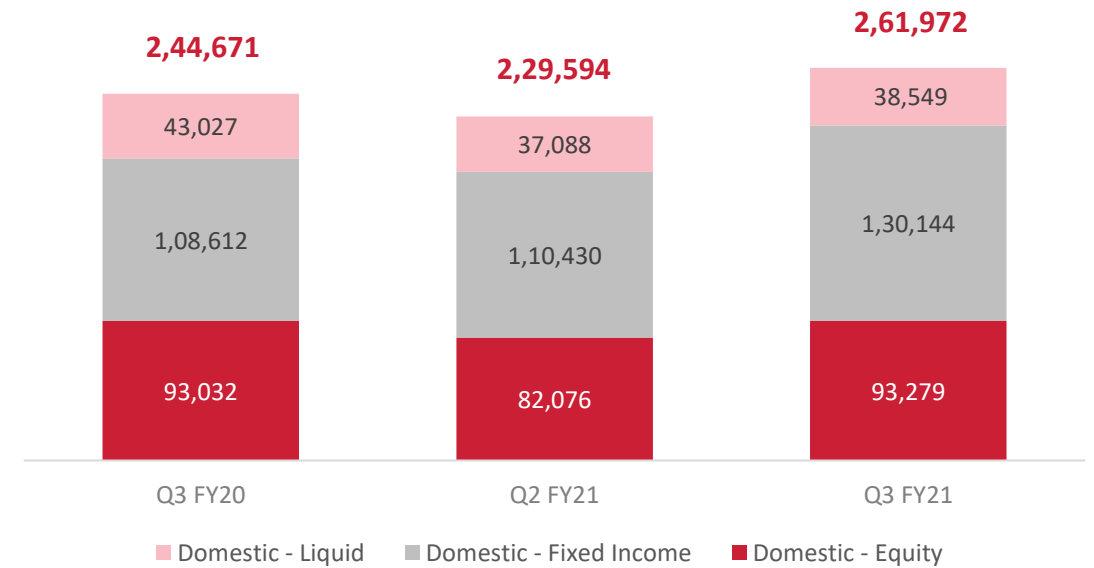
## Average Assets under Management

**Domestic AAUM: Overall ↑ 7% q-o-q | Equity ↑ 6% q-o-q**



## Closing Assets under Management

**Domestic AUM: Overall ↑ 14% q-o-q | Equity ↑ 14% q-o-q**



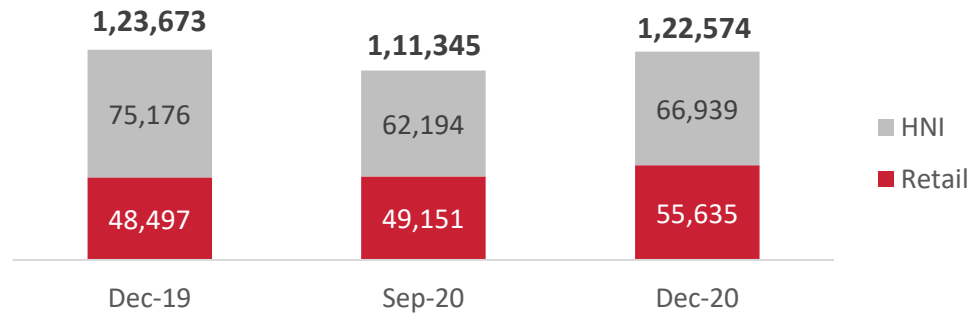
# Focus on retailisation

Figures in Rs Crore

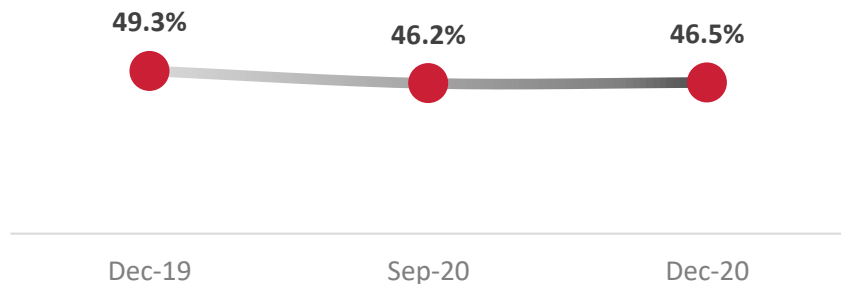
## Retail + HNI AAUM at Rs 1+ Lakh Crore (5Y CAGR ~18%)

Overall ↑ 10% q-o-q | Retail ↑ 13% q-o-q

Retail + HNI AAUM



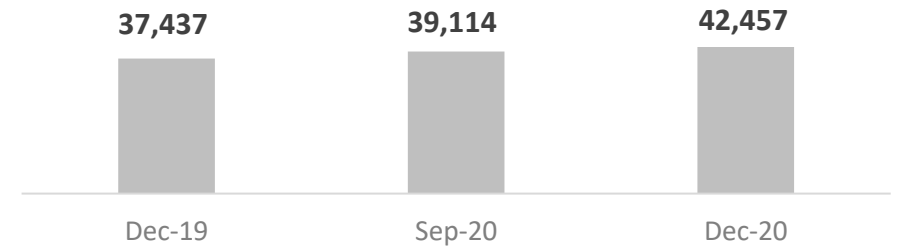
% of AAUM



## Growing Profitable B-30 AAUM

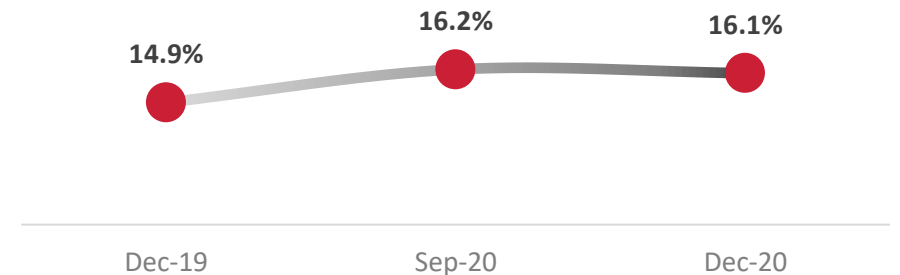
↑ 13% y-o-y | ↑ 9% q-o-q

B-30 AAUM



B-30 % of AAUM

B-30 AAUM mix ↑ 118 bps y-o-y



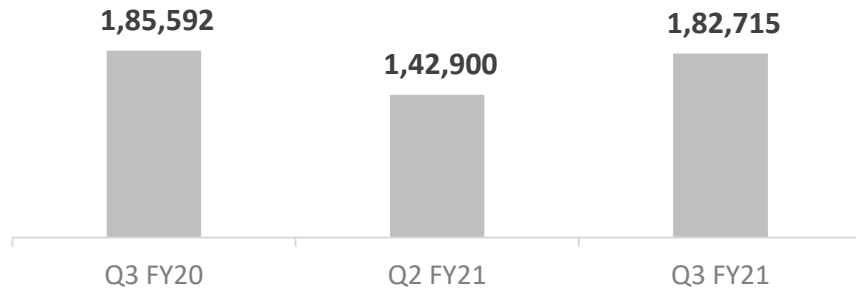
# Strong and sustained rebound in SIP

Figures in Rs Crore

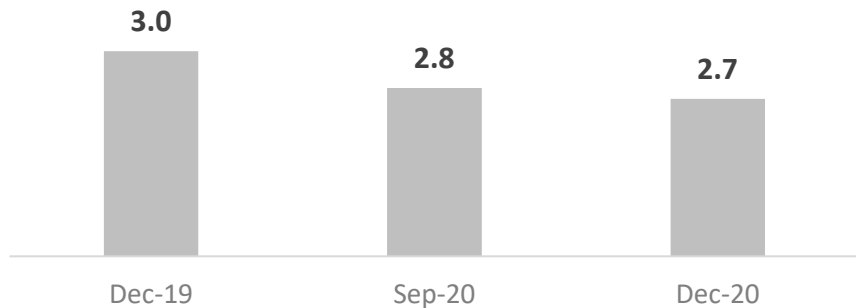
## Strong revival in new SIP registrations

New SIP Registration Count

↑ 28% q-o-q | Registrations in Q3 FY21 at ~98% of PY



Total SIP Count (Millions)



## SIP AUM

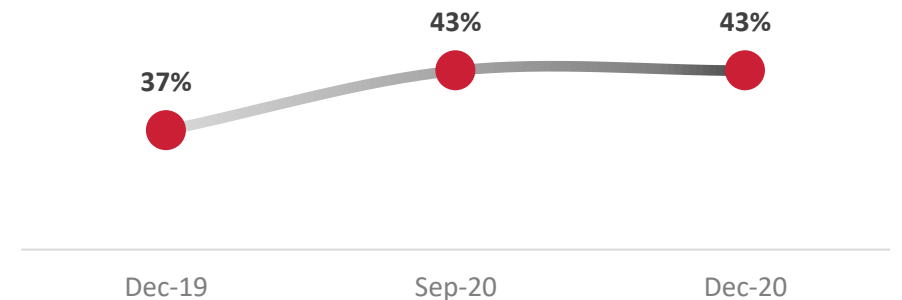
SIP AUM

SIP AUM ↑ 18% y-o-y



SIP AUM % of Equity AUM

SIP AUM mix ↑ 6% y-o-y

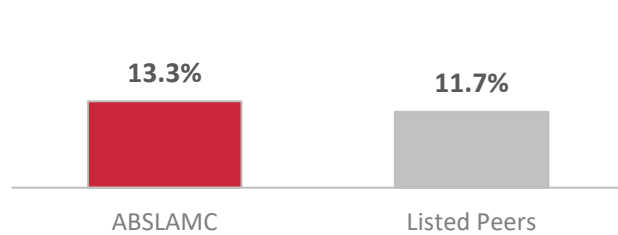


# Strong performance vs. Listed peers

## Overall AAUM

5Y CAGR: Q3 FY16 → Q3 FY21

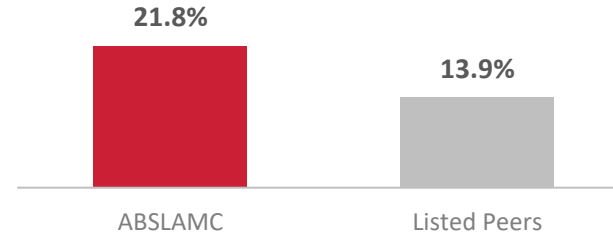
2<sup>nd</sup> Highest Amongst Peers



## Equity AAUM

5Y CAGR: Q3 FY16 → Q3 FY21

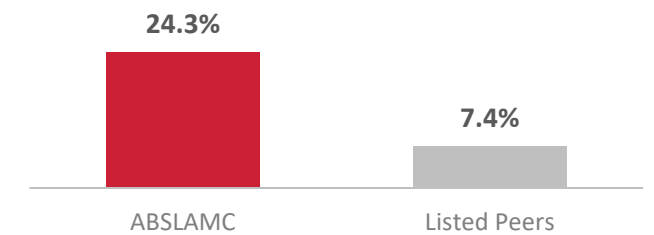
Highest Amongst Peers



## Folio Growth

5Y CAGR: Mar-15 → Mar-20

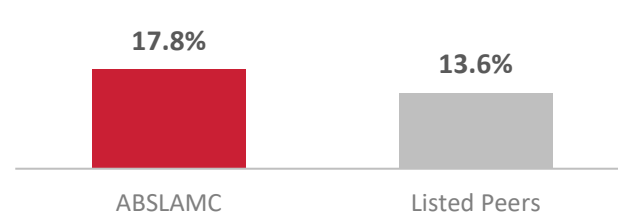
Highest Amongst Peers



## Retail + HNI AAUM

5Y CAGR: Dec-15 → Dec-20

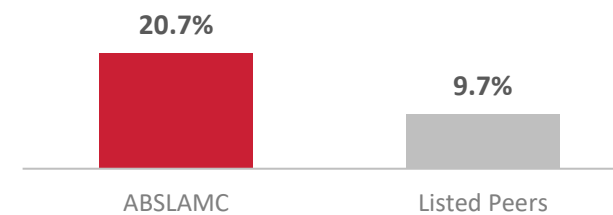
2<sup>nd</sup> Highest Amongst Peers



## B-30\* AAUM

5Y CAGR: Dec-15 → Dec-20

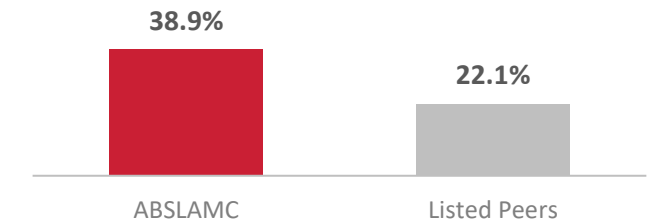
Highest Amongst Peers



## RoE

FY20

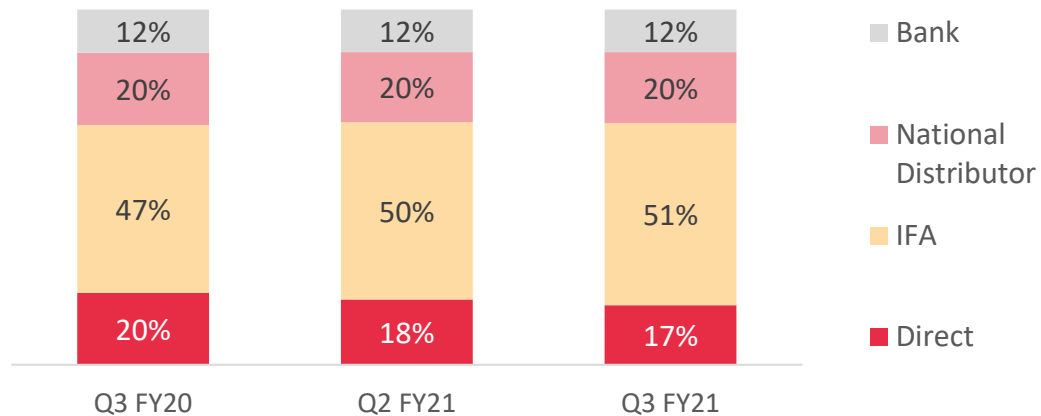
Highest Amongst Peers





# Large and diversified distribution network

## Continue to grow IFA share in equity sourcing



Locations (>75% in B-30 cities)	<b>300+</b>	IFAs	<b>81,500+</b>
National Distributors	<b>260+</b>	Banks	<b>100+</b>

## Investor Education and Distributor development

- Conducted **710 digital investor education programs** covering **69,000+ Investors**
- Conducted **357 distributor development program** covering **37,000+ channel partners**
- Empanelled **1500+ new IFAs** in 9M FY21
- Digital asset awareness campaign to assist advisors to use digital assets for transactions
- Conducted innovative campaigns and services with the objective of spreading awareness among investors and providing support to business partners

## Digital initiatives/ Assets deployed

### Positive Mission Happiness Scores

- NPS Scores improving every quarter for both types of Asset viz. IFA and Retail Customers
- For Retail Customer , NWOM (Net Word of Mouth) moving positively consecutively for last 7 Quarters and it touched **positive 33% in Q3 FY21 as compared to 23% in Q3 FY20**
- For IFAs NWoM (Net Word of Mouth) grew positive in Q3 FY21 compared to Q3 FY20

### Key Metrics going Digital

- Digital Business contributed in Q3 FY21
  - New Customer addition: **75%**
  - Digital Channel interactions: **90%**
  - Digital Payments: **99%**

### Customer Interaction

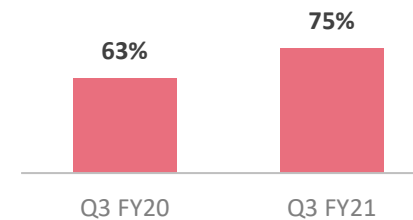
- **Youtube Live Session** - Ab India Karega Invest and ESG NFO for Groww Channel
- **Partner Training Session for MoneyMap and Assetplus** (Power of SIP, Demystifying Debt)
- **Nivesh Manhakumbh** session with Paytm Money

### Customer Self-Service

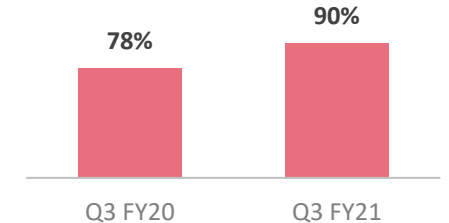
- Provision to digitally switch out from closed ended schemes getting matured in physical and non DEMAT folios.
- **NRI investors can update International Mobile no's** at the time of folio creation or if their contact no is missing in the folio as per KRA records

## Business KPIs

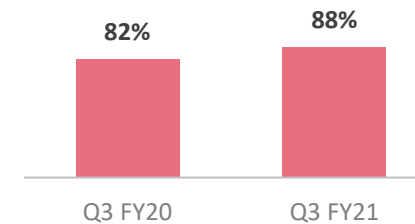
### Digital Onboarding



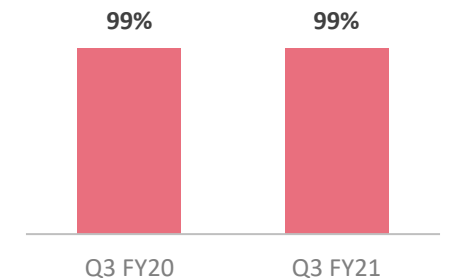
### Customer Interaction on Digital Channel



### % Digital Distributor Onboarding



### % Digital Payments



# Key Financials – Aditya Birla Sun Life AMC Limited



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Figures in Rs Crore

Quarter 2	Quarter 3			Nine Months	
FY 20-21 (CY)	FY 19-20 (PY)	FY 20-21 (CY)	Key Performance Parameters	FY 19-20 (PY)	FY 20-21 (CY)
<b>2,38,674</b>	<b>2,49,926</b>	<b>2,55,458</b>	<b>Domestic AAUM</b>	<b>2,52,573</b>	<b>2,36,241</b>
82,179	92,238	87,516	Domestic Equity AAUM	91,084	80,724
8,315	9,690	8,452	Alternate and Offshore Equity AAUM	9,544	8,075
<b>90,494</b>	<b>1,01,928</b>	<b>95,968</b>	<b>Total Equity</b>	<b>1,00,628</b>	<b>88,799</b>
291	318	322	Revenue	957	874
127	145	128	Costs	433	386
<b>164</b>	<b>173</b>	<b>194</b>	<b>Profit Before Tax</b>	<b>524</b>	<b>488</b>
<b>27 bps</b>	<b>28 bps</b>	<b>30 bps</b>	<b>Profit Before Tax (bps<sup>1</sup>)</b>	<b>28 bps</b>	<b>28 bps</b>
125	130	147	Profit After Tax	395	370

**Aditya Birla Sun Life Insurance Limited**  
Life Insurance Business



**ADITYA BIRLA**  
**CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

# Performance Summary | Life Insurance | ABSL Insurance Co

## 1 Strong growth in business

- Individual FYP ↑ 6% y-o-y; market share ↑ 49 bps y-o-y in 9M FY21 (Private Players ↓ 6% y-o-y)
- Group NBP ↑ 50% y-o-y; market share ↑ 180 bps y-o-y in 9M FY21 (Private Players ↑ 15% y-o-y)
- YTD Dec'20 Renewal Premium ↑ 20% y-o-y; Digital Renewal Collection<sup>1</sup> up at 68% in Q3 FY'21 (Rs. 829 Crore of Individual Renewal Premium)

## 3 Improving Margins

- Q3 FY21 Gross VNB Margin at 38.7% | Maintained Gross VNB Margins at 36.4% (YTD Dec'20) despite falling interest rates
- YTD Dec'20 Net VNB Margins ↑ 80 bps y-o-y to 5.9% (Q3 FY21: 12.3%).
- Expect FY21 Net VNB Margin at ~10% given the current trend

## 5 Risk Management

- 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
- **Covid-19 related claims are being actively monitored.** Company has kept adequate reserves for the same over and above policy liability which will be reviewed every quarter.

## 2 Improvement on all quality vectors

- Continuous improvement in persistency over the years with **13<sup>th</sup> month persistency at 83.6%** (↑ 200 bps y-o-y)
- Improved **Opex to Premium Ratio to 14.0%** for YTD Dec'20 (PY: 17.6%)
- **YTD Dec'20 Surrender Ratio<sup>2</sup> at 5.1%** (PY: 9.7%)

## 4 Product Strategy Showing Results

- New products launched in current year contributed **25%+** of Q3 Individual FYP
- **New Protection Plan launched with industry top features and attractive customer value proposition to gain more mindshare and traction in Protection segment**
- **Balanced Sourcing Mix** through Proprietary and Partnership Channels, contribution of **42:58** respectively with controlled ULIPs

## 6 Leveraging Digital, Data and Analytics

- **94% Individual business sourced digitally in 9M FY21**
- **79% Auto Pay will augment stronger renewal collections in future**
- Pre-Approved Sum Assured: **PASA contributed to 14% of 9M FY21 FYP with Q3 FY'21 contribution at 20%** (Rs. 101 Crore of Individual FYP)
- **"ZARA" renewal bot collection stands at ~Rs. 150 Crore since launch**

# Strong growth in New Business Premium

## Individual FYP<sup>1</sup>

6% Y-o-Y in YTD Dec FY21

Private Players<sup>2</sup>

-6%

Industry<sup>2</sup>

-8%

1,039

1,188

1,256

9M FY19

9M FY20

9M FY21

ABSLI Market Share

4.5%



~49 bps over LY

## Group New Business Premium

50% Y-o-Y in YTD Dec FY21

Private Players<sup>2</sup>

15%

Industry<sup>2</sup>

-5%

1,579

1,258

1,891

9M FY19

9M FY20

9M FY21

ABSLI Market Share

7.6%



~180 bps over LY

# Leveraging Digital, Data & Analytics



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Figures in Rs Crore

## Digital initiatives

### Pre-Purchase

- Sales Buddy (DIY Combo & Illustration/Story) with 8,126 unique users at beta release. Employee adoption across channels at 53%
- Generated 6,50,000 Leads through LMS
- 2 Click customer journey being introduced for Bank Channels
- PASA campaigns contributed 20% to the total business in Q3

### Customer On-boarding

- 95% New business sourced digitally.
- Customer portal and distributor portal – live in Jan'20
- Mobile first platform for distributors & customers under development.
- LMS adoption –
  - HDFC Bank adoption at 80% and
  - Direct Channel adoption at 97%

### Customer Retention/ Renewals

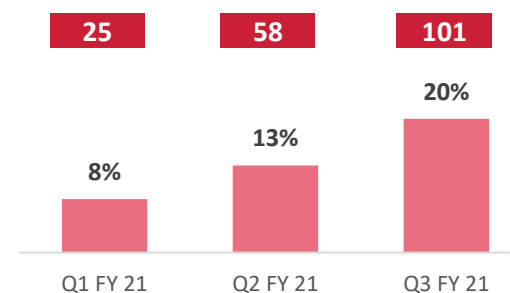
- YTD Dec'20, Digital collection at 66% with improvement of +12% y-o-y
- ZARA (renewal Bot) has collected ~Rs. 150 crs since Aug'20 showing 10% delta over traditional method (Contact centre)
- 79% Auto pay adoption at onboarding stage
- InstaVerify for customers with 43% adoption in Dec'20.

### Customer Self-Service

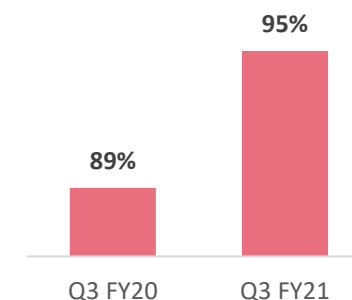
- 95% services available online
- WhatsApp & Chatbot have seen significant rise in adoption with total customer-initiated interactions crossing 2.5 lakh per month

## Business KPIs

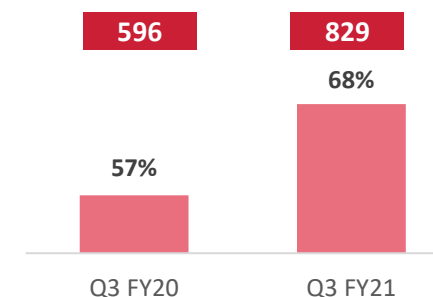
### Digital Pre Approved new business (PASA)



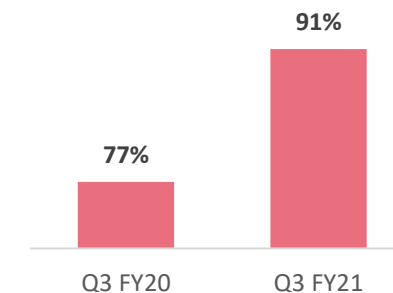
### Customer Onboarding



### Digital Renewal (by Value)<sup>1</sup>

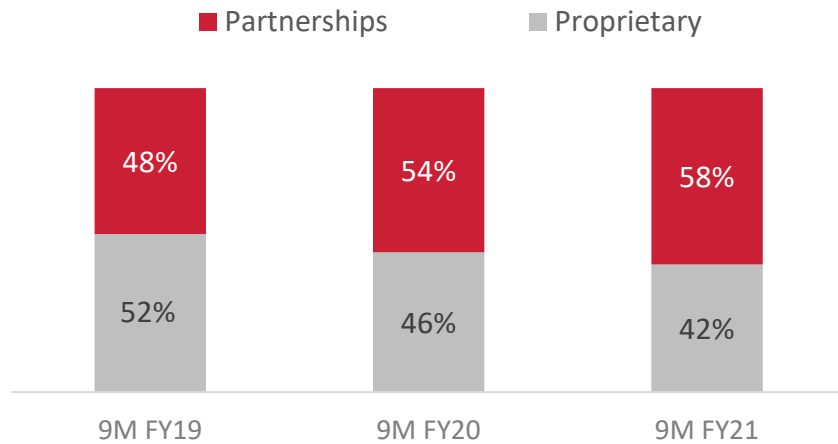


### Service Interactions on Digital Channels



# Multi channel distribution strategy

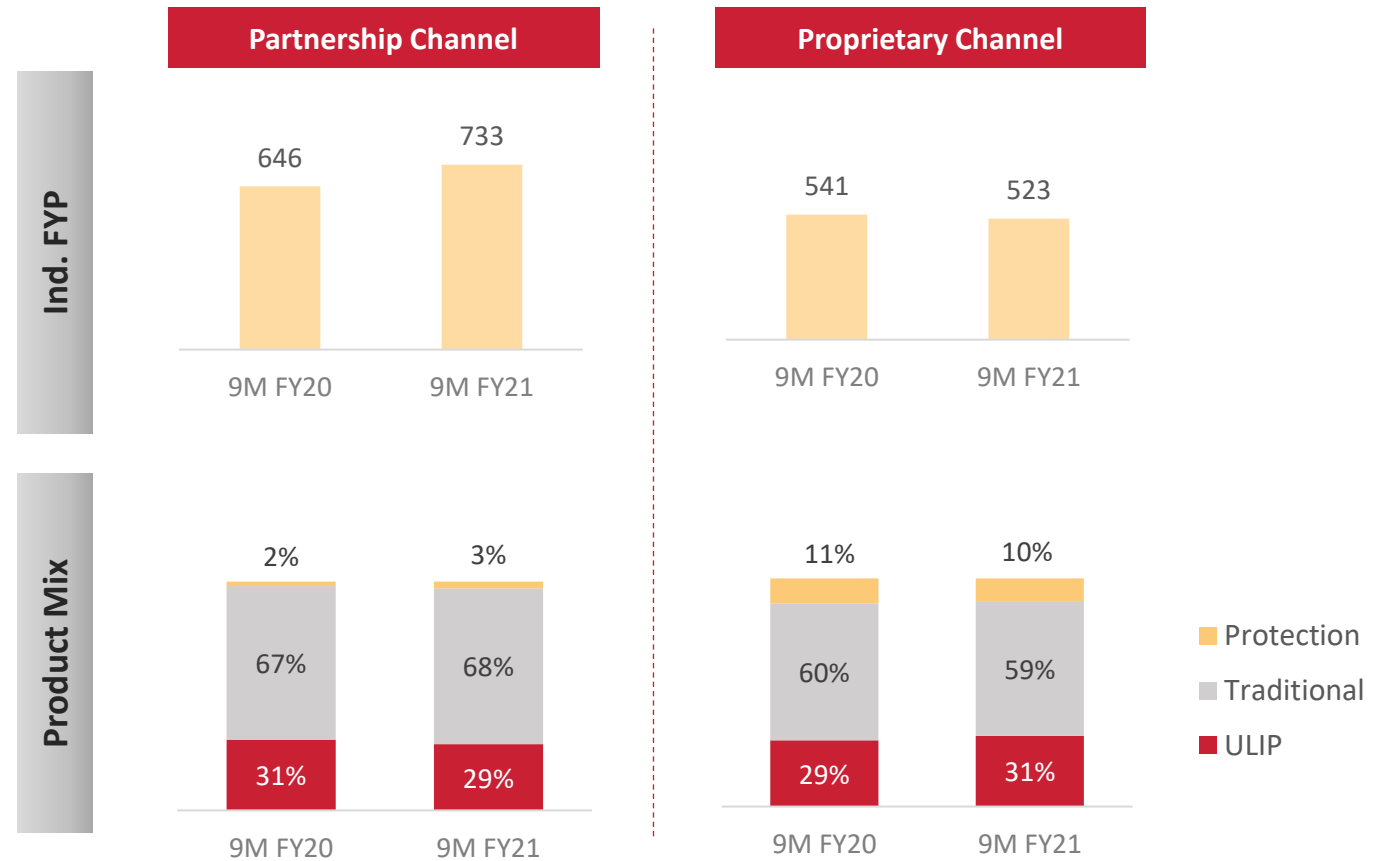
## Sourcing Mix



Banca Tie-ups	7	Agents	85,000+
Bank Branches	10,000+	Own Branches	360+
Incl. HDFC Bank, DCB, KVB, Indian Bank etc		Cities	2,500+

Bancassurance tie-up count adjusted for LVB-DBS Merger

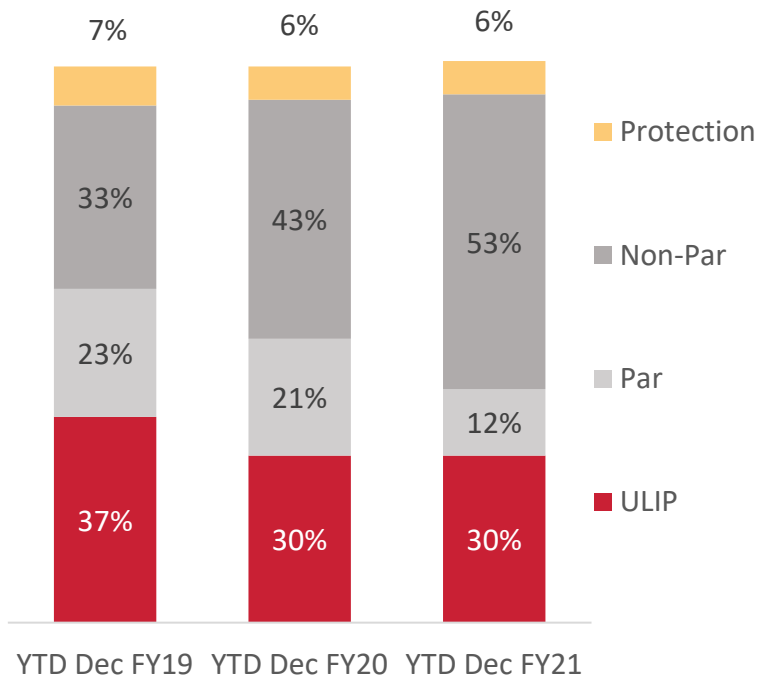
## Channel Wise Highlights





# Focus on value accretive product mix

## Improvement in Product Mix



## Products and Risk Management

### Success of New Product Launches

- **New Products launched in current year contributed to 25%+ of Q3 Ind. FYP**
- Continue to innovate on products to meet customer needs and penetrate more segments
- Launch of **new Protection Plan in Q4 FY21 with industry top features and attractive customer value proposition** to gain more mindshare and traction in Protection mix

### Active Risk Mitigation Strategy

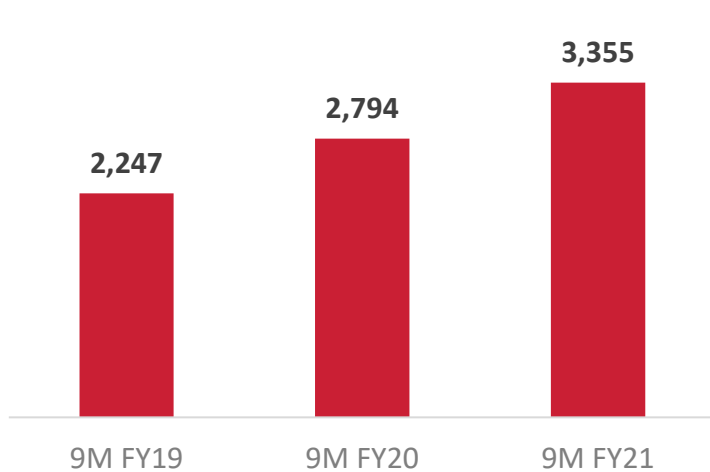
- Intend to protect Policyholder's guaranteed benefits i.e. 100% of expected maturity and survival benefits even at low interest rate scenarios by using hedging instruments such as FRAs and others
- Guarantees are actively monitored, and products are repriced for adjustments in Interest Rate
- A separate fund is created to manage the investments of products where benefits are fully guaranteed along with Risk Appetite Framework to measure and monitor financial risks

# Improving quality of business

Figures in Rs Crore

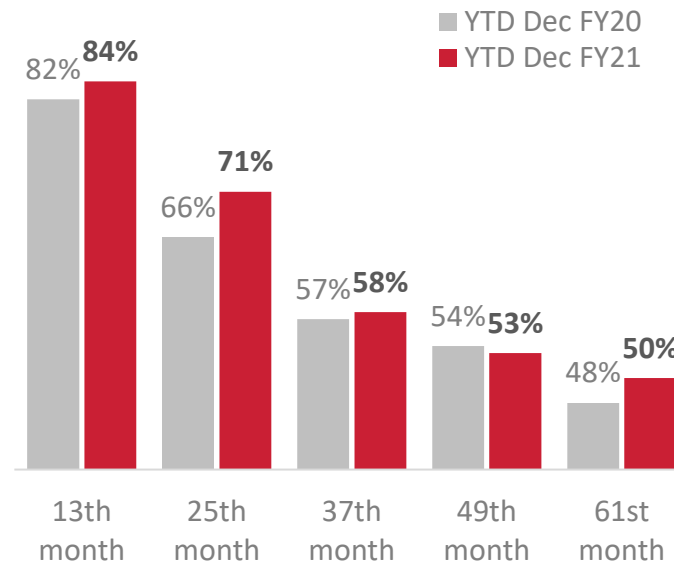
## Renewal Premium

Y-o-Y Growth ~20%



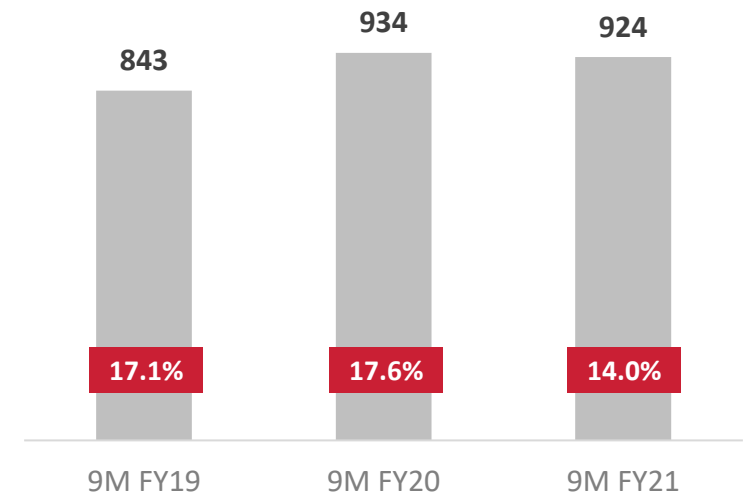
## Persistence<sup>1</sup>

Improving Persistence across cohorts



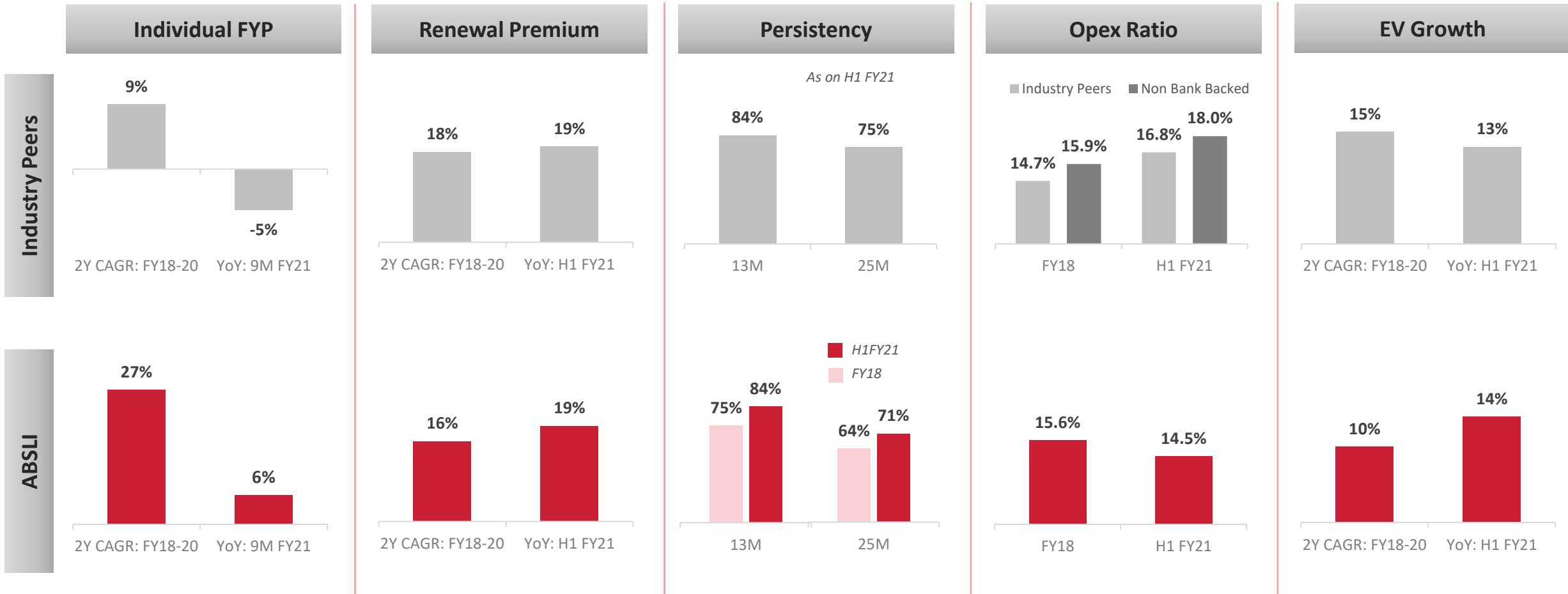
## Controlled Opex<sup>2</sup>

Reduction in opex to premium ratio



# Delivering robust performance across parameters

Figures in Rs Crore

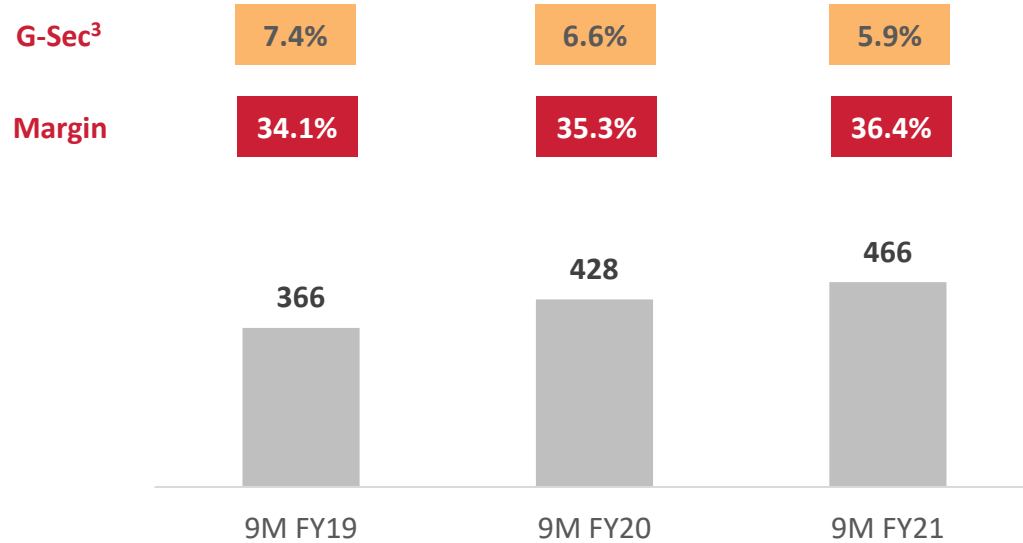


Life Insurance Peers Include: SBI Life, ICICI Prudential Life, HDFC Life, Max Life, Kotak Life, Bajaj Life, Tata AIA and PNB MetLife

# Improvement in VNB Margins

Figures in Rs Crore

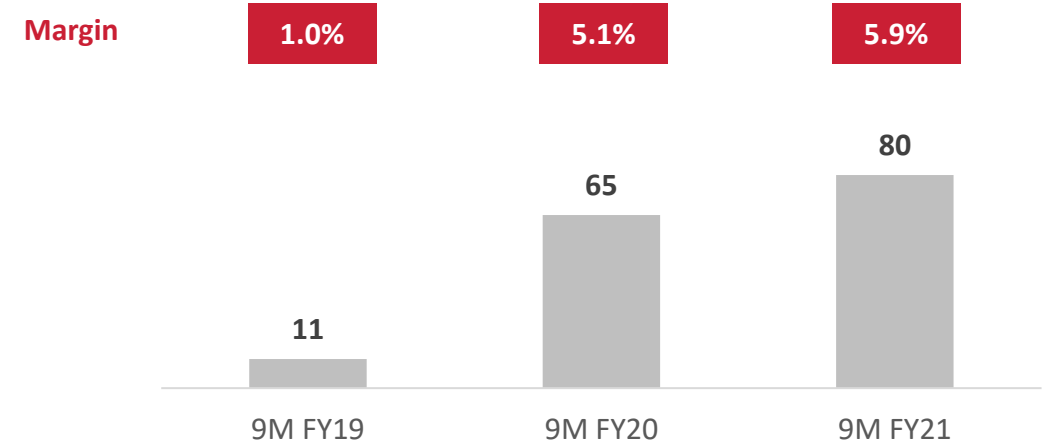
## Gross VNB<sup>1</sup>



Healthy Gross VNB margins despite falling interest rates

**Q3 FY21 Gross VNB Margin at 38.7%**

## Net VNB<sup>2</sup>



Net VNB better than PY given steady growth in topline and better expense management

**Q3 FY21 Net VNB Margin at 12.3%**

# Key Financials – Aditya Birla Sun Life Insurance Limited



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Figures in Rs Crore

Quarter 2	Quarter 3		Figures in Rs Crore	Nine Months	
FY 20-21 (CY)	FY 19-20 (PY)	FY 20-21 (CY)	Key Performance Parameters	FY 19-20 (PY)	FY 20-21 (CY)
464	516	545	Individual First year Premium	1261	1336
620	579	682	Group First year Premium	1,258	1,891
1,210	1,133	1,372	Renewal Premium	2,794	3,355
<b>2,294</b>	<b>2,228</b>	<b>2,599</b>	<b>Total Gross Premium</b>	<b>5,313</b>	<b>6,582</b>
302	317	346	Opex (Excl. Commission)	934	924
13.2%	14.2%	13.3%	Opex to Premium (Excl. Commission)	17.6%	14.0%
18.3%	19.8%	18.4%	Opex to Premium (Incl. Commission)	23.4%	19.0%
<b>42</b>	<b>34</b>	<b>36</b>	<b>Profit Before Tax</b>	<b>100</b>	<b>107</b>
<b>23</b>	<b>27</b>	<b>26</b>	<b>Profit After Tax</b>	<b>81</b>	<b>67</b>

**Aditya Birla Health Insurance Limited**  
Health Insurance Business



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CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

# Performance Summary | Health Insurance | AB Health Insurance Co

## 1 Fastest growing Health Insurer

- **Fastest growing HI:** 9M FY21 growth at 57% vs Industry: 12%, SAHI: 26%
- **9M FY21 Total GWP at Rs 859 Crore** (LY: Rs 546 Crore ), **Retail mix at 74%** (PY: 71%)
- **9M FY21 Retail GWP at Rs 632 Crore; ↑ 1.6x** of PY
- **9M FY21 Total Lives covered: 11.2 Mn** (LY: 6.5 Mn.)

## 3 Unique and Differentiated health first Business Model

- **Differentiated core offerings** like incentivized wellness, etc. enabling market expansion | Holistic product offering catering to all segments, from Byte-sized products to Global health coverage products
- Health-data based **Wellbeing Score** leveraging health ecosystem- Scale-up → Live for 5 Lac + customers
- **Business outcomes:** 20% higher retention, 6% lower claims ratio

## 5 Leveraging Digital, Data & Analytics

- **Digital acquisition & onboarding:** Analytics led PASA Campaign & Cross-sell model | Increasing digital touchpoints in banks | **Digital Issuance: 98%** (PY: 93%) | **Digital Renewals: 92%** (PY: 78%)
- End-to-end omnichannel digital customer journey; Multi-lingual AI led Chatbot & WhatsApp self-servicing **↑ by 72% over LY**

## 2 External Trends impacting Operating Environment

- ABHI continued to grow faster relative to industry despite a slower Q3. Q3 growth: Industry at 3% vs 17% till H1; SAHI at 21% vs 28% till H1
- Surge in COVID claims in Q3 and are being actively monitored
- Encouraging trends for Q4 with uptake of GWP from Dec'20 latter half

## 4 Scaled & Diversified Digitally Enabled Distribution

- **Strong growth in Banca** with 14,000+ branches enabling access to diversified customer segments | Banca mix: 66% of retail (PY: 64%)
- **Agency growth at 56%+** with branch network spanning 100+ locations
- **38+ digital partners** covering **3 Mn.+ lives** through 50+ **contextual byte-sized products**

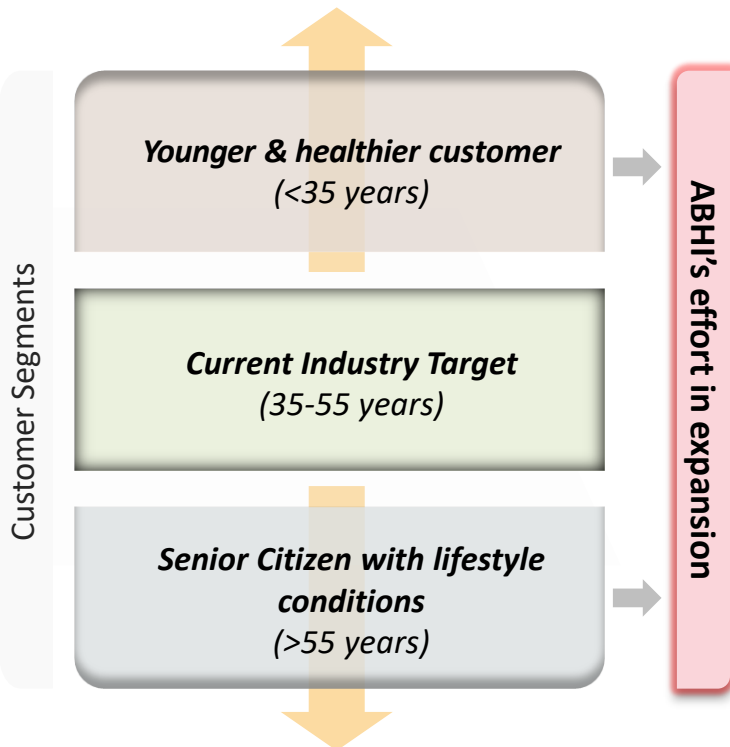
## 6 Strong Financial Management

- **Strong financial management:** Combined Ratio ↓ to 126% (PY: 142%)
- Focus on Expense Management, Cost efficiencies and Claims management
- **Estimated exit combined ratio for Q4 FY21 below 110%; On track for break even by Q4 FY22 with exit combined ratio below 100%**

# Unique & Differentiated Health First Model: Core offerings .. 1/2

Diversified product suite with health first offerings enabling market expansion

## Expanding the Market



## Product Differentiators

- Incentivized wellness
- Chronic Care Management
- Disease Risk Management
- Health ecosystem enabled Senior Citizen Plan

## Comprehensive Product Range & Innovation

### Existing market

- Indemnity/Fixed benefit, Top-up, 4-in-1 combo, Senior Citizen, Arogya Sanjeevani

### Innovate to expand market

- Incentivized Wellness, Chronic Care, Global Health Cover, 1 Cr. Super Top-up

### Digital

- 1-click contextual-byte size products

### Contextual & Need based

- Corona Kavach, Corona Rakshak, Group CoVID, Disease & Partner specific



# Health data based hyper-personalized engagement ...2/2

## Health Data




## WellBeing Score



## Risk Stratification based hyper-personalized recommendation

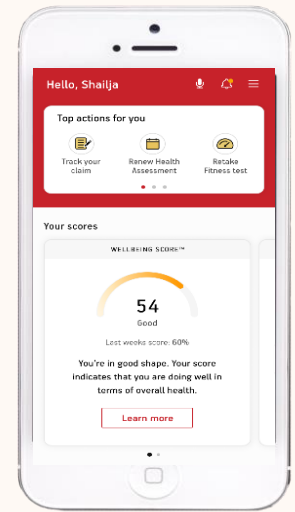
**150+ health data points**



**Data Source:**

- Profile & Policy Data
- Health / Wellness
- Claims / Servicing

**Holistic health score**



Live for 5 Lac +Retail Customers

**Very High Risk**  
*Critical condition*

**High Risk**  
*Hospitalization event*

**Medium Risk**  
*Chronic Condition*

**Low Risk**

**Healthy**

**Recommendations**

- ✓ 2<sup>nd</sup> opinion
- ✓ Health / Lifestyle coach
- ✓ Health chat-bot
- ✓ Online pharmacy & diagnostics
- ✓ Doctor Network
- ✓ Telemedicine
- ✓ Nutrition
- ✓ Homeopathy
- ✓ Dental care
- ✓ Healthcare at home
- ✓ Mental wellbeing

**Health Ecosystem enabled through key partners for services like doctor on call, telemedicine, nutritionist, mental health helpline and others**

**Engagement  
Outcomes<sup>1</sup>**



**35%**  
App log-ins

**Business  
outcomes**



**20%**  
Higher retention



**6%**  
Lower Claim ratio

# Scaled-up and diversified digitally enabled distribution network



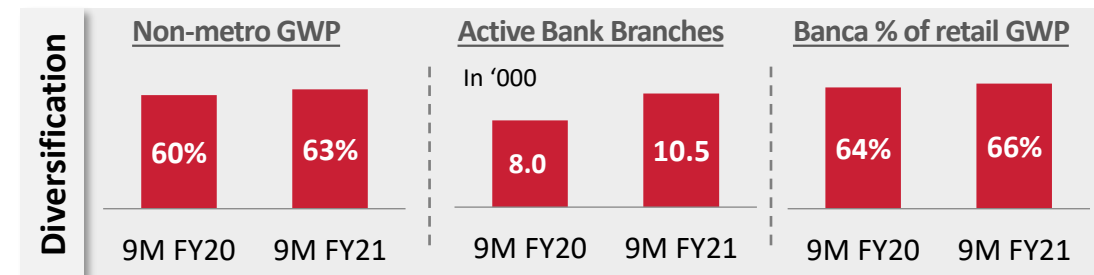
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## Multi-channel & Digitally enabled distribution

- **Agency:** Scalable proprietary channel with 100+ branch locations | 38k+ agents | Leverage ABC synergy to expand agent base  
 Agency growth ↑ 56% YoY
- **Bancassurance:** 9 bank partners → 14,000+ branches | Large banks ↑ contributing to 100%+ YoY ↑ in Banca GWP  
 Banca mix: ↑ 66% of retail (PY: 64%)
- **Leveraging Digital partnerships:** 38+ partners covering 3 Mn.+ lives  
 50+ byte-size and contextual products
- **Rural & MFI\* Partners:** 35+ partners covering 4 Mn.+ lives
- **Dedicated ABG focused channels showing good results**

## Diversified and scaled network

	9M FY20	9M FY21
Branch Locations	88	115
Agents	25,400+	38,000+
Sales force	2,200+	2,500+
Cities	1,250+	2,500+
Hospitals	6,100+	8,200+



# Leveraging Digital, Data & Analytics in Health Insurance business



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## Leveraging Digital assets and end-to-end digitally enabled journeys

### Prospecting

- **#HealthBhiTaxBhi** digital campaign; Expert tax sessions | Financial planning & cross-sell (8k+ leads)
- Analytics led **PASA campaign & cross-sell model**
- **Sehat ki Nayi Aadat** digital campaign: Activ Living Blog (10 lac+ views)

### Engagement & Self-Service

- Voice-enabled welcome/ renewal call
- Claims Digitization | AI-led claims adjudication
- **Multi-lingual AI Chat-bot & WhatsApp**: 18+ services; WA\* self-servicing **↑72%** vs LY

### On-boarding / Selling

- **Digital advisor onboarding portal**: 100% onboarding
- **Segmented & personalized digital training**: 18k+ advisors trained digitally
- **Increasing digital touchpoints** across banks: API Integrations; 4-click journey live

### Retention/ Renewals

- Analytics led customer segmentation | Propensity based renewal calling
- **Omni-channel click-thru renewal journey** including upsell

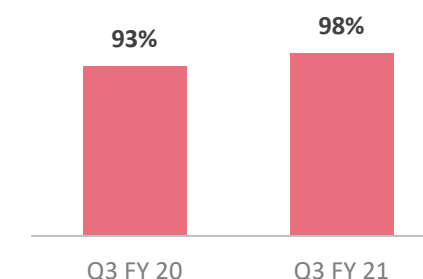
## Data & Analytics

### Data enrichment & Analytics

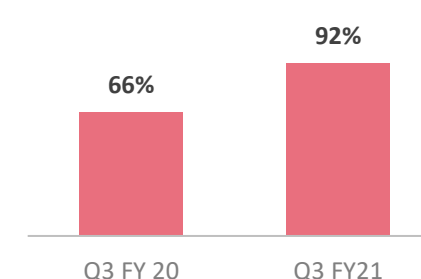
- Data Governance & Management; Data augmentation & leveraging unstructured data
- **CLTV**: Segmentation, propensity model for customer retention & upsell | Personalized recommendation & cross-sell
- Real-time claims fraud detection engine | FWA model for COVID claims

## Business KPIs

### Digital Issuance



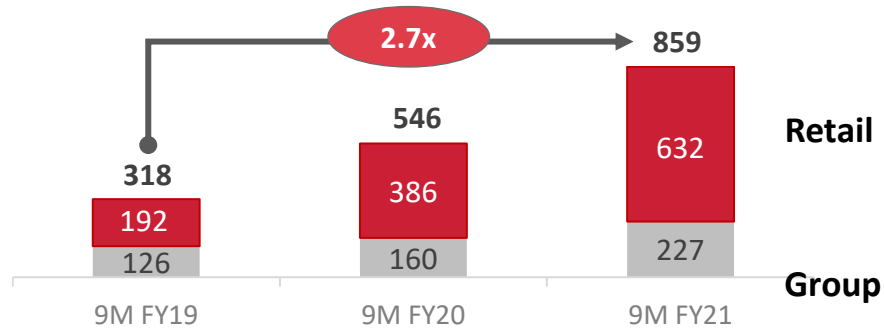
### Digital Renewal



# Business Outcomes

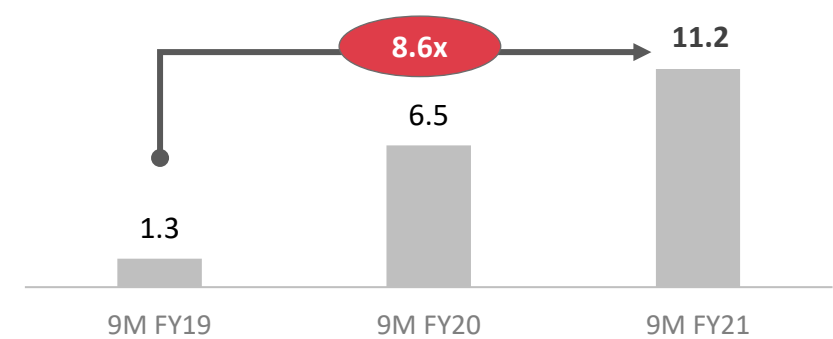
**GWP growth at 57% y-o-y with 1.6x retail growth**  
Retail GWP grew 64% y-o-y (Retail Mix at 74%)

Revenue



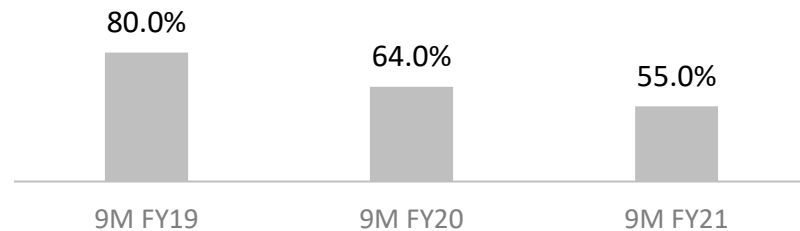
**Lives covered growth at 72% y-o-y**  
7 Mn+ through rural & micro/ byte-sized products

Lives Covered (Mn)



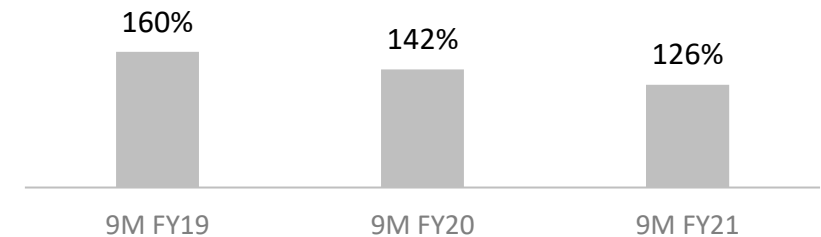
**Holistic health risk management**  
Retail Claims Ratio at 47% (PY:45%)

Claims Ratio



**Estimated exit combined ratio for Q4 FY21 below 110%**  
Combined Ratio trending as per plan

Combined Ratio



# Delivering robust performance for a young business

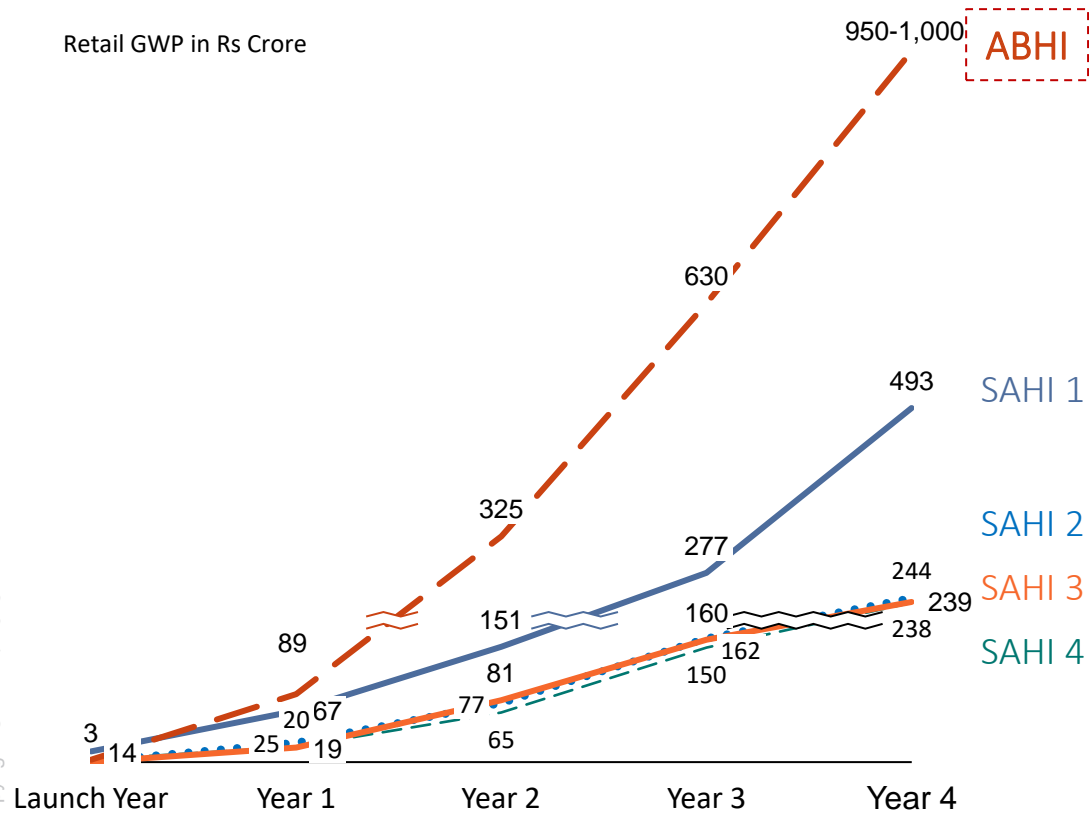


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## Retail GWP : ABHI Vs. Peers

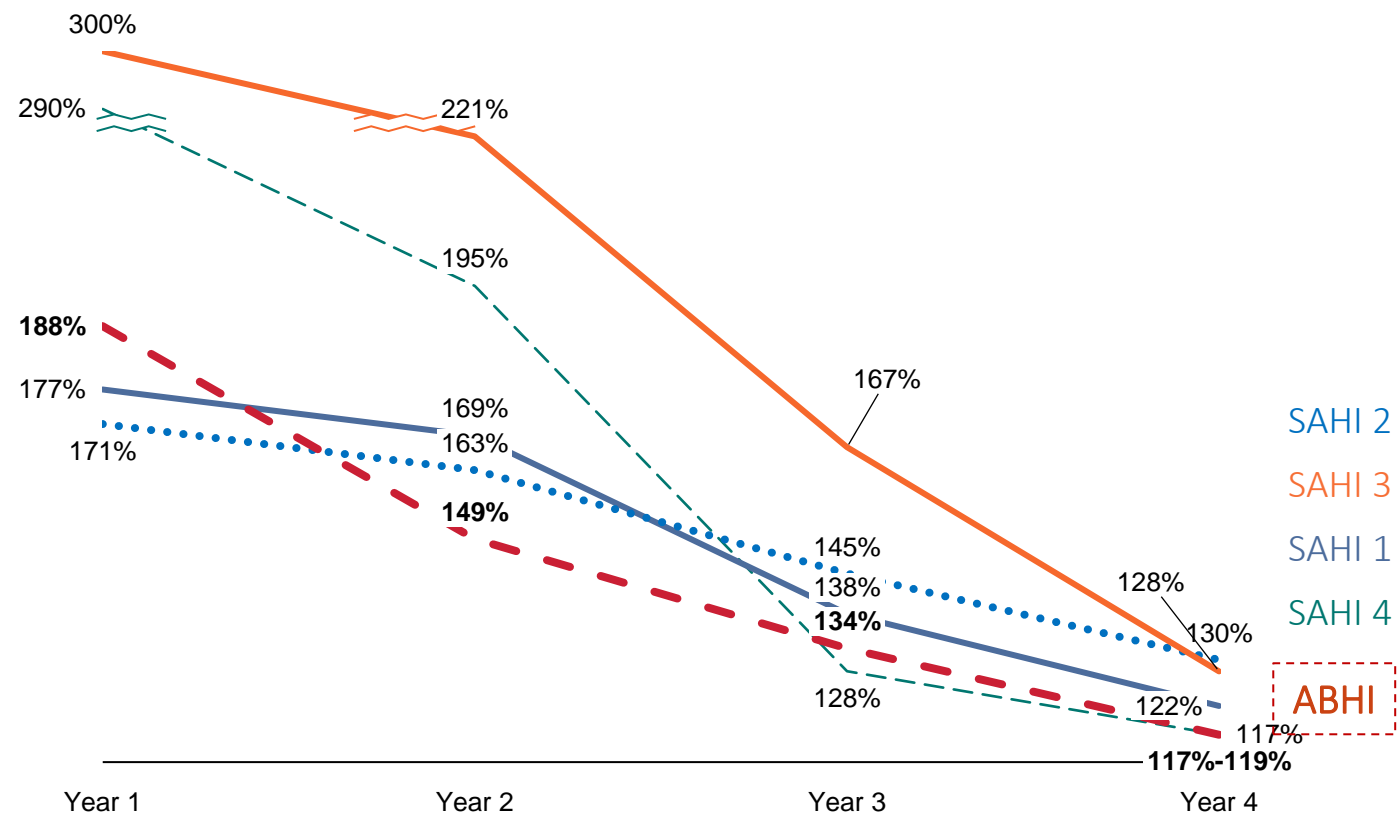
Fastest growth amongst SAHI players since start of operations

Retail GWP in Rs Crore



## Combined Ratio: ABHI Vs. Peers

Fastest Road to breakeven amongst SAHI players since start of operations



# Key Financials – Aditya Birla Health Insurance Limited



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Quarter 3		Figures in Rs Crore	Nine Months	
FY 19-20 (PY)	FY 20-21 (CY)		FY 19-20 (PY)	FY 20-21 (CY)
		<b>Key Performance Parameters<sup>1</sup></b>		
170	207	<b>Retail Premium</b>	<b>385</b>	<b>632</b>
60	102	Group Premium	160	227
231	309	<b>Gross Written Premium</b>	<b>546</b>	<b>859</b>
212	287	Revenue	507	776
128%	124%	Combined Ratio	142%	126%
<b>(53)</b>	<b>(51)</b>	<b>Profit Before Tax</b>	<b>(188)</b>	<b>(176)</b>

Other Updates



**ADITYA BIRLA  
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

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# Other Financial Services Businesses



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Figures in Rs Crore

Quarter 3		Figures in Rs Crore	Nine Months	
FY 19-20 (PY)	FY 19-21 (CY)		FY 19-20 (PY)	FY 20-21 (CY)
		<b>Key Performance Parameters Other Financial Services Businesses<sup>1</sup></b>		
204	266	Aggregate Revenue	565	655
13	36	Aggregate Profit Before Tax	52	109

## General Insurance Broking

- Premium placement grew 21% y-o-y to Rs 1,371 Crore
- Revenue grew 25% y-o-y to Rs 185 Crore (PY: Rs 48 Crore)
- PBT grew 2.6x y-o-y to Rs 18 Crore (PY: Rs. 7 Crore)

## Stock and Securities Broking

- Revenue grew 24% y-o-y to Rs 49 Crore (PY: Rs 40 Crore)
- PBT grew 64% y-o-y to Rs 6 Crore

## ARC

- ARC AUM at ~Rs 2,350 Crore
- PBT grew by ~2x y-o-y to Rs 11.5 Crore (PY: Rs 5.4 Crore)



# Consolidated Profit & Loss



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Figures in Rs Crore

Quarter 2	Quarter 3		Figures in Rs Crore	Nine Months	
FY 20-21 (CY)	FY 19-20 (PY)	FY 20-21 (CY)	Consolidated Profit & Loss	FY 19-20 (PY)	FY 20-21 (CY)
4,589	4,293	5,026	Revenue	11,866	13,643
296	276	326	Profit Before Tax (before share of profit/(loss) of JVs)	951	857
64	66	75	Add: Share of Profit/(loss) of associate and JVs	201	188
360	342	401	Profit Before Tax	1,151	1,045
107	101	118	Less: Provision for taxation	411	323
(12)	(9)	(6)	Less: Minority Interest	(36)	(29)
264	250	289	Net Profit (after minority interest)	776	751

# Advantages of the ABC platform

Figures in Rs Crore



*Diversified platform allowing us to capitalize on multiple opportunities and delivering strong earnings through the cycle*



*Strong parentage and brand with recall and appeal across the country*



*Pan India multi channel distribution network, allowing our customers to access us as they choose*



*Integrated risk management and robust processes allowing us to mitigate risk*



*Talented employee pool with strong domain expertise and a mix of experience and youth*



*Large customer eco system and analytics provides basis for deepening customer relationships through cross sell*



*Strong focus on technology to grow revenues, reduce costs, build scalable processes and create best in class customer experience*



*Ability to synergise so as to reduce costs, transport best practices and scale quickly.*

## Our Scale

**Rs 3.2 Lac Crore**

Total AUM

**22,435**

Employees

**Rs 57,522 Crore**

Total Lending Book

**862**

Branches

**Rs 7,441 Crore**

Total GWP (9M FY21)

**2 Lac+**

Agents & Channel Partners

**20 Mn** (↑ 1.8x over 2.5 years)

Active Customers

**100+**

Bank Partners

# Awards and Accolades

Figures in Rs Crore



## Brand of the Year

Indian Content Marketing Awards  
(ICMA) 2020



## Top 25 Innovative companies in India 2020

CII Industrial Innovation Awards,  
2020



## FICCI CSR Award 2020

For Project Saksham aimed at  
holistic inclusive model for  
differently abled children and  
youngsters



## Best Fund House for Investor Education

Asia Asset Management Best of  
the Best Awards, 2020



## Health Insurer of the Year

ET Now Business Leader of  
the Year Awards, 2019-20



## Customer Service Provider of the Year

5<sup>th</sup> Annual Insurance India Award,  
2020

### Other noteworthy awards for Aditya Birla Capital and its subsidiaries in 2019 & 2020

'WhatsApp Enterprise Solutions for Business' won in the Innovation category, Qualtech 2019

Thomson Reuters Lipper Awards – MENA Markets 2019 (across various fund categories)

ET BFSI Excellence Award 2019 for service and operational Excellence, 2019

Golden Peacock Award for Excellence in Corporate Governance 2019 - Institute of Directors, Delhi

Home Loans provider of the Year (Outlook Money Awards), 2019 – Gold (Affordable), Silver (Overall)

FICCI Insurance Industry Awards 2020 for Comprehensive Maternal & Child healthcare (CSR Programs)

Asset Triple A Treasury, Trade, Supply Chain and Risk Management Awards 2019

Health Insurance Products and Service Innovation at the Patient Experience Conclave & Awards 2019

*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](http://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

# Disclaimer



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*Figures in Rs Crore*

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**Aditya Birla Capital reports results for the quarter ended 31<sup>st</sup> December 2020**

- **Strong growth across businesses and cost optimisation leading to delivery of highest ever quarterly consolidated profit**
- **Consolidated<sup>1</sup> Revenue at Rs. 5,346 Crore (grew 16% year on year)**
- **Consolidated Net Profit at Rs. 289 Crore (grew 15% year on year)**
- **Track record of building scale, retailisation and profitability**
- **Strong focus on technology to enhance customer experience and build robust processes**
- **Building multiple partnerships with fintechs**

Consolidated Results	Quarter 3		
	FY 20	FY 21	
Revenue <sup>1</sup>	4,612	5,346	↑ 16%
Profit after Tax (after minority interest)	250	289	↑ 15%

**Mumbai, 5<sup>th</sup> February 2021:** Aditya Birla Capital Limited (“The Company”) announced its unaudited financial results for the quarter and nine months ended 31<sup>st</sup> December 2020.

The Consolidated<sup>1</sup> Revenue of the Company for the quarter grew 16% year on year to Rs. 5,346 Crore. The Company, through its subsidiaries, continued its consistent performance with its diversified business model. The consolidated profit after tax for the quarter (after minority interest) grew 15% year on year to Rs. 289 Crore, the highest ever consolidated quarterly profit with strong growth across businesses.

The performance highlights of the key subsidiaries of Aditya Birla Capital Ltd. were as under:

**Lending:**

- Overall lending book (NBFC and Housing Finance) stood at Rs. 57,522 Crore
- Gross disbursement in lending businesses at Rs. 5,097 Crore, higher than pre-COVID level with 18% year on year growth and focus on retail and SME segments
- Lending businesses profit before tax at Rs. 308 Crore, bounced back to previous year levels
- Strong funding access and amongst best cost of borrowing in industry
- Raised over Rs. 4,600 Crore of long-term funds in YTD FY21
- Continue to have strong focus on quality of book with increased retailisation and reduced ticket sizes across the board

<sup>1</sup> Aditya Birla Sun Life AMC Ltd. and Aditya Birla Wellness Pvt. Ltd. consolidated based on equity accounting under Ind AS, Consolidated Revenue shown above includes revenues from these two businesses on a 100% basis to show holistic financial performance

**NBFC business:**

- Gross disbursement grew 20% year on year to Rs. 4,282 Crores in Q3 FY21, out of which 55% disbursement in targeted Retail and SME targeted segments
- Loan book at Rs. 45,650 Crore vs. previous quarter at Rs. 45,475 Crore; Retail and SME loan book grew 2% over previous quarter
- Added 34 new branches during Q3 FY21, primarily in semi urban locations
- Net interest margin expanded by 18 bps, year on year, to 5.24%
- Pre provision operating profit (% of average book) expanded 8 bps year on year to 3.65%
- Profit before tax at Rs. 261 Crore, profitability back to pre-COVID levels
- Collection efficiency at 96.4% in Dec '20 at pre-COVID levels

**Housing Finance business**

- Loan book at Rs. 11,872 Crore with 96% retail mix; strong rebound in Gross disbursements at Rs. 815 Crore were higher than pre-COVID levels, growing 19% quarter on quarter and 5% year on year
- Focus on granular business continues with 48% disbursement in affordable segment in Q3 FY21. Affordable book mix at 24% vs. 17% in the previous year.
- Net interest margins expanded by 81 bps year on year, to 3.68%
- Collection efficiency at 96.3% in Dec '20 at pre-COVID levels
- Pre provision operating profit at Rs. 78 Crore, grew 60% year on year
- The Net profit after tax grew 38% year on year, to Rs. 38 Crore

**Asset Management**

- The momentum in AUM growth continued with 7% year on year growth in domestic average assets under management (AAUM), to Rs. 2,55,458 Crore
- Domestic average equity AUM grew by 6%, quarter on quarter, to Rs. 87,516 Crore
- Maintained overall AAUM market share (Ex. ETF) at 9.35%
- Continued focus on building retail customer franchise with Rs. 1,22,574 Crore AAUM in retail and HNIs
- Achieved highest ever quarterly profit before tax at Rs. 194 Crore with 12% year on year growth
- Improved profitability margin with Profit before tax/AAUM at 30 bps vis-à-vis 28 bps in previous year
- Digital transactions account for 85% of overall transactions and 75% of new folios created

**Insurance:**

- Total gross premium of life insurance and health insurance grew 27% year on year, to Rs. 7,441 Crore in YTD FY21

***Life Insurance business***

- Individual First Year Premium (FYP) grew 6% year on year, to Rs. 1,256 Crore during YTD FY21, while industry private players de-grew 6%, in the same period
- Group new business premium grew 50% year on year, to Rs. 1,891 Crore during YTD FY21, while industry de-grew 5%, in the same period
- Consistent improvement in 13<sup>th</sup> month persistency up 200 bps, year on year, to 83.6%
- Sharp reduction in Opex to premium ratio from 17.6% in YTD FY20 to 14.0% in YTD FY21
- Net VNB margin improved 80 bps year on year during YTD FY21
- Strong focus on digital with 94% of individual business sourced digitally in YTD FY21

## **Health Insurance business**

- Gross written premium at Rs. 859 Crore during YTD FY21; grew 57% over the previous year, ahead of industry growth of 26% for Standalone Health Insurers
- Retail business contributing 74% of total business
- Covering 11.2 million lives out of which over 7 million lives covered through micro and byte size products
- Business continues to build scale with focus on expenses, leading to significant improvement in combined ratio at 126% in YTD FY21, vis-à-vis 142% in YTD FY20
- Robust digital enablement with 98% digital issuance in YTD FY21 and digital renewals at 92%

## **Other businesses**

- Profit before tax grew 2.8 times, year on year, to Rs. 36 Crore, from Rs. 13 Crore
  - General Insurance broking quarterly profit before tax grew 2.6 times, year on year, to Rs. 18 Crore
  - ARC platform AUM at Rs. 2,350 Crore and quarterly profit before tax doubled to Rs. 11.5 Crore
  - Stock and securities broking business profit before tax grew 64% year on year, to Rs. 6 Crore

## **Recognition**

Our focus on innovation and excellence has yet again been recognised. Aditya Birla Capital was adjudged as one of the “**Top 25 Innovative Companies in India**” at the coveted **CII Industrial Innovation Awards 2020**.

## **Going forward**

- **Driving Cross sell**
  - Focus on maximising value of existing active customer base of 20 Million and other relevant databases of size, through an active cross sell program
- **Leveraging digital, data and analytics across the platform**
  - Leveraging technology and partnerships with Fintechs to grow revenue, improve customer experience, optimise cost and build scalable systems.

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### **About Aditya Birla Capital Ltd.**

Aditya Birla Capital Limited (ABCL) is the holding company for the financial services businesses of the Aditya Birla Group. With subsidiaries that have a strong presence across Protecting, Investing and Financing solutions, ABCL is a financial solutions group that caters to diverse needs of its customers across their life cycle. Powered with more than 22,000 employees, the subsidiaries of ABCL have a nationwide reach with 850+ branches and more than 2,00,000 agents/channel partners and several bank partners.

Aditya Birla Capital is a part of the Aditya Birla Group, a USD 48.3 billion Indian multinational, in the league of Fortune 500. Anchored by an extraordinary force of over 120,000 employees, belonging to 42 nationalities, the Aditya Birla Group operates in 36 countries across the globe.

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### **Aditya Birla Capital Limited**

**Corporate Identity Number** L67120GJ2007PLC058890

**Regd. Office:** Indian Rayon Compound, Veraval 362 266 (Gujarat)

**Corporate Office:** One Indiabulls Centre, Tower 1, 18<sup>th</sup> Floor, Jupiter Mills Compound,  
841, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013

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