

FINANCIAL RESULTS: Q3 FY22

MUMBAI

3rd February 2022



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

A Leading Financial Services Conglomerate

1 | Overview**Pg. 3 - 14****2 | Business-wise Performance****Pg. 15 - 73****3 | Other Updates****Pg. 74 - 78**

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

Q3 FY22 | Performance Highlights



SNAPSHOT

Q3 Consol. PAT¹

₹ 577 Cr.

Grew 100% Y-o-Y

FY22 Profit Guidance

₹ 1,500+ Cr.

PAT delivery on track

Aspiration

Among Top 100

Listed Cos. in terms of profitability

Active Customers

31 Million

Grew 46% Y-o-Y

Delivery Vs. Targets

On track to deliver ahead of FY24 Targets

OUR SCALE

Lending Book

₹ 61,411 Cr

↑ 7% Y-o-Y

Total AUM

₹ 3.7 LAC Cr

↑ 16% Y-o-Y

GWP (YTD FY22)

₹ 9,236 Cr

↑ 24% Y-o-Y

Branches

950

Agents and Channel Partners

2 Lac+

Ecosystem Partners²

150+

Employees

30,000+

NBFC & HOUSING FINANCE

LENDING BOOK GROWTH & MIX

NBFC: Retail + SME¹ ↑ 24% y-o-y; Mix: 60%
HFC: Affordable book ↑ 44% y-o-y; Mix: 35%

MARGIN EXPANSION

NBFC: NIM 6.24%; ↑ 100 bps y-o-y
HFC: NIM 4.21%; ↑ 75 bps y-o-y

STRONG PROFIT DELIVERY

NBFC: PAT Rs 287 Cr ↑ 1.5x y-o-y; RoA 2.3%
HFC: PAT Rs 53 Cr ↑ 39% y-o-y; RoA 1.8%

ASSET MANAGEMENT

AUM GROWTH & MIX

Domestic AAUM ↑ 17% y-o-y
Equity AAUM ↑ 39% y-o-y; Mix: 41% (PY: 34%)

MARGIN EXPANSION

Operating PBT/ AAUM: 31 bps (PY: 23 bps)
PBT/ AAUM: 33 bps (PY: 31 bps)

STRONG PROFIT DELIVERY

PBT at Rs 249 Cr, ↑ 28% y-o-y
RoE at 37.1% (PY: 36.4%)

LIFE & HEALTH INSURANCE

PREMIUM GROWTH & MIX

LI: Ind. FYP ↑ 16% y-o-y; Protection Mix: 7%
LI: Total Premium up 21% y-o-y
HI: GWP ↑ 31% y-o-y; Retail Mix: 68%

MARGIN & COMBINED RATIO

LI: Net VNB margin: 16.8%, ↑ 449 bps y-o-y
HI: YTD Combined Ratio² at 113% (PY:115%)

VALUE ACCRETION

LI: YTD Net VNB: Rs 178 Crore; ↑ 2.2x y-o-y
**HI: On track to break even (Excl. COVID Impact)
in Q4 FY22**

On track to deliver ahead of FY24 targets

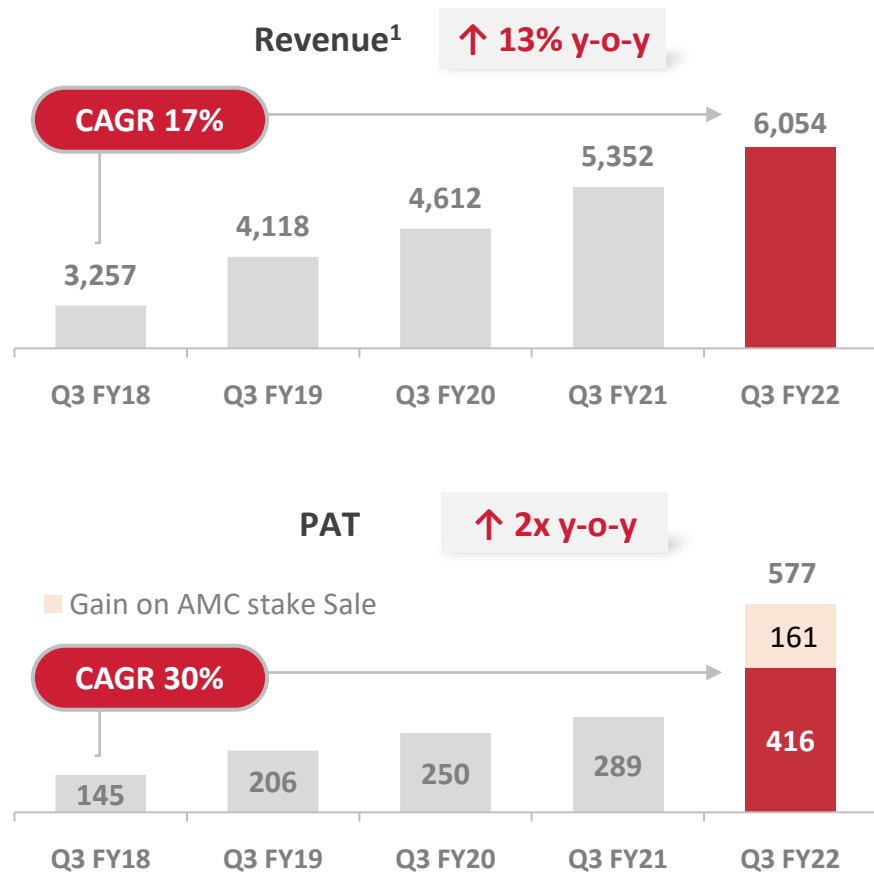


	Key Metrics	Q3 FY19	Q3 FY20	Q3 FY21	Q3 FY22	FY24 Target
NBFC	Retail + SME mix	48%	51%	53%	60%	65%
	Net Interest Margin	4.8%	5.1%	5.2%	6.2%	6.25%+
	Return on Assets	1.8%	1.7%	1.7%	2.3%	2.5 – 2.7%
Housing	Affordable mix	11%	17%	24%	35%	~65%
	Net Interest Margin	3.3%	2.9%	3.7%	4.2%	4.25%+
	Return on Assets	0.8%	0.9%	1.3%	1.8%	1.5 – 1.6%
AMC	Domestic Equity AAUM mix	37%	37%	34%	41%	~40%
	Profit Before Tax (Rs Cr.)	166	173	194	249	CAGR ~15%
	Return on Equity	37%	38%	36%	37%	35 – 40%
Life Insurance	Protection mix	6.0%	5.1%	4.5%	6.6%	12-15%
	Opex Ratio	16.5%	14.2%	13.3%	12.8%	~12%
	Net VNB Margin	5.2%	11.0%	12.3%	16.8%	16 – 17%
Health Insurance	Gross Written Premium (Rs Cr.)	139	231	309	406	3,500
	Combined Ratio; Breakeven Target	136%	127%	124%	113% ¹	Q4 FY22

¹ Combined Ratio for Health Insurance is normalized for COVID claims impact in YTD FY22

Q3 FY22: highest ever quarterly Profits

Consistent, Strong Performance



Business-wise profitability

Businesses (INR Crores)	Q2 FY22	Q3 FY21	Q3 FY22
NBFC	387	261	385
Asset Management	231	194	249
Life Insurance	50	36	40
Housing	66	48	68
Other Businesses	46	36	42
Profitable Businesses PBT	780	574	784
Health Insurance	(100)	(51)	(54)
Less: Others ² / Eliminations	(7)	(3)	(0)
Aggregate PBT	672	520	730
Less: Provision for Taxes	(230)	(165)	(227)
Less: Minority Interest	(66)	(66)	(87)
PAT (Excl. Stake Sale)	377	289	416
Gain on Stake sale in AMC business	-	-	161
Consolidated PAT	377	289	577

↑ 40%

↑ 44%

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 and other businesses

Financial Performance



Figures in Rs. Cr.	FY17	FY18	FY19	FY20	FY21	CAGR (FY17 - FY21)	9M FY21	9M FY22	Y-o-Y
Lending Book	38,839	51,379	63,119	59,159	60,557	12%	57,523	61,411	7%
Gross Insurance Premium	5,778	6,146	8,008	8,882	11,076	18%	7,441	9,236	24%
Active Customers (Mn)	10	11	12	20	24	24%	21	31	46%
Assets under Management	2,46,159	3,05,372	3,04,322	3,05,587	3,35,919	8%	3,19,947	3,72,423	16%
Revenue ¹	11,071	12,841	16,570	17,927	20,447	17%	14,529	16,651	15%
Profit Before Tax	1,150	1,438	1,797	1,687	1,973	14%	1,345	2,104	56%
NBFC	837	1,051	1,328	1,053	1,031	5%	693	1,086	57%
Asset Management	337	523	647	661	696	20%	488	685	40%
Life Insurance	124	130	131	137	151	5%	107	122	14%
Housing	(16)	34	107	136	176	-	129	183	42%
General Insurance Broking	39	39	27	42	71	16%	63	77	22%
Stock & Securities Broking	8	10	14	17	22	29%	17	26	53%
ARC Business	-	-	(3)	24	37	-	29	39	34%
Health Insurance	(89)	(197)	(257)	(246)	(199)	-	(176)	(281)	-
Interest and Brand expenses	(1)	(87)	(124)	(117)	(10)	-	(5)	(5)	-
Others / Eliminations / Stake Sale	(89)	(66)	(73)	(21)	(3)	-	(1)	171	-
Consolidated PAT (after minority)	573	693	871	920	1,127	18%	751	1,256	67%

On Track to achieve Consolidated PAT of Rs. 1,500+ Crore in FY22

FY22 PAT will be ~3x over last 5 years

¹ Consolidated segment revenue ; for Ind AS statutory reporting purpose Asset management and wellness business are not consolidated and included under equity accounting ² Excluding gain on stake sale of AMC and COVID claim for life and Health Insurance business

² 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.

The “One ABC” Platform Advantage

MONEY SOLUTIONS FOR LIFE



Comprehensive product offering allowing us to build long term relationships through our customers' life stages

UNIFIED BRAND



A unified brand provides support to all businesses along with a single interface to fulfil all service & transaction needs across the platform

INFRASTRUCTURE SYNERGIES



Pan India network of co-located branches, allowing us to maximize coverage and market access for all businesses

CUSTOMER VALUE



Large customer ecosystem and analytics provides basis for deepening customer relationships through upsell and cross sell



Application of Technology across the businesses to grow revenues, reduce costs, build scalable processes and create “Wow” customer experience

UNIFIED TECHNOLOGY



Drive multi-product partnerships with structured approach to onboard and operationalize ecosystem partners

ECOSYSTEM PARTNERSHIPS



Talented employee pool with strong domain expertise and a mix of experience and youth which is moved across the platform

TALENT + MOBILITY



Judicious capital allocation towards scalable, high return growth opportunities ensuring attractive returns to shareholders

CAPITAL ALLOCATION

Leveraging Ecosystems for acquiring customers at scale

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

2.6+ Mn customers acquired through ecosystem partnerships in Lending business in YTD FY22

17+ Mn lives covered in Health Insurance

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

64%+ new customer additions through ecosystem partners in Mutual Fund in YTD FY22

54% of new business premium in Life Insurance acquired digitally through partners in YTD FY22

Leveraging “One ABC” Branch Network

Target to reach 1,100+ Branches by Mar '22

- Maximise coverage and market access through co-location
- Improves real-estate space utilization, driving cost benefits
- Provides low cost opportunity to businesses to expand to new locations and thus grow revenues

150+ Locations

With multiple businesses co-located over 6-9 months

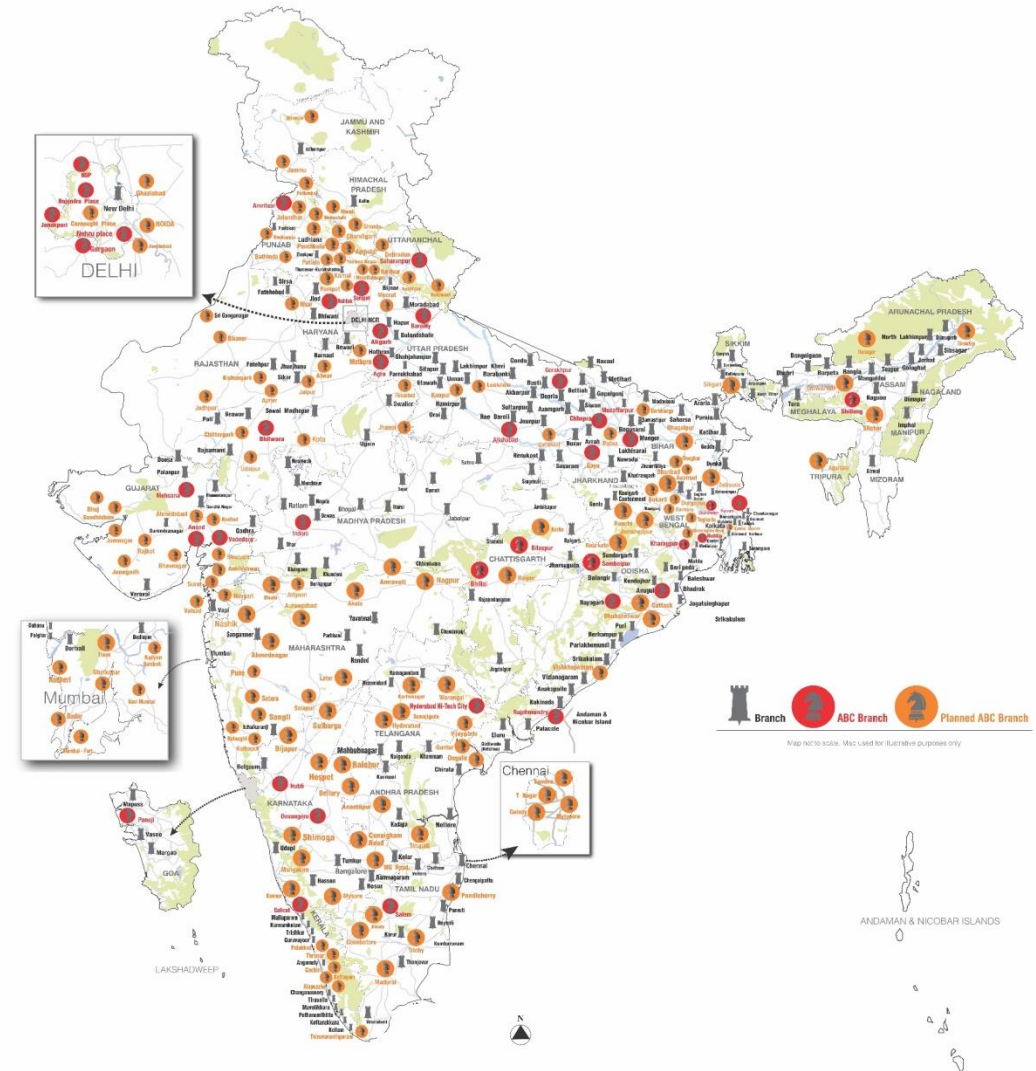


Rs. 50-60 Cr.

Annualised opex saving from co-located branches



Own Branch network will cover all cities/towns >3 lacs population pan India by Mar '22



Data and Analytics

	LIFE INSURANCE	HEALTH INSURANCE	AMC	LENDING
ACQUISITION	16% of Individual First Year Premium	10% of Retail Fresh Premium (Excl. Micro/Byte size products)	3% of Retail Gross Sale	49% of retail portfolio using ML risk scorecards
UPSELL & CROSS-SELL	23% of Individual First Year Premium	20% of Retail Fresh Premium (Excl. Micro/Byte size products)	11% of Retail Gross sale	11% of Personal Loan disbursals
RETENTION & WINBACK	10% Additional Renewal Premium collected	10% Lift in Renewal Premium collected	8% of Retail Gross Sale	4x Collection efficiency from digital lending / Personal loan NPAs



All metrics are for Q3 FY22 unless specified

Leveraging digital technology



Customer Acquisition

Leveraging Ecosystems

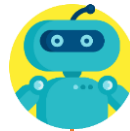
Customer Acquisition at scale through partner ecosystems integrations offering contextual products

Co browse assisted Digital onboarding

Assisted tele sales conversions leveraging Video-Co Browsing. Remote assistance for customers to complete Digital onboarding journey.

Voice Bot for reach & scale

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



Customer Service

One ABC App

30+% of One ID customers accessed One ABC App for seamless purchase and service experience across ABC products in FY22

ML based Voice Bots

Multi-lingual Inbound IVR and outbound calling Voice Bots to understand customer intent and responding to their service requests.

Proactive Service

Proactive service communication and in app nudges to customers to minimize the need to reach out for service request



Customer Analytics & Value

Hyper-personalized offers

Continue to leverage Pre-Approved/Next best offer for customers of Lending, LI, HI and MF.

Omni Channel journeys

Seamless orchestration of service journeys over physical and digital channels across HI, LI, FL, AMC & HFL

Select Advisor Portal

One stop shop for advisor to see preapproved/Next best offer for their customers and Advise/onboard the customers



Scalability

Hybrid Cloud Strategy

Steady progress made with servers migrated to Public Cloud to improve infrastructure resilience and agility.

Robotics

Continue on journey for automation of back-office operations, Finance and HR process using Robotics with over 460+ implementations.

Modernization of Tech Stack

New age Core Systems in HI & Lending for supporting business growth and faster go to market

ABC Digital impact metrics

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

All metrics are for Q3 FY22 unless specified

REVENUE ENABLEMENT through digital customer acquisition engines

94%+

Customers onboarded digitally across businesses

10%

of overall Personal Loan Business through upsell using pre-approved offers

50%+

Improvement in assisted conversions in Health Insurance Telesales leveraging Co-browsing.

78%

Successful customer connect through Outbound Voice Bot for upsell and cross sell in Life insurance

CUSTOMER EXPERIENCE through new age digital channels

100+

Voice Bots for Inbound & Outbound calls across businesses

8.7 Mn

Customer Interactions on Digital Channels

2.5+ Mn

Omni Channel Interactions in YTD FY22

86%

policies renewed digitally in Life Insurance & Health Insurance

SCALABILITY & COST EFFICIENCIES with mid & back office automation

20%+

Reduction in cost per servicing active customer in Life Insurance leveraging Digital Channels

460+

RPA Robots live in our mid & back offices

3.3 Mn

Calls to customer using audio visual/Voice bots in YTD FY22

22%+

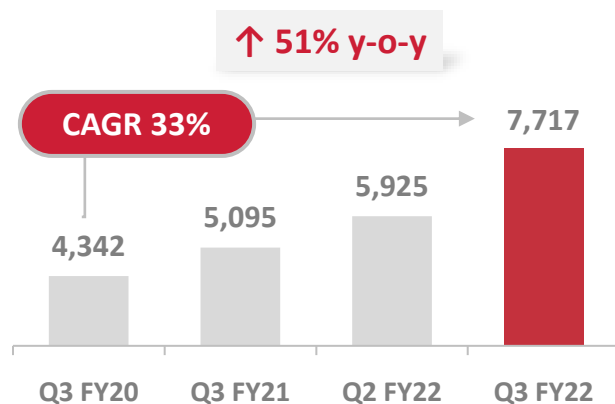
Servers moved to public cloud across businesses



Accelerating Growth Momentum

NBFC & HOUSING FINANCE

Gross Disbursement



Growth Drivers

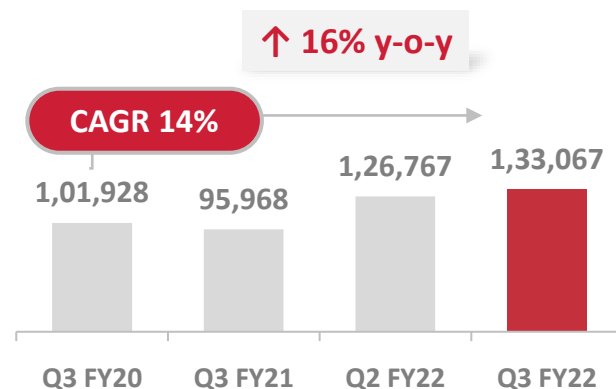
Branch Expansion in Tier III/Tier IV cities

Scale up in new product and segments

Increase in Ecosystem partnerships

ASSET MANAGEMENT

Overall Equity AAUM



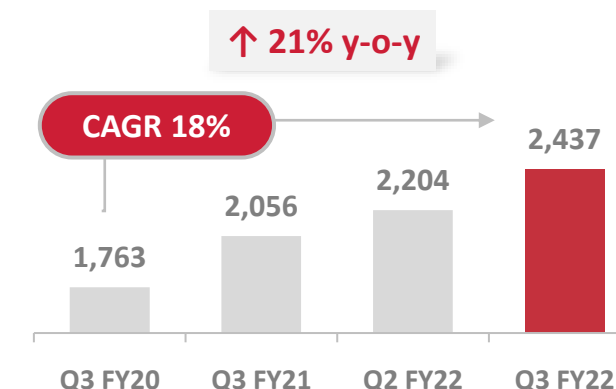
Growth Drivers

New product launches in alternate assets

Retail penetration with focus on B-30 market and increase in SIP AUM

LIFE & HEALTH INSURANCE

Retail Premium



Growth Drivers

Investment in capacity expansion in various channels to drive growth

Data analytics driven Cross sell & Upsell

Focus on profitable growth across the platform led by Retailisation, New Products/Segments, expanding reach & leveraging data Analytics

NBFC

**Aditya Birla
Finance Ltd.**



**ADITYA BIRLA
CAPITAL**

Performance Summary | NBFC | Aditya Birla Finance

1 Disbursement momentum towards Retail and SME segments

- Strong momentum in Q3 with disbursement at Rs 6,622 Crores (↑34% q-o-q; ↑55% y-o-y); Retail + SME¹ contributed 69% of Q3 disbursement
- Overall loan book ↑9% y-o-y ; ↑4% q-o-q; Retail + SME¹ book ↑24% y-o-y
- Retail + SME¹ mix at highest ever of 60% (PY: 53%)
- Overall Loan book estimated to grow by ~7-9% q-o-q in Q4 FY22

3 Continue to focus on retailisation and granularity

- Customer count ↑ 12x y-o-y at 23 lac; Portfolio ATS at Rs 2 Lacs (PY: Rs 24 lacs)
- ATS: Retail ~Rs 1 Lacs; SME ~Rs 6 Crore; Large/ Mid Corp ~Rs 49 Crore
- Branch count at 126 with 73% presence in Tier 3/4 cities; plan to expand to 150 branches by Mar '22
- Retail loan book from Tier 3/4 grew 2.6x over last two years

5 Liquidity and Balance Sheet Resilience

- Strong funding access with adequate liquidity and amongst best cost of borrowing in industry
- Comfortable capital adequacy with CRAR at ~23.1%
- Raised LT borrowing of ~Rs 5,929 Crore in YTD FY22

2 Improving margins & profitability

- Q3 FY22 NIM ↑ 100 bps y-o-y to 6.2%; NII ↑ 30% y-o-y at Rs 799 Crore
- NIM expansion led by growth in retail/SME segments & lower cost of borrowing
- Q3 FY22 PPOP (Rs 562 cr) ↑ 88 bps y-o-y at 4.5%
- Q3 FY22 PAT at Rs 287 Crore (↑ 1.5x y-o-y); RoA at 2.3% (PY: 1.7%)

4 Quality of book & collections

- 80% of overall loan book secured; Net Security cover: 1.8x
- Collection efficiency strong at 98.8% in Dec'21, better than pre-covid levels
- Stage 2 at 7.5% (PQ 7.7%) ; 60 dpd+ at 1.5% (PQ 2.3%)
- GS3: 3.9% (PQ: 3.6%) and NS3: 2.3%; Stage 3 PCR at 42% (PY: 39%)
- Expected Resolution of ~Rs 350-375 Crore of stage 3 assets over next 6 months

6 New growth engines in Retail and SME segment

- Plan to expand Tier III/IV location presence to 85%+ of overall branches and AUM mix to 25%+ by FY24
- Ecosystem partnership sourcing from sectors viz. consumer, education, healthcare, MSME etc. contributed ~ 10% of retail portfolio;
- Growth in SME to be driven by Tier III/IV penetration and establishing a Digital MSME platform for sourcing from across the value chain

Change in loan book mix with focus on target segments

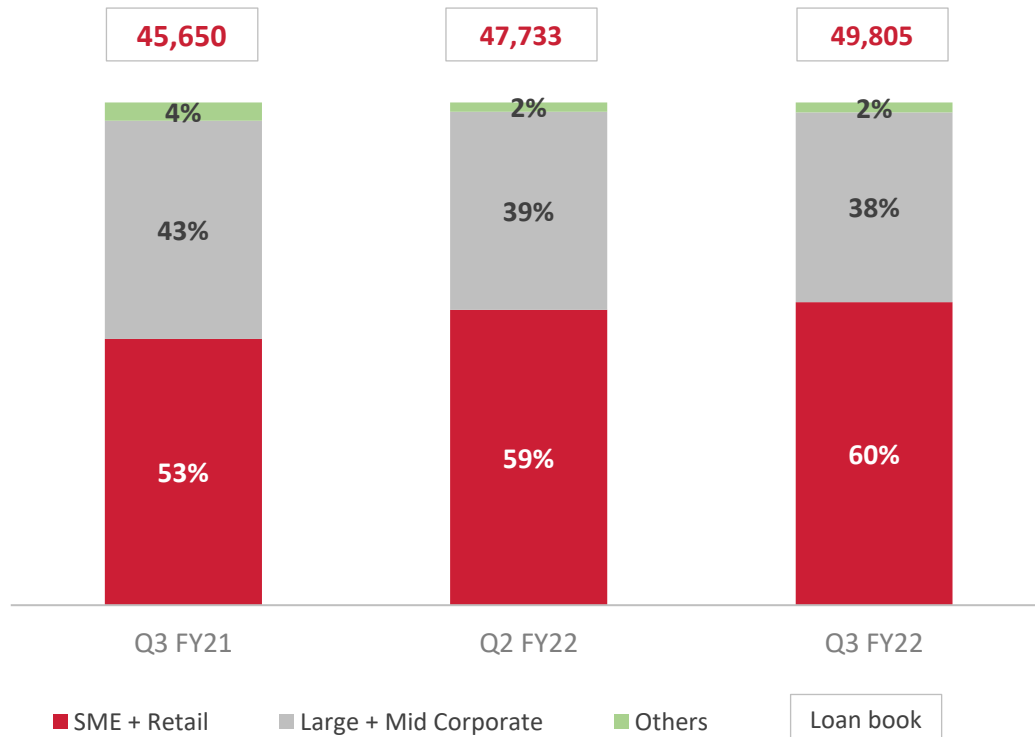
Change in Loan Book Mix

SME + Retail¹ book

24% ↑ Y-o-Y

SME + Retail¹ mix

53% → 60%



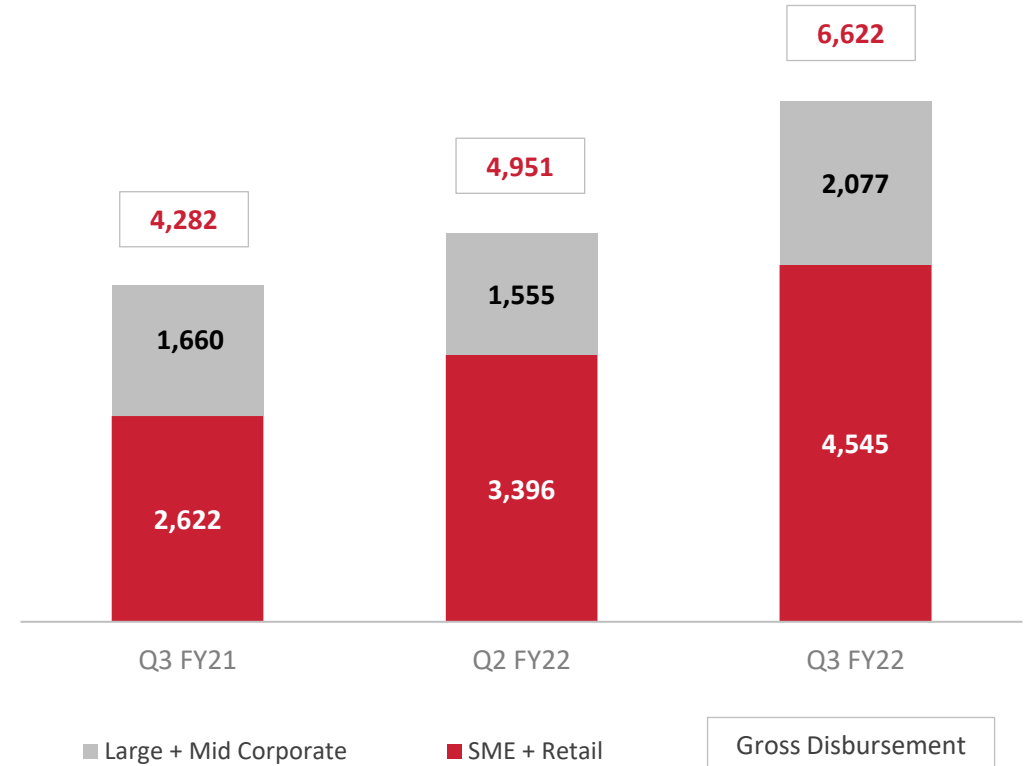
Focusing new disbursement to Retail and SME Segments

Disbursement

1.5x ↑ Y-o-Y

SME + Retail¹

1.7x ↑ Y-o-Y



¹ Includes HNI book

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

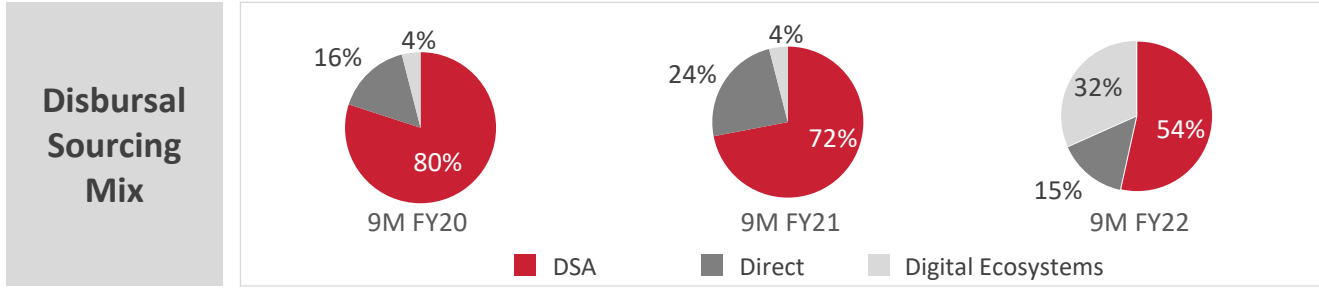
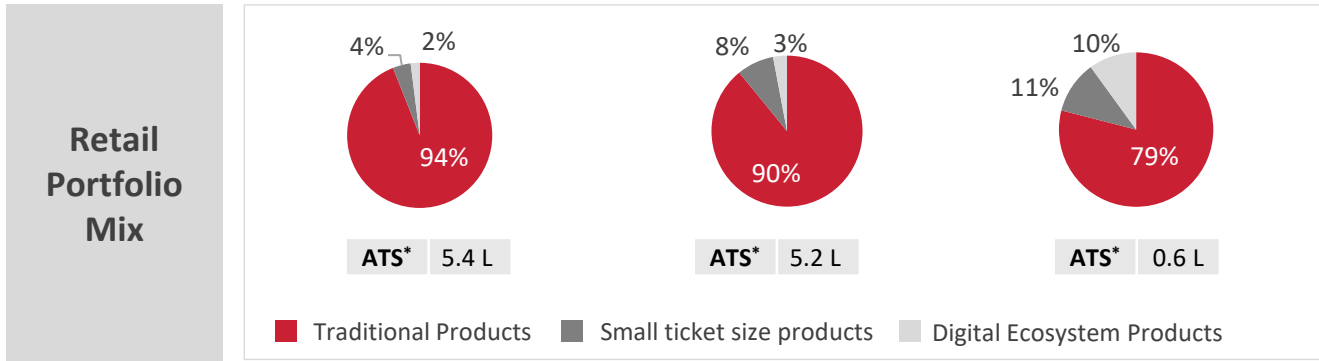
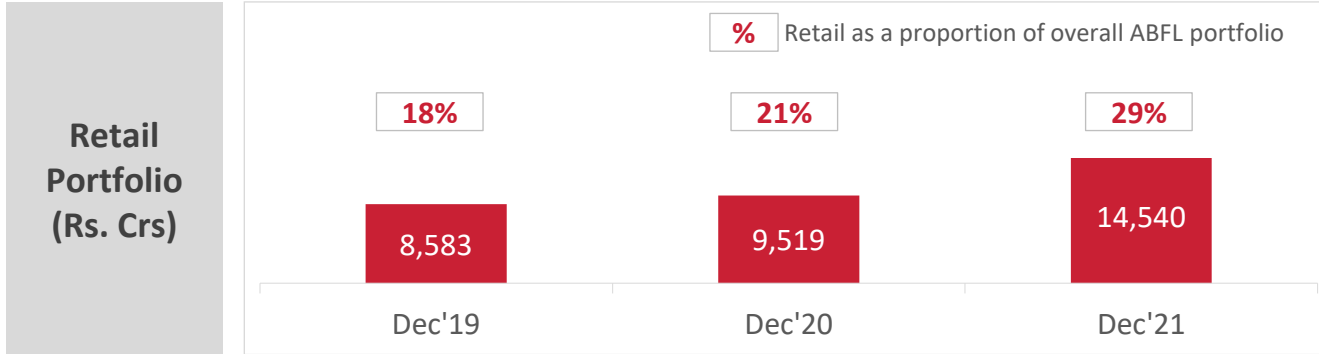


Purchase Financing



Business Expansion Loans

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 products** like Buy Now Pay Later (BNPL), Checkout EMI, etc.

Enhancing Returns in Retail to deliver target RoA

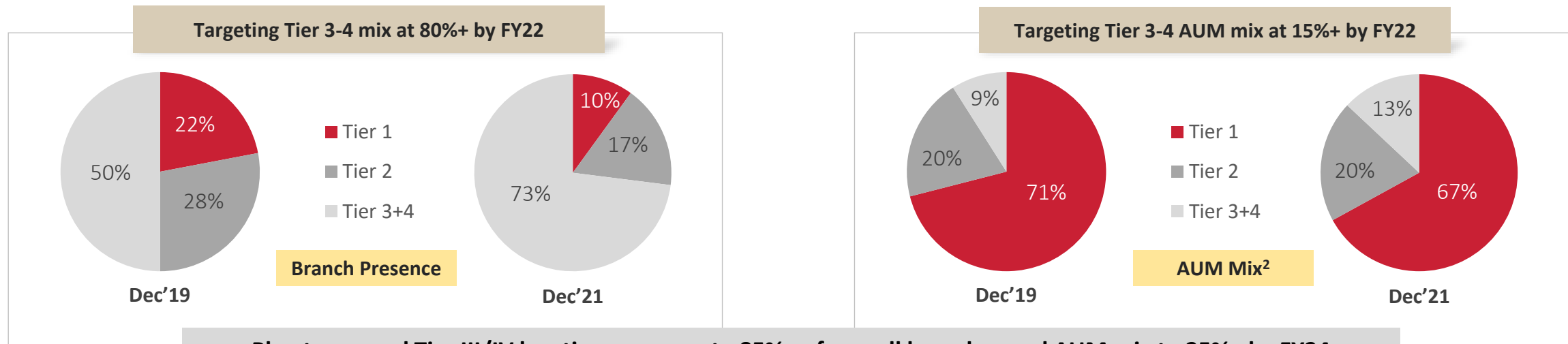
- Scale up of small ticket loan segment driven by **lean branch model** in tier III/IV markets
- New products yielding higher returns**
 - High-yield unsecured small ticket & Ecosystem products **driving higher RoA** than traditional segment
- Increasing Direct & Digital Ecosystem Sourcing for better returns**
 - Direct and digital ecosystem sourcing **increased to 46% in 9M FY22** from 20% in 9M FY20
 - 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



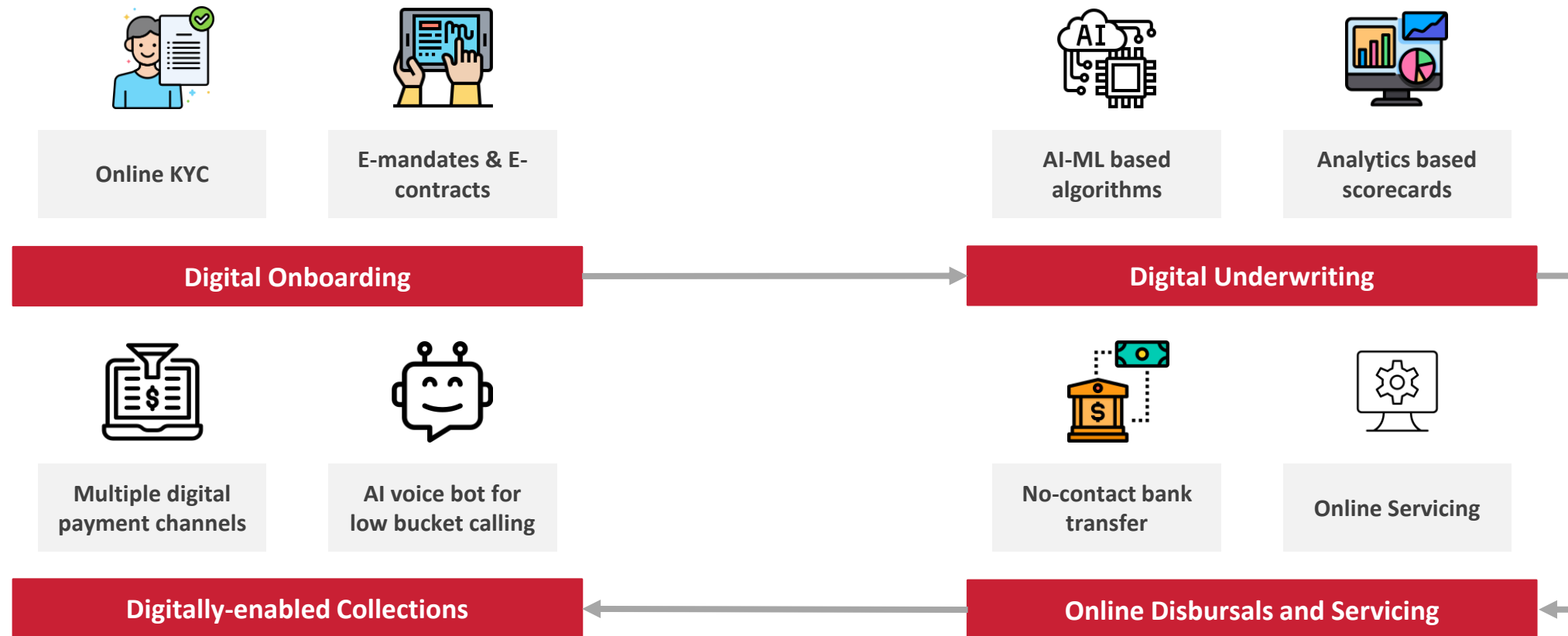
Retail Branch Expansion – Focused penetration into Semi-Urban markets; grew from **50** locations (Dec'19) to **108** locations (Dec'21), target **150** locations by FY22



Plan to expand Tier III/IV location presence to 85%+ of overall branches and AUM mix to 25%+ by FY24

Successfully built a competitive Digital lending Platform...

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



...leading to large scale customer acquisition

2.6+ mn

customers acquired via Digital Ecosystems in 9M FY22

10%

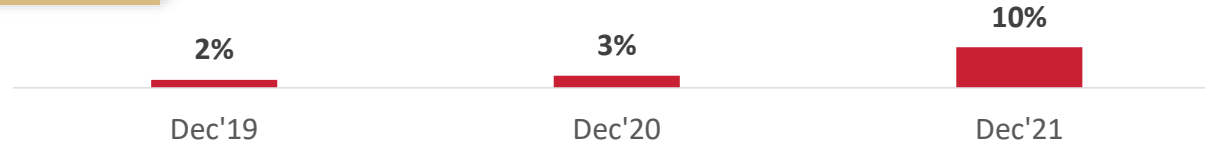
of Retail portfolio in Dec'21 is from Digital Ecosystem products

32%

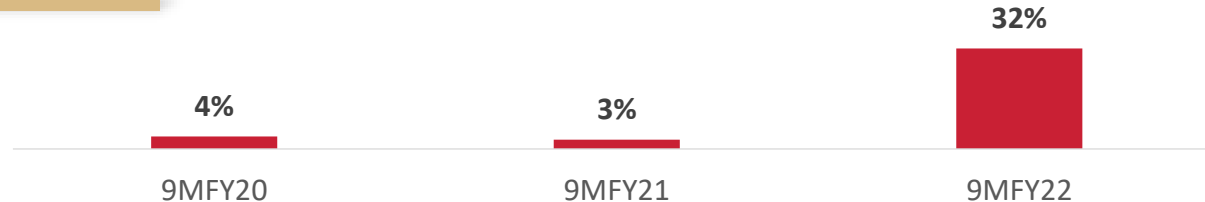
of Retail segment disbursements in 9MFY22 via Digital Ecosystems

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

SME expansion strategy with focus on digital ecosystem platform



Increase penetration via focus on specific industries

Increase penetration in Industry sectors having **ABFL's strength** and leveraging ABG ecosystem

10+ Industry sectors selected basis **Market sizing and Bureau rankings** e.g., Education, Chemicals, etc.

Customized offerings basis industries; targeting clusters not serviced by Banks

Expand in Tier 3-4 markets with access to SME clusters

Opening new branches in specific locations having SME clusters in chosen Industry sectors

Greater focus on **new branches in West and South** markets; Increasing footprint in North markets

Target **46 micro-market locations** with SME focus in **FY22** → Activate **120 such locations¹** by **FY24**

Building a Digital MSME platform for sourcing from across the value chain

Direct sourcing (online and offline)

- SMEs and MSMEs in select industries and micro-markets
- Targeting SMEs and MSMEs across L1, L2, L3 suppliers, vendors of large corporates from within ABG ecosystem

ABFL

Sourcing from Marketplaces (B2B2C)

- SMEs and MSMEs acquired via online and offline aggregators, channel partners
- Sourcing via SME and MSME focused fintechs, neobanks, ecommerce and tech platforms

Expansion strategies to yield 15-20% growth in SME portfolio over next 12-18 months | Focus on high-yielding, ROA accretive segments

Leveraging technology across end-to-end lending processes



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; risk-based collection calling

Ecosystems

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

Analytics

- **19 Scorecards live** across Sourcing, Underwriting and Collections; **15** 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

94%

Customers onboarding digitally

2.6+ mn

Customers acquired through digital ecosystems in YTD FY22

32%

Retail Disbursements in YTD FY22 through Digital Ecosystems

Customer Advocacy through Self Service Channels

97%+

EMIs collected digitally

73%

Services available on our 24x7 digital channels

84%+

Digital service interactions in YTD FY22

Scalability & Automation of back-end processes and Systems

77 mn +

Transactions through 190+ API in YTD FY22

81

RPA Robots live in operations processes in YTD FY22

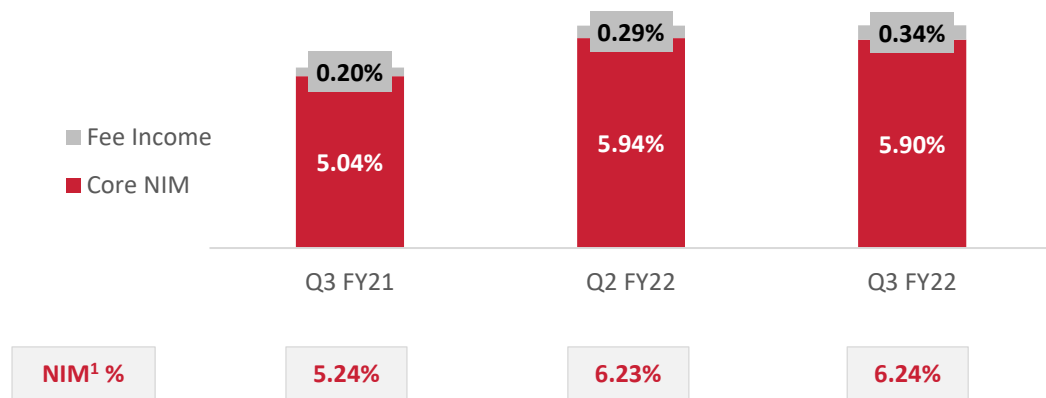
2 lac+

Emails handled through AI Bot in YTD FY22

Continue to deliver strong core operating profits

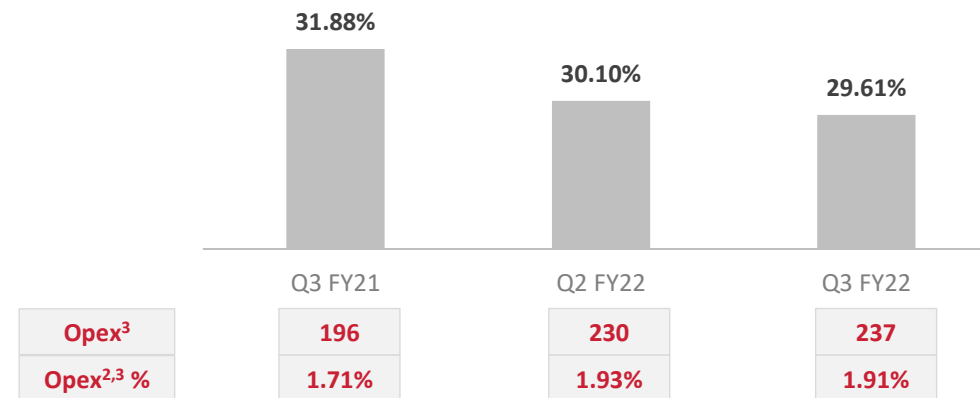
Margin improvement led by change in product mix

Net Interest Income^{1,3}



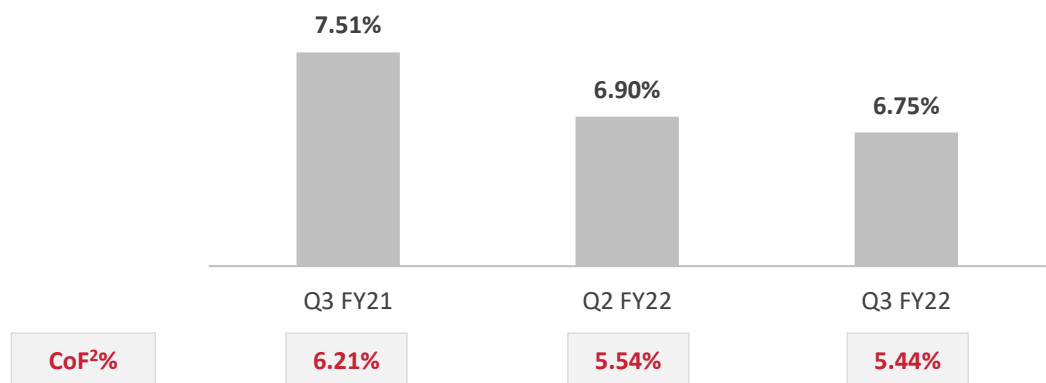
CIR reduction of 227 bps y-o-y

CIR^{1,2}



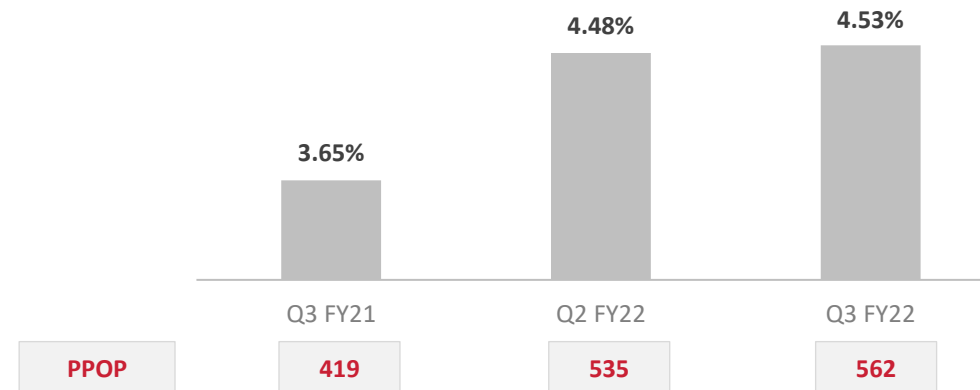
Optimised borrowing cost

Cost of Borrowing



Expansion in core profit margin (PPOP % of AAUM)

PPOP²

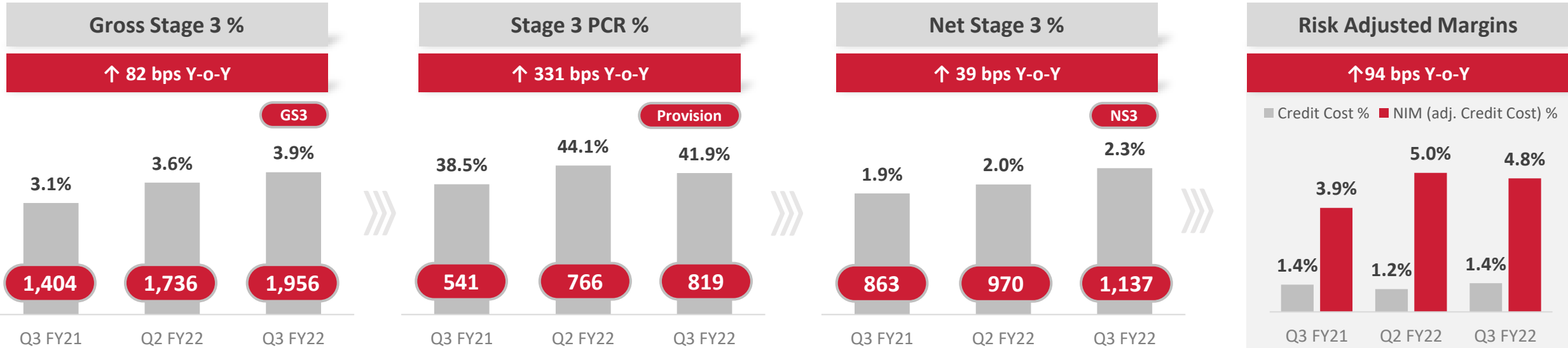


¹ NIM including fee (net of DSA Expenses and Processing Cost)

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 7.5%; 60 dpd+ at 1.5% (PQ: 2.3%)
- Maintained overall management overlay of Rs 206 Cr. across stages including COVID provision
- There is no impact on the financial results as ECL provision is higher by ~40% than requirement under IRAC norms
- GNPA on account of RBI circular on IRACP norms for quarter ended 31st Dec '21 now stand at ~ 0.6% as on date

Collections, Restructuring & Resolutions

- Collection efficiency at 98.8% in Dec'21
- Restructured book at Rs 1,943 Crore, 3.9% of overall loan book as of Q3 FY22
- Expected Resolution of ~Rs 350-375 Crore of stage 3 assets over next 6 months

Adequate provisioning and security cover across segments

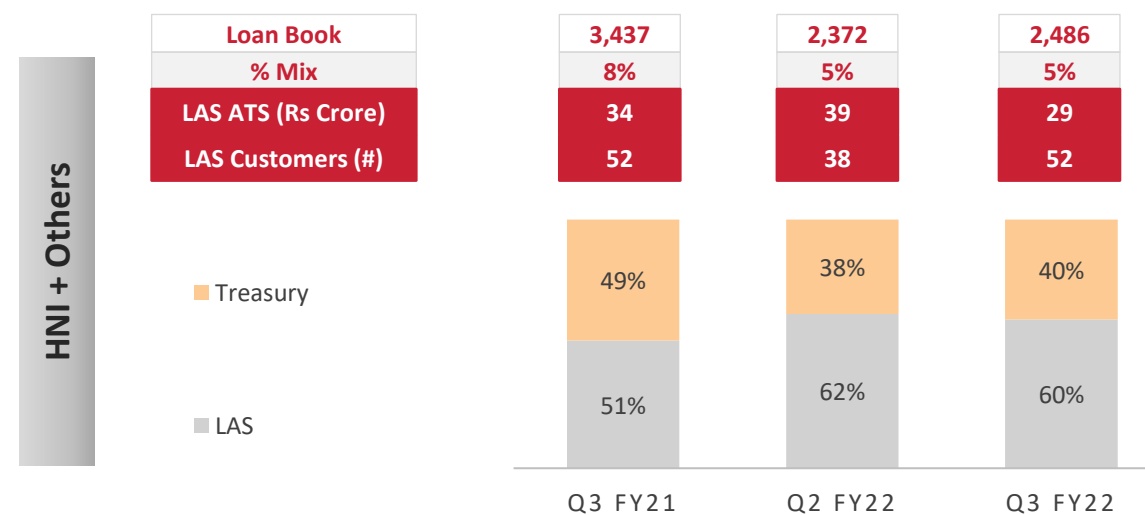
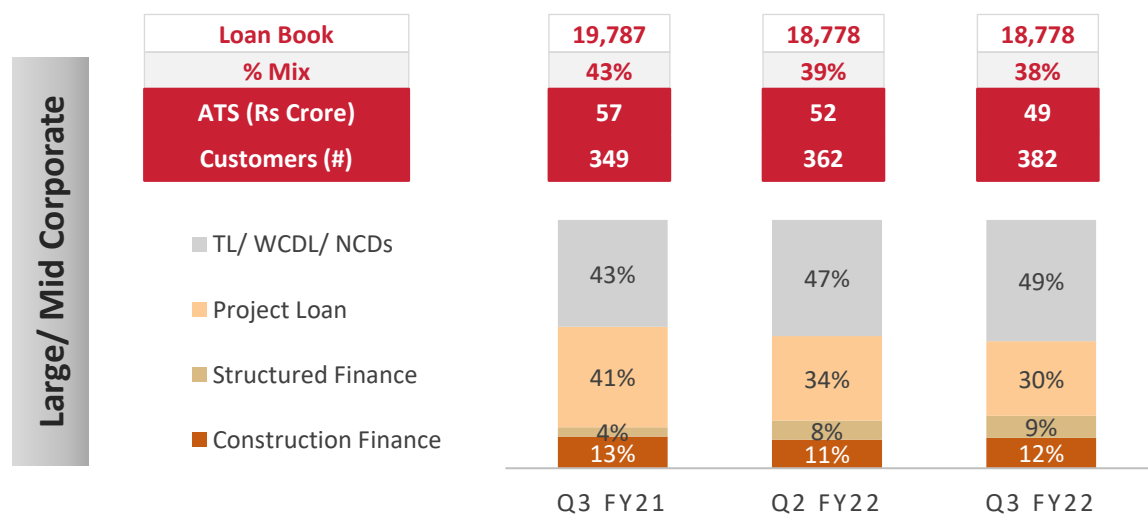
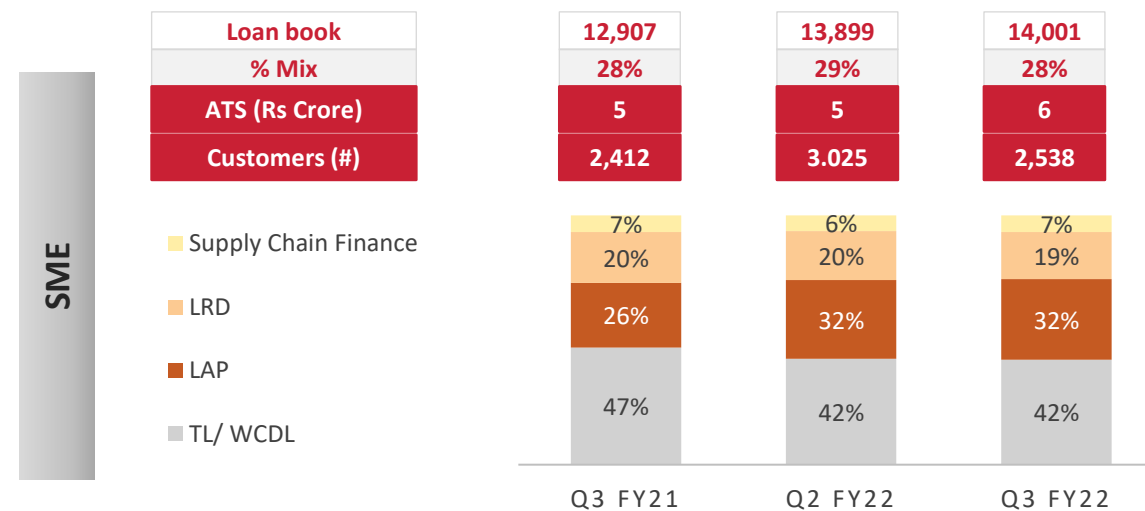
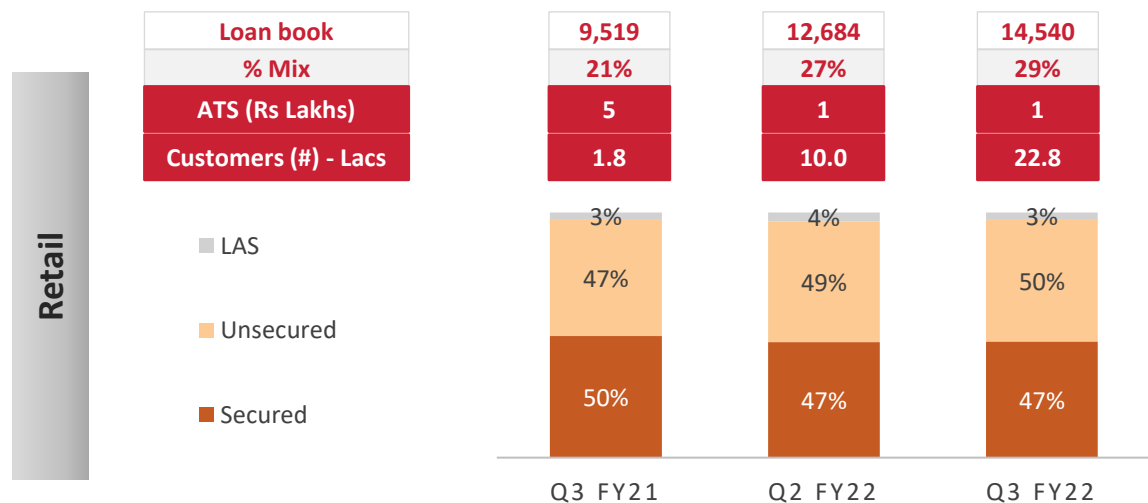
1.8x Net Security Cover¹

- 76% of total loan book secured. ~Additional 4.0% secured through CGTMSE scheme, making over 80% of book secured.
- ~70% retail portfolio secured through assets & government guarantee schemes
- Security Cover:
 - Overall Loan Book:** Security value of Rs 91,553 Crore Vs. loan book of Rs 49,805 Crore (**Security Cover : 1.8x**)
 - Net Stage 3 Book:** Security value of Rs 2,064 Crore Vs. Net Stage 3 assets of Rs 1,137 Crore (**Net Security Cover¹ : 1.8x**)

Customer Segment	GS3	GS3 %	Provision	NS3	NS3 (%)	Security Value	Net Security Cover ¹
SME	305	2.2%	102	204	1.46%	479	2.3x
Retail	537	3.7%	220	318	2.18%	345	1.1x
Large & Mid Corp	1,114	5.9%	498	616	3.28%	1,240	2.0x
Total Book	1,956	3.9%	819	1,137	2.28%	2,064	1.8x

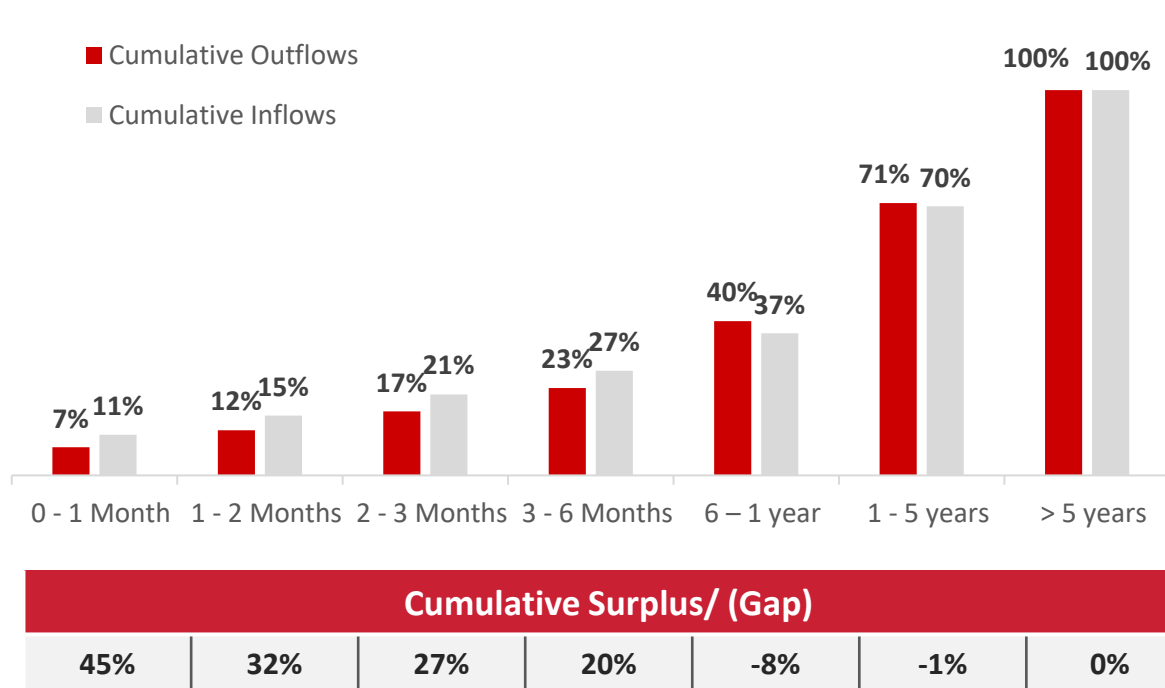
¹ Net Security Cover = Security Value/ (GS3 – Provision).

Building granularity across segments



Well matched ALM with adequate liquidity

ALM optimised for liquidity and costs 31st Dec 2021



Raised LT borrowing of Rs 5929 Crore

Term Loan: Rs 3730 Crore; NCD: Rs 2089 Crore; Sub-debt: Rs 110 Crore

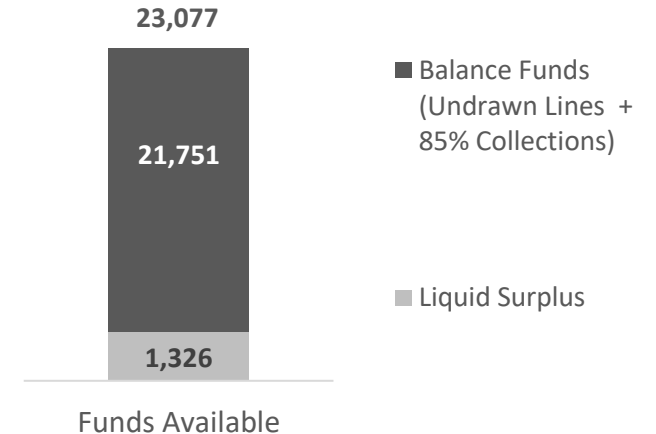
Diversified borrowing profile with long-term borrowing mix at 85%

Adequate liquidity under stress test scenario

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



Fund Available as on Dec 31, 2022
(Assuming 85% of collections)



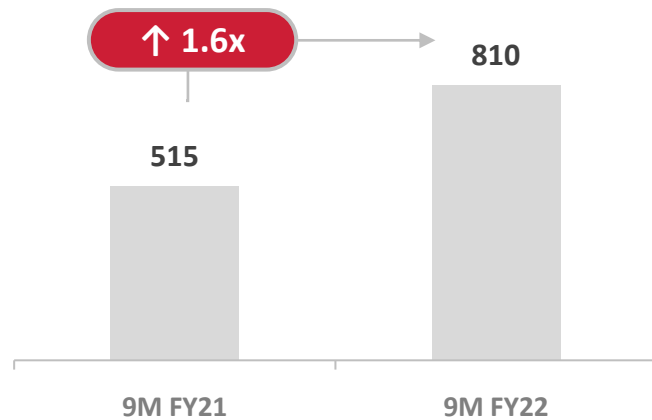
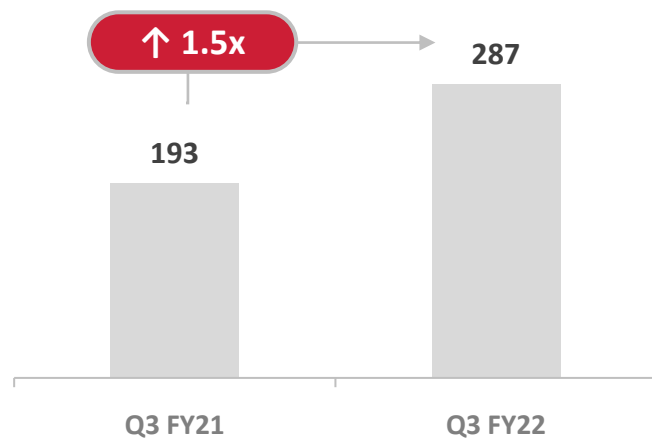
Surplus under various stress scenarios (incl. undrawn line) :

- At 95% collections, surplus of Rs 9,120 Crore
- At 75% collections, surplus of Rs 5,128 Crore

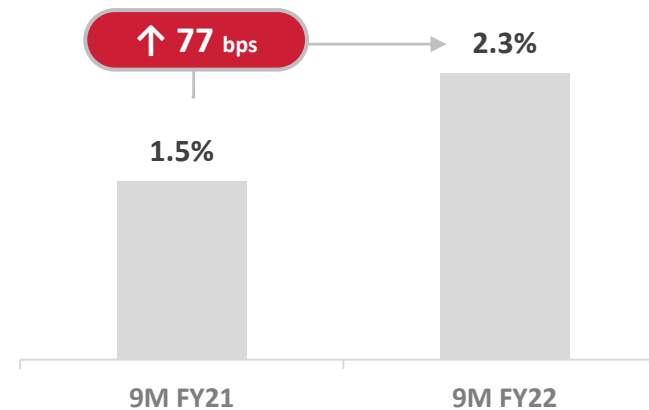
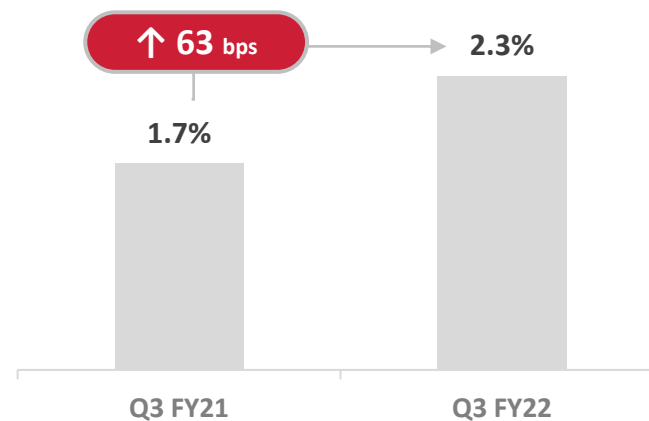
Maintained Comfortable Capital Adequacy in Q3 FY22 CRAR at ~23.1%

Value accretive growth

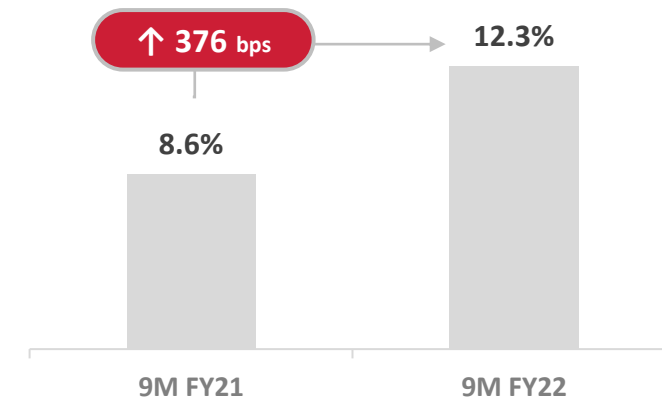
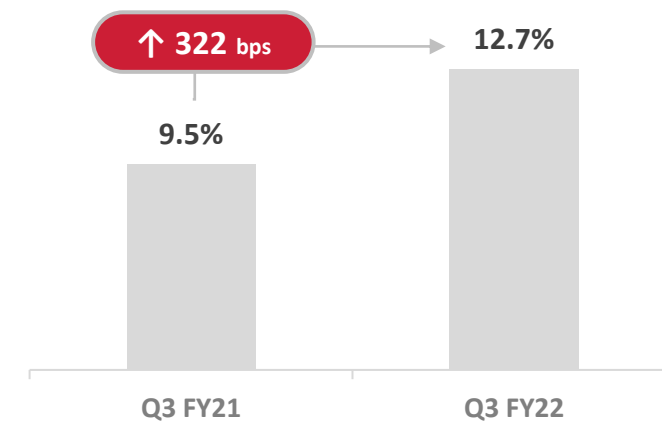
PAT



Return on Assets



Return on Equity¹



¹ Based on monthly compounding of annualised RoE

Key Financials – Aditya Birla Finance Limited



Quarter 2	Quarter 3		Figures in Crs	Nine Months	
FY 21-22 (CY)	FY 20-21 (PY)	FY 21-22 (CY)		FY 20-21 (PY)	FY 21-22 (CY)
47,733	45,650	49,805	Key Performance Parameters	45,650	49,805
11.77%	11.45%	11.68%	Lending book	11.64%	11.75%
5.54%	6.21%	5.44%	Average yield (Incl. Fee Income)	6.51%	5.54%
6.23%	5.24%	6.24%	Interest cost / Avg. Lending book	5.13%	6.20%
765	615	799	Net Interest Income (Incl. Fee Income)	1,813	2,286
230	196	237	Opex	563	680
1.93%	1.71%	1.91%	Opex / Avg. Lending book	1.62%	1.90%
30.1%	31.9%	29.6%	Cost Income Ratio	31.1%	29.7%
148	159	178	Credit Provisioning	557	519
1.24%	1.38%	1.43%	Credit Provisioning/ Avg. Lending book	1.60%	1.45%
387	261	385	Profit before tax	693	1,086
289	193	287	Profit after tax	515	810
9,367	8,586	9,664	Net worth	8,586	9,664
2.4%	1.7%	2.3%	Return on Asset %	1.5%	2.3%
13.2%	9.5%	12.7%	Return on Equity %	8.6%	12.3%

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
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Performance Summary | Housing Finance | AB Housing Finance

1 Disbursement momentum to target segment

- Strong growth in Q3 disbursal at Rs 1,095 Crore (↑ 12% q-o-q ; ↑ 34% Y-o-Y)
- Affordable disbursement mix at 50% (PY: 48%); Affordable mix 35% (PY: 23%)
- Branch count at 80 with 57% presence in Tier 3/4 cities; plan to expand to 105 branches by Mar '22
- Targeting affordable book Mix at ~40% as on Mar '22 (PY: 27%)

3 Focus on granularity and higher margin segments

- Overall loan book retail mix 95%:
 - Home Loan ATS at Rs 22 lacs (PY: Rs 27 Lacs); ↓ 15% y-o-y
 - LAP ATS at Rs 36 lacs (PY: Rs 50 Lacs); ↓ 28% y-o-y
 - CF ATS at Rs 8.14 Cr (PY: Rs 7.74 Cr); ↑ 5% y-o-y
- 4000+ customers on boarded in Q3 FY22 with ATS of ₹22 lakh in retail business

5 Liquidity and Balance Sheet Resilience

- Strong funding access and amongst best cost of borrowing in industry
- Optimised borrowing cost (↓ 71 bps y-o-y | ↓ 4 bps q-o-q)
- Raised LT borrowing of Rs 1,450 Crore till YTD Dec'21
- Comfortable capital adequacy with CRAR at 24.41%

2 Change in Mix leading to Improving margins & Core Profitability

- Highest NIM at 4.21% (↑ 75 bps y-o-y); NII ↑ 7% y-o-y
- Risk adjusted returns (NIM less credit cost) ↑ 126 bps y-o-y
- PPOP at Rs 82 Crore (↑ 5% y-o-y)
- PAT at Rs 53 Crore (↑ 39% y-o-y) ; RoA at 1.8% (PY: 1.3%) and RoE at 13.7% (PY: 10.9%)

4 Quality of Book & Collections revival

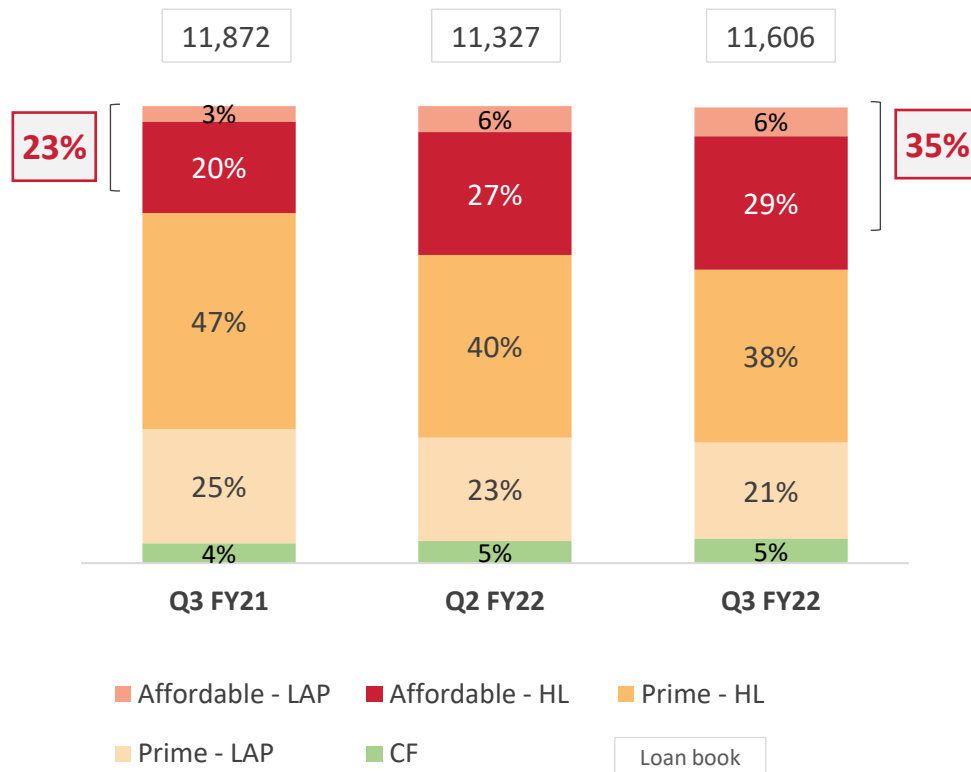
- Strong collection efficiency at 96.3 % in Dec'21
- GS3 and NS3 at 2.12% (Q2: 2.13%) and 1.40% (Q2: 1.40%) respectively
- Stage 3 PCR at 34.0% (PY: 33.5%, Q2: 34.3%); Security cover: 2x
- Overall management overlay of Rs 71 Crore across stages incl. COVID provision

6 Digital Adoption

- 1st HFC to enable customers to store loan related documents in Digilocker
- 85% of all files sourced digitally in Q3 FY22
- Leveraging Collections App; Digital payment ~98% of total collections
- WhatsApp Live on 37 Service Requests catering 77% of overall digital volume

Momentum in disbursement to focused segments

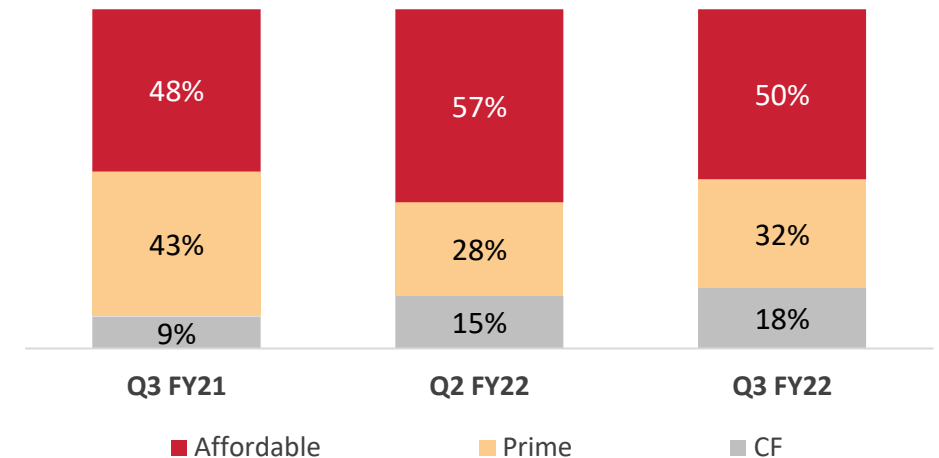
Growing loan book with increased retail mix



Strong disbursements in target segment



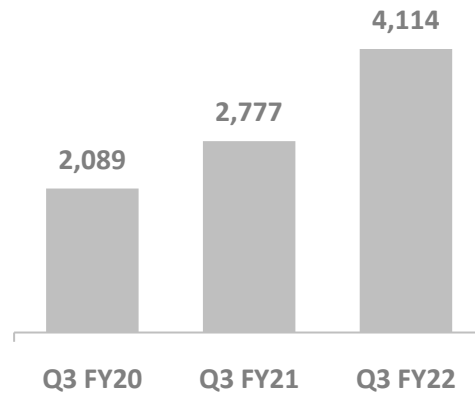
	Q3 FY21	Q2 FY22	Q3 FY22
Gross Disbursal	813	974	1095
NIS	3.7%	4.2%	4.0%
ATS (Lacs)	27	25	22



Growth in Affordable Segment

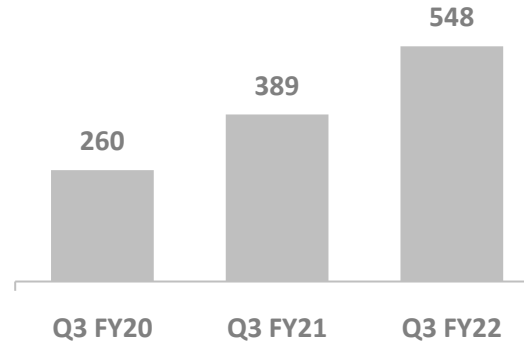
Affordable AUM

AUM: 2Y CAGR ↑ 40%

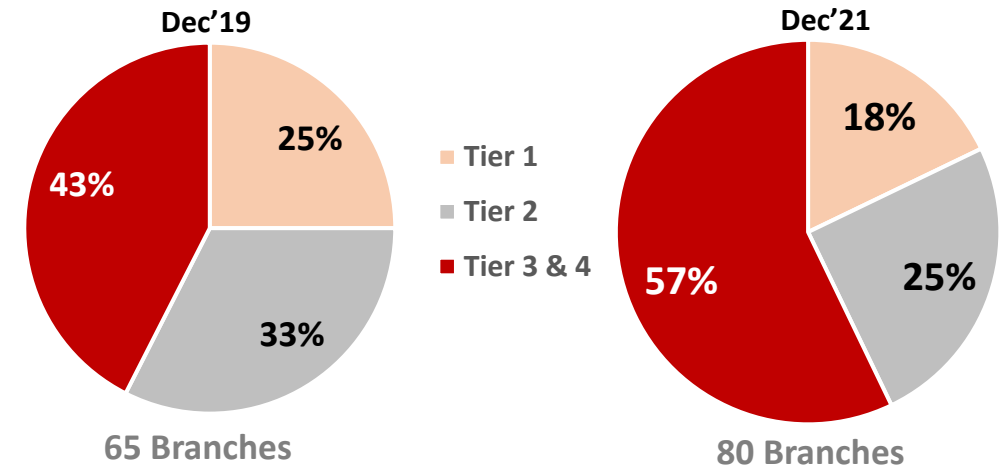


Affordable disbursement

Disbursal: 2Y CAGR ↑ 45%



Tier wise branch presence for Affordable segment



Capacity

- Plan to expand branch footprint to **105 branches by Mar'22**, with tier 3/4 presence **increasing to 70%+**
- FOS count to be increased 2x by **Mar'22** (Dec'21 : 1.6x of Mar'21)

Customer

- 4000+ customers** onboarded in Q3 FY22; **ATS of Rs. 22 lakh**
- Focus on **steady state income** customers in Tier III/IV cities
- Largely first time home owners

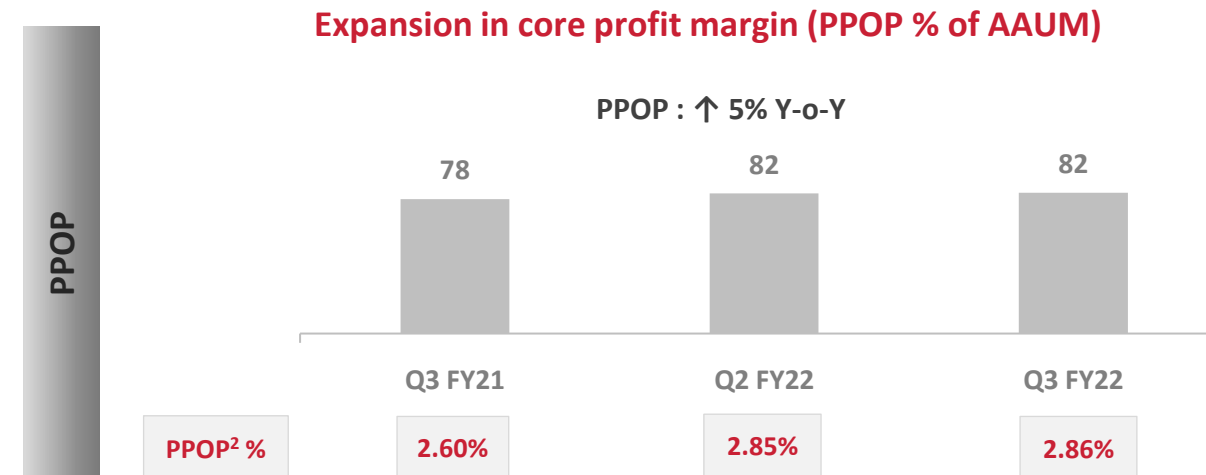
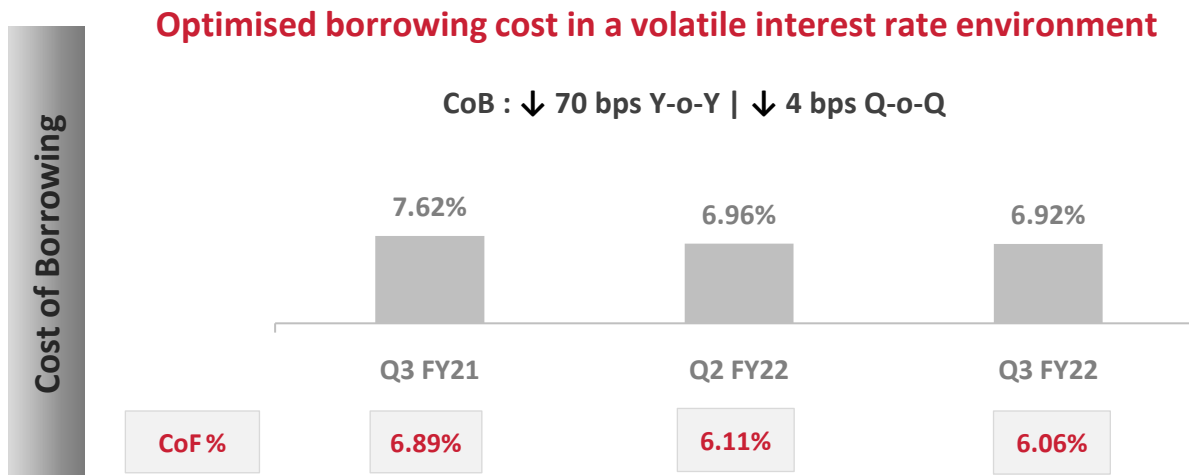
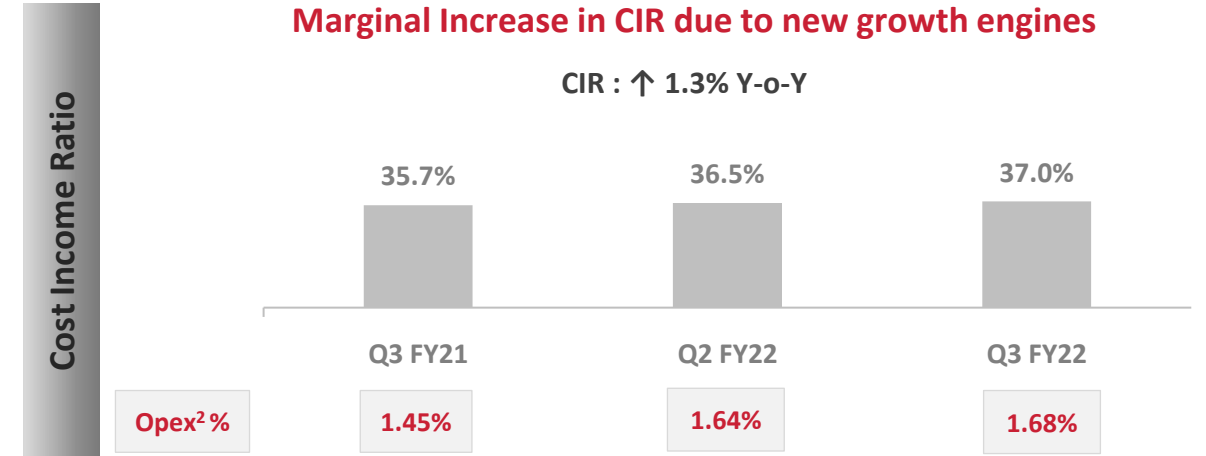
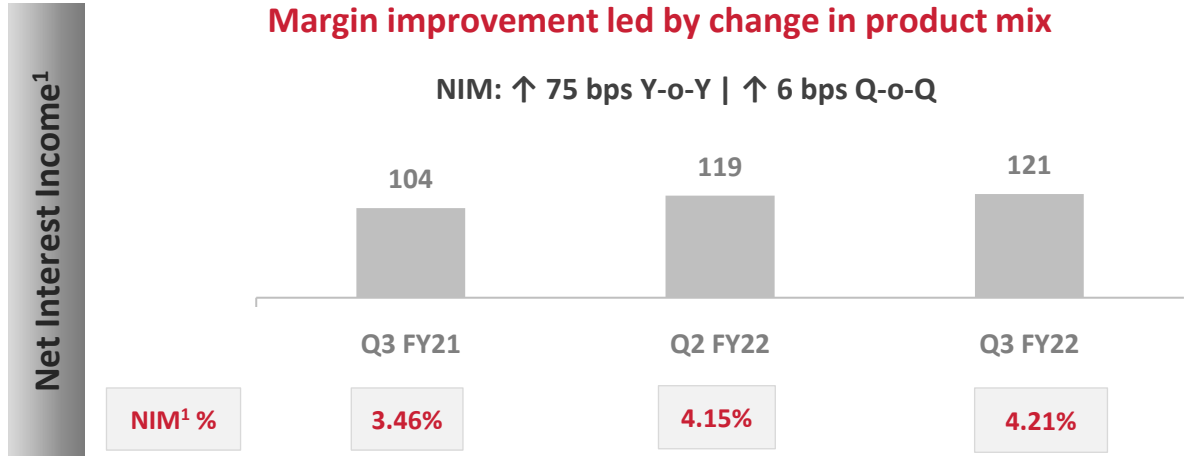
Sourcing

- 76% direct sourcing** in Q3 FY22 ensuring higher customer stickiness
- Target to increase **direct sourcing to 80%** by Mar'22
- Expansion through 6000+ ABC Select distributor network (Dec'21 : **9%** Penetration)

Capability

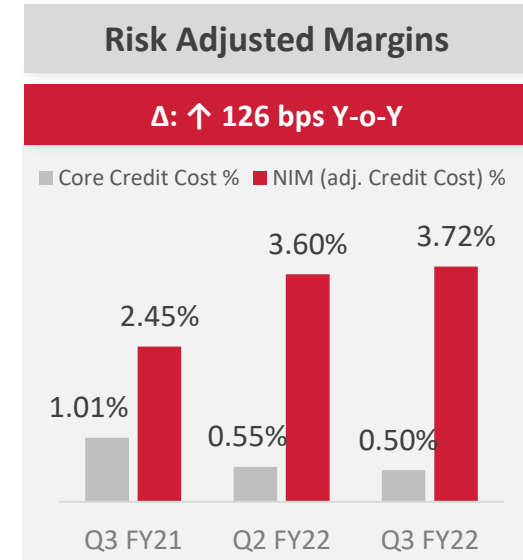
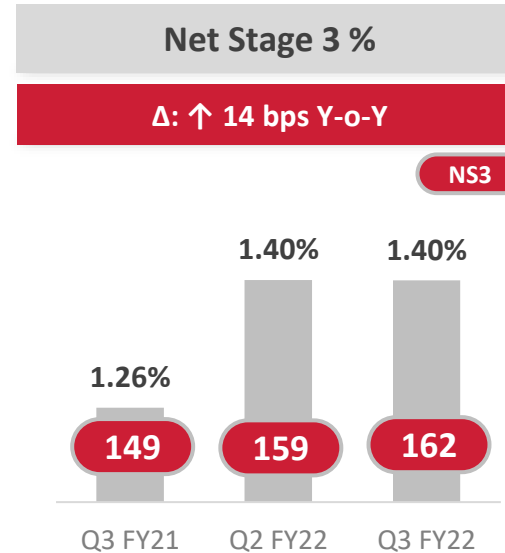
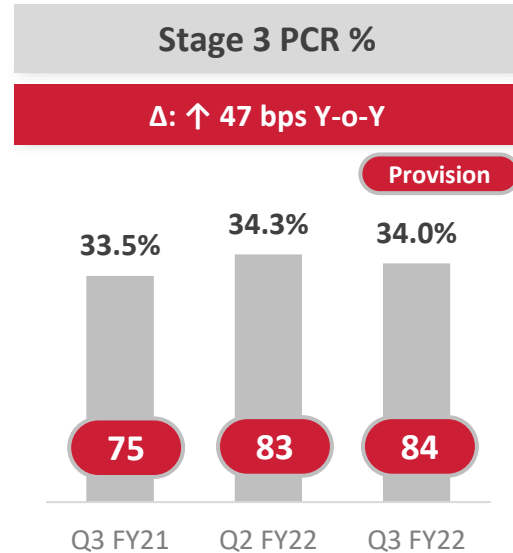
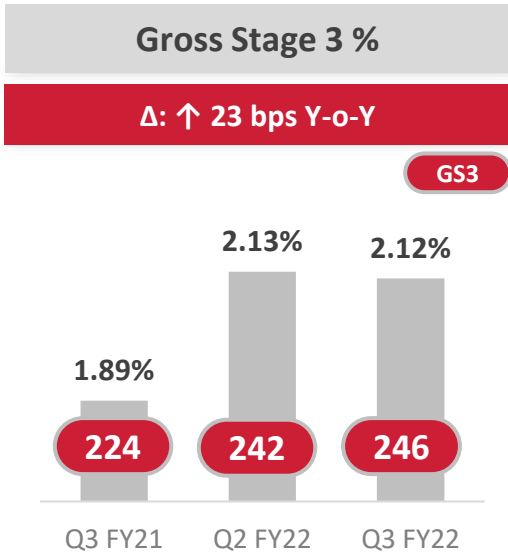
- Digital customer onboarding
- Leveraging Data Analytics & Scorecard for customer persona & underwriting
- Early warning system for Portfolio monitoring
- 5 ecosystem partners** under integration; targeting go live in Q1 FY23

Increase in 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, CoF computed on Avg. Book, accordingly previous period financials are reinstated

Continued focus on quality of book



Credit Cost

- **Stage 2 book** ↓ 32% q-o-q
- **Overall management overlay of Rs 71 Crore across stages incl. CoVID provision**
- **Security value of Rs 325 Crore against Net Stage 3 assets of Rs 162 Crore (2x security cover)**

Affordable Loan Book

- **ATS ~ Rs 14 Lacs**
- **30% of Affordable Home Loans portfolio backed by IMGIC and 51% eligible for PMAY subsidy**

Construction Finance

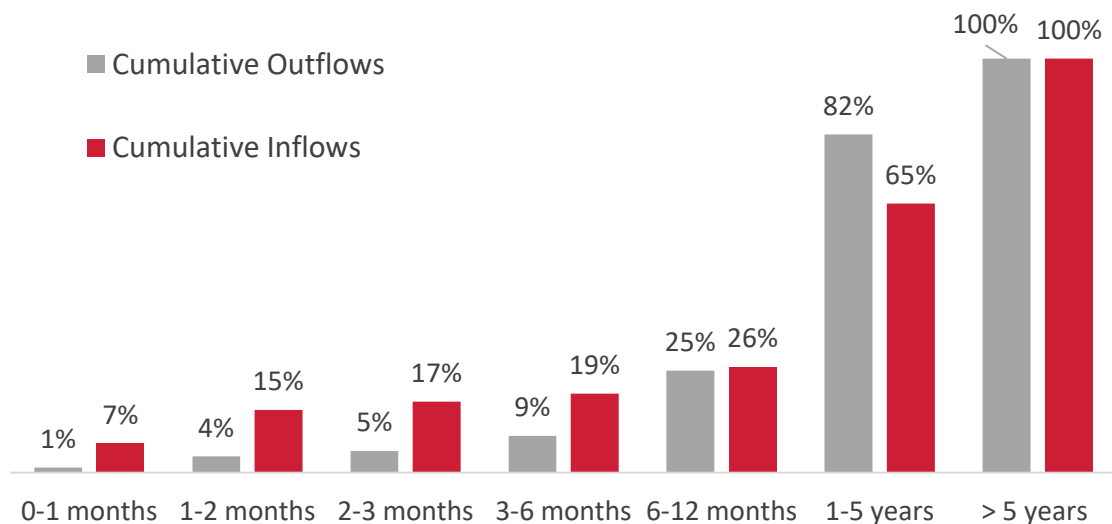
- **ATS on exposure: Rs 12.79 Crore ATS on outstanding: Rs 7.97 Crore**
- **~91.37% exposure to Bangalore, MMR, Pune, Surat, Hyderabad and NCR**

Other Updates

- **Collection Efficiency at 96.3 % in Dec'21**
- **Restructured Loan Book as on Dec' 21 is 7.3%**
- **There is no impact on the financial results as ECL provision are higher than requirement under IRAC norms**
- **GNPA on account of RBI circular on IRACP norms for quarter ended 31st Dec '21 now stand at ~ 0.5% as on date**

Well matched ALM with adequate liquidity

ALM optimised for liquidity and costs (As on 31st Dec 2021)



Cumulative Surplus/ (Gap)

461%	580%	226%	113%	3%	-20%	0%
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Raised LT borrowing of Rs 1450 Crore

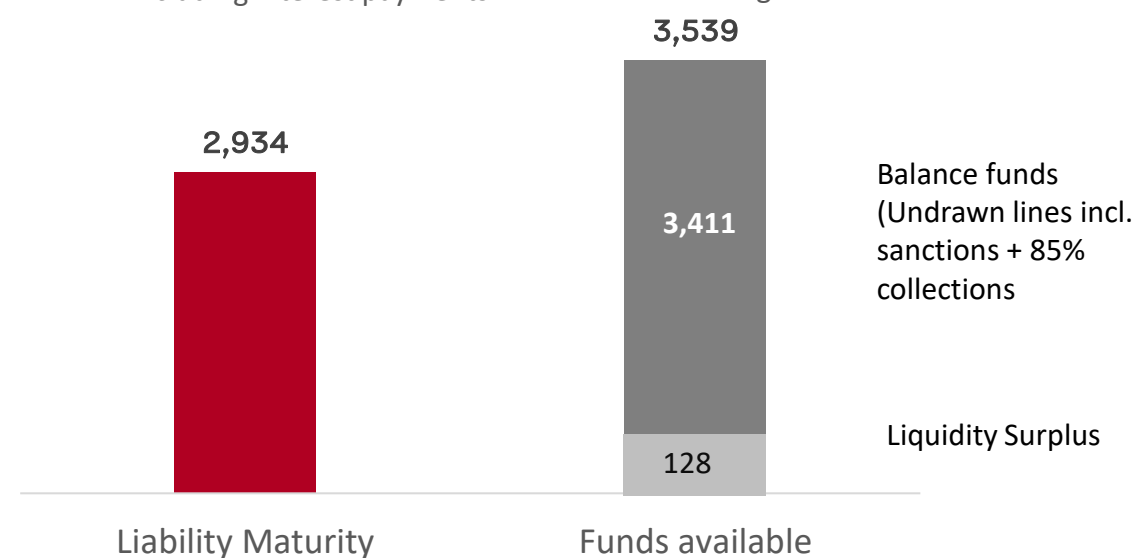
NCD: Rs 250 Crore

Term Loans / NHB: Rs 1200 Crore

Adequate liquidity under stress test scenario

Liability Maturity (Till Dec'22)
Including interest payments

Projected Liquidity position till Dec'22 -
Assuming 85% collections



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

- At 95% Collection, surplus of Rs 605 Crore
- At 75% of Collection, surplus of Rs 329 Crore

Maintaining comfortable capital adequacy

Q3 FY22: CRAR at 24.4% (Regulatory requirement: 14%)

Digital impact metrics in Housing Finance



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

Sourcing

- Integration between sales management & Customer on-boarding app to enable end to end tracking of leads, improve business predictability & field activity
- Frontline digital on-boarding platform leverages OKYC, Facial recognition, Credit Bureau, ITR & GST, banking and Online payment

Underwriting

- Central Processing Hub for data standardization, cost optimization & resource planning
- Faster decision through bureau integrated scorecard
- Credit PD live with features -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

- 1st HFC to enable customers to store loan related documents in Digilocker leading to lower servicing TAT
- 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 though digital customer acquisition

85%+

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

77%

Customer interactions on Digital Channels

98.4%

digital repayment by customers

Scalability & Automation of back-end processes and Systems

90%+

E-bot efficiency for customer emails

118+

RPA Robots live for back & mid office automation

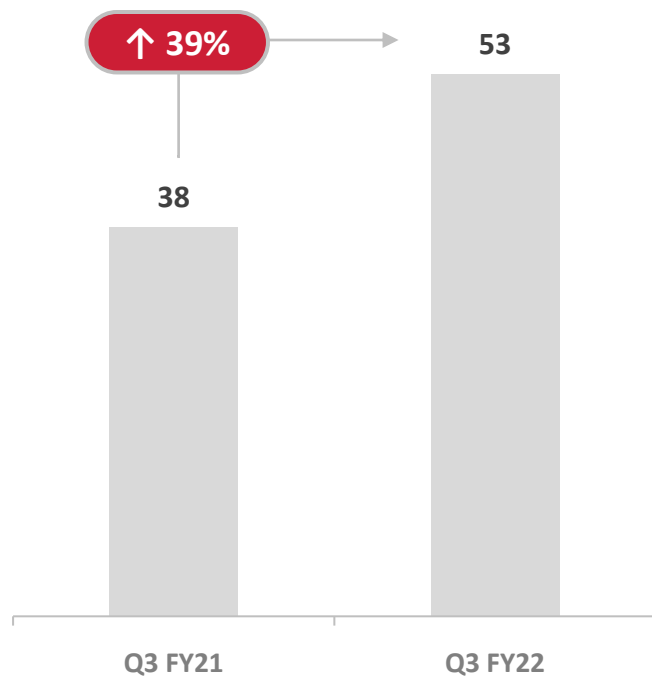
48%+

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

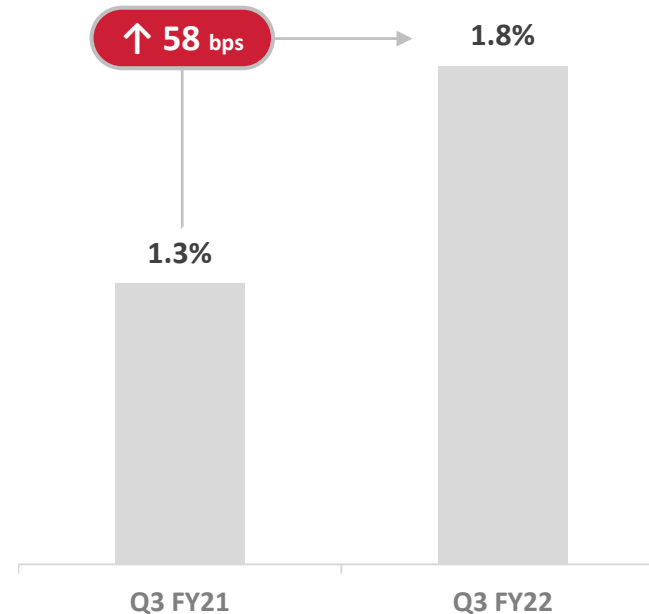
All metrics for Q3 FY22 unless specified

Value accretive growth

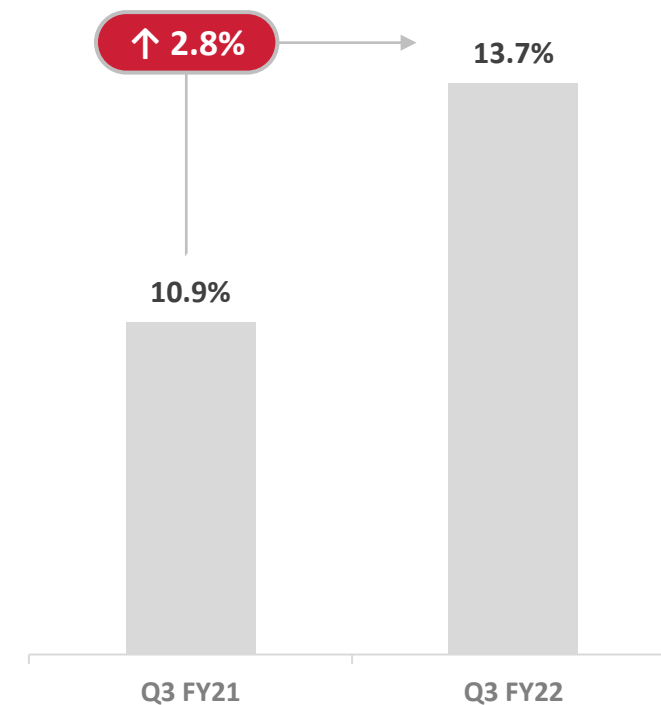
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Return on Assets



Return on Equity¹



¹ Based on monthly compounding of annualised RoE

Key Financials – Aditya Birla Housing Finance Limited



Quarter 2	Quarter 3		Figures in Rs Crore	Nine Months	
FY 21-22 (PY)	FY 20-21 (PY)	FY 21-22 (CY)	Key Performance Parameters	FY 20-21 (PY)	FY 21-22 (CY)
11,327	11,872	11,606	Lending book	11,872	11,606
10.26%	10.35%	10.28%	Average yield	10.36%	10.34%
6.11%	6.89%	6.06%	Net Interest cost / Avg. Loan book	7.26%	6.19%
4.15%	3.46%	4.21%	NIM *	3.10%	4.15%
129	122	130	Net Interest Income	325	386
47	44	48	Opex	131	140
1.64%	1.45%	1.68%	Opex/ Avg. Loan Book	1.45%	1.63%
36.5%	35.7%	37.0%	Cost Income Ratio (%)	40.5%	36.3%
16	30	14	Credit Provisioning	64	63
0.55%	1.01%	0.50%	Credit Provisioning/ Avg. Loan Book	0.71%	0.73%
66	48	68	Profit Before Tax	129	183
51	38	53	Profit After Tax	101	143
1,610	1,481	1,665	Net worth	1,481	1,665

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

- Mutual Fund QAAUM at Rs 2.99 Lac Crore (↑ 17% y-o-y); Backed by consistent investment performance
- Equity QAAUM at Rs 1.22 lac Crore (↑ 39% y-o-y); Equity mix at 41% (PY 34%)
- Fixed Income QAAUM¹ at Rs 1.77 lac Crore (↑5% y-o-y)

3 Diversified Distribution Network

- Presence across 280+ locations, over 80% are in B-30 cities
- Network of 69,000+ MFDs, 100+ banks⁴, 240+ national distributors
- Strategic partnership with 70+ Fintechs to scale up sourcing through ecosystems

5 Focus on growing Alternate Assets Segment

- 7 products launched till Dec-21 in the Passive; 16 new products in pipeline
- Passive AUM crossed Rs. 5,000 cr in Dec-21. 3x growth since Mar-21
- Received approval from IFSCA for portfolio management services from GIFT City
- Increasing fund management capabilities in AIF categories

2 Strong and growing retail franchise

- Investor folios ~7.6 Mn; Added 0.98 Mn folios in 9M FY22
- Individual² MAAUM: Rs 1.41 Lac Crore ↑15% y-o-y (Mix: 48%)
- B-30 MAAUM ↑11% y-o-y (Mix at 16%)
- SIP AUM ↑23% y-o-y; New SIP³ registrations 3.24 lac in Q3; ↑ 68% y-o-y

4 Strong Financial Performance

- Operating Revenue at Rs 334 Crore (↑ 20% y-o-y)
- Operating Revenue/AAUM at 44.4 bps (PY: 43.3)
- PBT/ AAUM at 33.1 bps in Q3 FY22 (PY: 30.1 bps)
- Q3 PAT at Rs 186 Crore (↑ 27% y-o-y); ROE⁵ at 37.1%

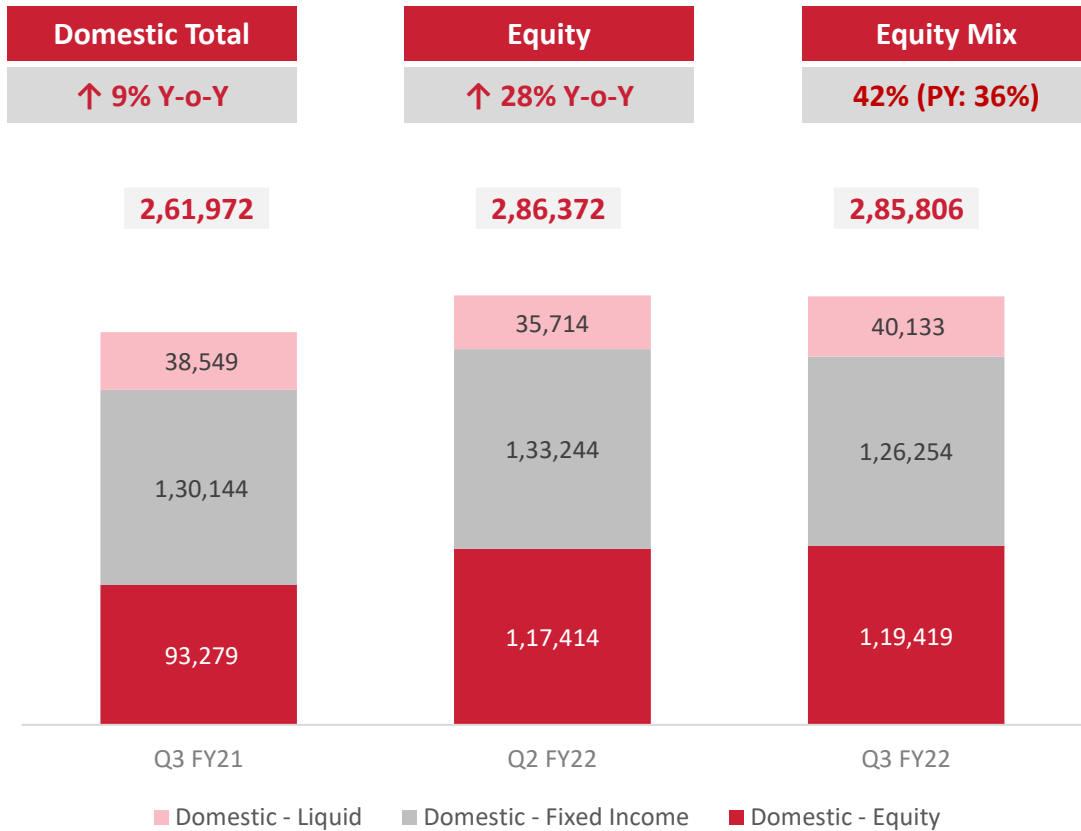
6 Strong Digital & technology Innovation

- Exclusive strategic partnerships with fintechs for launch of products
- ~83% of overall transactions done digitally; 76% new Folios created digitally
- 90% distributors onboarded digitally

Rebound in AUM growth

Closing Assets under Management

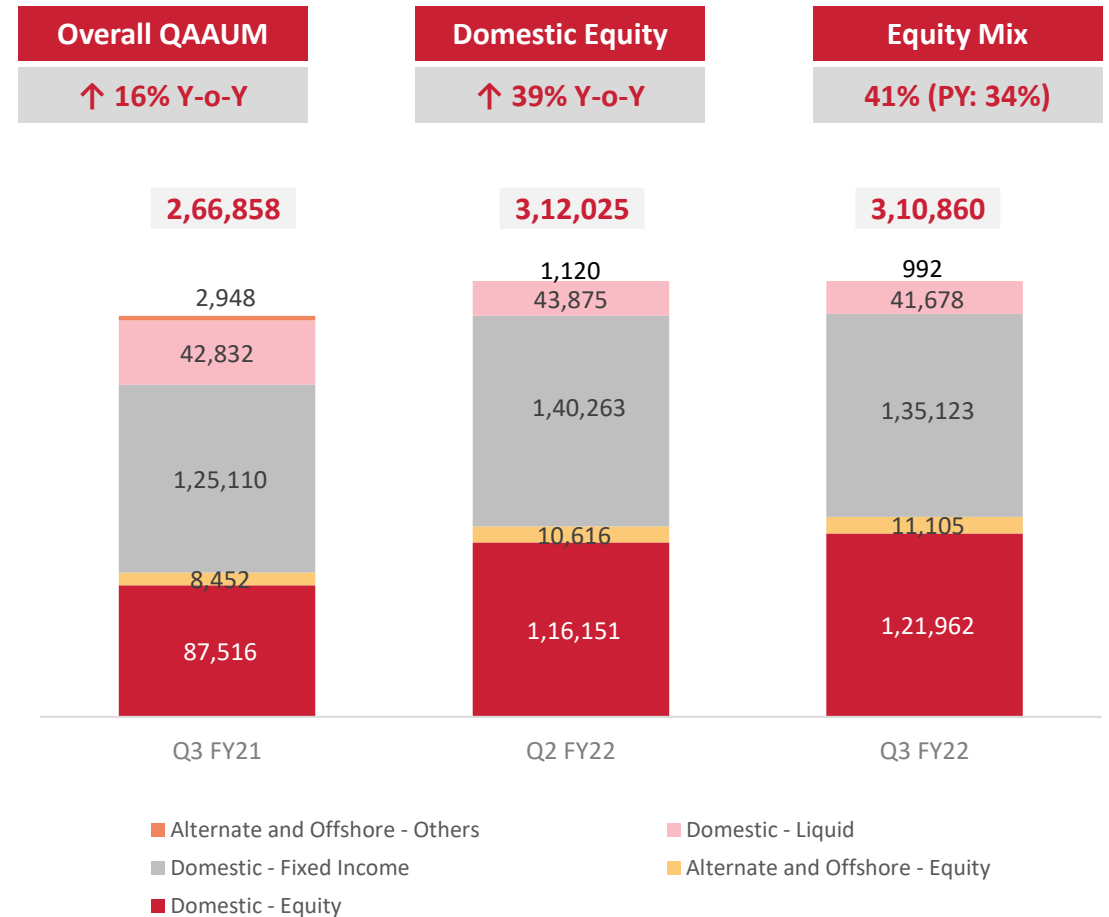
All figures in Rs. Cr



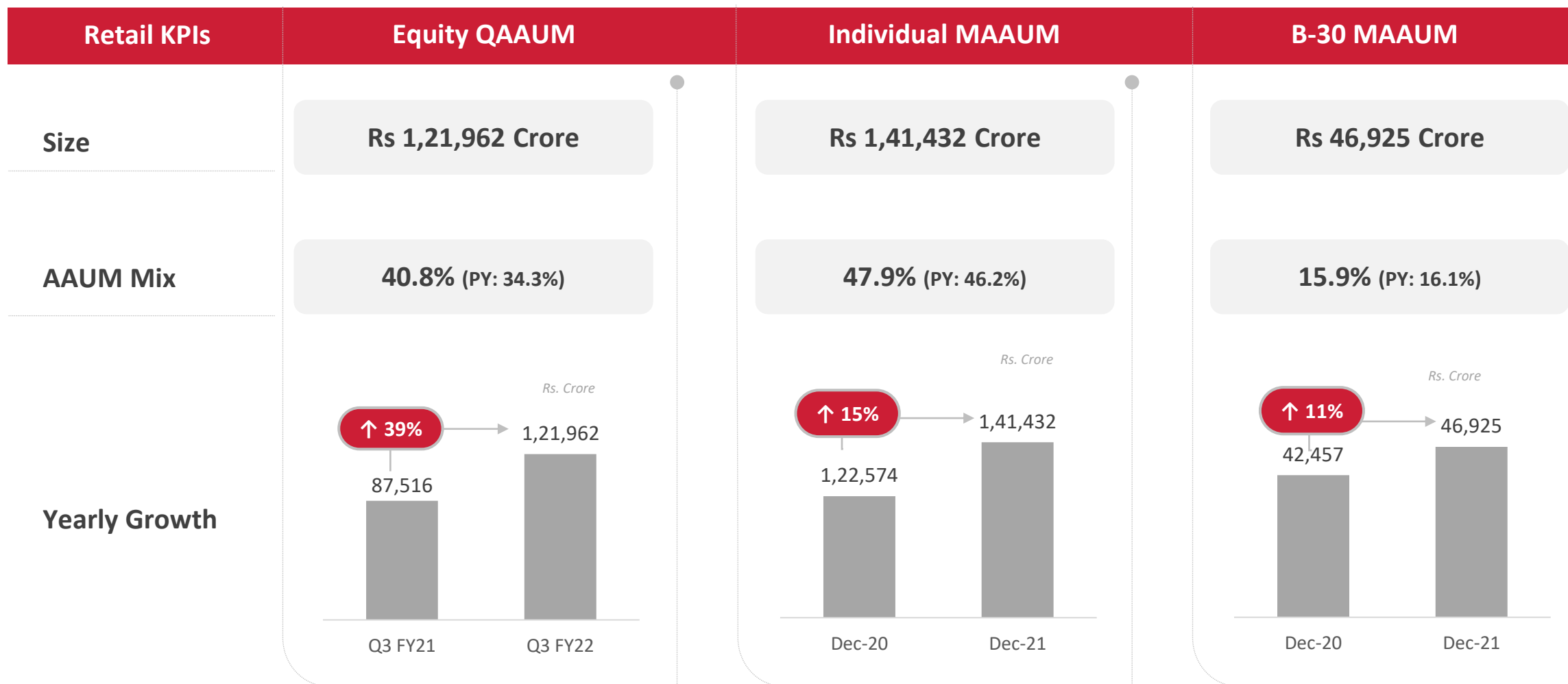
Domestic - Fixed Income include ETF

Average Assets under Management

All figures in Rs. Cr



Strong retail franchise

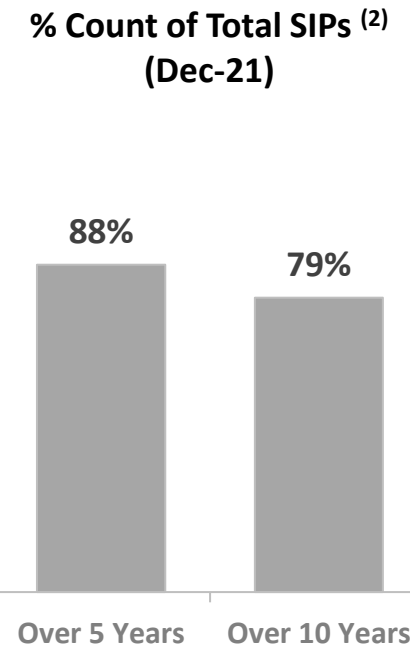
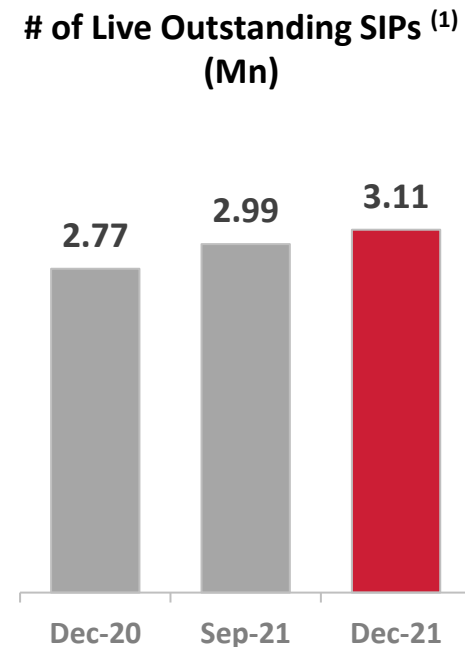
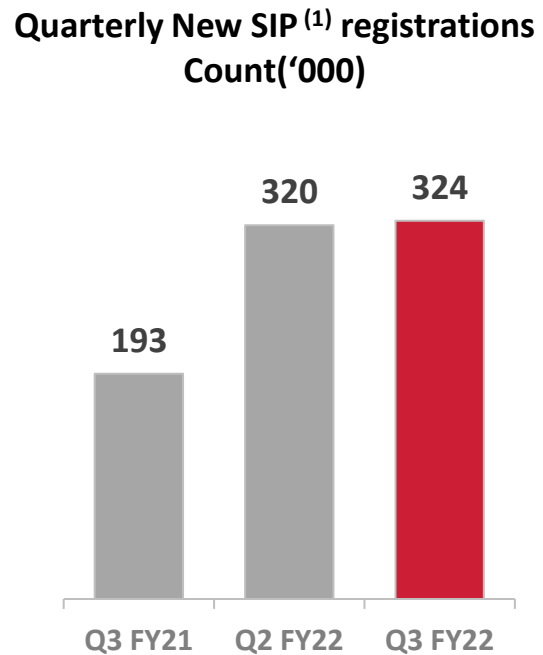
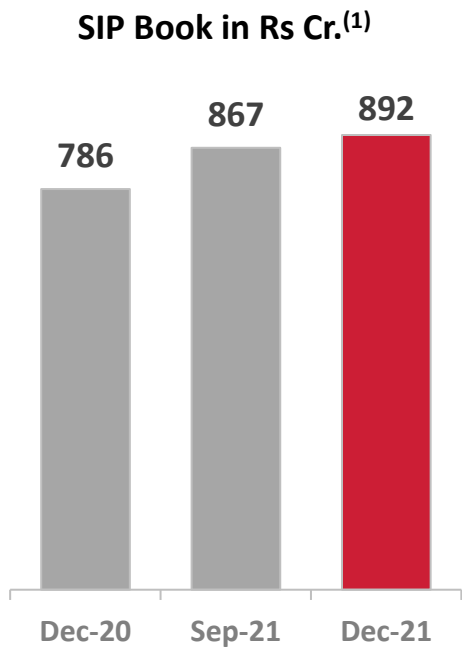


Source: AMFI;

Focus on Growing SIP Book

Increasing traction in SIP

Long Tenure SIP Book



#WinWithSIP and Multi SIP campaign gaining traction

(1) Includes STP (2) Based on tenure at the time of registration of all live SIPs as on Dec 31, 2021

Large and well-diversified distribution network

Continue to expand distributor base and empaneled 2,100+ new MFDs in Q3 FY22



280+
Locations



69,000+
MFDs



100+
Banks¹



90+
Emerging Market
Representatives

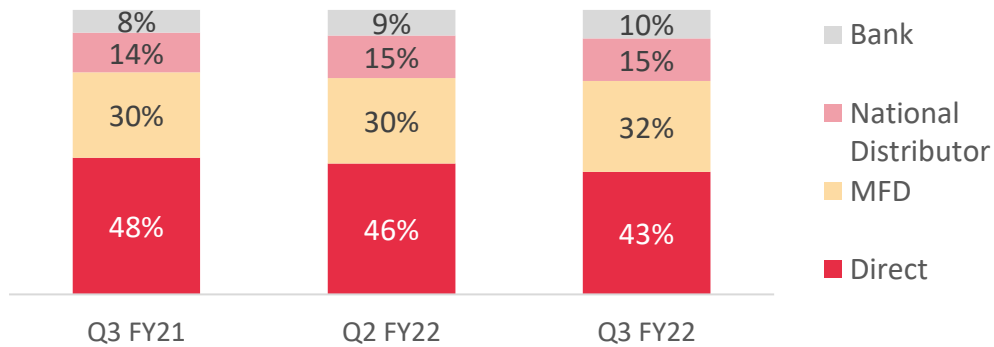


240+
National
Distributors

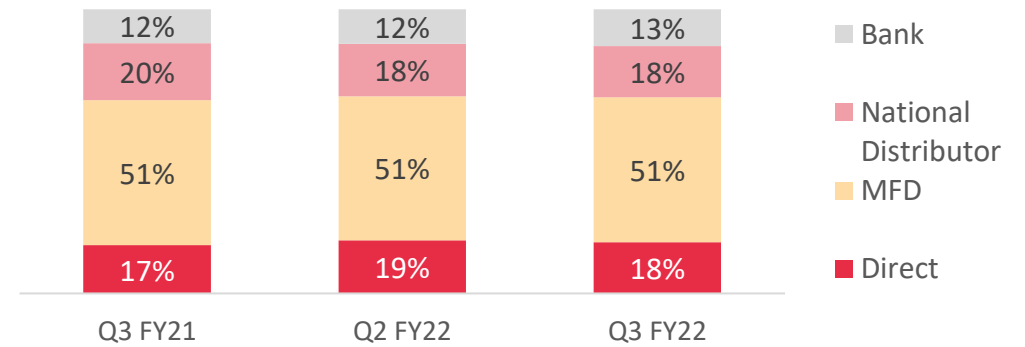


70+
Digital
Partners

Overall Asset Sourcing Mix¹



Higher MFD Share in Equity Sourcing

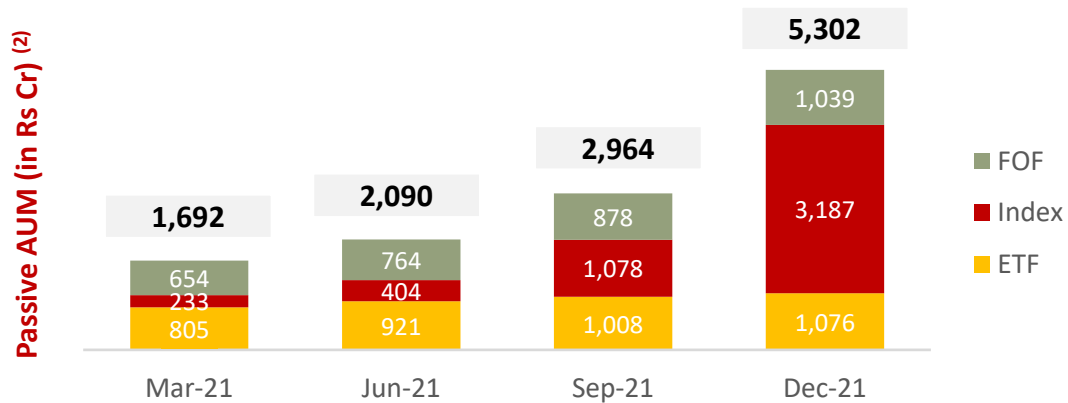


¹ Banks and Financial Institutions


Growing Alternative Assets Business




Passives




~2,10,000
Investor Folios Served



3x
Growth in Passives ⁽¹⁾



16
Product Pipeline




PMS / AIF

Increasing fund management capabilities for launch of Category II & III Equity and Fixed Income oriented propositions

Increasing fund management capabilities in listed long only equity category



Offshore

Received approval from International Financial Services Centres Authority (IFSCA) to carry our portfolio management services from GIFT City, Gujarat.



Real Estate

Signed term sheet with **BentallGreenOak**, 5th largest global real estate advisory with **\$70 bn ⁽³⁾ AUM**, to jointly source and underwrite deals for real estate fund

Fund raising underway in **Category II Real Estate Fund**

Holistic Digital Innovation



Innovation and Continuous improvement of our Digital Assets

Partner Assets



Partner Mobile App

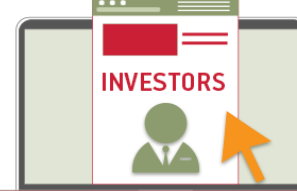


API services for IFAs



abslmpartner.adityabirlacapital.com

Investor Assets



Mutualfund.adityabirlacapital.com



Investor Mobile App



Active Account App



Biometric Login for MFD's on Partner Assets



Update contact details and Nomination on WhatsApp



Omni channel notification for drop in STP, SWP, SIP Pause, Redemption and Switch



AI based Email BOT for instant automated straight through response for customer emails



Resend Transaction link for all proposed transactions sent by MFDs



Investor's Account Statement Download on Partner Assets



Whatsapp and Chatbot for customer and investor self service



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

Our Digital and Technology Ecosystem - Partners and Fintechs



Key Financials – Aditya Birla Sun Life AMC Limited



Quarter 2	Quarter 3		Figures in Rs Crore	Nine Months	
FY 21-22 (CY)	FY 20-21 (PY)	FY 21-22 (CY)	Key Performance Parameters	FY 20-21 (PY)	FY 21-22 (CY)
3,00,289	2,55,458	2,98,763	Domestic AAUM	2,36,241	2,91,502
1,16,151	87,516	1,21,962	Domestic Equity AAUM	80,724	1,13,597
10,616	8,452	11,105	Alternate and Offshore Equity AAUM	8,075	10,491
1,26,767	95,968	1,33,067	Total Equity	88,799	1,24,088
372	322	353	Revenue	874	1,061
142	128	104	Costs ¹	386	376
230	194	249	Profit Before Tax	488	685
30.5 bps	30.1 bps	33.1 bps	Profit Before Tax (bps²)	27.4 bps	31.2 bps
173	147	186	Profit After Tax	370	514

¹ Includes net reduction on account of reversals of prior provision for erstwhile incentive plan partly offset by charges for new scheme

²Margin 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 ↑ 12% y-o-y in Q3; YTD ↑ 16% y-o-y; FY22 est. growth at 16% y-o-y
- Growth on the back of productivity across channels. Invested capacity in various channels which will yield high growth results going forward
- Products launched in last 18 months contributed 41% of Individual FYP
- PASA at 20% (PY: 14%) and Upsell at 29% of Individual FYP in YTD FY22

2

Consistent Growth in Value accretive Group Business

- Q3 Group FYP ↑ 24% y-o-y; YTD ↑ 16% y-o-y on the back of 50% growth over LY
- Group AUM at Rs 15,350 Crore ↑ 12% y-o-y
- Amongst Top 2 players in profitable ULIP segment
- First mover in repricing term business to protect margins

3

High growth in Renewal and Total Premium

- Renewal premium¹ ↑ 27% y-o-y in YTD FY22
- Digital Renewal Collection at 74% in value with 86% policies renewed digitally
- Zara Bot collection at Rs 285 Crore (grew 2x over last 2 quarters)
- Total Premium: Rs 8,066 Crore (↑ 23% y-o-y). FY22 est. at 20%+ y-o-y growth

4

Constant Quality Improvements

- Persistency: 13th Month at 84% (↑ 4%); 61st Month at 50% (↑ 3%)
- Opex / Premium Ratio: 13.3% (PY: 14.1%) led by cost control & growth in revenue
- Superior investment performance with healthy growth in AUM (Rs 59,000 Crore)
- Longer policy terms and younger customer profiles with opportunity for up-sell

5

Steady increase in Margins, fast progress on guidance

- Individual Gross VNB margin at 43.2% YTD FY22 (↑ 36% y-o-y)
- Net VNB Margin² ↑ 500+ bps y-o-y at 11.2% (YTD Dec'20: 5.9% → FY21 10.6%)
- Absolute Net VNB² at Rs 178 Crore (↑ 2.2x y-o-y)
- On track to achieve ~14% Net VNB margins for FY22, a year ahead of guidance

6

Covid Updates and Increased Profitability

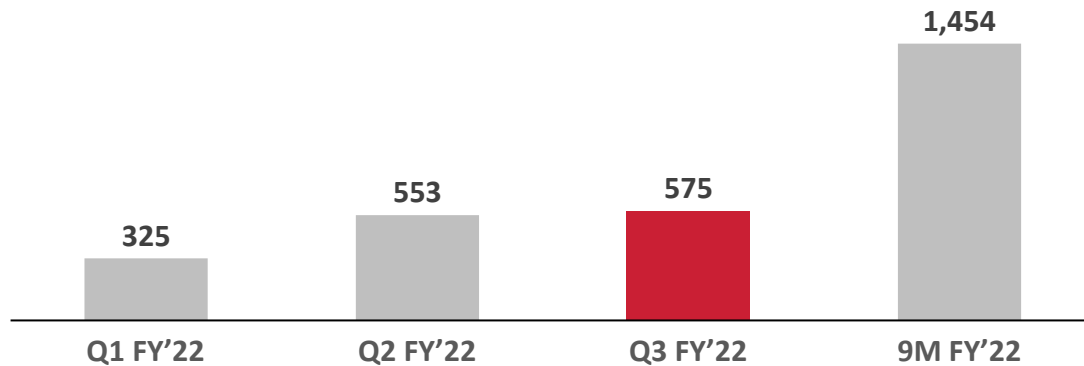
- Net Covid claims at Rs 257 Crores in YTD FY22; expected to further go down in Q4
- Carrying additional reserves of Rs 65 Crore for claims as on Dec 21
- YTD FY22 PBT at Rs 122 Crore (↑ 14% y-o-y) despite COVID impacts

Consistent growth in Individual and Group Business



Individual FYP¹

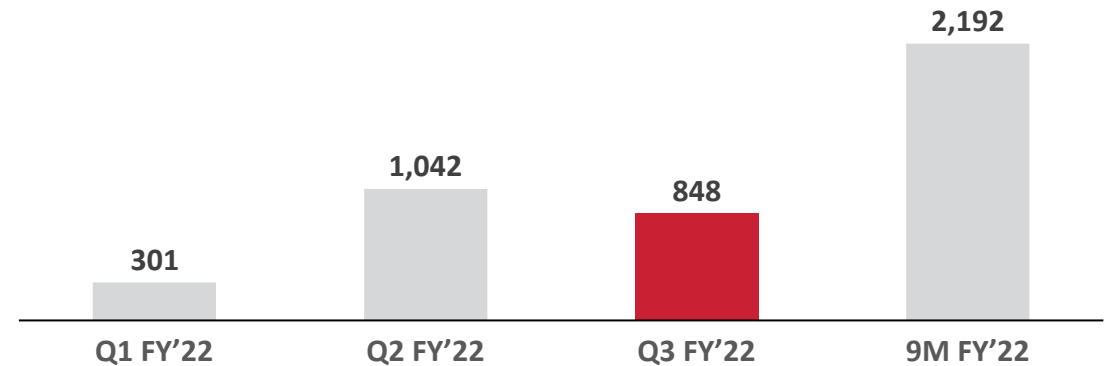
ABSLI	Private Players	Industry
↑ 16% Y-o-Y	↑ 30% Y-o-Y	↑ 20% Y-o-Y



ABSLI Market Share² **4.0%**

Group New Business Premium

ABSLI	Private Players	Industry
↑ 16% Y-o-Y	↑ 29% Y-o-Y	↑ 7% Y-o-Y



ABSLI Market Share² **6.8%**

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

Consistent Quality Improvements

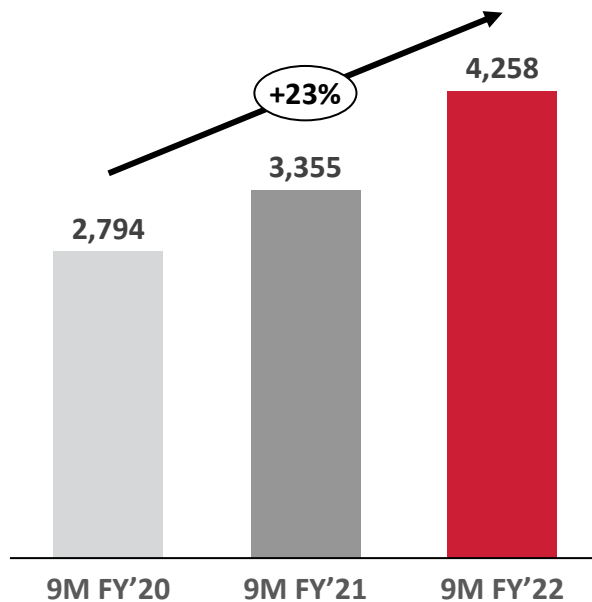
Total Renewal Premium

Renewal Growth

↑ 27% Y-o-Y

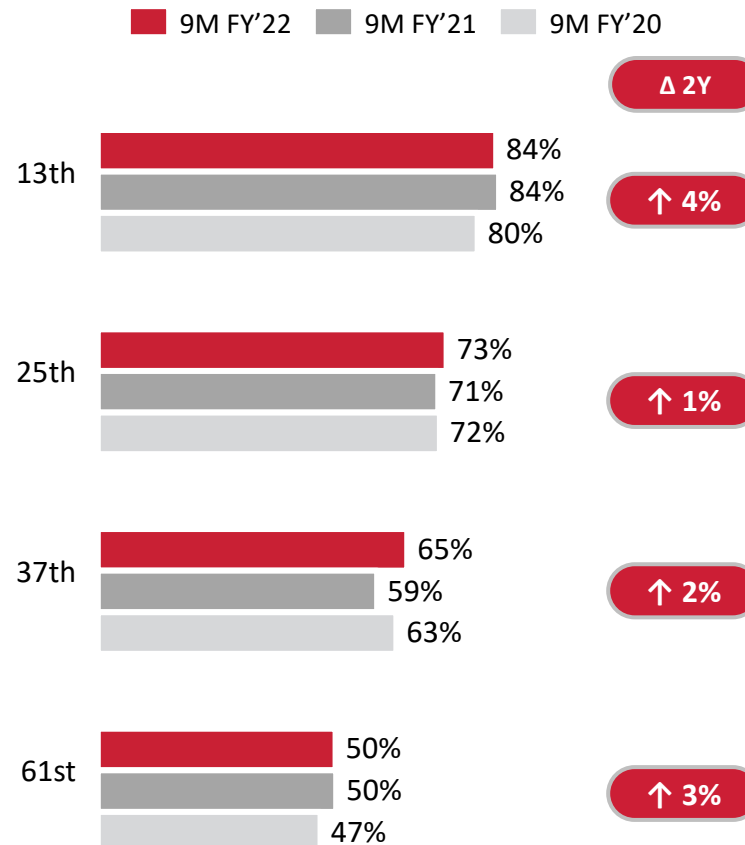
Digital Renewal

74%



Persistency¹

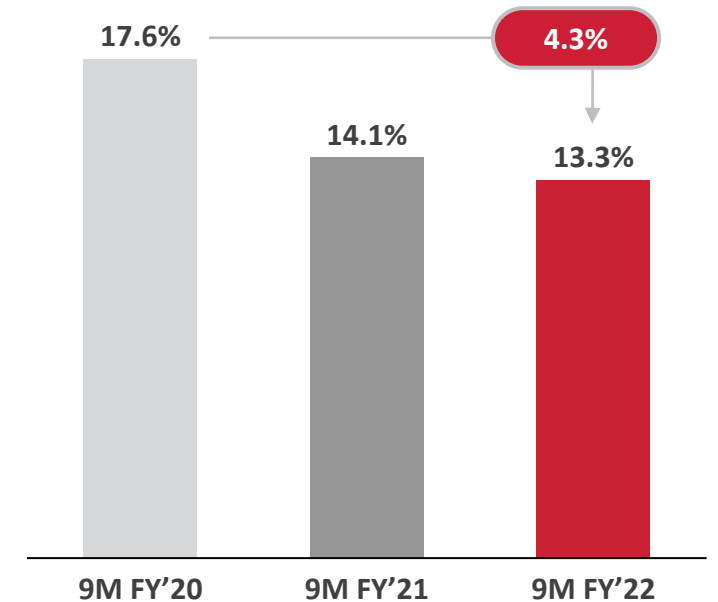
Improving Persistency across all cohorts



Controlled Opex²

Controlled Opex to premium ratio

Opex to Premium

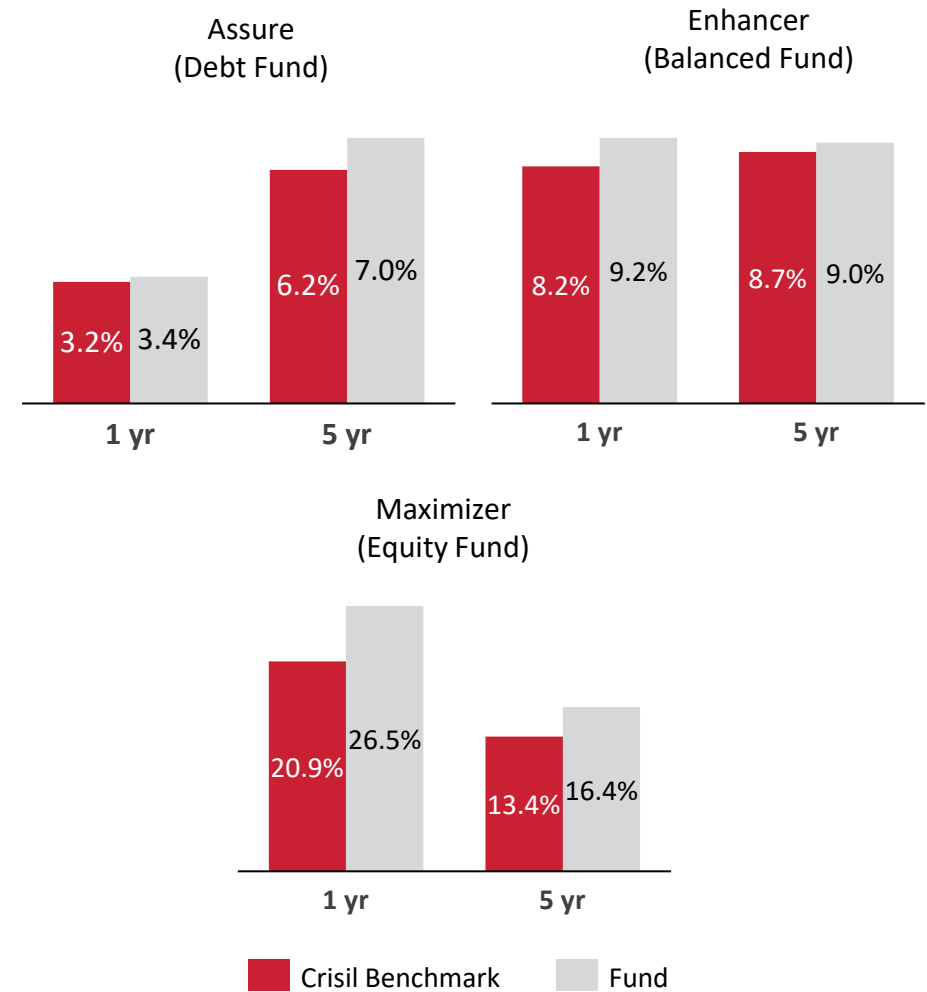
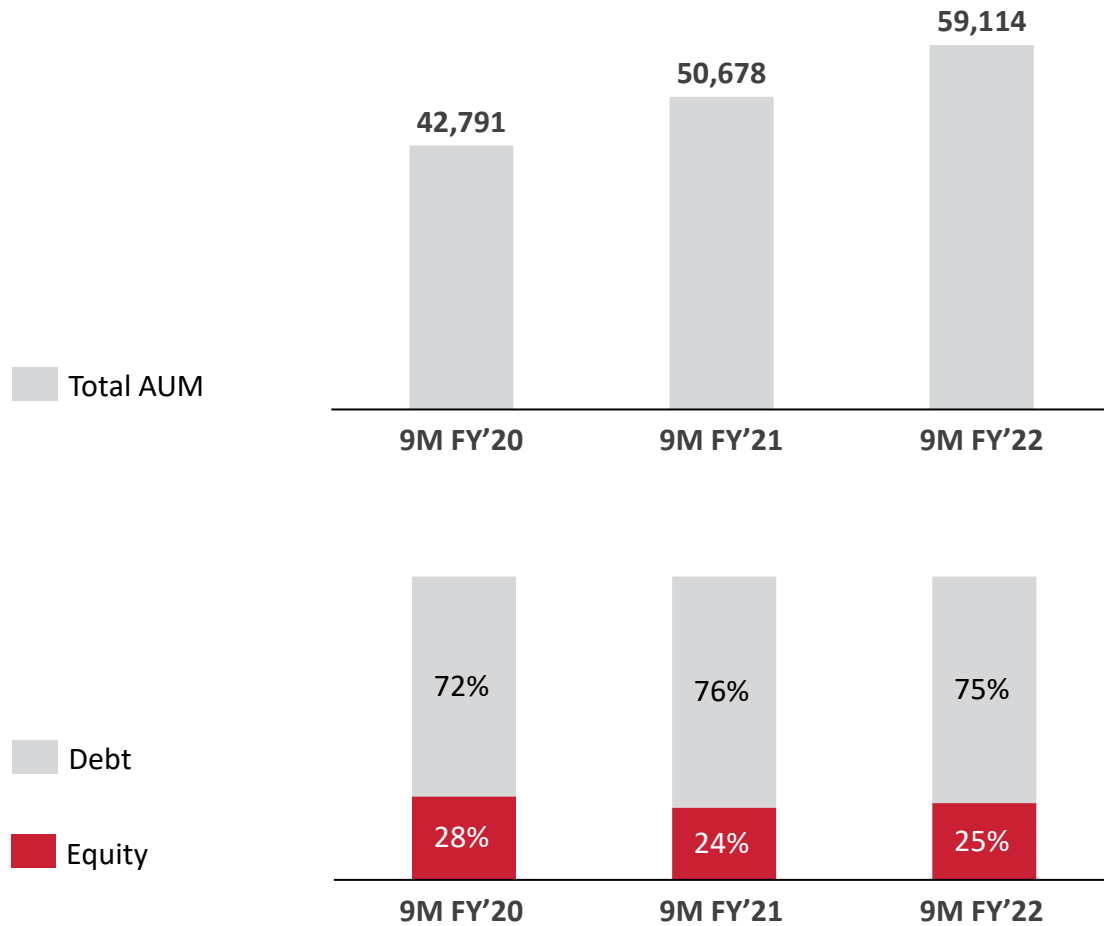


¹ 12month rolling block as per IRDAI ² % figures in the chart denote Opex to Premium ratio

Growing AUM and Strong Investment performance



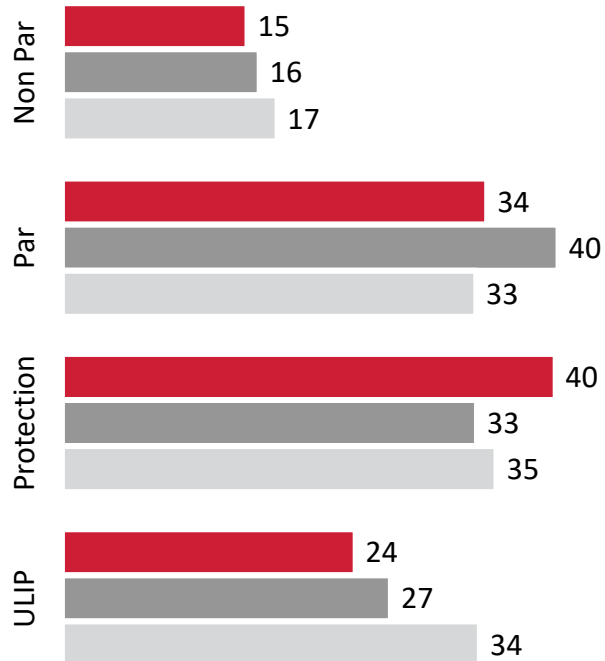
Strong Investment Processes | Competitive returns across periods



Focus on Longer Policy Term and Younger customer profiles

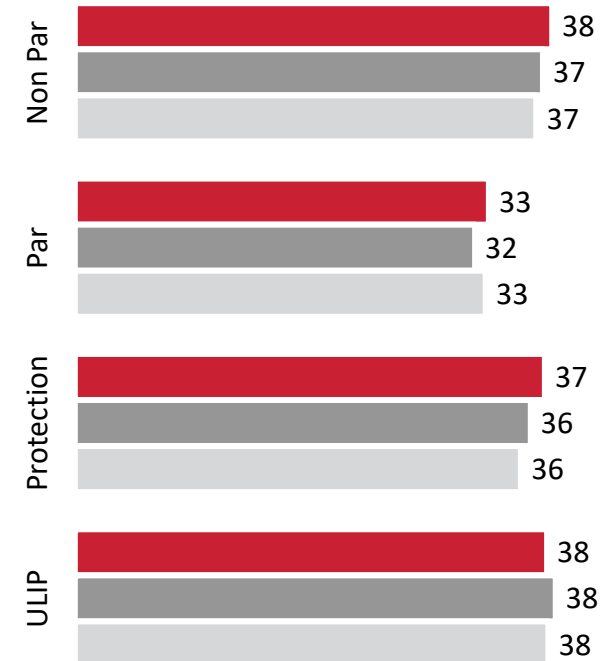
Average Policy term

■ 9M FY'22 ■ 9M FY'21 ■ 9M FY'20



Average age of customer

■ 9M FY'22 ■ 9M FY'21 ■ 9M FY'20



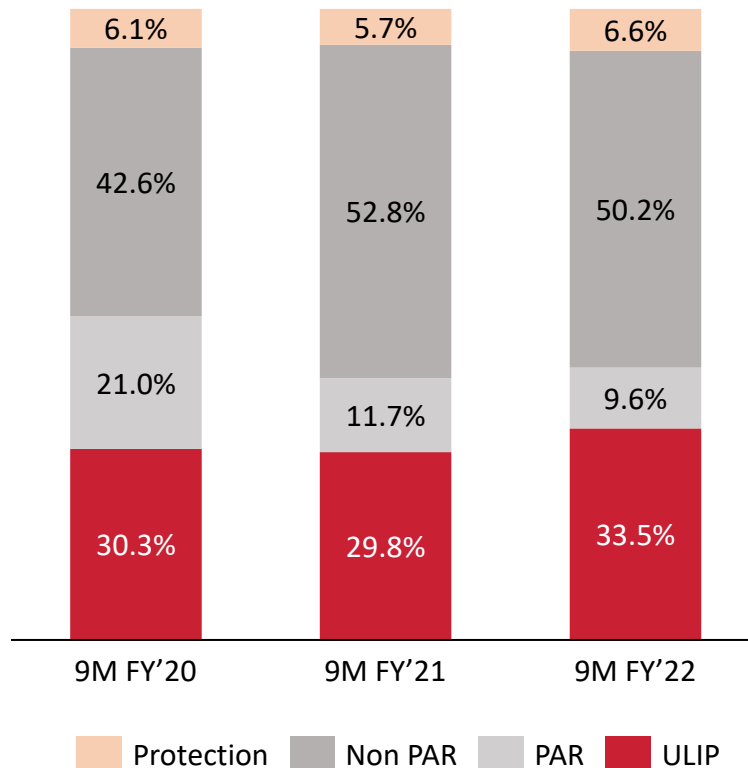
29%
Upsell contribution
for 9M FY'22
Individual FYP.

Focus on long term insurance solutions, thereby ensuring long term cash flows

Relatively younger customer profile with opportunities for up-sell more solutions over various life-stagesz

Focus on value accretive product mix

Product Mix



Products and Risk Management

New products launched in last 18 months contributed to 41% of Ind. FYP

New Product Launches in Q3

- **ABSLI Assured Saving plan** launched in Q3 in the Traditional segment with key features such as loyalty additions that boost maturity corpus year on year and provide multiple policy and premium term options
- **Pre Approved Sum assured** contribution stands at 20% of FYP for YTD Dec'21

Protection share of Business

- **Achieved 6.6% protection share in YTD Dec'21 with 36% growth in absolute terms**
- Major protection is coming from Medical underwriting

Active Risk Mitigation Strategy

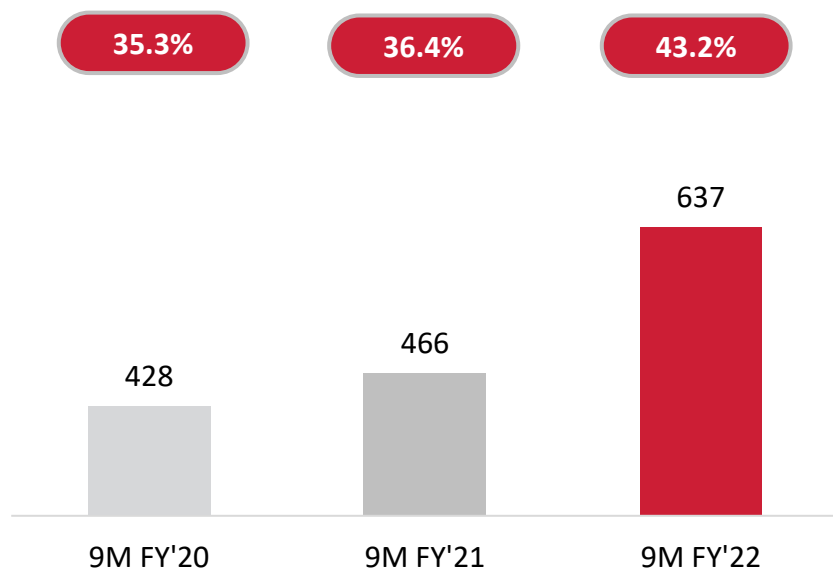
- **Intend to protect Policyholder's guaranteed benefits i.e. 100% of expected maturity and survival benefits even at low interest rate scenarios by using hedging instruments such as FRAs and others**
- Guarantees are actively monitored, and products are repriced for adjustments in Interest Rate

Steady increase in Margins, ahead of guidance

Gross VNB¹

Gross VNB Growth

↑ 37% Y-o-Y



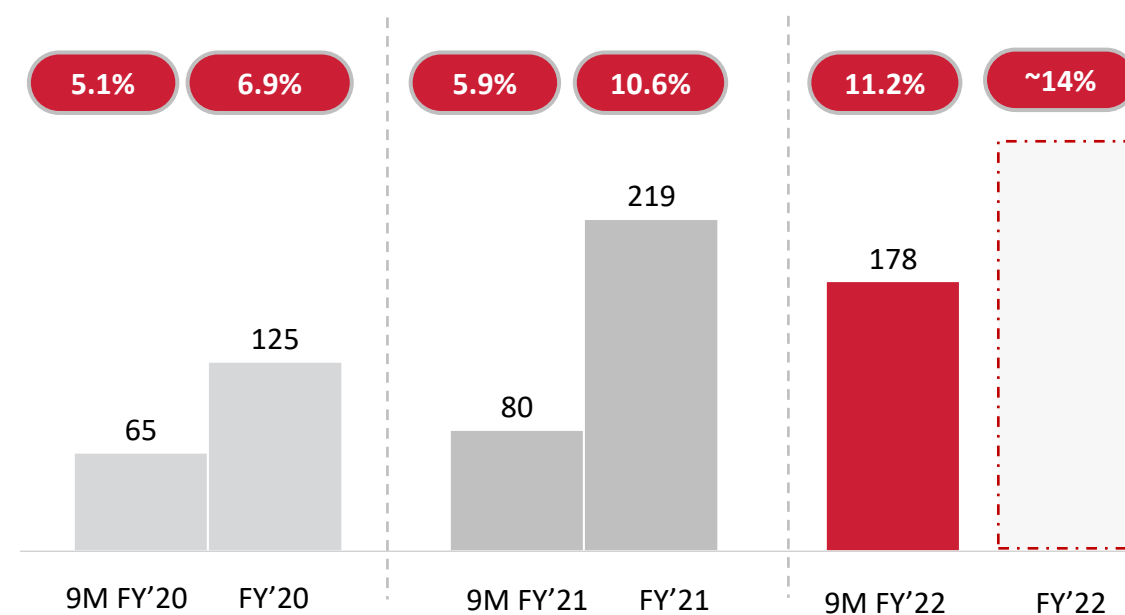
Gross VNB Margin

Strong Gross VNB

Net VNB²

Net VNB Margin

↑ 124% 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

Multi Channel Distribution Strategy



Pan India well diversified distribution scale

 **2,800+**
Cities

 **340+**
Own Branches

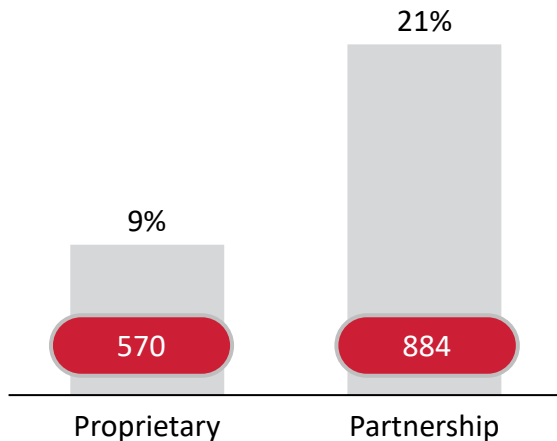
 **75,000+**
Agents

 **7**
Banca Tie-ups

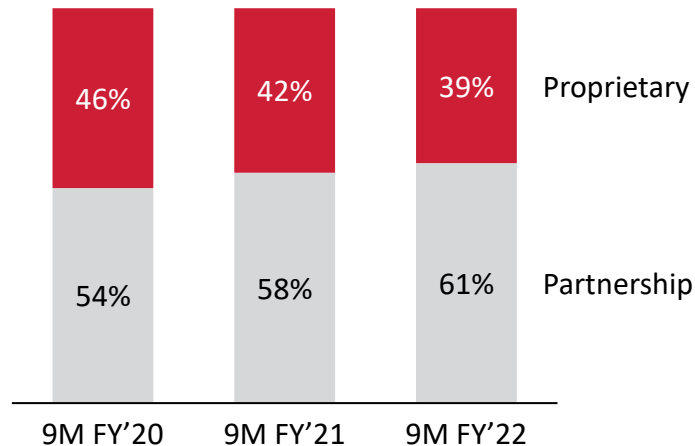
 **13,850+**
Bank Branches

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

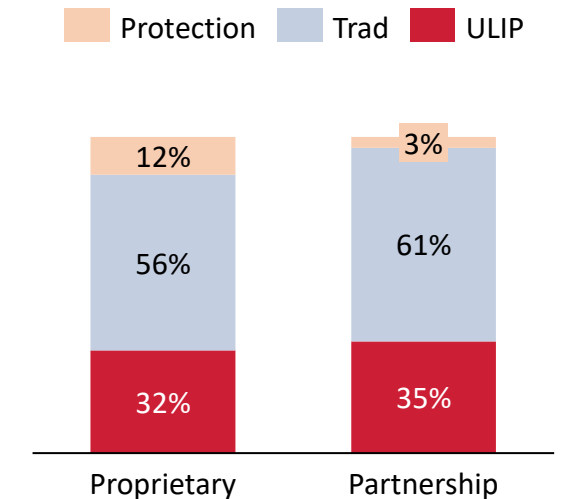
Strong growth across channels



Resulting in a balanced sourcing mix



Product Mix by Channel



Leveraging Digital, Data and Analytics

Empowering Partner / Customers

Acquisition

- Advisor Recruitment
- Sales Productivity
- Lead gamification
- Vernacular content

Pre-sales App
For Lead
Management

Prospecting App -
Sales Buddy

49%

Contactless digital verification

95%+

Customers onboarded
digitally in Q3 FY22

90%+

Auto Pay Adoption for
customer onboarded in
Dec'21

Servicing

- Customer details
- Policy details
- NLP enabled platform
- Google / Voice assistant

Advisor Servicing -
Service Buddy

Customer
Servicing –
WhatsApp /
Chatbot

79%

Services available online
as on Dec'21

85%

Digital interaction to total
interactions for Q3

86%

Policies renewed
digitally

Digitalising Processes and Customer Experiences

Business Automation Workflow

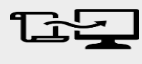
State of the art Integration platform



Scalable Solution to support rising business volumes



Enabling Service Oriented Architecture (SOA) improving speed to market



Provides capability for real time management across various applications



Invested in Cloud Ready architecture for the future

200+

services migrated in
ESB across application

On track to achieve major digital milestones

Insta Issuance Capabilities - New Age Tech. workflow



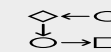
Product



Digital and
Analytics



Automation



Processing

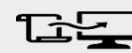
T+4 hrs

Target Issuance TAT
capability by Jun'22

24/7

processing capability

AI & ML Underwriting



Digitization &
structuring of data



Automated checking
& validation of data



Assisted decisioning –
improved productivity



76%

Auto underwriting
target to achieve by
Sep'22

Key Financials – Aditya Birla Sun Life Insurance Limited



Quarter 2	Quarter 3		Figure in Crores	Nine Months	
FY 21-22 (CY)	FY 20-21 (PY)	FY 21-22 (CY)	Key Performance Parameters	FY 20-21 (PY)	FY 21-22 (CY)
612	545	635	Individual First year Premium	1,336	1,616
1,042	682	848	Group First year Premium	1,891	2,192
1,505	1,372	1,662	Renewal Premium	3,355	4,258
3,159	2,599	3,145	Total Gross Premium	6,582	8,066
384	346	401	Opex (Excl. Commission)	928	1,074
12.2%	13.3%	12.8%	Opex to Premium (Excl. Commission)	14.1%	13.3%
16.6%	18.4%	17.4%	Opex to Premium (Incl. Commission)	19.1%	18.0%
50	35	40	Profit Before Tax	107	122
32	26	26	Profit After Tax	67	77

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: YTD FY22 GWP Rs 1,170 Crore (↑ 36% y-o-y) | Industry market share ↑ 2% (PY: 1.9%)
- YTD FY22 Retail GWP at Rs 788 Crore | Margin enhancement through upsell & cross-sell | Wellness proposition led acquisition of group business
- Total Lives covered at 17 Million ↑ 1.5x y-o-y (LY: 11 Million)

3 Unique and Differentiated health first Business Model

- Differentiated & segmented offerings to attract younger & healthier Customers | 100% HealthReturns™ product contributing 30%+ new business
- Data-driven business model to encourage & incentivize good health; 180+ data points; Hyper-personalized customer risk score (WBS ~800K customers)
- Superior outcomes reflected in Average Customer Age lower by 5 years vs Industry, ~5% lower claims ratio & 26% ↑ persistency for highly engaged customers

5 Leveraging Digital capabilities

- Business through Digital alliances ↑ 97% YoY | Partnerships with market leading digital platforms | Traditional products + Travel / Stay, Ride, Telco Insurance
- Scalable & robust digital customer journeys for digital acquisition | 98% digital policy issuance | Digital channel contributes ~ 12% of GWP in YTD FY22
- Multiple tech based digital customer touchpoints; BOT, Activ Health App, Website, Chatbot; 96% services available digitally; 66% Digital self-service

2 Strong financial management

- YTD FY22 loss (excl. CoVID) at Rs. 103 Crore (LY: Rs 107 Crore) ; ABHI market share of CoVID claims at 1.7% vs GWP share of 2%
- YTD Combined ratio normalized for CoVID claims at 113% (PY: 115%); Reported Combined Ratio at 136% (PY: 127%)
- CoVID 3rd wave incidence & severity lower than 1st & 2nd | Breakeven on track for Q4 sans CoVID

4 Scaled & Diversified Distribution

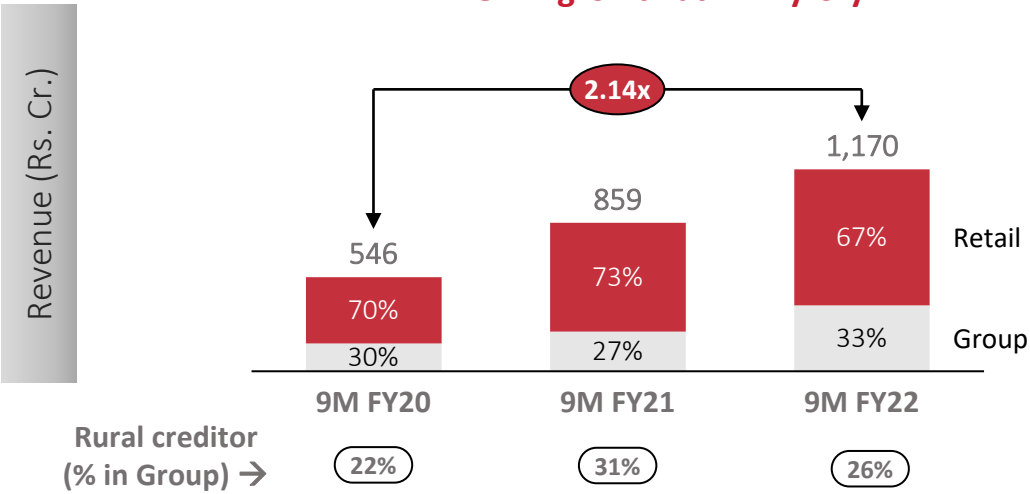
- Investment in Agency expansion to drive future growth ; Targeting 250+ agency unit from current 175 over next 12 months
- Share of Agency Channel (51K+ agents) at 24% (LY: 22%); Leverage One ABC branch program to lower operating costs and grow presence.
- Banca strategy continuing to give access to large customer segments | Onboarded 3 new bank partners | 12 Banca partners | 16000+ Banca branches

6 Enhanced Analytical capabilities

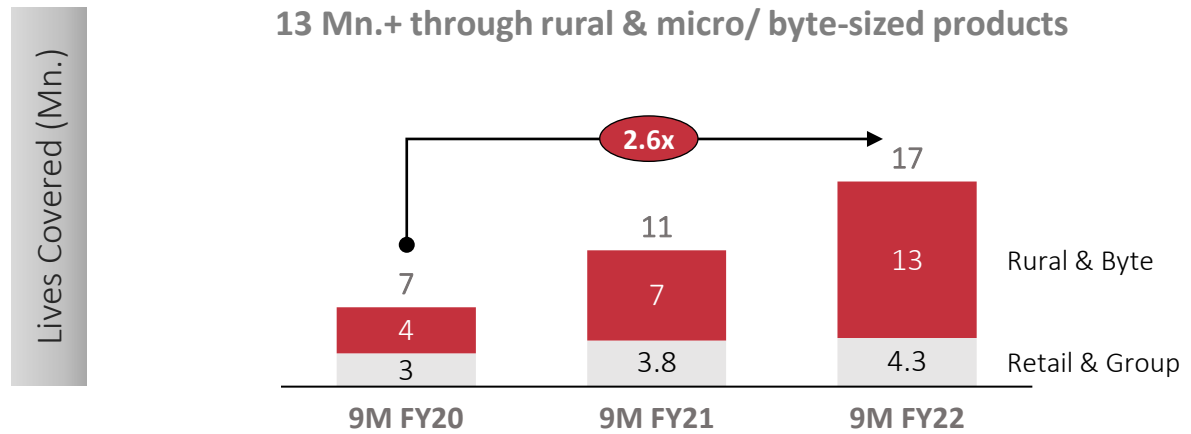
- Data driven 360° customer behavioural models; Leveraging structured & unstructured data; 5 Mn+ PASA offers; Propensity based renewal 9% uplift
- Analytics driven health & wellness intervention; Hyper-personalized customer lifestyle scores, Healthy Heart Score & Activ Dayz
- Claims auto adjudication & tariff digitization; UW risk cohorts leading to 85% STP policies; ML based fraud detection engine

Business Outcomes

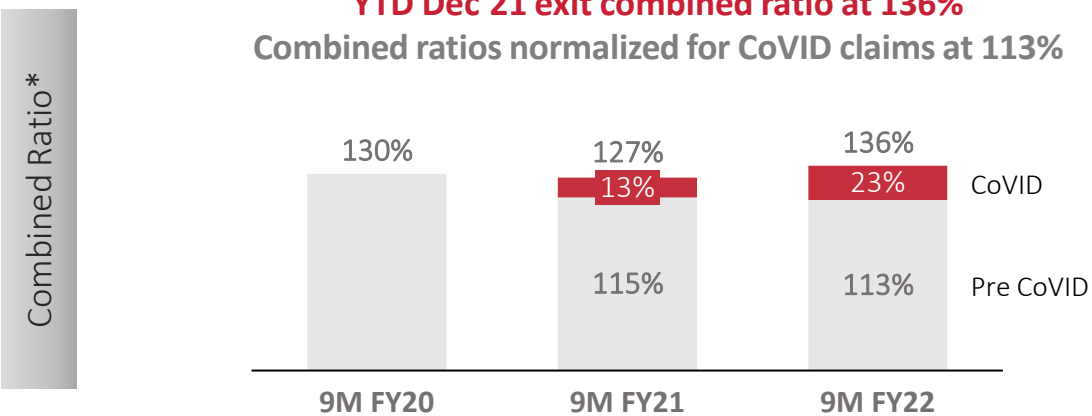
GWP growth at 1.4x y-o-y



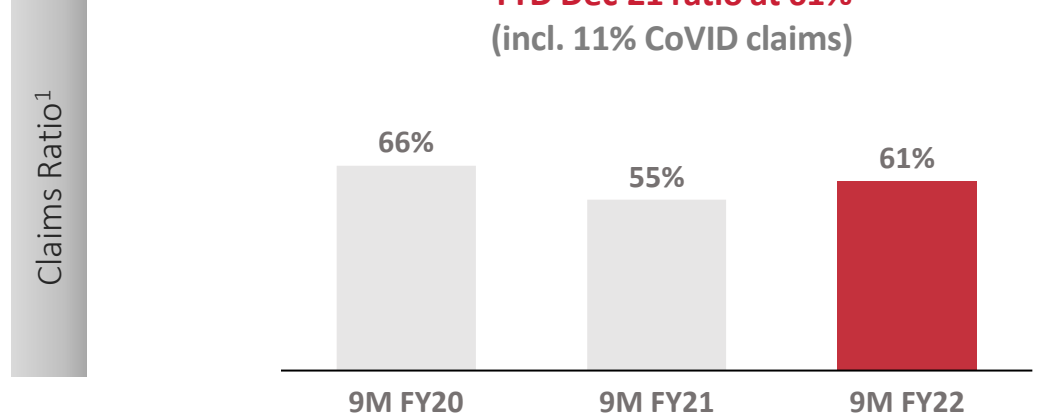
Lives covered growth at 1.5x y-o-y
13 Mn.+ through rural & micro/ byte-sized products



YTD Dec'21 exit combined ratio at 136%
Combined ratios normalized for CoVID claims at 113%



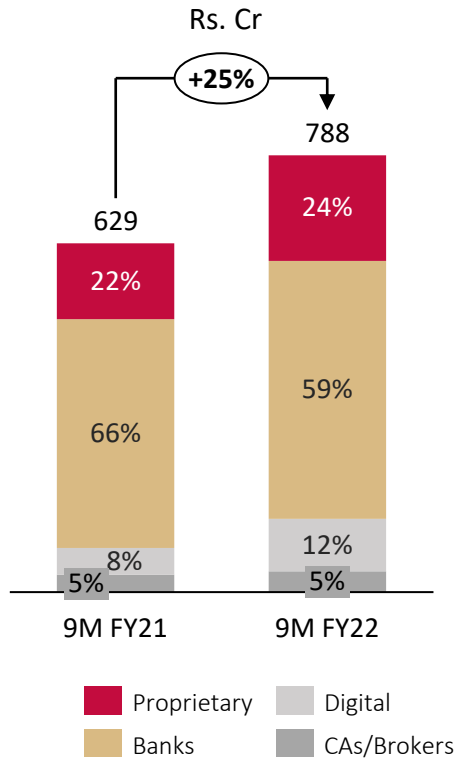
YTD Dec'21 ratio at 61%
(incl. 11% CoVID claims)



Scaled-up, diversified and digitally enabled distribution -1/2

Multi-channel & Digitally enabled distribution

Diversified retail channel mix



Agency: Scalable channel with 175 branch locations | Agency GWP ↑ +1.4x of PY | ABC synergy → agent base expansion

Bancassurance: 12 partners → 16,000+ branches | Banca mix at 59% of retail

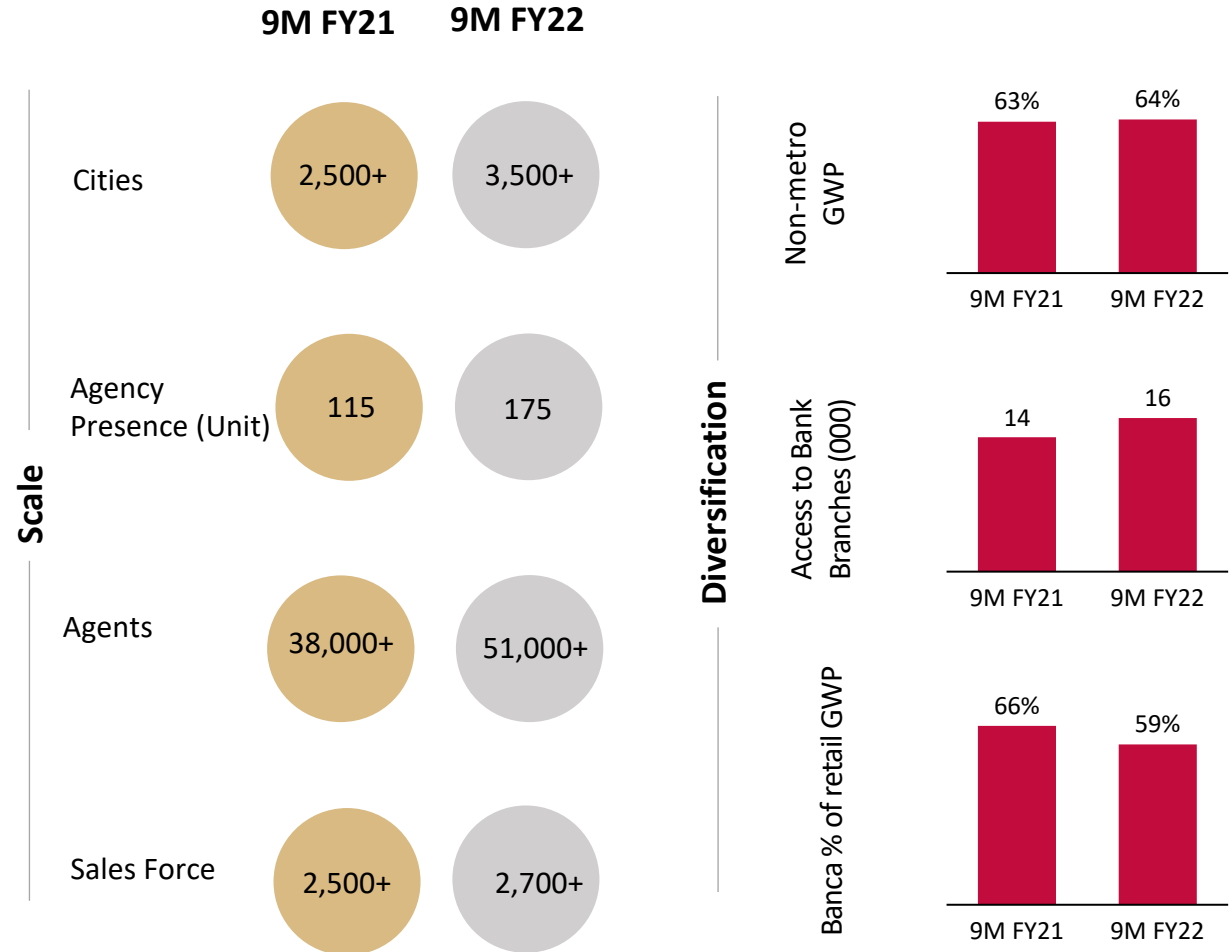
New Partners: Federal Bank, CSB Bank & Utkarsh SFB

Leveraging Digital partnerships: 41 partners covering ~7Mn.+ lives | 50+ byte-size and contextual products

Rural & MFI* Partners: 48 partners covering ~7Mn.+ lives

Wellness based sourcing of value accretive Group business

Diversified and scaled network



Scaled-up, diversified and digitally enabled distribution -2/2

Distribution digital capabilities

Products

- Partner specific products
- 1 cr super top up
- Contextual & Byte sized products
- Travel/Ride/Stay/Telco/Loan Insurance

Customer acquisition

- Built a robust digital ecosystem for customer acquisition
- Partner specific end to end digital customer journeys
- 98% customer onboarded digitally

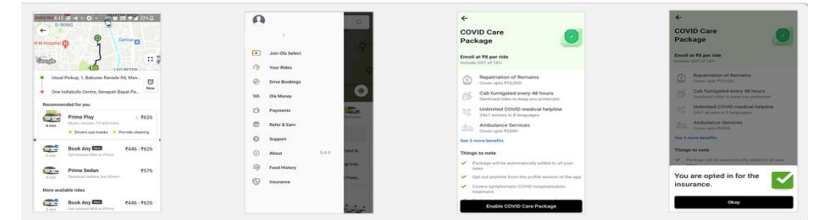
Customer retention

- Digital renewals
- AI based campaigns
- One click journey in app

Ecosystem of partners



Digital ride insurance multimillion policies issued



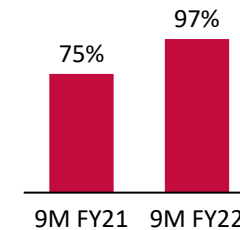
Click-1

Click-2

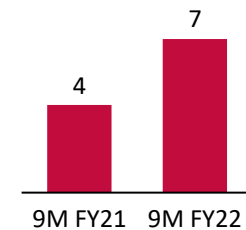
Click-3

Click-4

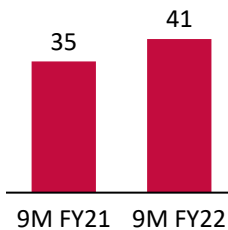
GWP Growth YoY %



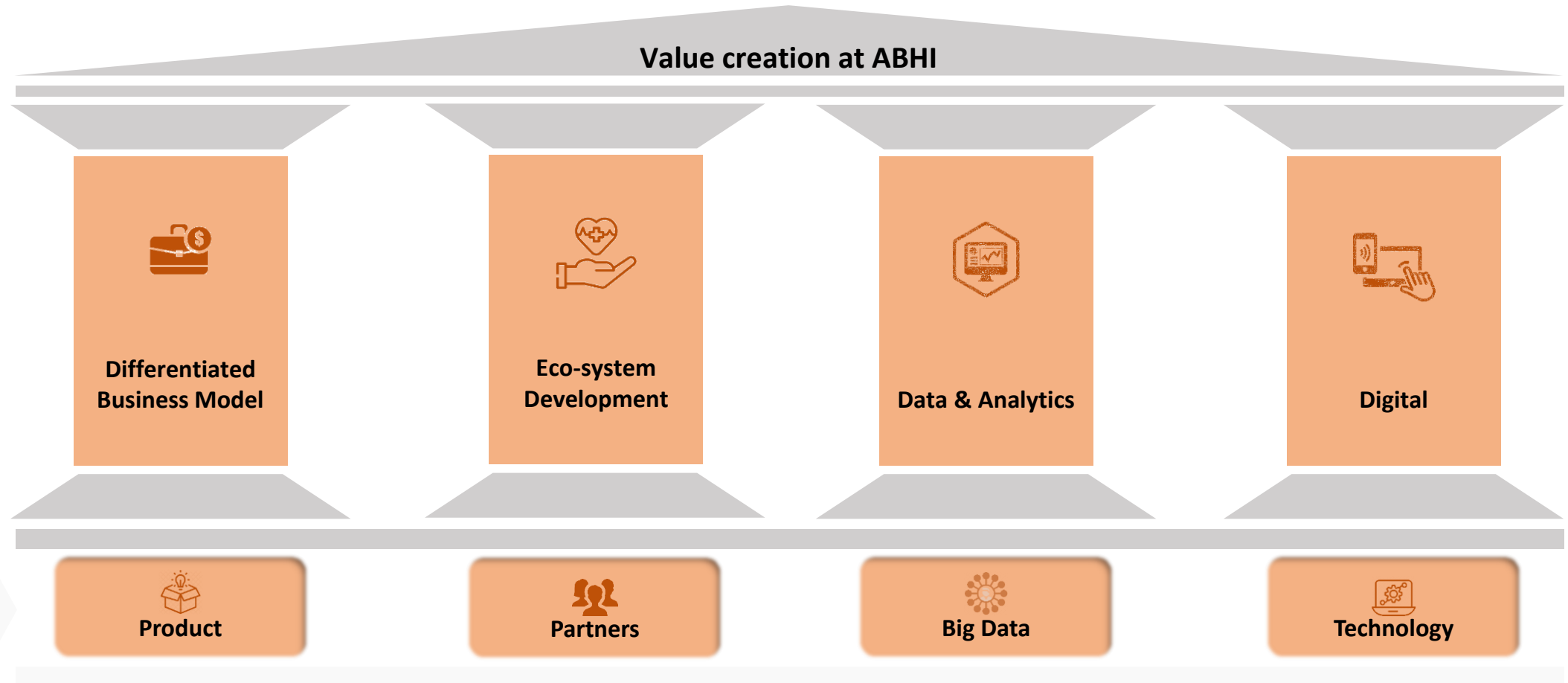
Byte size lives



No. of partners



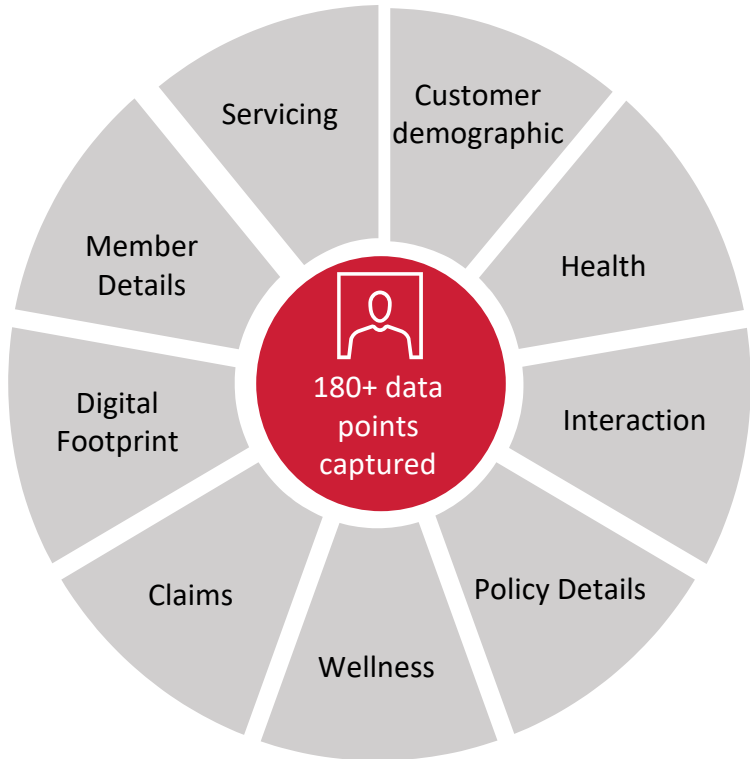
4 Pillars for achieving scale and differentiation



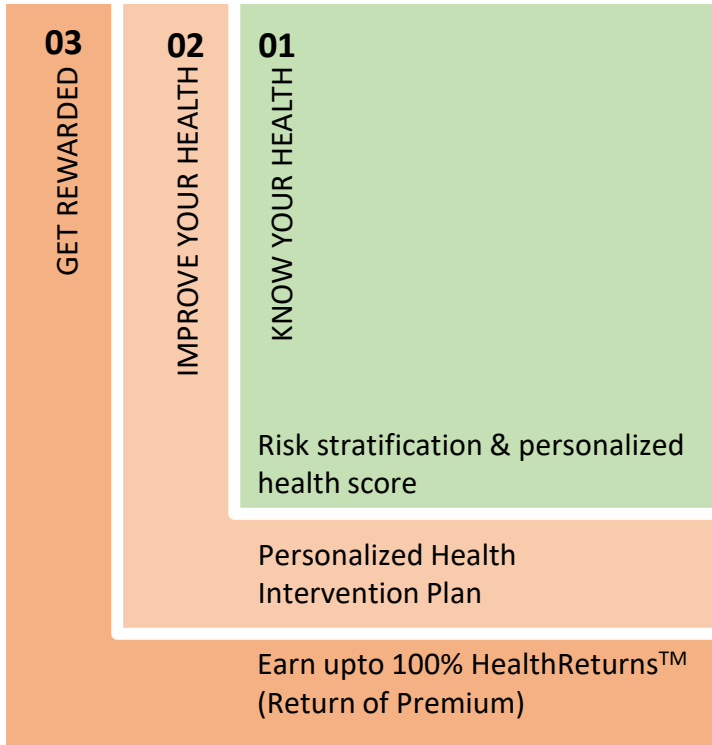

Key Enablers

Differentiated Business Model

Analyze Customer demographics



Attract Health-conscious Customers



Personalized Health management

Risk Stratification

- Hyper Personalised **WellBeing™ Score** including
 - Healthy Heart score
 - Lifestyle score
 - Activ Dayz

Health Interventions

- In-house Health & lifestyle Coach
- Digital Health Partners
- Access to comprehensive Health Ecosystem including
 - Nutritional health
 - Mental health
 - Physical health & fitness
 - OPD

WellBeing score live for 800K+ customers

26% higher persistency for engaged customer

~5% lower claims ratio for engaged customers

Differentiated & segmented offerings



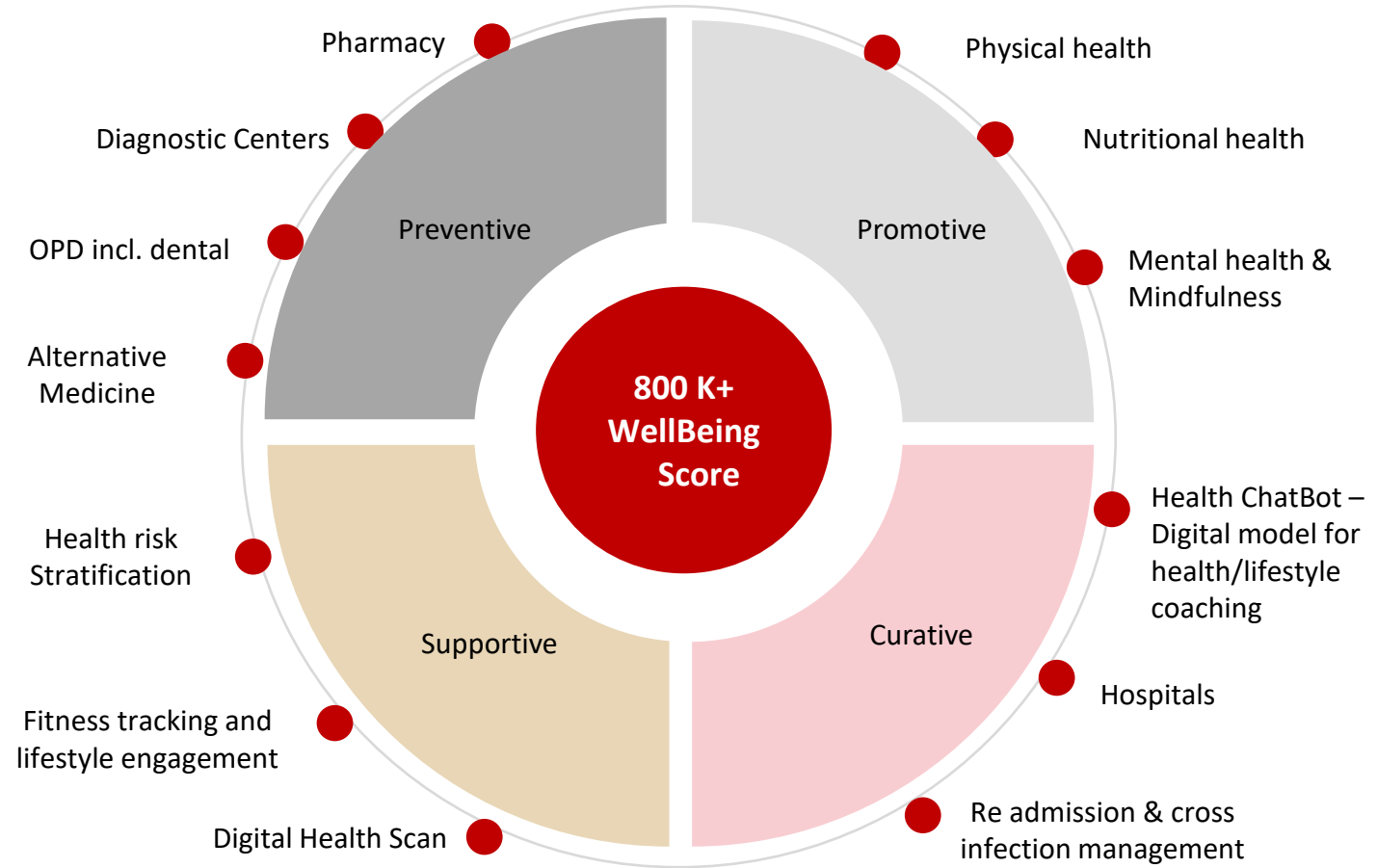
Diversified product suite with differentiated health first offerings enabling market expansion

	Enabling Market Expansion	Product Differentiators	Industry First Offerings
Traditional	Sickness Insurance (35-55 years)	Incentivized Wellness	100% HealthReturns™
ABHI Approach	<p>Expansion of existing market</p> <p>Young & healthy Customers (< 35 years)</p> <p>Segments with lifestyle conditions (>45 years)</p>	<p>Chronic Care Management</p> <p>Health Ecosystem enabled Offerings</p> <p>Co-creation with Distribution Partners</p>	<p>1 Cr Super Top Up with a leading Broker</p> <p>Global Health Secure Intl treatment</p> <p>Chronic Cover (ABCD)</p> <p>Byte size fully digital Ride Insurance, Travel/Stay Insurance, Telco Insurance, Gym assurance etc</p>
Outcomes	Average Customer age < 5 yrs v/s Industry	17 Mn Inforce Lives ↑ @234% 3 Yr CAGR	100% HealthReturns™ ~ 30%+ new business

Holistic & integrated health eco system

Objective

- Integrated platform for personalized health recommendations and Health Management Interventions
- Meeting end to end Health needs of customers
- Access to customers for preferential offers
- Network Hospitals 9,300+
- More than 60+ Partners & growing
- 180+ data points on customer health data & spend behaviour

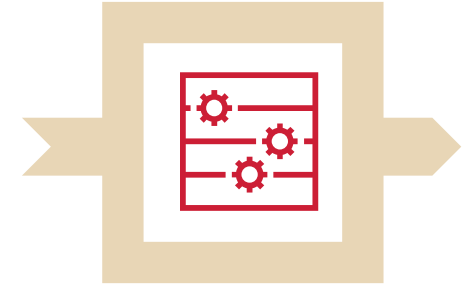
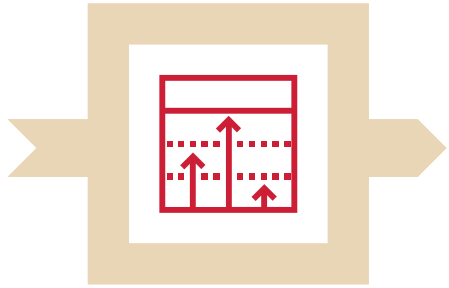


Phyigital Ecosystem


**Engage customers
at scale**


**Co create
segmented offerings**


Cross Sell/Upsell




Investing in High End Capabilities


 Organization wide structured data lake


 Deep expertise in AI/ML/NLP/ Anomaly/Camera /facial Image detection

 Eco system of in-house/ ABC/ ABG/ Vendor capabilities


CLTV – Acquisition /Retention / Cross sell


 PASA - 5Mn offer/5.5Cr GWP


 One click journey for customer
No Medicals | Faster Issuance

 Renewal propensity model
9% lift in Test vs Control group


Customer Engagement/Wellness


 WBS based intervention


 CX-Score
Scoring SLAs, events and interactions

 Sentiment Score
Speech to Text Analytics

Risk Management-UW & Fraud

 Claims fraud detection engine

 Automated UW engine
1000+ STP clusters

 Hospital scorecard
Outlier hospital score card

Digital Capabilities (1/2)

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

Lead Generation



Digital marketing



Predictive analysis & ML based cross-sell

Revenue Enablement through digital customer acquisition

98%

Customer onboarded digitally

10Mn

Customers onboarded via ecosystem

85%

Welcome Calls through voice bots & Tele

37 Mn

Revenue through Digital Bot

Customer Engagement



Multiple tech based customer touchpoints



Multiple self servicing assets



Customer Advocacy through Self Service Channels

96%

Services available digitally

10Lac+

Customer interactions on web portal

8 Lac+

WellBeing score live for hyper-personalized interventions

62%

Digital Self service

Retention & Renewals



Propensity based voice bot system aiding renewals



Omni-channel click through renewal journey

Scalability & Automation of back-end processes & Systems

88%+

Same Day policy Issuance (T day)

85%

Auto Underwriting (STP)

89%

Inbound calls answered within SLA

15

Inbound IVR Audio Visual Bots 24X7 for top customer requests

Key Financials – Aditya Birla Health Insurance Limited



Quarter 3		Figures in Rs Crore	Nine Months	
FY 20-21 (PY)	FY 21-22 (CY)		FY 20-21 (PY)	FY 21-22 (CY)
		Key Performance Parameters		
203	263	Retail Premium	629	788
106	143	Group Premium	230	382
309	406	Gross Written Premium	859	1,170
288	382	Revenue	777	1,092
164	182	Operating expenses	465	520
(51)	(53)	Profit Before Tax (IND AS)	(175)	(283)

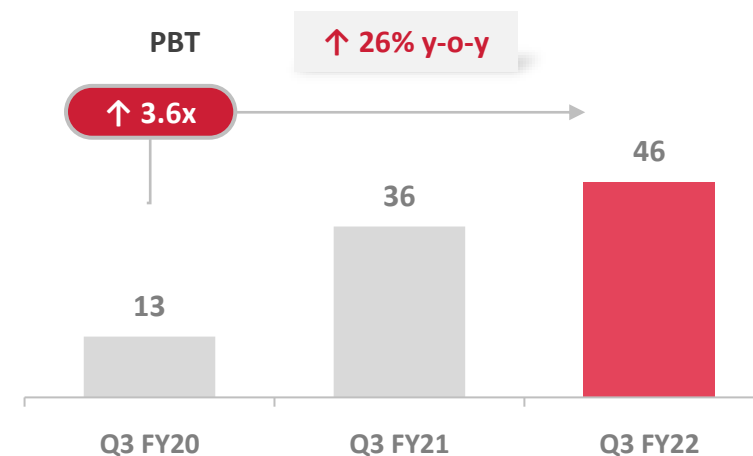
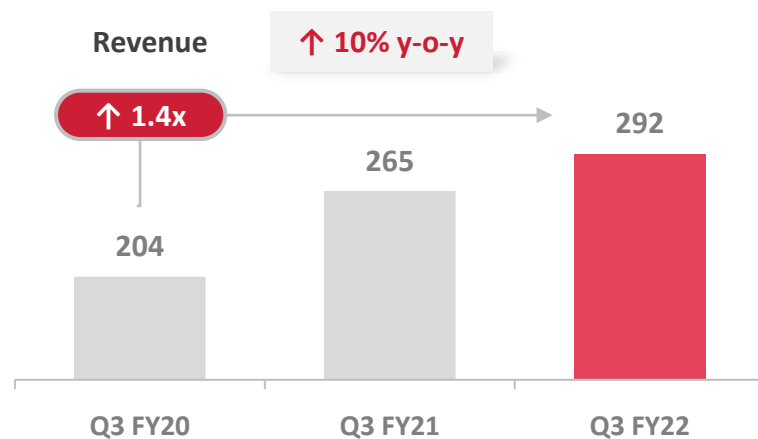
Other Updates



PROTECTING INVESTING FINANCING ADVISING

Other Financial Services Businesses

Strong performance across financial metrics across these businesses



General Insurance Broking

	Q3 FY21	Q3 FY22	Δ
Premium Placement	1,401	1,553	↑ 11%
Revenue	185	187	↑ 1%
PBT	18	16	↓ 15%

Stock & Securities Broking

	Q3 FY21	Q3 FY22	Δ
# Customers (Active)	1.2 Lac	1.3 Lac	↑ 11%
Revenue	49	61	↑ 23%
PBT	6	9	↑ 53%

Asset Reconstruction Company

	Q3 FY21	Q3 FY22	Δ
Closing AUM	2,357	2,114	↓ 10%
Revenue	24	30	↑ 26%
PBT	11	16	↑ 43%

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

Consolidated Profit & Loss



Quarter 2	Quarter 3		Figures in Rs Crore			Nine Months	
	FY 20-21 (PY)	FY 21-22 (CY)	Consolidated Profit & Loss		FY 20-21 (PY)		FY 21-22 (CY)
5,597	5,032	5,706	Revenue		13,661	15,602	↑ 14%
440	326	659	Profit Before Tax (before share of profit/(loss) of JVs)		857	1,417	
89	75	93	Add: Share of Profit/(loss) of associate and JVs		188	261	
529	401	752	Profit Before Tax		1,045	1,679	
172	118	180	Less: Provision for taxation		323	480	
(20)	(6)	(6)	Less: Minority Interest		(29)	(57)	
377	289	577	Net Profit (after minority interest)		751	1,256	↑ 67%

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*

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