

Investor Presentation

September 2018



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

A leading Financial Services Conglomerate

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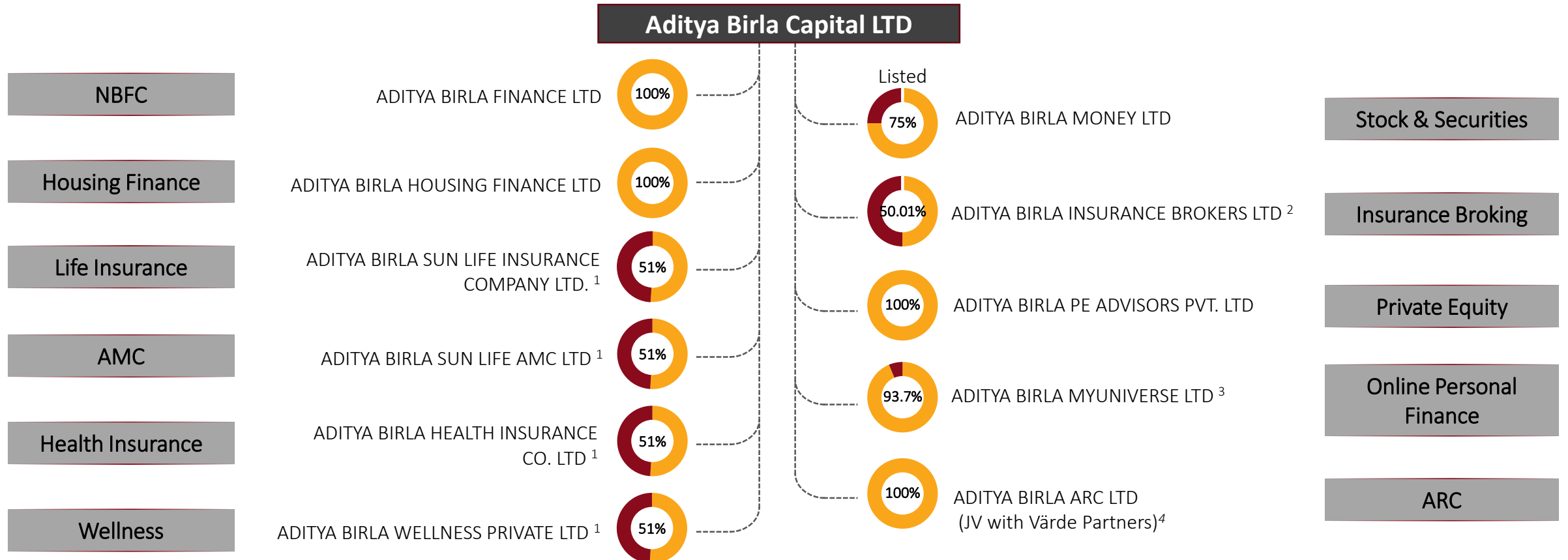
NOTE 1: The financials of Aditya Birla Capital are consolidated financials prepared as per Indian GAAP unless otherwise specified

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

A financial services conglomerate meeting the lifetime needs of its customers



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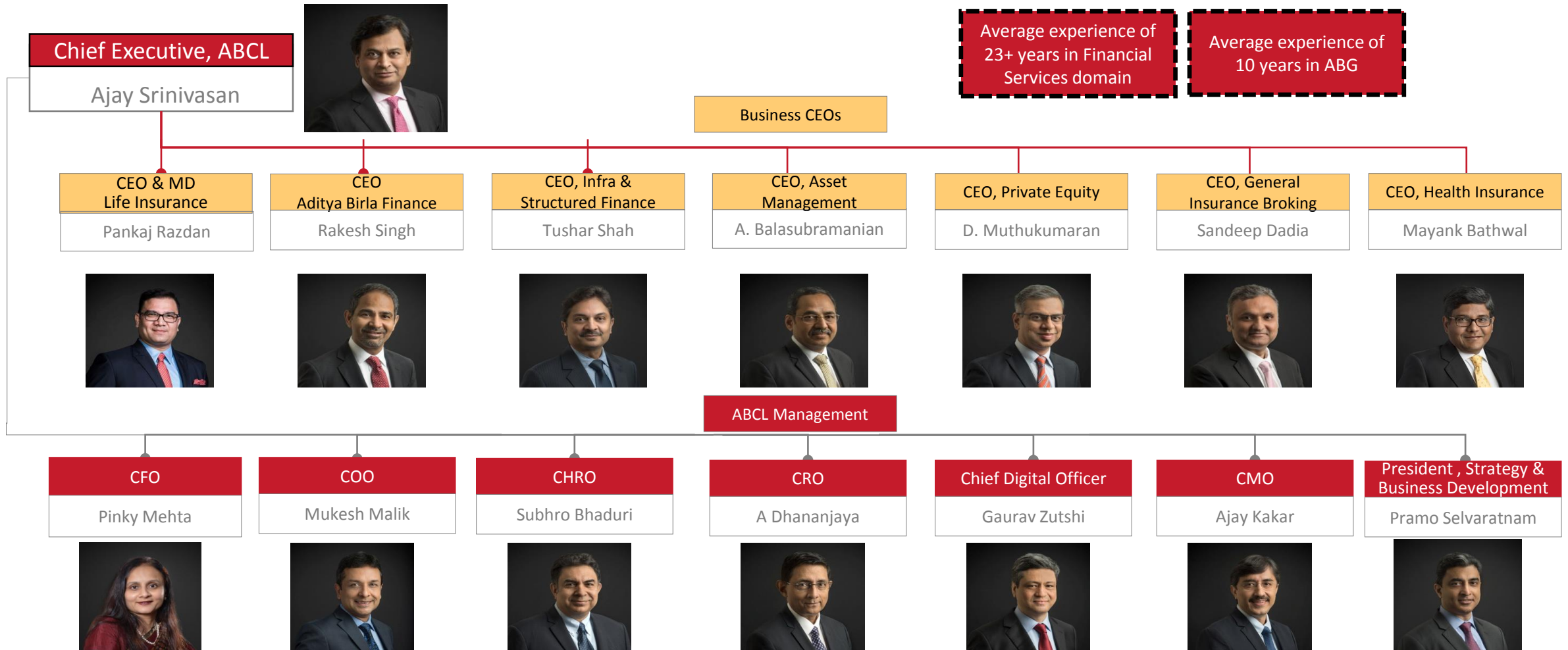


¹ Indicates JV. ² 49.998% of ABIBL is held by Infocyper India Pvt Ltd. ³ 6.3% of ABMUL is held by employee welfare trust (under ESOP) ⁴ 50% JV subject to regulatory approvals

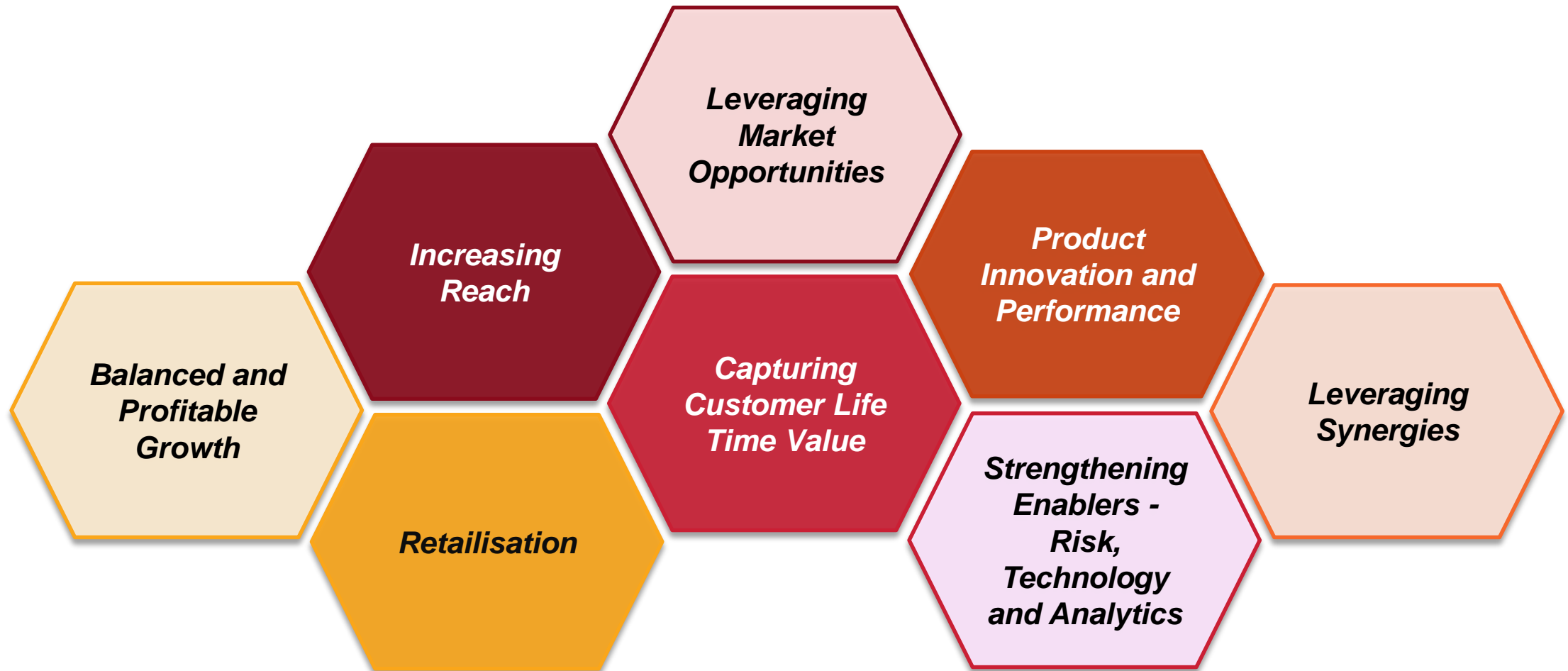
Note: ABFS structure contains major subsidiaries and excludes step down subsidiaries, if any
Aditya Birla Sunlife Pension Management Limited is 100% subsidiary of Aditya Birla Sun Life Insurance Company Ltd.

Above is not intended to show the complete organizational structure and all entities therein. It is intended to describe the key businesses of Aditya Birla Capital

Management team



Our approach



Growth and scale across the platform

A Trusted Brand That Serves All Financial Needs..

..with a Platform of Size and Scale

5 Year Growth : FY14 → FY18

PROTECTING		
Life Insurance	Ind FYP:	1.3x
Health Insurance*	GWP:	~Rs 250 cr

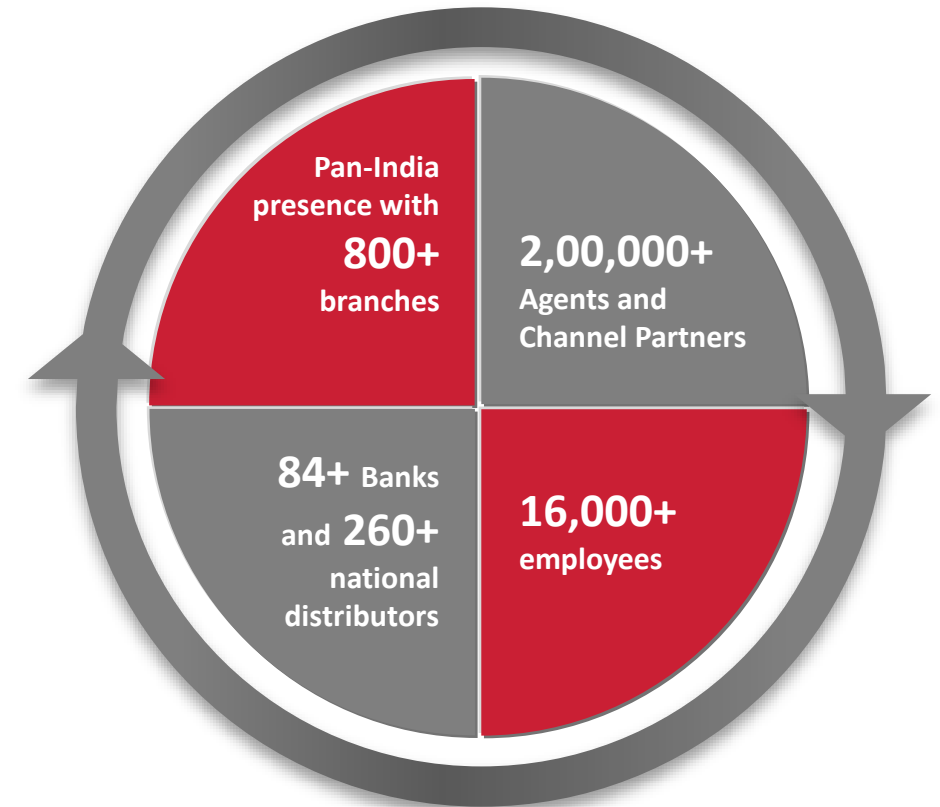
* First year of full operation in FY18

FINANCING		
NBFC	Lending Book:	3.7x
Housing Finance#	Lending Book:	57x

Commenced operations from Oct '14

INVESTING		
AMC	AAUM:	2.8x
Broking	Revenue:	2.2x

ADVISING		
Insurance Advisory	Revenue:	3.2x
Online Money Mgmt	Revenue:	6.5x



Key milestones: FY18



LISTED Aditya Birla Capital



Launched UNIFIED Brand



Crossed Rs 1,000 Cr Annual PAT¹



Manage over Rs 3,00,000 Cr in AUM²



Lending Book of over Rs 51,000 Cr³



Ranked No.3 Mutual Fund⁴



Net VNB Positive in Life Insurance Business



HFC Achieved Full Year PROFITABILITY



**1st FULL YEAR for Health Insurance with
1 MILLION lives covered**



**Received ARC License (JV with Värde
Partners)**

Touching Lives of 10 Million Active Customers

¹ Consolidated PAT (before minority interest)

² Includes AUM of Life Insurance, Health Insurance, Private Equity and Quartely average AUM of Asset Management Business

³ Includes lending book of NBFC and housing finance Business

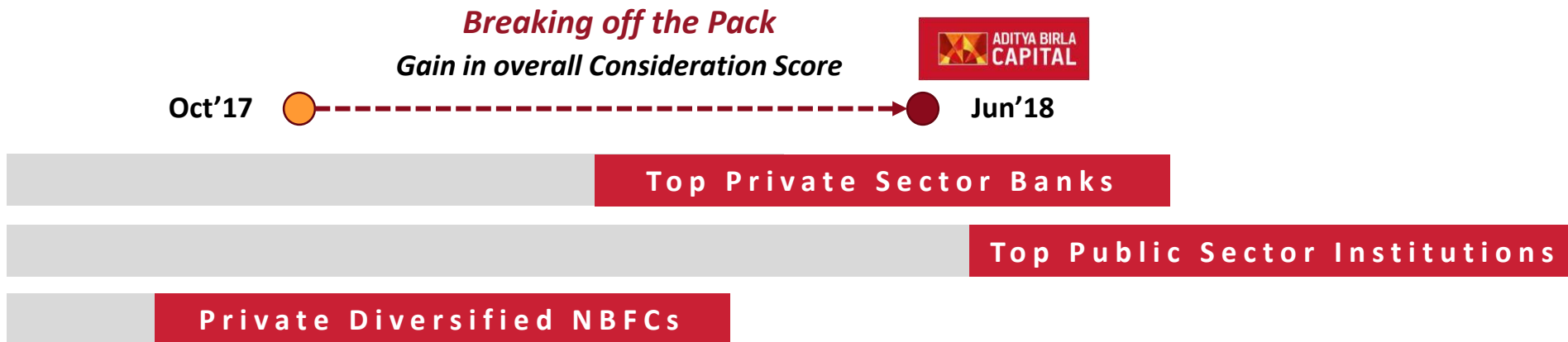
⁴ Based on AAUM for Q1FY19 (Source: AMFI)

Power of coming together as “ONE BRAND”



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Our Consideration Score¹ since launch of ABCL Brand in November 2017



¹Consideration Score representative of willingness of customers to trust a brand with all their money needs across insurance products, mutual funds and investing products, loan products and investment advisory services

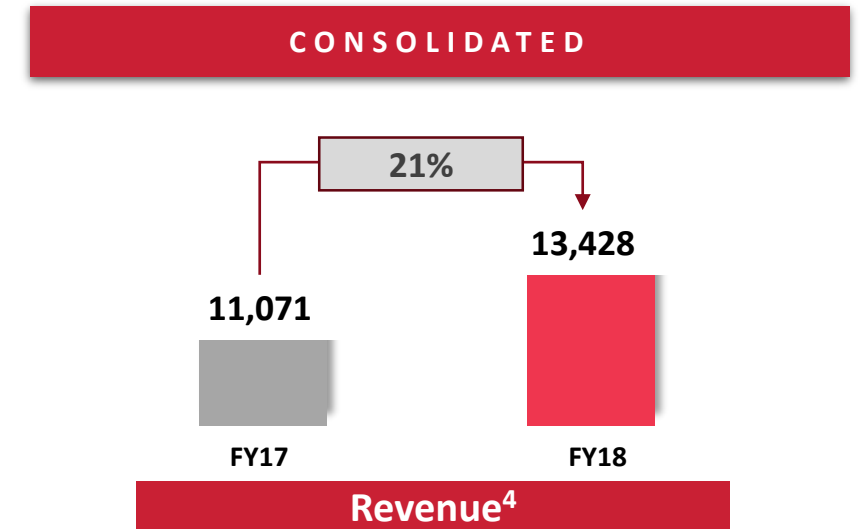
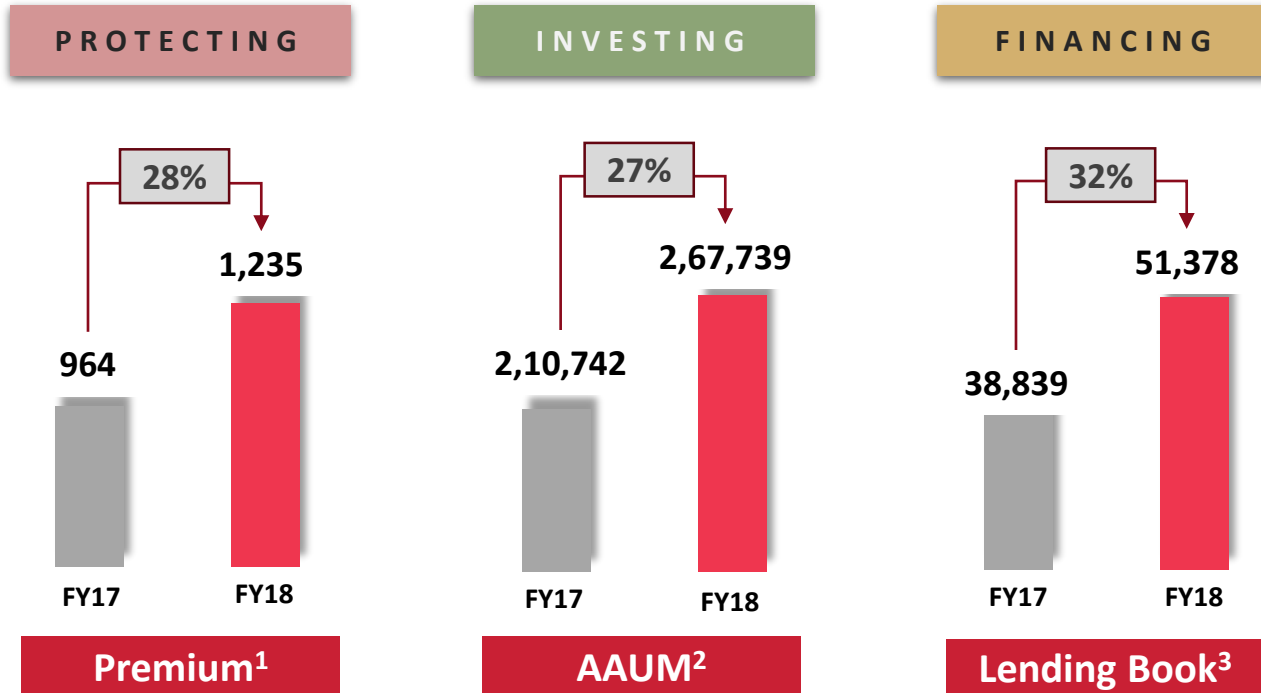
Based on Survey conducted by KANTAR MILLWARD BROWN, June 2018

ABCL consideration score across all category offerings (Oct'17 – Jun'18)

PROTECTING	INVESTING	FINANCING	ADVISING
Consideration Score + 30	Consideration Score + 33	Consideration Score + 32	Consideration Score + 38
Category Score + 10	Category Score + 8	Category Score + 9	Category Score + 17

Delivering strong financial performance: FY18

Figures in Rs Crore

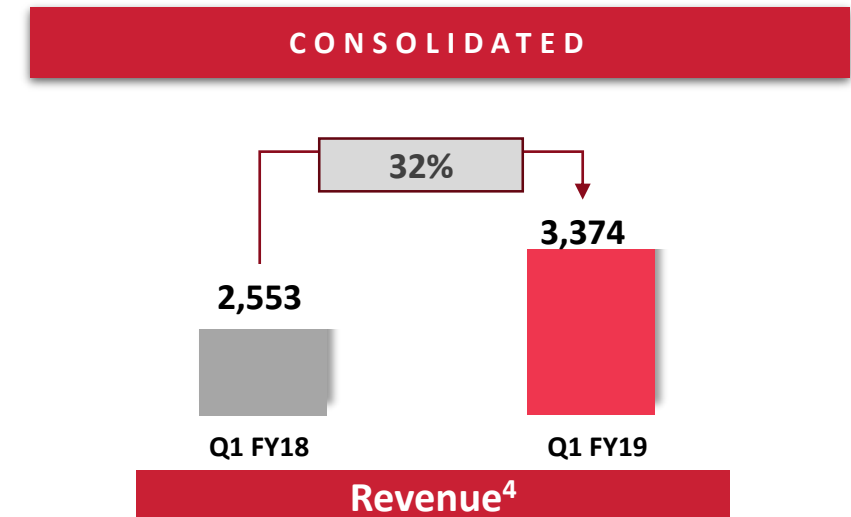
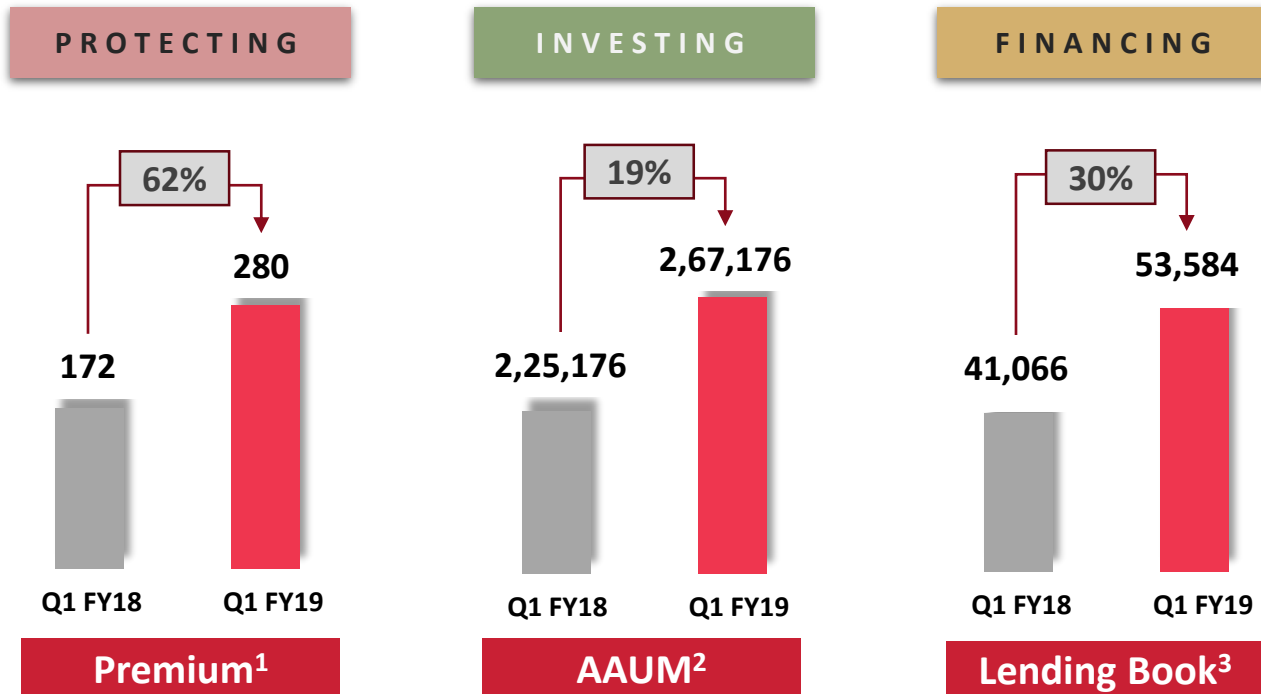


	<u>FY17</u>	<u>FY18</u>	<u>Growth</u>
Profit After Tax (After Minority Interest)			
Consolidated⁴	573	824	44%

¹ Includes Life Insurance individual first year premium and Health Insurance retail business premium
² Includes AAUM of Asset Management Business, and does not include Life Insurance, Health Insurance and Private Equity
³ Includes lending book of NBFC and Housing Finance Businesses
⁴ On like to like basis. ABNL transferred its 51% stake in Aditya Birla Sun Life Insurance (ABSLI) to ABCL w.e.f 23rd March 2017. Previous year financials have been re-stated to make performance comparable.

Delivering strong financial performance: Q1 FY19

Figures in Rs Crore



<u>Profit After Tax</u> (After Minority Interest)	<u>Q1 FY18</u>	<u>Q1 FY19</u>	<u>Growth</u>
Established Businesses⁵	212	288	36%
Consolidated	172	216	26%

¹ Includes Life Insurance individual first year premium and Health Insurance retail business premium

² Includes AAUM of Asset Management Business, and does not include Life Insurance, Health Insurance and Private Equity

³ Includes lending book of NBFC and Housing Finance Businesses

⁴ Asset Management and Wellness businesses consolidated based on equity accounting under Ind AS, however included in revenue to show holistic financial performance

⁵ Includes EBT of NBFC, Asset Management and Life Insurance businesses

Aditya Birla Finance Limited



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A well diversified portfolio

Amongst Top 5 Private Diversified NBFCs in India

Lending Book grew at 39% CAGR

Lending Book at Rs 43,242 cr

Retail + SME + UHNI Mix at 47% (up 4%)

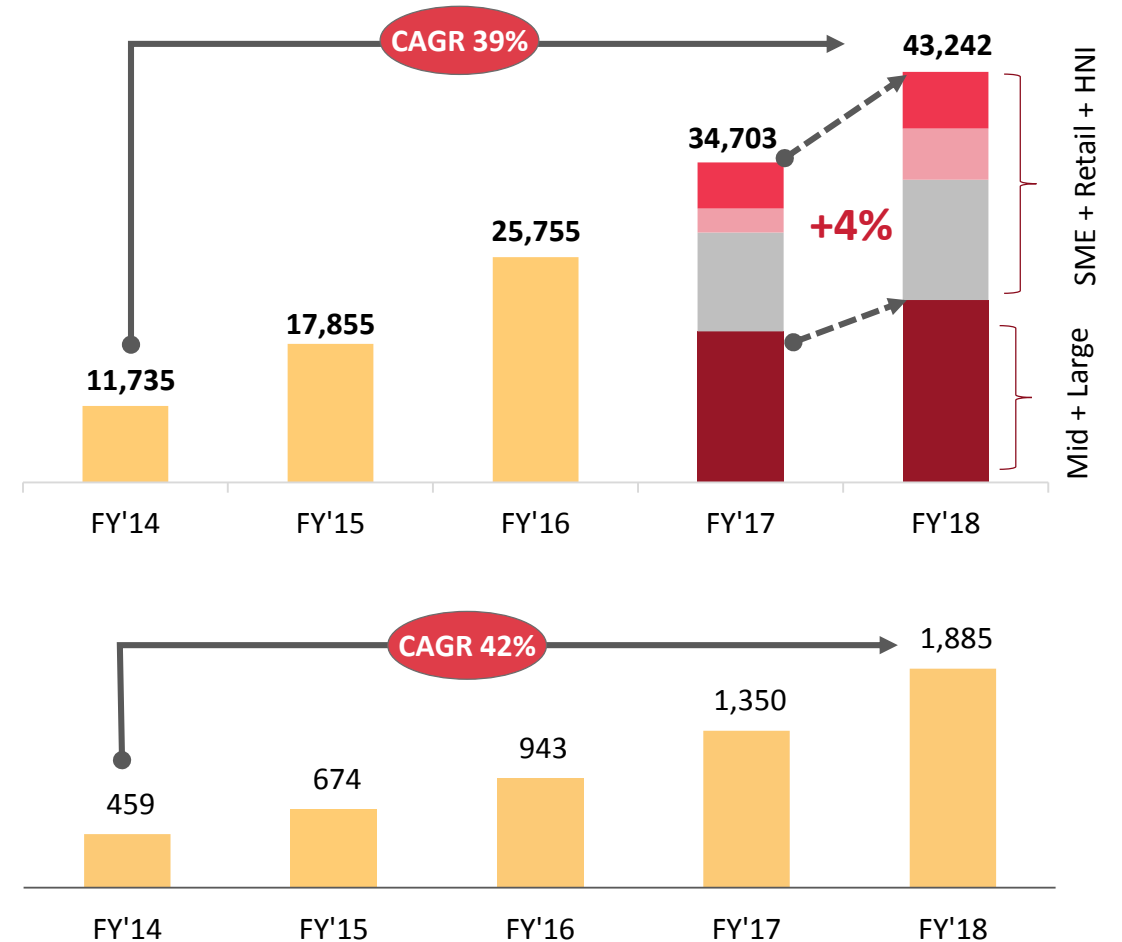
Unsecured Retail Lending business turned profitable in <2 years of operations

Net Interest Income grew at 42% CAGR

Net Interest Income at Rs 1,885 cr

Strong growth in lending book (Rs. Cr)

Net Interest Income (Rs. Cr.)

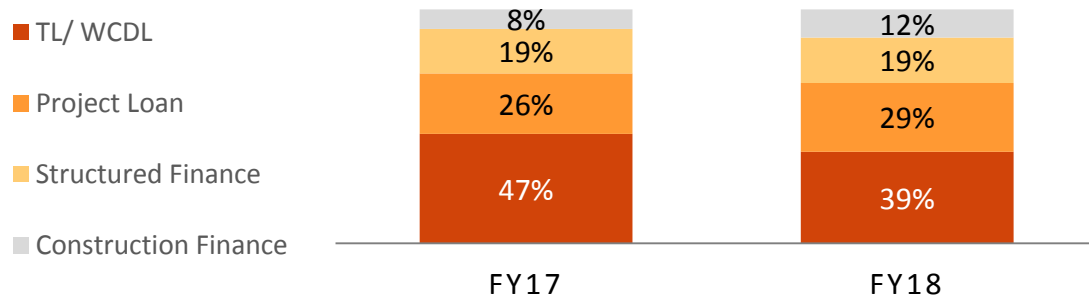


Multi-product portfolio catering to a range of customer needs

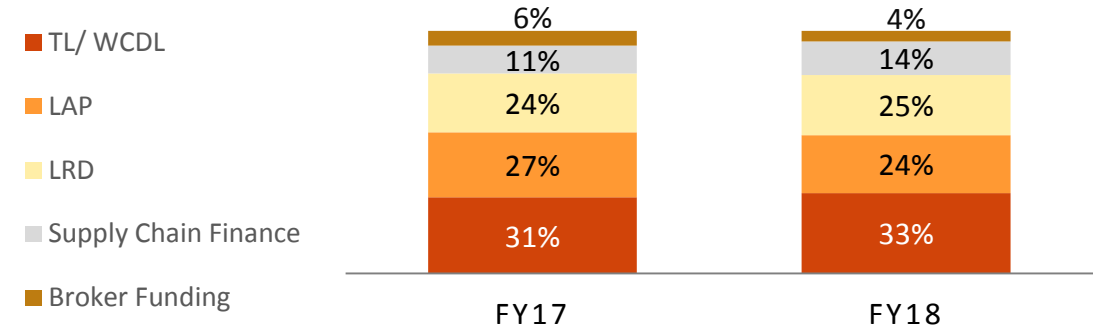


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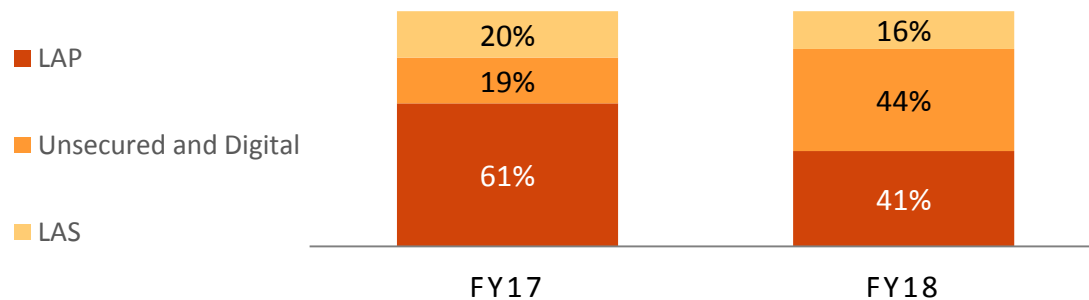
Large & Mid Corporate (50% of Loan Book)



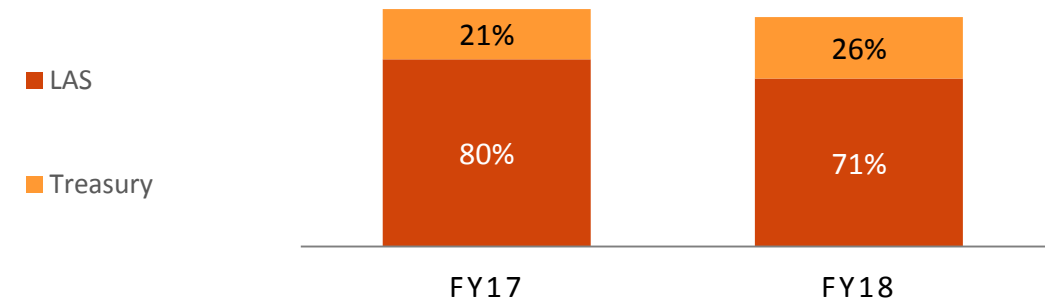
SME (27% of Loan Book)



Retail (11% of Loan Book)



HNI + Others (12% of Loan Book)



Diversified borrowing mix

Competitive Cost of Borrowings

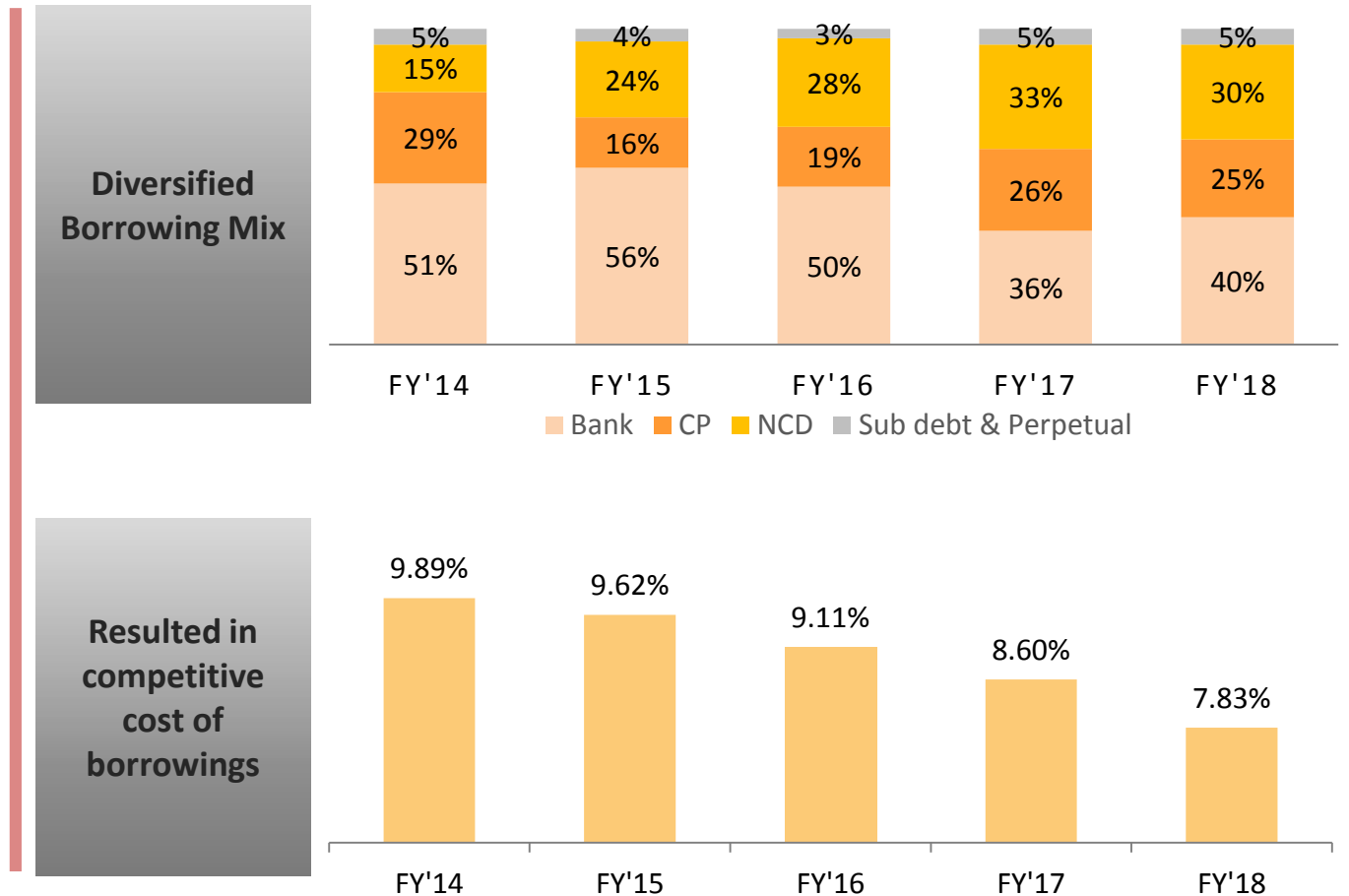
Achieved through active treasury management and dynamic changes in borrowing mix

AAA rated by India Rating and Research

Strong parentage of Aditya Birla Group

Maintained Adequate Liquidity Cover

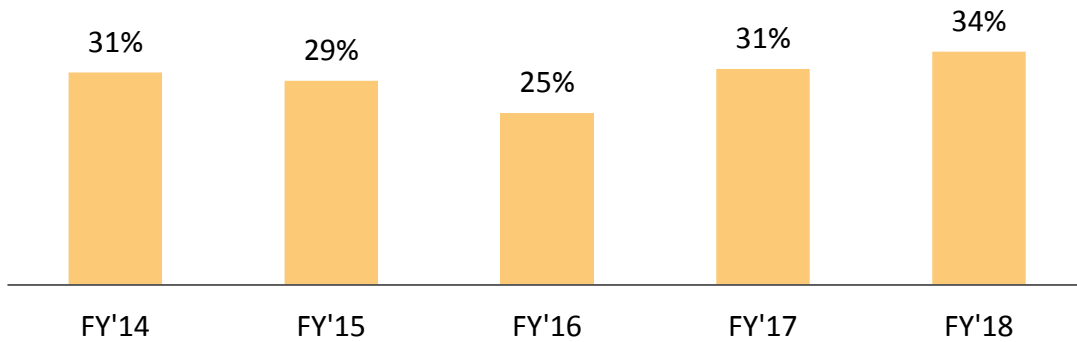
CRAR at 17.9% and leverage at 5.7x



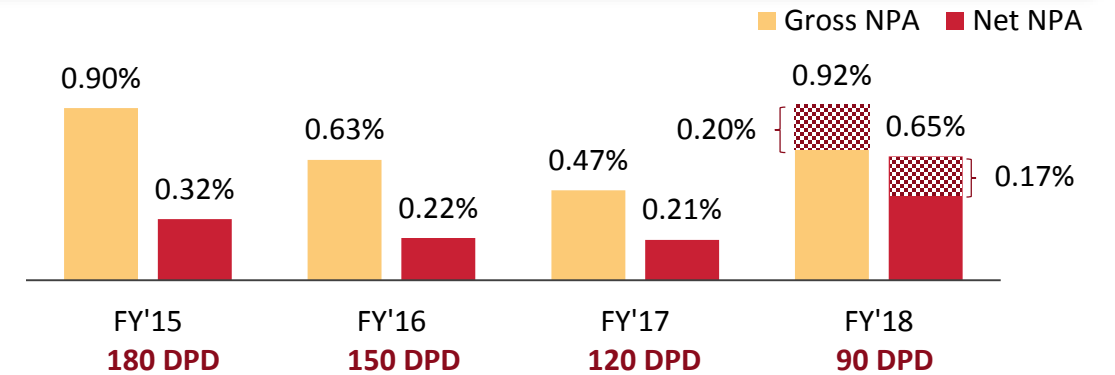
Continuing to deliver strong performance

Figures in Rs Crore

Cost to Income Ratio

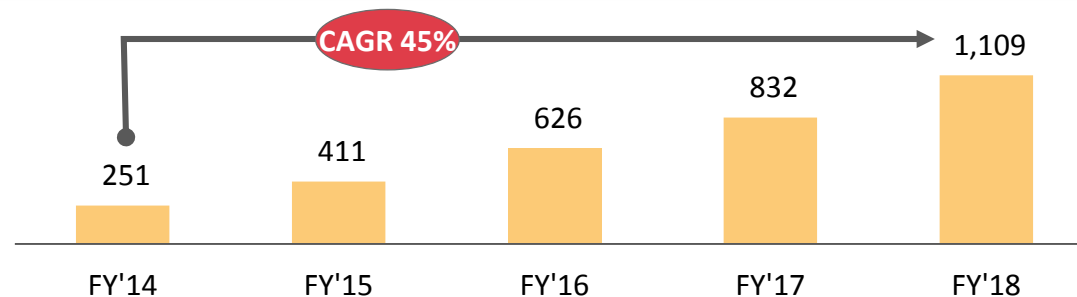


Maintained Asset Quality while moving from 180 to 90 DPD

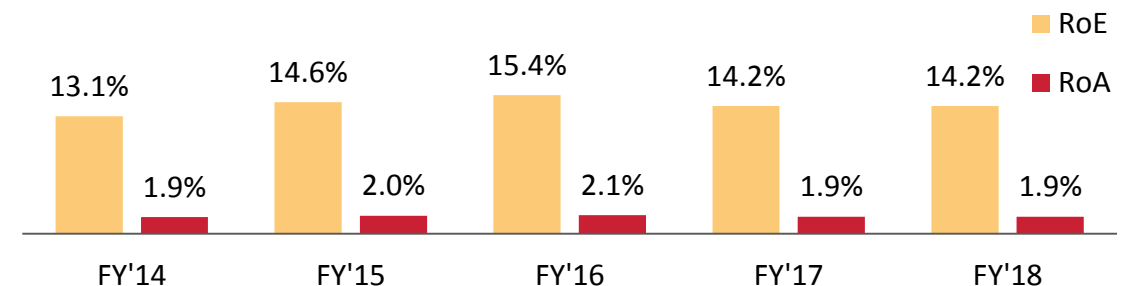


Note 1: GNPA of 0.20% on account of exposure getting categorized as NPAs due to withdrawal of the erstwhile framework of Revitalising Stressed Assets vide RBI Circular dated Feb 12, 2018. The resolution for this is underway.

EBT has Reached a Record Rs 1,100+ crore



Generating Healthy Returns



Note 2: ROE and ROA are based on compounded monthly average

Note 3: FY17, Excluding Tax benefit of wealth division merger

Key Financials – Aditya Birla Finance Limited



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Figures in Rs Crore

Δ LY%	Quarter 1 (Ind AS)		Key Performance Parameters	Full Year (IGAAP)		Δ LY%
	FY 17-18 (PY)	FY 18-19 (CY)		FY 16-17 (PY)	FY 17-18 (CY)	
↑ 23%	36,250	44,408	Lending book	34,703	43,242	↑ 25%
	11.6%	11.7%	Average yield	11.9%	11.4%	
	6.7%	6.9%	Interest cost / Avg. Loan book	7.4%	6.7%	
	4.8%	4.9%	Net Interest Income (Incl. Fee Income)	4.6%	4.7%	
	123	171	Opex	419	631	
	28%	32%	Cost Income Ratio (%)	31%	34%	
	66	34	Credit Provisioning ¹	101	148	
↑ 33%	253	335	Earnings before tax	832	1,109	↑ 33%
	166	224	Profit after tax	585	731	

¹ Credit provisioning for quarter 1 of FY18 and FY19 based on ECL model on account of transition to Ind AS

Aditya Birla Housing Finance Limited



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Strong growth in lending book

Figures in Rs Crore

Fast Growing Housing Finance Company

Disbursement grew 2.6x over 2 years

Lending Book grew ~4x over 2 years

Lending book at Rs. 8,137 cr

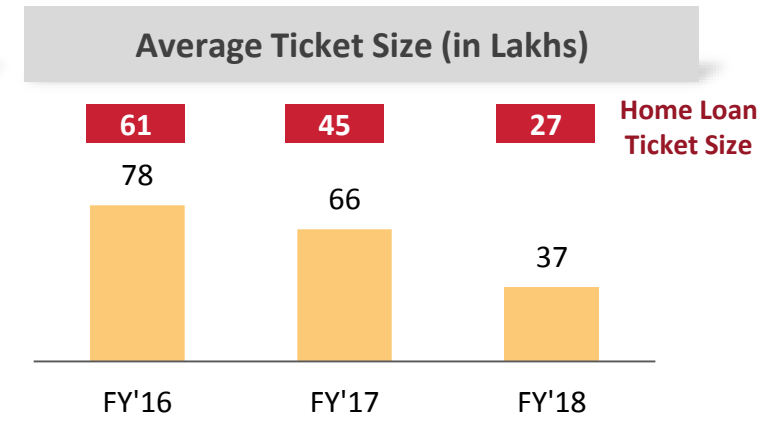
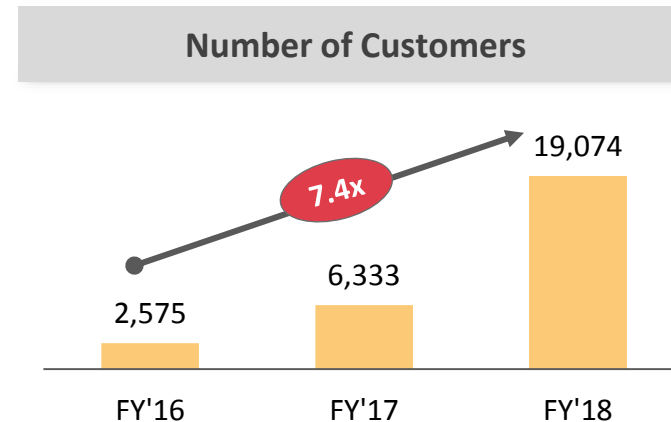
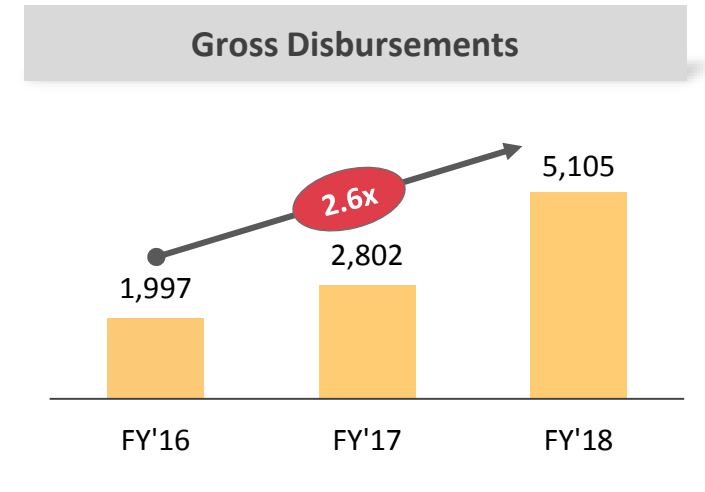
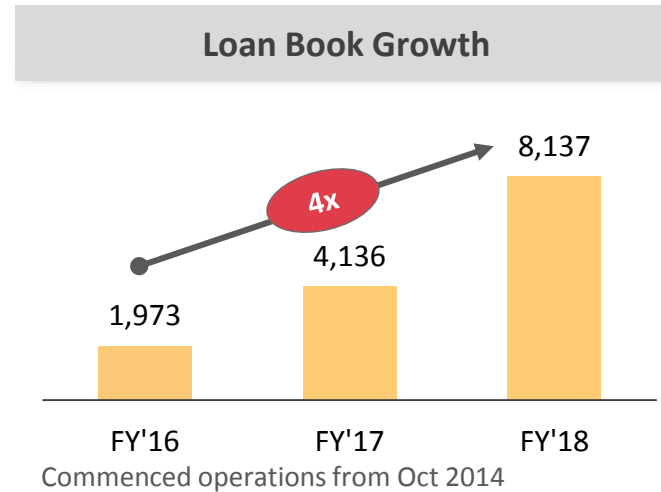
Affordable Loan Book at ~Rs 650 Crore

Affordable housing business launched in June 2017

Focus on Building Retail Granularity

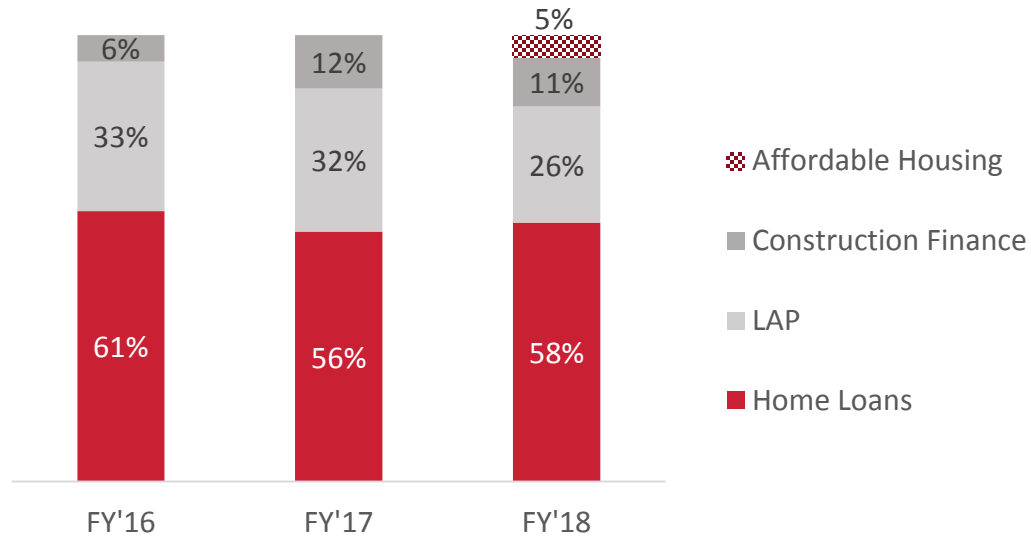
Average HL ticket size reduced to Rs 27 Lakhs

Investing to grow affordable housing reach



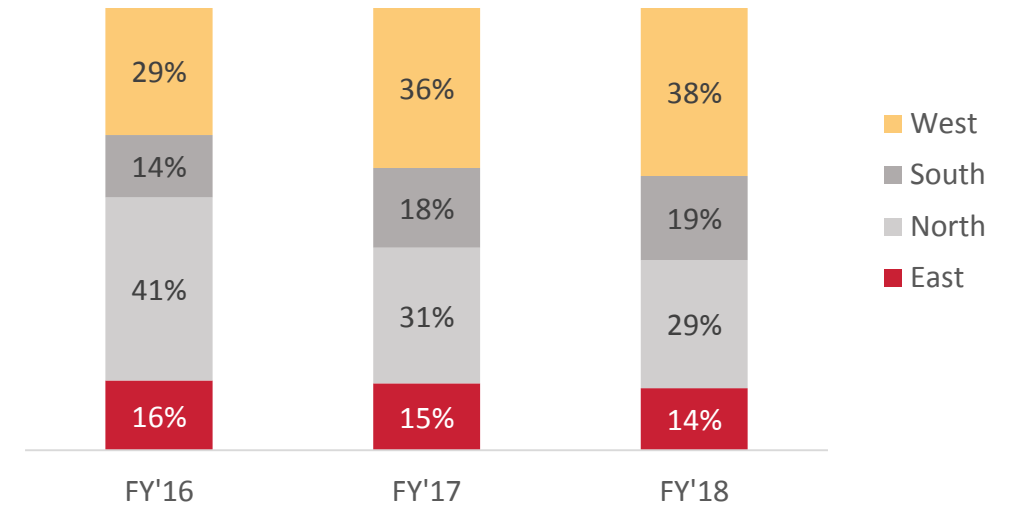
Diversification across products & geographies

Portfolio Mix (%)



Scaling up of affordable housing to tap growth in Tier 2-4 cities

Geographic Mix (%)

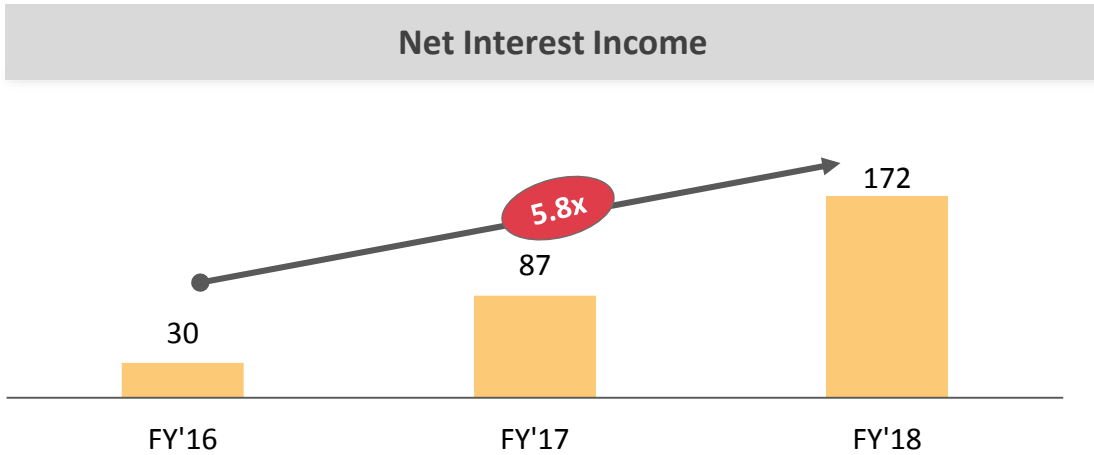


51 branches current operational with 2700+ channel partners yielding balanced geographic mix

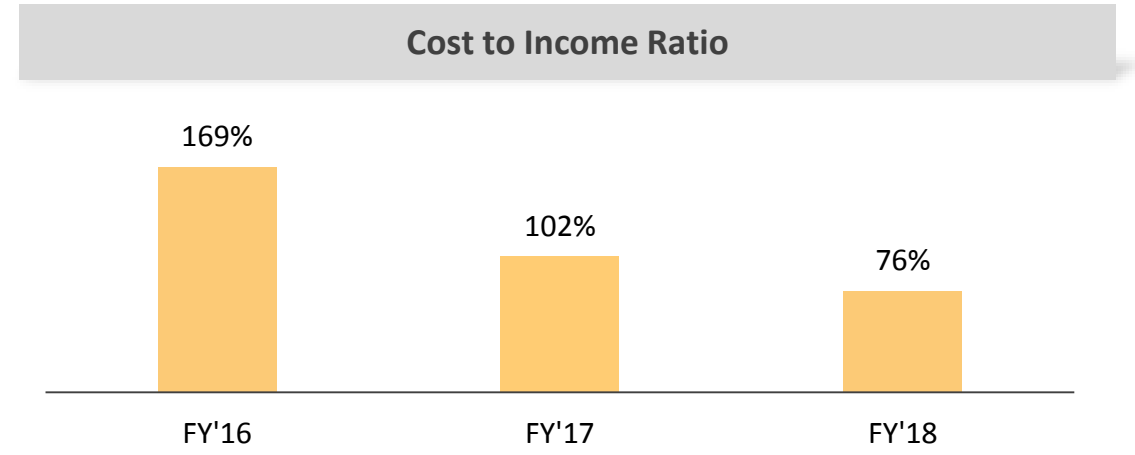
Turned profitable in just 7 quarters of operation

Figures in Rs Crore

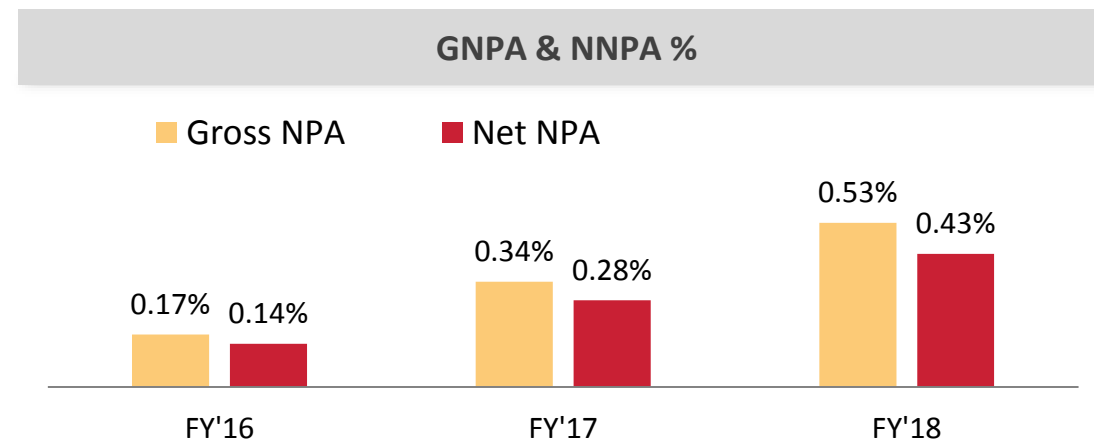
Net Interest Income



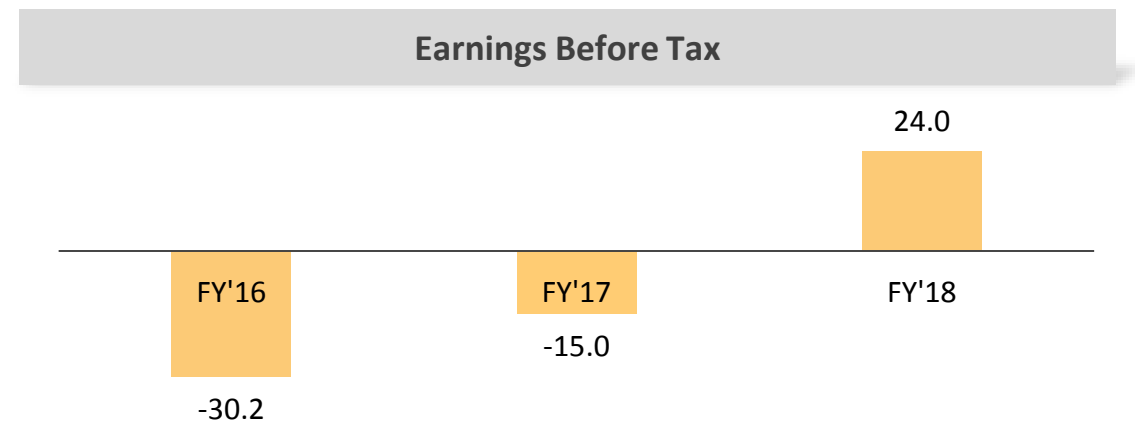
Cost to Income Ratio



GNPA & NNPA %



Earnings Before Tax



Key Financials – Aditya Birla Housing Finance Limited



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Figures in Rs Crore

Δ LY%	Quarter 1 (Ind AS)		Key Performance Parameters	Full Year (IGAAP)		Δ LY%
	FY 17-18 (PY)	FY 18-19 (CY)		FY 16-17 (PY)	FY 17-18 (CY)	
↑ ~2x	4,816	9,176	Lending book	4,136	8,137	↑ ~2x
	10.6%	10.0%	Average yield	10.7%	9.9%	
	7.0%	7.2%	Interest cost / Avg. Loan book	7.6%	6.9%	
	3.6%	2.9%	Net Interest Income (Incl. fee income)	3.7%	3.6%	
↑ ~2x	116	225	Revenue	315	615	↑ ~2x
	68%	71%	Cost Income Ratio (%)	102%	76%	
	4	5	Credit Provisioning	14	23	
↑ 1.7x	8	13	Earnings before tax	(15)	24	↑ Profitable
	435	924	Net worth	367	750	

Aditya Birla Sun Life AMC Limited



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Leading mutual fund player in India



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Figures in Rs Crore

Market Leadership with No.3 Rank

AAUM market share of 10.75% in FY18

Equity AAUM grew at 65% CAGR

Equity composition at 35% in FY18

Domestic AAUM grew at 20% CAGR

Awards and Accolades

Asia Asset Management Awards, 2018

- CEO of the Year
- CIO of the Year – Equity
- CIO of the Year – Fixed Income
- Best Fund House

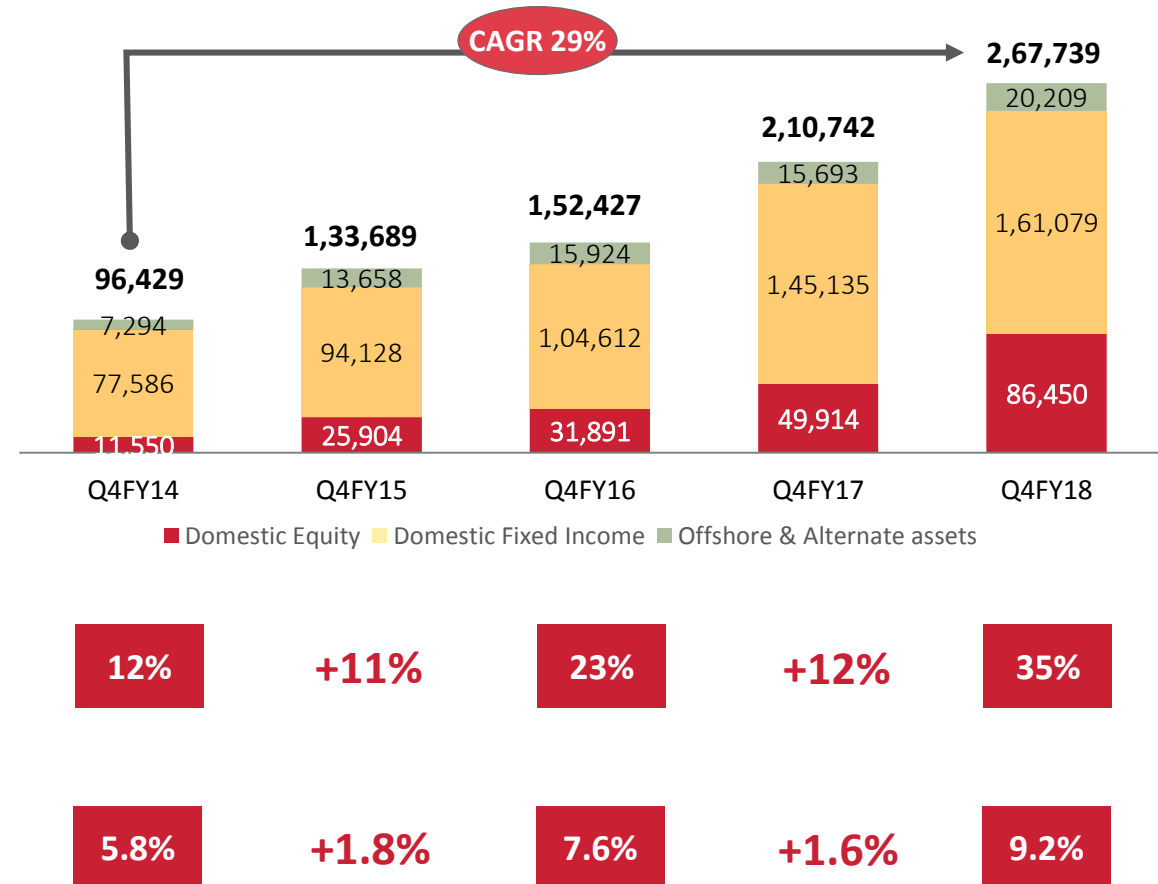
Outlook Money Award – Fund House of the Year

Morningstar Awards 2018 - Best Fund House - Overall

Growth in AAUM

Equity % of Domestic AAUM

Equity Market Share



Continued focus on retail expansion

Retail + HNI AUM¹ at Rs 1,15,000+ Crore
Retail AUM grew 37% Y-o-Y in FY18

Investor folios up 3x in 5 years

Monthly SIP book² over Rs. 950 crore
Grew 10x over 5 years | SIP Market Share 12.2%³

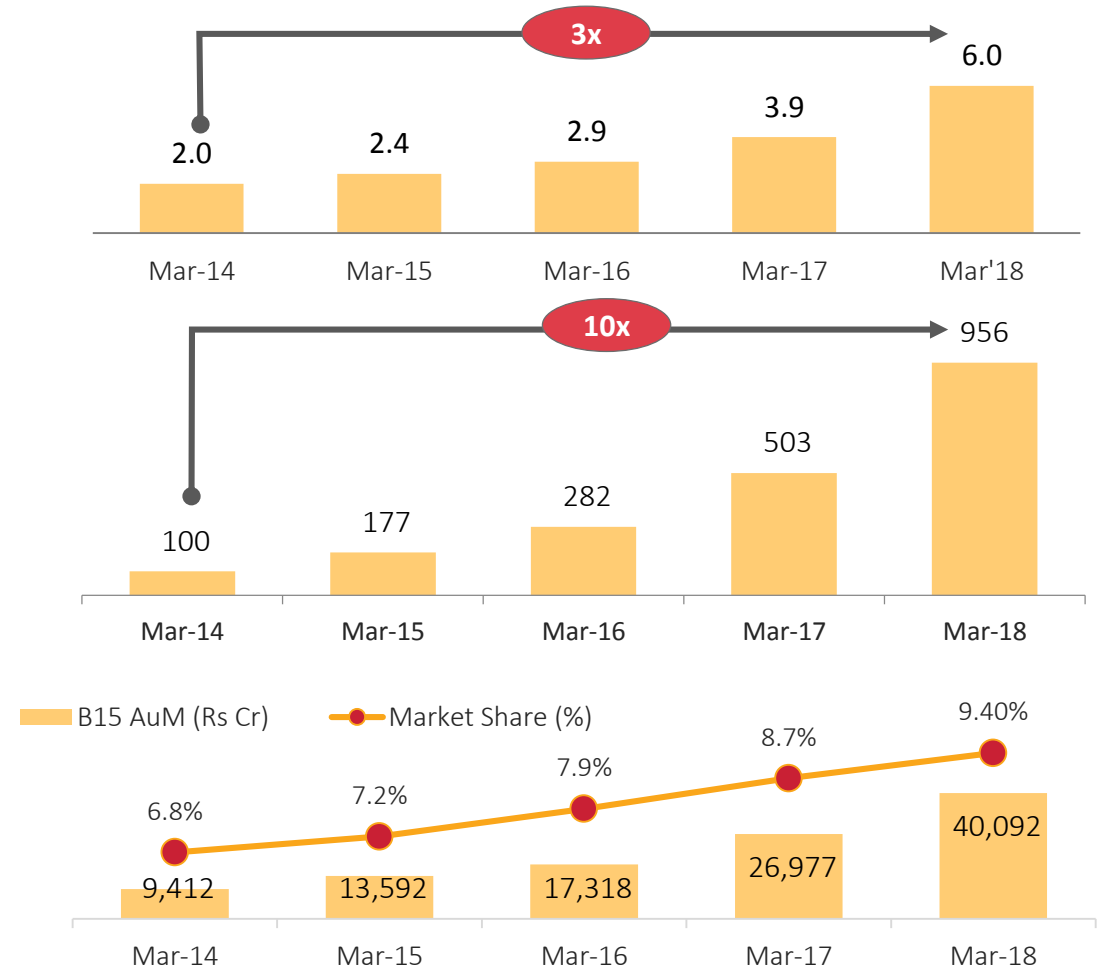
B-15 AUM crosses Rs 40k crore mark
B-15 AUM grew y-o-y by 49% vis-à-vis 38% industry growth. Market share reaches 9.4%

Pan-India presence across 247 locations
And target to reach 290 locations by FY19

Significant Growth in Investor Folio (Mn)

Doubling of SIP book (Rs Cr)¹

B15 Market Share (%)

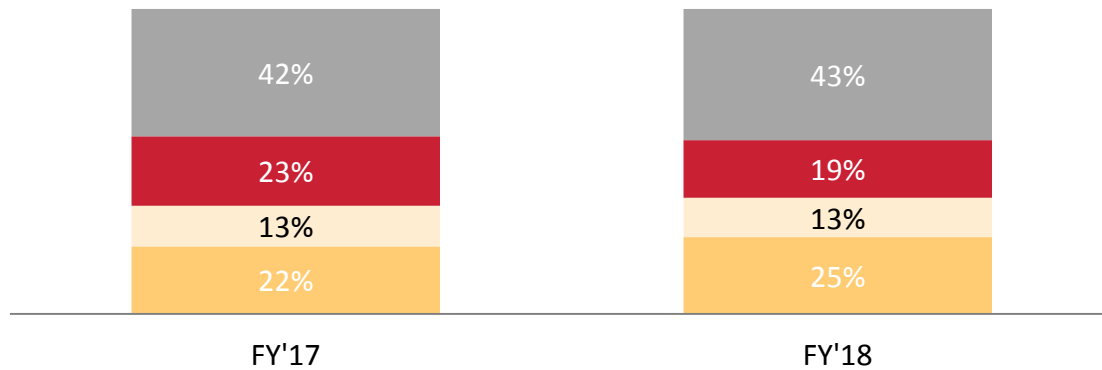


¹ Source: AMFI ² Including STP ³ Excluding STP

Balanced Distribution Network

Overall AUM Sourcing Mix (%)

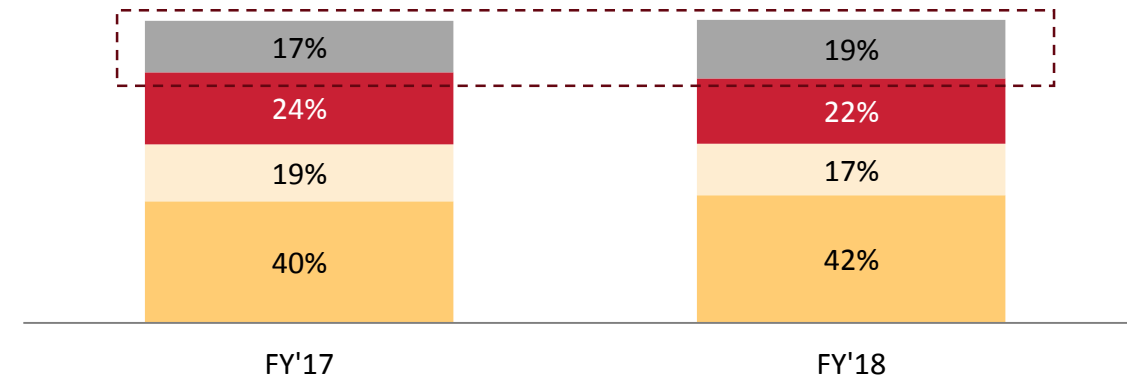
IFA Bank National Distributor Direct



Balanced Sourcing Mix
Growing IFA network

Equity AUM Sourcing Mix (%)

IFA Bank National Distributor Direct



IFA has Greater Share in Equity Sourcing
Strong pull led by brand and fund performance

Key Financials – Aditya Birla Sun Life AMC Limited



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Figures in Rs Crore

Δ LY%	Quarter 1 (Ind AS)		Key Performance Parameters	Full Year (IGAAP)		Δ LY%
	FY 17-18 (PY)	FY 18-19 (CY)		FY 16-17 (PY)	FY 17-18 (CY)	
↑ 27%	2,05,715	2,49,270	Domestic Avg. AUM*	1,95,049	2,47,529	↑ 27%
	59,891	89,031	Domestic Equity Avg. AUM*	49,914	86,450	↑ 73%
	270	352	Revenue from Operations	968	1,249	↑ 29%
	24	10	Other Income	46	41	
	294	362	Total Income	1,014	1,290	
	175	216	Costs	677	797	
	119	146	Earnings before tax	337	493	↑ 46%
↑ 47%	104	153	Earnings before tax (Excl. MTM)			

* Quarterly Average Assets Under Management (AAUM)

Aditya Birla Sun Life Insurance Limited



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Strong value creating growth

Figures in Rs Crore

Ind. FYP grew by 40% y-o-y in Q1 FY19

Significantly higher than peer-group y-o-y growth¹

Industry: **6%** | Private: **5%** | Top 4 Private: **2%**

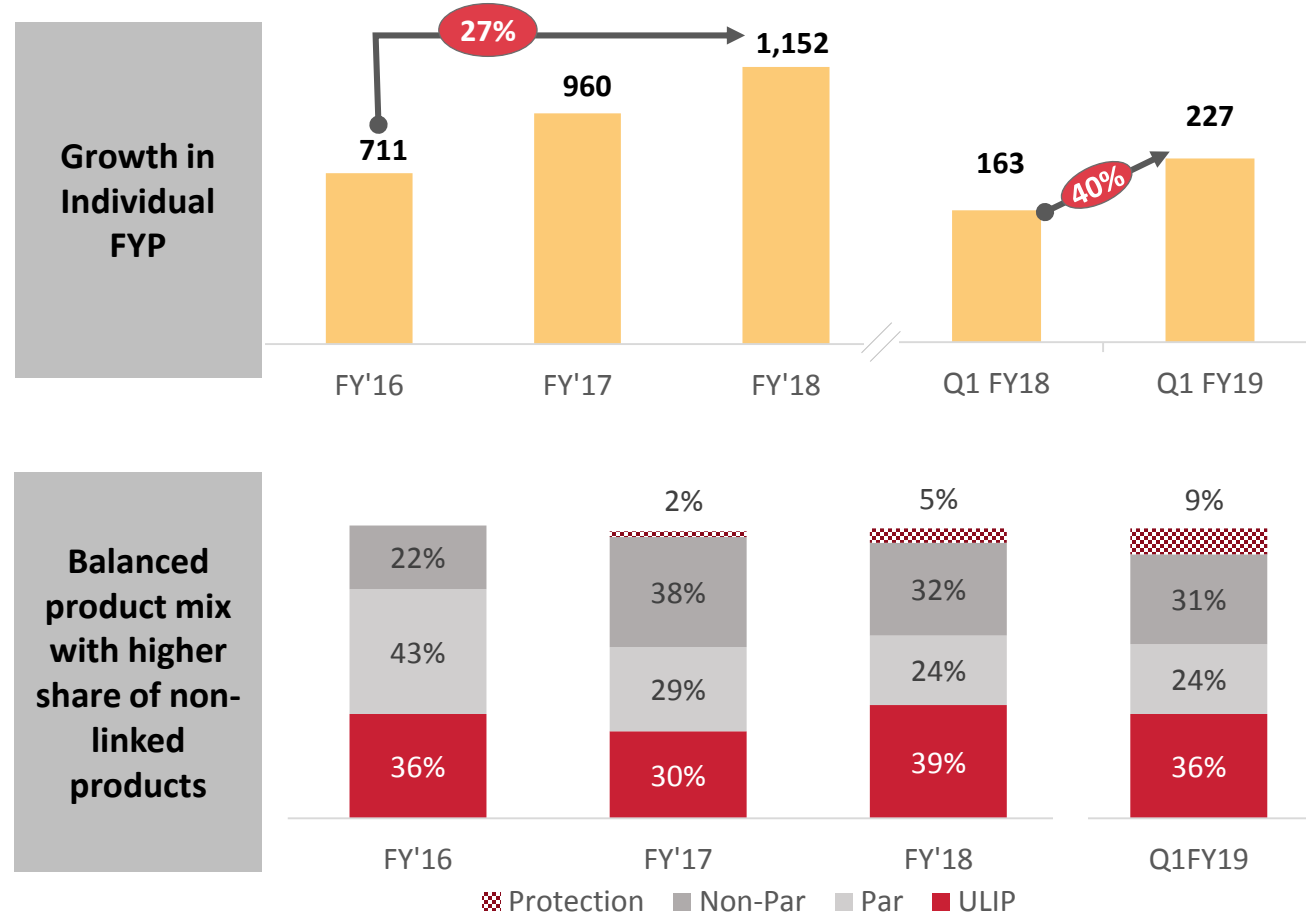
Improved individual rank by 2 spots to No.7¹

Enhancing Product Mix

Share of protection increased to 9% in Q1 FY19

Growing HDFC Distribution Partnership

Aiding strong growth in market share



¹ Rank and Market Share amongst players (Excl. LIC) based on Individual FYP: Source IRDAI

Balanced channel strategy by investing in new growth engines

Balanced Distribution Mix

Increasing share of partnership channels from 18% to 32%

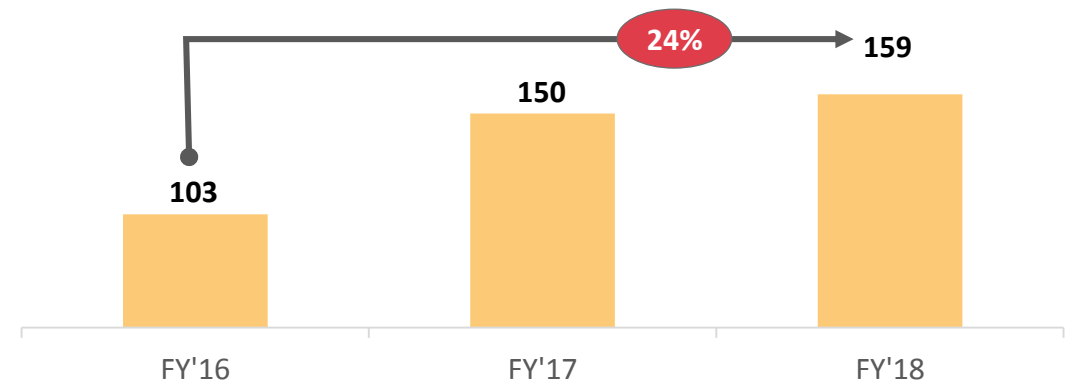
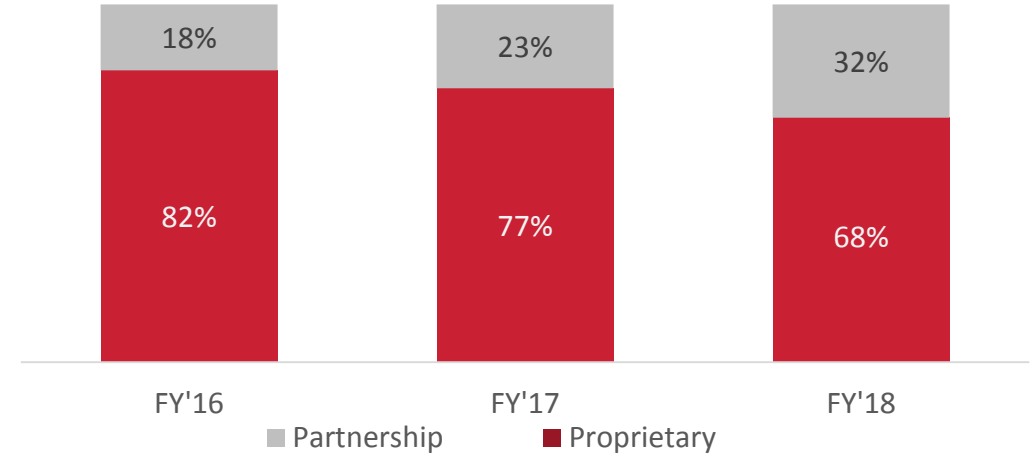
Drive Operating Leverage in Proprietary Channels

FLS productivity (Agency) grew at 24% CAGR

Robust Operating Platform with Focus on Building Digital Assets

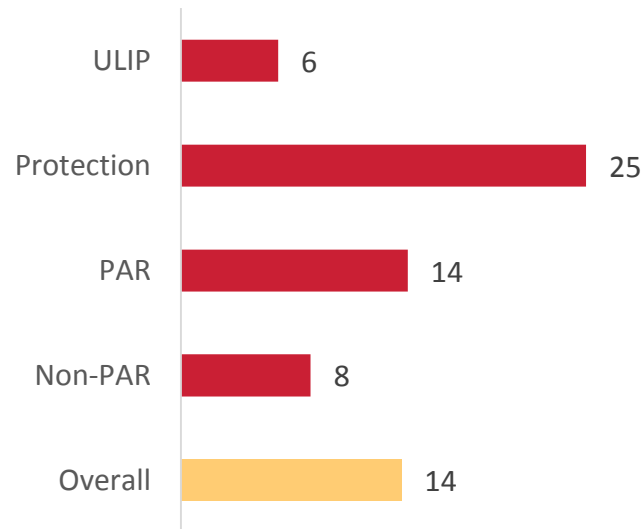
Balanced Sourcing Strategy led by growth in Partnerships

FLS Productivity (Agency)
Rs. '000 Per Month



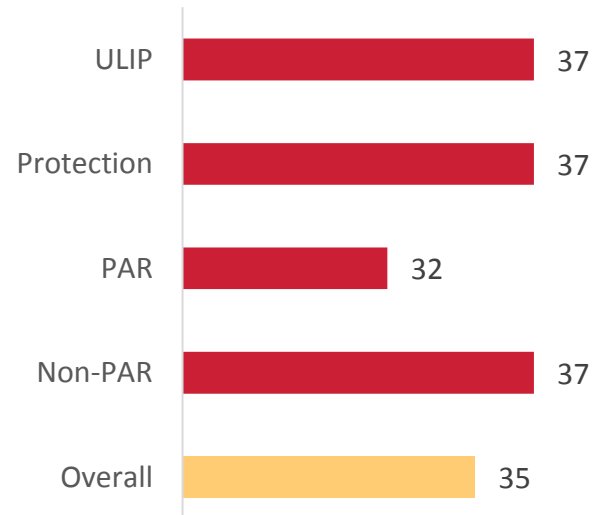
Focus on quality of business

Average Policy Term¹ (Years)



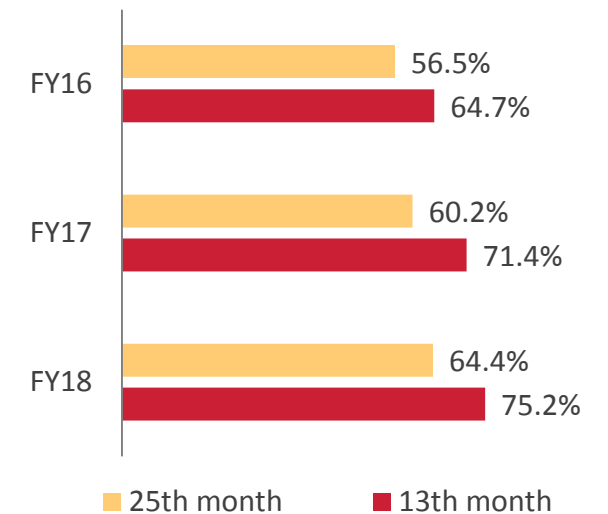
**Average Premium Paying Term at
14 Years**

Average Customer Age¹ (Years)



**Average Customer Age has
Reduced to 35 Years**

Persistency Ratios¹



**Consistent Increase in 13th
Month and 25th Month
Persistency Ratios**

¹ Parameters are pertaining to Individual Business

Focus on value creation

Figures in Rs Crore

Gross VNB Margin¹ at 37.2% in Q1 FY19

Gross VNB grew by 85% Y-o-Y over Q1 FY18

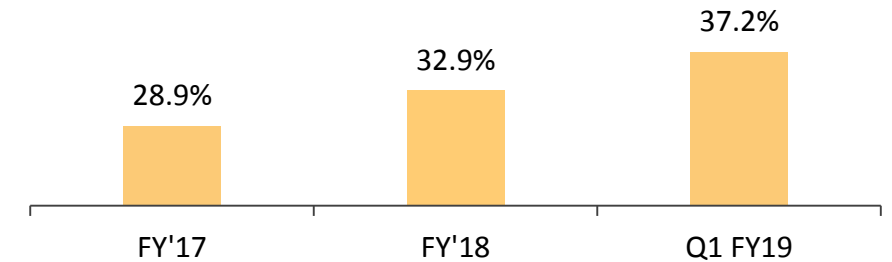
Positive Net VNB Margin at 4.3%

Key Drivers:

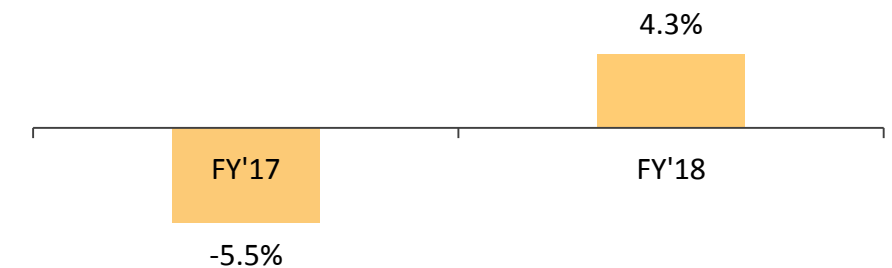
- Good volume growth
- Expense management
- Increasing Protection in Product mix and
- Improvement in persistency

Strong Growth in Embedded value at 12% Y-o-Y

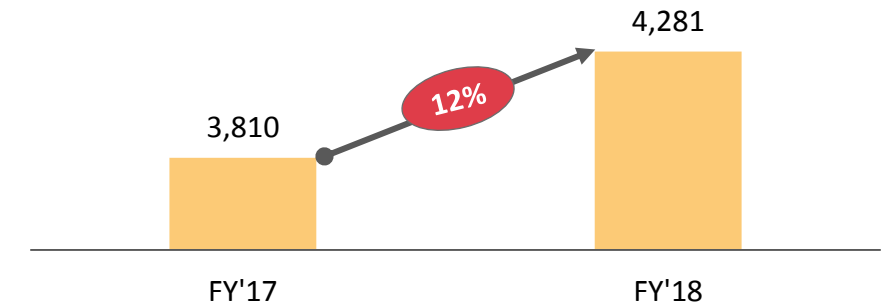
Gross VNB
Margin



Net VNB
Turned
Positive



Embedded
Value
Growth
(Rs. Cr)



¹ Based on Individual Business basis Management Review

Key Financials – Aditya Birla Sun Life Insurance Limited



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Figures in Rs Crore

Δ LY%	Quarter 1 (Ind AS)		Key Performance Parameters	Full Year (IGAAP)		Δ LY%
	FY 17-18 (PY)	FY 18-19 (CY)		FY 16-17 (PY)	FY 17-18 (CY)	
↑ 41%	168	237	Individual First year Premium	960	1,152	↑ 20%
	117	284	Group First year Premium	1,574	1,511	
	590	607	Renewal Premium	3,190	3,240	
	875	1,129	Total Gross Premium	5,724	5,903	
	990	1,287	Revenue	6,041	6,375	
	21.0%	19.8%	<i>Opex to Premium¹ (Excl. Commission)</i>	16.3%	15.6%	
	25.3%	24.4%	<i>Opex to Premium¹ (Incl. Commission)</i>	20.7%	20.1%	
↑ 3x	11	29	Earnings before tax	124	166	↑ 34%
			Indian Embedded Value	3,810	4,281	↑ 12%
			Net VNB Margin	(5.5%)	4.3%	↑ Profitable

¹ Based on IRDAI reporting

Aditya Birla Health Insurance Limited



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Strong 1st full year of performance

Figures in Rs Crore

GWP at nearly ~ Rs 250 crore

4.5x growth in GWP over FY17

More than 1 million lives covered

Significantly Scaled Distribution Channels

And a network of 4200+ Hospitals across 540 cities

Manage Risk and Improve Value

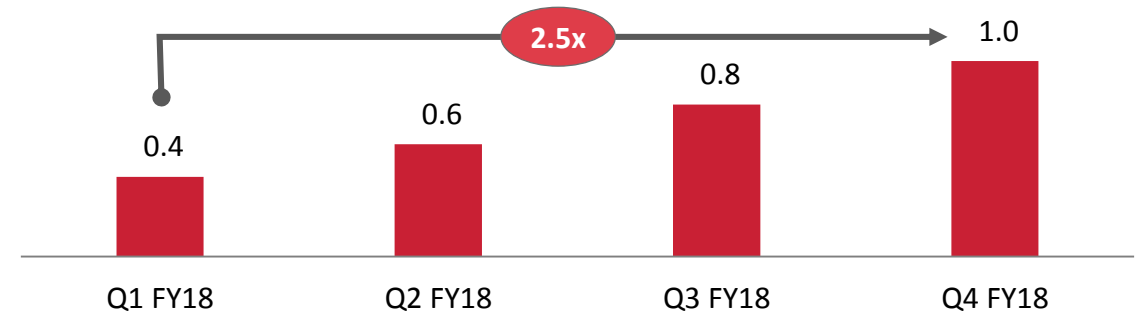
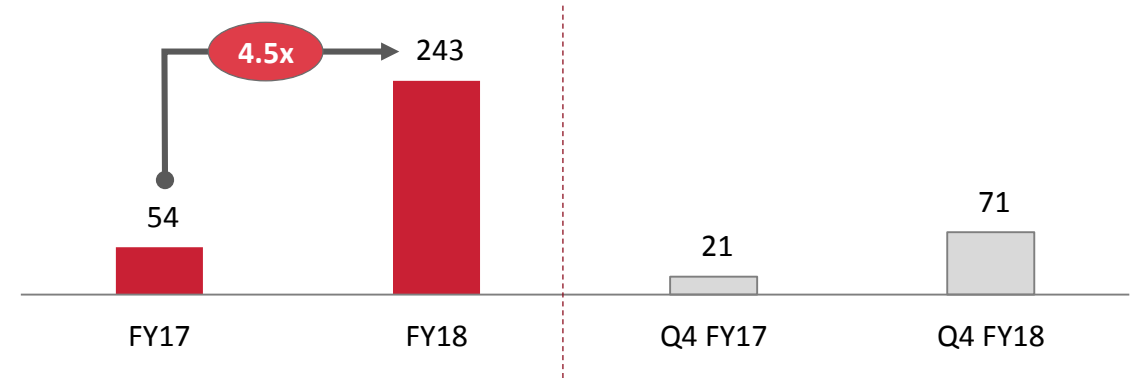
By diversifying across channels, geographies and product segments

Improved Focus on Digitisation

Over 70% policies issued digitally (up from 51% in Q1 FY18)

Strong
GWP
Growth
driven by
Retail

No. of
Lives
Covered
(Mn)



Building multi-channel leadership capacity for future growth

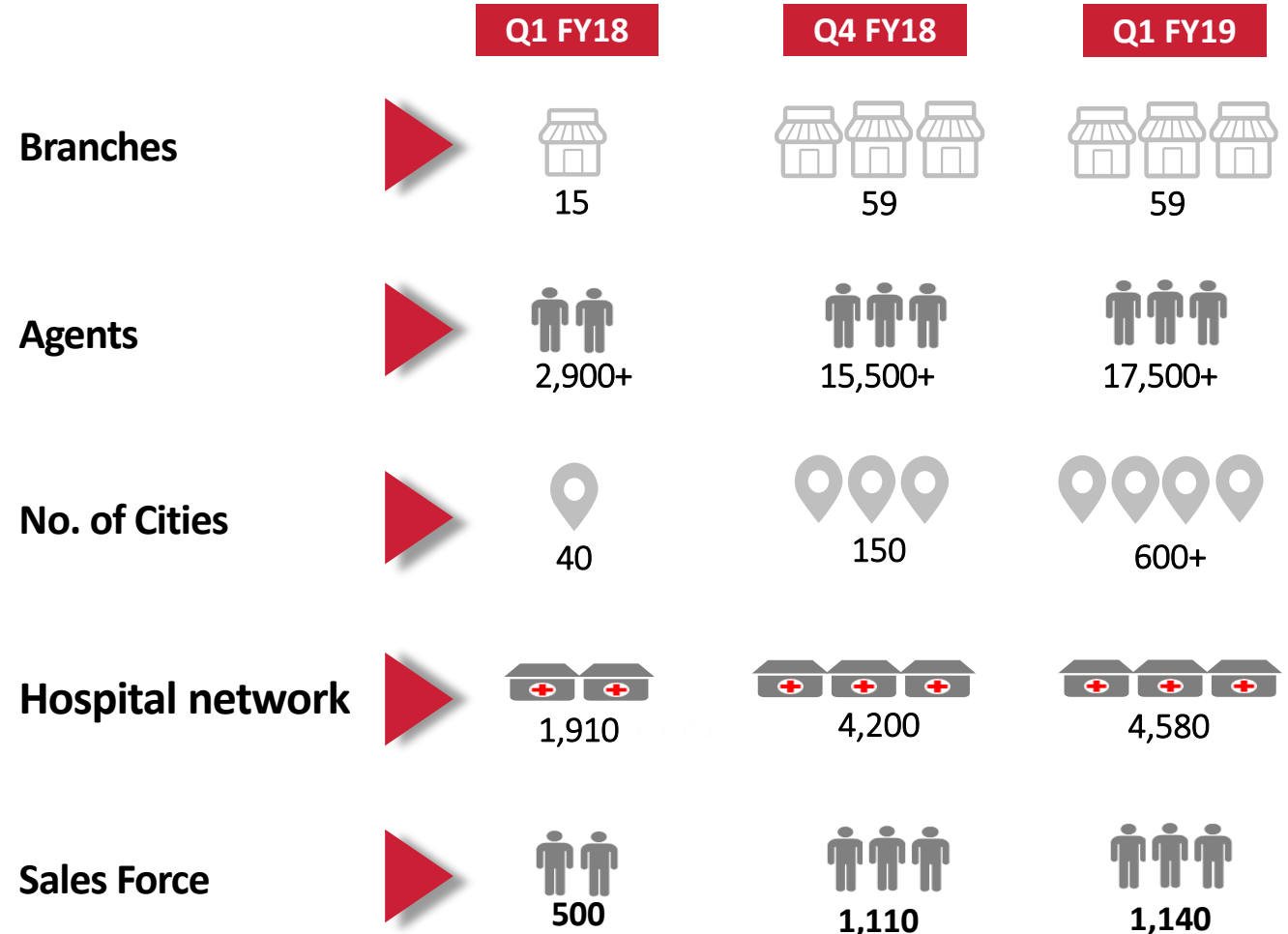
Significant Momentum in Distribution across all Channels

7 Banca tie-ups:

- HDFC, DCB, RBL, Deutsche Bank , ABPB & AU Bank.
- KVB signed up in Q1 FY19

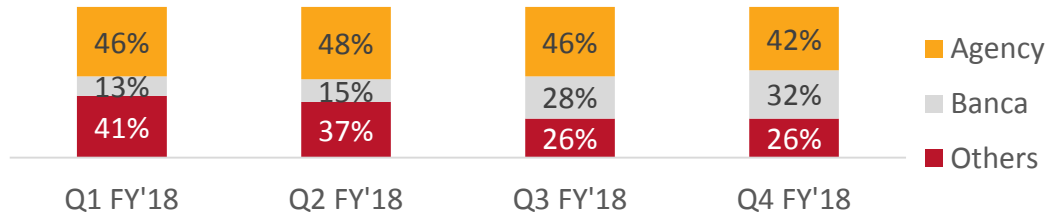
Increased Access to New Verticals With Banca Partners

Scaling up HDFC Bank partnership



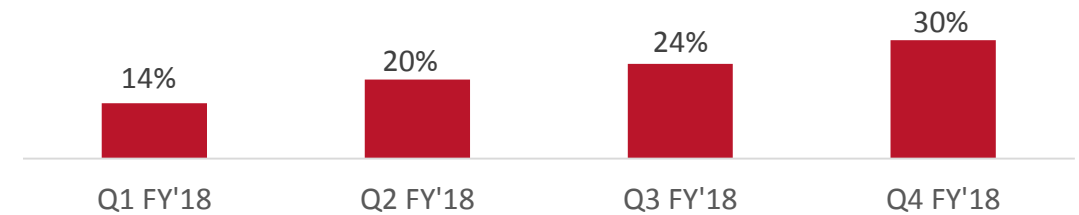
Driving value through diversification

Channel mix - Increasing contribution from Banca



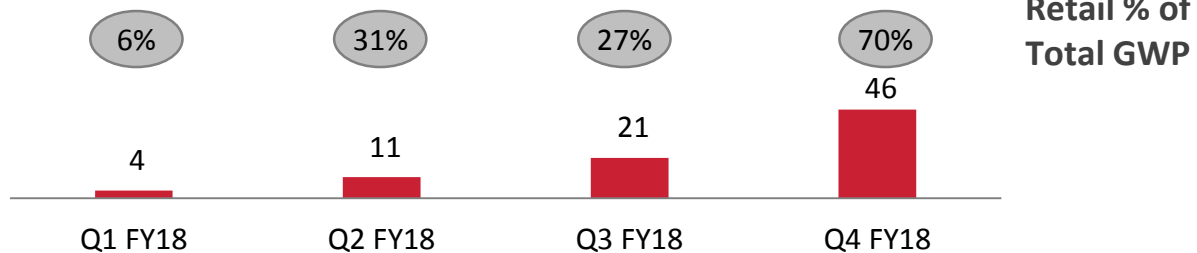
Key Banca tie-ups with HDFC, DCB, RBL, Deutsche & AU Small Finance

Geographical diversification (% contribution of Non-Metro)



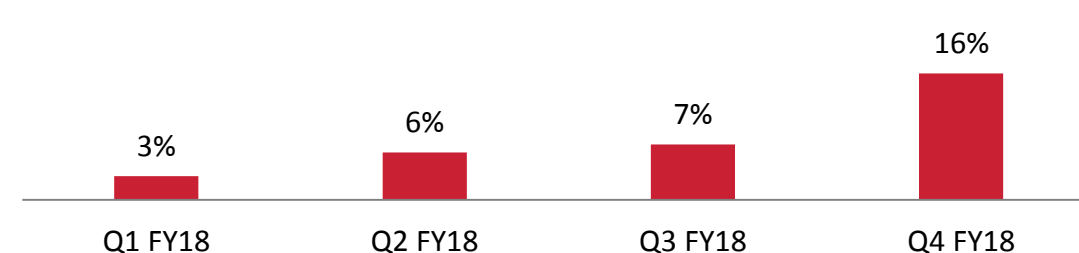
Presence across 36 cities through 59 branches

Increasing contribution of Retail GWP



Improving margins by Increasing retail mix, optimizing product mix and focus on quality of book

Increasing mix of Fixed benefit product (Fixed benefit % total GWP)



Complete product suite : Expanded Indemnity & Launched full bouquet of fixed benefit products

Other Financial Services businesses

Other financial services businesses

Figures in Rs Crore

Δ LY%	Quarter 1 (Ind AS)		Key Performance Parameters	Full Year (IGAAP)		Δ LY%
	FY 17-18 (PY)	FY 18-19 (CY)		FY 16-17 (PY)	FY 17-18 (CY)	
↑ 1.8x	88	162	Aggregate Revenue	280	448	↑ 1.6x
	9	4	Aggregate Earnings before tax	(9)	5	

↑ Profitable

General Insurance Advisory

- Premium placement rose y-o-y by 25% to Rs. 3,236 Cr
 - General insurance industry's premium grew by 18%
- Market share in premium placement grew to 2.15% (PY: 2.01%)
- Revenue stood at Rs. 261 Cr. and EBT at Rs. 40 Cr

Others

- In broking business, achieved highest ever profit of Rs. 13 Cr (increased 58% y-o-y)
 - Focus on online volume & revenue, which contributed 54% of volume (PY: 36%)
- In Private Equity, managing two funds with AUM Rs. 1179 Cr. (gross) and Rs. 483 Cr. (net after distribution)
- In online Personal Finance Management, revenue grew by 37% to Rs. 16 Cr.

Annexure

Consolidated Financials

Consolidated Profit & Loss



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Figures in Rs Crore

Key Performance Parameters	Full Year (IGAAP)			
	FY 16-17 (PY) Reported	FY 17-18 (CY)	Like to Like FY 16-17 ¹ (PY)	
Revenue	5,823	13,428	11,071	21%
EBITDA	3,408	4,689	3,527	
Less: Interest Exp. for lending businesses	2,288	2,986	2,288	
Less: Other Interest Exp.	11	41	11	
EBDT	1,109	1,662	1,228	
Less: Depreciation	43	109	78	
Earnings Before Tax	1,066	1,554	1,150	35%
Less: Provision for Taxation	375	550	375	
Net Profit	691	1,004	775	29%
Less: Minority Interest	161	179	202	
Net Profit (after minority interest)	530	824	573	44%

¹ABNL transferred its 51% stake in Aditya Birla Sun Life Insurance (ABSLI) to ABCL w.e.f 23rd March 2017. Previous year financials have been re-stated including earnings of ABSLI to make performance comparable.

Segment Revenue



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Figures in Rs Crore

	Full Year (IGAAP)	
	FY 16-17 (PY)	FY 17-18 (CY)
Life Insurance	788	6,375
NBFC	3,425	4,480
Housing	315	615
Asset Management	968	1,249
General Insurance Broking	121	261
Broking	131	162
Health Insurance	65	245
Other Financial Services	30	86
Inter Segment Elimination	(19)	(46)
Consolidated Revenue (Reported)	5823	13,428
Add: Life Insurance	5,248	
Revenue (Like to like)	11,071	13,428

Segment EBT



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Figures in Rs Crore

	Full Year (IGAAP)	
	FY 16-17 (PY)	FY 17-18 (CY)
Life Insurance	40	166
NBFC	837	1,114
Housing	(16)	24
Asset Management	337	493
General Insurance Broking	39	40
Broking	8	13
Health Insurance	(89)	(195)
Other Financial Services	(90)	(101)
Consolidated EBT (Reported)	1,066	1,554
Add: Life Insurance	84	
EBT (Like to like)	1,150	1,554



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

Aditya Birla Capital Limited

CIN: L67120GJ2007PLC058890

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

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- CY – Current Year
- FY – Financial Year (April-March)
- PY – Corresponding period in Previous Year
- PQ – Previous Quarter
- Q1– April-June
- Q2 – July-September
- Q3 – October - December
- Q4 – January - March
- YTD – Year to date
- NIM – Net Interest Margin
- DPD – Days past due
- CAB – Corporate Agents and Brokers
- AAUM – Quarterly Average Assets under Management
- FYP – First Year Premium Income
- Banca - Bancassurance
- VNB – Value of New business
- GWP – Gross Written Premium