



## **Aditya Birla Capital reports results for the quarter ended 30<sup>th</sup> September, 2018**

### **Building Scale:**

- Mutual fund assets under management: ₹ 2,71,556 Crore (Previous year: ₹ 2,44,609 Crore), 11% y-o-y growth
  - Asset Management business equity AUM over ₹ 1 lakh crores with steady market share of 9.04% in Q2 FY 2018-19, despite challenging market scenario.
- Lending book (including housing): ₹ 57,945 crores, 30% y-o-y growth vs prior year ₹44,675 crores
  - Backed by well-matched Asset and Liability mix
  - High quality lending book with gross NPA of 93 bps and 71 bps in NBFC and HFC books, respectively
- Total gross premium (Life and Health): ₹ 1,657 Crore (Previous year: ₹ 1,193 Crore), 39% y-o-y growth
  - Life Insurance business improved 2 ranks (vs prior year) to 7<sup>th</sup>, in individual first year premium amongst players (excl. LIC);
  - 113 bps y-o-y increase in market share in life insurance (excl. LIC)
  - Health Insurance business crosses retail gross premium of Rs. 100 crores in H1 FY 2018-19

### **Retailisation across businesses:**

- Asset Management business added ~ 2 million folios y-o-y to reach 6.6 million folios as on 30<sup>th</sup> September 2018
- Life Insurance Annualized Premium Income (APE) in H1 FY 2019 grew 60% y-o-y vs. 10% for the industry
- Housing loan book about ₹ 10,000 crores in less than four years of operation; achieved 3x growth in customer base to over 30,000 customers
  - Affordable housing loan book at ~ ₹ 1,000 Crore within 12 months of operation
- Health Insurance operation covering more than 1.2 million lives as on date

### **Value Accretive Growth:**

- Asset management business earnings before tax improved to 23 bps (on AAUM) vs 21 bps in the prior year
- In our life insurance business, individual gross value of new business (VNB) margin grows to 36.4%.
- Gross VNB doubled year on year with 10% y-o-y growth in MCEV driven by higher protection product share and cost control
- In NBFC and Housing businesses, sustained NIM through mix changes and repricing

**Mumbai, 6<sup>th</sup> November 2018:** Aditya Birla Capital Limited (ABCL) today announced its financial results for the quarter and half year ended 30<sup>th</sup> September 2018. ABCL, formerly known as Aditya Birla Financial Services Limited, is the holding company of the financial services businesses of the Aditya Birla Group. It is a universal financial solutions provider, meeting the lifetime financial needs of customers. Its key business lines include a diversified NBFC, housing finance, life insurance, health insurance and asset management businesses.

### **Highlights of Key Businesses:**

#### **Aditya Birla Finance Ltd. (ABFL)**

ABFL is a leading NBFC which continues to have a well-diversified portfolio with a strong focus on asset quality, robust risk management and generating healthy returns

- Lending book expanded by 24% year on year to ₹ 48,061 Crore;
- Earnings before tax grew by 26% year on year to ₹ 317 Crore
- Demonstrated ability to successfully pass on higher interest costs through portfolio repricing
- High quality book: GNPA of 0.93% and net NPA of 0.42%, reflecting strong focus on quality and risk management
- 80%+ of loan book is secured
- Return on Equity expanded by 36 bps to 14.3% in H1 FY 2018-19

#### **Aditya Birla Housing Finance Ltd. (ABHFL)**

ABHFL is a fast-growing housing finance company.

- Continued strong y-o-y loan book growth of over 170%, to ₹ 9,884 Crore from ₹ 5,777 Crore in September 2017
- Affordable housing lending reaches ₹ 1,000 Crore within one year of operation
- Earnings before tax increased year on year to ₹ 21 Crore from ₹ 3 Crore in the previous year
- Stable NIM through interest rate cycles

#### **Aditya Birla Sun Life AMC Ltd. (ABSLAMC)**

ABSLAMC is a leading mutual fund which has demonstrated robust growth in challenging market conditions

- Overall AAUM grew 11% y-o-y to ₹ 271,556 Crore
- Operating Earnings before tax increased by 32% y-o-y to ₹ 139 Crore from ₹ 106 Crore; Reported earnings before tax increased to ₹ 155 Crore from ₹ 127 Crore y-o-y
- Domestic equity AAUM grew by 33% year on year
- SIP book grew to approximately 29% of equity AUM; monthly SIP book (including STP) crossed ₹ 1,000 Crore: approximately 3x growth over last 2 years
- Added ~ 2 million folios over the last one year

#### **Aditya Birla Sun Life Insurance (ABSLI)**

ABSLI, our life insurance business, had strong momentum in Individual New Business Premium growth, product mix and quality

- H1 FY 2018-19 Annualised Premium Income (APE) grew by 60% y-o-y vs 10% industry growth

- Improved rank by 2 positions to 7<sup>th</sup> (vs 9<sup>th</sup> in previous year) and market share (excluding LIC) increased by 113 bps year on year
- Individual new Business Protection mix increased to 8% y-o-y from 5%
- Achieved individual gross VNB margin of 36.4% in H1 FY 2018-19 while Gross VNB doubled year on year to ₹ 218 Crore
- Individual Net Value of new business (VNB) margin in Q2 FY 2018-19 turned positive at 2.5% from negative 16.70% in the previous year
- Embedded value as on September 2018 grew by 10% year on year
- Consistent improvement in persistency ratios: 13<sup>th</sup> month persistency improved by 6.4% to 74.1% in H1 FY 2018-19.

### **Aditya Birla Health Insurance Co. Ltd. (ABHI)**

ABHI is a fast-growing health insurance provider with a differentiated offering and business model

- Gross written premium crosses ₹ 100 Crore in Q2 FY 2018-19, covering over 1.2 million lives.
- Established 8 banca partnerships and also on-boarded more than 18,000 agents
- Driving value creating growth with focus on improving customers' health and reducing claim ratios

### **Consolidated Financials – Q2 FY208-19:**

- Revenue<sup>1</sup> increased by 33% year on year to ₹ 3,961 Crore from ₹ 3,008 Crore
- Net profit after tax of established businesses<sup>2</sup> (excluding changes in fair valuation of investments) grew by 23% y-o-y, from ₹ 207 crores to ₹ 255 crores
- Reported net profit after minority interest at ₹ 195 Cr vis-à-vis ₹ 225 Crore in the previous year
  - As against the prior year, Q2 FY 2018-19 results include an increase of ₹ 34 crores mainly due to interest cost and brand spends at ABCL standalone and an adverse impact of ₹ 42 crores due to the change in the fair valuation of investments

### **Consolidated Financials – H1 FY208-19:**

- Revenue<sup>1</sup> increased by 33% year on year to ₹ 6,653 Crore from ₹ 5,019 Crore
- Reported net profit after minority interest at ₹ 411 Cr. vis-à-vis ₹ 397 Crore in previous year

ABCL is in a unique position of being able to provide Universal Financial Solutions to meet customers' money needs for life. ABCL's focused customer-centric approach under a single brand "Aditya Birla Capital" enables it to chart a differentiated and disciplined path to growth. ABCL has built a leadership position in a number of businesses. Anchored by more than 16,500 employees, ABCL has a nationwide reach through over 800 branches and more than 2,00,000 agents / channel partners.

1 Aditya Birla Sun Life AMC Ltd and Aditya Birla Wellness Private Ltd. consolidated based on equity accounting under Ind AS, however considered as a part of revenue to show holistic financial performance

2 Established businesses include NBFC, Asset Management and Life insurance business

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**About Aditya Birla Capital Ltd.**

Aditya Birla Capital Limited (ABCL) is the holding company of all the financial services businesses of the Aditya Birla Group. With a strong presence across the life insurance, asset management, private equity, corporate lending, structured finance, project finance, general insurance broking, wealth management, equity, currency and commodity broking, online personal finance management, housing finance, pension fund management and health insurance business, ABCL is committed to serving the end-to-end financial services needs of its retail and corporate customers. Anchored by more than 16,500 employees, ABCL has a nationwide reach and more than 2,00,000 agents / channel partners.

Aditya Birla Capital is a part of the **Aditya Birla Group**, a USD 44.3 billion Indian multinational, in the league of Fortune 500. Anchored by an extraordinary force of over 120,000 employees, belonging to 42 nationalities, the Aditya Birla Group operates in 35 countries across the globe.

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**Disclaimer :** *Certain statements in this "Media Release" may not be based on historical information or facts and may be "forward looking statements" within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans & strategy of the Company, its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise. This "Press Release" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's shares. The financial figures in this "Press Release" have been rounded off to the nearest Rs. one Crore. The financial results are consolidated financials unless otherwise specified.*

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**Aditya Birla Capital Limited****Corporate Identity Number** L67120GJ2007PLC058890**Regd. Office:** Indian Rayon Compound, Veraval 362 266 (Gujarat)**Corporate Office:** One Indiabulls Centre, Tower 1, 18<sup>th</sup> Floor, Jupiter Mills Compound,  
841, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013**Follow us at :** [www.adityabirlacapital.com](http://www.adityabirlacapital.com) / [www.twitter.com/abcapital](https://www.twitter.com/abcapital)