



Aditya Birla Capital reports results for the quarter ended 30th September 2019

Quarter 2		Consolidated Results (₹ Crore)		Half Year	
FY 2018-19	FY 2019-20	Particulars		FY 2018-19	FY 2019-20
↑ 8%	3,978	4,299	Revenue ¹	7,402	8,260 ↑ 12%
	385	471	Profit before Tax ¹ (pre minority interest)	811	1,024
↑ 37%	186	256	Profit after Tax (after minority interest)	399	526 ↑ 32%

Mumbai, 7th November 2019: Aditya Birla Capital Limited (“Company”) announced its unaudited financial results for the quarter and half year ended 30th September 2019.

Consolidated Revenue¹ of the Company for the quarter grew 8% year on year to ₹ 4,299 Crores. The Company’s consolidated profit after tax (after minority interest) in Q2 FY 2019-20 grew strongly by 37% year on year to ₹ 256 Crores, reflecting the strength of the diversified business portfolio. Considering the current business environment, the company continues to follow a disciplined approach in terms of balancing growth with a strong focus on the quality of business. The company has a track record of delivering growth in consolidated profit across economic cycles.

During the quarter, the company raised ₹ 2,100 Crore of equity capital through preferential allotment to marquee investors and the Promoter / Promoter Group entities. The equity capital raised at ₹ 100 per share, at a premium over the traded price, reflects the strong confidence in the business.

The performance highlights of the key underlying businesses of Aditya Birla Capital Ltd. were:

Lending:

- Overall lending book (NBFC and Housing Finance) grew 4% year on year to ₹ 60,477 Crores vs. ₹ 57,945 Crores in the previous year
- NBFC and HFC have an optimised asset and liability mix with adequate liquidity to meet growth requirements
- Raised approximately ₹ 8,000 Crores of long-term funds during the half year
- Further diversification of borrowing profile with sanction of USD 275 million (drawn USD 100 million) through ECB route
- Continue to have strong focus on quality with greater diligence in underwriting and reduced ticket sizes across the board

NBFC business:

- Loan book at ₹ 48,368 Crores with SME and Retail mix growing by 14% year on year
- Net Interest Margin expanded by 63 bps year on year to 5.28%
- Quarterly profit after tax grew 6% year on year to ₹ 218 Crores; adjusting for a one time impact of deferred tax, Quarterly profit after tax grew by 32% year on year to ₹ 273 Cr.

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

Housing Finance business

- Loan book grew 22% year on year to ₹ 12,079 Crores while maintaining Net Interest Margin at 3.0%
- Cost to Income Ratio improved to 45%, as compared to 70% in previous year led by scale and operating efficiencies
- Quarterly profit before tax grew 2.1 times year on year to ₹ 28 Crores

Insurance:

- Total gross premium of life insurance and health insurance grew to ₹ 1,716 Crores

Life Insurance business

- Individual First Year Premium (FYP) grew 20% year on year during the half year, higher than industry (excl. LIC) growth at 11%
- Consistent improvement in quality across periods with 13th month persistency improving by 610 bps year on year to 80.2%
- Embedded Value (EV) at Rs. 5,031 as on 30th September 2019 with EV growing by 14.4%
- Continue to focus on balanced channel and product mix for value creation

Health Insurance business

- Gross written premium at ₹ 315 Crores, grew 78% over the previous year with retail business contributing 67%
- Covering more than 5 million lives out of which 2.4 million lives through micro products
- Business continues to build scale with significant improvement in combined ratio during half year at 155% vs. 180% in the previous year
- One of the largest third party distribution capacities with 10 banca partners

Asset Management:

- Total average assets under management (AAUM) at our Mutual Fund was ₹ 2,69,393 Crores
- Domestic equity AAUM mix steady at 35%
- Quarterly profit after tax grew 40% year on year to ₹ 148 Crores
- Keeping its focus on expanding retail presence, investor folios have grown 1.5 times over last 2 years to reach 7.1 million folios

Aditya Birla Capital has a diversified portfolio of businesses catering to the life time needs of its customers. This diversification also allows the conglomerate to capture opportunities in different segments of the market and deliver consistent growth.

About Aditya Birla Capital Ltd.

Aditya Birla Capital Limited (ABCL) is the holding company for the financial services businesses of the Aditya Birla Group. With subsidiaries that have a strong presence across Protecting, Investing and Financing solutions, ABCL is a financial solutions group that caters to diverse needs of its customers across their life cycle. Powered with more than 20,000 employees, the subsidiaries of ABCL have a nationwide reach with 850+ branches and more than 2,00,000 agents/channel partners and several bank partners.

Aditya Birla Capital is a part of the Aditya Birla Group, a USD 48.3 billion Indian multinational, in the league of Fortune 500. Anchored by an extraordinary force of over 120,000 employees, belonging to 42 nationalities, the Aditya Birla Group operates in 34 countries across the globe.

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.

Aditya Birla Capital Limited

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