



**ADITYA BIRLA  
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

Ref: No. ABCL/SD/MUM/2018-19/NOV/03  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**Scrip Code: 540691**  
**Scrip ID: ABCAPITAL**

**6<sup>th</sup> November, 2018**  
**The National Stock Exchange of India Ltd**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot. C/1, G-Block,  
Bandra-Kurla Complex,  
Bandra (East),  
Mumbai 400 051  
**Symbol: ABCAPITAL**

Dear Sir/Madam,

Re: **Investor presentation**

Sub: **Presentation on Unaudited Financial Results for the quarter ended 30<sup>th</sup> September, 2018.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of the Presentation on the Unaudited Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2018 which will be presented to our investors and also posted on our website.

The above is for your information and records.

Thanking you,

Yours sincerely,

For **Aditya Birla Capital Limited**  
(Formerly known as **Aditya Birla Financial Services Limited**)

*Sailesh Kumar Daga*

**Sailesh Daga**  
**Company Secretary**  
**Encl: As above**  
**Cc:**

**Luxembourg Stock Exchange**  
Market & Surveillance Dept.,  
P.O. Box 165, L-2011 Luxembourg,  
Grand Duchy of Luxembourg

**Citi Bank N.A.**  
Depository Receipt Services  
388 Greenwich Street  
14<sup>th</sup> Floor, New York,  
NY 10013

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

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



Aditya Birla Capital Ltd.

(Formerly known as Aditya Birla Financial Services Ltd.)

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1

Registered Office:

Indian Rayon Compound, Veraval - 362 266. Gujarat.

+91 28762 45711

CIN: L67120GJ2007PLC058890

# FINANCIAL RESULTS Q2 FY18-19

MUMBAI

6<sup>th</sup> November 2018



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**A leading Financial Services Conglomerate**

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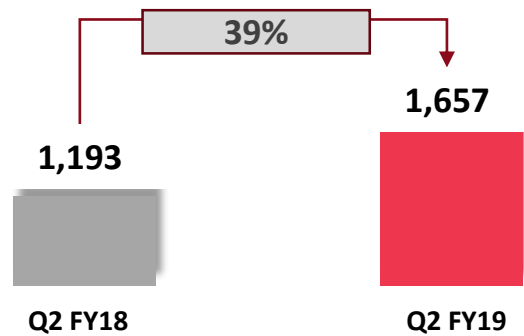
NOTE 1: The financials of Aditya Birla Capital Ltd are consolidated financials prepared based on Ind AS unless otherwise specified

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

# Delivering strong financial performance

Figures in Rs Crore

## PROTECTING



### Premium<sup>1</sup>

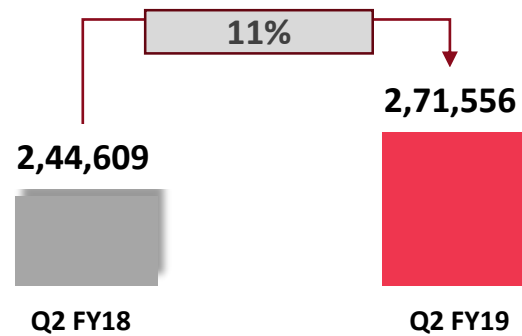
- 1 | 77% Ind. APE<sup>4</sup> growth in Life Insurance, higher than Industry growth ~13%
- 2 | Gross VNB Margin<sup>5</sup> at 36.4% in Life Insurance; EV grew 10% y-o-y
- 3 | GWP crossed ~ Rs 100 Crore with 61% retail mix in Health Insurance

<sup>1</sup> Includes Life Insurance and Health Insurance gross total premium

<sup>2</sup> Includes AAUM of Asset Management Business

<sup>3</sup> Includes lending book of NBFC and Housing Finance Businesses

## INVESTING



### AAUM<sup>2</sup>

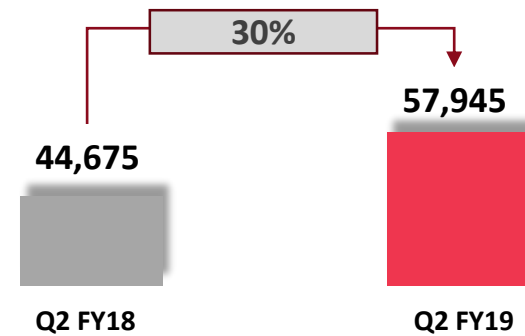
- 1 | Equity AAUM crosses Rs 1,00,000 Crore in AMC (grew 29% y-o-y)
- 2 | SIP share of Domestic Equity AUM at 29%
- 3 | Operating EBT increased by 32%<sup>6</sup>

<sup>4</sup> Annualised Premium Equivalent (APE) = 100% of regular premium + 10% of single premium

<sup>5</sup> For individual business based on management estimates

<sup>6</sup> EBT excluding other income

## FINANCING



### Lending Book<sup>3</sup>

- 1 | NBFC PBT grew 26% with ROE expansion of 36 bps<sup>7</sup> on a diversified book
- 2 | HFC lending book grew 2x with NIM improving to 3.3%
- 3 | JV with Varde Partners to grow ARC

<sup>7</sup> NBFC RoE for YTD September based on compounded monthly average

Aditya Birla Finance Limited



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# Diversified portfolio with value accretive growth

Figures in Rs Crore

## Balanced loan book growth with focus on higher margin segments

SME + Retail + HNI mix grew by 44% y-o-y

## Improvement in margins led by change in product mix and ability to pass on increase in interest cost

## Maintaining best in class asset quality

GNPA 0.93% | NNPA 0.40%

## EBT Growth of 26% y-o-y

Q2 FY19 EBT: Rs 317 Crore

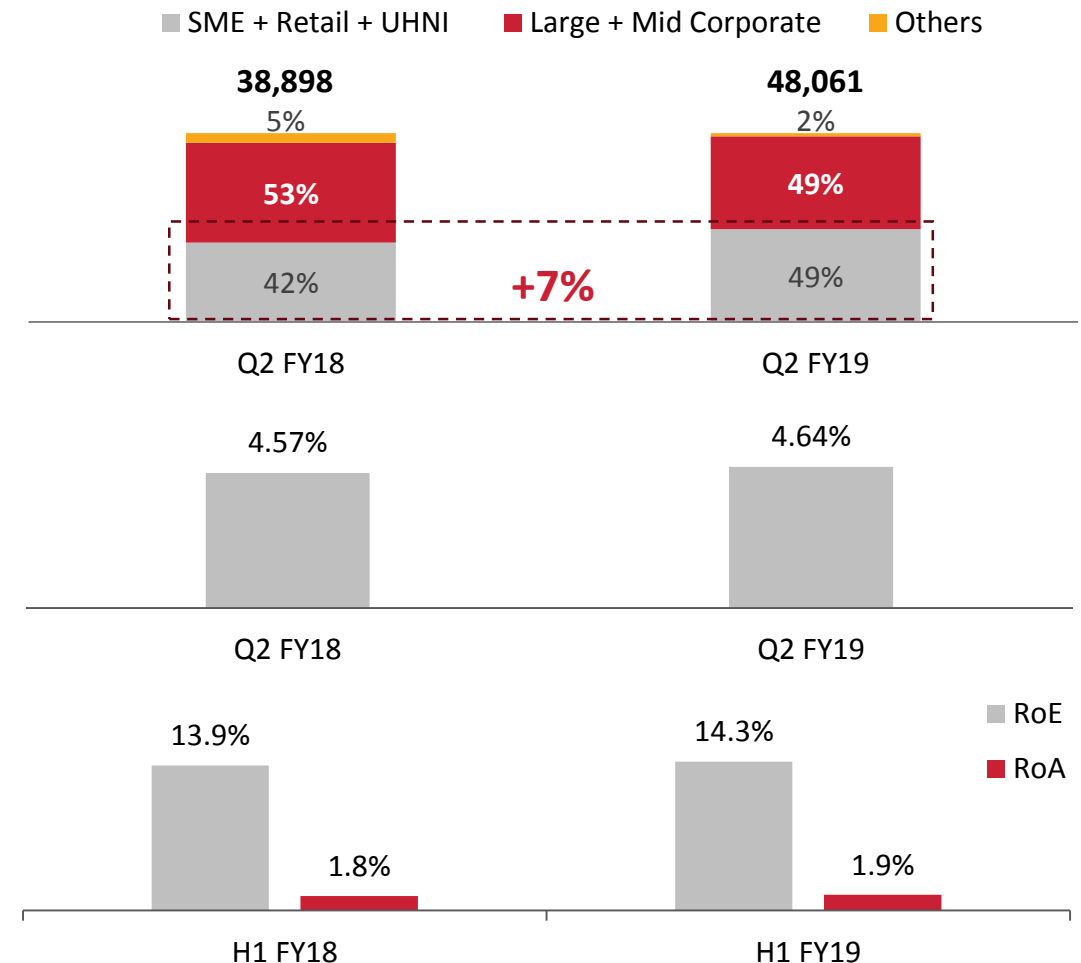
## YTD RoE expanded by 36 bps to 14.3%

RoA at 1.9%

Loan book shift towards value accretive segments

Maintaining sustainable Margins

Generating healthy returns<sup>1</sup>

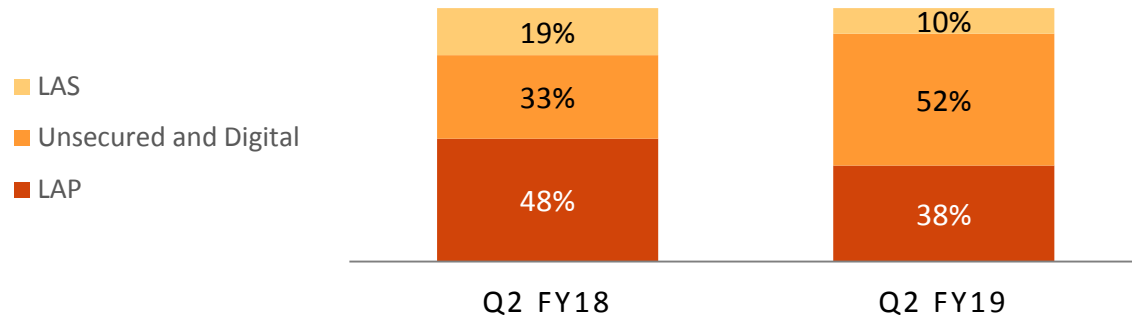


<sup>1</sup> RoE and RoA are based on compounded monthly average

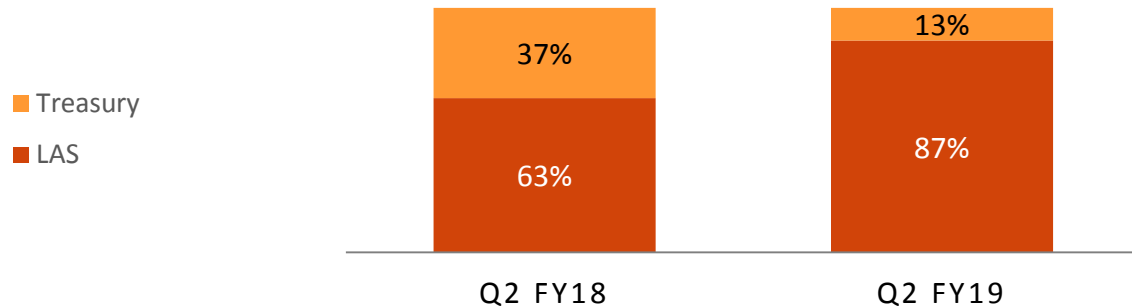
# Multiple products catering to a range of customer needs

Figures in Rs Crore

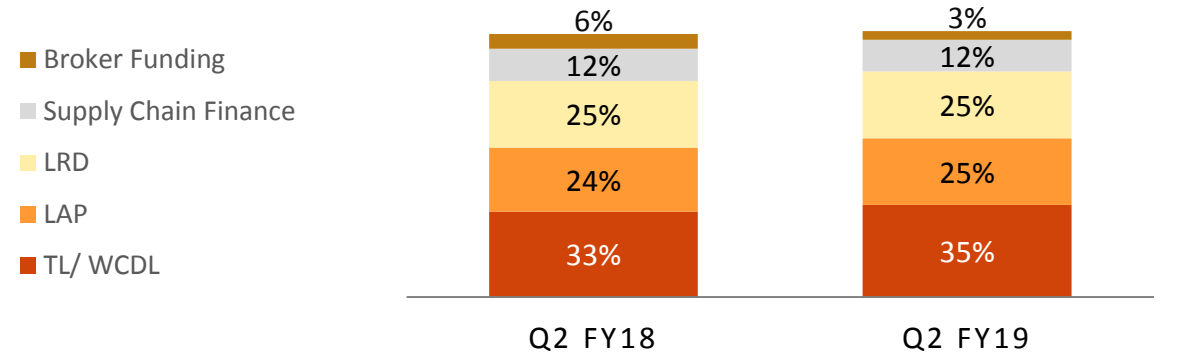
## Retail (12% of Loan Book)



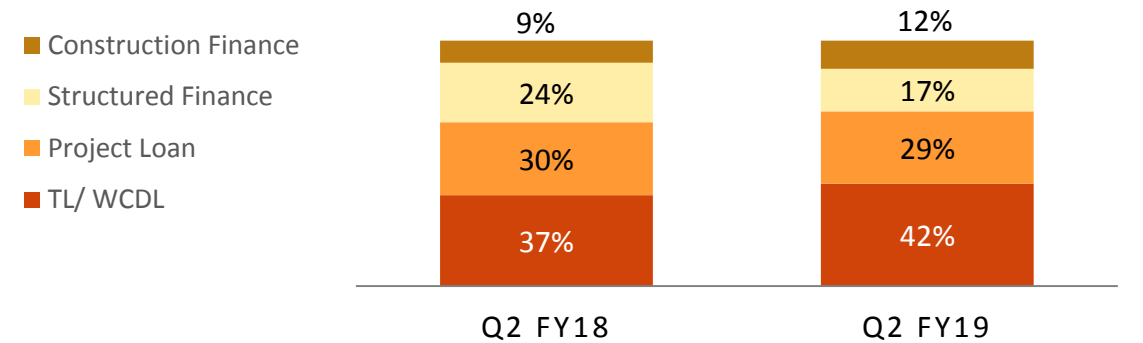
## HNI + Others (12% of Loan Book)



## SME (27% of Loan Book)



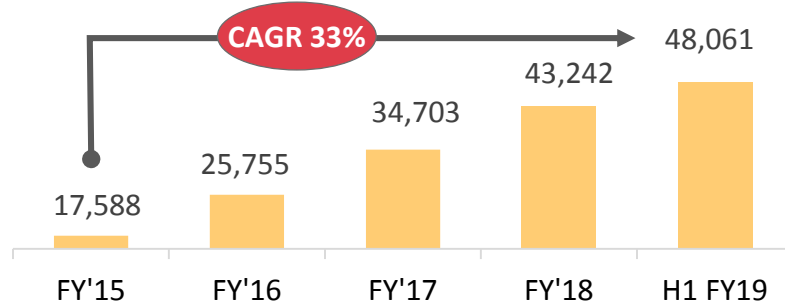
## Large & Mid Corporate (49% of Loan Book)



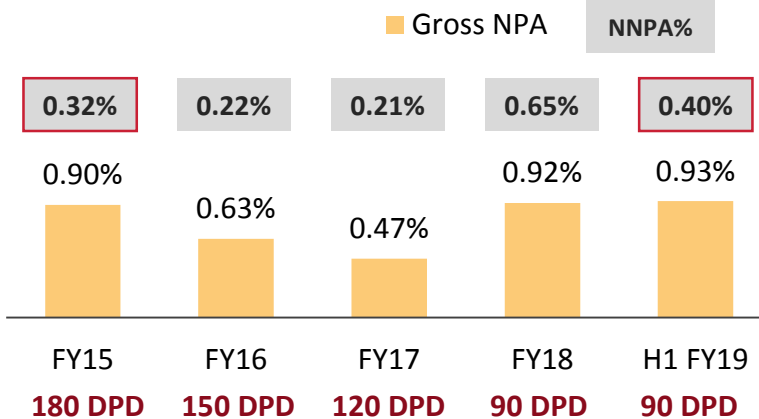
# Strong focus on quality of book

Figures in Rs Crore

## Delivered consistent loan book growth



## While maintaining strong asset quality



GNPA & NNPA basis IGAAP for FY15 to FY18. Based on Ind AS for H1 FY19

**Diversified loan book with Average Ticket Size (ATS) of Rs 40 Lakhs**

**High quality corporate book with median internal rating of "A"<sup>1</sup>**

60%+ exposure to borrowers with credit rating "A" and above | ATS ~70 Crore

**Construction finance exposure to only Cat A/B developers**

ATS: Rs 49 Crore with zero delinquencies

**LAP Segment – 11% of overall book**

LTV 50%

**Secured loan book more than 80%**

Primarily focussed on cash flow based underwriting



# Stable margins across interest rate cycles

Figures in Rs Crore

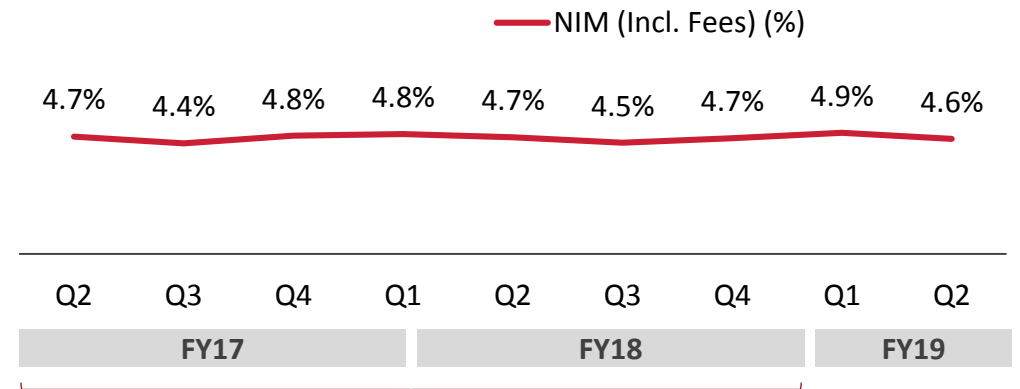
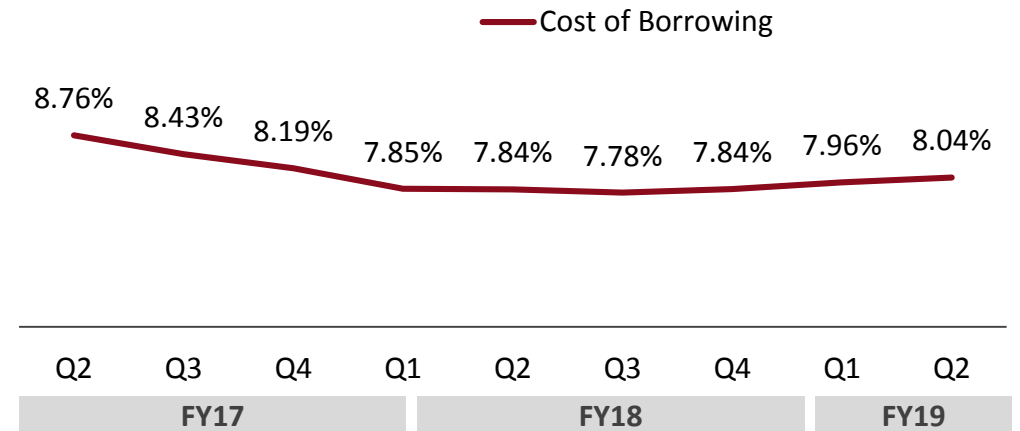
**Optimised borrowing cost in a hardening interest rate environment**

**Maintaining margins through interest rate cycles**

**Demonstrating ability to successfully pass on borrowing cost increases**

**Cost of Borrowing across interest rate cycles**

**Maintained stable margins**

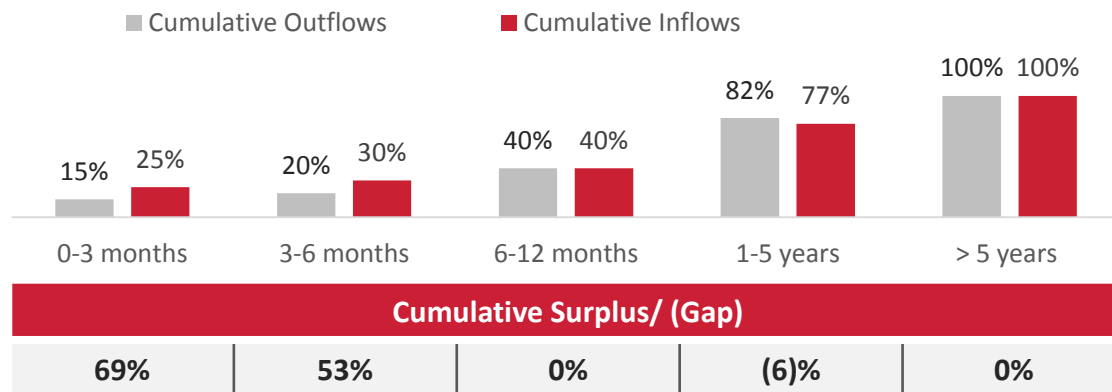


IGAAP

# Well matched ALM with diversified borrowing mix

Figures in Rs Crore

## ALM optimised for liquidity and costs<sup>1</sup>



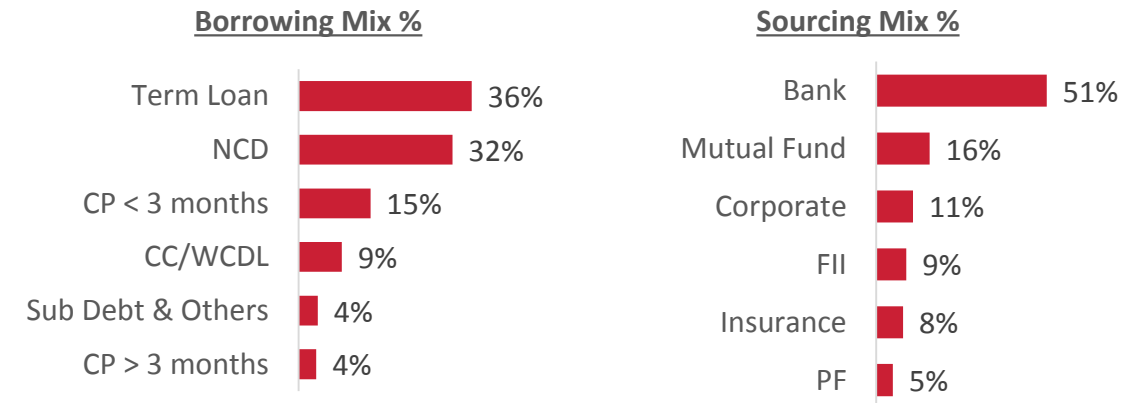
## Raised long term borrowing of Rs 5,000+ Crore in last 2 months

- IFC: Rs 1,000 Crore (7 year green loan)
- Term Loan: Rs 2,550 Crore | NCD: Rs 1,750 Crore

## Adequate liquidity pipeline to meet growth requirements

<sup>1</sup> Above figures are as on 31<sup>st</sup> Oct'2018 based on unaudited management reviewed financials

## Diversification across instruments and investors<sup>1</sup>



## Continue to broad base investor profile

Investor base increased to 351 (Q2 FY18: 298)

## Maintaining comfortable capital adequacy

Q2 FY19: CRAR at 17.2%

# Robust risk management approach

## Sourcing and underwriting

Dimension	Approach
Underwriting	Committee based approach with focus on rigorous credit appraisal and cash flows
Structuring	Ability to structure transactions to capture cashflows along with security

## Continuous monitoring to ensure asset quality

Dimension	Approach
Lifecycle monitoring of exposure	Automation of identified triggers for key exposure
Early warning triggers	Alert mechanism to identify signs of incipient stress

## Exposure management

Dimension	Approach
Conglomerate level exposure management	Aggregate exposure limit set for borrower and group and monitored continuously

## Event based and regular stress testing

Dimension	Approach
Scenario and event based stress testing of portfolio	Sector developments and event based impact review through financial stress model

## IL&FS Update

### Total exposure of Rs 388 Crore (0.81%) of lending book

- Of above, exposure of 0.36% is to a solar power plant built for an SEZ by an IL&FS company where the tenants of the SEZ pay for the power and that is escrowed to us
- Bulk of balance exposure to 3 operating road and power SPVs which have adequate cash flows for debt servicing
- Total exposure of Rs 15 Crore of total lending book to energy holdco

# Key Financials – Aditya Birla Finance Limited



adityabirlacapital.com

Figures in Rs Crore

Δ LY%	Quarter 2		Key Performance Parameters	Half Year		Δ LY%
	FY 17-18 (PY)	FY 18-19 (CY)		FY 17-18 (PY)	FY 18-19 (CY)	
	38,898	48,061	Lending book	38,898	48,061	↑ 24%
	11.35%	11.59%	Average yield	11.45%	11.66%	
	6.78%	6.95%	Interest cost / Avg. Loan book	6.75%	6.90%	
	4.57%	4.64%	Net Interest Income (Incl. Fee Income)	4.70%	4.76%	
	129	190	Opex	252	361	
	28%	34%	Cost Income Ratio (%)	28%	33%	
	72	45	Credit Provisioning	138	79	
↑ 26%	252	317	Profit before tax	505	652	↑ 29%
	166	207	Profit after tax	332	430	
	5,507	6,903	Net worth	5,507	6,903	

Aditya Birla Housing Finance Limited



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# Value accretive growth

Figures in Rs Crore

## Lending Book grew ~2x y-o-y

Affordable Loan book nearly at Rs 1,000 Crore in one year of operation (grew 1.4x y-o-y)

## Focus on building retail granularity

Average HL Ticket Size reduced to Rs 25 Lakhs

## Improvement in Cost Income Ratio

Mainly led by scale and operating efficiency

## Maintaining high quality asset book

GNPA 0.71% (Q1: 0.67%) | NNPA 0.31% (Q1: 0.25%)

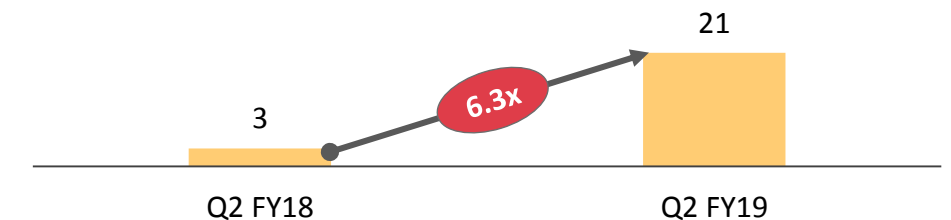
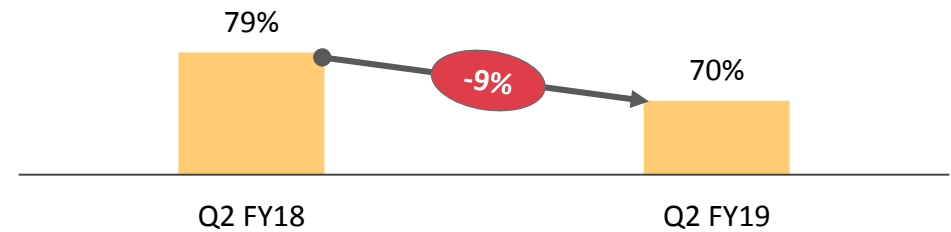
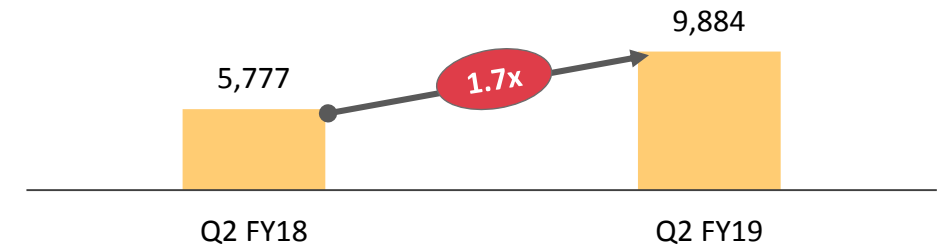
## Building profitable scale

Q2 FY19 EBT Rs 21 Crore (PY: Rs 3 Crore)

Lending Book

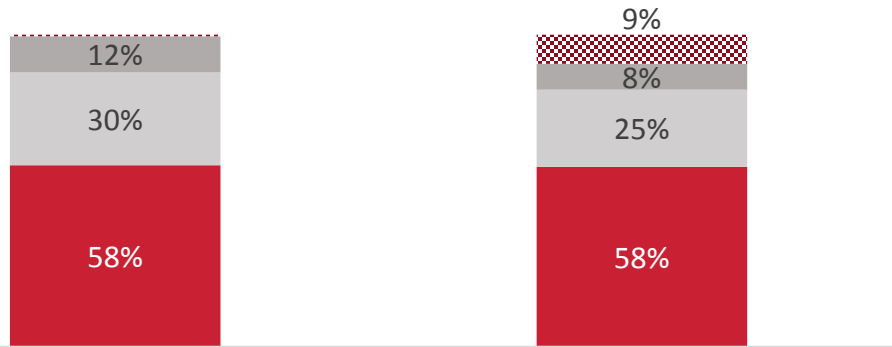
Cost Income Ratio

Earnings Before Tax



# Diversification across products & geographies

Segment Mix (%)



Q2 FY18

Q2 FY19

■ Home Loans ■ LAP ■ Construction Finance ■ Affordable Housing

Geographic Mix (%)



Q2 FY18

Q2 FY19

■ East ■ North ■ South ■ West

## LAP Portfolio

ATS: 61 Lakhs | LTV: 50%

**~80% of Construction Finance exposure to Cat A Developers**

ATS: Rs 16 Crore

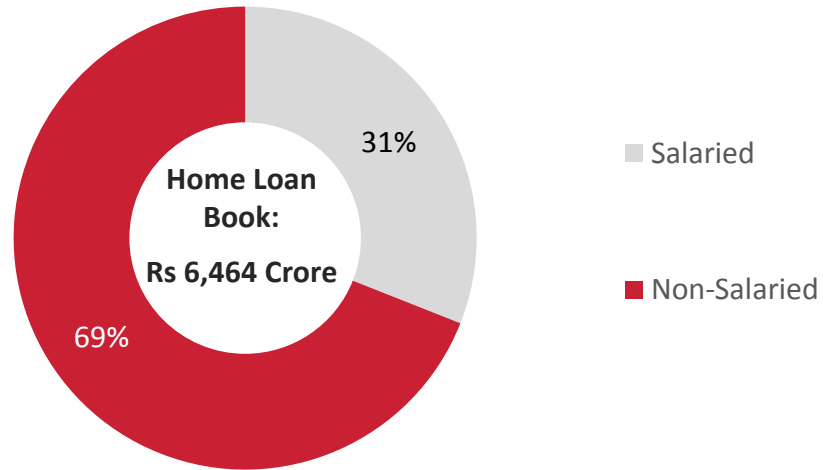
## Balanced distribution strategy

Tapping growth in Tier 2-4 cities through affordable

**Direct sourcing ramped up to 47% (PY: 42%)**

# Growth along with focus on building retail granularity

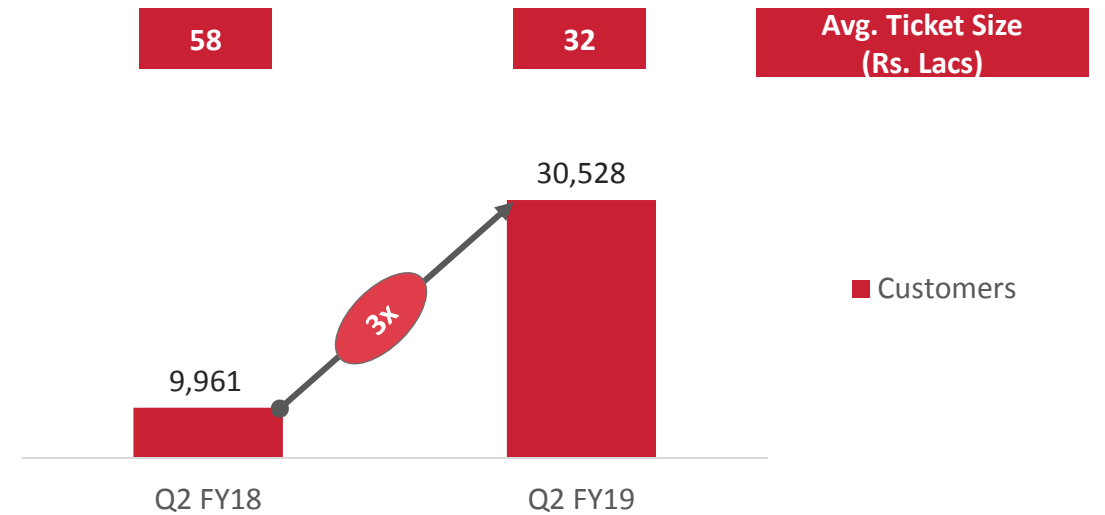
## Margin accretive customer mix in home loan portfolio



Increasing exposure to underserved self-employed segment

Home loan ticket size at Rs 25 Lakhs (PY: Rs 42 Lakhs)

## Focus on increasing reach and building retail granularity



70 branches | 3,500+ channel partners

30k+ customers (grew 3x y-o-y)



# Maintaining margins through interest rate cycles

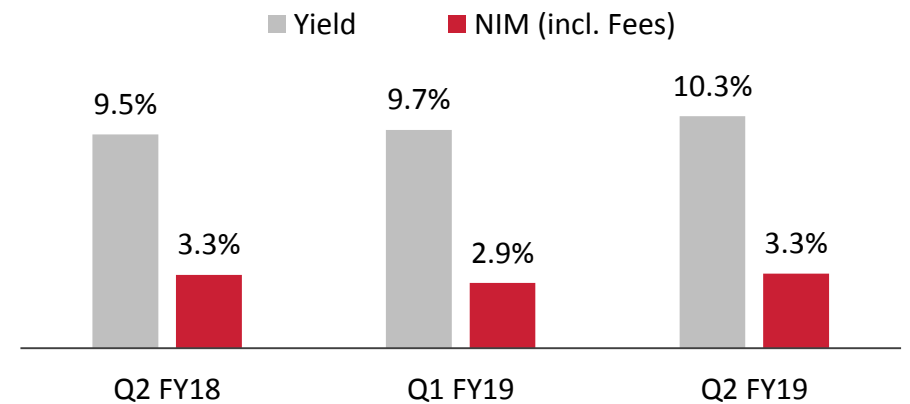
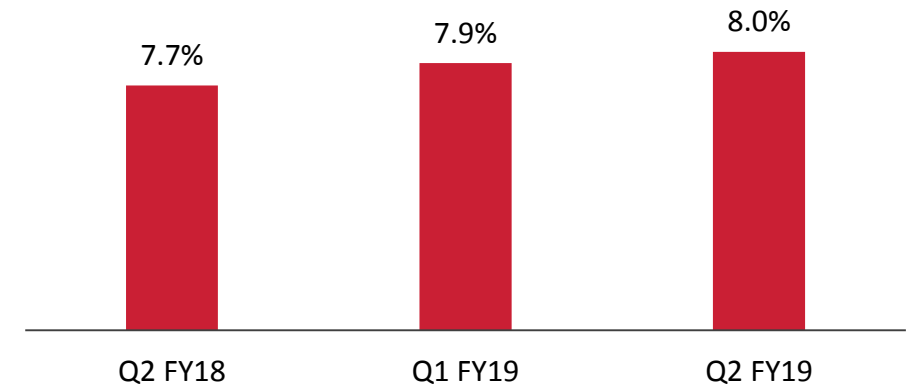
**Optimised borrowing cost in a hardening interest rate environment**

**Maintained margins across interest rate cycles**

**Demonstrating ability to successfully pass on borrowing cost increases**

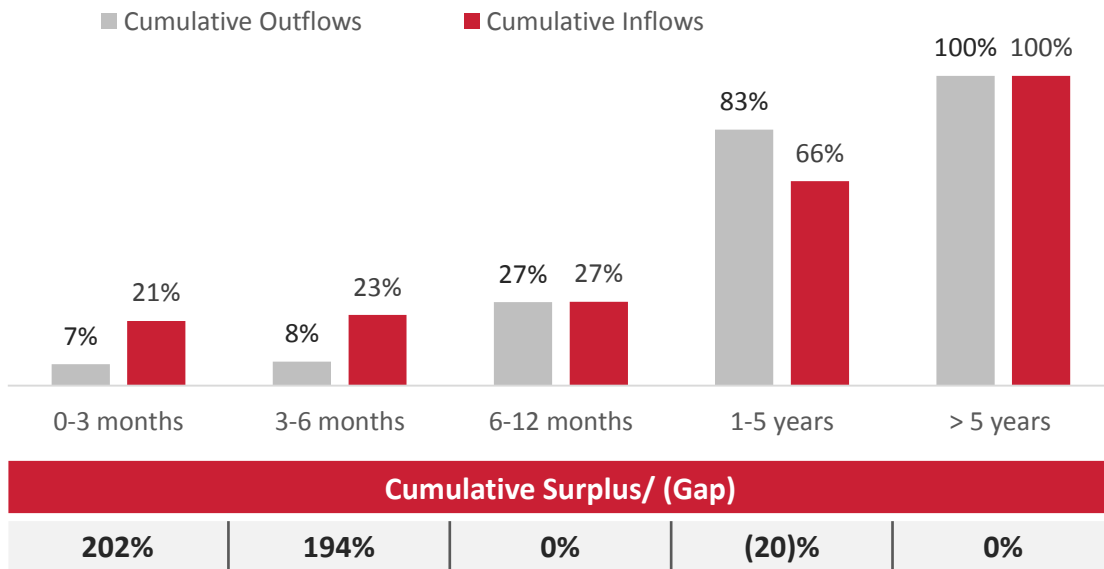
Cost of Borrowing

Maintaining stable Margins



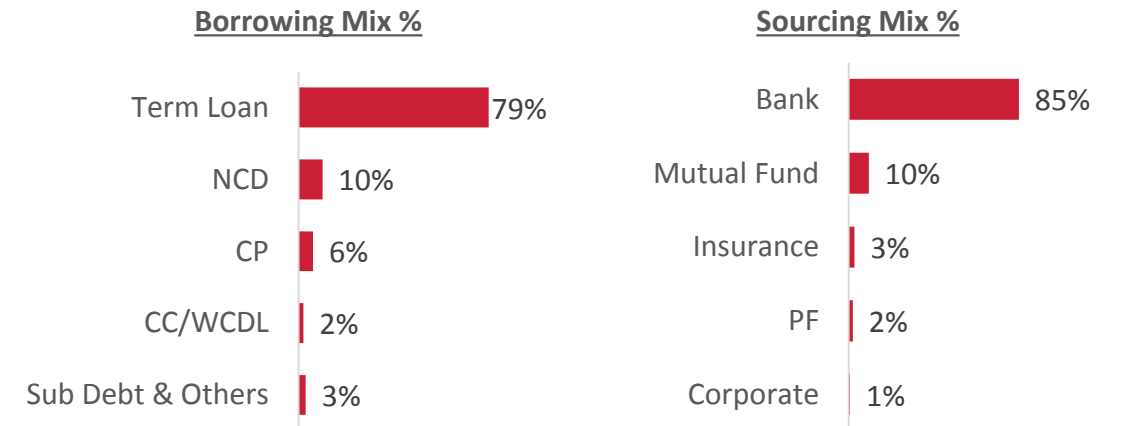
# Prudent asset liability management

## Optimised ALM for liquidity and cost<sup>1</sup>



**Adequate long term bank lines available to meet growth requirement**

## Diversification in borrowing mix and investor profile<sup>1</sup>



**Continue to broad base investor profile**

Investor base increased to 76 (Grew 9% y-o-y)

**Maintaining comfortable capital adequacy**

Q2 FY19: CRAR at 17.09% (Regulatory Requirement 12%)

<sup>1</sup> Above figures are as on 31<sup>st</sup> Oct'2018 based on unaudited management reviewed financials

# Key Financials – Aditya Birla Housing Finance Limited



adityabirlacapital.com

Δ LY%	Quarter 2		Figures in Rs Crore	Half Year		Δ LY%
	FY 17-18 (PY)	FY 18-19 (CY)		FY 17-18 (PY)	FY 18-19 (CY)	
			<b>Key Performance Parameters</b>			
	5,777	<b>9.884</b>	<b>Lending book</b>	5,777	<b>9,884</b>	↑ ~2x
	9.96%	10.01%	Average yield	10.10%	9.86%	
	6.93%	7.20%	Interest cost / Avg. Loan book	6.97%	7.18%	
	3.26%	3.32%	Net Interest Margin (incl. Fee Income)	3.40%	3.12%	
↑ ~2x	132	<b>242</b>	<b>Revenue</b>	<b>246</b>	<b>461</b>	↑ ~2x
	79%	70%	Cost Income Ratio (%)	75%	71%	
	6	4	Credit Provisioning	10	10	
	0.43%	0.71%	Gross NPA Ratio	0.43%	0.71%	
	<b>3</b>	<b>21</b>	<b>Earnings before tax</b>	11	34	↑ 3x
	648	<b>1,136</b>	<b>Net worth</b>	648	<b>1,136</b>	

Aditya Birla Sun Life AMC Limited



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# Profitable growth aided by improvement in asset mix

**Domestic Equity AUM grew by 33% y-o-y**  
Overall Equity AUM<sup>1</sup> at ~Rs 1 Lakh Crore

**Maintained equity market share in challenging market conditions**

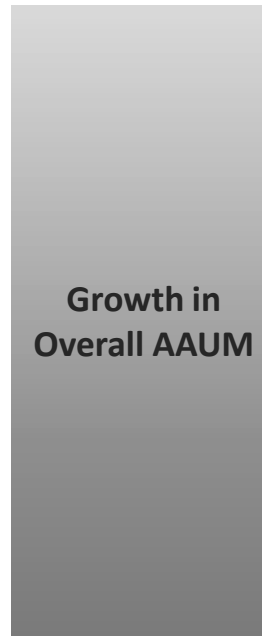
**Operating EBT increased by 32%**  
Reported PBT 23 bps<sup>2</sup> of AAUM (PY: 21 bps<sup>2</sup>)

**Impact of recent SEBI circular will depend on evolving industry dynamics**

<sup>1</sup> Includes Offshore and Alternate Equity

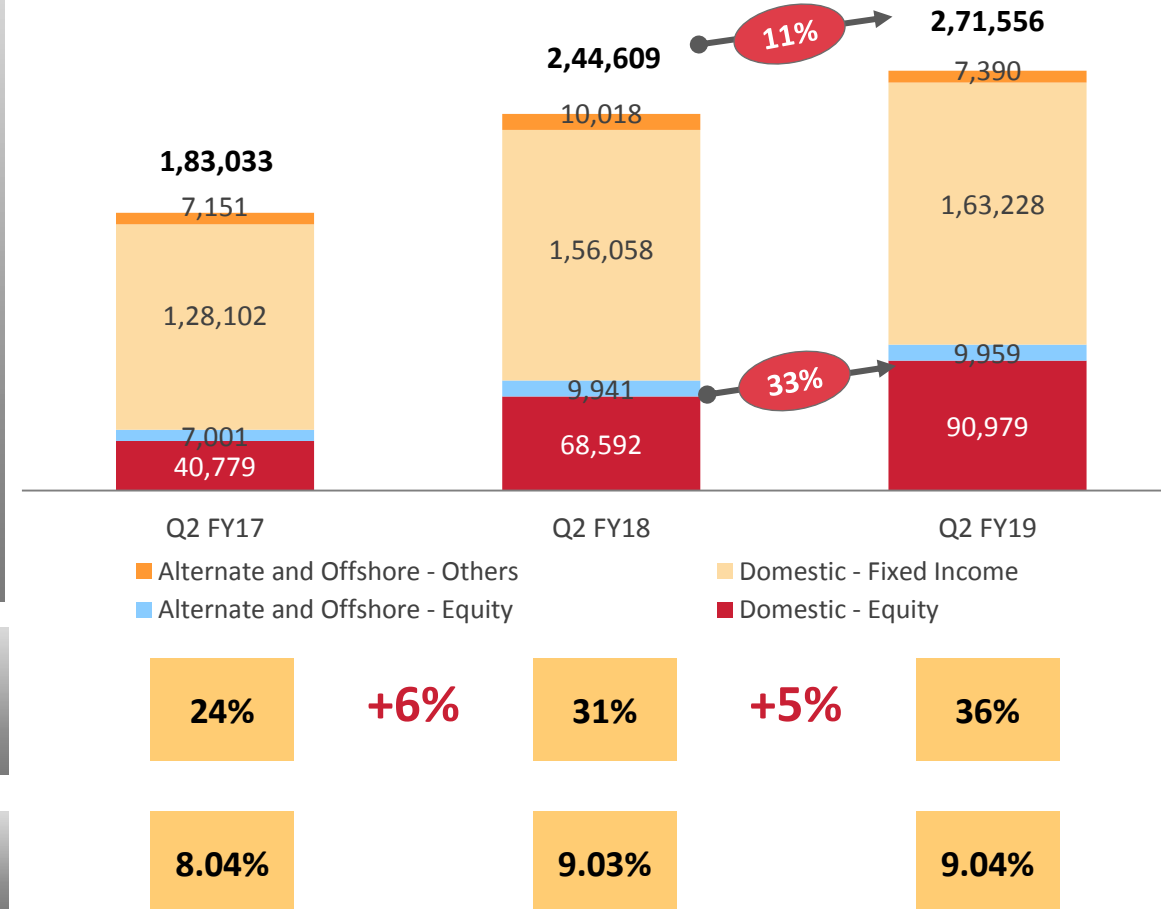
<sup>2</sup> Operating EBT excludes other income

<sup>3</sup> Annualized quarterly earnings



**2 Year CAGR: Domestic: 23% | Domestic Equity: 49%**

Figures in Rs Crore



# Continued focus on retail expansion

**Retail + HNI AUM<sup>1</sup> at Rs 1,25,000+ Crore**  
Grew by 22% y-o-y

**Investor folios up 2x in 2 years**  
About 1 million addition in H1 FY19

**Monthly SIP book<sup>2</sup> over Rs. 1,000 Crore**  
Grew ~3x over 2 years | SIP market share 11.7%<sup>3</sup>

**SIP Book contributes 29% of total domestic Equity AUM**  
SIP Tenure > 10 years at 68%

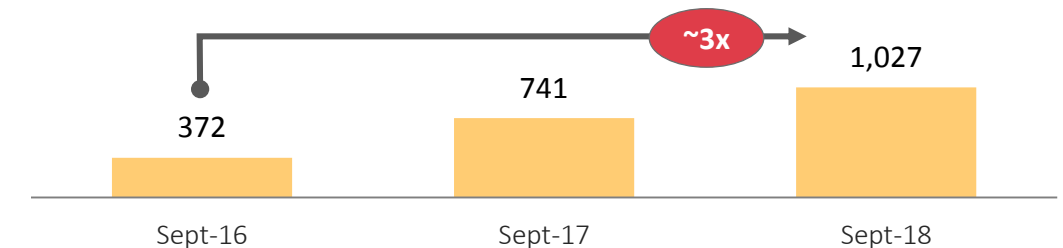
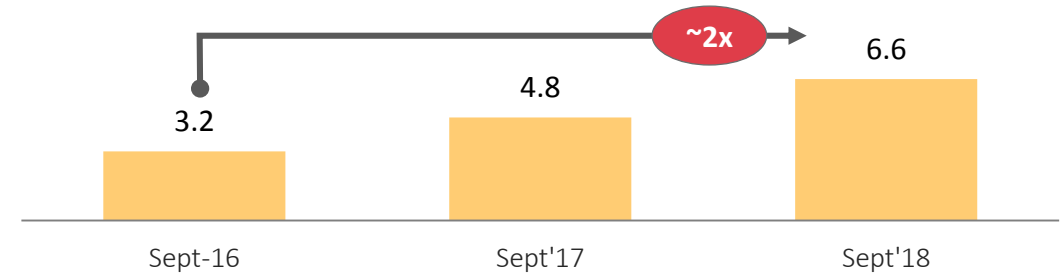
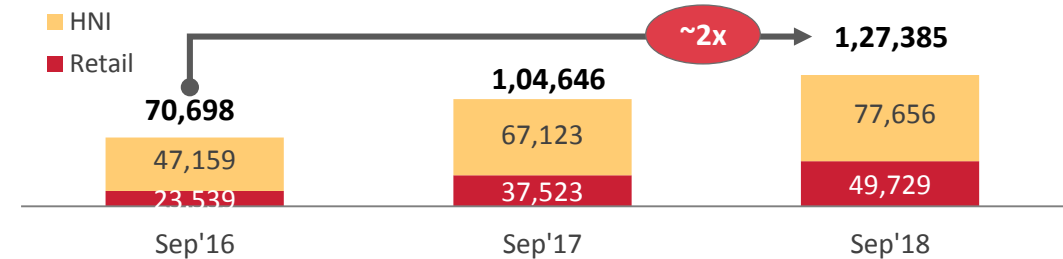
**Broad based retail penetration in B-30 cities with AUM at ~ Rs 31,200 Crore**  
B-30 contributes 33% of retail AUM

Increasing  
Retail  
Penetration  
(AUM)

Significant  
Growth in  
Investor Folio  
(Million)

Growth in  
Monthly SIP  
book<sup>2</sup>

Figures in Rs Crore

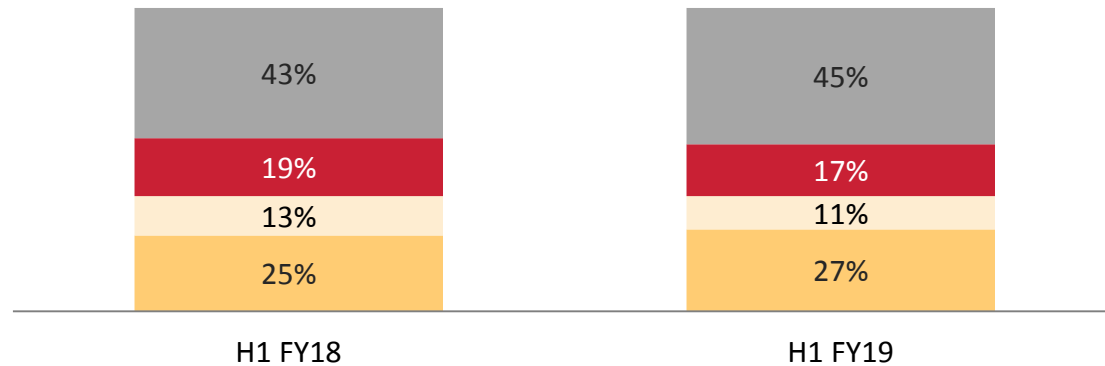


<sup>1</sup> Source: AMFI <sup>2</sup> Including STP <sup>3</sup> Excluding STP

# Balanced Distribution Network

Overall AUM Sourcing Mix (%)

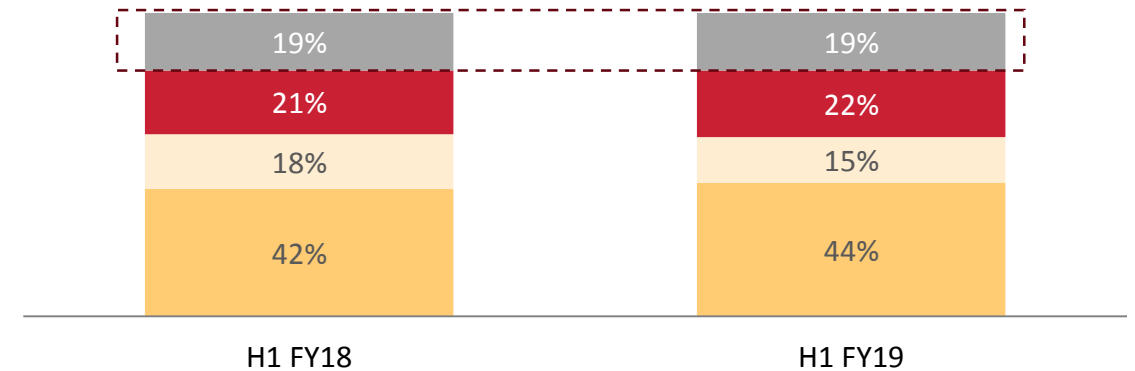
IFA Bank National Distributor Direct



**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

**Wealth Forum has ranked us as the No.1 Fund House in investor education and distributor training**

# Building blocks for retail expansion

## Continue to strengthen distribution network

**249**  
Locations

*Target to reach 275+ locations by FY19  
Expand to emerging markets*

**88**  
Banks

*Increasing presence through tie-ups with  
PSU and Co-operative Banks*

**73,000+**  
IFAs

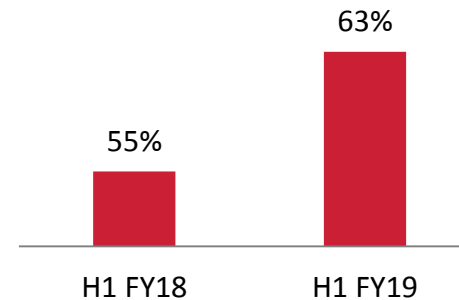
*New IFA empanelment, increasing active IFA  
count and sales productivity*

**230+**  
National  
Distributors

*Identify new partners and empanel  
distributors with robust online platforms*

## Sweat Digital Assets

■ Digital Transactions as % of Total



*SIPNOW - Robo advisory  
website*



*State-of-the-art technology to  
provide access to a host of  
Transactions & services—  
anytime, anywhere!*



*Dedicated mobile application  
for distributors*



*Mobile app launched to  
facilitate investments especially  
in Liquid funds*

**Aspire to build  
scale across digital  
Assets**



# Key Financials – Aditya Birla Sun Life AMC Limited



adityabirlacapital.com

Δ LY%	Quarter 2		Figures in Rs Crores	Half Year		Δ LY%
	FY 17-18 (PY)	FY 18-19 (CY)		FY 17-18 (PY)	FY 18-19 (CY)	
			<b>Key Performance Parameters</b>			
	<b>2,24,650</b>	<b>2,54,207</b>	<b>Domestic AAUM<sup>1</sup></b>	<b>2,24,650</b>	<b>2,54,207</b>	13%
	68,592	90,979	Domestic Equity AAUM <sup>1</sup>	68,592	90,979	33%
	9,941	9,959	Alternate and Offshore Equity AAUM	9,941	9,959	
	<b>78,532</b>	<b>1,00,938</b>	<b>Total Equity</b>	<b>78,532</b>	<b>1,00,938</b>	
	312	371	Revenue from Operations	582	723	
	21	16	Other Income	45	26	
	<b>333</b>	<b>387</b>	<b>Total Income</b>	<b>627</b>	<b>749</b>	
	206	232	Costs	381	448	
<b>32%</b>	<b>106</b>	<b>139</b>	<b>Earnings before tax (excl. other income)</b>	<b>201</b>	<b>275</b>	37%
	<b>127</b>	<b>155</b>	<b>Earnings before tax</b>	<b>246</b>	<b>301</b>	
	83	106	Earnings after tax	163	207	

<sup>1</sup>Quarterly Average Assets Under Management (AAUM)

<sup>2</sup> Annualised Q1 FY19 earnings

Aditya Birla Sun Life Insurance Limited



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# Fast growing franchise with significant value creation

Figures in Rs Crore

**Individual APE<sup>1</sup> grew by 60% y-o-y**

Significantly higher than industry growth

Industry: **10%** | Private<sup>2</sup>: **11%** | Top 4 Private<sup>2</sup>: **6%**

**Group FYP grew by 42% y-o-y**

Group business is value accretive

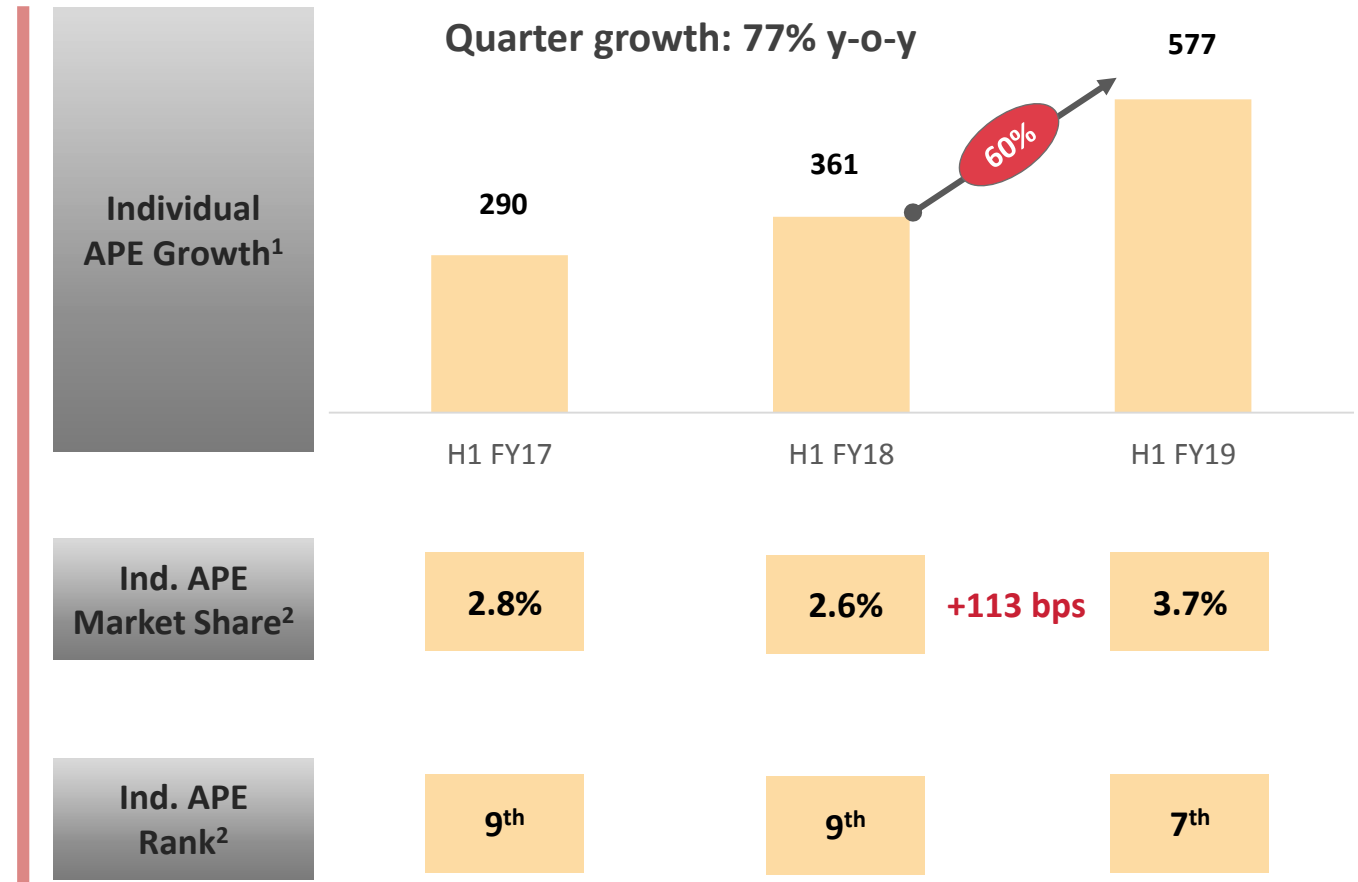
**Improved rank in Individual business by 2 spots to No.7<sup>2</sup>**

**Gross VNB doubled y-o-y**

Improved Gross VNB Margin<sup>3</sup> to 36.4%

**Embedded Value (EV) grew by 10% y-o-y**

EV as of Sep 30, 2018 at Rs 4,397 Crore<sup>4</sup>



<sup>1</sup> Annualised Premium Equivalent (APE) = 100% of regular premium + 10% of single premium

<sup>2</sup> Rank and Market Share amongst players (Excl. LIC) based on Individual APE: Source IRDAI

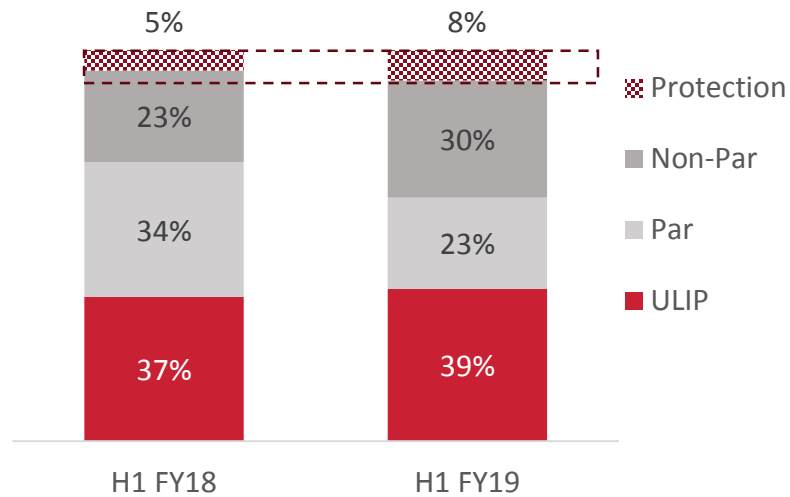
<sup>3</sup> Based on Individual Business basis Management estimates for half year FY19

<sup>4</sup> As per MCEV method basis Management estimates for half year FY19

# Focus on value accretive product mix

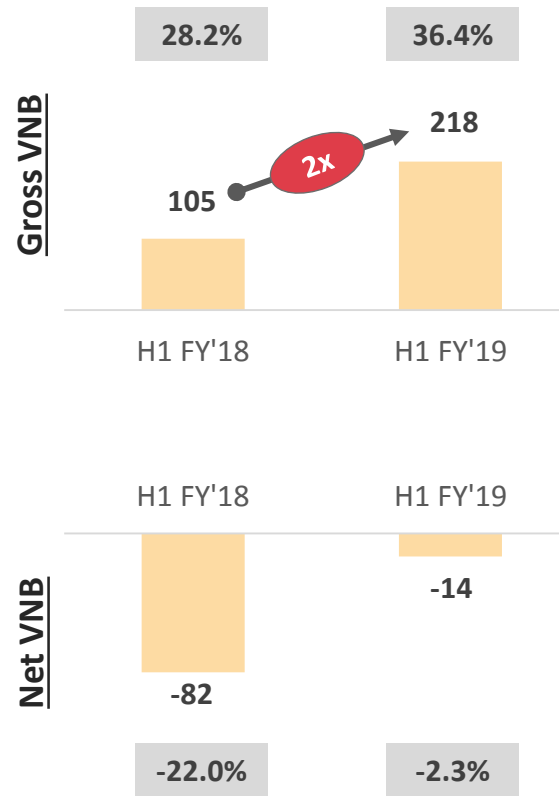
Figures in Rs Crore

## Increasing Share of Ind. Protection in Product Mix



**Protection mix doubled y-o-y**  
Maintaining balanced product mix

## Improvement in VNB Margins<sup>1</sup>



**Gross VNB grew 2x y-o-y**

**Factors contributing to sharp improvement in Net VNB:**

- **+ve impact:** Higher protection mix and productivity growth in proprietary channel
- **+ve impact:** Volume growth and controlled expenses in partnership channel
- **-ve impact:** New business strain from scaling up of HDFC bank partnership

**Net VNB Margin for Q2 FY19 at 2.5%**  
Q2 FY18 Net VNB Margin -16.7%

<sup>1</sup> Based on Individual Business basis management estimates for H1 FY19

# Balanced sourcing strategy with strong growth in partnerships

Figures in Rs Crore

**Consistent increase in contribution of partnerships channel**

**HDFC Bank partnership scaling up with avg. branch activation currently at 30%**

**Proprietary channel contributing significantly to margin improvement**

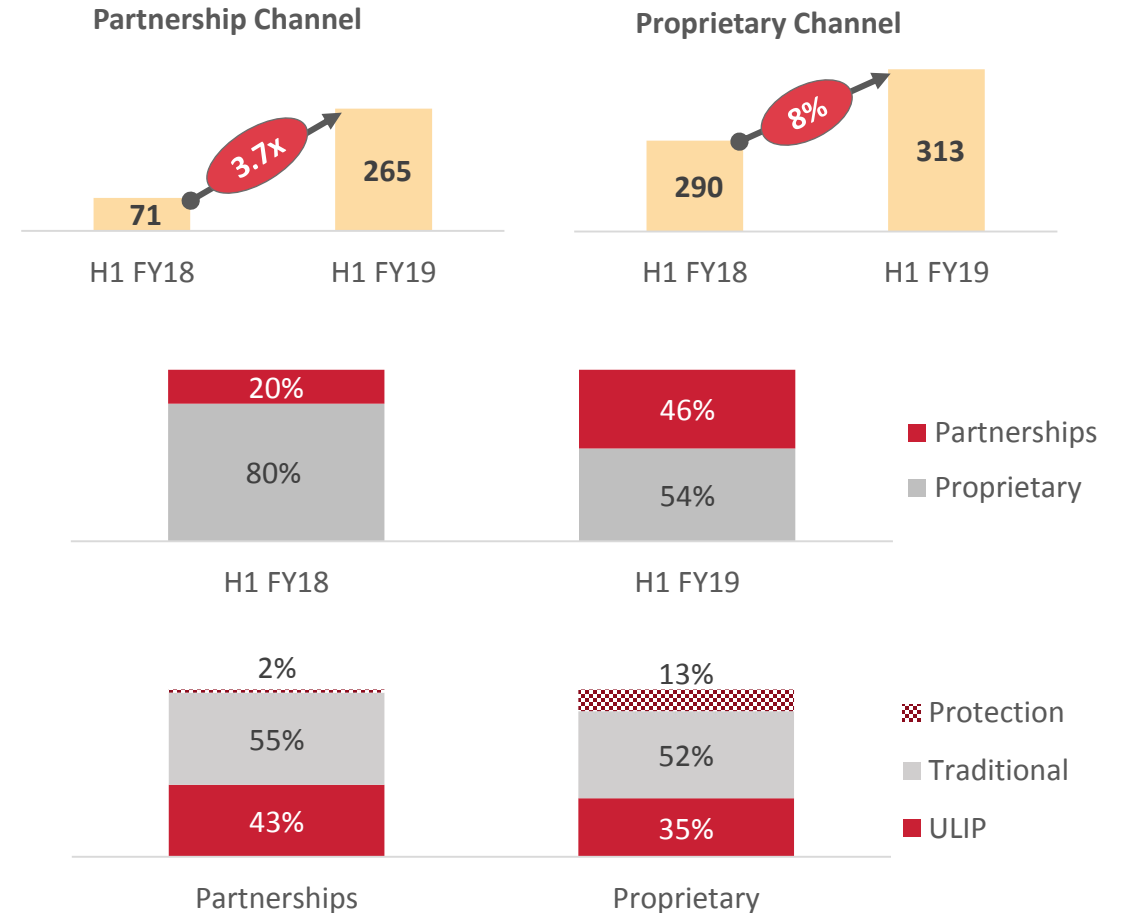
Efficiencies in proprietary channel driven by:

- Increase in productivity
- Protection mix growing to 13%

Channel-wise Individual FYP

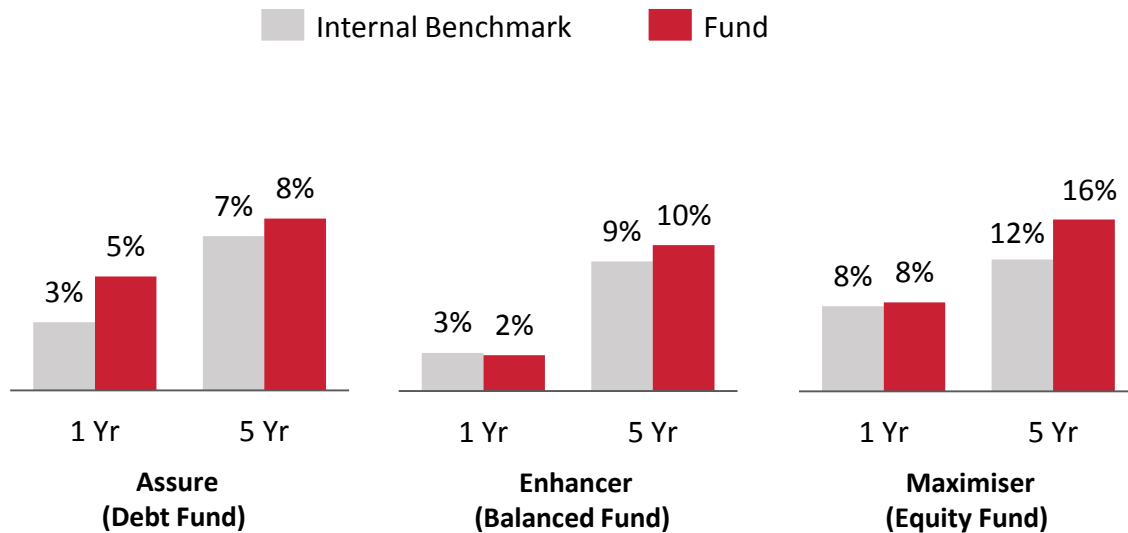
Change in Channel Mix

Channel-wise Product Mix (H1 FY19)



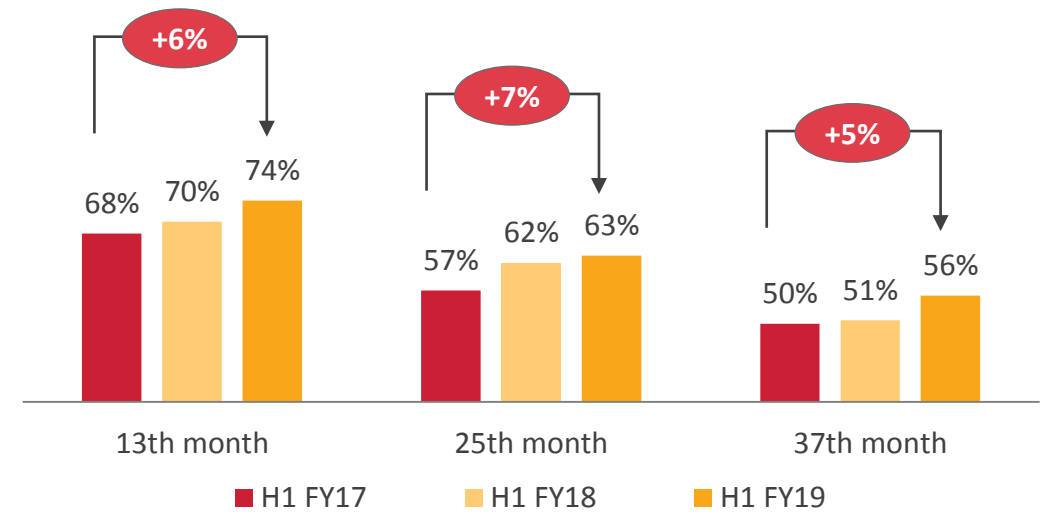
# Focus on quality of business

## Fund Performance across categories



**Superior performance against internal benchmarks despite volatile market conditions**

## Persistency Ratios<sup>1</sup>



**Quality growth reflected by consistent improvement in persistency ratios**

<sup>1</sup> Parameters are pertaining to Individual Business

# Key Financials – Aditya Birla Sun Life Insurance Limited



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Δ LY%	Quarter 2		Figures in Rs Crore	Half Year		Δ LY%
	FY 17-18 (PY)	FY 18-19 (CY)		FY 17-18 (PY)	FY 18-19 (CY)	
			<b>Key Performance Parameters</b>			
78% ↑	204	364	Individual First year Premium	372	601	61% ↑
71% ↑	252	431	Group First year Premium	369	715	2x ↑
8% ↑	701	759	Renewal Premium	1,291	1,367	6% ↑
	<b>1,158</b>	<b>1,554</b>	<b>Total Gross Premium</b>	<b>2,033</b>	<b>2,683</b>	
	1,339	1,746	Revenue	2,365	3,079	
	15.9%	15.8%	Opex to Premium (Excl. Commission) <sup>1</sup>	18.0%	17.4%	
	19.7%	20.5%	Opex to Premium (Incl. Commission) <sup>1</sup>	22.1%	22.1%	
	<b>83</b>	<b>17</b>	<b>Earnings before tax</b>	<b>94</b>	<b>46</b>	
	<b>74</b>	<b>14</b>	Earnings after tax	84	38	
			Assets Under Management	<b>36,266</b>	<b>38,129</b>	

<sup>1</sup> Based on IRDAI Reported Financials

Aditya Birla Health Insurance Limited



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# Strong growth led by retail

## GWP grew ~2x with 1.2 Mn lives covered

Retail Mix: 61% (PY: 16%)

## Rapid distribution capacity build up

- Multi channel mix with Banca at 54%
- Capacity significantly higher than peers at the same time of their development

## Focus on improving claims experience

## Building Profitable Growth

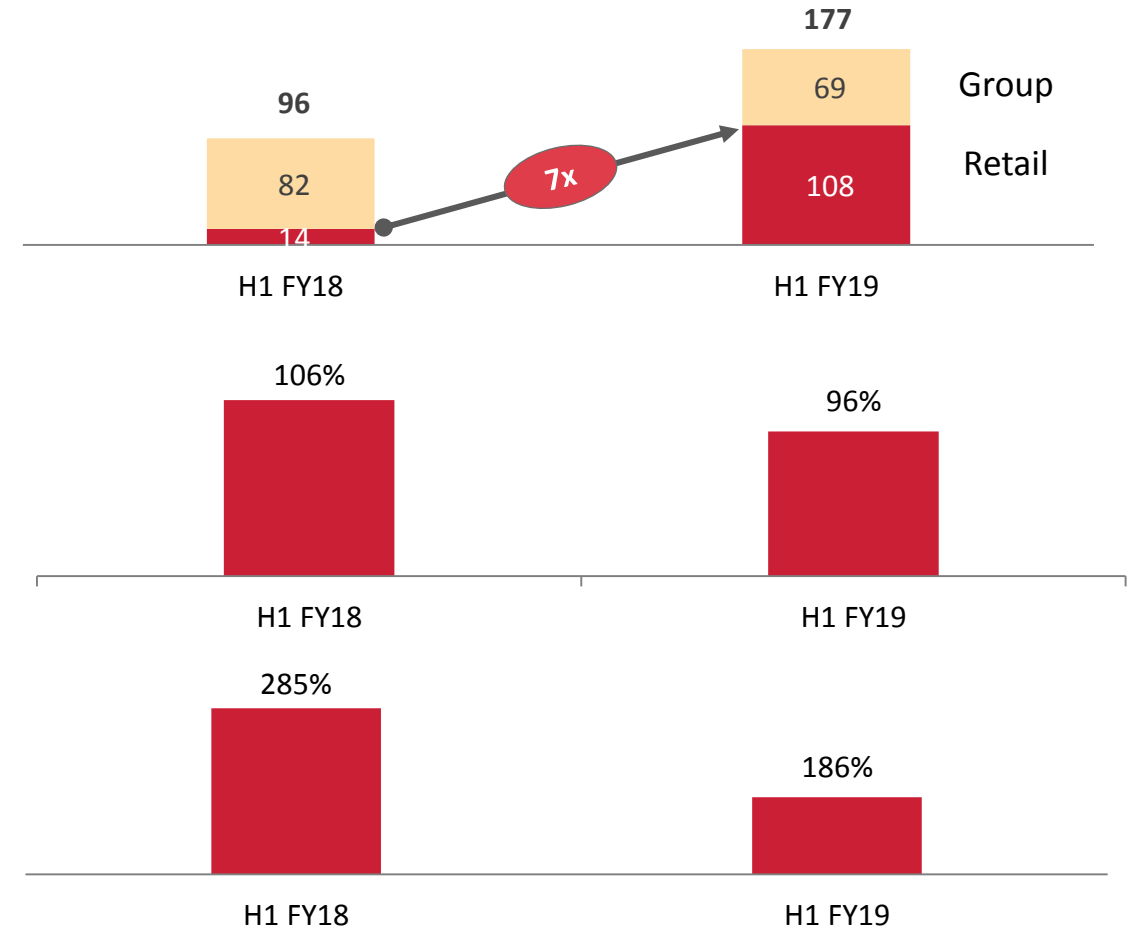
- Peak Quarterly loss in Q2 FY19 at Rs 73 Crore
- Business expected to break-even in ~3 years at indicative GWP levels of Rs 1,700 to 2,000 Crore

Strong GWP growth led by Retail

Focus on improving Group Loss Ratio

Improvement in Retail Combined Ratio

Figures in Rs Crore



# Significantly scaled up distribution and provider network





















## One of the largest third party distribution capacities

8 Banca tie-ups within 18 months :

- HDFC, DCB, RBL, Deutsche Bank, AU Bank, KVB and AB Payment Bank
- SVC signed up in Q2 FY19
- Monthly utilization of available capacity at 20% - 25% with significant upside potential
- Additional verticals within Partner Banks to further scale capacity

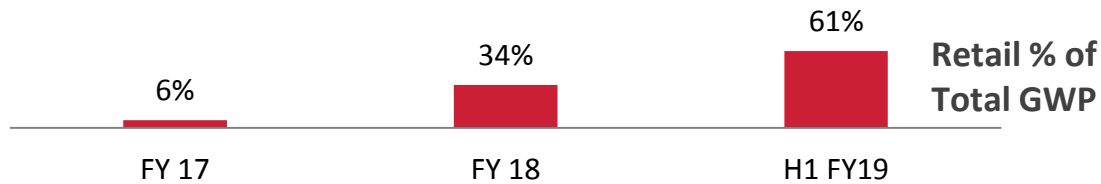
## One of the largest provider networks

Tied up with 5,000+ hospitals across 650 cities

		Q2 FY18	Q1 FY19	Q2 FY19
Branches		 43	 59	 59
Agents		 8,500+	 17,500+	 18,000+
No. of Cities		 40	 600+	 650+
Hospitals		 3,200+	 4,500+	 5,000+
Sales Force		 974	 1,140	 1,401

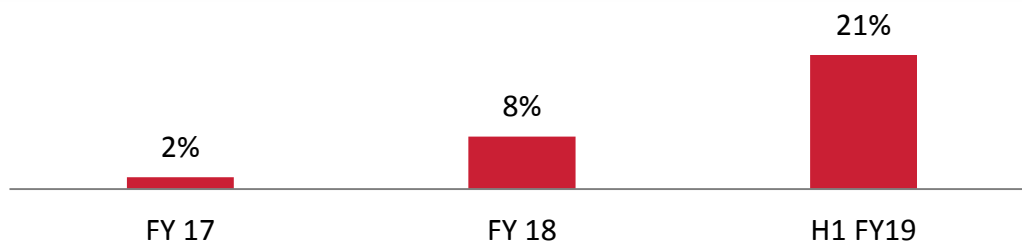
# Driving value through diversification

## Increasing contribution of Retail GWP



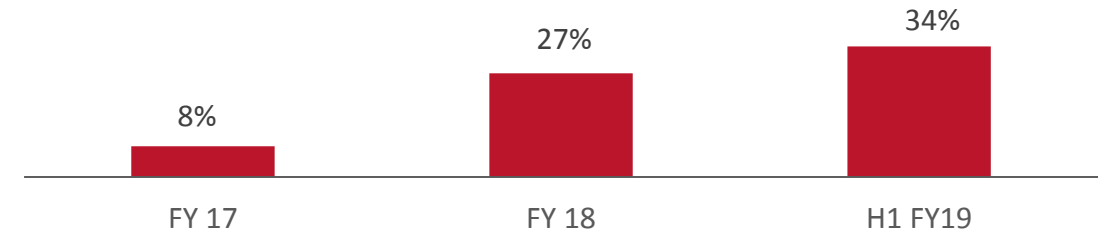
Improving margins by Increasing retail mix  
Retail Mix has grown 4x YoY

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



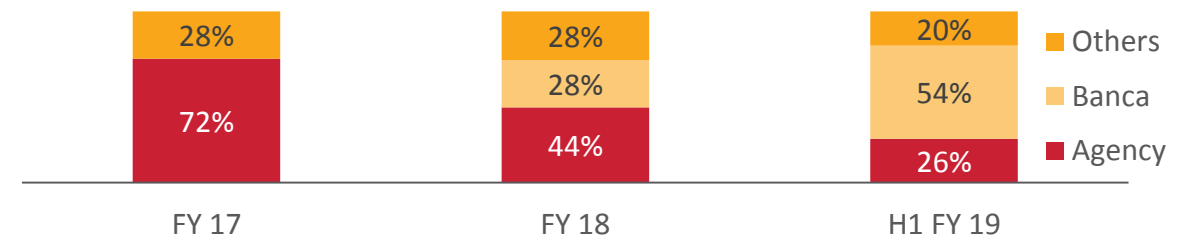
Driving higher fixed benefit products for improving margins

## Geographical diversification (% contribution of Non-Metro)



Presence across 41 cities through 59 branches and 650+ locations through third party partners

## Balanced channel mix with increasing Banca%



Higher Banca driving scale and optimal expense ratio

## Other Financial Services businesses

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# Other Financial Services Businesses

Figures in Rs Crore

Quarter 2		Key Performance Parameters For Other Financial Services Businesses <sup>1</sup>	Half Year	
FY 17-18 (PY)	FY 18-19 (CY)		FY 17-18 (PY)	FY 18-19 (CY)
86	156	Aggregate Revenue	177	321
2	(1)	Aggregate Earnings before tax	11	3

## General Insurance Broking

- Premium placement grew y-o-y by 14% to Rs 1,695 Crore in H1 FY19
- Revenue increased to Rs 109 Crore (PY: Rs 40 Crore) on account of regulatory changes in MISIP guidelines
- EBT at Rs 8 Crore (PY Rs 11 Crore) due to margin compression led by regulatory changes

## Stock and Securities Broking

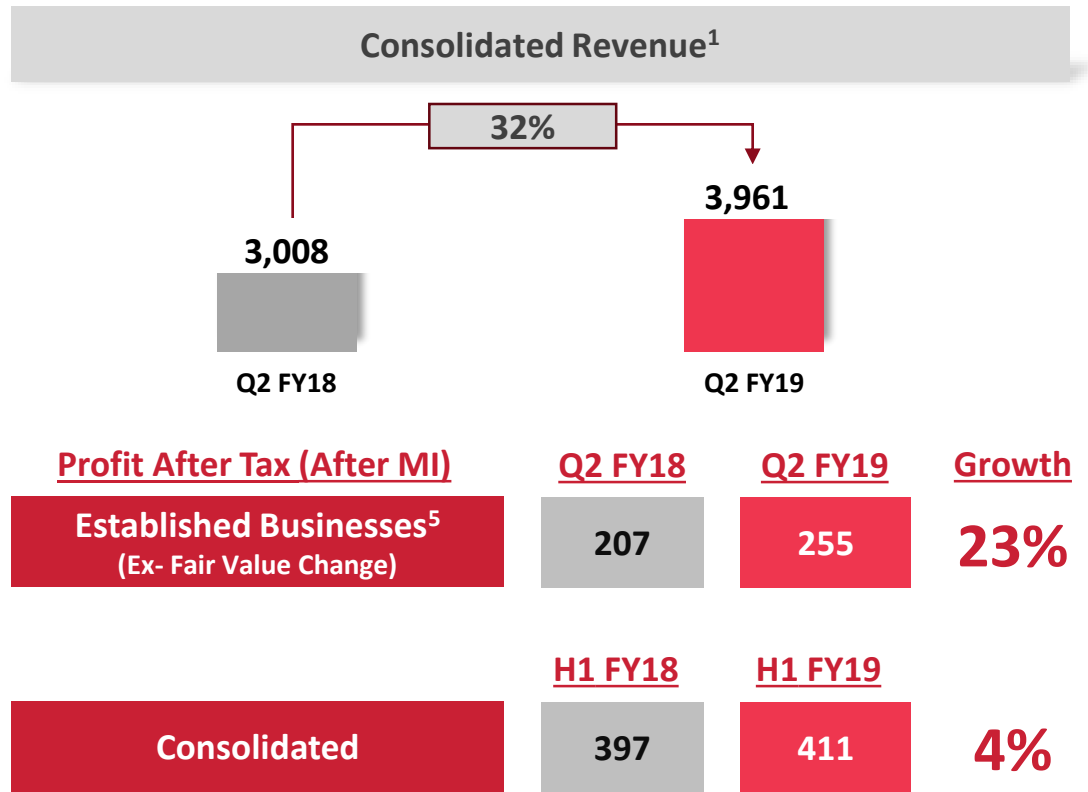
- Revenue at Rs 44 Crore (grew by 11% y-o-y)
- Focus on increasing business from digital channels
- EBT grown by xx% y-o-y

# Aggregate financials

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# Delivering strong financial performance

Figures in Rs Crore



**Consolidated PAT Reconciliation (IGAAP Vs. Ind AS)**

<u>Figures in Rs Crore</u>	<u>Q2 FY19</u>
<b>PAT after MI (As per IGAAP)</b>	<b>227</b>
EIR on assets and liabilities	(15)
ECL methodology adoption	1
MTM/ Fair Valuation	(31)
Non-controlling interest adj. on above	21
Group share on account of Ind AS on JVs	(3)
Others (incl. impact of Deferred Tax) <sup>1</sup>	(4)
<b>PAT after MI (As per Ind AS)</b>	<b>195</b>
<b>Delta (Ind AS PAT vs. IGAAP PAT)</b>	<b>(14%)</b>

<sup>1</sup> Asset Management and Wellness businesses consolidated based on equity accounting under Ind AS, however included in revenue to show holistic financial performance

<sup>2</sup> Includes NBFC, Asset Management and Life Insurance business

# Strong core operating profit for the quarter

Figures in Rs Crore

## Established Business PBT grew 23% y-o-y

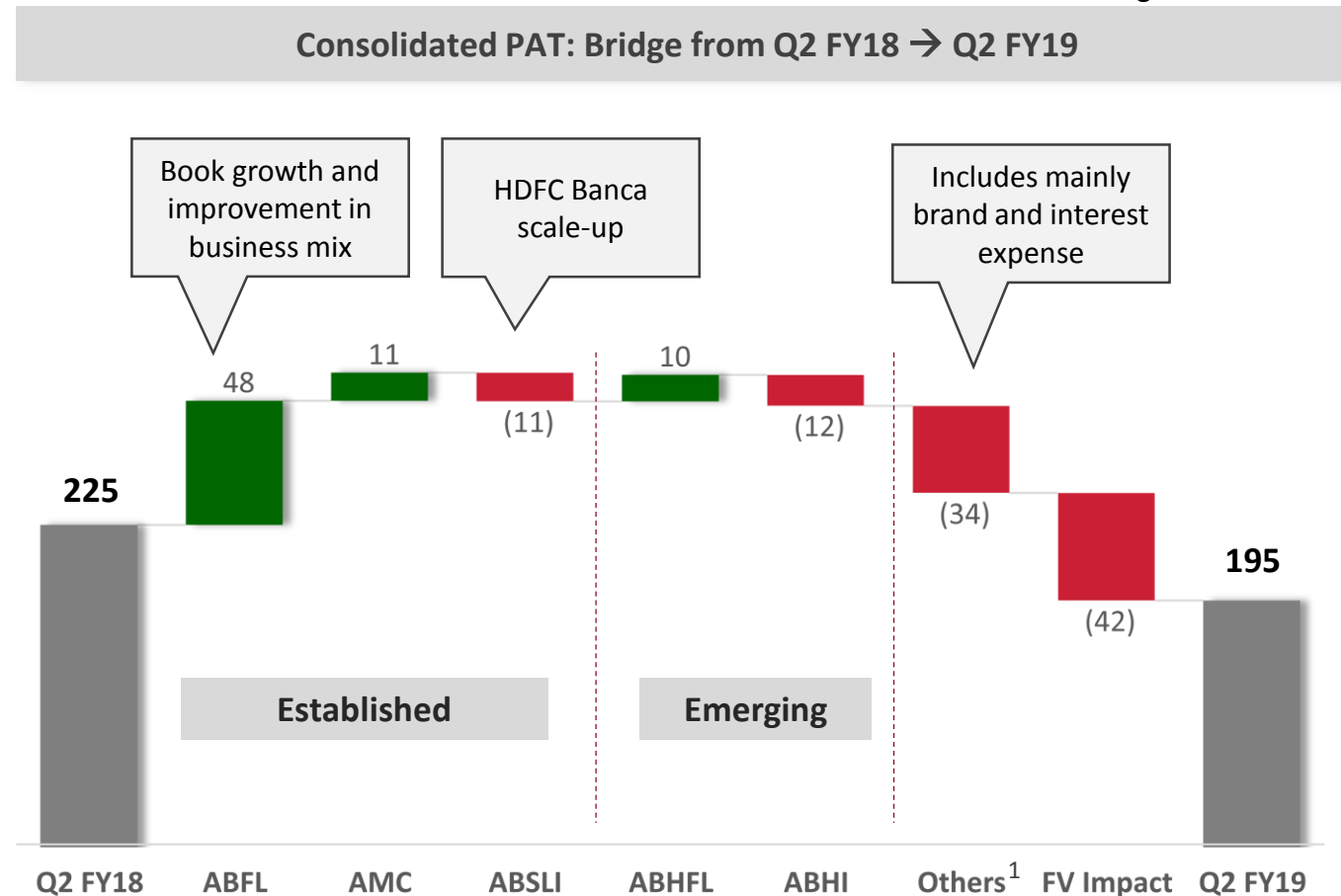
- Life Insurance profit ex fair value changes impacted mainly on account of investment in HDFC banca ramp-up

## Emerging Businesses on a steady path to achieving scale and profitability

- HFC delivering strong growth in profits
- Health insurance at peak quarterly loss and expected to break-even in ~3 years

## Overall profitability impacted largely by:

- Change in Fair Value of investments due to market conditions
- Brand and interest expenses incurred at ABCL standalone



<sup>1</sup> Include other financial services and standalone ABCL financials (net of eliminations)



## **Annexure**

## **Consolidated Financials**

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# Consolidated Profit & Loss



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Figures in Rs Crore

Quarter 2		Consolidated Profit & Loss	Half Year		Δ LY%
FY 17-18 (PY)	FY 18-19 (CY)		FY 17-18 (PY)	FY 18-19 (CY)	
2,699	3,590	<b>Revenue</b>	5,019	6,653	↑ 33%
1,060	1,266	EBITDA	1,998	2,483	
730	969	Less: Interest Expenses for lending businesses	1,390	1,854	
9	24	Less: Other Interest Expenses	20	45	
321	272	EBDT	588	583	
21	23	Less: Depreciation	40	44	
300	250	<b>Earnings Before Tax</b> (before share of profit/(loss) of Joint ventures	<b>548</b>	<b>539</b>	
42	53	Add: Share of Profit/(loss) of associate and Joint ventures	82	104	
<b>342</b>	<b>303</b>	<b>Earnings Before Tax</b>	<b>629</b>	<b>644</b>	
101	132	Less: Provision for taxation	206	272	
16	(24)	Less: Minority Interest	27	(39)	
<b>225</b>	<b>195</b>	<b>Net Profit (after minority interest)</b>	<b>397</b>	<b>411</b>	↑ 4%

# Segmental Revenue



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Figures in Rs Crore



Δ LY%	Quarter 2		Businesses	Half Year		Δ LY%
	FY 17-18 (PY)	FY 18-19 (CY)		FY 17-18 (PY)	FY 18-19 (CY)	
	1,096	1,346	NBFC	2,123	2,618	
	312	371	Asset Management <sup>1</sup>	582	723	
	1,339	1,746	Life Insurance	2,365	3,079	
26% ↑	<b>2,747</b>	<b>3,463</b>	<b>Established Businesses</b>	<b>5,070</b>	<b>6,419</b>	27% ↑
	132	242	Housing	246	461	
	36	102	Health Insurance <sup>2</sup>	99	178	
	40	109	General Insurance Broking	88	226	
	40	44	Stock & Securities Broking	76	87	
	29	8	Other Financial Services	48	18	
	(15)	(6)	Inter Segment Elimination	(31)	(14)	
32% ↑	<b>3,008</b>	<b>3,961</b>	<b>Consolidated<sup>1,2</sup></b>	<b>5,596</b>	<b>7,374</b>	32% ↑

<sup>1</sup>Aditya Birla Sun Life AMC Ltd consolidated based on equity accounting under Ind AS, however considered as a part of segmental performance to show holistic financial performance

<sup>2</sup>Aditya Birla Wellness Pvt Ltd consolidated based on equity accounting under Ind AS, however considered as a part of segmental performance to show holistic financial performance

# Segmental EBT

Figures in Rs Crore

Quarter 2		Businesses	Half Year		Δ LY%
FY 17-18 (PY)	FY 18-19 (CY)		FY 17-18 (PY)	FY 18-19 (CY)	
252	317	NBFC	505	652	
127	155	Asset Management <sup>1</sup>	246	301	
83	17	Life Insurance	94	46	
<b>462</b>	<b>489</b>	<b>Established Businesses</b>	<b>845</b>	<b>1,000</b>	 <b>18%</b>
3	21	Housing	11	34	
(49)	(73)	Health Insurance <sup>2</sup>	(83)	(137)	
11	8	General Insurance Broking	30	23	
3	3	Stock & Securities Broking	4	6	
(5)	(46)	Other Financial Services	(16)	(88)	
<b>425</b>	<b>404</b>	<b>Consolidated<sup>1,2</sup></b>	<b>791</b>	<b>838</b>	 <b>6%</b>

<sup>1</sup>Aditya Birla Sun Life AMC Ltd consolidated based on equity accounting under Ind AS, however considered as a part of segmental performance to show holistic financial performance

<sup>1</sup>Aditya Birla Wellness Pvt Ltd consolidated based on equity accounting under Ind AS, however considered as a part of segmental performance to show holistic financial performance



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# Aditya Birla Capital Limited

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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
- NII – Net Interest Income
- 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
- ECL – Expected Credit Loss
- EIR – Effective Interest Rate

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