



**Aditya Birla Capital reports results for the quarter ended 30<sup>th</sup> June, 2020**

- **Resilience across businesses despite lockdown, with focus on balanced growth, liquidity, technology enhanced processes and cost control**
- **91% of overall Aditya Birla Capital branches operational with strict health protocols**
- **Consolidated Net Profit at Rs. 198 Crore (grew 1.4 times over previous quarter)**
- **Consolidated Revenue: Rs. 4,293 Crore (grew 9% year on year)**

Consolidated Results	(₹ Crore)		
	Quarter 1 FY 20	Quarter 4 FY 20	Quarter 1 FY 21
Revenue <sup>1</sup>	3,943	5,094	4,293
Profit after Tax (after minority interest)	270	144	198

**Mumbai, 7<sup>th</sup> August 2020:** Aditya Birla Capital Limited (“The Company”) announced its unaudited financial results for the quarter ended 30<sup>th</sup> June 2020.

The Consolidated Revenue of the Company grew 9% year on year to Rs. 4,293 Crore. The Company, through its subsidiaries, continued its consistent delivery of profit through its diversified business model. The consolidated profit after tax (after minority interest) grew 1.4 times over Q4 FY20 to Rs. 198 Crore, marked by resilience across businesses. This is after providing an additional Rs. 62 Crore as COVID provisions in its lending businesses in Q1 FY21.

With 91% of its branches operational with strict health protocols, the company looked to normalise its operations through Q1 FY21. The Company will continue to monitor developments in the market as lockdowns get lifted. Aggregated<sup>2</sup> operating expenses (excluding volume linked and Health Insurance business) have reduced 10% over the last quarter.

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

**Lending:**

- Overall lending book (NBFC and Housing Finance) stood at Rs. 58,073 Crore
- Maintained Core operating profit in NBFC and Housing Finance despite slow recovery under lockdown
- Lending book is backed by well-matched asset and liability mix with adequate liquidity
- Raised over Rs. 1,500 Crore of long-term funds during the quarter
- Continue to have strong focus on quality of book with reduced ticket sizes across the board

<sup>1</sup> 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

<sup>2</sup> Excluding Aditya Birla Health Insurance operating expenses given the business is scaling up and on path to break-even

**NBFC business:**

- Loan book at Rs. 45,939 Crore; restarted lending with caution during the quarter with gradual ramp up of activity, currently 100% branches operational
- Maintained Core operating profit with pre provision operating profit at Rs. 392 Crore, during the quarter
- Additional COVID related provisions of Rs. 50 Crore in Q1 FY21
- Cost to income ratio reduced by 223 bps from 33.5% in Q4 FY20 to 31.3% in Q1 FY21
- The Net profit after tax stood at Rs. 140 Crore vis-à-vis Rs. 137 Crore in previous quarter

**Housing Finance business**

- Loan book at Rs. 12,134 Crore, with 96% retail
- Net interest margins expanded by 29 bps to 3.27% over previous year
- Maintained core operating profit with pre provision operating profit at Rs. 52 Crore
- Additional COVID related provisions of Rs. 12 Crore in Q1 FY21
- Strong drive towards technology deployment to drive sales and customer engagement with 85% of sourcing digital in July '20
- The Net profit after tax for the quarter stood at Rs. 28 Crore vis-à-vis Rs. 21 Crore in Q4 FY20 and Rs. 27 Crore in Q1 FY20

**Asset Management**

- Overall closing assets under management grew by 8% to Rs. 2,17,643 Crore from March 20 to June 20
- Closing equity AUM grew by 19% to Rs. 78,017 Crore from March 20 to June 20
- Keeping its continued focus on building retail customer franchise, the retail AAUM grew by 12% over the last quarter; while the SIP AUM increased by 27%, quarter on quarter
- Maintained profitability with Profit before tax/AAUM at 24 bps vis-à-vis 22 bps in Q4 FY20
- Digital transactions account for 94% of overall transactions as compared to 81% in previous quarter

**Insurance:**

- Total gross premium of life insurance and health insurance grew 38% year on year to Rs. 1,936 Crore

***Life Insurance business***

- Individual First Year Premium (FYP) grew 5% year on year to Rs. 309 Crore, significantly ahead of industry year on year degrowth of 23%
- Consistent improvement in quality with 13<sup>th</sup> month persistency by 200 bps, year on year, to 81%, from 79%
- Strong focus on digital with 96% individual business sourced digitally
- Maintained gross margin at 33.1% despite falling interest rate scenario
- Sharp reduction in Opex to premium ratio, year on year, from 23.1% to 16.3%

## **Health Insurance business**

- Gross written premium at Rs. 246 Crore; grew 72% over the previous year, ahead of industry growth of 16% for Stand Alone Health Insurers, with Retail business contributing 73%
- Covering 8.9 million lives out of which over 5 million lives covered through micro and byte size products
- Business continues to build scale with significant improvement in combined ratio at 132% vs. 146% in the previous year
- Robust digital enablement with 98% digital issuance in Q1 FY21 vs. 93% in FY20 and digital renewals at 92% vs. 65% in previous year

## **Other businesses**

- Profit before tax grew 64% year on year to Rs. 41 Crore from Rs. 25 Crore
  - General Insurance broking profit before tax grew 20% year on year to Rs. 29 Crore driven by technology adoption
  - ARC platform continues to scale up with AUM at Rs. 2,500+ Crore

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

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### **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 21,000 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 36 countries across the globe.

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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

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