



Aditya Birla Capital reports results for the quarter ended 30th September 2020

- **Strong revival in businesses: demonstrated year on year growth and significant growth over previous quarter**
- **Focus on balanced growth, liquidity, technology, enhanced processes and cost control**
- **Consolidated¹ Revenue at Rs. 4,879 Crore (grew 14% year on year)**
- **Consolidated Net Profit at Rs. 264 Crore (grew 33% over previous quarter and 3% year on year)**
- **‘Aditya Birla Capital’ adjudged ‘BRAND OF THE YEAR’ at the Indian Content Marketing Awards 2020**

(₹ Crore)			
Consolidated Results	Quarter 1	Quarter 2	
Particulars	FY 21	FY 20	FY 21
Revenue ¹	4,286	4,275	4,879
Profit after Tax (after minority interest)	198	256	264

Mumbai, 5th November 2020: Aditya Birla Capital Limited (“The Company”) announced its unaudited financial results for the quarter and half year ended 30th September 2020.

The Consolidated¹ Revenue of the Company for the quarter grew 14% year on year to Rs. 4,879 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 33% over previous quarter (and 3% year on year) to Rs. 264 Crore, marking a move towards normalcy and growth, with continued resilience across businesses.

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

Lending:

- Overall lending book (NBFC and Housing Finance) stood at Rs. 57,592 Crore
- Gross disbursement in lending businesses has bounced back to pre-COVID levels in September 2020
- Enhanced provision coverage in lending businesses
- Collection efficiency trending towards pre-COVID levels
- Raised over Rs. 2,700 Crore of long-term funds during H1 FY21
- Well-matched asset and liability mix with adequate liquidity for growth
- Continue to have strong focus on quality of book with reduced ticket sizes across the board

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

NBFC business:

- Loan book at Rs. 45,475 Crore; Gross disbursement at Rs. 2,598 Crore, grew 2x vs. Q1 FY21
- Continue to focus on select segments with retail portfolio growth at 16%, year on year
- Pre provision operating profit at Rs. 438 Crore, grew 12% quarter on quarter
- Net interest margin expanded by 50 bps, quarter on quarter, to 5.32%
- Cost to income ratio maintained at 30.7% in Q2 FY21
- The Net profit after tax stood at Rs. 181 Crore, growing 29% quarter on quarter

Housing Finance business

- Loan book at Rs. 12,117 Crore with 96% retail mix; Gross disbursement at Rs. 687 Crore vs. Rs. 106 Crore in previous quarter
- Net interest margins expanded to 3.33%
- Pre provision operating profit at Rs. 63 Crore, grew 22%, quarter on quarter
- Cost Income Ratio reduced by 447 bps, quarter on quarter, to 41.2%
- Strong drive towards technology deployment to drive sales and customer engagement with 84% of sourcing through digital in Q2 FY21
- The Net profit after tax grew 30% year on year, to Rs. 36 Crore

Asset Management

- Demonstrated revival in net sales, backed by strong investment performance
- Domestic average assets under management (AAUM) grew quarter on quarter by 11%, to Rs. 2,38,674 Crore
- Domestic average equity AUM grew by 13%, quarter on quarter, to Rs. 82,179 Crore
- Maintained overall AAUM market share (Ex. ETF) at 9.3%
- Keeping continued focus on building retail customer franchise, the retail AAUM grew by 12% and B-30 AUM increased by 13% over the last quarter
- Improved profitability with Profit before tax/AAUM at 27 bps vis-à-vis 24 bps in Q1 FY21
- Continued focus on cost rationalization with 11% reduction, year on year, in H1 FY21
- Delivered growth in profit before tax at Rs. 164 Crore, growing 26%, quarter on quarter
- Digital transactions account for 91% of overall transactions and 83% of new folios created

Insurance:

- Total gross premium of life insurance and health insurance grew 33% year on year, to Rs. 4,534 Crore in H1 FY21

Life Insurance business

- Individual First Year Premium (FYP) grew 7% year on year, to Rs. 744 Crore, during half year, while industry private players de-grew 11%, year on year
- Group new business premium grew 78% year on year, to Rs. 1,210 Crore during half year, while industry de-grew 2%, year on year
- Consistent improvement in 13th month persistency up 200 bps, year on year, to 83%
- Sharp reduction in Opex to premium ratio from 20.1% in H1 FY20 to 14.5% in H1 FY21
- Net VNB margin improved 50 bps year on year during H1 FY21

- Embedded Value (EV) at Rs. 5,727 as on 30th September 2020, growing 13.8% year on year
- Strong focus on digital with 95% of individual business sourced digitally

Health Insurance business

- Gross written premium at Rs. 550 Crore during half year; grew 75% over the previous year, ahead of industry growth of 17% for Standalone Health Insurers
- Retail business contributing 77% of total business
- Covering 9.5 million lives out of which 6 million lives covered through micro and byte size products
- Business continues to build scale with focus on expense, leading to significant improvement in combined ratio at 129%, vis-à-vis 155% in H1 FY20
- Robust digital enablement with 98% digital issuance in H1 FY21 vs. 92% in the previous year and digital renewals at 92% vs. 66% in previous year

Other businesses

- Profit before tax grew 2.3 times, year on year, to Rs. 32 Crore, from Rs. 14 Crore
 - General Insurance broking quarterly profit before tax grew 44% year on year, to Rs. 16 Crore
 - ARC platform continues to scale up with AUM at Rs. 2,750 Crore and quarterly profit before tax at Rs. 9.4 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.

Recognition

A brand is a key asset for any company, especially in a category where trust plays a large role, and the purchase decision is often made based on saliency of the brand. Our brand '**Aditya Birla Capital**' has been adjudged **BRAND OF THE YEAR** at the **Indian Content Marketing Award 2020**.

Aditya Birla Capital was recognised for its 'exemplary work in the field of disability and inclusion for the underprivileged', at the FICCI CSR Awards presented in July, 2020.

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 800+ 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.

***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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