



Aditya Birla Capital reports results for the quarter ended 31st December 2020

- **Strong growth across businesses and cost optimisation leading to delivery of highest ever quarterly consolidated profit**
- **Consolidated¹ Revenue at Rs. 5,346 Crore (grew 16% year on year)**
- **Consolidated Net Profit at Rs. 289 Crore (grew 15% year on year)**
- **Track record of building scale, retailisation and profitability**
- **Strong focus on technology to enhance customer experience and build robust processes**
- **Building multiple partnerships with fintechs**

Consolidated Results	Quarter 3		
	FY 20	FY 21	
Revenue ¹	4,612	5,346	↑ 16%
Profit after Tax (after minority interest)	250	289	↑ 15%

Mumbai, 5th February 2021: Aditya Birla Capital Limited (“The Company”) announced its unaudited financial results for the quarter and nine months ended 31st December 2020.

The Consolidated¹ Revenue of the Company for the quarter grew 16% year on year to Rs. 5,346 Crore. The Company, through its subsidiaries, continued its consistent performance with its diversified business model. The consolidated profit after tax for the quarter (after minority interest) grew 15% year on year to Rs. 289 Crore, the highest ever consolidated quarterly profit with strong growth 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. 57,522 Crore
- Gross disbursement in lending businesses at Rs. 5,097 Crore, higher than pre-COVID level with 18% year on year growth and focus on retail and SME segments
- Lending businesses profit before tax at Rs. 308 Crore, bounced back to previous year levels
- Strong funding access and amongst best cost of borrowing in industry
- Raised over Rs. 4,600 Crore of long-term funds in YTD FY21
- Continue to have strong focus on quality of book with increased retailisation and 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:

- Gross disbursement grew 20% year on year to Rs. 4,282 Crores in Q3 FY21, out of which 55% disbursement in targeted Retail and SME targeted segments
- Loan book at Rs. 45,650 Crore vs. previous quarter at Rs. 45,475 Crore; Retail and SME loan book grew 2% over previous quarter
- Added 34 new branches during Q3 FY21, primarily in semi urban locations
- Net interest margin expanded by 18 bps, year on year, to 5.24%
- Pre provision operating profit (% of average book) expanded 8 bps year on year to 3.65%
- Profit before tax at Rs. 261 Crore, profitability back to pre-COVID levels
- Collection efficiency at 96.4% in Dec '20 at pre-COVID levels

Housing Finance business

- Loan book at Rs. 11,872 Crore with 96% retail mix; strong rebound in Gross disbursements at Rs. 815 Crore were higher than pre-COVID levels, growing 19% quarter on quarter and 5% year on year
- Focus on granular business continues with 48% disbursement in affordable segment in Q3 FY21. Affordable book mix at 24% vs. 17% in the previous year.
- Net interest margins expanded by 81 bps year on year, to 3.68%
- Collection efficiency at 96.3% in Dec '20 at pre-COVID levels
- Pre provision operating profit at Rs. 78 Crore, grew 60% year on year
- The Net profit after tax grew 38% year on year, to Rs. 38 Crore

Asset Management

- The momentum in AUM growth continued with 7% year on year growth in domestic average assets under management (AAUM), to Rs. 2,55,458 Crore
- Domestic average equity AUM grew by 6%, quarter on quarter, to Rs. 87,516 Crore
- Maintained overall AAUM market share (Ex. ETF) at 9.35%
- Continued focus on building retail customer franchise with Rs. 1,22,574 Crore AAUM in retail and HNIs
- Achieved highest ever quarterly profit before tax at Rs. 194 Crore with 12% year on year growth
- Improved profitability margin with Profit before tax/AAUM at 30 bps vis-à-vis 28 bps in previous year
- Digital transactions account for 85% of overall transactions and 75% of new folios created

Insurance:

- Total gross premium of life insurance and health insurance grew 27% year on year, to Rs. 7,441 Crore in YTD FY21

Life Insurance business

- Individual First Year Premium (FYP) grew 6% year on year, to Rs. 1,256 Crore during YTD FY21, while industry private players de-grew 6%, in the same period
- Group new business premium grew 50% year on year, to Rs. 1,891 Crore during YTD FY21, while industry de-grew 5%, in the same period
- Consistent improvement in 13th month persistency up 200 bps, year on year, to 83.6%
- Sharp reduction in Opex to premium ratio from 17.6% in YTD FY20 to 14.0% in YTD FY21
- Net VNB margin improved 80 bps year on year during YTD FY21
- Strong focus on digital with 94% of individual business sourced digitally in YTD FY21

Health Insurance business

- Gross written premium at Rs. 859 Crore during YTD FY21; grew 57% over the previous year, ahead of industry growth of 26% for Standalone Health Insurers
- Retail business contributing 74% of total business
- Covering 11.2 million lives out of which over 7 million lives covered through micro and byte size products
- Business continues to build scale with focus on expenses, leading to significant improvement in combined ratio at 126% in YTD FY21, vis-à-vis 142% in YTD FY20
- Robust digital enablement with 98% digital issuance in YTD FY21 and digital renewals at 92%

Other businesses

- Profit before tax grew 2.8 times, year on year, to Rs. 36 Crore, from Rs. 13 Crore
 - General Insurance broking quarterly profit before tax grew 2.6 times, year on year, to Rs. 18 Crore
 - ARC platform AUM at Rs. 2,350 Crore and quarterly profit before tax doubled to Rs. 11.5 Crore
 - Stock and securities broking business profit before tax grew 64% year on year, to Rs. 6 Crore

Recognition

Our focus on innovation and excellence has yet again been recognised. Aditya Birla Capital was adjudged as one of the “**Top 25 Innovative Companies in India**” at the coveted **CII Industrial Innovation Awards 2020**.

Going forward

- **Driving Cross sell**
 - Focus on maximising value of existing active customer base of 20 Million and other relevant databases of size, through an active cross sell program
- **Leveraging digital, data and analytics across the platform**
 - Leveraging technology and partnerships with Fintechs to grow revenue, improve customer experience, optimise cost and build scalable systems.

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 22,000 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.

***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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