



Aditya Birla Capital reports strong results for the quarter ended 30th June, 2021

- Strong growth across businesses leading to highest ever consolidated profit for first quarter, despite a Covid-hit quarter
- Consolidated¹ Revenue at Rs. 4,632 Crore (grew 8% year on year)
- Consolidated Net Profit at Rs. 302 Crore (grew 52% year on year)
- Active customer base at 25 million (grew 30% year on year) aided by focus on granular retail growth across all businesses
- Continuing track record of consistent growth in profit delivery through market and macroeconomic cycles, backed by the diversified business model and synergies
- Businesses seeing benefits of digital focus; launched first of its kind App offering customers a seamless and personalized experience to transact and get serviced across all products of the platform
- Businesses leveraging partnerships to drive customer acquisition and growth at scale

Consolidated Results (₹ Crore)	(₹ Crore) Quarter 1		
	FY 21	FY 22	
Particulars			
Revenue ¹	4,292	4,632	↑ 8%
Profit after Tax (after minority interest)	198	302	↑ 52%

Mumbai, 5th Aug 2021: Aditya Birla Capital Limited (“The Company”) announced its unaudited financial results for the quarter ended 30th June 2021.

The Consolidated¹ Revenue of the Company grew 8% year on year to Rs. 4,632 Crore. The Company, through its subsidiaries, continues to maintain its track record of delivering strong performance through market and macroeconomic cycles, with its diversified business model. The consolidated profit after tax (after minority interest) grew 52% year on year, to Rs. 302 Crore.

The Company’s focus in building scale, growing its retail base and delivering consistent profitability has yielded results. The retailisation strategy has led to the active customer base growing to ~ 25 million, a 30% year on year growth. The scale is evidenced with overall AUM across asset management, life insurance and health insurance businesses growing 26% year on year, to over Rs. 3,43,000 Crore. The overall lending book (NBFC and Housing Finance) at Rs. 57,182 Crore shows the scale in lending. The gross premium (across Life and Health Insurance) grew 10% year on year to Rs. 2,130 Crore, reflecting the scale in insurance.

The Q1 FY22 performance highlights of the key subsidiaries of Aditya Birla Capital Ltd. were as under:

Lending:

- Overall lending book (NBFC and Housing Finance) was at Rs. 57,182 Crore
- Strong funding access and amongst best cost of borrowing in the industry
- Raised over Rs. 2,500 Crore of long-term funds in Q1 FY22
- Strong focus on retailisation with total customer base at 3.4 lacs and retail plus SME plus HNI accounting for 65% of the total book.

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 financial table includes revenues from these two businesses on a 100% basis to show holistic financial performance

NBFC business:

- Consequent to the lockdown, loan book was flat year on year at Rs. 45,881 Crore; However, Retail, SME and HNI loan book grew 15% year on year, leading to its contribution in the overall book increasing to 58% in June '21, vis-à-vis 50% in the previous year
- Gross disbursement at Rs. 2,553 Crore in Q1 FY22, with June '21 disbursal of Rs. 1,276 Crore, almost at pre COVID levels
- Change in mix and lower cost of borrowing led to highest ever net interest margin at 6.14%, expanding by 131 bps year on year
- Profit before tax at Rs. 315 Crore, reflecting a growth of 67%, year on year
- Strong growth in return of assets at 2.0%, compared to 1.2% a year ago
- Gross Stage 3 at 3.64%, compared to 3.60% in the previous year

Housing Finance business:

- Loan book at Rs. 11,301 Crore, with 95% retail mix
- Focus on granular business with 58% disbursement in affordable segment
- Affordable book mix at 29%, against 19% in the previous year
- Highest ever net interest margin at 4.24%, expanding by 97 bps year on year
- Profit before tax at Rs. 49 Crore, a growth of 39% over the previous year. Strong rebound in return on assets at 1.34% compared to 0.92% in the previous year

Asset Management:

- Strong revival in assets under management, crossing the Rs. 3,00,000 Crore AUM milestone in July 2021 backed by consistent investment performance
- Overall domestic average assets under management (AAUM) grew by 28% year on year, to Rs. 2,75,454 Crore and domestic equity AAUM grew by 42% year on year, to Rs. 1,02,678 Crore
- Domestic equity mix expanded to 37% compared to 34% in the previous year
- Continued focus on building retail customer franchise with 7.2 million folios and Rs. 1,33,353 Crore of retail AUM, up 30% year on year
- Profit before tax at Rs. 206 Crore, reflected a 58% year on year growth
- PBT/AUM moved up to 30 bps, up from 24 bps in the previous year

Insurance:

- Total gross premium of life insurance and health insurance grew 10% year on year, to Rs. 2,130 Crore in Q1 FY22

Life Insurance business:

- Individual First Year Premium (FYP) grew 5% year on year, to Rs. 325 Crore, on the back of 5% growth in Q1 FY21
- Renewal premium grew 41% year on year, to Rs. 1,092 Crore, out of which 69% has been collected digitally
- Consistent improvement in 13th month persistency to 83%, from 81% in the previous year
- Net VNB margin, expanded by 300 bps year on year
- Profit before tax grew 8% year on year to Rs. 31 Crore, in spite of surge in COVID claims

Health Insurance business:

- Gross written premium at Rs. 368 Crore; grew 50% year on year, with retail contributing 70% of total business
- Business now covering 14.4 million lives, out of which over 10 million lives are through micro and byte size products
- Business continues to build scale with focus on expenses, leading to significant improvement in combined ratio, which came in at 110% (normalized for COVID claims) vis-à-vis 132% in previous year;
- Robust digital enablement with 98% digital issuance and digital renewals at 92%

Other businesses:

- Profit before tax for the other businesses grew 31% year on year, to Rs. 54 Crore, from Rs. 41 Crore in the previous year
 - General Insurance broking profit before tax grew 29% year on year to Rs. 37 Crore
 - ARC platform AUM was at Rs. 1,978 Crore and profit before tax grew 15% year on year, to Rs. 10 Crore
 - Stock and Securities broking business profit before tax grew 57% year on year, to Rs. 8 Crore

Going forward:

- Focus on maximising value of active customer base of 25 million while looking to continue to drive customer acquisition at scale
- Leveraging technology and analytics to grow revenue, improve customer experience, optimise costs, and build robust and 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 23,500 employees, the subsidiaries of ABCL have a nationwide reach with 900+ 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, in the league of Fortune 500. Anchored by an extraordinary force of over 140,000 employees, belonging to 100 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, 18th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013

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