



**Aditya Birla Capital reports strong results for year ended 31<sup>st</sup> March, 2021**

- Strong growth across businesses leading to delivery of highest ever consolidated profit, despite a Covid-hit year
- Consolidated<sup>1</sup> Revenue at Rs. 20,447 Crore (grew 14% year on year)
- Consolidated Net Profit at Rs. 1,127 Crore (grew 22% year on year)
- Highest ever quarterly Net profit at Rs. 375 Crore (grew 2.6 times, year on year)
- Active customer base at 24 million (grew 22% year on year) aided by focus on granular retail growth across all businesses
- Continue to maintain track record of consistent growth in profit delivery through market and macroeconomic cycles, backed by diversified business model
- In April 2021, filed Draft Red Herring Prospectus with SEBI for listing of AMC business
- Technology and analytics key focus areas for future

		(₹ Crore)			
Quarter 4		Consolidated Results (₹ Crore)		Full Year	
FY 20	FY 21	Particulars		FY 20	FY 21
16% ↑		5,085	5,917	17,927	20,447 ↑ 14%
161% ↑		144	375	920	1,127 ↑ 22%
		Revenue <sup>1</sup>			
		Profit after Tax (after minority interest)			

**Mumbai, 14<sup>th</sup> May 2021:** Aditya Birla Capital Limited (“The Company”) announced its audited financial results for the quarter and year ended 31<sup>st</sup> March 2021.

The Consolidated<sup>1</sup> Revenue of the Company grew 14% year on year to Rs. 20,447 Crore. The Company, through its subsidiaries, continues to maintain its track record of consistency in performance through market and macroeconomic cycles, with its diversified business model. The consolidated profit after tax (after minority interest) grew 22% year on year to Rs. 1,127 Crore. The Company has also achieved its highest ever quarterly profit after tax (after minority interest) at Rs. 375 Crore, a 2.6x growth year on year and 30% growth over the previous quarter.

The Company has built a credible track-record in building scale, retailisation and consistent profitability. The retailisation strategy has led to the active customer base growing to ~ 24 Million, a 22% year on year growth. The scale is evidenced with overall AUM across asset management, life insurance and health insurance businesses growing 10% year on year, to over Rs. 3,35,000 Crores. The overall lending book (NBFC and Housing Finance) at ~ Rs. 60,000 Crores, with a 2% year on year growth, shows the scale in lending. The gross premium (across Life and Health Insurance) grew 25% year on year to Rs. 11,076 Crores, with the retail mix at 72%, reflecting the scale in insurance. The consistency of profitability is reflected in the fact that the CAGR for PAT growth over the last 5 years is 18.5%

Aditya Birla Sun Life AMC Limited (ABSLAMC), a subsidiary of the Company, filed a Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (‘SEBI’) for an initial public offering by way of an offer for sale (“IPO”) of shares of ABSLAMC in April 2021, subject to relevant approvals, as required. This is part of the value unlocking strategy of the Company.

<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

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

### **Lending:**

- Overall lending book (NBFC and Housing Finance) grew 2% year on year, to Rs. 60,557 Crore
- Strong rebound in gross disbursement in lending businesses at Rs. 7,701 Crore in Q4 FY21, a growth of 2 times year on year, with focus on retail and SME segments
- Strong funding access and amongst best cost of borrowing in the industry
- Raised over Rs. 10,500 Crore of long-term funds in FY21
- Continue to have strong focus on increased retailisation and reduced ticket sizes across the board

### ***NBFC business:***

- Loan book grew 3% year on year to Rs. 48,689 Crore; Retail, SME and HNI loan book grew 17% year on year with mix increasing by 600 bps to 56%
- Gross disbursement grew 2.1 times, year on year, to Rs. 6,570 Crore in Q4 FY21, out of which 64% disbursement was to Retail and SME segments
- Highest ever net interest margin in Q4 FY21, expanding by 98 bps year on year, to 5.98%
- Profit before tax in Q4 FY21 at Rs. 338 Crore, grew 4.3 times over previous year. The FY21 PBT stood at Rs. 1,031 Crore, vis-à-vis Rs. 1,069 Crore in the previous year
- Strong rebound in Q4 FY21 with return of assets at 2.2% compared to 1.2% a year ago
- Gross Stage 3 reduced to 2.68% from 3.61%, year on year, led by resolution of stressed assets worth Rs. 725 Crore

### ***Housing Finance business:***

- Loan book at Rs. 11,869 Crore with 96% retail mix; strong rebound in Gross disbursals at Rs. 1,131 Crore, grew 47% year on year and 39% quarter on quarter
- Focus on granular business continues with 52% disbursement in affordable segment in Q4 FY21.
- Affordable book mix at 27% against 18% in the previous year
- Highest ever net interest margin in Q4 FY21, expanding by 77 bps year on year, to 3.85%
- Profit before tax in Q4 FY21 at Rs. 48 Crore, a growth of 78% over the previous year. The FY21 PBT at Rs. 176 Crores, reflected a growth of 30% year on year

### **Asset Management:**

- Strong revival across asset classes with 28% year on year growth in closing domestic assets under management, to Rs. 2,59,422 Crore
- Overall domestic average asset under management (AAUM) grew by 9% year on year, to Rs. 2,69,278 Crore and domestic equity AAUM grew by 11% year on year, to Rs. 96,934 Crore
- Domestic equity mix expanded to 36%
- Continued focus on building retail customer franchise with Rs. 1,26,982 Crore AAUM in retail AUM with 7.1 million folios
- The profit before tax was at Rs. 696 Crore, with PBT/AUM moving up year on year to 28 bps from 26 bps in the previous year

## **Insurance:**

- Total gross premium of life insurance and health insurance grew 25% year on year, to Rs. 11,076 Crore in FY21

### ***Life Insurance business:***

- Individual First Year Premium (FYP) grew 14% year on year, to Rs. 1,938 Crore in FY21, significantly ahead of the growth of private players at 8% in the same period
- Group new business premium grew 34% year on year, to Rs. 2,488 Crore in FY21, while industry grew 4%, in the same period
- Renewal premium grew 20% year on year, to Rs. 5,212 Crore in FY21, out of which 65% has been collected digitally
- Consistent improvement in 13<sup>th</sup> month persistency to 83.7%
- Sharp reduction in Opex to premium ratio from 15.9% in FY20 to 13.9% in FY21
- Highest ever Net VNB margin, expanding by 370 bps year on year to 10.6% in FY21
- Embedded value at Rs. 6,441 Crore, growing by 24.2% year on year

### ***Health Insurance business:***

- Fastest growing health insurance company with gross written premium at Rs. 1,301 Crore in FY21; grew 49% year on year, ahead of industry growth of 32% for Standalone Health Insurers
- Retail business contributed 72% of total business
- Covering 13.4 million lives out of which over 9.8 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 120% in FY21, vis-à-vis 134% in FY20; Q4 combined ratio at 107% reflecting improving profitability
- Robust digital enablement with 98% digital issuance in FY21 and digital renewals at 92%

## **Other businesses:**

- Profit before tax grew 88%, year on year, to Rs. 130 Crore, from Rs. 69 Crore
  - General Insurance broking profit before tax grew 68% year on year to Rs. 71 Crore
  - ARC platform AUM at Rs. 2,400 Crore and profit before tax grew 52% year on year to Rs. 37 Crore
  - Stock and securities broking business profit before tax grew 36% year on year, to Rs. 22 Crore

## **Going forward:**

- **Driving customer value**
  - Focus on maximising value of existing active customer base of 24 Million and other relevant databases of size through partnerships
- **Leveraging digital, data and analytics across the platform**
  - Leveraging technology and analytics to grow revenue, improve customer experience, optimise cost and build robust, scalable systems

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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 22,500 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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***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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### **Aditya Birla Capital Limited**

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