



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

- Consolidated¹ Revenue at Rs. 5,961 Crore (up 22% year on year)
- Consolidated Net Profit at Rs. 377 Crore (up 43% year on year)
- Delivered highest ever consolidated quarterly profit with strong growth across businesses
- Active customer base at 28 million (grew 42% year on year) aided by focus on granular retail growth across all businesses
- Continuing track record of consistent growth in profit delivery, backed by the diversified business model and synergies
- Businesses leveraging partnerships and branch expansion to drive customer acquisition and growth at scale

| Consolidated Results (₹ Crore) | (₹ Crore) Quarter 2 | | |
|--|------------------------|-------|-------|
| | FY 21 | FY 22 | |
| Particulars | | | |
| Revenue ¹ | 4,885 | 5,961 | ↑ 22% |
| Profit after Tax (after minority interest) | 264 | 377 | ↑ 43% |

Mumbai, 1st Nov 2021: Aditya Birla Capital Limited (“The Company”) announced its unaudited financial results for the quarter and half year ended 30th September 2021.

The Consolidated¹ Revenue of the Company for Q2 FY22 grew 22% year on year to Rs. 5,961 Crore. The Company, through its subsidiaries, continues to maintain its track record of delivering strong performance through market and macroeconomic cycles, backed by its diversified business model. The consolidated profit after tax (after minority interest) grew 43% year on year, to Rs. 377 Crore, the highest level ever recorded by the company.

The Company’s focus in building scale, growing its retail base and delivering consistent profitability, continues to yield results. The retailisation strategy has led to the active customer base growing to ~ 28 million, a 42% year on year growth. The scale is evidenced with overall AUM across asset management, life insurance and health insurance businesses growing 24% year on year, to over Rs. 3,70,290 Crore. The overall lending book (NBFC and Housing Finance) at Rs. 59,060 Crore shows the scale of the lending businesses. The gross premium (across Life and Health Insurance) for the half year grew 25% year on year to Rs. 5,685 Crore, reflecting the scale in insurance businesses.

The Q2 FY22 performance highlights of the key subsidiaries of Aditya Birla Capital Limited as under:

Lending:

- Overall lending book (NBFC and Housing) was at Rs. 59,060 Crore
- Strong funding access and amongst best cost of borrowing in the industry
- Raised over Rs. 6,000 Crore of long-term funds in H1 FY22
- Strong focus on retailisation with total customer base at over 1 million and the combine of retail, SME and HNI segments accounting for 66% of the total lending 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:

- Overall loan book grew to Rs. 47,733 Crore, reflecting a 5% year on year growth; the Retail, SME and HNI loan book grew 19% year on year, leading to its contribution in the overall book increasing to 59% in Sep '21, vis-à-vis 52% in the previous year
- Strong momentum in gross disbursement at Rs. 4,951 Crore in Q2 FY22, up 1.9 times year on year
- The Digital Ecosystem continues to build strong customer acquisition momentum and acquired over 1.4 million customers in H1 FY22. Digital ecosystem also contributed ~27% sourcing mix in the quarter within the retail segment.
- Highest ever net interest margin at 6.23%, expanding by 91 bps year on year, led by growth in retail and SME segments and lower cost of borrowing
- Profit before tax at Rs. 387 Crore, reflecting a growth of 59%, year on year
- Strong growth in return on assets at 2.4%, compared to 1.6% a year ago
- Gross Stage 3 maintained at 3.64% quarter on quarter

Housing Finance business:

- Loan book at Rs. 11,327 Crore, with 95% retail mix
- Rebound in gross disbursal at Rs. 974 Crore, grew 40% year on year; affordable mix contributed 57% of disbursement
- Affordable book mix at 33%, against 21% in the previous year
- Highest ever net interest margin at 4.32%, expanded by 99 bps, year on year
- Profit before tax at Rs. 66 Crore, a growth of 45% over the previous year.
- Strong return on assets at 1.8%, compared to 1.2% in the previous year

Asset Management:

- Strong growth in assets under management with AAUM at Rs. 3,12,025 Crore AUM, growing by 25% year on year
- Overall domestic average assets under management (AAUM) grew by 26% year on year, to Rs. 3,00,289 Crore and domestic equity AAUM grew by 41% year on year, to Rs. 1,16,151 Crore
- Domestic equity mix expanded to 39% of AUM compared to 34% in the previous year
- Continued focus on building retail customer franchise with 7.3 million folios, adding 0.6 million folios in H1 FY22
- Individual AUM grew 29% year on year, to Rs. 1,43,068 Crore; Individual mix at 47% of total AUM
- Profit before tax at Rs. 230 Crore, reflecting a 41% year on year growth
- PBT/AUM moved up to 30.5 bps from 27.3 bps in the previous year

Insurance:

- Total gross premium of life insurance and health insurance grew 25% year on year, to Rs. 5,685 Crore in H1 FY22

Life Insurance business:

- Individual First Year Premium (FYP) for Q2 FY22 grew 27% year on year, to Rs. 553 Crore, ahead of industry growth of 21% in Q2 FY22
- Group business for Q2 FY22 grew 68% year on year, to Rs. 1,042 Crore, significantly ahead of industry growth of 7% in Q2 FY22

- Renewal premium grew 31% year on year, to Rs. 2,597 Crore in H1 FY22, out of which 73% has been collected digitally
- Consistent improvement in 13th month persistency to 83%
- Net VNB margin for Q2 FY22 expanded by 637 bps, year on year, to 12.5%
- Profit before tax for Q2 FY22 grew 19% year on year, to Rs. 50 Crore

Health Insurance business:

- Gross written premium for Q2 FY22 at Rs. 396 Crore; grew 30% year on year, with retail contributing 68% of total business
- Business now covering 16 million lives, out of which over 12 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, at 110% (normalized for COVID claims), vis-à-vis 129% in previous year;
- Robust digital enablement with 98% policies issued digitally

Other businesses:

- Profit before tax for the other businesses for Q2 FY22 grew 49% year on year to Rs. 47 Crore, from Rs. 32 Crore in the previous year
 - General Insurance broking profit before tax for Q2 FY22 grew 49% year on year, to Rs. 24 Crore
 - ARC platform AUM was at Rs. 2,533 Crore and profit before tax for Q2 FY22 grew 27% year on year, to Rs. 12 Crore
 - Stock and Securities broking business profit before tax for Q2 FY22 grew 48% year on year, to Rs. 9 Crore

Going forward:

- Focus on maximising value of active customer base of 28 million while looking to continue to drive customer acquisition at scale
- Leveraging technology and analytics to grow revenue per customer, improve customer experience, optimise costs, and build robust and scalable systems
- Delivery of target growth and profitability across businesses

About Aditya Birla Capital Limited

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 27,000 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 Limited 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.

***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

Corporate Identity Number L67120GJ2007PLC058890

Regd. Office: Indian Rayon Compound, Veraval 362 266 (Gujarat)

Corporate Office: One World Centre, Tower 1, 18th Floor, Jupiter Mills Compound,

841, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013

Follow us at : www.adityabirlacapital.com / www.twitter.com/abcapital