



Aditya Birla Capital reports highest ever quarterly profit in quarter ended 31st Dec, 2021

- Consolidated¹ Revenue at Rs. 6,054 Crore (up 13%, year on year)
- Consolidated Net Profit doubled year on year to Rs. 577 Crore
- Delivered highest ever consolidated quarterly profit with strong growth across businesses
- Active customer base at 31 million (grew 46% 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 3		
	FY 21	FY 22	
Particulars			
Revenue ¹	5,352	6,054	↑ 13%
Profit after Tax (after minority interest)	289	577	↑ 100%

Mumbai, 3rd Feb 2022: Aditya Birla Capital Limited (“The Company”) announced its unaudited financial results for the quarter and nine months ended 31st December 2021.

The Consolidated¹ Revenue of the Company for Q3 FY22 grew 13% year on year to Rs. 6,054 Crore. The consolidated profit after tax (after minority interest) doubled year on year, to Rs. 577 Crore, the highest level ever recorded by the Company. The reported consolidated PAT includes net gain of Rs. 161 Crore from sale of ~ 1% stake in the AMC business, through its IPO in October 2021.

The Company’s focus on 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 ~ 31 million, a 46% year on year growth. The scale is evidenced with overall AUM across asset management, life insurance and health insurance businesses, growing 16% year on year, to over Rs. 3,72,423 Crore. The overall lending book (NBFC and Housing Finance) grew 7% year on year, to Rs. 61,411 Crore, making it a lending portfolio of scale. The gross premium (across Life and Health Insurance) for the nine months grew 24% year on year, to Rs. 9,236 Crore, reflecting the scale in insurance businesses.

The Q3 FY22 performance highlights of the key subsidiaries of Aditya Birla Capital Limited are:

Lending:

- Overall lending book (NBFC and Housing) grew 7% year on year, to Rs. 61,411 Crore
- Strong funding access and amongst best cost of borrowing in the industry
- Raised over Rs. 7,300 Crore of long-term funds in YTD FY22
- Strong focus on retailisation with total customer base at over 2.3 million
- Retail, SME and HNI segments now account for 67% 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. 49,805 Crore, reflecting a 9% year on year growth; the Retail, SME and HNI loan book grew 24% year on year, leading to its contribution in the overall book being the highest ever at 60% in December '21, vis-à-vis 53% in the previous year
- Strong momentum in gross disbursement at Rs. 6,622 Crore in Q3 FY22, grew 55% year on year and 34% quarter on quarter; Retail, SME and HNI contributed 69% of Q3 FY22 gross disbursement
- Highest ever net interest margin at 6.24%, expanding by 100 bps year on year, led by growth in retail and SME segments and lower cost of borrowing
- Profit before tax at Rs. 385 Crore, reflecting a growth of 48%, year on year
- Strong growth in return on assets at 2.3%, compared to 1.7% a year ago

Housing Finance business:

- Loan book at Rs.11,606 Crore, with 95% retail mix
- Rebound in gross disbursal in Q3 at Rs. 1,095 Crore, with a year on year growth of 34%; the affordable housing segment contributed 50% of disbursements
- Affordable housing book mix at 35%, against 23% in the previous year
- Net interest margin at 4.21%, expanded by 75 bps, year on year
- Profit before tax at Rs. 68 Crore, a growth of 42% over the previous year
- Strong return on assets at 1.8%, compared to 1.3% in the previous year

Asset Management:

- Strong growth in assets under management with AAUM at Rs. 3,10,860 Crore AUM, growing by 16% year on year
- Overall domestic average assets under management (AAUM) grew by 17% year on year, to Rs. 2,98,763 Crore, and domestic equity AAUM grew by 39% year on year, to Rs. 1,21,962 Crore
- Domestic equity mix expanded to 41% of AUM, compared to 34% in the previous year with continued growth in SIP flows and folios (SIP monthly book at Rs. 892 Crore)
- Continued focus on building retail customer franchise with 7.6 million folios; added ~ one million folios in YTD FY22
- Individual AUM grew 15% year on year, to Rs. 1,41,432 Crore; Individual mix at 48% of total AUM
- Profit before tax at Rs. 249 Crore, reflecting a 28% year on year growth
- PBT/AUM moved up to 33.1 bps, from 30.1 bps in the previous year

Insurance:

- Total gross written premium of life insurance and health insurance grew 24% year on year, to Rs. 9,236 Crore, in YTD FY22

Life Insurance business:

- Individual First Year Premium (FYP) for Q3 FY22 grew 16% year on year to Rs. 575 Crore
- Group business for Q3 FY22 grew 16% year on year, to Rs. 848 Crore, ahead of industry growth of 7%
- Renewal premium grew 27% year on year, to Rs. 4,258 Crore in YTD FY22, out of which 74% has been collected digitally; total premium up 23% year on year to 8,066 Crore

- Consistent improvement in 13th month persistency to 84%
- Net VNB margin for Q3 FY22 expanded by 449 bps, year on year, to 16.8%
- Profit before tax for Q3 FY22 grew 12% year on year, to Rs. 40 Crore

Health Insurance business:

- Gross written premium for Q3 FY22 at Rs. 406 Crore; grew 31% year on year, with retail contributing 65% of total business
- Business now covering 17 million lives, out of which over 13 million lives are through micro and byte size products
- Business continues to build scale with focus on expenses, leading to improvement in combined ratio (normalized for COVID claims), at 113% vis-à-vis 115% in previous year
- Robust digital enablement with 97% policies issued digitally

Other businesses:

- Profit before tax for the other businesses for Q3 FY22 grew 26% year on year, to Rs. 46 Crore, from Rs. 36 Crore in the previous year
 - General Insurance broking profit before tax for Q3 FY22 at Rs. 16 Crore
 - ARC platform AUM was at Rs. 2,114 Crore and profit before tax for Q3 FY22 grew 43% year on year, to Rs. 16 Crore
 - Stock and Securities broking business profit before tax for Q3 FY22 grew 53% year on year, to Rs. 9 Crore

Going forward:

- Focus on maximising value of active customer base of 31 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 30,000 employees, the subsidiaries of ABCL have a nationwide reach with 950+ 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.*

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