



Aditya Birla Capital reports strong results for the quarter ended 31st December, 2022

- **Strong quarterly performance with accelerated growth momentum across businesses**
- **Consolidated PAT (excluding fair value and stake sale gains), grew by 27% year-on-year to Rs. 530 Crore**
- **Consolidated¹ Revenue grew 31% year on year to Rs. 7,699 Crore**
- **Added ~ 1.4 million customers during quarter with focus on granular growth across all businesses - total active customer base at ~ 43 million**
- **Launched² a comprehensive B2B platform for MSME ecosystem which will provide lending and value-added services to help MSMEs manage and grow their business**
- **Aditya Birla Capital has embarked on creating an omni-channel D2C platform to serve existing customers and acquire new customers in a seamless manner. The Board has approved formation of a separate wholly owned subsidiary for this purpose**

Consolidated Results	Rs. Crore		
	Quarter 3		
Particulars	FY 22	FY 23	
Revenue ¹	5,886	7,699	↑ 31%
Profit after Tax (after minority interest)	416	530	↑ 27%
Reported Profit after Tax ³	577	3,269	

Mumbai, 2nd February 2023: Aditya Birla Capital Limited (“The Company”) announced its unaudited financial results for the quarter and nine months ended 31st December 2022.

The Consolidated Revenue¹ of the Company grew 31%, year on year, to Rs. 7,699 Crore. The profit after tax² (after minority interest) grew 27% year on year, to Rs. 530 Crore.

The Company added ~ 1.4 million customers during Q3 FY23 taking the total customer base to ~ 43 million as of December 31, 2022. The Company opened 62 branches during Q3 FY22 taking the total branch count to 1,220 as of December 31, 2022. The Company’s branch expansion is targeted at driving penetration into tier 3 and tier 4 towns and new customer segments. The strong momentum across businesses led to a 40% year-on-year growth in the overall lending book (NBFC and HFC) to Rs. 85,869 Crore as on December 31,2022 and a 22% year-on-year growth in the gross premium (Life and Health Insurance) to Rs. 4,328 Crore in Q3 FY23.

1. Segmental Revenue: 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

2. In a closed user group. The platform will be live in next 15 days.

3. Reported PAT in Q3 FY22 includes gain (net of tax) of Rs. 161 Crore on stake sale of AMC and in Q3 FY23 includes fair value gain of Rs. 2,739 crore as Aditya Birla Health Insurance ceases to be a subsidiary and has been accounted as a joint venture post preferential allotment of equity shares to Platinum Jasmine A 2018 Trust, acting through its trustee, Platinum Owl C 2018 RSC Limited, being a wholly owned subsidiary of Abu Dhabi Investment Authority

The Company follows a 'Digital First Approach' for product innovation, direct acquisition, seamless onboarding and best-in-class service delivery. 56% of personal loan disbursements in Q3 FY23 were done digitally. 84% of customer service interactions in the NBFC business were done digitally in Q3 FY23. About 78% of life insurance renewals were done digitally and 88% of life insurance customer requests were serviced digitally in 9M FY23. In Health Insurance business, all the distributors are now onboarded digitally, and 85% business was delivered by auto-underwriting in 9M FY23.

Keeping in mind the digital first approach and to further strengthen customer propositions, the Company has embarked on creating an omni-channel D2C platform to serve existing customers and acquire new customers in a seamless manner. The Board has approved the formation of a separate wholly owned subsidiary for this purpose. Through the platform, the Company will distribute Protecting, Investing, Financing and Advising (PIFA) products of companies of Aditya Birla Capital through various touchpoints such as website, app, branch and virtual engagement in an integrated manner. This will meet the financial needs of customers and give them complete flexibility to choose the channel for interaction by providing 'One Experience' across channels. The platform will also integrate a payments stack and value-added services to enhance customer experience and brand recall.

The performance highlights of the key businesses of Aditya Birla Capital Limited are:

NBFC business:

- Overall loan book grew by 47% year-on-year to Rs. 72,994 Crore backed by 59% year-on-year growth in loans to Retail, SME and HNI customers
- Loans to retail, SME and HNI customers constitute 66% of the total loan book as on December 31, 2022
- Disbursements of Rs. 13,099 Crore in Q3 FY23 were double the disbursements in Q3 FY22. Disbursements to retail, SME and HNI customers contributed 73% of total disbursements in Q3 FY23
- Net interest margin (NIM) expanded by 41 basis points sequentially and 77 basis points year-on-year to 7.00% in Q3 FY23
- Asset quality continued to improve with gross stage 2 and 3 assets declining by 156 basis points sequentially and 491 basis points year-on-year to 6.49% as on December 31, 2022. The provision coverage ratio on gross stage 3 loans remained healthy at 49.3% as on December 31, 2022
- Profit before tax grew 40% year-on-year to Rs. 540 Crore in Q3 FY23
- Return on assets was healthy at 2.4% in Q3 FY23
- Return on equity expanded by ~ 350 bps year-on-year to 16.2% in Q3 FY23

Housing Finance business:

- Strong growth of 25% year-on-year in disbursements to Rs. 1,387 Crore across customer segments
- Loan book grew by 11% year-on-year to Rs.12,874 Crore as on December 31, 2022
- Net interest margin (NIM) expanded by 22 basis points sequentially and 106 basis points year-on-year to 5.35% in Q3 FY23
- Profit before tax grew by 16% year-on-year to Rs. 78 Crore in Q3 FY23
- Return on assets continues to remain healthy at 1.9% in Q3 FY23
- Return on equity was 13.7% in Q3 FY23, at a similar level as compared to Q3 FY22

Asset Management:

- Mutual fund quarterly average assets under management (QAAUM) was Rs. 2,81,717 Crore in Q3 FY23
- Mutual fund individual MAAUM grew by 2% quarter-on-quarter, to Rs. 1,45,821 Crore in Q3 FY23
- In line with ABSLAMC's focus, the proportion of equity in overall mutual fund QAAUM expanded to 42.6% in Q3 FY23 from 40.8% in Q3 FY22
- Monthly systematic investment plan (SIP) inflows grew by 6% year-on-year to Rs. 942 Crore in Dec 2022
- With our focus on building passive business, passive AUM was Rs. 21,619 Crore as on December 31, 2022
- Profit before tax was Rs. 223 Crore in Q3 FY23 compared to Rs. 249 Crore in Q3 FY22

Life Insurance business:

- Individual First Year Premium (FYP) grew 25% year-on-year, to Rs. 1,824 Crore in 9M FY23, significantly ahead of industry growth of 16%
- Group business grew 41% year-on-year, to Rs. 3,096 Crore in 9M FY23
- Renewal premium grew 14% year-on-year, to Rs. 4,870 Crore in 9M FY23, out of which 78% was collected digitally
- Total gross premium grew 25% year-on-year, to Rs. 10,114 Crore in 9M FY23
- Consistent improvement in 13th month persistency to 86%, compared to 84% a year ago
- Net VNB margin expanded by 430 bps year-on-year, to 15.5% in 9M FY23
- Profit before tax grew by 10% year-on-year, to Rs. 45 Crore in Q3 FY23

Health Insurance business:

- Gross written premium grew by 59% year-on-year to Rs. 1,858 Crore in 9M FY23 with retail and rural contributing 62% of total business
- Market share among standalone health insurers increased by 220 bps year-on-year to 10.4% in 9M FY23
- Business now covers 25 million lives, out of which over 19 million lives are covered through micro and byte size products
- Business continues to build scale with a focus on expenses. to the combined ratio improved from 136% in 9M FY 22 to 114% in 9M FY23
- The net loss reduced to Rs. 217 Crore in 9M FY23 from Rs. 283 Crore in 9M FY22

Other businesses:

- Profit before tax for other financial services businesses of the Company grew by 25% year-on-year to Rs. 57 Crore in Q3 FY23 from Rs. 46 Crore in Q3 FY22
 - General Insurance broking profit before tax grew by 19% year-on-year to Rs. 19 Crore in Q3 FY23
 - Stock and Securities broking business profit before tax grew by 31% year-on-year, to Rs. 12 Crore in Q3 FY23
 - Stressed assets platform's profit before tax grew 39% year-on-year to Rs. 23 Crore in Q3 FY23

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/JVs 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 34,000 employees, the businesses of ABCL have a nationwide reach with over 1200 branches, 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.

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