

Press release

Financial results – Q1 FY24

Consolidated total income : ₹ 23,280 crore ↑ 47%

Consolidated profit after tax : ₹ 1,943 crore ↑ 48%

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q1 FY24.

Details about BFS, the businesses carried by its subsidiaries, its group structure and GAAP followed, are indicated at the end of this release.

Macro-economic conditions were stable during the quarter with a higher level of business confidence. In this conducive environment, **our companies have once again delivered strong operating performance.**

- BFL recorded **highest ever quarterly increase** in its **customer franchise** of **3.84 million** and **highest ever new loans booked** of **9.94 million** in Q1 FY24. Its quarterly **consolidated profit** after tax increased by **32%** and its wholly owned subsidiary, BHFL recorded growth of **46%** in profit after tax.
- BAGIC's **gross written premium grew by 23%; excluding bulky** tender-driven crop and government health business growth was **27%**.
- BALIC recorded **growth of 15%** in individual rated new business premium.
- Consequently, **BFS' consolidated total income and profit after tax grew by 47% and 48% respectively.** Yet again it resulted in **an all-time high quarterly profit.**
- Bajaj Finserv Asset Management launched its first set of mutual fund schemes in the form of liquid and overnight funds.

1. Highlights – Q1 FY24 v/s Q1 FY23*

- | | | | |
|---|-------------------------|--------------------|--------------|
| ✓ Consolidated total income | – ₹ 23,280 crore | v/s ₹ 15,888 crore | ↑ 47% |
| ✓ Consolidated profit after tax
(see note below) | – ₹ 1,943 crore | v/s ₹ 1,309 crore | ↑ 48% |
| ✓ Bajaj Finance, consolidated profit after tax | – ₹ 3,437 crore | v/s ₹ 2,596 crore | ↑ 32% |
| ✓ General insurance, profit after tax | – ₹ 415 crore | v/s ₹ 411 crore | |
| ✓ Life insurance, net new business value (NBV)* | – ₹ 94 crore | v/s ₹ 135 crore | |

*All figures under Ind AS except for general and life insurance which are as per Indian GAAP

*NBV is the net present value of the future profits associated with new business written during the period.

Summary of consolidated results is given in **Annexure A.**

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Under Ind AS, the insurance subsidiaries have chosen to hold a large part of the equity securities portfolio as Fair Value Through Profit and Loss Account. Unrealised Mark-to-market gain/loss on investments (post tax) included in consolidated profit are explained in table.

₹ In Crore	Q1 FY24	Q1 FY23	Change YoY
Consolidated profit after tax	1,943	1,309	48%
Unrealised MTM gain/loss of insurance subsidiaries, net of tax			
Add: Unrealised MTM loss	30	283	
Consolidated profit after tax, excluding MTM gain/loss	1,973	1,592	24%

2. Performance of material subsidiaries

A synopsis of the **quarterly performance** of the individual companies is given below:

A. Bajaj Finance Limited (BFL) – Consolidated – Ind AS

- Total income for Q1 FY24 rose **35%** to ₹ **12,501 crore** v/s ₹ 9,286 crore in Q1 FY23.
- Profit after tax for Q1 FY24 **increased** by **32%** to ₹ **3,437 crore** v/s ₹ 2,596 crore in Q1 FY23 led by robust AUM growth, higher net interest income and better asset performance.

This includes profit after tax of its 100% mortgage subsidiary, BHFL, of ₹ **462 crore** in Q1 FY24 v/s ₹ 316 crore in Q1 FY23 – an **increase** of **46%**.

- Assets Under Management (AUM) as on 30 June 2023 was ₹ 270,097 crore v/s ₹ 204,018 crore as on 30 June 2022 – an **increase** of **32%**. This includes AUM of ₹ 74,124 crore of BHFL, which recorded a **growth** of **29%** over the AUM as on 30 June 2022.
- Gross NPA and Net NPA as on 30 June 2023 stood at **0.87%** and **0.31%** respectively as against 1.25% and 0.51% as on 30 June 2022. Provisioning coverage ratio on stage 3 assets is 65%. BFL holds a management and macro-economic overlay in provisions of ₹ 840 crore as on 30 June 2023.
- Capital adequacy ratio (including Tier-II capital) as on 30 June 2023 stood at **24.61%**. The Tier-I capital stood at 23.01%.

For BHFL, the capital adequacy ratio (including Tier-II capital) stood at **22.52%**.

Summary of consolidated financial results of BFL is given in **Annexure B**.

Summary of standalone financial results of BHFL is given in **Annexure C**.

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B. Bajaj Allianz General Insurance Company Limited (BAGIC) – Indian GAAP

- i) Gross written premium for Q1 FY24 **increased** by **23%** to ₹ **3,834 crore** v/s ₹ 3,119 crore in Q1 FY23.
Excluding tender-driven crop and government health insurance premium, BAGIC's gross written premium **increased** by **27%** to ₹ **3,834 crore** in Q1 FY24 from ₹ 3,009 crore in Q1 FY23.
- ii) Net earned premium for Q1 FY24 stood at ₹ **1,938 crore** v/s ₹ 1,852 crore in Q1 FY23.
- iii) Claim ratio decreased to **74.3%** in Q1 FY24 v/s 77.9% in Q1 FY23. The decrease in claim ratio is attributable to lower claims in motor and commercial lines.
- iv) Combined ratio improved to **100.7%** in Q1 FY24 v/s 104.6% in Q1 FY23.
- v) Underwriting loss stood at ₹ 42 crore for Q1 FY24 v/s loss of ₹ 61 crore in Q1 FY23.
- vi) Investment and other income (net) for Q1 FY24 stood at ₹ **597 crore** v/s ₹ 612 crore in Q1 FY23. Profit on sale of investments was lower by ₹ 120 crore (before tax) in Q1 FY24. Excluding profit on sale of investments, investment and other income (net) has risen 24%.
- vii) Profit after tax for Q1 FY24 stood at ₹ **415 crore** v/s ₹ 411 crore in Q1 FY23.
- viii) As on 30 June 2023, solvency ratio was **388%**, which is well above the minimum regulatory requirement of 150%.
- ix) Assets Under Management (AUM), represented by cash and investments as on 30 June 2023 stood at ₹ **28,611 crore** v/s ₹ 25,362 crore as on 30 June 2022 – an **increase of 13%**

Summary of financial results and key ratios is given in **Annexure D**.

C. Bajaj Allianz Life Insurance Company Limited (BALIC) – Indian GAAP

- i) Gross written premium for Q1 FY24 stood at ₹ **4,058 crore** v/s ₹ 4,369 crore in Q1 FY23. Excluding group fund business, gross written premium **increased** by **22%**.
- ii) New business premium for Q1 FY24 stood at ₹ **2,159 crore** v/s ₹ 2,917 crore in Q1 FY23
 - a) Individual rated new business premium was ₹ **1,028 crore** in Q1 FY24 v/s ₹ 895 crore in Q1 FY23 – an increase of **15%**.
 - b) Group protection new business stood at ₹ **650 crore** in Q1 FY24 v/s ₹ 574 crore in Q1 FY23 – an increase of **13%**.
 - c) Group fund new business stood at ₹ **364 crore** in Q1 FY24 v/s ₹ 1,339 crore in Q1 FY23.
- iii) Renewal premium for Q1 FY24 was ₹ **1,899 crore** v/s ₹ 1,452 crore in Q1 FY23 – an **increase of 31%**.
- iv) Shareholders' profit after tax during Q1 FY24 **stood at ₹ 155 crore** v/s ₹ 124 crore in Q1 FY23 – an **increase of 25%**.

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- v) Net new business value (NBV), which is the metric used to measure profitability of life insurance businesses was at **₹ 94 crore** in Q1 FY24 v/s ₹ 135 crore in Q1 FY23, mainly on account of adverse effect of interest rate changes and impact of product mix change.
- vi) Solvency ratio stood at a healthy **475 %** as on 30 June 2023 as against the minimum regulatory requirement of 150%.
- vii) Assets Under Management (AUM), represented by total investments stood at **₹ 95,317 crore** as on 30 June 2023 v/s ₹ 83,072 crore as on 30 June 2022 – an **increase** of **15%**.

Summary of financial results is given in **Annexure E**.

S Sreenivasan

CFO

27 July 2023

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Annexure A - Consolidated results of BFS - (Ind AS)

(₹ In Crore)		Q1 FY24	Q1 FY23	FY23
1	Income			
	Interest income	12,130.75	8,971.49	40,155.24
	Dividend income	65.38	49.96	131.62
	Rental income	1.16	1.06	4.05
	Fees and commission income	1,420.78	1,006.00	4,312.45
	Net gain/(loss) on fair value change	1,010.49	(1,673.09)	(155.51)
	Sale of energy generated and services	126.37	86.52	325.87
	Premium and other operating income from insurance business	8,202.27	7,067.15	35,913.34
	Others	322.78	379.17	1,384.18
	Total revenue from operations	23,279.98	15,888.26	82,071.24
	Other income	-	0.12	0.77
	Total income	23,279.98	15,888.38	82,072.01
2	Expenses			
	Employee benefits expenses	2,440.56	1,977.18	8,767.15
	Finance costs	4,020.41	2,563.84	12,201.42
	Fees and commission expense	1,435.39	913.17	4,238.17
	Impairment of financial instruments - lending assets	994.99	754.78	3,141.59
	Impairment of financial instruments - investments	17.86	12.96	89.39
	Claims paid	4,158.26	3,488.83	16,592.00
	Reinsurance ceded	1,429.49	1,273.07	7,027.26
	Net change in insurance / investment contract liabilities	2,203.07	(91.53)	6,628.01
	Depreciation, amortisation and impairment	202.30	157.27	677.80
	Other expenses	1,255.08	1,244.47	5,899.28
	Total expenses	18,157.41	12,294.04	65,262.07
3	Share of profit/(loss) of joint venture and associate	2.80	(0.43)	1.19
4	Profit before tax (1-2+3)	5,125.37	3,593.91	16,811.13
5	Tax expense			
	Current tax	1,581.75	1,155.35	4,695.10
	Deferred tax	(165.80)	(139.03)	(93.51)
	Total tax expense	1,415.95	1,016.32	4,601.59
6	Profit after tax (4-5)	3,709.42	2,577.59	12,209.54
7	Profit attributable to non-controlling interests	1,766.79	1,268.21	5,792.26
8	Profit for the period (6-7)	1,942.63	1,309.38	6,417.28
9	Other comprehensive income, net of tax			
	(a) Items that will not be reclassified to profit or loss	67.10	(58.18)	(29.48)
	(b) Items that will be reclassified to profit or loss	577.83	(1,211.72)	(594.58)
	Total other comprehensive income, net of tax	644.93	(1,269.90)	(624.06)
10	Total comprehensive income (6+9)	4,354.35	1,307.69	11,585.48
11	Profit attributable to:			
	Owners of the company	1,942.63	1,309.38	6,417.28
	Non-controlling interests	1,766.79	1,268.21	5,792.26
12	Total comprehensive income attributable to:			
	Owners of the company	2,412.99	383.19	5,962.23
	Non-controlling interests	1,941.36	924.50	5,623.25
13	Paid-up equity share capital (Face value of ₹ 1)	159.26	79.57	159.26
14	Other equity			46,248.08
15	Earnings per share (₹) (not annualised)			
	Basic	12.2	8.2	40.3
	Diluted	12.1	8.2	40.0

Annexure B - Summary financial results of BFL (consolidated) – (Ind-AS)

₹ In Crore	Q1 FY24	Q1 FY23	FY23
Total income	12,501	9,286	41,415
Interest expenses	4,103	2,646	12,560
Net interest income	8,398	6,640	28,855
Operating expenses	2,855	2,382	10,139
Loan losses and provisions*	995	755	3,190
Profit before tax	4,551	3,503	15,528
Profit after tax	3,437	2,596	11,508

* also referred as Impairment on financial assets

Annexure C - Summary financial results of BHFL (standalone) – (Ind-AS)

₹ In Crore	Q1 FY24	Q1 FY23	FY23
Total income	1,765	1,223	5,665
Profit after tax	462	316	1,258

Annexure D - Summary financial results of BAGIC – (Indian GAAP)

₹ In Crore	Q1 FY24	Q1 FY23	FY23
Gross written premium	3,834	3,119	15,487
Net earned premium	1,938	1,852	8,019
Underwriting result	(42)	(61)	(121)
Investment and other income (net)	597	612	1,924
Profit before tax	555	551	1,803
Profit after tax	415	411	1,348

Key ratios

Claim ratio	74.3%	77.9%	72.9%
Combined ratio	100.7%	104.6%	100.5%

Annexure E - Summary financial results of BALIC – (Indian GAAP)

₹ In Crore	Q1 FY24	Q1 FY23	FY23
New business premium	2,159	2,917	10,738
Individual rated new business premium*	1,028	895	5,214
Group protection new business premium	650	574	2,371
Group fund new business premium	364	1,339	2,653
Renewal premium	1,899	1,452	8,724
Gross written premium	4,058	4,369	19,462
Net new business value	94	135	950
Profit after tax	155	124	390

* Individual rated new business premium = 100% of Regular premium + 10% of Single premium.

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About BFS:

Bajaj Finserv Limited (BFS) is the holding company for the various financial services businesses under the Bajaj group. Its vision is to be a diversified financial services group with a pan-India presence and, thus, offer life-cycle financial solutions for its various customers. These involve: (i) asset acquisition and lifestyle enhancement through financing, (ii) asset protection through general insurance, (iii) family protection through life and health insurance, (iv) providing healthcare needs for the family, (v) offering savings products, (vi) wealth management, and (vii) retirement planning and annuities. Through these businesses that offer various attractive solutions, BFS serves millions of customers.

BFS participates in the financing business through its 52.45% holding in Bajaj Finance Limited (BFL) and in the life, general and health insurance businesses through its 74% holding in two unlisted subsidiaries, Bajaj Allianz General Insurance Company Limited (BAGIC) and Bajaj Allianz Life Insurance Company Limited (BALIC).

BFS has an 80.13% stake in Bajaj Finserv Direct Limited (BFSD), which is a digital marketplace for financial services products from loans to insurance, mutual funds, investments, lifestyle products, payments and e-commerce. The balance 19.87% is held by BFL.

Bajaj Finserv Health Limited (BFHL), which is a health tech venture seeking to create a digital preventive, personalised and pre-paid health solution is a wholly-owned subsidiary of BFS.

Bajaj Finserv Ventures Limited, Bajaj Finserv Asset Management Limited and Bajaj Finserv Mutual Fund Trustee Limited are wholly-owned subsidiaries of BFS. Bajaj Finserv Asset Management Limited is in the mutual fund business and has recently launched its new fund offerings.

Bajaj Housing Finance Limited (BHFL), which is a profitable and fast growing enterprise engaged in various aspects of housing finance and development and Bajaj Financial Securities Limited (BFinsec), which is a stockbroker that provides its clients a full suite of investment products and services in an all-in-one digital platform, are wholly-owned subsidiaries of Bajaj Finance Limited.

Both BFS and BFL are included in the benchmark BSE Sensex and Nifty 50 index of large cap stocks.

The results of these subsidiaries are reflected in the consolidated results of the Company.

As required by regulation, BFS has adopted Indian Accounting Standards (Ind AS). The insurance companies are not covered under Ind AS. They have prepared Ind AS financials only for the purpose of consolidation. Accordingly, standalone numbers relating to BAGIC and BALIC reported above are based on non-Ind AS accounting standards (Indian GAAP) as applicable to insurance companies.

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