

Press release

Financial results – Q3 FY24

Consolidated total income: ₹ 29,038 crore ↑ 33%

Consolidated profit after tax: ₹ 2,158 crore ↑ 21%

A meeting of the Board of Directors of Bajaj Finserv Limited (BFS) was held today to consider and approve the results for Q3 FY24.

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

Amidst favorable macro-economic conditions throughout the quarter, our companies have **consistently delivered strong operating performance.**

- BFL recorded **highest ever quarterly increase in the customer franchise of 3.85 million** and number of **new loans booked of 9.86 million** in Q3 FY24. Its quarterly **consolidated profit** after tax increased by **22%** while its wholly owned subsidiary, BHFL recorded growth of **31%** in profit after tax. Further, BFL's consolidated **assets under management crossed a milestone of ₹ 300,000 crore in Q3 FY24.**
- BAGIC recorded **market leading growth** in gross written premium of **19%; excluding bulky tender-driven crop and government health business growth was strong at 20%.** It continued to deliver an excellent combined ratio, despite several natural catastrophes (NATCAT) in the quarter.
- BALIC recorded **market beating growth of 24%** in individual rated new business premium and **growth of 20% in net new business value** for the quarter. Further, its **assets under management crossed a milestone of ₹ 100,000 crore in Q3 FY24.**

Consequently, **BFS' consolidated total income and profit after tax grew by 33% and 21% respectively.**

- Bajaj Finserv Asset Management Ltd. received encouraging response to its mutual fund schemes, with **assets under management (AUM) of ₹ 6,395 crore** as on 31 December 2023.

1. **Highlights – Q3 FY24 v/s Q3 FY23 ***

✓ Consolidated total income	– ₹	29,038 crore	v/s ₹ 21,755 crore	↑ 33%
✓ Consolidated profit after tax	– ₹	2,158 crore	v/s ₹ 1,782 crore	↑ 21%
<i>(See note below)</i>				
✓ Bajaj Finance, consolidated profit after tax	– ₹	3,639 crore	v/s ₹ 2,973 crore	↑ 22%
✓ General insurance, profit after tax	– ₹	287 crore	v/s ₹ 278 crore	↑ 3%
✓ Life insurance, net new business value (NBV)*	– ₹	251 crore	v/s ₹ 210 crore	↑ 20%

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Highlights – 9M FY24 v/s 9M FY23*

- ✓ Consolidated total income – ₹ **78,341 crore** v/s ₹ 58,447 crore ↑ **34%**
- ✓ Consolidated profit after tax – ₹ **6,029 crore** v/s ₹ 4,648 crore ↑ **30%**
(See note below)
- ✓ Bajaj Finance, consolidated profit after tax – ₹ **10,627 crore** v/s ₹ 8,350 crore ↑ **27%**
- ✓ General insurance, profit after tax – ₹ **1,171 crore** v/s ₹ 1,026 crore ↑ **14%**
- ✓ Life insurance, net new business value (NBV)* – ₹ **581 crore** v/s ₹ 535 crore ↑ **9%**

*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**.

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 indicated in the table below.

₹ In Crore	Q3 FY24	Q3 FY23	Change YoY	9M FY24	9M FY23	Change YoY
Consolidated profit after tax	2,158	1,782	21%	6,029	4,648	30%
Add: Unrealised MTM loss	-	-		-	261	
Less: Unrealised MTM gain	103	43		1	-	
Consolidated profit after tax, excluding MTM gain/loss	2,055	1,739	18%	6,028	4,909	23%

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

- i) Net total income for Q3 FY24 **increased** by **25%** to ₹ **9,298 crore** v/s ₹ 7,438 crore in Q3 FY23.
- ii) Profit after tax for Q3 FY24 **increased** by **22%** to ₹ **3,639 crore** v/s ₹ 2,973 crore in Q3 FY23. This includes profit after tax of its 100% mortgage subsidiary, BHFL, of ₹ **437 crore** in Q3 FY24 v/s ₹ 334 crore in Q3 FY23 – an **increase** of **31%**. While net interest margin continues to soften gradually on account of lagged effect of cost of funds increase, in Q3 FY24, elevated loan losses and impact of Regulatory action have led to profit growth being lower by approximately 5-6%.
- iii) Assets Under Management (AUM) as on 31 December 2023 were ₹ 310,968 crore v/s ₹ 230,842 crore as on 31 December 2022 – an **increase** of **35%**. This includes AUM of ₹ 85,929 crore of BHFL, which recorded a **growth** of **31%** over the AUM as on 31 December 2022.

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- iv) **Gross Non-Performing Assets (NPA) and Net NPA as on 31 December 2023 stood at 0.95% and 0.37% respectively** as against 1.14% and 0.41% as on 31 December 2022. Provisioning coverage ratio on stage 3 assets is 62%. BFL holds a management and macro-economic overlay of ₹ 590 crore as on 31 December 2023.
- v) On 2 November 2023, through Preferential Issue, BFL has allotted 15,50,000 warrants to Bajaj Finserv Limited, the promoter and holding company at a price of ₹ 7,670 per warrant, on receipt of ₹ 297.21 crore being 25% of the total consideration.
- vi) On 9 November 2023, through Qualified Institutions Placement (QIP), BFL has allotted 12,104,539 equity shares to eligible investors at a price of ₹ 7,270 per Equity Share aggregating approximately ₹ 8,800 crore.
- vii) **Capital adequacy ratio (CRAR)** (including Tier-II capital) as on 31 December 2023 increased to **23.87%**. The Tier-I capital stood at 22.80%. On 16 November 2023, Reserve Bank of India (RBI) increased risk weight on consumer credit exposure from 100% to 125% which had an impact of 290 bps on CRAR. Adjusted for this change CRAR would have been 26.77%.

For BHFL, the capital adequacy ratio (including Tier-II capital) stood at **21.92%**.

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

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

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

- i) Gross written premium for Q3 FY24 **increased** by **19%** to **₹ 4,536 crore** v/s ₹ 3,821 crore in Q3 FY23.
Excluding tender-driven crop and government health insurance premium, BAGIC's gross written premium **increased** by **20%** to **₹ 3,707 crore** in Q3 FY24 from ₹ 3,097 crore in Q3 FY23.
- ii) Net earned premium **increased** by **13%** to **₹ 2,358 crore** for Q3 FY24 v/s ₹ 2,086 crore in Q3 FY23.
- iii) Claim ratio increased to **72.9%** in Q3 FY24 v/s 72.1% in Q3 FY23. The increase in claim ratio is largely attributable to higher NATCAT claims of ₹ 79 crore, excluding which the claim ratio would have been lower at 69.5%.
- iv) Combined ratio increased to **102.9%** in Q3 FY24 v/s 100.3% in Q3 FY23. Excluding the NATCAT impact, combined ratio for Q3 FY24 stood at **99.5%**.
- v) Underwriting loss increased to ₹ 85 crore for Q3 FY24 v/s loss of ₹ 40 crore in Q3 FY23.
- vi) Investment and other income (net) for Q3 FY24 **increased** by **14%** to **₹ 469 crore** as against ₹ 413 crore in Q3 of FY23. Profit on sale of investments was lower by ₹ 26 crore (before tax) in Q3 FY24. Excluding profit on sale of investments, investment and other income (net) has shown a healthy growth of 22%.
- vii) Profit after tax for Q3 FY24 **increased** by **3%** to **₹ 287 crore** v/s ₹ 278 crore in Q3 FY23, mainly on account of NATCAT claims and lower profit on sale of investments.
- viii) As on 31 December 2023, solvency ratio was **355%**, which is well above the minimum regulatory requirement of 150%.

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- ix) Assets Under Management (AUM), represented by cash and investments as on 31 December 2023 stood at ₹ **30,296 crore** v/s ₹ 25,977 crore as on 31 December 2022 – an **increase** of **17%**.

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

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

- i) New business premium for Q3 FY24 **increased** by **12%** to ₹ **2,561 crore** v/s ₹ 2,289 crore in Q3 FY23.
- a) Individual rated new business premium was ₹ **1,553 crore** in Q3 FY24 v/s ₹ 1,255 crore in Q3 FY23 – a **strong growth** of **24%**.
- b) Group protection new business was ₹ 555 crore in Q3 FY24 v/s ₹ 605 crore in Q3 FY23.
- c) Group fund new business was ₹ **340 crore** in Q3 FY24 v/s ₹ 291 crore in Q3 FY23 – a **growth** of **17%**.
- ii) Renewal premium for Q3 FY24 stood at ₹ **2,903 crore** v/s ₹ 2,215 crore in Q3 FY23 – an **increase** of **31%**.
- iii) Consequently, gross written premium for Q3 FY24 **increased** by **21%** to ₹ **5,464 crore** v/s ₹ 4,504 crore in Q3 FY23.
- iv) Shareholders' profit after tax during Q3 FY24 **increased** by **33%** to ₹ **108 crore** v/s ₹ 81 crore in Q3 FY23.
- v) Net New Business Value (NBV), which is the key metric used to measure profitability of life insurance business, was ₹ **251 crore** in Q3 FY24 v/s ₹ 210 crore in Q3 FY23 – an **increase** of **20%**.
- vi) Solvency ratio stood at a healthy **446%** as on 31 December 2023 as against the minimum regulatory requirement of 150%.
- vii) Assets Under Management (AUM), represented by total investments stood at ₹ **104,737 crore** as on 31 December 2023 v/s ₹ 89,466 crore as on 31 December 2022 – an **increase** of **17%**.

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

S Sreenivasan

CFO

30 January 2024

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

₹ In Crore)		Q3 FY24	Q3 FY23	9M FY24	9M FY23	FY23
1	Income					
	Interest income	13,922.38	10,430.43	39,143.90	29,129.79	40,155.24
	Dividend income	25.93	18.50	135.43	102.38	131.62
	Rental income	1.23	1.02	3.46	3.04	4.05
	Fees and commission income	1,364.75	1,083.15	4,157.27	3,222.72	4,312.45
	Net gain/(loss) on fair value change	796.49	706.15	1,908.93	(128.05)	(155.51)
	Sale of energy generated and services	236.08	123.37	467.90	242.20	325.87
	Premium and other operating income from insurance business	12,308.62	9,102.50	31,488.22	24,836.92	35,913.34
	Others	382.95	290.03	1,035.96	1,037.63	1,384.18
	Total revenue from operations	29,038.43	21,755.15	78,341.07	58,446.63	82,071.24
	Other income	-	0.20	-	0.43	0.77
	Total income	29,038.43	21,755.35	78,341.07	58,447.06	82,072.01
2	Expenses					
	Employee benefits expenses	2,663.08	2,156.32	7,549.93	6,215.92	8,767.15
	Finance costs	4,776.53	3,240.78	13,246.00	8,765.85	12,201.42
	Fees and commission expense	1,783.43	1,027.12	4,872.06	2,958.46	4,238.17
	Impairment of financial instruments - lending assets	1,248.35	841.29	3,320.69	2,330.22	3,141.59
	Impairment of financial instruments - investments	(10.03)	3.78	11.04	38.86	89.39
	Claims paid	5,951.70	4,245.94	15,195.18	11,567.95	16,592.00
	Reinsurance ceded	2,821.69	1,937.79	6,709.73	5,234.02	7,027.26
	Net change in insurance / investment contract liabilities	2,535.87	2,157.57	6,568.51	4,355.11	6,628.01
	Depreciation, amortisation and impairment	232.09	171.55	643.22	497.22	677.80
	Other expenses	1,606.52	1,554.31	4,380.98	4,212.11	5,899.28
	Total expenses	23,609.23	17,336.45	62,497.34	46,175.72	65,262.07
3	Share of profit/(loss) of joint venture and associate	1.75	0.06	4.76	(0.67)	1.19
4	Profit before tax (1-2+3)	5,430.95	4,418.96	15,848.49	12,270.67	16,811.13
5	Tax expense					
	Current tax	1,342.51	1,091.87	4,489.45	3,527.89	4,695.10
	Deferred tax	43.15	26.88	(151.39)	(131.62)	(93.51)
	Total tax expense	1,385.66	1,118.75	4,338.06	3,396.27	4,601.59
6	Profit after tax (4-5)	4,045.29	3,300.21	11,510.43	8,874.40	12,209.54
7	Profit attributable to non-controlling interests	1,887.62	1,518.19	5,481.17	4,226.07	5,792.26
8	Profit for the period (6-7)	2,157.67	1,782.02	6,029.26	4,648.33	6,417.28
9	Other comprehensive income, net of tax					
	(a) Items that will not be reclassified to profit or loss	322.43	140.78	649.32	113.24	(16.22)
	(b) Items that will be reclassified to profit or loss	(145.32)	178.48	217.57	(720.87)	(607.84)
	Total other comprehensive income, net of tax	177.11	319.26	866.89	(607.63)	(624.06)
10	Total comprehensive income (6+9)	4,222.40	3,619.47	12,377.32	8,266.77	11,585.48
11	Profit attributable to:					
	Owners of the company	2,157.67	1,782.02	6,029.26	4,648.33	6,417.28
	Non-controlling interests	1,887.62	1,518.19	5,481.17	4,226.07	5,792.26
12	Total comprehensive income attributable to:					
	Owners of the company	2,283.84	2,008.89	6,654.16	4,199.08	5,962.23
	Non-controlling interests	1,938.56	1,610.58	5,723.16	4,067.69	5,623.25
13	Paid-up equity share capital (Face value of ₹ 1)	159.26	159.14	159.26	159.14	159.26
14	Other equity					46,248.08
15	Earnings per share (₹) (not annualised)					
	Basic	13.6	11.2	37.9	29.2	40.3
	Diluted	13.4	11.2	37.6	29.2	40.0

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

₹ In Crore	Q3 FY24	Q3 FY23	9M FY24	9M FY23	FY23
Interest income	12,523	9,273	35,077	25,703	35,550
Interest expenses	4,868	3,351	13,508	8,968	12,560
Net interest income	7,655	5,922	21,569	16,735	22,990
Other operating income	1,643	1,516	4,972	4,346	5,865
Net total income	9,298	7,438	26,541	21,081	28,855
Operating expenses	3,156	2,585	9,021	7,484	10,139
Pre-provisioning operating profit	6,142	4,853	17,520	13,597	18,716
Loan losses and provisions*	1,248	841	3,321	2,330	3,190
Profit before tax	4,896	4,012	14,204	11,267	15,528
Profit after tax	3,639	2,973	10,627	8,350	11,508

*also referred as Impairment on financial assets

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

₹ In Crore	Q3 FY24	Q3 FY23	9M FY24	9M FY23	FY23
Net interest income	645	549	1,882	1,491	2,058
Profit after tax	437	334	1,350	956	1,258

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

₹ In Crore	Q3 FY24	Q3 FY23	9M FY24	9M FY23	FY23
Gross written premium	4,536	3,821	15,668	11,721	15,487
Net earned premium	2,358	2,086	6,545	6,029	8,019
Underwriting result	(85)	(40)	(90)	(119)	(121)
Investment and other income (net)	469	413	1,655	1,493	1,924
Profit before tax	384	373	1,565	1,374	1,803
Profit after tax	287	278	1,171	1,026	1,348

Key ratios

Claim ratio	72.9%	72.1%	75.1%	75.1%	72.9%
Combined ratio	102.9%	100.3%	99.3%	101.5%	100.5%

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

₹ In Crore	Q3 FY24	Q3 FY23	9M FY24	9M FY23	FY23
New business premium	2,561	2,289	7,541	7,441	10,738
Individual rated new business premium*	1,553	1,255	3,996	3,222	5,214
Group protection new business premium	555	605	1,641	1,696	2,371
Group fund new business premium	340	291	1,513	2,149	2,653
Renewal premium	2,903	2,215	7,319	5,587	8,724
Gross written premium	5,464	4,504	14,860	13,028	19,462
Net new business value	251	210	581	535	950
Profit after tax	108	81	457	364	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 an unregistered Core Investment Company (CIC) under the RBI regulations 2020 and 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 and employers, (v) offering savings and wealth management solutions through life insurance and mutual funds, and (vi) retirement planning and annuities which are part of the life insurance business. Through these businesses that offer various attractive solutions, BFS serves crores of customers.

BFS participates in the financing business through its 51.42% 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 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 offers a host of innovative investment products and solutions.

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 indexes 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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