

Press release

Financial results – Q1 FY25

A meeting of the Board of Directors of Bajaj Finserv Limited (BFS) was held today to consider and approve the results for Q1 FY25.

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

1. **Highlights – Q1 FY25 v/s Q1 FY24 ***

✓ Consolidated total income	– ₹ 31,480 crore	v/s ₹ 23,280 crore	↑ 35%
✓ Consolidated profit after tax (See note below)	– ₹ 2,138 crore	v/s ₹ 1,943 crore	↑ 10%
✓ Bajaj Finance, consolidated profit after tax	– ₹ 3,912 crore	v/s ₹ 3,437 crore	↑ 14%
✓ General insurance, profit after tax	– ₹ 576 crore	v/s ₹ 415 crore	↑ 39%
✓ Life insurance, net new business value (NBV)*	– ₹ 104 crore	v/s ₹ 94 crore	↑ 11%

**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*

Q1 FY25 was a strong quarter for growth across all our major businesses. Risk metrics, however, varied across segments and our companies focused on balancing risk with growth.

Finance and insurance businesses

- BAGIC recorded **market leading growth of 24%** in gross written premium to ₹ **4,761 crore**; **excluding bulky** tender-driven crop and government health business growth was **strong** at **22%**. Its **profit** after tax **increased by 39%**.
- BFL recorded **increase in the customer franchise** of **4.47 million** and number of **new loans booked** of **10.97 million** in Q1 FY25. Its quarterly **consolidated profit** after tax **increased** by **14%**, while its wholly owned subsidiary, BHFL recorded growth of 5% in profit after tax.
- BALIC continues to record **market beating growth of 26%** in individual rated new business premium and **growth of 11% in net new business value**.

Emerging businesses

- BFS continues to grow its emerging businesses which include Bajaj Finserv Health, Bajaj Finserv Direct, Bajaj Finserv Asset Management and Bajaj Finserv Ventures. Losses from these businesses have increased but are as planned.
- Bajaj Finserv Health completed the acquisition of Vidal Healthcare including TPA after receipt of necessary approvals. The integration and upgrading of technology, policies and other aspects of business is in progress.
- Bajaj Finserv Asset Management recorded assets under management (**AUM**) of ₹ **12,053 crore** as on 30 June 2024.

BAJAJ FINSERV LIMITED

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

Notes on consolidated profit after tax

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. Unrealised Mark-to-market gain/loss on investments (post tax) included in consolidated profit are indicated in the table below.

₹ In Crore	Q1 FY25	Q1 FY24	YoY % change
Consolidated profit after tax	2,138	1,943	10%
Add: Unrealised MTM (gain)/loss	(16)	30	
Consolidated profit after tax, excluding MTM gain/loss	2,122	1,973	8%

- In previous year, Bajaj Finance, the subsidiary of BFS, had raised capital through qualified institutions placement (QIP). Post this, BFS shareholding in BFL is reduced to 51.34% from 52.49%.
- Cumulative losses from emerging businesses; Bajaj Finserv Health, Bajaj Finserv Direct and Bajaj AMC were ₹ 119 crore as against ₹ 82 crore in Q1 FY24.
- In Q1 FY24, Bajaj Housing Finance (BHFL) had a one-time deferred tax liability reversal of ₹ 73 crore; impacting consolidated profit by ₹ 38 crore.

Together, these items reduced YoY % change in the consolidated profit after tax by 7% for Q1 FY25.

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

- The Company resumed sanction and disbursal of loans under 'eCOM' and 'Insta EMI Card' and issuance of EMI cards after the RBI removed the restrictions on these businesses on 2 May 2024.
- Net total income for Q1 FY25 **increased by 24%** to ₹ **10,418 crore** v/s ₹ 8,397 crore in Q1 FY24.
- Profit after tax for Q1 FY25 **increased by 14%** to ₹ **3,912 crore** v/s ₹ 3,437 crore in Q1 FY24. Loan loss provisions increased to ₹ 1,685 crore v/s ₹ 995 crore in Q1 FY24.
Profit after tax of its 100% mortgage subsidiary, BHFL, was ₹ **483 crore** in Q1 FY25 v/s ₹ 462 crore in Q1 FY24 – an increase of 5% due to deferred tax adjustment in Q1 FY24.
- Assets Under Management (AUM) as on 30 June 2024 were ₹ 354,192 crore v/s ₹ 270,097 crore as on 30 June 2023 – an **increase of 31%**. This includes AUM of ₹ 97,071 crore of BHFL, which recorded a **growth of 31%** over the AUM as on 30 June 2023.
- Gross Non-Performing Assets (NPA) and Net NPA** as on 30 June 2024 stood at **0.86%** and **0.38%** respectively as against 0.87% and 0.31% as on 30 June 2023. Provisioning coverage ratio on stage 3 assets is 56%.

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vi) **Capital adequacy ratio (CRAR)** (including Tier-II capital) as on 30 June 2024 stood at 21.65%. The Tier-I capital was at 20.73%.

For BHFL, the capital adequacy ratio (including Tier-II capital) increased to **23.82%**.

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 Q1 FY25 **increased by 24%** to **₹ 4,761 crore** v/s ₹ 3,834 crore in Q1 FY24.

Excluding tender-driven crop and government health insurance premium, BAGIC's gross written premium **increased by 22%** to **₹ 4,664 crore** in Q1 FY25 from ₹ 3,834 crore in Q1 FY24.

ii) Net earned premium **increased by 15%** to **₹ 2,232 crore** for Q1 FY25 v/s ₹ 1,938 crore in Q1 FY24.

iii) Claim ratio increased to **77.1%** in Q1 FY25 v/s 74.3% in Q1 FY24. The increase in claim ratio is mainly attributable to few large commercial claims.

iv) Combined ratio stood at **103.7%** in Q1 FY25 v/s 100.7% in Q1 FY24 on account of higher claim ratio and ceding of a past book which reduced the Net written premium for the quarter. On Net earned premium basis, combined ratio was below 100%.

v) Underwriting profit stood at ₹ 16 crore for Q1 FY25 v/s underwriting loss of ₹ 42 crore in Q1 FY24.

vi) Investment and other income (net) for Q1 FY25 **increased by 26%** to **₹ 754 crore** v/s ₹ 597 crore in Q1 FY24. Profit on sale of investments was higher by ₹ 92 crore (before tax) in Q1 FY25. Excluding profit on sale of investments, investment and other income (net) has grown by 15%.

vii) Aided by better underwriting results and higher profit on sale of investments, profit after tax for Q1 FY25 **increased by 39%** to **₹ 576 crore** v/s ₹ 415 crore in Q1 FY24.

viii) As on 30 June 2024, solvency ratio was **311%**, which is well above the minimum regulatory requirement of 150%.

ix) Assets Under Management (AUM), represented by cash and investments as on 30 June 2024 stood at **₹ 31,651 crore** v/s ₹ 28,611 crore as on 30 June 2023 – an **increase of 11%**.

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

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

- i) New business premium for Q1 FY25 **increased** by **18%** to **₹ 2,541 crore** v/s ₹ 2,159 crore in Q1 FY24.
 - a) Individual rated new business premium was **₹ 1,294 crore** in Q1 FY25 v/s ₹ 1,028 crore in Q1 FY24 – a **strong growth** of **26%**.
 - b) Group protection new business was ₹ 750 crore in Q1 FY25 v/s ₹ 650 crore in Q1 FY24 – a **growth** of **15%**.
 - c) Group fund new business was **₹ 346 crore** in Q1 FY25 v/s ₹ 364 crore in Q1 FY24.
- ii) Renewal premium for Q1 FY25 stood at **₹ 2,477 crore** v/s ₹ 1,899 crore in Q1 FY24 – an **increase** of **30%**.
- iii) Consequently, gross written premium for Q1 FY25 **increased** by **24%** to **₹ 5,018 crore** v/s ₹ 4,058 crore in Q1 FY24.
- iv) Shareholders' profit after tax during Q1 FY25 reduced to **₹ 97 crore** v/s ₹ 155 crore in Q1 FY24 due to new business strain, higher expense overruns and change in product mix.
- v) Net New Business Value (NBV), which is the key metric used to measure profitability of life insurance business, was **₹ 104 crore** in Q1 FY25 v/s ₹ 94 crore in Q1 FY24 – an **increase** of **11%**.
- vi) Solvency ratio stood at a healthy **399%** as on 30 June 2024 as against the minimum regulatory requirement of 150%.
- vii) Assets Under Management (AUM), represented by total investments stood at **₹ 116,966 crore** as on 30 June 2024 v/s ₹ 95,317 crore as on 30 June 2023 – an **increase** of **23%**.

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

S Sreenivasan

CFO

24 July 2024

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

(₹ In Crore)		Q1 FY25	Q1 FY24	FY24
1	Income			
	Interest income	15,521.99	12,130.75	53,793.19
	Dividend income	73.79	65.38	157.98
	Rental income	0.99	1.16	4.43
	Fees and commission income	1,553.15	1,420.78	5,435.85
	Net gain/(loss) on fair value change	1,185.83	1,010.49	2,835.81
	Sale of energy generated and services	321.75	126.37	655.12
	Premium and other operating income from insurance business	12,296.10	8,202.27	46,322.65
	Others	526.33	322.78	1,176.88
	Total revenue from operations	31,479.93	23,279.98	1,10,381.91
	Other income	0.21	-	1.09
	Total income	31,480.14	23,279.98	1,10,383.00
2	Expenses			
	Employee benefits expenses	2,894.37	2,440.56	10,360.95
	Finance costs	5,592.01	4,020.41	18,399.51
	Fees and commission expense	1,819.61	1,435.39	6,970.60
	Impairment of financial instruments - lending assets	1,684.68	994.99	4,548.61
	Impairment of financial instruments - investments	14.05	17.86	84.97
	Claims paid	6,103.11	4,158.26	21,830.26
	Reinsurance ceded	2,864.41	1,429.49	9,563.14
	Net change in insurance / investment contract liabilities	2,502.44	2,203.07	10,255.49
	Depreciation, amortisation and impairment	267.01	202.30	900.13
	Other expenses	1,772.45	1,255.08	6,102.40
	Total expenses	25,514.14	18,157.41	89,016.06
3	Share of profit/(loss) of joint venture and associates	2.41	2.80	8.09
4	Profit before tax (1-2+3)	5,968.41	5,125.37	21,375.03
5	Tax expense			
	Current tax	1,988.05	1,581.75	5,802.83
	Deferred tax	(228.92)	(165.80)	(23.16)
	Total tax expense	1,759.13	1,415.95	5,779.67
6	Profit after tax (4-5)	4,209.28	3,709.42	15,595.36
7	Profit attributable to non-controlling interests	2,071.58	1,766.79	7,447.57
8	Profit for the period (6-7)	2,137.70	1,942.63	8,147.79
9	Other comprehensive income, net of tax			
	(a) Items that will not be reclassified to profit or loss	226.25	67.10	695.42
	(b) Items that will be reclassified to profit or loss	286.10	577.83	1,357.17
	Total other comprehensive income, net of tax	512.35	644.93	2,052.59
10	Total comprehensive income (6+9)	4,721.63	4,354.35	17,647.95
11	Profit attributable to:			
	Owners of the company	2,137.70	1,942.63	8,147.79
	Non-controlling interests	2,071.58	1,766.79	7,447.57
12	Total comprehensive income attributable to:			
	Owners of the company	2,507.02	2,412.99	9,651.51
	Non-controlling interests	2,214.61	1,941.36	7,996.44
13	Paid-up equity share capital (Face value of ₹ 1)	159.53	159.26	159.41
14	Other equity			60,169.23
15	Earnings per share (₹) (not annualised)			
	Basic	13.4	12.2	51.2
	Diluted	13.3	12.1	50.7

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

₹ In Crore	Q1 FY25	Q1 FY24	FY24
Interest income	14,049	10,820	48,307
Interest expenses	5,684	4,103	18,725
Net interest income	8,365	6,717	29,582
Other operating income	2,053	1,680	6,676
Net total income	10,418	8,397	36,258
Operating expenses	3,471	2,854	12,325
Pre-provisioning operating profit	6,947	5,543	23,933
Loan losses and provisions*	1,685	995	4,631
Profit before tax	5,265	4,551	19,310
Profit after tax	3,912	3,437	14,451

*also referred as Impairment on financial assets

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

₹ In Crore	Q1 FY25	Q1 FY24	FY24
Net interest income	665	605	2,510
Profit after tax	483	462	1,731

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

₹ In Crore	Q1 FY25	Q1 FY24	FY24
Gross written premium	4,761	3,834	20,630
Net earned premium	2,232	1,938	8,884
Underwriting result	16	(42)	(166)
Investment and other income (net)	754	597	2,221
Profit before tax	770	555	2,055
Profit after tax	576	415	1,550
Claim ratio	77.1%	74.3%	73.8%
Combined ratio*	103.7%	100.7%	99.9%

* Combined ratio is calculated as per IRDAI Master Circular. Combined ratio = (Net claims incurred divided by Net earned premium) + (Expenses of management including net commission divided by Net written premium).

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

₹ In Crore	Q1 FY25	Q1 FY24	FY24
New business premium	2,541	2,159	11,494
Individual rated new business premium*	1,294	1,028	6,326
Group protection new business premium	750	650	2,315
Group fund new business premium	346	364	2,332
Renewal premium	2,477	1,899	11,549
Gross written premium	5,018	4,058	23,043
Net new business value	104	94	1,061
Profit after tax	97	155	563

* 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.

Finance and insurance businesses

BFS participates in the financing business through its 51.34% 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). Bajaj Housing Finance Limited (BHFL), which is a profitable and fast-growing enterprise engaged in various aspects of housing finance and development, is a wholly owned subsidiary of Bajaj Finance Limited.

Emerging businesses

Bajaj Finserv Health Limited (BFHL), which is a health tech venture, seeks to provide platforms for customers to manage their healthcare needs 360°, covering wellness, outpatient (OPD) and inpatient (IPD) services, is a wholly owned subsidiary of BFS. Vidal Health Insurance TPA Private Limited, which is a registered Third-Party Administrator (TPA), is a wholly owned step-down subsidiary of BFHL.

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 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 seeks to differentiate itself through a strategy built on Information, Quantitative and Behavioural edge as well as smart use of technology for its customers and distributors.

Bajaj Financial Securities Limited (BFinsec) is a stockbroker that provides its clients a full suite of investment products and services in an all-in-one digital platform, is a wholly owned subsidiary 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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