

5 November 2020

To Corporate Relations Department. BSE Limited 1 st Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Mumbai 400 001	To Corporate Listing Department. National Stock Exchange of India Ltd Exchange Plaza, 5 th Floor Plot No.C-1, G Block Bandra-Kurla Complex Bandra (East), MUMBAI 400 051
BSE Code: 532978	NSE Code: BAJAJFINSV

Subject: Submission of half-yearly communication sent to shareholders for the half-year ended 30 September 2020 under Regulation 30(2)

Dear Sir/Madam,

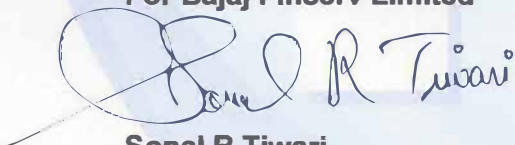
Pursuant to Regulation 30(2) read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we submit herewith a copy of the communication letter for the half-year ended 30 September 2020 as circulated to the members through electronic mode today.

The same is also placed on the Company's website <https://www.bajajfinserv.in/finserv-investor-relations-annual-reports>

Kindly take the same on record.

Thanking you,
Yours faithfully,

For Bajaj Finserv Limited



Sonal R Tiwari
Company Secretary

Encl: as above.



Bajaj Finserv Limited

BAJAJ FINSERV LIMITED
HALF YEARLY REPORT 2020-21





Dear Shareholder,

I am happy to share with you the financial results of Bajaj Finserv Ltd. (BFS) for the half year ended 30 September 2020.

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

The six months that have passed have been the most challenging in recent memory. The stoppage of economic activity as a result of the national lockdown, the moratorium on repayment of loans announced by the RBI and the stimulus measures announced by the Government and RBI to soften the impact, affected our financial services businesses. Such a confluence of events impacting almost all sectors has rarely taken place before and businesses needed to adapt

quickly to the situation and realign their priorities. For these reasons, GDP growth in Q1/2020-21 contracted sharply by 23.9% over Q1/2019-20. However, economic activity started picking up pace quite well in Q2/2020-21 as evidenced by some high frequency indicators. With visible growth being witnessed after the process of unlocking started, we are looking forward to the second half of the year with greater optimism.

Under these testing times, our businesses have focused on managing risk with a calibrated approach to growth.

Key highlights of the half year are given below:

- Our three major businesses were impacted to varying degree in terms of topline and bottomline.
- New loans booked by BFL during H1/2020-21 were 5.37 million as against 13.74 million in H1/2019-20 due to elevated risk levels requiring a prudent approach to lending. However, BFL, more than doubled new loans booked in Q2/2020-21 as compared to Q1/2020-21 on the back of improved market conditions post unlocking. BFL continued to focus on risk and collections while maintaining strong liquidity and preserving capital.
- While BAGIC's gross written premium was lower due to the decline in sales of commercial vehicles insurance, travel insurance and tenders for government health business, it was able to deliver strong improvement in its underwriting result. BAGIC also delivered its best half yearly profit after tax.

- Although the life insurance market recorded negative growth of 7%, BALIC was able to record a growth of 11% in individual rated new business premium in H1/2020-21, while delivering solid growth in New Business Value. BALIC's Net worth crossed ₹ 10,000 crore, while its Assets under Management (AUM) touched an all-time high of ₹ 64,367 crore.
- During H1/2020-21, BFS made an application to SEBI for grant of a license to set up an Asset Management Company to enter the Mutual Fund business.
- Aarogya Care, the first mobile app solution of our wholly owned subsidiary, Bajaj Finserv Health Ltd., was launched in September 2020. Bajaj Finserv Health seeks to create a digital, preventive, personalised and pre-paid health solution connecting customers with service providers such as hospitals, clinics, doctors, pharmacies, diagnostic centres and the like by offering a complete range of products including financial solutions.

Highlights of H1/2020-21 v/s H1/2019-20*

Particulars	₹ In Crore)	
	H1 2020-21	H1 2019-20
Consolidated total income	29,244	26,496
Consolidated profit after tax	2,201	2,049
Bajaj Finance, consolidated profit after tax	1,927	2,702
General insurance, profit after tax	727	504
Life insurance, shareholders' profit after tax	228	269

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

A synopsis on the performance of the individual subsidiary companies is given below:

A. Bajaj Finance Ltd. (BFL) – Consolidated- Ind AS

- Customer franchise increased by 14% to 44.11 million as of 30 September 2020.
- Assets Under Management (AUM) stood at ₹ 137,090 crore as on 30 September 2020 v/s ₹ 135,533 crore as on 30 September 2019. This includes AUM of ₹ 33,463 crore of its housing finance subsidiary, BHFL.
- Total income was ₹ 13,173 crore in H1/2020-21 v/s ₹ 12,131 crore during H1/2019-20.
- Profit after tax contracted by 29% to ₹ 1,927 crore in H1/2020-21, after taking provision on standard assets of ₹ 2,800 crore. Pre-provision profitability remains strong and is more than adequate to cover expected credit losses.
- Net NPA for H1/2020-21 stood at 0.37%. Without giving effect to Hon'ble Supreme Court's interim order of not classifying customers as NPA after 31 August 2020, net NPA would have been 0.56%.

- The capital adequacy ratio (including Tier-II capital) as of 30 September 2020 stood at 26.64%. The Company remains one of the most adequately capitalised amongst large NBFCs in India with a healthy liquidity position.

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

- Gross written premium for H1/2020-21 stood at ₹ 6,445 crore v/s ₹ 7,123 crore in H1/2019-20. Gross written premium from core business (excluding crop) for H1/2020-21 stood at ₹ 4,668 crore v/s ₹ 5,275 crore in H1/2019-20.
- Net earned premium for H1/2020-21 stood at ₹ 3,804 crore v/s ₹ 4,078 crore in H1/2019-20.
- Claims ratio reduced to 71.3% in H1/2020-21 v/s 73.9% in H1/2019-20.
- Underwriting result improved significantly with a profit of ₹ 204 crore for H1/2020-21 v/s a loss of ₹ 82 crore in H1/2019-20. The higher underwriting profit was due to the lower claim ratio and expense control measures introduced by the Company.
- Combined ratio, which measures the performance of the insurance operations, improved to 97.0% in H1/2020-21 v/s 102.8% in H1/2019-20.
- Profit after tax stood at ₹ 727 crore during H1/2020-21 v/s ₹ 504 crore in H1/2019-20 - an increase of 44%.
- Assets Under Management (AUM), represented by cash and investments as on 30 September 2020 stood at ₹ 20,626 crore v/s ₹ 18,139 crore as on 30 September 2019 - an increase of 14%.
- Solvency ratio stood at a healthy 307% as on 30 September 2020.

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

- BALIC's individual rated new business premium for H1/2020-21 was ₹ 866 crore v/s ₹ 782 crore in H1/2019-20 - an increase of 11%.
- Total new business premium for H1/2020-21 was ₹ 2,114 crore v/s ₹ 2,249 crore in H1/2019-20.
- Renewal premium for H1/2020-21 was ₹ 2,263 crore v/s ₹ 1,823 crore in H1/2019-20 - an increase of 24%.
- Gross written premium for H1/2020-21 was ₹ 4,377 crore v/s ₹ 4,072 crore in H1/2019-20 - an increase of 7%.
- Profit after tax during H1/2020-21 was ₹ 228 crore v/s ₹ 269 crore in H1/2019-20.
- Assets Under Management (AUM), represented by total investments stood at ₹ 64,367 crore as on 30 September 2020 v/s ₹ 58,273 crore as on 30 September 2019 - an increase of 10%.

- New Business Value, which is the measure used to measure profitability of life insurance businesses, increased by 103% to ₹ 61 crore in H1/2020-21.
- Solvency ratio stood at a solid 730% as on 30 September 2020.

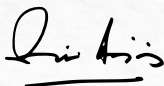
Summary of consolidated financial results is given in **Annexure A**.

Faced with COVID-19 and its impact on economic activity, the Company and its subsidiaries continue to manage through this once in a life-time situation.

The Company and its subsidiaries remain focused on profitability over growth. They are conserving cash, focusing on risk, strengthening collections, transforming processes through digitization and reducing overheads. As a result, the operating companies have strong solvency, well above the required capital as well as healthy liquidity. With signs of normalcy being evident across many sectors, all our businesses will be seeking to grow in the second half of this year and enter 2021-22 with a positive outlook.

On this optimistic note, I would like to thank you for your continued support and I wish you and your family a very happy Diwali and a prosperous New Year.

Stay safe.



Sanjiv Bajaj
Chairman & Managing Director
21 October 2020

About BFS:

Bajaj Finserv Ltd. (BFS) is the holding company for the various financial services businesses under the Bajaj group. It serves millions of customers in the financial services space by providing solutions for asset acquisition through financing, asset protection through general insurance, family protection and income protection in the form of life and health insurance and retirement and savings solutions.

BFS participates in the financing business through its 52.74% holding in Bajaj Finance Ltd. (BFL) and in the protection business through its 74% holding in two unlisted subsidiaries, Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). Bajaj Housing Finance Ltd. (BHFL), which does mortgage business, is a wholly-owned subsidiary of Bajaj Finance Ltd.

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) from 2018-19 and the previous period figures are comparable.

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.

Annexure A

The consolidated financial results include results of the following major companies:

Name of the company	% shareholding	Segment	Consolidated as
a. Bajaj Allianz Life Insurance Company Ltd.	74%	Insurance - life	Subsidiary
b. Bajaj Allianz General Insurance Company Ltd.	74%	Insurance - general	Subsidiary
c. Bajaj Finance Ltd. (including 100% interest in Bajaj Housing Finance Ltd. and Bajaj Financial Securities Ltd.)	52.74%	Retail financing	Subsidiary

Summarised unaudited consolidated financial results for the half year ended 30 September 2020:

(₹ In Crore)

Particulars	H1 2020-21	H1 2019-20	Full Year 2019-20
A. Consolidated financial results			
Total income	29,244	26,496	54,351
Total expenses	24,519	21,614	46,050
Profit before tax	4,725	4,882	8,301
Tax expense	1,184	1,406	2,308
Profit after tax	3,541	3,476	5,993
Less: Profit attributable to non-controlling interest	1,340	1,427	2,624
Profit for the period	2,201	2,049	3,369
B. Segment profit before tax			
Life insurance	750	324	40
General insurance	1,296	714	1,033
Retail finance	2,794	3,958	7,442
Investments, windpower and others	(115)	(114)	(214)
Profit before tax	4,725	4,882	8,301
C. Earnings per share (₹) (face value ₹ 5)			
	138.3	128.8	211.7



Bajaj Finserv Limited

CIN: L65923PN2007PLC130075

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