

03 November 2021

To Corporate Relations Department. BSE Limited 1 st Floor, New Trading Ring, Rotunda Building, P J Tower Dalal Street, Fort, 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

Dear Sir/Madam,

Sub: Submission of half-yearly communication sent to shareholders

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of communication on financial performance of the Company for the half year ended 30 September 2021. The same has been circulated to the members through electronic mode.

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

Kindly take the same on record.

Thanking you,

Yours sincerely,
For **Bajaj Finserv Limited**

Uma Shende
Company Secretary
Email Id- Investors@bajajfinserv.in

Encl: as above.

Bajaj Finserv Limited

**BAJAJ FINSERV
LIMITED**

**HALF
YEARLY
REPORT**
2021-22





Dear Shareholder,

“ I am happy to share with you the financial results of Bajaj Finserv Ltd. (BFS) for the half year ended 30 September 2021. ”

Sanjiv Bajaj
Chairman & Managing Director

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

Economic conditions were mixed during the past six months. During the first quarter, conditions were not favourable for growth as the second wave of COVID-19 spread across the country accompanied by localised lockdowns in many states. Sales of consumer durables and motor vehicles were affected in many states and, consequently, risk levels remained elevated in that quarter. However, economic recovery gathered momentum in Q2/2021-22 on the back of reopening of the economy in most states, rapid vaccination and continued policy support. By the end of the half year, most parts of the economy are back to pre-COVID levels of activity and the mood is one of cautious optimism.

The Company and its subsidiaries took the initiative in arranging vaccinations for employees and their families.

Under these improved circumstances, our businesses have shifted focus to growth while continuing to actively monitor and manage risk.

Key highlights of the half year are given below:

- As mentioned in my annual letter of 2020-21, our three major businesses performed well and turned the COVID-19 crisis into multiple opportunities by adapting to the changing needs and behaviour of our customers.
- New loans booked by BFL more than doubled in H1/2021-22 at 10.96 million as against 5.37 million in H1/2020-21. BFL is close to pre-pandemic levels in terms of new loans booked in Q2/2021-22 at 6.33 million over 6.47 million in Q2/2019-20.
- BAGIC recorded healthy growth of 17% in Gross Written Premium (GWP) and recorded underwriting profit of ₹ 19 crore, despite higher claims including COVID-19 related health claims. BAGIC once again delivered its best ever half yearly profit after tax.
- BALIC recorded an industry beating growth of 51% in individual rated new business premium during H1/2021-22 along with solid growth in New Business Value, the key metric of profitability for life insurance companies. BALIC's Net Worth has crossed ₹ 11,000 crore while its Assets under Management (AUM) touched an all-time high of ₹ 81,429 crore.
- The strong performance of both BAGIC and BALIC is particularly encouraging as it came in a period where both had to pay significant amounts towards COVID-19 related claims.
- During H1/2021-22, your Company received an in-principle approval from SEBI to set up an Asset Management Company to enter the Mutual Fund business. Recently, Bajaj Finserv Asset Management Ltd. and Bajaj Finserv Mutual Fund Trustee Ltd. have been incorporated for taking this forward. It would take at least another year for the asset management company to become operational after all relevant approval stages are completed.
- During H1/2021-22, your Company incorporated a wholly-owned subsidiary, Bajaj Finserv Ventures Ltd., which will focus on alternative investments including investments in start-ups and property.

Highlights of H1/2021-22 v/s H1/2020-21*

(₹ In Crore)

Particulars	H1 2021-22	H1 2020-21
Consolidated total income	31,958	29,244
Consolidated profit after tax [@]	1,955	2,201
Bajaj Finance, consolidated profit after tax	2,483	1,927
General insurance, profit after tax	788	727
Life insurance, shareholders' profit after tax	188	228

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

@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 (MTM) gain on investments (post tax) included in consolidated profit are explained below.

(₹ In Crore)

Particulars	H1 2021-22	H1 2020-21
Consolidated profit after tax	1,955	2,201
Less: Unrealised MTM gain of insurance subsidiaries included above, net of tax	130	512
Consolidated profit after tax, excluding MTM gain	1,825	1,689

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 20% to 52.80 million as of 30 September 2021.
- Assets Under Management (AUM) grew by 22% to ₹ 166,937 crore as on 30 September 2021 v/s ₹ 137,090 crore as on 30 September 2020. This includes AUM of ₹ 44,429 crore of its housing finance subsidiary, BHFL.
- Total income increased by 10% to ₹ 14,475 crore in H1/2021-22 v/s ₹ 13,170 crore during H1/2020-21.
- Profit after tax increased by 29% to ₹ 2,483 crore in H1/2021-22. Profit after tax for Q2/2021-22 increased by 53% to ₹ 1,481 crore.
- Net Non-Performing Assets (NPA) for H1/2021-22 stood at 1.10%.
- The capital adequacy ratio (including Tier-II capital) as of 30 September 2021 stood at 27.68%. 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 H1/2021-22 increased by 17% to ₹ 7,529 crore v/s ₹ 6,445 crore in H1/2020-21.
- Net earned premium for H1/2021-22 stood at ₹ 3,861 crore v/s ₹ 3,804 crore in H1/2020-21.
- Claims ratio worsened to 76.8% in H1/2021-22 v/s 71.3% in H1/2020-21, mainly due to higher COVID-19 claims.
- Underwriting result stood at a profit of ₹ 19 crore for H1/2021-22 v/s a profit of ₹ 204 crore in H1/2020-21.
- Combined ratio, which measures the performance of the insurance operations, stood at 100.5% in H1/2021-22 v/s 97.0% in H1/2020-21.
- Profit after tax increased by 8% to ₹ 788 crore during H1/2021-22 v/s ₹ 727 crore in H1/2020-21.
- Assets Under Management (AUM), represented by cash and investments stood at ₹ 24,070 crore as on 30 September 2021 v/s ₹ 20,626 crore as on 30 September 2020 – an increase of 17%.
- Solvency ratio stood at a healthy 350% as on 30 September 2021.

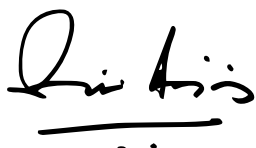
C. Bajaj Allianz Life Insurance Company Ltd. (BALIC) – Indian GAAP

- BALIC's individual rated new business premium for H1/2021-22 was ₹ 1,306 crore v/s ₹ 866 crore in H1/2020-21 - an increase of 51%.
- Total new business premium for H1/2021-22 was ₹ 3,523 crore v/s ₹ 2,114 crore in H1/2020-21 – an increase of 67%.
- Renewal premium for H1/2021-22 was ₹ 2,806 crore v/s ₹ 2,263 crore in H1/2020-21 – an increase of 24%.
- Gross written premium for H1/2021-22 was ₹ 6,329 crore v/s ₹ 4,377 crore in H1/2020-21 – an increase of 45%.
- Profit after tax during H1/2021-22 was ₹ 188 crore v/s ₹ 228 crore in H1/2020-21.
- Assets Under Management (AUM), represented by total investments stood at ₹ 81,429 crore as on 30 September 2021 v/s ₹ 64,367 crore as on 30 September 2020 – an increase of 27%.

- New Business Value, a key metric used to measure profitability of life insurance businesses, increased by strong 164% to ₹ 161 crore in H1/2021-22.
- Solvency ratio stood at a solid 626% as on 30 September 2021.

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

On this hopeful 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. The battle against COVID-19 is not completely over and I urge everyone to get vaccinated, continue wearing masks and practise social distancing as appropriate.



Sanjiv Bajaj
Chairman & Managing Director
28 October 2021

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 52.65% 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 Finserv Direct Ltd. (BFSD), which has a long term goal of creating a digital marketplace offering full range of financial products, is a subsidiary of BFS.

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

Bajaj Finserv Ventures Ltd., Bajaj Finserv Asset Management Ltd. and Bajaj Finserv Mutual Fund Trustee Ltd. are newly incorporated wholly-owned subsidiaries of BFS.

Bajaj Housing Finance Ltd. (BHFL), which does mortgage business and Bajaj Financial Securities Ltd. (BFinsec), which does broking business, are wholly-owned subsidiaries 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.)	52.65%	Retail financing	Subsidiary

Summarised unaudited consolidated financial results for the half year ended 30 September 2021

(₹ In Crore)

Particulars	H1 2021-22	H1 2020-21	Full Year 2020-21
A. Consolidated financial results			
Total income	31,958	29,244	60,592
Total expenses	27,398	24,519	50,730
Profit before tax	4,560	4,725	9,862
Tax expense	1,129	1,184	2,495
Profit after tax	3,431	3,541	7,367
Less: Profit attributable to non-controlling interest	1,476	1,340	2,897
Profit for the period	1,955	2,201	4,470
B. Segment profit before tax			
Life insurance	154	750	1,383
General insurance	1,097	1,296	2,392
Retail finance	3,550	2,794	6,387
Investments, windpower and others	(241)	(115)	(300)
Profit before tax	4,560	4,725	9,862
C. Earnings per share (₹) (face value ₹ 5)	122.8	138.3	280.9



Bajaj Finserv Limited

CIN : L65923PN2007PLC130075

Regd. Office : Mumbai-Pune Road, Akurdi, Pune 411 035

Corporate Office : Bajaj Finserv House, Viman Nagar, Pune 411 014

Website : www.bajajfinserv.in