

2 November 2017

To The 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

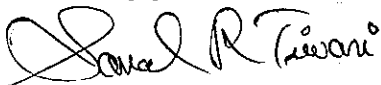
Subject: Submission of half-yearly communication sent to the shareholders Regulation 30(2)

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 sent to the shareholders for the half-year ended 30 September 2017.

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**

Bajaj Finserv Limited

**HALF
YEARLY
REPORT
2017-18**



Dear Shareholder,

I am happy to share with you the financial results of your Company for the half year ended 30 September 2017.

As you are aware, Bajaj Finserv Limited (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 Bajaj Finance Limited (BFL), a listed company, in which it had a 55.13% stake as at 30 September 2017 and in the protection business through Bajaj Allianz General Insurance Company Limited (BAGIC) and Bajaj Allianz Life Insurance Company Limited (BALIC), in both of which it has a 74% holding. During the half year, BFL completed raising of capital from Qualified Institutions Buyers, consequent to which the shareholding of BFS reduced from 57.80% to 55.13%.

During the half year ended 30 September 2017, macroeconomic conditions were sluggish. Though the Reserve Bank of India reduced interest rates by 0.25% in August, credit growth did not pick up as most banks continued to grapple with the problem of non-performing assets. Conditions overall were challenging for financial services.

I am pleased to report that despite the adverse market conditions, BFS recorded strong growth in revenue with contributions from all three businesses. I am further delighted that BFS has registered its **highest ever half yearly profit after tax** as a result of **strong performances** from **Bajaj Finance Limited** and **Bajaj Allianz General Insurance Company Limited**. Both these companies recorded their **highest ever half yearly profit after tax**.

Highlights of H1/2017-18 v/s H1/2016-17

(₹ In Crore)

Particulars	H1	H1	%
	2017-18	2016-17	Increase
Consolidated total revenue	14,105	11,150	↑ 27%
Consolidated profit after tax	1,307	1,113	↑ 17%
Bajaj Finance, profit after tax	1,159	832	↑ 39%
General insurance, profit after tax	473	366	↑ 29%
Life insurance, shareholders' profit after tax	382	446	

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

A. Bajaj Finance Limited (BFL)

- The Company's strong momentum in acquiring customers continued as it booked 70 lakh loans in H1/2017-18 compared to 47 lakh loans in H1/2016-17 – an increase of 48%.
- Assets under management stood at ₹ 72,139 crore as on 30 September 2017 v/s ₹ 60,194 crore as on 31 March 2017.
- Total revenue was ₹ 6,229 crore in H1/2017-18 v/s ₹ 4,619 crore during H1/2016-17 – an increase of 35%.
- Loan losses and provisions increased from ₹ 342 crore for H1/2016-17 to ₹ 509 crore during current half year. Net NPA for H1/2017-18 stood at 0.51%.
- Profit after tax increased by 39% to ₹ 1,159 crore for H1/2017-18 from ₹ 832 crore for H1/2016-17.
- During September 2017, BFL raised ₹ 4,500 crore of equity share capital through Qualified Institutional Placement from Qualified Institutions Buyers, at a price of ₹ 1,690 per equity share.

B. Bajaj Allianz General Insurance Company Limited (BAGIC)

- The Company's gross written premium increased by 30% to ₹ 4,830 crore for H1/2017-18 from ₹ 3,706 crore for H1/2016-17. BAGIC maintained its 2nd position amongst private sector general insurers in H1/2017-18.
- During H1/2017-18, BAGIC has written crop insurance of ₹ 1,181 crore v/s ₹ 746 crore in H1/2016-17 – an increase of 58%.
- Net earned premium for H1/2017-18 stood at ₹ 2,923 crore v/s ₹ 2,378 crore in H1/2016-17 – an increase of 23%.

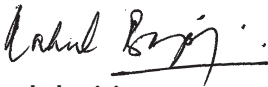
- Claims ratio improved to 68.3% in H1/2017-18 v/s 72.0% in H1/2016-17.
- Combined ratio improved to 92.0% in H1/2017-18 v/s 97.6% in H1/2016-17. The combined ratio is among the best in the General insurance industry. A combined ratio below 100% indicates the profitability of the insurance operations without considering investment income.
- Profit after tax increased by 29% to ₹ 473 crore during H1/2017-18 from ₹ 366 crore for H1/2016-17.

C. Bajaj Allianz Life Insurance Company Limited (BALIC)

- Since last year, BALIC shifted its focus towards selling more individual regular premium.
- BALIC's rated individual new business premium for H1/2017-18 was ₹ 558 crore v/s ₹ 338 crore in H1/2016-17 - an increase of 65% as against the industry growth of 25%.
- New business premium for H1/2017-18 was ₹ 1,953 crore v/s ₹ 1,393 crore in H1/2016-17 - an increase of 40%.
- Gross written premium for H1/2017-18 was ₹ 3,169 crore v/s ₹ 2,451 crore in H1/2016-17 - an increase of 29%.
- Profit after tax during H1/2017-18 was ₹ 382 crore v/s ₹ 446 crore in H1/2016-17.
- Total investments as on 30 September 2017 stood at ₹ 51,088 crore v/s ₹ 49,270 crore as on 31 March 2017.

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

On this happy note, I wish you and your family a very happy and prosperous New Year.



Rahul Bajaj

Chairman

16 October 2017

Annexure A

The consolidated financial results include results of the following companies:

Name of the company	% shareholding	Segment	Consolidated as
a. Bajaj Allianz Life Insurance Company Limited	74%	Insurance - life	Subsidiary
b. Bajaj Allianz General Insurance Company Limited	74%	Insurance - general	Subsidiary
c. Bajaj Finance Limited	55.13%	Retail financing	Subsidiary
d. Bajaj Financial Holdings Limited	100%	Others	Subsidiary
e. Bajaj Allianz Financial Distributors Limited	50%	Others	Joint venture

Summarised unaudited consolidated financial results for the half year ended 30 September 2017

Particulars	(₹ In Crore)		
	H1 2017-18	H1 2016-17	Full Year 2016-17
A. Consolidated financial results			
Total revenue	14,105	11,150	24,508
Total expenses	11,173	8,774	19,583
Profit before tax	2,932	2,376	4,925
Tax expense	909	696	1,475
Profit after tax, but before minority interest	2,023	1,680	3,450
Less: Minority interest in net income of subsidiaries	716	567	1,188
Profit after tax	1,307	1,113	2,262
B. Segment profit before tax			
Life insurance	410	487	914
General insurance	703	555	1,106
Retail finance	1,826	1,304	2,877
Investments, windpower and others	(7)	30	28
Profit before tax	2,932	2,376	4,925
C. Basic and diluted earnings per share (₹) (face value ₹ 5) (not annualised)			
	82.2	70.0	142.1



Bajaj Finserv Limited

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