

6 November 2018

<b>To</b> The Corporate Relations Department. <b>BSE Limited</b> 1 <sup>st</sup> Floor, New Trading Ring Rotunda Building, P J Tower Dalal Street, Fort, Mumbai 400 001.  <b>BSE CODE: 532978</b>	<b>To</b> Corporate Listing Department <b>National Stock Exchange of India Ltd</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No.C-1, G Block, Bandra-Kurla Complex, Bandra (East), MUMBAI 400 051.  <b>NSE CODE: BAJAJFINSV</b>
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**Subject: Submission of half-yearly communication sent to shareholders under Regulation 30(2)**

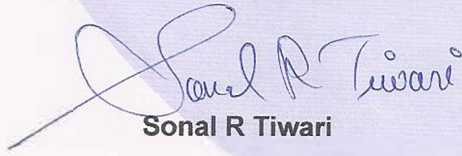
Dear Sir/Madam,

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 sent to the shareholders for the half-year ended 30 September 2018.

Kindly take the same on record.

Thanking you,  
Yours faithfully,

**For Bajaj Finserv Limited**



**Sonal R Tiwari**  
**Company Secretary**



Encl: as above.

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**Bajaj Finserv Limited**

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Corporate ID No: L65923PN2007PLC130075





## Dear Shareholder,

I am happy to share with you the financial results of your Company for the half year ended 30 September 2018.

As you are aware, 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 54.99% 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).

As required by regulation, BFS has adopted Indian Accounting Standards (Ind AS) for FY19 which require Ind AS compliant comparatives for FY18. Accordingly, figures for previous year/period have been recast and reviewed by statutory auditors as per new accounting standards. The insurance companies are not covered under Ind AS. They have prepared Ind AS financials only for the purpose of consolidation. Accordingly, for BAGIC and BALIC, standalone numbers reported below are based on non-Ind AS accounting standards (Indian GAAP) as applicable to insurance companies.

During this half-year, the Reserve Bank of India increased the repo rate by 50 basis points to 6.50%. While yields on the 10-year Government bond increased by 62 basis points, corporate bond yields across tenure moved up even higher by 90 ~ 130 basis points. Added to that, default by a large financial institution in September resulted in tightening of liquidity in the money markets. Despite this, Bajaj Finance Ltd. produced its best ever half yearly profits, crossing the important milestone of ₹ 1 lakh crore of assets under management (AUM) in the process.

The devastating floods in Kerala in August resulted in losses of approximately ₹ 63 crore for our general insurance company. What is more important is that our general insurance teams have moved in quickly to be with our customers in this time of need and are settling claims fairly and quickly.

## Highlights of H1/2018-19 v/s H1/2017-18

Particulars	(₹ In Crore)		
	H1 2018-19	H1 2017-18	% Increase
Consolidated total income	18,469	15,802	↑ 17%
Consolidated profit after tax	1,530	1,283	↑ 19%
Bajaj Finance, consolidated profit after tax	1,759	1,059	↑ 66%
General insurance, profit after tax	473	473	
Life insurance, shareholders' profit after tax	278	382	

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

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

- The Company's strong momentum in acquiring customers continued as it booked 10.9 million loans in H1/2018-19 compared to 7 million loans in H1/2017-18 – an increase of 56%.

- Assets under management crossed a milestone of ₹ 100,000 crore and stood at ₹ 100,217 crore as on 30 September 2018 v/s ₹ 72,669 crore as on 30 September 2017 – an increase of 38%.
- Total income was ₹ 8,238 crore in H1/2018-19 v/s ₹ 5,900 crore during H1/2017-18 – an increase of 40%.
- Profit after tax increased even higher by 66% to ₹ 1,759 crore for H1/2018-19 from ₹ 1,059 crore for H1/2017-18.
- Net NPA for H1/2018-19 stood at 0.53%.

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

- The Company's gross written premium from core business (excluding crop) increased by 28% to ₹ 4,662 crore for H1/2018-19 from ₹ 3,649 crore for H1/2017-18.

During H1/2018-19, BAGIC wrote lesser quantum of crop insurance of ₹ 486 crore v/s ₹ 1,181 crore in H1/2017-18, mainly due to unfavourable pricing in the Kharif Season.

Consequently, overall gross written premium (including crop) was ₹ 5,148 crore for H1/2018-19 v/s ₹ 4,830 crore for H1/2017-18 – an increase of 7%.

- BAGIC maintained its 2nd position amongst private sector general insurers in H1/2018-19.
- Net earned premium for H1/2018-19 stood at ₹ 3,292 crore v/s ₹ 2,923 crore in H1/2017-18 – an increase of 13%.
- Claims ratio improved to 67.0% in H1/2018-19 v/s 68.3% in H1/2017-18.
- Combined ratio stood at 93.8% in H1/2018-19 v/s 92.0% in H1/2017-18. The combined ratio is among the best in the General insurance industry.
- As a result of, lower crop insurance and impact of Kerala floods, profit after tax stood at ₹ 473 crore during H1/2018-19 – same as H1/2017-18.


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

- Since last few years, BALIC shifted its focus towards selling more individual regular premium, while focussing on a sustainable product mix, balancing traditional products with unit-linked products.
- BALIC's rated individual new business premium for H1/2018-19 was ₹ 629 crore v/s ₹ 558 crore in H1/2017-18 - an increase of 13%.

- New business premium for H1/2018-19 was ₹ 1,934 crore v/s ₹ 1,954 crore in H1/2017-18.
- Renewal premium for H1/2018-19 was ₹ 1,510 crore v/s ₹ 1,215 crore in H1/2017-18 – an increase of 24%.
- Gross written premium for H1/2018-19 was ₹ 3,444 crore v/s ₹ 3,169 crore in H1/2017-18 – an increase of 9%.
- Profit after tax during H1/2018-19 was ₹ 278 crore v/s ₹ 382 crore in H1/2017-18, mainly on account of lower realised gains on sale of investments.
- Total investments as on 30 September 2018 stood at ₹ 53,922 crore v/s ₹ 51,088 crore as on 30 September 2017.

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

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



Rahul Bajaj  
Chairman  
23 October 2018

## 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 Ltd.	74%	Insurance - life	Subsidiary
b. Bajaj Allianz General Insurance Company Ltd.	74%	Insurance - general	Subsidiary
c. Bajaj Finance Ltd.	54.99%	Retail financing	Subsidiary
d. Bajaj Finserv Direct Ltd. (formerly Bajaj Financial Holdings Ltd.)	100%	Others	Subsidiary
e. Bajaj Allianz Financial Distributors Ltd.	50%	Others	Joint venture

Summarised unaudited consolidated financial results for the half year ended 30 September 2018:

Particulars	₹ In Crore)		
	H1 2018-19	H1 2017-18	Full Year 2017-18
<b>A. Consolidated financial results</b>			
<b>Total income</b>	<b>18,469</b>	<b>15,802</b>	<b>32,879</b>
<b>Total expenses</b>	<b>14,668</b>	<b>12,959</b>	<b>26,781</b>
<b>Profit before tax</b>	<b>3,801</b>	<b>2,843</b>	<b>6,099</b>
Tax expense	1,282	876	1,923
<b>Profit after tax</b>	<b>2,519</b>	<b>1,967</b>	<b>4,176</b>
Less: Profit attributable to non-controlling interest	989	684	1,526
<b>Profit for the period</b>	<b>1,530</b>	<b>1,283</b>	<b>2,650</b>
<b>B. Segment profit before tax</b>			
Life insurance	345	466	820
General insurance	738	707	1,360
Retail finance	2,771	1,678	3,917
Investments, windpower and others	(53)	(8)	2
<b>Profit before tax</b>	<b>3,801</b>	<b>2,843</b>	<b>6,099</b>
<b>C. Basic and diluted earnings per share (₹) (face value ₹ 5)</b>	<b>96.1</b>	<b>80.6</b>	<b>166.5</b>



**Bajaj Finserv Limited**

CIN: L65923PN2007PLC130075

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