

BAJAJ FINANCE LIMITED

PRESS RELEASE

Financial results for Q2 FY19

- ✓ **Highest ever quarterly consolidated profit of ₹ 923 crore - a growth of 54% over Q2 FY18**
- ✓ **Assets Under Management crossed a milestone of ₹ 1,00,000 crore in Q2 FY19**
- ✓ **Deposits book crossed a milestone of ₹ 10,000 crore and stood at ₹ 10,651 crore**

A meeting of the Board of Directors of Bajaj Finance Limited (BFL) was held today to consider and approve the unaudited standalone and consolidated results for the quarter ended 30 September 2018.

Bajaj Finance Limited conducts its mortgage business through a 100% subsidiary called Bajaj Housing Finance Limited (BHFL) which is registered with National Housing Bank as a Housing Finance Company.

On 10 August 2018, the Company has acquired 100% shares of Bajaj Financial Securities Limited (BFinsec) from its wholly owned subsidiary Bajaj Housing Finance Limited. The strategy is to offer a full product suite (demat & broking) to Loan Against Securities' (LAS) clients and grow the profit pool of LAS business.

The consolidated results of the Company include the results of its wholly owned subsidiaries viz. BHFL and the newly acquired wholly owned subsidiary BFinsec.

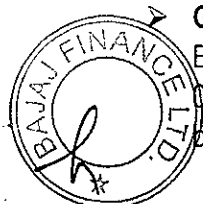
The Company has adopted **Indian Accounting Standards (Ind AS)** for FY19 with Ind AS compliant comparatives for FY18. Accordingly, figures for previous year / periods have been recast and reviewed by statutory auditors as per new accounting standards.

Highlights for Q2 FY19 versus Q2 FY18

Consolidated Assets Under Management	- ₹ 1,00,217 crore v/s ₹ 72,669 crore	↑ 38%
Consolidated profit after tax	- ₹ 923 crore v/s ₹ 598 crore	↑ 54%
Standalone Assets Under Management	- ₹ 89,876 crore v/s ₹ 72,199 crore	↑ 24%
Standalone profit after tax	- ₹ 920 crore v/s ₹ 594 crore	↑ 55%

Consolidated Performance Highlight

- **New loans booked** during Q2 FY19 **increased by 63%** to 5.26 million from 3.23 million in Q2 FY18.
- **Customer franchise** as of 30 September 2018 **increased by 31%** to 30.05 million from 22.99 million as of 30 September 2017.
- **Assets under Management (AUM)** as of 30 September 2018 **grew by 38%** to ₹ 1,00,217 crore from ₹ 72,669 crore as of 30 September 2017.
- **Total income** for Q2 FY19 was **up by 40%** to ₹ 4,296 crore from ₹ 3,066 crore in Q2 FY18.
- **Loan losses and provisions** for Q2 FY19 were ₹ 315 crore as against ₹ 221 crore in Q2 FY18.
- **Profit after tax** for Q2 FY19 **grew by 54%** to ₹ 923 crore from ₹ 598 crore in Q2 FY18.
- **Gross NPA and Net NPA**, recognized as per extant RBI prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS, as of 30 September 2018 stood at 1.49% and 0.53% respectively. The provisioning coverage ratio stood at 65%. Standard assets provisioning was 86 bps as per ECL (stage 1 & 2) provisioning under Ind AS versus 40 bps as per RBI prudential norms.



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Bajaj Finance Limited - Standalone Performance Highlight

- **Assets under Management (AUM)** as of 30 September 2018 **grew by 24%** to ₹ 89,876 crore from ₹ 72,199 crore as of 30 September 2017.
- **Total income** for Q2 FY19 was **up by 34%** to ₹ 4,093 crore from ₹ 3,058 crore in Q2 FY18.
- **Loan losses and provisions** for Q2 FY19 were ₹ 310 crore as against ₹ 220 crore in Q2 FY18.
- **Profit after tax** for Q2 FY19 **grew by 55%** to ₹ 920 crore from ₹ 594 crore in Q2 FY18.
- **Capital adequacy ratio** (including Tier-II capital) as of 30 September 2018 stood at 22.13%. The Tier-I capital stood at 17.17%.

Bajaj Housing Finance Limited - Performance Highlight

- **Assets under management (AUM)** stood at ₹ 10,712 crore as on 30 September 2018.
- **Total revenue** for Q2 FY19 was ₹ 243 crore.
- **Profit after tax** for Q2 FY19 was ₹ 9 crore
- **Capital adequacy ratio** (including Tier-II capital) as of 30 September 2018 stood at 30.49%.

A – Breakup of consolidated Assets Under Management (AUM) and Deposit book

Assets Under Management (AUM)	As of 30 September 2018			Consolidated as of 30 September 2017	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Consumer B2B	20,113	-	20,113	14,981	34%
Consumer B2C	18,684	-	18,684	12,973	44%
Rural Lending	7,439	-	7,439	4,343	71%
SME Lending	13,370	-	13,370	10,052	33%
Commercial Lending	11,760	-	11,760	8,525	38%
Mortgage Lending	18,510	10,712	28,851	21,795	32%
Total AUM	89,876	10,712	1,00,217	72,669	38%

Deposits	As of 30 September 2018			Consolidated as of 30 September 2017	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Deposits book	@10,651	-	10,651	5,517	93%

@ Approximately 15% of the overall standalone borrowings.



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B – Summary of consolidated financial results

(₹ In Crore)							
Particulars	Q2'19	Q2'18	QoQ	H1'19	H1'18	HoH	FY'18
New loans booked (No. in million)	5.26	3.23	63%	10.90	7.00	56%	15.34
Assets under Management	1,00,217	72,669	38%	1,00,217	72,669	38%	84,135
Receivables under financing activity	96,682	69,144	40%	96,682	69,144	40%	80,816
Total Income	4,296	3,066	40%	8,238	5,900	40%	12,772
Interest Expenses	1,567	1,141	37%	2,931	2,214	32%	4,622
Net Interest Income (NII)	2,729	1,925	42%	5,307	3,686	44%	8,150
Operating Expenses	979	781	25%	1,934	1,524	27%	3,272
Loan Losses and Provisions	315	221	43%	641	526	22%	1,035
Profit before tax	1,435	923	55%	2,732	1,636	67%	3,843
Profit after tax	923	598	54%	1,759	1,059	66%	2,496

C – Summary of standalone financial results

(₹ In Crore)							
Particulars	Q2'19	Q2'18	QoQ	H1'19	H1'18	HoH	FY'18
New loans booked (No. in million)	5.24	3.23	62%	10.86	7.00	55%	15.32
Assets under Management	89,876	72,199	24%	89,876	72,199	24%	80,546
Receivables under financing activity	85,970	68,674	25%	85,970	68,674	25%	77,227
Total Income	4,093	3,058	34%	7,890	5,885	34%	12,682
Interest Expenses	1,428	1,141	25%	2,723	2,213	23%	4,575
Net Interest Income (NII)	2,665	1,917	39%	5,167	3,672	41%	8,107
Operating Expenses	926	779	19%	1,811	1,522	19%	3,246
Loan Losses and Provisions	310	220	41%	631	525	20%	1,030
Profit before tax	1,429	918	56%	2,725	1,625	68%	3,831
Profit after tax	920	594	55%	1,754	1,050	67%	2,485



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D – Summary of reconciliation between consolidated profit as per previous GAAP and Ind AS

(₹ In Crore)

Particulars	Q2'19	Q2'18	H1'19	H1'18	FY'18
Profit before tax as per previous GAAP @	1,572	858	3,134	1,784	4,096
Ind AS adjustments increasing / (decreasing) profit:					
Adoption of EIR* for financial assets recognised at amortised cost	(115)	70	(335)	(116)	(197)
Adoption of EIR* for financial liabilities recognised at amortised cost	9	4	16	8	13
Expected Credit Loss	(17)	-	(54)	(13)	9
Fair value of stock options as per Ind AS 102	(22)	(12)	(39)	(21)	(45)
Actuarial loss on employee defined benefit plan recognised in 'Other comprehensive income' as per Ind AS 19	-	-	-	-	8
Gain/ (losses) on fair valuation of financial assets at fair value through profit and loss	-	3	2	(6)	(41)
Recognition of Servicing Asset on assignment transactions	8	-	8	-	-
Net profit before tax as per Ind AS	1,435	923	2,732	1,636	3,843
Tax expense (including current tax and deferred tax)	(512)	(325)	(973)	(577)	(1,347)
Net profit after tax as per Ind AS	923	598	1,759	1,059	2,496
Net profit after tax as per previous GAAP @	1,022	559	2,041	1,161	2,674

E – Summary of reconciliation between standalone profit as per previous GAAP and Ind AS

(₹ In Crore)

Particulars	Q2'19	Q2'18	H1'19	H1'18	FY'18
Profit before tax as per previous GAAP @	1,562	856	3,120	1,781	4,056
Ind AS adjustments increasing / (decreasing) profit:					
Adoption of EIR* for financial assets recognised at amortised cost	(99)	71	(305)	(115)	(182)
Adoption of EIR* for financial liabilities recognised at amortised cost	5	3	7	8	10
Expected Credit Loss	(26)	(1)	(71)	(14)	(1)
Fair value of stock options as per Ind AS 102	(20)	(12)	(35)	(21)	(45)
Actuarial loss on employee defined benefit plan recognised in 'Other comprehensive income' as per Ind AS 19	-	-	-	-	8
Gain/ (losses) on fair valuation of financial assets at fair value through profit and loss	(1)	1	1	(14)	(15)
Recognition of Servicing Assets on assignment transactions	8	-	8	-	-
Net profit before tax as per Ind AS	1,429	918	2,725	1,625	3,831
Tax expense (including current tax and deferred tax)	(509)	(324)	(971)	(575)	(1,346)
Net profit after tax as per Ind AS	920	594	1,754	1,050	2,485
Net profit after tax as per previous GAAP @	1,016	557	2,025	1,159	2,647

@ Amounts as per previous GAAP for Q2 & H1 FY19 are based on management estimates and are not reviewed by auditors.

* EIR = effective interest rate



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F – Summary of standalone financial results of Bajaj Housing Finance Limited

(₹ In Crore)

Particulars	Q2'19	Q2'18	H1'19	H1'18	FY'18
Assets under Management	10,712	470	10,712	470	3,589
Total Income	243	8	388	14	106
Interest Expenses	139	1	209	1	47
Net Interest Income (NII)	104	7	179	13	59
Operating Expenses	87	3	156	3	43
Loan Losses and Provisions	5	1	10	1	4
Profit before tax	12	4	13	10	11
Profit after tax	9	4	11	8	10

Pune
23 October 2018



For Bajaj Finance Limited

Rajeev Jain
Rajeev Jain
Managing Director