

**BAJAJ FINANCE LIMITED****PRESS RELEASE****Financial results for Q3 FY19**

- ✓ **Highest ever quarterly consolidated profit of ₹ 1,060 crore - a growth of 54% over Q3 FY18**
- ✓ **9M FY19 consolidated PAT at ₹ 2,819 crore has crossed PAT of ₹ 2,496 crore for the whole of FY18**

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 31 December 2018.

The consolidated results of the Company include the results of its wholly owned subsidiaries viz. Bajaj Housing Finance Limited and Bajaj Financial Securities Limited.

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 Q3 FY19 versus Q3 FY18**

Consolidated Assets Under Management	- ₹ 1,09,930 crore v/s ₹ 78,033 crore	↑ 41%
Consolidated profit after tax	- ₹ 1,060 crore v/s ₹ 690 crore	↑ 54%

**Consolidated Performance Highlight**

- **New loans booked during Q3 FY19 increased by 49%** to 6.77 million from 4.54 million in Q3 FY18.
- **Customer franchise as of 31 December 2018 increased by 31%** to 32.57 million from 24.81 million as of 31 December 2017.
- **Assets under Management (AUM) as of 31 December 2018 grew by 41%** to ₹ 1,09,930 crore from ₹ 78,033 crore as of 31 December 2017.

Despite tough liquidity environment, the Company has added receivables of ₹ 9,867 crore in Q3 FY19 - highest ever quarterly increase in loan receivables.

- **Total income for Q3 FY19 was up by 48%** to ₹ 4,995 crore from ₹ 3,374 crore in Q3 FY18.
- **Operating expenses to Net interest income for Q3 FY19 was at 34.9%** as against 38.9% in Q3 FY18.
- **Loan losses and provisions for Q3 FY19 were ₹ 454 crore** as against ₹ 278 crore in Q3 FY18.
- **Profit after tax for Q3 FY19 grew by 54%** to ₹ 1,060 crore from ₹ 690 crore in Q3 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 31 December 2018 stood at 1.55% and 0.62% respectively. The provisioning coverage ratio stood at 60%. Standard assets provisioning was 88 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 31 December 2018 **grew by 26%** to ₹ 96,248 crore from ₹ 76,448 crore as of 31 December 2017.
- **Total income** for Q3 FY19 was **up by 40%** to ₹ 4,673 crore from ₹ 3,348 crore in Q3 FY18.
- **Loan losses and provisions** for Q3 FY19 were ₹ 448 crore as against ₹ 277 crore in Q3 FY18.
- **Profit after tax** for Q3 FY19 **grew by 48%** to ₹ 1,023 crore from ₹ 692 crore in Q3 FY18.
- **Capital adequacy ratio** (including Tier-II capital) as of 31 December 2018 stood at 21.38%. The Tier-I capital stood at 16.80%.

## Bajaj Housing Finance Limited - Performance Highlight

- **Assets under management (AUM)** stood at ₹ 14,040 crore as on 31 December 2018.
- **Total income** for Q3 FY19 was ₹ 339 crore.
- **Profit after tax** for Q3 FY19 was ₹ 36 crore.
- **Capital adequacy ratio** (including Tier-II capital) as of 31 December 2018 stood at 22.79%.

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

Assets Under Management (AUM)	As of 31 December 2018			Consolidated as of 31 December 2017	Growth
	BFL Standalone	BHFL	BFL Consolidated		
	Consumer B2B	23,184	-		
Consumer B2C	20,642	358	21,000	14,254	47%
Rural Lending	8,841	-	8,841	5,112	73%
SME Lending	14,082	61	14,143	10,192	39%
Commercial Lending	11,876	-	11,876	9,306	28%
Mortgage Lending	17,623	13,621	30,886	22,602	37%
<b>Total AUM</b>	<b>96,248</b>	<b>14,040</b>	<b>1,09,930</b>	<b>78,033</b>	<b>41%</b>

Deposits	As of 31 December 2018			Consolidated as of 31 December 2017	Growth
	BFL Standalone	BHFL	BFL Consolidated		
	Deposits book	11,489	-		

@ Approximately 12% of the overall consolidated borrowings.



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## B – Summary of consolidated financial results

(₹ In Crore)

Particulars	Q3'19	Q3'18	QoQ	9 m'19	9 m'18	9m on 9m	FY'18
New loans booked (No. in million)	6.77	4.54	49%	17.67	11.54	53%	15.34
Assets under Management	1,09,930	78,033	41%	1,09,930	78,033	41%	84,135
Receivables under financing activity	1,06,549	74,718	43%	1,06,549	74,718	43%	80,816
Total Income	4,995	3,374	48%	13,233	9,274	43%	12,772
Interest Expenses	1,786	1,179	51%	4,717	3,393	39%	4,622
<b>Net Interest Income (NII)</b>	<b>3,209</b>	<b>2,195</b>	<b>46%</b>	<b>8,516</b>	<b>5,881</b>	<b>45%</b>	<b>8,150</b>
Operating Expenses	1,119	853	31%	3,053	2,378	28%	3,272
ECL Stage 1 & 2 provision	105	59	78%	241	106	127%	129
ECL Stage 3 Provision & write off	349	219	59%	854	698	22%	906
<b>Profit before tax</b>	<b>1,636</b>	<b>1,064</b>	<b>54%</b>	<b>4,368</b>	<b>2,699</b>	<b>62%</b>	<b>3,843</b>
<b>Profit after tax</b>	<b>1,060</b>	<b>690</b>	<b>54%</b>	<b>2,819</b>	<b>1,749</b>	<b>61%</b>	<b>2,496</b>

## C – Summary of standalone financial results

(₹ in Crore)

Particulars	Q3'19	Q3'18	QoQ	9m'19	9m'18	9m on 9m	FY'18
New loans booked (No. in million)	6.76	4.54	49%	17.65	11.54	53%	15.32
Assets under Management	96,248	76,448	26%	96,248	76,448	26%	80,546
Receivables under financing activity	92,509	73,132	26%	92,509	73,132	26%	77,227
Total Income	4,673	3,348	40%	12,563	9,233	36%	12,682
Interest Expenses	1,579	1,166	35%	4,301	3,380	27%	4,575
<b>Net Interest Income (NII)</b>	<b>3,094</b>	<b>2,182</b>	<b>42%</b>	<b>8,262</b>	<b>5,853</b>	<b>41%</b>	<b>8,107</b>
Operating Expenses	1,061	838	27%	2,873	2,359	22%	3,246
ECL Stage 1 & 2 provision	99	59	68%	226	104	117%	124
ECL Stage 3 Provision & write off	349	218	60%	853	698	22%	906
<b>Profit before tax</b>	<b>1,585</b>	<b>1,067</b>	<b>49%</b>	<b>4,310</b>	<b>2,692</b>	<b>60%</b>	<b>3,831</b>
<b>Profit after tax</b>	<b>1,023</b>	<b>692</b>	<b>48%</b>	<b>2,777</b>	<b>1,742</b>	<b>59%</b>	<b>2,485</b>



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

(₹ In Crore)

Particulars	Q3'19	Q3'18	9m'19	9m'18	FY'18
<b>Profit before tax as per previous GAAP @</b>	<b>1,832</b>	<b>1,178</b>	<b>4,966</b>	<b>2,962</b>	<b>4,096</b>
<b>Ind AS adjustments increasing / (decreasing) profit:</b>					
Adoption of EIR* for financial assets recognised at amortised cost	(147)	(90)	(482)	(207)	(197)
Adoption of EIR* for financial liabilities recognised at amortised cost	36	5	52	13	13
Expected Credit Loss	(55)	(15)	(109)	(28)	9
Fair value of stock options as per Ind AS 102	(18)	(12)	(57)	(33)	(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	(2)	3	(8)	(41)
Recognition of Servicing Asset on assignment transactions	(13)	-	(5)	-	-
<b>Net profit before tax as per Ind AS</b>	<b>1,636</b>	<b>1,064</b>	<b>4,368</b>	<b>2,699</b>	<b>3,843</b>
Tax expense (including current tax and deferred tax)	(576)	(374)	(1,549)	(950)	(1,347)
<b>Net profit after tax as per Ind AS</b>	<b>1,060</b>	<b>690</b>	<b>2,819</b>	<b>1,749</b>	<b>2,496</b>
<b>Net profit after tax as per previous GAAP @</b>	<b>1,191</b>	<b>768</b>	<b>3,231</b>	<b>1,929</b>	<b>2,674</b>

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

(₹ In Crore)

Particulars	Q3'19	Q3'18	9m'19	9m'18	FY'18
<b>Profit before tax as per previous GAAP @</b>	<b>1,792</b>	<b>1,176</b>	<b>4,912</b>	<b>2,957</b>	<b>4,056</b>
<b>Ind AS adjustments increasing / (decreasing) profit:</b>					
Adoption of EIR* for financial assets recognised at amortised cost	(134)	(86)	(440)	(201)	(182)
Adoption of EIR* for financial liabilities recognised at amortised cost	18	5	26	13	10
Expected Credit Loss	(63)	(19)	(134)	(33)	(1)
Fair value of stock options as per Ind AS 102	(16)	(12)	(51)	(33)	(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	3	2	(11)	(15)
Recognition of Servicing Assets on assignment transactions	(13)	-	(5)	-	-
<b>Net profit before tax as per Ind AS</b>	<b>1,585</b>	<b>1,067</b>	<b>4,310</b>	<b>2,692</b>	<b>3,831</b>
Tax expense (including current tax and deferred tax)	(562)	(375)	(1,533)	(950)	(1,346)
<b>Net profit after tax as per Ind AS</b>	<b>1,023</b>	<b>692</b>	<b>2,777</b>	<b>1,742</b>	<b>2,485</b>
<b>Net profit after tax as per previous GAAP @</b>	<b>1,161</b>	<b>767</b>	<b>3,186</b>	<b>1,926</b>	<b>2,647</b>

@ Amounts as per previous GAAP for Q3 & 9M FY19 are based on Management estimates and are not reviewed by auditors.

\* EIR = effective interest rate



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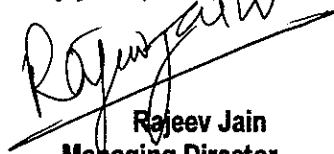
## F – Summary of standalone financial results of Bajaj Housing Finance Limited

Particulars	(₹ in Crore)				
	Q3'19	Q3'18	9m'19	9m'18	FY'18
Assets under Management	14,040	1,579	14,040	1,579	3,589
Total Income	339	25	727	40	106
Interest Expenses	207	13	416	13	47
<b>Net Interest Income (NII)</b>	<b>132</b>	<b>12</b>	<b>311</b>	<b>27</b>	<b>59</b>
Operating Expenses	76	15	231	19	44
ECL Stage 1 & 2 provision	5	0	15	2	4
ECL Stage 3 Provision & write off	1	1	2	0	0
<b>Profit before tax</b>	<b>50</b>	<b>(4)</b>	<b>63</b>	<b>6</b>	<b>11</b>
<b>Profit after tax</b>	<b>36</b>	<b>(2)</b>	<b>48</b>	<b>6</b>	<b>10</b>

Pune  
29 January 2019



For Bajaj Finance Limited

  
Rajeev Jain  
Managing Director