

PRESS RELEASE

Financial results for Q1 FY19

Highest ever quarterly consolidated profit of ₹ 836 crore - a growth of 81% over Q1 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 30 June 2018.

Bajaj Finance Limited now 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. BHFL has become fully operational effective February 2018 with all new mortgage business now being done through it. The consolidated results of the Company include the results of BHFL.

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 Q1 FY19 versus Q1 FY18

Consolidated Assets Under Management	- ₹ 93,314 crore v/s ₹ 68,945 crore	↑ 35%
Consolidated profit after tax	- ₹ 836 crore v/s ₹ 461 crore	↑ 81%
Standalone Assets Under Management	- ₹ 86,042 crore v/s ₹ 68,945 crore	↑ 25%
Standalone profit after tax	- ₹ 834 crore v/s ₹ 456 crore	↑ 83%

Consolidated Performance Highlight

- **New loans booked** during Q1 FY19 **increased by 49%** to 5.63 million from 3.77 million in Q1 FY18.
- **Customer franchise** as of 30 June 2018 **increased by 30%** to 28.28 million from 21.69 million as of 30 June 2017.
- **Assets under Management (AUM)** as of 30 June 2018 **grew by 35%** to ₹ 93,314 crore from ₹ 68,945 crore as of 30 June 2017. Adjusted for short term IPO financing book of ₹ 2,021 crore in AUM of 30 June 2017, the overall AUM **growth was 39%**.
- **Total income** for Q1 FY19 was **up by 39%** to ₹ 3,941 crore from ₹ 2,834 crore in Q1 FY18.
- **Loan losses and provisions** for Q1 FY19 were ₹ 327 crore as against ₹ 305 crore in Q1 FY18.
- **Profit after tax** for Q1 FY19 **grew by 81%** to ₹ 836 crore from ₹ 461 crore in Q1 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 June 2018 stood at 1.39% and 0.44% respectively. The provisioning coverage ratio stood at 69%. Standard assets provisioning has increased to 89 bps as a result of ECL provisioning under Ind AS versus 40 bps as per RBI prudential norms.

BAJAJ FINANCE LIMITED

Bajaj Finance Limited - Standalone Performance Highlight

- **Assets under Management (AUM)** as of 30 June 2018 grew by 25% to ₹ 86,042 crore from ₹ 68,945 crore as of 30 June 2017.
- **Total income** for Q1 FY19 was up by 34% to ₹ 3,796 crore from ₹ 2,827 crore in Q1 FY18.
- **Loan losses and provisions** for Q1 FY19 were ₹ 321 crore as against ₹ 305 crore in Q1 FY18.
- **Profit after tax** for Q1 FY19 grew by 83% to ₹ 834 crore from ₹ 456 crore in Q1 FY18.
- **Capital adequacy ratio** (including Tier-II capital) as of 30 June 2018 stood at 23.04%. The Tier-I capital stood at 17.92%.

Bajaj Housing Finance Limited - Performance Highlight

- **Assets under management (AUM)** stood at ₹ 7,272 crore as on 30 June 2018. BHFL added ₹ 3,683 crore of AUM in the quarter ended 30 June 2018.
- **Total revenue** for Q1 FY19 was ₹ 145 crore.
- **Profit after tax** for Q1 FY19 was ₹ 2 crore
- **Capital adequacy ratio** (including Tier-II capital) as of 30 June 2018 stood at 28.54%.

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

(₹ In Crore)

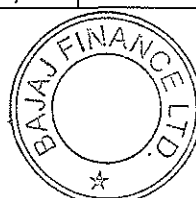
Assets Under Management (AUM)	As of 30 June 2018			Consolidated as of 30 June 2017	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Consumer B2B	19,131	-	19,131	15,114	27%
Consumer B2C	17,195	126	17,321	11,808	47%
Rural Lending	6,674	-	6,674	3,821	75%
SME Lending	12,116	17	12,133	8,571	42%
Commercial Lending	12,008	-	12,008	* 9,118	32%
Mortgage Lending	18,918	7,129	26,047	20,513	27%
Total AUM	86,042	7,272	93,314	68,945	# 35%

*Includes short term IPO financing book of ₹ 2021 crore – adjusted for this the AUM growth of commercial lending is 69%.

Adjusted for short term IPO financing book of ₹ 2,021 crore, total AUM growth is 39%.

Deposits	As of 30 June 2018			Consolidated as of 30 June 2017	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Deposit book	@9,427	-	9,427	5,095	85%

@ Approximately 14% of the overall standalone borrowings.



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B – Summary of consolidated Financial Result

Particulars	(₹ In Crore)			
	Q1'19	Q1'18	QoQ	FY'18
New loans booked (No. in million)	5.63	3.77	49%	15.34
Assets under Management	93,314	68,945	35%	84,135
Receivables under financing activity	89,904	65,184	38%	80,816
Total Income	3,941	2,834	39%	12,772
Interest Expenses	1,363	1,073	27%	4,622
Net Interest Income (NII)	2,578	1,761	46%	8,150
Operating Expenses	954	743	28%	3,272
Loan Losses and Provisions	327	305	7%	1,035
Profit before tax	1,297	713	82%	3,843
Profit after tax	836	461	81%	2,496

C – Summary of standalone Financial Result

Particulars	(₹ In Crore)			
	Q1'19	Q1'18	QoQ	FY'18
New loans booked (No. in million)	5.63	3.77	49%	15.32
Assets under Management	86,042	68,945	25%	80,546
Receivables under financing activity	82,632	65,183	27%	77,227
Total Income	3,796	2,827	34%	12,682
Interest Expenses	1,294	1,073	21%	4,575
Net Interest Income (NII)	2,502	1,754	43%	8,107
Operating Expenses	885	743	19%	3,246
Loan Losses and Provisions	321	305	5%	1,030
Profit before tax	1,296	706	84%	3,831
Profit after tax	834	456	83%	2,485



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

(₹ In Crore)			
Particulars	Q1'19	Q1'18	FY'18
Profit before tax as per previous GAAP	@ 1,562	925	4,096
<u>Ind AS adjustments increasing / (decreasing) profit:</u>			
Adoption of EIR* for financial assets recognised at amortised cost	(221)	(186)	(197)
Adoption of EIR* for financial liabilities recognised at amortised cost	8	5	13
Expected Credit Loss	(37)	(13)	9
Fair value of stock options as per Ind AS 102	(17)	(9)	(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	2	(9)	(41)
Profit before tax as per Ind AS	1,297	713	3,843
Tax expense (including current tax and deferred tax)	(461)	(252)	(1,347)
Profit after tax as per Ind AS	836	461	2,496
Profit after tax as per previous GAAP	1,018	602	2,674

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

(₹ In Crore)			
Particulars	Q1'19	Q1'18	FY'18
Profit before tax as per previous GAAP	@ 1,558	925	4,056
<u>Ind AS adjustments increasing / (decreasing) profit:</u>			
Adoption of EIR* for financial assets recognised at amortised cost	(206)	(187)	(182)
Adoption of EIR* for financial liabilities recognised at amortised cost	2	5	10
Expected Credit Loss	(45)	(13)	(1)
Fair value of stock options as per Ind AS 102	(15)	(9)	(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	2	(15)	(15)
Profit before tax as per Ind AS	1,296	706	3,831
Tax expense (including current tax and deferred tax)	(462)	(250)	(1,346)
Profit after tax as per Ind AS	834	456	2,485
Profit after tax as per previous GAAP	1,009	602	2,647

@ Profit before tax as per previous GAAP for Q1 FY19 are based on management estimates and are not reviewed by auditors.

* EIR = effective interest rate



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F – Summary of Financial Result of Bajaj Housing Finance Limited

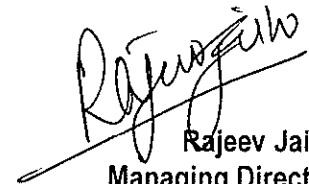
(₹ In Crore)

Particulars	Q1'19	Q1'18	FY'18
Assets under Management	7,272	0	3,589
Total Income	145	6	107
Interest Expenses	69	0	47
Net Interest Income (NII)	76	6	60
Operating Expenses	69	0	44
Loan Losses and Provisions	6	-	4
Profit before tax	1	6	12
Profit after tax	2	5	12

- The Company has been ranked as one of the “Best Companies to Work for” in India by the Great Places to Work Institute. This was the sixth year in a row that the Company received this ranking.



For Bajaj Finance Limited


Rajeev Jain
Managing Director

Pune
19 July 2018