

BAJAJ FINANCE LIMITED

PRESS RELEASE

Financial results for Q2 FY20

Highest ever quarterly consolidated profit of ₹ 1,506 crore – a growth of 63% over Q2 FY19

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 2019.

The consolidated results of BFL include the results of its wholly owned subsidiaries viz. Bajaj Housing Finance Limited (BHFL) and Bajaj Financial Securities Limited (BFinsec).

CONSOLIDATED PERFORMANCE HIGHLIGHTS

Consolidated assets under management - ₹ 135,533 crore v/s ₹ 98,013 crore **↑ 38%**
 Consolidated profit after tax - ₹ 1,506 crore v/s ₹ 923 crore **↑ 63%**

- **New loans booked** during Q2 FY20 **increased by 23%** to 6.47 million from 5.26 million in Q2 FY19.
- **Customer franchise** as of 30 September 2019 **increased by 29%** to 38.70 million from 30.05 million as of 30 September 2018.
- **Assets under management (AUM)** as of 30 September 2019 **grew by 38%** to ₹ 135,533 crore from ₹ 98,013 crore as of 30 September 2018.
- **Net Interest Income** for Q2 FY20 was **up by 48%** to ₹ 3,999 crore from ₹ 2,708 crore in Q2 FY19.
- **Total operating expenses to net interest income** for Q2 FY20 was 34.6% against 35.4% in Q2 FY19.
- **Loan losses and provisions (expected credit loss)** for Q2 FY20 was ₹ 594 crore as against ₹ 315 crore in Q2 FY19.
- **Profit after tax** for Q2 FY20 **grew by 63%** to ₹ 1,506 crore from ₹ 923 crore in Q2 FY19.

Pursuant to The Taxation Laws (Amendment) Ordinance 2019, promulgated on 20 September 2019, the Company and one of its subsidiary viz. BHFL intends to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year. Accordingly, a net benefit of ₹ 1 crore is recognised in the consolidated profit after tax for the quarter ended 30 September 2019. This was a result of the gain arising due to the reduction in income tax rate amounting to ₹ 183 crore for the quarter ended 30 June 2019 offset by a charge on account of re-measurement of deferred tax assets amounting to ₹ 182 crore.

- **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 2019 stood at 1.61% and 0.65% respectively. The provisioning coverage ratio as of 30 September 2019 was 60%. Standard assets provisioning (ECL stage 1 and 2) was 91 bps under Ind AS versus about 40 bps as per RBI and NHB prudential norms.
- **Capital adequacy ratio** (including Tier-II capital) as of 30 September 2019 stood at 19.68%. The Tier-I capital stood at 15.86%.



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A – Breakup of consolidated AUM and deposits book

(₹ In Crore)

AUM	As of 30 September 2019			Consolidated as of 30 September 2018	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Consumer B2B	25,543	-	25,543	18,884	35%
Consumer B2C	26,334	672	27,006	18,509	46%
Rural lending	11,169	-	11,169	7,190	55%
SME lending	17,789	119	17,908	13,324	34%
Commercial lending	13,415	-	13,415	11,744	14%
Mortgage lending	16,696	24,924	40,492	28,362	43%
Total AUM	110,946	25,714	135,533	98,013	38%

Deposits	As of 30 September 2019			Consolidated as of 30 September 2018	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Deposits book	17,633	-	17,633	11,014	60%

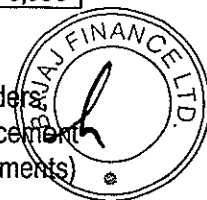
@ Approximately 15% of the consolidated borrowings and 18% of the standalone borrowings.

B – Summary of consolidated financial results

(₹ In Crore)

Particulars	Q2 FY'20	Q2 FY'19	QoQ	H1'20	H1'19	HoH	FY'19
New loans booked (number in million)	6.47	5.26	23%	13.74	10.90	26%	23.50
Assets under management	135,533	98,013	38%	135,533	98,013	38%	115,888
Receivables under financing activity	130,790	94,478	38%	130,790	94,478	38%	112,513
Interest income	5,462	3,795	44%	10,563	7,305	45%	16,349
Fees and other income	860	478	80%	1,568	906	73%	2,153
Total income	6,322	4,273	48%	12,131	8,211	48%	18,502
Interest expenses	2,323	1,565	48%	4,437	2,925	52%	6,624
Net interest income (NII)	3,999	2,708	48%	7,694	5,286	46%	11,878
Total operating expenses	1,383	958	44%	2,675	1,913	40%	4,198
Loan losses and provisions (ECL stage 1 and 2)	129	56	130%	258	150	72%	260
Loan losses and provisions (ECL stage 3 and write off)	465	259	80%	887	491	81%	1,241
Profit before tax	2,022	1,435	41%	3,874	2,732	42%	6,179
Profit after tax	1,506	923	63%	2,702	1,759	54%	3,995

- On 17 September 2019, the Board of Directors has approved, subject to the approval of shareholders, the issue of securities for an aggregate amount up to ₹ 8,500 crore through Qualified Institutional Placement to Qualified Institutional Buyers in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.



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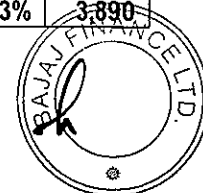
- During the quarter, the Company entered into facility agreement with various banks to avail ECB loans of USD 575 million in one or more tranches. First tranche of USD 276 million (equivalent to ₹ 1,959 crore) was drawn on 17 October 2019.
- The Company has featured among the 'Best Employers in India', 2019 by Aon Hewitt. This was the sixth year in a row that the Company received this ranking.
- During the quarter, the Company has received Economic Times Awards for 'Corporate Excellence - Company of the Year' for Bajaj Finance Limited
- During the quarter, the Company has received FE India's 'Best NBFC of the Year 2017-18' under Best Banks Awards category.

STANDALONE PERFORMANCE HIGHLIGHTS

- **Assets under management (AUM)** as of 30 September 2019 **grew by 26%** to ₹ 110,946 crore from ₹ 87,731 crore as of 30 September 2018.
- **Net interest income** for Q2 FY20 was **up by 42%** to ₹ 3,746 crore from ₹ 2,635 crore in Q2 FY19.
- **Loan losses and provisions (expected credit loss)** for Q2 FY20 was ₹ 581 crore as against ₹ 310 crore in Q2 FY19.
- **Profit after tax** for Q2 FY20 **grew by 50%** to ₹ 1,377 crore from ₹ 920 crore in Q2 FY19.

C - Summary of standalone financial results of Bajaj Finance Ltd.

Particulars	(₹ In Crore)						
	Q2' FY20	Q2' FY19	QoQ	H1 FY'20	H1 FY'19	HoH	FY'19
New loans booked (number in million)	6.45	5.24	23%	13.70	10.86	26%	23.43
Assets under management	110,946	87,731	26%	110,946	87,731	26%	98,671
Receivables under financing activity	107,915	83,825	29%	107,915	83,825	29%	95,181
Interest income	4,922	3,588	37%	9,565	6,983	37%	15,346
Fee and other income	776	473	64%	1,438	870	65%	2,055
Total income	5,698	4,061	40%	11,003	7,853	40%	17,401
Interest expenses	1,952	1,426	37%	3,750	2,716	38%	5,939
Net interest income (NII)	3,746	2,635	42%	7,253	5,137	41%	11,462
Total operating expenses	1,305	896	46%	2,526	1,781	42%	3,951
Loan losses and provisions (ECL stage 1 and 2)	125	52	140%	247	140	76%	239
Loan losses and provisions (ECL stage 3 and write off)	456	258	77%	876	491	78%	1,237
Profit before tax	1,860	1,429	30%	3,604	2,725	32%	6,035
Profit after tax	1,377	920	50%	2,501	1,754	43%	3,890



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PERFORMANCE HIGHLIGHT OF SUBSIDIARIES

Bajaj Housing Finance Limited

- **Assets under management (AUM)** stood at ₹ 25,714 crore as on 30 September 2019.
- **Net Interest Income** for Q2 FY20 was ₹ 264 crore.
- **Profit after tax** for Q2 FY20 was ₹ 130 crore
- **Capital adequacy ratio** (including Tier-II capital) as of 30 September 2019 stood at 19.95%

D - Summary of standalone financial results of Bajaj Housing Finance Limited

(₹ In Crore)

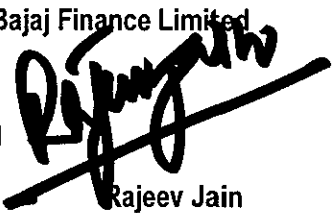
Particulars	Q2' FY20	Q2' FY19	H1' FY20	H1' FY19	FY'19
Assets under management	25,714	10,653	25,714	10,653	17,562
Receivables under financing activity	22,875	10,653	22,875	10,653	17,332
Interest income	539	204	996	319	998
Fees and other income	96	37	154	68	158
Total Income	635	241	1,150	387	1,156
Interest Expenses	371	139	688	209	685
Net Interest Income (NII)	264	102	462	178	471
Operating Expenses	88	85	170	155	297
Loan losses and provisions (ECL stage 1 and 2)	4	4	12	9	21
Loan losses and provisions (ECL stage 3 and write off)	9	1	10	1	4
Profit before tax	163	12	270	13	149
Profit after tax	130	9	200	11	110

Bajaj Financial Securities Limited


During the quarter, Bajaj Financial Securities Limited has started its broking and depository services business.

Pune
22 October 2019

For Bajaj Finance Limited



Rajeev Jain
Managing Director



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