

7 May 2026

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| To Corporate Relations Department. BSE Limited 1st Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Fort, Mumbai 400 001 BSE Code: 532978 | To Corporate Listing Department. National Stock Exchange of India Ltd Exchange Plaza, 5th Floor Plot No.C-1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 NSE Code: BAJAJFINSV |
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Dear Sir/Madam,

Sub.: Transcript of Conference Call in respect of financial results for the quarter and financial year ended 31 March 2026

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') r/w Clause 15 of Para A of Part A of Schedule III to the SEBI Listing Regulations

In furtherance of our letter dated 20 April 2026, this is to inform that the transcript of the investors conference call held on Thursday, 30 April 2026 at 4:30 p.m. IST, has been hosted on the website of the Company and is available at <https://www.aboutbajajfinserv.com/investor-relations-quarterly-earnings-conference-call-recording-and-transcripts>.

Please find enclosed the aforesaid transcript (pdf) for ease of reference.

We request you to kindly take the same on record.

Thanking you.

FOR BAJAJ FINSERV LIMITED

UMA SHENDE
COMPANY SECRETARY

Email ID: investors@bajajfinserv.in

Encl.: As above



“Bajaj Finserv Limited
Q4 FY '26 Analyst Conference Call”
April 30, 2026



MANAGEMENT: **MR. S. SREENIVASAN – PRESIDENT, INSURANCE AND SPECIAL PROJECTS – BAJAJ FINSERV LIMITED**
MR. RAMANDEEP SINGH SAHNI – CHIEF FINANCIAL OFFICER – BAJAJ FINSERV LIMITED
MR. TAPAN SINGHEL – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – BAJAJ GENERAL INSURANCE LIMITED
MR. TARUN CHUGH – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – BAJAJ LIFE INSURANCE LIMITED
MR. AVAIS KARMALI – CHIEF FINANCIAL OFFICER – BAJAJ GENERAL INSURANCE LIMITED
MR. VIPIN BANSAL – CHIEF FINANCIAL OFFICER – BAJAJ LIFE INSURANCE LIMITED
MR. ASHISH PANCHAL – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – BAJAJ FINSERV DIRECT LIMITED
MR. GANESH MOHAN – MANAGING DIRECTOR – BAJAJ FINSERV ASSET MANAGEMENT LIMITED

MODERATOR: **MR. RAGHVESH – JM FINANCIAL**

Moderator: Ladies and gentlemen, good day and welcome to Bajaj Finserv Limited Q4 FY '26 Analyst Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Raghvesh from JM Financial. Thank you and over to you, Mr. Raghvesh.

Raghvesh:

Thank you, Renjo. Good evening, everyone, and welcome to the Q4 FY '26 earnings conference call of Bajaj Finserv Limited.

First, I would like to thank the management of Bajaj Finserv for giving us the opportunity to host this call. As always, we will have opening comments from the management team, post which we will open the floor for Q&A.

From the management side today, we have Mr. S. Sreenivasan, President, Insurance and Special Projects, Bajaj Finserv Limited; Mr. Ramandeep Singh Sahni, CFO, Bajaj Finserv Limited; Mr. Tapan Singhel, MD and CEO, Bajaj General Insurance Limited; Mr. Tarun Chugh, MD and CEO, Bajaj Life Insurance Limited; Mr. Avais Karmali, CFO, Bajaj General Insurance Limited; Mr. Vipin Bansal, CFO, Bajaj Life Insurance Limited; Mr. Ashish Panchal, MD and CEO, Bajaj Finserv Direct Limited; and Mr. Ganesh Mohan, MD, Bajaj Finserv AMC.

With this, I would hand over the floor to Ramandeep sir for his opening comments. Thanks and over to you, sir.

Ramandeep Sahni:

Thank you for the introduction. Good evening, everybody. We welcome you to this conference call to discuss the results of Bajaj Finserv Limited, BFS, for Q4, FY '26.

As before, in this call, we will largely be concentrating on the consolidated results of BFS, the results of our insurance operations through Bajaj General Insurance Limited and Bajaj Life Insurance Limited, our emerging companies which include Bajaj Finserv Health Limited, Bajaj Finserv Direct Limited, Bajaj Finserv Asset Management Limited, and lastly, where material, the standalone results of Bajaj Finserv..

Our two other subsidiaries, Bajaj Finance Limited and Bajaj Housing Finance Limited, have already had their conference calls, and hence we would pursue only very high-level questions on these companies.

To start with a few hygiene points, as a word of caution, we affirm that any statements that may look forward-looking statements are just estimates and do not constitute an assurance or indication of any future performance result.

Let me also give you an update on the basis of accounting which we use at a Group level.

As required by the regulations, Bajaj Finserv prepares its financials in compliance with Indian Accounting Standards, referred as Ind AS. The insurance companies are, however, currently not covered under Ind AS. Hence, they have prepared their Ind AS financials only for the purpose of consolidation with BFS.

Accordingly, for Bajaj General and Bajaj Life, standalone numbers reported are based on non-Ind AS accounting standards, which is referred as Indian GAAP, as applicable to the insurance companies currently.

However, on this subject, as per the recent regulations from IRDAI, insurers are now required to transition to Ind AS from FY '27. However, the said regulation also allows insurers to seek a forbearance for a year, keeping in mind the level of readiness of each one of those.

Accordingly, both our insurance companies plan to seek forbearance for a year and would transition to Ind AS from 1st of April 2027.

Now moving to an update on our joint venture with Allianz. I am happy to confirm that in March, our insurance subsidiaries, that is Bajaj General and Bajaj Life, have completed the buyback of the balance 3% Allianz stake, making our insurance businesses now 100% Bajaj- Made in India, Made for India, and Made by India.

The buyback not only concludes the buyout of Allianz stake, but it also is expected to strengthen the ROE and ROEV of both the insurance subsidiaries going forward. Post the buyback, the 100.00% holding of the insurance subsidiaries by the Bajaj Group is split as follows: 77.33% is held by Bajaj

Finserv, 18.10% by Bajaj Holdings, and about 4.60% by Jamnalal Sons Private Limited.

I will now jump into the high-level results for the quarter on a consolidated basis, which have been put out in our press release dated 30th April, 2026.

The consolidated total income grew by 6% to about INR38,508 crores versus INR36,434 crores for the same quarter last year. However, you may please note that the income for the quarter looks a little depleted because of the high impact coming from the MTM on the fair value through P&L portfolio held by our insurance companies.

As the total income includes investment income and some of the investments by the insurance companies are held at FVTPL basis, due to the geopolitical tensions, there is a temporary MTM impact on revenue. And if we gross up the MTM impact on the revenue, the revenue growth will actually be 14% as compared to the 6% reported by us. Similarly, the consolidated profit after tax also grew at about 5% to INR2,539 crores as against INR2,417 crores for the same period last year. Again, excluding the temporary MTM losses of the insurance companies, the consolidated profit after tax actually grew at a large 24% as compared to the 5% being reported by us.

So just to summarize, both the revenue and the bottom line for the quarter being reported are largely impacted by the MTM impact, which we believe is temporary in nature due to the geopolitical risk. And if we gross it up, excluding these MTM implications, the revenue growth and the PAT growth are very healthy at 14% and 24% respectively.

Now I will just deep dive into each of the respective companies to give a texture on their performance.

Let's start with Bajaj General:

On GWP growth basis for the quarter, the growth was muted at INR4,322 crores as against INR4,326 crores for the same quarter last year. This is largely on account of tactical decisions made by the company on reducing its exposure to crop and motor amid the elevated pricing pressures which we've seen in the market in the last quarter.

However, if we exclude the bulky crop and government health businesses, the GWP has in fact increased by 8.3% as against the market growth of 11% for the multiline industry. And here we know that the multi-line growth was backed by some of the players seeing EOM stress, and hence they may not be comparable at this point.

Underwriting losses stood at INR 96 crores for the quarter versus about INR 3 crores for the same quarter similar quarter last year, impacted largely by elevated claims arising from our government health business. This essentially arises from the fact that the loss ratios on these schemes are higher in the initial months and then they taper down, so it is kind of a timing variance. And also, the lower crop business which we've done in the last quarter, given the stress we saw from a pricing perspective.

The combined ratio for the quarter was elevated at about 113.6% for the quarter as against 104.8% for the same quarter last year. Now this essentially came from a fact that we did a treaty within the last quarter on government health business, but it was done on retro basis from the Q3 FY26, which meant that the NWP for the period was depressed because of back-dating of this treaty and hence the elevated combined ratio.

However, if you look at the combined ratios excluding the bulky businesses, which is government health and crop, the combined ratios actually improved for the quarter versus the same quarter last year. On a full-year basis, however, if you see the combined ratio, which nullifies the impact of these timing variances, the combined ratio on old basis, which is the non-1/n basis, is reported at a very healthy 101.90%, which we believe will continue to be amongst the best in the market.

The ROE excluding surplus capital, which is at about 200% solvency, stands close to 18.5% for the period. PAT growth also remained flat for the quarter for the same reasons which I mentioned earlier, the fact that there was a timing variance on government health claims being booked, and we did lower crop business which last year same quarter was very profitable.

On AUM, we ended the year at about INR35,529 crores as against INR33,122 crores for the same period last year, a growth of 7.3%. However, it's important to note that both AUM and solvency for the period have been impacted due to

the one-time impact of the buy-back of the 3% Allianz stake which we've done, which for the general insurance company was close to INR1,590 crores.

To summarize, these operating results, including the combined ratio and ROE, underscore Bajaj General's disciplined focus on delivering balanced and profitable growth, supported by strong risk selection, robust distribution, prudent underwriting, and continued emphasis on exceptional customer service in the most difficult and highly competitive market.

We will now move to Bajaj Life:

Bajaj Life's financial outcomes have been in line with the plan for transition to 'sustainable and profitable growth', as was highlighted in the mid of last year.

The impact of change in strategy continues to be reflected in the fourth quarter results as well. The retail weighted received premium for the quarter grew at about 9.7% from INR 2,328 crores to about INR 2,550 crores, largely in line with the industry growth.

However, what's important to note is our retail protection contribution in the overall retail business has grown to 8.4% with an overall growth of 67% for the period. Similarly, the group protection business has registered a very healthy growth of 42% for the quarter. Moving to the bottom-line parameters, our VNB for the quarter grew at a very healthy 29% up from INR 549 crores to about INR 709 crores for the quarter.

The NBM is for the quarter up to 24.5% as against 22.1% reported for the same period last year, an expansion of about absolute 2.4%. These outcomes are despite the gross GST impact of about 5.00% on NBM for the quarter and about 2.9% on a YTD basis. The GST impact on VNB has been largely mitigated on exit basis in March '26. We can now clearly see that the benefits of our revamped strategy, Bajaj Life 2.0, are clearly visible in the financial outcomes as has been depicted earlier.

On the back of continued strong renewal premium growth of about 18%, Bajaj Life's GWP grew at 21% for the quarter. However, it's important to note that persistency dips were observed against certain cohorts in line with the market. The management is working on it to bring it at the similar levels we've seen in the past.

On an overall basis, the retail weighted received premium product mix for the quarter was very well balanced at PAR with 25%, , non-par savings and annuity at 24%, term at a very healthy 8% and ULIPs at 42%.

The profit after tax also registered a very healthy growth of 78% up from INR 41 crores for the last quarter last year to about INR 73 crores for the quarter being reported now. Bajaj Life ended the quarter with an AUM of INR 1,33,563 crores, up about 8%. Again, this was along with the solvency impacted by the buyback of 3% of Allianz's stake, which for Bajaj Life was close to INR 1,200 crores.

Overall, the quarter for Bajaj Life is in line with the expectations and on the right trajectory of 'sustainable and profitable growth'.

Finally, both the insurance companies continue to be financially strong with solvency for Bajaj Life at 266% and Bajaj General at 302% and hence are very well poised to weather any external adversity.

We will now move to the lending businesses, Bajaj Finance Limited and Bajaj Housing Finance Limited.

To start with Bajaj Finance, a very strong quarter across all key metrics including Volume, AUM, new customer addition, credit costs, and profitability.

The number of new loans booked for the quarter was at about 1.29 crores as against 1.07 crores for the same quarter last year, a growth of about 20%. The company's diversified business model has enabled it to cross the record milestone of AUM of INR 5 lakh crores and a strong AUM growth of about 22% at INR 5,09,975 crores.

The net total income grew by about 21% to INR14,209 crores, up from about INR11,755 crores or the same period last year. PAT was close to INR 5,464 crores for the Q4 FY26.

If you look at the Opex to net total income ratio, after adjusting for the loan losses and provision reclassification which the company has done, the ratios are flattish at about 33.20%. There is a slight increase which is visible sequentially due to the cascading impact of the New Labour Code which we had seen in quarter three and accelerated gold loan branch expansion. We

have also been investing in AI implementation and that also impacts the ratios to some level.

However, we are seeing acceleration in both growth and improvement in operating efficiencies due to the AI investments we've been making. Loan losses and provisions for the quarter were at about INR 2,008 crores as against INR 2,167 crores for the same quarter last year. Before the additional ECL provision, it increased by about 8% to INR 2,125 crores, up from INR 1,970 crores for the same period last year. In quarter four, we saw a net decrease in stage two and stage three assets at about INR 430 crores, reflecting a continued improvement in portfolio quality and the outlook on credit costs going forward.

The GNPA and NNPA stood at a healthy 1.01% and 0.4% respectively, as against 0.96% and 0.44% for the same period last year. The capital adequacy remains strong at 21.55% and the tier one capital was 20.67%.

I'll now move to the mortgage subsidiary of BFL, Bajaj Housing Finance Limited:

Again, a very good quarter on disbursements, AUM, operating efficiency, asset quality, and profitability. A stable quarter with AUM growth of 22.7% driven by good momentum in disbursements amidst higher portfolio attrition.

Growth was very well distributed across all the business segments. Home loans for the company grew at about 18%, loan against property grew 24%, lease rental discounting grew 44%, and developer finance grew 13%. The net interest income grew 15% to about INR 945 crores as against INR 823 crores for the same period last year. The operating efficiencies continued with Opex to net total income at a healthy 19.2% as against 21.8% for the same period last year.

Healthy asset quality continued to be maintained with GNPA and NNPA at a very small 0.27% and 0.11% respectively. PAT grew by about 14% to INR 669 crores for the quarter. However, this excluded the one-time impact of tax credit which the company had taken last year of INR 34 crores, the PAT growth would have indeed been 20%.

The capital adequacy ratio stood at 22.46% as of 31st March, with tier-1 capital at 22.01%. In summary, another very strong quarter for both our lending companies, Bajaj Finance Limited and Bajaj Housing Finance Limited.

Now let me give you update on our emerging companies.

I'll start with Bajaj Finserv Health:

For the quarter, Bajaj Finserv Health logged in about 6.5 million healthcare transactions as against about 5.3 million transactions done for the same quarter last year. Bajaj Finserv Health continued its expansion of the provider network which includes about 1,30,000+doctors, about 15,000+ hospitals, and about 6,500+ lab touchpoints. Utilizing this network strength and its tech platform, Bajaj Health is able to offer an integrated OPD, IPD, and wellness experience to both retail as well as corporate customers.

During the quarter, the revenue for the company grew at a very healthy 41.6%. So, in all, overall, a good quarter for Bajaj Finserv Health.

Moving to Bajaj Markets:

During the quarter, the disbursements for the quarter were at about INR 2,047 crores as against INR 1,800 crores for the trailing quarter, which is quarter three of FY '26. The company ended with a total unique partner count, which are the partners available on the platform, of about 103 in number.

The operating revenue for the company, however, for the period has indeed de-grown to about INR 95 crores, down from about INR 129 crores for the same period last year, which is attributable to decrease in loans and transacting customers during the quarter. And as has been indicated in the past quarter, this essentially was a planned de-growth because we had planned a migration of our new system which is being used by the frontline sales, and the migration is now complete, so we believe that the de-growth hereon should be behind us.

Further, we have also changed the revenue structures within the company where some of the revenues move on a trail basis, which now provide stability and predictability and a non-linear future revenue. The business model also has been aligned with the RBI Digital Lending Directions for LSPs, which came into effect from 1st of November 2025.

Now moving to Bajaj Finserv Asset Management Limited:.

The AMC continued its good run, recording an AUM of about INR 26,819 crores at the quarter end, and it retained the 26th spot amongst all the mutual fund companies in India in terms of AUM. The closing AUM was heavily impacted, as we know, due to the geopolitical tensions.

However, if you look at the average AUM for the quarter, it was a healthy INR 30,627 crores as against INR 20,133 crores average for the same quarter last year, a growth of 52%. The equity mix in the AUM stands at about 59% and the non-group share of AUM constitutes about 93.3% of the total AUM.

This is just to sum up the performance on all our companies.

Before we open for questions, considering the paucity of time, I would request the audience to kindly keep their questions brief so that we can cover more queries during the call.

With this, I invite questions from the audience.

Moderator:

Thank you. We will now begin the question-and-answer session. The first question comes from the line of Shreya Shivani with Nomura. Please go ahead.

Shreya Shivani:

Yeah, thank you for the opportunity. I have two questions. First is on the life insurance entity. Non-par savings mix has reduced. Just trying to understand if you can give us a flavour of how were the markets for the non-par product in the year that has gone by? Was there any pricing pressure that you'd like to highlight? What is your strategy for FY27?

My second question is on the general insurance piece, the motor TP piece over there. So the reserving triangles look like the release in TP in FY26 has been higher. It's coming to about INR 800 crores versus usually the INR 600 to INR 700 crores you've done in the last couple of years. So any colour you can give around what has happened here? And sorry, I'll squeeze in one more question. This is on Bajaj Direct. So good to hear that the migration etc. is completed. I just want to understand as we enter into this year and there are a lot of concerns around some of the business loans and what can happen etc., are there any measures we are taking to tightening anything from our end? Yeah, those are my three questions. Thank you.

Ramandeep Sahni: Vipin you want to take the first one on non-par savings? Vipin or Tarun whoever.

Tarun Chugh: Let me just step in. So Shreya, thanks for your question. See, non-par, the way we see it as a bucket of non-par plus annuities, because annuities are the same cast, structured differently. Our annuity actually mix doubled from 5% to 10% in the financial year. And yeah, overall non-par did come down from 21% to 16%, but overall if you look at it, broadly we are at 26% if you add non-par plus annuities.

The market has actually looked at higher-age customers coming in, and which is where, I mean the way we look at the market is when the higher-age customers would rather have more annuities than have medical based products. And we are seeing a consistent shift in the market towards annuity, and I think this is a very healthy sign because usually the customers above the age of 50 have more money in their pockets and hence are able to take more such products, more health and life products.

Our ticket size in annuities is actually doubled in the last year, so that is the healthy one. You should expect that when we talk, we will fundamentally look at these two buckets together because they're intertwined. But actually, if I might just say on the non-par market as to what's been happening, as you're aware, policies amounting to INR5 lakhs and below, there is a tax benefit available.

And whenever our post-tax returns gap between fixed deposits and non-par savings actually comes to about approximately 2%, the industry gets a lot more tailwinds in the non-par saving plans. If there is liquidity in the banking sector and post-tax FD returns are compared with returns to policies of below INR5 lakh ticket size, we will expect the non-par savings run to continue.

So it's really an impact on the market, there's nothing to do with the pricing etc. as of now from our side. There's fundamentally a shift to higher-age brackets. I hope that answers your question.

Shreya Shivani: Yeah, yes, that was useful. Thank you.

Ramandeep Sahni: Tapan you want to take the question on TP releases?

Tapan Singhel: Yeah, so if you look at, TP release is a factor of how the book develops, and TP is a long-tail book. So as the claims development happens and compared to reserving, how is it developing that's what has to be seen. So, on the numbers you mentioned, I don't see that there's a huge shift in terms of the release happening, which means that the company has adequately reserved over time, and as the book keeps on developing and claims are getting paid. It's a natural phenomenon; I don't see any change in the philosophy of how it's progressing.

Moderator: Next question comes from the line of Prayesh Jain with Motilal Oswal. Please go ahead.

Prayesh Jain: Yeah, hi. So just wanted to understand on the general insurance front, how do you see the product mix evolving and the overall profitability of the entity going ahead into FY'27 as to how you see this kind of moving?

Tapan Singhel: That's a really interesting question, let's look at last year. The industry combined ratio actually moved up by about 6% to 7%. While if you look at Bajaj General combined ratio, it moved up by only 0.5% in the last year. So even though the industry deteriorated by about 6% to 7% combined ratio, Bajaj General still was where it normally remains close to 100% COR where it used to be and the industry is around 120%

So if you see the gap, it has been huge. And that's why even in the fourth quarter, as Raman was mentioning, as we saw the combined ratio deteriorate, I think where we feel the pricing is not appropriate, as we have been doing all these years, we go slow; however, where we see the price is appropriate from a customer perspective to be served well, those are the ones we write.

So next year it again depends on how the industry moves, but if you look at in fact one of the quarters of last year, the industry combined ratio touched 128% also, I think. So, fundamentally as a company, our philosophy remains the same. We are a company which would be there for 100s of years, it is not a company which we are looking at a short term in terms of making it up. So it will always be prudent underwriting, it will always be our customer offsets, it will always find opening in the market, where to grow and keep on growing. And that's what we have been doing, and for the next year also the philosophy remains the same.

Prayesh Jain: And then to your product mix, you know, the government-led businesses on health insurance, or either the crop business, is there an approach towards either reducing?

Tapan Singhel: I think I've mentioned this on a lot of previous calls also. The approach is simple, wherever the pricing will be appropriate in which we can serve the customers well is what we write. Now if you tell me that I make an approach right now and say this is what I will write and the price is not appropriate for that, why would I write that?

Bajaj General is one of the largest insurance companies in India, which means that we write all product lines, and we have a decent market in each one of them. The variation just happens depending on how the market behaves in which product line where we get more aggressive or the pricing goes below what we feel comfortable, there we reduce, where the pricing is appropriate, we increase.

So we can never tell you that next year this is exactly what we shall do, we'll move crop up or move this up, but in all lines of businesses, you will see that we are among the top companies in where we position ourselves. So that is how it should continue and depending on the pricing of the particular product line in the years to come, or we shall move on that basis.

Prayesh Jain: Got that. Thanks. And on life insurance, you know, just trying to understand VNB margin trajectory from here on, you know, what kind of VNB margin should we think and what kind of product mix that you would be targeting for FY27? Given the market uncertainty right now continuing in April, do you think that a product mix kind of which has moved slightly away from ULIPs, not a big one, but for the full year, but do you think that trajectory will continue, and the margins can kind of continue to improve on a full-year basis?

Tarun Chugh: Okay, so let me just give you a little bit of a strategy part and then Vipin can jump in to give you specifics. The way I'm seeing this is that directionally all our product segments are, now profitable. So the fact that if there is ULIP, our ULIP is now profitable. So this is a discussion we had, about 18 months back, and now our ULIP growth is actually not a bad sign, it's a good sign.

But fundamentally as the product mix evolves, we've had an entire culture shift in all our businesses including agency channel, which I would say has picked

up term plans very well. I think that has been the significant needle mover in terms of product mix. We expect the trajectory of term to only increase from here on, and that should impact our VNB margins only positively, as you know, while term plans may have a lower ticket size, if you are able to sell more of core term, then it is only helpful to the VNB margins. So directionally that's what is moving. Vipin, if you'd like to add anything, do so.

Vipin Bansal:

No, I think Tarun, that sums up. Prayesh, to be more specific, the margin expansion that we are talking about, and this is, you know, after accounting for the GST impact that we had called out, I think as we had said earlier, it's a combination of our channel product mix, the way we are able to manage the kind of payouts we are offering..

Obviously, the cost efforts that we have taken, that is contributing about 150 bps to the margin. So while all of that is there, in terms of product mix, we have always maintained that we would want to have, you know, a PAR at about 25% plus-minus, annuity plus non-par savings again in the 25% to 30% range, term we would aspire to be 10% plus, and ULIP will be about 40%.

So I think that's the stable mix, we would want to be operating at. I hope that answers your question.

Prayesh Jain:

Yeah, definitely. And just last one question on AMC. At what scale of AUM do you think that this business will break even and what tenure what should be the target for us in our model from a break-even perspective? And what are the new segments that you are kind of investing in, PMS, AIF, SIFs, all these products something which you are developing as well?

Ganesh Mohan:

Yeah. So on the AMC side, what I would say is, the break-even AUM for us would be close to about INR1 lakh crores, with the continued mix on equity versus debt versus passives. At this point, we are actively considering both the PMS as well as the SIF, so within the next one, one and a half years, we will be launching both of these business lines.

Prayesh Jain:

And yeah, got that. Thanks.

Moderator:

Mr. Jain, are you done with your questions?

Prayesh Jain:

Yeah, thanks, thanks.

Ramandeep Sahni: Raghvesh, I think we missed one question from Shreya. Maybe Ashish, if you can answer that. The question was on the concerns on quality of loans. If you can just take that, please.

Ashish Panchal: Sure. So as a marketplace, we get a ringside view of the prevailing risk and resultant countermeasures by various manufacturers, and therefore they adjust the share of business that they take, from our marketplace from time to time. As a distributor, however, from the total throughput point of view, while our mix across manufacturers changes depending upon their risk measures, this doesn't affect us being a distributor.

Having said that, we've seen that two years ago, the risk was much higher in the market as you can see from bureau report, and therefore the resultant manufacturer actions, especially in business loans, were high. Even last year, they were significant. Over a period of time, we have seen portfolios behaving better.

But anyways, we are insulated from any balance sheet and P&L impact of such risk behaving adversely in the manufacturer's portfolio. Having said that, we choose our manufacturer partners very, carefully and therefore our volumes are not affected and hence revenue is not affected. I hope that answers the question.

Moderator: Thank you. Next question comes from the line of Sanket Godha with Aventus Spark. Please go ahead.

Sanket Godha: Yeah, thank you for the opportunity. My first question is on life insurance. So if I exclude GST impact, the margin for the year was at 22%, and you said that most of the mitigations have been done with respect to GST negative impact by end of the year. So is it safe to say that in next year, if the product mix remains broadly the same, we will end up reporting a 22% kind of a margin for the next year? That's my first question.

Vipin Bansal: Okay, so Sanket, let me answer that. So when we say we have mitigated, what that really means for us, as we exited March, and I am seeing for the month of March we have mitigated almost 90% to 92% the GST impact. A residual impact of 30-40 bps does exist. But I think now that's part of our cost structure.

Now, the question on what do we mean by mitigation? What we mean by mitigation is we have changed some of our products that we sell in the market.

There has been a change in the kind of products or the product mix, if I could say. Cost optimization continues for us, and we have renegotiated some of our commercials with our partners.

Now, if that continues, then that 4.5%, annualized impact of GST that we talked about, that has been mitigated. I'm not sure of 22% that you were referring to. So, if you can just help me understand that?

Sanket Godha: No, in the VNB walk, the margin what we mentioned before GST impact is 22%. So, if I am assuming given, we will work with the same, no GST impact broadly. I mean then with the same product mix, are we going to report closer to 22% margin in the next year?

Vipin Bansal: Okay, so let me clarify. So, that's not the way to read it. When we looked at the walk, we actually showed the gross GST impact. All the mitigants of that are part of our walk in terms of the new business mix and the profile that we are talking about. So, the dent of INR 242 crores that you see is the gross dent. The mitigation of it, and let's assume that it's 100% mitigated as a margin, that benefit is sitting in the 636 bar, if that's what you're referring to.

Sanket Godha: Yeah, so Vipin, because that benefit will be there for the entire year next year, so then we will be probably, assuming same business gets repeated in FY27, then the margin what we are looking at is 22%? That's the point I'm asking for FY27.

Tarun Chugh: That's Sanket, let me step in on that. We will, not provide any affirmation or otherwise from us on margins if you're going to indicate like this, please.

Sanket Godha: Okay it's alright I understood your point.

Tarun Chugh: Directionally, we can tell you we are in the positive trajectory, and all those changes are resulting in the positive margin, but we're not going to indicate any margin. But yeah, it's positive.

Sanket Godha: Understood, . Thanks, thanks for that answer. And the second question probably is on the growth, because second half we probably operated on Balic 2.0, basically comparing with the previous base. So our growth came back to around mid-teens. So is it safe to say that this is the kind of growth we will end up, and if that is the case, that heavy lifting will be done by agency channel because that's the channel which took the maximum hit last year?

So is it safe to say that second half growth is more like growth going ahead and will be done by agency channel?

Tarun Chugh:

You should see a better growth than what you saw in our second half. That much I can say. And all our businesses are in now a growth trajectory.. On the bulk partners, the bancassurance side, we've added three significant partners in the last 18 months: Federal, AU, and Yes Bank.

Now they should start kicking in. We already have a very significant base of small and medium partners which have been doing quite well. So that trajectory is positive, and I can say that the bancassurance team is adding a lot more value to its partners by selling risk products as well now. That is working for both parties.

On the agency side of the business, yes, we did reconfigure, we actually stretched our reconfiguration if you would remember in December when I told you, because we felt that there was more and more buy-in for our term plan and that the ticket size of term is obviously lower. So we recorded an 8% growth Q-on-Q for the last two quarters for agency.

This I would say is a little understated, you should expect it to be better. Also, because the fact that the product mix is now largely set and the input parameters that we are seeing in agency, like the number of partners we're adding, number of distributors that is, plus the number of policies we're adding in agency, the trajectory is only positive.

Then we come to our proprietary sales and direct channel. I think that has been a healthy contributor and we continue to innovate with data and technology there and see how we can work with customers and the data we already have, to provide more and more targeted products. And that trajectory was also undergoing a change given the fact that we did not grow as expected in proprietary sales last year, but all that growth will be back. So you should expect a higher growth.

Sanket Godha:

Understood. And lastly, one data-keeping question. On the EV side, the assumption change of INR51 crores is predominantly related to which operating parameter, whether it's mortality or persistency?

Vipin Bansal: So Sanket, for the portfolio basis, I think assumptions are holding good. You would see there has been a dip in our persistency and that's what largely is reflected in assumption change.

Sanket Godha: Understood. And lastly, one question on general insurance. So broadly, I just want to understand this reinsurance strategy. I know that we did lot of government businesses and our retentions are closer to 42% to 43%. However, even if I exclude that, we typically are a little higher on ceding business now.

So whether, we will revisit this strategy or rethink this or will continue even going ahead, even in other line of businesses, given, I understand that government businesses are lumpy, and we need to rely on reinsurance in that sense.

Tapan Singhel: , I didn't get your question. See, reinsurance is not a strategy. It is how you build your book and wherever you see volatility or large risks, on those you reinsure. So it depends on the book composition you have, and if you look at retail, most of it you would keep on your books. So if you look at, be it government health, be it crop, or be it commercial lines of business, they would be reinsured and then accordingly you decide how to do.

So your balance sheet has to be protected in terms of any volatility, in terms of large risks. So that is how all good companies write their reinsurance and also, they look at the ratings of reinsurance.

So, they have to be well-rated reinsurers. In times of any big losses, the reinsurers are able to support that, which in the past also we have seen even be it Jammu and Srinagar floods or be it Bombay floods, we were always adequately protected. In fact, our reinsurance CAT is also double that of what the industry looks for in terms of the year-to-return perspective which should be there.

So fundamentally, it's a very well-arranged reinsurance to take care of any eventuality. So, it depends on the lines of business mix that you write and how you put it together. So, what is your apprehension on that?

Sanketh Godha: No, it's not an apprehension, sir. My only question was that even in the retail line, especially motor, we compared to our historical past, we see little more

usage. So, whether that approach would be revisited, or we think that's still a good thing to do in that sense?

Tapan Singhel:

It depends on how the market moves and what lines of business you write. That's why I said the approach does not change. The approach remains the same. Depending on how the market moves, what lines of business you're writing, is how the reinsurance operates. It's a combination of that. You don't create a strategy in terms of how you reinsure your book.

You would always reinsure your book in the strategy I've mentioned to you in terms of wherever there's high volatility, you'll have high reinsurance coming in. When you'll have more stability, then the reinsurance evens out. When you have large risks, then the reinsurance is again high. Where the PMLs move high, then you have reinsurance high. When it comes down, the reinsurance evens out.

When you have CAT losses happening, then the reinsurance for that moves up. When they come down and your chances of CAT losses are lower, then accordingly you adjust your books on that basis. So, I think the basics of insurance or basics of writing business is the same.

It's a combination of various things: how does the market move, what is volatility, what lines of business, decides how much reinsurance do you buy in what lines of business, reinsurance is you put all that together.

Sanketh Godha:

Understood, sir. That's useful. Thanks, for your answer.

Tapan Singhel:

Yes, Thank you.

Ramandeep Sahni:

Sanketh, your answer actually lies in the commercial outcomes if you look at it. So you know, at what price do we really get the reinsurance, what am I reinsuring. Like Tapan said, see essentially our exposure looks higher on the ceding side because we write a lot of bulky business which is crop and government health, as you rightly highlighted.

On the other side, we also write a lot of large risk, and that essentially because of our banca tie-ups, we get a lot of these large accounts. So, a combination of all of these actually translates into what our reinsurance strategy is. Now in the end, whether I'm making money out of it, or no is that finally really matters,

right? And our combined ratio vis-a-vis industry will answer that question. So that's where we stand today.

Moderator: Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Divij Punjabi with Banyan Tree Advisors. Please go ahead.

Divij Punjabi: Yeah, hi. Thanks for the opportunity. I had three questions. One was on the general insurance side. So just wanted to understand how are we seeing the competitive intensity playing out in motor and group health lines of business?

Second is on the life insurance side. What is or how are we looking at the expected impact of the change in the commission structure that is expected to come in the next few months? And lastly, what is our strategy on the alternatives business? So, there was some news around Bajaj Alternatives wherein we're looking to raise about \$1 billion? So, if we can talk about that, it would be helpful. Thanks.

Ramandeep Sahni: Yes Tapan. The question was motor and GMC competitive intensity.

Tapan Singhel: If you look at the market, and I mentioned just previously, the combined ratio industry has moved up by about 7% percentage points, and in one quarter it moved to 128% and then moved to 121%. Now that always happens when the competitive intensity is high in the market. I think that is where the combined ratio starts moving up.

So, the point that you have mentioned, yes, there is competitive intensity in some businesses like motor, GMC, even in fire also. And I think for the last quarter it was more because of the EOM guidelines. I think a lot of companies which were above 30%, they wanted to ramp up their numbers so that they can come within 30% as per the EOM guidelines.

So, if you look at it and pick up companies which had an EOM over 30% and look at last quarter their aggression, you will be able to understand how it moves. And then companies which had good EOM, you would watch that they would be positioned in terms of where they are. So, a lot of things depend on how the companies decide to play the turn.

In such environment, the competitive intensity does move up, and that is why if you'll see from a company's perspective that we would slow down, as I

mentioned earlier, in places where we see competitive intensity moving up, and then when we see the pricing is right, then we move up.

Because we have no pressure of EOM, I think we are one of those companies which have a comfortable expense of management, and we are well within it in terms of where we put together. So, we just don't write business to get our EOM right, we write business where it makes sense to write.

Tarun Chugh:

Okay, on the life insurance side, the question was on commission. We haven't yet received any message from the IRDAI, there is no draft circular yet, so a lot of this will be discussing hypothetically. But what I do understand is that the mood seems to be more on back-ending commission from front-ending.

I don't know about the reduction of commission if there's any plan, nobody's really got any whiff on this till we get something from them. In either case, if this is executed to the T, it should only benefit the sector.

It should bring down the EOM pressures, it should help the persistency ratios, it should help customers getting a better proposition, and that is the whole intent of IRDAI to be able to pass this benefit to the customer. So, we just wait for that until that comes in. It's really very difficult to say anything beyond this at this point.

Ramandeep Sahni:

Okay, on the Alts one, I'll just try to summarize. See, this was one of the white spaces we had identified. See, being a financial services powerhouse, we realized that Alt's business is something which is growing pretty healthily globally also and not only in India, and we identified that as a white space last year and we had called it out in the investor day that, this is an area we will venture into.

So, in the last six to eight months, we've actually built up the team, and as we speak, we are planning to start the PMS part . We've already got approval from SEBI. We should launch the listed equity in PMS very soon. On the other side, we are trying to launch some CAT II and CAT III AIFs, for which we have filed for approval with the regulator for a private equity AIF and a real estate AIF. And hopefully, you know, in the next quarter or so, we should get approval for that as well.

So that's currently what we've done. The idea is also to get into some bit of listed equity for which we will soon be filing for approvals. So this is where we

stand today. I think in the next two quarters, we will actually start rolling out our new products. That's the strategy as of now.

And also the idea is that we get into a GIFT City structure to attract some NRI and foreign investors to take advantage of the tax benefit structure as well. So that's where we are currently. Beyond this, I think in the next few quarters, we will start talking about it as and when the business is launched.

Divij Punjabi: Thanks, that was very helpful.

Moderator: Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Nidhesh Jain with Investec. Please go ahead.

Nidhesh Jain: Thanks for the opportunity. So, my first question is on life insurance. So, on persistency, what is happening in your view on at the industry level and for you also, that persistency after improving post-COVID for four-five years, this year we are seeing decline across the companies on persistency? And how do you see persistency trends going forward?

Tarun Chugh: That's a very good question and that's something that worries all of us and is a focus segment of the sector. Overall if you look at it, there was a set of products which were introduced by a few market leaders about 12 to 18 months back. These products were early gratification products for the customer, and we did see people then not continuing once they did get benefits already available.

Now that we were all expecting lower persistency in the sector, and we have just seen a result of that, the swing has been more than the expectation. But largely it is just one bucket that has impacted the entire sector. So,, we've degrown by about 1.8%, we expect that the sector has actually degrown even further.

We had this product with us earlier, but we did not launch until it became necessary because distribution was just simply lapping it up in the market. I think we've hopefully and the entire sector has learned its lessons, and we don't do something like this again.

As far as we're concerned, we've stopped selling this product and since October have anyways been bringing it down. At the same time, has it

impacted profitability? No, because the persistency was already baked in, in the entire process. But these kind of things should largely be avoided in the sector is the way I would answer that question.

Nidhesh Jain:

Sure, sure. Secondly, sir, if you look at the data in terms of household preferences, so protection annuity I think they are growing at a very healthy pace. But on the savings side, what we are seeing that the preference towards mutual funds and equities has been increasing and it's not just a one-year trend, it has been a quite secular trend for last four-five years?

So in that context, FD's and life insurance deposits are losing share in the household savings. So in that context, how as an industry or as a large life insurance company, how do we plan for next let's say five years because I think every year the share of household savings towards insurance is gradually, which at a very gradual pace, but it is declining for sure. So how we stay relevant from a savings to capture the savings pie of a household?

Tarun Chugh:

Okay. No, that's a very good question and I'm sure it keeps most people awake. The way we have already looked at it, although, is very different. We have ridded the SIP market in Bajaj Life as well. We today sell a lot of our ULIP plans in what we call as SISO. It's a trademark that we've taken.

It's a systematic in, systematic out plan where you put in money every month into ULIPs and over a period of time take the benefit of staying in the market for longer and take the benefit of then getting equivalent to monthly benefits over a period of your lifetime. For under INR 2,50,000 ticket size, this product also has all tax benefits available. It's actually a very sweet spot and it's something that is growing for us.

We've looked at the entire market and nobody's been able to run this distribution within the annual mode products. We expect that to bring in a lot more of the benefits that SIPs in market do bring in. As for the rest of the product architecture, a lot of that is on structured benefits available to customers and we are largely linked to life goals, whether they are on child saving, long-term savings, or addressing the risk of mortality and longevity.

These risks are real and while in a lot of our spaces the mutual fund market is also pretty much playing, and which is why Bajaj Group has both mutual fund

and a life insurance company, we play in the same space sometimes of course, but with a product that has a different cast and a different benefit.

So, an annuity product, for example, is something that others cannot easily provide but life insurance companies offers them long-term guarantees. As you can see, this trend has been going up. And that's a very healthy trend,, because nobody else can offer that.

So there are some unique spaces we have and largely in structured products, and we expect those to just keep growing as there is more wealth in the hands of Indians, which is usually is a positive trend in that case. The rest, of course, is also linked to the distribution we keep creating, and there is still so much more scope. If you notice, the life insurance sector is possibly invested most in terms of number of branches, frontline sales, and the number of advisors that we have. I think that should only just keep growing in the future. So that would always remain a positive for the sector.

Nidhesh Jain:

Sure, sir. Thank you. And my two questions is on the other businesses, which is Finserv Markets. So if I look at Finserv Markets, that revenue has been quite flattish for a long time. It's a digital business, ideally it should grow at a pretty healthy pace. But I think last 15-16 quarters the revenue has been flattish. So what is the strategy here and what is going on here?

Ashish Panchal:

I'll break this into two parts. The company has two divisions, what we call as Bajaj Markets as customer-facing name is our marketplace in BFSI. And there, we have 100 plus manufacturers as our partners across lending, insurance, AMCs, credit card offered by banks and so and so forth. There the revenues grew healthily up until FY'26, wherein as Raman said in his presentation, owing to our migration of platform and owing to the need to be compliant to RBI's new DLD guidelines, we had decreased revenues for one year.

But the revenues are coming back onto track in FY'27 as per our plan. Also, the nature of the revenues is changing. Now we have a few partnerships which have trail revenue, which provides it stability and non-linearity which will play out as the quarters pass by, and you shall see that our stated aim of break-even very soon, probably by the end of this year, is a possibility as the quarters pass by within this year.

The second reason is that over the last four years, we have invested in building a technology services business. It is a business that leverages the group's technology capabilities, across all group companies. We offered these technology solutions to companies within the group, then we went outside of the group to rest of the companies in India and offered it to some of the companies, then we went to Middle East, and now we have established a subsidiary in US.

And therefore, this phase of investment in technology services as a parallel business as per the long-range strategy that we have for the company has also meant that outwardly looking, the revenues look flattish, but both the businesses are poised to deliver and you shall see it in the coming quarters.

Nidhesh Jain: Sure And lastly, if you can share the number of paying users in Bajaj Finserv Health? I think Bajaj Finserv Health is showing decent growth now, but what is the count of paying users there?

Ramandeep Sahni: We are just looking at the data. Maybe we can take just give it to you offline. Nidhesh, we'll give it to you offline, we don't have it handy.

Nidhesh Jain: Sure, sir. Thank you. That's it from my side.

Moderator: Thank you. The last question comes from the line of Nischint Chawathe with Kotak. Please go ahead.

Nischint Chawathe: Hi, just thanks for the opportunity. Just continuing with Bajaj Finserv Health, based on the current business trajectory, when do you really, expect a break-even?

Ramandeep Sahni: I think we are about two years from that is what we have envisaged. See, if you look at the business model the way we've built it over a period of time, and I think we called it out during our Investor Day also, from the scale perspective, I think we've achieved a significant part of it. We are seeing that the growth is healthy, 40% to 50% quarter-on-quarter, number of transactions are just moving up.

I think it is the point at which the operating efficiency starts kicking in. And what we did in our LRS was that, you know, I think 24 months from now we should start seeing an operating break-even. That's where we stand today. Now this

is basis current estimate. After we do the next year's LRS, maybe we'll give you a more finer number in which quarter of which year will be break-even.

Nischint Chawathe: Sure. And in Finserv Markets, , are you also looking at a sort of an aggregator model like probably what a Paisabazaar is doing?

Ashish Panchal: As a marketplace, both Paisabazaar, , and our platform are not too different online. They have various manufacturers signed up with them, just as we have our own set of manufacturers who've signed up with us. Regarding the offline, I'm not sure what you mean by aggregators, that is generally the term used for DSAs in the offline world.

We have our own omnichannel methods, but those are mostly to complete the customer journey and to assist the customers who've come online. So, if you mean doing a DSA business purely offline, then no, that's not the plan.

Nischint Chawathe: Got it, You know, just talking about IFRS, As you mentioned that you worked out your numbers under IFRS 17. So I was curious why would you sort of not declare those numbers or not follow the IFRS 17 guidelines from June?

Ramandeep Sahni: See, Nischint, as you know that there is a lot of ambiguity around certain assumptions which one has to take while drawing the IFRS numbers. For example, level of aggregation, currently also, different companies who are reporting to IRDAI are following different methodologies. And so, given the quantum of lack of clarity which is there today in terms of standardizing things across various constituents, I think it's too early to start publishing these numbers.

See, if we were a mono-line player, then it was fairly easy, we could have done it. But for a multi-line player like ours, taking a call without having any clarity from the regulator or the industry as such, even the council can decide, may not be the right thing because you'll end up reporting something and then you have to tweak it a little later.

So as an industry, at a council level, we've been working jointly with the other insurers to bring some kind of uniformity in terms of various decisions one has to take. Now either the regulator can decide and let us know, for which I'm told that a committee has been formed and soon we should get some clarity on some of these matters, or as an industry we will have to take a call. So, this is just one example.

Then there are many more things, like for example, what are the tax repercussions on whatever calls we will take on the opening adjustments? So there are multiple such things on which clarity is still awaited, and hence we don't believe it's wise to go live before clarity emerges either from the regulator or from the council and there's uniformity across players.

So this is where we stand today, and hence you would have seen in most of the companies who've announced their results have anyway said that they are seeking forbearance for a year. Barring some of the mono-line ones because they are relatively in a easier position, but amongst the multi-line players in GI and even the larger players on the life side, I think everybody is in a similar situation and awaiting clarity. And hopefully from 1st of April, '27, you will see most of us start publishing the numbers.

Nischint Chawathe: Okay. Just one small one on health side, right, on the retail health side. We've seen a fair amount of growth in retail health business post the GST cut. How has been the trend with you because we just get to see the overall growth numbers, we don't get to see the split between new and renewal. So if you could give some color on that?

Tapan Singhel: If you look at the retail health, initially after GST, it did give business and then it move started getting back to normalization as to market. Overall if you look at the movement happened in health, if you look at our own company, I think quarter four, Avais, our growth of health was how much total?

Avais Karmali: Quarter four, the total health growth for the company was standing at 30% versus the industry at 18.1%.

Nischint Chawathe: Retail was 17%, right?

Tapan Singhel: Yes, if you observe, the industry grew at 17% in quarter four , but our growth was over the industry in terms of overall growth for the segment. But health is an important piece from a company perspective also and industry perspective also. While there was an initial upside due to GST , but overall I feel slowly coming back to normalcy as it progresses.

Nishint Chawathe: Got it, got it. And just one last one, the wealth business comes under which company or which vertical?

Ramandeep Sahni: So, the wealth company is being set up under Bajaj Finance.



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Nishint Chawathe: Got it. Thanks, those were my questions and all the best.

Ramandeep Sahni: Thank you, Nishint.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Ramandeep Sahni: Thank you for all the nice questions and I think there was one question which is lying unanswered, and Nidhesh, we'll just reply to that offline. Thank you, everybody, and have a good evening.

Moderator: Thank you. On behalf of Bajaj Finserv Limited, that concludes this conference. Thank you for joining us. You may now disconnect.