

17 November 2025

To Corporate Relations Department. BSE Limited 1 st 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, 5 th Floor Plot No.C-1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 NSE Code: BAJAJFINSV
---	---

Dear Sir/Madam,

Sub.: Transcript of Conference Call in respect of financial results for the quarter and half year ended 30 September 2025

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 to our letter dated 3 November 2025 & 11 November 2025, this is to inform that the transcript of the investors conference call held on Tuesday, 11 November 2025, 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 Q2 FY-26 Earnings Conference Call”

November 11, 2025



FINSERV



MANAGEMENT:

MR. S. SREENIVASAN – PRESIDENT INSURANCE AND SPECIAL PROJECTS, BAJAJ FINSERV LIMITED

MR. RAMANDEEP 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. DEVANG MODY – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – BAJAJ FINSERV HEALTH LIMITED

MR. GANESH MOHAN – MANAGING DIRECTOR, BAJAJ FINSERV ASSET MANAGEMENT LIMITED

MODERATOR:

MR. RAGHVESH – JM FINANCIALS



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

Moderator: Ladies and gentlemen, good day, and welcome to Bajaj Finserv Limited Q2 FY '26 Analyst Conference Call hosted by JM Financial Limited.

As a reminder, all participants' 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 '*' then '0' 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, sir.

Raghvesh: Thank you, Neerav. Good evening, everyone, and welcome to the Q2 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 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; Mr. Devang Mody – MD and CEO, Bajaj Finserv Health Limited; and Mr. Ganesh Mohan – MD, Bajaj Finserv Asset Management Limited.

With that, I would like to hand over the floor to Ramandeep sir for his opening comments. Thank you, and over to you, sir.

Ramandeep Sahni: Good evening, everybody. We welcome everybody to the conference call to discuss the results of Bajaj Finserv Limited, (BFS) for Quarter 2 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, Bajaj Life Insurance Limited, our emerging companies, which include Bajaj Finserv Health, Bajaj Finserv Direct and Bajaj Finserv Asset Management Company, and lastly, where material, the stand-alone results of Bajaj Finserv.

Bajaj Finance - BFL, and Bajaj Housing Finance - BHFL, other major subsidiaries of ours have already had their conference calls, and hence, we would pursue only very high-level questions on these 2 entities.

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.



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

Let me also give you an update on the basis of accounting across our companies:

As required by regulation, BFS prepares its financials in compliance with the Indian Accounting Standards, (IndAS). However, the insurance companies are not covered under IndAS currently. Hence, they have prepared IndAS financials only for the purpose of consolidation with BFS. Accordingly, for Bajaj General and Bajaj Life, stand-alone numbers reported in our deck are based on non-IndAS accounting standards i.e., Indian GAAP as applicable to insurance companies today.

We also confirm that our results, the press release accompanying the results, and our investor deck have been uploaded on our website within half an hour of our results.

Now to just give an update on our joint venture with Allianz:

I am happy to confirm that necessary approvals for the acquisition have been received, namely from CCI, IRDAI. also, the approval for name changes of the 2 companies have been received from ROC. Post these approvals, the names of our 2 insurance companies have now been changed to Bajaj General Insurance Limited and Bajaj Life Insurance Limited. We are now preparing to conclude the acquisition of Allianz's stake in our insurance companies in the next few months.

Now, let me give you a high-level update on the consolidated financial results for Quarter 2, which have been put up in our press release issued earlier today. The consolidated total income grew by 11% to about INR 37,400 crores versus about INR 33,700 crores for the same quarter last year. Our consolidated profit after tax grew by 8% to INR 2,244 crores up from INR 2,087 crores for the same quarter last year.. As we know, this gets a little vitiated by the MTM gains and losses from the insurance subsidiaries, and hence, excluding the MTM movement of the insurance companies, if you look at the profit growth, as compared to the reported growth of 8%, the growth would be a healthy 12%.

Let me now deep dive and give you further texture on the performance of each of our companies:

To start with Bajaj General:

As we know, effective 1st October '24, as was mandated by IRDAI, premium on long-term products was to be accounted on 1/n basis where 'n' is the contract duration. Hence, the Quarter 2 FY '26 numbers are not comparable with prior years.

The change in accounting, however, has no material bearing on the underwriting profits and profit after tax, but impacts the gross written premium and the combined ratio for the period. The gross written period for Quarter 2 for Bajaj General increased by 9% to INR 6,413 crores versus INR 5,871 crores for the same period last year. However, excluding the 1/n impact, the growth was a healthy 13.6%. In terms of GDPI, the growth was 9.3% and against the market growth of only 1.8%.



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

We also disclosed our numbers of GDPI, excluding the bulky tender-driven businesses, and if you look at the growth of our company, excluding these bulky businesses, which is crop and government health, and excluding the impact of 1/n, the growth is healthy 18% as against the industry growth of 13.4%.

This represents a very good ~5% delta above the market in terms of GWP growth. The GWP growth is largely contributed by the profitable commercial lines, which include Fire, Marine, Engineering and Liability and also the Motor and Miscellaneous lines of business.

Moving to the underwriting losses - The same stood at INR 92 crores for the quarter as against INR 48 crores reported for the same period last year. The reported combined ratio stood at 102.3% as against 101.4% for the same quarter last year. Excluding the impact of 1/n regulation, the combined ratio for the quarter stood at 101.4%, flat compared to the same period last year.

Underwriting losses, are a little on the higher side, impacted by higher acquisition costs with a focus on writing preferred lines of business. While higher than 100%, we believe that the combined ratio for Bajaj General will still be amongst the lowest in the multiline market with the ROE reasonably above 20%, excluding the surplus capital.

The profit after tax for the quarter stood at INR 517 crores as against INR 494 crores last year, an increase of 5%, impacted slightly by the higher acquisition cost during the quarter with the focus on preferred business segments.

The AUM for the period ended 30th September '25 stood at almost INR 35,000 crores versus close to INR 32,000 crores for the same period last year.

In summary:

In a market which is intensely price competitive, Bajaj General has once again been able to outperform the market both on top line and bottom line. This operating result, we believe displays Bajaj General's commitment to a balanced and profitable growth on the back of a deep and a broad distribution along with prudent underwriting, while focusing on best-in-class customer service.

I will now move to Bajaj Life:

Bajaj Life 2.0 was initiated in the second half of last year with focus on sustainable and profitable growth. We believe that the outcomes in Quarter 2 are as expected, with top-line flattish, and VNB growth and NBM margin expansion in line with our plan, backed by changes in product structures and cost optimization. The impact of change in strategy is now reflected for the third quarter in a row, and Bajaj Life registered highest ever reported VNB and NBM numbers for the quarter and for the half year.



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

During the current quarter, the company's profitability was impacted by changes in the GST regulations, applicable to all the Retail Life insurance products, particularly due to the loss of input tax credit.

The VNB for Quarter 2 is reported at INR 367 crores as against INR 245 crores for the same period last year, a significant 50% increase against last year. The new business margins were up at 17.1% for the quarter as against 10.8% reported for the same quarter last year. Retail protection grew at 71% with 8% contribution to the overall retail weighted received premium, and the group protection grew 23%.

On the back of continued strong renewal premium growth of 30%, Bajaj Life's GWP grew 28% during the quarter. There was some persistency dips observed across some cohorts, which is in line with the industry and is being worked upon by Bajaj Life.

On overall retail weighted received premium, while the growth was flattish in line with our plan, the product mix for Quarter 2 was well balanced and stood at par with 21%, non-par savings at 20%, term at 8%, annuity at 9% and ULIPs at 43%. Bajaj Life has been increasing its focus on retail protection, which I indicated earlier, has grown at 71% to INR 144 crores for the quarter versus INR 84 crores of premium for the same quarter last year.

The profit after tax for the quarter stood at INR 13 crores as against INR 148 crores for the same period last year. It was largely on account of GST impact to the tune of INR 112 crores. Bajaj Life ended the quarter with an AUM of INR 1,32,060 crores.

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

Finally, both the insurance companies are financially amongst the most solvent in the industry, Bajaj Life at 346% solvency, Bajaj General at 339%. Hence, we are well poised to weather any external adversity.

With respect to the two insurance companies, we welcome the government's landmark GST reforms, aimed to making life and health insurance affordable and accessible. We have ensured that the full benefit of the GST exemptions is passed on to the customers. While the withdrawal of input tax credit may create short-term pressure, we are confident of managing this in the next couple of quarters.

We also believe that the GST exemption on retail life and health insurance premium is a tailwind for the industry in the medium to long term, as it makes insurance more affordable and accessible to all.



We would also like to reiterate that insurance is a long-term business, and we remain steadfast in our commitment to drive profitable growth, create sustainable value, and always prioritize our interest of the policyholders.

Let me now move to the Lending businesses, BFL and BHFL:

For Bajaj Finance, a good quarter on volumes, AUM, OPEX and profitability. Number of new loans booked in the quarter was at about 1.2 crores as against 0.97 crores for the same period last year, showing a growth of 26%. The company's diversified business model has enabled it to record a strong AUM growth of 24% at INR 4,62,000 crores as against INR 3,74,000 crores for same period last year.

Net total income grew by 20% to about INR 13,170 crores as against INR 10,946 crores for the same period last year. Profit after tax grew at a healthy 23% during the quarter, up to INR 4,948 crores from INR 4,014 crores. OPEX to net total income improved to 32.6% as against 33.2% in the previous year, with green shoots of AI initiatives now visible.

The net losses and provisions for the quarter were up 19%, and the credit costs remained elevated, largely due to the 2 & 3-wheeler segment and the MSME business. However, the company has cut about 25% of its unsecured MSME volumes, and thus the AUM growth for MSME lending will be close to about only 12% to 13% for the full year '26.

In terms of our gross and net NPAs, they stood at 1.24% and 0.6%, respectively, for the quarter ended 30th September as against 1.06% and 0.46% for the same period last year. The capital adequacy remained strong at 21.22%.

Moving to Bajaj Housing Finance:

A stable quarter with AUM growth of 24% despite heightened competitive intensity and higher portfolio attrition. Growth was very well distributed across all the business segments. Home loans AUM grew by 19%, loan against property by 29%, lease rental discounting by 35% and developer finance by 25%. Net interest income grew 22% to about INR 1,097 crores as against INR 897 crores for the same period last year.

Operating efficiencies continued in terms of OPEX to net total income improvement at healthy 19.6% as against 20.5% for the same period last year. Healthy asset quality was maintained with gross and net NPA standing at 0.26% and 0.12% for quarter ended 30th September as against 0.29% and 0.12% for the same period last year. Profit after tax grew at a healthy 18% to INR 643 crores. Capital adequacy was at a healthy 26.12% for the period ended 30th September.

In summary, another very strong quarter for both our lending companies, Bajaj Finance and Bajaj Housing Finance Limited.



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

Now, let me give you an update on our emerging companies:

Bajaj Finserv Health Limited - In Quarter 2, Bajaj Finserv Health did about 6.2 million health transactions versus about 2.4 million transactions for the same period last year, which were accelerated significantly through a few large government contracts and commencement of OPD business with few insurers.

Bajaj Finserv Health continued its expansion of provider network, which includes about 133,000 doctors, about 5,700 lab touch points and about 16,000 hospital tie-ups. Utilizing this network strength and its tech platform, Bajaj Health is able to offer integrated OPD, IPD and wellness experience to both retail as well as corporate customers, which is a unique proposition in the market today. During the quarter, the revenue from operations have grown at a healthy 22%.

Bajaj Markets - During the quarter, the BFSI lending disbursements by Bajaj Markets stood at about INR 1,549 crores as against INR 1,210 crores in Quarter 1 of FY '26. The company ended the quarter with a total unique partner count of 101.

The top line for the company, however, has registered a planned de-growth from INR 164 crores last year same period to about INR 90 crores for the quarter this year, which is attributable to decrease in loans and transacting customers during the quarter. The de-growth was planned for, due to a system migration for frontline sales and the company is now migrating to SFDC as a tool for managing CRM for the frontline sales.

There has been no capital infusion in the company since March '22, showing capital efficiency of the company.

On Bajaj Finserv Asset Management Company Limited, the Company continued its good run recording an AUM of INR 28,815 crores as of 30th September 25 moving to the 25th position amongst the 47 mutual fund companies in India, in terms of AUM.

And as of date, the company has already crossed an AUM of INR 30,000 crores. The AUM grew by 15% from the immediately preceding quarter and 77% from the same period last year. We believe that Bajaj Finserv AMC is the fastest to cross the INR 30,000 crore mark in less than 2 full years of operations. The equity mix for the AMC companies stood at a healthy 52% and the non-group share of AUM constitutes about 86% of the total AUM.

That's from my side on the performance updates. Before we open for questions, considering the paucity of time, I would request the audience to keep their questions brief, so that we can cover more queries during the call.

With this, I invite questions from the audience.



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

Moderator: Thank you very much. We will now begin with the question-and-answer session. Anyone who wishes to ask the question may press * and 1 on touchtone telephone, if you wish to remove from the question que you may press * and 2. Participants are requested to use handset while asking the question. Ladies and gentlemen, we will wait for the moment till the question que assembles.

First question is from the line of Mahek from Emkay Global. Please go ahead.

Mahek: Thank you for the opportunity. My 1st question is on Bajaj Life. So, just wanted to understand the breakup of this 140-bps impact on the NBM margin, which is on account of the GST. So, if you could just help us with the breakup between the renewal and the business done after 22nd September.

And secondly, how do you look to mitigate the impact of GST ITC losses? Will you kind of revise these distributor commissions or how do you plan to mitigate this impact? These are the 2 questions.

Tarun Chugh: So, I will transfer the quantitative bit for Vipin to handle, and then maybe I will come with a qualitative one.

Vipin Bansal: Yes, on H1 basis, the impact on NBM is 140 bps on account of GST. 50 bps of this impact is from the back book. That is for the business that was written from April,25 to 21st of September,25 because on the renewal commissions that we will pay in future, we will not get ITC credit. So, that's 50 bps out of 140 bps, rest 90 bps is for the business that was written from 22nd September to 30th September,25

Now while I call this out, it is important to note that the business mix that was issued from 22nd September to 30th September was skewed towards non-ULIP, because we had given an option to the customer that you could decide to have your policy issued immediately or wait for GST exemption to kick in.

And in the case of most non-ULIP customers, we chose to get it issued after 22nd September,25 which was logical, because it was becoming GST exempt. So, hence, the 90 bps that we are talking about is only reflected for that 9-day period, and that has a skew of, like I said, non-ULIP mix. If I was to annualize this, that's the mix that we typically operate. And if we were to do nothing on ITC or the GST as you were saying, the impact should be about 450 bps.

Mahek Shah: Yes. Perfect. And secondly, on how would you look to mitigate this volume impact?

Tarun Chugh: Yes. So, Mahek, some actions we have already taken , and I must say that quite successfully. A lot of this has been in terms of product structures and product mixes. And that is something we shall keep working on for the next 2 quarters. We are also in discussion with distribution on how



to take this burden of GST, which overall, I think, other than the ITC part, the rest of the GST has already helped in growth.

The tailwinds are sitting, and it's quite obvious that customers are seeing prices are down. So, we are now working with distribution and not just us, but the sector together on how we can share this ITC burden with our distributors, our vendors, and of course, how we can ourselves bury it down. We expect another 2 quarters for settling this entire process and taking all measures that we are intending to take.

I guess by the end of that, we should be firmly placed.

Mahek Shah:

Got it. sir. Thank you so much. That's it from my side.

Moderator:

Thank you. Next question is from the line of Sanketh Godha from Avendus Spark. Please go ahead.

Sanketh Godha:

Thank you for the opportunity. Sir, if I negate the impact of, say, 140 bps of the NBM, then you almost reported maybe closer to more than 16% margin for 1H FY '26 compared to 9.2% what you reported last year. So, in the presentation, you mentioned that it is product mix, cost rationalization, and better product margins.

So, if I want to break down this 7% delta improvement in the margin, if you can give a bit of color how much was led by product mix, cost optimization, and maybe better margin profile of the products basically. Just to understand a bit more whether this is sustainable or not? That's my first question.

And second, on Bajaj Life, you will enter into a favorable base now in second half. So, can we expect growth to come back in teens for you in second half or the disruptions with respect to GST, renegotiating commissions will have its own bearing and therefore growth for the full year can be still pretty muted or might be a little difficult even in the second half. So, these are the 2 questions I have on Bajaj Life.

Vipin Bansal:

Yes. So, Sanketh, let me pick up broadly the walk of the margin that you spoke about. So, look, we have mentioned in the past, the cost optimization that we were doing is giving us anything between 100 and 125 bps of margin expansion. So, that's with respect to costs.

If I had to give you a broad breakup on the mix, I think anything about 400 bps is coming out of the mix, rest is coming out of product repricing, and then there will be obviously some compensating items, because like everybody else, our credit protection business continues to see intensive competitive pricing pressure, and there we are seeing some margin compressions.



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

So, our volumes are little low. So, cost absorption is making an impact there. But broadly if cost would be about 100 bps-125 bps, product mix would be about 400 bps. That's broadly I could talk to you about 500- 525 bps. I think the rest will be multiple line items there.

Sanketh Godha:

Understood. And from the full year point of view, you think we will have this delta of 500 to 700 basis points net of earnings, not factoring the GST negative impact, will we hold up? Or if I take an annualized impact of 450 basis points on the margin. Is it fair to say that we will end up at a high teen-teen margin for the full year?

Vipin Bansal:

So, let me break that into 2 parts. First, like Raman said, look, we started this journey in second half of last year and March was the first full quarter that this entire change of Bajaj Life 2.0 became visible. Now March quarter was 4% margin expansion. June was 4.2%. This quarter, depending on whether you look gross or net of GST, we are upwards of 5.5%. Having run that for 3 quarters, it does give us confidence that the journey that we took on margin expansion, we are on track.

Now I think at this point of time, I would not want to hazard a guess whether it will be 4%, 6% or 7% margin expansion. But I think we are looking at a significant consistent margin expansion. And I think that strategy is working well for us. And I mean, to call out, it is not only margin, absolute VNB rupee value is also growing. So, that gives us a lot of confidence that our strategy is working.

Now having said that, like Tarun also mentioned, I think probably 2 quarters, we will have this noise or impact of GST. It's a transient impact. We do believe that over the next 2 quarters, we should be able to mitigate most of it.

So, I don't know if I could answer your question on a full year basis for this year, because there will be noise around H2, but had that not been there, I think our confidence level in terms of margins that we have been saying would have definitely happened and we could have seen a margin expansion in the range of 4% to 6%

Sanketh Godha:

Understood. second question, which I asked, is on the growth.

Tarun Chugh:

Yes. So, I will just step in on that Sanketh. Yes, you have got it right. The studied strategy that we had on a flatish 4 quarters is over, and that ended September, 25. And here on, you should see a trajectory on growth. I would, at this point, not hazard a guess, that it would be above the industry, but I wouldn't be surprised if it is.

And I think this is supported by the fact that the GST impact in terms of the tailwind that it's giving, will also be a significant part. We have already seen growth coming in the proprietary



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

sales channel, in the bancassurance side. Agency, of course, some legs are still not steady, but bulk is under control.

And we expect that, this is unfolding and more will be visible now in this coming quarter. Base effect, notwithstanding. It will still be a favorably good quarter I assume in terms of the top line. So, no worries on that count.

Sanketh Godha:

Understood. Thanks for the answer. Now just on Bajaj General, a couple of small questions. See, when I look at Motor business, there seems to be a significant divergence when it comes to OD growth and the TP growth. Maybe just wanted to understand this divergence will continue or how it will play out?

And related to that, given the TP growth is very strong, low-price hike, and this loss ratio, what you are reporting around 59% in TP is really sustainable or not is the question I had on Motor. And second thing is that the Group Health PA and Retail Health growth being muted in first half with 1/n accounting settling in second half, can we expect the growth to grow back to nine teens to 20s in 2H?

Tapan Singhel:

Thank you for the question. I think first and foremost, if you have seen our philosophy for a long period of time, it's very simple. We try to maintain our market share in all lines of businesses and pick up good risk and serve the customer very well. I think it's a very simple philosophy that we follow, which we have been doing for so many years.

So, the question on TP, if you look at our TP market share it had become lower than what our OD market share was. So, if you currently see and that's why you see this difference, we are trying to get that to be where it should be, so that in a way, brings us to a place where it is.

On the price hike of TP, for quite many years it did not happen, which means that our belief is that it should happen very soon. Now how soon will that be, that we can't tell because the government decides that. But because that has been overdue for quite some time, it should happen soon. And that is why our belief is that this would play out well.

On the Group Health and the PA perspective, if the market does not give an opportunity to pick up risk at our price, which we feel is right, so that it will serve the customer well, then we don't do that and which is how it is. When we see that opportunity, we do that.

So, to tell that whether in the next half, we will pick it up or not pick it up. It will all depend on the market and the pricing that we are comfortable with. The moment it reaches a range, where we are comfortable with, then you see that we pick up the business which is there. So, that has been a consistent philosophy for many years, and we continue doing so. Thank you for the question.

**Ramandeep Sahni:**

Sanketh, I will just add to Tapan's point. I will just give an indication on where is the TP growth coming from, and that also takes us to the point which I am sure somebody will ask in the due course, on the higher acquisition cost.

So, if you look at our 2-wheeler new market share, as you recall, few years back, it used to be 3% levels, we had moved it up to about 8% to 9% levels. For the quarter, it's hovering around 13.5% to 14% levels. And because we end up paying commissions upfront for 5 years, that's why the acquisition cost has moved up. And this also leads to your point on TP growth being higher.

As we know in 2-wheeler, the proportion of TP is much higher, and that's why you are seeing TP growth also higher. So, there are some segments which will know deliver profits and hence, the focus is there. But like Tapan said, while our endeavor is to grow TP market share, where we were lagging, but we will also have to see how we manage the profitability on that front.

Also, on the point you made on health, see, there are 2 elements. One is you spoke about the group health, Tapan answered the GMC piece. The other point which you said is true that from the base now, the 1/n impact will get neutralized to some extent, so that we should start seeing some benefit of that in the reported numbers. However, anyways, we have been reporting growth, excluding 1/n. So, anyways, we have been transparent on that.

To the other point on Retail Health also if you see, while our growth is looking muted, but that's also because of long-term business, while I think we reported muted growth of less than 1% for the quarter in Retail Health business. But if I exclude the impact of 1/n, the growth is actually 11% for the quarter. And in fact, if I see the growth for the month of October, it's about 15%. So, that's how the numbers are shaping up.

Sanketh Godha:

Thank you, everyone. This is very useful. It clarifies my questions. Thank you very much.

Moderator:

Thank you. The next question is from the line of Madhukar Ladha from Nuvama Wealth Management. Please go ahead.

Madhukar Ladha:

Thank you for taking my question. First, congratulations on a very strong result in Bajaj Life, so we are seeing a very sharp increase in margins and GNP. And also, my question was more related towards the product mix. So, I think you have been able to change the product mix very successfully towards a higher protection. Even on a quarter-on-quarter basis, retail protection has grown very strongly, and along with non-par and annuity also, which operate at a higher-margin, there also we are seeing a good pickup.

So, I wanted to understand what is driving it? And how sustainable in your opinion is this growth in protection? I am guessing there is also a tailwind on GST, some comments around whether this has continued in October? And how would you see this in the second half, will this be helpful



for us to sort of judge what the margins can be for FY '26, given the hit of ITCs?. So, yes, some comments around that would be helpful. Thanks.

Tarun Chugh:

So, Madhukar, I will attempt to answer that. If you feel that I haven't answered perfectly, please append it. Thanks for acknowledging the fact that we have been able to get the desired product mix. This is exactly what we told you a year back that the results have been a little better than what we expected, honestly, exactly as you are also kind of commenting. But more and more, we have seen that we have still got significant room to move on the protection side.

And well, the story is still consistently there. For example, I will just throw some data points. 33% of our customers are getting onboarded as protection customers. 17% of our customers in addition to this are getting added on some rider or the other. So, very clearly, 50% of the customer base has some element of protection easily in it. We did see an opportunity, and we did find an innovation opportunity on the annuity side, which was vacant, and we were the first ones to make the move.

In fact, if I might so claim that on annuities too, we were the first one with the deferred annuities a few years back. And now we will be moving on the maybe short-term pay annuities, which has worked well, particularly in the 50 to 70 age band. Additionally, high sum assured ULIPs account for about 8–10% of our overall product mix. So, the ULIP part has also moved.

All of this was kind promised to all our stakeholders last year. There is more innovation in term as well, which we have done, which may be as it succeeds, we shall disclose. This is already showing the good green shoots, and we consistently got the experiments working on term, which is a different approach.

I think we have been presently surprised and are more bullish about direction in which term plans can go. And as you work on Excel sheet, your second leg of your question, yes, we will be holding this product mix broadly in the medium term. So, again, we don't have any worries on this.

As last year, we had moved to BALIC 2.0, there were significant steps we took, not just in product mix and product structures, but also on cost optimization. So, finally, over cost optimization there is still room in that direction also. And you will see that in the next 18 months, more and more of that happening. So, yes, the direction is positive.

Have I answered your question, Madhukar, you believe?

Madhukar Ladha:

Yes, most of it. Just on protection, in the first half, I think the growth is like almost 70% year-over-year. Some sense on what is driving it. Do you think it is initial GST reduction, and it would sort of come off after some time? Or is there something more to it?

**Tarun Chugh:**

In terms of growth, Madhukar year-on-year is a difficult one, because the base has already gone up. I think it's more to do with every channel basically picking it up significantly.

On the GST impact, if any, the whole sector will still get the benefit of that for the future. We have been working on our underwriting, analytics. I had talked about our analytics a few times earlier, a profiling of customers, pre-profiling, democratizing it more in business channels, and I do see some headroom even more available there.

The way we work our term strategy, like we do any other strategy is ground-up, segmented and not just one fit all. I think that's been working.

Our processes with AI at the back end and digitization has worked out quite well. And like I said, we will talk about more of this as the experiments go ahead. I think Vipin wants to say something.

Vipin Bansal:

So, Madhukar, I think 2 things here. If you look at the 70% outgrowth that you are talking about, I will just draw your attention to looking at this data for last 18 to 24 months. And this retail protection growth has been largely consistent. I think that's point number one. So, it's not that it's just came this quarter or this H1. It's been consistent for last 18 to 24 months,

Point number 2, to what Tarun alluded, I think when we came in and talked about Bajaj Life 2.0 last year similar time, I think these were all conscious efforts thought through with set out actions that we had in our mind. And as we called out earlier, and as I did mention earlier, I think as we were executing this, it was all about what we had planned for and how do we execute them.

And I think we have been pretty successful in executing what we had planned for. So, we have said that in medium term, that's in about 2 to 3 years, our term protection share should be 10% odd. And I think we are rightly headed in that direction.

Madhukar Ladha:

Great. Congratulations. And all the best. Thanks.

S. Sreenivasan:

Madhukar, just to add, I think when you look at the Life business, a very long-term business. And if you look at the history of Bajaj Life, at least over the last 7 to 8 years when we started the transformation, I think 2018 without any external regulatory change or anything, we took a call that we want to reduce ULIP from 72% by taking a big jump on to the traditional business. It did result in 1 year of lower growth, because ticket sizes for traditional business were much lower. But I think the team executed very well.

Last 3 years, we have seen several headwinds, we had first the tax on ULIP, then tax on traditional, the surrender charges and now the GST. Now each of these really requires the company to review where it stands. And we have started BALIC 2.0 with a very clear intention that we want to focus on consolidating the growth that we achieved in BALIC 1.0 with a greater focus on profitability.



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

And I think at least the results so far this year indicate that Bajaj Life is on the right track. The number of customers is growing. The percentage of customers who are going to be profitable and total mix are growing. We have cut out businesses, which we believe will not give us a profit, at least a small segment of customers who disproportionately contribute to the losses have been avoided. And all this has come through a mix of product and distribution strategies.

As we go forward, I think this will remain the principle of Bajaj Life, and we will continue to focus on this. There are other headwinds as well. For example, the yields coming off has taken a bit of a hit on the Non par Guaranteed business, because they are no more attractive as they were till about 1.5 years back. So, these things cyclically will play out.

The key question is how nimble we are in adapting to change. Group protection is another area showing strong growth of 23%. Over the past two years, performance was volatile and patchy due to its dependence on bank and NBFC lending. However, it has now started picking up steadily.

Our smaller banks, which we tied over the last few years are growing significantly well, which is also adding to margins. So, I think overall, when I look at it in long term, the company is positioning itself in the right manner in terms of product mix and the distribution mix.

Madhukar Ladha:

Great, sir. Thank you, all the best.

Moderator:

Thank you. Next question is from the line of Nidhesh Jain from Investec India. Please go ahead.

Nidhesh Jain:

Thanks for the opportunity. First question is on listing of Life Insurance and General Insurance business. Any plans to list these companies separately, given that in the past, we have heard that there is a regulatory push also to list larger life insurance and general insurance companies. And in the last deal also, your promoter group has taken a stake in these companies. So, any plans to simplify the structure or list these companies in the medium term?

S. Sreenivasan:

I will take that. I think at the moment, our focus is on completing the acquisition, while we have changed the brand and effectively are in control now, the transaction is not complete yet. It will get done over the next few months, at least a substantial portion of that will get concluded. That is the first step.

We are also with a new brand in place over the next 1 year. We have to be very watchful in both the companies, in terms of retaining the business and ensuring that we continue to grow and establish the Bajaj brand in a more formal way, not that it is not known, but it is a change of brand for the company.

After that, we will have to review. It is something I don't think in the next 2, 3 years, we are seeing anything. We have other developments in the industry. We have IndAS coming up. We



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

have RBC coming up, and then IRDAI is making progress on that with successive interactions with the companies.

I think for the next 2 to 3 years, they will all play out. They have a big impact on the way numbers are reported, how the profitability is measured. And it could have some tailwinds as well, at least our preliminary look at it, seems to indicate there are some positives, especially for companies, which have significant solvency.

Therefore, we are positioning ourselves. But once that plays out, we will review it. We do have excess capital in both the companies. In the case of Life, we are consuming it. And hopefully, we are consuming it very well for the right products and the right growth.

In the case of non-life, we are generating capital. And so, we will review that. I think the Boards of the company will review at the appropriate time. But if you ask me next 2 to 3 years because of all these external developments, we also have the insurance bill, which may come up any time, which has the changes in the Insurance Act with 100% FDI, potentially composite licenses, ecosystems, many things.

So, all these have an impact on how you look at your long-term strategy. And therefore, we will wait for all these to play out before we take a view on what to do with this.

Nidhesh Jain:

Sure. Sir, second question is on Bajaj General Insurance, , in the past, we have been operating at below 100% combined. But in the last couple of years, the combined ratio has been consistently above 100%. So, what are the reasons for that? And how do you see possibility of combined ratio below 100% over medium term?

Tapan Singhel:

So, the point to be seen here is if you look at the industry combined ratio, it has been over 115% between 115% and 120%. So, Bajaj General has been beating the industry combined ratio by full 15 percentage points, and consistently for so many years. So, even now when you see the delta in combined ratio, and Raman mentioned that his in opening speech, 1/n also pushes it up by at least a 1% point, which is up there.

And secondly, when you acquire businesses, which has acquisition costs being paid upfront, the accounting puts it like that. And that's why Sreeni was alluding to, if you look at the accounting system, which is internationally followed, the combined would be much below 100%, it is there. So, when you are growing those lines of businesses, the expense moves up, because you are paying it upfront, and you account for it upfront. And also 1/n is also playing a bit of role in that.

But broadly, if you see, I think, ambition has been to be close to 100% at all points in time, which we are doing. But what you should be appreciative about is that this is one company which consistently for decades now, has been outperforming industry by full 15% to 20%, full points in combined ratio and still growing the number of customer base, still being like last year also



pick it up. We have issued the largest number of policies in the industry; nobody has been close to us.

Growing the customer base, capturing market share, moving up the ladder, and maintaining this delta in combined ratio. And I would be very surprised to find more companies which can deliver these kinds of results consistently for such a long period of time. So, that is why it is. So, it's not a question in which you should feel alarmed or something. It is just the way to structure.

And if the new accounting system, which is followed internationally if we look at it, then the combined comes way below 100%, when that comes into play. That's what Sreeni was alluding to when he spoke about what the regulator is looking at, in terms of bringing those accounting system, which is being followed internationally.

S. Sreenivasan: I think, Nidhesh, one more thing you have to notice is that in the long run, any P&L business like General Insurance is an ROE business.

Moderator: Nidhesh, do you have any follow-up question.

Tapan Singhel: What Sreeni is alluding to is that even if we assume a capital requirement of 200% for solvency (against the actual 150%), and Raman, please correct me if I'm wrong, the ROE for Bajaj General (BAGIC) is currently over 20%. In fact, for the second quarter, we are delivering an ROE of around 24%. This demonstrates the kind of return on equity we are achieving, especially when the industry average ROE is just 3%. The outperformance of Bajaj General compared to the industry is by these significant margins.

Nidhesh Jain: Sure.

Ramandeep Sahni: Nidhesh, one more reason why this is happening, as we indicated earlier that we are writing more and more of longer-term business. So, for example, what I indicated earlier on the 2-wheeler side, years back, my market share on 2-wheeler was only 3%, this quarter, it was 13%. And having to pay upfront for 5 years of commission, that causes new business strain in the life sense, what we call it. So, that is one reason why the combined ratio is looking elevated

And similarly, even on 4-wheelers, our market share is now hovering above 9%, which used to be close to 7.5% is what I remember 3 years back. So, overall, our long-term businesses are much higher than the industry. That's why in the last few years you have seen this delta.

Nidhesh Jain: Sure, sir. And in the Motor business, I have noticed that motor OD loss ratios have increased to 71%, which is on the higher side versus the historical trend. So, any trend reversal in this business, or just a quarterly blip?



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

- Ramandeep Sahni:** It's just a quarterly blip. This will come down by the year-end is what we believe. With all the actions we are taking, we will come down to normal levels for full year is what I believe.
- S. Sreenivasan:** I think Nidhesh you know, historically, whenever there is an increase in loss ratios, Bajaj General always puts in place a risk reduction mechanism. We have very 20-year history of being able to come back by looking at segments where we should slow down, where we should get more aggressive and that process will continue. Every time there is a blip, there will be action taken by the company and eventually, but it takes a bit of time because it's a 1-year contract. It may take 3, 6 months for it to play out, but we will continue the journey, and we will continue doing the right thing what we have done in the past.
- Tapan Singhel:** Let me explain the blip also. See what happens is in the beginning of the year, the OEMs increase their charges for our labor, spare parts. So, this happens like in most of the years, you will see this blip initially happening. And then like Sreeni said, the company keeps on taking corrective actions and then it gets it there.
- So, it will be a phenomenon that you will see in our business because, obviously, our claims depend a lot on where it's getting service. If the OEMs increase their labor charges, it increases the spare part price, the claim ratio would move up immediately.
- If the hospital increases the charges, that would move up. But then how does the company react to it, and is able to bring it down, while ensuring the customer service is at the highest of order is what the game is. And that is what Sreeni was saying that over decades, we do this. So, this is not, again, to me, a cause of worry.
- Nidhesh Jain:** Last question is how do you see the GST impact on Motor business loss ratios as well as in the Retail Health Insurance business?
- Tapan Singhel:** So if you look at now GST has 2 components. One was input tax rate for distribution, which would be there. Second was because of reduction of GST, you saw increase of car sales happen, where obviously the Motor business goes up. Also due to the Retail Health business, that also moves up. But at same time hospitals also and OEMs also have other benefits in spare parts and all.
- Now if they pass it on to customers, as was the expectation by the government, then that would also bring it down. But there, we have to see proof, in terms of how much they really pass on to customers.
- So, you will see increase in these lines of businesses, you would see the impact in losses, if they pass on the benefits they have in terms of, be the spare part cost or be it in terms of the medical equipment cost. So, this is how this is all going to play out overall.



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

S. Sreenivasan: But in terms of the impact on like the Life, the impact is only on the Health and PA business on the output tax side. So, proportionate disallowance, because of the variety of product lines, many of which continue to be under GST, the company has enough flexibility to be able to manage it in the long run, temporarily, there may be a bit of blip as these things play out, but we will wait and see.

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

Moderator: Thank you. Next question is from the line of Mayur from Wealth Managers. Please go ahead.

Mayur Parkeria: Good evening, sir. Thank you for taking my questions. So, again, congratulations to the entire team of Life Insurance. I don't want to sound very poetic, but clearly, within the Bajaj Group, a new star is getting born. We had 2 stars and now the third star also coming up. So, that's a great and heartening thing. And it's not one quarter, it is consistently. We have been watching it over a couple of quarters now. So, a great execution of the strategy, which has been there.

Just on the question side, actually there was a question on this listing and our response to that was also about the regulatory changes, and it will help companies with higher capital adequacy which we have. But in the light that now the profitability engine of the Life Insurance is firmly in place, and the fact that at Bajaj Finserv level, we may have requirements of capital, does it make sense to have a dividend policy and will that lead to some correction in the capital adequacy, how do we see that aspect from a parent perspective? And is there any thought process on that?

S. Sreenivasan: In perspective, I think the 2 insurance companies have been paying dividends since last 2018, if I am not mistaken. And in fact, both of them have more or less paid back more than the capital that the BFS and our ex-partner, Allianz, had invested in these businesses. So, that was already on.

Now as we go forward, this year, obviously, we could not take any dividends, because we are in the midst of a change in shareholding. And obviously, you cannot pay a dividend, because that's not part of the arrangement with Allianz that we will share dividends with them.

But once that is completed, we will review that. There are multiple things in relation, as I mentioned earlier, in terms of RBC, in terms of IndAS, in terms of composite licenses, and the surplus capital and the utilization of those capital.

And for Finserv itself, BFL is a dividend paying company. Bajaj General, Bajaj Life are paying dividends, currently our capital consumers are only our Health business and our AMC. And therefore, it is not significant capital that we need at the moment. So, we are quite comfortable at this stage. We will see once Allianz transaction is over what to do with that capital.



- Mayur Parkeria:** Yes. And actually, second question was also in line of the health. We have almost infused more than INR 1,200 crores if I see it right on that number on the health and this side. We are seeing almost INR 30 crores quarterly run roughly losses which are there. When do we see that part turning around? And what would be our milestone in benchmarks over the next 3 years for that business, in terms of profitability or something which we can monitor quantitatively and qualitatively both on that side
- Ramandeep Sahni:** Devang, do you want to take that?
- Devang Mody:** Sure. See, the way we look at the health businesses, our objective is to build a differentiated platform, which takes care of the requirements of all stakeholders. So, this ecosystem has quite a few stakeholders. Obviously, the consumer who consumes the healthcare is an important stakeholder, but there are insurers, there are providers or hospitals or doctors, which have slightly conflicting priorities.
- But there is a value creation possible, globally it's seen and hence it can be done. But our priority at this point of time is to create digital interface and put health data to use for users as well as payers or insurers and providers.
- So, I think 2 things we are focused on as far as profit trajectory is concerned. One, how do we launch more services which balances requirements of all stakeholders? And second, how do we drive volume, which will eventually lead to operating leverage. We are seeing operating leverage play out quarter-on-quarter, but it needs to steepen up, but it will happen with more and more new services getting launched. That is our broad view on the business. Unless if I have not clarified your question, you can ask again.
- Mayur Parkeria:** So, since I am not asking a quarterly or a yearly but from a milestone over 3 years, do we have anything to look after from a more quantitative aspects, while qualitatively you have highlighted what is at play and how to look at it. Anything quantitative benchmarks which we would have internally in terms of the numbers or over a 3-year, 4-year period?
- Devang Mody:** So, I think we watch 2 North Star metrics, point number one. How many health transactions are we processing? That is the most important North Star metric for us. Second, are we able to create use cases from those transactions insight? Now that is slightly qualitative. But I think that is the 2 most important monitorable for us as a business. And as far as quantitative financial output is concerned, we are very clear in next-to-next financial year, we should break even. So, we will moderate our investment appropriately.
- Mayur Parkeria:** That is FY '27.
- Devang Mody:** No, FY'28.



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

S. Sreenivasan: We are also now started dealing with Life companies, Sahi companies, and other GI companies selling riders, products, services. So, that's a start we have made, and we want to scale that.

Mayur Parkeria: Okay, great. Sir, I have a slightly short term, just numbers understanding. My financial understanding on insurance is not very great, so pardon me with that. But I just wanted to understand, we have INR 120 crores impact of the GST, which we have taken in the quarter. Is it going to be recurring for 2 quarters, is my understanding right, the number? Or is it because all the impact has been taken. That is one.

And that is the impact which we see on VNB, but will there be an impact on embedded value or anything on the other side? Will there be an impact of that as we go ahead?

Vipin Bansal: Sure. Let me answer both the questions. I think the INR 112 crore number that you are referring to, it is GST impact on PAT. Now you are right, there are 2 elements to it. Like I mentioned in case of NBM, there is an impact of all the policies that were issued until 21st September, because as we keep paying commission on renewals, we would not get the GST credit, right? So, out of INR 112 crores, INR 73 crores is back book as we call, and this is a one-time impact. This is not going to recur.

INR 39 crores is for the business that was written in the last 8, 9 days, and that is recurring. But I will make the same point that I made for NBM, there was a significant product skew in those 8 days towards non-ULIP. So, on an annualized basis, this impact will not be as proportionate. But I think it is important to understand that the number that you are looking at is without taking any action.

And as Tarun mentioned earlier, it's been more than 2 months. So, it's close to 70 days since the GST changes were announced. And we have already taken a number of steps to mitigate the impact on PAT, VNB and margin.

Coming to EV, we have already reported, there is an impact that has been reported on the EV. It comes to 44 bps of EV. Because our NAV is very high, because we have high net worth as a percentage of this, it is 102 bps. I think that will be more rightful measure if you want to compare our back book impact on EV, compared to anybody else.

Mayur, I think those are 2 questions you were looking for.

Mayur Parkeria: Yes. I think I got the answer. Can I squeeze in one more question with your permission.

Vipin Bansal: Go ahead.

Mayur Parkeria: It's on BALIC itself. So, definitely, we are in the first year of a very significant leg up in our NBMs from closer to 10%, to 12% kind of range to now, even if we exclude the 17%, 18%, 19%



FINSERV

*Bajaj Finserv Limited
November 11, 2025*

kind of ranges, and we had these targets of reaching around 20% we could have. So, the question is, yes, it's the early journey. We understand it. It is in sight of us, and we are almost there.

The question was, will we stay in this band for some more time, consolidate and grow the scale and profitability both? Or do we think we will be looking at the further next journey from here on over the next 3 years, more moving in line with where the Tier 1 margins for players are. Will that be the trajectory? Or will we consolidate here first for a couple of quarters a year and then move up the next leg?

Tarun Chugh:

So, Mayur, there is a lot of things you have asked on that. But just to be clear, I think we will take it a step at a time. And yes, there has been a leg up. And I am happy that all of you are acknowledging the significant change. I would not jump ahead of my time, and I would not make too many forward-looking statements yet. And we take it step by step.

And the entire sector is looking at the GST impact. We are working on it. And I guess that sector first has to gobble up that and then maybe talk of times beyond that. And I guess there is going to be another quarter when we will meet, and another quarter after that as well. And we will then be in a better position to respond to this.

Mayur Parkeria:

Great. Thank you and wish everybody all the best for the next quarter. Thank you so much.

Moderator:

Thank you very much. As there are no further questions, I will now hand the conference over to Mr. Raghvesh for closing comments.

Raghvesh:

Thanks to all the participants for joining the call, and a special thanks to the Management of Bajaj Finserv for giving us the opportunity to host the call. Thank you, everyone.

Ramandeep Sahni:

Thank you everybody.

Moderator:

Thank you very much. On behalf of JM Financial Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.