

Press release

Financial results – Q3 FY16

Gross revenue ↑ 12%; Profit after tax ↑ 26%

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q3 FY16.

Bajaj Finserv Limited (BFS) is the holding company for the various financial services businesses under the Bajaj group. BFS participates in financing business through Bajaj Finance Limited (BFL) in which it had a 57.53% holding as at 31 December 2015 (61.53% as at 31 December 2014) and in the protection business through Bajaj Allianz General Insurance Company Limited (BAGIC) and Bajaj Allianz Life Insurance Company Limited (BALIC), in each of which it has a 74% holding. BFS holds 9,25,000 warrants convertible into equity shares of Bajaj Finance Limited on or before 1 December 2016. If exercised, the holding of BFS in BFL will increase from 57.53% to 58.25%.

The Company has been recognised as a Core Investment Company (CIC) by the Reserve Bank of India in terms of regulations governing Non-Banking Financial Companies and is no more required to be registered thereunder.

The results of these companies are reflected in the consolidated results of the Company.

Highlights – Q3 FY16 v/s Q3 FY15

✓ Consolidated gross revenue	– ₹ 5,396 crore	v/s ₹ 4,802 crore	↑ 12%
✓ Consolidated income from operations	– ₹ 2,444 crore	v/s ₹ 1,904 crore	↑ 28%
✓ Consolidated profit after tax	– ₹ 437 crore	v/s ₹ 347 crore	↑ 26%
✓ Bajaj Finance, profit after tax	– ₹ 408 crore	v/s ₹ 258 crore	
✓ General insurance, profit after tax	– ₹ 68 crore	v/s ₹ 143 crore	
✓ Life insurance, shareholders' profit after tax*	– ₹ 191 crore	v/s ₹ 99 crore	

Highlights – 9M FY16 v/s 9M FY15

✓ Consolidated gross revenue	– ₹ 15,408 crore	v/s ₹ 13,432 crore	↑ 15%
✓ Consolidated income from operations	– ₹ 6,879 crore	v/s ₹ 5,181 crore	↑ 33%
✓ Consolidated profit after tax	– ₹ 1,345 crore	v/s ₹ 983 crore	↑ 37%
✓ Bajaj Finance, profit after tax	– ₹ 963 crore	v/s ₹ 667 crore	
✓ General insurance, profit after tax	– ₹ 356 crore	v/s ₹ 418 crore	
✓ Life insurance, shareholders' profit after tax*	– ₹ 647 crore	v/s ₹ 317 crore	

Summary of consolidated results is given in **Annexure A**.

* See note C iv)

Bajaj Finserv Limited

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A synopsis on the performance of the individual companies is given below:

A. Bajaj Finance Limited (BFL)

- i) Total income for Q3 FY16 **increased** by **39%** to **₹ 2,069 crore** v/s ₹ 1,485 crore in Q3 FY15.
- ii) The Company recorded **its highest ever quarterly profit after tax** of **₹ 408 crore** in Q3 FY16 v/s ₹ 258 crore in Q3 FY15 – an **increase** of **58%**.
- iii) Assets under management stood at **₹ 43,452 crore** as on 31 December 2015 v/s ₹ 30,822 crore as on 31 December 2014 - an **increase** of **41%**.
- iv) Net NPA for Q3 FY16 was 0.26%. During the quarter, the Company sold ₹ 82 crore worth of NPA receivables in mortgage business on cash basis. This helped improve Net NPA performance.
- v) Capital adequacy ratio as on 31 December 2015 stood at a healthy **19.54%**.

Summary of financial results is given in **Annexure B**.

B. Bajaj Allianz General Insurance Company Limited (BAGIC)

- i) Gross written premium for Q3 FY16 **increased** by **14%** to **₹ 1,348 crore** v/s ₹ 1,183 crore in Q3 FY15.
- ii) Profit after tax for Q3 FY16 stood at **₹ 68 crore** v/s ₹ 143 crore in Q3 FY15.
- iii) Net earned premium for Q3 FY16 stood at **₹ 1,037 crore** v/s ₹ 958 crore in Q3 FY15 – an **increase** of **8%**.
- iv) Underwriting loss was **₹ 116 crore** for Q3 FY16 v/s profit of ₹ 16 crore in Q3 FY15.
- v) Investment and other income for Q3 FY16 **increased** by **12%** to **₹ 211 crore** from ₹ 189 crore in Q3 FY15.
- vi) Claim ratio stood at **77.3%** in Q3 FY16 v/s 70.0% in Q3 FY15.
- vii) Combined ratio stood at **108.7%** in Q3 FY16 v/s 98.8% in Q3 FY15.
- viii) The claim and combined ratios for Q3 FY16 were higher mainly due to claims arising out of Chennai floods during November and December 2015. Without this impact, the claim and combined ratios would have been 70.0% and 101.4% respectively.
- ix) As on 31 December 2015, solvency ratio stood at **254%**, which is well above the normal regulatory requirement of 150%.
- x) Cash and investments as on 31 December 2015 stood at **₹ 9,090 crore**.

Summary of financial results and key ratios is given in **Annexure C**.

C. Bajaj Allianz Life Insurance Company Limited (BALIC)

- i) Gross written premium was ₹ 1,225 crore in Q3 FY16 v/s ₹ 1,442 crore in Q3 FY15.
- ii) New business premium was ₹ 538 crore in Q3 FY16 v/s ₹ 572 crore in Q3 FY15.
- iii) Renewal premium for Q3 FY16 was ₹ 687 crore v/s ₹ 870 crore in Q3 FY15.
- iv) Shareholders' profit during Q3 FY16 was ₹ 191 crore v/s ₹ 99 crore in Q3 FY15. During the current quarter, BALIC has transferred surplus of ₹ 49 crore in the Policyholders' revenue account based on its audited interim financial statements to the shareholders' account as against the past practice of transferring such surplus at the close of the financial year.
- v) Solvency ratio stood at a healthy 797% as on 31 December 2015 as against the minimum regulatory requirement of 150%.
- vi) Total investments as at 31 December 2015 stood at ₹ 43,361 crore.

Summary of financial results is given in **Annexure D**.

Sanjiv Bajaj
Managing Director
3 February 2016

Annexure A - Consolidated results of BFS

(₹ In Crore)		Q3 FY16	Q3 FY15	9M FY16	9M FY15	FY15
	Gross revenue					
	i. Gross written premium					
	a) Life insurance - Bajaj Allianz Life Insurance Co. Ltd.	1,225.21	1,441.87	3,478.74	3,638.25	6,017.30
	b) General insurance - Bajaj Allianz General Insurance Co. Ltd.	1,348.37	1,183.11	4,170.48	3,835.67	5,300.66
	ii. Gross income - Bajaj Finance Ltd.	2,069.67	1,485.53	5,426.14	3,973.32	5,418.28
	iii. Income from windpower generation - Bajaj Finserv Ltd.	10.37	9.88	47.68	43.33	50.31
	iv. Investment income (excluding accretions on unit linked investment)	708.49	651.10	2,188.17	1,851.78	2,685.38
	v. Others	33.78	30.78	96.89	89.77	117.33
	Total	5,395.89	4,802.27	15,408.10	13,432.12	19,589.26
1	Income					
	(a) Income from operations	2,395.24	1,904.43	6,667.39	5,181.19	7,099.12
	(b) Transfer from policyholders' account	48.64	-	211.98	-	487.89
	Total income from operations (net)	2,443.88	1,904.43	6,879.37	5,181.19	7,587.01
2	Expenses					
	(a) Transfer to policyholders' account	7.26	18.51	32.09	48.69	116.25
	(b) Employee benefits expense	206.95	153.30	570.67	430.53	578.02
	(c) Marketing and other commission	117.90	83.03	289.15	208.30	269.62
	(d) Recovery cost	58.04	52.00	169.40	148.56	204.35
	(e) Loan losses and provisions	146.18	107.86	386.31	270.80	384.56
	(f) Depreciation and amortisation	15.47	10.59	40.34	28.21	38.15
	(g) Other expenses	204.14	144.52	527.05	376.58	523.70
	Total expenses	755.94	569.81	2,015.01	1,511.67	2,114.65
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,687.94	1,334.62	4,864.36	3,669.52	5,472.36
4	Other income	0.02	0.91	0.19	2.54	3.37
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,687.96	1,335.53	4,864.55	3,672.06	5,475.73
6	Finance costs	733.78	587.51	2,087.44	1,626.83	2,229.58
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	954.18	748.02	2,777.11	2,045.23	3,246.15
8	Exceptional items	-	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	954.18	748.02	2,777.11	2,045.23	3,246.15
10	Tax expense	276.00	238.32	769.38	614.91	841.94
11	Net profit from ordinary activities after tax (9-10)	678.18	509.70	2,007.73	1,430.32	2,404.21
12	Add : Tax (debits)/credits pertaining to earlier years	-	-	-	-	4.96
13	Add: Share of profit after tax on investments in associates	-	-	-	-	-
14	Less: Minority interest in net income of subsidiaries	240.89	162.33	662.41	447.65	719.38
15	Net profit after taxes, minority interest and share of profit of associates (11+12+13-14)	437.29	347.37	1,345.32	982.67	1,689.79
16	Basic and diluted earnings per share (₹) before and after extraordinary items (not annualised)	27.5	21.8	84.5	61.8	106.2

Annexure B - Summary financial results of BFL

₹ In Crore	Q3 FY16	Q3 FY15	9M FY16	9M FY15	FY15
Total income	2,069	1,485	5,426	3,973	5,418
Interest expenses	749	592	2,121	1,636	2,248
Net interest income	1,320	893	3,305	2,337	3,170
Operating expenses	549	392	1,443	1,054	1,428
Loan losses and provisions	146	108	386	271	385
Profit before tax	625	393	1,476	1,012	1,357
Profit after tax	408	258	963	667	898

Annexure C - Summary financial results of BAGIC

₹ In Crore	Q3 FY16	Q3 FY15	9M FY16	9M FY15	FY15
Gross written premium	1,348	1,183	4,170	3,836	5,301
Net earned premium	1,037	958	3,098	2,832	3,832
Underwriting result	(116)	16	(95)	63	83
Investment income	211	189	609	517	694
Profit before tax	95	205	514	580	777
Profit after tax	68	143	356	418	562

Key ratios

Claim ratio	77.3%	70.0%	72.9%	72.3%	71.9%
Combined ratio	108.7%	98.8%	101.2%	97.1%	96.7%

Annexure D - Summary financial results of BALIC

₹ In Crore	Q3 FY16	Q3 FY15	9M FY16	9M FY15	FY15
Gross written premium	1,225	1,442	3,479	3,638	6,017
New business premium	538	572	1,672	1,575	2,702
Renewal premium	687	870	1,807	2,063	3,315
Shareholders' profit	142	99	435	317	388
Amount transferred from the policyholders' account to the shareholders' account	* 49	-	* 212	-	488
Total shareholders' profit	191	99	647	317	876

* Policyholders' distributable surplus has been transferred to shareholders' account in Q3 FY16 and 9M FY16 on the basis of interim audited accounts as against the past practice of transferring the policyholders' profit to the shareholders' account at the end of the year.