

Press release**Financial results – Q1 FY16****Gross revenue ↑ 25%; Profit after tax ↑ 46%**

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q1 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 has a 57.53% holding as at 30 June 2015 and in the protection business through Bajaj Allianz General Insurance Company Limited (BAGIC) and Bajaj Allianz Life Insurance Company Limited (BALIC), in both of which it has a 74% holding. The results of these companies are reflected in the consolidated results of the Company.

In a challenging environment for the financial sector, BFL has delivered strong results, BALIC has registered significant growth in new business premium and BAGIC too has performed well.

Highlights – Q1 FY16 v/s Q1 FY15

✓ Consolidated gross revenue	– ₹ 4,827 crore	v/s ₹ 3,855 crore	↑ 25%
✓ Consolidated income from operations	– ₹ 2,212 crore	v/s ₹ 1,629 crore	↑ 36%
✓ Consolidated profit after tax	– ₹ 467 crore	v/s ₹ 319 crore	↑ 46%
✓ Bajaj Finance, profit after tax	– ₹ 276 crore	v/s ₹ 211 crore	↑ 31%
✓ General insurance, profit after tax	– ₹ 147 crore	v/s ₹ 130 crore	↑ 13%
✓ Life insurance, shareholders' profit after tax	– ₹ 241 crore	v/s ₹ 115 crore	

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

Bajaj Finserv Limited

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1. Performance

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

A. Bajaj Finance Limited (BFL)

- Total income for Q1 FY16 **increased** by **33%** to **₹ 1,656 crore** v/s ₹ 1,246 crore in Q1 FY15.
- The Company recorded **its highest ever quarterly profit after tax** of **₹ 276 crore** in Q1 FY16 v/s ₹ 211 crore in Q1 FY15 – an **increase** of **31%**.
- Assets under management stood at **₹ 35,557 crore** as on 30 June 2015 v/s ₹ 32,410 crore as on 31 March 2015 - an **increase** of **10%**.
- Net NPA for Q1 FY16 was 0.55%.
- Capital adequacy ratio as on 30 June 2015 stood at a healthy **20.72%**.
- During the quarter, BFL raised ₹ 1,400 crore through QIP issue and ₹ 102.03 crore from its promoter, Bajaj Finserv Limited as 25% of the issue price of convertible warrants. As a consequence the holding of Bajaj Finserv in BFL fell from 61.53% to 57.53%.

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

B. Bajaj Allianz General Insurance Company Limited (BAGIC)

- Gross written premium for Q1 FY16 **increased** by **12%** to **₹ 1,322 crore** v/s ₹ 1,177 crore in Q1 FY15.
- Profit after tax for Q1 FY16 **increased** by **13%** to **₹ 147 crore** v/s ₹ 130 crore in Q1 FY15.
- Net earned premium for Q1 FY16 stood at **₹ 999 crore** v/s ₹ 921 crore in Q1 FY15 – an **increase** of **8%**.
- Underwriting profit stood at **₹ 28 crore** for Q1 FY16 v/s ₹ 24 crore in Q1 FY15 – an **increase** of **17%**.
- Investment and other income for Q1 FY16 **increased** by **18%** to **₹ 186 crore** from ₹ 158 crore in Q1 FY15.
- Claim ratio stood at **68.3%** in Q1 FY16 v/s 71.6% in Q1 FY15.
- Combined ratio stood at **95.7%** in Q1 FY16 v/s 96.7% in Q1 FY15.
- As on 30 June 2015, solvency ratio stood at **246%**, which is well above the normal regulatory requirement of 150%.
- Cash and investments as on 30 June 2015 stood at **₹ 8,201 crore**.

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

C. Bajaj Allianz Life Insurance Company Limited (BALIC)

- Gross written premium was ₹ **1,082 crore** in Q1 FY16 v/s ₹ 796 crore in Q1 FY15 - an **increase** of **36%**.
- New business premium recorded a **significant growth** of **71%** to ₹ **674 crore** in Q1 FY16 from ₹ 394 crore in Q1 FY15.
- Renewal premium for Q1 FY16 was ₹ **408 crore** v/s ₹ 402 crore in Q1 FY15.
- Shareholders' profit during Q1 FY16 was ₹ **241 crore** v/s ₹ 115 crore in Q1 FY15. During the current quarter, BALIC has transferred surplus of ₹ 99 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.
- Solvency ratio stood at a healthy **788%** as on 30 June 2015 as against the minimum regulatory requirement of 150%.
- Total investments as at 30 June 2015 stood at ₹ **43,269 crore**.

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

2. Subscription to warrants of Bajaj Finance (BFL)

During the current quarter, BFS subscribed to 925,000 warrants of BFL at an issue price of ₹ 4,412 per warrant. BFS paid 25% of the issue price amounting to ₹ 102.03 crore and is now entitled to apply for an equivalent number of equity shares on payment of balance 75% of the issue price within 18 months from the date of allotment of warrants.

Sanjiv Bajaj
Managing Director
22 July 2015

Annexure A - Consolidated results of BFS

(₹ In Crore)		Q1 FY16	Q1 FY15	FY15
	Gross revenue			
	i. Gross written premium			
	a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd.	1,081.65	795.49	6,017.30
	b) General Insurance - Bajaj Allianz General Insurance Co. Ltd.	1,321.88	1,177.49	5,300.66
	ii. Gross income - Bajaj Finance Ltd.	1,655.88	1,245.96	5,418.28
	iii. Income from windpower generation - Bajaj Finserv Ltd.	14.17	13.54	50.31
	iv. Investment income (excluding accretions on unit linked investment)	719.23	592.53	2,685.38
	v. Others	34.21	30.35	117.33
	Total	4,827.02	3,855.36	19,589.26
1	Income			
	(a) Income from operations	2,113.19	1,629.07	7,099.12
	(b) Transfer from Policyholders' Account	98.50	-	487.89
	Total income from operations (net)	2,211.69	1,629.07	7,587.01
2	Expenses			
	(a) Transfer to Policyholders' Account	11.34	6.43	116.25
	(b) Employee benefits expense	182.20	140.60	578.02
	(c) Marketing and other commission	88.57	69.59	269.62
	(d) Recovery cost	55.43	46.85	204.35
	(e) Loan losses and provisions	103.29	82.92	384.56
	(f) Depreciation and amortisation	11.87	8.49	38.15
	(g) Other expenses	169.38	122.07	523.70
	Total expenses	622.08	476.95	2,114.65
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,589.61	1,152.12	5,472.36
4	Other income	0.17	0.86	3.37
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,589.78	1,152.98	5,475.73
6	Finance costs	664.63	494.86	2,229.58
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	925.15	658.12	3,246.15
8	Exceptional items	-	-	-
9	Profit from ordinary activities before tax (7+8)	925.15	658.12	3,246.15
10	Tax expense	248.12	193.80	841.94
11	Net Profit from ordinary activities after tax (9-10)	677.03	464.32	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	210.13	144.95	719.38
15	Net Profit after taxes, minority interest and share of profit / (loss) of associates (11+12+13-14)	466.90	319.37	1,689.79
16	Basic and Diluted Earnings Per Share (₹) (not annualised) before and after extraordinary items	29.3	20.1	106.2

Annexure B - Summary financial results of BFL

₹ In Crore	Q1 FY16	Q1 FY15	FY15
Total income	1,656	1,246	5,418
Interest expenses	677	499	2,248
Net interest income	979	747	3,170
Operating expenses	454	343	1,428
Loan losses and provisions	103	83	385
Profit before tax	422	321	1,357
Profit after tax	276	211	898

Annexure C - Summary financial results of BAGIC

₹ In Crore	Q1 FY16	Q1 FY15	FY15
Gross written premium	1,322	1,177	5,301
Net earned premium	999	921	3,832
Underwriting profit	28	24	83
Investment income	186	158	694
Profit before tax	214	182	777
Profit after tax	147	130	562

Key ratios

Claim ratio	68.3%	71.6%	71.9%
Combined ratio	95.7%	96.7%	96.7%

Annexure D - Summary financial results of BALIC

₹ In Crore	Q1 FY16	Q1 FY15	FY15
Gross written premium	1,082	796	6,017
New business premium	674	394	2,702
Renewal premium	408	402	3,315
Shareholders' profit	142	115	388
Amount transferred from the policyholders' account to the shareholders' account	* 99	-	488
Total shareholders' profit	241	115	876

* Policyholders' distributable surplus has been transferred to shareholders' account in Q1 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.