

Press release**Financial results – Q1 FY17****Gross revenue ↑ 17% | Profit after tax ↑ 15%**

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q1 FY17.

Bajaj Finserv Limited is the holding company for the various financial services businesses under the Bajaj group. It serves millions of customers in the financial services space by providing solutions for asset acquisition through financing, asset protection through general insurance, family protection and income protection in the form of life and health insurance and retirement and savings solutions.

BFS participates in the financing business through its 57.28% holding in Bajaj Finance Limited (BFL) and in the protection business through its 74% holding in Bajaj Allianz General Insurance Company Limited (BAGIC) and Bajaj Allianz Life Insurance Company Limited (BALIC). BFS holds 925,000 warrants convertible into equity shares of BFL on or before 1 December 2016. When exercised, the holding of BFS in BFL will increase from 57.28% to 58%.

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

Highlights – Q1 FY17 v/s Q1 FY16

| | | | |
|--|-----------------|-------------------|-------|
| ✓ Consolidated gross revenue | – ₹ 5,670 crore | v/s ₹ 4,827 crore | ↑ 17% |
| ✓ Consolidated income from operations | – ₹ 2,912 crore | v/s ₹ 2,212 crore | ↑ 32% |
| ✓ Consolidated profit after tax | – ₹ 538 crore | v/s ₹ 467 crore | ↑ 15% |
| ✓ Bajaj Finance, profit after tax | – ₹ 424 crore | v/s ₹ 276 crore | ↑ 54% |
| ✓ General insurance, profit after tax | – ₹ 132 crore | v/s ₹ 147 crore | |
| ✓ Life insurance, shareholders' profit after tax | – ₹ 244 crore | v/s ₹ 241 crore | |

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

Bajaj Finserv Limited

Corporate Office: 6th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road,
Viman Nagar, Pune - 411 014, Maharashtra, India
Registered Office: Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra, India

Tel: +91 20 30405700
Fax: +91 20 30405792

www.bajajfinserv.in
Corporate ID No: L65923PN2007PLC130075

1. Performance

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

A. Bajaj Finance Limited (BFL)

Despite relatively sluggish credit demand across the country, BFL has continued its stellar growth and **yet again** recorded its **highest ever quarterly profit after tax**.

- i) Total income for Q1 FY17 **increased** by **39%** to **₹ 2,301 crore** v/s ₹ 1,656 crore in Q1 FY16.
- ii) Profit after tax for Q1 FY17 was **₹ 424 crore** v/s ₹ 276 crore in Q1 FY16 – an **increase** of **54%**.
- iii) Assets under management stood at **₹ 49,608 crore** as on 30 June 2016 v/s ₹ 35,557 crore as on 30 June 2015 - an **increase** of **40%**.
- iv) Net NPA as on 30 June 2016 stood at 0.41%.
- v) Capital adequacy ratio as on 30 June 2016 stood at a healthy **17.82%** as against the minimum regulatory requirement of 15%.

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

B. Bajaj Allianz General Insurance Company Limited (BAGIC)

The conditions remain tough in the general insurance industry. Despite this, BAGIC continues its decent profit record.

- i) Gross written premium for Q1 FY17 **increased** by **16%** to **₹ 1,527 crore** v/s ₹ 1,322 crore in Q1 FY16.
- ii) Profit after tax for Q1 FY17 was **₹ 132 crore** v/s ₹ 147 crore in Q1 FY16.
- iii) Net earned premium for Q1 FY17 stood at **₹ 1,138 crore** v/s ₹ 999 crore in Q1 FY16 – an **increase** of **14%**.
- iv) Underwriting loss was **₹ 28 crore** for Q1 FY17 v/s underwriting profit of ₹ 28 crore in Q1 FY16.
- v) Investment and other income for Q1 FY17 **increased** by **17%** to **₹ 218 crore** from ₹ 186 crore in Q1 FY16.
- vi) Claim ratio stood at **72.4%** in Q1 FY17 v/s 68.3% in Q1 FY16.
- vii) Combined ratio stood at **101.2%** in Q1 FY17 v/s 95.7% in Q1 FY16.
- viii) As on 30 June 2016, solvency ratio stood at **254%**, which is well above the normal regulatory requirement of 150%.
- ix) Cash and investments as on 30 June 2016 stood at **₹ 10,053 crore** v/s ₹ 8,201 crore as on 30 June 2015 - an **increase** of **23%**.

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

C. Bajaj Allianz Life Insurance Company Limited (BALIC)

During the current year, BALIC has shifted its focus towards selling more individual regular premium. BALIC's individual rated premium grew by 30% in Q1 FY17 as against the industry growth of 16%.

- i) Gross written premium was ₹ 1,004 crore in Q1 FY17 v/s ₹ 1,082 crore in Q1 FY16.
- ii) New business premium was ₹ 580 crore in Q1 FY17 v/s ₹ 674 crore in Q1 FY16.
 - a) Rated individual new business* was ₹ 126 crore in Q1 FY17 v/s ₹ 97 crore in Q1 FY16.
 - b) Group new business was ₹ 445 crore in Q1 FY17 v/s ₹ 538 crore in Q1 FY16.
- iii) Renewal premium for Q1 FY17 was ₹ 424 crore v/s ₹ 408 crore in Q1 FY16.
- iv) Shareholders' profit after tax during Q1 FY17 was ₹ 244 crore v/s ₹ 241 crore in Q1 FY16.
- v) Solvency ratio stood at a healthy 817% as on 30 June 2016 as against the minimum regulatory requirement of 150%.
- vi) Total investments stood at ₹ 45,729 crore as on 30 June 2016 v/s ₹ 43,269 crore as on 30 June 2015 - an increase of 6%.

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

2. Bonus and stock split by Bajaj Finance

The Board of Directors of Bajaj Finance Limited has considered and approved sub-division of equity shares of face value of ₹ 10 each to ₹ 2 each and issue of one fully paid bonus equity share of the face value of ₹ 2 each against one equity share of the face value of ₹ 2 each. This is subject to shareholders' approval.

Sanjiv Bajaj
Managing Director
26 July 2016

Annexure A - Consolidated results of BFS

| (₹ In Crore) | | Q1 FY17 | Q1 FY16 | FY16 |
|--------------|--|-----------------|-----------------|------------------|
| | Gross revenue | | | |
| | i. Gross written premium | | | |
| | a) Life insurance - Bajaj Allianz Life Insurance Co. Ltd. | 1,004.14 | 1,081.65 | 5,897.31 |
| | b) General insurance - Bajaj Allianz General Insurance Co. Ltd. | 1,527.11 | 1,321.88 | 5,900.65 |
| | ii. Gross income - Bajaj Finance Ltd. | 2,303.80 | 1,655.88 | 7,383.66 |
| | iii. Income from windpower generation - Bajaj Finserv Ltd. | 23.53 | 14.17 | 58.37 |
| | iv. Investment income (excluding accretions on unit linked investment) | 791.27 | 719.23 | 2,996.09 |
| | v. Others | 20.29 | 34.21 | 127.52 |
| | Total | 5,670.14 | 4,827.02 | 22,363.60 |
| 1 | Income | | | |
| | (a) Income from operations | 2,731.36 | 2,113.19 | 9,134.96 |
| | (b) Transfer from policyholders' account | 180.48 | 98.50 | 311.44 |
| | Total income from operations (net) | 2,911.84 | 2,211.69 | 9,446.40 |
| 2 | Expenses | | | |
| | (a) Transfer to policyholders' account | 105.99 | 11.34 | 43.57 |
| | (b) Employee benefits expense | 225.46 | 182.20 | 768.04 |
| | (c) Marketing and other commission | 109.57 | 88.57 | 385.83 |
| | (d) Recovery cost | 68.29 | 55.43 | 233.15 |
| | (e) Loan losses and provisions | 179.71 | 103.29 | 542.85 |
| | (f) Depreciation and amortisation | 16.34 | 11.87 | 57.72 |
| | (g) Other expenses | 210.89 | 169.38 | 734.58 |
| | Total expenses | 916.25 | 622.08 | 2,765.74 |
| 3 | Profit from operations before other income, finance costs and exceptional items (1-2) | 1,995.59 | 1,589.61 | 6,680.66 |
| 4 | Other income | 0.10 | 0.17 | 0.34 |
| 5 | Profit from ordinary activities before finance costs and exceptional items (3+4) | 1,995.69 | 1,589.78 | 6,681.00 |
| 6 | Finance costs | 852.50 | 664.63 | 2,876.95 |
| 7 | Profit from ordinary activities after finance costs but before exceptional items (5-6) | 1,143.19 | 925.15 | 3,804.05 |
| 8 | Exceptional items | - | - | - |
| 9 | Profit from ordinary activities before tax (7+8) | 1,143.19 | 925.15 | 3,804.05 |
| 10 | Tax expense | 326.89 | 248.12 | 1,029.51 |
| 11 | Net profit from ordinary activities after tax (9-10) | 816.30 | 677.03 | 2,774.54 |
| 12 | Add : Tax (debits)/credits pertaining to earlier years | - | - | 0.02 |
| 13 | Add: Share of profit after tax of associates | - | - | - |
| 14 | Less: Minority interest in net income of subsidiaries | 278.79 | 210.13 | 911.29 |
| 15 | Net profit after tax, minority interest and share of profit of associates (11+12+13-14) | 537.51 | 466.90 | 1,863.27 |
| 16 | Basic and diluted earnings per share (₹) | | | |
| | before and after extraordinary items (not annualised) | 33.8 | 29.3 | 117.1 |

Annexure B - Summary financial results of BFL

| ₹ In Crore | Q1 FY17 | Q1 FY16 | FY16 |
|----------------------------|--------------|------------|--------------|
| Total income | 2,301 | 1,656 | 7,384 |
| Interest expenses | 883 | 677 | 2,927 |
| Net interest income | 1,418 | 979 | 4,457 |
| Operating expenses | 586 | 454 | 1,949 |
| Loan losses and provisions | 180 | 103 | 543 |
| Profit before tax | 652 | 422 | 1,965 |
| Profit after tax | 424 | 276 | 1,279 |

Annexure C - Summary financial results of BAGIC

| ₹ In Crore | Q1 FY17 | Q1 FY16 | FY16 |
|------------------------------|--------------|--------------|--------------|
| Gross written premium | 1,527 | 1,322 | 5,901 |
| Net earned premium | 1138 | 999 | 4,224 |
| Underwriting result | (28) | 28 | (65) |
| Investment and other income | 218 | 186 | 836 |
| Profit before tax | 190 | 214 | 771 |
| Profit after tax | 132 | 147 | 564 |

Key ratios

| | | | |
|----------------|--------|-------|-------|
| Claim ratio | 72.4% | 68.3% | 72.3% |
| Combined ratio | 101.2% | 95.7% | 99.3% |

Annexure D - Summary financial results of BALIC

| ₹ In Crore | Q1 FY17 | Q1 FY16 | FY16 |
|---|--------------|--------------|--------------|
| Gross written premium | 1,004 | 1,082 | 5,897 |
| New business premium | 580 | 674 | 2,885 |
| Rated individual new business premium* | 126 | 97 | 717 |
| Group new business premium | 445 | 538 | 1,994 |
| Renewal premium | 424 | 408 | 3,012 |
| | | | |
| Shareholders' profit | 169 | 154 | 611 |
| Amount transferred from the policyholders' account to the shareholders' account (net) | 75 | 87 | 268 |
| Total shareholders' profit after tax | 244 | 241 | 879 |

* Rated new business premium = 100% of Regular premium + 10% of Single premium policies sold.