

## Press Release

Income ↑ 52%; Profit After Tax ↑ 129% !!

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q2 FY12.

**Bajaj Finserv – a holding company**, is the financial services arm of the Bajaj group with business interest in “Protection”, “Lending”, and “Financial advisory and Wealth management” through its subsidiary companies.

While the total income for Q2 FY12 is up by 52%, Profit After Tax has more than **doubled** to ₹ 158 crore. The strong results are due to the performance of the underlying subsidiaries, each of which has reported robust numbers.

### HIGHLIGHTS –

#### Q2 FY12 v/s Q2 FY11

✓ Life insurance, business profit	– ₹ 295 crore v/s ₹ 199 crore ↑ 48%
✓ General insurance, profit after tax	– ₹ 64 crore v/s ₹ 35 crore ↑ 83%
✓ Bajaj Finance, profit after tax	– ₹ 87 crore v/s ₹ 53 crore ↑ 64%
✓ Consolidated profit after tax	– ₹ 158 crore v/s ₹ 69 crore ↑ 129%

#### H1 FY12 v/s H1 FY11

✓ Life insurance, business profit	– ₹ 572 crore v/s ₹ 369 crore ↑ 55%
✓ General insurance, profit after tax	– ₹ 102 crore v/s ₹ 66 crore ↑ 55%
✓ Bajaj Finance, profit after tax	– ₹ 178 crore v/s ₹ 100 crore ↑ 78%
✓ Consolidated profit after tax	– ₹ 287 crore v/s ₹ 135 crore ↑ 113%

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

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

#### A. Bajaj Finance Limited (BFL)

- Profit after tax - **₹ 87 crore** in Q2 FY12 v/s ₹ 53 crore in Q2 FY11 **↑ 64%**.
- Deployments **↑ 58%**; **₹ 3352 crore** in Q2 FY12 v/s ₹ 2128 crore during Q2 FY11.
- Assets under management has crossed ₹ 10000 crore mark & stood at **₹ 10071 crore** as on 30<sup>th</sup> September 2011 v/s ₹ 7571 crore as on 31<sup>st</sup> March 2011.
- Total income **↑ 51%**; **₹ 493 crore** in Q2 FY12 v/s ₹ 326 crore during Q2 FY11.
- Loan losses and provisions for Q2 FY12 **↓ 28%** at **₹ 44 crore** v/s ₹ 61 crore in Q2 FY11.
- Capital adequacy ratio stood at a healthy **18.9%**.

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

#### B. Bajaj Allianz General Insurance Company Limited (BAGIC)

- During the current quarter, the company posted a profit after tax of **₹ 64 crore** v/s ₹ 35 crore in Q2 FY11 – an increase of **83%**.
- Gross written premium for Q2 FY12 increased by **16%** to **₹ 811 crore** v/s ₹ 702 crore in Q2 FY11.
- Net earned premium for Q2 FY12 was **₹ 540 crore** v/s ₹ 475 crore in Q2 FY11.
- **Combined ratio (excluding motor pool losses)** improved by 7.9% from 99.5% in Q2 FY11 to **91.6%** in Q2 FY12. Similarly, combined ratio (including motor pool losses) was at impressive 99.4% in Q2 FY12.
- Loss ratio improved by 6.6% from 65.1% in Q2 FY11 to 58.5% in Q2 FY12.
- Cash and investments as on 30<sup>th</sup> September 2011 stood at **₹ 4293 crore**.

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

#### C. Bajaj Allianz Life Insurance Company Limited (BALIC)

- BALIC's business profit for Q2 FY12 was **₹ 295 crore** v/s profit of ₹199 crore in Q2 FY11 – growth of **48%**.
- Shareholders' profit during the current quarter was **₹ 57 crore** v/s ₹ 8 crore in Q2 FY11.
- Gross written premium was **₹ 1679 crore** in Q2 FY12 v/s ₹ 2306 crore in Q2 FY11.
- New business premium for Q2 FY12 was **₹ 564 crore** v/s ₹ 908 crore in Q2 FY11.
- Renewal premium for Q2 FY12 was **₹ 1115 crore** v/s ₹ 1398 crore in Q2 FY11.

- Solvency ratio stood at a healthy **447%** as on 30<sup>th</sup> September 2011 as against the minimum regulatory requirement of 150%.
- Total investments as at 30<sup>th</sup> September 2011 stood at **₹ 36946 crore**.
- In this challenging environment, the company focussed on cost rationalisation initiatives. Ratio of total commission expenses to GWP for the quarter came down from 7.55% to 6.73%.

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

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Sanjiv Bajaj  
Managing Director  
19<sup>th</sup> October 2011



## Bajaj Finserv Limited

Registered Office : Mumbai - Pune Road, Akurdi, Pune 411 035

Corporate Office : Off Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014

### CONSOLIDATED RESULTS

(₹ In Crore)

Particulars	QUARTER ENDED 30.09.2011 (Unaudited)	QUARTER ENDED 30.09.2010 (Unaudited)	HALF YEAR ENDED 30.09.2011 (Unaudited)	HALF YEAR ENDED 30.09.2010 (Unaudited)	YEAR ENDED 31.03.2011 (Audited)
<b>Gross revenue</b>					
i. Gross written premium					
a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd.	1679	2306	3066	4151	9610
b) General Insurance - Bajaj Allianz General Insurance Co. Ltd.	811	702	1609	1420	3129
ii. Interest and finance charges - Bajaj Finance Ltd.	493	326	945	326	1109
iii. Income from windpower generation - Bajaj Finserv Ltd.	35	19	51	29	42
iv. Investment income (excluding accretions on unit linked investment)	247	162	478	336	766
v. Others	16	14	31	25	55
<b>Total</b>	<b>3281</b>	<b>3529</b>	<b>6180</b>	<b>6287</b>	<b>14712</b>
Income from operations	714	471	1326	594	1508
Transfer from Policyholders' Account	-	-	-	-	935
<b>TOTAL INCOME</b>	<b>714</b>	<b>471</b>	<b>1326</b>	<b>594</b>	<b>2443</b>
<b>Expenditure :</b>					
a) Transfer to Policyholders' Account	2	32	3	51	32
b) Employees Cost	67	49	128	62	177
c) Marketing & Other Commission	38	21	72	21	85
d) Recovery Cost	22	11	39	11	38
e) Provision for Doubtful Debts net and Bad Debts written off	44	61	78	61	144
f) Depreciation	4	6	8	9	20
g) Other expenditure	51	43	100	51	133
<b>h) Total</b>	<b>228</b>	<b>223</b>	<b>428</b>	<b>266</b>	<b>629</b>
<b>Profit from Operations before Other Income, Interest &amp; Exceptional</b>	<b>486</b>	<b>248</b>	<b>898</b>	<b>328</b>	<b>1814</b>
Other Income	-	-	1	1	1
<b>Profit before Interest &amp; Exceptional Item</b>	<b>486</b>	<b>248</b>	<b>899</b>	<b>329</b>	<b>1815</b>
Interest	166	83	309	83	305
<b>Profit after Interest but before Exceptional Item</b>	<b>320</b>	<b>165</b>	<b>590</b>	<b>246</b>	<b>1510</b>
Exceptional item					
Surplus on pre-payment of sales tax deferral incentive/loan liability	-	-	-	-	139
<b>Profit / (Loss) from ordinary activities before tax and share of profit on Investments in Associates</b>	<b>320</b>	<b>165</b>	<b>590</b>	<b>246</b>	<b>1649</b>
Add: Share of Profit after tax on Investments in Associates	-	-	-	21	21
<b>Profit / (Loss) from ordinary activities before tax</b>	<b>320</b>	<b>165</b>	<b>590</b>	<b>267</b>	<b>1670</b>
Tax expense	92	59	169	83	178
<b>Profit / (Loss) after tax</b>	<b>228</b>	<b>106</b>	<b>421</b>	<b>184</b>	<b>1492</b>
Less: Minority Interest in Net Income of subsidiaries	70	37	134	49	377
<b>Net Profit / (Loss) for the period</b>	<b>158</b>	<b>69</b>	<b>287</b>	<b>135</b>	<b>1115</b>
<b>Basic and Diluted Earnings Per Share (₹) (not annualised)</b>					
before and after extraordinary items	<b>10.9</b>	<b>4.8</b>	<b>19.8</b>	<b>9.4</b>	<b>77.1</b>

## Annexure B - Summary financial results of BFL

₹ in crore	Q2 FY12	Q2 FY11	H1 FY12	H1 FY11	FY 11
Total income	493	326	945	623	1406
Interest and finance charges	167	83	310	156	378
<b>Net interest income</b>	<b>326</b>	<b>243</b>	<b>635</b>	<b>467</b>	<b>1028</b>
Operating expenses	153	104	293	196	453
Loan losses & provisions	41	61	72	122	190
General provisions	3	-	6	-	15
<b>Profit before tax (PBT)</b>	<b>129</b>	<b>78</b>	<b>264</b>	<b>149</b>	<b>370</b>
<b>Profit after tax (PAT)</b>	<b>87</b>	<b>53</b>	<b>178</b>	<b>100</b>	<b>247</b>
Earnings per share (EPS), basic	23.8*	14.4*	48.6*	27.2*	67.5

\*Not annualised

## Annexure C - Summary financial results of BAGIC

₹ in crore	Q2 FY12	Q2 FY11	H1 FY12	H1 FY11	FY 11
Gross Written Premium *	811	702	1609	1420	2905
Net Earned Premium *	540	475	1067	929	1931
Underwriting profit/(loss) excluding Motor pool losses	45	2	63	-4	27
Provision for Motor Pool losses	-42	-11	-84	-22	-246
Interest and dividend income/capital gain & other	90	62	172	125	281
<b>Profit before tax</b>	<b>93</b>	<b>53</b>	<b>151</b>	<b>99</b>	<b>62</b>
<b>Profit after tax</b>	<b>64</b>	<b>35</b>	<b>102</b>	<b>66</b>	<b>43</b>

### KEY RATIOS

Loss Ratio	58.5%	65.1%	61.7%	66.8%	63.4%
Combined ratio (including pool losses)**	99.4%	101.8%	102.0%	102.7%	110.2%

\* Figures are excluding inward reinsurance premiums from motor pool

\*\* (Net claims incurred + Net commission + operating expenses) / Net earned premium

## Annexure D - Summary financial results of BALIC

₹ in crore	Q2 FY12	Q2 FY11	H1 FY12	H1 FY11	FY 11
Gross Written Premium	1679	2306	3066	4151	9610
New Business Premium	564	908	942	1511	3466
Renewal Premium	1115	1398	2124	2640	6144
Policyholders' surplus*	238	191	463	348	962
Shareholders' Surplus	57	8	109	21	95
<b>Total Profit (Shareholders' + Policyholders')</b>	<b>295</b>	<b>199</b>	<b>572</b>	<b>369</b>	<b>1057</b>

\*Policyholders' surplus, if any, will be transferred to shareholders' account only in Q4 FY12 after audited accounts.