

## Press release

### Financial results – Q2 FY16

**Gross revenue ↑ 9%; Profit after tax ↑ 40%**

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

#### **Highlights – Q2 FY16 v/s Q2 FY15**

✓ Consolidated gross revenue	– ₹ 5,185 crore	v/s ₹ 4,774 crore	↑ 9%
✓ Consolidated income from operations	– ₹ 2,224 crore	v/s ₹ 1,648 crore	↑ 35%
✓ Consolidated profit after tax	– ₹ 441 crore	v/s ₹ 316 crore	↑ 40%
✓ Bajaj Finance, profit after tax	– ₹ 279 crore	v/s ₹ 197 crore	↑ 42%
✓ General insurance, profit after tax	– ₹ 141 crore	v/s ₹ 145 crore	
✓ Life insurance, shareholders' profit after tax*	– ₹ 216 crore	v/s ₹ 103 crore	

#### **Highlights – H1 FY16 v/s H1 FY15**

✓ Consolidated gross revenue	– ₹ 10,012 crore	v/s ₹ 8,630 crore	↑ 16%
✓ Consolidated income from operations	– ₹ 4,435 crore	v/s ₹ 3,277 crore	↑ 35%
✓ Consolidated profit after tax	– ₹ 908 crore	v/s ₹ 635 crore	↑ 43%
✓ Bajaj Finance, profit after tax	– ₹ 555 crore	v/s ₹ 409 crore	↑ 36%
✓ General insurance, profit after tax	– ₹ 288 crore	v/s ₹ 275 crore	↑ 5%
✓ Life insurance, shareholders' profit after tax*	– ₹ 457 crore	v/s ₹ 218 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 Q2 FY16 **increased** by **37%** to **₹ 1,701 crore** v/s ₹ 1,242 crore in Q2 FY15.
- ii) The Company recorded **its highest ever quarterly profit after tax** of **₹ 279 crore** in Q2 FY16 v/s ₹ 197 crore in Q2 FY15 – an **increase** of **42%**.
- iii) Assets under management stood at **₹ 37,964 crore** as on 30 September 2015 v/s ₹ 32,410 crore as on 31 March 2015 - an **increase** of **17%**.
- iv) Net NPA for Q2 FY16 was 0.46%.
- v) Capital adequacy ratio as on 30 September 2015 stood at a healthy **20.49%**.

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

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

- i) Gross written premium for Q2 FY16 **increased** by **2%** to **₹ 1,500 crore** v/s ₹ 1,475 crore in Q2 FY15.
- ii) Profit after tax for Q2 FY16 stood at **₹ 141 crore** v/s ₹ 145 crore in Q2 FY15.
- iii) Net earned premium for Q2 FY16 stood at **₹ 1,061 crore** v/s ₹ 953 crore in Q2 FY15 – an **increase** of **11%**.
- iv) Underwriting loss was **₹ 8 crore** for Q2 FY16 v/s profit of ₹ 23 crore in Q2 FY15.
- v) Investment and other income for Q2 FY16 **increased** by **25%** to **₹ 213 crore** from ₹ 170 crore in Q2 FY15.
- vi) Claim ratio stood at **72.9%** in Q2 FY16 v/s 75.3% in Q2 FY15.
- vii) Combined ratio stood at **98.9%** in Q2 FY16 v/s 96.3% in Q2 FY15. The combined ratio for Q2 FY16 was higher mainly due to lower agricultural insurance business, resulting in lower reinsurance commission and, correspondingly, higher net commission ratio.
- viii) As on 30 September 2015, solvency ratio stood at **254%**, which is well above the normal regulatory requirement of 150%.
- ix) Cash and investments as on 30 September 2015 stood at **₹ 8,831 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 **₹ 1,172 crore** in Q2 FY16 v/s ₹ 1,401 crore in Q2 FY15.
- ii) New business premium was **₹ 460 crore** in Q2 FY16 v/s ₹ 610 crore in Q2 FY15.
- iii) Renewal premium for Q2 FY16 was **₹ 712 crore** v/s ₹ 791 crore in Q2 FY15.
- iv) Shareholders' profit during Q2 FY16 was **₹ 216 crore** v/s ₹ 103 crore in Q2 FY15. During the current quarter, BALIC has transferred surplus of ₹ 65 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 **809%** as on 30 September 2015 as against the minimum regulatory requirement of 150%.
- vi) Total investments as at 30 September 2015 stood at **₹ 42,954 crore**.

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

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**Sanjiv Bajaj**  
**Managing Director**  
20 October 2015

Annexure A - Consolidated results of BFS

(₹ In Crore)		Q2 FY16	Q2 FY15	H1 FY16	H1 FY15	FY15
	<b>Gross revenue</b>					
	i. Gross written premium					
	a) Life insurance - Bajaj Allianz Life Insurance Co. Ltd.	1,171.88	1,400.89	2,253.53	2,196.38	6,017.30
	b) General insurance - Bajaj Allianz General Insurance Co. Ltd.	1,500.23	1,475.07	2,822.11	2,652.56	5,300.66
	ii. Gross income - Bajaj Finance Ltd.	1,700.59	1,241.83	3,356.47	2,487.79	5,418.28
	iii. Income from windpower generation - Bajaj Finserv Ltd.	23.14	19.91	37.31	33.45	50.31
	iv. Investment income (excluding accretions on unit linked investment)	760.45	608.15	1,479.68	1,200.68	2,685.38
	v. Others	28.90	28.64	63.11	58.99	117.33
	<b>Total</b>	<b>5,185.19</b>	<b>4,774.49</b>	<b>10,012.21</b>	<b>8,629.85</b>	<b>19,589.26</b>
<b>1</b>	<b>Income</b>					
	(a) Income from operations	2,158.96	1,647.69	4,272.15	3,276.76	7,099.12
	(b) Transfer from policyholders' account	64.84	-	163.34	-	487.89
	<b>Total income from operations (net)</b>	<b>2,223.80</b>	<b>1,647.69</b>	<b>4,435.49</b>	<b>3,276.76</b>	<b>7,587.01</b>
<b>2</b>	<b>Expenses</b>					
	(a) Transfer to policyholders' account	13.49	23.75	24.83	30.18	116.25
	(b) Employee benefits expense	181.52	136.63	363.72	277.23	578.02
	(c) Marketing and other commission	82.68	55.68	171.25	125.27	269.62
	(d) Recovery cost	55.93	49.71	111.36	96.56	204.35
	(e) Loan losses and provisions	136.84	80.02	240.13	162.94	384.56
	(f) Depreciation and amortisation	13.00	9.13	24.87	17.62	38.15
	(g) Other expenses	153.53	109.99	322.91	232.06	523.70
	<b>Total expenses</b>	<b>636.99</b>	<b>464.91</b>	<b>1,259.07</b>	<b>941.86</b>	<b>2,114.65</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>1,586.81</b>	<b>1,182.78</b>	<b>3,176.42</b>	<b>2,334.90</b>	<b>5,472.36</b>
<b>4</b>	<b>Other income</b>	-	0.77	0.17	1.63	3.37
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>1,586.81</b>	<b>1,183.55</b>	<b>3,176.59</b>	<b>2,336.53</b>	<b>5,475.73</b>
<b>6</b>	<b>Finance costs</b>	<b>689.03</b>	<b>544.46</b>	<b>1,353.66</b>	<b>1,039.32</b>	<b>2,229.58</b>
<b>7</b>	<b>Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>897.78</b>	<b>639.09</b>	<b>1,822.93</b>	<b>1,297.21</b>	<b>3,246.15</b>
<b>8</b>	<b>Exceptional items</b>	-	-	-	-	-
<b>9</b>	<b>Profit from ordinary activities before tax (7+8)</b>	<b>897.78</b>	<b>639.09</b>	<b>1,822.93</b>	<b>1,297.21</b>	<b>3,246.15</b>
<b>10</b>	<b>Tax expense</b>	<b>245.26</b>	<b>182.79</b>	<b>493.38</b>	<b>376.59</b>	<b>841.94</b>
<b>11</b>	<b>Net Profit from ordinary activities after tax (9-10)</b>	<b>652.52</b>	<b>456.30</b>	<b>1,329.55</b>	<b>920.62</b>	<b>2,404.21</b>
<b>12</b>	<b>Add : Tax (debits)/credits pertaining to earlier years</b>	-	-	-	-	4.96
<b>13</b>	<b>Add: Share of profit after tax on investments in associates</b>	-	-	-	-	-
<b>14</b>	<b>Less: Minority interest in net income of subsidiaries</b>	<b>211.39</b>	<b>140.37</b>	<b>421.52</b>	<b>285.32</b>	<b>719.38</b>
<b>15</b>	<b>Net Profit after taxes, minority interest and share of profit / (loss) of associates (11+12+13-14)</b>	<b>441.13</b>	<b>315.93</b>	<b>908.03</b>	<b>635.30</b>	<b>1,689.79</b>
<b>16</b>	<b>Basic and diluted earnings per share (₹) (not annualised) before and after extraordinary items</b>	<b>27.7</b>	<b>19.9</b>	<b>57.1</b>	<b>39.9</b>	<b>106.2</b>

**Annexure B - Summary financial results of BFL**

₹ In Crore	Q2 FY16	Q2 FY15	H1 FY16	H1 FY15	FY15
Total income	1,701	1,242	3,356	2,488	5,418
Interest expenses	695	544	1,372	1,044	2,248
<b>Net interest income</b>	<b>1,006</b>	<b>698</b>	<b>1,984</b>	<b>1,444</b>	<b>3,170</b>
Operating expenses	441	319	894	662	1,428
Loan losses and provisions	137	80	240	163	385
<b>Profit before tax</b>	<b>428</b>	<b>299</b>	<b>850</b>	<b>619</b>	<b>1,357</b>
<b>Profit after tax</b>	<b>279</b>	<b>197</b>	<b>555</b>	<b>409</b>	<b>898</b>

**Annexure C - Summary financial results of BAGIC**

₹ In Crore	Q2 FY16	Q2 FY15	H1 FY16	H1 FY15	FY15
<b>Gross written premium</b>	<b>1,500</b>	<b>1,475</b>	<b>2,822</b>	<b>2,653</b>	<b>5,301</b>
Net earned premium	1,061	953	2,060	1,874	3,832
Underwriting result	(8)	23	20	47	83
Investment income	213	170	399	328	694
<b>Profit before tax</b>	<b>205</b>	<b>193</b>	<b>419</b>	<b>375</b>	<b>777</b>
<b>Profit after tax</b>	<b>141</b>	<b>145</b>	<b>288</b>	<b>275</b>	<b>562</b>

**Key ratios**

Claim ratio	72.9%	75.3%	70.6%	73.4%	71.9%
Combined ratio	98.9%	96.3%	97.4%	96.4%	96.7%

**Annexure D - Summary financial results of BALIC**

₹ In Crore	Q2 FY16	Q2 FY15	H1 FY16	H1 FY15	FY15
<b>Gross written premium</b>	<b>1,172</b>	<b>1,401</b>	<b>2,253</b>	<b>2,196</b>	<b>6,017</b>
New business premium	460	610	1,133	1,003	2,702
Renewal premium	712	791	1,120	1,193	3,315
Shareholders' profit	151	103	294	218	388
Amount transferred from the policyholders' account to the shareholders' account	* 65	-	* 163	-	488
<b>Total shareholders' profit</b>	<b>216</b>	<b>103</b>	<b>457</b>	<b>218</b>	<b>876</b>

\* Policyholders' distributable surplus has been transferred to shareholders' account in Q2 FY16 and H1 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.