

## Press release

### Financial results – Q2 FY17

**Gross revenue ↑ 33% | Profit after tax ↑ 31%**

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q2 FY17.

Bajaj Finserv Limited (BFS) 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 9,250,000 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 – Q2 FY17 v/s Q2 FY16**

✓ Consolidated gross revenue	– ₹ 6,912 crore	v/s ₹ 5,185 crore	↑ 33%
✓ Consolidated income from operations	– ₹ 3,000 crore	v/s ₹ 2,224 crore	↑ 35%
✓ Consolidated profit after tax	– ₹ 576 crore	v/s ₹ 441 crore	↑ 31%
✓ Bajaj Finance, profit after tax	– ₹ 408 crore	v/s ₹ 279 crore	↑ 46%
✓ General insurance, profit after tax	– ₹ 234 crore	v/s ₹ 141 crore	↑ 66%
✓ Life insurance, shareholders' profit after tax	– ₹ 202 crore	v/s ₹ 216 crore	

#### **Highlights – H1 FY17 v/s H1 FY16**

✓ Consolidated gross revenue	– ₹ 12,582 crore	v/s ₹ 10,012 crore	↑ 26%
✓ Consolidated income from operations	– ₹ 5,912 crore	v/s ₹ 4,435 crore	↑ 33%
✓ Consolidated profit after tax	– ₹ 1,113 crore	v/s ₹ 908 crore	↑ 23%
✓ Bajaj Finance, profit after tax	– ₹ 832 crore	v/s ₹ 555 crore	↑ 50%
✓ General insurance, profit after tax	– ₹ 366 crore	v/s ₹ 288 crore	↑ 27%
✓ Life insurance, shareholders' profit after tax	– ₹ 446 crore	v/s ₹ 457 crore	

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

#### **Bajaj Finserv Limited**

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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.

- i) Total income for Q2 FY17 **increased by 39% to ₹ 2,366 crore** v/s ₹ 1,701 crore in Q2 FY16.
- ii) Profit after tax for Q2 FY17 was **₹ 408 crore** v/s ₹ 279 crore in Q2 FY16 – an **increase of 46%**.
- iii) Assets under management stood at **₹ 52,332 crore** as on 30 September 2016 v/s ₹ 37,964 crore as on 30 September 2015 - an **increase of 38%**.
- iv) Net NPA as on 30 September 2016 stood at 0.43%.
- v) Capital adequacy ratio as on 30 September 2016 stood at a healthy **21.48%** 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)**

BAGIC reported a **robust performance** in Q2 FY17, registering its **highest ever quarterly gross written premium and profit after tax**.

- i) Gross written premium for Q2 FY17 **increased by 45% to ₹ 2,179 crore** v/s ₹ 1,500 crore in Q2 FY16.
- ii) During Q2 FY17, the company has written **crop insurance of ₹ 737 crore** vs/ ₹ 159 crore in Q2 FY16.
- iii) Profit after tax for Q2 FY17 **increased by 66% to ₹ 234 crore** v/s ₹ 141 crore in Q2 FY16.
- iv) Net earned premium for Q2 FY17 stood at **₹ 1,240 crore** v/s ₹ 1,061 crore in Q2 FY16 – an **increase of 17%**.
- v) Underwriting profit was **₹ 57 crore** for Q2 FY17 v/s underwriting loss of ₹ 8 crore in Q2 FY16.
- vi) Investment and other income for Q2 FY17 **increased by 36% to ₹ 290 crore** from ₹ 213 crore in Q2 FY16.
- vii) Claim ratio stood at **71.6%** in Q2 FY17 v/s 72.9% in Q2 FY16.
- viii) Combined ratio stood at **94.3%** in Q2 FY17 v/s 98.9% in Q2 FY16.
- ix) As on 30 September 2016, solvency ratio stood at **253%**, which is well above the normal regulatory requirement of 150%.
- x) Cash and investments as on 30 September 2016 stood at **₹ 10,360 crore** v/s ₹ 8,831 crore as on 30 September 2015 - an **increase of 17%**.

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 51% in Q2 FY17 as against the industry growth of 18%.

- i) Gross written premium **increased** by 23% to ₹ 1,447 crore in Q2 FY17 v/s ₹ 1,172 crore in Q2 FY16.
- ii) New business premium **increased** by 70% to ₹ 782 crore in Q2 FY17 v/s ₹ 460 crore in Q2 FY16.
  - a) Rated individual new business was ₹ 212 crore in Q2 FY17 v/s ₹ 129 crore in Q2 FY16 – an **increase of 64%**.
  - b) Group new business was ₹ 557 crore in Q2 FY17 v/s ₹ 276 crore in Q2 FY16 – an **increase of 102%**.
- iii) Renewal premium for Q2 FY17 was ₹ 665 crore v/s ₹ 712 crore in Q2 FY16.
- iv) Shareholders' profit after tax during Q2 FY17 was ₹ 202 crore v/s ₹ 216 crore in Q2 FY16.
- v) Solvency ratio stood at a healthy **784%** as on 30 September 2016 as against the minimum regulatory requirement of 150%.
- vi) Total investments stood at ₹ 46,880 crore as on 30 September 2016 v/s ₹ 42,954 crore as on 30 September 2015 - an **increase of 9%**.

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

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**Sanjiv Bajaj**  
**Managing Director**  
27 October 2016

## Annexure A - Consolidated results of BFS

(₹ In Crore)		Q2 FY17	Q2 FY16	H1 FY17	H1 FY16	FY16
	<b>Gross revenue</b>					
	i. Gross written premium					
	a) Life insurance - Bajaj Allianz Life Insurance Co. Ltd	1,446.69	1,171.88	2,450.83	2,253.53	5,897.31
	b) General insurance - Bajaj Allianz General Insurance Co. Ltd.	2,178.80	1,500.23	3,705.91	2,822.11	5,900.65
	ii. Gross income - Bajaj Finance Ltd.	2,366.14	1,700.59	4,669.94	3,356.47	7,383.66
	iii. Income from windpower generation - Bajaj Finserv Ltd.	27.35	23.14	50.88	37.31	58.37
	iv. Investment income (excluding accretions on unit linked investment)	881.90	760.45	1,673.17	1,479.68	2,996.09
	v. Others	10.86	28.90	31.15	63.11	127.52
	<b>Total</b>	<b>6,911.74</b>	<b>5,185.19</b>	<b>12,581.88</b>	<b>10,012.21</b>	<b>22,363.60</b>
<b>1</b>	<b>Income</b>					
	(a) Income from operations	2,938.71	2,158.96	5,670.07	4,272.15	9,134.96
	(b) Transfer from policyholders' account	60.96	64.84	241.44	163.34	311.44
	<b>Total income from operations (net)</b>	<b>2,999.67</b>	<b>2,223.80</b>	<b>5,911.51</b>	<b>4,435.49</b>	<b>9,446.40</b>
<b>2</b>	<b>Expenses</b>					
	(a) Transfer to policyholders' account	6.99	13.49	112.98	24.83	43.57
	(b) Employee benefits expense	227.80	181.52	453.26	363.72	768.04
	(c) Marketing and other commission	99.12	82.68	208.69	171.25	385.83
	(d) Recovery cost	71.55	55.93	139.84	111.36	233.15
	(e) Loan losses and provisions	169.10	136.84	348.81	240.13	542.85
	(f) Depreciation and amortisation	18.11	13.00	34.45	24.87	57.72
	(g) Other expenses	232.06	153.53	442.95	322.91	734.58
	<b>Total expenses</b>	<b>824.73</b>	<b>636.99</b>	<b>1,740.98</b>	<b>1,259.07</b>	<b>2,765.74</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>2,174.94</b>	<b>1,586.81</b>	<b>4,170.53</b>	<b>3,176.42</b>	<b>6,680.66</b>
<b>4</b>	<b>Other income</b>	<b>0.17</b>	<b>-</b>	<b>0.27</b>	<b>0.17</b>	<b>0.34</b>
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>2,175.11</b>	<b>1,586.81</b>	<b>4,170.80</b>	<b>3,176.59</b>	<b>6,681.00</b>
<b>6</b>	<b>Finance costs</b>	<b>942.49</b>	<b>689.03</b>	<b>1,794.99</b>	<b>1,353.66</b>	<b>2,876.95</b>
<b>7</b>	<b>Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>1,232.62</b>	<b>897.78</b>	<b>2,375.81</b>	<b>1,822.93</b>	<b>3,804.05</b>
<b>8</b>	<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Profit from ordinary activities before tax (7+8)</b>	<b>1,232.62</b>	<b>897.78</b>	<b>2,375.81</b>	<b>1,822.93</b>	<b>3,804.05</b>
<b>10</b>	<b>Tax expense</b>	<b>369.20</b>	<b>245.26</b>	<b>696.09</b>	<b>493.38</b>	<b>1,029.51</b>
<b>11</b>	<b>Net profit from ordinary activities after tax (9-10)</b>	<b>863.42</b>	<b>652.52</b>	<b>1,679.72</b>	<b>1,329.55</b>	<b>2,774.54</b>
<b>12</b>	<b>Add : Tax (debits)/credits pertaining to earlier years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.02</b>
<b>13</b>	<b>Add: Share of profit after tax of associates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>14</b>	<b>Less: Minority interest in net income of subsidiaries</b>	<b>287.67</b>	<b>211.39</b>	<b>566.46</b>	<b>421.52</b>	<b>911.29</b>
<b>15</b>	<b>Net profit after tax, minority interest and share of profit of associates (11+12+13-14)</b>	<b>575.75</b>	<b>441.13</b>	<b>1,113.26</b>	<b>908.03</b>	<b>1,863.27</b>
<b>16</b>	<b>Paid-up equity share capital (Face value of ₹ 5)</b>	<b>79.57</b>	<b>79.56</b>	<b>79.57</b>	<b>79.56</b>	<b>79.57</b>
<b>17</b>	<b>Reserves excluding revaluation reserves</b>					<b>13,305.24</b>
<b>18</b>	<b>Basic and diluted earnings per share (₹) before and after extraordinary items (not annualised)</b>	<b>36.2</b>	<b>27.7</b>	<b>70.0</b>	<b>57.1</b>	<b>117.1</b>

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

₹ In Crore	Q2 FY17	Q2 FY16	H1 FY17	H1 FY16	FY16
Total income	2,366	1,701	4,667	3,356	7,384
Interest expenses	956	695	1,839	1,372	2,927
<b>Net interest income</b>	<b>1,410</b>	<b>1,006</b>	<b>2,828</b>	<b>1,984</b>	<b>4,457</b>
Operating expenses	615	441	1,201	894	1,949
Loan losses and provisions	169	137	349	240	543
<b>Profit before tax</b>	<b>626</b>	<b>428</b>	<b>1,278</b>	<b>850</b>	<b>1,965</b>
<b>Profit after tax</b>	<b>408</b>	<b>279</b>	<b>832</b>	<b>555</b>	<b>1,279</b>

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

₹ In Crore	Q2 FY17	Q2 FY16	H1 FY17	H1 FY16	FY16
<b>Gross written premium</b>	<b>2,179</b>	<b>1,500</b>	<b>3,706</b>	<b>2,822</b>	<b>5,901</b>
Net earned premium	1,240	1,061	2,378	2,060	4,224
Underwriting result	57	(8)	29	20	(65)
Investment and other income	290	213	507	399	836
<b>Profit before tax</b>	<b>347</b>	<b>205</b>	<b>536</b>	<b>419</b>	<b>771</b>
<b>Profit after tax</b>	<b>234</b>	<b>141</b>	<b>366</b>	<b>288</b>	<b>564</b>

#### Key ratios

Claim ratio	71.6%	72.9%	72.0%	70.6%	72.3%
Combined ratio	94.3%	98.9%	97.6%	97.4%	99.3%

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

₹ In Crore	Q2 FY17	Q2 FY16	H1 FY17	H1 FY16	FY16
<b>Gross written premium</b>	<b>1,447</b>	<b>1,172</b>	<b>2,451</b>	<b>2,253</b>	<b>5,897</b>
<b>New business premium</b>	<b>782</b>	<b>460</b>	<b>1,362</b>	<b>1,133</b>	<b>2,885</b>
Rated individual new business premium*	212	129	338	226	717
Group new business premium	557	276	1,001	814	1,994
<b>Renewal premium</b>	<b>665</b>	<b>712</b>	<b>1,089</b>	<b>1,120</b>	<b>3,012</b>
Shareholders' profit	148	165	318	318	611
Amount transferred from the policyholders' account to the shareholders' account (net)	54	51	128	139	268
<b>Total shareholders' profit after tax</b>	<b>202</b>	<b>216</b>	<b>446</b>	<b>457</b>	<b>879</b>

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