

## Press Release

### Income ↑ 55%; Profit After Tax ↑ 59% !!

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q3 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 Q3 FY12 is **up by 55%**, Profit After Tax has **increased by 59%** to ₹ 170 crore. The strong results are due to the performance of the underlying subsidiaries, each of which has reported robust numbers.

#### HIGHLIGHTS –

##### Q3 FY12 v/s Q3 FY11

✓ Consolidated profit after tax	– ₹ 170 crore	v/s ₹ 107 crore	↑ 59%
✓ Bajaj Finance, profit after tax	– ₹ 120 crore	v/s ₹ 76 crore	↑ 58%
✓ General insurance, profit after tax	– ₹ 60 crore	v/s ₹ 35 crore	↑ 71%
✓ Life insurance, business profit	– ₹ 283 crore	v/s ₹ 300 crore	
of which, shareholders' profit	– ₹ 63 crore	v/s ₹ 40 crore	↑ 58%

##### 9M FY12 v/s 9M FY11

✓ Consolidated profit after tax	– ₹ 457 crore	v/s ₹ 242 crore	↑ 89%
✓ Bajaj Finance, profit after tax	– ₹ 298 crore	v/s ₹ 176 crore	↑ 69%
✓ General insurance, profit after tax	– ₹ 162 crore	v/s ₹ 100 crore	↑ 62%
✓ Life insurance, business profit	– ₹ 854 crore	v/s ₹ 666 crore	↑ 28%
of which, shareholders' profit	– ₹ 173 crore	v/s ₹ 61 crore	↑ 184%

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 - ₹ **120 crore** in Q3 FY12 v/s ₹ 76 crore in Q3 FY11 ↑ **58%**.
- Deployments ↑ **68%**; ₹ **4649 crore** in Q3 FY12 v/s ₹ 2774 crore during Q3 FY11.
- Assets under management stood at ₹ **11919 crore** as on 31<sup>st</sup> December 2011 v/s ₹ 7571 crore as on 31<sup>st</sup> March 2011.
- Gross income ↑ **55%**; ₹ **603 crore** in Q3 FY12 v/s ₹ 388 crore during Q3 FY11.
- Loan losses and provisions for Q3 FY12 ↓ **20%** at ₹ **36 crore** v/s ₹ 45 crore in Q3 FY11. Net NPA for Q3 FY12 stood at **0.25%** - the lowest for the company in the last 5 years.
- Capital adequacy ratio stood at a healthy **17.3%**.

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 ₹ **60 crore** v/s ₹ 35 crore in Q3 FY11 – an increase of 71%.
- Gross written premium for Q3 FY12 increased by 15% to ₹ **775 crore** v/s ₹ 675 crore in Q3 FY11.
- **Combined ratio (excluding motor pool losses)** improved by 8% from 99.4% in Q3 FY11 to 91.4% in Q3 FY12. Similarly, combined ratio (including motor pool losses) was at impressive 98.9% in Q3 FY12.
- Loss ratio improved by 6.1% from 64.2% in Q3 FY11 to 58.1% in Q3 FY12.
- Cash and investments as on 31<sup>st</sup> December 2011 stood at ₹ **4220 crore**.
- IRDA has recently issued Order dated 3<sup>rd</sup> January 2012 directing member companies of the Indian Motor Third Party Insurance Pool to carry as a reserve, in respect of Motor Pool losses, calculated at an Ultimate Loss Ratio of 159%, 188%, 200% and 213% for the years 2007-08 to 2010-11 respectively and consequently relaxed the Solvency Margins required to be maintained for the next 4 years starting 31<sup>st</sup> March 2012. Based on discussion with IRDA officials with respect to the timing of the recognition of the said reserve, it has been clarified that the said amount is intended to be provided as at 31<sup>st</sup> March 2012 and consequent to this the relaxation in the Solvency Margin, as per the order, has been made available w.e.f. 31<sup>st</sup> March 2012.

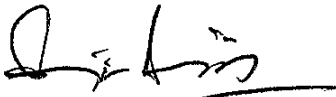
The company is also awaiting clarifications on the various issues raised by the industry arising out of the above said Order. In the event of the company being required to provide for the motor pool losses for all the years from 2007-08 as per the above order, the additional liability that would be required to be booked on 31<sup>st</sup> March 2012, works out to approximately ₹ 329 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 Q3 FY12 was ₹ **283 crore** v/s profit of ₹ 300 crore in Q3 FY11.
- Shareholders' profit during the current quarter was ₹ **63 crore** v/s ₹ 40 crore in Q3 FY11.
- Gross written premium was ₹ **1674 crore** in Q3 FY12 v/s ₹ 2256 crore in Q3 FY11.
- New business premium for Q3 FY12 was ₹ **653 crore** v/s ₹ 826 crore in Q3 FY11. The decline in new business premium for Q3 FY 12 was 21% compared to 37% and 38% respectively for Q1 FY12 and Q2 FY12.
- Renewal premium for Q3 FY12 was ₹ **1021 crore** v/s ₹ 1430 crore in Q3 FY11.
- Solvency ratio stood at a healthy **504%** as on 31<sup>st</sup> December 2011 as against the minimum regulatory requirement of 150%.
- Total investments as at 31<sup>st</sup> December 2011 stood at ₹ **35545 crore**.

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



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**Sanjiv Bajaj**  
**Managing Director**  
18<sup>th</sup> January 2012