

FAX NO. 022 26598237/26598238

18 January 2011

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East)
MUMBAI 400 051

Dear Sir/s :

Sub : **Unaudited financial results for the quarter
and nine months ended 31 December 2010 – limited review**

In terms of the provisions of clause 41 of the listing agreement, the Unaudited Stand-alone Financial Results for the quarter and nine months ended 31 December 2010 subjected to a limited review by the auditors of the company and Consolidated Financial Results for the said quarter and nine months ended 31 December 2010 were taken on record by our board of directors at its meeting held today, the 18 January 2011.

Accordingly, please find enclosed the following :

- a) Certified true copy of Unaudited Stand-alone and Consolidated Financial Results for the quarter and nine months ended 31 December 2010.
- b) Limited Review Report for the quarter and nine months ended 31 December 2010, and
- c) One copy of the press release.

Thanking you,

Yours faithfully,
for Bajaj Finserv Limited,


SONAL R TIWARI
COMPANY SECRETARY

Encl : as above

Confirmation copy sent by hand delivery

Press Release – Q3/2010-11 Financial Results

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for 3rd quarter of FY 2010-11.

Bajaj Finserv Limited operates through its subsidiaries, primarily in the areas of **Life insurance, General insurance & Retail finance**. It will launch its wealth management business through its 100% subsidiary - Bajaj Financial Solutions Limited in Q4/2010-11.

All business segments of the company have performed well during the current quarter showing significant growth in bottom line - **consolidated net profit have tripled** vis a vis corresponding previous year quarter.

HIGHLIGHTS –

Q3/2010-11 v/s Q3/2009-10

✓ Bajaj Finserv, consolidated PAT	– Rs. 107 crores	v/s	Rs. 35 crores	↑ 206%
✓ Bajaj Finance, profit after tax	– Rs. 76 crores	v/s	Rs. 27 crores	↑ 181%
✓ Life insurance, business profit	– Rs. 299 crores	v/s	Rs. 154 crores	↑ 94%
✓ General insurance, profit after tax	– Rs. 35 crores	v/s	Rs. 29 crores	↑ 21%

9M/2010-11 v/s 9M/2009-10

✓ Bajaj Finserv, consolidated PAT	– Rs. 242 crores	v/s	Rs. 121 crores	↑ 100%
✓ Bajaj Finance, profit after tax	– Rs. 176 crores	v/s	Rs. 64 crores	↑ 175%
✓ Life insurance, business profit	– Rs. 667 crores	v/s	Rs. 347 crores	↑ 92%
✓ General insurance, profit after tax	– Rs. 100 crores	v/s	Rs. 83 crores	↑ 21%

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):

- Aided by strong volume growth in consumer and SME business lines, deployment increased by **129%**, from Rs. 1210 crores in Q3/2009-10 to **Rs. 2774 crores** in Q3/2010-11.
 - No. of customers acquired during the quarter were 4.91 lakhs compared to 2.78 lakhs for Q3/2009-10 - a growth of 77%.
 - Total income increased by **56%**, from Rs. 249 crores during Q3/2009-10 to **Rs. 388 crores** in Q3/2010-11.
 - Profit after tax recorded a growth of **181%** - **Rs. 76 crores** for Q3/2010-11 as against Rs. 27 crores for Q3/2009-10.
 - Receivables under finance stood at **Rs. 6710 crores** as on 31st December 2010 as compared to Rs. 4026 crores as on 31st March 2010.
 - Capital adequacy ratio (including Tier II capital and excluding current year's profits) stood at a healthy 18.7% and including current year's profits stood at 21.2%.
- Summary of financial results is given in **Annexure B**.

B. Bajaj Allianz Life Insurance Company Limited (BALIC):

- During Oct ~ Nov 2010, the life insurance industry witnessed a decline of 10.3%.
- Gross written premium (GWP) of the company stood at **Rs. 2256 crores** for Q3/2010-11 compared to Rs. 2755 crores in Q3/2009-10.
- New business premium stood at **Rs. 826 crores** in Q3/2010-11 as compared to Rs. 1087 crores for Q3/2009-10.
- Renewal premium for Q3/2010-11 was **Rs. 1430 crores** as against Rs. 1668 crores during the Q3/2009-10.
- In this challenging environment, the company remained focussed on bottom line.
Due to cost control measures, ratio of total commission expenses to GWP for the quarter came down from 8.9% to 6.4% and ratio of operating expenses to GWP remained at a reasonable 17.3%.
- As a result, BALIC's business profit for Q3/2010-11 registered a growth of **94%** and stood at **Rs. 299 crores** as compared to Rs. 154 crores in Q3/2009-10.
- Solvency ratio was a healthy **338%** as on 31st December 2010 as against the minimum regulatory requirement of 150%.
- Total investments as at 31st December 2010 stood at **Rs. 39180 crores**. The investments of the company grew by 17% since 31st March 2010.

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

C. Bajaj Allianz General Insurance Company Limited (BAGIC):

- General insurance industry posted a growth of 22.4% during Oct ~ Nov 2010.
- Gross written premium of the company increased by 16% to **Rs. 675 crores** for Q3/2010-11 from Rs. 583 crores for Q3/2009-10.
- Net earned premium for Q3/2010-11 was **Rs. 490 crores** as compared to Rs. 414 crores in Q3/2009-10 – growth of 18% - reflecting the strong policy retention capabilities of the company.
- The company continued to focus largely on more profitable retail product segments – namely, motor and property.
- Improvement in the claim ratio and higher investment income helped profit after tax to increase from Rs. 29 crores for Q3/2009-10 to **Rs. 35 crores** during Q3/2010-11 – growth of **21%**.
- Combined ratio (including motor pool provision) for Q3/2010-11 stood at **101.6%** as against 103.1% for Q3/2009-10.
- BAGIC continues to be second largest general insurer in private sector with a market share of 6.8% during Oct ~ Nov 2010.

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


Sanjiv Bajaj
Managing Director
18th January 2011



Bajaj Finserv Limited

Mumbai - Pune Road, Akurdi, Pune 411 035

UNAUDITED CONSOLIDATED FINANCIAL AND SEGMENT-WISE RESULTS OF BAJAJ FINSERV LIMITED AND ITS SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES FOR THE QUARTER ENDED DECEMBER 31, 2010

(Rs. In Crores)					
Particulars	QUARTER ENDED 31.12.2010 (Unaudited)	QUARTER ENDED 31.12.2009 (Unaudited)	NINE MONTHS ENDED 31.12.2010 (Unaudited)	NINE MONTHS ENDED 31.12.2009 (Unaudited)	YEAR ENDED 31.03.2010 (Audited)
KEY BUSINESS STATISTICS OF CONSOLIDATED ENTITIES					
i. Gross written premium	2256	2755	6407	7276	11420
a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd.	675	583	2094	1800	2725
b) General Insurance - Bajaj Allianz General Insurance Co. Ltd.	2774	1210	6948	3259	4585
ii. Funds deployed - Bajaj Finance Ltd.	7	8	36	38	43
iii. Wind energy generated - Bajaj Finserv Limited					
Income from operations	530	119	1118	332	460
Transfer from Policyholders's Account	-	-	-	-	524
TOTAL INCOME	530	119	1118	332	984
Expenditure :					
a) Transfer to Policyholders' Account	3	35	54	56	69
b) Employees Cost	53	13	115	35	47
c) Marketing & Other Commission	32	-	52	-	-
d) Recovery Commission	15	-	26	-	-
e) Provision for Doubtful Debts net and Bad Debts written off	45	-	106	-	-
f) Depreciation	6	5	15	18	22
g) Other expenditure	45	15	97	37	55
h) Total	199	68	465	146	193
Profit from Operations before Other Income, Interest & Exceptional Items	331	51	653	186	791
Other Income	2	1	10	1	1
Profit before Interest & Exceptional Items	333	52	663	187	792
Interest	103	-	187	-	-
Profit after Interest but before Exceptional Items	230	52	476	187	792
Exceptional item	-	-	-	-	-
Profit / (Loss) from ordinary activities before tax and share of profit on Investments in Associates	230	52	476	187	792
Add: Share of Profit after tax on Investments in Associates	-	12	21	27	38
Profit / (Loss) from ordinary activities before tax	230	64	497	214	830
Tax expense	70	22	153	68	99
Profit / (Loss) from ordinary activities after tax	160	42	344	146	731
Less: Minority Interest in Net Income of subsidiaries	53	7	102	25	172
Net Profit / (Loss) before deferred tax adjustments	107	35	242	121	559
Adjustments on revaluation of deferred tax assets	-	-	-	-	(4)
Net Profit / (Loss) for the period	107	35	242	121	555
Basic and Diluted Earnings Per Share (Rs.) (not annualised) before and after extraordinary items	7.3	2.5	16.7	8.4	38.6

Annexure B - Summary financial results of BFL

Rs. in crores	Q3 2010-11	Q3 2009-10	9M 2010-11	9M 2009-10	FY 2009-10
Total income	388	249	1012	659	916
Interest and finance charges	103	55	260	143	202
Net interest income	285	194	752	516	714
Operating expenses	125	91	321	245	320
Loan losses & provisions	45	60	167	172	260
Profit before tax (PBT)	115	43	264	99	134
Profit after tax (PAT)	76	27	176	64	89
Earnings per share (EPS), basic and diluted, Rs.	20.9*	7.5*	48.1*	17.6*	24.4

*Not annualised

Annexure C - Summary financial results of BALIC

Rs. in crores	Q3 2010-11	Q3 2009-10	9M 2010-11	9M 2009-10	FY 2009-10
Gross Written Premium	2256	2755	6407	7276	11420
New Business Premium	826	1087	2337	2528	4451
Renewal Premium	1430	1668	4070	4748	6969
Policyholders' surplus*	260	156	606	334	427
Total Profit (Shareholders'+Policyholders')	299	154	667	347	542

*Policyholders' surplus, if any, will be transferred to shareholders' account only in Q4/2010-11 after audited accounts.

Annexure D - Summary financial results of BAGIC

Rs. in crores	Q3 2010-11	Q3 2009-10	9M 2010-11	9M 2009-10	FY 2009-10
Gross Written Premium *	675	583	2094	1800	2516
Net Earned Premium *	490	414	1419	1263	1671
Underwriting profit/(loss) including Motor pool losses	-8	-13	-33	-44	-50
Interest and dividend income/others	63	55	184	166	221
Capital gains	-2	4	2	8	9
Profit before tax	53	46	153	130	180
Profit after tax	35	29	100	83	121
Loss Ratio	64.2%	65.7%	65.9%	67.0%	66.4%
Combined ratio (including pool losses)**	101.6%	103.1%	102.4%	103.5%	102.7%

* Figures are excluding inward reinsurance premiums from motor pool

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