BAJAJ ALLIANZ GENERAL INSURANCE CO. LTD.

Market figures December 07

Rs Mn	GWP Apr-Dec 07	GWP Apr-Dec 06	Mkt Share Dec 07	Share of Private	Growth YOY
ICICI Lombard	26247	23265	12.6%	31.6%	12.8%
Bajaj Allianz	17129	13075	8.2%	20.6%	31.0%
Reliance General	15245	6111	7.3%	18.4%	149.5%
IFFCO Tokio	8001	8938	3.8%	9.6%	-10.5%
Tata AIG	5895	5697	2.8%	7.1%	3.4%
Royal Sundaram	4959	4378	2.4%	6.0%	13.2%
Cholamandalam	3875	2296	1.9%	4.7%	68.8%
HDFC General	1685	1419	0.8%	2.0%	18.7%
Future Generali	1.8	-			
Private Total	**83046**	**65179**	39.9%	100.0%	27.4%
New India	39107	36925	18.8%		5.9%
Oriental	28979	29696	13.9%		-2.4%
National	29221	27462	14.0%		6.4%
United India	27605	26287	13.2%		5.0%
Public Total	**124913**	**120370**	60.1%		3.8%
Grand Total	**207959**	**185559**	100.0%		12.0%

Source IRDA website excluding specialised institutions

Strong growth 250% of market growth and ahead of private sector growth

Market share improved from 7.2% at 31 March to 8.2% at 31 December with 18% share of accretion

Business mix Apr-Dec 07

Line Of Business	Apr- Dec 07	2006-07	2005-06
Corporate ex-health	28%	42%	45%
Motor (Retail)	55%	43%	42%
Health & Travel	11%	9%	8%
Other (mainly retail)	6%	6%	5%

- Retail business consolidation continues - highly discounted corporate business underweight.
- Greater focus on Motor own damage and health businesses.
- Net earned premium from corporate business grew despite lower gross premiums – reinsurance strategy pays off

Profitability Apr-Dec 07*(Rs Mn.)*

	Apr-Dec 07	Apr-Dec 06	YOY change
Gross written premium	16,899	13,015	30%
Net written premium	11,376	7,714	48%
Net earned premium	9,534	5,967	60%
Underwriting profit	(22)	(73)	
Net Insurance Income	2,223	1,174	89%
Recurring Investment Income	1,001	563	
Capital gains	464	37	
Profit before tax	1,439	553	160%
Profit after tax	907	355	155%
Loss ratio	67%	73%	
Combined ratio	100.2%	101.2%	
Combined ratio (economic)	94.6%	94.7%	

- Profitable growth story continues
- Strong retention – over 67% growth in net premiums.
- Impressive growth in Net Insurance income (before expenses)
- PBT and PAT also grew impressively

Economic combined ratio = Net claims/NEP plus net commission/NWP plus expenses/NWP.

Balance sheet 31 December

Rs Mn

	31-Dec-07	31-Mar-07
Cash and investments	18,397	14,754
Other assets	2,688	1,716
Insurance reserves	13,405	9,764
Other liabilities	2,334	3,081
Net worth	5,227	4,034
Free cash flow	3,319	5,736

- Focus on cash flows, growth in invested surplus, resulting in strong growth of investment income.
- Equity exposure only 2.5 % of cash and investments –limited exposure to falling markets

Free cash flow = increase in invested surplus net of financing cash flows

Indicators

Nos unless stated otherwise	31-Dec-07	2006-07
Operational Offices (period end)	161	124
Number of employees	3544	2540
Policies issued (‘ 000s)	4,718	4,863
Claims registered (‘000s)	325	310
Claims paid Rs bn.	7.24	7.23

- Market reach in terms of number of policies continues to expand
- Retail scale up continues