

## Press release

### Financial results – Q3 FY15

**Gross revenue ↑ 17%; Profit after tax ↑ 23%**

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q3 FY15.

Bajaj Finserv Limited (BFS), a holding company, represents Bajaj Group's interests in the financial services space through its subsidiaries, whose results it consolidates. Bajaj Finserv participates in the insurance business through - 74% holding in Bajaj Allianz Life Insurance Company Ltd. and Bajaj Allianz General Insurance Company Ltd. and in the lending business through - 61.53% holding in Bajaj Finance Ltd.

The Company has performed well during this quarter.

#### **Highlights – Q3 FY15 v/s Q3 FY14**

✓ Consolidated gross revenue	– ₹ 4,802 crore	v/s ₹ 4,091 crore	↑ 17%
✓ Consolidated income from operations	– ₹ 1,904 crore	v/s ₹ 1,392 crore	↑ 37%
✓ Consolidated profit after tax	– ₹ 347 crore	v/s ₹ 281 crore	↑ 23%
✓ Bajaj Finance, profit after tax	– ₹ 258 crore	v/s ₹ 194 crore	↑ 33%
✓ General insurance, profit after tax	– ₹ 143 crore	v/s ₹ 95 crore	↑ 51%
✓ Life insurance, shareholders' profit after tax	– ₹ 99 crore	v/s ₹ 115 crore	

#### **Highlights – 9M FY15 v/s 9M FY14**

✓ Consolidated gross revenue	– ₹ 13,432 crore	v/s ₹ 11,609 crore	↑ 16%
✓ Consolidated income from operations	– ₹ 5,181 crore	v/s ₹ 3,967 crore	↑ 31%
✓ Consolidated profit after tax	– ₹ 983 crore	v/s ₹ 836 crore	↑ 18%
✓ Bajaj Finance, profit after tax	– ₹ 667 crore	v/s ₹ 537 crore	↑ 24%
✓ General insurance, profit after tax	– ₹ 418 crore	v/s ₹ 308 crore	↑ 36%
✓ Life insurance, shareholders' profit after tax	– ₹ 317 crore	v/s ₹ 337 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)**

- Total income for Q3 FY15 **increased** by **37%** to **₹ 1,485 crore** v/s ₹ 1,082 crore in Q3 FY14.
- The Company recorded **its highest ever quarterly profit after tax of ₹ 258 crore** in Q3 FY15 v/s ₹ 194 crore in Q3 FY14 – an **increase of 33%**.
- Assets under management stood at **₹ 30,822 crore** as on 31 December 2014 v/s ₹ 24,061 crore as on 31 March 2014.
- Net NPA for Q3 FY15 stood at 0.49%.
- Capital adequacy ratio stood at a healthy **19%**.
- Bajaj Housing Finance Limited, the wholly owned subsidiary of the Company, has applied to National Housing Bank (NHB) for registration as a 'Housing Finance Company'.

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

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

- Gross written premium for Q3 FY15 **increased** by **10%** to **₹ 1,183 crore** v/s ₹ 1,074 crore in Q3 FY14.
- Profit after tax for Q3 FY15 **increased** by **51%** to **₹ 143 crore** v/s ₹ 95 crore in Q3 FY14.
- Net earned premium for Q3 FY15 stood at **₹ 958 crore** v/s ₹ 899 crore in Q3 FY14 – an **increase of 7%**.
- Underwriting profit for Q3 FY15 was **₹ 16 crore** v/s loss of ₹ 13 crore in Q3 FY14.
- Investment and other income for Q3 FY15 **increased** by **27%** to **₹ 189 crore** from ₹ 149 crore.
- Claim ratio stood at **70.0%** in Q3 FY15 v/s 71.9% in Q3 FY14.
- Combined ratio stood at **98.8%** in Q3 FY15 v/s 100.9% in Q3 FY14.
- Solvency ratio stood at **182%** as on 31 December 2014 as against the minimum regulatory requirement of 150%.
- Cash and investments as on 31 December 2014 stood at **₹ 7,251 crore**.

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

**C. Bajaj Allianz Life Insurance Company Limited (BALIC)**

- Gross written premium was ₹ **1,442** crore in Q3 FY15 v/s ₹ 1,385 crore in Q3 FY14.
- New business premium for Q3 FY15 was ₹ 572 crore v/s ₹ 678 crore in Q3 FY14.
- Renewal premium for Q3 FY15 was ₹ 870 crore v/s ₹ 707 crore in Q3 FY14.
- Shareholders' profit during Q3 FY15 of ₹ 99 crore v/s ₹ 115 crore in Q3 FY14.
- Solvency ratio stood at a healthy **782%** as on 31 December 2014 as against the minimum regulatory requirement of 150%.
- Total investments as at 31 December 2014 stood at ₹ **42,169 crore**.

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

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**Sanjiv Bajaj**  
**Managing Director**  
14 January 2015

**Annexure A - Consolidated results of BFS**

(₹ In Crore)		Q3 FY15	Q3 FY14	9M FY15	9M FY14	FY14
	<b>Gross revenue</b>					
	i. Gross written premium					
	a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd.	1,441.87	1,385.25	3,638.25	3,702.94	5,843.14
	b) General Insurance - Bajaj Allianz General Insurance Co. Ltd.	1,183.11	1,074.29	3,835.67	3,315.57	4,583.89
	ii. Gross income - Bajaj Finance Ltd.	1,485.53	1,081.50	3,973.32	2,974.59	4,073.33
	iii. Income from windpower generation - Bajaj Finserv Ltd.	9.88	10.34	43.33	59.58	60.44
	iv. Investment income (excluding accretions on unit linked investment)	651.10	518.30	1,851.78	1,489.83	2,059.57
	v. Others	30.78	21.35	89.77	66.52	91.78
	<b>Total</b>	<b>4,802.27</b>	<b>4,091.03</b>	<b>13,432.12</b>	<b>11,609.03</b>	<b>16,712.15</b>
<b>1</b>	<b>Income</b>					
	(a) Income from operations	1,904.43	1,392.13	5,181.19	3,967.23	5,381.92
	(b) Transfer from Policyholders' Account	-	-	-	-	639.10
	<b>Total income from operations (net)</b>	<b>1,904.43</b>	<b>1,392.13</b>	<b>5,181.19</b>	<b>3,967.23</b>	<b>6,021.02</b>
<b>2</b>	<b>Expenses</b>					
	(a) Transfer to Policyholders' Account	18.51	(2.92)	48.69	3.25	6.94
	(b) Employee benefits expense	153.30	112.78	430.53	321.32	440.73
	(c) Marketing and other commission	83.03	63.61	208.30	173.71	230.69
	(d) Recovery cost	52.00	43.78	148.56	121.12	167.85
	(e) Loan losses and provisions	107.86	79.45	270.80	195.65	257.81
	(f) Depreciation and amortisation	10.59	6.50	28.21	16.32	30.88
	(g) Other expenses	144.52	104.13	376.58	319.70	426.61
	<b>Total expenses</b>	<b>569.81</b>	<b>407.33</b>	<b>1,511.67</b>	<b>1,151.07</b>	<b>1,561.51</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>1,334.62</b>	<b>984.80</b>	<b>3,669.52</b>	<b>2,816.16</b>	<b>4,459.51</b>
<b>4</b>	<b>Other income</b>	<b>0.91</b>	<b>1.28</b>	<b>2.54</b>	<b>3.15</b>	<b>3.97</b>
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>1,335.53</b>	<b>986.08</b>	<b>3,672.06</b>	<b>2,819.31</b>	<b>4,463.48</b>
<b>6</b>	<b>Finance costs</b>	<b>587.51</b>	<b>405.74</b>	<b>1,626.83</b>	<b>1,116.64</b>	<b>1,561.87</b>
<b>7</b>	<b>Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>748.02</b>	<b>580.34</b>	<b>2,045.23</b>	<b>1,702.67</b>	<b>2,901.61</b>
<b>8</b>	<b>Exceptional items</b>					
	(Provision)/reversal for loss of Renewable Energy Certificates (RECs)	-	-	-	(7.24)	-
<b>9</b>	<b>Profit from ordinary activities before tax (7+8)</b>	<b>748.02</b>	<b>580.34</b>	<b>2,045.23</b>	<b>1,695.43</b>	<b>2,901.61</b>
<b>10</b>	<b>Tax expense</b>	<b>238.32</b>	<b>170.88</b>	<b>614.91</b>	<b>487.34</b>	<b>710.49</b>
<b>11</b>	<b>Net Profit from ordinary activities after tax (9-10)</b>	<b>509.70</b>	<b>409.46</b>	<b>1,430.32</b>	<b>1,208.09</b>	<b>2,191.12</b>
<b>12</b>	<b>Add : Tax (debits)/credits pertaining to earlier years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.19)</b>
<b>13</b>	<b>Add: Share of Profit after tax on Investments in 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>162.33</b>	<b>128.35</b>	<b>447.65</b>	<b>371.64</b>	<b>646.85</b>
<b>15</b>	<b>Net Profit after taxes, minority interest and share of profit / (loss) of associates (11+12+13-14)</b>	<b>347.37</b>	<b>281.11</b>	<b>982.67</b>	<b>836.45</b>	<b>1,544.08</b>
<b>16</b>	<b>Basic and Diluted Earnings Per Share (₹) (not annualised) before and after extraordinary items</b>	<b>21.8</b>	<b>17.7</b>	<b>61.8</b>	<b>52.6</b>	<b>97.0</b>

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

<b>₹ In Crore</b>	<b>Q3 FY15</b>	<b>Q3 FY14</b>	<b>9M FY15</b>	<b>9M FY14</b>	<b>FY14</b>
Total income	1,485	1,082	3,973	2,975	4,073
Interest expenses	592	410	1,636	1,123	1,573
<b>Net interest income</b>	<b>893</b>	<b>672</b>	<b>2,337</b>	<b>1,852</b>	<b>2,500</b>
Operating expenses	392	298	1,054	842	1,151
Loan losses and provisions	108	79	271	196	258
<b>Profit before tax</b>	<b>393</b>	<b>295</b>	<b>1,012</b>	<b>814</b>	<b>1,091</b>
<b>Profit after tax</b>	<b>258</b>	<b>194</b>	<b>667</b>	<b>537</b>	<b>719</b>

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

<b>₹ In Crore</b>	<b>Q3 FY15</b>	<b>Q3 FY14</b>	<b>9M FY15</b>	<b>9M FY14</b>	<b>FY14</b>
Gross written premium	1,183	1,074	3,836	3,315	4,584
Net earned premium	958	899	2,832	2,596	3,493
Underwriting profit/(loss)	16	(13)	63	11	(2)
Investment income	189	149	517	432	589
<b>Profit before tax</b>	<b>205</b>	<b>136</b>	<b>580</b>	<b>443</b>	<b>587</b>
<b>Profit after tax</b>	<b>143</b>	<b>95</b>	<b>418</b>	<b>308</b>	<b>409</b>

**Key ratios**

Claim ratio	70.0%	71.9%	72.3%	71.0%	72.3%
Combined ratio	98.8%	100.9%	97.1%	98.1%	98.1%

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

<b>₹ In Crore</b>	<b>Q3 FY15</b>	<b>Q3 FY14</b>	<b>9M FY15</b>	<b>9M FY14</b>	<b>FY14</b>
Gross written premium	1,442	1,385	3,638	3,703	5,843
New business premium	572	678	1,575	1,775	2,592
Renewal premium	870	707	2,063	1,928	3,251
Policyholders' surplus*	76	183	387	509	649
Shareholders' profit	99	115	317	337	386
Total surplus* (policyholders' + shareholders')	175	298	704	846	1,035
Total shareholders' profit after tax**					1,025

\*Policyholders' distributable surplus, if any, will be transferred to shareholders' account in Q4 FY15 on the basis of audited accounts.

\*\*Shareholders' profit for FY14 comprises of profit for the year - ₹ 386 crore and distribution of surplus from policyholders' account - ₹ 639 crore.