

## Press Release – Q1 FY12 Financial Results

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q1 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.

The company's **consolidated profit after tax** for Q1 FY12 has almost **doubled** to **₹ 129 crore**. The strong results are due to the performance of the underlying subsidiaries, each of which has reported robust numbers. Bajaj Finance Limited, a subsidiary of the company posted excellent results with profit after tax growing by 94%.

### HIGHLIGHTS – Q1 FY12 v/s Q1 FY11

✓ Consolidated profit after tax	– ₹ 129 crore	v/s	₹ 66 crore	↑ 95%
✓ Bajaj Finance, profit after tax	– ₹ 91 crore	v/s	₹ 47 crore	↑ 94%
✓ Life insurance, business profit	– ₹ 278 crore	v/s	₹ 169 crore	↑ 65%
✓ General insurance, profit after tax	– ₹ 39 crore	v/s	₹ 31 crore	↑ 26%

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

A brief write up on the performance of the individual companies is given below:

#### **A. Bajaj Finance Limited (BFL)**

- Deployments **↑ 75%**; **₹ 3588 crore** in Q1 FY12 v/s ₹ 2047 crore during Q1 FY11.
- Assets under management at **₹ 9025 crore** as on 30<sup>th</sup> June 2011 v/s ₹ 7571 crore as on 31<sup>st</sup> March 2011.
- Total income **↑ 52%**; **₹ 452 crore** in Q1 FY12 v/s ₹ 297 crore during Q1 FY11.
- Profit after tax - **₹ 91 crore** in Q1 FY12 v/s ₹ 47 crore in Q1 FY11 **↑ 94%**.
- Loan losses and provisions for Q1 FY12 **↓ 48%** at **₹ 31 crore** v/s ₹ 60 crore (including ₹ 16 crore of one time accelerated provision) in Q1 FY11.
- Capital adequacy ratio stood at a healthy **19%**.
- The Board of Directors of Bajaj Finance Limited, pursuant to the authority given by shareholders at their Annual General Meeting held on 13<sup>th</sup> July 2011 has approved a preferential issue of 60,00,000 warrants to Bajaj Finserv Limited, the promoter, convertible into equity shares at an issue price of ₹ 651 per share. This is in addition to a QIP of upto 75,00,000 shares approved by the Board.

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

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

- BALIC's overall profit for Q1 FY12 was ₹ 278 crore v/s profit of ₹ 169 crore in Q1 FY11.
- Gross written premium was ₹ 1388 crore in Q1 FY12 v/s ₹ 1845 crore in Q1 FY11.
- New business premium for Q1 FY12 was ₹ 378 crore v/s ₹ 603 crore in Q1 FY11.
- Renewal premium for Q1 FY12 was ₹ 1010 crore v/s ₹ 1242 crore in Q1 FY11.
- Solvency ratio stood at a healthy 410% as on 30<sup>th</sup> June 2011 as against the minimum regulatory requirement of 150%.
- Total investments as at 30<sup>th</sup> June 2011 stood at ₹ 39234 crore.

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

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

- During the current quarter, the company posted a profit after tax of ₹ 39 crore v/s ₹ 31 crore in Q1 FY11.
- Gross written premium for Q1 FY12 increased by 11% to ₹ 798 crore v/s ₹ 718 crore in Q1 FY11.
- Net earned premium for Q1 FY12 was ₹ 527 crore v/s ₹ 454 crore in Q1 FY11 – reflecting the strong policy retention capabilities of the company.
- Combined ratio (excluding motor pool losses) improved by 4.7% from 101.4% in Q1 FY11 to 96.7% in Q1 FY12.
- Loss ratio improved by 3.6% from 68.6% in Q1 FY11 to 65.0% in Q1 FY12.
- Cash and investments as on 30<sup>th</sup> June 2011 stood at ₹ 4177 crore.
- BAGIC ranks **second** among the private insurers with a market share of 6.0%.

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

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Sanjiv Bajaj  
Managing Director  
13<sup>th</sup> July 2011



## Bajaj Finserv Limited

Registered Office : Mumbai - Pune Road, Akurdi, Pune 411 035

Corporate Office : Off Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014

### CONSOLIDATED RESULTS

(₹ In Crore)

Particulars	QUARTER ENDED 30.06.2011 (Unaudited)	QUARTER ENDED 30.06.2010 (Unaudited)	YEAR ENDED 31.03.2011 (Audited)
<b>Gross revenues</b>			
i. Gross written premium			
a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd.	1388	1845	9610
b) General Insurance - Bajaj Allianz General Insurance Co. Ltd.	798	718	3129
ii. Interest and finance charges - Bajaj Finance Ltd.	452	-	1110
iii. Income from windpower generation - Bajaj Finserv Ltd.	17	10	42
iv. Investment income (excluding accretions on unit linked investment)	231	174	766
v. Others	14	12	55
<b>Total</b>	<b>2900</b>	<b>2759</b>	<b>14712</b>
Income from operations	613	124	1508
Transfer from Policyholders's Account	-	-	935
<b>TOTAL INCOME</b>	<b>613</b>	<b>124</b>	<b>2443</b>
<b>Expenditure :</b>			
a) Transfer to Policyholders' Account	1	18	32
b) Employees Cost	62	14	177
c) Marketing & Other Commission	34	-	85
d) Recovery Commission	14	-	38
e) Provision for Doubtful Debts net and Bad Debts written off	34	-	144
f) Depreciation	4	3	20
g) Other expenditure	52	8	133
<b>h) Total</b>	<b>201</b>	<b>43</b>	<b>629</b>
<b>Profit from Operations before Other Income, Interest &amp; Exceptional Item</b>	<b>412</b>	<b>81</b>	<b>1814</b>
Other Income	-	-	1
<b>Profit before Interest &amp; Exceptional Item</b>	<b>412</b>	<b>81</b>	<b>1815</b>
Interest	142	-	305
<b>Profit after Interest but before Exceptional Item</b>	<b>270</b>	<b>81</b>	<b>1510</b>
Exceptional item			
Surplus on pre-payment of sales tax deferral incentive/loan liability	-	-	139
<b>Profit / (Loss) from ordinary activities before tax and share of profit on Investments in Associates</b>	<b>270</b>	<b>81</b>	<b>1649</b>
Add: Share of Profit after tax on Investments in Associates	-	21	21
<b>Profit / (Loss) from ordinary activities before tax</b>	<b>270</b>	<b>102</b>	<b>1670</b>
Tax expense	78	24	178
<b>Profit / (Loss) from ordinary activities after tax</b>	<b>192</b>	<b>78</b>	<b>1492</b>
Less: Minority Interest in Net Income of subsidiaries	63	12	377
<b>Net Profit / (Loss) for the period</b>	<b>129</b>	<b>66</b>	<b>1115</b>
<b>Basic and Diluted Earnings Per Share (₹) (not annualised)</b>			
before and after extraordinary items	<b>8.9</b>	<b>4.5</b>	<b>77.1</b>

## Annexure B - Summary financial results of Bajaj Finance Ltd

₹ In Crore	Q1 FY12	Q1 FY11	FY 11
Total income	452	297	1406
Interest and finance charges	142	73	378
<b>Net interest income</b>	<b>310</b>	<b>224</b>	<b>1028</b>
Operating expenses	141	93	453
Loan loss and provisions	31	60	190
General provision	3	-	15
<b>Profit before tax (PBT)</b>	<b>135</b>	<b>71</b>	<b>370</b>
<b>Profit after tax (PAT)</b>	<b>91</b>	<b>47</b>	<b>247</b>
Earnings per share (EPS), basic and diluted, ₹	24.8*	12.8*	67.5

\*Not annualised

## Annexure C - Summary financial results of BALIC

₹ In Crore	Q1 FY12	Q1 FY11	FY 11
Gross written premium	1388	1845	9610
New business premium	378	603	3466
Renewal premium	1010	1242	6144
Policyholders' Surplus*	225	155	962
Shareholders' Surplus	53	14	95
<b>Total Profit (Shareholders'+Policyholders')</b>	<b>278</b>	<b>169</b>	<b>1057</b>

\*Policyholders' surplus, if any, will be transferred to shareholders' account only in Q4 FY12 after audited accounts.

## Annexure D - Summary financial results of BAGIC

₹ In Crore	Q1 FY12	Q1 FY11	FY 11
Gross Written Premium *	<b>798</b>	<b>718</b>	<b>2905</b>
Net Earned Premium *	527	454	1931
Underwriting profit/(loss) including Motor pool losses	17	-6	27
Provision for Motor Pool losses	-42	-11	-246
Interest and dividend income/others	83	60	279
Capital gains	-	3	2
<b>Profit before tax</b>	<b>58</b>	<b>46</b>	<b>62</b>
<b>Profit after tax</b>	<b>39</b>	<b>31</b>	<b>43</b>

### KEY RATIOS

Loss Ratio	65.0%	68.6%	63.4%
Combined ratio (excluding pool losses)**	96.7%	101.4%	98.6%
Combined ratio (including pool losses)**	104.7%	103.7%	110.2%

\* Figures are excluding inward reinsurance premiums from motor pool

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