

Press Release
Income ↑51% ; Profit after tax ↑51% !!

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q1 FY13.

Bajaj Finserv is Bajaj group's holding company for all financial services business namely "Protection", "Lending", and "Financial advisory and Wealth management".

1. PERFORMANCE

In a challenging environment, company's strategy of pursuing profitable growth has paid rich dividends. While **consolidated gross revenue** increased from ₹ 2,900 crore to ₹ 3,252 crore, **profit after tax** grew 51% from ₹ 129 crore to ₹ 195 crore.

HIGHLIGHTS – Q1 FY13 v/s Q1 FY12

| | |
|--|--|
| ✓ Consolidated gross revenue | – ₹ 3,252 crore v/s ₹ 2,900 crore; ↑ 12% |
| ✓ Consolidated income from operations | – ₹ 927 crore v/s ₹ 613 crore; ↑ 51% |
| ✓ Consolidated profit after tax | – ₹ 195 crore v/s ₹ 129 crore; ↑ 51% |
| ✓ Bajaj Finance, profit after tax | – ₹ 139 crore v/s ₹ 91 crore; ↑ 53% |
| ✓ General insurance, profit after tax | – ₹ 65 crore v/s ₹ 39 crore; ↑ 66% |
| ✓ Life insurance, shareholders' profit after tax | – ₹ 74 crore v/s ₹ 53 crore; ↑ 40% |

Summary of consolidated results is given in Annexure A.

A synopsis on the performance of the subsidiaries is given below:

A. Bajaj Finance Limited

- Total income ↑ 56%; ₹ 703 crore in Q1 FY13 v/s ₹ 452 crore during Q1 FY12.
- Profit after tax ↑ 53%; ₹ 139 crore in Q1 FY13 v/s ₹ 91 crore in Q1 FY12.
- Deployments ↑ 32%; ₹ 4,728 crore in Q1 FY13 v/s ₹ 3,588 crore during Q1 FY12.
- Assets under management stood at ₹ 14,485 crore as on 30 June 2012 v/s ₹ 13,107 crore as on 31 March 2012.
- **Net NPA** for Q1 FY13 stood at **0.10%** - **lowest** for the Company in the last 5 years.
- Capital adequacy ratio stood at **16.8%** as on 30 June 2012. RBI norm is 15%.

Summary of financial results is given in Annexure B.

B. Bajaj Allianz General Insurance Company Limited (BAGIC)

- Gross Written Premium (excluding motor pool) ↑18%; ₹ 940 crore in Q1 FY13 v/s ₹ 798 crore in Q1 FY12.
- Profit after tax grew by 66% to ₹ 65 crore in Q1 FY13 v/s ₹ 39 crore in Q1 FY12.
- Net Earned Premium (excluding motor pool) ↑14%; ₹ 601 crore in Q1 FY13 v/s ₹ 527 crore in Q1 FY12.
- Claim ratio improved by 8.4% to 56.6% in Q1 FY13 from 65.0% in Q1 FY12.
- Combined ratio (excluding motor pool losses) stood at a healthy 89.8% in Q1 FY13 v/s 96.7% in Q1 FY12.
- Underwriting profit before pool losses significantly improved to ₹ 61 crore in Q1 FY13 v/s ₹ 17 crore in Q1 FY12.
- Cash and investments as on 30 June 2012 stood at ₹ 5,228 crore.

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

C. Bajaj Allianz Life Insurance Company Limited (BALIC)

- New Business Premium for Q1 FY13 was ₹ 484 crore v/s ₹ 378 crore in Q1 FY12 – growth of 28%.
- Gross Written Premium for Q1 FY13 was ₹ 1,211 crore v/s ₹ 1,388 crore in Q1 FY12.
- Business profit for Q1 FY13 was ₹ 287 crore v/s ₹ 279 crore in Q1 FY12.
- Shareholders' profit ↑ 40%; ₹ 74 crore in Q1 FY13 v/s ₹ 53 crore in Q1 FY12.
- Renewal Premium for Q1 FY13 was ₹ 727 crore v/s ₹ 1,010 crore in Q1 FY12.
- As on 30 June 2012, Net worth was ₹ 3,635 crore.
- Solvency ratio was a healthy 560% as on 30 June 2012 (minimum regulatory requirement - 150%).
- Total investments as at 30 June 2012 stood at ₹ 39,333 crore.

Summary of financial results is given in Annexure D

2. RAISING OF CAPITAL

The Board of Directors at its meeting held today approved the raising of funds through Rights Issue of equity shares upto ₹ 1,000 crore.

Annexure A



Bajaj Finserv Limited

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

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

Statement of consolidated unaudited financial results for the quarter ended 30 June 2012

(₹ In Crore)

| | Particulars | Quarter ended | | Year ended |
|-----------|---|---------------------------|---------------------------|-------------------------|
| | | 30.06.2012 (Unaudited) | 30.06.2011 (Unaudited) | 31.03.2012 (Audited) |
| | Gross revenue | | | |
| | i. Gross written premium | | | |
| | a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd. | 1,211.44 | 1,387.65 | 7,483.80 |
| | b) General Insurance - Bajaj Allianz General Insurance Co. Ltd. | 977.33 | 798.11 | 3,675.89 |
| | ii. Gross income - Bajaj Finance Ltd. | 703.02 | 451.75 | 2,171.91 |
| | iii. Income from windpower generation - Bajaj Finserv Ltd. | 21.46 | 16.57 | 84.37 |
| | iv. Investment income (excluding accretions on unit linked investment) | 319.92 | 231.27 | 1,048.33 |
| | v. Others | 18.75 | 14.56 | 62.11 |
| | Total | 3,251.92 | 2,899.91 | 14,526.41 |
| 1 | Income | | | |
| a. | Income from operations | 927.48 | 612.64 | 2,833.92 |
| b. | Transfer from Policyholders' Account | - | - | 1,069.13 |
| | Total income from operations (net) | 927.48 | 612.64 | 3,903.05 |
| 2 | Expenses | | | |
| | (a) Transfer to Policyholders' Account | 2.27 | 1.18 | 2.85 |
| | (b) Employee benefits expense | 79.78 | 62.32 | 264.70 |
| | (c) Marketing and other commission | 45.49 | 33.84 | 160.69 |
| | (d) Recovery cost | 27.80 | 17.98 | 89.11 |
| | (e) Loan losses and provisions | 32.02 | 34.21 | 154.38 |
| | (f) Depreciation | 3.62 | 2.96 | 14.12 |
| | (g) Other expenses | 75.19 | 50.00 | 248.61 |
| | Total expenses | 266.17 | 202.49 | 934.46 |
| 3 | Profit from operations before other income, finance costs and exceptional items (1-2) | 661.31 | 410.15 | 2,968.59 |
| 4 | Other income | 0.45 | 0.37 | 1.73 |
| 5 | Profit from ordinary activities before finance costs and exceptional items (3+4) | 661.76 | 410.52 | 2,970.32 |
| 6 | Finance costs | 263.10 | 140.56 | 744.10 |
| 7 | Profit from ordinary activities after finance costs but before exceptional items (5-6) | 398.66 | 269.96 | 2,226.22 |
| 8 | Exceptional items | - | - | - |
| 9 | Profit from ordinary activities before tax (7+8) | 398.66 | 269.96 | 2,226.22 |
| 10 | Tax expense | 113.28 | 77.52 | 336.47 |
| 11 | Net Profit from ordinary activities after tax (9-10) | 285.38 | 192.44 | 1,889.75 |
| 12 | Add: Share of Profit after tax on Investments in Associates | - | - | - |
| 13 | Less: Minority Interest in Net Income of subsidiaries | 90.15 | 63.71 | 551.98 |
| 14 | Net Profit after taxes, minority interest and share of profit / (loss) of associates (11+12-13) | 195.23 | 128.73 | 1,337.77 |
| 15 | Paid up Equity Share Capital (Face value of ₹ 5) | 72.34 | 72.34 | 72.34 |
| 16 | Reserves excluding Revaluation Reserves | | | 5,027.79 |
| 17 | Basic and Diluted Earnings Per Share (₹) (not annualised) before and after extraordinary items | 13.5 | 8.9 | 92.5 |

Annexure B - Summary financial results of Bajaj Finance Ltd

| ₹ In Crore | Q1 FY13 | Q1 FY12 | FY12 |
|--------------------------------------|------------|------------|--------------|
| Total income | 703 | 452 | 2,172 |
| Interest expenses | 264 | 141 | 746 |
| Net interest income | 439 | 311 | 1,426 |
| Operating expenses | 201 | 142 | 670 |
| Loan losses and provisions | 32 | 34 | 154 |
| Profit before tax | 206 | 135 | 602 |
| Profit after tax | 139 | 91 | 406 |
| Earnings per share (EPS), basic, ₹ | 33.6* | 24.8* | 110.8 |
| Earnings per share (EPS), diluted, ₹ | 33.2* | 24.8* | 110.3 |

*Not annualised

Annexure C - Summary financial results of BAGIC

| ₹ In Crore | Q1 FY13 | Q1 FY12 | FY12 |
|--|-----------|-----------|------------|
| Gross Written Premium * | 940 | 798 | 3,338 |
| Net Earned Premium * | 601 | 527 | 2,196 |
| Underwriting profit/(loss) excluding Motor pool losses | 61 | 17 | 86 |
| Provision for Motor Pool losses | -69 | -42 | -264 |
| Investment income | 100 | 83 | 372 |
| Profit before tax | 92 | 58 | 194 |
| Profit after tax | 65 | 39 | 124 |

KEY RATIOS

| | | | |
|---|--------|--------|--------|
| Claim Ratio | 56.6% | 65.0% | 62.3% |
| Combined Ratio (excluding pool losses) ** | 89.8% | 96.7% | 96.1% |
| Combined ratio (including pool losses)** | 101.3% | 104.7% | 107.2% |

* Figures are excluding inward reinsurance premiums from motor pool

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

Annexure D - Summary financial results of BALIC

| ₹ In Crore | Q1 FY13 | Q1 FY12 | FY12 |
|---|---------|---------|--------------|
| Gross Written Premium | 1,211 | 1,388 | 7,484 |
| New Business Premium | 484 | 378 | 2,718 |
| Renewal premium | 727 | 1,010 | 4,766 |
| Policyholders' Surplus * | 213 | 226 | 1,006 |
| Shareholders' Profit | 74 | 53 | 242 |
| Total Profit (Policyholders' + Shareholders') | 287 | 279 | 1,248 |
| Total Shareholder's Profit ** | | | 1,311 |

* Policyholders' surplus, if any, will be transferred to shareholders' account in Q4 FY13 after audited accounts.

**Shareholders' profit for the year comprises of profit for the year - ₹ 242 crore, distribution of surplus from policyholders' account - ₹ 979 crore and release from "Reserve for Lapsed unit linked policies unlikely to be revived" - ₹ 90 crore.