

Press release

Financial results – Q1 FY15

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q1 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 - 61.54% holding in Bajaj Finance Ltd.

Highlights – Q1 FY15 v/s Q1 FY14

| | | | |
|--|-----------------|-------------------|-------|
| ✓ Consolidated gross revenue | – ₹ 3,855 crore | v/s ₹ 3,465 crore | ↑ 11% |
| ✓ Consolidated income from operations | – ₹ 1,629 crore | v/s ₹ 1,270 crore | ↑ 28% |
| ✓ Consolidated profit after tax | – ₹ 319 crore | v/s ₹ 279 crore | ↑ 14% |
| ✓ Bajaj Finance, profit after tax | – ₹ 211 crore | v/s ₹ 176 crore | ↑ 20% |
| ✓ General insurance, profit after tax | – ₹ 130 crore | v/s ₹ 100 crore | ↑ 30% |
| ✓ Life insurance, shareholders' profit after tax | – ₹ 115 crore | v/s ₹ 115 crore | |

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)

- Total income for Q1 FY15 **increased** by 34% to ₹ 1,246 crore v/s ₹ 932 crore in Q1 FY14.
- Profit after tax for Q1 FY15 **increased** by 20% to ₹ 211 crore v/s ₹ 176 crore in Q1 FY14.
- Deployments **increased** by 48% to ₹ 9,266 crore in Q1 FY15 v/s ₹ 6,250 crore in Q1 FY14.
- Assets under management stood at ₹ 26,943 crore as on 30 June 2014 v/s ₹ 24,061 crore as on 31 March 2014.
- Net NPA for Q1 FY15 stood at 0.27%.
- Capital adequacy ratio stood at a healthy 18%.

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

Bajaj Finserv Limited

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B. Bajaj Allianz General Insurance Company Limited (BAGIC)

- Gross written premium (excluding motor pool) for Q1 FY15 **increased** by 7% to ₹ 1,177 crore v/s ₹ 1,098 crore in Q1 FY14.
- Profit after tax for Q1 FY15 **increased** by 30% to ₹ 130 crore v/s ₹ 100 crore in Q1 FY14.
- Net earned premium (excluding motor pool) for Q1 FY15 stood at ₹ 921 crore v/s ₹ 816 crore in Q1 FY14 – an **increase** of 13%.
- Underwriting profit for Q1 FY15 (after motor pool losses in previous period) was ₹ 24 crore v/s ₹ 1 crore in Q1 FY14.

Investment and other income for Q1 FY15 **increased** by 13% to ₹ 158 crore from ₹ 140 crore.

- Claim ratio (including motor pool losses) stood at **71.6%** in Q1 FY15 v/s 70.9% in Q1 FY14.
- Combined ratio (including motor pool losses) **improved** to **96.7%** in Q1 FY15 v/s 97.5% in Q1 FY14.
- Cash and investments as on 30 June 2014 stood at ₹ 7,171 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 FY15 was ₹ 394 crore v/s ₹ 438 crore in Q1 FY14.
- Shareholders' profit during Q1 FY15 of ₹ 115 crore was same as corresponding quarter last year.
- Renewal premium for Q1 FY15 was ₹ 402 crore v/s ₹ 446 crore in Q1 FY14.
- Gross written premium was ₹ 796 crore in Q1 FY15 v/s ₹ 884 crore in Q1 FY14.
- Solvency ratio stood at a healthy **785%** as on 30 June 2014 as against the minimum regulatory requirement of 150%.
- Total investments as at 30 June 2014 stood at ₹ 40,592 crore.

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

Sanjiv Bajaj
Managing Director
16 July 2014

Annexure A - Consolidated results of BFS

| (₹ In Crore) | | Q1 FY15 | Q1 FY14 | FY14 |
|--------------|---|-----------------|-----------------|------------------|
| | Gross revenue | | | |
| | i. Gross written premium | | | |
| | a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd. | 795.49 | 884.13 | 5,843.14 |
| | b) General Insurance - Bajaj Allianz General Insurance Co. Ltd. | 1,177.49 | 1,097.87 | 4,583.89 |
| | ii. Gross income - Bajaj Finance Ltd. | 1,245.96 | 932.43 | 4,073.33 |
| | iii. Income from windpower generation - Bajaj Finserv Ltd. | 13.54 | 21.91 | 60.44 |
| | iv. Investment income (excluding accretions on unit linked investment) | 592.53 | 504.77 | 2,059.57 |
| | v. Others | 30.35 | 24.23 | 91.78 |
| | Total | 3,855.36 | 3,465.34 | 16,712.15 |
| 1 | Income | | | |
| | (a) Income from operations | 1,629.07 | 1,269.81 | 5,381.92 |
| | (b) Transfer from Policyholders' Account | - | - | 639.10 |
| | Total income from operations (net) | 1,629.07 | 1,269.81 | 6,021.02 |
| 2 | Expenses | | | |
| | (a) Transfer to Policyholders' Account | 6.43 | 6.79 | 6.94 |
| | (b) Employee benefits expense | 140.60 | 105.59 | 440.73 |
| | (c) Marketing and other commission | 69.59 | 57.49 | 230.69 |
| | (d) Recovery cost | 46.85 | 35.84 | 167.85 |
| | (e) Loan losses and provisions | 82.92 | 63.88 | 257.81 |
| | (f) Depreciation and amortisation | 8.49 | 4.42 | 30.88 |
| | (g) Other expenses | 122.07 | 107.38 | 426.61 |
| | Total expenses | 476.95 | 381.39 | 1,561.51 |
| 3 | Profit from operations before other income, finance costs and exceptional items (1-2) | 1,152.12 | 888.42 | 4,459.51 |
| 4 | Other income | 0.86 | 1.06 | 3.97 |
| 5 | Profit from ordinary activities before finance costs and exceptional items (3+4) | 1,152.98 | 889.48 | 4,463.48 |
| 6 | Finance costs | 494.86 | 331.05 | 1,561.87 |
| 7 | Profit from ordinary activities after finance costs but before exceptional items (5-6) | 658.12 | 558.43 | 2,901.61 |
| 8 | Exceptional items (Provision)/reversal for loss of Renewable Energy Certificates (RECs) | - | - | - |
| 9 | Profit from ordinary activities before tax (7+8) | 658.12 | 558.43 | 2,901.61 |
| 10 | Tax expense | 193.80 | 156.85 | 710.49 |
| 11 | Net Profit from ordinary activities after tax (9-10) | 464.32 | 401.58 | 2,191.12 |
| 12 | Add : Tax (debits)/credits pertaining to earlier years | - | - | (0.19) |
| 13 | Add: Share of Profit after tax on Investments in Associates | - | - | - |
| 14 | Less: Minority Interest in Net Income of subsidiaries | 144.95 | 122.78 | 646.85 |
| 15 | Net Profit after taxes, minority interest and share of profit / (loss) of associates (11+12+13-14) | 319.37 | 278.80 | 1,544.08 |
| 16 | Basic and Diluted Earnings Per Share (₹) (not annualised) before and after extraordinary items | 20.1 | 17.5 | 97.0 |

Annexure B - Summary financial results of BFL

| ₹ In Crore | Q1 FY15 | Q1 FY14 | FY14 |
|----------------------------|------------|------------|--------------|
| Total income | 1,246 | 932 | 4,073 |
| Interest expenses | 499 | 331 | 1,573 |
| Net interest income | 747 | 601 | 2,500 |
| Operating expenses | 343 | 270 | 1,151 |
| Loan losses and provisions | 83 | 64 | 258 |
| Profit before tax | 321 | 267 | 1,091 |
| Profit after tax | 211 | 176 | 719 |

Annexure C - Summary financial results of BAGIC

| ₹ In Crore | Q1 FY15 | Q1 FY14 | FY14 |
|---|--------------|--------------|--------------|
| Gross written premium * | 1,177 | 1,098 | 4,580 |
| Net earned premium * | 921 | 816 | 3,489 |
| Underwriting profit including motor pool losses | 24 | 1 | -2 |
| Investment and other income | 158 | 140 | 589 |
| Profit before tax | 182 | 141 | 587 |
| Profit after tax | 130 | 100 | 409 |

Key ratios

| | | | |
|--|-------|-------|-------|
| Claim ratio (including pool losses) | 71.6% | 70.9% | 72.3% |
| Combined ratio (including pool losses) | 96.7% | 97.5% | 98.1% |

* Figures are excluding inward reinsurance premiums from motor pool

Claim ratio and Combined ratio for Q1 FY14 is re-stated in accordance with the Master Circular on 'Preparation of Financial statements of General Insurance Business' issued by IRDA effective from 1 April 2013.

Pool losses include the impact of the erstwhile IMTPIP and Declined Risk Pool.

Annexure D - Summary financial results of BALIC

| ₹ In Crore | Q1 FY15 | Q1 FY14 | FY14 |
|---|------------|------------|--------------|
| Gross written premium | 796 | 884 | 5,843 |
| New business premium | 394 | 438 | 2,592 |
| Renewal premium | 402 | 446 | 3,251 |
| | | | |
| Policyholders' surplus * | 171 | 181 | 649 |
| Shareholders' profit | 115 | 115 | 386 |
| Total profit (policyholders' + shareholders') | 286 | 296 | 1,035 |
| Total shareholders' profit ** | | | 1,025 |

*Policyholders' surplus, if any, will be transferred to shareholders' account in Q4 FY15 after audited accounts.

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