

Press Release

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for FY12.

The Board of Directors recommended a dividend of ₹ 1.50 per share – 30% (previous year – 25%).
The total amount of dividend amounts to ₹ 21.70 crore (previous year – ₹ 18.09 crore).

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 various associate and subsidiary companies.

2011-12 was a challenging, yet satisfying year. In difficult times for businesses in the financial services sector, each of the underlying companies has performed well, surpassing benchmarks set in the past.

The company's **consolidated gross revenues** stood at ₹ 14526 crore while consolidated **profit after tax**, before exceptional items grew 37% to ₹ 1338 crore.

HIGHLIGHTS for the year

✓ Consolidated income from operations	– ₹ 3903 crore	v/s ₹ 2443 crore;	↑ 60%
✓ Consolidated profit before tax and exceptional item	– ₹ 2226 crore	v/s ₹ 1510 crore;	↑ 47%
✓ Consolidated profit after tax, before exceptional item	– ₹ 1338 crore	v/s ₹ 976 crore;	↑ 37%
✓ Life insurance, shareholders profit after tax	– ₹ 1311 crore	v/s ₹ 1057 crore;	↑ 24%
✓ General insurance, profit after tax	– ₹ 124 crore	v/s ₹ 43 crore;	↑ 188%
✓ Bajaj Finance, profit after tax	– ₹ 406 crore	v/s ₹ 247 crore;	↑ 64%

Summary of consolidated results is given in Annexure A.

During FY12, Bajaj Finserv Limited increased its shareholding in Bajaj Finance Ltd (BFL) to **60.98%**.

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

A. Bajaj Finance Limited

- Deployments ↑ 67%; ₹ 15797 crore in FY12 as compared to ₹ 9435 crore during the previous year.
- Assets under management ↑ 73%; at ₹ 13107 crore as on 31st March 2012 as compared to ₹ 7573 crore during the previous year.
- Total income ↑ 54%; ₹ 2172 crore in FY12 as compared to ₹ 1406 crore during the previous year.
- Profit after tax ↑ 64%; ₹ 406 crore in FY12 as compared to ₹ 247crore in the previous year – **highest ever in its history**.
- Capital adequacy ratio stood at 17.5% as on 31st March 2012, well above the RBI norm of 12%.
- Infrastructure finance business witnessed a total deployment of ₹ 975 crore in FY12, its first full year.

Summary of financial results is given in Annexure B.

B. Bajaj Allianz General Insurance Company Limited (BAGIC)

- Gross written premium **↑15%**; ₹ 3338 crore in FY12 as compared to ₹ 2905 crore in the previous year
- Net earned premium **↑14%**; ₹ 2196 crore in FY12 as compared to ₹ 1931 crore in the previous year.
- Provision for Motor Pool loss was ₹ 264 crore. Under fresh IRDA directive, provision was made at 159% for FY08, 188% for FY09, 200% for FY10 and 213% for FY11 as against 153% in the past.
- Combined ratio (excluding motor pool losses) improved from 98.6% to **96.1%** in FY12 while Claim ratios reduced from 63.4% to **62.3%** in FY12.
- BAGIC has been declaring profits annually from its first full year of operations. Despite the motor pool loss, BAGIC continued to show profits; **Profit after tax – ₹ 124 crore** in FY12 as against ₹ 43 crore during the previous year.
- Cash and investments as on 31st March 2012 stood at **₹ 4758 crore**.

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

C. Bajaj Allianz Life Insurance Company Limited (BALIC)

FY12 was the first full year to witness impact of regulatory changes by IRDA, largely the capping of expenses, increase in lock-in period, minimum guaranteed return on pension products and capping of surrender charges. The year posed a challenging environment.

BALIC continues to pursue **profitable growth** with returns to all stake holders.

- Shareholders' profit **↑ 24%**; ₹ 1311 crore in FY12 as compared to ₹ 1057 crore in the previous year.
- As on 31st March 2012, accumulated profits were ₹ 2350 crore while Net worth was ₹ 3561 crore.
- Company strategically chose not to chase new business at high costs. Consequently,
 - Gross written premium – ₹ 7484 crore in FY12 as compared to ₹ 9610 crore in the previous year.
 - New business premium – ₹ 2718 crore in FY12 as compared to ₹ 3466 crore in the previous year.
 - Renewal premium – ₹ 4766 crore in FY12 as compared to ₹ 6144 crore in the previous year.
- Solvency ratio was a healthy **516%** as on 31 March 2012 (minimum regulatory requirement - 150%).
- Total investments as at 31st March 2012 stood at **₹ 39417 crore**.

Summary of financial results is given in Annexure D

Sanjiv Bajaj
Managing Director
16th May 2012.



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 / audited financial results for the quarter and year ended 31 March 2012

(₹ In Crore)

	Particulars	Quarter ended		Year ended	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
	Gross revenue				
	i. Gross written premium				
	a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd.	2,744	3,203	7,484	9,610
	b) General Insurance - Bajaj Allianz General Insurance Co. Ltd.	1,292	1,035	3,676	3,129
	ii. Gross income - Bajaj Finance Ltd.	623	395	2,172	1,109
	iii. Income from windpower generation - Bajaj Finserv Ltd.	13	6	84	42
	iv. Investment income (excluding accretions on unit linked investment)	299	178	1,048	766
	v. Others	16	14	62	56
	Total	4,987	4,831	14,526	14,712
1	Income				
a.	Income from operations	683	381	2,834	1,508
b.	Transfer from Policyholders' Account	1,069	936	1,069	935
	Total income from operations (net)	1,752	1,317	3,903	2,443
2	Expenses				
	(a) Transfer to Policyholders' Account	2	(22)	3	32
	(b) Employees benefits expense	67	63	265	178
	(c) Marketing and other commission	42	41	161	93
	(d) Recovery cost	26	20	89	46
	(e) Loan losses and provisions	40	38	154	144
	(f) Depreciation	2	3	14	19
	(g) Other expenses	80	26	248	121
	Total expenses	259	169	934	633
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,493	1,148	2,969	1,810
4	Other income (net)	-	-	1	1
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,493	1,148	2,970	1,811
6	Finance costs	228	114	744	301
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,265	1,034	2,226	1,510
8	Exceptional item				
	Surplus on pre-payment of sales tax deferral incentive/loan liability	-	139	-	139
9	Profit from ordinary activities before tax (7+8)	1,265	1,173	2,226	1,649
10	Tax expense	50	25	336	178
11	Net Profit from ordinary activities after tax (9-10)	1,215	1,148	1,890	1,471
12	Add: Share of Profit after tax on Investments in Associates	-	-	-	21
13	Less: Minority Interest in Net Income of subsidiaries	334	275	552	377
14	Net Profit after taxes, minority interest and share of profit / (loss) of associates (11+12-13)	881	873	1,338	1,115
	Basic and Diluted Earnings Per Share (₹) (not annualised)				
	before and after extraordinary items	60.9	60.3	92.5	77.1

Annexure B - Summary financial results of Bajaj Finance Ltd

₹ in crore	FY12	FY11
Total income	2172	1406
Interest and finance charges	746	371
Net interest income	1426	1035
Salary cost	190	145
Marketing and other commissions	97	56
Dealer incentives	64	47
Recovery costs	89	58
Loan loss and provisions	154	205
Depreciation	12	10
Other expenses	218	144
Profit before tax (PBT)	602	370
Profit after tax (PAT)	406	247
Earnings per share (EPS), basic, ₹	110.8	67.5
Earnings per share (EPS), diluted, ₹	110.3	67.5
Book value per share, ₹	492.2	370.8

Annexure C - Summary financial results of BAGIC

₹ in crore	FY12	FY11
Gross Written Premium *	3338	2905
Net Earned Premium *	2196	1931
Underwriting profit/(loss) excluding Motor pool losses	86	27
Provision for Motor Pool losses	-264	-246
Investment income	372	281
Profit before tax	194	62
Profit after tax	124	43

KEY RATIOS

Loss Ratio	62.3%	63.4%
Combined Ratio (excluding pool losses) **	96.1%	98.6%
Combined ratio (including pool losses)	107.2%	110.2%

* 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	FY12	FY11
Gross written premium	7484	9610
New business premium	2718	3466
Renewal premium	4766	6144
Profit / (Loss) for the year	1248	962
Total Shareholder's Profit **	1311	1057

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