

Press Release

Gross revenue ↑ 9%; Profit after tax ↑ 18%

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

The Board of Directors recommended a dividend of ₹ 1.50 per share – 30% (previous year – 30%). The total amount of dividend amounts to ₹ 23.87 crore (previous year - ₹ 21.70 crore).

Bajaj Finserv Limited (BFS) is essentially a holding company with business interest spread across the financial services sector. Bajaj Finserv operates in the retail lending space through its subsidiary, Bajaj Finance Ltd, where-in it holds 61.99% stake. It also participates in the Life and General Insurance business along with its joint venture partner Allianz SE where-in Bajaj Finserv holds a 74% stake each in Bajaj Allianz Life Insurance Company Ltd and Bajaj Allianz General Insurance Company Ltd.

FY13 was yet another very difficult year for the economy. In this challenging environment, the company has performed well.

1. PERFORMANCE

HIGHLIGHTS – FY13 v/s FY12

✓ Consolidated gross revenue	– ₹ 15,814 crore	v/s	₹ 14,526 crore	↑ 9%
✓ Consolidated income from operations	– ₹ 5,072 crore	v/s	₹ 3,903 crore	↑ 30%
✓ Consolidated profit after tax	– ₹ 1,574 crore	v/s	₹ 1,338 crore	↑ 18%
✓ Bajaj Finance, profit after tax	– ₹ 591 crore	v/s	₹ 406 crore	↑ 46%
✓ General insurance, profit after tax	– ₹ 295 crore	v/s	₹ 124 crore	↑ 138%
✓ Life insurance, shareholders' profit after tax	– ₹ 1,286 crore	v/s	₹ 1,311 crore	

Summary of consolidated results for Q4 and full year 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 FY13 increased by 43% to ₹ 3,111 crore v/s ₹ 2,172 crore in FY12.
- The company recorded its highest ever annual profit after tax of ₹ 591 crore in FY13 v/s ₹ 406 crore in FY12 – an increase of 46%.
- Deployments increased by 23% to ₹ 19,367 crore in FY13 v/s ₹ 15,797 crore in FY12.
- Assets under management stood at ₹ 17,517 crore as on 31 March 2013 v/s ₹ 13,107 crore as on 31 March 2012.
- Net NPA for FY13 stood at 0.19% against 0.12% in FY12.
- Capital adequacy ratio stood at a healthy 21.95%.

Summary of financial results for Q4 and full year is given in Annexure B.

B. Bajaj Allianz General Insurance Company Limited (BAGIC)

- Gross written premium (excluding motor pool) for FY13 increased by 22% to ₹ 4,063 crore v/s ₹ 3,338 crore in FY12.
- Net earned premium (excluding motor pool) for FY13 stood at ₹ 2,709 crore v/s ₹ 2,196 crore in FY12 – an increase of 23%.
- Underwriting profit for FY13 increased significantly by 109% to ₹ 180 crore v/s ₹ 86 crore in FY12.
- Profit after tax more than doubled to ₹ 295 crore in FY13 v/s ₹ 124 crore in FY12.
- Claim ratio stood at 62% in FY13 v/s 62.3% in FY12.
- Combined ratio (excluding motor pool losses) improved by 2.7% from 96.1% in FY12 to 93.4% in FY13.
- Cash and investments as on 31 March 2013 stood at ₹ 5,845 crore.

Summary of financial results and key ratios for Q4 and full year is given in Annexure C.

C. Bajaj Allianz Life Insurance Company Limited (BALIC)

- New business premium for FY13 was ₹ 2,988 crore v/s ₹ 2,718 crore in FY12 – an increase of 10%.
- Renewal premium for FY13 was ₹ 3,905 crore v/s ₹ 4,766 crore in FY12.
- Gross written premium was ₹ 6,893 crore in FY13 v/s ₹ 7,484 crore in FY12.
- Shareholders' profit during FY13 was ₹ 1,286 crore v/s ₹ 1,311 crore in FY12.
- Solvency ratio stood at a healthy 643% as on 31 March 2013 as against the minimum regulatory requirement of 150%.
- Total investments as at 31 March 2013 stood at ₹ 38,003 crore.

Summary of financial results for Q4 and full year is given in Annexure D.

2. RIGHTS ISSUE

A. Bajaj Finserv Limited (BFS)

On 17 October 2012, the company successfully allotted 14,438,842 equity shares of ₹ 5 each to its existing eligible shareholders on a rights basis in the ratio of 1 equity share for every 10 equity shares of the face value of ₹ 5 each at a price of ₹ 650 per share (inclusive of premium of ₹ 645 per share), aggregating to ₹ 939 crore.

These shares were listed on NSE and BSE on 22 October 2012.

The company utilised ₹ 543 crore of the right issue proceeds towards investment in Bajaj Finance Limited.

B. Bajaj Finance Limited (BFL)

To augment the capital base for the purpose of capital adequacy requirements, the company raised ₹ 744 crore through rights issue of equity shares during the year. 6,759,258 equity shares of the face value of ₹ 10 each were issued at a premium of ₹ 1090 per share to the existing eligible shareholders in the ratio of 3:19.

Allotment of the shares was done on 2 March 2013 and these shares commenced trading on BSE and NSE effective from 6 March 2013

Sanjiv Bajaj
Managing Director
15 May 2013

Annexure A - Consolidated results of BFS

(₹ In Crore)		Q4 FY13	Q4 FY12	FY13	FY12
	Gross revenue				
	i. Gross written premium				
	a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd.	2,581.12	2,743.78	6,892.70	7,483.80
	b) General Insurance - Bajaj Allianz General Insurance Co. Ltd.	1,205.96	1,291.77	4,109.39	3,675.89
	ii. Gross income - Bajaj Finance Ltd.	843.46	623.30	3,111.37	2,171.91
	iii. Income from windpower generation - Bajaj Finserv Ltd.	7.11	12.76	73.38	84.37
	iv. Investment income (excluding accretions on unit linked investment)	459.50	299.41	1,548.72	1,048.33
	v. Others	19.67	15.66	77.97	62.11
	Total	5,116.82	4,986.68	15,813.53	14,526.41
1	Income				
a.	Income from operations	1,099.81	682.43	4,154.95	2,833.92
b.	Transfer from Policyholders' Account	917.48	1,069.13	917.48	1,069.13
	Total income from operations (net)	2,017.29	1,751.56	5,072.43	3,903.05
2	Expenses				
	(a) Transfer to Policyholders' Account	0.63	1.75	2.35	2.85
	(b) Employee benefits expense	83.85	65.45	334.28	264.70
	(c) Marketing and other commission	47.53	41.88	182.66	160.69
	(d) Recovery cost	31.15	25.71	119.58	89.11
	(e) Loan losses and provisions	45.03	40.32	181.75	154.38
	(f) Depreciation	5.77	4.03	17.27	14.12
	(g) Other expenses	97.63	75.84	325.31	248.61
	Total expenses	311.59	254.98	1,163.20	934.46
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,705.70	1,496.58	3,909.23	2,968.59
4	Other income	0.84	0.44	2.46	1.73
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,706.54	1,497.02	3,911.69	2,970.32
6	Finance costs	326.46	232.64	1,203.58	744.10
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,380.08	1,264.38	2,708.11	2,226.22
8	Exceptional items	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	1,380.08	1,264.38	2,708.11	2,226.22
10	Tax expense	123.01	49.82	493.94	336.47
11	Net Profit from ordinary activities after tax (9-10)	1,257.07	1,214.56	2,214.17	1,889.75
12	Add: Share of Profit after tax on Investments in Associates	-	-	-	-
13	Less: Minority Interest in Net Income of subsidiaries	344.21	333.77	640.53	551.98
14	Net Profit after taxes, minority interest and share of profit / (loss) of associates (11+12-13)	912.86	880.79	1,573.64	1,337.77
15	Basic and Diluted Earnings Per Share (₹) (not annualised)				
	before and after extraordinary items	57.4	59.7	103.0	90.6

Annexure B - Summary financial results of BFL

₹ In Crore	Q4 FY13	Q4 FY12	FY13	FY12
Total income	843	623	3,111	2,172
Interest expenses	326	234	1,205	746
Net interest income	517	389	1,906	1,426
Operating expenses	234	188	852	670
Loan losses and provisions	45	40	182	154
Profit before tax	238	161	872	602
Profit after tax	164	108	591	406
Earnings per share (EPS), basic, ₹	35.4	28.6	135.7	107.7
Earnings per share (EPS), diluted, ₹	35.1	28.4	134.7	107.2

Annexure C - Summary financial results of BAGIC

₹ In Crore	Q4 FY13	Q4 FY12	FY13	FY12
Gross Written Premium *	1,197	954	4,063	3,338
Net Earned Premium *	775	566	2,709	2,196
Underwriting profit excluding Motor Pool losses	8	-25	180	86
Provision for Motor Pool losses	-59	-138	-235	-264
Investment Income	138	104	477	372
Profit before tax	87	-59	422	194
Profit after tax	62	-39	295	124

KEY RATIOS

Claim Ratio	69.7%	67.6%	62.0%	62.3%
Combined ratio (excluding pool losses)**	98.9%	104.4%	93.4%	96.1%
Combined ratio (including pool losses)**	105.2%	119.2%	101.9%	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	Q4 FY13	Q4 FY12	FY13	FY12
Gross Written Premium	2,581	2,744	6,893	7,484
New Business Premium	1,184	1,123	2,988	2,718
Renewal Premium	1,397	1,621	3,905	4,766
Policyholders' Surplus	198	325	863	1,006
Amount Transferred to Shareholders' Account	918	1,069	918	1,069
Shareholders' Profit before Tax	1,038	1,150	1,344	1,350
Shareholders' Profit After Tax **	1,022	1,139	1,286	1,311

**Shareholders' profit for the year comprises of profit for the year - ₹ 368 crore (previous year ₹ 242 crore), distribution of surplus from policyholders' account - ₹ 833 crore (previous year ₹ 979 crore) and release from "Reserve for Lapsed unit linked policies unlikely to be revived" - ₹ 85 crore (previous year ₹ 90 crore).