

Press release
Financial results – FY15

Highest ever profit !

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for FY15.

The Board of Directors recommended a dividend of ₹ 1.75 per share – 35% (previous year – 35%). The total amount of dividend amounts to ₹ 27.85 crore (previous year - ₹ 27.85 crore).

Bajaj Finserv Limited is the holding company for the various financial services businesses under the Bajaj group. It serves millions of customers in the financial services space by providing solutions for asset acquisition through financing, asset protection through general insurance, family protection and income protection in the form of life and health insurance and retirement and savings solutions.

Bajaj Finserv participates in financing business through 61.53% holding in Bajaj Finance Limited (BFL) and in the protection business through 74% holding in Bajaj Allianz General Insurance Company Limited (BAGIC) and Bajaj Allianz Life Insurance Company Limited (BALIC), the results of which it consolidates.

The conditions continue to be challenging for the financial sector as a whole. Under such circumstances, the strong growth delivered by BFL and BAGIC is a testimony to the resilience of the group as well as the quality of the management across these enterprises. BALIC, which faced challenges in coping with significant changes in market dynamics, has improved on its new businesses.

As a result, **Bajaj Finserv recorded its highest ever consolidated profit.**

Highlights – FY15 v/s FY14

✓ Consolidated gross revenue	– ₹ 19,589 crore	v/s ₹ 16,713 crore	↑ 17%
✓ Consolidated income from operations	– ₹ 7,587 crore	v/s ₹ 6,022 crore	↑ 26%
✓ Consolidated profit after tax	– ₹ 1,690 crore	v/s ₹ 1,544 crore	↑ 9%
✓ Bajaj Finance, profit after tax	– ₹ 898 crore	v/s ₹ 719 crore	↑ 25%
✓ General insurance, profit after tax	– ₹ 562 crore	v/s ₹ 409 crore	↑ 37%
✓ Life insurance, shareholders' profit after tax	– ₹ 876 crore	v/s ₹ 1,025 crore	

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

Bajaj Finserv Limited

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1. Performance

A synopsis on the performance of the individual companies is given below:

A. Bajaj Finance Limited (BFL)

Under challenging conditions for the financial sector, BFL once again delivered outstanding results.

- Total income for FY15 **increased** by **33%** to **₹ 5,418 crore** v/s ₹ 4,074 crore in FY14.
- The Company recorded **its highest ever annual profit after tax** of **₹ 898 crore** in FY15 v/s ₹ 719 crore in FY14 – an **increase** of **25%**.
- Assets under management stood at **₹ 32,410 crore** as on 31 March 2015 v/s ₹ 24,061 crore as on 31 March 2014 - an **increase** of **35%**.
- Net NPA for FY15 stood at 0.45%, one of the lowest in the industry.
- Capital adequacy ratio stood at a healthy **17.97%**.

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

B. Bajaj Allianz General Insurance Company Limited (BAGIC)

Despite two major catastrophes in FY15 — unprecedented floods in the Valley of Kashmir and the tropical cyclone ‘Hudhud’ in eastern India — BAGIC continued with its good performance.

BAGIC is **ranked No.2** amongst private players.

- Gross written premium for FY15 **increased** by **16%** to **₹ 5,301 crore** v/s ₹ 4,584 crore in FY14.
- Profit after tax for FY15 **increased** by **37%** to **₹ 562 crore** v/s ₹ 409 crore in FY14.
- Net earned premium for FY15 stood at **₹ 3,832 crore** v/s ₹ 3,493 crore in FY14 – an **increase** of **10%**.
- Underwriting profit recorded a significant increase over last year and stood at **₹ 83 crore** for FY15 v/s loss of ₹ 2 crore in FY14.
- Investment and other income for FY15 **increased** by **18%** to **₹ 694 crore** from ₹ 589 crore.
- Claim ratio stood at **71.9%** in FY15 v/s 72.3% in FY14.
- Combined ratio stood at **96.7%** in FY15 v/s 98.1% in FY14.
- As on 31 March 2015, solvency ratio stood at 182%, which is well above the normal regulatory requirement of 150%.
- Cash and investments as on 31 March 2015 stood at **₹ 7,859 crore**.

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

C. Bajaj Allianz Life Insurance Company Limited (BALIC)

FY15 was the first full year of sale of new products, which were revamped after the new product regulations took effect. It was a challenging year for all in the life insurance industry. Yet, BALIC managed to close the year with a marginal growth in premium.

- Gross written premium was ₹ **6,017 crore** in FY15 v/s ₹ 5,843 crore in FY14 - an **increase** of 3%.
- New business premium for FY15 was ₹ **2,702 crore** v/s ₹ 2,592 crore in FY14 - an **increase** of 4%.
- Renewal premium for FY15 was ₹ **3,315 crore** v/s ₹ 3,251 crore in FY14.
- Shareholders' profit during FY15 was ₹ **876 crore** v/s ₹ 1,025 crore in FY14.
- Solvency ratio stood at a healthy **761%** as on 31 March 2015 as against the minimum regulatory requirement of 150%.
- Total investments as at 31 March 2015 stood at ₹ **43,554 crore**.

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

2. Capital raising by Bajaj Finance

In an extraordinary general meeting held earlier today, shareholders of Bajaj Finance approved a plan to raise funds through issue of securities up to ₹ 1,400 crore through the Qualified Institutions Placement (QIP) route to Qualified Institutional Buyers and preferential issue of up to 9,25,000 warrants, convertible into an equivalent number of equity shares amounting to around ₹ 400 crore to Bajaj Finserv Limited, the holding company of BFL.

The additional capital will finance higher growth while maintaining sound capital adequacy.

Sanjiv Bajaj
Managing Director
20 May 2015

Annexure A - Consolidated results of BFS

(₹ In Crore)		Q4 FY15	Q4 FY14	FY15	FY14
	Gross revenue				
	i. Gross written premium				
	a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd.	2,379.05	2,140.20	6,017.30	5,843.14
	b) General Insurance - Bajaj Allianz General Insurance Co. Ltd.	1,464.99	1,268.32	5,300.66	4,583.89
	ii. Gross income - Bajaj Finance Ltd.	1,444.96	1,099.76	5,418.28	4,074.35
	iii. Income from windpower generation - Bajaj Finserv Ltd.	6.98	0.86	50.31	60.44
	iv. Investment income (excluding accretions on unit linked investment)	833.60	569.66	2,685.38	2,059.49
	v. Others	27.56	25.26	117.33	91.78
	Total	6,157.14	5,104.06	19,589.26	16,713.09
1	Income				
	(a) Income from operations	1,917.93	1,415.71	7,099.12	5,382.94
	(b) Transfer from Policyholders' Account	487.89	639.10	487.89	639.10
	Total income from operations (net)	2,405.82	2,054.81	7,587.01	6,022.04
2	Expenses				
	(a) Transfer to Policyholders' Account	67.56	3.69	116.25	6.94
	(b) Employee benefits expense	147.49	119.41	578.02	440.73
	(c) Marketing and other commission	61.32	56.98	269.62	230.69
	(d) Recovery cost	55.79	46.73	204.35	167.85
	(e) Loan losses and provisions	113.76	63.18	384.56	258.83
	(f) Depreciation and amortisation	9.94	14.56	38.15	30.88
	(g) Other expenses	147.12	106.91	523.70	426.61
	Total expenses	602.98	411.46	2,114.65	1,562.53
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,802.84	1,643.35	5,472.36	4,459.51
4	Other income	0.83	0.82	3.37	3.97
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,803.67	1,644.17	5,475.73	4,463.48
6	Finance costs	602.75	445.23	2,229.58	1,561.87
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,200.92	1,198.94	3,246.15	2,901.61
8	Exceptional items				
	(Provision)/reversal for loss of Renewable Energy Certificates (RECs)	-	7.24	-	-
9	Profit from ordinary activities before tax (7+8)	1,200.92	1,206.18	3,246.15	2,901.61
10	Tax expense	227.03	223.15	841.94	710.49
11	Net Profit from ordinary activities after tax (9-10)	973.89	983.03	2,404.21	2,191.12
12	Add : Tax (debits)/credits pertaining to earlier years	4.96	(0.19)	4.96	(0.19)
13	Add: Share of Profit after tax on Investments in Associates	-	-	-	-
14	Less: Minority Interest in Net Income of subsidiaries	271.73	275.21	719.38	646.85
15	Net Profit after taxes, minority interest and share of profit / (loss) of associates (11+12+13-14)	707.12	707.63	1,689.79	1,544.08
16	Basic and Diluted Earnings Per Share (₹) (not annualised) before and after extraordinary items	44.4	44.5	106.2	97.0

Annexure B - Summary financial results of BFL

₹ In Crore	Q4 FY15	Q4 FY14	FY15	FY14
Total income	1,445	1,099	5,418	4,074
Interest expenses	612	450	2,248	1,573
Net interest income	833	649	3,170	2,501
Operating expenses	374	309	1,428	1,151
Loan losses and provisions	114	63	385	259
Profit before tax	345	277	1,357	1,091
Profit after tax	231	182	898	719

Annexure C - Summary financial results of BAGIC

₹ In Crore	Q4 FY15	Q4 FY14	FY15	FY14
Gross written premium	1,465	1,268	5,301	4,584
Net earned premium	1,000	897	3,832	3,493
Underwriting profit/(loss)	20	(13)	83	(2)
Investment income	177	157	694	589
Profit before tax	197	144	777	587
Profit after tax	144	101	562	409

Key ratios

Claim ratio	70.9%	75.9%	71.9%	72.3%
Combined ratio	95.4%	98.6%	96.7%	98.1%

Annexure D - Summary financial results of BALIC

₹ In Crore	Q4 FY15	Q4 FY14	FY15	FY14
Gross written premium	2,379	2,140	6,017	5,843
New business premium	1,127	817	2,702	2,592
Renewal premium	1,252	1,323	3,315	3,251
Shareholders' profit	71	49	388	386
Amount transferred to shareholders' account	488	639	488	639
Total shareholders' profit	559	688	876	1,025