

**Press release**

**Financial results – Q4 and FY17**

**Highest ever annual profit ! Third time in a row !!!**

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q4 and FY17.

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, which is same as previous year.

Bajaj Finserv Limited (BFS) 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.

BFS participates in the financing business through its 57.80% holding in Bajaj Finance Limited (BFL) and in the protection business through its 74% holding in Bajaj Allianz General Insurance Company Limited (BAGIC) and Bajaj Allianz Life Insurance Company Limited (BALIC). During the year, BFS exercised 9,250,000 warrants convertible into equity shares of BFL and thus increased its holding in BFL from 57.28% to 57.80%.

The results of these companies are reflected in the consolidated results of the Company.

**Highlights – Q4 FY17 v/s Q4 FY16**

✓ Consolidated total revenue	– ₹ 7,043 crore	v/s ₹ 6,312 crore	↑ 12%
✓ Consolidated profit after tax	– ₹ 535 crore	v/s ₹ 518 crore	↑ 3%
✓ Bajaj Finance, profit after tax	– ₹ 449 crore	v/s ₹ 315 crore	↑ 43%
✓ General insurance, profit after tax	– ₹ 165 crore	v/s ₹ 208 crore	
✓ Life insurance, shareholders' profit after tax	– ₹ 198 crore	v/s ₹ 232 crore	

**Highlights – FY17 v/s FY16**

✓ Consolidated total revenue	– ₹ 24,522 crore	v/s ₹ 20,534 crore	↑ 19%
✓ Consolidated profit after tax	– ₹ 2,262 crore	v/s ₹ 1,863 crore	↑ 21%
✓ Bajaj Finance, profit after tax	– ₹ 1,837 crore	v/s ₹ 1,279 crore	↑ 44%
✓ General insurance, profit after tax	– ₹ 728 crore	v/s ₹ 564 crore	↑ 29%
✓ Life insurance, shareholders' profit after tax	– ₹ 836 crore	v/s ₹ 879 crore	

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

**Bajaj Finserv Limited**

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- **Bajaj Finserv Limited** has recorded its **third successive highest annual profit after tax** on a consolidated basis.
- **Bajaj Finance Limited** continues its outstanding **growth story over last 10 years** and has again recorded its **highest annual profit after tax**.
- **BAGIC**, too has once again recorded its **highest annual profit after tax** by improving on the high profitability recorded in the previous year.
- **BALIC's** transformation of business continued into the quarter, as it delivered **23% growth in individual rated premium**.

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

#### **A. Bajaj Finance Limited (BFL)**

Despite lower than expected industry growth and relatively tight credit demand, BFL has delivered excellent results and has emerged as one of the leading non-banking financial companies (NBFCs) of India.

- Total revenue for Q4 FY17 **increased by 38%** to **₹ 2,673 crore** v/s ₹ 1,943 crore in Q4 FY16.
- During Q4 FY17, BFL recorded **quarterly profit after tax** of **₹ 449 crore** v/s ₹ 315 crore in Q4 FY16 – an **increase of 43%**.
- Assets under management stood at **₹ 60,194 crore** as on 31 March 2017 v/s ₹ 44,229 crore as on 31 March 2016 - an **increase of 36%**.
- Net NPA as on 31 March 2017 stood at 0.44%.
- Capital adequacy ratio as on 31 March 2017 stood at a healthy **20.30%** as against the minimum regulatory requirement of 15%.

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

#### **B. Bajaj Allianz General Insurance Company Limited (BAGIC)**

In the challenging environment, BAGIC has continued to maintain a sound balance between growth and profitability, closing the year with an underwriting profit.

- Gross written premium for Q4 FY17 **increased by 31%** to **₹ 2,260 crore** v/s ₹ 1,730 crore in Q4 FY16.
- During Q4 FY17, BAGIC wrote **crop insurance** of **₹ 464 crore** v/s ₹ 178 crore in Q4 FY16.
- Net earned premium for Q4 FY17 stood at **₹ 1,300 crore** v/s ₹ 1,126 crore in Q4 FY16 – an **increase of 15%**.
- Underwriting profit for Q4 FY17 increased by 14% to **₹ 35 crore** v/s ₹ 30 crore in Q4 FY16.
- Investment and other income for Q4 FY17 stood at **₹ 212 crore** v/s ₹ 227 crore in Q4 FY16. Investment income for Q4 FY17 dropped on account of lower profit on sale of investments of ₹ 20 crore recorded in Q4 FY17 as compared to Q4 FY16.

- vi) Profit after tax (PAT) for Q4 FY17 stood at **₹ 165 crore** v/s ₹ 208 crore in Q4 FY16. PAT was lower due to lesser amount of profit on sale of investments in Q4 FY17 and further due to inclusion of tax credits pertaining to earlier year of ₹ 30 crore in PAT of Q4 FY16.
- vii) Claim ratio improved to **67.1%** in Q4 FY17 v/s 70.7% in Q4 FY16.
- viii) Combined ratio was **92.7%** in Q4 FY17 v/s 94.3% in Q4 FY16.
- ix) As on 31 March 2017, solvency ratio stood at **261%**, which is well above the normal regulatory requirement of 150%.
- x) Cash and investments as on 31 March 2017 stood at **₹ 10,829 crore** v/s ₹ 9,211 crore as on 31 March 2016 – a healthy **increase** of 18%.

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

#### C. Bajaj Allianz Life Insurance Company Limited (BALIC)

During the current year, BALIC has shifted its focus towards selling more individual regular premium. BALIC's **individual rated premium** grew by 41% in FY17 as against the industry growth of 21%. **BALIC achieved its highest growth rate during FY17** on individual rated new business and rated new business basis **since FY08**.

- i) Gross written premium stood at **₹ 2,248 crore** in Q4 FY17 v/s ₹ 2,419 crore in Q4 FY16.
- ii) New business premium stood at **₹ 1,146 crore** in Q4 FY17 v/s ₹ 1,213 crore in Q4 FY16.
  - a) Rated individual new business was **₹ 386 crore** in Q4 FY17 v/s ₹ 315 crore in Q4 FY16 – an **increase** of 23%.
  - b) Group new business was **₹ 740 crore** in Q4 FY17 v/s ₹ 857 crore in Q4 FY16.
- iii) Renewal premium for Q4 FY17 was **₹ 1,102 crore** v/s ₹ 1,206 crore in Q4 FY16.
- iv) Shareholders' profit after tax during Q4 FY17 was **₹ 198 crore** v/s ₹ 232 crore in Q4 FY16.
- v) Solvency ratio stood at a healthy **582%** (based on amended regulations) as on 31 March 2017 as against the minimum regulatory requirement of 150%. In addition to this, BALIC had a fund of ₹ 2,233 crore held beyond required solvency margin forming part of shareholders' investments.
- vi) Total investments stood at **₹ 49,270 crore** as on 31 March 2017 v/s ₹ 44,108 crore as on 31 March 2016 - an **increase** of 12%.

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

**Annexure A - Consolidated results of BFS**

(₹ In Crore)		Q4 FY17	Q4 FY16	FY17	FY16
1	<b>Revenue</b>				
	(a) Revenue from operations	2,693.32	1,983.56	10,104.83	7,531.40
	(b) Premium and other operating income from insurance business	4,349.91	4,328.08	14,416.68	13,001.88
	(c) Other income	0.17	0.15	0.55	0.34
	<b>Total revenue</b>	<b>7,043.40</b>	<b>6,311.79</b>	<b>24,522.06</b>	<b>20,533.62</b>
2	<b>Expenses</b>				
	(a) Employee benefits expense	280.55	197.37	1,000.73	768.04
	(b) Claims incurred pertaining to insurance business	2,797.53	2,105.72	9,676.11	8,066.40
	(c) Commission , operating and other expenses pertaining to insurance business	1,093.25	1,701.40	2,720.96	3,171.26
	(d) Finance costs	960.18	789.51	3,716.28	2,876.95
	(e) Loan losses and provisions	289.68	156.54	818.19	542.85
	(f) Depreciation and amortisation	20.09	17.38	72.63	57.72
	(g) Other expenses	431.57	316.93	1,592.63	1,246.35
	<b>Total expenses</b>	<b>5,872.85</b>	<b>5,284.85</b>	<b>19,597.53</b>	<b>16,729.57</b>
3	<b>Profit before tax (1-2)</b>	<b>1,170.55</b>	<b>1,026.94</b>	<b>4,924.53</b>	<b>3,804.05</b>
4	<b>Tax expense</b>				
	Current tax	436.74	293.28	1,566.01	1,116.01
	Deferred tax	(84.91)	(33.15)	(91.19)	(86.50)
	<b>Total tax expense</b>	<b>351.83</b>	<b>260.13</b>	<b>1,474.82</b>	<b>1,029.51</b>
5	<b>Profit after tax (3-4)</b>	<b>818.72</b>	<b>766.81</b>	<b>3,449.71</b>	<b>2,774.54</b>
6	Add : Tax (debits)/credits pertaining to earlier years	-	0.02	-	0.02
7	Less: Minority interest in net income of subsidiaries	283.82	248.88	1,187.79	911.29
8	<b>Net profit for the period after minority interest (5+6-7)</b>	<b>534.90</b>	<b>517.95</b>	<b>2,261.92</b>	<b>1,863.27</b>
9	Paid-up equity share capital (Face value of ₹ 5)	79.57	79.57	79.57	79.57
10	Reserves excluding revaluation reserves			15,724.47	13,305.24
11	<b>Basic and diluted earnings per share (₹)</b>				
	<b>before and after extraordinary items (not annualised)</b>	<b>33.6</b>	<b>32.5</b>	<b>142.1</b>	<b>117.1</b>

#### Annexure B - Summary financial results of BFL

₹ In Crore	Q4 FY17	Q4 FY16	FY17	FY16
Total revenue	2,673	1,943	10,003	7,333
Interest expenses	984	806	3,803	2,927
<b>Net interest income</b>	<b>1,689</b>	<b>1,137</b>	<b>6,200</b>	<b>4,406</b>
Operating expenses	709	492	2,564	1,898
Loan losses and provisions	290	156	818	543
<b>Profit before tax</b>	<b>690</b>	<b>489</b>	<b>2,818</b>	<b>1,965</b>
<b>Profit after tax</b>	<b>449</b>	<b>315</b>	<b>1,837</b>	<b>1,279</b>

#### Annexure C - Summary financial results of BAGIC

₹ In Crore	Q4 FY17	Q4 FY16	FY17	FY16
<b>Gross written premium</b>	<b>2,260</b>	<b>1,730</b>	<b>7,687</b>	<b>5,901</b>
Net earned premium	1,300	1,126	4,937	4,224
Underwriting result	35	30	64	(65)
Investment and other income	212	227	1,014	836
<b>Profit before tax</b>	<b>247</b>	<b>257</b>	<b>1,078</b>	<b>771</b>
<b>Profit after tax</b>	<b>165</b>	<b>208</b>	<b>728</b>	<b>564</b>

##### Key ratios

Claim ratio	67.1%	70.7%	70.4%	72.3%
Combined ratio	92.7%	94.3%	96.8%	99.3%

#### Annexure D - Summary financial results of BALIC

₹ In Crore	Q4 FY17	Q4 FY16	FY17	FY16
<b>Gross written premium</b>	<b>2,248</b>	<b>2,419</b>	<b>6,183</b>	<b>5,897</b>
<b>New business premium</b>	<b>1,146</b>	<b>1,213</b>	<b>3,290</b>	<b>2,885</b>
Rated individual new business premium*	386	315	1,010	717
Group new business premium	740	857	2,225	1,994
<b>Renewal premium</b>	<b>1,102</b>	<b>1,206</b>	<b>2,893</b>	<b>3,012</b>
Shareholders' profit	129	144	609	611
Amount transferred from the policyholders' account to the shareholders' account (net)	69	88	227	268
<b>Total shareholders' profit after tax</b>	<b>198</b>	<b>232</b>	<b>836</b>	<b>879</b>

\* Rated new business premium = 100% of Regular premium + 10% of Single premium policies sold.