

Press Release

Gross revenue ↑ 13%; Profit after tax ↑ 37%

A meeting of the Board of Directors of Bajaj Finserv Limited was held today to consider and approve the results for Q2 FY13.

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 subsidiary companies.

1. PERFORMANCE

In a quarter, in which the economy witnessed slow growth, high inflation and high interest rates, the performance of the company has been quite strong. **Gross revenue increased** by 13% from ₹ 3,280 crore to ₹ 3,721 crore, while **profit after tax grew** 37% from ₹ 158 crore to ₹ 217 crore.

HIGHLIGHTS – Q2 FY13 v/s Q2 FY12

✓ Consolidated gross revenue	– ₹ 3,721 crore	v/s	₹ 3,280 crore	↑ 13%
✓ Consolidated income from operations	– ₹ 1,008 crore	v/s	₹ 714 crore	↑ 41%
✓ Consolidated profit after tax	– ₹ 217 crore	v/s	₹ 158 crore	↑ 37%
✓ Bajaj Finance, profit after tax	– ₹ 129 crore	v/s	₹ 87 crore	↑ 48%
✓ General insurance, profit after tax	– ₹ 78 crore	v/s	₹ 64 crore	↑ 22%
✓ Life insurance, shareholders' profit after tax	– ₹ 88 crore	v/s	₹ 57 crore	↑ 54%

HIGHLIGHTS - H1 FY13 v/s H1 FY12

✓ Consolidated gross revenue	– ₹ 6,973 crore	v/s	₹ 6,180 crore	↑ 13%
✓ Consolidated income from operations	– ₹ 1,935 crore	v/s	₹ 1,326 crore	↑ 46%
✓ Consolidated profit after tax	– ₹ 412 crore	v/s	₹ 287 crore	↑ 44%
✓ Bajaj Finance, profit after tax	– ₹ 267 crore	v/s	₹ 178 crore	↑ 50%
✓ General insurance, profit after tax	– ₹ 142 crore	v/s	₹ 102 crore	↑ 39%
✓ Life insurance, shareholders' profit after tax	– ₹ 163 crore	v/s	₹ 109 crore	↑ 50%

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 Q2 FY13 **increased by 49%** to **₹ 737 crore** v/s ₹ 493 crore in Q2 FY12.
- Profit after tax - **₹ 129 crore** in Q2 FY13 v/s ₹ 87 crore in Q2 FY12 – an **increase of 48%**.
- Deployments **increased by 29%** to **₹ 4,334 crore** in Q2 FY13 v/s ₹ 3,352 crore in Q2 FY12.
- Assets under management stood at **₹ 15,370 crore** as on 30 September 2012 v/s ₹ 13,107 crore as on 31 March 2012.
- Net NPA for Q2 FY13 stood at just **0.2%**.
- Capital adequacy ratio stood at a healthy **17.7%**.

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

B. Bajaj Allianz General Insurance Company Limited (BAGIC)

- Gross written premium (excluding motor pool) for Q2 FY13 **increased by 20.5%** to **₹ 976 crore** v/s ₹ 810 crore in Q2 FY12.
- Net earned premium (excluding motor pool) for Q2 FY13 stood at **₹ 639 crore** v/s ₹ 540 crore in Q2 FY12 – an **increase of 18%**.
- Profit after tax - **₹ 78 crore** in Q2 FY13 v/s ₹ 64 crore in Q2 FY12 – an **increase of 22%**.
- Claim ratio stood at 59.2% in Q2 FY13 v/s 58.4% in Q2 FY12, while claim ratio **improved by 3.8%** to **57.9%** in H1 FY13 from 61.7% in H1 FY12.
- **Combined ratio (excluding motor pool losses)** was 92.3% in Q2 FY13 v/s 91.6% in Q2 FY12.
- Cash and investments as on 30 September 2012 stood at **₹ 5,338 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 Q2 FY13 **increased by 15.4%** to **₹ 651 crore** v/s ₹ 564 crore in Q2 FY12.
- Renewal premium for Q2 FY13 was **₹ 941 crore** v/s ₹ 1,115 crore in Q2 FY12.
- Gross written premium was **₹ 1,592 crore** in Q2 FY13 v/s ₹ 1,679 crore in Q2 FY12.
- BALIC's business profit for Q2 FY13 was **₹ 308 crore** v/s profit of ₹ 295 crore in Q2 FY12.

- Shareholders' profit during the current quarter was ₹ 88 crore v/s ₹ 57 crore in Q2 FY12 – an increase of 54%.
- Solvency ratio stood at a healthy 583% as on 30 September 2012 as against the minimum regulatory requirement of 150%.
- Total investments as at 30 September 2012 stood at ₹ 40,629 crore.

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

2. RIGHTS ISSUE

On 17 October 2012, the company successfully allotted 14,438,842 equity shares of ₹ 5 each to its existing shareholders on a rights basis in the ratio of 1 rights equity share for every 10 equity shares of the face value of ₹ 5 each held by such equity shareholder, on the record date i.e. 8 September 2012, at a price of ₹ 650 per share (inclusive of premium of ₹ 645 per share), aggregating to ₹ 939 crore. In-principle approval from NSE and BSE for the listing of the said shares has been received and final listing will be done shortly.

Sanjiv Bajaj
Managing Director
19 October 2012

Annexure A



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 financial results for the quarter and half year ended 30 September 2012

(₹ In Crore)

	Particulars	Quarter ended		Half year ended		Year ended
		30.09.2012 (Unaudited)	30.09.2011 (Unaudited)	30.09.2012 (Unaudited)	30.09.2011 (Unaudited)	31.03.2012 (Audited)
	Gross revenue					
	i. Gross written premium					
	a) Life Insurance - Bajaj Allianz Life Insurance Co. Ltd.	1,592.10	1,678.52	2,803.54	3,066.17	7,483.80
	b) General Insurance - Bajaj Allianz General Insurance Co. Ltd.	976.41	810.62	1,953.74	1,608.73	3,675.89
	ii. Gross income - Bajaj Finance Ltd.	736.66	493.30	1,439.68	945.05	2,171.91
	iii. Income from windpower generation - Bajaj Finserv Ltd.	33.21	34.73	54.67	51.30	84.37
	iv. Investment income (excluding accretions on unit linked investment)	363.33	247.12	683.25	478.39	1,048.33
	v. Others	19.17	16.19	37.92	30.75	62.11
	Total	3,720.88	3,280.48	6,972.80	6,180.39	14,526.41
1	Income					
a.	Income from operations	1,007.83	713.66	1,935.31	1,326.30	2,833.92
b.	Transfer from Policyholders' Account	-	-	-	-	1,069.13
	Total income from operations (net)	1,007.83	713.66	1,935.31	1,326.30	3,903.05
2	Expenses					
	(a) Transfer to Policyholders' Account	(0.33)	1.56	1.94	2.74	2.85
	(b) Employee benefits expense	83.59	67.40	163.37	129.72	264.70
	(c) Marketing and other commission	40.58	37.96	86.07	71.80	160.69
	(d) Recovery cost	29.33	21.52	57.13	39.50	89.11
	(e) Loan losses and provisions	53.38	44.06	85.40	78.27	154.38
	(f) Depreciation	3.76	3.34	7.38	6.30	14.12
	(g) Other expenses	75.05	52.30	150.24	102.30	248.61
	Total expenses	285.36	228.14	551.53	430.63	934.46
3	Profit from operations before other income, finance costs and exceptional items (1-2)	722.47	485.52	1,383.78	895.67	2,968.59
4	Other income	0.29	0.54	0.74	0.91	1.73
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	722.76	486.06	1,384.52	896.58	2,970.32
6	Finance costs	293.19	165.78	556.29	306.34	744.10
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	429.57	320.28	828.23	590.24	2,226.22
8	Exceptional items	-	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	429.57	320.28	828.23	590.24	2,226.22
10	Tax expense	118.96	92.09	232.24	169.61	336.47
11	Net Profit from ordinary activities after tax (9-10)	310.61	228.19	595.99	420.63	1,889.75
12	Add: Share of Profit after tax on Investments in Associates	-	-	-	-	-
13	Less: Minority Interest in Net Income of subsidiaries	93.77	70.00	183.92	133.71	551.98
14	Net Profit after taxes, minority interest and share of profit / (loss) of associates (11+12-13)	216.84	158.19	412.07	286.92	1,337.77
15	Paid up Equity Share Capital (Face value of ₹ 5)	72.34	72.34	72.34	72.34	72.34
16	Reserves excluding Revaluation Reserves					5,027.79
17	Basic and Diluted Earnings Per Share (₹) (not annualised) before and after extraordinary items	15.0	10.9	28.5	19.8	92.5

Annexure B - Summary financial results of BFL

₹ In Crore	Q2 FY13	Q2 FY12	H1 FY13	H1 FY12	FY 12
Total income	737	493	1,440	945	2,172
Interest expenses	295	167	558	307	746
Net interest income	442	326	882	638	1,426
Operating expenses	199	153	400	296	670
Loan losses and provisions	53	44	85	78	154
Profit before tax	190	129	397	264	602
Profit after tax	129	87	267	178	406
Earnings per share (EPS), basic, ₹	31.1*	23.9*	64.7*	48.6*	110.8
Earnings per share (EPS), diluted, ₹	30.6*	21.4*	63.6*	46.0*	110.3

*Not annualised

Annexure C - Summary financial results of BAGIC

₹ In Crore	Q2 FY13	Q2 FY12	H1 FY13	H1 FY12	FY 12
Gross Written Premium *	976	810	1,916	1,609	3,338
Net Earned Premium *	639	540	1,240	1,066	2,196
Underwriting profit/(loss) excluding Motor Pool losses	49	45	110	63	86
Provision for Motor Pool losses	-54	-42	-123	-84	-264
Investment Income	117	90	217	172	372
Profit before tax	112	93	204	151	194
Profit after tax	78	64	142	102	124

KEY RATIOS

Claim Ratio	59.2%	58.4%	57.9%	61.7%	62.3%
Combined ratio (excluding pool losses)**	92.3%	91.6%	91.1%	94.1%	96.1%
Combined ratio (including pool losses)**	100.8%	99.3%	101.1%	102.0%	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	Q2 FY13	Q2 FY12	H1 FY13	H1 FY12	FY 12
Gross Written Premium	1,592	1,679	2,804	3,066	7,484
New Business Premium	651	564	1,135	942	2,718
Renewal Premium	941	1,115	1,669	2,124	4,766
Policyholders' Surplus*	220	238	433	463	1,006
Shareholders' Profit	88	57	163	109	242
Total Profit (Policyholders' + Shareholders')	308	295	596	572	1,248
Total Shareholders' Profit **					1,311

** Policyholders' surplus, if any, will be transferred to shareholders' account in Q4 FY13 after audited accounts.

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