Bajaj Finserv Limited

Investor Presentation Q3 FY16

Disclaimer

This presentation has been prepared by Bajaj Finserv Limited (the "Company") solely for your information and for your use. This presentation is for information purposes only and should not be deemed to constitute or form part of any offer or invitation or inducement to sell or issue any securities, or any solicitation of any offer to purchase or subscribe for, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied upon in connection with, any contract or commitment therefor. The financial information in this presentation may have been re-classified and reformatted for the purposes of this presentation. You may also refer to the financial statements of the Company available at www.bajajfinserv.in, before making any decision on the basis of this information.

This presentation contains statements that may not be based on historical information or facts but that may constitute forward-looking statements. These forward looking statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company presently believes to be reasonable in light of its operating experience in recent years but these assumptions may prove to be incorrect. Any opinion, estimate or projection constitutes a judgment as of the date of this presentation, and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. The Company does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the Company.

No representation, warranty, guarantee or undertaking, express or implied, is or will be made as to, and no reliance should be placed on, the accuracy, completeness, correctness or fairness of the information, estimates, projections and opinions contained in this presentation. Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. This presentation does not constitute and should not be considered as a recommendation by the Company that any investor should subscribe for, purchase or sell any of Company's securities. By viewing this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company. None of the Company, book running lead managers, their affiliates, agents or advisors, the placement agents, promoters or any other persons that may participate in any offering of any securities of the Company shall have any responsibility or liability whatsoever for any loss howsoever arising from this presentation or its contents or otherwise arising in connection therewith.

This presentation and its contents are confidential and should not be distributed, published or reproduced, in whole or part, or disclosed by recipients directly or indirectly to any other person. Viewing this information may not be lawful in certain jurisdictions. In other jurisdictions only certain categories of person may be allowed to view this information. Any person who wishes to view this site must first satisfy themselves that they are not subject to any local requirements which prohibit or restrict them from doing so. If you are not permitted to view this presentation on this website or are in any doubt as to whether you are permitted to view these materials, please exit this webpage. In particular, this presentation is not directed at persons located in the United States, Canada Australia or Japan and this presentation is not for publication or distribution or release in the United States, Australia, Canada or Japan or in any other country where such distribution may lead to a breach of any law or regulatory requirement. The information contained herein does not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities for sale in the United States, Australia, Canada or Japan or any other jurisdiction where such distribution may lead to a breach of any law or regulatory requirement. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or absent registration or an applicable exemption from registration. This presentation is not intended to be a prospectus or preliminary placement document or final placement document under the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

Bajaj Finserv – A diversified financial services group

BAJAJ FINSERV

BAJAJ FINSERV

Bajaj Finance Limited

57.53%

- Diversified NBFC present in consumer finance, SME, commercial and rural lending
- Book size of over Rs 311 Bn as of FY15.
- Net NPA stood at 0.45% in FY15
- Leading player in consumer electronics financing

Bajaj Allianz General Insurance

74%

- Number 2 private non-life insurer in India
- One of the most profitable private non life insurers, consistently having one of the best combined ratios.
- AUM (cash & investments) stood at over Rs 78.5 Bn and Net-worth at Rs 22,255 Mn as of FY15

Bajaj Allianz Life Insurance

74%

- One of the most profitable life insurers in India
- 4th largest private player in India in FY 15.
- FY 15 AUM of over Rs 435 Bn
- Net-worth of Rs 67,490 Mn as of FY15

- Bajaj group has a long track record of building large scale, profitable businesses
- Bajaj Finserv is a diversified group spanning life insurance, general insurance, and lending, with a pan India presence
- Bajaj Finserv is also a listed opportunity to participate in India's insurance sector

Shareholding is as of 31st Dec 2015. Chart shows only major subsidiaries.

Bajaj Finserv performance highlights

All Figures in Rs Million

Performance Highlights of Q3 FY 2016 over Q3 FY2015

	Gross Revenue (Consolidated)	Profit before Tax (Consolidated)	PAT (Consolidated)	Net Worth (Standalone)
Q3FY2016	53959	9541	4373	26564
	12.4%	27.6%	25.9%	4.4%
	48022	7480	3474	25443

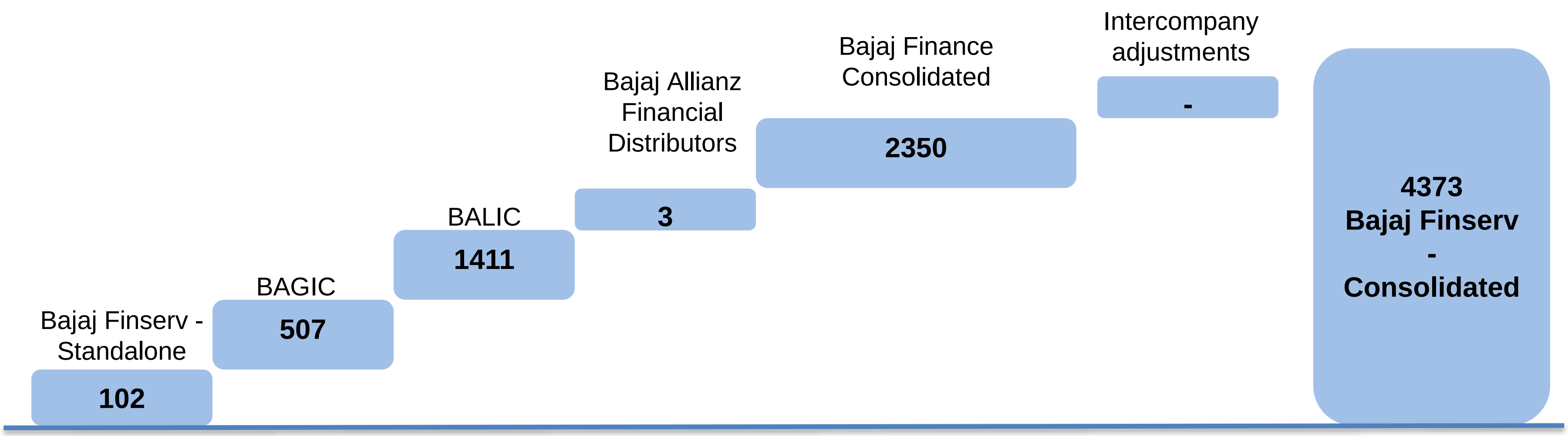
- Bajaj Finserv Standalone : Bajaj Finserv remains a debt free company. Bajaj Finserv’s surplus funds stood at Rs. 7753 million as on December 31, 2015.

- Consolidated Net Worth stood at Rs. 129098 million and Consolidated Book Value Per Share at Rs. 811.

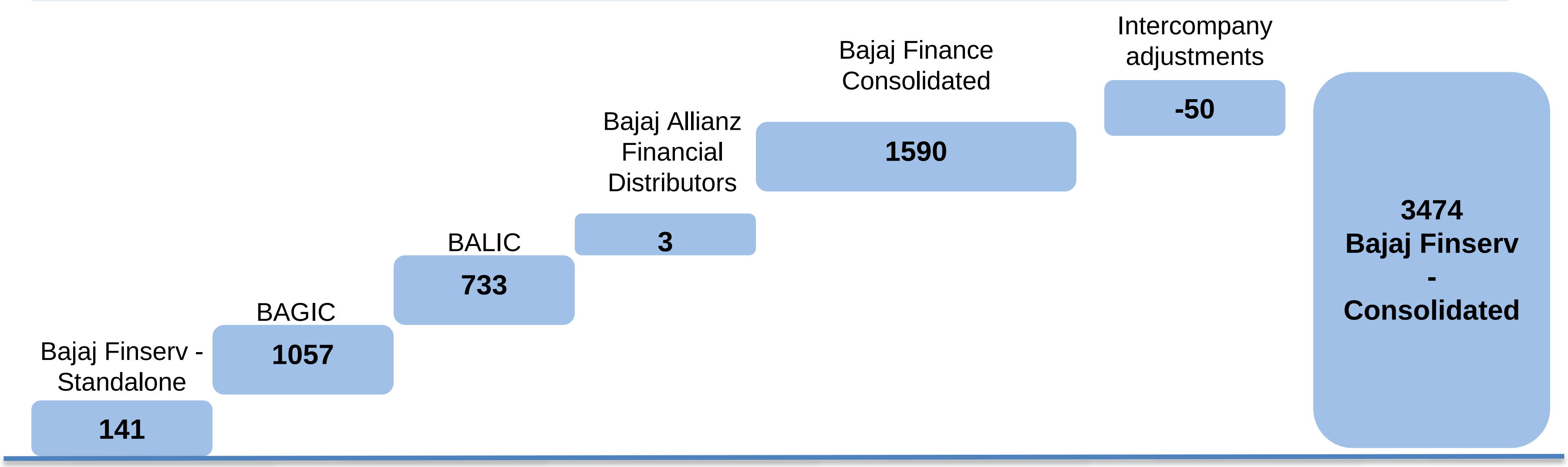
Consolidated profit components

All Figures in Rs Million

Consolidated profit components for Q3 FY2016



Consolidated profit components for Q3 FY2015



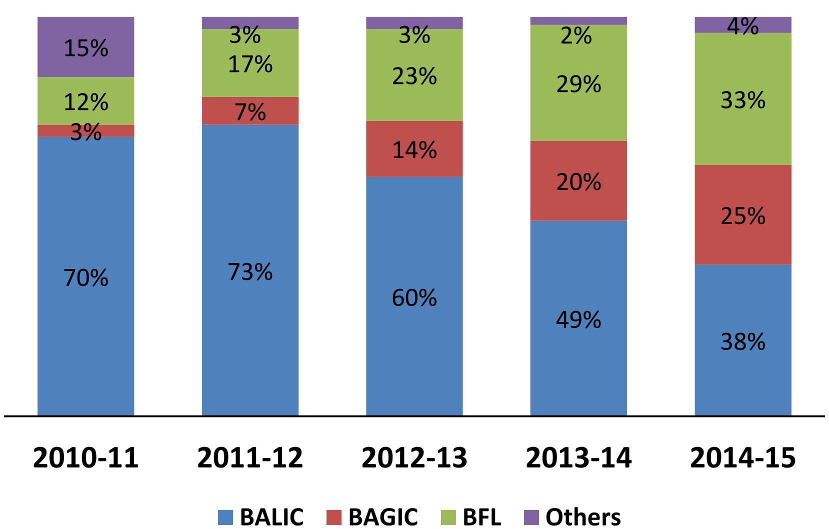
9M Highlights

All Figures in Rs Million

Consolidated Bajaj Finserv Highlights

BAJAJ FINSERV	9M FY16	9M FY15	Growth
Gross Revenue	154,081	134,321	15%
Net worth	129,098	102,819	26%
PAT	13,453	9,827	37%

Consolidated Profit Components*



Group Company Highlights

BALIC	9M FY16	9M FY15	Growth
GWP	34,788	36,383	-4%
New Business	16,716	15,754	6%
Total Investments	433,614	421,693	3%
PAT#	6,474	3,171	#Refer Note

BAGIC	9M FY16	9M FY15	Growth
GWP	41,705	38,357	9%
NEP	30,976	28,321	9%
AUM (cash & investments)	90,899	72,510	25%
PAT	3,563	4,179	-15%

BAJAJ FINANCE	9M FY16	9M FY15	Growth
Book Size	417,604	295,276	41%
Total Income	54,260	39,732	37%
PAT	9,635	6,669	44%

Note: BALIC's PAT for 9M FY 16 includes an amount of Rs 2,120 Mn, which represents the transfer of shareholders' share of policyholder surplus arising in 9M FY16. In the previous years, such profit was transferred only at the end of the year. Had the transfer not been made, 9M FY16 PAT would have been Rs 4,354 Mn.

- Others includes Bajaj Finserv Standalone, and all remaining components.

Bajaj Allianz Life Insurance

Life Insurance - Overview

STRATEGY

The strategy is to balance growth with sustainability, and steadily increase market share. This will be backed by diversified distribution channels, an efficient operating model and a balanced product mix.

DIFFERENTIATORS

Large Proprietary Agency Force

- Large pan India agency force. Deep pan India distribution reach of offices and agents
- Support structure is quite lean

Capital Efficiency

- BALIC is a highly capital efficient player

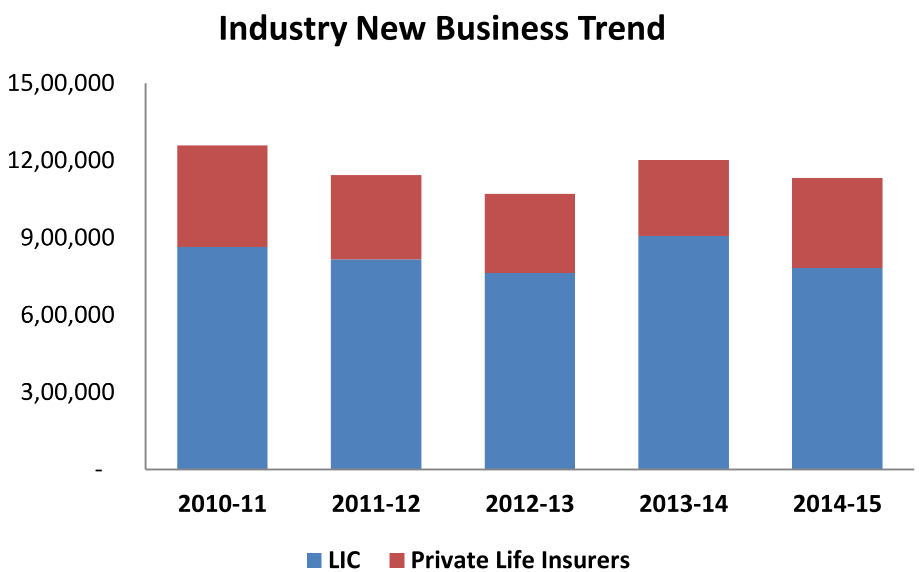
Sustainable model

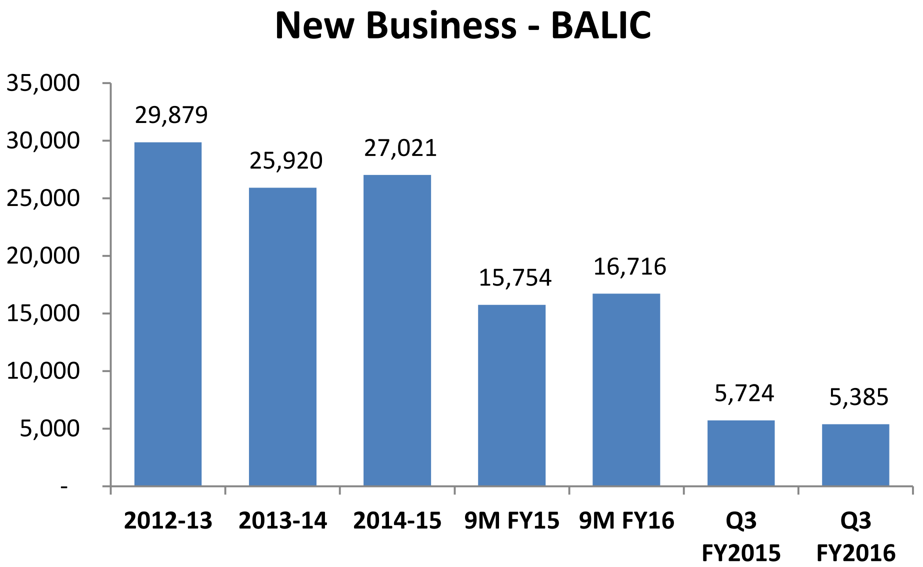
- Product mix isn't skewed towards any one product line.
- FY15 13th month persistency at 67.6%. Q2 FY16 persistency has remained stable over same period last year.*

* Figures basis IRDA definition, and as disclosed in public disclosures

New business trend

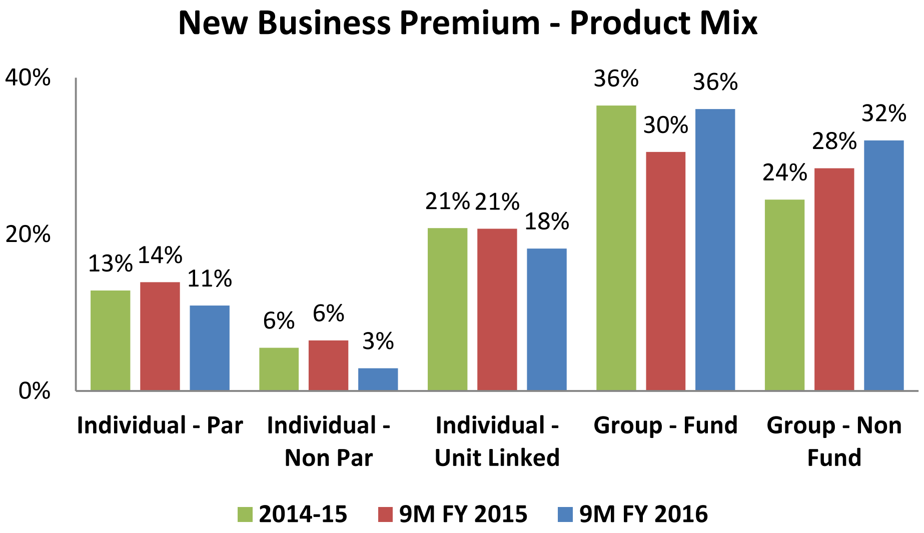
All Figures in Rs Million

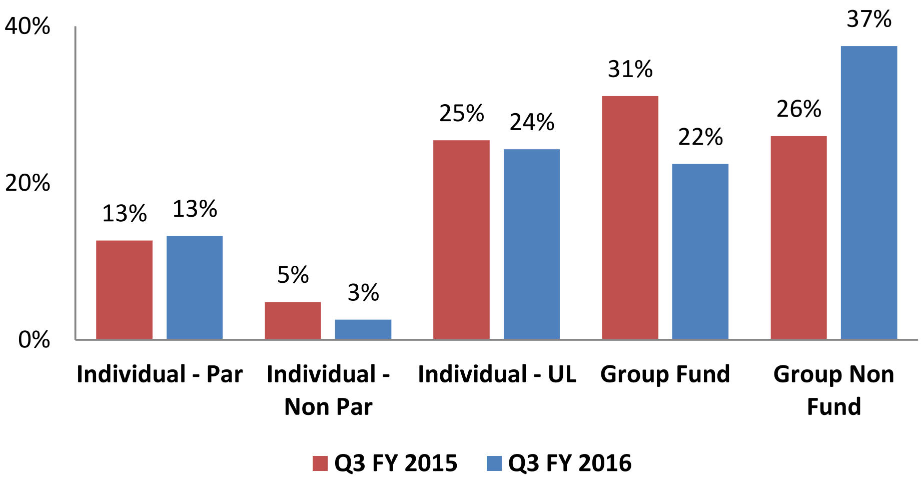




- New business was down 6% in Q3 FY16 over Q3 FY15.
- 9M FY16 new business grew 6% over corresponding period last year

The product mix is diversified

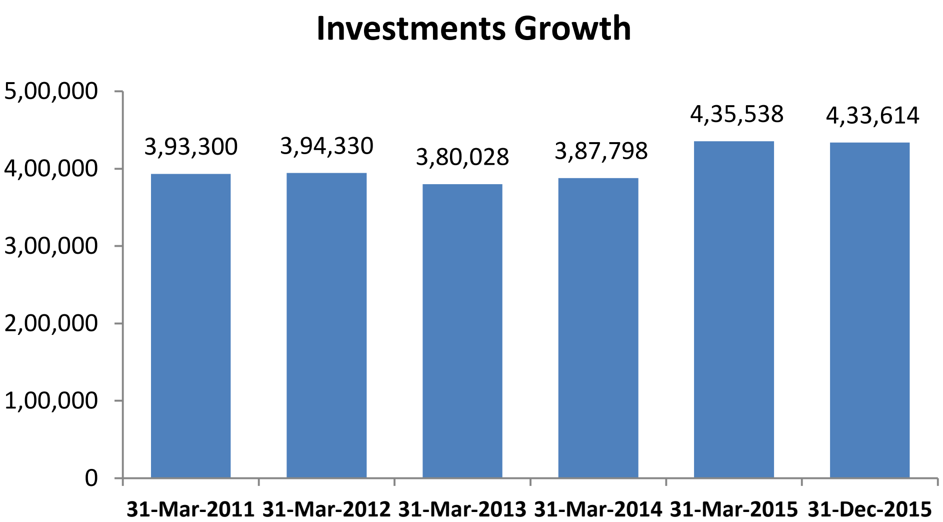


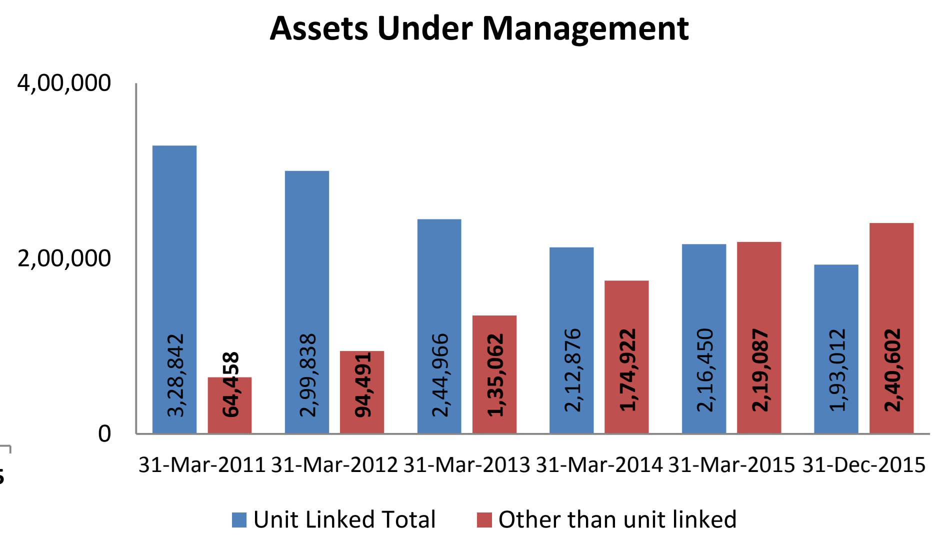


Product mix depicted on percentage basis to new business.

Assets under management are significant

All Figures in Rs Million

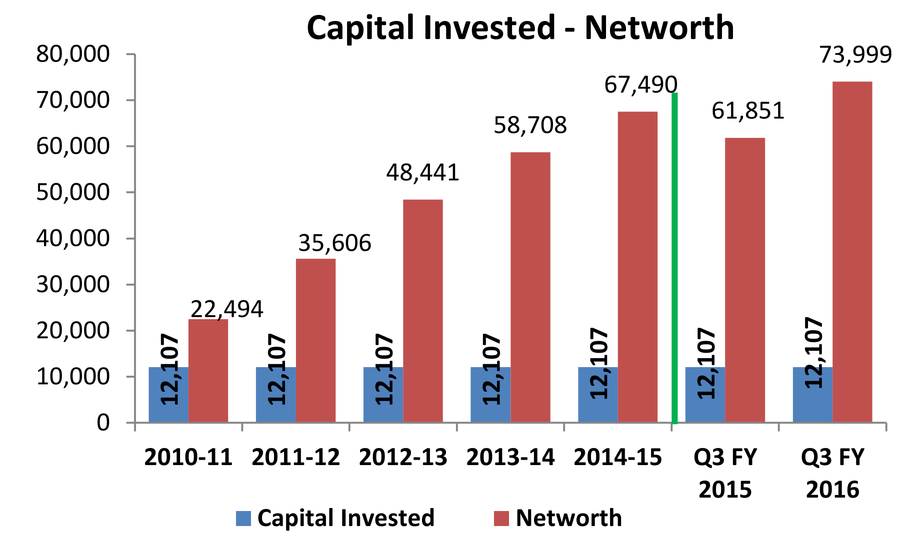


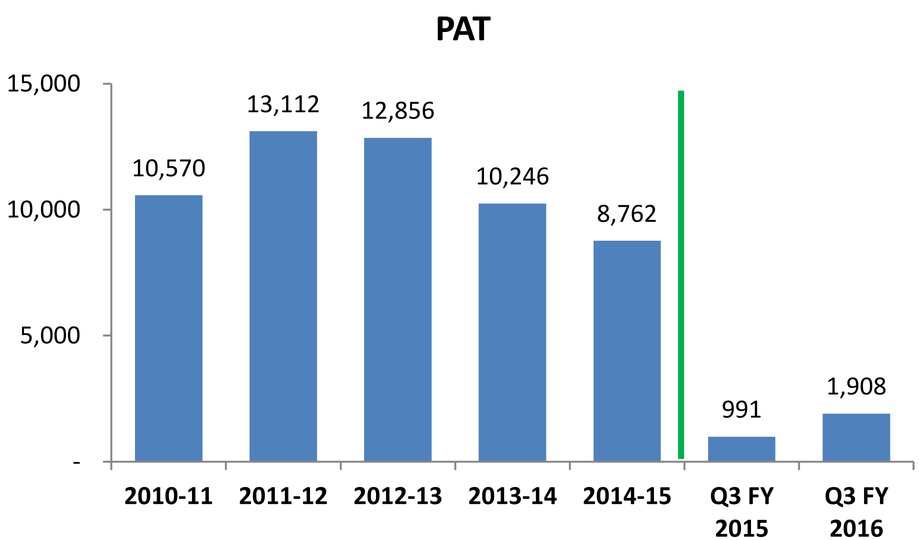


- Equity funds out of the unit linked funds stood at Rs 134,332 Mn as of 31st Dec 2015

Net worth and PAT

All Figures in Rs Million





BALIC is a capital efficient insurer

Policyholders surplus for Q3 FY16 stood at Rs 532 Mn vs Rs 766 Mn in Q3 FY15

Note: PAT for Q3 of FY 16 includes an amount of Rs 486 Mn, which represents the transfer of shareholders' share of policyholder surplus arising in the quarter. In the previous years, such profit was transferred only at the end of the year. Had the transfer not been made in Q3 FY16, PAT would have been Rs 1,421 Mn.

.

Bajaj Allianz Life Insurance performance highlights

All Figures in Rs Million

Performance Highlights of Q3 FY2016 over Q3 FY2015

5,385

-6%

5,724

New Business Premium

6,867

-21%

8,694

Renewal Premium

12,252

-15%

14,419

Gross Written Premium

1,908

* Refer Note

991

PAT *

797%

Solvency Ratio as on 31st Dec 2015

433,614

3%

421,693

Total Investments

*Note: PAT for Q3 of FY 16 includes an amount of Rs 486 Mn, which represents the transfer of shareholders' share of policyholder surplus arising in the quarter. In the previous years, such profit was transferred only at the end of the year. Had the transfer not been made in Q3 FY16, PAT would have been Rs 1,421 Mn.

Bajaj Allianz General Insurance

General Insurance - Overview

STRATEGY

Strategy is to retain focus on retail product lines, with diversified distribution, prudent underwriting and strong cash flow generation, while delivering excellence in customer service.

DIFFERENTIATORS

Underwriting Standards

- Deeply ingrained underwriting focus, which has reflected in industry leading combined ratios over time.
- FY15 Combined Ratio stood at 96.7%

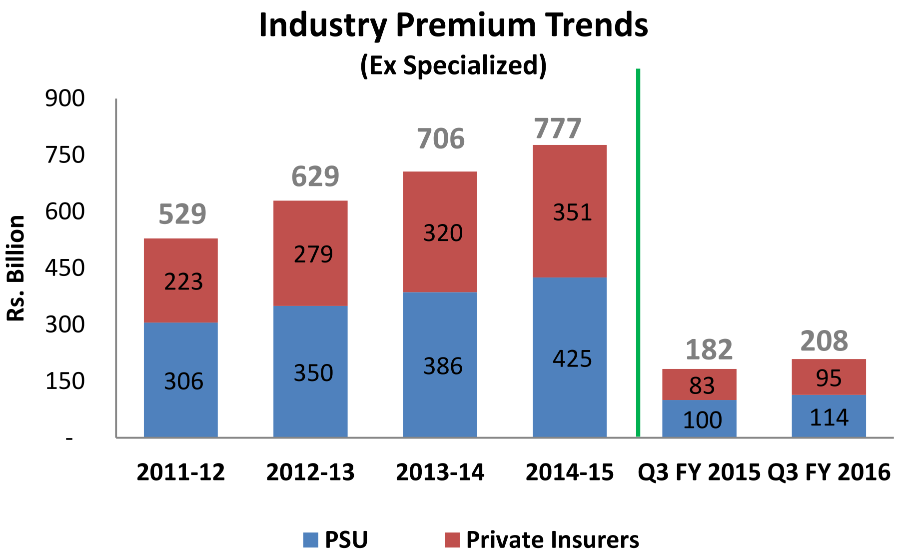
Sustained Innovation

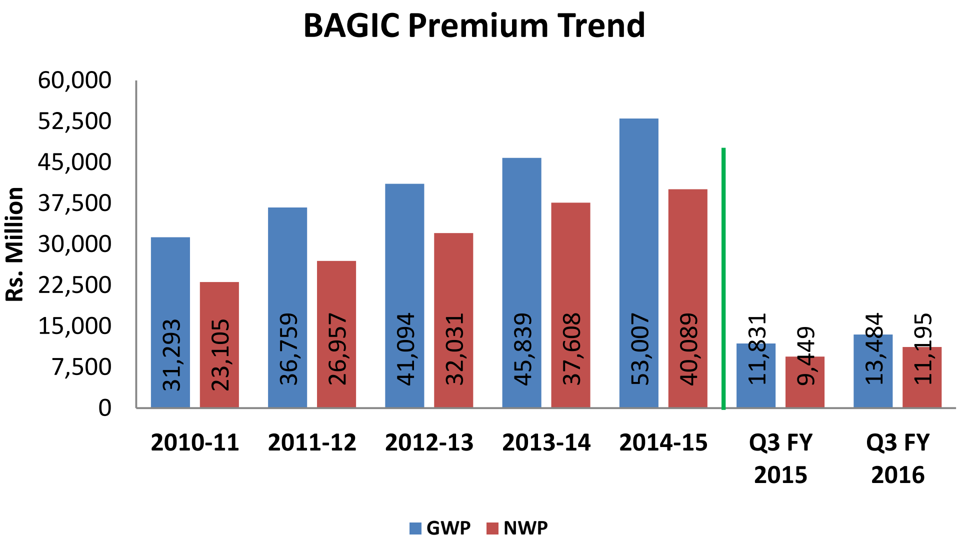
- Early adopter of cash less claims in the industry
- First to have an in house health administration team to handle health insurance claims

Distribution Depth & Servicing

- Multi-channel distribution network consisting of motor dealers, manufacturer tie ups, agency, banca, direct etc. Has a track record of excellence in claims servicing

BAGIC is the second largest private sector general insurer

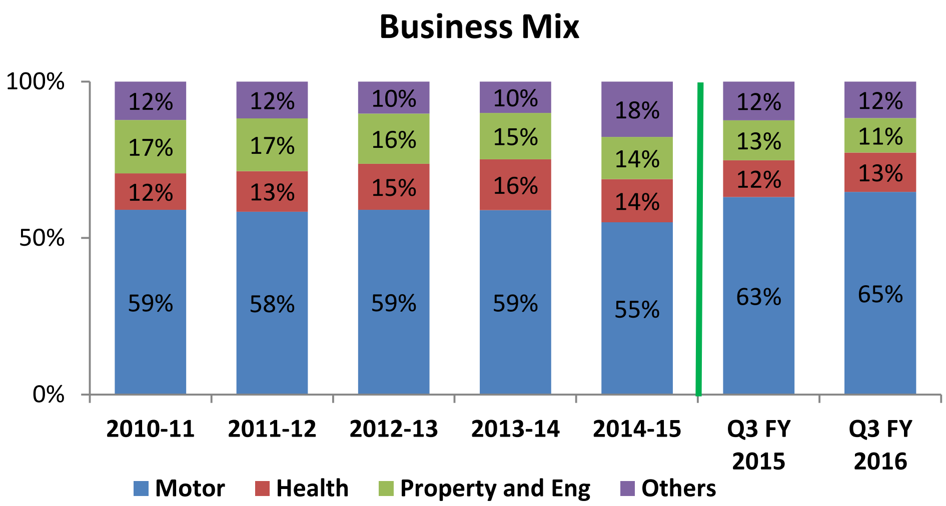




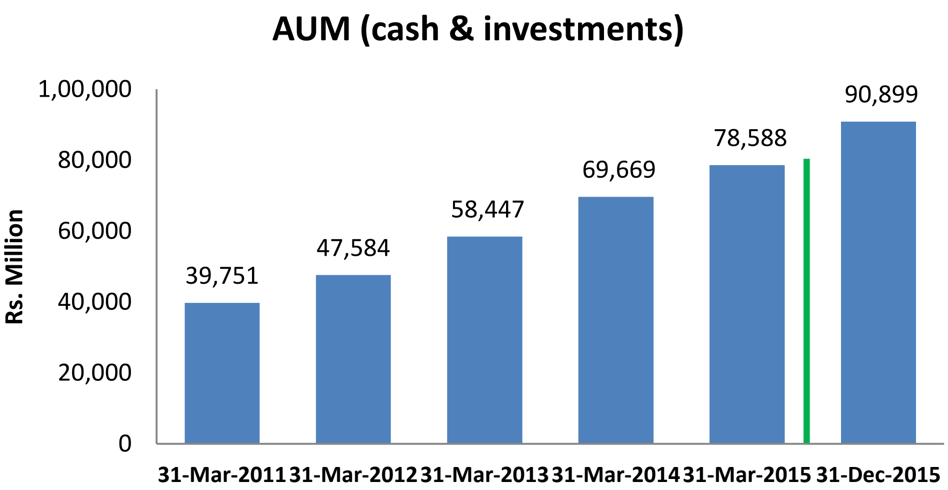
- BAGIC grew GWP in Q3 FY 2016 By 14% compared to corresponding period last year

BAGIC has a healthy and profitable business mix - leading to a steady growth in investments – has added stability to revenues

All Figures in Rs Million



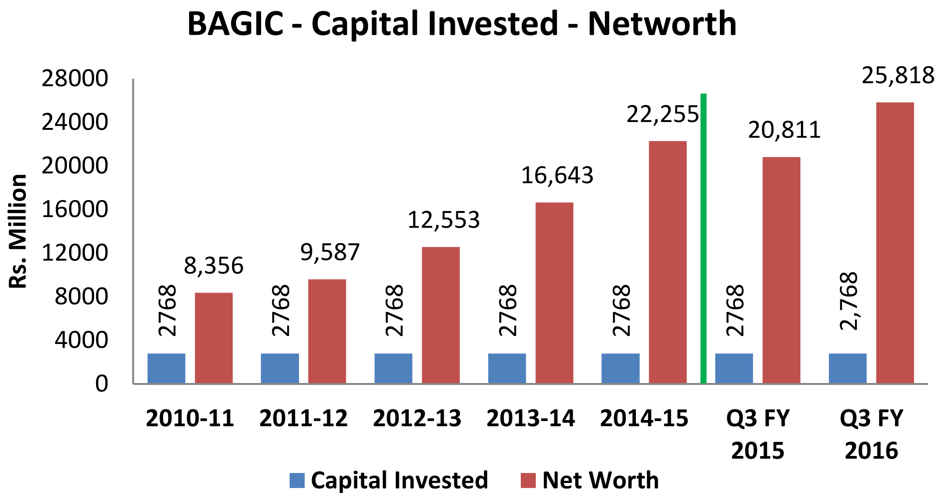
Business mix is retail focused. Motor continues to lead the business mix.



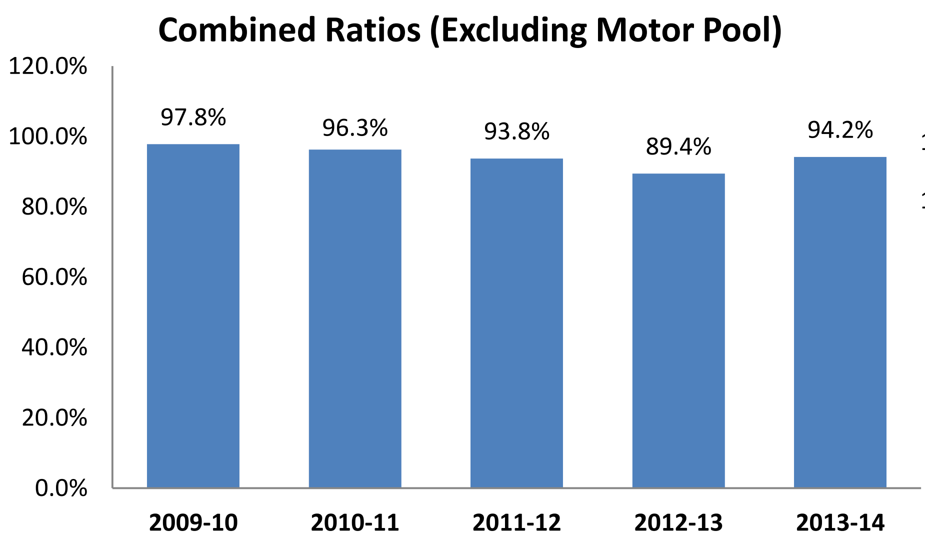
BAGIC continues to grow its AUM strongly. Investments are largely in fixed income securities.

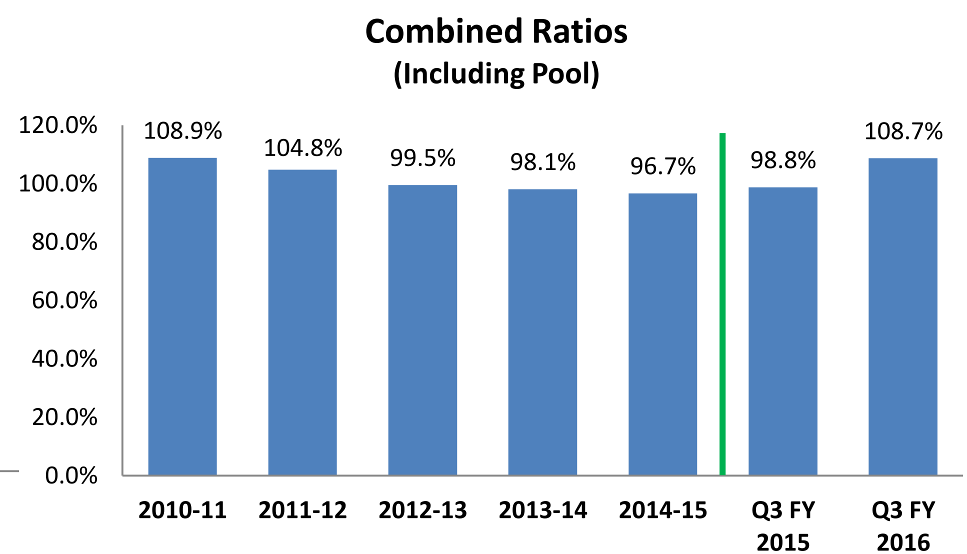
BAGIC has high capital efficiency coupled with a very good combined ratio

All Figures in Rs Million



Q3 FY 2016 combined ratio affected due to Chennai floods during November and December 2015. Without this impact, combined ratio would have been 101.4%





Note on Combined Ratio: *Combined Ratios are in accordance with the Master Circular on 'Preparation of Financial statements of General Insurance Business' issued by IRDA effective from 1st April, 2013. (Net claims incurred divided by Net Earned Premium) + (Expenses of management including net Commission divided by Net Written Premium). Pool losses, wherever applicable, include the impact of the erstwhile IMTPIP and Declined Risk Pool.*

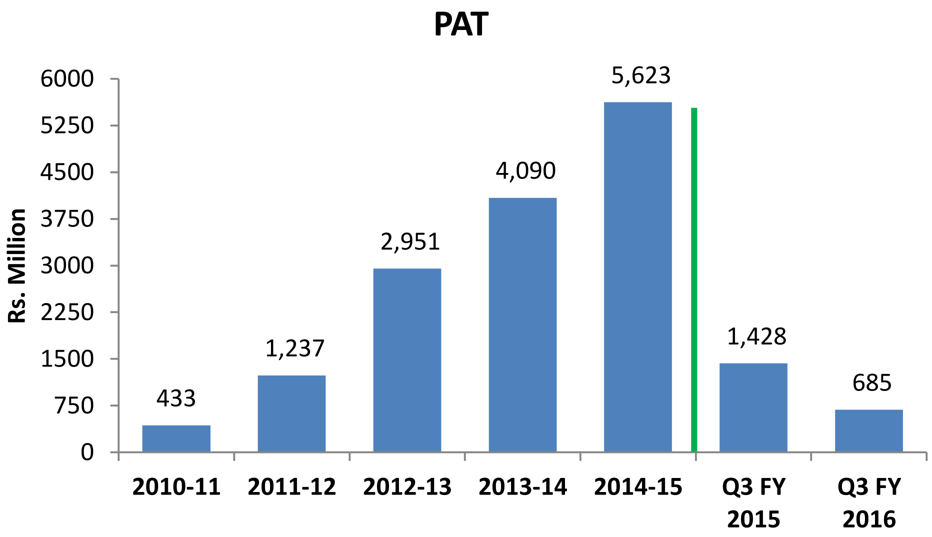
Bajaj Allianz General performance highlights

All Figures in Rs Million

Performance Highlights of Q3 FY2016 over Q3 FY2015

	Q3 FY2015	Change	Q3 FY2016
Gross Written Premium	11,831	14%	13,484
Net Earned Premium	9,583	8%	10,373
Profit After Tax	1,428	-52%	685
ROE (Non Annualized)	7.1%		2.7%

Solvency Ratio was 254% as against regulatory requirement of 150% as of 31st Dec 2015



Bajaj Finance Limited

Bajaj Finance - Overview

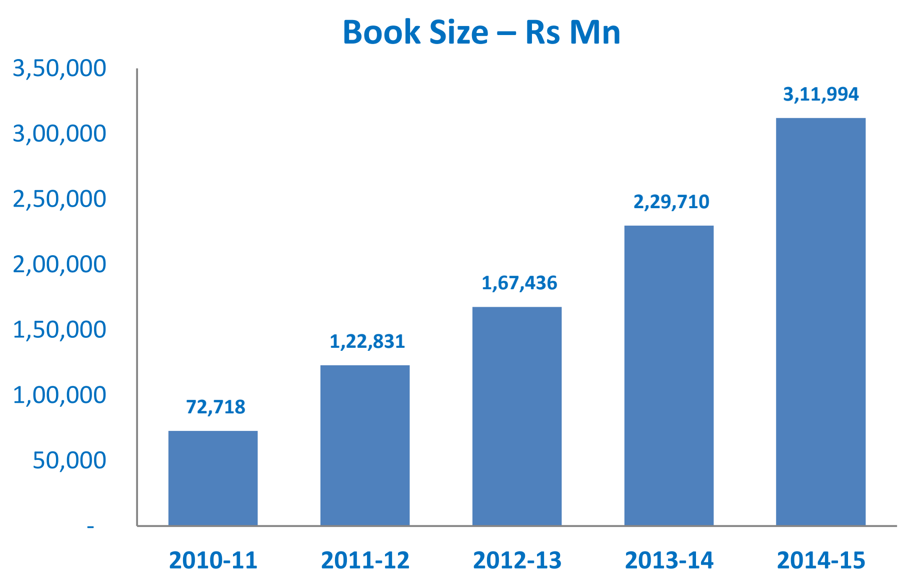
Overview

- A non bank with strategy, structure & support model of a bank
- Diversified financial services strategy envisages an optimal mix of risk and profit to deliver a sustainable business model
- The business construct is to deliver a sustainable and superior ROA & ROE in the medium term

Diversified Lending

Consumer	SME
Commercial	Rural

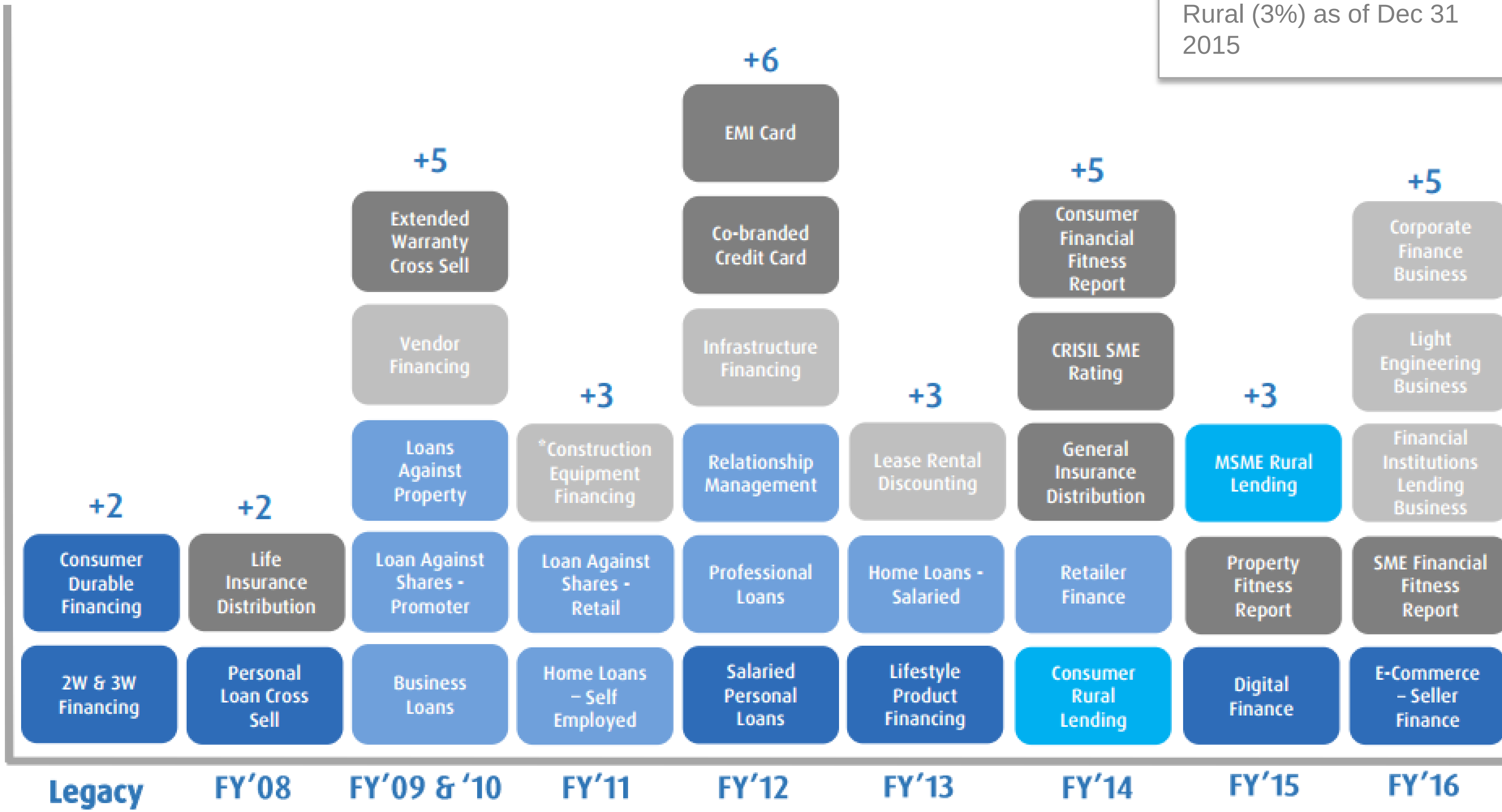
Sustained Growth



Bajaj Finance – Business / Product Launch Journey

BAJAJ FINSERV

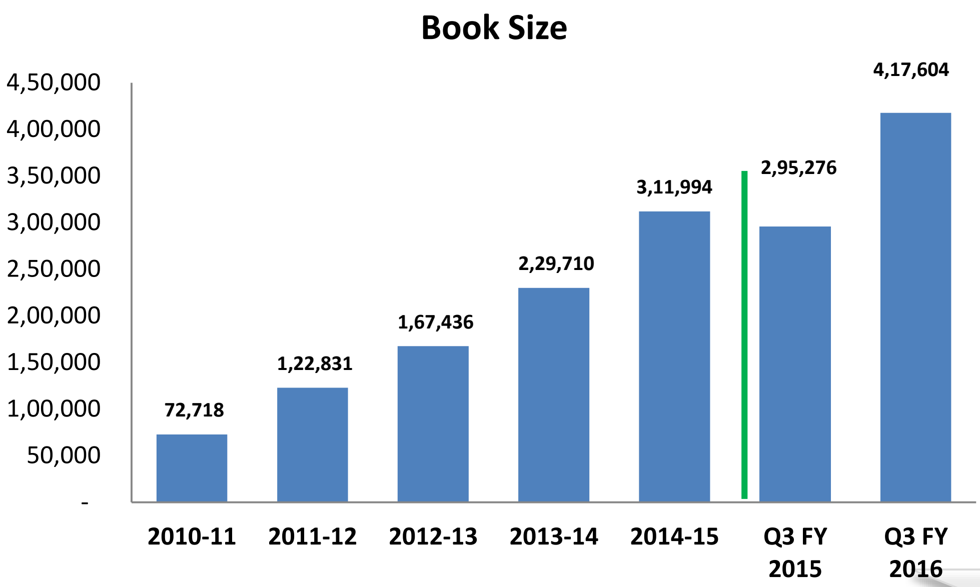
AUM mix:
Consumer (42%), SME (44%), Commercial (11%), Rural (3%) as of Dec 31 2015

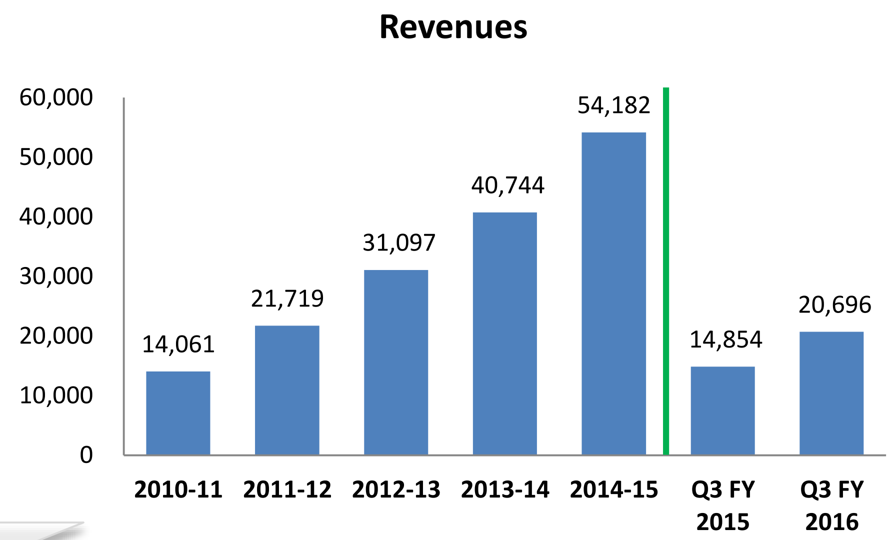


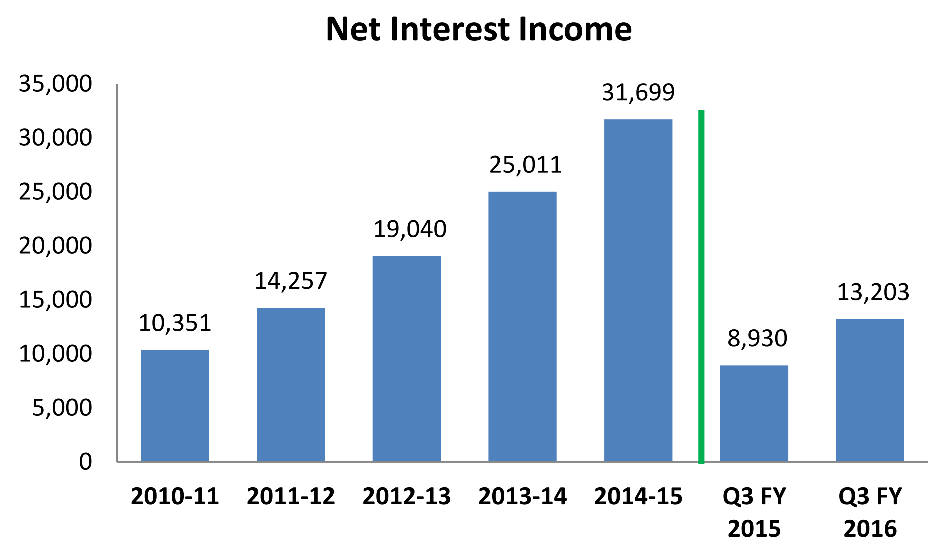
* Closed

Bajaj Finance has clocked healthy growth in revenues

All Figures in Rs Million

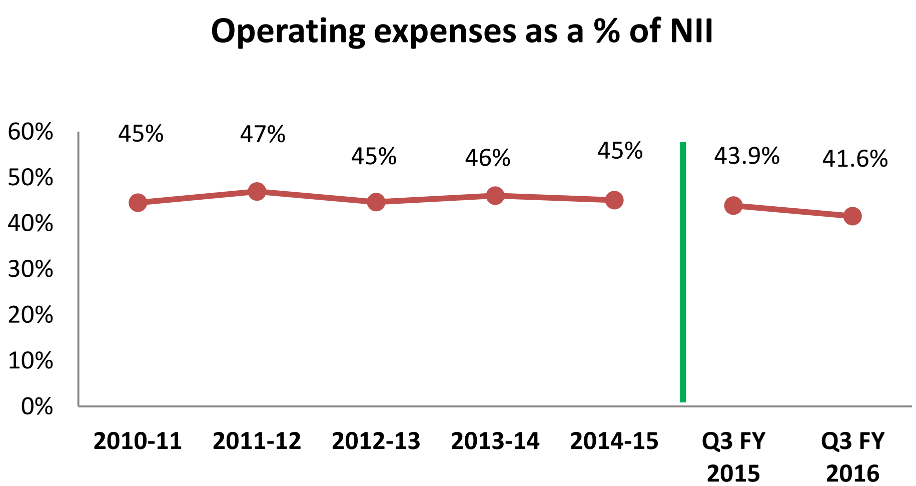


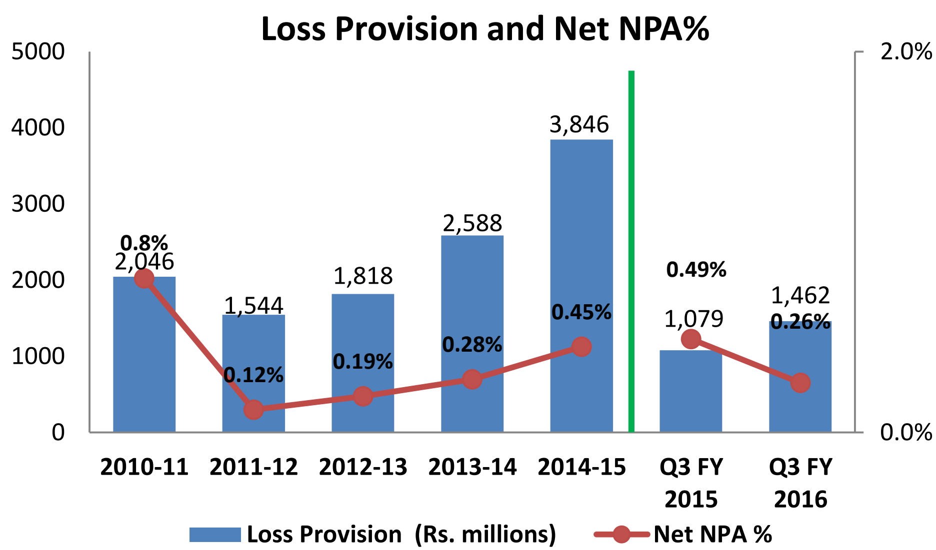


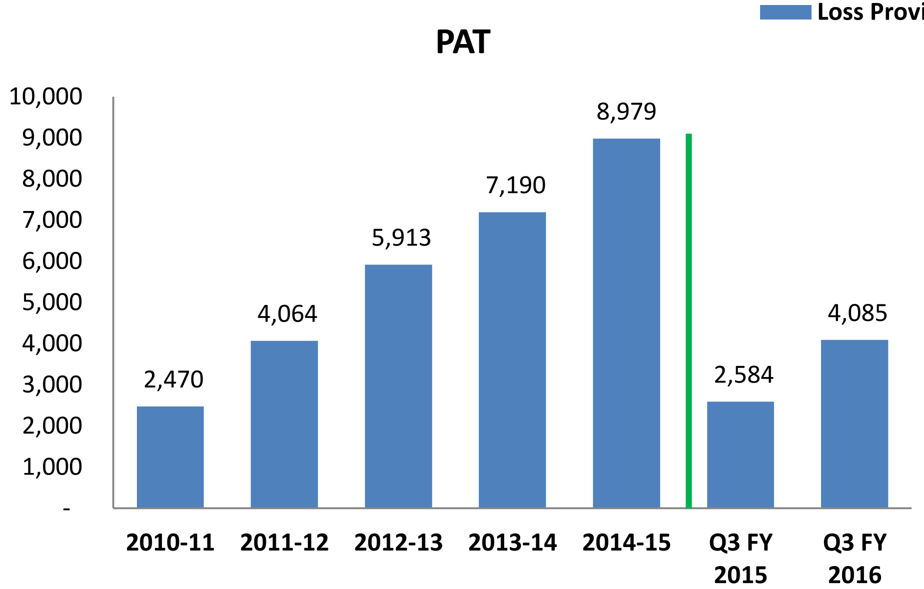


Quality of assets is good, and operating costs remain under control

All Figures in Rs Million







Bajaj Finance performance highlights

BAJAJ FINSERV

All Figures in Rs Million

Performance Highlights of Q3 FY2016 over Q3 FY2015

417,604

41%

295,276

Book Size

20,696

39%

14,854

Total Income

4,085

58%

2,584

Profit After Tax

1%

0.9%

Return on Assets (Non-annualized)

5.8%

5.7%

ROE (Non-annualized)

- Borrowing mix is not excessively dependent on banks (47:53 mix between banks and other sources as of 31st Dec 2015).
- Capital Adequacy stands at 19.54% as of 31st Dec 2015

Thank You