Bajaj Finserv Limited

Investor Presentation – Q3 FY17*

* *Financial year 2016-17*

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Bajaj Finserv – A diversified financial services group

BAJAJ FINSERV

58%	74%	74%
Bajaj Finance Limited	**Bajaj Allianz General Insurance #**	**Bajaj Allianz Life Insurance #**
• Diversified NBFC present in consumer finance, SME, commercial and rural lending • Strong distribution presence • Book size of over Rs 427 Bn as of FY16. • Net NPA stood at 0.28% in FY16 • Leading player in consumer electronics financing	• 2nd largest private General insurer in India as of FY16 • Offers a wide range of products across retail & corporate segments • Highest PAT among private players and 2nd highest in industry in FY16. ROE of 22.5% in FY16 • Combined ratio of 99.3% in FY16 • Recognized in the market for claims servicing	• 4th largest private player in India in FY 16 by new business • Deep, pan India distribution reach • Diversified distribution mix – agency, banca, alternate channels, direct etc • FY 16 AUM of over Rs 441 Bn • Net-worth of Rs 76,315 Mn as of 31 Mar 2016 • One of the most profitable private life insurers in India

- Bajaj group has a long track record of building large scale, profitable businesses
- Bajaj Finserv is a diversified financial services 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 December 2016. Chart shows only major subsidiaries.
Not listed

Bajaj Finserv performance highlights

All Figures in Rs Million

Performance Highlights of Q3 FY2017 over Q3 FY2016

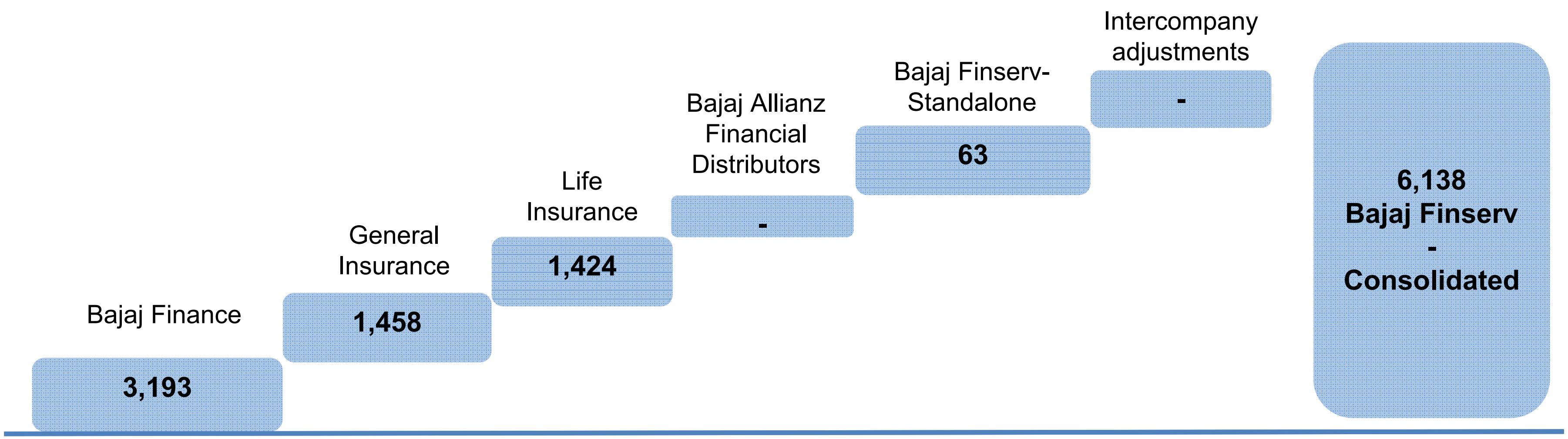
	Gross Revenue (Consolidated)	Profit before Tax (Consolidated)	PAT (Consolidated)	Net Worth (Standalone)
CY	68,344	13,782	6,138	27,597
	27%	44%	41%	4%
PY	53,959	9,542	4,373	26,564

- Bajaj Finserv : Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds stood at Rs. 5,586 million as on December 31, 2016.
- Consolidated Net Worth stood at Rs. 152,625 million and Consolidated Book Value Per Share at Rs. 959.

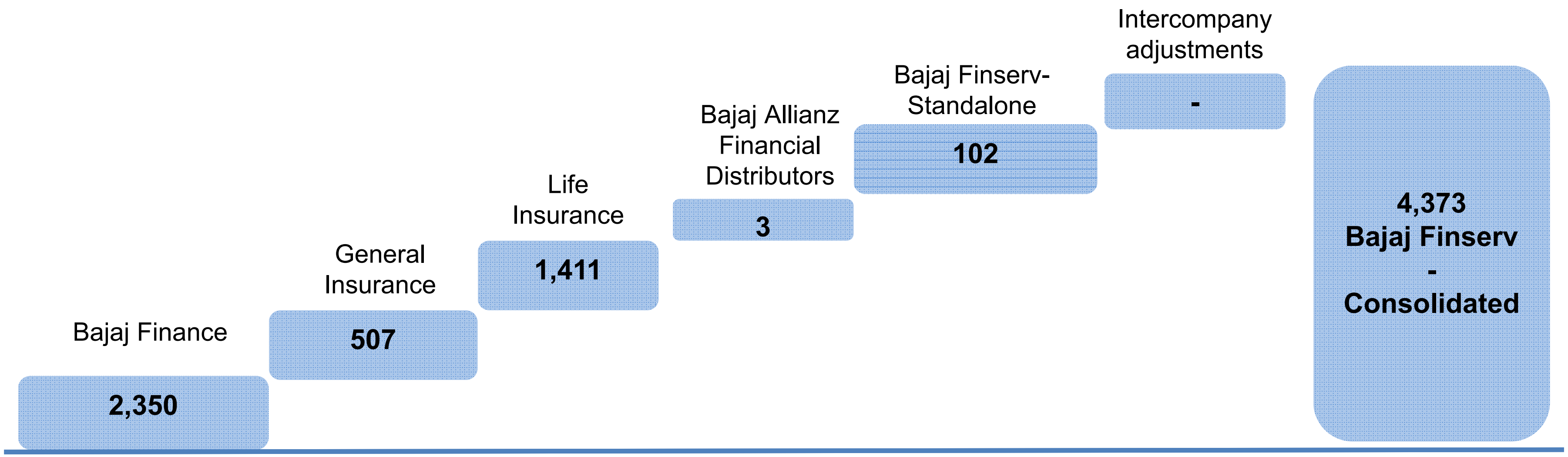
Consolidated profit components

All Figures in Rs Million

Consolidated profit components for Q3 FY2017



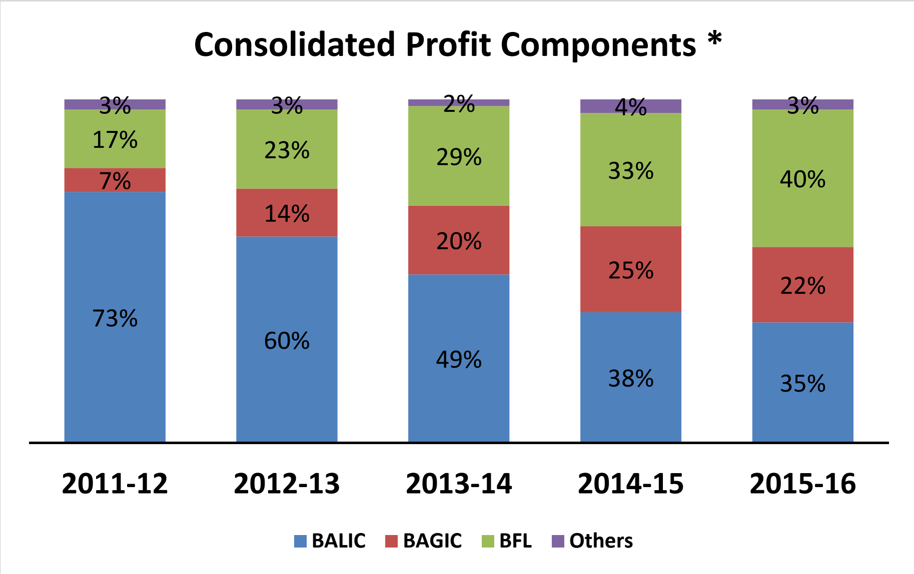
Consolidated profit components for Q3 FY2016



9M Highlights

All Figures in Rs Million

BAJAJ FINSERV	9M FY17	9M FY16	Growth
Gross Revenue	194,162	154,081	26%
Net worth (Cons)	152,625	129,098	18%
PAT	17,270	13,453	28%



Group Company Highlights

BALIC	9M FY17	9M FY16	Growth
GWP	39,355	34,788	13%
Total Investments	468,057	433,614	8%
PAT	6,380	6,474	-1%

BAGIC	9M FY17	9M FY16	Growth
GWP	54,276	41,705	30%
Investments	104,726	90,899	15%
PAT	5,630	3,563	58%

BAJAJ FINANCE	9M FY17	9M FY16	Growth
AUM	576,048	434,518	33%
Total Income	73,961	54,260	36%
PAT	13,874	9,635	44%

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

Bajaj Allianz General Insurance

General Insurance – Overview

STRATEGY

- Grow faster than market in chosen segments.
- Presence across retail and commercial lines, with a focus on retail business
- Emphasis on profitability through superior underwriting, & strong cash flow generation, resulting in superior ROE
- Deliver industry leading customer experience

General Insurance – Overview

DIFFERENTIATORS

Underwriting Strength

- Industry leading combined ratios over the last several years with superior ROE.
- Highest PAT in private sector in FY16

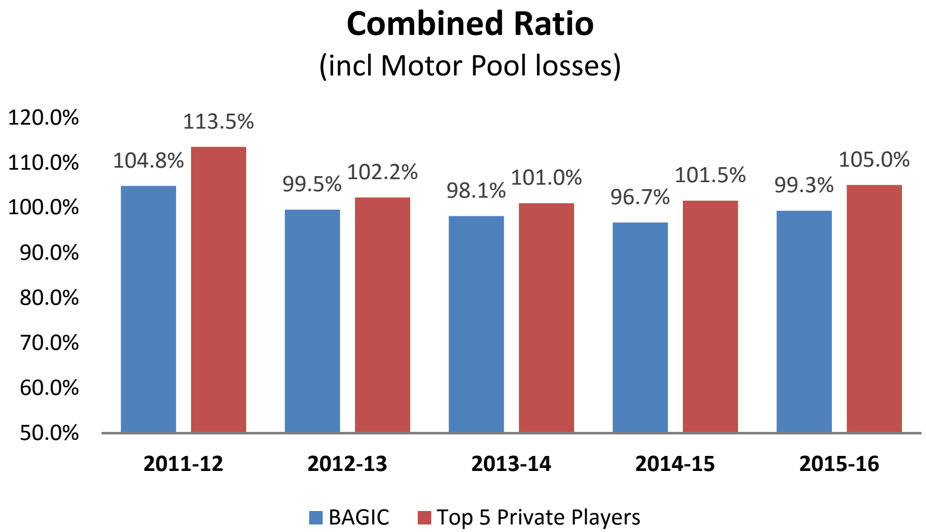
Sustained Innovation

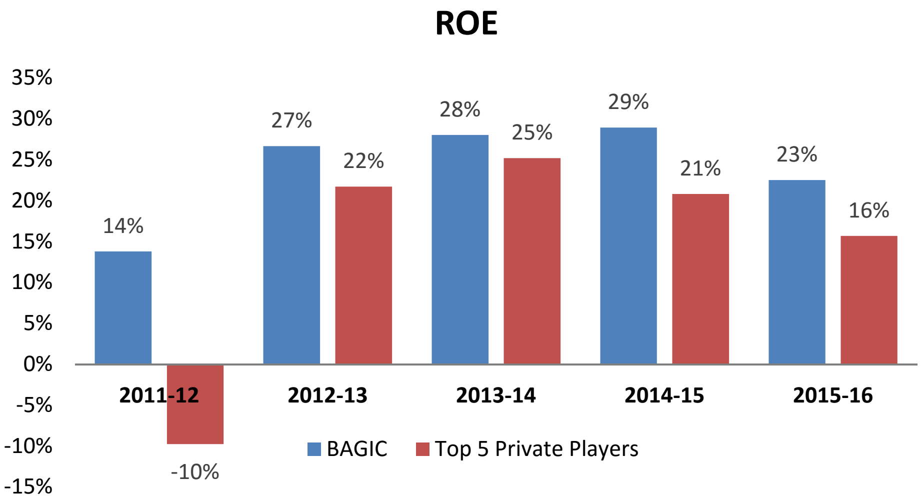
- Trend-setter in the industry for cash-less claims. First to insource health insurance administration.
- Geographic expansion through unique models like virtual points of sale, All women branches etc

Multi Channel Distribution

- Multi-channel distribution with pan India presence.
- Over 8.3 Mn policies in FY16

General Insurance – Overview



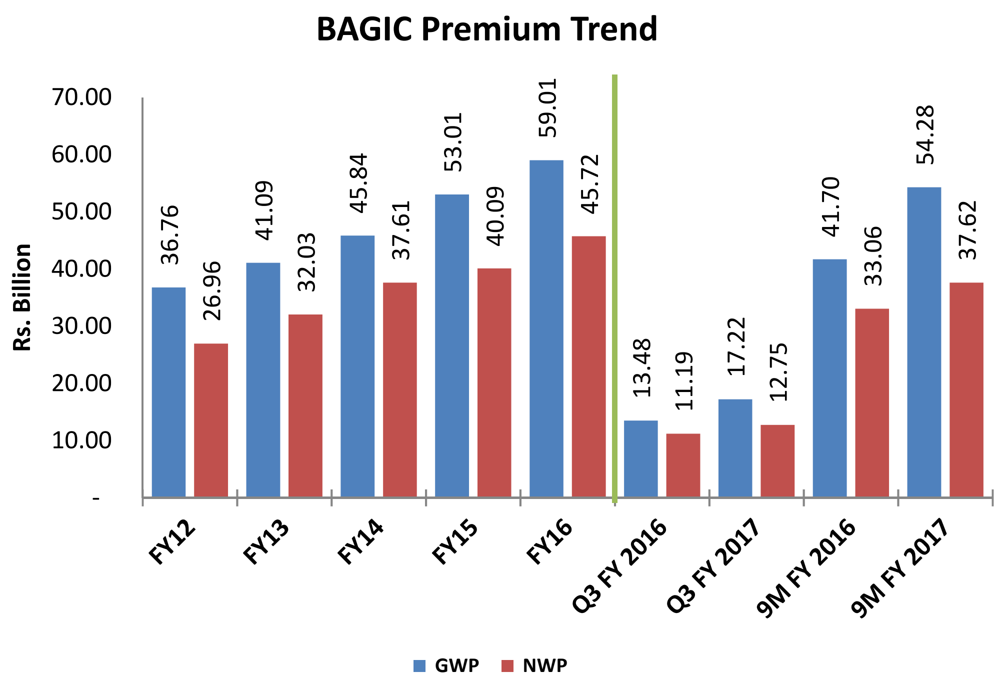


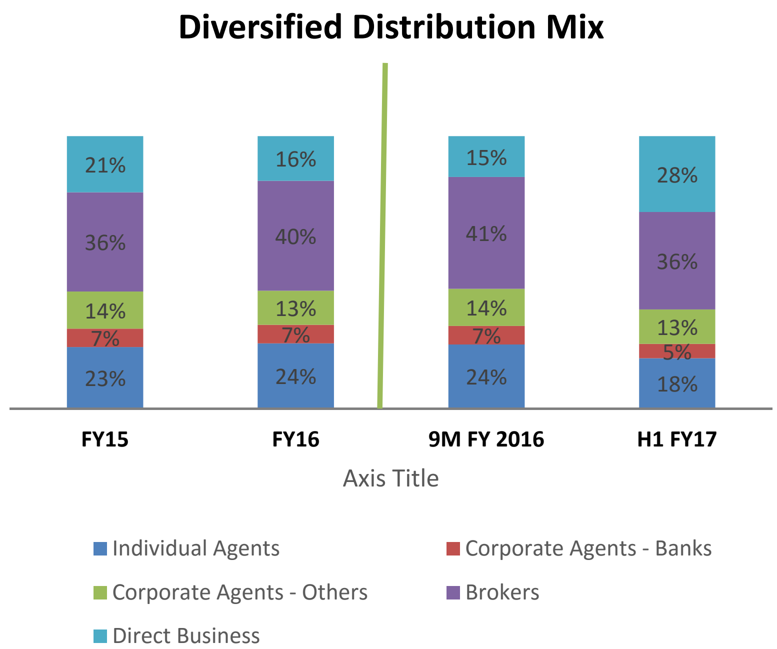
- Industry leading combined ratios on a sustained basis

- Consistently delivered industry beating ROEs

Based on internal workings using publicly available data.
Top 5 Private players refers to top 5 non specialized private players by GDPI as of FY16 (includes BAGIC).
Combined ratio ex Motor Third Party Pool for BAGIC from FY12 to FY14 were 93.8%, 89.4% and 94.2% respectively

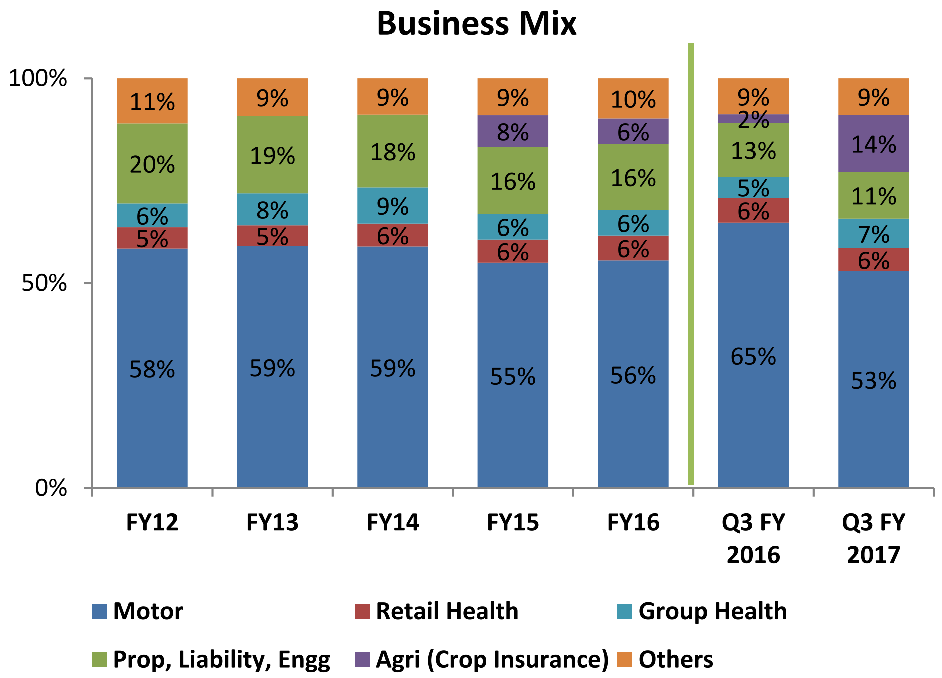
Premium update

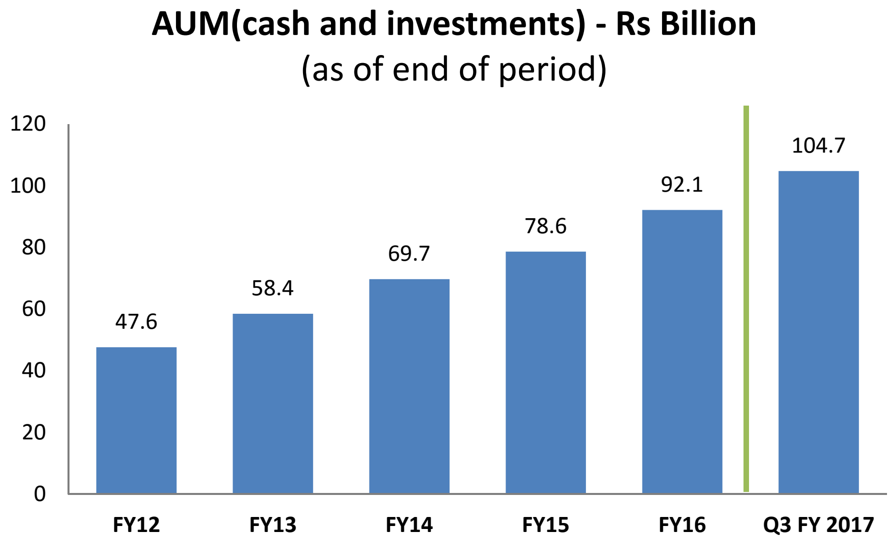




- **BAGIC has consistently been among the top 2 insurers in terms of GWP.**
- **BAGIC has one of the most diversified distribution channels in the industry with a combination of direct and intermediated channels.**
- **Strong growth in GWP for Q3 at 28%**

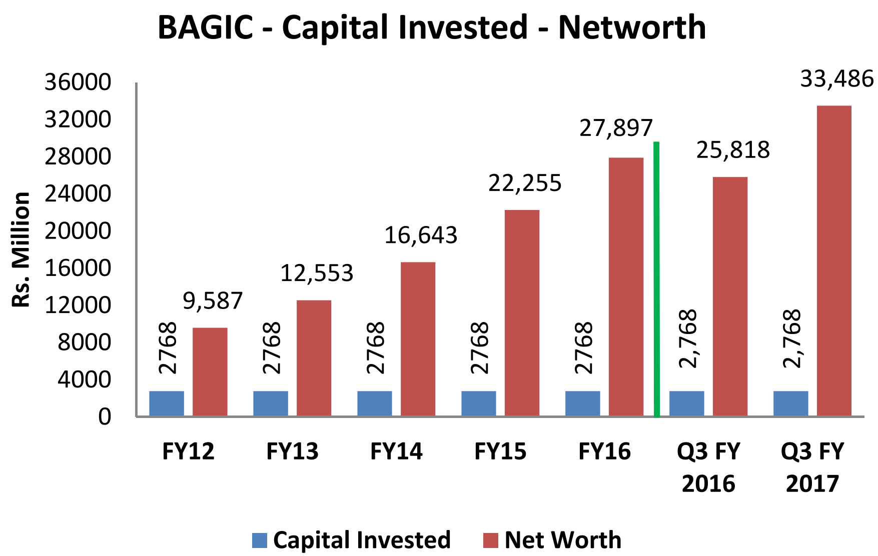
Business mix and AUM growth

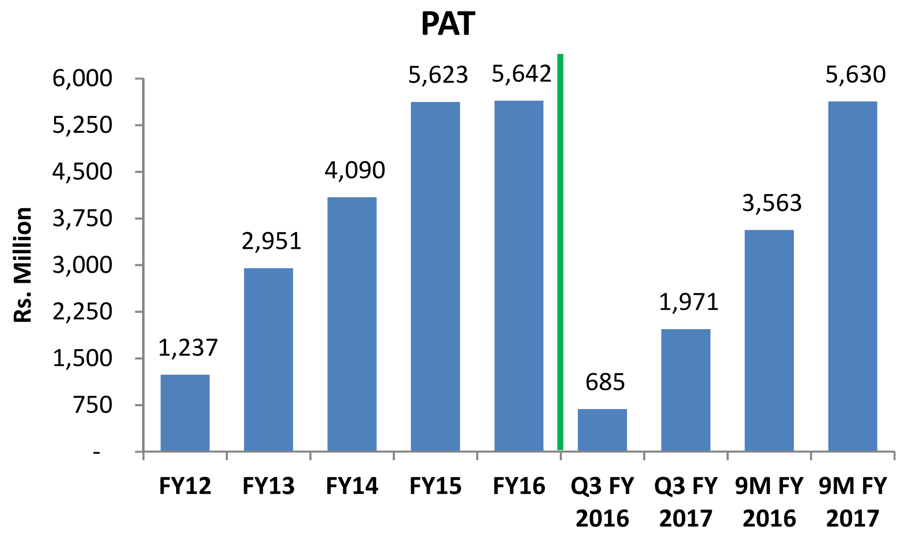




- **During Q3 FY 2017 the company has written crop insurance of Rs 2401 Mn against Rs 277 Mn in Q3 FY 2016**
- **AUM crossed Rs 100 Bn in FY 17**
- **AUM is 3.1 times the Net Worth as at 31st December 2016**

Capital efficiency and PAT trend





- **BAGIC's Net worth is over 10x the capital infused**
- **It is one of most profitable private sector insurers with highest ROEs amongst the top companies in the industry**

Bajaj Allianz General – Q3 highlights

All Figures in Rs Million

Performance Highlights of Q3 FY2017 over Q3 FY2016

	Gross Written Premium	Net Earned Premium	Profit After Tax	ROE (Not Annualized)
CY	17,216	12,588	1,971	6.1%
Growth	28%	21%	190%	
PY	13,484	10,373	685	2.7%

	Combined Ratio	Claim Ratio
CY	99.6%	70.8%
PY	108.7%	77.3%

Solvency Ratio was 258% as against regulatory requirement of 150% as of 31st December 2016

Bajaj Allianz Life Insurance

Life Insurance - Overview

STRATEGY

- Grow regular premium
- Diversified distribution channels with an emphasis on individual agents
- Maintain a sustainable product mix
- Maintain leadership amongst private companies in the financial inclusion segment

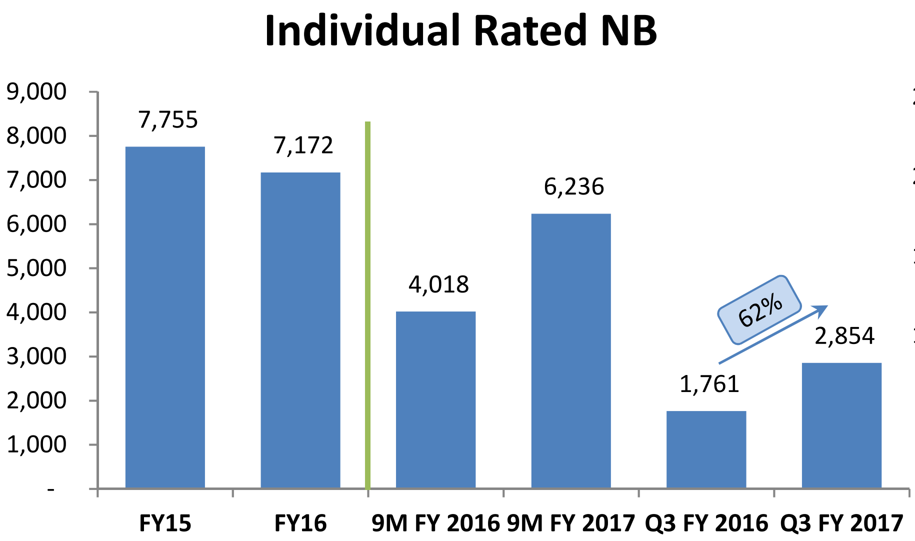
Life Insurance - Overview

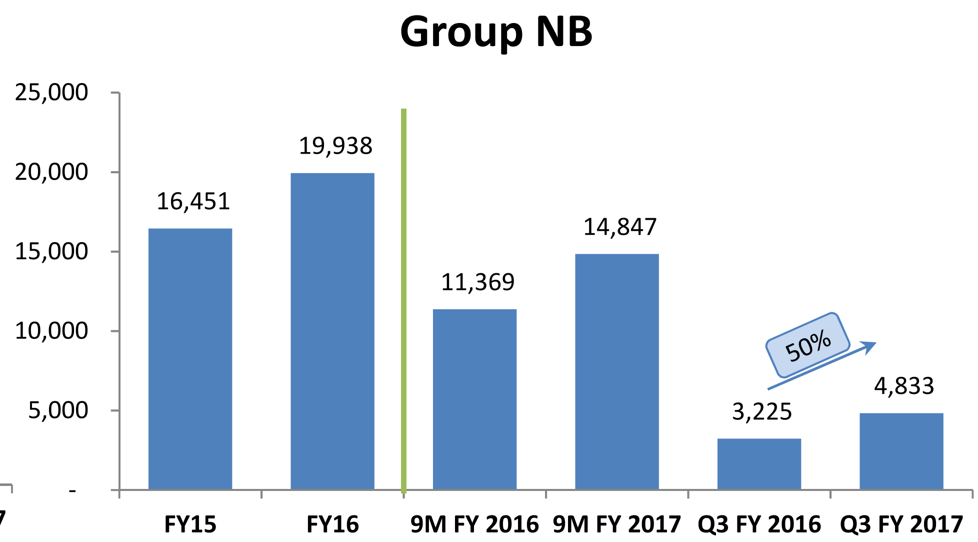
DIFFERENTIATORS

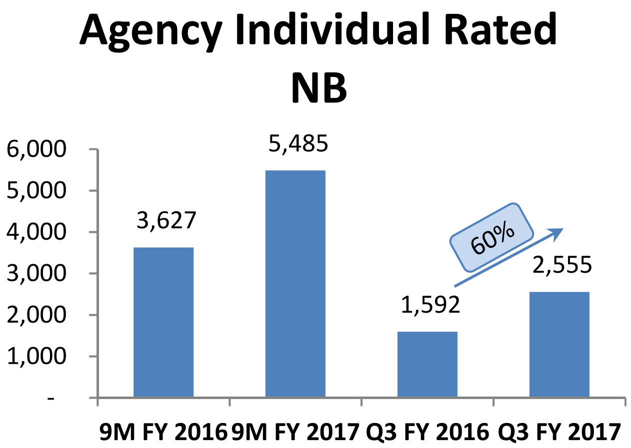
Large Proprietary Agency Force	❑ Deep pan India distribution presence ❑ Focus on improving efficiency and productivity of agency channel
Financial Inclusion	❑ BALIC leads the private sector, with about 40% share of lives covered in group schemes (FY16) ❑ Well entrenched participant in rural markets through partnerships with Rural banks, MFIs, SFBs etc.
Sustainable Model	❑ Higher mix of ULIP in top tier markets, higher mix of traditional in lower tier markets

New business update

All Figures in Rs Million

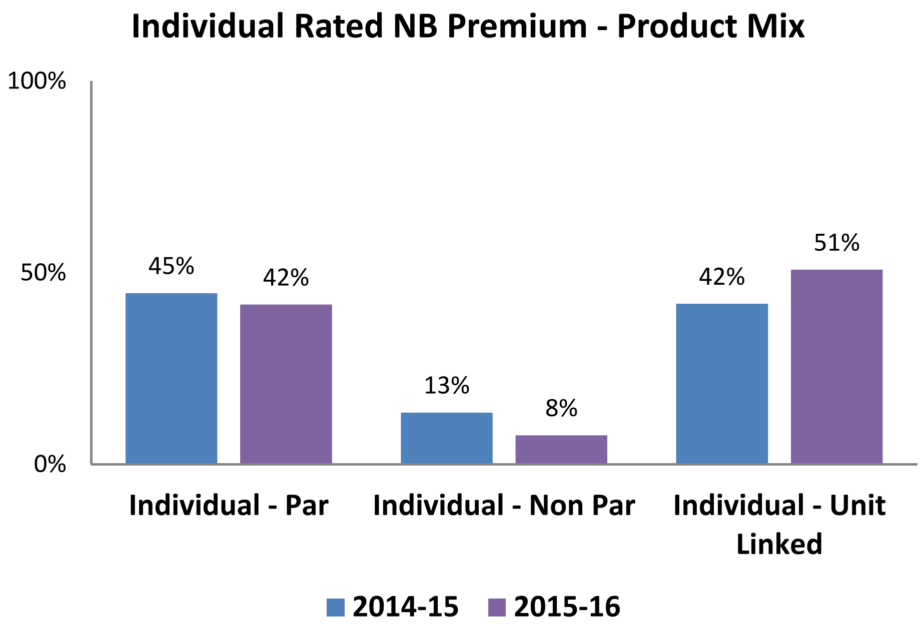


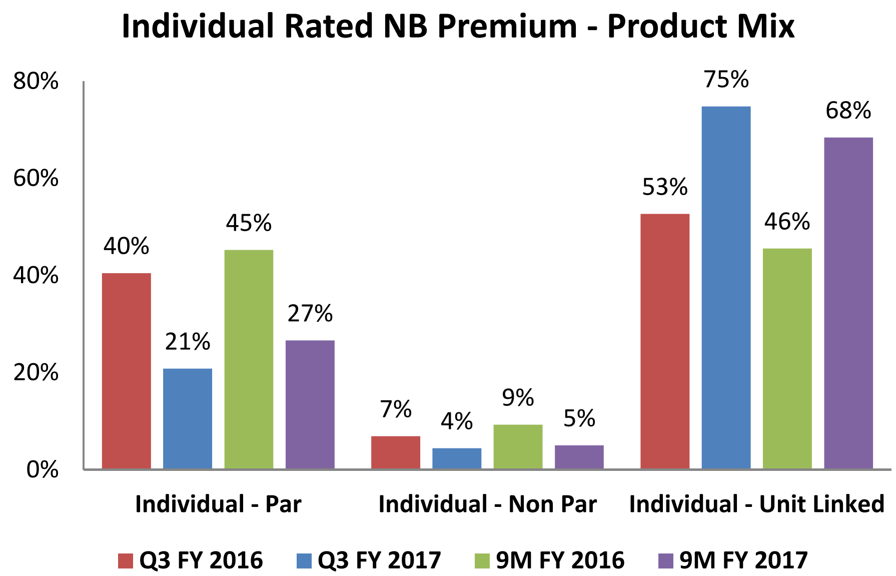




- **BALIC's focus is to grow regular premium which is reflected in individual rated premium**
- **BALIC's Individual Rated New Business has grown 62% in Q3 FY17 and 55% in 9M FY 17 over Q3 FY16 & 9M FY 16 respectively**
- **Agency channel's Individual Rated New Business is up 60% in Q3 FY17 over Q3 FY16. Changes effected in agency over last 2 years have started to pay off.**

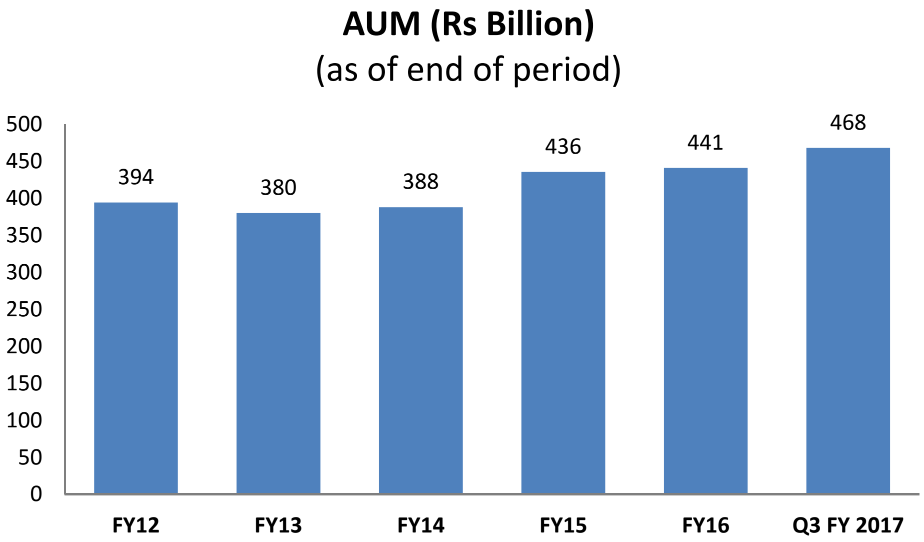
Diversified product mix

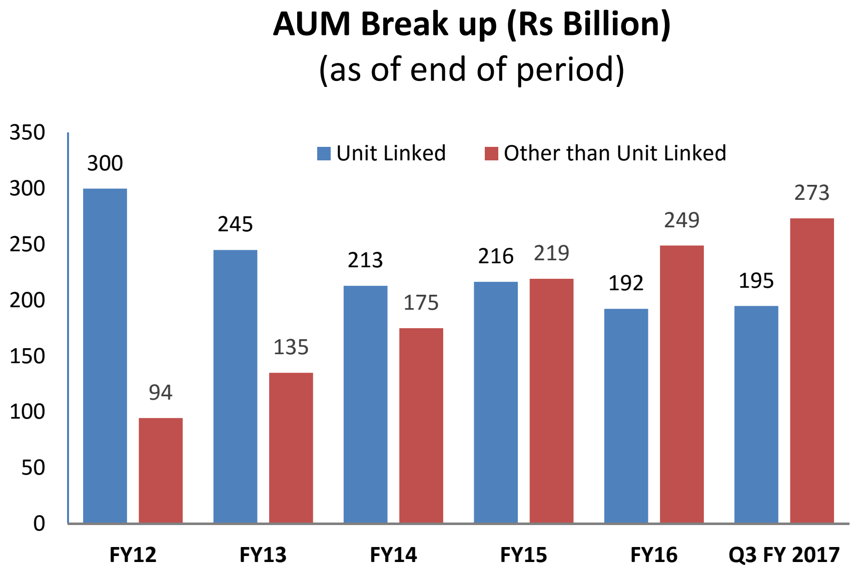




- **Individual Rated NB product mix is well diversified across par, non par and UL**
- **Group Business : Group Fund business in Q3 FY 17 was Rs 2,827 Mn (Q3 FY 16 Rs 1,207 Mn) and 9M FY 17 Rs 8,574 Mn (9M FY 16 Rs 6,019 Mn). In 9M FY 17 Group Fund business was 40% of New Business (PY 36%)**

Assets Under Management are significant

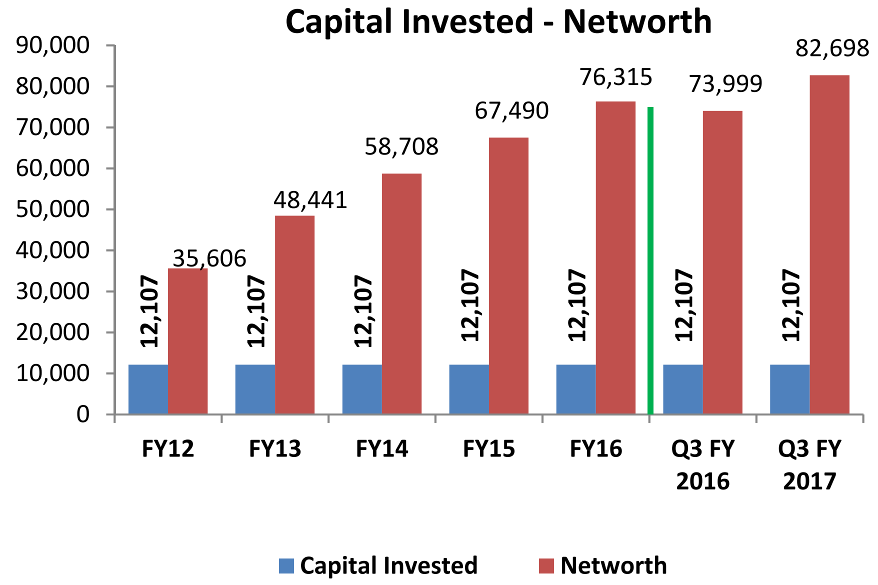




- **Of the UL Funds of Rs 195 Billion, 63% is equity funds as at 31st December 2016**

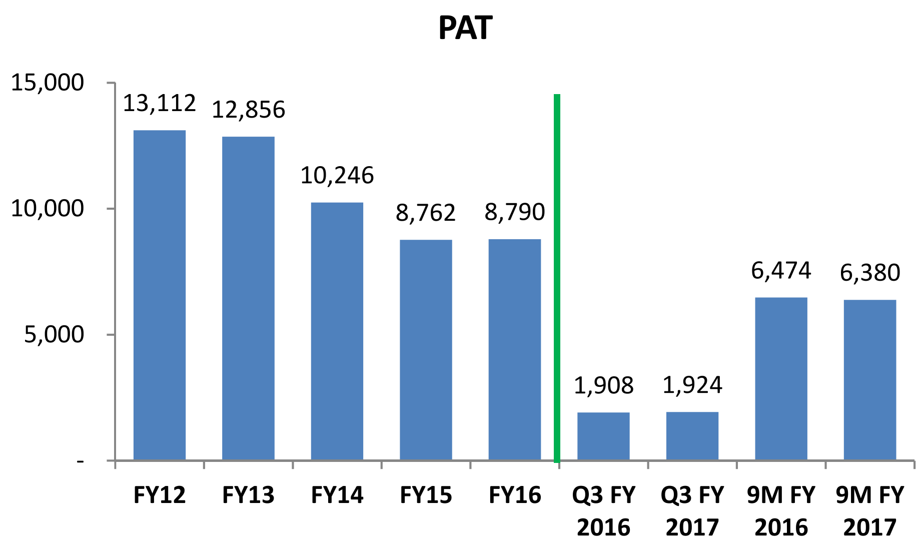
Capital efficiency and PAT

All Figures in Rs Million



BALIC's Networth is 6.8 times the Capital infused.

No Capital infused after FY08



Includes net Transfer from Policyholders' account to P&L – Rs 299 Mn in Q3 FY17 (Q3 FY16 Rs 414 Mn).

Bajaj Allianz Life – Q3 highlights

All Figures in Rs Million

Performance Highlights of Q3 FY2017 over Q3 FY2016

	Individual Rated NB	Group NB	Renewal Premium	Gross Written Premium
CY	2,854	4,833	7,026	14,847
	62%	50%	2%	21%
PY	1,761	3,225	6,867	12,252

	PAT	Solvency Ratio as on 31st December 2016	AUM
CY	1,924	771%	468,057
	1%		8%
PY	1,908		433,614

Bajaj Finance Limited

Standalone

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

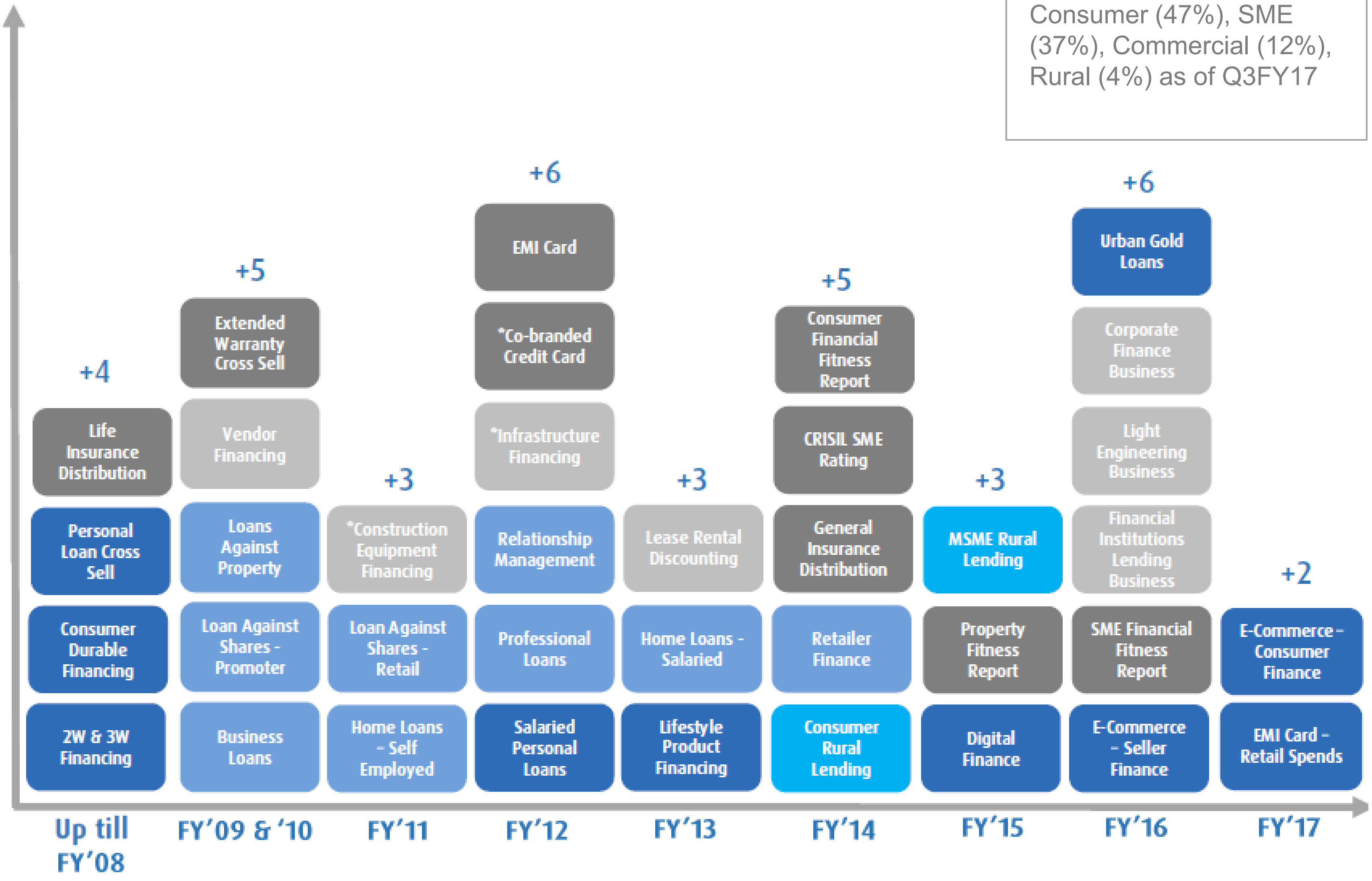
Bajaj Finance – Overview

DIFFERENTIATORS

- Strong brand equity of Bajaj group
- Focus on mass affluent and above customers
- Strong focus on cross-sell covering assets, insurance & wealth products
- Diversified lending strategy
- Highly agile and innovative
- Deep investment in technology and analytics

Bajaj Finance – Business / Product Launch Journey

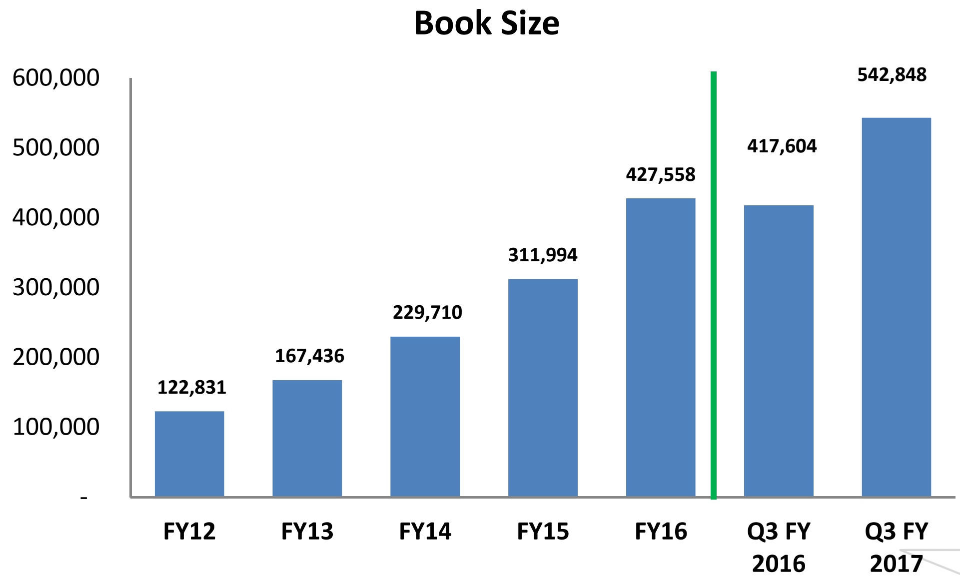
AUM mix:
Consumer (47%), SME (37%), Commercial (12%), Rural (4%) as of Q3FY17

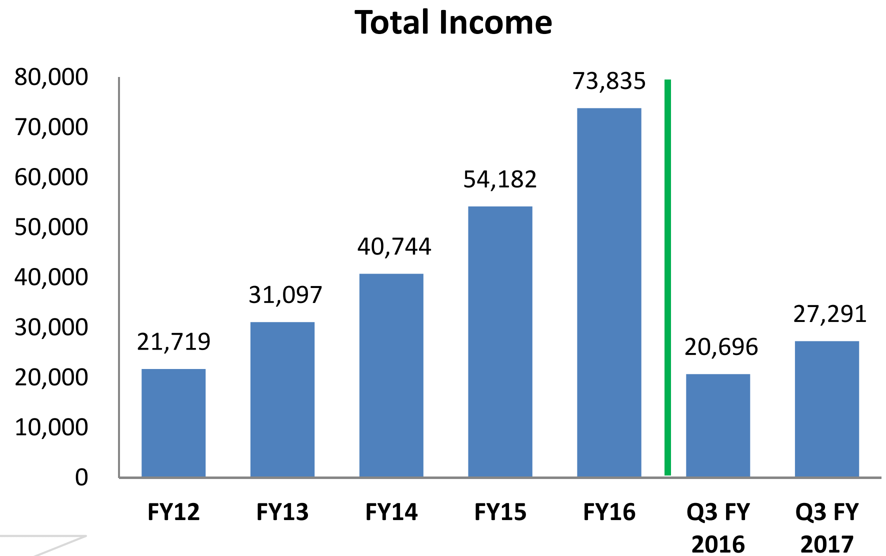


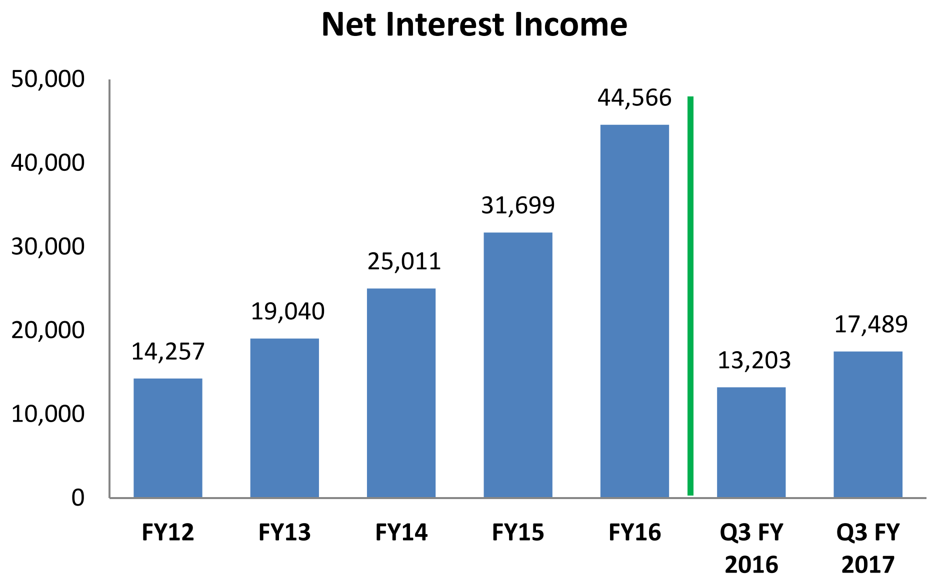
Bajaj Finance has clocked healthy growth in revenues

BAJAJ FINSERV

All Figures in Rs Million

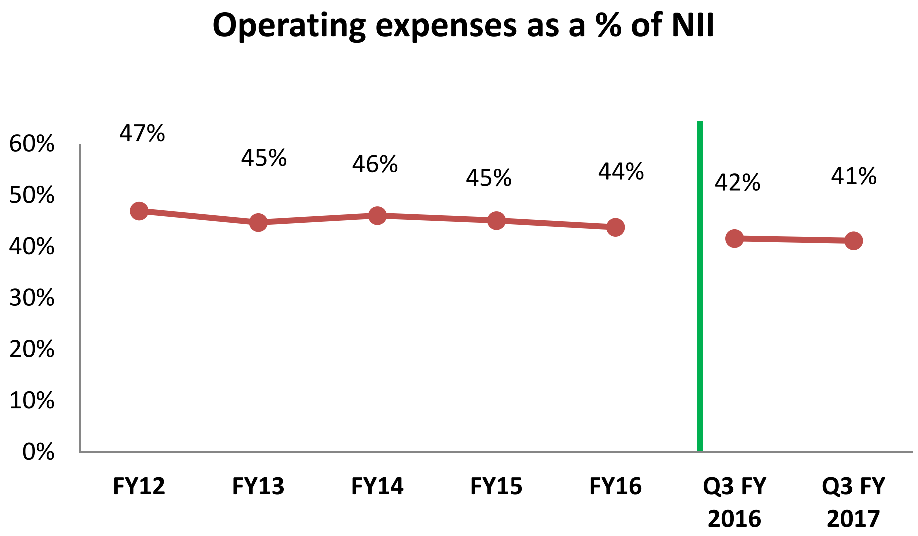


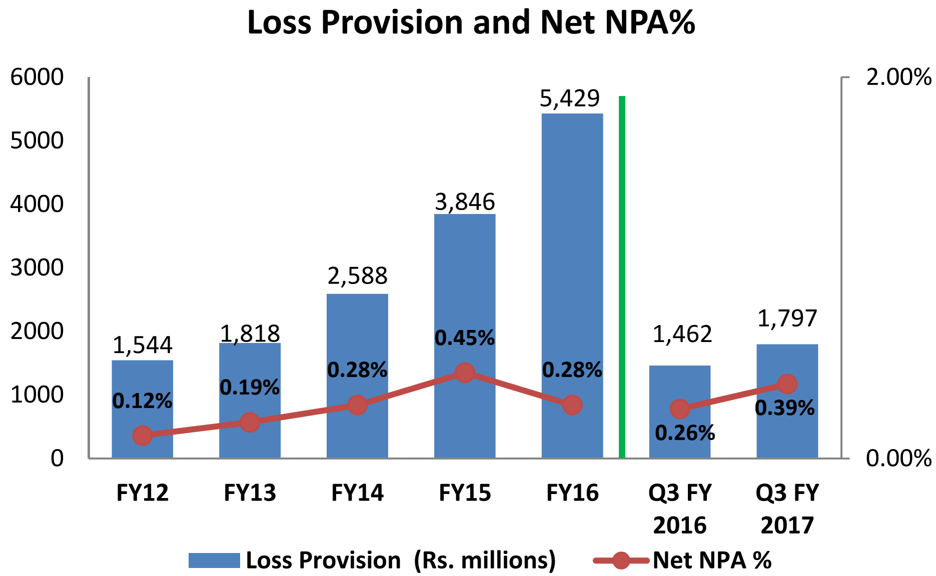


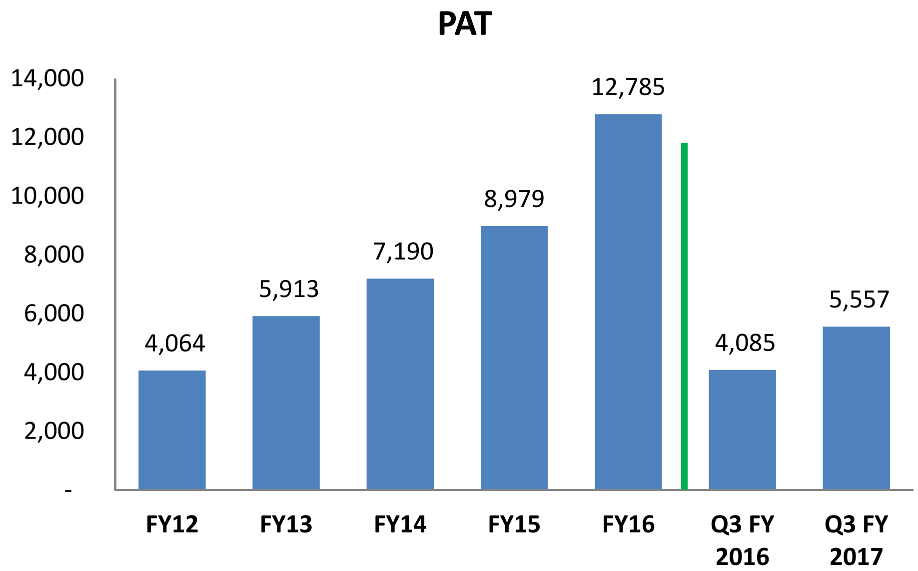


Quality of assets is good, and operating costs remain under control

All Figures in Rs Million







Bajaj Finance – Q3 highlights

All Figures in Rs Million

Performance Highlights of Q3 FY2017 over Q3 FY2016

	Book Size	Total Income	Profit After Tax
CY	542,848	27,291	5,557
Growth	30%	32%	36%
PY	417,604	20,696	4,085

	Return on Assets (Non-annualized)	ROE (Non-annualized)
CY	1.1%	6.4%
PY	1.0%	5.8%

- Borrowing mix is not excessively dependent on banks (37:63 mix between banks and other sources as of 31st December 2016).
- Capital Adequacy stands at 21.26% as of 31st December 2016

Thank You