



Bajaj Finserv Limited

Investor Presentation – Q1 FY17

Disclaimer

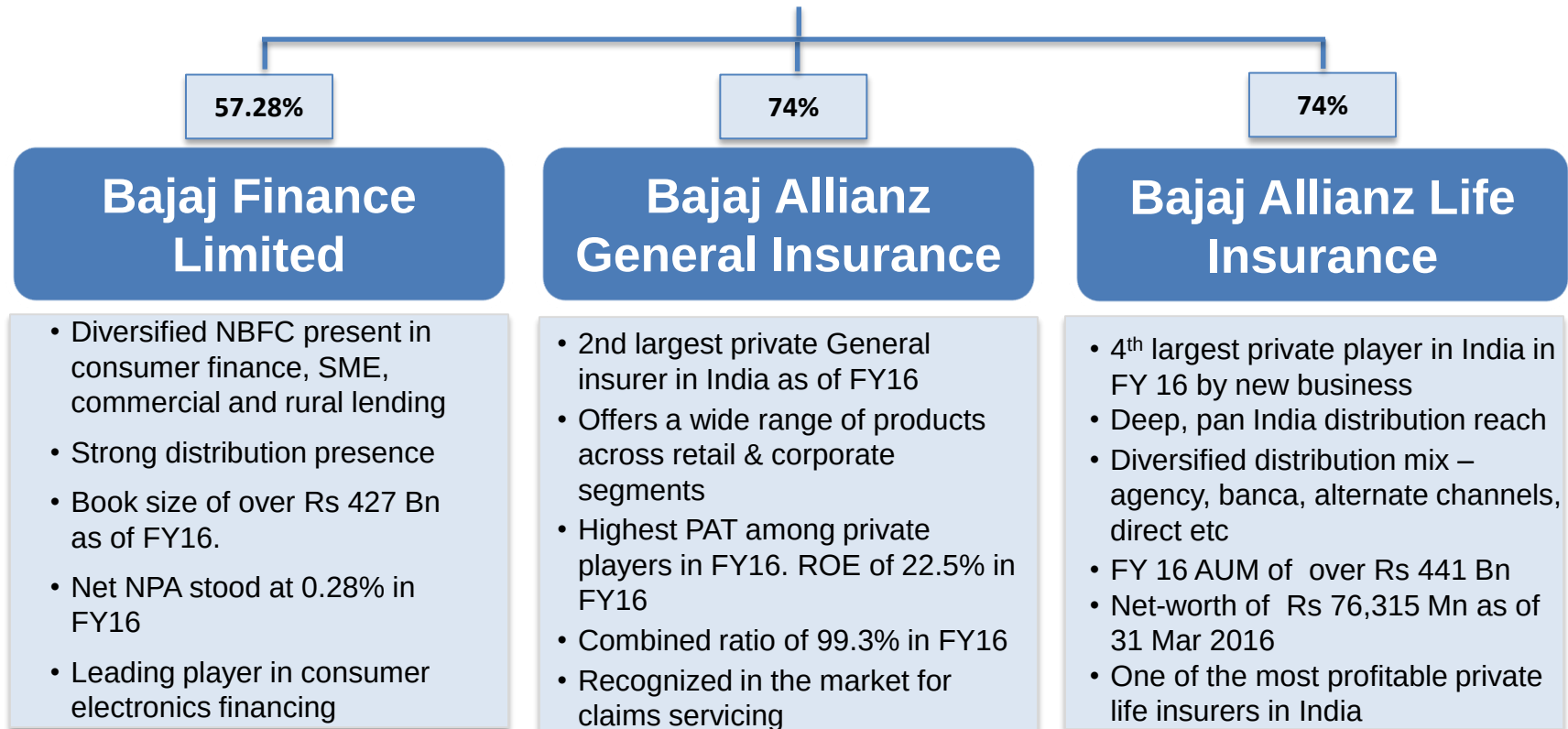


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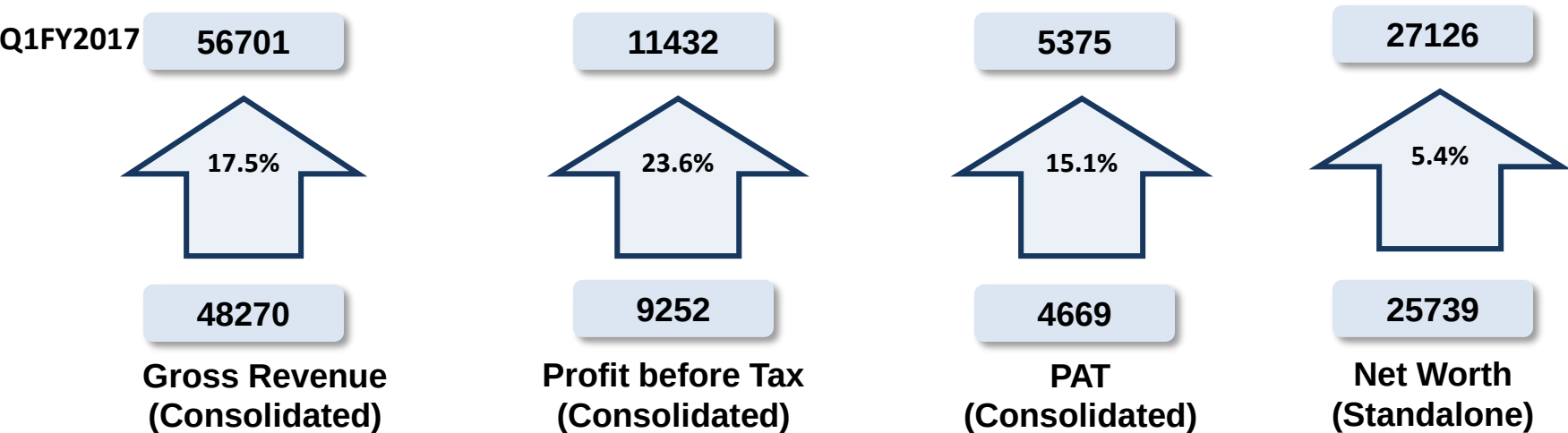
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- Bajaj group has a long track record of building large scale, profitable businesses
- Bajaj Finserv is a diversified group spanning life insurance, general insurance, and lending, with a pan India presence.
- Bajaj Finserv is also a listed opportunity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

All Figures in Rs Million

Performance Highlights of Q1 FY 2017 over Q1 FY2016

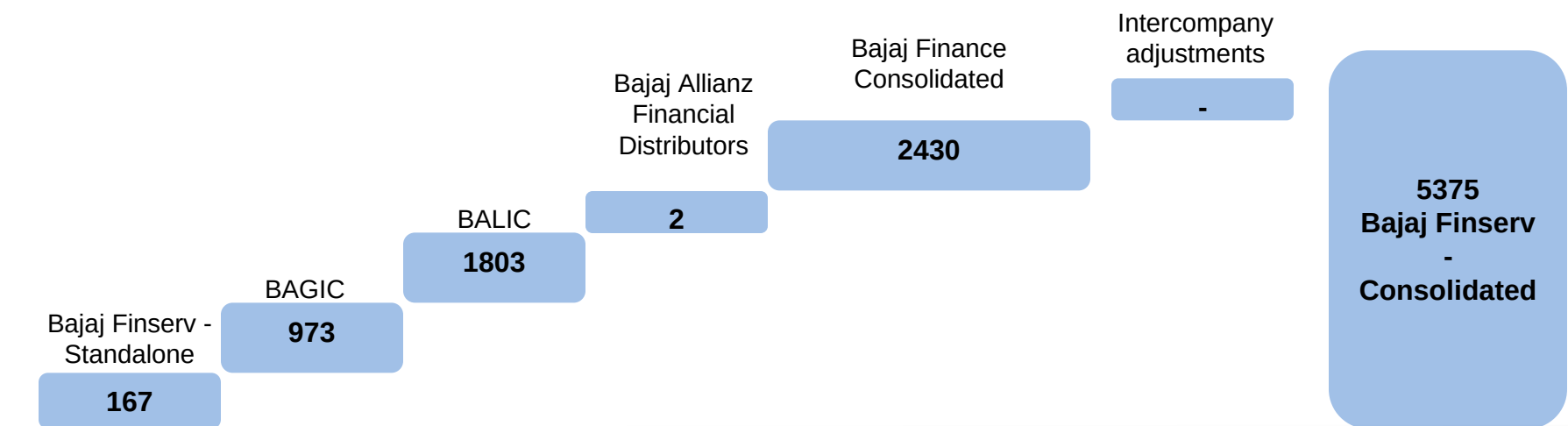


- Bajaj Finserv Standalone : Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds stood at Rs. 8087 million as on June 30, 2016.
- Consolidated Net Worth stood at Rs. 139300 million and Consolidated Book Value Per Share at Rs. 875.

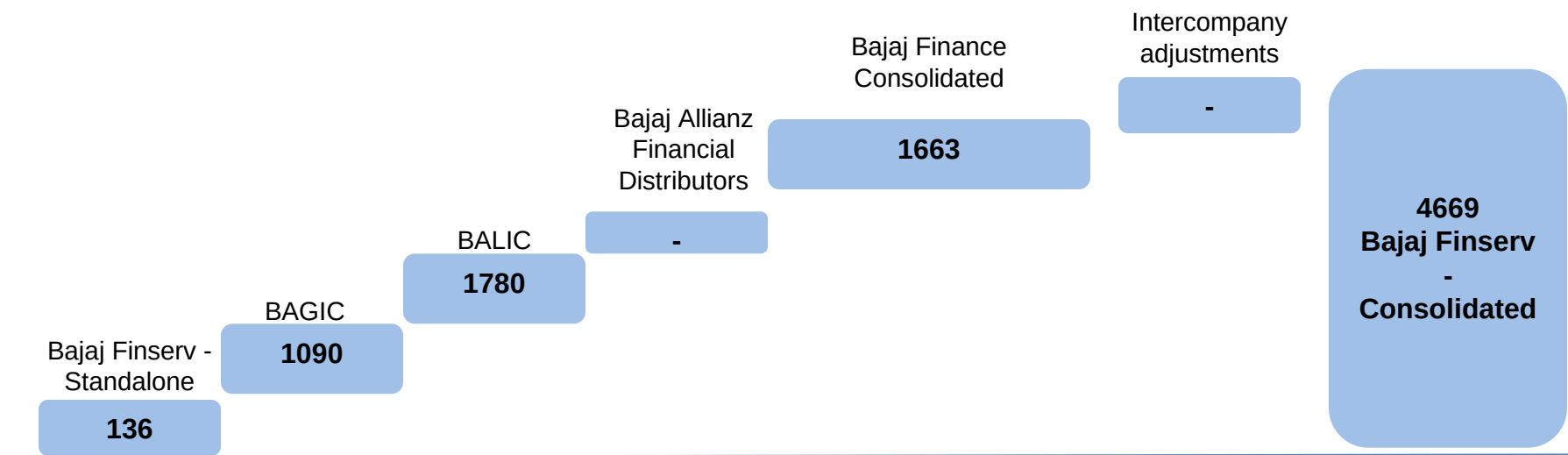
Consolidated profit components

All Figures in Rs Million

Consolidated profit components for Q1 FY2017



Consolidated profit components for Q1 FY2016





Bajaj Allianz General Insurance

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**

DIFFERENTIATORS

Strong focus on Underwriting

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

Sustained Innovation

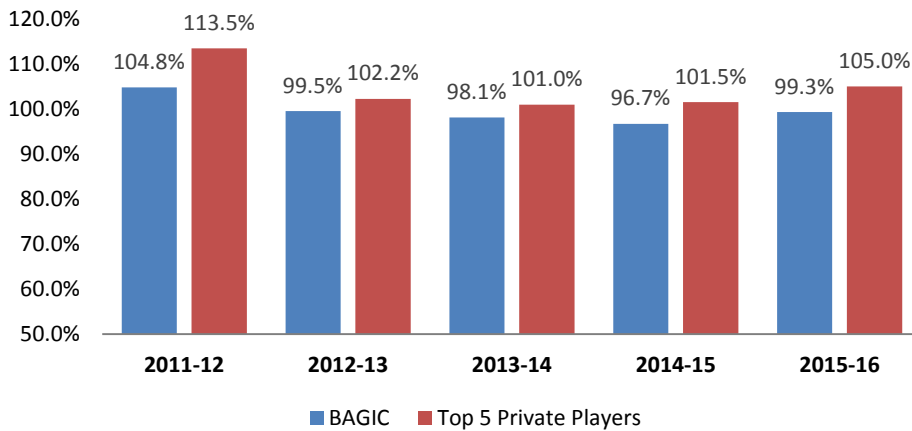
- ❑ Trend-setter in the industry for cash-less claims. First to insource health insurance administration.
- ❑ Geographic expansion through unique models like virtual points of sale, All women branches etc

Multi Channel Distribution

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

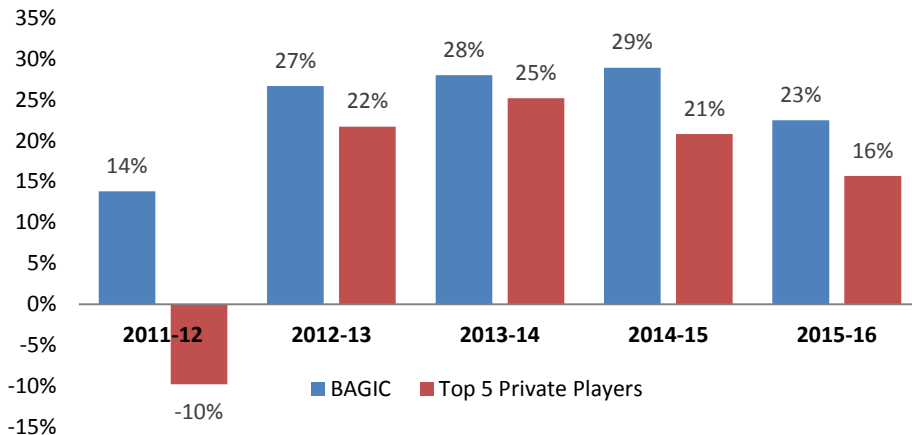
General Insurance – Overview

Combined Ratio
(incl Motor Pool losses)



☐ **Industry leading combined ratios on a sustained basis**

ROE



☐ **Consistently industry beating ROEs**

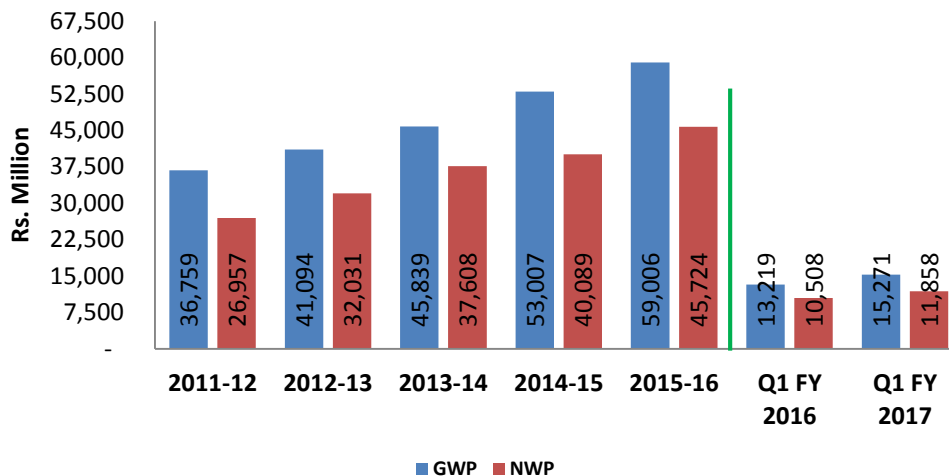
Based on internal workings using publicly available data.

Top 5 Private players refers to top 5 non specialized private players by GDPI as of FY16 (includes BAGIC).

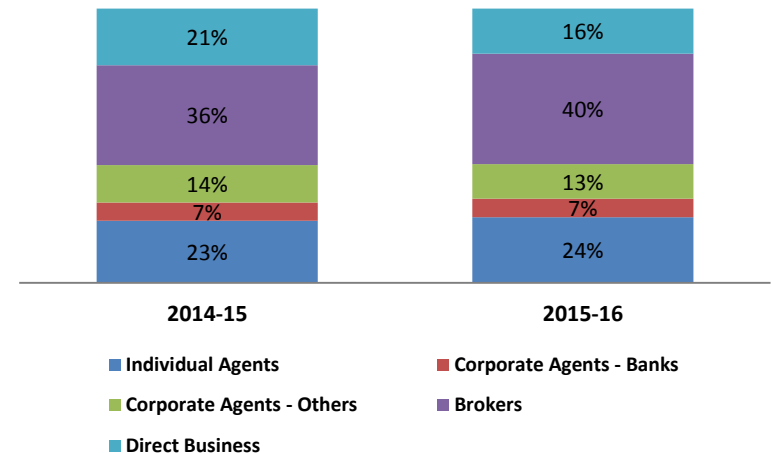
Combined ratio ex Motor Third Party Pool for BAGIC from FY12 to FY14 were 93.8%, 89.4% and 94.2% respectively

Premium update

BAGIC Premium Trend



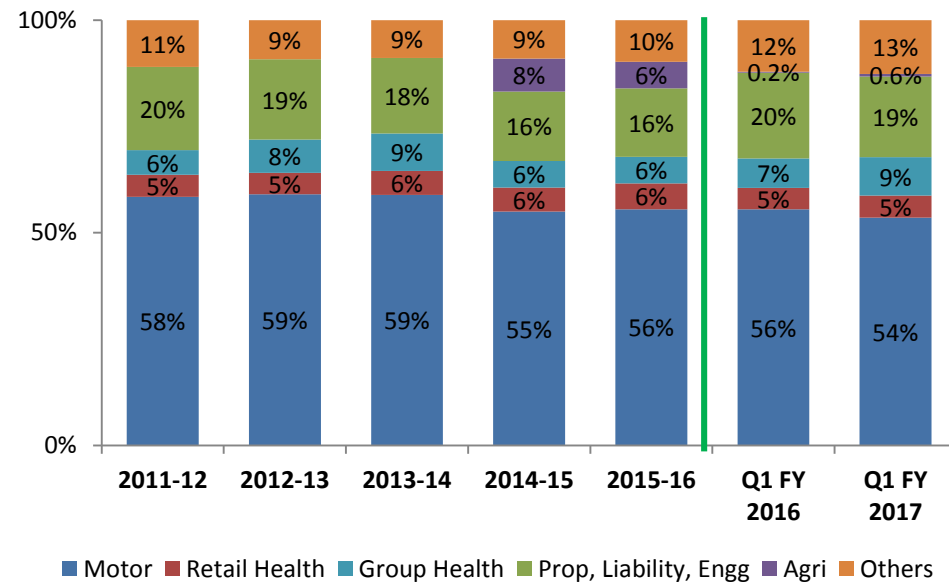
Diversified Distribution Mix



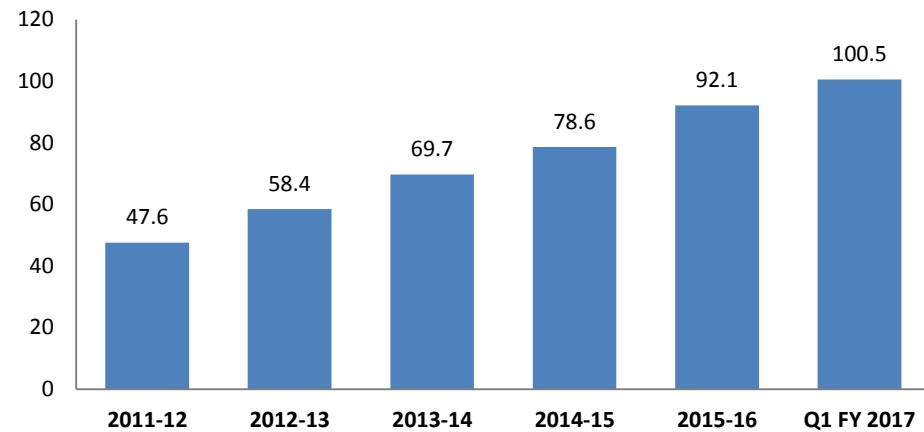
- **BAGIC is the #2 among private players**
- **BAGIC has one of the most diversified distribution channels in the industry with a combination of direct and intermediated channels.**
- **Q1 FY 2017 growth in GWP of 16% compared to the corresponding period last year.**

Business mix and AUM growth

Business Mix



AUM(cash and investments) - Rs Billion
(as of end of period)

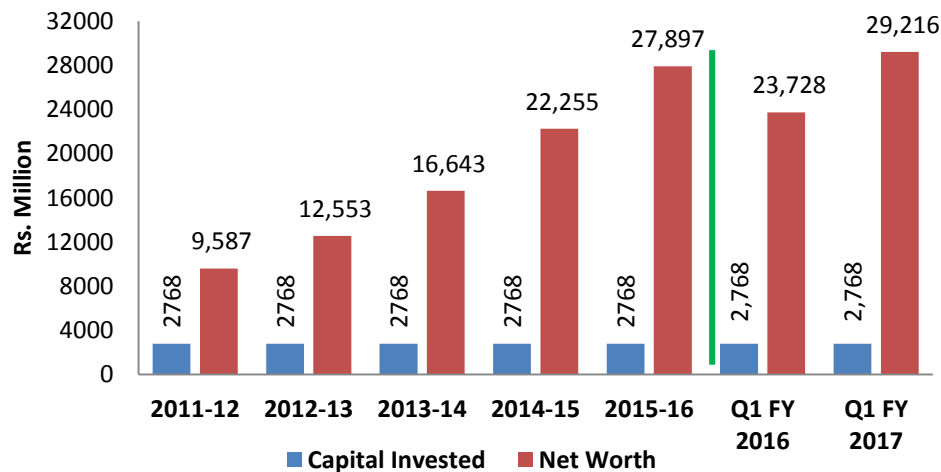


- **AUM crossed Rs 100 Bn in Q1 FY 17.**
- **AUM is 3.4 times the Net Worth as at 30th June 2016**

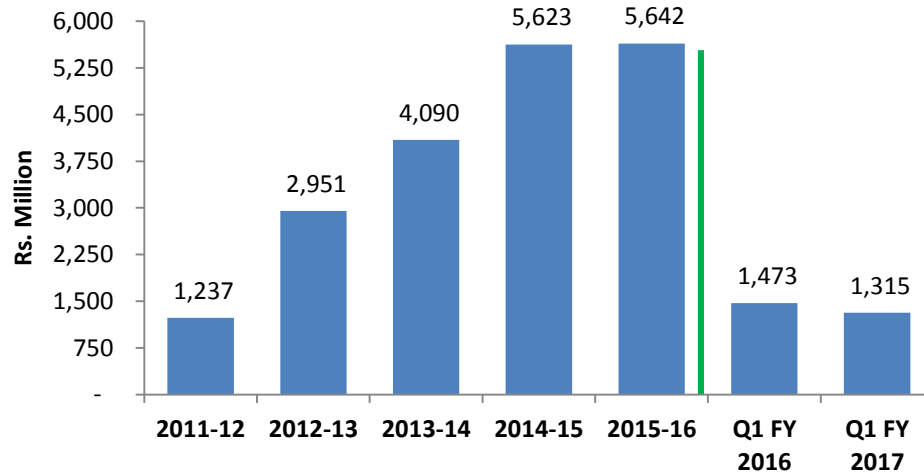
Capital efficiency and PAT trend

All Figures in Rs Million

BAGIC - Capital Invested - Networth



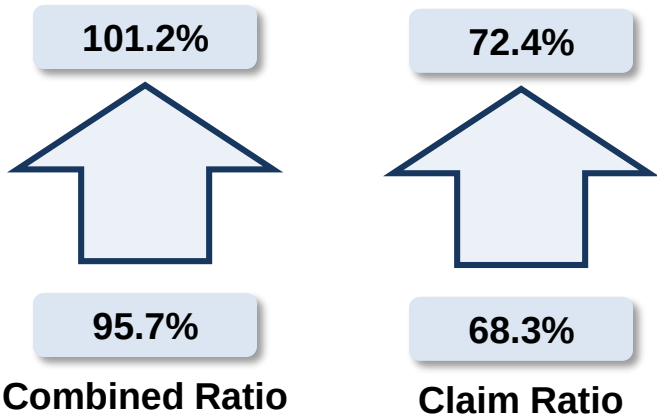
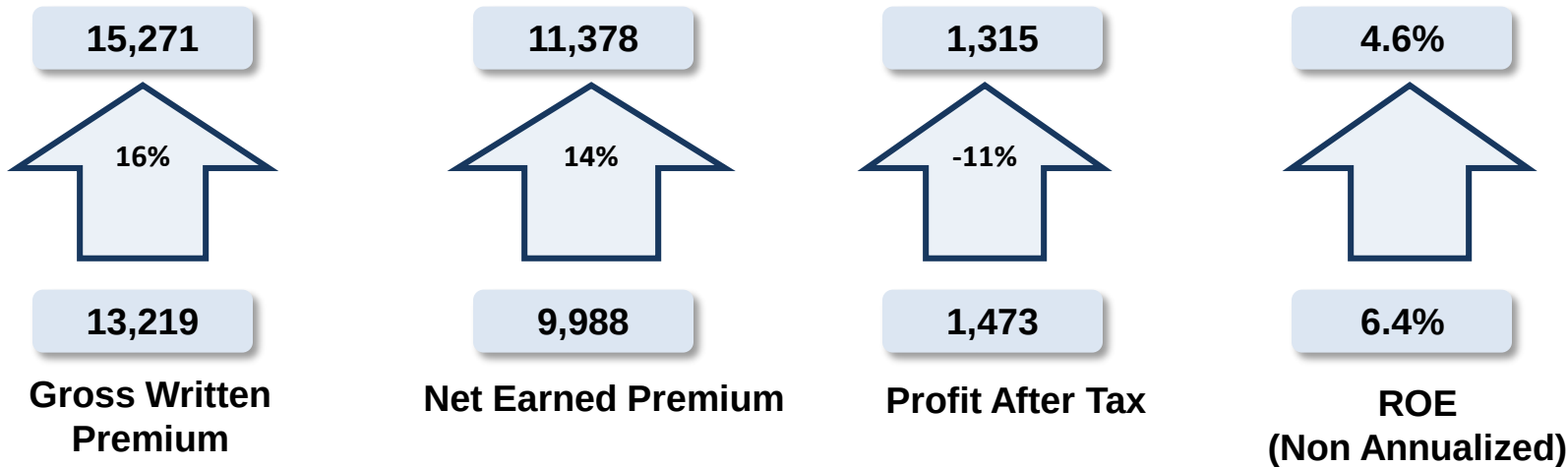
PAT



- **BAGIC's Net worth is over 10x the capital infused**
- **It is one of most profitable private sector insurers with high ROEs**

All Figures in Rs Million

Performance Highlights of Q1 FY2017 over Q1 FY2016



Solvency Ratio was 254% as against regulatory requirement of 150% as of 30th June 2016



Bajaj Allianz Life Insurance

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

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.

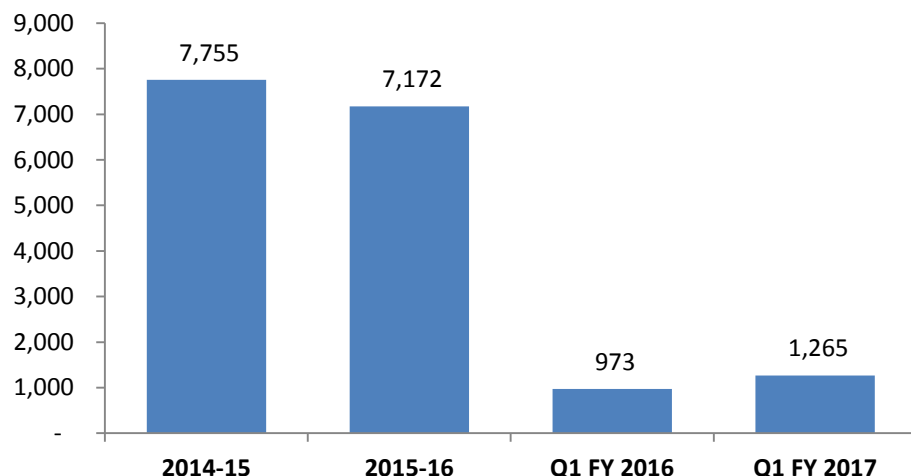
Sustainable Model

- ❑ Higher mix of ULIP in top tier markets, higher mix of traditional in lower tier markets

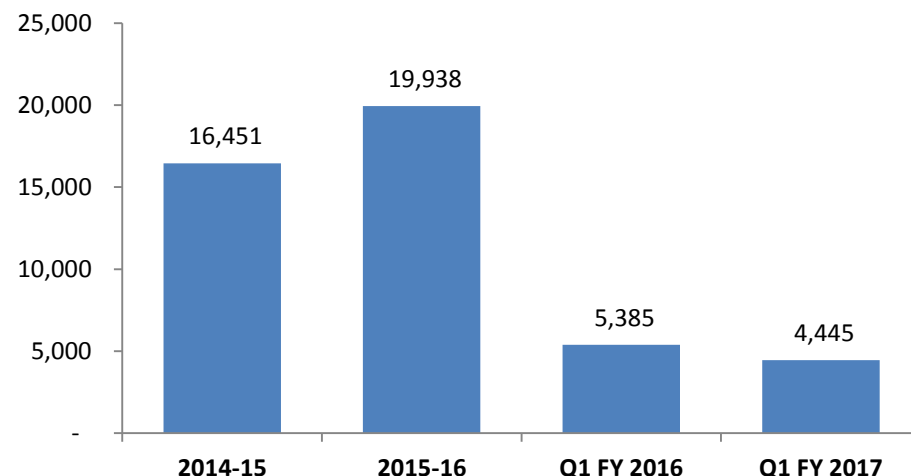
New business update

All Figures in Rs Million

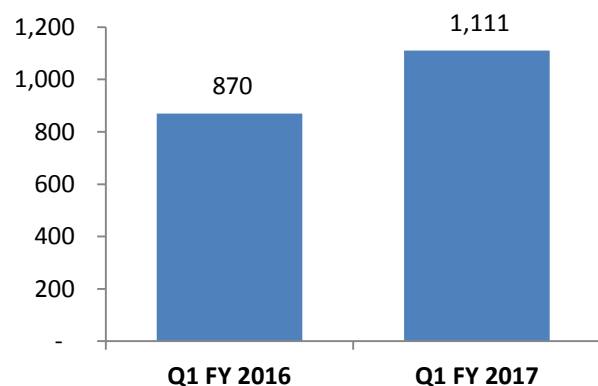
Individual Rated NB



Group NB

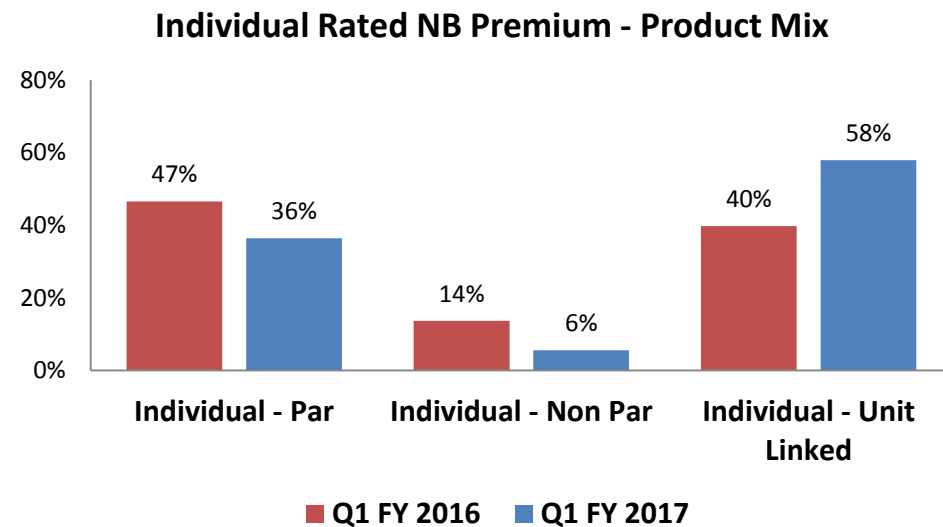
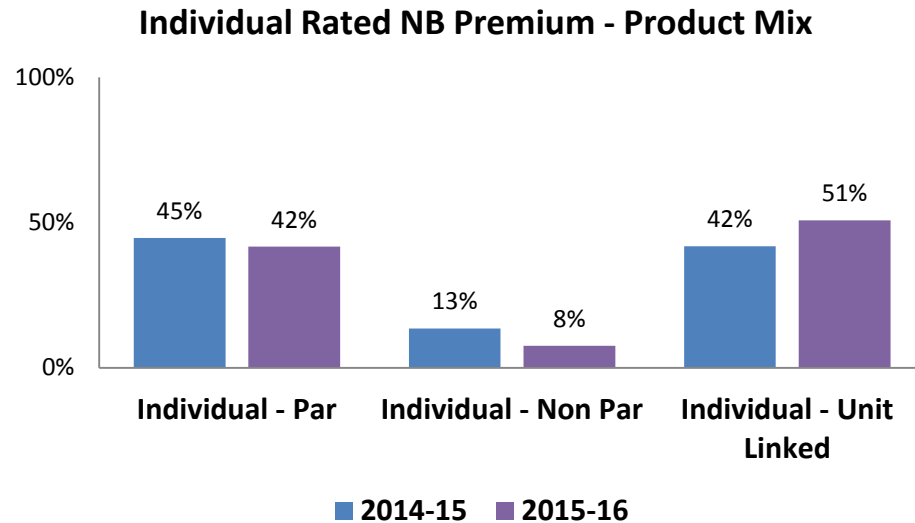


Agency – Individual Rated NB



- **BALIC's focus is to grow regular premium which is reflected in individual rated premium**
- **BALIC's Individual Rated New Business has grown 30% in Q1 FY17 over Q1 FY16**
- **Agency channel's Individual Rated New Business is up 28% in Q1 FY17 over Q1 FY16. Changes effected in agency over last 2 years are starting to pay off.**

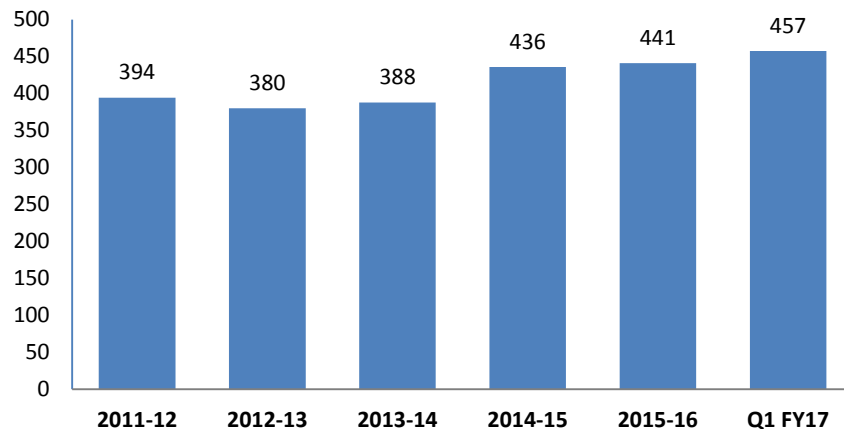
Diversified product mix



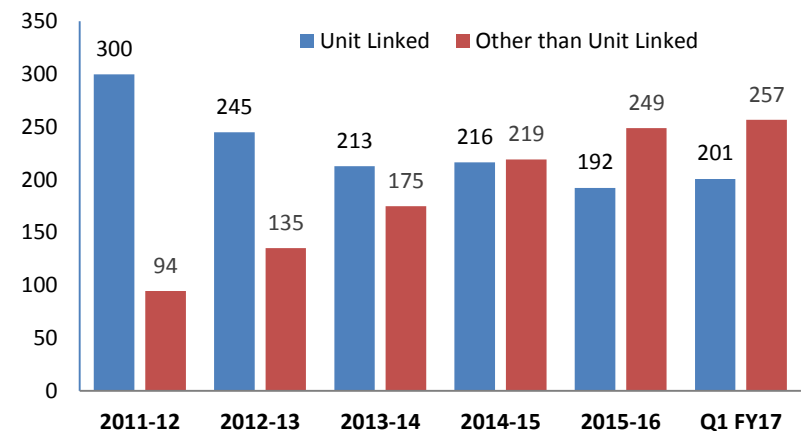
- Individual Rated NB product mix is well diversified across par, non par and UL
- Group Business Product Mix: Group Fund to Total Group New Business stood at 51% in Q1FY17 (70% in Q1 FY16, and 54% in FY16)

Assets Under Management are significant

AUM (Rs Billion)
(as of end of period)



AUM (Rs Billion)
(as of end of period)

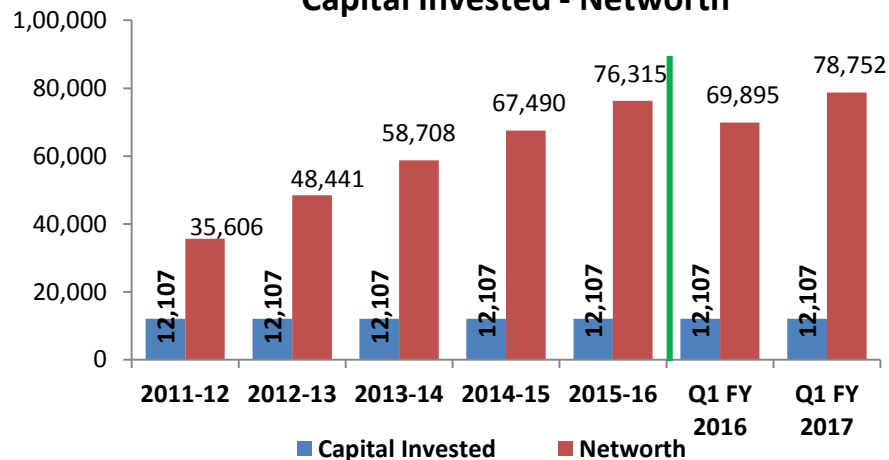


- Of the UL Funds of Rs 201 Billion, 66% is equity funds as at 30th June 2016

Capital efficiency and PAT

All Figures in Rs Million

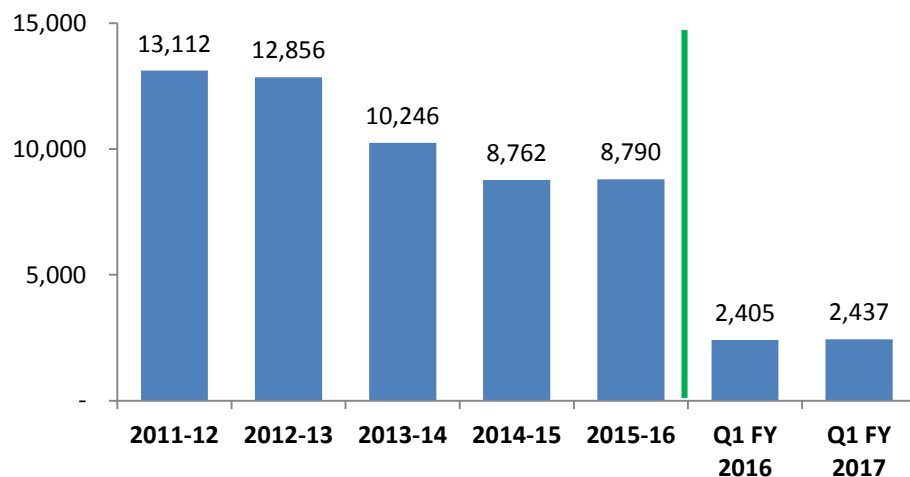
Capital Invested - Networth



BALIC's Networth is 6.5 times the Capital infused.

No Capital infused after FY08

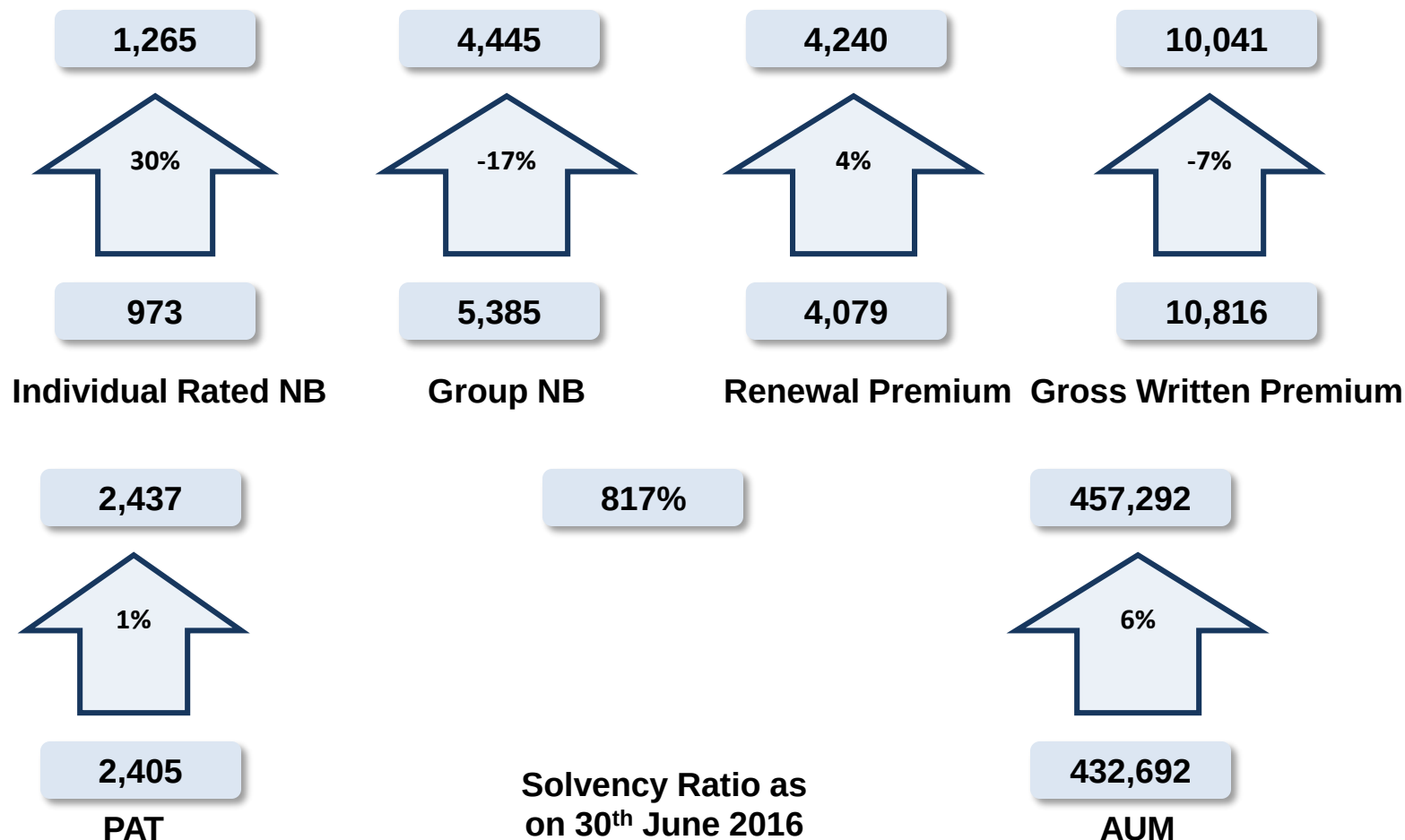
PAT



Includes net Transfer from Policyholders' account to P&L – Rs 745 Mn in Q1 FY17 (Q1 FY16 Rs 872 Mn).

All Figures in Rs Million

Performance Highlights of Q1 FY2017 over Q1 FY2016





Bajaj Finance Limited #

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**

DIFFERENTIATORS

Strong brand equity of Bajaj group

Strong focus on cross-sell covering assets, insurance & wealth products

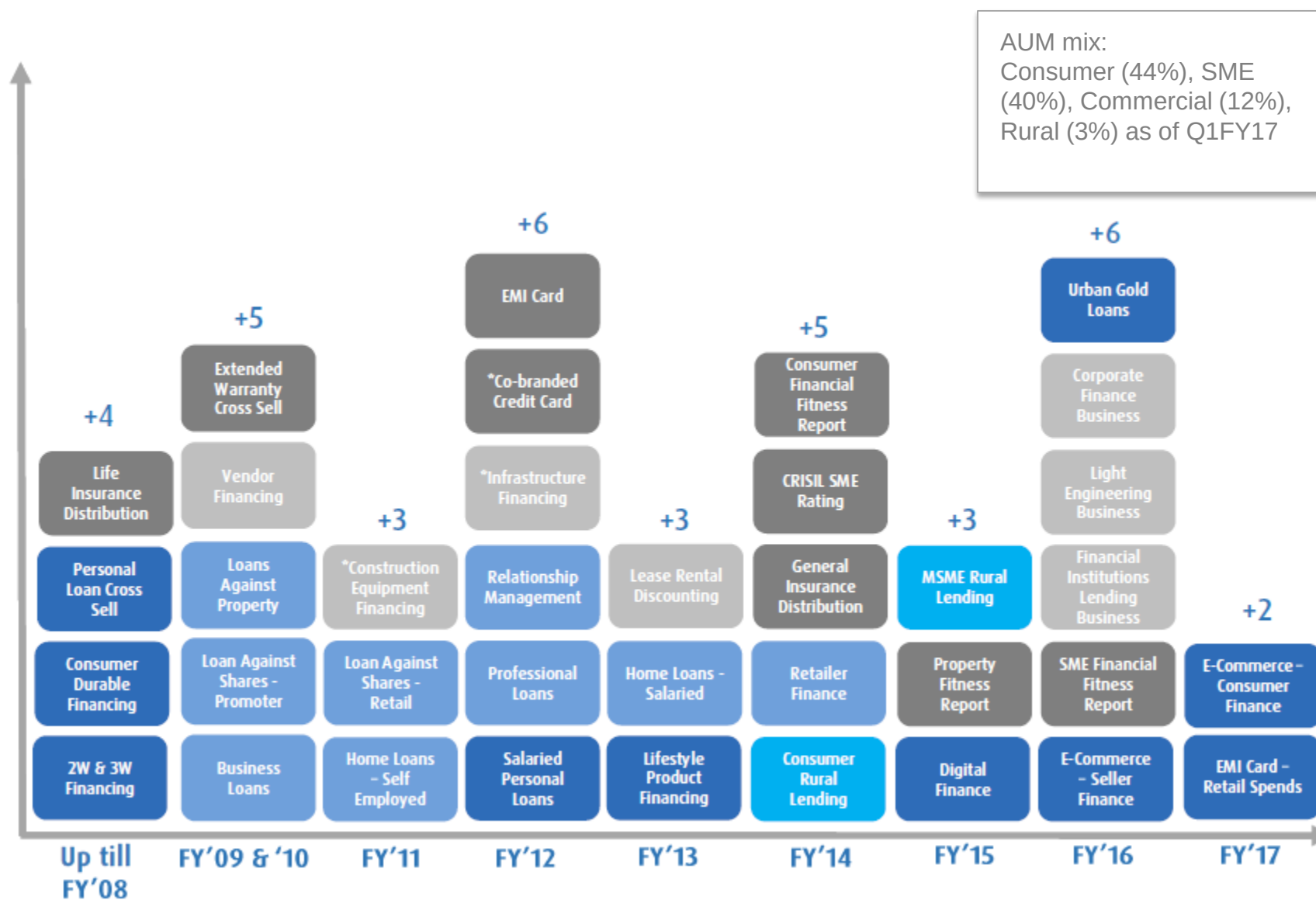
Highly agile and innovative

Focus on mass affluent and above customers

Diversified lending strategy

Deep investment in technology and analytics

Bajaj Finance – Business / Product Launch Journey

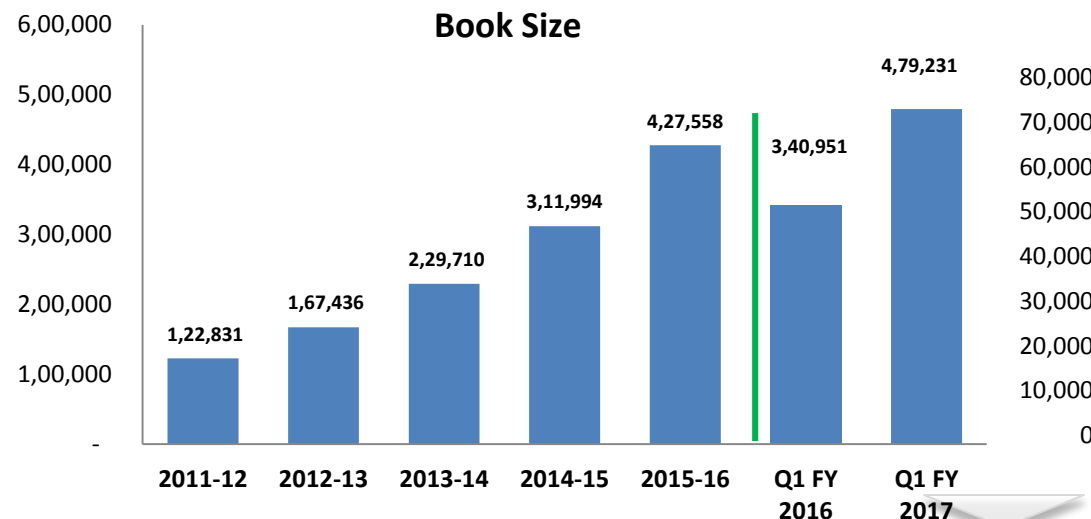


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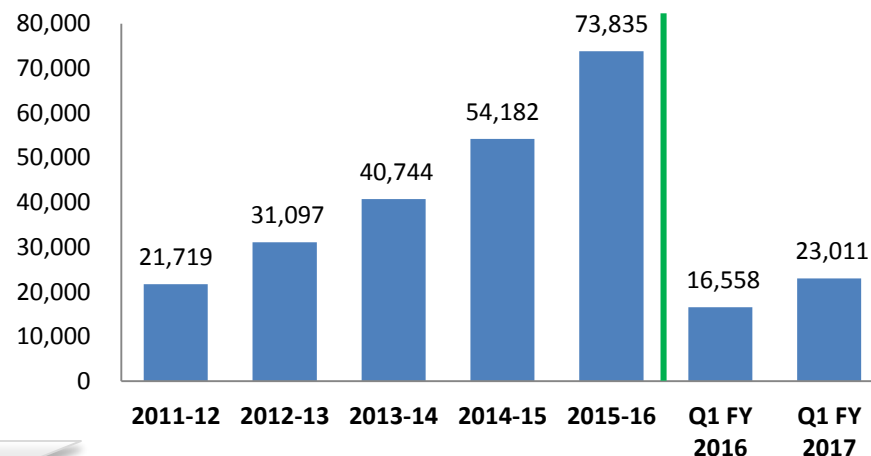
Bajaj Finance has clocked healthy growth in revenues

All Figures in Rs Million

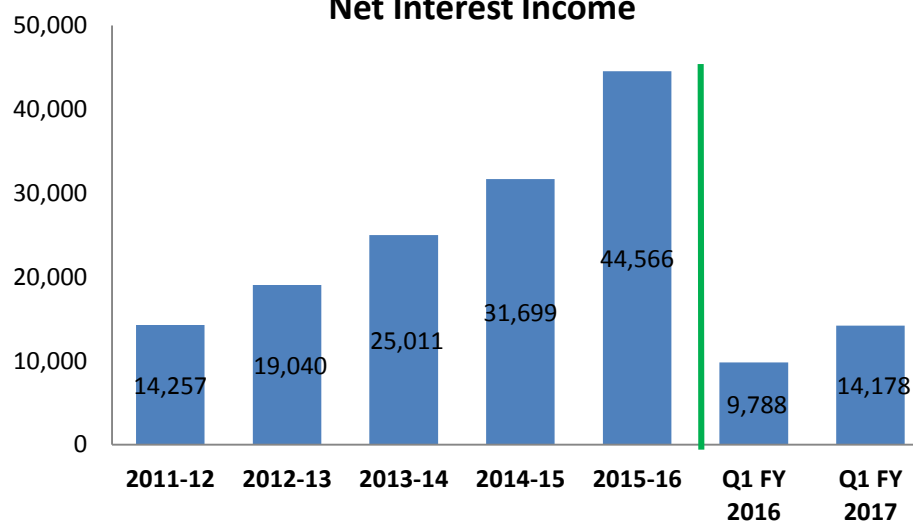
Book Size



Total Income



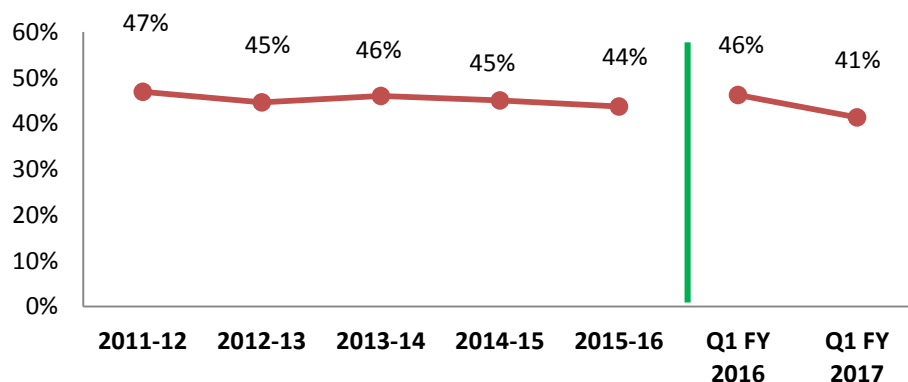
Net Interest Income



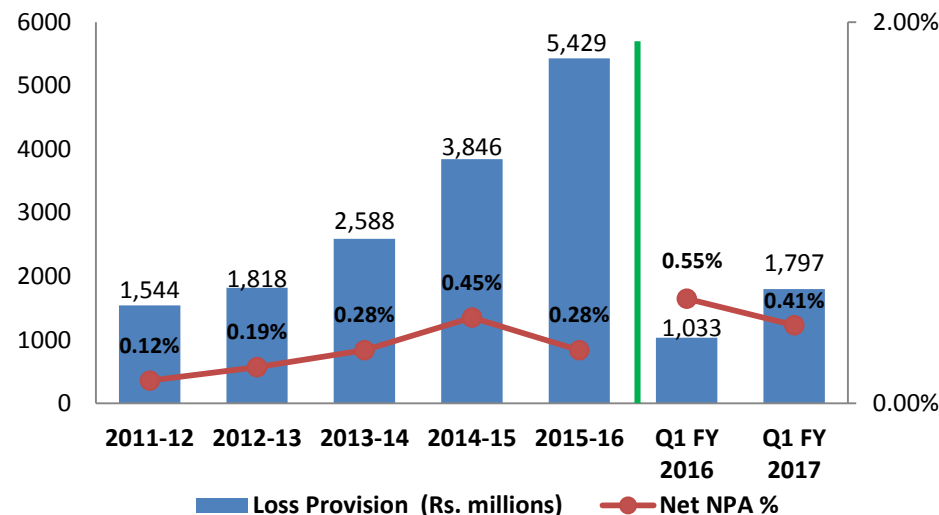
Quality of assets is good, and operating costs remain under control

All Figures in Rs Million

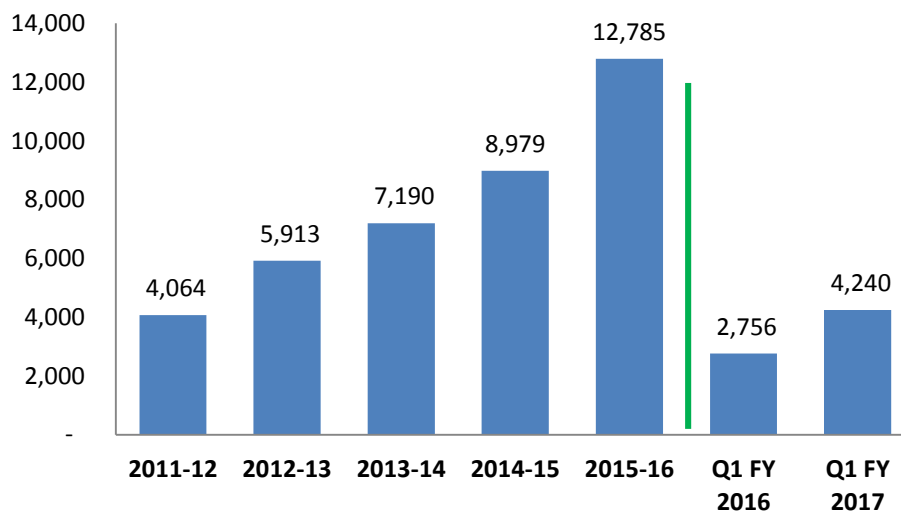
Operating expenses as a % of NII



Loss Provision and Net NPA%



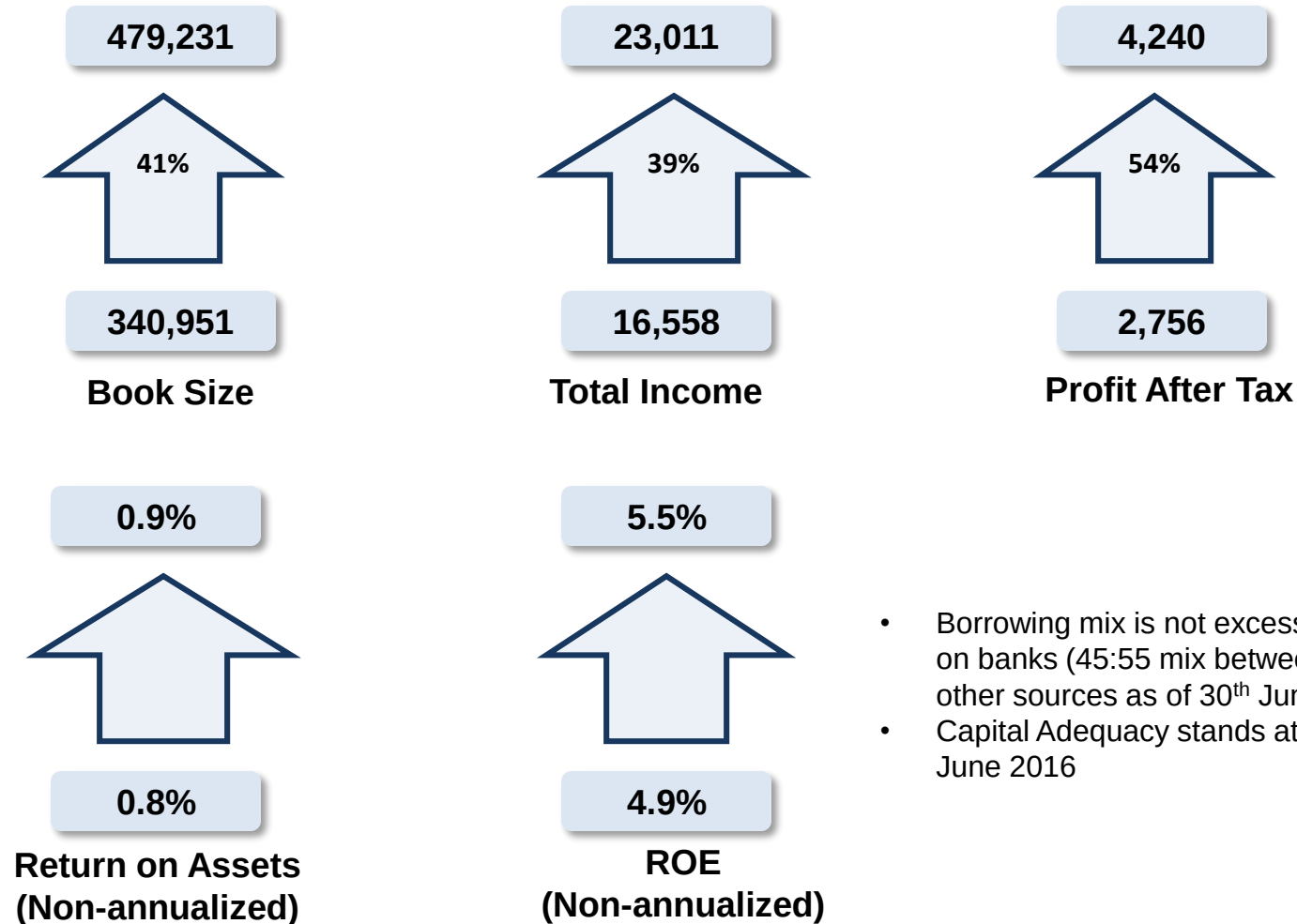
PAT



Bajaj Finance – Q1 highlights

All Figures in Rs Million

Performance Highlights of Q1 FY2017 over Q1 FY2016



- Borrowing mix is not excessively dependent on banks (45:55 mix between banks and other sources as of 30th June 2016).
- Capital Adequacy stands at 17.8% as of 30th June 2016

Thank You