

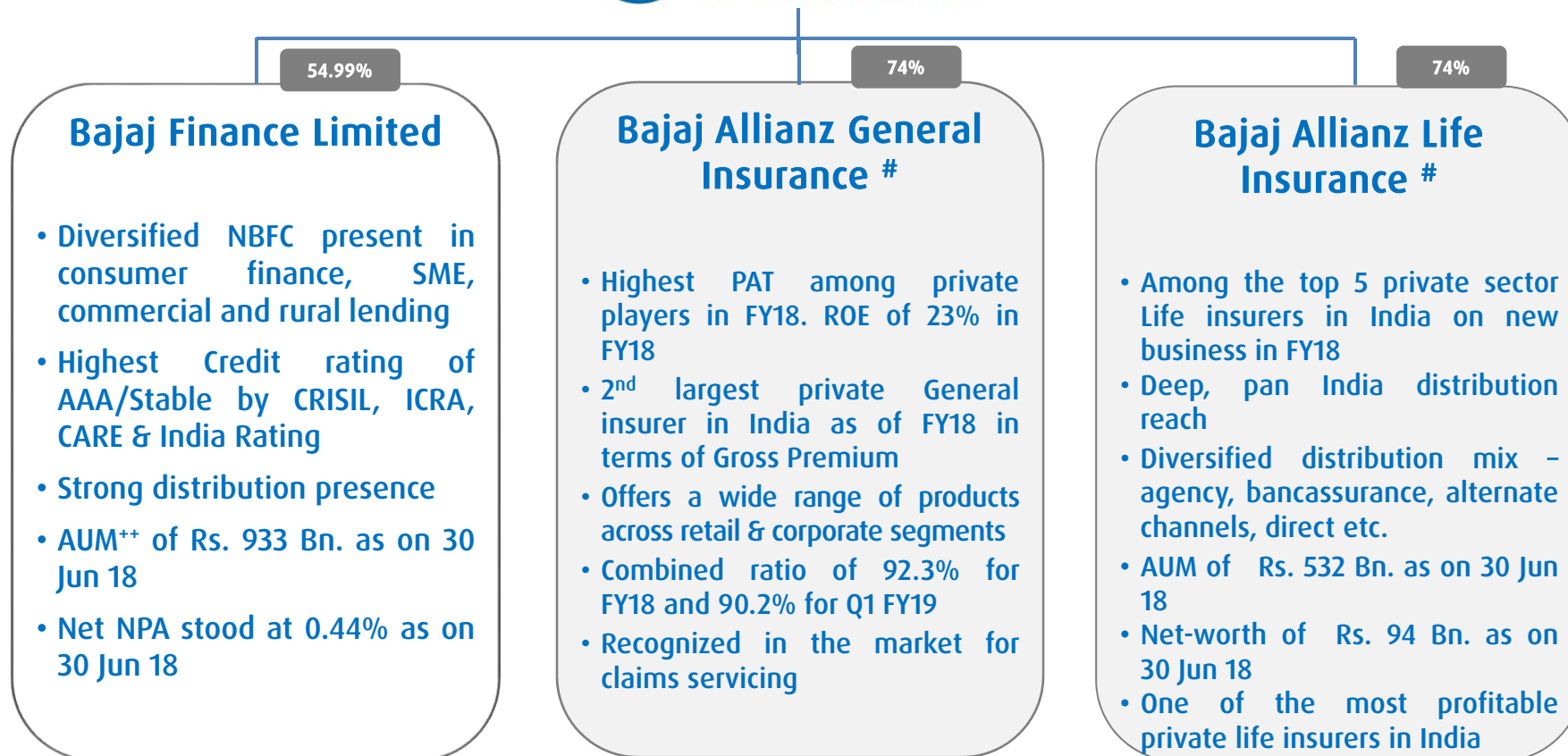


BAJAJ FINSERV LIMITED

Investor Presentation – Q1 FY19*

** Financial year 2018-19*

Bajaj Finserv – A diversified financial services group



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

*BFS shareholding in BFL as at 31 March 2018 was 54.99%.

++ Includes AUM of Rs.73 Bn. of Bajaj Housing Finance Limited. BHFL is a 100% subsidiary of BFL which became fully operational in Q3 FY18

Shareholding is as of 30 Jun 2018. Chart shows only major subsidiaries.

Not listed

Adoption of Ind AS Accounting standards



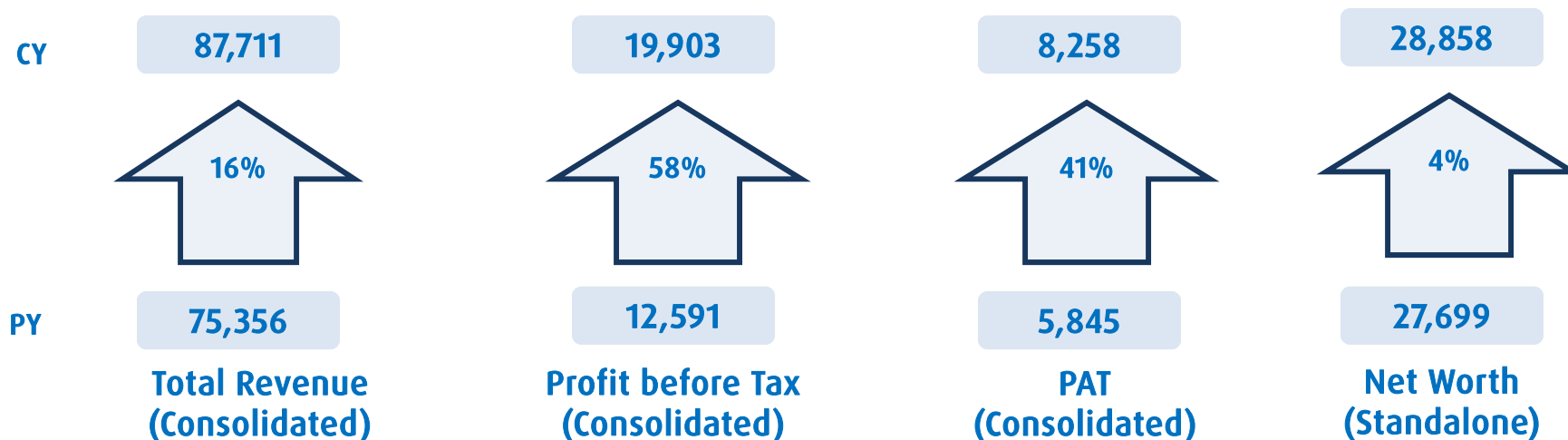
- Bajaj Finserv has adopted Indian Accounting Standards (Ind AS) with effect from 1st April 2018
- Insurance companies' stand-alone numbers are as per Indian GAAP as Ind AS is not applicable to them. However, for consolidation purposes, they have provided Ind AS compliant financial statements
- Consolidated figures for Q1 FY 19 are compliant with Ind AS
- Corresponding figures for FY 18 (Q1 and FY) have been restated to be compliant with Ind AS
- Figures in the business presentation of insurance companies are based on their stand alone numbers

Bajaj Finserv performance highlights



All Figures in Rs Million

Performance Highlights of Q1 FY19 over Q1 FY18 (Ind AS)



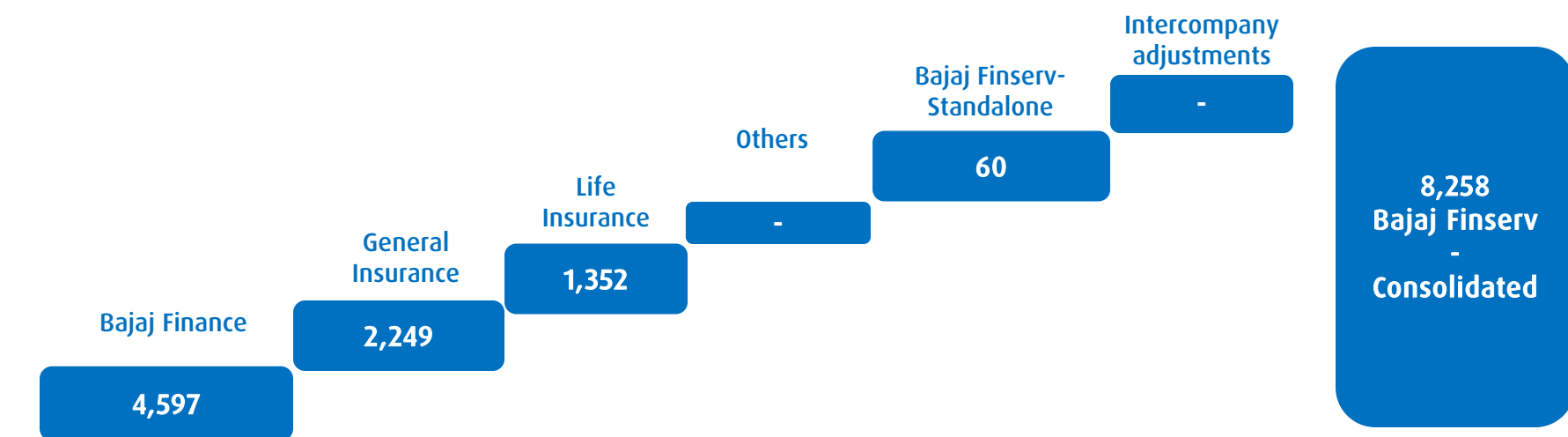
- Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds stood at Rs. 6.6 Bn as on 30 Jun 2018 (Rs. 5.7 Bn as on 30 Jun 2017)
- Consolidated Net Worth stood at Rs. 209 billion (Rs. 167 Bn as on 30 Jun 2017) and Consolidated Book Value Per Share at Rs. 1,315 (Rs. 1,051 as on 30 Jun 2017)

Consolidated profit components

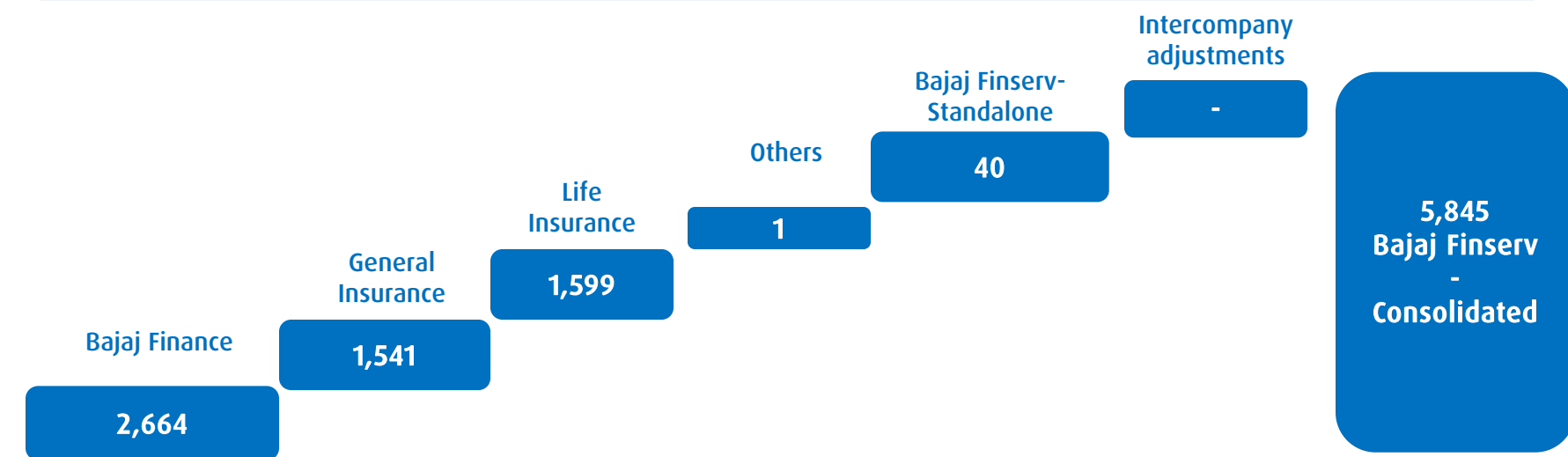


All Figures in Rs Million

Consolidated profit components for Q1 FY19 (Ind AS)



Consolidated profit components for Q1 FY18 (Ind AS)



Q1 FY19 Highlights



All Figures in Rs Million



Highlights of Group Companies

BAJAJ FINSERV\$	Q1 FY19	Q1 FY18	Growth
Total Revenue	87,711	75,356	16%
Net worth (Cons)	209,196	167,203	25%
PAT	8,258	5,845	41%

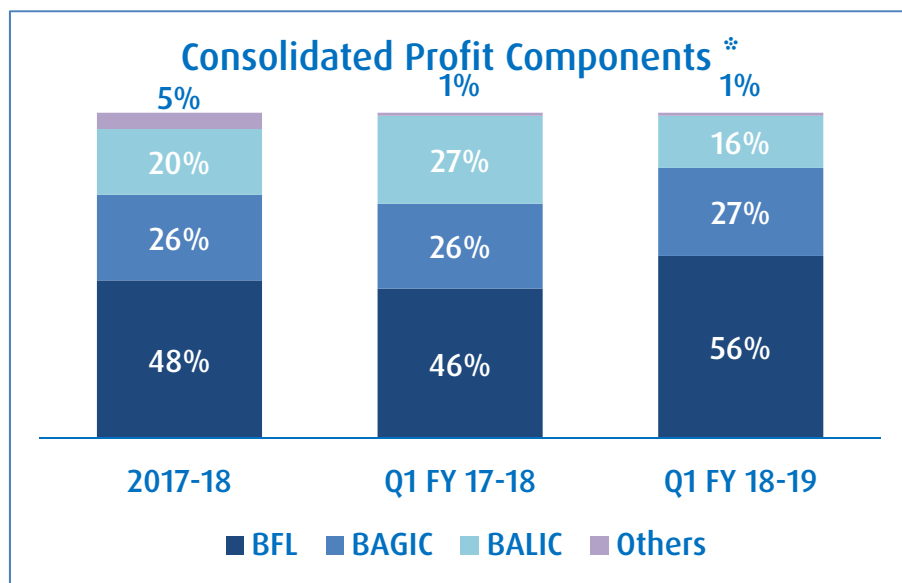
\$ Ind AS

BAJAJ FINANCE\$#	Q1 FY19	Q1 FY18	Growth
AUM	933,139	689,454	35%
Total Income	39,413	28,339	39%
PAT	8,359	4,609	81%

#Consolidated | \$ Ind AS

BAGIC	Q1 FY19	Q1 FY18	Growth
GWP	24,294	19,732	23%
Investments	149,732	116,867	28%
PAT	2,911	2,133	36%

BALIC	Q1 FY19	Q1 FY18	Growth
GWP	13,614	11,536	18%
Investments	532,192	499,982	6%
PAT	1,462	1,964	-26%



- Bajaj Finserv and Bajaj Finance figures are as per Ind AS
- BAGIC and BALIC figures are as per IRDAI & the Indian Accounting Standard framework

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



Bajaj Finance Limited

Business Construct

- ❑ Non-bank with strategy & structure of a bank with consistent track record of profitability
- ❑ Focused on mass affluent & above clients with strong cross sell orientation
- ❑ Diversified financial services strategy seeks to optimise risk and profit to deliver a sustainable business model
- ❑ Business construct is to deliver a superior ROE and ROA
- ❑ Focused on continuous innovation to transform customer experience to create growth opportunities

Bajaj Finance – Overview



DIFFERENTIATORS

Part of the Bajaj Group – one of the oldest & most respected business houses

Focus on mass affluent and above customers

Strong focus on cross selling assets, insurance and wealth products to existing customer

Diversified lending strategy

Highly agile and innovative

Deep investment in technology and analytics

- ❑ A trusted brand with strong brand equity
- ❑ Overall franchise of 28.28 Mn. and Cross sell client base of 16.55 Mn.
- ❑ Centre of Excellence for each business vertical to bring efficiencies across businesses and improve cross sell opportunity
- ❑ AUM mix for Consumer : Rural : SME : Commercial : Mortgage stood at 39% : 7% : 13% : 13% : 28%
- ❑ Continuous improvement in features of products & timely transitions to maintain competitive edge
- ❑ Has helped establish a highly metricised company and manage risk & controllership effectively

Bajaj Finance's businesses

BAJAJ FINANCE

Consumer

- Largest consumer electronics, digital products & furniture lender in India
- Presence in 793 locations with 59,000+ active points of sale
- Amongst the largest personal loan lenders
- EMI (Existing Member Identification) Card franchise of over 14.2 Mn (incl. EMI & Virtual EMI cards)
- Among the largest new loans acquirers in India (5.63 Mn in Q1 FY19, 15.32 Mn in FY18)
- Bajaj Finserv – Mobikwik active wallet users stood at 2.2 Mn as on 30 June 2018 who have linked EMI card to wallet

SME

- Focused on affluent SMEs with an average annual sales of around Rs. 10-12 Crores with established financials & demonstrated borrowing track records
- Offer a range of working capital & growth capital products and mortgage (Loan against property, Lease Rental Discounting & Home Loans) products to SME & self employed professionals
- Relationship management approach to cross sell

Commercial

- Wholesale Lending products covering short, medium and long term financing needs of selected sectors viz.
 - ✓ Auto component and ancillary manufacturers
 - ✓ Light engineering vendors
 - ✓ Financial institutions
- Structured products collateralized by marketable securities or mortgage

Rural

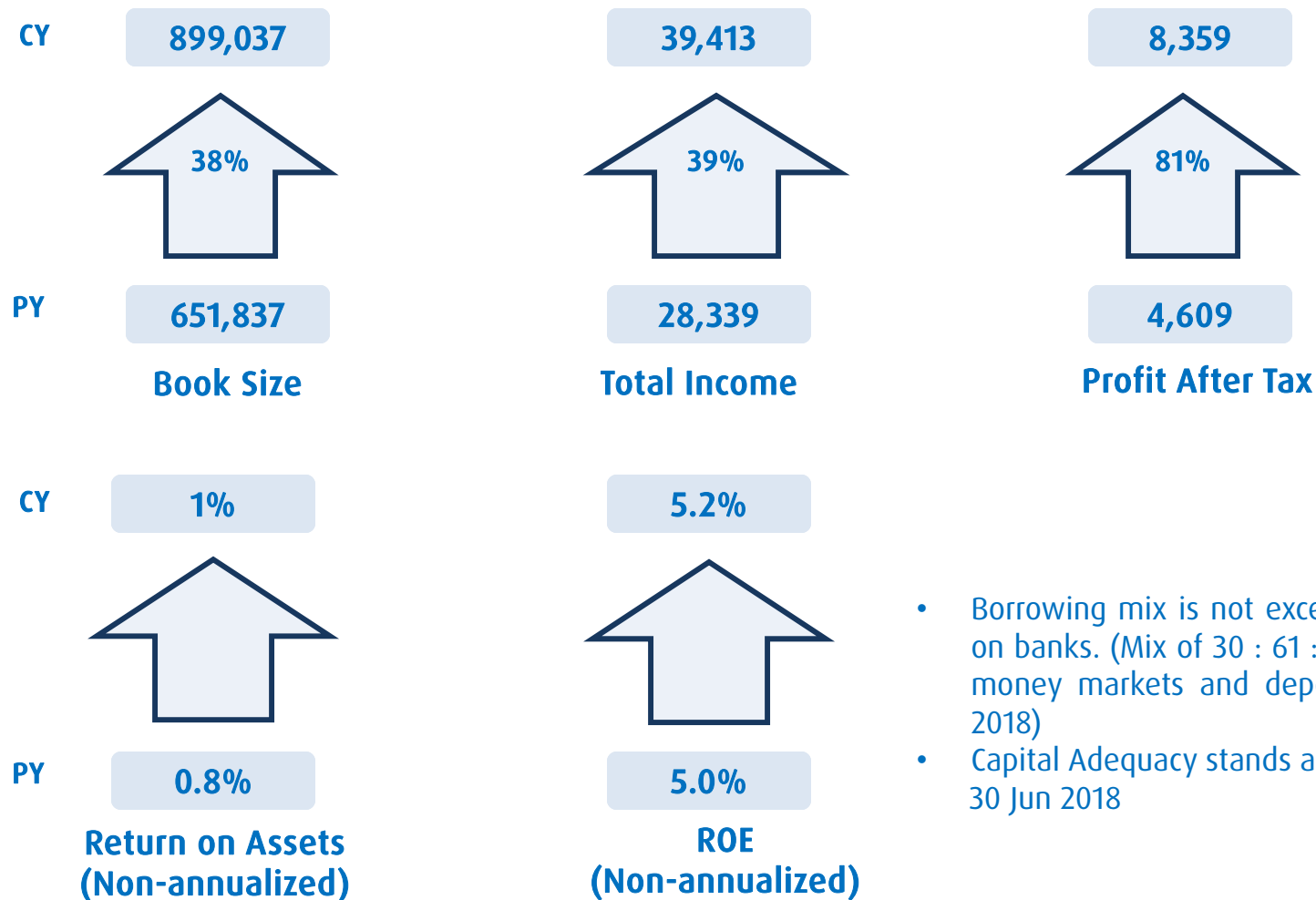
- Unique hub-and-spoke model in 693 locations and retail presence across 10,100+ points of sale
- Diversified rural lending model with 9 product lines for consumer and MSME segments

Bajaj Finance – Q1 highlights



All Figures in Rs Million

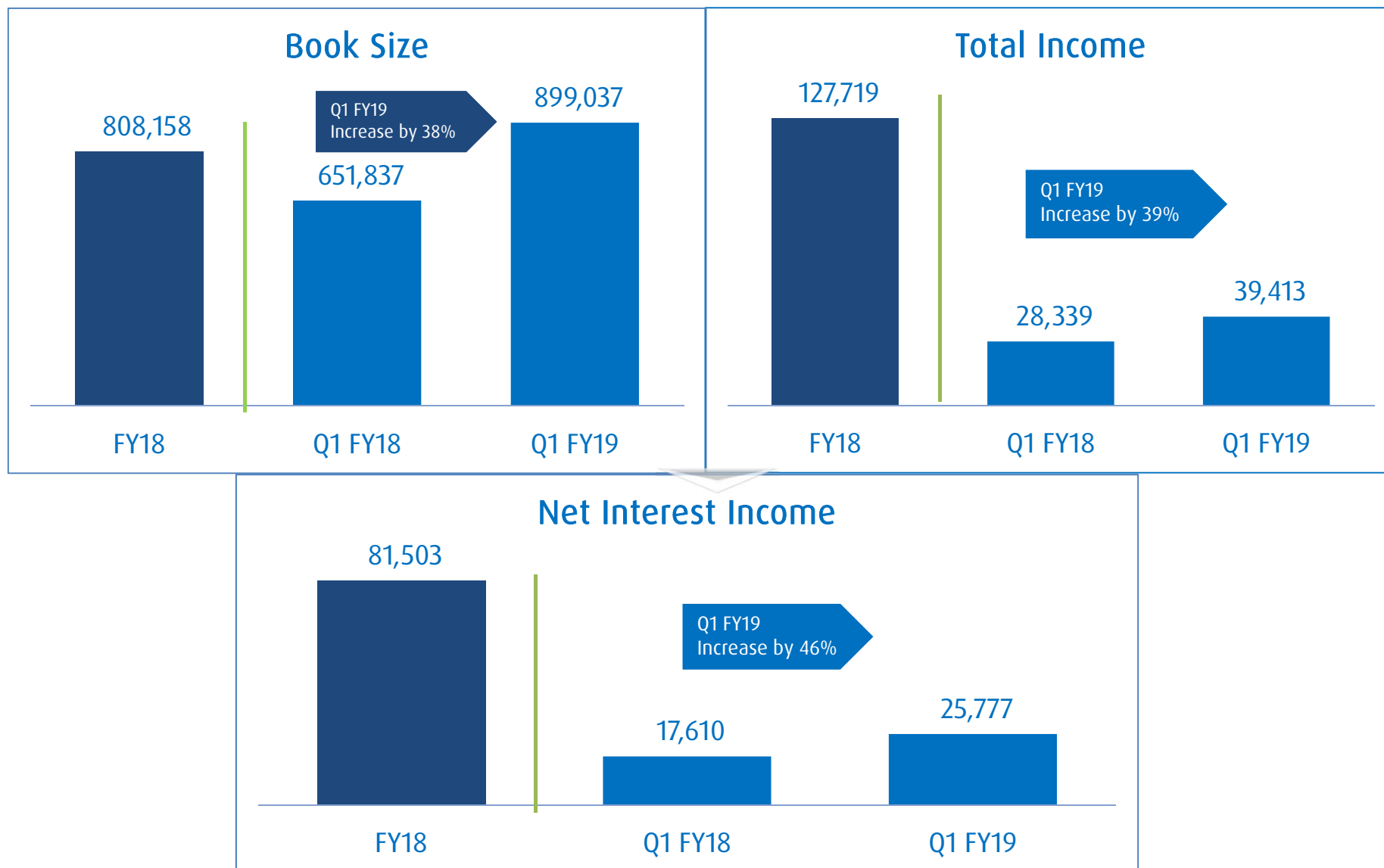
Performance Highlights of Q1 FY19 over Q1 FY18 (Ind AS)



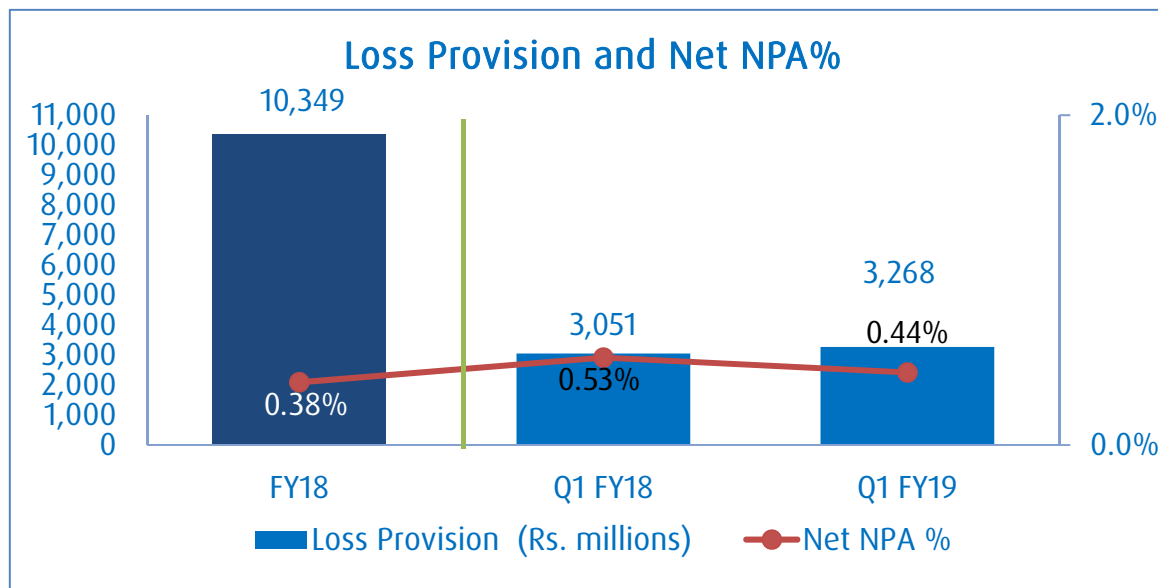
- Borrowing mix is not excessively dependent on banks. (Mix of 30 : 61 : 9 between banks, money markets and deposits as of 30 Jun 2018)
- Capital Adequacy stands at 23.04% as of 30 Jun 2018

Bajaj Finance has clocked healthy growth in revenues

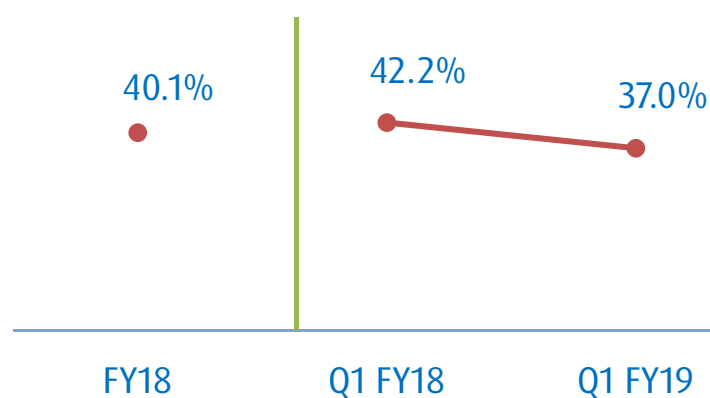
All Figures in Rs Million



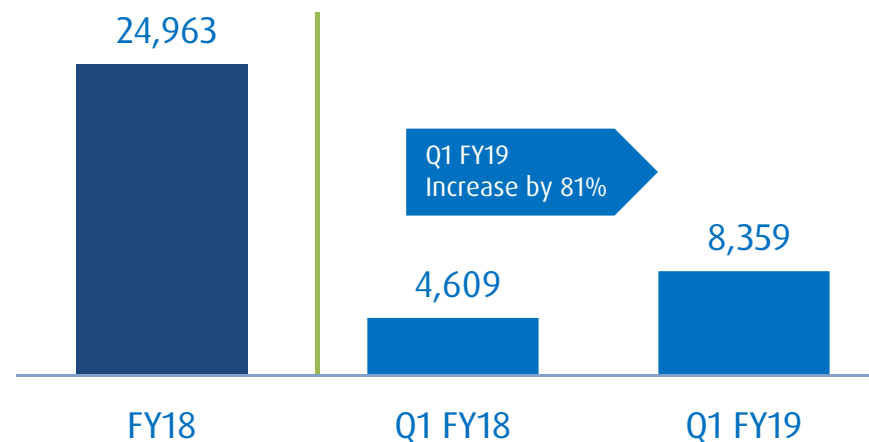
Portfolio quality continues to be good, operating costs remain under control with profitability



Operating expenses as a % of NII



PAT





Relationship Beyond Insurance

Bajaj Allianz General Insurance

BAGIC - Key Strategic Differentiators

STRATEGY

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

DIFFERENTIATORS

“Number 1 in Profits and Number 2 in GWP amongst Private Sector P&C insurers in FY18.
Consistent track record of profits since first full year of operations”

Strong selection of Risk & prudent underwriting

Industry leading combined ratios consistently over time - BAGIC's Combined Ratio stood at 92.3% FY18
Business construct is to deliver superior ROE

Disruptive innovation

In-house Health Administration, Geographical Expansion through Virtual Points of Sale

Focused on Segmentation

Focused on retail segments – mass, mass affluent and HNI while maintaining strong position in institutional business

Balanced distribution mix

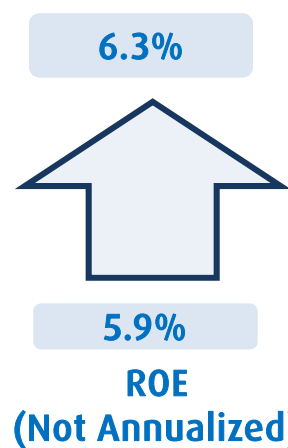
Multi channel distribution network with multi-line agents, strong bancassurance network, D2C, etc in retail and corporate segments.

Excellent claims servicing

Has a consistent track record of excellence in claims servicing

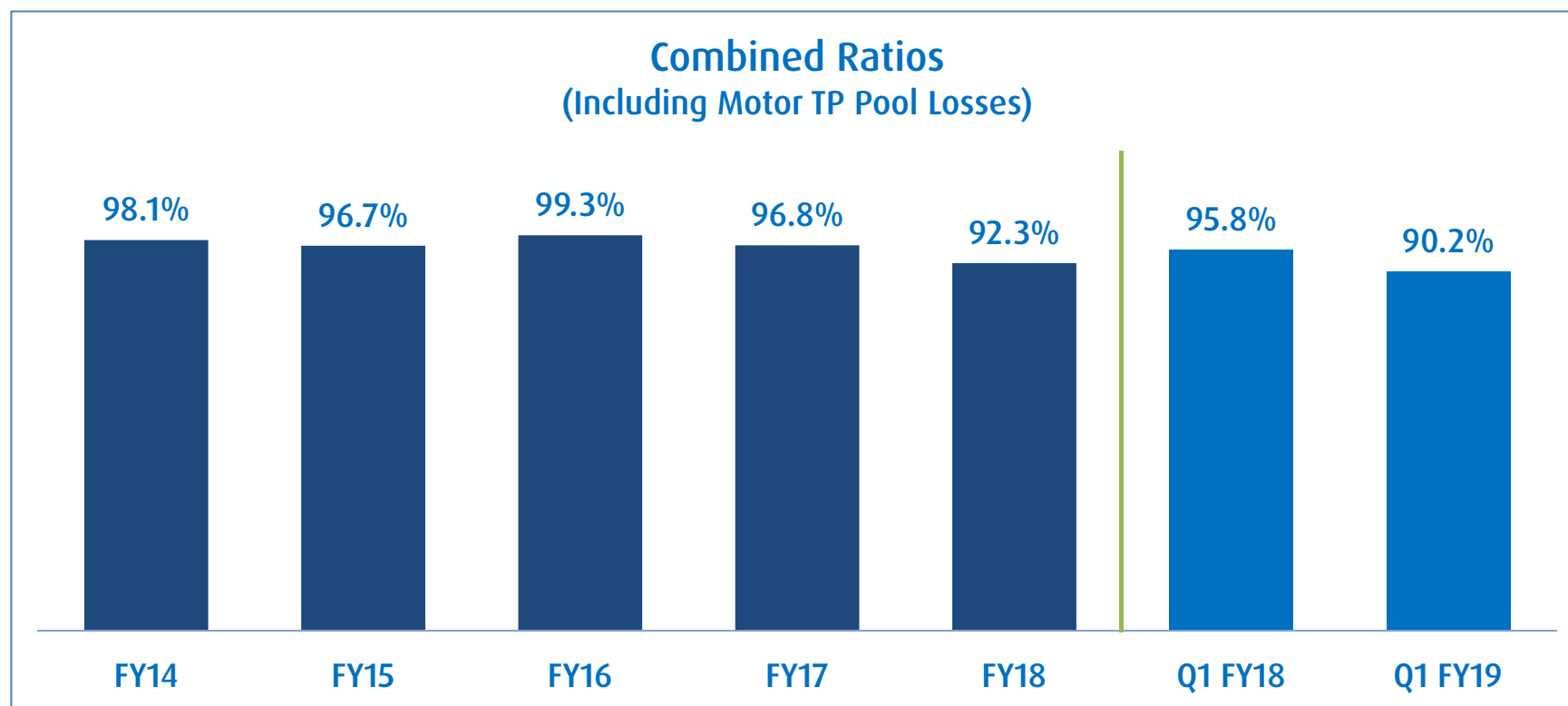
BAJAJ | Allianz

Performance Highlights of Q1 FY19 over Q1 FY18



- Ex Crop GWP was Rs. 24,192 Mn in Q1 FY19 (Rs.19,371 Mn Q1 FY18) a growth of 25%
- Solvency Ratio was 288% as against regulatory requirement of 150% as of 30 Jun 2018

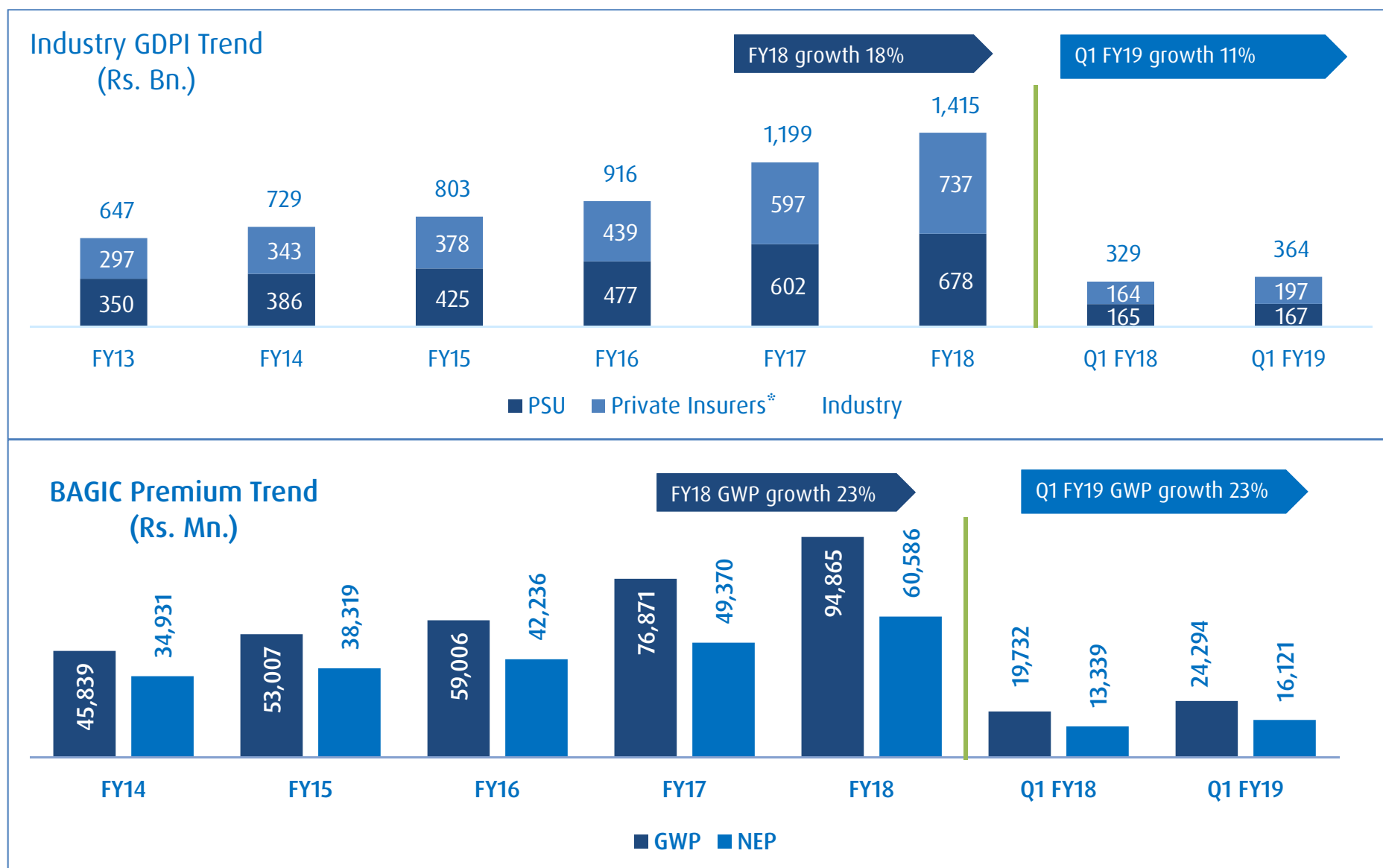
BAGIC has maintained Combined ratio, below 100% on a sustained basis



1. 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. $(\text{Net claims incurred} \div \text{Net Earned Premium}) + (\text{Expenses of management including net Commission} \div \text{Net Written Premium})$. Pool losses, wherever applicable, include the impact of the erstwhile IMTPIP and Declined Risk Pool.

2. Combined ratio ex Motor Third Party Pool for BAGIC for FY14 was 94.2%.

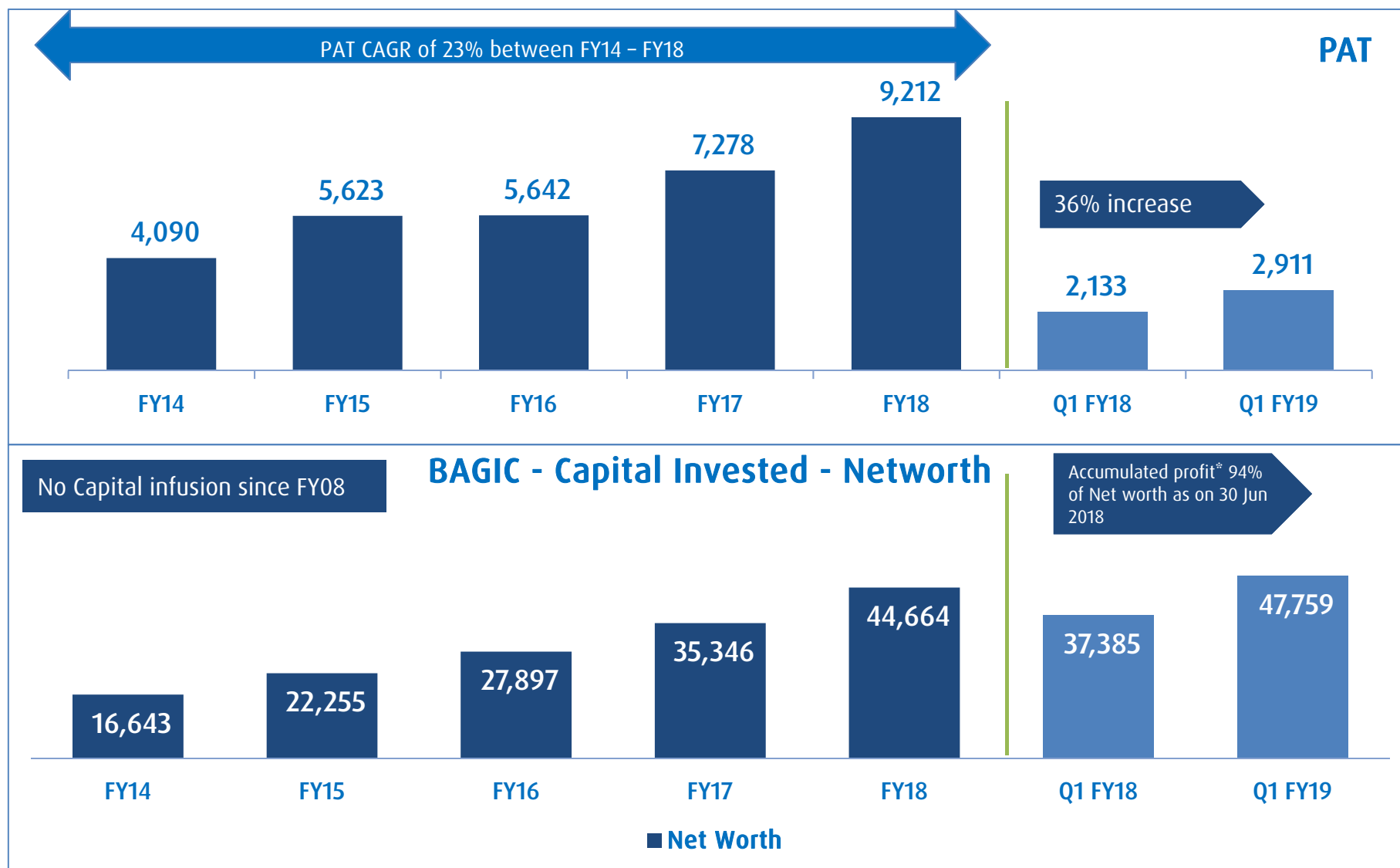
BAGIC retains its position among top 2 private insurers in terms of Gross Premium



Source : IRDAI, GDPI : Gross Direct Premium Income | *Private Insurers : Includes Standalone Health Insurers, PSU excludes AIC of India, GIC and ECGC

Strong profit growth resulting in high efficiency of capital

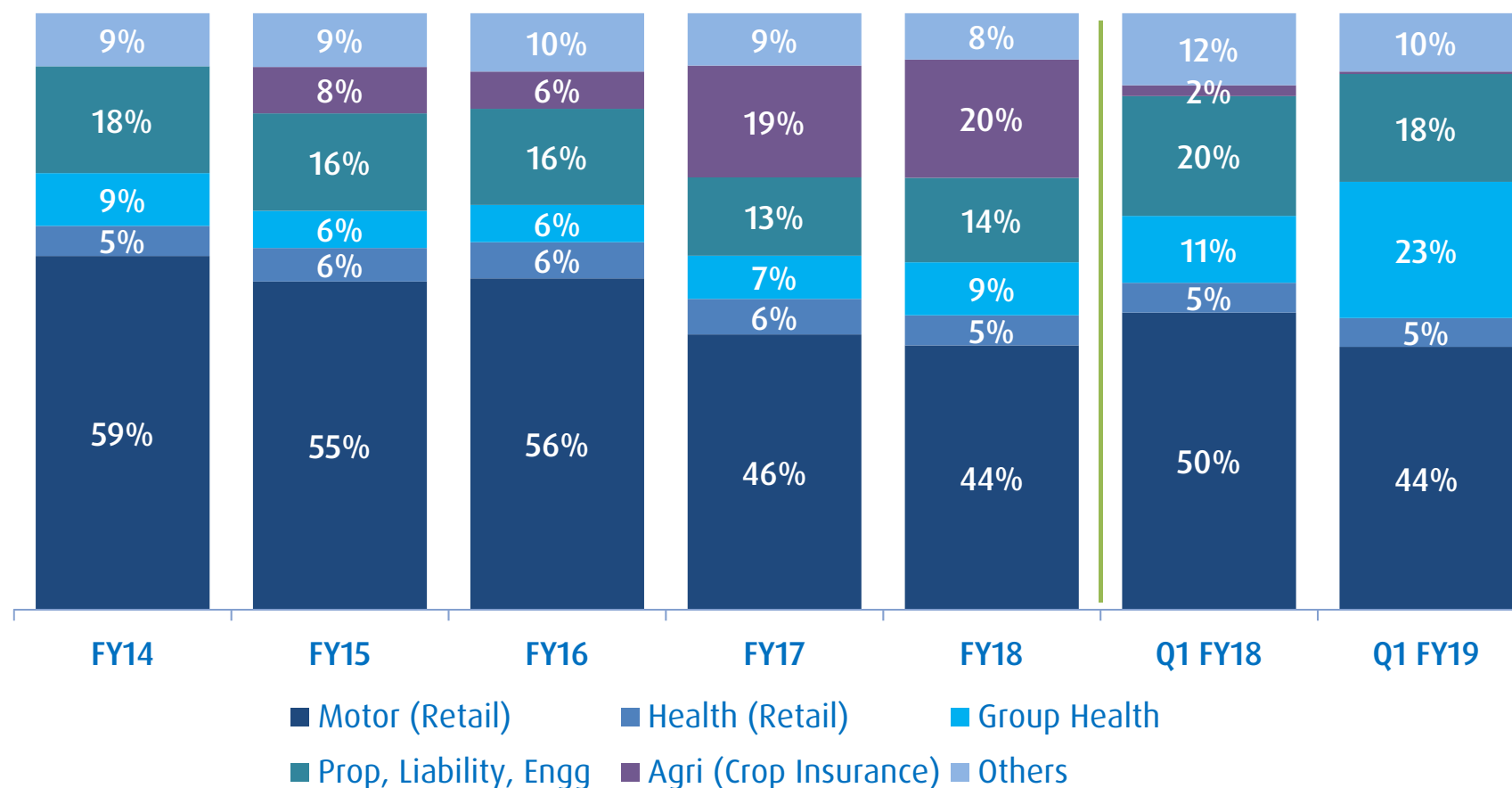
All Figures in Rs Million



*Accumulated profit includes reserves

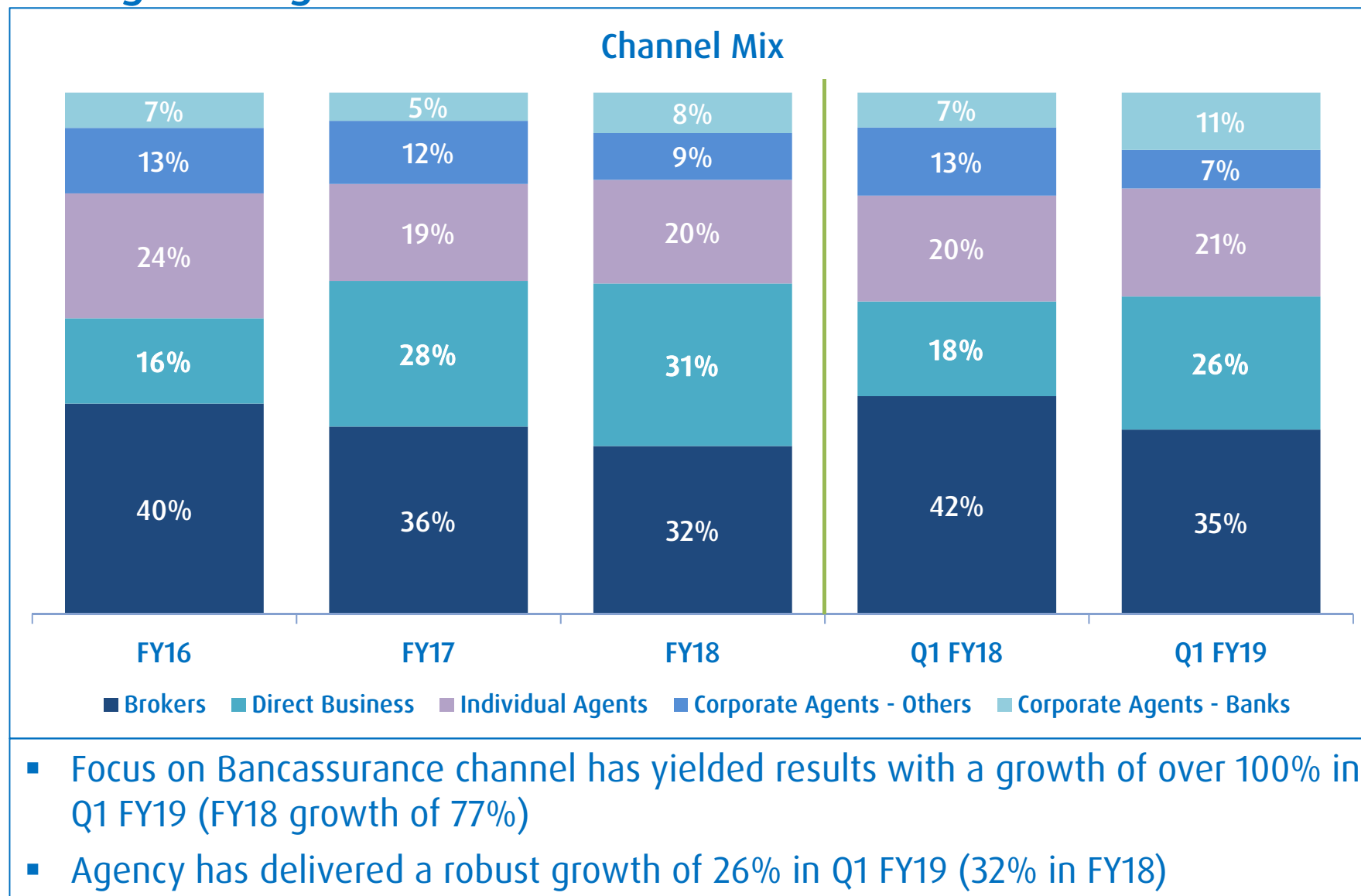
BAGIC has a balanced business mix

Business Mix

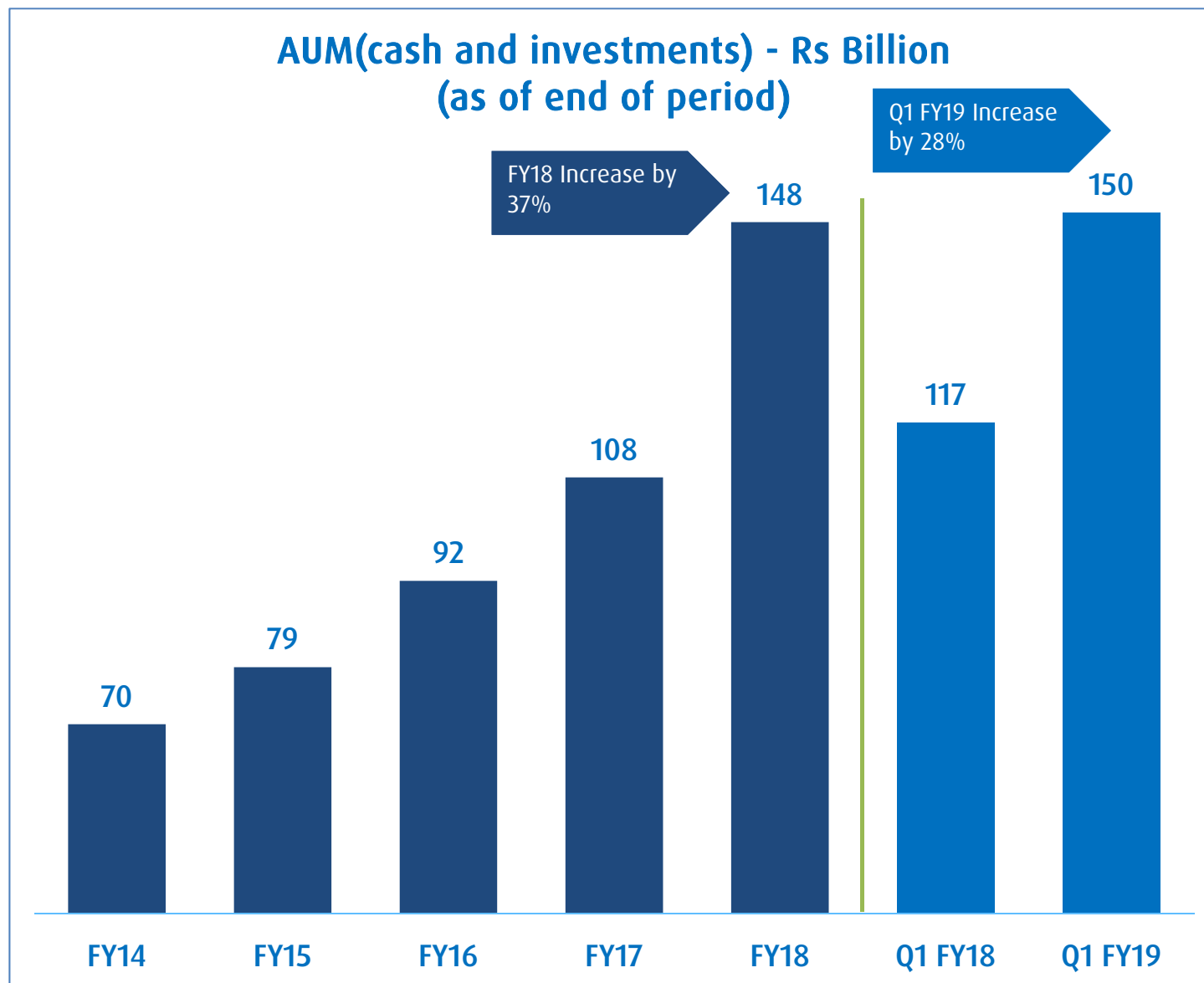


- Business mix is retail focused
- Ex Crop GWP Growth for Q1 FY19 was 25% and for FY18 was 23%

BAGIC's Channel Mix : Bancassurance strengthening



BAGIC's AUM continues to grow



BAGIC continues to grow its AUM strongly

Investments are largely in fixed income securities

LIFE GOALS. **DONE.**



Bajaj Allianz Life Insurance

BALIC – KEY STRATEGIC DIFFERENTIATORS

STRATEGY

- Balance growth with balanced product mix, seeking steady increase in market share.
- Business construct is to balance customer value with shareholder returns, focusing on New Business Value

DIFFERENTIATORS

“Consistently among the top 5 private insurers in New Business. Track record of profits since FY10. Highest number of lives covered in the private sector in FY18”

Focused on segmentation

- Focused on retail segments – mass, and mass affluent customers

Large Proprietary Agency Force

- Large pan-India proprietary agency force 3rd highest agency premium amongst private players.
- Lean support structure

Financial Inclusion

- In terms of lives covered in group schemes BALIC leads the private sector, with about 30% share of lives covered in FY18

Sustainable product mix

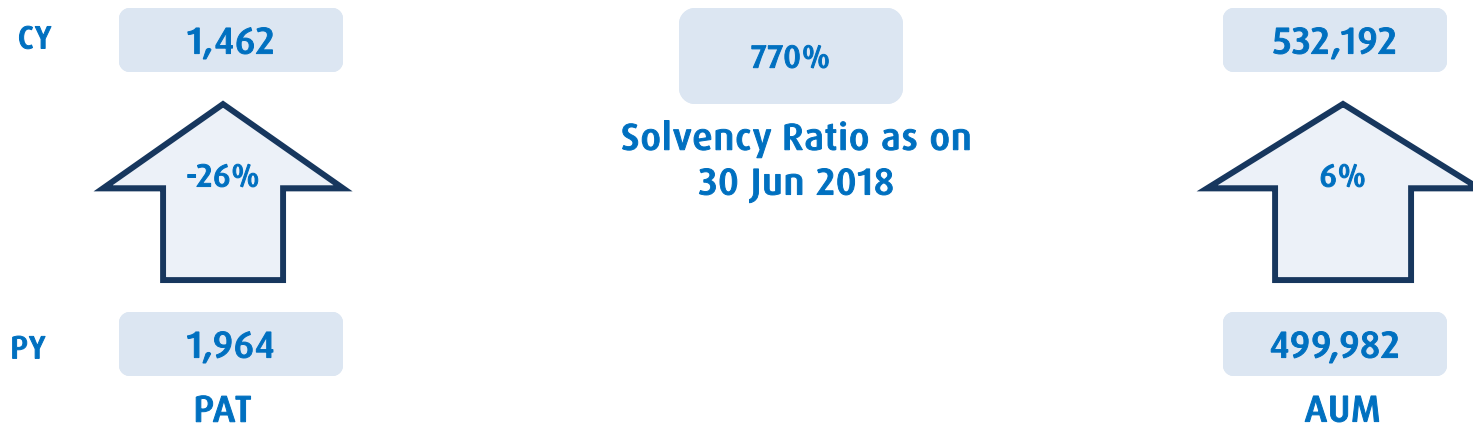
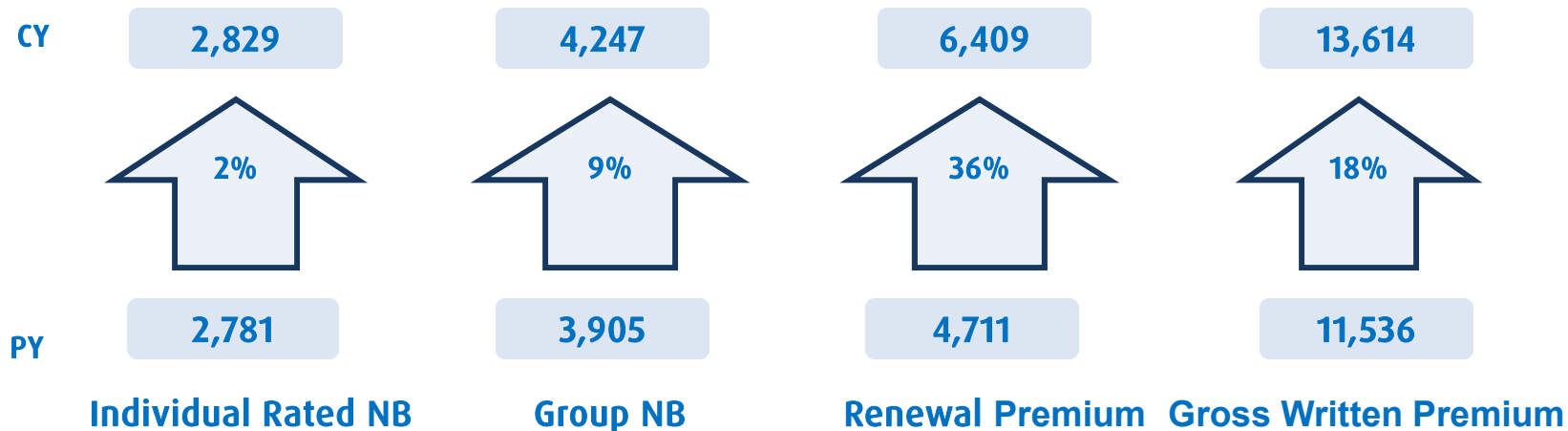
- Balanced product mix between Unit-Linked Insurance Plans (ULIP)

Bajaj Allianz Life – Q1 highlights



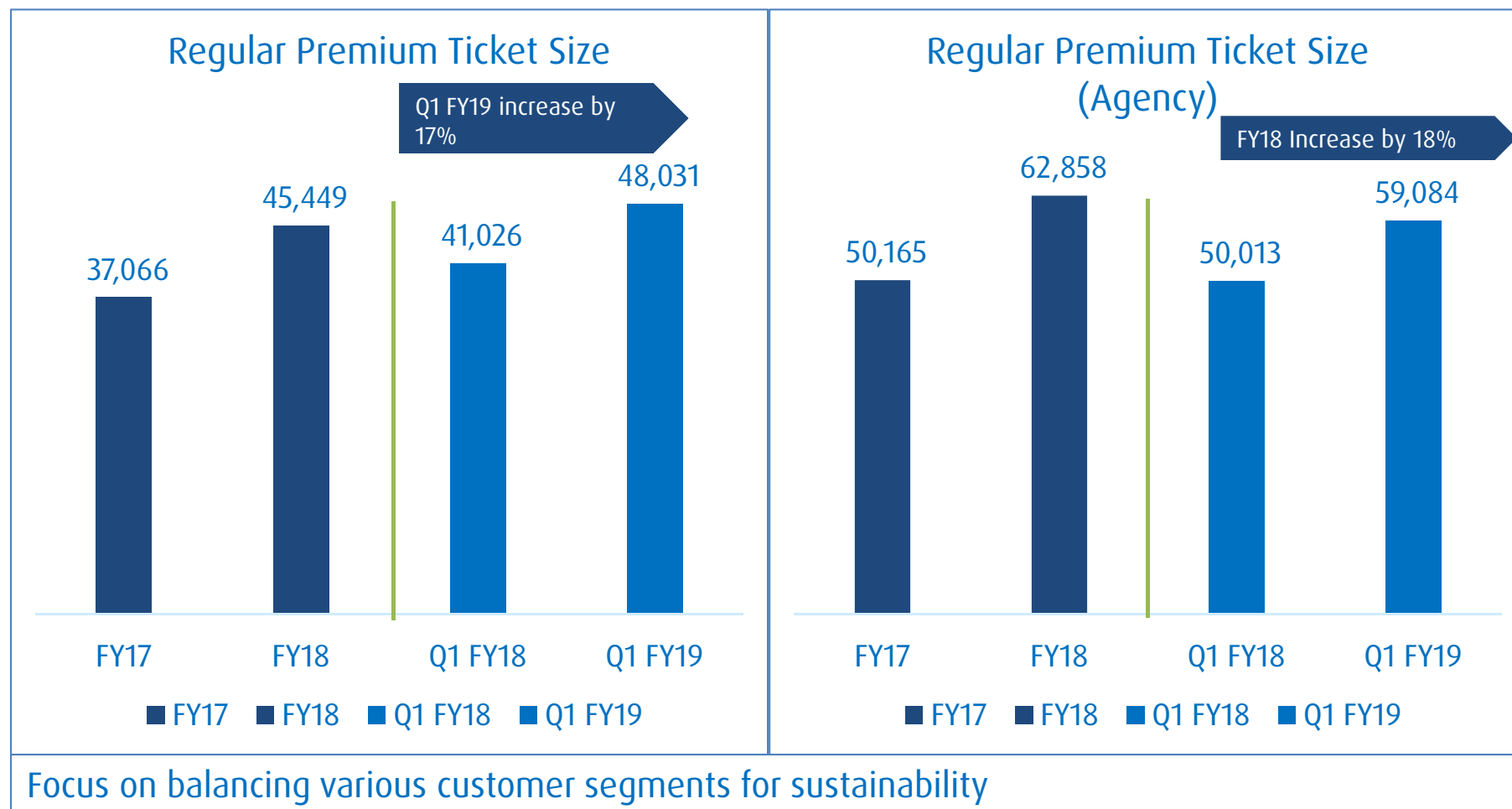
All Figures in Rs. Million

Performance Highlights of Q1 FY19 over Q1 FY18

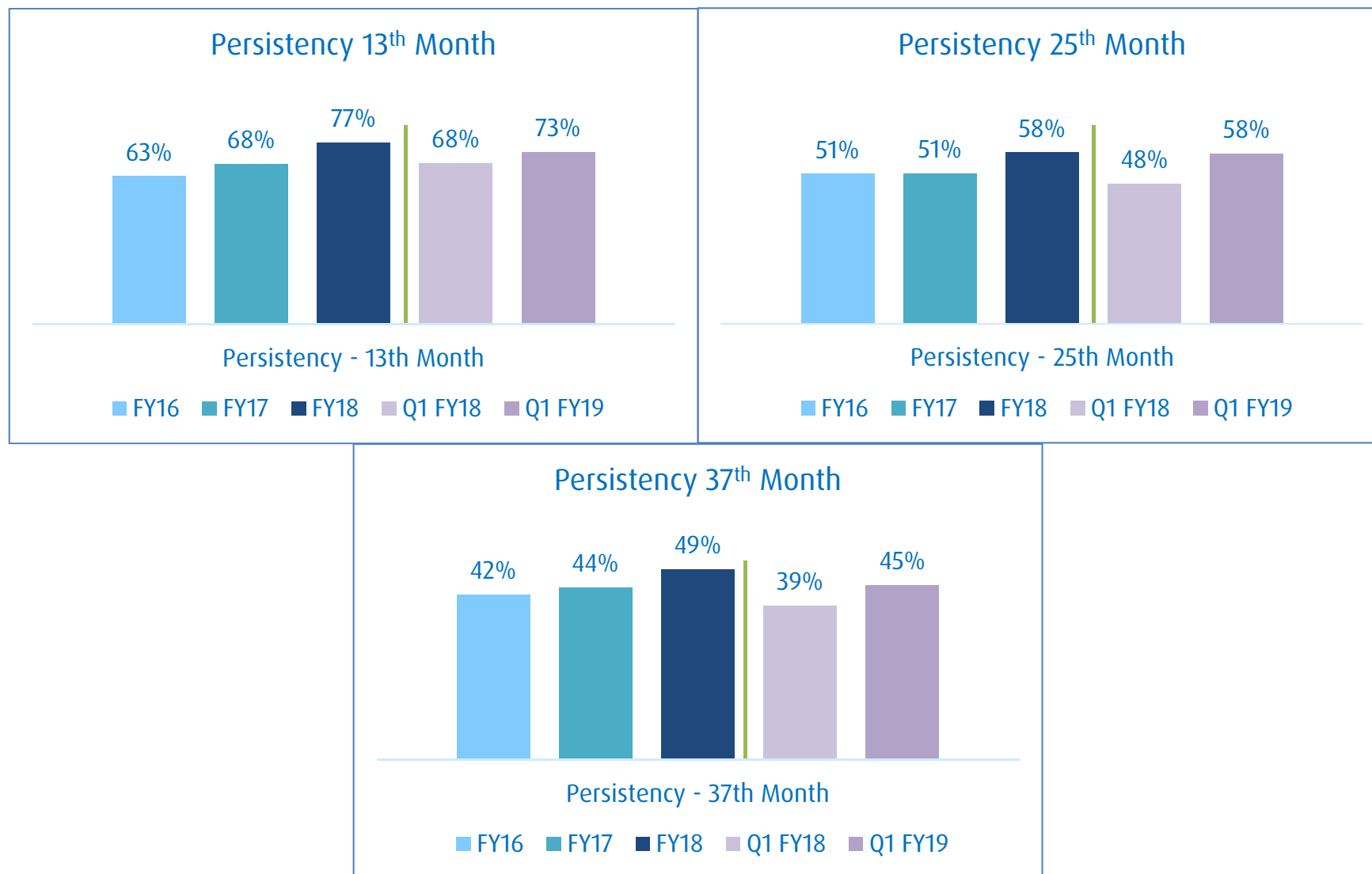


Productivity has improved strongly

All Figures in Rs.



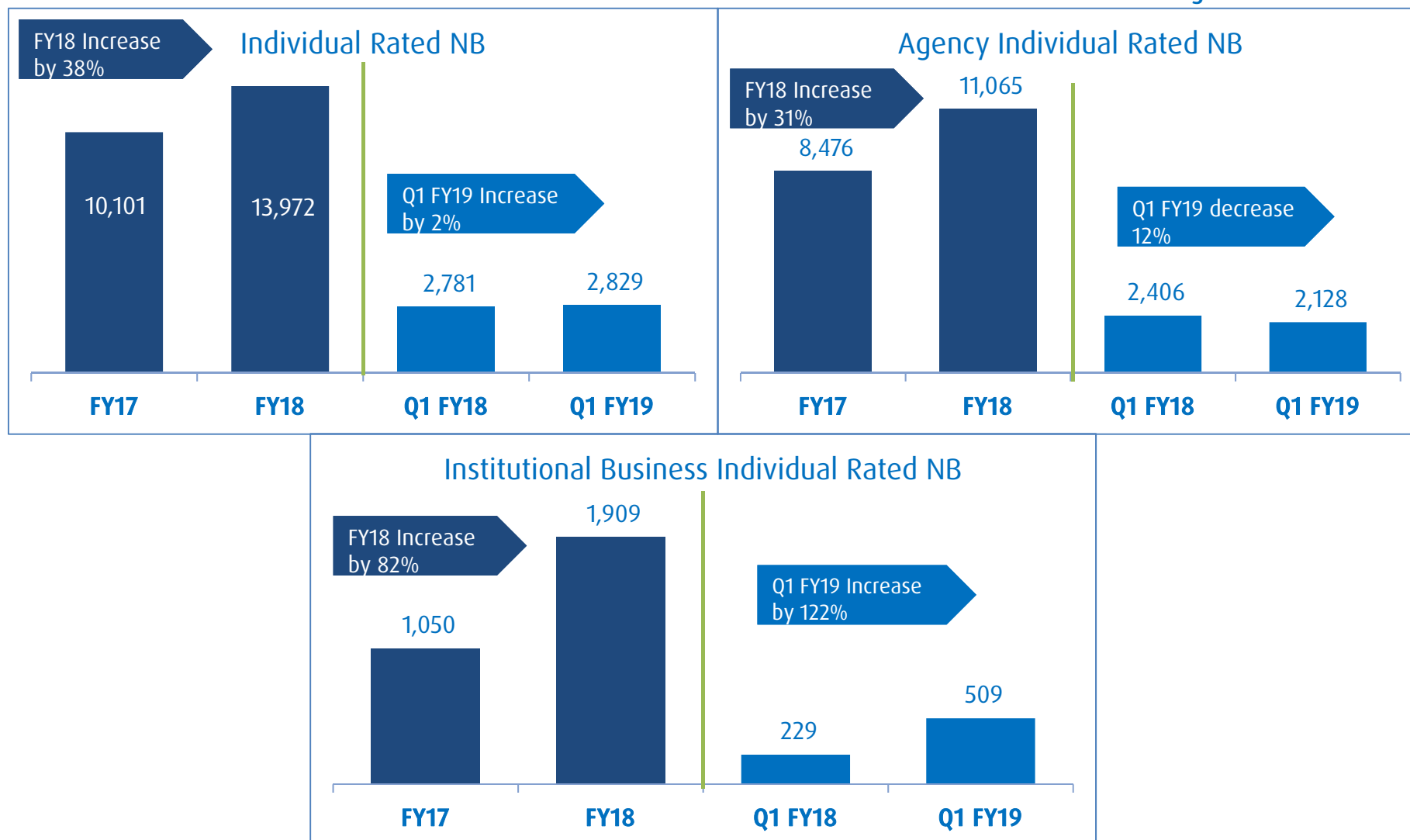
Efforts to improve Persistency paying off



Note : Persistency for Q1 FY19 is for Apr'18 to May'18

BALIC's Individual Rated premiums

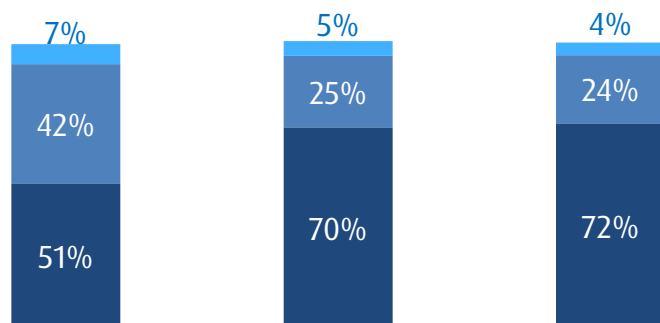
All Figures in Rs Million



Rated individual NB = (100% of first year premium & 10% of single premium excluding group products)

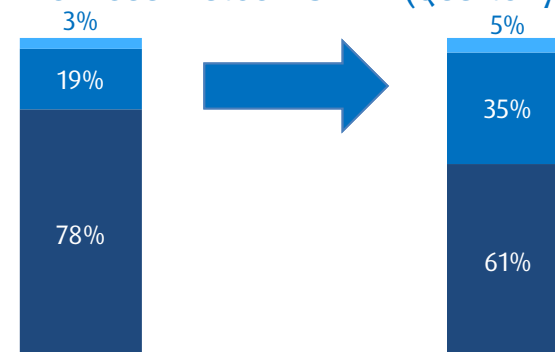
Diversified product mix with greater mix of traditional business

Individual Rated NB Product Mix (Annual)



■ Individual - Unit Linked ■ Individual - Par ■ Individual - Non Par

Individual Rated NB Mix (Quarterly)



■ Individual - Unit Linked ■ Individual - Par ■ Individual - Non Par

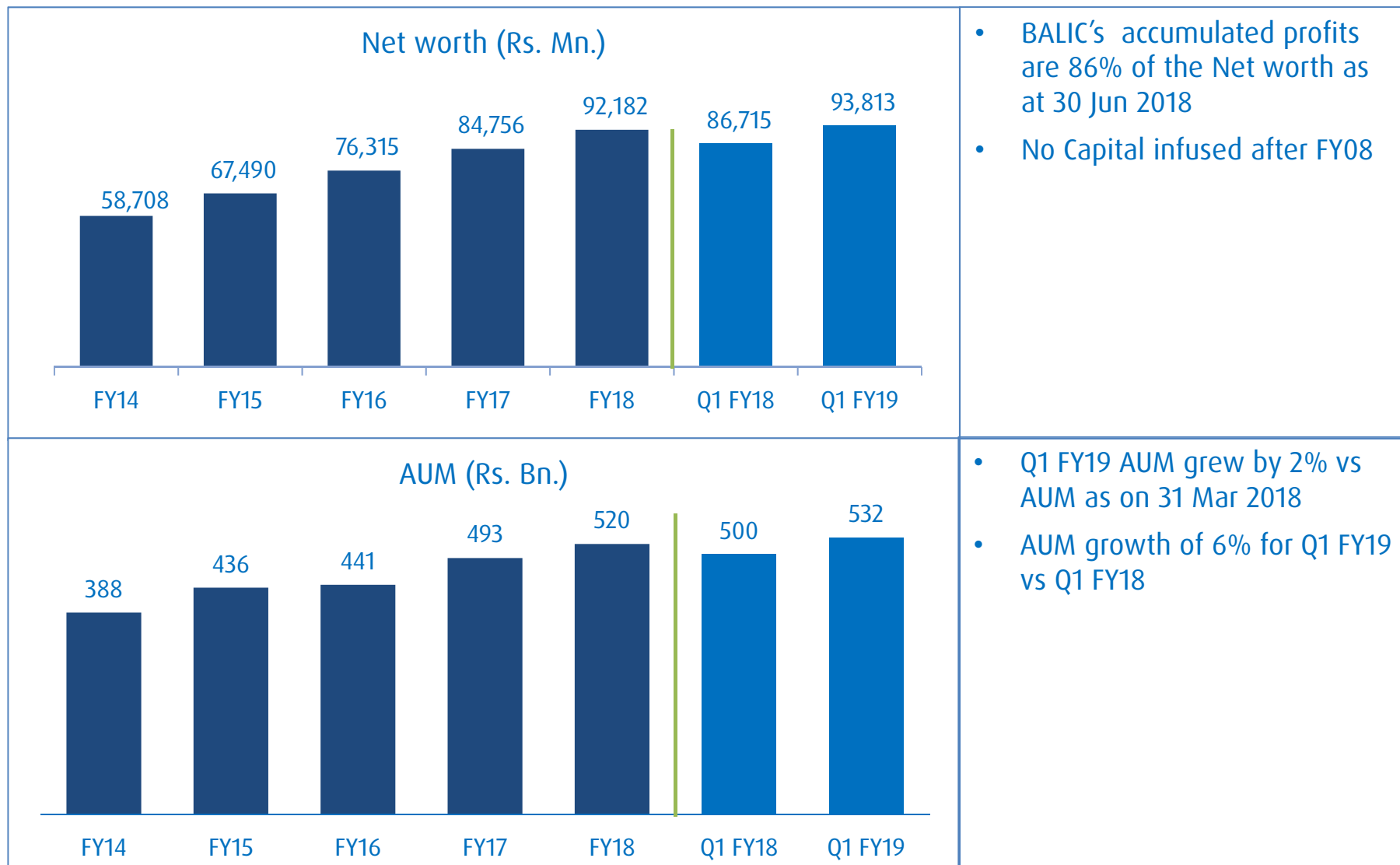
Individual Rated NB Product Mix
(H1 FY18 vs H2 FY18)



■ Individual - Unit Linked ■ Individual - Par ■ Individual - Non Par

- During Q1 FY19 and H2 FY18 share of ULIP was lower, in line with BALIC's focus
- Individual Rated NB product mix is well diversified across par, non par and UL
- Protection Business (Group) new business in Q1 FY19 was Rs. 2,605 Mn (Q1 FY18 Rs.1,938 Mn) a growth of 34% and in FY18 Rs. 9,795 Mn (FY 17 Rs. 8,823 Mn) a growth of 11%.

BALIC is amongst the most capital efficient private insurers

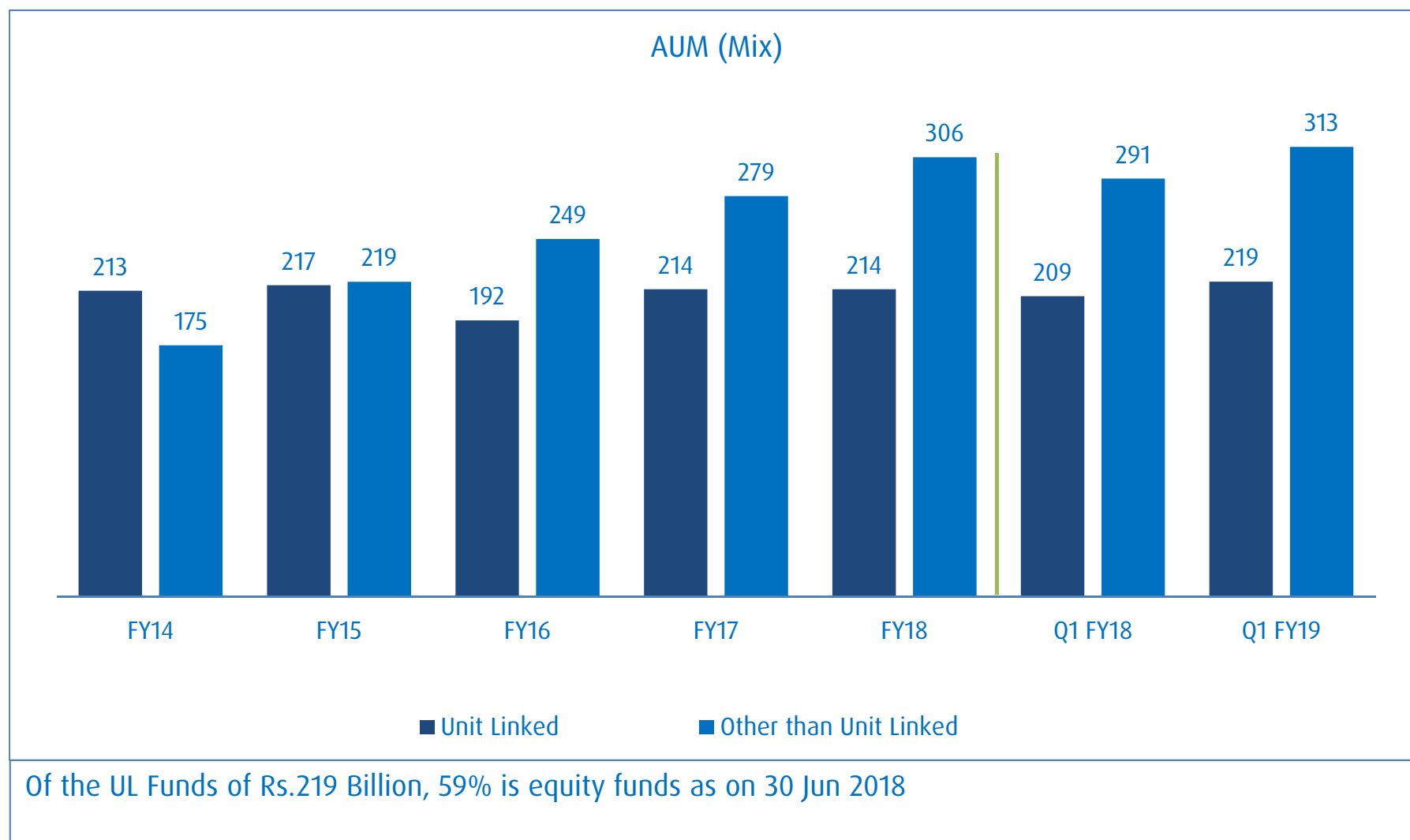


*Accumulated profit includes reserves

Assets Under Management are significant



AUM as of end of period in
Rs Billion



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