Bajaj Finserv Limited

Investor Presentation - Q4 FY16

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Bajaj Finserv – A diversified financial services group

57.28%

Bajaj Finance Limited

- Diversified NBFC present in consumer finance, SME, commercial and rural lending
- Book size of over Rs 427 Bn as of FY16.
- Net NPA stood at 0.28% in FY16
- Leading player in consumer electronics financing

74%

Bajaj Allianz General Insurance

- Number 2 private non-life insurer in India
- One of the most profitable private non life insurers, with industry leading combined ratios
- AUM (cash & investments) stood at over Rs 92 Bn and Net-worth at Rs 27,897 Mn as of FY16

74%

Bajaj Allianz Life Insurance

- One of the most profitable life insurers in India
- 4th largest private player in India in FY 16
- FY 16 AUM of over Rs 441 Bn
- Net-worth of Rs 76,315 Mn as of FY16

- 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 Mar 2016. Chart shows only major subsidiaries.

Bajaj Finserv performance highlights

All Figures in Rs Million

Performance Highlights of Q4 FY 2016 over Q4 FY2015

	Gross Revenue (Consolidated)	Profit before Tax (Consolidated)	PAT* (Consolidated)	Net Worth (Standalone)
Q4FY2016	69555	10269	5180	26960
	13.0%	-14.5%	-26.7%	5.3%
	61572	12009	7071	25603

•Bajaj Finserv Standalone : Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds stood at Rs. 7994 million as on March 31, 2016.

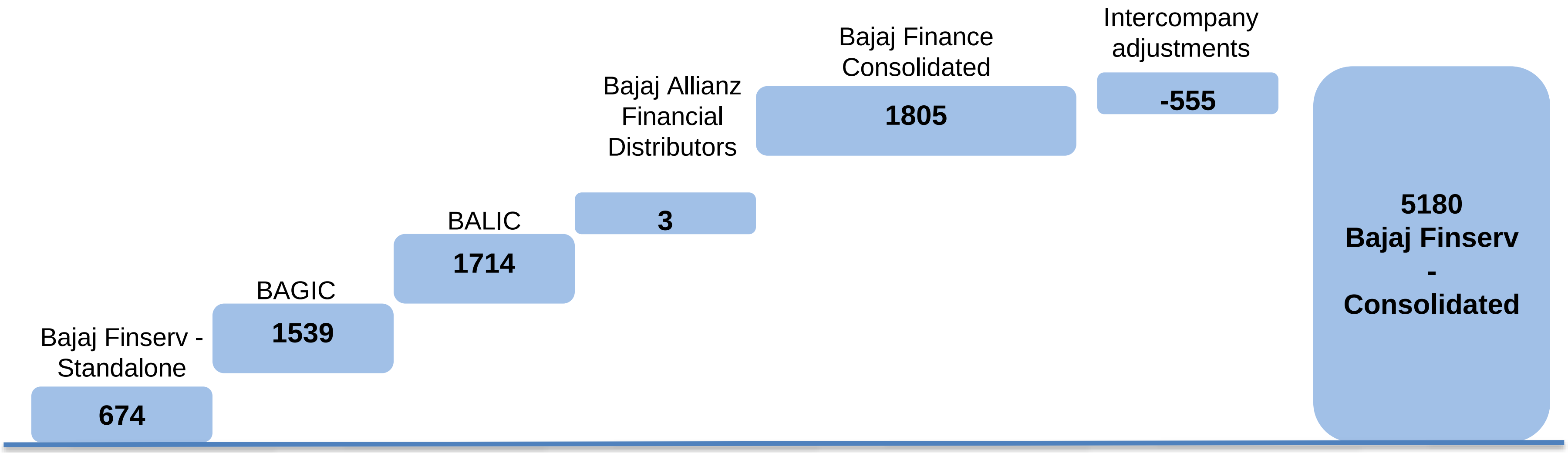
•Consolidated Net Worth stood at Rs. 133911 million and Consolidated Book Value Per Share at Rs. 842.

*NOTE: Q4 profits for the previous financial year (FY 2015) include the transfer of policyholders' profit to the shareholders' account in respect of BALIC for the full year since such transfer was made annually. For the current financial year (FY 2016), such profits have been transferred quarterly and to that extent the consolidated profits for Q4 are not comparable with Q4 of the previous year.

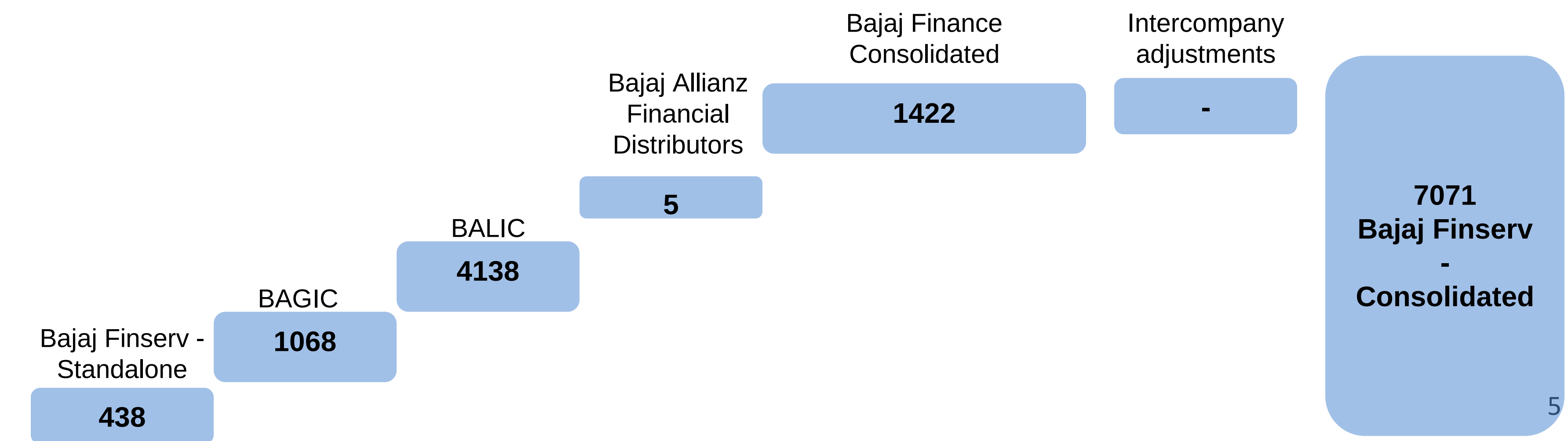
Consolidated profit components – Q4

All Figures in Rs Million

Consolidated profit components for Q4 FY2016



Consolidated profit components for Q4 FY2015

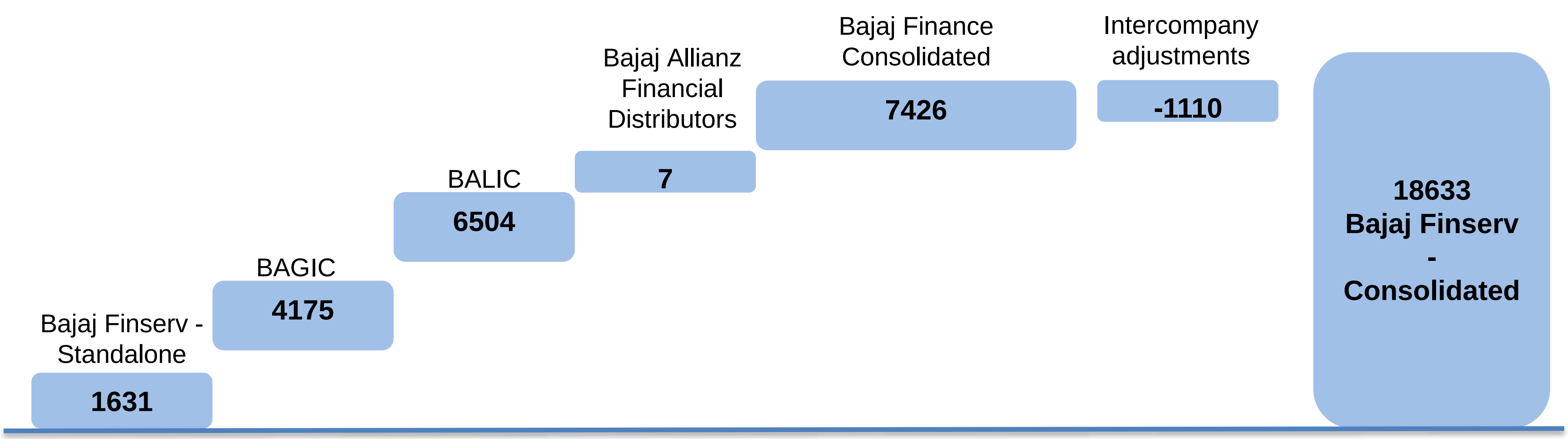


*Note on Bajaj Finserv's Consolidated Proft: Q4 profits for the previous financial year (FY 2015) include the transfer of policyholders' profit to the shareholders' account in respect of BALIC for the full year since such transfer was made annually. For the current financial year (FY 2016), such profits have been transferred quarterly and to that extent the consolidated profits for Q4 are not comparable with Q4 of the previous year.

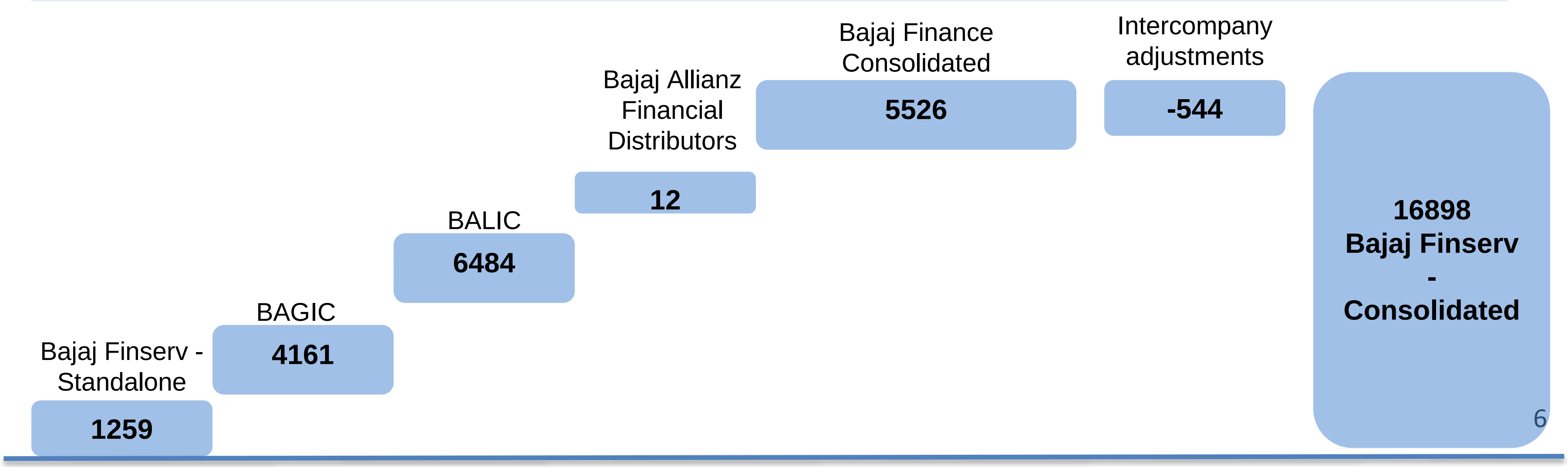
Consolidated profit components – Full Year

All Figures in Rs Million

Consolidated profit components for FY2016



Consolidated profit components for FY2015

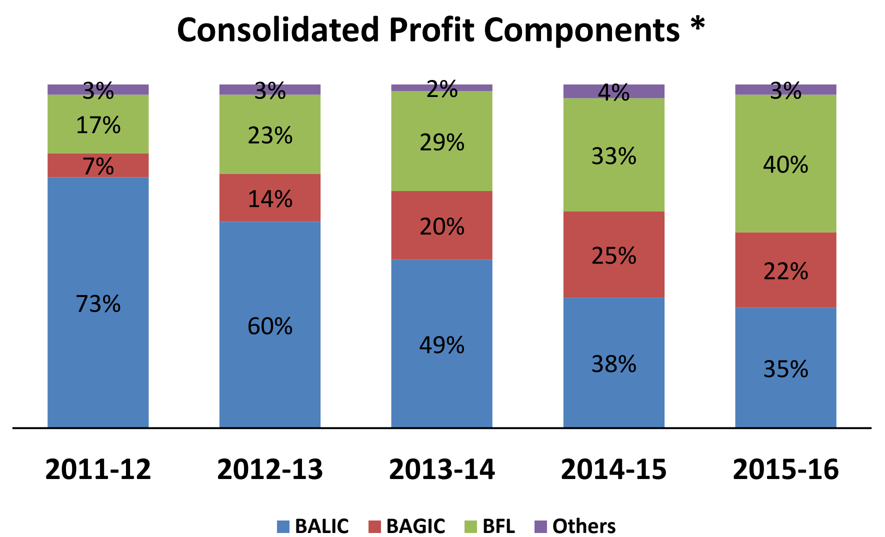


Full Year Highlights

All Figures in Rs Million

Consolidated Bajaj Finserv Highlights

BAJAJ FINSERV	FY16	FY15	Growth
Gross Revenue	223,636	195,893	14%
Net worth	133,911	109,646	22%
PAT	18,633	16,898	10%



Group Company Highlights

BALIC	FY16	FY15	Growth
GWP	58,973	60,173	-2%
New Business	28,845	27,021	7%
AUM	441,075	435,538	1%
PAT	8,790	8,762	0.3%

BAGIC	FY16	FY15	Growth
GWP	59,006	53,007	11%
NEP	42,236	38,319	10%
AUM (cash & investments)	92,112	78,588	17%
PAT	5,642	5,623	0.3%

BAJAJ FINANCE #	FY16	FY15	Growth
Book Size	427,558	311,994	37%
Total Income	73,835	54,182	36%
PAT	12,785	8,979	42%

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

Bajaj Allianz Life Insurance

Life Insurance - Overview

BAJAJ Allianz

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.

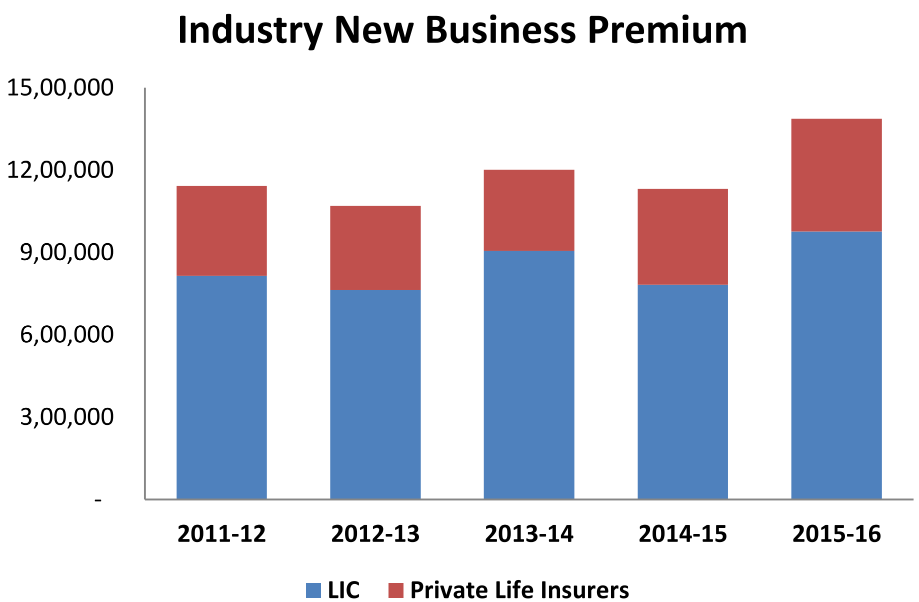
DIFFERENTIATORS

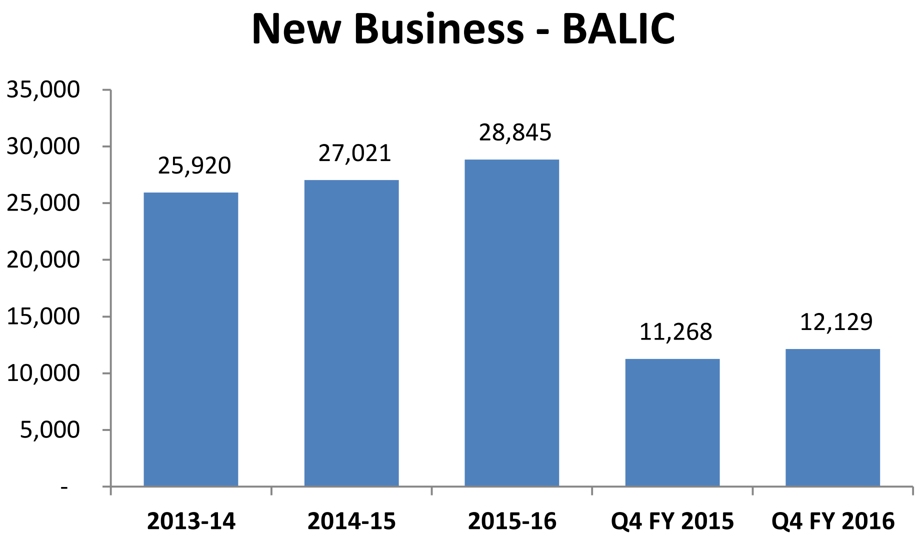
Large Proprietary Agency Force	• Large pan India agency force. Deep pan India distribution reach of offices and agents • Support structure is quite lean
Capital Efficiency	• BALIC is a highly capital efficient player
Sustainable model	• Product mix isn't skewed towards any one product line. • FY15 13th month persistency at 67.6%.

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

New business trend

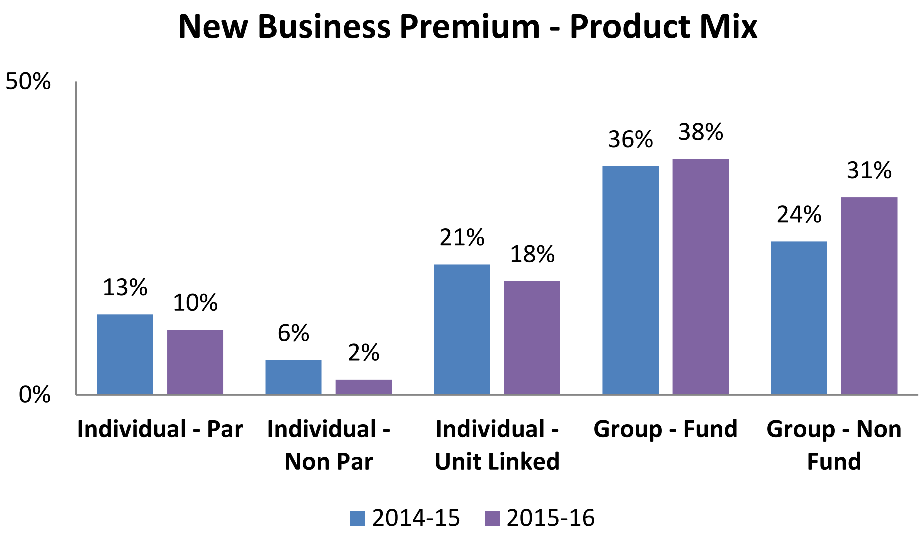
All Figures in Rs Million

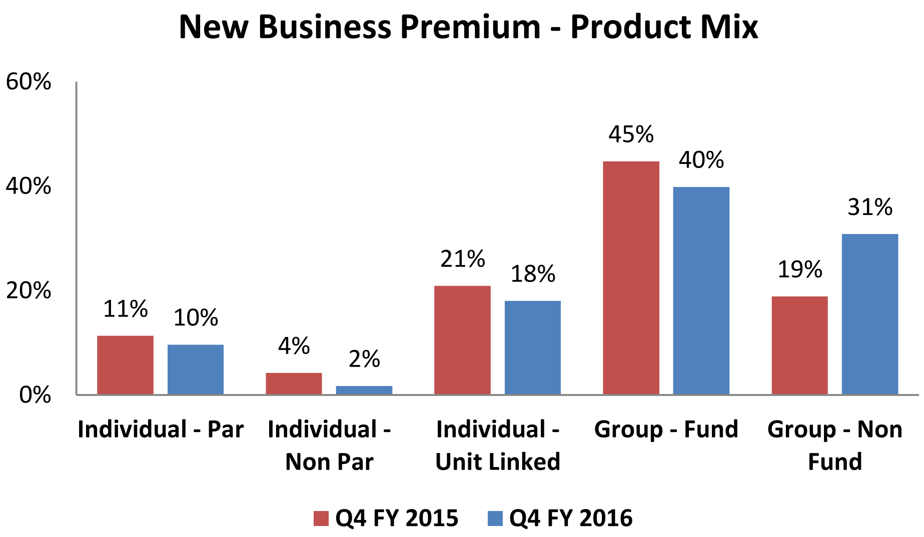




- New business was up 8% in Q4 FY16 over Q4 FY15.

The product mix is diversified

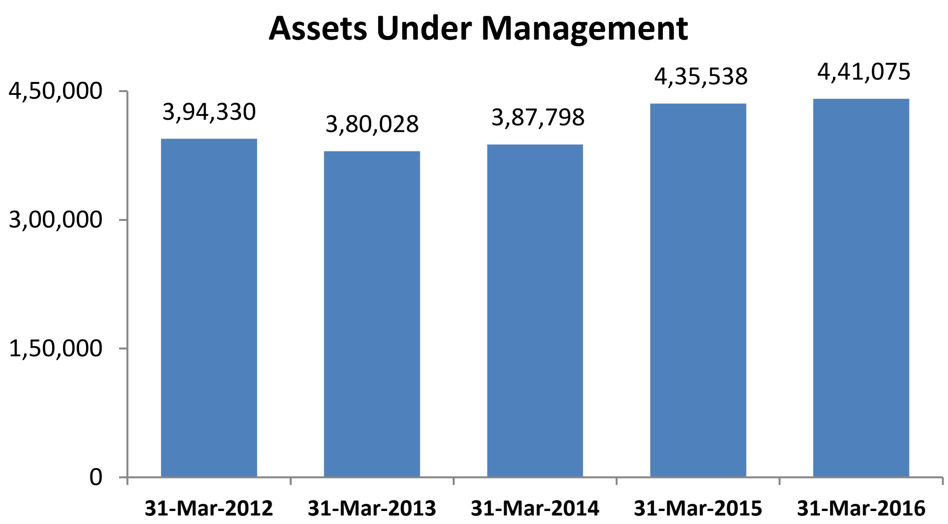


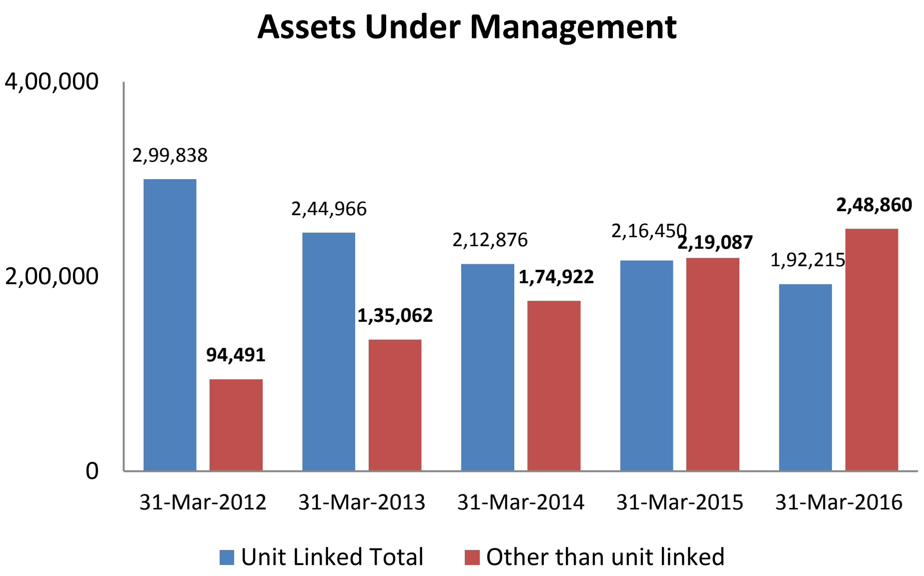


Product mix depicted on percentage basis to new business.

Assets under management are significant

All Figures in Rs Million

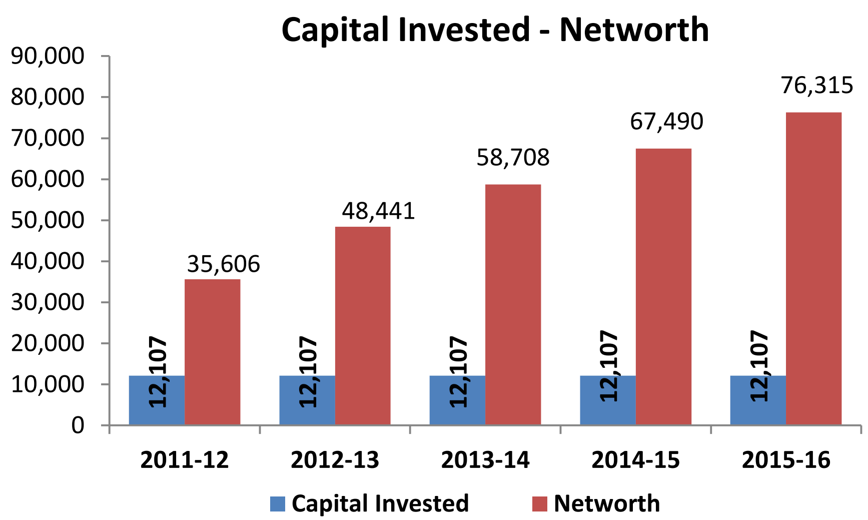


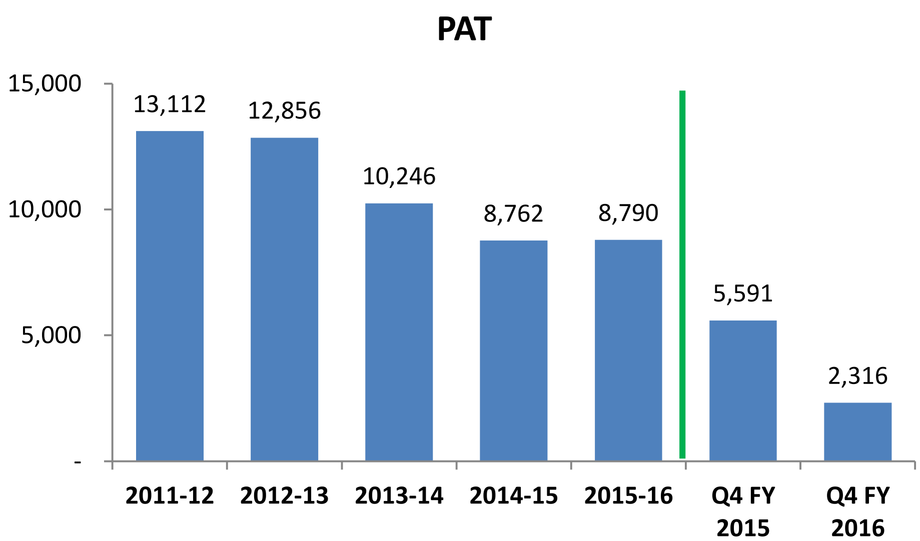


- Equity funds out of the unit linked funds stood at Rs 126,850 Mn as of 31st Mar 2016

Net worth and PAT

All Figures in Rs Million





BALIC is a capital efficient insurer

Policyholders surplus for FY16 stood at Rs 3,944 Mn versus Rs 4,283 Mn in FY15.

Note: PAT for Q4 FY16 includes an amount of Rs 995 Mn, which represents the transfer of shareholders' share of policyholder surplus arising in the quarter. In the previous years, such profit for the entire year was transferred only at the end of the year (In Q4 FY15, the transfer was Rs 4,879 Mn). As a result Q4 FY15 and Q4 FY16 profit figures are not directly comparable. The figures for the full year FY16 and FY15 would, however, be comparable.

Bajaj Allianz Life Insurance performance highlights

All Figures in Rs Million

Performance Highlights of Q4 FY2016 over Q4 FY2015

New Business Premium

12,129

8%

11,268

Renewal Premium

12,057

-4%

12,523

Gross Written Premium

24,185

2%

23,790

PAT *

2,316

* Refer Note

5,591

Solvency Ratio as on 31st Mar 2016

793%

AUM

441,075

1%

435,538

• **Note:** PAT for Q4 FY16 includes an amount of Rs 995 Mn, which represents the transfer of shareholders' share of policyholder surplus arising in the quarter. In the previous years, such profit for the entire year was transferred only at the end of the year (In Q4 FY15, the transfer was Rs 4,879 Mn). As a result Q4 FY15 and Q4 FY16 profit figures are not directly comparable. The figures for the full year FY16 and FY15 would, however, be comparable.

MCEV Update

All Figures in Rs Mn

Parameter	FY 15	FY 16
Annualized Premium** (ANP)	**9,858**	**9,656**
New Business Value* (NBV)	**1,780**	**1,603**
Implied Margins on ANP	**18.1%**	**16.6%**
Embedded Value++ (EV)	**93,019**	**98,763**

- One-year forward rates derived from the risk free yield curve are used for discounting cash flows. Allowance for risk is provided in computing cash flows for various risks and the cost of risk capital. Investment returns are derived from the risk free yield curve. Currently applicable tax rate of 14.42% is assumed.
- Results not audited or reviewed externally but methodology is in line with APS 10 of the Institute of Actuaries of India.

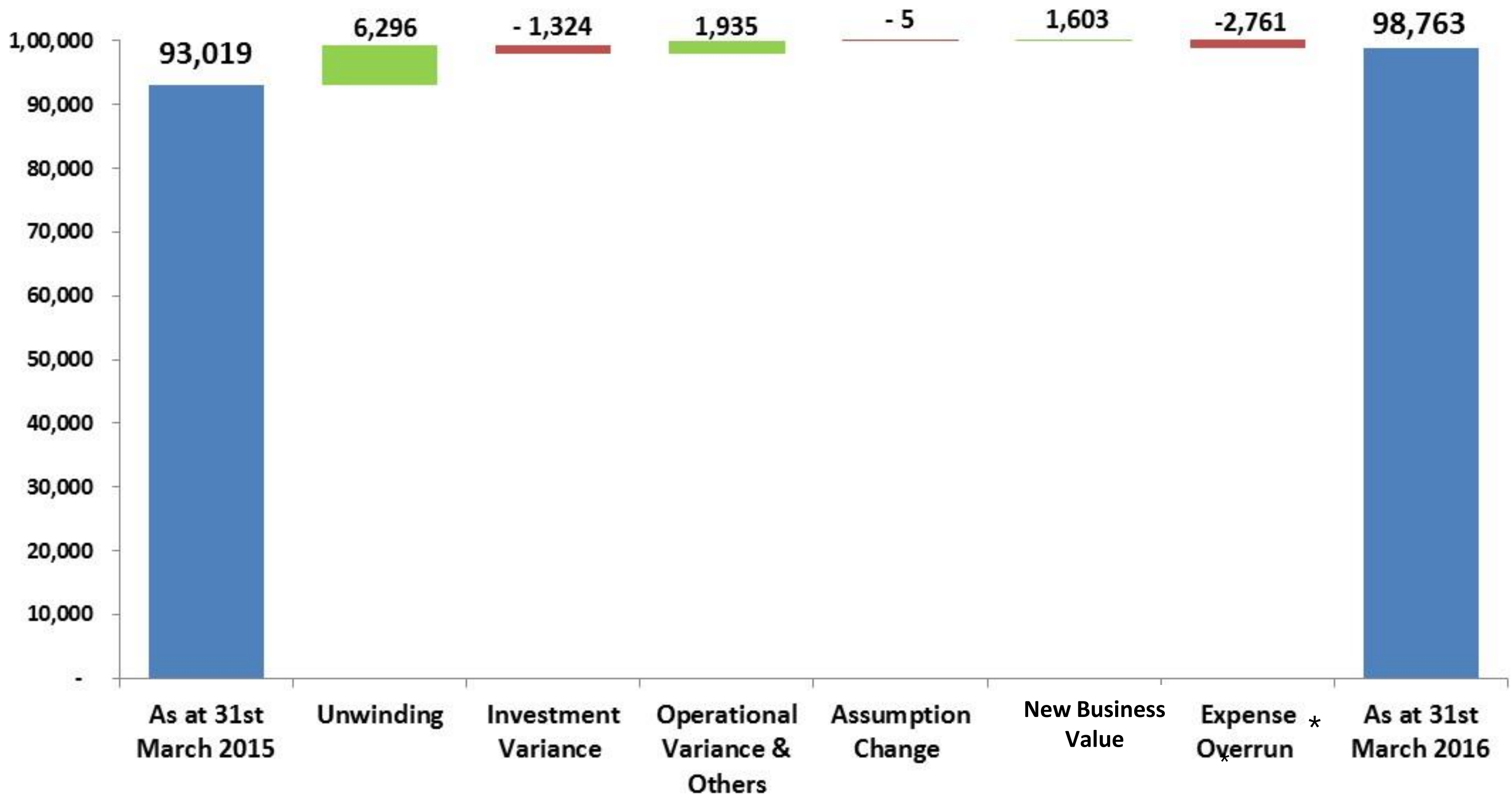
*** New Business Value represents discounted present value of expected net cash flows from new business written during the year.**

****ANP refers to annualised new business written during the year and is calculated by assigning a 10% weight to single premium and 100% weight to regular premium. Group Fund business is included in the definition of ANP.**

++On Market consistent basis

MCEV Movement

Figures in Rs Million



*** PAR business overruns are considered at 100% of overrun. As per regulation, the surplus from PAR business is to be shared between policyholders and shareholders in the ratio of 90:10. Expense over run would have been Rs 1736 Mn if PAR business over runs were to be considered at 10%, being the shareholders' portion thereof. MCEV figures would be unchanged in both cases.**

Unwinding is the roll forward of opening figures at Best Estimate rate of interest. It also contains the Best Estimate expected profit transferred from the Value In Force to NAV over the year.

Bajaj Allianz General Insurance

General Insurance - Overview

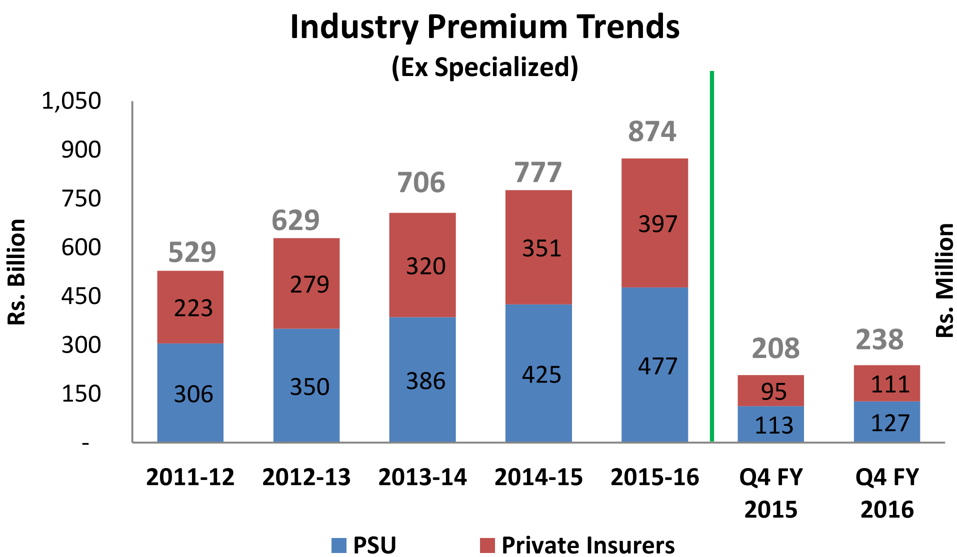
STRATEGY

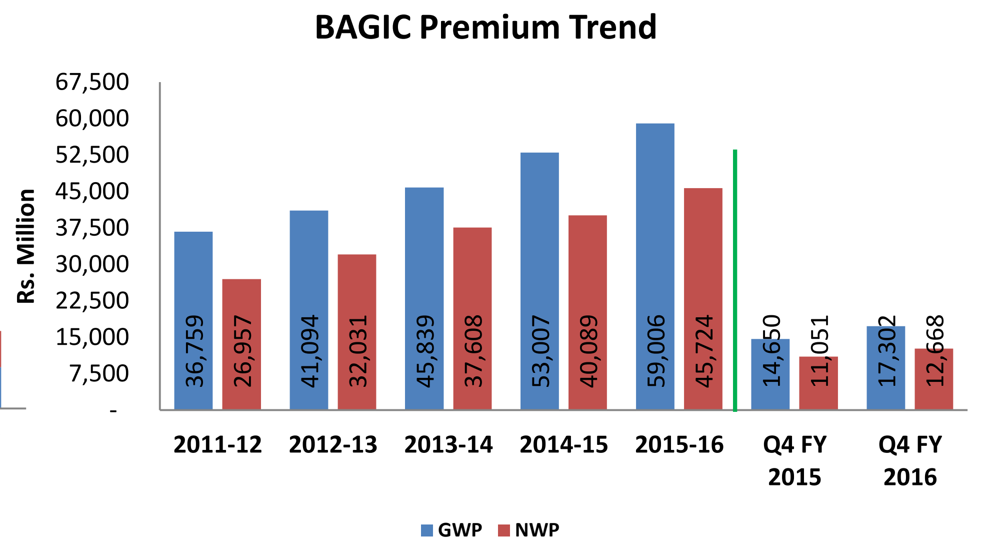
Strategy is to retain focus on retail product lines, with diversified distribution, prudent underwriting and strong cash flow generation, while delivering excellence in customer service.

DIFFERENTIATORS

Underwriting Standards	• Deeply ingrained underwriting focus, which has reflected in industry leading combined ratios over time. • FY16 Combined Ratio stood at 99.3%
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

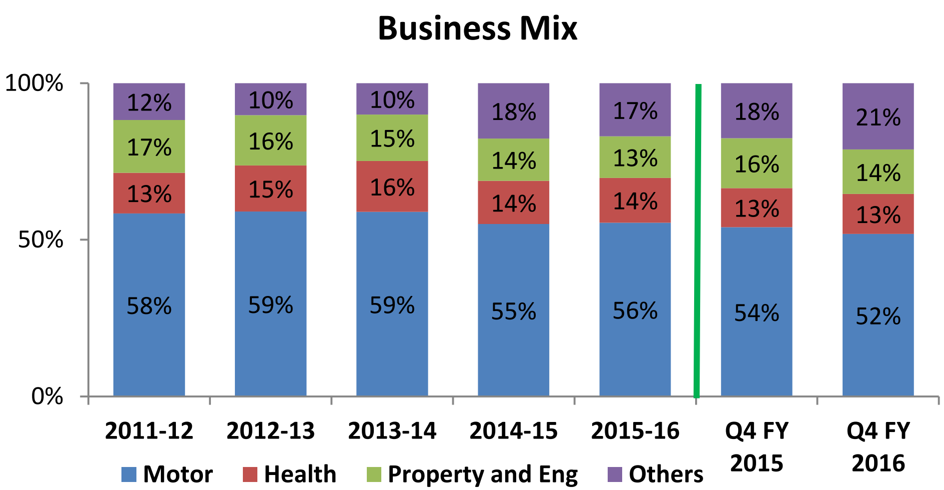




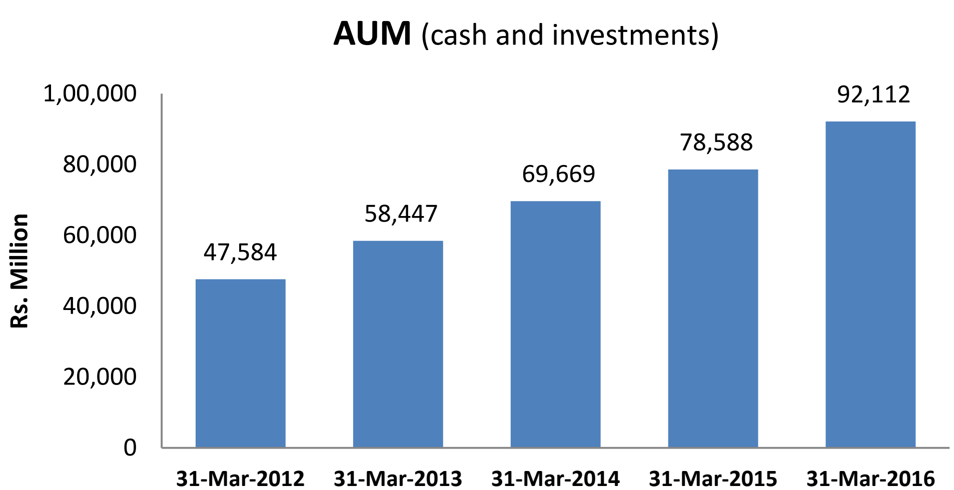
- BAGIC grew GWP in Q4 FY 2016 By 18% compared to corresponding period last year

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.

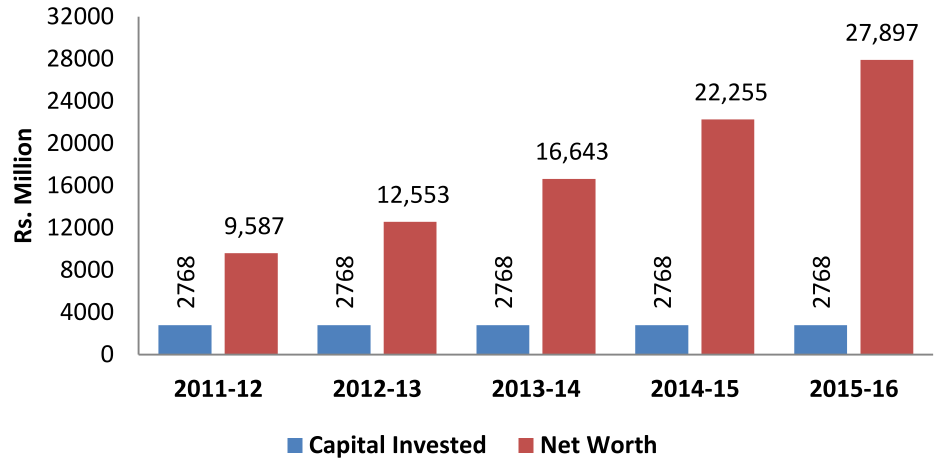


BAGIC continues to grow its AUM strongly. Investments are largely in fixed income securities.

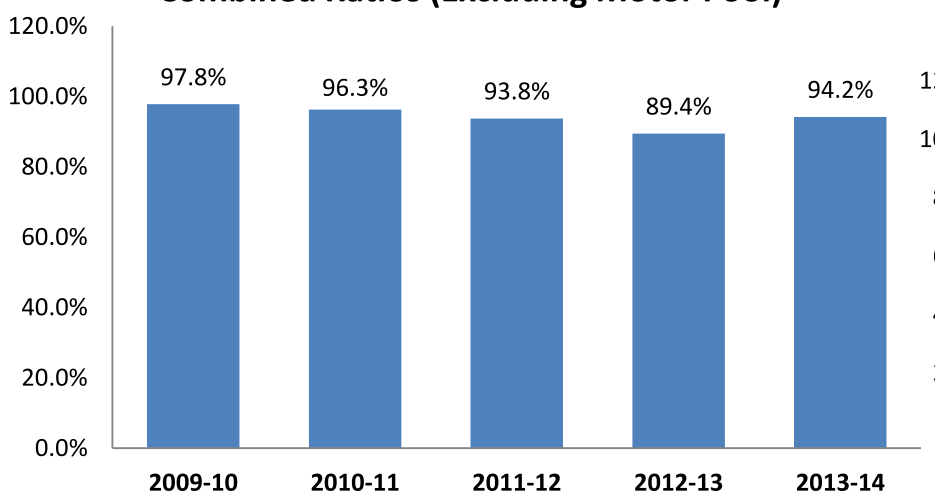
BAGIC has high capital efficiency coupled with a very good combined ratio

All Figures in Rs Million

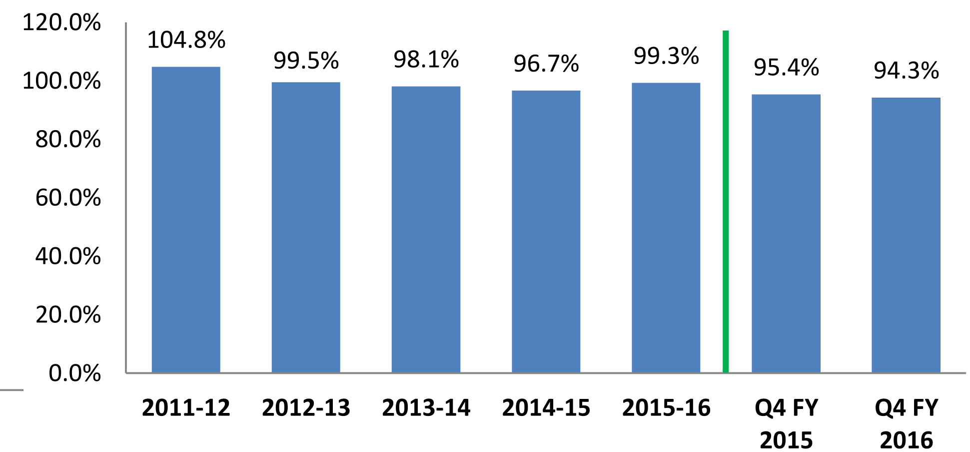
BAGIC - Capital Invested - Networth



Combined Ratios (Excluding Motor Pool)



Combined Ratios
(Including Pool)



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.*

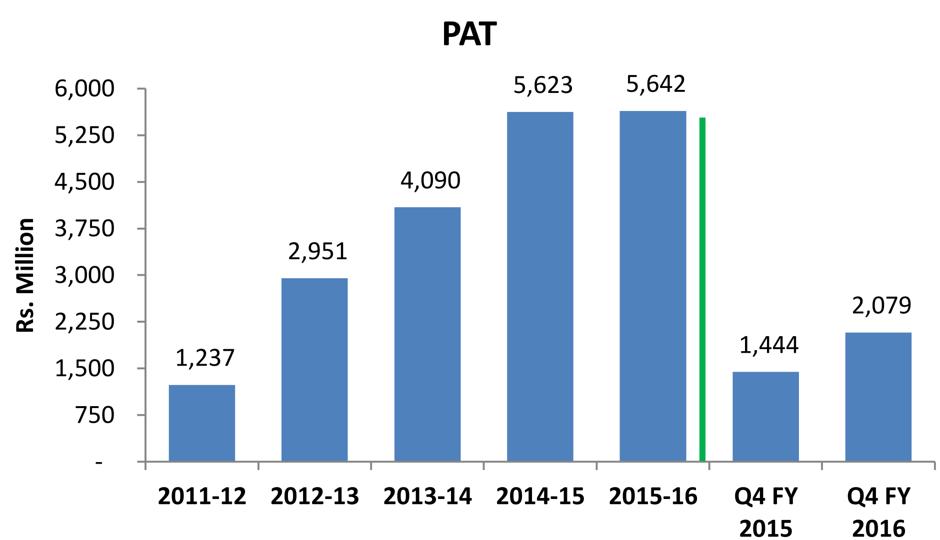
Bajaj Allianz General performance highlights

All Figures in Rs Million

Performance Highlights of Q4 FY2016 over Q4 FY2015

Gross Written Premium	Net Earned Premium	Profit After Tax	ROE (Non Annualized)
17,302	11,261	2,079	7.7%
18%	13%	44%	
14,650	9,998	1,444	6.7%

Solvency Ratio was 251% as against regulatory requirement of 150% as of 31st Mar 2016



Bajaj Finance Limited

Standalone

Bajaj Finance - Overview

Overview

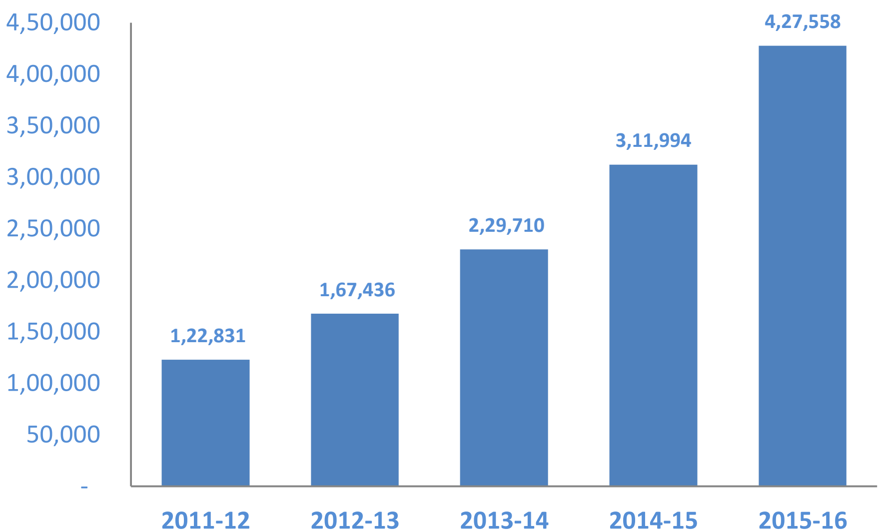
- A non bank with strategy, structure & support model of a bank
- Diversified financial services strategy envisages an optimal mix of risk and profit to deliver a sustainable business model
- The business construct is to deliver a sustainable and superior ROA & ROE in the medium term

Diversified Lending

Consumer	SME
Commercial	Rural

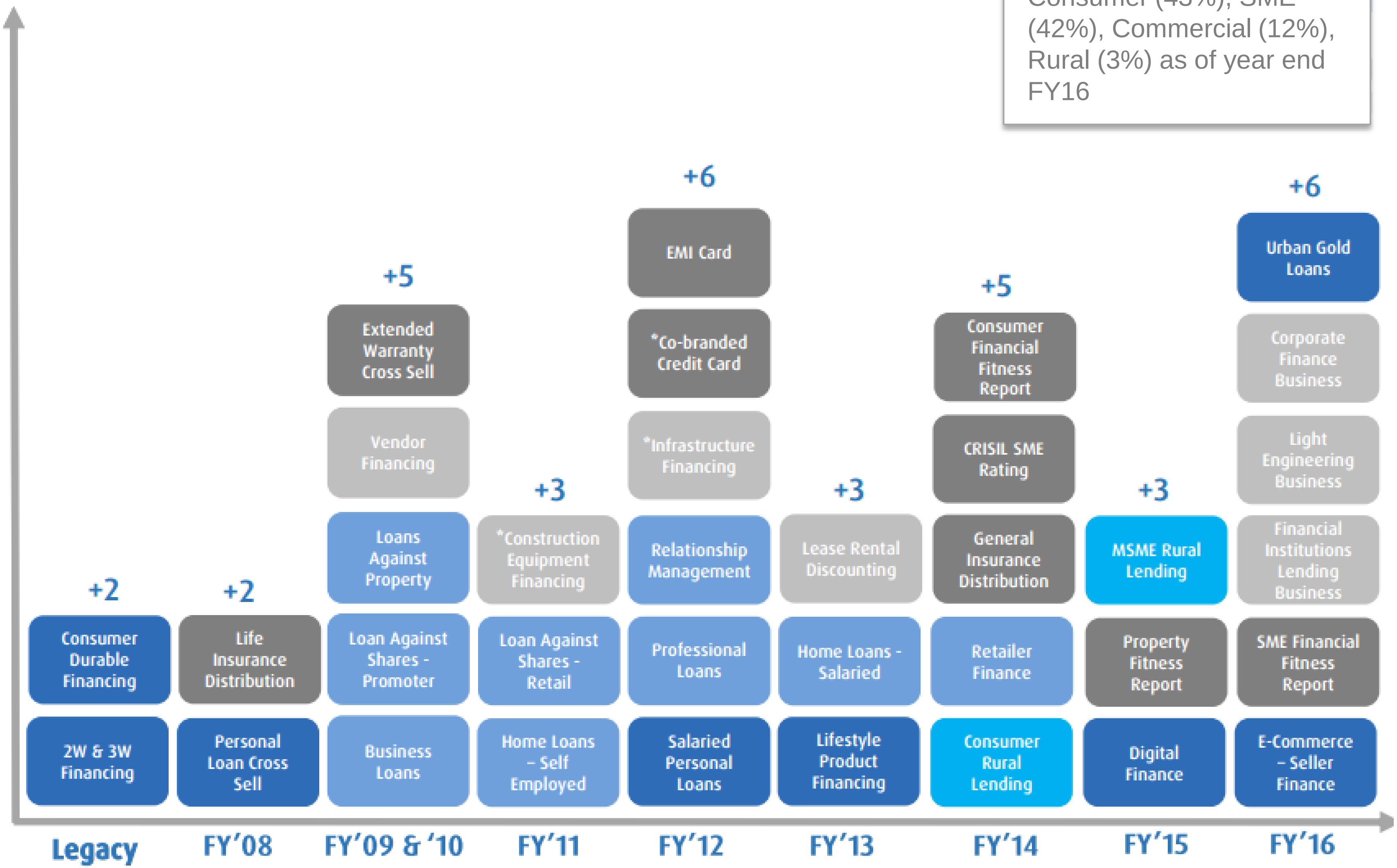
Sustained Growth

Book Size – Rs Mn



Bajaj Finance – Business / Product Launch Journey

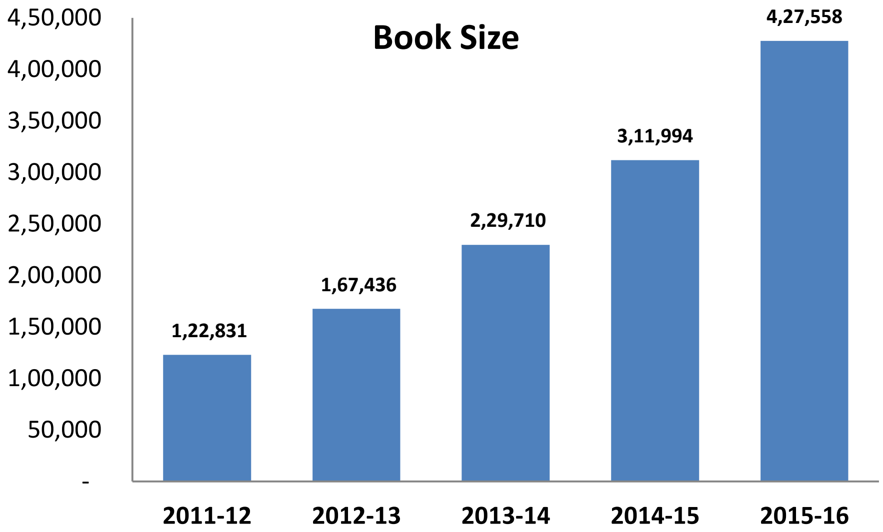
AUM mix:
Consumer (43%), SME (42%), Commercial (12%), Rural (3%) as of year end FY16

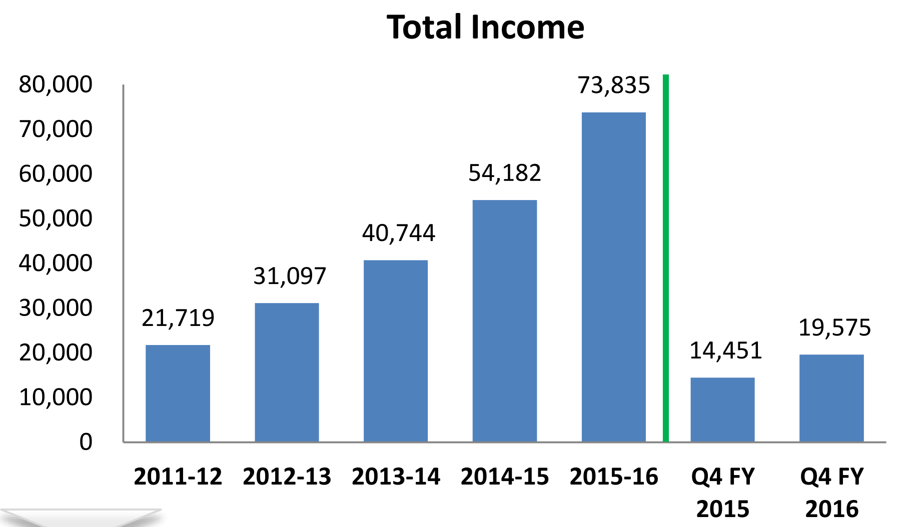


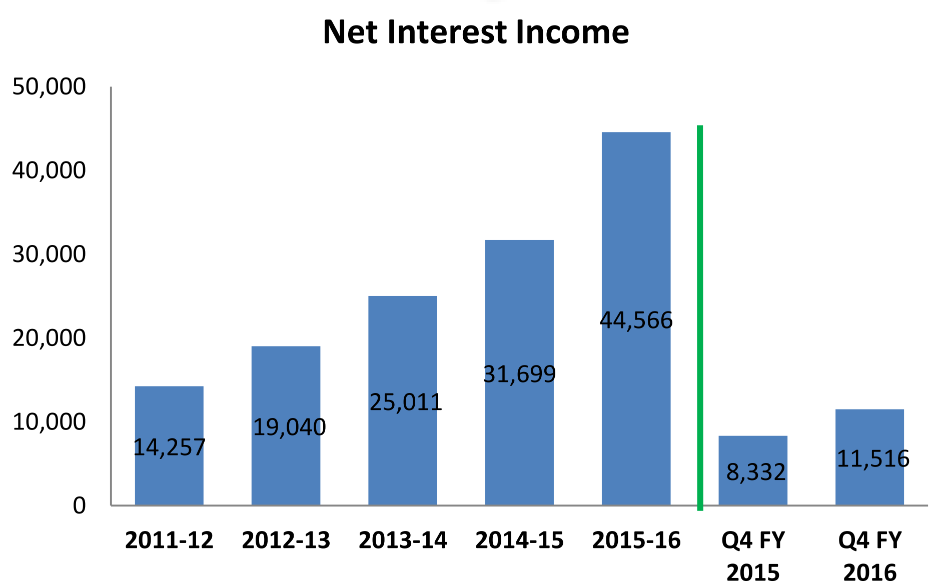
* Closed

Bajaj Finance has clocked healthy growth in revenues

All Figures in Rs Million

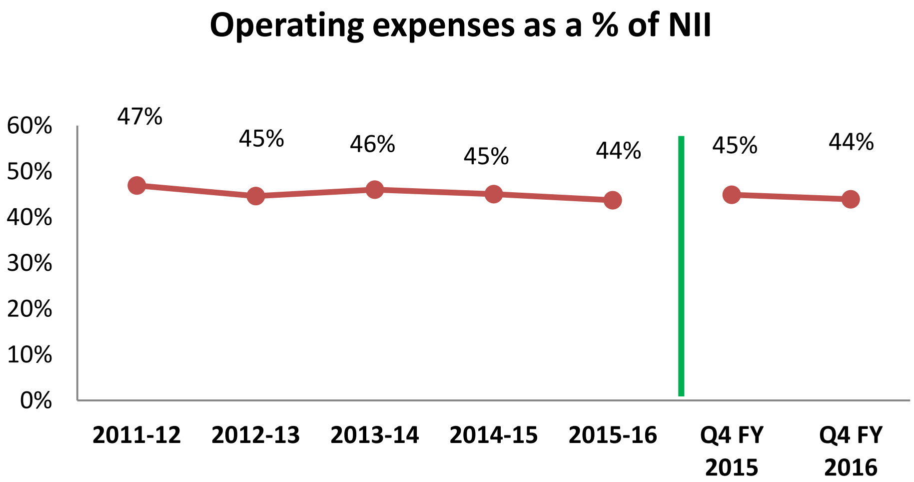


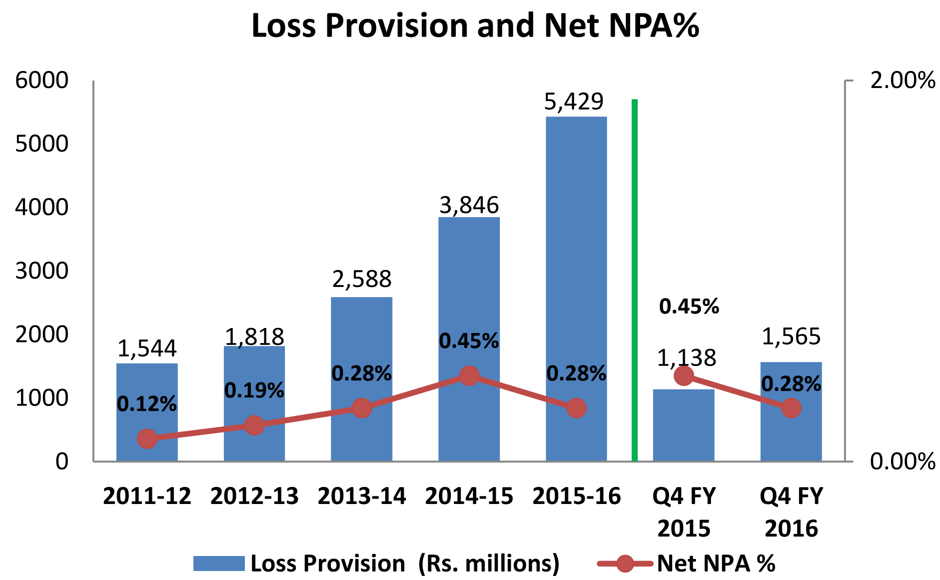


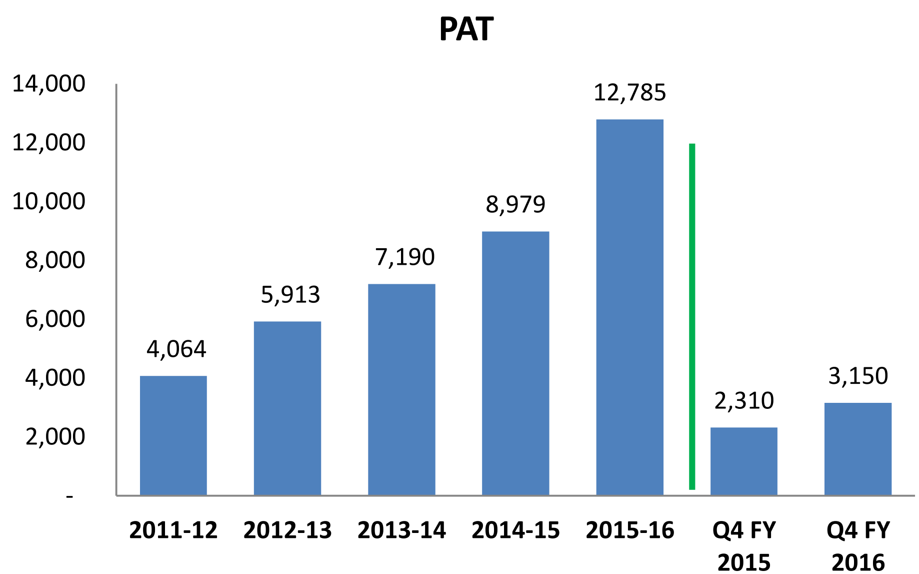


Quality of assets is good, and operating costs remain under control

All Figures in Rs Million







Bajaj Finance performance highlights

All Figures in Rs Million

Performance Highlights of Q4 FY2016 over Q4 FY2015

	Q4 FY2016	Growth	Q4 FY2015
Book Size	427,558	37%	311,994
Total Income	19,575	35%	14,451
Profit After Tax	3.150	36%	2,310
Return on Assets (Non-annualized)	0.7%		0.8%
ROE (Non-annualized)	4.3%		4.9%

- Borrowing mix is not excessively dependent on banks (48:52 mix between banks and other sources as of 31st Mar 2016).
- Capital Adequacy stands at 19.5% as of 31st Mar 2016

Thank You