



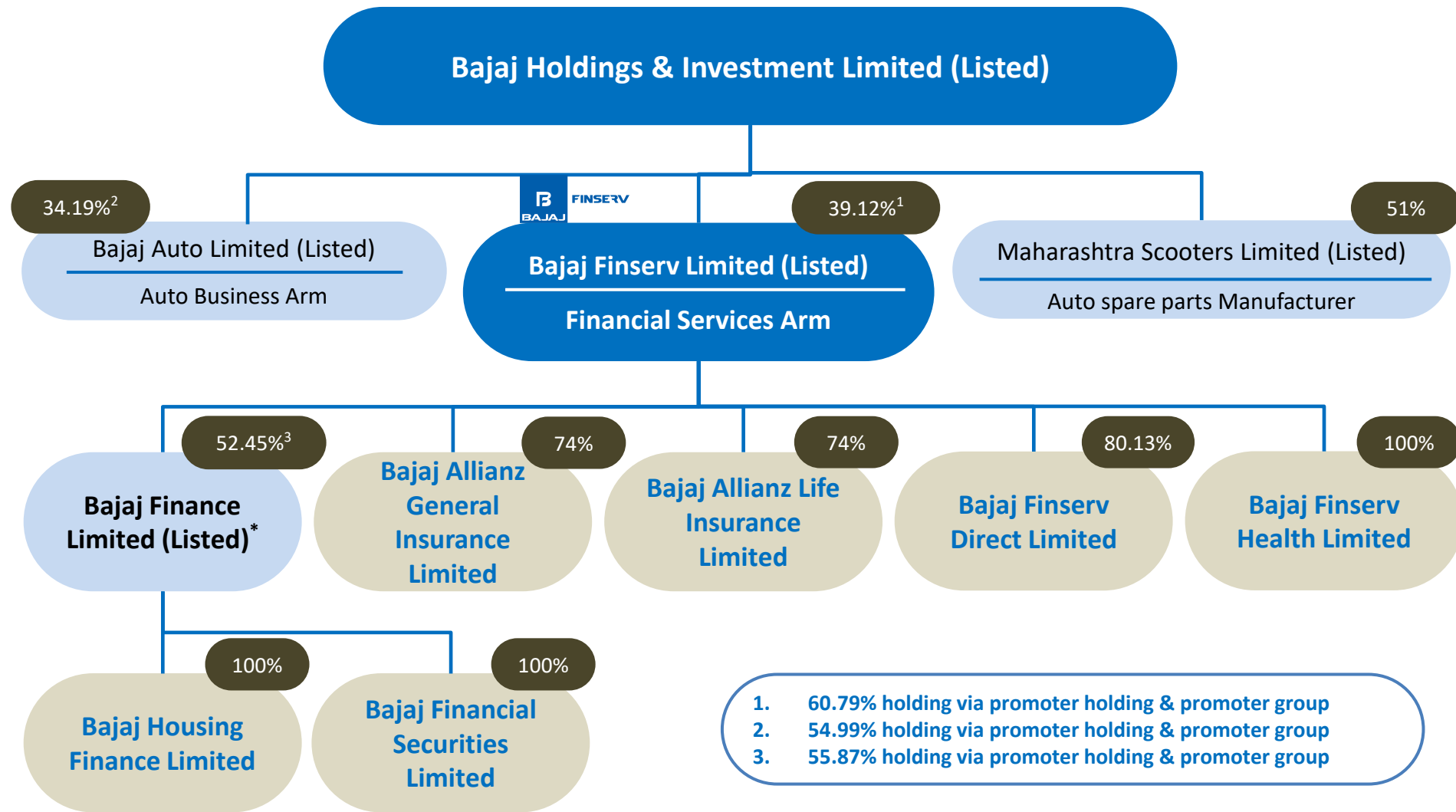
# BAJAJ FINSERV LIMITED

## Investor Presentation – Q1 FY24\*

*\*Financial year 2023-24*

*Note: From Q1 FY23 Bajaj Finserv Limited has started reporting its numbers in Investor Presentation in Rs. Crores. Till FY22, the same was in Rs. Million.*

# Bajaj Group Structure



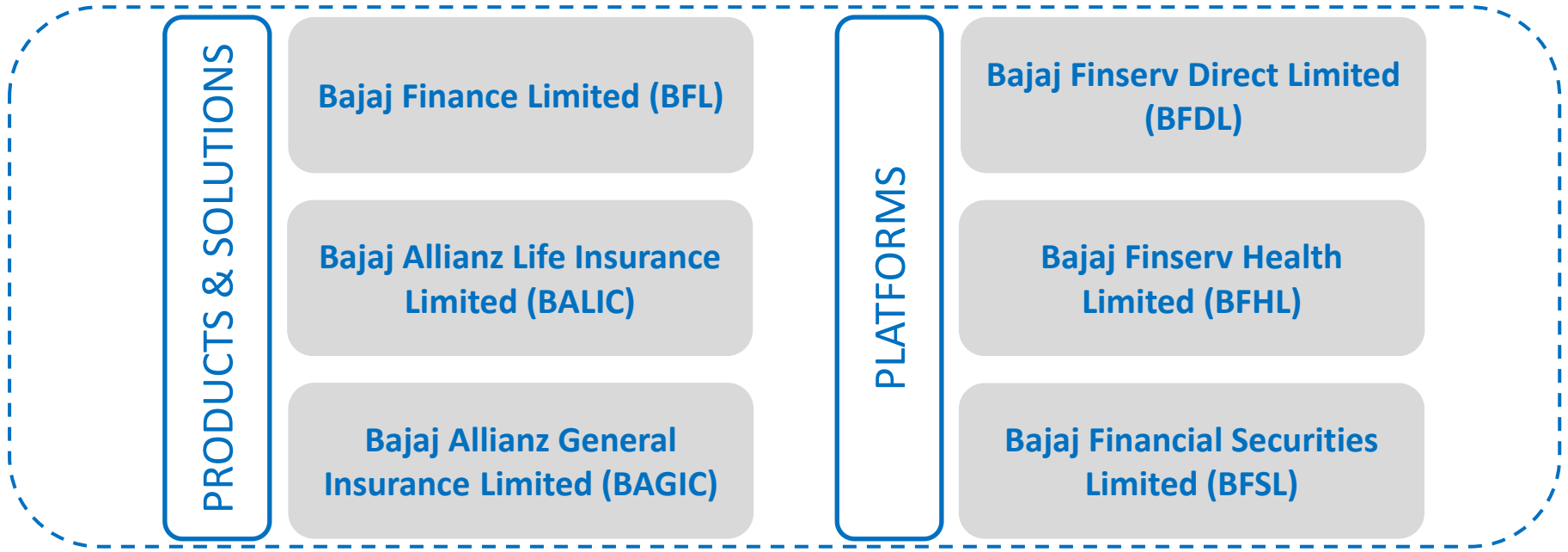
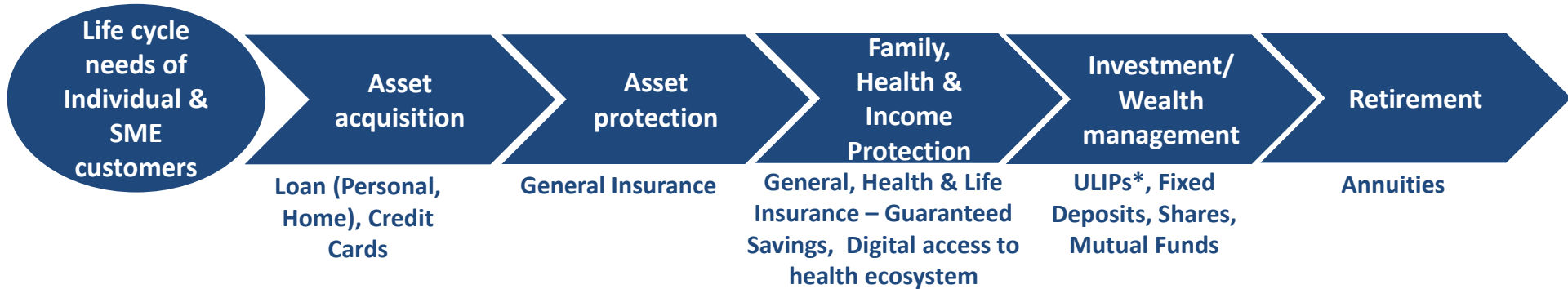
Apart from these, Bajaj Finserv (BFS) also has two other fully-owned subsidiaries – BFS Asset Management Company (Bajaj AMC, which has started operations and has launched its first fund in Q1 FY24) and BFS Ventures (BFSV)

Bajaj Housing Finance Limited (BHFL) is a 100% subsidiary of BFL which became fully operational in Feb 2018.

Bajaj Financial Securities Limited (BFSL) is 100% subsidiary of BFL which became fully operational in Aug 2019

Maharashtra Scooters Limited (MSL) is termed as an unregistered Core Investment Company. Note: Shareholding is as of 31 March 2023.

# Bajaj Finserv's Vision – A diversified financial services group with a pan-India presence



**Diversified across products and markets, with a strong retail core**

- Bajaj Finserv Asset Management Limited filed for its first 7 products with SEBI in Mar-23 and Apr-23. Its first 2 funds, Liquid and Overnight, were launched at the end of Jun-23 while the Money Market Fund NFO was launched in Jul-23
- BFS has also incorporated Bajaj Finserv Ventures Limited, a wholly owned subsidiary, which will focus on alternative investments

\*ULIPs - Unit Linked Investment Products

## Bajaj Finance Limited



- ❑ Non-Bank with strategy & structure of a bank
- ❑ Diversified financial services strategy with an optimal mix of risk and sustainable profit
- ❑ Focused on mass affluent & above with a strategy to cross-sell with smart use of data and analytics
- ❑ Focused on continuous innovation to transform customer experience and create growth opportunities

## Bajaj Allianz General Insurance



- ❑ Build a profitable & diversified portfolio of products & solutions with emphasis on multi-channel distribution, strong underwriting with stress on combined ratio & prudent financial management
- ❑ Drive the theme of “Caringly yours” on the foundation of customer obsession through innovations in customer experience
- ❑ Strive to be the best claims paying general and health insurer

## Bajaj Allianz Life Insurance



- ❑ Balanced product mix and diverse distribution network to deliver sustainable profitable growth with robust risk management
- ❑ Life Goal Enablers for customers through differentiated products
- ❑ Customer-centric strategy to deliver seamless, simplified & personalized experience
- ❑ Use of innovation & data analytics as a strategic differentiator for customers & sales partners

## Bajaj Finserv Health Limited

- ❑ Health Tech venture - aims to transform healthcare sector in India
- ❑ Integrating the fragmented healthcare delivery ecosystem with technology and financial services on a digital platform to bring quality healthcare closer to consumers' reach through products, networks & Technology
- ❑ Introduced a suite of products and services for individuals and corporates, offering a wide range of personalized, preventive and prepaid healthcare packages such as OPD care, telemedicine, and other services.

## Bajaj Finserv Direct Limited

- ❑ BFSI marketplace (Bajaj Markets) to digitally source and distribute Financials products pan-India
- ❑ Technology services division (SKALEUP), wherein it offers digital technology services primarily in the BFSI domain.
- ❑ Attract new-to-Finserv customers by creating awareness and discovery of the Finserv brand in the digital medium

## Bajaj Financial Securities Limited\*

- ❑ A digital stockbroker to provide Loan Against Securities (LAS) customers of BFL by offering them a full suite of investment products and services
- ❑ All-in-one digital platform combining demat, broking, margin trade financing for retail and HNI clients on a predominantly B2C platform

\*Bajaj Financial Securities Limited is 100% subsidiary of Bajaj Finance Limited which became fully operational in Aug 2019

- *Monitor and engage with our companies with the objective of long-term sustainable profit, meaningful market share, and effective use of capital - thereby delivering superior shareholder returns*
- *We do this by driving companies to create institutionalized frameworks through accountable empowerment and encouragement of disruptive thinking*

Business

- Rigorous engagement in Long Range Planning and Annual Operating Plans
- Regular review of all businesses and their SBUs
- New business opportunities and Strategic investments

Risk

- Harmonization of risk policies and framework, Regular engagement with CROs of business
- Periodic review of top ERM risks including credit, business, financial, operational, reputation, etc. & mitigation actions planned
- Drive risk related projects across the group such as ORM

Collaboration and Best Practice

- Group Knowledge Forums – Analytics, Technology, Investments, Governance, etc.
- Cross group stress identification forum to identify any cross functional view on investment risks
- Cross Company projects on Data, innovation and digital strategy.

People / HR

- One Finserv – Group Talent mobility
- Group Young Leader Management Trainee Program
- 30 Under 30 Program
- 3 Tier Merit based remuneration plans combining fixed cash, annual bonus and ESOPs

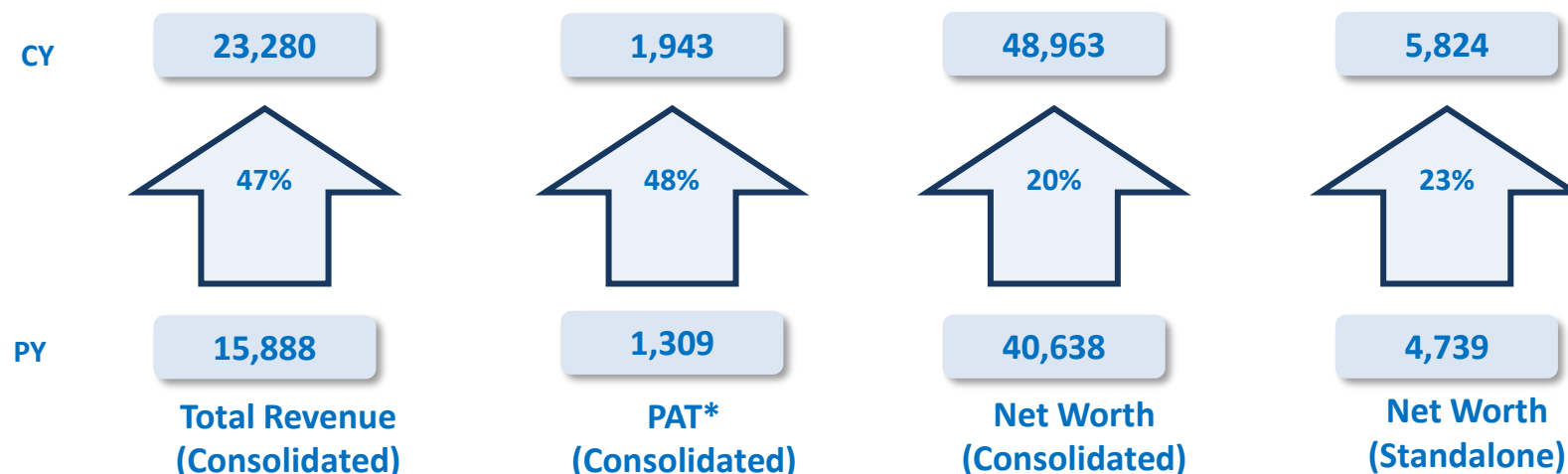
Customer Experience, Investments, ESG

- Defining Customer Service protocols for businesses
- Review and standardisation of investment processes
- Oversight and monitoring of ESG policy and its implementation across the group

CRO – Chief Risk Officer  
ERM – Enterprise Risk Management  
ORM – Operational Risk Management

All Figures in Rs. Crore

## Performance Highlights of Q1 FY24 over Q1 FY23 (Ind AS)



- Bajaj Finserv remains a debt free company. **Bajaj Finserv's surplus funds (Excluding Group Investments) stood at ₹ 2,094 crore as on 30 June 2023 v/s ₹ 1,432 crore as at 30 June 2022 and ₹ 1,709 crore as at 31 March 2023.**
- Consolidated **Book Value Per Share at ₹ 307** as on 30 June 2023 (₹ 230<sup>#</sup> as on 30 June 2022)
- PAT includes unrealized mark-to-market (MTM) loss on equity investments measured at fair value through profit and loss of BALIC and BAGIC of ₹ 30 Cr in Q1 FY24 as compared to MTM loss of ₹ 283 Cr in Q1 FY23. Ex-MTM impact, PAT growth stood at 24%.**

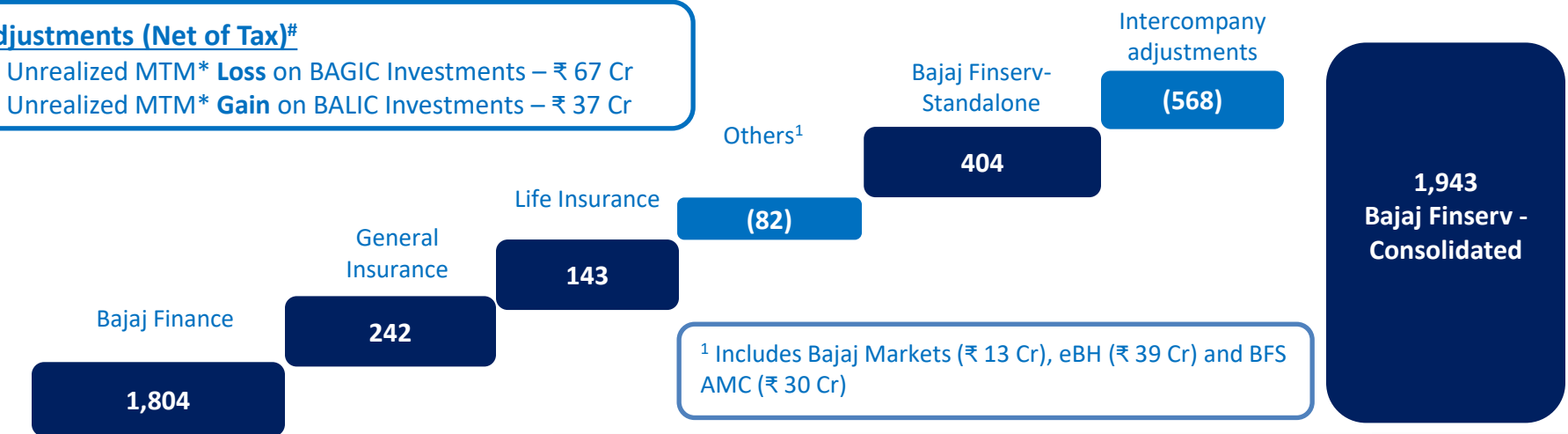
# Consolidated profit components – Q1 FY24 (BFS Share)

All Figures in Rs. Crore

## Consolidated profit# components for Q1 FY24 (Ind AS)

### Adjustments (Net of Tax)#

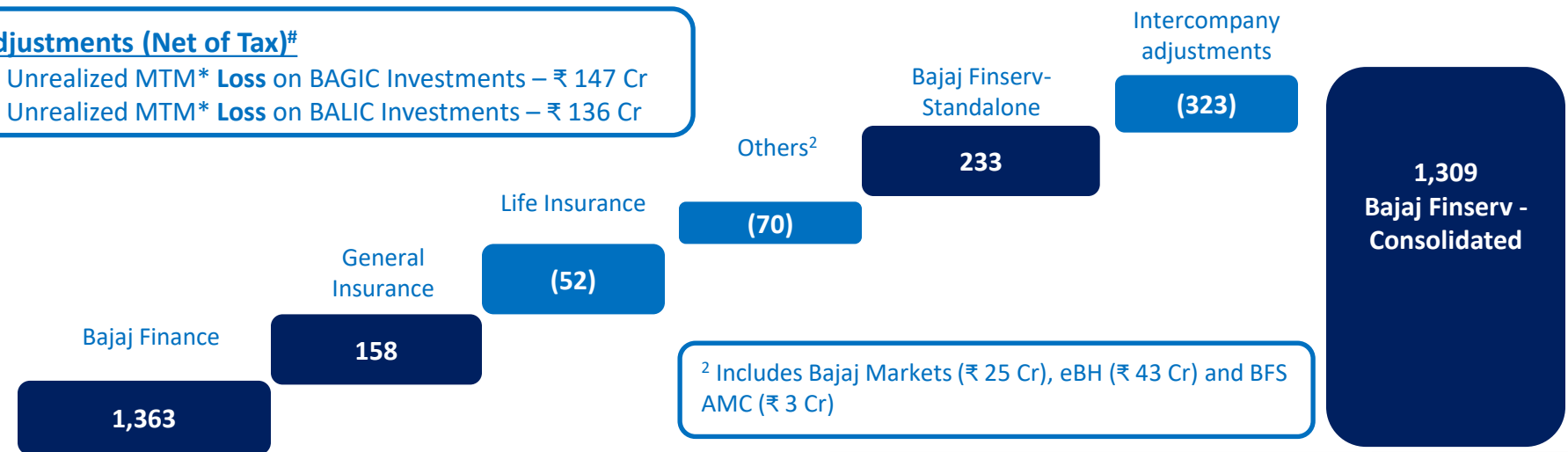
- ☐ Unrealized MTM\* **Loss** on BAGIC Investments – ₹ 67 Cr
- ☐ Unrealized MTM\* **Gain** on BALIC Investments – ₹ 37 Cr



## Consolidated profit# components for Q1 FY23 (Ind AS)

### Adjustments (Net of Tax)#

- ☐ Unrealized MTM\* **Loss** on BAGIC Investments – ₹ 147 Cr
- ☐ Unrealized MTM\* **Loss** on BALIC Investments – ₹ 136 Cr



# - Denotes impact considering BFS stake in respective companies | MTM – Mark to Market





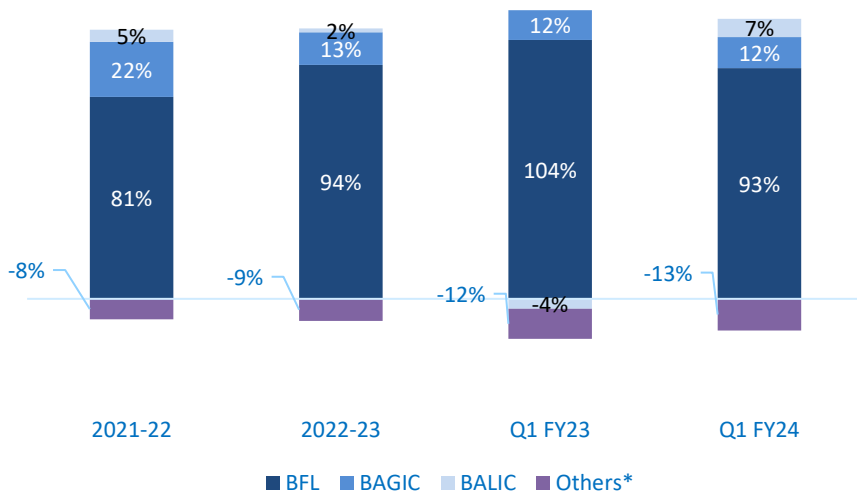
All Figures in Rs. Crore

## Highlights of Group Companies

BAJAJ FINSERV#	Q1 FY24	Q1 FY23	Growth
Total Revenue	23,280	15,888	47%
Net worth	48,963	40,638	20%
<b>PAT</b>	<b>1,943</b>	<b>1,309</b>	<b>48%</b>

#Consolidated | Ind AS

### Consolidated Profit Components\*



BAJAJ FINANCE#	Q1 FY24	Q1 FY23	Growth
AUM	2,70,097	2,04,018	32%
Total Income	12,501	9,286	35%
PAT	3,437	2,596	32%
<b>PPOP^</b>	<b>5,546</b>	<b>4,258</b>	<b>30%</b>

BAGIC	Q1 FY24	Q1 FY23	Growth
GWP	3,834	3,119	23%
Investments	28,611	25,362	13%
PAT	415	411	1%
<b>Combined Ratio</b>	<b>100.7%</b>	<b>104.6%</b>	<b>3.9%<sup>abs.</sup></b>

BALIC	Q1 FY24	Q1 FY23	Growth
GWP	4,058	4,369	-7%
GWP excl Grp Fund	3,694	3,030	22%
Investments	95,317	83,072	15%
PAT	155	124	25%
<b>NBV &amp; NBM **</b>	<b>94   7%</b>	<b>135   11%</b>	<b>-30%   -3%<sup>abs.</sup></b>

□ Bajaj Finserv and Bajaj Finance figures are as per Ind AS

□ BAGIC and BALIC figures are as per IRDAI Regulations (Indian GAAP) & the Indian Accounting Standard framework is used only for consolidated numbers

\*\* NBV – Net New Business Value, NBM – Net New Business Margin, \*Others includes Bajaj Finserv Standalone, and all remaining components

^ - Pre-Provision Operating Profit Before Tax

# **Bajaj Finance Limited**

## STRATEGY

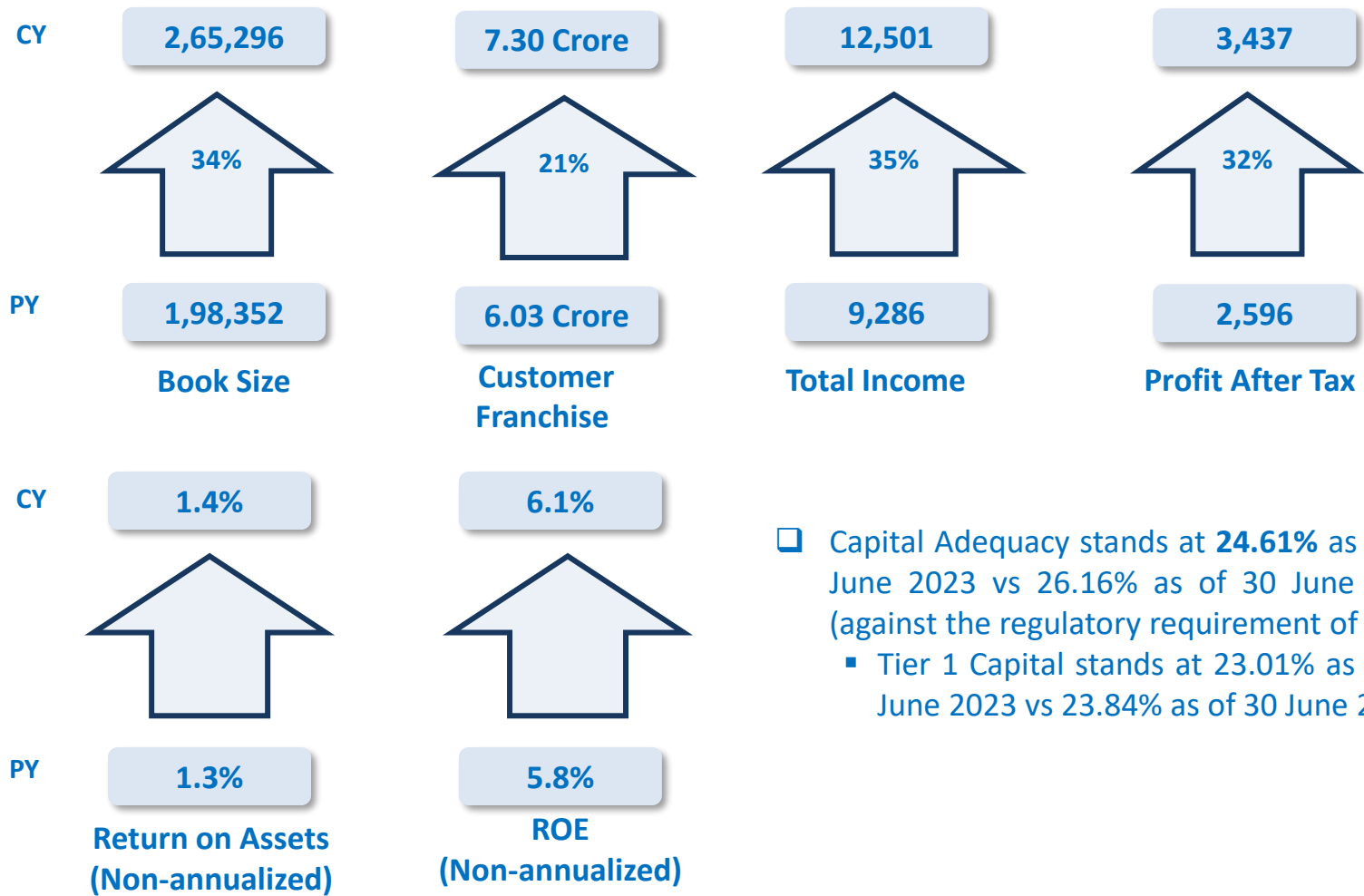
- Diversified financial services strategy seeking to optimise risk and profit, operate a sustainable business model and deliver a superior ROE and ROA
- Focused on continuous innovation by transforming customer experience thereby creating growth opportunities.

## DIFFERENTIATORS

Focus on mass affluent and above clients	Overall customer franchise of 7.30 Cr. and Cross sell client base of 4.43 Cr
Strong focus on cross selling to existing customers	Centre of Excellence for each business vertical to bring efficiencies across businesses and improve cross sell opportunity.
Highly agile & highly innovative	Continuous improvement in features of products & timely transitions to maintain competitive edge
Deep investment in technology and analytics	Has helped establish a highly metricised company and manage risk & controllership effectively
Diversified asset mix supported by strong ALM and broad-based sources of borrowings	Consolidated lending AUM mix for Urban : Rural : SME : Commercial : Mortgages stood at 33%: 10%: 13%: 13%: 31% as of 30 <sup>th</sup> June 2023 Consolidated borrowing mix for Money Markets: Banks: Deposits: ECB stood at 47%: 31%: 21%: 1%

All Figures in Rs. Crore

## Performance Highlights of Q1 FY24 over Q1 FY23 (Ind AS)



## Q1 FY 2023-24

### AUM & Business Franchise Growth

- **Core AUM as on 30 June 2023 stood at Rs. 2,70,097 Cr vs Rs. 2,04,018 Cr last year (32% growth); AUM growth in Q1 FY24 was Rs. 22,718 Cr**
- **99.4 Lakh new loans booked in Q1 FY24** as against 74.2 Lakh in Q1 FY23
- **In Q1 FY24, BFL acquired 38.4 Lakh new customers v/s 27.3 Lakh in Q1 FY23**
- **Total customer franchise stood at 7.3 Cr as of 30 June 2023 – 21% growth YoY**

### NIM Metrics, Liquidity and Operating Expense

- **Net Interest Income (NII) for Q1 FY24 was Rs. 8,398 Cr vs Rs. 6,640 Cr in Q1 FY23; Continues to protect margin profile across all businesses**
- **As of 30 June 2023, deposits book stood at Rs. 49,944 Cr - growth of 46% YoY; Contribution to consolidated borrowing was 21%**
- **In Q1 FY24, Opex to NII improved to 34.0% vs 35.9% in Q1 FY23; Company continues to invest in teams and technology for business transformation. Investing in Social and Rewards platform in FY24.**

### Credit Costs

- **Loan losses & provisions for Q1 FY24 were Rs. 995 Cr vs Rs. 755 Cr in Q1 FY23; BFL holds a management overlay position of Rs. 840 Cr as of 30 June 2023**
- **GNPA & NNPA stood at 0.87% and 0.31% as of 30 June 2023 as against 1.25% and 0.51% as of 30 June 2022**

## Q1 FY 2023-24

### Profitability & Capital Position

- Profit after tax (PAT) for Q1 FY24 increased by 32% to Rs. 3,437 Cr v/s Rs. 2,596 Cr in Q1 FY23, mainly on account of robust AUM growth, higher net interest income and better portfolio performance
- Capital adequacy remained strong at 24.61% as of 30 June 2023. Tier-1 capital was 23.01%

## Subsidiaries – Q1 2023-24

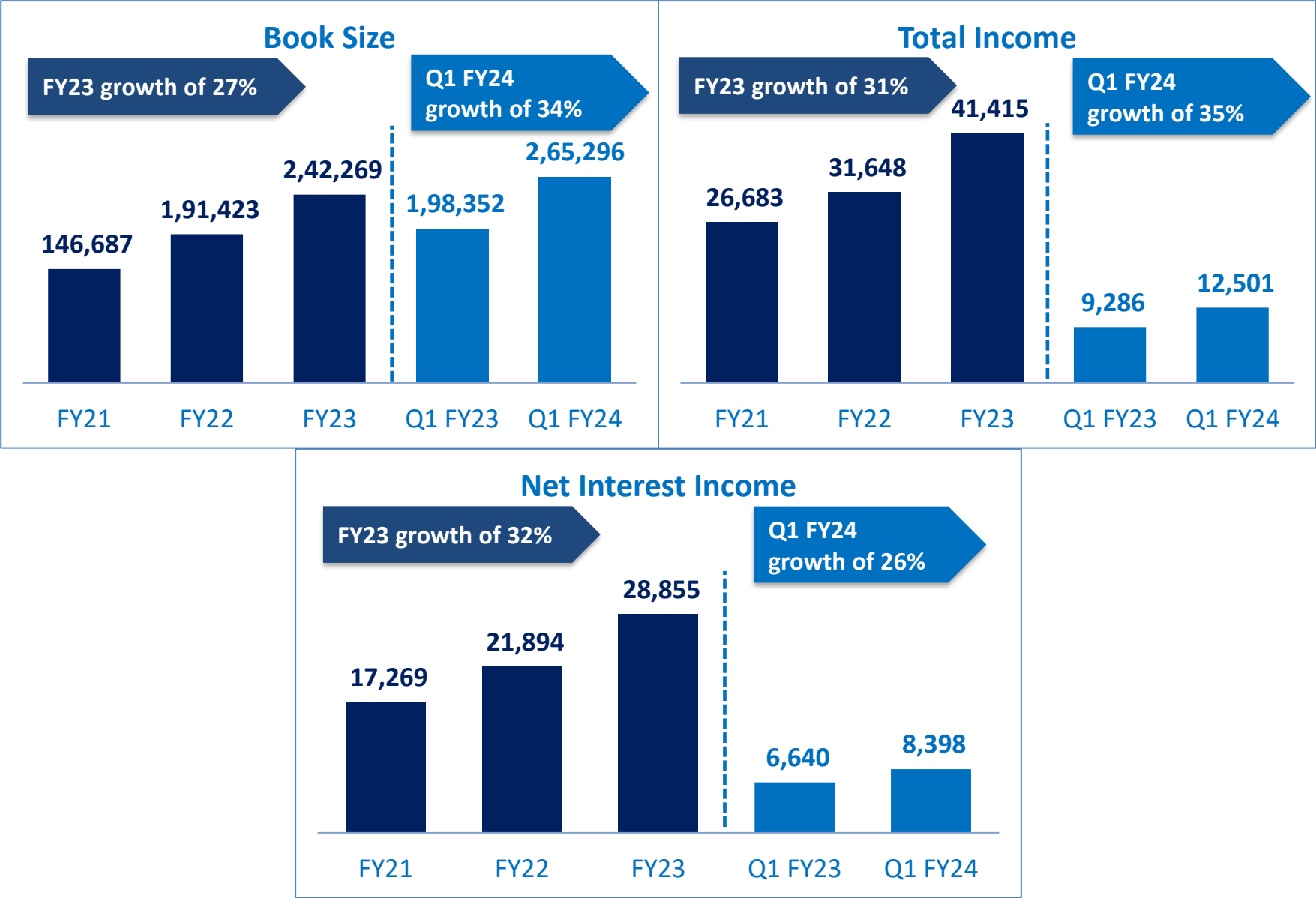
### A. Bajaj Housing Finance Limited (BHFL)

- AUM grew by 29% to Rs. 74,124 Cr as of 30 June 2023 from Rs. 57,425 Cr as of 30 June 2022
- In Q1, overall disbursements grew by 12%. Disbursements stood at Rs. 10,383 crore in Q1 FY24 as against Rs. 9,255 crore in Q1 FY23
- Opex to NII stood at 24.1% in Q1 FY24 as against 26.8% in Q1 FY23
- Profit after tax (PAT) grew by 46% to Rs. 462 Cr in Q1 FY24 against Rs. 316 Cr in Q1 FY23
- GNPA & NNPA stood at 0.23% and 0.08% respectively as of 30 June 2023 as against 0.27% and 0.11% respectively as of 30 June 2022
- BHFL's Capital adequacy ratio (including Tier-II capital) as of 30 June 2023 stood at 22.52%

### B. Bajaj Financial Securities Limited

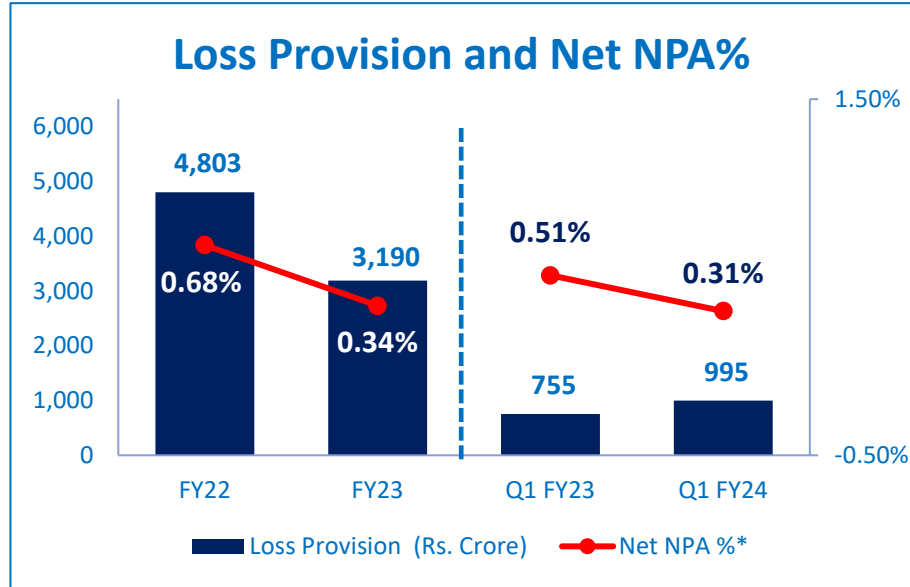
Total Income of Rs. 75 Cr in Q1 FY24 against Rs. 39 Cr in Q1 FY23; Delivering a profit after tax of Rs. 5 Cr in Q1 FY24 v/s profit of Rs. 1 Cr in Q1 FY23

All Figures in Rs. Crore

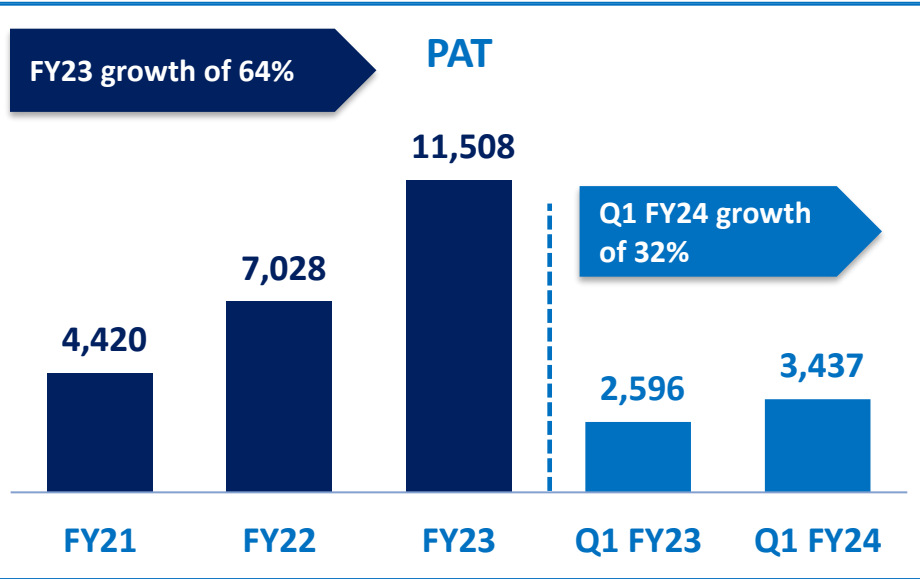
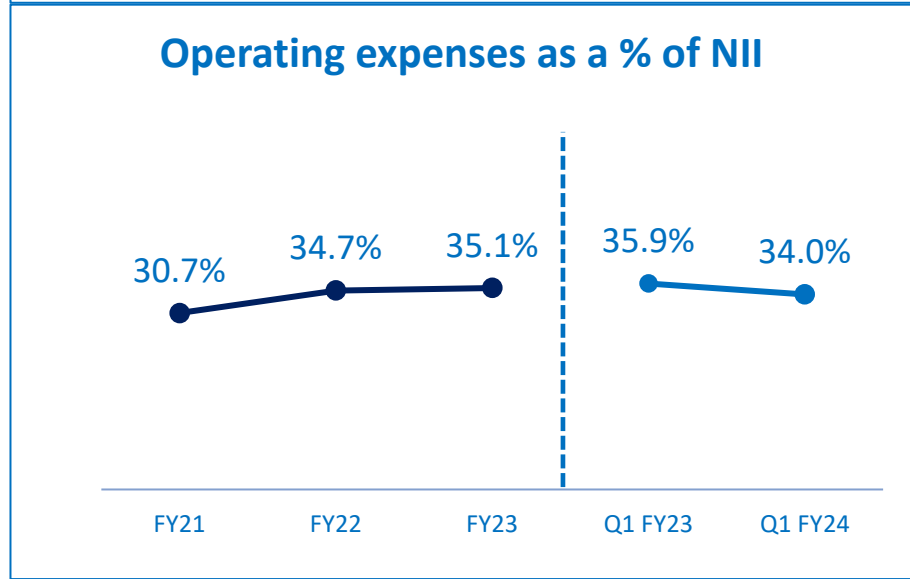


Bajaj Finance Consolidated results are as per Ind AS, previous years figures have been re-casted for comparability

All Figures in Rs Crore



- GNPA & NNPA stood at 0.87% and 0.31% as of 30 June 2023 as against 1.25% and 0.51% as of 30 June 2022
- Provisioning coverage ratio (PCR) of 65% on stage 3 assets; PCR stood at 114 bps on stage 1 & 2 assets as of 30 June 2023 vs 130 bps as of 30 June 2022 (was 90-100 bps during pre-pandemic)
- Overall, the portfolio composition across stage 1, stage 2 and stage 3 assets is better than pre-COVID metrics



\*Net NPA, recognized as per extant RBI prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS.



# **Bajaj Allianz General Insurance**

## STRATEGY

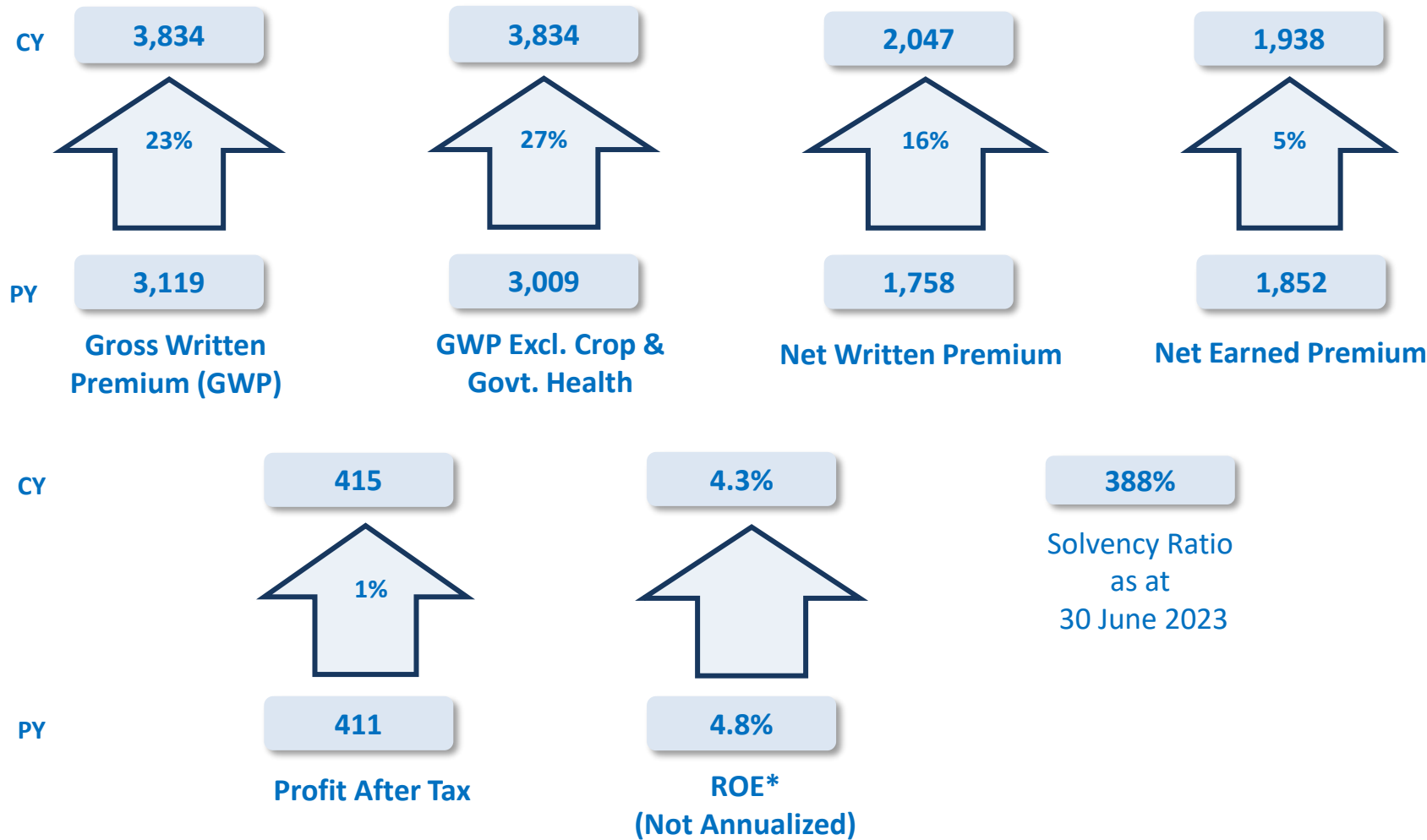
Strive for market share growth in chosen segments through a well-diversified product portfolio and multi-channel distribution supported by prudent underwriting

## DIFFERENTIATORS



All Figures in Rs Crore

## Performance Highlights of Q1 FY24 over Q1 FY23



\*Return on Equity (ROE) is excluding fair value change

## Q1 2023-24

### Revenue Growth

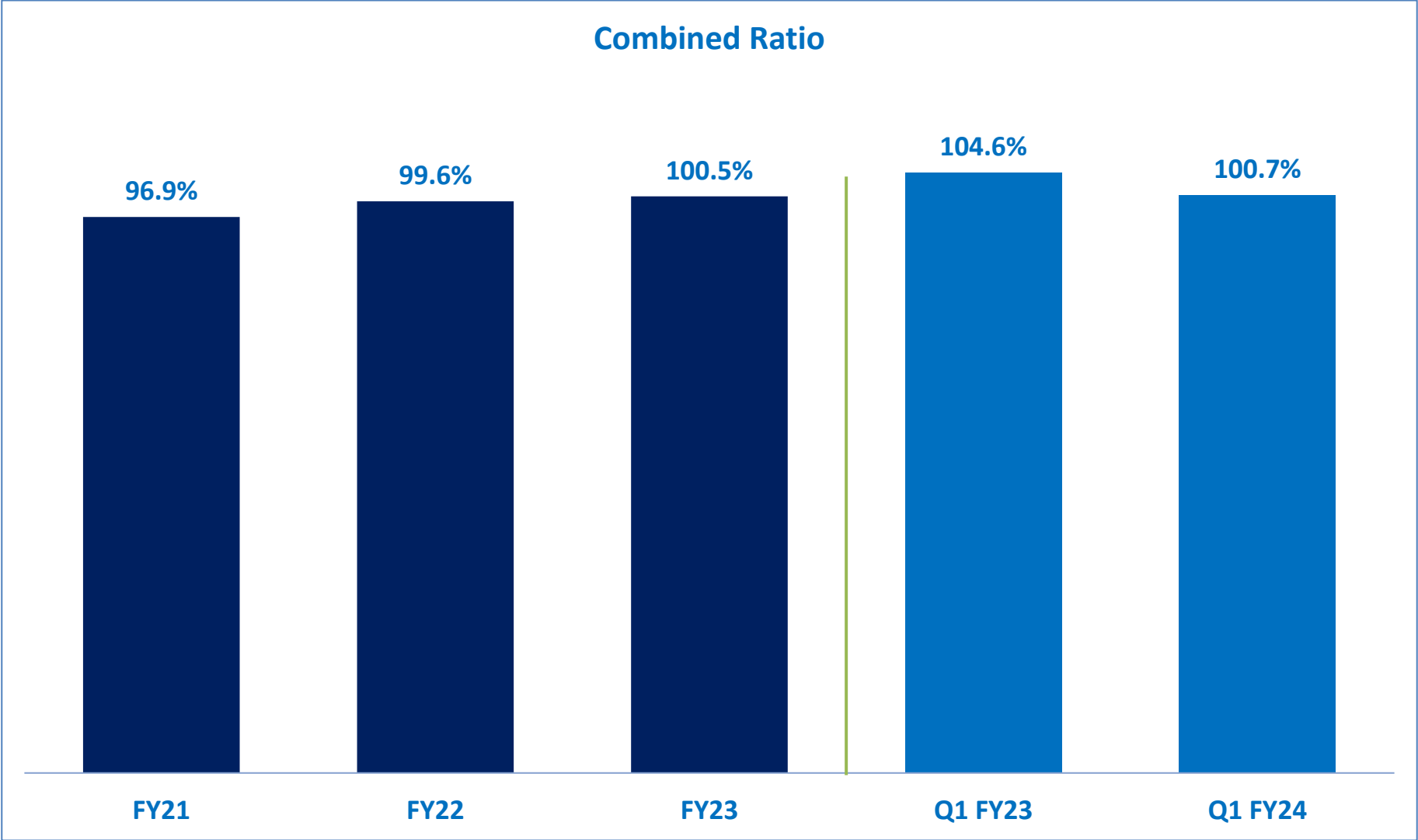
- **GDPI grew by 22.2% in Q1 FY24** as against Private sector growth of 21.2% and Industry<sup>#</sup> growth of 16.5%
- **Ex. Crop & Govt. Health, Q1 FY24 GDPI grew by 26.7%** v/s Private sector growth of 21.3% and Industry<sup>#</sup> growth of 16.5%
- Ex. Crop & Govt. Health growth for Q1 FY24 was attributable to Motor (26.0%), Retail & Group Health (11.9% & 43.0%), Commercial lines (22.1%), and P.A. (30.3%)
- **Q1 FY24 growth was better than industry in almost all segments**
- In **Q1 FY24, overall motor grew by 26%** - 2W (40%), 4W (28%) and CV (15%)

### Loss Ratio (LR) and Combined Ratio (COR)

- **For Q1 FY24, LR stands at 74.3% as against 77.9% in Q1 FY23**
- Claim Ratio was better than PY which was attributable to:
  - Lower claims in Motor and Commercial segments partially offset by higher health claims (higher severity) and one-off impact of:
    - Rs. 15 crore (net) impact taken with respect to Osmanabad Kharif 2020 Crop season
    - 'Biparjoy' cyclone claim of Rs. 10 crore (net)
- **COR decreased to 100.7% in Q1 FY24** v/s 104.6% in Q1 FY23

### Profit after tax (PAT) and Capital Position

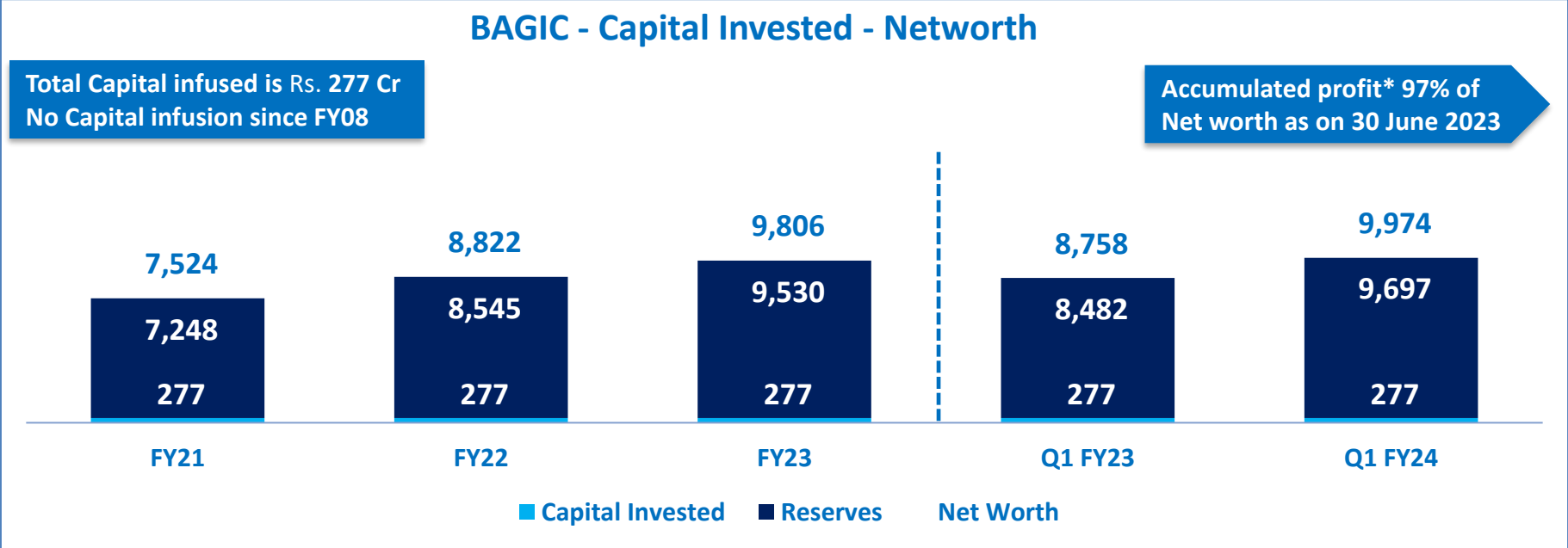
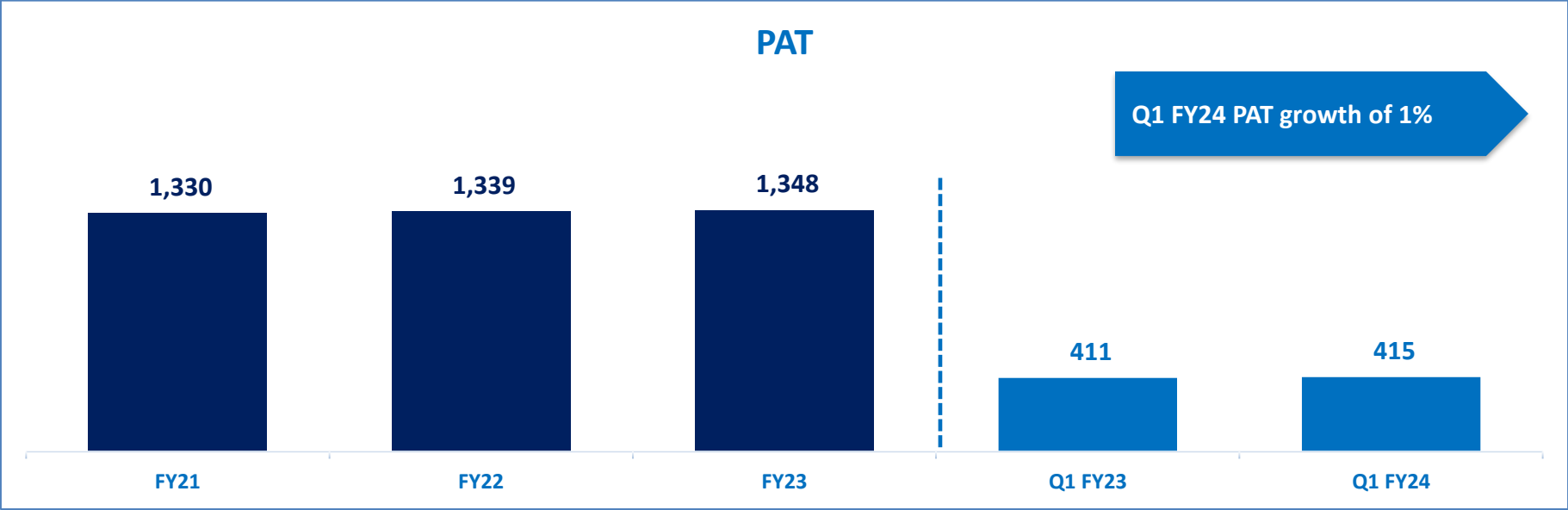
- **Q1 FY24 PAT stands at Rs. 415 Cr v/s Rs. 411 Cr in Q1 FY23**
- Muted PAT growth attributable to lower realized gains and impairment provision of unlisted equity of Rs. 10 Cr offset by higher current income and lower COR
- **Solvency Ratio stands at a healthy 388%** as on 30 June 2023



1. Combined Ratios are in accordance with the Master Circular on 'Preparation of Financial statements of General Insurance Business' issued by IRDA effective from 1<sup>st</sup> April, 2013. (Net claims incurred divided by Net Earned Premium) + ( Expenses of management including net Commission divided by Net Written Premium).

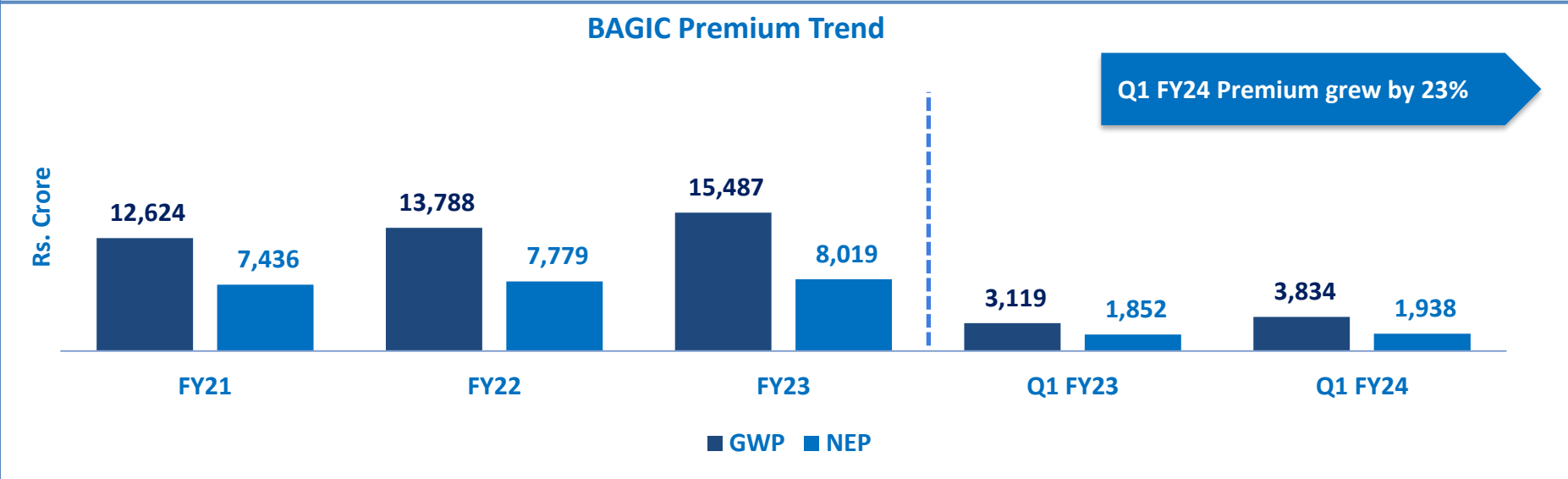
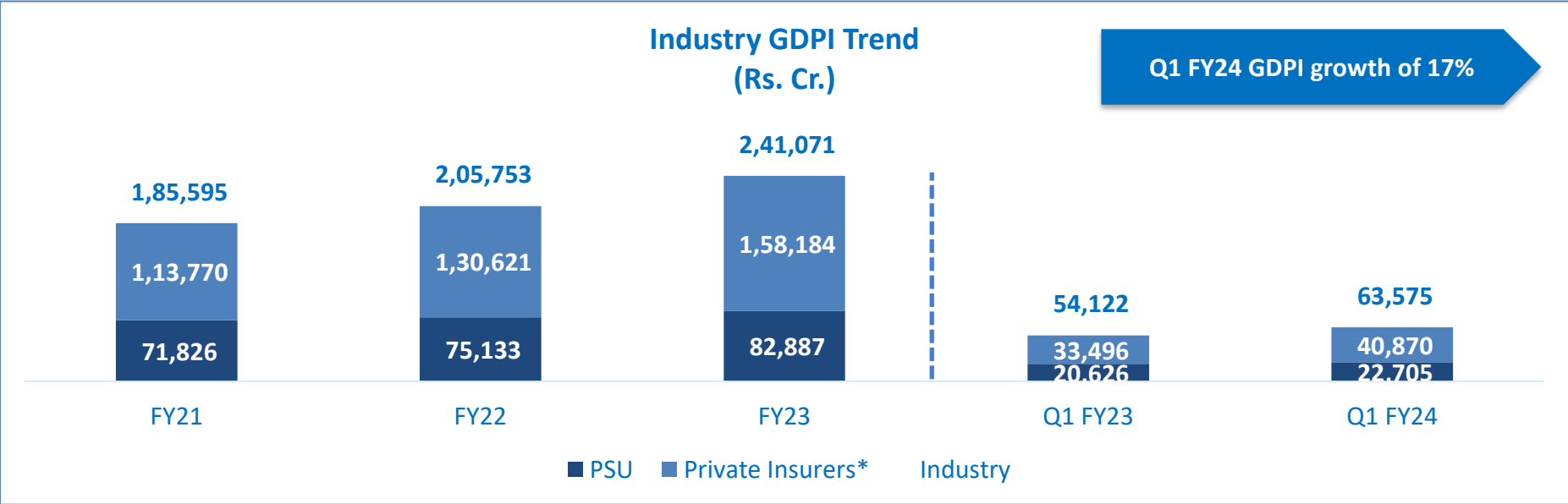
# BAGIC : Profit after tax and Capital efficiency

All Figures in Rs. Crore



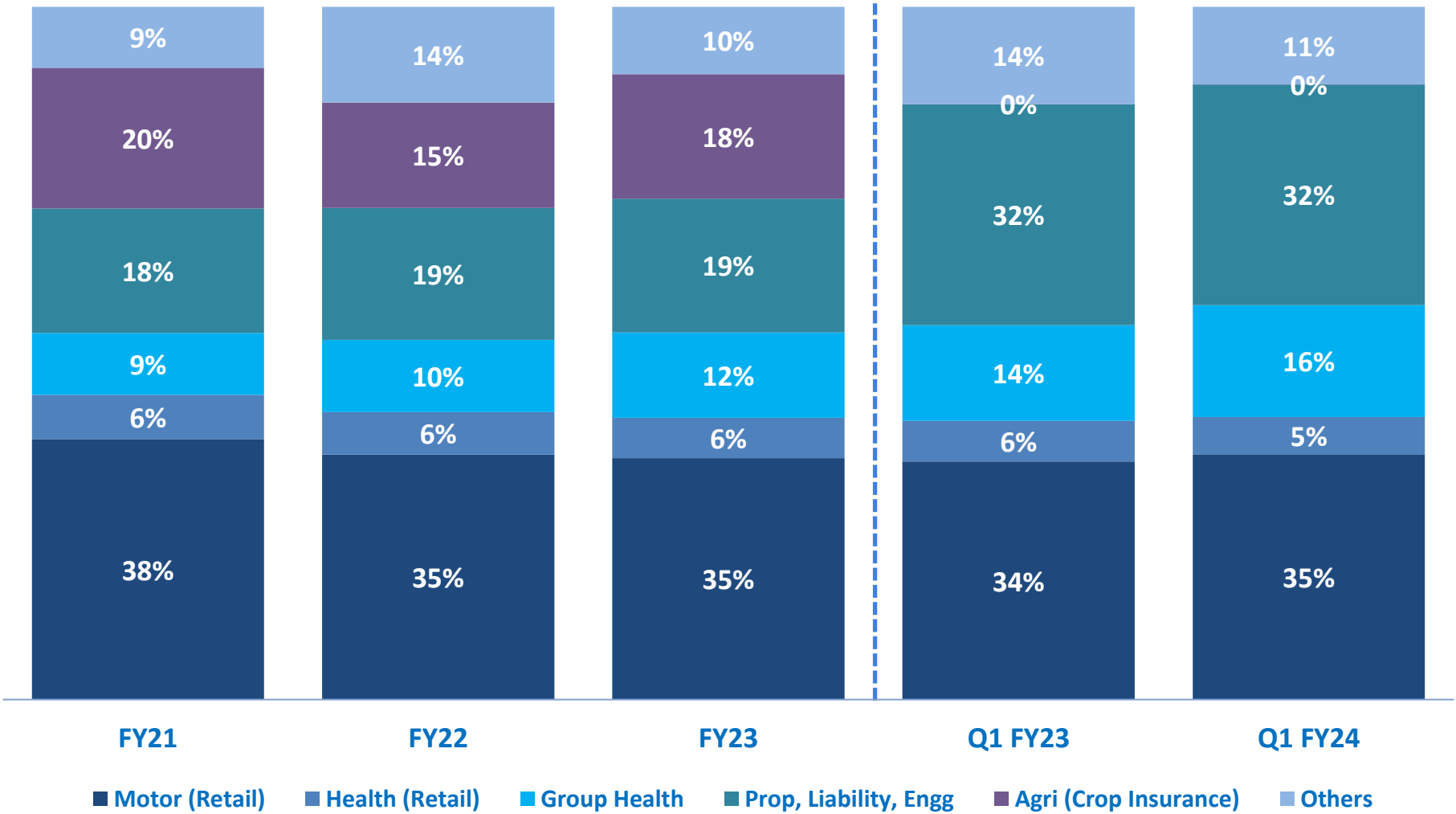
\*Accumulated profit includes reserves and fair value change on equity investments

# BAGIC : Consistently amongst top private insurers in terms of Gross Premium



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

Business Mix

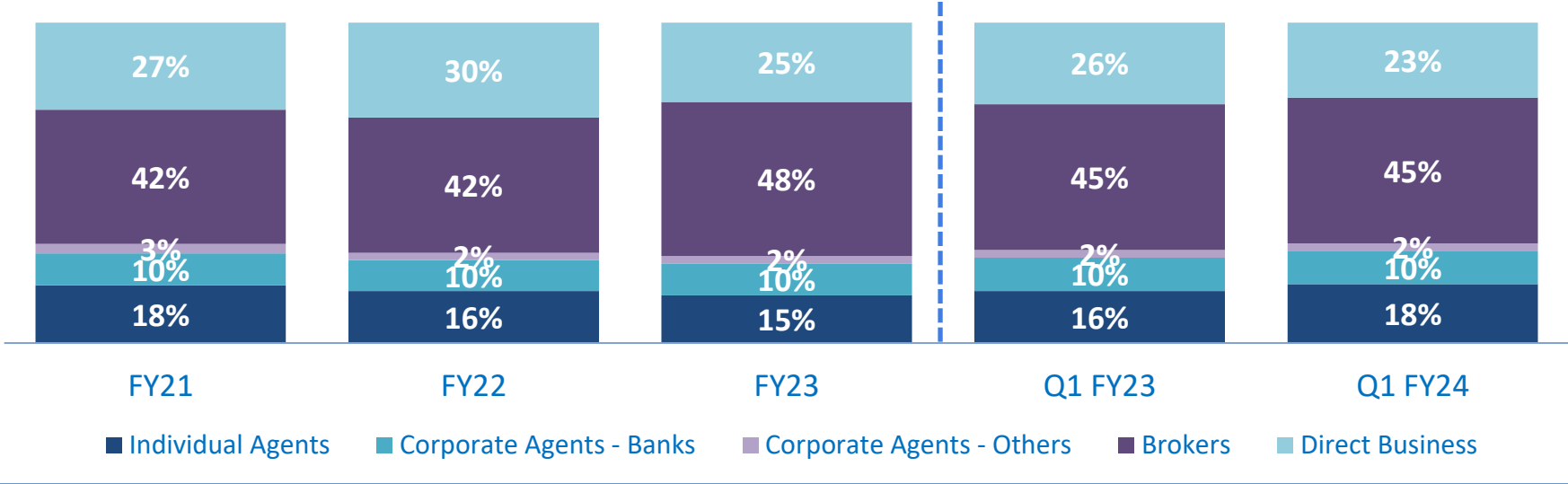


- BAGIC’s excluding Crop & govt. health insurance GWP growth for Q1 FY24 vs Q1 FY23 was 27%
- BAGIC growth higher than the industry in almost all segments

Note: The components might not add up to total of 100% due to rounding off



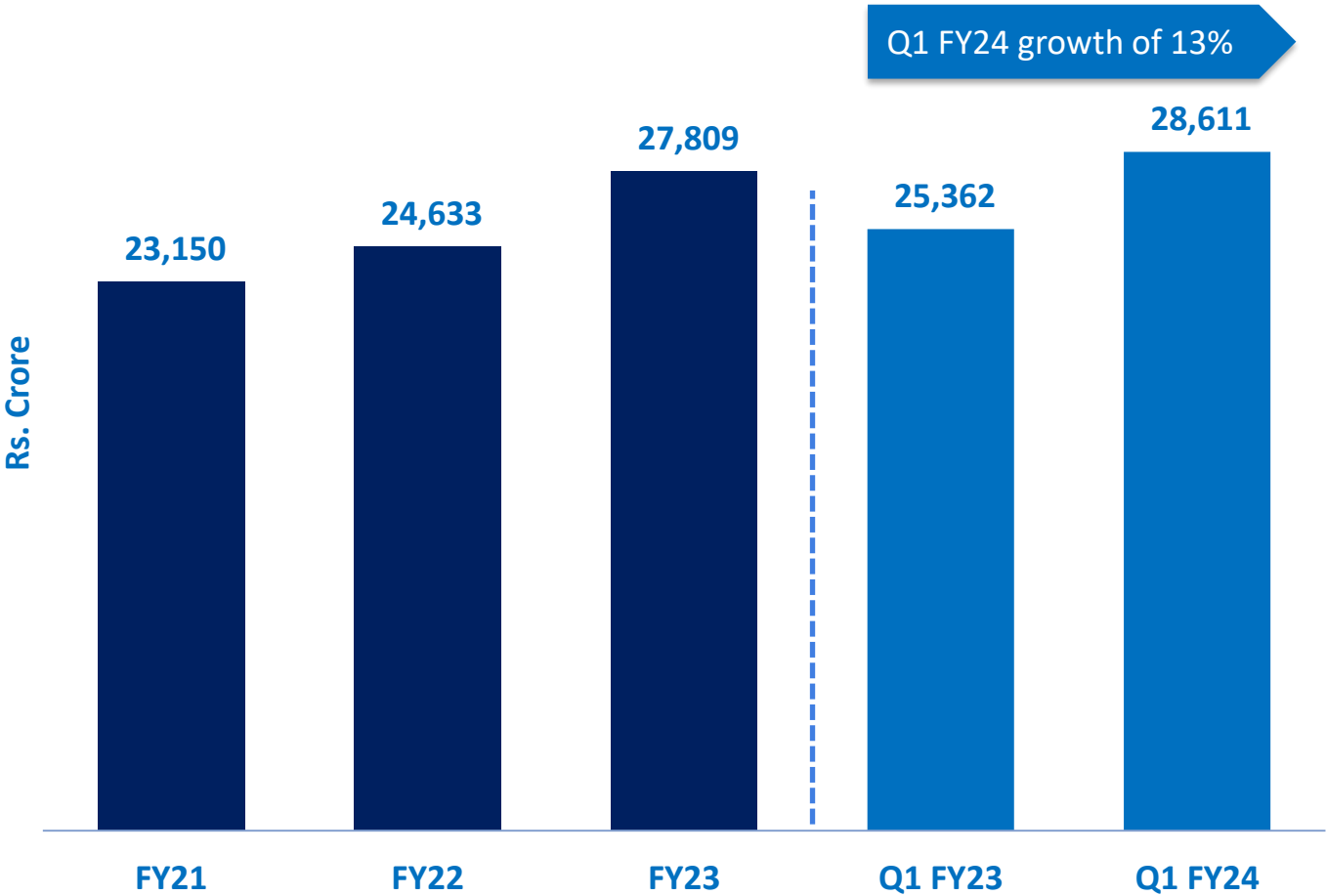
Channel Mix



Bancassurance Partnerships	Agency & Retail Channels	OEMs* & Dealer Partnerships	Rural Focus	Presence in ecosystems
<ul style="list-style-type: none"><li>• Over 214 Bank partners</li><li>• 20 National Tie-ups &amp; MNC Banks</li><li>• 28 NBFCs, 5 SFBs, 12 Housing Finance Companies, 1 Payments Bank</li><li>• 133 Co-operative banks, 15 RRBs</li><li>• <b>New Tie-ups in Q1 FY24:</b> HDFC Securities, Manipur Rural Bank etc.</li></ul>	<ul style="list-style-type: none"><li>• 52,800+ agents &amp; 69,182 POS</li><li>• Virtual Sales Offices</li><li>• Acquisition of Direct Customers through our Sales Force</li><li>• Agency segmented under prime, key, emerging and Retail and SME</li></ul>	<ul style="list-style-type: none"><li>• 45 national Tie-ups and over 9,300 network of dealers across pan India</li><li>• <b>National Tie-ups:</b> Maruti, Honda, Toyota, Mahindra, Hyundai, MG, Kia, VW, BMW, TATA Motors, Bajaj, RE, Yamaha, Piaggio, JCB, Suzuki TW, Bgauss, Revault, Lexus, Nissan, Renault, Hero Electric, Ampere, etc.</li></ul>	<ul style="list-style-type: none"><li>• 19.22 lakh farmers insured in FY2023</li><li>• Issued 35.10 lakh NOPs under crop insurance in FY2023</li><li>• Received crop insurance enrollments from 14,797 CSC centers in FY2023</li><li>• 15,330+ active CSC centers in Q1 FY24</li></ul>	<ul style="list-style-type: none"><li>• 23+ Partnerships across Insuretech companies, aggregators, wallets such as Phone Pe, payments banks, etc</li></ul>

Note: The components might not add up to total of 100% due to rounding off | \* Original Equipment Manufacturer

## AUM (cash and investments)



99% of debt portfolio is in AAA or sovereign securities. 93.1% of Equity investment is in BSE 100 stocks

Investment Leverage : AUM as of date / Net worth as of date

BAGIC continues to grow its AUM strongly

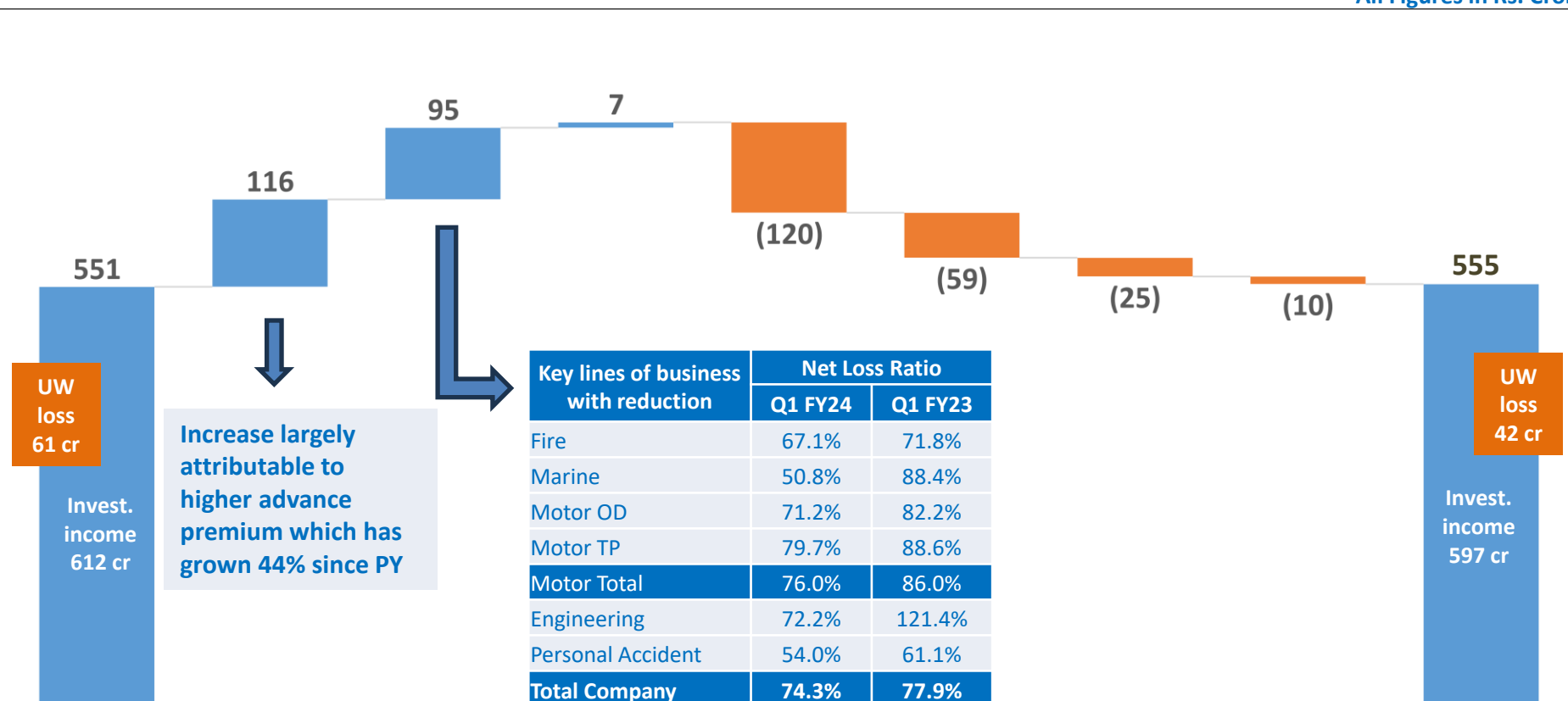
Investments are largely in fixed income securities

Investment Leverage of 2.87 as on 30 June 2023

Advance premium as on 30 June 2023 Rs. 1,678 crore, growth at 44%

# Profit (PBT) Waterfall: Q1FY23 vs Q1FY24

All Figures in Rs. Crore



PBT Q1FY23	Increase in current investment Income	Improvement in claims ratio	Savings in total cost ratio (net)	Lower realized capital gains	Premium Deferment Impact #	One-Off items *	Impairment Provision **	PBT Q1FY24
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\* (a) Biparjoy cyclone claims Rs. 10 crore (b) Crop claims under litigation for Maharashtra FY2020 Kharif season Rs. 15 crore (net)

\*\* Impairment provision made towards unlisted equity Rs. 10 crore

# Premium Deferment Impact – Impact on earnings due to higher growth largely attributable to Motor & Commercial segments

UW = Underwriting; PBT = Profit Before Tax; Total Cost ratio(net) = (Net Commission + Expenses)/Net Written Premium; Invest. Income = Investment & Other Income(net)

# Key Technology & Customer Initiatives of Q1 FY23-24: 1/2

## Digital Journey Metrics

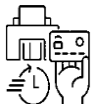
### Digital Agent Onboarding Q1 FY23-24



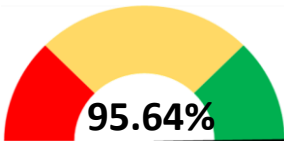
From **100%** in FY 22-23 ->



### Digital Issuance Q1 FY23-24



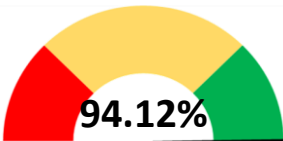
From **95.21%** in FY 22-23 ->



### Digital Payment Q1 FY23-24



From **92.47%** in FY 22-23 ->



### Net Promoter Score\*



#### Motor

FY22	FY23	FY22	FY23
70	↑ 72	68	↑ 69

#### Health

## Key Initiatives Summary

### VPay Insurance



Industry first game changing add on cover that offers 360-degree coverage & umbrella protection for all Motor OD needs of insured vehicles

### Revamped Pet Insurance



Successfully launched a revamped Pet Insurance product, offering enhanced coverage and streamlined user journeys

### Integration with Traffic Reward App



Integration with TR app, an initiative of Road Transport Ministry piloted for Nagpur City

### TP Claims Legal Platform



Efficiently implemented a comprehensive platform to manage third-party legal claims to optimize processes

### Surveyor App for Non-Motor Claims



Implemented cutting-edge Surveyor App for Non-Motor Claims, enabling faster assessments and seamless

### Offline KYC



Implemented Offline KYC capabilities, streamlining customer verification by leveraging OCR solution

OD – Own Damage, TP-Third party, KYC-Know your customer, OCR-Optical character recognition, TR- traffic rewards

\* NPS conducted by an independent agency across the customer journey

## Enhanced cyber cover



### BAGIC GIFI Suraksha

Custom iOS app developed for selling Asset Suraksha & Cyber Safe product during GIFI event

## Innovation Scaled-up



### AI Chatbot

Enabled Policy Issuance for 2 Motor-TP products & 1 Property (BLUS) product in Calculator BOT, Agri Claim Intimation bot

*3.57 L Unique Customers*

## Existing Digital Capabilities Enhanced & Scaled-up

### Website



Our website is now available in 7 different languages for our customers

*5.7 Mn visitors | 1.44 L policies issued*

### Caringly Yours App



Our Customer facing app remains as the most used app in Insurance Industry

*3.6 Mn downloads & 7.72 L active users since inception*

### BAGICARE – CRM



Agri. claim registration, WhatsApp integration, Customer loyalty flagging & Gold 7 upgrade to enhance the UX

*9.85 L Service Requests  
3 Mn Leads Generated*

### B Care Portal



Our flagship portal for agents has over **93 products** available for policy issuance and services

*9.37 L+ policies issued with over 458 Cr. of business booking*

### B Care App



Our Agent & VSO app has over **87 products** available for policy issuance and services

*2.24 L + policies issued with over 66 Cr. Of business booking*

### Farmitra App



The usage of the app launched for Farmer Community has seen a significant uptake

*6.35 L+ downloads since inception*





## Asset Quality

- 99% of the debt portfolio in AAA and sovereign assets
- 90.2% of Equity is in Nifty 50 stocks & 93.1% is in BSE100 stocks
- Oversight by Board & Executive investment committee and group level investment forum
- Robust ALM position

## Pricing & Underwriting

- Superior underwriting capability leading to low Combined Ratio consistently
- Diversified exposure across business lines & geographies
- Granular loss ratio modelling – geography, distribution, car make/model, vintage, etc.
- Investigation, loss management & analytics intervention

## Re-Insurance

- Reinsurance ceded only to the A- and above & AA rated reinsurers, except mandatory ceding to GIC (Average Retention of ~15% for commercial lines)
- Large reinsurance capacity & optimum retention
- Robust process of monitoring concentration of risk
- Catastrophic events adequately covered

## Reserving & Solvency

- IBNR loss triangles show releases from settlement of claims, indicating robustness of reserving at the point of registration of claims
- Highest solvency amongst peers

# **Bajaj Allianz Life Insurance**



## STRATEGY

- Continued focus on sustainable and profitable growth by maintaining balanced product mix and investment in retail growth engines
- Business construct is to maximize customer benefits while gaining market share in retail space, maintaining shareholder returns and continued focus on increasing Net New Business Value (NBV)

## DIFFERENTIATORS

### Diversified Distribution

- Pan India distribution reach with presence over 500 branches
- Balanced channel mix – Agency, Institutional Business including Banca, and BALIC Direct
- Strong presence in group credit protection and online offerings

### Strong proprietary channels

- One of the largest Agency in terms of IRNB amongst private players
- Robust BALIC Direct channel to invest in up-selling and cross-selling

### Innovative products and Sustainable product mix

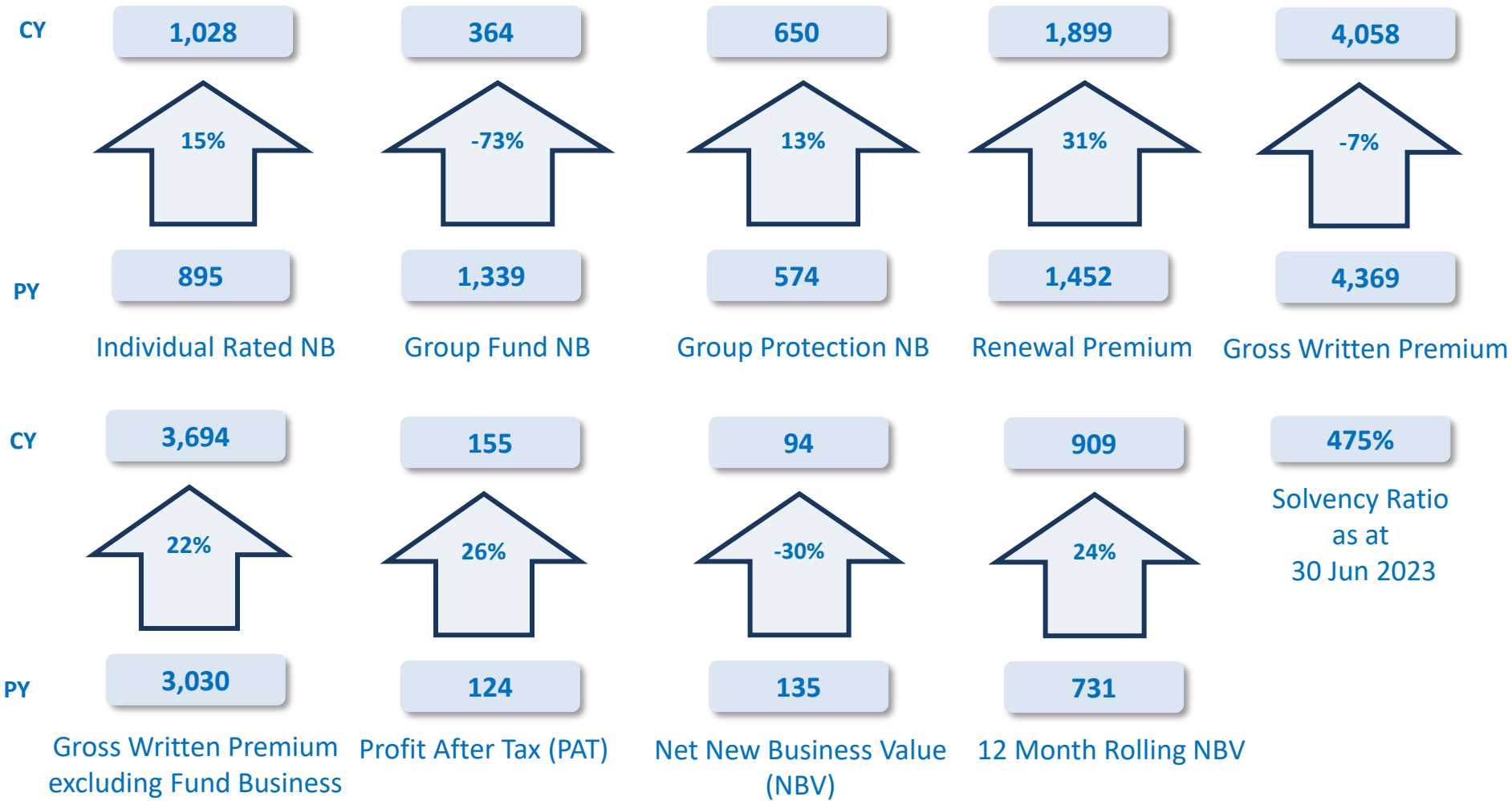
- Diverse suite of products across various need segments, with an aspiration to provide our customers “Best in Class” features
- Innovative products & features like the Magnum Fortune Plus (ULIP), Assured Wealth Goal (Non-Par), Guaranteed Pension Goal (Annuity), SISO\*\* (SIP), Smart Wealth Goal (ULIP), Flexi Income Goal (Par) have witnessed strong response from the customers

### Efficient Operations

- Embarked on a customer obsession journey
- Auto pay improvement across all cohorts and channels
- Focusing on faster issuances, claim settlement and driving FTR

All Figures in Rs. Crore

## Performance Highlights of Q1 FY24 over Q1 FY23



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

Rolling 12M FY24 represents the business written between July 2022 to June 2023; Rolling 12M FY23 represents the business written between July 2021 to June 2022

## Q1 2023-24

Revenue Growth & Market Share

- In Q1 FY24, IRNB grew by 15% (vs private players growth of 8% and overall industry growth of 2%)
- Market share in IRNB terms increased from 8.3% in Q1 FY23 to 8.8% in Q1 FY24 among private players
- BALIC improved its ranking on IRNB basis from 6<sup>th</sup> to 5<sup>th</sup> position in Q1 FY24
- BALIC's 2 Year IRNB CAGR at 44% in Q1 FY24 is among the highest in the Industry
- GWP excluding Group Fund Business grew by 22% for Q1 FY24

Product Mix (IRNB Basis)

- Par: Non-Par Savings: ULIP: Protection: Annuity retail mix stood at 13%:33%:42%:05%:06% respectively in Q1 FY24 v/s Q1 FY23 product mix of 19%:31%:38%:03%:09%

Renewal Premiums

- Registered strong growth in renewals of 31% in Q1 FY24; supported by various initiatives to improve persistency across most cohorts especially in the later buckets

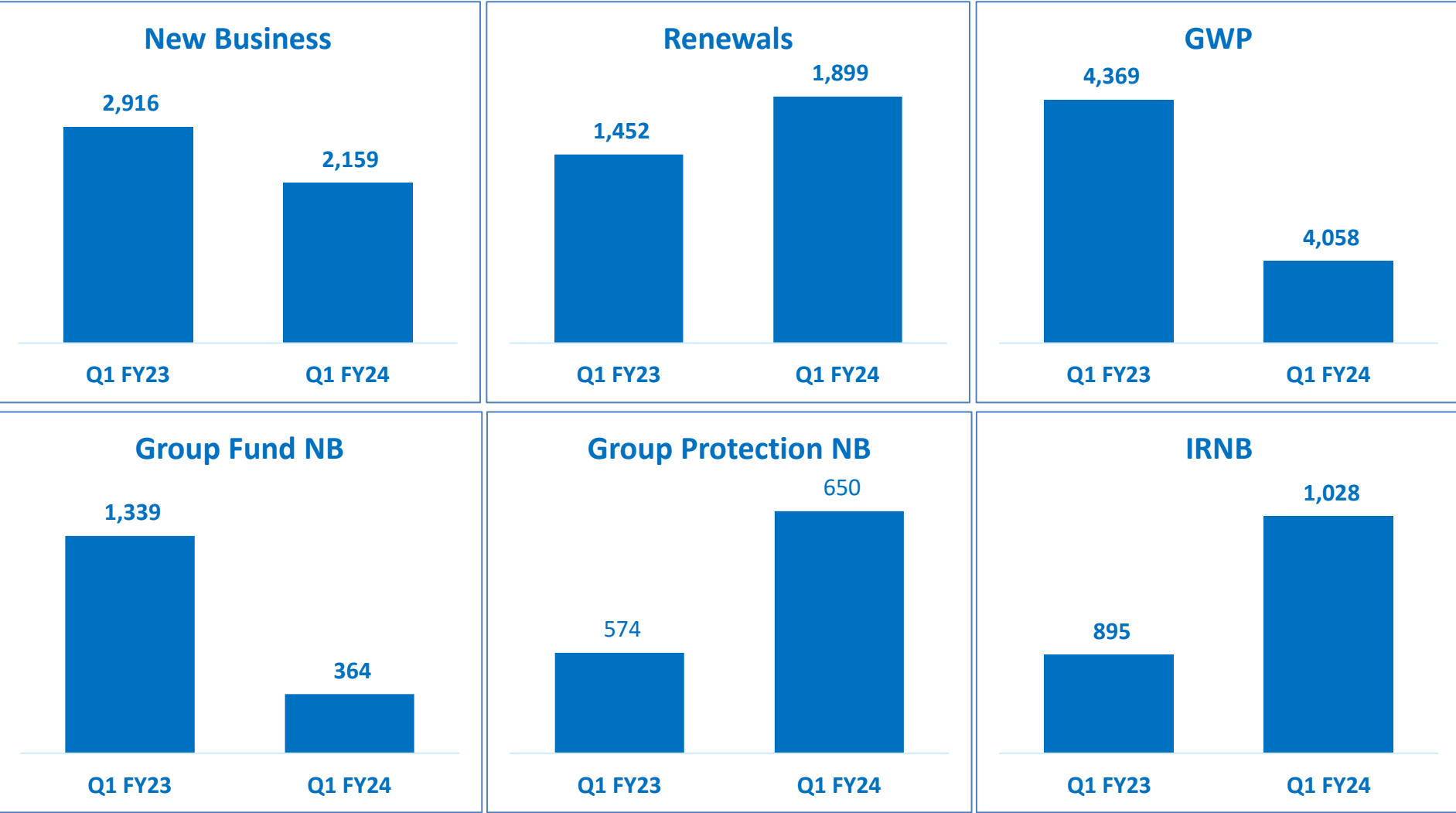
New Business Value

- Net New Business Value at Rs. 94 Cr in Q1 FY24 v/s Rs. 135 Cr in Q1 FY23, mainly due to change in product mix and interest rate movement

Profit After Tax

- PAT for Q1 FY24 was Rs. 155 Cr v/s Rs. 124 Cr in Q1 FY23, mainly due to higher Shareholder Income and lower death claims, partially offset by higher new business strain on account of business growth

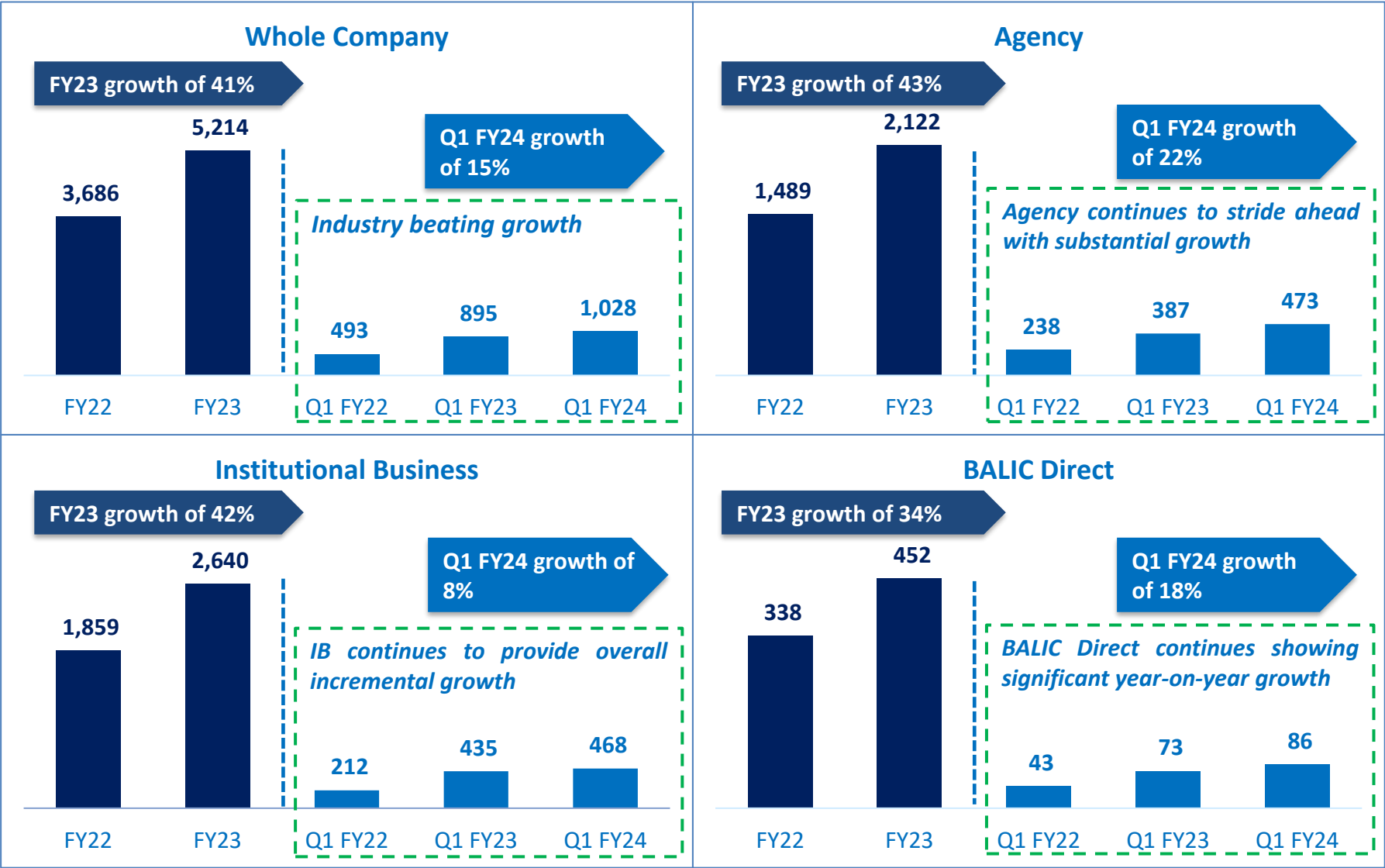
All Figures in Rs Crore



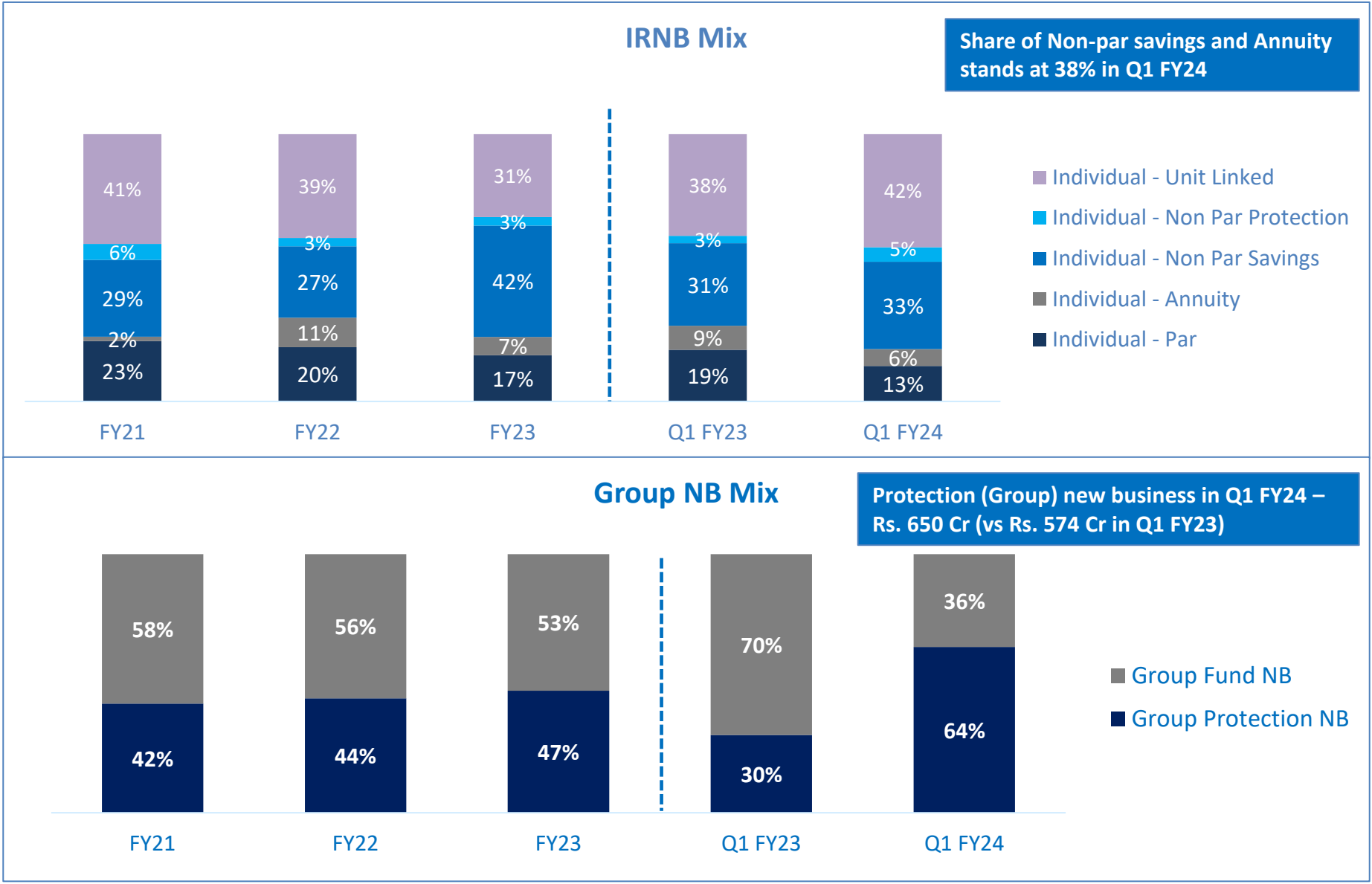
- Individual Rated New Business (IRNB) grew 15% from Rs. 895 Cr in Q1 FY23 to Rs. 1,028 Cr in Q1 FY24
- Q1 FY24 GWP de-grew by 7% to Rs. 4,058 Cr from Rs. 4,369 Cr in Q1 FY23. Excluding Group Fund Business, GWP grew by 22%.

\* CAGR (Compounded Annual Growth Rate) is for the quarter

All Figures in Rs Crore

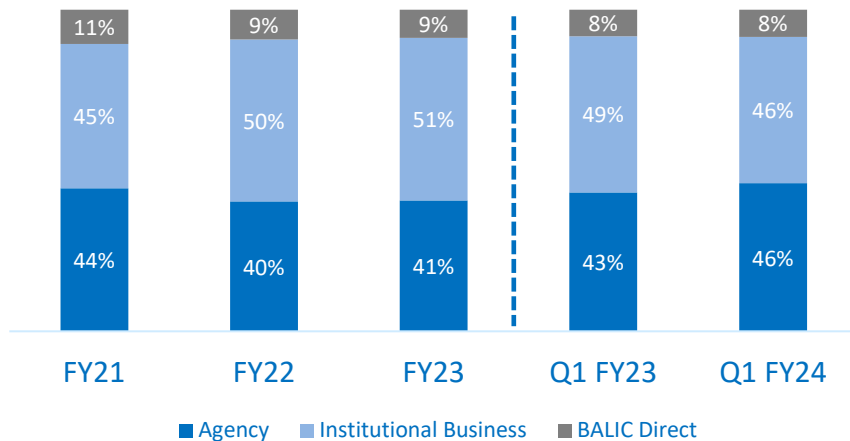


Individual Rated NB = (100% of first year premium & 10% of single premium excluding group products)



IRNB – Individual Rated New Business - (100% of first year premium & 10% of single premium excluding group products).  
Note: The components might not add up to total of 100% due to rounding off

## Individual Rated New Business Channel-wise Mix



- **Balanced mix between institutional and proprietary retail channels** - Agency, Institutional Business and BALIC Direct contributing approximately 46%, 46% and 8% respectively in Q1 FY24 (in IRNB terms)
- Within existing retail channels, **focus is to drive profitable** product mix; improve sales productivity; drive cost efficiencies through hierarchical synergies, improving span of control and variabilization

### Agency:

**Focus on profitability and driving higher traditional Mix**

- One of the largest agency in private LI space; backed by 1.31 Lakh+ agents
- Continued balanced product mix with traditional individual rated new business mix at 57% in Q1 FY24
- Variabilization of Agency cost through low-cost models (15% contribution in Q1 FY24 vs 11% in Q1 FY23)

### Institutional Business:

**Building sustainable business through strong integration with partners**

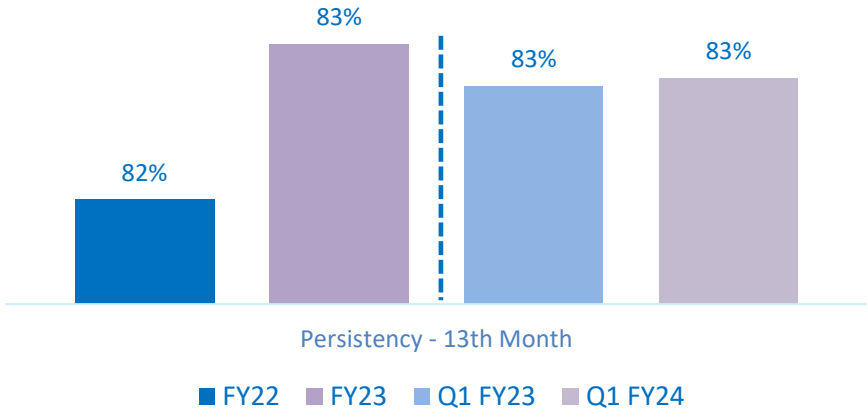
- Diverse mix of large and small partner banks, NBFC, brokers and web aggregators
- Robust start with recent new Corporate Agency tie-ups with Development Bank of Singapore, City Union Bank, TamilNad Mercantile Bank, Punjab & Sind Bank, and Jammu & Kashmir Bank
- Opening of Rep Office in Dubai

### BALIC Direct :

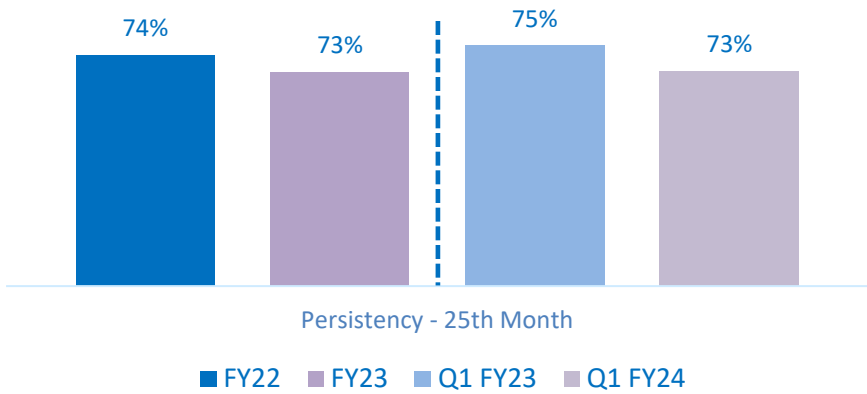
**Analytics backed, focused verticals for upsell and cross sell initiatives**

- Presence in 196 cities, with Dedicated Verticals for various customer segments
  - ✓ Customer Portfolio Management
  - ✓ Service to Sales
  - ✓ Hub and Spoke
  - ✓ New to BALIC (NTB)
  - ✓ Defence
- Data and Analytics as a key pillar for Direct business

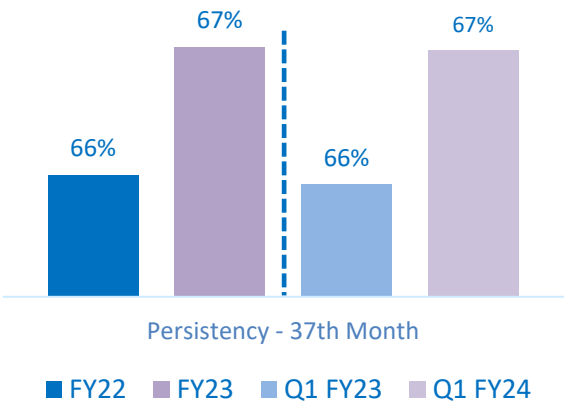
Persistency 13<sup>th</sup> Month



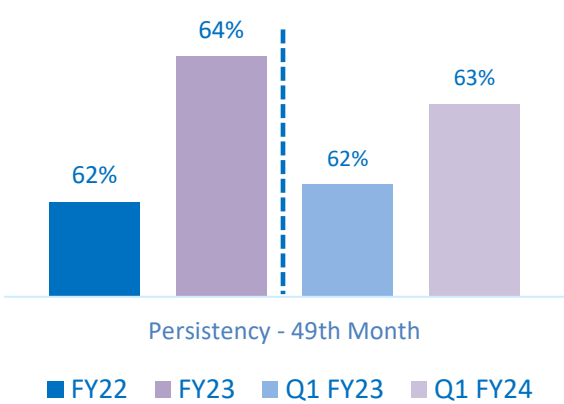
Persistency 25<sup>th</sup> Month



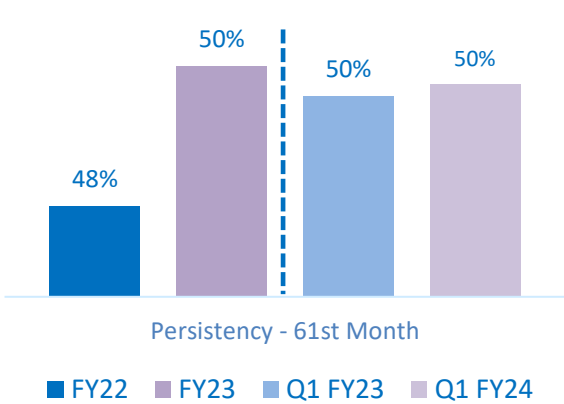
Persistency 37<sup>th</sup> Month



Persistency 49<sup>th</sup> Month



Persistency 61<sup>st</sup> Month



Continued focus on renewal collection via various initiatives such as driving auto-payment registration, digital payments & higher distribution ownership have led to significant improvement in persistency across most cohorts

**\*Note :** Persistency as per IRDAI framework; Individual business excluding single premium and fully paid-up policies | The persistency ratios for the period ended have been calculated for the policies issued in June to May period of the relevant years



# BALIC : New Business Value & New Business Margins

All Figures in Rs. Crore

	Q1 FY24	Q1 FY23	Growth	Rolling 12M FY24 <sup>1</sup>	Rolling 12M FY23 <sup>2</sup>	Growth
Annualized Premium (ANP)*	1,273	1,218	5%	6,172	4,987	24%
Net New Business Value (NBV)**	94	135	-30%	909	731	24%
Net New Business Margin (NBM) on ANP	7.4%	11.1%	-3.7%	14.8%	14.7%	0.1%

- ❑ Since life insurance business is seasonal with large proportion of business written in Q4 and H2, rolling 12 months data is indicated for information only. This does not in any way imply a forecast or expectation for FY 24.
- ❑ NBV de-grew by 30% in Q1 FY 24 over Q1 FY 23 due to change in product mix and interest rate movement.

1 – Rolling 12M FY24 represents the business written between July 2022 to June 2023

2 – Rolling 12M FY23 represents the business written between July 2021 to June 2022

\*\*New Business Value represents discounted present value of expected net cash flows from new business written

\*ANP refers to annualized 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

Digital assets

Internal Assets

**INStab**

100% Online sales  
Login Process

19% increase in Unique  
users in Q1 FY24 over PY

**Customer 360**

Upsell and Sales  
productivity tool

2.5 Lakhs transactions

**EEZE HR Bot**

Whatsapp Chatbot for  
Employee Servicing

19K Unique users

**WhatsApp for ICs**

Agent servicing and  
query resolution

~37K Unique Users, 55%  
growth in Q1 FY24 over PY



**Life Assist App**

100% Online Customer  
Servicing

~2 Lakhs Unique Users  
36% growth in Q1 FY24

**Customer Portal**

~2 Lakhs Unique Users  
107% increase in  
Q1 FY24 over PY

**WhatsApp**

Customer servicing  
~7 Lakh Unique Users,  
206% increase in Q1 FY24  
over PY

**iSmart**

~23k Unique Users  
99% increase in  
Q1 FY24 over PY

Customer-facing Assets



EEZE HR Bot | AI in Underwriting| InstaLearn 2.0 | DigiBanca | Customer Data Platform

\* ICs : Insurance Consultants | LMS: Lead Management System; RMs: Regional Managers | QR: Quick Response

SIX  
FINALIST



APAC REGIONAL FINALISTS 2023



Innovating the Agent experience with AI Enabled Role Play

CHINA



國泰人壽  
Cathay Life Insurance

Upsell tools using risk and propensity scoring

TAIWAN



HSBC Life

Health & Wellness solution

HONG KONG



AI assisted Motor Fraud solution

SINGAPORE



Singlife

Microsite solution for digital distribution with ecosystem partners

PHILIPPINES



BAJAJ Allianz

LIFE GOALS. DONE.  
Engagement through conversational AI on WhatsApp

INDIA

WINNER



CONGRATULATIONS!



LIFE GOALS. DONE.

INSURER INNOVATION AWARDS

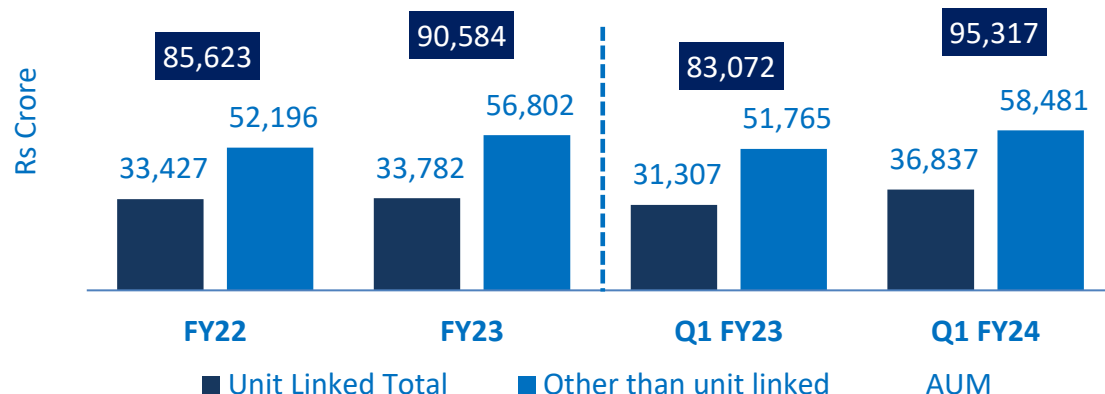
WINNER - APAC 2023

Presented by:



THE DIGITAL INSURER  
Defining Digital Together

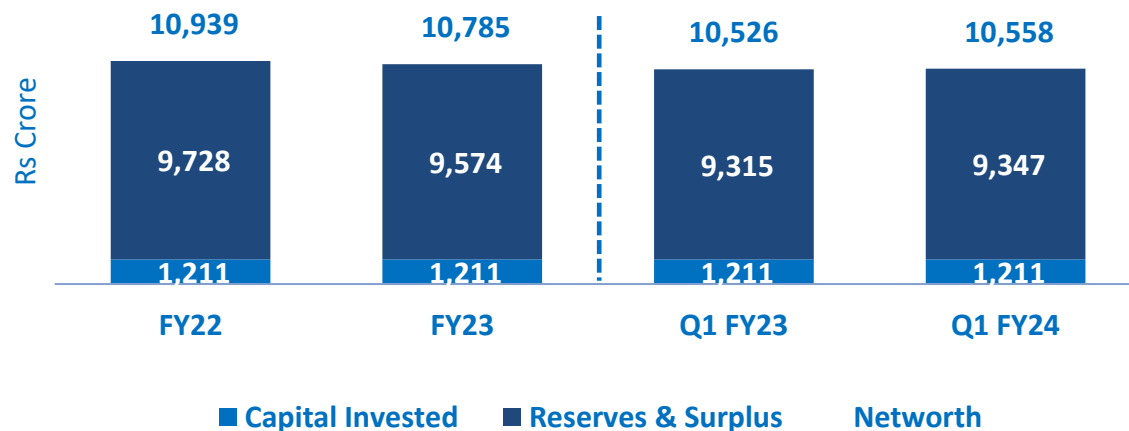
## AUM (Mix)



- **AUM** as of 30 June 2023 **grew by 15%**
- Of the UL Funds of Rs. 36,837 crore, 78% is equity (including equity ETF) as on 30 June 2023 (74% as on 30 June 2022 out of the UL Funds of Rs. 31,307 crore)

Total Capital infused is Rs.1,211 Cr  
No Capital infusion since FY08

## Net worth



- BALIC's **accumulated profits\*** are **89%** of the Net worth as on 30 June 2023

\*Accumulated profit includes reserves and fair value change on equity investments

## RISK MANAGEMENT

### Product Pricing

- ☐ Prudent assumptions while product pricing
- ☐ Stress and scenario testing performed at pricing stage
- ☐ Regular review of pricing based on prevailing interest rates

### Asset Liability Management (ALM)

- ☐ Interest rate risk on the Individual Non-Participating Savings, Protection and Annuity portfolio managed through partly paid bonds, and Forward Rate Agreements
- ☐ ALM focused on cashflow matching
- ☐ Underlying bonds on Forward Rate Agreements are chosen based on liability profile.
- ☐ For annuities, there is continuous monitoring of business mix in different variants, age bands and deferment period

### Ongoing Risk Management

- ☐ Prudent interest rate assumptions to ensure adequacy of statutory reserves
- ☐ Periodic product condition monitoring, periodic sensitivity & stress testing
- ☐ Regular monitoring of business mix
- ☐ Mortality risk is managed by diligent in-house underwriting, analytics driven risk scoring and appropriate reinsurance arrangements
- ☐ Additional provisions set aside for COVID-19 claims

## **Bajaj Finserv Direct Ltd (Bajaj Markets)**

## STRATEGY

BFSI marketplace by BFSI, is a **unique & diversified Marketplace** for **Financial Services** which **acquires** large number of consumers and **cross-sells** products by **leveraging Technology & Analytics**.

## DIFFERENTIATORS

### Diversified Marketplace Business Model

- Open Architecture platform offers Financial products' variants across Loans, Cards, Insurance, Investments & Payments in partnership with leading industry players

### Choice, Cost & Convenience

- Wide choice from offerings of ~60 manufacturers
- 'Compare, select & buy'
- Convenience of end-to-end digital journey and frictionless fulfilment

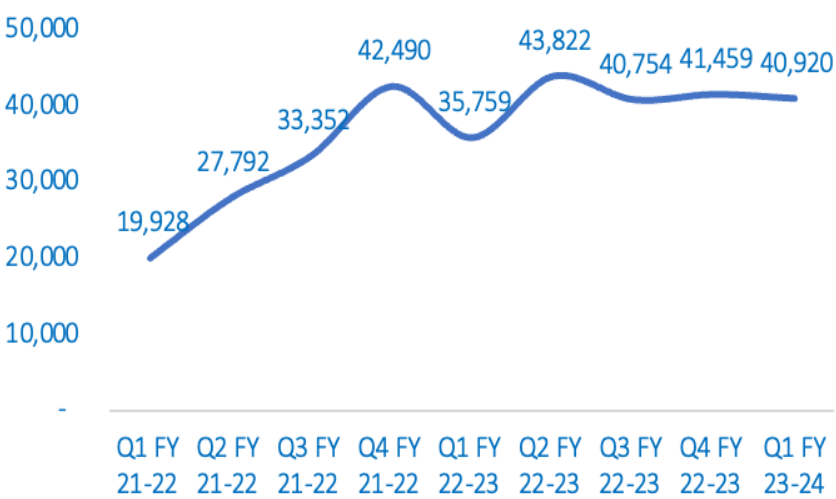
### Digital Technology

- Cloud based digital native architecture leveraging API ecosystem, Big Data, modern web and app technologies

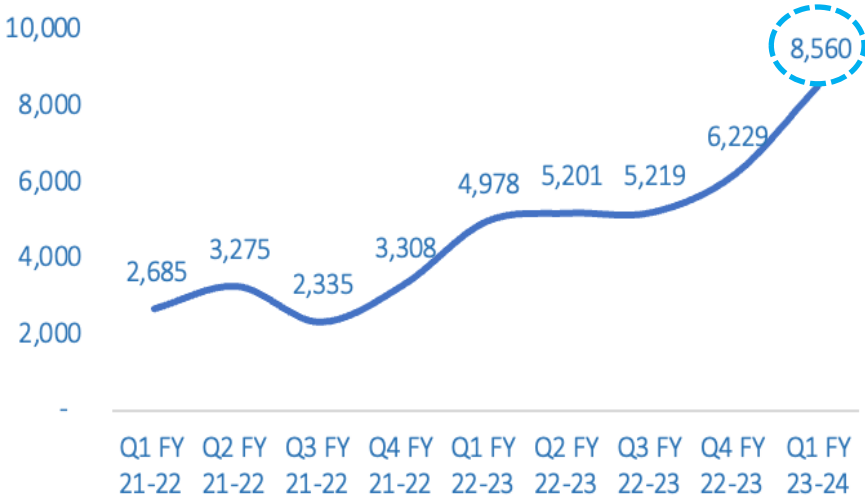
### Advanced Analytics

- Leveraging large customer franchise and its digital footprint through advanced analytics to give personalized recommendations and increase cross-sell penetration

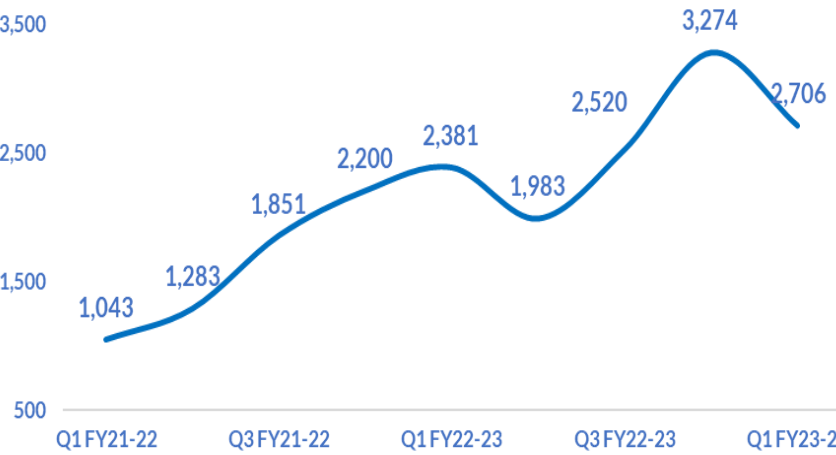
Total Visits (In Thousands)



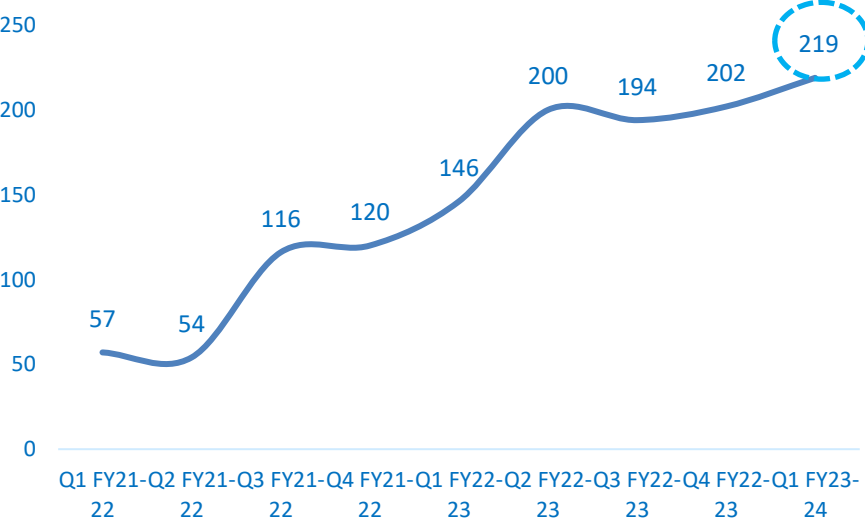
Organic Visits (In Thousands)



Mobile App Installs (In Thousands)



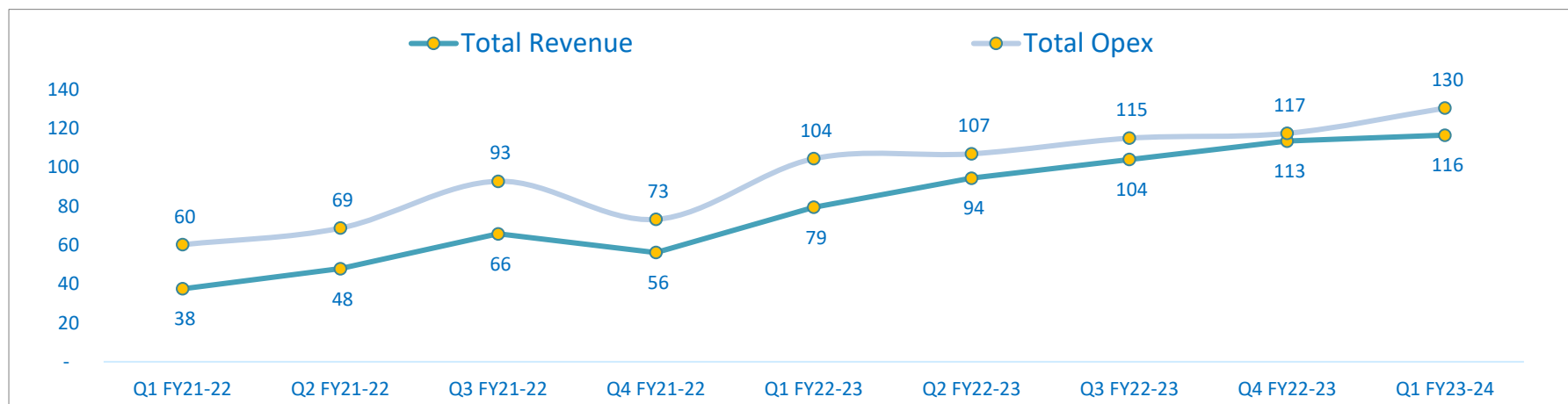
Transacting customers (in thousands)





All Figures in Rs. Crore

	Q1 FY24	Q1 FY23	FY23
Total Income	116	79	391
PAT	(14)	(25)	(52)
Capital infused (as on 30 June 2023)	807		
Net Worth (as on 30 June 2023)	587		



## Highlights for the period ending 30 June 2023:

- For Q1 FY24, BFSD has attracted around **8.77 MM** consumers on digital platform, of which **0.22 MM** became customers.
- Total Revenue for Q1 FY24 at **Rs 116 crore** which grew at **47% YoY**

## STRATEGY

Be a **leading digital technology services provider** from India in the **financial services** sector through deep domain expertise and execution capabilities. Build **scale** & focus on **profitability**.

- Portfolio of 6 technology Services to address business needs of BFSI industry basis strong domain & technology expertise we possess
- IT services business is a cost + margin business model with shorter investment cycle
- We will offer end-to-end services including design, development, implementation & support for Digital technology solutions needs of customers.



Digital application  
development



Enterprise  
Solutions  
development



Data  
engineering



Analytics  
services



QA &  
automation



Managed Cloud  
services

## Clients

**BAJAJ FINANCE LIMITED**



# **Bajaj Finserv Health Limited**

## STRATEGY

- Health Management platform to solve for Access and Financing of healthcare to Indian consumers
- Making healthcare Prepaid, Preventive and Personalized by covering Hospitalization, Diagnostics and Doctor consultation spends

## DIFFERENTIATORS

### Digital Experience

- Comprehensive digital journey for buying, transaction or engagement
- Seamless cashless booking experience

### Extensive Provider Network for digital cashless healthcare

- 100,000+ Doctors on platform
- 5000+ lab touch points
- 1950+ hospitals on network

### Customised Product Management

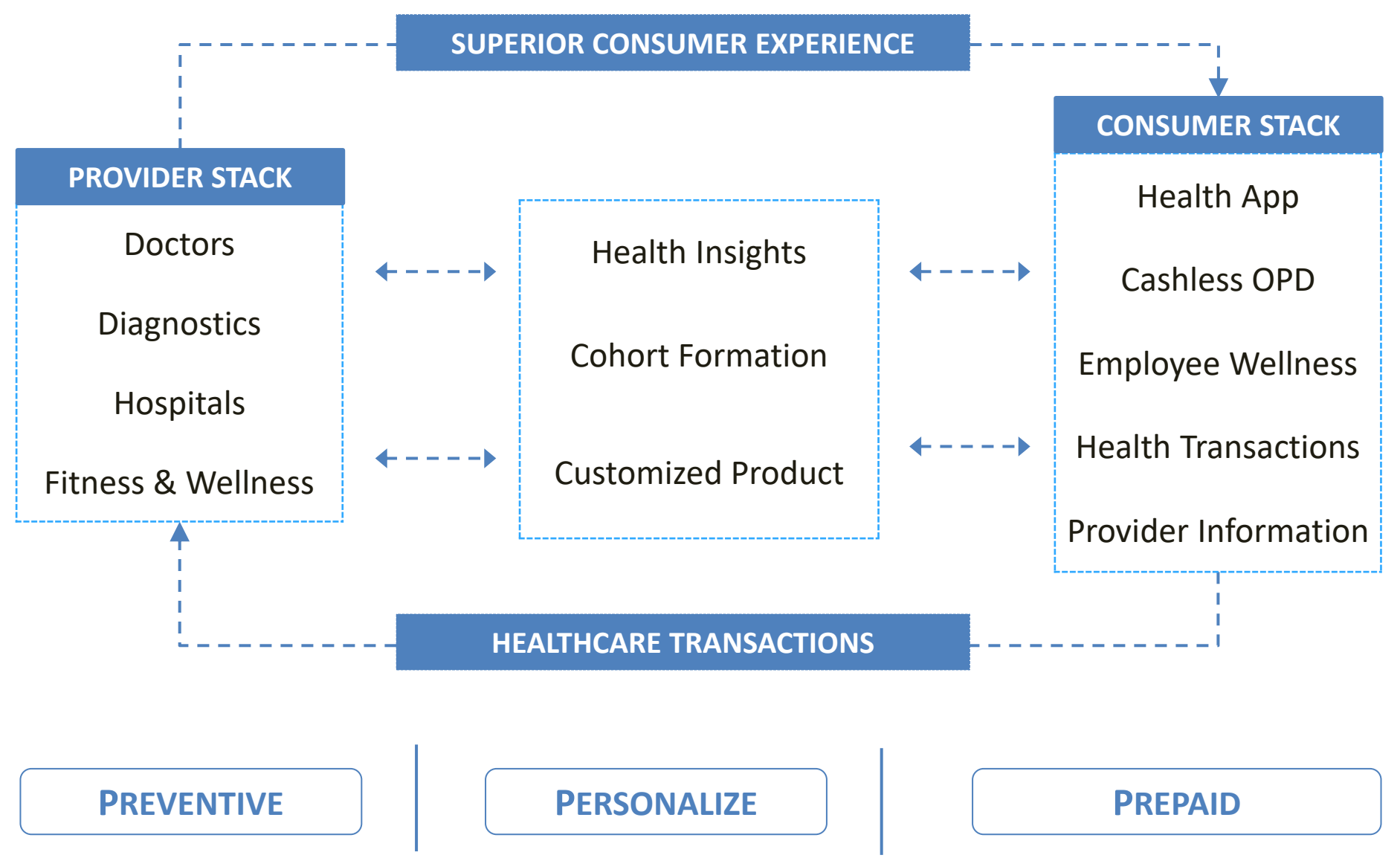
- Differentiated product plans for retail and corporate customers
- Cumulative 0.3 mn users on renewable plans

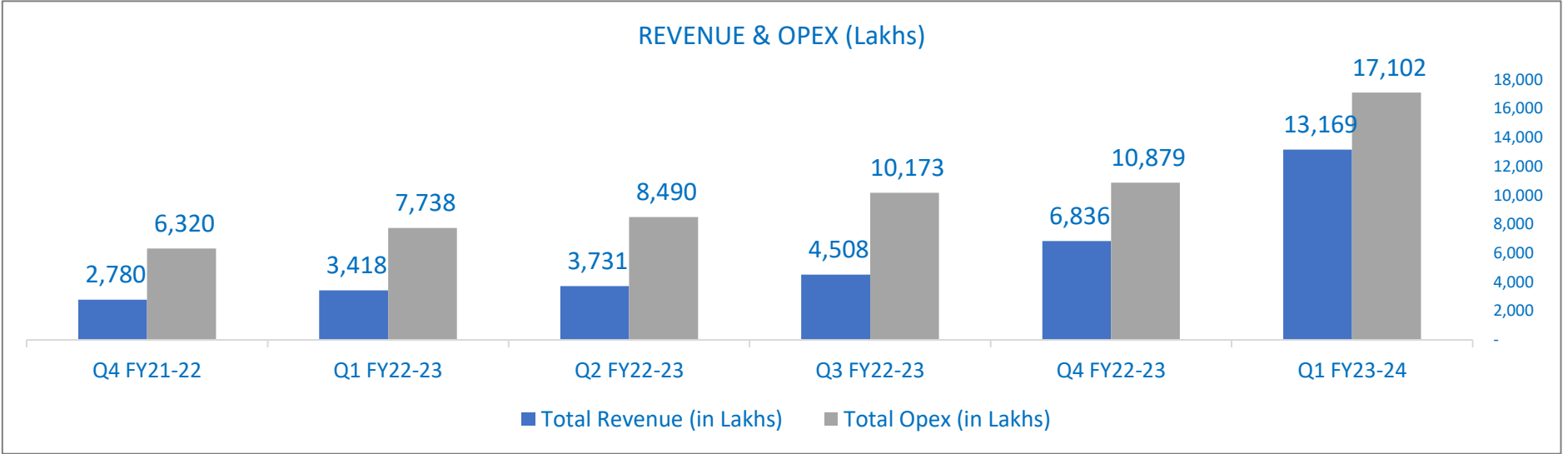
### Deep investment in technology and analytics

- App first approach
- Microservice architecture

### Leading Healthcare transformation

- Integration with ABDM for Health ID, HIP and HIU services, and portable health records
- Wellness modules for preventive healthcare



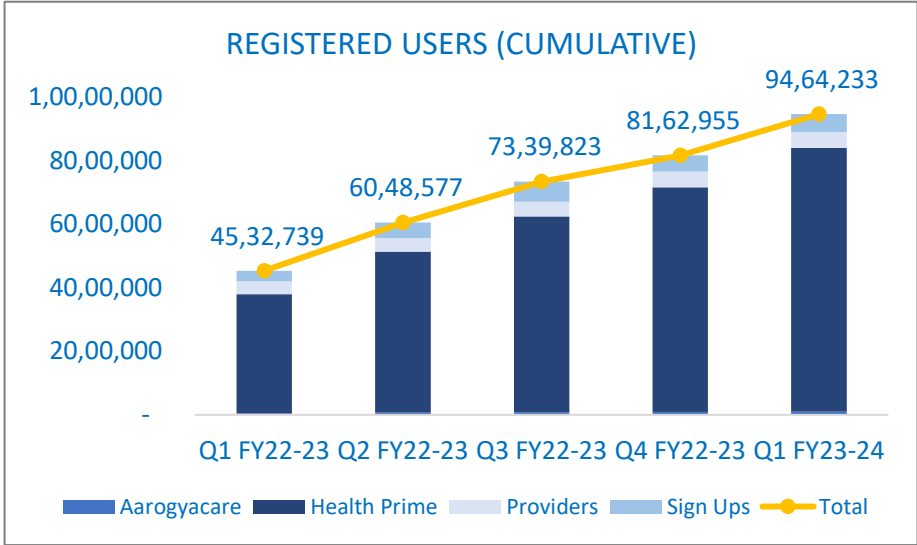


### Services Offered

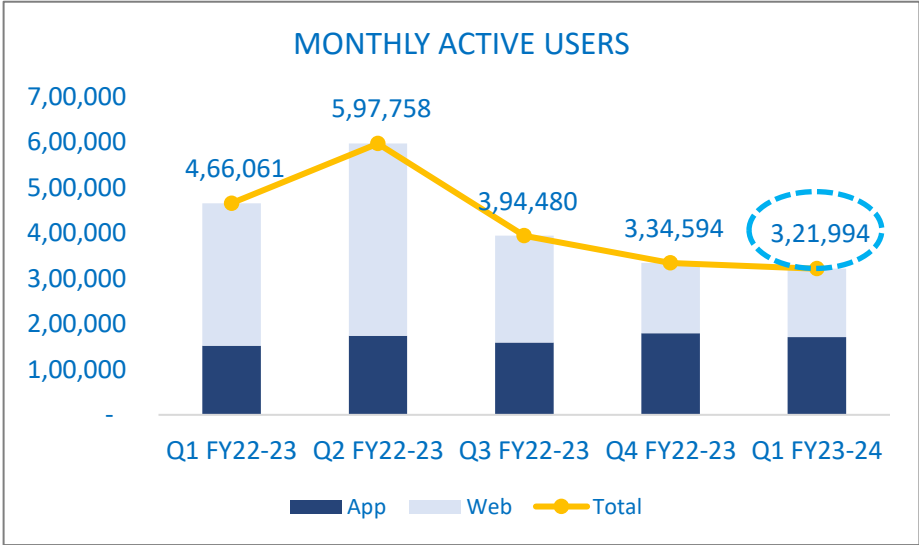
Doctor Consultation	<ul style="list-style-type: none"><li>Tele consult or In-clinic in Cashless or Reimbursement</li></ul>
Diagnostic Visits	<ul style="list-style-type: none"><li>Radiology or Pathology tests in Cashless or Reimbursement</li></ul>
Preventive Healthcheck	<ul style="list-style-type: none"><li>Annual health check in Cashless model</li></ul>
Dental	<ul style="list-style-type: none"><li>Dental consultations &amp; procedures</li></ul>

### Wellness Services

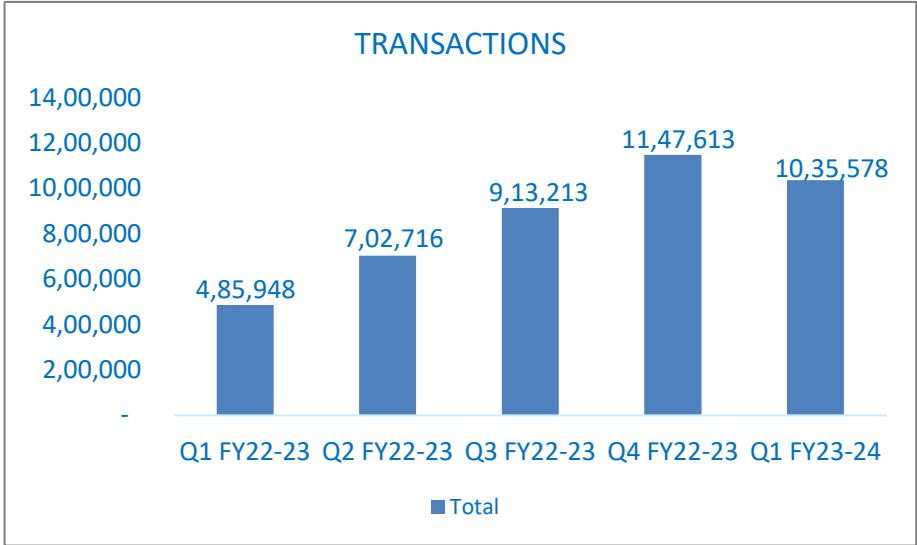
Step Tracker	<ul style="list-style-type: none"><li>Module for activity challenges &amp; usage-based rewards</li></ul>
Diet & Nutrition	<ul style="list-style-type: none"><li>Nutritionist assessments, meal logging</li></ul>
Fitness Programs	<ul style="list-style-type: none"><li>Gym access &amp; Fitness sessions</li></ul>
India Stack- ABHA	<ul style="list-style-type: none"><li>Creation of ABHA accounts</li><li>HFR/HPR IDs for providers</li></ul>



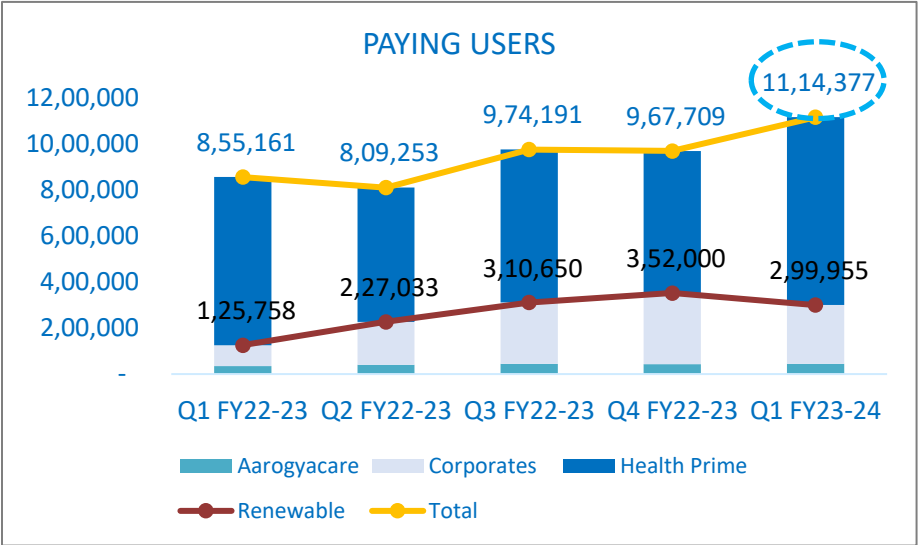
\*Cumulative unique users registered on platform or holding a product



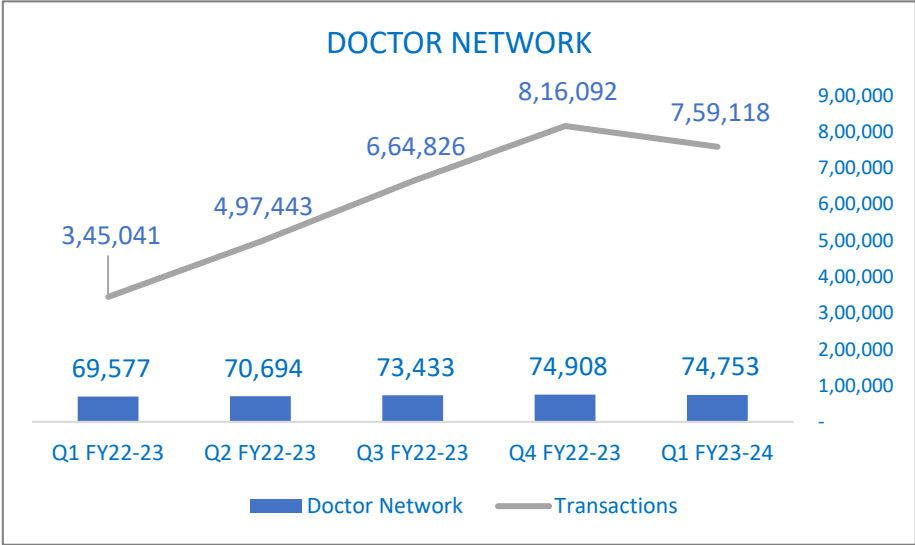
\*Users doing any interaction on platform



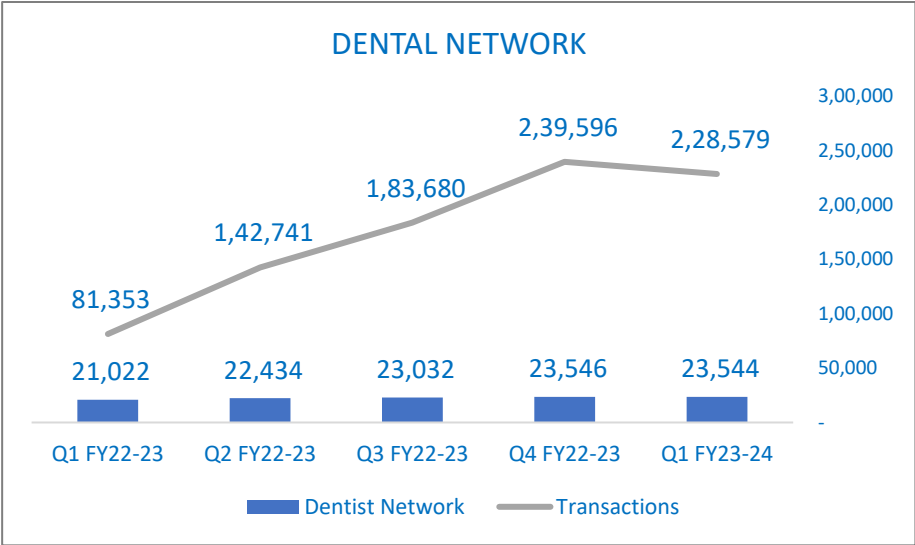
\*Healthcare transactions across all provider points



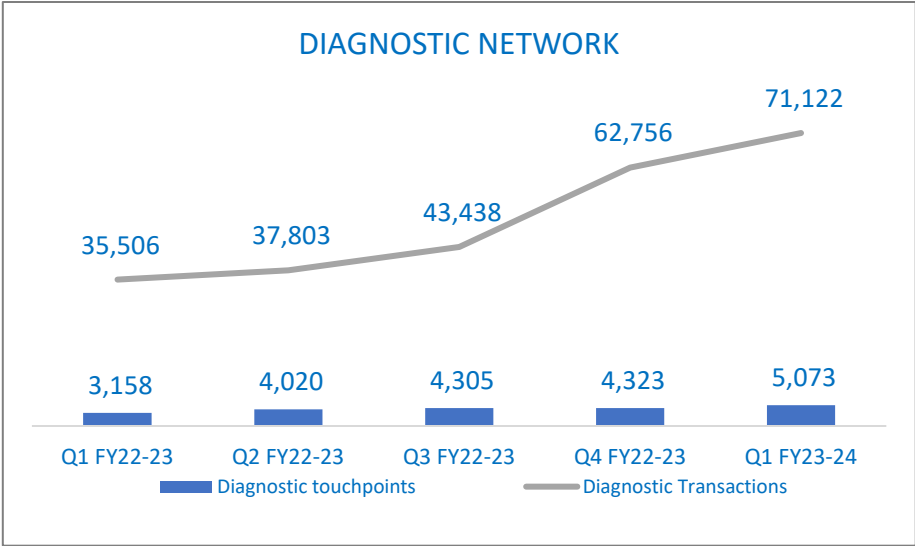
\*Users paying for services - one time or renewable



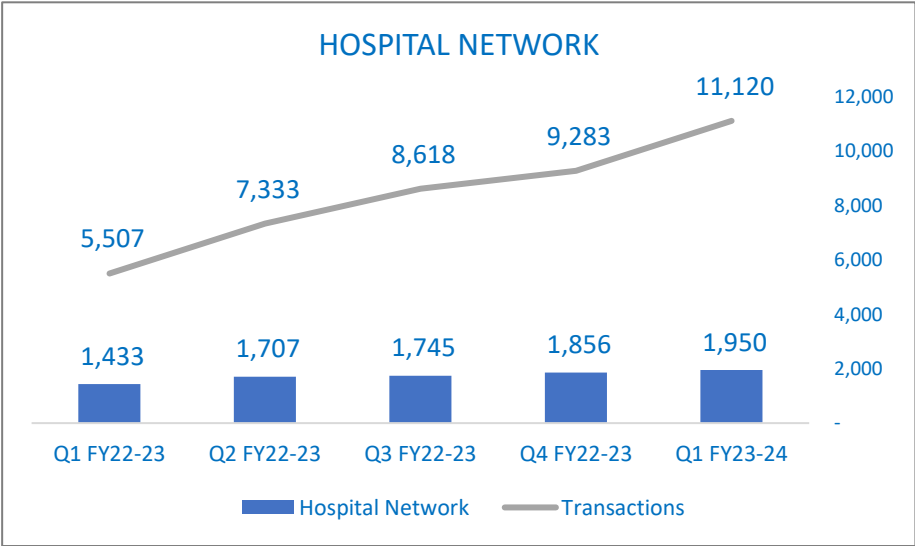
\*Network of Doctors on-boarded and total doctor transactions



\*Network of Dentists on-boarded and Dental transactions



\*Network of Diagnostic touchpoints and total diagnostic transactions



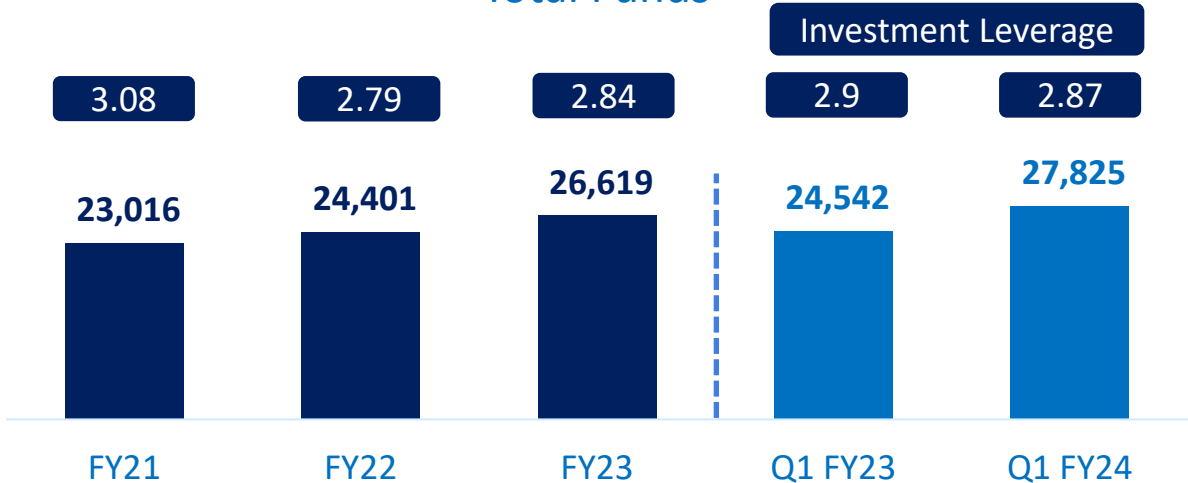
\*Network of Hospitals on-boarded and total transactions



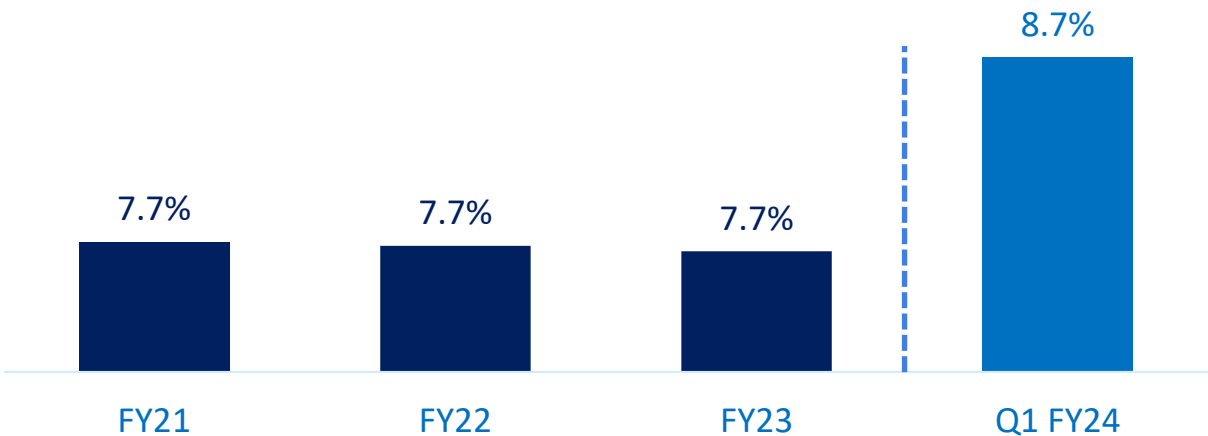
## **Additional Information – BAGIC**

All Figures in Rs Crore

### Total Funds#



### Realised Yield (Annualised)



- Investment Portfolio mix for Q1 FY24: Corporate bonds 29.3%, G-Sec 59.6%, Equity\* 10.5%, Money Market 0.5% and Fixed Deposits 0.1%
- Unrealized gain of Rs. 103 crore as on 30 June 2023
- We have booked Rs. 159 crore of capital gains during Q1 FY24

Investment Leverage : AUM as of date / Net worth as of date | \*Equity includes AT1 bonds, Mutual Fund Units, Equity and ETF

# Total Funds at market value

# BAGIC : LOB wise Net Loss ratio

Line of Business	Net Loss Ratio	
	Q1 FY24	Q1 FY23
Fire	67.1%	71.8%
Marine Cargo	50.8%	88.4%
Motor OD	71.2%	82.2%
Motor TP	79.7%	88.6%
Motor Total	76.0%	86.0%
Engineering	72.2%	121.4%
Personal Accident	54.0%	61.1%
Health (Retail+Group)	83.9%	76.7%
Crop	-6.1%	-202.4%
<b>Total</b>	<b>74.3%</b>	<b>77.9%</b>
<b>Total (Ex Crop)</b>	<b>75.0%</b>	<b>80.1%</b>

Net Loss Ratio = Net claims incurred divided by Net Earned Premium | LOB trend for major LOB

# BAGIC : LOB Growth (Major LOBs)

Line of Business	GDPI Growth	
	Q1 FY24 BAGIC Growth	Q1 FY24 Industry Growth
Commercial Lines**	22.1%	6.6%
Motor OD	36.8%	22.0%
Motor TP	17.7%	20.2%
Motor Total	26.0%	20.9%
Personal Accident + Travel	24.8%	30.0%
Health (retail + group)*	33.7%	18.9%
Total	22.2%	16.5%
<b>Total (Ex Crop &amp; Govt. Health)</b>	<b>26.7%</b>	<b>16.5%</b>

\*Health includes Retail and Group, and excludes Govt. Health | PA includes retail and group business

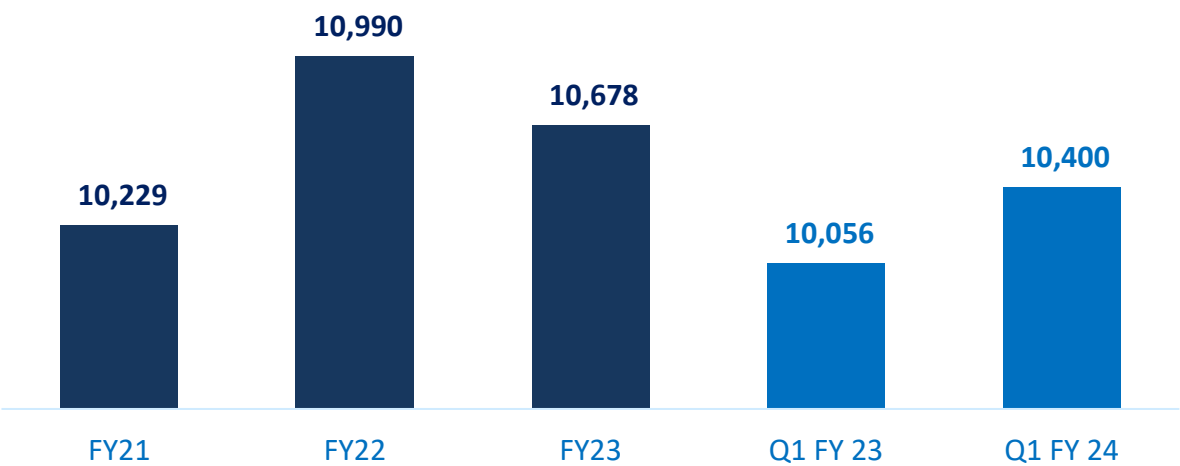
\*\* Commercial Lines : Fire, Marine, Engineering & Liability

Note: Industry growth is excluding standalone and specialized insurers

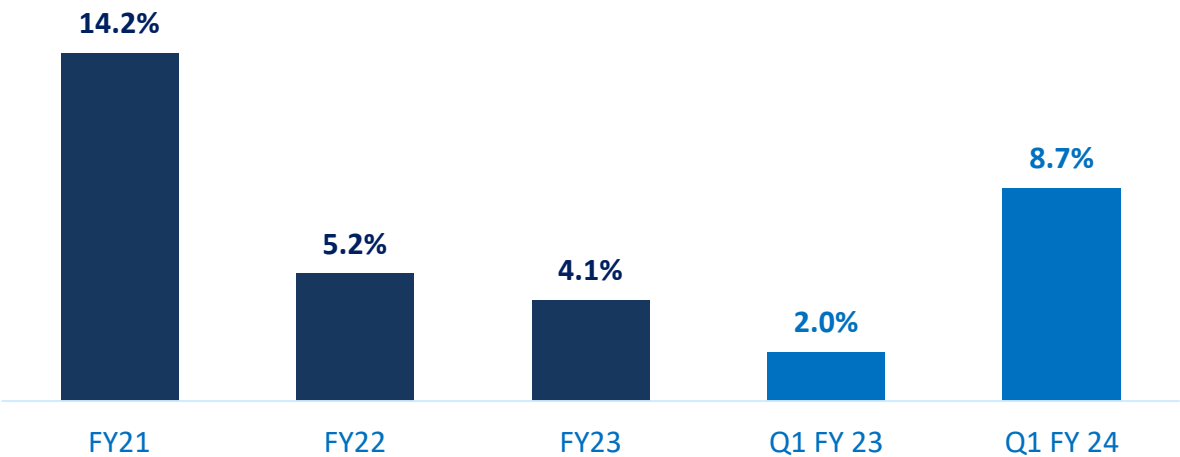
## **Additional Information – BALIC**

All Figures in Rs Crore

AUM ~



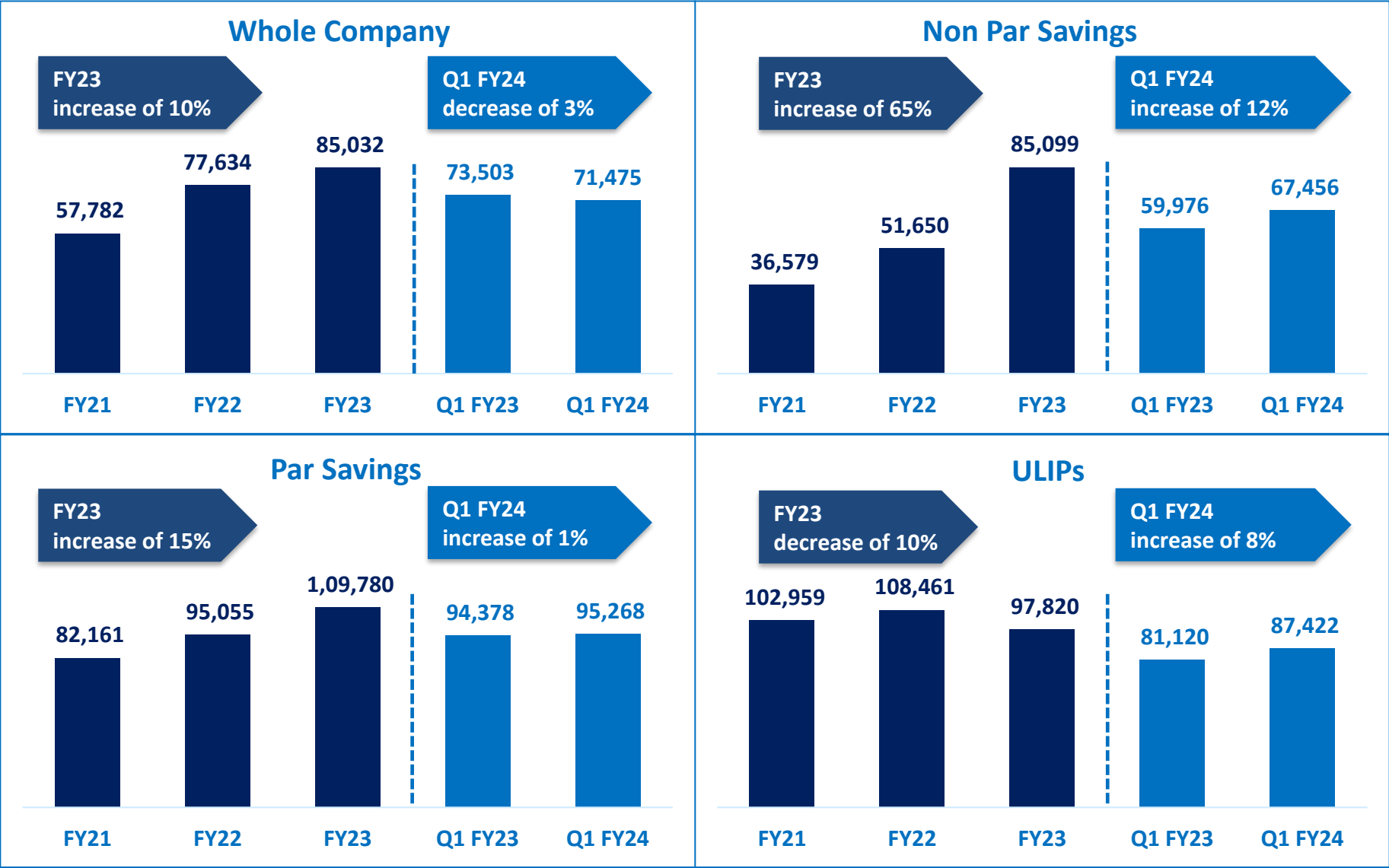
Total Return\*



- ❑ Asset mix as on 30 June 2023: Corporate Bonds 24.3%, G-Sec 47.9%, Equity 16.3%, FD & other assets 11.5% (on Market value basis)
- ❑ Capital gains booked in Q1 FY24 were Rs. 77 cr (including impairment)
- ❑ Unrealized gains/(loss) in the Shareholder Fund was Rs. 198 cr as on 30 June 2023
  - Unrealized gain /(loss) on equity portfolio Rs. 251 cr
  - Unrealized gain/(loss) on other than equity portfolio Rs. (53) cr

~On Market Value Basis | \*Total return includes change in unrealized gain/(loss) & impairment charged during the period, | \*\*While return in Q1 FY24 is higher mainly on account of Mark-to-Market (Gains) of Rs. 159 cr compared to Mark-to-Market (Losses) of Rs. (447) cr in Q1 FY23; AUM : Assets under Management

All Figures in Rs.



**Thank You**



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