

27 October 2016

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| To<br>The Corporate Relations Department.<br>The Bombay Stock Exchange<br>1 <sup>st</sup> Floor, New Trading Ring<br>Rotunda Building, P J Tower<br>Dalal Street, Fort, Mumbai 400 001.<br><br><b>BSE CODE: 532978</b> | To<br>National Stock Exchange of India Ltd<br>Exchange Plaza, 5 <sup>th</sup> Floor<br>Plot No.C-1, G Block<br>Bandra-Kurla Complex,<br>Bandra (East), MUMBAI 400 051.<br><br><b>NSE CODE: BAJAJFINSV</b> |
|--|---|

Sir/Madam,

**Subject: Investor Presentation for financial results of the second quarter ended 30 September 2016**

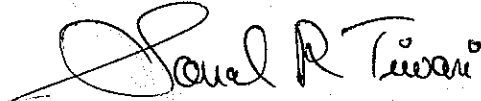
Further to our letter dated 30 September 2016, please find enclosed Investor Presentation for financial results of the second quarter ended 30 September 2016 under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Schedule III thereto.

This is for your information please.

Thanking you,

Yours faithfully,

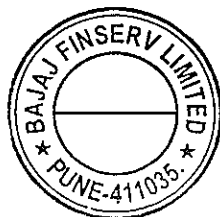
**For Bajaj Finserv Limited.**



**Sonal R Tiwari**

**Company Secretary**

Encl: as above.



**Bajaj Finserv Limited**

Corporate Office: 6th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road,  
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[www.bajajfinserv.in](http://www.bajajfinserv.in)  
Corporate ID No: L65923PN2007PLC130075



# Bajaj Finserv Limited

Investor Presentation - Q2 FY17\*

*\* Financial year 2016-17*

# Disclaimer



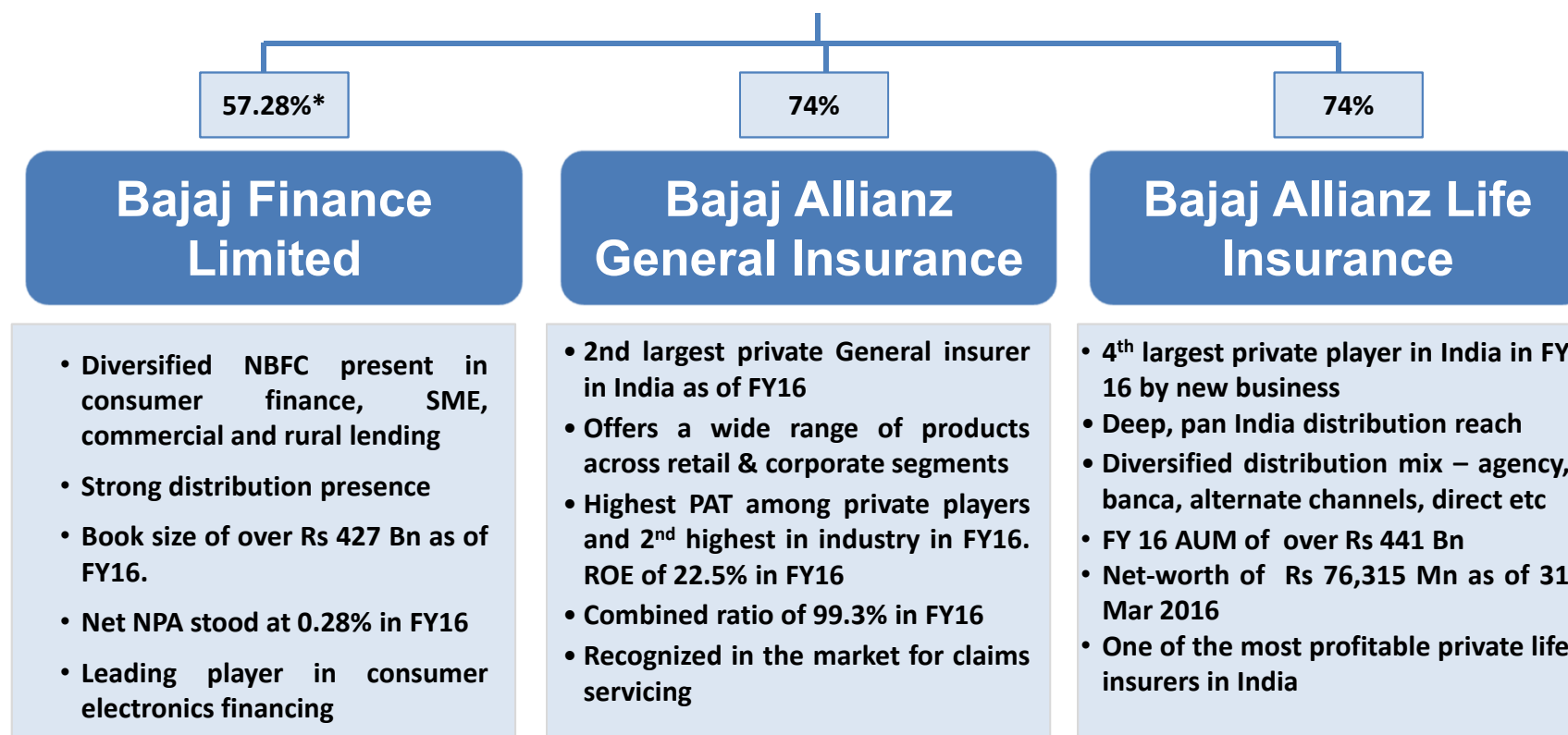
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# Bajaj Finserv – A diversified financial services group



- Bajaj group has a long track record of building large scale, profitable businesses
- Bajaj Finserv is a diversified financial services group 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 30<sup>th</sup> September 2016. Chart shows only major subsidiaries.

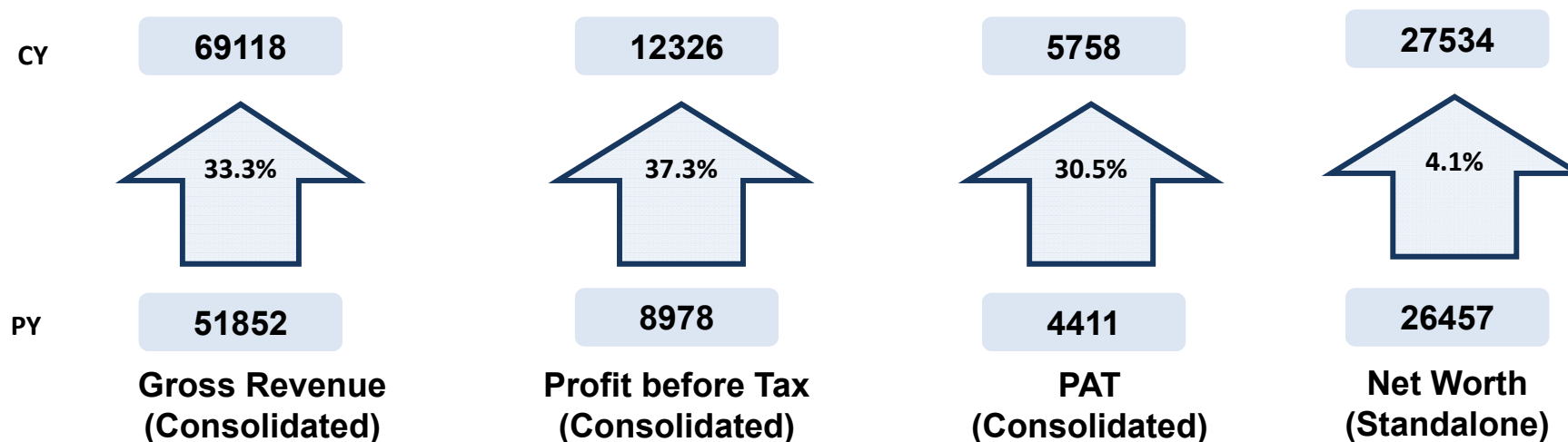
\*BFS holds 9,250,000 warrants convertible into equity shares of BFL on or before 1 December 2016. When exercised, the holding of BFS in BFL will increase from 57.28% to 58%.

# Bajaj Finserv performance highlights



All Figures in Rs Million

## Performance Highlights of Q2 FY 2017 over Q2 FY2016



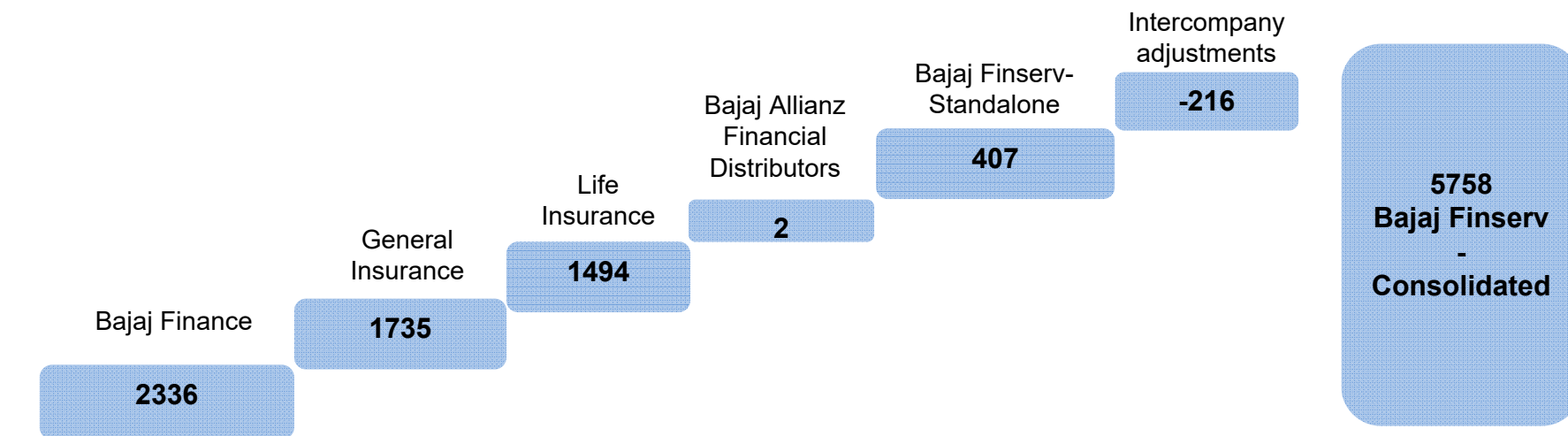
- Bajaj Finserv : Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds stood at Rs. 8,416 million as on September 30, 2016.
- Consolidated Net Worth stood at Rs. 144,988 million and Consolidated Book Value Per Share at Rs. 911.

# Consolidated profit components

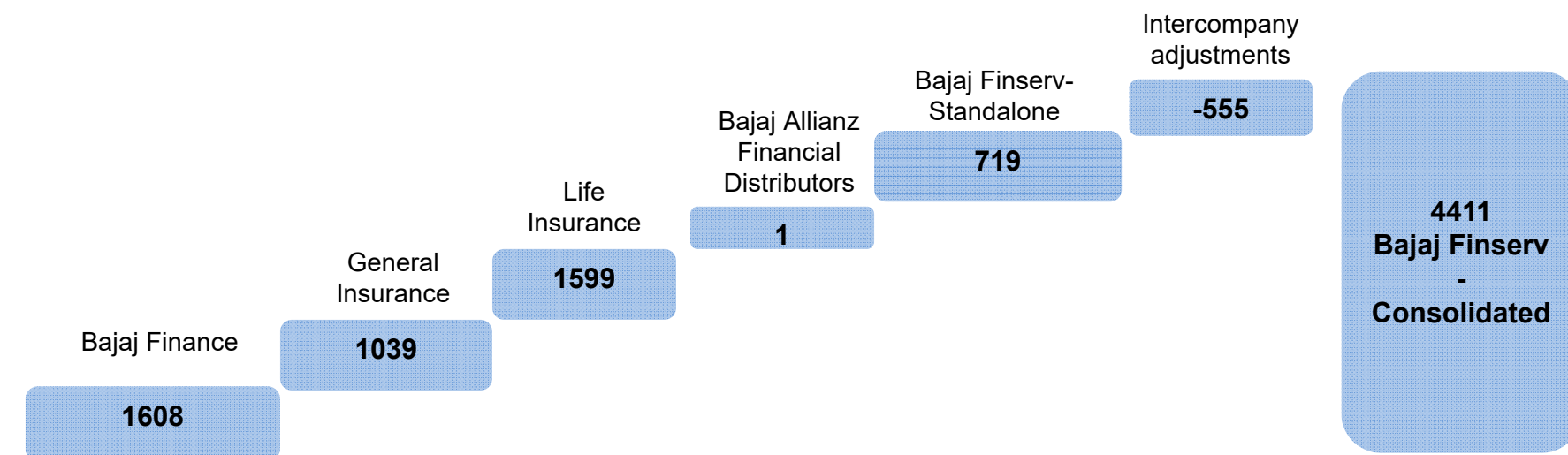


All Figures in Rs Million

## Consolidated profit components for Q2 FY2017



## Consolidated profit components for Q2 FY2016



# H1 Highlights

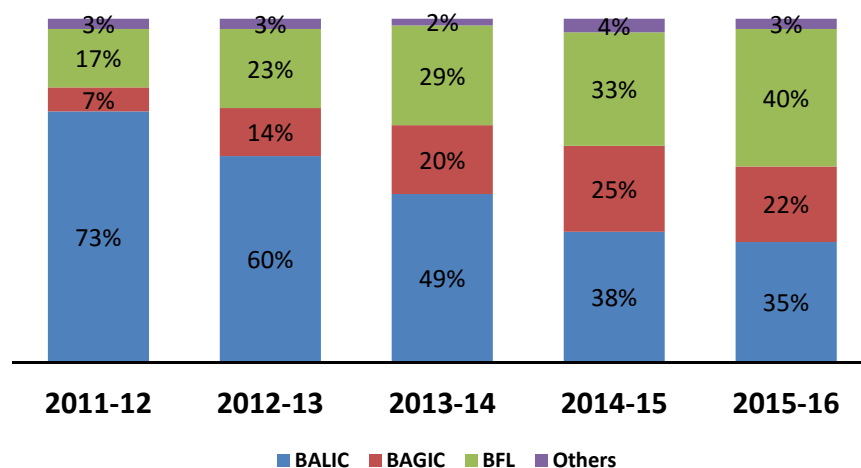


All Figures in Rs Million



| BAJAJ FINSERV    | H1 FY17 | H1 FY16 | Growth |
|------------------|---------|---------|--------|
| Gross Revenue    | 125,819 | 100,122 | 26%    |
| Net worth (Cons) | 144,988 | 124,721 | 16%    |
| PAT              | 11,133  | 9,080   | 23%    |

**Consolidated Profit Components \***



## Group Company Highlights

| BALIC             | H1 FY17 | H1 FY16 | Growth |
|-------------------|---------|---------|--------|
| GWP               | 24,508  | 22,535  | 9%     |
| Total Investments | 468,802 | 429,545 | 9%     |
| PAT               | 4,456   | 4,566   | -2%    |

| BAGIC       | H1 FY17 | H1 FY16 | Growth |
|-------------|---------|---------|--------|
| GWP         | 37,059  | 28,221  | 31%    |
| Investments | 103,598 | 88,314  | 17%    |
| PAT         | 3,659   | 2,879   | 27%    |

| BAJAJ FINANCE | H1 FY17 | H1 FY16 | Growth |
|---------------|---------|---------|--------|
| AUM           | 523,320 | 379,637 | 38%    |
| Total Income  | 46,670  | 33,564  | 39%    |
| PAT           | 8,317   | 5,550   | 50%    |

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



**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

### Underwriting Strength

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

### Sustained Innovation

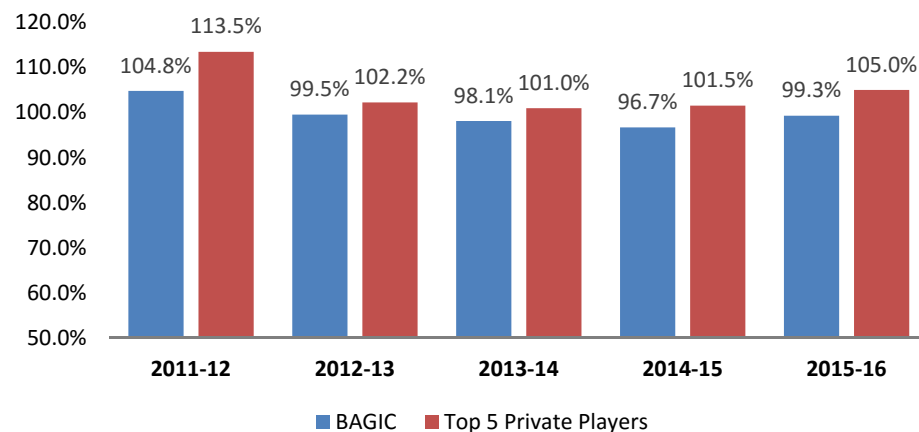
- ❑ Trend-setter in the industry for cash-less claims. First to insource health insurance administration.
- ❑ Geographic expansion through unique models like virtual points of sale, All women branches etc

### Multi Channel Distribution

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

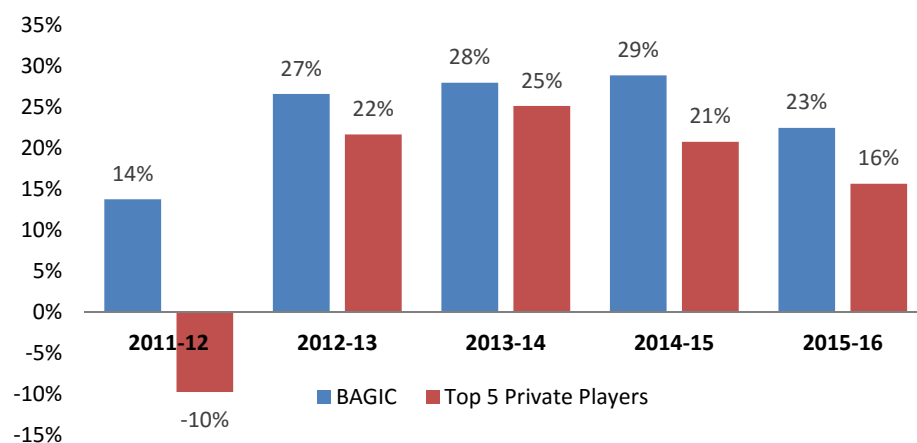
# General Insurance – Overview

**Combined Ratio**  
(incl Motor Pool losses)



☐ Industry leading combined ratios on a sustained basis

**ROE**



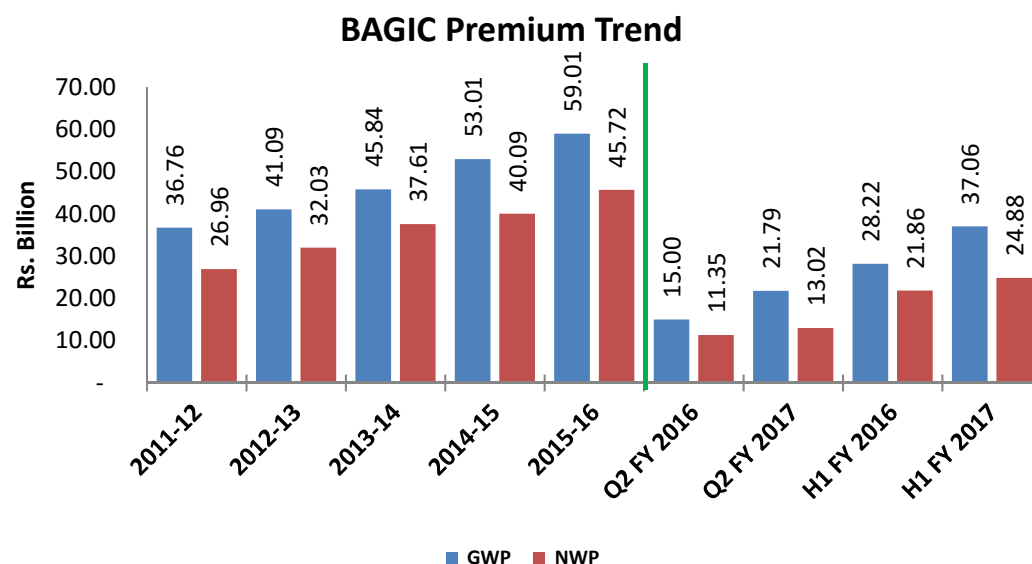
☐ Consistently delivered industry beating ROEs

Based on internal workings using publicly available data.

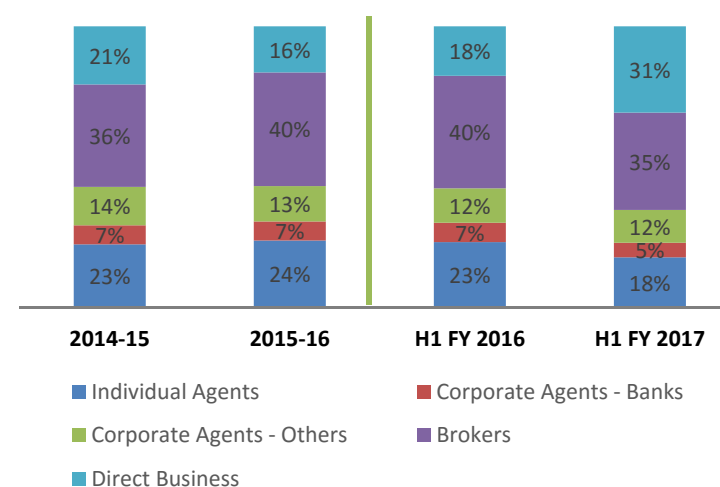
Top 5 Private players refers to top 5 non specialized private players by GDPI as of FY16 (includes BAGIC).

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

# Premium update

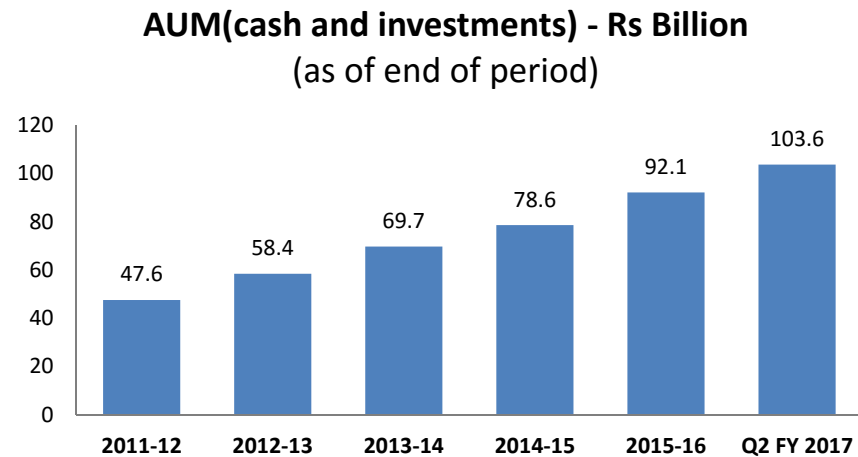
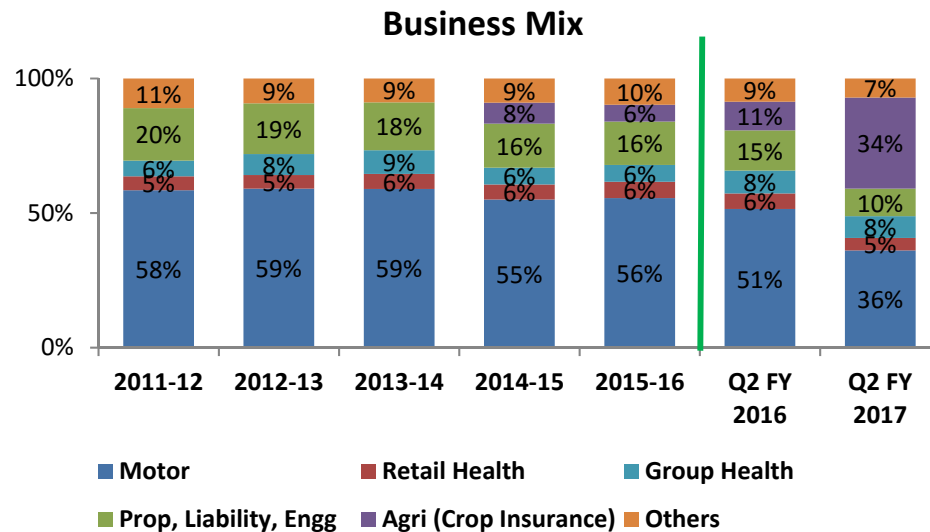


## Diversified distribution mix



- BAGIC has consistently been among the top 2 insurers in terms of GWP.
- BAGIC has one of the most diversified distribution channels in the industry with a combination of direct and intermediated channels.
- Strong growth delivered in Q2 and H1 FY 17

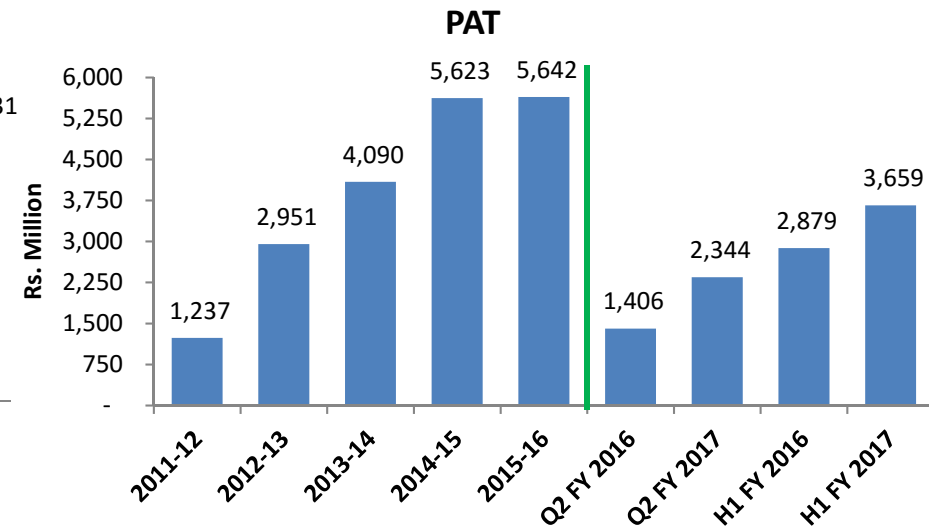
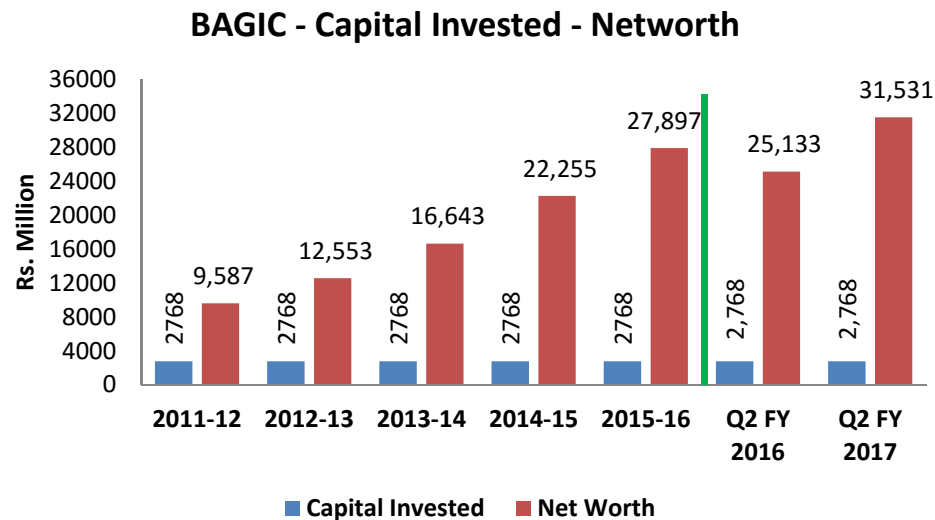
# Business mix and AUM growth



- During Q2 FY 2017 the company has written crop insurance of Rs 7371 Mn against Rs 1,594 Mn in Q2 FY 2016
- AUM crossed Rs 100 Bn in H1 FY 17.
- AUM is 3.3 times the Net Worth as at 30<sup>th</sup> September 2016

# Capital efficiency and PAT trend

All Figures in Rs Million



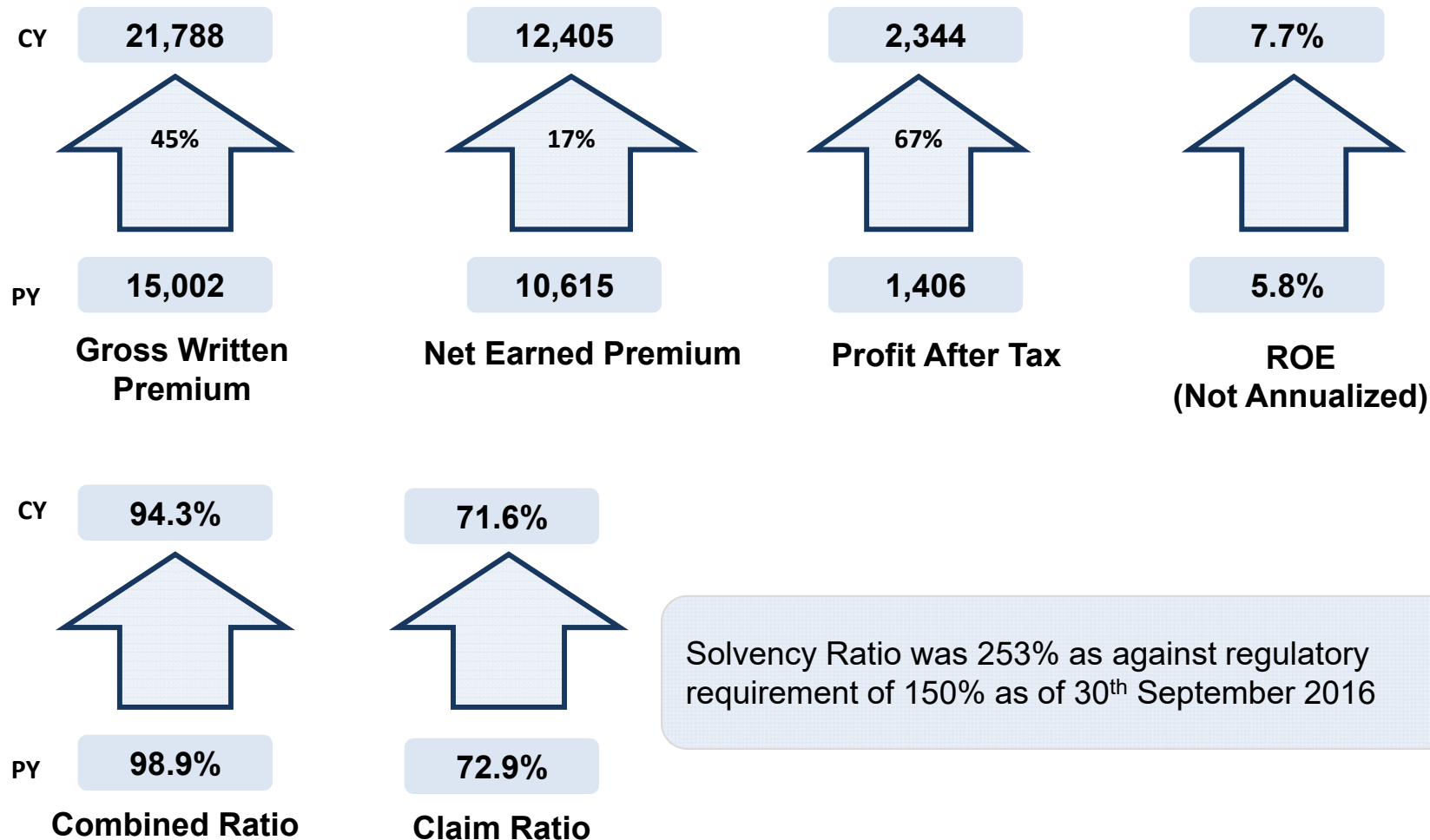
- BAGIC's Net worth is over 10x the capital infused
- It is one of most profitable private sector insurers with highest ROEs amongst the top companies in the industry

# Bajaj Allianz General – Q2 highlights



All Figures in Rs Million

## Performance Highlights of Q2 FY2017 over Q2 FY2016





**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.

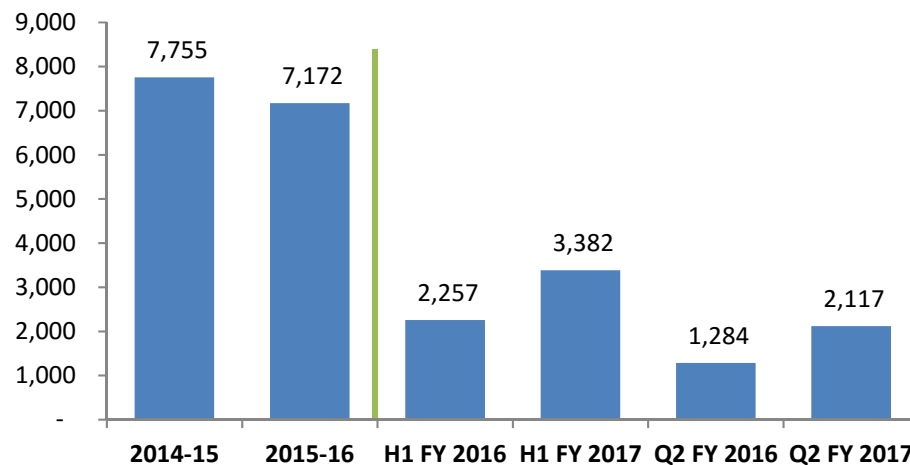
### Sustainable Model

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

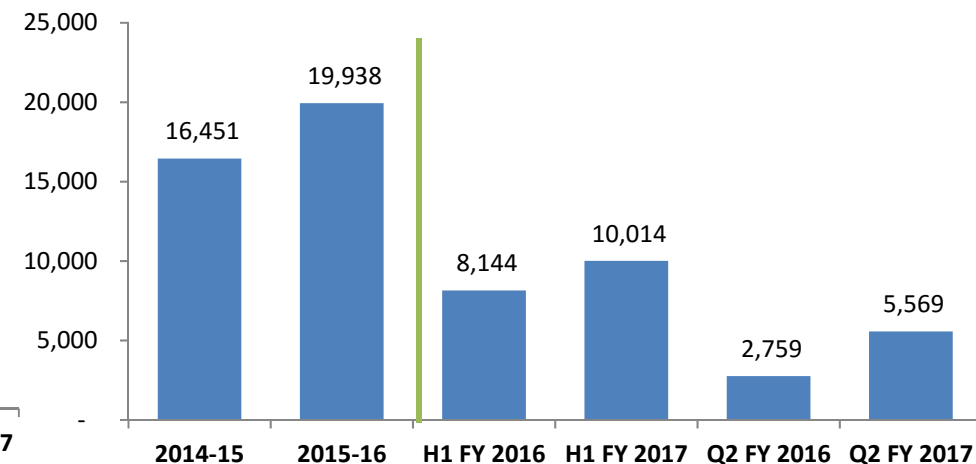
# New business update

All Figures in Rs Million

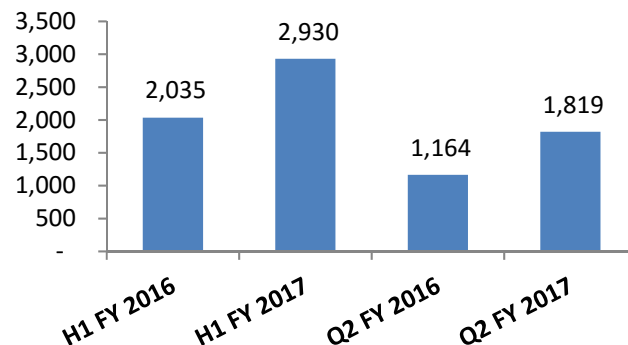
## Individual Rated NB



## Group NB

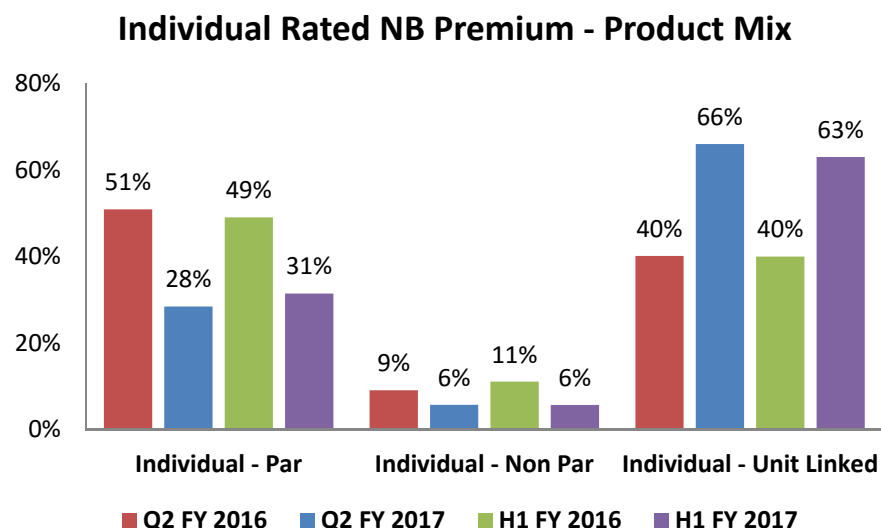
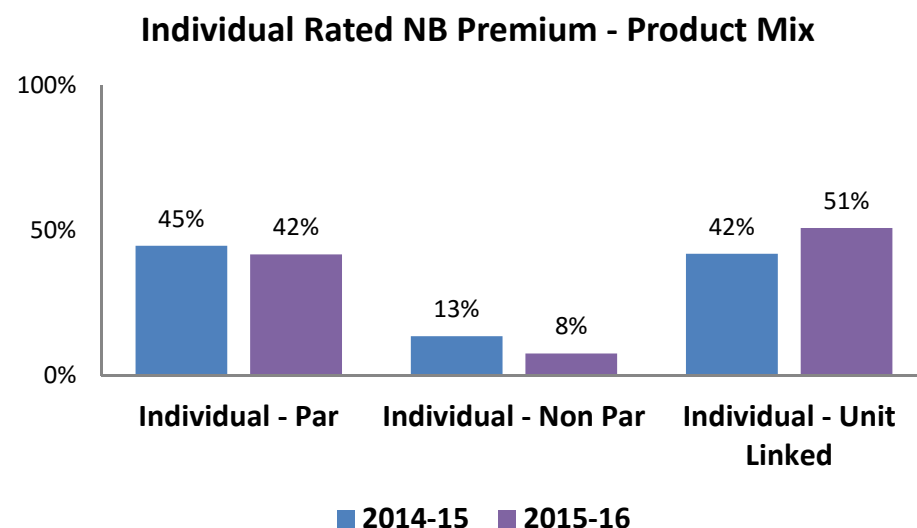


## Agency Individual Rated NB



- BALIC's focus is to grow regular premium which is reflected in individual rated premium
- BALIC's Individual Rated New Business has grown 65% in Q2 FY17 and 50% in H1 FY 17 over Q2 FY16 & H1 FY 16 respectively
- Agency channel's Individual Rated New Business is up 56% in Q2 FY17 over Q2 FY16. Changes effected in agency over last 2 years have started to pay off.

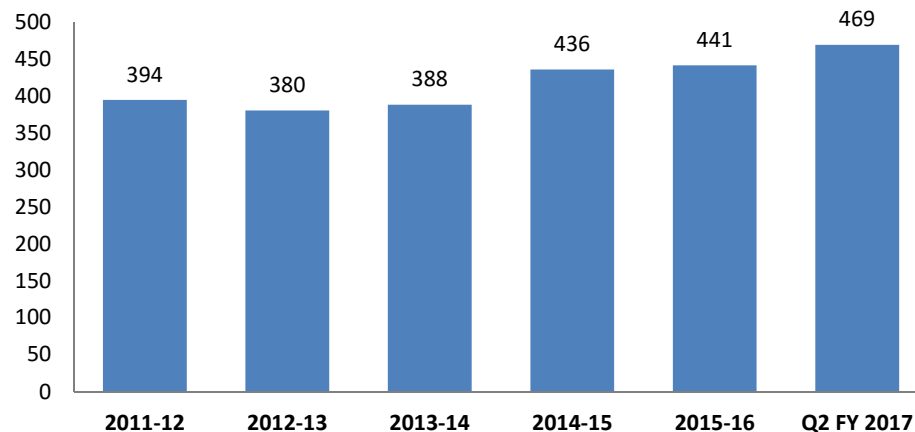
# Diversified product mix



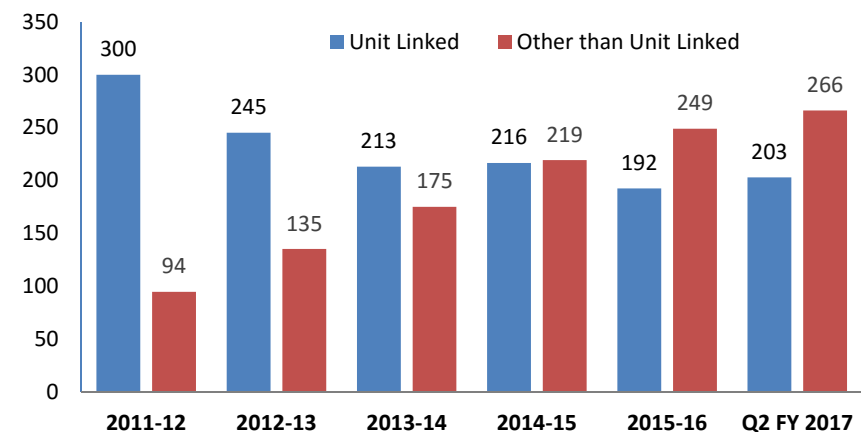
- Individual Rated NB product mix is well diversified across par, non par and UL
- Group Business : Group Fund business in Q2 FY 17 was Rs 3,489 Mn (Q2 FY 16 Rs 1,018 Mn) and H1 FY 17 Rs 5,747 Mn (H1 FY 16 Rs 4,812 Mn). In H1 FY 17 Group Fund business was 42% of New Business (PY 43%)

# Assets Under Management are significant

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



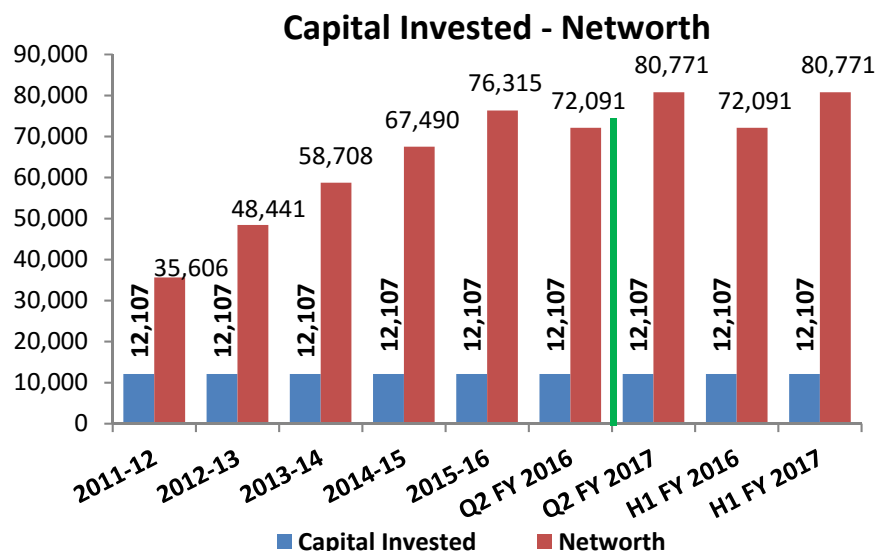
**AUM (Rs Billion)**  
(as of end of period)



- Of the UL Funds of Rs 203 Billion, 66% is equity funds as at 30<sup>th</sup> September 2016

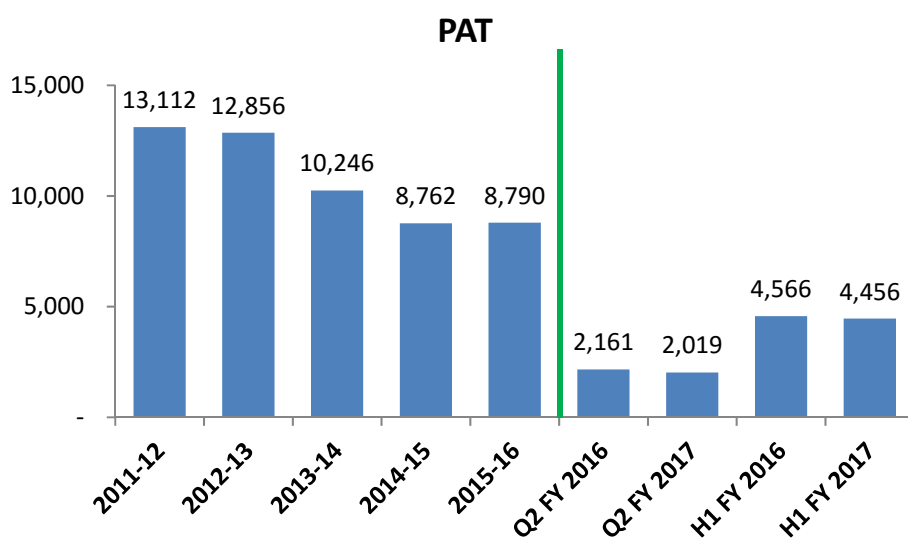
# Capital efficiency and PAT

All Figures in Rs Million



**BALIC's Network is 6.7 times the Capital infused.**

**No Capital infused after FY08**



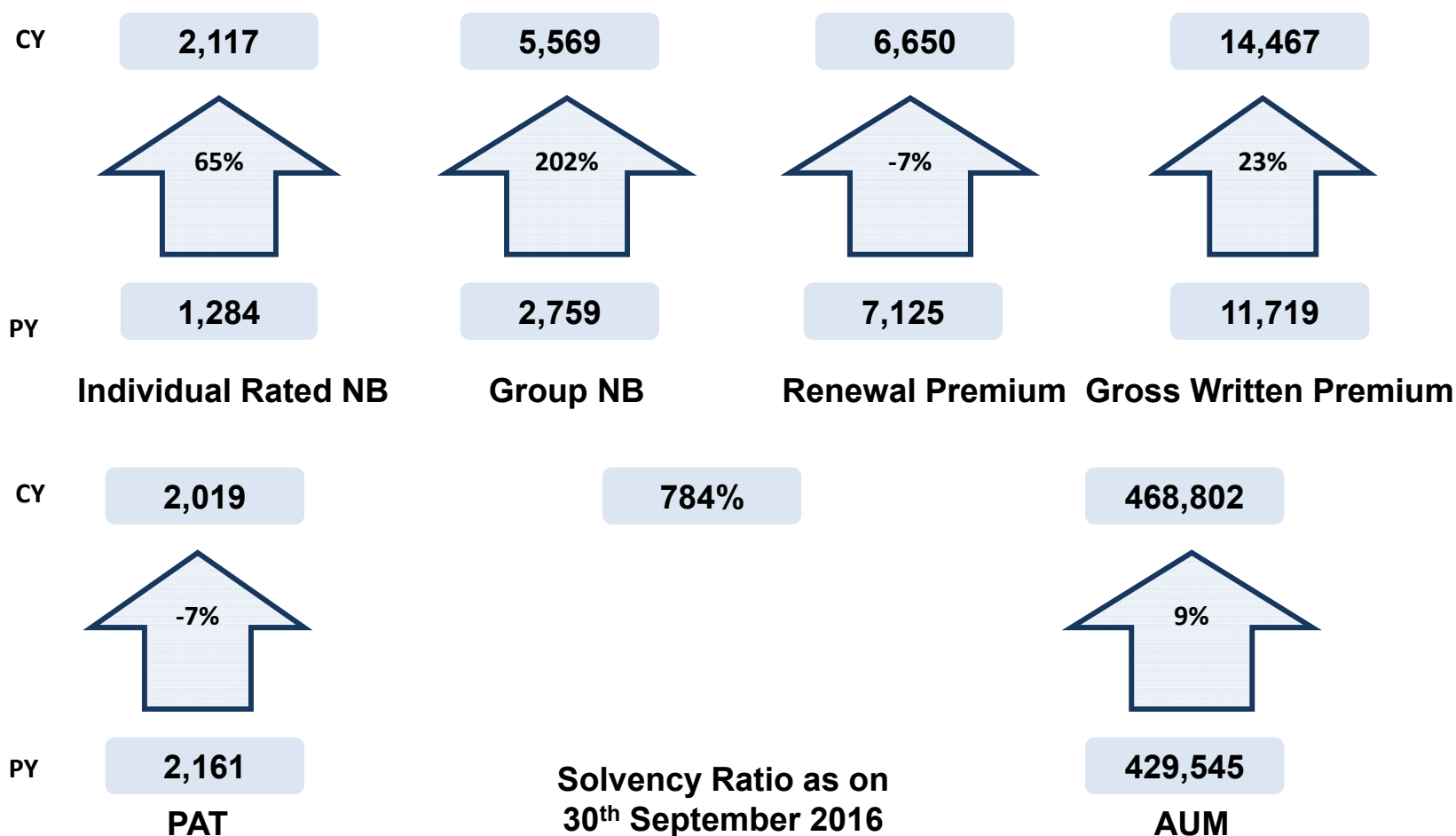
**Includes net Transfer from Policyholders' account to P&L – Rs 540 Mn in Q2 FY17 (Q2 FY16 Rs 513 Mn).**

# Bajaj Allianz Life – Q2 highlights



All Figures in Rs Million

## Performance Highlights of Q2 FY2017 over Q2 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**

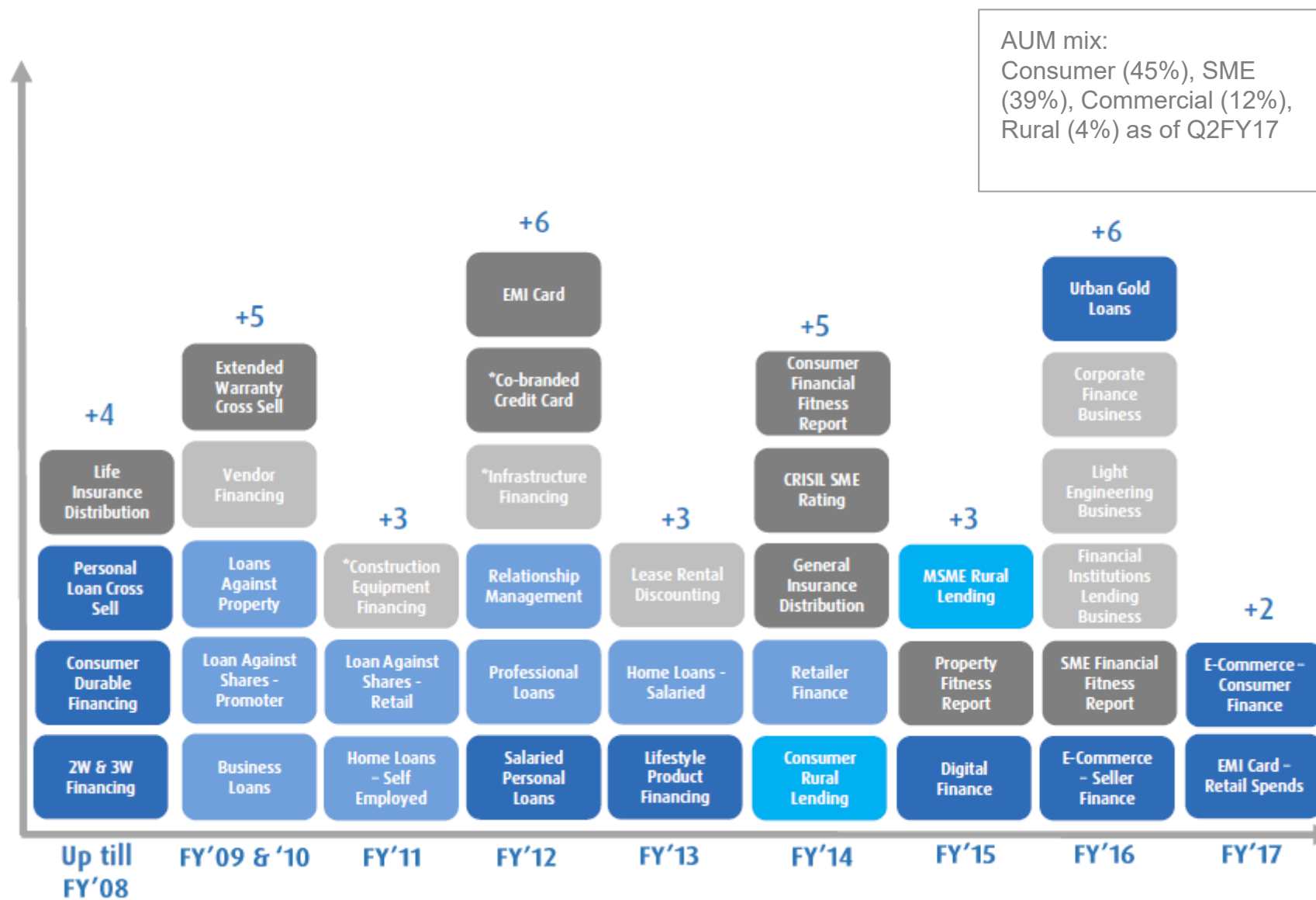
**Highly agile and innovative**

**Focus on mass affluent and above customers**

**Diversified lending strategy**

**Deep investment in technology and analytics**

# Bajaj Finance – Business / Product Launch Journey



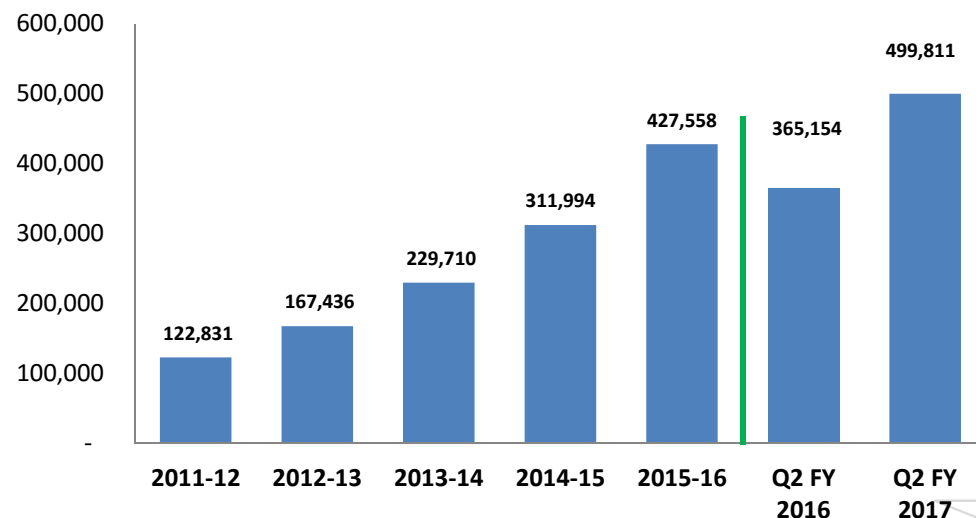
\* Closed

# Bajaj Finance has clocked healthy growth in revenues

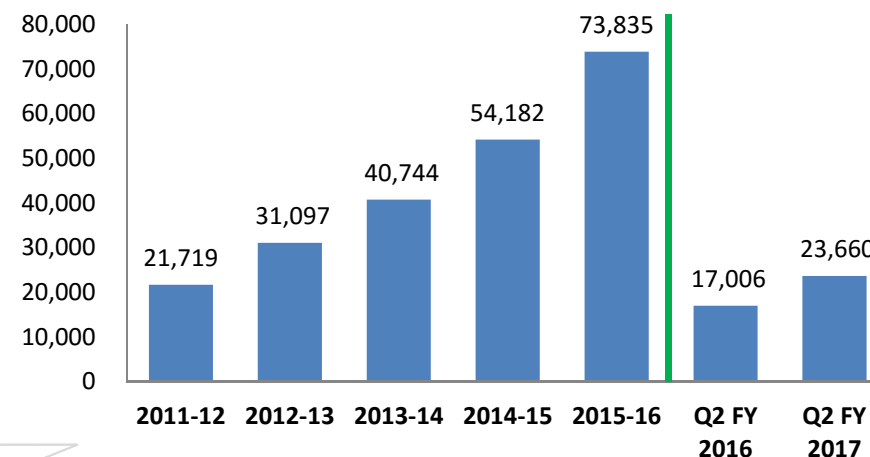


All Figures in Rs Million

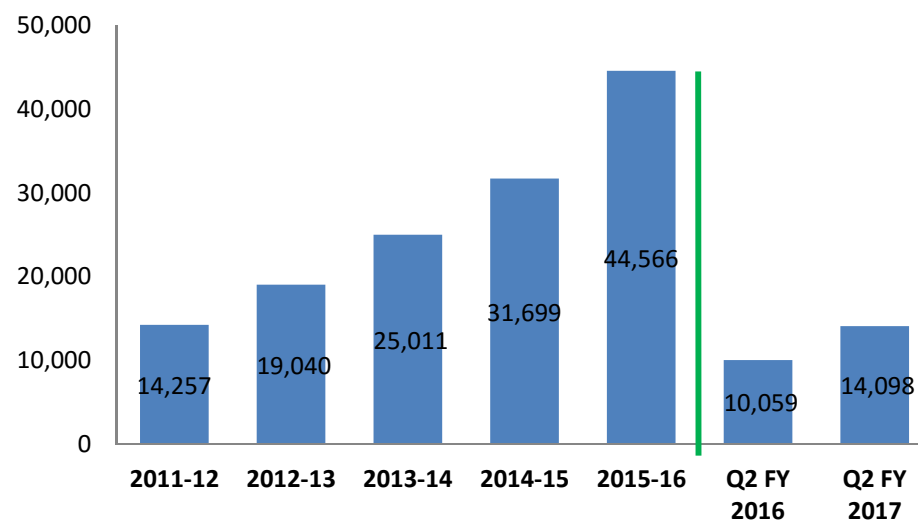
## Book Size



## Total Income



## Net Interest Income

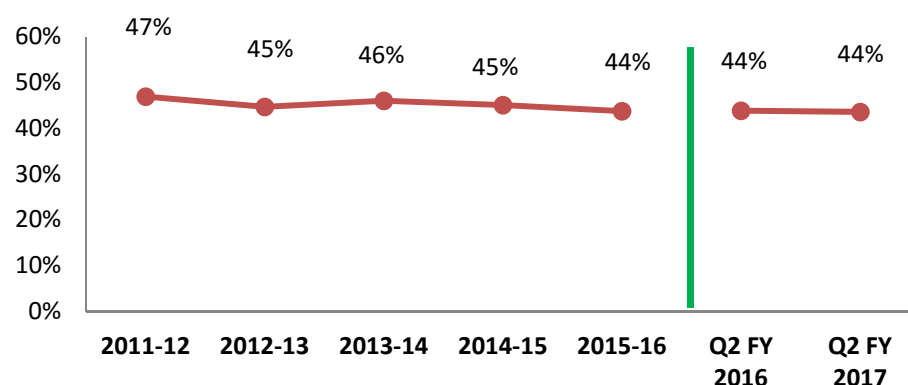


# Quality of assets is good, and operating costs remain under control

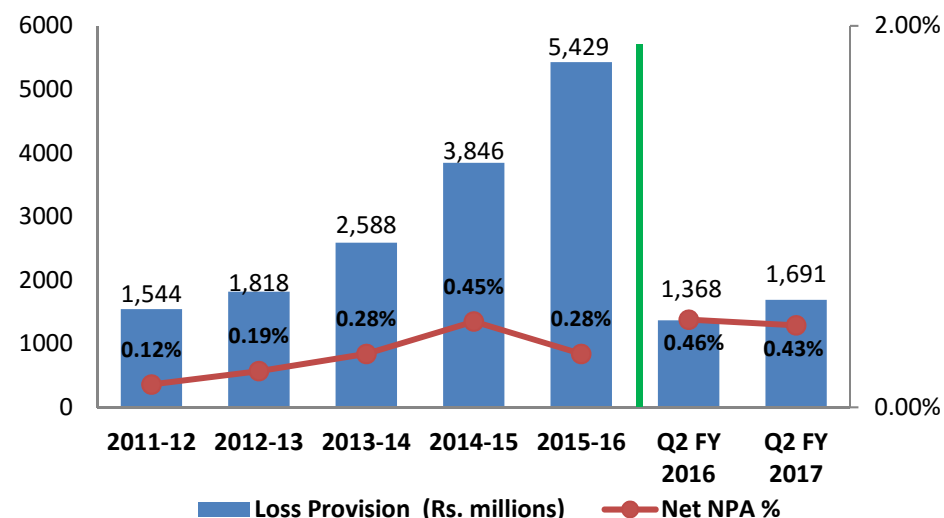


All Figures in Rs Million

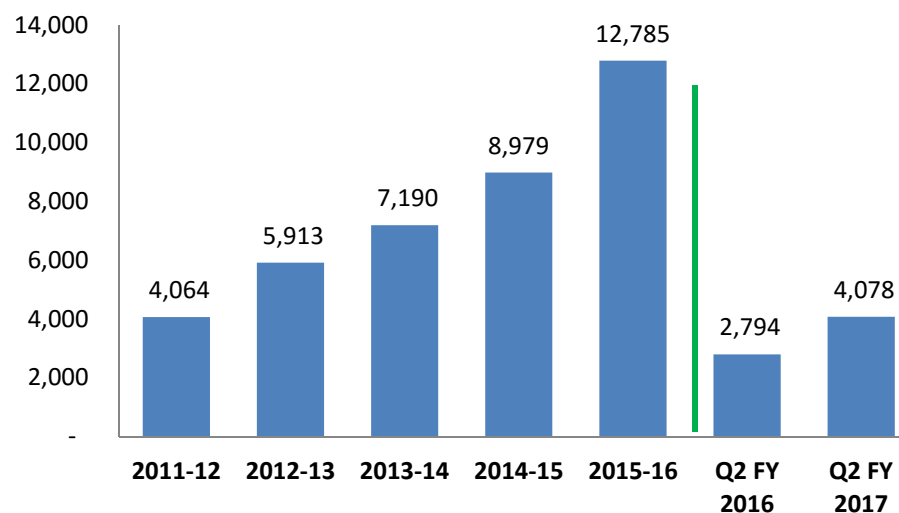
## Operating expenses as a % of NII



## Loss Provision and Net NPA%



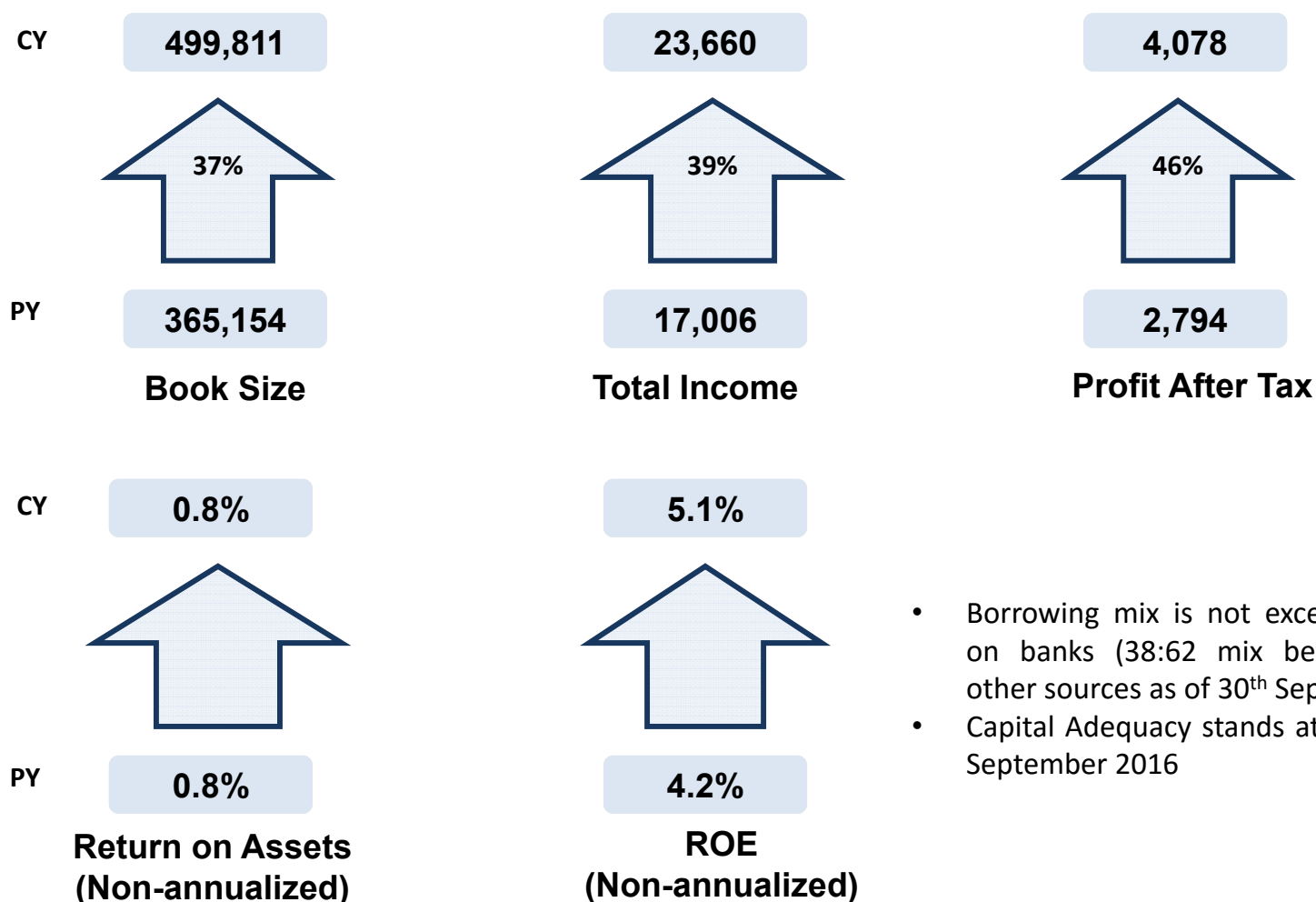
## PAT



# Bajaj Finance – Q2 highlights

All Figures in Rs Million

## Performance Highlights of Q2 FY2017 over Q2 FY2016



- Borrowing mix is not excessively dependent on banks (38:62 mix between banks and other sources as of 30<sup>th</sup> September 2016).
- Capital Adequacy stands at 21.48% as of 30<sup>th</sup> September 2016

**Thank You**