

17 May 2018

To Corporate Relations Department. BSE Limited 1 st Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Mumbai 400 001	To Corporate Listing Department. National Stock Exchange of India Ltd Exchange Plaza, 5 th Floor Plot No.C-1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
BSE Code: 532978	NSE Code: BAJAJFINSV

Subject: Investor Presentation for financial results of the fourth quarter ended 31 March 2018

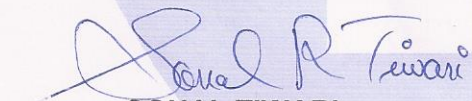
Dear Sir/Madam,

Further to our letter dated 3 May 2018, please find enclosed Investor Presentation for financial results of the fourth quarter ended 31 March 2018 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 TIWARI
COMPANY SECRETARY

Encl: as above



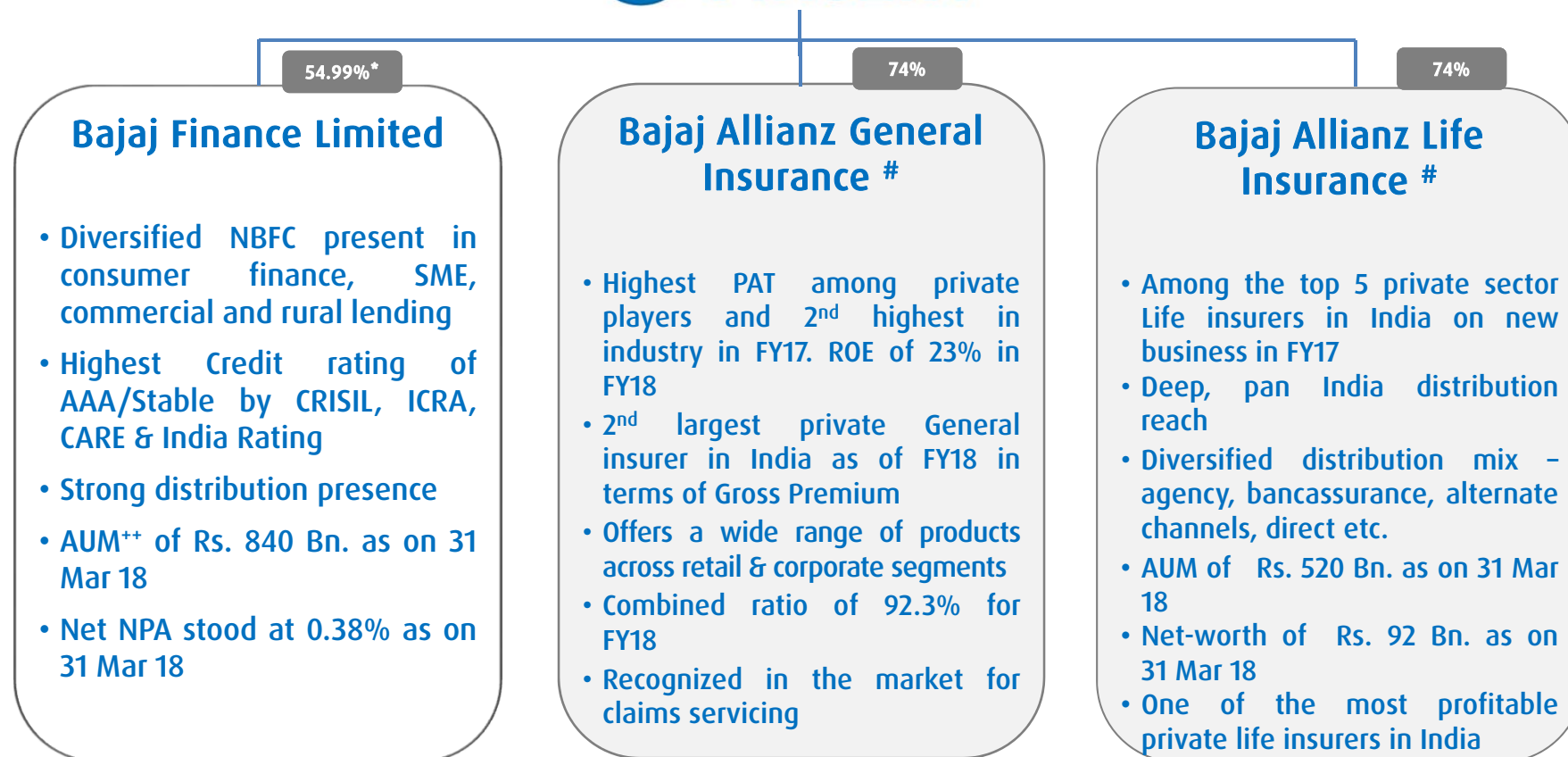


BAJAJ FINSERV LIMITED

Investor Presentation – Q4 FY18*

* Financial year 2017-18

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 2017 was 57.8%. BFL raised capital through Qualified Institutional Placement in the month of Sep 2017 amounting to Rs. 45 Bn.

++ Includes AUM of Rs.36 Bn of Bajaj Housing Finance Limited. BHFL is a 100% subsidiary of BFL which became fully operational in Q3 FY18
Shareholding is as of 31 Mar 2018. Chart shows only major subsidiaries.

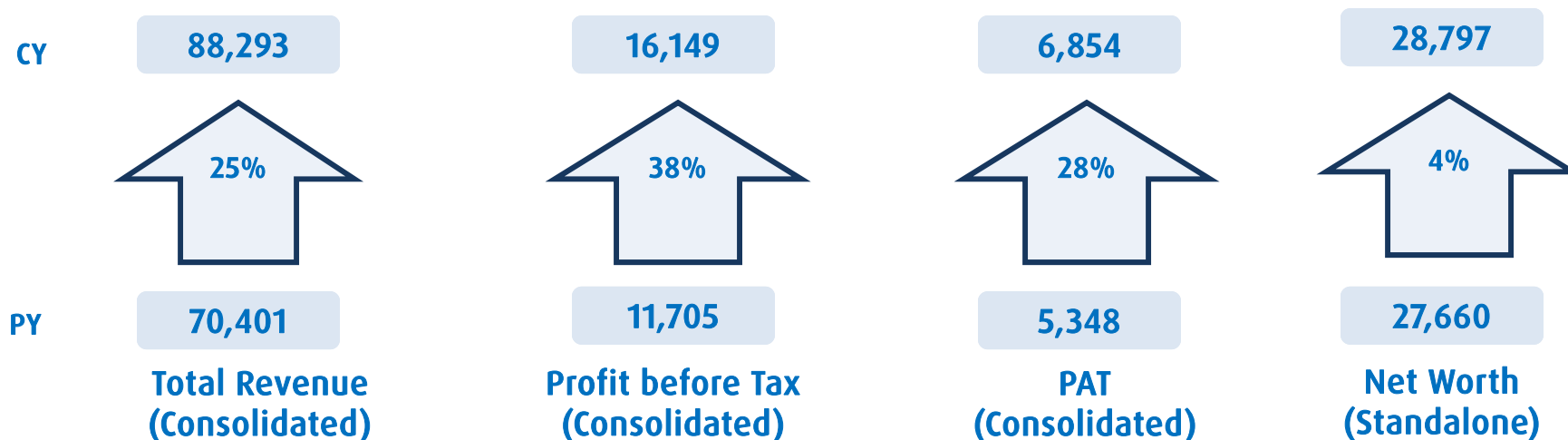
Not listed

Bajaj Finserv performance highlights



All Figures in Rs Million

Performance Highlights of Q4 FY18 over Q4 FY17



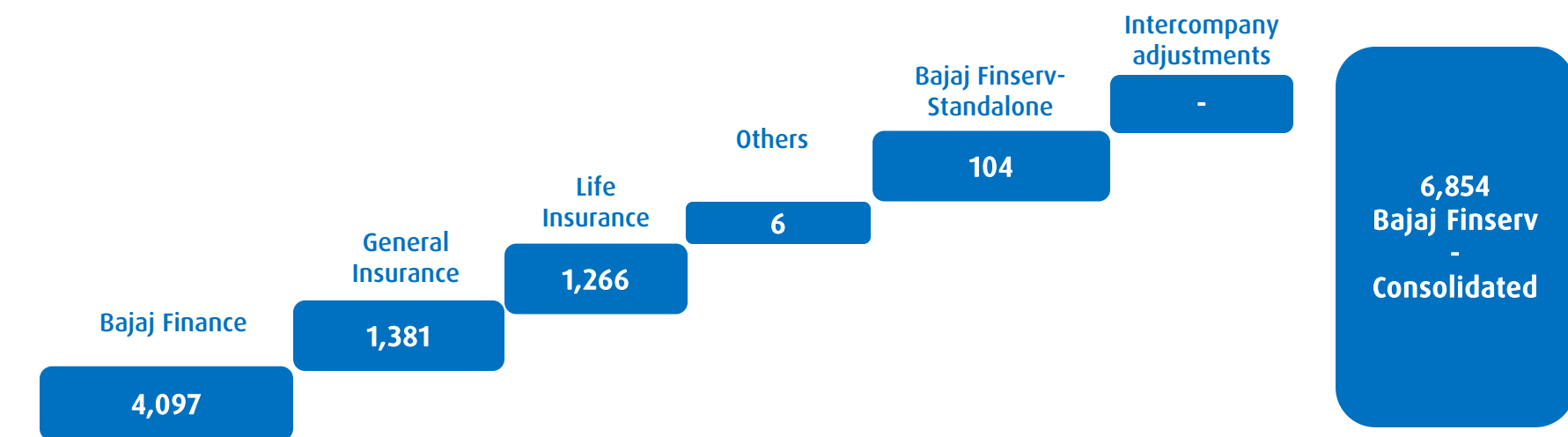
- Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds stood at Rs. 6.5 Bn as on 31 Mar 2018 (Rs. 5.6 Bn as on 31 Mar 2017)
- Consolidated Net Worth stood at Rs. 207 billion (Rs. 158 Bn as on 31 Mar 2017) and Consolidated Book Value Per Share at Rs. 1,304 (Rs.995 as on 31 Mar 2017)

Consolidated profit components

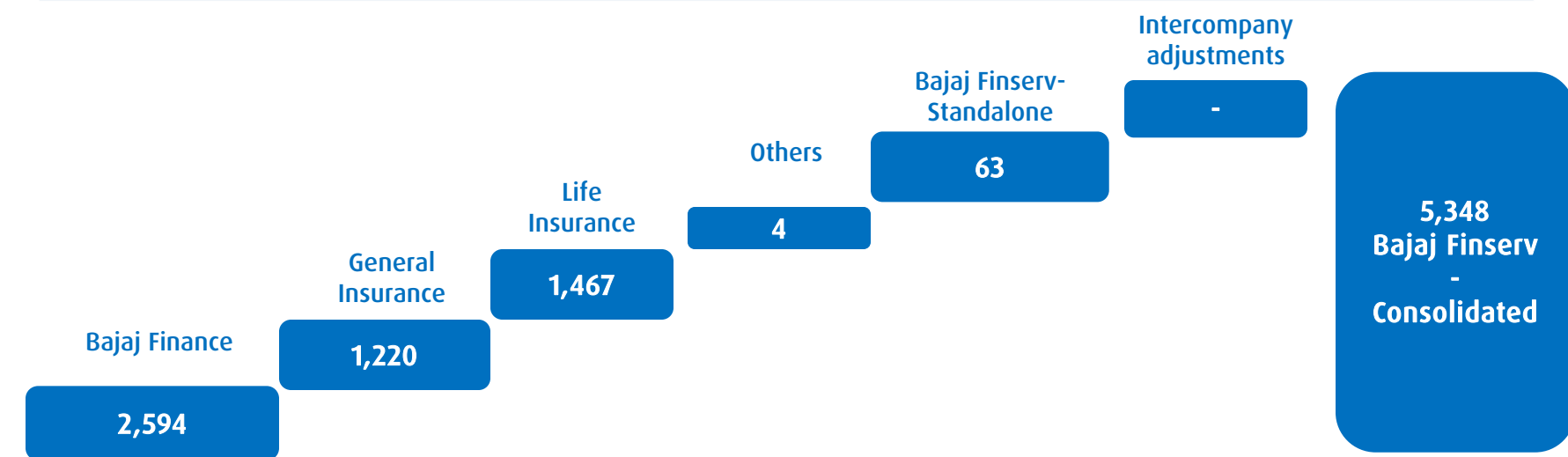


All Figures in Rs Million

Consolidated profit components for Q4 FY18



Consolidated profit components for Q4 FY17



FY18 Highlights



All Figures in Rs Million



BAJAJ FINSERV	FY18	FY17	Growth
Total Revenue	305,994	245,077	25%
Net worth (Cons)	207,471	158,288	31%
PAT	27,414	22,619	21%

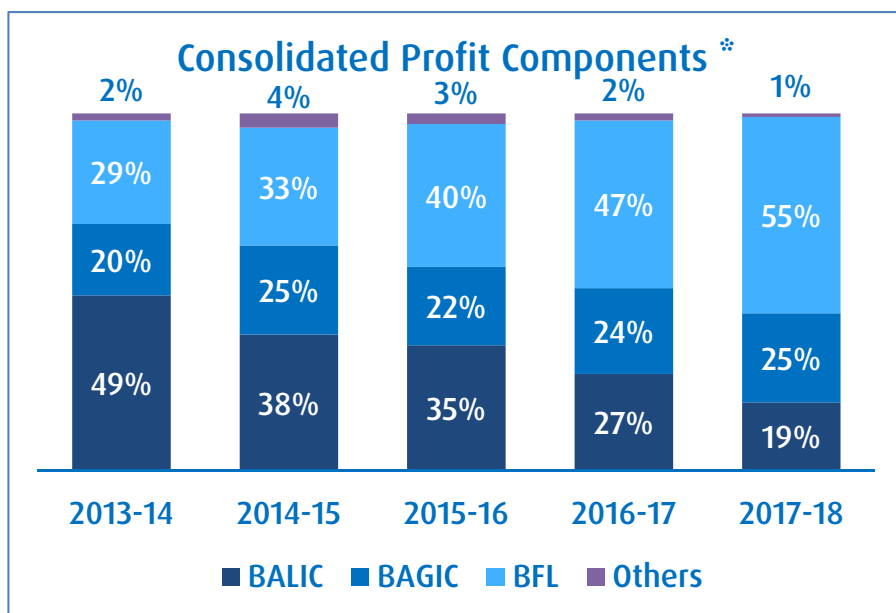
Highlights of Group Companies

BAJAJ FINANCE [#]	FY18	FY17	Growth
AUM	840,329	601,956	40%
Total Income	134,659	99,922	35%
PAT	26,741	18,364	46%

[#]Consolidated

BAGIC	FY18	FY17	Growth
GWP	94,865	76,871	23%
Investments	148,229	108,291	37%
PAT	9,212	7,278	27%

BALIC	FY18	FY17	Growth
GWP	75,784	61,833	23%
Investments	519,701	492,703	5%
PAT	7,161	8,363	-14%



^{*}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 26.22 Mn. and Cross sell client base of 15.43 Mn.
- ❑ Centre of Excellence for each business vertical to bring efficiencies across businesses and improve cross sell opportunity
- ❑ AUM mix for Consumer : SME : Commercial : Rural stood at 47% : 31% : 15% : 7%
- ❑ 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 730 locations with 57,000+ active points of sale
- Amongst the largest personal loan lenders
- EMI (Existing Member Identification) Card franchise of over 12.9 Mn (incl. EMI & Virtual EMI cards)
- Among the largest new loans acquirers in India (3.78 Mn in Q4 FY18, 15.32 Mn in FY18)
- Bajaj Finserv – Mobikwik active wallet users stood at 1.3 Mn 31 Mar 2018

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

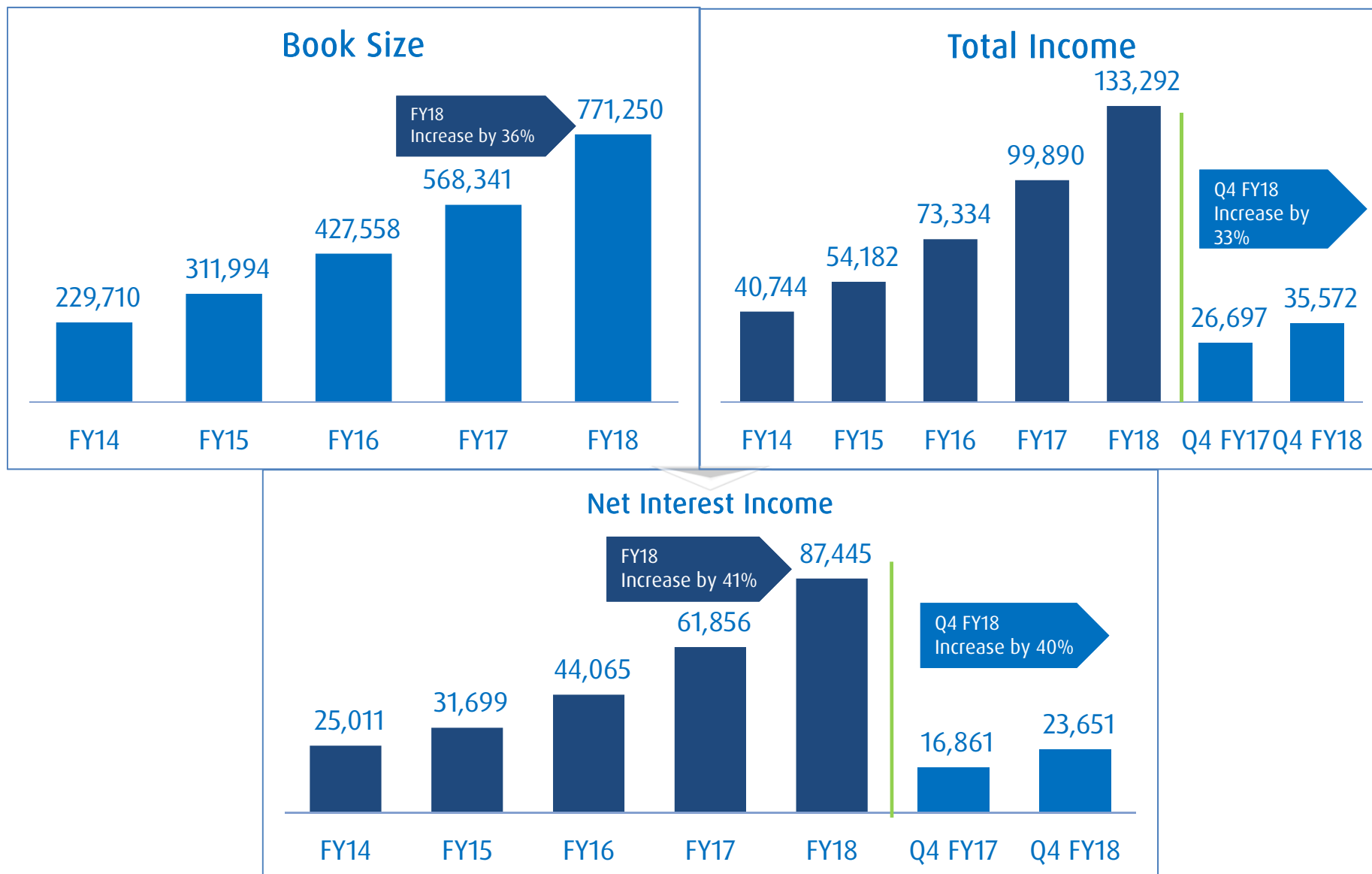
Rural

- Unique hub-and-spoke model in 602 locations and retail presence across 8,200+ points of sale
- Diversified rural lending model with 9 product lines for consumer and MSME segments

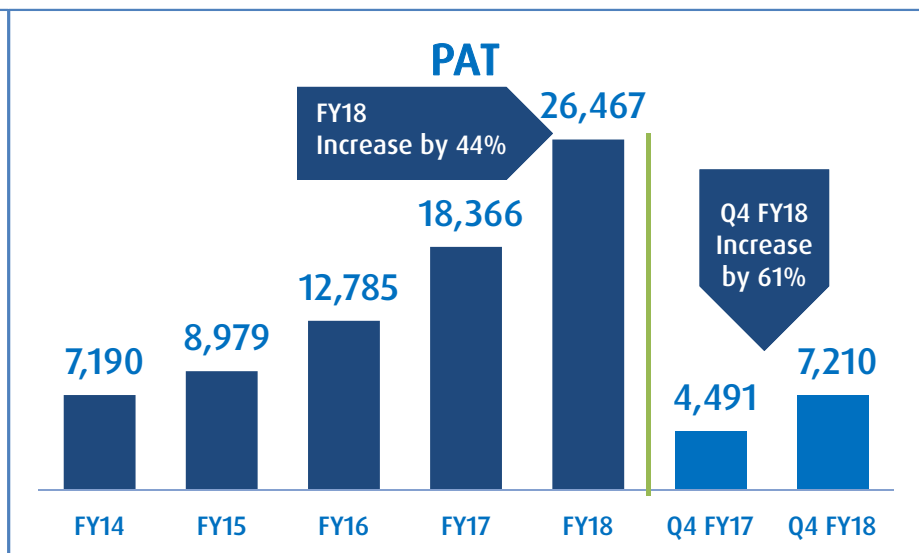
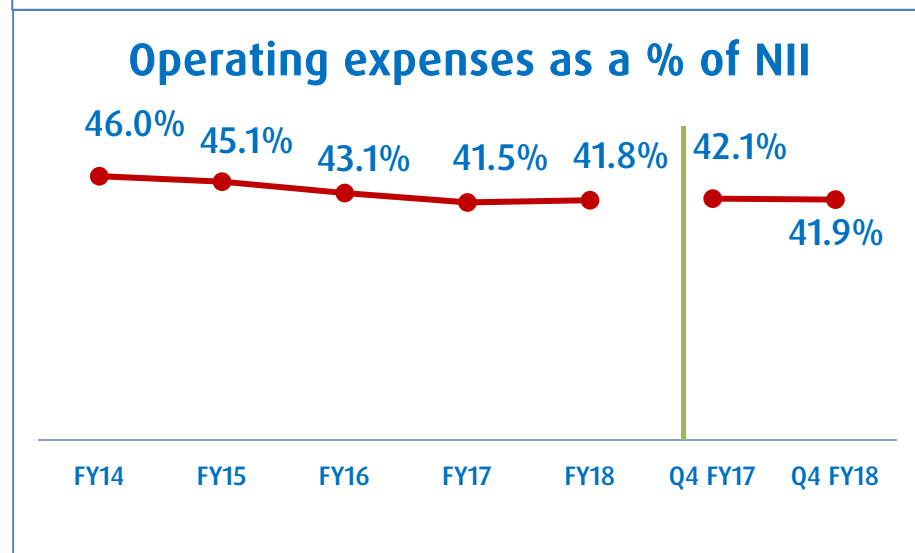
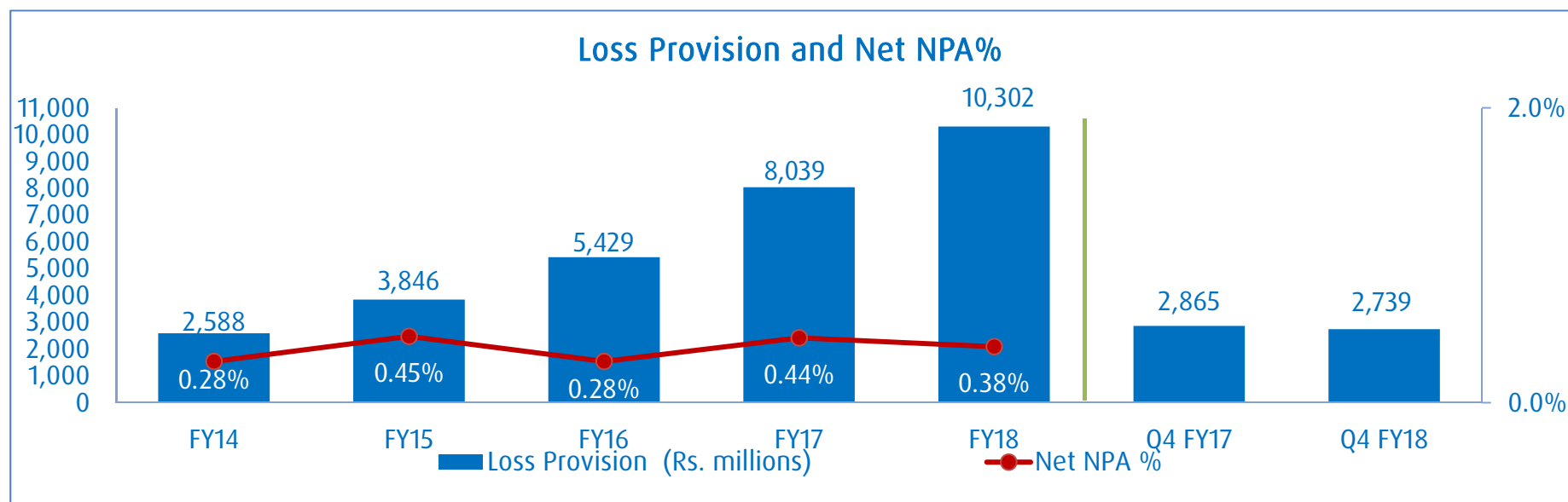
Bajaj Finance has clocked healthy growth in revenues



All Figures in Rs Million



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

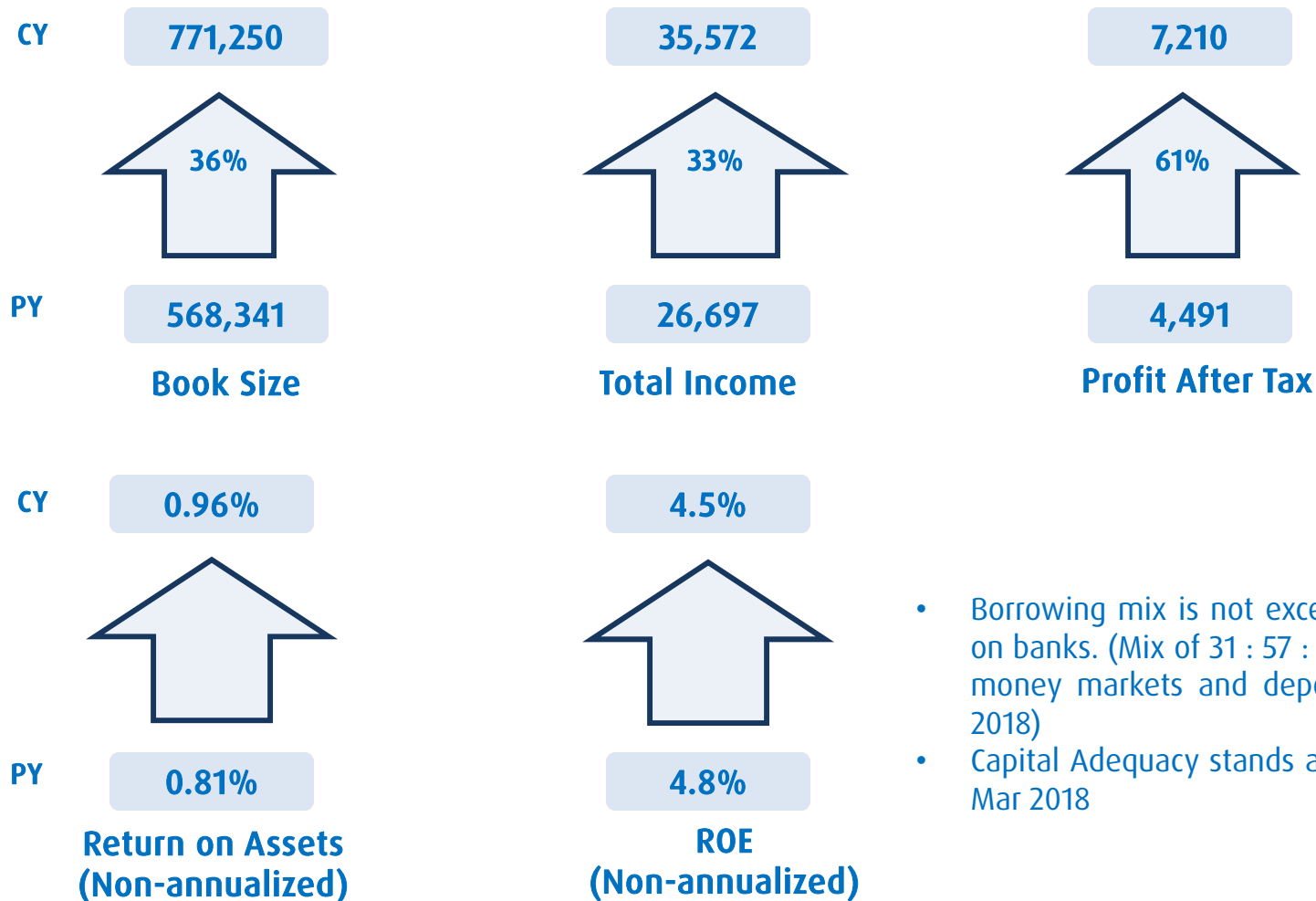


Bajaj Finance – Q4 highlights



All Figures in Rs Million

Performance Highlights of Q4 FY18 over Q4 FY17



- Borrowing mix is not excessively dependent on banks. (Mix of 31 : 57 : 12 between banks, money markets and deposits as of 31 Mar 2018)
- Capital Adequacy stands at 24.71% as of 31 Mar 2018



Bajaj Allianz General Insurance

STRATEGY

- ❑ Grow faster than market in chosen segments
- ❑ Presence across retail and commercial lines, with a focus on retail business
- ❑ Emphasise profitability through superior underwriting, & strong cash flow generation, in order to deliver superior Combined Ratio and RoE
- ❑ Deliver industry leading customer experience

DIFFERENTIATORS

Strong selection of Risk

- ❑ Industry leading combined ratios over the last several years with superior ROE
- ❑ Highest PAT in private sector in FY17

Disruptive Innovation

- ❑ Trend-setter in the industry for cash-less claims. First to insource health insurance administration
- ❑ Geographic expansion through unique models viz. virtual points of sale

Balanced distribution mix

- ❑ Multi channel distribution network with motor dealers, agency, bancassurance, direct etc.

Excellent claims servicing

- ❑ Has a consistent track record of excellence in claims servicing
- ❑ Winner of “Non Life Insurer of the Year” at Outlook Money Awards 2017

BAGIC – Key Highlights

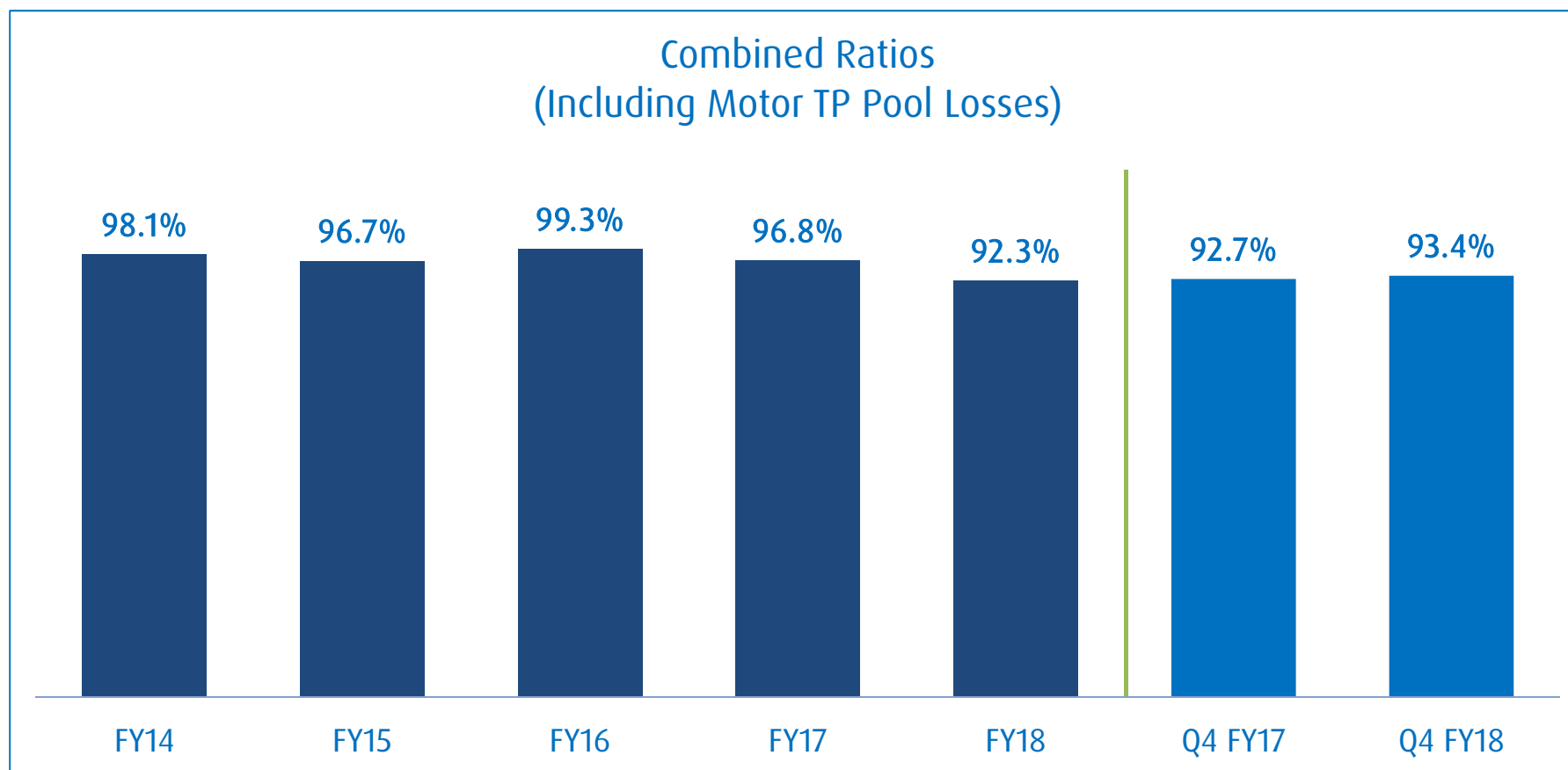


FY 2017-18

- ❑ Industry beating GDPI growth of 23% in FY18 vs the Industry growth of 17% FY18.
- ❑ Market share on GDPI improved to 7.1% in FY18 versus 6.7% in FY17
- ❑ Profit after tax (PAT) increased by 27% to Rs. 9,212 Mn. in FY18
- ❑ Policy issuance crosses 10 Mn. mark to reach around 13.0 Mn. in FY18, (FY17 9.9 Mn.)
- ❑ Solvency as at 31 March 2018 stood at 276%, which was well above regulatory margin of 150%.
- ❑ Consistently delivering high RoE : FY18 is at 23.0% (23.0% in FY17)

*Industry growth and Market share excluding specialised and standalone health insurers. Source : GI Council for Industry figures
GDPI : Gross Direct Premium Income

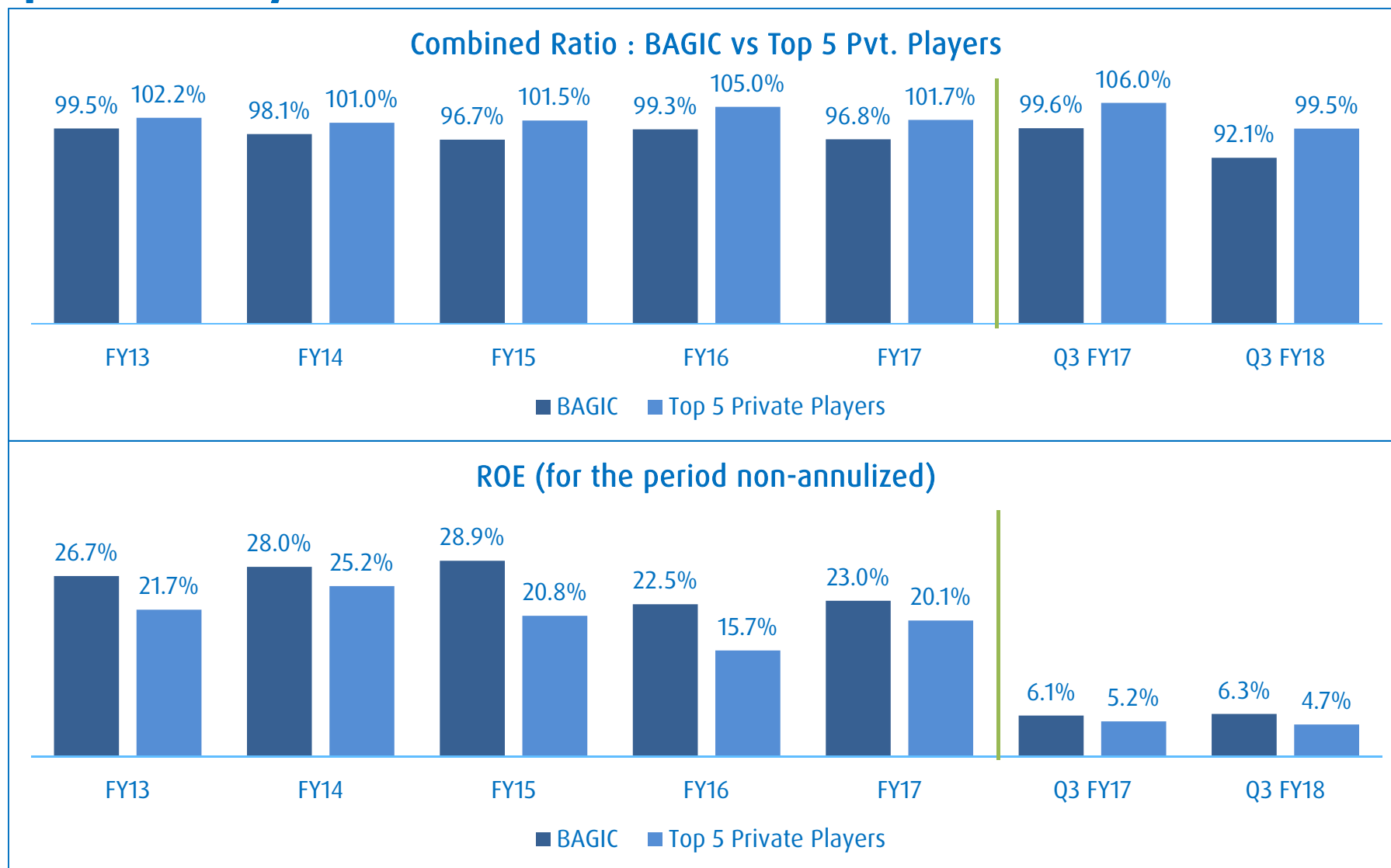
BAGIC has maintained Combined ratio, below 100% on a sustained basis



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. (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.

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

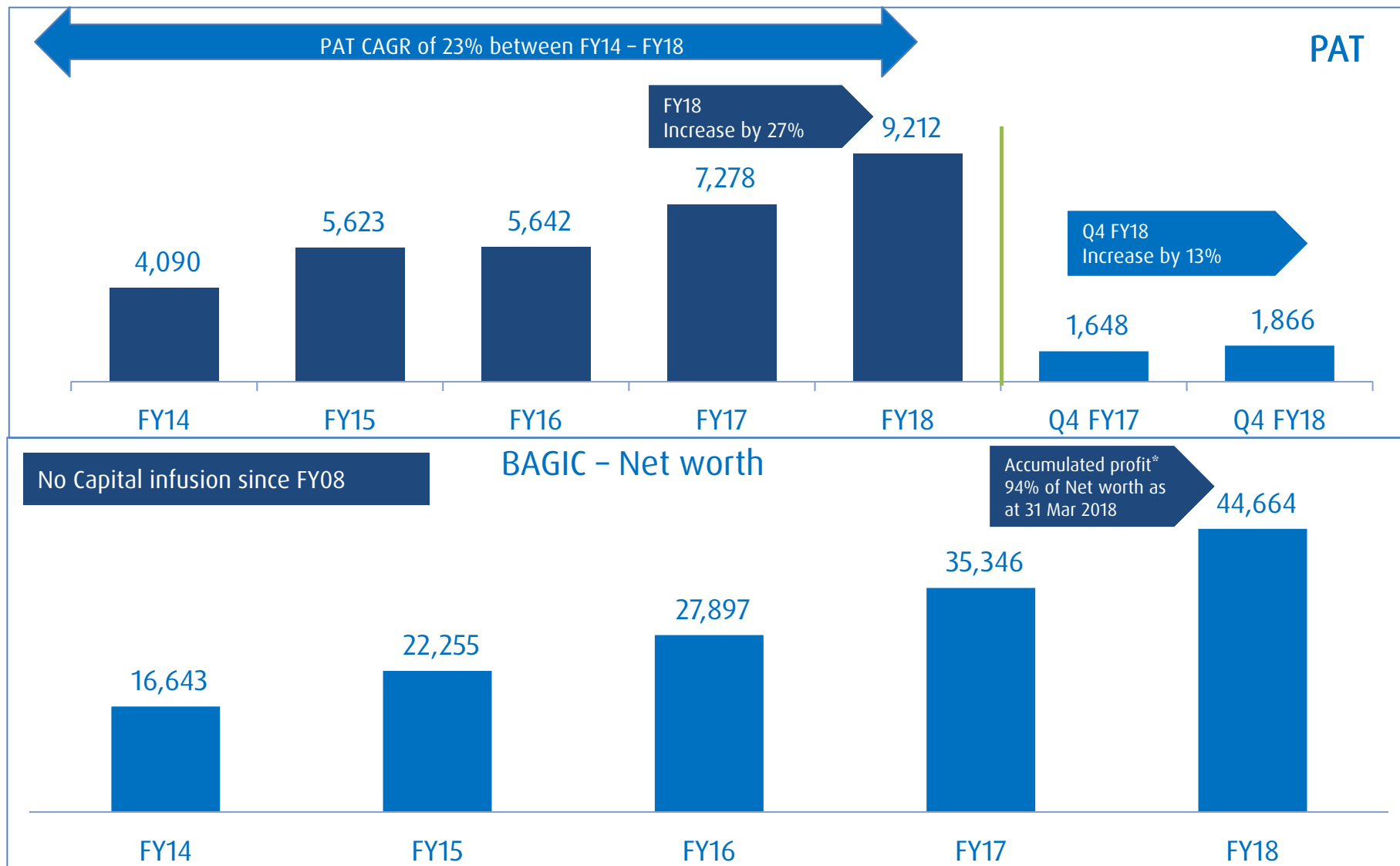
Consistently delivering industry leading profitability



Source : Public disclosures of General insurance Companies

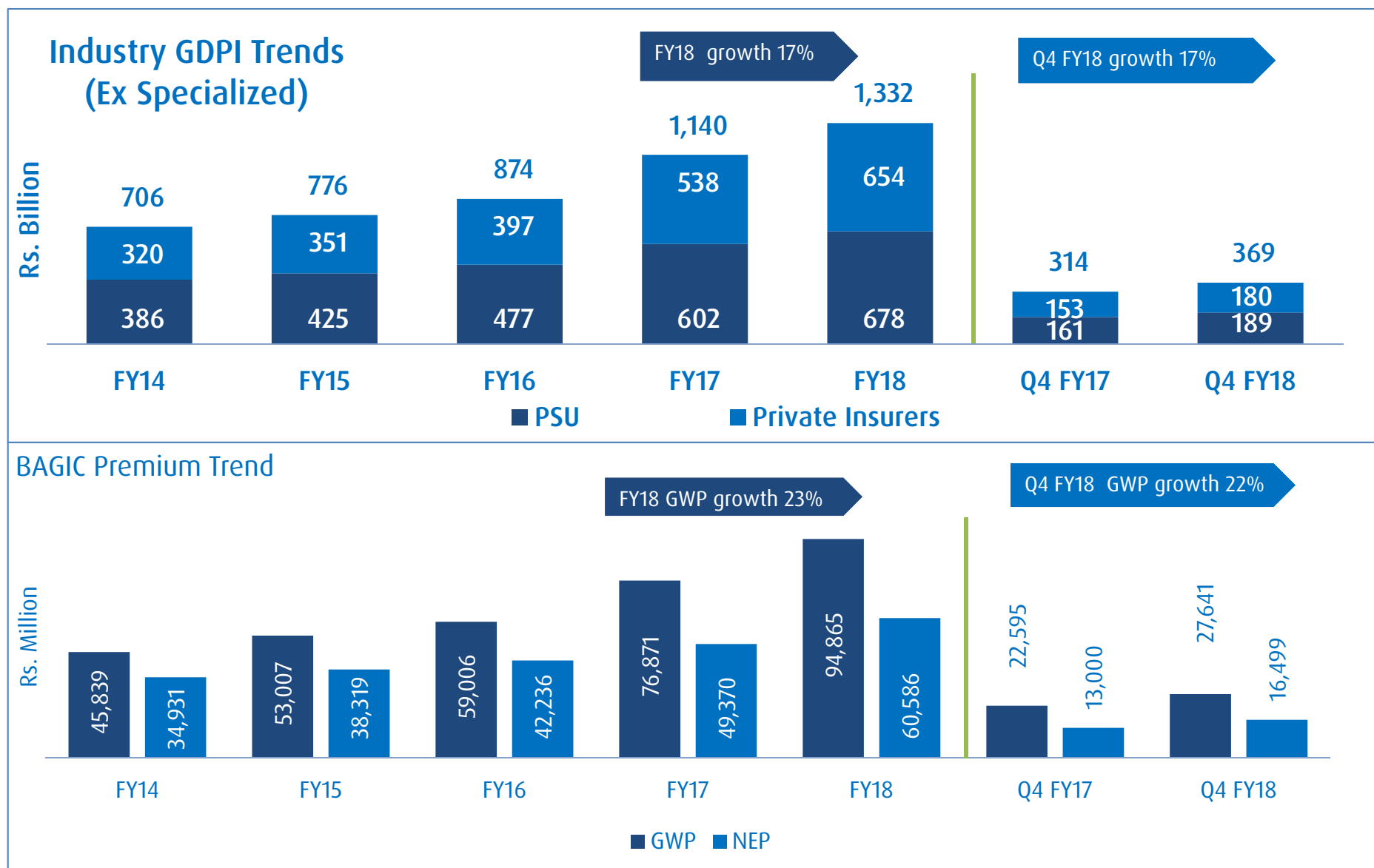
Strong profit growth resulting into high efficiency of capital

All Figures in Rs Million



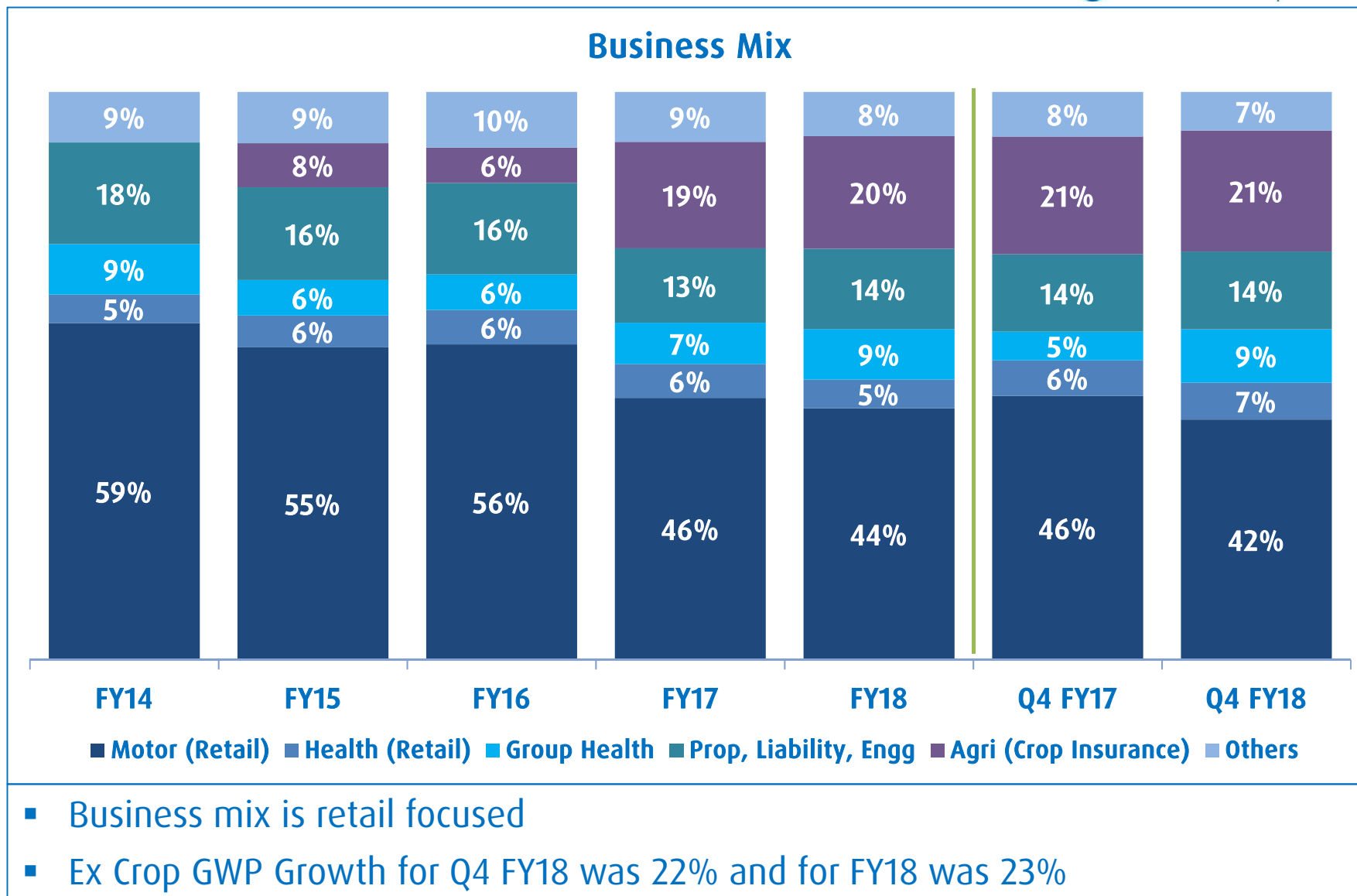
*Accumulated profit includes reserves

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

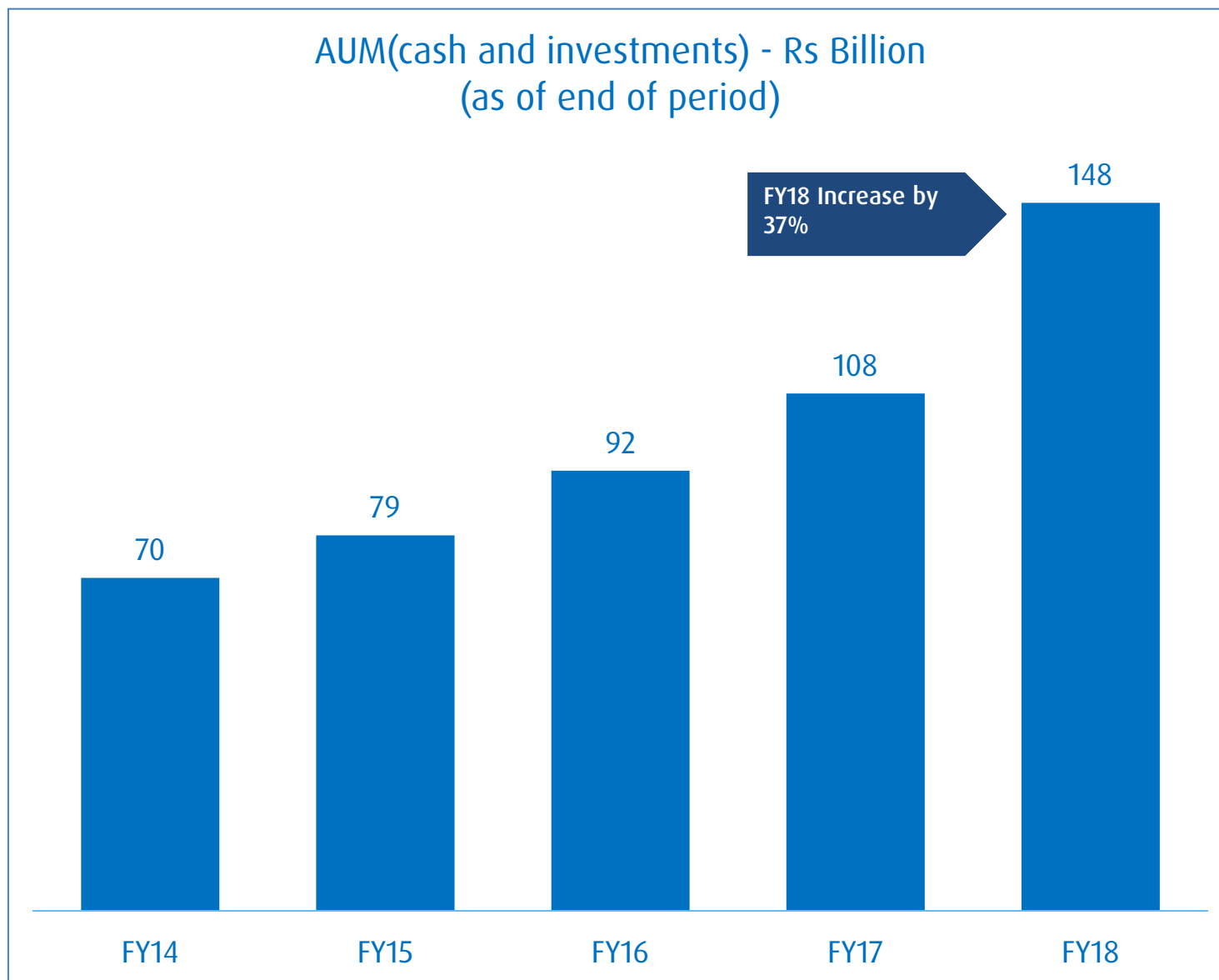


Source : IRDAI, GDPI : Gross Direct Premium Income

BAGIC has a balanced business mix



BAGIC's AUM continues to grow



BAGIC continues to grow its AUM strongly

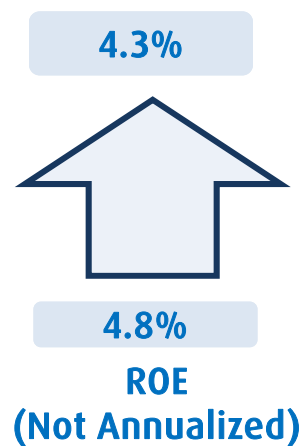
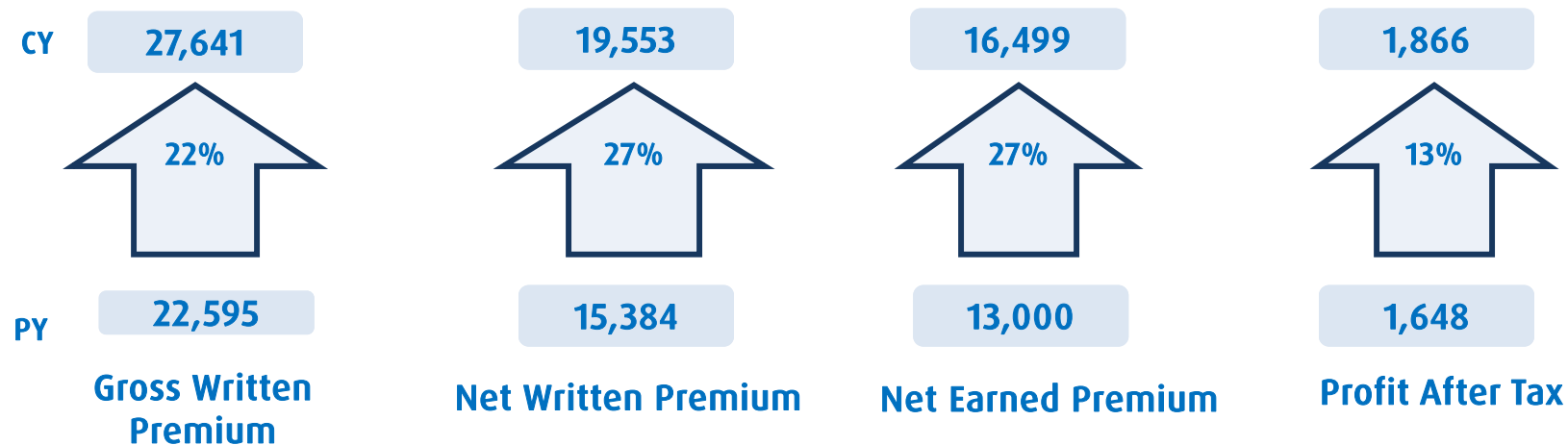
Investments are largely in fixed income securities

Bajaj Allianz General – Q4 highlights



All Figures in Rs Million

Performance Highlights of Q4 FY18 over Q4 FY17



- Ex Crop GWP was Rs. 21,838 Mn in Q4 FY18 (Rs.17,957 Mn Q4 FY17) a growth of 22%
- Solvency Ratio was 276% as against regulatory requirement of 150% as of 31 Mar 2018



Bajaj Allianz Life Insurance

STRATEGY

- ☐ Grow regular premium
- ☐ Diversified distribution channels with an emphasis on individual agents
- ☐ Maintain a balanced product mix
- ☐ Maintain leadership amongst private companies in the financial inclusion segment

DIFFERENTIATORS

Large Proprietary Agency Force

- ❑ Large pan proprietary agency force
- ❑ Wide distribution reach of offices and agents
- ❑ Lean support structure

Financial Inclusion

- ❑ In terms of lives covered in group schemes, BALIC leads the private sector, with about 34% share of lives covered in FY17
- ❑ Unique, well entrenched participant in rural markets through partnerships with MFIs, banks etc.

Sustainable Model

- ❑ Balanced product mix between Unit-Linked Insurance Plans (ULIP) and Traditional products– ULIP was 72% of individual rated new business in FY18

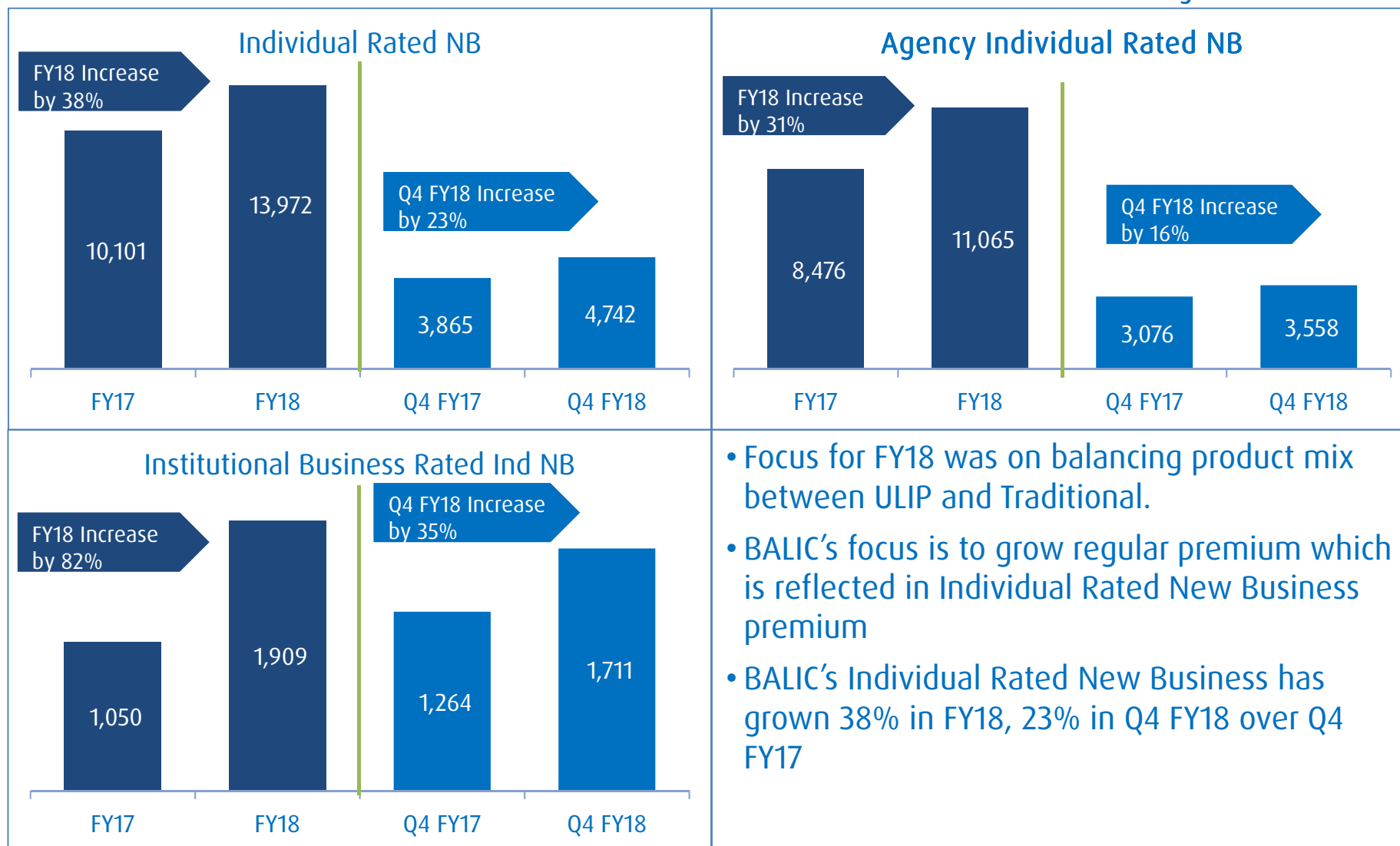
BALIC – Key Highlights

FY 2017-18

- ❑ Industry beating Individual Rated Premium growth for FY18 at 38% to reach Rs.13,972 Mn. vs Industry growth of 19% in FY18
- ❑ Total New Business (NB) premium for FY18 grew at 29% to reach Rs. 42,911 Mn. in a subdued industry which grew at 11% in FY18
- ❑ BALIC's Individual Rated market share improved to 2.2% vs 1.9% FY17
- ❑ 9% increase in 13th month Persistency to 77% in FY18 (68% in FY17)
- ❑ Solvency margin as at 31 March 2018 stood at 592%, which was well above regulatory margin of 150%.

Strong growth in Individual Rated premiums

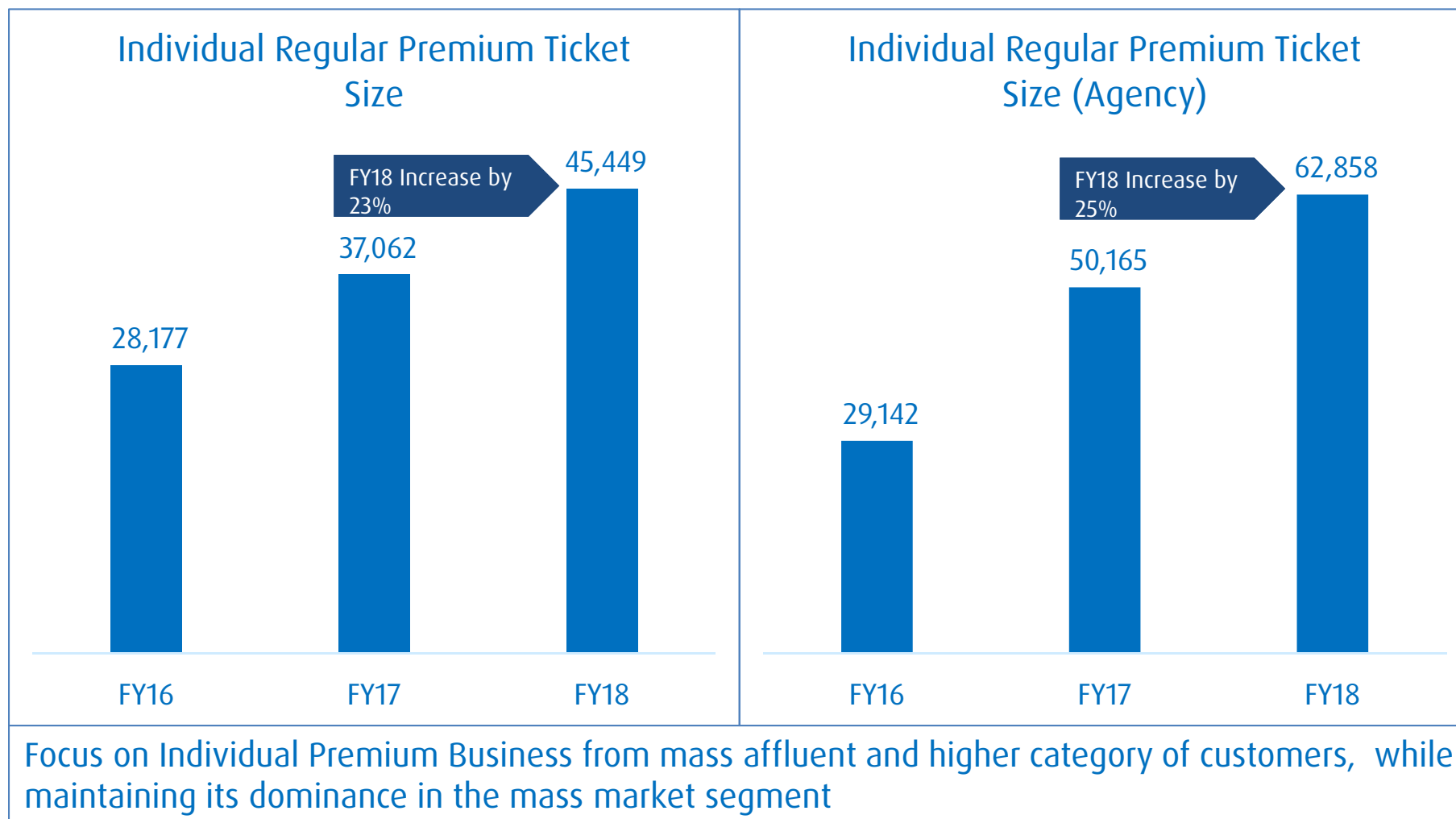
All Figures in Rs Million



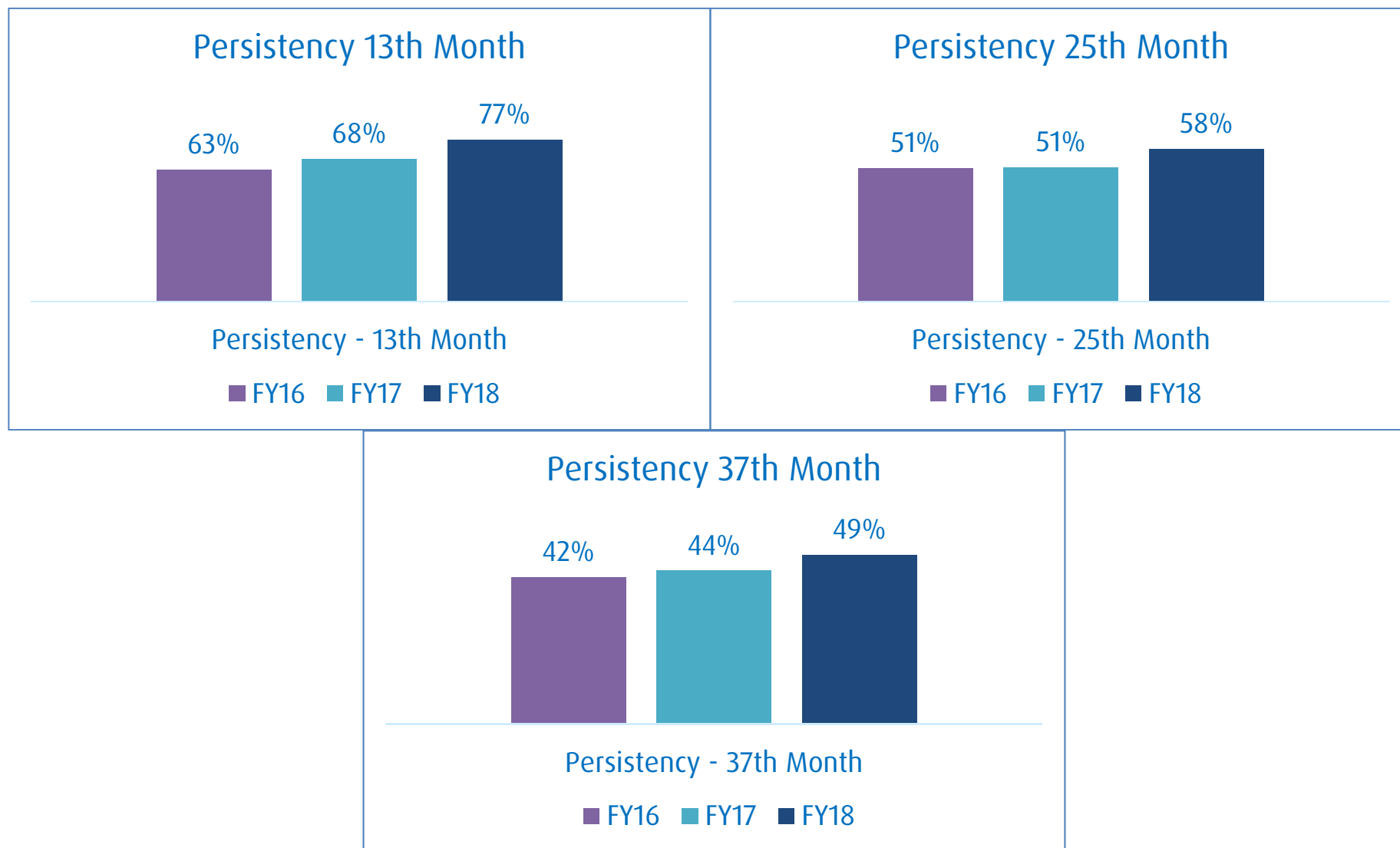
Rated individual NB = (100% of first year premium & 10% of single premium excluding group products)

Productivity has improved strongly

All Figures in Rs.

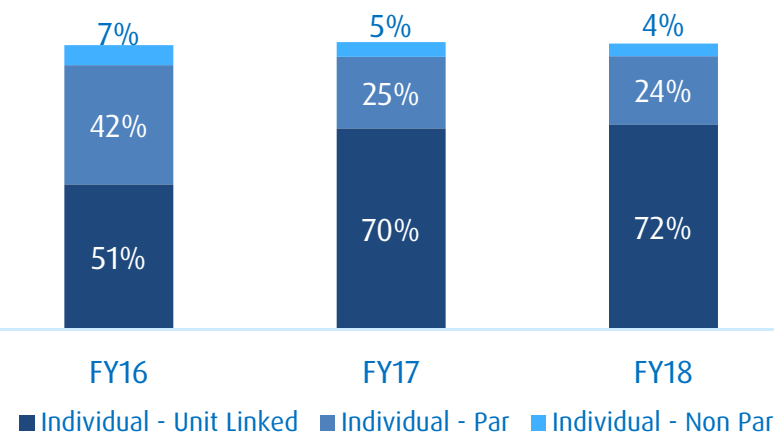


Efforts to improve Persistency paying off

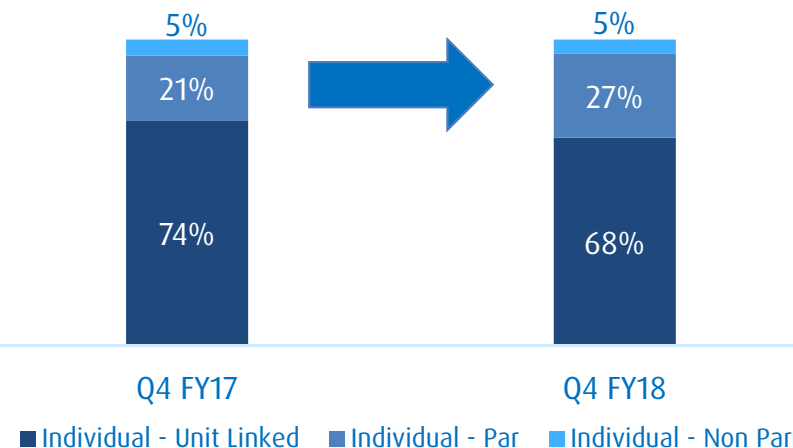


Diversified product mix with greater mix of traditional business

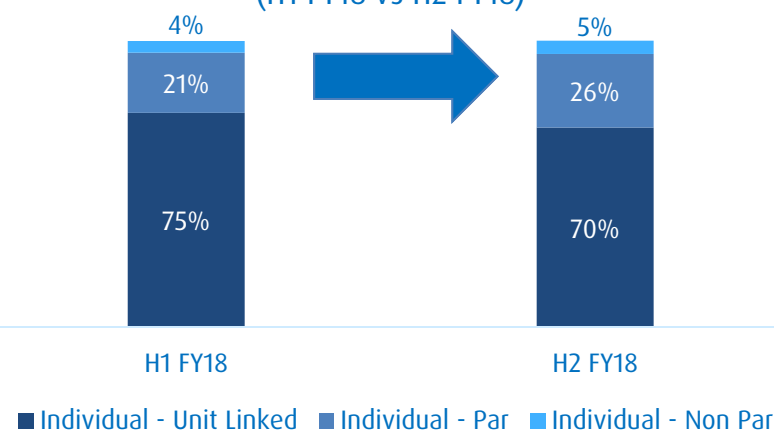
Individual Rated NB Product Mix (Annual)



Individual Rated NB Product Mix (Quarterly)



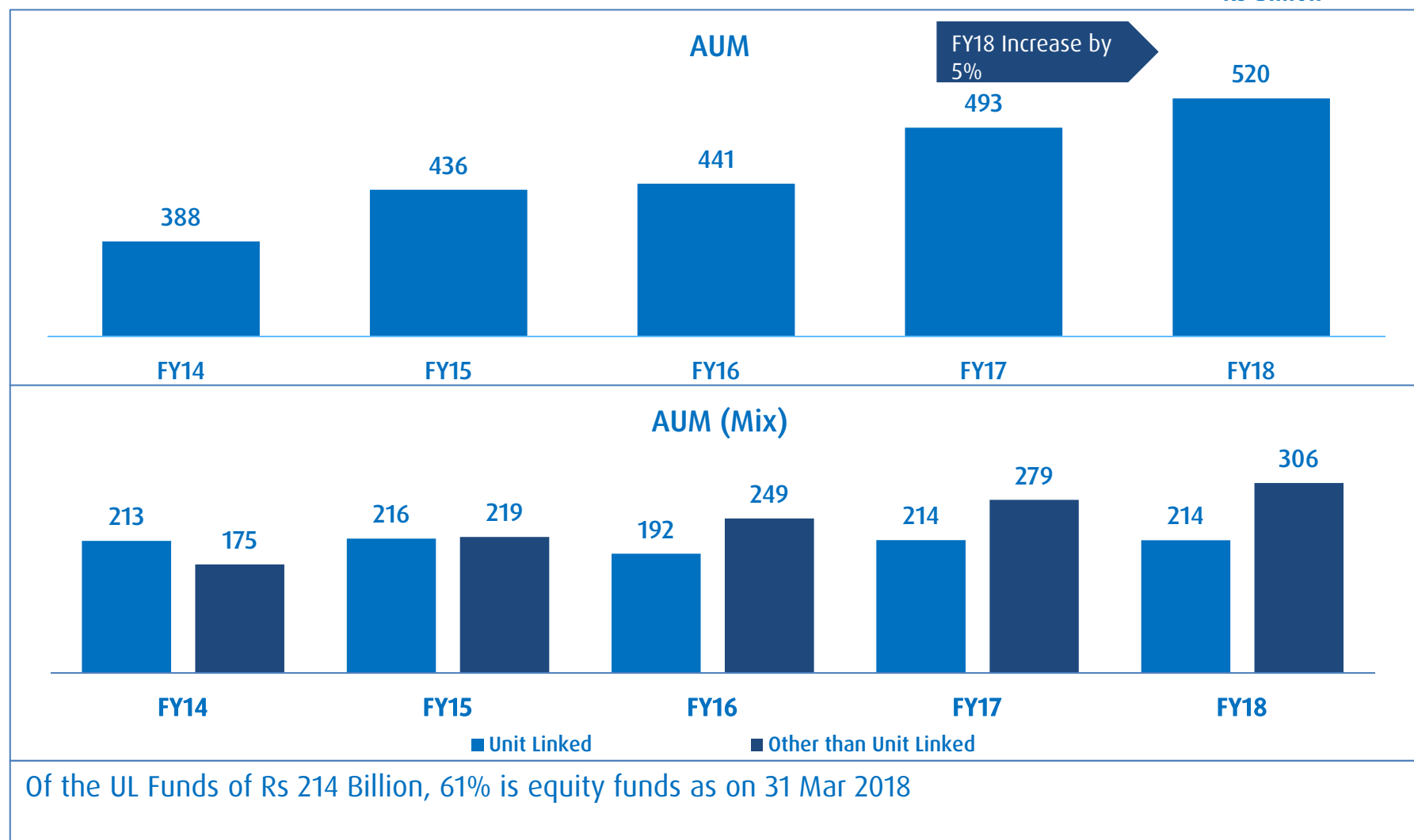
Individual Rated NB Product Mix (H1 FY18 vs H2 FY18)



- During Q4 FY18 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 Q4 FY18 was Rs. 3,505 Mn (Q4 FY17 Rs 2,221 Mn) a growth of 58% and in FY18 Rs. 9,795 Mn (FY 17 Rs. 8,823 Mn) a growth of 11%.

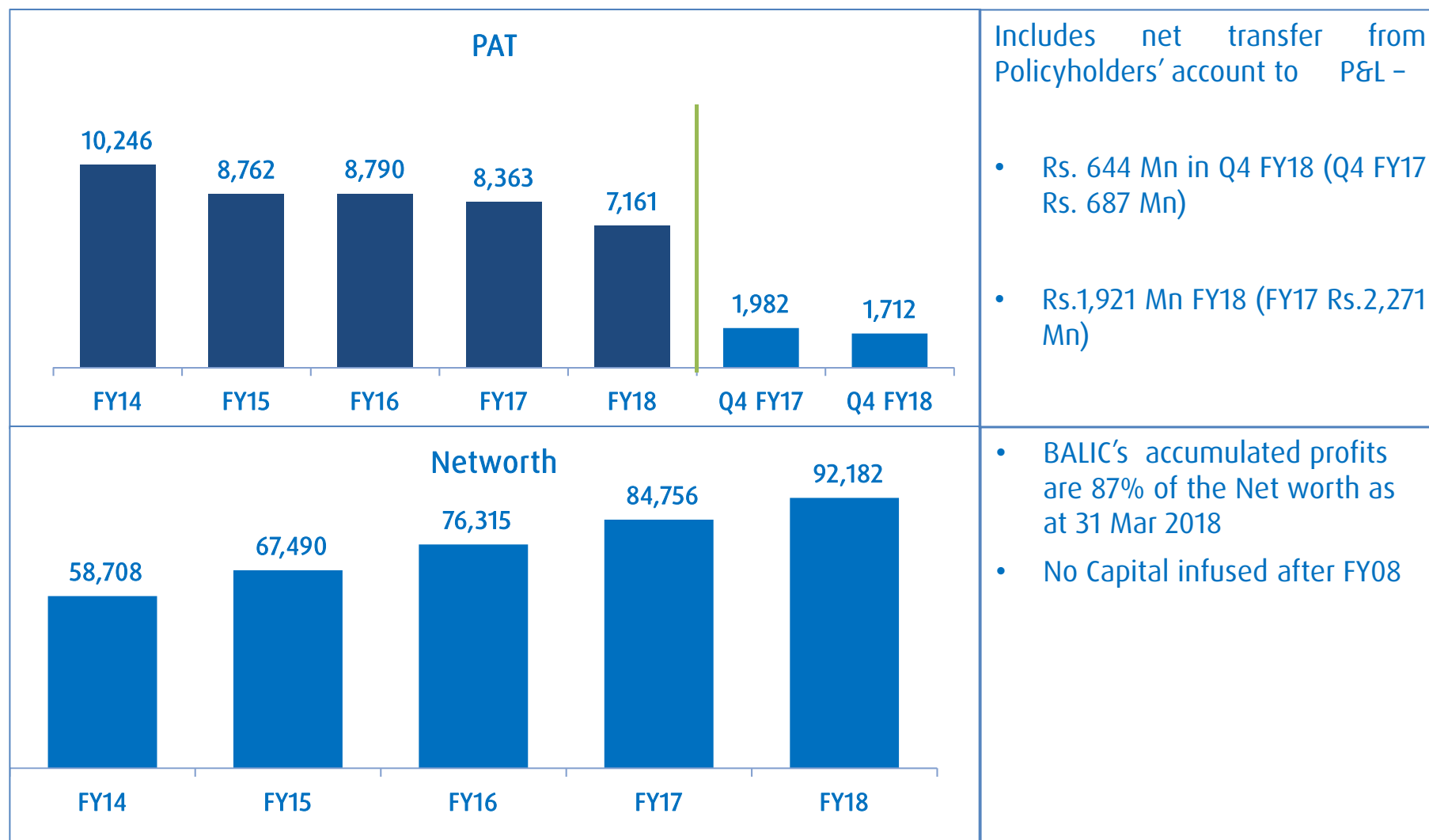
Assets Under Management are significant

AUM as of end of period in
Rs Billion



BALIC is amongst the most capital efficient private insurers

All Figures in Rs Million



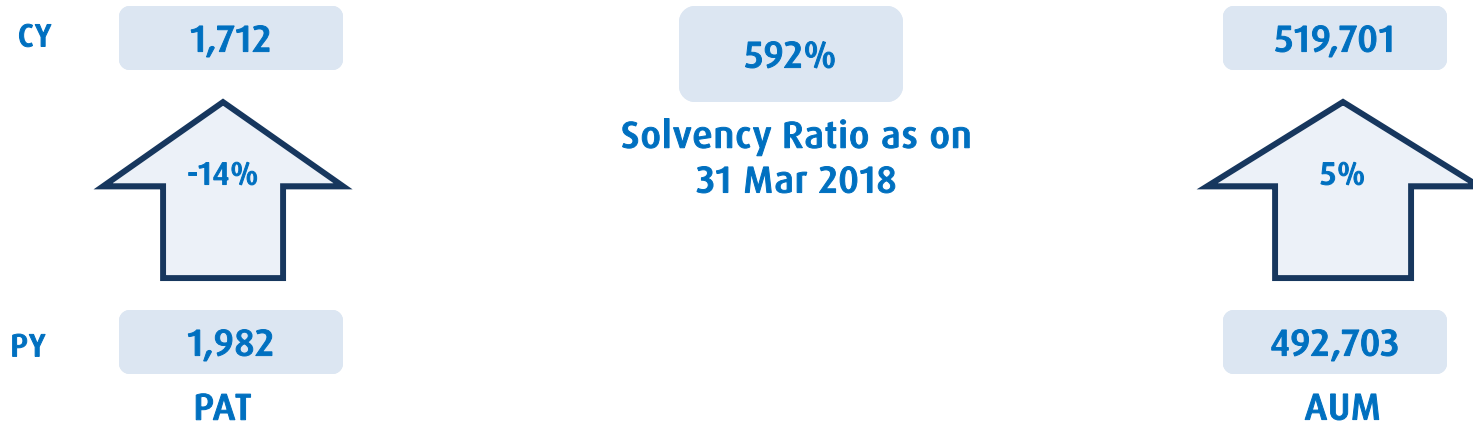
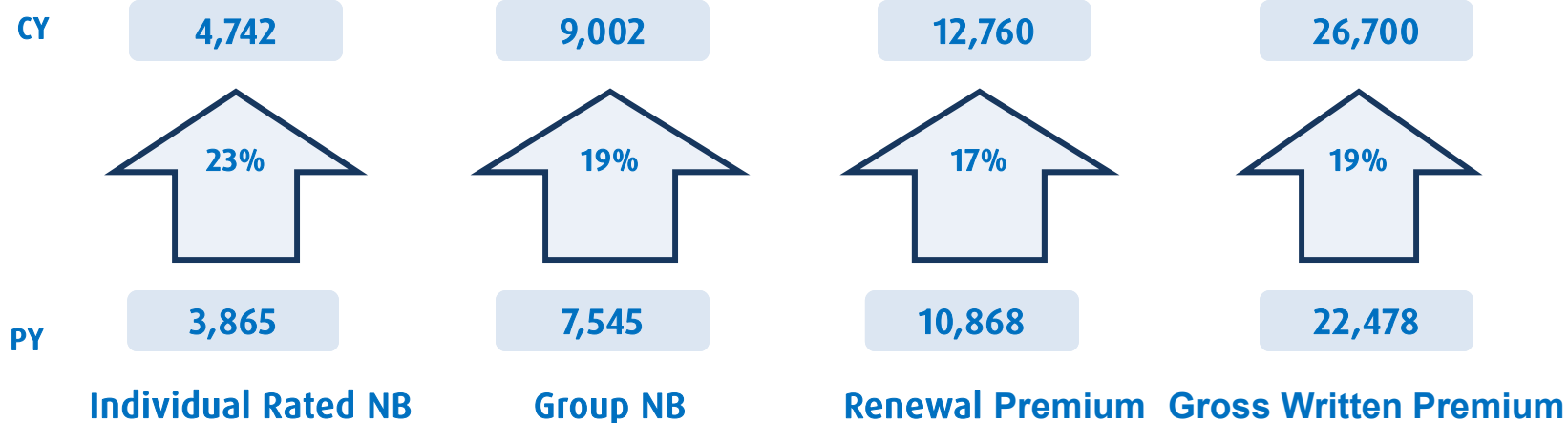
*Accumulated profit includes reserves

Bajaj Allianz Life – Q4 highlights



All Figures in Rs. Million

Performance Highlights of Q4 FY18 over Q4 FY17



MCEV Update

All Figures in Rs. Million

Parameter	FY 17	FY 18
Annualized Premium** (ANP)	12,876	17,820
New Business Value* (NBV)	1,671	2,223
Implied Margins on ANP	12.98%	12.47%
Embedded Value++ (EV)	112,651	118,583

- 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 14.56% is assumed.
- Results not audited or reviewed externally but methodology is in line with APS 10 of the Institute of Actuaries of India.

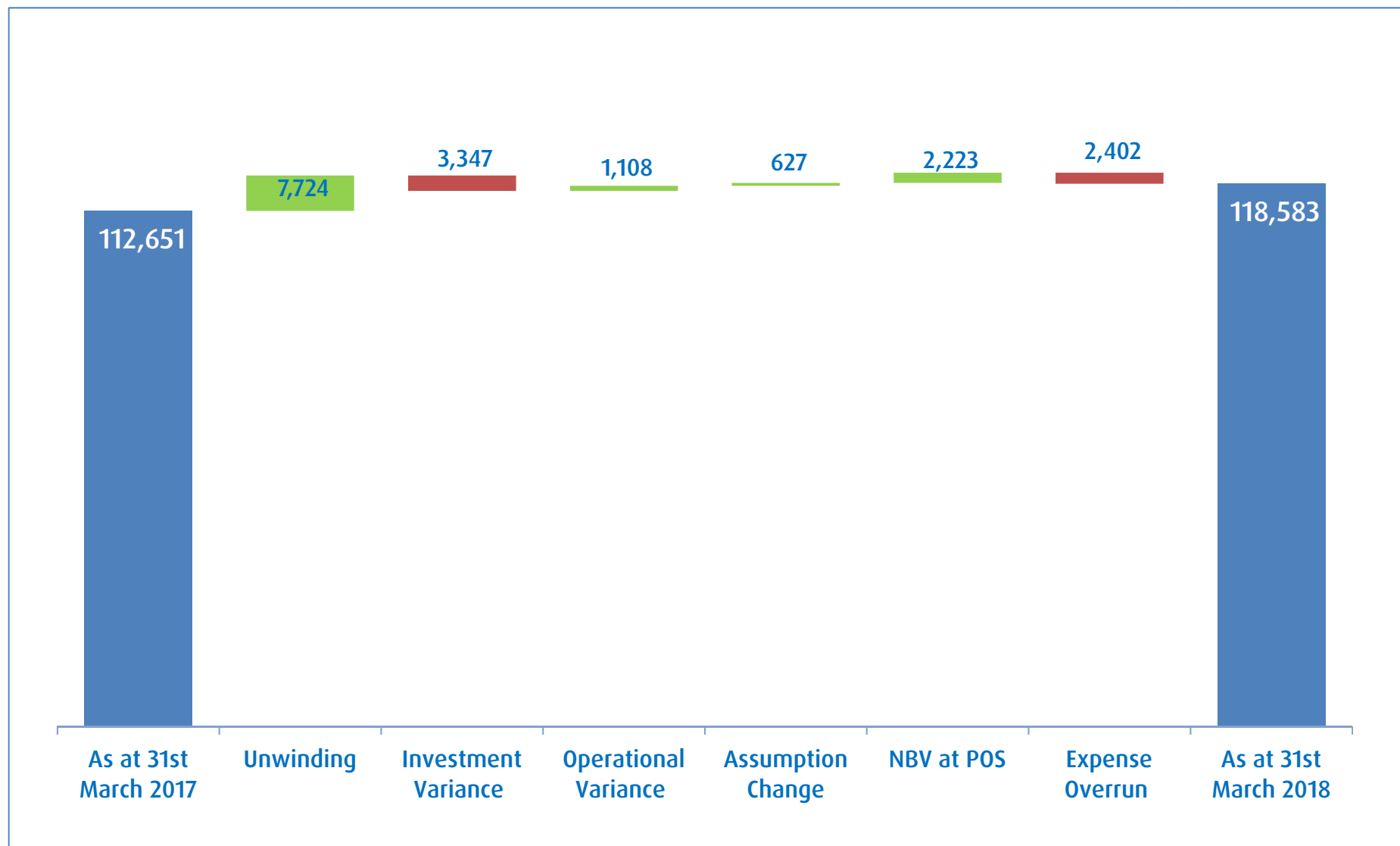
* New Business Value represents discounted present value of expected net cash flows, before expense overruns from new business written during the year. Expense overruns are written off.

**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 10% of Overrun; FY2018 Rs. 2,402 Mn (FY17 Rs.2,220 Mn)

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.

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Thank You