

14 September 2022

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

Dear Sir/Madam,

**Subject: Schedule of Analyst/Institutional Investor Meeting**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with schedule III thereto, the schedule of the analyst/ institutional investors meeting is as follows:

<b>Date</b>	<b>Particulars</b>	<b>Mode</b>
From 19 to 23 September 2022 and 27 September 2022	Interaction with group of institutional investors/funds at a Non-Deal Road show at the United States of America.	In Person by the senior officers/personnel of the Company

Please note the discussions will be pertaining to publicly available information only.

The Investor presentation-FY2022 of the same is enclosed herewith.

This is for your information and record please.

Thanking you,

Yours faithfully,

**For Bajaj Finserv Limited**

**Uma Shende**

**Company Secretary**

Email ID: [investors@bajajfinserv.in](mailto:investors@bajajfinserv.in)

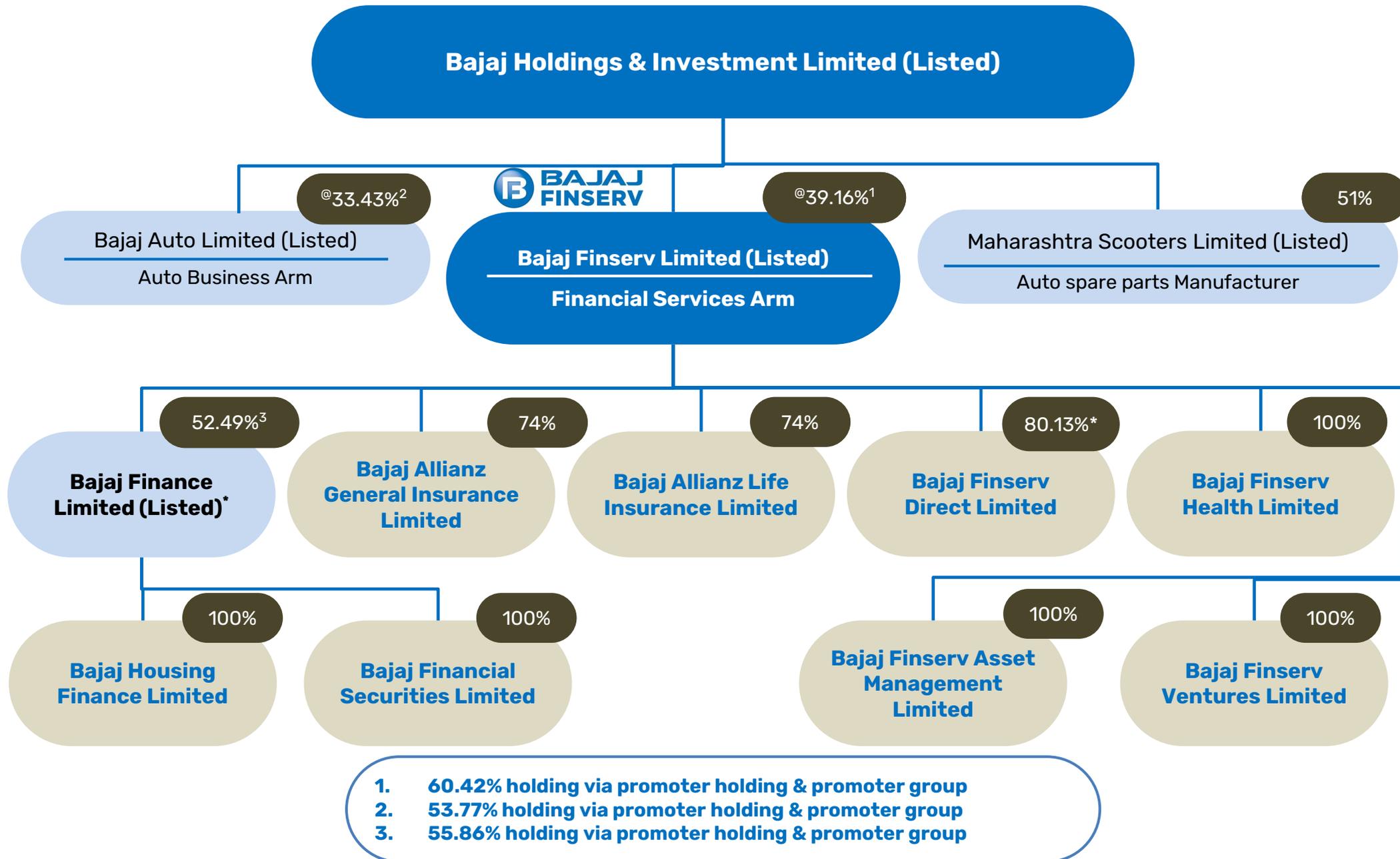
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# **BAJAJ FINSERV LIMITED**

**Investor Presentation - FY22**

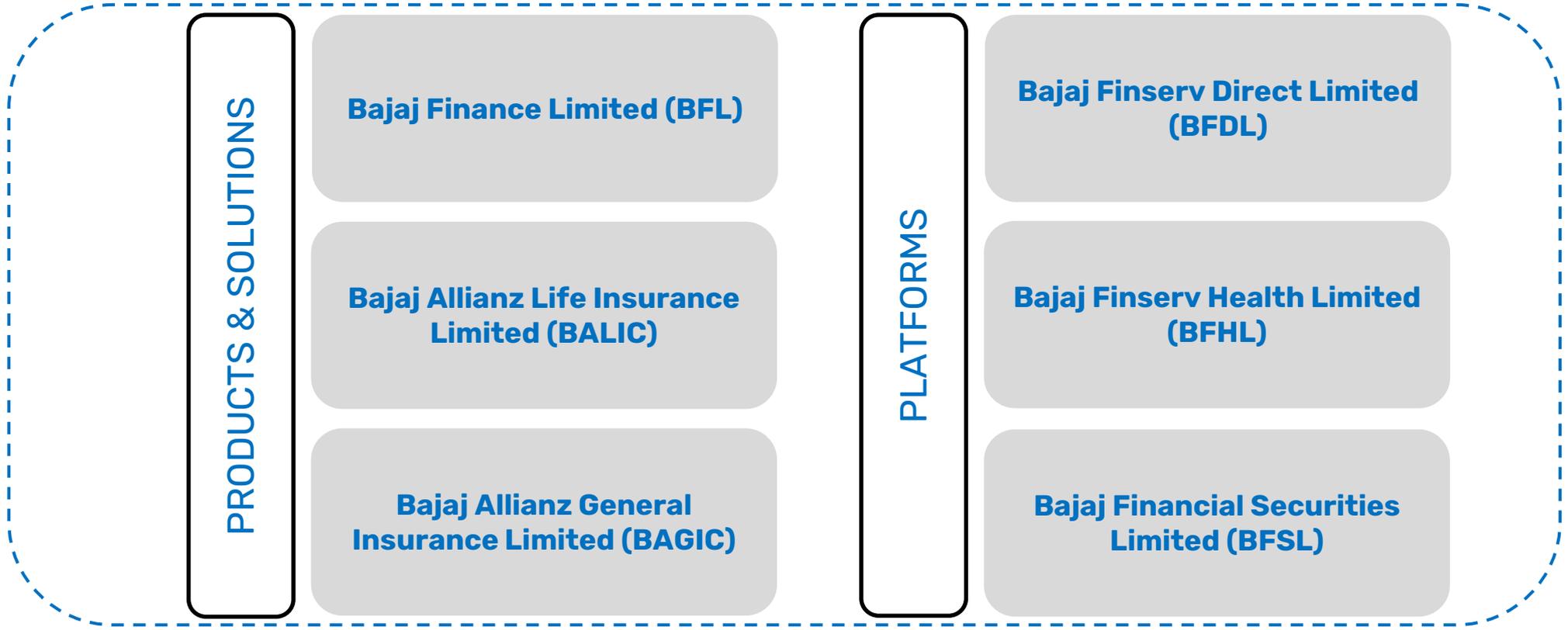
# Bajaj Group Structure



Bajaj Finserv Limited (BFS) shareholding in Bajaj Finance Limited (BFL) was 52.74% as on 31 Mar 2021 . 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.

\*Balance 19.87% of Bajaj Finserv Direct Limited (BFDL) is owned by Bajaj Finance Limited (BFL) | Note: Shareholding is as of 31 March 2022.

# 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 Company has been incorporated on 18 October 2021
- BFS also incorporated Bajaj Finserv Ventures Limited, a wholly owned subsidiary, which will focus on alternative investments

\*ULIPs - Unit Linked Investment Plans

# Bajaj Finserv – Established businesses with strong track record

## 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 – Emerging Opportunities

## 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 'Aarogya Care', an industry-first product, offering a wide range of personalized, preventive and prepaid healthcare packages such as OPD care, telemedicine, and other services.

## Bajaj Finserv Direct Limited



- ❑ Diversified Financial Services & **eCommerce Open Architecture Marketplace** for Loans, Cards, Insurance, Investments, Payments & Lifestyle products
- ❑ Offering **large number of Financial products** and thousands of Lifestyle SKU's on its Bajaj MARKETS platform
- ❑ Attract new-to-Finserv customers by **creating awareness and discovery of the Finserv brand** in the digital medium

## Bajaj Financial Securities



- ❑ 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

# Role of Bajaj Finserv

- **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 **standardization of investment processes**
- Oversight and **monitoring of ESG policy** and its implementation across the group

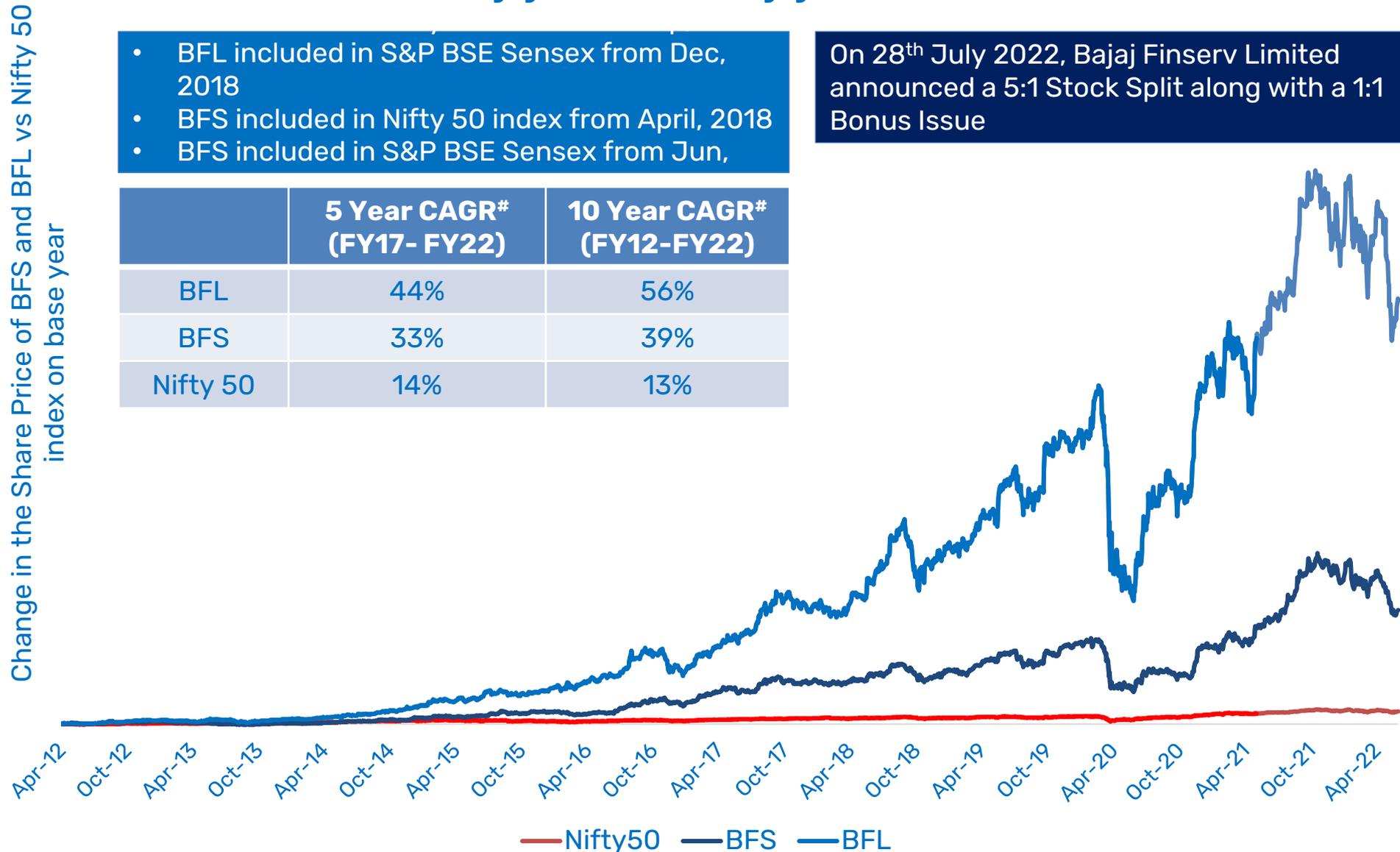
# BFS & BFL delivered consistent long-term returns to Shareholders

## Bajaj Finserv & Bajaj Finance

- BFL included in S&P BSE Sensex from Dec, 2018
- BFS included in Nifty 50 index from April, 2018
- BFS included in S&P BSE Sensex from Jun,

On 28<sup>th</sup> July 2022, Bajaj Finserv Limited announced a 5:1 Stock Split along with a 1:1 Bonus Issue

	5 Year CAGR# (FY17- FY22)	10 Year CAGR# (FY12-FY22)
BFL	44%	56%
BFS	33%	39%
Nifty 50	14%	13%



# Price as at year end for respective years

# **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

**Strong selection of Risk & prudent underwriting**

- Industry leading combined ratios consistently over time - Combined Ratio stood at 99.6% in FY22
- Business construct is to deliver superior ROE

**Balanced Product Mix**

- Diversified product portfolio offering across retail and corporate segments
- Continuous innovations in product features to maintain competitive edge

**Deep and wide distribution**

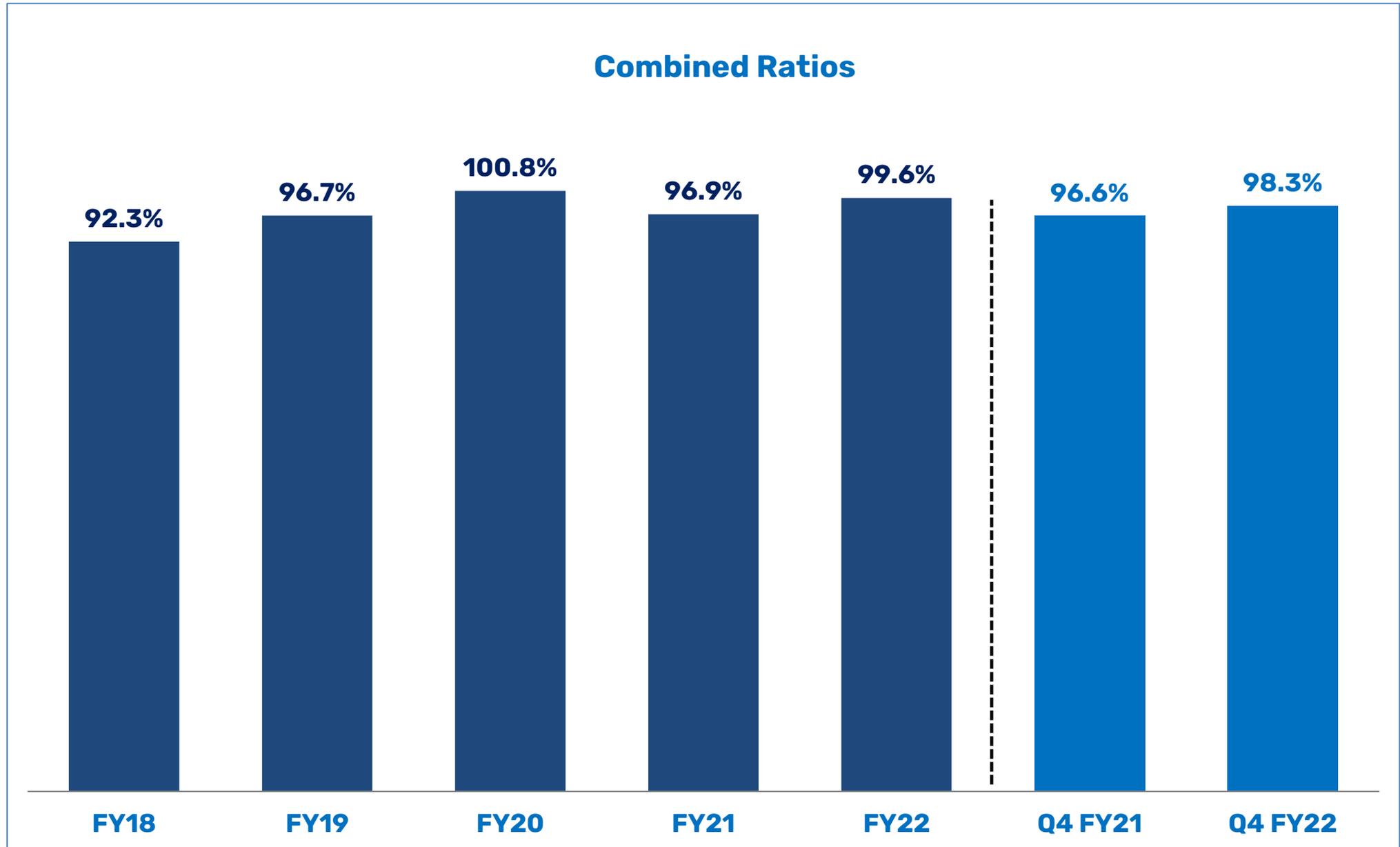
Multi channel distribution network encompassing multiline agents, bancassurance, broking, direct, and ecommerce network serving all segments

**Retail & Commercial orientation**

Focused on retail segments (mass, mass affluent & HNI) & commercial segments (SME & MSMEs) while maintaining strong position in large corporates & government business

**Investments in technology with focus on all stakeholders – “Caringly yours”**

Deep investments in technology to drive efficiencies for the Company and convenience for all stakeholders – Customers, distributors and employees



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).

## Asset Quality

- 98.9% of the debt portfolio in AAA and sovereign assets
- 91.2% of Equity in Nifty 50 stocks & 95.5% 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 20% 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 - 344% at 31 March 2022

# BAGIC's Product Suite – Diversified across retail and corporate lines



## Motor

- Private Cars
- Two-Wheeler
- Commercial Vehicles
- Liability Only
- Long term two-wheeler & private car Insurance

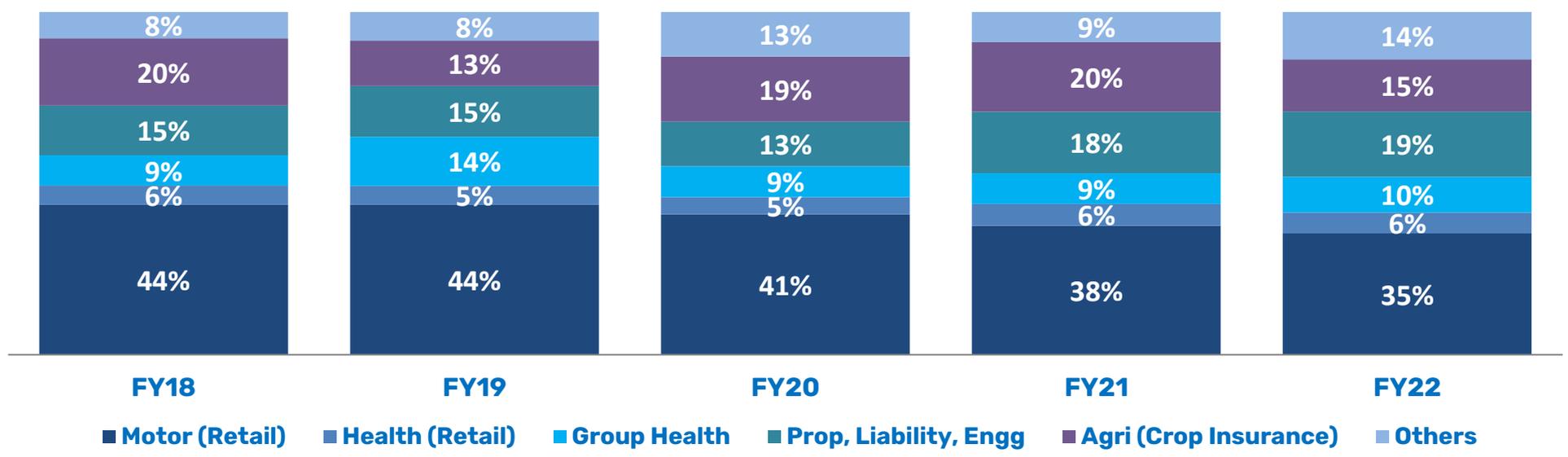
## Health

- Retail health
- Group health
- Critical Illness
- Personal Accident
- Government Business

## Miscellaneous

- Commercial Lines\*
- Travel
- Extended Warranty
- Crop Insurance
- Retail Cyber protect
- Pet Insurance

## Business Mix



\*Commercial Lines include Fire, Engineering, Marine and Liability insurance

# BAGIC – Multi Channel Distribution

## Channel Mix



FY17

FY18

FY19

FY20

FY21

FY22

■ Individual Agents

■ Corporate Agents - Banks

■ Corporate Agents - Others

■ Brokers

■ Direct Business

### Bancassurance Partnerships

- Over 238 Bank partners
- 18 National Tie-ups & MNC Banks
- 36 NBFCs, 5 SFBs, 1 Payments Bank
- 138 Co-operative banks, 9 RRBs
- 31 Others

### Agency & Retail Channels

- 47,600+ agents & 60,670+ POS (Point of Sales Persons)
- Virtual Sales Offices
- Acquisition of Direct Customers through our Sales Force
- Agency segmented under prime, key, emerging and Retail and SME

### OEMs & Dealer Partnerships

- 34 national Tie-ups and over 9,000 network of dealers across pan India
- National Tie-ups: Maruti, Honda, Toyota, Mahindra, Hyundai, MG, Kia, VW, BMW, TATA Motors, Bajaj, RE, Yamaha; Piaggio, JCB, Bgauss, Revault etc.

### Rural Focus

- 19.3 million+ farmers covered in PMFBY in last 4 years of which 1.85 million farmers covered in CY
- Issued 1.25 million NOPs under crop insurance in FY22
- 34,800+ active CSC centers

### Presence in ecosystems

- 17+ Partnerships across Insurtech companies, aggregators, wallets such as Phone Pe, payments bank, etc.

# Key Technology Initiatives of FY 21-22 - 1/2

## Digital Journey Metrics

### Digital Onboarding (Agents) FY 21-22

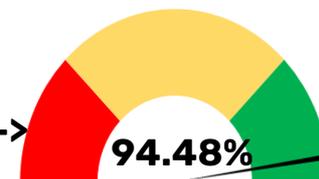


From **100%** in FY 20-21 ->



### Digital Issuance FY 21-22

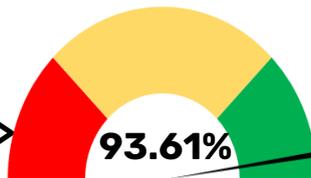
From **96.70%** in FY 20-21 ->



### Digital Policy FY 21-22



From **93.51%** in FY 20-21 ->



### Digital Renewal Notice FY 21-22

From **100%** in FY 20-21 ->



## Key Initiatives Summary

### API Factory



- BAGIC's API Integration landscape has been expanded.
- 175 distinct integrations done with 56 new partners

### BAGICARE - CRM



- Agri, HAT, Motor, EW, Ops department on boarded with 6 new email ids Syndications
- 4.3 MM+ Service Requests

### Anveshak



- Anveshak is BAGIC's 'ALL-IN-ONE' smart investigation platform
- It is aimed to provide a seamless experience to both Investigators & end consumers

### Core Transformation



- BAGIC's Core transformation process has been accelerated with successful implementation of Travel line of business
- Retail Health & Motor TP is live

### Data Lake



- 8K+ attributes across structured & unstructured data with models across fraud management, claims, renewals, underwriting, etc.
- 20+ live AI/ML models

### Cloud



- BAGIC has accelerated its cloud migration
- Almost 50% of workload has been moved to cloud

## Existing Digital Capabilities Enhanced & Scaled-up

### Website



- BAGIC's website is now available in 7 different languages for our customers
- 2.4 MM unique visitors every month
- 420K+ policies issued

### Caringly Yours App



- Caringly Yours – BAGIC's customer facing app remains the most used app in Insurance Industry
- 1.92 MM downloads
- 900K+ active users in FY 21-22

### Farmitra App



- Farmitra is the industry's first mobile app catering to the specific needs of the farmer community
- It has seen a significant uptake in usage with 534K+ downloads and 134K claims processed through app

### Digital Payments



- Capabilities for EMI payment (e-mandate, SI), straight through integration with payment providers for renewals and device agnostic UI/UX have been developed

### I Mitra



- I-Mitra is BAGIC's flagship portal for agents
- **90+ products** available for policy issuance & services
- Over 2.2 MM policies have been issued with over \$ 187 MM of business booking

### Ezeetab



- Ezeetab – BAGIC's Agent & VSO app, has over **87 products** available for policy issuance and services
- 2 MM+ policies have been issued with over \$ 64 MM of business booking

## Innovation Scaled-up

### WhatsApp + BOING 2.0



- Boing is BAGIC's AI powered virtual customer service assistant
- It is enabled with 27+ services and on Whatsapp
- 755K Unique Customers & 1.2 MM+ conversations

### Data Extraction using OCR



- BAGIC has scaled up its existing capabilities of OCR to other relevant use cases like NEFT & Commission Automation
- 30%+ auto approvals of NEFT requests

# **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 New Business Value (NBV)

## DIFFERENTIATORS

### Diversified Distribution

- Pan India distribution reach with presence in over 509 branches
- Strong presence in group credit protection and online offerings

### 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 new Assured Wealth Goal (Non-par), Guaranteed Pension Goal (Annuity), SISO\*\* (ULIP SIP), Smart Wealth Goal (ULIP), Flexi Income Goal (Par), Guaranteed Income Goal (Non-Par) have witnessed strong response from the customers

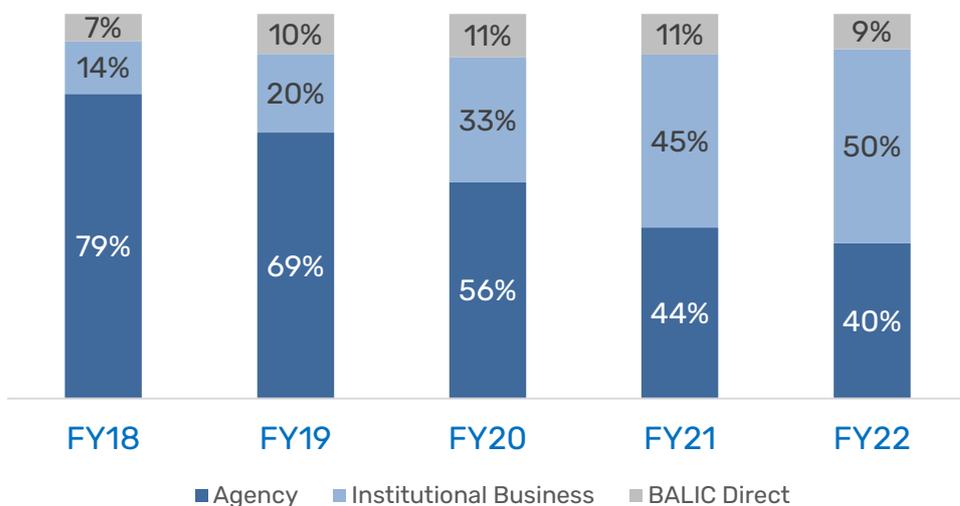
### Strong Focus on Quality Parameters

- Consistent annual growth in persistency across all buckets
- Robust ALM and Risk Management frameworks
- Strong focus on delivering superior Net New Business Value

### Digital Offerings & Innovations

- Increasing adoption and usage of industry-first digital assets, both customer facing (Life Assist, Chatbot – Boing, etc.) and internal facing (i-Recruit, Smart Assist, etc.)
- Continued focus on innovation to improve policy issuance and customer experience through initiatives like Customer Data Platform and Customer 360

**Individual Rated New Business Channel-wise Mix**



- ❑ BALIC embarked on **diversifying its distribution mix**, scaling up alternate channels and enabling wider presence by exploring alternate partnerships
- ❑ **Greater balance between institutional and proprietary retail channels** - Agency, Institutional Business and BALIC Direct contributing 40%, 50% and 9% respectively in FY22 (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**

- ❑ 3<sup>rd</sup> largest agency in private LI space; backed by 96K+ agents (1,100+ qualified for MDRT/COT/TOT & above membership vs 589 in FY21)
- ❑ Continued balanced product mix with traditional individual rated new business mix at 59% in FY22
- ❑ Variabilization of Agency cost through low-cost models (10% contribution in FY22 vs 4% in FY21)

## Institutional Business:

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

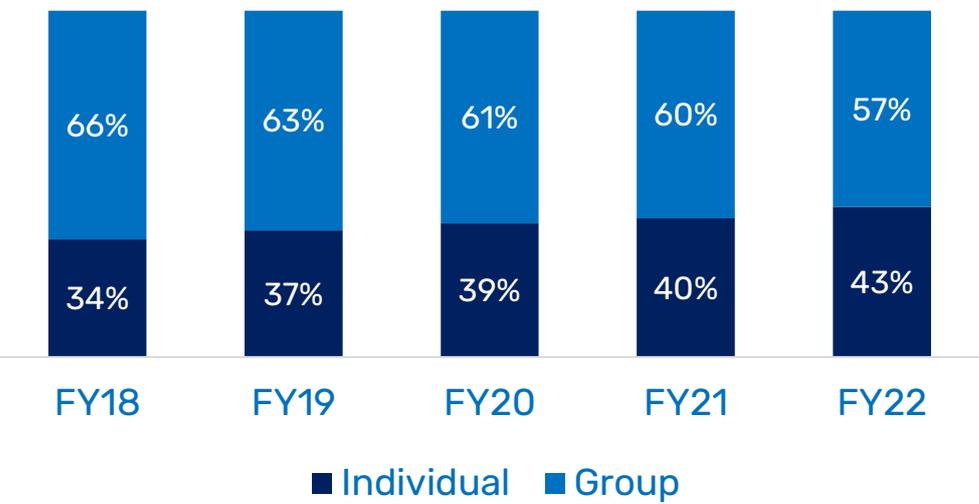
- ❑ Diverse mix of large and small partner banks, NBFC, brokers and web aggregators
- ❑ Axis bank share in total IRNB has increased from 29% in Q3 to 31% in Q4 due to the opening up of all geographies
- ❑ Corporate agreement tie-up with City Union Bank (CUB) & Development Bank of Singapore

## BALIC Direct :

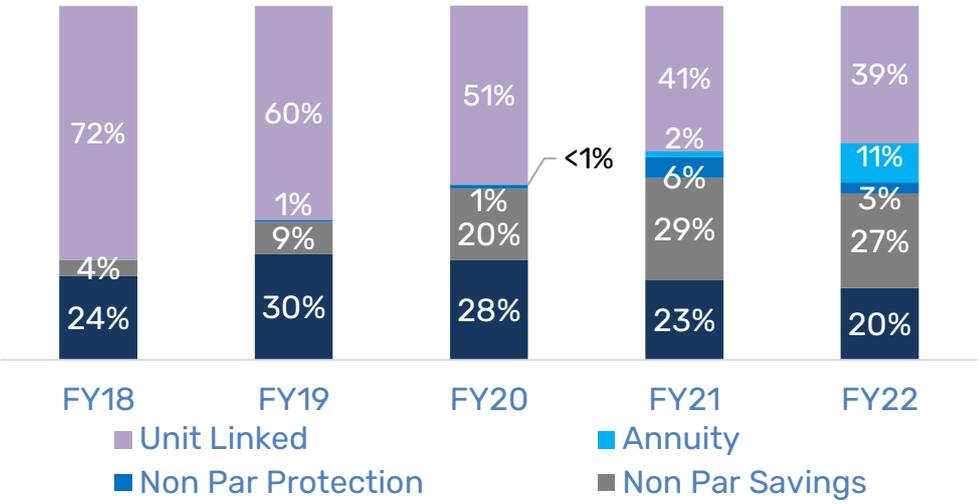
**Analytics backed, focused verticals for upsell and cross sell initiatives**

- ❑ Presence in 150 cities, with Dedicated Verticals for various customer Segments
  - ✓ Maturity
  - ✓ Service to Sales
  - ✓ Elite Relationship force
  - ✓ Hub & Spoke
- ❑ Data and Analytics as a key pillar for Direct business

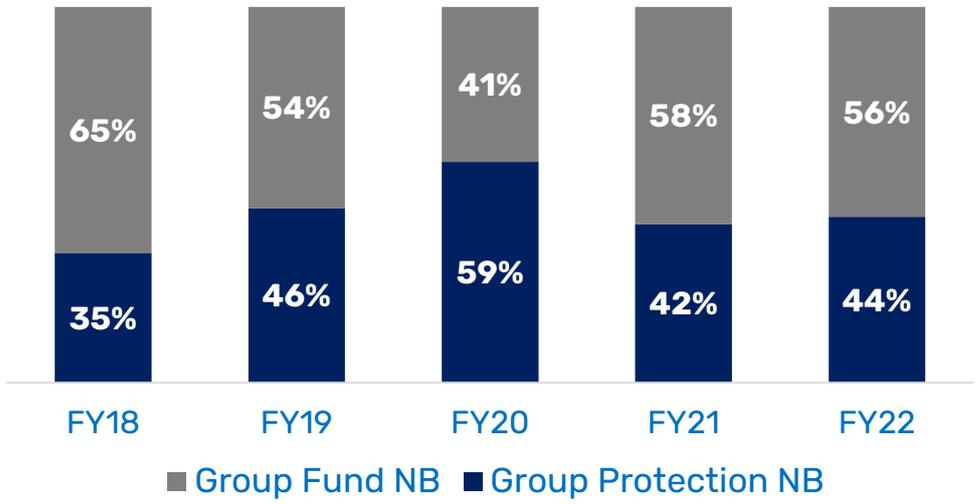
## New Business Product Mix



## IRNB Mix



## Group NB Mix



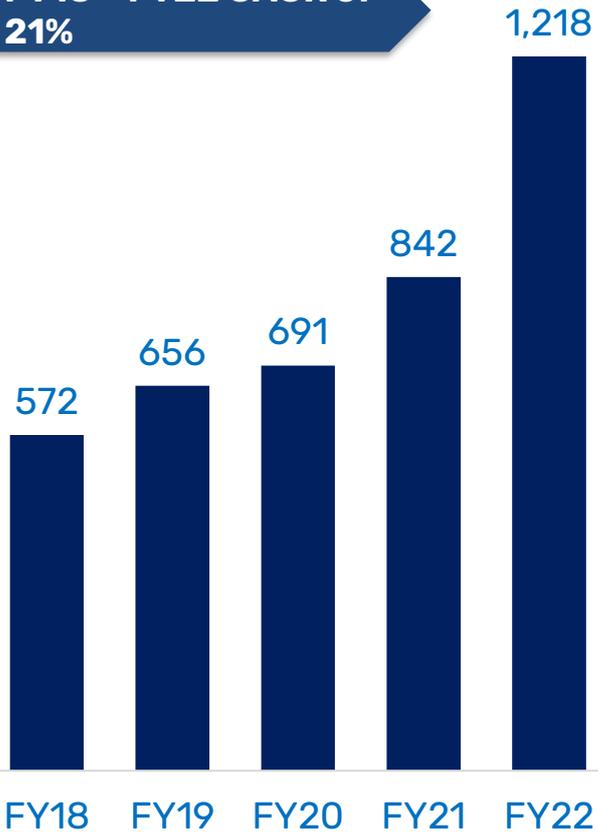
- **Balancing product mix between traditional and Unit-linked as well as between Individual and group** has been the cornerstone of BALIC’s strategy.
- **Individual Rated NB product mix is well diversified** across par, non par savings, protection, annuity and Unit Linked. Contribution of ULIP decreased from 72% in FY18 to 39% in FY22 and traditional product increased correspondingly
- **Annuity product** launched during Q4 FY21 **continues to do well & contributed 11%** to IRNB product mix in FY22

# BALIC - Premium Growth

All Figures in \$ Million (1 USD = Rs. 75)

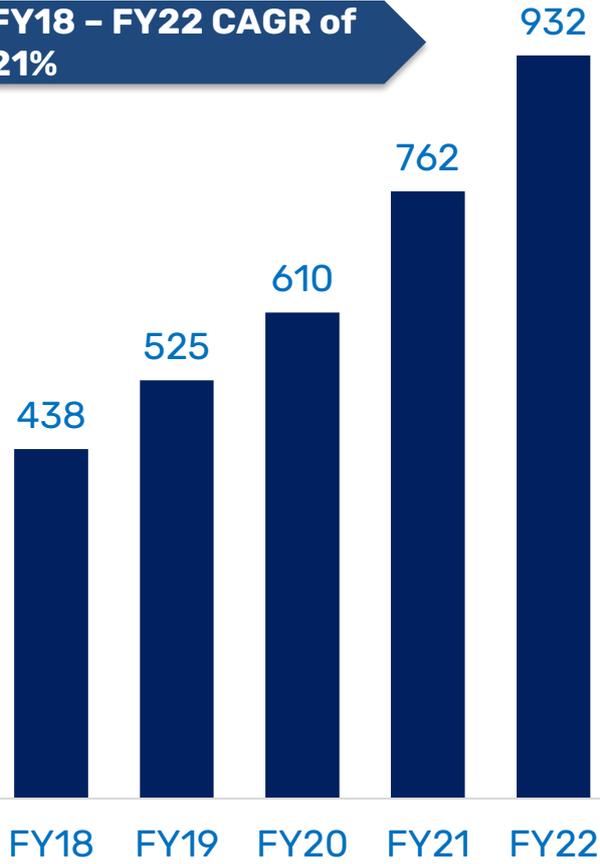
## New Business

FY18 - FY22 CAGR of 21%



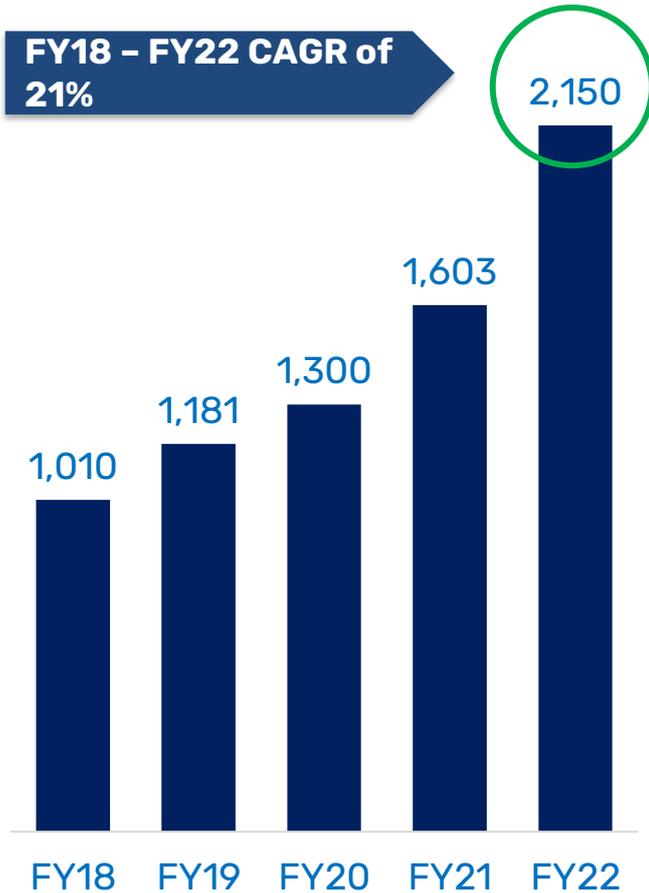
## Renewal Premium

FY18 - FY22 CAGR of 21%



## Gross premium

FY18 - FY22 CAGR of 21%

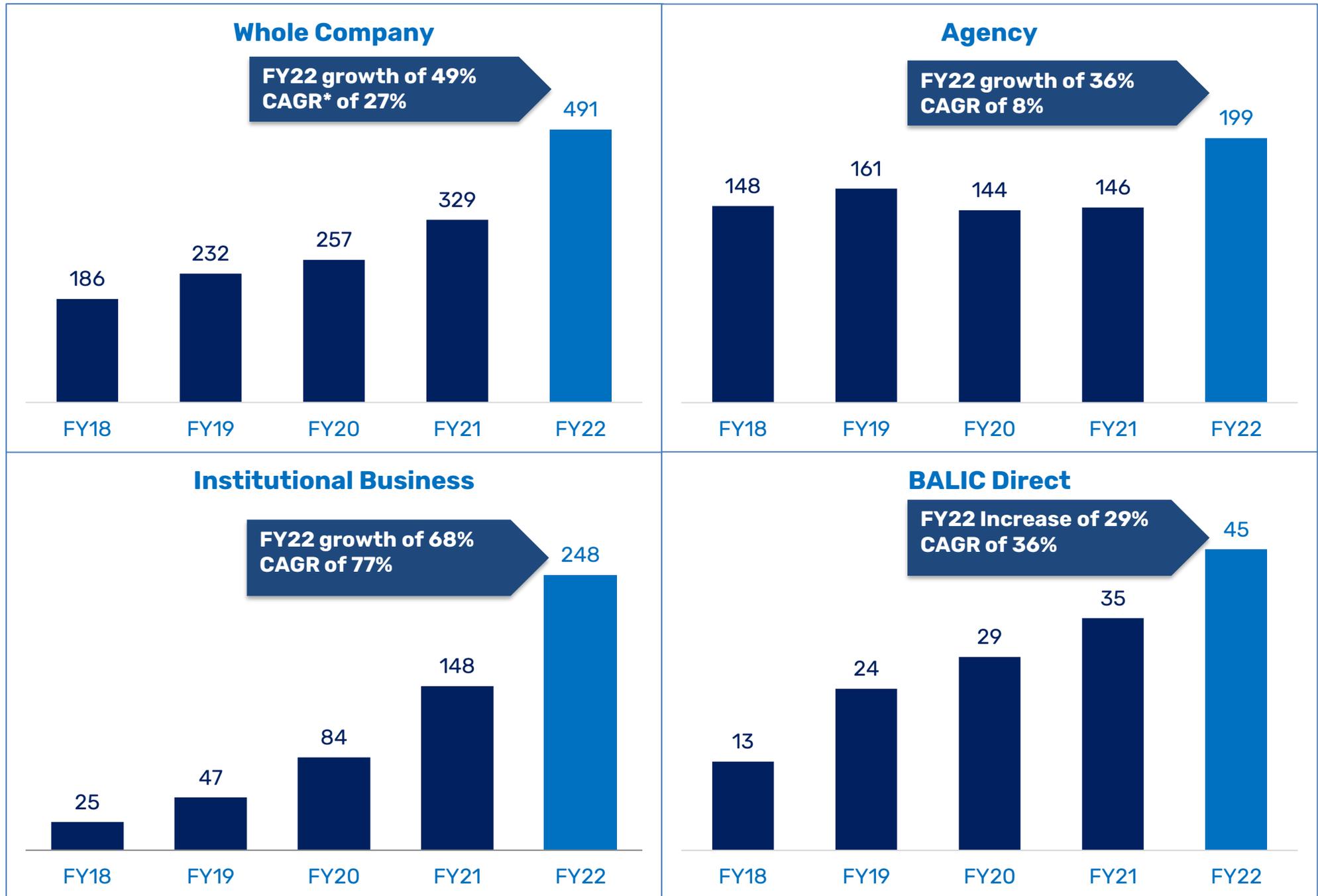


- ❑ **Topline** related metrics for BALIC continue to grow and are well above the pre-COVID-19 levels
- ❑ **BALIC registered its highest ever GWP** - GWP grew by 34% to \$2,150 MM in FY22 from \$1,603 MM in FY21
- ❑ Among the private players, on Individual Rated New Business (IRNB) basis market share increased by 1.2% to 6.7% in FY22; market share within total industry increased by 0.9% to 4.2% in FY22

# BALIC : All-round Growth in Individual Rated New Business

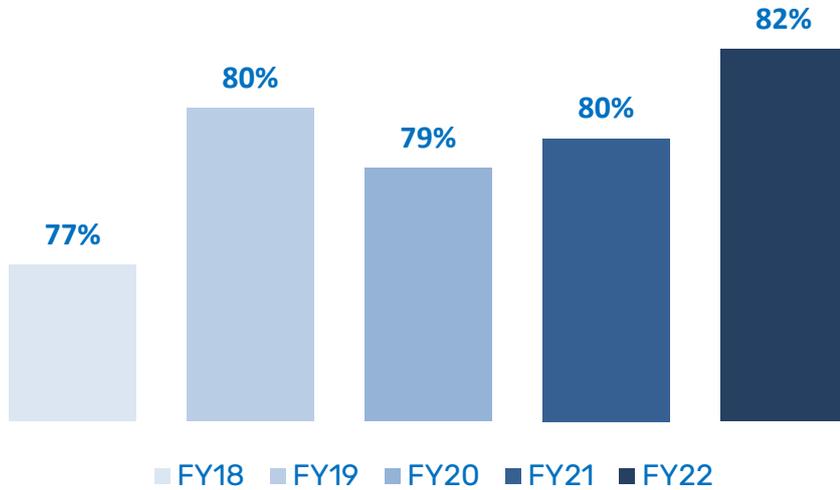


All Figures in \$ Million (1 USD = Rs. 75)

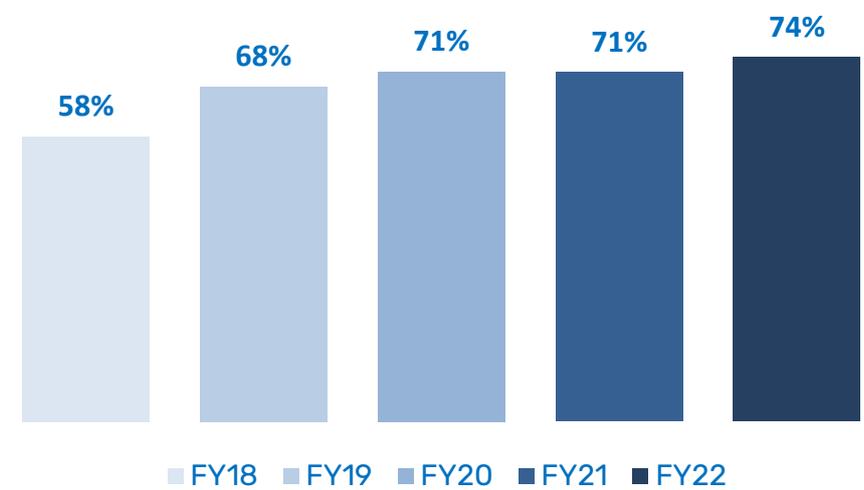


Individual Rated NB = (100% of first year premium & 10% of single premium excluding group products); \*CAGR – Compounded Annual Growth Rate

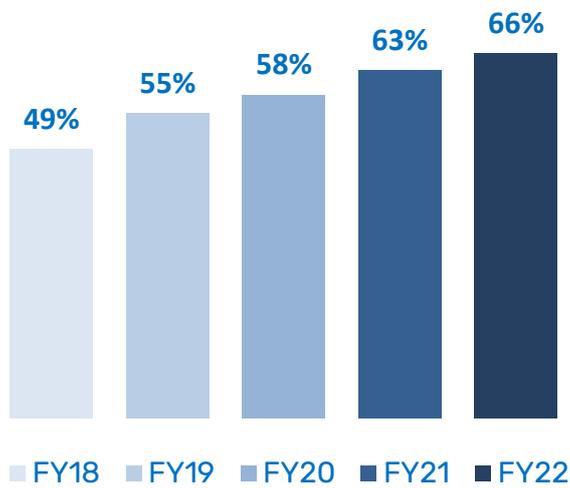
### Persistency 13<sup>th</sup> Month



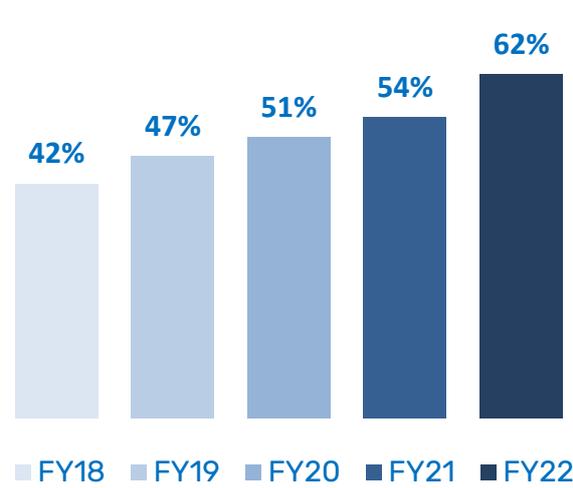
### Persistency 25<sup>th</sup> Month



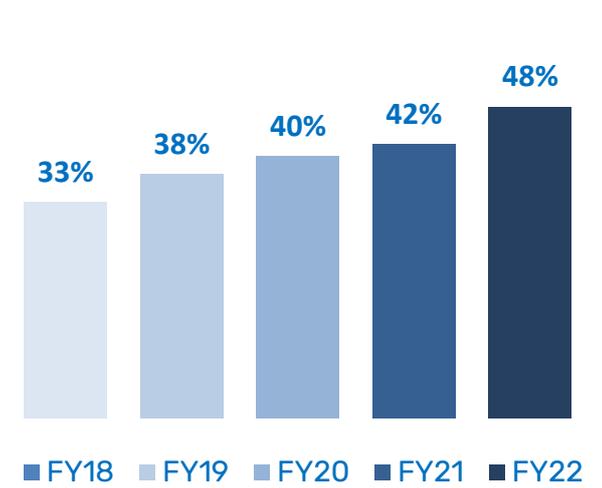
### Persistency 37<sup>th</sup> Month



### Persistency 49<sup>th</sup> Month



### Persistency 61<sup>st</sup> Month

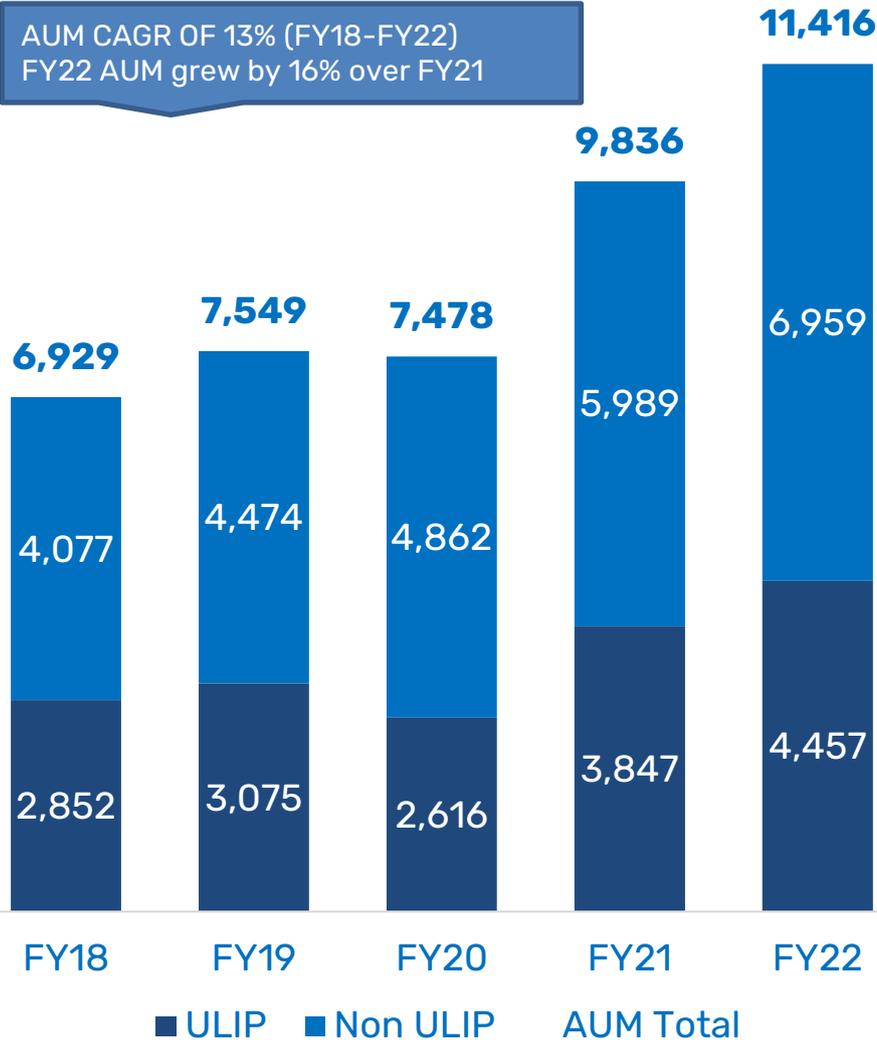


Continued focus on renewal collection via various initiatives such as driving auto-payment registration, digital payments & higher distribution ownership have led to significant improvement in persistency across cohorts especially in the later buckets wherein 49<sup>th</sup> & 61<sup>st</sup> month have seen significant improvement of 8% & 6% respectively

**\*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 March to February period of the relevant years

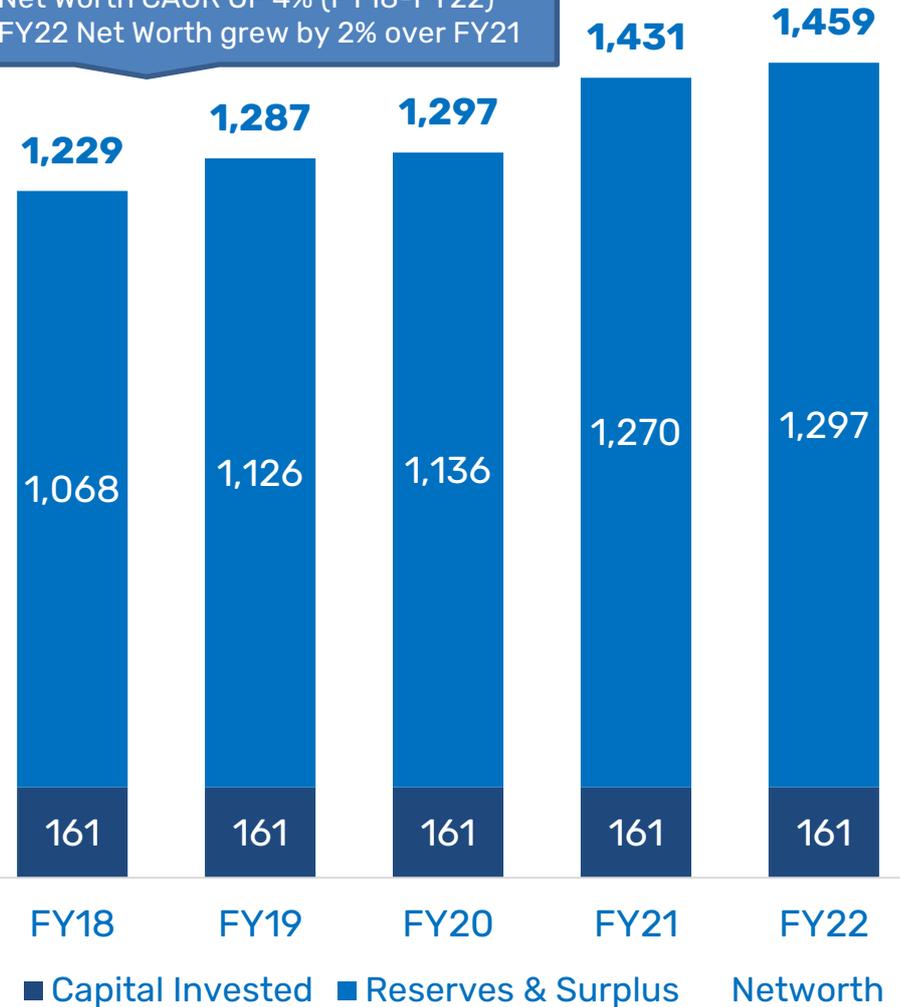
## BALIC AUM

AUM CAGR OF 13% (FY18-FY22)  
FY22 AUM grew by 16% over FY21



## BALIC Net Worth

Net Worth CAGR OF 4% (FY18-FY22)  
FY22 Net Worth grew by 2% over FY21



- Of the Unit Linked Funds 71% is equity funds as on 31 March 2022 (65% as on 31 March 2021)
- Solvency Ratio stands at 581% as at 31 March 2022
- BALIC's accumulated profit are 89% of Net Worth as at 31 March 2022

### 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)

- ❑ ALM focused on cashflow matching & achieving an immunized portfolio
- ❑ Interest rate risk on the Individual Non-Participating Savings, Protection and Annuity portfolio managed through Forward Rate Agreements and partly paid bonds
- ❑ 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 out for COVID-19 claims

# New Business Value (NBV) & Embedded Value Update<sup>\$</sup>



Figures in USD : Mn  
1 USD = Rs.75

Particulars	FY18	FY 19	FY 20	FY21	FY22
Annualized Premium** (ANP)	<b>238</b>	<b>297</b>	<b>306</b>	<b>390</b>	<b>582</b>
Net New Business Value* (NBV)	<b>-4</b>	<b>21</b>	<b>30</b>	<b>48</b>	<b>83</b>
NBV Growth			<b>47.1%</b>	<b>59.2%</b>	<b>72.2%</b>
Implied Net Margins on ANP <sup>+</sup>	<b>-1.7%</b>	<b>6.9%</b>	<b>9.9%</b>	<b>12.4%</b>	<b>14.2%</b>
Embedded Value <sup>++</sup> (EV)	<b>1,581</b>	<b>1,732</b>	<b>1,792</b>	<b>2,071</b>	<b>2,300</b>

- 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.
- 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

#Market Consistent Embedded Value

<sup>\$</sup>Calculated on the basis of effective tax rate (ETR)

Digital asset usage

Life Assist App

- BALIC's one-stop self-servicing platform for policy related transactions
- 26% increase in transactions in FY22 over PY

WhatsApp

- Customer servicing via Whatsapp
- 69% growth in unique users in FY22 over PY

Website

- BALIC's customer portal for insurance purchase and servicing
- 4% growth in unique user in FY22 over PY

i-Recruit

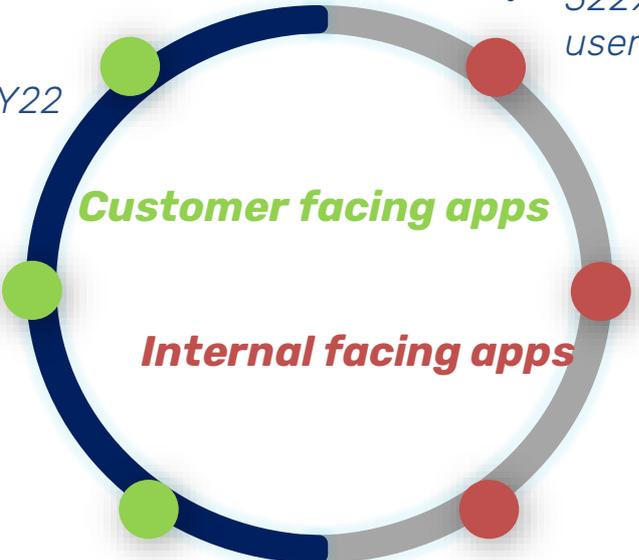
- Fully digital Insurance Consultant hiring portal
- 322% increase in unique users as on FY22

WhatsApp for ICs

- Policy Sourcing and Servicing assistance
- 272K sessions as on FY22

Smart Assist

- Virtual Assistant for digitally connecting Insurance Consultants with customers
- 70,159 business logins in FY22;
- 27% increase in unique user in FY22 over PY



BALIC Innovations

CDP (Customer Data Platform)



Dynamic engine to target customers and build sharper use cases to pitch at the right time of servicing, cross-sell/upsell etc

Video Medical via Smart Assist



Gone live on March '22 with an objective of facilitating faster policy issuance

Customer 360



A platform to facilitate an intelligent nudge and rich intuitive feature-based platform for the salesforce

**BAJAJ FINANCE**

# BFL – Key Strategic Differentiators

## STRATEGY

- Diversified financial services strategy seeking to optimize risk and profit, to deliver a sustainable business model and deliver a superior ROE and ROA
- Focused on continuous innovation to transform customer experience to create growth opportunities.

## DIFFERENTIATORS

Focus on mass affluent and above clients

Overall customer franchise of 57.57 MM and Cross sell client base of 32.77 Mn

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. Approx. 75% of new loans in FY22 were to existing clients.

Highly agile & highly innovative

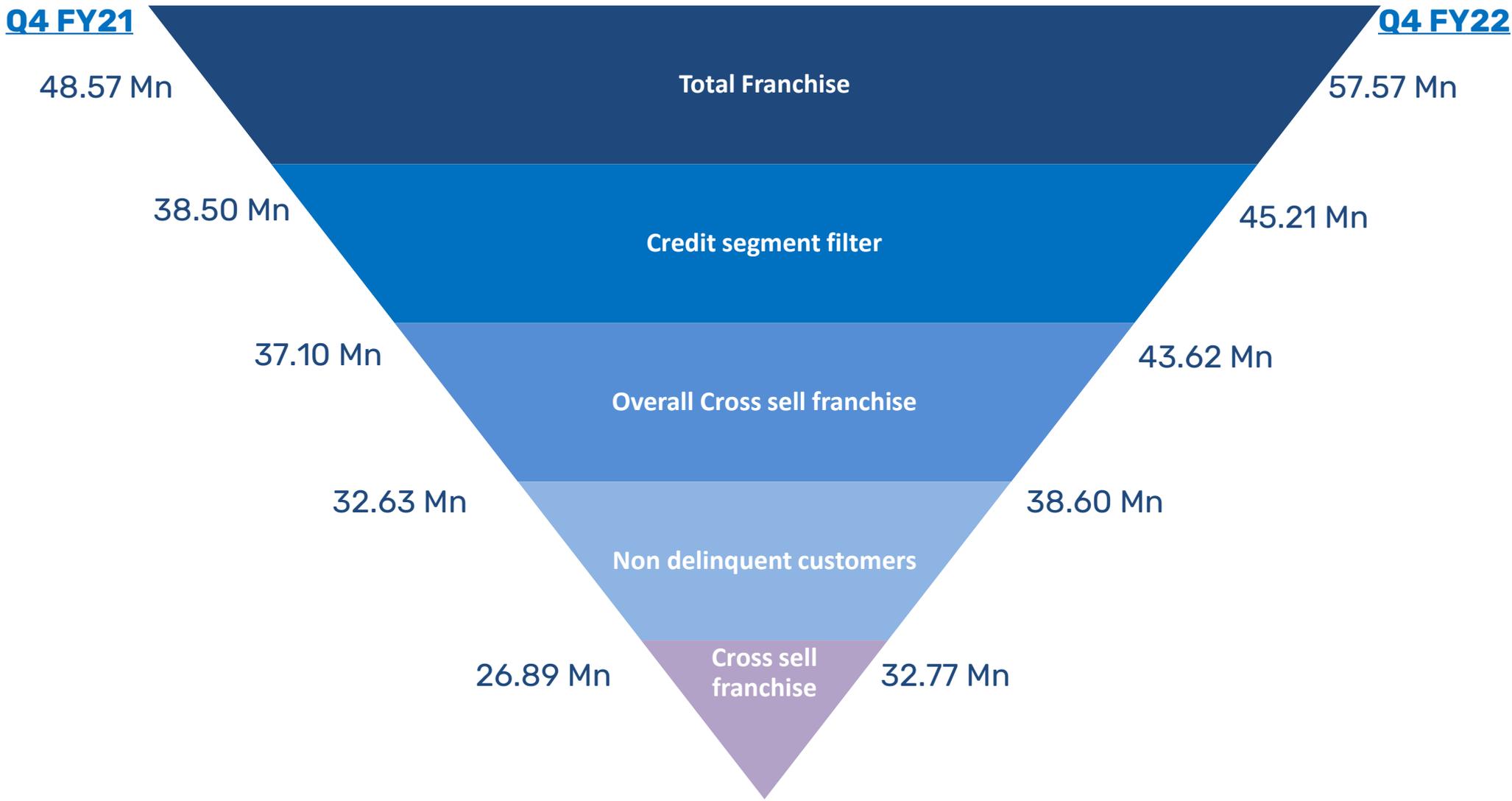
Continuous improvement in features of products & timely transitions to maintain competitive edge

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 Consumer : Rural : SME : Commercial : Mortgage stood at 32%: 10%: 13%: 14%: 31% as of 31<sup>st</sup> March 2022  
Consolidated borrowing mix for Banks: Money Markets: Deposits: ECB stood at 28%: 50%: 19%:3%



### New to Bajaj Finance Customers



Existing customers contributed to 75% of new loans booked during FY22 versus 63% in FY21

## BAJAJ FINANCE

### Consumer

- Largest consumer electronics, digital products & lifestyle lender in India
- Presence in 1,368 locations with 95,900+ active points of sale
- Amongst the largest personal loan lenders
- EMI Card franchise of over 30 MM cards in force
- Among the largest new loans acquirers in India 6.28 MM in Q4 FY22
- Bajaj Finserv – Mobikwik active wallet users stood at 22.1 MM as on 31 Mar 2022 who have linked EMI card to wallet
- Bajaj Finserv – RBL Bank co-branded credit card stood at 2.75 MM as of 31 Mar 2022

### SME

- Focused on affluent SMEs with an average annual sales of around Rs. 150-170 MM with established financials & demonstrated borrowing track records
- Offer a range of working capital & growth capital products to SME & self-employed professionals
- Dedicated SME 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
  - ✓ Pharma
  - ✓ Specialty Chemicals
  - ✓ Light engineering
  - ✓ Financial institutions
- Structured products collateralized by marketable securities or mortgage
- Financing against shares, mutual funds, insurance policies and deposits

### Rural

- Unique hub-and-spoke model in 2,136 locations and retail presence across 29,800+ points of sale
- Diversified rural lending model with 10 product lines across consumer and SME business categories

## Growing customer franchise

- Customer franchise as of 31 Mar 2022 up by 19%, 57.57 MM in FY2022 from 48.57 MM for FY2021

## Strong AUM growth

- Consolidated AUM of \$26,327 MM as on 31 Mar 2022, up by 29% from \$20,393 MM as on 31 Mar 2021

## Robust Profit growth

- Consolidated PAT of \$937 MM for FY2022, up by 59% from \$589 MM in FY2021

## Strong Capital Adequacy

- Capital Adequacy remained strong at 27.22%, Tier I capital stood at 24.75%

## One of lowest NPA's

- Net NPA stood at 0.68% as on 31 Mar 2022, one of the lowest in the Industry

## Strong positive ALM

- BFL has had consistently positive Asset Liability Mismatch, i.e., the inflows are greater than the outflows

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

## STRATEGY

BFSD is a **unique & diversified Marketplace** for **Financial Services** and **eCommerce** which **acquires** a 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 as well as Electronics & Lifestyle product options in partnership with leading industry players

### Choice, Cost & Convenience

- Wide choice from offerings of 50+ manufacturers
- 'Compare, select & buy'
- Convenience of end-to-end digital journey and frictionless fulfilment

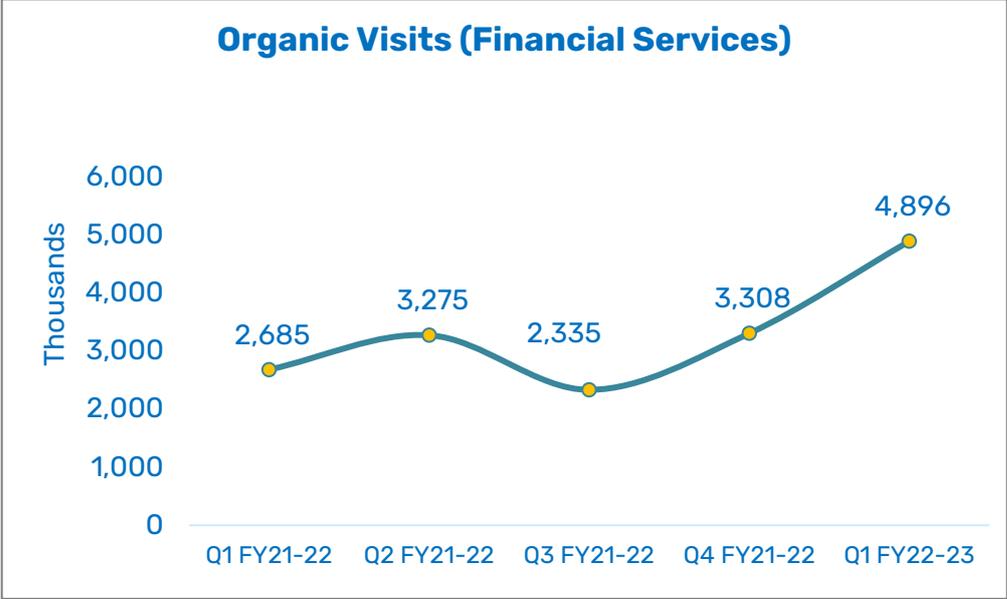
### Digital Technology

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

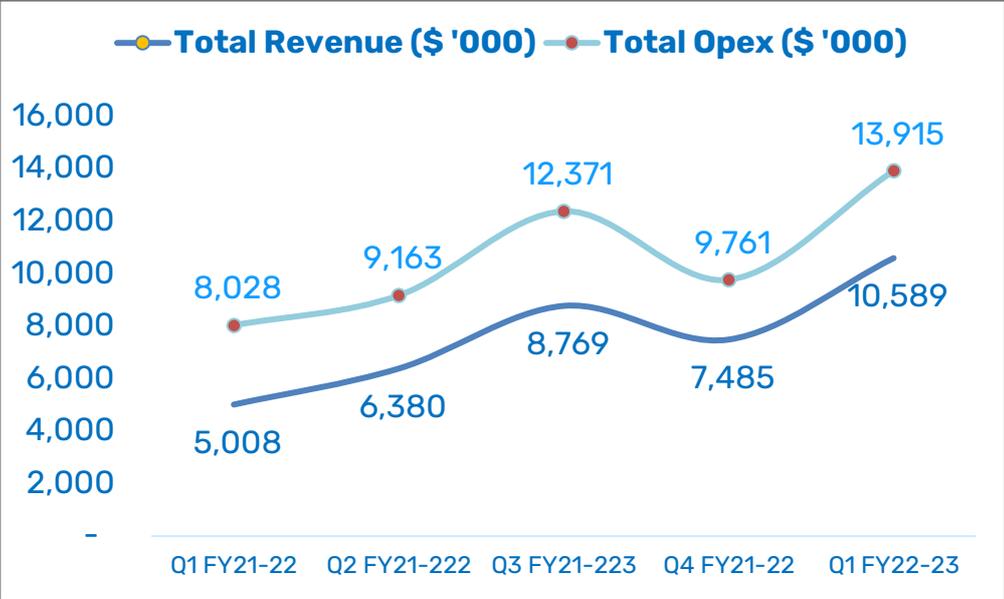
### Advanced Analytics

- Leveraging large customer franchise and its digital footprint through advanced AI/ML models to give personalized experience and increase cross-sell penetration

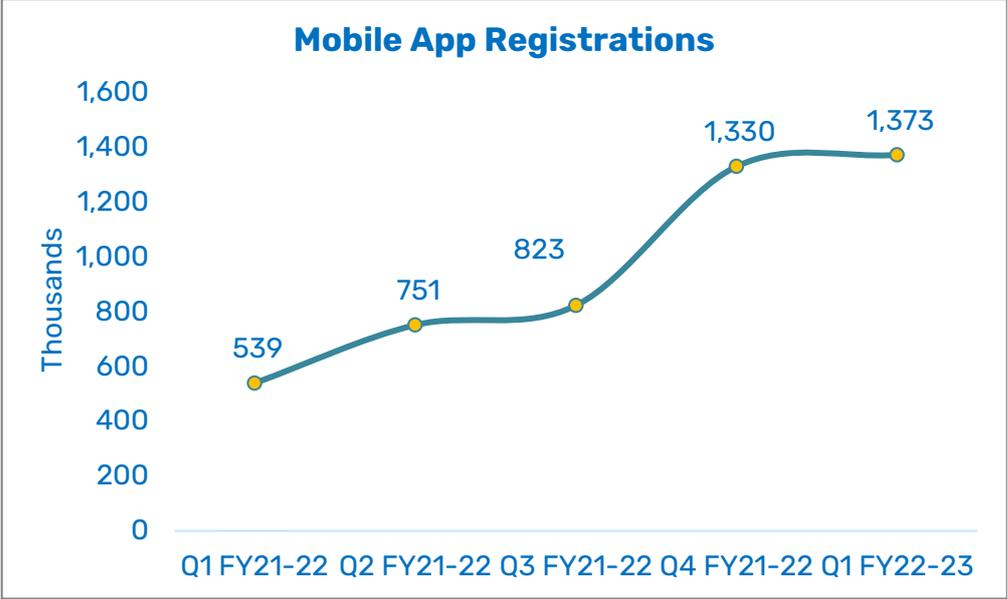
### Organic Visits (Financial Services)



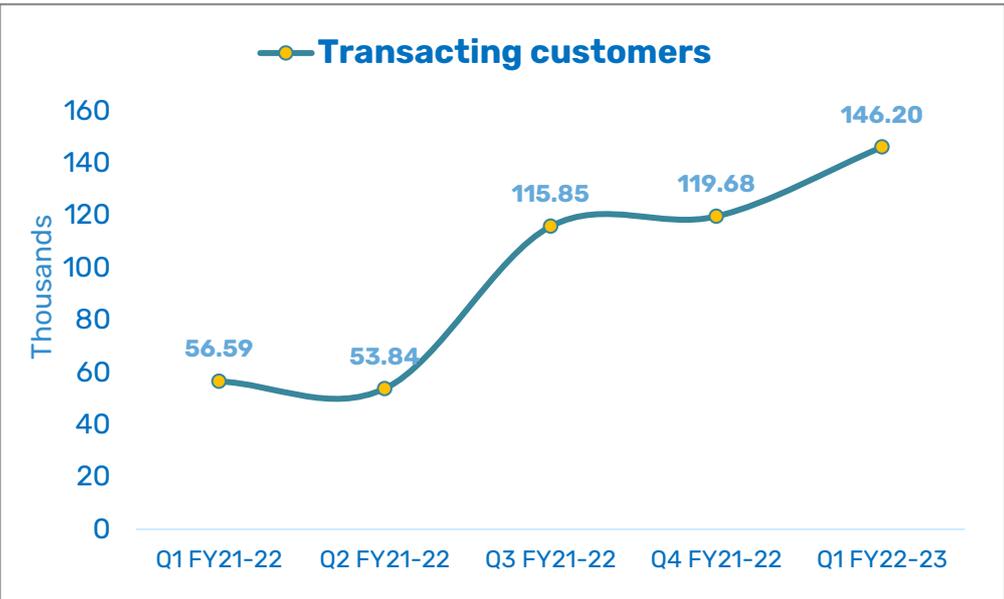
### Total Revenue (\$ '000) / Total Opex (\$ '000)



### Mobile App Registrations



### Transacting customers



- In FY22 Bajaj Markets reported **Total Income of \$ 27.6 MM** v/s \$ 13.6 MM in FY21
- Profit (Loss) after tax was \$ (11.7) MM in FY22 v/s \$ (5.9) MM in FY21 ; Net Worth as on 31 March 2022 stood at \$ 87.1 MM
- Cumulative Capital Infused till 31 March 2022 was \$ 107.6 MM (BFS share \$ 69.7 MM)

**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
- Diversified customer acquisition channels

### Extensive Provider Network for digital cashless healthcare

- 100,000+ Doctors on platform
- 3600+ lab touch points
- 1400+ hospitals on network

### Customised Product Management

- Addressing needs of retail customers
- Creating curated options for corporates

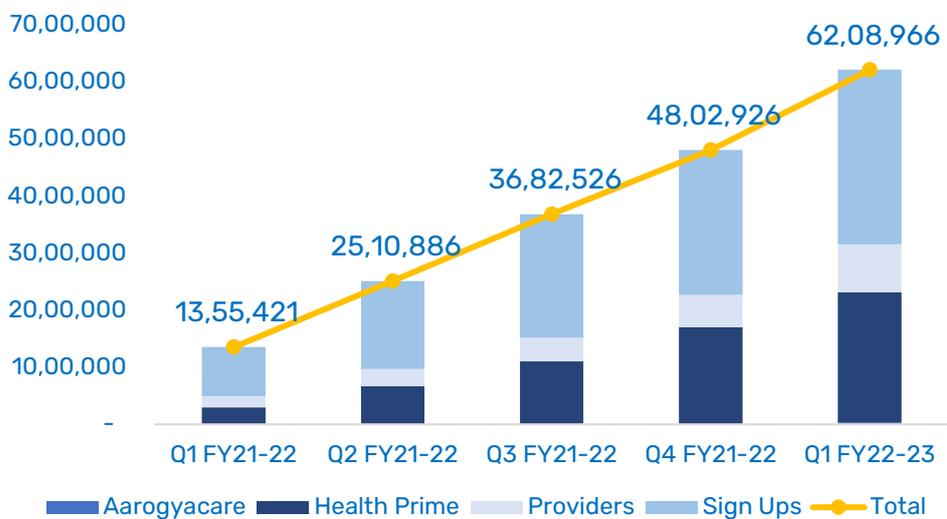
### Deep investment in technology and analytics

- App first approach
- Microservice architecture

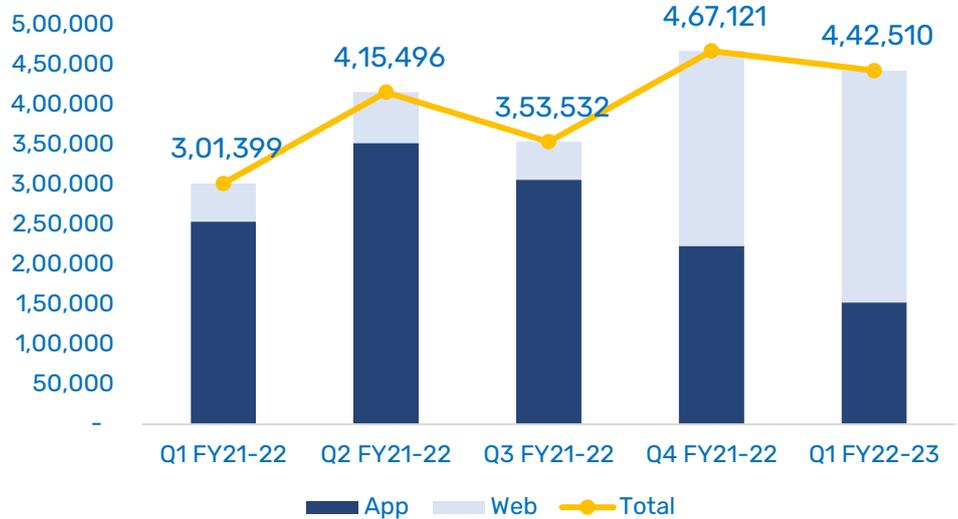
### Leading Healthcare transformation

- Integration with ABDM for creation of Health ID, and building HIP and HIU services
- Health vault for portable health records

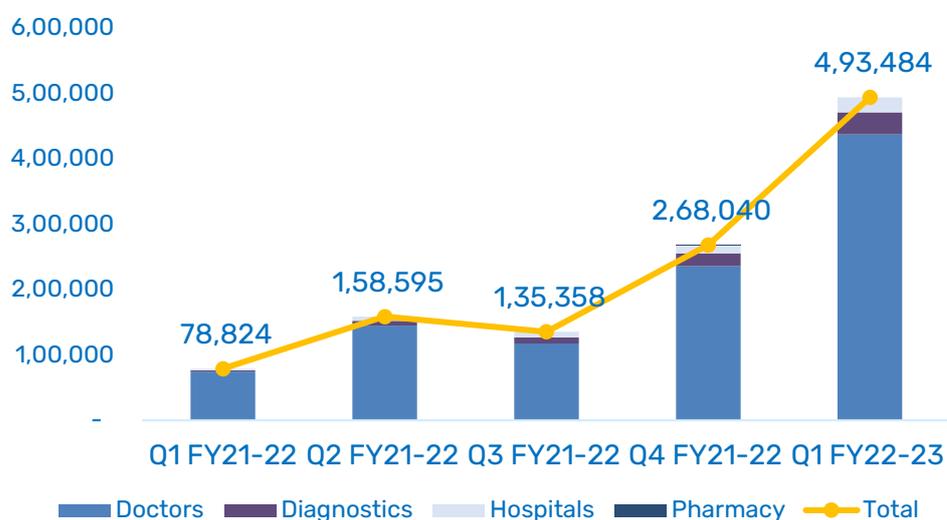
### REGISTERED USERS (CUMULATIVE)



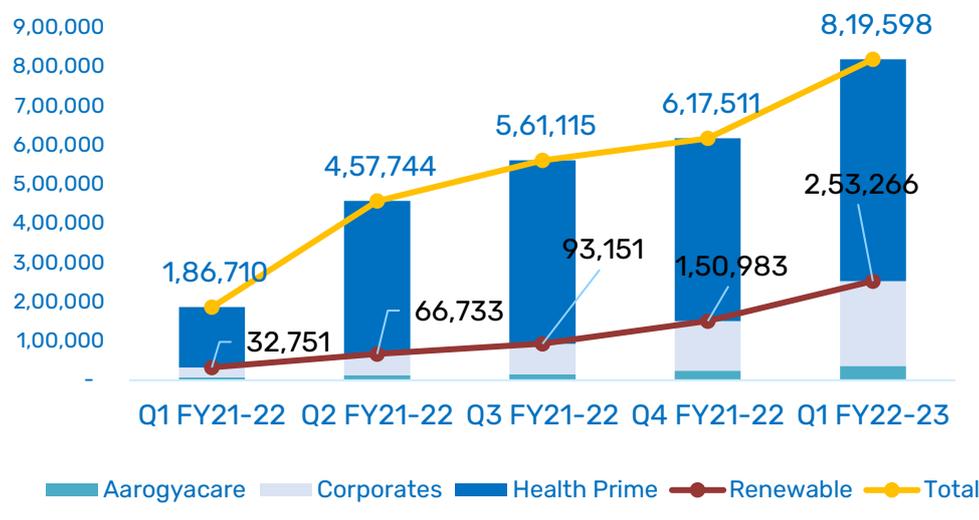
### MONTHLY ACTIVE USERS



### TRANSACTIONING CUSTOMERS



### PAYING USERS



- In FY22 Bajaj Finserv Health reported **Total Income of \$ 11.8 MM** v/s \$ 1.4 MM in FY21
- Profit (Loss) after tax was \$ (17.3) MM in FY22 v/s \$ (8.4) MM in FY21; Net Worth as on 31 March 2022 stood at \$ 4.7 MM
- Cumulative Capital Infused till 31 March 2022 was \$ 32 MM; Capital infused in FY22 stood at \$ 20 MM

# **ESG Initiatives and Focus Areas**

# Some key new initiatives during the year towards furtherance of ESG

***“ESG is not just the right thing to do, it is what will shape a better tomorrow.”***

Mega Vaccination drive to administer over 1 Million doses of the COVID-19 vaccine to the beneficiaries in districts of Pune and Aurangabad by Bajaj Group

Adoption of Responsible Investment principles by Insurance subsidiaries

Installation of rooftop solar generation plants at 3 offices and raw hard water treatment plant at an office

As committed in FY21, BFL opened 50 financial inclusion branches in rural and backward areas in FY22 and is committed open another 50 such branches in FY23

Adoption of consistent Code of Ethics and Professional Conduct across BFS Group

Plan to early adopt SEBI's Business Responsibility and Sustainable Reporting for FY22

Accounting of GHG emissions (FY21 and FY22)

Bajaj Finserv Employability initiative BEYOND enters northern and eastern states of India and placement division also established

Voluntary third-party assessments for 19 CSR partner organisations

# Illustrations on some of our ESG focus areas

## Governance

- Board approved 'Responsible & sustainable business conduct policy (including material subsidiaries)
- Liquidity / solvency continues to be higher than the statutory requirement
- Continuous improvement in gender diversity mix at BFS Group level

## Reaching Financial Services to Million of Indians

- Crop insurance to 6.6+ million farmers in last 4 years
- Higher contribution of rural / social sector business compared to IRDAI norms
- Continued participation in Government backed financial inclusion programs such PMAY, PMJJBY, Ayushman Bharat PMJAY, etc.

## Preserving and Protecting Environment

- Renewable power generated is more than the electricity consumed
- Reduced paper consumption through digital initiatives
- Exclusion list of activities and/or end use, for which BFL shall not lend, as detailed in its Environmental Policy

## Empowering Society

- 20,000+ students (~70% women) enrolled for CPBFI, since inception (10,000+ during FY22)
- Cleft Reconstructive Surgeries for more than 62,000 children, since 2014
- In last 2 years, more than 25,000 households benefitted from livelihood projects involving trainings, skill building, etc.

## Customer Centricity

- Charters and policies to protect interest of customers
- Use of technology to enhance customer experience
- Conducted customer trainings and awareness campaigns – Fraud prevention- 'Savdhaan Rahein , Safe Rahein', 'Be Cyber safe', etc.

## Human Capital

- Adopted 'Covid Impacted Family Assistance Policy' for providing assistance to families in the unfortunate & extreme event of an employee passing away due to Covid'19
- 50,000+ employees upskilled / multi-skilled through trainings
- Awareness programs on ESG for employees

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**Thank You**

# Annexures

# Bajaj Finserv – Consolidated Financial Highlights



1 USD = Rs.75#

<b>Financials Snapshot, USD MM</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>CAGR</b>
Life Insurance (GWP)	824	1,010	1,181	1,300	1,603	2,150	21%
General Insurance (GWP)	1,025	1,265	1,480	1,711	1,683	1,838	12%
Retail Finance	1,332	1,701	2,467	3,518	3,558	4,219	26%
Investment, Eliminations & Others	86	405	553	717	1,235	918	61%
Consolidated Revenue	3,268	4,382	5,681	7,247	8,079	9,125	23%
<b>Segment Results before tax</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>CAGR</b>
Life Insurance	122	109	103	5	184	6	-46%
General Insurance	147	181	167	138	319	231	9%
Retail Finance	384	522	835	992	852	1,333	28%
Others including Investments	4	0	-18	-29	-40	-68	-
Profit for the period (before tax)*	657	813	1,087	1,107	1,315	1,503	18%
Group profit after tax (after non-controlling interest)	302	353	429	449	596	608	15%
Shareholders fund (Consolidated)	2,111	2,731	3,169	4,174	4,777	5,366	21%
Book value per share (USD/share)	13.3	17.2	19.9	26.2	30.0	33.7	21%

Note: Segment wise revenue and results, P&L and balance sheet used for above compilation; The same is compliant with International Financial Reporting Standards (IFRS)

\*Profit for the period (before tax) is before non-controlling interest | CAGR – Compounded Annual Growth Rate

# 1 USD was equal to Rs. 75.9 As on 31<sup>st</sup> March 2022. For simplification purpose, we have considered 1 USD = Rs. 75

# Bajaj Allianz General Insurance – Financial Highlights



1USD = Rs.75

Financials Snapshot, USD MM (IGAAP)	FY 17	FY 18	FY 19	FY 20	FY 21	FY22	CAGR
Capital Infused including premium	37	37	37	37	37	37	
Net Worth	471	596	689	752	1,003	1,176	20%
Asset under Management (AUM)	1,444	1,976	2,298	2,499	3,087	3,284	18%
GWP	1,025	1,265	1,480	1,711	1,683	1,838	12%
NEP	658	808	935	1,094	991	1,037	10%
Underwriting Result	8	39	2	-1	32	4	
Profit after tax	97	123	104	133	177	179	13%

Ratios	FY 17	FY 18	FY 19	FY 20	FY 21	FY22	CAGR
Combined Ratio	96.8%	92.3%	96.7%	100.8%	96.9%	99.6%	
Return on Avg Equity (%)	23.0%	23.0%	16.2%	18.5%	20.3%	17.3%	
Book Value per share (USD/Share)	4.3	5.4	6.2	6.8	9.1	10.7	20%

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). Pool losses, wherever applicable, include the impact of the erstwhile IMTPIP and Declined Risk Pool.
2. BAGIC's financial numbers are as per Indian GAAP as prescribed by IRDAI

# Bajaj Allianz Life Insurance – Financial Highlights



1USD = Rs.75

Financials Snapshot, USD MM (IGAAP)	FY17	FY18	FY19	FY20	FY21	FY22	CAGR
Capital infused including premium	161	161	161	161	161	161	
Net Worth	1,130	1,229	1,287	1,297	1,431	1,459	5%
Assets under management (AUM)	6,569	6,929	7,549	7,478	9,836	11,416	12%
New Business	445	572	656	691	842	1,218	22%
Renewal Premium	379	438	525	610	762	932	20%
Gross premium	824	1,010	1,181	1,300	1,603	2,150	21%
Benefits Paid	823	1,074	711	895	814	1,175	7%
Policyholder Surplus	45	41	101	67	84	115	21%
Profit after tax	112	95	67	60	77	78	-17%
Embedded Value	1,502	1,581	1,732	1,792	2,071	2,300	9%
Book value per share (USD/share)	7.5	8.2	8.5	8.6	9.5	9.7	5%

- BALIC achieved highest ever GWP of \$2,150 MM in FY22 – growth of 34% over FY21
- New business (NB) premium for FY22 grew by 45%, while renewal premium for FY22 grew by 22%

1. BALIC's financial numbers are as per Indian GAAP as prescribed by IRDAI

\*Transferred to Shareholder Account is Net of Shareholder's Contribution | # Income under Shareholder account net of expenses & taxes

# Bajaj Finance – Financial Highlights



1USD = Rs.75

Financial Snapshot, USD MM	FY17	FY18 (Consol.)	FY19 (Consol.)	FY20 (Consol.)	FY21 (Consol.)	FY22 (Consol.)	CAGR <sup>1</sup>
Assets under management	8,026	10,990	15,452	19,620	20,393	26,327	24%
Income from operations	1,332	1,701	2,467	3,518	3,558	4,219	25%
Interest expenses	507	615	883	1,263	1,255	1,300	21%
Net Interest Income (NII)	825	1,086	1,584	2,255	2,303	2,919	28%
Operating Expenses	342	436	560	755	708	1,011	23%
Loan Losses & Provision	107	137	200	524	796	640	47%
Profit before tax	376	512	824	976	799	1,267	25%
Profit after tax	245	333	533	702	589	937	30%
Ratios	FY17	FY18	FY19	FY20	FY21	FY22	CAGR <sup>1</sup>
Return on assets <sup>+</sup>	3.7%	3.7%	4.2%	4.1%	3.1%	4.2%	-
Return on equity <sup>+</sup>	21.6%	20.1%	22.5%	20.2%	12.8%	17.4%	-
Net NPA*	0.44%	0.43%	0.63%	0.65%	0.75%	0.68%	-
NPA provisioning coverage	74%	70%	60%	60%	58%	58%	-
Book value per share (USD/share)	2.3	3.8	4.6	7.2	8.2	9.6	33%

@ Figures before FY18 are as per previous GAAP to facilitate comparability over multiple year period

\* As per the RBI regulations, NNPA numbers for FY17 are at 4 months overdue and FY18 onwards are at 3 months overdue. Hence NPA across periods are not comparable.

<sup>1</sup> CAGR is calculated for period FY18 to FY22 except for BVPS, where CAGR represents for period FY17 – FY22

Note : Numbers used in the above table are compliant with International Financial Reporting Standards; Consol. refers to consolidated numbers for BFL including its two subsidiaries – Bajaj Housing Finance Limited (BHFL) and Bajaj Financial Securities Limited (BFSL);