

21 June, 2019

To The Corporate Relations Department. <b>BSE Limited</b>  1 <sup>st</sup> Floor, New Trading Ring Rotunda Building, P J Tower Dalal Street, Fort, 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,

**Sub: Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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 investor meetings is as follows:

Date	Venue	Particulars
25 <sup>th</sup> June 2019 to 26 <sup>th</sup> June 2019	United States of America	Meeting with certain institutional investors at a Non-Deal Road Show organized by JM Financial Institutional Securities Limited
27 <sup>th</sup> June 2019 to 28 <sup>th</sup> June 2019	United Kingdom	

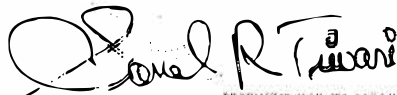
Further, please note that an investor presentation for the same is enclosed herewith.

This is for your information please.

Thanking you,

Yours faithfully,

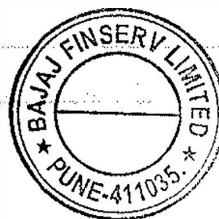
**For Bajaj Finserv Limited.**



**Sonal R Tiwari**  
**Company Secretary**

Encl: as above.

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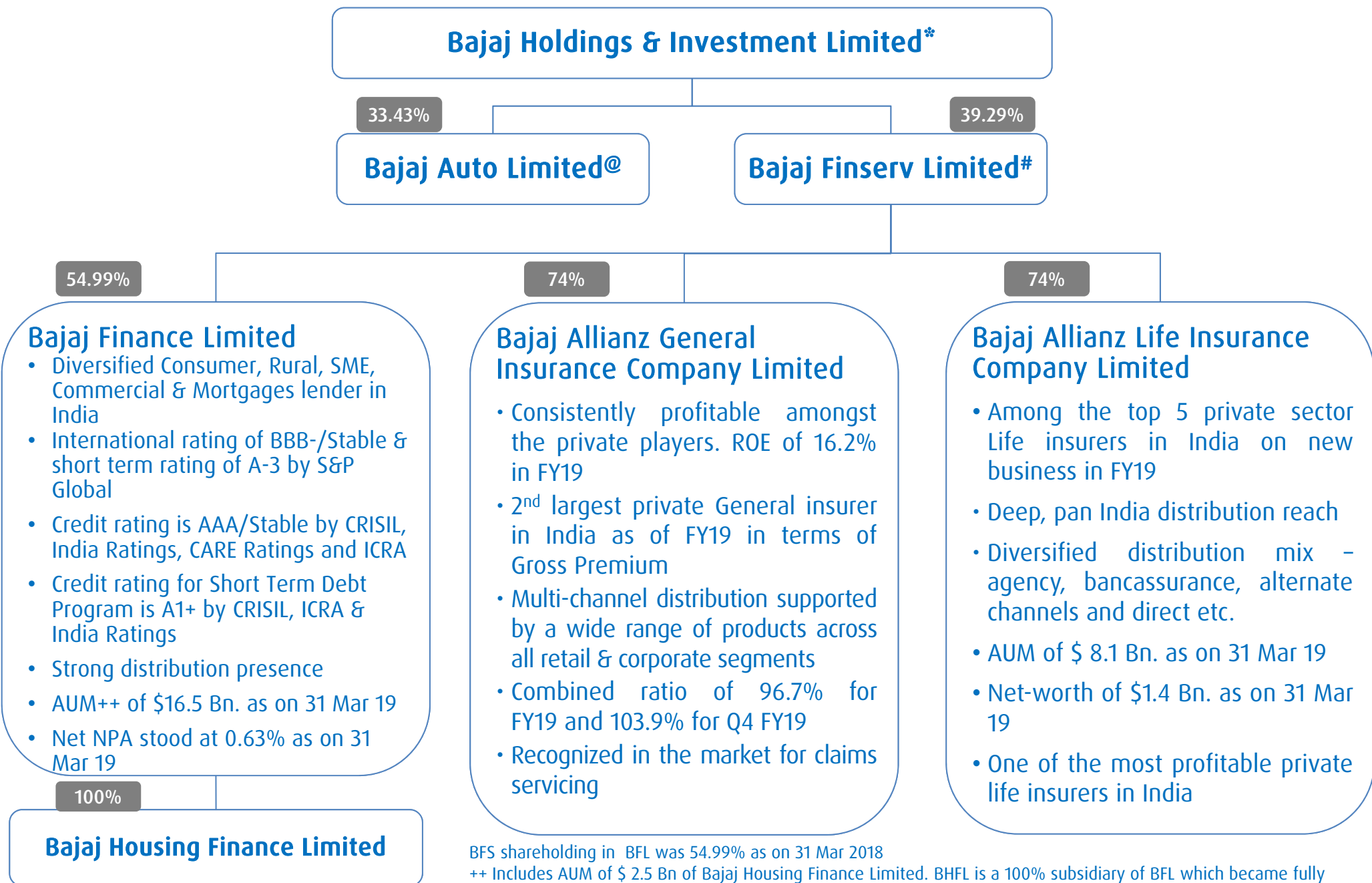
**Bajaj Finserv Limited**



# BAJAJ FINSERV LIMITED

Investor Presentation – FY19\*

# BAJAJ GROUP STRUCTURE



## Bajaj Finance Limited

- Diversified Consumer, Rural, SME, Commercial & Mortgages lender in India
- International rating of BBB-/Stable & short term rating of A-3 by S&P Global
- Credit rating is AAA/Stable by CRISIL, India Ratings, CARE Ratings and ICRA
- Credit rating for Short Term Debt Program is A1+ by CRISIL, ICRA & India Ratings
- Strong distribution presence
- AUM++ of \$16.5 Bn. as on 31 Mar 19
- Net NPA stood at 0.63% as on 31 Mar 19

100%

## Bajaj Housing Finance Limited

## Bajaj Allianz General Insurance Company Limited

- Consistently profitable amongst the private players. ROE of 16.2% in FY19
- 2<sup>nd</sup> largest private General insurer in India as of FY19 in terms of Gross Premium
- Multi-channel distribution supported by a wide range of products across all retail & corporate segments
- Combined ratio of 96.7% for FY19 and 103.9% for Q4 FY19
- Recognized in the market for claims servicing

BFS shareholding in BFL was 54.99% as on 31 Mar 2018

++ Includes AUM of \$ 2.5 Bn of Bajaj Housing Finance Limited. BHFL is a 100% subsidiary of BFL which became fully operational during FY18

## Bajaj Allianz Life Insurance Company Limited

- Among the top 5 private sector Life insurers in India on new business in FY19
- Deep, pan India distribution reach
- Diversified distribution mix – agency, bancassurance, alternate channels and direct etc.
- AUM of \$ 8.1 Bn. as on 31 Mar 19
- Net-worth of \$1.4 Bn. as on 31 Mar 19
- One of the most profitable private life insurers in India

\*Bajaj Holdings: 49.03% holding by promoter group

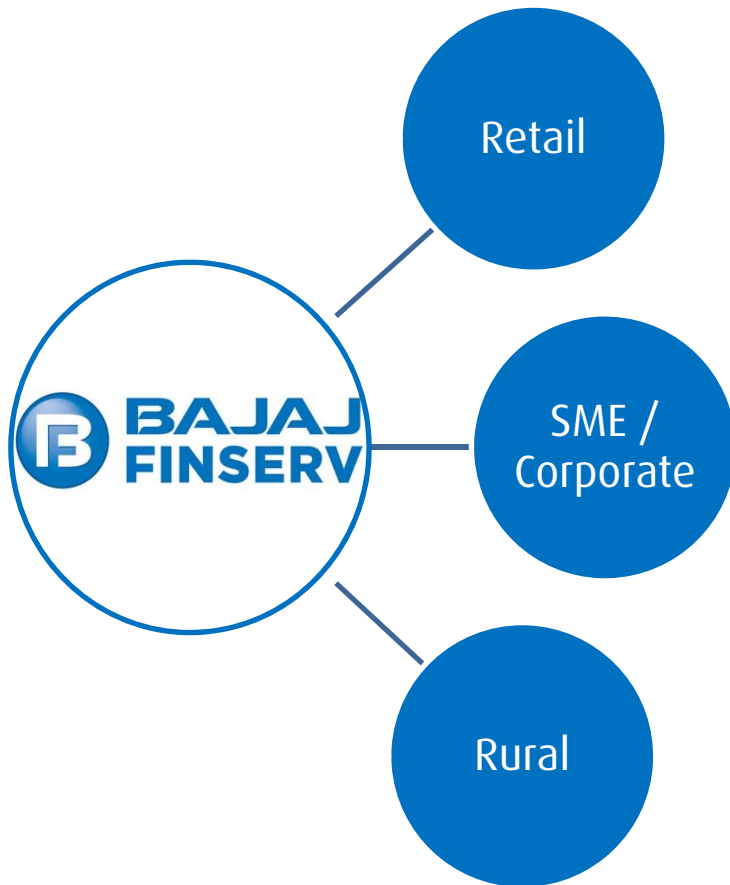
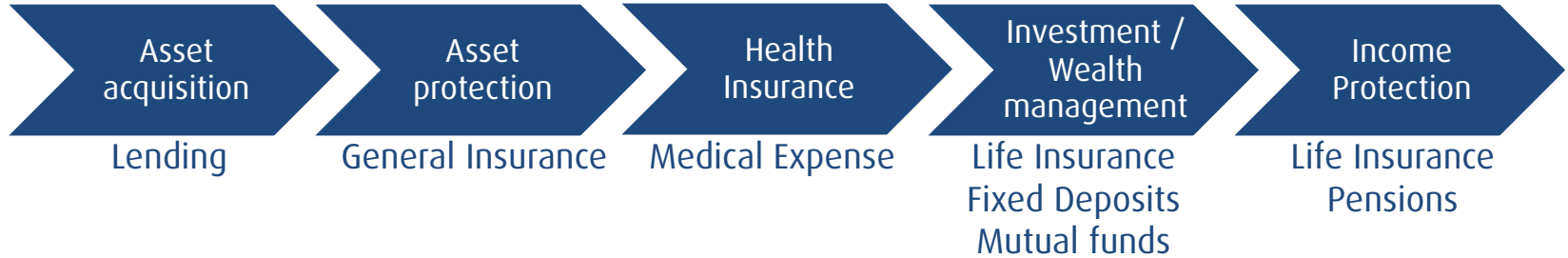
@ Bajaj Auto: 51.18% holding through Bajaj Holdings & Investment Ltd., & promoter group

# Bajaj Finserv: 58.37% holding through Bajaj Holdings & Investment Ltd., & promoter group

BHIL's stake in BFS of 39.29%, includes stake of 0.13% of Bajaj Auto Holdings Ltd. 100% subsidiary of BHIL.

Note: Only major subsidiaries shown in this chart.

Life cycle needs of Individual & SME customers



Diversified across products and markets, with a strong retail core

### Retail Consumer:

All Bajaj Finserv's businesses have a strong emphasis on the retail segment with a pan-India brand presence. Retail consumer is served through D2C (Direct to Customer) at Point of Sale, online, FOS, multiline agents and B2B2C (Business to Business & to Consumer) served through channels like dealers for consumer lending, bancassurance, insurance brokers

### SME and Corporate:

Bajaj Finance provides working & growth capital in the high net worth SME space. The insurance companies serve these segments through a suite of corporate and group insurance products

### Rural Focus:

Bajaj Allianz Life is a market leader among private insurers in this space through its branches and business partners. Bajaj Finance has a highly diversified portfolio in the rural locations offering 10 loan products in consumer and RSME business categories under a unique hub and spoke business model. Bajaj Allianz General has penetrated rural markets through its virtual points of presence

# BAJAJ FINSERV : CORE STRENGTHS



Outstanding heritage & Impeccable reputation

One of oldest and most trusted business groups with PAN India presence with a high level of integrity and Corporate Governance

Innovation and Technology driven

Differentiation through innovative and disruptive products & services

Long term vision

Long term commitment to businesses through profitable growth

Personnel

Empowered professional teams for operating the business, accountable to the Board

Lowest NPAs (BFL)

Net NPA<sup>#</sup> of 0.63%, which is one of the lowest in the industry<sup>\*\*</sup>

Underwriting profits at BAGIC

Amongst most profitable companies in the private sector, with consistent track record of underwriting profits

Largest network and highest solvency (BALIC)

Amongst largest branch networks with over 600 branches and highest solvency ratio of 804%<sup>\*\*</sup>

\* As at 31 Mar 2019

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

# BAJAJ FINSERV - CONSOLIDATED FINANCIAL HIGHLIGHTS



1 USD = Rs.70

Financials Snapshot, USD MM	IGAAP						Ind AS	
	FY14	FY15	FY16	FY17	FY18	CAGR	FY18	FY19
Life Insurance (GWP)	835	860	842	883	1,083	7%	1,083	1,265
General Insurance (GWP)	655	757	843	1,098	1,355	20%	1,355	1,585
Retail Finance	582	774	1,048	1,427	1,924	35%	1,822	2,643
Investment, Eliminations & Others	151	188	200	92	10	-	434	593
Consolidated Revenue	2,222	2,579	2,933	3,501	4,371	18%	4,695	6,087
Segment Results before tax	FY14	FY15	FY16	FY17	FY18	CAGR	FY18	FY19
Life Insurance	166	144	138	131	113	-9%	117	110
General Insurance	84	111	115	158	192	23%	194	179
Retail Finance	155	195	284	411	596	40%	560	895
Investment & Others	9	13	7	4	0	-	0	-20
Profit for the period (before tax)*	415	464	543	704	901	21%	871	1,165
Group profit after tax (after minority interest)	221	241	266	323	392	15%	379	460
Ratios	FY14	FY15	FY16	FY17	FY18	CAGR	FY18	FY19
Shareholders fund (Consolidated)	1,330	1,566	1,913	2,261	2,964	22%	2,926	3,395
Book value per share (USD/share)	8.4	9.8	12.0	14.2	18.6	22%	18.4	21.3

Note: Segment wise revenue and results, P&L and balance sheet used for above compilation.

\*Profit for the period (before tax) is before minority interest

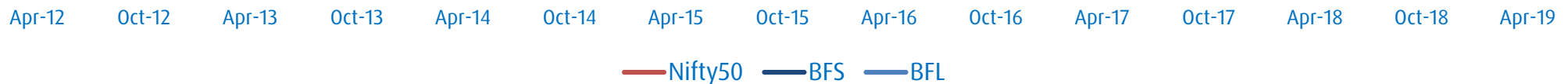
# BFS AND BFL HAVE DELIVERED CONSISTENT LONG-TERM RETURNS TO SHAREHOLDERS

Bajaj Finserv & Bajaj Finance

Change in the Share Price of BFS and BFL vs Nifty 50 index on base year

- BFL included in Nifty 50 index from Sep, 2017
- BFL included in S&P BSE Sensex from Dec, 2018
- BFS included in Nifty 50 index from April, 2018

CAGR# (FY14-FY19)  
BFL : 76.0%  
BFS : 54.9%  
Nifty 50 : 11.6%



# Price as at year end for respective years

# BAJAJ FINANCE



# BFL – KEY STRATEGIC DIFFERENTIATORS

## STRATEGY

- Diversified financial services strategy seeking to optimise 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 34.48 Mn. and Cross sell client base of 20.67 MM.

Strong focus on cross selling existing customer

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 mix for Consumer : Rural : SME : Commercial : Mortgage stood at 39%: 8%: 14%: 10%: 29%  
Consolidated borrowing Mix for Banks: Money Markets: Deposits stood at 37%: 50%: 13%

## BAJAJ FINANCE

### Consumer

- Largest consumer electronics, digital products & lifestyle products lender in India
- Presence in 927 locations with 74,400+ active points of sale
- Amongst the largest personal loan lenders
- EMI (in store) Card franchise of over 18.7 MM cards in force
- Among the largest new loans acquirers in India 5.8 MM in Q4 FY19
- Bajaj Finserv – Mobikwik active wallet users stood at 8.3 MM as on 31 Mar 2019 who have linked EMI card to wallet

### SME

- Focused on affluent SMEs with an average annual sales of around \$ 1 MM – 2 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

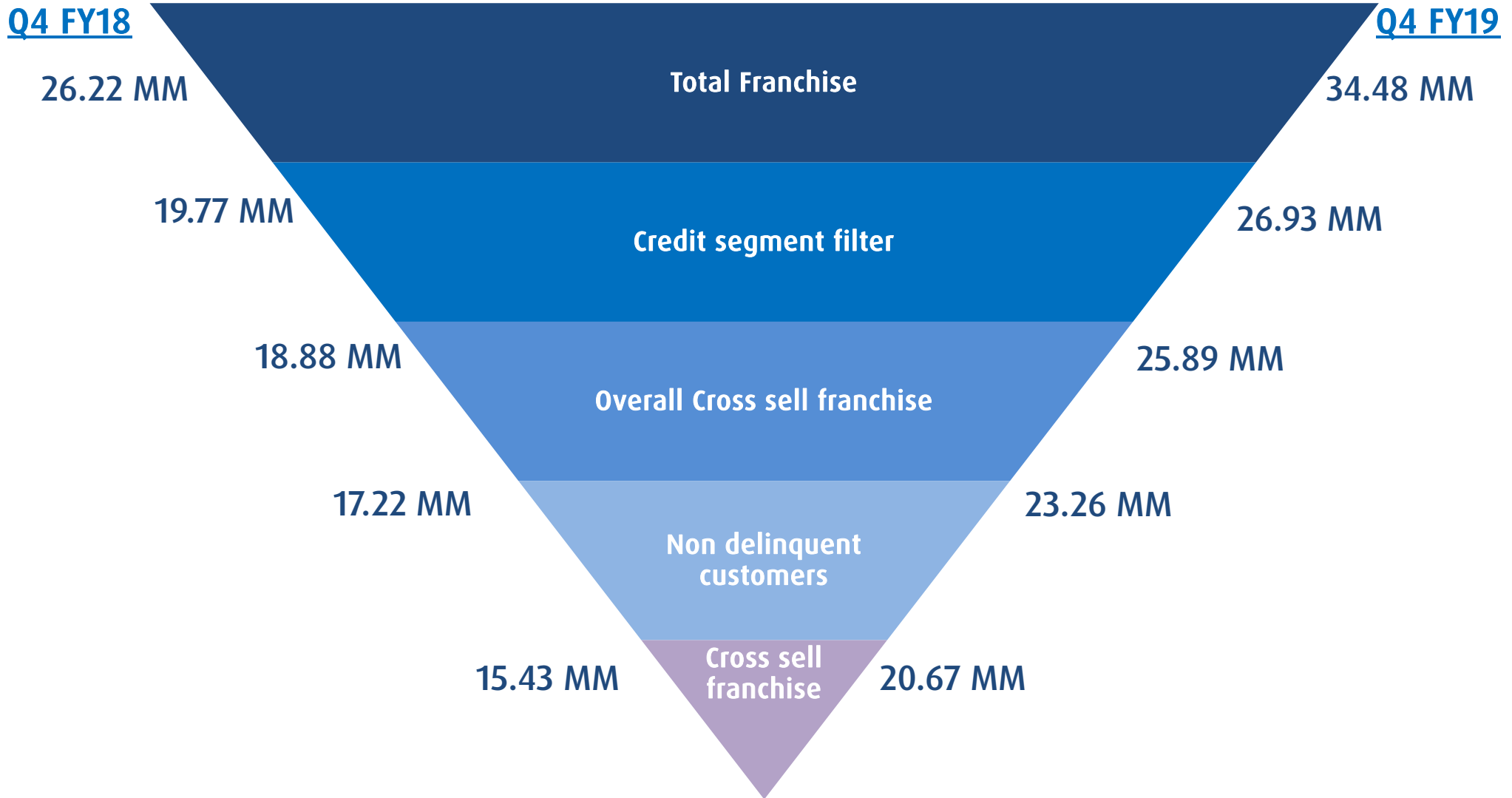
### Commercial

- ✓ Wholesale Lending products covering short, medium and long term financing needs of selected sectors viz.
- ✓ Auto component and ancillary manufacturers
- ✓ Light engineering
- ✓ Financial institutions
- Structured products collateralized by marketable securities or mortgage

### Rural

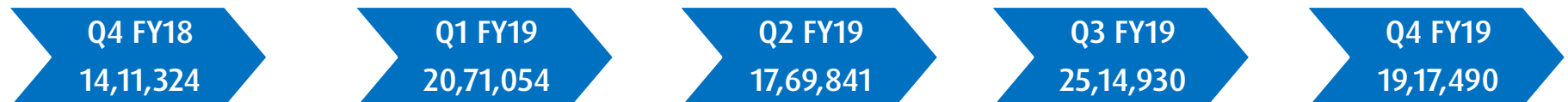
- Unique hub-and-spoke model in 903 locations and retail presence across 14,500+ points of sale
- Diversified rural lending model with 10 product lines across consumer and professional business categories

# CUSTOMER FRANCHISE



Existing customers contributed to 65% of new loans booked during FY19 versus 60% in FY18

## New to Bajaj Finance Customers



Growing customer cross sell franchise by 25-30% every year...

## Strong AUM growth

- Consolidated AUM of \$16,555 MM as on 31 Mar 2019, up by 41% from \$11,775 MM as on 31 Mar 2018

## Robust Profit growth

- Consolidated PAT of \$571 MM for FY2019, up by 60% from \$357 MM in FY2018

## Strong Capital Adequacy

- Capital Adequacy of 20.66%, Tier I capital stood at 16.27%

## One of lowest NPA's

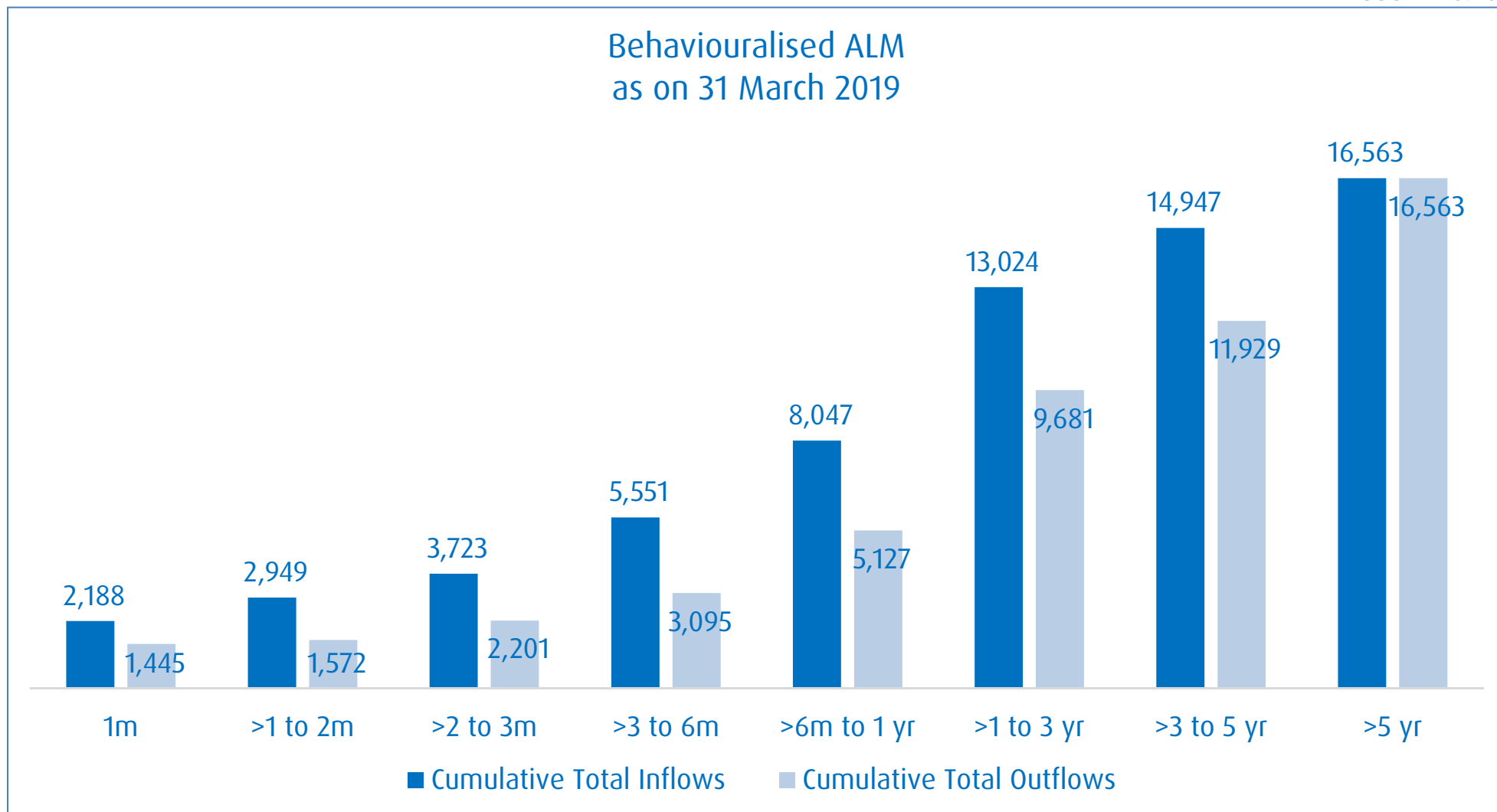
- Net NPA stood at 0.63% as on 31 Mar 2019, one of the lowest in the Industry

## Growing customer franchise

- Customer franchise as of 31 Mar 2019 up by 32%, 34.48 MM in FY2019 from 26.22 MM for FY2018

# BFL – BEHAVIOURALISED ALM

Amount in USD MM  
1USD = Rs.70



Amount (USD MM)	1m	>1 to 2m	>2 to 3m	>3 to 6m	>6m to 1 yr	>1 to 3 yr	>3 to 5 yr	>5 yr
Cumulative Total Inflows (A)	2,188	2,949	3,723	5,551	8,047	13,024	14,947	16,563
Cumulative Total Outflows (B)	1,445	1,572	2,201	3,095	5,127	9,681	11,929	16,563
Cumulative mismatch (A-B)	743	1,377	1,522	2,456	2,920	3,344	3,019	0

# BAJAJ FINANCE – FINANCIAL HIGHLIGHTS



1USD = Rs.70

Financial Snapshot, USD MM	IGAAP@						Ind AS#(Consol.)	
	FY14	FY15	FY16	FY17	FY18 (Consol.)	CAGR	FY18	FY19
Assets under management	3,437	4,630	6,318	8,599	12,005	37%	11,775	16,555
Income from operations	582	774	1,048	1,427	1,924	35%	1,822	2,643
Interest expenses	225	321	418	543	662	31%	659	946
Net Interest Income (NII)	357	453	629	884	1,262	37%	1,163	1,697
Operating Expenses	164	204	271	366	527	34%	467	600
Loan Losses & Provision	37	55	78	115	149	42%	147	214
Profit before tax	156	194	281	403	585	39%	549	883
Profit after tax	103	128	183	262	382	39%	357	571
Ratios	FY14	FY15	FY16	FY17	FY18		FY18	FY19
Return on assets <sup>+</sup>	3.6%	3.3%	3.5%	3.7%	3.9%	-	3.7%	4.2%
Return on equity <sup>+</sup>	19.5%	20.4%	20.9%	21.6%	20.5%	-	20.1%	22.5%
Net NPA <sup>**</sup>	0.28%	0.45%	0.28%	0.44%	0.36%	-	0.43%	0.63%
NPA provisioning coverage	76%	71%	77%	74%	75%	-	70%	60%
Book value per share <sup>^</sup> (USD/share)	1.1	1.4	2.0	2.5	4.1	38%	3.9	4.9

@ All figures including FY18 are as per previous GAAP to facilitate comparability over multiple year period

\*\* As per the RBI regulations, NNPA numbers for upto FY15 are at 6 months overdue, FY16 are at 5 months overdue, FY17 are at 4 months overdue and FY18 are at 3 months overdue. Hence NPA across periods are not comparable. Consolidated Gross NPA and Net NPA as of 31 Mar 2019, recognized as per extant RBI prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS

# Figures for FY18 have been restated to be comparable with Ind AS

^Book value per share (USD/share) adjusted for Split and bonus for FY16 and before

# **BAJAJ ALLIANZ GENERAL INSURANCE**

# BAGIC – KEY STRATEGIC DIFFERENTIATORS

## STRATEGY

Strive for market share growth 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 - BAGIC's Combined Ratio stood at 96.7% FY19
- Business construct is to deliver superior ROE

**Disruptive innovation**

- Geographical Expansion through Virtual Points of Sale
- On-the-spot claims settlement for small Motor claims

**Balanced distribution mix**

Multi channel distribution network encompassing broking, direct, multi-line agents, bancassurance network serving retail and corporate segments

**Retail orientation**

Focused on retail segments – mass, mass affluent and HNI while maintaining strong position in institutional business



# BAGIC - KEY TAKEAWAYS

## Industry beating Premium growth

- Industry beating Premium growth FY19 growth at 17% vs Industry growth of 13% in FY19

## Strong Increase in AUM

- Strong increase in AUM to reach \$2,462 MM as on 31 Mar 2019 (\$2,118 MM as on 31 March 2018)

## Profitability impacted due to one off events & investments

- Kerala flood losses amounting to \$7.1 MM, impairment of investments \$8.1 MM and investments in technology and channels.

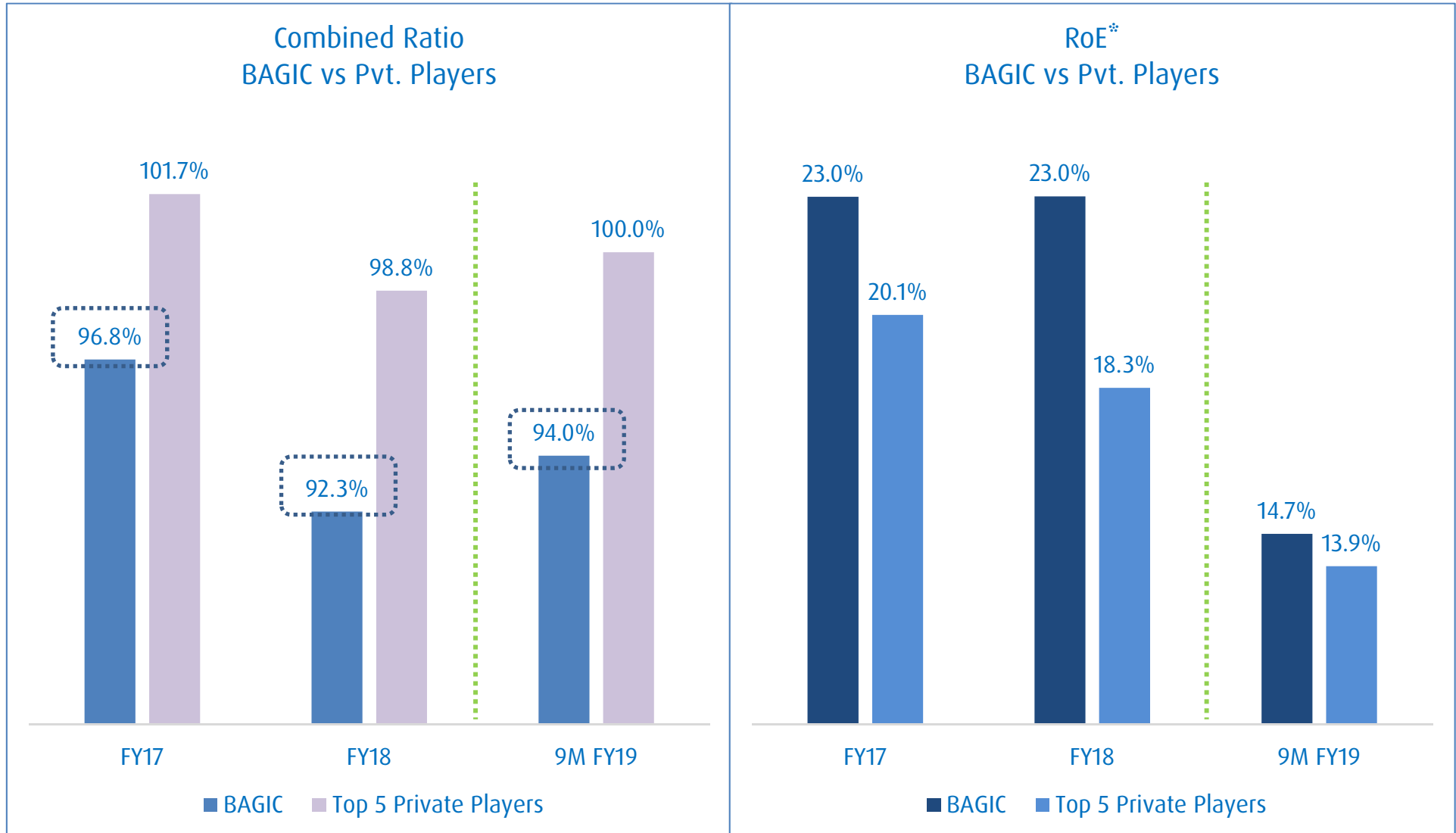
## Strong Solvency

- Solvency as at 31 Mar 2018 stood at 255%, well above regulatory margin of 150%.

## Dividend declaration

- BAGIC has declared dividend of 100% of face value for FY19, same as previous year

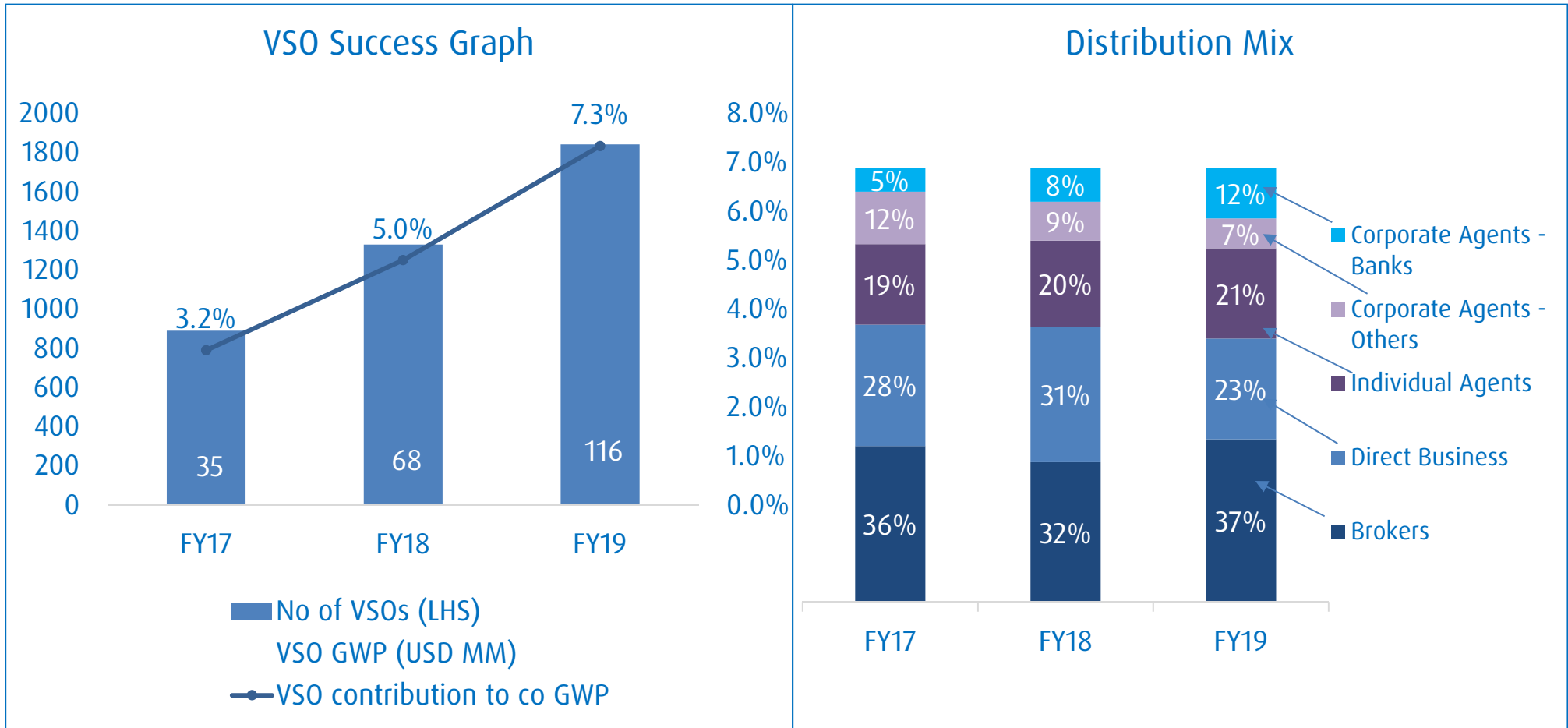
# CONSISTENT DELIVERY OF COMBINED RATIO & RoE



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).
2. Source : GI Council Financial Highlights and public disclosures of insurance companies
3. \*Return on Equity (RoE) for the period 9M FY19 not annualised

# BAGIC – Diversified distribution

1 USD = Rs.70



## Virtual Points of Presence

- Initiated in August 2014 and has grown exponentially to 1,800+ locations in FY19 (1,300+ in FY18)
- Over 2.4 MM policies issued in FY19 (Over 1.4 MM policies in FY18)

## Diversified Distribution

- Focus on retail channels like Bancassurance and Agency has helped to clock a strong growth of 75% and 23% respectively, during FY19
- Over 60 Corporate Agent – Banca Relationships :Some of the major relationships are : Citi Bank, HDFC Bank, Bajaj Finance Ltd., Canara Bank, J&K Bank, United Bank of India, KVB, RBL, Union Bank, Karnataka Bank

# BAGIC's PRODUCT SUITE – RETAIL FOCUSED

## Motor

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

## Health

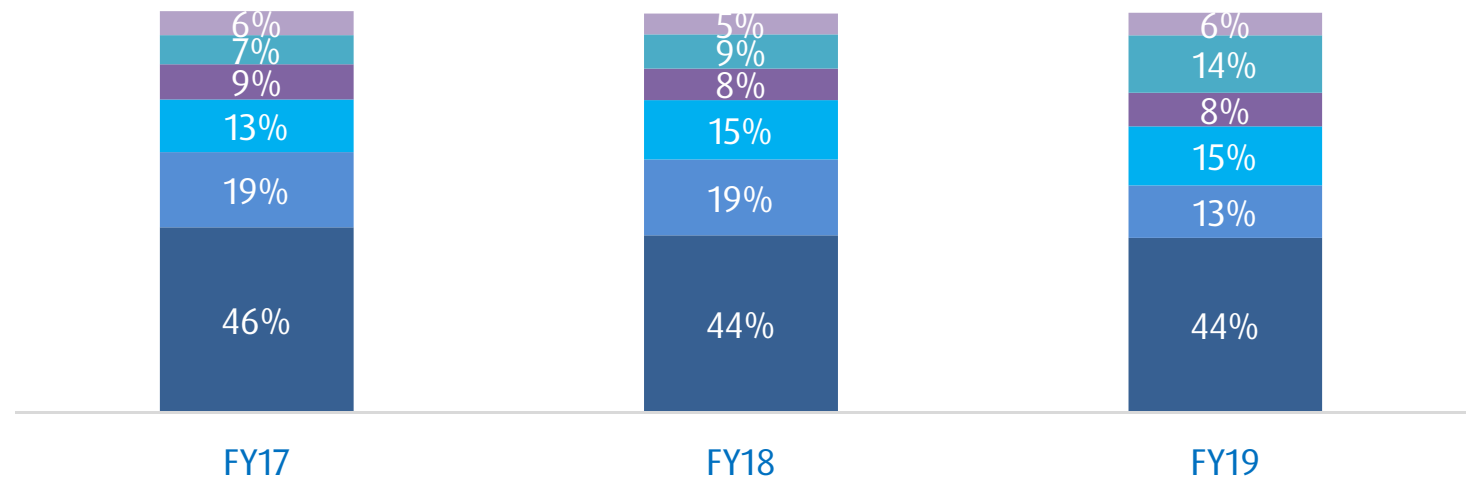
- Retail health
- Group health
- Critical Illness
- Personal Accident
- Government Business

## Miscellaneous

- Property
- Liability
- Engineering
- Travel
- Extended Warranty
- Crop Insurance
- Retail Cyber protect

### Product Mix

- Retail Health (Retail)
- Group Health (Non Retail)
- Others (Mainly Non Retail)
- Prop, Liability, Engg (Mainly Non Retail)
- Agri (Crop Insurance) (Non Retail)
- Motor (Retail)



- Retail product\* mix is 54% for FY19 (FY18 53%)

\*Retail Products include Motor, Retail health, Retail Personal Accident, Retail Travel and Home Insurance

# BAJAJ ALLIANZ GENERAL INSURANCE – FINANCIAL HIGHLIGHTS



1USD = Rs.70

Financials Snapshot, USD MM (IGAAP)	FY 15	FY 16	FY 17	FY 18	FY 19	CAGR
Capital Infused including premium	40	40	40	40	40	
Net Worth	318	399	505	638	738	23%
Asset under Management (AUM)	1,123	1,316	1,547	2,118	2,462	22%
GWP	757	843	1,098	1,355	1,585	20%
NEP	547	603	705	866	1,001	16%
UW result	12	-9	9	42	3	
Profit after tax	80	81	104	132	111	9%
<b>Ratios</b>						
	FY 15	FY 16	FY 17	FY 18	FY 19	
Combined Ratio	96.7%	99.3%	96.8%	92.3%	96.7%	
Return on Avg Equity (%)	28.9%	22.5%	23.0%	23.0%	16.2%	
Book Value per share (USD/Share)	2.9	3.6	4.6	5.8	6.7	23%

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.

# BAJAJ ALLIANZ LIFE INSURANCE

# BALIC - KEY STRATEGIC DIFFERENTIATORS

## STRATEGY

- Balance growth with balanced product mix, seeking steady increase in market share of individual business
- Business construct is to balance customer benefit with shareholder returns, focusing on New Business Value

## DIFFERENTIATORS

### Retail orientation

- Focus on all retail segments – mass and mass affluent customers
- Diverse channels – Agency, Banca, Proprietary sales
- Strong Online Presence

### Strong proprietary channels

- Large pan-India agency force : 3<sup>rd</sup> highest agency premium amongst private players.
- Dedicated proprietary sales channel

### Innovative products and Sustainable product mix

- Balanced product mix between Unit Linked and Traditional Plans
- Differentiated product propositions like ROMC\*, 36 critical illness and Pension

### Efficient Operations

- Lean support structure
- Leverage technology to drive efficiencies

\*ROMC : Return of Mortality Charge

# BALIC - KEY TAKEAWAYS

## Industry beating Individual Rated Premium (IRP)

- BALIC's industry beating IRP growth of 25% vs Industry growth of 9% in FY19

## Robust New Business Value growth

- Focus is on growing New Business Value (NBV), FY17 to FY19 NBV CAGR of 44%

## Positive Net Margin

- Net Margin post overruns turned positive to 6.9% for the first time after 4 years

## Improved Customer Grievance

- Customer grievances saw a significant decline by 33% in FY2019 over FY2018 to an all time low of 72 grievances per 10,000 new policies issued

## Statutory Profit under stress

- Statutory profit (PAT) depressed due to new business strain caused by growth and one-off provision for impairment of investment amounting to \$19 MM

## Dividend declaration

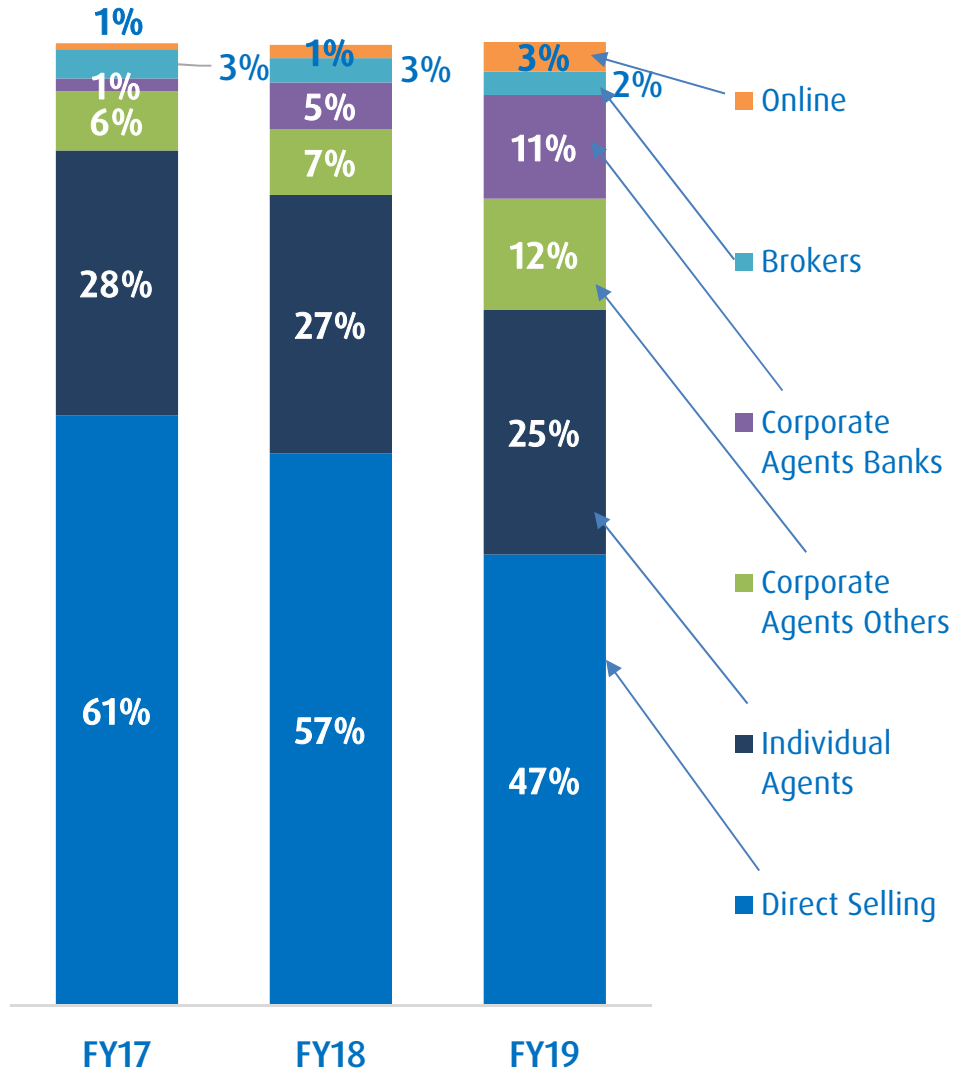
- BALIC has declared dividend of 70% of face value for FY19, same as previous year

Transformation in the Life insurance business continues

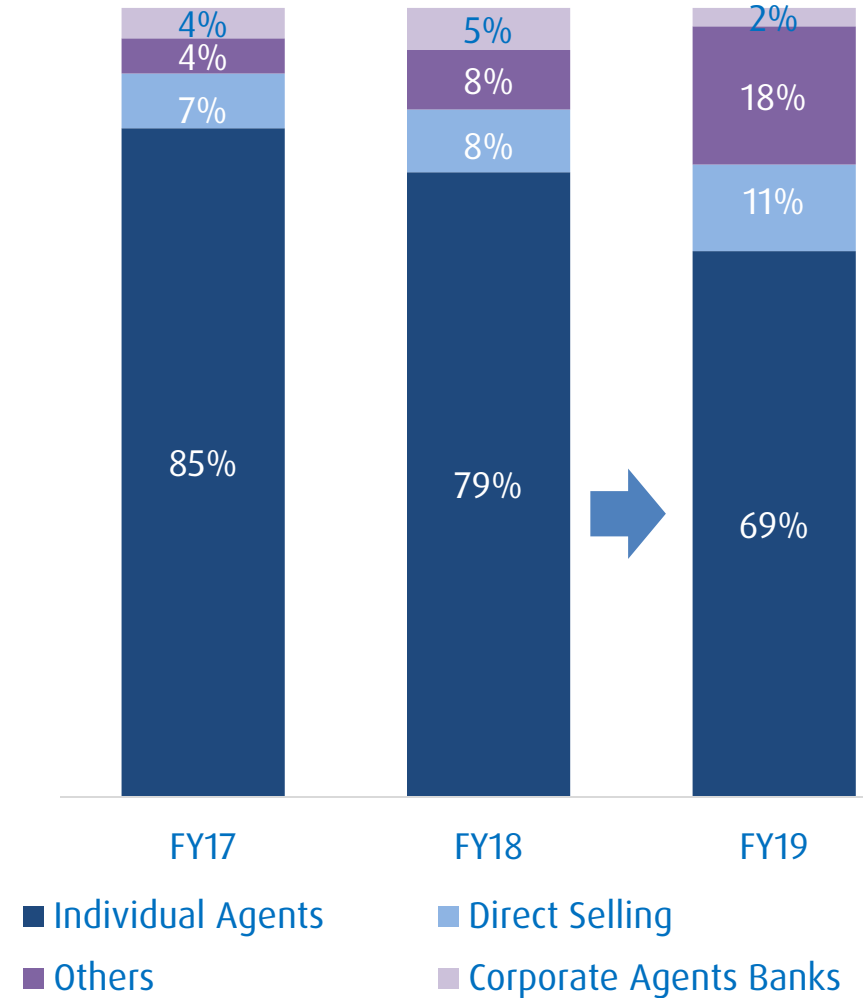


# BALIC - DIVERSIFIED DISTRIBUTION

## New Business Channel Mix

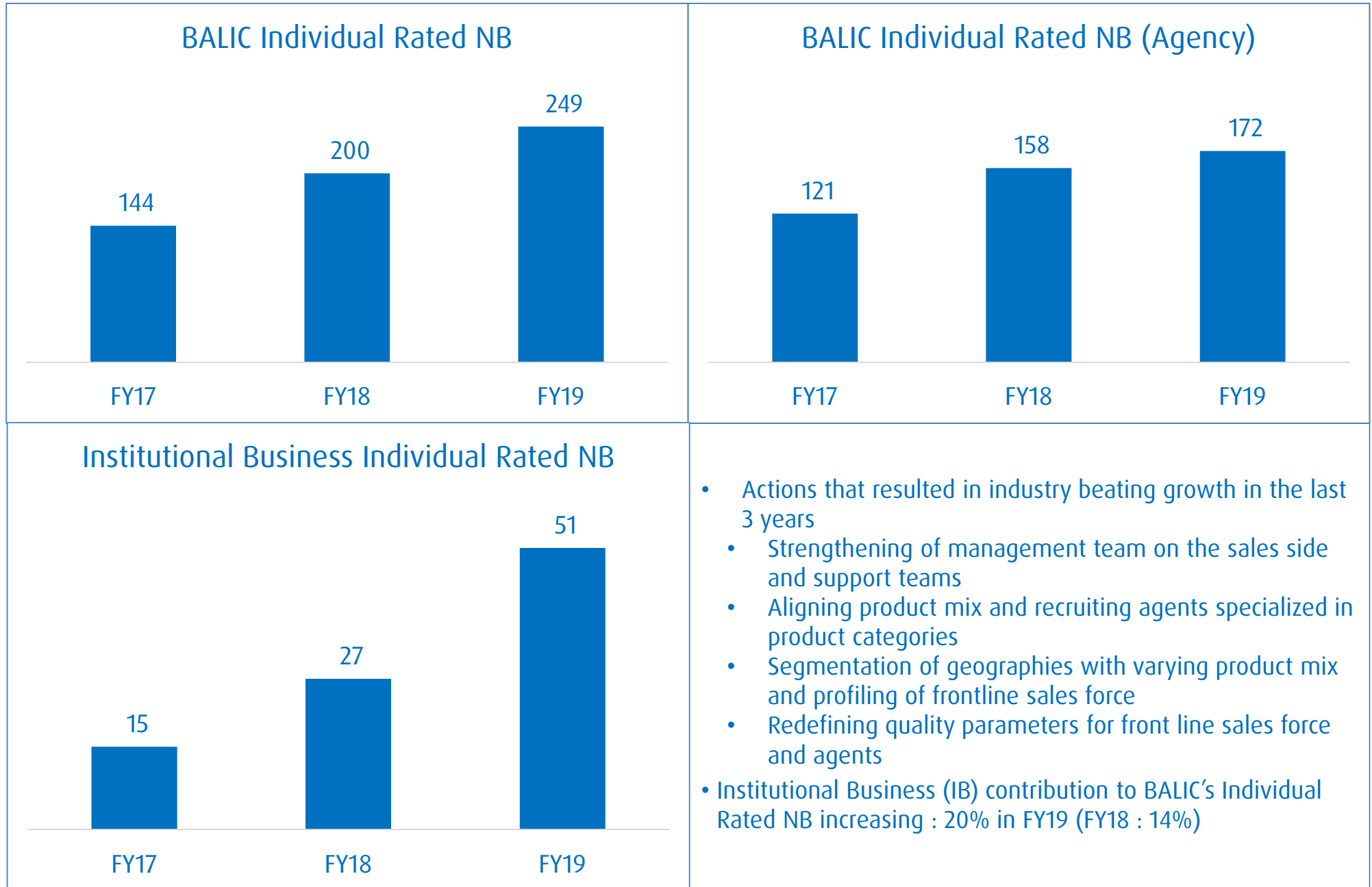


## Individual Business Channel Mix



- Share of non-agency channels to individual premiums increasing
- Recent IB tie-ups include Bandhan Bank, IIFL, Janalakshmi SFB, Ujjivan SFB, Indian Post Payment Bank & ESAF SFB

# BALIC - INDIVIDUAL RATED BUSINESS

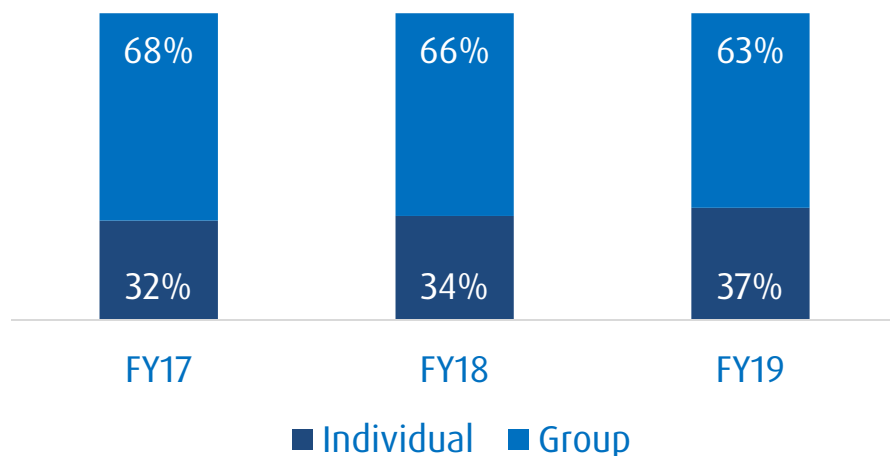


- Actions that resulted in industry beating growth in the last 3 years
- Strengthening of management team on the sales side and support teams
- Aligning product mix and recruiting agents specialized in product categories
- Segmentation of geographies with varying product mix and profiling of frontline sales force
- Redefining quality parameters for front line sales force and agents
- Institutional Business (IB) contribution to BALIC's Individual Rated NB increasing : 20% in FY19 (FY18 : 14%)

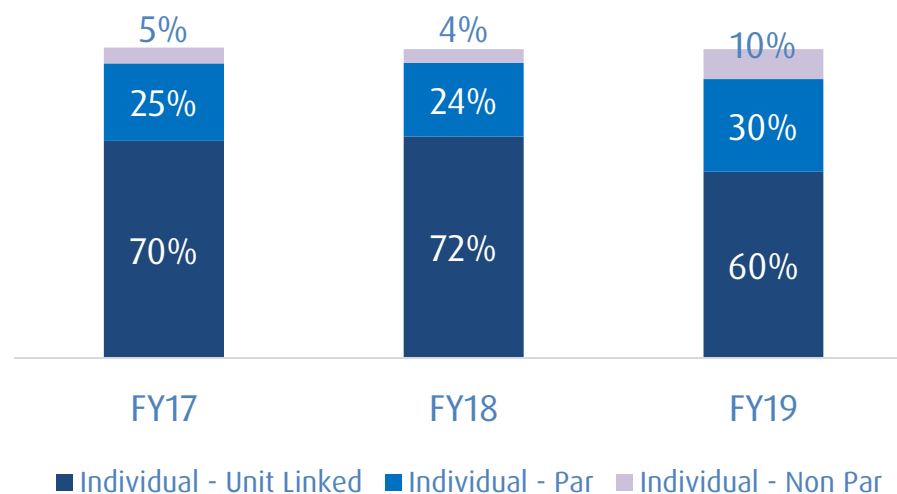
Individual Rated NB = (100% of first year premium & 10% of single premium excluding group products)

# BALIC - BALANCING PRODUCT MIX FOR SUSTAINABILITY

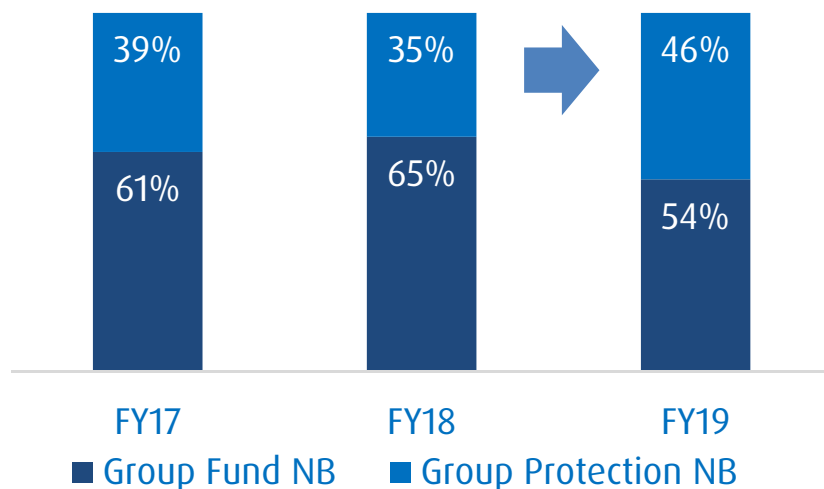
### New Business Product Mix



### Individual Rated Mix



### Group NB Mix

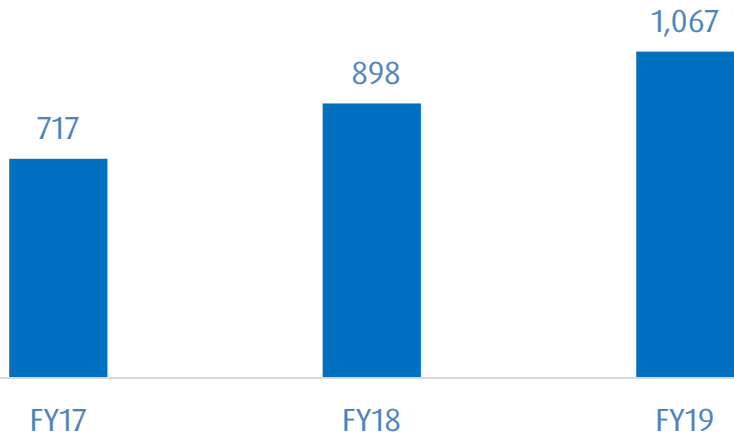


- Balancing product mix between traditional and Unit-linked as well as between Individual and group has been the cornerstone of BALIC's strategy.
- During FY19 share of ULIP was lower, in line with BALIC's strategy to de-risk market volatility
- Individual Rated NB product mix is well diversified across par, non par and UL
- Protection Business (Group) new business in FY19 \$207 MM (FY18 \$140 MM) a growth of 48%.

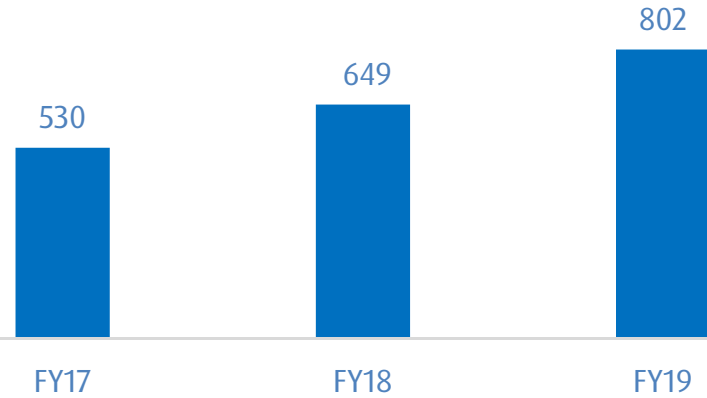
# BALIC - IMPROVEMENTS IN PRODUCTIVITY

1 USD = Rs.70

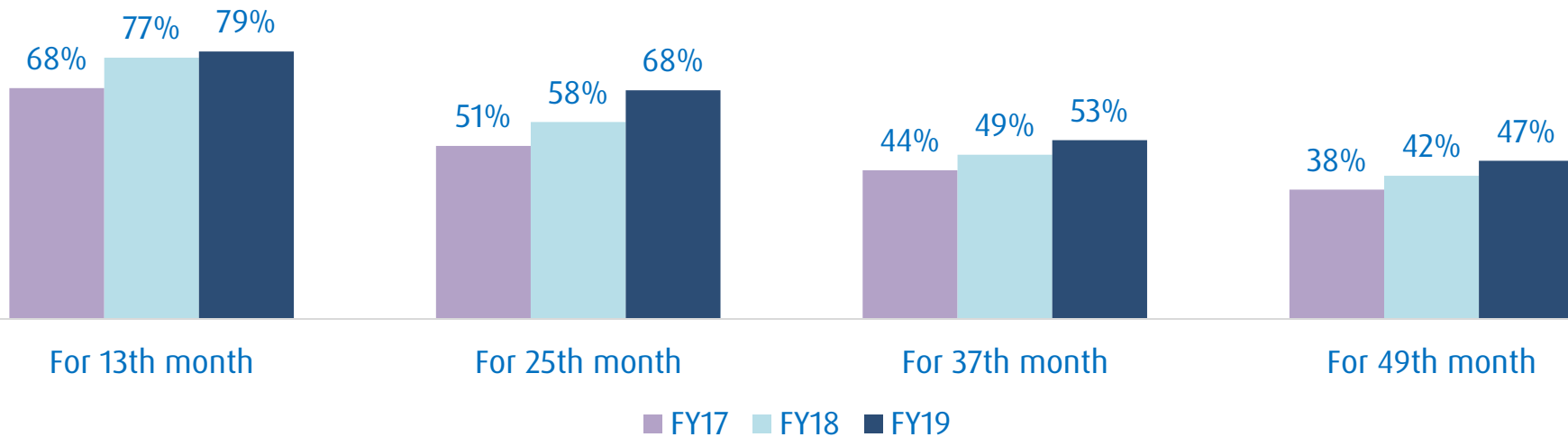
Individual Regular Business  
Average Ticket Size USD (Agency)



Individual Regular Premium Business  
Average Ticket Size (USD)



Persistency Trends (Premium based)



- Focus on Individual Premium Business from mass affluent and higher category of customers, while maintaining its dominance in the mass market segment

# BAJAJ ALLIANZ LIFE INSURANCE – FINANCIAL HIGHLIGHTS

Financials Snapshot, USD MM (IGAAP)	FY15	FY16	FY17	FY18	FY19	CAGR
Capital infused including premium	173	173	173	173	173	
Net Worth	964	1,090	1,211	1,317	1,379	9%
Assets under management (AUM)	6,222	6,301	7,039	7,424	8,089	7%
New Business	386	412	477	613	703	16%
Renewal Premium	474	430	406	470	562	4%
Gross premium	860	842	883	1,083	1,265	10%
Benefits Paid	1,176	714	881	1,151	762	-10%
Policyholder Surplus	45	50	48	44	108	25%
Transferred to shareholder account*	53	38	32	27	15	-27%
Income under shareholders account#	72	88	87	75	57	-6%
Profit after tax	125	126	119	102	72	-13%
Embedded Value	1,329	1,411	1,609	1,694	1,856	-
Book value per share (USD/share)	6.4	7.2	8.0	8.7	9.2	9%

- New business (NB) premium for FY19 grew by 15%
- Renewal premium for FY19 grew by 20%

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

# NEW BUSINESS VALUE (NBV) AND EMBEDDED VALUE UPDATE

Figures in USD : MM  
1 USD = Rs.70

Particulars	FY17	FY 18	FY 19
Annualized Premium** (ANP)	184	255	318
New Business Value* (NBV)	24	32	50
NBV Growth	4.8%	33.3%	56.4%
Implied Margins on ANP <sup>+</sup>	12.98%	12.47%	15.62%
Embedded Value <sup>++</sup> (EV)	1,609	1,694	1,856

- 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 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.

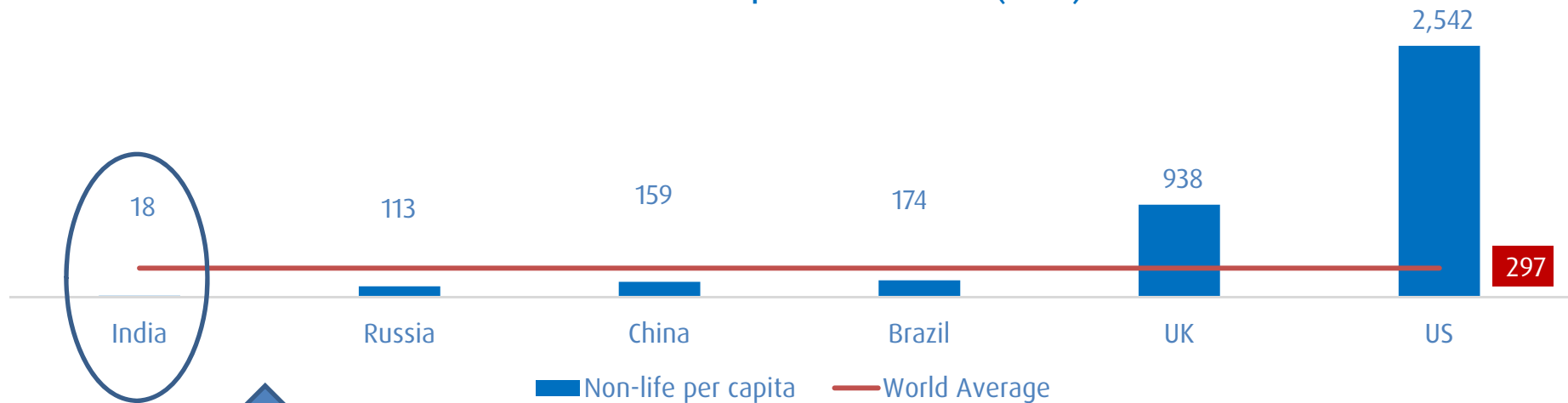
+ Net Margin post overruns turned positive during the year FY19

++On Market consistent basis

# Annexures

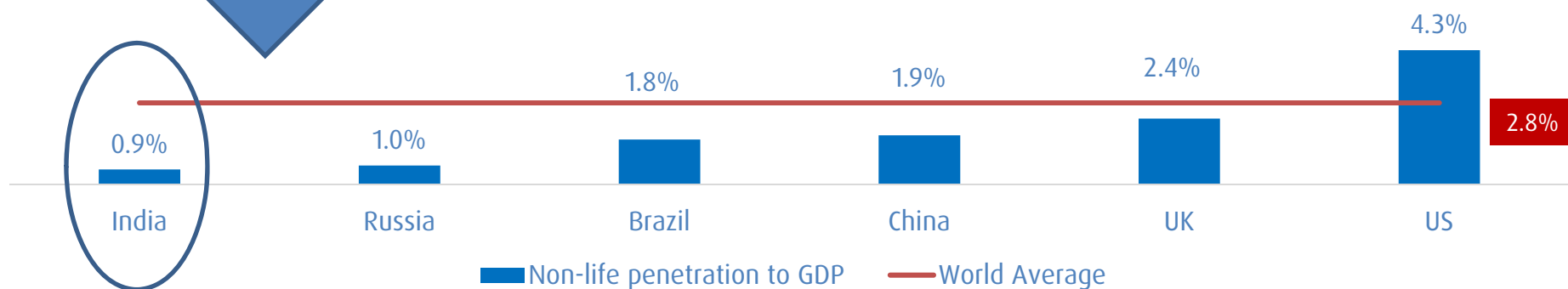
# BAJAJ FINSERV'S OPPORTUNITY SPECTRUM: NON LIFE INSURANCE

### Non Life Per Capita Premium (USD)



Non Life Per Capita and penetration to GDP way below advanced economies and lower than world average

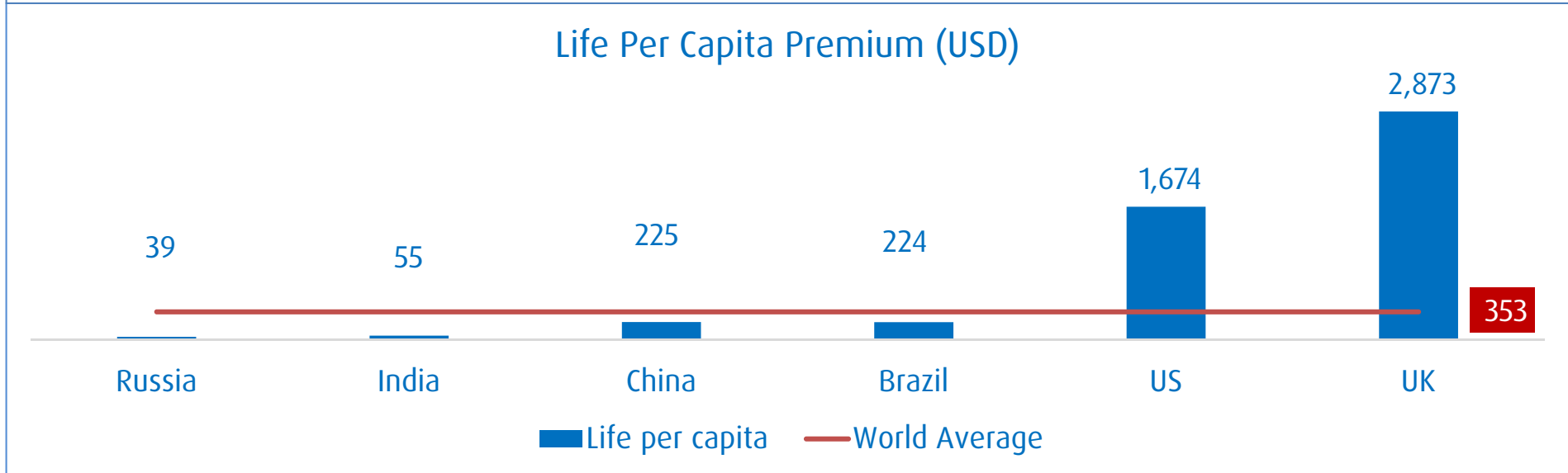
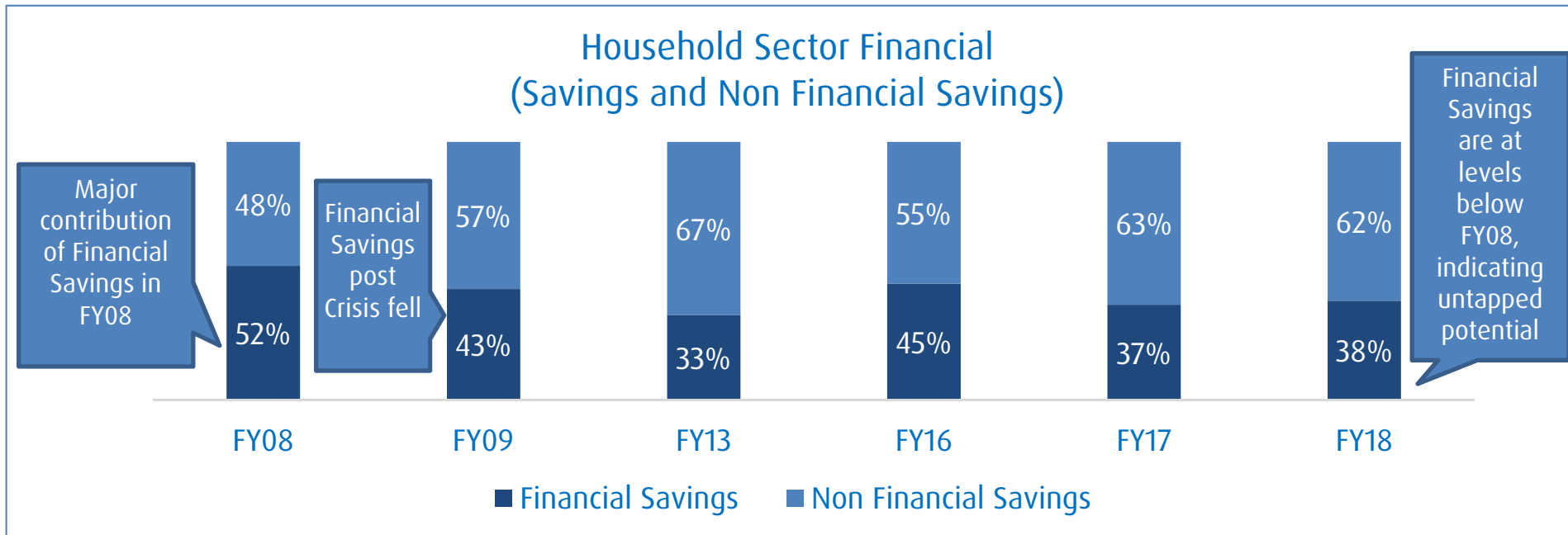
### Non Life penetration to GDP



Insurance figures: Swiss Re: World Insurance Sigma 3/2018



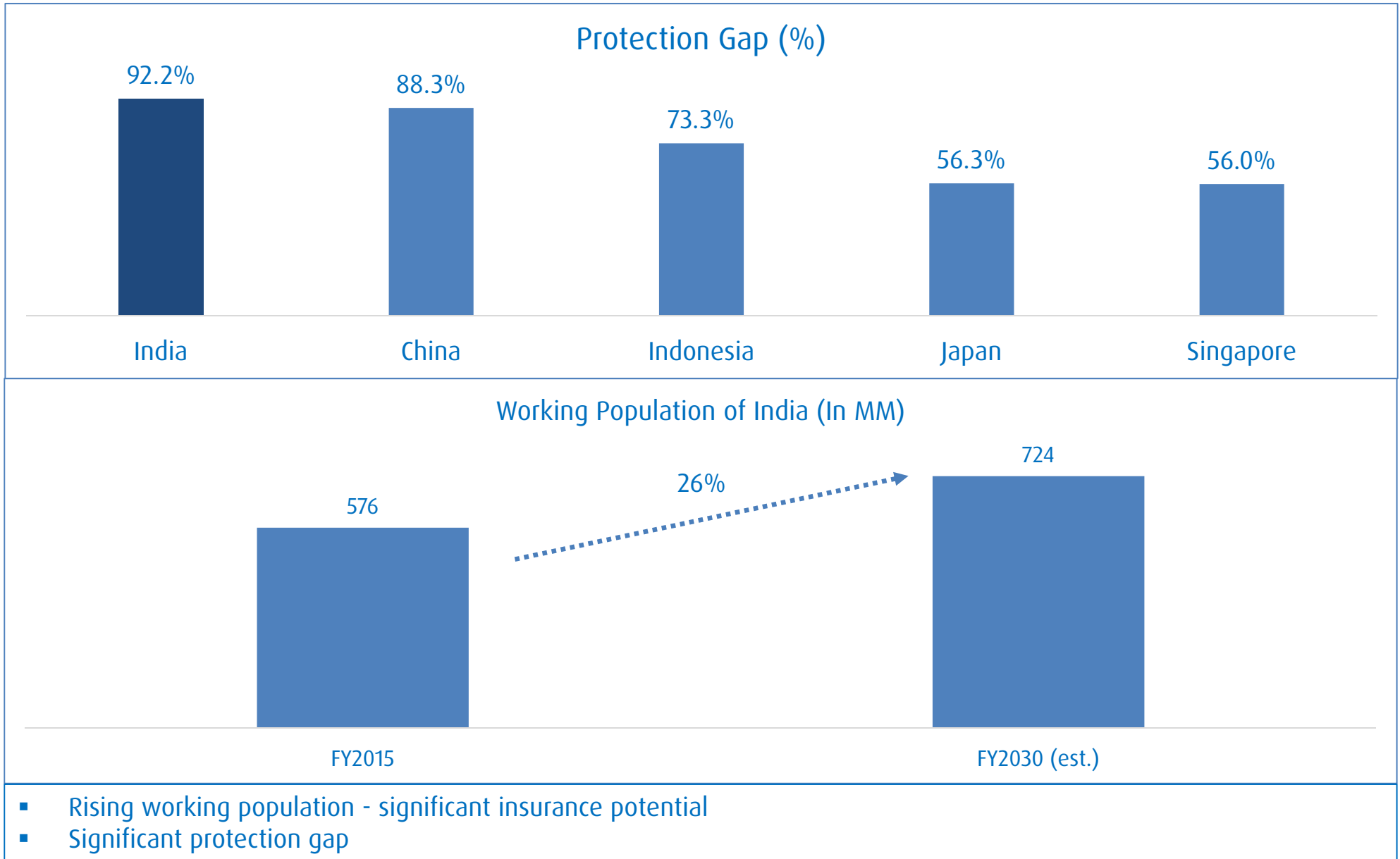
# BAJAJ FINSERV'S OPPORTUNITY SPECTRUM : LIFE INSURANCE



Household Savings data : Central Statistical Organization / RBI Bulletin March 2019, at Current Prices, Base year 2011-12 after FY13, Base year 2004-05 for FY03 to FY09

Insurance figures: Swiss Re: World Insurance Sigma 3/2018

# BAJAJ FINSERV'S OPPORTUNITY SPECTRUM : LIFE INSURANCE



## Bajaj Finance

- Long term rating of 'BBB-/Stable and Short-term rating of 'A-3' by S&P Global Ratings
- Credit rating for FD program is FAAA/Stable by CRISIL & MAAA (Stable) by ICRA
- Credit rating for Long Term Debt Program is AAA/Stable by CRISIL, ICRA, CARE & India Ratings
- Credit rating for Short Term Debt Program is A1+ by CRISIL, ICRA & India Ratings

## BAGIC

- Rating of i-AAA by ICRA shows highest claim paying ability of an insurance company, fundamentally strong position and prospect of meeting policy holder obligations at its best
- Brand linkages with the promoter groups viz. Bajaj group and Allianz group
- Rating reflects a leading position in the private sector general insurance, owing to its strong solvency, consistent healthy performance in underwriting and profitability parameters.

## BALIC

- CARE AAA [ Triple A (Insurance)] for Claims Paying Ability / Financial Strength
- High degree of business synergies and brand linkages with the promoter groups viz. Bajaj group and Allianz group
- Indicates strong parentage, strong solvency position, experienced management, good asset quality, healthy profitability, strong systems & processes, comfortable liquidity and moderate persistency ratio

- Bajaj Finserv has adopted Indian Accounting Standards (Ind AS) with effect from 1<sup>st</sup> April 2018
- Ind AS are the IFRS compliant accounting standards adopted by India
- Figures in respect of Bajaj Finance Ltd. are as per Ind AS
- Consolidated figures for FY19 are compliant with Ind AS
- Corresponding figures for FY18 have been restated to be compliant with Ind AS
- Figures in the business presentation of insurance companies are based on their stand alone Indian GAAP numbers, however, for consolidation purposes, they have provided Ind AS compliant financial statements

# BAJAJ FINSERV : RECONCILIATION OF CONSOLIDATED PROFIT AS PER IND AS WITH INDIAN GAAP



All Figures in USD MM  
1 USD = Rs.70

Particulars	FY2018	FY2019
Net Profit after Tax as per Indian GAAP@	392	478
Ind AS Adjustments : Increase / (decrease)		
Adoption of Effective Interest Rate (EIR) for financial assets recognised at amortised cost*	(10)	(31)
Adoption of Effective Interest Rate (EIR) for financial liabilities recognised at amortised cost*	0.5	8
Fair Valuation of Investments	0.5	10
Expected Credit Loss	1	(12)
Fair Valuation of ESOP	(4)	(5)
Others	(1)	12
<b>Net Profit after Tax as per Ind AS</b>	<b>379</b>	<b>460</b>

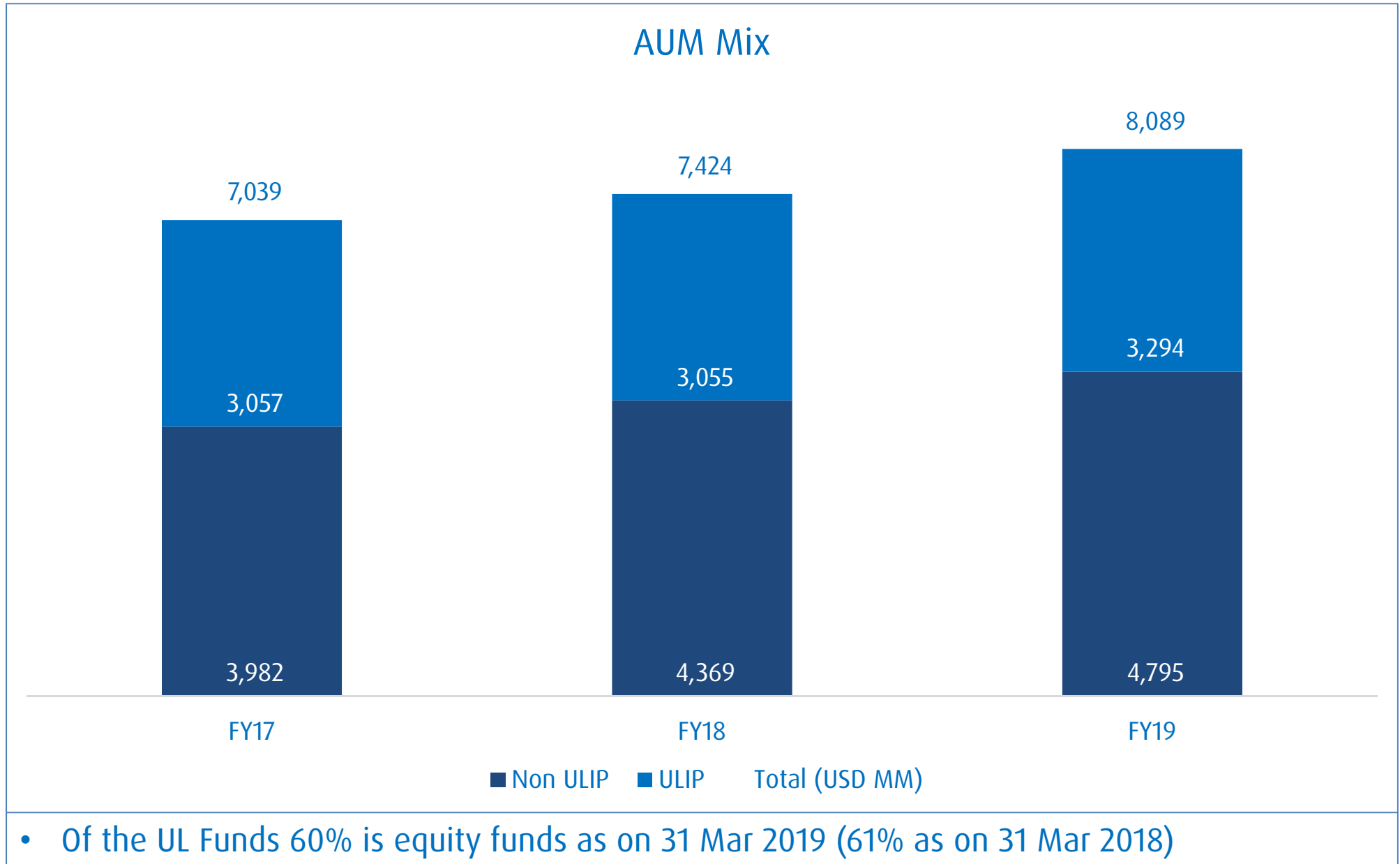
@ Amounts as per Indian GAAP for FY18 and FY19 are management estimates and not reviewed by auditors

\*Net of Deferred tax impact or adjustments

FY 2018-19

- ❑ The Company and its housing finance subsidiary (BHFL) have continued to maintain a strong ALM profile as of 31 Mar 2019
- ❑ The Company continued to maintain strong liquidity profile:
  - ❑ The total consolidated liquidity buffer (free cash and cash equivalents) was at \$945 MM as of 31 Mar 2019
  - ❑ The liquidity buffer (free cash and cash equivalents) as of 31 Mar 2019 was \$694 MM in BFL and \$251 MM in BHFL
- ❑ Deposits franchise (retail and corporate) continued to grow in a healthy manner. The consolidated deposits contribution was at 13% of total liability mix as of 31 Mar 2019.
- ❑ The Company continued to get access to funding from money markets, banks, retail and corporate depositors despite the continued challenges faced by the NBFC and HFC sector in Q4 FY19
  - ❑ Total funds raised by BFL and BHFL through money market and term loans were \$3,043 MM
  - ❑ BFL raised \$1,524 MM from money market and \$672 MM through term loans from banks in Q4 FY19
  - ❑ BHFL raised \$647 MM from money market and \$200 MM from bank loans in Q4 FY19

# BALIC - AUM MIX



# BALIC : EMBEDDED VALUE MOVEMENT

Figures in USD : MM  
1 USD = Rs.70



Increase / Decrease

1. Par Business Overruns are considered at 10% of Overrun net of tax; FY2019 \$27 MM (FY18 \$34 MM)
2. 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.
3. Others include impact of expected loss on exposure to investments and Dividend



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