

19 July 2017

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|--|---|
| To Corporate Relations Department. BSE Limited 1st Floor, New Trading Ring Rotunda Building, P J Tower Dalal Street, Fort, Mumbai 400 001. BSE CODE: 532978 | To Corporate Listing Department. National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No.C-1, G Block Bandra-Kurla Complex Bandra (East), MUMBAI 400 051. NSE CODE: BAJAJFINSV |
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Subject: Investor Presentation for financial results of the first quarter ended 30 June 2017

Dear Sir/Madam,

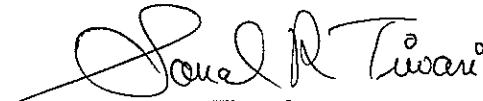
Further to our letter dated 3 July 2017, please find enclosed Investor Presentation for financial results of the first quarter ended 30 June 2017 under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule III thereto.

This is for your information please.

Thanking you,

Yours faithfully,

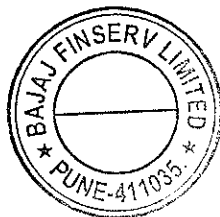
For Bajaj Finserv Limited.



Sonal R Tiwari

Company Secretary

Encl: as above.



Bajaj Finserv Limited

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Viman Nagar, Pune - 411 014, Maharashtra, India
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www.bajajfinserv.in
Corporate ID No: L65923PN2007PLC130075

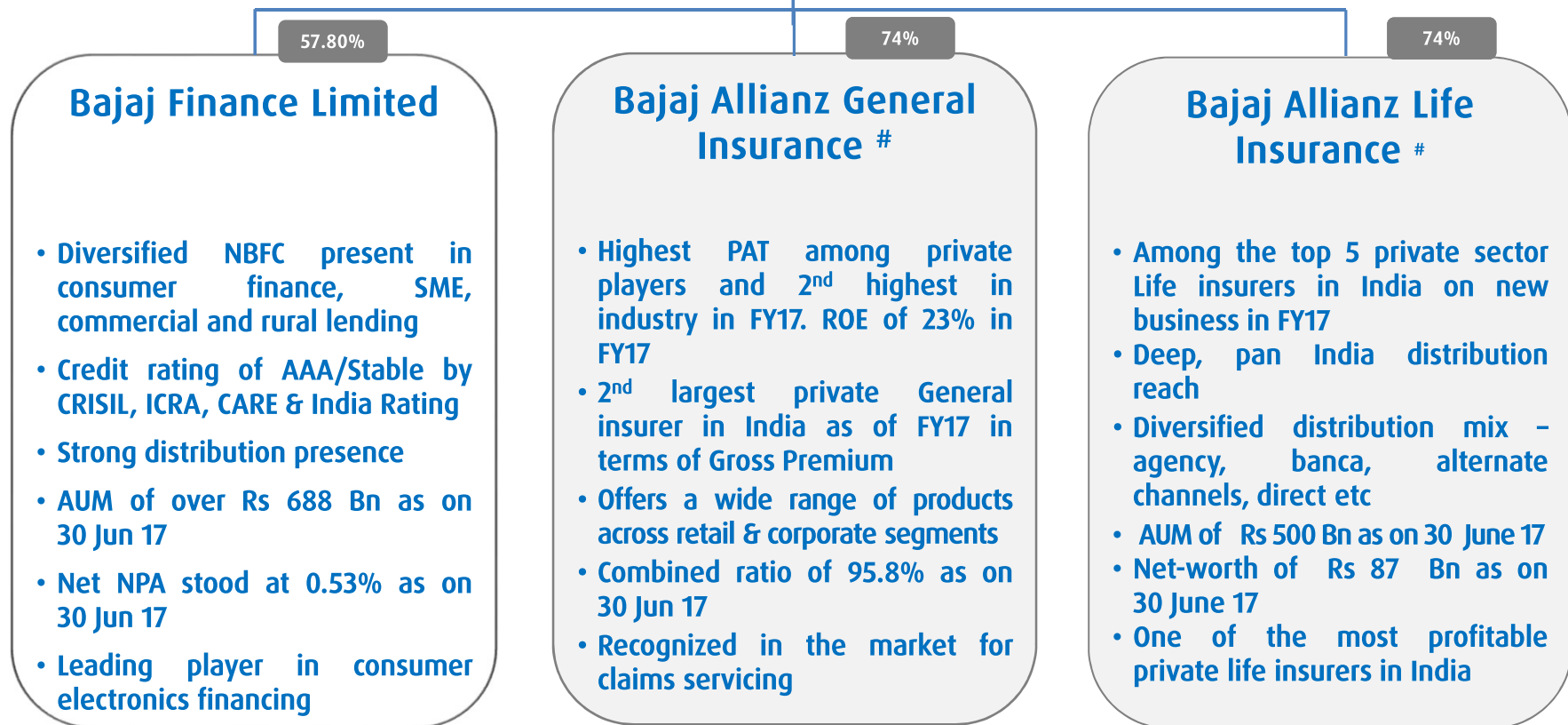


BAJAJ FINSERV LIMITED

Investor Presentation – Q1 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 spanning life insurance, general insurance, and lending, with a pan India presence
- Bajaj Finserv is also a listed opportunity to participate in India's insurance sector

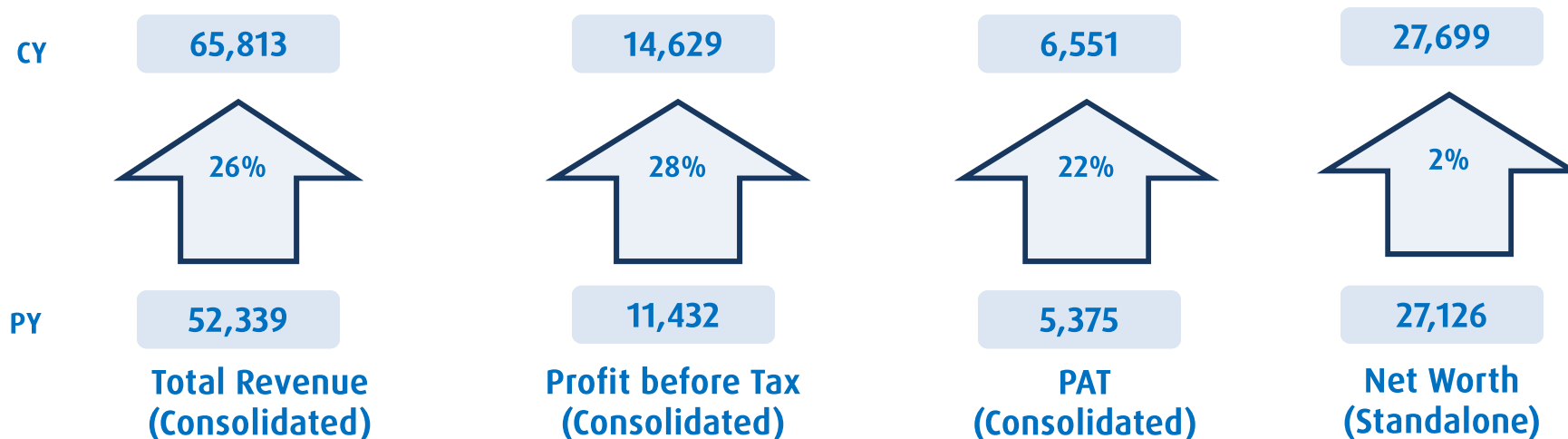
Shareholding is as of 30th June 2017. Chart shows only major subsidiaries.
Not listed

Bajaj Finserv performance highlights



All Figures in Rs Million

Performance Highlights of Q1 FY18 over Q1 FY17



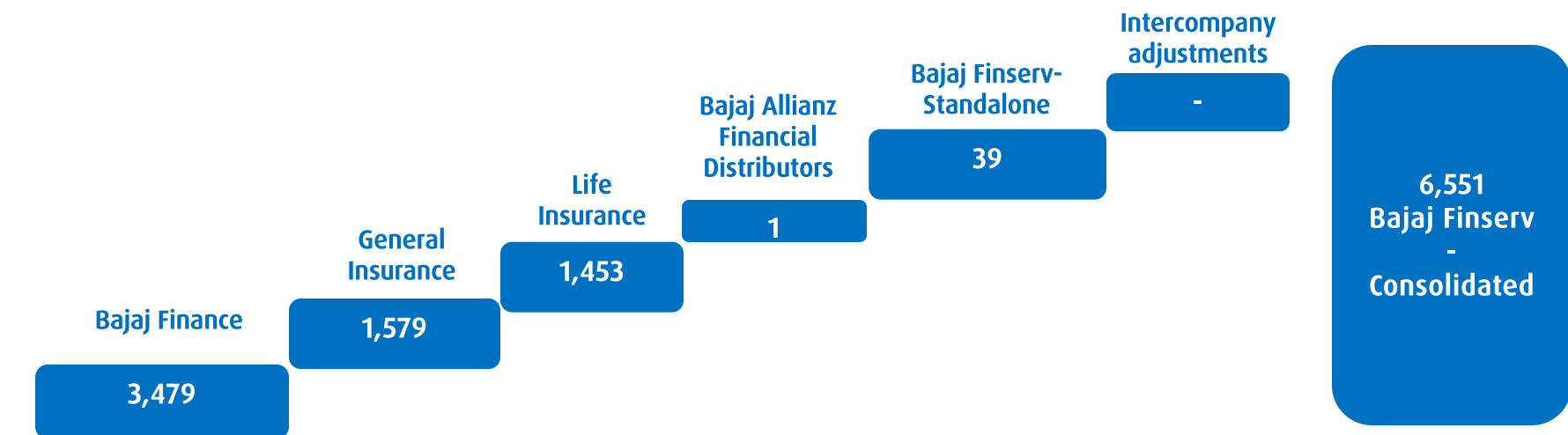
- Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds stood at Rs. 5.7 Bn as on 30 June 2017
- Consolidated Net Worth stood at Rs. 165 billion and Consolidated Book Value Per Share at Rs. 1,035

Consolidated profit components

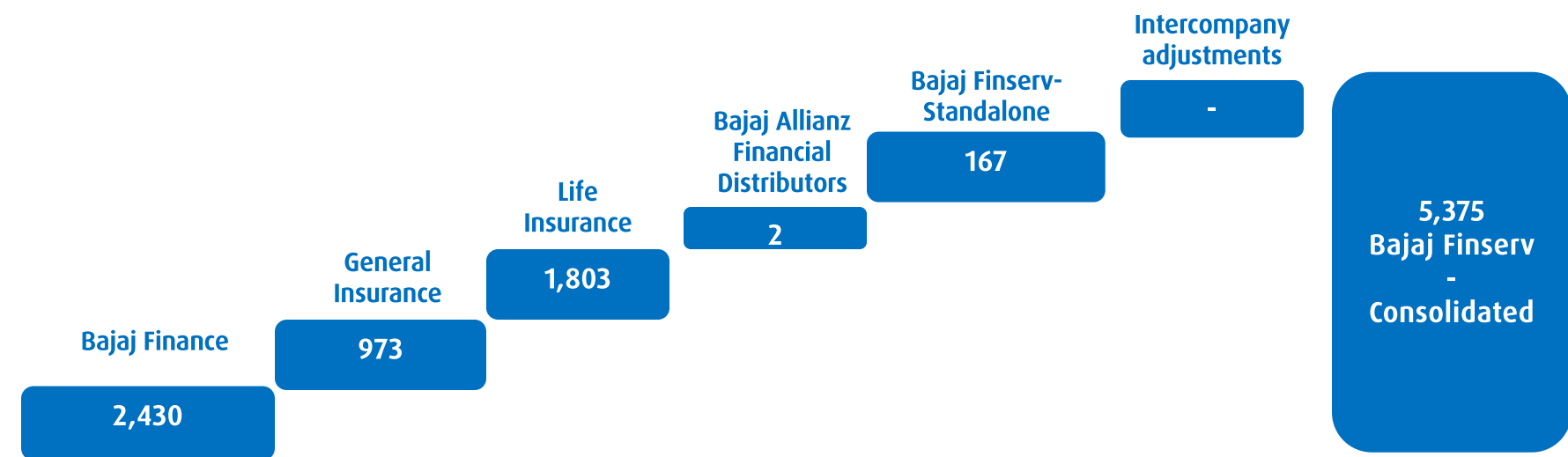


All Figures in Rs Million

Consolidated profit components for Q1 FY18



Consolidated profit components for Q1 FY17



Q1 Highlights



All Figures in Rs Million

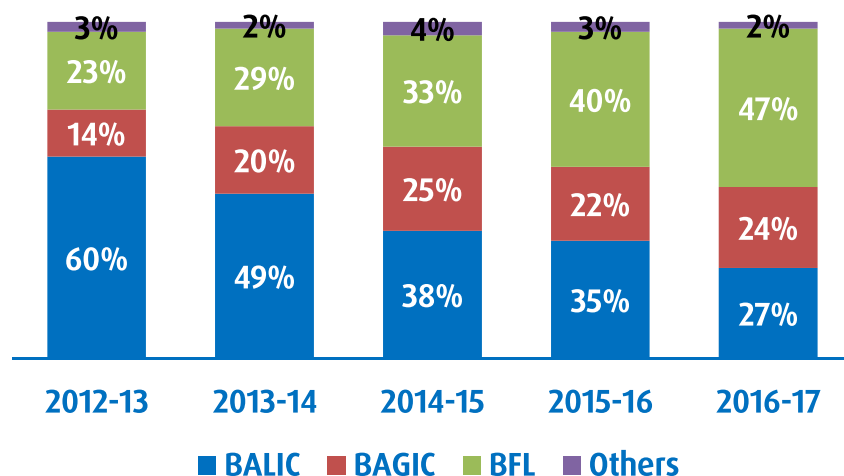


| BAJAJ FINSERV | Q1 FY18 | Q1 FY17 | Growth |
|------------------|---------|---------|--------|
| Total Revenue | 65,813 | 52,339 | 26% |
| Net worth (Cons) | 164,765 | 139,300 | 18% |
| PAT | 6,551 | 5,375 | 22% |

Highlights of Group Companies

| BAJAJ FINANCE | Q1 FY18 | Q1 FY17 | Growth |
|---------------|---------|---------|--------|
| AUM | 688,828 | 496,083 | 39% |
| Total Income | 31,645 | 22,818 | 39% |
| PAT | 6,020 | 4,240 | 42% |

Consolidated Profit Components *



| BAGIC | Q1 FY18 | Q1 FY17 | Growth |
|-------------------|---------|---------|--------|
| GWP | 19,732 | 15,271 | 29% |
| Total Investments | 116,867 | 100,534 | 16% |
| PAT | 2,133 | 1,315 | 62% |

| BALIC | Q1 FY18 | Q1 FY17 | Growth |
|-------------|---------|---------|--------|
| GWP | 11,536 | 10,041 | 15% |
| Investments | 499,982 | 457,292 | 9% |
| PAT | 1,964 | 2,437 | -19% |

* 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 high ROA and superior ROE
- 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 21.69 Mn and Cross sell client base of 12.19 Mn
- ❑ Consumer PPC of 3.01 and SME PPC of 4.93 vs corresponding Consumer PPC of 2.88 and SME PPC of 3.76 last year
- ❑ AUM mix for Consumer : SME : Commercial : Rural stood at 46% : 34% : 15% : 6%
- ❑ Continuous improvements 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 financier in India
- Among top 3 Two-wheeler financiers
- Presence in 339 locations with 33,000+ active points of sale
- Amongst the largest personal loan financiers
- EMI (Existing Member Identification) Card franchise of over 9.8 Mn (incl EMI & Virtual EMI cards)
- 3.01 products per customer
- Among the largest new loans acquirers in India (3.77 Mn in Q1 FY18)

SME

- Focused on High Net worth SMEs with average annual sales of Rs 150 Mn with established financials and demonstrated borrowing track records
- Products for SME businesses and professionals
- Working Capital and Growth Capital
- Relationship Management approach to cross-sell
- 4.93 products per customer

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 through collateralized mortgages and securities

Rural

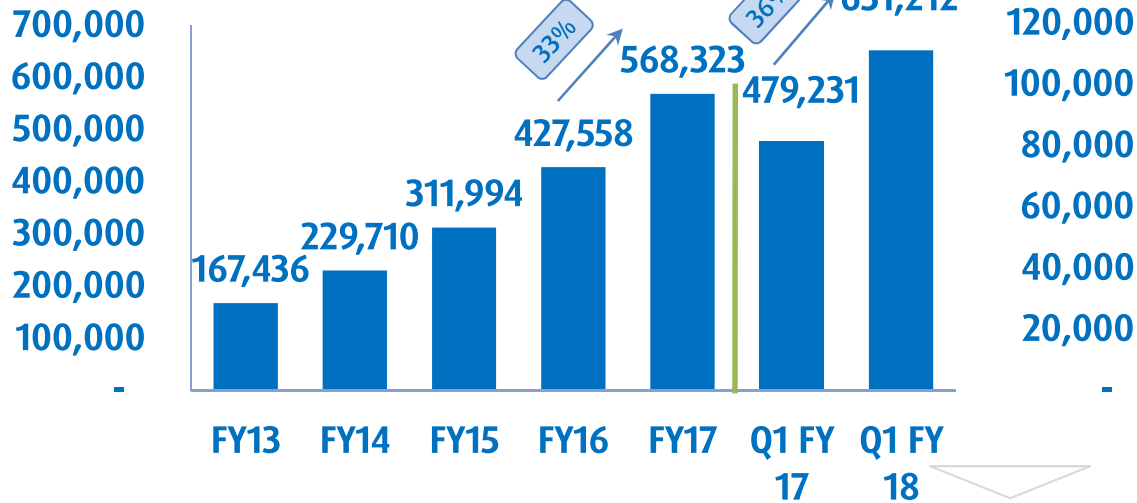
- Unique hub-and-spoke model in 560 locations and retail presence across 5,900+ points of sale
- Diversified rural lending model with 11 product lines for consumer and MSME segments

Bajaj Finance has clocked healthy growth in revenues

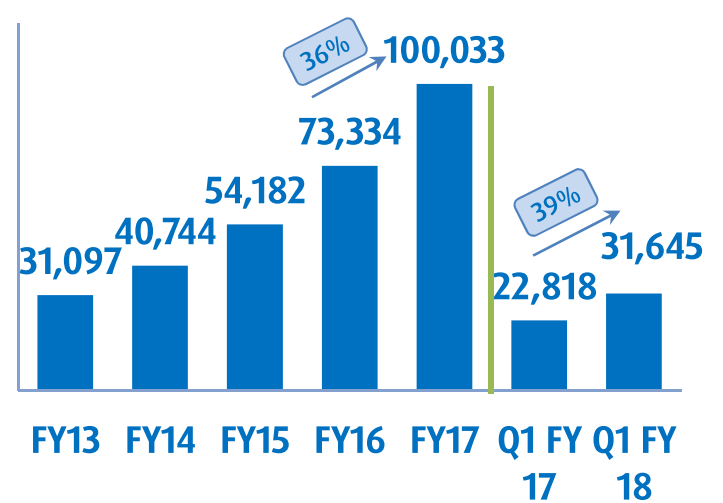


All Figures in Rs Million

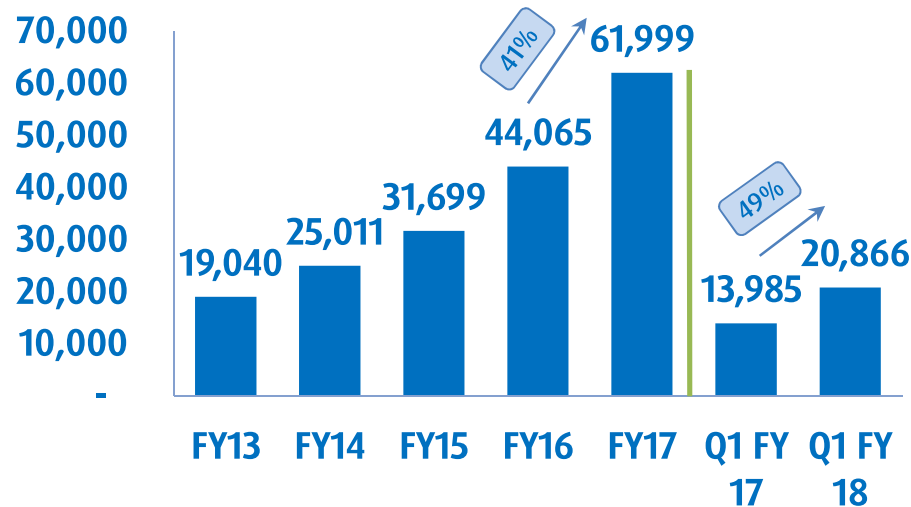
Book Size



Total Income



Net Interest Income

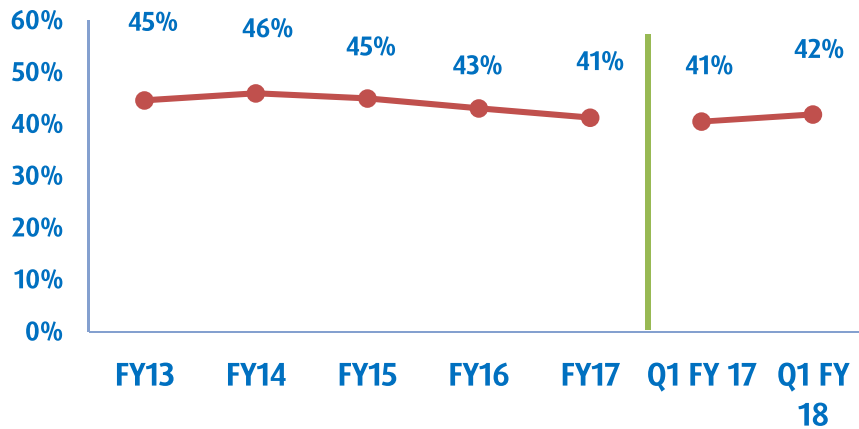


Portfolio quality continues to be good, and operating costs remain under control

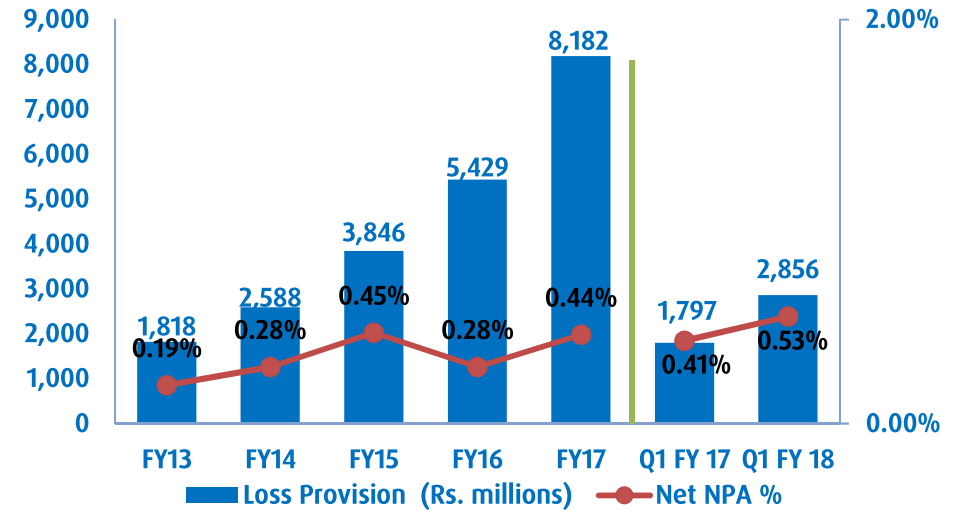


All Figures in Rs Million

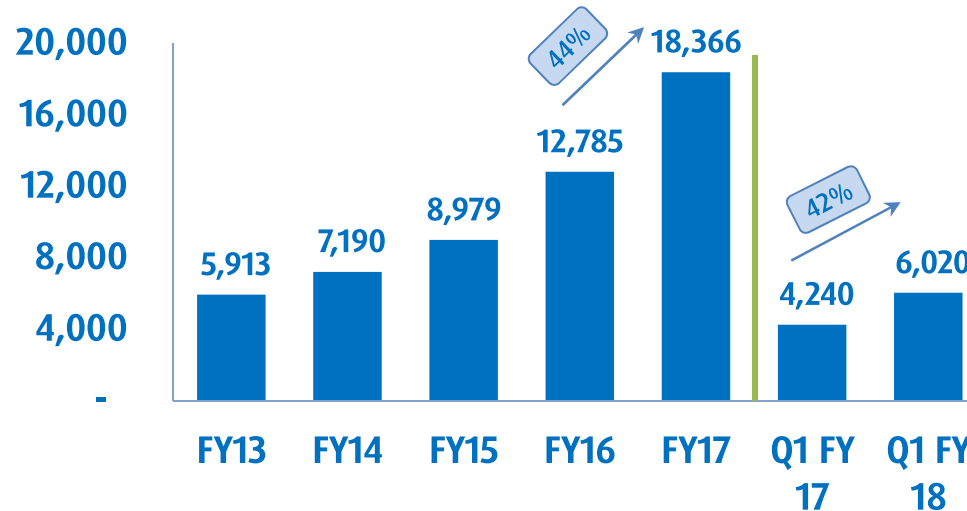
Operating expenses as a % of NII



Loss Provision and Net NPA%



PAT

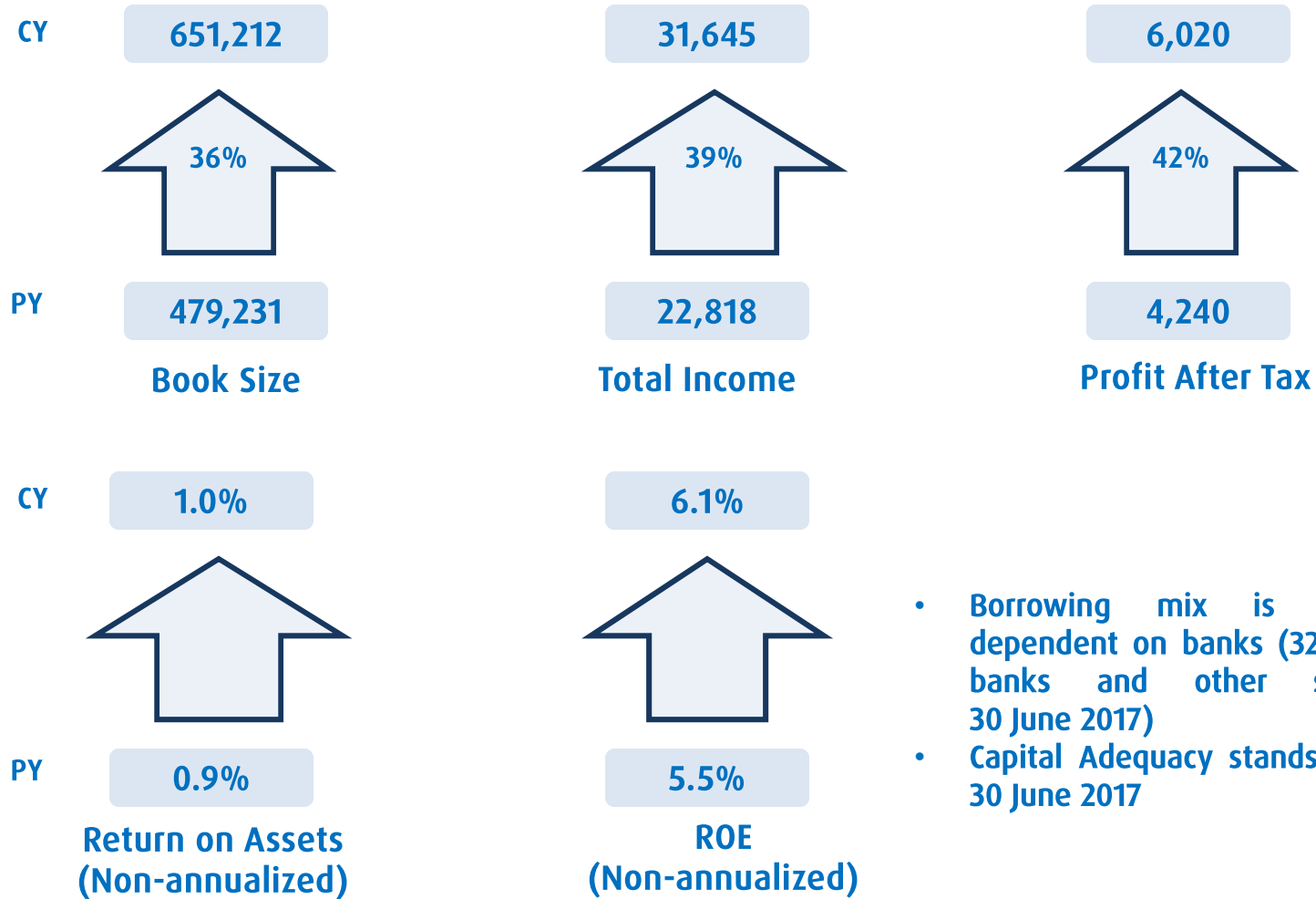


Bajaj Finance – Q1 highlights



All Figures in Rs Million

Performance Highlights of Q1 FY18 over Q1 FY17



- Borrowing mix is not excessively dependent on banks (32:68 mix between banks and other sources as of 30 June 2017)
- Capital Adequacy stands at 20.15% as of 30 June 2017



Bajaj Allianz General Insurance

STRATEGY

- ❑ **Grow faster than market in chosen segments**
- ❑ **Presence across retail and commercial lines, with a focus on retail business**
- ❑ **Emphasis on profitability through superior underwriting, & strong cash flow generation, resulting in superior ROE**
- ❑ **Deliver industry leading customer experience**

DIFFERENTIATORS

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 like virtual points of sale, All women branches etc.

Balanced distribution mix

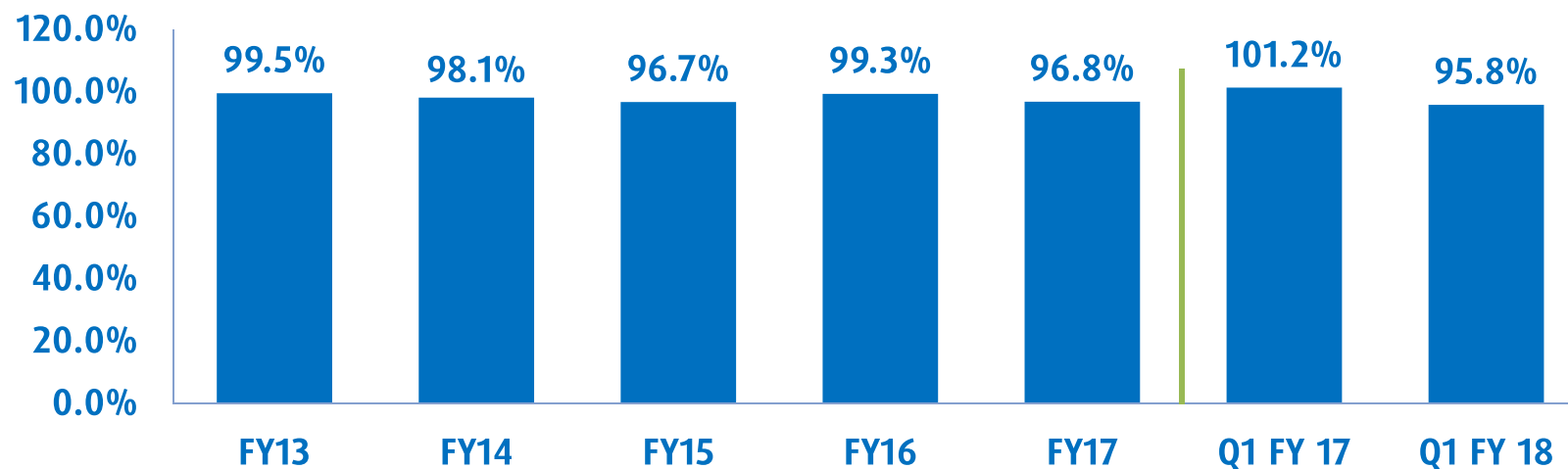
- ❑ Multi channel distribution network with motor dealers, manufacturer tie ups, agency, bancassurance, direct etc
- ❑ Over 9.9 Mn policies in FY17

Excellent claims servicing

- ❑ Has a consistent track record of excellence in claims servicing
- ❑ Winner of “Best General Insurance player of the Year” in Insurance Awards Asia 2016

BAGIC has maintained consistent industry leading Combined ratio, below 100%

Combined Ratios – Including Motor TP Pool Losses



1. A combined ratio below 100% indicates that the company makes profits from its insurance operations.

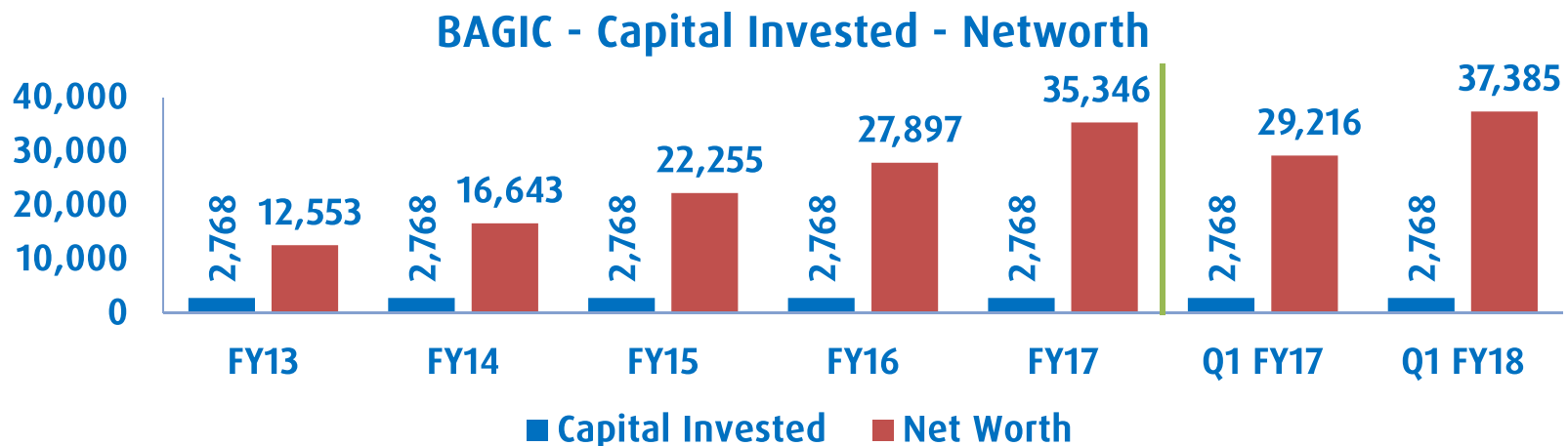
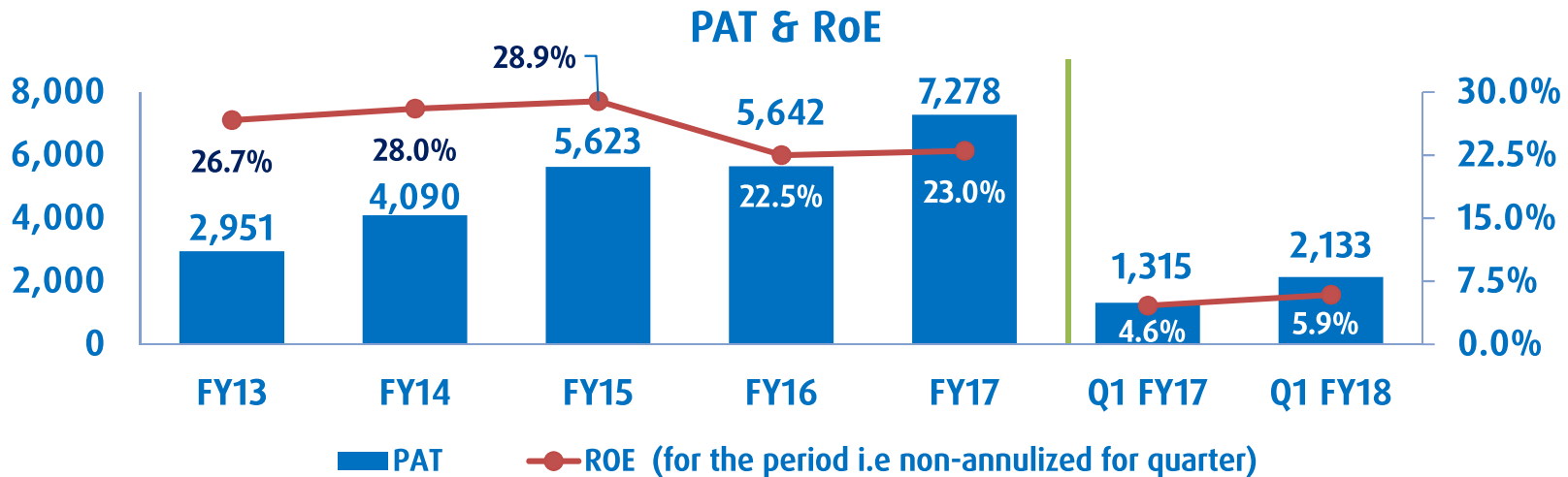
2. Combined Ratios are in accordance with the Master Circular on 'Preparation of Financial statements of General Insurance Business' issued by IRDA effective from 1st April, 2013. (Net claims incurred divided by Net Earned Premium) + (Expenses of management including net Commission divided by Net Written Premium). Pool losses, wherever applicable, include the impact of the erstwhile IMTPIP and Declined Risk Pool.

3. Combined ratio ex Motor Third Party Pool for BAGIC for FY13 & FY14 were 89.4% and 94.2% respectively.

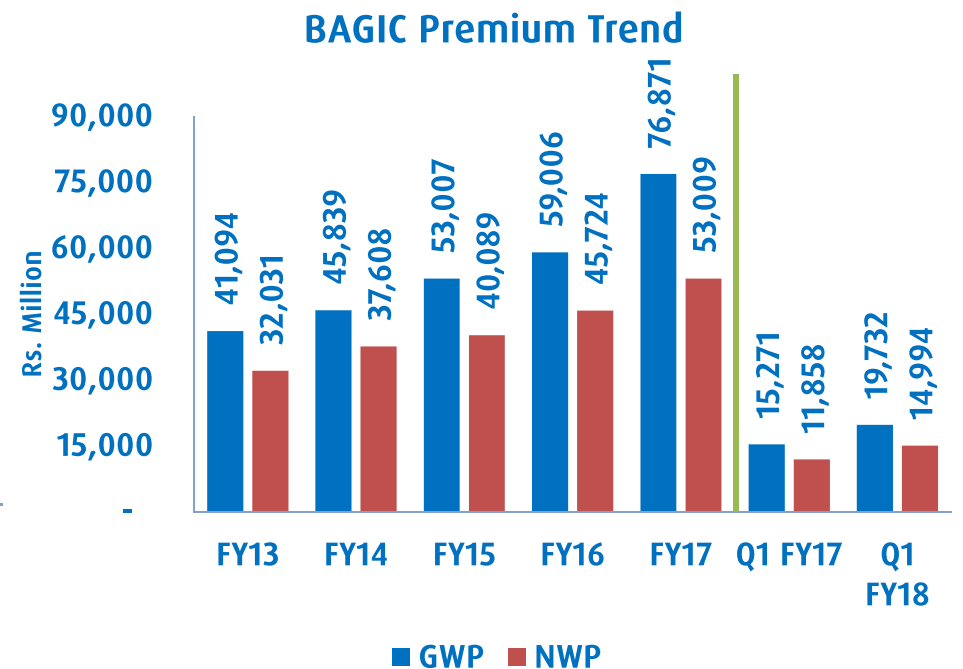
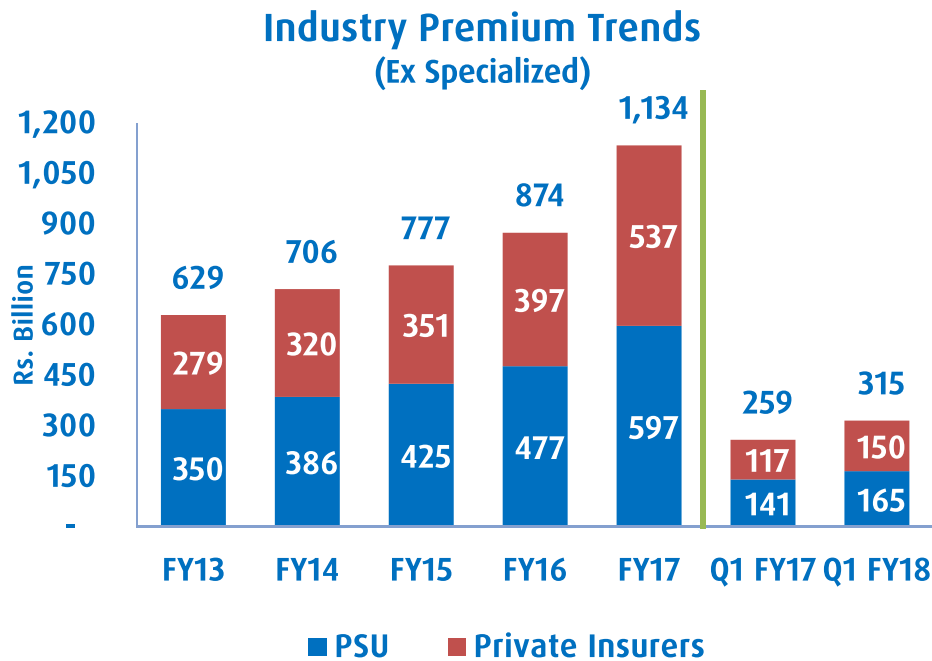
BAGIC has delivered high ROEs on a sustained basis



All Figures in Rs Million



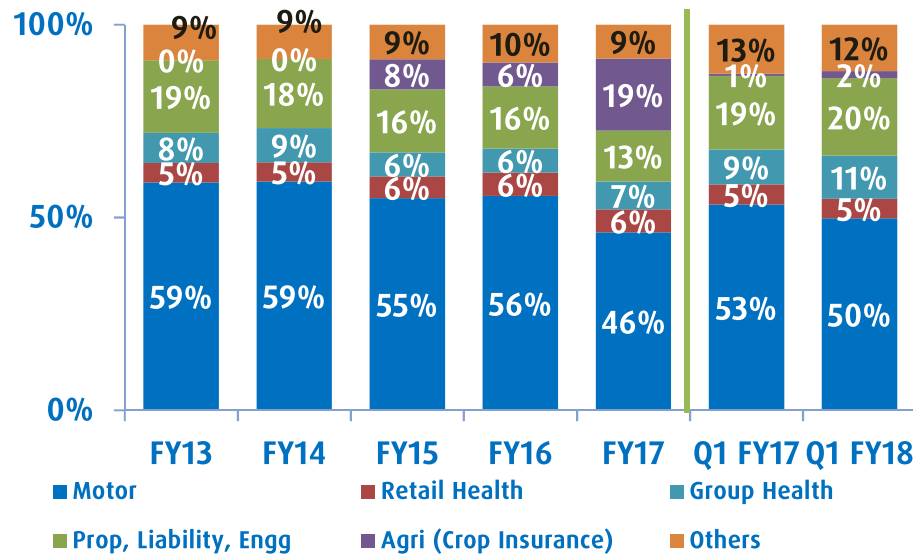
BAGIC maintained it's second position amongst private insurers



BAGIC has a balanced and profitable business mix with high retail focus

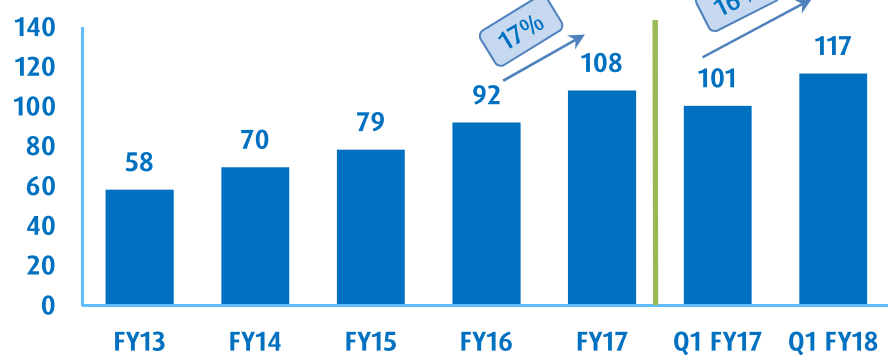


Business Mix



Business mix is retail focused. Motor continues to lead the business mix

AUM(cash and investments) - Rs Billion (as of end of period)

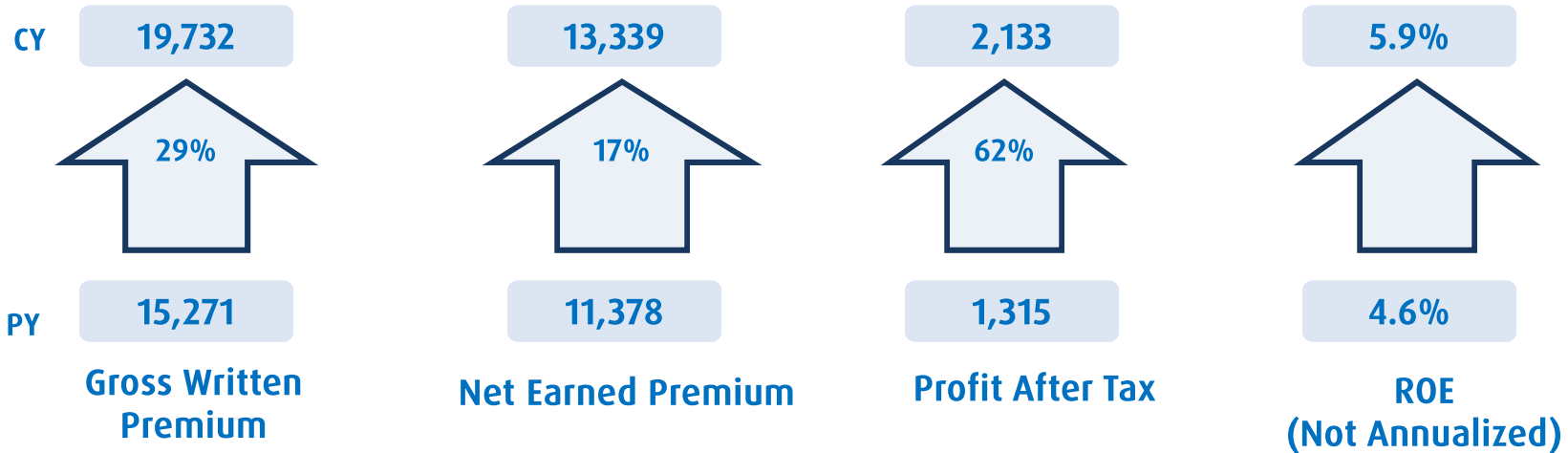


BAGIC continues to grow its AUM strongly. Investments are largely in fixed income securities

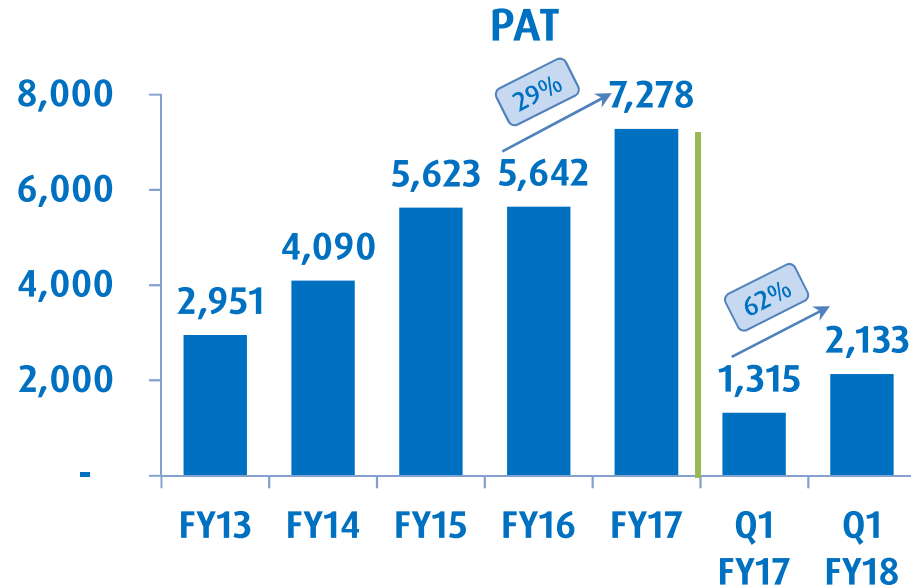
Bajaj Allianz General – Q1 highlights

All Figures in Rs Million

Performance Highlights of Q1 FY18 over Q1 FY17



Solvency Ratio was 277% as against regulatory requirement of 150% as of 30 June 2017





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

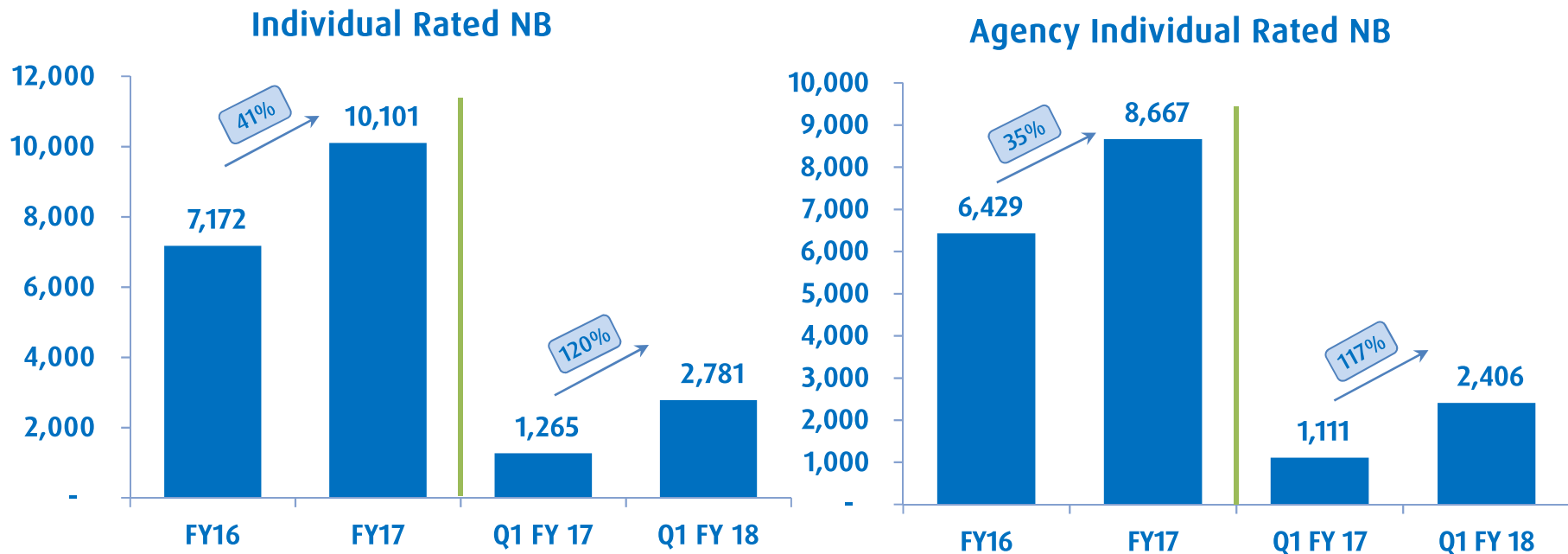
- ❑ In terms of lives covered in group schemes, BALIC leads the private sector, with about 35% share of lives covered in FY17
- ❑ Unique, well entrenched participant in rural markets through partnerships with MFIs, banks etc.

Sustainable Model

- ❑ Balanced product mix between Unit-Linked Insurance Plans (ULIP) and Traditional products- ULIP was 78% of individual rated new business in Q1 FY18

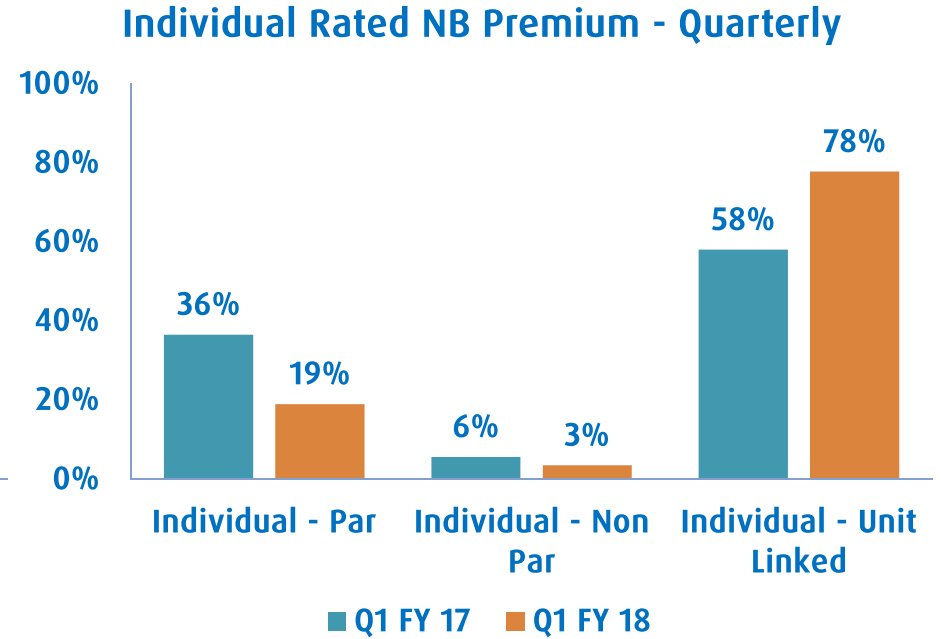
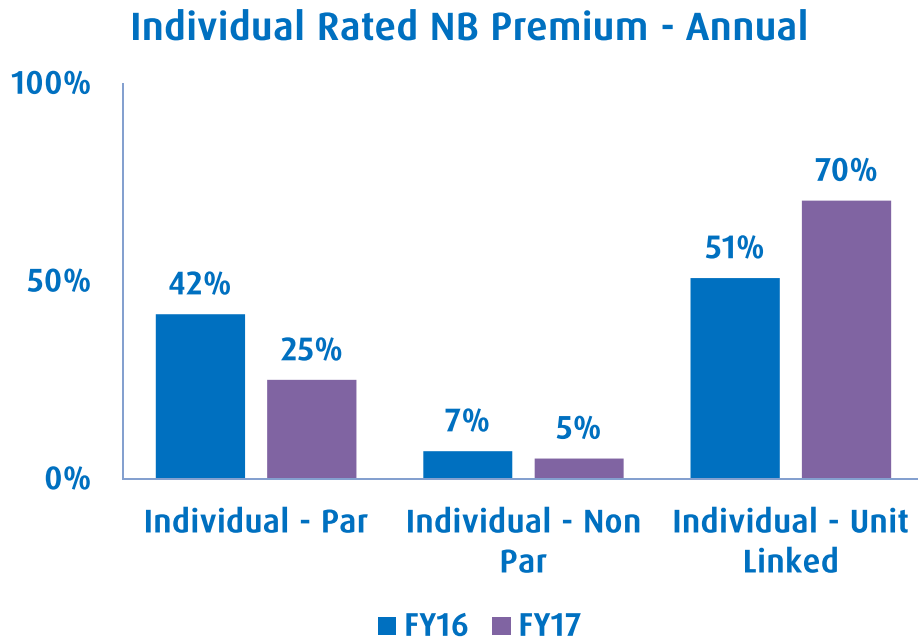
Strong growth in Individual Rated premiums

All Figures in Rs Million



- BALIC's focus is to grow regular premium which is reflected in Individual Rated New Business premium
- BALIC's Individual Rated New Business has grown 41% in FY 17 and 120% in Q1 FY18 over FY 16 & Q1 FY17 respectively
- Agency channel's Individual Rated New Business is up 117% in Q1 FY18 over Q1 FY17
- Changes effected in agency over last 2 years have started to pay off

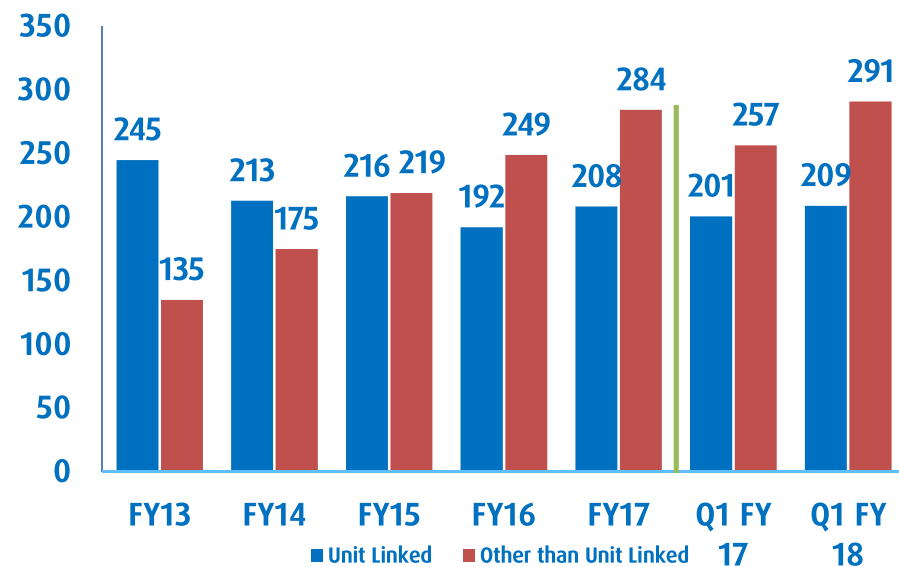
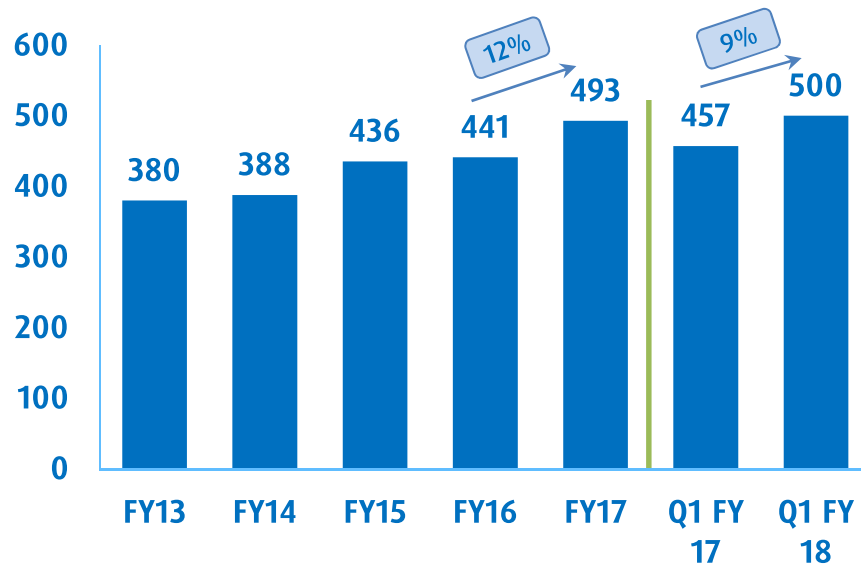
Diversified product mix



- Individual Rated NB product mix is well diversified across par, non par and UL
- Group Business : Group Fund business in Q1 FY18 was Rs 1,959 Mn (Q1 FY17 Rs 2,258 Mn) and in FY 17 Rs 13,902 Mn (FY 16 Rs 10,852 Mn). In Q1 FY18 Group Fund business was 29% of New Business (PY 39%)

Assets Under Management are significant

AUM as of end of period in
Rs Billion

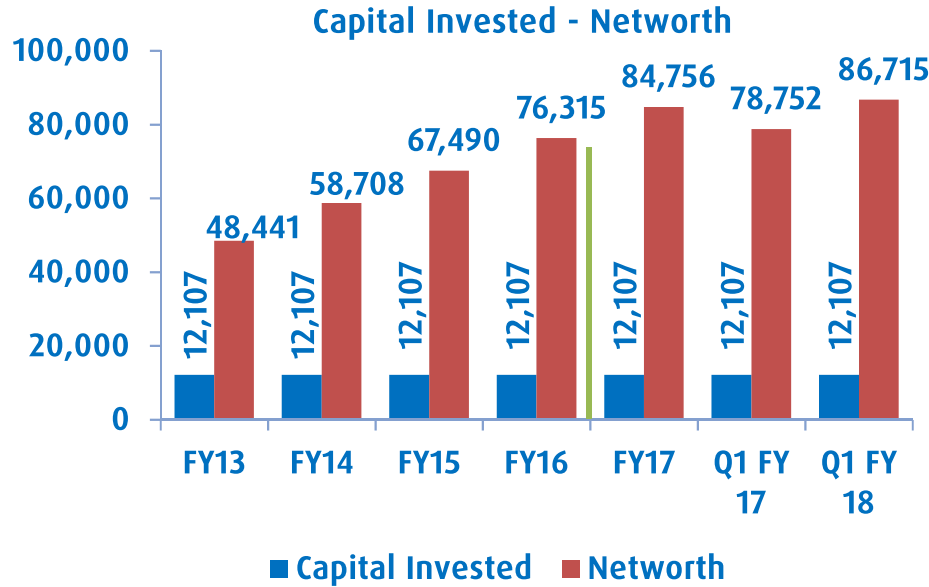


Of the UL Funds of Rs 209 Billion, 65% is equity funds as on 30 June 2017

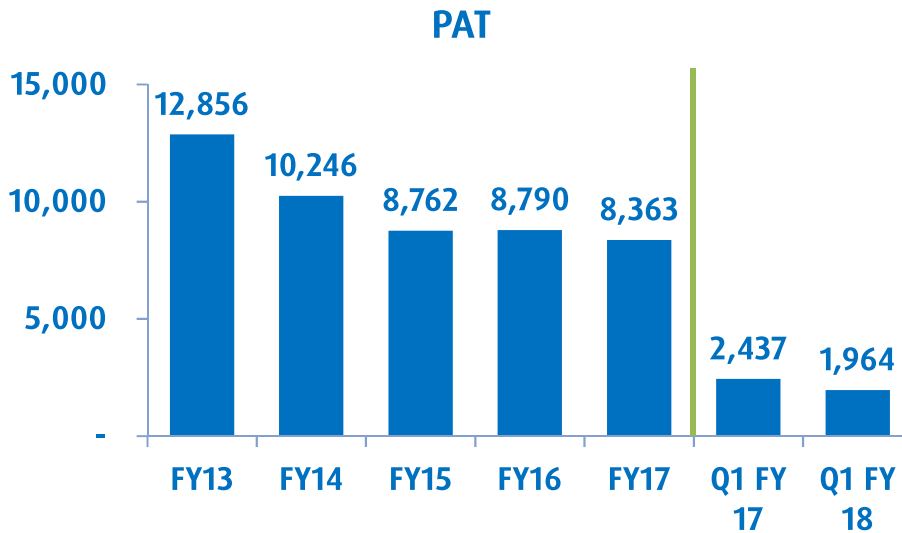
BALIC is amongst the most capital efficient private insurers



All Figures in Rs Million



BALIC's Networth is 7.1 times the Capital infused
No Capital infused after FY08



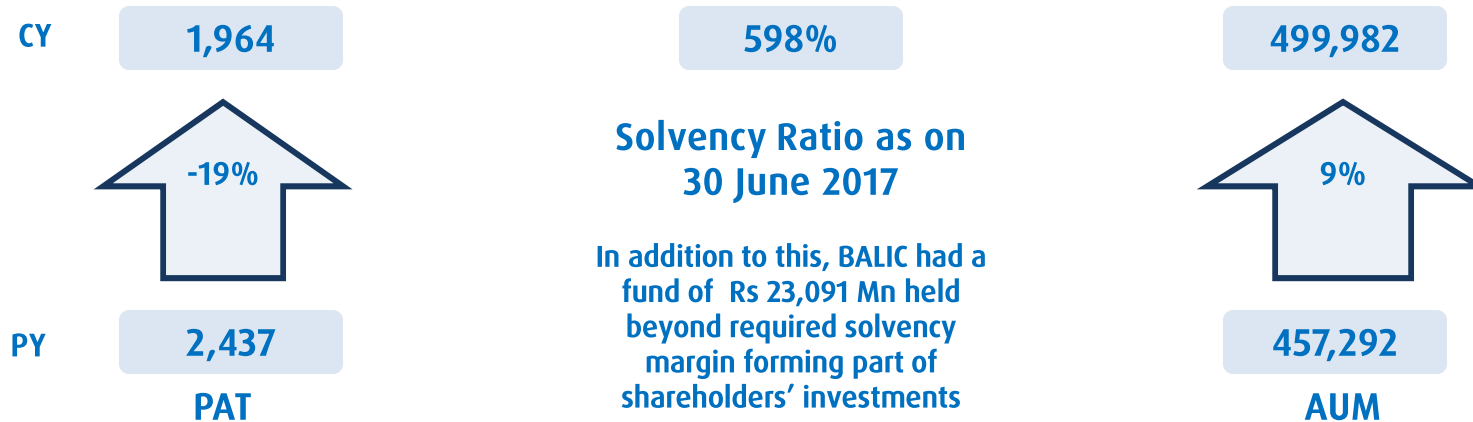
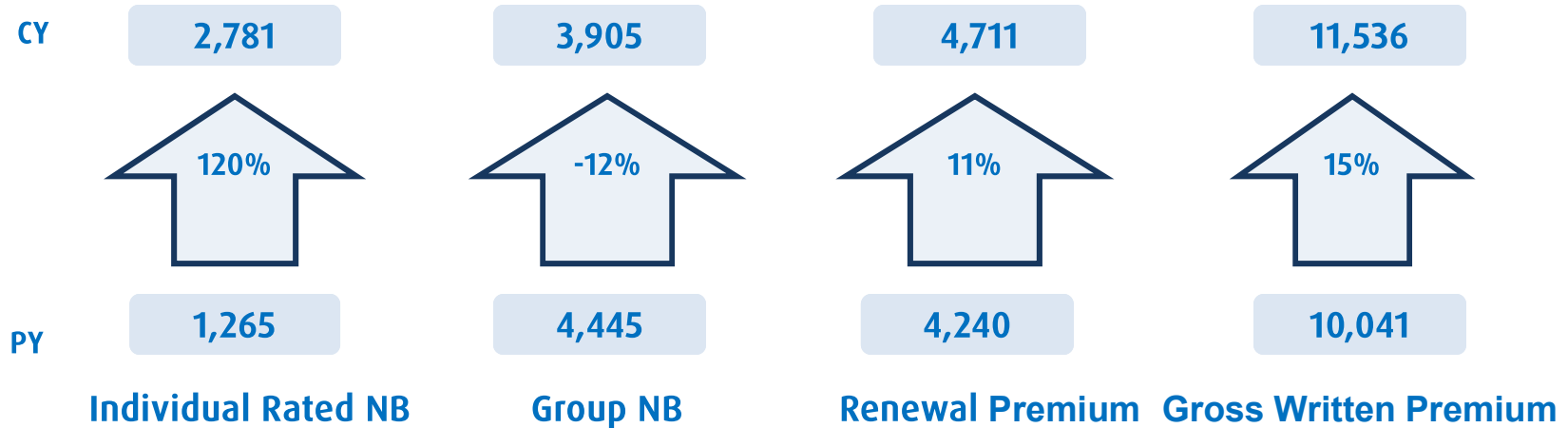
Includes net Transfer from Policyholders' account to P&L - Rs 413 Mn in Q1 FY18 (Q1 FY17 Rs 745 Mn)

Bajaj Allianz Life – Q1 highlights



All Figures in Rs Million

Performance Highlights of Q1 FY18 over Q1 FY17



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