



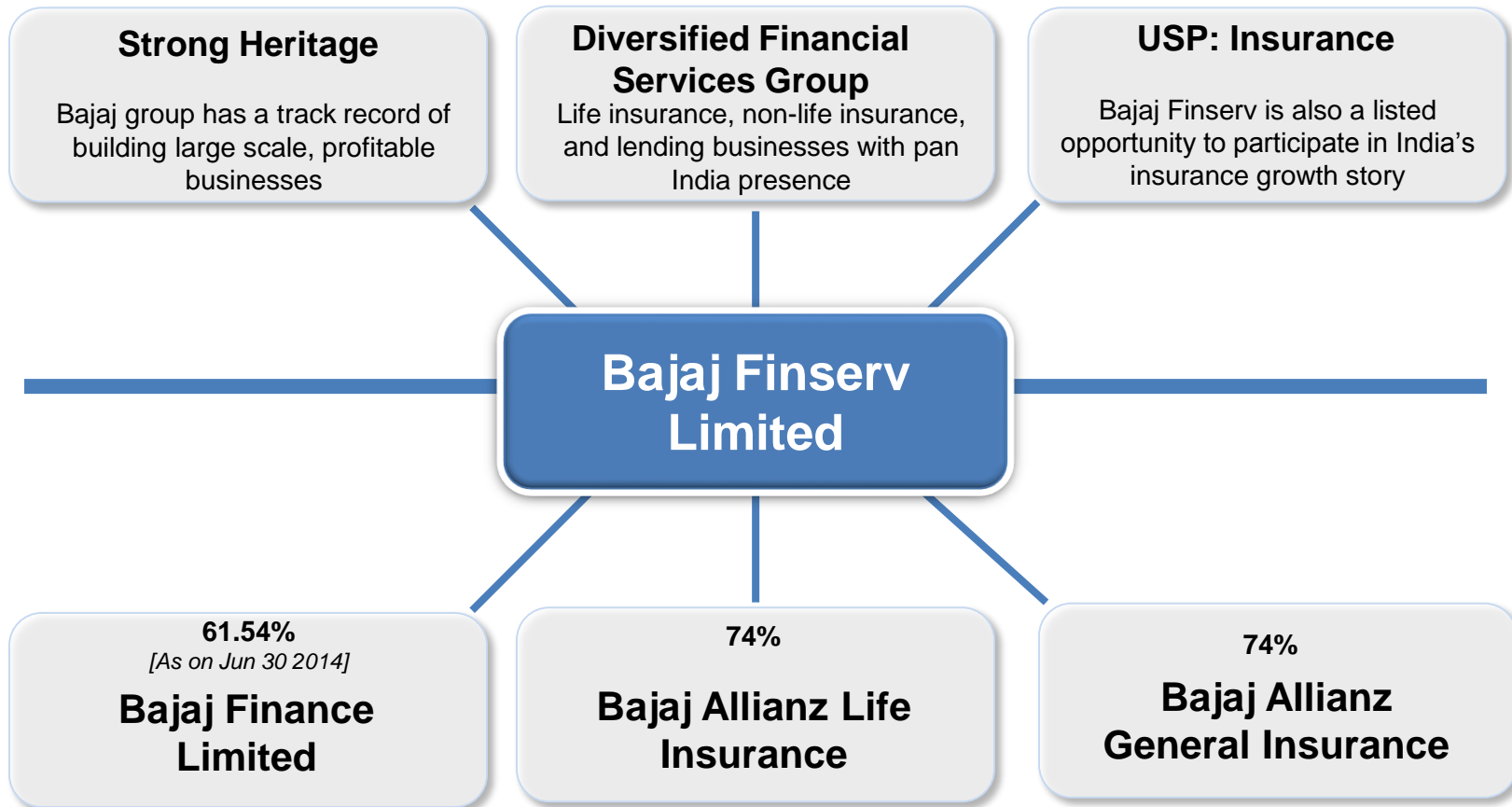
# **Bajaj Finserv Limited**

**Investor Presentation Q1 FY15**

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Note: Chart only shows major subsidiary companies

## **Bajaj Finance Limited**

- Diversified NBFC present in consumer finance, SME, & commercial lending. Deployments over Rs 260 Bn as of FY14.
- Market leader in consumer durables financing and motorcycle financing.

## **Bajaj Allianz General Insurance**

- Number 2 private non-life insurer in India.
- One of the most profitable private non life insurers as of FY14, consistently having one of the best combined ratios.
- Investment book stood at over Rs 69 Bn as of FY14. Net-worth at Rs 16,643 Mn as of FY14.

## **Bajaj Allianz Life Insurance**

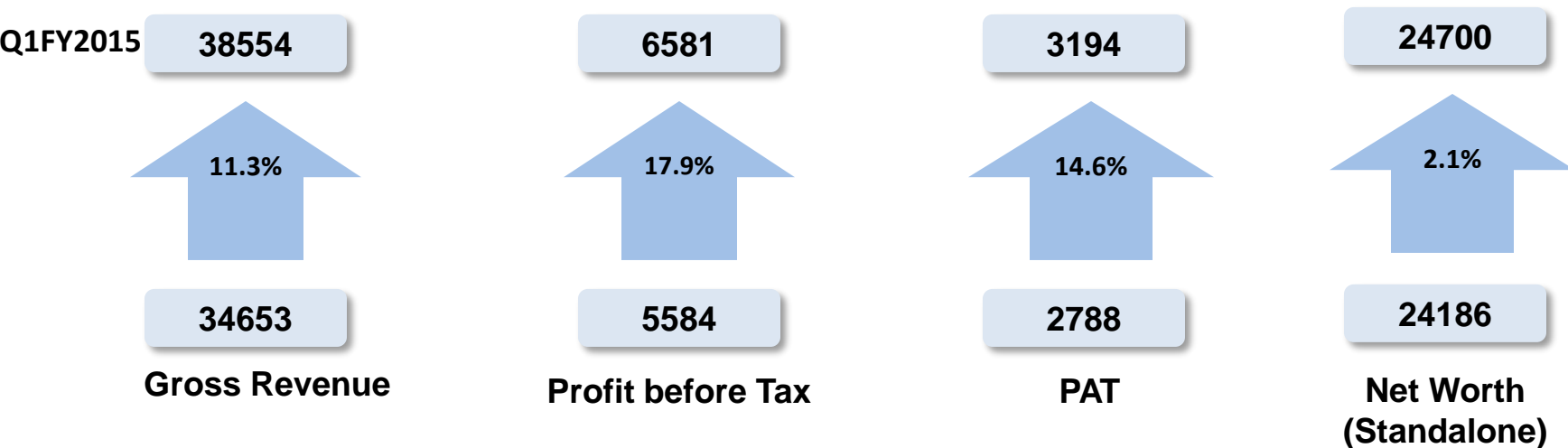
- One of the most profitable life insurers in India.
- A top 5 player. Live policy base of over 5.5 Mn, and AUM of Rs 388 Bn in FY14.
- Net-worth of Rs 58,708 Mn as of FY14

# Bajaj Finserv performance highlights for Q1FY 2015 over Q1FY 2014



All Figures in Rs Million

## Performance Highlights of Q1FY 2015 over Q1 FY2014

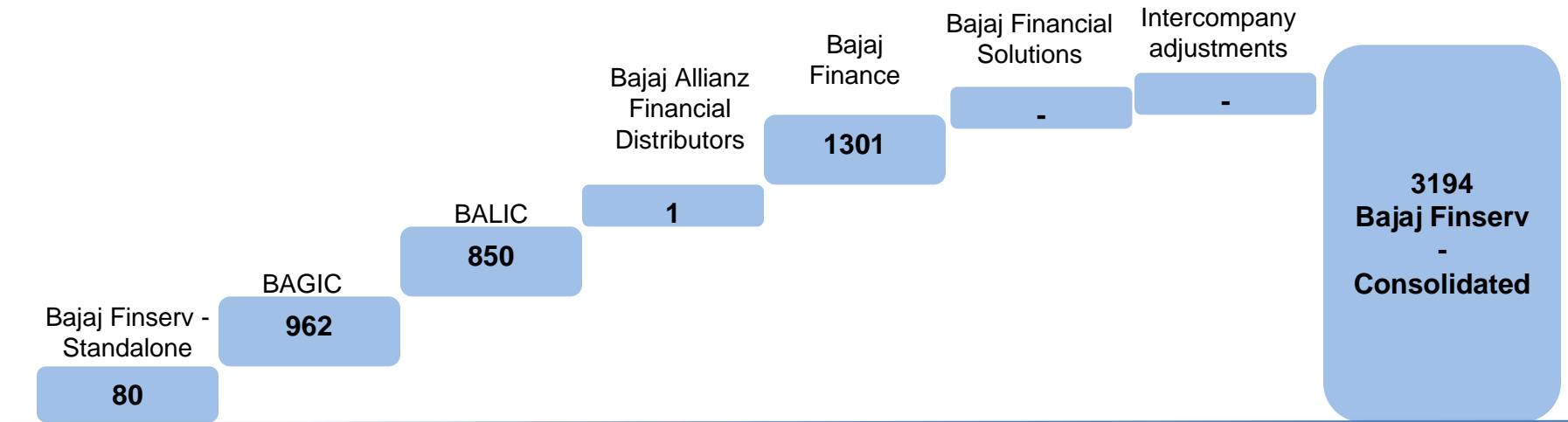


- Bajaj Finserv remains a debt free company
- Bajaj Finserv's surplus funds stood at Rs. 7242 million as on June 30, 2014
- Consolidated Net Worth stood at Rs. 96,277 Mn and Consolidated Book Value Per Share at Rs 605 at the end of Q1FY 2015

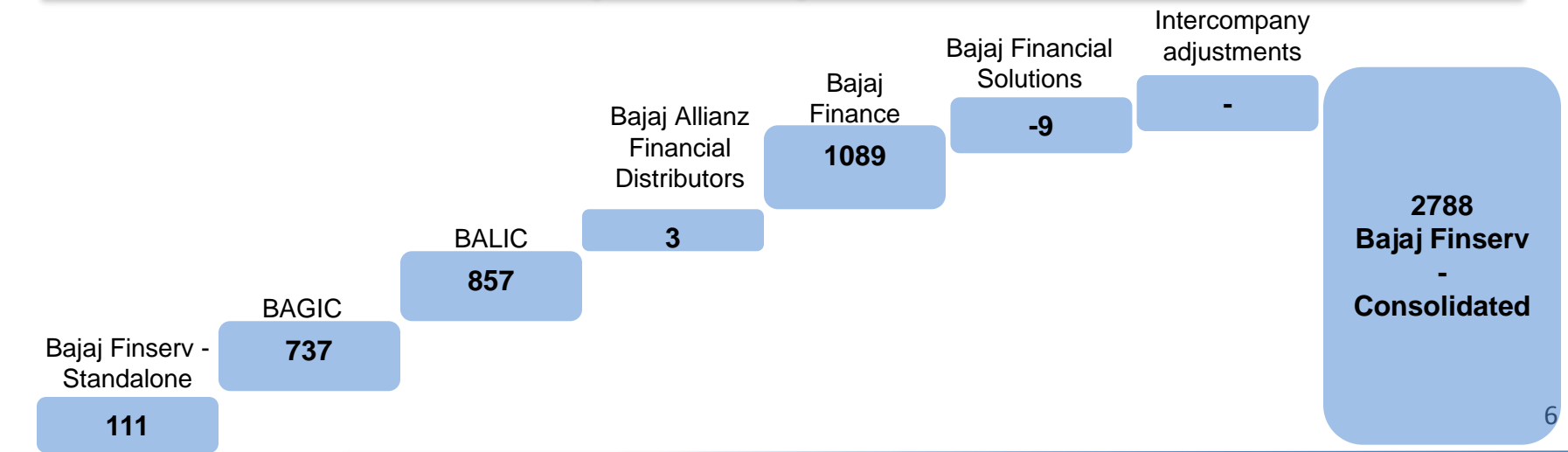
Bajaj Finance has become an important contributor to group profits. Life & General insurance profits remain significant.

All Figures in Rs Million

## Consolidated profit components for Q1 FY2015



## Consolidated profit components for Q1 FY2014



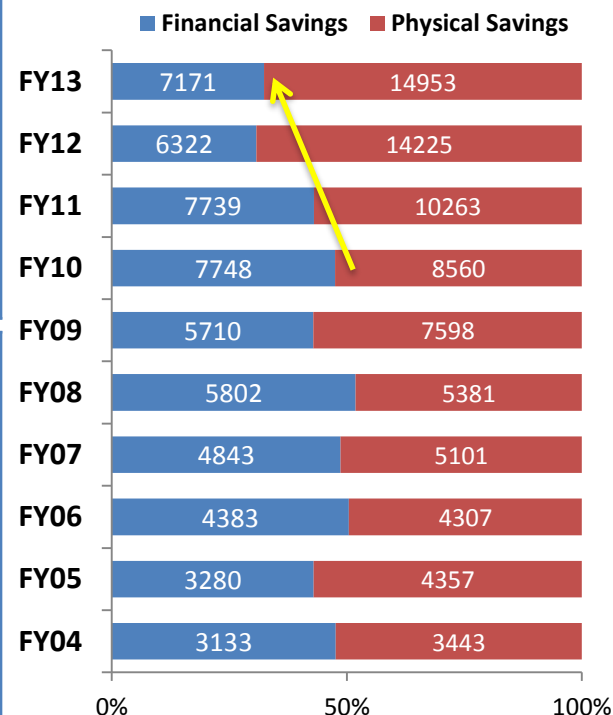


**Bajaj Allianz Life Insurance**

<b>Strategy</b>	The strategy is to balance growth with profitability, and steadily increase market share. This will be done through an efficient operating cost model, diversified distribution channels and a balanced product mix.
<b>Key Focus Areas</b>	<ul style="list-style-type: none"> <li>• <b>Build a balanced portfolio</b> with higher contribution from non-Par</li> <li>• <b>Improve agency productivity</b></li> <li>• <b>Improve persistency</b></li> <li>• <b>Manage operating costs</b> – acquisition &amp; management</li> <li>• <b>Focus on investment performance</b> in UL as well as traditional funds</li> </ul>
<b>Industry &amp; Regulatory Perspective</b>	<ul style="list-style-type: none"> <li>• Industry NB was at Rs 1,196 Bn, up 12% in FY14, while private players were at Rs 295 Bn and down 4% compared to FY13</li> <li>• Growth rates since 2008 have been muted due to <ul style="list-style-type: none"> <li>• Indian household preference for physical assets like gold and real estate over financial assets in recent years</li> <li>• Lackluster equity market performance following the financial crisis</li> <li>• Cap on ULIP charges in 2010</li> </ul> </li> </ul> <p>New product guidelines announced around linked and non-linked products came into force during FY14. Guidelines on individual products came into force in the last quarter of FY14.</p>

## Households have preferred physical assets in recent years

(Household Sector Savings (Rs Bn) )

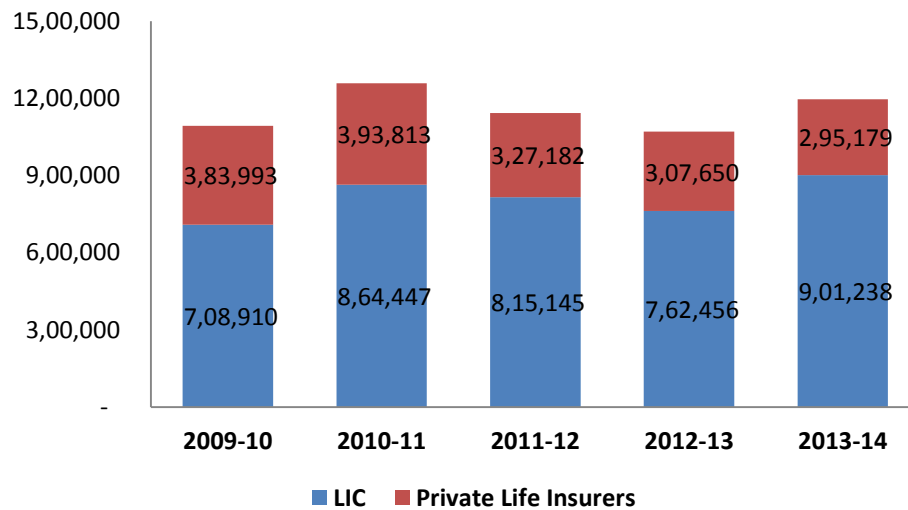


Source: Sector wise domestic savings (at current prices), RBI

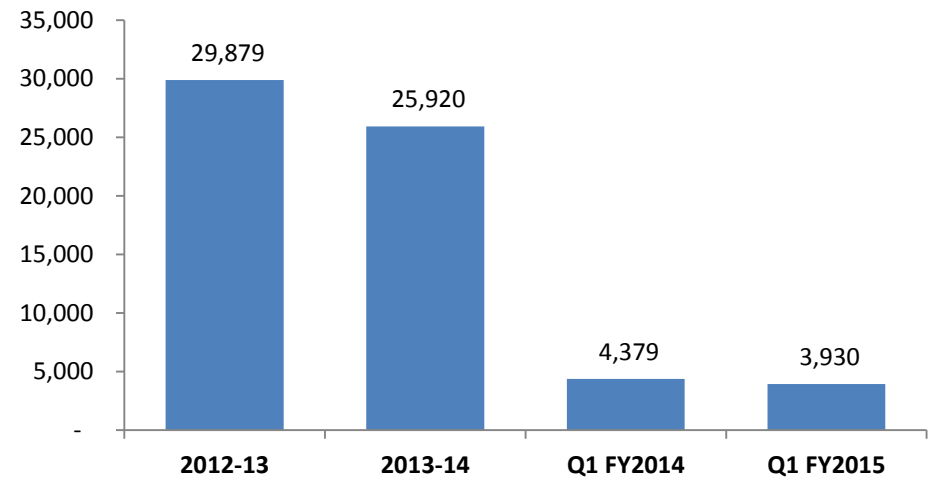
# Impact of new product regulations was felt by the industry in FY14

All Figures in Rs Million

### Industry New Business Premium



### New Business - BALIC

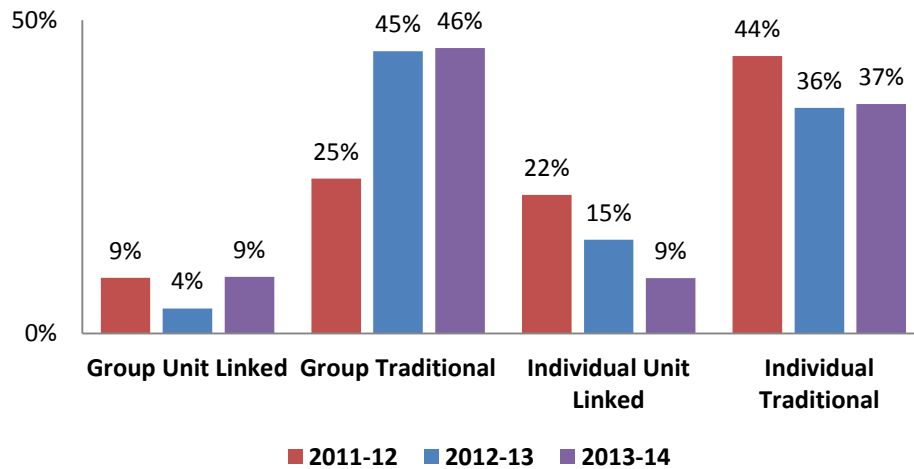


- For BALIC, Q1FY15 new business is down 10% over same period last year
- New product regulations around Individual products came into force in the beginning of Q4FY14

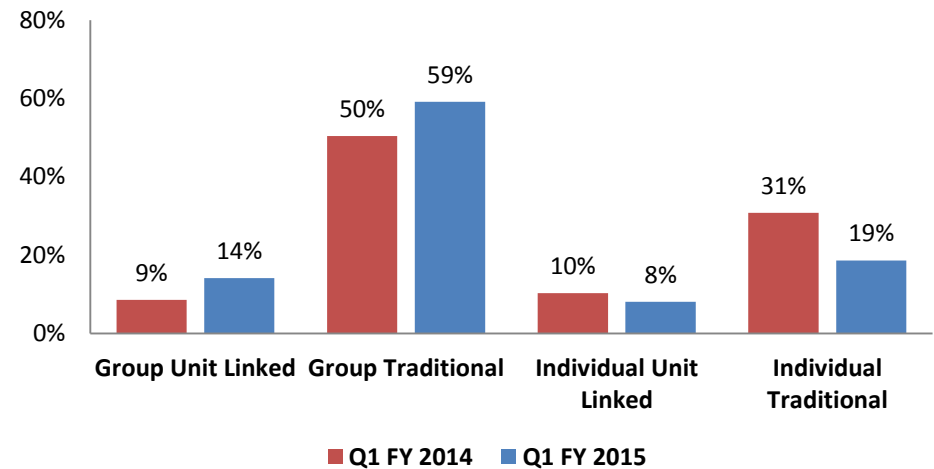
# Currently, the product mix is predominantly traditional

All Figures in Rs Million

New Business Premium - Product Mix



New Business Premium - Product Mix

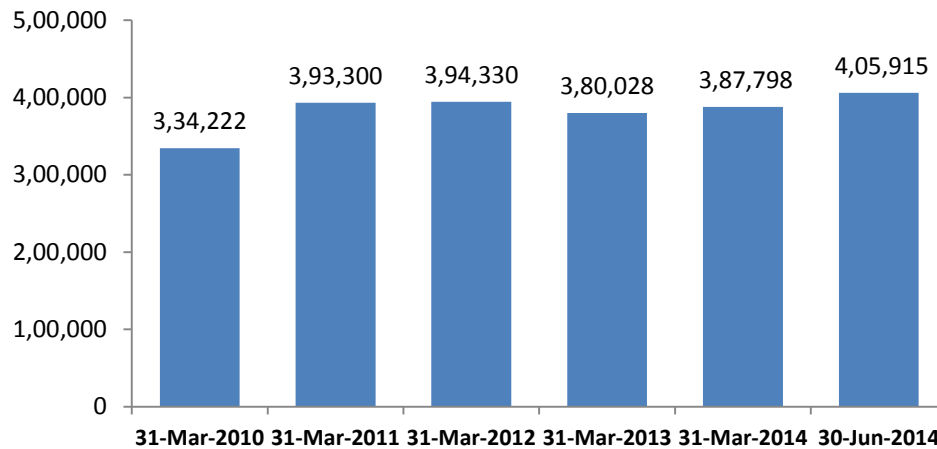


- Unit linked business share was 22% in Q1FY15
- Within group business in Q1 FY15, non-fund business stood at 54%

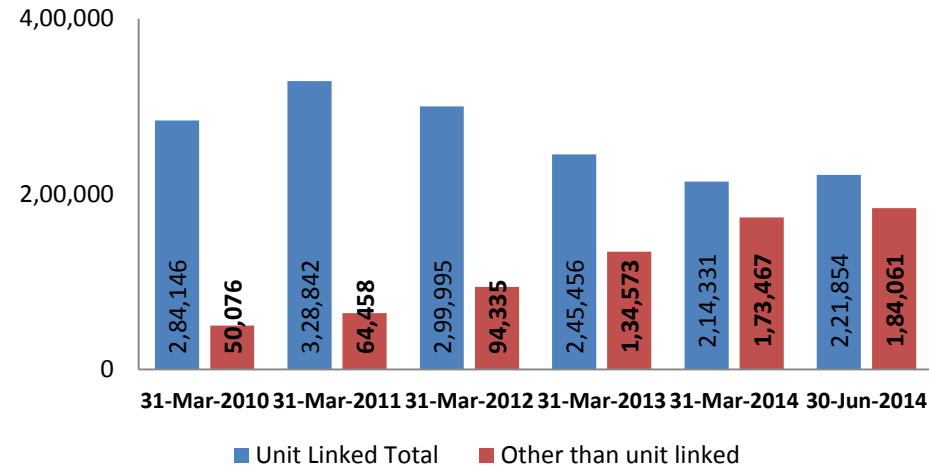
# Assets under management are significant

All Figures in Rs Million

### Investments Growth



### Assets Under Management

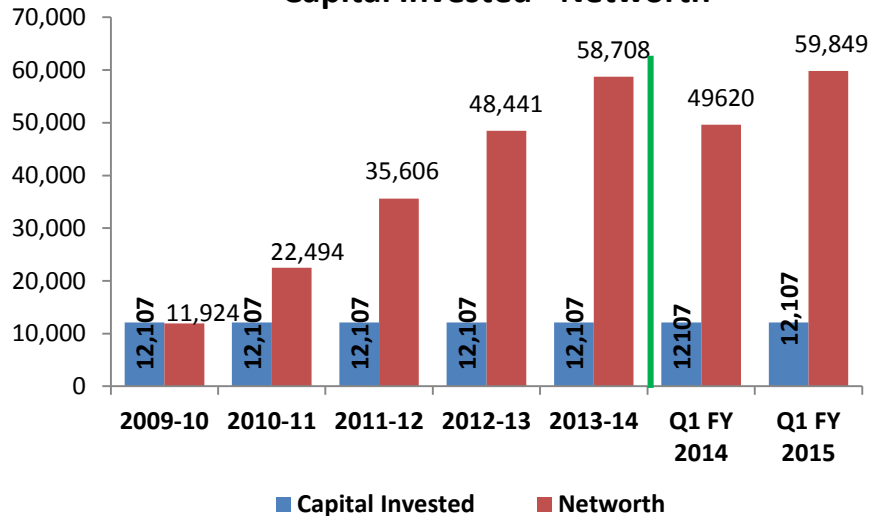


- Assets are a mix of linked and non-linked funds. Of the linked funds, Rs 164,675 Mn were in equity funds as of 30<sup>th</sup> June 2014

# Bajaj Allianz Life is one of the most profitable life insurers in the private sector

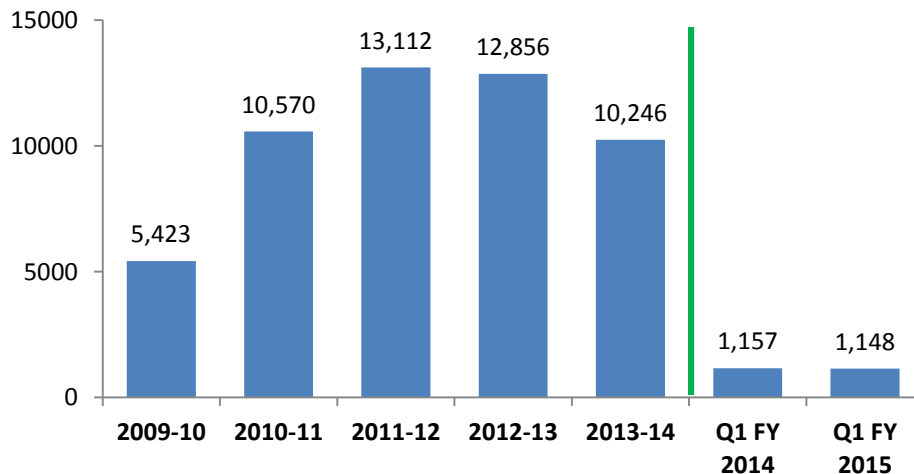
All Figures in Rs Million

### Capital Invested - Networth



Net Worth currently stands at Rs. 59,849 Mn

### Shareholders' profits

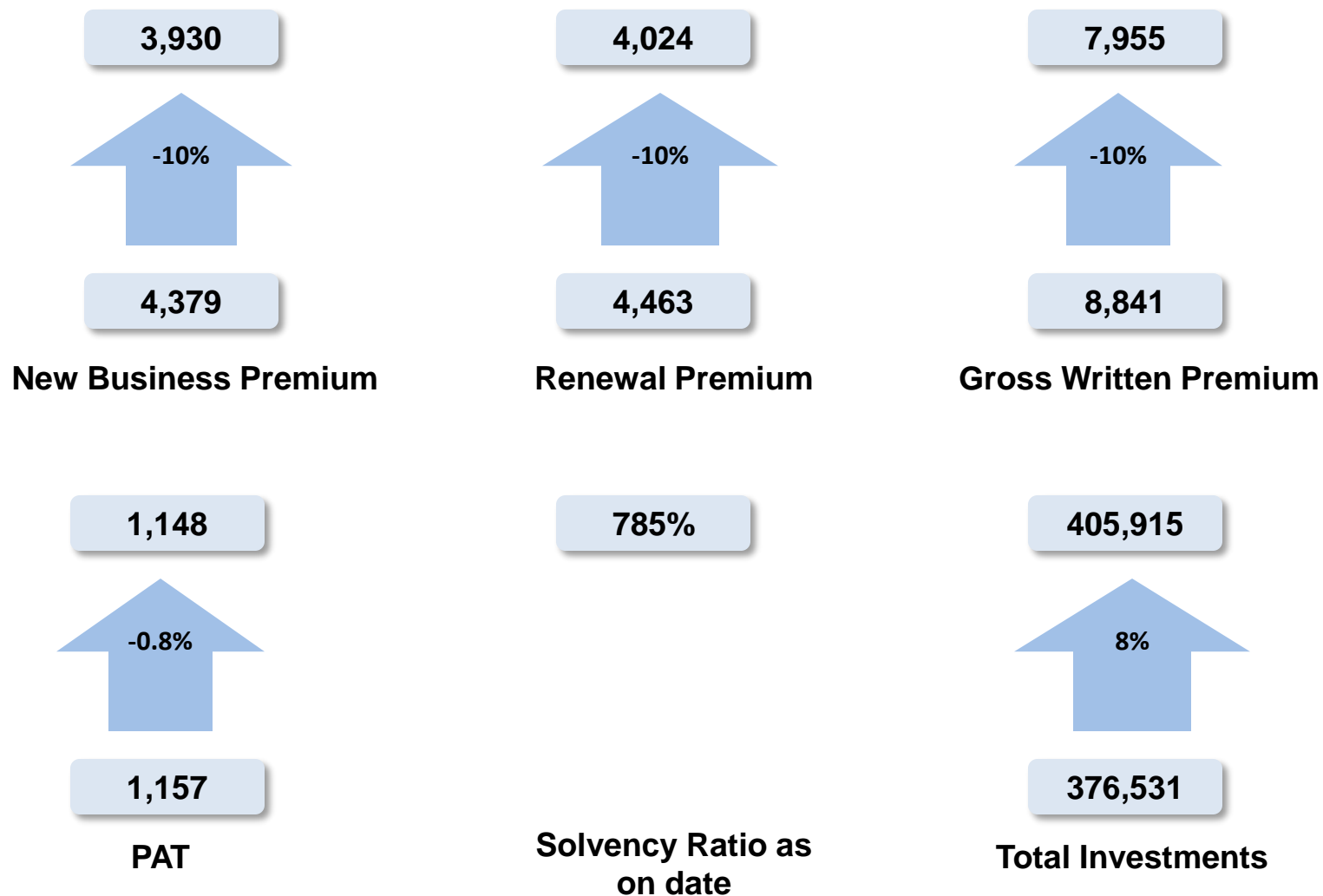


Policyholders surplus as of Q1FY15 stood at Rs 1,709 Mn, compared to Rs 1,818 Mn in Q1FY14

*Note: Shareholders' share of policyholders' surplus are transferred at the end of the year, consistent with past practice.*

All Figures in Rs Million

## Performance Highlights of Q1 FY2015 over Q1 FY2014



\* Total investments includes assets held to cover discontinued funds

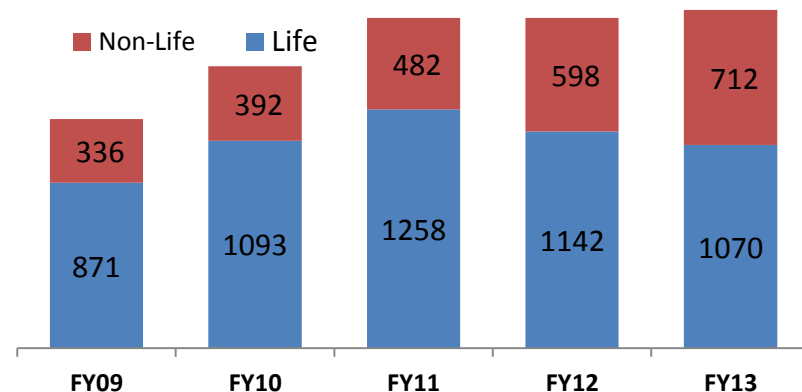


**Bajaj Allianz General Insurance**

<b>Strategy</b>	<p>Strategy is to focus predominantly on retail product lines, with diversified distribution channels, and profitable underwriting to deliver excellence in customer service, and steadily increase market share and profit.</p>
<b>Key Focus Areas</b>	<ul style="list-style-type: none"> <li>• <b>Prudent Underwriting:</b> BAGIC has industry leading combined ratios</li> <li>• <b>Continue to grow profitable segments:</b> Grow retail, particularly health.</li> <li>• <b>Develop Marine Cargo Business</b></li> <li>• <b>Strengthen Direct channels</b></li> </ul>
<b>Industry &amp; Regulatory Perspective</b>	<ul style="list-style-type: none"> <li>• In FY14, industry (ex specialized players) grew GDPI by 12%, while private players grew 15%</li> <li>• Old Motor Pool disbanded with effect from 01 April 2012. Bajaj Allianz's share of total pre-tax pool losses have been written off over FY 12,13 and 14.</li> <li>• New Declined Pool of much smaller size has come into effect from FY 13.</li> </ul>

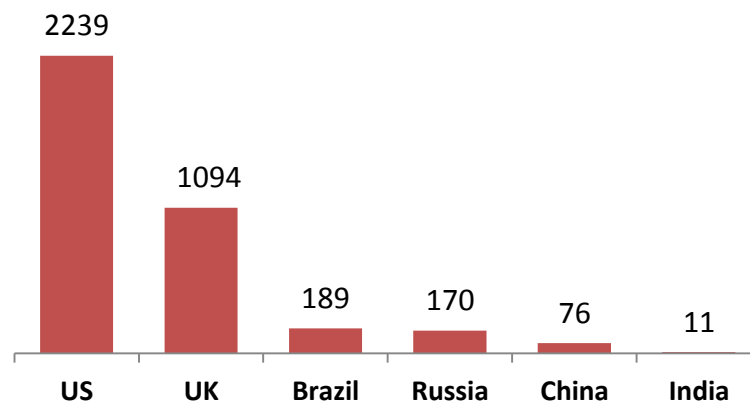
## New Business Trend - Non-life contribution to the insurance industry is rising\*\*

(Including Specialized Players, Rs Bn)



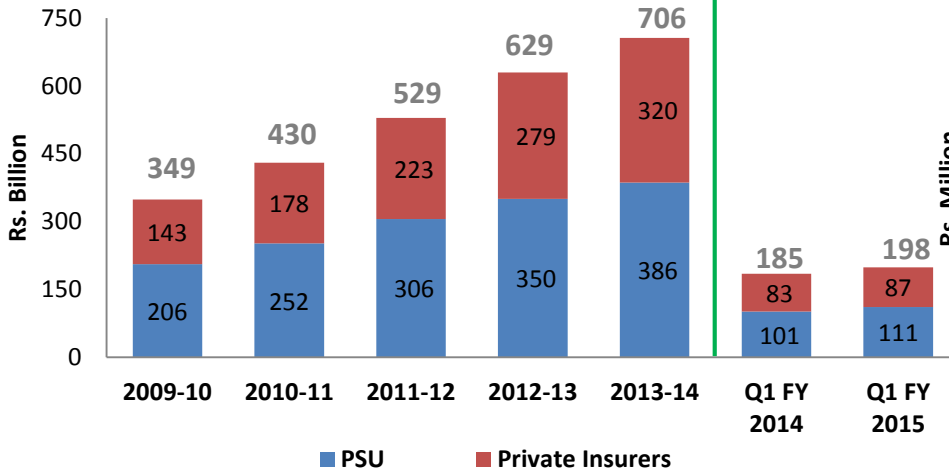
## Non-life insurance Per Capita remains low

(USD, 2012, Source: 'World Insurance in 2012', by Swiss Re )

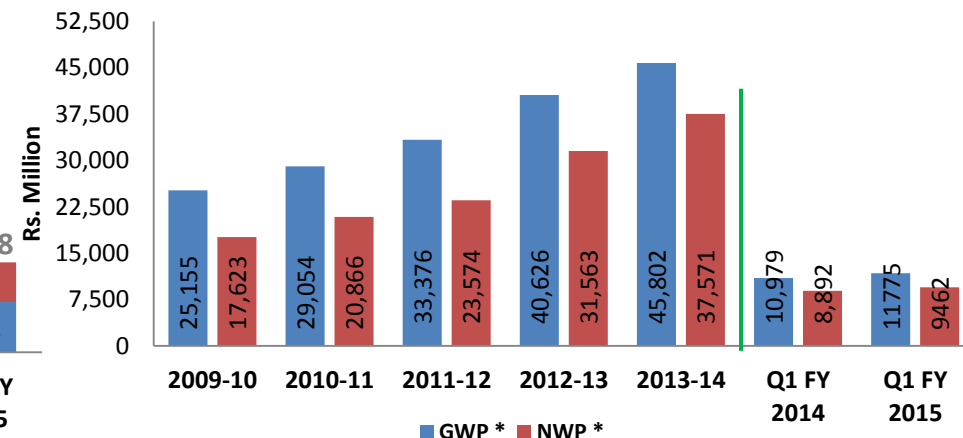


# BAGIC has retained its second position amongst private sector general insurers

**Industry Premium Trends  
(Ex Specialized)**



**BAGIC Premium Trend**



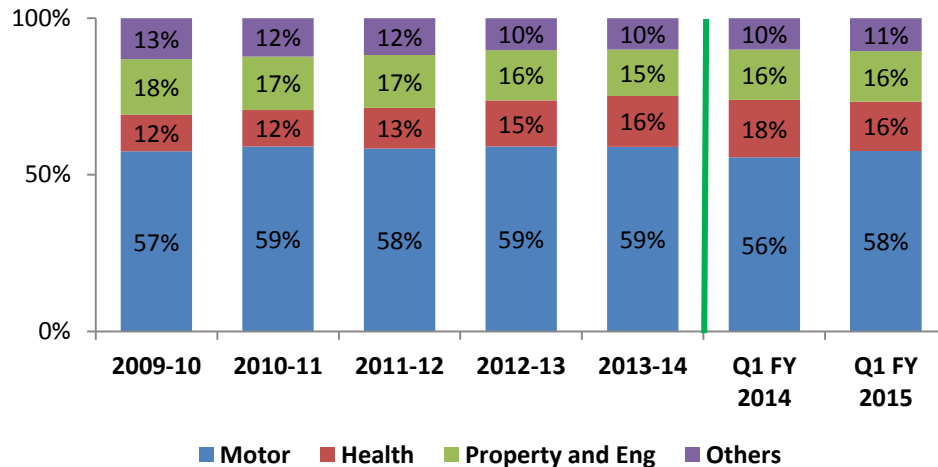
\*Premiums for annual and quarterly periods up to FY14 excludes inward premiums from erstwhile IMTPIP, & IMTPDRIP

Industry grew GDPI at 8%, while private sector grew at 5% in Q1 compared to Q1 last year  
BAGIC grew GWP in Q1 by 7% compared to the corresponding period last year

# A healthy and profitable business mix - leading to a steady growth in investments – has added stability to revenues

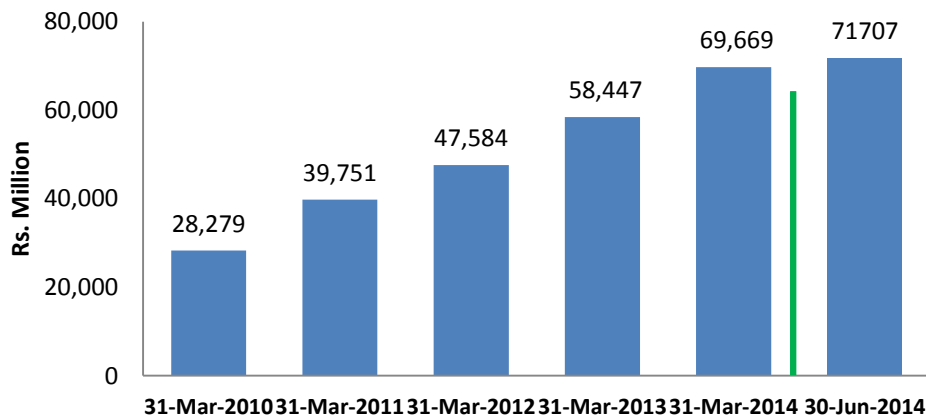
All Figures in Rs Million

**Business Mix**



Business mix is retail focused. Motor continues to lead the business mix, with health and property being other major lines.

**Investment Growth**



Strong cash generation has helped grow the investment book

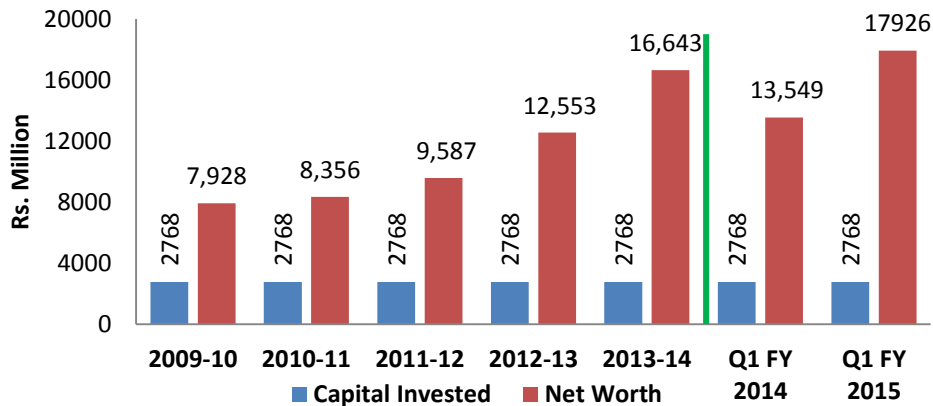
Investments largely in fixed income securities

Investment book is 4.1 times average shareholders' funds at 30<sup>th</sup> June 2014

# BAGIC has a high capital efficiency coupled with a very good combined ratio

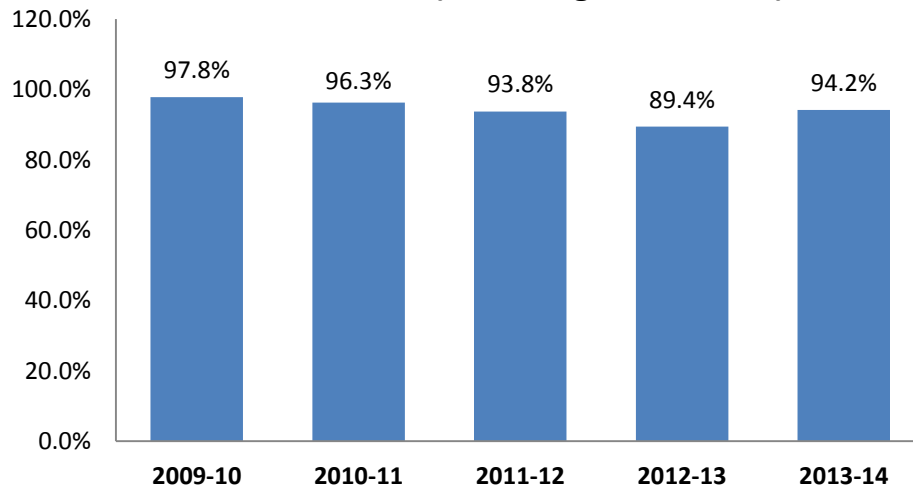
All Figures in Rs Million

### BAGIC - Capital Invested - Networth

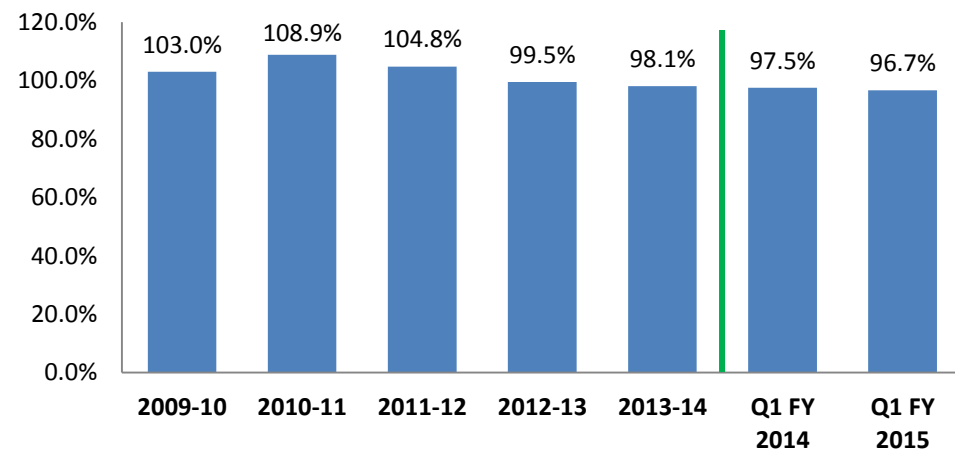


BAGIC's net worth now stands at Rs 17,926 Mn, which is 6.5 times capital invested.

### Combined Ratios (Excluding Motor Pool)



### Combined Ratios (Including Motor Pool)



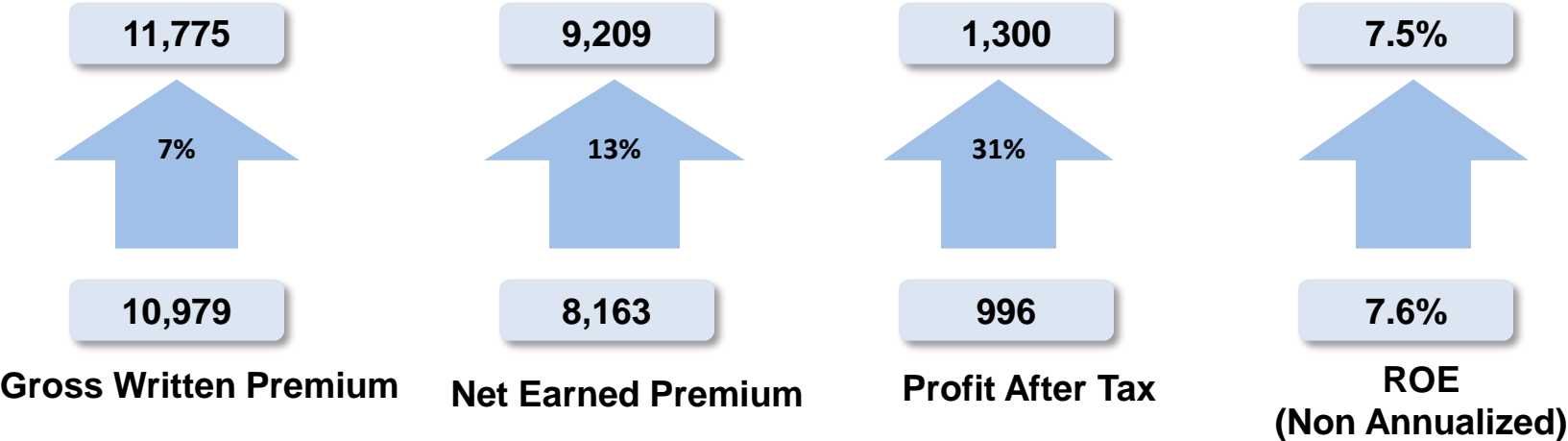
**\* Note on Combined Ratio:** Combined Ratios are re-stated in accordance with the Master Circular on 'Preparation of Financial statements of General Insurance Business' issued by IRDA effective from 1<sup>st</sup> April, 2013. (Net claims incurred divided by Net Earned Premium) + ( Expenses of management including net Commission divided by Net Written Premium). Pool losses, where applicable include the impact of the erstwhile IMTPIP and Declined Risk Pool.

# Bajaj Allianz General performance highlights

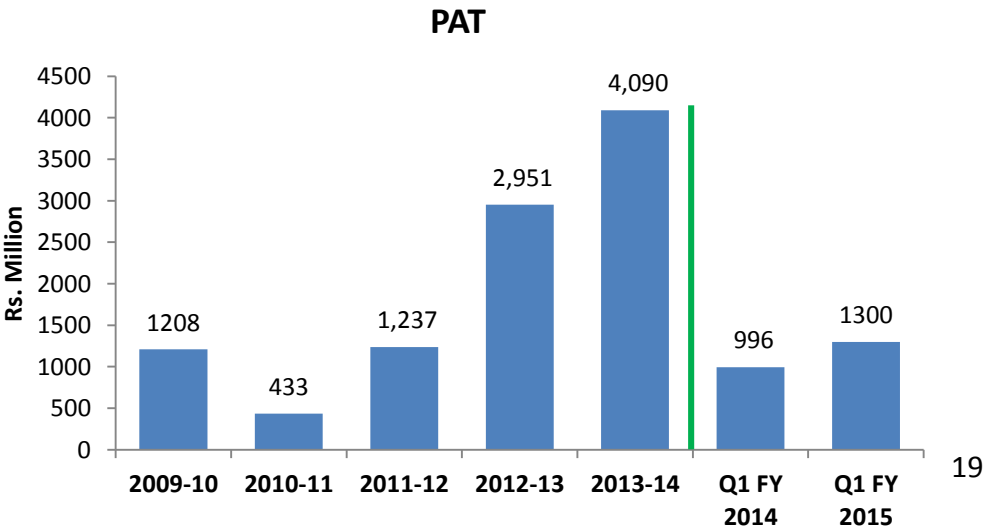


All Figures in Rs Million

## Performance Highlights of Q1 FY2015 over Q1 FY2014



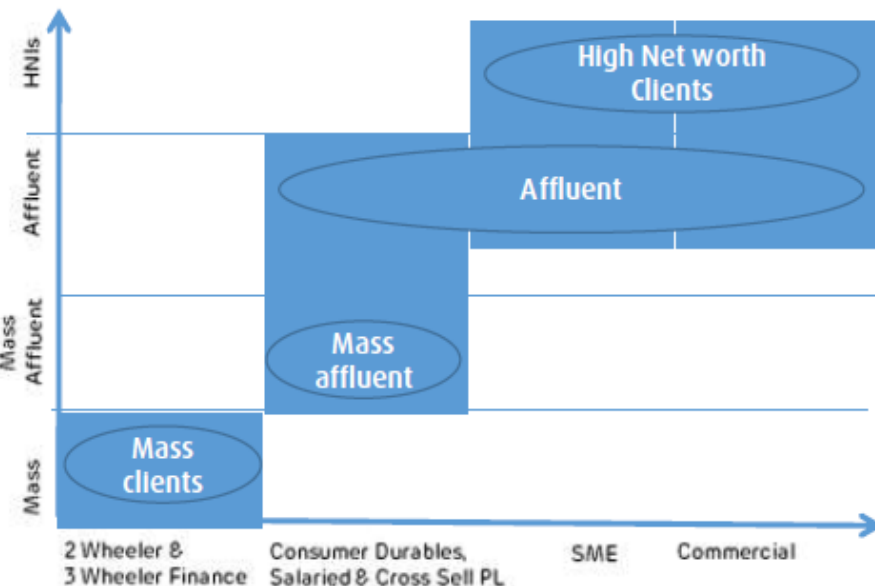
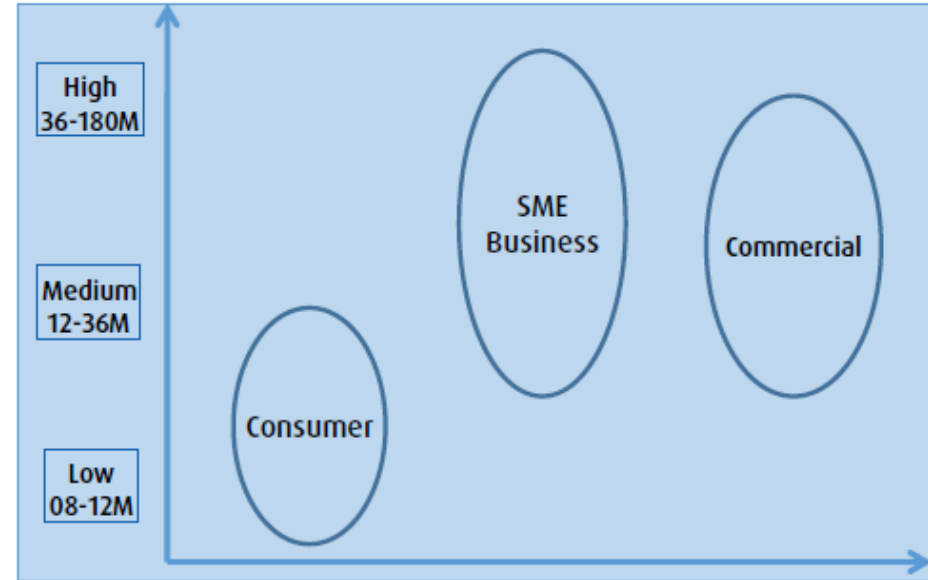
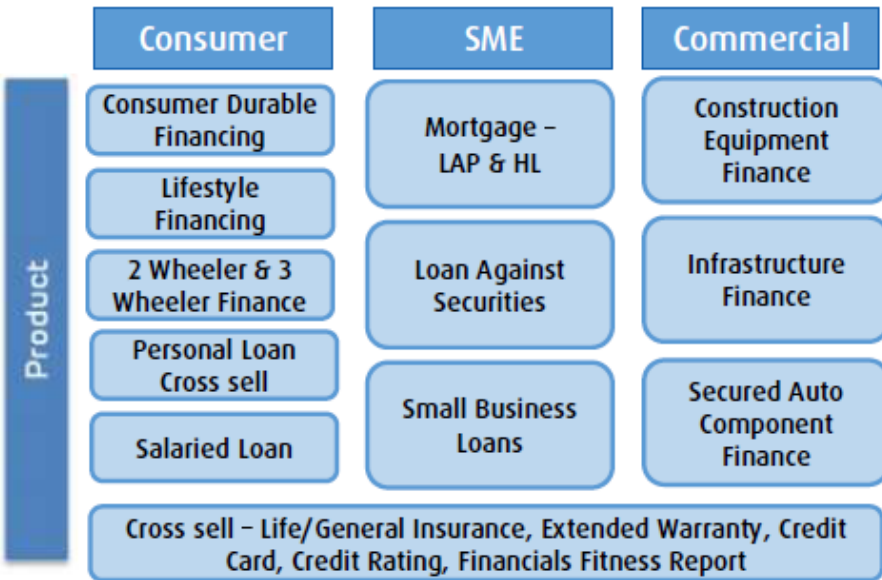
Solvency Ratio was 217% as against regulatory requirement of 150% as of 30<sup>th</sup> June 2014



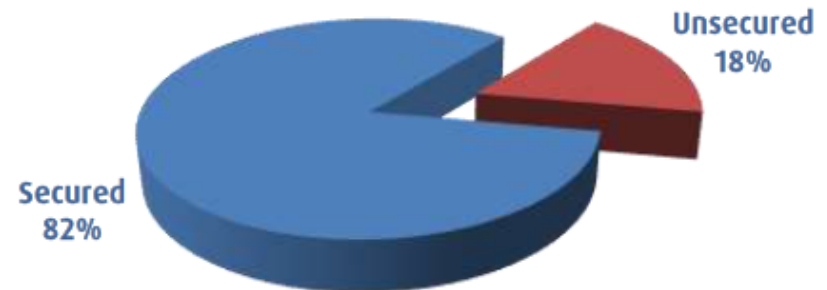


**Bajaj Finance Limited**

# Bajaj Finance is a diversified NBFC present in consumer finance, SME and commercial lending



## Portfolio composition Q1- FY15

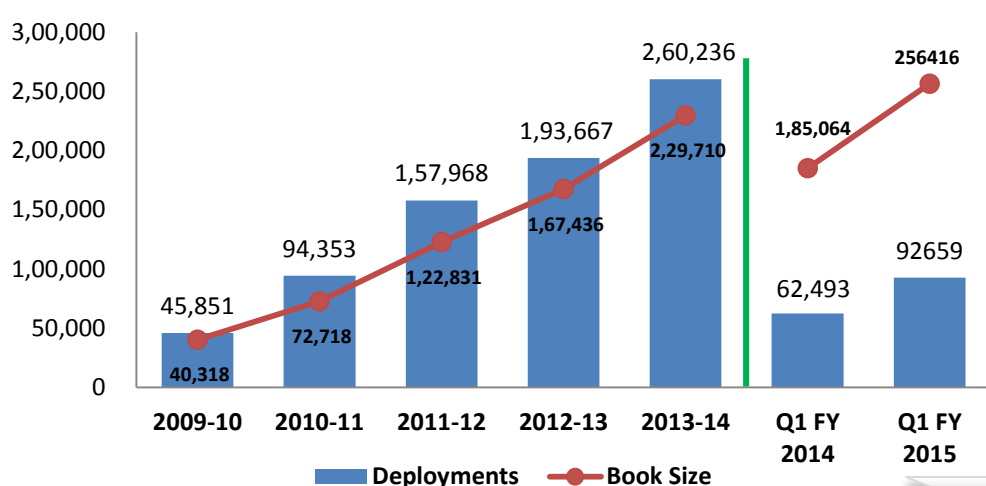


Segment	Dec'12	Mar'13	Jun'13	Sep'13	Dec'13	Mar'14	June14
Consumer Finance	41%	40%	42%	41%	40%	39%	40%
SME Business	46%	48%	49%	50%	52%	53%	53%
Commercial	13%	12%	9%	9%	8%	8%	7%

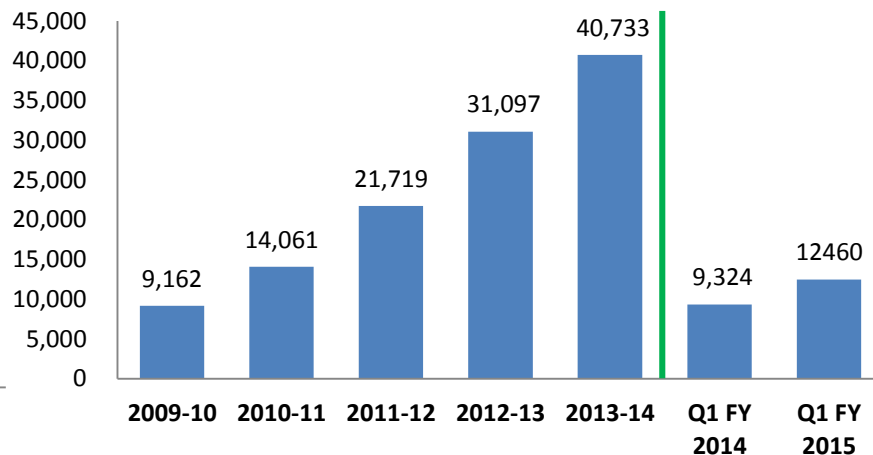
# Bajaj Finance has clocked growth in disbursements while maintaining healthy NIMs

All Figures in Rs Million

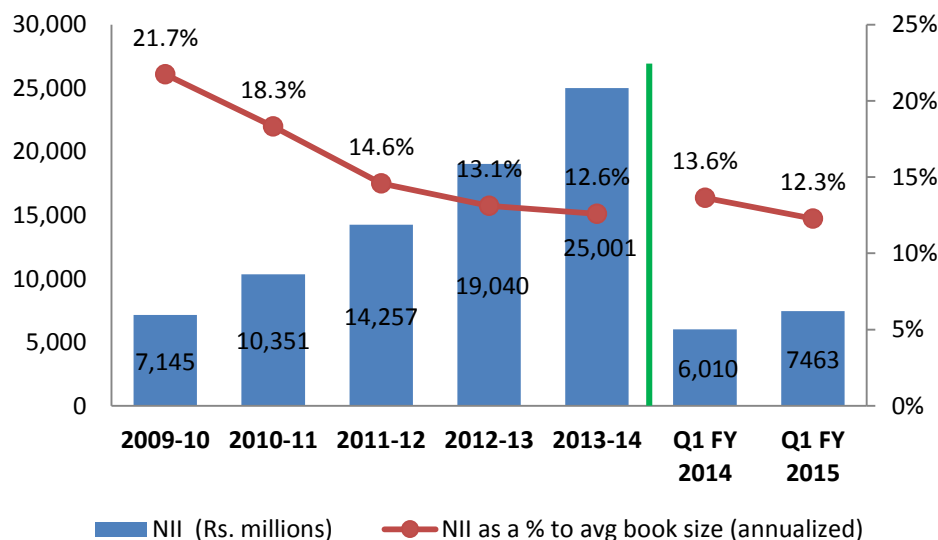
## Deployments and Book Size



## Revenues



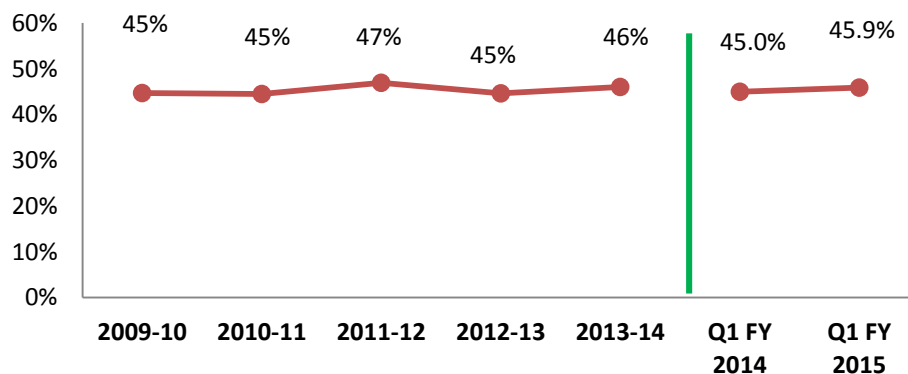
## NII and NII as % to average book size



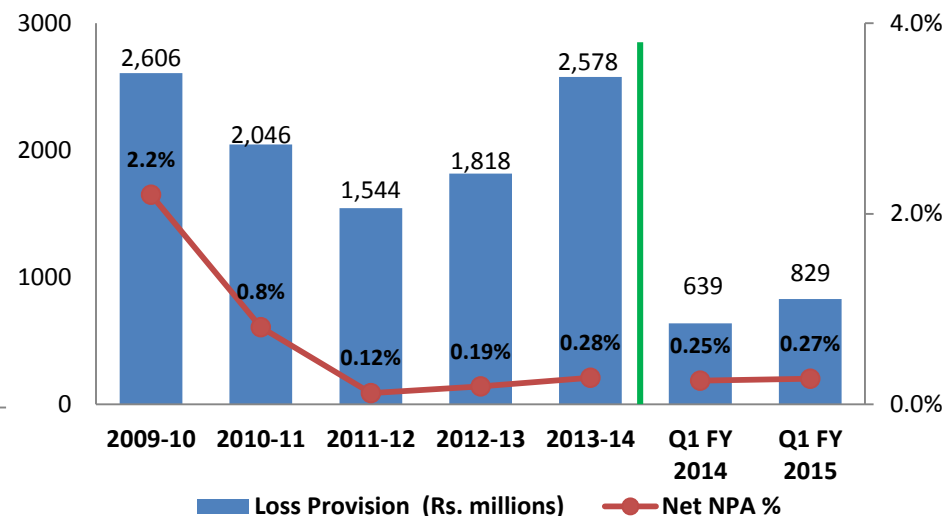
# Quality of assets is good, and operating costs remain under control

All Figures in Rs Million

### Operating expenses as a % of NII

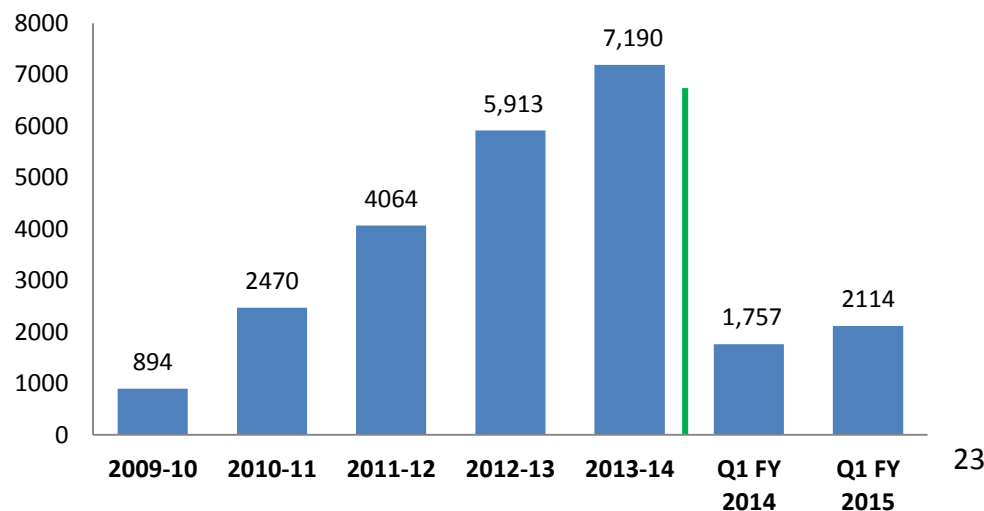


### Loss Provision and Net NPA%



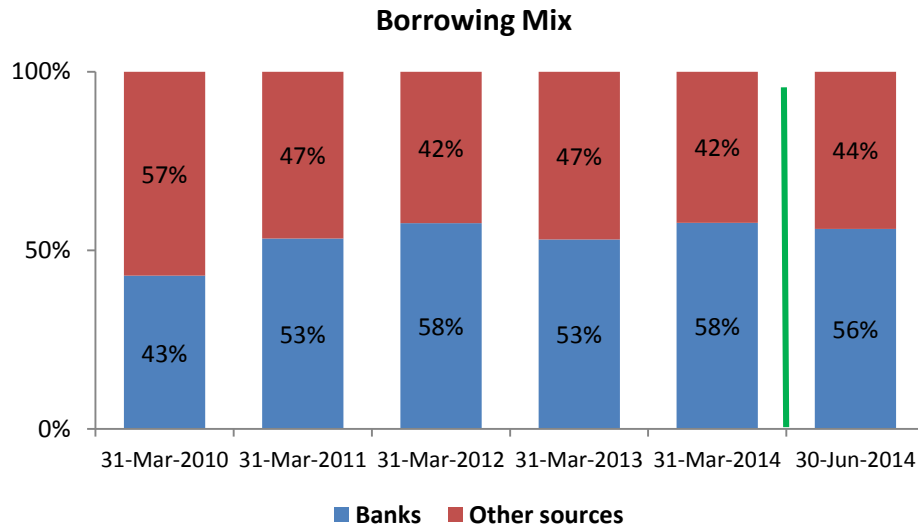
Stable operating expenses coupled with low NPAs are contributing to PAT

### PAT



# The company is not excessively dependent on bank lines

All Figures in Rs Million

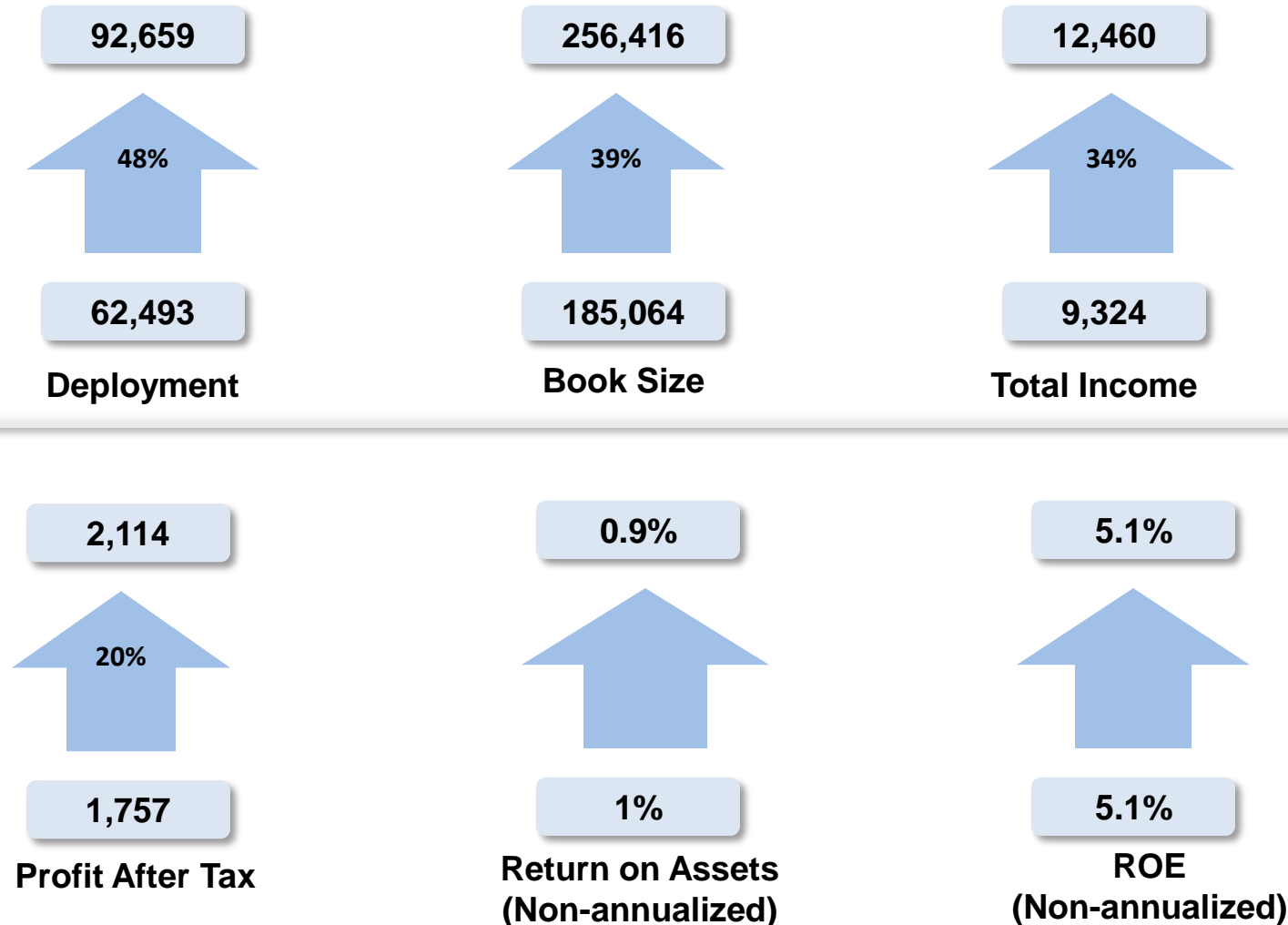


- Capital Adequacy Ratio (including Tier-II capital) stood at 18.1%.
- The company continues to be well capitalized to support its growth trajectory.

# Bajaj Finance performance highlights

All Figures in Rs Million

## Performance Highlights of Q1 FY2015 over Q1 FY2014



**Thank You**