



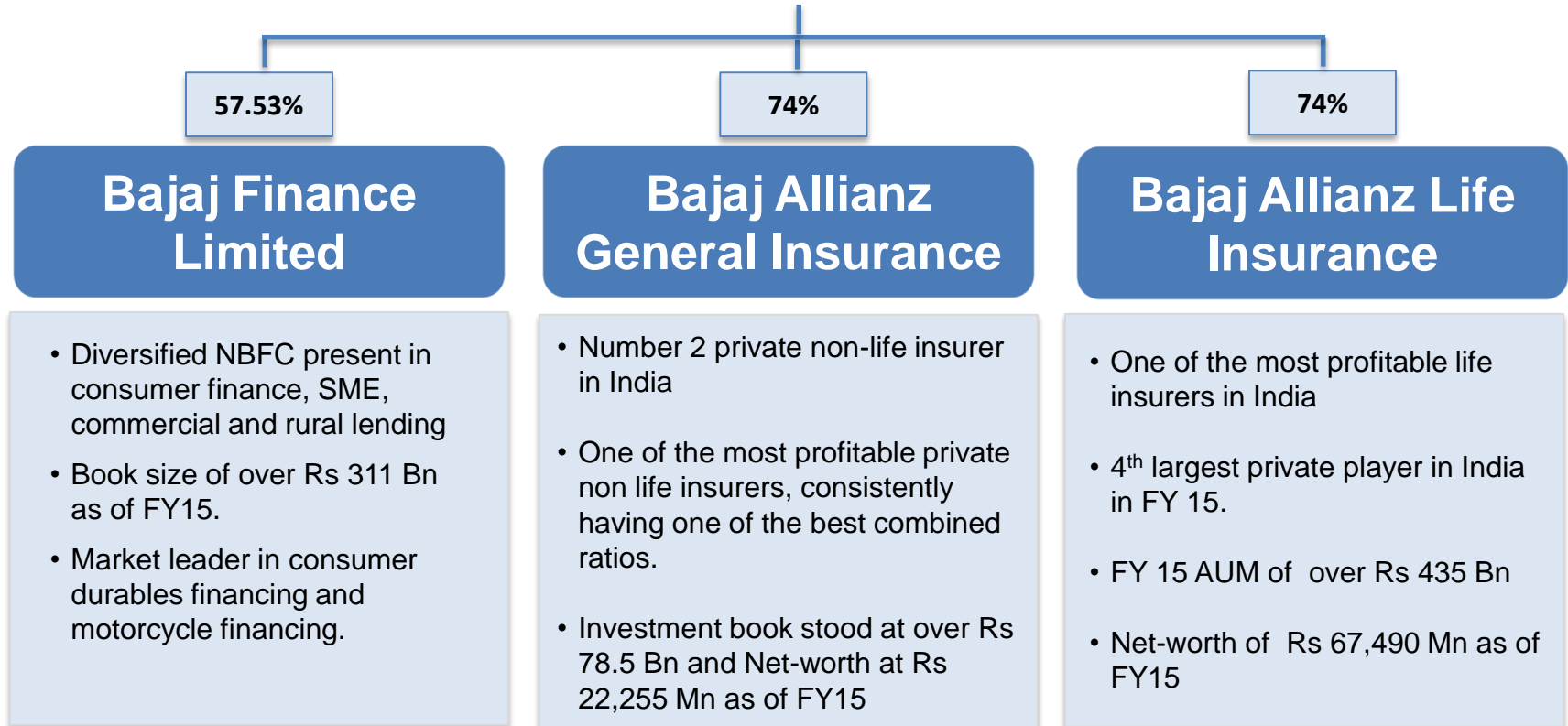
# Bajaj Finserv Limited

Investor Presentation Q2 FY16

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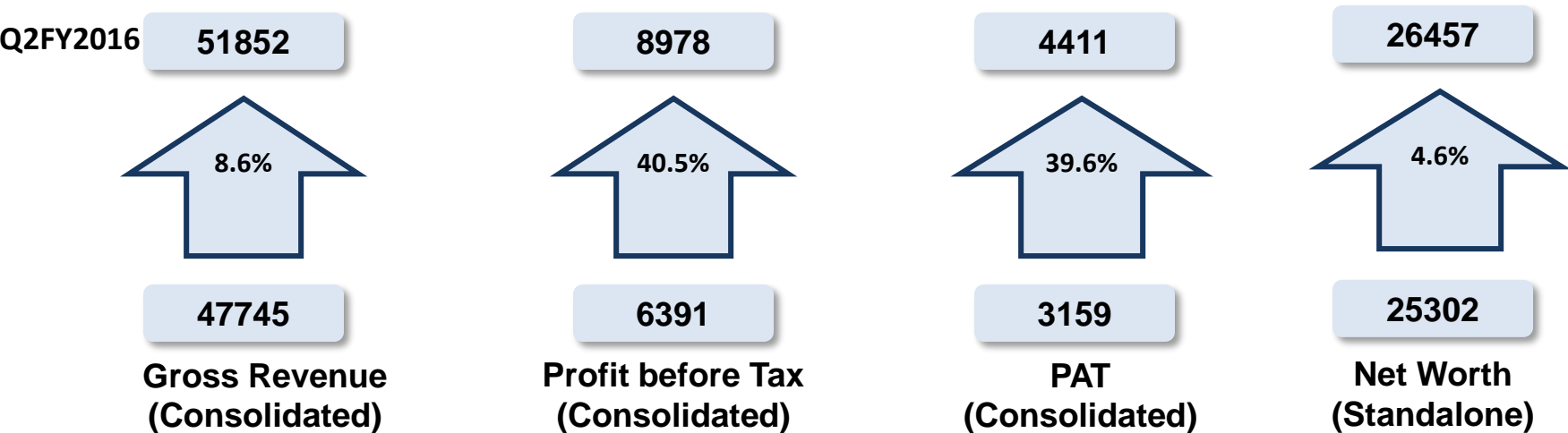
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- Bajaj group has a long track record of building large scale, profitable businesses
- Bajaj Finserv is a diversified group spanning life insurance, general insurance, and lending, with a pan India presence
- Bajaj Finserv is also a listed opportunity to participate in India's insurance sector

All Figures in Rs Million

## Performance Highlights of Q2 FY 2016 over Q2 FY2015

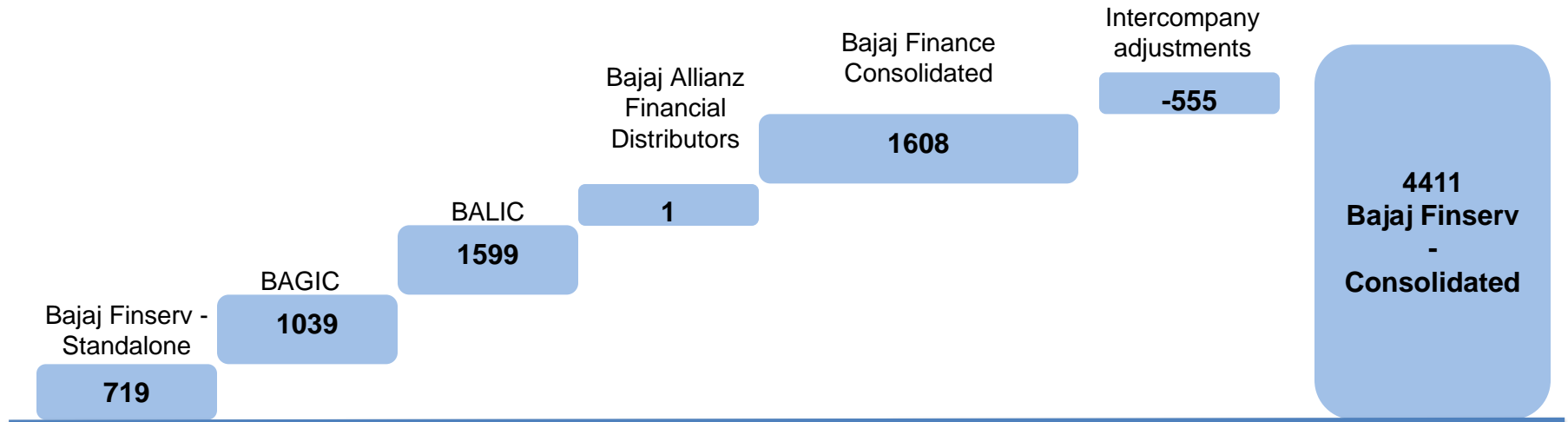


- Bajaj Finserv Standalone : Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds stood at Rs. 7680 million as on September 30, 2015.
- Consolidated Net Worth stood at Rs. 124721 million and Consolidated Book Value Per Share at Rs. 784.

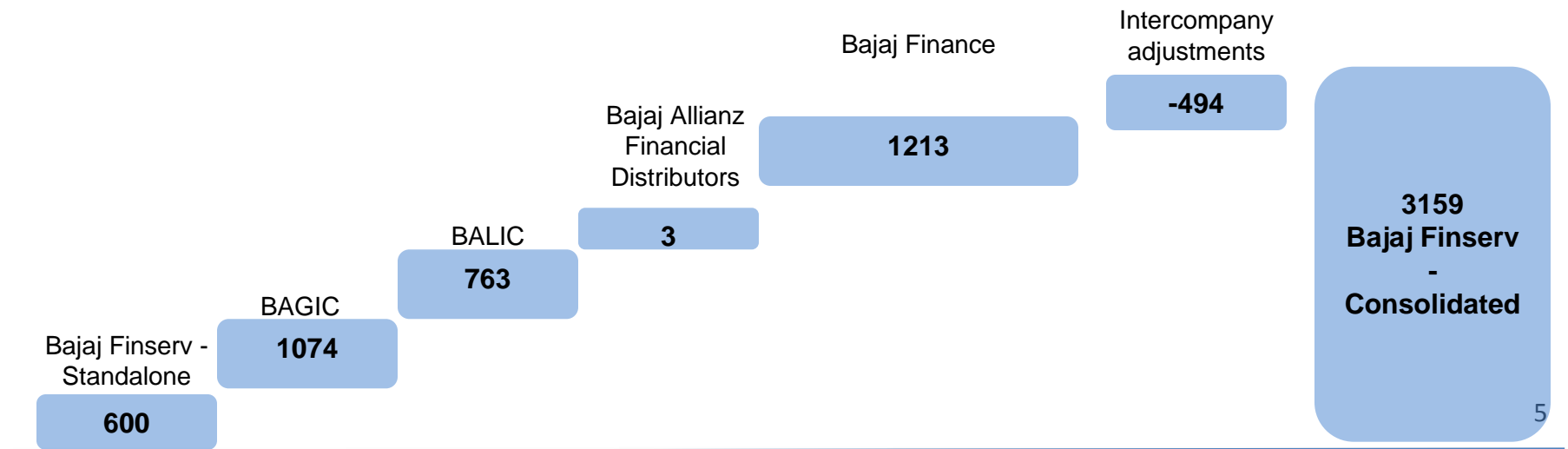
Bajaj Finance & BAGIC have become an important contributor to group profits. Life insurance profits remain significant.

All Figures in Rs Million

## Consolidated profit components for Q2 FY2016



## Consolidated profit components for Q2 FY2015



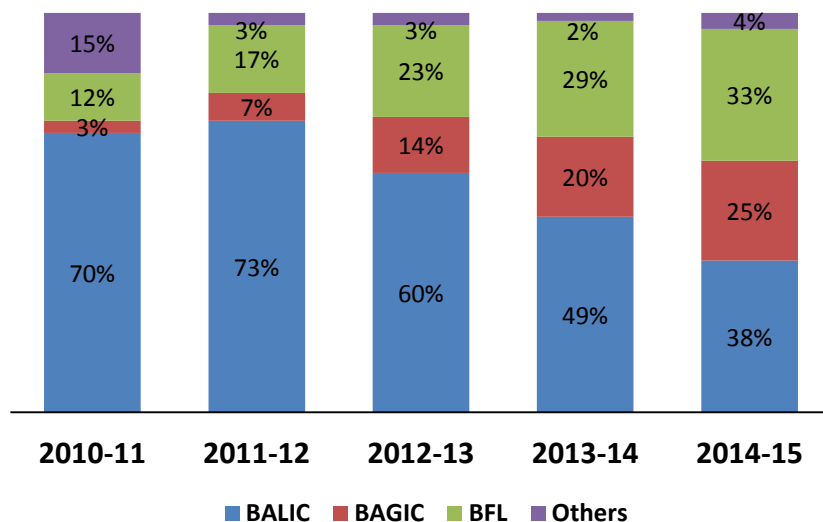
All Figures in Rs Million



## Consolidated Bajaj Finserv Highlights

BAJAJ FINSERV	H1 FY16	H1 FY15	Growth
Gross Revenue	100,122	86,299	16%
Net worth	124,721	99,359	26%
PAT	9,080	6,353	43%

## Consolidated Profit Components\*



## Group Company Highlights

BALIC	H1 FY16	H1 FY15	Growth
GWP	22,535	21,964	3%
New Business	11,331	10,029	13%
Total Investments	429,545	409,433	5%
PAT#	4,566	2,179	#Refer Note

BAGIC	H1 FY16	H1 FY15	Growth
GWP	28,221	26,526	6%
NEP	20,603	18,738	10%
Investments	88,314	75,127	18%
PAT	2,879	2,752	5%

BAJAJ FINANCE	H1 FY16	H1 FY15	Growth
Book Size	365,154	267,508	37%
Total Income	33,564	24,878	35%
PAT	5,550	4,085	36%

# Note: BALIC's PAT for H1 FY 16 includes an amount of Rs 1,633 Mn, which represents the transfer of shareholders' share of policyholder surplus arising in H1 FY16. In the previous years, such profit was transferred only at the end of the year. Had the transfer not been made, H1 FY16 PAT would have been Rs 2,932 Mn.

- Others includes Bajaj Finserv Standalone, and all remaining components.



**Bajaj Allianz Life Insurance**

## STRATEGY

The strategy is to balance growth with sustainability, and steadily increase market share. This will be backed by diversified distribution channels, an efficient operating model and a balanced product mix.

## DIFFERENTIATORS

### Large Proprietary Agency Force

- Large pan India proprietary agency force, managed by sales managers. Lean support structure.

### Capital Efficiency

- BALIC is a highly capital efficient player

### Sustainable model

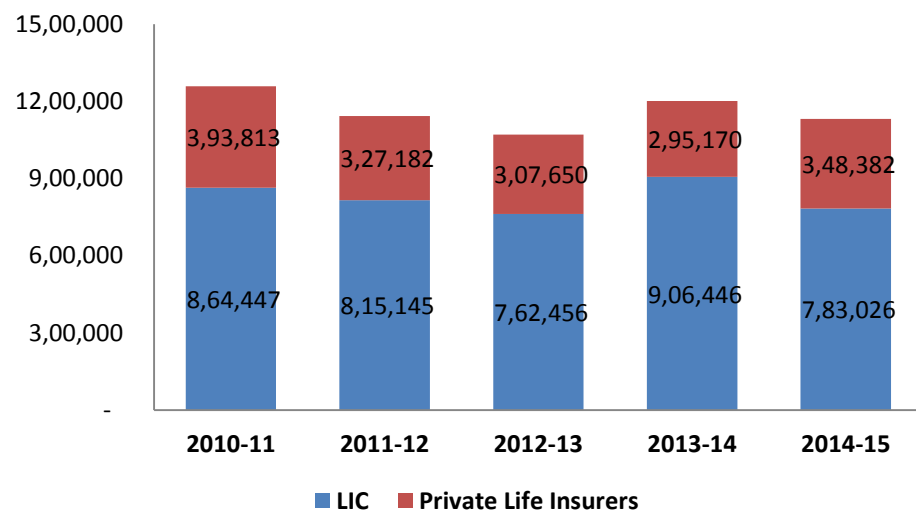
- Product mix is not skewed towards any one product line
- Focus on persistency. FY15 13th month persistency at 67.6%\*



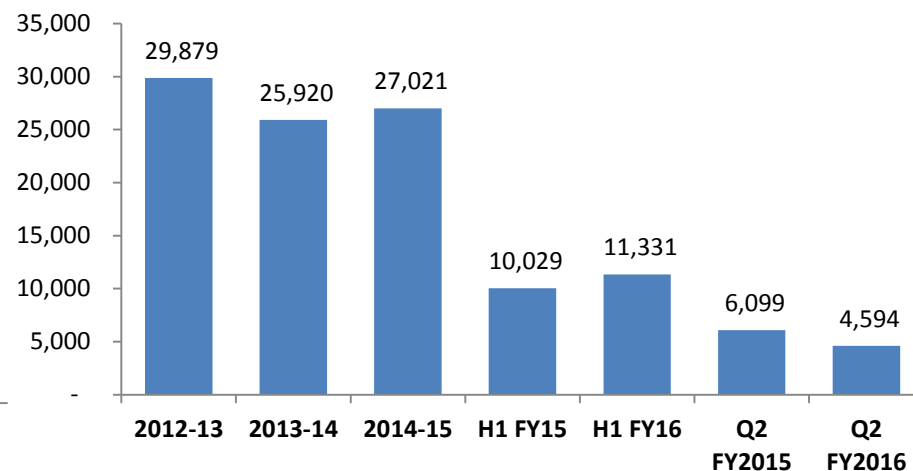
# New business trend

All Figures in Rs Million

## Industry New Business Premium



## New Business - BALIC

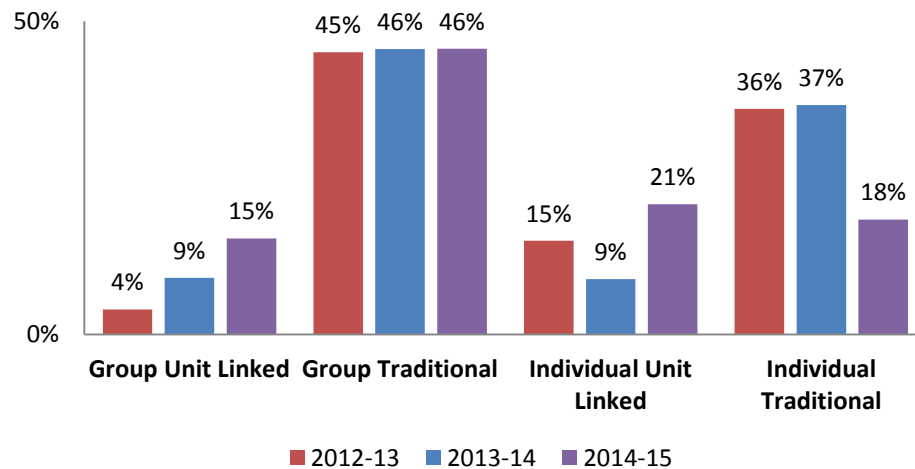


- BALIC grew 4% in FY15 over FY14
- New Business in H1 FY16 is up 13% over H1 FY15. Q2 FY16 new business is down 25% over Q2 FY15

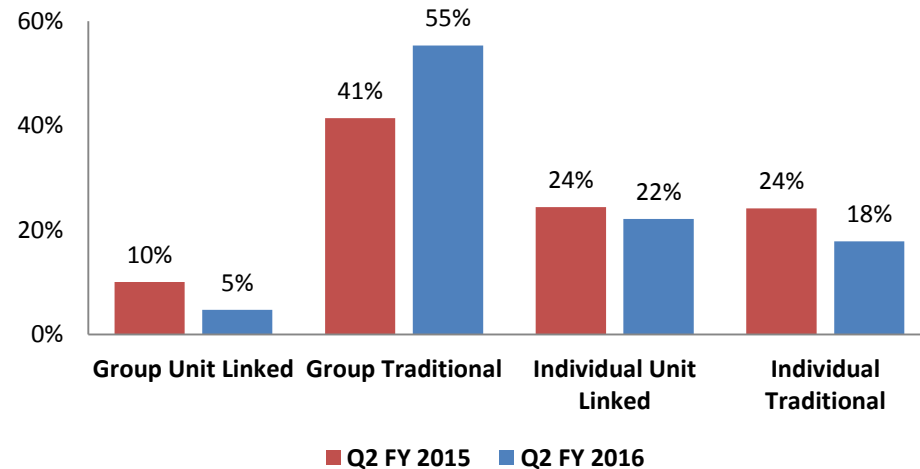
# The product mix is diversified across traditional and unit linked

All Figures in Rs Million

## New Business Premium - Product Mix



## New Business Premium - Product Mix

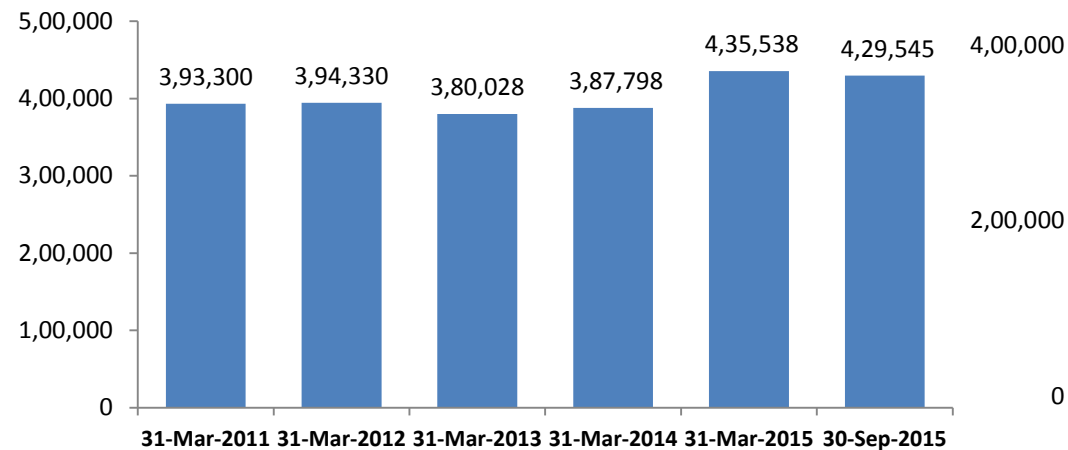


- UL stood at 27% of new business in Q2 FY16
- Of the group business, non-fund based business stood at 63% in Q2 FY16

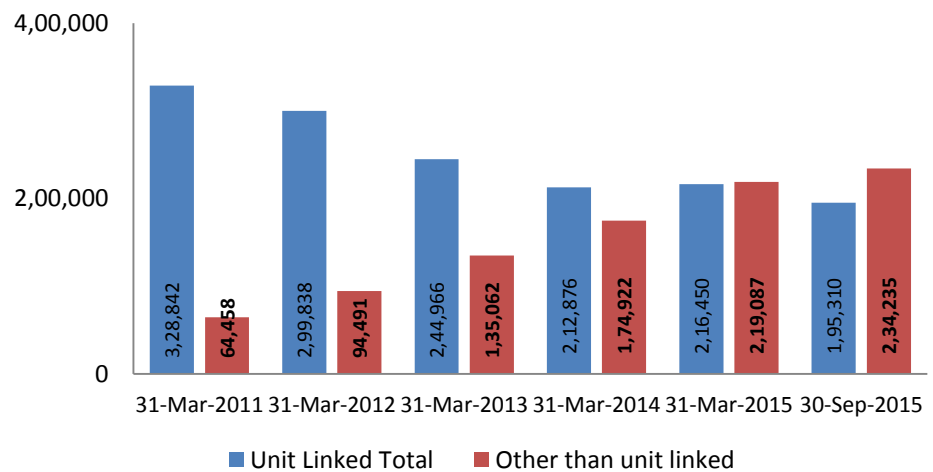
# Assets under management are significant

All Figures in Rs Million

## Investments Growth



## Assets Under Management

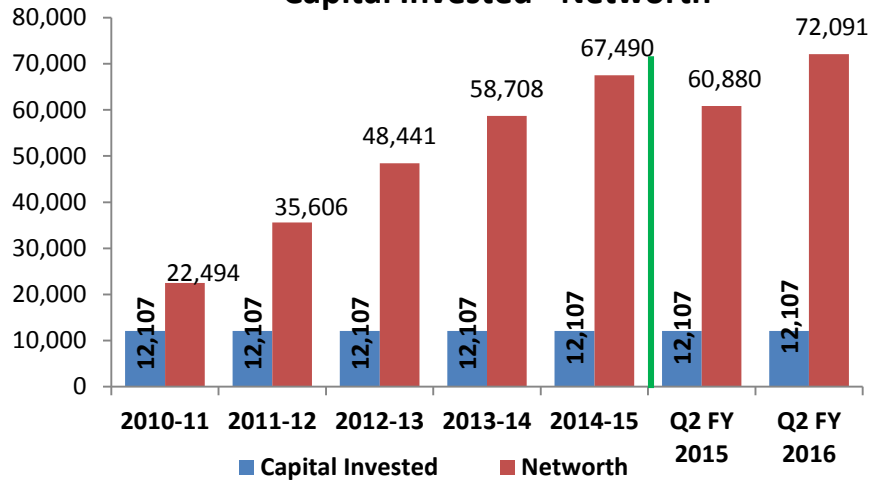


- Equity funds out of the unit linked funds stood at Rs 139,690 Mn as of 30<sup>th</sup> Sep 2015

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

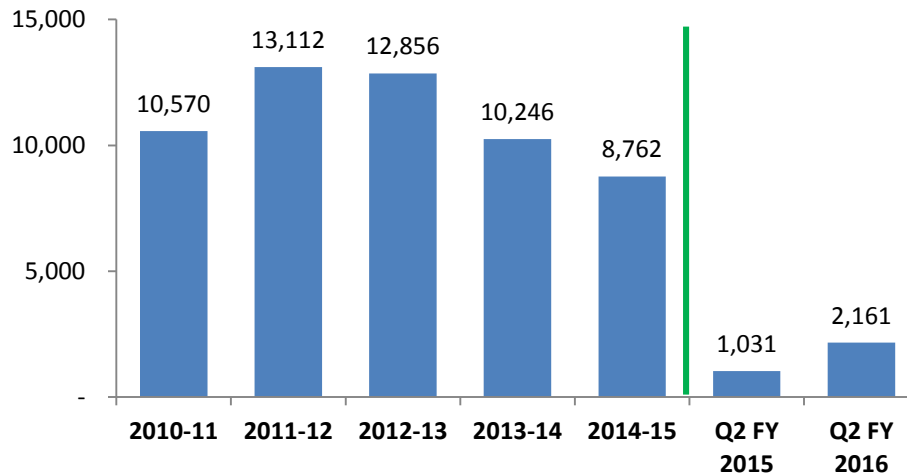
All Figures in Rs Million

**Capital Invested - Networth**



BALIC is a very capital efficient insurer

**PAT**

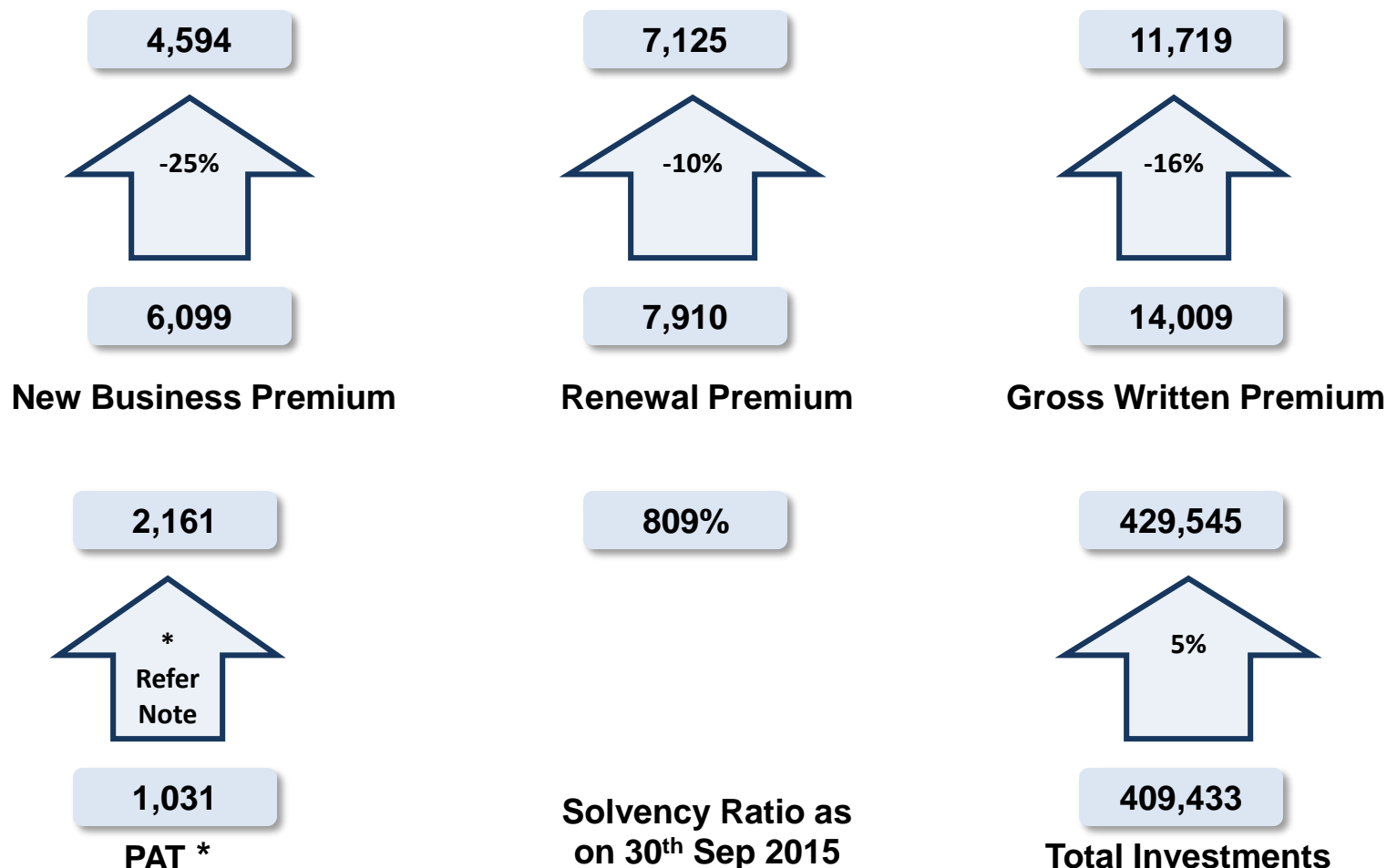


Policyholders surplus for Q2 FY16 stood at Rs 989 Mn vs Rs 1,402 Mn in Q2 FY15

Note: PAT for Q2 of FY 16 includes an amount of Rs 648 Mn, which represents the transfer of shareholders' share of policyholder surplus arising in the quarter. In the previous years, such profit was transferred only at the end of the year. Had the transfer not been made in Q2 FY16, PAT would have been Rs 1512 Mn.

All Figures in Rs Million

## Performance Highlights of Q2 FY2016 over Q2 FY2015



\*Note: PAT for Q2 of FY 16 includes an amount of Rs 648 Mn, which represents the transfer of shareholders' share of policyholder surplus arising 13 in the quarter. In the previous years, such profit was transferred only at the end of the year. Had the transfer not been made in Q2 FY16, PAT would have been Rs 1512 Mn.



**Bajaj Allianz General Insurance**

## STRATEGY

Strategy is to focus predominantly on retail product lines, with diversified distribution channels, profitable underwriting and strong cash flow generation, while delivering excellence in customer service.

## DIFFERENTIATORS

### Underwriting Standards

- Deeply ingrained underwriting focus, which has reflected in industry leading combined ratios over time.
- FY15 Combined Ratio stood at 96.7%

### Sustained Innovation

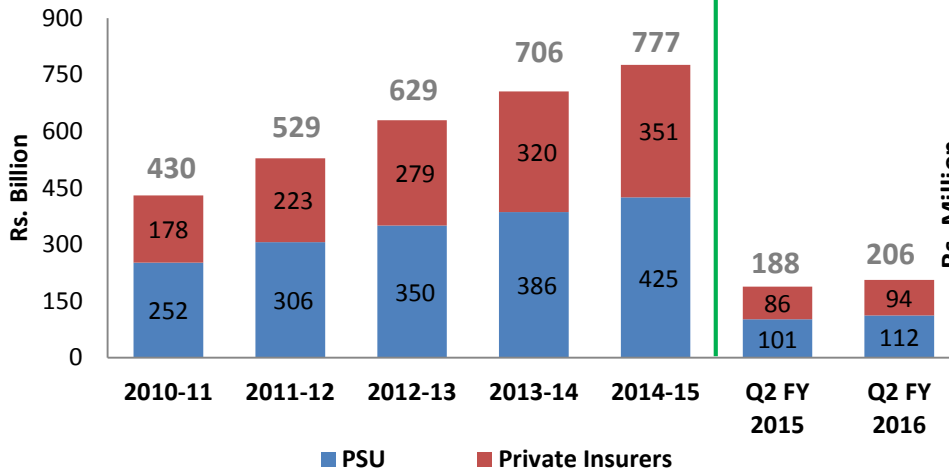
- Early adopter of cash less claims in the industry
- First to have an in house health administration team to handle health insurance claims

### Distribution Depth & Servicing

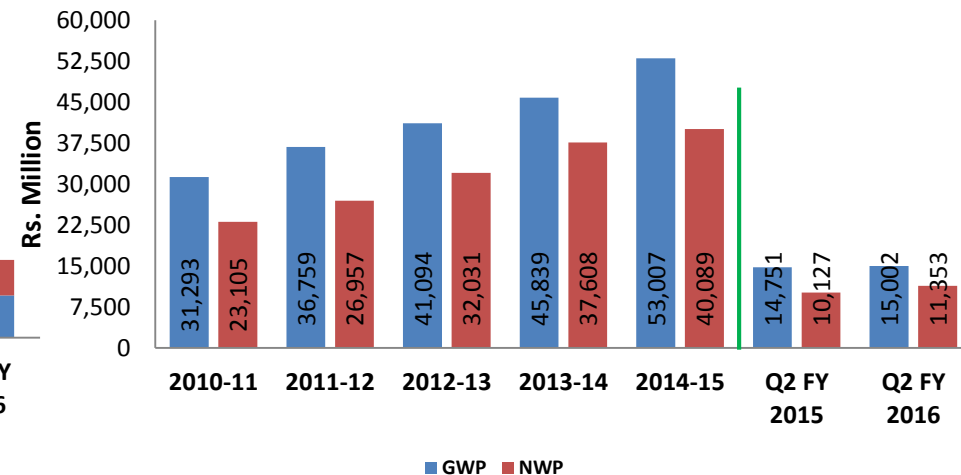
- Multi-channel distribution network consisting of motor dealers, manufacturer tie ups, agency, banca, direct etc. Has a track record of excellence in claims servicing

# BAGIC is the second largest private sector general insurer

**Industry Premium Trends  
(Ex Specialized)**



**BAGIC Premium Trend**



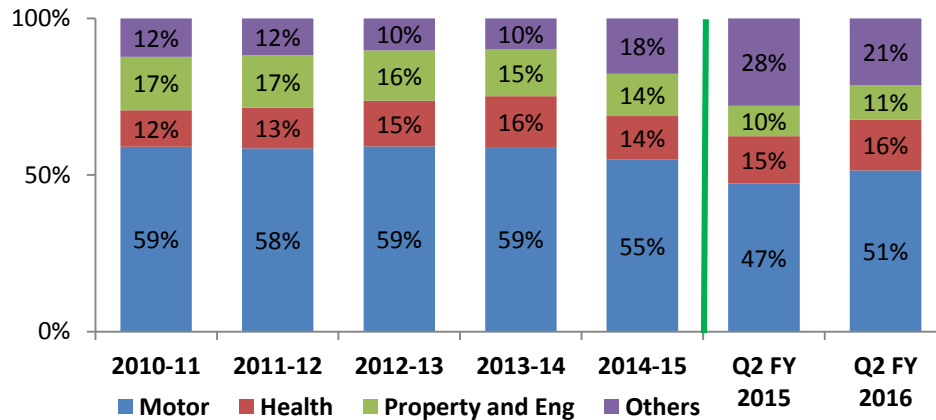
- BAGIC grew GWP in Q2 FY 2016 by 2% and by 6% in H1 2016 as compared to the corresponding periods of FY 15. The lower growth rate was largely due to non-renewal of some Agricultural insurance policies.
- Excluding the volatile agriculture line of business, BAGIC's GWP growth for Q2 FY16 is 13% over Q2 FY15 and 13% in H1 FY 16 as compared to H1 FY 15



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

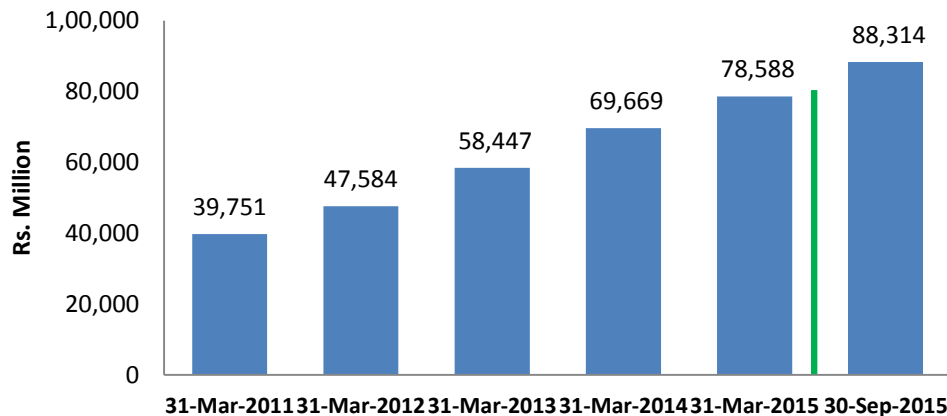
All Figures in Rs Million

### Business Mix



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

### Investment Growth

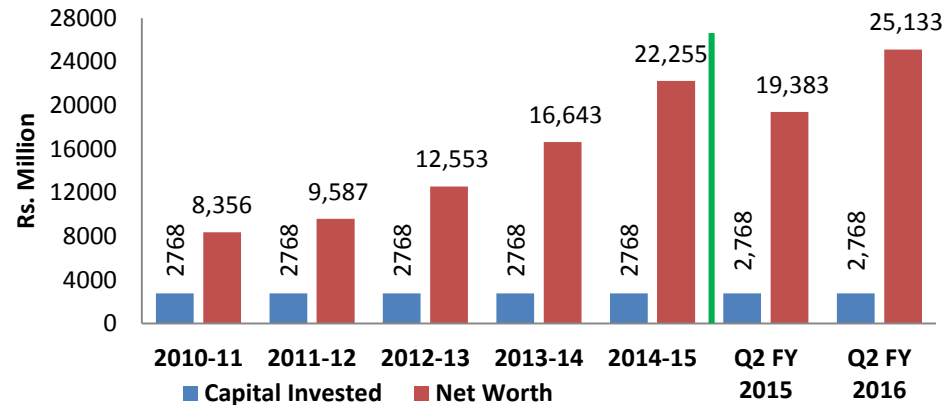


BAGIC continues to grow its AUM strongly. Investments are largely in fixed income securities

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

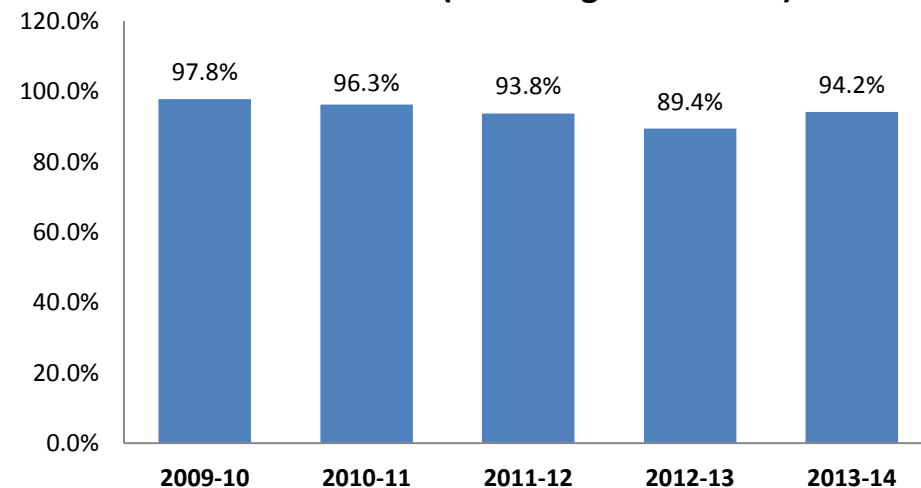
All Figures in Rs Million

## BAGIC - Capital Invested - Networth

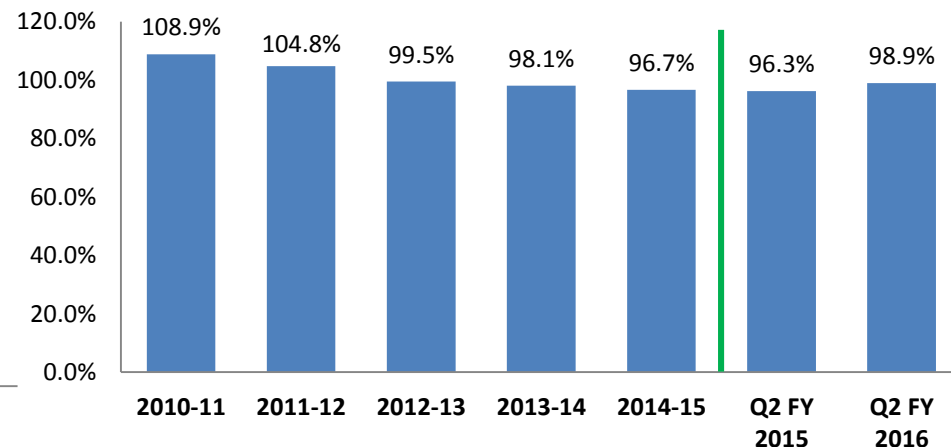


BAGIC has been a very capital efficient insurer

## Combined Ratios (Excluding Motor Pool)



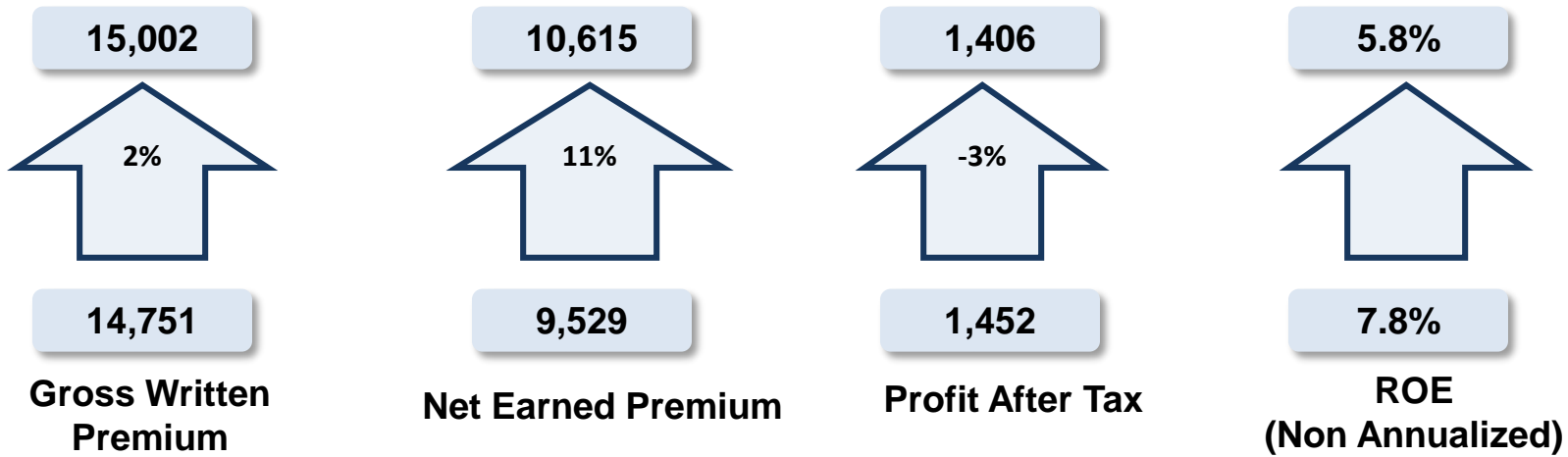
## Combined Ratios (Including Pool)



**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.  $(\text{Net claims incurred divided by Net Earned Premium}) + (\text{Expenses of management including net Commission divided by Net Written Premium})$ . Pool losses, wherever applicable, include the impact of the erstwhile IMTPIP and Declined Risk Pool.

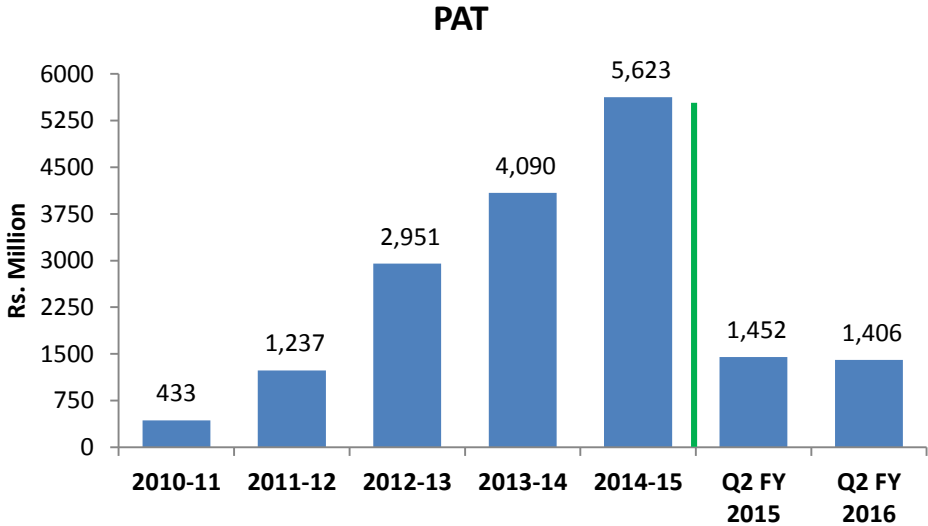
All Figures in Rs Million

## Performance Highlights of Q2 FY2016 over Q2 FY2015



Solvency Ratio was 254% as against regulatory requirement of 150% as of 30<sup>th</sup> Sep 2015

The lower PAT in Q2 was largely attributable to lower premium and commissions from Agricultural insurance business and higher catastrophe reinsurance cost.





**Bajaj Finance Limited**

## STRATEGY

To be a diversified NBFC with a focus on cross sell, customer experience, and product & process innovations, resulting in a differentiated and profitable business model.

## DIFFERENTIATORS

### Consumer Durables Financing

- Market leader in consumer durables financing. Model has been extended to lifestyle and digital products financing.
- Technology enabled model with on the spot loan approval

### Cross Sell Capability

- Sustained track record of doing more with existing customers through cross sell
- Strong capabilities in analytics

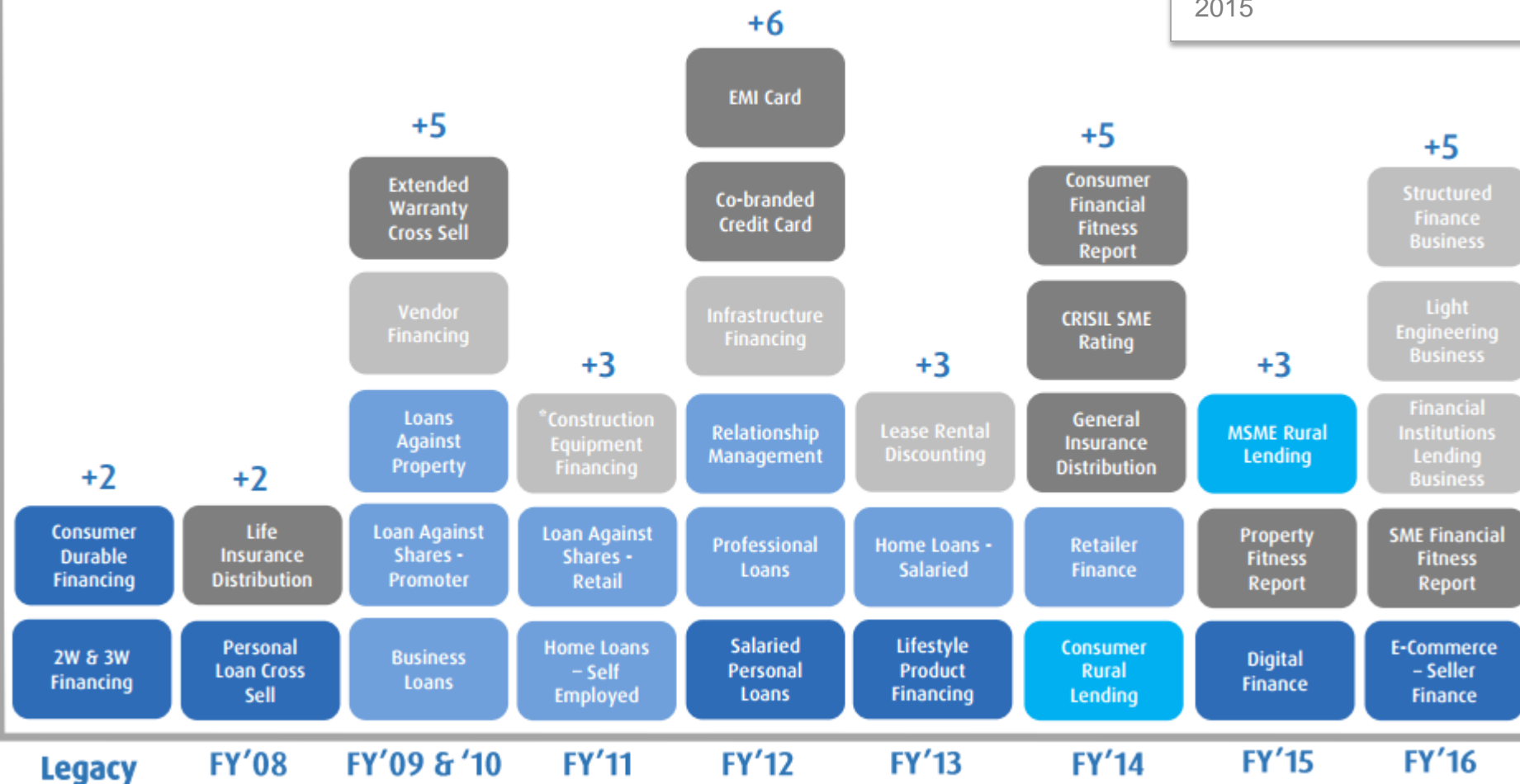
### Technology Focus

- Contemporary loan origination system, strict monitoring framework and systems to ensure high standards of on boarding, credit quality, and portfolio performance

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

## Business / Product Launch Journey

AUM mix:  
Consumer (41%), SME (47%), Commercial (10%), Rural (2%) as of Sep 30 2015

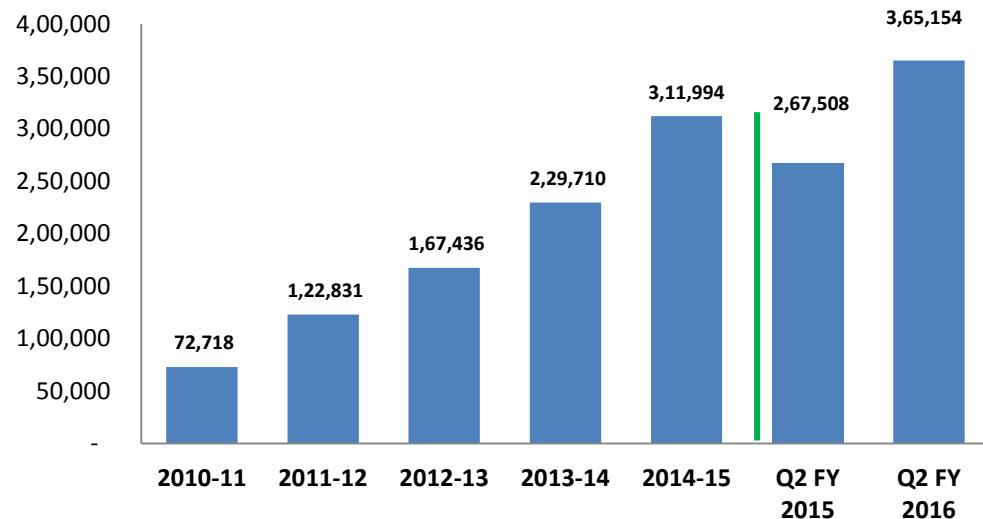


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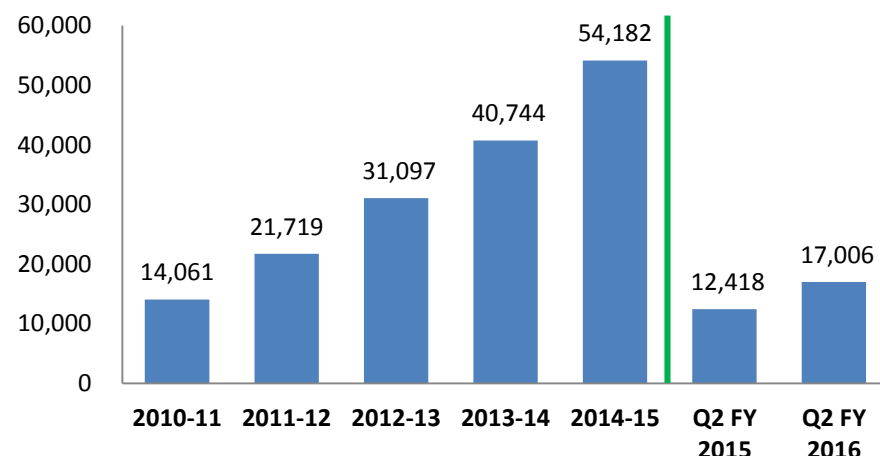
# Bajaj Finance has clocked healthy growth in revenues

All Figures in Rs Million

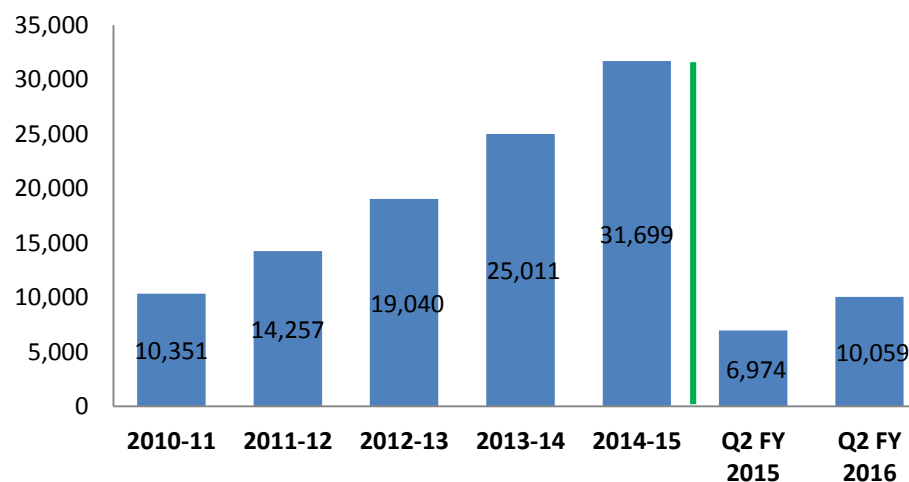
## Book Size



## Revenues



## Net Interest Income

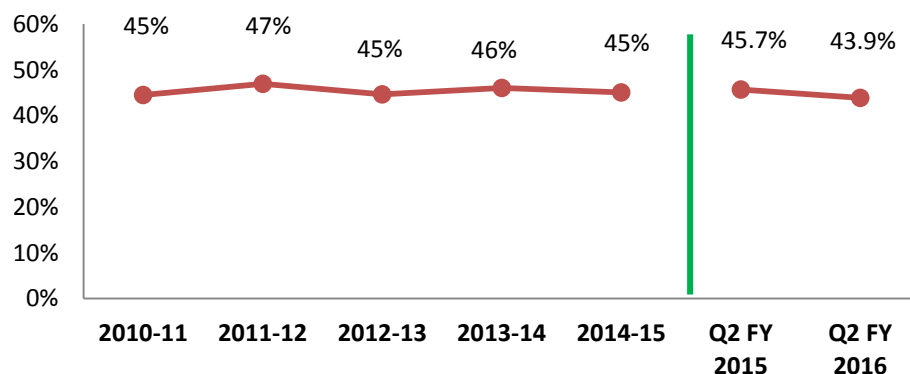


■ NII (Rs. millions)

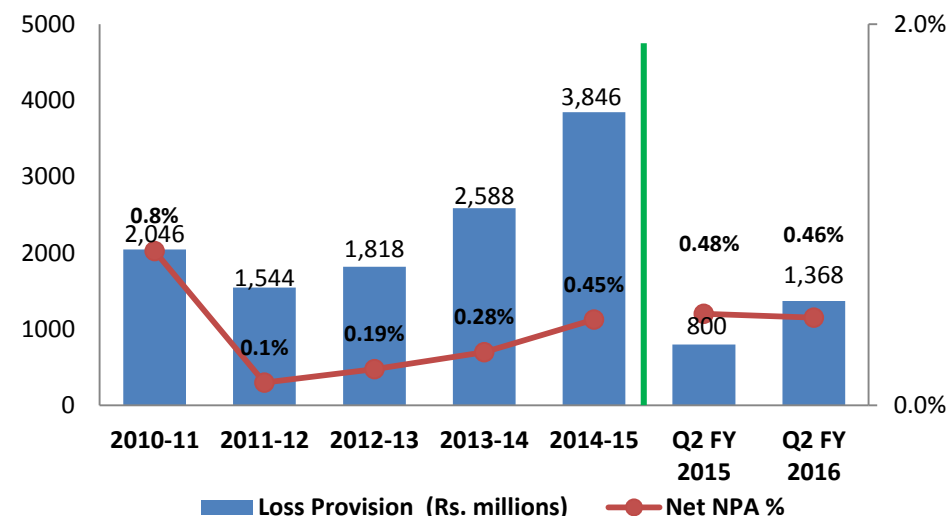
# Quality of assets is good, and operating costs remain under control

All Figures in Rs Million

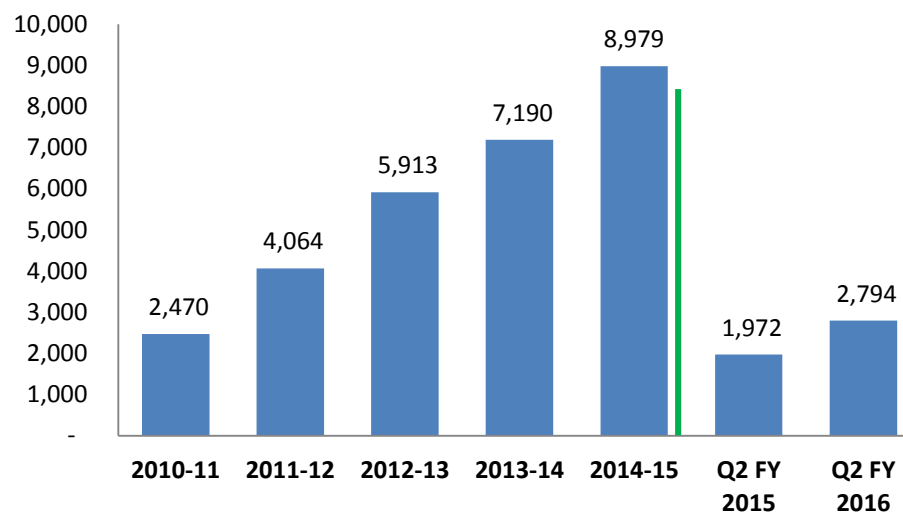
## Operating expenses as a % of NII



## Loss Provision and Net NPA%



## PAT

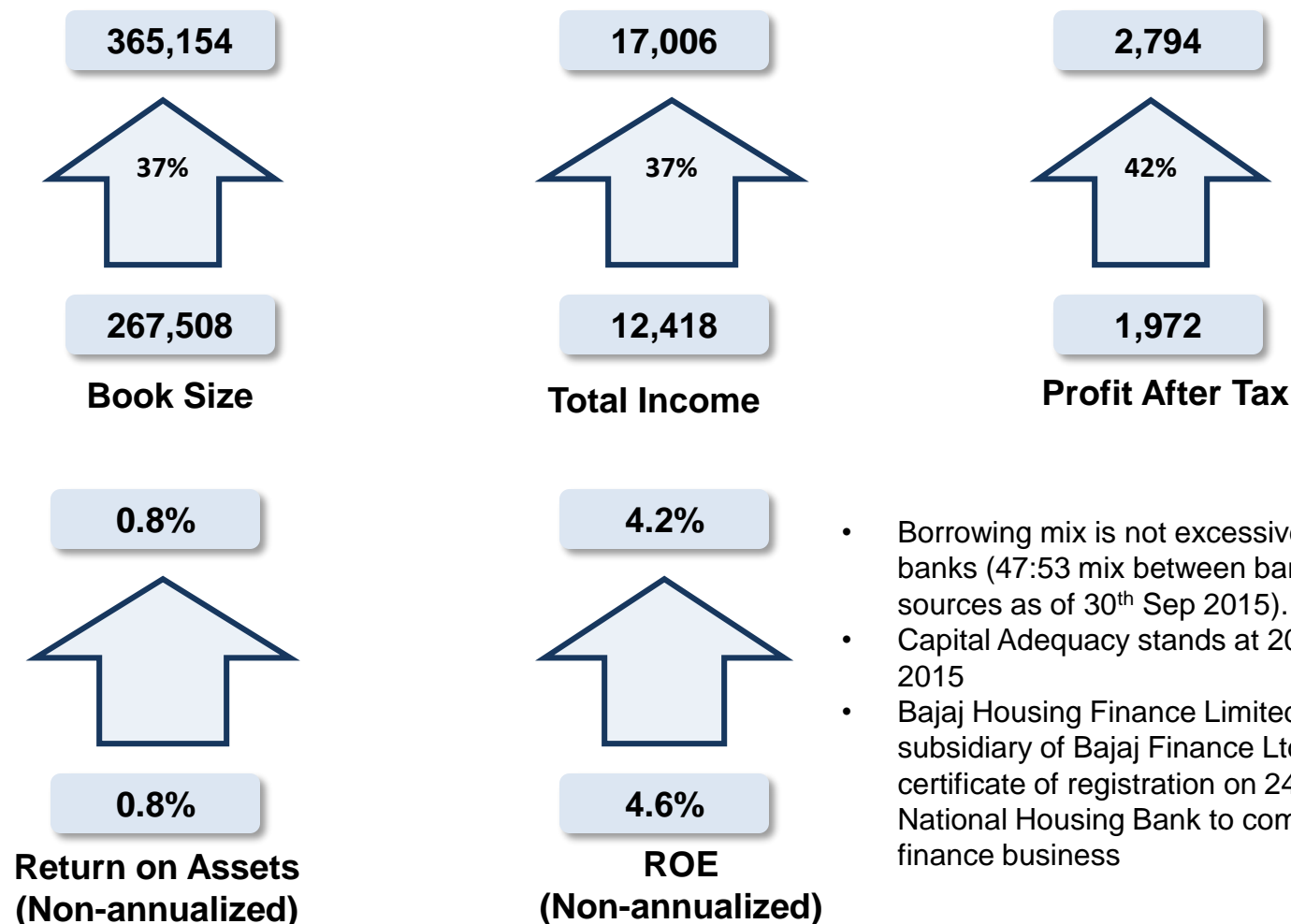




# Bajaj Finance performance highlights

All Figures in Rs Million

## Performance Highlights of Q2 FY2016 over Q2 FY2015



- Borrowing mix is not excessively dependent on banks (47:53 mix between banks and other sources as of 30<sup>th</sup> Sep 2015).
- Capital Adequacy stands at 20.49% as of 30<sup>th</sup> Sep 2015
- Bajaj Housing Finance Limited, the wholly owned subsidiary of Bajaj Finance Ltd, has received certificate of registration on 24 Sep 2015 from National Housing Bank to commence housing finance business

**Thank You**