

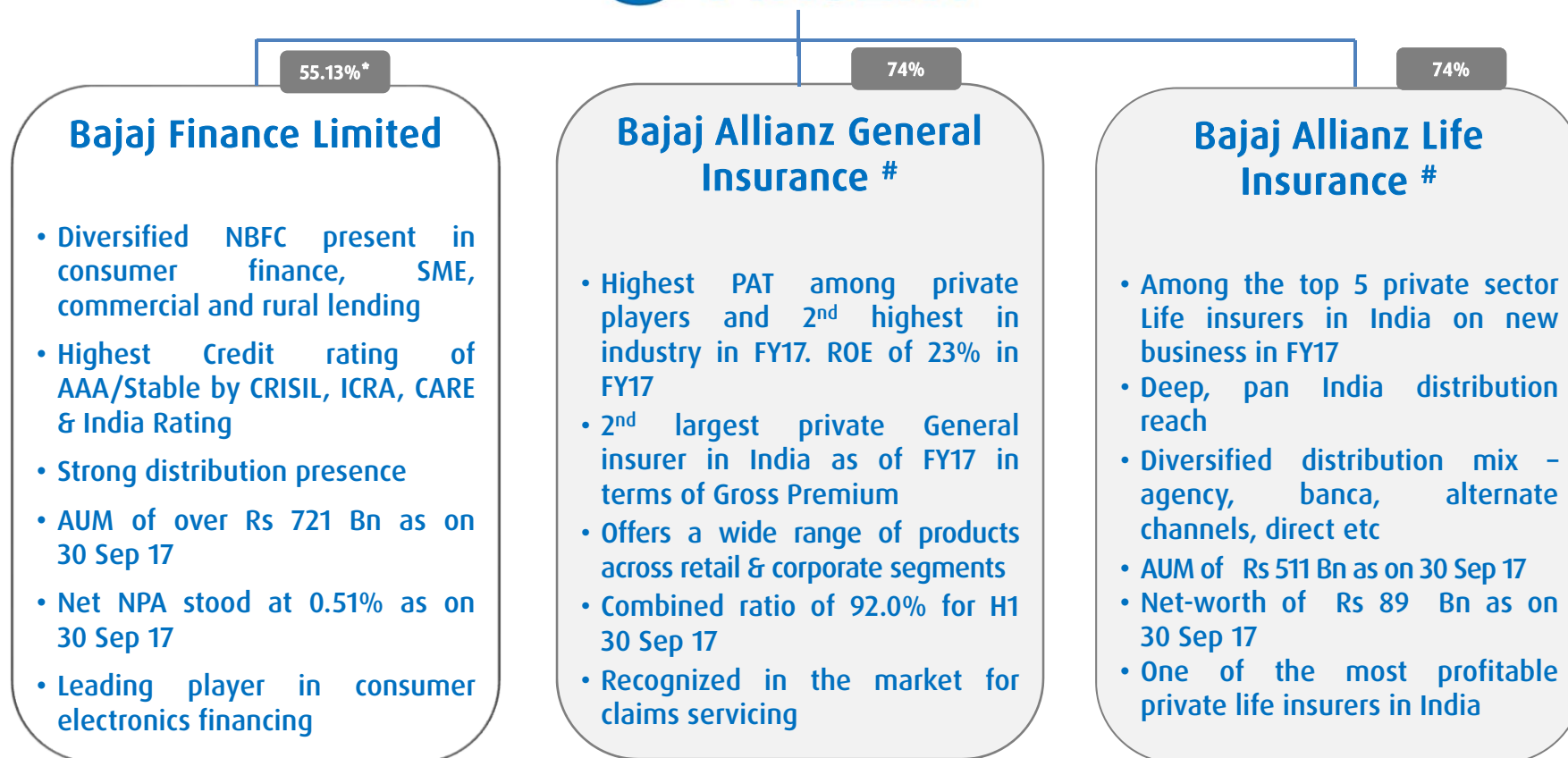


BAJAJ FINSERV LIMITED

Investor Presentation – Q2 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

* BFL raised capital through Qualified Institutional Placement, as a consequence BFS shareholding in BFL reduced from 57.80% to 55.13% during the quarter

Shareholding is as of 30th Sep 2017. Chart shows only major subsidiaries.

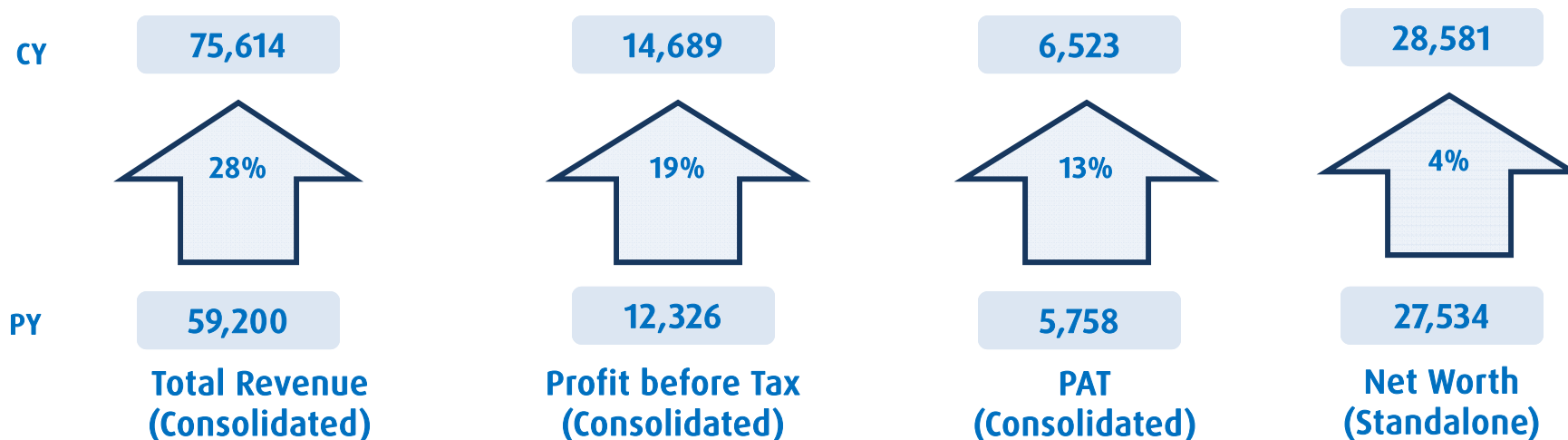
Not listed

Bajaj Finserv performance highlights



All Figures in Rs Million

Performance Highlights of Q2 FY18 over Q2 FY17



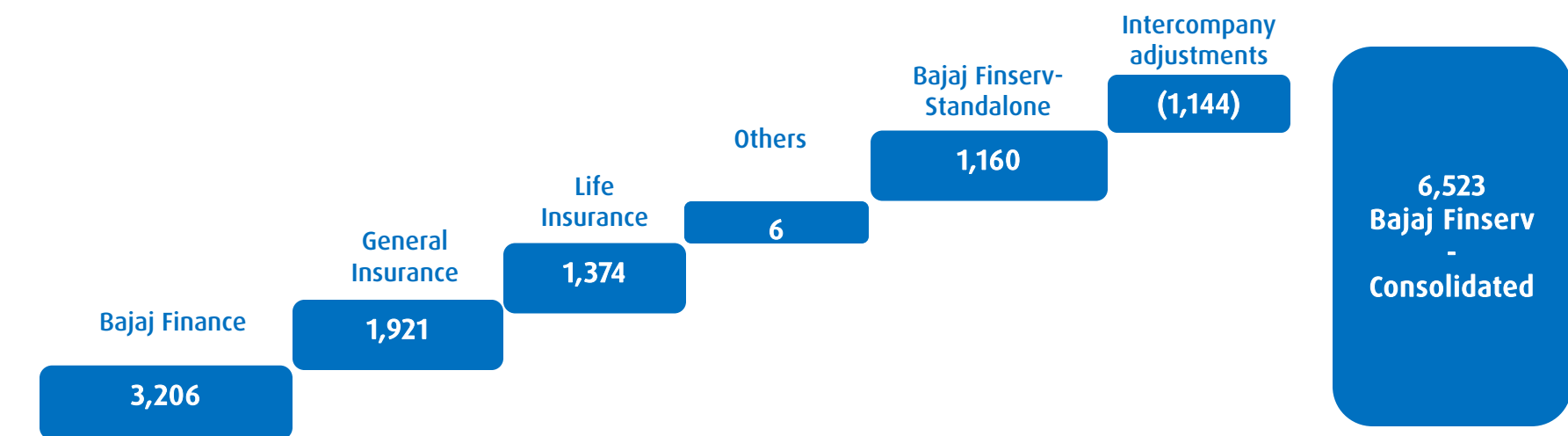
- Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds stood at Rs. 6.5 Bn as on 30 Sep 2017
- Consolidated Net Worth stood at Rs. 193 billion and Consolidated Book Value Per Share at Rs. 1,211

Consolidated profit components

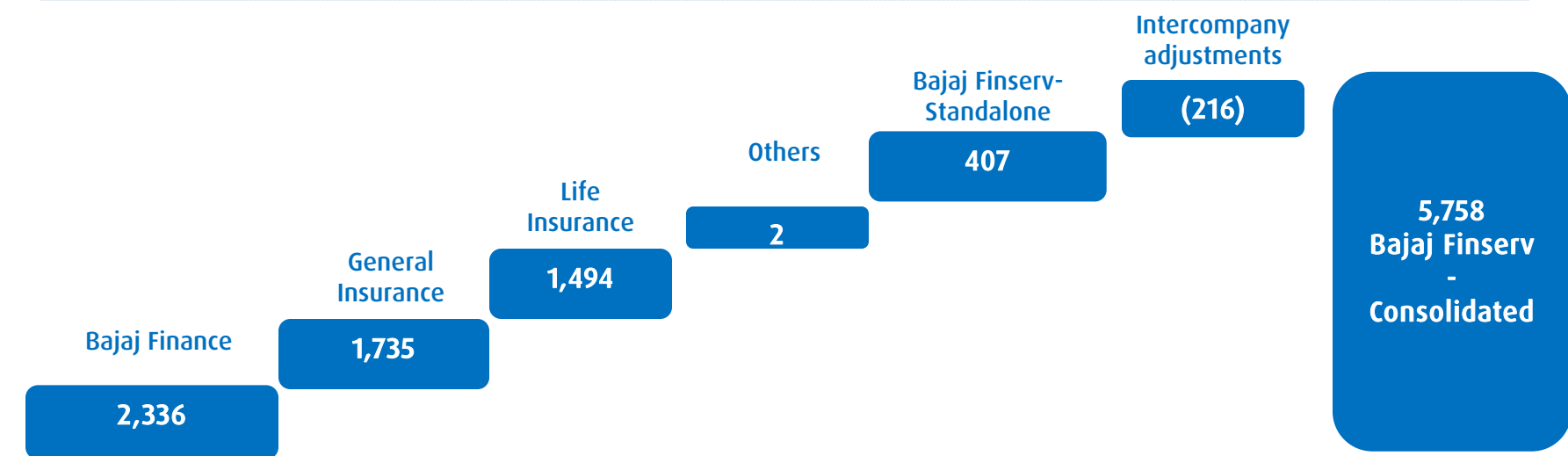


All Figures in Rs Million

Consolidated profit components for Q2 FY18



Consolidated profit components for Q2 FY17



H1 Highlights



All Figures in Rs Million

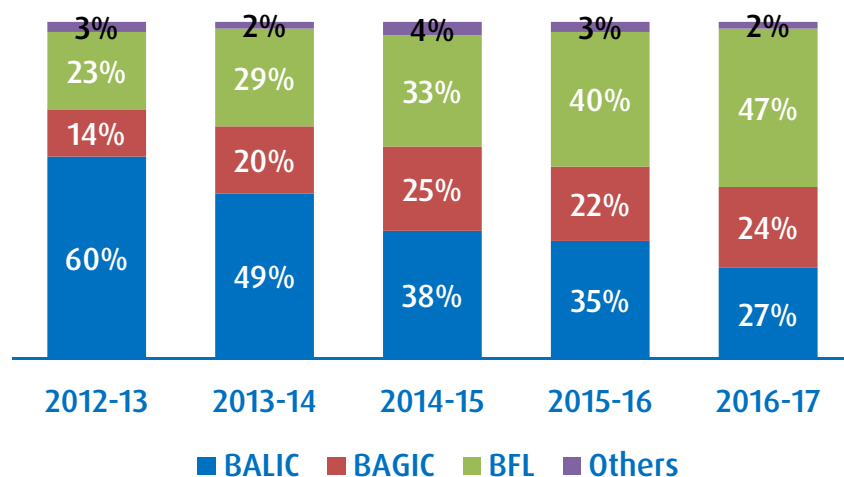


BAJAJ FINSERV	H1 FY18	H1 FY17	Growth
Total Revenue	141,046	111,504	27%
Net worth (Cons)	192,726	144,988	33%
PAT	13,074	11,133	17%

Highlights of Group Companies

BAJAJ FINANCE	H1 FY18	H1 FY17	Growth
AUM	721,389	523,320	38%
Total Income	62,287	46,193	35%
PAT	11,589	8,317	39%

Consolidated Profit Components *



BAGIC	H1 FY18	H1 FY17	Growth
GWP	48,301	37,059	30%
Total Investments	121,000	103,598	17%
PAT	4,729	3,659	29%

BALIC	H1 FY18	H1 FY17	Growth
GWP	31,692	24,508	29%
Investments	510,878	468,802	9%
PAT	3,821	4,456	-14%

- 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 superior ROE and ROA
- ☐ 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 22.99 Mn and Cross sell client base of 13.21 Mn
- ❑ Centre of Excellence for each business vertical to bring efficiencies across businesses and improve cross sell opportunity
- ❑ AUM mix for Consumer : SME : Commercial : Rural stood at 47% : 34% : 13% : 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, digital products & furniture lender in India
- Presence in 471 locations with 46,000+ active points of sale
- Amongst the largest personal loan lenders
- EMI (Existing Member Identification) Card franchise of over 10.2 Mn (incl EMI & Virtual EMI cards)
- Among the largest new loans acquirers in India (3.23 Mn in Q2 FY18)

SME

- Focused on affluent SMEs with an average annual sales of ₹ 10-12 Crores with established financials & demonstrated borrowing track records
- Offer a range of working capital & growth capital products and mortgage (Loan against property, Lease Rental Discounting & Home Loans) products to SME & self employed professionals
- Relationship management approach to cross sell

Commercial

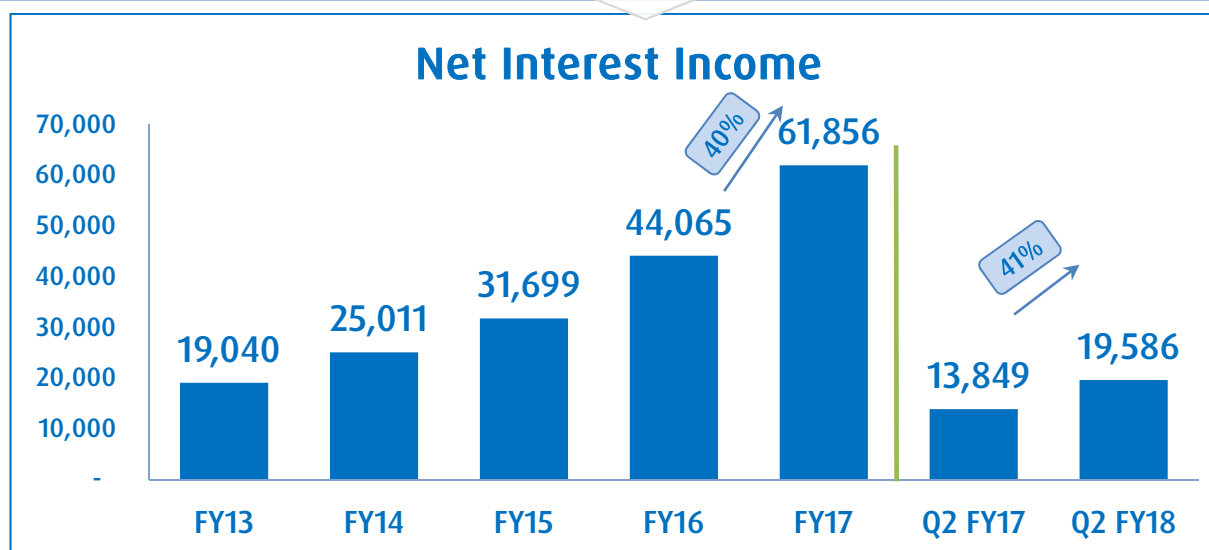
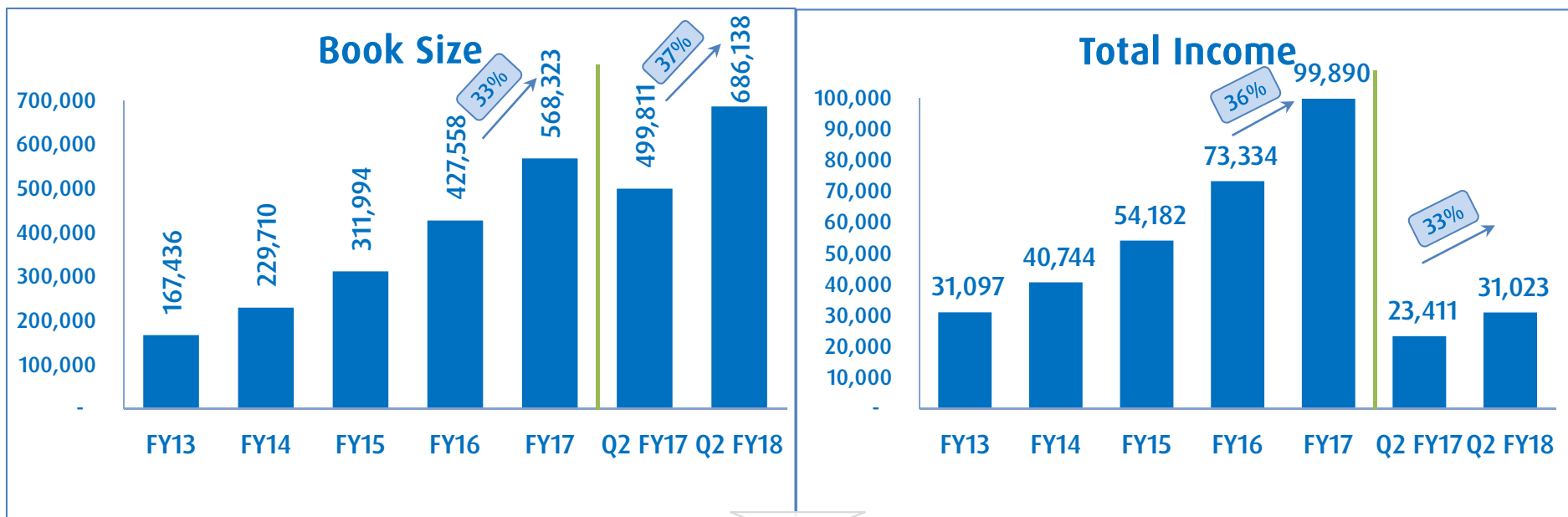
- Wholesale Lending products covering short, medium and long term financing needs of selected sectors viz.
 - ✓ Auto component and ancillary manufacturers
 - ✓ Light engineering vendors
 - ✓ Financial institutions
- Structured products through collateralized mortgages and securities

Rural

- Unique hub-and-spoke model in 560 locations and retail presence across 6,900+ points of sale
- Diversified rural lending model with 9 product lines for consumer and MSME segments

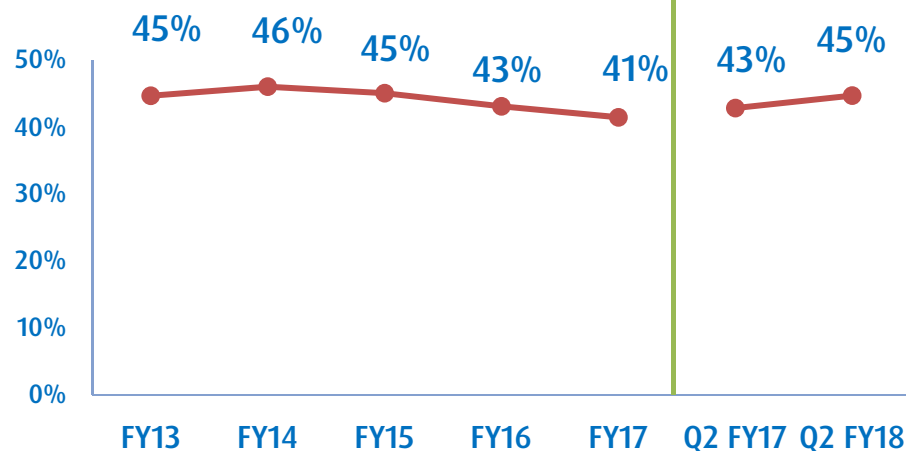
Bajaj Finance has clocked healthy growth in revenues

All Figures in Rs Million

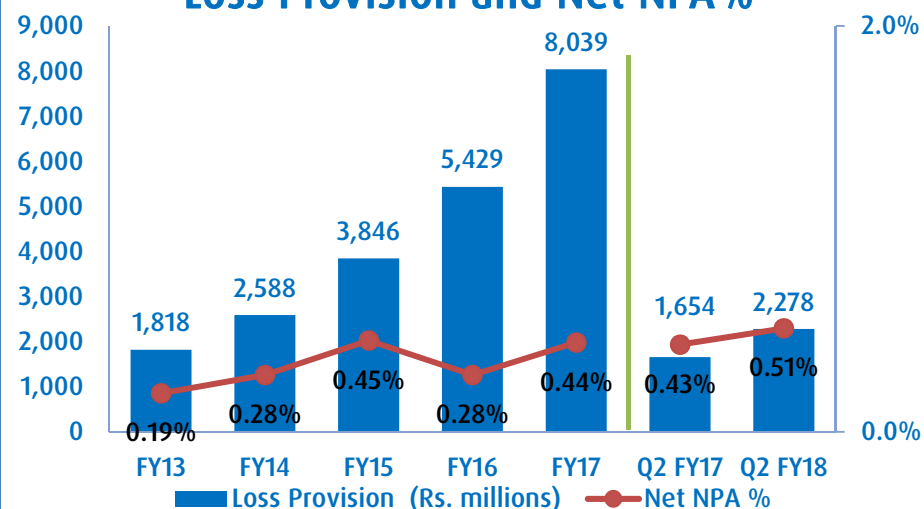


Portfolio quality continues to be good, and operating costs remain under control

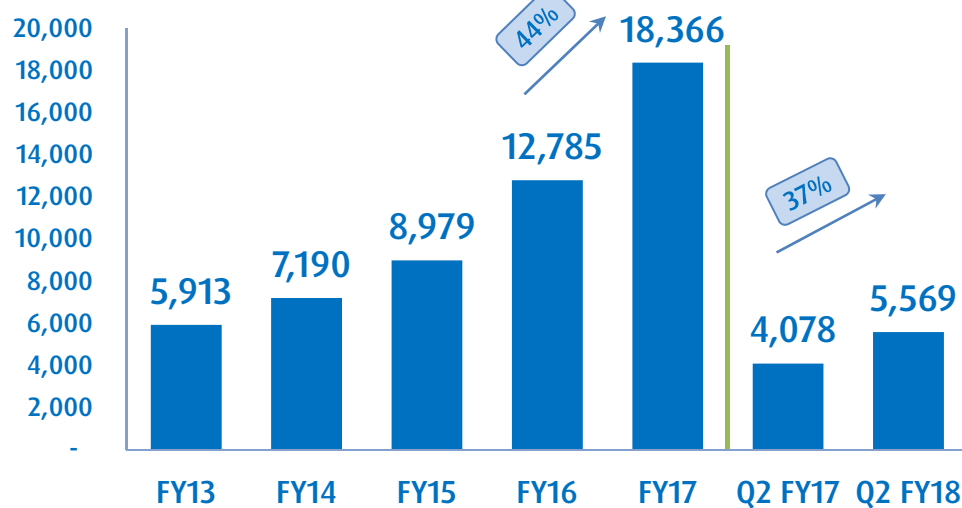
Operating expenses as a % of NII



Loss Provision and Net NPA%



PAT

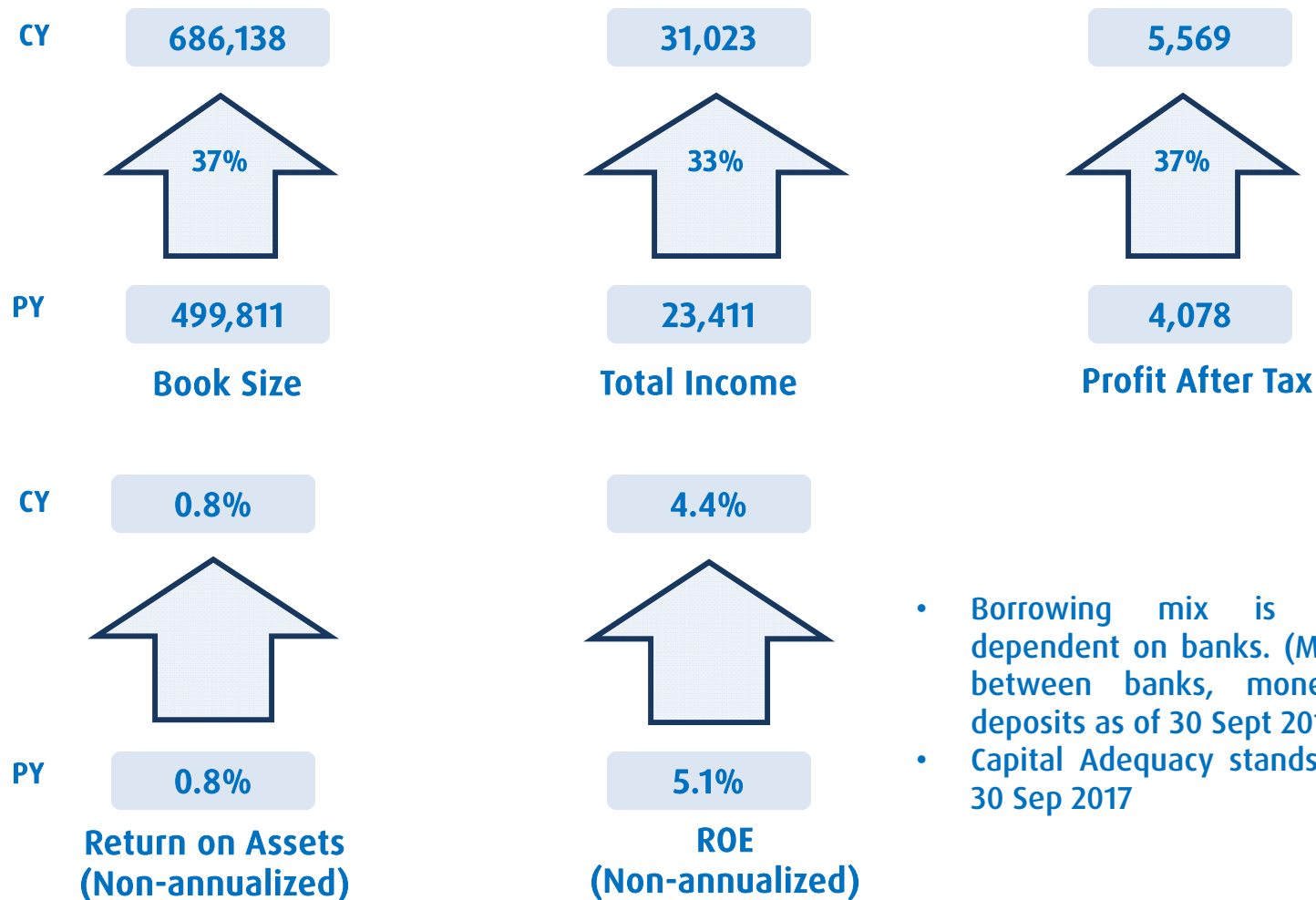


Bajaj Finance – Q2 highlights



All Figures in Rs Million

Performance Highlights of Q2 FY18 over Q2 FY17



- Borrowing mix is not excessively dependent on banks. (Mix of 30 : 60 : 10 between banks, money markets and deposits as of 30 Sept 2017)
- Capital Adequacy stands at 25.42% as of 30 Sep 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 & CoR
- ❑ 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 viz. virtual points of sale

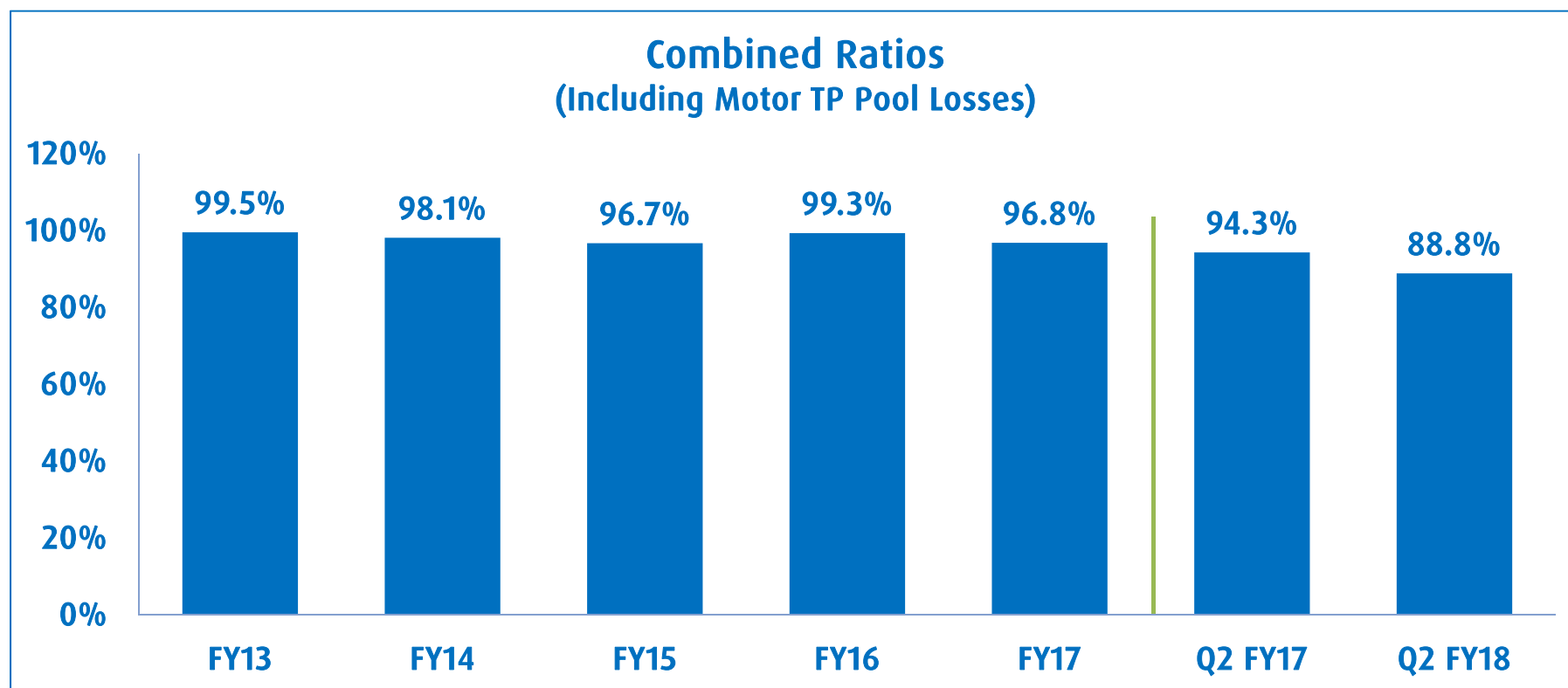
Balanced distribution mix

- ❑ 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%

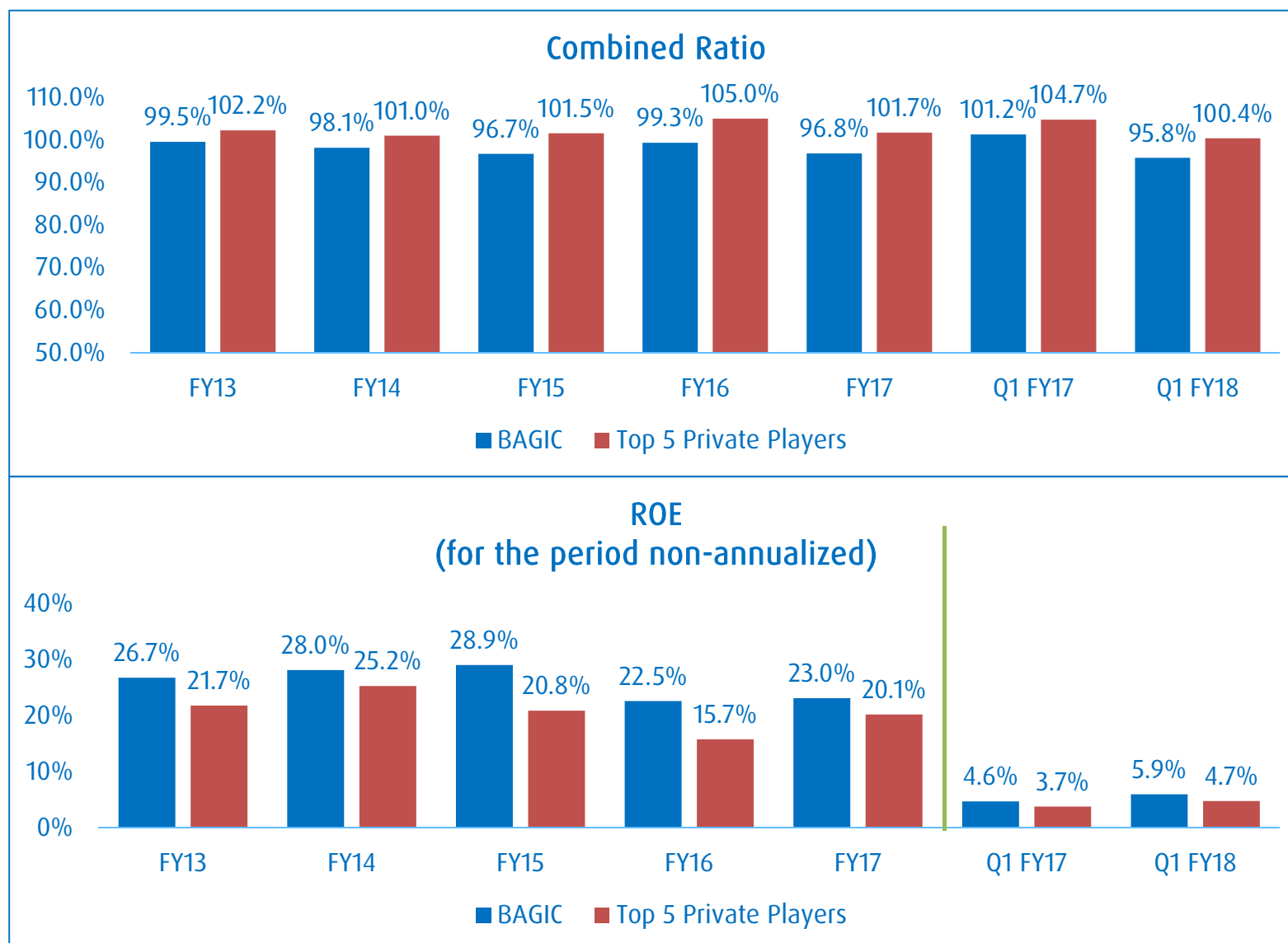


1. A combined ratio below 100% indicates that the company makes profits from its insurance operations.

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.

Consistent performance in General Insurance



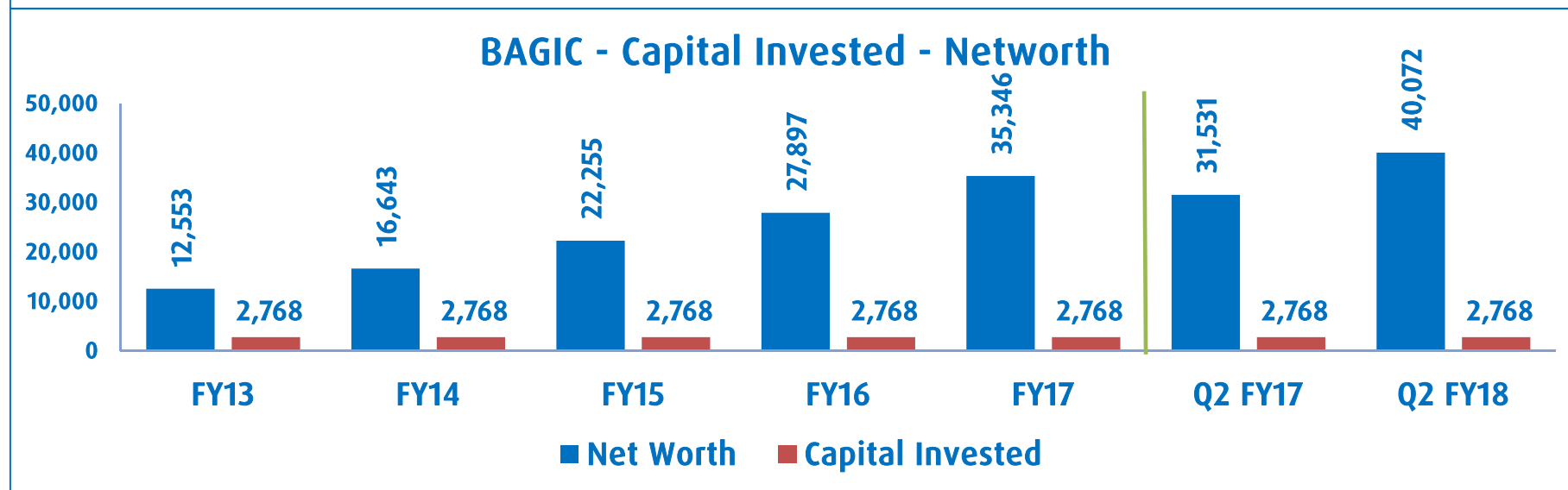
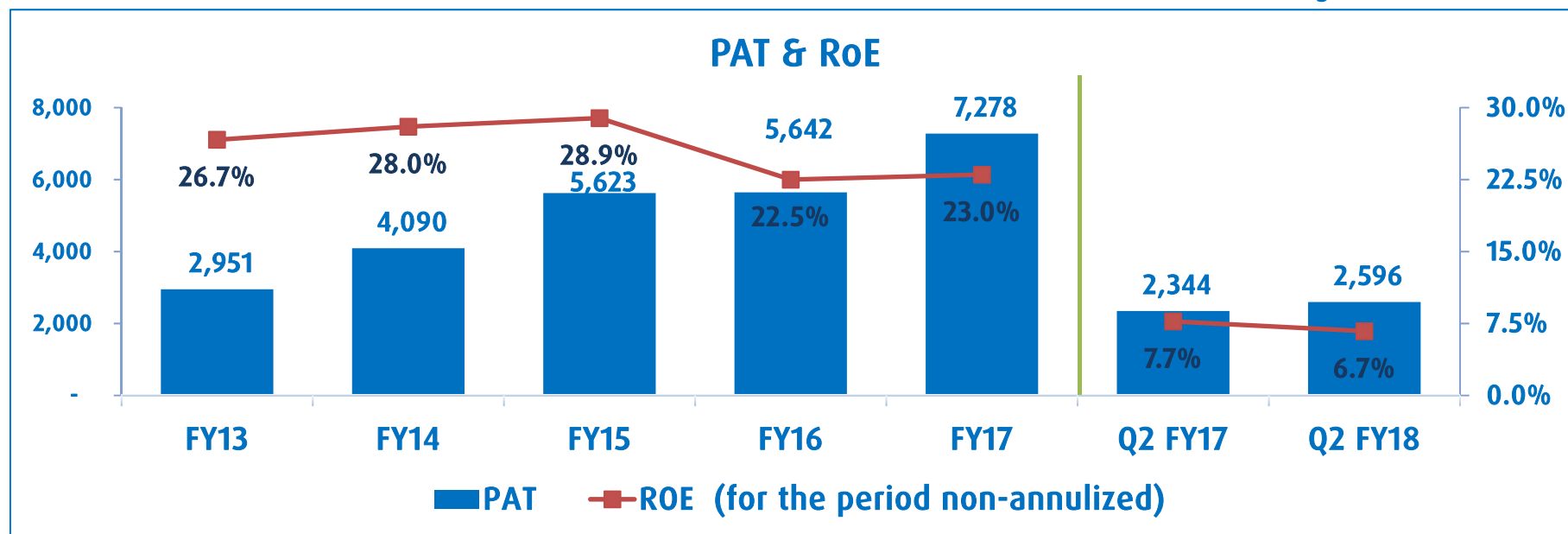
Industry's leading combined ratio on sustained basis

Consistently delivered Industry beating RoE's

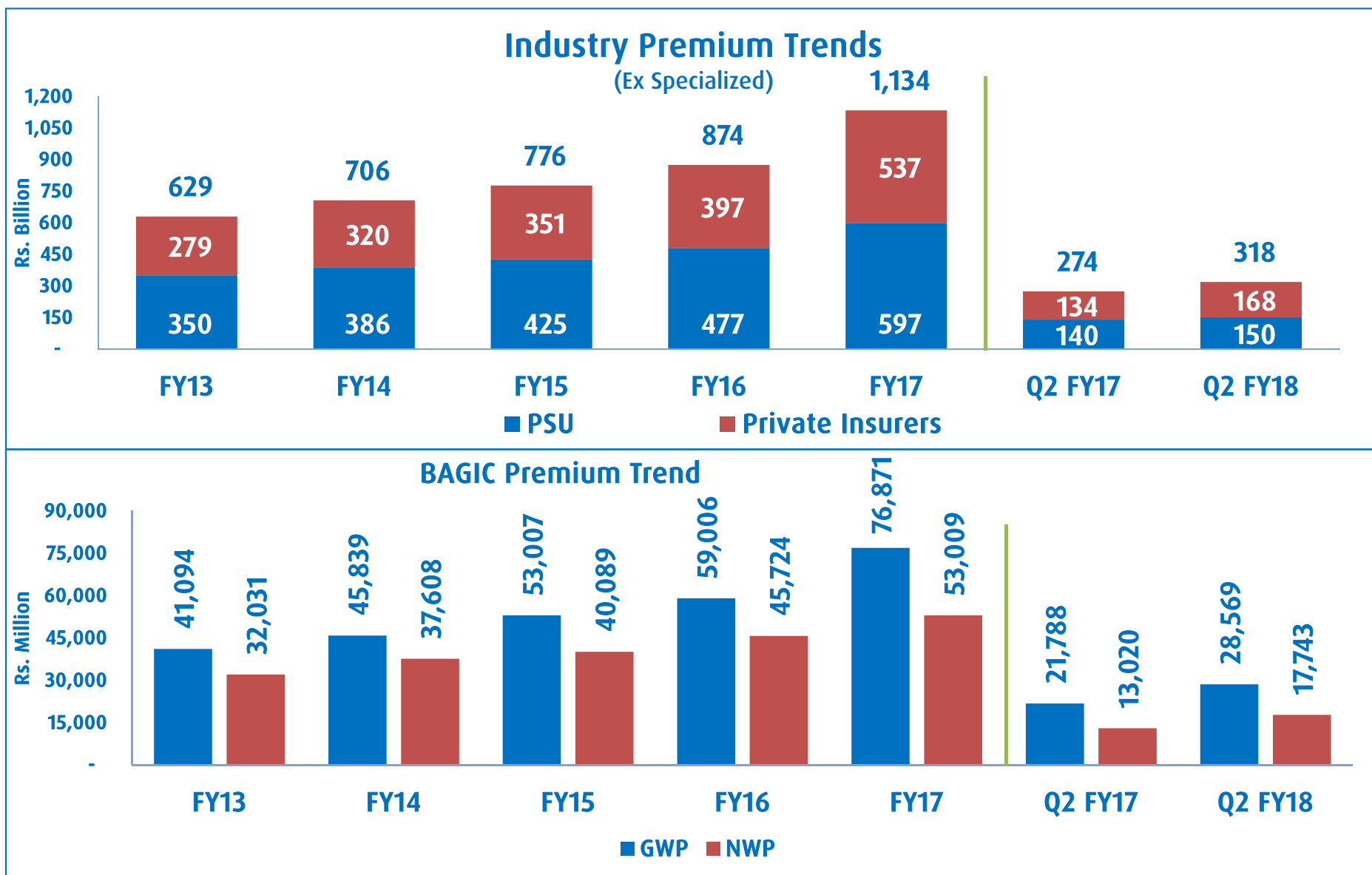
Source : Public disclosures of General insurance Companies

BAGIC has delivered high ROEs on a sustained basis

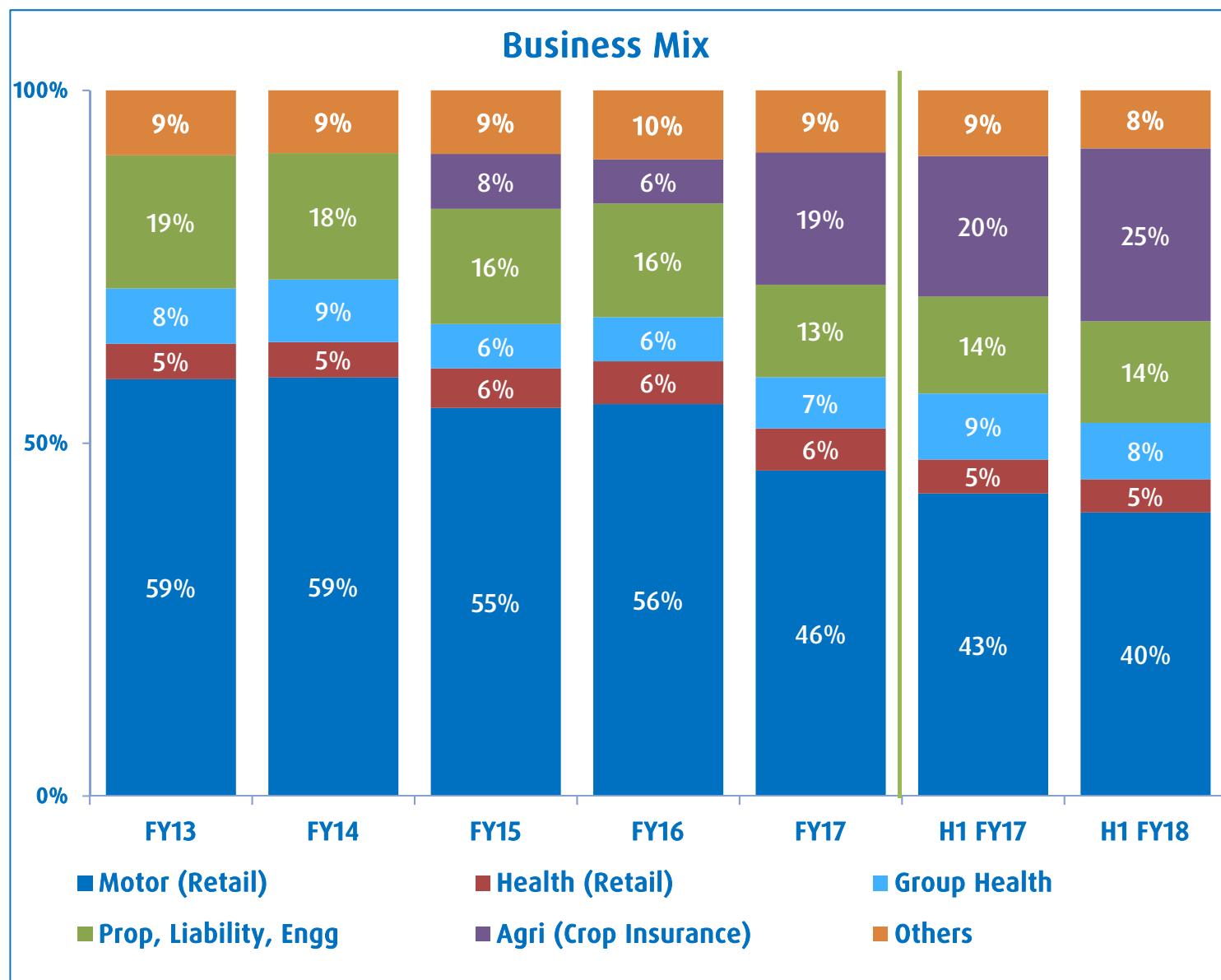
All Figures in Rs Million



BAGIC continuously among top 2 private insurers

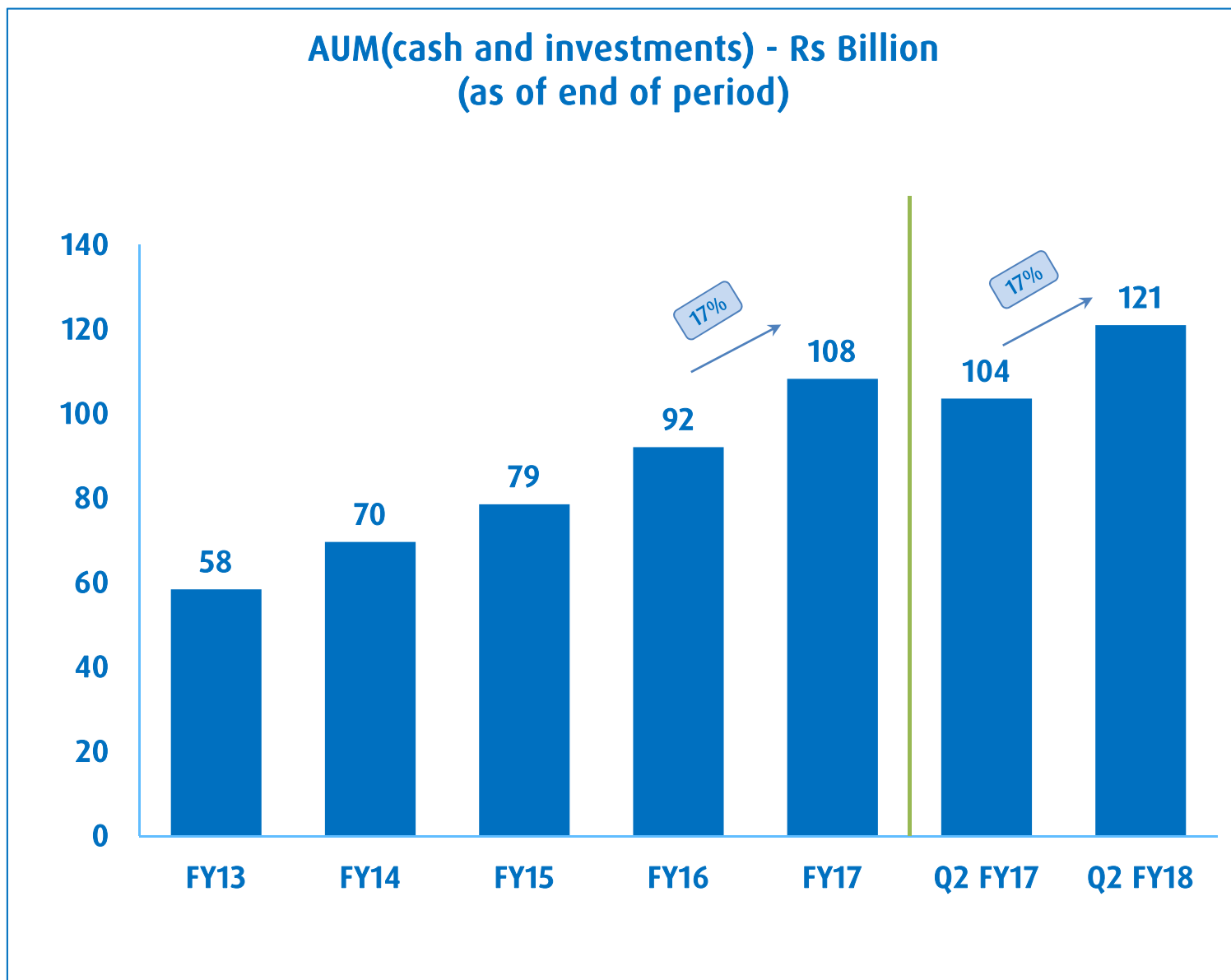


BAGIC has a balanced business mix



Business mix is retail focused

BAGIC continues strong AUM growth



BAGIC
continues to
grow its
AUM
strongly

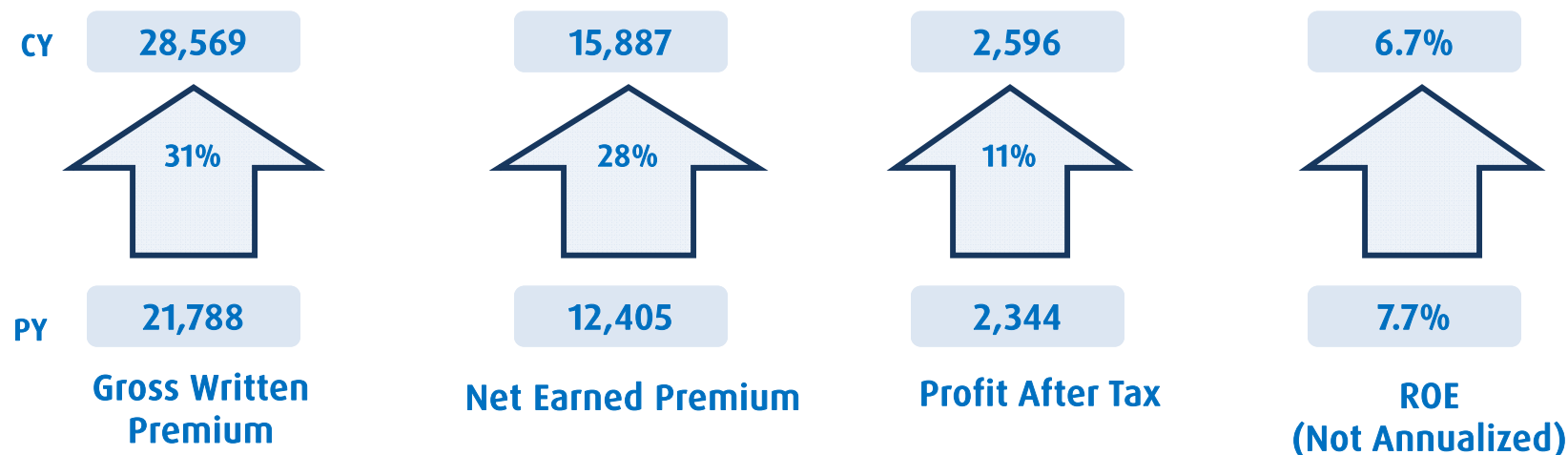
Investments
are largely
in fixed
income
securities

Bajaj Allianz General – Q2 highlights

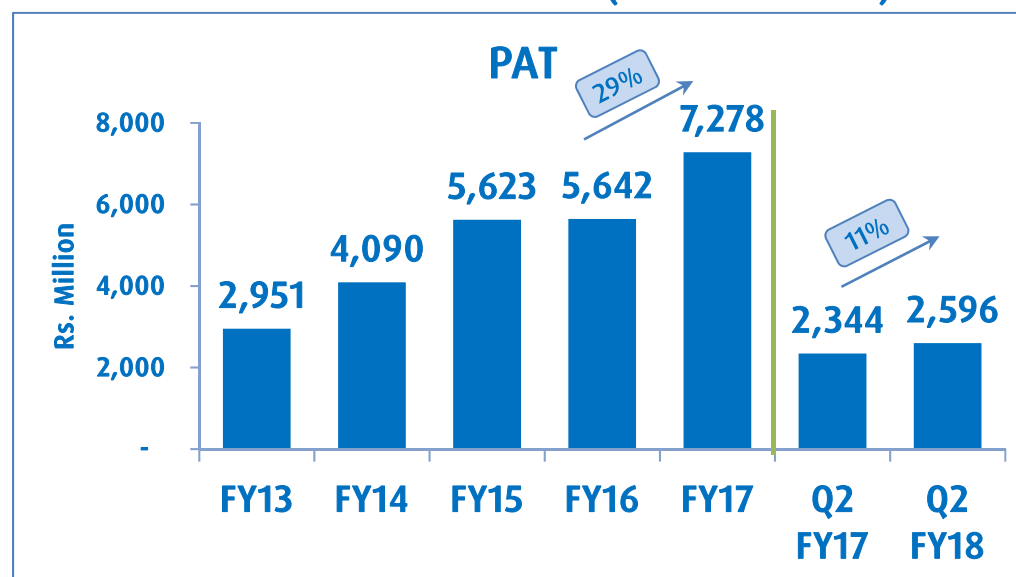


All Figures in Rs Million

Performance Highlights of Q2 FY18 over Q2 FY17



Solvency Ratio was 288% as against regulatory requirement of 150% as of 30 Sep 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

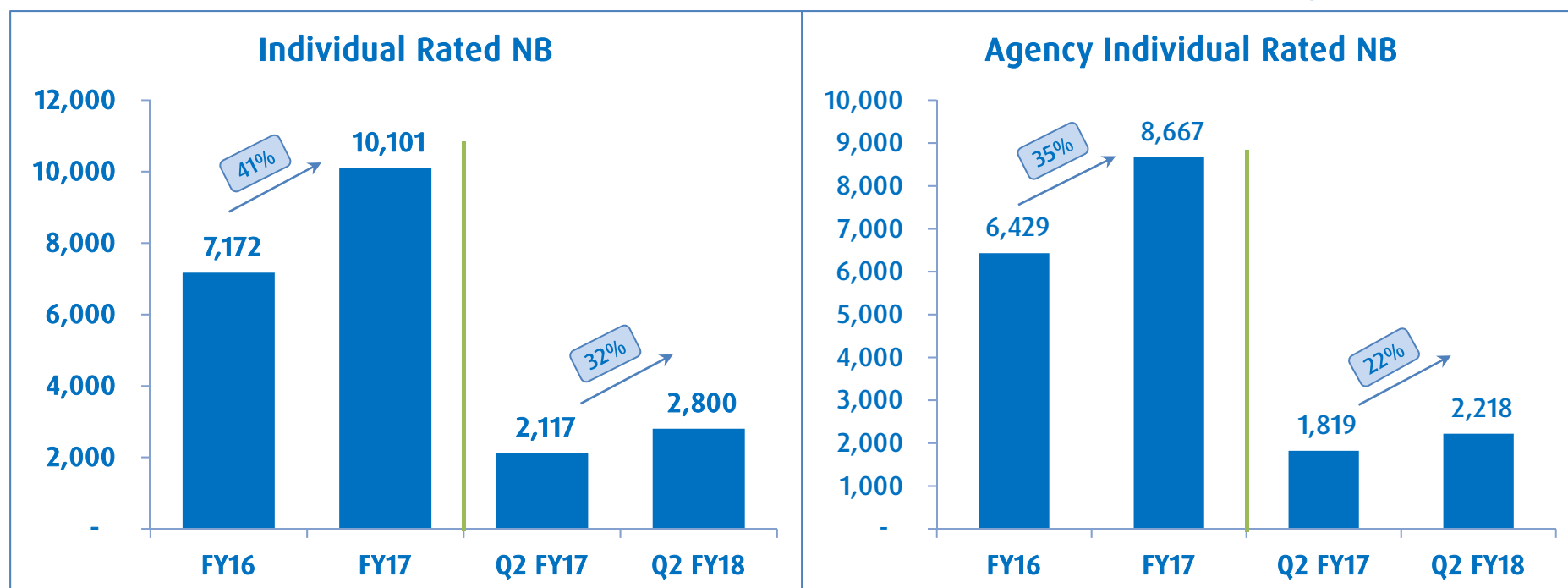
- ❑ In terms of lives covered in group schemes, BALIC leads the private sector, with about 35% share of lives covered in FY17
- ❑ Unique, well entrenched participant in rural markets through partnerships with MFIs, banks etc.

Sustainable Model

- ❑ Balanced product mix between Unit-Linked Insurance Plans (ULIP) and Traditional products- ULIP was 72% of individual rated new business in Q2 FY18

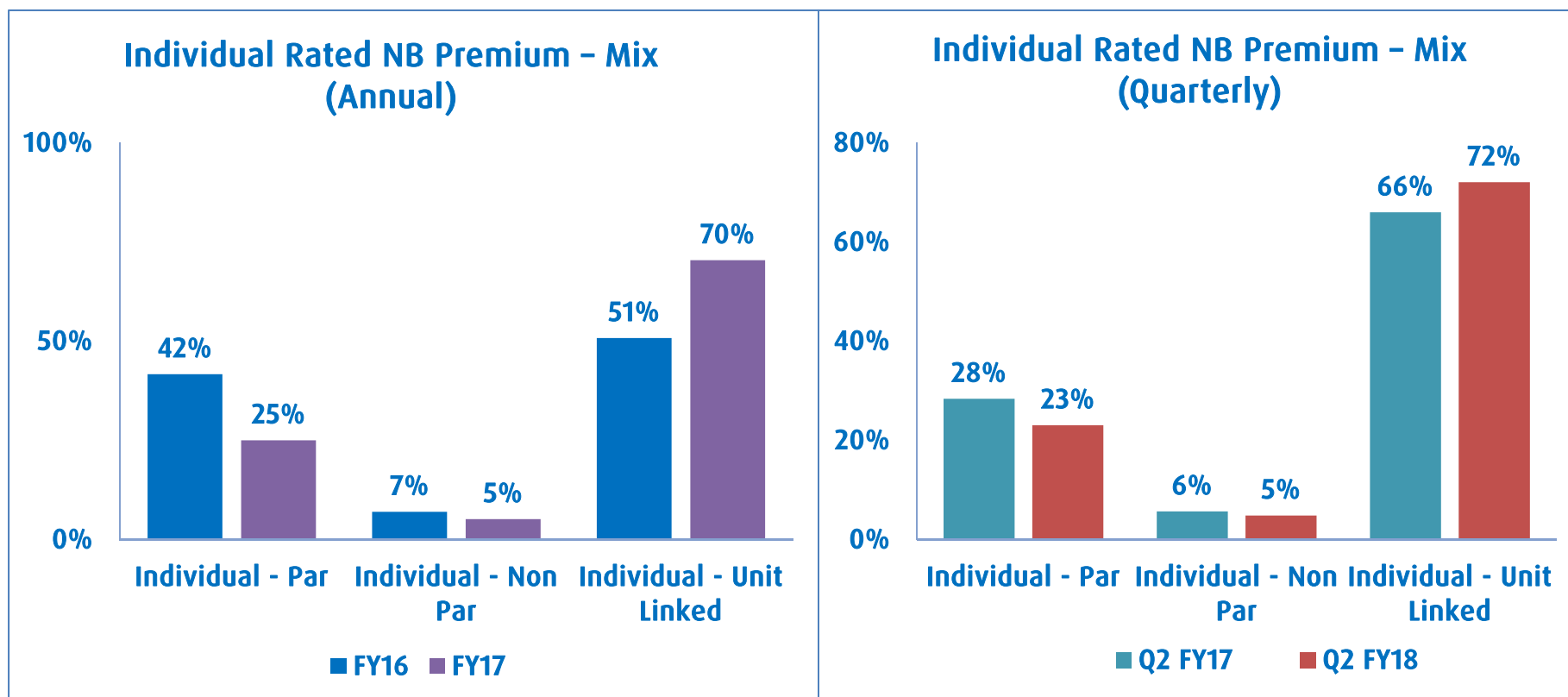
Strong growth in Individual Rated premiums

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, 32% in Q2 FY18 over Q2 FY17 & by 65% in H1 FY18 over H1 FY17
- Agency channel's Individual Rated New Business is up 22% in Q2 FY18 over Q2 FY17 & by 58% in H1 FY18 over H1 FY17
- Changes effected in agency over last 2 years have started to pay off

Diversified product mix

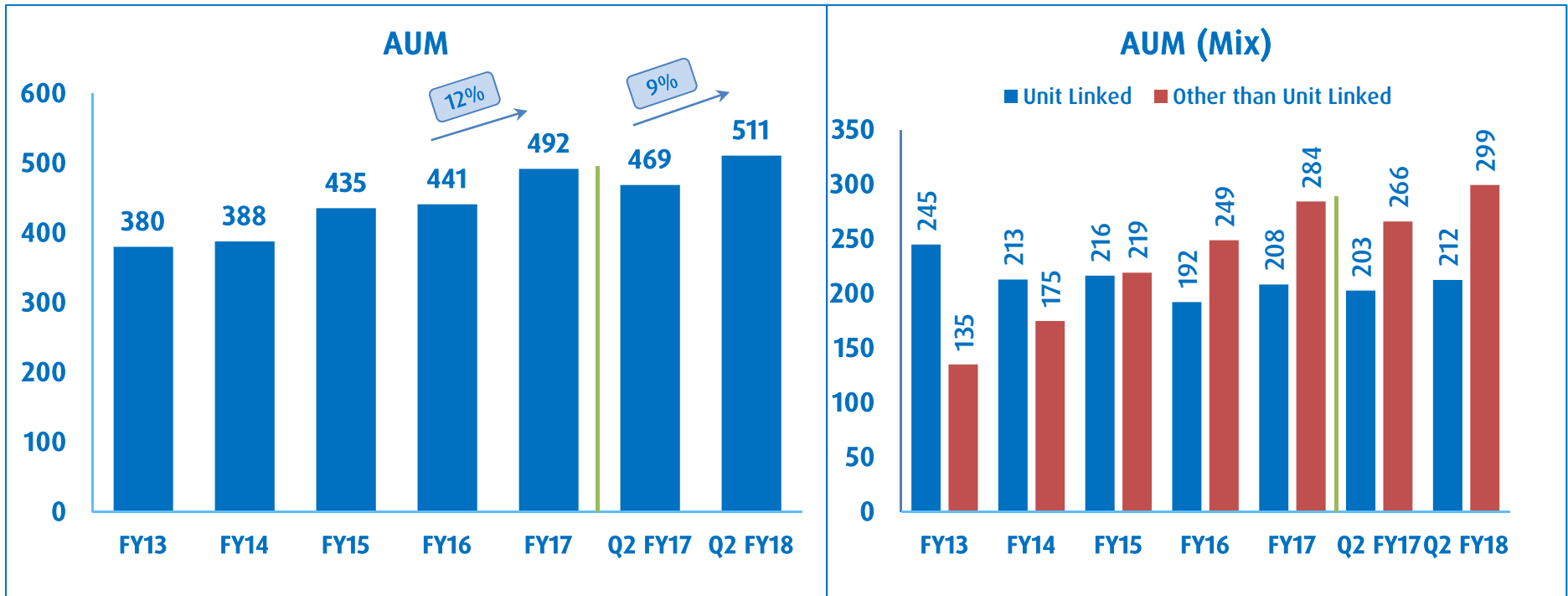


- Individual Rated NB product mix is well diversified across par, non par and UL
- Group Business : Group Fund business in Q2 FY18 was Rs 7,813 Mn (Q2 FY17 Rs 3,489 Mn) and in FY 17 Rs 13,902 Mn (FY 16 Rs 10,852 Mn). In Q2 FY18 Group Fund business was 61% of New Business (PY 44%)

Assets Under Management are significant



AUM as of end of period in
Rs Billion

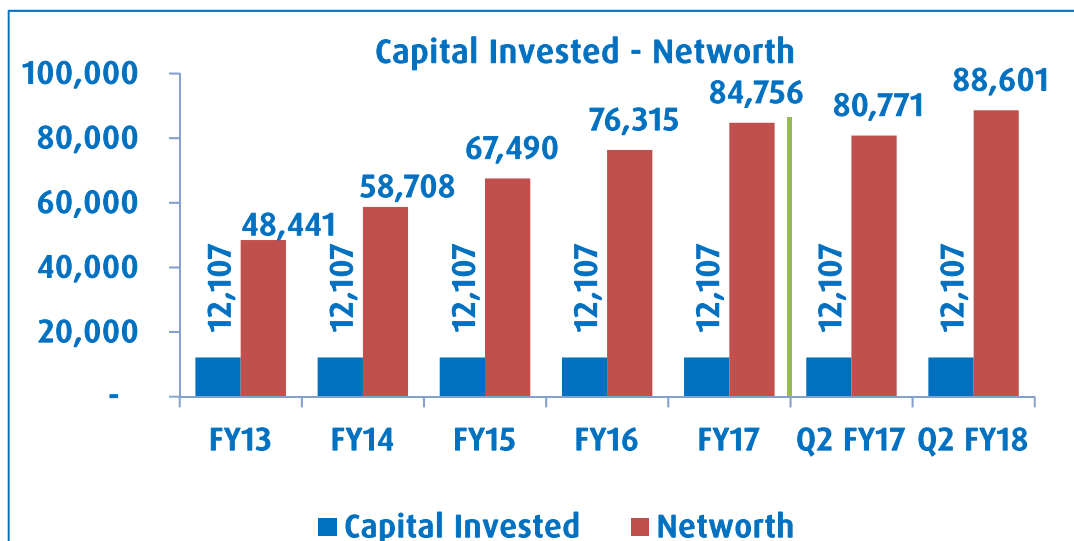


Of the UL Funds of Rs 211 Billion, 64% is equity funds as on 30 Sep 2017

BALIC is amongst the most capital efficient private insurers

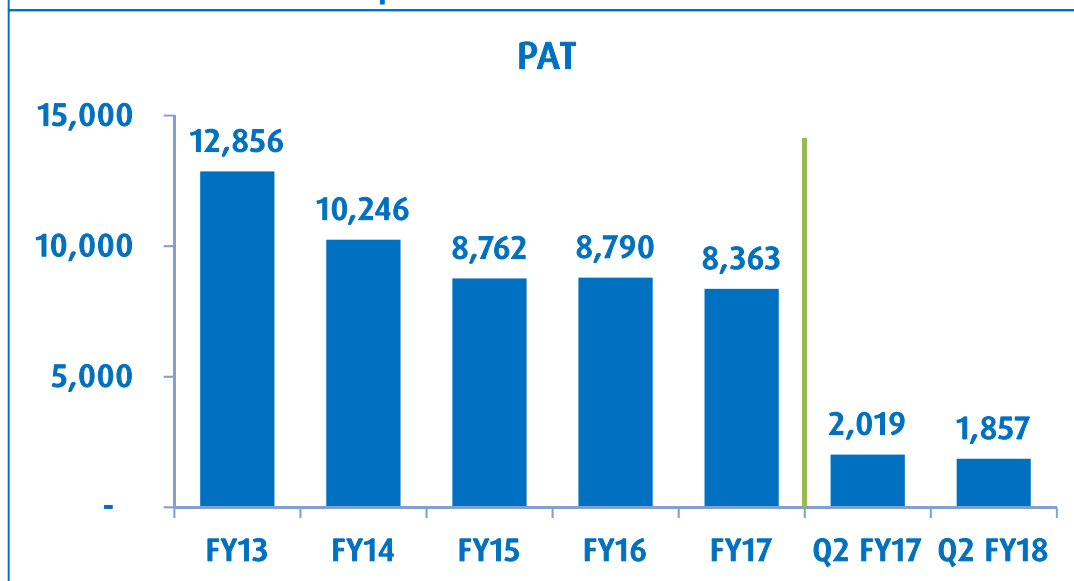


All Figures in Rs Million



BALIC's Network is 7.3 times the Capital infused as of Q2 FY18

No Capital infused after FY08



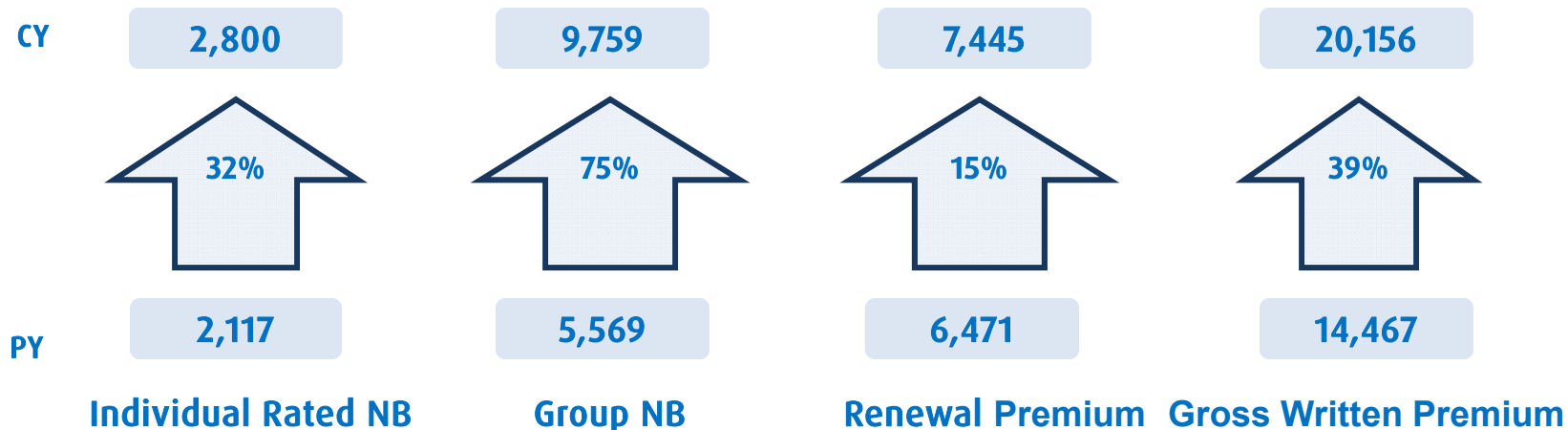
Includes net Transfer from Policyholders' account to P&L – Rs 491 Mn in Q2 FY18 (Q2 FY17 Rs 540 Mn)

Bajaj Allianz Life – Q2 highlights



All Figures in Rs Million

Performance Highlights of Q2 FY18 over Q2 FY17



Disclaimer



This presentation has been prepared by Bajaj Finserv Limited (the “Company”) solely for your information and for your use. This presentation is for information purposes only and should not be deemed to constitute or form part of any offer or invitation or inducement to sell or issue any securities, or any solicitation of any offer to purchase or subscribe for, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied upon in connection with, any contract or commitment therefor. The financial information in this presentation may have been re-classified and reformatted for the purposes of this presentation. You may also refer to the financial statements of the Company available at www.bajajfinserv.in, before making any decision on the basis of this information.

This presentation contains statements that may not be based on historical information or facts but that may constitute forward-looking statements. These forward looking statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company presently believes to be reasonable in light of its operating experience in recent years but these assumptions may prove to be incorrect. Any opinion, estimate or projection constitutes a judgment as of the date of this presentation, and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. The Company does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the Company.

No representation, warranty, guarantee or undertaking, express or implied, is or will be made as to, and no reliance should be placed on, the accuracy, completeness, correctness or fairness of the information, estimates, projections and opinions contained in this presentation. Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. This presentation does not constitute and should not be considered as a recommendation by the Company that any investor should subscribe for, purchase or sell any of Company's securities. By viewing this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company. None of the Company, book running lead managers, their affiliates, agents or advisors, the placement agents, promoters or any other persons that may participate in any offering of any securities of the Company shall have any responsibility or liability whatsoever for any loss howsoever arising from this presentation or its contents or otherwise arising in connection therewith.

This presentation and its contents are confidential and should not be distributed, published or reproduced, in whole or part, or disclosed by recipients directly or indirectly to any other person. Viewing this information may not be lawful in certain jurisdictions. In other jurisdictions only certain categories of person may be allowed to view this information. Any person who wishes to view this site must first satisfy themselves that they are not subject to any local requirements which prohibit or restrict them from doing so. If you are not permitted to view this presentation on this website or are in any doubt as to whether you are permitted to view these materials, please exit this webpage. In particular, this presentation is not directed at persons located in the United States, Canada Australia or Japan and this presentation is not for publication or distribution or release in the United States, Australia, Canada or Japan or in any other country where such distribution may lead to a breach of any law or regulatory requirement. The information contained herein does not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities for sale in the United States, Australia, Canada or Japan or any other jurisdiction where such distribution may lead to a breach of any law or regulatory requirement. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or absent registration or an applicable exemption from registration. This presentation is not intended to be a prospectus or preliminary placement document or final placement document under the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

Thank You