

22 October 2019

| | |
|---|--|
| To Corporate Relations Department. BSE Limited 1 st Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Mumbai 400 001 | To Corporate Listing Department. National Stock Exchange of India Ltd Exchange Plaza, 5 th Floor Plot No.C-1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 |
| BSE Code: 532978 | NSE Code: BAJAJFINSV |

Subject: Investor Presentation for the financial results of the second quarter ended 30 September 2019- Regulation 30

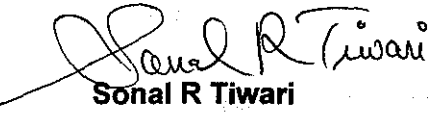
Dear Sir/Madam,

Further to our letter dated 15 October 2019, please find enclosed Investor Presentation for the financial results of the second quarter ended 30 September 2019 under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule III thereto.

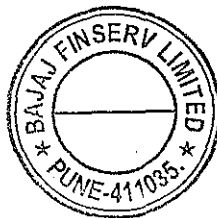
This is for your information please.

Thanking you,

Yours faithfully,
For Bajaj Finserv Limited


Sonal R Tiwari
Company Secretary

Encl: as above





BAJAJ FINSERV LIMITED

Investor Presentation – Q2 FY20*

* Financial year 2019-20

Bajaj Finserv – Group



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

*BFS shareholding in BFL (Bajaj Finance Ltd.) as at 31 March 2019 was 54.99%.

BHFL became fully operational in Feb 2018

Shareholding is as of 30 Sep 2019. Chart shows only major subsidiaries.

Not listed

Bajaj Finserv – A diversified financial services group



Bajaj Finance Limited

- Diversified across consumer, payments, rural, SME, commercial & mortgage lending
- Credit rating of AAA/Stable by CRISIL, India Ratings, CARE Ratings and ICRA
- Credit rating for short term debt program is A1+ by CRISIL, ICRA & India Ratings
- Investment grade long term issuer credit rating of BBB-/Stable and short term rating of A-3 by S&P Global Ratings
- AUM⁺⁺ of Rs. 1,355 Bn. as on 30 Sep 19 and Net NPA stood at 0.65% as on 30 Sep 19
- 956 urban locations and 1,041 rural locations with over 1,02,400+ distribution points

Bajaj Allianz General Insurance Co. Ltd.

- Consistently profitable amongst the private players. ROE of 16.2% in FY19
- 2nd 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 102.7% for Q2 FY20
- Recognized in the market for claims servicing

Bajaj Allianz Life Insurance Co. Ltd.

- Among the top 5 private sector Life insurers in India on new business in FY19
- Deep, pan India distribution reach with presence over 590 locations
- Diversified distribution mix – agency, bancassurance, alternate channels, direct etc.
- AUM of Rs.582 Bn. as on 30 Sep 19
- Net-worth of Rs.98 Bn. as on 30 Sep 19
- One of the most profitable private life insurers in India

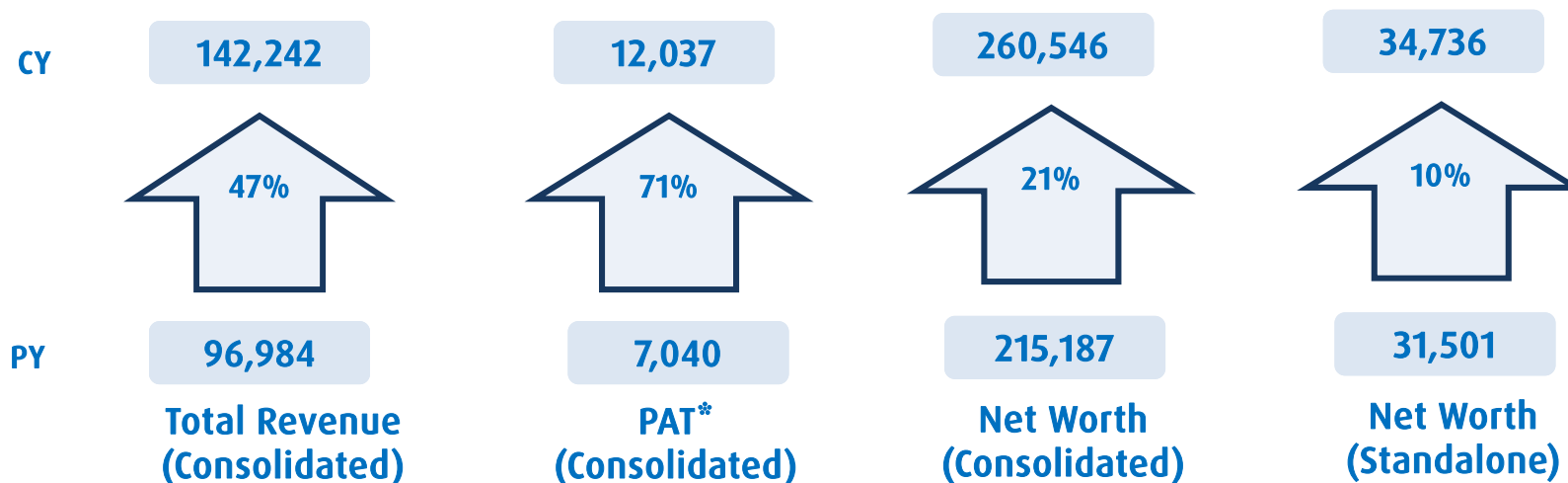
⁺⁺ AUM includes Bajaj Housing Finance AUM of Rs.257 Bn.

Bajaj Finserv performance highlights



All Figures in Rs Million

Performance Highlights of Q2 FY20 over Q2 FY19 (Ind AS)



- Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds (Excluding Group Investments) stood at Rs. 9.2 Bn as on 30 Sep 2019 (Rs. 8.4 Bn. as on 30 Sep 2018)
- Consolidated Book Value Per Share at Rs. 1,637 as on 30 Sep 2019 (Rs. 1,352 as on 30 Sep 2018)

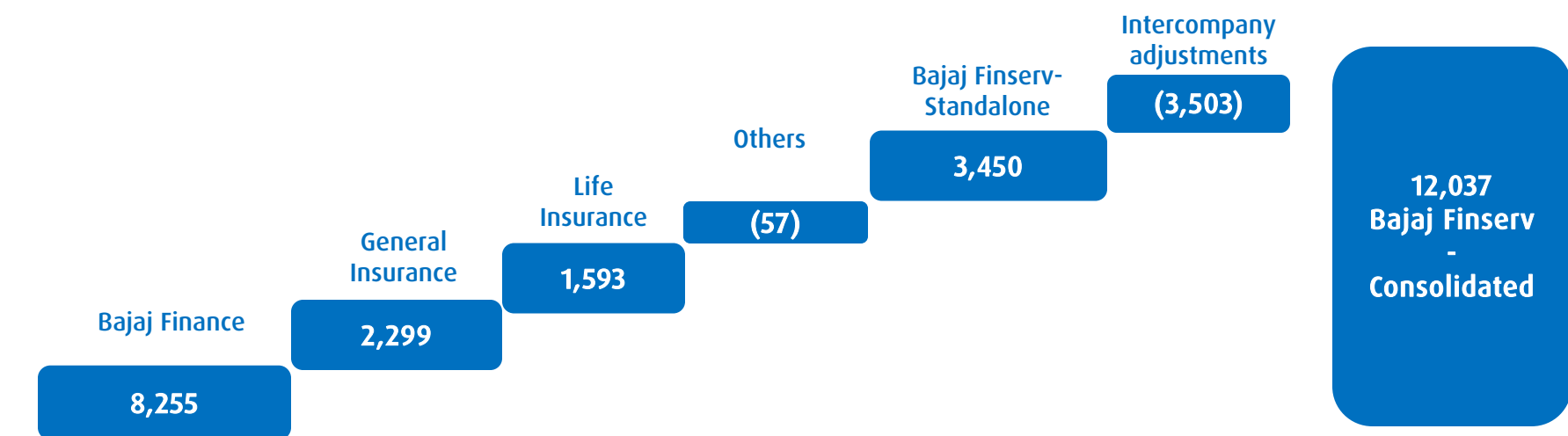
Note : *PAT attributable to owners of the company

Consolidated profit components

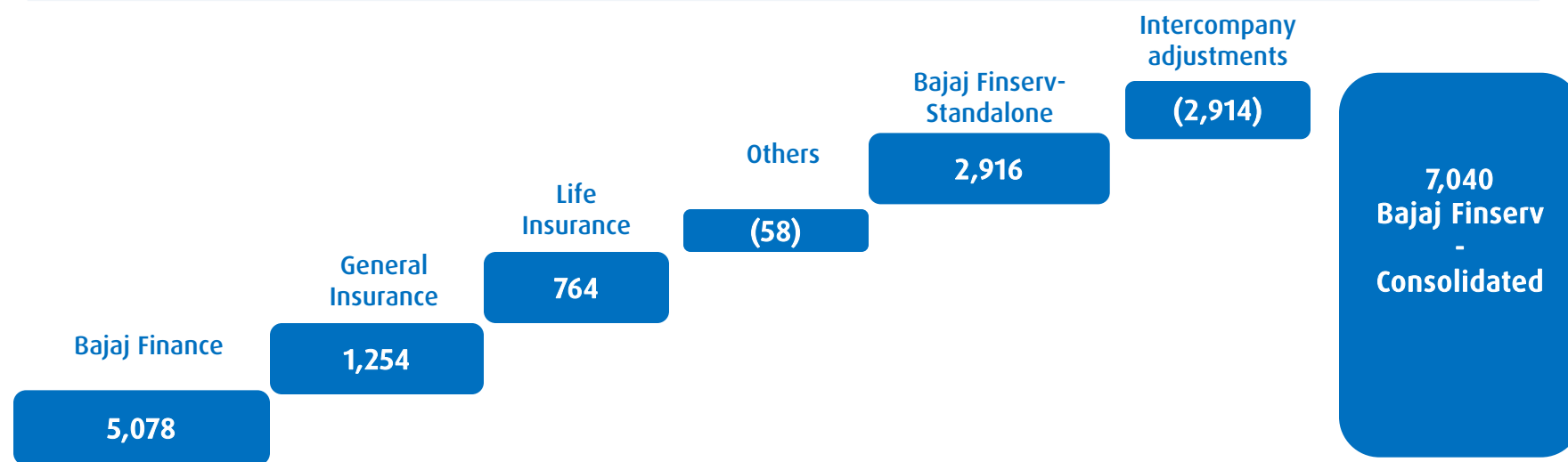


All Figures in Rs Million

Consolidated profit components for Q2 FY20 (Ind AS)



Consolidated profit components for Q2 FY19 (Ind AS)



H1 FY20 Highlights

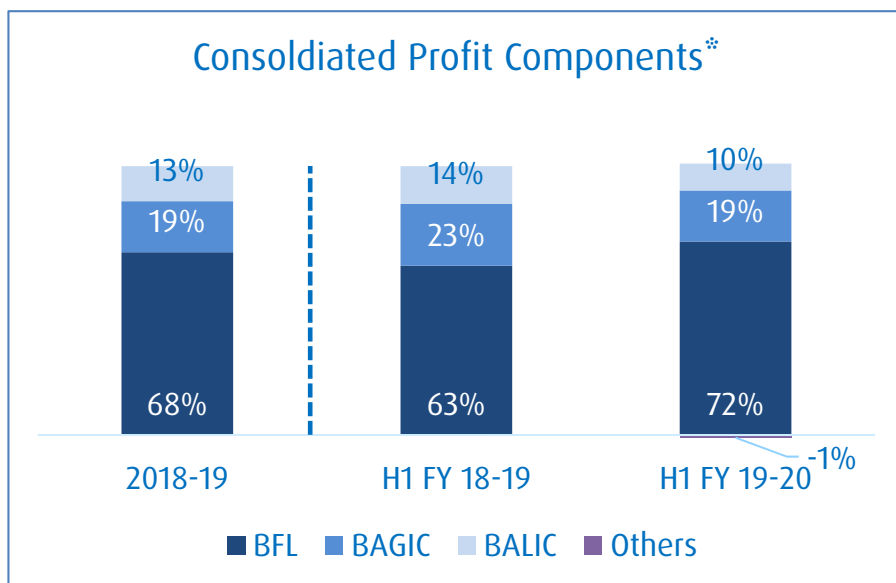


All Figures in Rs Million



| BAJAJ FINSERV\$# | H1 FY20 | H1 FY19 | Growth |
|------------------|---------|---------|--------|
| Total Revenue | 264,965 | 184,695 | 43% |
| Net worth | 260,546 | 215,324 | 21% |
| PAT | 20,491 | 15,298 | 34% |

#Consolidated | \$ Ind AS



Highlights of Group Companies

| BAJAJ FINANCE\$# | H1 FY20 | H1 FY19 | Growth |
|------------------|-----------|---------|--------|
| AUM | 1,355,328 | 980,126 | 38% |
| Total Income | 121,308 | 82,111 | 48% |
| PAT | 27,015 | 17,594 | 54% |

#Consolidated | \$ Ind AS

| BAGIC | H1 FY20 | H1 FY19 | Growth |
|-------------|---------|---------|--------|
| GWP | 71,226 | 51,477 | 38% |
| Investments | 181,387 | 148,869 | 22% |
| PAT | 5,041 | 4,731 | 7% |

| BALIC | H1 FY20 | H1 FY19 | Growth |
|-------------|---------|---------|--------|
| GWP | 40,723 | 34,440 | 18% |
| Investments | 582,732 | 539,223 | 8% |
| PAT+ | 2,690 | 2,777 | -3% |

- Bajaj Finserv and Bajaj Finance figures are as per Ind AS
- BAGIC and BALIC figures are as per IRDAI Regulations (Indian GAAP) & the Indian Accounting Standard framework
- Q2 PAT for BALIC is higher than Q2 FY 19 by 57%

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



Bajaj Finance Limited

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 38.70 Mn. and Cross sell client base of 22.78 Mn.

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 AUM mix for Consumer : Rural : SME : Commercial : Mortgage stood at 39%: 8%: 13%: 10%: 30%
Consolidated borrowing mix for Banks: Money Markets: Deposits stood at 38%: 47%: 15%

BFL : Business Segments



BAJAJ FINANCE

Consumer

- Largest consumer electronics, digital products & furniture lender in India
- Presence in 956 locations with 83,200+ active points of sale
- Amongst the largest personal loan lenders
- EMI Card franchise of over 20.0 Mn. cards in force
- Among the largest new loans acquirers in India 6.47 Mn in Q2 FY20
- Bajaj Finserv – Mobikwik active wallet users stood at 11.8 Mn as on 30 Sep 2019 who have linked EMI card to wallet

SME

- Focused on affluent SMEs with an average annual sales of around Rs. 15-17 Crores 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 1,041 locations and retail presence across 16,400+ points of sale
- Diversified rural lending model with 10 product lines across consumer and professional business categories

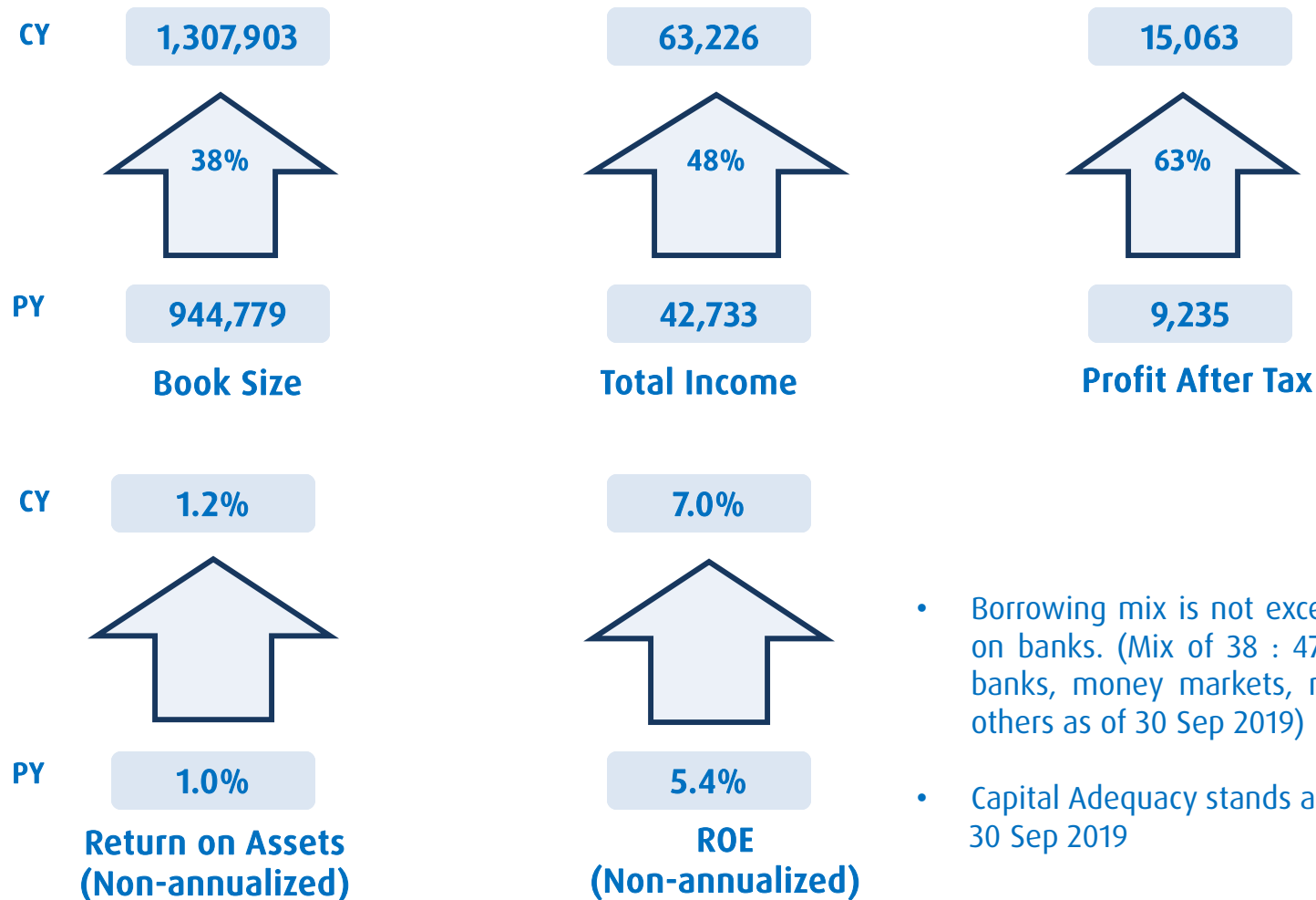
FY 2019-20

- ❑ Strong AUM growth YoY across all lines of businesses in the company (YoY growth for Consumer B2B 35%, Consumer B2C 46%, Rural 55%, SME 34%, Mortgages 43%, Commercial 14%).
- ❑ New customer acquisition for the quarter remained robust at 1.92 MM. Overall franchise stood at 38.70 MM, a growth of 29% YoY.
- ❑ Q2 FY20 Profit growth of 63% YoY supported by strong operating performance and risk management.
- ❑ Overall cost of funds at consolidated level has sequentially improved by 11 bps to 8.38% in Q2 FY20 from 8.49% in Q1 FY20. Reduction in cost of funds is majorly due to good ALM management, solid liquidity position and incremental borrowings being sourced at lower cost
- ❑ During the quarter, the company has entered into a facility agreement with various banks to avail ECB loans of USD 575 Mn in one or more tranches. The Company has drawn down first tranche of USD 276 Mn (equivalent to ₹ 1,959 crore) from this facility on 17 October 2019

BFL – Q2 FY20 highlights

All Figures in Rs Million

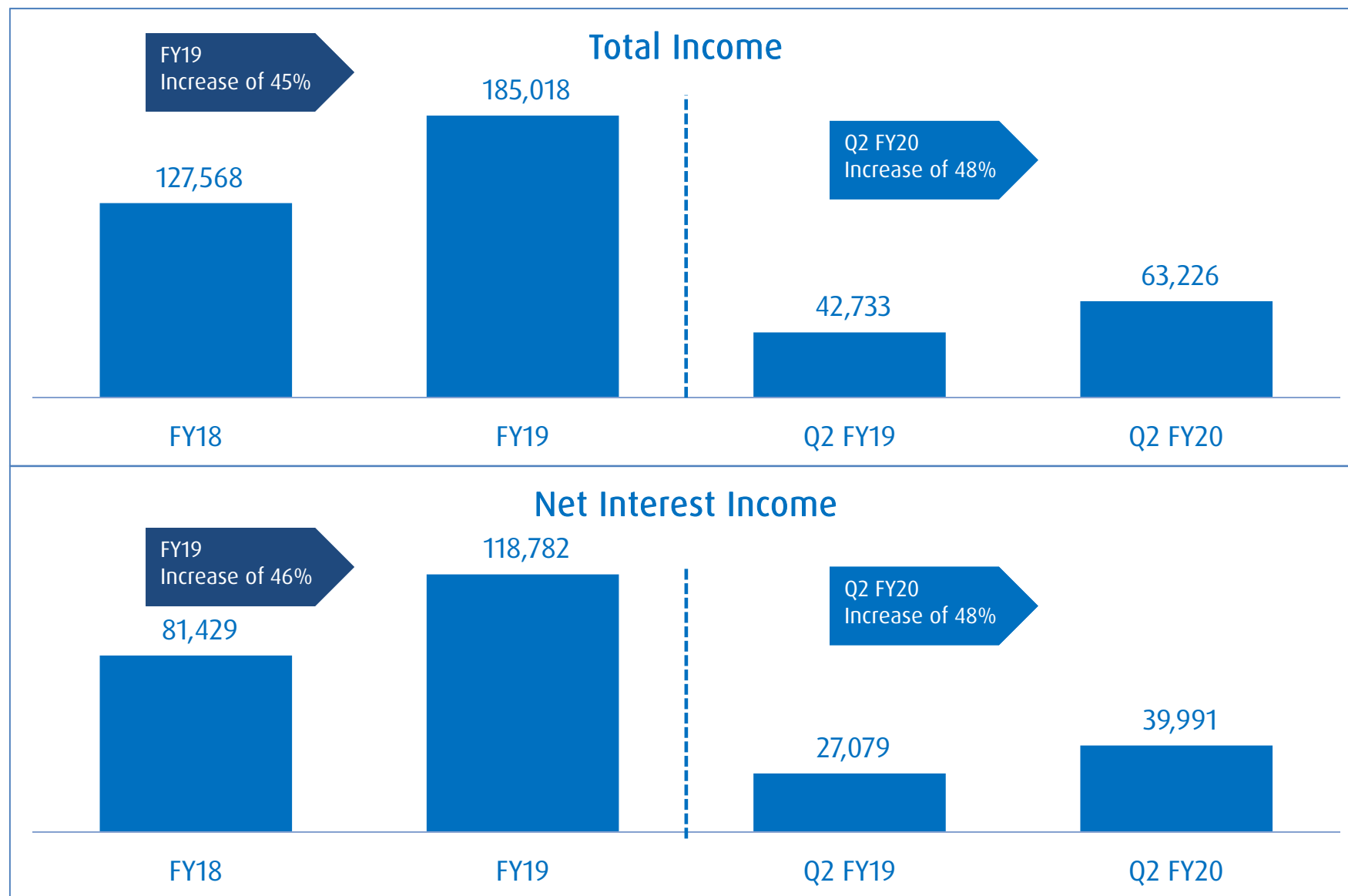
Performance Highlights of Q2 FY20 over Q2 FY19 (Ind AS)



- Borrowing mix is not excessively dependent on banks. (Mix of 38 : 47 : 10 : 5 between banks, money markets, retail deposits and others as of 30 Sep 2019)
- Capital Adequacy stands at 19.68% as of 30 Sep 2019

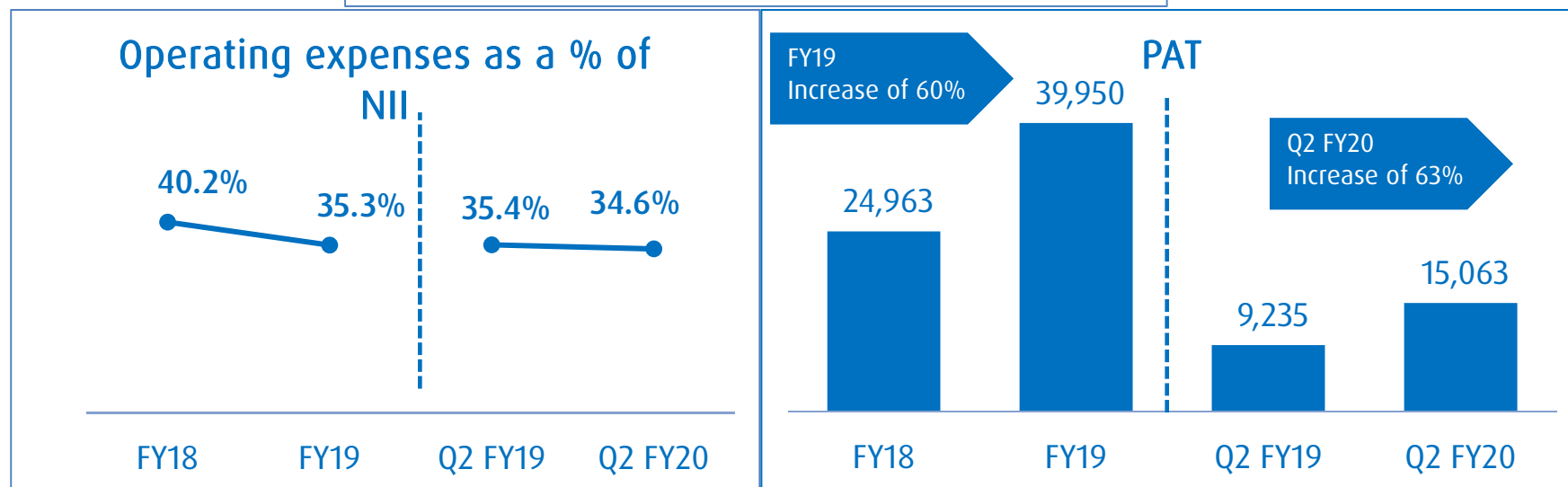
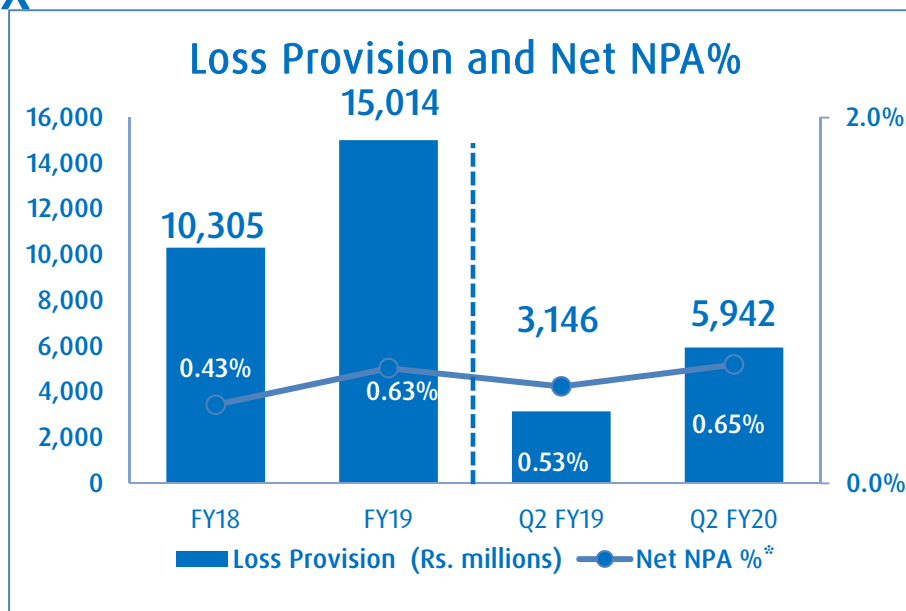
BFL : growth momentum continues

All Figures in Rs Million



Bajaj Finance Consolidated results are as per Ind AS, previous years figures have been re-casted for comparability

BFL : Strong profit growth aided by low NPA and control on Opex



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

Bajaj Allianz General Insurance

BAGIC – KEY STRATEGIC DIFFERENTIATORS

STRATEGY

Strive for market share growth in chosen segments 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 Highlights



FY 2019-20

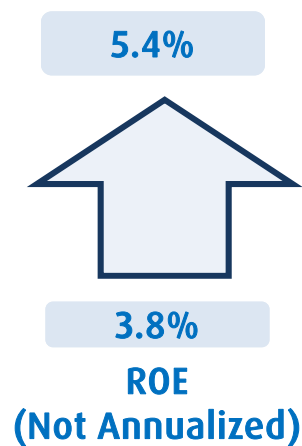
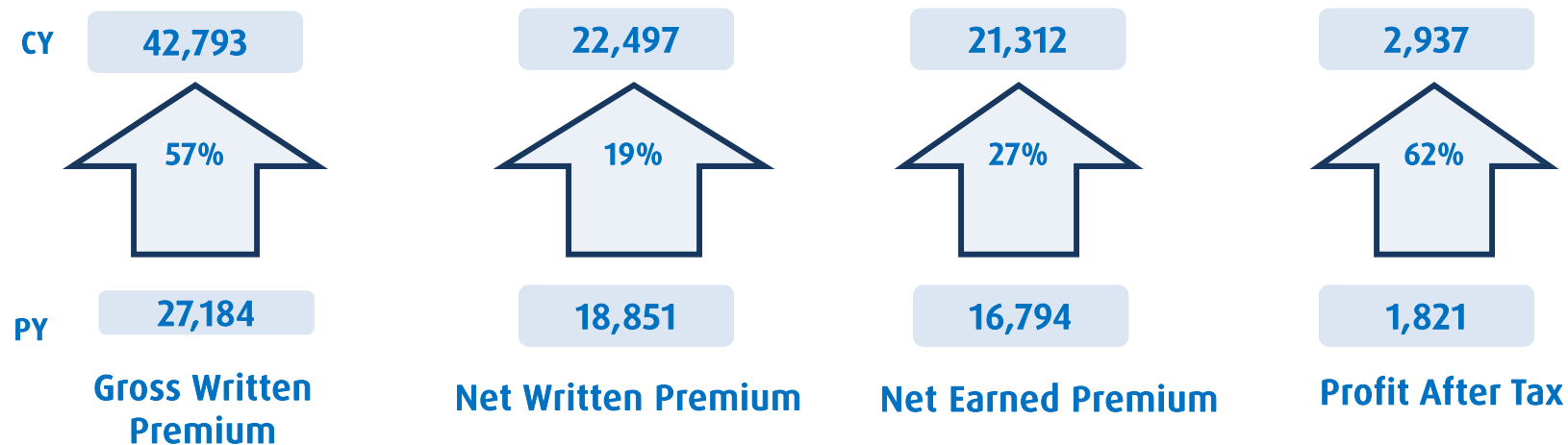
- ❑ Industry beating YoY GDPI growth of 57% in Q2 FY20 vs Industry growth of 22% and 38% growth in H1 FY20 vs industry growth of 16%. BAGIC's Ex-Crop growth was 14% during Q2 FY20 and 13% during H1 FY20
- ❑ Combined ratio stood at 102.7% in Q2 FY20 v/s 97.2% in Q2 FY19 – includes impact of flood claims in Maharashtra and Kerala
- ❑ Profit after tax for Q2 FY20 increased by 62% YoY to Rs.2,937 Mn vs Rs. 1,821 Mn in Q2 FY19, supported by higher profit on sale of investments and the impact of lower corporate tax rate

*Industry growth excluding specialised insurers. Source : GI Council for Industry figures
GDPI : Gross Direct Premium Income

BAGIC : Q2 FY20 highlights

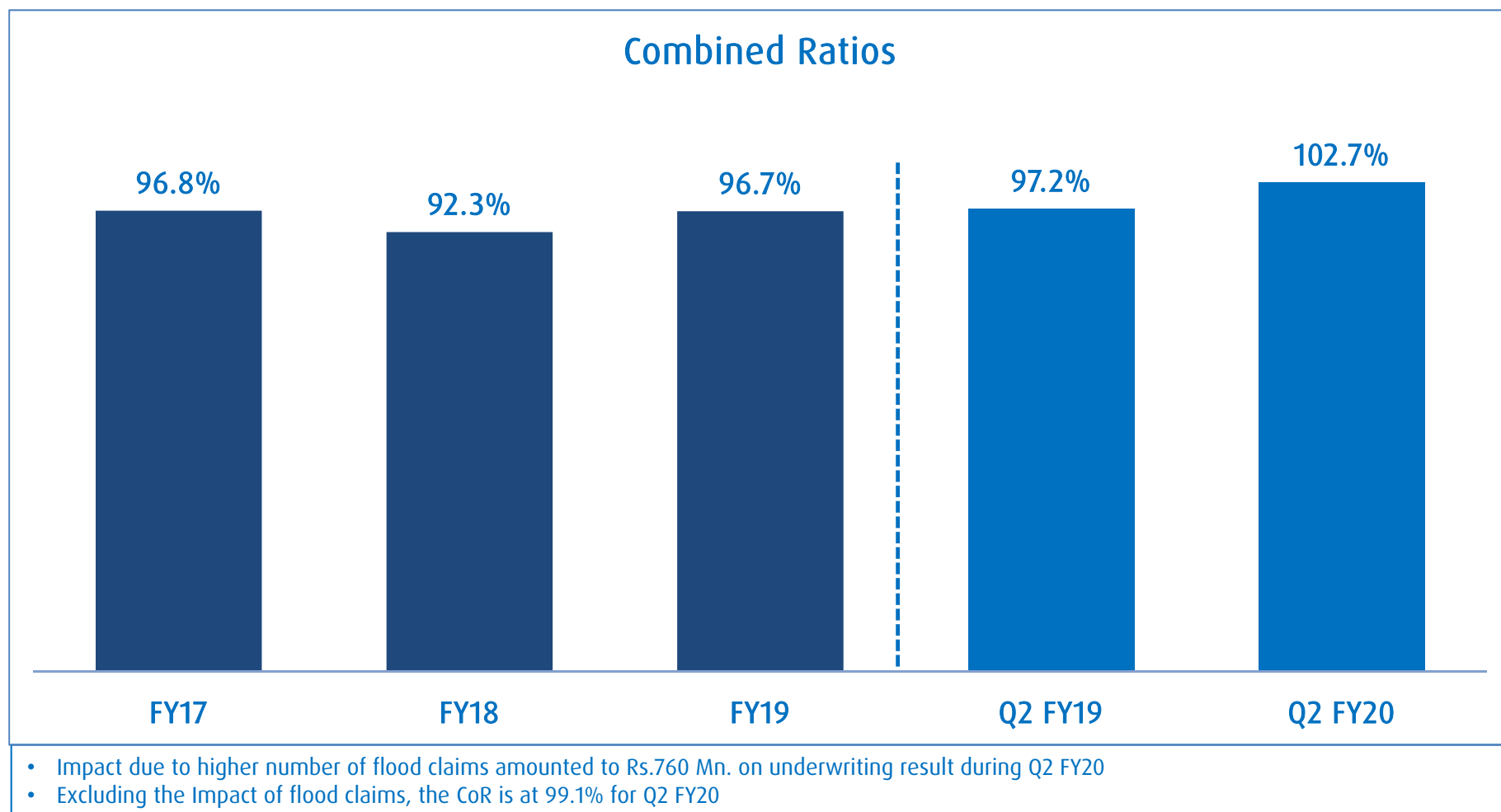
All Figures in Rs Million

Performance Highlights of Q2 FY20 over Q2 FY19



- Ex Crop GWP was Rs. 25,499 Mn in Q2 FY20 (Rs.22,430 Mn Q2 FY19) a growth of 14%
- Solvency Ratio was 243% as against regulatory requirement of 150% as of 30 Sep 2019

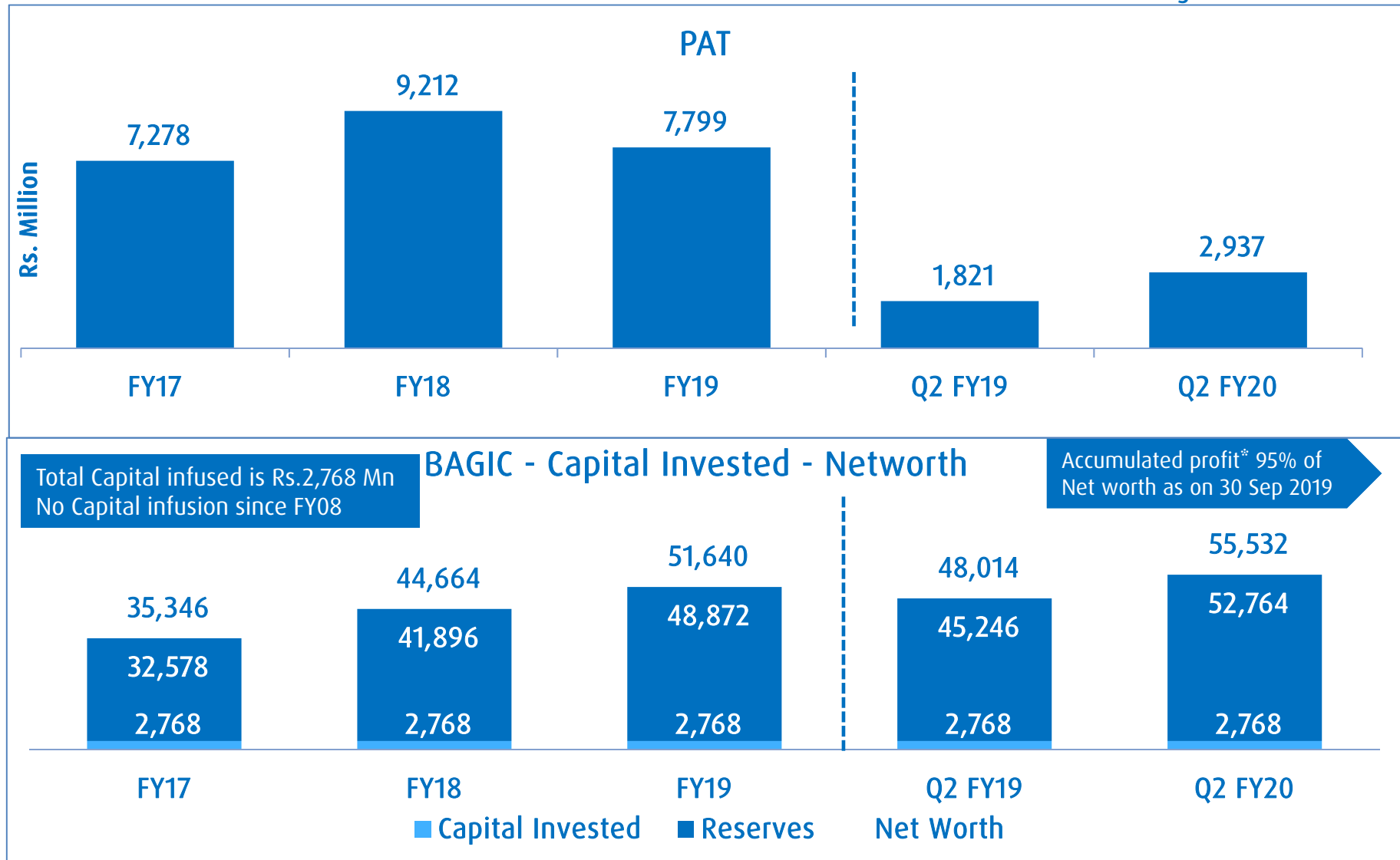
BAGIC : Combined Ratio trend



1. 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).

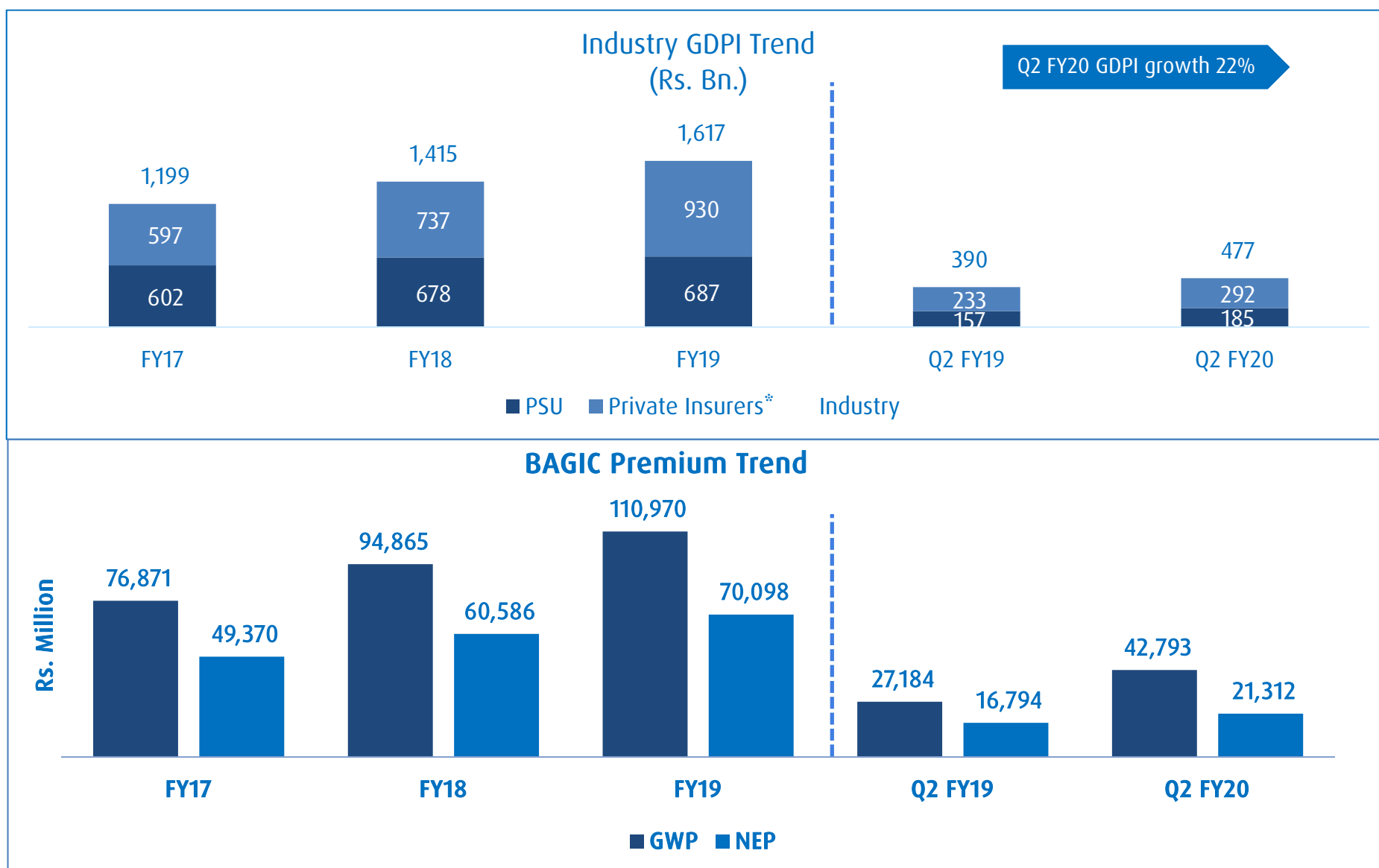
BAGIC : Profit after tax and capital efficiency

All Figures in Rs Million



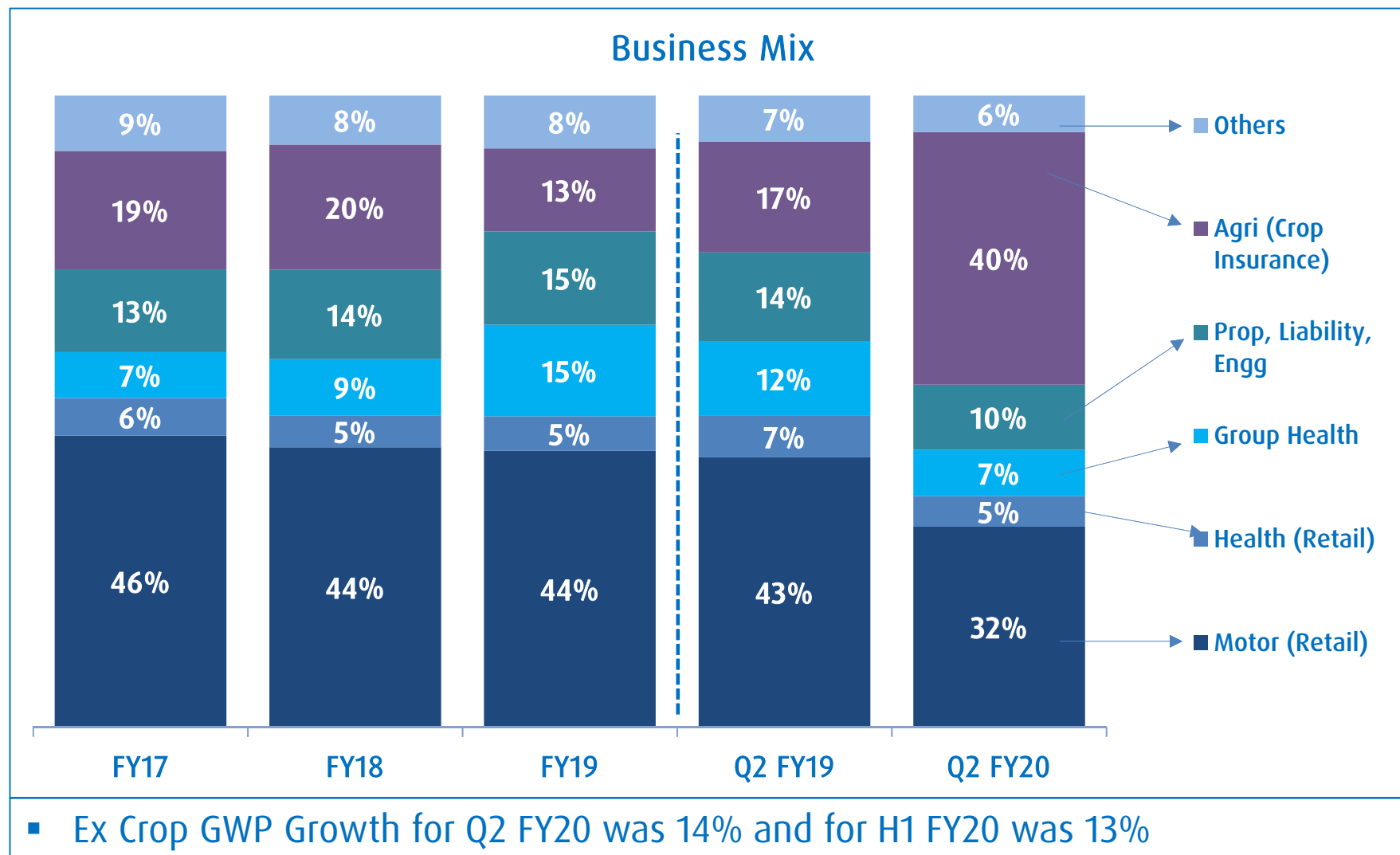
*Accumulated profit includes reserves

BAGIC : Consistently amongst top 2 private insurers in terms of Gross Premium

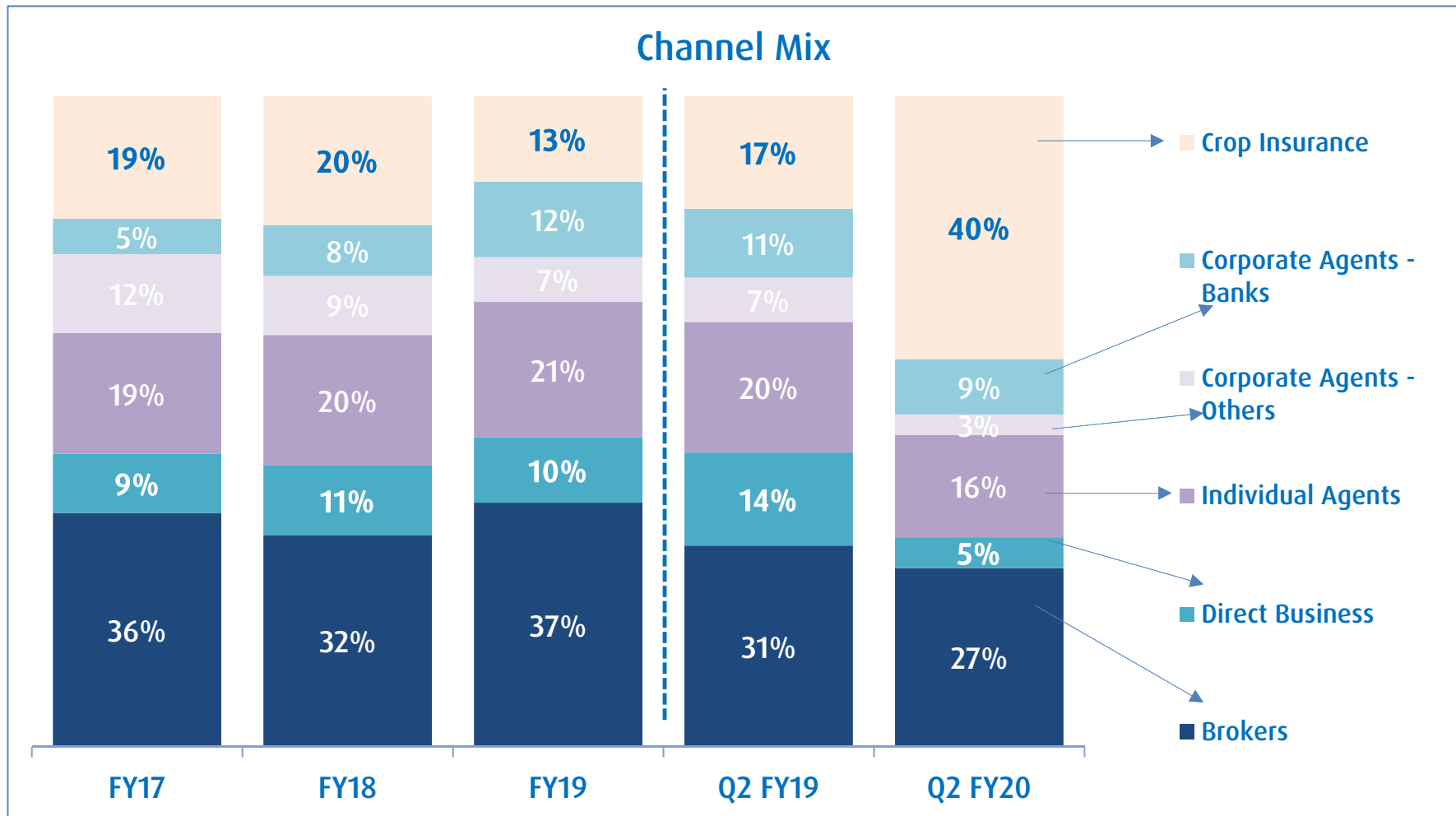


Source : IRDAI, GDPI : Gross Direct Premium Income | *Private Insurers : Includes Standalone Health Insurers, PSU excludes AIC of India, GIC and ECGC

BAGIC : Balanced product mix

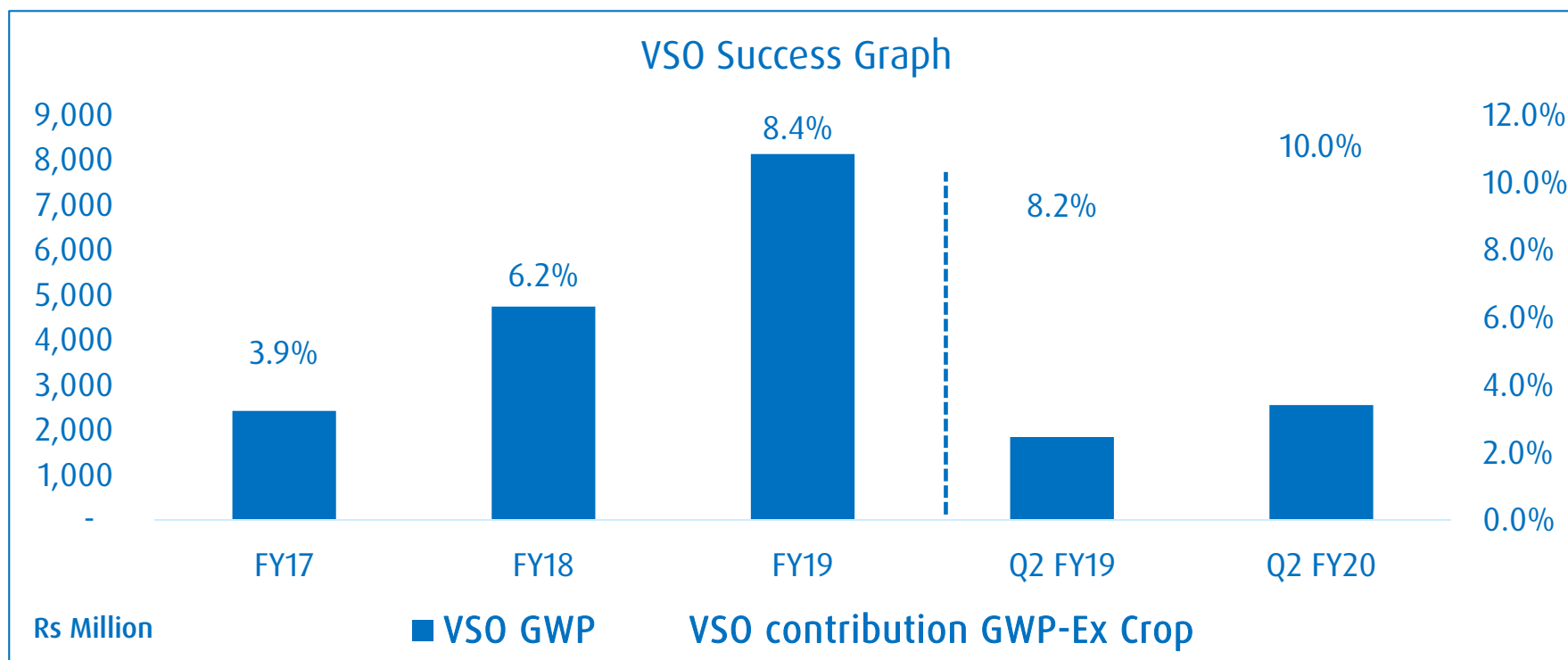


BAGIC: Diversified Channel Mix



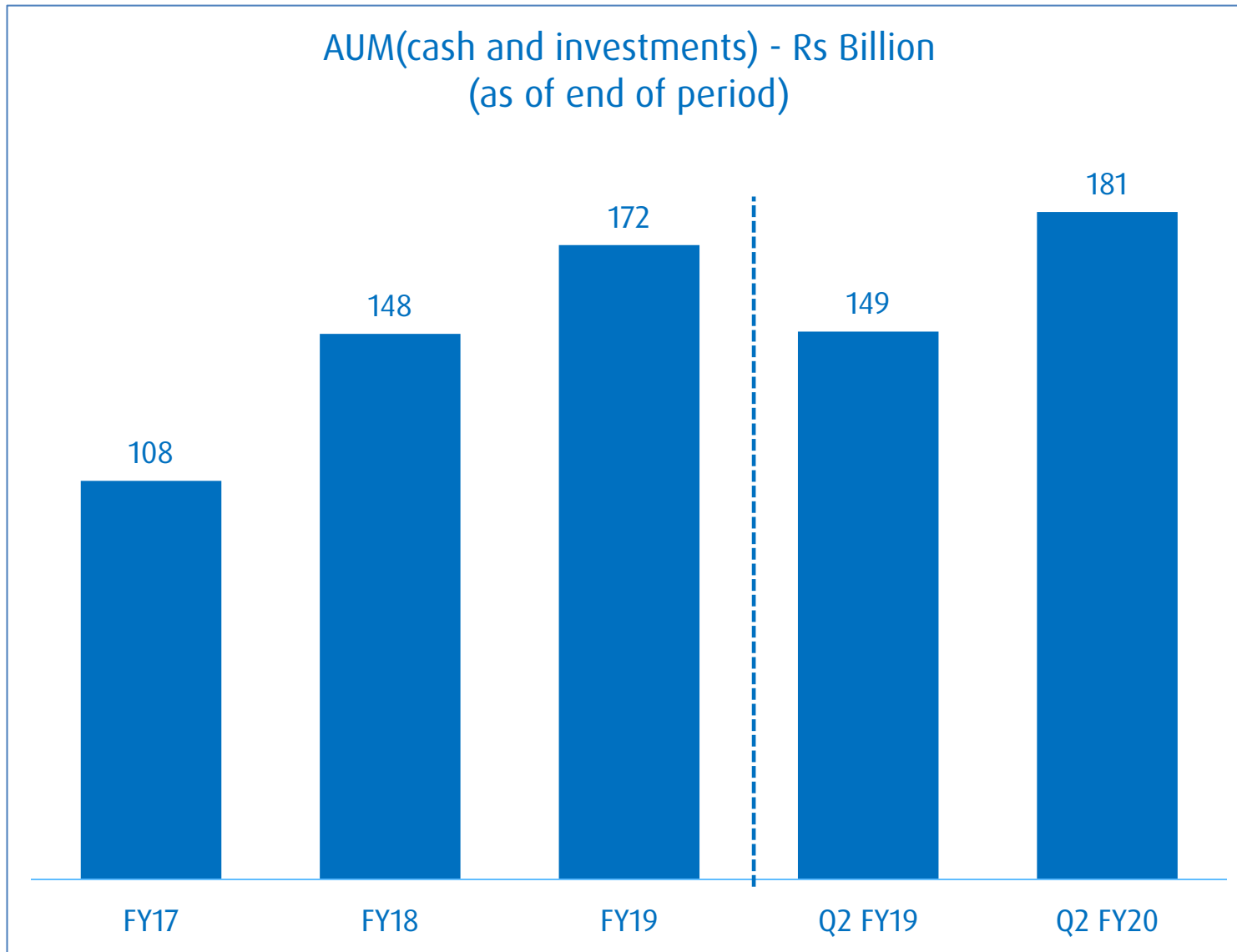
- With over 75 corporate agent bancassurance tie-ups, this channel has recoded superior growth of 25% in Q2 FY20 (FY19 growth of 75%);
- Some of the major relationships are : Citi Bank, HDFC Bank, Bajaj Finance Ltd., Canara Bank, J&K Bank, IDBI Bank, United Bank of India, KVB, RBL, Union Bank, Karnataka Bank, Bandhan Bank & PNB

BAGIC - VIRTUAL POINTS OF PRESENCE



- Initiated in August 2014 and has grown exponentially to 1,700+ locations as at Q2 FY20
- Q2 FY20 GWP growth of 38%
- Ensures a virtual point of presence with minimum sunk costs
- Over 0.7 Mn policies issued in Q2 FY20 (Over 2.4 Mn policies in FY19)

BAGIC : Assets Under Management continue to grow



BAGIC continues to grow its AUM strongly

Investments are largely in fixed income securities

Investment Leverage of 3.2x as on 30 Sep 2019

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

Diversified Distribution

- 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 : 3rd highest agency premium amongst private players in FY19.
- 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 Highlights



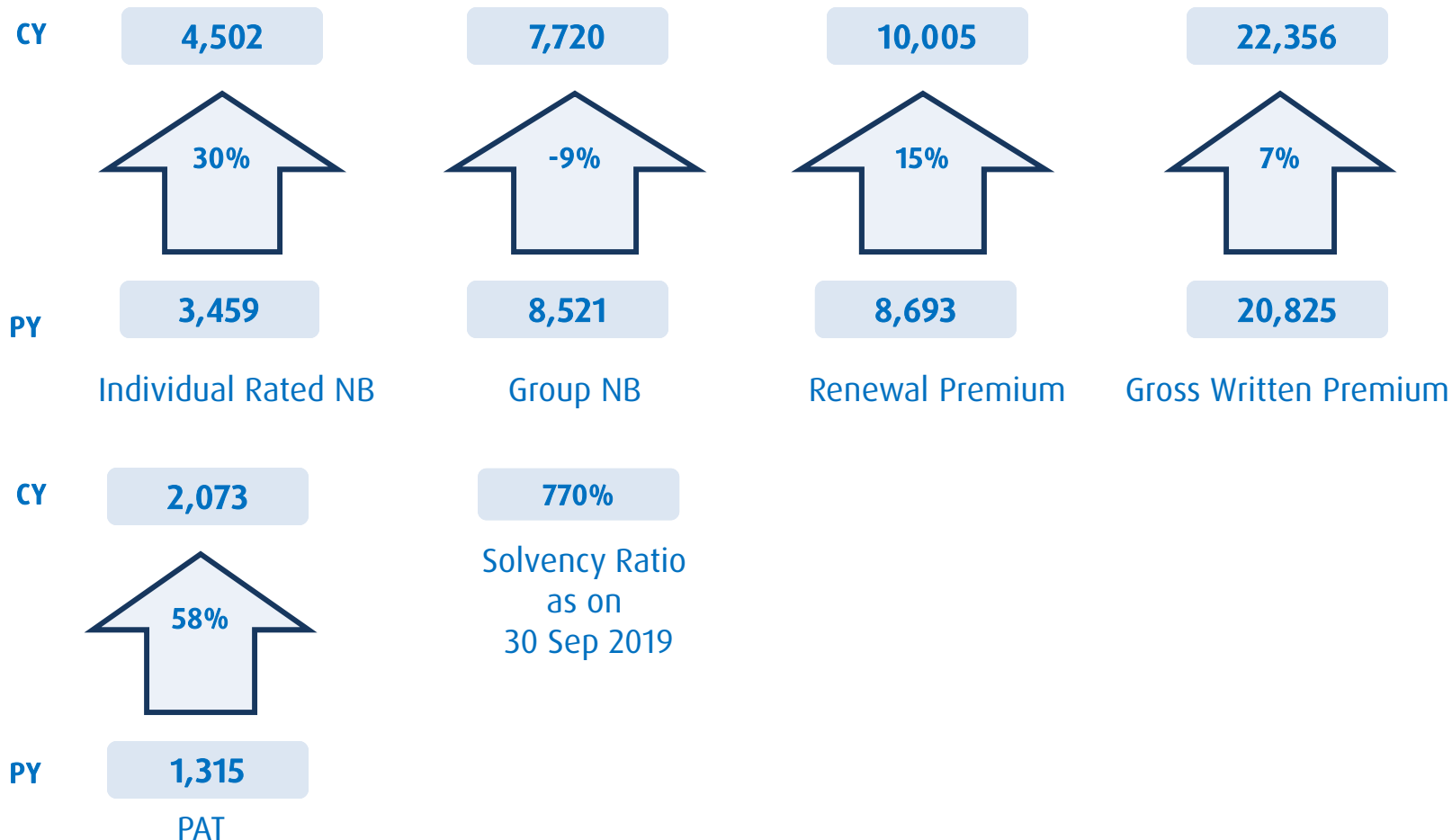
2019-20

- ❑ Industry beating Individual Rated Premium growth for H1 FY20 at 24% vs Industry growth of 11% (Ex-LIC Industry growth of 16%)
- ❑ During the quarter BALIC has signed a Corporate Agency agreement with Axis Bank Ltd as their third Life insurance partner
- ❑ Profit after tax for Q2 FY20 increased by 57% to Rs.2,073 Mn vs Rs. 1,315 Mn in Q2 FY19, due to higher profit on sale of investments and realignment of provision for impairment

BALIC – Q2 FY20 highlights

All Figures in Rs. Million

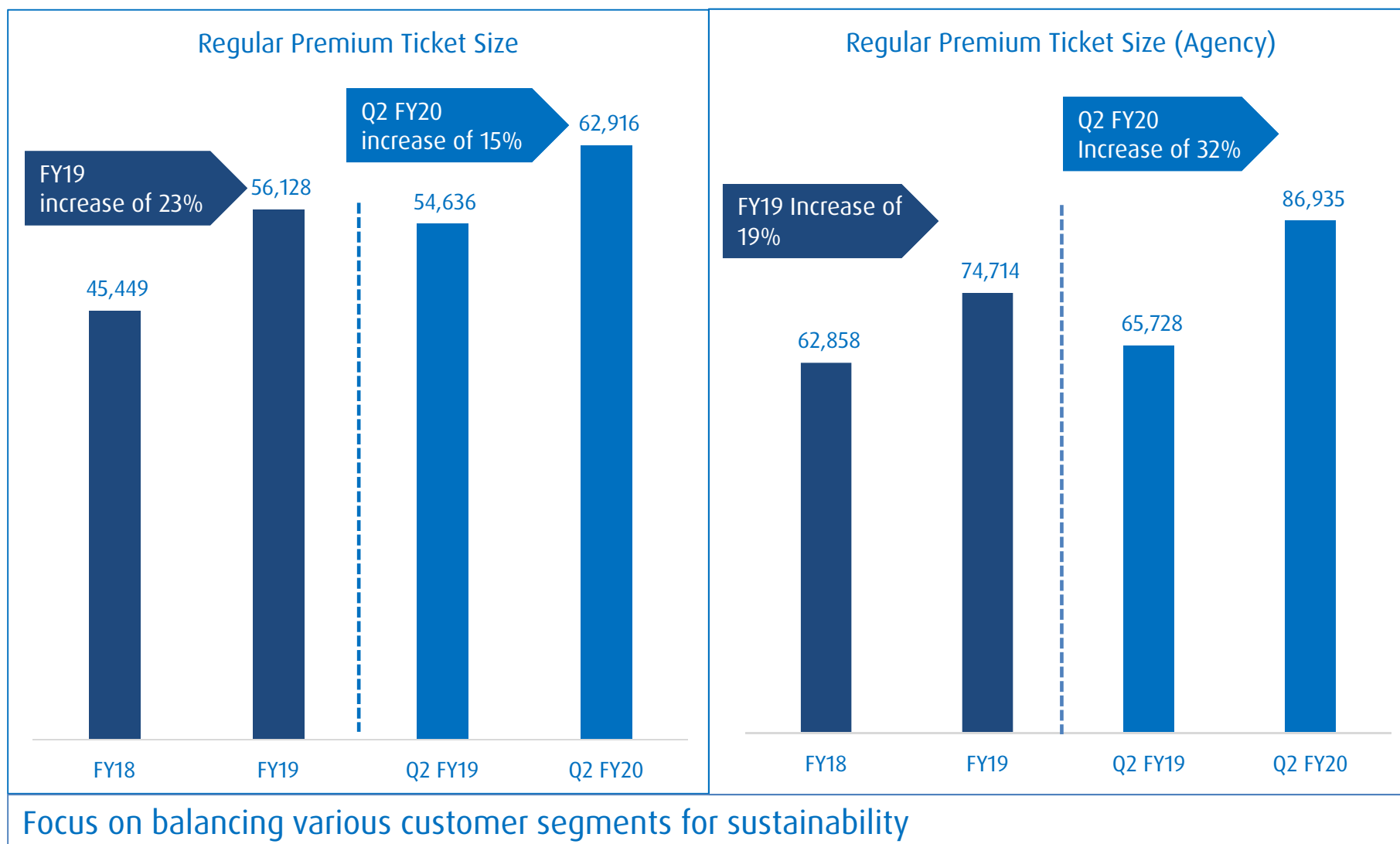
Performance Highlights of Q2 FY20 over Q2 FY19



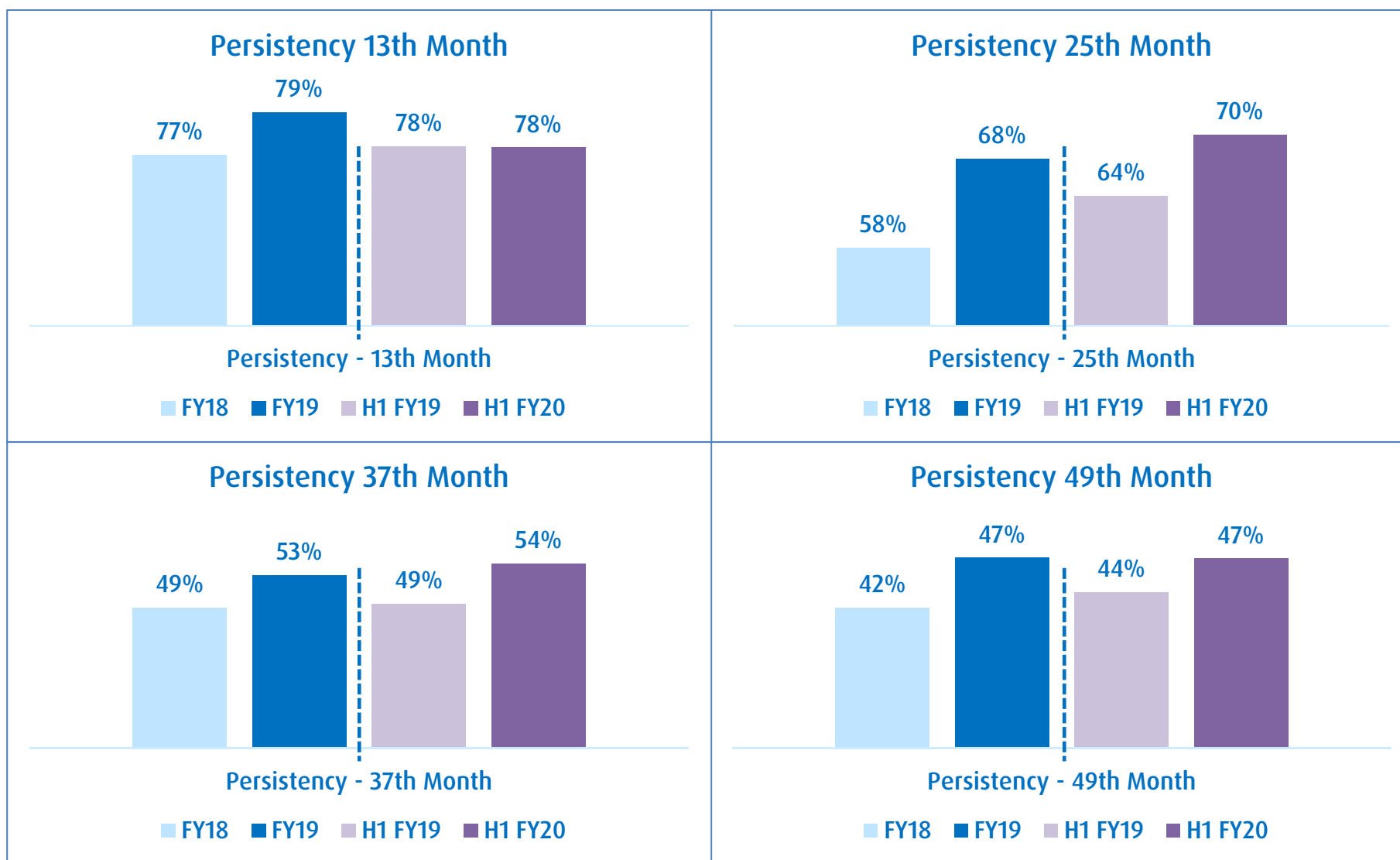
Individual Rated NB = (100% of first year premium & 10% of single premium excluding group products)

BALIC : Strong ticket size

All Figures in Rs.



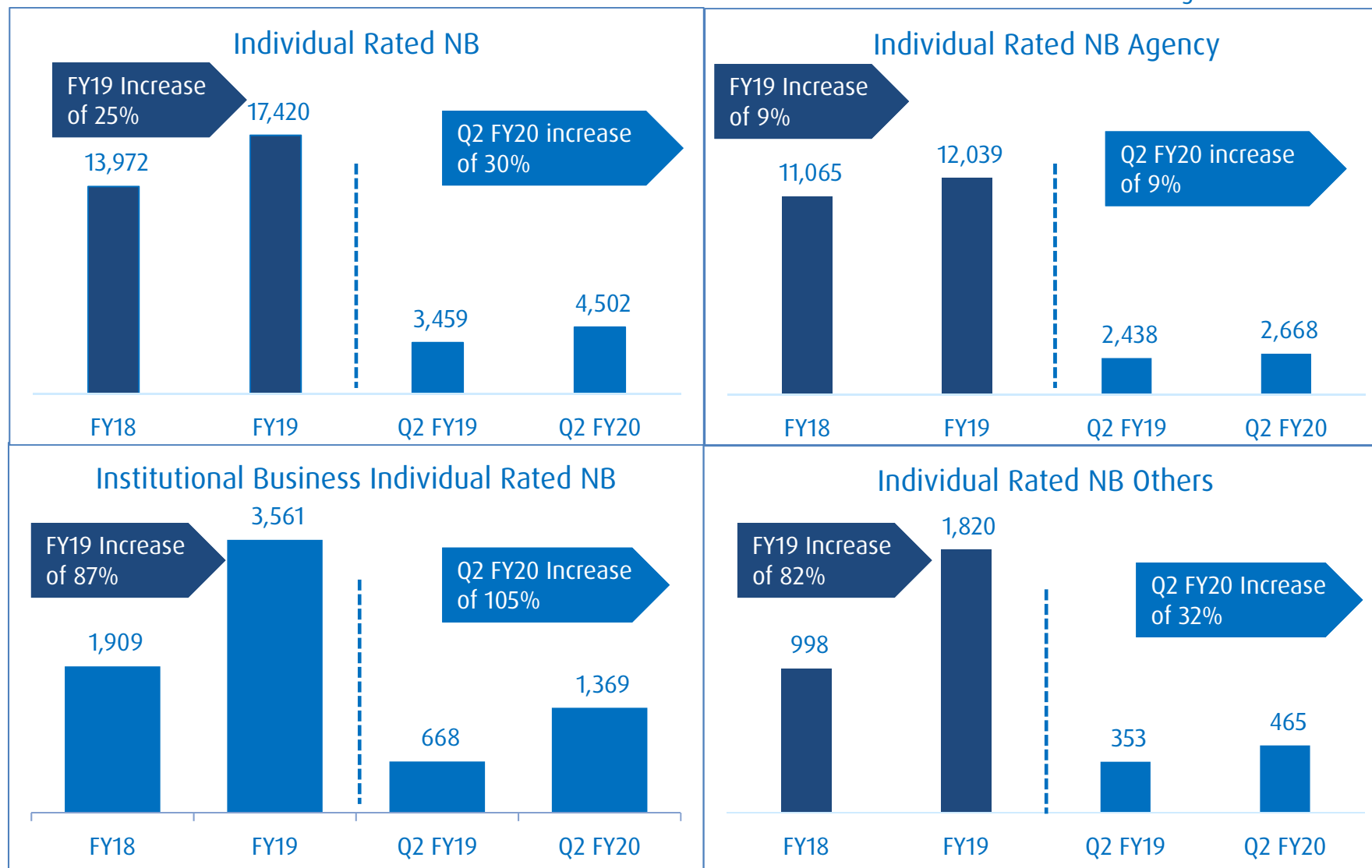
BALIC : Persistency trend



Note : Persistency as per IRDAI framework | Persistency for the period ended 31 Aug 2019, measured on 30 Sep 2019

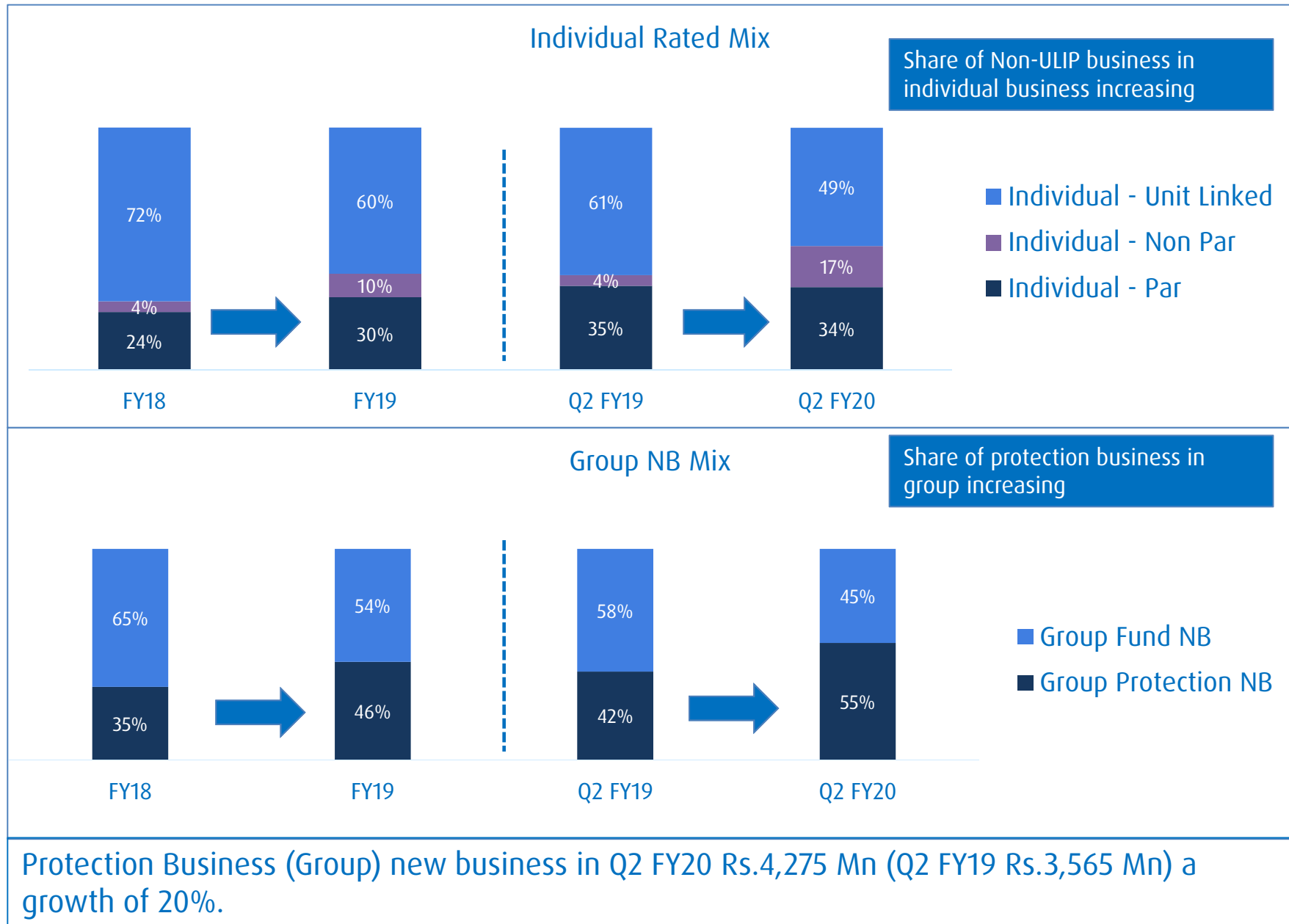
BALIC : Individual Rated premiums

All Figures in Rs Million

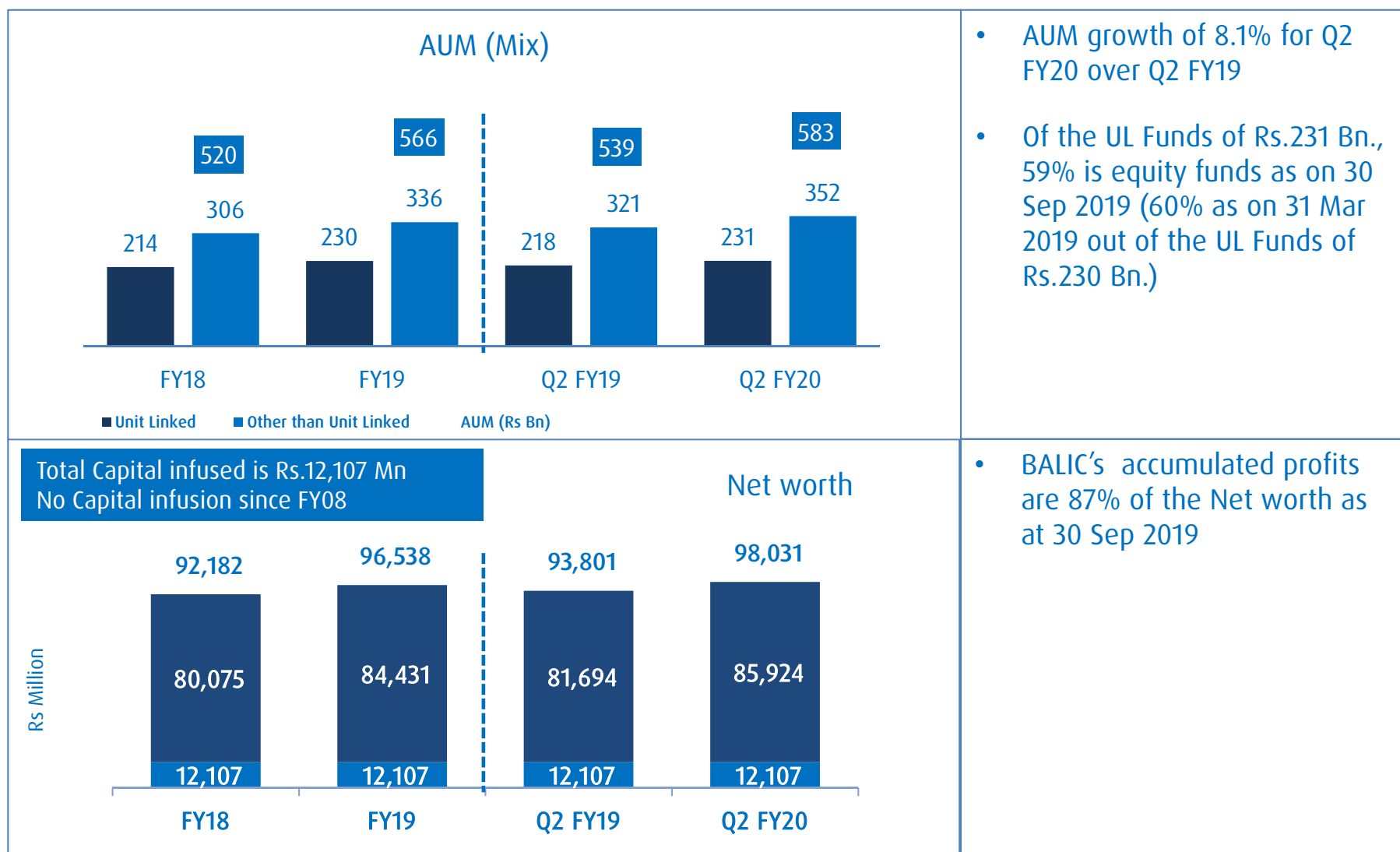


Individual Rated NB = (100% of first year premium & 10% of single premium excluding group products)

BALIC : Balanced product mix



BALIC : Assets Under Management



* Accumulated profit includes reserves

Annexure

BAGIC : LOB wise Net Claim ratio

| Line of Business | Net Claim Ratio | | | | |
|------------------------|-----------------|--------------|--------------|--------------|--------------|
| | Q2 FY20 | Q2 FY19 | H1 FY20 | H1 FY19 | FY19 |
| Fire | 115.8% | 305.0% | 105.7% | 116.6% | 74.4% |
| Marine Cargo | 94.2% | 94.6% | 86.9% | 105.1% | 94.0% |
| Motor OD | 64.5% | 56.3% | 65.7% | 57.8% | 60.0% |
| Motor TP | 65.5% | 65.9% | 65.8% | 69.9% | 64.5% |
| Motor Total | 65.1% | 61.3% | 65.8% | 64.0% | 62.4% |
| Engineering | 91.0% | 74.0% | 63.2% | 75.1% | 43.5% |
| PA | 48.6% | 48.9% | 50.2% | 54.1% | 50.2% |
| Health | 88.7% | 91.2% | 86.8% | 86.4% | 89.5% |
| Crop | 105.2% | -14.3% | 108.8% | -19.1% | 74.9% |
| Total | 75.0% | 68.2% | 73.9% | 67.0% | 68.6% |
| Total (Ex Crop) | 71.7% | 71.0% | 71.4% | 70.1% | 68.4% |

*Health includes Retail , Group and Overseas | PA includes retail and group business | Net Claim Ratio = Net claims incurred divided by Net Earned Premium | LOB trend for major LOB

Exposure to Downgraded Investments (Debt) : BALIC & BAGIC



| Sr. No. | Type of Fund (BALIC) (Amt in Rs. Mn) | Total exposure as of 30 Sep 2019 | Of which performing | Of which (non performing) | Impairment Provided for |
|---------|---|-------------------------------------|---------------------|------------------------------|----------------------------|
| 1 | PAR | 3,917 | 3,327 | 590 | 349 |
| 2 | N-PAR | 1,662 | 1,515 | 147 | 88 |
| 3 | ULIP | 4,014 | 2,832 | 1,182 | 903 |
| 4 | SH | 4,780 | 2,124 | 2,656 | 2,094 |
| | Total | 14,373 | 9,798 | 4,575 | 3,434 |

| Sr. No. | Type of Fund (BAGIC) (Amt in Rs. Mn) | Total exposure as of 30 Sep 2019 | Of which performing | Of which (non performing) | Impairment Provided for |
|---------|---|-------------------------------------|---------------------|------------------------------|----------------------------|
| 1 | Total | 5,605 | 3,887 | 1,718 | 1,231 |

*Performing : Interest and / principal payment of the security is regular as per term sheet | All exposure is shown at face value & accrued interest.

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. In particular, this presentation is not intended to be a prospectus or offer document under the applicable laws of any jurisdiction, including India. The financial information in this presentation may have been reclassified 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. 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 not 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.

Thank You