

17 May 2017

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 fourth quarter ended 31 March 2017

Dear Sir/Madam,

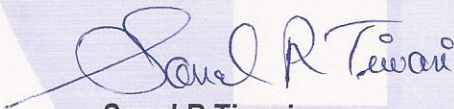
Further to our letter dated 19 April 2017, please find enclosed Investor Presentation for financial results of the fourth quarter ended 31 March 2017 under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule III thereto.

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

Corporate Office: 6th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road,
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www.bajajfinserv.in
Corporate ID No: L65923PN2007PLC130075

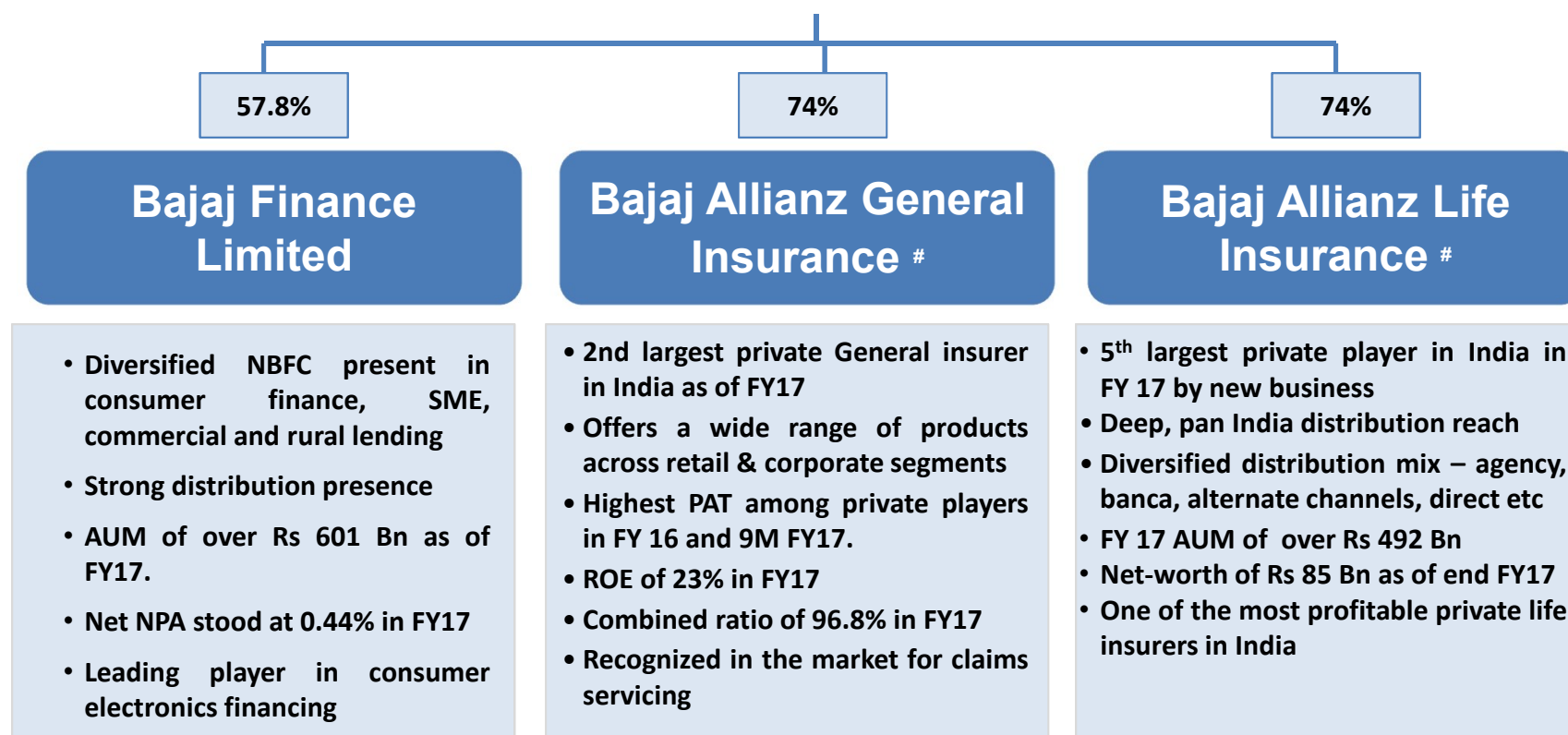


Bajaj Finserv Limited

Investor Presentation – Q4 FY17*

** Financial year 2016-17*

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 31st March 2017. Chart shows only major subsidiaries.

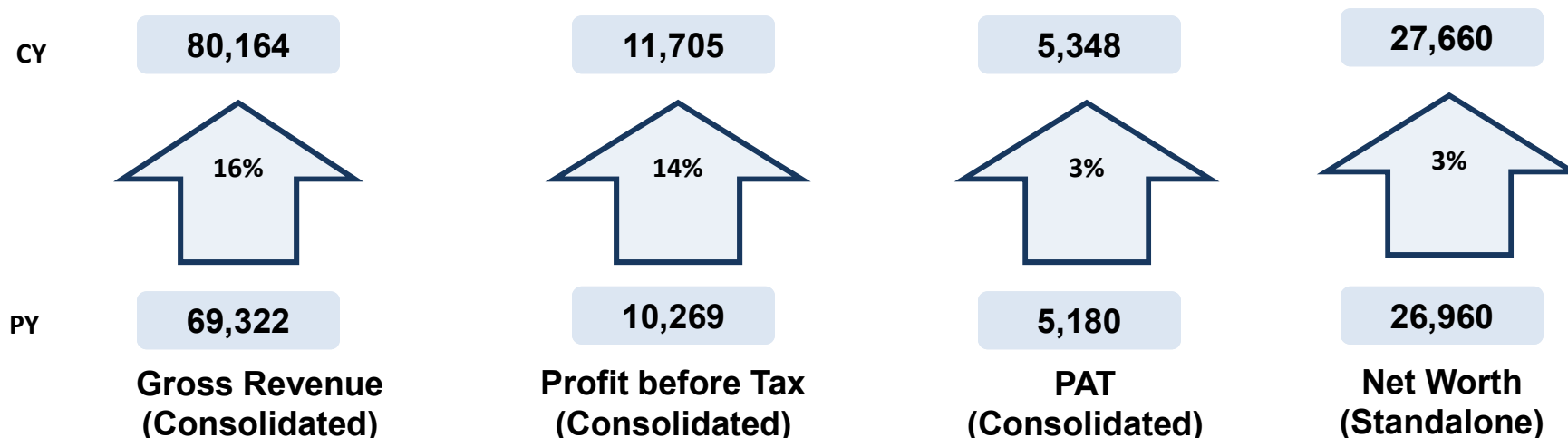
Not listed

Bajaj Finserv performance highlights



All Figures in Rs Million

Performance Highlights of Q4 FY2017 over Q4 FY2016



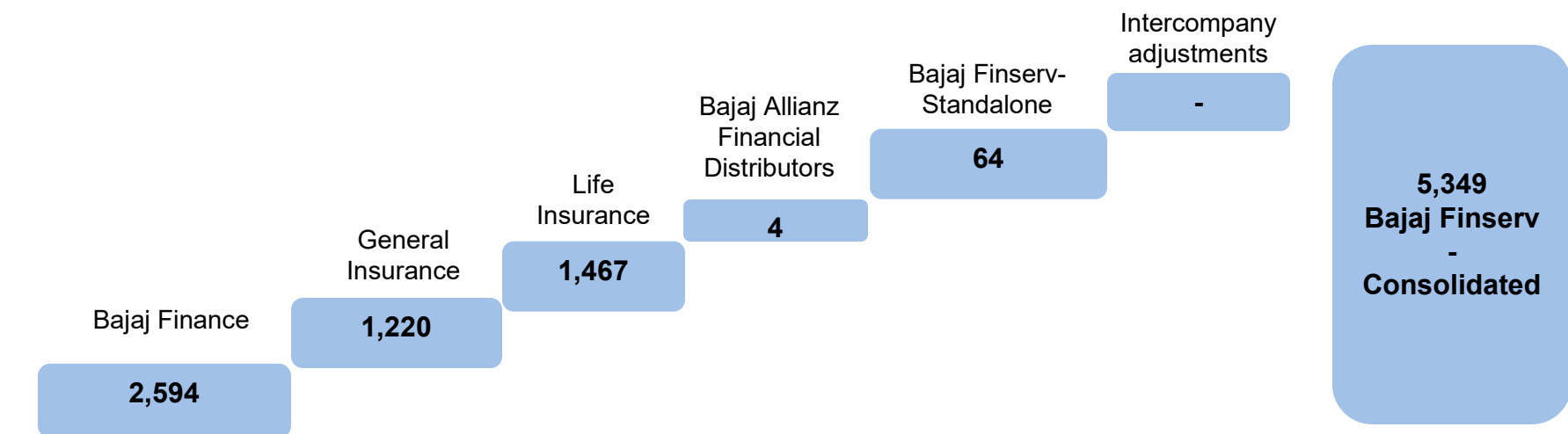
- Bajaj Finserv : Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds stood at Rs. 5,585 million as on March 31, 2017.
- Consolidated Net Worth stood at Rs. 158,288 million and Consolidated Book Value Per Share at Rs. 995.
- Full Year FY 17 PAT increased by 21 % to Rs. 22,619 million (PY Rs. 18,633 million)

Consolidated profit components-Q4

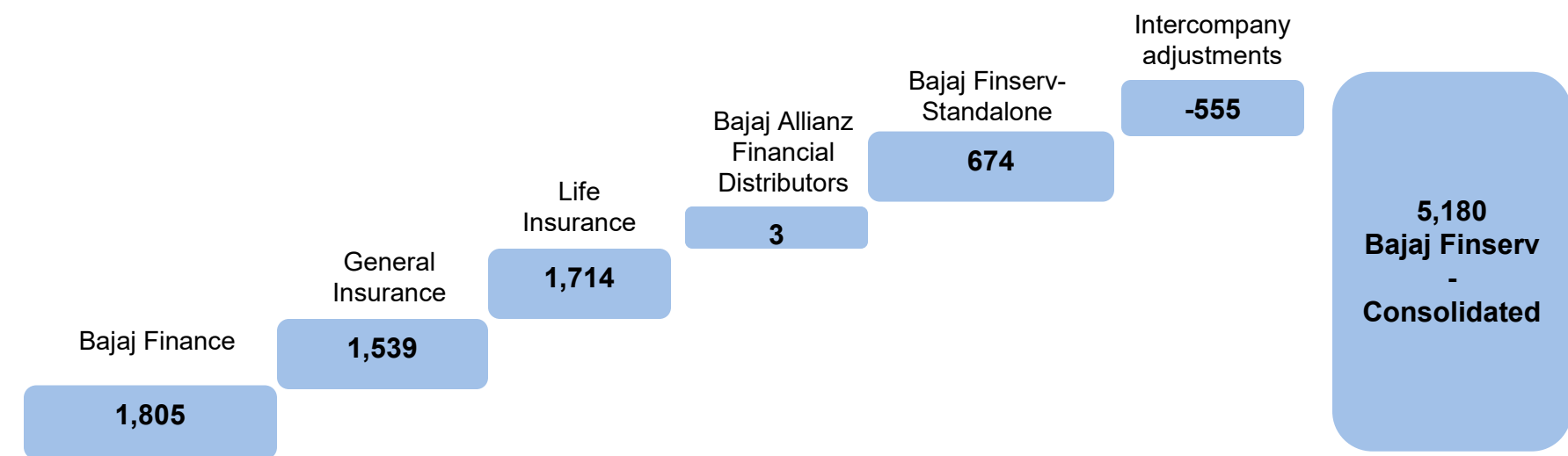


All Figures in Rs Million

Consolidated profit components for Q4 FY2017



Consolidated profit components for Q4 FY2016

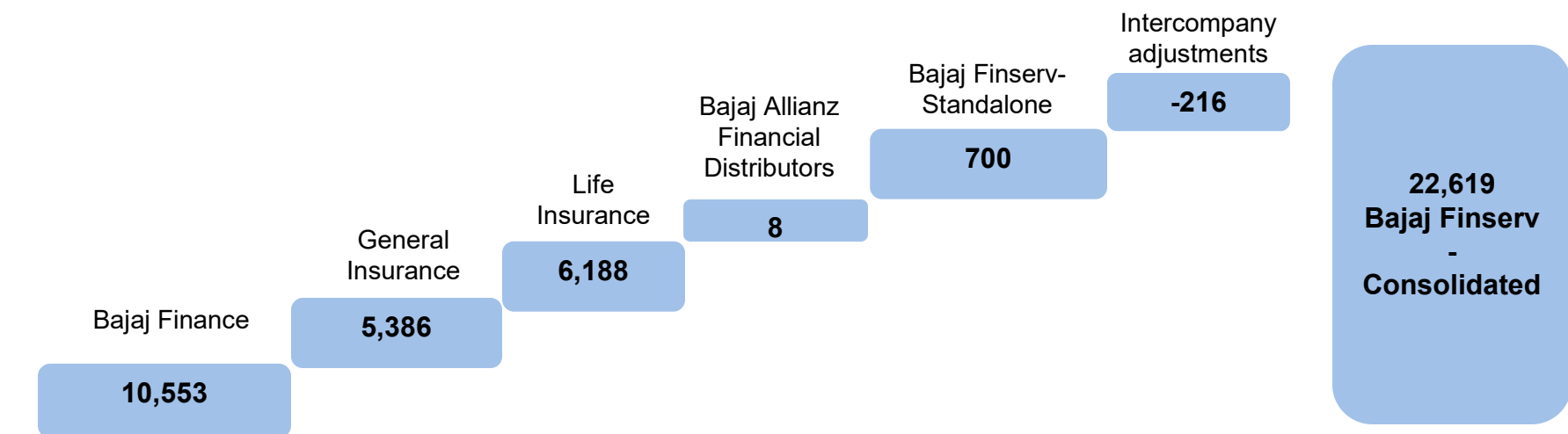


Consolidated profit components-Full Year

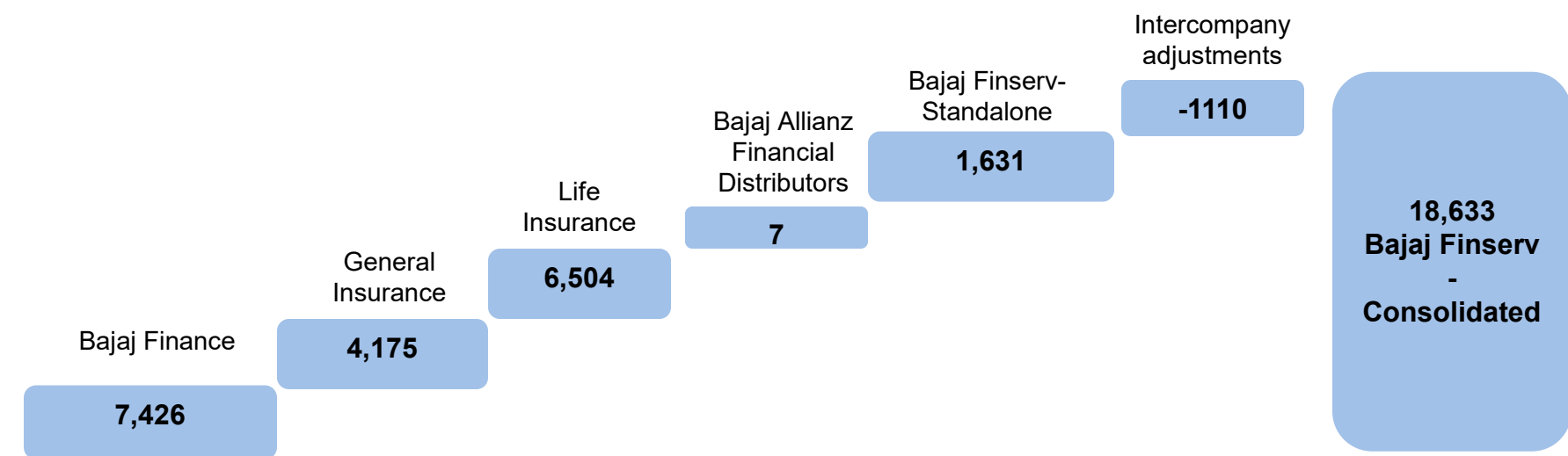


All Figures in Rs Million

Consolidated profit components for FY2017



Consolidated profit components for FY2016



Full Year Highlights

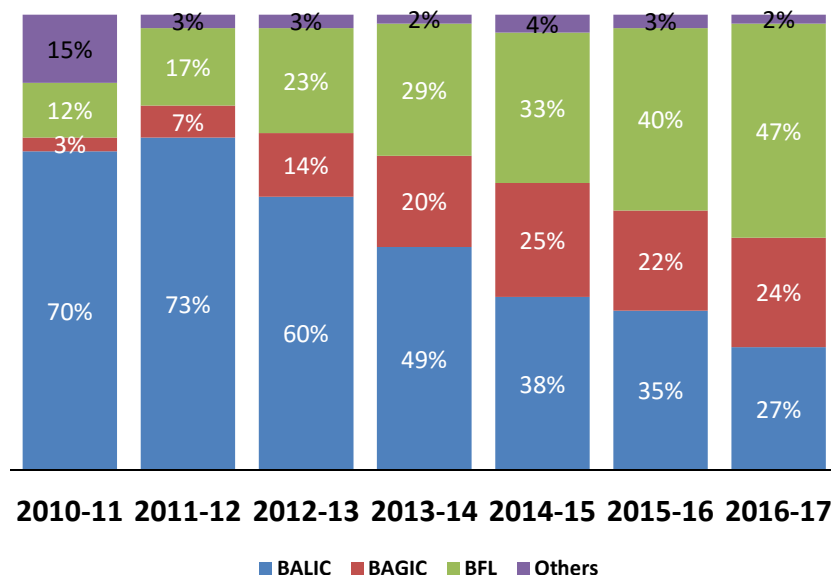


All Figures in Rs Million



BAJAJ FINSERV	FY17	FY16	Growth
Gross Revenue	273,333	222,762	23%
Net worth (Cons)	158,288	133,911	18%
PAT	22,619	18,633	21%

Consolidated Profit Components



Group Company Highlights

BALIC	FY17	FY16	Growth
GWP	61,833	58,973	5%
Total Investments	492,703	441,075	12%
PAT	8,363	8,790	-5%

BAGIC	FY17	FY16	Growth
GWP	76,871	59,006	30%
Investments	108,291	92,112	18%
PAT	7,278	5,642	29%

BAJAJ FINANCE [#]	FY17	FY16	Growth
AUM	601,939	442,288	36%
Total Income	100,033	73,334	36%
PAT	18,366	12,785	44%

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



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

Underwriting Strength

- ❑ Industry leading combined ratios over the last several years with superior ROE.
- ❑ Ability to balance growth with profitability

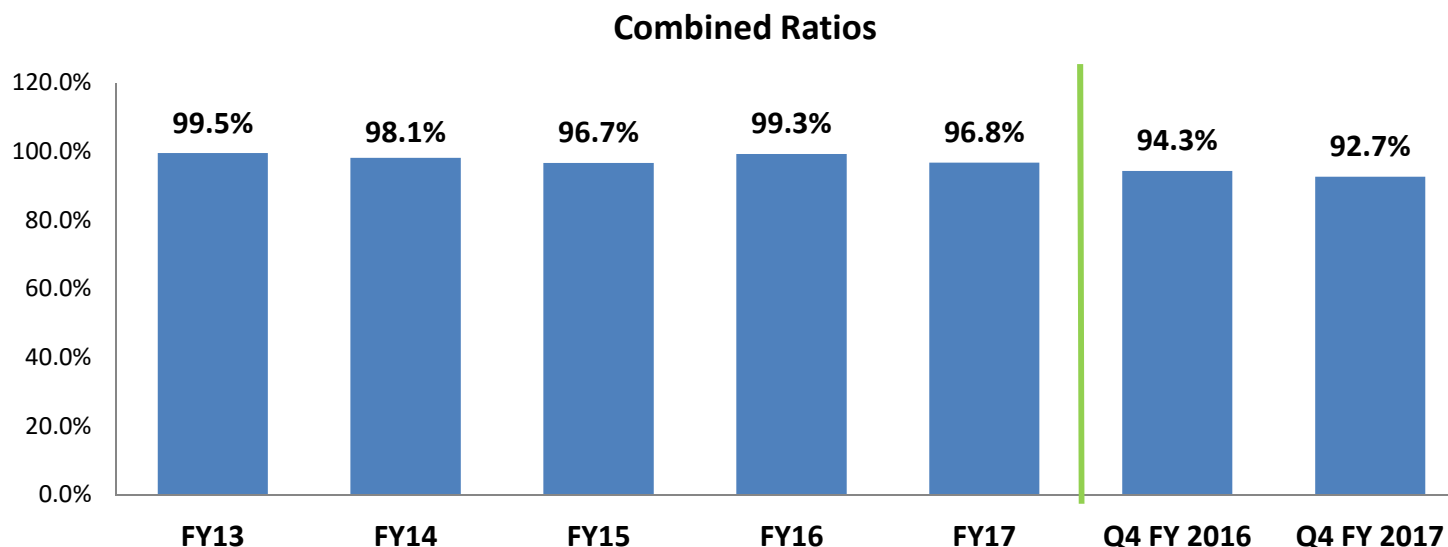
Sustained Innovation

- ❑ 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

Multi Channel Distribution

- ❑ Multi-channel distribution with pan India presence.
- ❑ Over 9.9 Mn policies in FY17

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

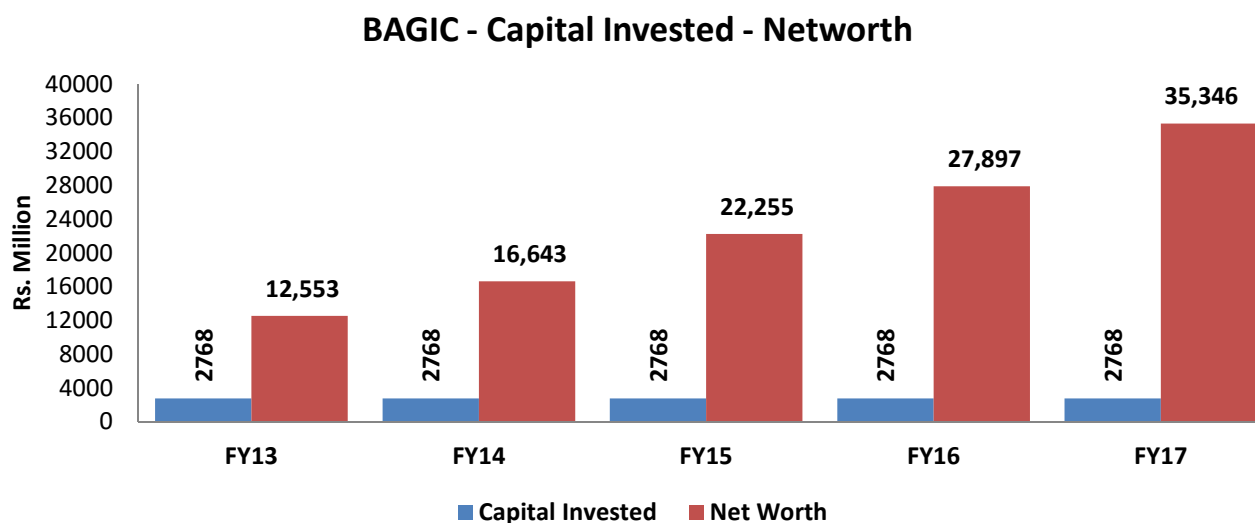
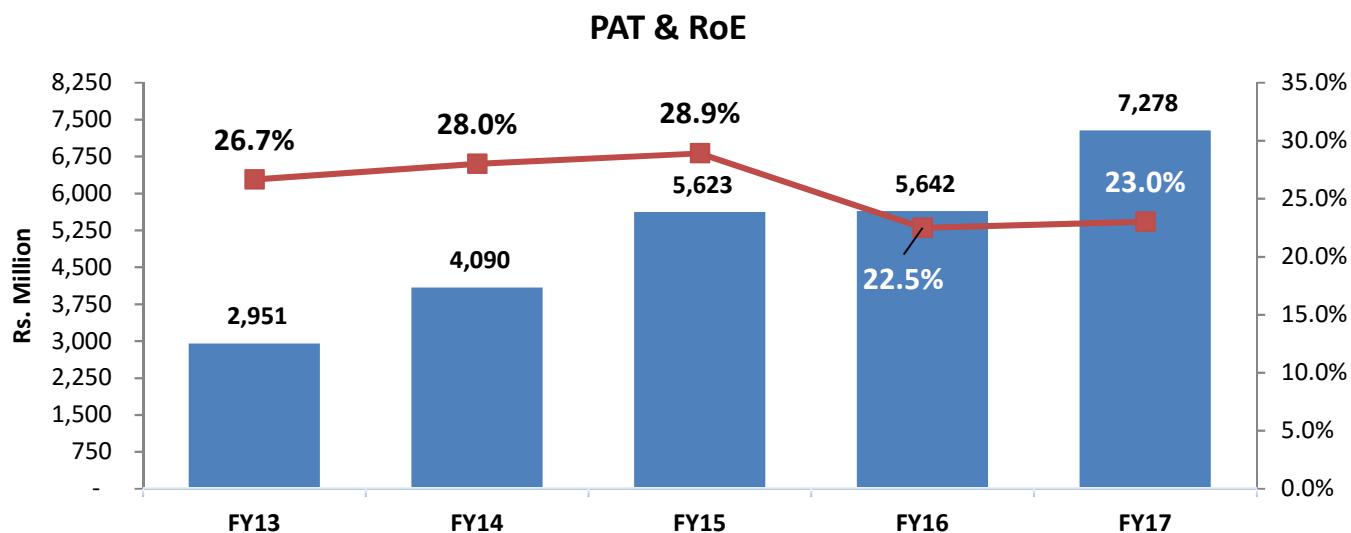


Note on Combined Ratio: Combined Ratios are in accordance with the Master Circular on 'Preparation of Financial statements of General Insurance Business' issued by IRDA effective from 1st April, 2013. (Net claims incurred divided by Net Earned Premium) + (Expenses of management including net Commission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

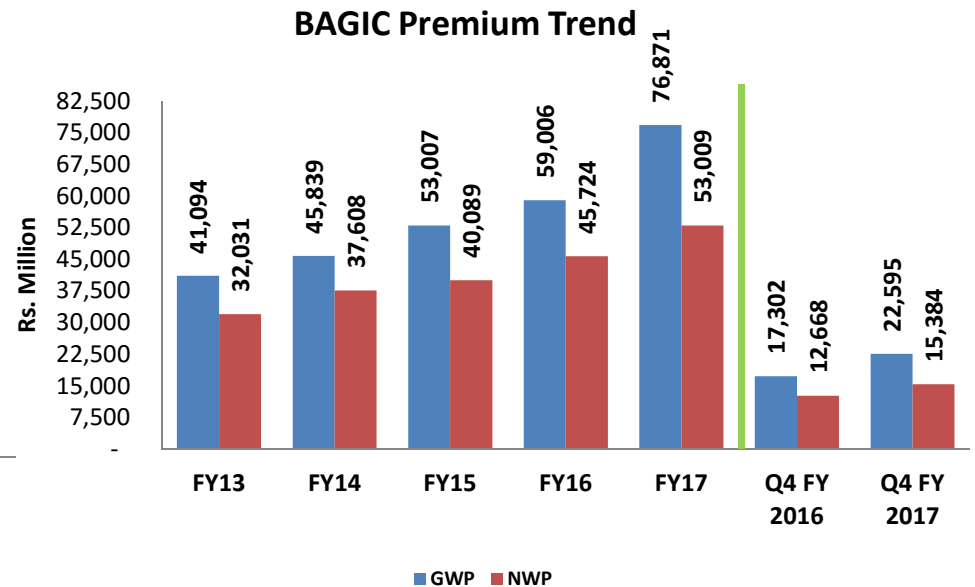
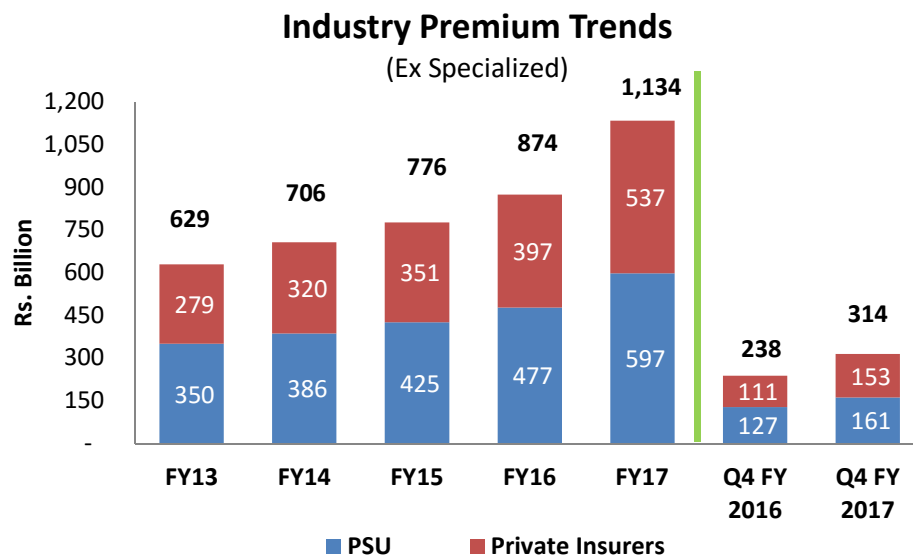
BAGIC has consistently delivered high ROEs and remains one of the most capital efficient companies



All Figures in Rs Million



BAGIC is the second largest private sector general insurer



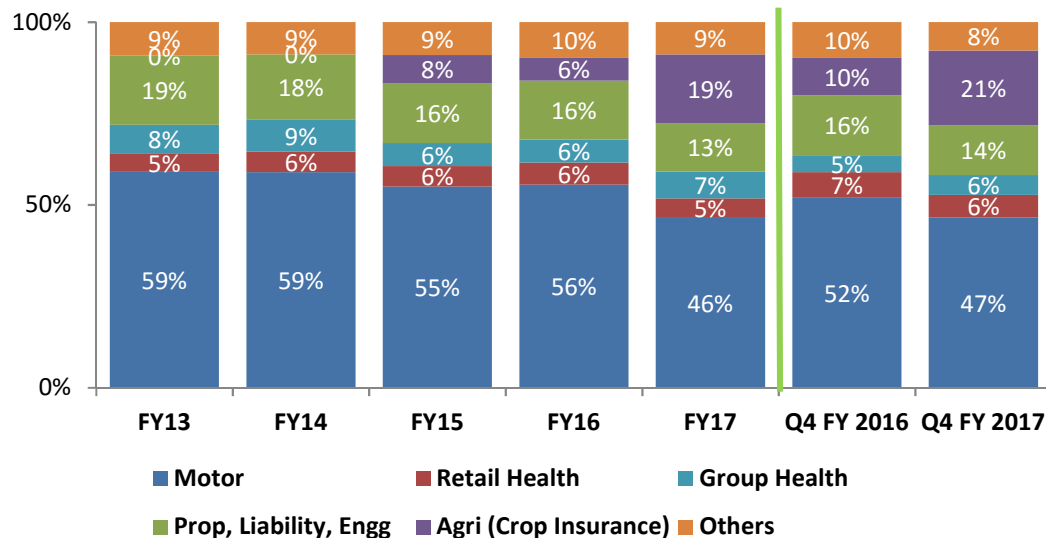
- Gross Written Premiums grew by 31% in Q4 FY 2017 and by 30% for FY 17

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



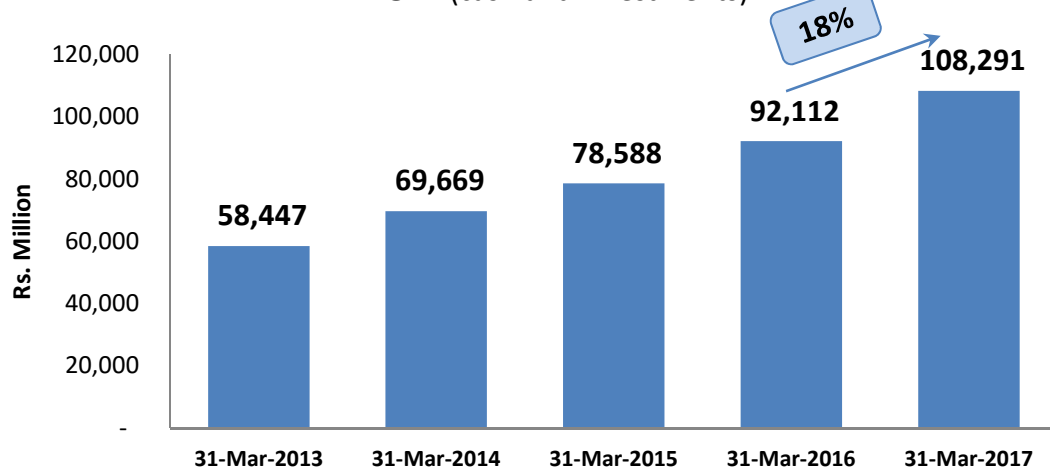
All Figures in Rs Million

Business Mix



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

AUM (cash and investments)



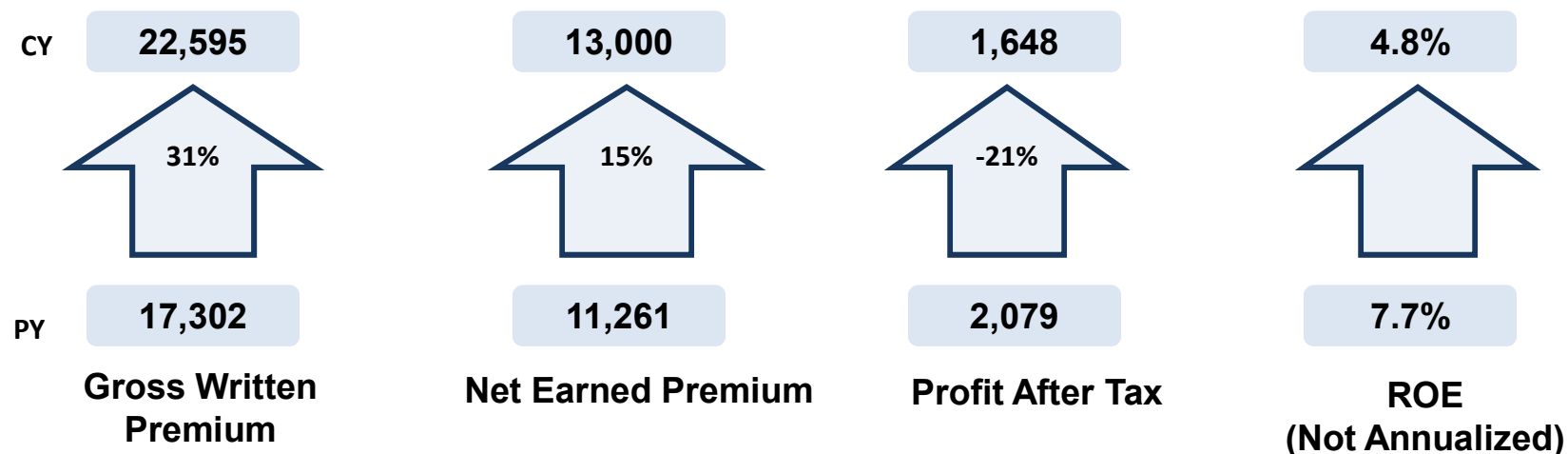
BAGIC continues to grow its AUM strongly. Investments are largely in fixed income securities.

Bajaj Allianz General – Q4 highlights

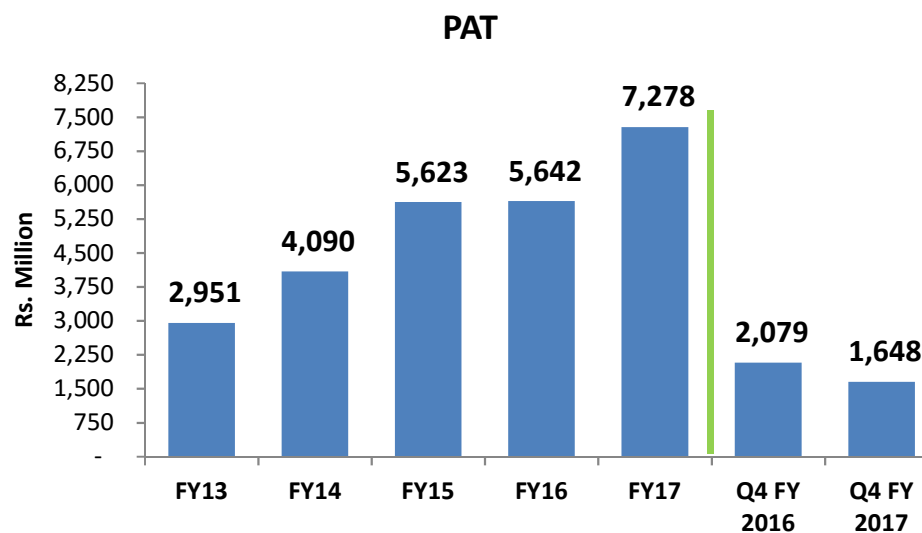


All Figures in Rs Million

Performance Highlights of Q4 FY2017 over Q4 FY2016



Solvency Ratio was 261% as against regulatory requirement of 150% as of 31st March 2017





Bajaj Allianz Life Insurance

STRATEGY

- ☐ Grow regular premium
- ☐ Diversified distribution channels with an emphasis on individual agents
- ☐ Maintain a sustainable product mix
- ☐ Maintain leadership amongst private companies in the financial inclusion segment

DIFFERENTIATORS

Large Proprietary Agency Force

- ❑ Deep pan India distribution presence
- ❑ Focus on improving efficiency and productivity of agency channel

Financial Inclusion

- ❑ BALIC leads the private sector, with about 40% share of lives covered in group schemes (FY16)
- ❑ Well entrenched participant in rural markets through partnerships with Rural banks, MFIs, SFBs etc.

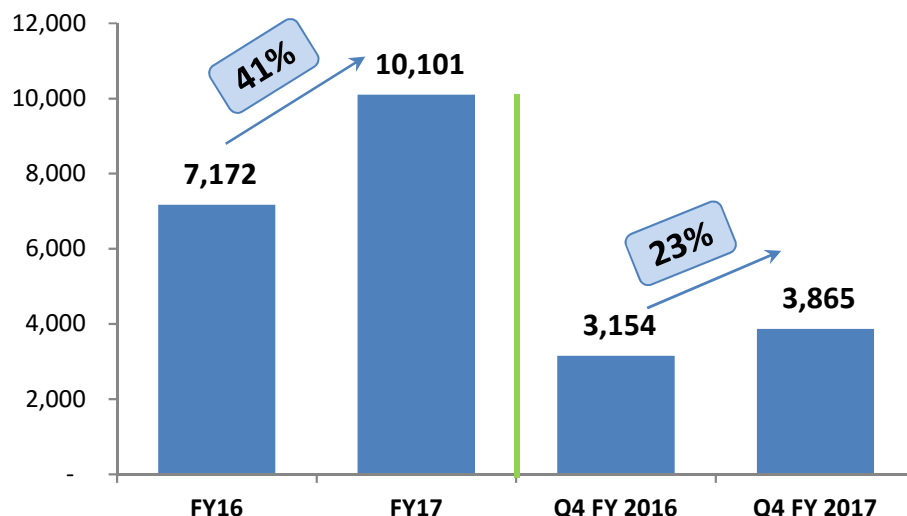
Sustainable Model

- ❑ Higher mix of ULIP in top tier markets, higher mix of traditional in lower tier markets

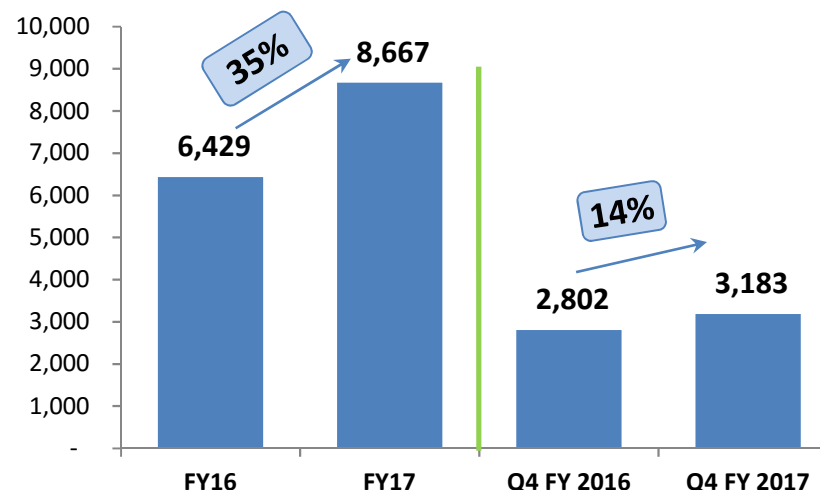
New business update

All Figures in Rs Million

Individual Rated NB

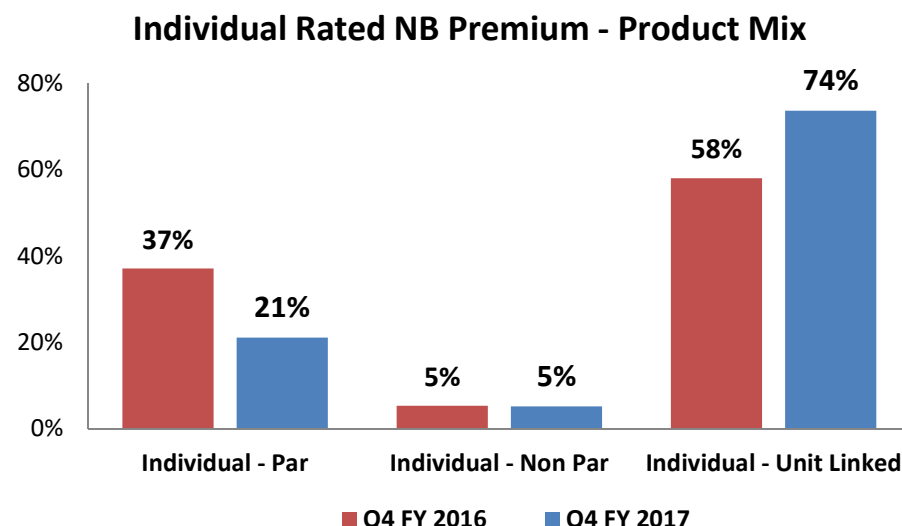
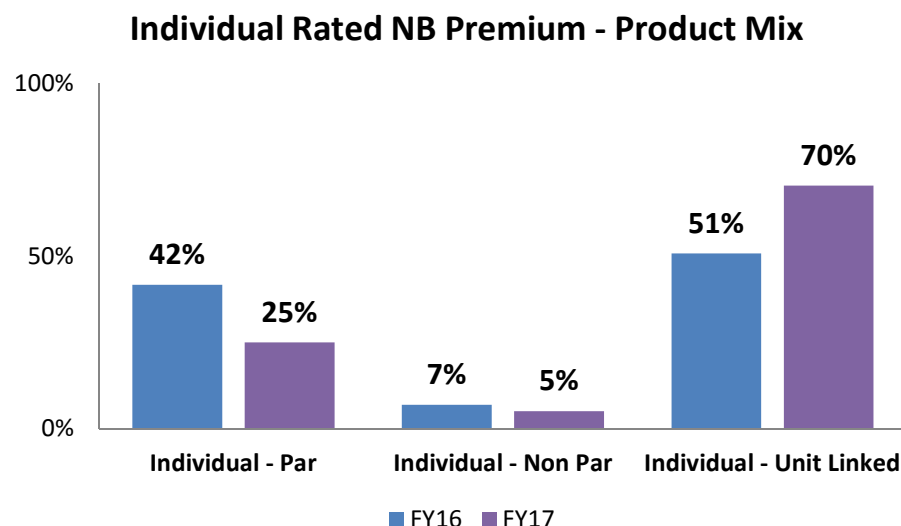


Agency Individual Rated NB



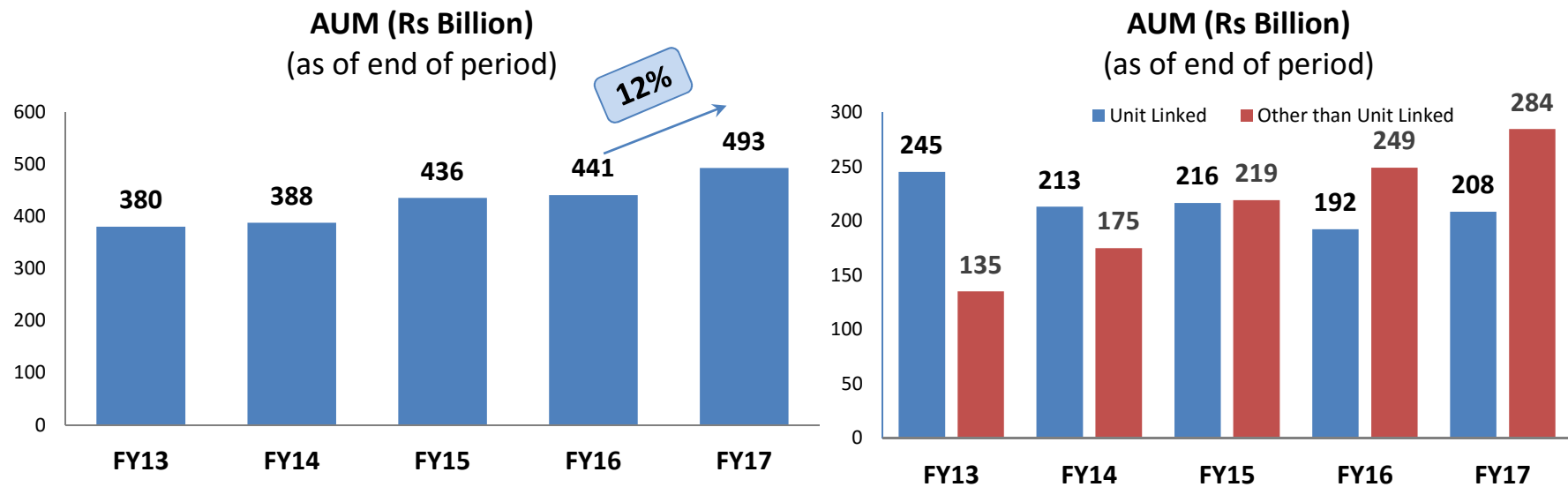
- BALIC's focus is to grow regular premium which is reflected in individual rated premium
- BALIC's Individual Rated New Business has grown 23% in Q4 FY17 and 41% in FY 17 over Q4 FY16 & FY 16 respectively
- Agency channel's Individual Rated New Business is up 35% in FY17 over FY16.
- Changes effected 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 Q4 FY 17 was Rs 5,324 Mn (Q4 FY 16 Rs 4,832 Mn) and FY 17 Rs 13,902 Mn (FY 16 Rs 10,852 Mn). In FY 17 Group Fund business was 42% of New Business (PY 38%)

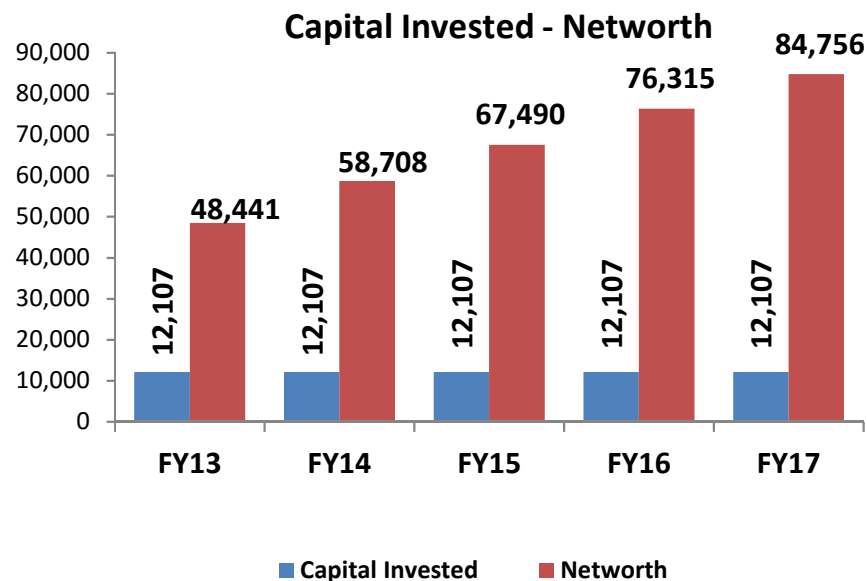
Assets Under Management are significant



- Of the UL Funds of Rs 208 Billion, 65% is equity funds as at 31st March 2017

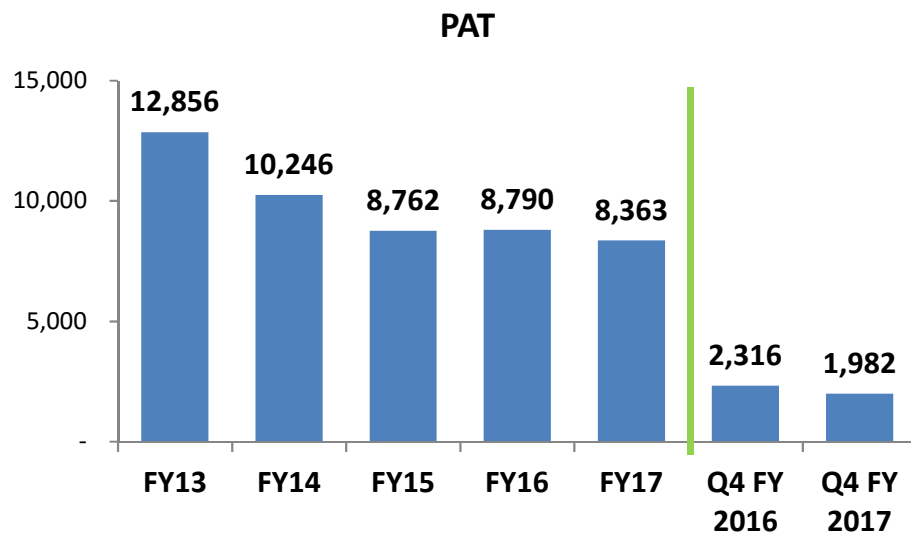
Capital efficiency and PAT

All Figures in Rs Million



BALIC's Network is 7 times the Capital infused.

No Capital infused after FY08



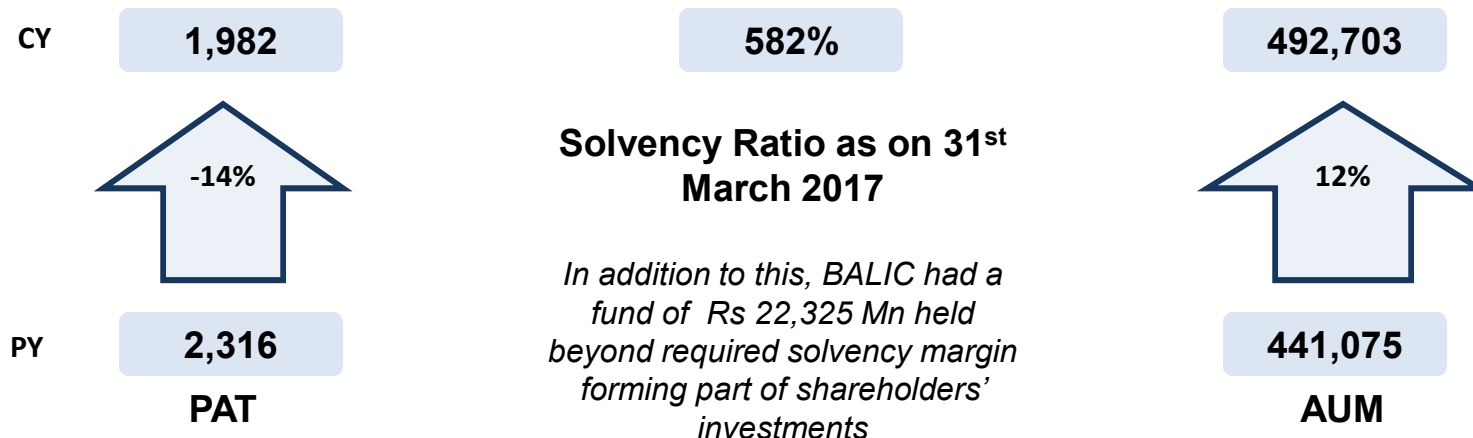
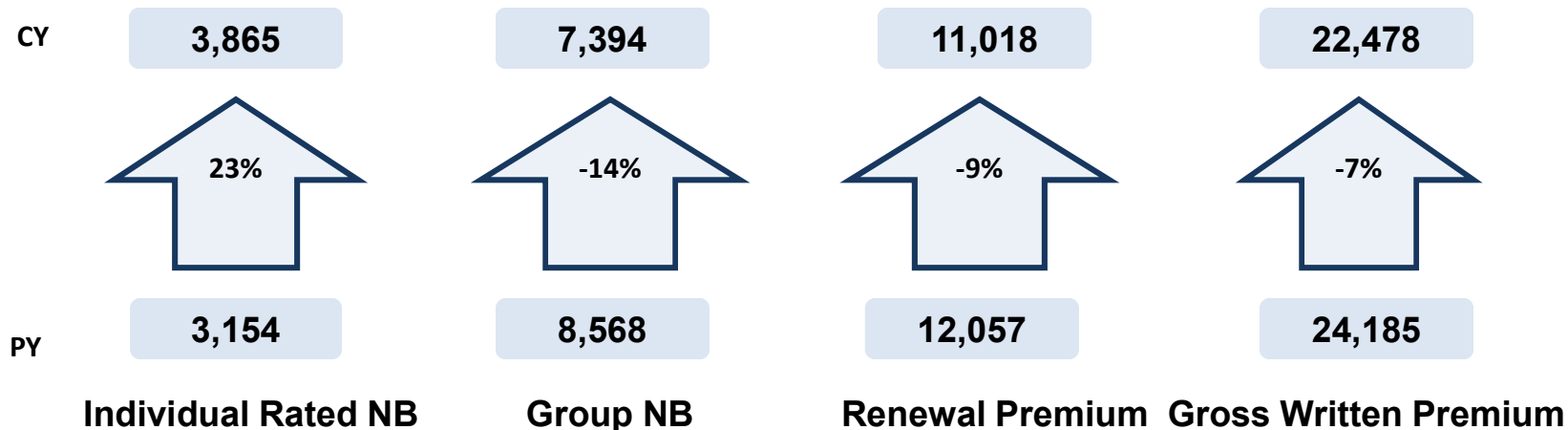
Includes net Transfer from Policyholders' account to P&L – Rs 687 Mn in Q4 FY17 (Q4 FY16 Rs 880 Mn).

Bajaj Allianz Life – Q4 highlights



All Figures in Rs Million

Performance Highlights of Q4 FY2017 over Q4 FY2016



All Figures in Rs Mn

Parameter	FY 16	FY 17
Annualized Premium** (ANP)	9,656	12,876
New Business Value* (NBV)	1,603	1,671
Implied Margins on ANP	16.6%	12.9%
Embedded Value++ (EV)	98,763	112,651

- One-year forward rates derived from the risk free yield curve are used for discounting cash flows. Allowance for risk is provided in computing cash flows for various risks and the cost of risk capital. Investment returns are derived from the risk free yield curve. Currently applicable tax rate of 14.42% is assumed.
- Results not audited or reviewed externally but methodology is in line with APS 10 of the Institute of Actuaries of India.

* New Business Value represents discounted present value of expected net cash flows from new business written during the year.

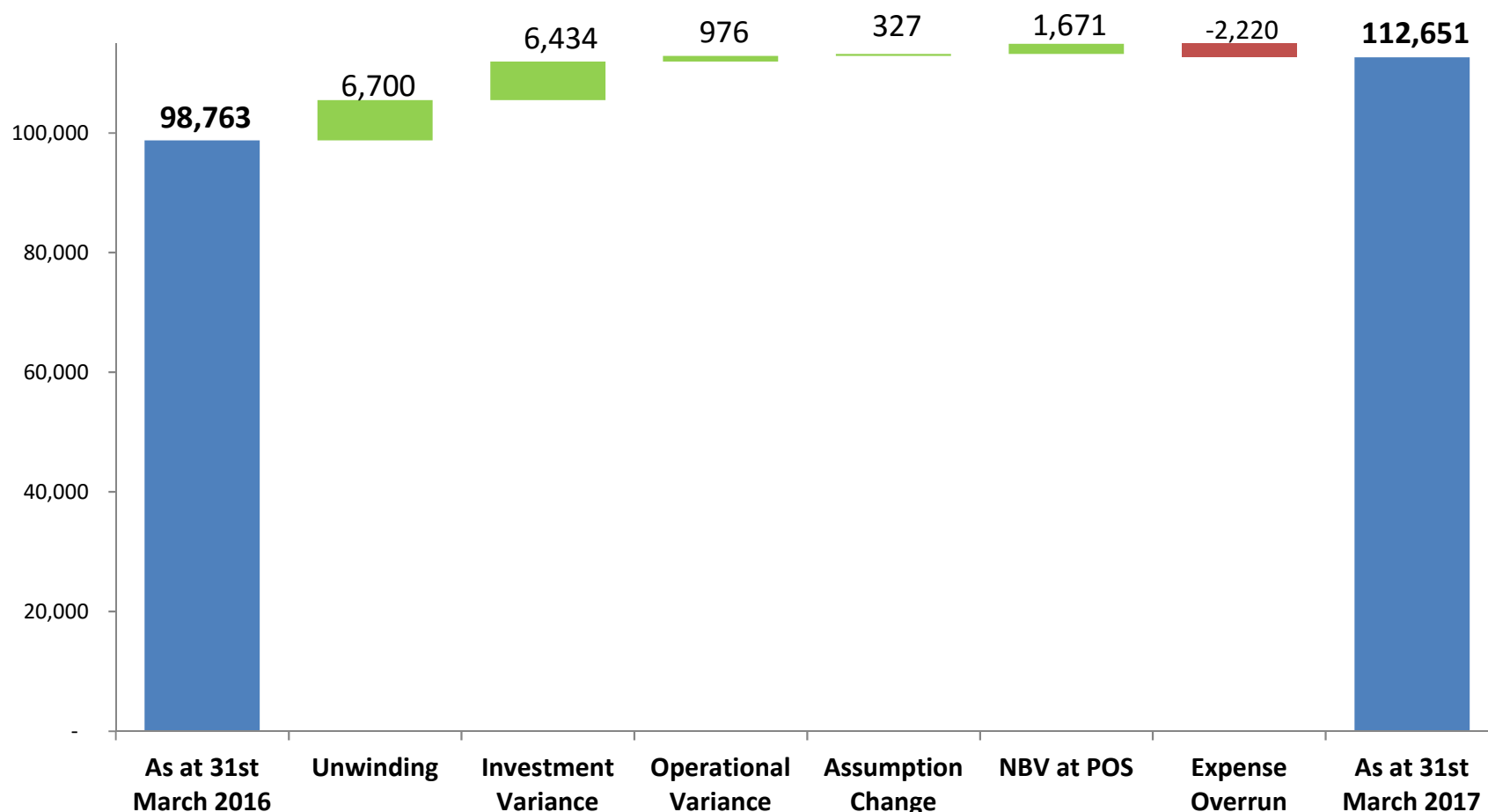
**ANP refers to annualised new business written during the year and is calculated by assigning a 10% weight to single premium and 100% weight to regular premium. Group Fund business is included in the definition of ANP. Un-modelled business in FY 17 was 10.77% of ANP (FY16, 11.55%).

++On Market consistent basis

MCEV Movement



Figures in Rs Million



* PAR business overruns are considered at 10% of overrun. As per regulation, the surplus from PAR business is to be shared between policyholders and shareholders in the ratio of 90:10. Expense over run would have been Rs 2,932 Mn if PAR business overruns were to be considered at 100%. MCEV figures would be unchanged in both cases.

Unwinding is the roll forward of opening figures at Best Estimate rate of interest. It also contains the Best Estimate expected profit transferred from the Value In Force to NAV over the year.



Bajaj Finance Limited #

Overview

- ☐ **A non bank with strategy, structure & support model of a bank**
- ☐ **Diversified financial services strategy envisages an optimal mix of risk and profit to deliver a sustainable business model**
- ☐ **The business construct is to deliver a sustainable and superior ROA & ROE**

DIFFERENTIATORS

Strong brand equity of Bajaj group

Strong focus on cross-sell covering assets, insurance & wealth products

Highly agile and innovative

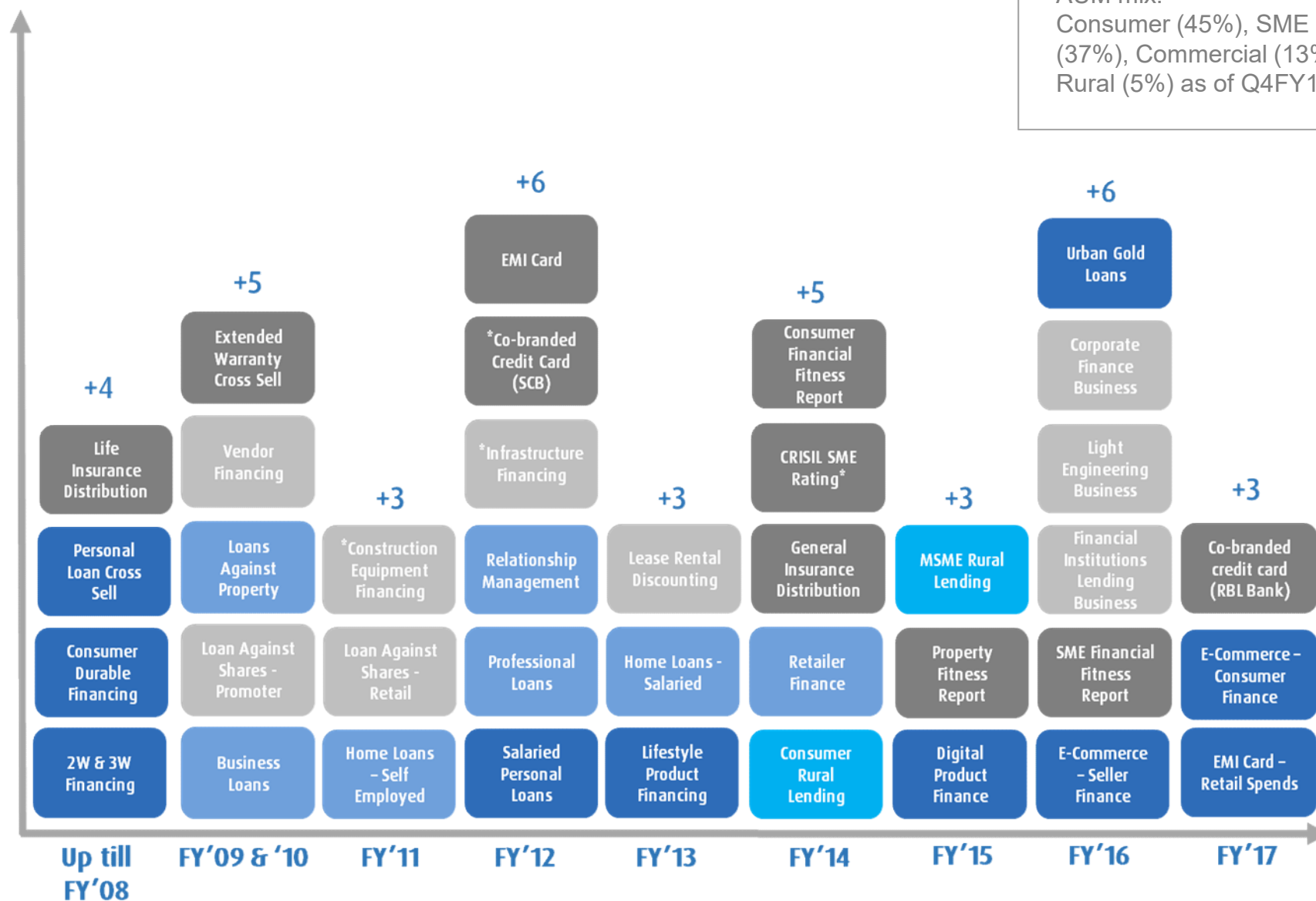
Focus on mass affluent and above customers

Diversified lending strategy

Deep investment in technology and analytics

Bajaj Finance – Business / Product Launch Journey

AUM mix:
Consumer (45%), SME (37%), Commercial (13%), Rural (5%) as of Q4FY17



* Closed

Bajaj Finance has clocked healthy growth in revenues



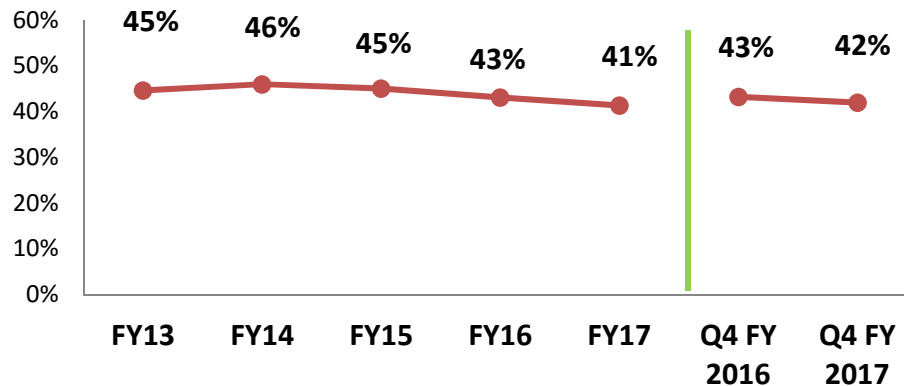
All Figures in Rs Million



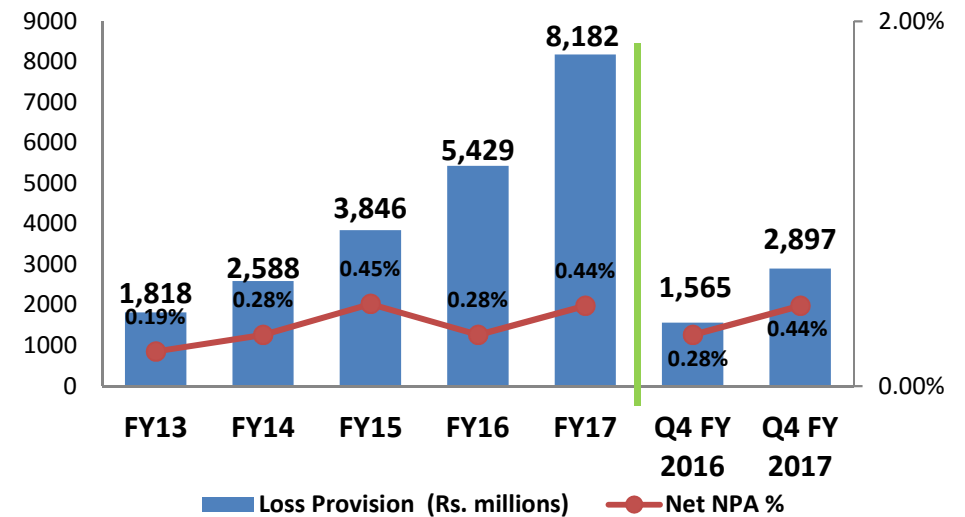
Quality of assets is good, and operating costs remain under control

All Figures in Rs Million

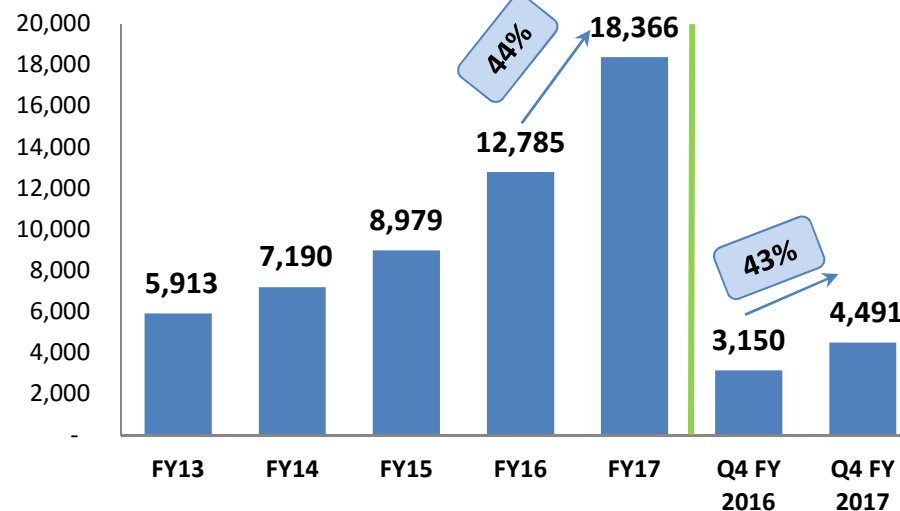
Operating expenses as a % of NII



Loss Provision and Net NPA%



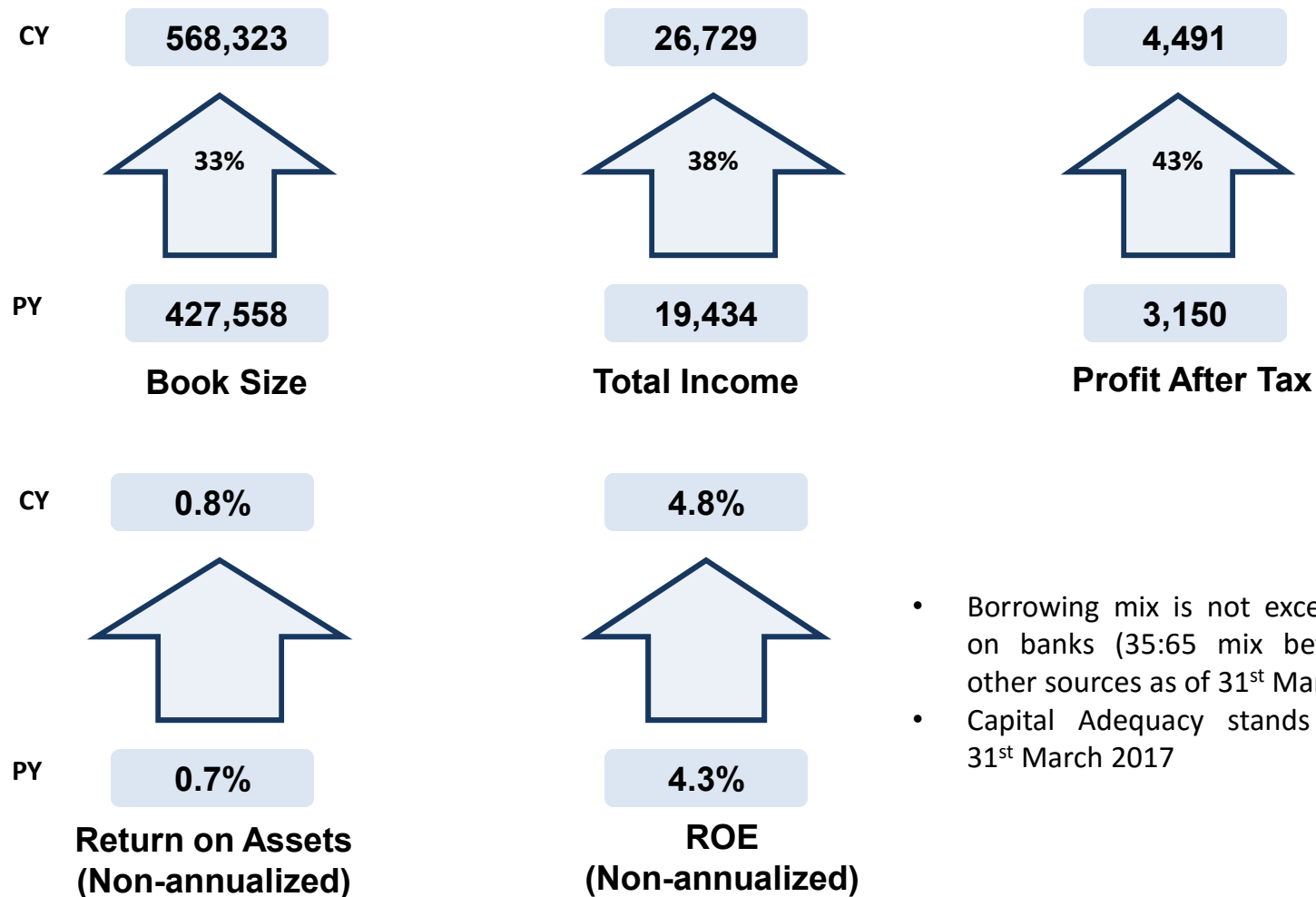
PAT



Bajaj Finance – Q4 highlights

All Figures in Rs Million

Performance Highlights of Q4 FY2017 over Q4 FY2016



- Borrowing mix is not excessively dependent on banks (35:65 mix between banks and other sources as of 31st March 2017).
- Capital Adequacy stands at 20.3% as of 31st March 2017

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