

16 May 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 financial results of the fourth quarter ended 31 March 2019

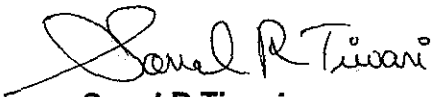
Dear Sir/Madam,

Further to our letter dated 7 May 2019, please find enclosed Investor Presentation for financial results of the fourth quarter ended 31 March 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.

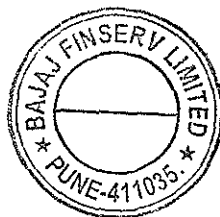
Thanking you,

Yours faithfully,
For Bajaj Finserv Limited



Sonal R Tiwari
Company Secretary

Encl: as above



Bajaj Finserv Limited

Page 1 of 1

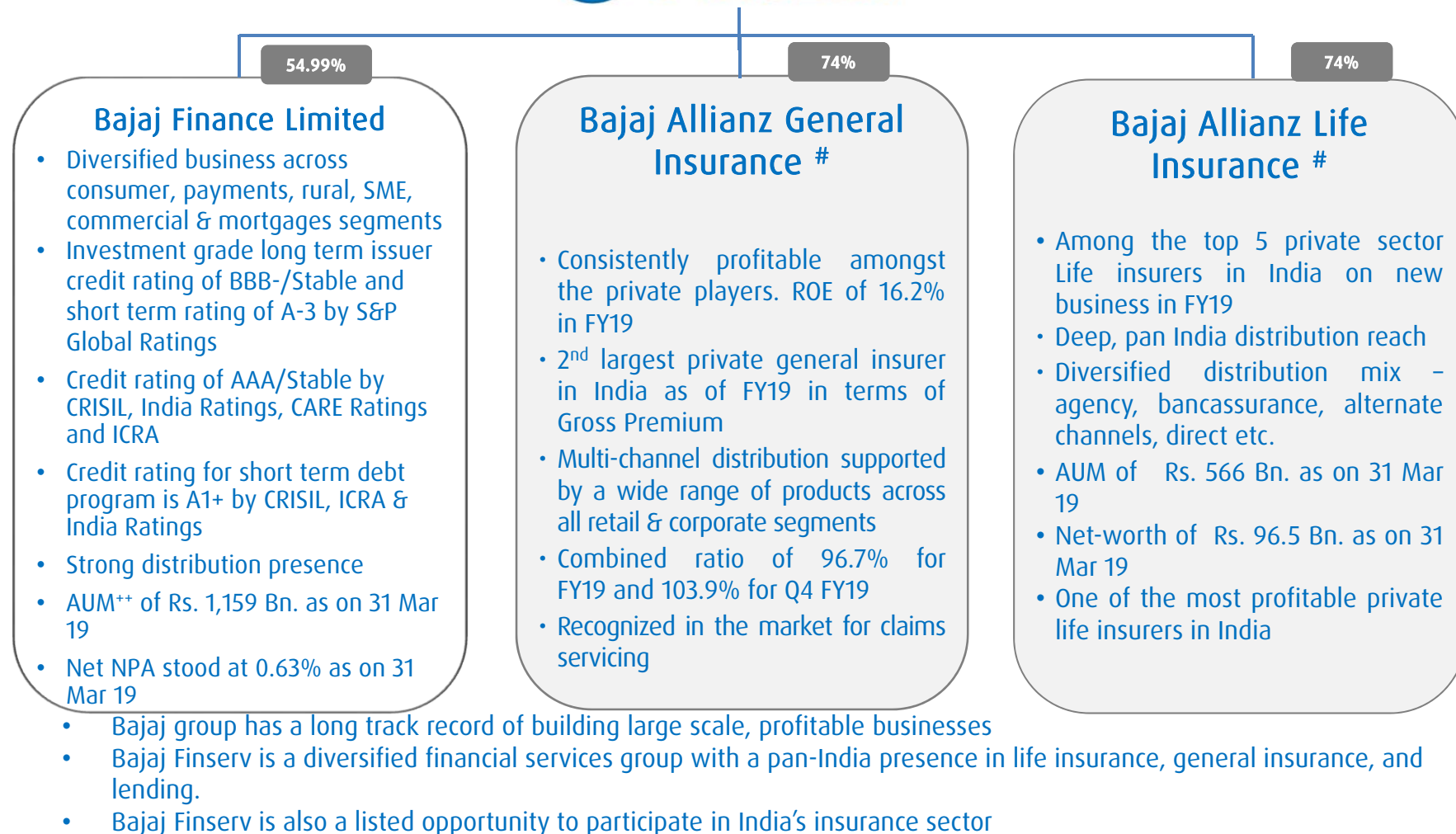


BAJAJ FINSERV LIMITED

Investor Presentation – FY19*

** Financial year 2018-19*

Bajaj Finserv – A diversified financial services group



*BFS shareholding in BFL (Bajaj Finance Ltd.) as at 31 March 2018 was 54.99%.

⁺⁺ Includes AUM of Rs.176 Bn of Bajaj Housing Finance Limited. BHFL is a 100% subsidiary of BFL which became fully operational in Feb 2018
Shareholding is as of 31 Mar 2019. Chart shows only major subsidiaries.

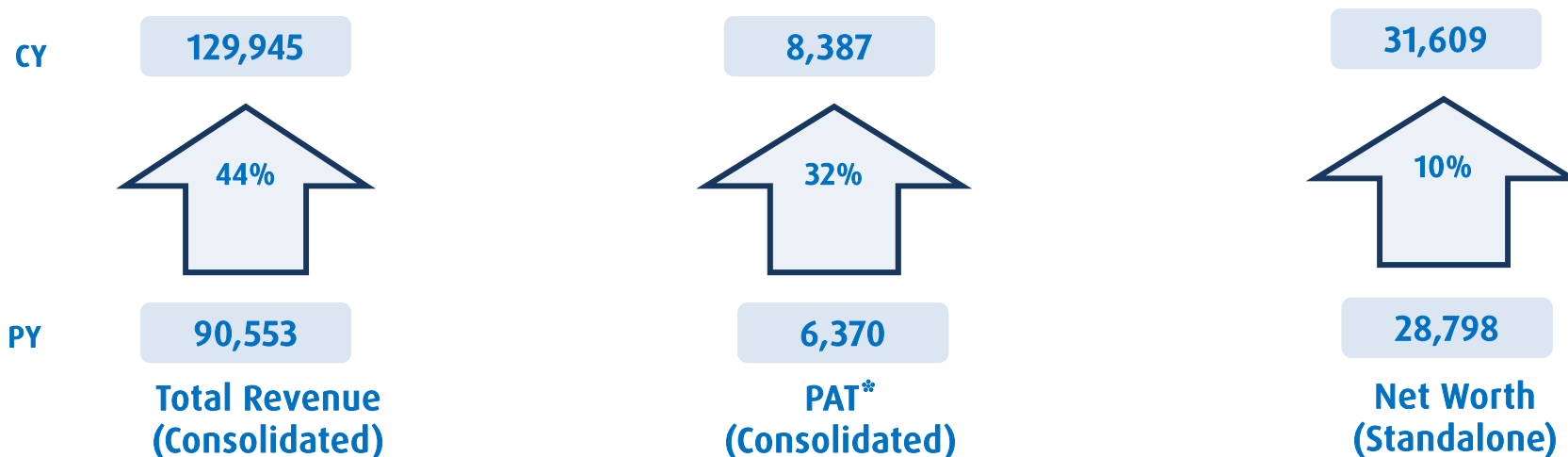
Not listed

Bajaj Finserv performance highlights



All Figures in Rs Million

Performance Highlights of Q4 FY19 over Q4 FY18 (Ind AS)



- Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds (Excluding Group Investments) stood at Rs. 7.6 Bn as on 31 Mar 2019 (Rs. 6.5 Bn. as on 31 Mar 2018)
- Consolidated Net Worth stood at Rs. 238 Bn. (Rs. 205 Bn. as on 31 Mar 2018) and Consolidated Book Value Per Share at Rs. 1,493 as on 31 Mar 2019 (Rs. 1,287 as on 31 Mar 2018)

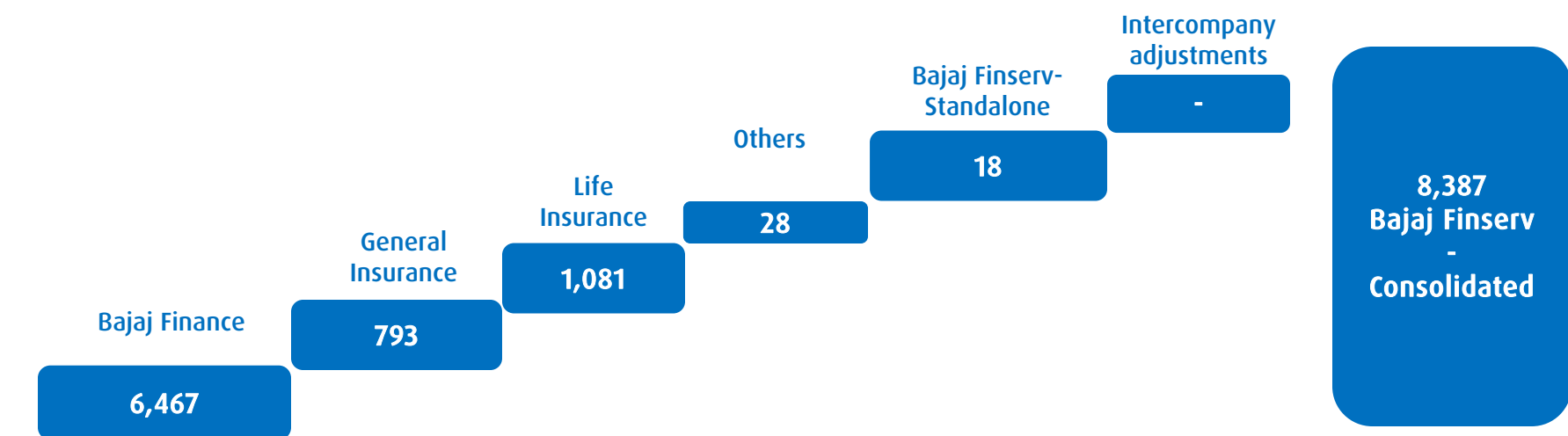
Note : *PAT attributable to owners of the company

Consolidated profit components

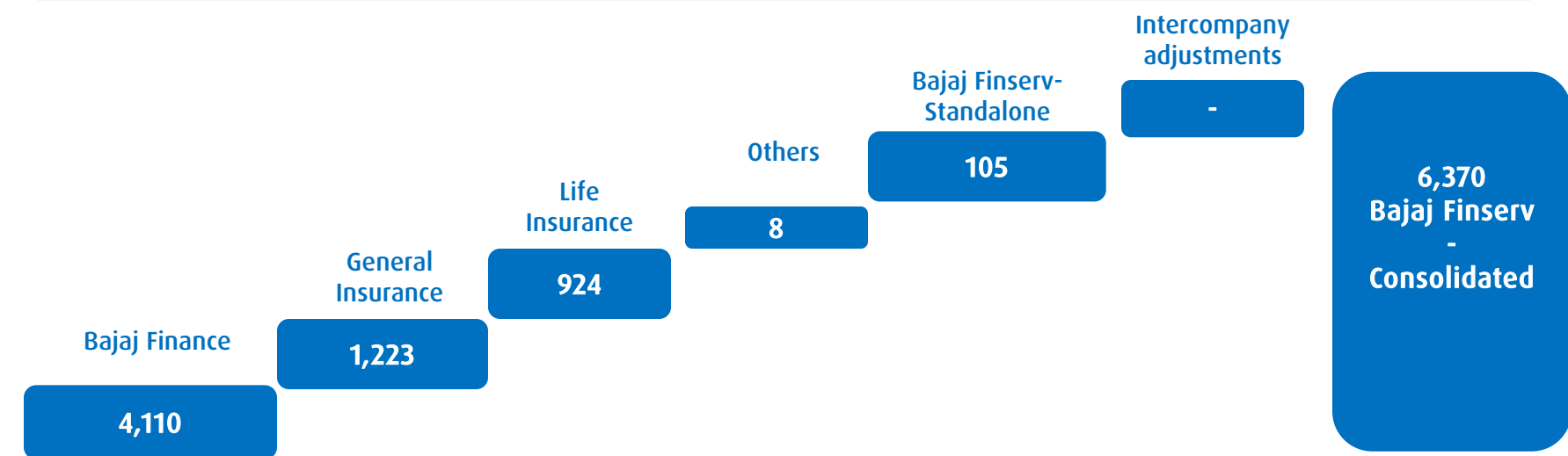


All Figures in Rs Million

Consolidated profit components for Q4 FY19 (Ind AS)



Consolidated profit components for Q4 FY18 (Ind AS)



Adoption of Ind AS Accounting standards



- Bajaj Finserv has adopted Indian Accounting Standards (Ind AS) with effect from 1st April 2018
- Figures in respect of Bajaj Finance Ltd. are as per Ind AS
- Consolidated figures for Q4 FY19 & FY19 are compliant with Ind AS
- Corresponding figures for FY18 (Q4 and FY) have been restated to be compliant with Ind AS
- Figures in the business presentation of insurance companies are based on their stand alone Indian GAAP numbers, however, for consolidation purposes, they have provided Ind AS compliant financial statements

Bajaj Finserv : Reconciliation of Consolidated profit as per Ind AS with Indian GAAP



All Figures in Rs Million

| Particulars | Q4 FY2019 | Q4 FY2018 | FY2019 | FY2018 |
|---|-----------|-----------|---------|--------|
| Net Profit after Tax as per IGAAP | 7,629 | 6,855 | 33,476 | 27,414 |
| Ind AS Adjustments : Increase / (decrease) | | | | |
| Adoption of Effective Interest Rate (EIR) for financial assets recognised at amortised cost* | (532) | 40 | (2,161) | (706) |
| Adoption of Effective Interest Rate (EIR) for financial liabilities recognised at amortised cost* | 303 | (1) | 588 | 46 |
| Fair Valuation of Investments | 561 | (605) | 703 | 37 |
| Expected Credit Loss | (268) | 146 | (864) | 57 |
| Fair Valuation of ESOP | (34) | (67) | (367) | (247) |
| Others | 728 | 2 | 815 | (98) |
| Net Profit after Tax as per Ind AS | 8,387 | 6,370 | 32,190 | 26,503 |

* Net of Deferred tax impact or adjustments

FY19 Highlights



All Figures in Rs Million



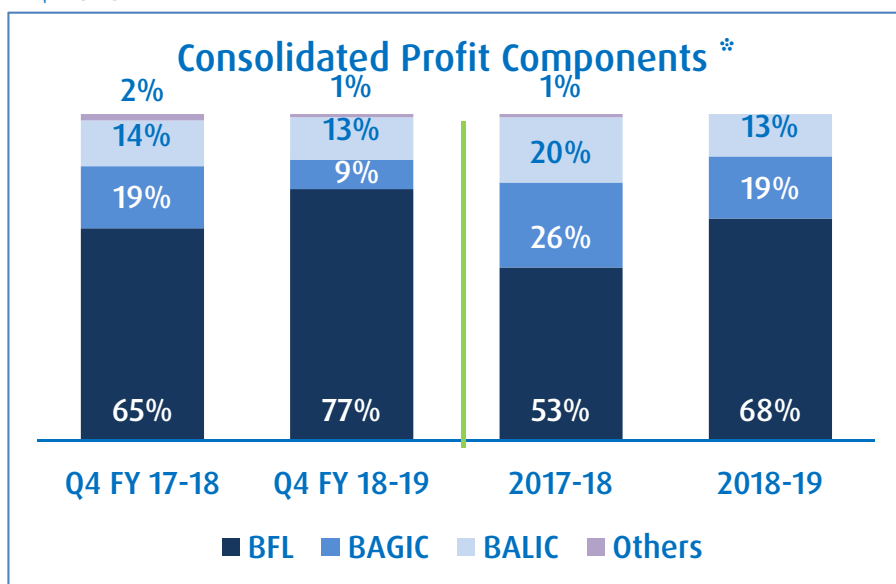
Highlights of Group Companies

| BAJAJ FINSERV\$ | FY19 | FY18 | Growth |
|------------------|---------|---------|--------|
| Total Revenue | 426,056 | 328,627 | 30% |
| Net worth (Cons) | 237,659 | 204,829 | 16% |
| PAT | 32,190 | 26,503 | 21% |

\$ Ind AS

| BAJAJ FINANCE\$# | FY19 | FY18 | Growth |
|------------------|-----------|---------|--------|
| AUM | 1,158,884 | 824,216 | 41% |
| Total Income | 185,018 | 127,568 | 45% |
| PAT | 39,950 | 24,964 | 60% |

#Consolidated | \$ Ind AS



| BAGIC | FY19 | FY18 | Growth |
|-------------|---------|---------|--------|
| GWP | 110,970 | 94,865 | 17% |
| Investments | 172,367 | 148,229 | 16% |
| PAT | 7,799 | 9,212 | -15% |

| BALIC | FY19 | FY18 | Growth |
|-------------|---------|---------|--------|
| GWP | 88,572 | 75,784 | 17% |
| Investments | 566,201 | 519,702 | 9% |
| PAT | 5,019 | 7,161 | -30% |

- Bajaj Finserv and Bajaj Finance figures are as per Ind AS
- BAGIC and BALIC figures are as per IRDAI & the Indian Accounting Standard framework

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



Bajaj Finance Limited

BFL – KEY STRATEGIC DIFFERENTIATORS

STRATEGY

- Non-bank with strategy & structure of a bank
- 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 34.48 Mn. and Cross sell client base of 20.67 MM.

Strong focus on cross selling assets, insurance and wealth products to existing customer

Centre of Excellence for each business vertical to bring efficiencies across businesses and improve cross sell opportunity

Diversified lending strategy

AUM mix for Consumer : Rural : SME : Commercial : Mortgage stood at 39% : 8% : 14% : 10% : 29%

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

Bajaj Finance's businesses



BAJAJ FINANCE

Consumer

- Largest consumer electronics, digital products & furniture lender in India
- Presence in 927 locations with 74,400+ active points of sale
- Amongst the largest personal loan lenders
- EMI Card franchise of over 18.7 Mn. cards in force
- Among the largest new loans acquirers in India 5.8 Mn in Q4 FY19
- Bajaj Finserv – Mobikwik active wallet users stood at 8.3 Mn as on 31 Mar 2019 who have linked EMI card to wallet

SME

- Focused on affluent SMEs with an average annual sales of around Rs. 10-12 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

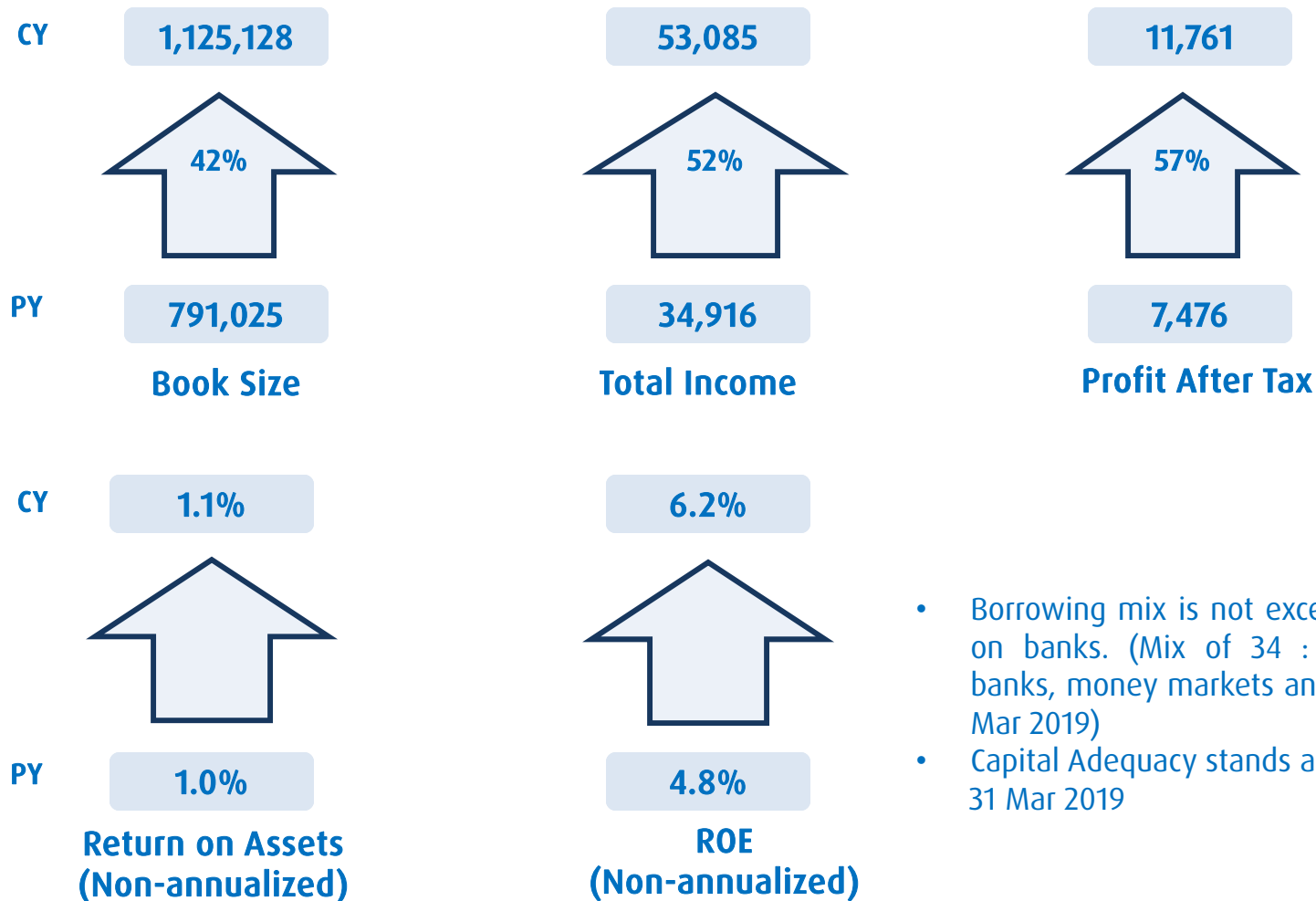
- Unique hub-and-spoke model in 903 locations and retail presence across 14,500+ points of sale
- Diversified rural lending model with 10 product lines across consumer and professional business categories

Bajaj Finance – Q4 highlights



All Figures in Rs Million

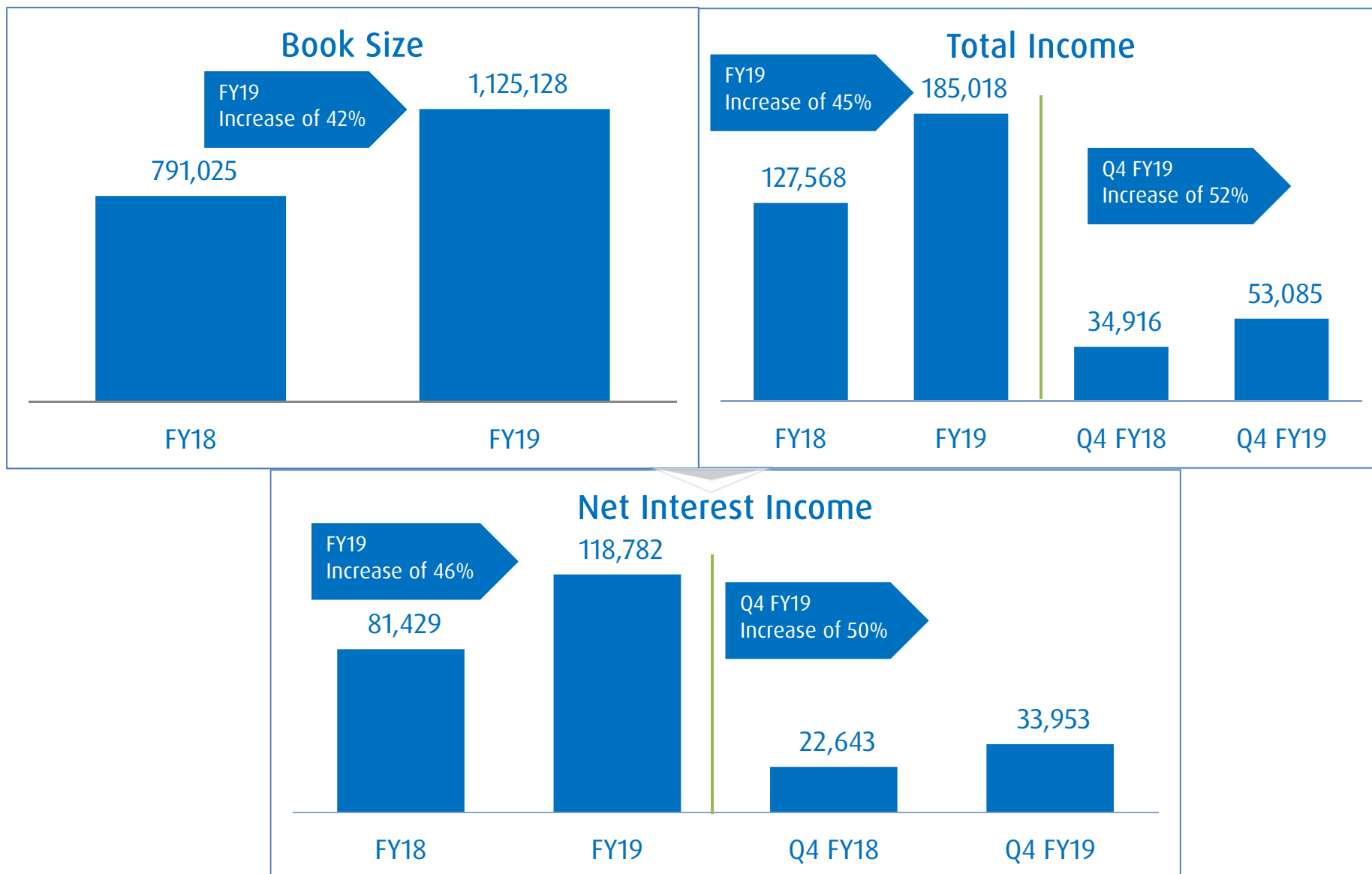
Performance Highlights of Q4 FY19 over Q4 FY18 (Ind AS)



- Borrowing mix is not excessively dependent on banks. (Mix of 34 : 51 : 15 between banks, money markets and deposits as of 31 Mar 2019)
- Capital Adequacy stands at 20.66% as of 31 Mar 2019

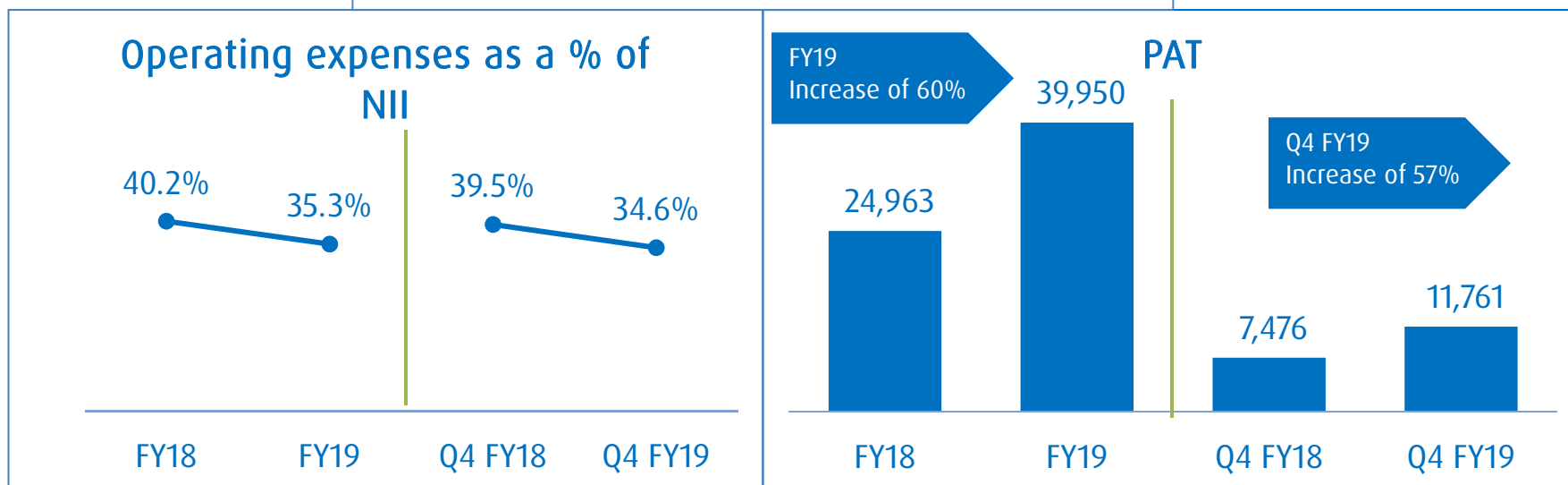
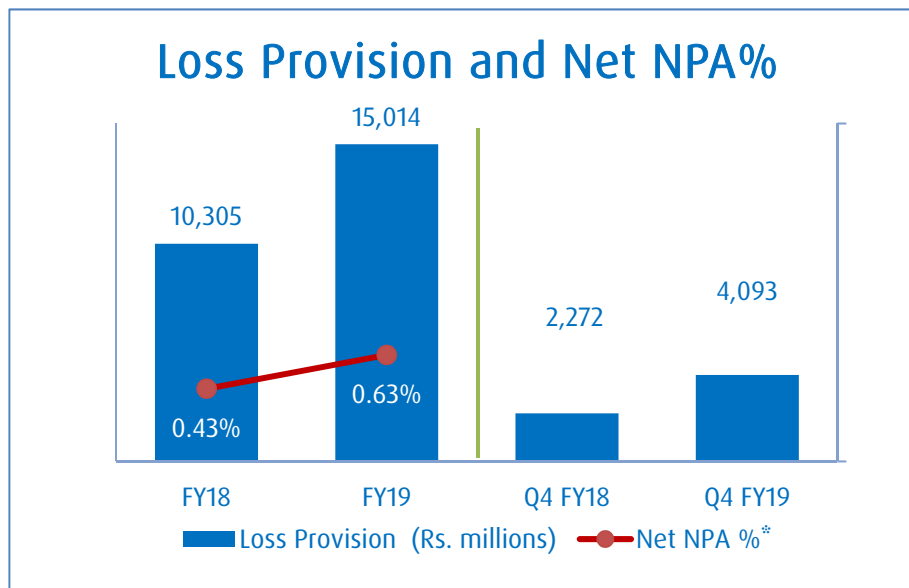
Bajaj Finances' growth momentum continues

All Figures in Rs Million



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

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. FY18 Net NPA number has been re-casted as per Ind AS.



Relationship Beyond Insurance

Bajaj Allianz General Insurance

BAGIC - Key Strategic Differentiators

STRATEGY

Strive for market share growth 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

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

Excellent claims servicing

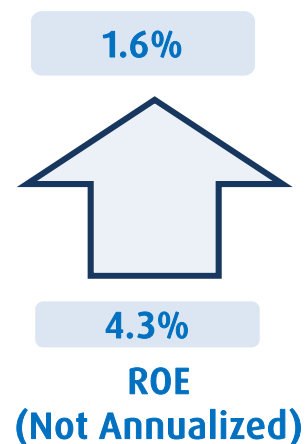
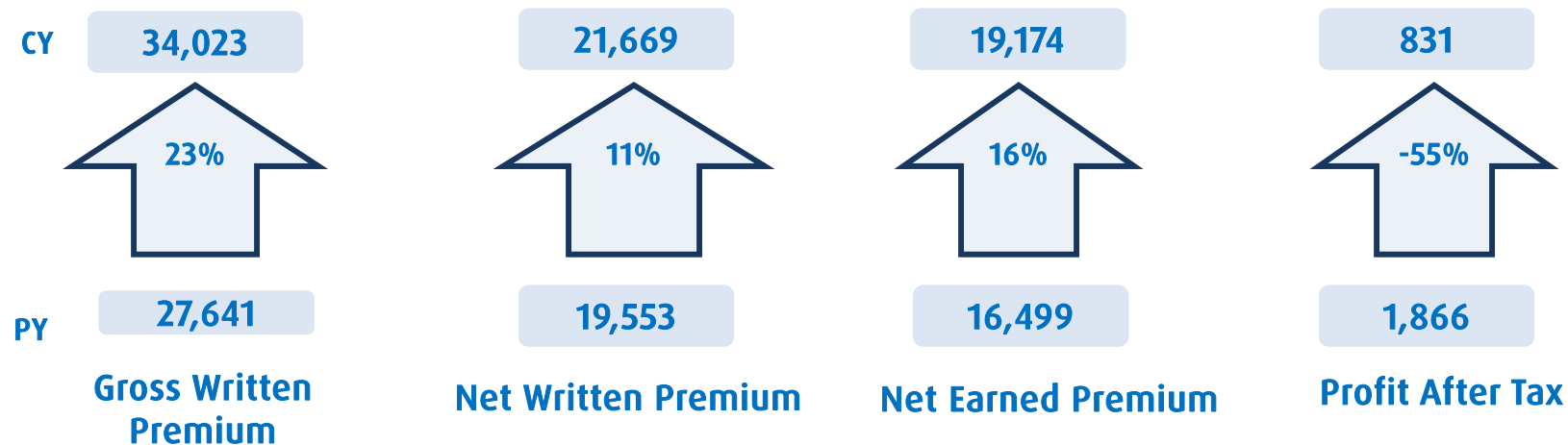
Has a consistent track record of excellence in claims servicing with lowest grievances amongst major private players

Bajaj Allianz General – Q4 highlights



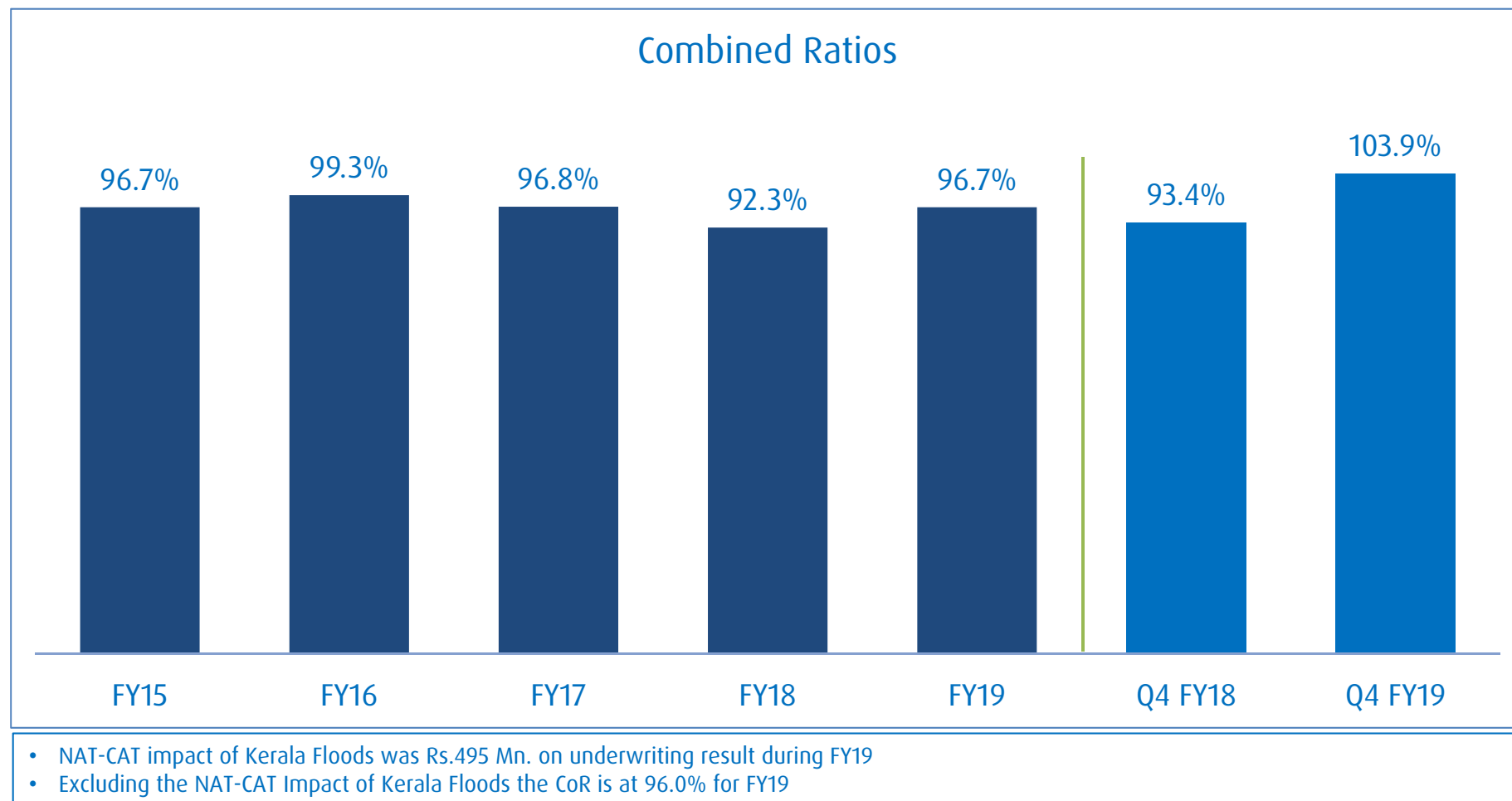
All Figures in Rs Million

Performance Highlights of Q4 FY19 over Q4 FY18



- Ex Crop GWP was Rs. 25,513 Mn in Q4 FY19 (Rs.21,838 Mn Q4 FY18) a growth of 17%
- Solvency Ratio was 255% as against regulatory requirement of 150% as of 31 Mar 2019

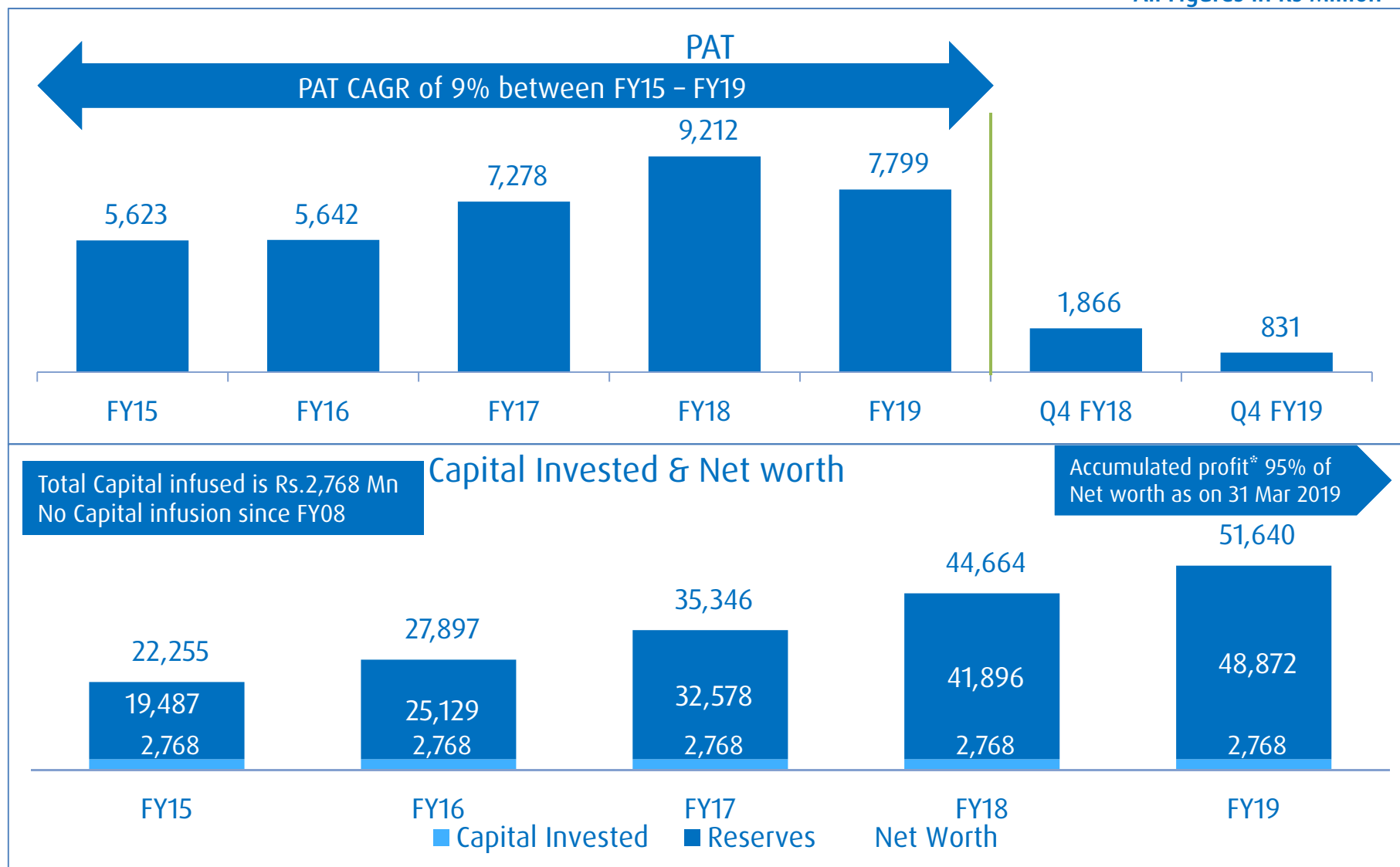
Combined Ratio trend : consistently below 100% for last 5 years



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).

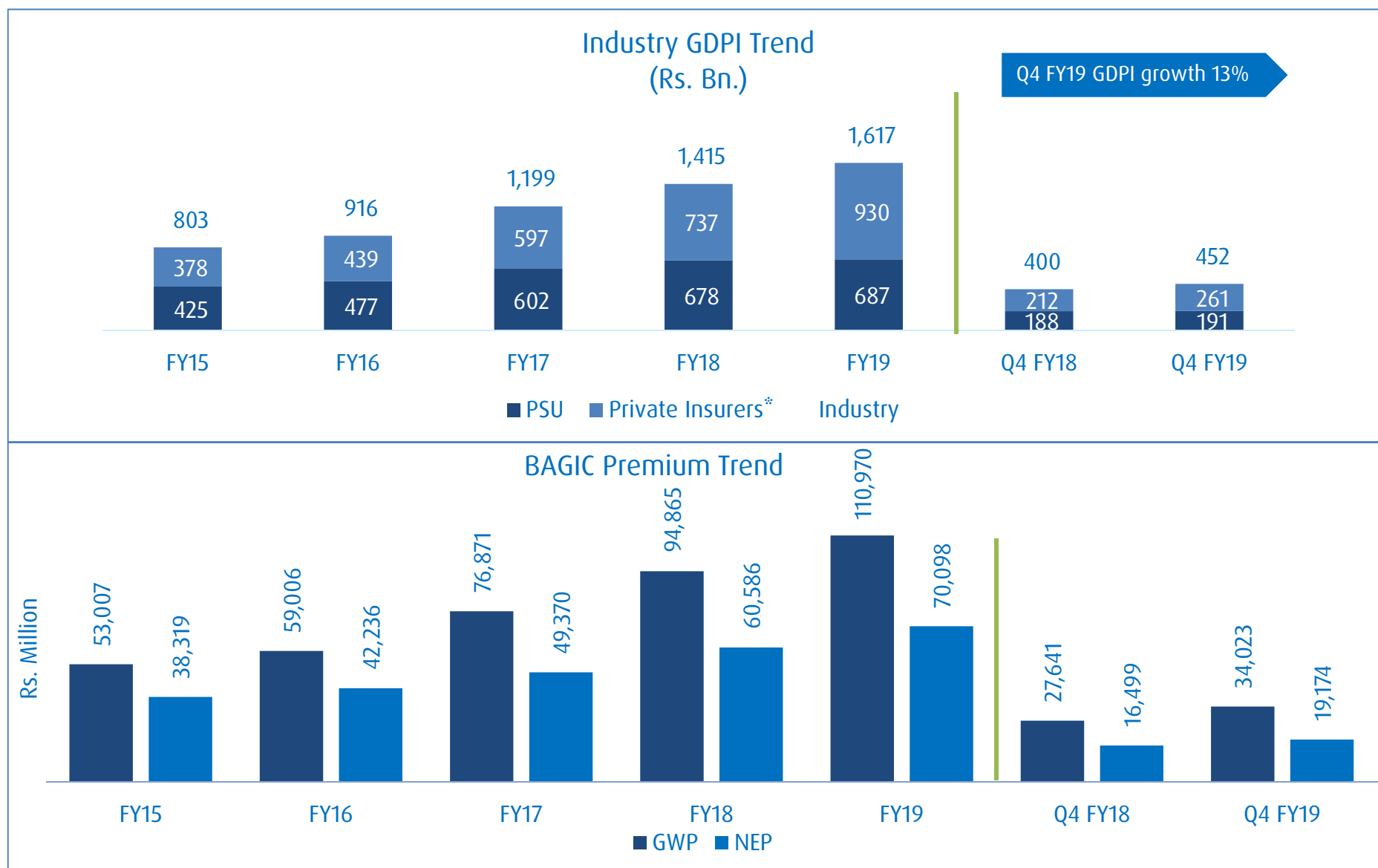
Profit after tax and capital efficiency

All Figures in Rs Million



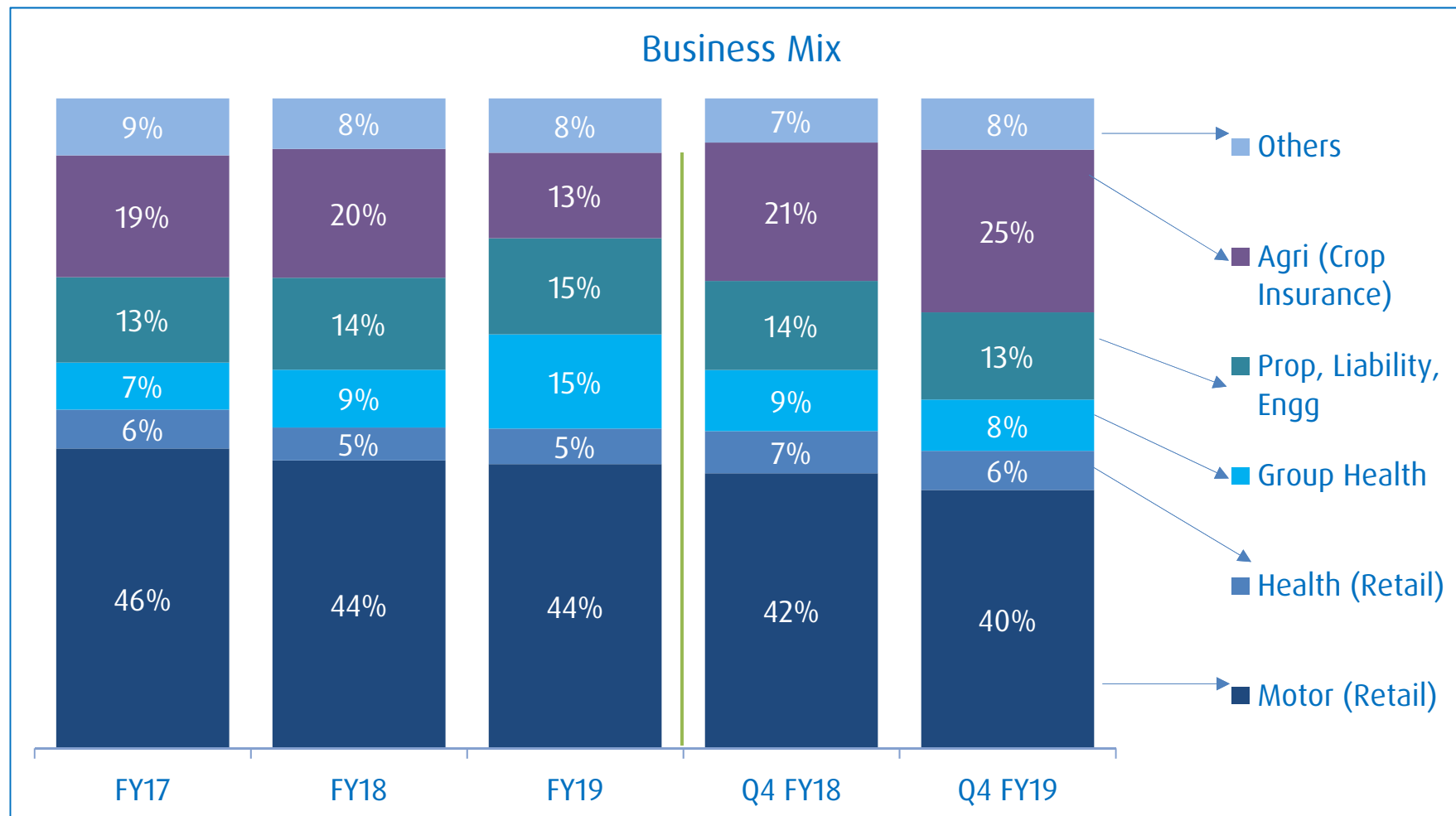
*Accumulated profit includes reserves

BAGIC consistently amongst top 2 private insurers in terms of Gross Premium



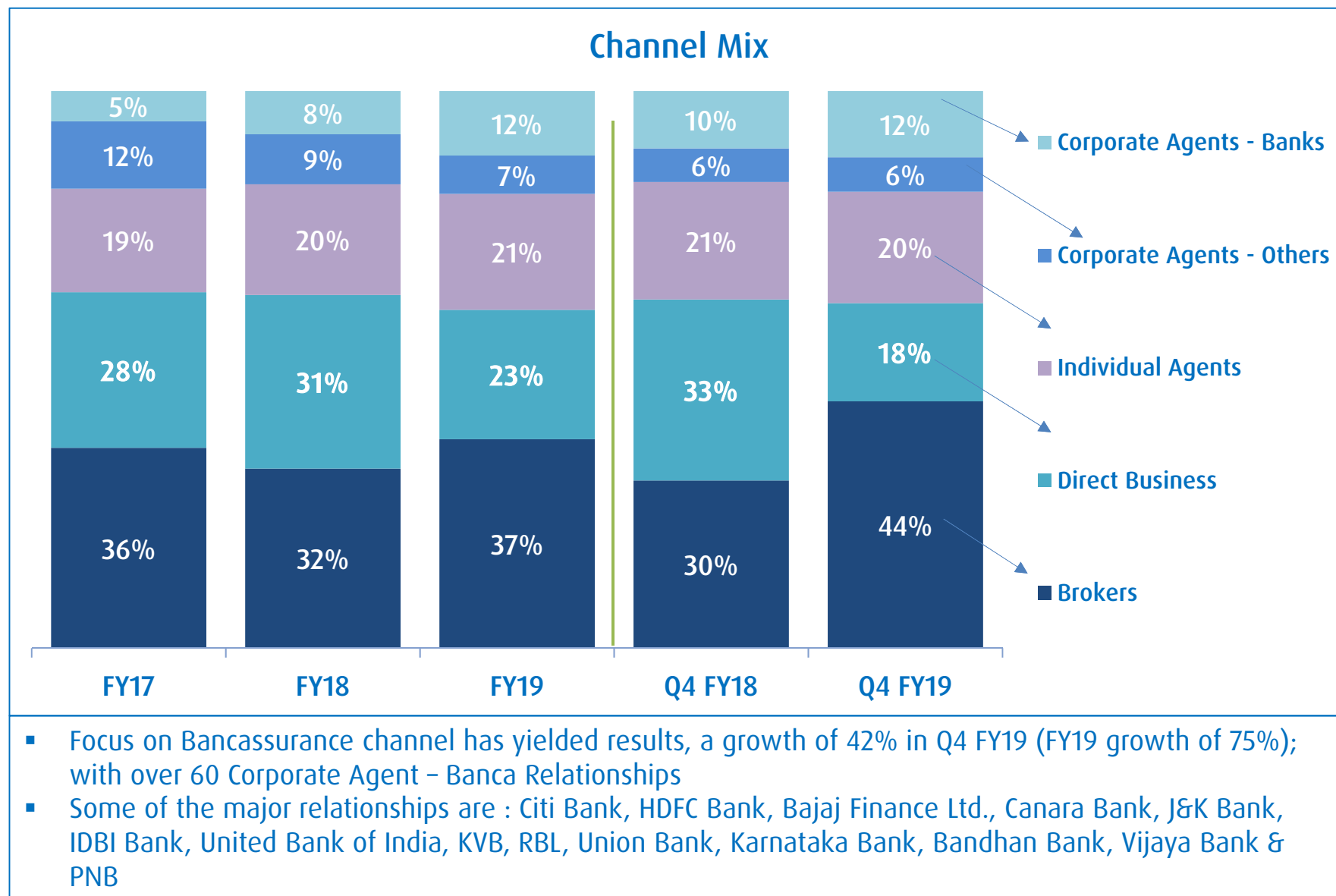
Source : IRDAI, GDPI : Gross Direct Premium Income | *Private Insurers : Includes Standalone Health Insurers, PSU excludes AIC of India, GIC and ECGC

BAGIC has a well balanced product mix

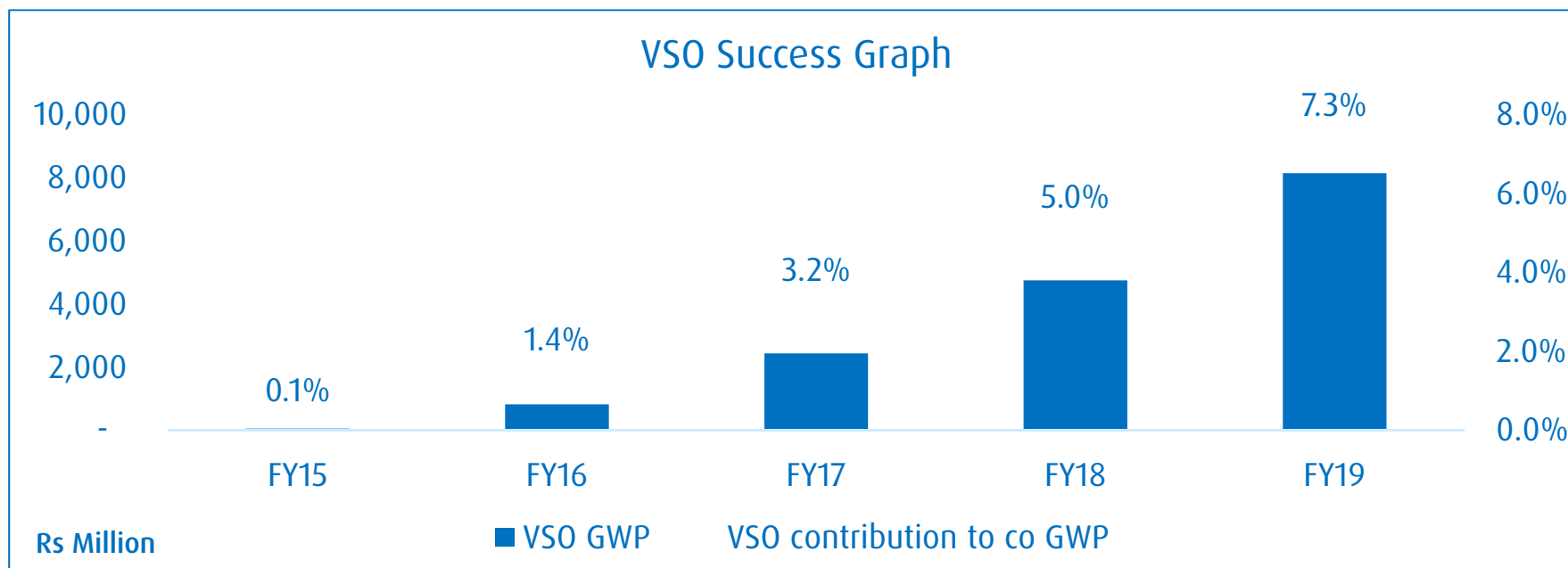


- Business mix is retail focused
- Ex Crop GWP Growth for Q4 FY19 was 17% and for FY19 was 26%

BAGIC's Channel Mix : Bancassurance strengthening

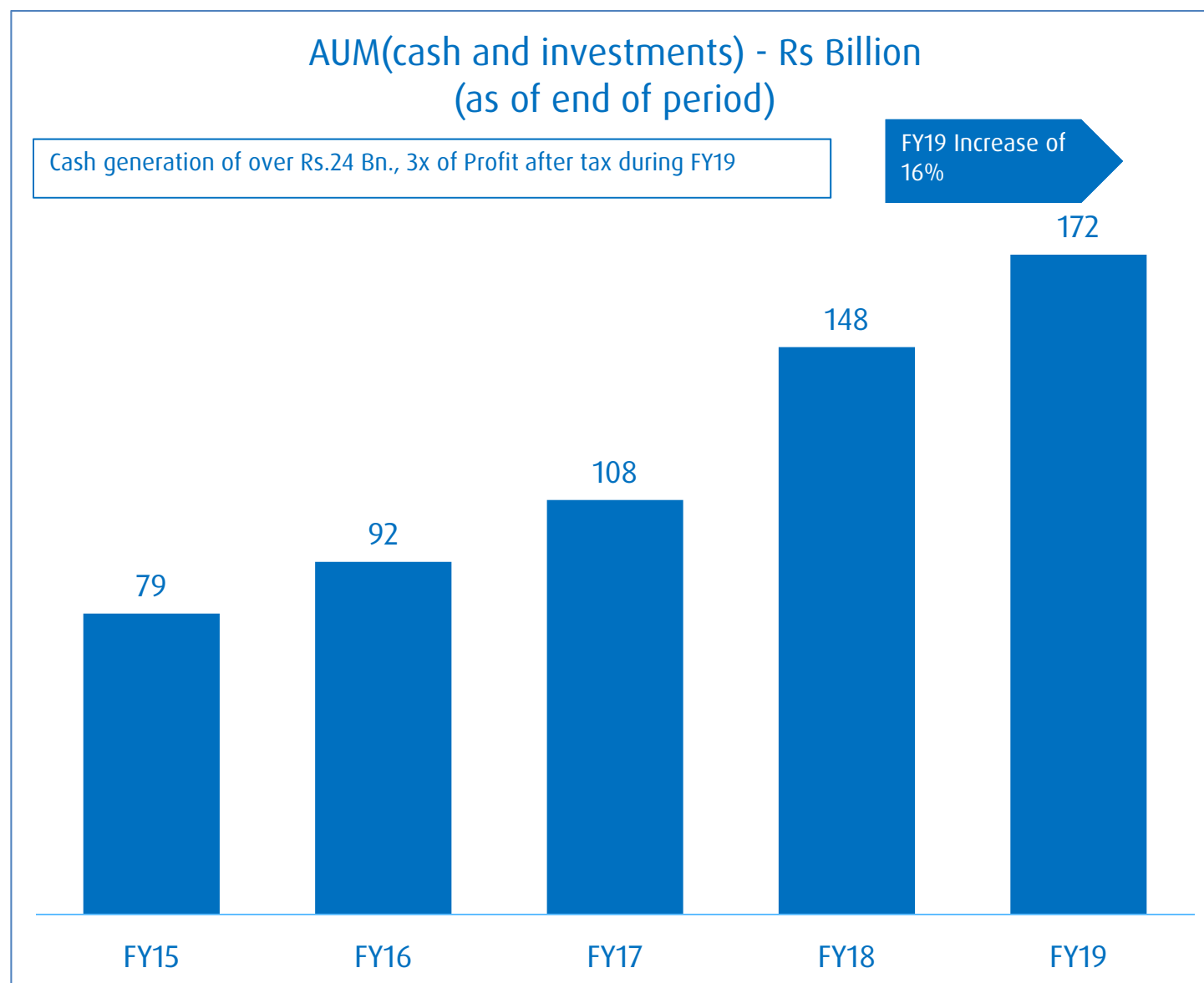


BAGIC - VIRTUAL POINTS OF PRESENCE –AN INDUSTRY FIRST



- Initiated in August 2014 and has grown exponentially to 1,800+ locations in FY19 (1,300+ in FY18)
- Ensures a virtual point of presence with minimum sunk costs
- Tab used to collect premium using debit/credit cards/net banking, conduct pre-inspections and instant policy issuance at the customers' door step
- Over 2.4 MM policies issued in FY19 (Over 1.4 MM policies in FY18)
- System driven claim servicing for small claims

Assets Under Management continue to grow



BAGIC continues to grow its AUM strongly

Investments are largely in fixed income securities

Investment Leverage of 3.3x as on 31 Mar 2019

LIFE GOALS. **DONE.**



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

Retail orientation

- Focused on retail segments – mass, and mass affluent customers
- Strong Online Presence

Grow proprietary channels

- Large pan-India agency force 3rd highest agency premium amongst private players.
- Lean support structure

Innovative products and Sustainable product mix

- Balanced product mix between Unit-Linked Insurance Plans (ULIP) and Traditional Plans
- Differentiated product propositions like ROMC, 36 critical illness and pension

Financial Inclusion

- In terms of lives covered in group schemes BALIC leads the private sector, with about 30% share of lives covered in FY18
- Inroads in Individual regular premium segment

Institutional focus

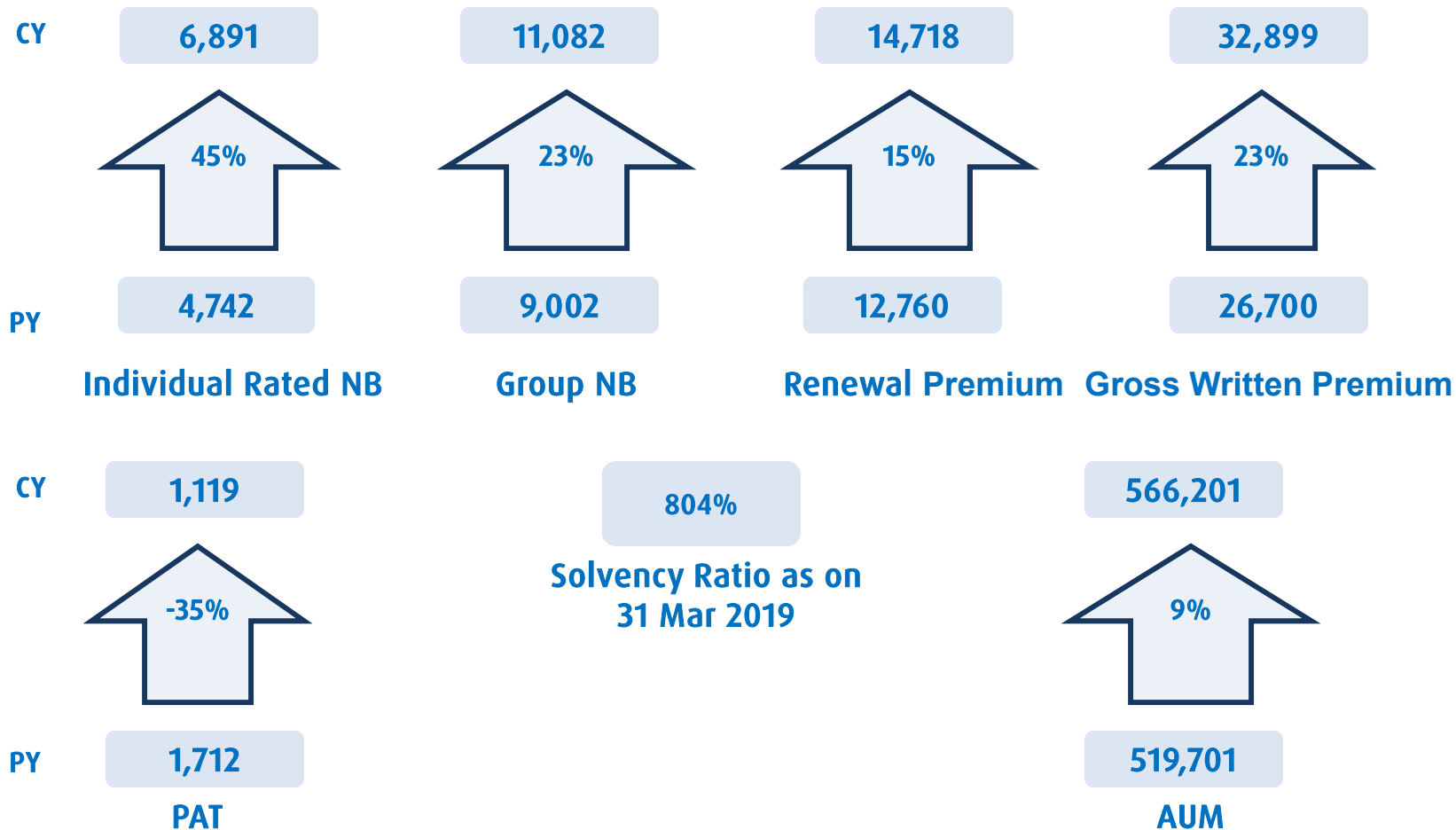
- Focused approach to new partner acquisition
- Large share of group protection business

Bajaj Allianz Life – Q4 highlights



All Figures in Rs. Million

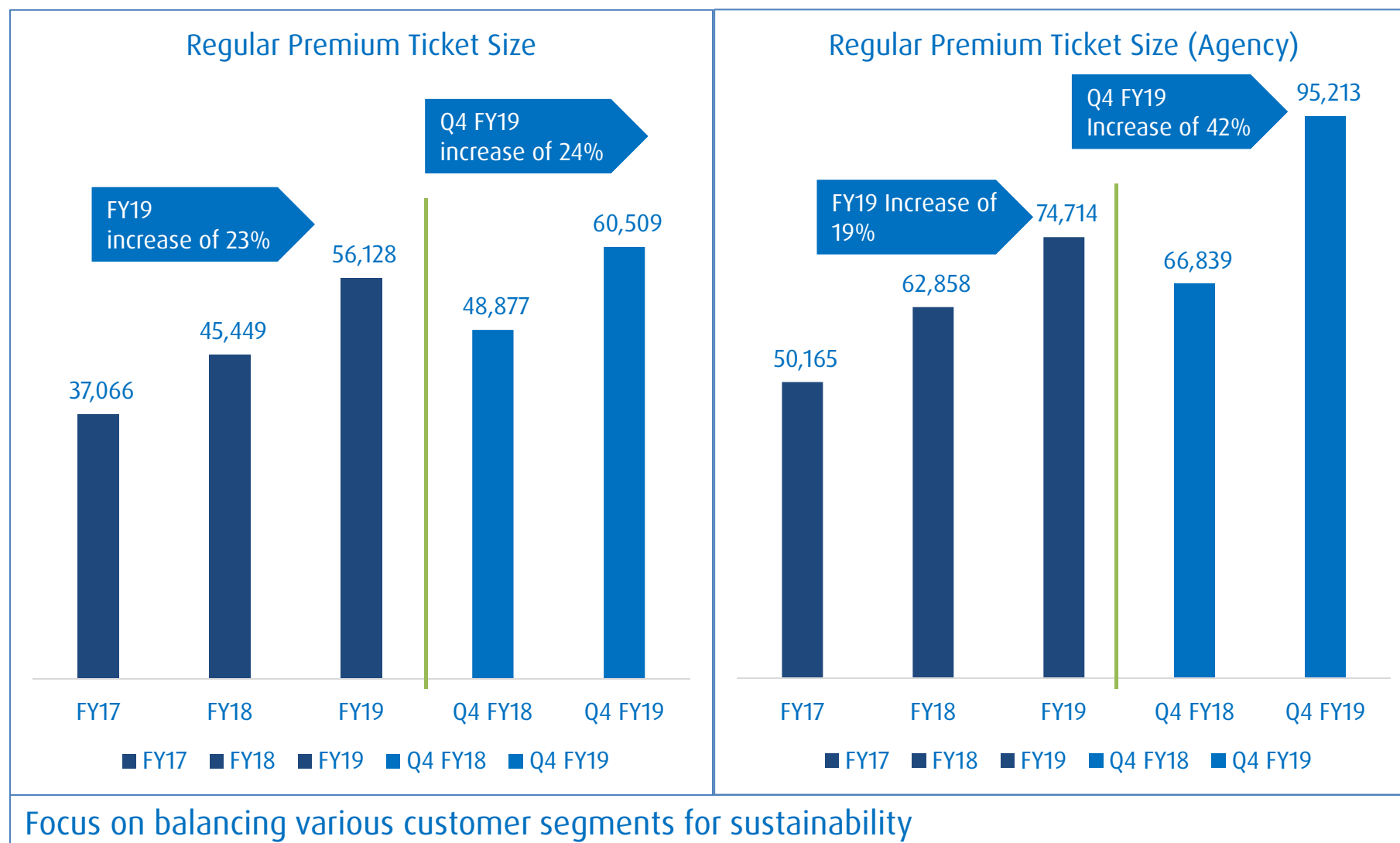
Performance Highlights of Q4 FY19 over Q4 FY18



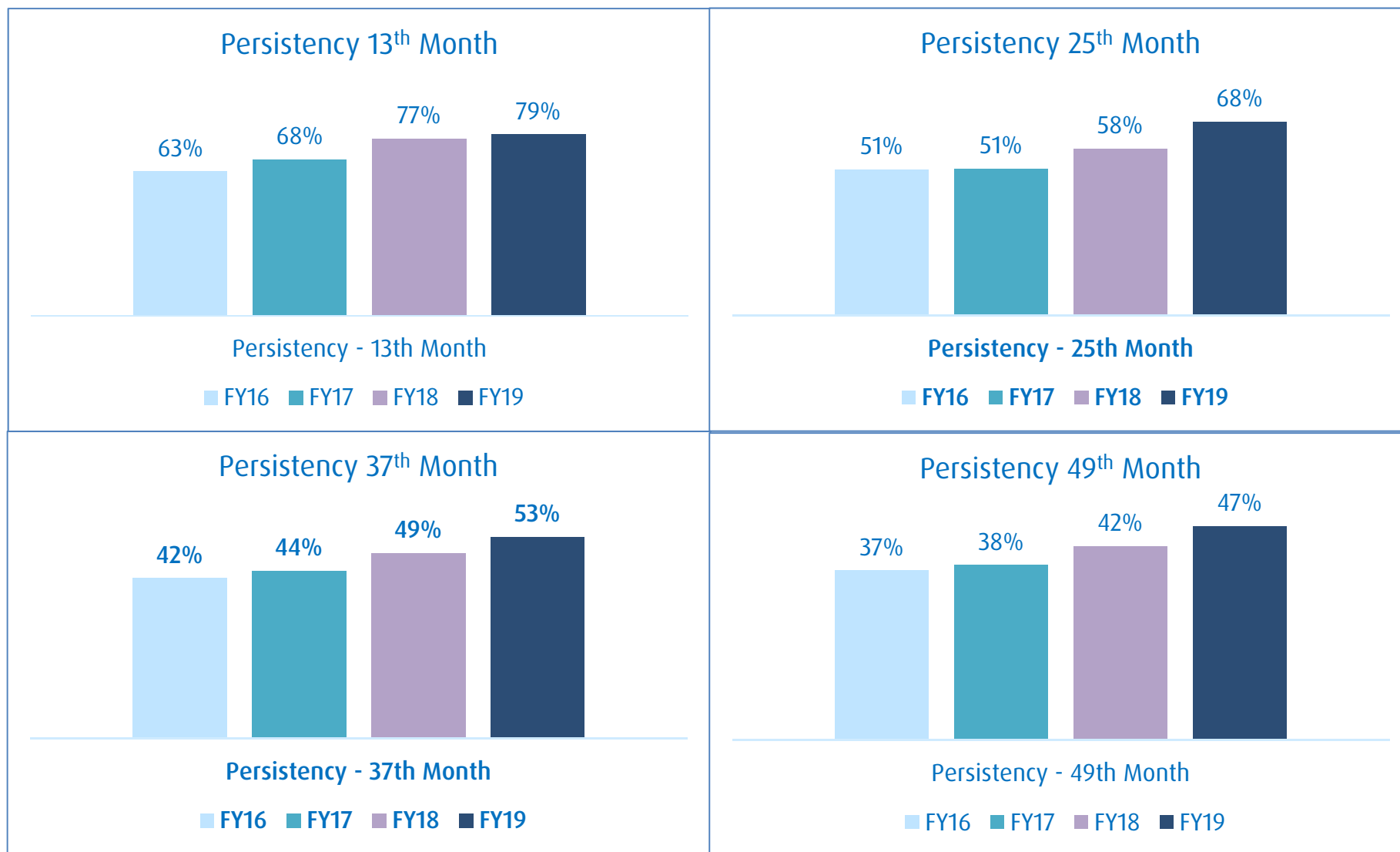
Individual Rated NB = (100% of first year premium & 10% of single premium excluding group products)

Ticket size continues to increase

All Figures in Rs.



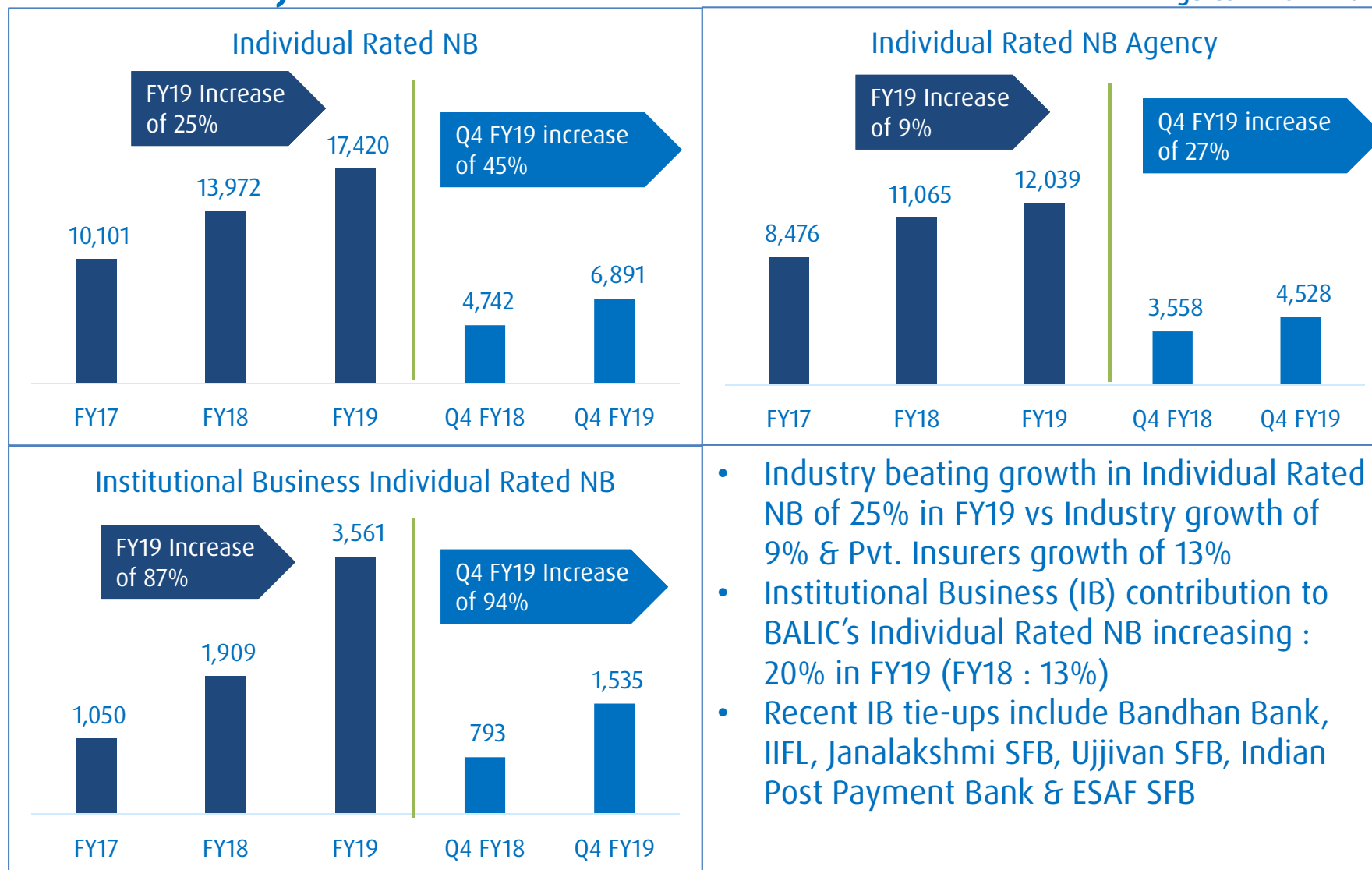
Efforts to improve Persistency paying off



Note : Persistency as per IRDAI framework

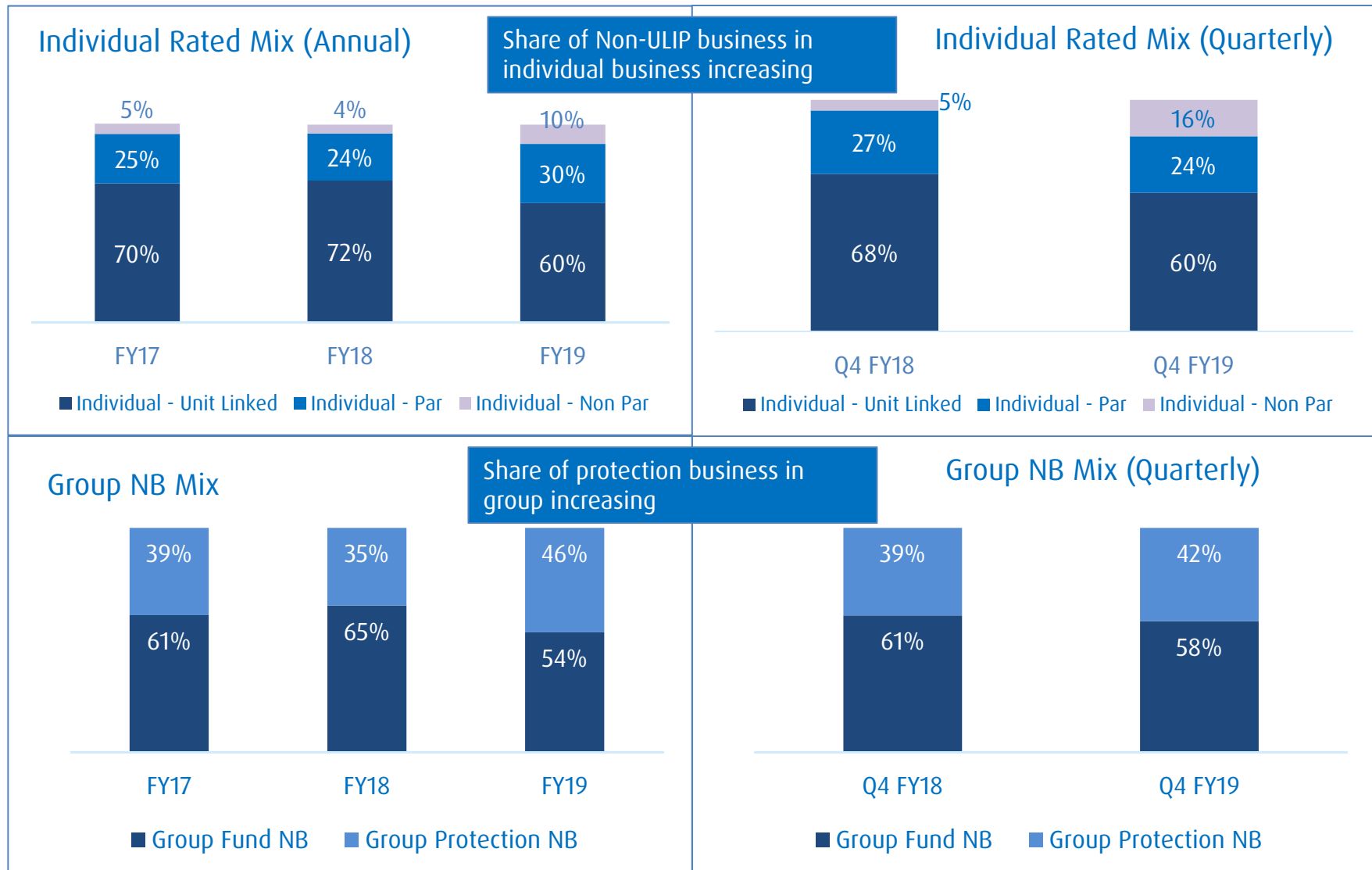
BALIC's Individual Rated premiums growing across all major channels

All Figures in Rs Million

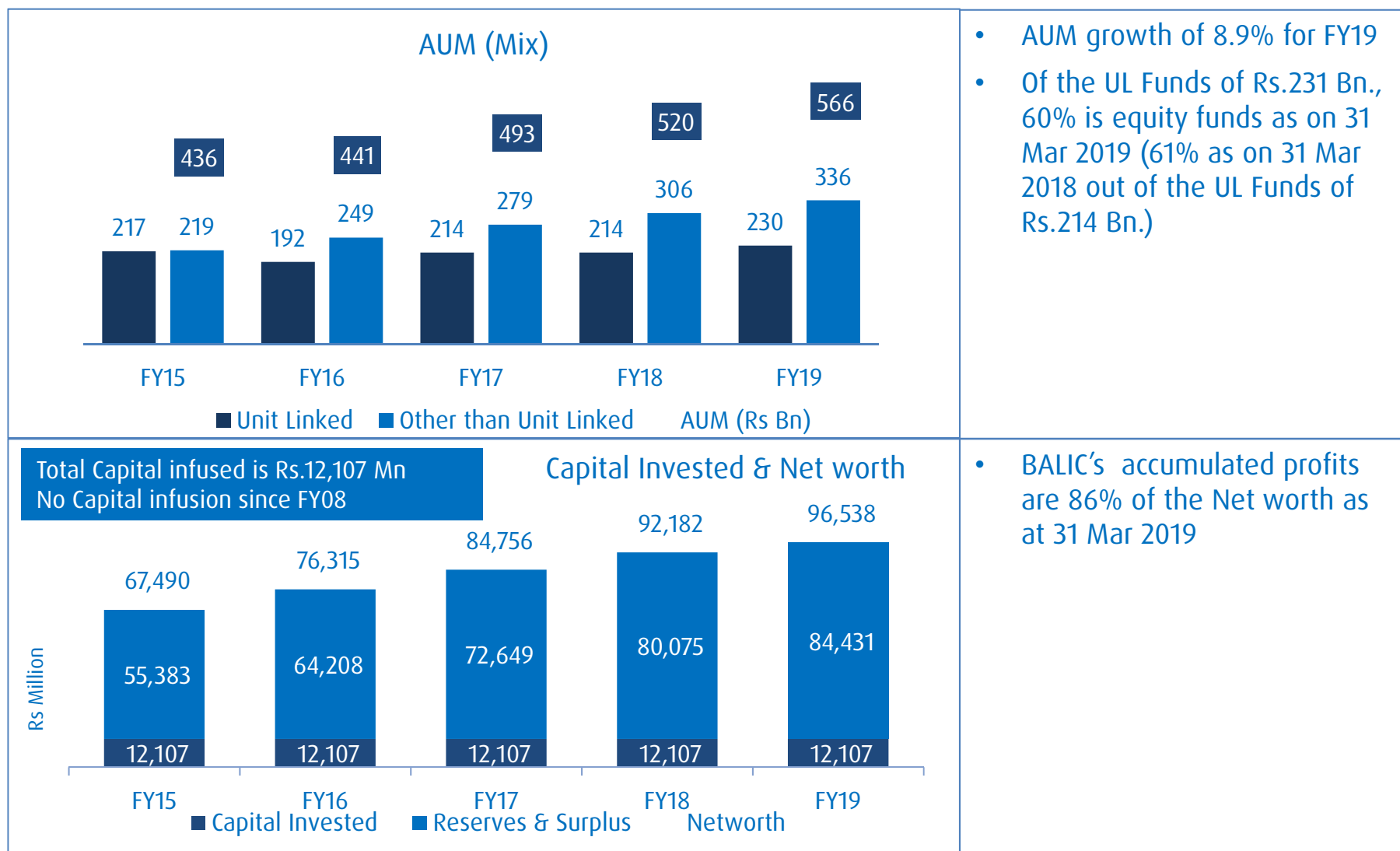


Individual Rated NB = (100% of first year premium & 10% of single premium excluding group products)

Balanced product mix



Assets Under Management



* Accumulated profit includes reserves

MCEV Update

All Figures in Rs Million

| Particulars | FY 18 | FY 19 |
|-------------------------------------|---------|---------|
| Annualized Premium** (ANP) | 17,820 | 22,255 |
| New Business Value* (NBV) | 2,223 | 3,477 |
| Implied Margins on ANP ⁺ | 12.47% | 15.62% |
| Embedded Value ⁺⁺ (EV) | 118,583 | 129,889 |

- 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 14.56% 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.

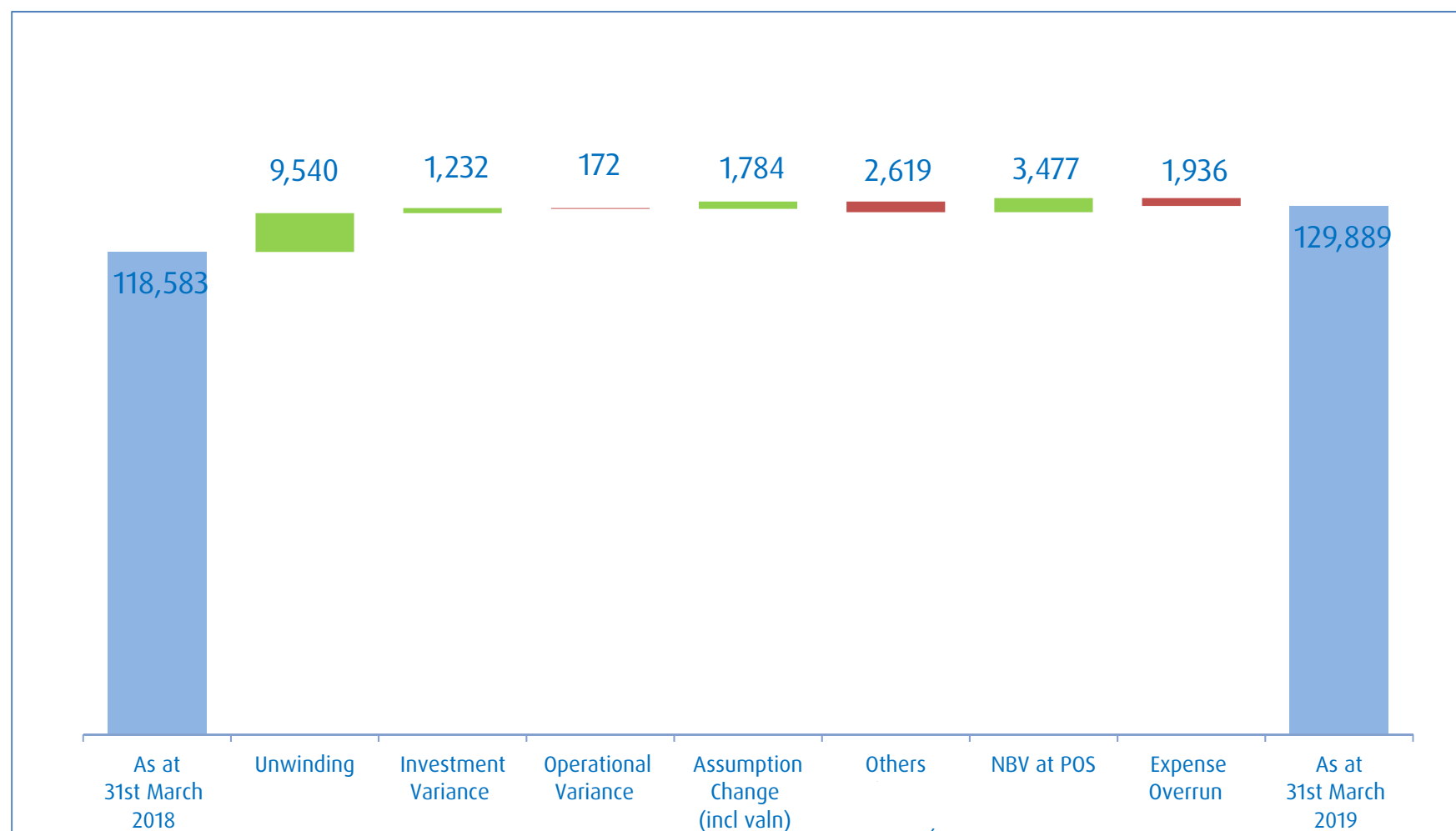
**ANP refers to annualised new business written during the year and is calculated by assigning a 10% weight to single premium and 100% weight to regular premium. Group Fund business is included in the definition of ANP.

+ Net Margin post overruns turned positive during the year FY19

++On Market consistent basis

MCEV Movement

All Figures in Rs Mn



Increase / Decrease

1. Par Business Overruns are considered at 10% of Overrun net of tax; FY2019 Rs. 1,936 Mn (FY17 Rs.2,402 Mn)
2. 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.
3. Others include impact of expected loss on exposure to investments and Dividend

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