

30 January 2023

To Corporate Relations Department. BSE Limited 1 st Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Fort, 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

Dear Sir/Madam,

Sub.: Investor Presentation for the quarter ended 31 December 2022

Further to our letter dated 25 January 2023 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule III thereto, please find enclosed herewith presentation of the financial results to be made to analyst/investor for the quarter ended 31 December 2022.

We request you to kindly take this on record.

Thanking you,
Yours faithfully

FOR BAJAJ FINSERV LIMITED

UMA SHENDE
COMPANY SECRETARY
Email ID: investors@bajajfinserv.in

Encl: as above

Bajaj Finserv Limited



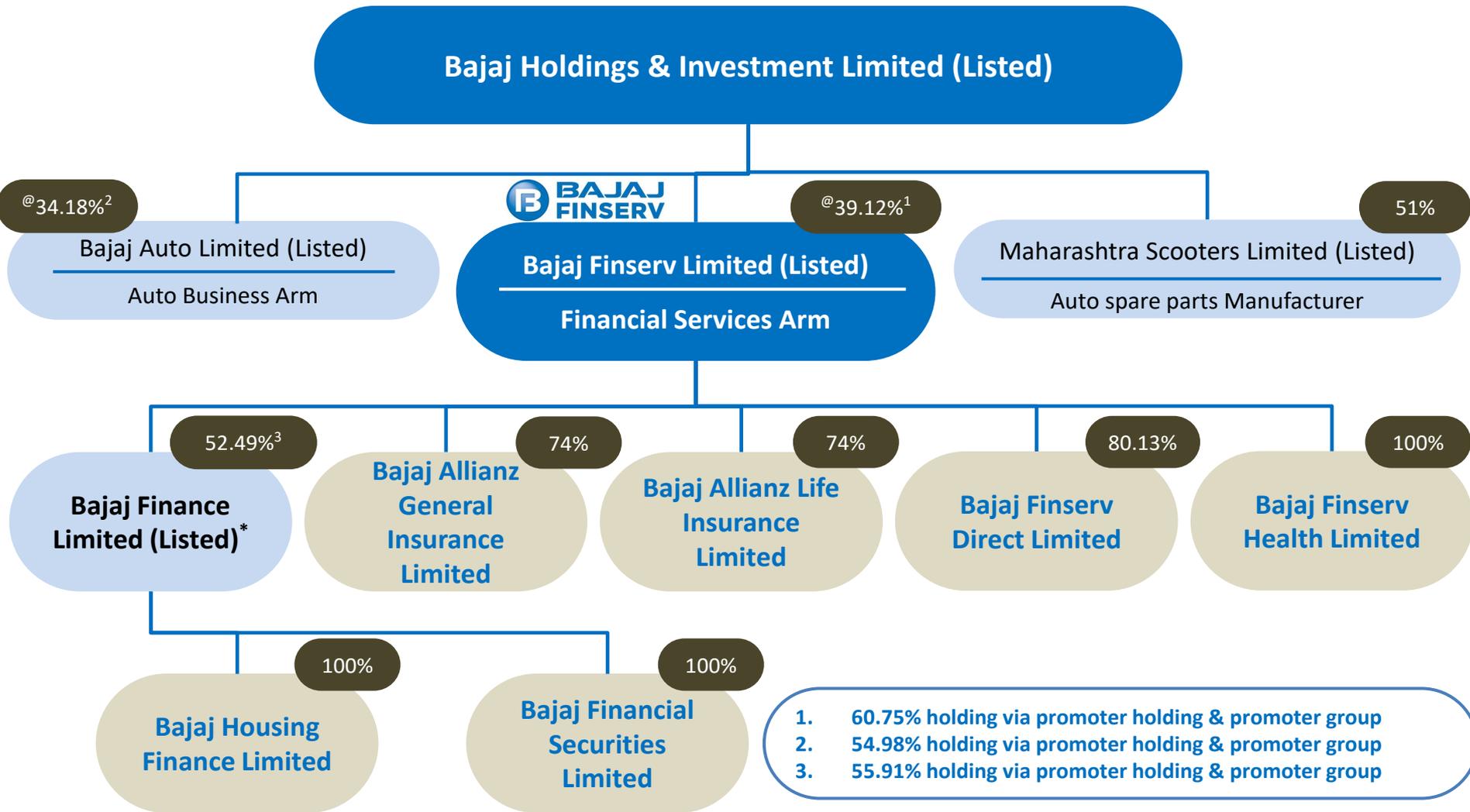
BAJAJ FINSERV LIMITED

Investor Presentation – Q3 FY23*

**Financial year 2022-23*

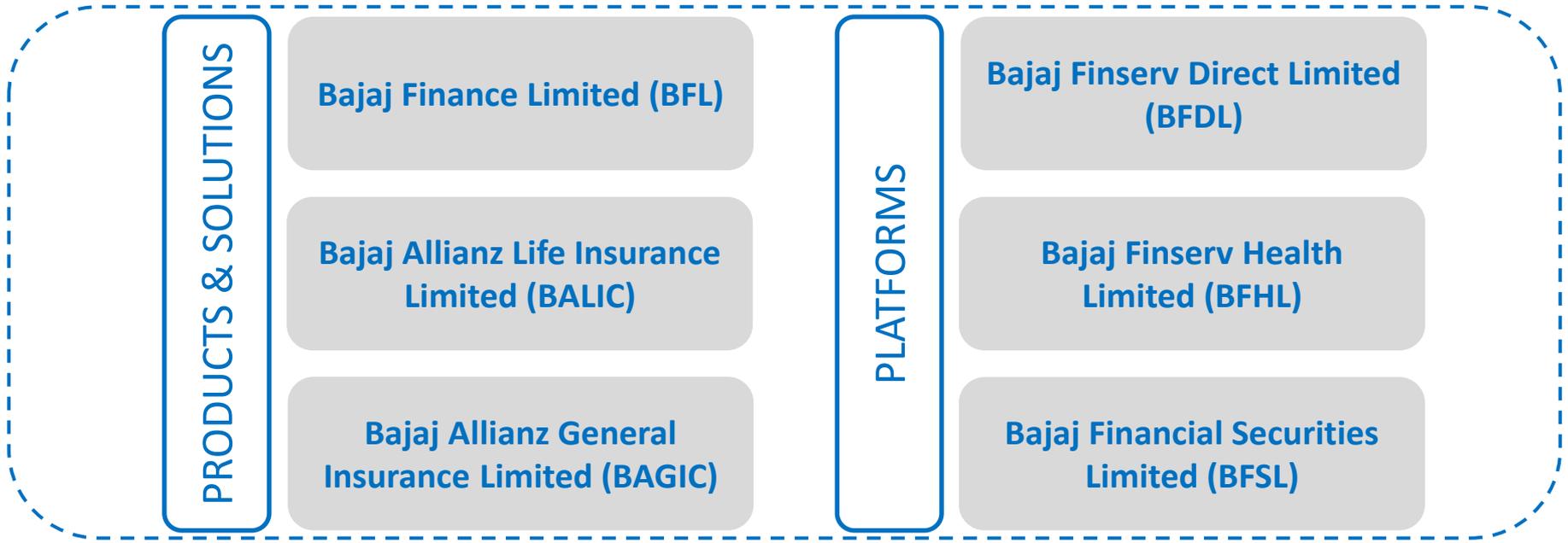
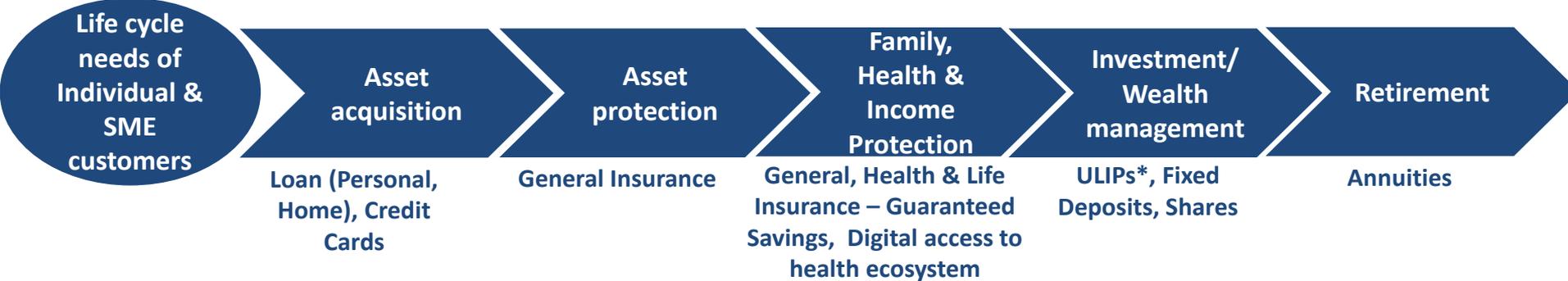
Note: From Q1 FY23 Bajaj Finserv Limited has started reporting its numbers in Investor Presentation in Rs. Crores. Till FY22, the same was in Rs. Million.

Bajaj Group Structure



Apart from these, Bajaj Finserv (BFS) also has two other fully-owned subsidiaries – BFS Asset Management Company (BFSAMC – in process of receiving final approval from SEBI) and BFS Ventures (BFSV), both of which are in the process of setting up their businesses

Bajaj Finserv's Vision – A diversified financial services group with a pan-India presence



Diversified across products and markets, with a strong retail core

- Bajaj Finserv Asset Management Company had been incorporated on 18 October 2021
- BFS has also incorporated Bajaj Finserv Ventures Limited, a wholly owned subsidiary, which will focus on alternative investments

*ULIPs - Unit Linked Investment Products

Bajaj Finserv – Established businesses with strong track record

Bajaj Finance Limited



- ❑ Non-Bank with strategy & structure of a bank
- ❑ Diversified financial services strategy with an optimal mix of risk and sustainable profit
- ❑ Focused on mass affluent & above with a strategy to cross-sell with smart use of data and analytics
- ❑ Focused on continuous innovation to transform customer experience and create growth opportunities

Bajaj Allianz General Insurance



- ❑ Build a profitable & diversified portfolio of products & solutions with emphasis on multi-channel distribution, strong underwriting with stress on combined ratio & prudent financial management
- ❑ Drive the theme of “Caringly yours” on the foundation of customer obsession through innovations in customer experience
- ❑ Strive to be the best claims paying general and health insurer

Bajaj Allianz Life Insurance



- ❑ Balanced product mix and diverse distribution network to deliver sustainable profitable growth with robust risk management
- ❑ Life Goal Enablers for customers through differentiated products
- ❑ Customer-centric strategy to deliver seamless, simplified & personalized experience
- ❑ Use of innovation & data analytics as a strategic differentiator for customers & sales partners

Bajaj Finserv – Emerging Opportunities

Bajaj Finserv Health Limited



- ❑ **Health Tech venture** - aims to transform healthcare sector in India
- ❑ **Integrating the fragmented healthcare delivery ecosystem** with technology and financial services on **a digital platform** to bring quality healthcare closer to consumers' reach through **products, networks & Technology**
- ❑ Introduced 'Aarogya Care', an industry-first product, offering a wide range of personalized, preventive and prepaid healthcare packages such as OPD care, telemedicine, and other services.

Bajaj Finserv Direct Limited



- ❑ Diversified Financial Services & **eCommerce Open Architecture Marketplace** for Loans, Cards, Insurance, Investments, Payments & Lifestyle products
- ❑ Offering **large number of Financial products** and thousands of Lifestyle SKU's on its Bajaj MARKETS platform
- ❑ Attract new-to-Finserv customers by **creating awareness and discovery of the Finserv brand** in the digital medium

Bajaj Financial Securities Limited*



- ❑ A **digital stockbroker** to provide Loan Against Securities (LAS) customers of BFL by offering them a full suite of investment products and services
- ❑ **All-in-one digital platform** combining demat, broking, margin trade financing for retail and HNI clients on a predominantly B2C platform

- *Monitor and engage with our companies with the objective of long-term sustainable profit, meaningful market share, and effective use of capital - thereby delivering superior shareholder returns*
- *We do this by driving companies to create institutionalized frameworks through accountable empowerment and encouragement of disruptive thinking*

Business

- **Rigorous engagement** in Long Range Planning and Annual Operating Plans
- **Regular review** of all businesses and their SBUs
- New business opportunities and Strategic investments

Risk

- **Harmonization of risk policies and framework**, Regular engagement with CROs of business
- Periodic review of top ERM risks including credit, business, financial, operational, reputation, etc. & mitigation actions planned
- **Drive risk related projects** across the group such as ORM

Collaboration and Best Practice

- **Group Knowledge Forums** – Analytics, Technology, Investments, Governance, etc.
- **Cross group stress identification** forum to identify any cross functional view on investment risks
- **Cross Company projects** on Data, innovation and digital strategy.

People / HR

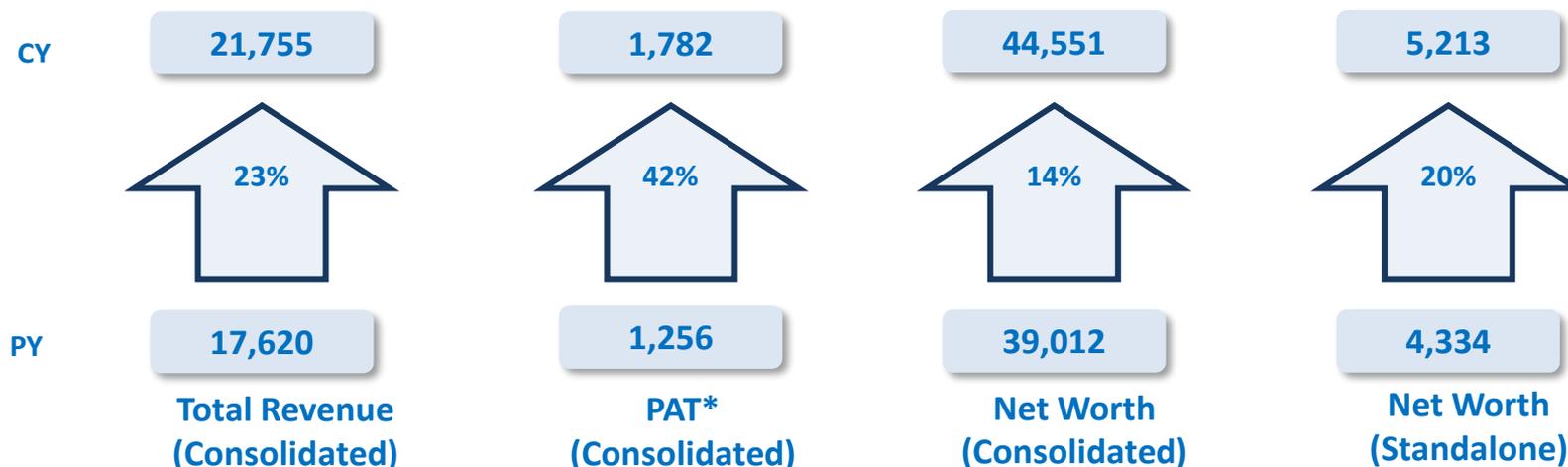
- One Finserv – **Group Talent mobility**
- Group Young Leader Management Trainee Program
- 30 Under 30 Program
- **3 Tier Merit based remuneration** plans combining fixed cash, annual bonus and ESOPs

Customer Experience, Investments, ESG

- **Defining Customer Service protocols** for businesses
- Review and **standardisation of investment processes**
- Oversight and **monitoring of ESG policy** and its implementation across the group

CRO – Chief Risk Officer
 ERM – Enterprise Risk Management
 ORM – Operational Risk Management

Performance Highlights of Q3 FY23 over Q3 FY22 (Ind AS)



- Bajaj Finserv remains a debt free company. **Bajaj Finserv's surplus funds (Excluding Group Investments) stood at ₹ 18.2 Bn as on 31 December 2022** (₹ 11.5 Bn as of 31 March 2022)
- Consolidated **Book Value Per Share at ₹ 280[#]** as on 31 December 2022 (₹ 245[#] as on 31 December 2021)
- **PAT includes unrealized mark-to-market (MTM) gain on equity investments measured at fair value through profit and loss of BALIC and BAGIC of ₹ 43 Cr in Q3 FY23 as compared to MTM loss of ₹ 38 Cr in Q3 FY22**

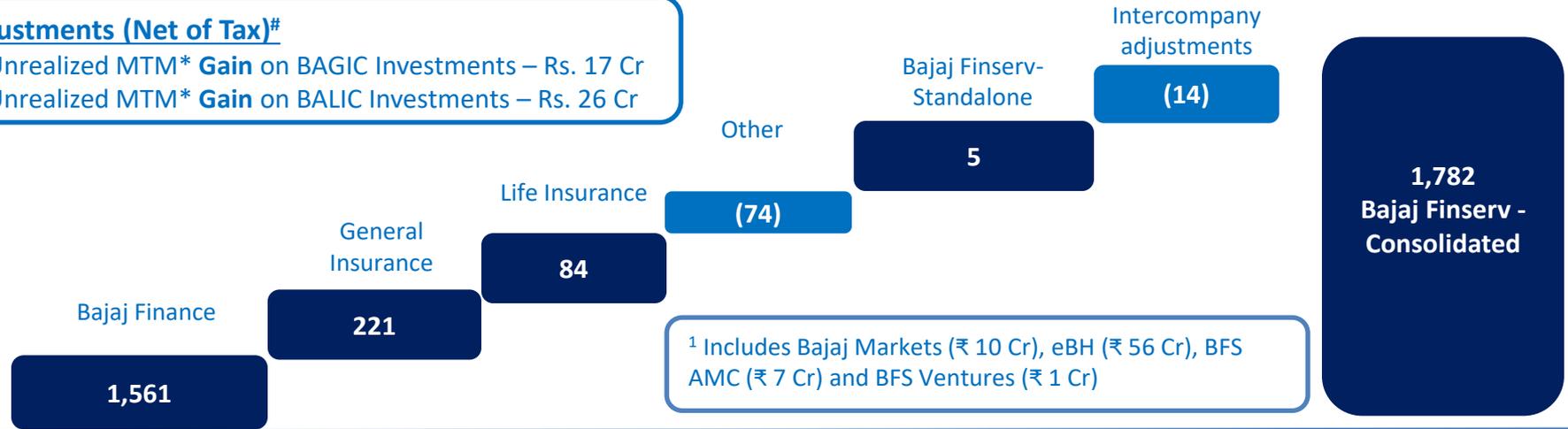
Consolidated profit components – Q3 FY23 (BFS Share)

All Figures in Rs. Crore

Consolidated profit[#] components for Q3 FY23 (Ind AS)

Adjustments (Net of Tax)[#]

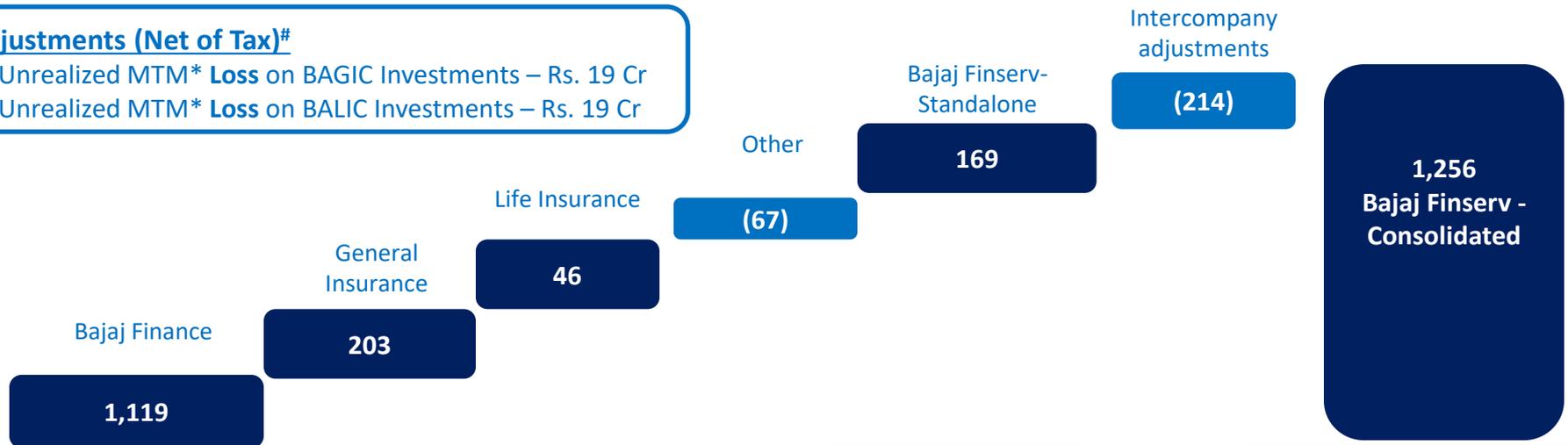
- ☐ Unrealized MTM* **Gain** on BAGIC Investments – Rs. 17 Cr
- ☐ Unrealized MTM* **Gain** on BALIC Investments – Rs. 26 Cr



Consolidated profit[#] components for Q3 FY22 (Ind AS)

Adjustments (Net of Tax)[#]

- ☐ Unrealized MTM* **Loss** on BAGIC Investments – Rs. 19 Cr
- ☐ Unrealized MTM* **Loss** on BALIC Investments – Rs. 19 Cr





All Figures in Rs. Crore

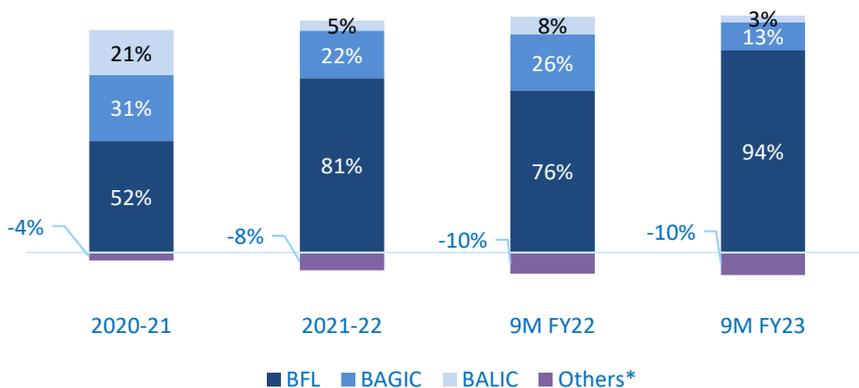
Highlights of Group Companies

BAJAJ FINSERV#	9M FY23	9M FY22	Growth
Total Revenue	58,447	49,577	18%
Net worth	44,551	39,012	14%
PAT	4,648	3,211	45%

BAJAJ FINANCE#	9M FY23	9M FY22	Growth
AUM	2,30,842	1,81,250	27%
Total Income	30,043	23,019	31%
PAT	8,350	4,609	81%
PPOP^	13,597	10,340	31%

#Consolidated | Ind AS

Consolidated Profit Components*



BAGIC	9M FY23	9M FY22	Growth
GWP	11,721	10,488	12%
Investments	25,977	23,977	8%
PAT	1,026	1,091	-6%
Combined Ratio	101.5%	100.0%	-1.5%^{abs.}

BALIC	9M FY23	9M FY22	Growth
GWP	13,028	10,408	25%
Investments	89,466	83,194	8%
PAT	364	276	32%
NBV & NBM **	535 13.8%	314 11.3%	71% 2.5%^{abs.}

☐ 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 is used only for consolidated numbers

** NBV – Net New Business Value, NBM – Net New Business Margin, *Others includes Bajaj Finserv Standalone, and all remaining components

^ - Pre-Provision Operating Profit Before Tax



Bajaj Finance Limited

STRATEGY

- Diversified financial services strategy seeking to optimise risk and profit, operate a sustainable business model and deliver a superior ROE and ROA
- Focused on continuous innovation by transforming customer experience thereby creating growth opportunities.

DIFFERENTIATORS

Focus on mass affluent and above clients

Overall customer franchise of 6.61 Cr. and Cross sell client base of 3.86 Cr

Strong focus on cross selling to existing customers

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 Urban : Rural : SME : Commercial : Mortgage stood at 33%: 10%: 13%: 12%: 32% as of 31st December 2022
Consolidated borrowing mix for Money Markets: Banks: Deposits: ECB stood at 47%: 31%: 21%: 1%

BAJAJ FINANCE

Consumer

- Largest consumer electronics, digital products & lifestyle lender in India
- Presence in 1,392 locations with 1,02,900+ active points of sale
- Amongst the largest personal loan lenders
- EMI Card franchise of over 3.59 Cr cards in force
- Among the largest new loans acquirers in India 78.4 Lakhs in Q3 FY23
- Number of net users on Digital app platform stood at 3.15 Cr as on 31 December 2022
- Co-branded credit card stood at 32.9 Lakhs as of 31 December 2022

SME

- Focused on affluent SMEs 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

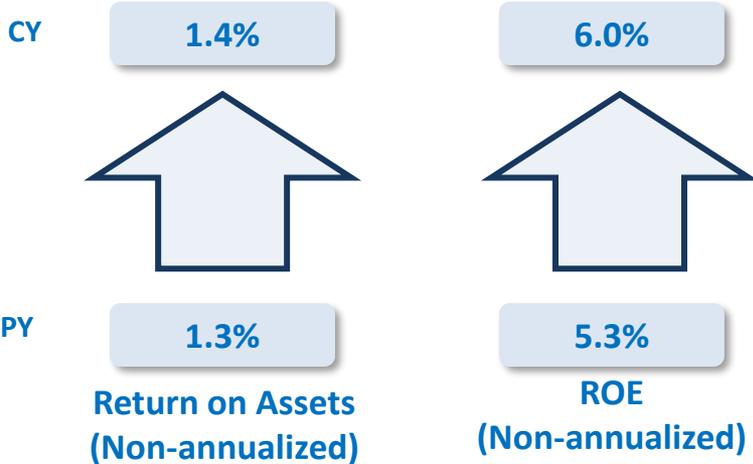
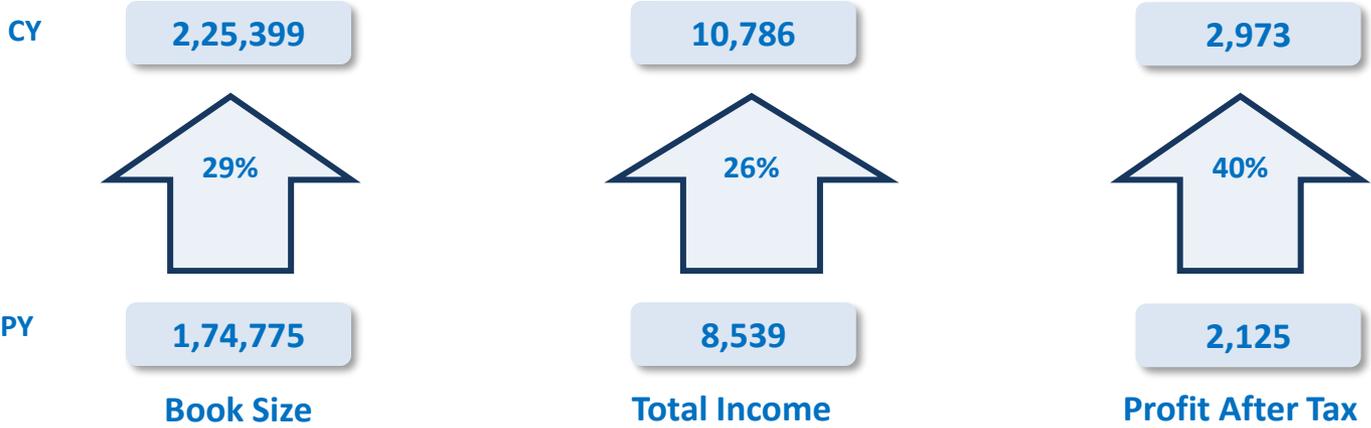
- Wholesale Lending products covering short, medium, and long term financing needs of selected sectors viz.
 - ✓ Auto component and ancillary manufacturers
 - ✓ Pharma
 - ✓ Specialty Chemicals
 - ✓ Financial institutions
 - ✓ Lease Rental Discounting
- Structured products collateralized by marketable securities or mortgage
- Financing against shares, mutual funds, insurance policies and deposits

Rural

- Unique hub-and-spoke model in 2,322 locations and retail presence across 33,500+ points of sale
- Diversified rural lending model with 10 product lines across consumer and SME business categories

All Figures in Rs. Crore

Performance Highlights of Q3 FY23 over Q3 FY22 (Ind AS)



- Capital Adequacy stands at **25.14%** as of 31 December 2022 vs 26.96% as of 31 December 2021 (against the regulatory requirement of 15%)
 - Tier 1 Capital stands at 23.28% as of 31 December 2022 vs 24.44% as of 31 December 2021

Q3 FY 2022-23

AUM & Business Franchise Growth

- **Q3 FY23 AUM was at Rs. 2,30,842 Cr vs Rs. 1,81,250 Cr last year (27% growth); AUM growth in Q3 FY23 was approximately ~ ₹ 12,476 Cr**
- **78.4 Lakh new loans in Q3 FY23** as against 74.4 Lakh in Q3 FY22
- **Acquired 31.4 Lakh new customers in Q3 FY23** vs 25.6 Lakh in Q3 FY22
- **Total customer franchise stood at 6.61 Cr as of 31 December 2022 – 19% growth YoY**

NIM Metrics, Liquidity and Operating Expense

- **Net Interest Income (NII) for Q3 FY23 was Rs. 7,435 Cr vs Rs. 6,005 Cr in Q3 FY22; Continues to protect margin profile across all businesses**
- **As of 31 December 2022, deposits book stood at Rs. 42,984 Cr - growth of 41% YoY; Contribution to consolidated borrowing was 21%**
- **In Q3, Opex to NII improved to 34.7% vs 35.9% in Q2 FY23; Company continues to invest in teams and technology for business transformation. The company expects to sustain its operating expenses in Q4 FY23.**

Credit Costs

- **Loan losses & provisions for the Q3 FY23 were Rs. 841 Cr vs Rs. 1,051 Cr in Q3 FY22; company holds a management overlay position of Rs. 1,000 Cr as of 31 December 2022**
- **GNPA & NNPA stood at 1.14% and 0.41% as of 31 December 2022 as against 1.17% and 0.44% as of 30 September 2022**

Q3 FY 2022-23

Profitability & Capital Position

- Profit after tax (PAT) for Q3 FY23 increased by 40% to Rs. 2,973 Cr v/s Rs. 2,125 Cr in Q3 FY22 mainly on account of robust AUM growth, higher net interest income and better portfolio performance
- Capital adequacy remained strong at 25.14% as of 31 December 2022. Tier-1 capital was 23.28%

Subsidiaries – Q3 2022-23

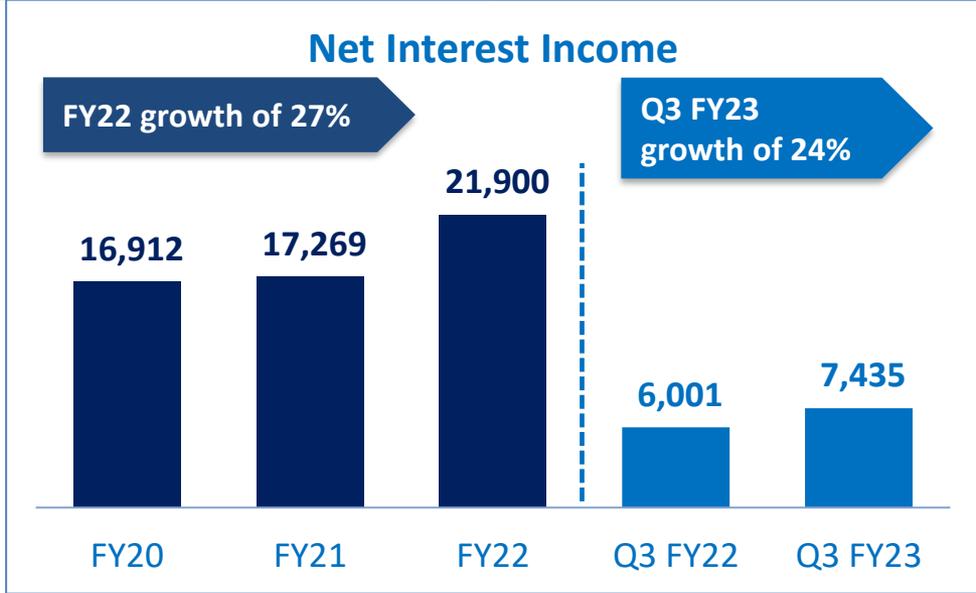
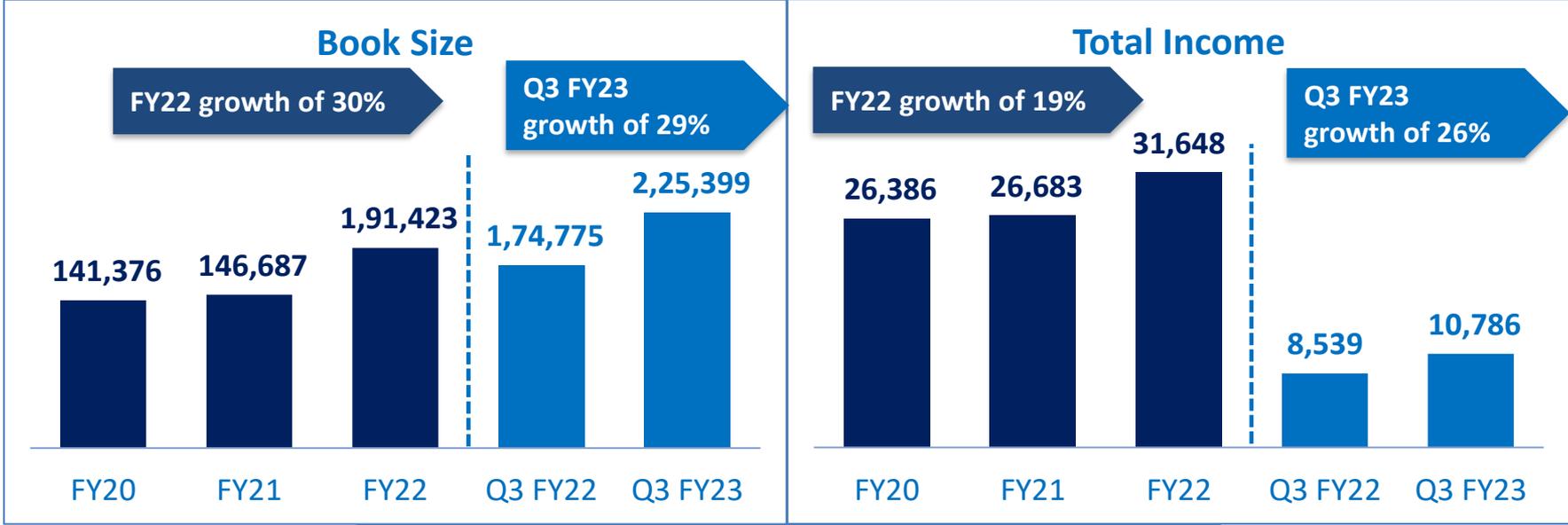
A. Bajaj Housing Finance Limited (BHFL)

- AUM grew by 33% to Rs. 65,581 Cr as of 31 December 2022 from Rs. 49,203 Cr as of 31 December 2021
- In Q3, overall disbursements de-grew by 6.5%. Disbursements were ₹ 7,429 crore in Q3 FY23 as against ₹ 7,946 crore in Q3 FY22
- Opex to NII stood at 24.5% in Q3 FY23 as against 28.7% in Q3 FY22
- Profit after tax (PAT) grew by 81% to Rs. 334 Cr in Q3 FY23 against Rs. 185 Cr in Q3 FY22
- GNPA & NNPA stood at 0.23% and 0.10% respectively as of 31 December 2022 as against 0.24% and 0.11% respectively as of 30 September 2022
- BHFL's Capital adequacy ratio (including Tier-II capital) as of 31 December 2022 stood at 23.00%

B. Bajaj Financial Securities Limited

Total Income of Rs. 61 Cr in Q3 FY23 against Rs. 38 Cr in Q3 FY22; Delivering a profit after tax of Rs. 3 Cr in Q3 FY23 v/s profit of Rs. 7 Cr in Q3 FY22 (including exceptional income of Rs. 7.4 Cr)

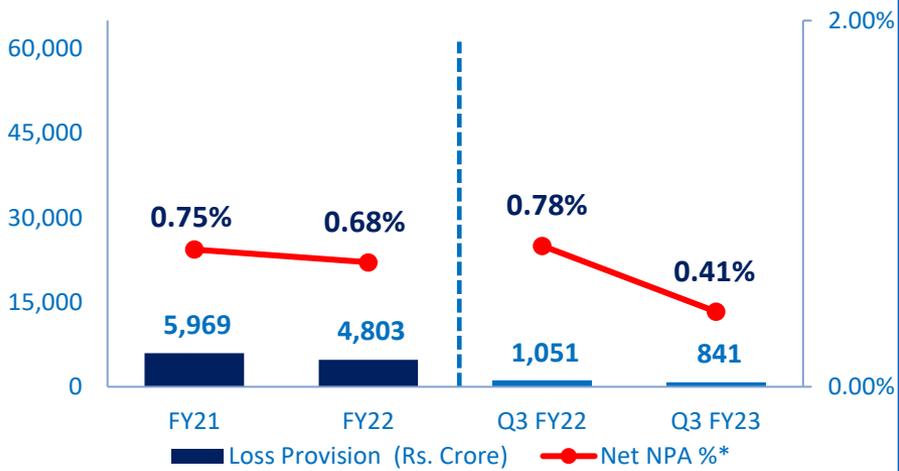
All Figures in Rs. Crore



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

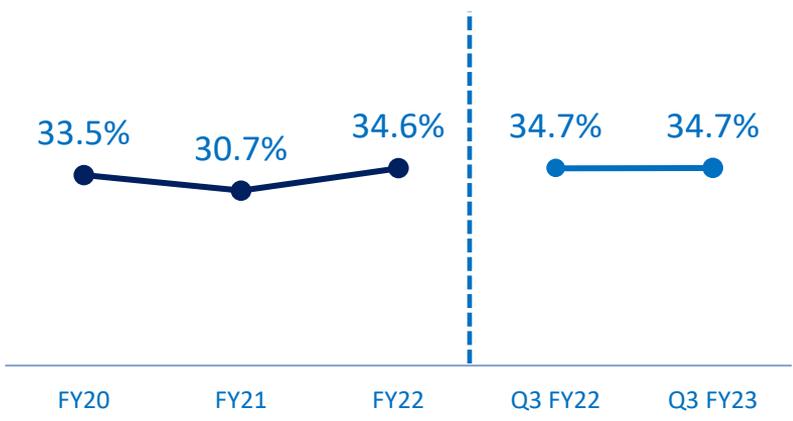
All Figures in Rs Crore

Loss Provision and Net NPA%



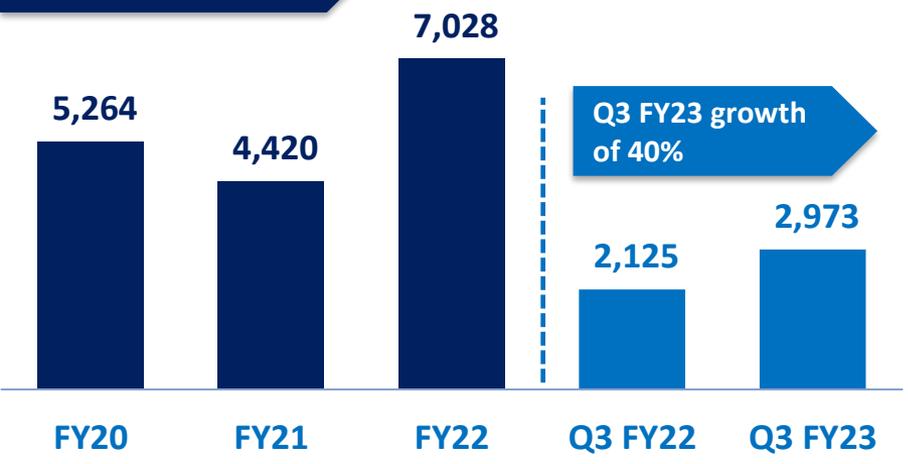
- GNPA & NNPA stood at 1.14% and 0.41% as of 31 December 2022 as against 1.17% and 0.44% as of 30 September 2022
- Provisioning coverage ratio (PCR) of 64% on stage 3 assets; PCR stood at 116 bps on stage 1 & 2 assets as of 31 December 2022 vs 156 bps as of 31 December 2021 (was 90-100 bps during pre-pandemic)
- Overall, the portfolio composition across stage 1, stage 2 and stage 3 assets is better than pre-COVID metrics

Operating expenses as a % of NII



FY22 growth of 59%

PAT



*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

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
- Business construct is to deliver superior ROE

Balanced Product Mix

- Diversified product portfolio offering across retail and corporate segments
- Continuous innovations in product features to maintain competitive edge

Deep and wide distribution

Multi channel distribution network encompassing multiline agents, bancassurance, broking, direct, and ecommerce network serving all segments

Retail & Commercial orientation

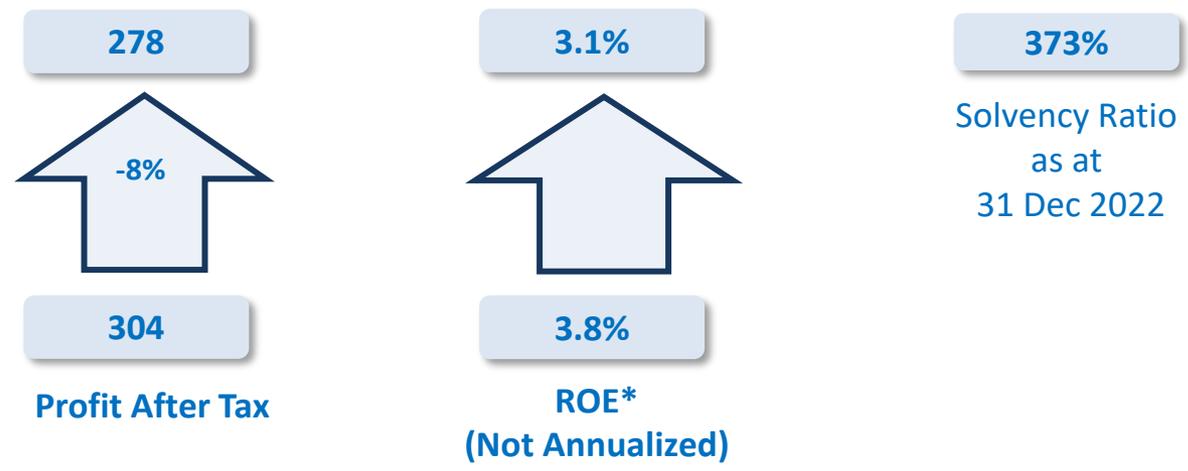
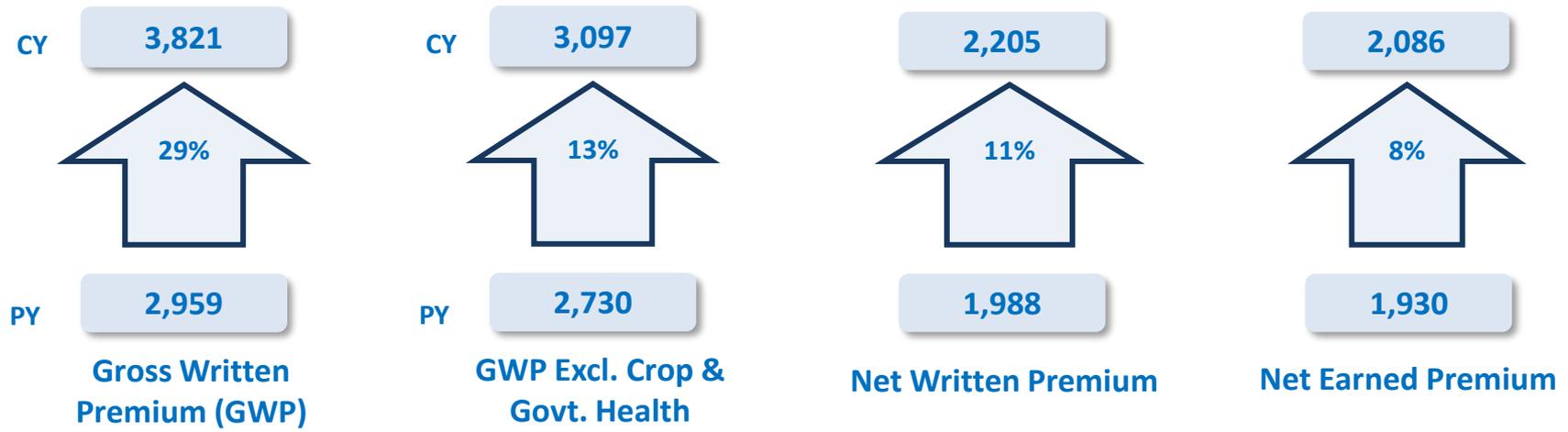
Focused on retail segments (mass, mass affluent & HNI) & commercial segments (SME & MSMEs) while maintaining strong position in large corporates & government business

Investments in technology with focus on all stakeholders – “Caringly yours”

Deep investments in technology to drive efficiencies for the Company and convenience for all stakeholders – Customers, distributors and employees

All Figures in Rs Crore

Performance Highlights of Q3 FY23 over Q3 FY22



*Return on Equity (ROE) is excluding fair value change

Q3 2022-23

Revenue Growth

- **GDPI grew by 28.6% in Q3 FY23** as against Private sector growth of 22.3% and Industry[#] growth of 18.5% ; 9M FY23 growth of 11.4% v/s private sector growth of 21.6% and industry[#] growth of 16.2%
- **Ex. Crop & Govt. Health, Q3 FY23 GDPI grew by 12.8% v/s Industry[#] growth of 15.3% ; 9M FY23 growth of 14.6% v/s the industry[#] growth of 16.6%**

Segmental Performance (Gross Direct Premium Income)

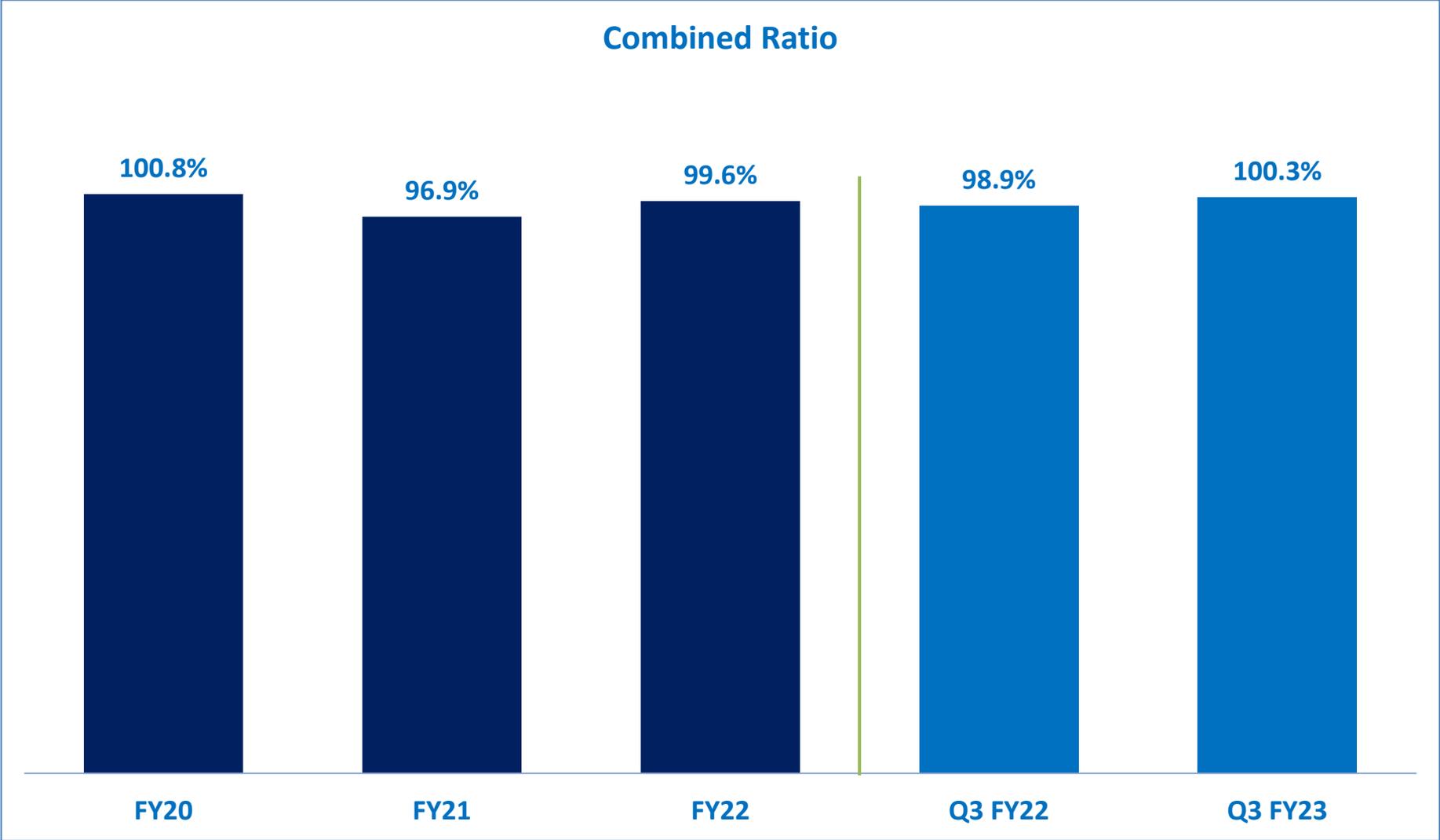
- **Ex. Crop & Govt. Health growth for the quarter was attributable to Retail & Group Health (11.2% & 41.2% respectively), Commercial lines (Fire, Engineering, Marine and Liability – 14.9%) and travel (44%)**
- **In Q3 FY23, overall motor grew by 6% - Motor 2W (24%), CV(-5%) and 4W (6%) respectively**

Loss Ratio (LR) and Combined Ratio (COR)

- **For Q3 FY23, LR stands at 72.1% as against 69.6% in Q3 FY22**
- Increase in LR was attributable to
 - High inflation in Motor & Health, partially offset by lower commercial claims
 - Rs. 9 crore(net) impact taken on account of the adverse court order with respect to Osmanabad Kharif 2020 Crop season.
- **Sequentially from Q1 FY23, claim ratio improved by 2.4% in Q2 FY23 and from Q2 FY23 it further improved by 3.4% in Q3 FY23** due to
 - Better selection of business and
 - Normalisation of aberrations such as high motor own damage loss ratios
- **COR increased to 100.3% in Q3 FY23 v/s 98.9% in Q3 FY22;**

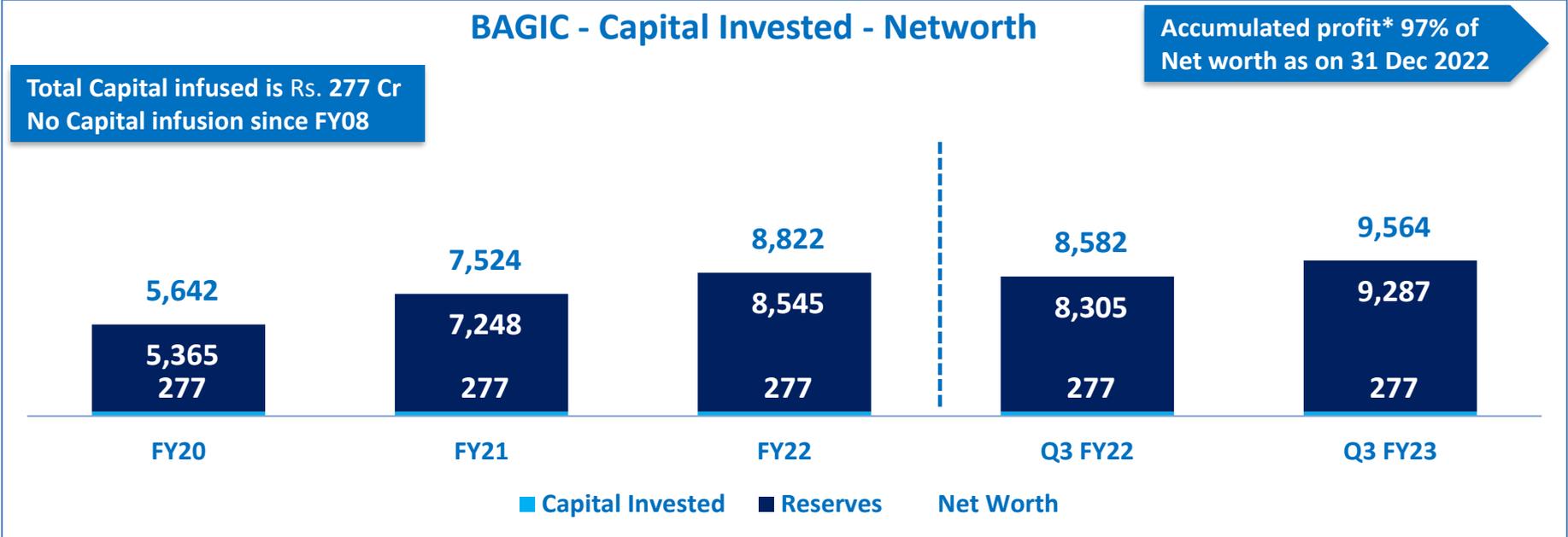
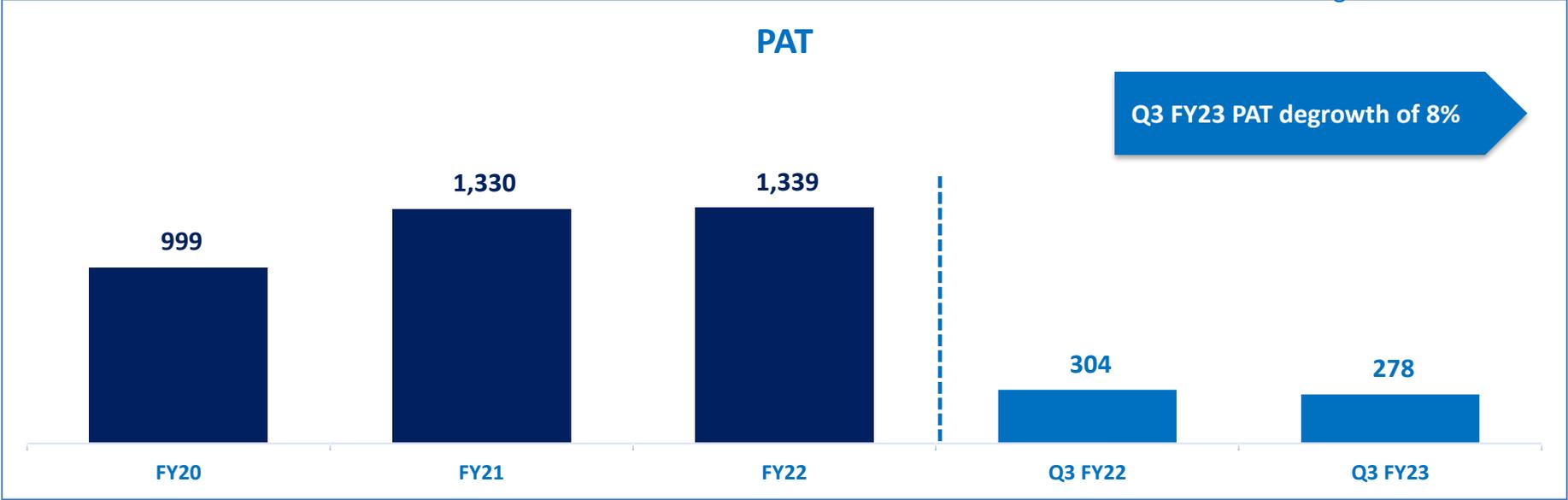
Profit after tax (PAT)

- **Q3 FY23 PAT de-grew by 9% to Rs. 278 Cr v/s Rs.304 Cr in Q3 FY22**
- Lower PAT is attributable to higher COR and lower realized gains



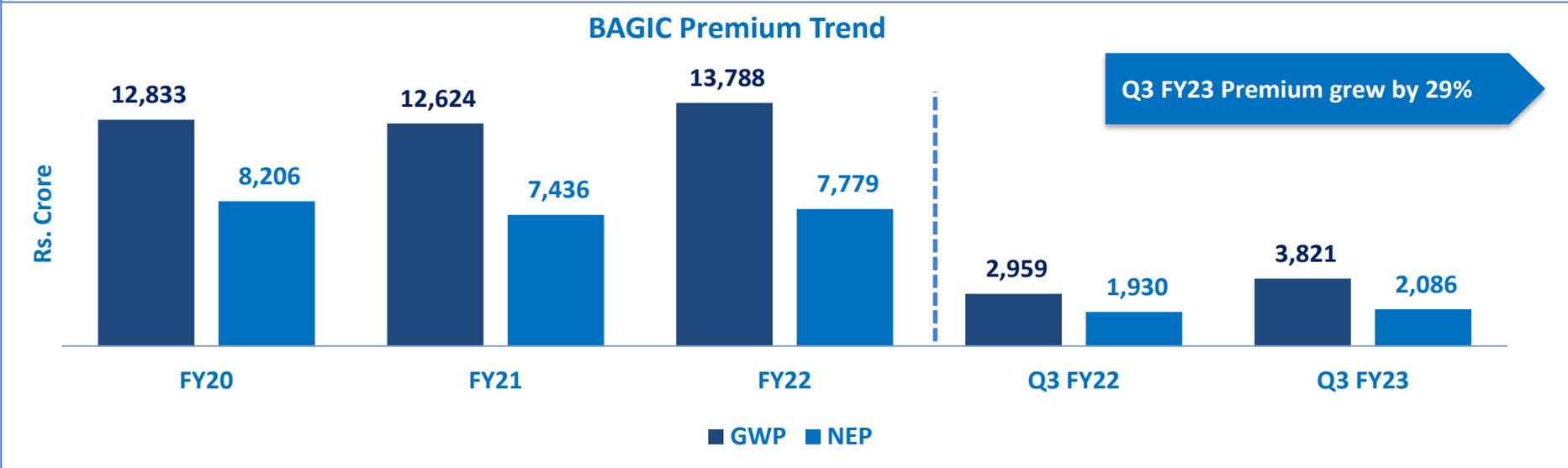
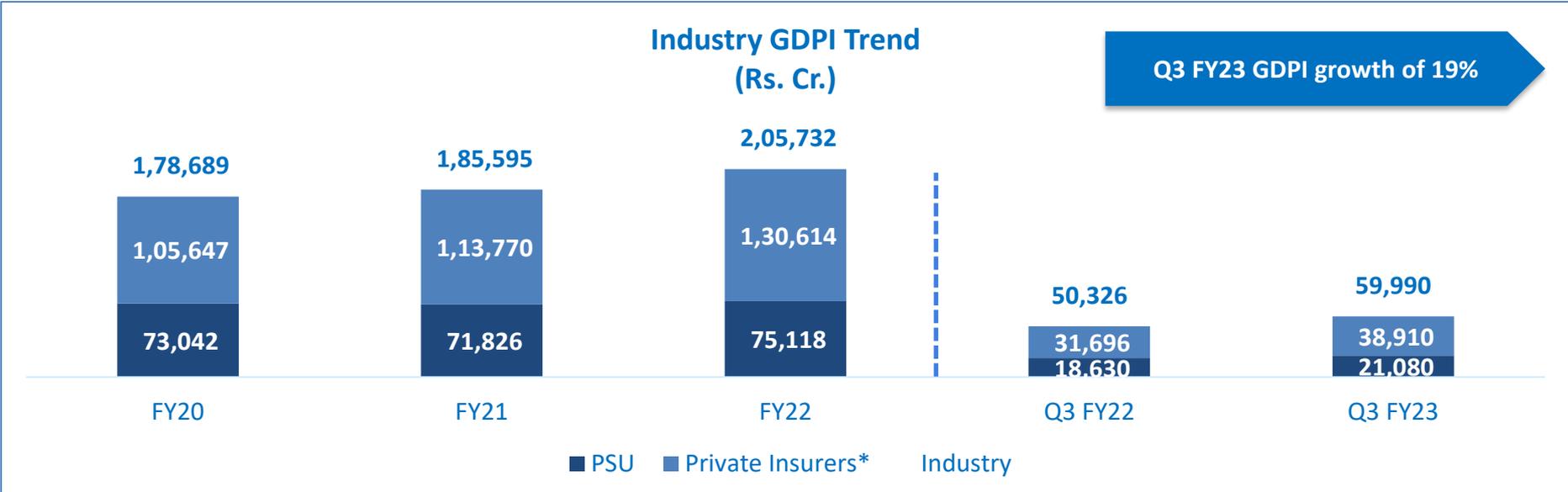
1. Combined Ratios are in accordance with the Master Circular on 'Preparation of Financial statements of General Insurance Business' issued by IRDA effective from 1st April, 2013. (Net claims incurred divided by Net Earned Premium) + (Expenses of management including net Commission divided by Net Written Premium).

All Figures in Rs. Crore



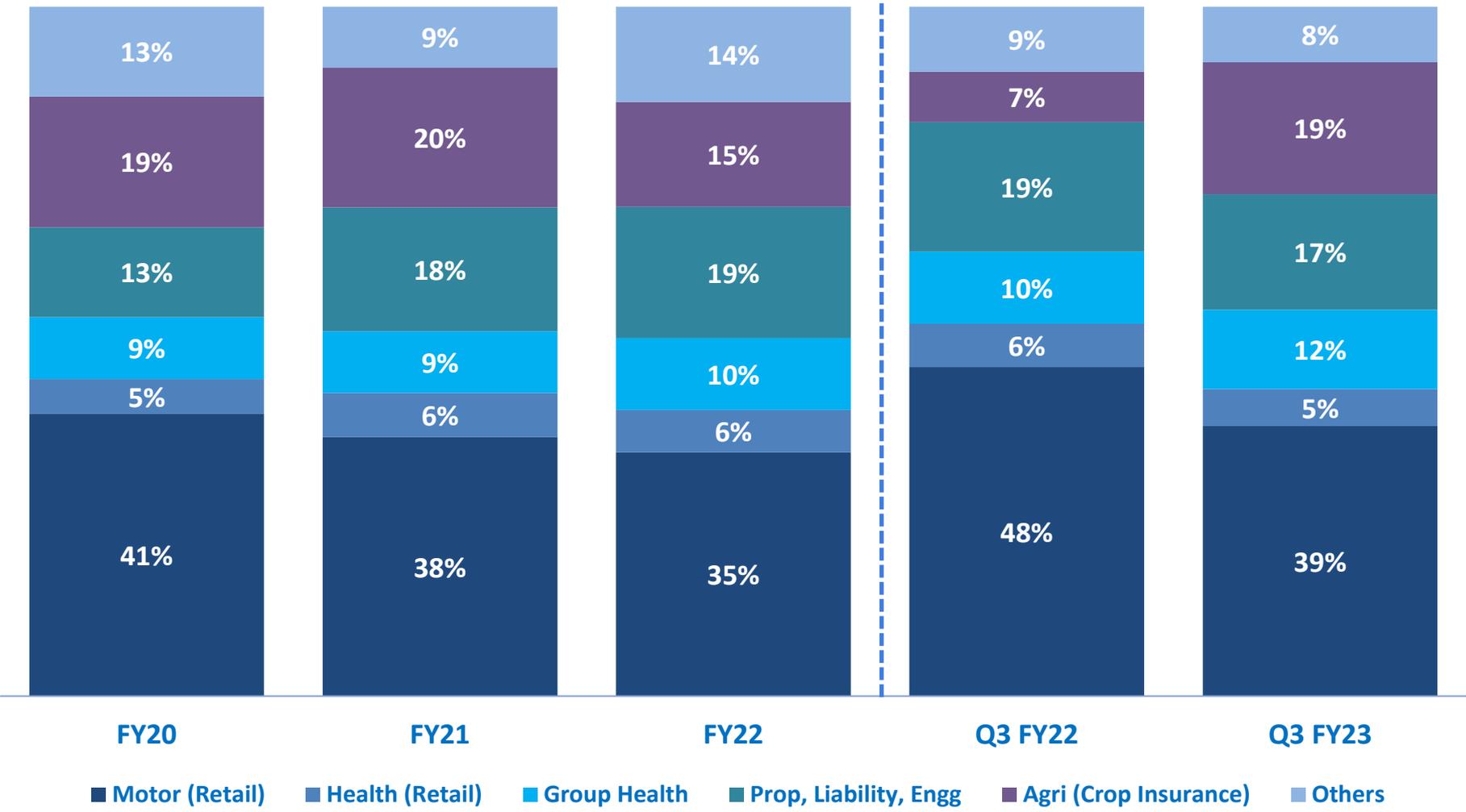
*Accumulated profit includes reserves and fair value change on equity investments

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



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

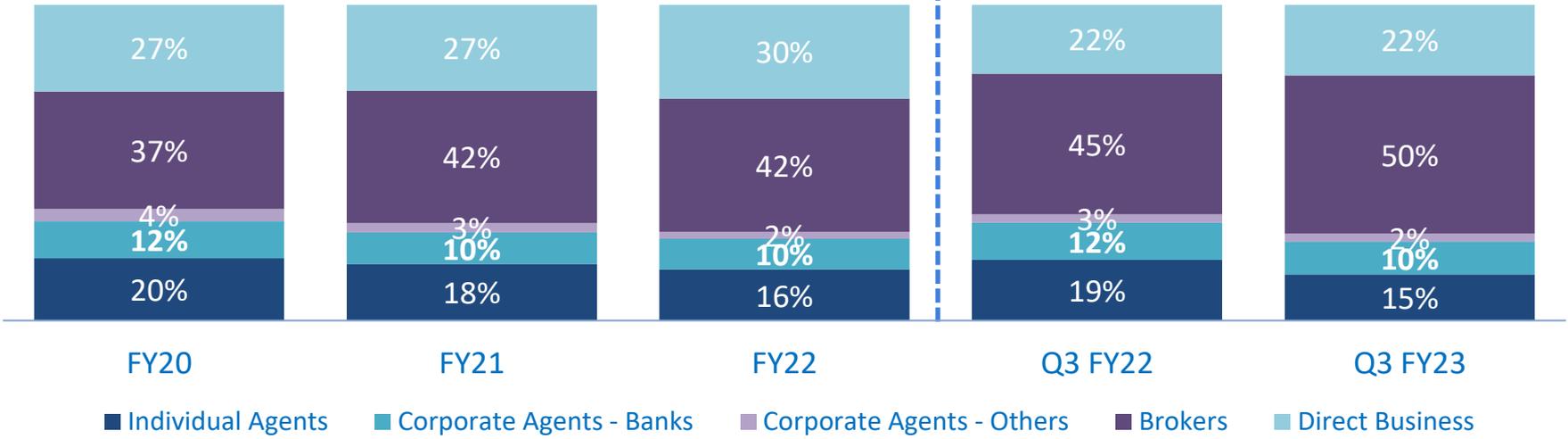
Business Mix



- BAGIC's excluding Crop & govt. health insurance GWP growth for Q3 FY23 vs Q3 FY22 was 13%
- Higher booking of crop insurance of Rs. 723 crore in Q3 FY23 against Q3 FY22 of Rs. 214 crore

Note: The components might not add up to total of 100% due to rounding off

Channel Mix



Bancassurance Partnerships

- Over 240 Bank partners
- 20 National Tie-ups & MNC Banks
- 25 NBFCs, 5 SFBs, 1 Payments Bank
- 131 Co-operative banks, 13 RRBs
- 45 other partnerships

Agency & Retail Channels

- 49,425+ agents & 64,190 POS
- Virtual Sales Offices
- Acquisition of Direct Customers through our Sales Force
- Agency segmented under prime, key, emerging and Retail and SME

OEMs* & Dealer Partnerships

- 42 national Tie-ups and over 9000 network of dealers across pan India
- **National Tie-ups:** Maruti, Honda, Toyota, Mahindra, Hyundai, MG, Kia, VW, BMW, TATA Motors, Bajaj, RE, Yamaha, Piaggio, JCB, Suzuki TW, Bgauss, Revolt etc.

Rural Focus

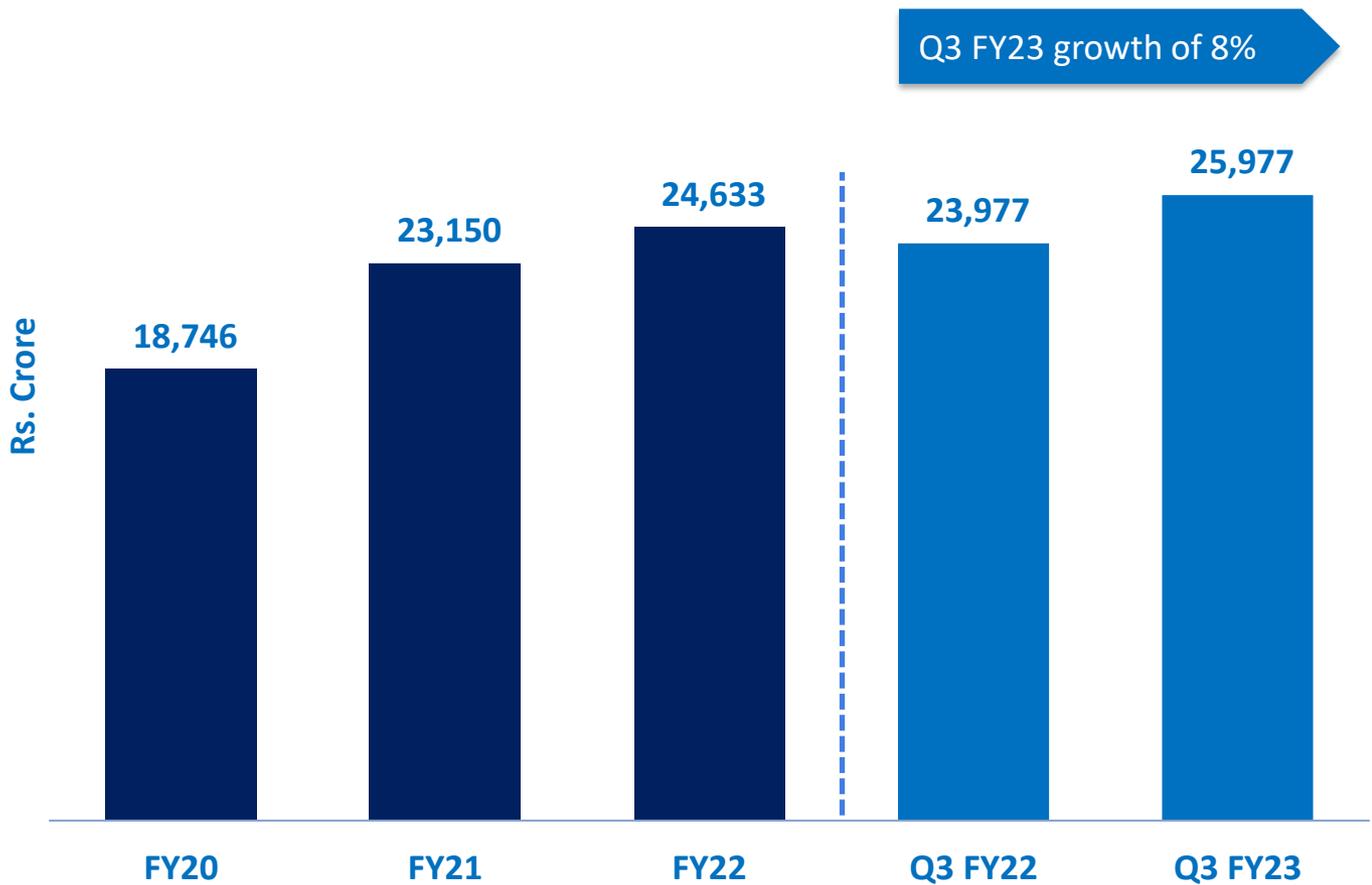
- 2.2 Crore+ farmers covered in PMFBY in last 4 years of which 22.8 lakh farmers covered in CY
- Issued 20+ Lakhs NOPs under crop insurance in 9M FY23
- 31,415+ active CSC centers in 9M FY23

Presence in ecosystems

- 20+ Partnerships across Insuretech companies, aggregators, wallets such as Phone Pe, payments bank, etc

Note: The components might not add up to total of 100% due to rounding off | * Original Equipment Manufacturer

AUM (cash and investments)



BAGIC continues to grow its AUM strongly

Investments are largely in fixed income securities

Investment Leverage of 2.72 as on 31 December 2022

99.0% of debt portfolio is in AAA or sovereign securities. 96.7% of Equity investment is in BSE 100 stocks

Investment Leverage : AUM as of date / Net worth as of date

Digital Journey Metrics

Digital Agent Onboarding 9M FY22-23



Digital Issuance 9M FY 22-23



Digital Payment 9M FY 22-23



Net Promoter Score*

Motor		Health	
FY21	FY22	FY21	FY22
65	↑ 70	63	↑ 68

Key Initiatives Summary

KYC

In line with the new regulatory changes KYC has been enabled in all policy issuance & claims journeys across multiple LOBs and platforms

Account Aggregator

1st General Insurance Company to go live on the AA framework as a financial information user

Agent Onboarding

Process & system re-engineering in agent onboarding via Saarthi App has helped reduce overall onboarding TAT

Core Transformation

Core policy admin system being transformed to enhance agility. Travel, Retail Health and Motor TP live; Motor OD in UAT

API Factory

API Integration landscape expanded with new integrations done with existing and new partners.
150+ partners onboarded on API Vault in 9M FY23

Hybrid Cloud

On-premise data center modernization is on-track for completion by Apr '23

* NPS conducted by an independent external agency

1st Large General Insurer in India to take Policy Admin System on Cloud*

One of the early adopters of cloud, our Travel line of business was made live in 2019 on the new policy admin system – developed in partnership with TCS. This was followed by Retail Health & Motor TP lines of business

Cloud Native



Core policy administration system along with peripheral applications hosted & built using cloud native technologies providing high scalability & flexibility

Microservices based Architecture



Microservices based architecture providing flexibility, scalability, improved fault tolerance and faster integration with partner ecosystem

DevOps Integrated



Deployed on Cloud, the DevOps platform is extensively used for automating Agile Delivery, tighter collaboration and daily deployments

Innovation and Agility



A modern core along with readily available AI/ML services on cloud has paved the way for faster innovation across the insurance value chain

Highlights of the new platform (FY 22-23 till Dec)

17 Lac+ policies issued

795 Cr+ GWP

422 Cr+ claims paid

35+ partners onboarded

1350+ microservices deployed

42+ peripheral applications

* <https://www.tcs.com/bajaj-allianz-general-insurance-cloud-tcs-bancs>

<https://www.tcs.com/bagic-agile-delivery-lifecycle-process>

Asset Quality

- 99.0% of the debt portfolio in AAA and sovereign assets
- 93.4% of Equity in Nifty 50 stocks & 96.7% in BSE100 stocks
- Oversight by Board & Executive investment committee and group level investment forum
- Robust ALM position

Re-Insurance

- Reinsurance ceded only to the A- and above & AA rated reinsurers, except mandatory ceding to GIC (Average Retention of ~20% for commercial lines)
- Large reinsurance capacity & optimum retention
- Robust process of monitoring concentration of risk
- Catastrophic events adequately covered

Pricing & Underwriting

- Superior underwriting capability leading to low Combined Ratio consistently
- Diversified exposure across business lines & geographies
- Granular loss ratio modelling – geography, distribution, car make/model, vintage, etc.
- Investigation, loss management & analytics intervention

Reserving & Solvency

- IBNR loss triangles show releases from settlement of claims, indicating robustness of reserving at the point of registration of claims
- Highest solvency amongst peers

Bajaj Allianz Life Insurance

BALIC – Key Strategic Differentiators

STRATEGY

- Continued focus on sustainable and profitable growth by maintaining balanced product mix and investment in retail growth engines
- Business construct is to maximize customer benefits while gaining market share in retail space, maintaining shareholder returns and continued focus on increasing Net New Business Value (NBV)

DIFFERENTIATORS

Diversified Distribution

- Pan India distribution reach with presence over 509 branches
- Balanced channel mix – Agency, Institutional Business including Banca, and BALIC Direct
- Strong presence in group credit protection and online offerings

Strong proprietary channels

- 3rd largest Agency in terms of IRNB amongst private players in FY22
- Robust BALIC Direct channel to invest in up-selling and cross-selling

Innovative products and Sustainable product mix

- Diverse suite of products across various need segments, with an aspiration to provide our customers “Best in Class” features
- Innovative products & features like the Assured Wealth Goal (Non-par), Guaranteed Pension Goal (Annuity), SISO** (ULIP SIP), Smart Wealth Goal (ULIP), Flexi Income Goal (Par), Guaranteed Income Goal (Non-Par) have witnessed strong response from the customers

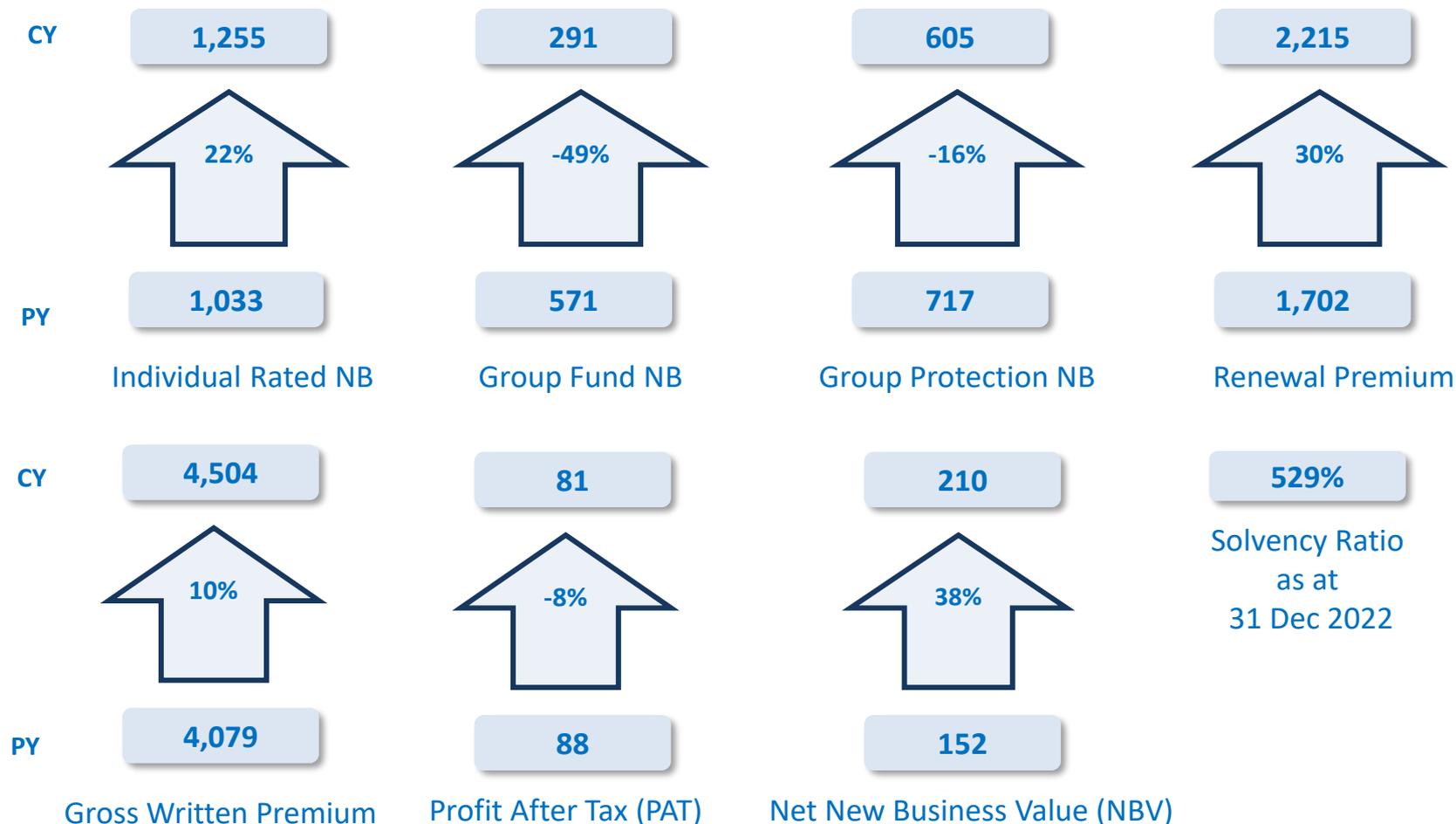
Efficient Operations

- Embarked on a customer obsession journey
- Auto pay improvement across all cohorts and channels
- Focusing on faster issuances, claim settlement and driving FTR

**Systematic in Systematic Out; FTR : First Time Right

All Figures in Rs. Crore

Performance Highlights of Q3 FY23 over Q3 FY22



Q3 2022-23

Revenue Growth & Market Share

- In Q3 FY23, IRNB grew by 22% (vs private players growth of 16% & LIC growth of 6%. Overall industry growth of 12%)
- 9M FY23 growth of 38% vs private players growth of 19%; **Market share in IRNB terms increased from 6.4% to 7.4%** among private players
- **BALIC registered 2nd fastest growth during 9M FY23** among the top 10 private players on IRNB basis
- **BALIC's 3 Year CAGR of 35%** (on IRNB basis) in 9M FY23 is the highest in the Industry

Product Mix (IRNB Basis)

- **Par: Non-Par Savings: ULIP: Protection: Annuity retail mix stood at 19%:37%:33%:04%:07% respectively**

Renewal Premiums

- Registered **strong growth in renewals of 30%** in Q3 FY23 ; improvement in persistency witnessed across all cohorts

New Business Margins

- **Witnessed 38% growth in Net New Business Value** (Rs. 210 Cr in Q3 FY23 v/s Rs. 152 Cr in Q3 FY22) on account of business growth and improved product mix
- **Net New Business Margin (NBM)[§] on Annualized New Business Premium increased to 14.8%** in Q3 FY23 from 12.6% in Q3 FY22

Profit After Tax

- **PAT for Q3 FY23 was Rs. 81 Cr** as against Rs. 88 Cr in Q3 FY22, mainly on account of higher new business strain given the higher business growth partially offset by lower death claims

Source : IRDAI Monthly Business Figures

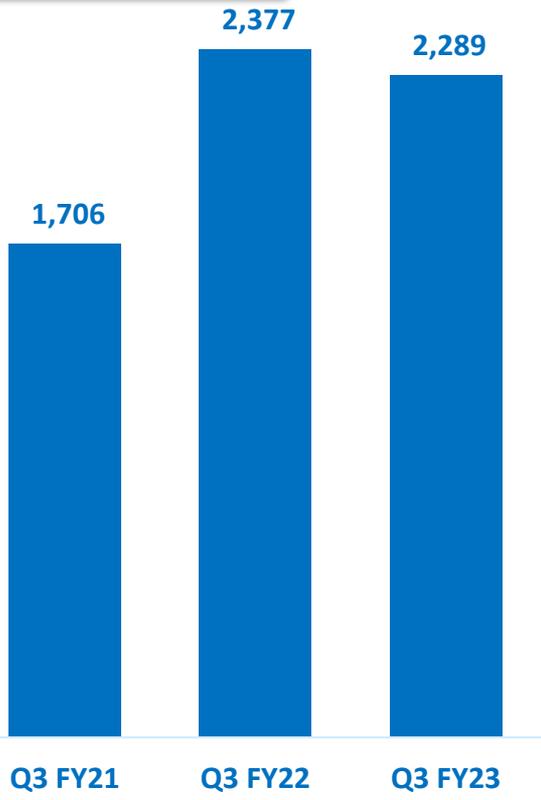
IRNB – Individual Rated New Business, NB – New Business, GWP – Gross Written Premium, ULIP – Unit Linked Investment Plan: CAGR – Compounded Annual Growth Rate

§ - On 12-month rolling basis, NBM for the period ended Dec'22 is 15.4% vs 13.6% for the period ended Dec'21

All Figures in Rs Crore

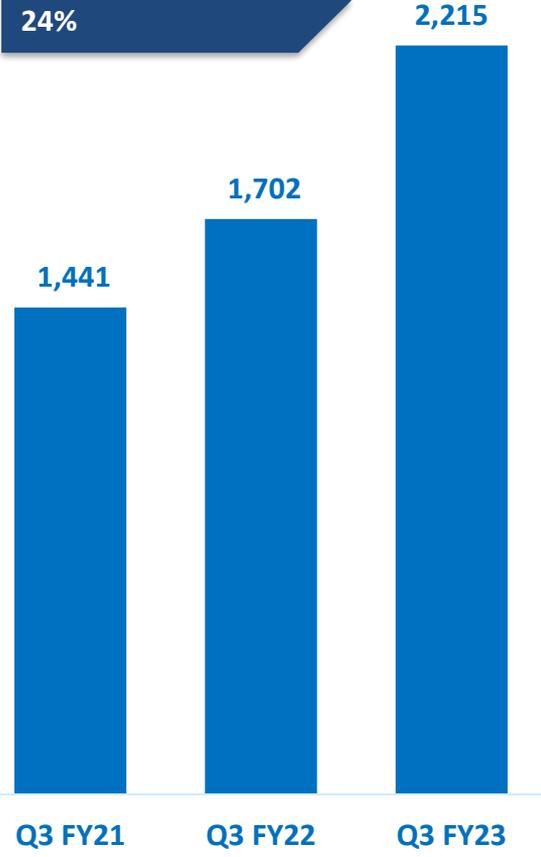
New Business

2 years CAGR* at 16%



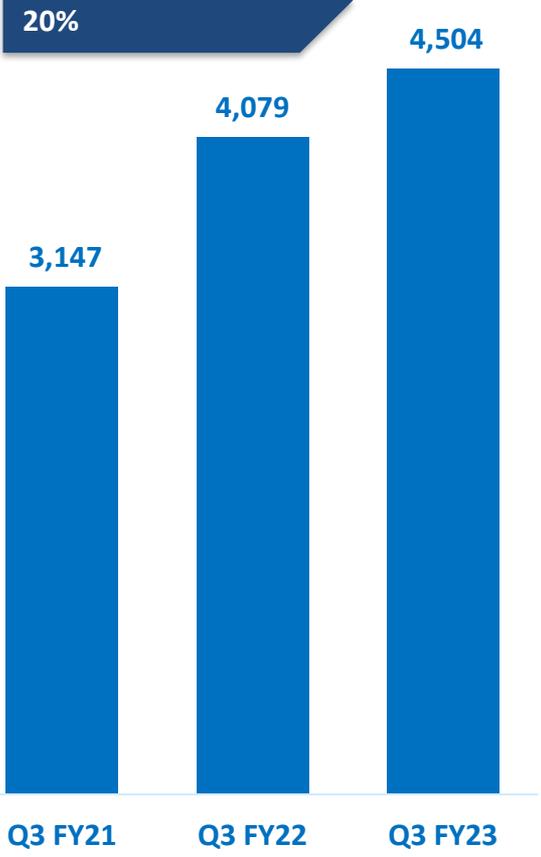
Renewals

2 years CAGR* at 24%



GWP

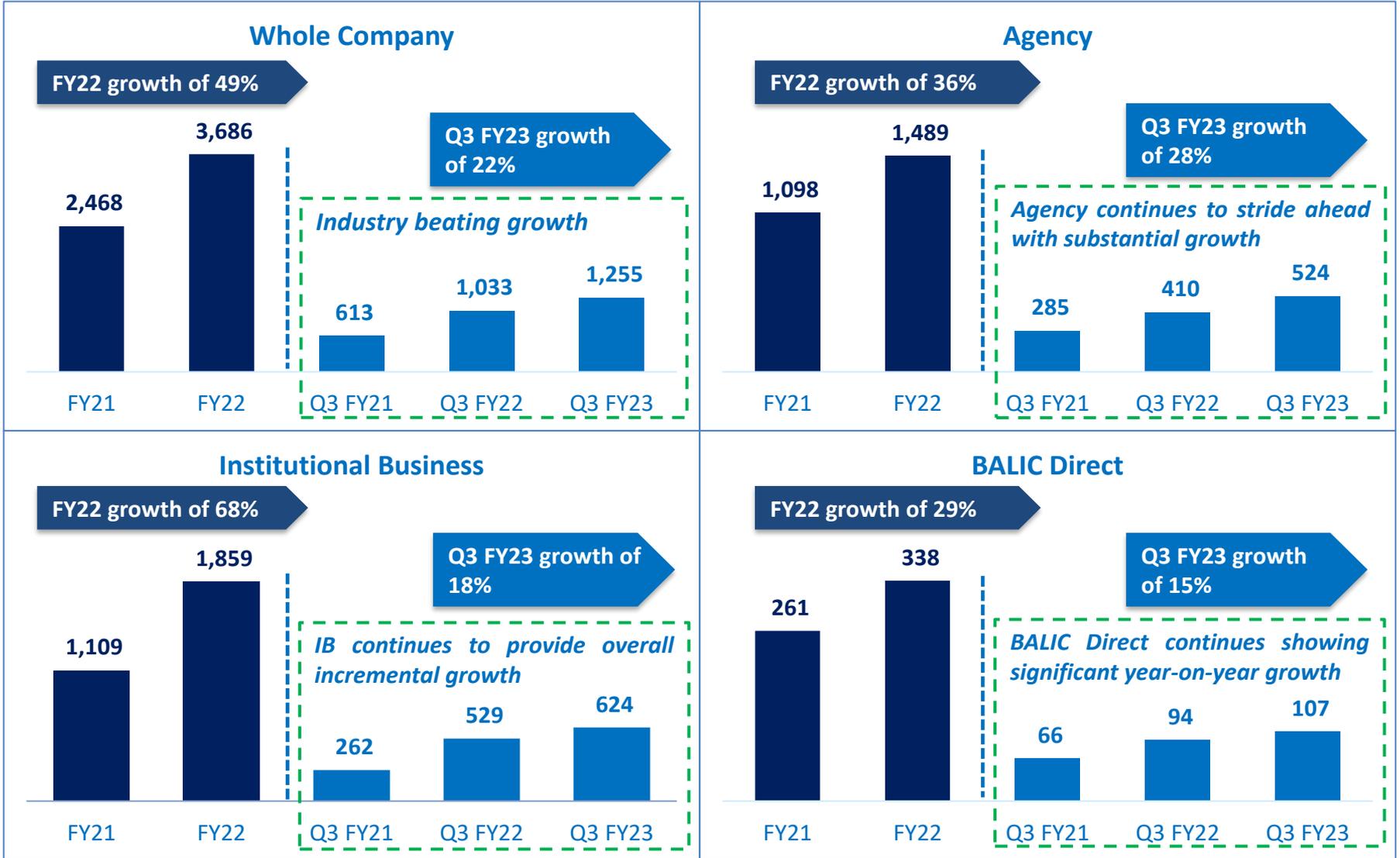
2 years CAGR* at 20%



- The topline related metrics for BALIC continue to grow and are well above the pre-COVID-19 levels
- 9M FY23 GWP grew by 25% to Rs. 13,028 Cr from Rs. 10,408 Cr in 9M FY22

* CAGR (Compounded Annual Growth Rate) is for the quarter

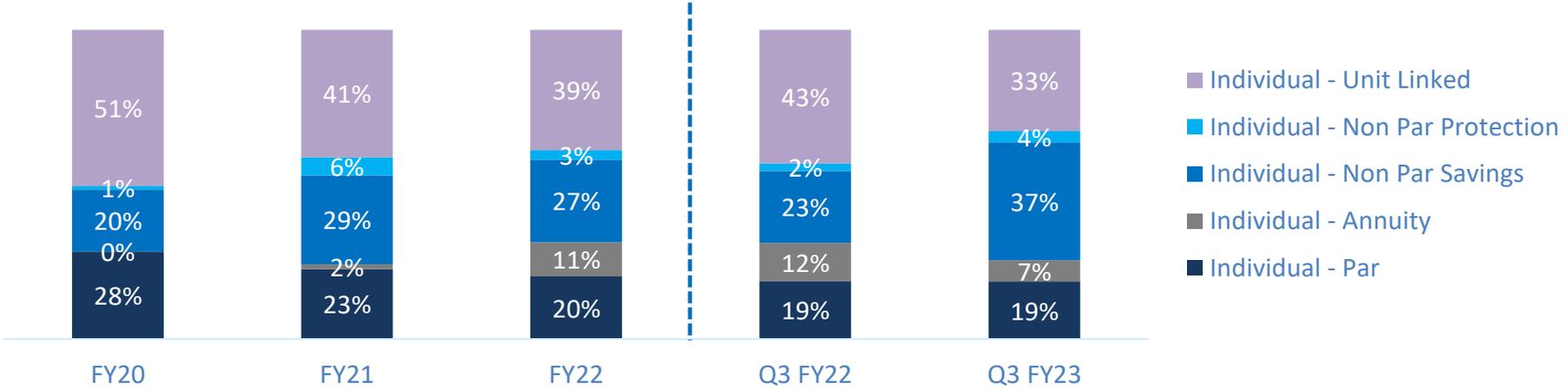
All Figures in Rs Crore



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

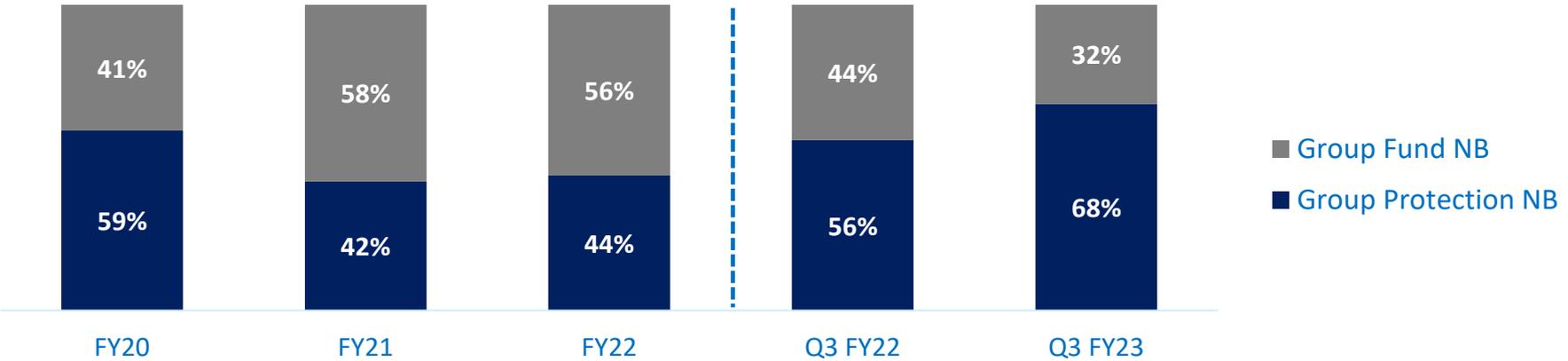
IRNB Mix

Share of Non-par savings stands at 37% in Q3 FY23

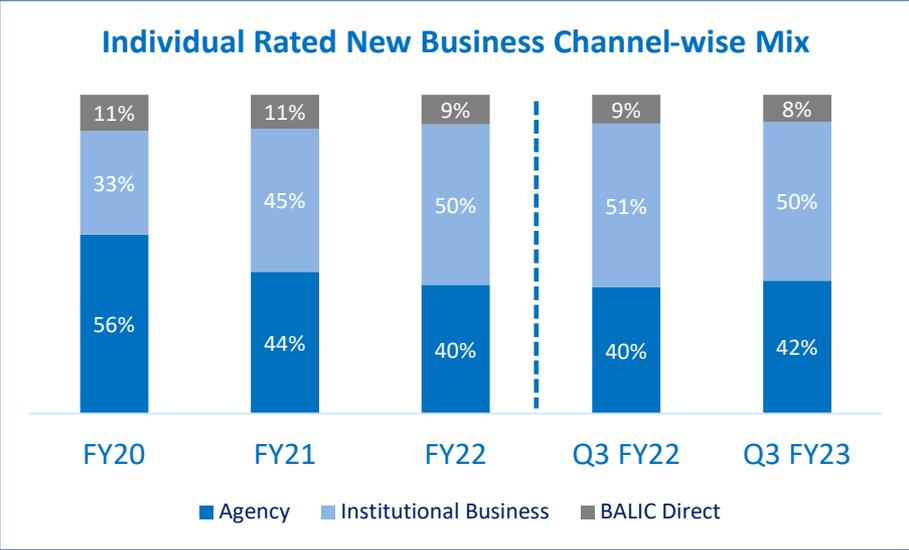


Group NB Mix

Protection (Group) new business in Q3 FY23 – Rs. 605 Cr (vs Rs. 717 Cr in Q3 FY22)



IRNB – Individual Rated New Business - (100% of first year premium & 10% of single premium excluding group products). Note: The components might not add up to total of 100% due to rounding off



- Greater balance between institutional and proprietary retail channels - Agency, Institutional Business and BALIC Direct contributing approximately 42%, 50% and 8% respectively in Q3 FY23 (in IRNB terms)
- Within existing retail channels, focus is to drive profitable product mix; improve sales productivity; drive cost efficiencies through hierarchical synergies, improving span of control and variabilization

Agency:

Focus on profitability and driving higher traditional Mix

- 3rd largest agency in private LI space (for 9M FY23); backed by 1.17 Lakh+ agents
- Continued balanced product mix with traditional individual rated new business mix at 60% in Q3 FY23
- Variabilization of Agency cost through low-cost models (15% contribution in 9M FY23 vs 9% in 9M FY22)

Institutional Business:

Building sustainable business through strong integration with partners

- Diverse mix of large and small partner banks, NBFC, brokers and web aggregators
- Axis bank share in total IRNB has remained stable (from 29% in Q3 FY22 to 28% in Q3 FY23)
- New Corporate Agency tie-ups with TamilNad Mercantile Bank, Punjab & Sind Bank and Jammu & Kashmir Bank

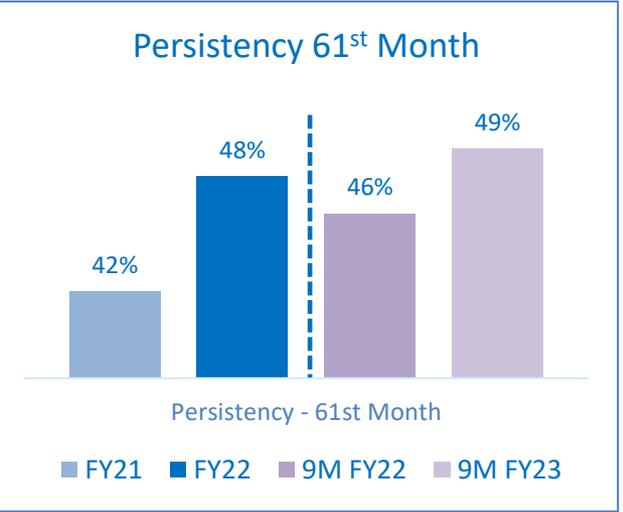
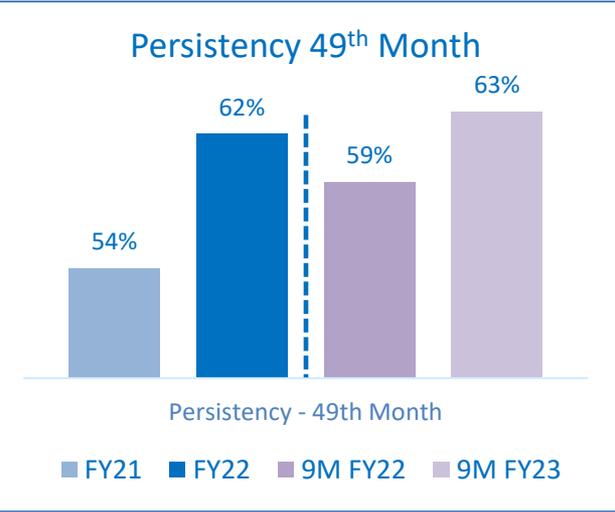
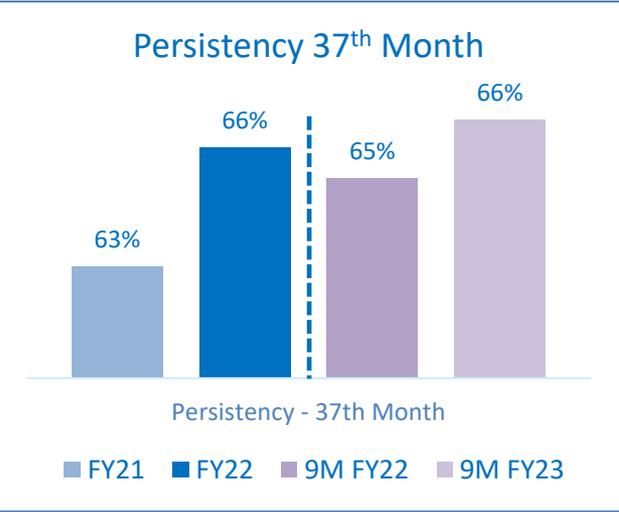
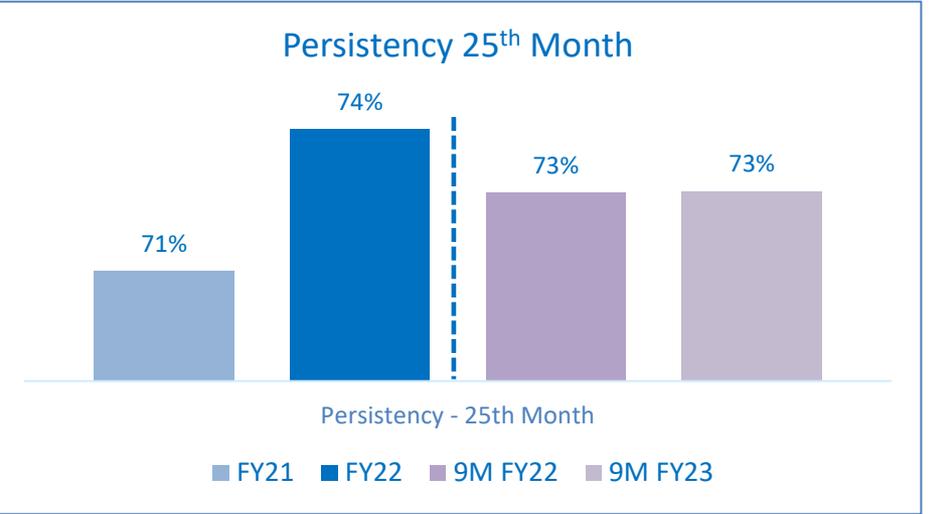
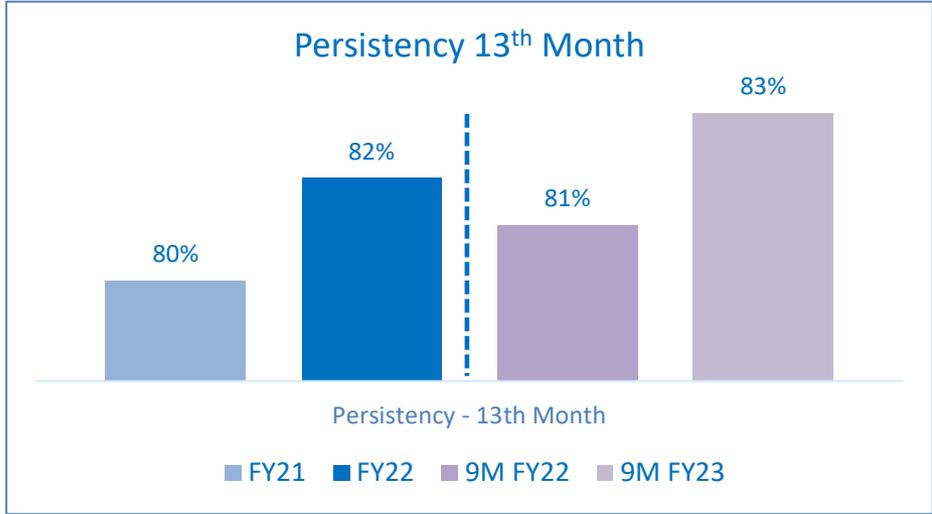
BALIC Direct :

Analytics backed, focused verticals for upsell and cross sell initiatives

- Presence in 165 cities, with Dedicated Verticals for various customer segments
 - ✓ Customer Portfolio Management
 - ✓ Service to Sales
 - ✓ Hub and Spoke
 - ✓ New to BALIC (NTB)
 - ✓ Defence
- Data and Analytics as a key pillar for Direct business

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

* Note: The components might not add up to total of 100% due to rounding off



Continued focus on renewal collection via various initiatives such as driving auto-payment registration, digital payments & higher distribution ownership have led to significant improvement in persistency across cohorts especially in the later buckets wherein 49th & 61st month have seen significant improvement of 4% & 3% respectively

*Note : Persistency as per IRDAI framework; Individual business excluding single premium and fully paid-up policies | The persistency ratios for the period ended have been calculated for the policies issued in December to November period of the relevant years

All Figures in Rs. Crore

	Q3 FY23	Q3 FY22	9M FY23	9M FY22	Rolling 12M FY23 ¹	Rolling 12M FY22 ²
Annualized Premium (ANP)*	1,419	1,206	3,883	2,779	5,468	3,923
Net New Business Value (NBV)**	210	152	535	314	843	533
Net New Business Margin (NBM) on ANP	14.8%	12.6%	13.8%	11.3%	15.4%	13.6%

- ❑ Since life insurance business is seasonal with large proportion of business written in Q4 and H2, rolling 12 months data is indicated for information only. This does not in any way imply a forecast or expectation for FY 2022-23
- ❑ NBV for the quarter has increased by 38% in Q3 FY23 over Q3 FY22, while NBV in 9M FY23 has increased by 71% as compared to 9M FY22

1 – Rolling 12M FY23 represents the business written between January 2022 to December 2022

2 – Rolling 12M FY22 represents the business written between January 2021 to December 2021

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

*ANP refers to annualized 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

Digital assets

Internal Assets

INStab
~22K Unique Users
26% increase in 9MFY23 over PY

iRecruit
~18 Lakhs total logins
57% increase in 9MFY23 over PY

LMS
~16K Unique users
40% increase in 9MFY23 over PY

WhatsApp for ICs
~23K Unique Users
159% increase in 9MFY23 over PY



Life Assist App
~3 Lakhs Unique Users
20% increase in 9MFY23 over PY

Customer Portal
~2 Lakhs Unique Users
4% increase in 9MFY23 over PY

WhatsApp
~9 Lakh Unique Users
71% increase in 9MFY23 over PY

iSupport
~15k service requests raised through Branch QR code in 9MFY23

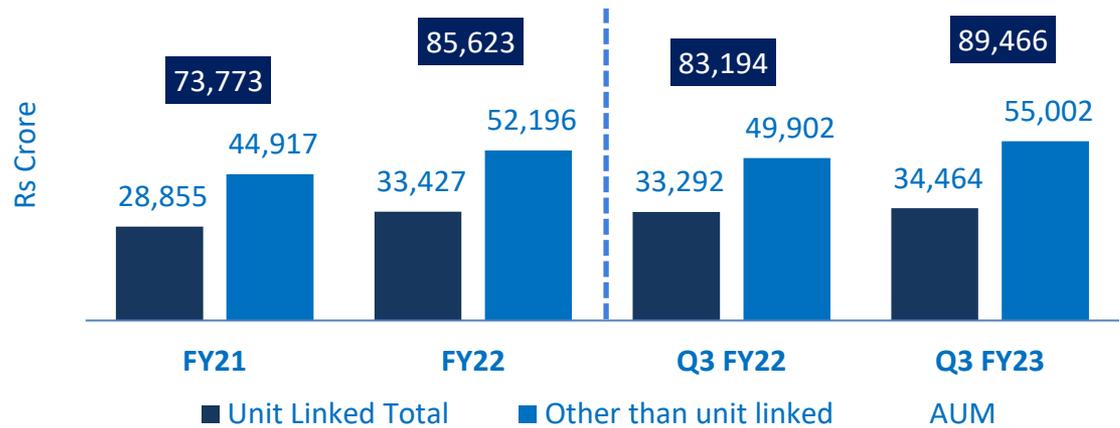
Customer-facing Assets



Digital QR Code | Sentimeter | DigiBanca | Customer Data Platform

* ICs : Insurance Consultants | LMS: Lead Management System; RMs: Regional Managers | QR: Quick Response

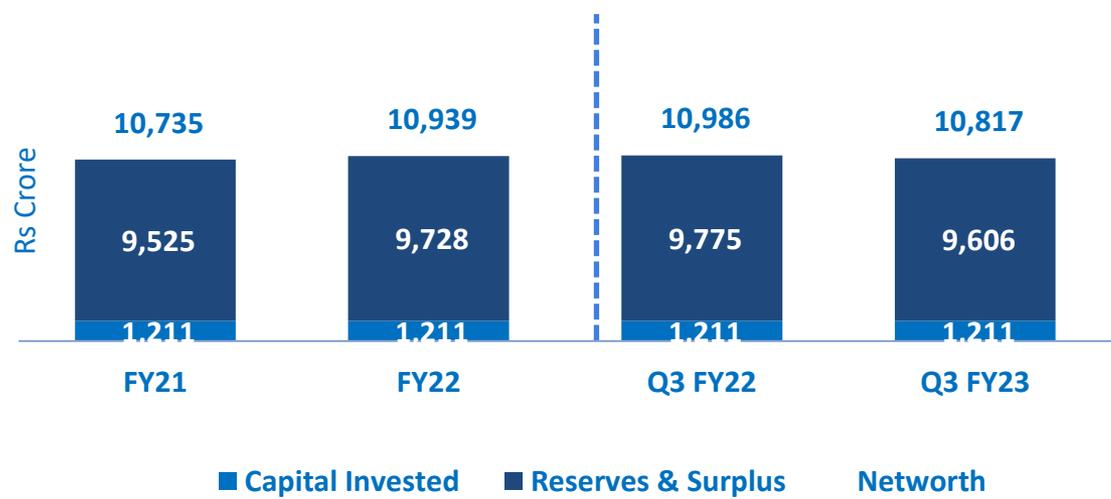
AUM (Mix)



- **AUM** as of 31 December 2022 **grew by 8%**; Growth in UL AUM stands at 4%; Traditional AUM grew by 10%
- Of the UL Funds of Rs. 34,464 crore, 71% is equity as on 31 December 2022 (71% as on 31 December 2021 out of the UL Funds of Rs. 33,292 crore)

Total Capital infused is Rs.1,211 Cr
No Capital infusion since FY08

Net worth



- BALIC's **accumulated profits are 88%** of the Net worth as on 31 December 2022

*Accumulated profit includes reserves and fair value change on equity investments

RISK MANAGEMENT

Product Pricing

- Prudent assumptions while product pricing
- Stress and scenario testing performed at pricing stage
- Regular review of pricing based on prevailing interest rates

Asset Liability Management (ALM)

- Interest rate risk on the Individual Non-Participating Savings, Protection and Annuity portfolio managed through partly paid bonds, and Forward Rate Agreements
- ALM focused on cashflow matching
- Underlying bonds on Forward Rate Agreements are chosen based on liability profile.
- For annuities, there is continuous monitoring of business mix in different variants, age bands and deferment period

Ongoing Risk Management

- Prudent interest rate assumptions to ensure adequacy of statutory reserves
- Periodic product condition monitoring, periodic sensitivity & stress testing
- Regular monitoring of business mix
- Mortality risk is managed by diligent in-house underwriting, analytics driven risk scoring and appropriate reinsurance arrangements
- Additional provisions set aside for COVID-19 claims

Bajaj Finserv Direct Ltd (Bajaj Markets)

STRATEGY

BFSD is a **unique & diversified Marketplace** for **Financial Services** and **eCommerce** which **acquires** a large number of consumers and **cross-sells** products by **leveraging Technology & Analytics**.

DIFFERENTIATORS

Diversified Marketplace Business Model

- Open Architecture platform offers Financial products' variants across Loans, Cards, Insurance, Investments & Payments as well as Electronics & Lifestyle product options in partnership with leading industry players

Choice, Cost & Convenience

- Wide choice from offerings of 50+ manufacturers
- 'Compare, select & buy'
- Convenience of end-to-end digital journey and frictionless fulfilment

Digital Technology

- Cloud based digital native architecture leveraging API ecosystem, Big Data, modern web and app technologies

Advanced Analytics

- Leveraging large customer franchise and its digital footprint through advanced analytics to give personalized recommendations and increase cross-sell penetration

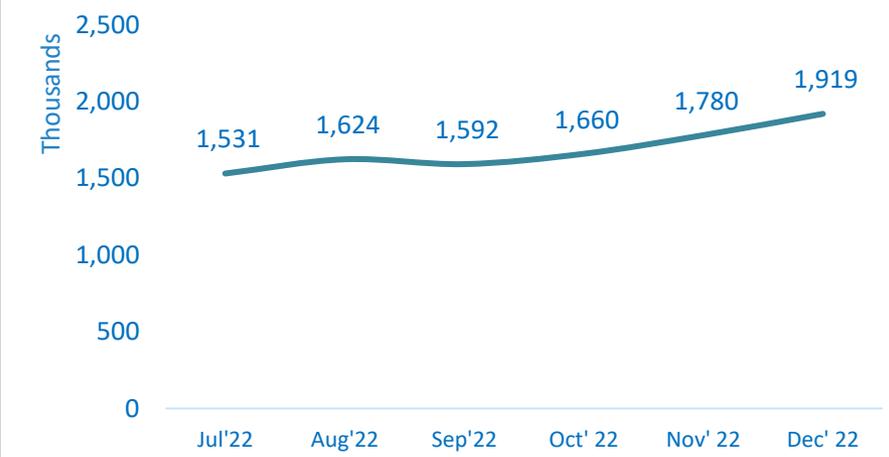
Organic Visits (in Thousands)



Total Revenue (Rs lakh) / Total Opex (Rs lakh)



App - Monthly Active Users



Transacting customers



- In Q3 FY23 Bajaj Markets reported **Total Income of Rs. 104 Cr** v/s Rs. 66 Cr in Q3 FY22
- Profit (Loss) after tax was Rs. (11) Cr in Q3 FY23 v/s Rs. (27) Cr in Q3 FY22 ; Net Worth as on 31 Dec 2022 stood at Rs. 605 Cr
- Cumulative Capital Infused till 31 Dec 2022 was Rs. 807 Cr (BFS share Rs. 525 Cr); No new capital infused in Q3 FY23

Bajaj Finserv Health Limited

STRATEGY

- Health Management platform to solve for Access and Financing of healthcare to Indian consumers
- Making healthcare Prepaid, Preventive and Personalized by covering Hospitalization, Diagnostics and Doctor consultation spends

DIFFERENTIATORS

Digital Experience

- Comprehensive digital journey for buying, transaction or engagement
- Seamless cashless booking experience

Extensive Provider Network for digital cashless healthcare

- 1,20,000+ Doctors on platform
- 6,000+ lab touch points
- 1,800+ hospitals on network

Customised Product Management

- Differentiated product plans for retail and corporate customers
- Cumulative 9 lakh users on renewable plans

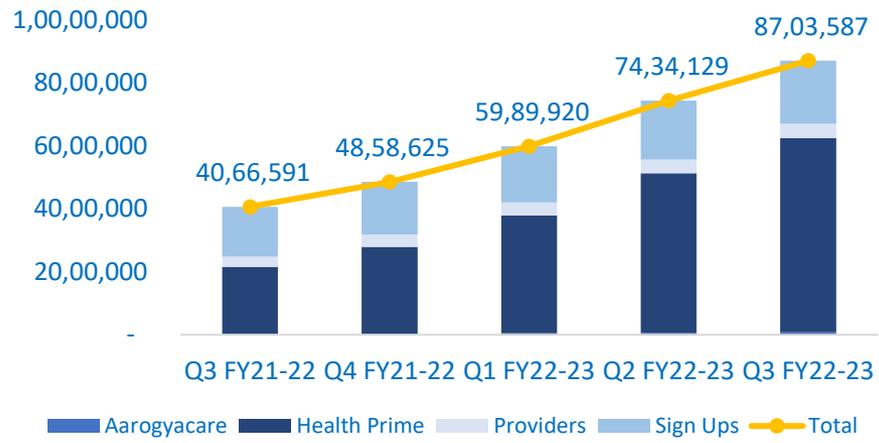
Deep investment in technology and analytics

- App first approach
- Microservice architecture

Leading Healthcare transformation

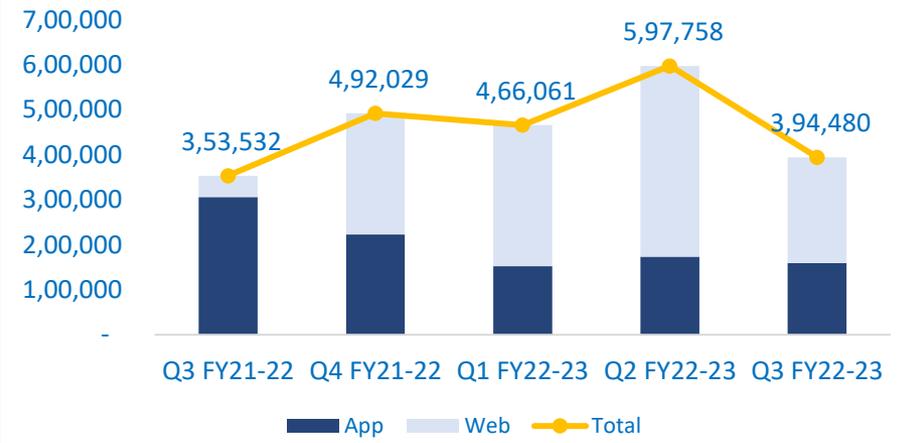
- Integration with ABDM for Health ID, HIP and HIU services, and portable health records
- Wellness modules for preventive healthcare

REGISTERED USERS (CUMULATIVE)



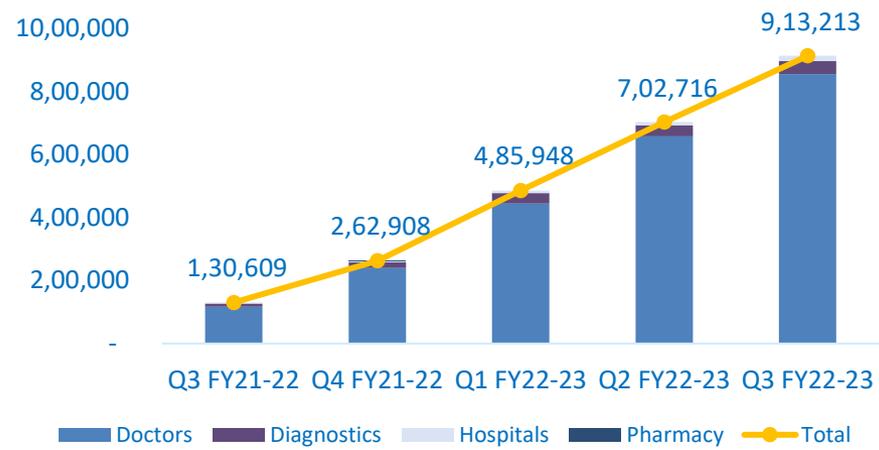
*Cumulative users registered on platform or holding a product

MONTHLY ACTIVE USERS



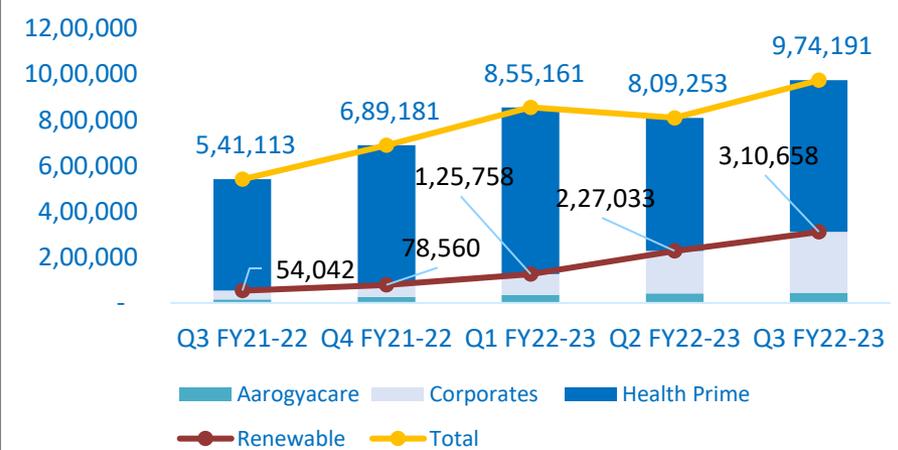
*Users doing any interaction on platform

TRANSACTIONING CUSTOMERS



*Health related transactions across healthcare provider points

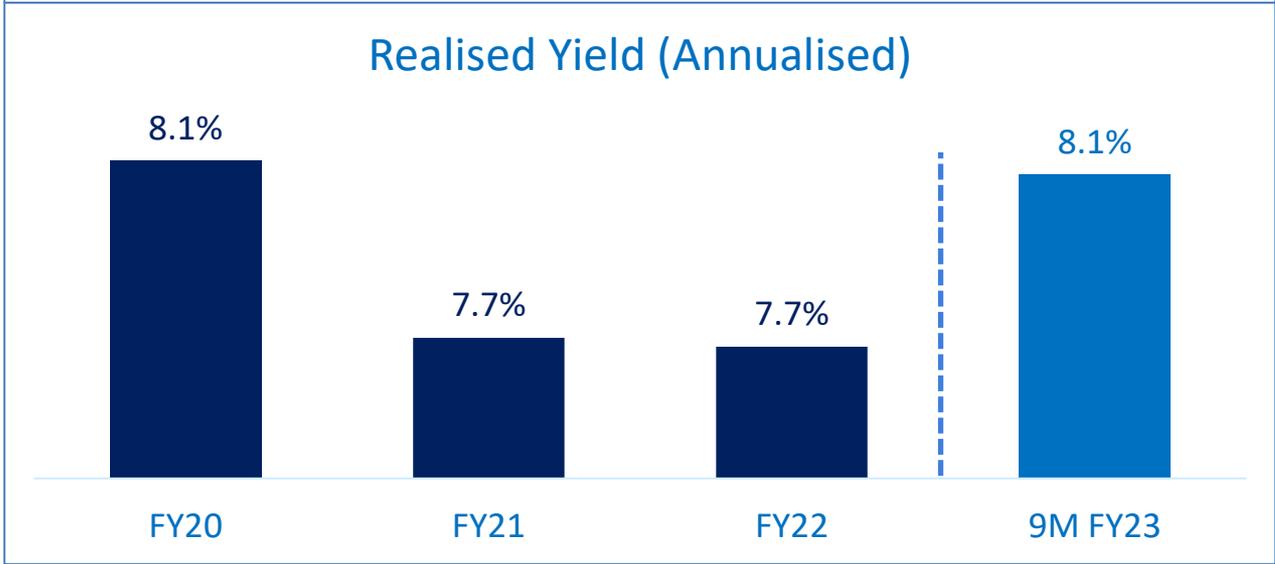
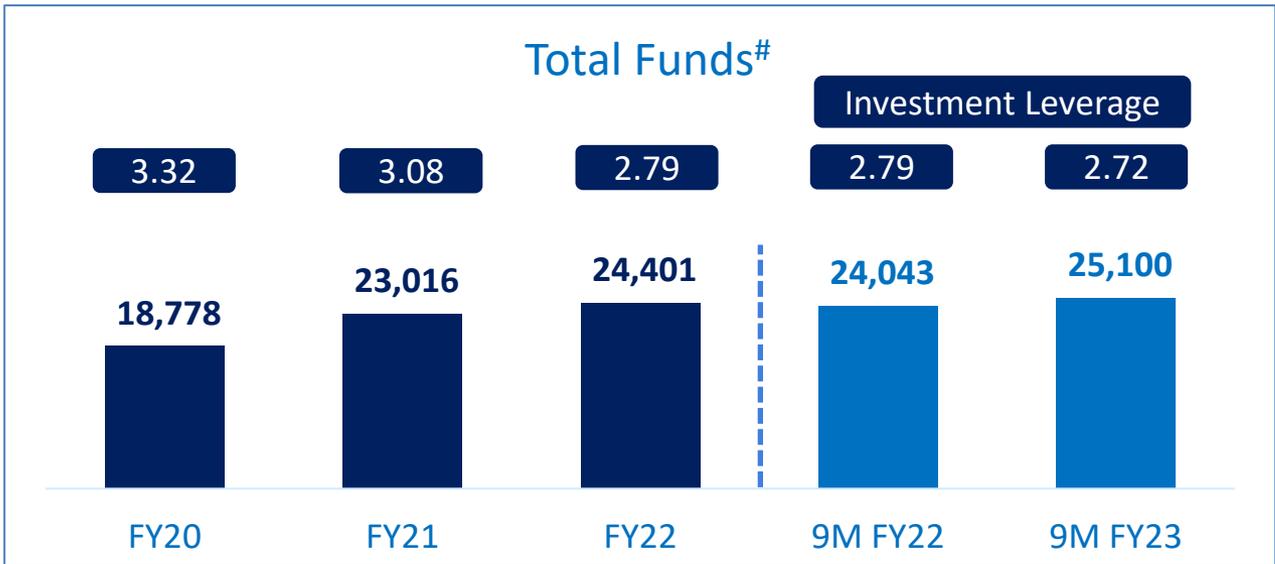
PAYING USERS



*Users paying for services - one time or renewable

- In Q3 FY23 Bajaj Finserv Health reported **Total Income of Rs. 45.1 Cr** v/s Rs. 27.6 Cr in Q3 FY22
- Profit (Loss) after tax was Rs. (56.7) Cr in Q3 FY23 v/s Rs. (38.9) Cr in Q3 FY22; Net Worth as on 31 Dec 2022 stood at Rs. 52.7 Cr
- Cumulative Capital Infused till 31 Dec 2022 was Rs. 405 Cr; Capital infused in Q3 stood at Rs. 35 Cr

Additional Information – BAGIC



- ❑ Investment Portfolio mix for Q3 FY23: Corporate bonds 24.6%, G-Sec 63.9%, Equity* 9.1%, and Money Market 2.2%
- ❑ Unrealized loss of Rs. 83 crore as on 31 December 2022
- ❑ We have booked Rs. 431 crore of capital gains during 9M FY23

Investment Leverage : AUM as of date / Net worth as of date | *Equity includes AT1 bonds, Mutual Fund Units, Equity and ETF
 # Total Funds at market value

Line of Business	Net Loss Ratio			
	Q3 FY23	Q3 FY22	9M FY23	9M FY22
Fire	26.2%	64.7%	35.0%	71.3%
Marine Cargo	54.7%	70.6%	77.8%	72.3%
Motor OD	67.6%	69.9%	72.9%	64.3%
Motor TP	76.6%	65.6%	82.2%	72.6%
Motor Total	72.9%	67.5%	78.4%	69.0%
Engineering	55.1%	46.8%	45.4%	68.6%
Personal Accident	31.4%	19.7%	41.9%	36.6%
Health (Retail+Group)	74.8%	87.5%	77.2%	100.0%
Crop	111.2%	73.2%	96.1%	72.2%
Total	72.1%	69.6%	75.1%	74.4%
Total (Ex Crop)	68.6%	69.5%	73.7%	74.5%

Net Loss Ratio = Net claims incurred divided by Net Earned Premium | LOB trend for major LOB

Line of Business	GDPI Growth	
	Q3 FY23 BAGIC Growth	9M FY23 BAGIC Growth
Commercial Lines**	14.9%	15.2%
Motor OD	13.5%	12.9%
Motor TP	-0.2%	6.6%
Motor Total	5.5%	9.3%
Personal Accident + Travel	31.9%	51.4%
Health (retail + group)*	30.0%	22.5%
Total	28.6%	11.4%
Total (Ex Crop & Govt. Health)	12.8%	14.6%

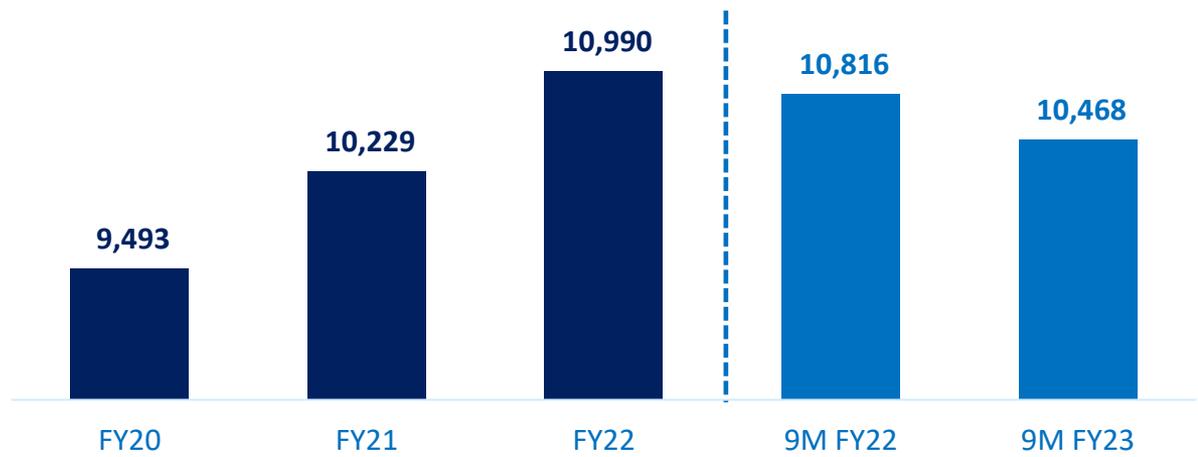
*Health includes Retail and Group, and excludes Govt. Health | PA includes retail and group business

** Commercial Lines : Fire, Marine, Engineering & Liability

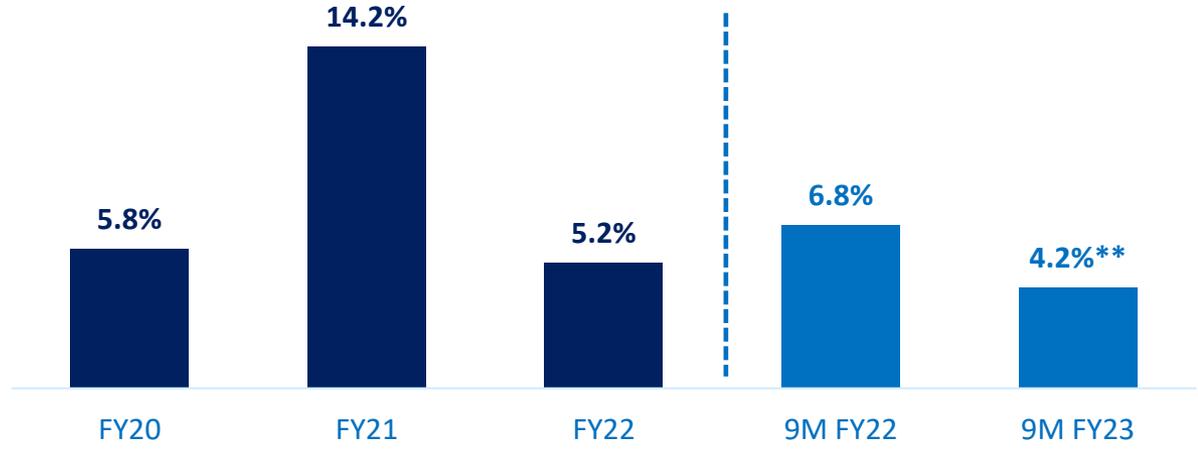
Additional Information – BALIC

All Figures in Rs Crore

AUM



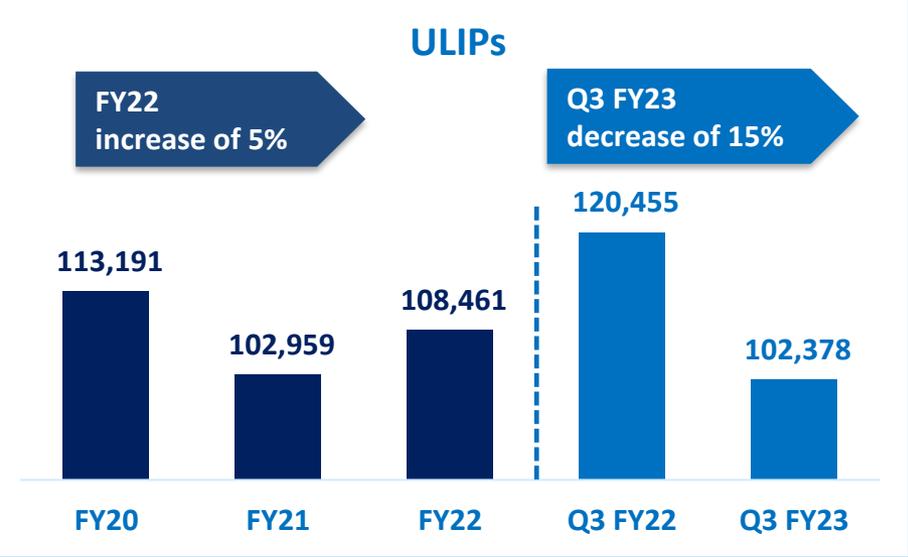
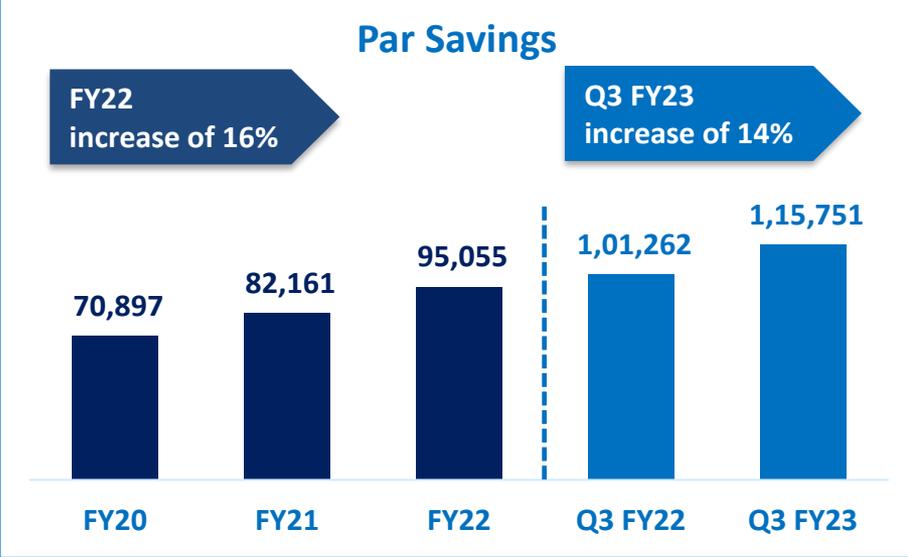
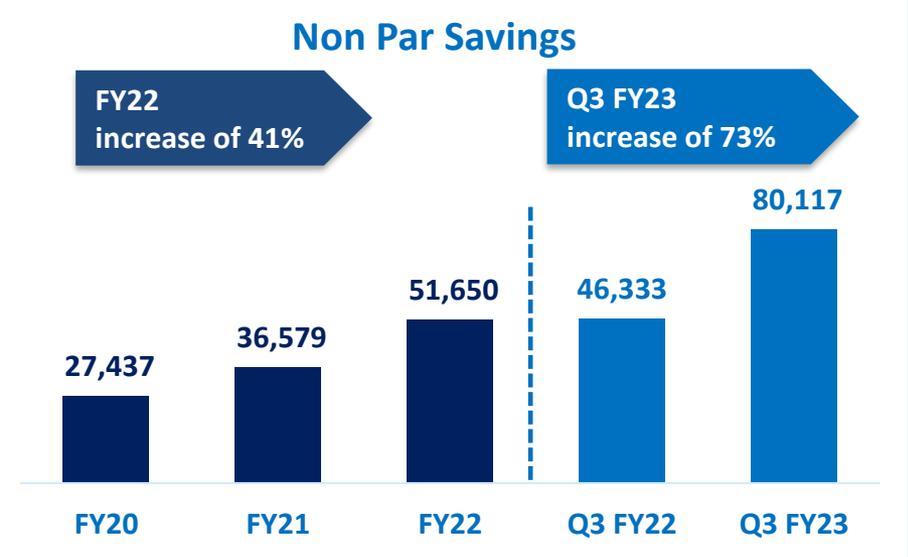
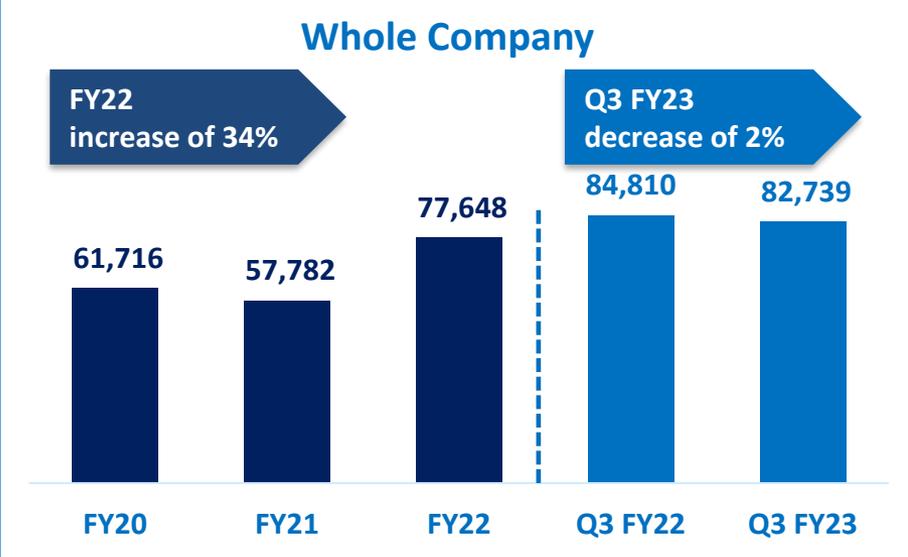
Total Return*



- ❑ Asset mix as on 31 December 2022: Corporate Bonds 24.7%, G-Sec 44.0%, Equity 17.1%, FD & other assets 14.1% (on Market value basis)
- ❑ Capital gains booked in 9M FY23 were Rs. 220 cr
- ❑ Unrealized gains/(loss) in the Shareholder Fund was Rs. 61 cr as on 31 December 2022
 - Unrealized gain on equity portfolio Rs. 240 cr
 - Unrealized gain/(loss) on other than equity portfolio Rs. (179) cr

~On Market Value Basis | *Total return includes change in unrealized gains & impairment charged during the period, Current yield is annualised | **While return in 9M FY23 is lower mainly on account of Mark-to-Market Losses of Rs. 340 cr, return is higher in 9M FY22 on account of higher Mark-to-Market gains of Rs. 28 cr ; AUM : Assets under Management

All Figures in Rs.



“ESG is not just the right thing to do, it is what will shape a better tomorrow for all.”

Governance	Reaching Financial Services to Million of Indians	Preserving and Protecting Environment
<ul style="list-style-type: none"> • Board approved ‘Responsible & Sustainable Business Conduct Policy’ across material subsidiaries • Liquidity / solvency continues to be higher than the statutory requirement • Adoption of Responsible Investment principles by Insurance subsidiaries 	<ul style="list-style-type: none"> • Financial products and services through 4,200 branches across subsidiaries • Crop insurance to more than 6.6 million farmers in last 4 years • Maintaining higher contribution from rural sector in insurance subsidiaries as per IRDAI. • Continued servicing of Government backed financial inclusion programmes such PMAY, PMJJBY, Ayushman Bharat PMJAY, etc. 	<ul style="list-style-type: none"> • Renewable power generated is higher than the electricity consumed • BFL adopted Environmental Policy to exclude commercial lending for specific lines of businesses and activities • 1400 MW renewable power generation facilities insured in FY22
Empowering Society	Customer Centricity	Human Capital
<ul style="list-style-type: none"> • More than 1.2 million people benefited over the years through active CSR projects as on 31 March 2022 • 20,000+ students (~70% women) enrolled for BEYOND, since inception (10,000+ during FY22) • More than 76,000 children and 157,000 women were provided with access to primary healthcare facilities. 	<ul style="list-style-type: none"> • Charters and policies to protect interest of customers • Use of technology to enhance customer product experience with improvement in customer education and awareness • Conducted customer trainings and awareness campaigns – Fraud prevention- ‘Savdhaan Rahein , Safe Rahein’, ‘Be Cyber safe’, etc. 	<ul style="list-style-type: none"> • Gender pay parity with median remuneration for FY2022 at Rs 0.05 crore across the Group • Counselling sessions on mental health and wellbeing availed by 4,500+ employees • 50,000+ employees upskilled / multi-skilled through trainings

Reported figures are extracts from our BRSR-FY22 report available [on our website](#).
 BEYOND – certification program in banking, finance and insurance offered by Bajaj Finserv Group, MM: Million, Insurance Regulatory and Development Authority of India (IRDAI), PMAY- Pradhan Mantri Awas Yojana, PMJJBY- Pradhan Mantri Jeevan Jyoti Bima Yojana, PMJAY- Pradhan Mantri Jan Arogya Yojana,

Thank You

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