

20 January 2022

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

Dear Sir/Madam,

**Subject: Investor Presentation for the financial results of the quarter ended 31 December 2021 - Regulation 30**

Further to our letter dated 17 January 2022, please find enclosed Investor Presentation for the financial results of the third quarter ended 31 December 2021 under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule III thereto.

The aforesaid Investor Presentation includes additional relevant disclosures of material impact of COVID-19 on the Company and its material subsidiaries as required under the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20 May 2020.

This is for your information please.

Thanking you,

Yours faithfully,  
**For Bajaj Finserv Limited**

**Uma Shende**  
**Company Secretary**  
Email Id- [Investors@bajajfinserv.in](mailto:Investors@bajajfinserv.in)

Encl: as above.



# BAJAJ FINSERV LIMITED

Investor Presentation – Q3 FY22\*

# Bajaj Group Structure

Bajaj Holdings & Investment Limited (Listed)

@33.43%<sup>2</sup>

Bajaj Auto Limited (Listed)

Auto Business Arm



Bajaj Finserv Limited (Listed)

Financial Services Arm

@39.16%<sup>1</sup>

Maharashtra Scooters Limited (Listed)

Auto spare parts Manufacturer

51%

52.65%<sup>3</sup>

Bajaj Finance Limited (Listed)\*

74%

Bajaj Allianz General Insurance Limited

74%

Bajaj Allianz Life Insurance Limited

100%

Bajaj Finserv Direct Limited

100%

Bajaj Finserv Health Limited

100%

Bajaj Housing Finance Limited

100%

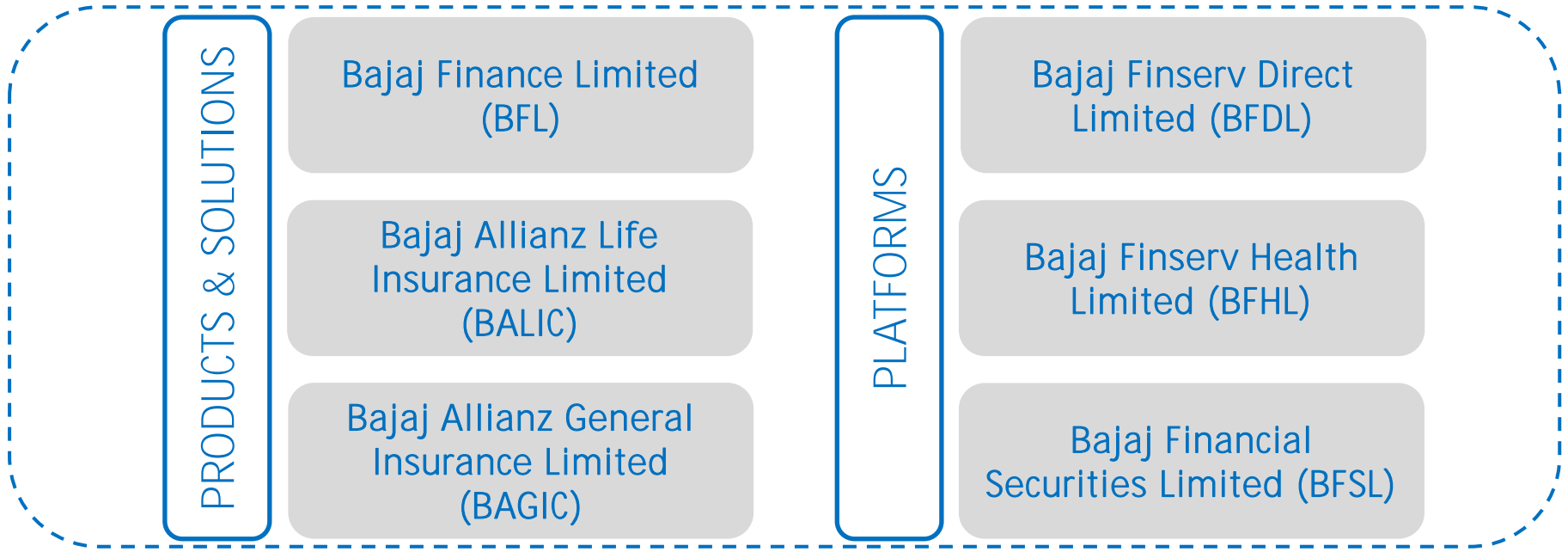
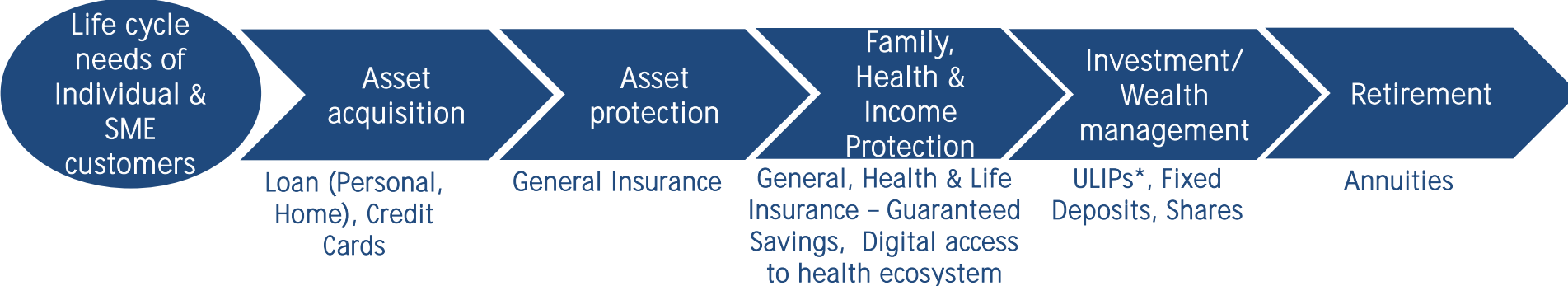
Bajaj Financial Securities Limited

1. 60.8% holding via promoter holding & promoter group
2. 53.73% holding via promoter holding & promoter group
3. 56.03% holding via promoter holding & promoter group

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

Bajaj Finserv Limited (BFS) shareholding in Bajaj Finance Limited (BFL) was 52.74% as on 31 Mar 2021. Bajaj Housing Finance Limited (BHFL) is a 100% subsidiary of BFL which became fully operational in Feb 2018. Bajaj Financial Securities Limited (BFSL) is 100% subsidiary of BFL which became fully operational in Aug 2019. Maharashtra Scooters Limited (MSL) is termed as an unregistered Core Investment Company. Note: Shareholding is as of 31 December 2021.

# 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 has been incorporated on 18 October 2021
- BFS 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 Finserv 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

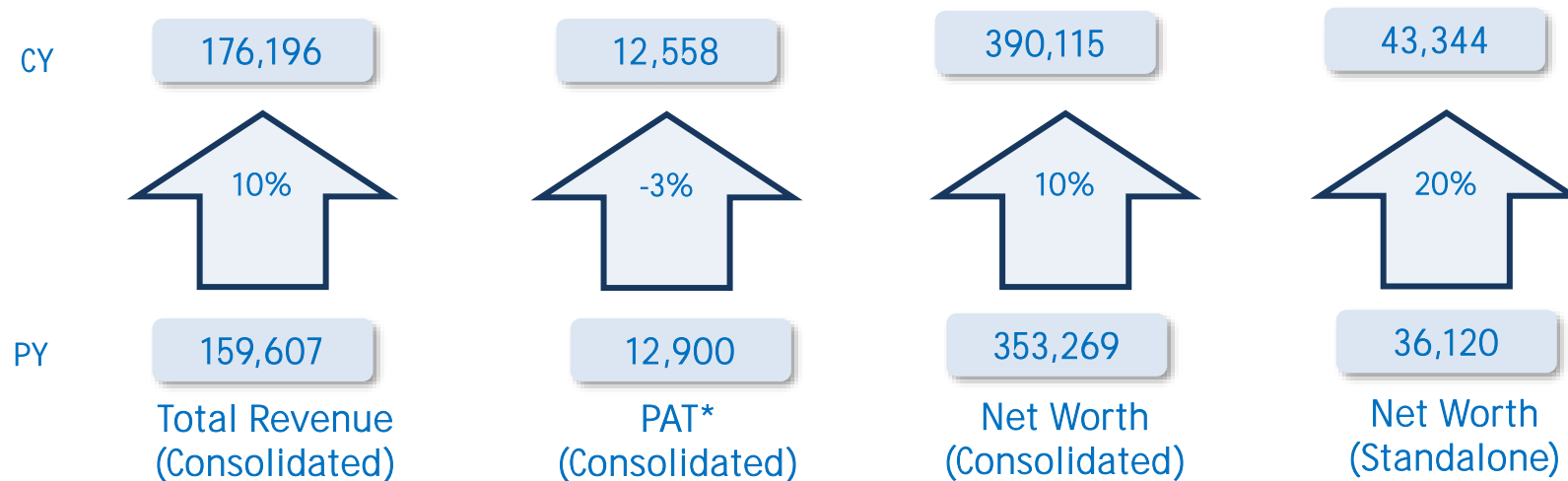
- One Finserv - Group Talent mobility
- Group Young Leader Management Trainee Program
- 30 Under 30 Program
- 3 Tier Merit based remuneration plans combining fixed cash, annual bonus and ESOPs

## 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

All Figures in Rs Million

## Performance Highlights of Q3 FY22 over Q3 FY21 (Ind AS)



- Bajaj Finserv remains a debt free company. Bajaj Finserv's surplus funds (Excluding Group Investments) stood at Rs. 16.9 Bn as on 31 December 2021 (Rs. 10.3 Bn. as on 31 December 2020)
- Consolidated Book Value Per Share at Rs. 2,452 as on 31 Dec 2021 (Rs. 2,220 as on 31 Dec 2020)
- PAT includes unrealized mark-to-market (MTM) losses on equity investments measured at fair value through profit and loss of BALIC and BAGIC of Rs. 380 Mn in Q3 FY22 as compared to MTM gains of 3,840 Mn in Q3 FY21

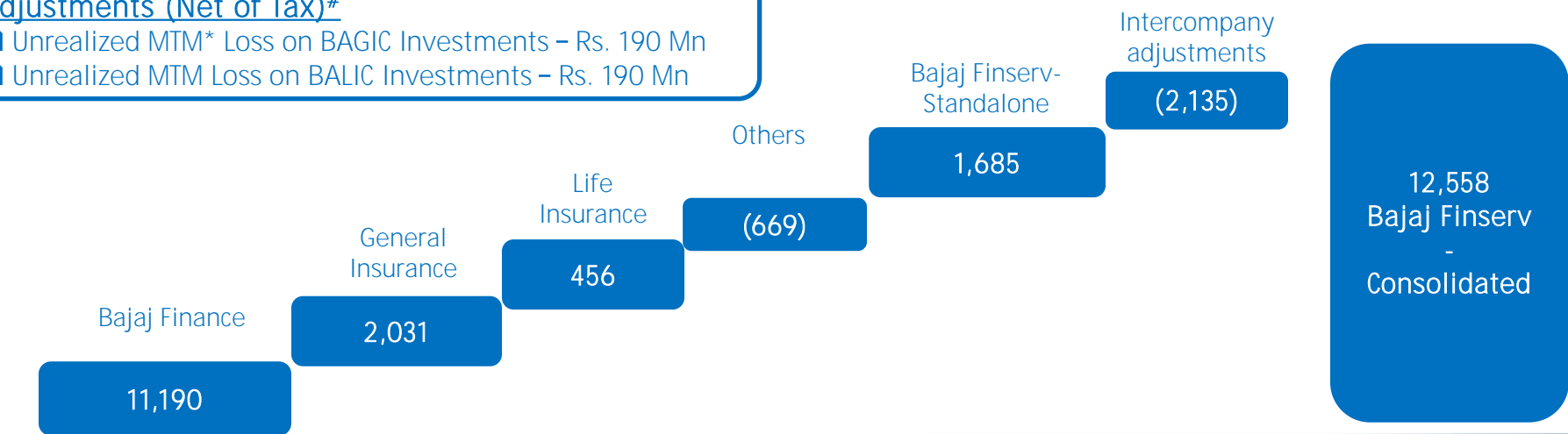


# Consolidated profit components – Q3 FY22

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

### Adjustments (Net of Tax)#

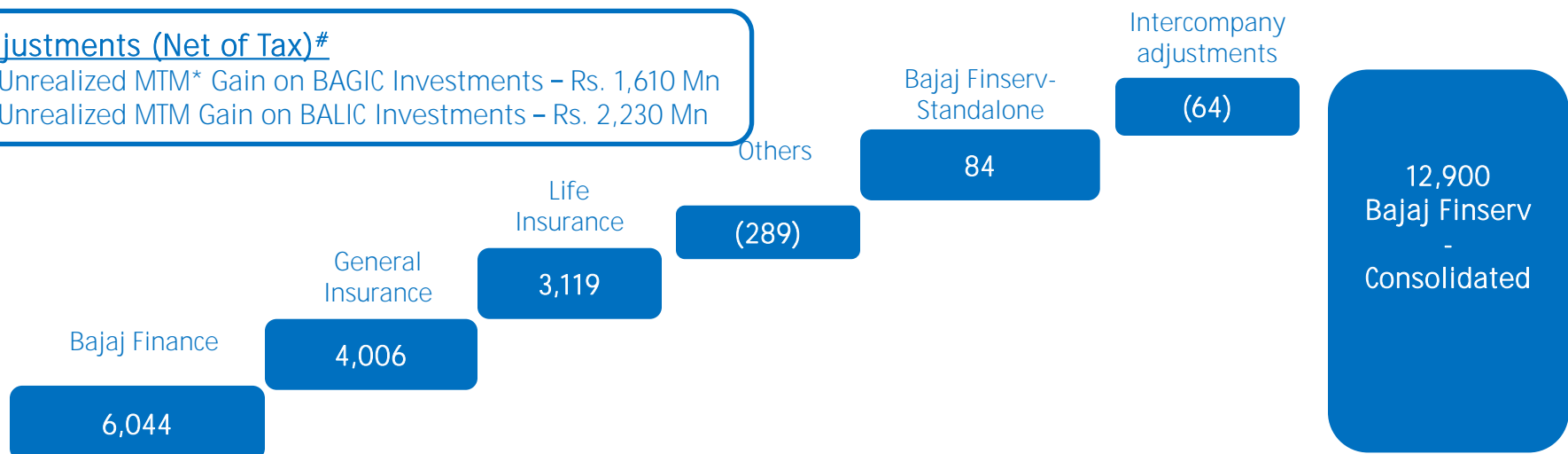
- ❑ Unrealized MTM\* Loss on BAGIC Investments – Rs. 190 Mn
- ❑ Unrealized MTM Loss on BALIC Investments – Rs. 190 Mn



## Consolidated profit components for Q3 FY21 (Ind AS)

### Adjustments (Net of Tax)#

- ❑ Unrealized MTM\* Gain on BAGIC Investments – Rs. 1,610 Mn
- ❑ Unrealized MTM Gain on BALIC Investments – Rs. 2,230 Mn





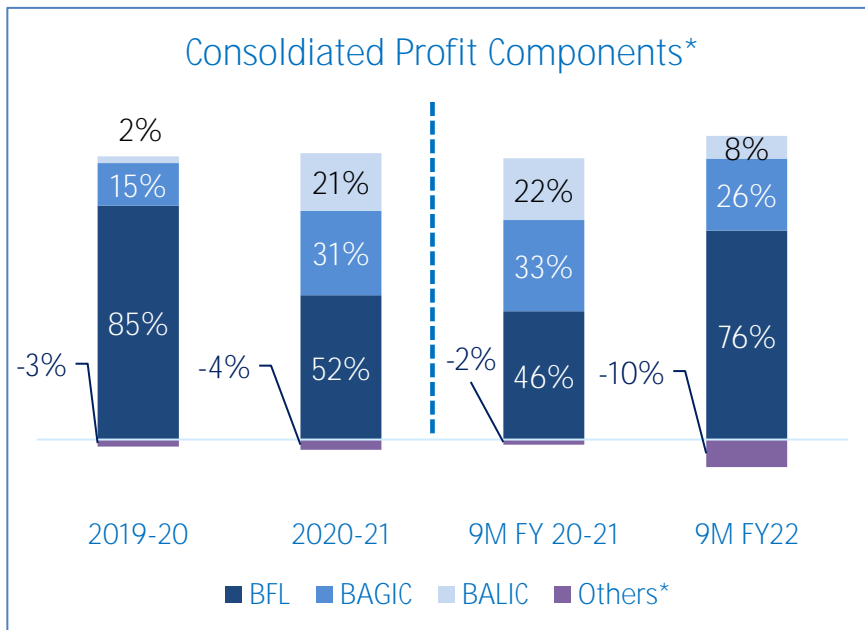
All Figures in Rs Million

## Highlights of Group Companies

BAJAJ FINSERV#	9M FY22	9M FY21	Growth
Total Revenue	495,773	452,043	10%
Net worth	390,115	353,269	10%
PAT	32,107	34,914	-8%

#Consolidated Ind AS

BAJAJ FINANCE#	9M FY22	9M FY21	Growth
AUM	1,812,499	1,435,502	26%
Total Income	230,101	198,281	16%
PAT	46,087	30,732	50%
PPOP <sup>^</sup>	103,401	89,075	16%



BAGIC	9M FY22	9M FY21	Growth
GWP	104,883	98,370	7%
Investments	239,767	218,731	10%
PAT	10,911	10,572	3%
Combined Ratio	100.0%	96.8%	-3.2% <sup>abs.</sup>

BALIC	9M FY22	9M FY21	Growth
GWP	104,083	75,235	38%
Investments	831,938	702,950	18%
PAT	2,761	3,463	-20%
NBV & NBM <sup>**\$</sup>	3,137   11.3%	1,419   8.0%	121%   3.3% <sup>abs.</sup>

- Bajaj Finserv and Bajaj Finance figures are as per Indian Accounting Standard (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 - New Business Margin, abs - Absolute Value, \*Others includes Bajaj Finserv Standalone, and all remaining components

<sup>^</sup> - Pre Provision Operating Profit Before Tax, \$ - On 12 month rolling basis, NBM for the period ended Dec'21 is 13.6% vs 10.4% for the period ended Dec'20



Bajaj Finance Limited

## STRATEGY

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

## DIFFERENTIATORS

Focus on mass affluent and above clients

Overall customer franchise of 55.36 Mn. and Cross sell client base of 31.26 Mn.

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. 75% of new loans in Q3 FY22 were to existing clients

Highly agile & highly innovative

Continuous improvement in features of products & timely transitions to maintain competitive edge

Deep investment in technology and analytics

Has helped establish a highly metricised company and manage risk & controllership effectively

Diversified asset mix supported by strong ALM and broad-based sources of borrowings

Consolidated lending AUM mix for Consumer : Rural : SME : Commercial : Mortgage stood at 34%: 10%: 13%: 11%: 32% as of 31<sup>st</sup> December 2021  
Consolidated borrowing mix for Banks: Money Markets: Deposits: ECB stood at 29%: 47%: 20%:4%

## BAJAJ FINANCE

### Consumer

- Largest consumer electronics, digital products & lifestyle lender in India
- Presence in 1,368 locations with 92,900+ active points of sale
- Amongst the largest personal loan lenders
- EMI Card franchise of over 27.5 Mn. cards in force
- Among the largest new loans acquirers in India 7.44 Mn in Q3 FY22
- Bajaj Finserv – Mobikwik active wallet users stood at 21.8 Mn as on 31 Dec 2021 who have linked EMI card to wallet
- Bajaj Finserv – RBL Bank co-branded credit card stood at 2.59 Mn as of 31 Dec 2021

### SME

- Focused on affluent SMEs with an average annual sales of around Rs. 150-170 Mn 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
  - ✓ Light engineering
  - ✓ Financial institutions
- Structured products collateralized by marketable securities or mortgage
- Financing against shares, mutual funds, insurance policies and deposits

### Rural

- Unique hub-and-spoke model in 2,055 locations and retail presence across 27,900+ points of sale
- Diversified rural lending model with 10 product lines across consumer and SME business categories

- ❑ Q3 FY22 was an excellent quarter as company delivered on all its long-term financial guidance metrics – AUM & Profit growth, return on assets, return on equity, gross & Net NPA
  - Focus on customer franchise addition continues; With increase in adoption of new App, annual customer franchise addition should accelerate to 8-9 Mn
- ❑ Despite increased competitive intensity across products post wave 2, BFL has largely been able to protect its margin profile across businesses
- ❑ Debt management efficiencies across products improved further in Q3 FY22
  - GNPA for the quarter reduced by Rs. 9,952 Mn from Rs. 41,030 Mn as of 30 September 2021 to Rs. 31,078 Mn as of 31 December 2021
  - NNPA as of 31 December 2021 was Rs. 13,799 Mn vs Rs. 18,260 Mn as of 30 September 2021
  - Given the uncertainty of COVID waves, company has increased its management overlay provisions by Rs. 2,510 Mn during the quarter
- ❑ During the quarter, Company raised ~Rs. 2,722 Cr of fixed rate NCDs in 3-year and above tenor to gain from historically low interest rates; Includes Rs. 2,117 Cr raised in 10-year and above tenor
  - Deposits book grew by 28% on a YoY basis - Retail : Corporate mix stood at 69:31 in Q3 FY22; Cost of funds largely stable at 6.72% in Q3 FY22
  - Liquidity buffer was approximately at ₹ 144,000 Mn as of 31 December 2021
- ❑ Business transformation phase 1 is delivered and execution for phase 2 has started
- ❑ BFL is well prepared to navigate through wave 3 given strong management overlay provisions and significantly improved stage 2 & 3 assets

## Q3 FY 2021-22

### AUM & Business Franchise Growth

- Q3 FY22 AUM was at Rs. 1,812,499 Mn vs Rs. 1,435,502 Mn last year (26% growth); Core AUM accretion in Q3 FY22 was approximately ~ Rs. 147,000 Mn
- 7.44 Mn new loans in Q3 FY22 as against 6.04 Mn in Q3 FY21
- Acquired 2.56 Mn new customers in Q3 FY22 vs 2.19 Mn in Q3 FY21
- Total customer franchise stood at 55.36 Mn as of 31 December 2021 – 20% growth YoY

### NIM Metrics, Liquidity and Operating Expense

- Net Interest Income (NII) for Q3 FY22 was Rs. 60,005 Mn vs Rs. 42,957 Mn in Q3 FY21; Continues to protect margin profile across all businesses
- As of 31 December 2021, deposits book stood at Rs. 304,813 Mn - growth of 28% YoY; Contribution to consolidated borrowing was 19%
- Opex to NII came in at 34.7% vs 32.3% in Q3 FY21; Company continues to invest in teams and technology for business transformation - expected to normalize to ~33-34% by Q4 FY22

### Credit Costs

- Loan losses & provisions for the Q3 FY22 were Rs. 10,512 Mn vs Rs. 13,517 Mn in Q3 FY21; increased management overlay position from Rs. 8,320 Mn to Rs. 10,830 Mn as of 31 December 2021
- GNPA & NNPA for the quarter stood at 1.73% & 0.78% respectively as against to 2.45% and 1.10% as of 30 September 2021

## Q3 FY 2021-22

### Profitability & Capital Position

- Profit after tax (PAT) for Q3 FY22 increased by 85% to Rs. 21,253 Mn v/s Rs. 11,460 Mn in Q3 FY21 mainly on account of robust AUM growth, higher net interest income and better portfolio performance
- Capital adequacy remained very strong at 26.96% as of 31 December 2021. Tier-1 capital was 24.44%

## Subsidiaries – Q3 2021-22

### A. Bajaj Housing Finance Limited (BHFL)

- AUM grew by 39% to Rs. 492,028 Mn as of 30 Dec 2021 from Rs. 354,920 Mn as of 30 Dec 2020
- Net Interest Income for Q3 FY22 grew by 30% to Rs. 4,290 Mn from Rs. 3,292 Mn in Q3 FY21
- Opex to NII increased to 28.7% in Q3 FY22 as against 26.4% in Q3 FY21;
- Profit after tax (PAT) grew by 87% to Rs. 1,852 Mn in Q3 FY22 against Rs. 994 Mn in Q3 FY21 on account of higher net interest income
- GNPA & NNPA as of 31 December 2021 stood at 0.35% and 0.18% respectively compared to 0.35% and 0.21% as of 30 September 2021
- **BHFL's Capital adequacy ratio (including Tier-II capital) as of 30 December 2021 stood at 19.37%**

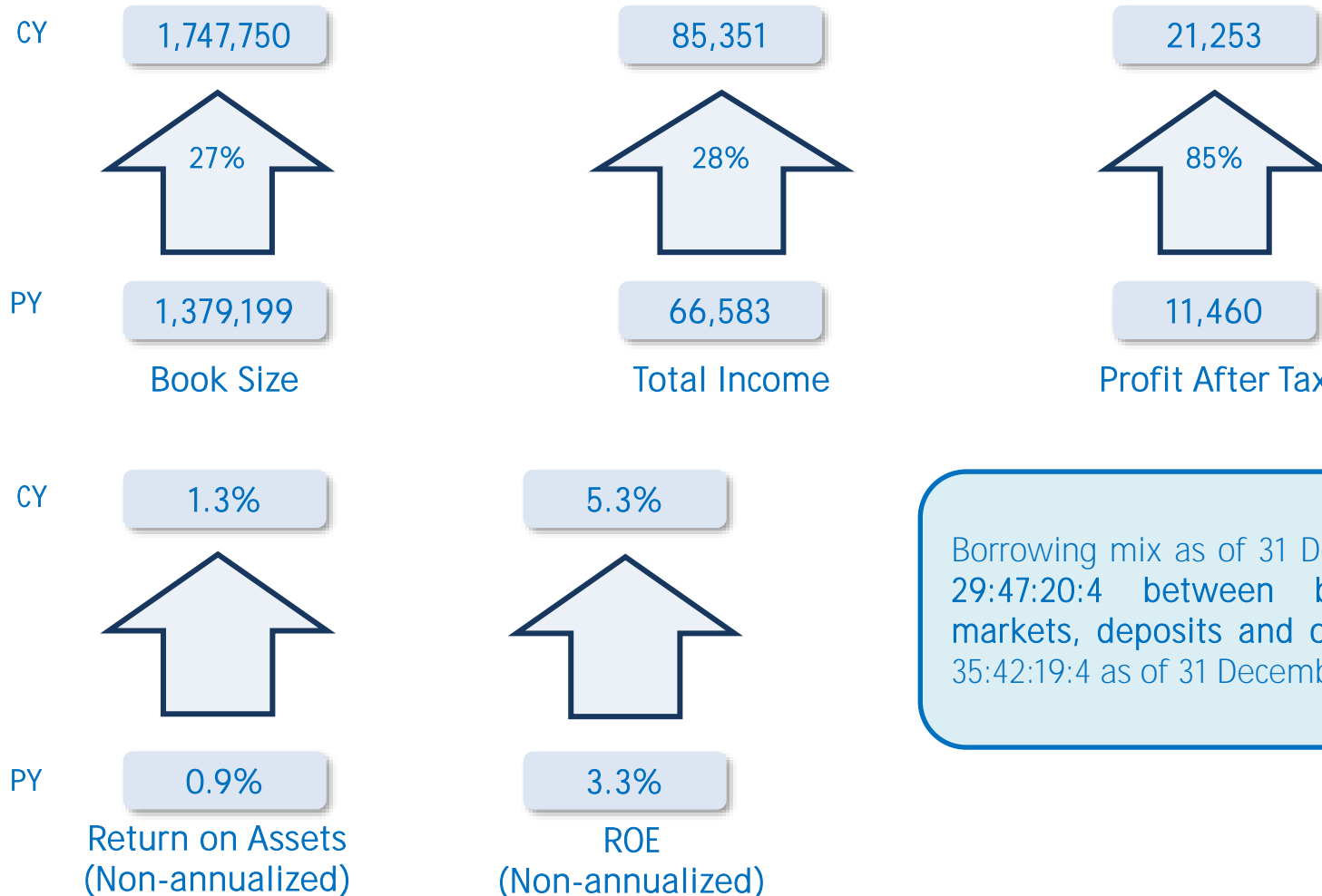
### B. Bajaj Financial Securities Limited

- Total Income of Rs. 383 Mn in Q3 FY22 against Rs. 77 Mn in Q3 FY21; Delivering a profit after tax of Rs. 73 Mn in Q3 FY22 v/s Rs. 7 Mn in Q3 FY21



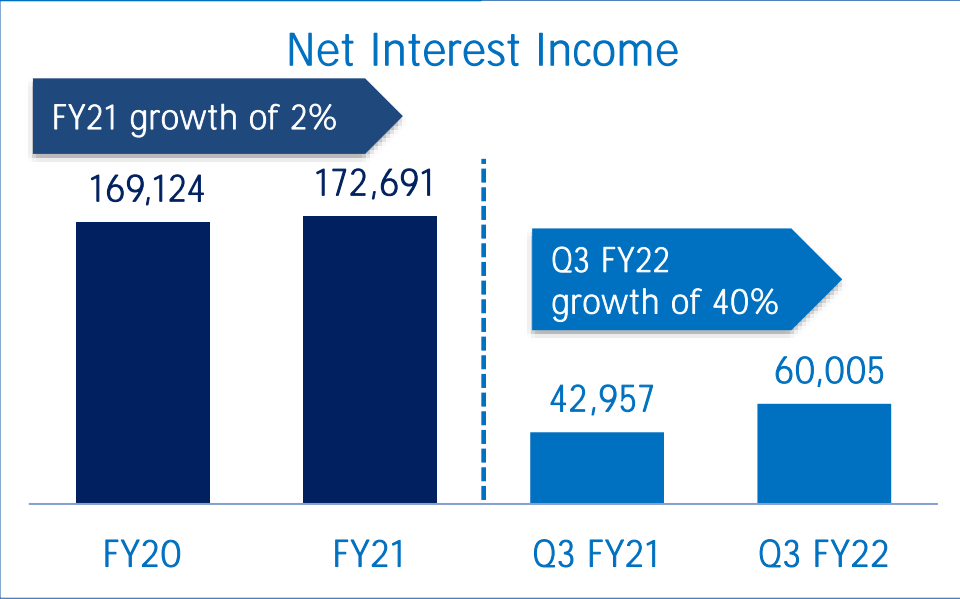
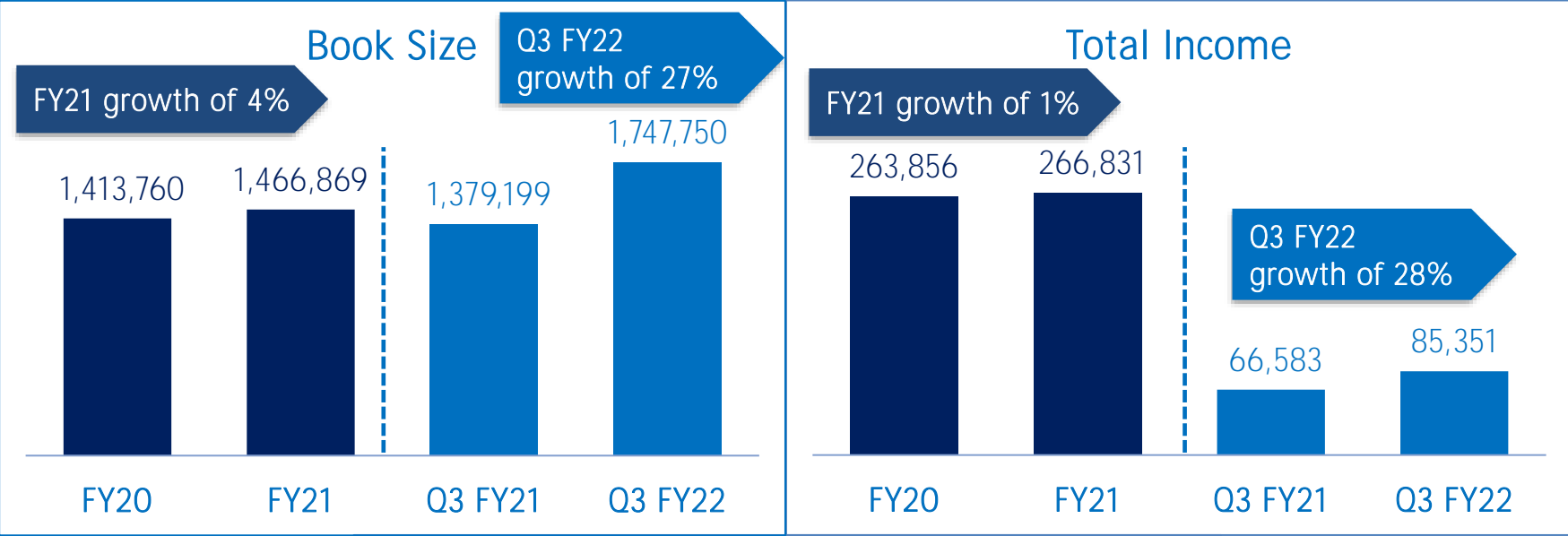
All Figures in Rs Million

## Performance Highlights of Q3 FY22 over Q3 FY21 (Ind AS)



Borrowing mix as of 31 December 2021 is 29:47:20:4 between banks, money markets, deposits and others (Mix was 35:42:19:4 as of 31 December 2020)

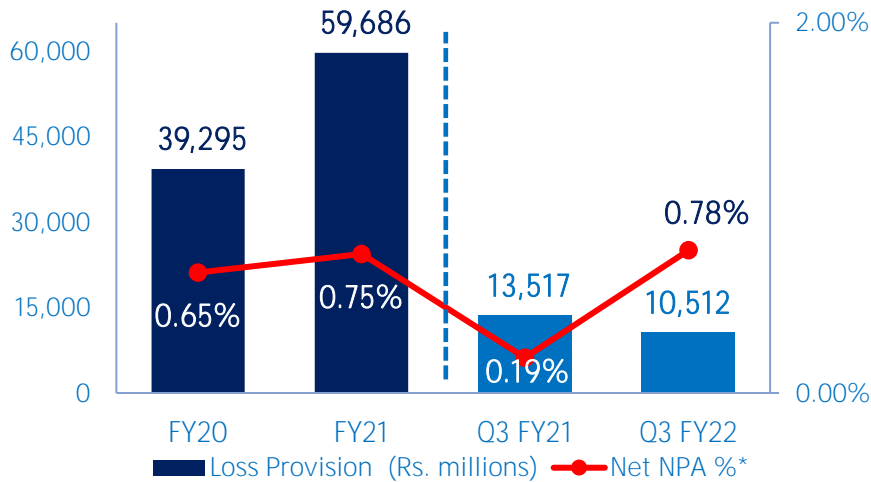
All Figures in Rs Million



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

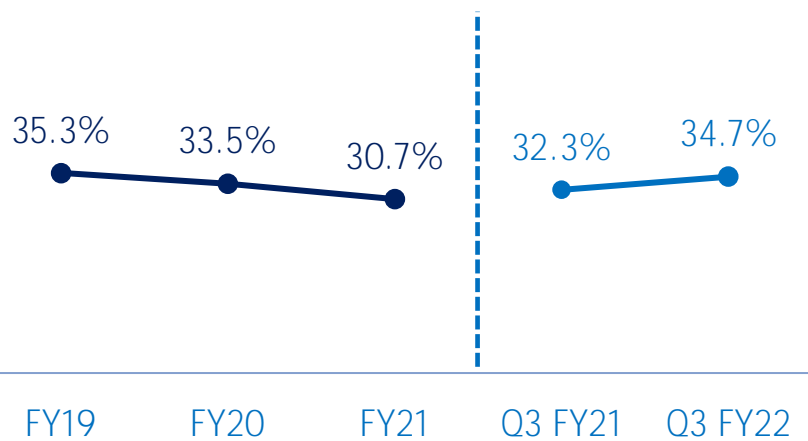
All Figures in Rs Million

## Loss Provision and Net NPA%



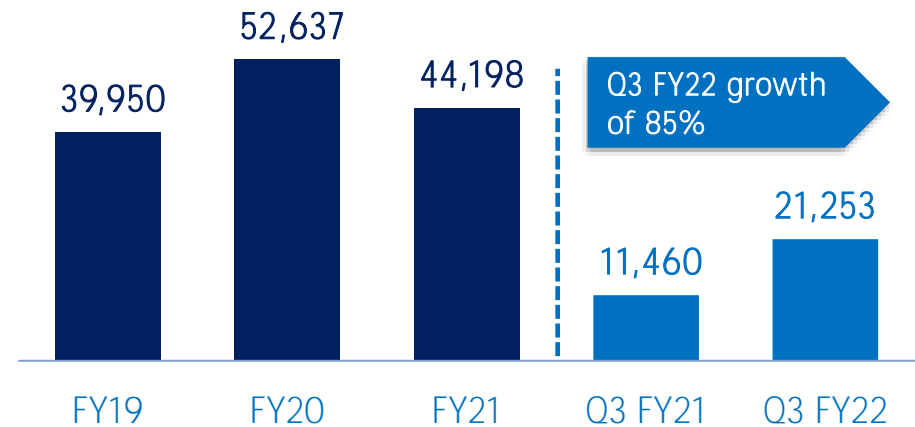
- During the quarter, company has done accelerated write-offs of Rs. 1,630 Mn of principle outstanding on account of COVID-19 stress and advancement of its write-off policy
- GNPA and NNPA as on 31 December 2021 stood at 1.73% & 0.78% respectively as compared to 2.45% and 1.10% as on 30 September 2021
- Provisioning coverage ratio (PCR) of 56% on stage 3 assets; PCR stood at 156 bps on stage 1 & 2 assets as of 31 Dec 2021 vs 181 bps as of 31 March 2021 (was 90-100 bps during pre-pandemic)

## Operating expenses as a % of NII



FY21 growth of -16%

## 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 - Combined Ratio stood at 96.9% in FY21
- 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

- ❑ During the quarter, excluding tender driven businesses (Crop & Govt. Health) BAGIC recorded a 6.1% growth in GDPI; Most of the **key & preferred businesses** grew in-line or better than the market
  - Slowdown in Motor: Shortage of semi-conductor chips impacted new 4W sales, leading to slowdown in 4W segment; 2W growth was muted & CV business continues to improve sequentially
  - BAGIC continues to do well on Commercials Lines (Fire, Marine, Engineering & Liability) with more than industry growth both in Q3 as well 9M FY22
  - Retail health growth in Q3 FY22 was slightly muted on account of high base in Q3 FY21 from sales of Corona Kavach, but higher than the Industry<sup>#</sup>
  
- ❑ On the claims front, the experience for the quarter has been better than Q2 FY22
  - Though a **significant reduction** was observed in COVID-19 claims, severity of both COVID and non-COVID health claims was relatively high, leading to a higher overall loss ratio for health
  - Motor OD claims frequency and severity for the quarter is back to pre-COVID levels
  - Heavy rainfall in Kharif season impacted the crop yield, leading to a higher loss ratio
  - During the quarter, heavy rains in Kerala, Uttarakhand, and Tamil Nadu had some negative impact on claims
  
- ❑ **BAGIC remains to be well capitalized** with a Solvency at 333% as against minimum solvency of 150%

## Q3 FY 2021-22

### Revenue Growth

- GDPI de-grew by 13.2% in Q3 FY22 vs the Industry<sup>#</sup> growth of 6% (Pvt. players grew by 5%); 9M FY22 growth of 6.4% vs the industry<sup>#</sup> growth of 9.2%
- Ex. Crop & Govt. Health, Q3 FY22 GDPI grew by 6.1% vs Industry<sup>#</sup> growth of 9.9%; 9M FY22 growth of 10.2% vs Industry<sup>#</sup> growth of 11.6%

### Gross Written Premium (Segmental Performance)

- Ex. Crop & Govt. Health growth of 6.1% was attributable to Fire (15%), Engineering (41%), P.A. (11%), Marine (25%) & Liability (14%)
- Overall, in 9M FY22, motor growth of 3.6% was in line with the industry growth of 3.7% and Commercial lines (Fire, Engineering, Marine and Liability) continue to do well with a growth of 17.1% against the Industry growth of 13.7%

### Loss Ratio (LR)

- For Q3 FY22, LR at 69.6% as against 66.6% in Q3 FY21; Higher loss ratio was mainly on account of motor OD claims reaching pre-COVID levels and heavy rains across few states
- 9M FY22 LR stands at 74.4% as against 69.8% in 9M FY21

### Combined Ratio (COR)

- Combined ratio (COR) increased marginally to 98.9% in Q3 FY22 v/s 96.1% in Q3 FY21 on account of higher loss ratio

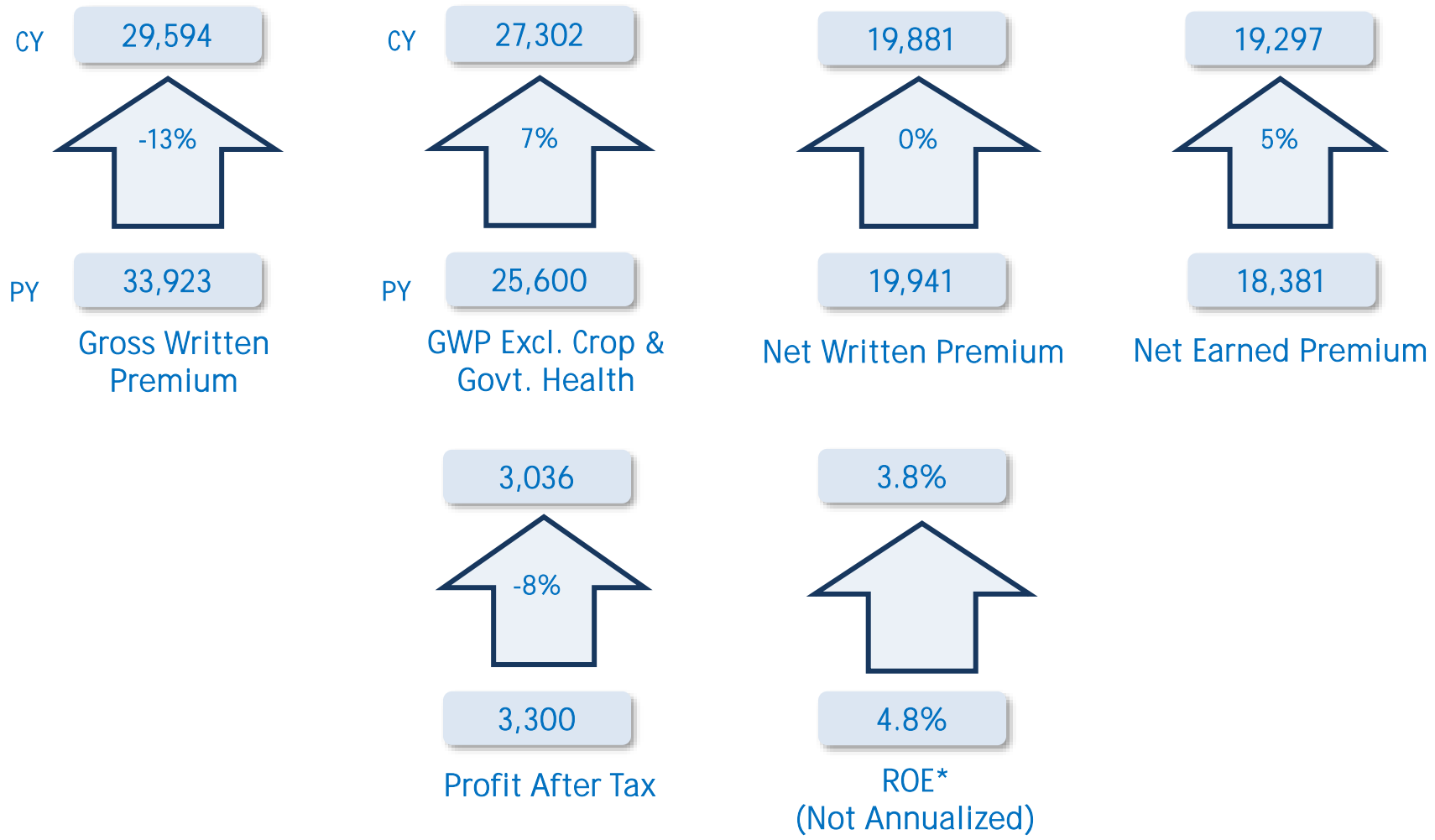
### Profit after tax (PAT)

#### Q3 FY22 PAT de-grew by 8%:

- Due to lower UW profits and lower booking of capital gains of Rs. 616 Mn in Q3 FY22 vs Rs. 871 Mn in Q3 FY21
- 9M FY22 PAT grew by 3.2% to Rs. 10,911 Mn v/s Rs. 10,572 Mn in 9M FY21

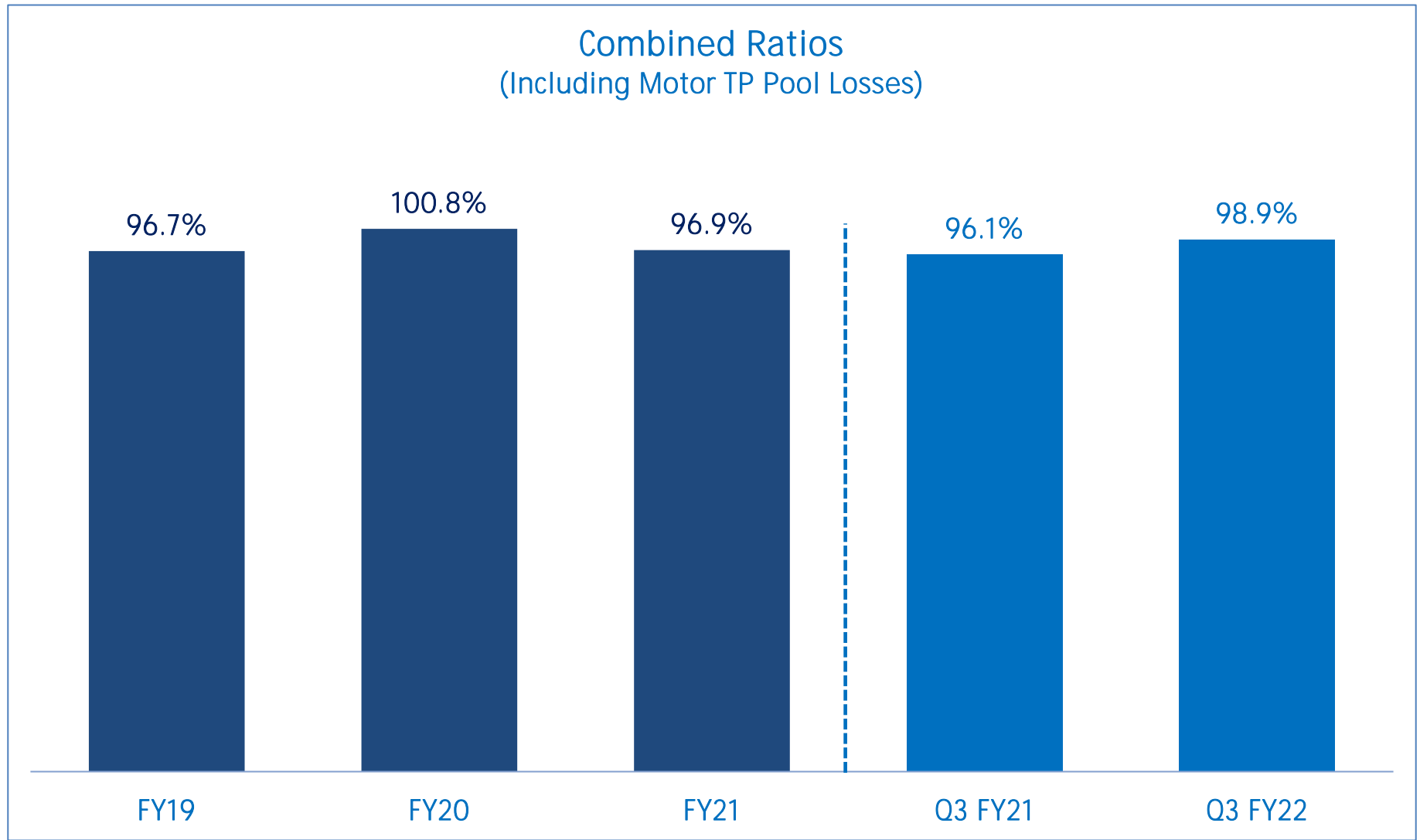
All Figures in Rs Million

## Performance Highlights of Q3 FY22 over Q3 FY21



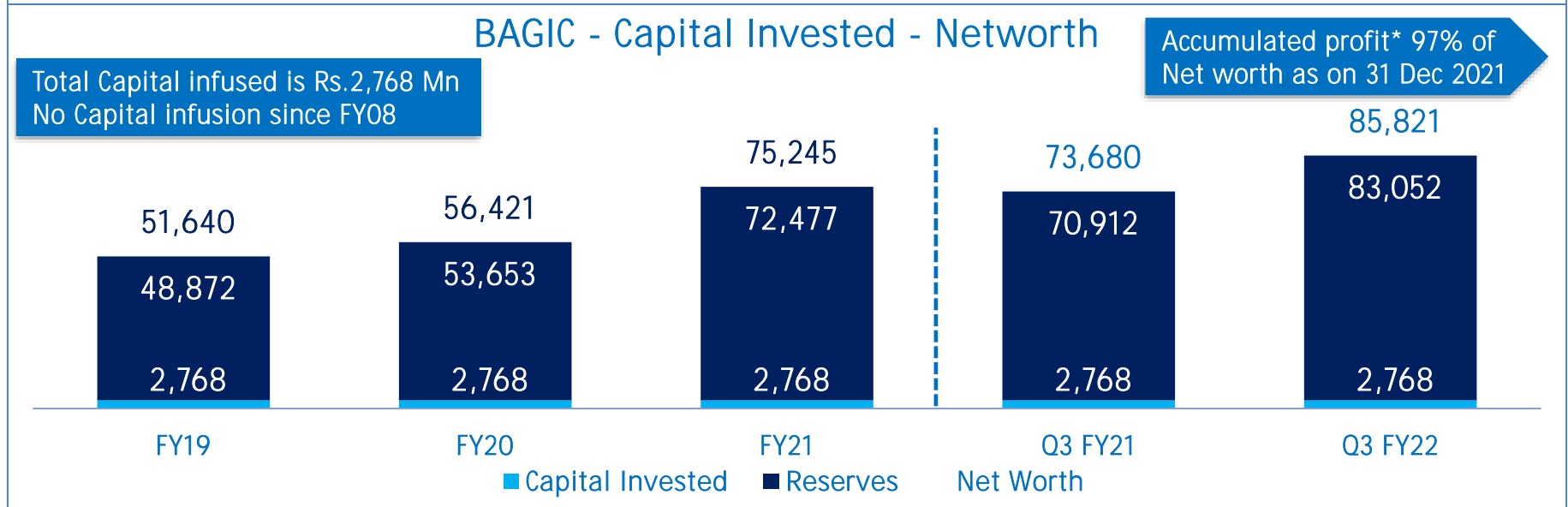
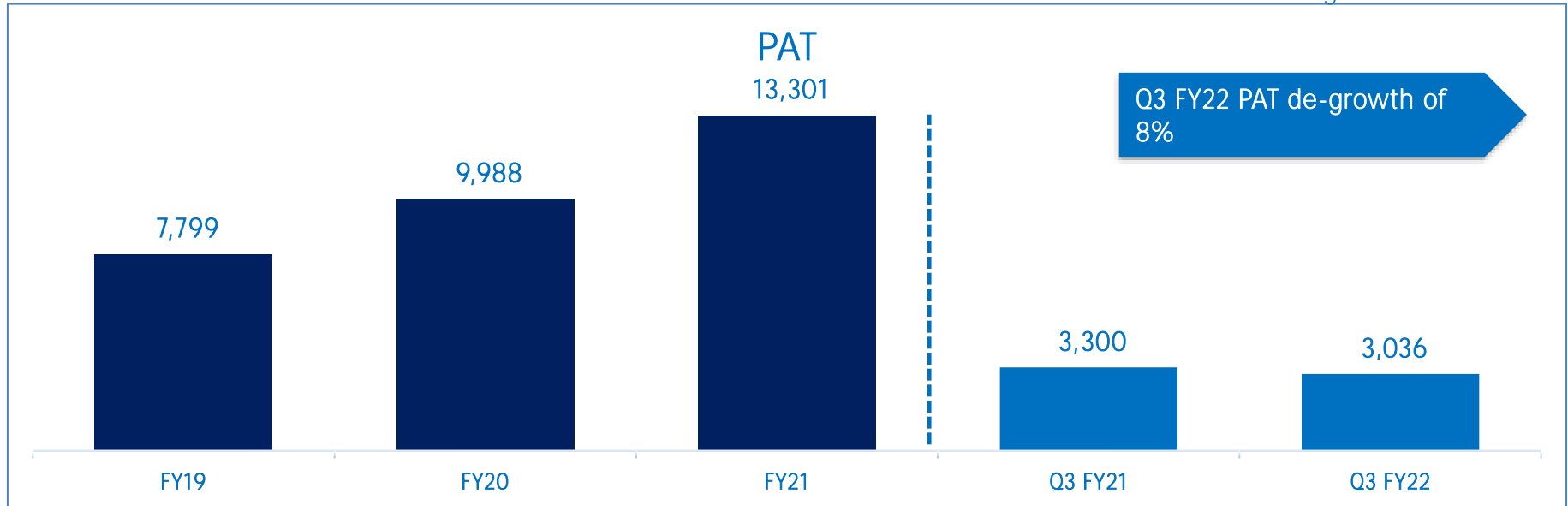
\*Return on Equity (ROE) is excluding fair value change





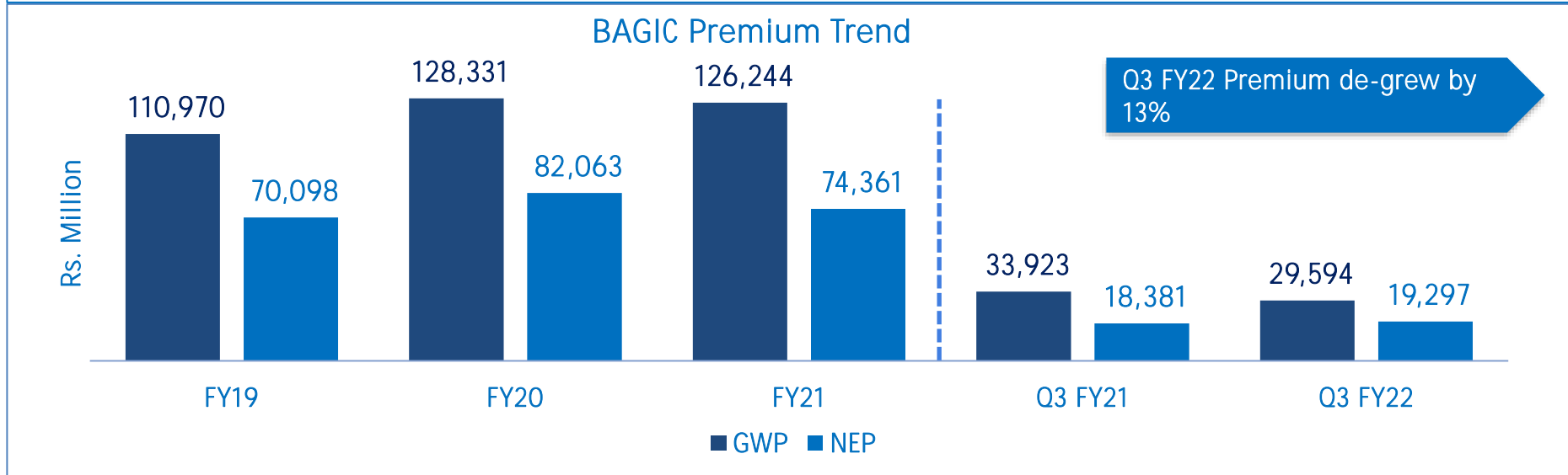
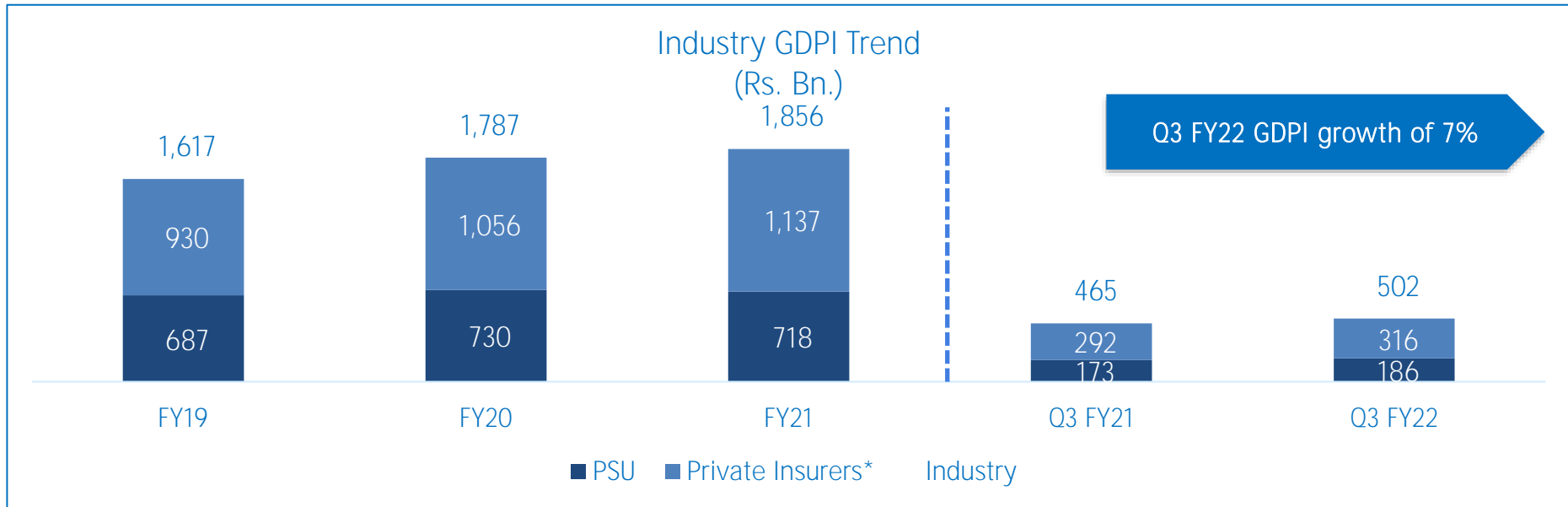
1. Combined Ratios are in accordance with the Master Circular on 'Preparation of Financial statements of General Insurance Business' issued by IRDA effective from 1<sup>st</sup> April, 2013. (Net claims incurred divided by Net Earned Premium) + ( Expenses of management including net Commission divided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

All Figures in Rs Million



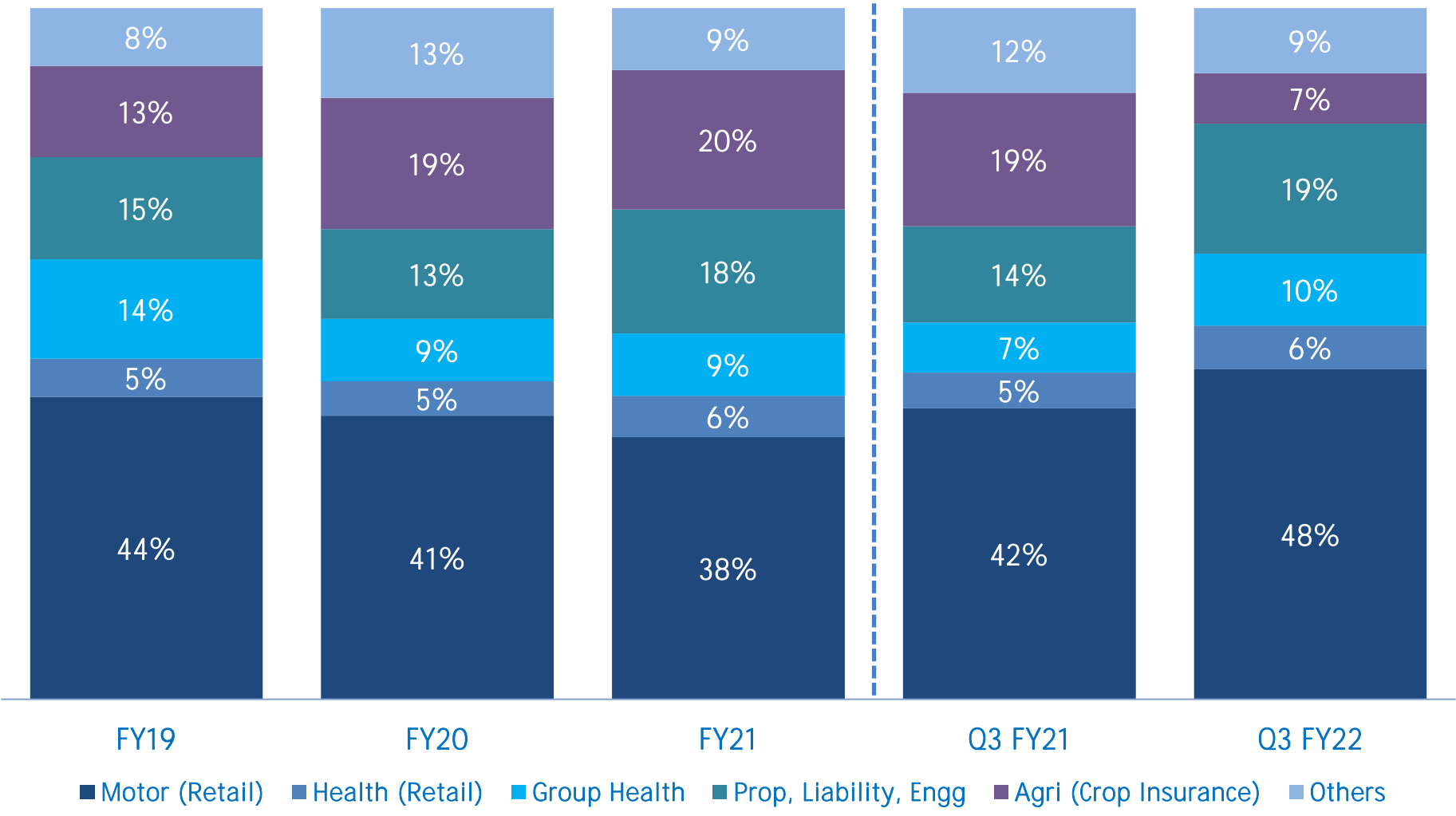
\*Accumulated profit includes reserves and fair value change on equity investments

# 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, and ECGC

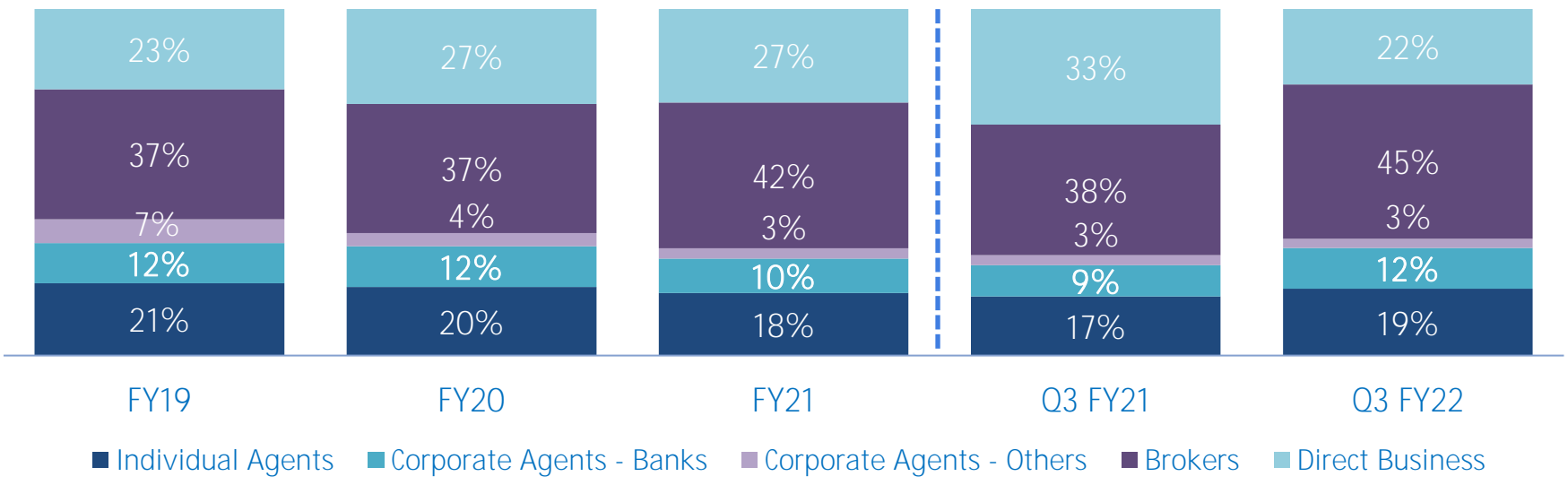
## Business Mix



■ BAGIC's ex-crop & govt. health GWP growth for Q3 FY22 vs Q3 FY21 was 6.1%

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

## Channel Mix



### Bancassurance Partnerships

- Over 232 Bank partners
- 18 National Tie-ups & MNC Banks
- 34 NBFCs, 5 SFBs, 1 Payments Bank
- 134 Co-operative banks, 9 RRBs
- 31 Others

### Agency & Retail Channels

- 47,200+ agents & 56,800+ 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

- 33 national Tie-ups and over 9000 network of dealers across pan India
- National Tie-ups with Maruti, Hyundai, Yamaha, Volkswagen, BMW, Audi, Honda, Land Rover, Mahindra, Citroen, JCB, Ather, etc.

### Rural Focus

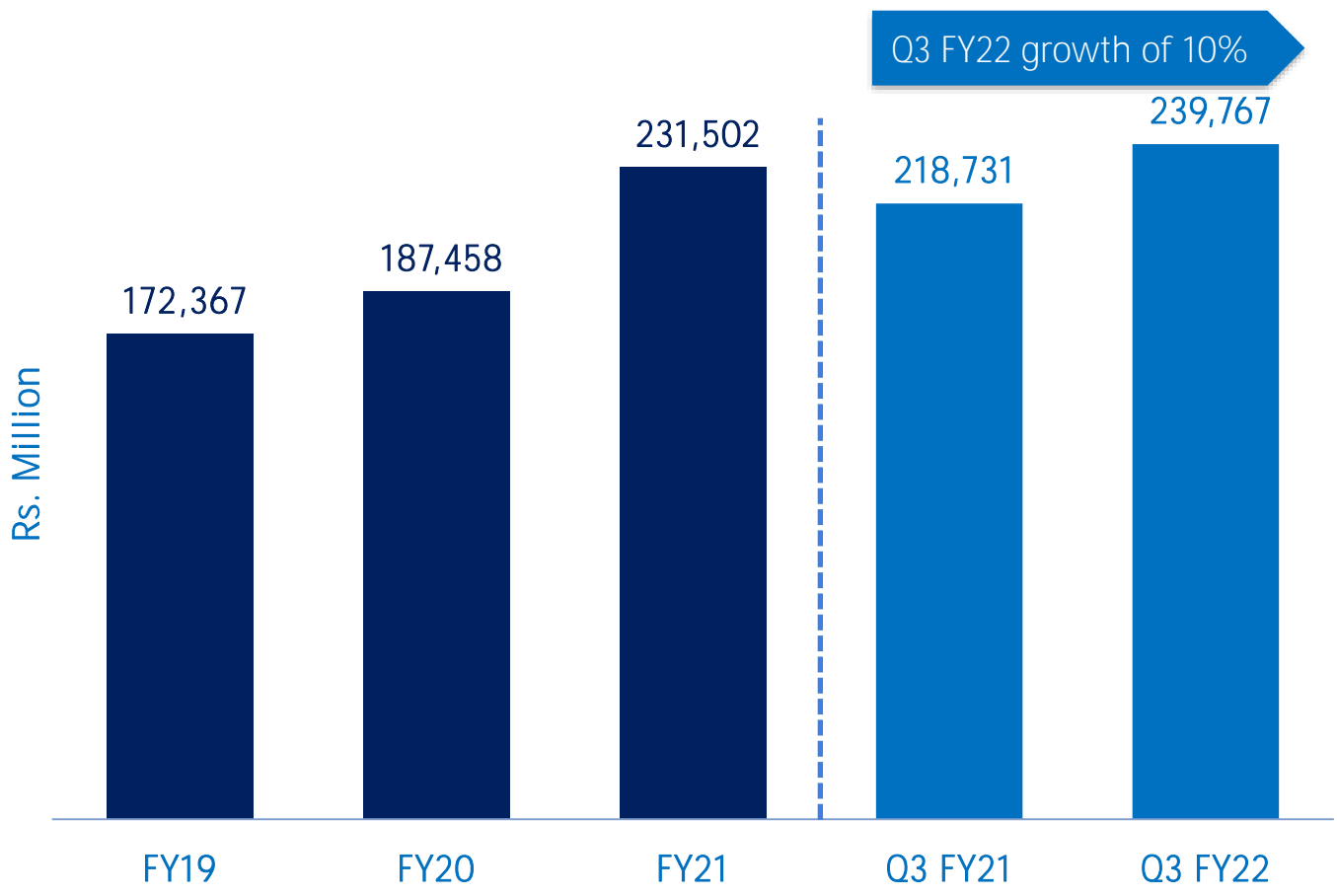
- 19.2 Million+ farmers covered in PMFBY in last 4 years of which 17.5 lakh farmers covered in CY
- Issued 9.4 Lakhs NOPs under crop insurance in 9M FY22
- 29,800+ active CSC centers

### Presence in ecosystems

- 17+ 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

### AUM (cash and investments)



BAGIC continues to grow its AUM strongly

Investments are largely in fixed income securities

Investment Leverage of 2.79 as on 31 December 2021

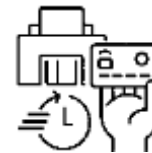
99.2% of debt portfolio is in AAA or sovereign securities. 94.6% of Equity investment is in BSE 100 stocks

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



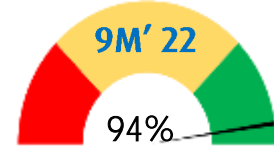
## Digital Distributor Onboarding

Intermediaries onboarded digitally



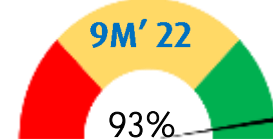
## Digital Issuance

Easy & few clicks policy issuance option



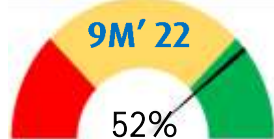
## Digital Policy

"Go green" option for customer by going paperless



## Digital Customer Servicing

Omni & multichannel experience



## Key Initiatives & Digital Adoption



### I Mitra/Ezeetab

One stop shop for partners & salespersons for policy issuance and services

*11.9 Mn+ policies issued*



### BAGICARE - CRM

Seamless WFH experience - Enabled for Website, Social Media, Chatbot

*3.1 Mn+ Service Requests*



### WhatsApp + BOING 2.0

AI based chat BOT enabled with 27+ services & whatsapp



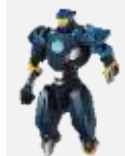
*20 Mn+ Messages Exchanged*



### DigiSwasth

App & Web based 100% integrated health check up process

*100% Integrated Setup  
>98% TAT in (0-4 hrs.)*



### Core Transformation on Cloud

Policy administration system being moved on cloud to enhance agility and integration

*Motor TP Live*



### Data Lake

6.5K+ attributes across structured & unstructured data

*Prospect Mart: ~40 Mn prospects  
Unique customer base ~102 Mn*

**Farmitra App** - For Farmer Community

**1.9 lakhs+ fresh downloads in FY'22 (for 9M)**  
**63 K+ active users in FY'22 (for 9M)**

**Caringly Yours App** - 1<sup>st</sup> Insurance App in India to cross 1 million downloads

**4.2 lakhs+ fresh downloads in FY'22 (for 9M)**  
**7.5 lakhs+ active users in FY'22 (for 9M)**

## Asset Quality

- 99.2% of the debt portfolio in AAA and sovereign assets
- 90.4% of Equity in Nifty 50 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

## 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 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 online investments products & group credit protection segments

### Strong proprietary channels

- 3rd largest agency in terms of IRNB amongst private players in FY21
- 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 new 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

- End to end virtualization, Creating WOW moments
- Industry first and Best in class innovations
- Focusing on faster issuances through various initiatives

- ❑ BALIC continues to report **industry beating Individual Rated New Business (IRNB) growth** along with improvement in quality parameters; **2 Year CAGR for Q3's IRNB is 38% - highest in the industry**
- ❑ Strong growth registered across channels; **Agency, Institutional Business and BALIC direct delivered a growth of 50%, 71% and 40% respectively in 9M FY22**
- ❑ COVID-19 wave 2 impact is now largely settled
  - On the retail side, gradual month on month improvement in claims experience observed during Q2 FY22 continued and total claims in Q3 FY22 were actually lower than expected
  - On retail side, in Q3 FY22, company has received 550+ claims for COVID-19 amounting to Rs. 27 Cr (on gross basis)
  - **Reserve for probable future COVID-19 claims stood at Rs. 93 Cr (net of reinsurance recovery) as of 31 December 2021**
- ❑ While Annuity & ULIP products continue to drive the growth for BALIC; demand for guarantees which had seen some slowdown has picked up
  - **BALIC's Annuity product** launched in Q4 FY21 has been received well in the market **clocking 12%** of Individual Rated NB in Q3 FY22 and 9M FY22
  - Despite slight volatility in equity markets, **demand for ULIPs continued** & ULIPs contribution in Q3 FY22 was 43% (vs 42% in Q3 FY21)
  - BALIC continues to fully **hedge the Interest rate risk pertaining to retail guaranteed and protection products**
- ❑ Continuous **increase in adoption of self servicing tools** by the customers; Whatsapp unique users increased by 223% in 9M FY22 over 9M FY21; while number of **"Life Assist"** App users grew by 32% during the same period
- ❑ **Company is well capitalized** with a Solvency at 604% as against minimum solvency requirement of 150%

## Q3 FY 2021-22

### Revenue Growth & Market Share

- In Q3 FY22, IRNB grew by 68% (vs private players growth of 28% & LIC growth of 8%. Overall industry growth of 20%);
- 9M FY22 growth of 58% vs Private players growth of 30%; **Market share in IRNB terms increased from 5.3% to 6.4%** among private players
- **BALIC was the 2<sup>nd</sup> fastest growing Life Insurer in 9M FY22 among the top 10 private players; Fastest growing in Q3 FY22**
- **Agency channel is expected to be one of the fastest growing among private players (growth of 44% in Q3 FY22 and 50% in 9M FY22)**

### Product Mix (IRNB Basis)

- **Annuity product continues to do well** – contributing 12% to our Product Mix in Q3 FY22
- Par: Non-Par Savings: ULIP: Protection: Annuity (19%:23%:43%:3%:12%)

### Renewal Collections

- Registered a **strong growth of 18%** in Q3 FY22 (22% growth for 9M FY22); improvement in persistency witnessed across all cohorts

### New Business Margins

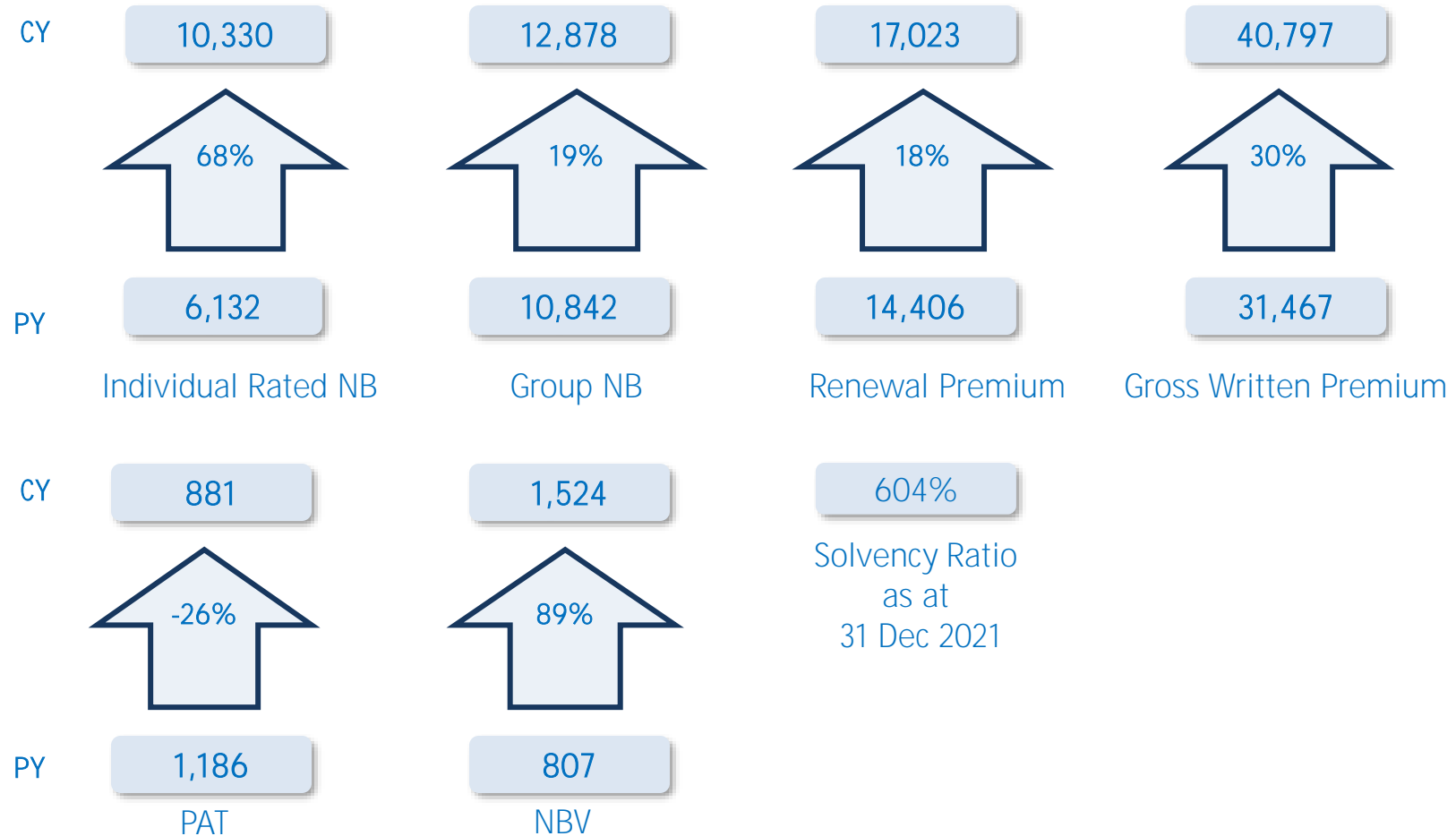
- **Witnessed strong growth in New Business Value (NBV) from Rs. 807 Mn in Q3 FY21 to Rs. 1,524 Mn in Q3 FY22** on account of higher business growth, and better product mix
- **Net New Business Margin (NBM)<sup>\$</sup> on Annualized New Business Premium increased to 12.6%** in Q3 FY22 from 11.0% in Q3 FY21

### Profit after tax (PAT)

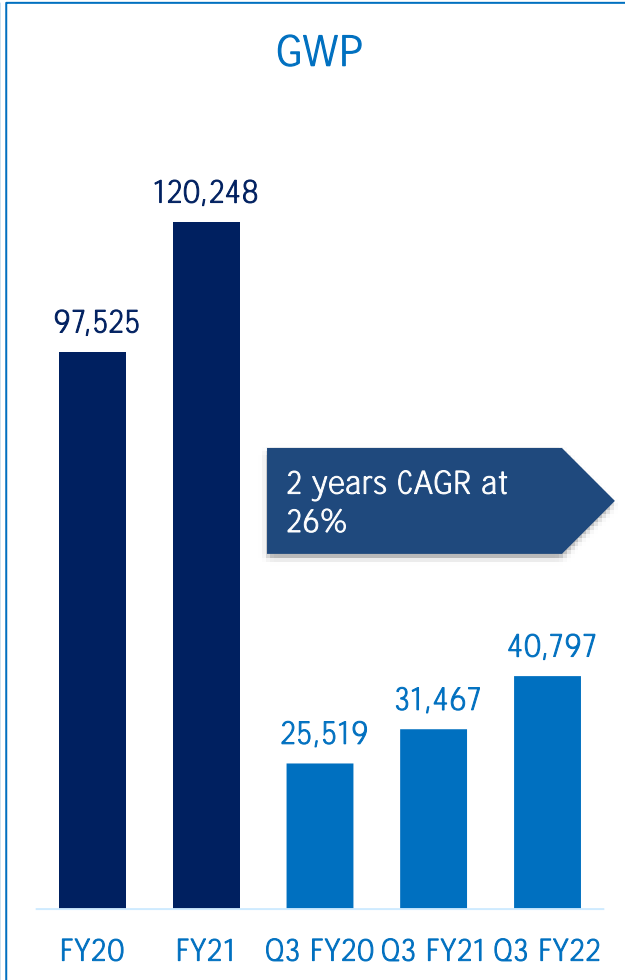
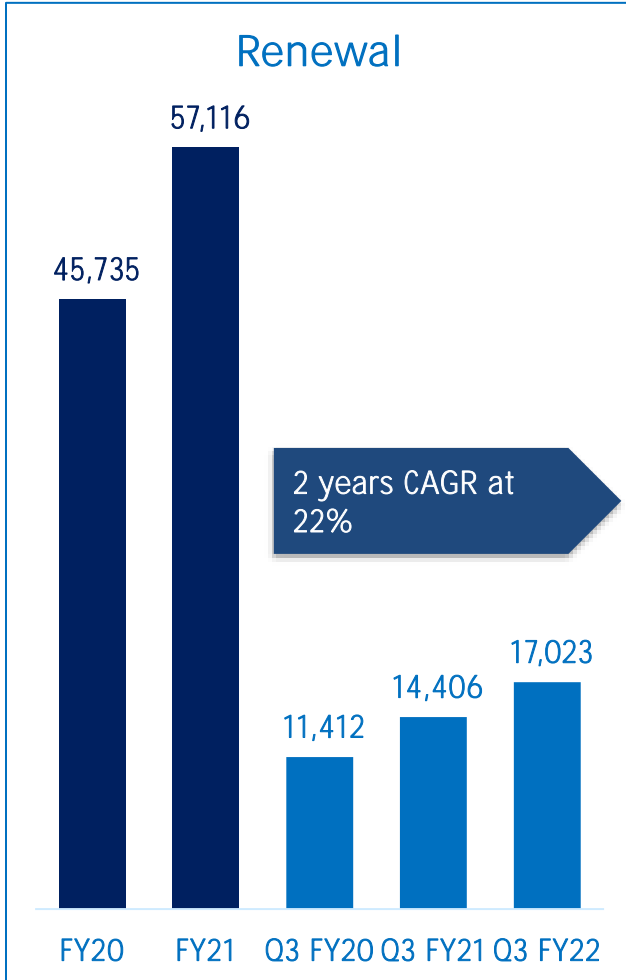
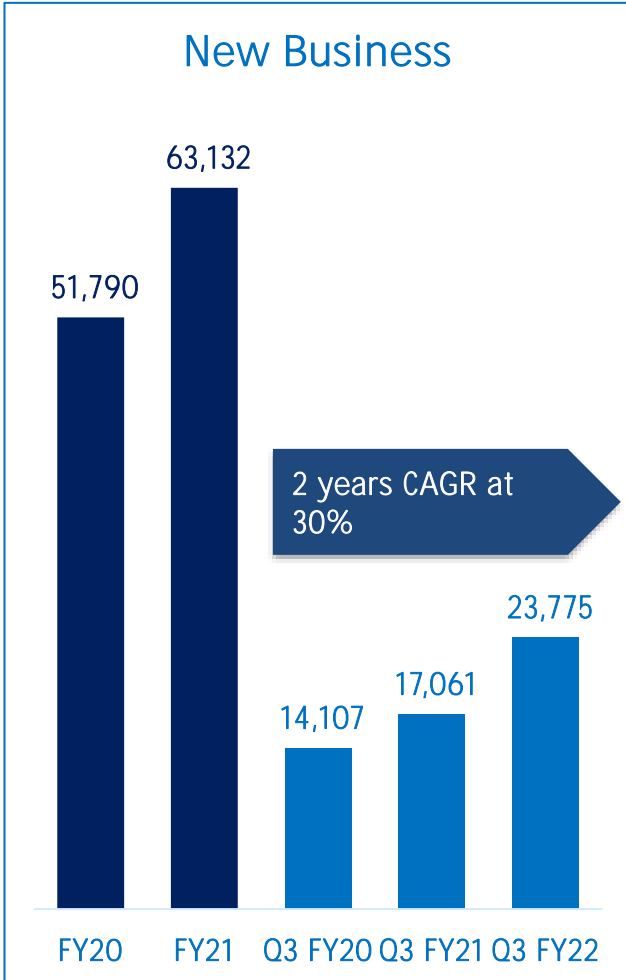
- **PAT for Q3 FY22 was Rs. 881 Mn** as against Rs. 1,186 Mn in Q3 FY21, impacted mainly due to higher new business strain given the business growth

All Figures in Rs. Million

## Performance Highlights of Q3 FY22 over Q3 FY21



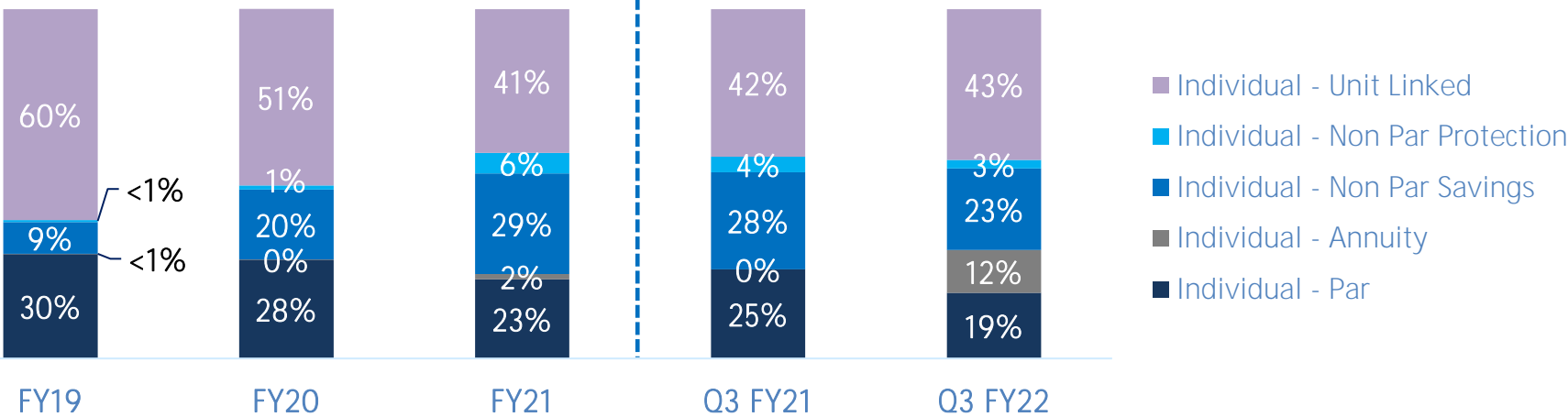
All Figures in Rs Million



- All the topline related metrics for BALIC continue to grow and are well above the pre-COVID-19 levels
- 9M FY22 GWP grew by 38% to Rs. 104,083 Mn from Rs. 75,235 Mn in 9M FY21 – showing a phenomenal growth

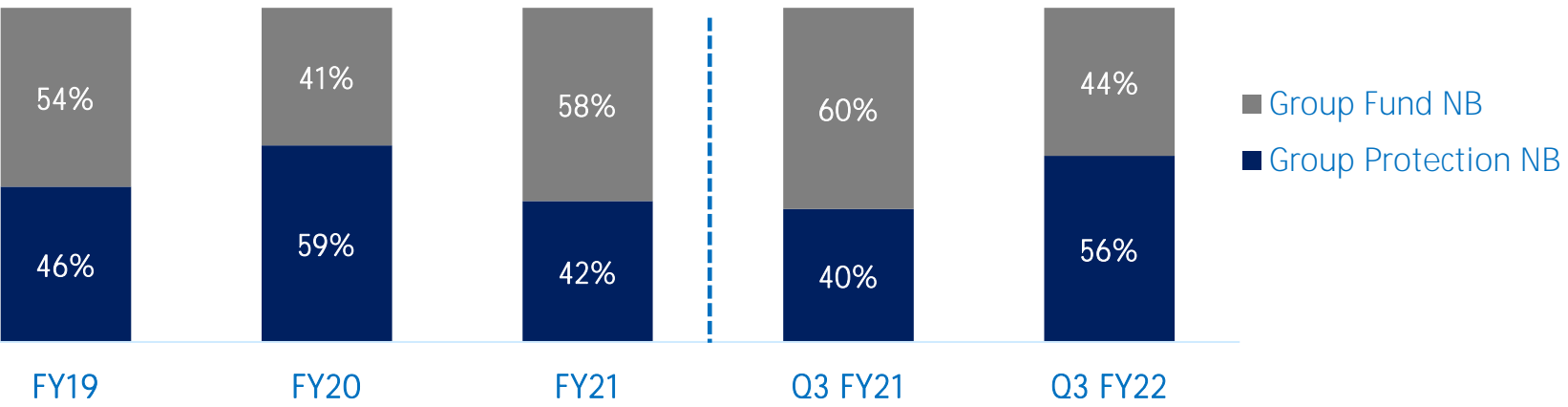
## IRNB Mix

Share of Annuity stands at 12% both in Q3 FY22 and 9M FY22

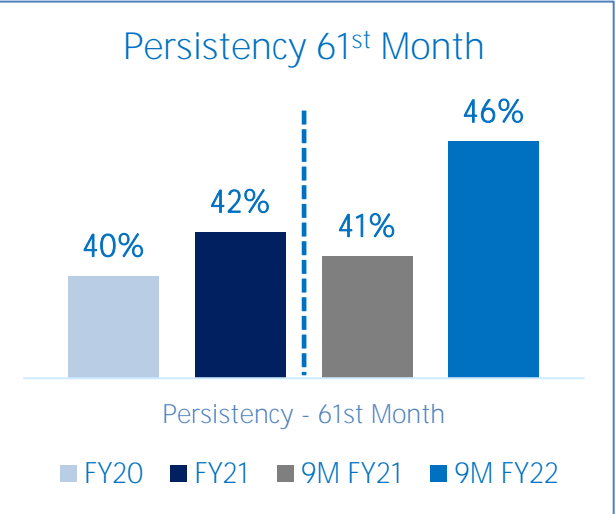
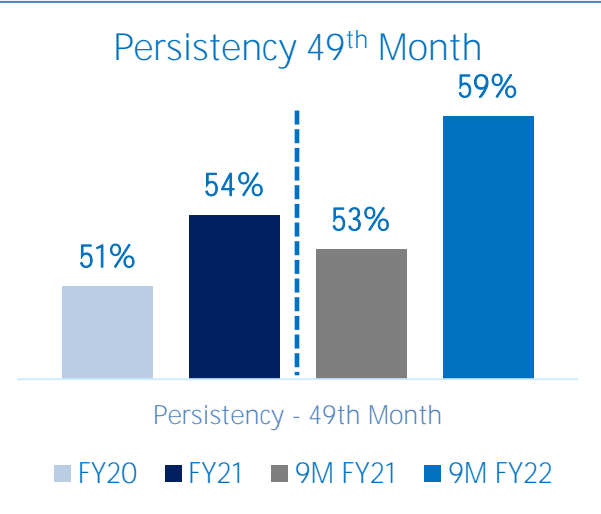
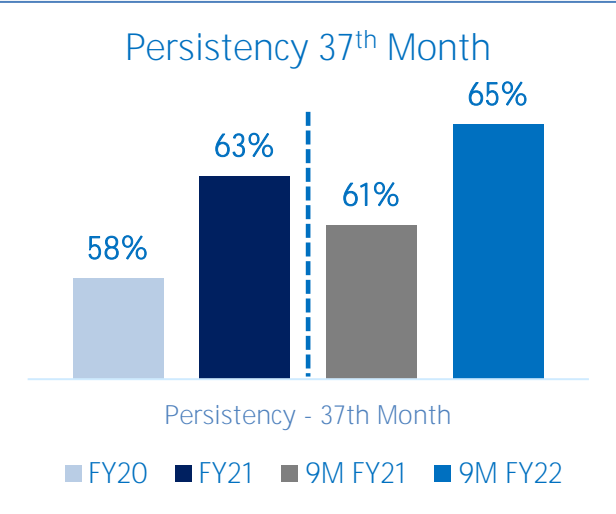
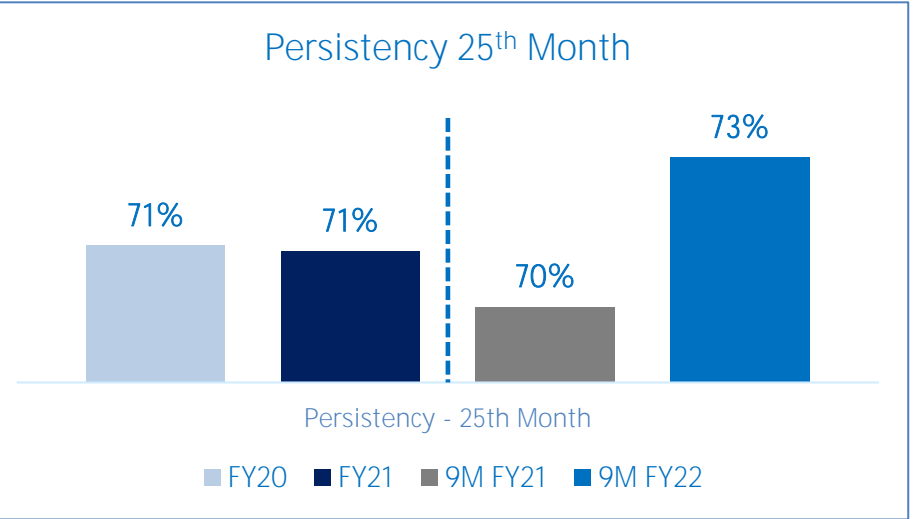
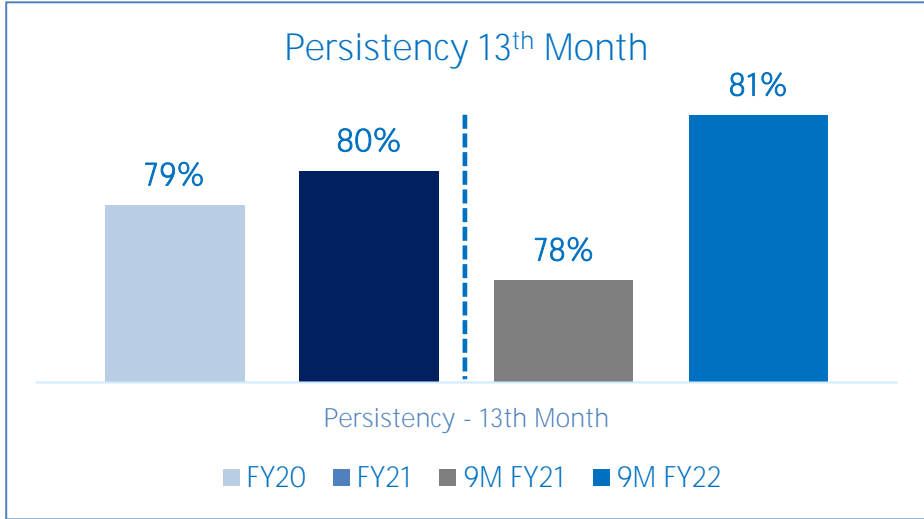


## Group NB Mix

Protection (Group) new business in Q3 FY22 – Rs. 7,172 Mn (vs Rs. 4,314 Mn in Q3 FY21)



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

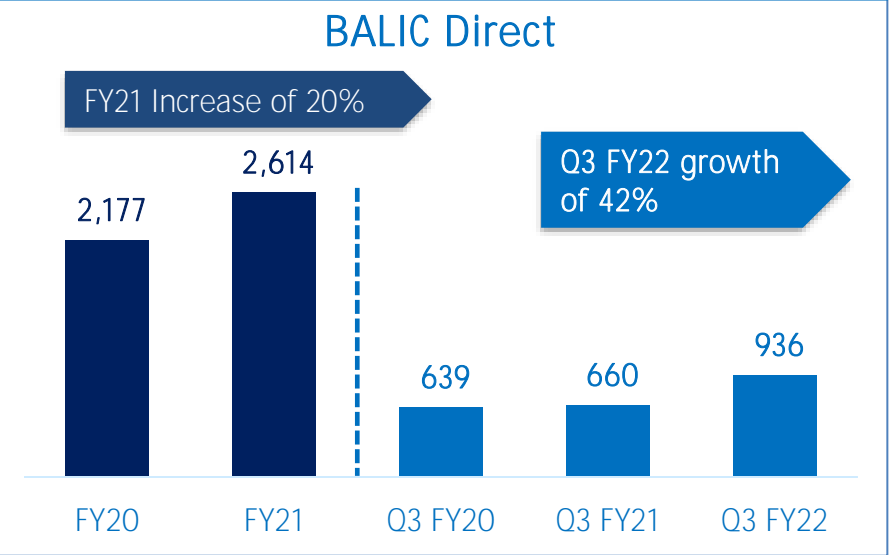
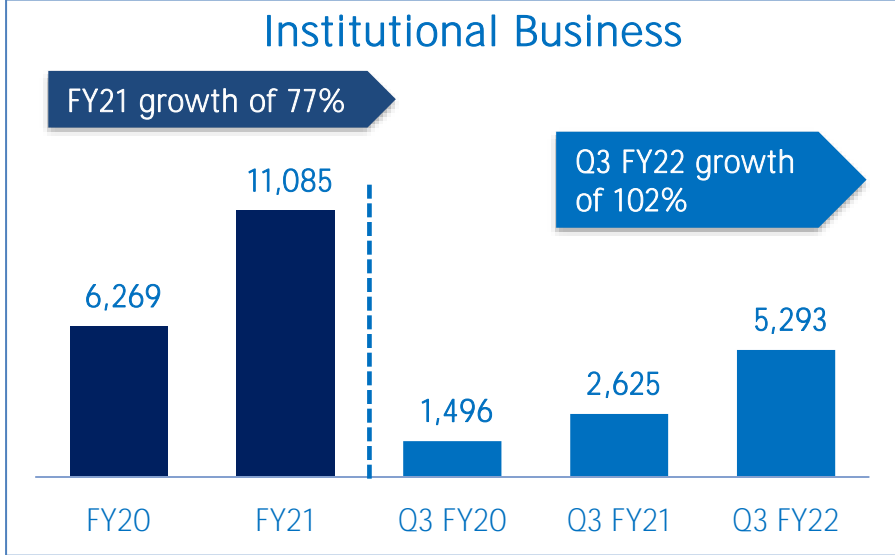
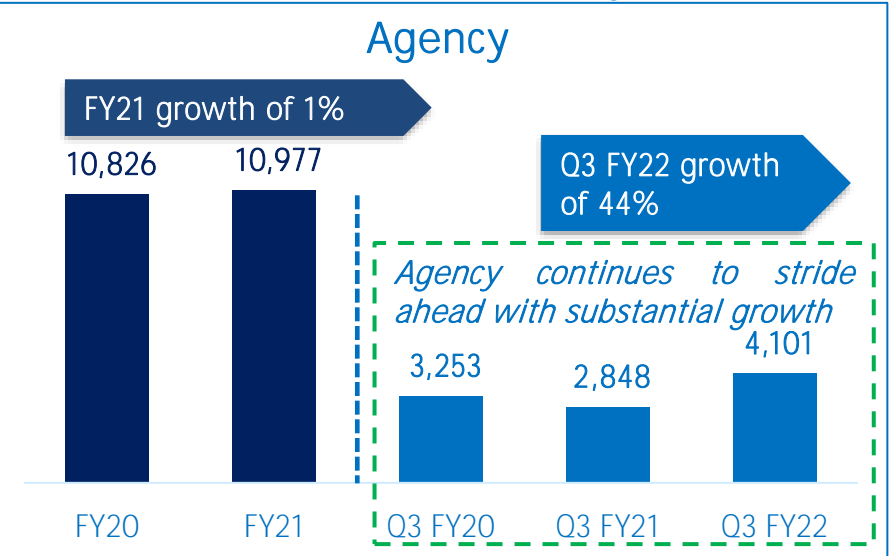
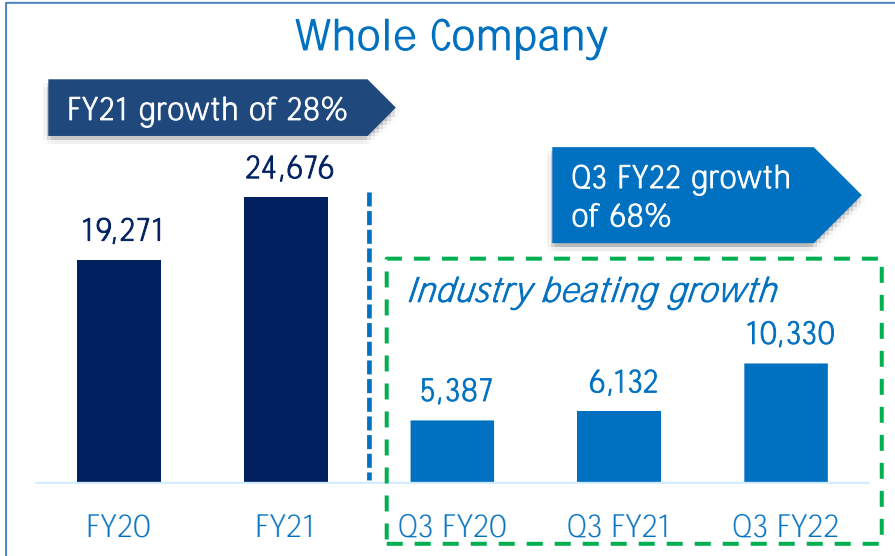


Continued focus on renewal collection via various initiatives such as driving auto-payment registration, digital payments & higher distribution ownership have led to significant improvement in persistency across the cohorts especially in the later buckets where 49<sup>th</sup> and 61<sup>st</sup> month have seen improvement of 6% & 5% 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



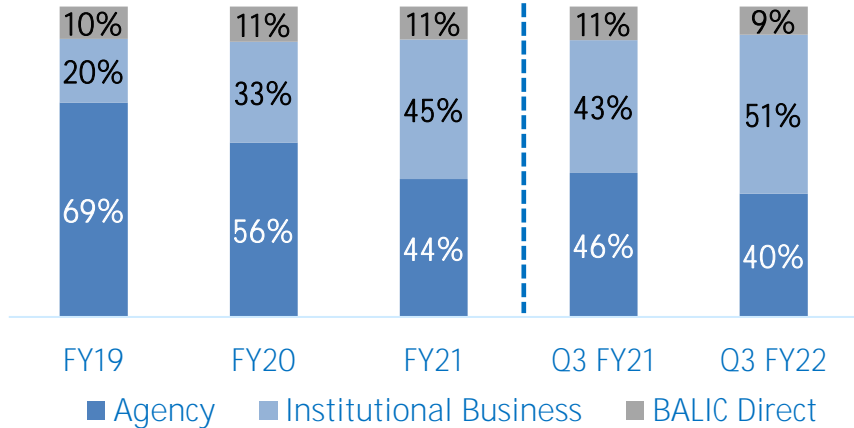
All Figures in Rs Million



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

# BALIC : Diversified Distribution Mix

Individual Rated New Business Channel-wise Mix



- ❑ BALIC embarked on diversifying its distribution mix, scaling up alternate channels and enabling wider presence by exploring alternate partnerships
- ❑ Greater balance between institutional and proprietary retail channels - Agency, Institutional Business and BALIC Direct contributing 44%, 45% and 11% respectively in FY21 (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

- ❑ 3<sup>rd</sup> largest agency in private LI space; backed by 93K+ agents (Total MDRT, COT and TOT Agents increased by 190% from PY)
- ❑ Continued with balanced product mix with traditional rated new business mix at 59% in 9M FY22
- ❑ Variabilization of Agency cost through low-cost models (10% contribution in 9M FY22)

## Institutional Business:

Building sustainable business through strong integration with partners

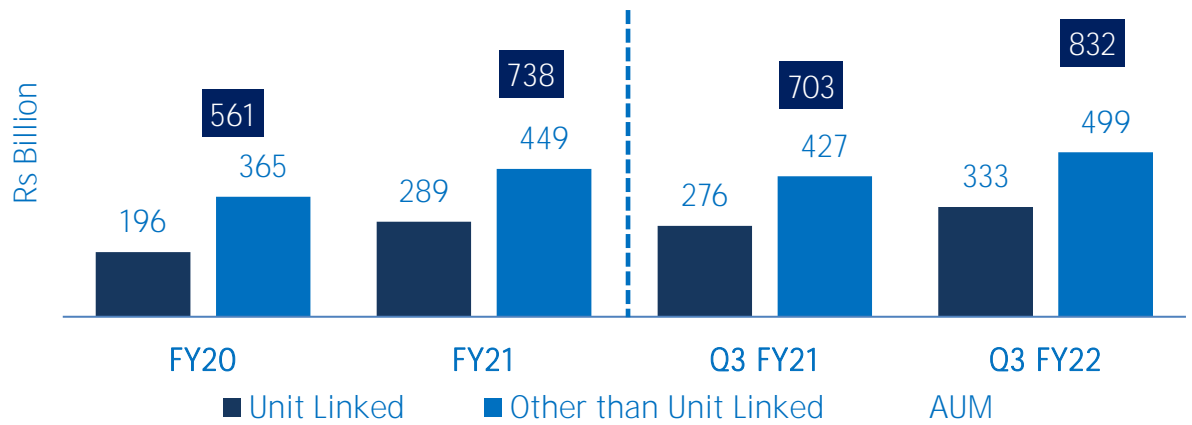
- ❑ Diverse mix of large and small partner banks, NBFC, brokers and web aggregators
- ❑ All major Bancassurance and third-party Partners contributing to channel growth
- ❑ Strengthen our group relations with various corporate distributors to focus on selling retail

## BALIC Direct :

Analytics backed, focused verticals for upsell and cross sell initiatives

- ❑ Presence in 150 cities, with Dedicated Verticals for various customer Segments
  - ✓ Maturity
  - ✓ Service to Sales
  - ✓ Elite Relationship force
  - ✓ Hub & Spoke
- ❑ Data and Analytics as a key pillar for Direct business

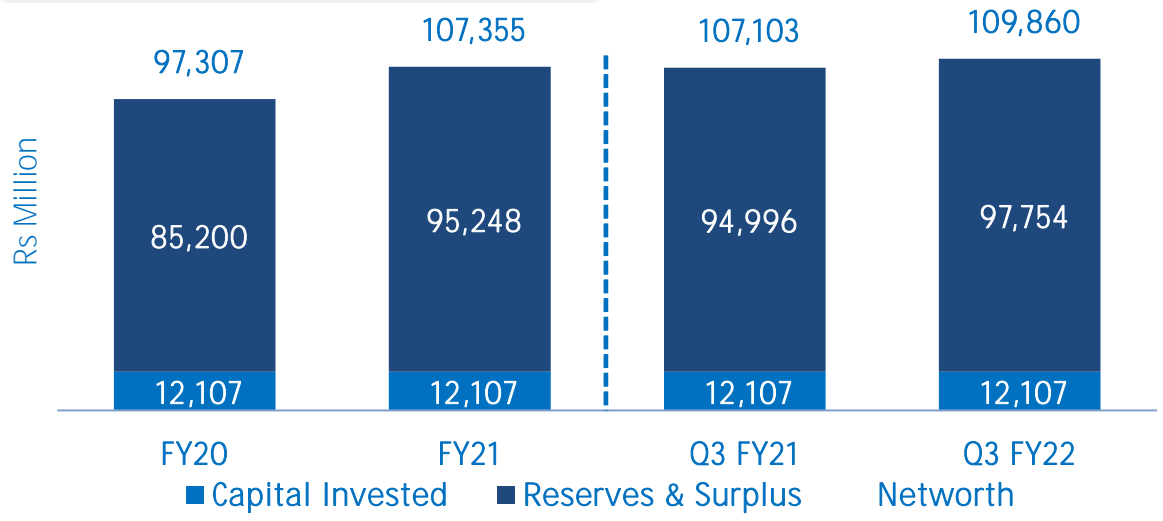
## AUM (Mix)



- AUM as of 31 December 2021 grew by 18%; Growth in UL AUM stands at 21%; Traditional AUM grew by 17%
- Of the UL Funds of 333 Bn, 71% is equity as on 31 December 2021 (65% as on 31 December 2020 out of the UL Funds of Rs. 276 Bn.)

Total Capital infused is Rs.12,107 Mn  
No Capital infusion since FY08

## Net worth



- BALIC's accumulated profits are 89% of the Net worth as on 31 December 2021

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

# BALIC : New Business Value & New Business Margins



All Figures in Rs. Million

	Q3 FY22	Q3 FY21	9M FY22	9M FY21	Rolling 12M FY22 <sup>1</sup>	Rolling 12M FY21 <sup>2</sup>	FY21
Annualized Premium (ANP)*	12,061	7,330	27,789	17,786	39,226	24,518	29,223
Net New Business Value (NBV)**	1,524	807	3,137	1,419	5,329	2,555	3,608
Net New Business Margin (NBM) on ANP	12.6%	11.0%	11.3%	8.0%	13.6%	10.4%	12.3%

- ❑ 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 22
- ❑ NBV for the quarter has increased by 89% in Q3 FY 22 over Q3 FY 21.

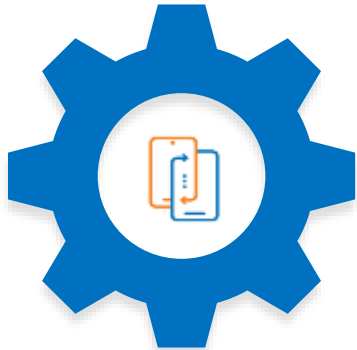
1 - Rolling 12M FY22 represents the business written between January 2021 to December 2021

2 - Rolling 12M FY21 represents the business written between January 2020 to December 2020

\*\*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 Initiatives to offer best in class customer experience



## Smart Assist

*Reverse Co-Browsing capabilities : First time in India*

230,000+ total sessions since inception by 10,000+ unique users

14% increase in unique users as of YTD Dec'21



## WhatsApp

*(Customer) Real Time servicing Platform*

5,600,000+ total transactions done since inception

Usage increased by 223% over 9M FY21



## Life Assist App

*Customer servicing app*

400,000+ unique users since inception

Total logins increased by 32% over 9M FY21

## Few Other Initiatives

### Employees & Partners

- **Lead Management System** - Module for sales to manage/update leads
- **iManage** - Module for SMs for self & customer servicing
- **iSupport** - Module for QR code-based servicing at branches
- **WhatsApp for ICs** - Self & customer servicing WhatsApp chatbot for agents
- **eSampark** - Module for customized collateral generation
- **iSolve** - Important notification to employees on WhatsApp

## RISK MANAGEMENT

### Product Pricing

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

### Asset Liability Management (ALM)

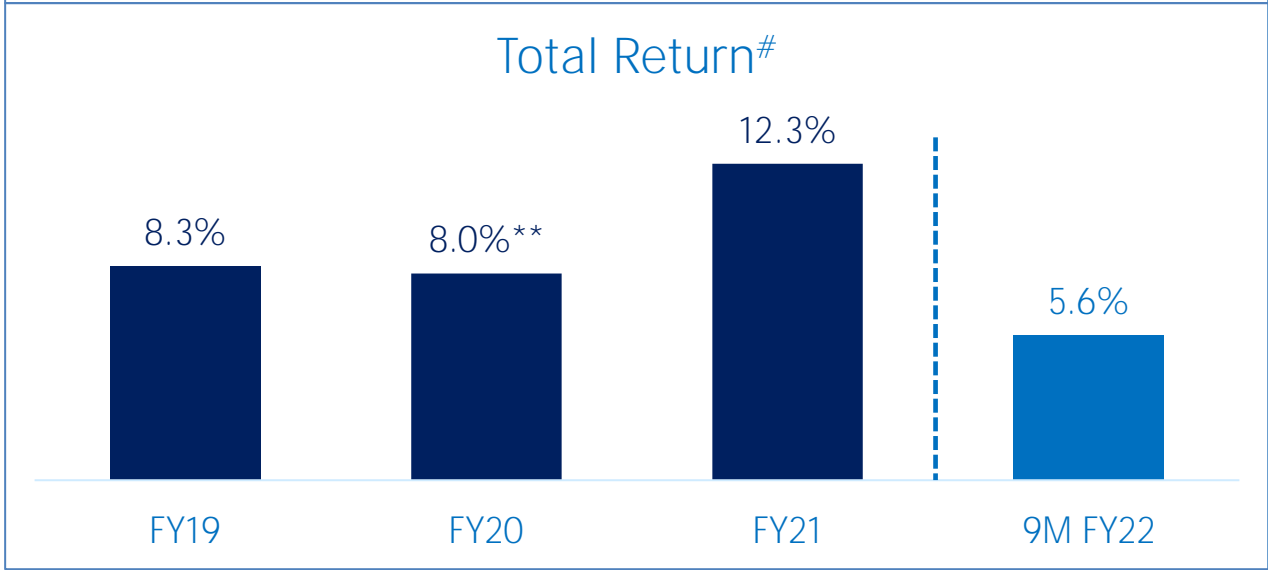
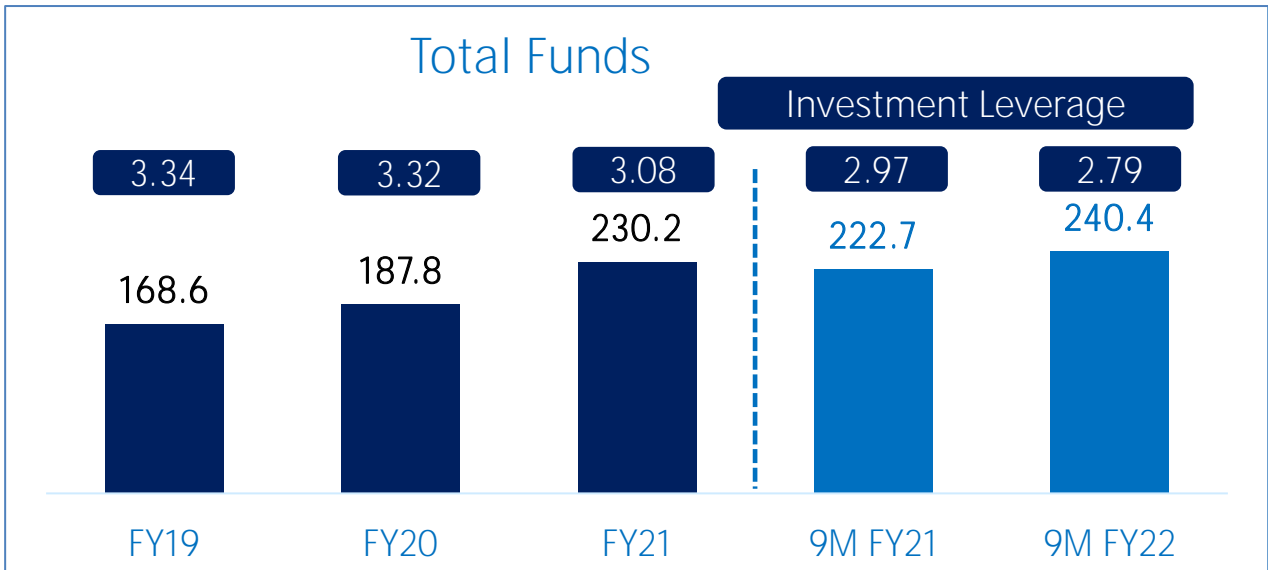
- ❑ ALM focused on cashflow matching & achieving an immunized portfolio
- ❑ Interest rate risk on the Individual Non-Participating Savings, Protection and Annuity portfolio managed through partly paid bonds, and Forward Rate Agreements
- ❑ For annuities, there is continuous monitoring of business mix 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 out for COVID-19 claims

# Additional Information – BAGIC

All Figures in Rs Billion



- ❑ Investment Portfolio mix for Q3 FY22: Corporate bonds 38.9%, G-Sec 50.5%, Equity 8.5%, and Money Market 2.1%
- ❑ Unrealized gain of Rs. 8.04 billion as on 31 December 2021
- ❑ We have booked Rs. 3.91 bn of capital gains during 9M FY22

Investment Leverage : AUM as of date / Net worth as of date | \*Equity includes AT1 bonds, Mutual Fund Units, Equity and ETF  
 # - 9M FY22 return numbers are non- annualized. Total return includes change in unrealised gains during the period.  
 \*\* Mainly on account of Mark-to-Market Losses of Rs. 3,880 Mn (mostly on account of Equity investments)



Line of Business	Net Loss Ratio		Net Loss Ratio	
	Q3 FY22	Q3 FY21	9M FY22	9M FY21
Fire	64.7%	46.4%	71.3%	66.1%
Marine Cargo	70.6%	34.5%	72.3%	69.3%
Motor OD	69.9%	59.1%	64.3%	49.9%
Motor TP	65.6%	74.0%	72.6%	77.7%
<b>Motor Total</b>	<b>67.5%</b>	<b>67.7%</b>	<b>69.0%</b>	<b>66.2%</b>
Engineering	46.8%	35.7%	68.6%	45.2%
Personal Accident	19.7%	35.3%	36.6%	45.8%
Health (retail + group)	87.5%	83.7%	100.0%	84.3%
Crop	73.2%	51.1%	72.2%	82.9%
<b>Total</b>	<b>69.6%</b>	<b>66.6%</b>	<b>74.4%</b>	<b>69.8%</b>
<b>Total (Ex Crop)</b>	<b>69.5%</b>	<b>67.8%</b>	<b>74.5%</b>	<b>68.8%</b>

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

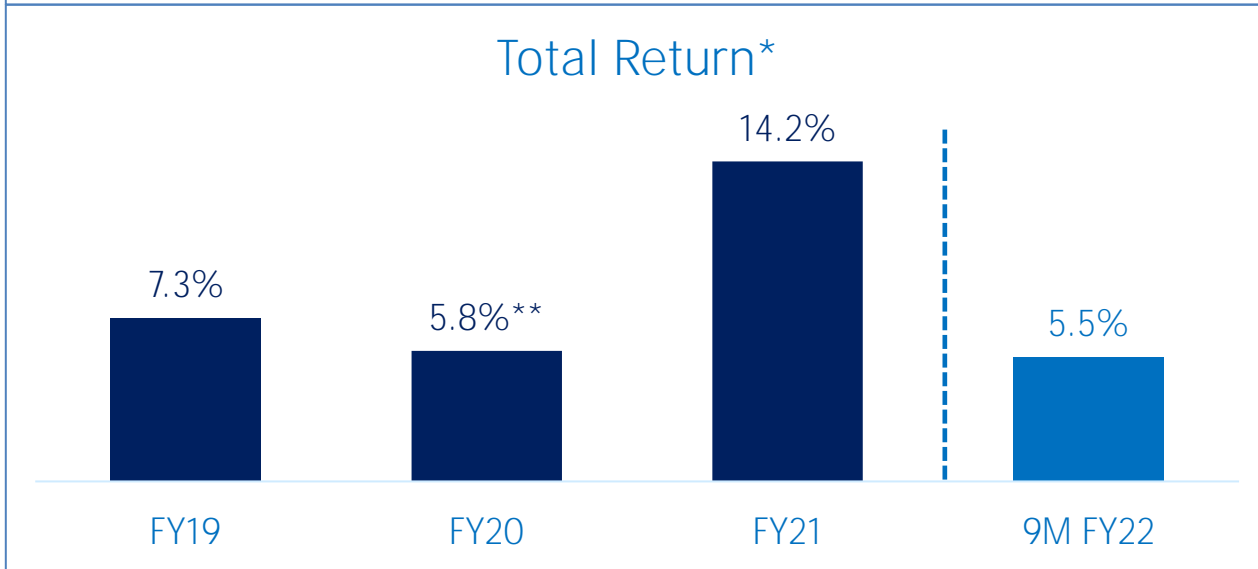
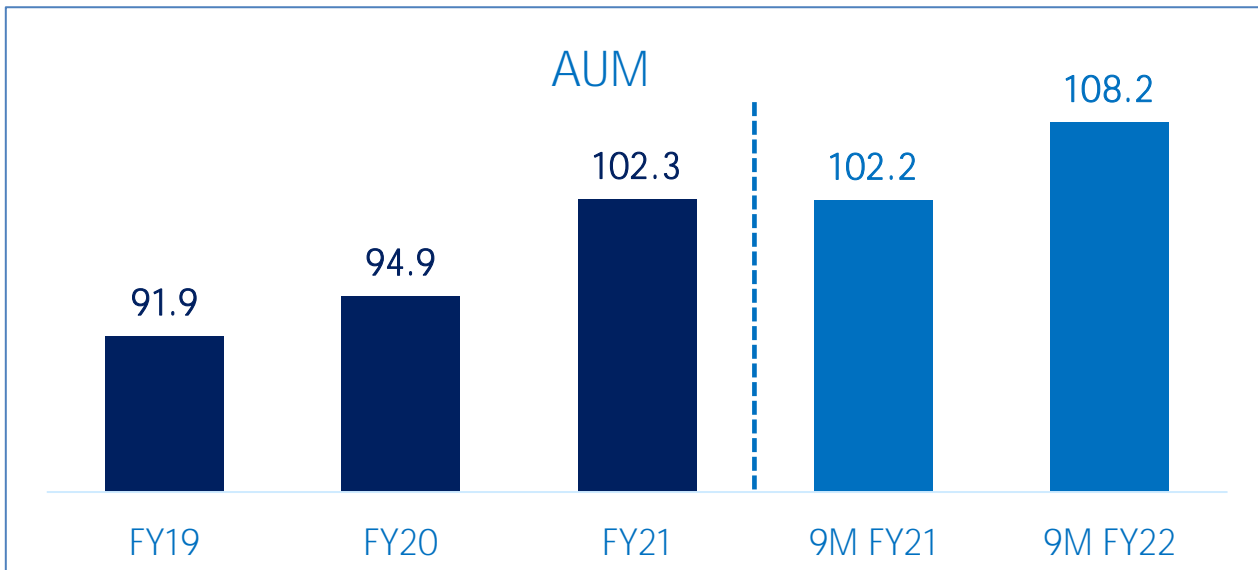
Line of Business	BAGIC GDPI Growth	
	Q3 FY22	9M FY22
Fire & Engineering	18.1%	17.1%
Marine	25.5%	28.6%
Motor OD	-7.1%	2.4%
Motor TP	2.7%	4.5%
<b>Motor Total</b>	<b>-1.6%</b>	<b>3.6%</b>
Liability	14.0%	12.7%
Personal Accident + Travel	40.7%	18.0%
Health (retail + group)*#	16.7%	19.0%
Crop	-67.3%	-28.9%
<b>Total</b>	<b>-13.2%</b>	<b>6.4%</b>
<b>Total (Ex Crop)</b>	<b>-0.3%</b>	<b>18.0%</b>
<b>Total (Ex Crop &amp; Govt. Health)</b>	<b>6.1%</b>	<b>10.2%</b>

In Q3 FY22, mix of Health Portfolio i.e. Retail Health: Group Employer – Employee: Group – Others: Govt. stands at 39:40:17:3 (vs 30:29:11:29 in Q3 FY21)

\*Health includes Retail , Group and excludes Govt. Health | PA includes retail and group business | LOB trend for major LOB

# Additional Information – BALIC

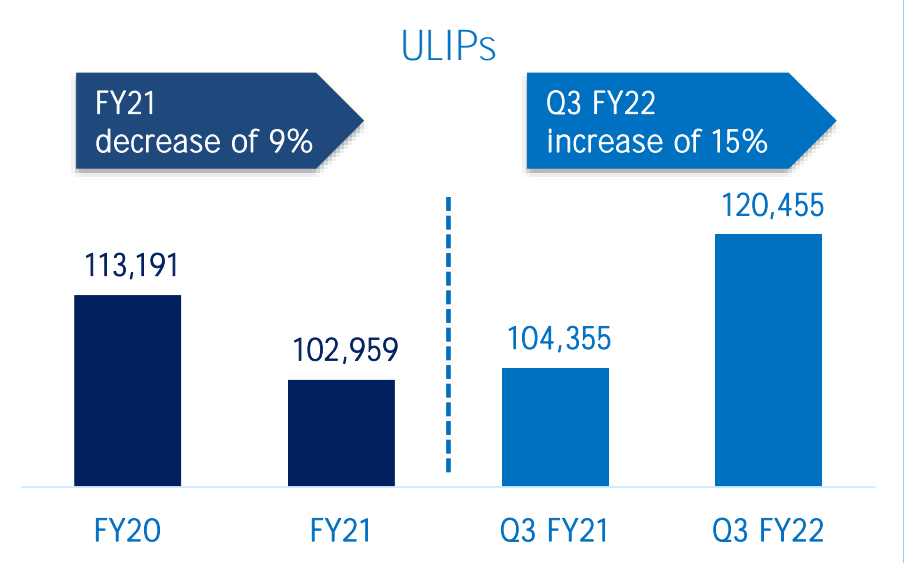
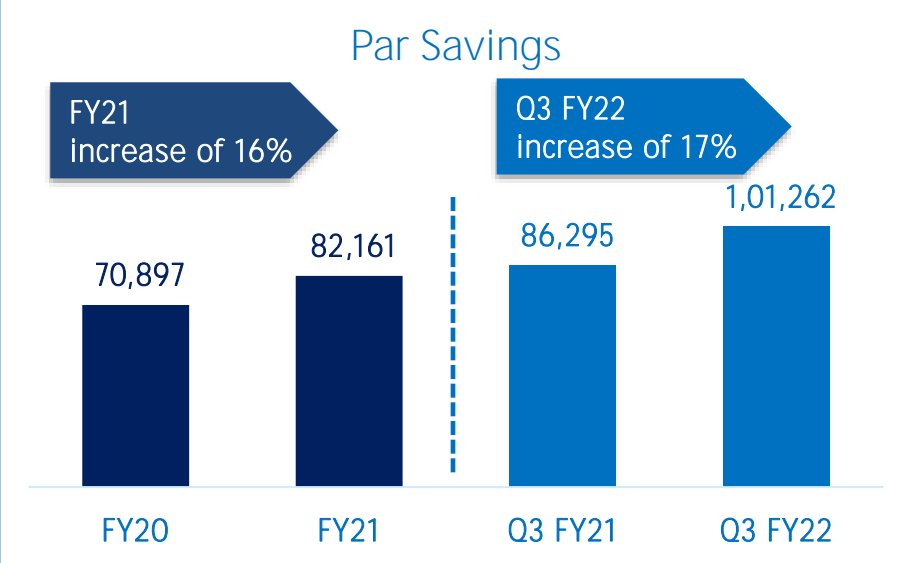
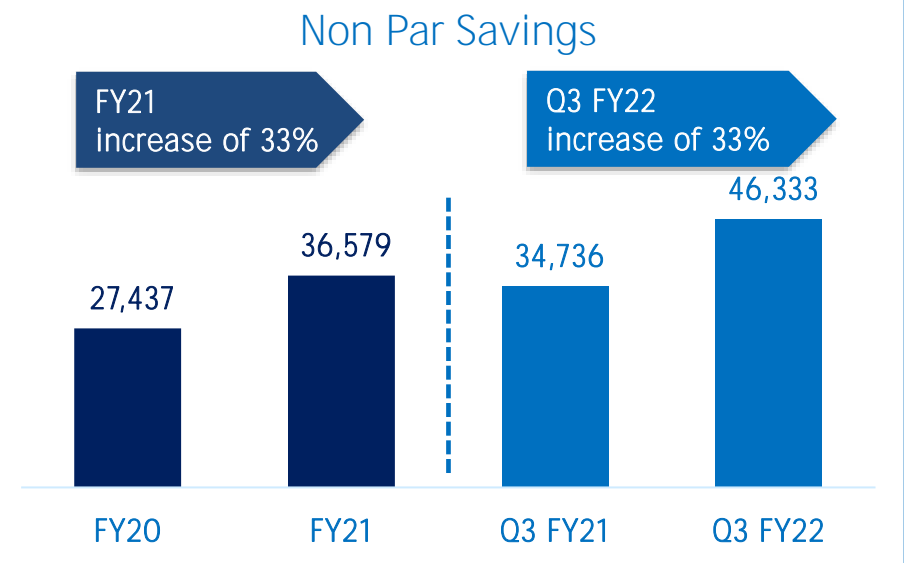
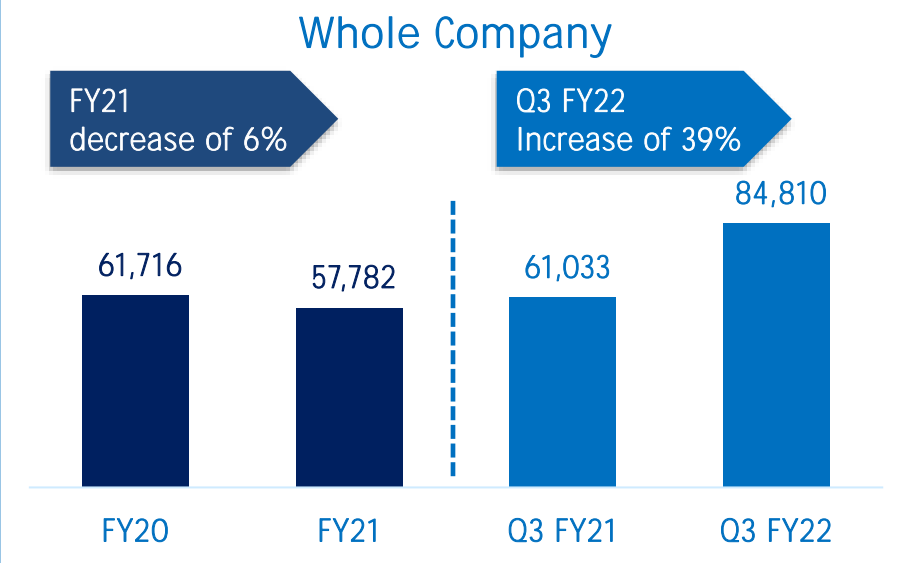
All Figures in Rs Billion



- ❑ Asset mix as on 31 December 2021: Corporate Bonds 18.4%, G-Sec 48.1% and Equity 15.6% (on Market value basis)
- ❑ Capital gains booked in 9M FY22 were Rs. 1.63 billion
- ❑ Unrealized gains in the Shareholder Fund was Rs. 5.93 billion as on 31 December 2021
  - Unrealized gain on equity portfolio at Rs. 5.08 billion
  - Unrealized gain on other than equity portfolio at Rs. 0.85 billion

\*Total return includes change in unrealized gains during the period | \*\*While return in FY20 is lower mainly on account of Mark-to-Market Losses of Rs. 2,513 Mn (mostly on account of Equity investments), return is higher in FY21 on account of Mark-to-Market gains of Rs. 5,837 Mn  
 # - 9M FY22 return numbers are non- annualized

All Figures in Rs.



Thank You

# Annexure

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

## Governance

- Board approved business responsibility policy (including material subsidiaries)
- Liquidity / solvency higher than the statutory requirement
- Women empowerment through policies, opportunities, social initiatives and more.

## Reaching Financial Services to Million of Indians

- Crop insurance to 4.8+ million farmers in last 3 years
- Financing to over 10 million new-to-credit customers during last 3 years
- Higher contribution of rural / social sector business compared to IRDAI norms

## Preserving and Protecting Environment

- Renewable power generated is significantly more than the electricity consumed
- Reduced paper consumption through digital initiatives
- 10 bps incremental pricing on fixed deposits placed digitally

## Empowering Society

- **‘Cleft Reconstructive Surgeries’** for 58,000+ children since 2014
- Eye care for 400,000+ individuals over last 3 years
- 9,583 students (67.5% being women) enrolled for CPBFI\*, since inception
- 860+ women farmers empowered in ecologically sensitive areas

## Customer Centricity

- Charters and policies to protect interest of customers
- Use of technology to enhance customer experience
- Conducted customer training and awareness campaigns
- Supported customers amidst the pandemic through repayment moratorium, renewal extension, etc.

## Human Capital Management

- 33,000+ employees upskilled / multi-skilled through trainings
- 40%+ employees below 30 years
- 4,200+ employees moved through internal job posting mechanism, etc.
- COVID-19 initiatives such as financial aid, dedicated helplines, doctor consultations, counsellors for mental health & wellbeing, etc.



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