

Top-up of newer ventures to supplement the strong core

BFSI - NBFCs ▶ Initiating Coverage ▶ September 13, 2024

TARGET PRICE (Rs) : 2,150

We initiate coverage on Bajaj Finserv (BJFIN) with a BUY recommendation and Sep-25E TP of Rs2,150/share (~16% upside), implying FY26E consolidated P/B of 4.1x. Our positive stance on the stock is underpinned by three factors: 1) Notwithstanding temporary hiccups, the established businesses of BAF and BAGIC remain arguably the best in the industry and maintain an edge. 2) BALIC has navigated well through challenging times and is now among the top non-bank-owned franchises. 3) Newer businesses like Bajaj Finserv AMC and Bajaj Securities complete the product suite, while Bajaj Finserv Health provides a huge optionality in the long term with its endeavor to create India's 'Optum' in the healthcare space. Overall, we see BJFIN's consolidated PAT compounding at 24% over FY24-27E to Rs154bn. We believe the BJFIN play is apt for gaining exposure to established and fortified franchises like BAF and BAGIC, along with optionality emerging from newer ventures like Bajaj Finserv Health.

Bajaj Finserv Ltd: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profit	64,173	81,478	101,916	127,734	153,939
Loan growth (%)	26.6	34.7	25.6	24.9	23.9
NII growth (%)	28.1	26.6	26.1	23.5	21.3
NIMs (%)	10.2	10.1	10.1	10.0	9.8
PPOP growth (%)	30.7	28.2	28.5	24.0	21.5
Adj. EPS (Rs)	40.3	51.2	63.9	80.1	96.5
Adj. EPS growth (%)	40.7	27.1	24.8	25.3	20.5
Adj. BV (INR)	291.4	378.4	442.1	522.1	618.6
Adj. BVPS growth (%)	15.2	29.9	16.8	18.1	18.5
RoA (%)	4.7	4.4	4.1	4.1	4.0
RoE (%)	23.4	22.0	20.8	21.8	21.8
P/E (x)	46.0	36.2	29.0	23.1	19.2
P/ABV (x)	6.4	4.9	4.2	3.5	3.0

Source: Company, Emkay Research Note: Loan, NIMs, PPOP, ROA and ROE correspond to BAF

BAF and BAGIC remain the best in the business; BALIC comes of age

Powered by superior tech/data analytic capabilities as well as an impressive management team with a solid execution track record, BAF has consistently demonstrated its ability to outgrow the industry with excellent profitability metrics. Notwithstanding the near-term external and internal headwinds, the franchise is as sturdy an execution machine as ever, and BAF is well set to deliver 22% EPS CAGR over FY24-27E (refer to our [BAF Initiation note](#); and our [BAF Q1FY25 note](#)). BAGIC has successfully displayed its ability to deliver profitable growth in the General Insurance sector not just over the decades of intense competition but also amid deteriorating profitability for the sector. Looking ahead, BAGIC is set to stay among the most profitable companies in the sector. BALIC has smartly built its diversified distribution/product offering over the last 5-6years, delivering FY19-24 APE/VNB CAGR at 27%/47%, and is well poised to navigate through current regulatory changes, albeit with some near-term impact on profitability margins.

Endeavor to build India's own 'Optum' offers huge optionality

Having launched its equity broking business a few years ago, BJFIN's financial-services offering has expanded and is nearly-complete with launch of the AMC business. These businesses remain sub-scale, but should scale up well given the brand name and reach of the Bajaj parentage. With Bajaj Finserv Direct (e-commerce platform 'Bajaj Mall' and digital marketplace for financial products 'Bajaj Markets'), BJFIN is making efforts to garner the larger portion of its customer wallet share. Supported by Bajaj Finserv Health, BJFIN has set eyes on one of India's biggest addressable markets—the healthcare ecosystem. BJFIN is, in this market, attempting to replicate the famed 'Optum' business of the UnitedHealth Group in the US. BJFIN's business is still in the early stages, and has a credible leadership. Once the business takes off and gains critical size, the network effect offers enormous growth potential.

Perfect play for India's diversified Financial Services growth; initiate coverage on BJFIN with BUY

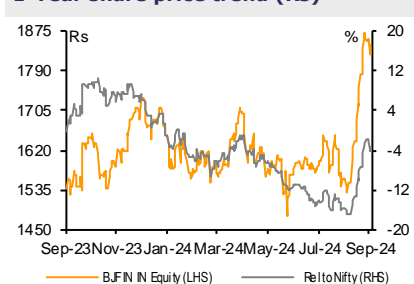
With its complete bouquet of financial services offerings and BAF's large ~90mn customer franchise, BJFIN is well positioned to capture the structural growth story of financial products in India across lending, investing, and protecting. We initiate coverage on BJFIN with a BUY and SoTP based Sep-25E TP of Rs2,150/share (implying FY26E consolidated P/B of 4.1x), offering ~16% upside. Risks: Any credit quality or growth related challenges at BAF leading to correction in BAF's share price; any adverse regulatory developments, as all underlying businesses are regulated; intensifying competitive dynamics in Life and General Insurance.

Target Price – 12M	Sep-25
Change in TP (%)	NA
Current Reco.	BUY
Previous Reco.	NR
Upside/(Downside) (%)	16.1
CMP (12-Sep-24) (Rs)	1,852.3

Stock Data	Ticker
52-week High (Rs)	1,898
52-week Low (Rs)	1,419
Shares outstanding (mn)	1,596.7
Market-cap (Rs bn)	2,957
Market-cap (USD mn)	35,218
Net-debt, FY25E (Rs mn)	0
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	3,491.3
ADTV-3M (USD mn)	41.6
Free float (%)	-
Nifty-50	25,359
INR/USD	84.0
Shareholding, Jun-24	
Promoters (%)	60.6
FPIs/MFs (%)	8.1/7.9

Price Performance			
(%)	1M	3M	12M
Absolute	18.8	17.3	20.1
Rel. to Nifty	14.1	7.9	(5.3)

1-Year share price trend (Rs)



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Investment Thesis

We initiate coverage on BJFIN with a BUY recommendation and Sep-25E target price of Rs2,150/share (~16% upside), implying FY26E consolidated P/B of 4.1x. Our positive stance on the stock is underpinned by three factors: 1) Notwithstanding temporary hiccups, the established businesses of BAF and BAGIC remain arguably the best in the industry and maintain an edge. 2) BALIC has navigated well through challenging times and is now among the top non-bank owned franchises. 3) Newer businesses like Bajaj Finserv AMC and Bajaj Securities complete the product suite, while Bajaj Finserv Health provides huge optionality in the long term by attempting to create India's 'Optum' in the healthcare space. Overall, we see BJFIN's consolidated PAT CAGR at 24% over FY24-27E and reaching Rs154bn. We believe the BJFIN play is apt for gaining exposure to established and fortified franchises like BAF and BAGIC, along with the optionality emerging from newer ventures like Bajaj Finserv Health.

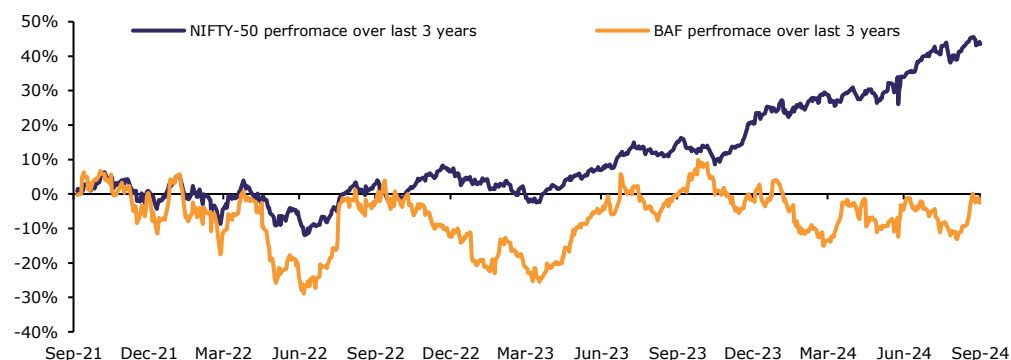
A complete financial-services powerhouse

BJFIN is a powerful player in the lending and insurance businesses. Despite its entry in Asset management and Equity Broking only a few years ago, BJFIN has covered the gap in its financial services offering, and is fully covered to address the complete financial services needs of BAF's ~90mn strong customer franchise that largely comprises of masses and mass-affluent segments. At this juncture, some of the newer business verticals could be sub-scale, but given the brand name and the group's track record of scaling up businesses, we are confident that these will scale up and track the path to profitable growth. In addition to its financial services offerings, the company has ventured into E-commerce marketplace opportunities, to capitalize on its large customer base; its foray into Healthcare intermediation via Bajaj Finserv Health opens a large and fast-growing addressable opportunity in the Healthcare space.

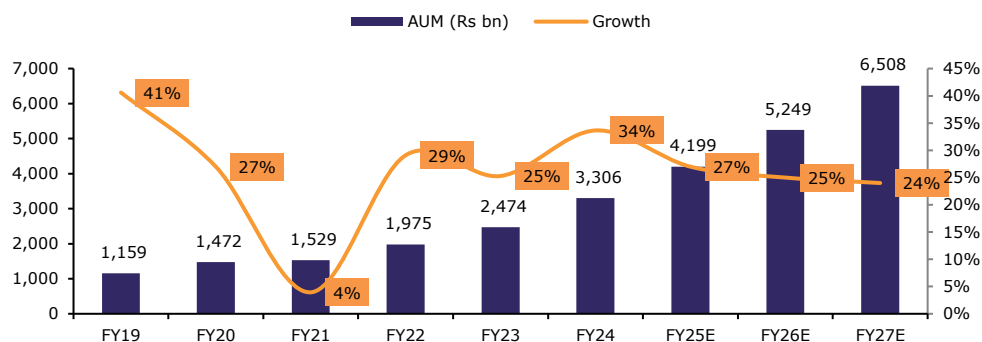
BAF: Execution machine as powerful as ever; overhangs clearing gradually

The last three years have seen major dissonance between BAF's share-price performance and its financial and operating performance. This variance is clearly reflected in BAF's valuation multiple having simultaneously de-rated. This was largely driven by several near-term headwinds—some internal and a few external—that clouded the company's growth horizon. However, as argued in our BAF coverage initiation note (refer to: [Execution machine robust as ever; ST challenges in the price; initiate with BUY](#)), a number of these headwinds, including the removal of ban of e-com/EMI card and listing of Bajaj Housing, have allayed in the last few months; a few other headwinds, including continuity of the RBL Co-branded card, should soon diminish. The increased credit cost in Q1FY25 is likely a blip, and should start to improve from H2FY25, in our view. Overall, BAF maintains muscle as the powerful execution machine it has been over the last one and half decades, and this divergence in share price and financial performance should gradually reduce in the near-to-medium term.

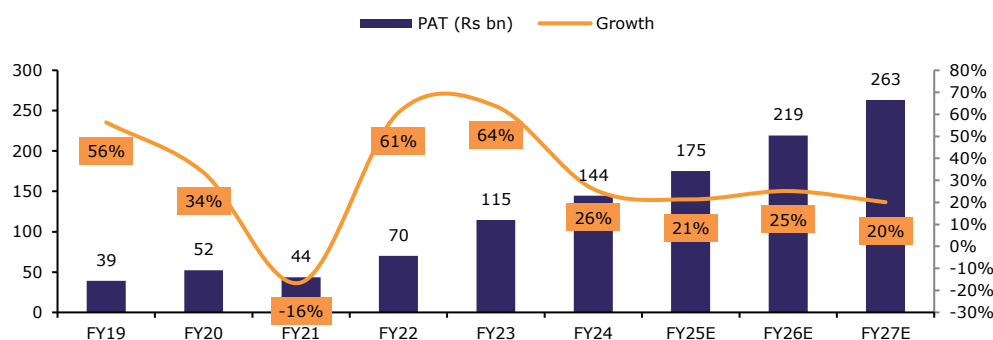
Exhibit 1: BAF has underperformed the NIFTY in the last 36 months



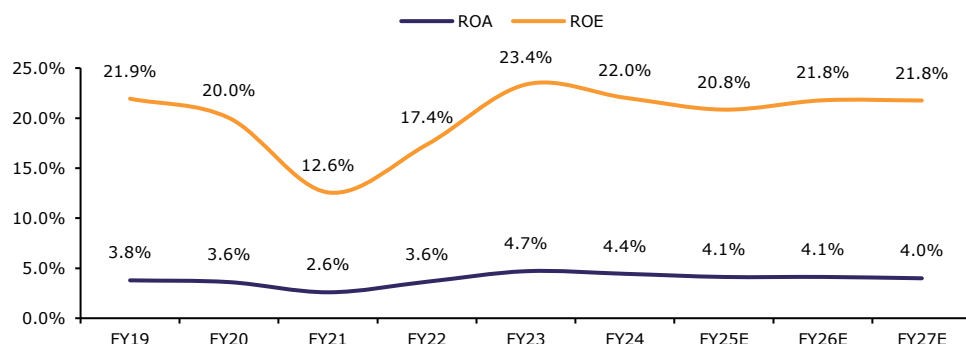
Source: Company, Emkay Research

Exhibit 2: Bajaj Finance has historically seen strong growth in AUM

Source: Company, Emkay Research

Exhibit 3: Strong AUM growth, coupled with superior asset quality, has led to robust growth in profitability

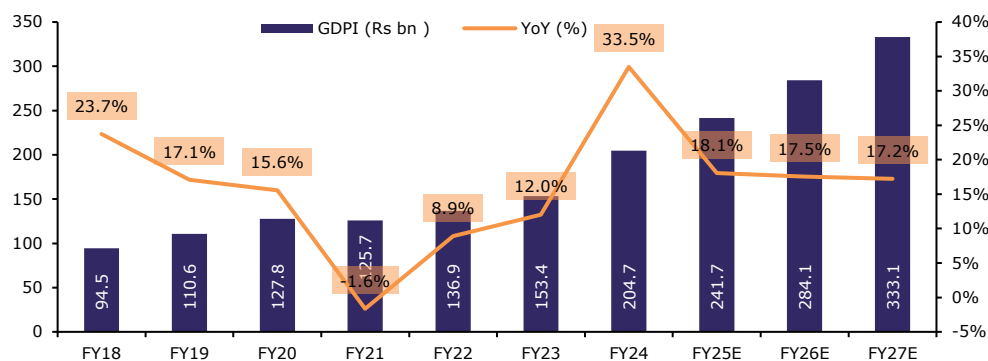
Source: Company, Emkay Research

Exhibit 4: BAF has delivered best-in-class profitability metrics among industry players

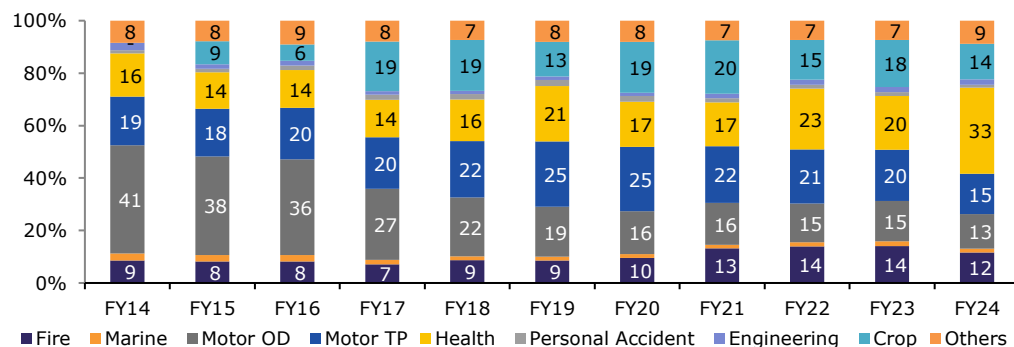
Source: Company, Emkay Research

BAGIC: Among the best in the business

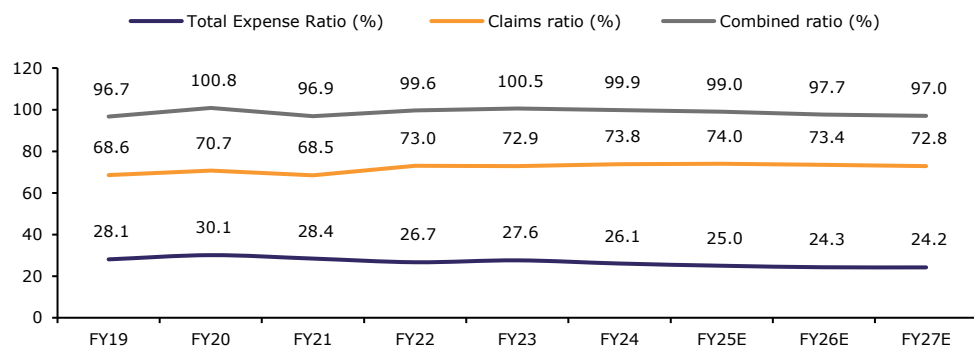
Over the last two decades, BAGIC has successfully executed its profitability-focused approach to growth. What sets BAGIC apart from peers is its ability to pick profitable businesses across segments, including Group and government Health and Crop insurance. BAGIC's ability to select profitable geographical or demographic cohorts and to prudently time its acceleration and deceleration in specific segments has resulted in superior combined ratios and consistent growth in profitability, even if this meant volatility in the top-line. We believe BAGIC will remain among the best in the industry, in terms of profitability and growing topline broadly in line with the industry, going forward.

Exhibit 5: Over the past few years, BAGIC has successfully delivered superior premium growth

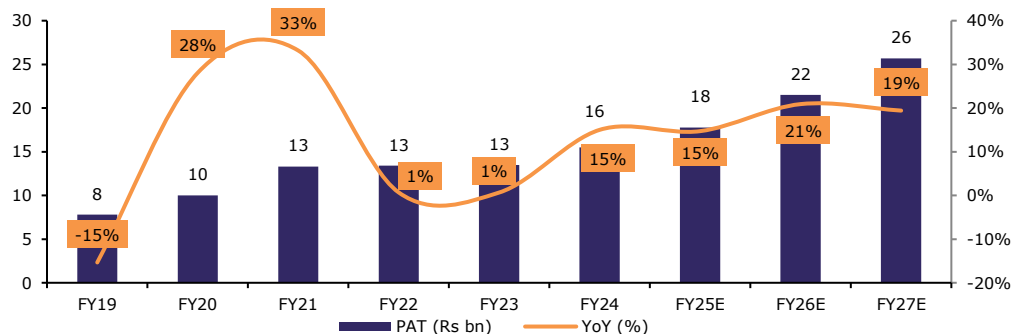
Source: Company, Emkay Research

Exhibit 6: BAGIC has, over the years, gained the ability to pick profitable pools of business, thus steering its product mix in the right direction

Source: Company, Emkay Research

Exhibit 7: BAGIC's ability to underwrite business in specific profitable segments has resulted in superior combined ratios

Source: Company, Emkay Research

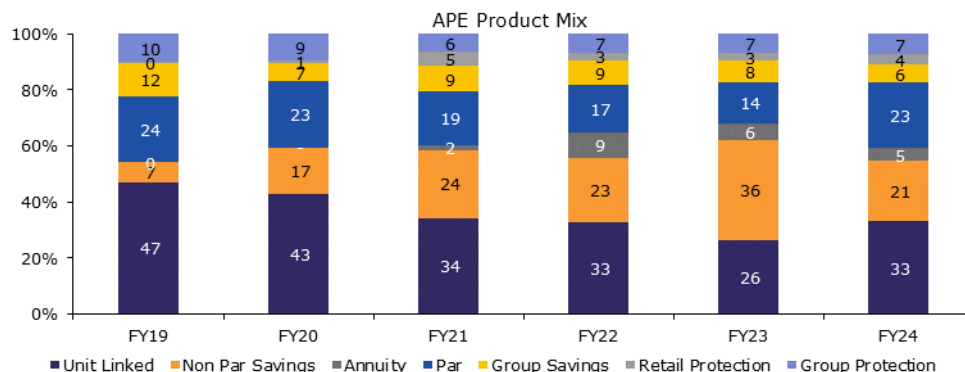
Exhibit 8: BAGIC has successfully executed its businesses while growing profitably

Source: Company, Emkay Research

BALIC: Building a diversified and profitable franchise

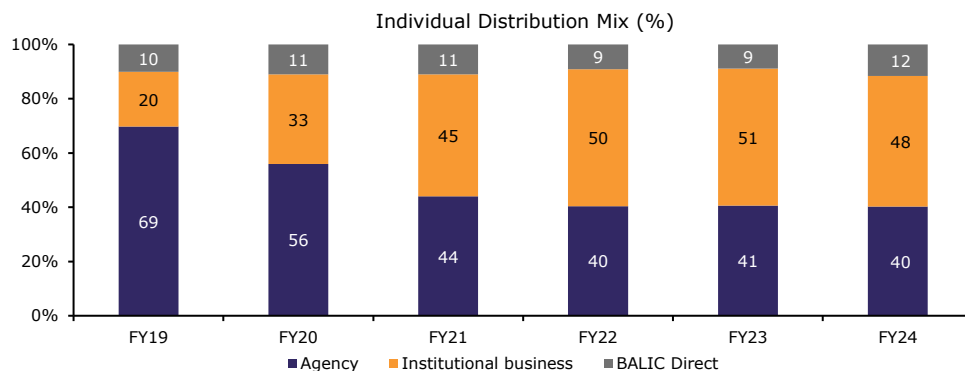
After struggling for many years following the product regulation changes of 2010-11, BALIC started to come back on track starting-2018, when open architecture was introduced in bancassurance and BALIC began cementing bancassurance partnerships. The turning point for BALIC was when it entered a banca agreement with Axis Bank in 2019. Over the last 5 years, BALIC has greatly diversified its distribution mix and product mix, and has delivered superior growth. And given the economies of scale, margins have started to improve. The entry of multiple new insurers in the Axis Bank channel and the new surrender regulations come as minor hurdles, but BALIC has demonstrated its ability to successfully navigate through a challenging environment. We expect BALIC to deliver 19% APE growth, 17% VNB growth, and EV CAGR of 12%, over FY24-27E.

Exhibit 9: Over time, BALIC has diversified its product mix, thus reducing share of ULIPs



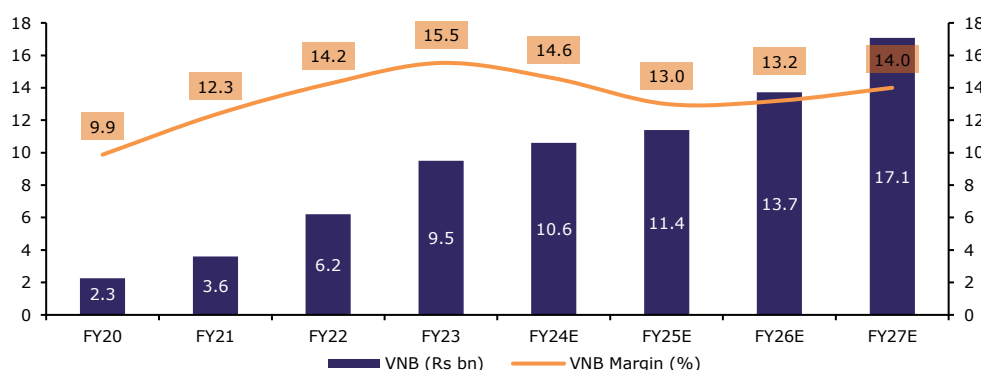
Source: Company, Emkay Research

Exhibit 10: With the open architecture in the Banca channel, BALIC has diversified its channel mix with the Institutional Business channel, capturing the major share

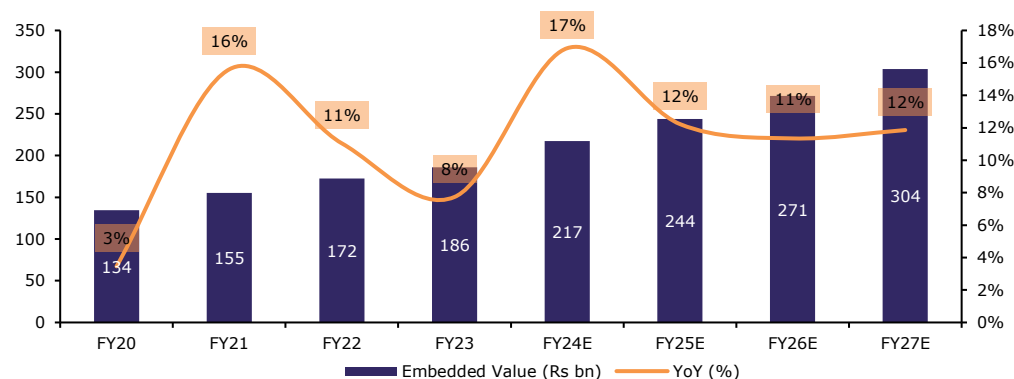


Source: Company, Emkay Research

Exhibit 11: Economies of scale have resulted in margin expansion; however, the new surrender regulations are expected to cause a minor blip in the margin trajectory going forward



Source: Company, Emkay Research

Exhibit 12: Driven by VNB growth, BALIC's EV has compounded well over the past

Source: Company, Emkay Research

Nascent new verticals offer huge optionality

BJFIN has taken several steps to widen its financial services offering and to venture into businesses where it can either take a lead in the large addressable opportunity (**Bajaj Finserv Health**) or capitalize on the sizable customer franchise of ~90mn (**Bajaj Finserv Direct**). These businesses are still nascent, and have seen material investments over the last few years. With its credible leadership and prudent management team, along with material investments in building the platform, **BJFIN** has set its sight on the large addressable and fast-growing revenue opportunities in the Healthcare industry. It targets building India's 'Optum' – Notably, Optum has emerged as the biggest intermediary in the US healthcare industry and has been the big value creator for US health insurer UnitedHealth Group. It is still early days for **Bajaj Finserv Health**, and the Indian Healthcare expenditure is minuscule (~4% of USA's). Nevertheless, with economic growth and demographic changes, Indian Healthcare expenditure is on the path of sustained growth, and **Bajaj Finserv Health** has made a good start. With its approach to provide services to Healthcare providers (Hospitals, Diagnostic labs, etc), Payers (Employers, Insurers, etc), and Patients, it is well positioned to address the large wallet share in Healthcare expenditure.

Perfect stock to own for leveraging India's diversified Financial Services growth; initiate coverage on **BJFIN** with **BUY**

Bolstered by its complete bouquet of financial services offerings and **BAF's** large ~90mn customer franchise, **BJFIN** is well positioned to capture the structural growth story of financial products in India across lending, investing, and protecting. We initiate coverage on **BJFIN** with a **BUY** recommendation and SoTP-based Sep-25E target price of Rs2,150/share (implying FY26E consolidated P/B of 4.1x), offering ~16% upside. Given **BAF's** scale of operations and profitability, it forms the core of our SOTP-based valuation. Our SoTP-based valuation for **BJFIN** includes: i) **BAF** is valued at our target price (Rs9,000/sh Jun-25E TP for **BAF**, adjusted to Sep-25E) valuation. ii) **BAGIC** is valued at Rs672bn as of Sep-25 E (implying FY26 P/E of 31.3x), using the Residual Income approach. iii) **BALIC** is valued at Rs504bn as of Sep-25 E (implying FY26 P/EV of 1.9x), using the Appraisal Value method. iv) The smaller businesses are at a nascent stage and are valued on revenue multiples. We apply 20% holdco discount overall.

Exhibit 13: BJFIN – SOTP-based valuation

(Rs mn)	Parameter	FY26E value	Implied Multiple (x)	Valuation	BJFIN stake	Value
Bajaj Finance	Networth	1,099,077	5.1	5,722,051	51.3%	2,937,701
Bajaj Allianz General	PAT	21,502	31.3	672,444	74.0%	497,609
Bajaj Allianz Life	EV	271,489	1.9	504,457	74.0%	373,298
Holding company operations	PAT	990	25.0	24,750	100.0%	24,750
Bajaj Health	Revenue	21,614	5.0	108,068	100.0%	108,068
Bajaj Direct	Revenue	13,500	5.0	67,499	80.1%	54,087
Bajaj AMC	AUM	200,000	0.1	20,000	100.0%	20,000
BJFIN - SoTP						4,015,513
Holding company discount on listed company			20%			-587,540
BJFIN - Valuation						3,427,973
No. of shares (mn)						1595.3
Fair Value per share (Rs)						2,149
Sep-25E Target price (Rs/sh)						2,150

Source: Company, Emkay Research

Exhibit 14: Life Insurance – Peer Valuation

Life Insurance -	BALIC		HDFC Life		IPRU Life		Max Life		SBI Life	
Key parameters	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
APE (Rs bn)	87.7	103.9	156.0	181.9	105.6	120.1	90.0	102.8	227.9	258.0
VNB (Rs bn)	11.4	13.7	39.7	47.0	26.0	30.0	22.0	25.5	62.1	70.4
VNB (%)	13.0	13.2	25.5	25.8	24.6	24.9	24.5	24.8	27.2	27.3
EV (Rs bn)	243.8	271.5	550.6	637.9	482.7	550.9	247.4	291.0	699.0	819.9
EVPS (Rs/sh)	1,618	1,801	256	297	336	383	574	675	698	811
Current Mcap (Rs bn)	NA		1,506		1,078		394		1,857	
Implied P/EV (x)			2.7		2.2		2.0		2.7	
Target Mcap (Rs bn)	504		1,613		1,078		414		1,902	
Target Implied P/EV (x)	2.1		2.9		2.2		2.1		2.7	

Source: Company, Emkay Research

Exhibit 15: General Insurance – Peer Valuation

General Insurance	BAGIC		Go Digit		ICICI GI		Star Health	
Key Parameters	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
GWP (Rs bn)	243.6	286.2	112.7	137.5	299.9	345.7	179.9	214.0
PAT (Rs bn)	17.8	21.5	4.5	6.0	24.8	29.6	10.5	12.6
CoR (%)	99.0	97.7	106.1	105.5	101.8	101.1	95.8	95.2
RoE (%)	15.5	16.9	12.8	13.0	19.3	20.1	15.4	16.3
Networth (Rs bn)	120.9	133.8	41.2	47.3	137.0	156.8	55.0	64.1
Current Mcap (Rs bn)	NA		343		1046		361	
Implied P/E (x)			76.0		42.1		34.5	
Implied P/B (x)			8.3		7.6		6.6	
Target Mcap (Rs bn)	672		211		884		378	
Target Implied P/E (x)	38		47		36		36	
Target Implied P/B (x)	5.6		5.1		6.5		6.9	

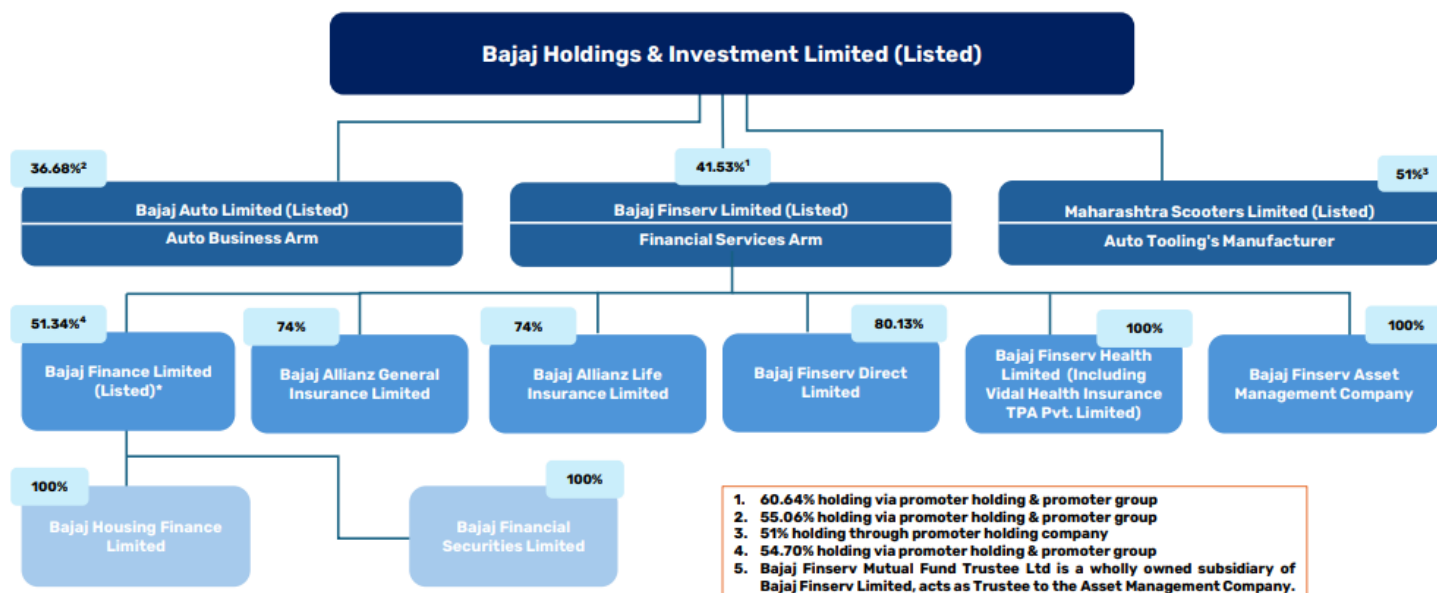
Source: Company, Emkay Research

Key risks:

BJFIN has been incrementally diversifying across various business segments over the years. Yet BAF's lending business remains its biggest value driver. As a result, the inherent risks in BAF's business, ie retail credit cycle, competitive pressure on yields, regulatory actions, will remain key risks for BJFIN. Despite diversification, majority of BJFIN's businesses are in the regulated domain and hence any regulatory changes or disruptions will remain major risks. Additionally, technological risk and key manpower risk too would be crucial risks for the company.

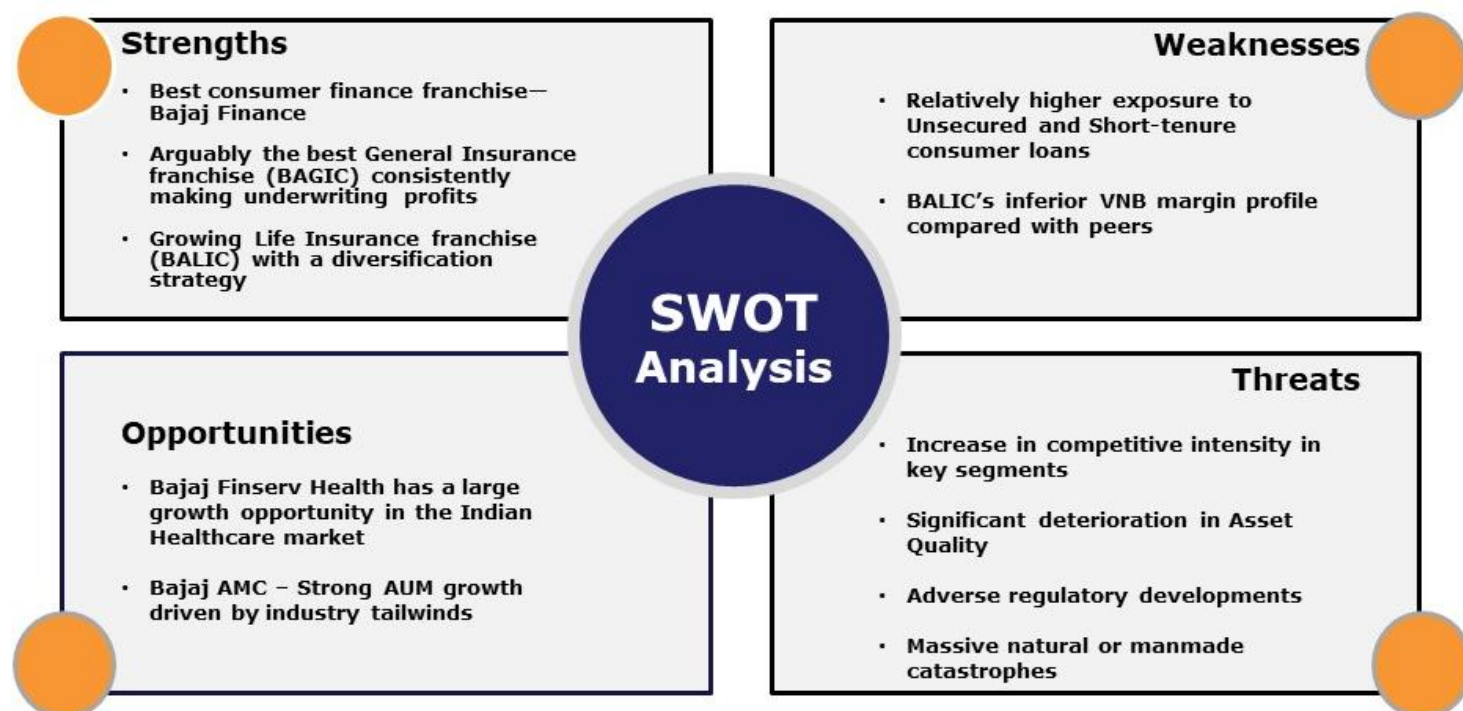
Other risks: Any credit quality or growth related challenges at BAF leading to correction in BAF share price; any adverse regulatory developments, as all underlying businesses are regulated; worsening of competitive dynamics in life and general insurance.

Exhibit 16: Bajaj Finserv – Group structure



Source: Company; Emkay Research

Exhibit 17: SWOT Analysis



Source: Company, Emkay Research

Exhibit 18: Bajaj Finserv – Consolidated Financial Summary

(Rs mn)	2023	2024	2025E	2026E	2027E
Income Statement					
Revenue from operations					
Interest income	401,552	537,932	692,879	854,962	1,045,499
Dividend income	1,316	1,580	1,738	1,912	2,103
Rental income	41	44	47	51	54
Fees and commission income	43,125	54,359	71,505	85,188	100,925
Net gain on fair value changes	-1,555	28,358	31,194	34,313	37,745
Sale of services	3,259	6,551	7,206	7,927	8,720
Premium and other operating income from insurance business	359,133	463,227	512,696	618,582	737,214
Others	13,842	11,769	10,553	18,049	28,294
Total revenue from operations	820,712	1,103,819	1,327,820	1,620,983	1,960,553
Total Income	820,720	1,103,830	1,327,820	1,620,983	1,960,553
Employee benefits expenses	87,672	103,610	118,216	145,946	177,862
Finance costs	122,014	183,995	246,637	303,664	376,722
Fees and commission expense	42,382	69,706	76,054	90,510	107,825
Impairment on financial instruments	32,310	46,336	71,741	86,234	109,046
Claims incurred pertaining to insurance business	165,920	218,303	232,563	277,228	328,434
Reinsurance ceded	70,273	95,631	115,524	130,612	150,462
Net change in insurance/investment contract liabilities	66,280	102,555	125,304	152,789	183,292
Depreciation, amortization and impairment	6,778	9,001	10,351	11,904	13,690
Other expenses	58,993	61,024	69,631	94,963	120,054
Total expenses	652,621	890,161	1,066,021	1,293,850	1,567,387
Share of profits of joint venture	12	81	100	100	100
Profit Before Tax	168,111	213,750	261,699	327,033	393,067
Tax	46,016	57,797	67,582	84,080	100,716
Profit After Tax	122,095	155,954	194,116	242,953	292,351
Profit attributable to Non-Controlling Interest	57,923	74,476	92,200	115,219	138,412
Profit attributable to Owners	64,173	81,478	101,916	127,734	153,939
Basic and Diluted EPS (Rs)	40.3	51.2	64.0	80.2	96.6
Share Count	1,593	1,593	1,593	1,593	1,593
Profit before Tax	168,111	213,750	261,699	327,033	393,067
-- Bajaj Finance	154,790	193,019	235,885	295,170	354,389
--General Insurance	18,026	20,550	23,712	28,669	34,235
--Life Insurance	3,699	5,716	6,602	7,694	8,943
--Holding company net of elimination	-8,404	-5,534	-4,500	-4,500	-4,500
Tax expense	46,016	57,797	67,582	84,080	100,716
Profit after tax	122,095	155,954	194,116	242,953	292,351
Minorities	57,923	74,476	92,200	115,219	138,412
Group Net income	64,173	81,478	101,916	127,734	153,939
BALANCE SHEET					
Equity and Liabilities					
Shareholders' funds	464,073	603,286	705,203	832,937	986,876
Minority interest	311,907	434,472	414,928	493,214	587,191
Total Equity	775,981	1,037,759	1,120,130	1,326,151	1,574,067
Financial liabilities					
Borrowings	2,114,413	2,875,988	3,685,662	4,611,150	5,766,969
Policy liabilities	941,017	1,182,801	1,368,208	1,590,666	1,852,557
Linked liabilities	97,973	113,774	134,294	159,315	189,332
Other long-term liabilities	84,354	113,125	138,431	168,322	205,062
Total - financial liabilities	3,237,757	4,285,688	5,326,595	6,529,453	8,013,921
Non-financial liabilities					
Other current liabilities	36,408	50,519	129,394	140,458	153,415
Provisions	4,946	5,330	6,523	7,931	9,662
Total - non-financial Liabilities	41,354	55,850	135,916	148,389	163,078
Total - Equity and Liabilities	4,055,092	5,379,296	6,582,641	8,003,993	9,751,066
ASSETS					
Financial assets					
Shareholders' investments	405,835	496,156	570,580	656,167	754,592
Policyholders' investments	954,850	1,183,862	1,407,550	1,667,005	1,972,906
Receivables under financing activity	34,586	59,739	68,699	79,004	90,855
Cash and bank balances	53,772	123,867	151,971	146,910	195,959
Loans and advances	2,427,496	3,267,422	4,105,021	5,127,340	6,351,334
Other current assets	109,431	162,426	173,796	199,865	229,845
Total - Financial Assets	3,985,969	5,293,471	6,477,617	7,876,291	9,595,490
Non-financial assets					
Tangible assets	29,102	37,753	41,528	45,681	50,249
Intangible assets	8,659	11,287	12,980	14,538	15,992
Capital work-in-progress	618	821	0	0	0
Fixed assets	38,379	49,861	54,508	60,218	66,240
Goodwill on consolidation of subsidiary/associates	6,893	6,893	6,893	6,893	6,893
Other non-current assets	23,850	29,071	43,623	60,590	82,442
Total - Non-financial Assets	69,123	85,825	105,024	127,702	155,576
Total Assets	4,055,092	5,379,296	6,582,641	8,003,993	9,751,066
Per share data (Rs)					
Basic EPS	40.3	51.2	63.9	80.1	96.5
Diluted EPS	40.0	50.7	63.4	79.5	95.8
BVPS (LHS)	291.4	378.8	442.7	522.9	619.6
Key ratios					
Return on Equity (%)	14.8	15.3	15.6	16.6	16.9
PAT Growth (YoY %)	40.8	27.0	25.1	25.3	20.5

Source: Company, Emkay Research

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Bajaj Finance: The innovator and leader in consumer finance

Bajaj Finance (BAF), part of the Bajaj Group established in 1926, is one of India's oldest and most trusted retail business houses. As a leading player in the non-banking financial sector, BAF ranks among the largest NBFCs in terms of AUM, and is recognized as one of the most profitable and diversified players in India. The company offers a wide range of services, including lending, deposits, insurance, payments, and broking solutions. BAF's business model is focused on acquiring mass-affluent customers who are less risk-averse, and present significant cross-sell opportunities. BAF has built a diversified business model with a strong emphasis on customer acquisition and providing a comprehensive array of loan and service options to meet various financial needs. Its diverse customer base spans sectors such as Consumer Lending, Personal Loans, SME Lending, Commercial Lending, Rural Lending, Loan against Securities, and Mortgage, across both—rural and urban areas. This approach enables BAF to maintain a well-balanced asset mix across different customer segments and geographic regions, offering a blend of secured and unsecured products.

Execution, the key to success

Over the past 15 years, BAF has demonstrated nearly flawless execution of its business strategy, marking it as a key factor for its success. The company has consistently focused on Invention, Innovation, and Imitation to enhance its product offerings and expand its customer base sustainably. BAF has adapted its product line-up to meet evolving demands, thereby boosting revenue streams and market penetration. Key elements of BAF's success include cross-selling and fee income, which have been crucial to its growth. Additionally, the company has maintained a sustainable high yield to offset operational and credit costs, while consistently delivering strong RoA.

Exhibit 19: Product or service available for every customer segment

Legacy	FY08-10	FY11-13	FY14-16	FY17-19	FY20-22	FY23-24 (9M)	FY24-25 (expected)
Consumer Durable Financing	Insurance Distribution (FY08)	Construction Equipment Financing (FY11)	Digital Product Financing (FY14)	Retail/ Corporate Term-Deposits (FY17)	IPO Financing (FY20)	DBS Co-branded Credit Card (FY23)	CV Financing
2W and 3W Financing	Personal Loan Cross-sell (FY08)	LAS- Retail (FY11)	Financial fitness (FY14)	Warehouse Receipt Financing (FY17)	ESOP Financing (FY20)	2W vehicle financing	EMI at POS on QR and EDC
	Extended Warranty Cross-Sell (FY09/10)	HL – Self-employed (FY11)	General Insurance Distribution (FY14)	Co-Branded Retail Card (RBL Bank) (FY17)	Health EMI Card (FY20)	for all manufacturers - Non captive (FY23)	Flexi on QR
	Vendor Financing Term Loans & Purchase Order Financing (FY09/10)	Loan to professional (FY12)	Rural lending (FY14)	Lifecare Financing (FY18)	Medical Equipment Financing (FY21)	Merchant QR (FY23)	Insta PL card
	LAP (FY09/10)	Existing Member Identification Card (FY12)	MSME Rural (FY15)	Used Car Financing (FY19)	PPI - Prepaid instruments (FY22)	Bajaj +, a variant in mobile financing business (FY24)	Rewards platform
	LAS (FY09/10)	Co-branded credit card (FY12)	Property Fitness Report (FY15)	Specialty Chemical Loans (FY19)	Bharat bill payment system (FY22)	New Car Financing (FY24)	Social platform
	Unsecured Working capital TL (FY09/10)	Infrastructure financing (FY12)	CRISIL SME Rating (FY14)	Secured Enterprise Loan (FY19)	UPI (FY22)	Emerging corporate loan business (FY24)	
		SME cross-sell (FY12)	Urban Gold Loans (FY16)		Affordable Housing Loans (FY22)	MFI (FY24)	
		Salaried PL (FY12)	E-Commerce - Consumer Finance (FY16)			Tractor Financing (FY24)	
		Lease Rental Discounting (FY13)	EMI Card - Retail spends (FY16)				
		HL - Salaried (FY13)					
		Lifestyle Product Financing (FY13)					
		Lifestyle Product Financing (FY13)					

Source: Company, Emkay Research

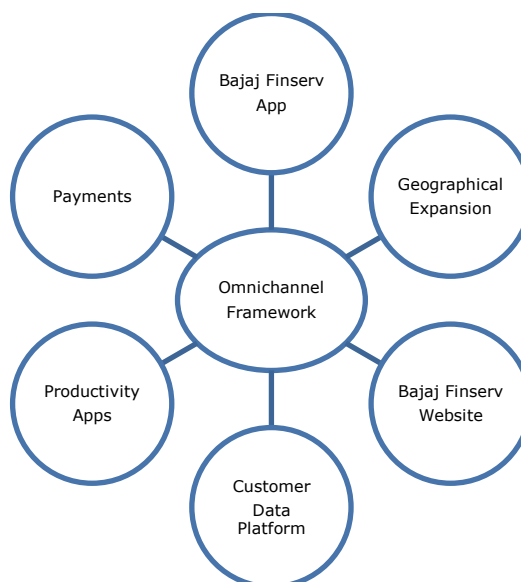
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Omnichannel framework for customer acquisition

BAF's growth is driven by several key factors, notably its omnichannel network, strong geographical presence, and extensive distribution reach. Alongside expanding its customer base, the company emphasizes on cross-selling its diverse products and services. As a leader in digitization, BAF has transitioned from a traditional 'Physical' model to a more dynamic 'Phygital' approach. The company is actively pursuing a comprehensive digital transformation, centered around its innovative 'Omni-channel Framework.' This framework is essential for allowing customers to effortlessly switch between offline and online platforms. The framework encompasses six core areas: geographic expansion, the Bajaj Finserv app, the Bajaj Finserv website, payments infrastructure, productivity applications, and a sophisticated customer data platform. These components reflect BAF's dedication toward providing exceptional convenience and accessibility to its broad customer base.

Exhibit 20: Strong Omnichannel presence to boost growth



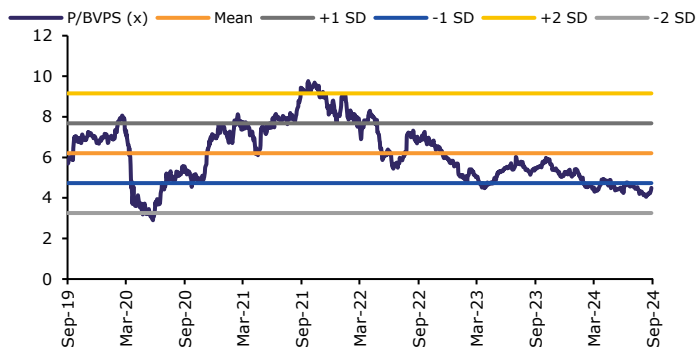
Source: Company, Emkay Research

Strong Growth trajectory coupled with stable asset quality

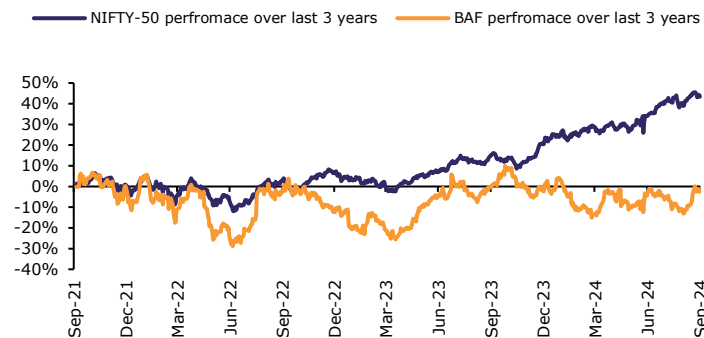
From FY19 to FY24, BAF achieved a strong 23% AUM CAGR, growing to Rs 3.3trn (Rs3.54trn in Q1FY25), while expanding its customer franchise to 88.1mn from 34mn during the same period. Given its historical performance and new product offerings, we project its AUM to reach ~Rs6.5trn, reflecting a 25% CAGR over FY24-27E. Although we expect yields to somewhat moderate as the non-fixed portfolio grows, we anticipate CoFs to remain relatively stable. This may exert some pressure on margins, which are likely to experience moderation over our estimated FY25-27 period. BAF's track record of maintaining high asset-quality metrics highlights its capability of achieving sustainable growth while managing portfolio risks effectively, has resulted in favorable credit costs. As BAF introduces more secured products, such as Gold loans and Commercial Vehicle loans, we forecast a reduction in credit costs during FY26-27E and credit cost stabilizing at around 1.8%.

Favorable Valuations – Trigger for rerating

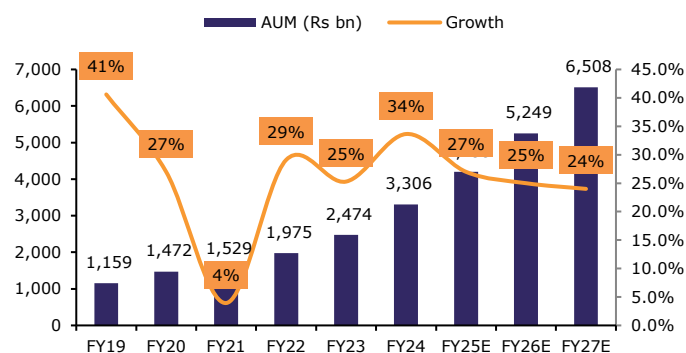
Over the past two years, BAF shares have significantly underperformed, despite the company's continued strong operating and financial performance, which is evident in its superior growth and profitability. This underperformance has led to BAF shares trading 1SD below their average 1-year forward P/BV for the past five years, and currently trading at FY26E P/BV of 4.1x. With resolution of some regulatory concerns related to credit costs, the strength in ongoing growth and management transition becoming clearer, we anticipate a potential re-rating of BAF shares in the medium term.

Exhibit 21: One year forward P/BV trend

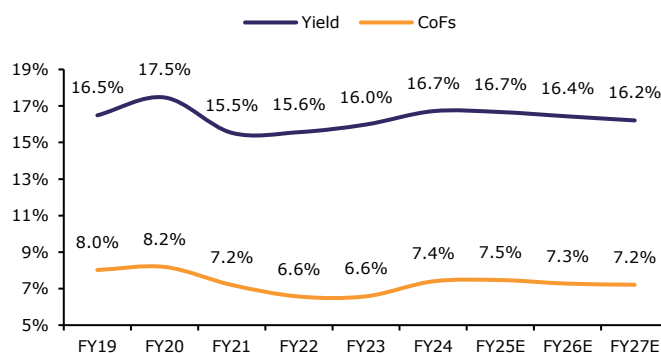
Source: Company, Emkay Research

Exhibit 22: BAF's share performance over the last 3 years vs the NIFTY50 performance

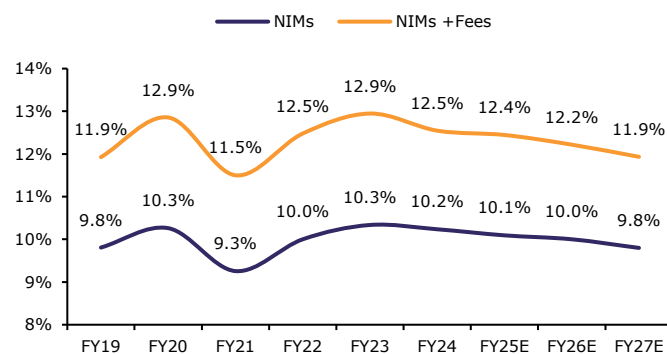
Source: Company, Emkay Research

Exhibit 23: AUM expected to grow above 25%

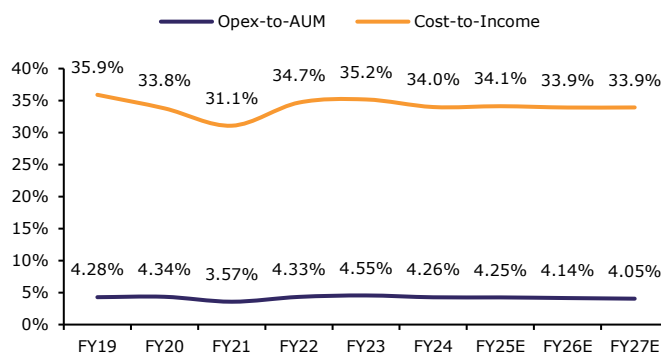
Source: Company, Emkay Research

Exhibit 24: We expect yield and CoFs to remain stable

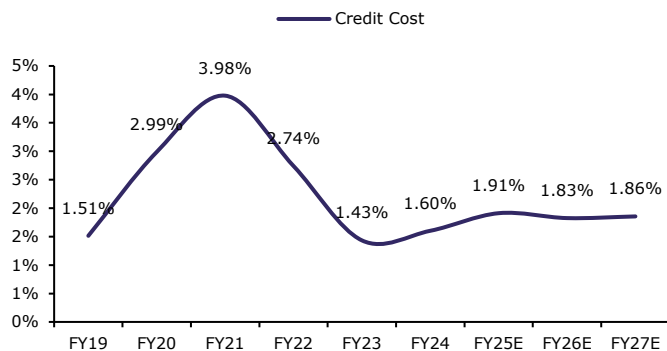
Source: Company, Emkay Research

Exhibit 25: NIM to see compression on account of increased secured mix

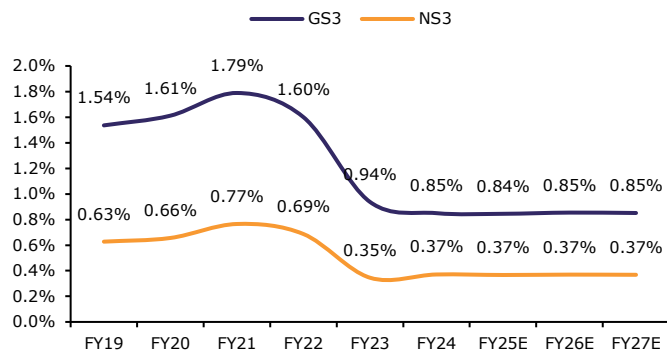
Source: Company, Emkay Research

Exhibit 26: Opex-to-AUM expected to stabilize ahead

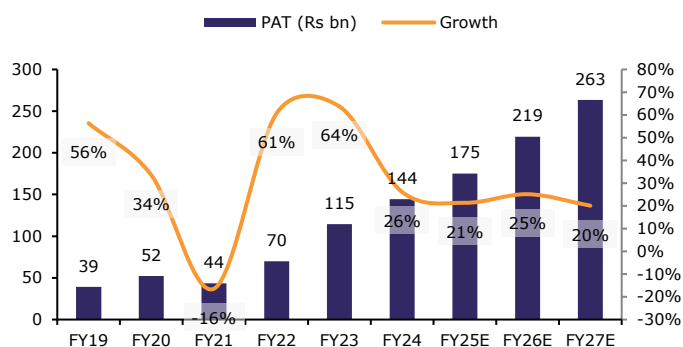
Source: Company, Emkay Research

Exhibit 27: We expect credit cost to increase in the near term, in line with management guidance

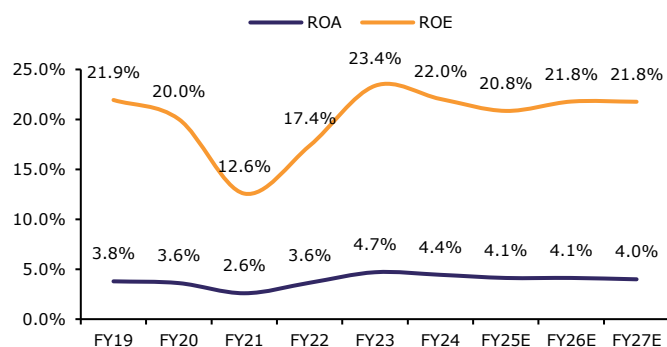
Source: Company, Emkay Research

Exhibit 28: Asset quality to remain robust

Source: Company, Emkay Research

Exhibit 29: PAT expected to grow above 20%

Source: Company, Emkay Research

Exhibit 30: ROA/ROE trends

Source: Company, Emkay Research

Exhibit 31: Bajaj Finance – Financial Summary

(Rs mn)	2023	2024	2025E	2026E	2027E
Income statement					
Interest Income	355,502	483,066	625,406	776,114	952,771
Interest expense	125,599	187,247	246,637	303,664	376,722
Net Interest Income	229,903	295,819	378,769	472,450	576,048
Fee income	42,923	52,672	68,100	81,131	96,119
Other income	15,143	14,087	20,121	23,585	29,283
Total Revenue	287,969	362,578	466,990	577,167	701,450
Employee Cost	50,591	63,960	81,528	100,653	122,664
Other expense	50,708	59,292	77,836	95,109	115,352
Core Pre Provision Operating Profit	186,669	239,326	307,626	381,405	463,435
Loan Loss provision	31,897	46,307	71,741	86,234	109,046
Pre-tax profit	154,790	193,019	235,885	295,170	354,389
Tax expense	40,202	48,584	60,622	75,859	91,078
Profit after Tax	114,588	144,435	175,262	219,312	263,311
Balance Sheet					
Assets					
Fixed Assets	16,766	23,583	25,212	27,646	30,323
Investments	227,518	308,807	389,876	484,064	600,964
Receivables under Financing	2,422,689	3,262,933	4,097,502	5,118,421	6,340,734
Off-BS Receivables	106,731	43,217	101,308	130,092	167,422
Long Term Loans and Advances/ FD with bank	31,083	42,770	168,159	184,579	250,083
Deferred Tax Assets	11,185	13,084	13,084	13,084	13,084
Cash & Bank	43,045	106,240	50,000	62,079	77,071
Other Current Assets	0	0	0	0	0
Total Assets	2,752,287	3,757,416	4,743,833	5,889,872	7,312,259
Debt	2,166,905	2,895,080	3,710,128	4,641,760	5,805,252
Share Holders equity	543,720	766,954	914,476	1,099,077	1,320,713
Total Liabilities and Shareholders' equity	2,752,287	3,757,416	4,743,833	5,889,872	7,312,259
Key ratios (%)					
Net Interest margin	10.2	10.1	10.1	10.0	9.8
Cost-to-income ratio	35.2	34.0	34.1	33.9	33.9
Credit cost (% of AUM)	1.4	1.6	1.9	1.8	1.9
RoA	4.7	4.4	4.1	4.1	4.0
RoE	23.4	22.0	20.8	21.8	21.8
GNPA	0.94	0.85	0.84	0.85	0.85
NNPA	0.34	0.37	0.37	0.37	0.37

Source: Company, Emkay Research

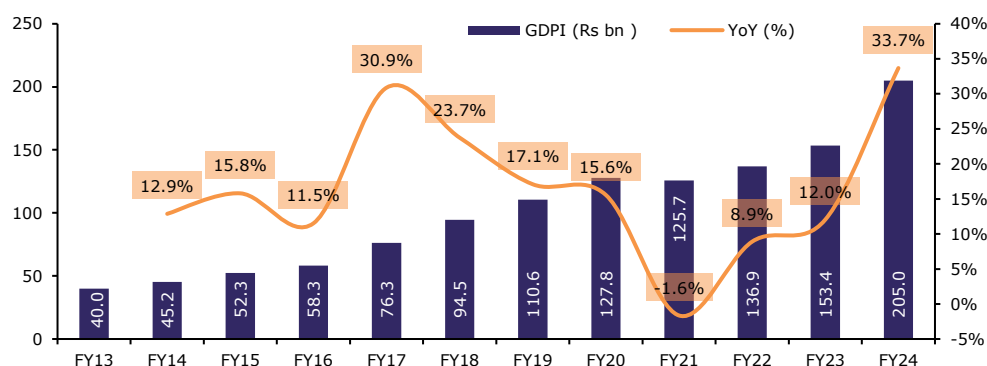
BAGIC: Among the best in the business

Bajaj Allianz General Insurance Company (BAGIC) has adeptly pursued growth initiatives while upholding profitability, thus demonstrating a judicious balance in its operational strategy. The company has consistently prioritized the Motor and Health segments, and concurrently expanding its presence in the Crop insurance and Government health sectors. As the third-largest general insurer, BAGIC has strengthened its market position, achieving GDPI market share of 7.1% as of FY24 – a notable increase from 6.5% in FY19. Over the past five years, the company has maintained an impressive 11% GDPI CAGR through FY24. Notably, BAGIC has strategically invested in various areas over the last 18-24 months, including targeted expansion into lower-tier towns, broadening distribution channels, forging enhanced partnerships with banks, and augmenting its presence in high-value corporate segments. Such investments have yielded robust premium growth in FY24 and are anticipated to drive further expansion in premium income in coming years. With these well-planned strategic initiatives in motion, BAGIC is poised to achieve a robust GDPI CAGR of 18% over FY24-27E.

Growth remains center-stage

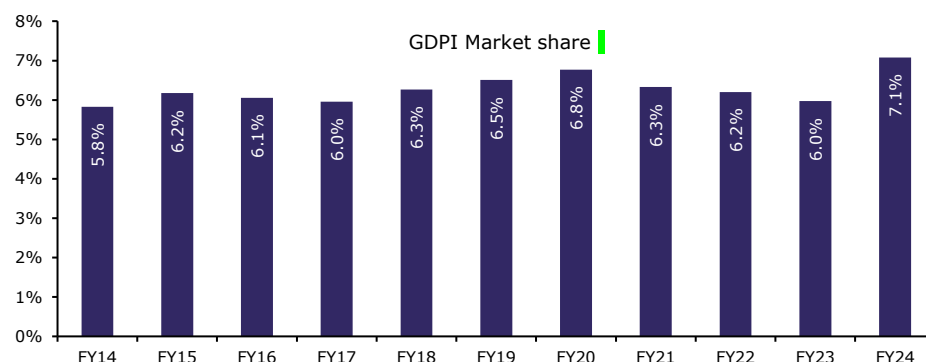
BAGIC has consistently maintained a stable GDPI market share, typically ranging at 6-7% in previous years. However, in FY24, with the company's strategic involvement in underwriting the significant government health business, it experienced a remarkable 34% growth in GDPI, leading to a notable expansion in its market share to 7.1%.

Exhibit 32: BAGIC has tracked 11% GDPI CAGR over FY19-24

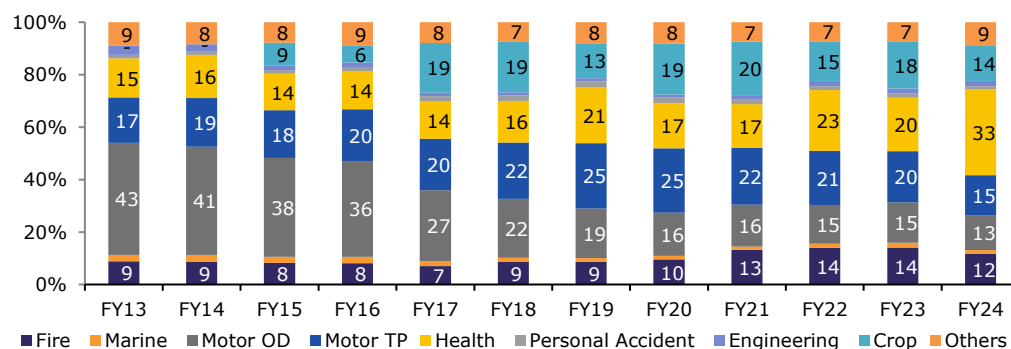


Source: Company, Emkay Research

Exhibit 33: While BAGIC's GDPI market share has remained largely stable in the past, a strong 34% growth in FY24 resulted in market share expansion to 7.1%

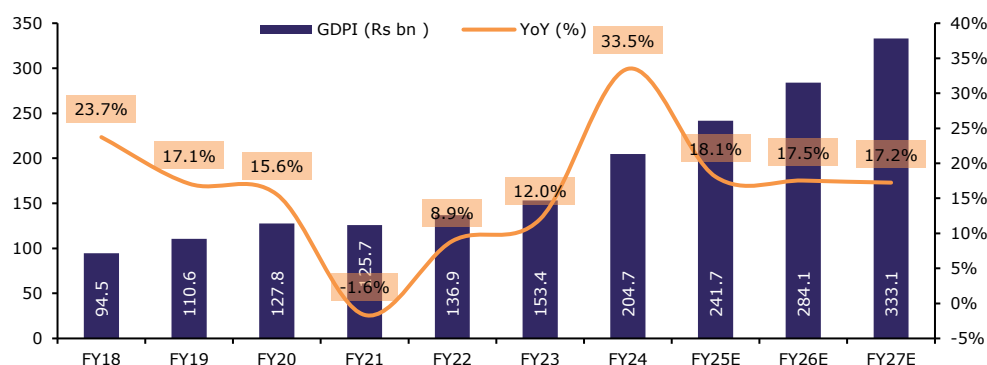


Source: Company, Emkay Research

Exhibit 34: BAGIC has maintained a diversified product mix

Source: Company, Emkay Research

Over the past decade, the company has strategically diversified its product portfolio, transitioning from a predominantly Motor-focused product mix to a more balanced and diversified range. As of FY24, Motor TP, Health, and Motor OD products collectively constitute a substantial portion of the product mix, reflecting a deliberate effort to broaden the company's offerings and to enhance its market positioning.

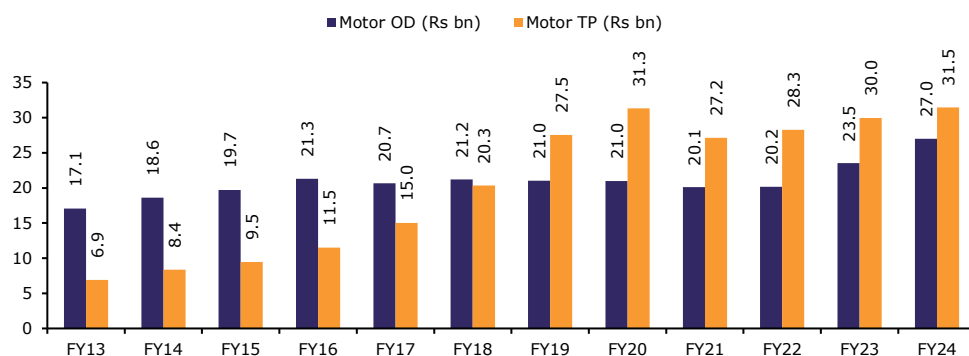
Exhibit 35: Expanding distribution will drive GDPI CAGR of 18% over FY24-27E

Source: Company, Emkay Research

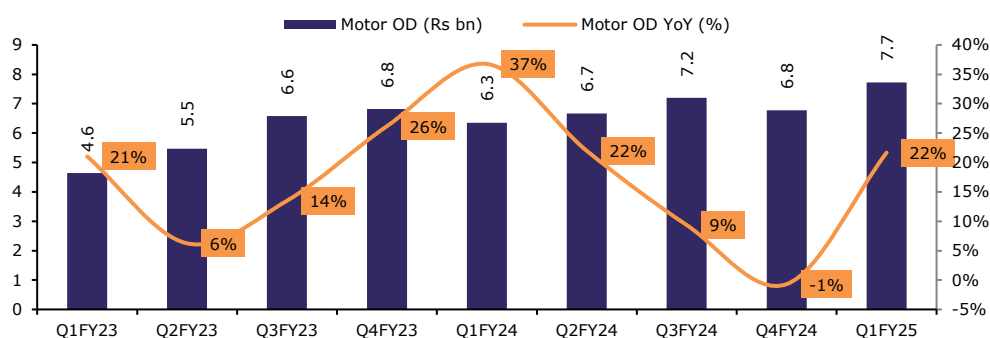
Smart risk selection of BAGIC, coupled with structural growth of vehicle ownership

Notwithstanding the short-term hurdles caused by competition or economic shocks, BAGIC's Motor Insurance growth story will remain a long-term play on its established track record of smart risk selection, prudent pricing, and the structural growth opportunity offered by under-ownership of Motor Vehicles in India. Motor (OD+TP) constitutes 29% of BAGIC's GDPI product mix compared with 32% for the industry, as of FY24. Following a period of heightened competitive activity characterized by price wars spearheaded by emerging industry players, the motor segment has witnessed some sanity in pricing dynamics in recent quarters, as evidenced in the improvement in industry claims ratios. With a renewed emphasis on pricing discipline across the industry and hope of vehicle sales picking up in the upcoming festive season, Motor OD premiums are set for expansion. Given lack of price hike by the regulator for Motor TP and the company's conservative strategy, growth in this segment is anticipated to be slow.

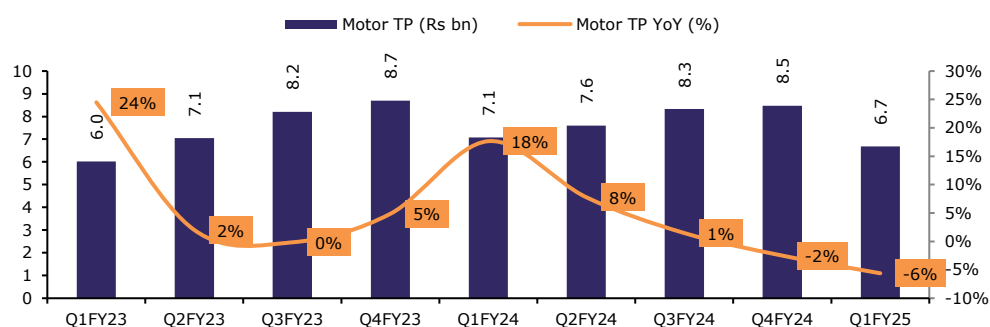
In FY24, BAGIC recorded growth of 15% and 5% in Motor OD and Motor TP, respectively, resulting in total Motor growth of 9%, coming below the industry average of 13%. This divergence in growth rates can be attributed to various factors, including heightened competitive pressures, the company's strategic decision to exercise caution on underwriting large volumes of commercial vehicles, and impact of the exit of five-year 2W policies sold in FY18. Consequently, BAGIC witnessed decline in its market share for Motor OD and Motor TP vs FY19.

Exhibit 36: Motor TP premiums have grown more than Motor OD premiums

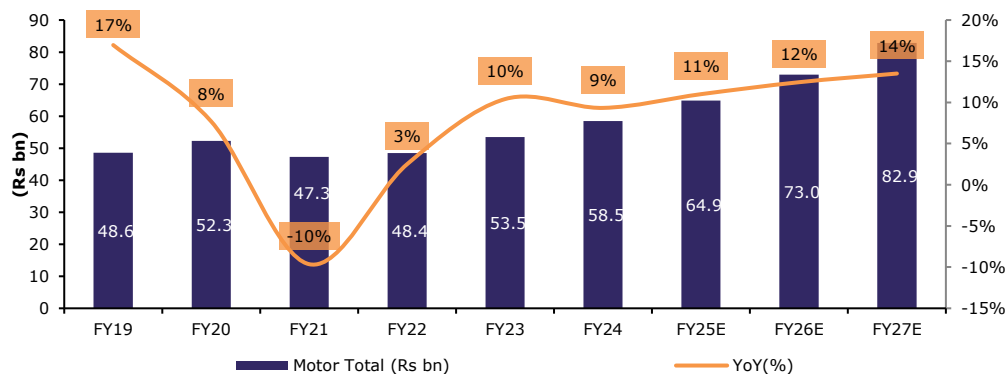
Source: Company, Emkay Research

Exhibit 37: Motor OD growth picked up in Q1FY25

Source: Company, Emkay Research

Exhibit 38: A conservative strategy has resulted in slow growth in Motor TP, in recent quarters

Source: Company, Emkay Research

Exhibit 39: We expect BAGIC to report 12% CAGR in the Motor business over FY24-27E

Source: Company, Emkay Research

Exhibit 40: BAGIC has largely maintained its market share in the Motor segment, while focusing on profitable growth

Motor GDPI - Market Share (%)	FY19	FY20	FY21	FY22	FY23	FY24
New India	13.7	12.9	13.0	11.7	11.0	10.4
United India	11.6	9.5	8.6	7.8	7.4	7.7
ICICI Lombard	10.0	9.8	12.4	11.8	10.6	10.5
Tata-AIG	5.9	5.9	6.4	7.3	8.2	8.1
Go Digit	1.3	2.4	2.9	4.3	4.9	6.0
National	9.6	8.3	7.2	6.6	6.3	5.5
Bajaj Allianz	7.5	7.6	7.0	6.9	6.6	6.4
Oriental	7.0	6.1	5.5	4.8	4.5	4.6
Cholamandalam MS	4.7	4.7	4.6	4.9	5.3	5.4
HDFC ERGO	4.7	4.9	5.0	5.0	5.7	5.7
Reliance General	4.4	4.5	5.3	5.5	5.0	4.8
IFFCO Tokio	5.1	5.1	5.5	5.3	5.1	4.8
Shriram General	3.5	3.5	3.0	2.3	2.6	3.0
SBI General	1.4	2.3	3.2	3.6	3.3	3.9
Royal Sundaram	3.2	3.0	2.9	2.9	3.0	2.8

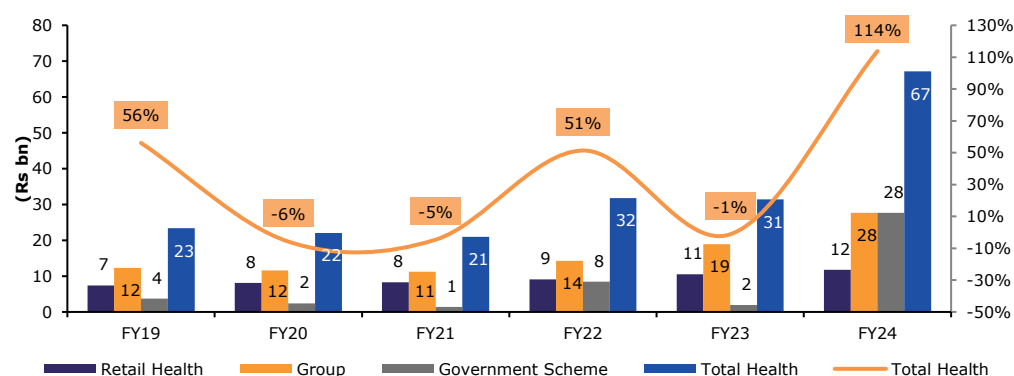
Source: Company, Emkay Research

Government business on the cards in the Health segment

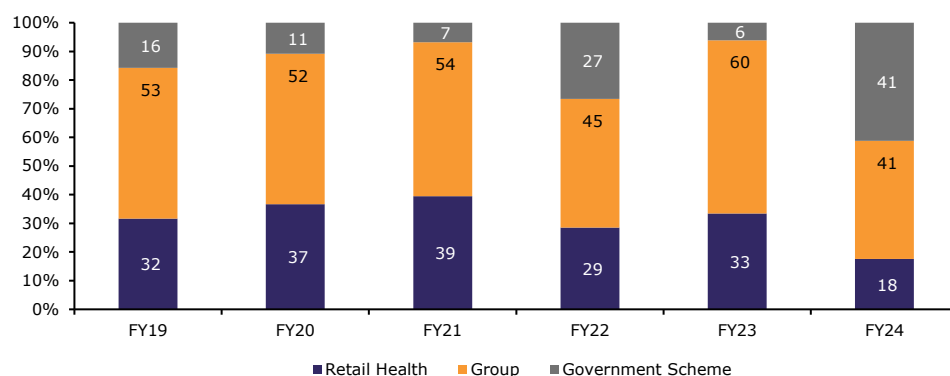
Over the years, BAGIC's Health business had been dominated by the Group segment contributing to ~60% of the Health GDPI, and ~12% of the overall GDPI as of FY23 clocking 5Y CAGR of 18%. With BAGIC's focus on the group segment, its retail health business saw a relatively slow CAGR, of 10% over FY18-23, contributing to 33% and 7% of the health GDPI and overall GDPI, respectively. While the Government Health business remained lumpy in nature, BAGIC had strategically underwritten various Government Health insurance schemes through the years, thus leading to volatility in premiums.

While the company has built its group health business over time, BAGIC has made investments in its sales-force for building the retail health book. Various investments in distribution expansion should result in good growth in the retail health segment. With its strong underwriting experience in the government health segment, BAGIC has seen robust growth in the Government Health business during FY24.

In FY24, BAGIC's overall health GDPI has tracked a strong 114% growth, driven by 13x growth in the Government health business which constitutes 41% of the overall pie. While the company has gained experience in underwriting large corporate businesses, the Group Health business has seen 46% growth in FY24. Given investments in the retail health business, the company has clocked in 12% GDPI growth. Further, we expect the company to record a strong 25% CAGR in overall Health GDPI over FY24-27E. Investments in the retail health distribution channel and company focus on the segment are likely to drive growth in the Retail health business. However, price competition in the group health business is likely to result in relatively slower growth in the segment.

Exhibit 41: The Health segment demonstrated strong growth in FY24, driven by the GoI's Health business

Source: Company, Emkay Research

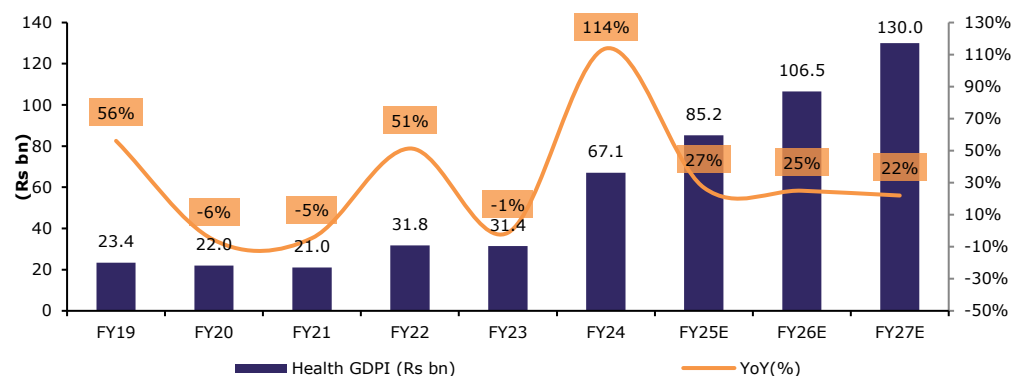
Exhibit 42: Share of the GoI health business significantly moved up in FY24

Source: Company, Emkay Research

Exhibit 43: While the GoI business remains lumpy, signing of various tenders has led to strong growth in the Health segment

GDPI YoY	FY19	FY20	FY21	FY22	FY23	FY24
Retail Health	13%	9%	3%	9%	16%	12%
Group	46%	-6%	-2%	27%	33%	46%
Government Scheme		-35%	-40%	486%	-77%	1325%
Total Health	56%	-6%	-5%	51%	-1%	114%

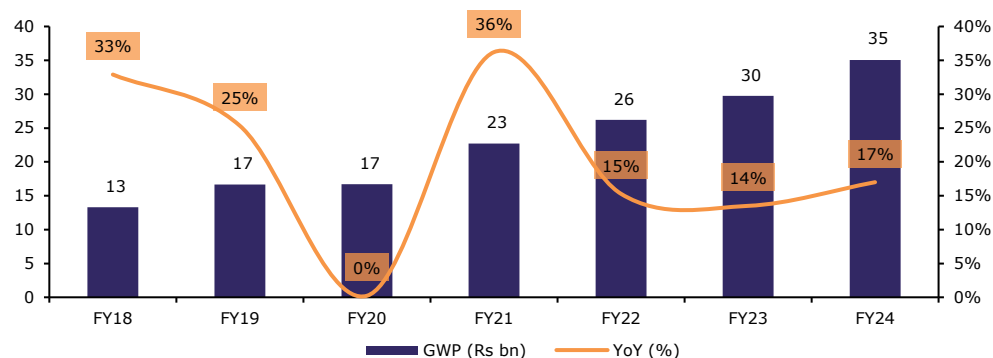
Source: Company, Emkay Research

Exhibit 44: We expect BAGIC to deliver ~25% GDPI CAGR in the Health segment

Source: Company, Emkay Research

Commercial Lines – A steady state business

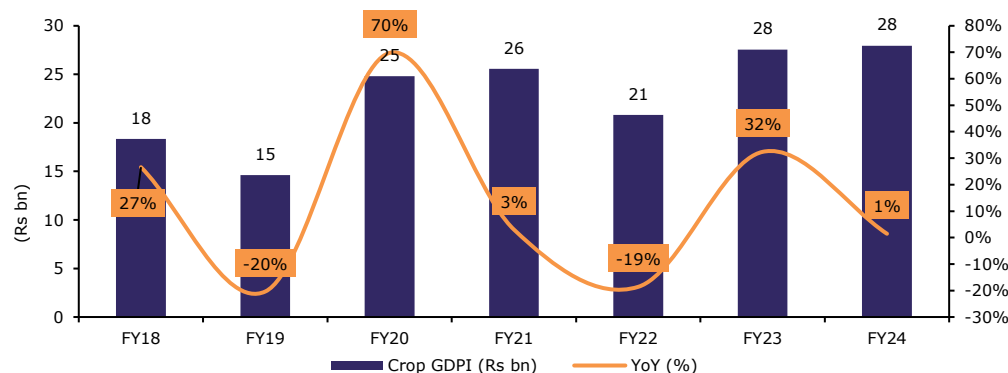
Given BAGIC's focus on maintaining a balanced product mix, its Commercial Lines business contributes ~17% of its product mix as of FY24. A strong distribution network coupled with robust underwriting performance has aided BAGIC to achieve a steady growth trajectory in the commercial business. Operating largely in the fire and engineering segment, BAGIC has clocked in a robust 16% CAGR in Commercial Lines GDPI over FY19-24. At the start of FY24, the IRDAI removed the floor pricing on Fire insurance which resulted in price aggression in the industry. Further, the reinsurance rate hardenings due to increased catastrophes weighed on the pricing in commercial lines. However, given its superior underwriting experience, BAGIC remained less affected by the reinsurance rate hardenings. Despite the above-mentioned challenges, BAGIC has registered a good 17% growth in its commercial lines business during FY24. Powered by its balance sheet strength, B2B partnerships, and better reinsurance relationships, BAGIC is set to drive robust growth in the commercial segment and drive market-share expansion. We expect BAGIC to deliver 16% GDPI CAGR in the Fire and Engineering segment over FY24-27E.

Exhibit 45: BAGIC has delivered consistent growth in the last few years in the Commercial Lines business

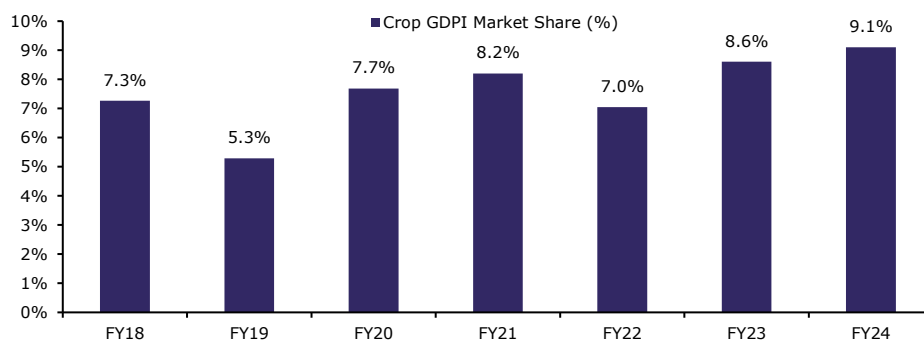
Source: Company, Emkay Research

Crop Insurance – A tender-driven business; remains lumpy in nature

Being tender-driven, the crop insurance business remains lumpy in nature. Further, given the new EOM guidelines, the crop segment has seen both, increased price aggression and competitiveness in recent quarters. Given its underwriting track record, BAGIC has registered 14% CAGR in GDPI over FY19-24. Contributing to ~14% of the overall GDPI during FY24, BAGIC commands 9.1% market share in the crop segment. In FY24, the company saw a muted 1.4% growth in the crop business, likely due to increased price aggression among multi-line players.

Exhibit 46: BAGIC's Crop business has been lumpy over the years

Source: Company, Emkay Research

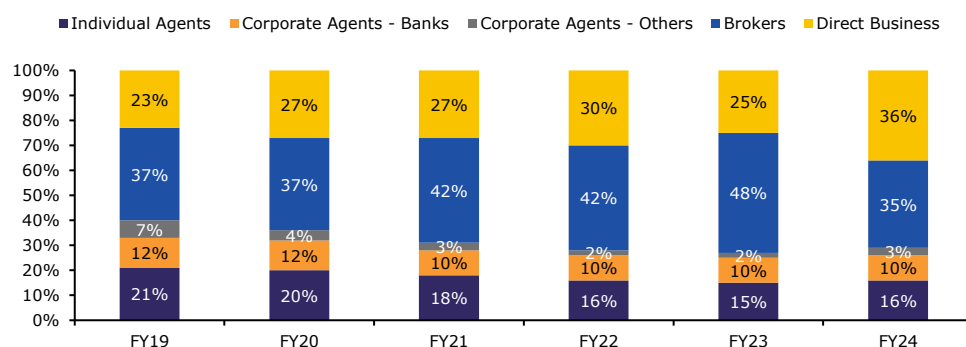
Exhibit 47: With focus on underwriting profitable businesses and given the experience gained, BAGIC has increased its market share in the crop segment

Source: Company, Emkay Research

Focus remains on a diversified channel mix

BAGIC has strategically diversified its distribution network, encompassing Brokers, Agents, Banks, OEM Dealers, and Direct channels. Historically, the Broker channel has been predominant, but the recent success in underwriting the large, tender-driven business has elevated the direct channel's contribution to ~36%. Over the past few years, BAGIC's distribution mix has remained stable, with increased diversification. The agency channel, comprising over 61,700 individual agents and more than 78,700 POSP agents, primarily targets the Retail and SME segments. Management is focused on expanding the sales force within the direct channel, to accelerate growth in the Retail Health insurance sector. In the Motor segment, BAGIC boasts of over 45 national partnerships with more than 9,300 dealers nationwide. The company has also recently partnered with the largest two-wheeler manufacturer, thus enhancing its ties with major players in the industry. Emphasizing diversification, BAGIC has forged relationships with various banks, resulting in Banca Partnerships contributing 10% to the channel mix in FY24. With a strong rural focus, BAGIC has insured 13.5million farmers, as of FY24, issuing 8.4million policies during the same period. This diversified channel mix positions BAGIC well for superior growth, underpinned by strengthened partnerships across channels and an expanding geographical distribution network.

Exhibit 48: While BAGIC has maintained a diversified distribution mix, the Broker channel remains the major contributor



Source: Company, Emkay Research

Established track record of profitability

With its focus on growth and profitability, BAGIC has emerged as one of the top profitable general insurers. The company's profitability strategy has helped it deliver a ~100% combined ratio over the last decade. Driven by an established track record of underwriting profitable businesses as a result of its prudent underwriting practices, BAGIC has consistently delivered superior performance with industry-leading combined ratios over the years. The company's underwriting experience, especially in the lumpy Crop and Government Health businesses, has resulted in the company tracking a better-than-industry loss ratios over the years. Owing to its rich underwriting experience across business categories, prudent risk management practices and its pricing ability, we expect BAGIC's to report ~73% loss ratio during FY27E. Driven by improvement in loss ratio and an enhancement in expense ratios, we expect BAGIC's combined ratio to improve to 97% in FY27E from 99.9% in FY24. While the company has delivered a 5Y PAT CAGR of 15% during FY24, despite a decadal incident like Covid-19, we expect BAGIC to report PAT of Rs25.6bn by FY27E, recording 3Y CAGR of 18%.

Loss ratios remain under pressure during FY24

As of FY24, the industry has seen multiple catastrophic events, which have weighed on the loss ratios of general insurers. For BAGIC, the Natural Catastrophes claims net of reinsurance stood at Rs1.18bn. Natural catastrophes have significantly impacted loss ratios during FY24, with loss ratios reaching 73.8%. Excluding the impact of NAT CAT claims, loss ratios stood at 72.5%. As a result, loss ratio during FY24 remained under pressure.

Exhibit 49: Strong reinsurance capabilities have resulted in controlled NAT CAT losses for BAGIC

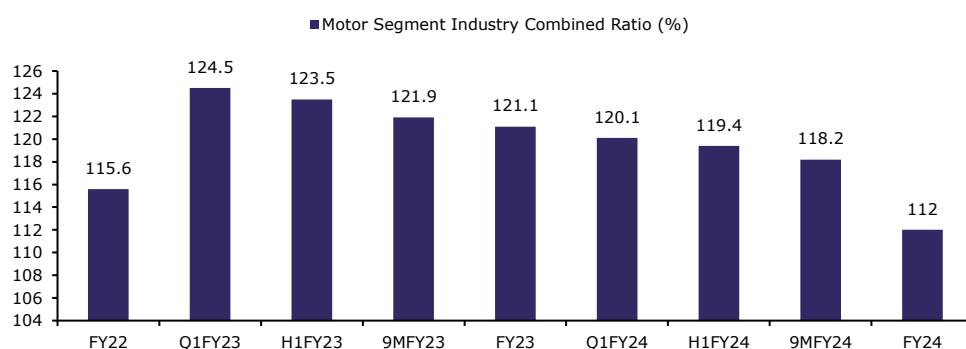
Incident (Rs mn)	Gross loss	Net loss
Cyclone Biparjoy	1,240	230
North India Flood	990	80
Sikkim Flash Flood	1,930	100
Cyclone Michaung	2,420	490
Tamil Nadu Flood	770	210
Others	90	60
Total	7,450	1,180

Source: Company, Emkay Research

Motor segment's combined ratios expected to see gradual improvement

The last few quarters have seen increased combined ratios for the industry in the motor segment, driven by increased competitive intensity led by price aggression by new-age players. Further, no hike in Motor TP rates during the previous year has also impacted loss ratios in the Motor TP segment. While pricing-led challenges have persisted for the last few quarters, the industry has recently seen an improvement in Motor combined ratios, thus indicating discipline in pricing among players. Further, the new EoM regulations have resulted in new-age aggressive players cutting operating and commission expenses, thus resulting in an improvement in combined ratio. While Motor TP rates have not seen a price hike during FY25, pricing discipline in the Motor OD segment should drive an improvement in Motor segment claims ratio. We expect Motor segment loss ratios to improve to 70.1% during FY27E from 71.8% in FY24.

Exhibit 50: Motor segment industry – Combined ratio has seen improvement in recent quarters

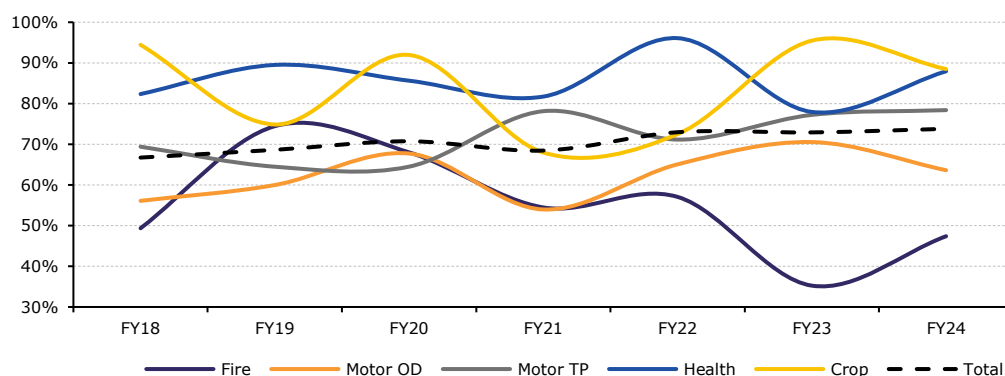


Source: Company, Emkay Research

BAGIC ranks among the top players, in terms of underwriting performance

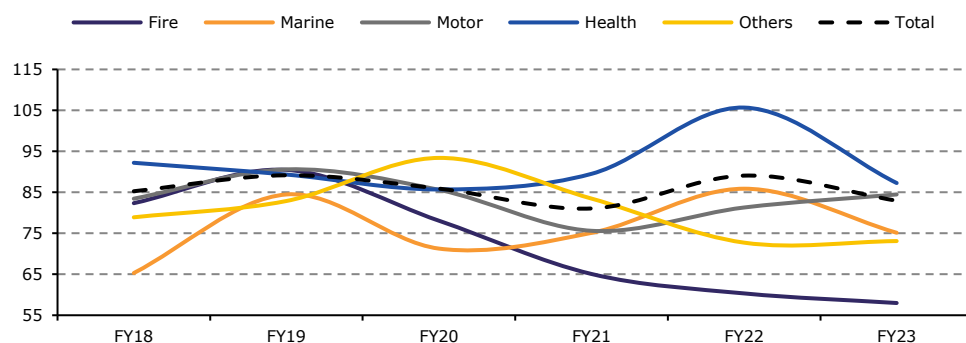
Driven by its profitability strategy, BAGIC now ranks among the top players in terms of loss ratio among general insurers. The company has delivered a stable claims ratio despite underwriting the lumpy crop and government health businesses. Further, the company's balanced product mix and diversified geography have helped it offset any adverse impact on claims in a particular business line or geography. Despite the Covid-19 pandemic impact, BAGIC's claims ratio saw a lower hit than peers. With the right mix of Retail, large corporates, and bulky tender-driven businesses, BAGIC has showcased a sound track record of underwriting profitability, as witnessed in its claims ratio over the years. Moreover, with usage of data analytics and robust investigation, the company has been able to curtail fraudulent claims, thus resulting in improved loss ratios. Also, large reinsurance capacity, optimum retention and robust process of monitoring concentration of risk have further improved BAGIC's underwriting experience over time. Adequate coverage of catastrophic events has helped BAGIC dodge the huge NAT CAT losses in recent times, thus lowering the impact on loss ratios.

Exhibit 51: Claims ratio in the past few years has elevated, on higher claims in the Motor and Crop segments



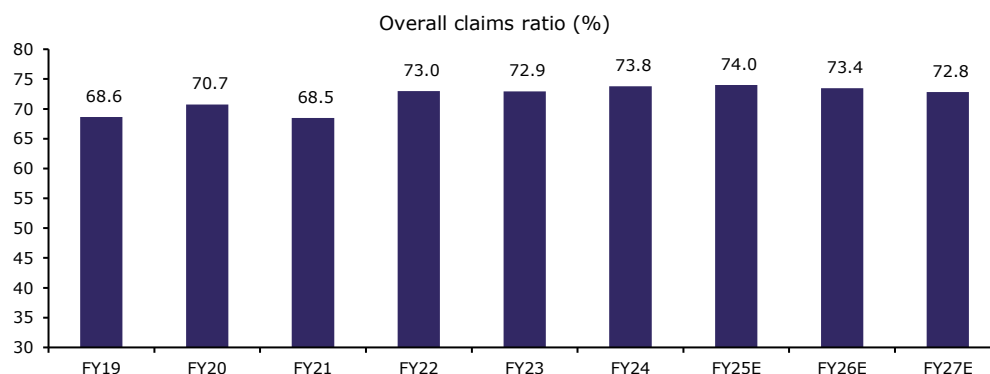
Source: Company, Emkay Research

Exhibit 52: Industry Claims Ratio – Motor segment's claims ratio saw a slight increase in FY23



Source: Company, Emkay Research

Exhibit 53: We expect BAGIC's claims ratio to improve going forward



Source: Company, Emkay Research

Exhibit 54: BAGIC has delivered top-rated claims ratio among peers

Overall claims ratio (%)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Bajaj Allianz	170.7	72.3	71.9	72.3	70.4	66.7	68.6	70.7	68.5	73.0	72.9	73.8
Go Digit						93.9	78.8	75.0	74.0	74.0	67.2	70.3
HDFC ERGO	128.7	80.5	78.7	72.8	76.9	74.4	76.4	77.2	75.7	84.0	79.9	87.7
ICICI Lombard	272.1	83.1	81.3	81.5	80.4	76.9	75.3	72.9	68.6	75.1	72.4	70.8
Kotak General				347.6	73.1	71.7	68.1	68.8	67.0	77.0	69.5	65.6
Reliance	8,731.9	92.2	94.1	89.4	92.2	84.7	85.8	83.7	79.6	77.5	77.2	81.1
Royal Sundaram	68.0	76.3	78.0	77.7	78.1	80.4	84.8	85.0	80.4	84.2	77.0	77.6
SBI General	80.0	84.8	85.8	83.0	75.0	71.5	72.0	71.1	74.1	86.3	78.7	85.9
Tata AIG	69.8	68.2	70.8	77.1	72.3	71.1	78.3	77.4	68.7	75.0	73.6	71.4
Private - Total	79.6	79.6	79.7	80.2	79.1	75.5	76.2	75.5	73.4	78.0	75.1	NA
National	85.6	81.2	77.5	95.3	97.3	114.2	109.9	105.9	86.2	104.1	100.9	95.9
New India	86.2	83.8	84.0	87.8	91.3	85.7	95.4	91.4	84.2	101.2	95.6	97.4
Oriental	81.5	85.8	81.9	83.7	112.1	85.4	106.1	102.3	95.3	112.3	112.1	98.9
United	84.6	82.6	84.4	87.8	107.1	94.4	109.4	101.5	88.5	98.6	92.9	96.5
Public - Total	84.8	83.2	82.1	89.0	100.0	93.7	103.5	98.3	87.5	103.2	99.0	NA
Grand Total	82.8	81.7	81.2	85.1	90.9	85.3	89.0	85.9	81.1	89.1	83.0	82.5

Source: Handbook on Insurance, GI Council, Emkay Research

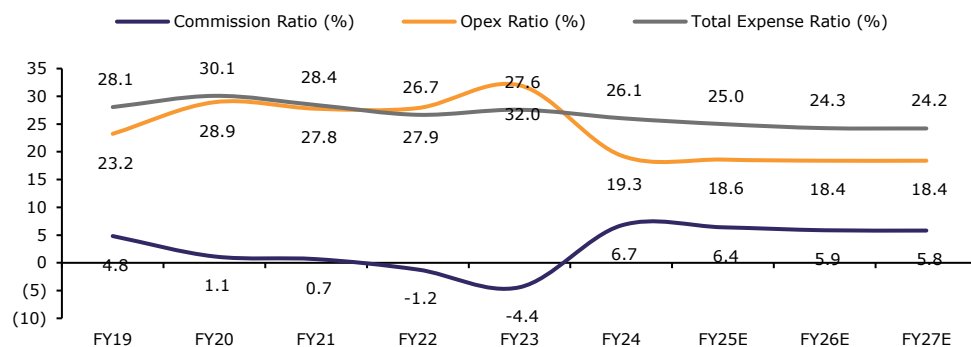
Exhibit 55: BAGIC has tracked a better Motor claims ratio than private players or the industry

Motor claims ratio (%)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Bajaj Allianz	75.6	71.6	72.1	69.2	62.2	62.4	65.8	68.1	68.5	74.5	71.8
Go Digit					100.0	75.9	74.8	74.9	79.5	68.8	62.3
HDFC ERGO	91.6	90.4	85.8	89.4	84.4	81.8	79.2	70.0	74.7	78.1	100.6
ICICI Lombard	78.5	80.1	80.3	78.9	77.4	73.8	76.5	65.8	70.9	72.4	67.0
Kotak Mahindra			350.0	80.3	76.0	73.7	75.7	74.6	82.7	80.5	73.0
Reliance	91.3	91.2	87.3	91.4	81.5	84.9	84.6	76.9	75.6	79.6	78.2
Royal Sundaram	83.3	84.9	82.8	82.2	85.0	89.0	92.2	87.9	85.8	79.3	75.0
SBI General	83.9	103.3	107.9	102.1	91.8	87.0	92.1	86.1	93.6	90.0	84.5
Shriram	90.4	98.5	101.6	103.2	94.6	68.6	65.4	79.4	73.0	69.9	63.6
Tata AIG	74.7	75.6	83.7	79.3	68.6	70.1	80.3	75.4	74.5	73.8	67.0
Private - Total	81.4	81.9	82.6	83.0	77.8	76.2	77.9	73.6	84.6	79.8	NA
National	69.4	54.9	89.9	84.2	121.7	127.5	116.4	78.6	90.7	108.8	111.2
New India	86.8	87.2	81.8	87.0	79.7	87.5	85.3	78.2	91.0	97.5	100.6
Oriental	78.8	77.4	68.7	126.7	68.2	112.6	101.6	81.8	98.0	106.7	102.1
United	74.0	68.6	72.2	89.8	91.7	120.8	96.4	77.2	98.9	103.4	87.0
Public - Total	77.5	72.4	79.8	93.5	89.5	107.7	96.5	78.6	94.0	102.5	NA
Total	79.5	77.1	81.2	88.2	83.5	90.6	85.6	75.6	81.3	84.5	NA

Source: Handbook on Insurance, GI Council, Emkay Research

Expense ratios expected to be stable ahead

BAGIC has maintained an Expense Ratio (including commission) in the 25-30% range. During the past few years, its opex ratio has stayed elevated on account of investments made on account of expanding the distribution network and upgrading the technological infrastructure. Consequently, the company has delivered improvement in expense ratio (including commission) to 26.1% in FY24 from 30% in FY20. Such investments are expected to yield better results, with improvement in claims ratios and enhanced growth across business lines. Given the new EOM regulations, the industry is likely to witness better expense ratios. In the last few years, BAGIC's expense ratio has largely been within the new regulatory limits; as a result, controlled expenses position BAGIC to perform better than peers, delivering superior profitability. Against this backdrop, we expect the company's expense ratio to remain in the 24-25% range over FY24-27E, driving an improvement in the combined ratio.

Exhibit 56: Overall expense ratio is likely to be stable going forward

Source: Company, Emkay Research

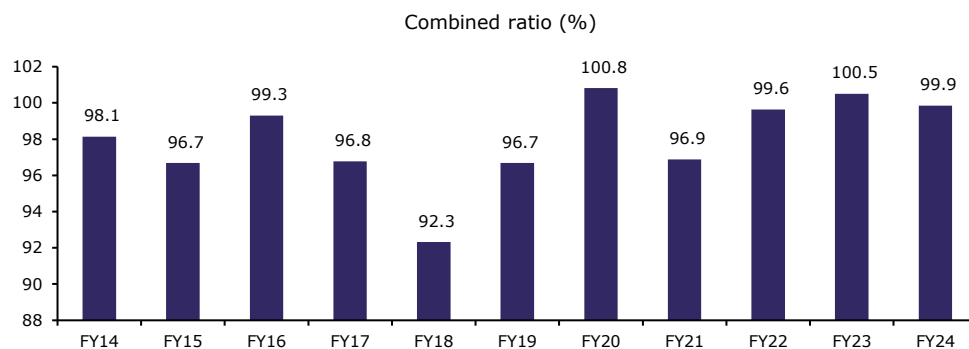
Combined Ratio to remain below ~100% levels

Over the last decade, BAGIC's combined ratio has remained below or largely within the 100% range. Robust underwriting experience on the back of prudent risk management practices and controlled expense ratios has resulted in one of the best combined ratios in the industry. Industry-leading loss ratios and improved expense ratios over the years have aided BAGIC in maintaining its Combined Ratio below or within the 100% zone. With a rich experience in underwriting across categories of products and among various customer segments, BAGIC's combined ratio is expected to see an improving trajectory to 97% by FY27E from 99.9% during FY24.

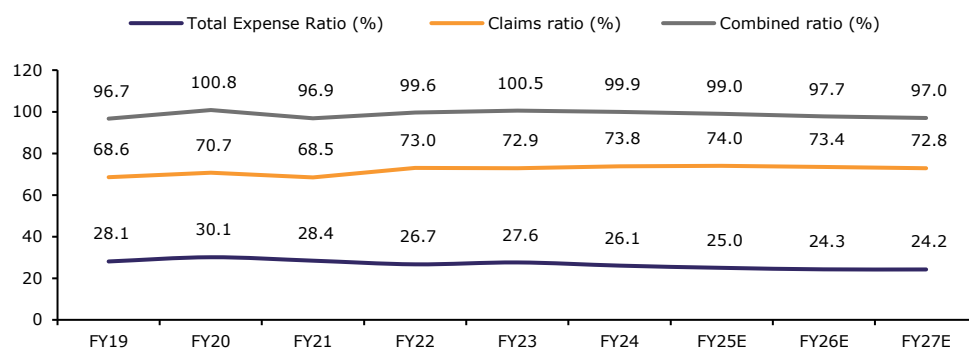
Exhibit 57: With a profitability motive, BALIC has historically delivered one of the best combined ratios in the industry

Combined Ratio (%)	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Acko General	-	222.5	209.8	172.3	171.2	155.0	134.7
Bajaj Allianz	92.3	96.7	100.8	96.9	99.6	100.5	99.9
Cholamandalam MS General	100.8	104.6	107.5	107.3	111.0	109.3	109.9
Go Digit	205.0	106.9	117.4	109.4	112.7	107.4	108.7
HDFC Ergo	97.1	123.9	102.6	103.3	107.5	103.3	112.1
ICICI Lombard	100.2	98.7	100.4	99.8	108.8	104.5	103.3
Kotak Mahindra	122.1	106.7	112.5	107.1	121.9	121.2	113.2
National Insurance	148.9	112.1	160.8	121.0	133.5	144.1	127.0
Reliance	118.6	134.9	141.1	112.9	108.2	110.4	114.9
Royal Sundaram	117.5	125.6	149.1	110.2	116.7	111.4	114.9
SBI	111.0	111.9	110.1	95.7	113.7	106.7	108.2
Shriram	108.9	108.1	111.1	104.2	107.2	104.4	99.4
Tata AIG	96.4	94.9	93.5	103.1	108.0	109.7	109.3
New India	108.2	85.0	90.9	113.2	120.7	117.1	120.9
Oriental Insurance	102.7	107.7	109.7	132.3	145.9	154.6	121.4
United India	120.7	136.9	132.0	122.7	136.1	140.7	125.7
Universal Sampo	73.2	94.6	96.5	116.9	102.4	99.7	100.7
Multiline General Insurers - Sub Total	113.9	118.9	119.0	112.5	120.2	120.2	115.3
Grand Total (includes all companies)	113.0	117.6	117.8	112.0	118.8	116.0	112.0

Source: GI Council, Emkay Research

Exhibit 58: Over the last decade, BAGIC's combined ratio has largely been below 100%

Source: Company, Emkay Research

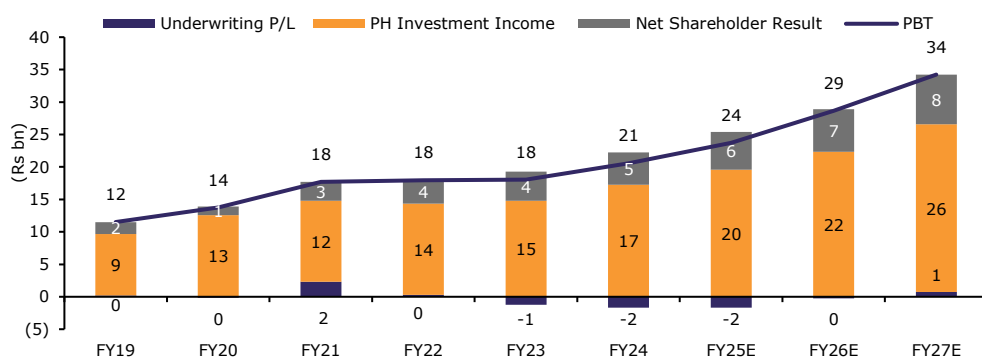
Exhibit 59: Going forward, we expect steady improvement in BAGIC's combined ratio

Source: Company, Emkay Research

Operating leverage, improvement in combined ratio to drive profitability

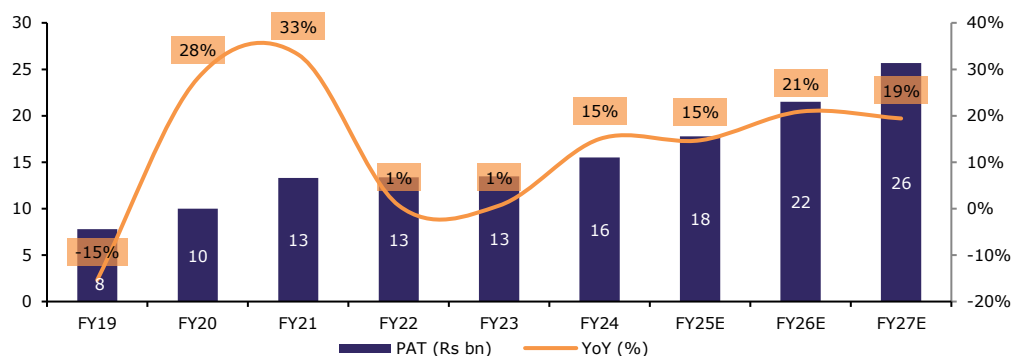
The company's focus on profitable growth, best-in-class loss ratios, and improving expense ratios have resulted in strong performance over the past few years. While BAGIC delivered PAT CAGR of 15% over FY19-24, it is on the back of stable profitability during FY22, and FY23 being impacted due to the Covid-19 pandemic. While several players reported heavy losses on account of the impact of Covid-19, BAGIC delivered stable PAT, driven by its diversified product mix, superior underwriting practices, reinsurance capacity, and geographical diversification. With further growth, we expect operating leverage to play out and drive enhanced profitability. Further, improvement in loss ratio and adequate coverage of NAT CAT claims are expected to keep the claims cost under control. Steady investment yields are expected to drive a stable outcome from investment operations, further boosting profitability. Given the above-mentioned arguments, we expect BAGIC to deliver a robust 18% PAT CAGR over FY24-27E. With this, we expect BAGIC to maintain a steady RoE of 16-18% over FY24-27E.

Exhibit 60: Operating leverage will drive better underwriting results, leading to greater profitability



Source: Company, Emkay Research

Exhibit 61: We expect BAGIC to clock in 18% PAT CAGR over FY24-27E



Source: Company, Emkay Research

Exhibit 62: Bajaj Allianz General Insurance – Financial Summary

(Rs mn)	2023	2024	2025E	2026E	2027E
Policyholders' account					
Gross Written Premium	154,869	206,300	243,567	286,239	335,536
Net Written Premium	83,113	95,684	119,890	146,784	175,125
Net earned premium	80,188	88,839	108,893	133,226	158,756
Investment income	14,206	16,709	19,037	21,820	25,328
Other income	593	535	535	535	535
Total revenue	94,987	106,083	128,465	155,582	184,620
Commission expense	-3,662	6,439	7,671	8,610	10,174
Operating expenses	26,588	18,495	22,300	27,008	32,223
Claims incurred (Net)	58,470	65,559	80,586	97,841	115,624
Total expense	81,426	90,525	110,557	133,460	158,021
Operating profit	13,562	15,557	17,908	22,122	26,599
Shareholders' account					
Operating profit	13,562	15,557	17,908	22,122	26,599
Investment income	5,480	5,663	6,494	7,310	8,481
expenses	1,057	705	740	814	895
Profit before tax	18,026	20,550	23,712	28,669	34,235
Tax expense	4,546	5,046	5,928	7,167	8,559
Profit after tax	13,480	15,503	17,784	21,502	25,676
Balance Sheet					
Sources of Funds					
Shareholders' Funds	95,886	108,413	120,862	133,763	146,601
Fair value gains	2,178	6,323	6,956	7,651	8,416
Total	98,064	114,736	127,817	141,414	155,017
Application of Funds					
Investments	270,017	301,680	364,802	428,957	498,617
Other non-current assets	4,821	5,210	5,450	5,702	5,967
Current Assets:					
Cash and Bank Balances	8,076	10,299	10,814	11,355	11,923
Other current assets	30,456	50,982	56,080	61,688	67,857
Current liabilities					
Claim reserves	170,552	201,947	256,510	303,706	361,904
Provisions	44,756	51,488	65,399	77,432	92,270
Net Current Assets	-176,775	-192,154	-255,015	-308,096	-374,395
Other Asset	0	0	12,580	14,851	24,828
Total	98,064	114,736	127,817	141,414	155,017
Key Ratios (%)					
Retention ratio	53.7	46.4	49.2	51.3	52.2
NEP/NWP	96.5	92.8	90.8	90.8	90.7
Claims ratio	72.9	73.8	74.0	73.4	72.8
Commission ratio	-4.4	6.7	6.4	5.9	5.8
Opex ratio	32.0	19.3	18.6	18.4	18.4
Combined ratio	100.5	99.9	99.0	97.7	97.0
Reported combined ratio`	100.5	99.9	99.0	97.7	97.0
GWP growth	12.3	33.2	18.1	17.5	17.2
Tax rate	25.2	24.6	25.0	25.0	25.0
Return on equity	15.0	15.2	15.5	16.9	18.3

Source: Company, Emkay Research

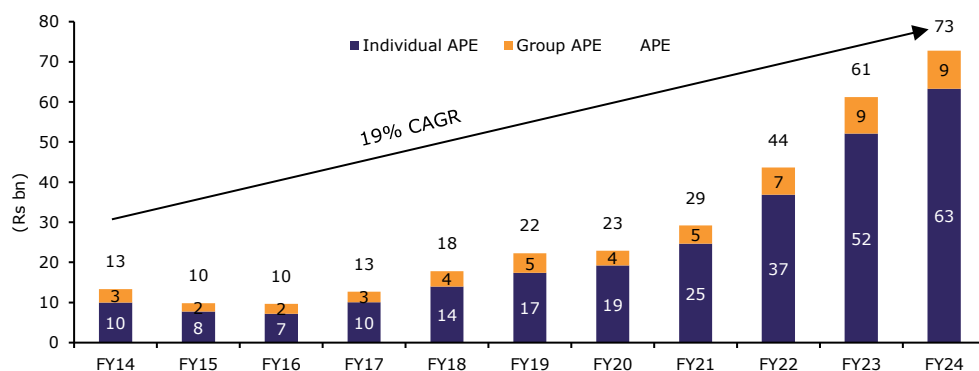
BALIC: A scaled up, diversified franchise

BALIC has emerged as one of the fastest growing life insurers over the past few years, with a robust 26% APE CAGR over FY18-24 and steady increase in market share. While its APE growth remained muted over FY13-18, BALIC has seen a turnaround in its growth story with swift scale up in APE over FY18-24. This fast scale-up in APE growth is largely attributable to the new partnerships with banks, new product launches, and expansion of the distribution network to new geographies. Further, having forged a partnership with a large bank, the company has seen a solid turnaround in APE CAGR to 33% during FY20-24. While scaling up its business, BALIC has also focused on maintaining a diversified product mix, thus yielding better margins. Against this backdrop, the company's VNB margins have improved to 14.6% in FY24 from 6.9% in FY19. With a profitable scale up in the business, BALIC has clocked in 11% CAGR in EV over FY19-24 to Rs217.3bn. Given improvement in VNB contribution to the Opening EV, the company has improved its Operating RoEV, from 10.7% in FY19 to 14.5% in FY24. Given its strong brand name, distribution strength, product innovation, and controlled costs, BALIC is on the right track to note profitable growth. While FY25 VNB margins are likely to remain under pressure given the shift in product mix toward ULIPs and on account of the impact of the new surrender regulations, the Operating RoEV is expected to be impacted; hence, we expect BALIC's Operating RoEV to range between 13% and 14% over FY25E-27E.

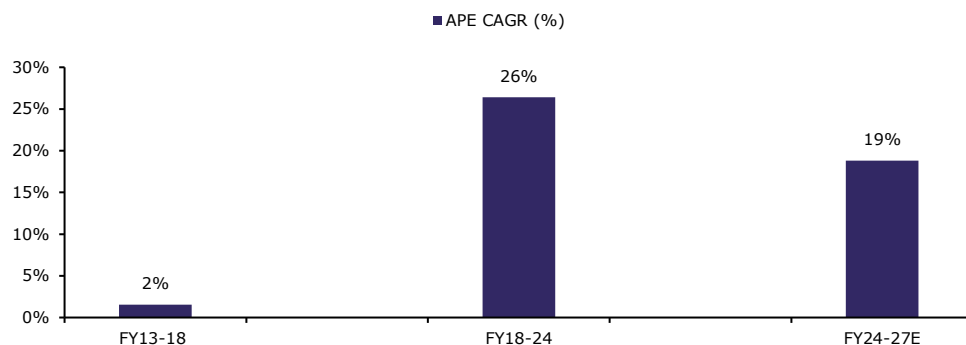
Multiple factors drive fast scale-up in APE

Over the past decade, BALIC has witnessed a robust growth in APE, clocking in 18.5% CAGR over FY14-24. While company growth was muted during FY13-18, at 2% CAGR, it has seen a sharp turnaround in APE growth over FY18-24, registering a strong APE CAGR of 26%. With respect to market share, BALIC's WRP market share remained stable at around ~3% during FY13-18. However, post-FY18, after partnering with large banks, BALIC has seen a solid turnaround in its APE growth, as witnessed in the WRP market share expansion from 2.5% in FY18 to 5% in FY24. This strong expansion in market share is attributable to the strong 29% RWRP CAGR, resulting in RWRP market share of 5.8% in FY24 from 2.2% in FY18. While the company's share at the Axis Bank channel has stabilized, new banca partnerships, investments in agency and direct channel, and product innovation will drive further growth going forward. In this context, we expect BALIC to clock in 19% APE CAGR over FY24-27E.

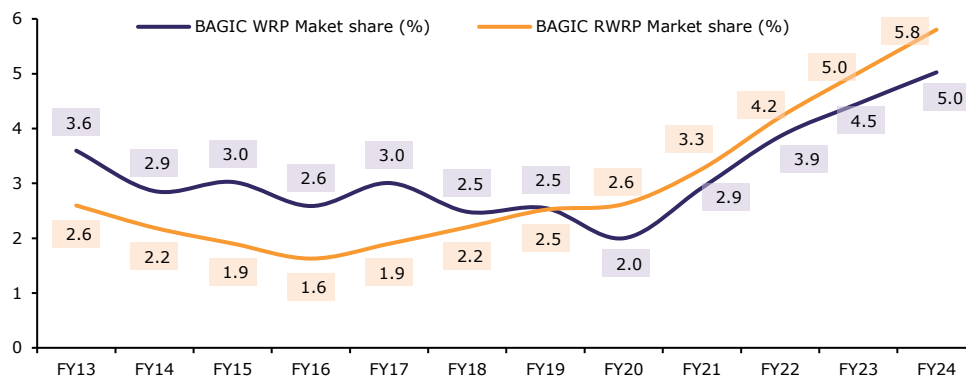
Exhibit 63: BALIC has logged 19% APE CAGR over FY14-24



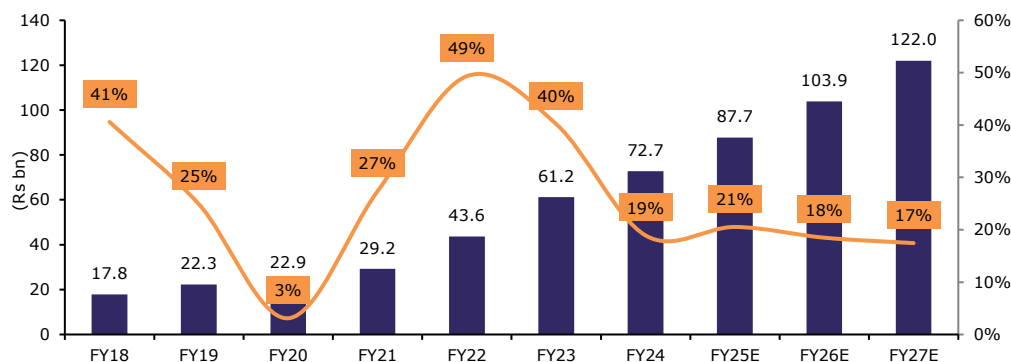
Source: Company, Emkay Research

Exhibit 64: Led by an expanding distribution network, BALIC has registered a strong 28% APE CAGR over FY18-23


Source: Company, Emkay Research

Exhibit 65: BALIC has steadily improved its WRP and RWRP market share over the last few years


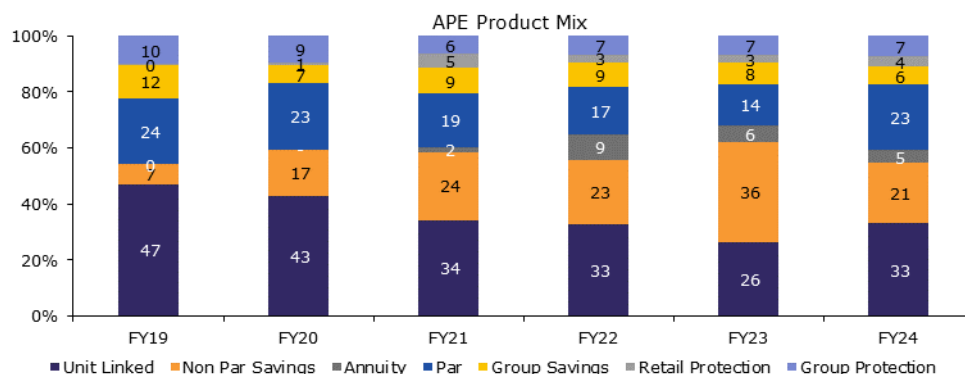
Source: Company, Emkay Research

Exhibit 66: We expect BALIC to track 19% APE CAGR over FY24-27E


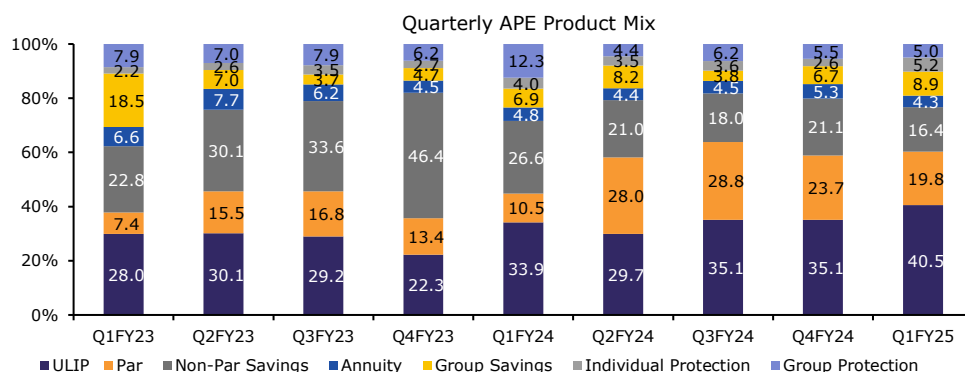
Source: Company, Emkay Research

Well diversified product mix to drive further growth

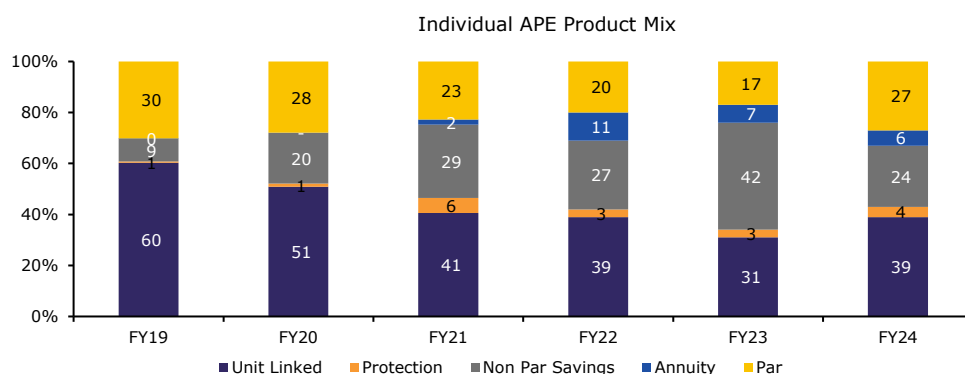
BALIC has maintained emphasis on a balanced and sustainable product mix, with an objective to de-risk its business from extreme volatile market movements. As a result, the company has consistently reduced the share of ULIPs to 39% of Individual APE mix during FY24, from 60% in FY19. With the announcement of taxation of high-ticket-size non-linked policies during the FY24 Union Budget, the industry saw pre-booking of high-ticket (above Rs0.5mn) Non-Par policies, thus driving a significant uptick in the contribution to Individual APE mix resulting in Non-par savings contributing to 42% of the product mix during FY23 from a mere 9% in FY19. During FY24, given the taxation changes, BALIC witnessed a sharp decline in contribution of Non-par products to 24% by FY24, while share of ULIPs and Par products saw a significant uptick. The increased contribution of ULIPs in the Individual APE mix was further driven by strong movement in equity markets. Additionally, the company remains focused on the annuity business, while maintaining its share in the Product mix at 5-8%.

Exhibit 67: BALIC has focused on maintaining a diversified product mix; ULIP remains the largest contributor to its FY24 APE product mix

Source: Company, Emkay Research

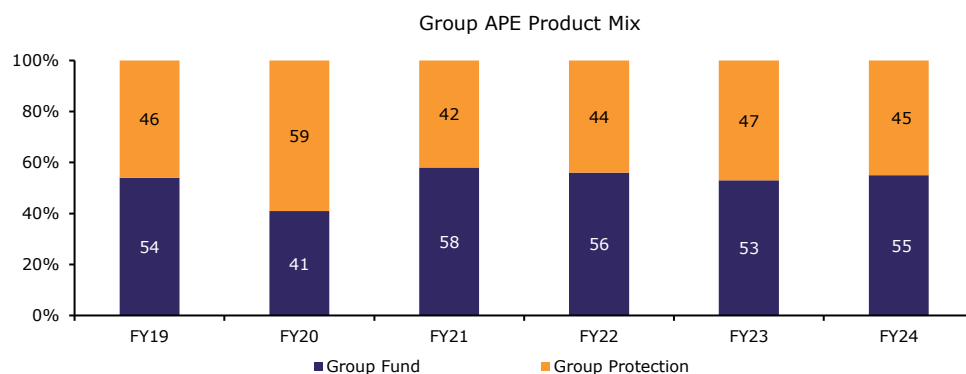
Exhibit 68: After the taxation changes, the product mix has shifted toward ULIPs, led by buoyant equity markets

Source: Company, Emkay Research

Exhibit 69: Contribution of ULIP in the Individual APE mix inched up, to 39% in FY24 following the taxation changes and driven by buoyant equity markets

Source: Company, Emkay Research

In the Group business, BALIC has maintained a largely stable product mix, with the Group Fund business constituting ~50-60% of the Group New business, and the balance being contributed by the Group protection business. The group fund business has seen its prices drop to pre-Covid levels in recent times; as a result, the business is likely to see sub-par growth due to a high base effect. However, tie ups with new corporates are expected to drive traction in the group funds business. Credit Life Protection forms a large part of the group protection business. A slowdown in credit offtake has hit growth in credit life products.

Exhibit 70: Contribution of the Group Savings and Protection segments has remained range-bound over the years

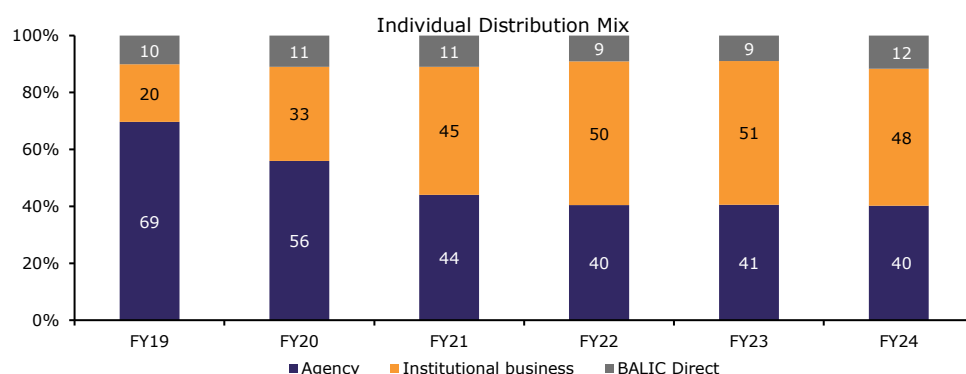
Source: Company, Emkay Research

While focus remains on maintaining a balanced product mix, BALIC has launched several products across categories which has further boosted premium growth. Among product launches during FY24, ACE (Par), Magnum Fortune Plus (ULIP), Future Wealth Gain (ULIP), Assured Wealth Goal (Non-par), Goal Suraksha (Non-par), Guaranteed Pension Goal (Annuity), Smart Protect Goal (Term), and E-Touch (Term) plans have gained strong traction among customers.

De-risking and expansion of distribution channel continues

Historically, BALIC's distribution mix was largely dominated by the traditional agency channel. However, new tie-ups with various banks and corporate agents led to increase in contribution of the Institutional Business channel in the overall channel mix. Further, with the company partnering with Axis Bank, share of the Institutional business has gone up, from 33% in FY20 to 48% in FY24. In recent years, BALIC has strengthened its partnership with various banks which has further resulted in de-risking of the distribution mix; thus, the company does not remain dependent on a single partner.

With Axis Bank turning the promoter of a peer player, the company has seen some pressure on growth in the channel; however, BALIC's counter share has stabilized at 25-30% in the Axis Bank channel. Further, Bandhan Bank has also emerged as a key distributor for BALIC. With its philosophy of not being dependent on a single large distributor, the management has entered into various partnership agreements with several banks; hence, a single distributor does not contribute to more than 5% of the total business. BALIC continues to build a sustainable business through strong integration with distribution partners. Further, activation of the recently partnered banca channel should result in further growth in the institutional business channel.

Exhibit 71: The Institutional business (Banca + Corp Agent) has emerged a major contributor to the distribution mix

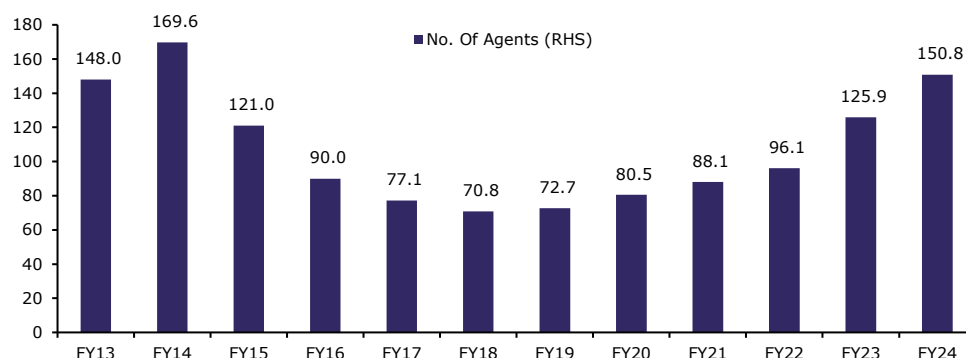
Source: Company, Emkay Research

While Axis Bank remains its major partner, no other channel partner contributes to more than 5% of BALIC's total business. While the counter share at Axis Bank has stabilized, Bandhan Bank has emerged the second-largest banca partner for BALIC.

Exhibit 72: BALIC has built a sustainable business through strong partnerships with multiple banks and NBFCs

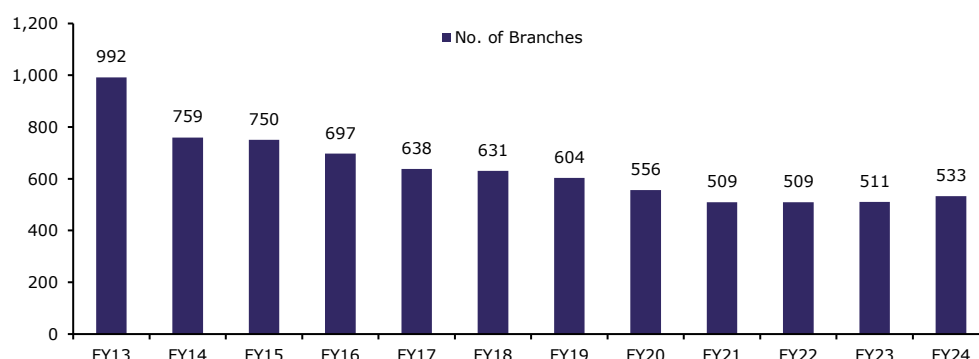

Source: Company; Emkay Research

With an agency network of more than 150k agents, BALIC has one of the largest agency channels among private players. With the objective of diversifying its distribution mix, BALIC has seen reduction in the share of agency channel, from 69% in FY19 to 40% in FY24. Investments in the agency channel will further drive expansion in new geographies.

Exhibit 73: BALIC has added over 63k agents (gross) during FY24


Source: Company, LI Council, Emkay Research

Apart from a strong Agency and Institutional business channel, BALIC has pan-India presence of over 500 branches. BALIC's direct channel has presence across 342 cities with dedicated verticals for various customer segments, such as Service to sales, New to BALIC (NTB), and Defense. Investments in data analytics will further result in greater up-sell and cross-sell opportunities driving enhanced growth.

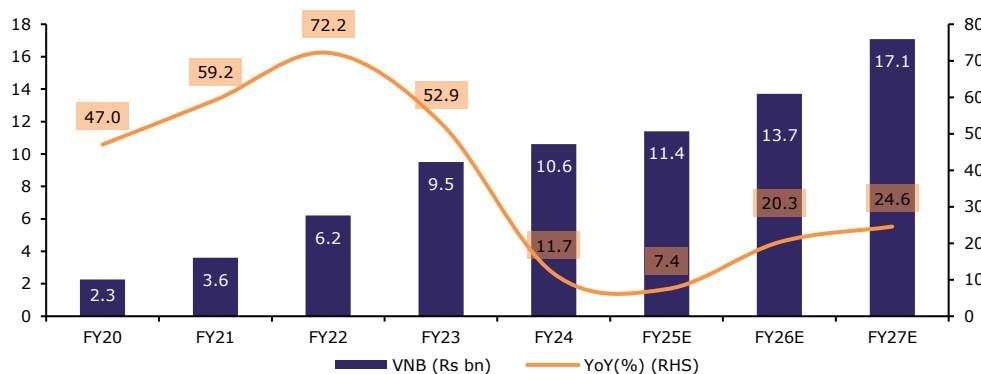
Exhibit 74: BALIC has pan India presence with over 500 branches spread across 342 cities


Source: Company, Emkay Research

Hiccups in VNB margins before moving toward upward trajectory

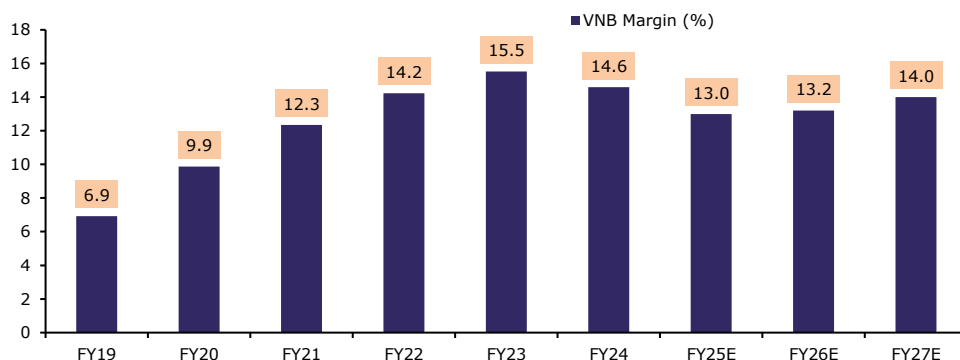
BALIC has seen a significant uptick in its VNB margins, from 6.9% in FY19 to 14.6% in FY24. Over 5 years, the company has seen a 7.7ppt improvement in margins, driven by multiple factors that include i) scale up in APE growth driven by expanding distribution network, ii) diversifying its product mix while increasing the share of high-margin non-par savings products, iii) cost rationalization driven by operating leverage. Further, with improvement in VNB margins and strong growth in APE, BALIC has tracked a strong 47% CAGR in VNB over FY19-24. Following the announcement of taxation changes for high-ticket-size non-link policies in FY24 Union Budget, the industry has seen a shift in the product mix. Further, reversal of interest rates have weighed on VNB margins. Against this back drop, BALIC's VNB margins have dipped to 14.6% during FY24 on account of significant rise in the contribution of low-margin ULIP and Par products. Further, changes in product mix and impact of surrender regulations are expected to weigh on the VNB margin trajectory. Driven by 19% APE CAGR over FY24-27E and VNB CAGR of 17% over FY24-27E, BALIC's EV is expected to log 12% CAGR to Rs304bn by FY27E.

Exhibit 75: We expect moderate VNB growth in FY25E, due to margin contraction



Source: Company, Emkay Research

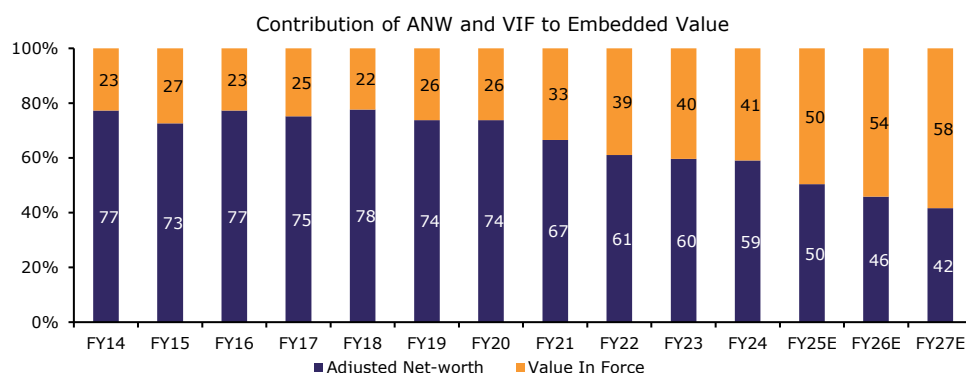
Exhibit 76: FY25E is likely to see a dip in margins, on account of higher contribution of ULIPs and impact of new surrender regulations



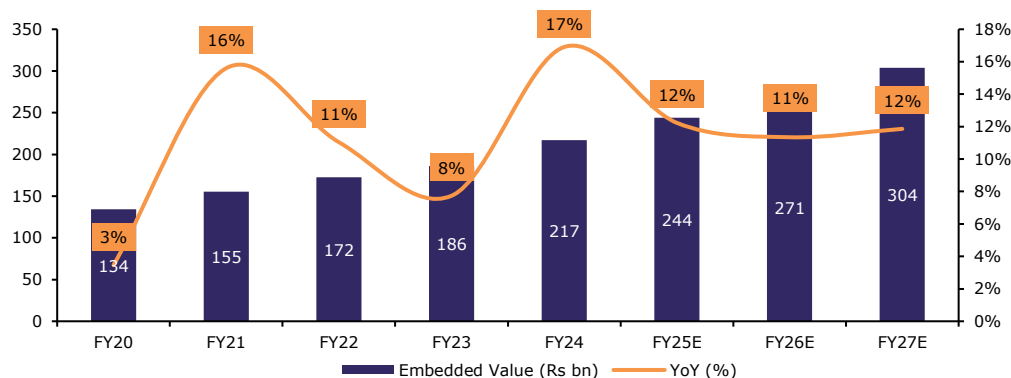
Source: Company, Emkay Research

Higher proportion of Adjusted Net Worth drives sub-par RoEV

Historically, BALIC's Embedded Value (EV) has mainly comprised of Adjusted Net Worth (ANW); as a result, the contribution of Value in Force (VIF) to the overall EV has remained low. After the changes in Product Regulations during 2010, the company witnessed lackluster APE growth over FY10-16. Challenges in growth resulted in a lower new business strain, thus increasing the accounting profitability and consequently the net worth. Further, growth moderation and sub-par margins resulted in slow VNB growth, leading to lower VIF. As a result, excessive net worth resulted in ~75-80% contribution to the EV, while contribution of VIF remained sub-par at ~20-25%.

Exhibit 77: Contribution of Value in Force (VIF) to the embedded value (EV) low historically

Source: Company, Emkay Research

Exhibit 78: BALIC's EV is expected to see 12% CAGR over FY24-27E

Source: Company, Emkay Research

However, post-FY19, the turnaround in growth and improving margins resulted in robust VNB growth resulting in increased VIF. With growing VNB, the contribution of VIF to the overall EV increased to ~50% by FY24 from ~25% in FY19. Further, contribution of VNB to Opening EV increased from a mere 1% in FY19 to ~6% in FY24. Given this turnaround with increased contribution of VNB to EV, the Operating RoEV has seen sharp uptick, from 10.7% in FY19 to 14.5% in FY24.

Going ahead, pressure on margins and growth in FY25 are expected to have a bearing on VNB growth; thus FY25 is likely to see some dip in Operating RoEV. Ahead, with VNB CAGR at 17% over FY24-27E, contribution of VNB to opening EV is expected to further increase to 6.3% by FY27E, thus driving up Operating RoEV to 14.1% by FY27E.

Healthy Solvency position

BALIC has maintained a healthy solvency position over the years, much above the regulatory requirement. The solvency ratio has seen a decline, from 745% in FY20 to 432% in FY24. This decline is largely owing to underwriting the capital-intensive non-par business. Despite such a decline, BALIC's solvency position remains better than peers. Further, the high solvency ratio at 432% for FY24 implies that there is no need for any capital raise in the medium term.

Persistency ratios see continuous improvement

BALIC's persistency levels have seen continuous improvement over the last few years across cohorts. Sustained attention on renewal collection through diverse initiatives, including the promotion of auto-payment registration, digital payment channels, and increased distribution ownership, has resulted in notable enhancement in persistency across majority of customer segments. The continuous improvement in persistency has aided the growth of renewal premiums.

Operating costs will see some improvement

Commission expenses have been on the rise for the past years, driven by new partnerships and growth momentum. Commission ratios are expected to further bump up, given the flexibility provided by the new EOM regulations. As a result, we expect the commission ratios to remain elevated at ~10-11% during FY24-27E. With continuous investments in the distribution channel and technological upgradation, operating expenses have remained bloated over the last few years. However, on account of the new EOM regulations, the increase in commission expenses is offset by some reduction in operating expenses. Thus, we expect opex ratios to see some moderation, from 20.9% in FY24 to 18.1% in FY27E.

Exhibit 79: Bajaj Allianz Life Insurance – Financial Summary

(Rs mn)	2023	2024	2025E	2026E	2027E
Policyholders' account					
Net earned premium	191,154	226,633	279,492	338,320	403,961
Investment income	40,108	146,296	123,776	146,500	173,961
Other income	3,679	885	0	0	0
Total revenue	234,941	373,813	403,268	484,820	577,922
Commission expense	12,067	20,593	25,396	30,742	36,706
Operating expenses	38,934	38,303	45,840	53,796	62,214
Benefits cost	127,010	124,500	151,976	179,387	212,810
Total expense	234,844	376,054	404,457	484,906	576,813
Surplus/Deficit	97	-2,241	-1,189	-86	1,109
Shareholders' account					
Transfer from policyholders' account	10,897	10,352	12,686	15,200	17,947
Investment income	8,088	8,871	8,949	9,005	9,134
expenses	15,315	13,523	15,034	16,512	18,138
Profit before tax	3,699	5,716	6,602	7,694	8,943
Tax expense	-197	90	132	154	179
Profit after tax	3,896	5,626	6,470	7,540	8,764
Embedded Value Account					
Embedded Value	185,840	217,260	243,829	271,489	303,691
--o/w Adjusted Net Worth	110,820	128,210	122,750	124,378	126,271
--o/w Value-in-Force	75,020	89,050	121,079	147,111	177,420
Annualized Premium Equivalent (APE)	61,170	72,740	87,680	103,888	122,011
New Business value	9,500	10,610	11,398	13,713	17,082
New Business Margin (%)	15.5	14.6	13.0	13.2	14.0
EV Operating Profit	26,006	26,950	28,769	32,720	38,245
Operating RoEV (%)	15.1	14.5	13.2	13.4	14.1

Source: Company, Emkay Research

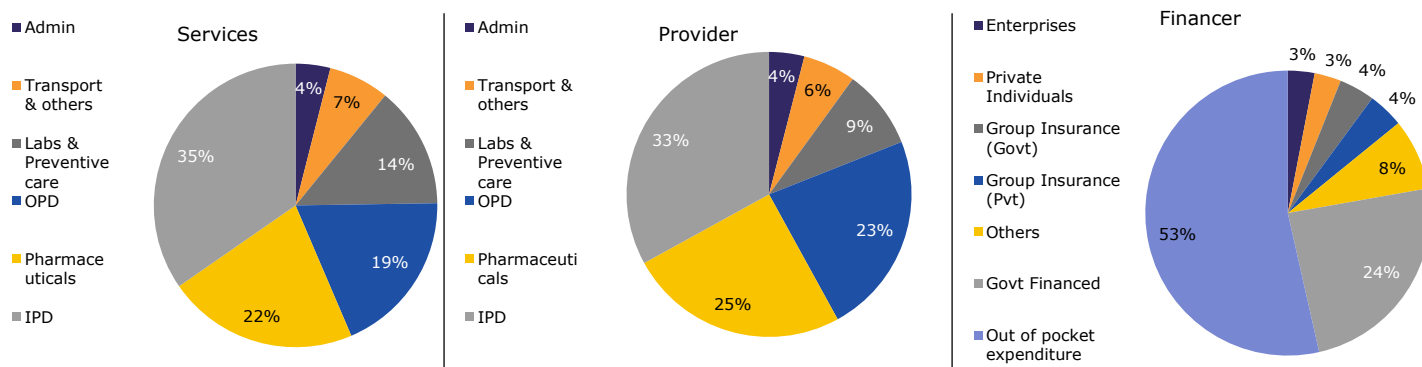
Bajaj Finserv Health: A customized Healthcare solution

Bajaj Finserv Health is a health-tech venture, aimed at transforming the healthcare sector in India by integrating the fragmented healthcare delivery ecosystem. The company operates a digital platform that connects healthcare providers—including doctors, hospitals, and diagnostic centers—with consumers, offering a comprehensive suite of services covering wellness, outpatient (OPD), and inpatient (IPD) care. Additionally, Bajaj Finserv Health provides claims management services to payers, such as insurance companies, government bodies, and employers. With a network of over 100,000 doctors, more than 5,000 diagnostic points, and >16,000 hospitals, Bajaj Finserv Health has rapidly expanded its network across India, enabling cashless outpatient transactions. Emerging as a Wave-1 partner of the Digital Health Mission of the National Health Authority, the company remains committed to leverage technology in transforming healthcare delivery in India. Ahead, the company plans to further expand its network, enhance its presence in managed care for employers, and develop technology-based services like fraud identification and claims management for insurance companies. The Indian healthcare market is poised for substantial growth, driven by increasing healthcare awareness, rising disposable incomes, and government initiatives like the Digital Health Mission. Bajaj Finserv Health is well-positioned to capitalize on this opportunity with its integrated digital platform and extensive network.

Healthcare market poised for long-term growth

The total national healthcare expenditure at ~USD100bn remains one of the largest spend categories, with IPD and OPD contributing to 35% and 19%, respectively. While Private Hospitals and Clinics (33%) followed by Government Hospitals and Clinics (25%) have emerged as the largest providers of Healthcare, Out of Pocket Expenditure (OOPE; 53%) remains the largest source of financing, followed by Government Finance (24%). Further, India's Current Health Expenditure (CHE) as a % of GDP stands at 3.3% as of CY21, lower than that of other larger and comparable economies. However, India's CHE as a % of GDP has grown rapidly, from 2.9% in CY18 to an estimated 4.0% in CY23, indicating a positive shift in the importance of healthcare in India, with more resources being channeled toward it. OOPE as a % of CHE in India has dropped, from 63.2% to 49.8%, between 2016 and 2021; however, it remains much higher for India than for other countries such as the US, UK, and China, which are at ~10.7%, 13.5%, and 34.4%, respectively. Healthcare industry CAGR stood at 10-11% for FY17-24 to ~Rs9.5-10.5trillion. By FY28, the industry is expected to grow to Rs14.5-15.5trillion, at CAGR of 10-11%, driven by factors such as an aging population, increased incidence of lifestyle diseases, growing healthcare awareness, technology adoption, and a growing affluent middle class. Bajaj Finserv Health is well-positioned to capitalize on this opportunity, with its integrated digital platform and extensive network.

Exhibit 80: The Indian Healthcare Ecosystem



Source: Company, NHA Estimates, Emkay Research

Exhibit 81: India's CHE as a % of GDP has improved, from 2.9% in 2018 to 3.3% in 2021

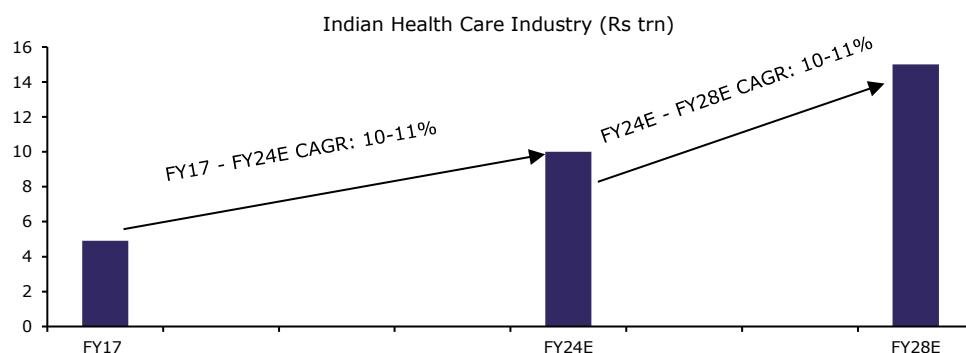
Country/Union (%)	2000	2005	2010	2015	2016	2017	2018	2019	2020	2021
India	4.0	3.8	3.3	3.6	3.5	2.9	2.9	2.9	3.0	3.3
China	4.5	4.2	4.2	4.9	5.0	5.1	5.2	5.4	5.6	5.4
Brazil	8.3	8.0	7.9	8.9	9.2	9.5	9.5	9.6	10.3	9.9
Russia	5.0	4.8	5.0	5.3	5.3	5.4	5.4	5.6	7.6	7.4
South Africa	7.3	6.9	7.8	8.1	8.1	8.0	8.1	8.2	8.6	8.3
Thailand	3.1	3.2	3.4	3.9	3.9	3.9	3.9	3.9	4.4	5.2
Indonesia	1.9	2.5	2.8	2.9	3.0	2.9	2.9	2.9	3.4	3.7
Malaysia	2.5	2.8	3.2	3.8	3.7	3.7	3.8	3.8	4.1	4.4
UK	7.2	8.4	10.0	9.8	9.7	9.6	9.7	9.9	12.0	12.4
EU	8.4	9.1	9.9	10.0	10.0	9.9	9.9	9.9	10.9	11.0
USA	12.5	14.6	16.2	16.5	16.8	16.8	16.6	16.7	18.8	17.4
LIC	4.1	4.6	4.5	5.7	5.5	5.5	5.0	4.9	5.1	5.3
OECD	9.3	10.5	11.6	12.2	12.4	12.4	12.3	12.5	13.9	13.4
WLD	8.6	9.3	9.5	9.7	9.9	9.8	9.7	9.8	10.9	10.4

Source: World Bank, Emkay Research

Exhibit 82: While India's OOE as a % of CHE has dropped to 50% in 2021 from 63% in 2016, it remains much higher than that of other comparable countries

Country/Union (%)	2000	2005	2010	2015	2016	2017	2018	2019	2020	2021
India	72	73	65	65	63	55	53	53	51	50
China	60	58	41	35	36	36	36	35	35	34
Brazil	37	36	29	25	24	24	25	25	22	23
Russia	30	32	35	39	40	40	38	37	28	27
South Africa	14	11	8	6	6	6	6	6	5	6
Thailand	34	28	14	12	11	12	10	9	11	9
Indonesia	45	55	61	43	39	37	36	35	32	27
Malaysia	41	38	34	34	36	36	37	36	36	32
UK	18	14	15	16	16	16	16	16	14	14
EU	16	16	16	16	16	16	16	16	14	15
USA	15	14	12	12	12	11	11	11	10	11
LIC	51	50	51	49	47	46	44	45	42	41
OECD	17	16	15	14	14	14	14	14	12	13
WLD	19	19	19	18	18	18	18	18	16	17

Source: World Bank, Emkay Research

Exhibit 83: The Indian Healthcare market is expected to grow to Rs14.5-15.5trn by FY28E

Source: Crisil MI&A, Emkay Research

OPD emerges as one of the largest spend categories not covered by Insurance

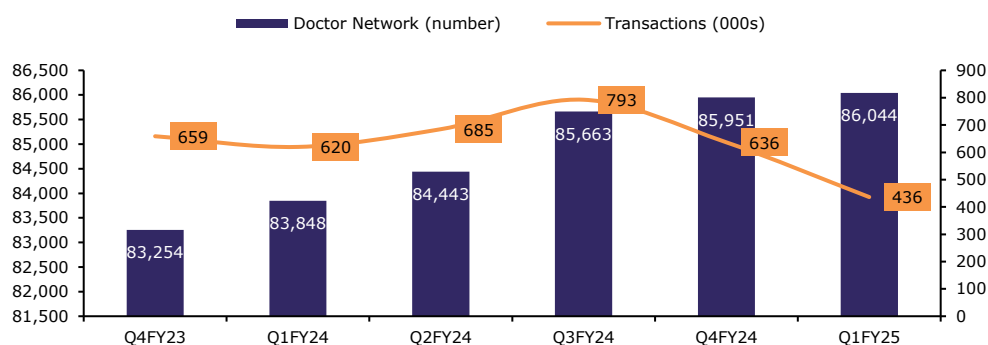
India's Overall Healthcare Expenditure has seen 12% CAGR over FY16-22 to USD100bn. While OPD contributes to ~19% of the Overall Health Expenditure, it remains one of the largest spend categories after IPD, but is not widely covered by insurance. India's Health Expenditure is likely to grow to USD160bn by FY25E, clocking in 16% CAGR over FY22-25E.

Several strategic initiatives under way to strengthen market positioning

■ Expansion of Provider Network and Service Offerings

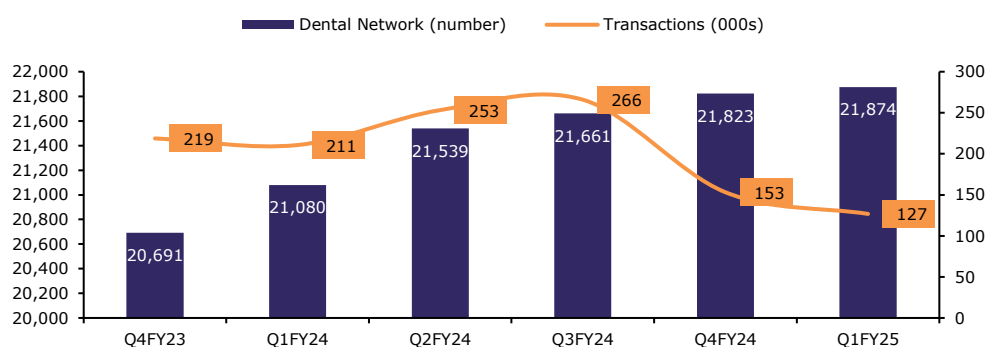
Bajaj Finserv Health has rapidly expanded its network across India, currently comprising of over 0.1mn doctors, more than 5,000 diagnostic centers, and over 16,000 hospitals offering cashless transactions. The company's tie-up with hospitals has seen a spike to >16,000 during Q1FY25 vs ~2,000 in Q4FY24, driven by acquisition of Vidal Healthcare. In FY24, the platform processed over 4.5mn OPD health transactions, reflecting its growing traction among consumers. Further, the company has expanded its portfolio to include more comprehensive health management tools and services including preventive healthcare packages, chronic disease management programs, and personalized health coaching, which cater to a wider demographic and health-need spectrum. BHFL's differentiated product plans for retail and corporate customers as well as Integrated IPD + OPD offering have resulted in strong customer traction.

Exhibit 84: Doctor Network expands to 86k in Q1FY25



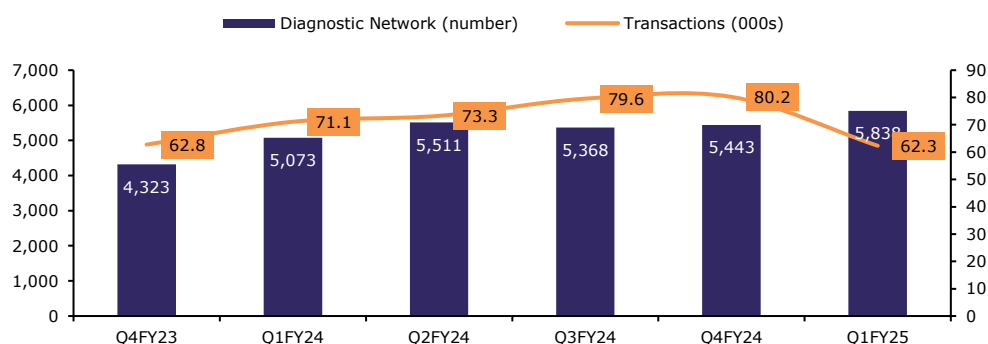
Source: Company, Emkay Research

Exhibit 85: BHFL has added ~1,200 dentists as of Jun-24, over Mar-23

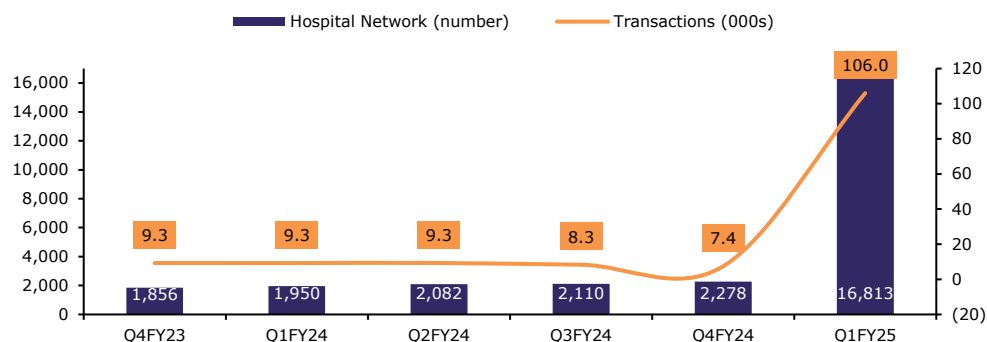


Source: Company, Emkay Research

Exhibit 86: Diagnostic Network expands to 5,838 during Q1FY25



Source: Company, Emkay Research

Exhibit 87: Sudden spike in Hospital Network is on account of acquisition of Vidal Healthcare

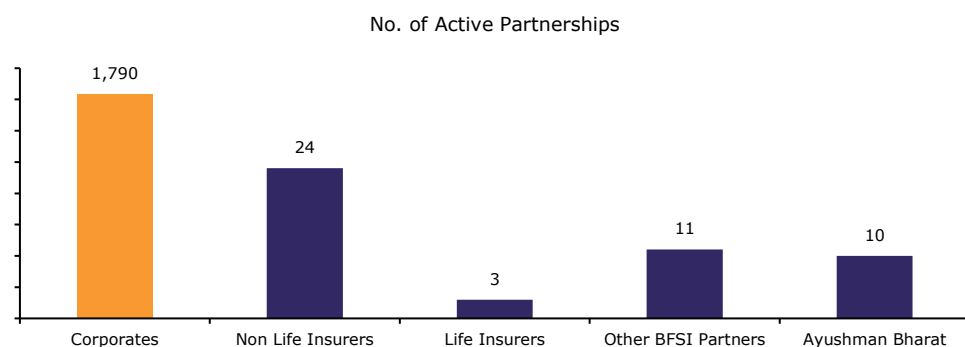
Source: Company, Emkay Research

■ Technology and innovation constitute the core factors to gain scale

Investment in technology has been a core focus area, with BFHL continuously enhancing its digital platform to improve user experience, data security, and service efficiency. The company has integrated AI and machine learning to provide predictive health analytics, which helps in early diagnosis and personalized health recommendations. Additionally, investments in technology have enabled the company to offer AI enabled abuse (fraud) management services. The company's consumer-facing app is central to its operations, allowing users to manage their healthcare plans, book appointments, access a wide network of healthcare providers, and store health records digitally.

■ Partnerships and collaborations

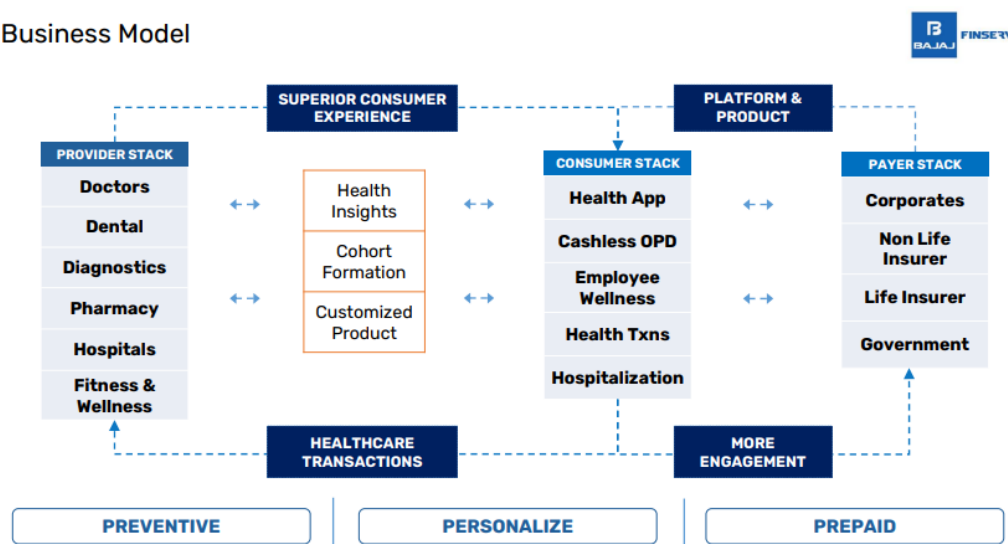
Leveraging its distinct and differentiated tech-based healthcare offering, the company has partnered with several providers including corporates, Insurers, BFSI partners and the Government. These partnerships not only enhance service delivery, but also increase the company's reach across different customer segments. BHFL provides 360* benefits—ranging from TPA services, structured OPD products to Preventive Health Checkup Camps—to the employees of its corporate partners. The company has partnered with 24 Non-Life insurers to provide TPA services and embedded benefits or riders, with base health insurance plans. Additionally, BHFL has emerged as a service provider for OPD and wellness benefits and Pre-Medical services for Life Insurers. With its partnership with 11 BFSI partners, the company has been able to provide Health Management services, which include Access to OPD and consumer wellness provider network, National Digital Health Mission complaint Health Vault and personalized health care services. In collaboration with the government, BHFL has emerged as a Wave 1 partner of the Digital Health Mission of the National Health Authority (NHA), providing claims processing and adjudication of Government Schemes. These partnerships and collaborations underscore BHFL's commitment to leverage technology in transforming healthcare delivery in India.

Exhibit 88: Increasing number of partnerships with payers

Source: Company, Emkay Research

Exhibit 89: Bajaj Finserv – Health business model

Business Model

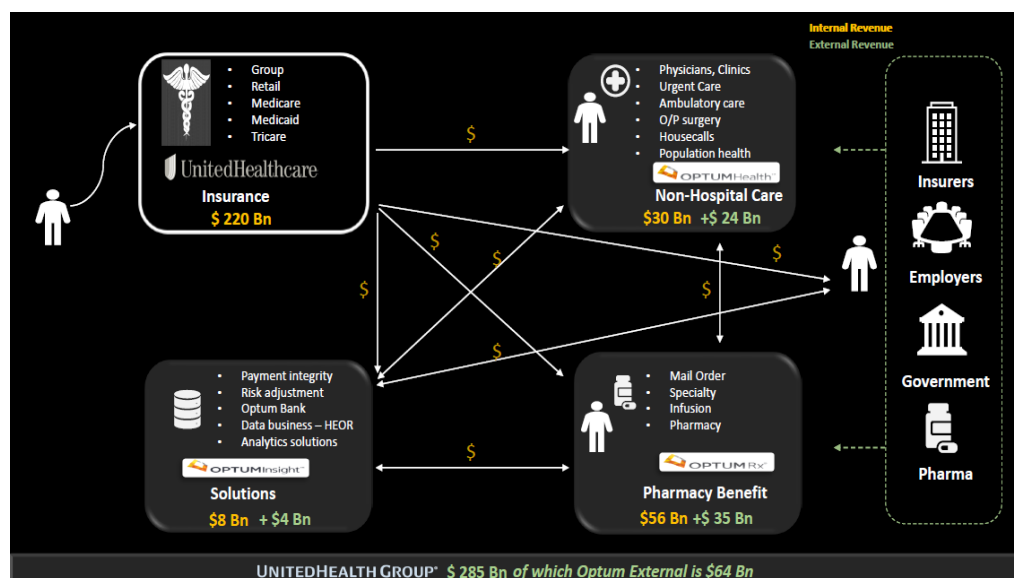


Source: Company, Emkay Research

Well positioned in terms of competitive landscape

The UnitedHealth Group in the US has outperformed the market by shifting the dynamics of the US payer ecosystem through 'Optum' and created a scalable carrier-agnostic platform with deep benefit utilization cycle with providers. Having developed the capability to process non-hospitalization and hospitalization claims efficiently and quickly, while creating a platform to be a large payer service provider, Bajaj Finserv Health is well-positioned to replicate the success of global healthcare giant Optum in the Indian market. The company's focus on providing a full-stack offering, including both OPD and IPD services, positions it as a strong competitor in the Indian healthcare sector. The use of the 'Bajaj' brand further strengthens its competitive edge, offering a strong brand association that is likely to attract long-term partnership contracts with employers and insurers. Among several competitors providing fragmented services in the hospitalization, pharmacy, Doctor Consultation, and Claims Management space, BHFL has positioned itself as a one-of-a-kind, full-stack Healthcare solution provider, offering healthcare services—right from IPD and OPD to Claims Management, to Health & Wellness Management and Health Administration. With a range of healthcare solutions under one basket, fueled by best-in-class technology and digital capabilities, BHFL is well poised to capture the market position.

Exhibit 90: Universal Health Group Ecosystem – BHFL is well poised to replicate the success of USA's 'Optum'

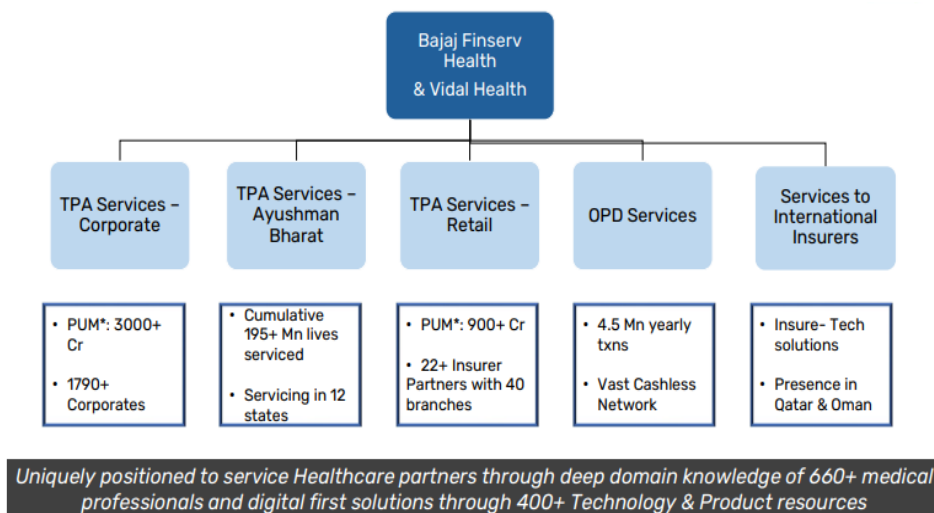


Source: Company, Emkay Research

Acquisition of Vidal Healthcare to enhance claims management and health administration

In Apr-24, Bajaj Finserv Health completed the acquisition of 100% stake in Vidal Healthcare Services Pvt (VHS) at an enterprise value of Rs3.25bn. VHS is a well-established player in healthcare administration in India, with significant experience in managing healthcare claims and services. The acquisition of VHS positions Bajaj Finserv Health as a formidable player in the health-tech sector, with capabilities spanning the full spectrum of outpatient, hospitalization, and wellness services. The company is now equipped to participate in India's healthcare revolution by offering a complete suite of digital healthcare solutions to individuals, corporates, and payers.

Exhibit 91: Acquisition of Vidal Healthcare complements BHFL's business model

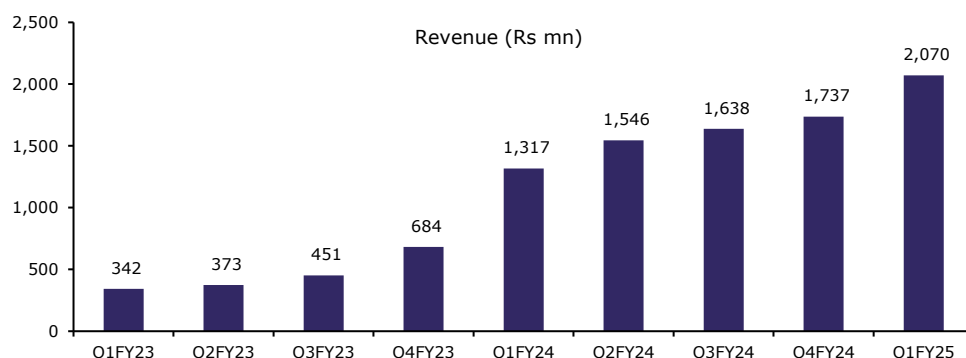


Source: Company, Emkay Research; Note: 1crore = 10million

Strong growth opportunity driven by industry tailwinds

BHFL has reported substantial growth in revenue to Rs6.2bn in FY24 vs Rs0.8bn in FY22, driven by higher adoption rates of its digital health services and expanded partnerships with healthcare providers. This growth is indicative of strong market demand for digital health solutions, particularly in the post-pandemic environment where digital healthcare has become normal. Additionally, the number of transactions at 4.5mn have witnessed robust 40% YoY growth. Ahead, the company plans to further expand its network, enhance its presence in managed care for employers, and develop technology-based services like fraud identification and claims management for insurance companies. The wellness platform—which includes services such as nutrition, mental health counseling, and fitness programs—is also expected to be a key area of growth. Future outlook for Bajaj Finserv Health appears promising, supported by favorable market trends such as increased digital adoption in healthcare and a growing focus on preventive health and wellness. The company's strategic initiatives are well-aligned with these trends, positioning it to capture a larger share of the market. Key growth drivers ahead for the company include continued digital adoption by customers, expansion into new markets, and innovation in service delivery.

Exhibit 92: Continuous growth in revenue on QoQ basis

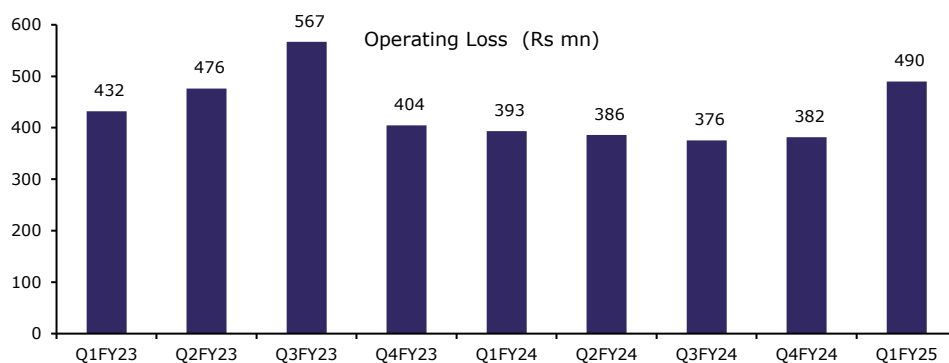


Source: Company, Emkay Research

Focus on scale to result in increased profitability over the long term

The company reported net loss of Rs1.5bn for FY24, a reduction from the Rs1.9bn loss in prior year. Bajaj Finserv has made a significant capital infusion into the health-tech venture, totaling Rs7bn to date, including Rs2.3bn in FY24. Although the company is still in early stages of operations, the management remains focused on developing the right products and enhancing technology. Due to these ongoing investments, operating expenses are expected to remain elevated until the company achieves scale, which will drive profitability. Further, with technology-related expenses comprising a large portion of total costs, having an in-house tech team would provide additional benefits, thus improving profitability through operating leverage. As BFHL continues to grow and scale up its operations, it is well-positioned to enhance its profitability metrics through increased operating leverage.

Exhibit 93: Continued investments have resulted in operating losses, but focus on scale to drive profitability



Source: Company, Emkay Research

Bajaj Finserv Direct: Expanding Digital Financial Solutions

Founded in Jul-18, Bajaj Finserv Direct (BFDL) operates as a digital marketplace under brand name *Bajaj Markets*, aiming to increase brand awareness and visibility for Bajaj Finserv through digital channels. Additionally, BFDL strives to expand Bajaj Finserv's digital footprint by offering select digital technology services. *Bajaj Markets* is accessible through two primary customer-facing platforms: the *Bajaj Markets* website and the *Bajaj Markets* mobile app, both serving as a digital BFSI marketplace. These platforms provide access to loans, credit cards, investments, and insurance products through an open architecture model, allowing customers to select from a wide range of providers and products. The Technology Services division is dedicated to creating digital-first solutions for BFSI businesses, enhancing customer experiences, and streamlining operations by focusing on six key areas: Adobe, Salesforce, Cloud, Generative AI, Data Analytics, and Digital Agency services. Bajaj Finserv Direct leverages Bajaj Finserv's extensive financial ecosystem and customer base to distinguish itself in the competitive digital financial marketplace. By offering a diverse array of products and utilizing advanced data analytics, BFDL aims to enhance customer experience and foster loyalty. Looking ahead, continued expansion into new financial products and services, ongoing investments in digital technology, and increased cross-selling opportunities are expected to drive further growth for these businesses.

Bajaj Markets – Diversified marketplace for Financial Services

Operating through its website and mobile application, *Bajaj Markets* has established itself as a diverse open-architecture marketplace for financial services, attracting a growing number of new customers to the Finserv ecosystem. The platform not only raises awareness and promotes the *Finserv* brand, but also facilitates cross-selling by leveraging technology and data analytics. *Bajaj Markets* offers a wide range of financial products, including loans, cards, insurance, investments, and payments. Partnerships with ~82 manufacturers and around 123 financial services products, the platform enables customers to compare, choose, and purchase products, all through a seamless digital journey. The company has invested heavily in technology, building a cloud-based digital architecture that utilizes an API ecosystem, big data, and modern web and app technologies, to enhance customer experience and engagement. Additionally, by leveraging its extensive customer base and digital presence, the company uses advanced analytics to provide personalized recommendations and drive cross-selling opportunities.

Bajaj Technology Services – Building digital-first solutions for BFSI businesses

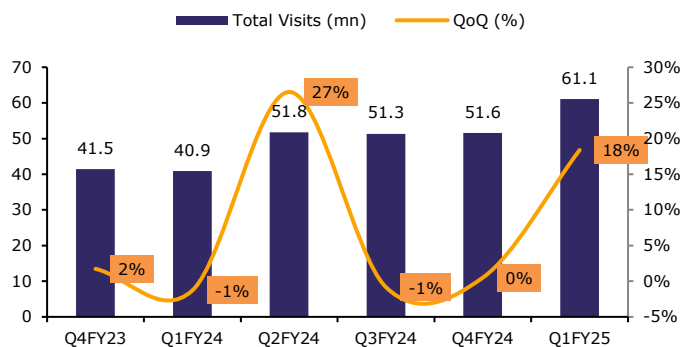
While Bajaj Finserv and its subsidiaries have effectively utilized advanced technology across various business segments, Bajaj Technology Services aims to leverage the group's technological expertise to deliver digital technology-based services to potential clients within the BFSI ecosystem. The company is dedicated to developing digital-first solutions for BFSI businesses, focusing on six key areas: Adobe, Salesforce, Cloud, Generative AI, Data Analytics, and Digital Agency. Its portfolio includes six specializations and over 30 functional offerings spanning lending, insurance, and investments. Additionally, Bajaj Technology Services provides comprehensive services, from design and development to implementation and support for digital technology solutions, serving both—Bajaj group companies and external clients. The company has forged partnerships with globally renowned cloud-based platforms such as Salesforce, Adobe, Microsoft, and Amazon Web Services to assist customers in their digital transformation journeys.

Consistent revenue growth led by traction in the number of transactions

Driven by a rising number of transactions, the company achieved revenue of Rs4.75bn, marking 21% YoY growth. Despite ongoing investments, the company's operating expenses have exceeded its revenue, resulting in a loss of Rs0.73bn for FY24. As the *Bajaj Markets* business expands and the technology services segment gains further momentum among clients, the company is on track to achieve profitability with scale. Overall, Bajaj Finserv Direct is well-positioned in the growing digital financial services market, with a strong strategy centered on technology, analytics, and a diverse product offering, moving toward the path of profitable growth.

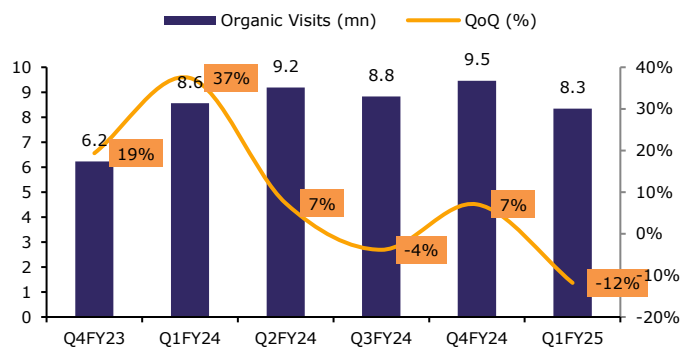
Story in Charts

Exhibit 94: Total visits have seen 18% growth QoQ, during Q1FY25



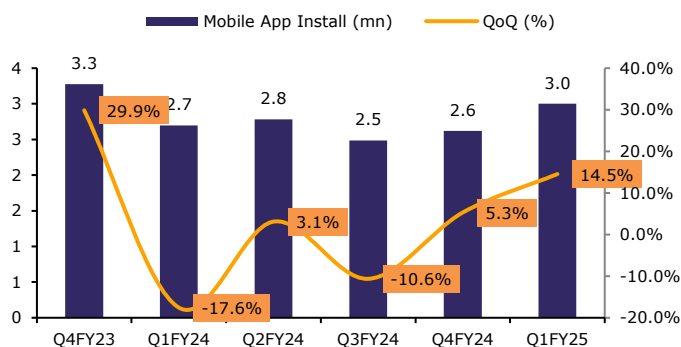
Source: Company, Emkay Research

Exhibit 95: Organic visits have experienced a volatile trend



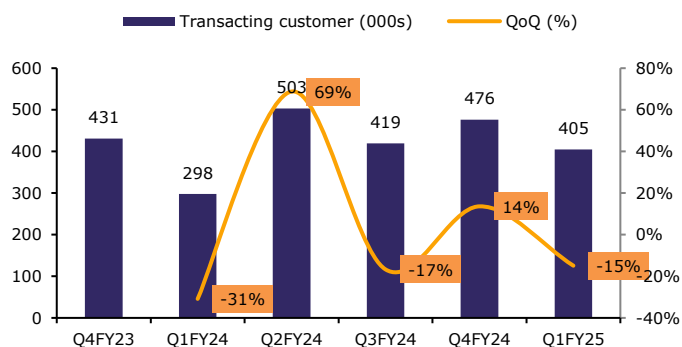
Source: Company, Emkay Research

Exhibit 96: Bajaj Markets has witnessed good growth in Mobile APP installations



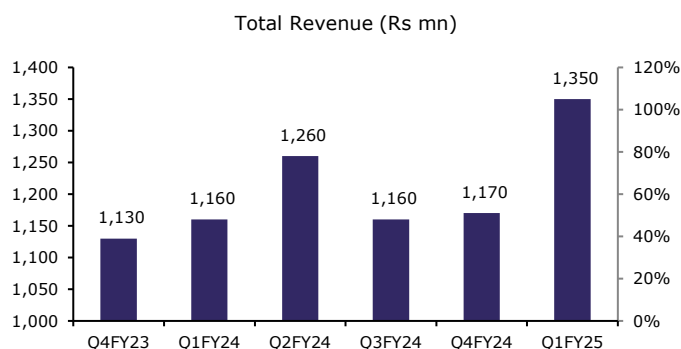
Source: Company, Emkay Research

Exhibit 97: Number of transacting customers slipped 15%, QoQ



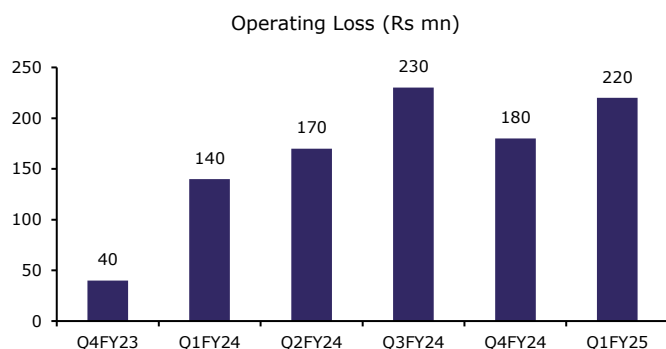
Source: Company, Emkay Research

Exhibit 98: Bajaj Finserv Direct's revenue grows to Rs1,350mn during Q1FY25



Source: Company, Emkay Research

Exhibit 99: Investments in the business have resulted in operating losses



Source: Company, Emkay Research

Bajaj Finserv Asset Management: Poised to capture industry tailwinds

Aimed at fulfilling wealth management needs of its customers through investments in mutual funds, Bajaj Finserv set up Bajaj Finserv Asset Management (Bajaj AMC) and launched its first fund in Jul-23. Bajaj AMC has established its differentiated investment philosophy INQUBE that adds behavioral finance insights (BE) to information (IN), while using quantitative techniques (QU) to generate superior returns over market cycles. Bajaj AMC endeavors to help its investors achieve their long-term objectives, seeking to create a meaningful difference through its innovative and future focused strategy. Driven by its digital capabilities, the company has streamlined several digital touchpoints for investors and distributors for empanelment and transactions. Powered by technology and data analytics, the company's strategy is based on innovation and integrating with partners to shape a future-ready business model. The Mutual Fund industry has seen strong growth in AUM to ~Rs65trn, driven by robust growth in the Equity AUM on account of continued traction in SIPs and the movement in equity markets. In this context, since inception, Bajaj AMC has seen its AUM grow to ~Rs95bn during FY24 and emerge the 27th largest AMC in India. Led by industry-level tailwinds, the company's differentiated investment philosophy, wide range of product offering, and use of technology and data analytics, Bajaj AMC is well positioned to grow its AUM while delivering profitability in the long run.

Well positioned to capture the long-term growth opportunity

Indian Mutual Fund industry AUM has seen a significant growth in the last few years, from Rs37.6trn in FY22 to Rs53.4trn in FY24, clocking in 19% 2Y CAGR. This growth is driven by several factors, including rising disposable income, increasing number of SIP accounts driving higher SIP net flows, and the movement in equity markets. Driven by its differentiated Investment philosophy, technological and digital capabilities, wide-product range and data analytics, Bajaj AMC is set to capture the long-term growth opportunity. In this context, in the first year of operations, the company logged AUM growth to Rs95.5bn as of FY24, emerging as the 27th largest AMC in the industry.

Innovation and Future Ready business model remains core differentiation strategy

Bajaj AMC is committed to crafting equity schemes with distinct investment strategies, designed to foster long-term wealth creation for investors. Fixed income schemes prioritize high credit quality to ensure safety and reduce risk, while passive investments are introduced when suitable opportunities arise. The company utilizes technology to enhance digital interfaces for investors and distributors, simplifying processes such as empanelment and transactions. The approach focuses on innovation, forging mutually beneficial partnerships, and developing a forward-looking business model powered by data and technology platforms. Bajaj AMC integrates various advantages into its investment methodology, including informational, quantitative, and behavioral insights. This comprehensive strategy aims to provide a competitive edge in effective investment management. These core principles enable Bajaj AMC to deliver value to investors, while sustaining a strong and progressive business model.

On the right track for a profitable growth journey

Within nine months of launch of its first fund, Bajaj AMC has garnered an AUM of Rs95.5trn as of FY24. Driven by its differentiated and innovation led strategy, Bajaj AMC is well positioned to grow its AUM in sync with industry-level tailwinds. While the company is in incubation phase, it has delivered revenue of Rs140mn while high investments in building the technological architecture and distribution system have resulted in loss of Rs1.66bn as of FY24. Bajaj Finserv has infused capital of Rs3bn as of Q1FY25, while its net worth stands at Rs795mn. While investments in distribution and the digital platform continue, with AUM growth and its differentiated strategy Bajaj AMC is on the right track to grow profitability.

About the Company

Bajaj Finserv is the flagship holding company for the financial services businesses of the Bajaj Group, one of India's most respected conglomerates. Its vision is to become a diversified financial services group with nationwide presence, offering comprehensive solutions that cater to the financial needs of customers across their life cycle. The company's offerings span multiple sectors, including asset financing, asset protection through general insurance, income and family protection via life and health insurance, as well as retirement and savings solutions.

Bajaj Finserv's key responsibility is to monitor and strategically engage with its subsidiaries, ensuring they achieve sustainable profitability, maintain a strong market presence, and effectively utilize capital. This approach helps the company consistently deliver superior returns to shareholders. To achieve these goals, Bajaj Finserv fosters a culture of innovation and accountability within its subsidiaries, promoting disruptive thinking and encouraging the development of institutionalized frameworks that enable long-term growth.

Serving millions of customers across India, Bajaj Finserv is dedicated to providing tailored financial solutions. Whether facilitating asset acquisition through financing, protecting assets with insurance, or offering life and health coverage, the company's comprehensive approach ensures financial security at every stage of life. Additionally, its retirement and savings solutions help customers plan for their future financial needs.

With strong focus on customer satisfaction, innovation, and sustainable business practices, Bajaj Finserv continues to strengthen its leadership position in India's financial services industry while consistently delivering long-term value to both, its customers and stakeholders.

Exhibit 100: Bajaj Finserv – Delivering value to all stakeholders



Source: Company, Emkay Research

Exhibit 101: Brief Profile of Leadership – Management Team

Name	Designation	Brief Profile
Sanjiv Bajaj	Chairman and MD, Bajaj Finserv	Sanjiv Bajaj obtained a Bachelor's degree in engineering (mechanical) with distinction from the University of Pune in 1991, a Master's in science (manufacturing systems engineering) with distinction from the University of Warwick, UK in 1994, and a Master's in business administration from Harvard Business School, USA in 1997. He is the chairman and managing director of Bajaj Finserv. He is also the non-executive chairman of Bajaj Finance and the chairman of Maharashtra Scooters, Bajaj Finserv Asset Management Company, Bajaj Allianz Life Insurance Company, and Bajaj Allianz General Insurance Company. He has more than 27 years of experience in various areas, including business strategy, marketing, finance, investment, audit, legal, and IT-related functions in the auto and financial services sectors.
Rajeev Jain	MD, Bajaj Finance	Rajeev Jain holds a post-graduate diploma in management from the TA Pai Management Institute, Manipal, and has more than 30 years of experience in the consumer-lending industry. He has been associated with the company for over two decade. In his previous assignments, he has worked with Countrywide Consumer Financial Services, ANZ Grindlays Bank, American Express, and AIG. He has several years of experience in managing diverse consumer lending businesses, viz auto loans, durables loans, personal loans, and credit cards.
S. Sreenivasan	CFO, Bajaj Finserv	S Sreenivasan is a BSc Physics graduate from the University of Kerala. He holds an MBA from IIM Kolkata, and is a qualified Chartered Accountant, Cost Accountant, and Chartered Financial Analyst. He has a distinguished career, spanning more than 36 years in corporate strategy, portfolio management, life and general insurance, mergers and acquisitions, financial systems, and board operations. As part of the executive team, he manages the Group's long-term strategy and yearly operational plans, capital management, investor relations, and corporate governance. He is also the driving force behind providing value to the shareholders of Bajaj Finserv.
Tapan Singhel	MD and CEO, BAGIC	Tapan Singhel is a dynamic and versatile corporate leader, and has an extensive experience of 30 years in the insurance industry. He is a founding member of Bajaj Allianz General Insurance, and has been heading the company as its MD and CEO for over a decade now, having played an instrumental role in making the organization a renowned brand. Under his leadership, the company has served more than 130million customers and has built a robust network of partners and distributors. His stellar success can be attributed to his unequivocal customer devotion and a deep-seated desire to help others.
Tarun Chugh	MD and CEO, BALIC	Tarun is an alumnus of IIT Delhi and an MBA graduate from IIM Lucknow. He is a seasoned industry veteran with nearly three decades of experience in the financial services industry. He has worked in the Indian life insurance industry for more than 20 years in leadership positions. He is also known for his strategic orientation, and for building long-lasting relationships across stakeholder groups. Chugh's past professional roles include MD and CEO of PNB MetLife, and the Chief Distribution Officer at ICICI Prudential Life. He also spent over a decade as an investment banker.
Devang Mody	Whole Time Director and CEO, Bajaj Finserv Health	Devang Mody joined Bajaj Finance in 2008 and moved on to lead Bajaj Finserv Health in 2019. From the company's most popular credit offering (0% EMI loans for Consumer goods and other segments) to its EMI cards, he has led several key digital initiatives at Bajaj Finserv. As the CEO of Bajaj Finserv Health, he created the 'Aarogya Care'—a unique healthcare product covering Health Insurance, OPD, Labs, Loyalty, and Application benefits. Mody is a Wharton alumnus and a Chartered Accountant. Before working with Bajaj Finserv, he was associated with General Electric Money.
Ashish Panchal	Whole Time Director and CEO, Bajaj Markets	Ashish Panchal is a seasoned professional with 25 years of experience in strategic roles across various business verticals such as manufacturing, FMCG, retail banking, and payments. He has been part of the Bajaj Finserv group of companies for more than 12 years. Before assuming his role as the CEO of BFDL, he served as the President of Rural Business, Investment Business, Insurance Business & Corporate Strategy at Bajaj Finance. He is an alumnus of the Harvard Business School and has completed his master's degree in Management Studies from Jamnalal Bajaj Institute of Management Studies.
Ganesh Mohan	CEO, Bajaj AMC	Ganesh Mohan joined Bajaj Finserv in 2015 as the Group Head of Strategy. With focus on fostering innovation and developing newer capabilities for companies, Mohan has played a crucial role in leading several important transformational projects for the Group. Before joining Bajaj Finserv, he was a Partner with the Boston Consulting Group, where he worked for 16 years in the US, Europe, the Middle East, and India. He holds a BTech (Hons) in Chemical Engineering from IIT Kharagpur, and an MBA from IIM Calcutta, in Finance and Strategy.

Source: Company, Emkay Research

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ADD	5-15% upside
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