

18 January 2022

|   |   |
|---|---|
| THE MANAGER,<br>BSE LIMITED<br>DCS - CRD<br>PHIROZE JEEJEBHOY TOWERS<br>DALAL STREET,<br>MUMBAI - 400 001 | THE MANAGER,<br>LISTING DEPARTMENT<br>NATIONAL STOCK EXCHANGE OF INDIA LTD.<br>EXCHANGE PLAZA, C-1. BLOCK G,<br>BANDRA - KURLA COMPLEX, BANDRA (EAST)<br>MUMBAI - 400 051 |
| SCRIP CODE: 500034  | SCRIP CODE: BAJFINANCE – EQ   |

Dear Sir/Madam,

**Sub: Investor Presentation for the quarter ended 31 December 2021**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Investor Presentation for the quarter ended 31 December 2021.

Please access the link to view live webcast of conference call scheduled to be held on 18 January 2021 at 6.00 p.m. IST: <https://links.ccwebcast.com/?EventId=BFE18012022>

We request you to kindly take the same on record.

Thanking you,  
Yours Faithfully,  
For Bajaj Finance Limited

**VIJAY  
RAMCHANDRA**

Digitally signed by VIJAY RAMCHANDRA  
DN: c=IN, st=Karnataka,  
2.5.4.20=64b3c3ed7ef5172c0a53b6ca53faa863408256a  
cf57c096ad0ecad54c48b43fa, postalCode=560027,  
street=behind double road banglore south,  
serialNumber=d6864b15269c525c72aa7633770e8c160  
d844db57fa2f228f0ced0a8c26d0e, o=Personal,  
cn=VIJAY RAMCHANDRA,  
pseudonym=a0227f4d5e24bfebb9b161671cf9c  
Date: 2022.01.18 17:48:20 +05'30'

**R. Vijay**  
**Company Secretary**  
Email ID: [investor.service@bajajfinserv.in](mailto:investor.service@bajajfinserv.in)

Encl.: As above

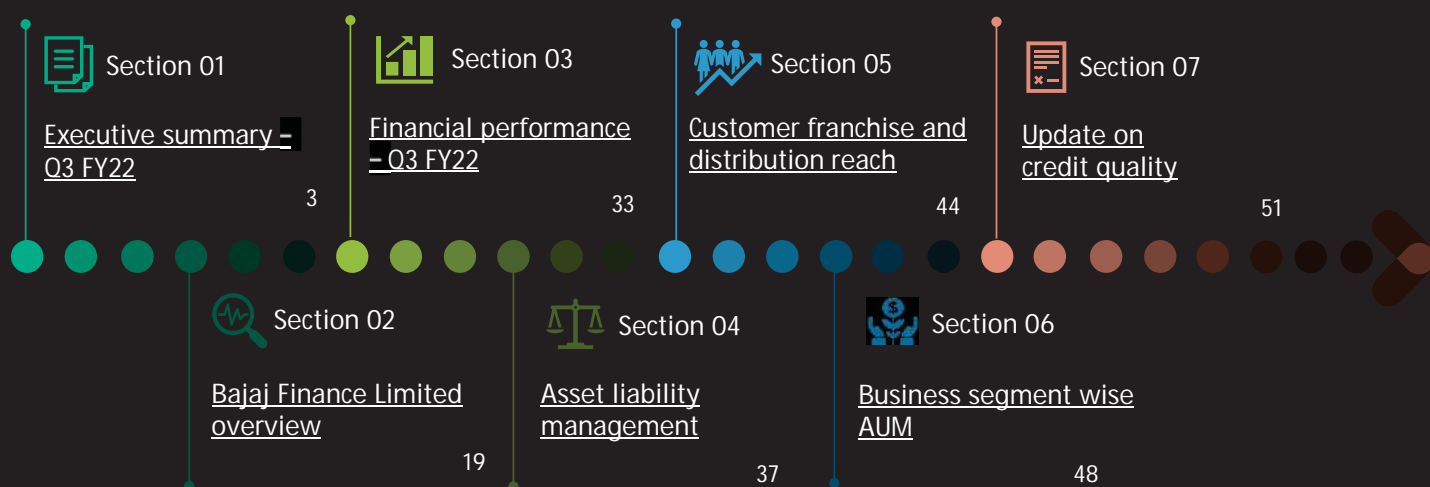


# **BAJAJ FINANCE LIMITED**

Q3 FY22 Investor Presentation  
18 January 2022

# Presentation Path

BAJAJ FINANCE LIMITED



Click on the section to view

# Section 01

## Executive summary – Q3 FY22

1.1 Quarter gone by

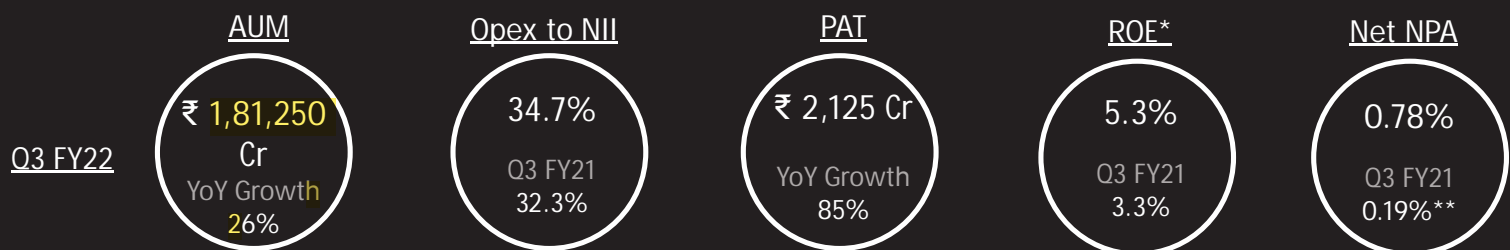
1.2 Lead financial indicators

1.3 Business Transformation Update

## Quarter gone by

**BAJAJ FINANCE LIMITED**

A very good quarter for the Company. Across the board improvement in all metrics. The Company is well prepared to navigate wave 3 given strong management overlay provisions and significantly improved stage 2 and 3 assets. Business transformation phase 1 is delivered and execution for phase 2 has started.



\*Not annualized

\*\*Not relevant as this NPA was based on Hon'ble Supreme court's interim order of not classifying NPA. Without the Hon'ble Supreme court's order it was 1.22%.

## Lead financial indicators

1. At the outset, YoY numbers are not comparable due to dislocation caused by the pandemic.
2. **Highest ever Core AUM growth\*** of ~ ₹ 14,700 crore in a quarter. AUM as of 31 December 2021 was up 26% at ₹ 1,81,250 crore as against ₹ 1,43,550 crore as of 31 December 2020. AUM composition remained steady. So far in January, there is no impact on business momentum. If the third wave does not create disruption, Company expects Q4 and full year AUM growth to remain strong.
3. The Company booked 7.44 MM new loans in Q3 FY22 as against 6.04 MM in Q3 FY21.
4. Customer franchise stood at 55.36 MM as of 31 December 2021, a growth of 20% YoY. In Q3, customer franchise grew by 2.56 MM. With the increase in adoption of new App, the annual customer franchise addition should accelerate to 8-9 MM as against earlier guidance of 7-8 MM.
5. Cross sell franchise stood at 31.26 MM, a growth of 24% YoY.
6. Geographic footprint stood at 3,423 locations and 1,28,300+ distribution points. In Q3, the Company expanded in 94 new locations.
7. Competitive intensity across products has increased rapidly post wave 2. So far, the Company has been able to protect its margin profile across businesses.
8. Interest income reversal for Q3 FY22 was ₹ 241 crore. By Q4, Interest reversals should normalise to pre-Covid levels of ₹ 180-200 crore.
9. **Cost of funds has further reduced to 6.72% in Q3 FY22** vs 6.77% in Q2 FY22. In Q3, the Company raised ₹ 2,722 crore of NCDs in 3 years and above tenor. This included ₹ 2,117 crore raised in 10 year and above tenor. Liquidity buffer was ~ ₹ 14,400 crore as of 31 December 2021. Liquidity buffer will normalize to ₹ 11,000 crore levels by Q4 FY22.

\*Core AUM growth = (AUM growth for the quarter – short tenor IPO financing book + additional losses on account of COVID).

## Lead financial indicators

10. Deposits book grew by 28% YOY to ₹ 30,481 crore as of 31 December 2021. Its contribution to consolidated borrowings was 20%. Retail : Corporate mix stood at 69 : 31 in Q3 FY22.
11. Opex to NII for Q3 FY22 was 34.7%. The Company estimates Opex to NII metric to normalise to 33-34% in Q4. The Company continues to invest in teams and technology for business transformation.
12. Loan losses and provisions for the quarter were ₹ 1,051 crore. In Q3, the Company has increased management overlay provision from ₹ 832 crore as of 30 September 2021 to ₹ 1,083 crore to protect itself from probable losses arising out of third wave.
13. **Debt management efficiencies across products improved further in Q3. So far, in January'22, the bounce rates and debt management efficiencies are in line with December'21.**
14. Given continued uncertainty of Covid waves, the Company intends to exit FY22 with sufficient management overlay provisions. As a result, the Company expects its loan loss and provision to be now in the range of ₹ 4,800 – 5,000 crore for FY22.
15. **GNPA & NNPA as of 31 December 2021 stood at 1.73% and 0.78% compared to 2.45% and 1.10% as of 30 September 2021. The Company's GNPA and NNPA ratios are now back to pre-Covid levels.**
16. In Q3, the Company has changed its NPA classification criteria from number of EMI outstanding to Days Past Due approach in line with the RBI circular dated 12 November 2021 - **"Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications". This change did not cause any negative impact on Company's GNPA.**
17. Overall stage 2 assets as of 31 December 2021 reduced to ₹ 5,299 crore vs ₹ 5,962 crore as of 30 September 2021.
18. Overall stage 3 assets as of 31 December 2021 reduced to ₹ 3,108 crore vs ₹ 4,103 crore as of 30 September 2021.

## Lead financial indicators

19. On portfolio credit quality, from a management assurance standpoint 7 portfolios were green and back to pre-Covid levels and 2 were yellow (2-wheeler and home loan).
20. Consolidated post tax profit grew by 85% to ₹ 2,125 crore in Q3 FY22 as compared to ₹ 1,146 crore in Q3 FY21.
21. Capital adequacy remained very strong at 26.96% as of 31 December 2021. Tier-1 capital was 24.44%.
22. In Q3, the Company has delivered on all its long-term financial guidance metrics. AUM growth was 26%, profit growth was 85%, annualized return on assets was 5.1%, annualized return on equity was 21.2%, gross NPA was 1.73% and net NPA was 0.78%. The Company is now back to pre-Covid long-term guidance metrics.
23. BHFL AUM grew by 39% to ₹ 49,203 crore as of 31 December 2021.
24. Capital adequacy of BHFL was 19.37% as of 31 December 2021.
25. BHFL delivered post tax profit of ₹ 185 crore in Q3 FY22 compared to ₹ 99 crore in Q3 FY21, a growth of 87%.
26. BFL board has approved infusion of ₹ 2,500 crore of equity share capital in BHFL to support its capital needs for next 24 months.
27. BFSL acquired 65K customers in Q3 FY22. Its Retail and HNI customer franchise stood at 269K as of 31 December 2021. In Q3, BFSL has changed its acquisition strategy to focus on higher activation rate.
28. BFSL delivered post tax profit of ₹ 7 crore in Q3 FY22.
29. BFL board has approved infusion of ₹ 400 crore of equity share capital in BFSL to support its growth plans for next 24 months.



# Business Transformation update

As a Company, we believe that the purpose of any business transformation is a means to an end. It should result in stronger growth momentum, superior customer experience, better cross sell, lower risk and/or improved operating efficiencies. We are pursuing business transformation **singularly with that objective...**


**At the outset, “All business transformation takes time, team and technology.” It’s been 15 months since we started** phase 1 of business transformation project. Due to wave 2, it got delayed by 3 months. Phase 1 of the digital platform has now gone live with a staggered release methodology. The Company plans to transition all consumers to the new digital platform from February onwards. Next 2 slides cover **details of the new digital platform and the way forward...**

| '3-in-1' digital platform – Phase 1 feature set |   |   |   |   |  |  | BAJAJ FINSERV  |   |
|---|---|---|---|---|--|--|--|---|
| Payments  | UPI   | Wallet  | EMI Card  | Credit Card   | 6-in-1 Payment Checkout  | Bill Payment   |  |   |
| Network   | CD Network  | DPF Network   | REMI Network  | LSF Network   | LCF Network  | E-Com Network  | Coaching Network   |   |
| Marketplace & Proprietary Apps                  | No cost EMI Marketplace   | Insurance Marketplace   | Investment Marketplace  | Health RX   | Demat and Broking  |  |  |   |
| 3-in-1 Financial Services                       | No Cost EMI   | Unsecured Loans   | Mortgage Loans  | Other Secured   | SME/Prof. Lending  | Cards  | Deposits   | Fee based Services  |
|   | <ul style="list-style-type: none"> <li>Consumer Durable</li> <li>Mobile</li> <li>Lifestyle</li> </ul>   | <ul style="list-style-type: none"> <li>Personal Loans(2)</li> <li>Salaried PL-Lead</li> </ul>                                     | <ul style="list-style-type: none"> <li>Home Loan</li> <li>LAP</li> </ul>  | <ul style="list-style-type: none"> <li>Gold Loan</li> <li>LAS</li> <li>Used Car</li> </ul>  | <ul style="list-style-type: none"> <li>Professional Loans</li> <li>SME Loans</li> <li>Medical equipment</li> </ul> | <ul style="list-style-type: none"> <li>EMI Card</li> <li>RBL Bank Card</li> </ul>                          | <ul style="list-style-type: none"> <li>Fixed Deposit</li> <li>Systematic Dep Plan (SDP)</li> </ul>   | <ul style="list-style-type: none"> <li>Fin fitness report</li> <li>Credit health report</li> </ul>  |
| Rewards   | Earn For "Payment transactions"   |   |   |   | Burn   |  |  |   |
|   | • Offers  | • Cashbacks   | • Vouchers  | • Bajaj Coins   | • Convert to Cash  | • Bill Payment   | • Voucher Purchase   |   |
| Integrated Voice and Marketing Cloud            | Customer Data Platform  | Centralized Offer Repository  | Multi Channel Orchestration   | Multi Dialler Orchestration   | Cloud Telephony Infra for Distributed Sales Workforce  |  |  |   |
| Productivity Apps                               | Sales One App   |   | Debt management One App   |   |  | Partner One App 1.0  |  |   |
| Services  | Information   | EMI , Credit Card   | Statement   | Documents   | Repayment  | FD & SDP   | Profile Update   | Calculators   |
|   | <ul style="list-style-type: none"> <li>Loan Info</li> <li>Deposit Info</li> <li>Flexi Loan Info</li> <li>Mandate Services</li> <li>Mutual Fund</li> </ul> | <ul style="list-style-type: none"> <li>Card Limit</li> <li>Card Status</li> <li>Card Block/Unblock</li> <li>PIN Change</li> </ul> | <ul style="list-style-type: none"> <li>Loan Statement</li> <li>Repay Schedule</li> <li>FD Statement</li> <li>NOC</li> <li>Cert. of Insurance</li> <li>Gold receipt</li> </ul> | <ul style="list-style-type: none"> <li>Invoice</li> <li>EMI Charge Slip</li> <li>App. Form</li> <li>T &amp; C</li> <li>Agreement</li> <li>Form 15G</li> </ul> | <ul style="list-style-type: none"> <li>Overdue, Advance Payments</li> <li>Prepayments</li> <li>Drawdown</li> </ul> | <ul style="list-style-type: none"> <li>FD Details</li> <li>TDS Waiver</li> <li>Nominee addition</li> </ul> | <ul style="list-style-type: none"> <li>PAN Update</li> <li>Mobile Update</li> <li>Email ID Update</li> <li>Address Update</li> <li>DOB Update</li> </ul> | <ul style="list-style-type: none"> <li>EMI Calculator</li> <li>Flexi Calculator</li> <li>Loan Eligibility</li> <li>FD Calculator</li> </ul> |
| Engagement Stack (31)                           | Travel (4)  | Entertainment (3)   | Food (3)  | Utilities(4)  | Shopping(6)  | Health & Wellness(4)   | Education(1)   | Other Networks(6)   |

**BAJAJ FINSERV**

There are 15 stacks and 55 features and components.

Previous 2 slides have covered the phase 1 of transformation journey. Phase 1 was focused on creating a strong, stable and scalable foundation. Phase 2 will focus on new to Bajaj customer journeys, introducing new features and functionalities, augmenting current feature sets and nuanced journeys for existing customers for each **line of business to take them closer and closer to DIY...**

| '3-in-1' digital platform – Phase 2 feature set |   |  |  |  |  |  |  |   |                          |  |  |
|---|---|--|--|--|--|--|--|---|--------------------------|---|--|
| Payments  | UPI   | Wallet   | EMI Card   | Credit Card  | 6-in-1 Payment Checkout  | Bill Payment   | POS terminals  | 6-in-1 Check Out for Partners   | QR Based P2M Transaction |   |  |
| Network   | CD Network  | DPF Network  | REMI Network   | LSF Network  | LCF Network  | E-Com Network  | Coaching Network   | P2M Network   | QR Network               |   |  |
| Marketplace & Proprietary Apps                  | No cost EMI Marketplace   | Insurance Marketplace  | Investment Marketplace   | 2-Wheeler Marketplace  | Health RX  | Doctor RX  | Demat and Broking  |   |                          |   |  |
| 3-in-1 Financial Services                       | No Cost EMI   | Unsecured Lending  | Mortgage   | Other Secured  | SME/Prof. Lending  | Cards  | Deposits   | Fee based Services  |                          |   |  |
|   | <ul style="list-style-type: none"><li>Cons. Durable- NTB</li><li>Mobile- NTB</li><li>Lifestyle- NTB</li></ul>                                       | <ul style="list-style-type: none"><li>Personal Loans(9)</li><li>Salaried PL (3)</li><li>Short Term Wallet Loan</li></ul>     | <ul style="list-style-type: none"><li>Home Loan</li><li>LAP</li></ul>  | <ul style="list-style-type: none"><li>Gold Loan(3)</li><li>LAS</li><li>2-Wheeler and Used Car</li></ul>  | <ul style="list-style-type: none"><li>Prof. Loans(3)</li><li>SME Loans (3)</li><li>Medical equipment</li></ul>               | <ul style="list-style-type: none"><li>EMI Card</li><li>RBL Bank Card</li><li>DBS Bank Card</li></ul>   | <ul style="list-style-type: none"><li>Fixed Deposits(4)</li><li>SDP(2)</li><li>Loan Against FD</li></ul>   | <ul style="list-style-type: none"><li>Fin fitness report</li><li>Credit health report 2.0</li></ul>   |                          |   |  |
| Rewards   | Earn For Payments, Loans and Commerce   |  |  |  |  | Burn   |  |   |                          |   |  |
|   | <ul style="list-style-type: none"><li>Offers</li></ul>  | <ul style="list-style-type: none"><li>Cashbacks</li></ul>  | <ul style="list-style-type: none"><li>Vouchers</li><li>Merchant Sponsored Vouchers</li></ul>   | <ul style="list-style-type: none"><li>Bajaj Coins</li></ul>  | <ul style="list-style-type: none"><li>Convert to Cash</li></ul>  | <ul style="list-style-type: none"><li>Bill Payment</li></ul>   | <ul style="list-style-type: none"><li>Voucher Purchase</li></ul>   |   |                          |   |  |
| Integrated Voice and Marketing Cloud            | Customer Data Platform  | Centralized Offer Repository   | Multi Channel Orchestration  | Multi Dialler Orchestration  | Cloud Telephony Infra for Distributed Sales Workforce  | Voice Call Governance  |  |   |                          |   |  |
| Productivity Apps                               | Sales One App   |  | Debt management One App  |  | Partner One App 2.0  |  | Merchant One App   |   |                          |   |  |
|   | <ul style="list-style-type: none"><li>Enhanced Engage &amp; Compliance Frames</li></ul>   |  | <ul style="list-style-type: none"><li>Compliance, Legal &amp; Repo Mgmt.</li></ul>   |  | <ul style="list-style-type: none"><li>Loan Sourcing , Dashboards</li></ul>   |  | <ul style="list-style-type: none"><li>Onboarding, Payment Dashboards</li></ul>   |   |                          |   |  |
| Services  | Information   | EMI, Credit Card   | Statement  | Documents  | Repayments   | FD & SDP   | Profile Update   | Calculators   |                          |   |  |
|   | <ul style="list-style-type: none"><li>Loan Info</li><li>Deposit Info</li><li>Flexi Loan Info</li><li>Mandate Services</li><li>Mutual Fund</li></ul> | <ul style="list-style-type: none"><li>Card Limit</li><li>Card Status</li><li>Card Block/Unblock</li><li>PIN Change</li></ul> | <ul style="list-style-type: none"><li>Loan Stat.</li><li>Repay Schedule</li><li>FD Statement</li><li>NOC</li><li>COI</li><li>GDR</li></ul> | <ul style="list-style-type: none"><li>Invoice</li><li>EMI Charge Slip</li><li>App. Form</li><li>T &amp; C</li><li>Agreement</li><li>Form 15G</li></ul> | <ul style="list-style-type: none"><li>Overdue, Adv Payments</li><li>Prepayments</li><li>Drawdown</li><li>EMI Vault</li></ul> | <ul style="list-style-type: none"><li>FD Details</li><li>Nominee addition</li><li>Renew FD</li><li>TDS Waiver</li><li>Pre-Maturity, Start Stop SDP</li></ul> | <ul style="list-style-type: none"><li>PAN Update</li><li>Mobile Update</li><li>Email ID Update</li><li>Address Update</li><li>DOB Update</li></ul> | <ul style="list-style-type: none"><li>EMI Calculator</li><li>Flexi Calculator</li><li>Loan Eligibility</li><li>FD Calculator</li><li>Mortgage Cal</li></ul> |                          |   |  |
| Engagement Stack(58)                            | Travel (6)  | Entertainment(5)   | Food(11)   | Utilities(4)   | Shopping (18)  | Health & Wellness(4)   | Education(1)   | Other Networks(7)   | Donate(2)                | 30+ Engagement Apps   |  |

## '3-in-1' digital platform – Phase 2 enablers

| Core Components (23)          | Stimulation   | Offers and Promotions   | Search  | Service   | Sales  | Engagement  | Utilities   |               |                                      |
|-------------------------------|---|---|---|---|--|---|---|---------------|--------------------------------------|
|                               | <ul style="list-style-type: none"><li>Notification Engine</li><li>Nudges</li><li>Personalization</li></ul>  | <ul style="list-style-type: none"><li>Dynamic Banners</li><li>Offers</li><li>Wishlist</li><li>Segmented Banners</li></ul>   | <ul style="list-style-type: none"><li>Search</li><li>Content Streams</li><li>Geo &amp; Context Based Search</li></ul>                         | <ul style="list-style-type: none"><li>Raise a Request</li><li>FAQ</li><li>Document Centre</li></ul>                       | <ul style="list-style-type: none"><li>5 Mins Call Back</li><li>Track and Resume Application</li></ul>                          | <ul style="list-style-type: none"><li>Social Share</li><li>NPS/Feedback</li><li>In-App Programs</li><li>Personalized App Features</li></ul> | <ul style="list-style-type: none"><li>Locate Us- Maps</li><li>QR</li><li>Calculators</li><li>Expense Manager</li></ul>              |               |                                      |
| Data                          | Channels Data   | Structured  | Unstructured  | Consent based App Data  |  | Contextual Data   |   |               |                                      |
|                               | <ul style="list-style-type: none"><li>Web</li><li>Mobile</li><li>IVR</li><li>Dialler</li><li>Email</li></ul>  | <ul style="list-style-type: none"><li>Customer Demographics</li><li>Loan &amp; Other Information</li><li>Banking &amp; Collections Transactions</li><li>Financial Services Journey Heatmaps</li></ul> | <ul style="list-style-type: none"><li>Cookies</li><li>Consent based SMS Data</li><li>Consent based Email Data</li><li>Click Streams</li></ul> | <ul style="list-style-type: none"><li>Device Info</li><li>Appography</li><li>Contacts Info</li><li>Network Info</li></ul> |  | <ul style="list-style-type: none"><li>Personal Events</li><li>External Events</li></ul>   |   |               |                                      |
| APIs600+ Digital APIs         |   |   |   |   |  |   |   |               |                                      |
| Core Platform                 | Loan/Deposit Origination Platform   |   | Loan/ Deposit Booking Platform  |   | Debt Management Platform   |   | Loan/Deposit Service Management Platform  |               |                                      |
|                               | <ul style="list-style-type: none"><li>Loan/Deposit Sourcing APIs 2.0</li><li>Journey Workflows 2.0</li><li>Journey Business Rules 2.0</li><li>Decision Engine</li></ul> |   | <ul style="list-style-type: none"><li>Loan Booking APIs</li><li>Loan Disbursement APIs</li><li>Deposit Booking APIs</li></ul>                 |   | <ul style="list-style-type: none"><li>Overdue Payment APIs</li><li>Advance Payment APIs</li><li>Loan Settlement APIs</li></ul> |   | <ul style="list-style-type: none"><li>Service APIs for Loans 2.0</li><li>Repayment APIs</li><li>Service APIs for Deposits</li></ul> |               |                                      |
| Core Infrastructure           | High Availability (HA) Infrastructure   |   | Disaster Recovery(DR) Infrastructure  |   | Near DR Infrastructure   |   | Cyber Security  | Data Security |                                      |
| Digital & Data Infrastructure | Data Lake   |   | Enterprise Datawarehouse  |   | Change Data Mgmt   |   | APIs / Micro Services   | Kubernetes    | TechOps                              |
| New Talent Onboarded          | Projected Cumulative addition of 1400+ Lateral and Fresh hires in Phase 1 and 2 of Digital Transformation Journey   |   |   |   |  |   |   |               |                                      |
|                               | 150+ UI/UX , Content Management, & Digital Domain specialist  |   | 400+ Payment Domain Resources   |   | 625+ Engineering Resources   |   | 130+ Data Resources   |               | 100+ Core Platform & Infra Resources |

There are 15 stacks and 72 features and components.



The Company plans to deliver Phase 2 in 8 to 9 months subject to no major disruption as a result of current & new Covid waves. Unlike phase 1, phase 2 will get delivered in 3-4 sprints. The first update on phase 2 will be provided in July quarter results. During this period, the Company remains committed to delivering its long-term guidance **metrics...**

# Omnipresence strategy update

**BAJAJ FINANCE LIMITED**

## Geography

1. Total geographic footprint stood at 3,423 locations and 1,28,300+ distribution points. In Q3, the Company added 94 new locations to its distribution footprint. The Company is investing deeply in UP and Bihar to reduce concentration risk and create new growth opportunities.

## Digital Platform

2. The current consumer app has 16.5 MM active customers as of 31 December 2021. 6 MM customers have transitioned to the new app as of now.
3. In Q3, the Company acquired 492K new EMI card customers digitally. Digital NTB EMI card CIF is now 1.3 MM. In Q3, digital NTB EMI card delivered 240K loans.
4. In Q3, EMI store visits were 44.8 MM. In Q3, Company booked 393K new loans from marketplace. EMI store currently hosts 27,917 SKUs across 23,250 merchants as of 31 December 2021.
5. The point-of-sale transformation delivered good volume momentum for personal loan and credit card distribution business. It is an integrated offline to online framework covering communication, call centre and fulfilment. In Q3, it delivered ₹ 599 crore in personal loans and 91.4K cards in credit card distribution business.

## Payments

6. The Company has 4.7 MM customers on its wallet as of 31 December 2021. In Q3, it added 2.6 MM wallets.
7. QR based P2M transaction functionality on track to go live by February 2022.
8. Payment Aggregator (PA) & Bharat Bill Pay Operating Unit (BBPOU) is pending regulatory approvals.

## Lead Financial Indicators – Subsidiary companies

**BAJAJ FINANCE LIMITED**

### Bajaj Housing Finance Limited (BHFL)

1. AUM increased by 39% to ₹ 49,203 crore as of 31 December 2021 from ₹ 35,492 crore as of 31 December 2020.
2. Net Interest Income for Q3 FY22 increased by 30% to ₹ 429 crore from ₹ 329 crore in Q3 FY21.
3. Opex to NII stood at 28.7% in Q3 FY22 as against 26.4% in Q3 FY21.
4. Loan losses and provisions for Q3 FY22 was ₹ 56 crore as against ₹ 107 crore in Q3 FY21. BHFL has increased its management overlay provision to ₹ 203 crore as of 31 December 2021 from ₹ 166 crore as of 30 September 2021 to protect itself from probable losses arising out of third wave.
5. GNPA & NNPA as of 31 December 2021 stood at 0.35% and 0.18% respectively compared to 0.35% and 0.21% as of 30 September 2021.
6. Profit after tax increased 87% to ₹ 185 crore in Q3 FY22 against ₹ 99 crore in Q3 FY21.
7. Capital adequacy ratio (including Tier II capital) stood at 19.37% as of 31 December 2021.

### Bajaj Financial Securities Limited (BFSL)

8. Acquired 65K customers in Q3 FY22. Its Retail and HNI customer franchise stood at 269K as of 31 December 2021. In Q3, BFSL has changed its acquisition strategy to focus on higher activation rate.
9. Total Income was ₹ 38 Crore in Q3 FY22 against ₹ 8 Crore in Q3 FY21.
10. Net profit for Q3 FY22 was ₹ 7 Crore against ₹ 1 Cr in Q3 FY21.

## **Section 02** **Bajaj Finance Limited overview**

2.1 Bajaj group structure

2.2 What do we stand for

2.3 Our general long-term guidance on Financial metrics shareholder profile

2.4 Key strategic differentiators

2.5 Our shareholder profile

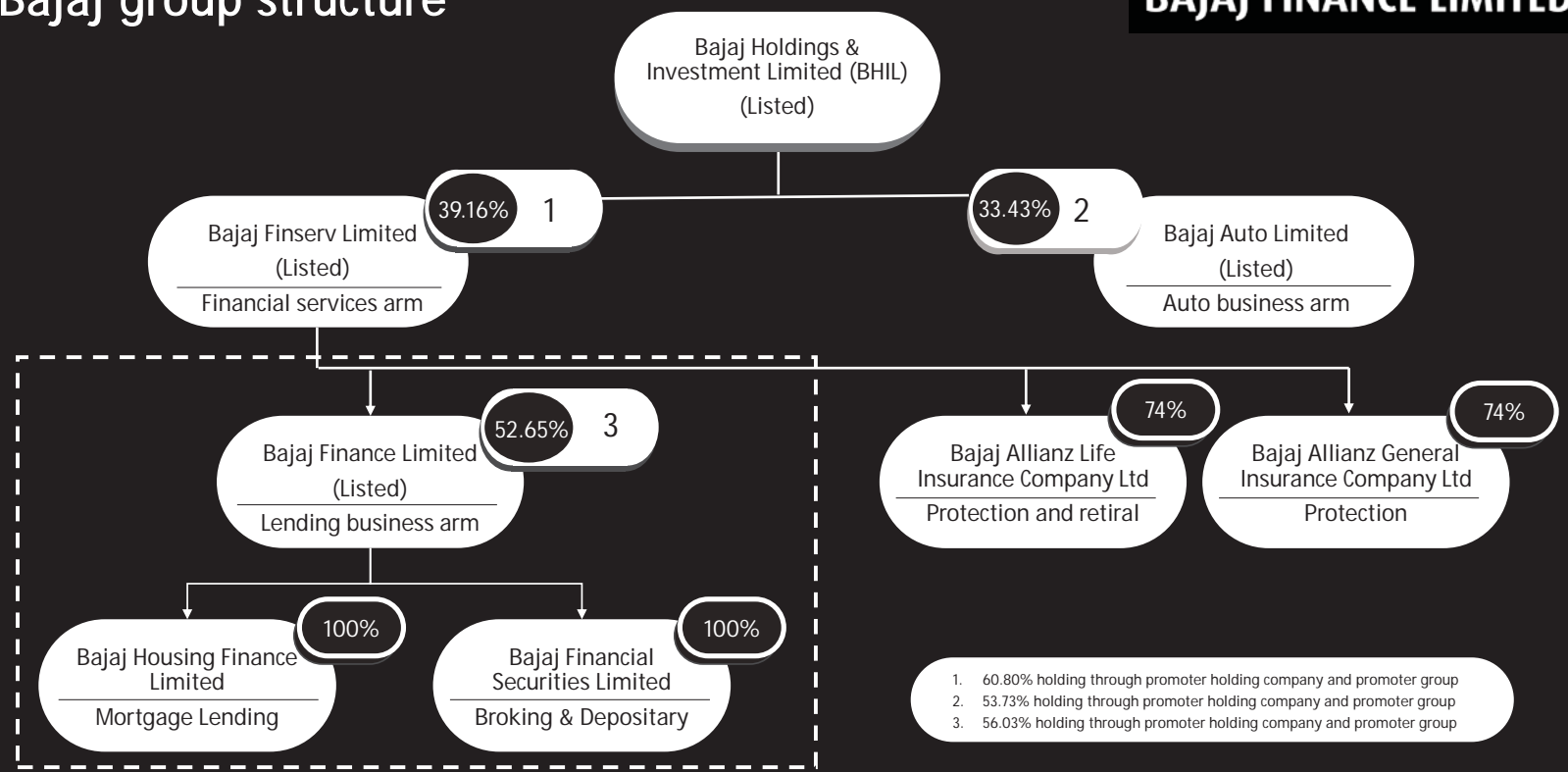
2.6 14-years financial snapshot

2.7 Product suite

2.8 Executive summary

# Bajaj group structure

## BAJAJ FINANCE LIMITED



Above shareholding is as of 31 December 2021

What do we stand for

**BAJAJ FINANCE LIMITED**

**"Non-bank with strategy & structure of a bank"**

---

**"Focused on mass affluent & above clients with a strategy to cross sell"**

---

**"Diversified financial services strategy with an optimal mix of risk and profit to deliver a sustainable business model"**

---

**"Business construct to deliver a sustainable ROA of 4-4.5% and ROE of 19-21% in the long term"**

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**"Focused on continuous innovation to transform customer experience and create growth opportunities"**

## Our general long-term guidance on financial metrics

**BAJAJ FINANCE LIMITED**



AUM growth  
in corridor of  
25%-27%



Profit growth  
in corridor of  
23%-24%



GNPA  
in corridor of  
1.4%-1.7%



NNPA  
in corridor of  
0.4%-0.7%



Return on assets  
in corridor of  
4%-4.5%



Return on equity  
in corridor of  
19%-21%

## Key strategic differentiators

**BAJAJ FINANCE LIMITED**

Part of the Bajaj group – one of the oldest & most respected business houses

A trusted brand with strong brand equity

Focus on mass affluent and above clients

Total customer franchise of 55.36 MM

Strong focus on cross selling assets, payments, insurance and deposit products to existing customers

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

A well diversified balance sheet

Consolidated lending AUM mix for Consumer: Rural: SME: Commercial: Mortgages stood at 34% : 10% : 13% : 11% : 32%  
Consolidated borrowing mix for Money Markets :Banks: Deposits: ECB stood at 47% : 29% : 20% : 4%

Highly agile & innovative

Continuous improvements in product features and digital technologies to maintain competitive edge

Deep investment in technology and analytics

Has helped achieve multi product cross sell and manage risk & controllership effectively. Obsessed to deliver frictionless experience to customer



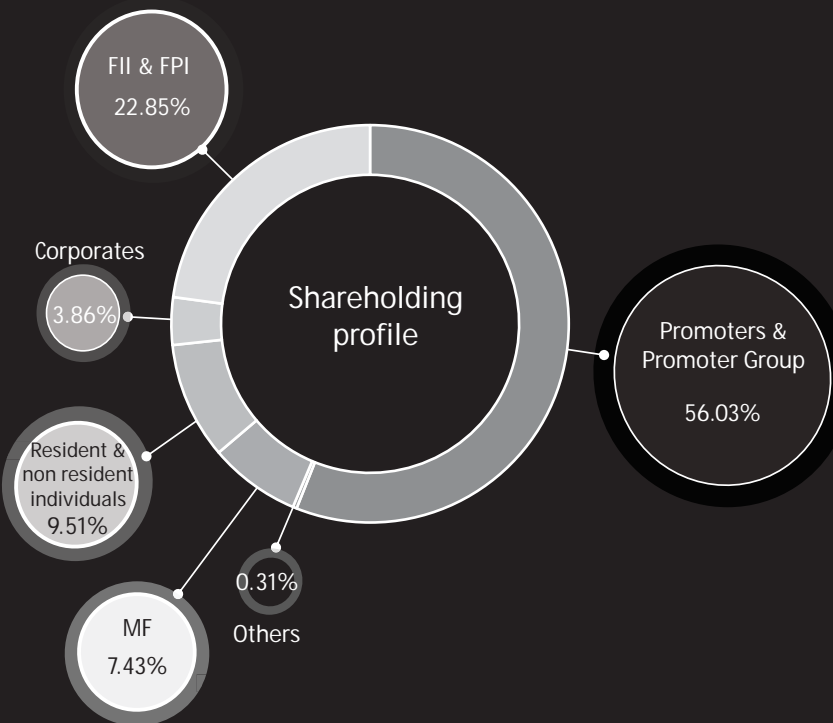
## BAJAJ FINANCE LIMITED

### Top 20 investors & their holdings

| S.No | Name of Shareholder   | As on 31 Dec 21 | As on 30 Sep 21 | As on 31 Dec 20 |
|------|---|-----------------|-----------------|-----------------|
| 1    | BAJAJ FINSERV LTD   | 52.65%          | 52.65%          | 52.74%          |
| 2    | MAHARASHTRA SCOOTERS LIMITED  | 3.14%           | 3.14%           | 3.15%           |
| 3    | GOVERNMENT OF SINGAPORE   | 3.13%           | 3.31%           | 4.28%           |
| 4    | NEW HORIZON OPPORTUNITIES MASTER FUND   | 0.77%           | 0.77%           | 0.77%           |
| 5    | AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND              | 0.75%           | 0.76%           | 0.79%           |
| 6    | AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS BLUECHIP FUND                      | 0.73%           | 0.72%           | 0.68%           |
| 7    | SBI-ETF NIFTY 50  | 0.71%           | 0.69%           | 0.52%           |
| 8    | NEW WORLD FUND INC  | 0.58%           | 0.58%           | 0.56%           |
| 9    | VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS | 0.54%           | 0.53%           | 0.45%           |
| 10   | VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND   | 0.51%           | 0.50%           | 0.50%           |
| 11   | AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS FOCUSED 25 FUND                    | 0.48%           | 0.44%           | 0.44%           |
| 12   | SBI LIFE INSURANCE CO. LTD  | 0.46%           | 0.43%           | 0.39%           |
| 13   | BARON EMERGING MARKETS FUND   | 0.42%           | 0.48%           | 0.34%           |
| 14   | ST. JAMES'S PLACE EMERGING MARKETS EQUITY UNIT TRUST MANAGED BY WASATCH ADVISORS INC              | 0.41%           | 0.43%           | 0.44%           |
| 15   | SBI-ETF SENSEX  | 0.41%           | 0.40%           | 0.33%           |
| 16   | LIFE INSURANCE CORPORATION OF INDIA   | 0.41%           | 0.37%           | 0.62%           |
| 17   | PEOPLE'S BANK OF CHINA  | 0.39%           | 0.39%           | 0.42%           |
| 18   | ISHARES CORE EMERGING MARKETS MAURITIUS CO  | 0.39%           | 0.39%           | 0.35%           |
| 19   | DF INTERNATIONAL PARTNERS   | 0.38%           | 0.38%           | 0.38%           |
| 20   | WF ASIAN SMALLER COMPANIES FUND LIMITED   | 0.37%           | 0.51%           | 0.33%           |

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## Our shareholder profile



Above shareholding is as of 31 December 2021

# 14-years financial snapshot

## BAJAJ FINANCE LIMITED

₹ in crore

| Financials snapshot <sup>@</sup> | FY08  | FY09  | FY10  | FY11  | FY12   | FY13   | FY14   | FY15   | FY16   | FY17   | FY18 <sup>°</sup><br>(Consol.) | FY19 <sup>°</sup><br>(Consol.) | FY20 <sup>°</sup><br>(Consol.) | FY21 <sup>°</sup><br>(Consol.) | CAGR<br>(14 yrs) |
|----------------------------------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------|
| Assets under Management          | 2,478 | 2,539 | 4,032 | 7,573 | 13,107 | 17,517 | 24,061 | 32,410 | 44,229 | 60,196 | 82,422                         | 1,15,888                       | 1,47,153                       | 152,947                        | 37%              |
| Income from operations           | 503   | 599   | 916   | 1,406 | 2,172  | 3,110  | 4,073  | 5,418  | 7,333  | 9,989  | 12,757                         | 18,500                         | 26,386                         | 26,683                         | 36%              |
| Interest expenses                | 170   | 164   | 201   | 371   | 746    | 1,206  | 1,573  | 2,248  | 2,927  | 3,803  | 4,614                          | 6,623                          | 9,473                          | 9,414                          | 36%              |
| Net Interest Income (NII)        | 332   | 435   | 715   | 1,035 | 1,426  | 1,904  | 2,500  | 3,170  | 4,406  | 6,186  | 8,143                          | 11,877                         | 16,913                         | 17,269                         | 36%              |
| Operating Expenses               | 193   | 220   | 320   | 460   | 670    | 850    | 1,151  | 1,428  | 1,898  | 2,564  | 3,270                          | 4,197                          | 5,662                          | 5,308                          | 29%              |
| Loan Losses & Provision (ECL)    | 109   | 164   | 261   | 205   | 154    | 182    | 258    | 385    | 543    | 804    | 1,030                          | 1,501                          | 3,929                          | 5,969                          | 36%              |
| Profit before tax                | 30    | 51    | 134   | 370   | 602    | 872    | 1,091  | 1,357  | 1,965  | 2,818  | 3,843                          | 6,179                          | 7,322                          | 5,992                          | 50%              |
| Profit after tax                 | 21    | 34    | 89    | 247   | 406    | 591    | 719    | 898    | 1,279  | 1,837  | 2,496                          | 3,995                          | 5,264                          | 4,420                          | 51%              |
| Ratios                           | FY08  | FY09  | FY10  | FY11  | FY12   | FY13   | FY14   | FY15   | FY16   | FY17   | FY18                           | FY19                           | FY20                           | FY21                           |                  |
| Opex to NII                      | 58.1% | 50.6% | 44.8% | 44.4% | 47.0%  | 44.6%  | 46.0%  | 45.0%  | 43.1%  | 41.4%  | 40.2%                          | 35.3%                          | 33.5%                          | 30.7%                          |                  |
| Return on assets                 | 0.7%  | 1.4%  | 2.8%  | 4.4%  | 4.2%   | 4.1%   | 3.6%   | 3.3%   | 3.5%   | 3.7%   | 3.7%                           | 4.2%                           | 4.1%                           | 3.1%                           |                  |
| Return on equity                 | 2.0%  | 3.2%  | 8%    | 19.7% | 24.0%  | 21.9%  | 19.5%  | 20.4%  | 20.9%  | 21.6%  | 20.1%                          | 22.5%                          | 20.2%                          | 12.8%                          |                  |
| Net NPA *                        | 7%    | 5.50% | 2.20% | 0.80% | 0.12%  | 0.19%  | 0.28%  | 0.45%  | 0.28%  | 0.44%  | 0.43%                          | 0.63%                          | 0.65%                          | 0.75%                          |                  |
| NPA provisioning coverage        | 30%   | 32%   | 55%   | 79%   | 89%    | 83%    | 76%    | 71%    | 77%    | 74%    | 70%                            | 60%                            | 60%                            | 58%                            |                  |
| CRAR (standalone)                | 40.7% | 38.4% | 25.9% | 20.0% | 17.5%  | 21.9%  | 19.1%  | 18.0%  | 19.5%  | 20.3%  | 24.7%                          | 20.7%                          | 25.0%                          | 28.3%                          |                  |
| Leverage ratio                   | 2.6   | 2.5   | 3.8   | 5.9   | 6.4    | 5.3    | 6.2    | 6.8    | 6.3    | 6.6    | 5.4                            | 6.3                            | 5.1                            | 4.7                            |                  |

<sup>@</sup> All figures till including FY17 are as per previous GAAP, whereas for FY18 onwards are as per IndAS

\* As per the RBI regulations, NNPA numbers for upto FY15 are at 6 months overdue, FY16 are at 5 months overdue, FY17 are at 4 months overdue and FY18 onwards are at 3 months overdue. Hence NPA across periods are not comparable.

# Product suite

## BAJAJ FINANCE LIMITED

| Consumer                                  | SME  | Commercial  | Rural                        | Deposits                   | Payments | Partnerships & Services            |
|---|--|---|------------------------------|----------------------------|----------|------------------------------------|
| 1. Consumer Durable Loans                 | 1. Unsecured Working Capital Loans <sup>(E)</sup>          | 1. Loan against securities                          | 1. Consumer Durable Loans    | 1. Retail Term Deposits    | 1. PPI   | 1. Life Insurance Distribution     |
| 2. Digital Product Loans <sup>(E)</sup>   | 2. Loans to self employed and Professionals <sup>(E)</sup> | 2. IPO financing                                    | 2. Digital Product Loans     | 2. Corporate Term Deposits | 2. UPI   | 2. General Insurance Distribution  |
| 3. Lifestyle Product Loans                | 3. Secured Enterprise Loans                                | 3. ESOP financing                                   | 3. Lifestyle Product Loans   | 3. Systematic Deposit Plan | 3. BBPS  | 3. Health Insurance Distribution   |
| 4. Lifecare financing                     | 4. Used-car financing                                      | 4. Vendor financing to auto component manufacturers | 4. Personal Loans Cross Sell |                            |          | 4. Pocket Insurance <sup>(E)</sup> |
| 5. EMI Cards                              | 5. Medical equipment financing                             | 5. Financial Institutions Lending                   | 5. Salaried Personal Loans   |                            |          | 5. Co-Branded Credit Card          |
| 6. Retail Spend Financing                 |  | 6. Light Engineering Lending                        | 6. Gold Loans                |                            |          | 6. Co-Branded Wallet               |
| 7. 2-Wheeler & 3-Wheeler Loans            |  | 7. Specialty Chemicals Lending                      | 7. Loans to Professionals    |                            |          | 7. Financial Fitness Report        |
| 8. Personal Loan Cross-Sell               |  |   |                              |                            |          |                                    |
| 9. Salaried Personal Loans <sup>(E)</sup> |  |   |                              |                            |          |                                    |
| 10. E-Commerce - Consumer Finance         |  |   |                              |                            |          |                                    |
| 11. Retailer Finance                      |  |   |                              |                            |          |                                    |
| 12. Health EMI Card                       |  |   |                              |                            |          |                                    |

## BAJAJ HOUSING FINANCE LIMITED

|                                       |                             |                                       |                             |
|---------------------------------------|-----------------------------|---------------------------------------|-----------------------------|
| 1. Salaried Home Loans <sup>(E)</sup> | 1. Loan Against Property    | 1. Developer Finance                  | 1. Loan Against Property    |
| 2. Salaried Loan Against Property     | 2. Self Employed Home Loans | 2. Commercial Construction Finance    | 2. Home Loans               |
| 3. Affordable housing finance         | 3. Lease Rental Discounting | 3. Corporate Lease Rental Discounting | 3. Secured Enterprise Loans |

## BAJAJ FINANCIAL SECURITIES LIMITED

|  |                                  |
|--|----------------------------------|
| 1. Trading Account <sup>(E)</sup>          | 5. Retail Broking <sup>(E)</sup> |
| 2. Depository Services <sup>(E)</sup>      | 6. IPOs and OFS                  |
| 3. Margin Trading Financing <sup>(E)</sup> | 7. Mutual Funds <sup>(E)</sup>   |
| 4. HNI Broking                             | 8. Distribution of PMS           |

(E) Also available through digital channels

# Executive summary – Consolidated

**BAJAJ FINANCE LIMITED**

|                       |   |
|-----------------------|---|
| <b>Overview</b>       | <ul style="list-style-type: none"><li>• 34-year-old non-bank with a demonstrated track record of profitable growth</li><li>• Diversified financial services company focused on Consumer, Rural, SME, Commercial, Mortgages and Payments</li><li>• Focused on mass affluent client with a strategy to cross sell</li><li>• Strong focus on deposits acceptance and fee product distribution</li><li>• Present in 3,423 locations with over 128.3K+ point of sale</li><li>• Customer franchise of 55.36 MM as of 31 December 2021</li><li>• Amongst the largest new loan acquirers in the country (7.44 MM in Q3 FY22)</li><li>• AUM mix as of 31 December 2021 - Consumer: Rural: SME: Commercial: Mortgages stood at 34% : 10% : 13% : 11% : 32%</li><li>• AUM of ₹ 1,81,250 crore as of 31 December 2021 and post tax profit of ₹ 2,125 crore in Q3 FY22</li><li>• Capital adequacy ratio (including Tier II capital) of 26.96% as of 31 December 2021. Tier I capital stood at 24.44%</li></ul> |
| <b>Subsidiaries</b>   | <ul style="list-style-type: none"><li>• 100% shareholding in Bajaj Housing Finance Limited</li><li>• 100% shareholding in Bajaj Financial Securities Limited</li></ul>  |
| <b>Treasury</b>       | <ul style="list-style-type: none"><li>• Strategy is to create a balanced mix of wholesale and retail borrowings</li><li>• Borrowings of ₹ 1,54,041 crore with a mix of 47% : 29% : 20% : 4% between money markets, banks, deposits &amp; ECB as of 31 December 2021</li></ul>   |
| <b>Credit Quality</b> | <ul style="list-style-type: none"><li>• Consolidated Gross and Net NPA as of 31 December 2021 stood at 1.73% and 0.78% respectively</li><li>• Provisioning coverage ratio as of 31 December 2021 was 56%</li><li>• Provisioning coverage on stage 1 &amp; 2 stood at 156 bps as of 31 December 2021</li></ul>   |

# Executive summary – Bajaj Finance Limited

**BAJAJ FINANCE LIMITED**

|                   |   |
|-------------------|---|
| Overview          | <ul style="list-style-type: none"><li>• Focused on Consumer, Rural, SME, Commercial and Payments businesses</li><li>• Strategic business unit organization design supported by horizontal common utility functions to drive domain expertise, scalability and operating leverage</li><li>• Focused on cross sell, customer experience and product &amp; process innovations to create a differentiated &amp; profitable business model</li><li>• AUM of ₹ 1,32,913 crore as of 31 December 2021</li><li>• AUM mix as of 31 December 2021- Consumer: Rural: SME: Commercial: Mortgage stood at 46% : 14% : 17% : 14% : 9%</li><li>• Post tax profit of ₹ 1,934 crore in Q3 FY22</li><li>• Capital adequacy ratio (including Tier II capital) of 26.96% as of 31 December 2021 Tier I capital stood at 24.44%</li></ul> |
| Consumer business | <ul style="list-style-type: none"><li>• Present in 1,368 locations with 92.9K+ active distribution points of sale as of 31 December 2021</li><li>• Largest consumer electronics, digital products &amp; lifestyle products lender in India</li><li>• 2-wheeler financing business disbursed 199K accounts in the quarter (de growth of 13% YOY)</li><li>• 3-wheeler financing business disbursed 23.8K accounts in the quarter (growth of 30% YOY)</li><li>• Amongst the largest personal loan lenders in India</li></ul>   |
| Payments          | <ul style="list-style-type: none"><li>• EMI Card franchise stood at 27.5 MM cards in force (CIF) as of 31 December 2021</li><li>• Bajaj Finserv - RBL Bank co-branded credit card CIF stood at 2.59 MM as of 31 December 2021</li><li>• Bajaj Finserv Mobikwik app has 21.8 MM users as of 31 December 2021 who have linked their EMI card to the wallet</li><li>• Experia App has 16.5 MM active users as of 31 December 2021</li></ul>  |
| Rural business    | <ul style="list-style-type: none"><li>• Highly diversified lender in rural markets offering 10 loan products across consumer and SME business categories</li><li>• Operates with a unique hub and spoke business model</li><li>• Present in 2,055 towns and villages with 27.9K+ active distribution points of sale as of 31 December 2021</li></ul>  |

# Executive summary – Bajaj Finance Limited

**BAJAJ FINANCE LIMITED**

|                            |   |
|----------------------------|---|
| <b>SME Business</b>        | <ul style="list-style-type: none"><li>• Offers unsecured working capital loans to SME and self-employed professionals</li><li>• Secured offerings include enterprise loans against property</li><li>• Focused on accelerating used car financing business (average ticket size of ~7 lakhs)</li><li>• Focused on affluent SMEs (average sales of ₹ 15 to 17 crore) with established financials &amp; demonstrated borrowing track record</li></ul>          |
| <b>Commercial business</b> | <ul style="list-style-type: none"><li>• Offers short, medium- and long-term financing to mid market corporates</li><li>• Focused on auto ancillaries, pharma, specialty chemicals, financial institution groups, lease rental discounting and top mid corporate clients in India</li></ul>  |
| <b>Treasury</b>            | <ul style="list-style-type: none"><li>• Strategy is to create a balanced mix of wholesale and retail borrowings with a focus on long term borrowings</li><li>• Borrowings stood at ₹ 1,14,093 crore with a mix of 50% : 19% : 26% : 5% between money markets, banks, deposits &amp; ECB as of 31 December 2021</li></ul>  |
| <b>Credit Quality</b>      | <ul style="list-style-type: none"><li>• Gross and Net NPA as of 31 December 2021 stood at 2.19% and 0.98% respectively</li><li>• Provisioning coverage ratio as of 31 December 2021 was 56%</li><li>• Provisioning coverage on stage 1 &amp; 2 stood at 181 bps as of 31 December 2021</li></ul>  |
| <b>Credit Rating</b>       | <ul style="list-style-type: none"><li>• Credit rating for long term borrowing is AAA/Stable by CRISIL, ICRA, CARE &amp; India Ratings</li><li>• Credit rating for short term borrowing is A1+ by CRISIL, ICRA &amp; India Ratings</li><li>• Credit rating for FD program is FAAA/Stable by CRISIL &amp; MAAA (Stable) by ICRA</li><li>• Long term issuer credit rating of BB+/Stable and short-term rating of B by S&amp;P Global ratings for ECB</li></ul> |

# Executive summary – Bajaj Housing Finance Limited

**BAJAJ FINANCE LIMITED**

## Bajaj Housing Finance Limited

- A 100% subsidiary of Bajaj Finance Limited, registered with National Housing Bank as a Housing Finance Company
- Independent organization design having all dedicated functions and units to drive domain expertise, scalability and operating leverage
- Offers full range of mortgage products such as home loans, loan against property and lease rental discounting to salaried & self-employed customers. It also offers construction finance and inventory finance to credit worthy developers
- Focused on mass affluent and above customers (salaried and self employed)
- AUM of ₹ 49,203 crore as of 31 December 2021. Post tax profit of ₹ 185 crore for Q3FY22
- Capital adequacy ratio (including Tier II capital) was 19.37% as of 31 December 2021

## Home Loans

- Offers home loans to salaried customers for an average ticket size of approximately 47 lakhs
- Focused on originating home loans at developer points – B2B home loans business
- Focused on enabling customers to buy homes along with balance transfer proposition
- Currently present across 62 locations in India
- Home loan mix as of 31 Dec 21 – Salaried: Self Employed: Professionals stood at 88%: 7%: 5%

## Loan Against Property

- Offers loan to mass affluent and above self-employed customers for an average ticket size of 56 lakhs
- Focused on offering customized propositions to both self employed and salaried customers directly as well as through channel partners
- Currently present across 20 locations in India

## Rural

- Offers home loans and loans against property to salaried and self-employed customers with an average ticket size of approximately 18 lakhs for home loans and 13 lakhs for loan against property
- Hub and spoke strategy through branch network and ASSC tie ups
- Currently present across 108 locations in India

# Executive summary – Bajaj Housing Finance Limited

**BAJAJ FINANCE LIMITED**

|                          |  |
|--------------------------|--|
| Lease Rental Discounting | <ul style="list-style-type: none"><li>• Offers loan against lease rentals to high-net-worth individuals and developers on commercial property leased mainly to corporate tenants</li><li>• Offers construction finance for commercial properties to existing LRD customers</li><li>• All lease rental discounting transactions are backed by rentals through escrow mechanism</li><li>• Ticket size of lease rental discounting ranges from 5 - 450 crore with an average ticket size of approximately 40 crore</li><li>• Currently present across 10 locations in India (Mumbai, Delhi, Bangalore, Pune, Ahmedabad, Chennai, Kolkata, Hyderabad, Cochin and Raipur)</li></ul> |
| Developer Financing      | <ul style="list-style-type: none"><li>• Offers construction finance and inventory finance mainly to category A and A+ developers in India</li><li>• Average ticket size ranges between 20 – 25 crore</li><li>• Currently present in 8 locations</li></ul>  |
| Credit Quality           | <ul style="list-style-type: none"><li>• Gross NPA and Net NPA, recognized as per extant RBI prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS, as of 31 December 2021 stood at 0.35% and 0.18% respectively</li></ul>   |
| Treasury                 | <ul style="list-style-type: none"><li>• Strategy is to create a balanced and sustained mix of borrowings</li><li>• Borrowings stood at ₹ 39,128 crore with a mix of 61 : 39 between banks and money markets as of 31 December 2021 against mix of 62 : 38 as of 30 September 2021</li></ul>  |
| Credit Rating            | <ul style="list-style-type: none"><li>• Credit rating for long term borrowing is AAA/Stable by CRISIL &amp; IND AAA/Stable by India Ratings</li><li>• Credit rating for short term borrowing is A1+ by CRISIL &amp; IND A1+ by India Ratings</li></ul>   |



# Executive summary – Bajaj Financial Securities Ltd

**BAJAJ FINANCE LIMITED**

|                                    |   |
|------------------------------------|---|
| Bajaj Financial Securities Limited | <ul style="list-style-type: none"><li>• A 100% subsidiary of Bajaj Finance Limited, registered with Securities and Exchange Board of India (SEBI)</li><li>• Member of Stock Exchanges (NSE and BSE), Depositories (NSDL &amp; CDSL) and AMFI for distribution of Mutual Funds</li><li>• Offers Capital Market products - Broking, Depository services, Margin Trade Financing, Mutual Funds, IPOs and Distribution of PMS</li><li>• Broking business caters to two different business segments – HNI and Retail</li><li>• Received issuer rating of AAA from CRISIL</li><li>• Delivered PAT of 7 Cr in Q3 FY22</li></ul>  |
| HNI Broking                        | <ul style="list-style-type: none"><li>• Business oriented towards delivering relationship-based Broking solutions to UHNI &amp; HNI client segment</li><li>• Physical branch network across 6 locations – Mumbai, Ahmedabad, Pune, Bangalore, Kolkata and Delhi</li><li>• Total client base 4.7K+ as of 31 December 2021</li></ul>  |
| Retail Broking                     | <ul style="list-style-type: none"><li>• Acquired 63K+ trading and demat accounts in Q3 FY22</li><li>• Empaneled 700+ affiliates and partners for online accounts</li><li>• Working with 200+ Independent Business Advisor (IBAs)</li><li>• Focused on driving client activation of BFSL Platform, activation rate has increased from 26% to 48% in the quarter</li></ul>  |
| Capabilities Update                | <ul style="list-style-type: none"><li>• Gone live with below capabilities on web and mobile during Q3 FY22 –<ul style="list-style-type: none"><li>• Global Indices : Feature to allow our users to track leading Global Index at one place</li><li>• Multiple Charts : Support 4 charts simultaneously to offering charting solution to client needs</li><li>• E-collect Feature : Quick and Hassle-free fund addition via IMPS / RTGS and NEFT payment</li><li>• Square Off all : Single click square off of all open positions and holdings</li></ul></li><li>• BFSL is working on implementation of new products and features to significantly enhance its offerings for retail and HIN clients. It plans to deliver it by September 2022.</li></ul> |

## Section 03 Financial performance

3.1

Financial statement summary - Consolidated

3.2

Financial statement summary - Bajaj Finance Limited

3.3

Financial statement summary - Bajaj Housing Finance Limited

# Financial statement summary – Consolidated

## BAJAJ FINANCE LIMITED

₹ in Crore

| Financials snapshot                          | Q3 FY22      | Q3 FY21      | Y-o-Y        | 9M FY22       | 9M FY21       | Y-o-Y        | FY21          |
|--|--------------|--------------|--------------|---------------|---------------|--------------|---------------|
| Assets under management                      | 1,81,250     | 1,43,550     | 26%          | 1,81,250      | 1,43,550      | 26%          | 1,52,947      |
| Assets under finance                         | 1,74,775     | 1,37,920     | 27%          | 1,74,775      | 1,37,920      | 27%          | 1,46,687      |
| Interest income                              | 7,262        | 5,723        | 27%          | 19,904        | 17,279        | 15%          | 23,304        |
| Fee and other income                         | 1,213        | 797          | 52%          | 2,879         | 2,009         | 43%          | 2,788         |
| Net gain on fair value changes on investment | 60           | 139          | (57%)        | 227           | 540           | (58%)        | 591           |
| <b>Total Income</b>                          | <b>8,535</b> | <b>6,659</b> | <b>28%</b>   | <b>23,010</b> | <b>19,828</b> | <b>16%</b>   | <b>26,683</b> |
| Interest expenses                            | 2,535        | 2,363        | 7%           | 7,186         | 7,218         | 0%           | 9,414         |
| <b>Net Interest Income</b>                   | <b>6,000</b> | <b>4,296</b> | <b>40%</b>   | <b>15,824</b> | <b>12,610</b> | <b>25%</b>   | <b>17,269</b> |
| Operating Expenses                           | 2,081        | 1,389        | 50%          | 5,484         | 3,702         | 48%          | 5,308         |
| <b>Loan losses and provisions</b>            | <b>1,051</b> | <b>1,352</b> | <b>(22%)</b> | <b>4,102</b>  | <b>4,738</b>  | <b>(13%)</b> | <b>5,969</b>  |
| ECL stage 1 & 2                              | 208          | (2,391)      | (109%)       | 27            | 409           | (93%)        | 414           |
| ECL stage 3 & write off                      | 843          | 3,743        | (77%)        | 4,075         | 4,329         | (6%)         | 5,555         |
| <b>Profit before tax</b>                     | <b>2,868</b> | <b>1,555</b> | <b>84%</b>   | <b>6,238</b>  | <b>4,170</b>  | <b>50%</b>   | <b>5,992</b>  |
| <b>Profit after tax</b>                      | <b>2,125</b> | <b>1,146</b> | <b>85%</b>   | <b>4,609</b>  | <b>3,073</b>  | <b>50%</b>   | <b>4,420</b>  |
| <b>Ratios</b>                                |              |              |              |               |               |              |               |
| Operating expenses to Net Interest Income    | 34.7%        | 32.3%        |              | 34.7%         | 29.4%         |              | 30.7%         |
| Loan loss to average AUF*                    | 0.63%        | 1.00%        |              | 2.55%         | 3.39%         |              | 4.14%         |
| Earning per share - Basic (₹) *              | 35.3         | 19.1         |              | 76.5          | 51.2          |              | 73.6          |
| Return on Average Assets*                    | 1.3%         | 0.9%         |              | 2.9%          | 2.2%          |              | 3.1%          |
| Return on Average Equity *                   | 5.3%         | 3.3%         |              | 11.8%         | 9.1%          |              | 12.8%         |

\* Not annualized

# Financial statement summary – Bajaj Finance Limited

## BAJAJ FINANCE LIMITED

₹ in Crore

| Financials snapshot                          | Q3 FY22      | Q3 FY21      | Y-o-Y      | 9M FY22       | 9M FY21       | Y-o-Y      | FY21          |
|--|--------------|--------------|------------|---------------|---------------|------------|---------------|
| Assets under management                      | 1,32,913     | 1,09,598     | 21%        | 1,32,913      | 1,09,598      | 21%        | 1,15,418      |
| Assets under finance                         | 1,30,732     | 1,07,056     | 22%        | 1,30,732      | 1,07,056      | 22%        | 1,13,090      |
| Interest income                              | 6,335        | 4,973        | 27%        | 17,348        | 15,141        | 15%        | 20,419        |
| Fee and other income                         | 1,146        | 745          | 54%        | 2,724         | 1,908         | 43%        | 2,599         |
| Net gain on fair value changes on investment | 44           | 129          | (66%)      | 179           | 487           | (63%)      | 528           |
| <b>Total Income</b>                          | <b>7,525</b> | <b>5,847</b> | <b>29%</b> | <b>20,251</b> | <b>17,536</b> | <b>15%</b> | <b>23,546</b> |
| Interest expenses                            | 1,972        | 1,870        | 5%         | 5,625         | 5,723         | (2%)       | 7,446         |
| <b>Net Interest Income</b>                   | <b>5,553</b> | <b>3,977</b> | <b>40%</b> | <b>14,626</b> | <b>11,813</b> | <b>24%</b> | <b>16,100</b> |
| Operating Expenses                           | 1,948        | 1,310        | 49%        | 5,141         | 3,502         | 47%        | 5,016         |
| Loan losses and provisions                   | 995          | 1,245        | (20%)      | 3,958         | 4,520         | (12%)      | 5,721         |
| ECL stage 1 & 2                              | 179          | (2,463)      | (107%)     | (21)          | 229           | (109%)     | 215           |
| ECL stage 3 & write off                      | 816          | 3,708        | (78%)      | 3,979         | 4,291         | (7%)       | 5,506         |
| <b>Profit before tax</b>                     | <b>2,610</b> | <b>1,422</b> | <b>84%</b> | <b>5,527</b>  | <b>3,791</b>  | <b>46%</b> | <b>5,363</b>  |
| <b>Profit after tax</b>                      | <b>1,934</b> | <b>1,049</b> | <b>84%</b> | <b>4,083</b>  | <b>2,795</b>  | <b>46%</b> | <b>3,956</b>  |
| Ratios                                       |              |              |            |               |               |            |               |
| Operating expenses to Net Interest Income    | 35.1%        | 32.9%        |            | 35.1%         | 29.6%         |            | 31.2%         |
| Loan loss to average AUF*                    | 0.79%        | 1.19%        |            | 3.25%         | 4.10%         |            | 5.05%         |
| Earning per share - Basic (₹) *              | 32.1         | 17.5         |            | 67.8          | 46.5          |            | 65.9          |
| Return on Average Assets*                    | 1.5%         | 1.0%         |            | 3.3%          | 2.5%          |            | 3.5%          |
| Return on Average Equity *                   | 5.0%         | 3.1%         |            | 10.8%         | 8.4%          |            | 11.7%         |

\* Not annualized

# Financial statement summary – Bajaj Housing Finance Ltd. **BAJAJ FINANCE LIMITED**

₹ in Crore

| Financials snapshot                          | Q3 FY22 | Q3 FY21 | Y-o-Y | 9M FY22 | 9M FY21 | Y-o-Y | FY21   |
|--|---------|---------|-------|---------|---------|-------|--------|
| Assets under management                      | 49,203  | 35,492  | 39%   | 49,203  | 35,492  | 39%   | 38,871 |
| Assets under finance                         | 43,479  | 30,772  | 41%   | 43,479  | 30,772  | 41%   | 33,419 |
| Interest income                              | 907     | 747     | 21%   | 2,520   | 2,134   | 18%   | 2,877  |
| Fee and other income                         | 65      | 65      | -     | 146     | 130     | 12%   | 218    |
| Net gain on fair value changes on investment | 14      | 9       | 56%   | 43      | 51      | (16%) | 60     |
| Total Income                                 | 986     | 821     | 20%   | 2,709   | 2,315   | 17%   | 3,155  |
| Interest expenses                            | 557     | 492     | 13%   | 1,549   | 1,495   | 4%    | 1,966  |
| Net Interest Income                          | 429     | 329     | 30%   | 1,160   | 820     | 41%   | 1,189  |
| Operating Expenses                           | 123     | 87      | 41%   | 325     | 231     | 41%   | 329    |
| Loan losses and provisions                   | 56      | 107     | (48%) | 143     | 217     | (34%) | 247    |
| ECL stage 1 & 2                              | 29      | 72      | (60%) | 48      | 180     | (73%) | 199    |
| ECL stage 3 & write off                      | 27      | 35      | (23%) | 95      | 37      | 157%  | 48     |
| Profit before tax                            | 250     | 135     | 85%   | 692     | 372     | 86%   | 613    |
| Profit after tax                             | 185     | 99      | 87%   | 512     | 274     | 87%   | 453    |
| Ratios                                       |         |         |       |         |         |       |        |
| Operating expenses to Net Interest Income    | 28.7%   | 26.4%   |       | 28.0%   | 28.2%   |       | 27.7%  |
| Loan loss to average AUF*                    | 0.14%   | 0.36%   |       | 0.37%   | 0.74%   |       | 0.80%  |
| Earning per share - Basic (₹) *              | 0.38    | 0.20    |       | 1.05    | 0.56    |       | 0.93   |
| Return on Average Assets*                    | 0.4%    | 0.3%    |       | 1.3%    | 0.9%    |       | 1.5%   |
| Return on Average Equity *                   | 2.9%    | 1.7%    |       | 8.1%    | 4.8%    |       | 7.8%   |

\* Not annualized

## Section 04 Asset liability management

### BAJAJ FINANCE LIMITED

4.1

Conservative leverage standards -  
Bajaj Finance Limited

4.2

Resilient business model -  
Consolidated

4.3

Behaviouralized ALM as of 31 December -  
Bajaj Finance Limited

4.4

Behaviouralized ALM as of 31 December -  
Bajaj Housing Finance Limited

4.5

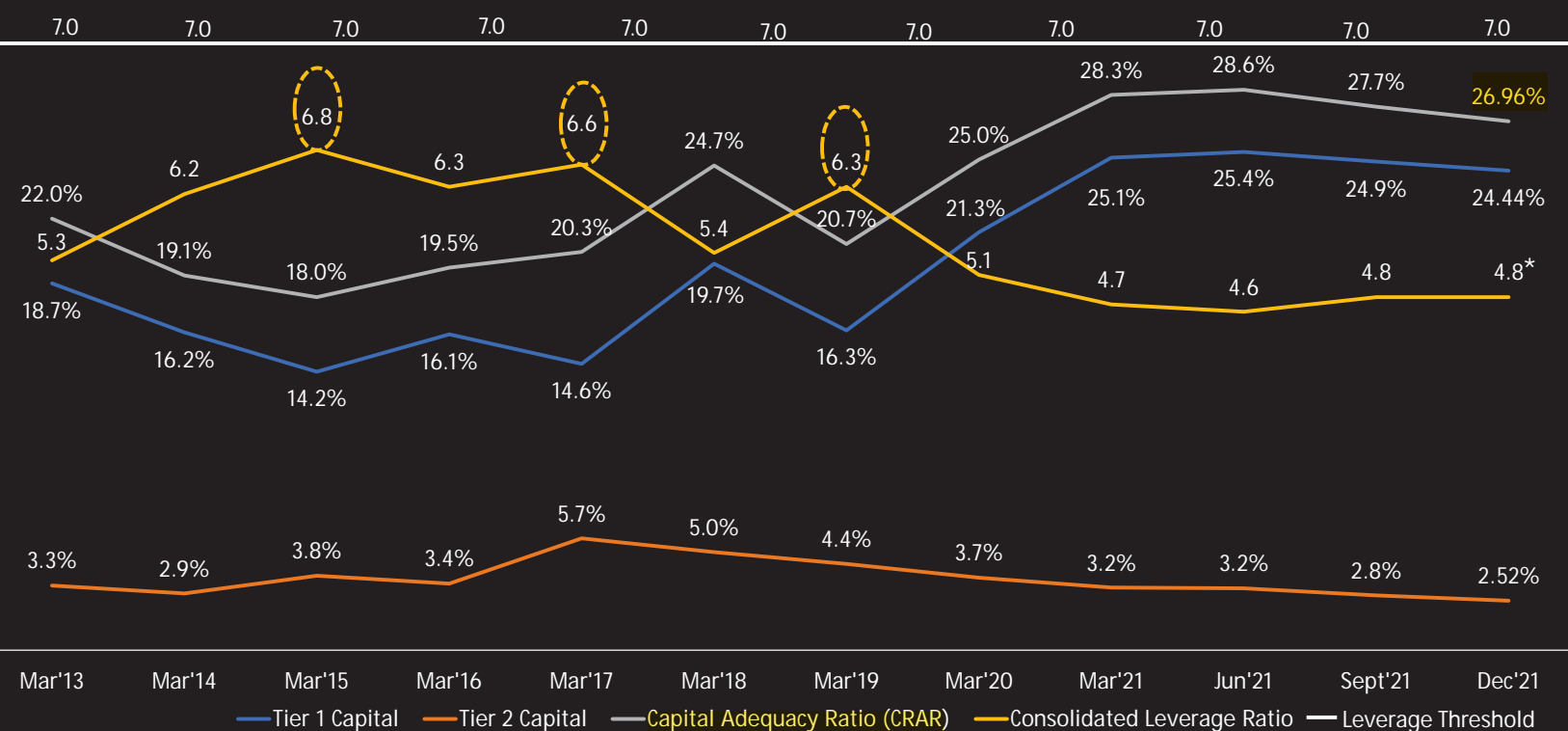
Disciplined ALM Management -  
Bajaj Finance Limited

4.6

Liability mix over last 10 years -  
Consolidated

# Conservative leverage standards

**BAJAJ FINANCE LIMITED**



\*Standalone leverage is approximately 3.95X as of 31 December 2021

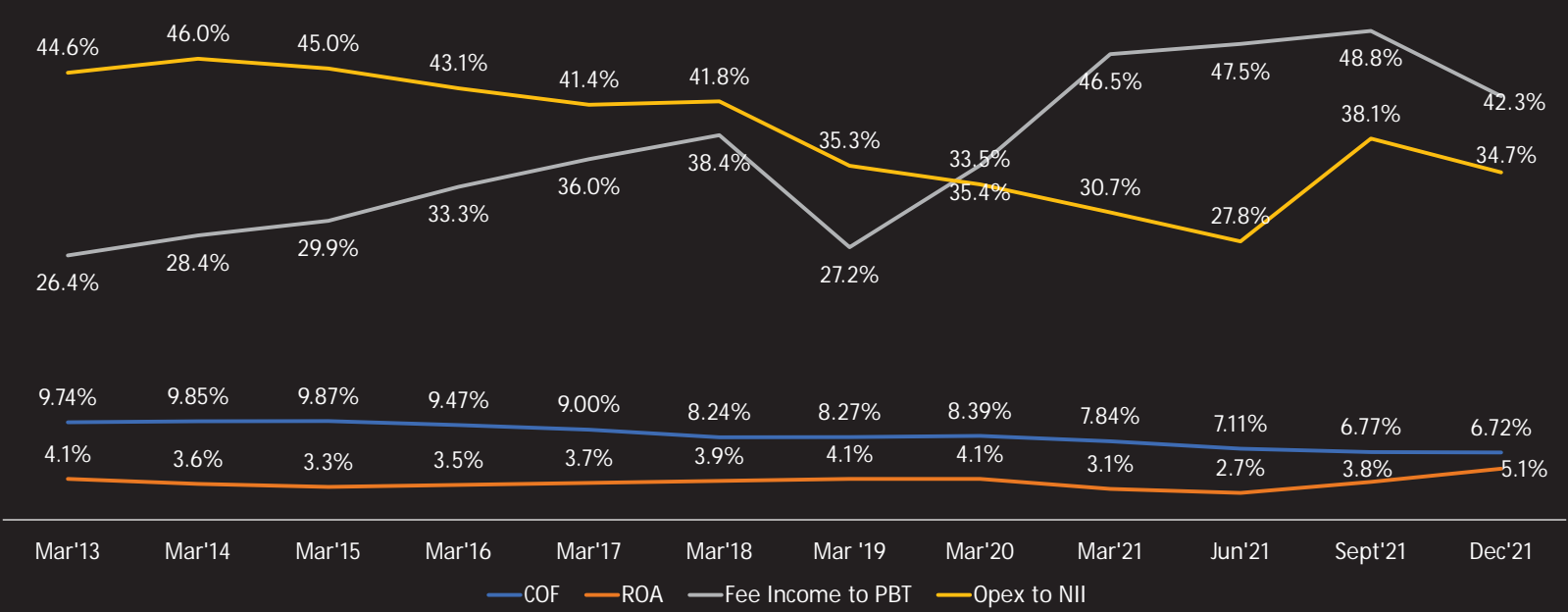
Capital Adequacy Ratios (CRAR) are on standalone basis

Mar '19 onwards numbers are as per Ind AS

○ denotes point at which the Company initiated its capital raising plan in last 10 years

Resilient business model – Consolidated

BAJAJ FINANCE LIMITED



Mar '19 onwards numbers are as per Ind AS. Jun'21, Sep'21 and Dec'21 numbers of COF are for the quarter



| Behaviouralized ALM as of 31 December 2021 – BFL |        |        |         |        |        |        |          | BAJAJ FINANCE LIMITED |          |          |          |
|--|--------|--------|---------|--------|--------|--------|----------|-----------------------|----------|----------|----------|
| ₹ in Crore                                       |        |        |         |        |        |        |          |                       |          |          |          |
| Particulars                                      | 1-7 D  | 8-14 D | 15-30 D | >1-2 M | >2-3 M | >3-6 M | >6 M-1 Y | >1-3 Y                | >3-5 Y   | >5 Y     | Total    |
| Cash & Investments                               | 8,567  | 200    | 481     | 997    | 796    | 1,980  | 3        | 2,240                 | 807      | 5,845    | 21,917   |
| Advances   | 5,103  | 1,983  | 3,125   | 6,990  | 6,213  | 14,980 | 23,285   | 43,390                | 17,763   | 11,381   | 1,34,212 |
| Other inflows                                    | 255    | 99     | 4,561   | 93     | 719    | 35     | 1,093    | 29                    | 264      | 2,383    | 9,532    |
| Total Inflows (A)                                | 13,926 | 2,282  | 8,167   | 8,080  | 7,729  | 16,995 | 24,382   | 45,660                | 18,834   | 19,609   | 1,65,662 |
| Cumulative Total Inflows (B)                     | 13,926 | 16,208 | 24,374  | 32,454 | 40,183 | 57,178 | 81,560   | 1,27,220              | 1,46,053 | 1,65,662 |          |
| Borrowings                                       | 383    | 444    | 2,217   | 7,109  | 4,063  | 11,836 | 27,212   | 43,941                | 11,159   | 11,047   | 1,19,412 |
| Capital Reserves and Surplus                     | -      | -      | -       | -      | -      | -      | -        | -                     | -        | 39,688   | 39,688   |
| Other Outflows                                   | 3,863  | 488    | 1,384   | -      | 56     | 3      | 31       | 115                   | 234      | 387      | 6,562    |
| Total Outflows (C)                               | 4,247  | 933    | 3,601   | 7,109  | 4,119  | 11,840 | 27,243   | 44,057                | 11,393   | 51,122   | 1,65,662 |
| Cumulative Total Outflows (D)                    | 4,247  | 5,179  | 8,780   | 15,889 | 20,008 | 31,848 | 59,090   | 1,03,147              | 1,14,540 | 1,65,662 |          |
| Mismatch (E = A - C)                             | 9,679  | 1,349  | 4,566   | 971    | 3,610  | 5,155  | (2,861)  | 1,603                 | 7,440    | (31,513) |          |
| Cumulative mismatch (F = B-D)                    | 9,679  | 11,028 | 15,594  | 16,565 | 20,175 | 25,330 | 22,469   | 24,072                | 31,513   | -        |          |
| Cumulative mismatch as % (F/D)                   | 228%   | 213%   | 178%    | 104%   | 101%   | 80%    | 38%      | 23%                   | 28%      | -        |          |
| Permissible cumulative gap %                     | -10%   | -10%   | -20%    |        |        |        |          |                       |          |          |          |
| Additional borrowings possible                   |        |        | 21,688  |        |        |        |          |                       |          |          |          |

# Behaviouralized ALM as of 31 December 2021 – BHFL

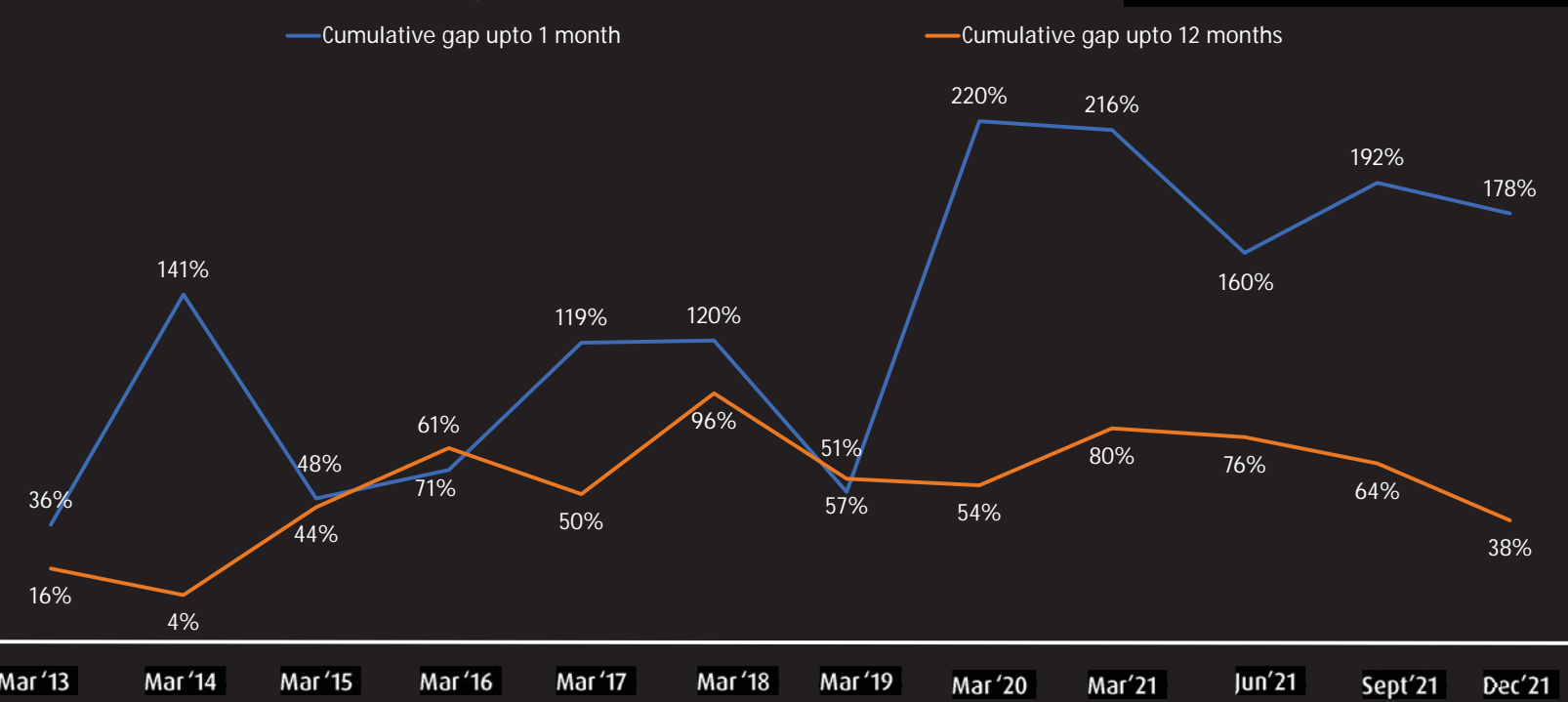
**BAJAJ FINANCE LIMITED**

₹ in Crore

| Particulars                    | 1-7 D | 8-14 D | 15-30 D | >1-2 M | >2-3 M | >3-6 M | >6 M-1 Y | >1-3 Y  | >3-5 Y  | >5-7 Y | >7-10 Y | >10 Y   | Total  |
|--------------------------------|-------|--------|---------|--------|--------|--------|----------|---------|---------|--------|---------|---------|--------|
| Cash & Investments             | 492   | 100    | -       | 1,000  | 349    | 149    | -        | -       | -       | -      | -       | -       | 2,090  |
| Advances                       | 307   | 280    | 607     | 910    | 899    | 2,490  | 4,522    | 12,617  | 7,563   | 4,956  | 4,395   | 3,931   | 43,479 |
| Other inflows                  | 52    | 2      | 1,618   | 159    | 514    | 1,045  | 1,222    | 1,201   | 1,016   | 271    | 359     | 960     | 8,420  |
| Total Inflows (A)              | 851   | 382    | 2,226   | 2,069  | 1,762  | 3,684  | 5,743    | 13,819  | 8,579   | 5,227  | 4,754   | 4,892   | 53,989 |
| Cumulative Total Inflows (B)   | 851   | 1,233  | 3,459   | 5,528  | 7,289  | 10,974 | 16,717   | 30,536  | 39,116  | 44,343 | 49,098  | 53,989  |        |
| Borrowings                     | -     | -      | 1,087   | 1,540  | 1,491  | 3,059  | 6,511    | 19,231  | 5,695   | 1,233  | 271     | 1,799   | 41,918 |
| Capital Reserves and Surplus   | -     | -      | -       | -      | -      | -      | -        | -       | -       | -      | -       | 6,544   | 6,544  |
| Other Outflows                 | 453   | 348    | 929     | 373    | 227    | 601    | 70       | 18      | 8       | 2      | 2,500   | -       | 5,527  |
| Total Outflows (C)             | 453   | 348    | 2,016   | 1,913  | 1,718  | 3,660  | 6,581    | 19,248  | 5,703   | 1,235  | 2,771   | 8,343   | 53,989 |
| Cumulative Total Outflows (D)  | 453   | 801    | 2,816   | 4,730  | 6,447  | 10,108 | 16,689   | 35,937  | 41,641  | 42,875 | 45,646  | 53,989  |        |
| Mismatch (E = A - C)           | 399   | 34     | 210     | 156    | 44     | 24     | (838)    | (5,429) | 2,876   | 3,993  | 1,984   | (3,452) |        |
| Cumulative mismatch (F = B-D)  | 399   | 432    | 642     | 798    | 842    | 866    | 28       | (5,401) | (2,525) | 1,468  | 3,452   | -       |        |
| Cumulative mismatch as % (F/D) | 88%   | 54%    | 23%     | 17%    | 13%    | 9%     | -        | -15%    | -6%     | 3%     | 8%      | -       |        |
| Permissible cumulative gap %   | -10%  | -10%   | -20%    |        |        |        |          |         |         |        |         |         |        |
| Additional borrowings possible |       |        | 1,506   |        |        |        |          |         |         |        |         |         |        |

# Disciplined ALM Management

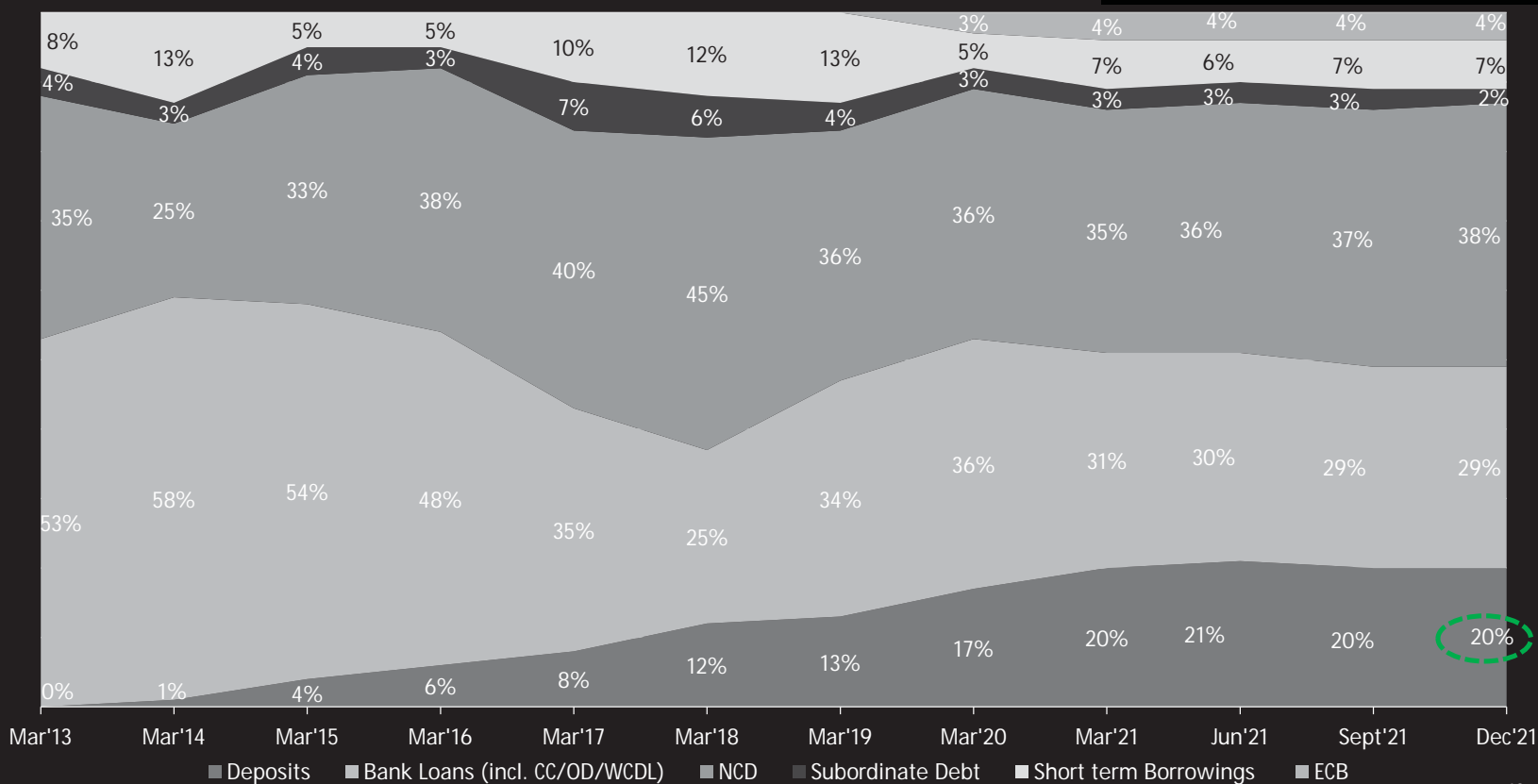
BAJAJ FINANCE LIMITED



Till Mar'19, RBI had prescribed -15% ALM mismatch for upto 1 Month and upto 1 year. From FY20 onwards, RBI has prescribed -20% ALM mismatch for upto 1 Month and left mismatch for subsequent buckets to discretion of the company.

# Consolidated Liability mix over last 10 years

BAJAJ FINANCE LIMITED





## Section 05

### Customer franchise and distribution reach

5.1

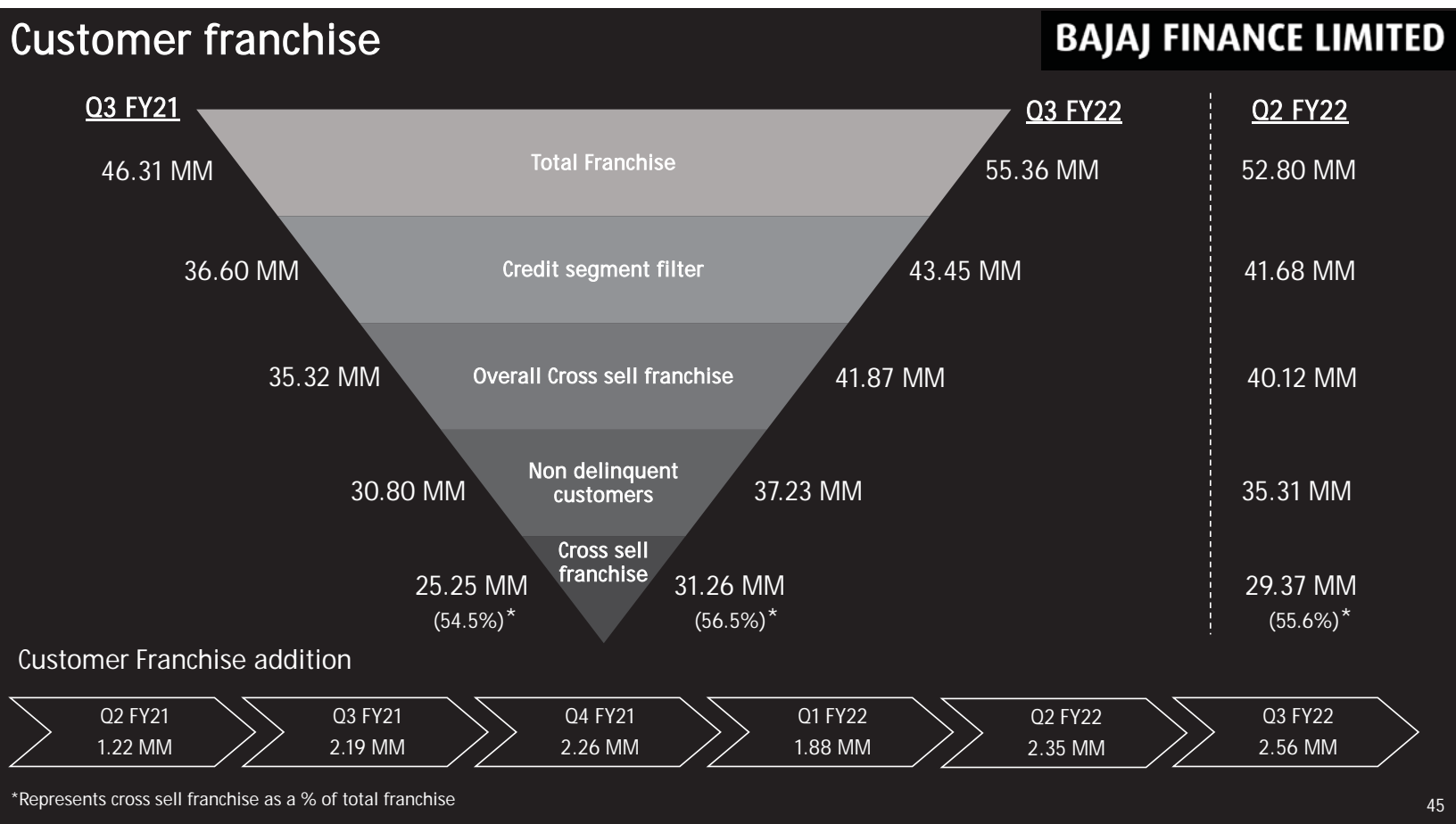
Customer franchise

5.2

Geographic presence

5.3

Strong distribution reach



## Geographic presence

**BAJAJ FINANCE LIMITED**



| Geographic Presence          | 30 Sept<br>2020 | 31 Dec<br>2020 | 31 Mar<br>2021 | 30 Jun<br>2021 | 30 Sept<br>2021 | 31 Dec<br>2021 |
|------------------------------|-----------------|----------------|----------------|----------------|-----------------|----------------|
| Urban lending branches       | 1,134           | 1,210          | 1,298          | 1,368          | 1,368           | 1,368          |
| Rural lending branches       | 1,507           | 1,604          | 1,690          | 1,745          | 1,961           | 2,055          |
| Total Bajaj Finance presence | 2,641           | 2,814          | 2,988          | 3,113          | 3,329           | 3,423          |

## Strong distribution reach

**BAJAJ FINANCE LIMITED**

| Active distribution                              | 31-Dec-19 | 31-Dec-20 | 31-Mar-21 | 30-Jun-21 | 30-Sep-21 | 31-Dec-21 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Consumer durable stores – Urban                  | 23,300+   | 24,700+   | 26,400+   | 26,900+   | 28,000    | 29,500+   |
| Consumer durable stores – Rural                  | 17,900+   | 22,500+   | 24,000+   | 24,000+   | 25,600+   | 27,900+   |
| Digital product stores                           | 25,300+   | 25,400+   | 23,800+   | 26,350+   | 27,600+   | 28,800+   |
| Lifestyle retail stores                          | 9,000+    | 8,800+    | 9,800+    | 9,400+    | 9,700+    | 10,800+   |
| EMI card – retail spends stores                  | 22,800+   | 10,400+   | 14,300+   | 14,500+   | 15,400+   | 17,800+   |
| Bajaj Auto dealers, sub-dealerships and ASSC     | 5,300+    | 5,800+    | 5,900+    | 5,800+    | 5,900+    | 6,000+    |
| Direct Sales Agents/Independent Financial Agents | 3,500+    | 5,200+    | 6,100+    | 7,500+    | 7,500+    | 7,500+    |
| Overall active distribution network              | 1,07,100+ | 1,02,800+ | 1,10,300+ | 1,14,400+ | 1,21,100+ | 1,28,300+ |





## Section 06

### Business segment wise AUM

6.1

Business segment wise AUM as of 31 December - Consolidated

6.2

Business segment wise AUM as of 31 December - Mortgages

| Business segment wise AUM - Consolidated |   |                               |                                   |   | BAJAJ FINANCE LIMITED |  |  |
|--|---|-------------------------------|-----------------------------------|---|-----------------------|--|--|
| ₹ in Crore                               |   |                               |                                   |   |                       |  |  |
| Assets Under Management                  | Consolidated<br>as of 31<br>December 2020 | BFL as of 31<br>December 2021 | BHFL as of<br>31 December<br>2021 | Consolidated<br>as of 31<br>December 2021 | Growth<br>YoY         | Composition as<br>of 31 December<br>2020 | Composition as<br>of 31 December<br>2021 |
| Auto Finance Business                    | 12,707                                    | 10,620                        | -                                 | 10,620                                    | (16%)                 | 9%                                       | 6%                                       |
| Sales Finance Business                   | 10,186                                    | 14,920                        | -                                 | 14,920                                    | 46%                   | 7%                                       | 8%                                       |
| Consumer B2C Business                    | 29,042                                    | 34,951                        | 1,393                             | 36,344                                    | 25%                   | 20%                                      | 20%                                      |
| Rural Sales Finance Business             | 2,438                                     | 3,993                         | -                                 | 3,993                                     | 64%                   | 2%                                       | 2%                                       |
| Rural B2C Business                       | 10,954                                    | 14,311                        | -                                 | 14,311                                    | 31%                   | 7%                                       | 8%                                       |
| SME Lending Business                     | 18,882                                    | 23,217                        | 136                               | 23,153                                    | 23%                   | 13%                                      | 13%                                      |
| Securities Lending Business              | 5,074                                     | 8,357                         | -                                 | 9,127                                     | 80%                   | 4%                                       | 5%                                       |
| IPO Financing                            | -   | -                             | -                                 | -   | -                     | -  | -  |
| Commercial Lending Business              | 7,510                                     | 10,478                        | -                                 | 10,478                                    | 40%                   | 5%                                       | 6%                                       |
| Mortgages                                | 46,758                                    | 12,066                        | 47,673                            | 58,304                                    | 25%                   | 33%                                      | 32%                                      |
| Total                                    | 1,43,550                                  | 1,32,913                      | 49,203                            | 1,81,250                                  | 26%                   |  |  |
| Co-brand Credit Card – CIF               | 1.9 MM                                    |                               |                                   | 2.6 MM                                    | 37%                   |  |  |
| EMI Card – CIF                           | 23.5 MM                                   |                               |                                   | 27.5 MM                                   | 17%                   |  |  |
| Co-brand Wallets                         | 18.3 MM                                   |                               |                                   | 21.8 MM                                   | 19%                   |  |  |

49

# Business segment wise AUM - Mortgages

BAJAJ FINANCE LIMITED

₹ in crore

|                          | Bajaj Housing Finance Limited |               |            | Mortgage - All |               |            |                               |
|--------------------------|-------------------------------|---------------|------------|----------------|---------------|------------|-------------------------------|
| Assets Under Management  | 31 Dec 2020                   | 31 Dec 2021   | Growth     | 31 Dec 2020    | 31 Dec 2021   | Growth     | Composition as of 31 Dec 2021 |
| Home Loans               | 22,217                        | 30,409        | 37%        | 26,120         | 33,067        | 27%        | 57%                           |
| Loan against property    | 4,417                         | 5,927         | 34%        | 11,249         | 12,318        | 9%         | 21%                           |
| Lease rental discounting | 3,972                         | 6,196         | 56%        | 5,075          | 7,420         | 46%        | 13%                           |
| Developer Finance        | 1,893                         | 2,907         | 54%        | 1,930          | 2,907         | 51%        | 5%                            |
| Rural                    | 1,846                         | 2,233         | 21%        | 2,384          | 2,592         | 9%         | 4%                            |
| <b>Total</b>             | <b>34,346</b>                 | <b>47,673</b> | <b>39%</b> | <b>46,758</b>  | <b>58,304</b> | <b>25%</b> | <b>100%</b>                   |

|                                   | Bajaj Housing Finance Limited |             |        | Mortgage - All |             |        |                               |
|-----------------------------------|-------------------------------|-------------|--------|----------------|-------------|--------|-------------------------------|
| Home Loan customer categorisation | 31 Dec 2020                   | 31 Dec 2021 | Growth | 31 Dec 2020    | 31 Dec 2021 | Growth | Composition as of 31 Dec 2021 |
| Home Loan to Salaried             | 20,632                        | 28,661      | 39%    | 22,741         | 30,055      | 32%    | 88%                           |
| Home Loan to Self Employed        | 1,271                         | 1,396       | 10%    | 2,821          | 2,489       | (12%)  | 7%                            |
| Home Loan to Professional         | 1,156                         | 1,581       | 37%    | 1,448          | 1,791       | 24%    | 5%                            |

## Section 07

### Update on credit quality

7.1

Provisioning Coverage - Consolidated

7.2

ECL summary - Consolidated

7.3

ECL summary - Bajaj Housing Finance Limited

7.4

Portfolio stagewise provisioning

7.5

Portfolio credit quality - Consolidated

# Provisioning Coverage - Consolidated

**BAJAJ FINANCE LIMITED**

₹ in Crore

| Particulars                  | AUM<br>31 Dec 2021 | GNPA         | NNPA         | PCR<br>(%) | GNPA %       |              |              | NNPA %       |              |              |
|------------------------------|--------------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                              |                    |              |              |            | 30 Jun 21    | 30 Sept 21   | 31 Dec 21    | 30 Jun 21    | 30 Sept 21   | 31 Dec 21    |
| Auto Finance Business        | 10,620             | 1,304        | 651          | 50%        | 19.15%       | 16.00%       | 11.04%       | 12.18%       | 9.25%        | 5.84%        |
| Sales Finance Business       | 14,920             | 45           | 9            | 81%        | 1.05%        | 0.64%        | 0.30%        | 0.24%        | 0.13%        | 0.06%        |
| Consumer B2C Business        | 36,344             | 479          | 119          | 75%        | 2.84%        | 2.11%        | 1.33%        | 0.95%        | 0.54%        | 0.34%        |
| Rural Sales Finance Business | 3,993              | 10           | 2            | 81%        | 1.35%        | 1.09%        | 0.24%        | 0.29%        | 0.21%        | 0.05%        |
| Rural B2C Business           | 14,311             | 376*         | 207*         | 45%        | 2.85%        | 3.09%        | 2.55%*       | 0.92%        | 1.28%        | 1.42%*       |
| SME Lending Business         | 23,153             | 329          | 82           | 75%        | 2.15%        | 1.69%        | 1.39%        | 0.70%        | 0.43%        | 0.35%        |
| Securities Lending Business  | 9,127              | 5            | 5            | 4%         | -            | 0.02%        | 0.06%        | -            | 0.02%        | 0.05%        |
| Commercial Lending Business  | 10,478             | 44           | 27           | 38%        | -            | 0.45%        | 0.42%        | -            | 0.29%        | 0.26%        |
| Mortgages                    | 58,304             | 516          | 278          | 46%        | 0.88%        | 0.97%        | 0.95%        | 0.61%        | 0.59%        | 0.52%        |
| <b>Total</b>                 | <b>1,81,250</b>    | <b>3,108</b> | <b>1,380</b> | <b>56%</b> | <b>2.96%</b> | <b>2.45%</b> | <b>1.73%</b> | <b>1.46%</b> | <b>1.10%</b> | <b>0.78%</b> |

\*Includes Gold loan GNPA of ₹ 160 crore and NNPA of ₹ 153 crore. Net of Gold loan, the GNPA, NNPA and PCR are 1.72%, 0.43% and 75%.

## ECL summary – Consolidated

## BAJAJ FINANCE LIMITED

| Asset categorization                     | Dec'20 | Mar'21 | Jun'21 | Sept'21 | Dec'21 |
|--|--------|--------|--------|---------|--------|
| Stage 1 & 2 (represents standard assets) | 97.14% | 98.21% | 97.04% | 97.55%  | 98.27% |
| Stage 3 (classified as NPA)              | 0.55%  | 1.79%  | 2.96%  | 2.45%   | 1.73%  |
| Stage 3 (not classified as NPA)          | 2.32%  | -      | -      | -       | -      |

### Summary of stage wise assets and provision for impairment allowance

| Assets and impairment allowance              | Dec'20          | Mar'21       | Jun'21       | Sept'21      | Dec'21       |
|--|-----------------|--------------|--------------|--------------|--------------|
| Gross Stage 1 & 2 assets* (A)                | 1,42,287        | 1,49,878     | 1,55,188     | 1,63,534     | 1,76,141     |
| ECL Provision Stage 1 & 2 (B)                | 2,708           | 2,713        | 2,707        | 2,537        | 2,745        |
| Net Stage 1 & 2 assets (C = A-B)             | <b>1,39,579</b> | 1,47,165     | 1,52,481     | 1,60,997     | 1,73,395     |
| ECL Provision % Stage 1 & 2 assets (D = B/A) | <b>1.90%</b>    | <b>1.81%</b> | <b>1.74%</b> | <b>1.55%</b> | <b>1.56%</b> |
| Gross Stage 3 assets <sup>@</sup> (E)        | 4,194           | 2,731        | 4,737        | 4,103        | 3,108        |
| ECL Provision Stage 3 (F)                    | 2,433           | 1,595        | 2,430        | 2,277        | 1,728        |
| Net Stage 3 assets (G = E-F)                 | 1,761           | 1,136        | 2,307        | 1,826        | 1,380        |
| Coverage Ratio % Stage 3 assets (H= F/E)     | <b>58%</b>      | <b>58%</b>   | <b>51%</b>   | <b>55%</b>   | <b>56%</b>   |
| Overall coverage ratio                       | <b>3.51%</b>    | <b>2.82%</b> | <b>3.21%</b> | <b>2.87%</b> | <b>2.50%</b> |

\*Gross Stage 1 & 2 assets represent loans balance as per Ind AS after adjusting for the impact of amortisation of fees earned and acquisition cost incurred including other assets like security deposits, advance to dealer, receivable from related parties, capital advances etc

@ Gross Stage 3 assets represents loans balance as per Ind AS after adjusting for the impact of (i) amortisation of fees earned and acquisition cost incurred and (ii) overdue interest considered recoverable under Ind AS and other receivables considered as non-performing as at the end of respective periods.

## ECL summary – Bajaj Housing Finance Limited

## BAJAJ FINANCE LIMITED

| Asset categorization                     | Dec'20 | Mar'21 | Jun'21 | Sep'21 | Dec'21 |
|--|--------|--------|--------|--------|--------|
| Stage 1 & 2 (represents standard assets) | 99.65% | 99.65% | 99.72% | 99.65% | 99.65% |
| Stage 3 (classified as NPA)              | 0.06%  | 0.35%  | 0.28%  | 0.35%  | 0.35%  |
| Stage 3 (not classified as NPA)          | 0.29%  |        |        |        |        |

### Summary of stage wise assets and provision for impairment allowance

| Assets and impairment allowance              | Dec'20 | Mar'21 | Jun'21 | Sep'21 | Dec'21 |
|--|--------|--------|--------|--------|--------|
| Gross Stage 1 & 2 assets* (A)                | 31,356 | 34,000 | 36,378 | 39,892 | 43,760 |
| ECL Provision Stage 1 & 2 (B)                | 291    | 310    | 316    | 330    | 359    |
| Net Stage 1 & 2 assets (C = A-B)             | 31,065 | 33,690 | 36,062 | 39,562 | 43,401 |
| ECL Provision % Stage 1 & 2 assets (D = B/A) | 0.93%  | 0.91%  | 0.87%  | 0.83%  | 0.82%  |
| Gross Stage 3 assets@ (E)                    | 110.2  | 119.1  | 102.5  | 142.0  | 152.3  |
| ECL Provision Stage 3 (F)                    | 41.3   | 45.2   | 36.6   | 56.2   | 74.7   |
| Net Stage 3 assets (G = E-F)                 | 68.9   | 73.9   | 65.9   | 85.9   | 77.6   |
| Coverage Ratio % Stage 3 assets (H= F/E)     | 38%    | 38%    | 36%    | 40%    | 49%    |
| Overall coverage ratio                       | 1.06%  | 1.04%  | 0.97%  | 0.96%  | 0.99%  |

\*Gross Stage 1 & 2 assets represent loans balance as per Ind AS after adjusting for the impact of amortisation of fees earned and acquisition cost incurred including other assets like security deposits, advance to dealer, receivable from related parties, capital advances etc

@ Gross Stage 3 assets represents loans balance as per Ind AS after adjusting for the impact of (i) amortisation of fees earned and acquisition cost incurred and (ii) overdue interest considered recoverable under Ind AS and other receivables considered as non-performing as at the end of respective periods.

# Stagewise ECL provisioning as of 31 December 2021

**BAJAJ FINANCE LIMITED**  
₹ in crore

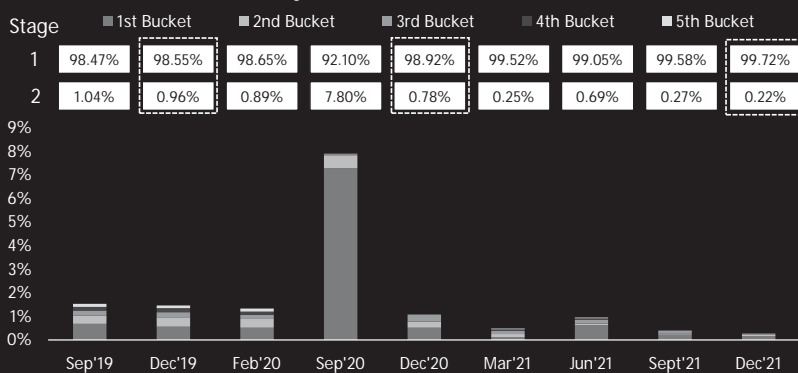
|                              | Gross Assets Receivable |              |              |              | ECL Provision |            |              |              | PCR %       |              |              |              |
|------------------------------|-------------------------|--------------|--------------|--------------|---------------|------------|--------------|--------------|-------------|--------------|--------------|--------------|
|                              | Stage 1                 | Stage 2      |              | Stage 3      | Stage 1       | Stage 2    |              | Stage 3      | Stage 1     | Stage 2      |              | Stage 3      |
|                              |                         | OTR*         | Normal       |              |               | OTR*       | Normal       |              |             | OTR*         | Normal       |              |
| Auto Finance Business        | 8,925                   | 18           | 1,558        | 1,303        | 143           | 1          | 389          | 651          | 1.6%        | 6.4%         | 25.0%        | 50.0%        |
| Sales Finance Business       | 14,676                  | 389          | 98           | 45           | 108           | 101        | 43           | 37           | 0.7%        | 26.0%        | 43.4%        | 80.7%        |
| Consumer B2C Business        | 34,642                  | 113          | 770          | 479          | 400           | 25         | 269          | 360          | 1.2%        | 22.3%        | 34.9%        | 75.1%        |
| Rural Sales Finance Business | 3,999                   | -            | 18           | 10           | 17            | -          | 9            | 8            | 0.4%        | 29.5%        | 52.6%        | 80.7%        |
| Rural B2C Business           | 13,872                  | 11           | 505          | 376          | 164           | 3          | 116          | 170          | 1.2%        | 23.2%        | 23.0%        | 45.1%        |
| SME Lending Business         | 22,912                  | 102          | 323          | 329          | 247           | 32         | 123          | 247          | 1.1%        | 31.6%        | 38.0%        | 75.2%        |
| Securities Lending Business  | 9,111                   | -            | 16           | 5            | 4             | -          | 0.3          | 0.2          | 0.1%        | -            | 1.8%         | 3.9%         |
| Commercial Lending Business  | 10,466                  | -            | -            | 44           | 22            | -          | -            | 17           | 0.2%        | -            | -            | 38.2%        |
| Mortgages                    | 52,239                  | 820          | 558          | 517          | 259           | 155        | 115          | 238          | 0.5%        | 18.9%        | 20.6%        | 46.2%        |
| Total as of 31 Dec 2021      | <b>1,70,842</b>         | <b>1,453</b> | <b>3,846</b> | <b>3,108</b> | <b>1,364</b>  | <b>317</b> | <b>1,064</b> | <b>1,728</b> | <b>0.8%</b> | <b>21.8%</b> | <b>27.7%</b> | <b>55.6%</b> |
| Total as of 30 Sep 2021      | 1,55,556                | 1,512        | 4,451        | 4,103        | 1,219         | 289        | 1,030        | 2,277        | 0.8%        | 19.1%        | 23.1%        | 55.5%        |
| Total as of 30 Jun 2021      | 1,46,119                | 1,287        | 6,137        | 4,737        | 1,077         | 235        | 1,395        | 2,430        | 0.7%        | 18.3%        | 22.7%        | 51.3%        |

OTR – One time Restructuring  
Stage 1 – Loan accounts up to 1 DPD | Stage 2 – Loan accounts in-between 2-90 DPD, including weak accounts & OTR accounts without any overdue | Stage 3 – Customer classified as NPA as per RBI guidelines

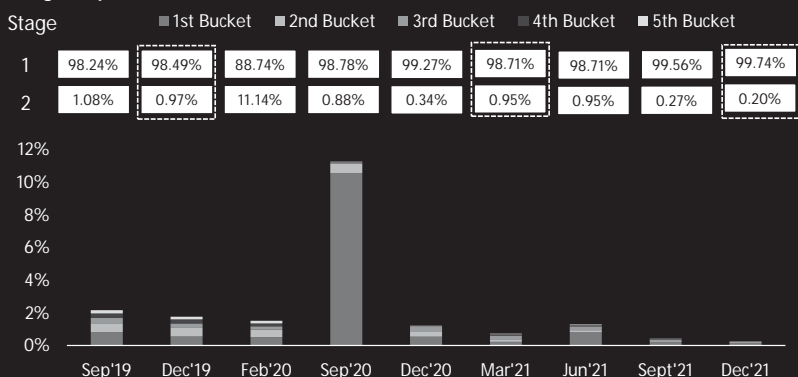


# Portfolio credit quality – Consolidated

## Consumer Durable & Lifestyle

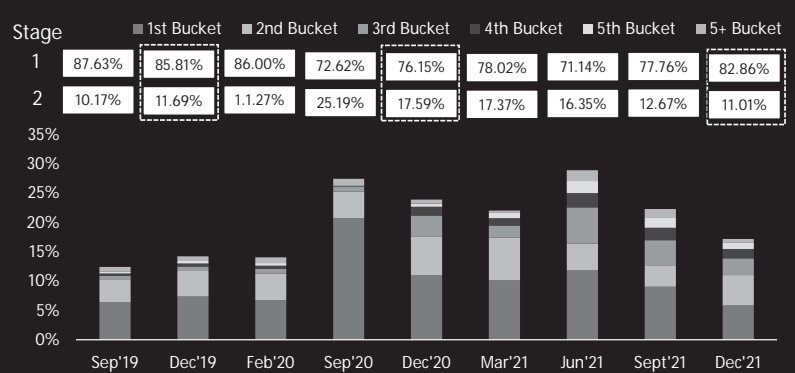


## Digital product

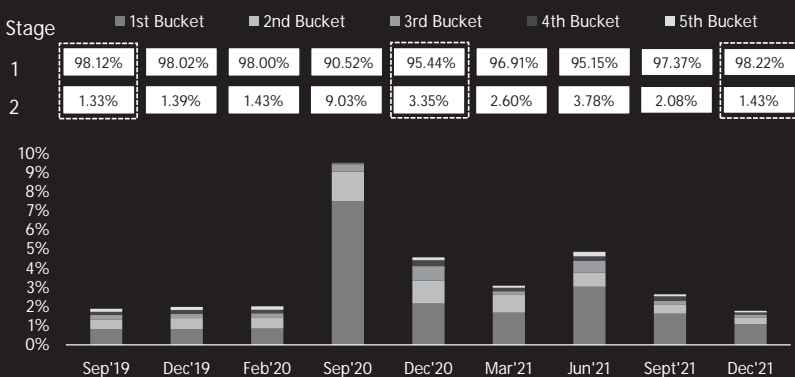


Portfolio credit quality after adjusting ECL provisions

## Two & three-wheeler

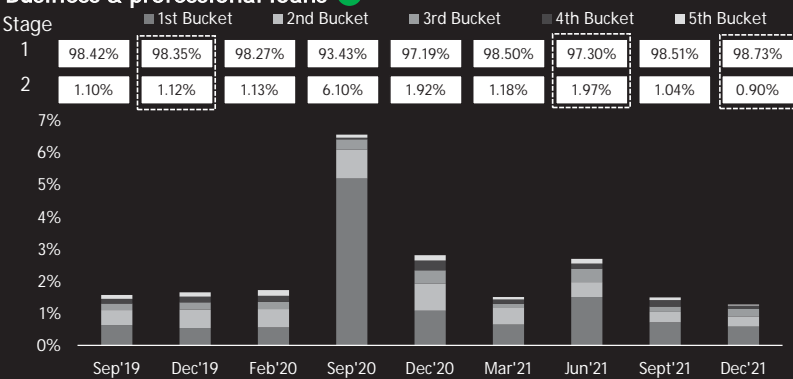


## B2C loans

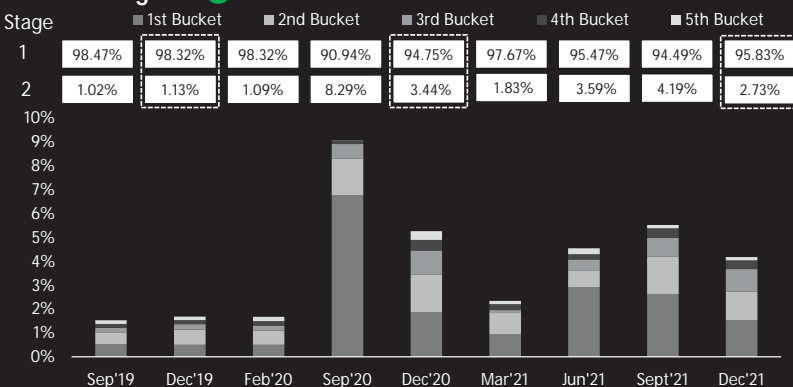


# Portfolio credit quality – Consolidated

## Business & professional loans



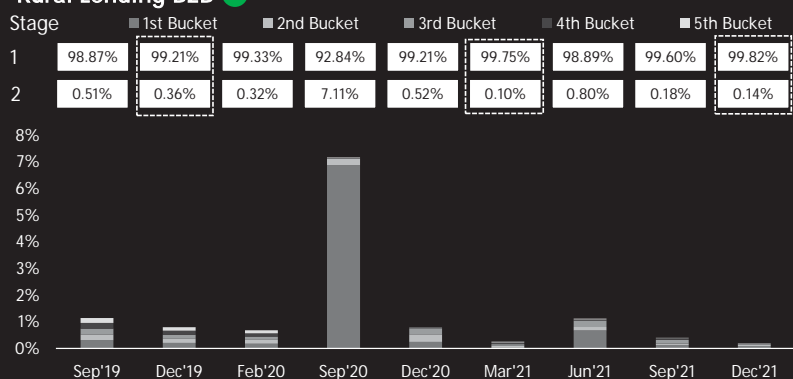
## Rural lending B2C



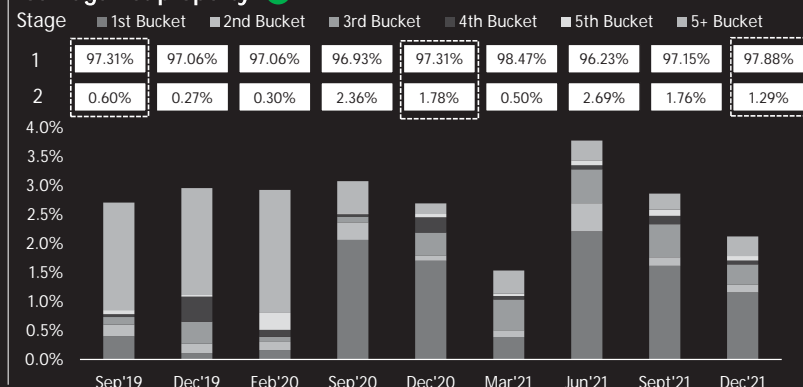
Portfolio credit quality after adjusting ECL provisions

# BAJAJ FINANCE LIMITED

## Rural Lending B2B



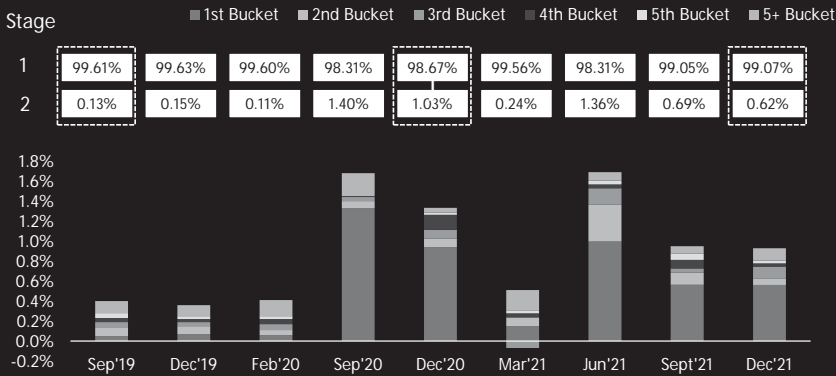
## Loan against property



Portfolio credit quality – Consolidated

BAJAJ FINANCE LIMITED

Home loans



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**Q3 FY22 Investor Presentation**

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