



BAJAJ FINANCE LIMITED

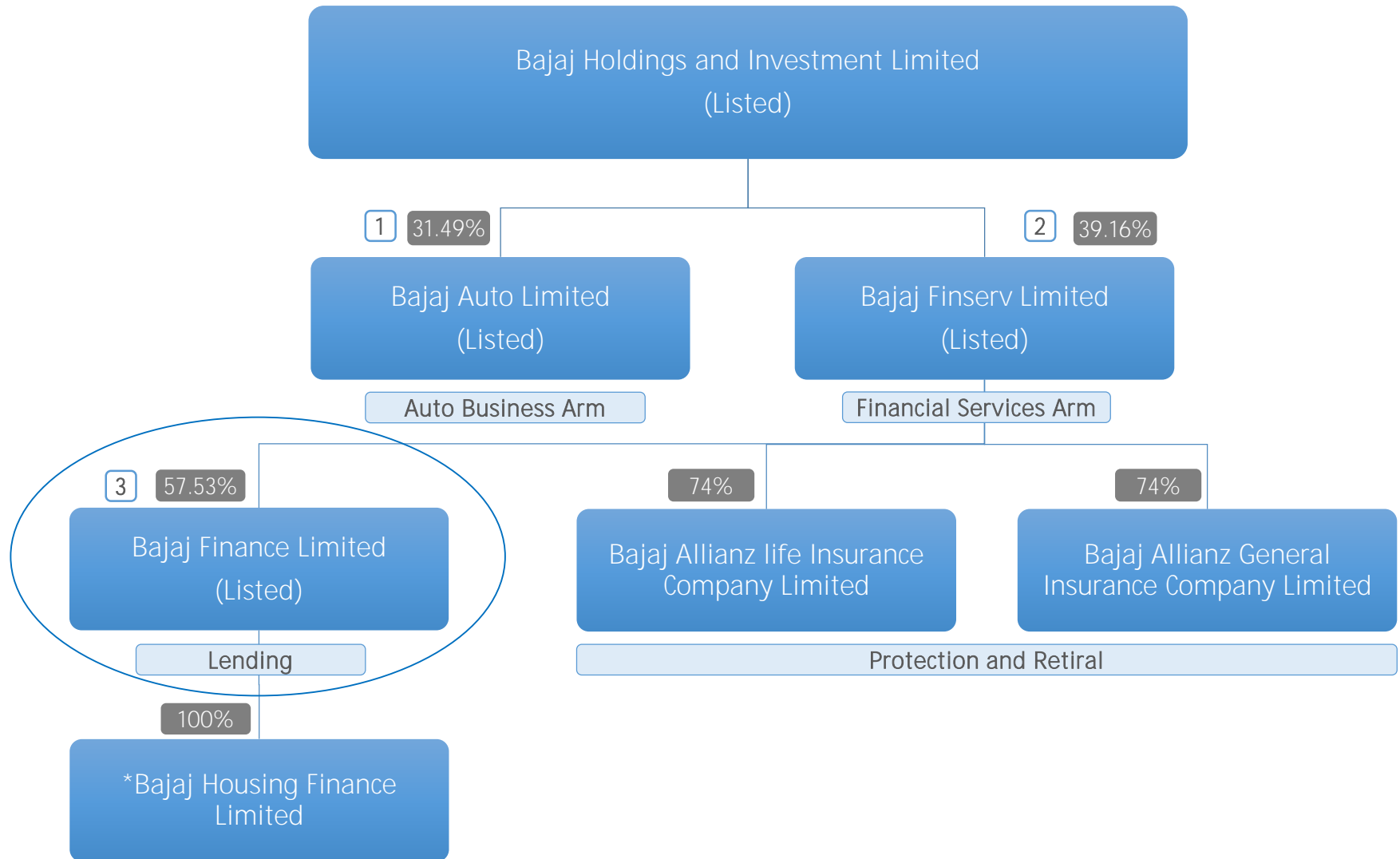
Q1 FY16 Presentation

22nd July 2015

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BAJAJ GROUP STRUCTURE



1. 49.24% holding through promoter holding company & promoter group
2. 58.35% holding through promoter holding company & promoter group
3. 57.60% holding through promoter holding company & promoter group

Above shareholding is as of 30 June 2015

*W.e.f Nov 2014 . Bajaj Housing Finance Limited has a 100% subsidiary named Bajaj Financial Securities Limited which does not have any operations

BAJAJ FINSERV GROUP - EXECUTIVE SUMMARY



Bajaj Finserv is the financial services arm of the Bajaj group with business interest in "Lending", "Protection", and "Relationship management" through its various subsidiaries



Bajaj Finance Limited

- A 28 year old non bank finance company
- Diversified consumer, SME & commercial lender in India
- Credit rating of AA+ with stable outlook by CRISIL & ICRA for over 7 years
- 161 consumer branch and 232 rural location presence with over 13,000+ distribution franchise
- Large customer franchise of 12.1 MM
- 4.92 MM **clients acquired in FY'15**



Bajaj Allianz General Insurance Company

- 2nd largest private General insurer in India as of FY15
- Offers a wide range of General insurance products across retail and corporate segments
- One of the most profitable General insurance companies in India. ROE of 28.9% in FY15
- Industry leading combined ratios (96.7% in FY15)
- Recognized in the market for claims servicing



Bajaj Allianz Life Insurance Company

- Amongst top 4 private players as of FY15 on new business
- Diversified distribution mix consisting of agency, bancassurance, other partners, direct etc.
- AUM of over 43K crores as of FY 15
- One of the most profitable private life insurers in India.
- 120K + individual agents and 750 offices across India (FY15)

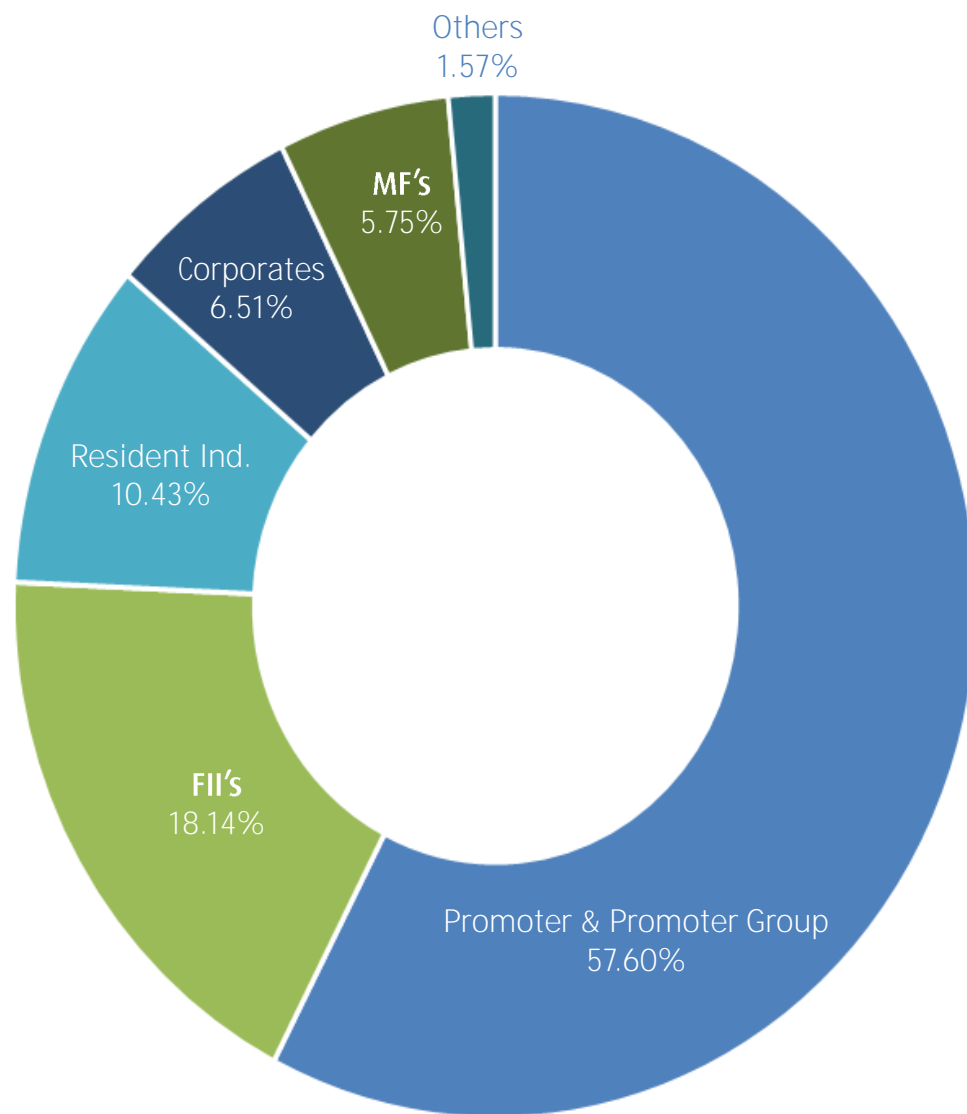
WHAT DO WE STAND FOR

“A non bank with strategy, structure & support model of a bank.”

“Our diversified financial services strategy envisages an optimal mix of risk and profit to deliver a sustainable business model.”

“The business construct is to deliver a sustainable ROA of 3% & ROE of 18-20% in the medium term”

BAJAJ FINANCE – SHAREHOLDER PROFILE



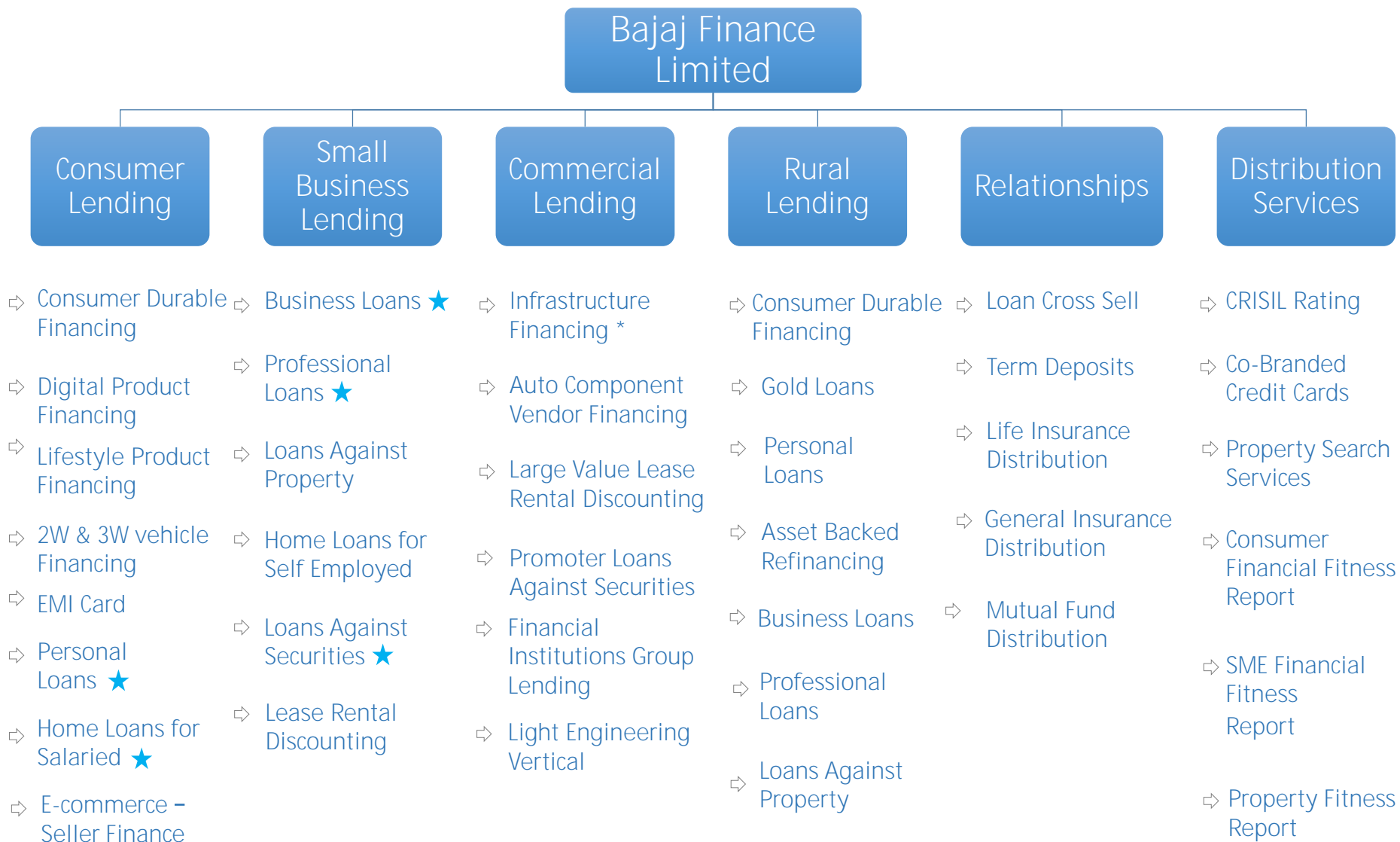
Top 20 investors & their holdings

Sr. No	Name of Shareholder	As on Mar'15	As on June'15
1	BAJAJ FINSERV LTD	61.53%	57.53%
2	MAHARASHTRA SCOOTERS LIMITED	3.78%	3.54%
3	GOVERNMENT OF SINGAPORE	-	2.77%
4	ACACIA PARTNERS LP	1.21%	1.13%
5	PINEBRIDGE INVESTMENTS GF MAURITIUS LIMITED	1.10%	1.10%
6	HDFC MID – CAP OPPORTUNITIES FUND	1.26%	1.06%
7	MACQUARIE BANK LIMITED	0.93%	0.87%
8	SMALLCAP WORLD FUND INC	-	0.85%
9	GOLDMAN SACHS INDIA FUND LIMITED	0.65%	0.75%
10	ACACIA INSTITUTIONAL PARTNERS LP	0.77%	0.72%
11	BFL EMPLOYEE WELFARE TRUST	0.30%	0.63%
12	ACACIA CONSERVATION FUND LP	0.64%	0.60%
13	WF ASIAN SMALLER COMPANIES FUND LIMITED	0.62%	0.58%
14	WF INDIA RECONNAISSANCE FUND LIMITED	0.54%	0.51%
15	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	0.41%	0.50%
16	ACACIA BANYAN PARTNERS	0.51%	0.48%
17	AXIS MUTUAL FUND	0.45%	0.47%
18	SUNDARAM SELECT MIDCAP	0.54%	0.45%
19	PARVEST EQUITY INDIA	0.39%	0.39%
20	SBI MAGNUM TAXGAIN SCHEME	0.48%	0.37%

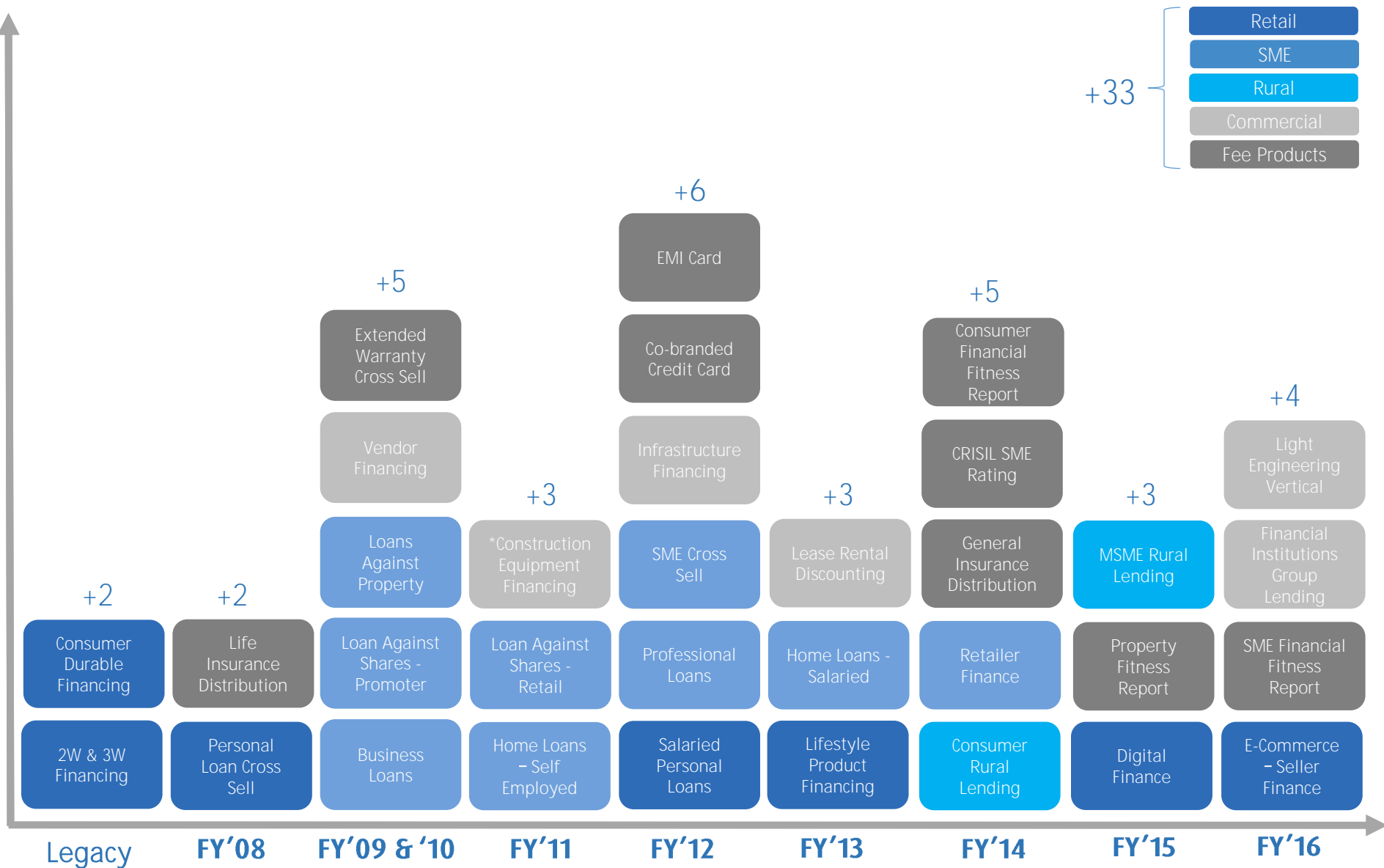
FINANCIAL SNAPSHOT

								₹ in Crore	
Financials snapshot	FY09	FY10	FY11	FY12	FY13	FY14	FY15	YoY (FY14 – FY15)	CAGR
Assets under management	2,539	4,032	7,573	13,107	17,517	24,061	32,410	35%	31%
Total interest & fee income	599	916	1,406	2,172	3,110	4,073	5,418	33%	44%
Interest expenses	164	201	371	746	1,206	1,573	2,248	43%	55%
Net interest income (NII)	435	715	1,035	1,426	1,904	2,500	3,170	27%	39%
Operating expenses	220	320	460	670	850	1,151	1,428	24%	37%
Loan losses & provision	164	261	205	154	182	258	385	49%	15%
Profit before tax	51	134	370	602	872	1,091	1,357	24%	73%
Profit after tax	34	89	247	406	591	719	898	25%	73%
Ratios	FY09	FY10	FY11	FY12	FY13	FY14	FY15		
Return on assets	1.4%	2.8%	4.4%	4.2%	4.1%	3.6%	3.3%		
Return on equity	3.2%	8.0%	19.7%	24.0%	21.9%	19.5%	20.4%		
Earning per share (Basic) - ₹	9.3	24.2	67.5	110.8	135.7	144.8	179.9		
Net NPA	5.50%	2.20%	0.80%	0.12%	0.19%	0.28%	0.45%		
NPA provisioning coverage	32%	55%	79%	89%	83%	76%	71%		

BAJAJ FINANCE LIMITED PRODUCT SUITE



BUSINESS/PRODUCT LAUNCH JOURNEY



* Closed

EXECUTIVE SUMMARY

Bajaj Finance

- 28 year old non bank with a demonstrated track record of profitability.
- Focused on Consumer, SME & Commercial lines of businesses.
- Strategic business unit organization design supported by horizontal common utility support functions to drive domain expertise, scalability and operating leverage.
- Strategy is to focus on cross sell, customer experience and product & process innovations to create a differentiated & profitable business model.
- The company has ₹35,557 Crores of Assets under Management with a net NPA of 0.55% and a capital adequacy of 20.72% as at June 2015. The company in Q1 FY16 has delivered a pre tax profit of ₹422 Crores and a post tax profit of ₹276 Crores at a ROA¹ of 0.9% and ROE¹ of 4.9%.

Consumer business

- Amongst the top 3 two wheeler lender in India focused on semi-urban & rural markets.
Currently contributes to 28% of Bajaj Auto's domestic Two wheeler sales.
- Largest Consumer Electronics lender in India, focused on affluent consumers.
- The company is now growing its Salaried Home Loans business by refining the business model with Direct to Customer acquisition model to build a profitable growth engine.
- Amongst a few non banks with an active co-branded Credit Card.
- EMI Card (Existing Membership Card) franchise crossed 3.5 MM cards.
- Amongst the largest new loans acquirers in India (3.39 MM in FY14 and 4.92 MM in FY15.)

¹ Not Annualised

EXECUTIVE SUMMARY (CONTD.)

SME Business

- Focused on high net worth SMEs with an average annual sales of ₹ 25 Crores with established financials & demonstrated borrowing track records.
- Offer a range of working capital & growth capital products.
- Offer full range of mortgage (Loan against property, Lease Rental Discounting & Home Loans) and working capital products to SME & self employed professionals.
- A dedicated SME Relationship Management channel created to provide wide range of cross sell products to our SME franchise.

Rural business

- Highly diversified lender in the rural eco system offering over 12 products in consumer and MSME business categories with a unique hub and spoke business model
- Geographic presence across 232 towns and villages and retail presence across 1800+ stores

Commercial business

- Offer wholesale lending products covering short, medium and long term needs of Auto component vendors in India.
- Offer a range of structured products collateralized by marketable securities or mortgage

Treasury

- Strategy is to create a balanced mix of wholesale and retail borrowings.
- Current mix of bank, debt markets and retail deposits is at 47:49:04.

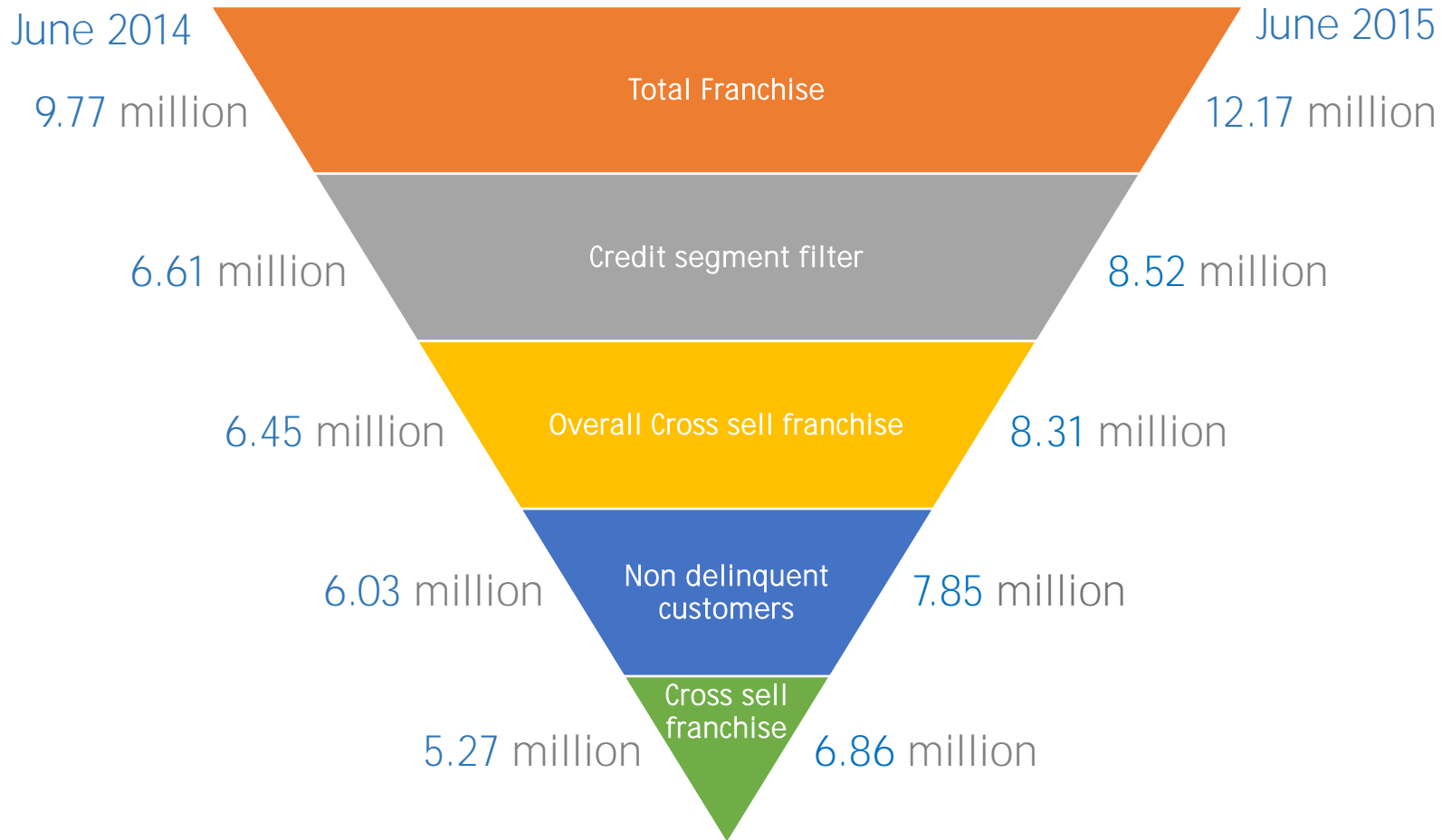
Credit Quality

- Gross and Net NPA of 1.69% and 0.55% respectively with a provisioning coverage of 68%. The company as per the RBI guidelines has moved its NPA recognition policy to 150 days over-dues from 180 days over dues. The comparable 180 day ratios stood at 1.54% and 0.48%

Credit Rating

- Credit rating of AA+/stable & LAA+ stable from CRISIL & ICRA since last 7 years.
- The fixed deposit scheme has been rated FAAA/Stable by CRISIL and MAAA/Stable by ICRA.

CUSTOMER FRANCHISE



















New to Bajaj Customers



Growing Customer cross sell franchise by 20-25% every year...

KEY PORTFOLIO METRICS

Business Segment	AUM					IRR		Ticket (Lacs)	Quarter gone by
	Q2 FY'15	Q3 FY'15	Q4 FY'15	Q1 FY'16	YoY	Range			
2W & 3W finance	3,387	3,437	3,324	3,315	-6%	22.0%	28.0%	0.50	
Consumer durable finance	3,447	4,180	4,163	5,147	48%	24.0%	26.0%	0.29	
Digital product finance	160	267	312	354	250%	24.0%	26.0%	0.28	
Lifestyle product finance	139	165	186	211	77%	24.0%	26.0%	0.52	
Personal loans cross sell	1,928	2,156	2,412	2,741	55%	18.0%	35.0%	1.17	
Salaried personal loans	1,320	1,586	1,891	2,231	101%	14.0%	16.0%	4.50	
Business loans	2,168	2,474	2,461	3,058	64%	18.0%	20.0%	15	
Professional loans	463	532	623	737	80%	15.0%	17.0%	16	
Loan against property	7,765	7,802	8,232	8,424	13%	11.5%	13.0%	175	
Home loans (Self employed)	2,463	2,981	3,071	3,063	20%	10.3%	12.0%	100	
Home loans (Salaried)	633	755	839	938	46%	9.8%	11.0%	36	
Loan against securities	1,207	1,395	1,578	1,516	35%	11.5%	13.0%	200	
SME cross sell	984	1,111	1,233	1,360	62%	10.3%	20.0%	53	
Commercial lending	972	1,075	1,146	1,408	46%	10.5%	12.5%	1500	
Infrastructure lending	514	442	418	398	-24%	12.0%	14.0%	NA	 **
Rural lending	133	234	333	522	587%	15.0%	35.0%	0.40	

** Paused

STRONG DISTRIBUTION REACH

Geographic Presence (No. of branches)

Business Line	FY12	FY13	FY14	FY15	FY16*
Consumer durable branches	82	91	114	161	161
SME business branches	31	57	80	119	146
Rural Branches	-	-	14	50	50
Rural Spokes	-	-	56	182	182
Total Rural locations	-	-	70	232	232

Distribution (Points of sale)

Business Line	FY12	FY13	FY14	FY15	FY16*
Consumer durable	2,800+	3,500+	4900+	7000+	7900+
Digital	-	850+	1600+	2650+	2900+
Non Digital				1150+	1300+
2W-Dealer/ASCs	2,200+	2,600+	2,600+	3,000+	3,000+
SME – Partner	250+	400+	700+	700+	700+
Rural Consumer Durable	-	-	-	1500+	1800+

of New loans disbursed ('000s)

Business Line	FY12	FY13	FY14	FY15	FY16*
Consumer Loans	1,465	1,908	2,450	3,623	1,298
Lifestyle & Digital	-	37	109	374	124
Personal Loans	90	116	137	206	68
2W & 3W	654	736	651	561	141
Rural Finance	-	-	22	131	79
SME/Commercial	12	11	20	30	10
Total	2,221	2,808	3,389	4,924	1,719

**Assets Under Management (₹ Crores)

Business Line	FY12	FY13	FY14	FY15	FY16*	Mix
Consumer Lending	4,979	7,138	9,328	13,202	14,937	42%
SME Lending	5,270	7,750	12,009	15,551	16,642	47%
Commercial Lending	2,858	2,629	2,674	3,324	3,456	10%
Rural Lending	-	-	50	333	522	1%
Total AUM	13,107	17,517	24,061	32,410	35,557	100%

** LAS portfolio regrouped from SME Lending business to Commercial Lending business and Salaried Home Loans portfolio regrouped from SME Lending business to Consumer Lending business 14

* As at/ Year to date for the quarter ending

KEY PERFORMANCE HIGHLIGHTS FOR Q1 FY16

- Profit before tax for Q1 FY16 ↑ 31% to ₹ 422 Crores from ₹ 321 Crores in Q1 FY15
- Profit after tax for Q1 FY16 ↑ 31% to ₹ 276 Crores from ₹ 211 Crores in Q1 FY15.
- Assets Under Management during Q1 FY16 ↑ 32% to ₹ 35,557 Crores from ₹ 26,943 Crores in Q1 FY15.
- Deployments during Q1 FY16 ↑ 25% to ₹ 9,929 Crores from ₹ 7,912 Crores in Q1 FY15. *
- Total income for Q1 FY16 ↑ 33% to ₹ 1,656 Crores from ₹ 1,246 Crores in Q1 FY15.
- New loans acquired during Q1 FY16 ↑ 37% to 17,19,125 from 12,52,294 in Q1 FY15.
- Loan losses and provisions for Q1 FY16 ↑ 24% to ₹103 Crores as against ₹ 83 Crores in Q1 FY15.
- Return on Assets and Return on Equity for Q1 FY16 were 0.9% and 4.9% (not annualized) respectively.
- **Gross NPA and Net NPA** as of 30 June 2015 stood at 1.69% and 0.55% respectively. The provisioning coverage ratio stood at 68% as of 30 June 2015. The Company continues to provide for loan losses in excess of RBI requirements. During the quarter ended 30 June 2015, as required by RBI guidelines, the Company has moved its NPA recognition policy from 180 days over-dues to 150 days over-dues. The comparable 180 day Gross NPA & Net NPA stood at 1.54% and 0.48% respectively.
- **Capital adequacy ratio (including Tier-II capital) stood at 20.72%.** The tier – I capital stood at 17.41%. The Company continues to be well capitalized to support its growth trajectory.

* Gross deployment number is excluding revolving loans viz. Purchase order financing, Loan Against Securities & Retailer financing

SUMMARY FINANCIAL STATEMENT

							₹ in Crores
Financials snapshot	Q1'16	Q1'15	YoY	FY'15	FY'14	YoY	FY'13
Assets under finance (AUF)	34,095	25,642	33%	31,199	22,971	36%	16,744
Assets under management (AUM)	35,557	26,943	32%	32,410	24,061	35%	17,517
Total Interest & fee Income	1,656	1,246	33%	5,418	4,073	33%	3,110
Interest expenses	677	499	36%	2,248	1,573	43%	1,206
Net Interest Income (NII)	979	747	31%	3,170	2,500	27%	1,904
Operating Expenses	454	343	32%	1,428	1,151	24%	850
Loan Losses & Provision	103	83	24%	385	258	49%	182
Profit before tax	422	321	31%	1,357	1,091	24%	872
Income tax	146	110	33%	459	372	23%	281
Profit after tax	276	211	31%	898	719	25%	591
Ratios	Q1'16	Q1'15		FY'15	FY'14		FY'13
Total Opex to NII	46.4%	45.9%		45.1%	46.0%		44.6%
Total Cost to Total Income	27.4%	27.5%		26.4%	28.3%		27.3%
Loan loss to AUF*	0.3%	0.3%		1.2%	1.1%		1.1%
Return on Average AUF*	0.9%	0.9%		3.3%	3.6%		4.1%
Earning per share - Basic (Rs.) *	54.3	42.5		179.9	144.8		135.7
Return on Average Equity *	4.9%	5.1%		20.4%	19.5%		21.9%

* Quarterly numbers are not annualized

MANAGEMENT DISCUSSION

Market Assessment :

- As of June 26, 2015 gross bank credit of scheduled commercial banks amounted to ₹66.59 lac crores registering an increase of 9.27% during the year as against an increase of 12.75% in the previous year. On a sequential basis there was a 2.5% decline in the April-June quarter from March. Stressed assets accounted for 11.1% of loans in the **country's** banking system as of 31 March, the highest since 2002. **PSB's** recorded the highest level of stressed assets at 13.5% of total advances as of March 2015.
- Economic indicators remain subdued. **India's** industrial output grew at a mere 2.7% YoY in May, compared with 4.1% in April, primarily due to weak growth in the manufacturing sector. Consumer durables have recorded de-growth of 3.9% with the overall de-growth in Consumer goods being 1.6%.
- Auto sector showed a growth of 1.57% YoY in April-June quarter. Passenger and commercial vehicles grew by 6.17% and 3.55% respectively. Three wheeler segment de-grew by 6.77% and two wheeler segment grew by a mere 0.64%. Growth in commercial vehicles was majorly due to Medium & Heavy Commercial Vehicles (M&HCVs) segment which registered a growth of 23.23%. Two wheeler growth was largely driven by scooters which registered a YoY increase of 7.25%.
- Housing market inventory levels continued to rise to record levels amid weak sales due to unaffordable prices even after developers offered various discounts and schemes. Homebuyers are waiting for property prices or interest rates on home loans to come down and developers are looking at different ways to drive up sales and clear inventory

MANAGEMENT DISCUSSION (CONTD.)

Business Commentary :

- Overall a strong quarter for the company with robust volume & cross sell momentum and strong credit performance across Consumer & SME businesses despite a weak demand environment.
- **Two Wheeler financing** penetration of Bajaj **Auto's** domestic Two Wheeler sales declined to 28% from 31% in the previous quarter. However, it remained stable on YoY basis. Overall volume for the quarter dropped by 2% (YoY). **Three wheeler financing** penetration of Bajaj **Auto's** domestic Three Wheeler sales in Q1 was at 15%
- **Consumer durable business** had a good quarter disbursing 12.9 lac accounts (31% YOY) in Q1 despite a de-growth in industry sales. Our financing volume growth was led by our continued focus on customer stimulation. '**The Great Indian Summer Festival (TGISF)**' consumer promo was a big success with over 500 customers winning gifts. The IPL cricket tournament helped boost flat panel TV sales where as the extended summer helped increase sales across the Air Conditioner category.
- **Digital finance business** delivered decent growth disbursing 96k accounts (129% YoY) despite intense competitive activity from E-Commerce players. The business continued to deepen relationships with leading manufacturers like Samsung and Apple
- **Lifestyle finance business** disbursed 28k accounts, registering a growth of 92% YoY. The growth in the business was driven by deepening relationships in large corporate accounts as well as extensive distribution expansion during the quarter. We have created a financing model for extending credit to clients buying from un-organized retail market which contributes to 90% of the furniture market. This will help us to grow this business into much larger business in next 2-3 years.
- **Salaried personal loans** business delivered its highest ever disbursement of 636 Crs in a quarter registering a growth of 114% YoY. The business continues to deliver a healthy credit performance. The contribution of the D2C channel has increased to 57% in line with the broader strategy of the business.

MANAGEMENT DISCUSSION (CONTD.)

- **E-Commerce financing business** was launched in the previous quarter with successful tie-up with Flipkart for '**Seller Finance**'. The business disbursed 3.96 Crs across 15 sellers of Flipkart. The business is working to launch its '**Consumer Finance**' program with select E-Commerce companies in the Jul-Sept quarter. The business is also engaging with online retailers like Snapdeal & Amazon to expand its E-Commerce franchise.
- **Cross sell momentum** across Lending and Fee products remained strong. Personal loan (633 Crs), LI (116 Crs), GI (67 Crs), EMI card (4.06 lac), Property Fitness Report (# 298), Financial Fitness Report – Consumer (#10,607) & Financial Fitness Report – SME (#2,780).
- **Rural lending consumer business** continued its excellent momentum in first quarter of 2015-16 aided by strong volume traction in its CD business. The business launched 15 new Branches across the states of Karnataka, Gujarat and Maharashtra during the quarter. With the launch of MSME business during this quarter, the Rural Lending vertical now has a highly diversified product portfolio, offering over 12 products. The business is ready to further expand its rural footprint into the state of Madhya Pradesh in Q2.
- **Business loans** had a strong quarter disbursing 832 Crs with a growth of 44% in Q1. Portfolio performance continues to hold well across all parameters. A decision support system is being launched in Q2 which will improve customer turn around time and substantially bring down cost of credit processing and increase productivity to 1.5X in our assessment.
- **Professional loans continued to grow very well and** disbursed 235 Crs with a value growth of 122% in Q1. Our pre-approved model to Doctors offers one of the finest customer experiences with a very low cost of customer acquisition for the company.

MANAGEMENT DISCUSSION (CONTD.)

- **LAP business** remained in hyper competitive situation as all lenders want to grow this asset class. The management structure in the Mortgages business was realigned in this quarter with the LAP & SE HL businesses being amalgamated with the Business & Professional loans business verticals in order to capitalise on the homogeneity in the customer profile and leverage synergies that would enable us to originate business at half the cost. This would significantly augment our D2C (Direct to Customer) capabilities as a company.
- **Self employed mortgage business** is being largely aligned to existing customer franchise to deliver a low cost sustainable ROE model. Self-Employed & Salaried Home Loan businesses have fully transitioned to the D2C (Direct to Customer) model.
- **LAS business** had a decent quarter. The business is ready to execute its B2B2C strategy where BFL will partner with leading brokerages/banks with an objective to leverage the funding opportunity to their HNI & UHNI customer base. This could potentially grow the business multi-fold in next few years.
- **Commercial Infra business** remained in pause mode due to sectoral stress. Commercial Lending business expanded its offerings in the mid-market client segment through launch of '**Structured Finance business**' and identified 02 new industry verticals of '**FIG**' & '**Light Engineering**' to expand the industry coverage in commercial lending vertical. The '**Auto Component Finance**' business continued to grow well.
- The company launched 02 new **Relationship Management** channels viz. '**Digital Lounge**' and '**IFA**' and rehashed its '**RM**' business channel strategy, as part of its **Wealth & Relationship Management strategy**. The '**RM**' channel delivered a volume of 276 Crs registering a growth of 21% YoY. The '**Digital Lounge**' channel activated 27 customers in first 15 days of launch. The '**IFA**' channel empanelled more than 370 agents of BAGIC & HDFC Life in Q1.
- **Fixed deposits business** garnered 144 Crs of deposits during the quarter, taking the total deposit book to 1,119 Crs. Average deposit size increased to above 3.7 lacs during the quarter with average tenor of above 30 months.

MANAGEMENT DISCUSSION (CONTD.)

- Interest cost for the company continues to remain significantly lower amongst NBFC peers. Borrowing mix of BFL at the quarter end between banks, money markets and retail deposits was 47:49:04. The company over the 1st quarter had maintained a ratio of 42:54:04 between banks, money markets & retail deposits and is back to this position in the month of **July**'15

Awards and Recognitions :

- The company was recognized amongst the Best Companies to work for in the country by the '**Great** Places to Work **Institute**' for the 3rd year in a row. The company moved up seven places from last year and was recognized as the 16th Best Employer to work for in India. The company also moved up one place in the BFSI category to now be ranked as the 2nd Best Company to work for in this space in the country behind only American Express India.

*List of Top 16 GPTW Awardees:-

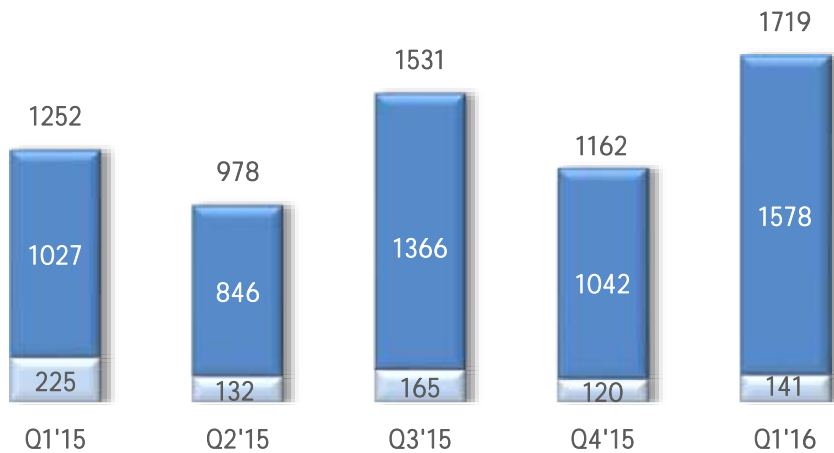
Rank	Companies	Rank	Companies
1	RMSI Pvt. Ltd.	9	Forbes Marshall Pvt. Ltd.
2	Google India Pvt. Ltd.	10	Lifestyle International Pvt. Ltd.
3	Marriott Hotels India Pvt. Ltd.	11	DHL Express (India) Pvt. Ltd.
4	American Express India	12	Hyatt Hotels & Resorts
5	SAP Labs India	13	Lupin Ltd.
6	Godrej Consumer Products Ltd.	14	Federal Express Corporation
7	Intuit Technology Services Pvt. Ltd.	15	Teleperformance India
8	Accor Hotels India	16	Bajaj Finance Limited

FINANCIAL PERFORMANCE TRENDS Q1 FY16

of Loans Disbursed ('000)

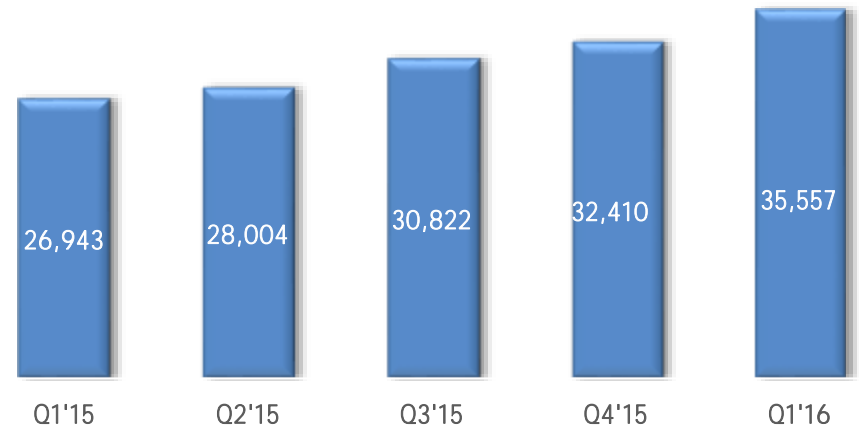
↑ 37% YoY

■ 2 Wheelers ■ Others



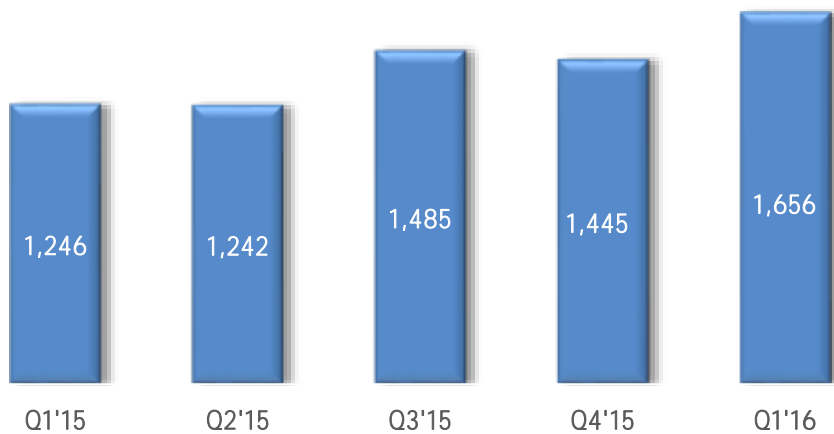
AUM (₹ Crore)

↑ 32% YoY

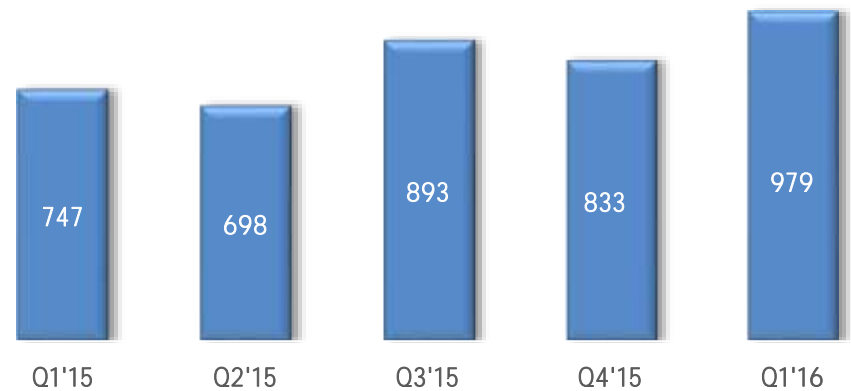


Revenue (₹ Crore)

↑ 33% YoY

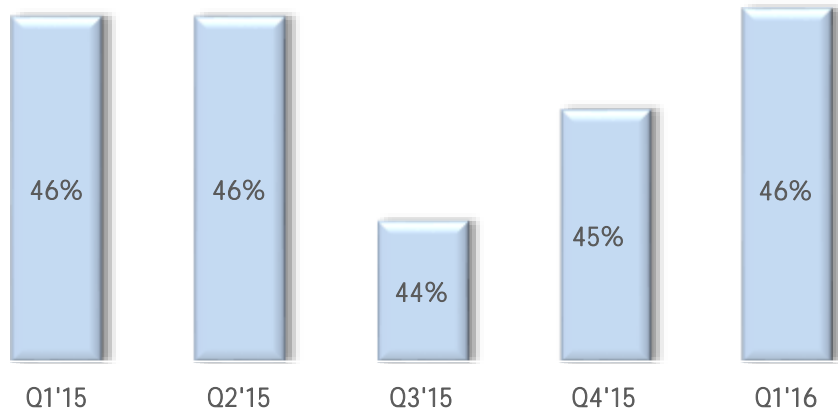


Net Interest Income (NII) (₹ Crore) ↑ 31% YoY



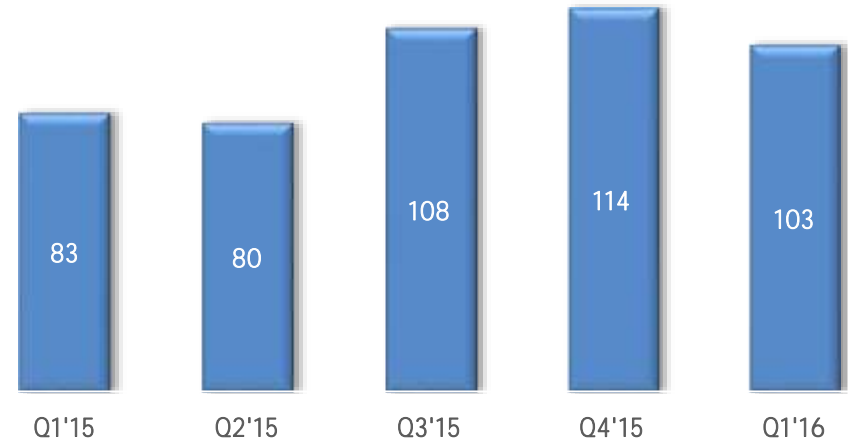
FINANCIAL PERFORMANCE TRENDS Q1 FY16

Operating expenses % of NII

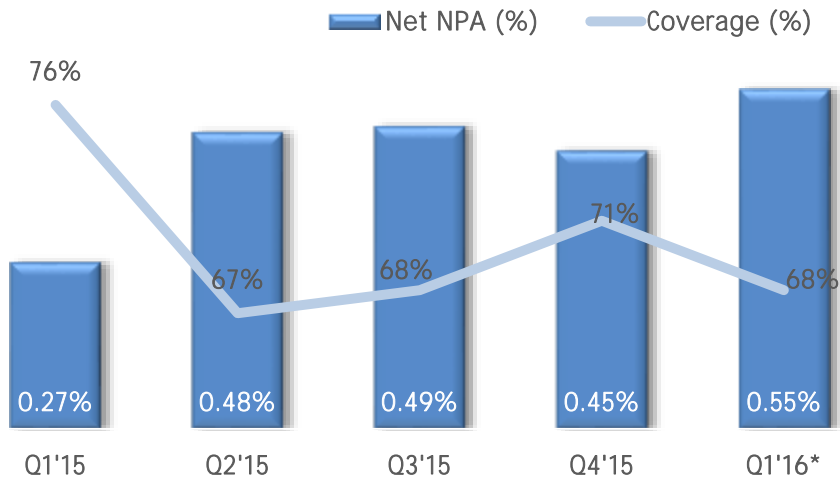


Loan loss provision (Crore)

↑ 24% YoY

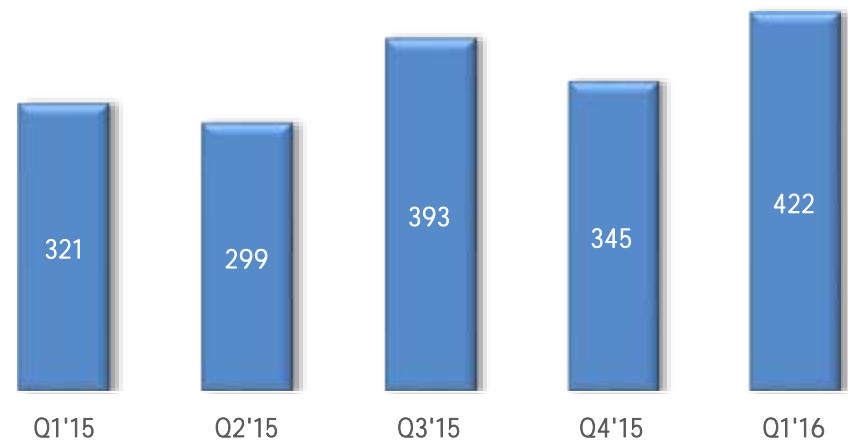


Net NPA & Provisioning coverage



Pre Tax Profit (₹ Crore)

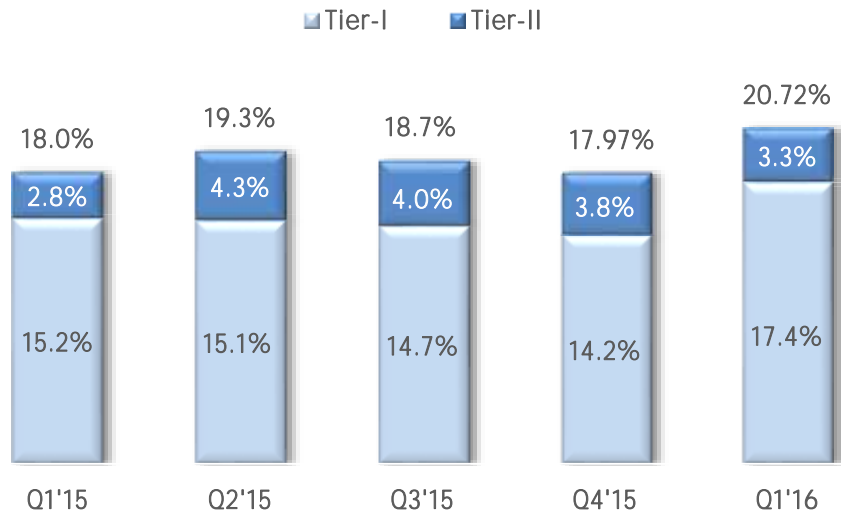
↑ 31% YoY



*The net NPA & provisioning coverage numbers for Q1FY16 are at 150 days over-dues while the same for previous quarters are at 180 days over-due.

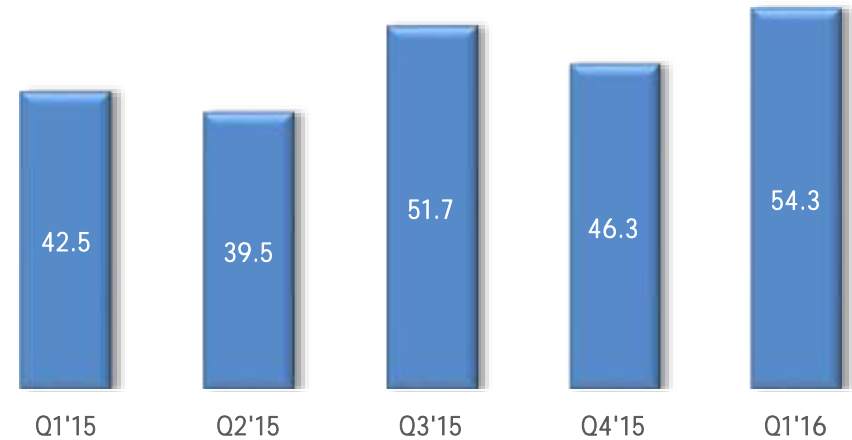
FINANCIAL PERFORMANCE TRENDS Q1 FY16

Capital adequacy ratio

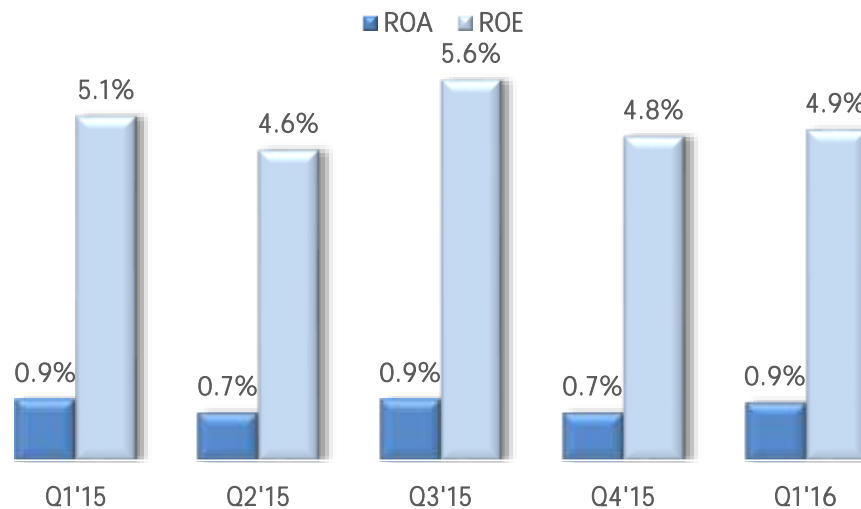


Earnings per share – Basic (₹)

↑ 28% YoY

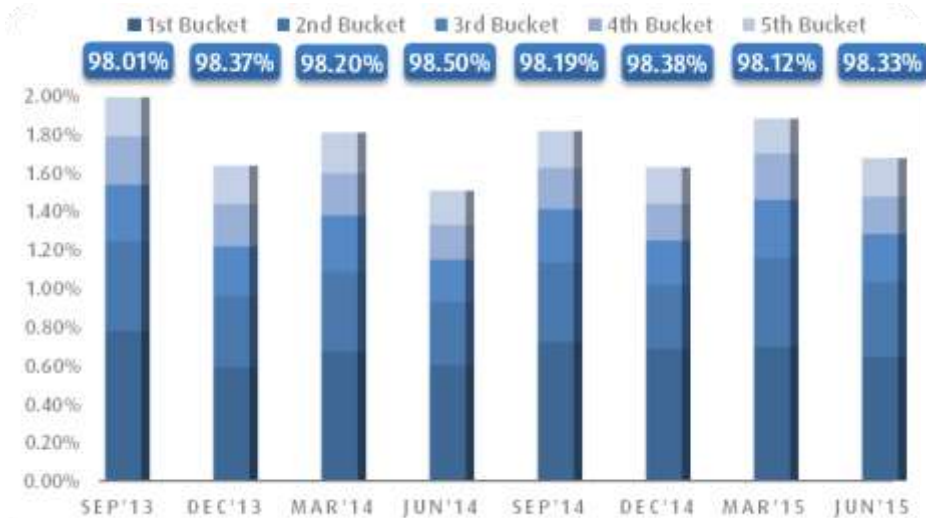


Return on avg. assets under finance & Equity



CREDIT QUALITY – PORTFOLIO COMPOSITION

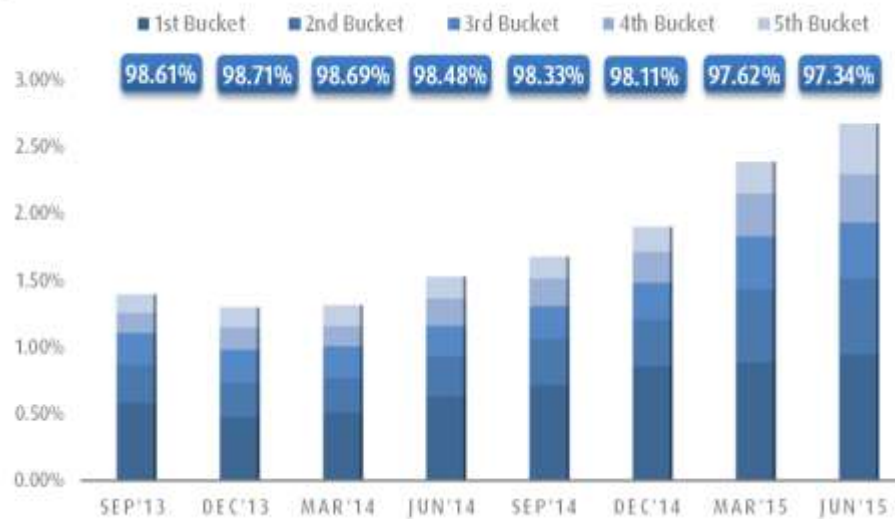
Consumer durable loan portfolio



Two & Three wheeler loan portfolio



Lifestyle & Digital finance loan portfolio



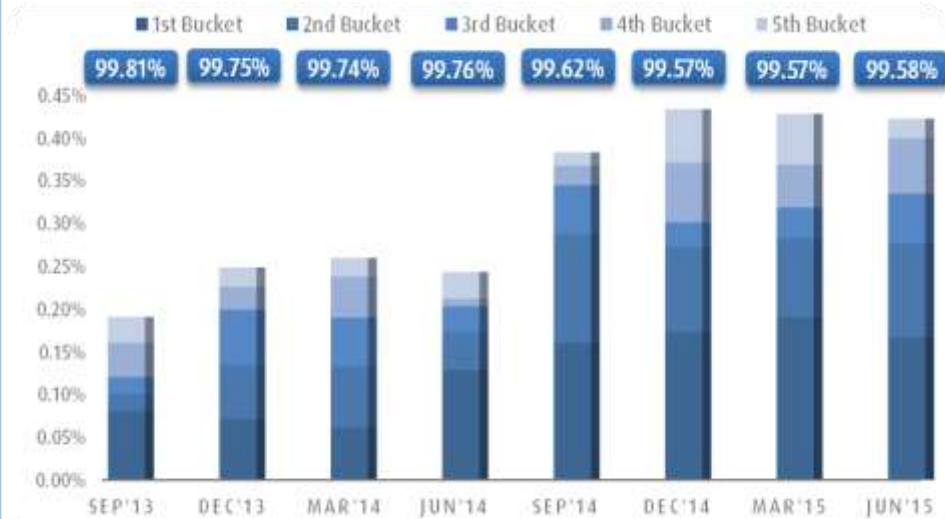
Legends indicate customers who are current/ no dues as of the month.

CREDIT QUALITY – PORTFOLIO COMPOSITION

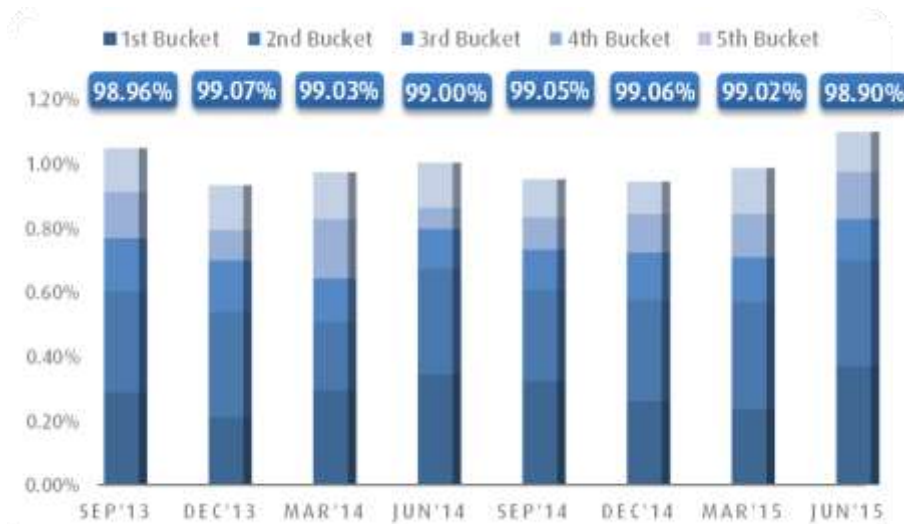
Personal loan cross sell portfolio



Salaried personal loan portfolio



Small business loan portfolio



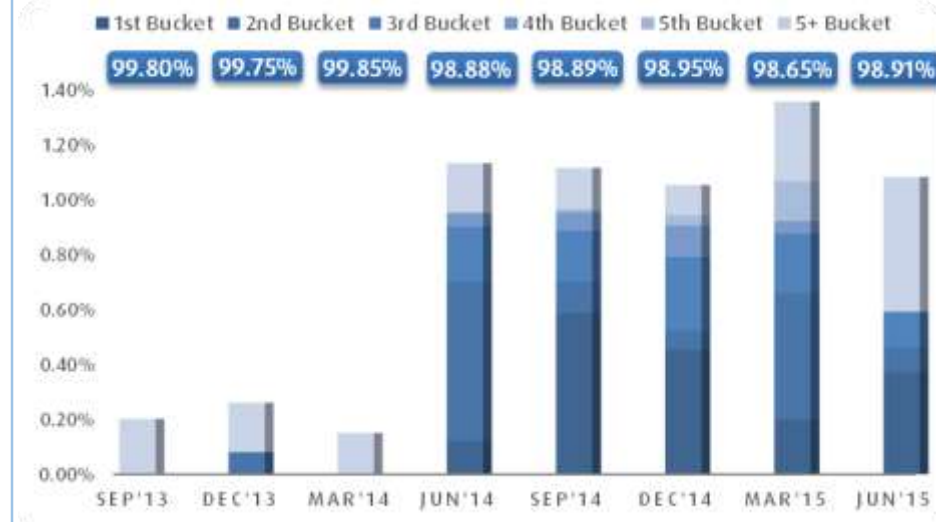
Legends indicate customers who are current/ no dues as of the month.

CREDIT QUALITY – PORTFOLIO COMPOSITION

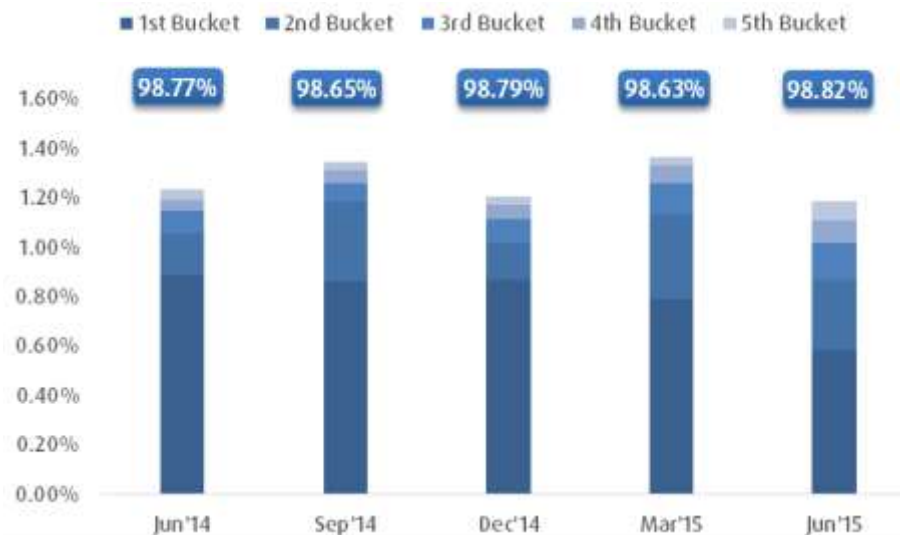
Loan against property portfolio



Home loan portfolio



Rural Lending portfolio



Legends indicate customers who are current/ no dues as of the month.

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BAJAJ FINANCE LIMITED

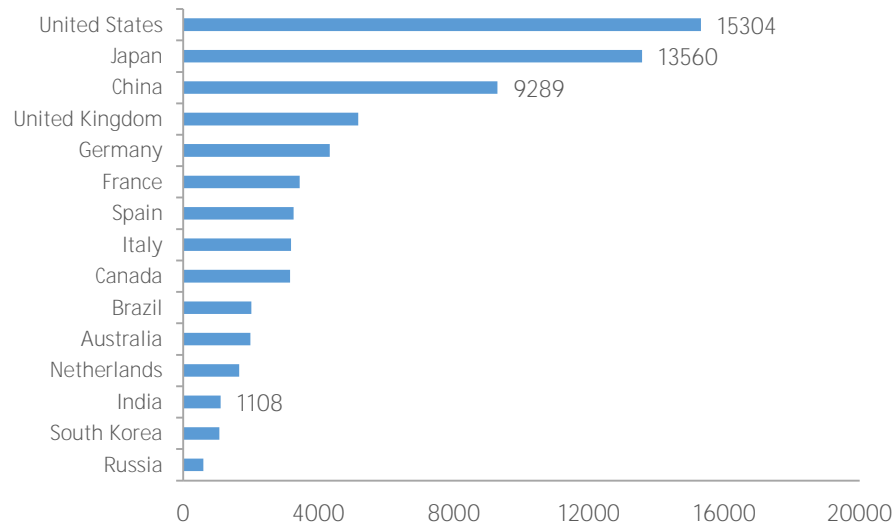
Q1 FY16 Presentation

THANK YOU

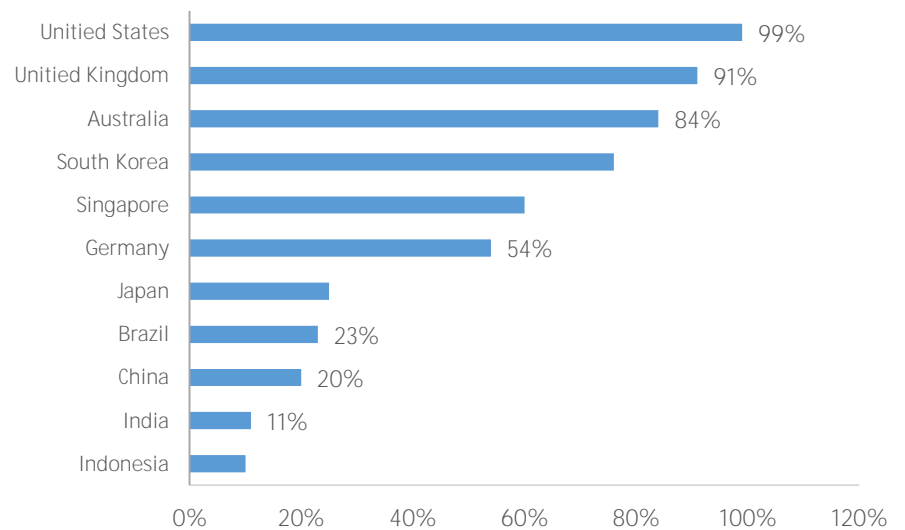
ANNEXURE

LENDING INDUSTRY OPPORTUNITY

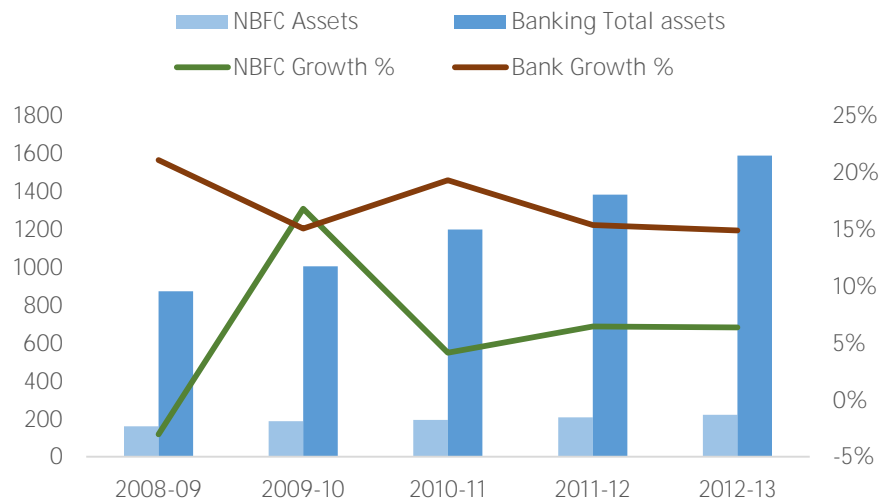
India vs. Advanced Economies – Banking Assets (\$ Bn)



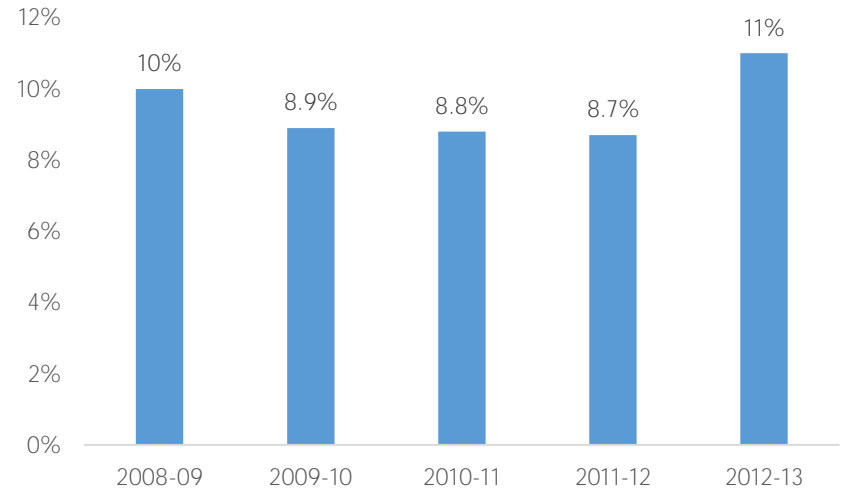
India vs. Advanced Economies - Consumer Debt/GDP (%)



India - Banks & NBFC Assets (US\$ Bn)



India – Consumer Debt/GDP (%)



A FEW INITIATIVES IN THE LAST 24 MONTHS...

- 1 One customer view
- 3 Last mile connectivity through cloud platform at 7000+ retailers
- 5 Low ticket high velocity collection capability (~250K accounts per month)
- 7 Flexi Loan to SME customers – Flexibility to prepay & withdraw
- 9 Centre of Excellence for Analytics across Sales, Pricing, Risk, Marketing, Collection & Service
- 11 Property Fitness Report (Property Dossier)
- 13 Dedicated Digital Finance business carved out

- 2 EMI Card : Loan approval from 3 min in last 6 years to 03 sec.
- 4 Work flow based underwriting for SME businesses on cloud.
- 6 Direct cash collection model for unbanked rural customers
- 8 **India's** only E2E online salaried personal loan and business loan
- 10 98% customer resolution in 02 working days
- 12 **'Best Employer' awards by GPTW & Aon Hewitt 3 years in a row**
- 14 Launched MSME rural lending business

PRODUCT PER CUSTOMER (PPC)

Product per Customer (PPC) is a measure of cumulative products bought by a customer over his/her lifetime.

Retail

Products offered	PPC Benchmark	PPC (12 MOB)	PPC (18 MOB)	PPC (24 MOB)
16	3	2.34*	2.48*	2.56*

Product offerings – Retail

Loan Products

- Consumer durable finance, Digital finance, Lifestyle finance, Personal Loan, Salaried Personal Loans, Salaried Home Loans

Fee Products

- EMI Card, Credit Card, EMI Card – Preferred, Life Insurance, Health Insurance, Mutual Fund, Fixed Deposit, Extended Warranty Insurance, Credit Vidya, Retail Financial Fitness report

SME

Products offered	PPC Benchmark	PPC (12 MOB)	PPC (18 MOB)	PPC (24 MOB)
14	5	2.93*	3.17*	3.39*

Product offerings – SME

Loan Products

- Business loans, Loan against property, Home loans, Construction equipment loans, Loan against securities

Fee Products

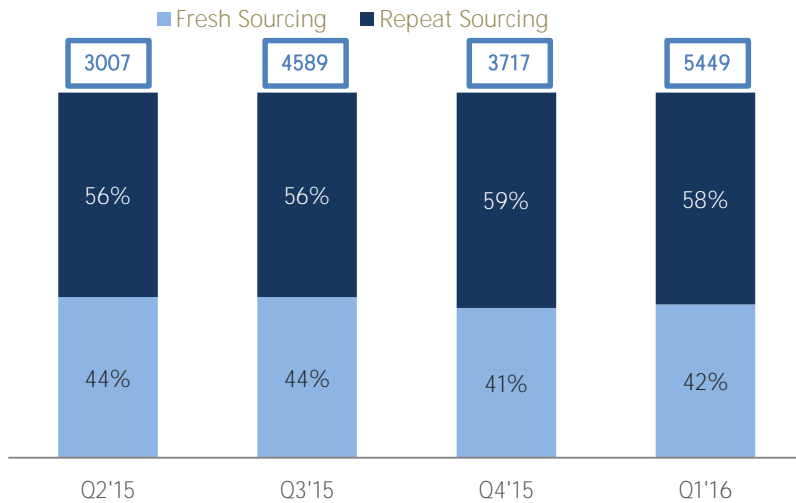
- EMI Card, EMI Card – Preferred, Life Insurance, Health Insurance, Mutual Fund, CRISIL ratings, Property search services, Property fitness report, SME financial fitness report

* Base product is included in the PPC calculation

* PPC does not include short tenor & renewable loans (viz. PO, LAS & Retailer finance), TW, infra and Rural lending sourcing

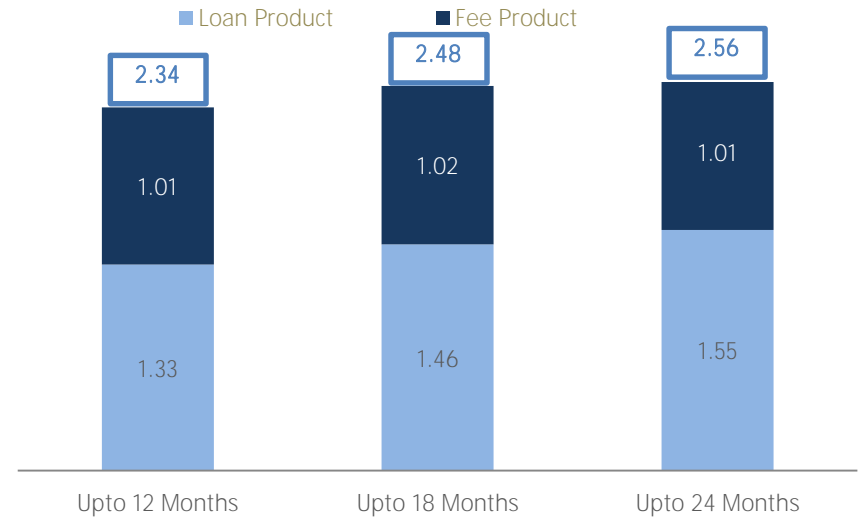
PRODUCT PER CUSTOMER (PPC)

Disbursed Value (₹ Crore) – Fresh v/s Repeat Mix



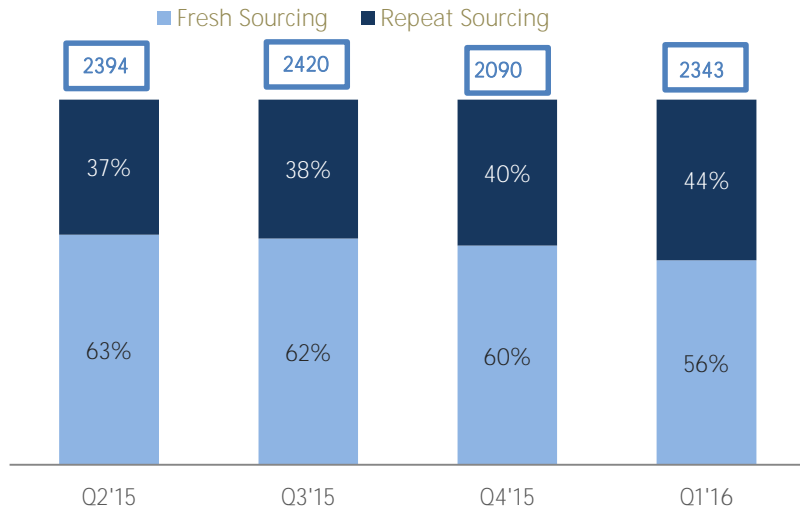
Retail

Product Per Customer (PPC)

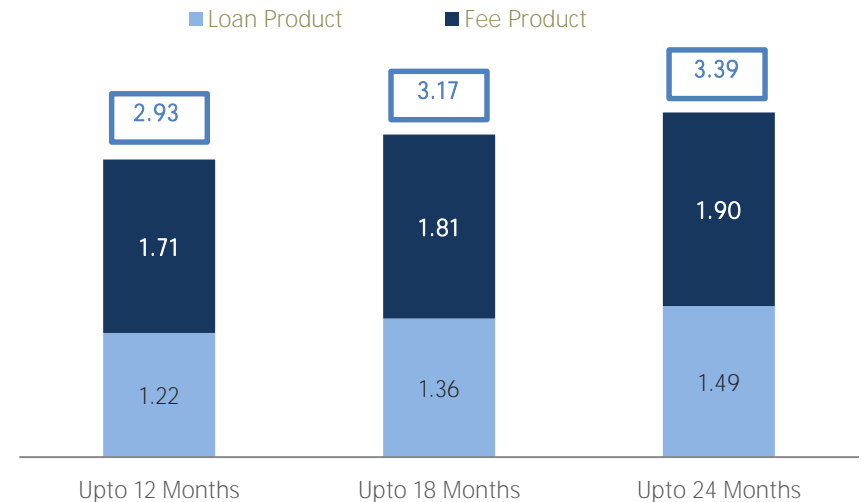


SME

Disbursed Value (₹ Crore) – Fresh v/s Repeat Mix



Product Per Customer (PPC)



* Base product is included in the PPC calculation

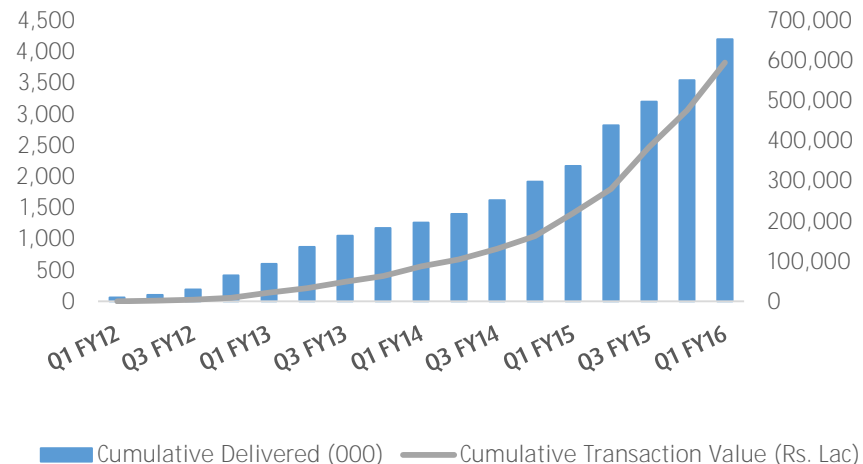
* PPC does not include short tenor & renewable loans (viz. PO, LAS & Retailer finance), TW, Infra and Rural lending sourcing

EMI CARD FRANCHISE

What is EMI Card

- EMI Card refers to Existing Member Identification Card.
- The EMI card can be used to purchase consumer durables & lifestyle products, by availing a loan from BFL without any documents.
- Customers simply have to Swipe & Sign to buy using an EMI card.
- Total volume for **Q1'FY16** – 4,06,795
- Average line assigned per EMI card (Amount in Rs):
 - Per issued card – 71,863
 - Per active card – 73,428
- Activation rate of delivered EMI cards:
 - 0-6 MOB- 17%, 0-9 MOB – 22%, 0-12 MOB - 27%

Progress till date



Key milestones

- Launch of EMI Card Pilot: **May 2011**
- 1 Lac Transactions Milestone: **June 2012**
- 1 Mn Cards Milestone: **November 2012**
- EMI Card New Design Launch: **July 2013**
- 5 Lac transactions milestone: **October 2013**
- 1.5 Mn Cards Delivered Milestone: **November 2013**
- 2.4 Lac Transactions in single month : **Oct 2011**
- 3 Mn Cards Delivered Milestone : **Nov 2014**
- 15 lac Transactions Milestone : **Nov 2014**
- 1 Mn Active cards milestone crossed : **Feb 2015**
- First co-branded card launched with Vijay Sales : **May 2015**

EMI Card Old & New design

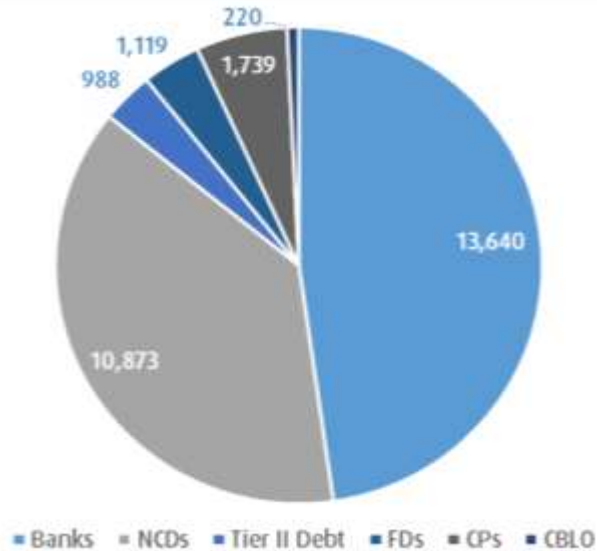


Old EMI Card design (May 2011 to June 2013)

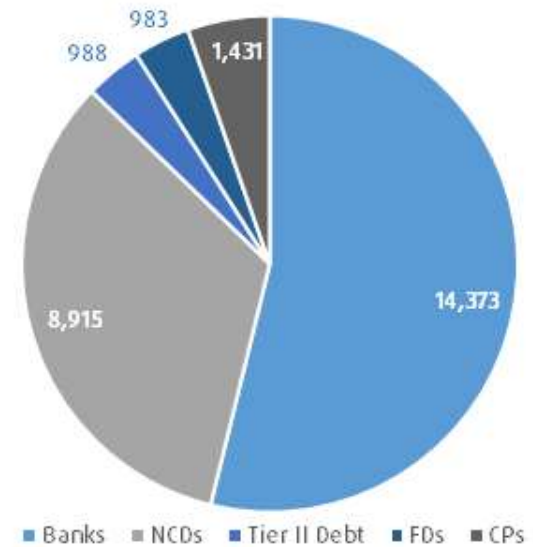
New EMI Card design (July 2013 onwards)

ALM STRATEGY

Borrowings – June '15 (₹ 28,579 Crs)



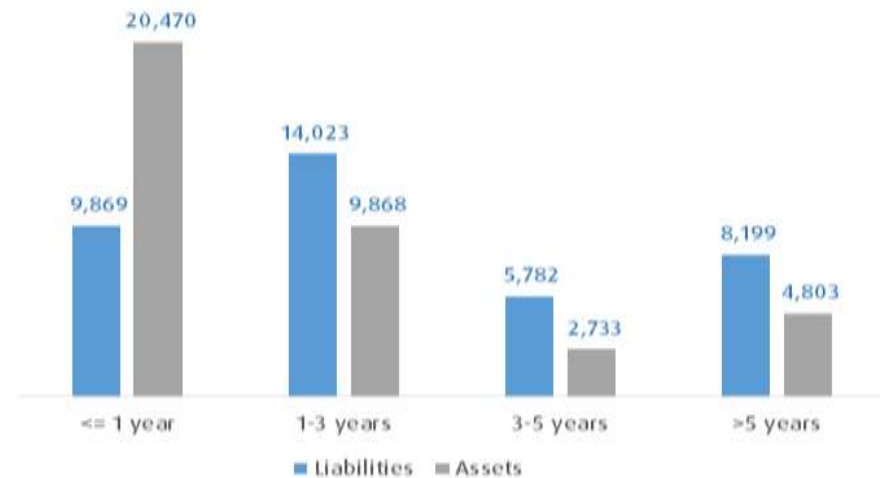
Borrowings – March '15 (₹ 26,691 Crs)



Loan Book (₹ Crs)



Behaviouralised ALM (₹ Crs)



NPA PROVISIONING STANDARDS

Bajaj Finance provides a general provision of 0.40% on all standard assets (0.50% on Mortgages) against RBI's requirement of 0.25% (from FY16 0.30%)

Consumer Finance provision coverage

- Consumer Durables :
 - 3-5 Bucket - 75%
 - Above 5 - 100%
- 2 and 3 Wheeler :
 - 3 – 5 Bucket – 30%
 - 6 - 12 Bucket - 60%
 - Above 12 - 100%
- Personal Loan Cross Sell :
 - 3 - 5 Bucket - 55%
 - Above 5 - 100%
- Salaried Personal Loan :
 - 3 - 5 Bucket - 70%
 - Above 5 - 100%

SME Finance provision coverage

- Home Loan / Loan against Property :
 - 4-5 Bucket - 15%
 - 6–12 Bucket - 25%
 - 13-18 Bucket – 40%
 - 18-24 Bucket – 60%
 - Above 24 - 100%
- Working Capital Loans :
 - 3-5 Bucket – 70%
 - Above 5 – 100%
- Loan against Securities :
 - Above 5 - 100%

Commercial Lending provision coverage

- Construction Equipment Finance :
 - 4 -5 Bucket - 15%
 - 6 - 9 Bucket - 30%
 - 10 - 12 Bucket - 60%
 - Above 12 - 100 %
- Auto Component Finance :
 - 6 – 12 Bucket – 10%
 - 12 – 18 Bucket – 20%
 - 18 – 24 Bucket – 30%
 - Above 24 – 100%
 - Graded provision on secured portfolio

Bajaj Finance provisioning standards are substantially stringent than RBI norms applicable for **NBFC's**.