



# BAJAJ FINANCE LIMITED

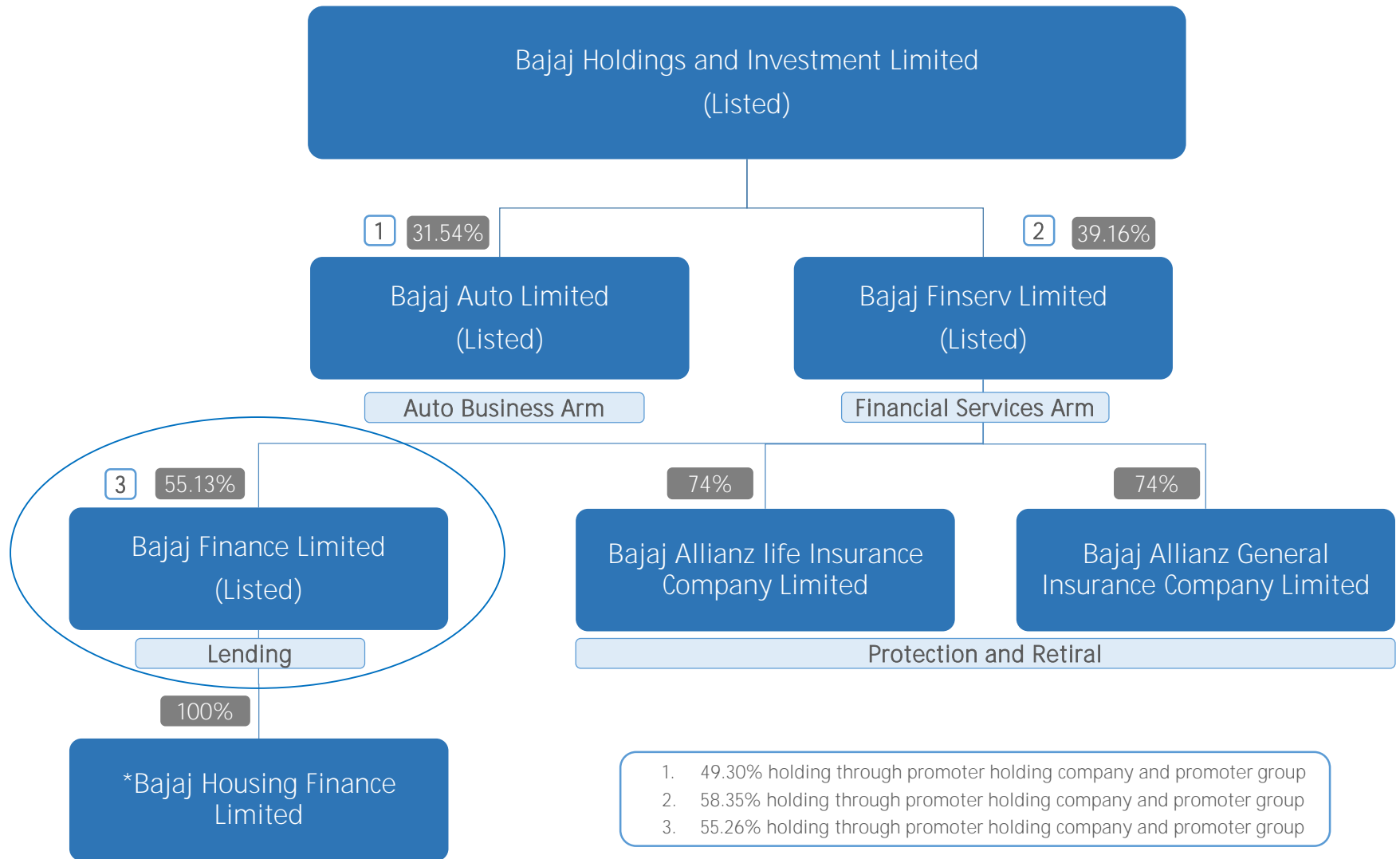
## Q2 FY18 Presentation

16 October 2017

# PRESENTATION PATH

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# BAJAJ GROUP STRUCTURE



Above shareholding is as of 30 September 2017

\*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 30 year old non bank finance company
- Diversified Consumer, SME, Rural & Commercial lender in India
- Credit rating is AAA/Stable by CRISIL, India Ratings, CARE Ratings and ICRA
- Credit rating for Short Term Debt Program is A1+ by CRISIL, ICRA & India Ratings
- 471 urban locations and 560 rural locations with over 51,400+ distribution points
- Large customer franchise of 22.99 MM
- 3.23 MM new loans acquired in Q2 FY18



Bajaj Allianz General Insurance Company

- 2nd largest private General insurer in India as of FY17
- Offers a wide range of General insurance products across retail and corporate segments
- Highest profit after tax among private players in FY17. ROE of 23% in FY17
- Combined ratio of 96.8% in FY17
- Recognized in the market for claims servicing
- FY17 PAT of ₹ 728 crores



Bajaj Allianz Life Insurance Company

- Amongst top 5 private players as of FY17 on new business
- Deep pan India distribution reach
- Diversified distribution mix consisting of agency, bancassurance, other partners, direct etc.
- AUM of over 49K crores as of FY 17
- Net worth of ₹ 8,476 cr as of 31st March 2017
- One of the most profitable private life insurers in India.
- FY17 PAT of ₹ 836 Crs

# WHAT DO WE STAND FOR

“Non bank with strategy & structure of a bank”

“Focused on mass affluent & above clients with a strategy to cross sell”

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

“Business construct to deliver a sustainable ROA of 3% and ROE of 18-20% in the medium term”

“Focused on continuous innovation to transform customer experience to create growth opportunities...”

# KEY STRATEGIC DIFFERENTIATORS

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

Overall franchise of 22.99 MM and Cross sell client base of 13.21 MM

Strong focus on cross selling assets, insurance and wealth products to existing customer

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

Diversified lending strategy

AUM mix for Consumer : SME : Commercial : Rural stood at 46.9% : 33.4% : 13.3% : 6.4%

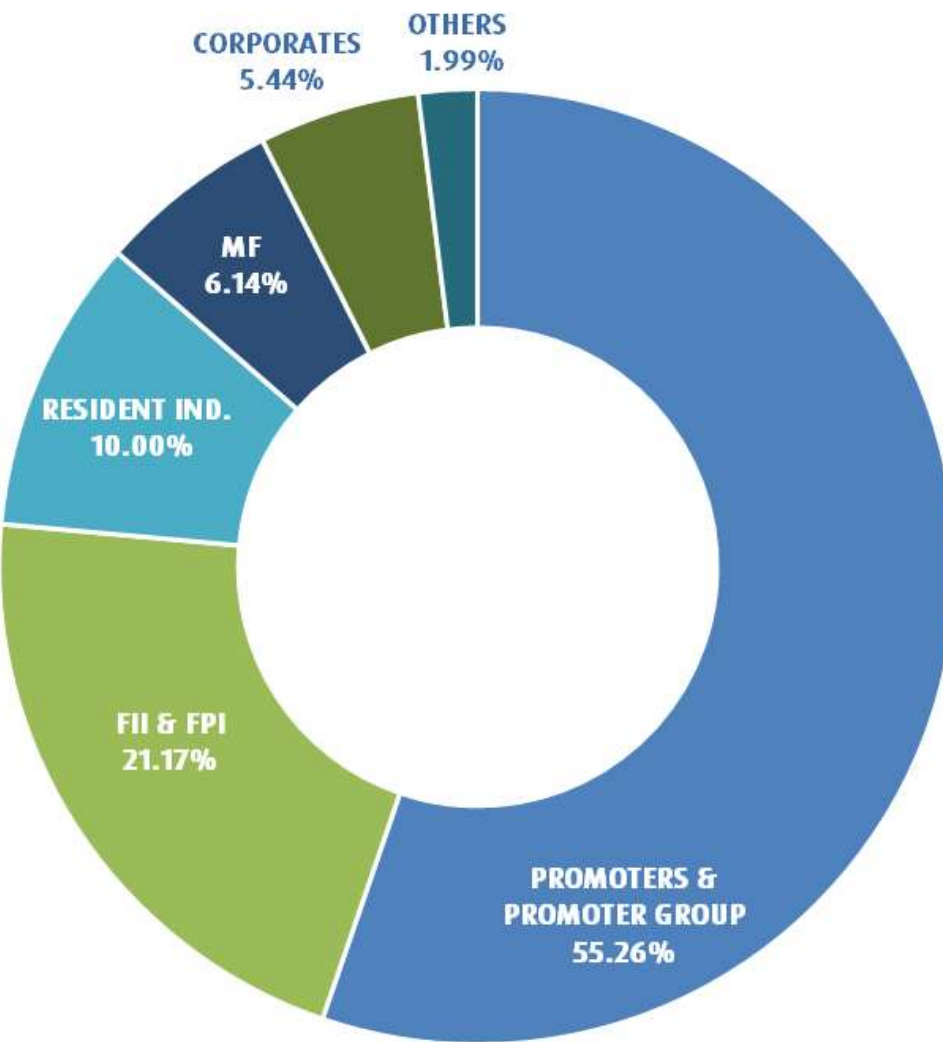
Highly agile & highly innovative

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

Deep investment in technology and analytics

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

# BAJAJ FINANCE – SHAREHOLDER PROFILE



## Top 20 investors & their holdings

S.No	Name of Shareholder	As on 31 Mar'17	As on 30 Sep'17
1	BAJAJ FINSERV LTD	57.80%	55.13%
2	GOVERNMENT OF SINGAPORE	2.56%	3.99%
3	MAHARASHTRA SCOOTERS	3.45%	3.29%
4	SMALLCAP WORLD FUND, INC	1.11%	1.06%
5	NEW HORIZON OPPORTUNITIES MASTER FUND	0.89%	0.84%
6	AXIS MUTUAL LONG TERM EQUITY FUND	0.82%	0.69%
7	NEW WORLD FUND INC.	0.55%	0.61%
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND	0.49%	0.50%
9	MOTILAL OSWAL MULTICAP FUND	0.43%	0.47%
10	BIRLA SUN LIFE FRONTLINE EQUITY FUND	0.34%	0.46%
11	STEADVIEW CAPITAL MAURITIUS LTD.	0.39%	0.44%
12	NOMURA INDIA INVESTMENT MOTHER FUND	-	0.37%
13	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0.36%	0.36%
14	WF ASIAN SMALLER COMPANIES FUND	0.36%	0.34%
15	ISHARES INDIA INDEX MAURITIUS COMPANY	0.36%	0.34%
16	HDFC TRUSTEE COMPANY LTD-MID CAP FUND	0.34%	0.33%
17	GOLDMAN SACHS INDIA LTD.	0.39%	0.32%
18	BFL EMPLOYEE WELFARE TRUST	0.56%	0.31%
19	KOTAK SELECT FOCUS FUND	0.29%	0.28%
20	BNY MELLON TRUST AND DEPOSITARY LTD.	0.19%	0.27%

# FINANCIAL SNAPSHOT

Financials snapshot	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	YoY	CAGR
											FY16 – FY17	(10 years)
Assets under management	2,478	2,539	4,032	7,573	13,107	17,517	24,061	32,410	44,229	60,194	36%	43%
Income from operations	503	599	916	1,406	2,172	3,110	4,073	5,418	7,333	9,989	36%	39%
Interest expenses	170	164	201	371	746	1,206	1,573	2,248	2,927	3,803	30%	41%
Net Interest Income (NII)	332	435	715	1,035	1,426	1,904	2,500	3,170	4,406	6,186	40%	38%
Operating Expenses	193	220	320	460	670	850	1,151	1,428	1,898	2,564	35%	33%
Loan Losses & Provision	109	164	261	205	154	182	258	385	543	804	48%	25%
Profit before tax	30	51	134	370	602	872	1,091	1,357	1,965	2,818	43%	66%
Profit after tax	21	34	89	247	406	591	719	898	1,279	1,837	44%	65%
Ratios	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17		
Opex to NII	58.1%	50.6%	44.8%	44.4%	47.0%	44.6%	46.0%	45.0%	43.1%	41.4%		
Return on assets	0.9%	1.4%	2.8%	4.4%	4.2%	4.1%	3.6%	3.3%	3.5%	3.7%		
Return on equity	2.0%	3.2%	8.0%	19.7%	24.0%	21.9%	19.5%	20.4%	20.9%	21.6%		
Earning per share (Basic) - ₹	0.56	0.93	2.42	6.75	11.08	13.57	14.48	17.99	24.23	34.01		
Net NPA	7.05%	5.50%	2.20%	0.80%	0.12%	0.19%	0.28%	0.45%	*0.28%	**0.44%		
NPA provisioning coverage	29%	32%	55%	79%	89%	83%	76%	71%	77%	74%		

As per the RBI regulations, NBFCs were required to transition to 5 months overdue by March 2016 and 4 months overdue by March 2017. Hence NPA numbers are not comparable

\*The net NPA & provisioning coverage numbers for FY16 are at 5 months overdue while the same for previous years are at 6 months overdue

\*\*The net NPA & provisioning coverage numbers for FY17 are at 4 months overdue

^ EPS numbers adjusted for bonus and split



# BAJAJ FINANCE LIMITED PRODUCT SUITE

Consumer	SME	Commercial	Rural	Deposits	Partnerships and services
<ul style="list-style-type: none"> <li>• Consumer Durable Loans</li> <li>• Digital Product Loans <sup>(1)</sup></li> <li>• Lifestyle Product Loans</li> <li>• EMI Cards</li> <li>• EMI cards - Retail Spend Financing</li> <li>• 2-Wheeler &amp; 3-Wheeler Loans</li> <li>• Personal Loan Cross-Sell</li> <li>• Salaried Personal Loans <sup>(1)</sup></li> <li>• Salaried Home Loans <sup>(1)</sup></li> <li>• E-Commerce - Consumer Finance</li> <li>• Retailer Finance</li> <li>• Loan against property to Salaried</li> <li>• Urban Gold Loans</li> </ul>	<ul style="list-style-type: none"> <li>• Unsecured Working Capital Loans <sup>(1)</sup></li> <li>• Loans to Professionals <sup>(1)</sup></li> <li>• Loan Against Property</li> <li>• Home Loans to Self Employed</li> <li>• Lease Rental Discounting</li> <li>• SME Cross-Sell (SE-Magnus)</li> <li>• Developer Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Securities Lending</li> <li>• Large Value Lease Rental Discounting</li> <li>• Vendor Financing</li> <li>• Financial Institutions Lending</li> <li>• Light Engineering Lending</li> <li>• Corporate Finance Loans</li> <li>• Warehouse Financing</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer Durable Loans</li> <li>• Digital Product Loans</li> <li>• Personal Loans Cross Sell</li> <li>• Salaried Personal Loans</li> <li>• Gold Loans</li> <li>• Unsecured Working Capital Loans</li> <li>• Loans to Professionals</li> <li>• Loans Against Property</li> <li>• Home Loans</li> </ul>	<ul style="list-style-type: none"> <li>• Retail Term Deposits</li> <li>• Corporate Term Deposits</li> </ul>	<ul style="list-style-type: none"> <li>• Life Insurance Distribution</li> <li>• General Insurance Distribution</li> <li>• Co-Branded Credit Card</li> <li>• Co-Branded Wallet</li> <li>• Financial Fitness Report</li> </ul>

(1) Also available through digital channels

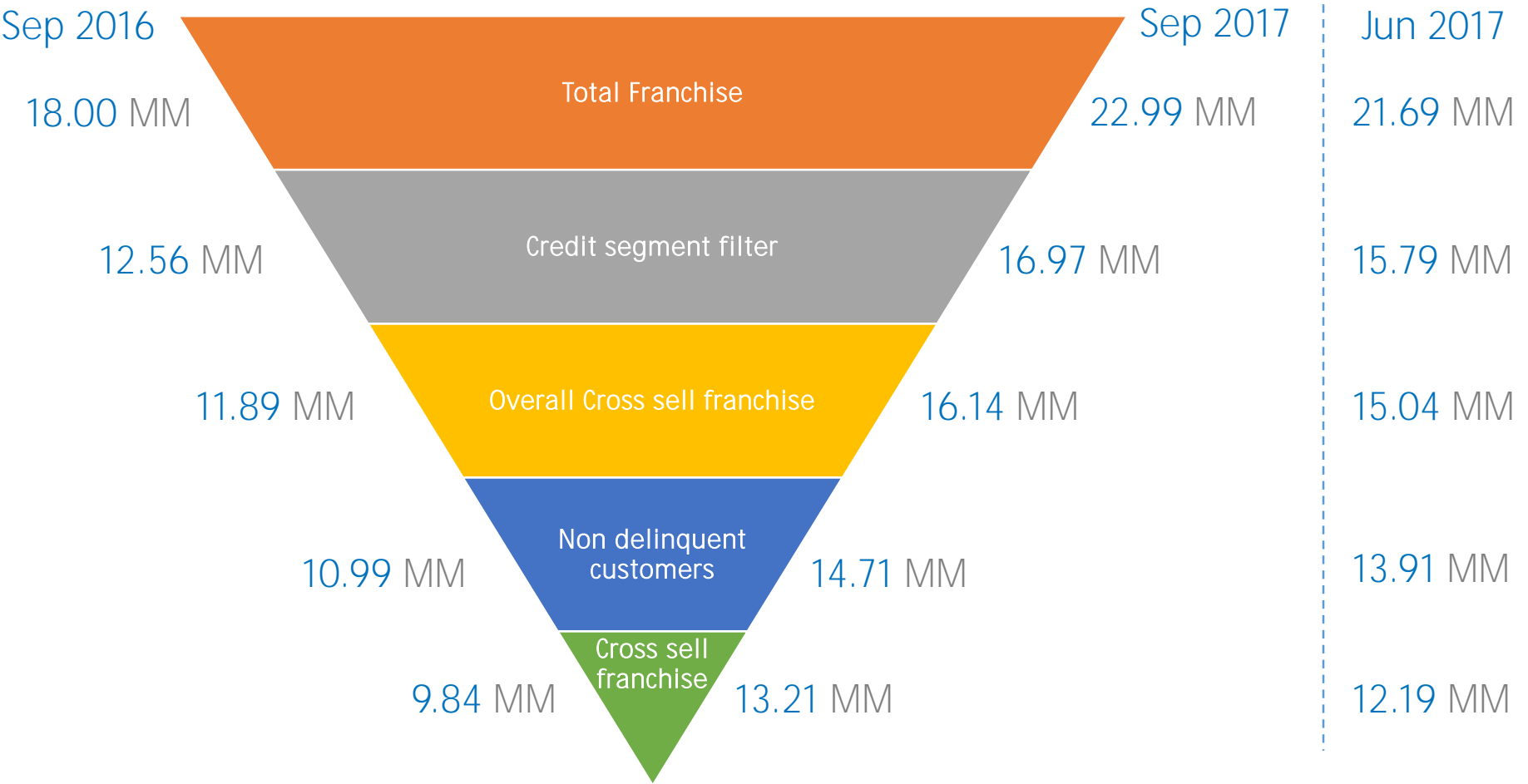
# EXECUTIVE SUMMARY

Bajaj Finance	<ul style="list-style-type: none"><li>• 30 year old non bank with a demonstrated track record of profitability</li><li>• Focused on Consumer, Rural, SME &amp; Commercial lines of businesses</li><li>• AUM mix for Consumer : SME : Commercial : Rural stood at 46.9% : 33.4% : 13.3% : 6.4%</li><li>• Strategic business unit organization design supported by horizontal common utility functions to drive domain expertise, scalability and operating leverage</li><li>• Strategy is to focus on cross sell, customer experience and product &amp; process innovations to create a differentiated &amp; profitable business model</li><li>• The company has ₹ 72,139 Crs of Assets Under Management with a net NPA of 0.51% (3 months overdue) and a capital adequacy of 25.42% as of 30 Sep 2017. The company in Q2 FY18 has delivered a post tax profit of ₹ 557 Crs which is a 37% growth at an ROA of 0.8% and ROE of 4.4% (not annualised)</li></ul>
Consumer business	<ul style="list-style-type: none"><li>• <b>Two wheeler financing business contributed to 25% of Bajaj Auto's domestic two wheeler sales in Q2 FY18 and disbursed 146K accounts. Three wheeler financing business contributed to 26% of Bajaj Auto's three wheeler sales in Q2 FY18 and disbursed 21K accounts</b></li><li>• Present in 471 locations with 46,000+ active distribution point of sale</li><li>• Largest consumer electronics, digital products &amp; furniture lender in India</li><li>• Amongst the largest personal loan lenders in India</li><li>• EMI (Existing Membership Identification) Card franchise crossed 10.2* MM cards (CIF)</li><li>• Bajaj Finance Limited and RBL Bank co-branded credit card CIF stood at 135K as of 30 Sep 2017</li><li>• Amongst the largest new loans acquirers in India (3.23 MM in Q2 FY18)</li></ul>
Rural business	<ul style="list-style-type: none"><li>• Highly diversified lender in the rural locations offering 9 loan products in consumer and MSME business categories with a unique hub and spoke business model</li><li>• Geographic presence across 560 towns and villages with retail presence across 6,900+ stores</li></ul>

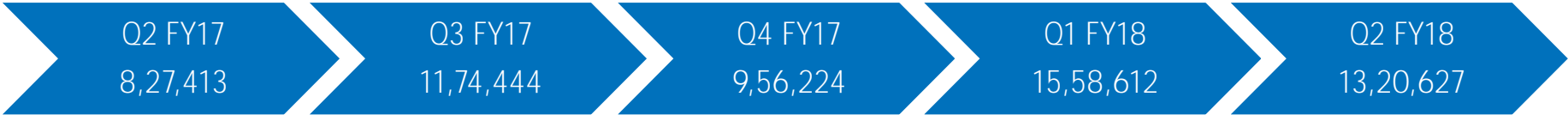
# EXECUTIVE SUMMARY (CONTD.)

SME Business	<ul style="list-style-type: none"><li>• Focused on affluent SMEs with an average annual sales of ₹ 10-12 Crores with established financials &amp; demonstrated borrowing track records</li><li>• Offer a range of working capital &amp; growth capital products and mortgage (Loan against property, Lease Rental Discounting &amp; Home Loans) products to SME &amp; self employed professionals</li><li>• Offer full range of growth &amp; working capital lending products to professionals (doctors, CAs &amp; engineers)</li><li>• Dedicated SME Relationship Management strategy to provide wide range of cross sell products to SME franchise</li><li>• Mortgage product strategy is to sell to existing customers only</li></ul>
Commercial business	<ul style="list-style-type: none"><li>• Offer wholesale lending products covering short, medium and long term needs of Auto component &amp; Light Engineering companies and Financial institutions in India</li><li>• Offer a range of structured products collateralized by marketable securities or mortgage</li></ul>
Treasury	<ul style="list-style-type: none"><li>• Strategy is to create a balanced mix of wholesale and retail borrowings</li><li>• <b>The company's total borrowings stood at ₹ 52,891 Crs</b> with a mix of 30 : 60 : 10 between banks, money markets and deposits as of 30 Sept 2017</li></ul>
Credit Quality	<ul style="list-style-type: none"><li>• Gross NPA and Net NPA as of 30 Sep 2017 stood at 1.68% and 0.51% respectively. The comparable Gross &amp; Net NPA on 4 months overdue stood at 1.44% &amp; 0.40% respectively as against 1.58% &amp; 0.43% respectively as of 30 Sep 2016</li><li>• Provisioning coverage ratio stood at 70% as of 30 Sep 2017.</li></ul>
Credit Rating	<ul style="list-style-type: none"><li>• Credit rating for Long Term Debt Program is AAA/Stable by CRISIL, ICRA, CARE &amp; India Ratings</li><li>• Credit rating for Short Term Debt Program 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></ul>

# CUSTOMER FRANCHISE



New to Bajaj Finance customers



Growing customer cross sell franchise by 25-30% every year...

# KEY PORTFOLIO METRICS

Business Segment		AUM (₹ Crore)			Disb.			Volume			IRR (%)	Ticket (Lacs)	
		Q2 FY18	Q2 FY17	YoY	Q2 FY18	Q2 FY17	YoY	Q2 FY18	Q2 FY17	YoY	Range		
Consumer B2B Businesses								2,664 K	1,894 K	41%			
1.	2W & 3W finance	5,398	4,466	21%	1,121	1,170	(4%)	167 K	192 K	(13%)	22.0-26.0	0.67	
2.	Consumer durable finance	8,000	6,519	23%	3,563	3,226	10%	1,418 K	1,216 K	17%	23.0-25.0	0.25	
3.	Digital product finance	1,551	950	63%	1,330	738	80%	701 K	316 K	122%	23.0-25.0	0.19	
4.	Lifestyle product finance	506	420	20%	291	281	4%	65 K	59 K	9%	23.0-25.0	0.45	
5.	Retail EMI & Ecommerce	788	419	88%	446	144	210%	313 K	111 K	182%	20.0-25.0	0.10-0.27	
Consumer B2C Businesses													
6.	Personal loans cross sell	7,618	4,938	54%	1,486	1,061	40%				16.0-26.0	1.46	
7.	Salaried personal loans	4,259	2,947	45%	1,099	721	52%				14.0-16.0	5.85	
8.	Salaried – Home Loans	3,691	2,093	76%	666	445	50%				8.5-9.5	37	
9.	BFS Direct	1,770	843	110%	359	228	57%				-	-	
SME Businesses													
10.	Business loans (BL)	6,229	5,057	23%	1,156	955	21%				17.0-20.0	9-14	
11.	Professional loans	2,348	1,421	65%	653	370	76%				14.0-17.0	11-14	
12.	Loan against property (LAP)	8,596	8,536	1%	1,199	814	47%				10.50	90-110	
13.	Self employed – Home Loans	4,024	3,252	24%	716	398	80%				8.8-10.5	55-65	
14.	SE Magnus	2,248	2,126	6%	163	209	(22%)				-	-	
Commercial Businesses													
15.	Securities lending*	5,408	3,107	74%	-	-	-				10.0-11.5	-	
16.	Vendor financing	2,071	1,551	34%	-	-	-				10.0-12.5	-	
17.	Financial institutions group	694	438	58%	-	-	-				9.5-12.0	-	
18.	Corporate finance	714	578	24%	-	-	-				10.0-12.0	-	
Rural Business													
19.	Rural lending	4,622	1,948	137%	1,570	741	112%				14.0-26.0	-	

\* Includes short term IPO financing book of ₹500 Crs

# STRONG DISTRIBUTION REACH

Geographic presence				
Business Line	31 Mar 2015	31 Mar 2016	31 Mar 2017	30 Sep 2017
Urban	161	262	377	471
Rural	232	397	538	560
Of which Rural Lending branches	50	105	177	195
Of which Rural Lending franchisees	182	292	361	365
<b>Total Bajaj Finance presence</b>	<b>393</b>	<b>659</b>	<b>915</b>	<b>1,031</b>

Active distribution – point of sale	
Distribution Network	30 Sep 2017
Consumer durable stores – Urban	14,100+
Consumer durable stores – Rural	6,900+
Digital product stores	10,700+
Lifestyle retail stores	5,400+
EMI card – retail spends stores	8,900+
Bajaj Auto dealers, sub-dealerships and authorised service centres	3,500+
Rural Authorized Sales & Services Centres	270+
Direct Sales Agents	1,700+
<b>Overall active distribution network</b>	<b>51,400+</b>

# KEY PERFORMANCE HIGHLIGHTS FOR Q2 FY18

- Customer franchise as of 30 Sep 2017 ↑ 28% to 22.99 MM from 18.0 MM as of 30 Sep 2016. During the quarter, the company acquired 1.32 MM new customers
- New loans booked during Q2 FY18 ↑ 48% to 3,231,078 from 2,176,798 in Q2 FY17
- AUM as of 30 Sep 2017 was ↑ 38% to ₹ 72,139 crore from ₹ 52,332 crore as of 30 Sep 2016.
- Total income for Q2 FY18 ↑ 33% to ₹ 3,102 crore from ₹ 2,341 crore in Q2 FY17.
- Loan losses and provisions for Q2 FY18 ↑ 38% were ₹ 228 crore as against ₹ 165 crore in Q2 FY17.
- Profit after tax for Q2 FY18 ↑ 37% to ₹ 557 crore from ₹ 408 crore in Q2 FY17.
- Return on Assets and Return on Equity for Q2 FY18 were 0.8% and 4.4% respectively
- Gross NPA and Net NPA as of 30 Sep 2017 stood at 1.68% and 0.51% respectively. The provisioning coverage ratio stood at 70% as of 30 Sep 2017. The Company continues to provide for loan losses in excess of RBI requirements.

As required by RBI guidelines, the Company has moved its NPA recognition policy from 4 months overdue to 3 months overdue in this financial year. The comparable Gross and Net NPA at 4 months overdue stood at 1.44% and 0.40% respectively as against 1.58% and 0.43% respectively as of 30 Sep 2016.

- Capital adequacy ratio (including Tier-II capital) as of 30 Sep 2017 stood at 25.42%. The Tier-I capital stood at 19.86%. During the quarter, the Company has raised ₹ 4,500 crore by way of equity capital through Qualified Institutions Placement (QIP).

# OTHER UPDATES FOR Q2 FY18

- Deposit book stood at ₹ 5,517 crore as of 30 Sep 2017 – at 10% of **BFL's** overall borrowings book.
- The Company through Qualified Institutions Placement (QIP), on 12 September 2017, has allotted 2,66,27,218 equity shares to the eligible Qualified Institutional Buyers (QIB) at a price of ₹ 1,690 per equity share of ₹ 2 face value (inclusive of premium of ₹ 1,688 per share) aggregating to ₹ 4,500 crore.
- The Company has entered into an agreement with One Mobikwik Systems Private Limited ("Mobikwik") on 8 August 2017, and has invested an amount of ₹ 225 crore in the equity shares and cumulative compulsorily convertible preference shares of Mobikwik.



# FINANCIAL STATEMENT SUMMARY

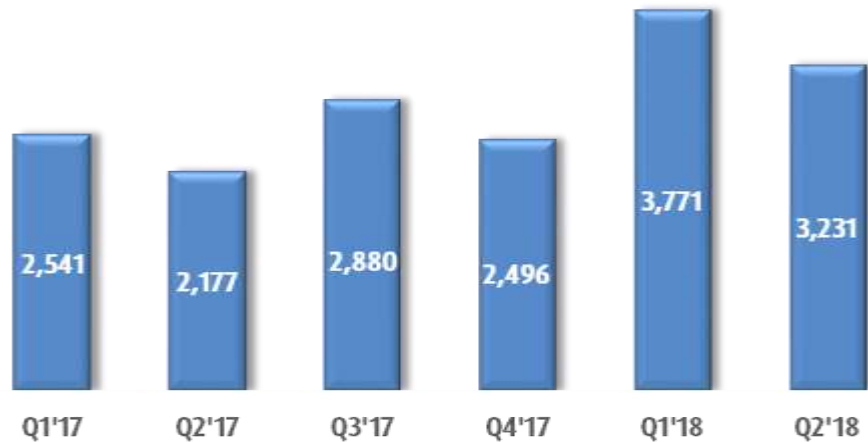
	₹ in Crores						
Financials snapshot	Q2 FY18	Q2 FY17	YoY	H1 FY18	H1 FY17	YoY	FY17
Assets under finance (AUF)	68,614	49,981	37%	68,614	49,981	37%	56,832
Assets under management (AUM)	72,139	52,332	38%	72,139	52,332	38%	60,194
Total Interest & fee Income	3,102	2,341	33%	6,229	4,619	35%	9,989
Interest expenses	1,144	956	20%	2,222	1,839	21%	3,803
Net Interest Income (NII)	1,958	1,385	41%	4,007	2,780	44%	6,186
Operating Expenses	874	594	47%	1,717	1,160	48%	2,564
Loan Losses & Provision	228	165	38%	509	342	49%	804
Profit before tax	856	626	37%	1,781	1,278	39%	2,818
Income tax	299	218	37%	622	446	39%	981
Profit after tax	557	408	37%	1,159	832	39%	1,837
Ratios	Q2 FY18	Q2 FY17		H1 FY18	H1 FY17		FY17
Total Opex to NII	44.6%	42.9%		42.9%	41.7%		41.4%
Total Opex to Total Income	28.2%	25.4%		27.6%	25.1%		25.7%
Loan loss to AUF*	0.3%	0.3%		0.7%	0.7%		1.4%
Return on Average AUF*	0.80%	0.8%		1.8%	1.6%		3.7%
Earning per share - Basic (Rs.) *	10.1	7.6		21.1	15.5		34.0
Return on Average Equity *	4.4%	5.1%		9.4%	9.5%		21.6%

\* Not annualized

# FINANCIAL PERFORMANCE TRENDS – Q2 FY18

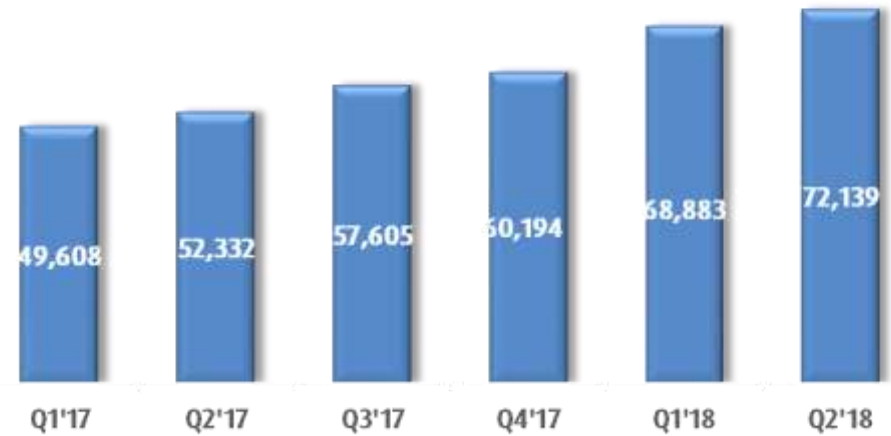
# of Loans Disbursed ( '000)

↑ 48% YoY



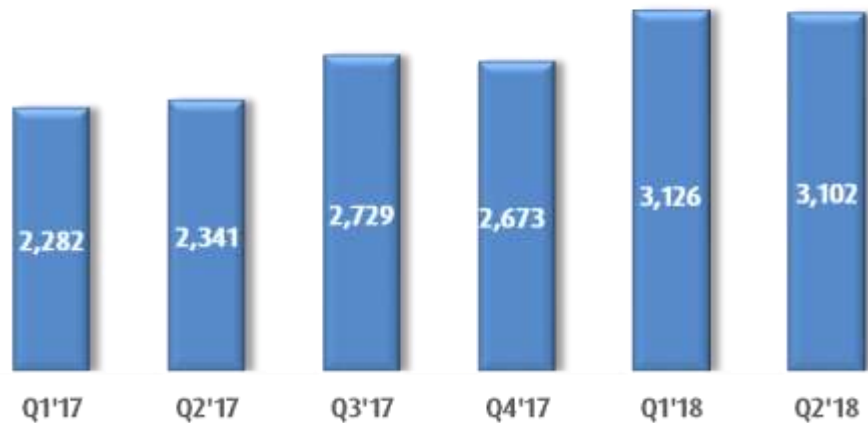
AUM (₹ Crore)

↑ 38% YoY



Revenue (₹ Crore)

↑ 33% YoY

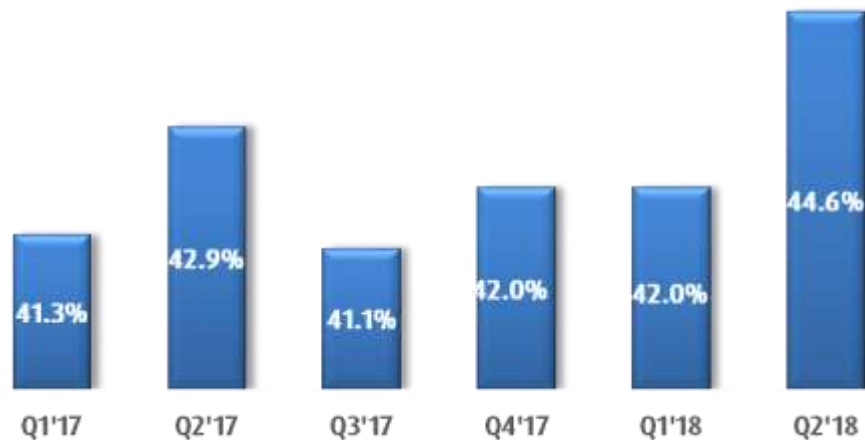


Net Interest Income (NII) (₹ Crore) ↑ 41% YoY



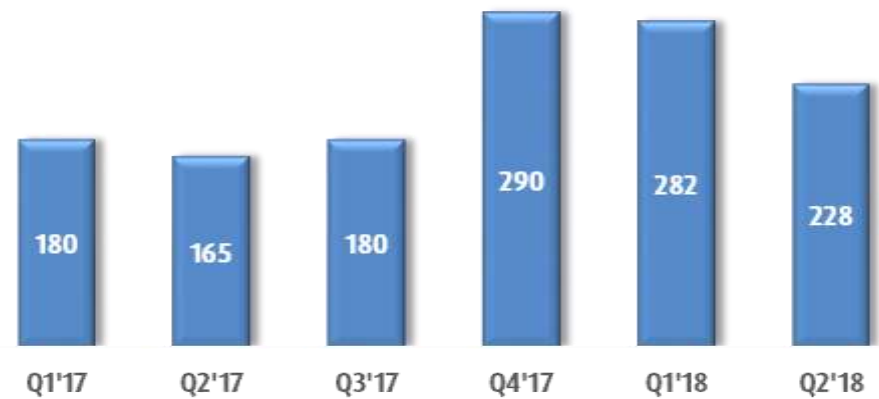
# FINANCIAL PERFORMANCE TRENDS – Q2 FY18

## Operating expenses % of NII

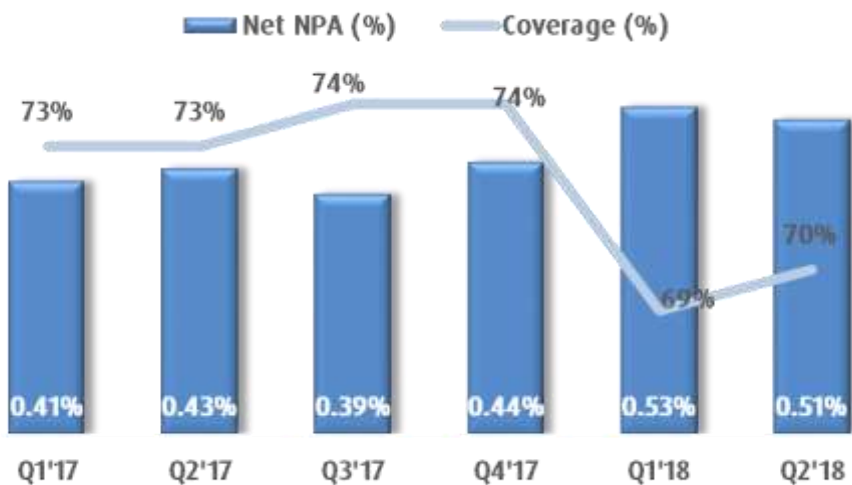


## Loan loss provision (₹ Crore)\*

↑ 38% YoY

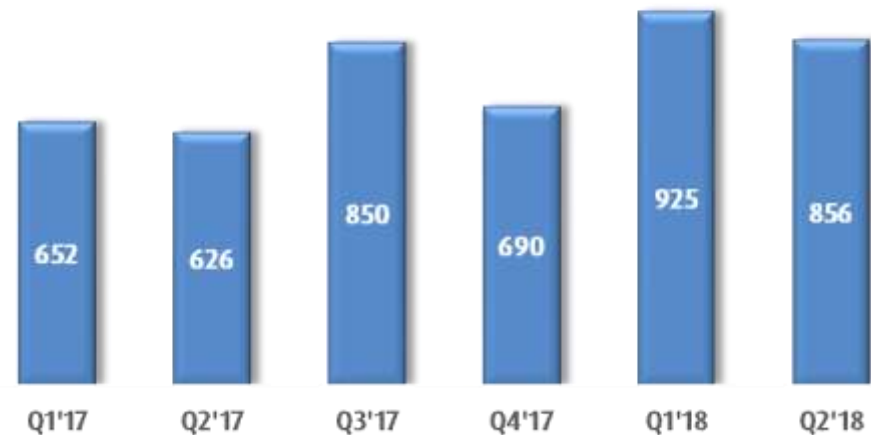


## Net NPA & Provisioning coverage\*\*



## Profit Before Tax (₹ Crore)

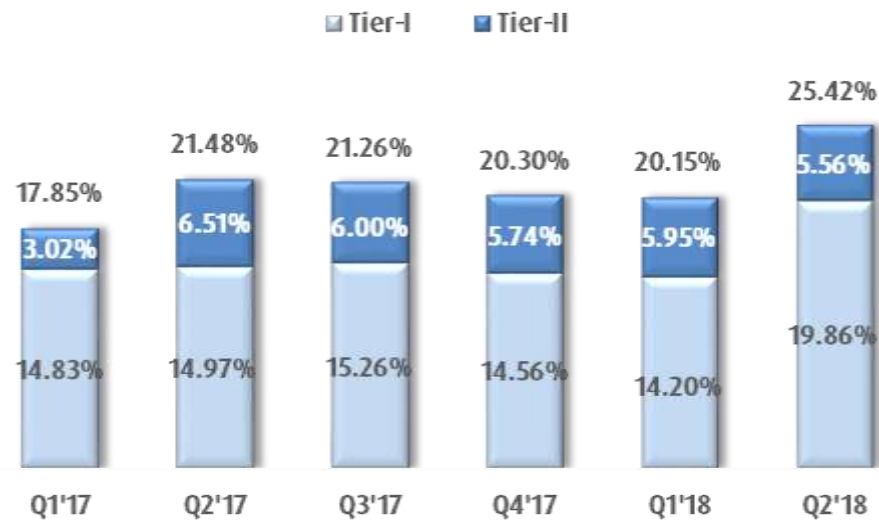
↑ 37% YoY



\*\*The net NPA & provisioning coverage numbers from Q1 FY18 onwards are at 3 months overdue while the same for previous quarters are at 4 months overdue

# FINANCIAL PERFORMANCE TRENDS – Q2 FY18

## Capital adequacy ratio



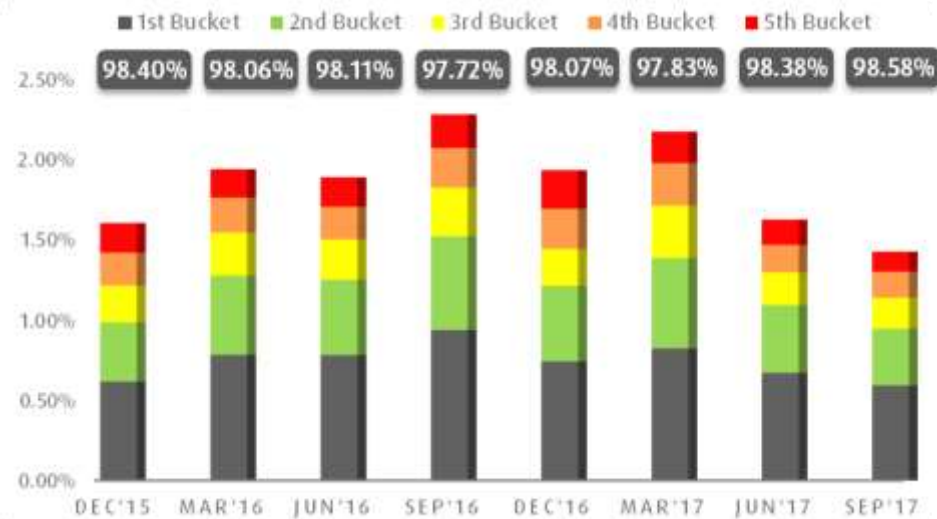
## Earnings per share – Basic (₹)

↑ 32% YoY

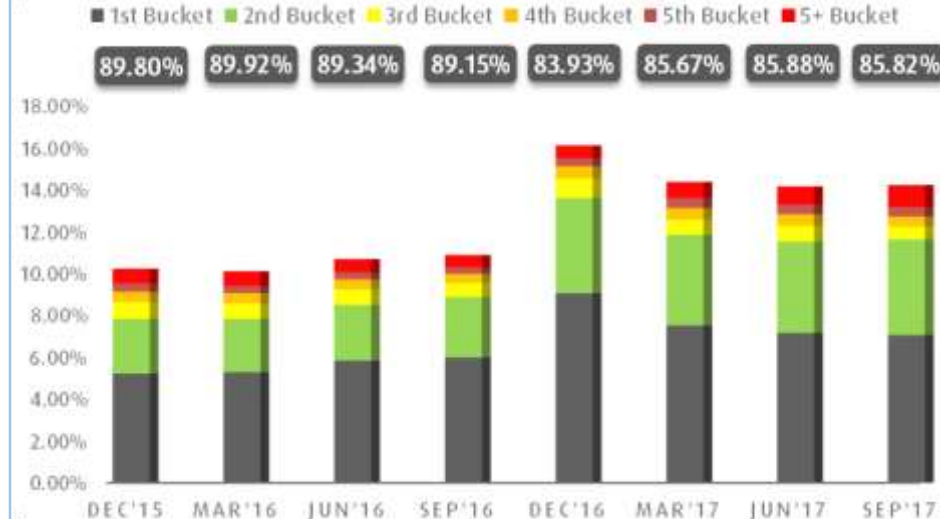


# CREDIT QUALITY – PORTFOLIO COMPOSITION

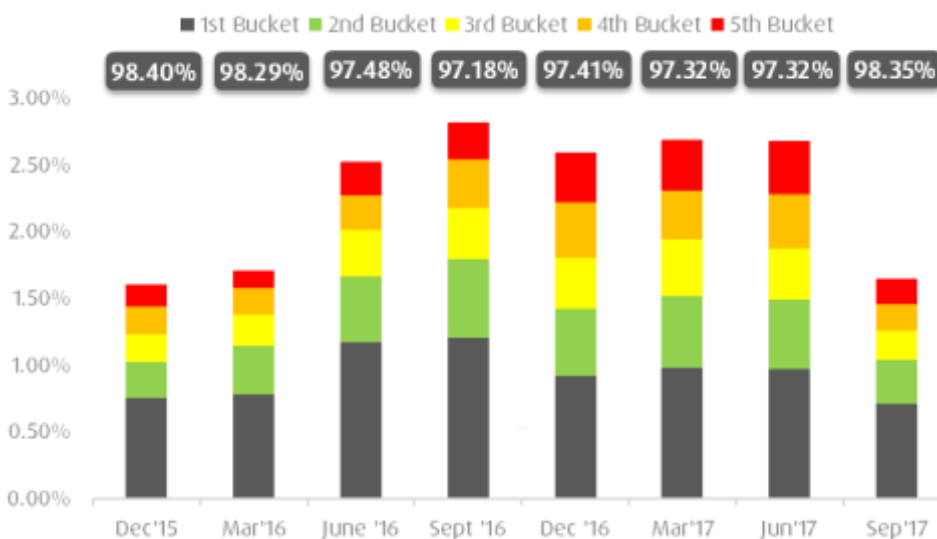
CD loan portfolio



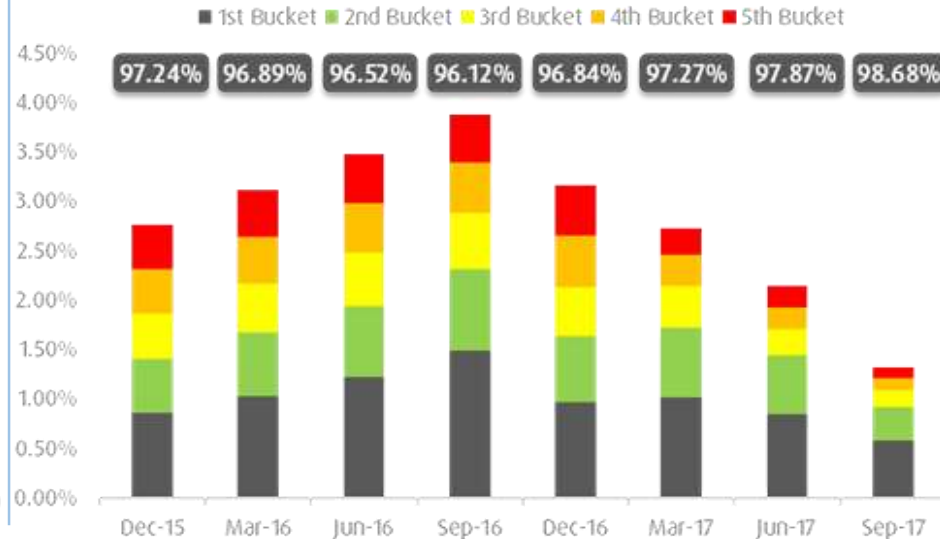
Two & Three wheeler loan portfolio



Lifestyle finance loan portfolio

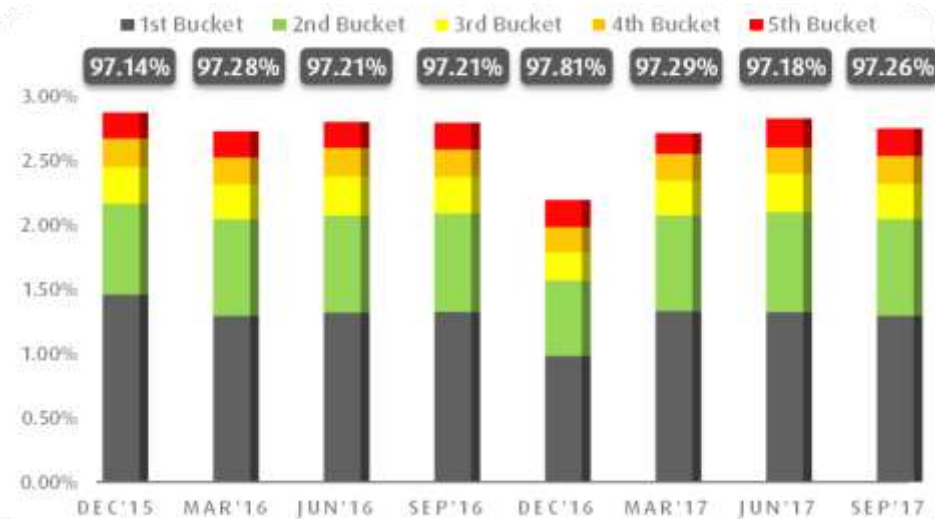


Digital product finance loan portfolio

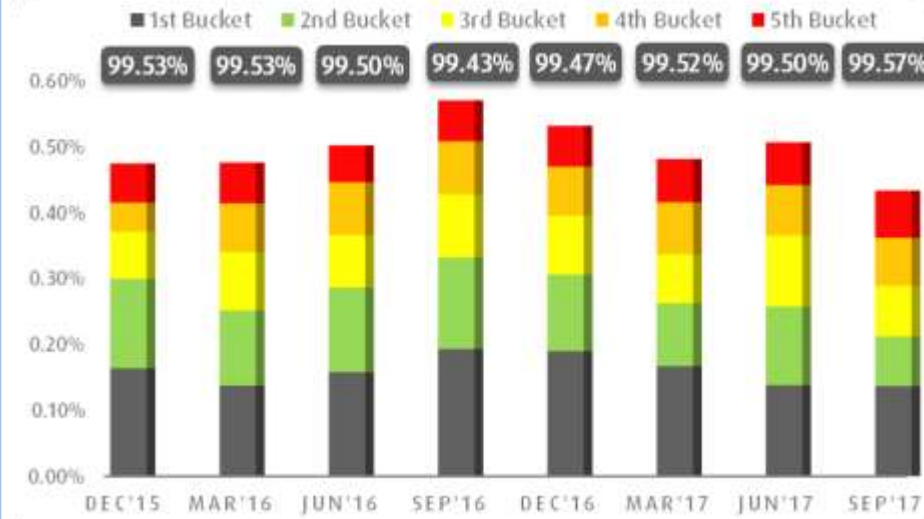


# CREDIT QUALITY – PORTFOLIO COMPOSITION

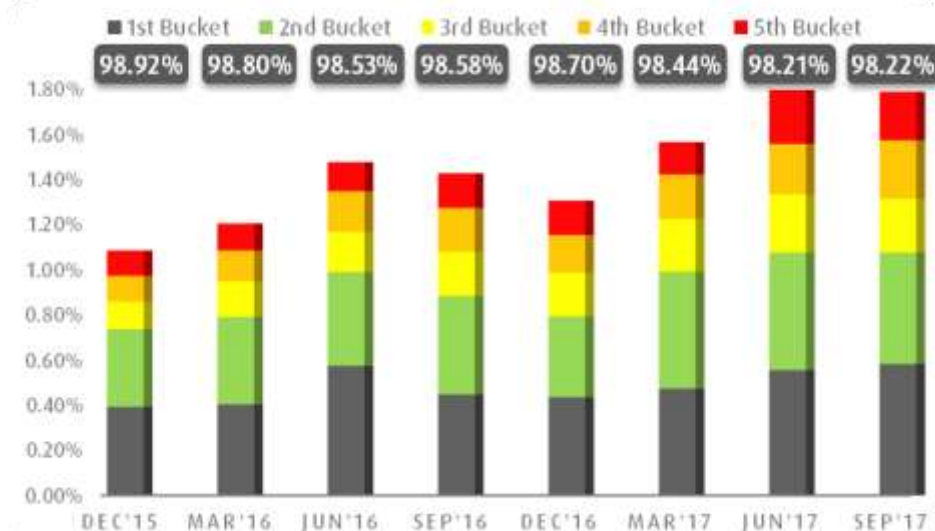
## Personal loan cross sell portfolio



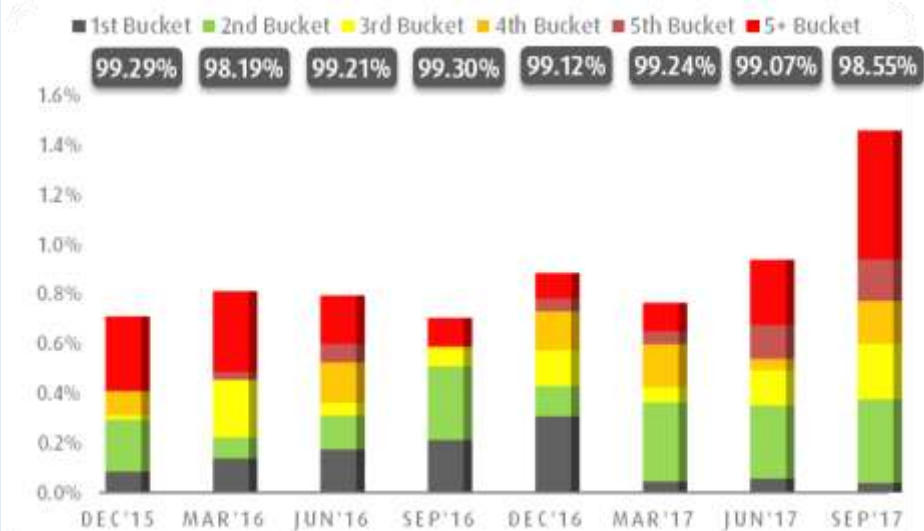
## Salaried personal loan portfolio



## Small business loan portfolio

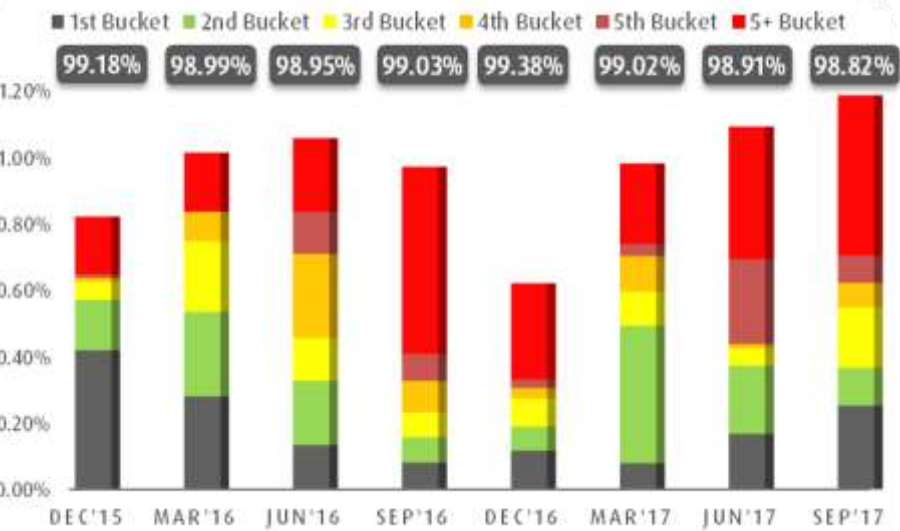


## Loan against property portfolio

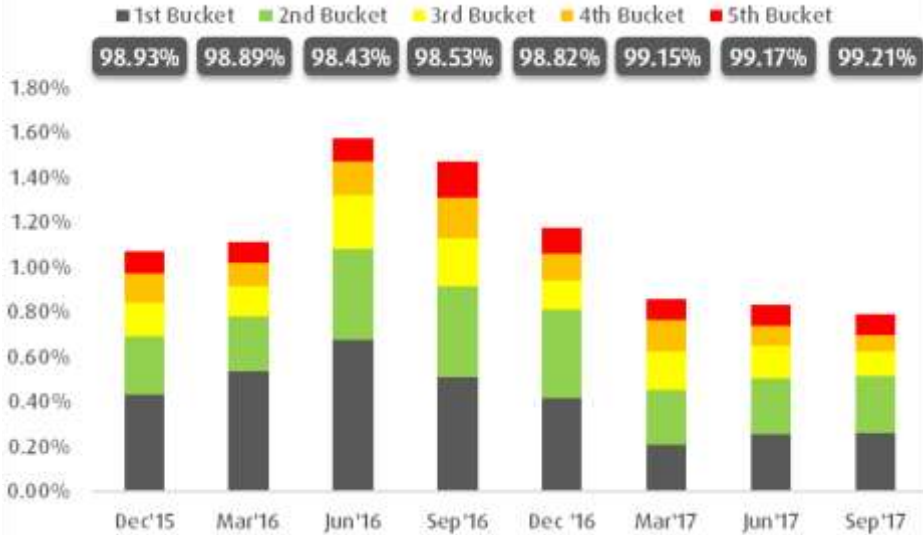


# CREDIT QUALITY – PORTFOLIO COMPOSITION

Home loans portfolio



Rural Lending portfolio



# CREDIT QUALITY – PROVISIONING COVERAGE

Business Segment (Values in ₹ Cr)	AUM (Cr.)	GNPA (Cr.)	NNPA	PCR (%)	GNPA	NNPA
Consumer Business	33,815	736	199	73%	2.10%	0.58%
SME Business	24,113	408	143	65%	1.89%	0.67%
Commercial Business	9,589	4	3	23%	0.04%	0.03%
Rural Business	4,622	39	12	71%	0.85%	0.25%
Bajaj Finance	72,139	1,187	356	70%	1.68%	0.51%

GNPA grew by 51 Cr in Q2 FY18 vs Q1 FY18

NNPA grew by 4 Cr in Q2 FY18 vs Q1 FY18



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# BAJAJ FINANCE LIMITED

## Q2 FY18 Presentation

THANK YOU

# ANNEXURES

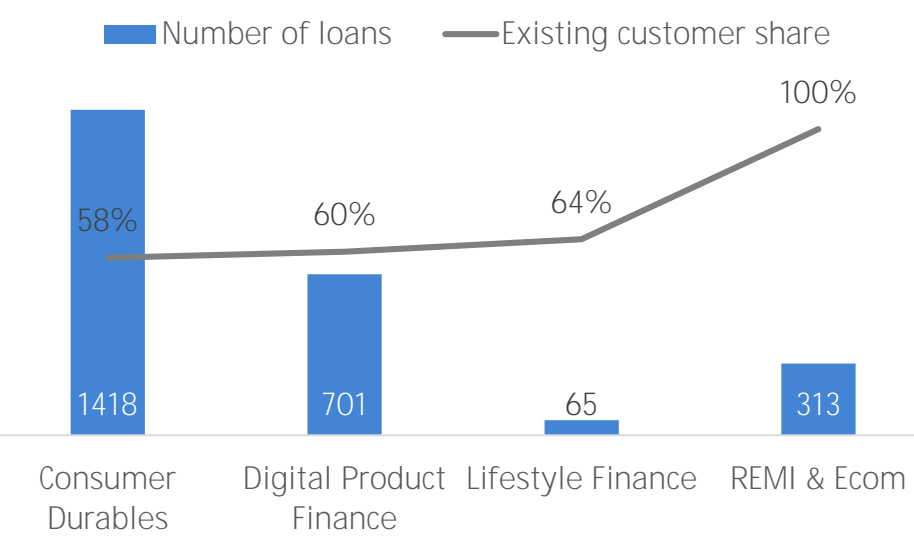
# GLOSSARY

2W	Two Wheeler
3W	Three Wheeler
ACMF	Auto Components Manufacturer Financing
AR	Assets Receivable
ARU	Activation, Retention & Usage
ASC	Authorized Service Centers
AUF	Assets Under Finance
AUM	Assets Under Management
B2B	Business to Business
B2C	Business to Customer
BL	Business Loan
CAGR	Compounded Annual Growth Rate
CIF	Cards in Force
CPI	Consumer Price Index
EMI	Existing Member Identification
EPS	Earnings Per Share
FIG	Financial Institutions Group
FII	Foreign Institutional Investor
FPI	Foreign Portfolio Investment
GNPA	Gross Non Performing Assets
HL	Home Loan
IFA	Independent Financial Advisor

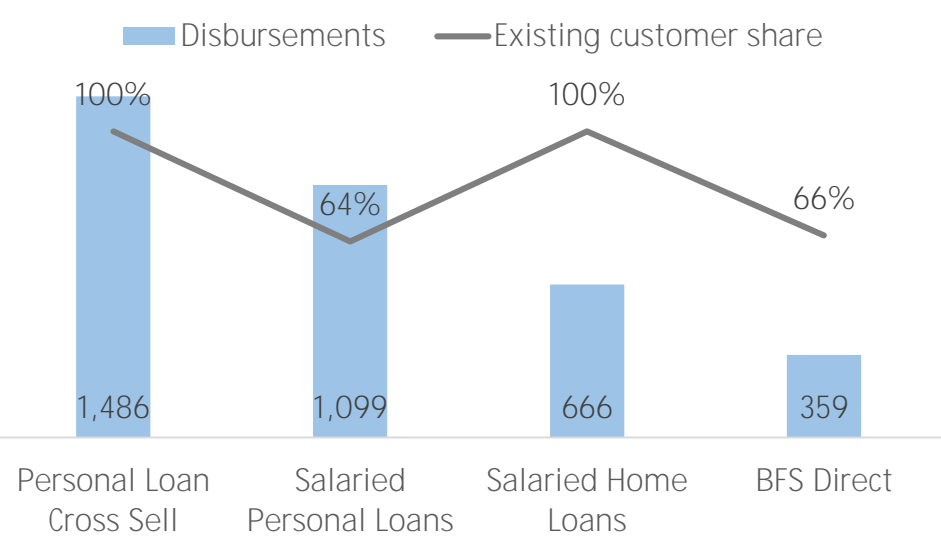
IRR	Internal Rate of Return
LAP	Loan Against Property
LAS	Loan Against Securities
MF	Mutual Fund
MM	Million
MSME	Micro, Small & Medium Enterprise
NII	Net Interest Income
NNPA	Net Non Performing Assets
NTB	New to Bajaj Finance
Opex	Operating Expenses
PAT	Profit After Tax
PBT	Profit Before Tax
POS	Point of Sale
PPC	Products Per Customer
RBI	Reserve Bank of India
ROA	Return on Assets
ROE	Return on Equity
SE	Self Employed
SME	Small & Medium Enterprise
TAT	Turn Around Time
TTD	Through the Door
WPI	Wholesale Price Index

# EXISTING CUSTOMER SHARE – Q2 FY18

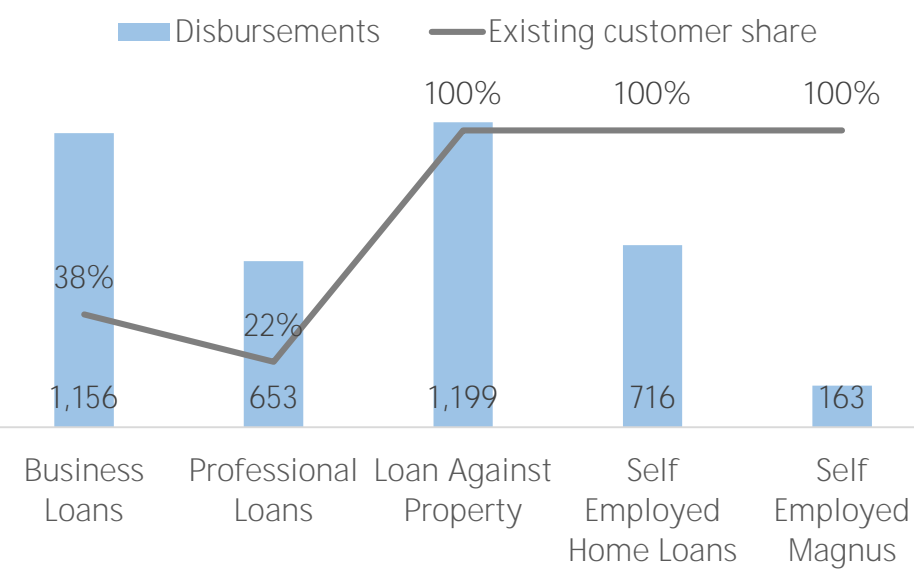
Consumer B2B Values in 000's



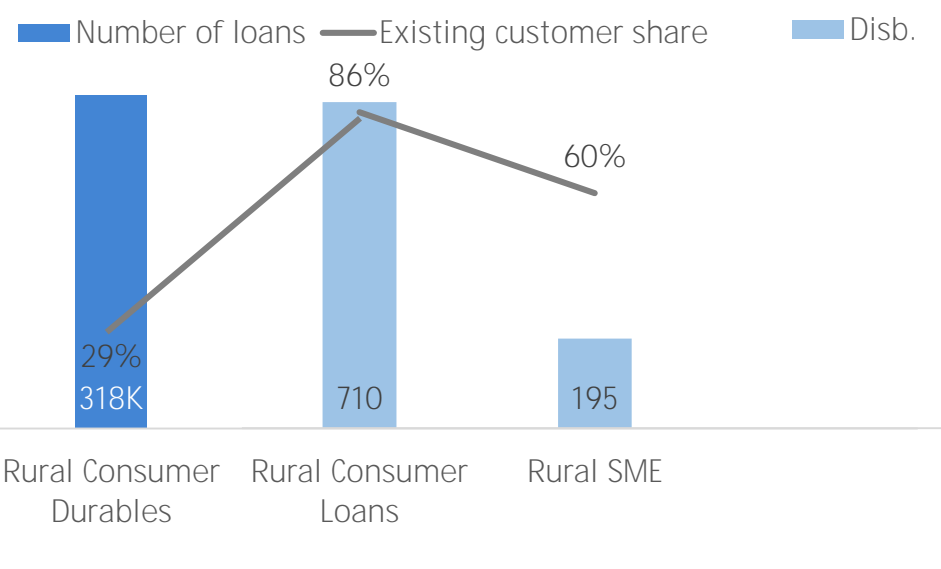
Consumer B2C Values in ₹ Crs



SME Business Values in ₹ Crs

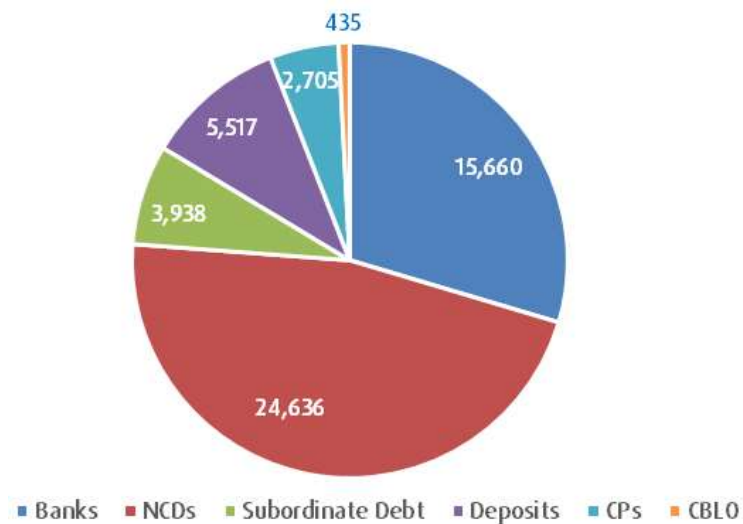


Rural Business

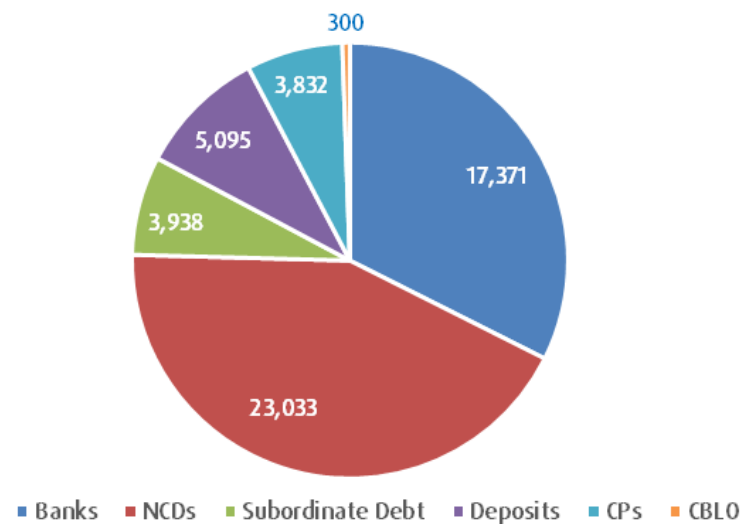


# ALM STRATEGY

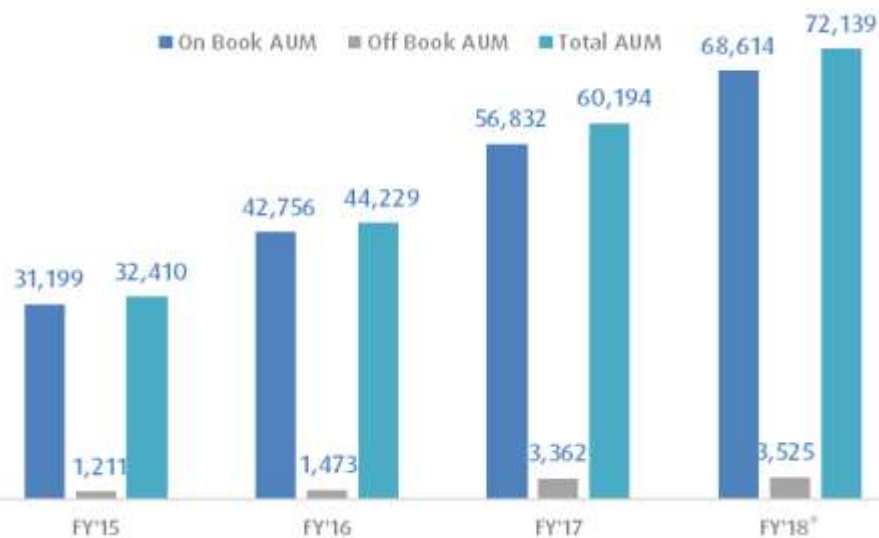
Borrowings – Sept '17 (₹ 52,891 Crs)



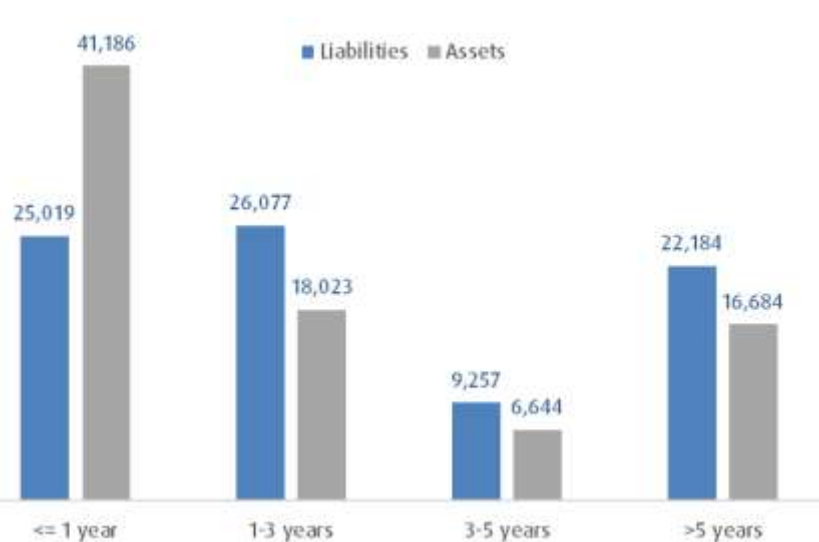
Borrowings – Jun '17 (₹ 53,569 Crs)



Loan Book (₹ Crs)



Behaviouralised ALM (₹ Crs)



\*Numbers as of 30 Sep 2017

# NPA PROVISIONING STANDARDS

MOD - Months overdue

Consumer Lending	SME Lending	Commercial Lending	Rural Lending
<p>Consumer Durable Loans, EMI Cards – Retail Spends Financing, and Digital Product Loans:</p> <ul style="list-style-type: none"> <li>3 – 5 MOD – 75%</li> <li>Above 5 MOD – 100%</li> </ul> <p>Lifestyle loans:</p> <ul style="list-style-type: none"> <li>3 – 5 MOD – 65%</li> <li>Above 5 MOD – 100%</li> </ul> <p>2 and 3 Wheeler Loans:</p> <ul style="list-style-type: none"> <li>3 – 5 MOD - 40%</li> <li>6 – 12 MOD – 60%</li> <li>Above 12 MOD 100%</li> </ul> <p>Personal Loan Cross-Sell and Salaried Personal Loans:</p> <ul style="list-style-type: none"> <li>3 – 5 MOD - 75%</li> <li>Above 5 MOD – 100%</li> </ul> <p>Salaried Home Loans:</p> <ul style="list-style-type: none"> <li>Please see “SME Lending – Home Loans, Loans against Property, Lease Rental Discounting”.</li> </ul>	<p>Home Loans, Loans against Property, Lease Rental Discounting:</p> <ul style="list-style-type: none"> <li>3-5 MOD - 15%</li> <li>6 – 12 MOD – 25%</li> <li>13 – 18 MOD – 40%</li> <li>19 – 24 MOD – 60%</li> <li>Above 24 MOD – 100%</li> </ul> <p>Working Capital Loans/ Loans to Professionals:</p> <ul style="list-style-type: none"> <li>3 – 5 MOD – 75%</li> <li>Above 5 MOD – 100%</li> </ul>	<p>Vendor Financing:</p> <ul style="list-style-type: none"> <li>3 – 8 MOD – 10%</li> <li>9 – 14 MOD – 20%</li> <li>Above 14 MOD - 100%</li> <li>Graded provision on secured portfolio</li> </ul> <p>Infrastructure Finance, Securities Lending, Financial Institution Lending, Light Engineering Lending and Corporate Finance Loans:</p> <ul style="list-style-type: none"> <li>As per RBI norms</li> <li>Additionally, we assess impairment in the value of securities &amp; provide for the uncovered portion, where considered necessary.</li> </ul> <p>Construction Equipment Finance:</p> <ul style="list-style-type: none"> <li>3 – 5 MOD - 15%</li> <li>6 – 9 MOD - 30%</li> <li>10 – 12 MOD - 60%</li> <li>Above 12 MOD - 100%</li> </ul>	<p>Consumer Durable Loans and Digital Product Loans:</p> <ul style="list-style-type: none"> <li>3 – 5 MOD – 75%</li> <li>Above 5 MOD – 100%</li> </ul> <p>Personal Loan Cross-Sell and Salaried Personal Loans:</p> <ul style="list-style-type: none"> <li>3 – 5 MOD 75%</li> <li>Above 5 MOD – 100%</li> </ul> <p>Working Capital Loans, and Loans to Professionals:</p> <ul style="list-style-type: none"> <li>3 – 5 MOD – 75%</li> <li>Above 5 MOD – 100%</li> </ul> <p>Loans Against Property and Home Loans:</p> <ul style="list-style-type: none"> <li>Please see “SME Lending – Home Loans/Loans against Property/Lease Rental Discounting”.</li> </ul>

We provide a general provision of 0.40% on all standard assets (0.50% on Loan against property, Lease rental discounting and Developer Finance)

Some of our provisioning standards exceed RBI norms applicable for NBFC's.