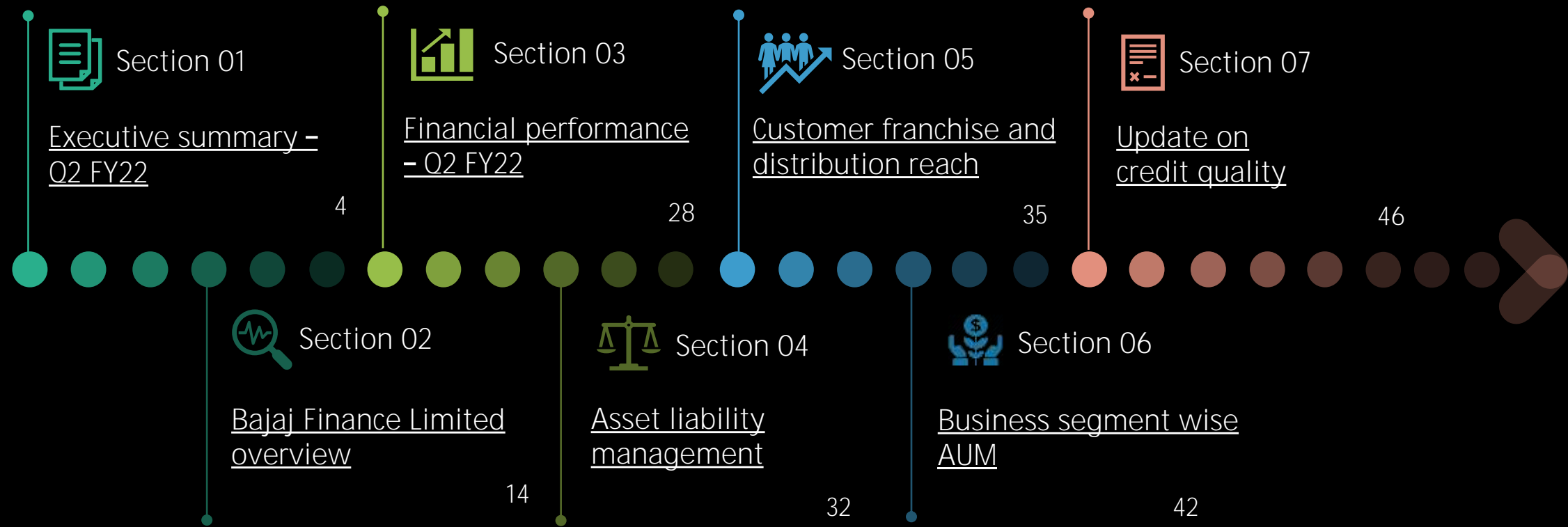




# **BAJAJ FINANCE LIMITED**

Q2 FY22 Investor Presentation  
26 October 2021



 **Section 01**  
Executive summary – Q2 FY22

1.1

Quarter gone by

1.2

Lead financial indicators

A quarter of strong revival across growth, risk, debt management and financial metrics. In absence of a third wave, quite confident about second half of the year on growth, risk and financial metrics. Business transformation go-live is behind schedule by 45 days due to delays in certain tech deliveries and code freeze for festival season. Go-live is now planned for mid December.



\*Not annualized

\*\*Not relevant due to moratorium

1. At the outset, YoY numbers are not comparable due to dislocation caused by the pandemic.
2. AUM as of 30 September 2021 was at ₹ 1,66,937 crore as against ₹ 1,37,090 crore as of 30 September 2020. Core AUM growth\* in Q2 FY22 was ~₹ 11,150 crore. In absence of a third wave, the Company expects quarterly AUM growth rate for balance of the year to be strong.
3. The Company booked 6.33 MM new loans in Q2 FY22.
4. Customer franchise stood at 52.80 MM as of 30 September 2021, a growth of 20% YoY. Cross sell franchise stood at 29.37 MM, a growth of 23% YoY. During the quarter, customer franchise grew by 2.35 MM. Customer franchise addition in Q2 FY22 was in line with our general guidance of 7-8 MM annually.
5. Total geographic footprint stood at 3,329 locations and 1,19,900+ distribution points. During the quarter, the Company expanded its presence in 216 new locations.
6. The Company continues to protect its margin profile across businesses. Interest income reversal for Q2 FY22 was ₹ 322 crore as against ₹ 216 crore in Q2 FY21. In absence of a third wave, the company expects quarterly interest reversals to normalise to ₹ 180-200 crore by Q3 FY22.
7. Cost of funds reduced to 6.77% in Q2 FY22 vs 7.11% in Q1 FY22. The Company raised ₹ 6,772 crore of fixed rate NCDs in 2 year and above tenor to gain from low interest rates environment. This included ₹ 2,327 crore raised under 10 year tenor. As a result, liquidity buffer was elevated at ₹ 16,842 crore as of 30 September 2021. Liquidity buffer will normalize to pre-COVID levels by Q4 FY22.

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

8. Deposits book on a YOY basis grew by 33% to ₹ 28,720 crore as of 30 September 2021. Its contribution to consolidated borrowings was 20%. Retail : Corporate mix stood at 77 : 23 in Q2 FY22.
9. Opex to NII for Q2 FY22 was 38.1% vs 27.8% in Q2 FY21. The increase in operating expenses for the quarter is on account of elevated debt management cost owing to second wave and salary cost. In Q2 FY22, the Company increased its employee strength by over 2,000 to support its growth stance. With normalization of debt management cost and increase in NII as a result of balance sheet growth, Opex to NII metric should normalize in the range of 33-34% by Q4 FY22.
10. Loan losses and provisions for the quarter were ₹ 1,300 crore. Total provisions taken in the first half of the year is ₹ 3,051 crore. During the quarter, the Company has increased management overlay provision from ₹ 483 crore as of 30 June 2021 to ₹ 832 crore as of 30 September 2021 to protect itself from a potential third wave.
11. The Company has seen strong improvement in debt management efficiencies across products in Q2 FY22. In absence of a third wave, loan loss and provisions should normalize to pre COVID levels in Q3 FY22.
12. GNPA & NNPA as of 30 September 2021 stood at 2.45% and 1.10% compared to 2.96% and 1.46% as of 30 June 2021.
13. In absence of a severe third wave, the Company estimates its GNPA at 1.7-1.8% & NNPA at 0.7-0.8% by 31 March 2022. Accordingly, the company estimates its overall credit cost for FY22 to be approximately ₹ 4,300 crore.
14. GNPA as of 30 September 2021 reduced to ₹ 4,103 crore vs ₹ 4,737 crore as of 30 June 2021.
15. NNPA as of 30 September 2021 reduced to ₹ 1,826 crore vs ₹ 2,307 crore as of 30 June 2021. Secured assets constituted 78% of NNPA of which Auto finance was ₹ 1,027 crore ( ₹ 1,420 crore as of 30 June 2021) and Mortgages was ₹ 296 crore ( ₹ 290 crore as of 30 June 2021).
16. Overall stage 2 assets as of 30 September 2021 reduced to ₹ 5,962 crore vs ₹ 7,425 crore as of 30 June 2021.

17. Non overdue one-time restructuring (OTR) book as of 30 September 2021 increased to ₹ 1,512 crore vs ₹ 1,287 crore as of 30 June 2021. In Q2 FY22 the Company offered OTR of ₹ 426 crore under OTR 2.0 framework. The Company has considered OTR as an indicator of significant increase in credit risk (SICR) and as a matter of prudence classified it as Stage 2. The Company holds ECL provision of ₹ 289 crore (19.1%) against this book.
18. Other stage 2 assets as of 30 September 2021 reduced to ₹ 4,451 crore vs ₹ 6,137 crore as of 30 June 2021. The Company holds ECL provision of ₹ 1,030 crore (23.1%). Secured non OTR stage 2 assets was ₹ 2,556 crore (57%) and unsecured was ₹ 1,894 crore (43%).
19. Consolidated post tax profit for Q2 FY22 was ₹ 1,481 crore compared to ₹ 965 crore in Q2 FY21, a growth of 53%.
20. Capital adequacy remained very strong at 27.68% as of 30 September 2021. Tier-1 capital was 24.90%.
21. BHFL AUM grew by 33% to ₹ 44,429 crore as of 30 September 2021.
22. BHFL launched its affordable housing business in Q2 FY22.
23. Capital adequacy of BHFL was 20.26% as of 30 September 2021.
24. BHFL delivered post tax profit of ₹ 166 crore in Q2 FY22 compared to ₹ 83 crore in Q2 FY21, a growth of 100%.
25. BFSL acquired 109K customers in Q2 FY22. Its Retail and HNI customer franchise stood at 204K as of 30 September 2021.
26. BFSL delivered post tax profit of ₹ 3 crore in Q2 FY22.

**The “new way of doing business” envisages BFL to be an Omnipresent financial services Company. The Omnipresence strategy will enable our existing and new customers to engage, transact and be serviced online to offline and vice versa without friction...**



## Geography

1. Total geographic footprint stood at 3,329 locations and 1,19,900+ distribution points. During the quarter, the Company expanded its presence by 216 new locations. The company is growing its geographic footprint in north and east as GDP contribution of North and East vs its portfolio contribution is lower. This will result in reducing concentration risk and create new growth opportunities.

## Omnichannel

1. The Company digitally acquired 372 K new EMI card customers in Q2 FY22 using a integrated digital ecosystem. This offering will be fully integrated into the new consumer app upgrade as it goes live.
2. The EMI store strategy is beginning to yield good momentum. The EMI Store visits increased from 10.2 MM in Q4 FY21 to 29.7 MM in Q2 FY22. This has resulted in 248 K new loans in Q2 FY22. The total SKUs were 30,135 and merchants were 25,031 as of 30 September 2021. This offering is already integrated with the existing consumer app.
3. The point of sale transformation has started delivering 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. The consumer app upgrade in mid December will make the process even more seamless and will lead to stronger volume momentum. In Q2 FY22 it delivered ₹ 392 crore in personal loans and 26,989 cards in credit card distribution business.
4. Customer data platform (CDP), key to omnichannel experience has gone live in Q2 FY22. CDP enables multi-channel orchestration, customer communication, call governance with a integrated multi-dialer, multi-lingual architecture. The Company has also migrated from a centralized Pune based call centre infrastructure to 8 regional call centres to deliver multi-lingual sales and service support to its customers.

## Consumer app upgrade

1. The current consumer app has 12.9 MM active customers as of 30 September 2021.
2. The upgrade of our new consumer app is delayed by 45 days on account of delays in certain tech deliveries and code freeze for festival season.
3. As part of our sprint release strategy, sprint 1 which covers all customer service menus, payments, EMI store, 20 engagement apps and a robust search functionality has gone live on play store for 10% of customers. Due to festival code freeze, we are now not increasing coverage till 15 November 2021. The sprint 2 which covers end to end business journeys, insurance and mutual fund marketplace will get deployed for all customers by 15 December 2021.

## Payments

1. The Company has 3.1 MM customers on its wallet as of 24 October 2021. For festival season, the Company has integrated the wallet feature for seamless fulfilment. It should significantly improve wallet engagement, stickiness and cashback/reimbursement process.
2. Merchant app is on track to go live by February 2022. It will enable P2P and P2M onboarding, transactions, promotions, rewards and settlements.
3. Post receiving Board approval to apply for Payment Aggregator (PA) & Bharat Bill Pay Operating Unit (BBPOU), the Company has initiated various approvals.
4. The Company is in the process of significantly expanding payment talent pool.

## Productivity apps

1. The new Debt management services app has gone live for ~9 K employees and ~34 K+ agency resources. The app enables agency staff onboarding, cash receipting, training, communication, compliance features, dialer integration and call recording. The app also enables agency staff to help customers with a host of service-related queries. The Company issued 13.5 MM receipts in Q2 FY22.
2. Sales one App has started to go live in phases. The Company expects to complete roll out by January 2022. Apart from its core features of sales dashboards, reporting, engagement, sales visits and dialer integration, the app integrates online channels with offline fulfilment. The app also enables sales staff to help customers with a host of service-related queries.

## Bajaj Housing Finance Limited (BHFL)

1. **BHFL's AUM increased by 33% to ₹ 44,429 crore** as of 30 September 2021 from ₹ 33,463 crore as of 30 September 2020.
2. **BHFL's net Interest Income for Q2 FY22 increased by 60% to ₹ 396 crore** from ₹ 248 crore in Q2 FY21.
3. **BHFL's opex to NII stood at 27.8% in Q2 FY22** as against 28.2% in Q2 FY21.
4. **BHFL's loan losses and provisions for Q2 FY22 was ₹ 61 crore** as against ₹ 65 crore in Q2 FY21. It has management overlay provision of ₹ 166 crore as of 30 September 2021.
5. **BHFL's GNPA & NNPA as of 30 September 2021 stood at 0.35% and 0.21% respectively** compared to 0.28% and 0.18% as of 30 June 2021.
6. **BHFL's profit after tax increased 100% to ₹ 166 crore** in Q2 FY22 against ₹ 83 crore in Q2 FY21.
7. **BHFL's Capital adequacy ratio (including Tier II capital) stood at 20.26% as of 30 Sep 2021.**
8. BHFL launched its affordable housing business in Q2 FY22.

## Bajaj Financial Securities Limited (BFSL)

8. BFSL acquired 109K customers in Q2 FY22. Its Retail and HNI customer franchise stood at 204K as of 30 September 2021.
9. **BFSL's total Income was ₹ 32 Crore** in Q2 FY22 against ₹ 8 Crore in Q2 FY21.
10. BFSL registered a net profit of ₹ 3 Crore in Q2 FY22 against ₹ 2 Cr in Q2 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

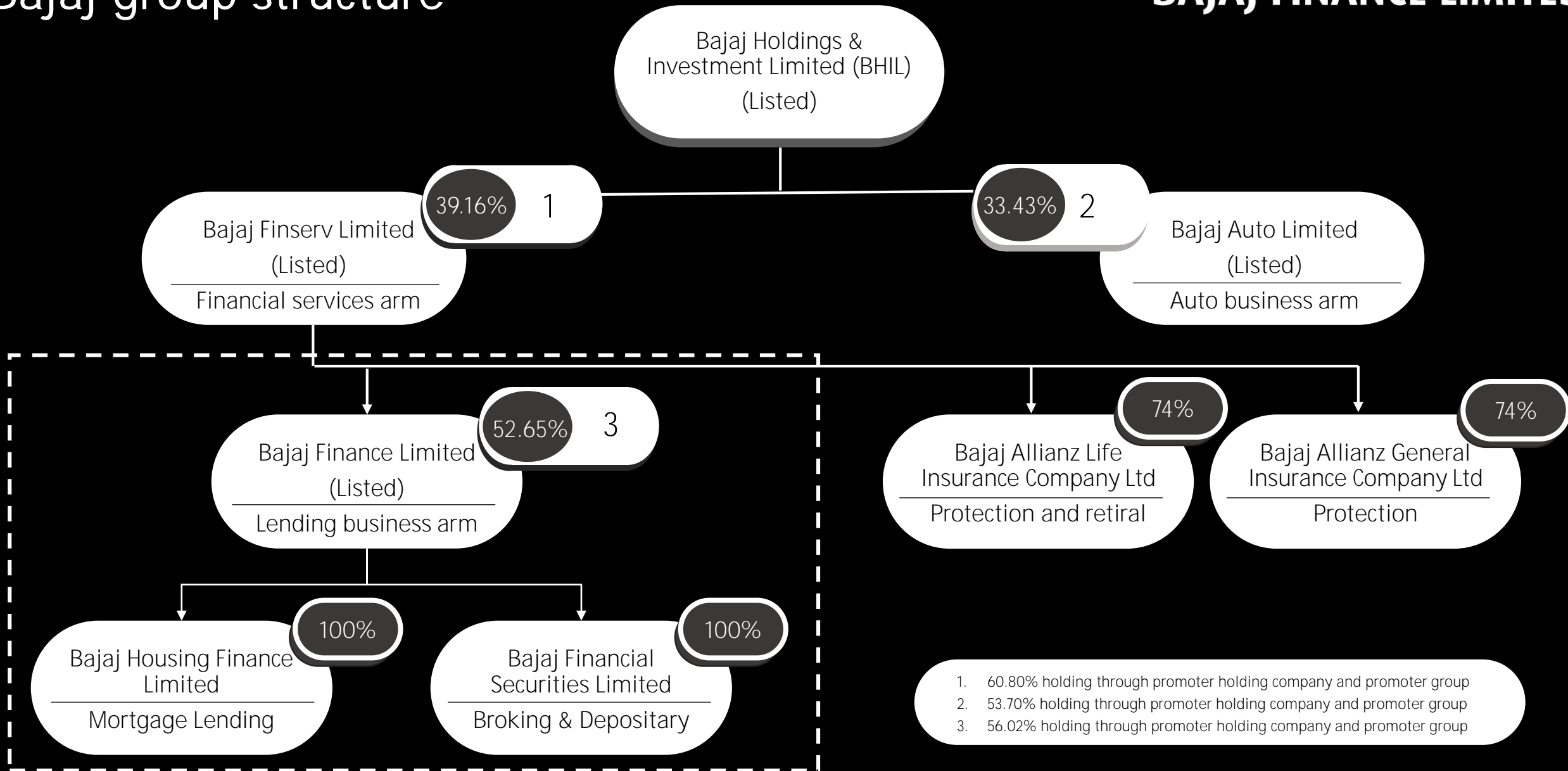
Product suite

2.8

Executive summary

# Bajaj group structure

# BAJAJ FINANCE LIMITED



- 1. 60.80% holding through promoter holding company and promoter group
- 2. 53.70% holding through promoter holding company and promoter group
- 3. 56.02% holding through promoter holding company and promoter group

**“Non-bank with strategy & structure of a bank”**

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

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

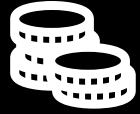
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**“Business construct to deliver a sustainable ROA of 4-4.5% and ROE of 19-21% in the long term”**

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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

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A trusted brand with strong brand equity

Focus on mass affluent and above clients

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Total customer franchise of 52.8 MM

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

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

A well diversified balance sheet

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Consolidated lending AUM mix for Consumer: Rural: SME: Commercial: Mortgages stood at 34% : 10% : 13% : 10% : 33%  
Consolidated borrowing mix for Money Markets :Banks: Deposits: ECB stood at 47% : 29% : 20% : 4%

Highly agile & innovative

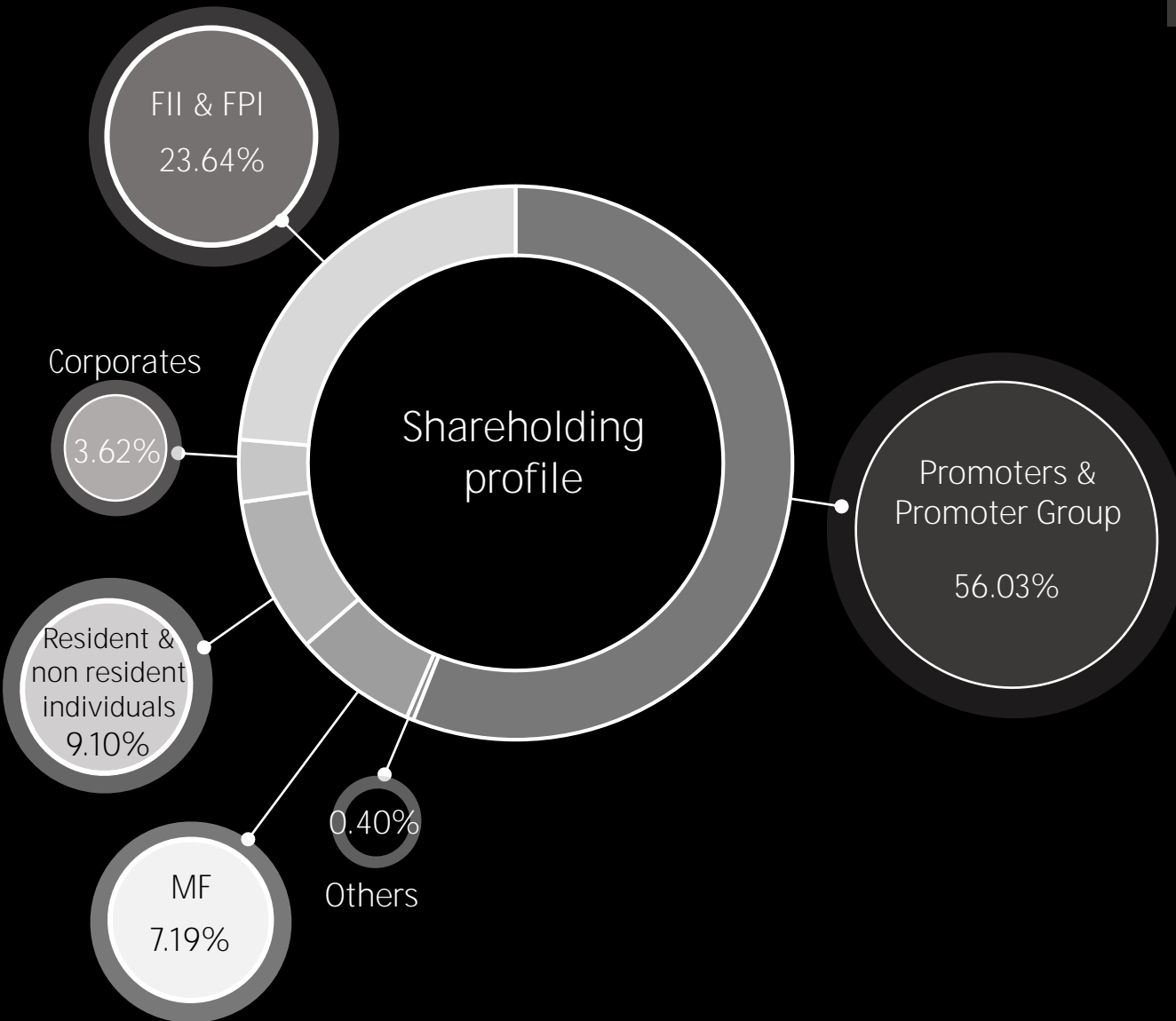
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Continuous improvements in product features and digital technologies to maintain competitive edge

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

## Our shareholder profile



## Top 20 investors & their holdings

S.No	Name of Shareholder	As on 30 Sept 21	As on 30 Jun 21	As on 30 Sept 20
1	BAJAJ FINSERV LTD	52.65%	52.65%	52.74%
2	GOVERNMENT OF SINGAPORE	3.31%	4.09%	4.20%
3	MAHARASHTRA SCOOTERS LIMITED	3.14%	3.14%	3.15%
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	0.76%	0.79%	0.93%
6	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS BLUECHIP FUND	0.72%	0.67%	0.64%
7	SBI-ETF NIFTY 50	0.69%	0.66%	0.68%
8	NEW WORLD FUND INC	0.58%	0.56%	0.56%
9	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	0.53%	0.52%	0.43%
10	WF ASIAN SMALLER COMPANIES FUND LIMITED	0.51%	0.51%	0.33%
11	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0.50%	0.48%	0.53%
12	BARON EMERGING MARKETS FUND	0.48%	0.40%	0.23%
13	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS FOCUSED 25 FUND	0.44%	0.47%	0.46%
14	ST. JAMES'S PLACE EMERGING MARKETS EQUITY UNIT TRUST MANAGED BY WASATCH ADVISORS INC	0.43%	0.46%	0.46%
15	SBI LIFE INSURANCE CO. LTD	0.43%	0.41%	0.39%
16	SBI-ETF SENSEX	0.40%	0.36%	0.32%
17	ISHARES CORE EMERGING MARKETS MAURITIUS CO	0.39%	0.39%	0.22%
18	PEOPLE'S BANK OF CHINA	0.39%	0.40%	0.31%
19	TOUCHSTONE STRATEGIC TRUST - TOUCHSTONE SANDS CAPITAL EMERGING MARKETS GROWTH FUND	0.39%	0.37%	0.24%
20	DF INTERNATIONAL PARTNERS	0.38%	0.38%	0.38%

Above shareholding is as of 30 September 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> (Consol.)	FY19 <sup>@</sup> (Consol.)	FY20 <sup>@</sup> (Consol.)	FY21 <sup>@</sup> (Consol.)	CAGR (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%	

<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.

## 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

<sup>(E)</sup> Also available through digital channels

New Product

<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 3,329 locations with over 119.9K+ point of sale</li><li>• Customer franchise of 52.8 MM as of 30 September 2021</li><li>• Amongst the largest new loan acquirers in the country (6.33 MM in Q2 FY22)</li><li>• AUM mix as of 30 September 2021 - Consumer: Rural: SME: Commercial: Mortgages stood at 34% : 10% : 13% : 10% : 33%</li><li>• AUM of ₹ 1,66,937 crore as of 30 September 2021 and post tax profit of ₹ 1,481 crore in Q2 FY22</li><li>• Capital adequacy ratio (including Tier II capital) of 27.68% as of 30 September 2021. Tier I capital stood at 24.90%</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 ₹ 1,45,020 crore with a mix of 47% : 29% : 20% : 4% between money markets, banks, deposits &amp; ECB as of 30 September 2021</li></ul>
<b>Credit Quality</b>	<ul style="list-style-type: none"><li>• Consolidated Gross and Net NPA as of 30 September 2021 stood at 2.45% and 1.10% respectively</li><li>• Provisioning coverage ratio as of 30 September 2021 was 55%</li><li>• Provisioning coverage on stage 1 &amp; 2 stood at 155 bps as of 30 September 2021 versus 369 bps as of 30 September 2020</li></ul>

## Overview

- Focused on Consumer, Rural, SME, Commercial and Payments businesses
- Strategic business unit organization design supported by horizontal common utility functions to drive domain expertise, scalability and operating leverage
- Focused on cross sell, customer experience and product & process innovations to create a differentiated & profitable business model
- AUM of ₹ 1,23,281 crore as of 30 September 2021
- AUM mix as of 30 September 2021 - Consumer: Rural: SME: Commercial: Mortgage stood at 45% : 13% : 18% : 14% : 10%
- Post tax profit of ₹ 1,306 crore in Q2 FY22
- Capital adequacy ratio (including Tier II capital) of 27.68% as of 30 September 2021. Tier I capital stood at 24.90%

## Consumer business

- Present in 1,368 locations with 86,800+ active distribution points of sale as of 30 September 2021
- Largest consumer electronics, digital products & lifestyle products lender in India
- 2-wheeler financing business disbursed 165 K accounts in the quarter (growth 5% YOY)
- 3-wheeler financing business disbursed 19 K accounts in the quarter (growth of 42% YOY)
- Amongst the largest personal loan lenders in India

## Payments

- EMI Card franchise stood at 25.7 MM cards in force (CIF) as of 30 September 2021
- Bajaj Finserv - RBL Bank co-branded credit card CIF stood at 2.19 MM as of 30 September 2021
- Bajaj Finserv Mobikwik app has 21.3 MM users as of 30 September 2021 who have linked their EMI card to the wallet
- Experia App has 12.9 MM active users as of 30 September 2021

## Rural business

- Highly diversified lender in rural markets offering 10 loan products across consumer and SME business categories
- Operates with a unique hub and spoke business model
- Present in 1,961 towns and villages with 25,600+ active distribution points of sale as of 30 September 2021

<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 and financing against used car</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 ₹ 1,08,170 crore with a mix of 51% : 18% : 26% : 5% between money markets, banks, deposits &amp; ECB as of 30 September 2021</li></ul>
<b>Credit Quality</b>	<ul style="list-style-type: none"><li>• Gross and Net NPA as of 30 September 2021 stood at 3.12% and 1.39% respectively</li><li>• Provisioning coverage ratio as of 30 September 2021 was 56%</li><li>• Provisioning coverage on stage 1 &amp; 2 stood at 179 bps as of 30 September 2021 versus 451 bps as of 30 September 2020.</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
- Strategic business unit organization design supported by horizontal common utility functions 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 ₹ 44,429 crore as of 30 September 2021. Post tax profit of ₹ 166 crore for Q2FY22
- Capital adequacy ratio (including Tier II capital) was 20.26% as of 30 Sep 2021

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## 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 balance transfers to large existing franchise of BFL by creating customized solutions as well as through channel partners
- Currently present across 46 locations in India
- BHFL launched its affordable housing business in Q2 FY22.
- Home loan mix as of 30 Sep 21 – Salaried: Self Employed: Professionals stood at 87%: 8%: 5%

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## Loan Against Property

- Offers loan to mass affluent and above self-employed customers for an average ticket size of 54 lakhs
- Focused on balance transfers to large existing franchise of BFL by creating customized solutions as well as through channel partners
- Currently present across 13 locations in India

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## Rural

- Offers home loans and loans against property to salaried and self-employed customers with an average ticket size of approximately 17 lakhs for home loans and 12 lakhs for loan against property
- Hub and spoke strategy through branch network and ASSC tie ups
- Currently present across 96 locations in India



# Executive summary – Bajaj Housing Finance Limited **BAJAJ FINANCE LIMITED**

## Lease Rental Discounting

- Offers loan against lease rentals to high-net-worth individuals and developers on commercial property leased mainly to corporate tenants
- All lease rental discounting transactions are backed by rentals through escrow mechanism
- Ticket size of lease rental discounting ranges from 5 - 350 crore with an average ticket size of approximately 35 crore
- Currently present across 8 locations in India (Mumbai, Delhi, Bangalore, Pune, Ahmedabad, Chennai, Kolkata and Hyderabad)

## Developer Financing

- Offers construction finance and inventory finance mainly to category A and A+ developers in India
- Average ticket size ranges between 20 – 25 crore
- Currently present in 12 locations.

## Credit Quality

- 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 30 September 2021 stood at 0.35% and 0.21% respectively

## Treasury

- Strategy is to create a balanced and sustained mix of borrowings
- Borrowings stood at ₹ 36,284 crore with a mix of 62 : 38 between banks and money markets as of 30 September 2021 against mix of 65 : 35 as of 30 June 2021

## Credit Rating

- Credit rating for long term borrowing is AAA/Stable by CRISIL & IND AAA/Stable by India Ratings
- Credit rating for short term borrowing is A1+ by CRISIL & IND A1+ by India Ratings

## Bajaj Financial Securities Limited

- A 100% subsidiary of Bajaj Finance Limited, registered with Securities and Exchange Board of India (SEBI)
- Member of Stock Exchanges (NSE and BSE), Depositories (NSDL & CDSL) and AMFI for distribution of Mutual Funds
- Offers Capital Market products like Broking, Depository services, Margin Trade Financing (MTF), Mutual Funds, IPOs and Distribution of PMS.
- Broking business caters to two different business segment – HNI and Retail
- Margin Trade Financing Loan Book of ₹ 564 Cr as of 30 September 2021
- Received issuer rating of AAA from CRISIL

---

## HNI Broking

- Business oriented towards delivering relationship based Broking solutions to UHNI & HNI client segment
- Physical Branch network across 7 Location – Mumbai, Ahmedabad, Pune, Indore, Bangalore, Kolkata and Delhi
- Total client base over 4K as of 30 September 2021

---

## Retail Broking

- Acquired 108 K+ Trading and Demat accounts in Q2 FY22.
- Empaneled 500+ Affiliates and Partners for online accounts.
- Working with 120+ Independent Business Advisor (IBAs)
- Focused on driving client activations and customer service frameworks for real time support

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## Capabilities Update

- Complete migration to Web & Mobile App 2.0 platform which is aimed at offering fast and simple trading experience to clients
- App in App infrastructure to originate customers from existing Mobile App of BFL (Experia)
- Strong pipelines of upcoming new products and features to offer complete product suite of BFSI clients

## 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	Q2 FY22	Q2 FY21	Y-o-Y	H1 FY22	H1 FY21	Y-o-Y	FY21
Assets under management	1,66,937	1,37,090	22%	166,937	137,090	22%	1,52,947
Assets under finance	1,60,808	1,31,765	22%	160,808	131,765	22%	1,46,687
Interest income	6,687	5,763	16%	12,642	11,556	9%	23,304
Fee and other income	978	620	58%	1,665	1,212	37%	2,788
Net gain on fair value changes on investment	67	137	(51%)	168	402	(58%)	591
<b>Total Income</b>	<b>7,732</b>	<b>6,520</b>	<b>19%</b>	<b>14,475</b>	<b>13,170</b>	<b>10%</b>	<b>26,683</b>
Interest expenses	2,397	2,358	2%	4,651	4,856	(4%)	9,414
<b>Net Interest Income</b>	<b>5,335</b>	<b>4,162</b>	<b>28%</b>	<b>9,824</b>	<b>8,314</b>	<b>18%</b>	<b>17,269</b>
Operating Expenses	2,031	1,157	76%	3,403	2,313	47%	5,308
Loan losses and provisions	1,300	1,700	(24%)	3,051	3,386	(10%)	5,969
ECL stage 1 & 2	(175)	1,370	(113%)	(181)	2,800	(106%)	414
ECL stage 3 & write off	1,475	330	347%	3,232	586	452%	5,555
<b>Profit before tax</b>	<b>2,004</b>	<b>1,305</b>	<b>54%</b>	<b>3,370</b>	<b>2,615</b>	<b>29%</b>	<b>5,992</b>
<b>Profit after tax</b>	<b>1,481</b>	<b>965</b>	<b>53%</b>	<b>2,483</b>	<b>1,927</b>	<b>29%</b>	<b>4,420</b>
<b>Ratios</b>							
Operating expenses to Net Interest Income	38.1%	27.8%		34.6%	27.8%		30.7%
Loan loss to average AUF*	0.83%	1.29%		1.98%	2.48%		4.14%
Earning per share - Basic (₹) *	24.6	16.1		41.2	32.1		73.6
Return on Average Assets*	0.9%	0.7%		1.6%	1.4%		3.1%
Return on Average Equity *	3.8%	2.9%		6.5%	5.8%		12.8%

# Financial statement summary – Bajaj Finance Limited

**BAJAJ FINANCE LIMITED**

₹ in Crore

Financials snapshot	Q2 FY22	Q2 FY21	Y-o-Y	H1 FY22	H1 FY21	Y-o-Y	FY21
Assets under management	1,23,281	1,04,986	17%	1,23,281	1,04,986	17%	1,15,418
Assets under finance	1,21,244	1,02,525	18%	1,21,244	1,02,525	18%	1,13,090
Interest income	5,842	5,066	15%	11,013	10,168	8%	20,419
Fee and other income	915	599	53%	1,578	1,162	36%	2,599
Net gain on fair value changes on investment	52	121	(57%)	135	358	(62%)	528
<b>Total Income</b>	<b>6,809</b>	<b>5,786</b>	<b>18%</b>	<b>12,726</b>	<b>11,688</b>	<b>9%</b>	<b>23,546</b>
Interest expenses	1,889	1,868	1%	3,653	3,853	(5%)	7,446
<b>Net Interest Income</b>	<b>4,920</b>	<b>3,918</b>	<b>26%</b>	<b>9,073</b>	<b>7,835</b>	<b>16%</b>	<b>16,100</b>
Operating Expenses	1,913	1,097	74%	3,192	2,190	46%	5,016
Loan losses and provisions	1,239	1,635	(24%)	2,964	3,275	(9%)	5,721
ECL stage 1 & 2	(188)	1,306	(114%)	(200)	2,691	(107%)	215
ECL stage 3 & write off	1,427	329	334%	3,164	584	442%	5,506
<b>Profit before tax</b>	<b>1,768</b>	<b>1,186</b>	<b>49%</b>	<b>2,917</b>	<b>2,370</b>	<b>23%</b>	<b>5,363</b>
<b>Profit after tax</b>	<b>1,306</b>	<b>877</b>	<b>49%</b>	<b>2,149</b>	<b>1,746</b>	<b>23%</b>	<b>3,956</b>
<b>Ratios</b>							
Operating expenses to Net Interest Income	38.9%	28.0%		35.2%	28.0%		31.2%
Loan loss to average AUF*	1.04%	1.58%		2.53%	3.03%		5.05%
Earning per share - Basic (₹) *	21.7	14.6		35.7	29.1		65.9
Return on Average Assets*	1.1%	0.9%		1.8%	1.6%		3.5%
Return on Average Equity *	3.5%	2.6%		5.8%	5.3%		11.7%

# Financial statement summary – Bajaj Housing Finance Ltd.

# BAJAJ FINANCE LIMITED

₹ in Crore

Financials snapshot	Q2 FY22	Q2 FY21	Y-o-Y	H1 FY22	H1 FY21	Y-o-Y	FY21
Assets under management	44,429	33,463	33%	44,429	33,463	33%	38,871
Assets under finance	39,130	29,200	34%	39,130	29,200	34%	33,419
Interest income	837	696	20%	1,614	1,387	16%	2,877
Fee and other income	50	27	85%	79	64	23%	218
Net gain on fair value changes on investment	14	15	(7%)	30	43	(30%)	60
<b>Total Income</b>	<b>901</b>	<b>738</b>	<b>22%</b>	<b>1,723</b>	<b>1,494</b>	<b>15%</b>	<b>3,155</b>
Interest expenses	505	490	3%	992	1,003	(1%)	1,966
<b>Net Interest Income</b>	<b>396</b>	<b>248</b>	<b>60%</b>	<b>731</b>	<b>491</b>	<b>49%</b>	<b>1,189</b>
Operating Expenses	110	70	57%	201	143	41%	329
Loan losses and provisions	61	65	(6%)	87	111	(22%)	247
ECL stage 1 & 2	13	64	(80%)	19	109	(83%)	199
ECL stage 3 & write off	48	1	NA	68	2	NA	48
<b>Profit before tax</b>	<b>225</b>	<b>113</b>	<b>99%</b>	<b>443</b>	<b>237</b>	<b>87%</b>	<b>613</b>
<b>Profit after tax</b>	<b>166</b>	<b>83</b>	<b>100%</b>	<b>327</b>	<b>175</b>	<b>87%</b>	<b>453</b>
<b>Ratios</b>							
Operating expenses to Net Interest Income	27.8%	28.2%		27.5%	29.1%		27.7%
Loan loss to average AUF*	0.16%	0.23%		0.24%	0.39%		0.80%
Earning per share - Basic (₹) *	0.34	0.17		0.67	0.36		0.93
Return on Average Assets*	0.4%	0.3%		0.9%	0.6%		1.5%
Return on Average Equity *	2.6%	1.5%		5.3%	3.1%		7.8%

 **Section 04**  
**Asset liability management**

4.1

Conservative leverage standards –  
Bajaj Finance Limited

4.2

Resilient business model –  
Consolidated

4.3

Behaviouralized ALM as of 30 September–  
Bajaj Finance Limited

4.4

Behaviouralized ALM as of 30 September –  
Bajaj Housing Finance Limited

4.5

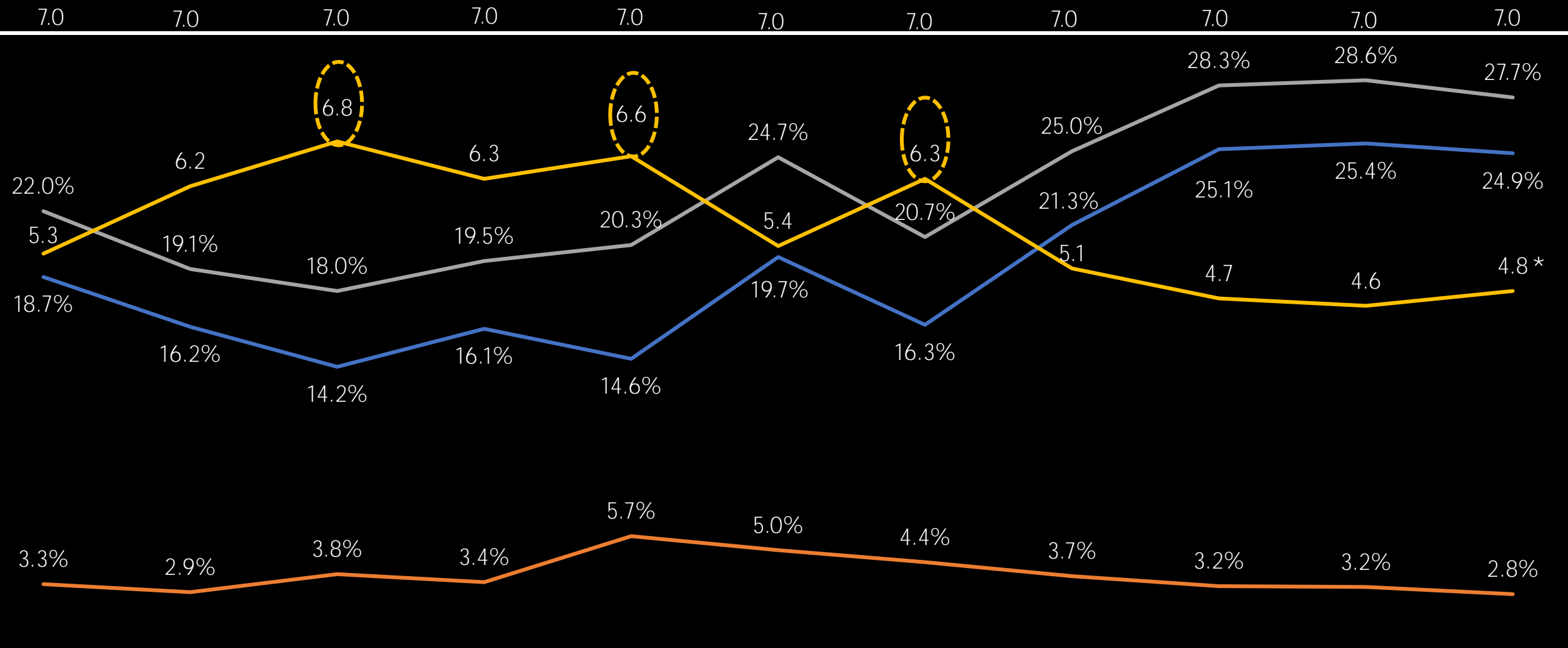
Disciplined ALM Management –  
Bajaj Finance Limited

4.6

Liability mix over last 10 years –  
Consolidated

# Conservative leverage standards

# BAJAJ FINANCE LIMITED



— Tier 1 Capital   
 — Tier 2 Capital   
 — Capital Adequacy Ratio (CRAR)   
 — Consolidated Leverage Ratio   
 — Leverage Threshold

\*Standalone leverage is approximately 3.9X as of 30 September 2021

Capital Adequacy Ratios (CRAR) are on standalone basis

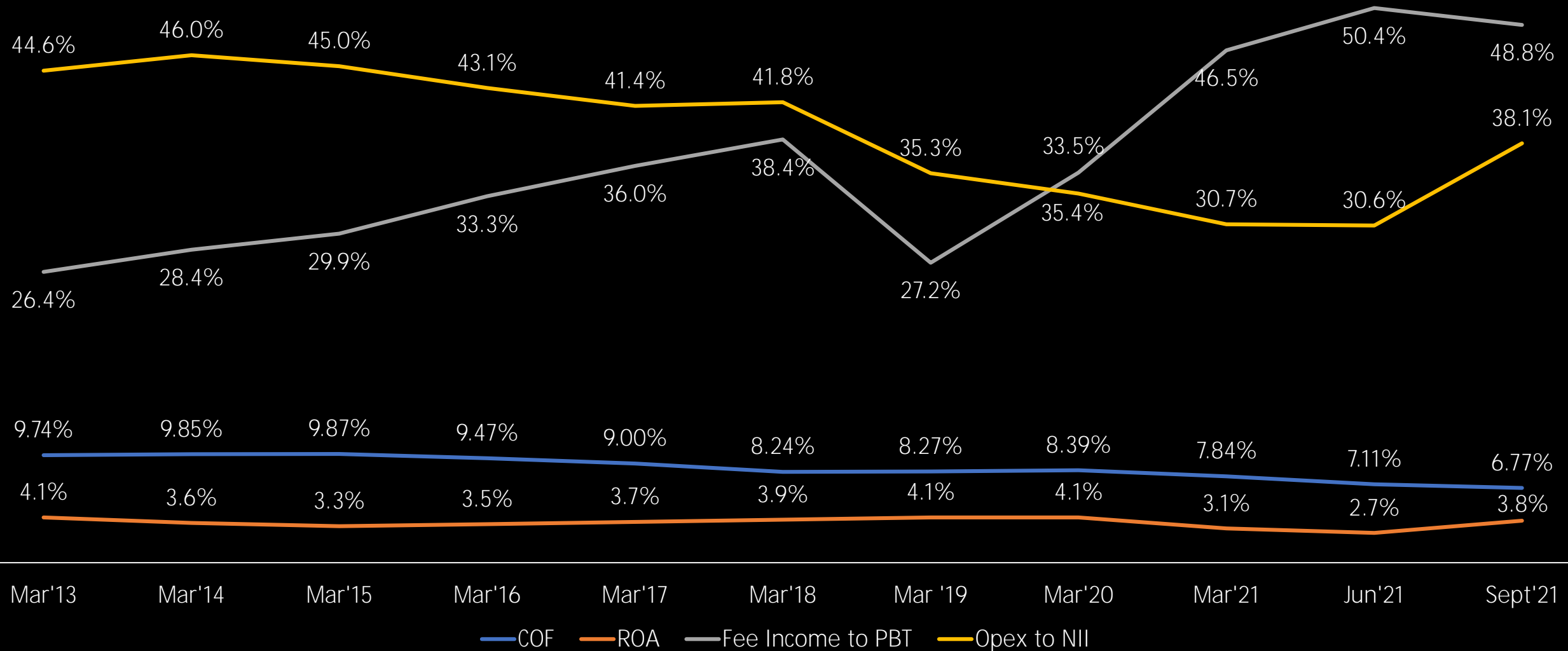
   denotes point at which the Company initiated its capital raising plan in last 10 years

Mar '19 onwards numbers are as per Ind AS



# Resilient business model – Consolidated

**BAJAJ FINANCE LIMITED**



Mar '19 onwards numbers are as per Ind AS. Jun'21 number of COF is for the quarter

Post Ind AS, Fee income to PBT represents non-loan fees and commission income as a % of Profit Before Tax

# Behaviouralized ALM as of 30 September 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	10,294	12	6	551	1,580	916	889	2,102	917	5,872	23,138
Advances	6,567	2,281	2,600	6,512	6,415	14,107	21,711	42,468	14,572	7,281	1,24,516
Other inflows	324	116	3,985	1,213	561	29	241	946	234	2,451	10,101
<b>Total Inflows (A)</b>	<b>17,185</b>	<b>2,409</b>	<b>6,591</b>	<b>8,277</b>	<b>8,556</b>	<b>15,053</b>	<b>22,842</b>	<b>45,516</b>	<b>15,723</b>	<b>15,605</b>	<b>1,57,756</b>
<b>Cumulative Total Inflows (B)</b>	<b>17,185</b>	<b>19,594</b>	<b>26,185</b>	<b>34,461</b>	<b>43,018</b>	<b>58,071</b>	<b>80,912</b>	<b>1,26,428</b>	<b>1,42,151</b>	<b>1,57,756</b>	
Borrowings	594	607	2,500	4,678	2,428	9,146	24,084	47,124	12,466	10,226	1,13,853
Capital Reserves and Surplus	-	-	-	-	-	-	-	-	-	37,685	37,685
Other Outflows	3,524	572	1,179	0	41	4	54	105	463	276	6,218
<b>Total Outflows (C)</b>	<b>4,118</b>	<b>1,180</b>	<b>3,678</b>	<b>4,679</b>	<b>2,469</b>	<b>9,150</b>	<b>24,138</b>	<b>47,228</b>	<b>12,929</b>	<b>48,187</b>	<b>1,57,756</b>
<b>Cumulative Total Outflows (D)</b>	<b>4,118</b>	<b>5,297</b>	<b>8,975</b>	<b>13,654</b>	<b>16,123</b>	<b>25,273</b>	<b>49,411</b>	<b>96,640</b>	<b>1,09,569</b>	<b>1,57,756</b>	
<b>Mismatch (E = A - C)</b>	<b>13,067</b>	<b>1,229</b>	<b>2,913</b>	<b>3,598</b>	<b>6,087</b>	<b>5,903</b>	<b>(1,296)</b>	<b>(1,713)</b>	<b>2,794</b>	<b>(32,582)</b>	
<b>Cumulative mismatch (F = B-D)</b>	<b>13,067</b>	<b>14,296</b>	<b>17,209</b>	<b>20,807</b>	<b>26,894</b>	<b>32,798</b>	<b>31,501</b>	<b>29,788</b>	<b>32,582</b>	<b>-</b>	
<b>Cumulative mismatch as % (D/F)</b>	<b>317%</b>	<b>270%</b>	<b>192%</b>	<b>152%</b>	<b>167%</b>	<b>130%</b>	<b>64%</b>	<b>31%</b>	<b>30%</b>	<b>0%</b>	
Permissible cumulative gap %	-10%	-10%	-20%								
Additional borrowings possible			23,756								

# Behaviouralized ALM as of 30 Sept 2021 – BHFL

## BAJAJ FINANCE LIMITED

₹ in Crore

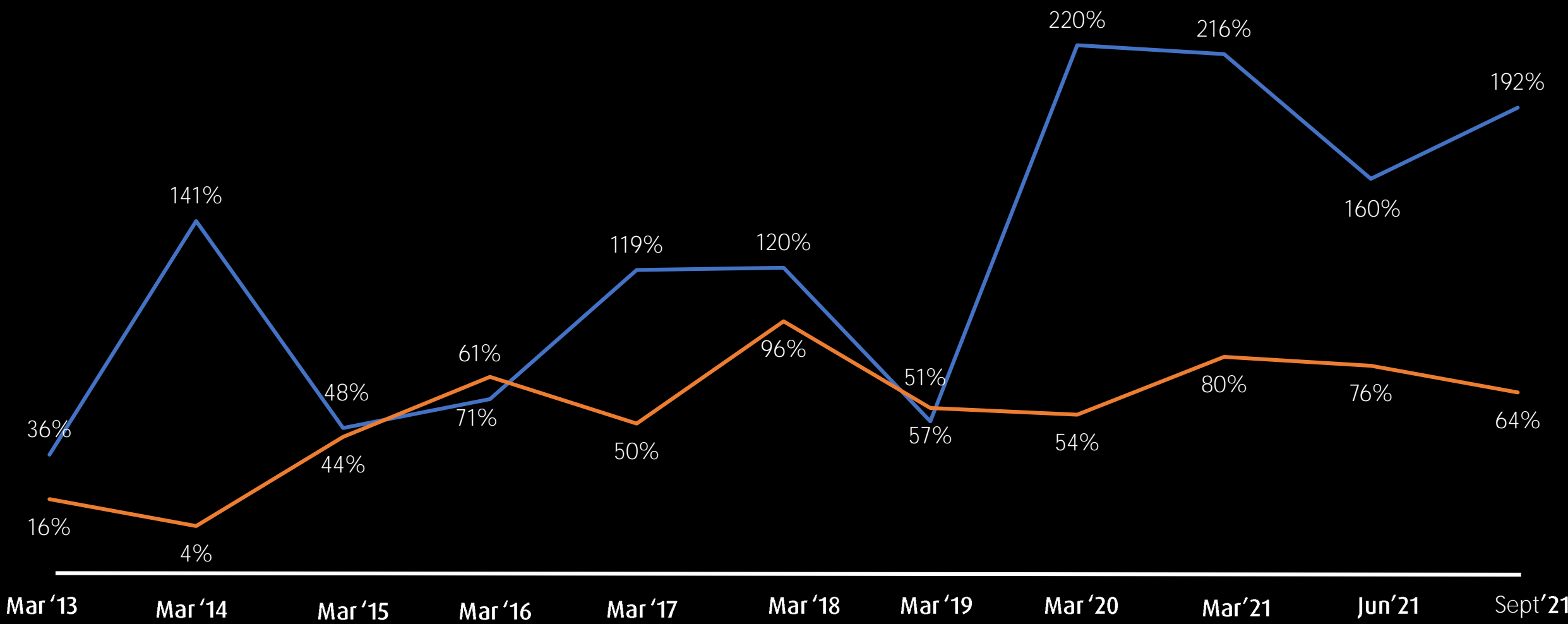
Particulars	1-7 D	8-14 D	15-30 D	>1-2 M	>2-3 M	>3-6 M	>6 M-1 Y	>1-3 Y	>3-5 Y	>5-7 Y	>7-10 Y	>10 Y	Total
Cash & Investments	233	400	1,500	1,000	199	-	0	0	-	-	-	-	3,333
Advances	279	227	504	771	755	2,157	3,885	10,931	6,995	4,705	4,227	3,696	39,130
Other inflows	322	7	605	12	1,014	1,497	1,014	1,176	1,015	352	321	863	8,198
<b>Total Inflows (A)</b>	<b>835</b>	<b>634</b>	<b>2,610</b>	<b>1,783</b>	<b>1,969</b>	<b>3,654</b>	<b>4,898</b>	<b>12,107</b>	<b>8,010</b>	<b>5,056</b>	<b>4,548</b>	<b>4,559</b>	<b>50,662</b>
<b>Cumulative Total Inflows (B)</b>	<b>835</b>	<b>1,468</b>	<b>4,078</b>	<b>5,861</b>	<b>7,830</b>	<b>11,483</b>	<b>16,382</b>	<b>28,488</b>	<b>36,498</b>	<b>41,554</b>	<b>46,102</b>	<b>50,662</b>	
Borrowings	-	-	473	764	821	2,804	6,069	18,723	5,244	1,582	-	1,799	38,280
Capital Reserves and Surplus	-	-	-	-	-	-	-	-	-	-	-	6,359	6,359
Other Outflows	425	329	1,009	342	203	536	658	15	5	1	2,500	-	6,023
<b>Total Outflows (C)</b>	<b>425</b>	<b>329</b>	<b>1,482</b>	<b>1,106</b>	<b>1,024</b>	<b>3,341</b>	<b>6,727</b>	<b>18,738</b>	<b>5,249</b>	<b>1,583</b>	<b>2,500</b>	<b>8,158</b>	<b>50,662</b>
<b>Cumulative Total Outflows (D)</b>	<b>425</b>	<b>753</b>	<b>2,235</b>	<b>3,341</b>	<b>4,365</b>	<b>7,705</b>	<b>14,433</b>	<b>33,171</b>	<b>38,420</b>	<b>40,003</b>	<b>42,503</b>	<b>50,662</b>	
<b>Mismatch (E = A - C)</b>	<b>410</b>	<b>305</b>	<b>1,127</b>	<b>677</b>	<b>945</b>	<b>313</b>	<b>(1,829)</b>	<b>(6,632)</b>	<b>2,761</b>	<b>3,473</b>	<b>2,048</b>	<b>(3,599)</b>	
<b>Cumulative mismatch (F = B-D)</b>	<b>410</b>	<b>715</b>	<b>1,843</b>	<b>2,520</b>	<b>3,465</b>	<b>3,778</b>	<b>1,949</b>	<b>(4,683)</b>	<b>(1,922)</b>	<b>1,551</b>	<b>3,599</b>	<b>-</b>	
<b>Cumulative mismatch as % (F/D)</b>	<b>97%</b>	<b>95%</b>	<b>82%</b>	<b>75%</b>	<b>79%</b>	<b>49%</b>	<b>14%</b>	<b>-14%</b>	<b>-5%</b>	<b>4%</b>	<b>8%</b>	<b>0%</b>	
Permissible cumulative gap %	-10%	-10%	-20%										
Additional borrowings possible			2,862										

# Disciplined ALM Management

**BAJAJ FINANCE LIMITED**

— Cumulative gap upto 1 month

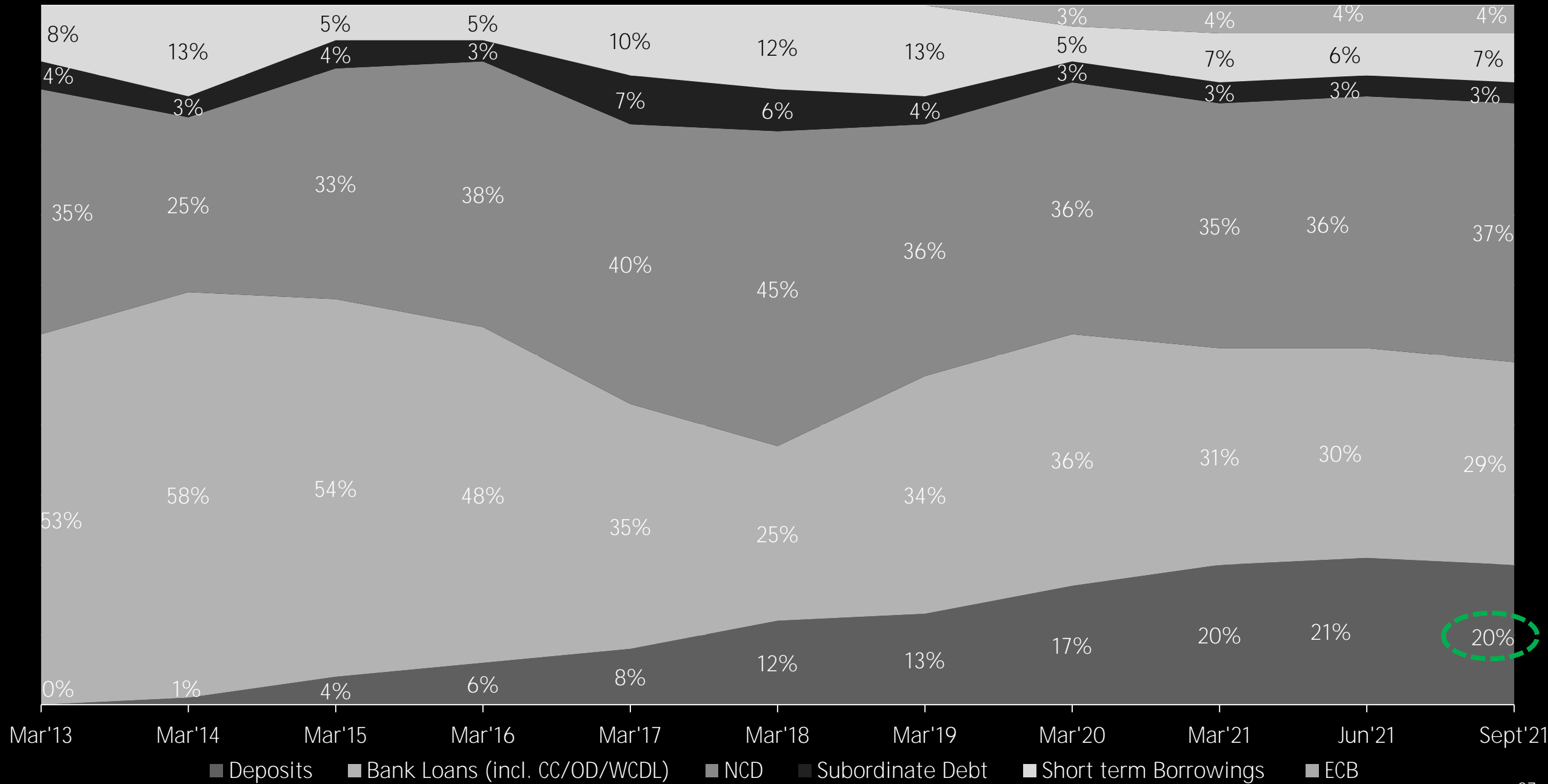
— Cumulative gap upto 12 months



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

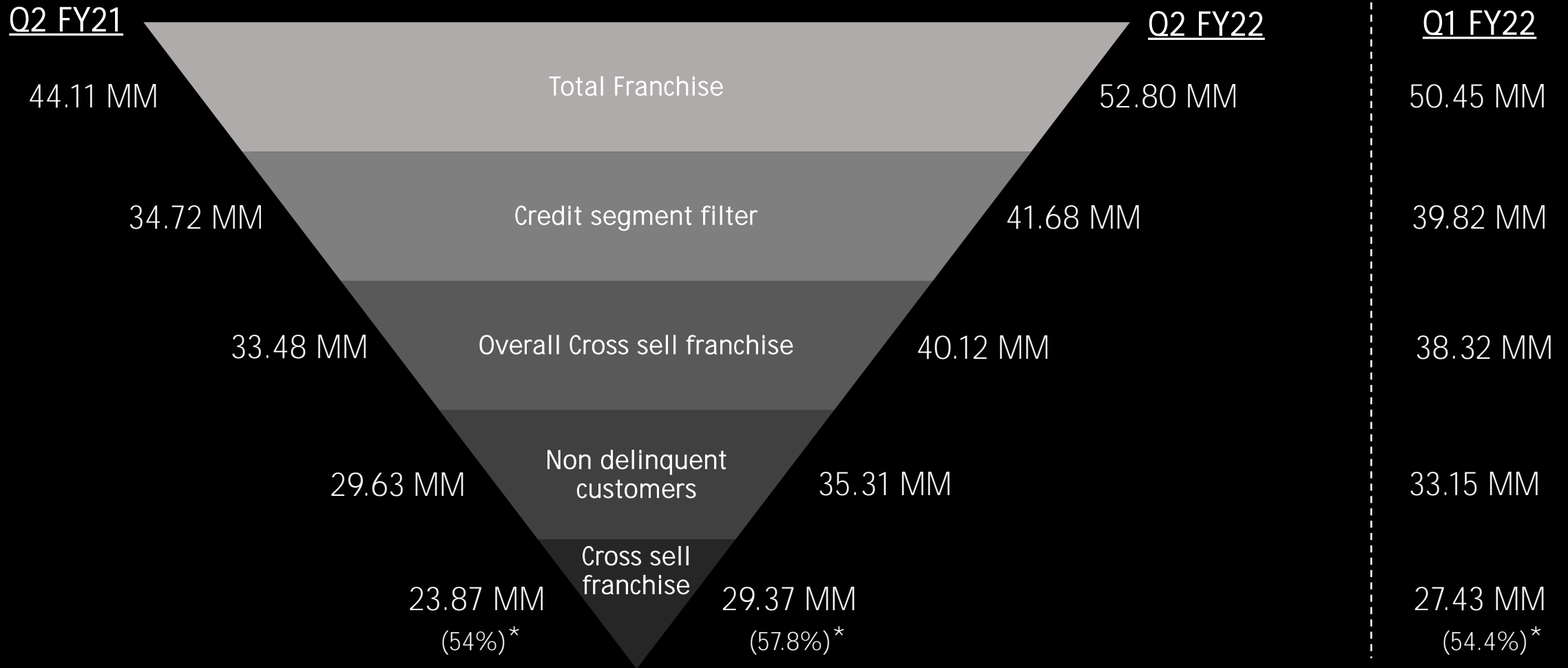
5.2

Geographic presence

5.3

Strong distribution reach

# Customer franchise



## Customer Franchise addition



\*Represents cross sell franchise as a % of total franchise

# Geographic presence



Map not to scale

Geographic Presence	30 Jun 2020	30 Sept 2020	31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sept 2021
Urban	1,049	1,134	1,210	1,298	1,368	1,368
Of which urban lending branches	1,049		1,137	1,148	1,179	1,179
Of which urban lending franchisee			73	150	189	189
Rural	1,359	1,507	1,604	1,690	1,745	1,961
Of which rural lending branches	527	527	527	527	527	580
Of which rural lending franchisee	832	980	1,077	1,163	1,218	1,381
Total Bajaj Finance presence	2,408	2,641	2,814	2,988	3,113	3,329



# Strong distribution reach

Active distribution	30-Sep-19	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21	30-Sep-21
Consumer durable stores – Urban	22,000+	24,200+	24,700+	26,400+	26,900+	28,000+
Consumer durable stores – Rural	15,200+	19,600+	22,500+	24,000+	24,000+	25,600+
Digital product stores	23,100+	26,400+	25,400+	23,800+	26,350+	27,600
Lifestyle retail stores	8,300+	9,500+	8,800+	9,800+	9,400+	9,700+
EMI card – retail spends stores	20,700+	24,300+	10,400+	14,300+	14,500+	15,400+
Bajaj Auto dealers, sub-dealerships and ASSC	4,900+	5,500+	5,800+	5,900+	5,800+	5,900+
Direct Sales Agents/Independent Financial Agents	2,800+	4,900+	5,200+	6,100+	7,500+	7,500+
Overall active distribution network	97,000+	1,14,400+	1,02,800+	1,10,300+	1,14,400+	1,19,900+



# Section 06

## Business segment wise AUM

6.1

Business segment wise AUM as of 30 September - Consolidated

6.2

Business segment wise AUM as of 30 September - Mortgages

# Business segment wise AUM - Consolidated

**BAJAJ FINANCE LIMITED**

₹ in Crore

Assets Under Management	Consolidated as of 30 September 2020	BFL as of 30 September 2021	BHFL as of 30 September 2021	Consolidated as of 30 September 2021	Growth YoY	Composition as of 30 September 2020	Composition as of 30 September 2021
Auto Finance Business	12,687	10,738	-	10,738	(15%)	9%	6%
Sales Finance Business	7,918	12,555	-	12,555	59%	6%	8%
Consumer B2C Business	28,262	32,374	1,305	33,679	19%	20%	20%
Rural Sales Finance Business	1,808	3,258	-	3,258	80%	1%	2%
Rural B2C Business	10,291	13,376	-	13,376	30%	8%	8%
SME Lending Business	18,253	21,852	144	21,871	20%	13%	13%
Securities Lending Business	4,340	6,729	-	7,293	68%	3%	4%
IPO Financing	987	170	-	170	(83%)	1%	0%
Commercial Lending Business	6,555	9,801	-	9,801	50%	5%	6%
Mortgages	45,989	12,428	42,980	54,196	18%	34%	33%
<b>Total</b>	<b>1,37,090</b>	<b>1,23,281</b>	<b>44,429</b>	<b>1,66,937</b>	<b>22%</b>	<b>100%</b>	<b>100%</b>
Co-brand Credit Card – CIF	1.87 MM			2.19 MM	17%		
EMI Card – CIF	20.6 MM			25.7 MM	25%		
Co-brand Wallets	16.8 MM			21.3 MM	27%		

# Business segment wise AUM - Mortgages

**BAJAJ FINANCE LIMITED**

₹ in crore

Assets Under Management	Bajaj Housing Finance Limited			Mortgage – All			Composition as of 30 Sep 2021
	30 Sep 2020	30 Sep 2021	Growth	30 Sep 2020	30 Sep 2021	Growth	
Home Loans	21,456	27,668	29%	26,165	30,824	18%	57%
Loan against property	4,205	5,071	21%	11,520	11,512	0%	21%
Lease rental discounting	3,396	5,595	65%	4,309	6,809	58%	13%
Developer Finance	1,809	2,526	40%	1,878	2,532	35%	5%
Rural	1,712	2,120	24%	2,117	2,519	19%	4%
<b>Total</b>	<b>32,578</b>	<b>42,980</b>	<b>32%</b>	<b>45,989</b>	<b>54,196</b>	<b>18%</b>	<b>100%</b>

Home Loan customer categorisation	Bajaj Housing Finance Limited			Mortgage - All			Composition as of 30 Sep 2021
	30 Sep 2020	30 Sep 2021	Growth	30 Sep 2020	30 Sep 2021	Growth	
Home Loan to Salaried	19,830	25,984	31%	22,471	27,738	23%	87%
Home Loan to Self Employed	1,258	1,351	7%	3,038	2,557	(16%)	8%
Home Loan to Professional	1,134	1,429	26%	1,477	1,668	13%	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 30 Sept 2021	GNPA	NNPA	PCR (%)	GNPA %			NNPA %		
					31 Mar 21	30 Jun 21	30 Sept 21	31 Mar 21	30 Jun 21	30 Sept 21
Auto Finance Business	10,738	1,919	1,027	46%	9.31%	19.15%	16.00%	4.84%	12.18%	9.25%
Sales Finance Business	12,555	91	18	80%	1.11%	1.05%	0.64%	0.26%	0.24%	0.13%
Consumer B2C Business	33,679	709	177	75%	1.70%	2.84%	2.11%	0.44%	0.95%	0.54%
Rural Sales Finance Business	3,258	36	7	81%	1.11%	1.35%	1.09%	0.26%	0.29%	0.21%
Rural B2C Business	13,376	429*	175*	59%*	1.65%	2.85%	3.09%*	0.39%	0.92%	1.28%*
SME Lending Business	21,871	379	96	75%	0.94%	2.15%	1.69%	0.23%	0.70%	0.43%
Securities Lending Business	7,463	2	1	18%	-	-	0.02%	-	-	0.02%
Commercial Lending Business	9,801	44	29	34%	-	-	0.45%	-	-	0.29%
Mortgages	54,196	494	296	40%	0.92%	0.88%	0.97%	0.58%	0.61%	0.59%
<b>Total</b>	<b>1,66,937</b>	<b>4,103</b>	<b>1,826</b>	<b>55%</b>	<b>1.79%</b>	<b>2.96%</b>	<b>2.45%</b>	<b>0.75%</b>	<b>1.46%</b>	<b>1.10%</b>

\*Includes Gold loan GNPA of ₹ 96 crore and NNPA of ₹ 92 crore. Net of Gold loan, the GNPA, NNPA and PCR are 2.79%, 0.71% and 75%.

# ECL summary – Consolidated

Assets categorization	Sept'20	Dec'20	Mar'21	Jun'21	Sept'21
Stage 1 & 2 (represents standard assets)	98.66%	97.14%	98.21%	97.04%	97.55%
Stage 3 (classified as NPA)	1.03%	0.55%	1.79%	2.96%	2.45%
Stage 3 (not classified as NPA)	0.31%	2.32%	-	-	-

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

Assets and impairment allowance	Sept'20	Dec'20	Mar'21	Jun'21	Sept'21
Gross Stage 1 & 2 assets* (A)	1,38,035	1,42,287	1,49,878	1,55,188	1,63,534
ECL Provision Stage 1 & 2 (B)	5,099	2,708	2,713	2,707	2,537
Net Stage 1 & 2 assets (C = A-B)	<b>1,32,936</b>	<b>1,39,579</b>	1,47,165	1,52,481	1,60,997
ECL Provision % Stage 1 & 2 assets (D = B/A)	<b>3.69%</b>	<b>1.90%</b>	1.81%	1.74%	1.55%
Gross Stage 3 assets@ (E)	1,873	4,194	2,731	4,737	4,103
ECL Provision Stage 3 (F)	1,102	2,433	1,595	2,430	2,277
Net Stage 3 assets (G = E-F)	771	1,761	1,136	2,307	1,826
Coverage Ratio % Stage 3 assets (H= F/E)	<b>59%</b>	<b>58%</b>	58%	51%	55%
<b>Overall coverage ratio</b>	<b>4.43%</b>	<b>3.51%</b>	<b>2.82%</b>	<b>3.21%</b>	<b>2.87%</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	Sept'20	Dec'20	Mar'21	Jun'21	Sep'21
Stage 1 & 2 (represents standard assets)	99.91%	99.65%	99.65%	99.72%	99.65%
Stage 3 (classified as NPA)	0.08%	0.06%	0.35%	0.28%	0.35%
Stage 3 (not classified as NPA)	0.01%	0.29%			

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

Assets and impairment allowance	Sept'20	Dec'20	Mar'21	Jun'21	Sep'21
Gross Stage 1 & 2 assets* (A)	29,601	31,356	34,000	36,378	39,892
ECL Provision Stage 1 & 2 (B)	220	291	310	316	330
Net Stage 1 & 2 assets (C = A-B)	29,381	31,065	33,690	36,062	39,562
ECL Provision % Stage 1 & 2 assets (D = B/A)	0.74%	0.93%	0.91%	0.87%	0.83%
Gross Stage 3 assets@ (E)	26.9	110.2	119.1	102.5	142.0
ECL Provision Stage 3 (F)	10.1	41.3	45.2	36.6	56.2
Net Stage 3 assets (G = E-F)	16.8	68.9	73.9	65.9	85.9
Coverage Ratio % Stage 3 assets (H= F/E)	38%	38%	38%	36%	40%
Overall coverage ratio	0.78%	1.06%	1.04%	0.97%	0.96%

\*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 receivables & provisioning as of 30 Sep 2021

**BAJAJ FINANCE LIMITED**

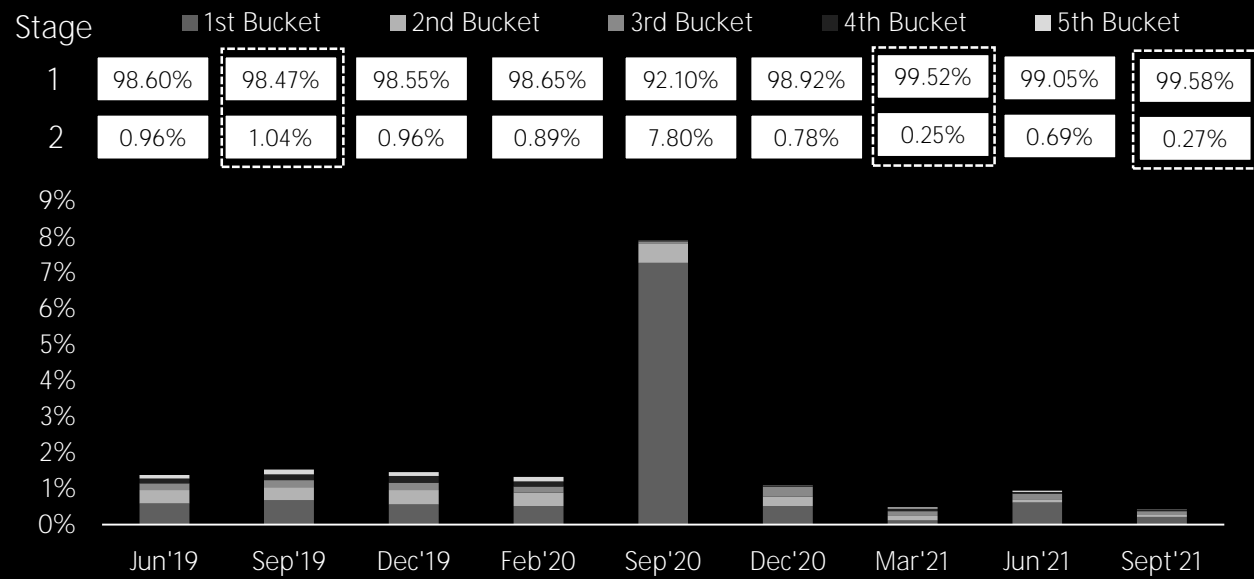
₹ in crore

	Gross Assets Receivable				ECL Provision				PCR %			
	Stage 1	Stage 2 OTR*	Stage 2 Normal	Stage 3	Stage 1	Stage 2 OTR*	Stage 2 Normal	Stage 3	Stage 1	Stage 2 OTR*	Stage 2 Normal	Stage 3
Auto Finance Business	8,465	21	1,588	1,919	137	1	227	892	1.6%	6.5%	14.3%	46.5%
Sales Finance Business	12,222	394	104	91	89	51	42	73	0.7%	13.1%	40.7%	79.7%
Consumer B2C Business	31,729	129	1,010	709	365	31	333	532	1.1%	24.3%	33.0%	75.0%
Rural Sales Finance Business	3,257	-	19	36	14	-	10	29	0.4%	40.3%	51.7%	81.0%
Rural B2C Business	12,784	13	684	429	150	3	127	255	1.2%	23.8%	18.5%	59.3%
SME Lending Business	21,559	133	365	379	229	49	148	284	1.1%	36.0%	40.4%	75.0%
Securities Lending Business	7,511	-	13	2	3	-	1	-	0.0%	0.0%	8.1%	17.5%
Commercial Lending Business	9,775	-	10	44	21	-	0	15	0.2%	0.0%	0.1%	34.3%
Mortgages	48,254	822	658	494	211	154	142	197	0.4%	18.7%	21.6%	40.0%
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%
Total as of 31 Mar 2021	1,41,539	1,739	4,985	2,731	1,145	328	1,239	1,595	0.8%	18.9%	24.9%	58.4%
	Gross Assets receivables				Provision				Net Assets receivables			
Total as of 30 Sep 2021	1,65,622				4,814				1,60,808			
Total as of 30 Jun 2021	1,58,280				5,137				1,53,143			
Total as of 31 Mar 2021	1,50,995				4,308				1,46,687			

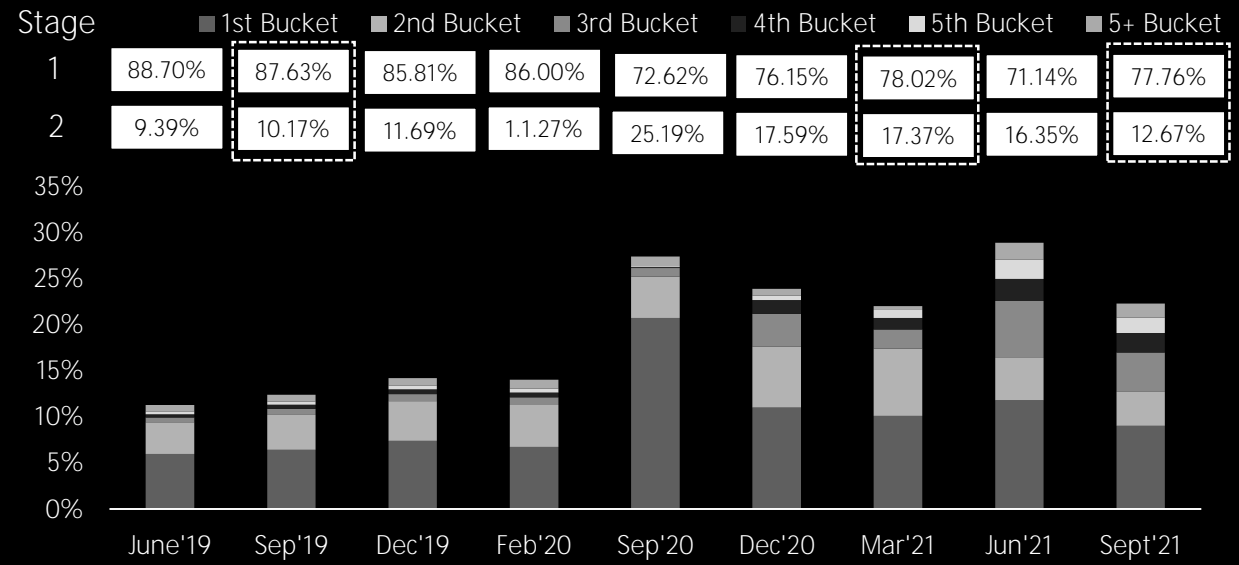
\* OTR – One time Restructuring | Stage 1 - Customer with no overdue on reporting date | Stage 2 - Customer with 1 &amp; 2 Instalments overdue, Including weak accounts without any overdue | Stage 3 - Customer with 3 &amp; above Instalments overdue

# Portfolio credit quality – Consolidated

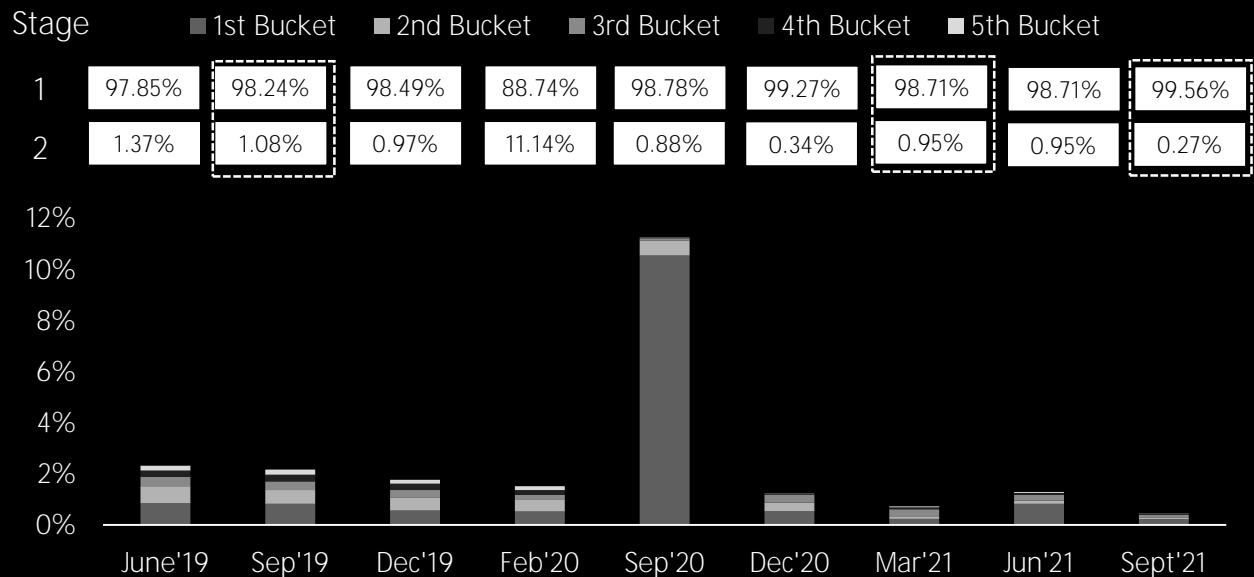
## Consumer Durable & Lifestyle



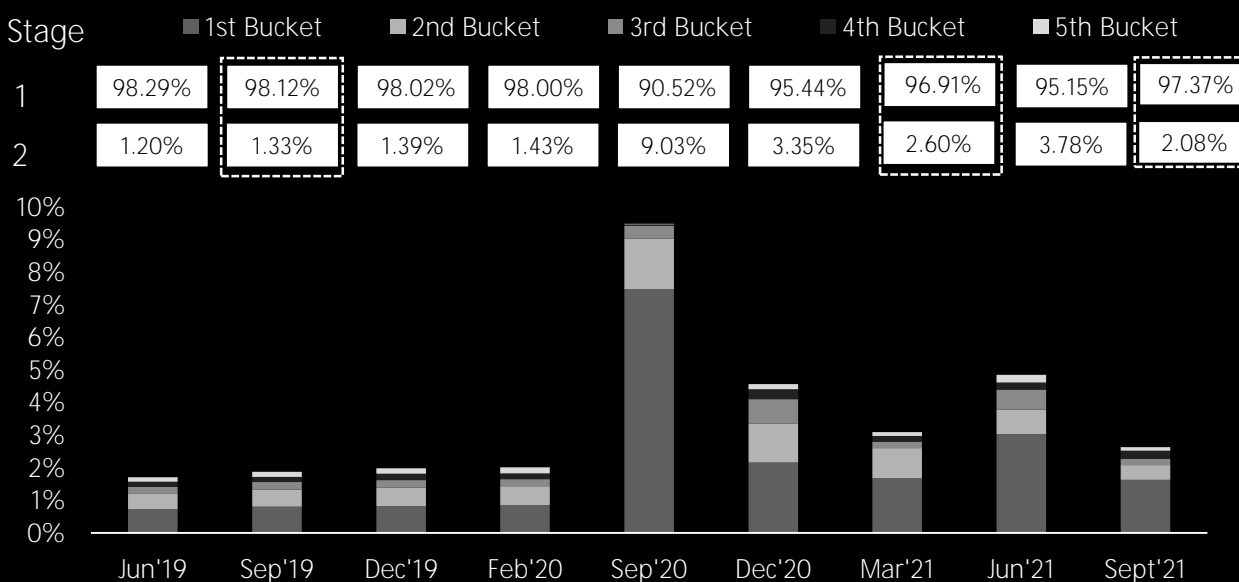
## Two & three-wheeler



## Digital product

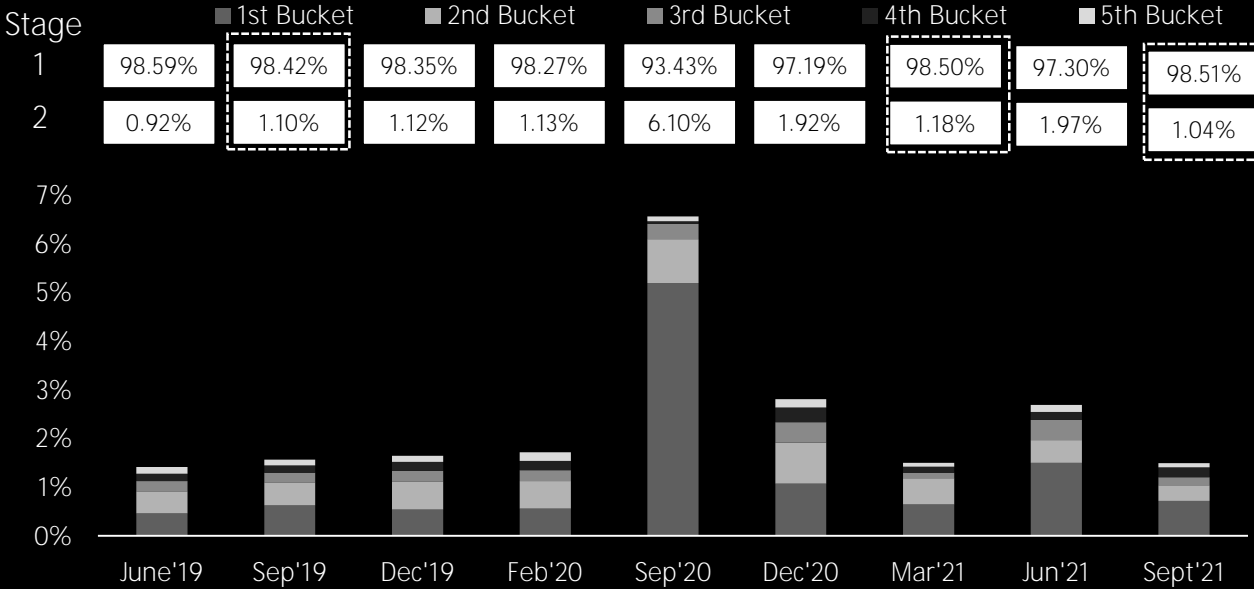


## B2C loans



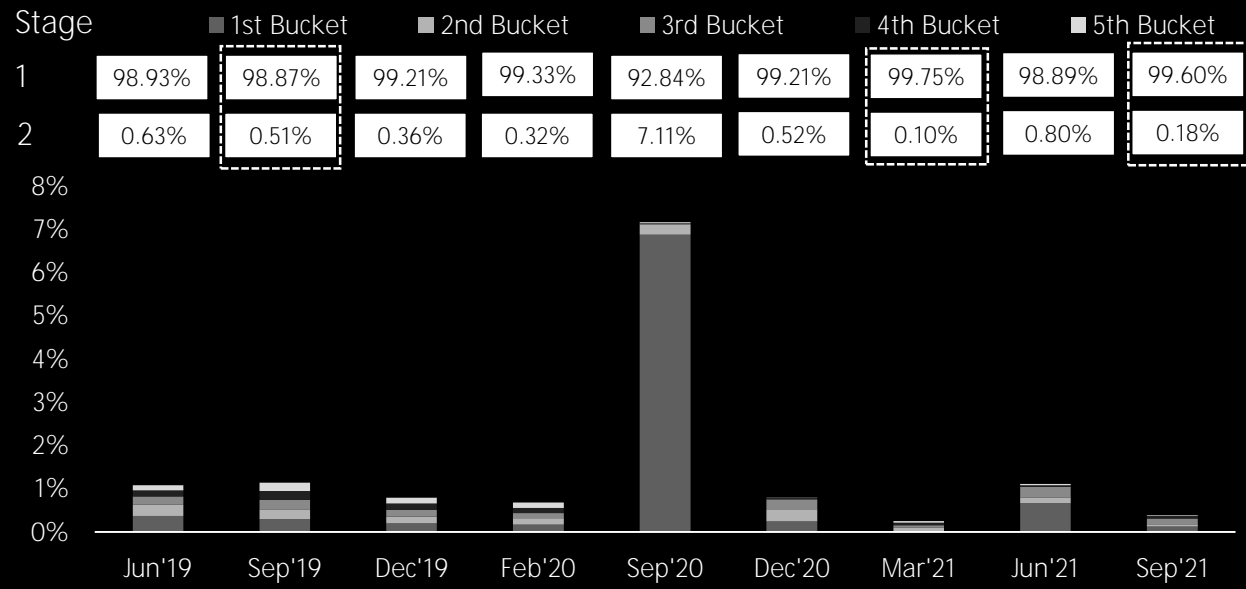
# Portfolio credit quality – Consolidated

## Business & professional loans

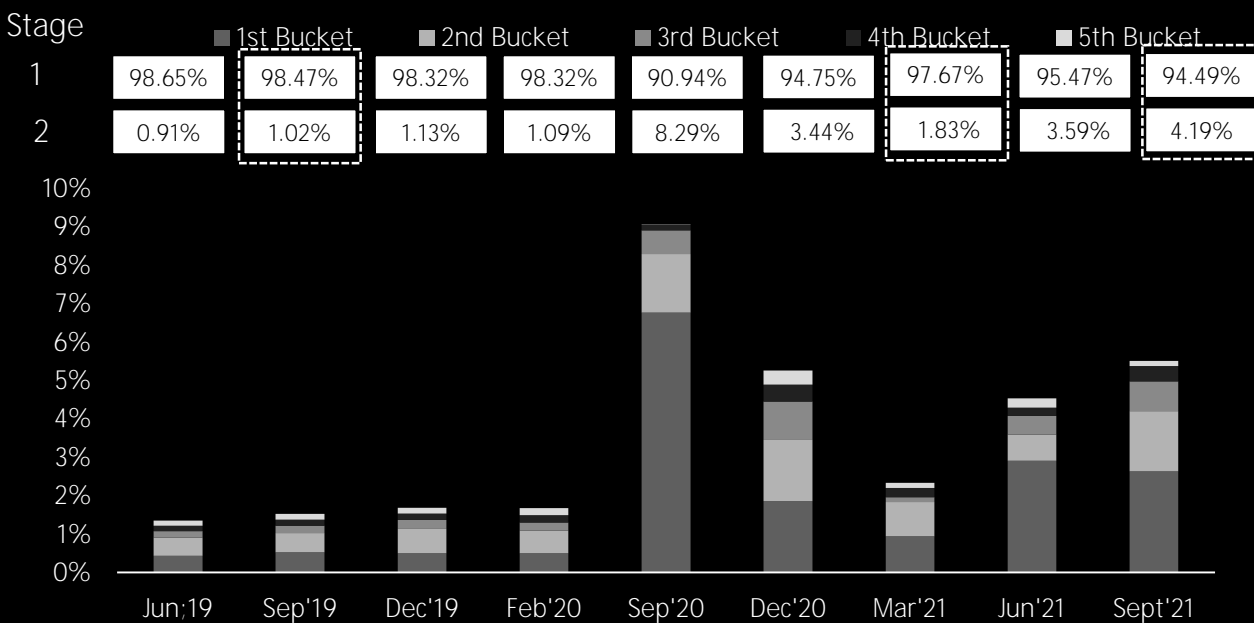


# BAJAJ FINANCE LIMITED

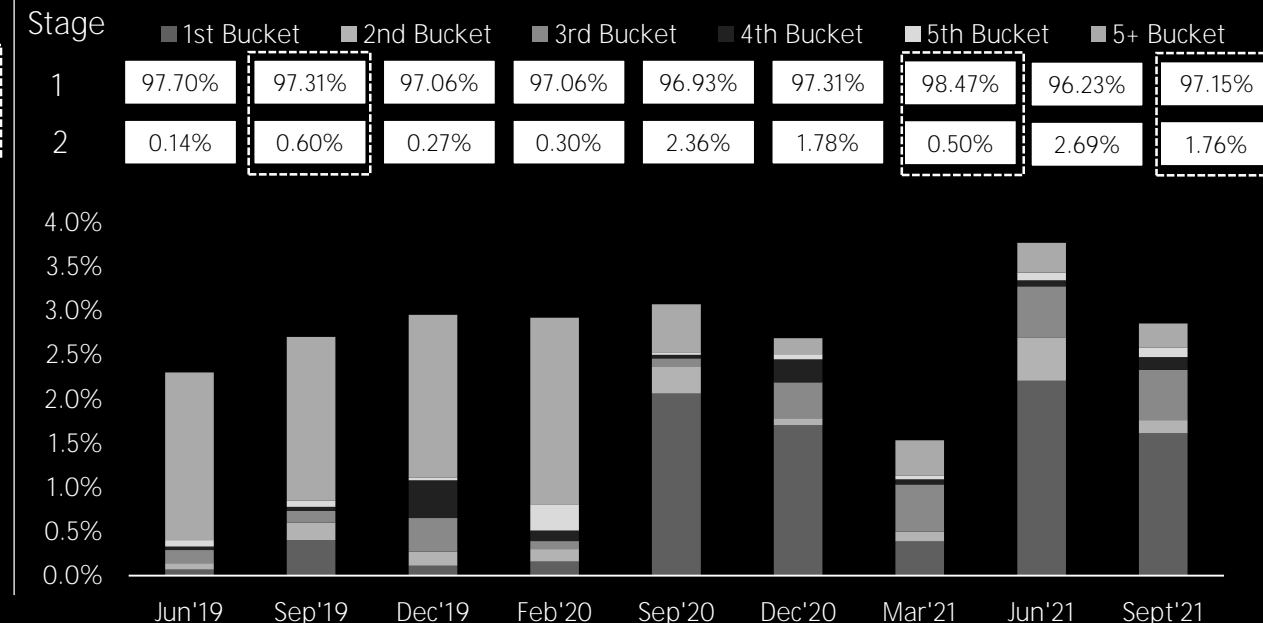
## Rural Lending B2B



## Rural lending B2C

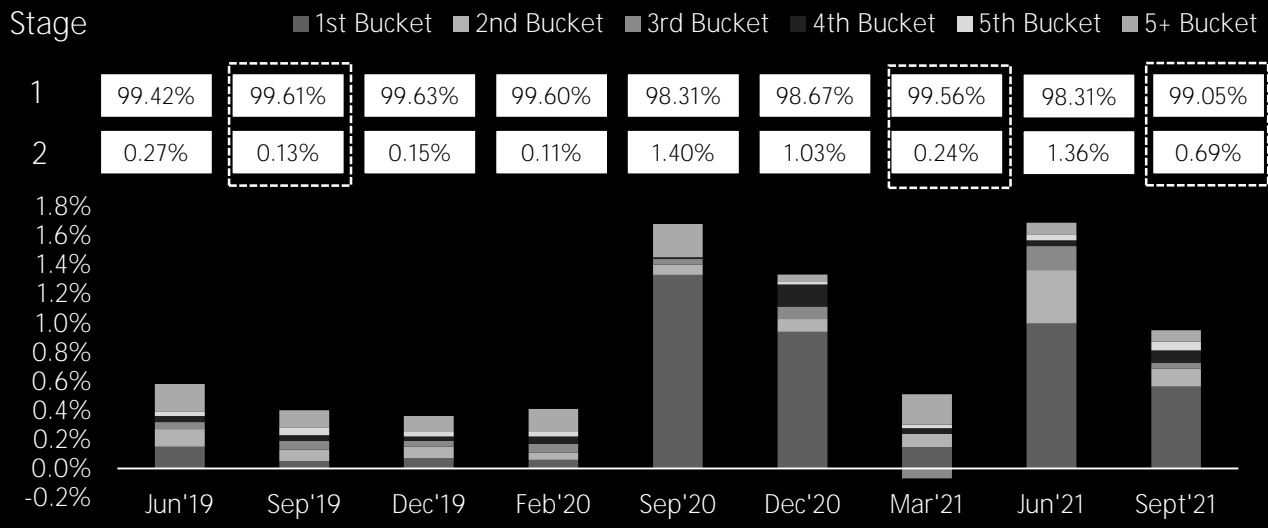


## Loan against property



# Portfolio credit quality – Consolidated

## Home loans



# **BAJAJ FINANCE LIMITED**

Q2 FY22 Investor Presentation

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