

Dear shareholders, a very good afternoon and a warm welcome once again to the first phygital AGM 2024.

# I have 06 sections and intend to take 25-30 minutes



# Q1 FY25 Financial highlights - BFL Consolidated BAJAJ FINANCE LIMITED

A mixed quarter. Good quarter on volumes, AUM, operating efficiencies, portfolio metrics and ROE. Loan losses were elevated in Q1

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Disbursed 10.97 MM loans

Highest ever quarterly new customer addition of 4.47 MM

AUM of ₹ 3.54 lakh crore, up 31% YoY. Added ₹ 23.6K crore AUM in Q1

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Net Total Income (NTI) of ₹ 10,418 crore, was up 24% YoY

Operating expenses up 22% YoY. Opex to NTI improved to 33.3%

Loan losses and provisions were ₹ 1,685 crore, up 69% on a low base of Q1 FY24

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Pre-provisioning operating profit of ₹ 6,947 crore, up 25% YoY

Profit before tax of ₹ 5,265 crore, up 16% YoY

Profit after tax of ₹ 3,912 crore, up 14% YoY, due to one-time reversal of deferred tax liability of ₹ 73 crore in Q1 FY24

Annualized ROE of 19.9%

GNPA of 0.86% and NNPA of 0.38%, lowest amongst the industry

Disbursed 10.89 MM loans

Highest ever quarterly new customer addition of 4.47 MM

AUM of ₹ 2.62 lakh crore, up 31% YoY. Added ₹ 17.0K crore AUM in Q1

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Net Total Income of ₹ 9,523 crore, up 24% YoY

Operating expenses up 22% YoY, Opex to NTI improved to 34.1%

Loan losses and provisions were ₹ 1,671 crore, up 69% on a low base

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Pre-provisioning operating profit of ₹ 6,273 crore, up 26% YoY

Profit before tax of ₹ 4,602 crore, up 15% YoY

Profit after tax of ₹ 3,402 crore, up 15% YoY

GNPA of 1.06% and NNPA of 0.47%, lowest amongst the industry

Good quarter on AUM, operating efficiencies and portfolio metrics

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AUM of ₹ 97.0K crore, up 31% YoY. Added ₹ 5.7K crore AUM in Q1

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Net Total Income of ₹ 810 crore, up 16% YoY

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Pre-provisioning operating profit of ₹ 640 crore, up 20% YoY

Profit before tax of ₹ 630 crore, up 20% YoY

Profit after tax of ₹ 483 crore, up 5% YoY, due to one-time reversal of deferred tax liability of ₹ 73 crore in Q1 FY24

Annualized ROE of 14.3%

GNPA and NNPA of 0.28% and 0.11%, lowest amongst the industry

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Rights issue of ₹ 2,000 crore to BFL in April 2024

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Filed Draft Red Herring Prospectus ("DRHP") on 8 June 2024, with the SEBI and stock exchanges for potential IPO of equity shares and awaits clearance

Excellent quarter for BFinsec across MTF, broking and profitability

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Margin Trading Facility (MTF) book of ₹ 4.4K crore, up 265% YoY

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Net Total Income of ₹ 102 crore, up 117% YoY

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Profit before tax of ₹ 37 crore, up 517% YoY

Profit after tax of ₹ 30 crore, up 500% YoY

Annualized ROE of 11.2%

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Rights issue of ₹ 200 crore to BFL in June 2024

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A young Company. Continue to invest in building BFinsec across retail and HNI broking

On 15 November 2023, the RBI directed your Company to stop sanction and disbursal of loans under 'eCOM' and 'Insta EMI Card' on account of non-issuance of Key Fact Statement and certain deficiencies in implementation of Digital Lending Guidelines of RBI

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On 2 May 2024, the RBI, based on the remedial actions taken by your Company, lifted the said restrictions. Your Company has since resumed sanction and disbursal of loans in these two businesses.

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Your Company remains committed to highest standards of compliance and endeavours to provide seamless financial services to its customers





India's GDP growth for FY24 is estimated at 8.2%  
India remained the fastest growing major economy in the world in FY24 as well

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The major growth driver was capital expenditure led by Govt

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Current Account Deficit reduced to 0.7% of GDP, an all-time low

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GDP growth for FY25 is forecasted between 6.5%-7.0%. Structural reforms, deregulation, robust infrastructure investments and a vibrant financial sector will be key to achieving these growth rates.

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Your Company remains well positioned to capture this growth momentum

India inflation for FY24 stood at 5.4% against a target of 4% durable inflation set by RBI

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RBI kept repo rate unchanged at 6.5% throughout FY24

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RBI has projected India inflation at 4.5% for FY25

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We estimate rate cut cycle may start by October or December 2024 monetary policy. This is of course subject to sustained and durable improvement in inflation

Remains an important constituent of India's financial sector

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Continues to demonstrate agility, innovation and frugality to provide formal financial services to millions of Indians

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GNPA and NNPA ratios for the sector continued on their downward trajectory in FY24 as well

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Strengthened regulation and enhanced oversight will further improve the resilience of the sector

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Strong capital adequacy, better margins, efficient cost management and prudent risk management remained key to sustainable growth of the sector

On 16 November 2023, RBI increased risk weights on consumer credit exposure from 100% to 125% and additional 25% for bank lending to NBFCs with a cap of 100%

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Some of the major regulatory guidelines issued in FY24 were on penal charges, compensation for delayed resolution of credit information, interest on advances, release of property documents, floating interest rate loans and key fact statement for retail and MSME customers

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Your Company has taken requisite actions to ensure timely compliance of these guidelines

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Enhanced compliances and supervision will make the sector even more resilient in years to come

# Section 03 – Let me now cover your Company's **BAJAJ FINANCE LIMITED** 17-year journey of transformation and the year gone by



17-years financial snapshot – Consolidated												BAJAJ FINANCE LIMITED							₹ in crore
Financials snapshot ^	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	CAGR (17 yrs.)	
Loans booked (MM)	1.0	0.6	0.9	1.6	2.2	2.8	3.4	4.9	6.8	10.1	15.3	23.5	27.4	16.9	24.7	29.6	36.2	25%	
Customer franchise (MM)	0.8	1.2	1.9	3.0	4.7	6.7	9.3	12.9	16.1	20.1	26.2	34.5	42.6	48.6	57.6	69.1	83.6	34%	
AUM	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	1,97,452	2,47,379	3,30,615	36%	
Total income	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	31,648	41,418	54,983	34%	
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	9,754	12,560	18,725	34%	
Net total income	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	21,894	28,858	36,258	34%	
Operating expenses	193	220	320	460	670	850	1,151	1,428	1,898	2,564	3,270	4,197	5,662	5,308	7,587	10,142	12,325	30%	
Loan losses & provision	109	164	261	205	154	182	258	385	543	804	1,030	1,501	3,929	5,969	4,803	3,190	4,631	26%	
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	9,504	15,528	19,310	50%	
Profit after tax	21	34	89	247	406	591	719	898	1,279	1,837	2,496	3,995	5,264	4,420	7,028	11,508	14,451	50%	
Ratios	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24		
Opex to NTI	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%	34.7%	35.1%	34.0%		
Loan loss to avg. AUF	3.58%	4.89%	7.05%	3.63%	1.58%	1.25%	1.30%	1.42%	1.47%	1.61%	1.50%	1.55%	3.10%	4.14%	2.84%	1.47%	1.63%		
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%	4.2%	5.3%	5.1%		
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%	17.4%	23.5%	22.1%		
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%	0.68%	0.34%	0.37%		
Provision coverage ratio	30%	32%	55%	79%	89%	83%	76%	71%	77%	74%	70%	60%	60%	58%	58%	64%	57%		
CRAR (standalone)	40.7%	38.4%	25.9%	20.0%	17.5%	21.9%	19.1%	18.0%	19.5%	20.3%	24.7%	20.7%	25.0%	28.3%	27.2%	25.0%	22.5%		
Leverage ratio	2.6	2.5	3.8	5.9	6.4	5.3	6.2	6.8	6.3	6.6	5.4	6.3	5.1	4.7	4.9	5.1	4.9		
@ All figures till FY17 are as per previous GAAP on standalone basis. All figures from FY18 onwards are as per Ind AS and on consolidated basis.																			
* As per the RBI regulations, NNPA numbers up to FY15 are at 6 months overdue, FY16 are at 5 months overdue, FY17 are at 4 months overdue, FY18 to Nov’21 are at 3 months overdue and Dec’21 onwards are at 91 days past due. Hence NPA across periods are not comparable.																			

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## ₹ in crore

This is a 17-year consolidated financial snapshot of your Company. Your Company is now 37 years old and has served over 83.6 MM customers. In the last 17 years, your Company has compounded AUM by 36%, Net Total Income by 34% and PAT by 50%. Over the last 13 years, ROE has remained steady between 20%-23%, barring the two pandemic years

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# Financial summary – Consolidated

Financials snapshot	FY24	FY23	Y-o-Y
<b>Assets under management</b>	<b>3,30,615</b>	<b>2,47,379</b>	<b>34%</b>
Assets under finance	3,26,293	2,42,269	35%
Interest income	48,307	35,549	36%
Interest expenses	18,725	12,560	49%
<b>Net interest income</b>	<b>29,582</b>	<b>22,989</b>	<b>29%</b>
Fees and commission income	5,267	4,356	21%
Net gain on fair value changes	308	334	(8%)
Sale of services & Income on de-recognised loans	63	61	3%
Others^	1,038	1,118	(7%)
<b>Net total income</b>	<b>36,258</b>	<b>28,858</b>	<b>26%</b>
Operating Expenses	12,325	10,142	22%
<b>Pre-provisioning operating profit</b>	<b>23,933</b>	<b>18,716</b>	<b>28%</b>
Loan losses and provisions	4,631	3,190	45%
Share of profit of associates	8	2	300%
<b>Profit before tax</b>	<b>19,310</b>	<b>15,528</b>	<b>24%</b>
<b>Profit after tax</b>	<b>14,451</b>	<b>11,508</b>	<b>26%</b>

Ratios			
Operating expenses to Net total income	34.0%	35.1%	
Annualised Return on Average AUF	5.08%	5.31%	
Annualised Return on Average Equity	22.05%	23.46%	
GNPA	0.85%	0.94%	
NNPA	0.37%	0.34%	

^ Others include other operating income and other income



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Assets under management	3,30,615	2,47,379	34%
Assets under finance	3,26,293	2,42,269	35%
Interest income	48,307	35,549	36%
Interest expense	18,785	18,510	1%

FY24 was a good year for your Company. Your Company delivered strong momentum across all important metrics with AUM growth of 34%, Net Total Income growth of 26% and PAT growth of 26%. Return on equity came in at a robust 22.1%. Your Company also delivered lowest ever GNPA of 0.85% and NNPA of 0.37%. In FY24, your Company increased its capital base by successfully raising ₹ 9,097 crore by way of preferential issue and QIP

Ratios	FY24	FY23
Operating expenses to Net total income	34.0%	35.1%
Annualised Return on Average AUF	5.08%	5.31%
Annualised Return on Average Equity	22.05%	23.46%
GNPA	0.85%	0.94%
NNPA	0.37%	0.34%

^ Others include other operating income and other income | \*Not annualised

BAJAJ FINANCE LIMITED							
Consumer		SME	Commercial	Rural	Deposits	Payments	Partnerships & Services
1. Consumer Durable Loans	1. Unsecured Working Capital Loans	1. Loan against securities	1. Consumer Durable Loans	1. Retail Term Deposits	Issuance	1. Life Insurance Distribution	
2. Digital Product Loans		2. IPO financing	2. Digital Product Loans	2. Corporate Term Deposits	1. PPI	2. General Insurance Distribution	
3. Lifestyle Product Loans	2. Loans to self-employed and Professionals	3. ESOP financing	3. Lifestyle Product Loans	3. Systematic Deposit Plan	2. UPI	3. Health Insurance Distribution	
4. Lifecare financing		4. Vendor financing to auto component manufacturers	4. Personal Loans Cross Sell		3. BBPS	4. Pocket Insurance	
5. EMI Cards	3. Business Loans Secured	5. Financial Institutions Lending	5. Salaried Personal Loans		4. Fastag	5. RBL Co-Branded Credit Card	
6. Retail spend financing	4. Used-car financing	6. Light Engineering Lending	6. Gold Loans		5. Bajaj Prime	6. DBS Co-Branded Credit Card	
7. 2W and 3W financing	5. Medical equipment financing	7. Specialty Chemicals Lending	7. Loans to Professionals		Acquiring	7. Financial Fitness Report	
8. Personal Loan Cross-Sell	6. Loan against property	8. Emerging Corporate Lending	8. Microfinance		6. Merchant QR		
9. Salaried Personal Loans		9. Large Corporate Lending	9. Tractor financing		7. EDC machine		
10. E-Commerce financing	7. New car financing						
11. Retailer finance	8. Commercial vehicle financing						
12. Health EMI Card							

BAJAJ HOUSING FINANCE LIMITED		
1. Salaried Home Loans	4. Loan Against Property	7. Developer Finance
2. Salaried Loan Against Property	5. Self Employed Home Loans	8. Commercial Construction Finance
3. Near Prime & Affordable housing finance	6. Lease Rental Discounting	9. Corporate Lease Rental Discounting

BAJAJ FINANCIAL SECURITIES LIMITED		
1. Trading Account	4. HNI Broking	7. Distribution of Mutual Funds
2. Depository Services	5. Retail Broking	8. Distribution of PMS
3. Margin Trading Financing	6. IPOs and OFS	9. Proprietary Trading

BAJAJ FINANCE LIMITED													
Consumer		SME		Commercial		Rural		Deposits		Payments		Partnerships & Services	
1.	Consumer Durable Loans	1.	Unsecured Working Capital Loans	1.	Loan against securities	1.	Consumer Durable Loans	1.	Retail Term Deposits	Issuance		1.	Life Insurance Distribution
2.	Digital Product Loans			2.	IPO financing					1. PPI			
3.	Lifestyle Product Loans	2.	Loans to self-employed and Professionals	3.	ESOP financing	2.	Digital Product Loans	2.	Corporate Term Deposits	2. UPI		2.	General Insurance Distribution
4.	Lifecare financing			4.	Vendor financing to	3.	Lifestyle Product Loans	3.	Systematic	3. BBPS		3.	Health Insurance

Last 15 months have been an important period for new product launches for your Company. Your Company launched New car financing, Microfinance, Emerging corporate lending, Large corporate lending, Tractor financing, Commercial vehicle financing and 3 important payment products. All these products will augment AUM momentum over medium term and also build a more diversified BFL

2. Salaried Loan Against Property	5. Self Employed Home Loans	8. Commercial Construction Finance
3. Near Prime & Affordable housing finance	6. Lease Rental Discounting	9. Corporate Lease Rental Discounting

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New products launched in FY24

New products launched in FY25 19

# Steady AUM mix over the last 7 years

Assets Under Management (Businesses)	FY18	FY19	FY20	FY21	FY22	FY23	FY24
AUM (in ₹ crore)	82,422	1,15,888	1,47,153	152,947	1,97,452	2,47,379	3,30,615
Two & Three-wheeler Finance	7.6%	8.4%	8.9%	7.9%	5.2%	5.2%	6.0%
Urban Sales Finance	11.2%	10.6%	8.6%	7.5%	7.7%	7.2%	7.1%
Urban B2C	18.7%	19.8%	21.3%	20.0%	19.9%	20.8%	20.0%
Rural Sales Finance	1.6%	1.8%	1.8%	1.9%	2.0%	1.8%	1.9%
Rural B2C (excluding Gold Loans)	4.3%	5.4%	6.2%	6.3%	6.7%	6.7%	5.3%
Gold Loans	0.8%	0.7%	1.1%	1.5%	1.0%	1.1%	1.4%
SME lending (excluding Car Loans)	14.2%	13.5%	12.8%	12.7%	11.8%	12.0%	11.6%
Car Loans	0.0%	0.3%	0.3%	0.4%	0.6%	1.1%	2.1%
Commercial Lending	5.0%	4.9%	4.4%	5.4%	5.8%	6.4%	6.7%
Loan Against Securities	7.9%	5.3%	3.3%	4.0%	8.1%*	6.1%	6.7%
Mortgages	28.7%	29.3%	31.3%	32.4%	31.2%	31.6%	31.2%
Total AUM	100%	100%	100%	100%	100%	100%	100%

\* Includes IPO financing book of 2.8%

Steady AUM mix over the last 7 years

Assets Under Management (Businesses)	FY18	FY19	FY20	FY21	FY22	FY23	FY24
AUM (in ₹ crore)	82,422	1,15,888	1,47,153	152,947	1,97,452	2,47,379	3,30,615
Two & Three-wheeler Finance	7.6%	8.4%	8.9%	7.9%	5.2%	5.2%	6.0%
Urban Sales Finance	11.2%	10.6%	8.6%	7.5%	7.7%	7.2%	7.1%

Your Company’s AUM mix has largely remained steady over the last 7 years despite growing 4x during this period. Your Company continues to gradually pivot towards secured assets to build an optimal balance of growth, risk and profitability

Car Loans	0.0%	0.3%	0.3%	0.4%	0.6%	1.1%	2.1%
Commercial Lending	5.0%	4.9%	4.4%	5.4%	5.8%	6.4%	6.7%
Loan Against Securities	7.9%	5.3%	3.3%	4.0%	8.1%*	6.1%	6.7%
Mortgages	28.7%	29.3%	31.3%	32.4%	31.2%	31.6%	31.2%
Total AUM	100%	100%	100%	100%	100%	100%	100%

\* Includes IPO financing book of 2.8%

# Let me now cover risk management, essential to any financial services business

BAJAJ FINANCE LIMITED

Your Company has a strong risk culture, and it always follows a 'Risk-first' approach

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Your Company continued to invest in talent, processes and emerging technologies to build advanced risk management capabilities across all aspects of risk

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Over the next 3 panels, I will briefly cover key highlights of FY24

<p>①</p> <p>Credit risk</p>	<ul style="list-style-type: none"> <li>• Lowest ever consolidated GNPA of 0.85% and NNPA of 0.37% *</li> <li>• Lowest ever stage 2 assets at 121 <i>bps</i> versus pre-Covid quarter of 250 <i>bps</i> (Q3 FY20) *</li> <li>• Took several risk cuts in Rural B2C business in FY24 due to elevated credit costs</li> </ul>
<p>②</p> <p>Liquidity risk</p>	<ul style="list-style-type: none"> <li>• Strong capital position with CRAR of 22.52% *</li> <li>• Highest credit rating for long term and short-term debt program and deposits</li> <li>• Investment grade rating (BBB-) for ECB program</li> <li>• Diversified borrowing mix. Money Market: Banks: Deposits: ECB - 47%: 30%: 21%: 2% *</li> <li>• Raised USD 725 MM (equivalent to ₹ 6,016 crore) under ECB program in March 2024</li> <li>• 5-8% of borrowings as liquidity surplus at any point in time - ₹ 15,668 crore as of March 2024 *</li> <li>• Strong LCR position at 169% against regulatory requirement of 85% *</li> </ul>
<p>③</p> <p>Market and Interest rate risk</p>	<ul style="list-style-type: none"> <li>• Prudent investment policy for all investment decisions</li> <li>• Surpluses are invested in GSEC, liquid funds and deposits with leading banks only *</li> <li>• Prudent interest rate risk management ensured no material mark to market impact</li> <li>• Deposits program contributed to 21% of consolidated borrowings as of March 2024</li> <li>• A well-balanced fixed and floating assets &amp; liabilities provides natural hedge to interest rate risk *</li> </ul>

<p>④</p> <p>Debt Management risk</p>	<ul style="list-style-type: none"><li>• Banked 294 MM EMIs in FY24*</li><li>• Delivered debt management services for 50.4 MM EMIs in FY24*</li><li>• Digital channels and branches contributed to 51% of DMS receipts in FY24*</li><li>• Investment in social media listening tool and a 24x7 resolution team helped 94% of customers' queries resolution in less than 90 minutes</li><li>• Continue to make deep investments in structure, processes &amp; trainings to enhance controllership*</li></ul>
<p>⑤</p> <p>Technology risk</p>	<ul style="list-style-type: none"><li>• Scale ready for up to 100 MM net installs with 22K+ real-time KPIs*</li><li>• Customer data platform (CDP) launched to provide a single view of all customer engagements, a first of its kind in India</li><li>• Deep investments in Cyber Security and resilience*</li></ul>
<p>⑥</p> <p>Customer Service</p>	<ul style="list-style-type: none"><li>• Customer franchise stood at 83.64 MM as of March 2024. Added 14.5 MM customers in FY24</li><li>• Customer complaints reduced from 7,426 to 6,530 in FY24*</li><li>• Digital platforms have led to significant increase in self service. As a result, branch walk-ins have dropped from 2.42% in FY20 to 1.06% in Q4 FY24*</li><li>• Continued to increase investments in service channels to augment service standards</li></ul>



<div>7</div> <div>Human Resource</div>	<ul style="list-style-type: none"><li>Consolidated employee count grew from 43,147 to 53,782 in FY24 - added 10,635 employees *</li><li>Employee attrition was 14.9% in FY24, one of the lowest among large employers *</li><li>7-day mandatory customized functional training for all employees as part of onboarding</li><li>89% employee trust Index score is amongst the highest in the industry</li></ul>
<div>8</div> <div>Compliance risk</div>	<ul style="list-style-type: none"><li>3 lines of defence spanning across business and operations compliance, risk and compliance function and internal audit *</li><li>Made significant investment in increasing staffing across all 3 lines of defence *</li><li>Institutionalised framework for grounds-up review of regulatory compliances on a regular basis</li></ul>
<div>9</div> <div>ESG</div>	<ul style="list-style-type: none"><li>Financed over 6.3 MM new-to-credit customers in FY24 *</li><li>Provided financing access to 5.7 MM women borrowers in FY24 *</li><li>Reduced paper consumption by ~505 crore paper sheets, saving 6 lakh trees in 3 years</li><li>Financed over 54,000 Electric Vehicles (EVs) in FY24, disbursing over ₹ 700 crore.</li><li>'Most Committed to ESG' Award in India 2024 in Bronze category by FinanceAsia</li></ul>

# Section 04 – Let me share an update on our digital platforms



As part of our Omnipresence strategy in FY22, Digital Platforms were identified as one of the key pillars for driving new customer acquisition, creating everyday engagement and delivering business outcomes. Ambition is to dominate all platforms of consumer presence & deliver 25% of total business through Digital Platforms in the medium term. Let's look at some key metrics of FY24 for Digital platforms.

①

### App

- App Downloads – 63.0 MM
- Net Installs – 52.4 MM \*
- MAU – 24MM \*
- Total Loans Disbursed – 13.3k Cr \*
- UPI Handles – 24.8 MM
- 90D Retention – 74.6% \*

②

### Web

- Total Traffic – 388MM \*
- Total Loans Disbursed – 9.5K Cr \*
- Domain Authority – 60

③

### Marketplace

- Bajaj Mall Visits – 181 MM \*
- Bajaj Mall Loans – 2.2 MM
- Insurance Bazaar Policies – 893K
- Investments Bazaar MF A/C- 190K

④

### Social

- Handles – 5
- Followers – 2.7MM
- Videos – 744
- Views – 75MM

⑤

### Rewards

- Rewarded Customers – 12MM \*
- Launched Bajaj Prime for existing customers \*

# Progress update on Digital Platforms for FY24

#	Priorities	Description	Progress Update
1	App=Web	All features, capabilities and experience to be same on App and Web providing consistent experience	<ul style="list-style-type: none"><li>Customers can now experience a seamless journey across App and Web</li><li>One can start a journey on App and finish it on the Web</li></ul>
2	Offline to Online	All events in the offline journey of the customer enabled for all businesses	<ul style="list-style-type: none"><li>5 key events (Account Aggregator, KYC, e-mandate, Application tracker and Agreement) across all business have been enabled on App &amp; Web with adoption as high as 80%</li></ul>
3	Android = iOS	All features, capabilities and builds to be same on Android and iOS	<ul style="list-style-type: none"><li>iOS is now equal to Android and all incremental builds are released on both at the same time</li></ul>
4	Search	Make Search a primary feature by increasing adoption	<ul style="list-style-type: none"><li>Search adoption has reached 8.5%</li></ul>
5	Service Chat	Gen AI enabled Chat for customers for real-time resolution	<ul style="list-style-type: none"><li>GenAI enabled service chat is live</li><li>Service requests have dropped by 35% due to this</li></ul>
6	Features & Enablers	407 features and 205 enablers on App & Web by addition of 64 new features and 45 new enablers in FY24	<ul style="list-style-type: none"><li>Of the 64 features, 60 are delivered</li><li>Of the 45 enablers, 41 are delivered</li></ul>

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<p>Digital platforms contributed to ~16% of disbursements in FY24. For FY24, your Company had identified 6 key priorities to significantly enhance its digital capabilities. I am happy to share that your Company has made significant progress across all 6 areas of App=Web, Offline to Online, Android=iOS, Search, GenAI enabled chat and a host of new features and enablers.</p>			
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Given the scale, contribution and strategic importance of digital platforms, your Company has created a rigorous planning and execution cycle and is committed to deliver one of India's best full service financial services digital platforms to customers over the next few years.

# Section 05 – Let’s talk about your Company’s medium term outlook





Very rigorous annual strategic planning process

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Analyses macro and industry, identifies megatrends and benchmarks a company every year

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Disciplined planning & strong execution over the last 14 years has enabled your Company to achieve sustainable & profitable growth

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There are 8 key pillars to your Company's strategic framework. I will cover them briefly

<p>①</p> <p>Ambition</p>	<p>To be a leading payments and financial services company in India. Dominate with 150+ MM consumers, market share of 3% of payments GMV, 3-4% of total credit and 4-5% of retail credit in India</p>
<p>②</p> <p>Strategy</p>	<p>To be an omnipresent financial services company dominant across all consumer platforms – physical, app, web, social, rewards and virtual</p>
<p>③</p> <p>Approach</p>	<p>To acquire &amp; cross-sell across payments, assets, deposits, insurance, investments and broking products to Consumer, MSME, Commercial and Rural consumers across all consumer platforms efficiently</p>

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No change in Ambition, Strategy and Approach of your Company

<div>③</div> <div>Approach</div>	To acquire & cross-sell across payments, assets, deposits, insurance, investments and broking products to Consumer, MSME, Commercial and Rural consumers across all consumer platforms efficiently
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<p>④</p> <p>Philosophy</p>	<p>To build businesses with a 10-year view anchored on prudence and risk management to deliver 'through the cycle' 21-23% shareholder returns</p>
<p>⑤</p> <p>Market share</p>	<p>Every business of the company to be amongst top 5 players in India in each line of business they operate in</p>
<p>⑥</p> <p>Profit share</p>	<p>To be amongst top 20 most profitable companies in India and amongst top 5 to 6 profitable financial services companies in India in absolute terms</p>

④

Philosophy

To build businesses with a 10-year view anchored on prudence and risk management to deliver 'through the cycle' 21-23% shareholder returns

No change in Philosophy, Market share and Profit share approach of your Company

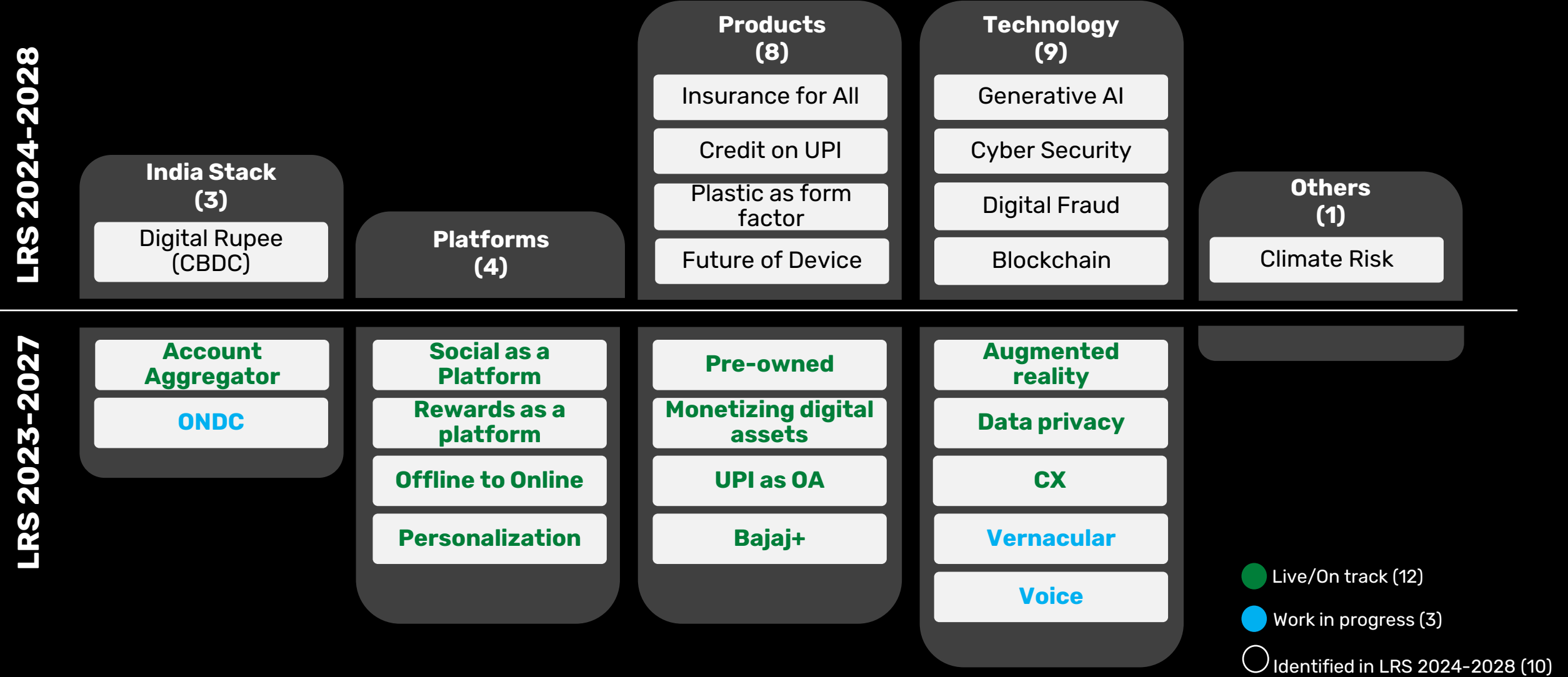
⑥

Profit share

To be amongst top 20 most profitable companies in India and amongst top 5 to 6 profitable financial services companies in India in absolute terms

# BFL business construct (3/3) – New addition to BAJAJ FINANCE LIMITED construct

<div>⑦</div> <div>Customer Share</div> <div>(New addition)</div>	To grow our share of customer’s wallet by offering all products and services in a frictionless manner and deliver highest Customer Satisfaction (CSAT) Score and Products Per Customer (PPC)
<div>⑧</div> <div>Technology &amp; Data-first</div> <div>(New addition)</div>	Technology and data-first as an organization culture to solve all problems. Be an early adopter and invest in emerging technologies and data practices. It should result in sustained growth, superior customer experience, improved productivity and robust controllership



24-2028

LRS 2023-2

**Products (8)**

Insurance for All

Credit on UPI

**Technology (9)**

Generative AI

Cyber Security

India Stack

**ONDC**

**Rewards as a platform**

Offline to Online

Personalization

**Monetizing digital assets**

UPI as OA

Bajaj+

**Data privacy**

CX

Vernacular

Voice

- Live/On track (12)
- Work in progress (3)
- Identified in LRS 2024-2028 (10)

10 new Megatrends for LRS 2024-28 and total 25 Megatrends in aggregate. Your Company is investing in all these megatrends to continue to transform its business



## ① Products (9)

Be amongst the top 5 players in each product line

**New Product Lines:** Embedded Insurance, Commercial Vehicle, Bharat mortgages, Auto Leasing, Industrial Equipment Finance, Postpaid & Co-lending

**New Product Innovations:** Assured buyback on new car, Bajaj+ EV

## ③ Platforms (8)

Dominate all platforms of consumer presence & deliver 25% of total business from digital platforms

**Consumer App** – 10 MM monthly downloads with 90% retention rate

**Consumer Web** – 1 BN organic hits and No SEM

**Marketplace** – Investment marketplace 2.0 and Insurance marketplace 2.0

**Social** – Marketing and Commerce

**Rewards** – Bajaj Prime

## ⑤ Subsidiaries

Grow and dominate in their respective industries

Leverage BFL platforms and customer franchise to originate Mortgages and broking accounts for subsidiaries.

Contribute 12-15% of retail mortgages and 50-60% of broking accounts

## ② Geography (2)

जहाँ BAJAJ FINSERV वहाँ BAJAJ FINSERV के सारे products

**Domestic** – Geography 2.0 – All products in all locations, Win U.P. Bihar & North-East

## ④ Horizontal functions(17)

Hardest problems to solve

**Risk** – Know everyone, Credit Risk, Operational Risk  
**Operations & Service** – 0 Paper, 0 identity mismatch, 0 Hold, 0 Cost, Gen-AI enabled

**DMS** – Scalable & resilient, 0 complaints

**Technology** – Low bandwidth, Integrated UAT, 0 Bug, 0 downtime

**Treasury** – 0 liquidity drag

**Marketing** – 0 Paid traffic, CDP

① Products (9)

Be amongst the top 5 players in each product line

**New Product Lines:** Embedded Insurance, Commercial Vehicle, Bharat mortgages, Auto Leasing, Industrial Equipment Finance, Postpaid &

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**Domestic** – Geography 2.0 – All products in all locations, Win U.P. Bihar & Nort-East

Your Company has identified 36 key strategies to be deployed over the next 4 years across products, geography, platforms, horizontals and subsidiaries. Flawless execution of these strategies will be key to sustained growth, profitability and low risk

deliver 20% of total business from digital platforms

- Consumer App** – 10 MM monthly downloads with 90% retention rate
- Consumer Web** – 1 BN organic hits and No SEM
- Marketplace** – Investment marketplace 2.0 and Insurance marketplace 2.0
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- Rewards** – Bajaj Prime

mortgages and 50-60% of broking accounts

- Risk** – Know everyone, Credit Risk, Operational Risk
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Sr. No.	Basic construct	FY24	FY27 LRS	FY28 LRS
1	Customer Franchise (MM)	83.64	110-120	130-140
2	Cross-sell Franchise (MM)	50.75	65-70	80-90
3	India payments GMV	0.13%	1-1.25%	1.25-1.5%
4	Share of total credit	1.99%	2.5-2.75%	3-3.25%
5	Share of retail credit	2.46%	3.5-3.75%	3.8-4%
6	Location presence	4,145	4,300-4,500	5,200-5,500
7	App – Net installs (MM)	52.41	70-80	120-150
8	Web – Visitors (MM)	388	1,100-1,200	1,500-1,800
9	Return on Equity	22.1%	20-22%	20-22%
10	AUM per cross sell franchise	65,146	85-90K	90-95K
11	PAT per cross sell franchise	2,847	3.5-3.7K	3.8-3.9K
12	Product Per Customer (PPC)	6.07	NA	6-7

Sr. No.	Basic construct	FY24	FY27 LRS	FY28 LRS
1	Customer Franchise (MM)	83.64	110-120	130-140
2	Cross-sell Franchise (MM)	50.75	65-70	80-90
3	India payments GMV	0.13%	1-1.25%	1.25-1.5%
4	Share of total credit	1.00%	2.5-2.75%	3-3.25%

If your Company delivers these 36 key strategies over the LRS period, it expects its franchise to grow to 130-140 MM, share of total credit in India to go to 3%-3.25%, digital platforms to have 120-150 MM users and deliver an ROE of 20%-22%. We remain excited about your Company’s long-term prospects

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# Section 06 – Let me now cover management assessment for FY25



Your Company has a well-established long-term guidance on financial metrics across AUM growth, profit growth, GNPA, NNPA, ROA and ROE

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It has been 4 years since Covid-19 pandemic. In hindsight, the first 2 years were a LOW phase and the last 2 years have been a HIGH phase

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FY25 is expected to be a year of normalisation to pre-covid levels across all metrics

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Basis this, we have provided a management assessment for FY25. This will of course be subject to stable macro-economic and regulatory environment

12-14 MM new customer addition in FY25

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AUM growth of 26-28% in line with long term guidance

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30-40 *bps* NIM moderation in H1 FY25 owing to increasing cost of funds and AUM composition pivoting towards secured assets

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Opex to Net Total Income should improve by 20-40 *bps*

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Loan loss to average AUF in corridor of 1.75%-1.85% with improvement projected in H2 FY25

Profit growth to be in line with long term guidance in H2 FY25

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ROA to be within long term guidance corridor of 4.6%-4.8%

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ROE to be marginally lower than long term guidance corridor of 21%-23%  
due to capital raise in FY24

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GNPA and NNPA to remain lower than long-term guidance



Lastly, India represents tremendous opportunity over the long term and your Company is very well positioned to seize it. Thank you for your patient listening.

**Thank you**

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