

Dear shareholders, good afternoon and a warm welcome to the **38th Annual
General Meeting**

I have 4 sections and intend to take 25-30 minutes. Let's quickly start with Q1 FY26 results



- 1** A good start to FY26. Q1 started off well on all metrics, except credit costs.
- 2** Delivered AUM growth of ₹ 24,789 crore to ₹ 441,450 crore, booked 13.5 MM new loans & added 4.7 MM new customers. Customer franchise stood at 106.5 MM.
- 3** Your Company is expected to disburse over 50 MM new loans and cross a milestone of ₹ 5 lac crore AUM in FY26.
- 4** FY26 to be a defining year for FINAI transformation. FINAI capabilities have started to go live, and consumers will start to experience them through FY26.
- 5** On 21 July 2025, Anup Saha tendered his resignation as MD and Director of BFL for personal reasons. The Board, upon the recommendation of NRC, noted and accepted the resignation effective 21 July 2025. The Board placed on record its sincere appreciation for Anup's valuable contributions during his tenure and extended its best wishes for his future endeavors.

Q1 FY26 Financial summary – Consolidated

BAJAJ FINANCE LIMITED

₹ in Crore

Financials snapshot	Q1 FY26	Q1 FY25	Y-o-Y
Assets under management *	441,450	354,192	25%
Net interest income	10,227	8,365	22%
Non-interest income*	2,383	2,053	16%
Net total income *	12,610	10,418	21%
Operating expenses	4,123	3,471	19%
Pre-provisioning operating profit *	8,487	6,947	22%
Loan losses and provisions *	2,120	1,685	26%
Profit before tax	6,368	5,265	21%
Profit after tax *	4,765	3,912	22%

Ratios			
Operating expenses to Net total income	32.7%	33.3%	
Annualised Loan Loss to Average AUF	2.02%	1.99%	
Annualised Return on Average AUF	4.54%	4.63%	
Annualised Return on Average Equity *	19.01%	19.86%	

*Non-interest income includes fees & commission income, net gain on fair value changes, income on de-recognised loans, operating income and other income

Section 02 – Let's quickly cover FY25, the year gone by



- 1 BHFL successfully listed and your Company went from 1 to 2 listed companies. I want to thank you for your tremendous confidence and support for BHFL listing. Your Company distributed a special interim dividend of ₹ 12 per equity share out of the exceptional gain from the BHFL IPO.
- 2 Your Company created a blueprint to be a FINAL Company in next 2-3 years, giving your Company 7-8 years of next virtuous growth cycle. I am covering FINAL strategy in detail shortly.
- 3 Your Company subdivided equity shares from face value of ₹ 2 to face value of ₹ 1 and issued 4 fully paid bonus shares for every 1 fully paid equity share to shareholders.
- 4 Bajaj Financial Securities business reached an inflection point and has started to scale rapidly. Profit grew 2.5X to ₹ 183 crore. Retail and HNI customer franchise stood at 979K.

- 5 On operating performance, FY25 was a mixed year. It was a good year for AUM growth, new customer acquisition, operating efficiencies and pre-provisioning profits. However elevated credit costs resulted in subdued profit growth.
- 6 AUM crossed ₹ 4 lac crore mark and stood at ₹ 416,661 crore. Customer franchise crossed 100 MM and your Company added 18.2 MM new customers. We booked a record 43.4 MM new loans in FY25.
- 7 Bajaj Finserv app is now one of the largest financial services app in India and delivered ₹ 38,543 crore (17%) of business.
- 8 We remain excited about the long-term prospects of your Company.

FY25 Financial summary – Consolidated

BAJAJ FINANCE LIMITED

₹ in Crore

Financials snapshot	FY25	FY24	Y-o-Y
Assets under management *	416,661	3,30,615	26%
Net interest income	36,393	29,582	23%
Non-interest income*	8,561	6,676	28%
Net total income *	44,954	36,258	24%
Operating expenses	14,926	12,325	21%
Pre-provisioning operating profit *	30,028	23,933	25%
Loan losses and provisions *	7,966	4,631	72%
Profit before tax	22,080	19,310	14%
Profit after tax *	16,779	14,451	16%

Ratios		
Operating expenses to Net total income	33.2%	34.0%
Annualised Loan Loss to Average AUF	2.17%	1.63%
Annualised Return on Average AUF	4.57%	5.08%
Annualised Return on Average Equity *	19.19%	22.05%

*Non-interest income includes fees & commission income, net gain on fair value changes, income on de-recognised loans, operating income and other income

Section 03 – Let me now cover management assessment for FY26



A gradually slowing economy, declining inflation and proactive actions by government and RBI makes us cautiously optimistic about FY26. Your Company's deep investments in omnipresence strategy across products, geography and platforms over the last few years, positions it well for growth. However, consumer leverage remains an area of concern. Your Company has taken several actions over the last 3 quarters to bring credit costs in-line with its long-term guidance. A strong start to Q1 makes us optimistic about FY26.

Management assessment for FY26

#	Particulars	FY25 achievement	FY26 assessment
1	New customer addition *	18.2 MM	14 - 16 MM
2	AUM growth *	26%	24% - 25%
3	Opex to Net total income (NTI) improvement	80 bps	40 - 50 bps
4	Credit costs	2.07%*	1.85% - 1.95%
5	Profitability (PAT Growth) *	16%	Optimistic
6	ROA	4.6%	4.4% - 4.6%
7	ROE*	19.1%	19% - 20%
8	GNPA	0.96%	< 1.4%
9	NNPA	0.44%	< 0.5%
10	AI deployments (# use cases) *	29	100

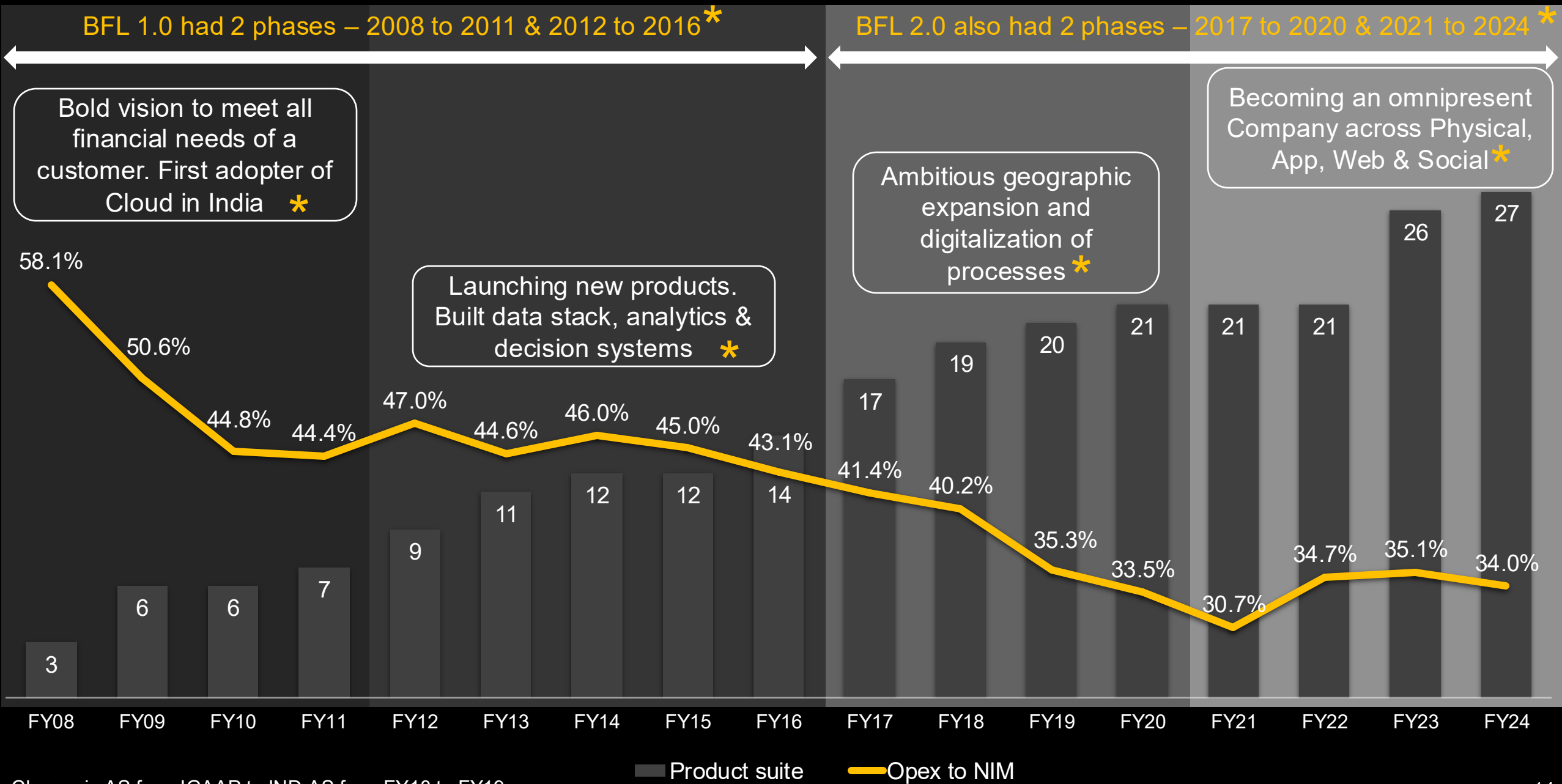
*Excluding the ECL model redevelopment impact

Section 04 – Let me now talk about the medium–term growth prospects of your Company BFL 3.0 - A FINAL strategy



Before I do that, let me quickly recap BFL 1.0 and BFL 2.0

2008-16 was BFL 1.0 and 2017-24 was BFL 2.0



As a result of BFL 1.0 and 2.0, your Company

BAJAJ FINANCE LIMITED

BFL 1.0 had 2 phases – 2008 to 2011 & 2012 to 2016*

BFL 2.0 also had 2 phases – 2017 to 2020 & 2021 to 2024*

- 1 Became a fully **diversified non-bank with a full product suite** (from 3 to 27 products).
- 2 **Being a technology first company**, your Company was an early adopter of Cloud in 2008. It built its data stack and digitalized all its processes. In last 4 years, Bajaj Finserv app became one of the largest financial services app in India.
- 3 In hindsight, your Company was always doing Fin & Tech. **Inadvertently, it was always a FINTECH.**
- 4 All this helped your Company **significantly expand scale, rapidly grow revenues, bring down Opex, reduce credit costs, grow profitably and create a resilient business model.**

FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24

Product suite Opex to NIM

Change in AS from IGAAP to IND-AS from FY18 to FY19

The journey of BFL 1.0 and BFL 2.0 has been fascinating. During this period, we have been through mostly good times & some difficult times like Demonetization & Covid. However, **what I am most excited about is the next phase of BFL which is 'BFL 3.0 - A FINAI Company'.**

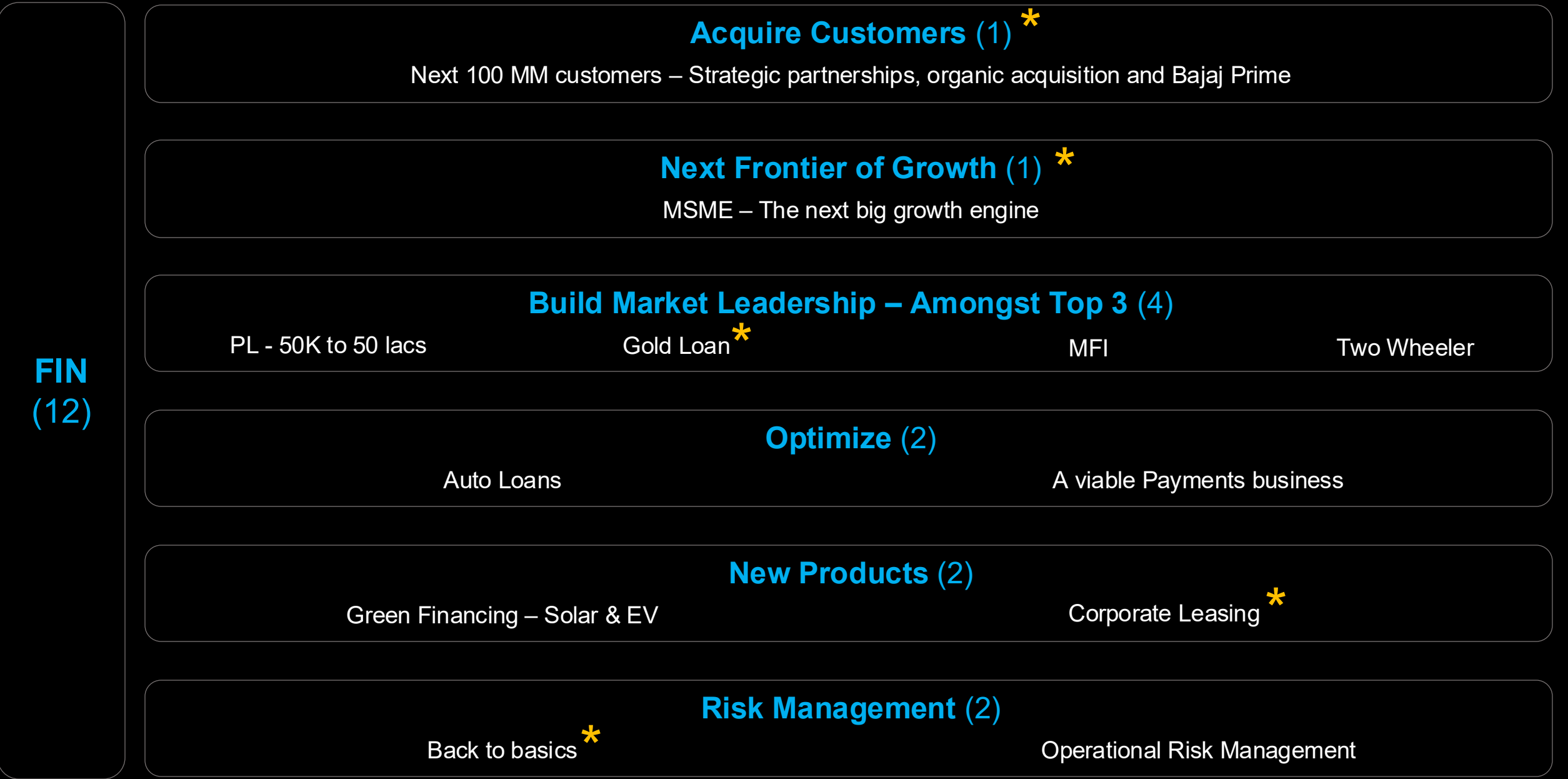
BFL 3.0 – A FINAI Company. For ease of understanding, I have broken down BFL 3.0 – A FINAI Company into 2 parts - What is BFL 3.0? and What is a FINAI Company?

BFL 3.0 will be amongst the **most profitable companies in India** and be a pre-eminent choice for its **200 MM customer franchise**. It will be amongst the **lowest cost operating model** in financial services. This will be achieved by **accelerating business transformation by leveraging AI technology & digital platforms**.

A FINAI company is a **Financial Services company with an AI enabled technology architecture, which integrates AI across all its processes** to dramatically increase revenue, reduce cost, improve customer engagement, enhance productivity & further strengthen controllership.

BFL 3.0 - A FINAI Company, is a company which offers a full product suite for its 200 MM customers as their pre-eminent choice. Its AI enabled technology architecture which integrates AI across all processes to deliver significant operating leverage and create a virtuous growth cycle.

Time to look at the strategies of BFL 3.0 – A FINAI Company. **Let's first look at the FIN strategic framework.**



Before I get to AI Strategies of BFL 3.0 – A FINAI Company, **let me quickly set the context on AI.**

5 stages of AI evolution

1

AI that can hold conversations

Conversational AI

2

AI that can do human level problem solving

Reasoner AI

World has already surpassed Reasoner AI stage

Stage passed

3

AI that can take decisions autonomously

Agent AI

Agent AI will be a reality by next AGM

4

AI that can aid invention

Innovators AI

5

AI that can do the work of an organization

Organization AI

Very quickly, in general, there are 3 phases of user behavior once a new technology is introduced

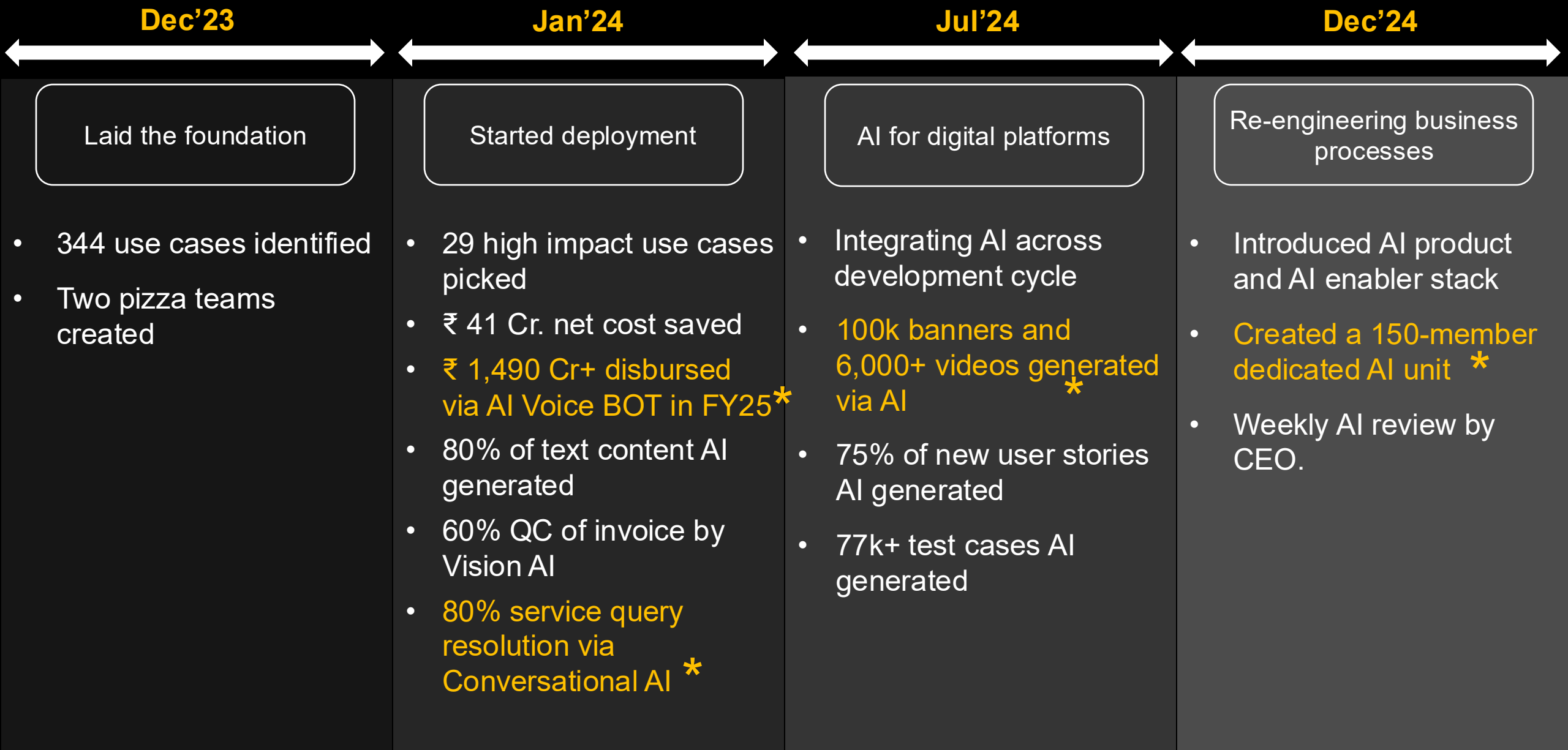
- 1 Initial Excitement** - Users are drawn to the novelty and potential.
- 2 Gaining Confidence** - Users start to get familiar with its practical value in daily life.
- 3 Becomes Omnipresence** - Technology becomes integral and indispensable as its value is realized.
- 4** We believe that **AI will rapidly move to Omnipresent stage over the next two years.**

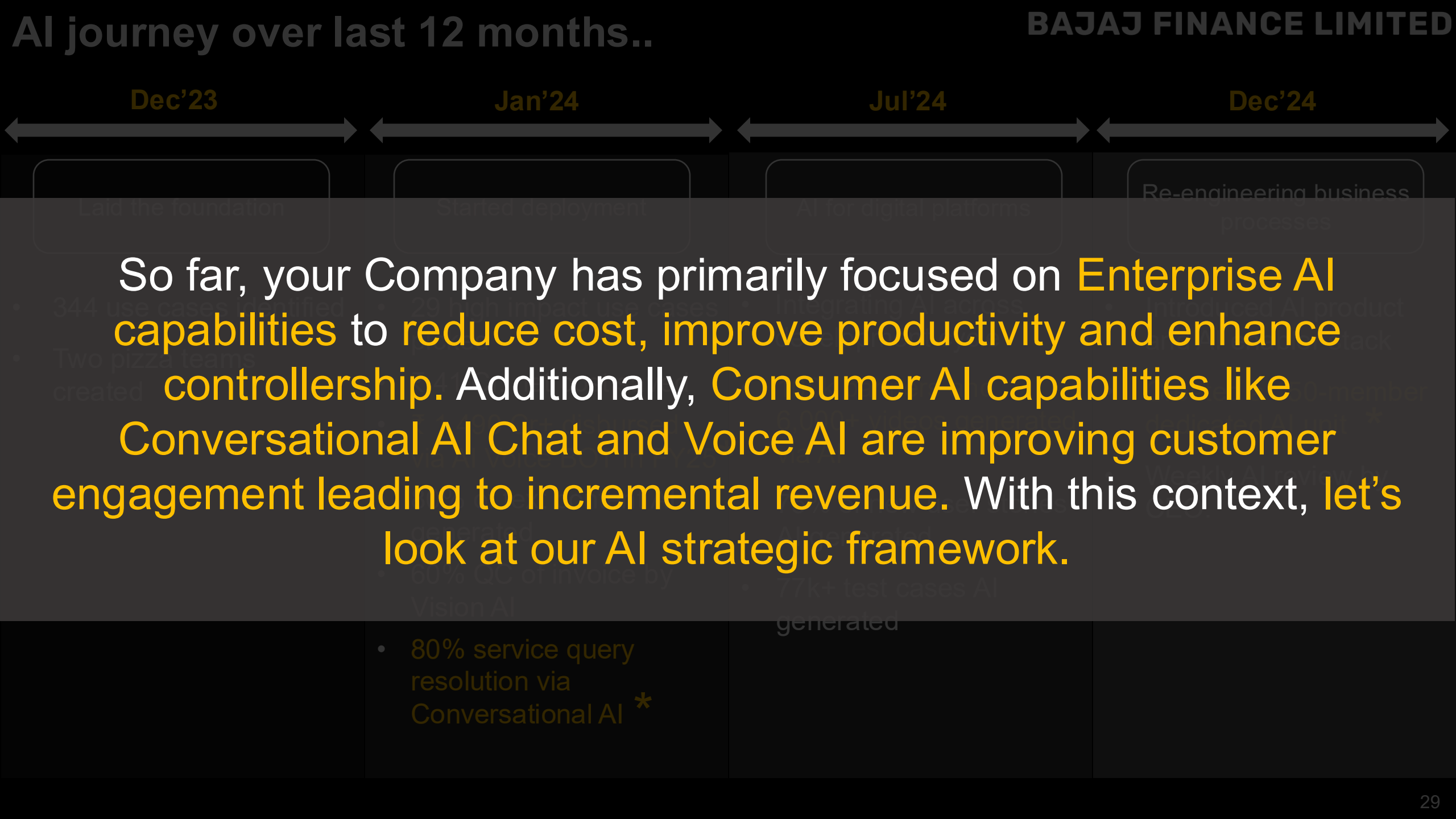
These are the new terms and terminologies of AI age. Your Company is learning and adapting to this new age rapidly...



Your Company has always been an early adopter of new technologies. Over the last 15 years, if it wasn't for investments in Cloud, APIs, Data and Digital, your Company would not have been able to dream-up an AI strategy. Work on understanding and deploying AI has been going on for the last 18 months. Let's see our AI journey so far...

AI journey over last 12 months..





AI
(19)

AI for Design & Engagement (3)

Conversation driven search *

Interactive multi-modal AI assistant

Conversational AI in business journey *

AI for Revenue (2)

Conversational AI for sales *

Conversational AI for cross-sell *

AI to Reduce cost (6)

FTE productivity

Sales AI contact center *

Operations & Service QA co-pilot & auto-pilot

FTC productivity

DMS AI contact center

Technology co-pilot & auto-pilot

AI for Risk (2)

Data 3.0 – Unstructured to structured data *

Augmented Risk Intelligence for B2B (Responsible and explainable AI)

AI for Credit (1)

Underwriting AI co-pilot – Image, note summary, screening & validation *

AI for Productivity (2)

AI enabled Loan Origination System *

AI enabled engagement and training

AI for Controllershship (3)

Responsible, ethical and explainable AI *

Audit co-pilot & auto-pilot

Technology & Platform compliance co & auto-pilot

AI for Design & Engagement (3)

Conversation driven search *

Interactive multi-modal AI assistant

Conversational AI in business journey *

AI for Revenue (2)

Conversational AI for sales *

Conversational AI for cross-sell *

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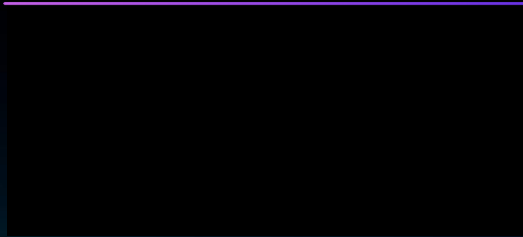
Responsible, ethical and explainable AI *

Audit co-pilot & auto-pilot

Technology & Platform compliance co & auto-pilot

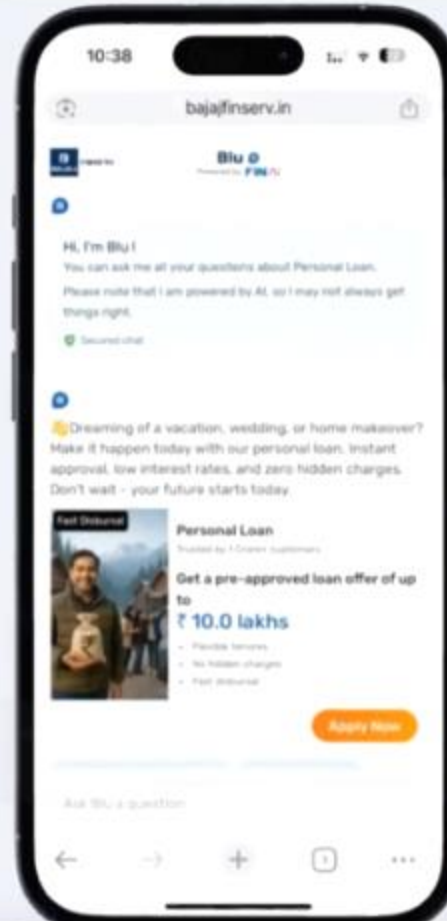
Let me now give you 3 illustrative real-life current examples of AI implementation in business processes...

Video 1 – Let me quickly show you a video on Voice AI, that has been in production for the last 15 months and we will do ₹ 6,650 crore of business volume in FY26 using Voice AI. It would result in better customer experience and reduce cost of operations by upto 60%



Video 2 - Let me now show you an example of Text AI, which is now live for 3 products. By March'26, all our communication engines will be powered by text AI, whether it is sales, service, DMS or engagement. It will accelerate business volumes, improve service standards and significantly enhance customer engagement.

Personal Loan Smart Assistant



Video 3 – Lastly, the biggest benefit of AI will emerge in deploying AI across business processes to improve customer experience, improve productivity and reduce cost of operations. All 27 products of your Company would have deployed Enterprise AI by March'26.



As we deliver all this, let's see our Long-range Strategy outcomes by FY29...

LRS Outcomes - FY29

S.No.	Basic construct	FY25	LRS FY29
1	Customer Franchise (MM) *	101.8	190-210
2	Cross-sell Franchise (MM)	64.4	115-125
3	India payments GMV	0.23%	0.4-0.5%
4	Share of total credit *	2.25%	3.2-3.5%
5	Share of retail credit	2.82%	3.8-4.2%
6	Location presence	4,263	5,200-5,500
7	App – Net installs (MM) *	70.6	150-170
8	Web – Visitors (MM)	603	3,500-4,500
9	AI deployments (#) *	29 use cases	All pervasive
9	Return on Equity *	19.2%	20-22%
10	AUM per cross sell franchise	64.6K	80-85K
11	PAT per cross sell franchise	2.6K	3.8-4.0K
12	Product Per Customer (PPC)	6.05	6-7

Over the next 18 months, we would have deployed most FINAI strategies. We would have embedded AI across every stream of our business processes, be it consumer facing or enabling infrastructure. Once delivered, it will create another virtuous growth cycle for next 7-8 years for your Company. Thank you for your patient listening.

Thank you

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