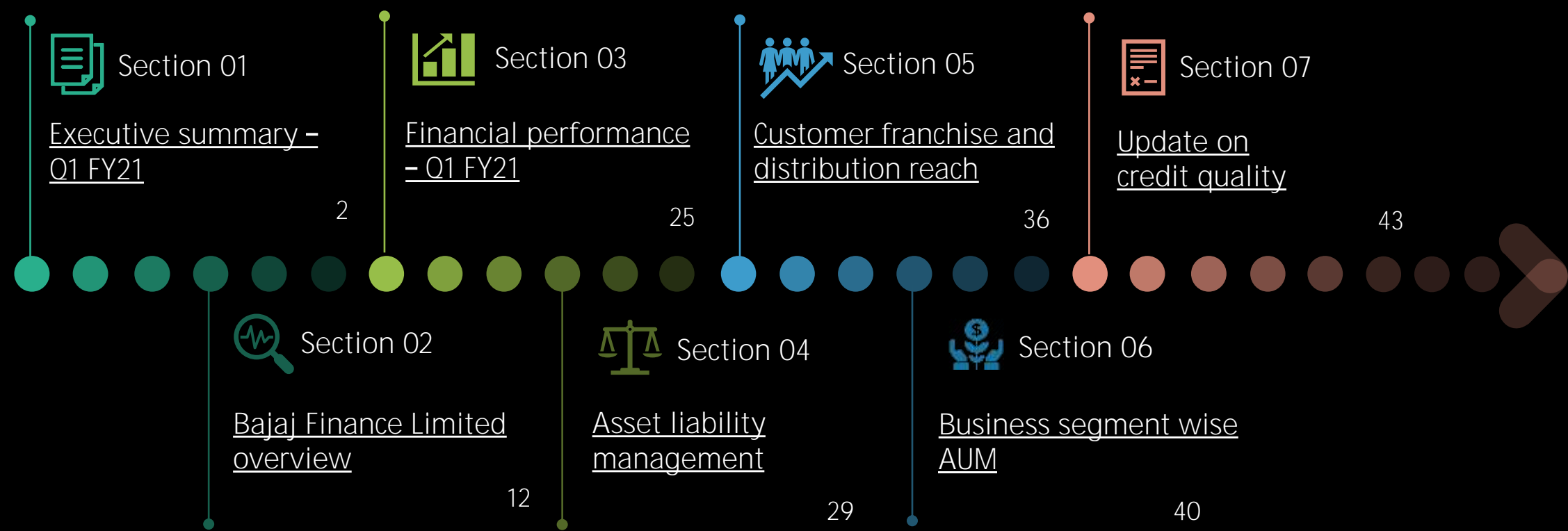




Bajaj Finance Limited

Q1 FY21 Investor Presentation

21 July 2020





Section 01

Executive summary – Q1 FY21

1.1

Quarter gone by

1.2

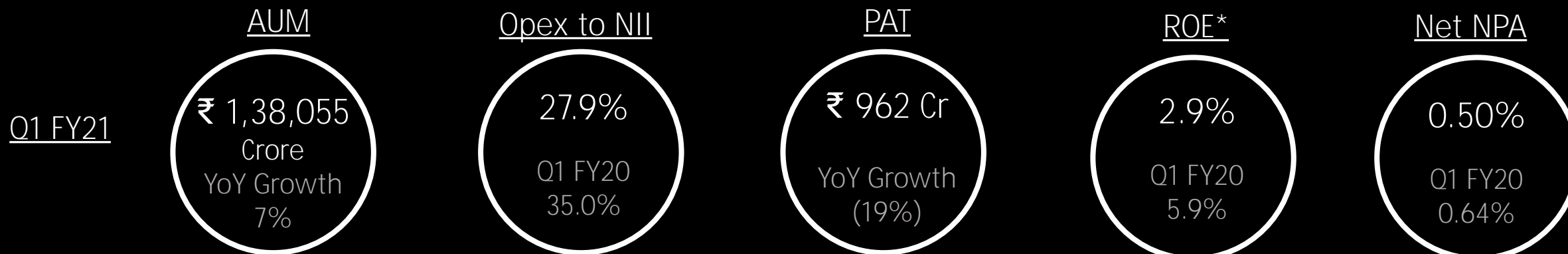
Executive summary on Q1 FY21

1.3

Update on Moratorium

Quarter gone by

Q1 was a pandemic quarter. The focus was on employee safety, capital preservation, liquidity management, business scenario planning, opex management, collections capacity augmentation, customer propositions, business transformation framework and lastly but most importantly calibrated restart of business as the country started to reopen.



*Not annualized

Balance Sheet and Franchise:

1. Business operations were closed till 10 May 2020 and gradually restarted as local administrations eased lockdown conditions. **As of yesterday, company is operational in 2,322 location which represents 85% of company's business. 86 locations are closed for business and collections which represents 15% of company's business.**
2. AUM growth moderated to 7% YoY due to lockdown. It stood at ₹ 1,38,055 crore in Q1 FY21.
3. The Company restarted its sales finance, auto finance, LAS and Gold loan businesses from 10 May 2020 with stringent loan to value (LTV) norms and focus on existing customers. Semi urban and rural market volume recovery is much stronger than anticipated.
4. **Home loan and Credit card distribution businesses were restarted in June'20.**
5. **Restart of loan against property, SME, B2C urban, B2C rural and commercial businesses was deferred to July'20 due to extension of moratorium.**
6. At this juncture, based on our assessment, 75+ cities should revert to pre-COVID volumes by October, 40-75 Cities by end November, 10-40 cities by January and top 10 cities by March. All this is of course subject to Government of India not enforcing a 2nd national lockdown. Based on this assessment, the Company estimates AUM growth of 10-12% in FY21.
7. Post restart in May, bounce rate and collection efficiency of 1.7 MM new loans disbursed is in line / marginally better than Pre-COVID (Feb'20). **If these metrics continue, the Company will be comfortable taking a stronger growth stance for 2nd half of the year.**
8. Given the lockdown, the Company increased focus on its 42.95 MM customer franchise to increase penetration of fee products like health card, health insurance etc. The Company sold 5.33 lac health card to its existing EMI card customers in Q1 FY21. This product comes with higher limit, EMI financing tie ups at multi speciality hospitals and various other wellness benefits.

9. Given the lockdown, the Company decided to convert some of its existing customers with no overdue and good repayment track record from term loan to a flexi loan for a switch fee. The Company has been offering flexi loans to its customers for the last 5 years. As of March 31st, the existing book under flexi stood at ₹ 36,846 crore. The product provides the customers with flexibility to drawdown when they need and prepay when they want digitally. It also has an added feature of only interest servicing for first 1 - 2 years. In Q1 FY21, the company has converted ~₹ 8,600 crore of term loans into flexi loans.
10. The Company acquired 0.53 MM new customers in the current quarter. Total customer franchise stood at 42.95 MM as of 30 June 2020, a growth of 16% YoY.
11. Existing customers contributed to 70% of new loans booked during Q1 FY21.

Liquidity Management

12. As of 20 July 2020, the Company had consolidated liquidity buffer of ₹ 20,590 crore and SLR investments of Rs. 2,550 crore. This represents 19.2% of its total borrowing. Given the environment, the Company will continue to run high liquidity buffer, despite an impact on cost of funds in the short term.
13. The carry cost of excess liquidity in Q1 was ₹ 169 crore.
14. Deposits book stood at ₹ 20,061 crore, a growth of 33% YoY. Its contribution to consolidated balance sheet was 17% as of 30 June 2020. The Company continued to attract sizable retail deposits in Q1. The Company reduced rates for its retail deposit rates twice in Q1 aggregating to a drop of 65 bps. The Retail : Corporate mix stood at 70 : 30 as against 63 : 37 in Q4 FY20 in line with its strategy of reducing its reliance on corporate deposits.

15. During the quarter, S&P Global has downgraded the **Company's** long-term issuer credit rating from BBB-/Negative to BB+/stable and short-term rating from A-3 to B. S&P global ascribes this downgrade, to weakening economic conditions due to COVID-19 which has also led to them revising the NBFC sector anchor rating from BB to BB-.

Operating expense management

16. Opex to NII improved to 27.9% in Q1 FY21 as against 35.0% in Q1 FY20.
17. Opex for Q1 FY21 was lower by 11% YoY and 20% QoQ to ₹ 1,157 crore. Sequentially, opex dropped by ₹ 296 crore.
18. The Company has taken several actions including fixed pay cut (5% at junior level to 17.5% at senior most level), no incentives for Q1, call center optimization, freeze on travel, advertising & promotion and deferred physical trainings etc. to reduce its cost base.
19. The Company has paused replacement and new hiring, branch expansion and deferred other discretionary costs till **Sep'20**.

Credit Costs

20. Reserve Bank of India, in view of the extension of lockdown and continuing disruption on account of COVID-19, extended the moratorium by another 3 months till 31 August 2020.
21. Consolidated moratorium book reduced to ₹ 21,705 crore (15.7% of AUM) as of 30 June 2020 from ₹ 38,599 crore (27.1% of AUM) as of 30 April 2020 owing to reduction in bounce rate coupled with improved collection efficiencies. (*Refer page 11*)

22. During the quarter, the Company has taken an additional contingency provision for COVID-19 of ₹ 1,450 crore taking its contingency provision for COVID-19 to ₹ 2,350 crore as of 30 June 2020. The contingency provisioning for COVID-19 is now at 10.8% of moratorium book. This contingency provision together with existing ECL provision of ₹ 623 crore provides an overall provisioning coverage of 13.7% on the consolidated moratorium book.
23. Additionally, as a matter of prudence, the Company has reversed interest income to the tune of ₹ 220 crore from the interest capitalized during moratorium period.
24. The Company last provided an update on its credit cost scenario model on 6 April 2020. The company considered lockdown of up to 50-days for its various scenario planning. We estimated an 80-90% increase in credit costs (₹ 5,400-5,700 Crore for FY21) assuming lockdown till 15 May 2020.
25. However, the national lockdown continued for 68 consecutive days till 31 May 2020 and it was followed by multiple district / state level lockdowns imposed by respective local authorities. At this juncture, big cities like Bangalore and Pune are in midst of more stringent lockdown than the national lockdown.
26. The Company has now updated its credit cost scenario model for FY21 considering extended disruptions. It now estimates its credit costs to increase by 100-110% (₹6,000-6,300 crore for FY21) over the pre-COVID credit cost of previous year. The Company has strong pre-provision profitability to absorb increased losses caused by COVID-19.
27. The Company has significantly augmented its collections infrastructure to mitigate its credit costs. It has added 2,800 collections officers and approximately 16,000 collection agency staff to manage the increased bounce volumes caused by COVID-19.
28. At this juncture, based on our assessment, 75+ cities should revert to pre-COVID collection efficiencies by November, 40-75 Cities by end December and 10-40 cities by February. Top 10 cities collection efficiency forecast is tough to predict. All this is of course subject to Government of India not enforcing a 2nd national lockdown.

Profitability

- 28. Consolidated PAT for the quarter contracted by 19% YoY to ₹ 962 crore after taking contingency provision of ₹ 1,450 crore and interest income reversal of ₹ 220 crore. Pre-provision profitability remained strong.
- 29. The Company has revised its margin profile in certain businesses to protect its overall profitability. On mortgage business, the company is facing significant pricing pressure and is repivoting its mix marginally for short to medium term.
- 30. Return on Assets for the quarter was 0.7% and Return on Equity was 2.9% (not annualised)

Capital:

- 31. The Company continues to remain very well capitalised with CRAR of 26.4% as of 30 June 2020. Its Tier-1 capital was 22.6%. The Company remains one of the best capitalised large NBFCs in India.

Business transformation – ‘Never let a crisis go waste’:

- 32. The Company is accelerating its 3rd transformation journey conceptualized in Q3 FY20. The company is utilizing this pandemic time **to completely transform itself by deploying “Zero based budgeting” methodology to reimagine all its businesses and functions.** All businesses and functions are getting into micro detail of every process, customer moment of truth and cost lines and completely reimagining them. As a result, we plan to come out of this crisis as a company with enhanced customer experience, stronger digital orientation and a leaner cost structure. As and when demand comes back fully, we will be ready to leverage this transformation to grow our business rapidly.
- 33. At this juncture, company has access to 105 MM customers and prospects. It intends to create an ecosystem of sales finance products and complete range of financial services for these customers and prospects.

- 34. Over the last 5 years, the Company has made significant investments in broadening its presence in payments railroad through its EMI card, Credit Card and Wallet offerings. It will accelerate integration of its sales finance ecosystem on its payment railroad.
- 35. **Over the last 3 years, the company has been testing its omnichannel strategy of 'online to offline' and 'offline to online' by integrating customers and retailer ecosystem. It is working on integration of its 'O2O' model to deliver significantly higher** velocity to its merchant ecosystem and reduced friction for its customers. This transformation will help retailers sell more products and also help the Company sell more financial services at point of sale as well as subsequently.
- 36. Existing customers would be able to access financial services across lending, insurance, investments and payments in maximum 3 clicks.

Subsidiary

- 37. Bajaj Housing Finance Ltd (BHFL) continued to grow in a robust manner delivering profit after tax growth of 31% to ₹ 92 crore in Q1 FY21 against ₹ 70 crore in Q1 FY20.
- 38. **BHFL's** AUM increased by 52% to ₹ 32,982 crore as of 30 June 2020 from ₹ 21,745 crore as of 30 June 2019.
- 39. **BHFL's Net Interest Income for Q1 FY21 was up by 23% to ₹ 243 crore from ₹ 198 crore in Q1 FY20.**
- 40. **BHFL's Opex to NII improved to 30.4% in Q1 FY21 as against 41.4% in Q1 FY20.**
- 41. During the quarter, BHFL made a contingency provision of ₹ 44 crore for COVID-19 taking the overall contingency provision for COVID-19 to ₹ 94 crore as of 30 June 2020.
- 42. Bajaj Financial Securities Ltd (BFinsec) made a net loss of ₹ 1.82 crore in Q1 FY21.

Update on Moratorium

As on 30 April 2020							As on 30 June 2020					
Business Segment	AUM	AUM under Morat	% of AUM under Morat	COVID Provision Amt	ECL Provision	COVID + ECL Provision as % of Morat	AUM	AUM under Morat	% of AUM under Morat	COVID Provision Amt	ECL Provision	COVID + ECL Provision as % of Morat
Auto Finance	13,726	9,611	70.0%	209	309	5.4%	12,802	6,446	50.3%	553	209	11.8%
Sales Finance	10,600	2,742	25.9%	63	57	4.4%	9,231	1,813	19.6%	245	42	15.8%
Consumer B2C	30,505	8,771	28.8%	251	257	5.8%	29,219	4,454	15.2%	785	176	21.6%
Rural Sales Finance	2,326	688	29.6%	10	8	2.6%	2,089	214	10.2%	37	5	19.6%
Rural B2C	10,650	3,020	28.3%	96	80	5.8%	10,281	1,015	9.9%	177	37	21.1%
SME Lending	19,048	5,708	30.0%	174	154	5.7%	18,277	2,245	12.3%	341	74	18.5%
Securities Lending	4,037	13	0.3%	-	-	-	3,957	-	-	-	-	-
Commercial	6,215	1,527	24.6%	26	3	1.9%	6,075	1,168	19.2%	56	2	5.0%
Mortgages	45,960	6,518	14.2%	71	102	2.7%	46,124	4,350	9.4%	156	77	5.4%
BFL Consol	1,43,067	38,599	27.1%	900	970	4.8%	1,38,055	21,705	15.7%	2,350	623	13.7%
Total Provision – 1,870							Total Provision – 2,973					

Section 02 Bajaj Finance Limited overview

2.1 Bajaj group structure

2.2 What do we stand for

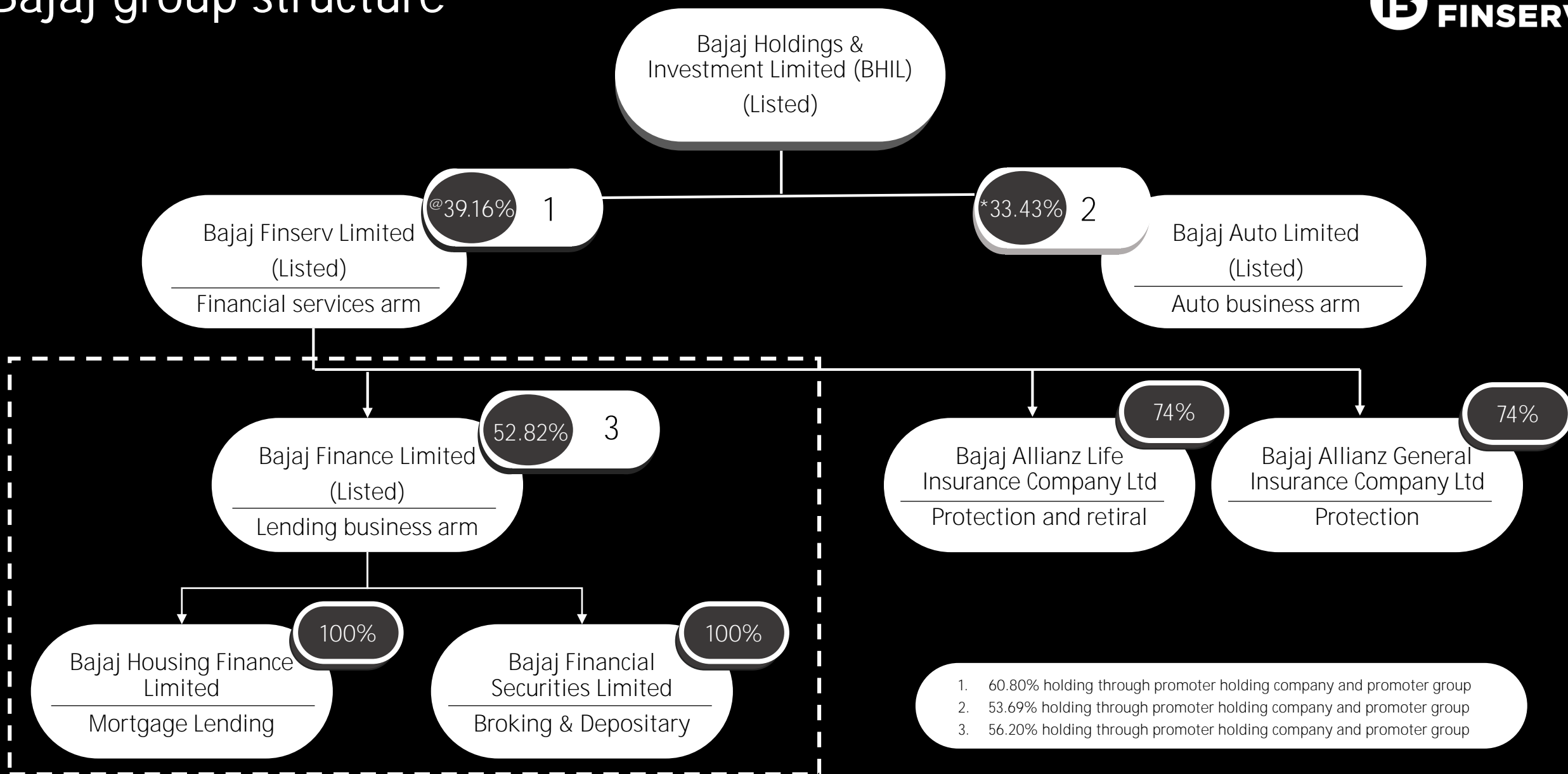
2.3 Our shareholder profile

2.4 10-year financial snapshot

2.5 Product suite

2.6 Executive summary

Bajaj group structure



Above shareholding is as of 30 June 2020

@BHIL has an additional stake of 2.34% through, Maharashtra Scooters Limited, and 0.13% through Bajaj Auto Holdings Limited, subsidiaries of BHIL

*BHIL has an additional stake of 2.34% through its subsidiary, Maharashtra Scooters Limited

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

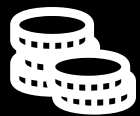
“Focused on mass affluent & above clients with a strategy to cross sell”

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

“Business construct to deliver a sustainable ROA of 3.3-3.5% and ROE of 19-21% in the long term”

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

Our general long-term guidance on financial metrics



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
3.3%-3.5%



Return on equity
in corridor of
19%-21%

Key strategic differentiators

Part of the Bajaj group – one of the oldest & most respected business houses

A trusted brand with strong brand equity

Focus on mass affluent and above clients

Total customer franchise of 42.95 MM

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

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

A well diversified balance sheet

Consolidated lending AUM mix for Consumer: Rural: SME: Commercial: Mortgages stood at 37%: 9%: 13%: 7%: 34%
Consolidated borrowing mix for Money Markets :Banks: Deposits: ECB stood at 40%: 39%: 17%: 4%

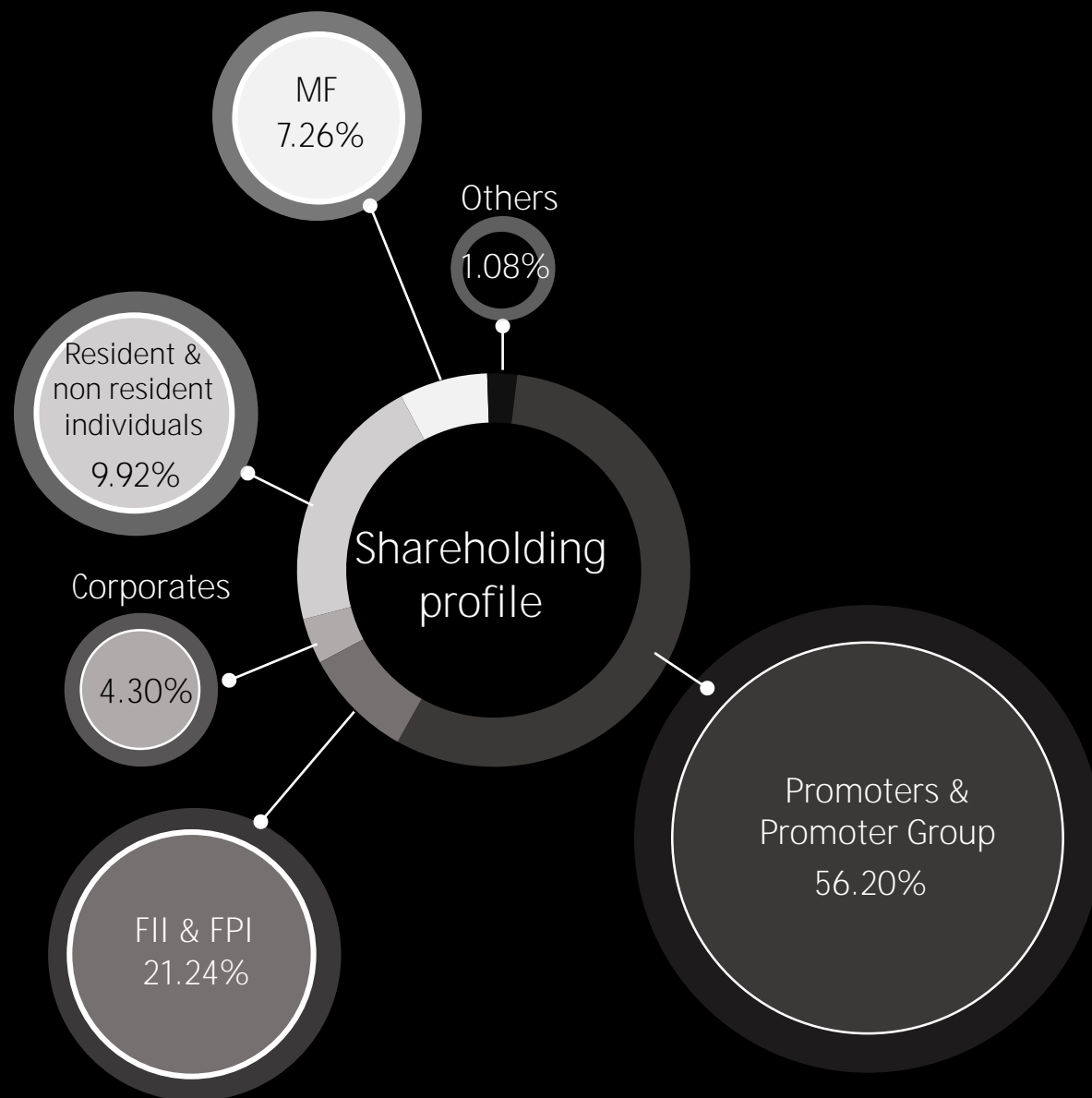
Highly agile & innovative

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



Above shareholding is as of 30 June 2020

Top 20 investors & their holdings

S.No	Name of Shareholder	As on 30 Jun 20	As on 31 March 20	As on 30 Jun 19
1	BAJAJ FINSERV LTD	52.82%	52.82%	54.81%
2	GOVERNMENT OF SINGAPORE	4.30%	4.46%	3.74%
3	MAHARASHTRA SCOOTERS LTD.	3.15%	3.15%	3.27%
4	AXIS LONG TERM EQUITY FUND	0.82%	0.76%	0.89%
5	NEW HORIZON OPPORTUNITIES MASTER FUND	0.77%	0.77%	0.80%
6	STEADVIEW CAPITAL MAURITIUS LTD.	0.77%	0.79%	1.26%
7	LIFE INSURANCE CORPORATION OF INDIA	0.69%	0.15%	0.00%
8	NEW WORLD FUND INC.	0.56%	0.56%	0.58%
9	SBI ETF NIFTY 50	0.56%	0.65%	0.47%
10	SBI EQUITY HYBRID FUND	0.55%	0.45%	0.43%
11	AXIS BLUECHIP FUND	0.54%	0.41%	0.26%
12	SMALL CAP WORLD FUND INC	0.54%	0.54%	0.56%
13	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0.51%	0.52%	0.47%
14	AXIS FOCUSED 25 FUND	0.44%	0.36%	0.31%
15	SBI LIFE INSURANCE CO. LTD	0.44%	0.48%	0.36%
16	ST. JAMES'S PLACE EMERGING MARKETS EQUITY UNIT TRUST MANAGED BY WASATCH ADVISORS INC	0.43%	0.23%	0.25%
17	VANGUARD EMERGING MARKET STOCK INDEX FUND	0.41%	0.44%	0.47%
18	SBI FOCUSED EQUITY FUND	0.38%	0.26%	0.09%
19	DF INTERNATIONAL PARTNERS	0.38%	0.22%	0.30%
20	UTI – EQUITY FUND	0.38%	0.32%	0.35%

10-year financial snapshot

₹ in crore

Financials snapshot @	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18 [@] (Consol.)	FY19 [@] (Consol.)	FY20 [@] (Consol.)	YoY (FY19-FY20)	CAGR (10 yrs)
Assets under management	7,573	13,107	17,517	24,061	32,410	44,229	60,196	82,422	1,15,888	1,47,153	27%	39%
Income from operations	1,406	2,172	3,110	4,073	5,418	7,333	9,989	12,757	18,500	26,386	43%	39%
Interest expenses	371	746	1,206	1,573	2,248	2,927	3,803	4,614	6,623	9,473	43%	43%
Net Interest Income (NII)	1,035	1,426	1,904	2,500	3,170	4,406	6,186	8,143	11,877	16,913	42%	36%
Operating Expenses	460	670	850	1,151	1,428	1,898	2,564	3,270	4,197	5,662	35%	32%
Loan Losses & Provision (ECL)	205	154	182	258	385	543	804	1,030	1,501	3,929	162%	39%
Profit before tax	370	602	872	1,091	1,357	1,965	2,818	3,843	6,179	7,322	18%	39%
Profit after tax	247	406	591	719	898	1,279	1,837	2,496	3,995	5,264	32%	40%

Ratios	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Opex to NII	44.4%	47.0%	44.6%	46.0%	45.0%	43.1%	41.4%	40.2%	35.3%	33.5%
Return on assets	4.4%	4.2%	4.1%	3.6%	3.3%	3.5%	3.7%	3.7%	4.2%	4.1%
Return on equity	19.7%	24.0%	21.9%	19.5%	20.4%	20.9%	21.6%	20.1%	22.5%	20.2%
Net NPA *	0.80%	0.12%	0.19%	0.28%	0.45%	0.28%	0.44%	0.43%	0.63%	0.65%
NPA provisioning coverage	79%	89%	83%	76%	71%	77%	74%	70%	60%	60%

@ 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.

Product suite

BAJAJ FINANCE LIMITED					
Consumer	SME	Commercial	Rural	Deposits	Partnerships & Services
1. Consumer Durable Loans 2. Digital Product Loans ^(E) 3. Lifestyle Product Loans 4. Lifecare financing 5. EMI Cards 6. Retail Spend Financing 7. 2-Wheeler & 3-Wheeler Loans 8. Personal Loan Cross-Sell 9. Salaried Personal Loans ^(E) 10. E-Commerce - Consumer Finance 11. Retailer Finance 12. Health EMI Card	1. Unsecured Working Capital Loans ^(E) 2. Loans to self employed and Professionals ^(E) 3. Secured Enterprise Loans 4. Used-car financing	1. Loan against securities 2. IPO financing 3. ESOP financing 4. Vendor financing to auto component manufacturers 5. Financial Institutions Lending 6. Light Engineering Lending 7. Specialty Chemicals Lending	1. Consumer Durable Loans 2. Digital Product Loans 3. Lifestyle Product Loans 4. Personal Loans Cross Sell 5. Salaried Personal Loans 6. Gold Loans 7. Loans to Professionals	1. Retail Term Deposits 2. Corporate Term Deposits 3. Systematic Deposit Plan	1. Life Insurance Distribution 2. General Insurance Distribution 3. Health Insurance Distribution 4. Pocket Insurance ^(E) 5. Co-Branded Credit Card 6. Co-Branded Wallet 7. Financial Fitness Report
BAJAJ HOUSING FINANCE LIMITED					
1. Salaried Home Loans ^(E) 2. Salaried Loan Against Property	1. Loan Against Property 2. Self Employed Home Loans 3. Lease Rental Discounting	1. Developer Finance	1. Loan Against Property 2. Home Loans 3. Secured Enterprise Loans		1. Property search services 2. Property Fitness Report
BAJAJ FINANCIAL SECURITIES LIMITED					
1. Depository services 2. Margin Trading Facility 3. Spread Financing 4. Brokerage account					

Executive summary – Consolidated

Overview	<ul style="list-style-type: none">• 33-year-old non bank with a demonstrated track record of profitable growth• Diversified financial services company focused on Consumer, Rural, SME, Commercial, Mortgages and Payments• Focused on mass affluent client with a strategy to cross sell• Strong focus on deposits acceptance and fee product distribution• Present in 1,049 urban locations and 1,359 rural locations in India with over 1,14,400+ points of sale• Large customer franchise of 42.95 MM with loans• Amongst the largest new loan acquirers in India (1.75 MM in Q1 FY21)• AUM mix of Consumer: Rural: SME: Commercial: Mortgages stood at 37%: 9%: 13%: 7%: 34% as of 30 June 2020• AUM of ₹ 1,38,055 crore as of 30 June 2020 and a post tax profit of ₹ 962 crore in Q1 FY21.• Capital adequacy ratio (including Tier II capital) stood at 26.4% as of 30 June 2020. Tier I capital stood at 22.6%
----------	---

Subsidiaries	<ul style="list-style-type: none">• 100% shareholding in Bajaj Housing Finance Limited• 100% shareholding in Bajaj Financial Securities Limited
--------------	--

Treasury	<ul style="list-style-type: none">• Strategy is to create a balanced mix of wholesale and retail borrowings• Borrowings of ₹ 121,120 crore with a mix of 40: 39: 17: 4 between money markets, banks, deposits & ECB as of 30 June 2020
----------	---

Credit Quality	<ul style="list-style-type: none">• Consolidated Gross and Net NPA as of 30 June 2020 stood at 1.40% and 0.50%, respectively• Provisioning coverage ratio of 65% as of 30 June 2020• Standard assets provisioning of 273 bps (ECL stage 1 & 2) under Ind AS as against requirement of ~40 bps as per RBI and NHB. This includes contingency provision of ₹ 2,350 crores for COVID-19. Excluding the same, standard assets provisioning stood at 101 bps.
----------------	--

Overview	<ul style="list-style-type: none">• Focused on Consumer, Rural, SME, Commercial and Payments lines of 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 mix of Consumer: Rural: SME: Commercial: Mortgage (residual) stood at 47%: 12%: 17%: 9%: 15% as of 30 June 2020• AUM of ₹ 1,06,584 crore as of 30 June 2020 and a post tax profit of ₹ 870 crore in Q1 FY21
Consumer business	<ul style="list-style-type: none">• Present in 1,049 locations with 89,900+ active distribution points of sale as of 30 June 2020• Largest consumer electronics, digital products & lifestyle products lender in India• 2-wheeler financing business disbursed 67K accounts in the quarter (degrowth of 78% YOY)• 3-wheeler financing business disbursed 5K accounts in the quarter (degrowth of 87% YOY)• Amongst the largest personal loan lenders in India
Payments	<ul style="list-style-type: none">• EMI Card franchise stood at 21.5 MM cards in force (CIF)• Bajaj Finserv - RBL Bank co-branded credit card CIF stood at 1.80 MM as of 30 June 2020• Bajaj Finserv Mobikwik app has 15.7 MM users as of 30 June 2020 who have linked their EMI card to the wallet
Rural business	<ul style="list-style-type: none">• Highly diversified lender in rural markets offering 10 loan products across consumer, SME & mortgages business categories.• Operates with a unique hub and spoke business model• Geographic presence across 1,359 towns and villages with retail presence across 19,600+ points of sale

SME Business	<ul style="list-style-type: none">• Offers unsecured working capital loans to SME and self-employed professionals• Secured offerings include enterprise loans against property and financing against used car• Focused on affluent SMEs (average sales of ₹15 to 17 crore) with established financials & demonstrated borrowing track record
Commercial business	<ul style="list-style-type: none">• Offers short, medium and long term financing to mid market corporates• Offers a range of structured products collateralized by marketable securities or mortgage• Offers financing against shares, mutual funds, insurance policies and deposits
Treasury	<ul style="list-style-type: none">• Strategy is to create a balanced mix of wholesale and retail borrowings with a focus on long term borrowings• Borrowings stood at ₹ 95,717 crore with a mix of 43: 31: 21: 5 between money markets, banks, deposits & ECB as of 30 June 2020
Credit Quality	<ul style="list-style-type: none">• Gross and Net NPA as of 30 June 2020 stood at 1.75% and 0.61%, respectively• Provisioning coverage ratio of 65% as of 30 June 2020• Standard assets provisioning of 332 bps (ECL stage 1 & 2). This includes contingency provision of ₹ 2,256 crores for COVID-19. Excluding the same, standard assets provisioning stood at 122 bps.
Credit Rating	<ul style="list-style-type: none">• Credit rating for long term borrowing is AAA/Stable by CRISIL, ICRA, CARE & India Ratings• Credit rating for short term borrowing is A1+ by CRISIL, ICRA & India Ratings• Credit rating for FD program is FAAA/Stable by CRISIL & MAAA (Stable) by ICRA• Long term issuer credit rating of BB+/Stable and short term rating of B by S&P Global

Executive summary – Bajaj Housing Finance Limited

Bajaj Housing Finance Limited

- A 100% subsidiary of Bajaj Finance Limited, registered with National Housing Bank as a Housing Finance Company
- 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 ₹ 32,982 crore as of 30 June 2020 and a post tax profit of ₹ 92 crore for Q1 FY21
- Capital adequacy ratio (including Tier II capital) stood at 25.94% as of 30 June 2020

Home Loans

- Offers home loans to salaried customers for an average ticket size of approximately 42 lakhs
- Focused on developing sales finance business by leveraging existing developer finance relationships and through tie-ups with new project launches
- Currently present across 32 locations in India

Loan Against Property

- Offers loan to mass affluent and above self employed customers for an average ticket size of approximately 48 lakhs
- Strategy is to sell LAP product to existing customers only via direct to customer channel
- Currently present across 15 locations in India

Rural

- Offers home loans and loans against property to salaried and self-employed customers with an average ticket size of approximately 18 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 73 locations in India

Executive summary – Bajaj Housing 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 - 200 crore with an average ticket size of approximately 25 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 15 – 35 crore
- Currently present in 8 locations (Mumbai, Bangalore, Pune, Ahmedabad, Chennai, Kolkata, Hyderabad and Surat)

Credit Quality


- Gross NPA and Net NPA, recognized as per extant NHB prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS, as of 30 June 2020 stood at 0.08% and 0.05% respectively

Treasury

- Strategy is to create a balanced and sustained mix of borrowings
- Borrowings stood at ₹ 25,403 crore with a mix of 69 : 31 between banks and money markets as of 30 June 2020

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



Section 03

Financial performance – Q1 FY21

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

₹ in crore

Financials snapshot	Q1 FY21	Q1 FY20	YoY	FY20	FY19	YoY
Assets under management	1,38,055	1,28,898	7%	1,47,153	1,15,888	27%
Assets under finance	1,32,368	1,25,113	6%	1,41,376	1,12,513	26%
Interest income	5,793	5,101	14%	22,970	16,349	40%
Fee and other income	593	624	-5%	2,879	1,853	55%
Net gain on fair value changes on investment	264	83	218%	537	298	80%
Total Income	6,650	5,808	14%	26,386	18,500	43%
Interest expenses	2,498	2,113	18%	9,473	6,623	43%
Net Interest Income	4,152	3,695	12%	16,913	11,877	42%
Operating Expenses	1,156	1,292	-11%	5,662	4,197	35%
Loan losses and provisions (ECL stage 1 & 2)	1,430	130	1000%	1,318	260	407%
Loan losses and provisions (ECL stage 3 & write off)	256	421	-39%	2,611	1,241	110%
Profit before tax	1,310	1,851	-29%	7,322	6,179	18%
Profit after tax	962	1,195	-19%	5,264	3,995	32%
Ratios						
Operating expenses to Net Interest Income	27.9%	35.0%		33.5%	35.3%	
Loan loss to average AUF*	1.23%	0.46%		3.10%	1.57%	
Earning per share - Basic (₹) *	16.0	20.7		89.8	69.3	
Return on Average Assets*	0.7%	1.0%		4.1%	4.2%	
Return on Average Equity *	2.9%	5.9%		20.2%	22.5%	

Financial statement summary – Bajaj Finance Limited

₹ in Crore

Financials snapshot	Q1 FY21	Q1 FY20	YoY	FY20	FY19	YoY
Assets under management	1,06,584	1,07,949	-1%	1,16,102	98,671	18%
Assets under finance	1,03,950	1,04,664	-1%	1,13,417	95,181	19%
Interest income	5,101	4,642	10%	20,668	15,089	37%
Fee and other income	564	591	-5%	2,706	2,053	32%
Net gain on fair value changes on investment	237	71	234%	460	257	79%
Total Income	5,902	5,304	11%	23,834	17,399	37%
Interest expenses	1,985	1,797	10%	7,857	5,939	32%
Net Interest Income	3,917	3,507	12%	15,977	11,460	39%
Operating Expenses	1,092	1,221	-11%	5,364	3,949	36%
Loan losses and provisions (ECL stage 1 & 2)	1,386	122	1035%	1,233	239	416%
Loan losses and provisions (ECL stage 3 & write off)	255	420	-39%	2,572	1,237	108%
Profit before tax	1,184	1,744	-32%	6,808	6,035	13%
Profit after tax	870	1,125	-23%	4,881	3,890	25%
Ratios						
Operating expense to Net Interest Income	27.9%	34.8%		33.6%	34.5%	
Loan loss to Average AUF*	1.51%	0.54%		3.65%	1.73%	
Return on Average Assets*	0.8%	1.1%		4.7%	4.6%	
Return on Average Equity*	2.7%	5.6%		19.0%	22.0%	

Financial statement summary – Bajaj Housing Finance Limited



₹ in Crore

Financials snapshot	Q1 FY21	Q1 FY20	YoY	FY20	FY19	YoY
Assets under management	32,982	21,745	52%	32,705	17,562	86%
Assets under finance	28,423	20,449	39%	27,975	17,332	61%
Interest income	691	457	51%	2,303	998	131%
Fee and other income	38	47	-19%	269	118	128%
Net gain on fair value changes on Investments	27	11	145%	74	40	85%
Total Income	756	515	47%	2,646	1,156	129%
Interest expenses	513	317	62%	1,616	685	136%
Net Interest Income	243	198	23%	1,030	471	119%
Operating Expenses	74	82	-10%	339	297	14%
Loan losses and provisions (ECL stage 1 & 2)	44	8	450%	86	22	291%
Loan losses and provisions (ECL stage 3 & write off)	1	1	0%	38	3	1167%
Profit before tax	124	107	16%	567	149	281%
Profit after tax	92	70	31%	421	110	283%
Ratios						
Operating expense to Net Interest Income	30.5%	41.4%		32.9%	63.1%	
Loan loss to Average AUF*	0.16%	0.05%		0.55%	0.24%	
Return on Average Assets*	0.3%	0.4%		1.9%	1.1%	
Return on Average Equity*	1.6%	1.9%		9.1%	4.2%	

* Not annualized



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 June –
Bajaj Finance Limited

4.4

Behaviouralized ALM as of 30 June –
Bajaj Housing Finance Limited

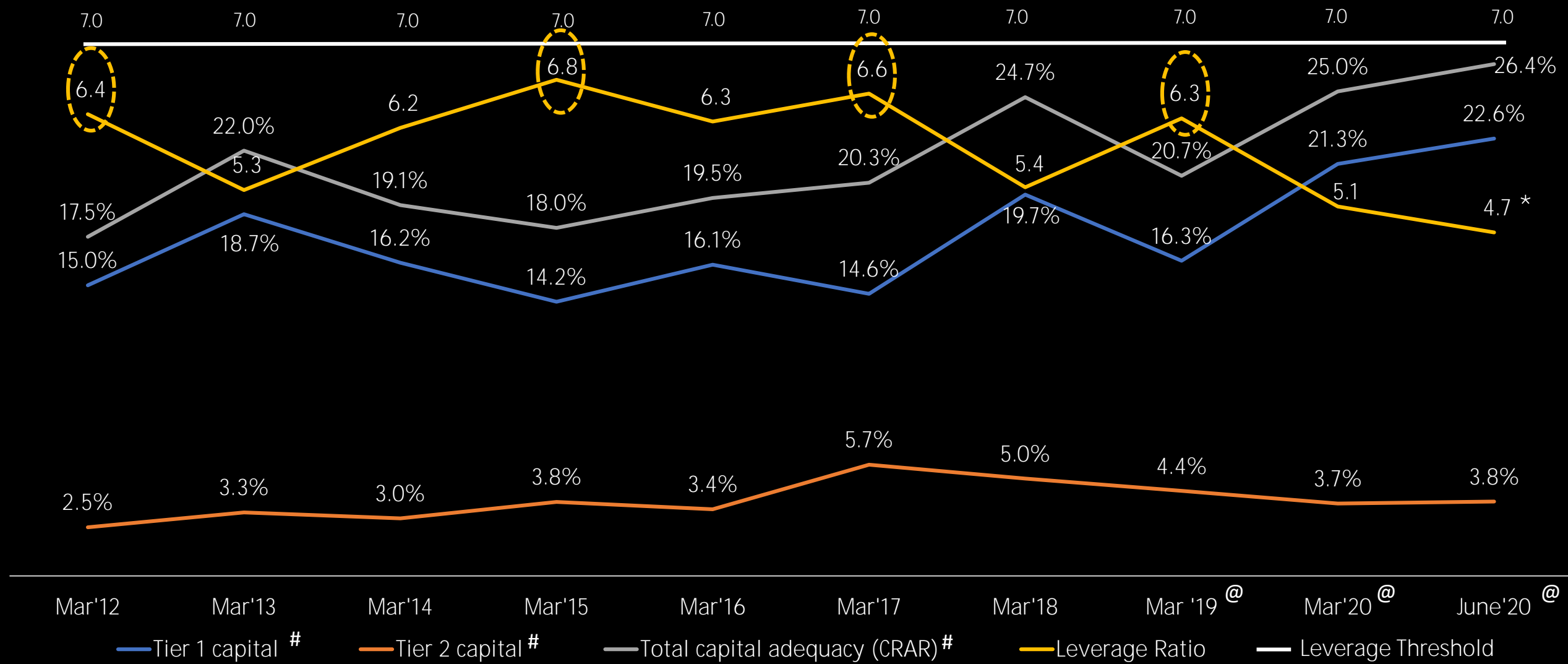
4.4

Disciplined ALM Management –
Bajaj Finance Limited

4.5

Liability mix over the last 9 years –
Bajaj Finance Limited

Conservative leverage standards – Bajaj Finance Limited

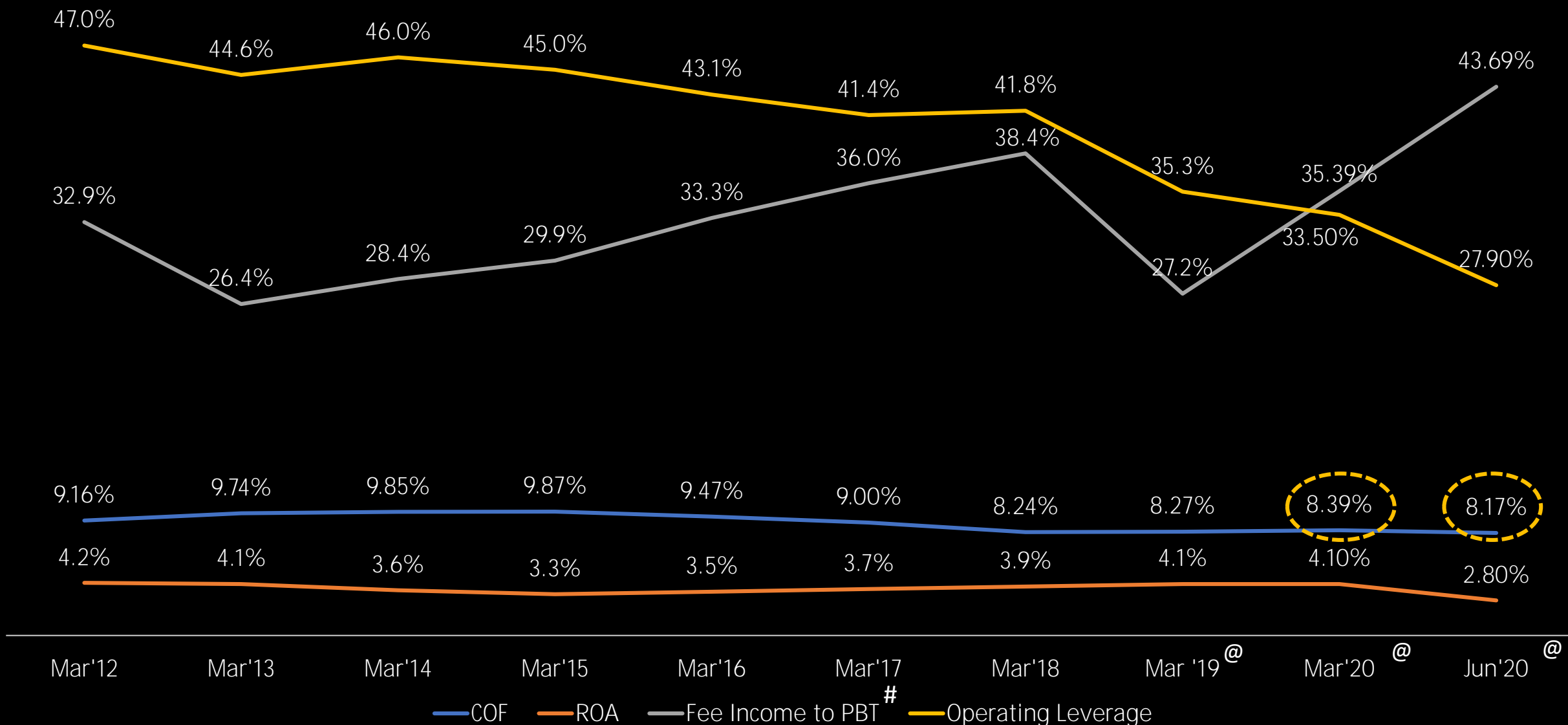


*Standalone leverage is approximately 4.0X as of 30 June 2020

#Capital Adequacy Ratios (CRAR) are on standalone basis

@ March '19 onwards numbers are as per Ind AS

Resilient business model – Consolidated



[@] Mar '19 onwards numbers are as per Ind AS. Jun'20 number 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 June 2020 – BFL

Particulars	1m	>1 to 2m	>2 to 3m	>3 to 6m	>6m to 1 yr	>1 to 3 yr	>3 to 5 yr	>5 yr	Total
Cash, Cash Equivalents & Investments	14,843	501	1	4	312	1,741	438	5,571	23,411
Advances	6,068	4,925	4,738	11,498	17,334	39,140	18,286	6,594	1,08,581
Other inflows	3,833	44	325	950	212	2,129		4,493	11,987
Total Inflows (A)	24,743	5,470	5,064	12,452	17,858	43,010	18,724	16,659	1,43,979
Cumulative Total Inflows (B)	24,743	30,213	35,277	47,729	65,587	1,08,596	1,27,320	1,43,979	
Borrowings	2,109	6,311	2,949	7,284	13,380	43,523	12,570	11,397	99,522
Capital and Reserves and Surplus								33,593	33,593
Other Outflows	4,074	133	202	1,361	673	1,082	529	2,809	10,864
Total Outflows (C)	6,183	6,444	3,151	8,645	14,054	44,605	13,099	47,798	1,43,979
Cumulative Total Outflows (D)	6,183	12,627	15,778	24,423	38,477	83,082	96,181	1,43,979	
Mismatch (E = A-C)	18,561	(974)	1,912	3,807	3,804	(1,595)	5,625	(31,139)	
Cumulative mismatch (F= B-D)	18,561	17,587	19,499	23,306	27,110	25,514	31,139	-	
Cumulative mismatch as a % (F/D)	300%	139%	124%	95%	70%	31%	32%	0%	
Permissible cumulative GAP %	-20%				-15%				
Additional borrowings possible	24,746				13,938				

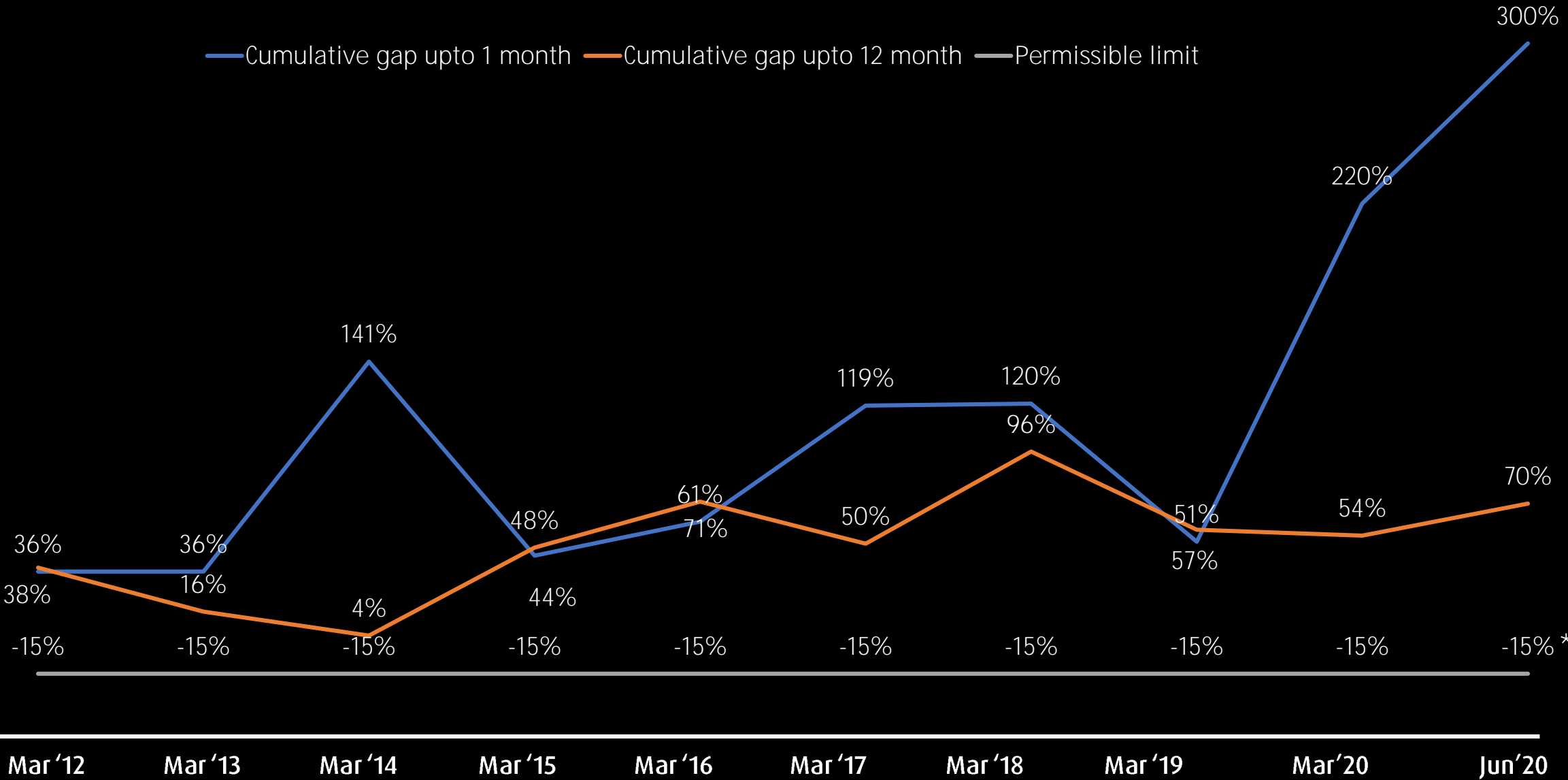
* As per previous GAAP

Behaviouralized ALM as of 30 June 2020 – BHFL

Particulars	1 m	>1 to 2 m	>2 to 3 m	>3 to 6m	>6m to 1 yr	>1 to 3 yr	>3 to 5 yr	>5 to 7 yr	>7 to 10 yr	>10 yr	Total
Cash & Investments	2,306	150	150								2,606
Advances	618	453	456	1,322	2,428	7,100	4,181	2,972	3,303	5,881	28,714
Other inflows	594	18	23	30	2,761	768	764	502	55	96	5,612
Total Inflows (A)	3,518	620	630	1,352	5,189	7,868	4,945	3,474	3,358	5,977	36,931
Cumulative Total Inflows (B)	3,518	4,138	4,768	6,121	11,310	19,178	24,123	27,597	30,954	36,931	
Borrowings	436	65	189	1,150	4,859	11,188	5,215	1,279	77	252	24,712
Capital Reserves and Surplus										5,638	5,638
Other Outflows	550	134	142	364	1,030	112			2,500	1,748	6,581
Total Outflows (C)	986	199	332	1,515	5,890	11,301	5,215	1,279	2,577	7,638	36,931
Cumulative Total Outflows (D)	986	1,186	1,517	3,032	8,922	20,223	25,438	26,717	29,293	36,931	
Mismatch (E = A - C)	2,532	421	298	(162)	(701)	(3,432)	(271)	2,195	781	(1,661)	
Cumulative mismatch (F = B-D)	2,532	2,953	3,251	3,089	2,388	(1,045)	(1,315)	880	1,661	0	
Cumulative mismatch as % (F/D)	257%	249%	214%	102%	27%	-5%	-5%	3%	6%	0%	
Permissible cumulative GAP %	-15%				-15%						
Additional borrowings possible	3,153				1,231						

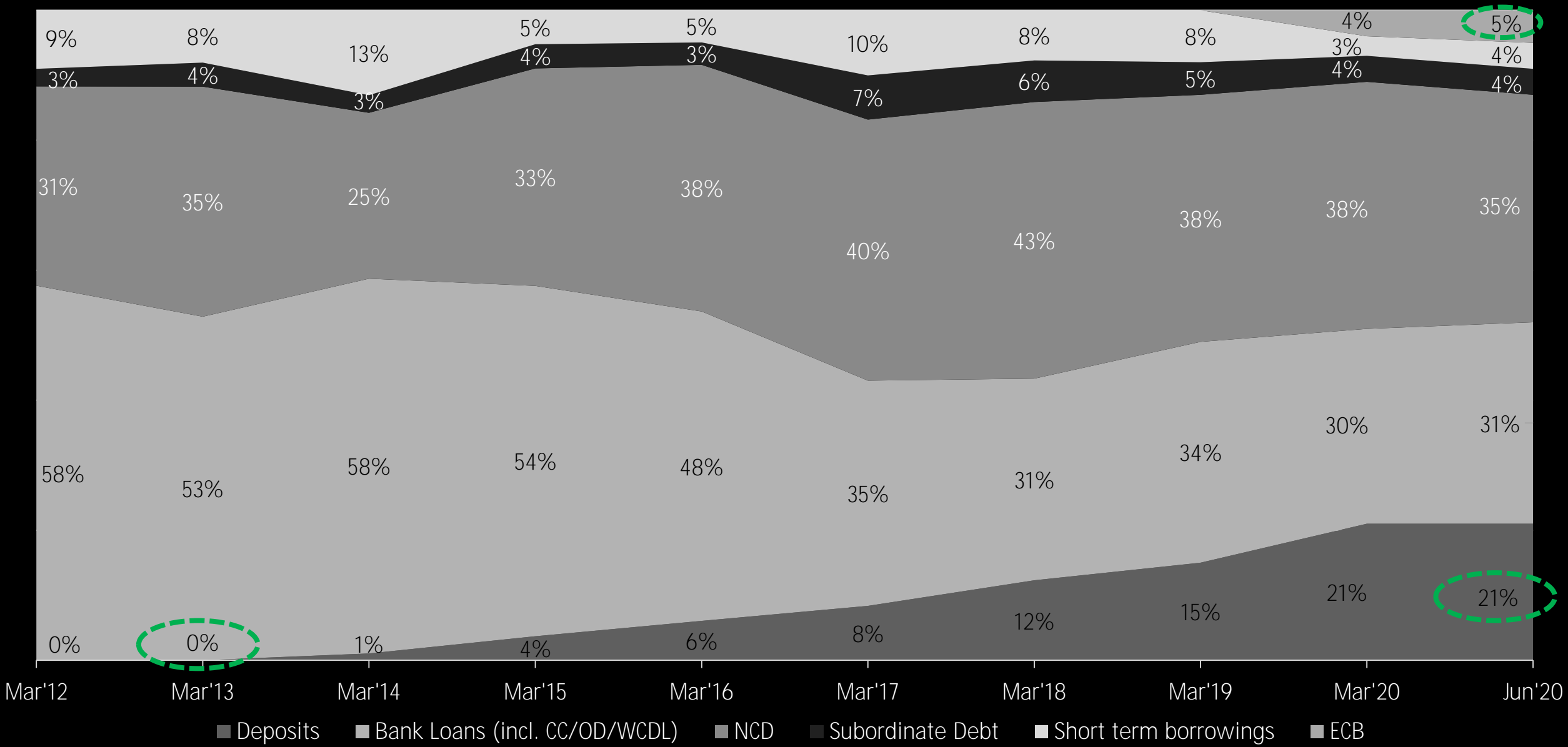
* As per previous GAAP

Disciplined ALM Management – Bajaj Finance Limited



*RBI has changed permissible limit for cumulative gap up to 1-month bucket to -20% from June'20 onwards.

Liability mix over the last 9 years – Bajaj Finance Limited



*Standalone borrowing mix



Section 05

Customer franchise and distribution reach

5.1

Customer franchise

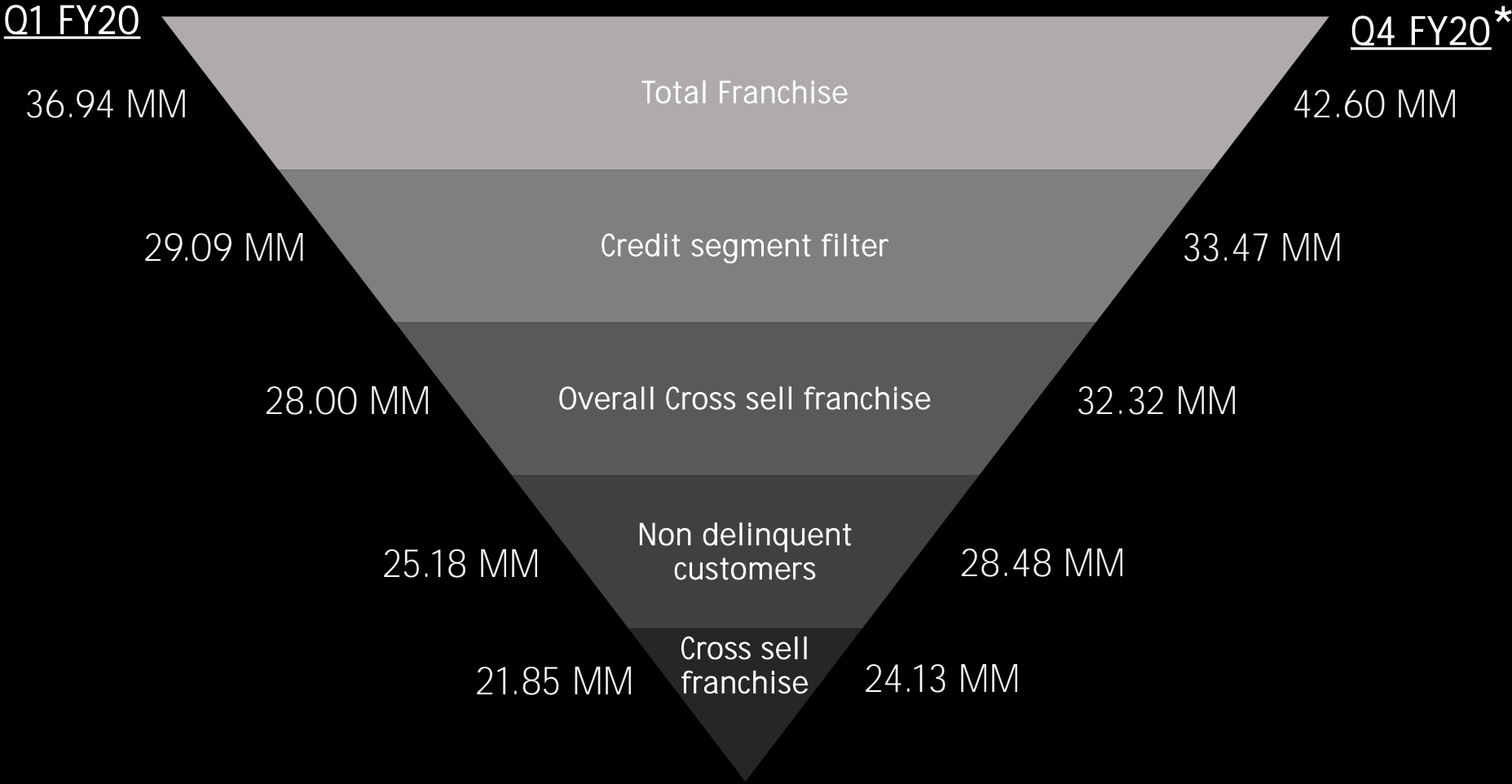
5.2

Geographic presence

5.3

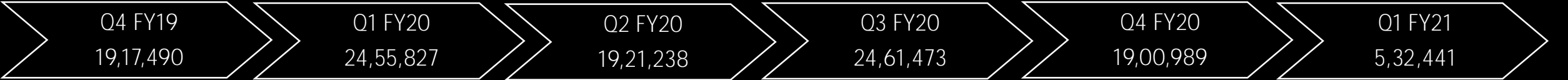
Strong distribution reach

Customer franchise



*The customer franchise waterfall has been kept static due to moratorium and will be updated in Q3 FY21

New to Bajaj Finance Customers



Geographic presence



Map not to scale

Geographic Presence	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	30 Jun 2020
Urban	377	730	927	1,035	1,049
Rural	538	602	903	1,357	1,359
Of which rural lending branches	177	219	347	527	527
Of which rural lending franchise	361	383	556	830	832
Total Bajaj Finance presence	915	1,332	1,830	2,392	2,408

Strong distribution reach

Active distribution – points of sale	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	30 Jun 2020
Consumer durable stores – Urban	14,000+	15,500+	20,400+	24,200+	24,200+
Consumer durable stores – Rural	5,500+	8,200+	14,500+	19,600+	19,600+
Digital product stores	5,900+	15,900+	22,500+	26,400+	26,400+
Lifestyle retail stores	3,900+	6,000+	7,700+	9,500+	9,500+
EMI card – retail spends stores	5,600+	12,100+	19,100+	24,300+	24,300+
Bajaj Auto dealers, sub-dealerships and ASSC	3,200+	3,900+	4,600+	5,500+	5,500+
Direct Sales Agents	1,500+	2,100+	2,800+	4,900+	4,900+
Overall active distribution network	39,600+	64,300+	91,700+	1,14,400+	1,14,400+



Section 06

Business segment wise AUM

6.1

Business segment wise AUM as of 30 June - Consolidated

6.2

Business segment wise AUM as of 30 June - Bajaj Housing Finance Ltd

Business segment wise AUM as of 30 June 2020 - Consolidated

Assets Under Management	Standalone as of 30 Jun 2020	BHFL as of 30 Jun 2020	Consolidated as of 30 Jun 2020	Consolidated as of 30 Jun 2019	Growth	Composition as of 30 Jun 2020
Auto Finance Business	12,802	-	12,802	10,908	17%	9%
Sales Finance Business	9,231	-	9,231	14,086	-34%	7%
Consumer B2C Business	28,497	722	29,219	24,889	17%	21%
Rural Sales Finance Business	2,089	-	2,089	2,383	-12%	2%
Rural B2C Business	10,281	-	10,281	7,961	29%	7%
SME Lending Business	18,096	184	18,277	16,334	12%	13%
Securities Lending Business	3,956	-	3,957	6,527	-56%	3%
IPO financing	-	-	-	2,558	-	-
Commercial Lending Business	6,075	-	6,075	5,878	3%	4%
Mortgages	15,557	32,076	46,124	37,375	23%	34%
Total	1,06,584	32,982	1,38,055	*1,28,898	7%	100%
Credit Card – CIF			1,798 K	1,285 K	40%	
EMI Card – CIF			21.5 MM	19.8 MM	9%	
Wallets			15.7 MM	10.0 MM	57%	


*Includes short term IPO financing book of ₹ 2,558 crore – adjusted for this total AUM growth is 9%

Break-up of Mortgages AUM as of 30 June 2020

Assets Under Management	Bajaj Housing Finance Limited			Consolidated			Composition as of 30 June 2020
	30 June 2020	30 June 2019	Growth	30 June 2020	30 June 2019	Growth	
Home Loans	21,553	14,151	52%	26,637	20,358	31%	58%
Loan against property	3,989	2,518	58%	11,538	11,192	3%	25%
Lease rental development	3,105	2,272	37%	4,007	2,823	42%	9%
Developer Finance	1,785	1,029	73%	1,874	1,396	34%	4%
Rural	1,644	1,083	52%	2,065	1,606	29%	4%
Total	32,076	21,054	52%	46,122	37,375	23%	100%

Home loan portfolio customer categorisation	Bajaj Housing Finance Limited			Consolidated			Composition as of 30 June 2020
	30 June 2020	30 June 2019	Growth	30 June 2020	30 June 2019	Growth	
Home Loan to Salaried	19,837	12,592	58%	22,704	15,983	42%	83%
Home Loan to Self Employed	1,277	1,159	10%	3,183	3,626	-12%	12%
Home Loan to Professional	1,155	809	43%	1,521	1,219	25%	5%

Salaried focused home loans acquisition strategy (93% of Q1 FY21 acquisition)



Section 07

Update on credit quality

2.1

Provisioning Coverage - consolidated

2.2

NPA movement - consolidated

2.3

ECL summary – consolidated

2.4

ECL summary – Bajaj Housing Finance Limited

Provisioning Coverage - Consolidated

Assets Under Management	Consol AUM 30 Jun 2020	GNPA	NNPA	PCR (%)	GNPA %			NNPA %		
					30 Jun 19	31 Mar 20	30 Jun 20	30 Jun 19	31 Mar 20	30 Jun 20
Auto Finance Business	12,802	822	301	63%	5.19%	6.47%	5.80%	2.14%	3.08%	2.21%
Sales Finance Business	9,231	109	35	68%	1.16%	1.33%	1.03%	0.27%	0.35%	0.33%
Consumer B2C Business	29,219	381	90	76%	1.63%	1.62%	1.36%	0.45%	0.49%	0.32%
Rural Sales Finance Business	2,089	8	2	77%	0.97%	0.55%	0.16%	0.31%	0.10%	0.04%
Rural B2C Business	10,281	138	44	68%	1.63%	1.53%	1.30%	0.61%	0.51%	0.42%
SME Lending Business	18,277	279	84	70%	1.64%	1.70%	0.89%	0.35%	0.56%	0.27%
Securities Lending Business	3,957	-	-	0%	-	-	0.00%	-	-	0.00%
Commercial Lending Business	6,075	2	2	10%	0.61%	0.03%	0.04%	0.26%	0.03%	0.03%
Mortgages	46,124	199	124	38%	1.19%	0.53%	0.69%	0.86%	0.34%	0.43%
Total	1,38,055	1,938	681	65%	1.60%	1.61%	1.40%	0.64%	0.65%	0.50%

GNPA reduced by 21 bps on a sequential basis and 20 bps YoY; NNPA reduced by 15 bps on a sequential basis and 14 bps YoY

NPA movement - Consolidated

Values in ₹ Cr

Particulars	Jun '19	Sep '19	Dec'19	Mar'20	Jun'20
Assets Under Management	1,28,898	1,35,533	1,45,092	1,47,153	1,38,055
Opening GNPA (A)	1,804	2,094	2,213	2,354	2,363
Roll Forward into NPA (i)	697	779	924	994	138
Restructuring (ii)	5	7	12	43	2
Total Slippages (B = i + ii)	702	786	936	1,037	140
Roll back to standard (iii)	161	200	192	321	123
Recoveries (iv)	54	65	58	18	43
Realisation on sale of NPA receivables* (v)	-	24	18	7	-
Write offs as per policy (vi)	196	185	380	668	399
Write offs on sale of NPA receivables (vii)	-	193	147	13	-
Total recoveries and write-offs (C = iii + iv + v + vi + vii)	412	667	795	1,028	565
Net slippages (B - C)	290	119	141	9	(425)
Gross NPA (A + B - C)	2,094	2,213	2,354	2,363	1,938
GNPA %	1.60%	1.61%	1.61%	1.61%	1.40%
NNPA %	0.64%	0.65%	0.70%	0.65%	0.50%
PCR %	61%	60%	57%	60%	65%

*Portfolio sale is on cash basis

ECL summary – Consolidated

Assets categorization	Jun '19	Sep '19	Dec '19	Mar'20	Jun'20
Stage 1 & 2 (represents standard assets)	98.40%	98.39%	98.39%	98.39%	98.60%
Stage 3 (represents GNPA)	1.60%	1.61%	1.61%	1.61%	1.40%

Summary of stage wise assets and provision for impairment allowance

Assets and impairment allowance	Jun '19	Sep'19	Dec '19	Mar '20	Jun '20
Gross Stage 1 & 2 assets* (A)	1,28,570	1,35,552	1,43,534	1,44,199	1,36,461
ECL Provision Stage 1 & 2 (B)	1,111	1,239	1,443	2,299	3,729
Net Stage 1 & 2 assets (C = A-B)	1,27,459	1,34,312	1,42,091	1,41,900	1,32,732
ECL Provision % Stage 1 & 2 assets (D = B/A)	0.86%	0.91%	1.01%	1.59%	2.73%
Gross Stage 3 assets@ (E)	2,094	2,213	2,354	2,363	1,938
ECL Provision Stage 3 (F)	1,270	1,325	1,335	1,425	1,257
Net Stage 3 assets (G = E-F)	824	888	1,019	938	681
Coverage Ratio % Stage 3 assets (H= F/E)	61%	60%	57%	60%	65%
Overall coverage ratio	1.82%	1.86%	1.90%	2.54%	3.60%

*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

ECL categorization	Jun'19	Sep'19	Dec'19	Mar'20	Jun'20
Stage 1 & 2 (represents standard assets)	99.94%	99.94%	99.93%	99.92%	99.92%
Stage 3 (represents GNPA)	0.06%	0.06%	0.07%	0.08%	0.08%

Summary of stage wise assets and ECL provisioning

₹ in Crore

Financial Assets & ECL provision	Jun'19	Sep'19	Dec'19	Mar'20	Jun'20
Gross Stage 1 & 2 assets* (A)	20,601	23,481	26,532	28,199	28,739
ECL Provision Stage 1 & 2 (B)	34	37	43	112	156
Net Stage 1 & 2 assets (C = A-B)	20,567	23,443	26,488	28,088	28,582
ECL Provision % Stage 1 & 2 assets (D = B/A)	0.16%	0.16%	0.16%	0.40%	0.54%
Gross Stage 3 assets@ (E)	13.1	13.3	19.9	23.7	24.1
ECL Provision Stage 3 (F)	4.2	6.0	6.3	9.0	9.3
Net Stage 3 assets (G = E-F)	8.9	7.3	13.6	14.7	14.8
Coverage Ratio % Stage 3 assets (H= F/E)	32%	45%	32%	38%	38%
ECL/Total Assets	0.18%	0.18%	0.19%	0.43%	0.58%

*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, 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.

BAJAJ FINANCE LIMITED

Q1 FY21 Investor Presentation

Thank You

This presentation has been prepared by and is the sole responsibility of Bajaj Finance Limited (together with its subsidiaries, referred to as the “Company” or “Bajaj Finance”. By accessing this presentation, you are agreeing to be bound by the trailing restrictions.

This presentation does not constitute or does not intend to constitute or form part of any offer or invitation or inducement to sell, or any solicitation of any offer or recommendation to purchase, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment therefor. In particular, this presentation is not intended to be a prospectus or offer document under the applicable laws of any jurisdiction, including India. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. There is no obligation to update, modify or amend this communication or to otherwise notify the recipient if information, opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. However, the Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes.

These materials are being given solely for your information and may not be copied, reproduced or redistributed to any other person in any manner. The distribution of these materials in certain jurisdictions may be restricted by law and persons into whose possession these materials comes should inform themselves about and observe any such restrictions. Certain statements contained in this presentation that are not statements of historical fact constitute “forward-looking statements.” You can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “goal”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the **Company’s** actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, among others: (a) material changes in the regulations governing the **Company’s** businesses; (b) the Company's ability to comply with the capital adequacy norms prescribed by the RBI; (c) decreases in the value of the Company's collateral or delays in enforcing the Company's collateral upon default by borrowers on their obligations to the Company; (d) the Company's ability to control the level of NPAs in the Company's portfolio effectively; (e) internal or external fraud, operational errors, systems malfunctions, or cyber security incidents; (f) volatility in interest rates and other market conditions; and (g) any adverse changes to the Indian economy.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. The information contained in this presentation is only current as of its date and the Company does not undertake any obligation to update the information as a result of new information, future events or otherwise.