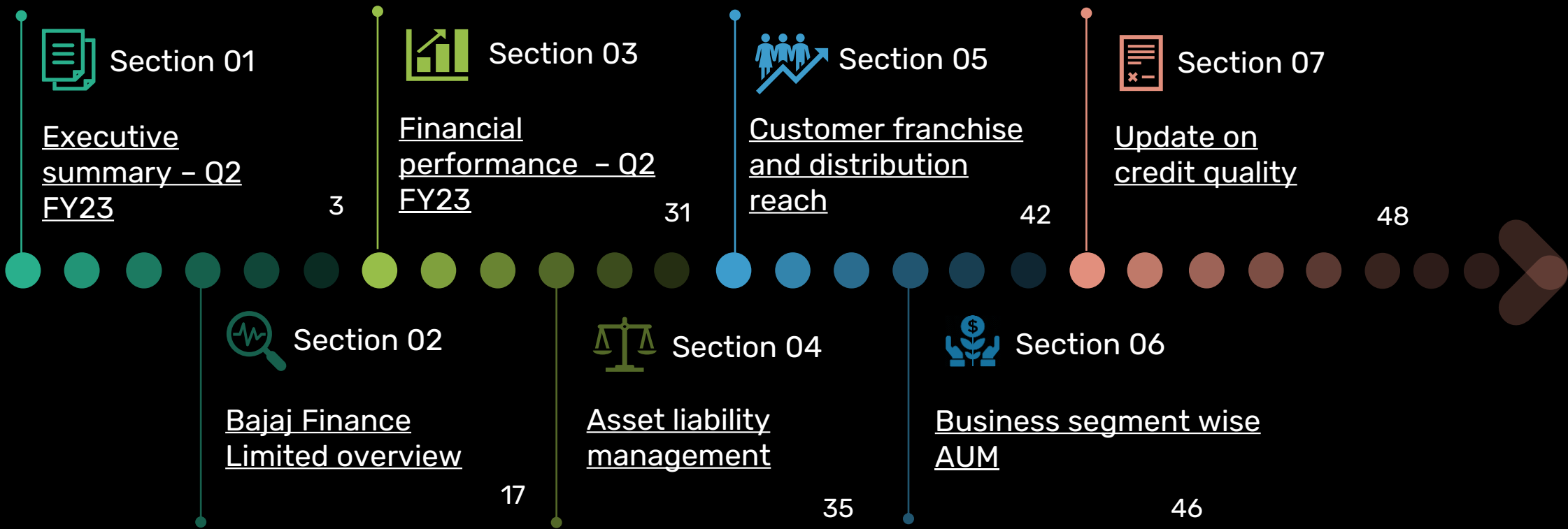




BAJAJ FINANCE LIMITED

Q2 FY23 Investor Presentation
20 October 2022

Presentation Path



Section 01

Executive summary – Q2 FY23

1.1

Quarter gone by

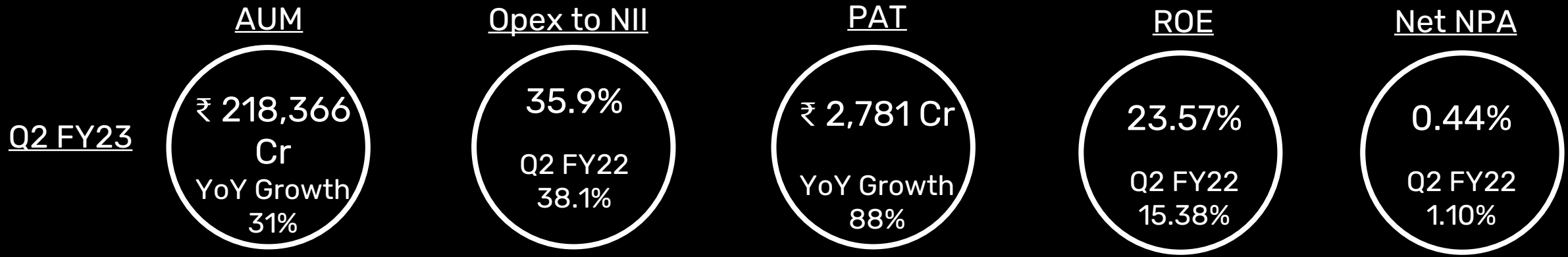
1.2

Lead financial indicators

1.3

Omnipresence strategy update

An excellent first half for the Company across balance sheet growth, portfolio quality and profitability. Strong momentum across all lines of businesses with secular AUM growth in first half. Confident of strong FY 2023. Crossed 26 MM net users on the App. Phase 1 of Web 2.0 has gone live. On track to go fully digital across all products and services by March 2023...



Consolidated performance

1. Strong AUM growth of ₹ 14,348 crore in Q2. AUM growth was secular across all lines of businesses
2. AUM was up 31% at ₹ 2,18,366 crore as against ₹ 1,66,937 crore as of 30 September 2021
3. In Q2, the Company booked 6.76 MM new loans as against 6.33 MM in Q2 FY22, a growth of 7%
4. In Q2, overall B2B business disbursements grew by 15%. B2B disbursements were ₹ 13,862 crore in Q2 FY23 as against ₹ 12,067 crore in Q2 FY22
5. In Q2, the Company added 2.61 MM new customers to the franchise. The Company is on track to add between 10-11 MM new customers in FY23
6. Customer franchise stood at 62.91 MM as of 30 September 2022. Cross sell franchise stood at 36.39 MM. Confident of ending the fiscal with 68-69 MM customer franchise
7. In Q2, the Company added 99 new locations. Geographic presence stood at 3,685 locations and 1,43,300+ distribution points as of 30 September 2022
8. Competitive intensity remained elevated across products. The Company continues to protect its margin profile across businesses. The Company is gradually passing on the impact of higher interest rates across businesses
9. In Q2, cost of funds was 6.91%. Liquidity buffer stood at ₹ 9,288 crore as of 30 September 2022. Given the strong ALM management, the impact of recent interest rate hikes on cost of funds will remain gradual

10. Deposits book stood at ₹ 39,422 crore as of 30 September 2022. In Q2, the net deposit growth was ₹ 5,320 crore. Deposits contributed 22% of consolidated borrowings as of 30 September 2022. The Company is on track to deliver its long-term goal of 25% of consolidated borrowings from deposits in the medium term
11. In Q2, Opex to NII was 35.9%. The Company continues to invest in teams and technology for business transformation. Given the deep investments being committed to Omnichannel strategy (geo-expansion, app platform, web platform) and payments, the Company expects Opex to NII to remain between 35-36% for FY23
12. In Q2, loan losses and provisions were ₹ 734 crore. The Company expects its loan losses at 1.35-1.45% of average assets in FY23. The Company currently holds a management overlay of ₹ 1,000 crore as of 30 September 2022
13. GNPA & NNPA stood at 1.17% and 0.44% as of 30 September 2022 as against 1.25% and 0.51% as of 30 June 2022
14. Overall stage 2 assets stood at ₹ 3,155 crore as of 30 September 2022 as against ₹ 3,569 crore as of 30 June 2022
15. Overall stage 3 assets stood at ₹ 2,530 crore as of 30 September 2022 as against ₹ 2,539 crore as of 30 June 2022
16. On portfolio credit quality, 10 portfolios are green and 1 is yellow (two and three-wheeler)
17. Consolidated post tax profit grew by 88% to ₹ 2,781 crore in Q2 FY23 as compared to ₹ 1,481 crore in Q2 FY22
18. Capital adequacy remained strong at 25.13% as of 30 September 2022. Tier-1 capital was 23.14%
19. Total employee headcount stood at 39,423 (BFL, BHFL and BFSL) as of 30 September 2022

Bajaj Housing Finance Limited (BHFL)

20. AUM was up 42% at ₹ 62,931 crore as against ₹ 44,429 crore as of 30 September 2021. Home Loans AUM grew by 37%, Loan against property grew by 37%, Lease Rental Discounting grew by 72% and Developer Finance grew by 68%
21. In Q2, overall approvals grew by 17%. Approvals were ₹ 13,668 crore in Q2 FY23 as against ₹ 11,620 crore in Q2 FY22
22. In Q2, overall disbursements grew by 32%. Disbursements were ₹ 8,624 crore in Q2 FY23 as against ₹ 6,517 crore in Q2 FY22
23. Geographic presence stood at 158 locations
24. Portfolio composition for HL : LAP : LRD : DF : Rural : Others stood at 60% : 11% : 15% : 7% : 4% : 3% as of 30 September 2022. Home loan continues to be a key focus area
25. In Q2, cost of funds was 6.63%. Liquidity buffer stood at ₹ 1,805 crore as of 30 September 2022
26. Borrowing mix between Banks : Money market : Assignment : ICD stood at 53% : 32% : 14% : 1% as of 30 September 2022
27. Capital adequacy ratio stood at 24.58% as of 30 September 2022
28. In Q2, BHFL delivered post tax profit of ₹ 306 crore as against ₹ 166 crore in Q2 FY22, growth of 84%
29. In Q2, Opex to NII stood at 24.7% as against 27.8% in Q2 FY22
30. In Q2, loan losses and provisions were ₹ 30 crore as against ₹ 61 crore in Q2 FY22. BHFL has management overlay provision of ₹ 242 crore as of 30 September 2022
31. GNPA & NNPA stood at 0.24% and 0.11% as of 30 September 2022 as against 0.27% and 0.11% as of 30 June 2022

- 32. Overall stage 2 assets stood at ₹ 438 crore as of 30 September 2022 as against ₹ 492 crore as of 30 June 2022. Non overdue one-time resolution (OTR) assets classified as stage 2 as of 30 September 2022 stood at ₹ 219 crore
- 33. Overall stage 3 assets stood at ₹ 131 crore as of 30 September 2022 as against ₹ 134 crore as of 30 June 2022
- 34. Total employee headcount stood at 3,150 as of 30 September 2022

Bajaj Financial Securities Limited (BFSL)

- 35. In Q2, BFSL added 78.7K customers to its broking franchise. Its Retail and HNI customer franchise stood at 446.2K as of 30 September 2022
- 36. Margin Trading Finance peak AUM reached ₹ 900 Crore and closed with AUM of ₹ 692 crore as of 30 September 2022 as against ₹ 564 crore as of 30 September 2021
- 37. In Q2, total Income was ₹ 47 crore as against ₹ 32 crore in Q2 FY22
- 38. In Q2, Profit after tax was ₹ 1 crore as against profit of ₹ 3 crore in Q2 FY22 (including exceptional income of ₹ 8.4 Crore)
- 39. Total employee headcount stood at 439 as of 30 September 2022

Omnipresence strategy update

Geography – 99 new locations added

1. Total geographic footprint stood at 3,685 locations and 1,43,300+ distribution points. The Company added 99 new locations and 4,400+ distribution points

App platform – On track to go fully digital across all products and services by March 2023

2. Phase 1 of app platform is live on both the app stores. As articulated in Q1, Phase 2 will go live in 3 sprints. Sprint 1 of phase 2 is now live on Play Store with staggered release methodology
3. Sprint 1 has gone live with full consumer application journey for personal loans, EMI card, co-brand Credit Cards and two-wheeler marketplace. Sprint 1 has significant new feature additions in credit card, gold loan, EMI card services, new calculators along with enhanced customer request section
4. 5 Category landing page (CLP) sections which enable consumers with easier navigation and information have also gone live. 4 product display page (PDP) sections have also gone live across all our products and services leading to significantly enhanced pre-buy experience. By February 2023, there will be overall 10 CLP and 15 PDP sections
5. Sprint 2 is on track. Sprint 2 will have end-to-end journeys for fixed deposit, business loan, doctor loan and Chartered accountant loan. Sprint 2 will also have new feature additions in fixed deposit services, Insurance services along with service-related nudges and reminders
6. Sprint 3, the final sprint, will have end-to-end journeys for Gold loan, loan against securities, used car financing and secured business loan

Payments

7. All Phase 1 features of the Issuance stack are live on the app store. Sprint 1 of phase 2 with regulatory changes and new category additions like credit card is live on play store
8. Sprint 2 is on track to go live in Q3 FY23. This release will provide enhanced experience on UPI registration and payments transactions enabled through direct API with PSP Bank, PPI interoperability through UPI railroad and unified dispute and issue resolution (UDIR) mechanism

Web platform – On track for ‘Web=App’ across all products and services by March 2023

9. As articulated in Q1, Web platform transformation will have 2 phases. Phase 1 went live on 01 October 2022 with staggered release methodology
10. Phase 1 has full stack customer service offerings, revamped home page, customer assistance tools like calculators, credit reports, cart etc. As part of staggered release methodology and festival season, rest of the functionalities namely consumer application journeys for personal loans, EMI card, co-brand credit cards, B2B and two-wheeler marketplace will go live shortly
11. Phase 2 is on track. Phase 2 will have end-to-end journeys for fixed deposit, business loan, doctor loan , Chartered accountant loan,Gold loan, loan against securities, used car financing and secured business loan. Sprint 2 will also have new feature additions in fixed deposit and Insurance services

Omnipresence strategy – disciplined execution, rapid adoption in all processes of the Company and continued progress on all metrics

Particulars	Unit	Q4 FY22	Q1 FY23	Q2 FY23	FY23 estimates
Geography					
New locations added – in the Qtr	#	81	82	99	400-450
Locations – Cumulative	#	3,504	3,586	3,685	3,900-3,950
Gold loan branches – Cumulative	#	132	155	175	232
App Metrics					
Downloads – In the Qtr	# in MM	5.83	11.01	12.59	53-55
Net Installs – Cumulative	# in MM	19.1	23.0	26.6	35-38
In-App programs – Cumulative	#	48	62	87	100+
Ranking in financial domain in Playstore	#	7	6	5	Top 5
App Payments metrics					
Wallet accounts – Cumulative	# in MM	6.44	8.91	11.80	18.50
UPI handles – Cumulative	# in MM	1.66	3.61	7.23	12
Bill pay transactions – in the Qtr	# in MM	1.36	2.06	3.59	12
QRs at merchant PoS – Cumulative	# in '000	-	18	78	100
Rewards issued – In the Qtr	# in MM	0.75	4.8	9.1	20-22

Omnipresence strategy – disciplined execution, rapid adoption in all processes of the Company and continued progress on all metrics

Particulars	Unit	Q4 FY22	Q1 FY23	Q2 FY23	FY23 estimates
App business metrics					
Digital EMI card acquisition – In the Qtr	# in '000	12	69	100	300-325
Personal loan disbursement – In the Qtr	In ₹ cr	1,800	2,109	2,391	9,000-10,000
Credit card acquisition – In the Qtr	# in '000	29	30	47.8	175-200
Flexi loan transactions – In the Qtr	# in '000	780	866	1,030	3.6-3.8 MM
DMS receipts – In the Qtr	# in '000	385	644	770	3.0-3.2 MM
Marketplace metrics					
Bajaj Mall visits – In the Qtr	# in MM	36.9	31.8	33.6	140-150
Bajaj Mall loans – In the Qtr	# in '000	526	645	562	2.6-2.8 MM
Insurance Bazaar policies – In the Qtr	# in '000	-	9.5	23.5	250-275
Investments Bazaar MF A/C – In the Qtr	# in '000	-	10	20.8	100-110
Digital EMI card metrics					
Digital EMI card acquisition – In the Qtr	# in '000	455	522	664	2.0-2.2 MM
Digital EMI card acquisition – In the CIF	# in MM	1.8	2.3	2.6	3.8-4.0
B2B loans from digital EMI cards – in the Qtr	# in '000	234	227	269	1.0-1.2 MM

Particulars	Unit	FY17	FY18	FY19	FY20	FY21	FY22		H1 FY22	H1 FY23
New loans booked	In MM	10.1	15.3	23.5	27.4	16.9	24.7		11.0	14.2
New customer addition	In MM	4.1	6.1	8.3	8.1	6.0	9.0		4.2	5.3
Existing customer mix	%	59.8%	60.3%	64.8%	70.4%	64.6%	63.5%		61.4%	62.3%
Total franchise	in MM	20.1	26.2	34.5	42.6	48.6	57.6		52.8	62.9
Cross sell franchise	in MM	11.0	15.4	20.7	24.1	26.9	32.8		29.4	36.4
Co-branded credit cards sold	in MM	0.03	0.39	0.81	1.12	0.70	1.36		0.44	0.87
Other financial products sold to existing customers	in MM	0.06	0.08	0.19	0.27	0.67	2.23		1.06	0.99
AUM per cross sell franchise	₹	54,722	53,417	56,066	60,983	56,879	58,617		56,839	60,007
PAT per cross sell franchise	₹	1,670	1,618	1,933	2,182	1,644	2,145		845	1,478



Section 02

Bajaj Finance Limited overview

2.1

Bajaj group structure

2.2

What do we stand for

2.3

BFL - Consolidated long-term guidance
on financial metrics

2.4

BHFL long-term guidance on
financial metrics

2.5

Key strategic differentiators

2.6

Our shareholder profile

2.7

15-years financial snapshot

2.8

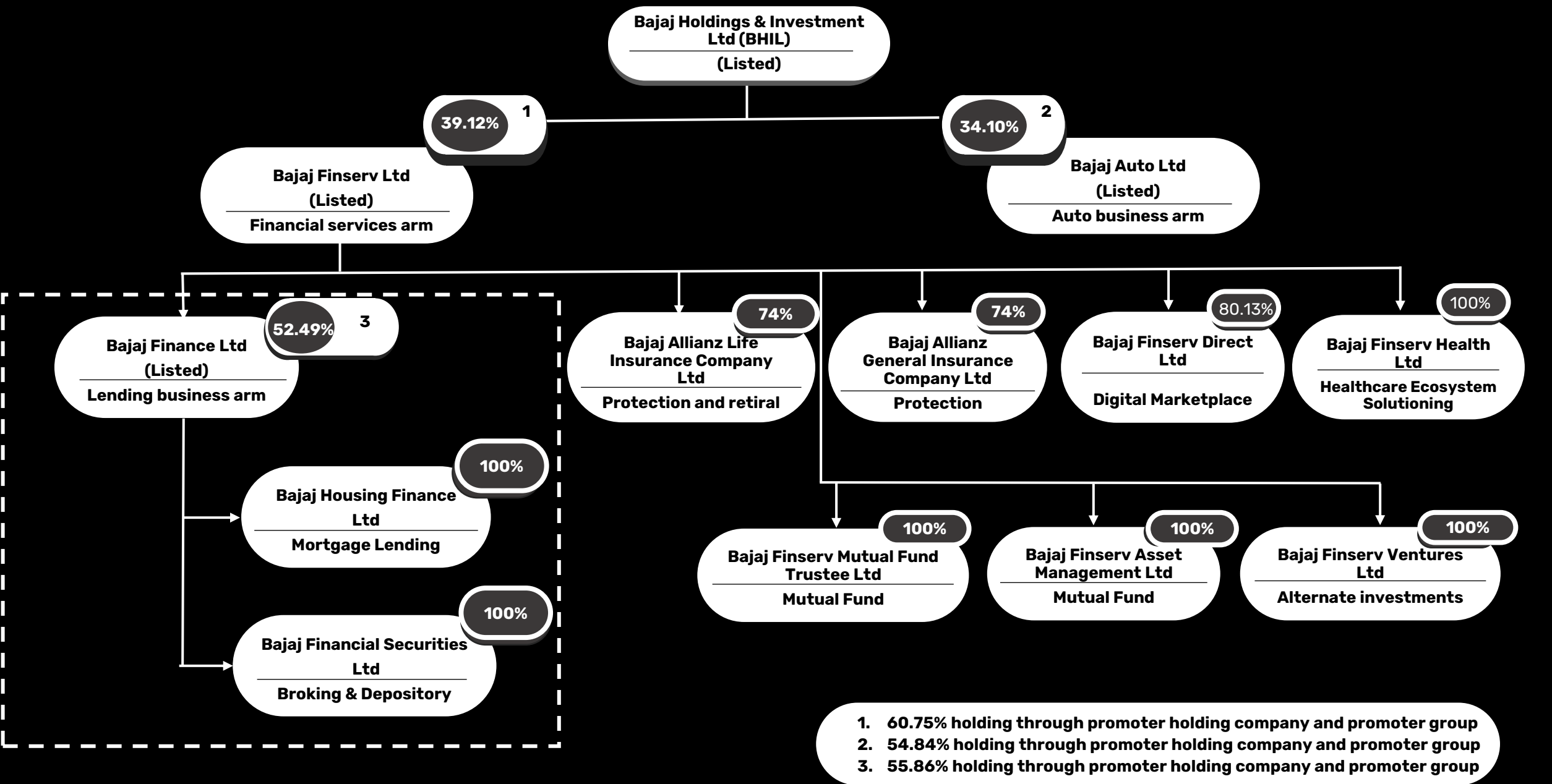
Product suite

2.9

Executive summary

Bajaj group structure

BAJAJ FINANCE LIMITED



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

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

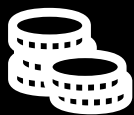
“Diversified financial services strategy with an optimal mix of risk and profit to deliver a sustainable business model”

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

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

BFL Consolidated long-term guidance on financial metrics

BAJAJ FINANCE LIMITED



AUM growth
in corridor of
25%-27%



Profit growth
in corridor of
23%-24%



GNPA
in corridor of
1.4%-1.7%



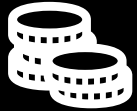
NNPA
in corridor of
0.4%-0.7%



Return on assets
in corridor of
4%-4.5%



Return on equity
in corridor of
19%-21%



AUM growth
in corridor of
26%-28%



Profit growth
in corridor of
28%-30%



GNPA
in corridor of
0.60%-0.80%



NNPA
in corridor of
0.30%-0.40%



Return on assets
in corridor of
1.7%-2.0%

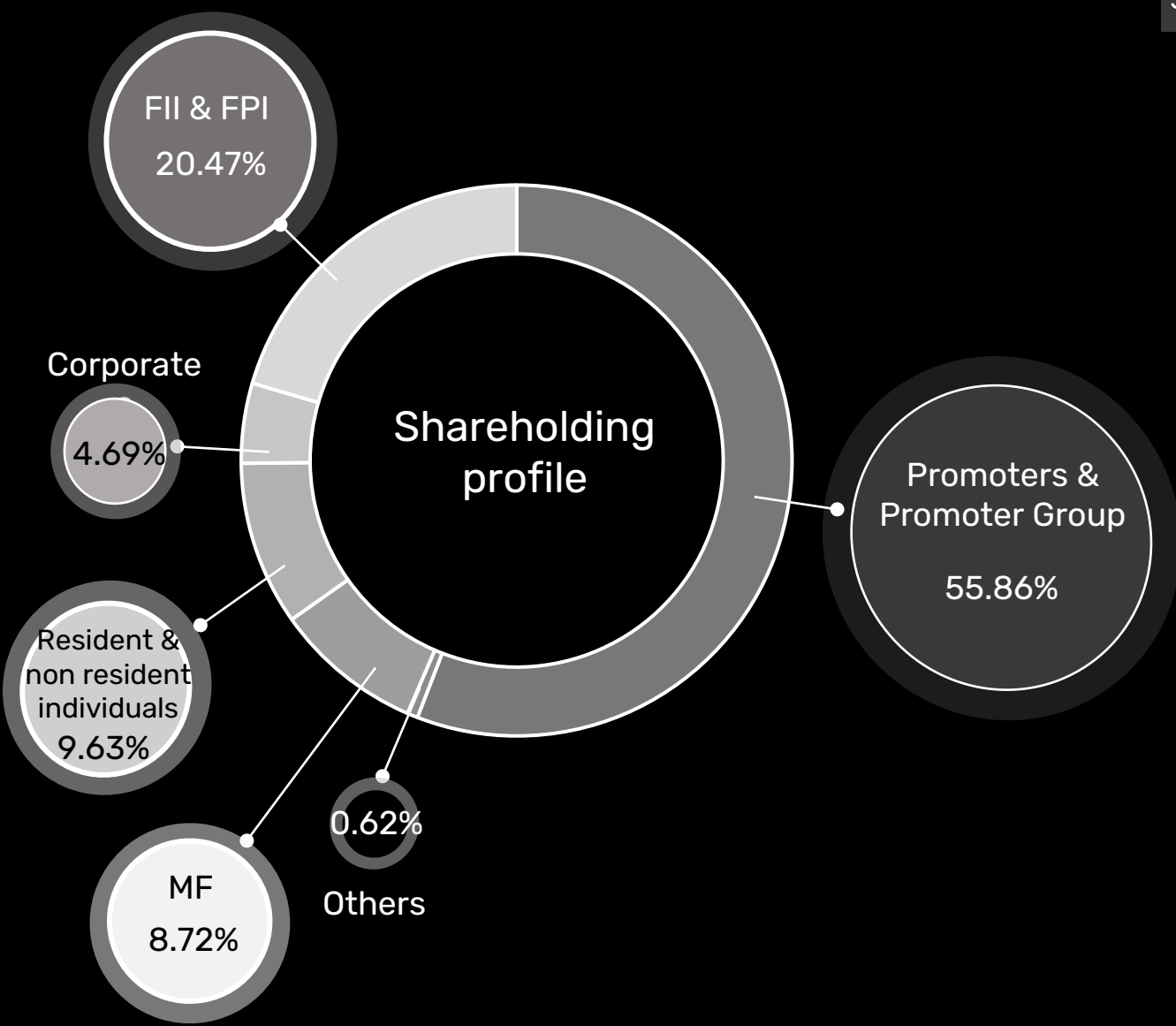


Return on equity
in corridor of
13%-15%

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 62.91 MM
Strong focus on cross selling assets, payments, insurance and deposit products to existing customers	Highly data oriented. Deep data talent bench and technology architecture to enable cross sell
A well diversified balance sheet	Consolidated lending AUM mix for Urban: Rural: SME: Commercial: Mortgages stood at 32% : 10% : 13% : 12% : 33%. Consolidated borrowing mix for Money Markets: Banks: Deposits: ECB stood at 44% : 31% : 22% : 3%
Agile and innovative	Continuous transformation in product features and digital technologies to maintain competitive edge
Committed to technology and analytics to transform customer experience	Has helped achieve multi product cross sell and manage risk & controllership effectively. Focussed on delivering frictionless experience to customer
Committed to digital	Has adopted digital technology trends and navigated from digitisation to digitalisation. Now transforming to a customer centric digital enterprise

Our shareholder profile



Above shareholding is as of 30 September 2022

BAJAJ FINANCE LIMITED

Top 20 investors & their holdings

S.No	Name of Shareholder	As on 30 Sept 22	As on 30 Jun 22	As on 30 Sept 21
1	BAJAJ FINSERV LTD	52.49%	52.49%	52.65%
2	GOVERNMENT OF SINGAPORE	3.37%	3.29%	3.31%
3	MAHARASHTRA SCOOTERS LIMITED	3.13%	3.13%	3.14%
4	SBI-ETF NIFTY 50	0.83%	0.78%	0.69%
5	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS BLUECHIP FUND	0.77%	0.78%	0.72%
6	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND	0.69%	0.73%	0.76%
7	NEW HORIZON OPPORTUNITIES MASTER FUND	0.59%	0.59%	0.77%
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	0.54%	0.55%	0.53%
9	NEW WORLD FUND INC	0.53%	0.61%	0.58%
10	SBI S&P BSE SENSEX ETF	0.52%	0.48%	0.40%
11	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0.52%	0.51%	0.50%
12	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	0.48%	0.44%	0.03%
13	SBI LIFE INSURANCE CO. LTD	0.47%	0.48%	0.43%
14	EUROPACIFIC GROWTH FUND	0.44%	0.44%	0.27%
15	SBI EQUITY HYBRID FUND	0.40%	0.35%	0.35%
16	PEOPLE'S BANK OF CHINA	0.40%	0.39%	0.39%
17	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS FOCUSED 25 FUND	0.39%	0.43%	0.44%
18	FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGINGMARKETS OPPORTUNITIES FUND	0.36%	0.38%	0.34%
19	UTI FLEXI CAP FUND	0.35%	0.35%	0.32%
20	SBI FOCUSED EQUITY FUND	0.35%	0.17%	0.15%

15-years financial snapshot

BAJAJ FINANCE LIMITED

₹ in crore

Financials snapshot [@]	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	CAGR (15 yrs.)
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	37%
Income from operations	503	599	916	1,406	2,172	3,110	4,073	5,418	7,333	9,989	12,757	18,500	26,386	26,683	31,648	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	9,748	34%
Net Interest Income (NII)	332	435	715	1,035	1,426	1,904	2,500	3,170	4,406	6,186	8,143	11,877	16,913	17,269	21,900	35%
Operating Expenses	193	220	320	460	670	850	1,151	1,428	1,898	2,564	3,270	4,197	5,662	5,308	7,593	30%
Loan Losses & Provision	109	164	261	205	154	182	258	385	543	804	1,030	1,501	3,929	5,969	4,803	31%
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	51%
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	51%

Ratios	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Opex to NII	58.1%	50.6%	44.8%	44.4%	47.0%	44.6%	46.0%	45.0%	43.1%	41.4%	40.2%	35.3%	33.5%	30.7%	34.7%
Return on assets	0.7%	1.4%	2.8%	4.4%	4.2%	4.1%	3.6%	3.3%	3.5%	3.7%	3.7%	4.2%	4.1%	3.1%	4.2%
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%
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%
Provision coverage ratio	30%	32%	55%	79%	89%	83%	76%	71%	77%	74%	70%	60%	60%	58%	58%
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%
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

@ 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 and FY18 onwards are at 3 months overdue. Hence NPA across periods are not comparable.

22

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		3. ESOP financing	2. Digital Product Loans	2. Corporate Term Deposits	2. UPI	2. General Insurance Distribution
4. Lifecare financing	2. Loans to self employed and Professionals	4. Vendor financing to auto component manufacturers	3. Lifestyle Product Loans	3. Systematic Deposit Plan	3. BBPS	3. Health Insurance Distribution
5. EMI Cards					Acquiring	
6. Retail spend financing	3. Secured Enterprise Loans	5. Financial Institutions Lending	4. Personal Loans Cross Sell		1. Merchant QR	4. Pocket Insurance
7. 2-Wheeler & 3-Wheeler loans						5. RBL Co-Branded Credit Card
8. Personal Loan Cross-Sell	4. Used-car financing	6. Light Engineering Lending	5. Salaried Personal Loans			6. DBS Co-Branded Credit Card
9. Salaried Personal Loans	5. Medical equipment financing	7. Specialty Chemicals Lending	6. Gold Loans			7. Financial Fitness Report
10. E-Commerce financing			7. Loans to Professionals			
11. Retailer finance						
12. Health EMI Card						
BAJAJ HOUSING FINANCE LIMITED						
1. Salaried Home Loans	1. Loan Against Property	1. Developer Finance	1. Loan Against Property			
2. Salaried Loan Against Property	2. Self Employed Home Loans	2. Commercial Construction Finance	2. Home Loans			
3. Affordable housing finance	3. Lease Rental Discounting	3. Corporate Lease Rental Discounting				
BAJAJ FINANCIAL SECURITIES LIMITED						
1. Trading Account	4. HNI Broking	7. Mutual Funds				
2. Depository Services	5. Retail Broking	8. Distribution of PMS				
3. Margin Trading Financing	6. IPOs and OFS	9. Proprietary Trading				

Overview	<ul style="list-style-type: none">• 35-year-old non-bank with a demonstrated track record of profitable growth• Diversified financial services company focused on Urban, 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 3,685 locations with over 143.3K+ point of sale• Customer franchise of 62.91 MM as of 30 September 2022• Amongst the largest new loan acquirers in the country (6.76 MM in Q2 FY23)• AUM mix as of 30 September 2022 – Urban : Rural : SME : Commercial : Mortgages stood at 32% : 10% : 13% : 12% : 33%• AUM of ₹ 2,18,366 crore as of 30 September 2022 and post tax profit of ₹ 2,781 crore in Q2 FY23• Capital adequacy ratio (including Tier II capital) of 25.13% as of 30 September 2022. Tier I capital stood at 23.14%
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 ₹ 1,83,273 crore with a mix of 44% : 31% : 22% : 3% between money markets, banks, deposits & ECB as of 30 September 2022
Credit Quality	<ul style="list-style-type: none">• Consolidated GNPA and NNPA as of 30 September 2022 stood at 1.17% and 0.44% respectively• Provisioning coverage ratio was 62% as of 30 September 2022• Provisioning coverage on stage 1 & 2 stood at 120 bps as of 30 September 2022

Executive summary – Bajaj Finance Limited

Overview	<ul style="list-style-type: none">• Focused on Urban, Rural, SME, Commercial and Payments businesses• Strategic business unit organization design supported by horizontal common utility functions to drive domain expertise, scalability and operating leverage• Focused on cross sell, customer experience and product & process innovations to create a differentiated & profitable business model• AUM of ₹ 1,59,452 crore as of 30 September 2022• AUM mix as of 30 September 2022 – Consumer : Rural : SME : Commercial : Mortgage stood at 43% : 14% : 18% : 16% : 9%• Post tax profit of ₹ 2,472 crore in Q2 FY23• Capital adequacy ratio (including Tier II capital) of 25.13% as of 30 September 2022. Tier I capital stood at 23.14%
Consumer business	<ul style="list-style-type: none">• Present in 1,372 locations with 102.3K+ active distribution points of sale as of 30 September 2022• Largest consumer electronics, digital products & lifestyle products lender in India• 2-wheeler financing business disbursed 141.1K accounts in Q2 FY23 (degrowth of 15% YOY)• 3-wheeler financing business disbursed 26.3K accounts in Q2 FY23 (growth of 38% YOY)• Amongst the largest personal loan lenders in India
Payments	<ul style="list-style-type: none">• EMI Card franchise stood at 34.4 MM cards in force (CIF) as of 30 September 2022• Co-branded credit card CIF stood at 3.15 MM as of 30 September 2022• Digital app platform has 26.6 MM net users as of 30 September 2022
Rural business	<ul style="list-style-type: none">• Highly diversified lender in rural markets offering 10 loan products across consumer and SME business categories• Operates with a unique hub and spoke business model• Present in 2,313 towns and villages with 33.5K+ active distribution points of sale as of 30 September 2022

Executive summary – Bajaj Finance Limited

BAJAJ FINANCE LIMITED

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• Focused on accelerating used car financing business• Focused on affluent SMEs with established financials & demonstrated borrowing track record• Offers medical equipment financing from ₹ 3 Lakh to ₹ 6 crore for medical professionals
Commercial business	<ul style="list-style-type: none">• Offers short, medium and long-term financing to mid market corporates• Focused on auto ancillaries, pharma, specialty chemicals, financial institution groups, lease rental discounting and top mid corporate clients in India
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• Strategy is that deposits should contribute 36-37% of standalone and 25% of consolidated borrowings• Borrowings stood at ₹ 1,35,485 crore with a mix of 46% : 21% : 29% : 4% between money markets, banks, deposits & ECB as of 30 September 2022
Credit Quality	<ul style="list-style-type: none">• GNPA and NNPA as of 30 September 2022 stood at 1.49% and 0.56% respectively• Provisioning coverage ratio as of 30 September 2022 was 63%• Provisioning coverage on stage 1 & 2 stood at 136 bps as of 30 September 2022
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 CRISIL AAA/STABLE by CRISIL & [ICRA] AAA (Stable) by ICRA• Long term issuer credit rating of BB+/Positive and short-term rating of B by S&P Global ratings
Regulated by	<ul style="list-style-type: none">• Reserve Bank of India• Securities and Exchange Board of India

Executive summary – Bajaj Housing Finance Ltd. BAJAJ FINANCE LIMITED

Overview

- A 100% subsidiary of Bajaj Finance Limited
- Independent organization design having all dedicated functions and units to drive domain expertise, scalability and operating leverage
- Offers full range of mortgage products such as home loans, loan against property and lease rental discounting to salaried & self-employed customers. It also offers construction finance and inventory finance to credit worthy developers
- Focused on mass affluent and above customers (salaried and self employed)
- AUM of ₹ 62,931 crore as of 30 September 2022. Post tax profit of ₹ 306 crore for Q2 FY23
- Capital adequacy ratio (including Tier II capital) was 24.58% as of 30 September 2022

Home Loans

- Offers home loans to salaried customers for an average ticket size of 50 lakh
- Focused on originating home loans at developer points and through distributors
- Focused on home loans – fresh, resale and balance transfer directly as well as through channel partners
- Present in 49 locations as of 30 September 2022
- Home loan mix as of 30 September 2022 – Salaried : Self Employed : Professionals stood at 90% : 5% : 5%

Loan Against Property

- Offers loan to mass affluent and above self-employed customers for an average ticket size of 60 lakh
- Focused on offering customized propositions to both self employed and salaried customers
- Present in 25 locations as of 30 September 2022

Rural

- Offers home loans and loans against property to salaried and self-employed customers with an average ticket size of approximately 19 lakhs for home loans and 14 lakhs for loan against property
- Hub and spoke strategy through branch network, ASSC tie ups and channel partners
- Present in 109 locations as of 30 September 2022

Executive summary – Bajaj Housing Finance Ltd. BAJAJ FINANCE LIMITED

Lease Rental Discounting (LRD)	<ul style="list-style-type: none">• Offers LRD to high net-worth individuals and developers against commercial property leased to corporate lessees• Offers construction finance for commercial properties to existing LRD customers• LRD transactions are backed by rentals through escrow mechanism• Offers LRD from ₹ 10 crore to ₹ 500 crore• Present in 12 locations as of 30 September 2022
Developer Financing	<ul style="list-style-type: none">• Offers construction finance and inventory finance mainly to category A and A+ developers in India• Offers developer financing from ₹ 5 crore to ₹ 400 crore• Present in 11 locations as of 30 September 2022
Credit Quality	<ul style="list-style-type: none">• GNPA and NNPA as of 30 September 2022 stood at 0.24% and 0.11% respectively
Treasury	<ul style="list-style-type: none">• Strategy is to create a balanced and sustained mix of borrowings• Borrowings stood at ₹ 46,977 crore with a mix of 53% : 32% : 14% : 1% between banks : money markets : assignment : ICD as of 30 September 2022
Credit Rating	<ul style="list-style-type: none">• 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
Regulated by	<ul style="list-style-type: none">• Reserve Bank of India• Supervised by National Housing Bank• Securities and Exchange Board of India

Executive summary – Bajaj Financial Securities Limited		BAJAJ FINANCE LIMITED
Overview	<ul style="list-style-type: none"> A 100% subsidiary of Bajaj Finance Limited Offers Capital Market products - Broking, Depository services, Margin Trade Financing, Mutual Funds, IPOs and Distribution of PMS Broking business caters to two different business segments – HNI and Retail Total Income stands at ₹ 47 crore Q2 FY23 and ₹ 85 crore for H1 FY23 Delivered PAT of ₹ 1 crore for Q2 FY23 and ₹ 2 crore for H1 FY23 Started ranking in Top 30 Brokers list as per NSE Active client list 	
HNI Broking	<ul style="list-style-type: none"> Business oriented towards delivering relationship-based Broking solutions to UHNI & HNI client segment Focus on building Margin Trade Financing book, total loan book as of Q2 FY23 stands at ₹ 620 crore Physical branch network across has been expanded to 18 Location. Opened 12 new Branches during Q2 FY 23 Working on Geo-Expansion of our Branch network and planning to reach to 30+ Branches by the end of FY23 Added 4.5K UHNI/HNI clients in Q2 Total client base stood at 11.7K+ as of 30 September 2022 	
Retail Broking	<ul style="list-style-type: none"> Added ~74.2K+ trading and demat accounts in Q2 FY23 . Total retail client base stood at 434.5K as of 30 September 2022 Crossed 1,000+ network of partners and affiliates online accounts Working with 220+ Independent Business Advisor (IBAs) Margin Trade Financing book as of Q2 FY23 stands at ₹ 72 crore Focused on driving client activation of BFSL Platform, monthly activation rate stands at 27% 	
Credit Rating	<ul style="list-style-type: none"> Issuer rating of AAA from CRISIL 	
Regulated by	<ul style="list-style-type: none"> Securities and Exchange Board of India 	

Executive summary – Bajaj Financial Securities Limited

BAJAJ FINANCE LIMITED

Q2 capabilities update

Features added in Q2 FY23 were 45

Gone live with below capabilities on web and mobile during Q2 FY23:

- **2FA Authentication:** Regulatory requirement to have two factor login authentication i.e. Knowledge and Possession.
- **DDPI:** Execution of Demat Debit and Pledge Instructions (DDPI) replacing power-of-attorneys
- **Vernacular Language:** Language option in mobile and web (Hindi / English / Gujarati / Marathi)
- **Bracket & Cover Order :** Facility to place Buy / Sell order along with Stop Loss and Target Order
- **Stock Scanner:** Stock analysis and filter basis key parameter and matrices to find new trading ideas efficiently.
- **Close MTF Positions:** Online Facility to place a request for converting MTF positions to cash(Delivery)
- **E-voting:** Feature to facilitate members/shareholders to cast vote in electronic form for the companies
- **IPAD and Android Compatible:** Trading App compatibility with Android TAB and I-PAD
- **App Analytics:** Integrated App analytics engine to understand customer behavior on our Mobile platforms
- **Charts Enhancements:** Order placement from charts, Portrait and landscape Mode, version upgrade
- **Watchlist Revamp:** Quick stock addition, voice-based search, segment wise search result, display of holding qty
- **UI/UX Improvements:** Help text on order page, e-dis/e-pledge access from holdings, funds addition on rejected order
- **WhatsApp Chat Bot:** Self service WhatsApp chat bot offering mix and Transaction and Service

Section 03 **Financial performance**

3.1

Financial statement summary – Consolidated

3.2

Financial statement summary – Bajaj Finance Limited

3.3

Financial statement summary – Bajaj Housing Finance Limited

Financial statement summary – Consolidated

BAJAJ FINANCE LIMITED

₹ in Crore

Financials snapshot	Q2FY23	Q2 FY22	Y-o-Y	H1 FY23	H1 FY22	Y-o-Y
Assets under management	2,18,366	1,66,937	31%	2,18,366	1,66,937	31%
Assets under finance	2,12,721	1,60,808	32%	2,12,721	1,60,808	32%
Interest income	8,509	6,688	27%	16,430	12,644	30%
Fee and other income	1,379	980	41%	2,697	1,668	62%
Net gain on fair value changes on investment	84	67	25%	130	168	(23%)
Total Income	9,972	7,735	29%	19,257	14,480	33%
Interest expenses	2,971	2,398	24%	5,616	4,651	21%
Net Interest Income	7,001	5,337	31%	13,641	9,829	39%
Operating Expenses	2,515	2,033	24%	4,897	3,408	44%
Loan losses and provisions	734	1,300	(44%)	1,489	3,051	(51%)
Profit before tax	3,752	2,004	87%	7,255	3,370	115%
Profit after tax	2,781	1,481	88%	5,377	2,483	117%
Ratios						
Operating expenses to Net Interest Income	35.9%	38.1%		35.9%	34.7%	
Annualized Loan Loss to Average AUF	1.43%	3.31%		1.47%	3.97%	
Annualized Return on Average AUF	5.41%	3.77%		5.32%	3.23%	
Annualized Return on Average Equity	23.57%	15.38%		23.44%	13.08%	
Earning per share - Basic (₹) *	46.1	24.6		89.1	41.2	

*Not annualized

Financial statement summary – Bajaj Finance Ltd

BAJAJ FINANCE LIMITED

₹ in Crore

Financials snapshot	Q2FY23	Q2 FY22	Y-o-Y	H1 FY23	H1 FY22	Y-o-Y
Assets under management	1,59,452	1,23,281	29%	1,59,452	1,23,281	29%
Assets under finance	1,57,293	1,21,244	30%	1,57,293	1,21,244	30%
Interest income	7,227	5,843	24%	14,056	11,015	28%
Fee and other income	1,322	917	44%	2,614	1,580	65%
Net gain on fair value changes on investment	57	52	10%	84	135	(38%)
Total Income	8,606	6,812	26%	16,754	12,730	32%
Interest expenses	2,209	1,890	17%	4,214	3,653	15%
Net Interest Income	6,397	4,922	30%	12,540	9,077	38%
Operating Expenses	2,357	1,915	23%	4,576	3,196	43%
Loan losses and provisions	705	1,239	(43%)	1,453	2,964	(51%)
Profit before tax	3,335	1,768	89%	6,511	2,917	123%
Profit after tax	2,472	1,306	89%	4,828	2,149	125%
Ratios						
Operating expenses to Net Interest Income	36.8%	38.9%		36.5%	35.2%	
Annualized Loan Loss to Average AUF	1.85%	4.15%		1.93%	5.06%	
Annualized Return on Average AUF	6.49%	4.38%		6.40%	3.67%	
Annualized Return on Average Equity	21.91%	14.01%		21.97%	11.67%	
Earning per share - Basic (₹) *	40.9	21.7		80.0	35.7	

Financial statement summary – BHFL				BAJAJ FINANCE LIMITED		
				₹ in Crore		
Financials snapshot	Q2FY23	Q2 FY22	Y-o-Y	H1 FY23	H1 FY22	Y-o-Y
Assets under management	62,931	44,429	42%	62,931	44,429	42%
Assets under finance	54,939	39,130	40%	54,939	39,130	40%
Interest income	1,249	837	49%	2,321	1,614	44%
Fee and other income	67	50	34%	203	79	157%
Net gain on fair value changes on investment	24	14	71%	39	30	30%
Total Income	1,340	901	49%	2,563	1,723	49%
Interest expenses	750	505	49%	1,379	992	39%
Net Interest Income	590	396	49%	1,184	731	62%
Operating Expenses	146	110	33%	307	201	53%
Loan losses and provisions	30	61	(51%)	36	87	(59%)
Profit before tax	414	225	84%	841	443	90%
Profit after tax	306	166	84%	622	327	90%
Ratios						
Operating expenses to Net Interest Income	24.7%	27.8%		25.9%	27.5%	
Annualized Loan Loss to Average AUF	0.23%	0.65%		0.14%	0.48%	
Annualized Return on Average AUF	2.33%	1.78%		2.45%	1.80%	
Annualized Return on Average Equity	12.60%	10.60%		14.99%	10.55%	
Earning per share - Basic (₹) *	0.46	0.34		0.94	0.67	



Section 04

Asset liability management

4.1

Conservative leverage standards –
Bajaj Finance Limited

4.2

Resilient business model –
Consolidated

4.3

Behaviouralized ALM – Bajaj Finance
Limited

4.4

Behaviouralized ALM – Bajaj Housing
Finance Limited

4.5

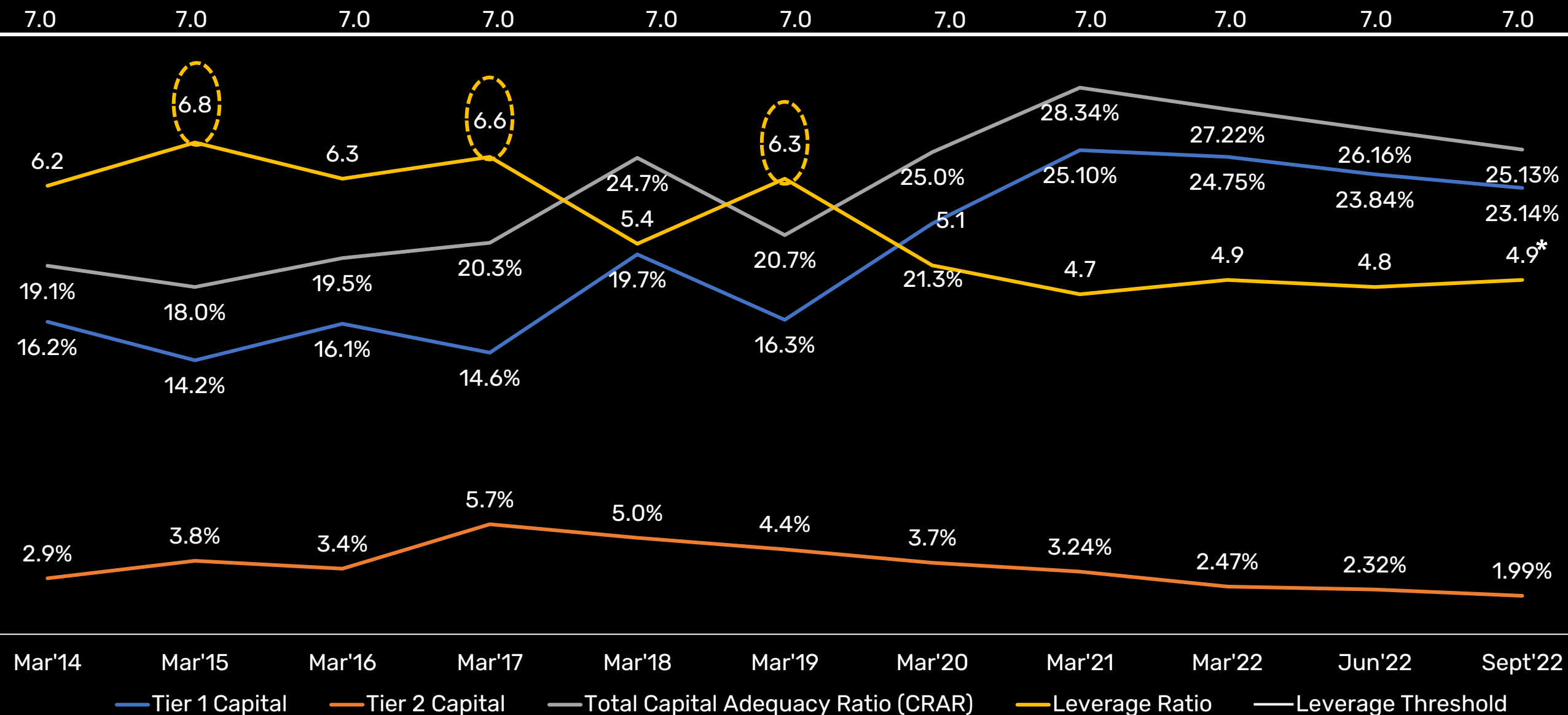
Disciplined ALM Management –
Bajaj Finance Limited

4.6

Consolidated liability mix

Conservative leverage standards

BAJAJ FINANCE LIMITED

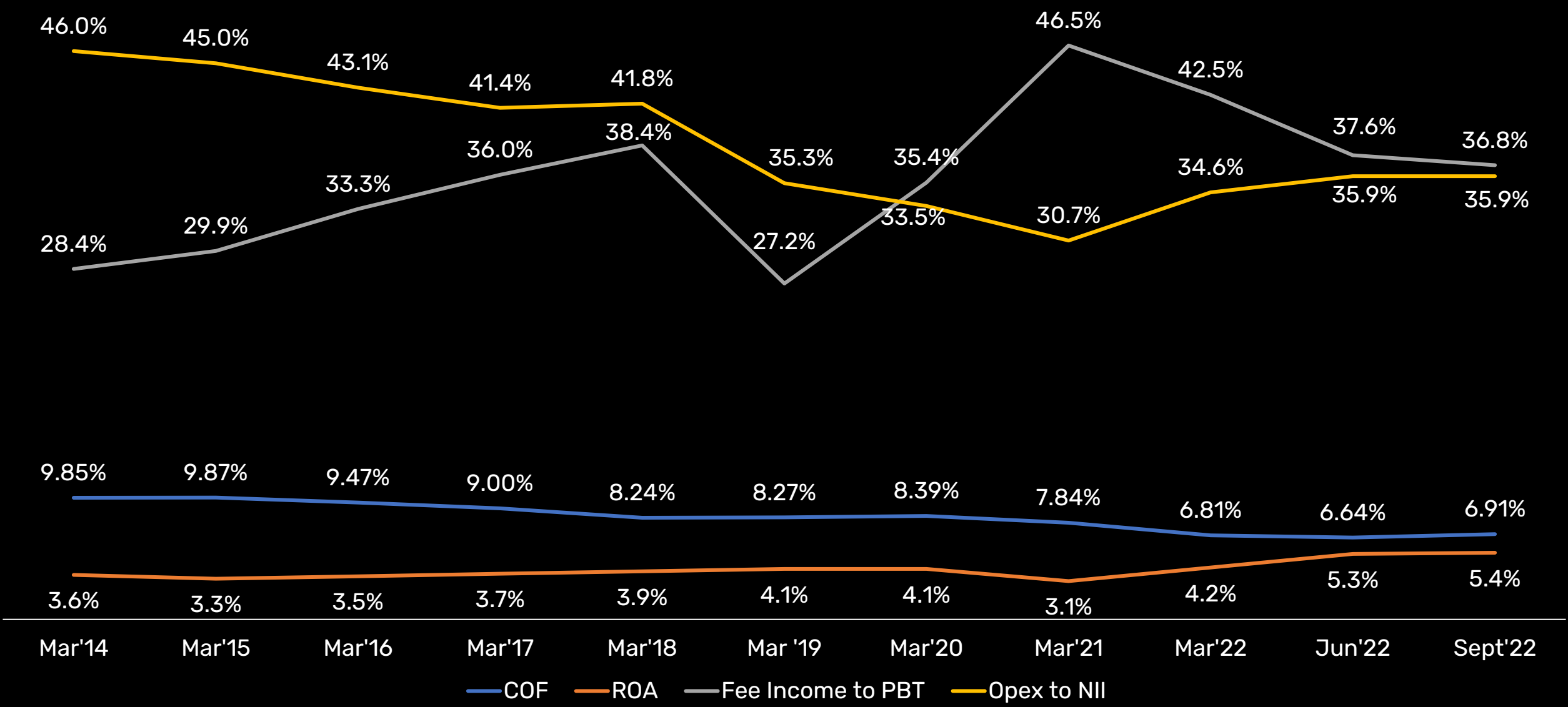


*Standalone leverage is approximately 4.0X as of 30 September 2022

Capital Adequacy Ratios (CRAR) are on standalone basis

Mar '19 onwards numbers are as per Ind AS

 Denotes point at which the Company initiated its capital raising plan



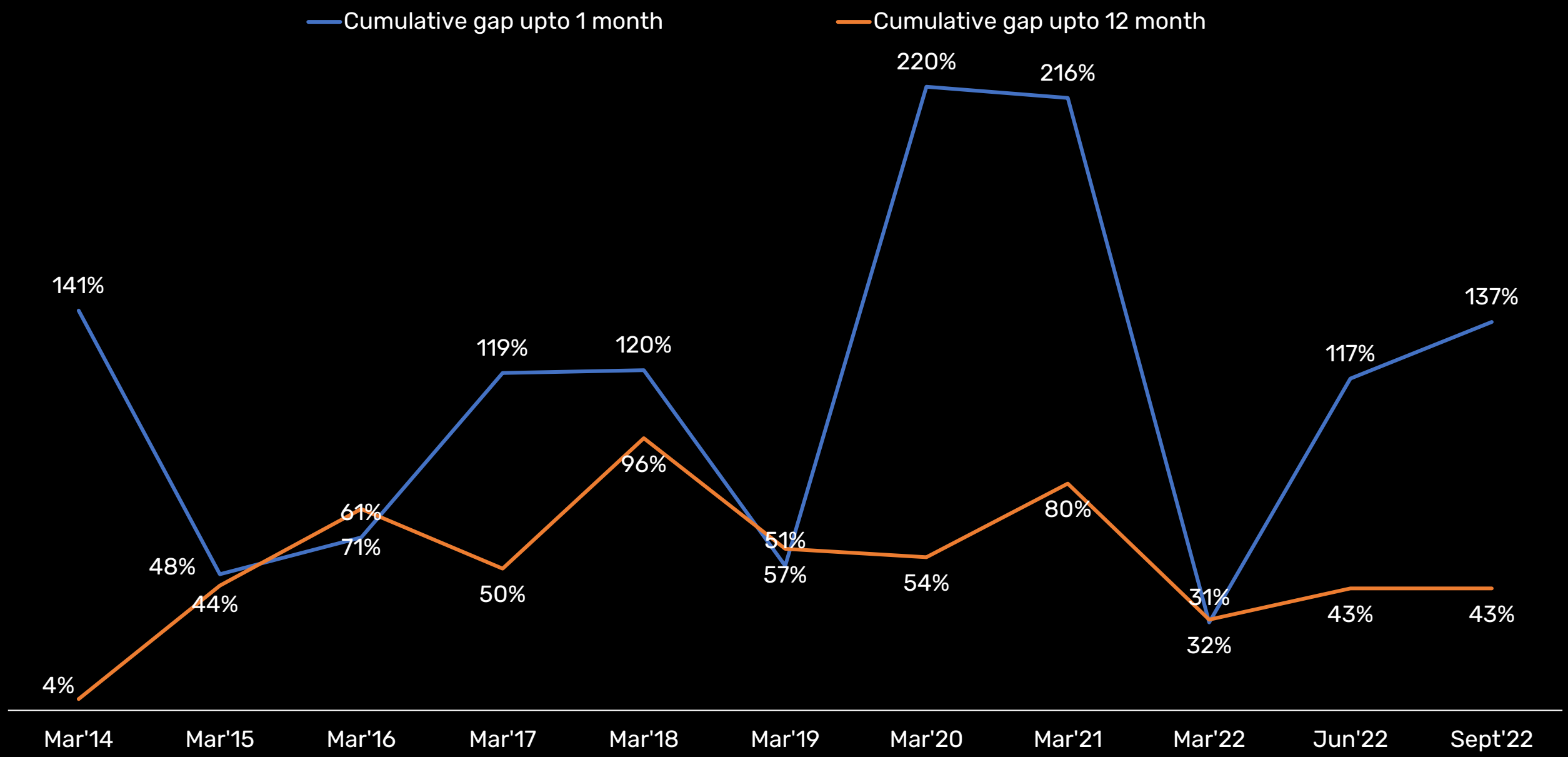
BAJAJ FINANCE LIMITED

₹ in Crore

Particulars,	1-7 D	8-14 D	15-30 D	>1-2 M	>2-3 M	>3-6 M	>6 M-1 Y	>1-3 Y	>3-5 Y	>5 Y	Total
Cash & Investments	8,435	0	7	534	28	1,199	839	2,128	35	8,873	22,078
Advances	6,160	2,117	3,692	7,807	7,269	17,362	25,378	56,148	20,981	13,947	1,60,861
Other inflows	8,949	117	158	1,258	119	110	508	774	591	3,702	16,286
Total Inflows (A)	23,544	2,234	3,857	9,600	7,415	18,671	26,725	59,050	21,607	26,522	1,99,224
Cumulative Total Inflows (B)	23,544	25,778	29,634	39,234	46,650	65,321	92,045	1,51,095	1,72,702	1,99,224	
Borrowings	2,414	450	5,625	8,216	8,010	10,659	22,684	52,737	21,648	13,642	1,46,086
Capital Reserves and Surplus	-	-	-	-	-	-	-	-	-	45,838	45,838
Other Outflows	2,211	333	1,481	1,607	66	91	322	232	240	719	7,301
Total Outflows (C)	4,625	781	7,106	9,824	8,076	10,750	23,006	52,970	21,888	60,199	1,99,224
Cumulative Total Outflows (D)	4,625	5,406	12,512	22,336	30,412	41,162	64,167	1,17,137	1,39,025	1,99,224	
Mismatch (E = A - C)	18,919	1,453	(3,249)	(224)	(661)	7,921	3,719	6,080	(281)	(33,678)	
Cumulative mismatch (F = B-D)	18,919	20,371	17,122	16,899	16,238	24,159	27,878	33,958	33,678	-	
Cumulative mismatch as % (F/D)	409%	377%	137%	76%	53%	59%	43%	29%	24%	0%	

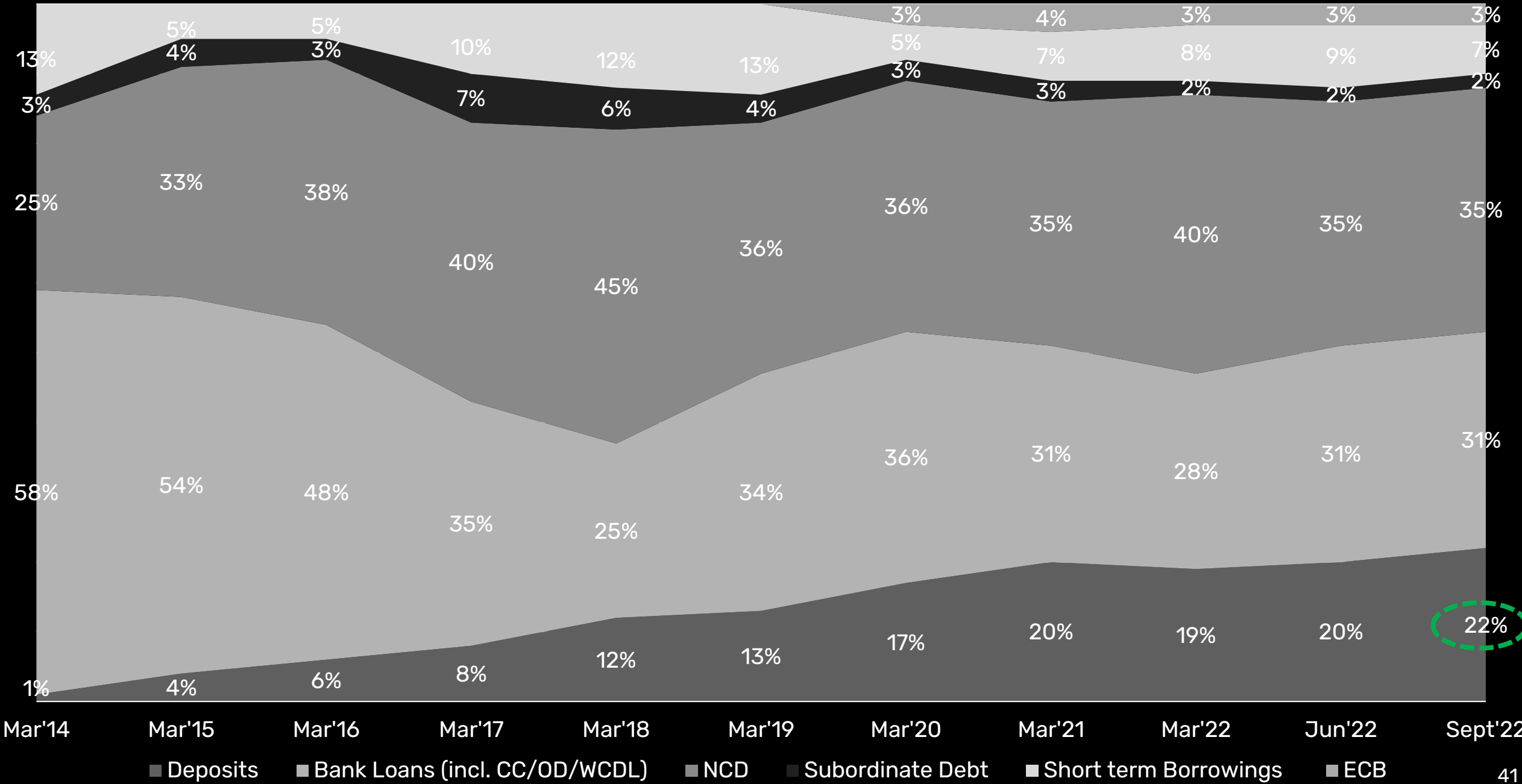
Permissible cumulative gap %	(10%)	(10%)	(20%)
Additional borrowings possible			24,531

In Q2, daily average LCR was 238% as against regulatory requirement of 60%



Consolidated liability mix

BAJAJ FINANCE LIMITED





Section 05

Customer franchise and distribution reach

5.1

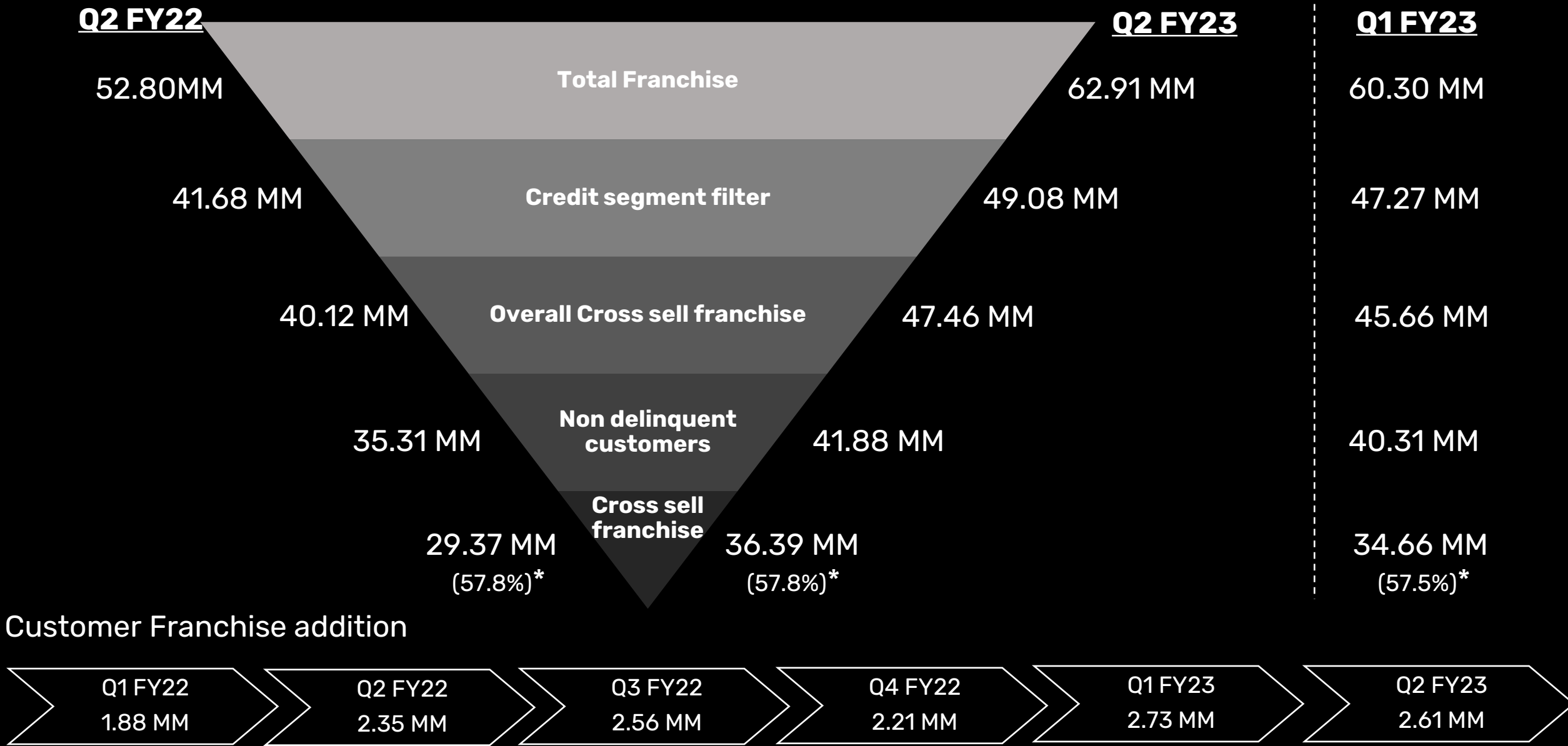
Customer franchise

5.2

Geographic presence

5.3

Strong distribution reach



Geographic presence



Geographic Presence	30 Sep 2019	30 Sep 2020	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022
Urban lending branches	956	1,134	1,368	1,368	1,368	1,368	1,372
Rural lending branches	1,041	1,507	1,961	2,055	2,136	2,218	2,313
Total Bajaj Finance presence	1,997	2,641	3,329	3,423	3,504	3,586	3,685
Net additions in the period	384	644	688	94	81	82	99

Strong distribution reach

BAJAJ FINANCE LIMITED

Active distribution	30 Sep 2019	30 Sep 2020	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022
Consumer durable stores – Urban	22,000+	24,200+	28,000+	29,500+	30,600+	31,000+	31,400+
Consumer durable stores – Rural	15,200+	19,600+	25,600+	27,900+	29,800+	31,500+	33,500+
Digital product stores	23,100+	26,400+	27,600	28,800+	29,500+	31,150+	31,400+
Lifestyle retail stores	8,300+	9,500+	9,700+	10,800+	11,000+	11,050+	11,500+
EMI card – retail spends stores	20,700+	24,300+	15,400+	17,800+	18,800+	20,050+	20,800+
Bajaj Auto dealers, sub-dealers & ASSC	4,900+	5,500+	5,900+	6,000+	6,000+	5,550+	5,700+
Non-captive 2W dealers, sub-dealers & ASSC*	-	-	-	-	-	1,170+	1,150+
DSA/Independent Financial Agents	2,800+	4,900+	7,500+	7,500+	7,500+	7,500+	7,500+
Overall active distribution network	97,000+	1,14,400+	1,19,900+	1,28,300+	1,33,200+	1,38,900+	1,43,300+
Net addition in the period	20,100	17,400	5,500	8,400	4,900	5,700	4,400



Section 06

Business segment wise AUM

Business segment wise AUM - Consolidated

BAJAJ FINANCE LIMITED

Assets Under Management (Businesses)	AUM as of 30 Sep 2021	BFL as of 30 Sep 2022	BHFL as of 30 Sep 2022	AUM as of 30 Sep 2022	Growth YoY	Composition as of 30 Sep 2021	Composition as of 30 Sep 2022
Two & Three wheeler Finance	10,738	10,160	-	10,160	(5%)	6%	5%
Urban Sales Finance	12,555	16,259	-	16,259	29%	8%	7%
Urban B2C	33,679	42,480	1,592	44,072	31%	20%	20%
Rural Sales Finance	3,258	4,329	-	4,329	33%	2%	2%
Rural B2C	13,376	17,908	-	17,908	34%	8%	8%
SME Lending	21,871	28,929	148	28,881	32%	13%	13%
Securities Lending	7,293	11,490	-	12,182	67%	4%	6%
IPO Financing	170	105	-	105	(38%)	0%	0%
Commercial Lending	9,801	13,378	-	13,378	36%	6%	6%
Mortgages	54,196	14,414	61,191	71,092	31%	33%	33%
Total	1,66,937	1,59,452	62,931	2,18,366	31%	100%	100%
Co-brand Credit Card CIF	2.19 MM			3.15 MM			
EMI Card CIF	25.7 MM			32.8 MM			

Business segment wise AUM - Mortgages					BAJAJ FINANCE LIMITED			
					₹ in Crore			
Bajaj Housing Finance Limited					Consolidated mortgages			
Assets Under Management (Businesses)	AUM as of 30 Sep 2021	AUM as of 30 Sep 2022	Growth	Composition as of 30 Sep 2022	AUM as of 30 Sep 2021	AUM as of 30 Sep 2022	Growth	Composition as of 30 Sep 2022
Home Loans	27,668	37,946	37%	60%	30,824	39,703	29%	55%
Loan against property	5,071	6,960	37%	11%	11,512	13,401	16%	19%
Lease rental discounting	5,594	9,608	72%	15%	6,809	11,053	62%	16%
Developer Finance	2,526	4,245	68%	7%	2,532	4,245	68%	6%
Rural	2,120	2,432	15%	4%	2,519	2,690	7%	4%
Others	1,449	1,740	20%	3%	-	-	-	-
Total	44,429	62,931	42%	100%	54,196	71,092	31%	100%
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Section 07 **Update on credit quality**

7.1

Provisioning Coverage - Consolidated

7.2

Stagewise ECL provisioning - Consolidated

7.3

Provisioning Coverage - BHFL

7.4

Stagewise ECL provisioning - BHFL

7.5

Portfolio credit quality - Consolidated

Provisioning Coverage - Consolidated					BAJAJ FINANCE LIMITED					
					₹ in Crore					
Particulars	AUM	GNPA	NNPA	PCR (%)	GNPA %			NNPA %		
	30 Sep 22				31 Mar 22	30 Jun 22	30 Sep 22	31 Mar 22	30 Jun 22	30 Sep 22
Two & Three Wheeler Finance	10,160	878	439	50%	11.01%	10.15%	8.01%	5.83%	5.35%	4.17%
Urban Sales Finance	16,259	88	14	84%	2.81%	0.32%	0.53%	1.32%	0.06%	0.09%
Urban B2C	44,072	403	101	75%	0.95%	0.83%	0.93%	0.24%	0.21%	0.23%
Rural Sales Finance	4,329	24	3	86%	0.16%	0.21%	0.54%	0.02%	0.03%	0.08%
Rural B2C	17,908	227	64	72%	1.19%	1.01%	1.23%	0.37%	0.29%	0.35%
SME Lending	28,881	427	106	75%	1.43%	1.33%	1.45%	0.36%	0.33%	0.37%
Securities Lending	12,287	2	2	9%	0.01%	0.02%	0.02%	0.01%	0.02%	0.02%
Commercial Lending	13,378	36	18	49%	0.38%	0.29%	0.27%	0.18%	0.15%	0.14%
Mortgages	71,092	445	206	54%	0.86%	0.74%	0.65%	0.40%	0.34%	0.30%
Total	2,18,366	2,530	953	62%	1.60%	1.25%	1.17%	0.68%	0.51%	0.44%
</										

BAJAJ FINANCE LIMITED

₹ in Crore

	Gross Assets Receivable				ECL Provision				PCR %			
	Stage 1	Stage 2		Stage 3	Stage 1	Stage 2		Stage 3	Stage 1	Stage 2		Stage 3
		OTR*	Normal			OTR*	Normal			OTR*	Normal	
Two & Three Wheeler Finance	9,223	-	859	878	145	-	215	440	1.6%	-	25.0%	50.1%
Urban Sales Finance	16,287	-	125	88	108	-	58	74	0.7%	-	46.7%	83.8%
Urban B2C	42,284	1	664	403	511	0.1	231	302	1.2%	10.0%	34.9%	75.0%
Rural Sales Finance	4,328	-	34	24	18	-	18	20	0.4%	-	52.5%	86.1%
Rural B2C	17,757	-	423	227	216	-	120	163	1.2%	-	28.4%	71.6%
SME Lending	28,740	1	236	427	264	0.1	84	321	0.9%	10.0%	35.9%	75.1%
Securities Lending	12,458	-	6	2	6	-	0.0	0.2	0.0%	-	0.1%	9.4%
Commercial Lending	13,377	-	9	36	34	-	0.0	17	0.3%	-	0.2%	48.7%
Mortgages	66,726	339	459	445	356	79	104	240	0.5%	23.3%	22.4%	53.9%
Total as of 30 Sep 2022	2,11,180	341	2,815	2,530	1,658	79	830	1,577	0.8%	23.2%	29.5%	62.3%
Total as of 30 Jun 2022	1,96,360	474	3,095	2,539	1,569	109	916	1,521	0.8%	23.0%	29.6%	59.9%
Total as of 31 Mar 2022	1,88,834	718	3,142	3,133	1,507	144	935	1,818	0.8%	20.1%	29.8%	58.0%

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Particulars	AUM 30 Sep 22	GNPA	NNPA	PCR (%)	GNPA %			NNPA %		
					31 Mar 22	30 Jun 22	30 Sep 22	31 Mar 22	30 Jun 22	30 Sep 22
Home Loans	37,946	72	31	57%	0.27%	0.23%	0.21%	0.12%	0.09%	0.09%
Loan against property	6,960	28	16	43%	0.65%	0.59%	0.52%	0.33%	0.28%	0.30%
Lease rental discounting	9,608	-	-	-	-	-	-	-	-	-
Developer Finance	4,245	-	-	-	-	-	-	-	-	-
Rural	2,432	24	11	54%	1.22%	1.33%	1.34%	0.59%	0.65%	0.62%
Others	1,740	7	2	71%	0.41%	0.42%	0.40%	0.13%	0.12%	0.11%
Total	62,931	131	60	54%	0.31%	0.27%	0.24%	0.14%	0.11%	0.11%

Stagewise ECL provisioning – BHFL

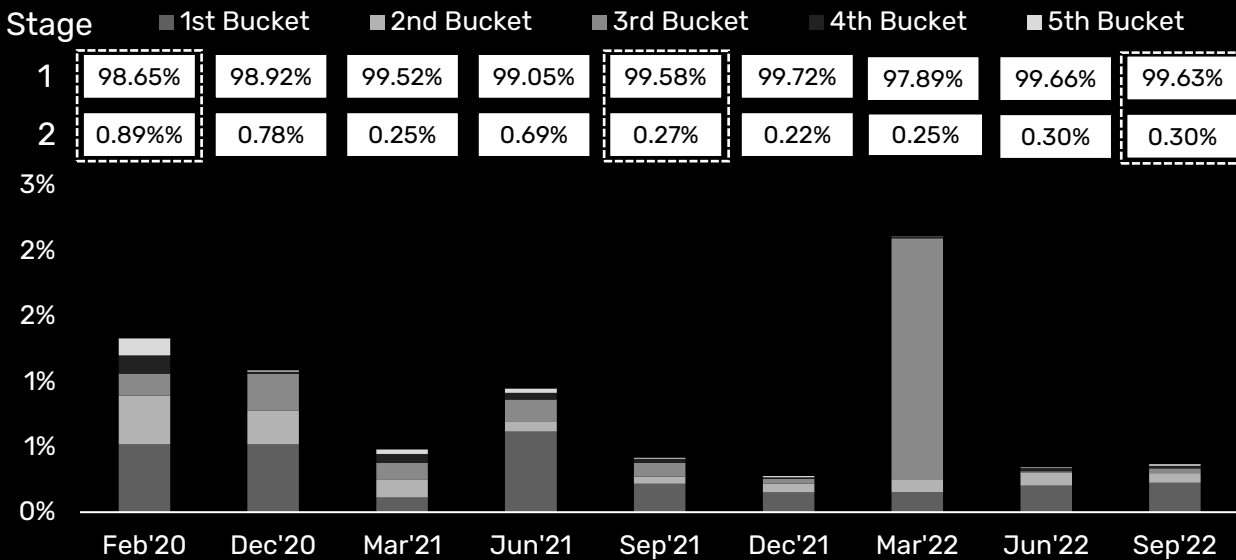
₹ in Crore

	Gross Assets Receivable				ECL Provision				PCR %			
	Stage 1	Stage 2		Stage 3	Stage 1	Stage 2		Stage 3	Stage 1	Stage 2		Stage 3
		OTR*	Normal			OTR*	Normal			OTR*	Normal	
Home Loans business	34,095	143	100	72	177	37	19	41	0.5%	25.9%	19.0%	56.9%
Loan against property business	5,262	45	61	28	36	10	10	12	0.7%	22.2%	16.4%	42.9%
Lease rental discounting business	7,779	-	-	-	44	-	-	-	0.6%	-	-	-
Developer Finance business	4,276	-	-	-	31	-	-	-	0.7%	-	-	-
Rural business	1,694	24	48	24	11	6	7	13	0.6%	25.0%	14.6%	54.2%
Other business	1,742	7	9	7	15	2	2	5	0.9%	28.6%	22.2%	71.4%
Total as of 30 Sep 2022	54,848	219	219	131	314	55	38	71	0.6%	25.1%	17.3%	54.2%
Total as of 30 Jun 2022	49,878	244	248	134	283	62	42	78	0.6%	25.6%	16.9%	58.2%
Total as of 31 Mar 2022	46,200	363	241	146	260	89	39	79	0.6%	24.5%	16.3%	54.3%

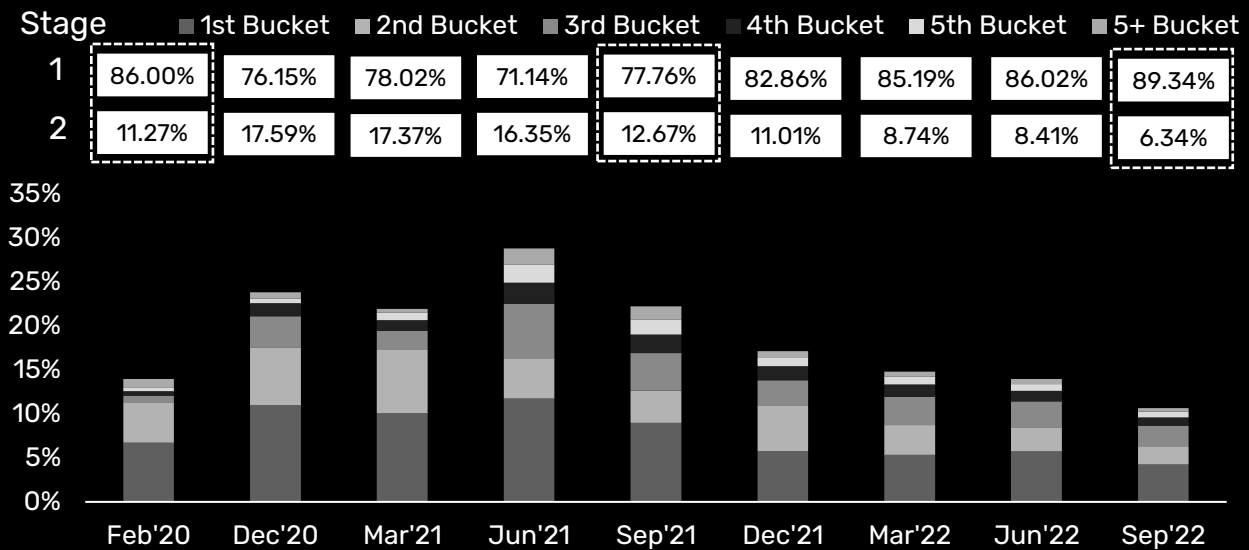
Portfolio credit quality – Consolidated

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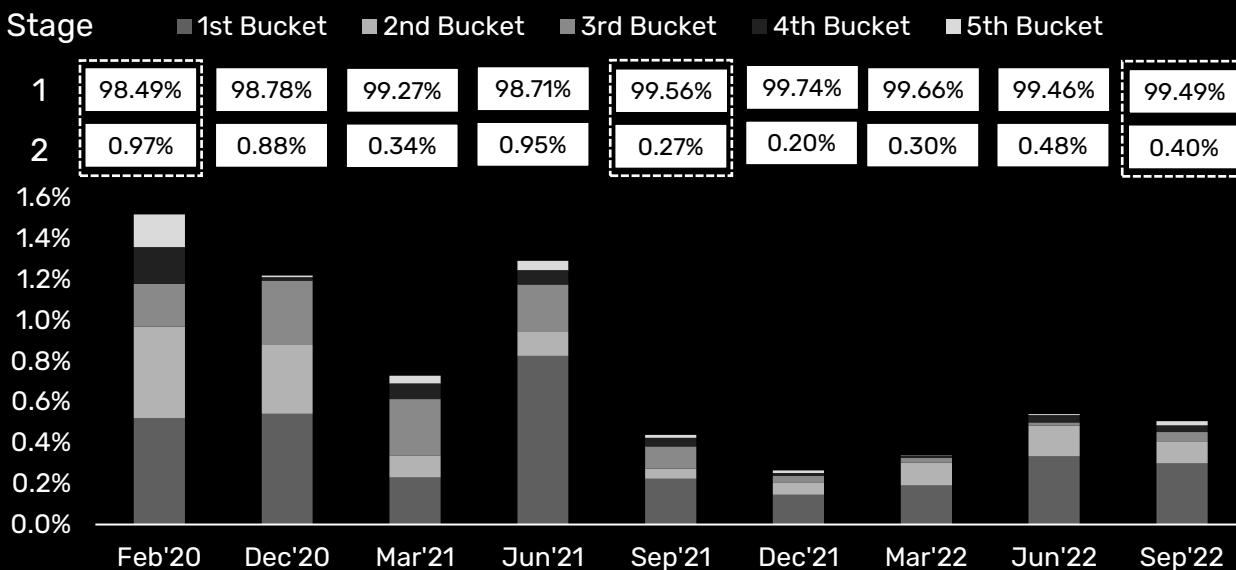
Consumer Durable & Lifestyle ●



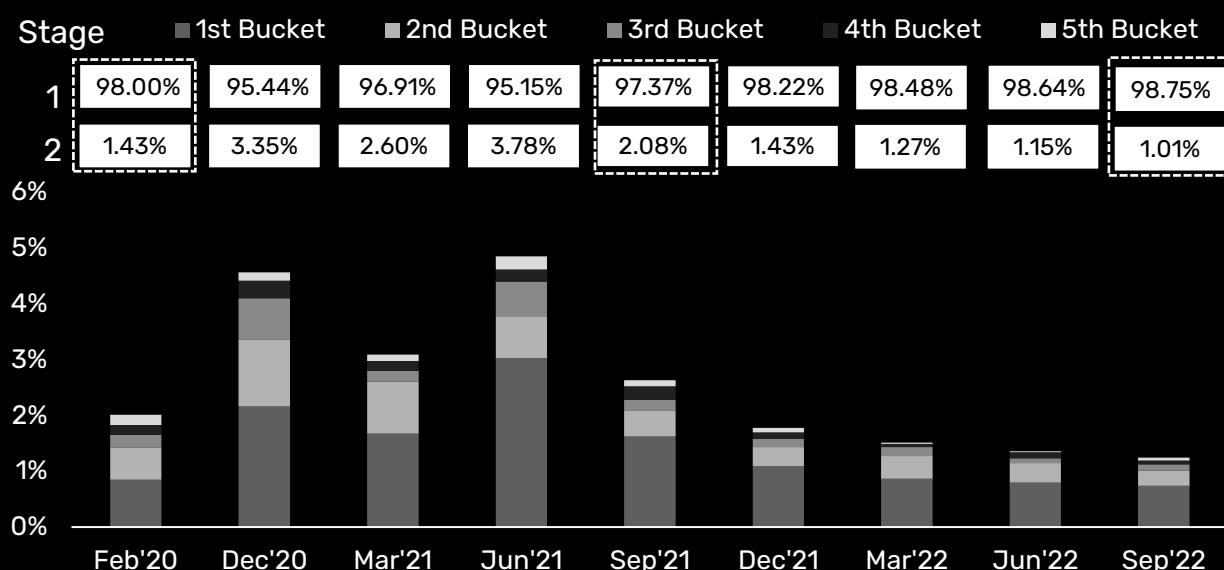
Two & three wheeler ●



Digital product ●



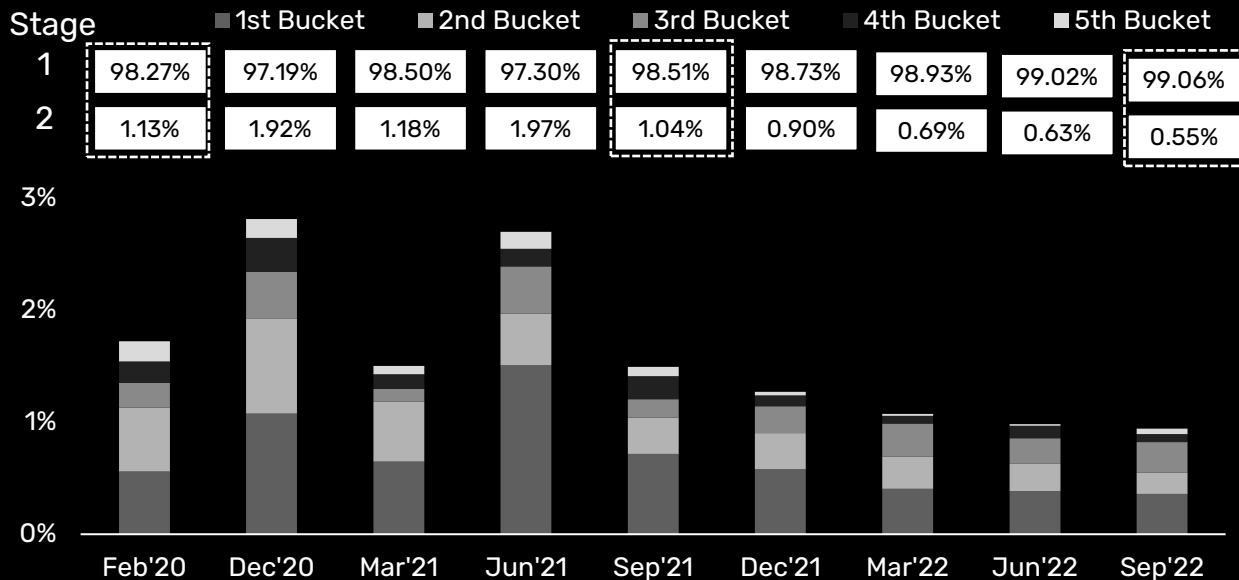
Urban B2C ●



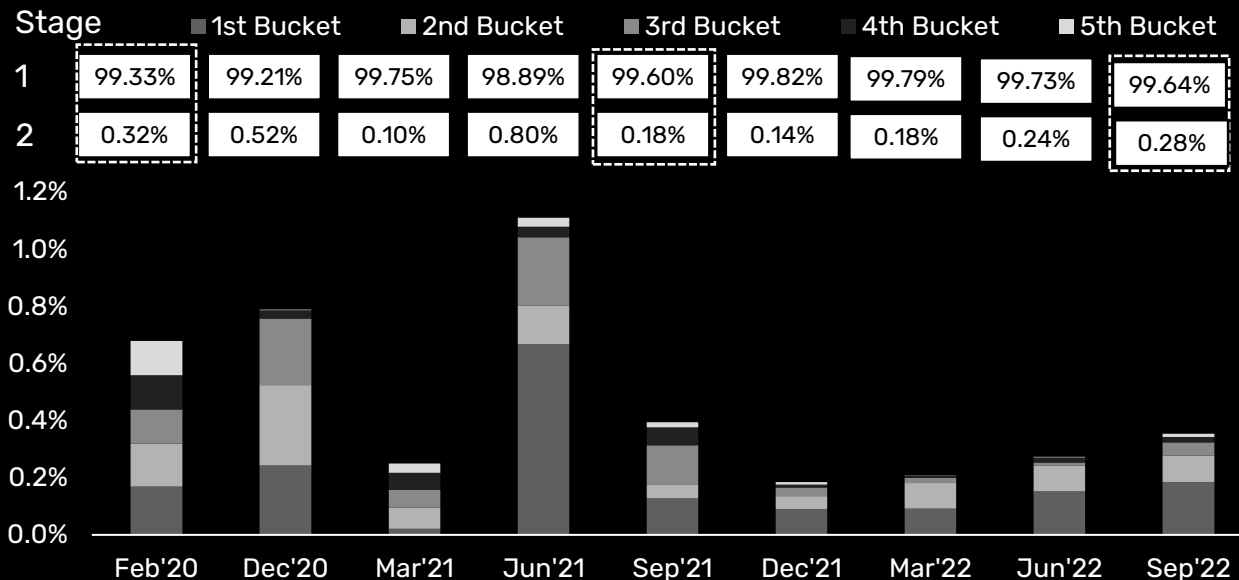
Portfolio credit quality after adjusting ECL provisions | Feb'20 has been retained as a pre covid benchmark

Portfolio credit quality – Consolidated

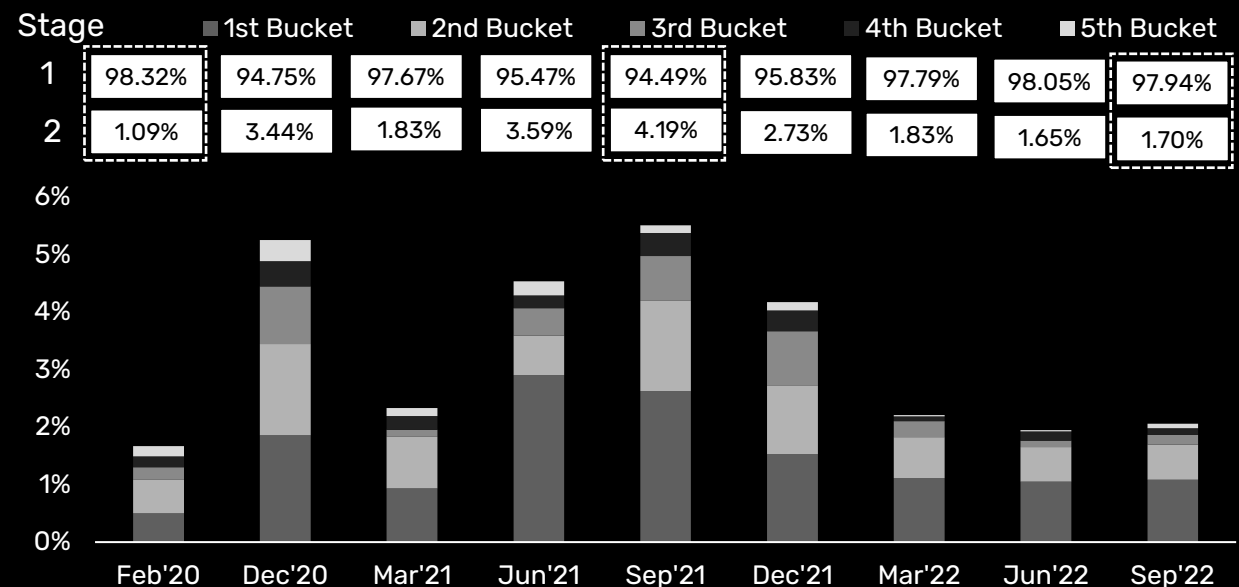
Business & professional loans



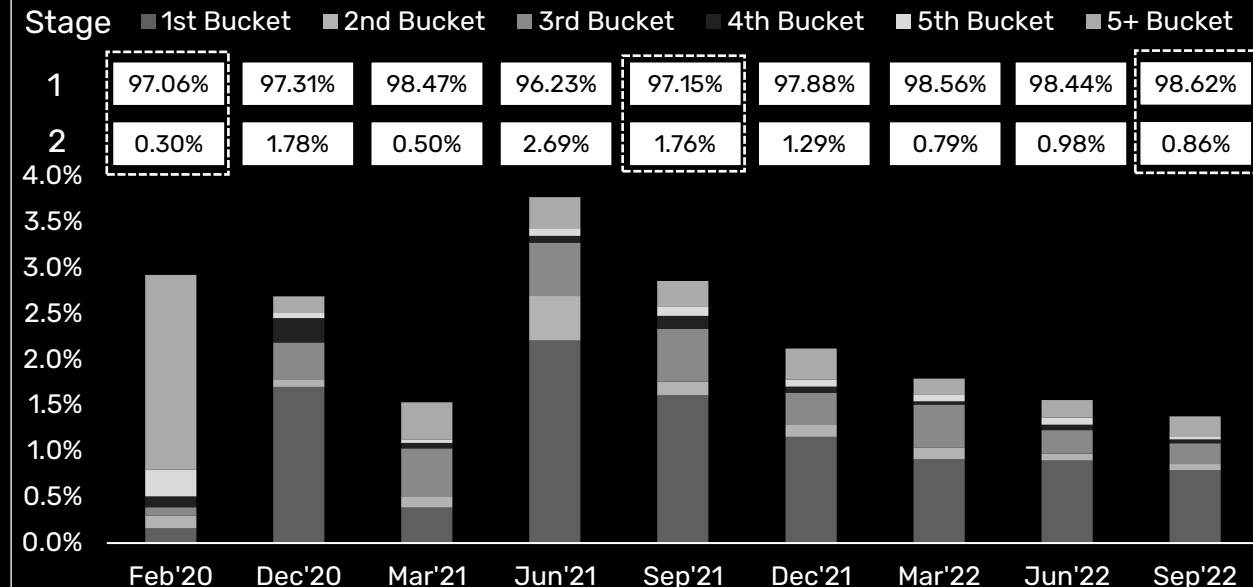
Rural B2B



Rural B2C

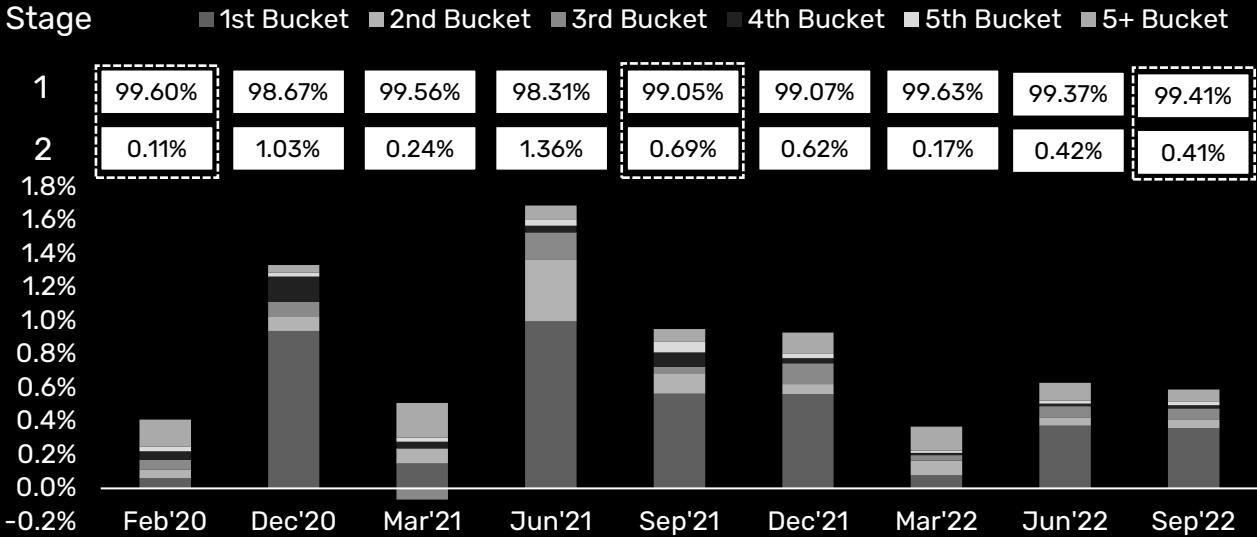


Loan against property



Portfolio credit quality – Consolidated

Home loans



Commercial lending

- Commercial lending business portfolio is 99.86% current

Securities lending

- Securities lending business portfolio is 99.98% current

BAJAJ FINANCE LIMITED
Q2 FY23 Investor Presentation
Thank You

Annexure

As a Company, we believe that the purpose of any business transformation is a means to an end. It should result in stronger growth momentum, superior customer experience, better cross sell, lower risk and/or improved operating efficiencies. We are pursuing business transformation singularly with that objective...

At the outset, “All business transformation takes time, team and technology.” It’s been 15 months since we started phase 1 of business transformation project. Due to wave 2, it got delayed by 3 months. Phase 1 of the digital platform has now gone live with a staggered release methodology. The Company plans to transition all consumers to the new digital platform from February onwards. Next 2 slides cover details of the new digital platform and the way forward...

Digital App platform – Phase 1 feature set

Payments	UPI		Wallet		EMI Card		Credit Card		6-in-1 Payment Checkout		Bill Payment					
Network	CD Network		DPF Network		REMI Network		LSF Network		LCF Network		E-Com Network		Coaching Network			
Marketplace & Proprietary Apps	No cost EMI Marketplace			Insurance Marketplace			Investment Marketplace			Health RX			Demat and Broking			
3-in-1 Financial Services	No Cost EMI		Unsecured Loans		Mortgage Loans		Other Secured		SME/Prof. Lending		Cards		Deposits		Fee based Services	
	<ul style="list-style-type: none">Consumer Durable MobileLifestyle		<ul style="list-style-type: none">Personal Loans(2)Salaried PL-Lead		<ul style="list-style-type: none">Home LoanLAP		<ul style="list-style-type: none">Gold LoanLASUsed Car		<ul style="list-style-type: none">Professional LoansSME LoansMedical equipment		<ul style="list-style-type: none">EMI CardRBL Bank Card		<ul style="list-style-type: none">Fixed DepositSystematic Dep Plan (SDP)		<ul style="list-style-type: none">Fin fitness reportCredit health report	
Rewards	Earn For “Payment transactions”								Burn							
	<ul style="list-style-type: none">Offers		<ul style="list-style-type: none">Cashbacks		<ul style="list-style-type: none">Vouchers		<ul style="list-style-type: none">Bajaj Coins		<ul style="list-style-type: none">Convert to Cash		<ul style="list-style-type: none">Bill Payment		<ul style="list-style-type: none">Voucher Purchase			
Integrated Voice and Marketing Cloud	Customer Data Platform			Centralized Offer Repository			Multi Channel Orchestration			Multi Dialler Orchestration			Cloud Telephony Infra for Distributed Sales Workforce			
Productivity Apps	Sales One App				Debt management One App				Partner One App 1.0							
Services	Information		EMI , Credit Card		Statement		Documents		Repayment		FD & SDP		Profile Update		Calculators	
	<ul style="list-style-type: none">Loan InfoDeposit InfoFlexi Loan InfoMandate ServicesMutual Fund		<ul style="list-style-type: none">Card LimitCard StatusCard Block/UnblockPIN Change		<ul style="list-style-type: none">Loan StatementRepay ScheduleFD StatementNOCCert. of InsuranceGold receipt		<ul style="list-style-type: none">InvoiceEMI Charge SlipApp. FormT & CAgreementForm 15G		<ul style="list-style-type: none">Overdue, Advance PaymentsPrepaymentsDrawdown		<ul style="list-style-type: none">FD DetailsTDS WaiverNominee addition		<ul style="list-style-type: none">PAN UpdateMobile UpdateEmail ID UpdateAddress UpdateDOB Update		<ul style="list-style-type: none">EMI CalculatorFlexi CalculatorLoan EligibilityFD Calculator	
Engagement Stack (31)	Travel (4)		Entertainment (3)		Food (3)		Utilities(4)		Shopping(6)		Health & Wellness(4)		Education(1)		Other Networks(6)	

Digital App platform – Phase 1 enablers

	Stimulation	Offers and Promotions	Search	Service	Sales	Engagement	Utilities	
Core Components (20)	<ul style="list-style-type: none">• Notification Engine• Nudges• Personalization	<ul style="list-style-type: none">• Dynamic Banners• Offers• Wishlist	<ul style="list-style-type: none">• Search• Content Streams	<ul style="list-style-type: none">• Raise a Request• FAQ• Document Centre	<ul style="list-style-type: none">• 5 Mins Call Back• Track and Resume Application	<ul style="list-style-type: none">• Social Share• NPS/Feedback• In-App Programs	<ul style="list-style-type: none">• Locate Us- Maps• QR• Calculators• Expense Manager	
	Channels Data	Structured		Unstructured		Consent based App Data		
Data	<ul style="list-style-type: none">• Web• Mobile• IVR• Dialler• Email	<ul style="list-style-type: none">• Customer Demographics• Loan & Other Information• Banking & Collections• Transactions		<ul style="list-style-type: none">• Cookies• Consent based SMS data• Click Streams		<ul style="list-style-type: none">• Device Info• Appography• Contacts Info• Network Info		
APIs	400+ Digital APIs							
	Loan/Deposit Origination Platform	Loan/ Deposit Booking Platform		Debt Management Platform		Loan/Deposit Service Management Platform		
Core Platform	<ul style="list-style-type: none">• Loan/Deposit Sourcing APIs• Journey Workflows• Journey Business Rules• Decision Engine	<ul style="list-style-type: none">• Loan Booking APIs• Loan Disbursement APIs• Deposit Booking APIs		<ul style="list-style-type: none">• Overdue Payment APIs• Advance Payment APIs• Loan Settlement APIs		<ul style="list-style-type: none">• Service APIs for Loans• Repayment APIs• Service APIs for Deposits		
Core Infrastructure	High Availability (HA) Infrastructure	Disaster Recovery (DR) Infrastructure	Near DR Infrastructure		Cyber Security		Data Security	
Digital & Data Infrastructure	Data Lake	Enterprise Datawarehouse	Change Data Mgmt	APIs / Micro Services	Kubernetes		TechOps	
	• Onboarded 580+ Laterals and Fresh hires in last 18 Months in multiple domains							
New Talent Onboarded	120+ UI/UX , Content Management, & Digital Domain specialist	120+ Payment Domain Resources		240+ Engineering Resources		60+ Data Resources		40+ Core Platform & Infra Resources

There are 15 stacks and 55 features and components.

Previous 2 slides have covered the phase 1 of transformation journey. Phase 1 was focused on creating a strong, stable and scalable foundation. Phase 2 will focus on new to Bajaj customer journeys, introducing new features and functionalities, augmenting current feature sets and nuanced journeys for existing customers for each line of business to take them closer and closer to DIY...

Digital app platform – Phase 2 feature set



Payments	UPI	Wallet	EMI Card	Credit Card	4-in-1 Payment checkout	Bill Payment	POS terminals	4-in-1 Check Out for Partners	QR Based P2M Transaction	
Network	CD Network	DPF Network	REMI Network	LSF Network	LCF Network	E-Com Network	Coaching Network	P2M Network	QR Network	
Marketplace & Proprietary Apps	No cost EMI Marketplace	Insurance Marketplace	Investment Marketplace	2-Wheeler Marketplace	Health RX	Doctor RX	Demat and Broking			
3-in-1 Financial Services	No Cost EMI	Unsecured Lending	Mortgage	Other Secured	SME/Prof. Lending	Cards	Deposits	Fee based Services		
	<ul style="list-style-type: none">Cons. Durable- NTBMobile- NTBLifestyle- NTB	<ul style="list-style-type: none">Personal Loans (9)Salaried PL (15)	<ul style="list-style-type: none">Home LoanLAPSec. Enterprise Loan	<ul style="list-style-type: none">Gold Loan(3)LAS2-Wheeler & Used Car. (1)	<ul style="list-style-type: none">Prof. Loans (5)SME Loans (2)Medical equipment	<ul style="list-style-type: none">EMI CardHealth CardRBL Bank CardDBS Bank Card	<ul style="list-style-type: none">Fixed Deposits(6)SDP(2)GBSLoan Against FD	<ul style="list-style-type: none">Credit health report (2.0)		
Rewards	Earn				Burn					
	<ul style="list-style-type: none">Offers	<ul style="list-style-type: none">Cashbacks	<ul style="list-style-type: none">VouchersMerchant Sponsored Vouchers	<ul style="list-style-type: none">Bajaj Coins	<ul style="list-style-type: none">Convert to Cash	<ul style="list-style-type: none">Bill Payment	<ul style="list-style-type: none">Voucher Purchase			
Integrated Voice & Marketing Cloud	Customer Data Platform	Centralized Offer Repository	Multi Channel Orchestration	Multi Dialer Orchestration	One View for Backend Agents	Cloud Telephony Infra for Distributed Sales	Voice Call Governance			
Productivity Apps	Sales One App		Debt management One App		Partner One App 2.0		Merchant One App			
	<ul style="list-style-type: none">Enhanced Engage & Compliance Frames		<ul style="list-style-type: none">Compliance, Legal & Repo Mgmt.		<ul style="list-style-type: none">Loan Sourcing , Dashboards		<ul style="list-style-type: none">Onboarding, Payment Dashboards			
Services	Information	EMI, Credit Card	Statement	Documents	Repayments	FD & SDP	Profile Update	Calculators		
	<ul style="list-style-type: none">Loan InfoDeposit InfoFlexi Loan InfoMandate ServicesMutual Fund	<ul style="list-style-type: none">Limit & EnhancementCard StatusCard Block/UnblockPIN ChangeEMI Card Trx history	<ul style="list-style-type: none">Loan Stat.Repay ScheduleFD StatementNOCCOI (10)GDR & FDR	<ul style="list-style-type: none">InvoiceLTS & Charge SlipApp. FormT & CSanc Letter & AgmtForm 15G	<ul style="list-style-type: none">OD & Adv PayPrepay, DD & FCGL – Part ReleaseEMI VaultCash Pick-up 2.0Smart Debit 2.0	<ul style="list-style-type: none">FD DetailsNominee additionRenew FDTDS WaiverPre-Maturity FDStart Stop SDP	<ul style="list-style-type: none">PAN & DOBMobile & Email IDAddressBank DetailsRe-KYC	<ul style="list-style-type: none">EMI & FlexiLoan EligibilityShares + MF calFD, SDP & GBSMortgage CalGST Cal		
Engagement Stack(100+)	Travel (7+2)	Entertainment(2)	Food(7 + 5)	Utilities(4)	Shopping (34 + 8)	Gaming (10 + 10)	Health & Fitness (7 + 3)	Education(2)	Other networks (3)	Donate(1+1)

	Stimulation	Offers and Promotions	Search	Service	Sales	Engagement	Utilities
Core Components (23)	<ul style="list-style-type: none">Notification EngineNudgesPersonalization	<ul style="list-style-type: none">Dynamic BannersOffersWishlist & CartSegmented Banners	<ul style="list-style-type: none">SearchContent StreamsGeo Search	<ul style="list-style-type: none">Raise a RequestFAQDocument Centre	<ul style="list-style-type: none">5 Mins Call BackTrack and Resume Application	<ul style="list-style-type: none">Social ShareNPS/FeedbackIn-App Programs	<ul style="list-style-type: none">Locate Us- MapsQRCalculatorsExpense ManagerPODs (4)

	Channels Data	Structured	Unstructured	Consent based App Data	Contextual Data
Data	<ul style="list-style-type: none">WebMobileIVRDialerEmail	<ul style="list-style-type: none">Customer DemographicsLoan & Other InformationBanking & Collections Txns.Financial Services Journey HeatmapsExternal – Bureau, Acc Agg, etc.	<ul style="list-style-type: none">CookiesConsent based SMS DataConsent based Email DataClick Streams	<ul style="list-style-type: none">Device InfoAppographyContacts InfoNetwork InfoLocation & Phone State	<ul style="list-style-type: none">Personal EventsExternal Events

APIs	600+ Digital APIs				
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	Loan/Deposit Origination Platform	Loan/ Deposit Booking Platform	Debt Management Platform	Loan/Deposit Service Management Platform
Core Platform	<ul style="list-style-type: none">Loan/Deposit Sourcing APIs 2.0Journey Workflows 2.0Journey Business Rules 2.0Decision Engine	<ul style="list-style-type: none">Loan Booking APIsLoan Disbursement APIsDeposit Booking APIs	<ul style="list-style-type: none">Overdue Payment APIsAdvance Payment APIsLoan Settlement APIs	<ul style="list-style-type: none">Service APIs for Loans 2.0Repayment APIsService APIs for Deposits

Core Infrastructure	High Availability (HA) Infrastructure	Disaster Recovery(DR) Infrastructure	Near DR Infrastructure	Cyber Security	Data Security
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Digital & Data Infrastructure	Data Lake	Enterprise Datawarehouse	Change Data Mgmt	APIs / Micro Services	Kubernetes	TechOps
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• Projected Cumulative addition of 1400+ Lateral and Fresh hires in Phase 1 and 2 of Digital Transformation Journey					
New Talent Onboarded	150+ UI/UX , Content Management, & Digital Domain specialist	400+ Payment Domain Resources	625+ Engineering Resources	130+ Data Resources	100+ Core Platform & Infra Resources

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