BAJAJ FINANCE LIMITED

Q2 FY23 Investor Presentation
20 October 2022

Presentation Path

BAJAJ FINANCE LIMITED

Section 01

Executive summary – Q2 FY23 3

Section 02

Bajaj Finance Limited overview 17

Section 03

Financial performance – Q2 FY23 31

Section 04

Asset liability management 35

Section 05

Customer franchise and distribution reach 42

Section 06

Business segment wise AUM 46

Section 07

Update on credit quality 48

Click on the section to view

Section 01

Executive summary – Q2 FY23

1.1 Quarter gone by

1.2 Lead financial indicators

1.3 Omnipresence strategy update

Executive summary

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…

	AUM	Opex to NII	PAT	ROE	Net NPA
Q2 FY23	₹ 218,366 Cr YoY Growth 31%	35.9% Q2 FY22 38.1%	₹ 2,781 Cr YoY Growth 88%	23.57% Q2 FY22 15.38%	0.44% Q2 FY22 1.10%

Lead financial indicators

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

Lead financial indicators

BAJAJ FINANCE LIMITED

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

Lead financial indicators

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

Lead financial indicators

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

Omnipresence strategy update

BAJAJ FINANCE LIMITED

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

Omnipresence strategy update

BAJAJ FINANCE LIMITED

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

BAJAJ FINANCE LIMITED

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

BAJAJ FINANCE LIMITED

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

Customer franchise - Key financial metrics

BAJAJ FINANCE LIMITED

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

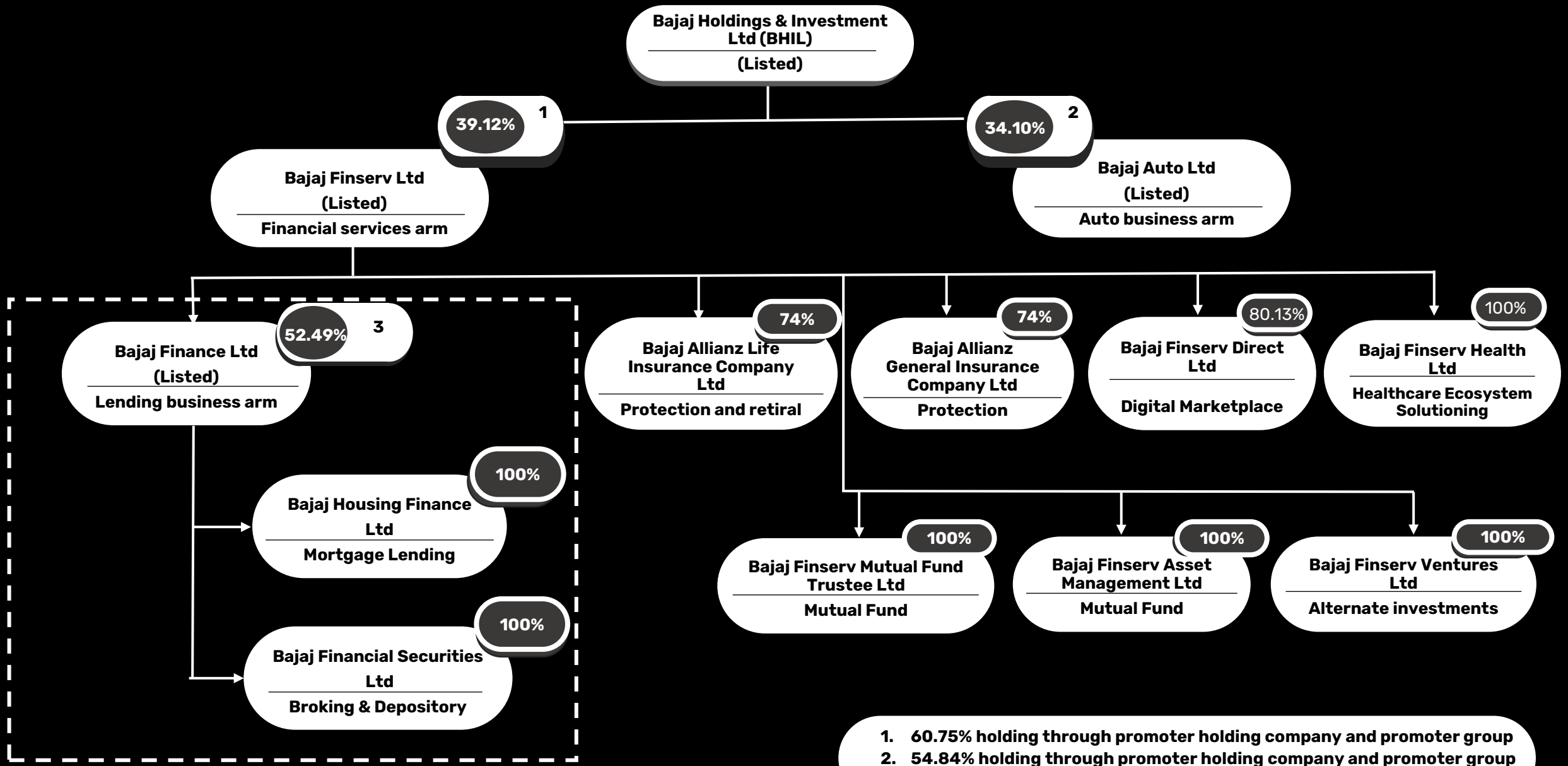
2.6 Our shareholder profile

2.7 15-years financial snapshot

2.8 Product suite

2.9 Executive summary

Bajaj group structure



1. 60.75% holding through promoter holding company and promoter group
2. 54.84% holding through promoter holding company and promoter group
3. 55.86% holding through promoter holding company and promoter group

Above shareholding is as of 30 September 2022

What do we stand for

"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

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%

BHFL long-term guidance on financial metrics

BAJAJ FINANCE LIMITED

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%

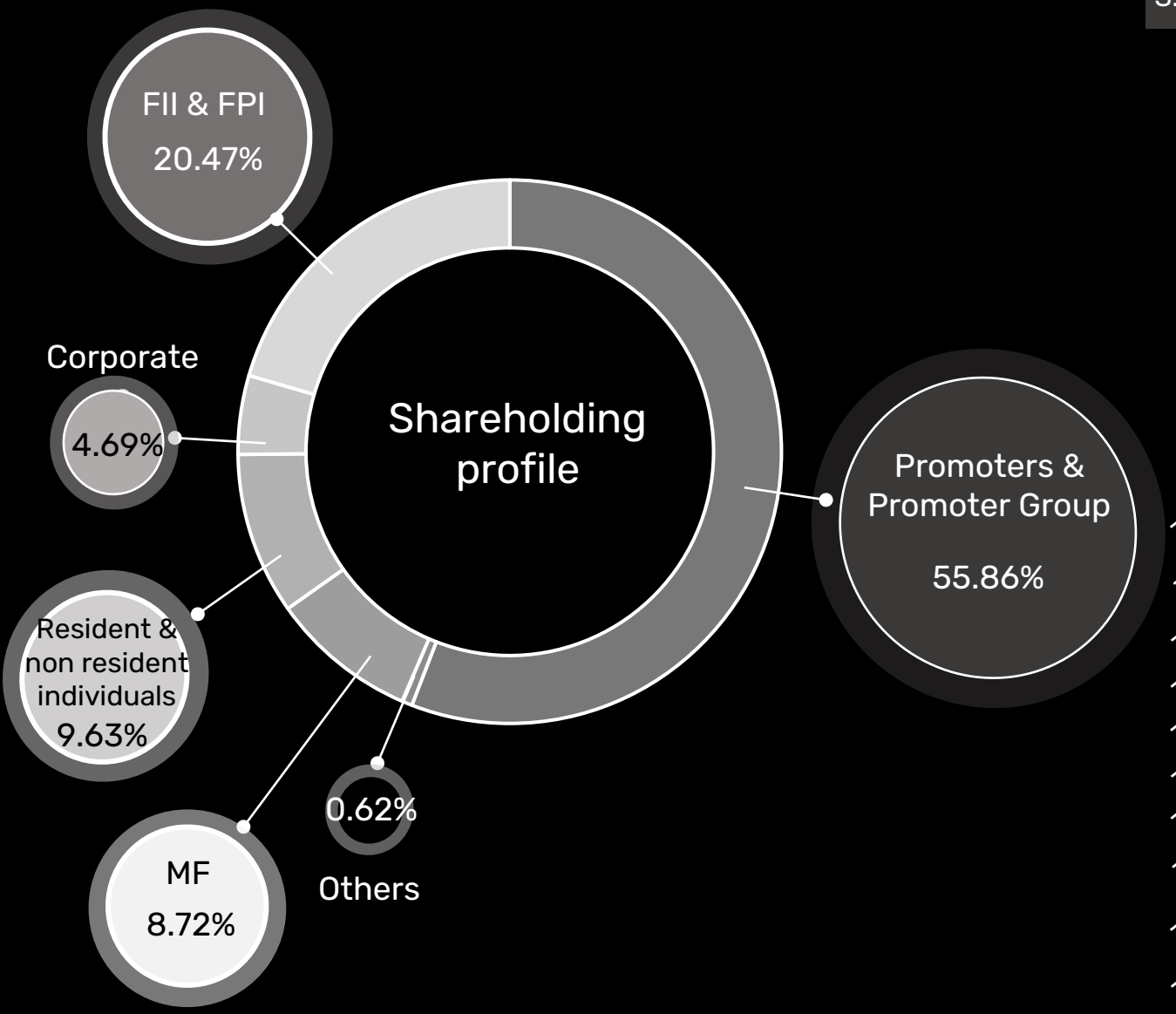
Return on assets
in corridor of
1.7%-2.0%

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.

Product suite

BAJAJ FINANCE LIMITED

Consumer

1. Consumer Durable Loans
2. Digital Product Loans
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
10. E-Commerce financing
11. Retailer finance
12. Health EMI Card

SME

1. Unsecured Working Capital Loans
2. Loans to self employed and Professionals
3. Secured Enterprise Loans
4. Used-car financing
5. Medical equipment financing

Commercial

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

Rural

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

Deposits

1. Retail Term Deposits
2. Corporate Term Deposits
3. Systematic Deposit Plan

Payments

Issuance
1. PPI
2. UPI
3. BBPS

Acquiring
1. Merchant QR

Partnerships & Services

1. Life Insurance Distribution
2. General Insurance Distribution
3. Health Insurance Distribution
4. Pocket Insurance
5. RBL Co-Branded Credit Card
6. DBS Co-Branded Credit Card
7. Financial Fitness Report

BAJAJ HOUSING FINANCE LIMITED

1. Salaried Home Loans
2. Salaried Loan Against Property
3. Affordable housing finance

1. Loan Against Property
2. Self Employed Home Loans
3. Lease Rental Discounting

1. Developer Finance
2. Commercial Construction Finance
3. Corporate Lease Rental Discounting

1. Loan Against Property
2. Home Loans

BAJAJ FINANCIAL SECURITIES LIMITED

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

Executive summary – Consolidated

BAJAJ FINANCE LIMITED

Overview

- 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

- 100% shareholding in Bajaj Housing Finance Limited
- 100% shareholding in Bajaj Financial Securities Limited

Treasury

- 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

- 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

BAJAJ FINANCE LIMITED

Overview

- 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

- 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

- 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

- 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	• 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	• 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	• 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	• 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	• 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	• 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)	• 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	• 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	• GNPA and NNPA as of 30 September 2022 stood at 0.24% and 0.11% respectively
Treasury	• 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	• 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	• 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	• A 100% subsidiary of Bajaj Finance Limited • Offers Capital Market products - Broking, Depositary 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	• 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	• 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	• Issuer rating of AAA from CRISIL
Regulated by	• 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	

*Not annualized

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	

*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 – Bajaj Finance Limited

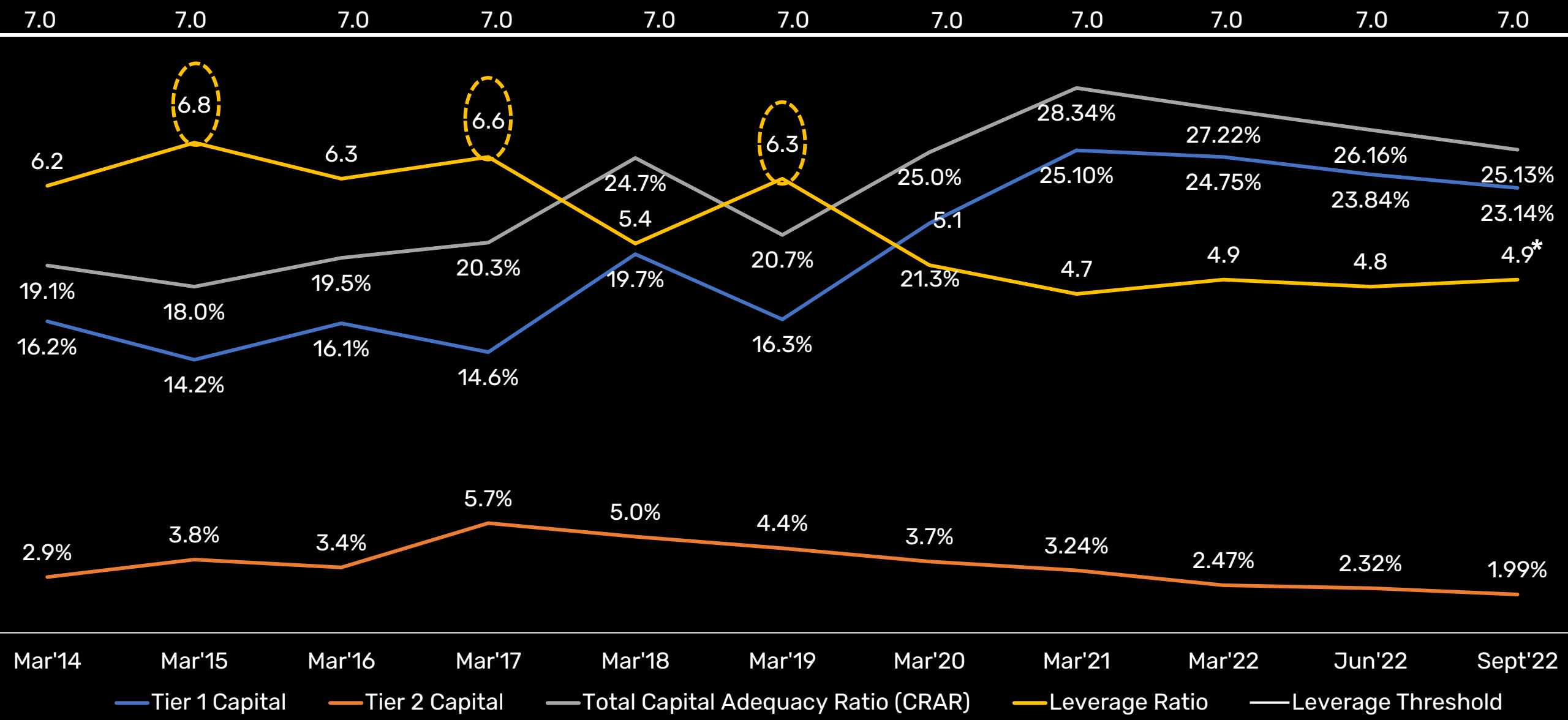
4.4 Behaviouralized ALM – Bajaj Housing Finance Limited

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

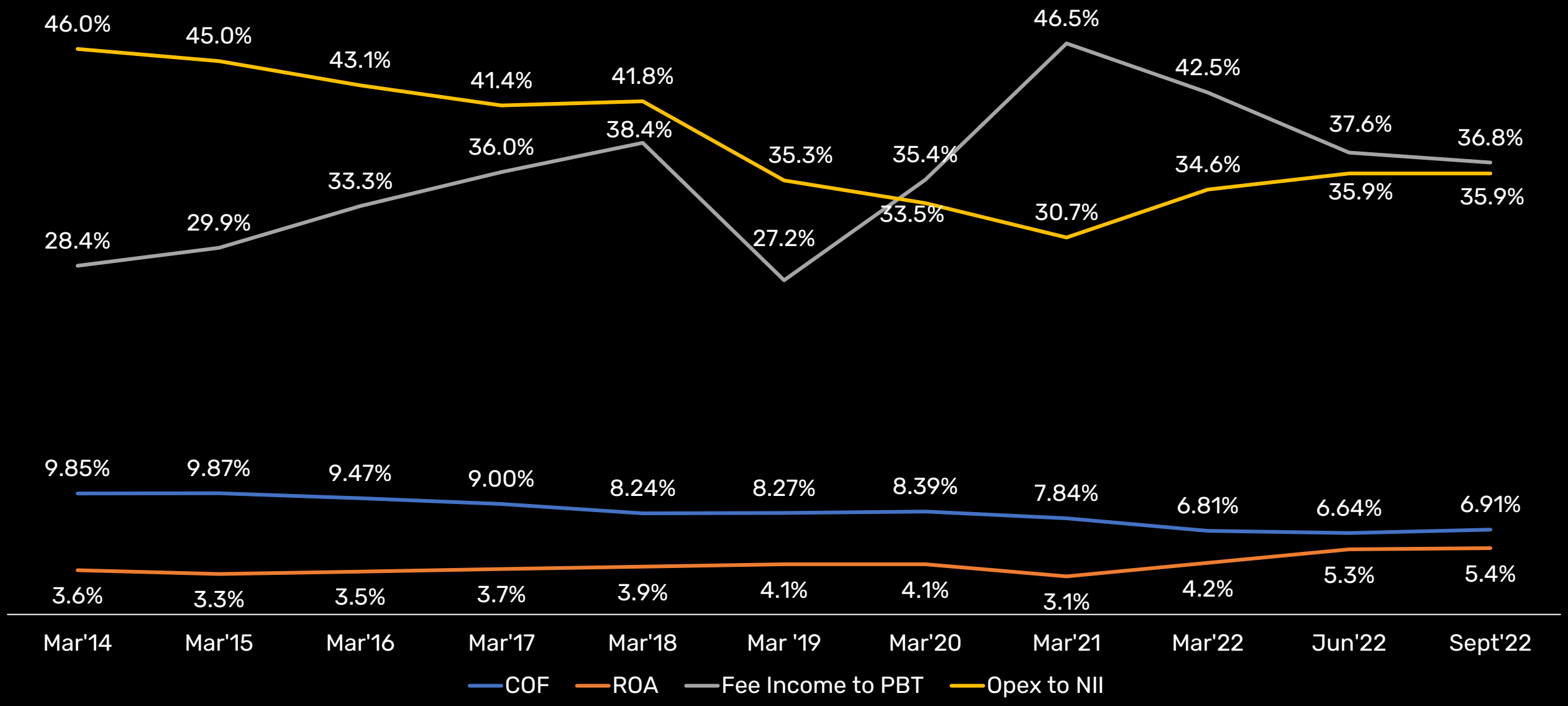
Capital Adequacy Ratios (CRAR) are on standalone basis

Mar '19 onwards numbers are as per Ind AS

Denotes point at which the Company initiated its capital raising plan

Resilient business model – Consolidated

BAJAJ FINANCE LIMITED



Mar '19 onwards numbers are as per Ind AS. Jun'22 & Sep'22 COF numbers are for the quarter.

Behaviouralized ALM as of 30 Sep 2022 – BFL

BAJAJ FINANCE LIMITED

₹ in Crore

Particulars,	1-7 D	8-14 D	15-30 D	>1-2 M	>2-3 M	>3-6 M	>6 M-1 Y	>1-3 Y	>3-5 Y	>5 Y	Total
Cash & Investments	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%

Behaviouralized ALM as of 30 Sep 2022 – BHFL

BAJAJ FINANCE LIMITED

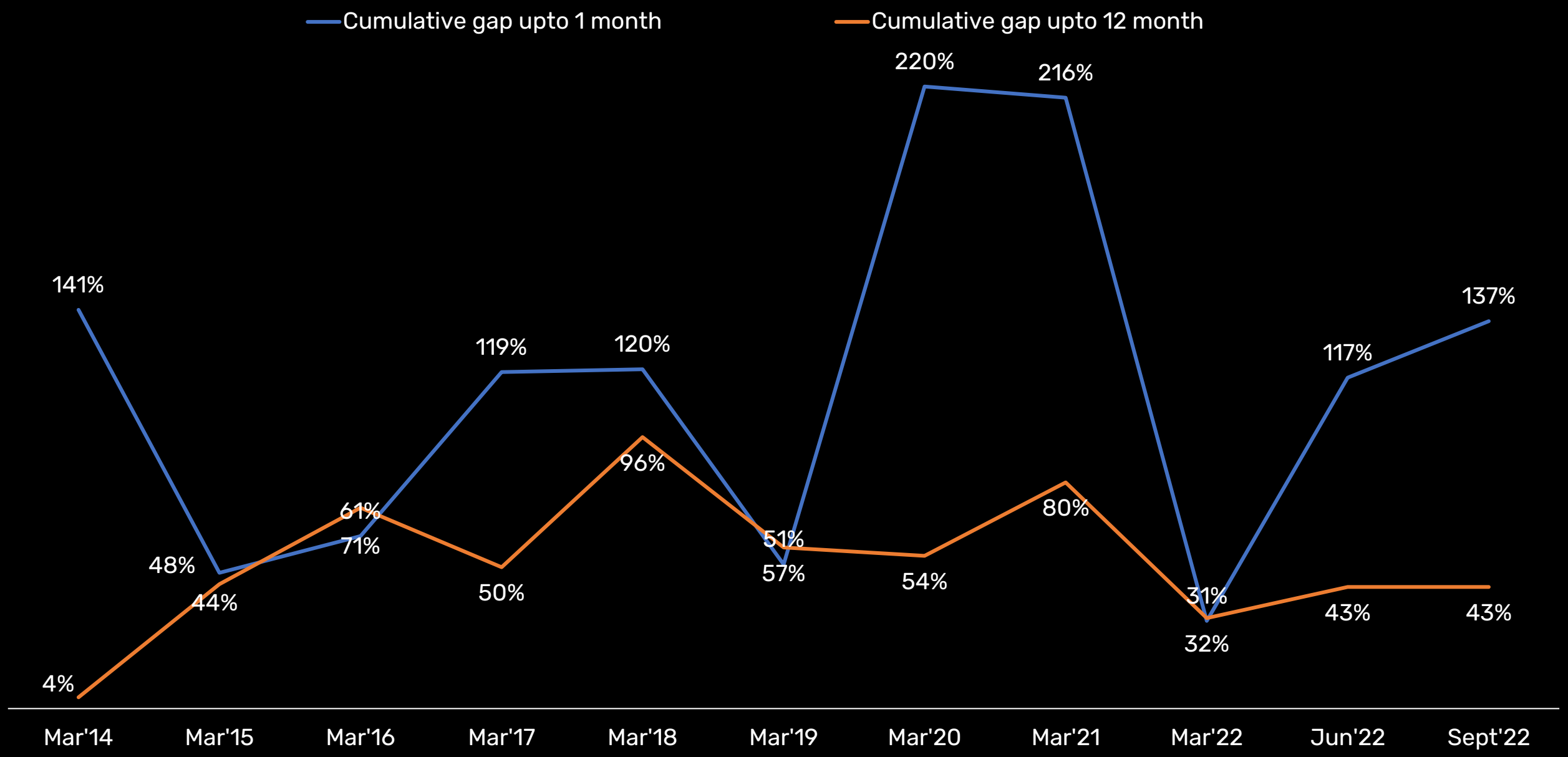
₹ in Crore

Particulars	1-7 D	8-14 D	15-30 D	>1-2 M	>2-3 M	>3-6 M	>6 M-1 Y	>1-3 Y	>3-5 Y	>5 Y	Total
Cash & Investments	642	260	75	45	99	684	0	0	-	-	1,805
Advances	614	344	456	1,001	977	2,752	4,823	14,344	9,221	20,408	54,939
Other inflows	5	3	1,056	1,271	1,023	1,331	3,640	2,832	3,104	5,509	19,775
Total Inflows (A)	1,262	607	1,587	2,317	2,098	4,767	8,463	17,176	12,325	25,917	76,519
Cumulative Total Inflows (B)	**1,262**	**1,868**	**3,455**	**5,772**	**7,870**	**12,637**	**21,100**	**38,277**	**50,602**	**76,519**	
Borrowings	64	-	599	1,154	1,270	2,732	7,237	21,723	12,438	6,014	53,232
Capital Reserves and Surplus	-	-	-	-	-	-	-	-	-	9,863	9,863
Other Outflows	1,124	598	978	879	666	1,020	2,126	3,524	9	2,501	13,423
Total Outflows (C)	1,188	598	1,576	2,033	1,936	3,752	9,364	25,247	12,447	18,378	76,519
Cumulative Total Outflows (D)	**1,188**	**1,786**	**3,363**	**5,395**	**7,331**	**11,083**	**20,447**	**45,694**	**58,140**	**76,519**	
Mismatch (E = A - C)	**74**	**9**	**10**	**284**	**162**	**1,016**	**(901)**	**(8,071)**	**(122)**	**7,539**	
Cumulative mismatch (F = B-D)	74	82	93	377	539	1,554	654	(7,417)	(7,539)	0	
Cumulative mismatch as % (F/D)	6%	5%	3%	7%	7%	14%	3%	-16%	-13%	0%	
Permissible cumulative gap %	**-10%**	**-10%**	**-20%**								
Additional borrowings possible			**956**								

In Q2, daily average LCR was 93% as against regulatory requirement of 50%

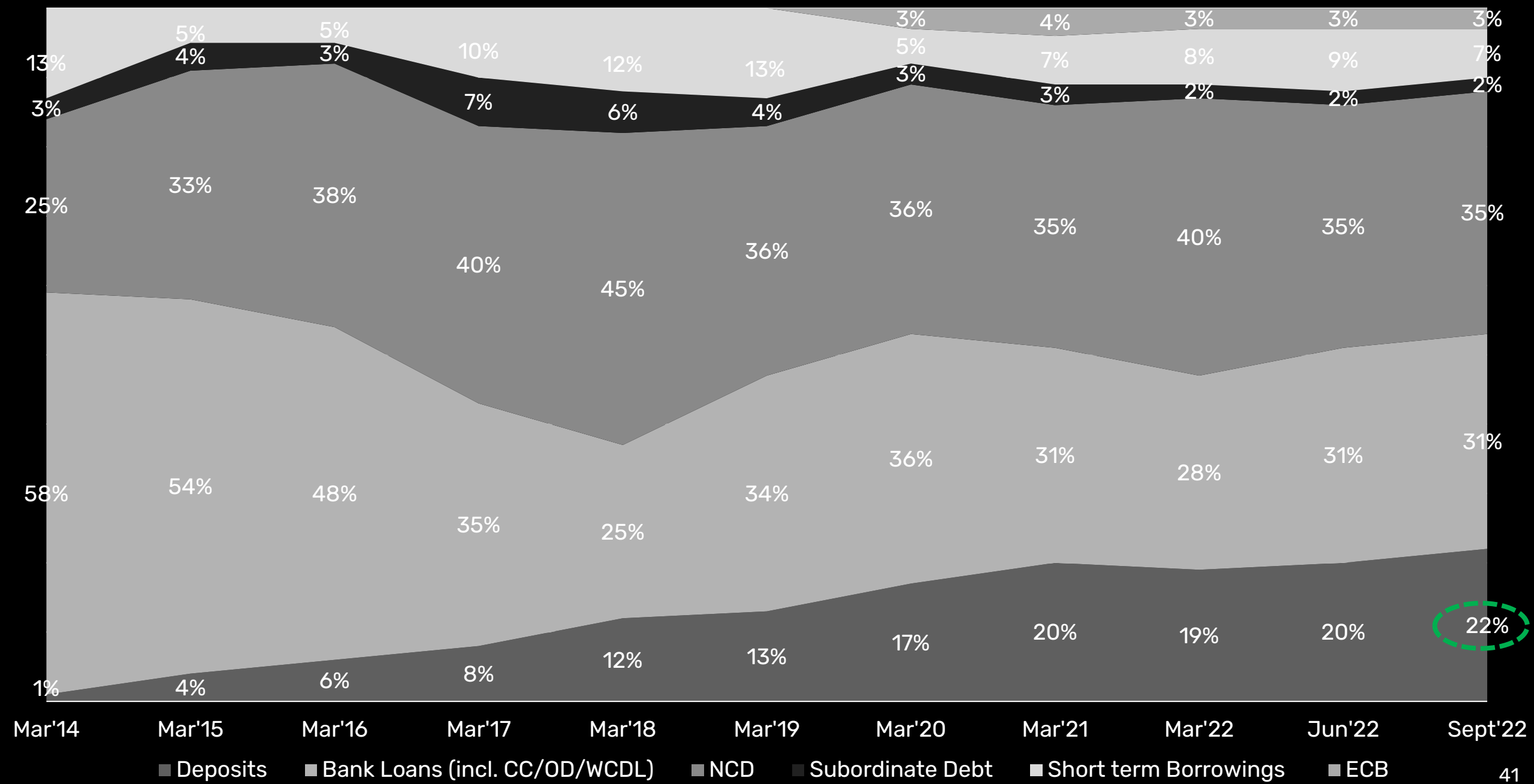
Disciplined ALM Management - BFL

BAJAJ FINANCE LIMITED



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

Customer franchise

BAJAJ FINANCE LIMITED

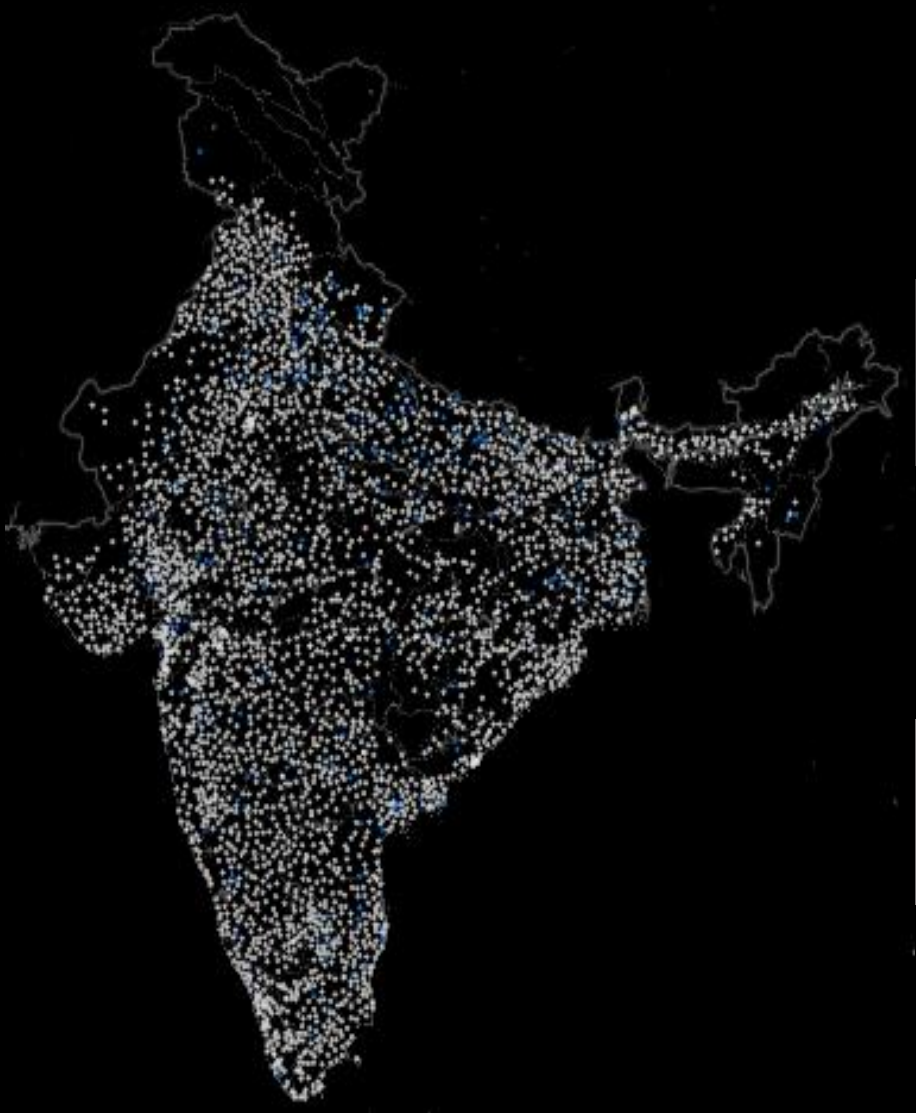
	Q2 FY22	Q2 FY23	Q1 FY23
Total Franchise	52.80MM	62.91 MM	60.30 MM
Credit segment filter	41.68 MM	49.08 MM	47.27 MM
Overall Cross sell franchise	40.12 MM	47.46 MM	45.66 MM
Non delinquent customers	35.31 MM	41.88 MM	40.31 MM
Cross sell franchise	29.37 MM (57.8%)*	36.39 MM (57.8%)*	34.66 MM (57.5%)*

Customer Franchise addition

Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
1.88 MM	2.35 MM	2.56 MM	2.21 MM	2.73 MM	2.61 MM

*Represents cross sell franchise as a % of total franchise

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

Map not to scale

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

₹ in Crore

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			34.4 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%**

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 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
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%**

Stagewise ECL provisioning - Consolidated

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%

Provisioning Coverage – BHFL

BAJAJ FINANCE LIMITED

₹ in Crore

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

BAJAJ FINANCE LIMITED

₹ in Crore

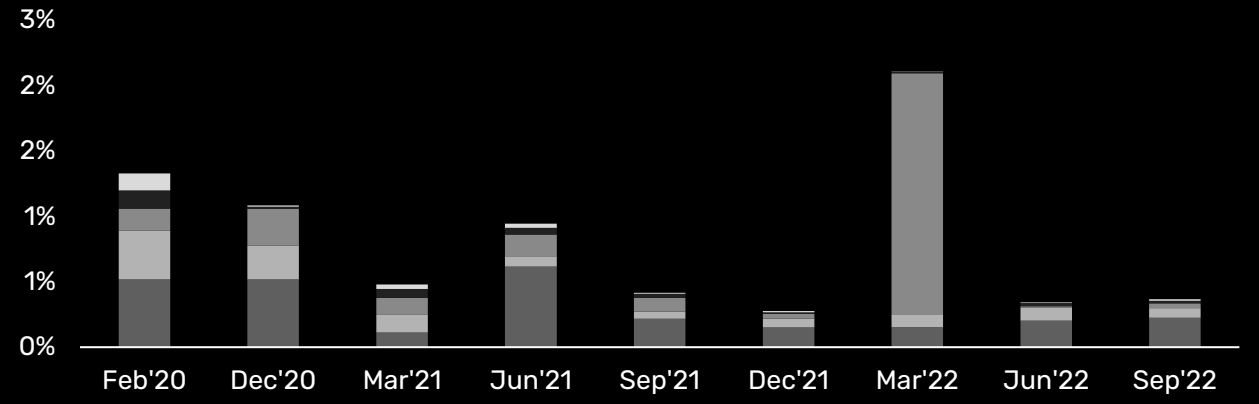
	Gross Assets Receivable				ECL Provision				PCR %			
	Stage 1	Stage 2		Stage 3	Stage 1	Stage 2		Stage 3	Stage 1	Stage 2		Stage 3
		OTR*	Normal			OTR*	Normal			OTR*	Normal	
Home Loans business	34,095	143	100	72	177	37	19	41	0.5%	25.9%	19.0%	56.9%
Loan against property business	5,262	45	61	28	36	10	10	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

BAJAJ FINANCE LIMITED

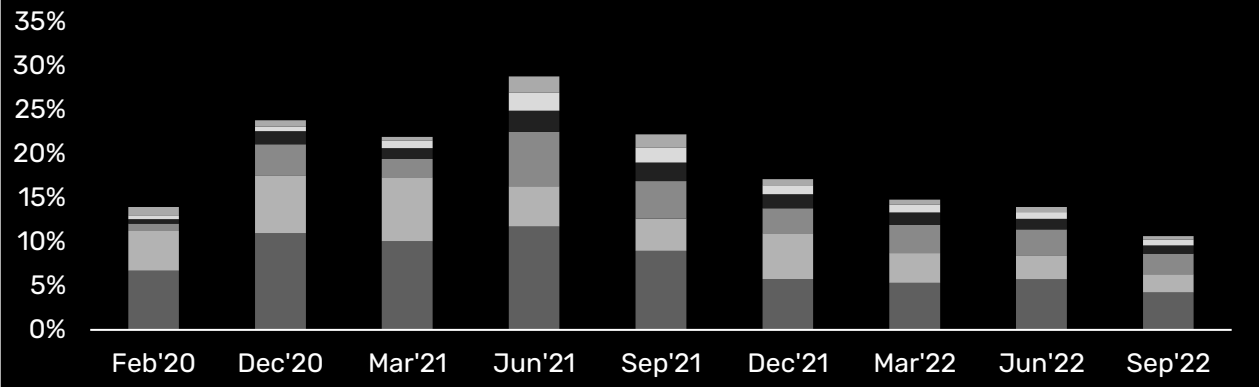
Consumer Durable & Lifestyle

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	98.65%	98.92%	99.52%	99.05%	99.58%	99.72%	97.89%	99.66%	99.63%
2	0.89%%	0.78%	0.25%	0.69%	0.27%	0.22%	0.25%	0.30%	0.30%



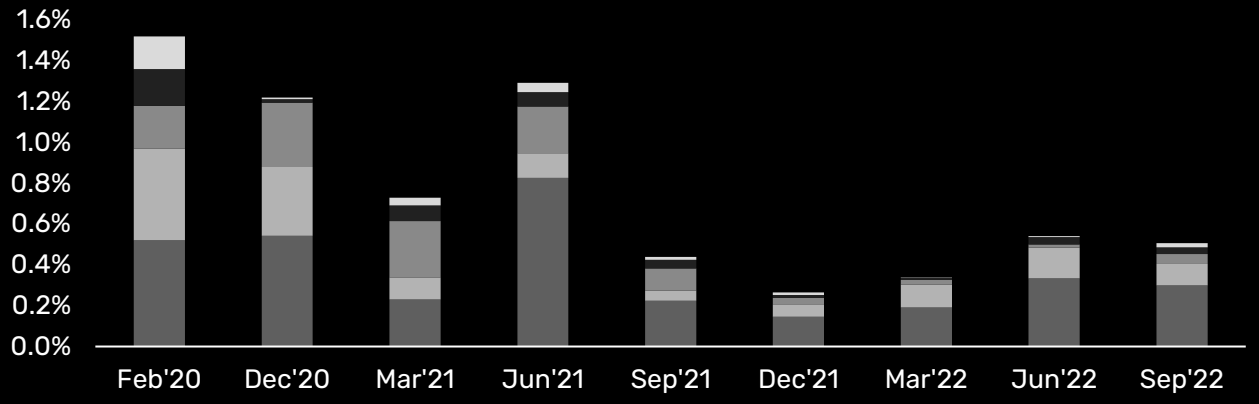
Two & three wheeler

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket	5+ Bucket			
1	86.00%	76.15%	78.02%	71.14%	77.76%	82.86%	85.19%	86.02%	89.34%
2	11.27%	17.59%	17.37%	16.35%	12.67%	11.01%	8.74%	8.41%	6.34%



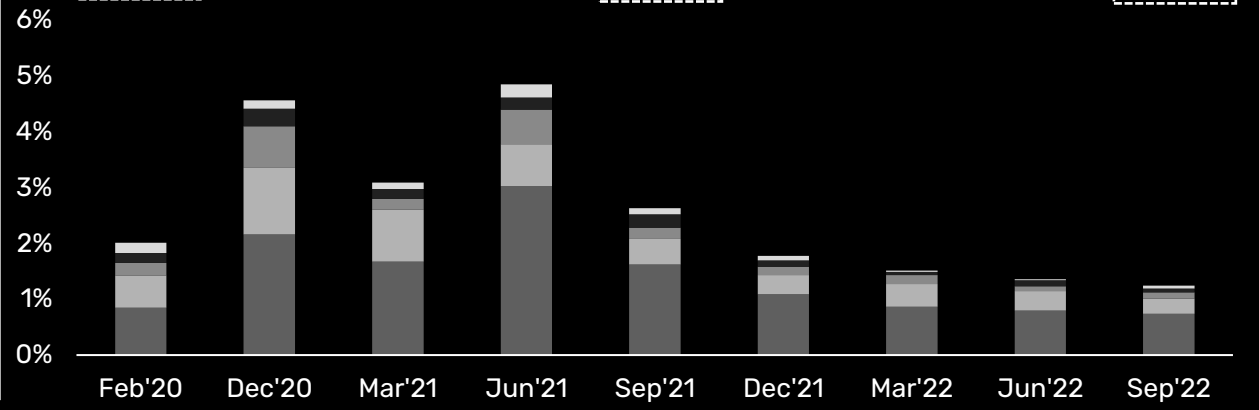
Digital product

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	98.49%	98.78%	99.27%	98.71%	99.56%	99.74%	99.66%	99.46%	99.49%
2	0.97%	0.88%	0.34%	0.95%	0.27%	0.20%	0.30%	0.48%	0.40%



Urban B2C

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	98.00%	95.44%	96.91%	95.15%	97.37%	98.22%	98.48%	98.64%	98.75%
2	1.43%	3.35%	2.60%	3.78%	2.08%	1.43%	1.27%	1.15%	1.01%



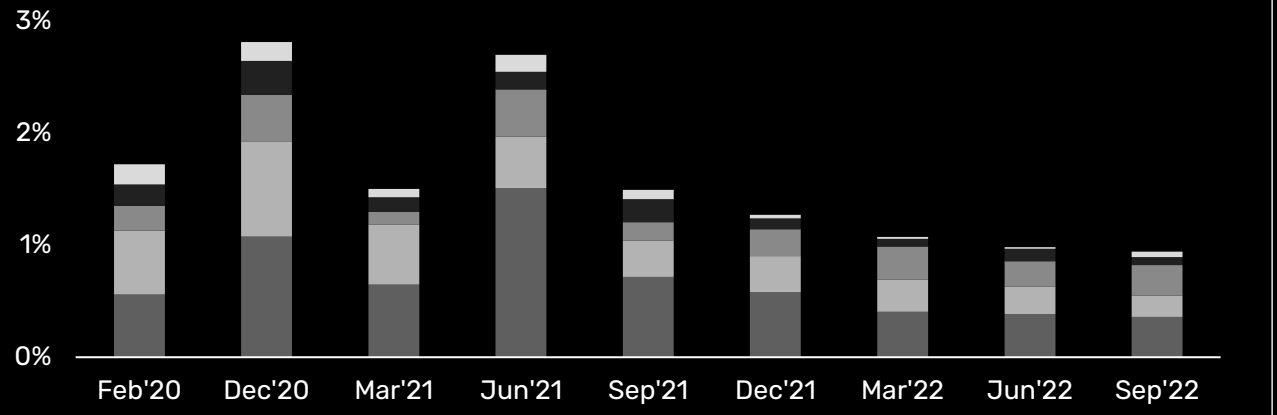
Portfolio credit quality after adjusting ECL provisions | Feb'20 has been retained as a pre covid benchmark

Portfolio credit quality – Consolidated

BAJAJ FINANCE LIMITED

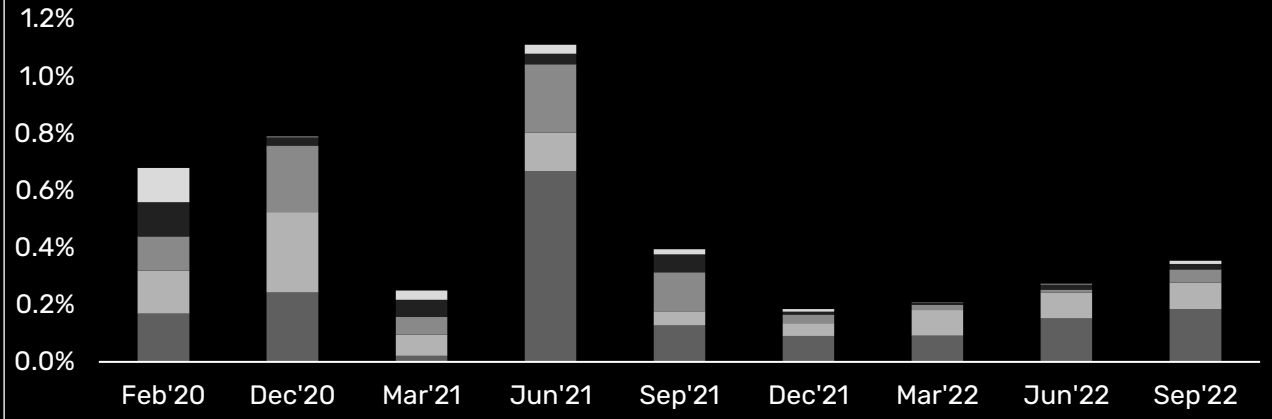
Business & professional loans

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	98.27%	97.19%	98.50%	97.30%	98.51%	98.73%	98.93%	99.02%	99.06%
2	1.13%	1.92%	1.18%	1.97%	1.04%	0.90%	0.69%	0.63%	0.55%



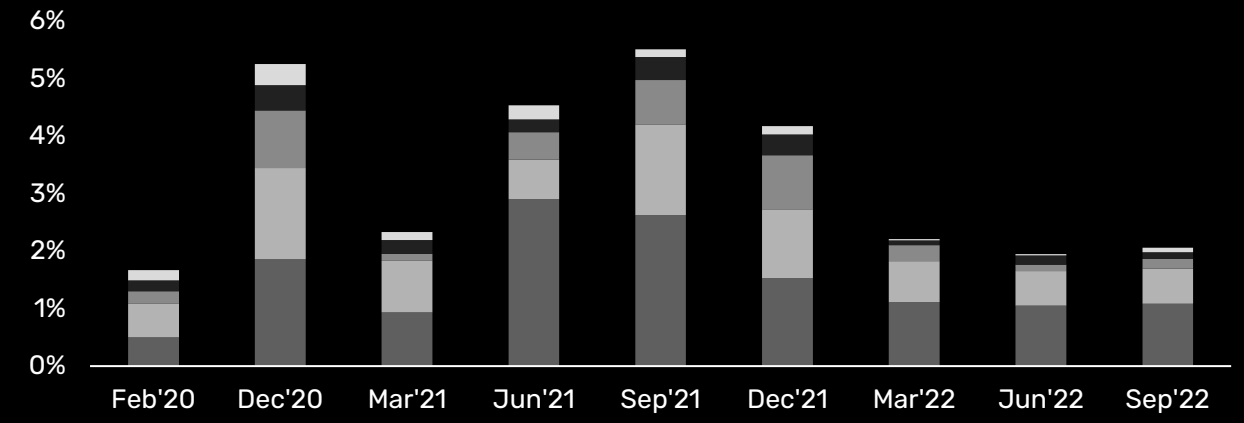
Rural B2B

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	99.33%	99.21%	99.75%	98.89%	99.60%	99.82%	99.79%	99.73%	99.64%
2	0.32%	0.52%	0.10%	0.80%	0.18%	0.14%	0.18%	0.24%	0.28%



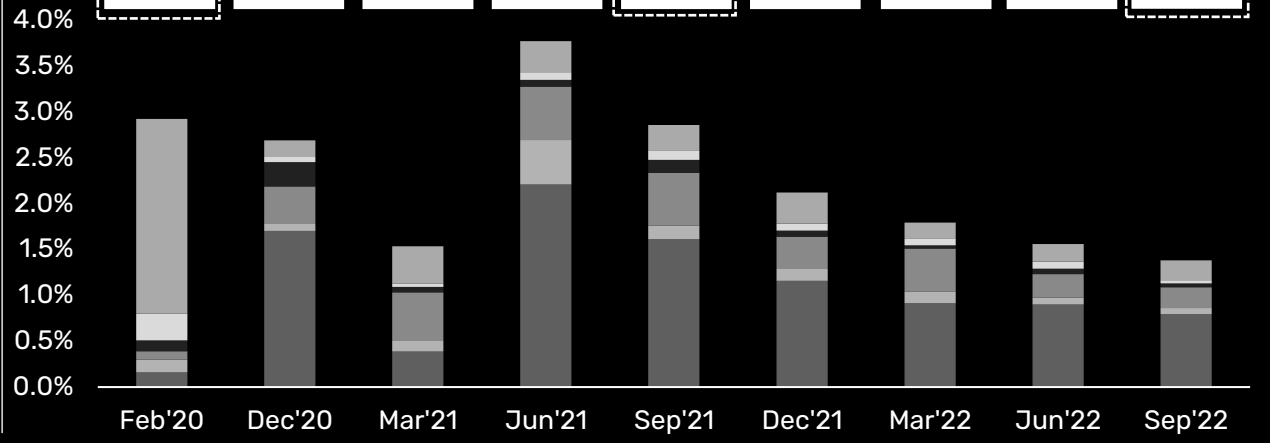
Rural B2C

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	98.32%	94.75%	97.67%	95.47%	94.49%	95.83%	97.79%	98.05%	97.94%
2	1.09%	3.44%	1.83%	3.59%	4.19%	2.73%	1.83%	1.65%	1.70%



Loan against property

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				5+ Bucket
1	97.06%	97.31%	98.47%	96.23%	97.15%	97.88%	98.56%	98.44%	98.62%
2	0.30%	1.78%	0.50%	2.69%	1.76%	1.29%	0.79%	0.98%	0.86%

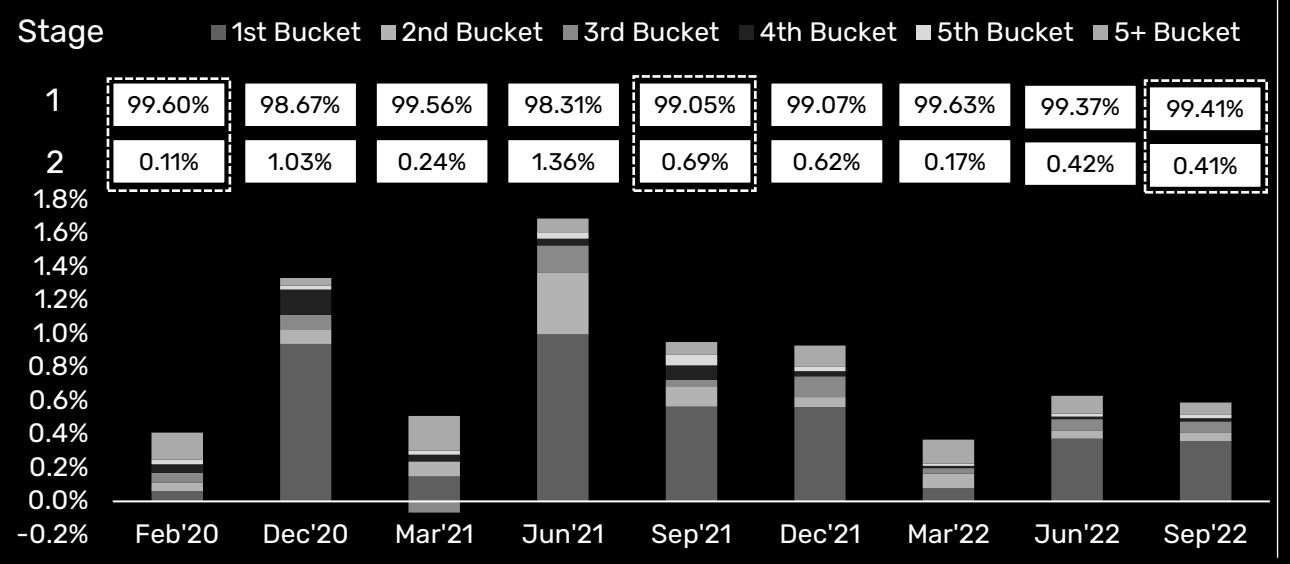


Portfolio credit quality after adjusting ECL provisions | Feb'20 has been retained as a pre covid benchmark

Portfolio credit quality – Consolidated

BAJAJ FINANCE LIMITED

Home loans



Commercial lending

- Commercial lending business portfolio is 99.86% current

Securities lending

- Securities lending business portfolio is 99.98% current

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

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

BAJAJ FINSERV

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
• Consumer Durable • Mobile • Lifestyle	• Personal Loans(2) • Salaried PL-Lead	• Home Loan • LAP	• Gold Loan • LAS • Used Car	• Professional Loans • SME Loans • Medical equipment	• EMI Card • RBL Bank Card	• Fixed Deposit • Systematic Dep Plan (SDP)	• Fin fitness report • Credit health report

Rewards

Earn For "Payment transactions"				Burn		
• Offers	• Cashbacks	• Vouchers	• Bajaj Coins	• Convert to Cash	• Bill Payment	• 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
• Loan Info • Deposit Info • Flexi Loan Info • Mandate Services • Mutual Fund	• Card Limit • Card Status • Card Block/Unblock • PIN Change	• Loan Statement • Repay Schedule • FD Statement • NOC • Cert. of Insurance • Gold receipt	• Invoice • EMI Charge Slip • App. Form • T & C • Agreement • Form 15G	• Overdue, Advance Payments • Prepayments • Drawdown	• FD Details • TDS Waiver • Nominee addition	• PAN Update • Mobile Update • Email ID Update • Address Update • DOB Update	• EMI Calculator • Flexi Calculator • Loan Eligibility • FD 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

BAJAJ FINSERV

Core Components (20)

Stimulation	Offers and Promotions	Search	Service	Sales	Engagement	Utilities
• Notification Engine • Nudges • Personalization	• Dynamic Banners • Offers • Wishlist	• Search • Content Streams	• Raise a Request • FAQ • Document Centre	• 5 Mins Call Back • Track and Resume Application	• Social Share • NPS/Feedback • In-App Programs	• Locate Us- Maps • QR • Calculators • Expense Manager

Data

Channels Data	Structured	Unstructured	Consent based App Data
• Web • Mobile • IVR • Dialler • Email	• Customer Demographics • Loan & Other Information • Banking & Collections • Transactions	• **Cookies** • **Consent based SMS data** • **Click Streams**	• Device Info • Appography • Contacts Info • Network Info

APIs

400+ Digital APIs

Core Platform

Loan/Deposit Origination Platform	Loan/ Deposit Booking Platform	Debt Management Platform	Loan/Deposit Service Management Platform
• Loan/Deposit Sourcing APIs • Journey Workflows • Journey Business Rules • Decision Engine	• Loan Booking APIs • Loan Disbursement APIs • Deposit Booking APIs	• Overdue Payment APIs • Advance Payment APIs • Loan Settlement APIs	• 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

New Talent Onboarded

- Onboarded 5**80+ Laterals and Fresh hires** in last 18 Months in multiple domains

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

BAJAJ FINSERV

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:** Cons. Durable- NTB; Mobile- NTB; Lifestyle- NTB **Unsecured Lending:** Personal Loans (9); Salaried PL (15) **Mortgage:** Home Loan; LAP; Sec. Enterprise Loan **Other Secured:** Gold Loan(3); LAS; 2-Wheeler & Used Car (1) **SME/Prof. Lending:** Prof. Loans (5); SME Loans (2); Medical equipment **Cards:** EMI Card; Health Card; RBL Bank Card; DBS Bank Card **Deposits:** Fixed Deposits(6); SDP(2); GBS; Loan Against FD **Fee based Services:** Credit health report (2.0)
Rewards	**Earn:** Offers; Cashbacks; Vouchers; Merchant Sponsored Vouchers; Bajaj Coins **Burn:** Convert to Cash; Bill Payment; 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:** Enhanced Engage & Compliance Frames **Debt management One App:** Compliance, Legal & Repo Mgmt. **Partner One App 2.0:** Loan Sourcing , Dashboards **Merchant One App:** Onboarding, Payment Dashboards
Services	**Information:** Loan Info; Deposit Info; Flexi Loan Info; Mandate Services; Mutual Fund **EMI, Credit Card:** Limit & Enhancement; Card Status; Card Block/Unblock; PIN Change; EMI Card Trx history **Statement:** Loan Stat.; Repay Schedule; FD Statement; NOC; COI (10); GDR & FDR **Documents:** Invoice; LTS & Charge Slip; App. Form; T & C; Sanc Letter & Agmt; Form 15G **Repayments:** OD & Adv Pay; Prepay, DD & FC; GL – Part Release; EMI Vault; Cash Pick-up 2.0; Smart Debit 2.0 **FD & SDP:** FD Details; Nominee addition; Renew FD; TDS Waiver; Pre-Maturity FD; Start Stop SDP **Profile Update:** PAN & DOB; Mobile & Email ID; Address; Bank Details; Re-KYC **Calculators:** EMI & Flexi; Loan Eligibility; Shares + MF cal; FD, SDP & GBS; Mortgage Cal; GST 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)

Phase 1 | Phase 2 Sprint 1 | Phase 2 Sprint 2/3

Digital app platform – Phase 2 enablers

BAJAJ FINSERV

	Stimulation	Offers and Promotions	Search	Service	Sales	Engagement	Utilities
Core Components (23)	• Notification Engine • Nudges • Personalization	• Dynamic Banners • Offers • Wishlist & Cart • Segmented Banners	• Search • Content Streams • Geo Search	• Raise a Request • FAQ • Document Centre	• 5 Mins Call Back • Track and Resume Application	• Social Share • NPS/Feedback • In-App Programs	• Locate Us- Maps • QR • Calculators • Expense Manager • PODs (4)

	Channels Data	Structured	Unstructured	Consent based App Data	Contextual Data
Data	• Web • Mobile • IVR • Dialer • Email	• Customer Demographics • Loan & Other Information • Banking & Collections Txns. • Financial Services Journey Heatmaps • External – Bureau, Acc Agg, etc.	• Cookies • Consent based SMS Data • Consent based Email Data • Click Streams	• Device Info • Appography • Contacts Info • Network Info • Location & Phone State	• **Personal Events** • **External Events**

APIs	600+ Digital APIs

	Loan/Deposit Origination Platform	Loan/ Deposit Booking Platform	Debt Management Platform	Loan/Deposit Service Management Platform
Core Platform	• Loan/Deposit Sourcing APIs 2.0 • Journey Workflows 2.0 • Journey Business Rules 2.0 • Decision Engine	• Loan Booking APIs • Loan Disbursement APIs • Deposit Booking APIs	• Overdue Payment APIs • Advance Payment APIs • Loan Settlement APIs	• Service APIs for Loans 2.0 • 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

New Talent Onboarded	• Projected Cumulative addition of 1400+ Lateral and Fresh hires in Phase 1 and 2 of Digital Transformation Journey				
	150+ UI/UX , Content Management, & Digital Domain specialist	400+ Payment Domain Resources	625+ Engineering Resources	130+ Data Resources	100+ Core Platform & Infra Resources

Phase 1 | Phase 2 Sprint 1 | Phase 2 Sprint 2/3

There are 15 stacks and 117 features and components.

Disclaimer

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.