BAJAJ FINANCE LIMITED

Q3 FY23 Investor Presentation
27 January 2023

Presentation Path

BAJAJ FINANCE LIMITED

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Section 01

Executive summary – Q3 FY23

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Executive summary

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Good quarter across all financial and portfolio metrics albeit marginally lower AUM growth. On track to deliver $ 6-6.5K MM of core AUM growth in FY23. Q3 witnessed highest ever loans booked and new customer addition. Crossed 31 MM net users on the App. Phase 2 of Consumer App has started to go live. On track to go fully digital across all products and services by March 2023…

	AUM	Opex to NII	PAT	ROE	Net NPA
Q3 FY23	$ 28,083 MM YoY Growth 27%	34.7% Q3 FY22 34.7%	$ 362 MM YoY Growth 40%	23.98% Q3 FY22 21.20%	0.41% Q3 FY22 0.78%

Lead financial indicators

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Consolidated performance

1. AUM growth of $ 1,518 MM in Q3. AUM growth was slower in mortgages due to intense pricing pressures.
2. AUM was up 27% at $ 28,083 MM as against $ 22,050 MM as of 31 December 2021.
3. New loans booked in Q3 were highest ever at 7.84 MM. New loans booked in Q3 FY22 were 7.44 MM.
4. In Q3, B2B disbursements were up 6% at $ 1,950 MM as against $ 1,838 MM in Q3 FY22. B2B business witnessed muted post festive demand in November and December. January is looking better.
5. The Company recorded highest ever new customer addition of 3.14 MM in Q3. Given strong momentum in first 3 quarters, the Company now estimates new customer addition at 11 MM+ in FY23.
6. Customer franchise stood at 66.05 MM as of 31 December 2022. Cross sell franchise stood at 38.58 MM. Confident of ending the fiscal with 68.5-69 MM customer franchise.
7. In Q3, the Company added 29 new locations. Geographic presence stood at 3,714 locations and 1,43,900+ distribution points as of 31 December 2022.
8. Competitive intensity remained elevated across all products. The Company continues to protect its margin profile across businesses. The Company is gradually passing on the impact of higher interest rates to customers across businesses.
9. In Q3, cost of funds was 7.14%. Cost of funds increased by 23 bps over Q2 FY23. However, the Company delivered NIM at Q2 levels despite an increase in cost of funds.
10. Liquidity buffer stood at $ 1,552 MM as of 31 December 2022. Given strong ALM management, the impact of recent interest rate hikes on cost of funds remains gradual.

Lead financial indicators

11. Deposits book stood at $ 5,229 MM as of 31 December 2022. In Q3, the net deposit growth was $ 433 MM. Deposits contributed 21% of consolidated borrowings as of 31 December 2022. The Company is on track to deliver its goal of 25% of consolidated borrowings from deposits in the medium term.
12. Net interest income (NII) for Q3 FY23 increased by 24% to $ 905 MM from $ 731 MM in Q3 FY22. NII growth was 28% after adjusting NII of $ 25 MM earned in IPO financing in Q3 FY22 which has since been discontinued due to change in regulation.
13. In Q3, Opex to NII improved to 34.7% versus 35.9% in Q2. The Company continues to invest in teams and technology for business transformation. The Company expects to sustain its operating efficiencies in Q4 as well.
14. In Q3, loan losses and provisions were $ 102 MM. The Company expects its loan losses and provisions at 1.4-1.5% of average assets in FY23. The Company holds a management and macro-economic overlay of $ 122 MM as of 31 December 2022.
15. GNPA & NNPA stood at 1.14% and 0.41% as of 31 December 2022 as against 1.17% and 0.44% as of 30 September 2022.
16. Overall stage 2 assets stood at $ 348 MM as of 31 December 2022 as against $ 384 MM as of 30 September 2022.
17. Overall stage 3 assets stood at $ 318 MM as of 31 December 2022 as against $ 308 MM as of 30 September 2022.
18. Credit quality metrics across portfolios remains strong in Q3.
19. The product mix remained steady across 9 different verticals.
20. Consolidated post tax profit grew by 40% to $ 362 MM in Q3 FY23 as compared to $ 259 MM in Q3 FY22.
21. Capital adequacy remained strong at 25.14% as of 31 December 2022. Tier-1 capital was 23.28%.

Lead financial indicators

22. Total employee headcount stood at 40,708 (BFL, BHFL and BFSL) as of 31 December 2022.

23. During the quarter, the Company acquired approximately 41.5% stake (on fully diluted basis) in Snapwork Technologies Private Limited for $ 11.28 MM with an intent of strengthening its technology roadmap.

Bajaj Housing Finance Limited (BHFL)

24. AUM was up 33% at $ 7,978 MM as against $ 5,986 MM as of 31 December 2021. Home Loans AUM grew by 31%, Loan against property grew by 16%, Lease Rental Discounting grew by 59% and Developer Finance grew by 69%.

25. In Q3, overall approvals grew by 14%. Approvals were $ 1,766 MM in Q3 FY23 as against $ 1,542 MM in Q3 FY22.

26. In Q3, disbursements were $ 904 MM as against $ 967 MM in Q3 FY22, recording a de-growth of 6.5%.

27. Geographic presence stood at 158 locations.

28. Portfolio composition for HL : LAP : LRD : DF : Rural : Others stood at 61% : 10% : 15% : 7% : 4% : 3% as of 31 December 2022. Home loan continues to be a key focus area.

29. In Q3, cost of funds increased by 49 bps to 7.12%. Liquidity buffer stood at $ 511 MM as of 31 December 2022.

30. Borrowing mix between Banks : Money market : Assignment : ICD stood at 51% : 35% : 13% : 1% as of 31 December 2022.

31. Capital adequacy ratio stood at 23.00% as of 31 December 2022. Tier-1 capital was 22.25%.

32. BHFL post tax profit grew by 81% to $ 41 MM in Q3 FY23 as compared to $ 23 MM in Q3 FY22.

33. In Q3, Opex to NII stood at 24.5% as against 28.7% in Q3 FY22.

34. In Q3, loan losses and provisions were $ 4 MM as against $ 7 MM in Q3 FY22. BHFL holds a management and macro-economic overlay provision of $ 29 MM as of 31 December 2022.

Lead financial indicators

35. GNPA & NNPA stood at 0.23% and 0.10% as of 31 December 2022 as against 0.24% and 0.11% as of 30 September 2022.
36. Overall stage 2 assets stood at $ 48 MM as of 31 December 2022 as against $ 53 MM as of 30 September 2022. Non overdue one-time resolution (OTR) assets classified as stage 2 as of 31 December 2022 stood at $ 22 MM.
37. Overall stage 3 assets stood at $ 16.4 MM as of 31 December 2022 as against $ 15.9 MM as of 30 September 2022.
38. Total employee headcount stood at 2,814 as of 31 December 2022.

Bajaj Financial Securities Limited (BFSL)

39. In Q3, BFSL added 77.1K customers to its broking franchise. Its Retail and HNI customer franchise stood at 523.3K as of 31 December 2022.
40. BFSL is currently present in 24 locations. In Q3, it added 6 new locations. It expects to end the year with 30 locations.
41. In Q3, BFSL delivered significant upgrades of its web and app platforms with addition of 45 new features. BFSL plans to add 50-60 new features in Q4.
42. Margin Trading Finance AUM was $ 131 MM as of 31 December 2022 as against $ 94 MM as of 31 December 2021, a growth of 40%.
43. In Q3, total Income was $ 7 MM as against $ 5 MM in Q3 FY22. Total income in Q3 FY22 included $ 900K earned on account of IPO application and allotment.
44. In Q3, Profit after tax was $ 365K as against $ 851K in Q3 FY22.
45. Total employee headcount stood at 532 as of 31 December 2022.

Omnipresence strategy update

Omnipresence strategy update

Geography – 29 new locations added

1. Total geographic footprint stood at 3,714 locations and 1,43,900+ distribution points. The Company added 29 new locations and 600+ distribution points.

App platform – To go fully digital across all products and services

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.

3. Sprint 1 of phase 2 is live on Play Store, covering Personal Loans, Multi bank Co Branded Credit Cards, Two-Wheeler Marketplace and EMI Card sourcing.

4. As part of sprint 1, 6 Category landing page (CLP) which enable consumers with easier navigation and information have gone live. 4 product display page (PDP) have also gone live leading to significantly enhanced pre-buy experience. Eventually, there will be overall 13 CLP and 18 PDP sections covering all products and services of the Company.

5. Sprint 2 is scheduled for February 2023. Sprint 2 has end-to-end journeys for fixed deposit, business loan, doctor loan and Chartered accountant loan. Sprint 2 also has new feature additions in fixed deposit services, Insurance services along with service-related nudges and reminders.

6. The final sprint will have end-to-end journeys for all Mortgages products, Gold loan, loan against securities, used car financing and secured business loan which is scheduled for March 2023.

Omnipresence strategy update

Payments

7. Sprint 2 is now live on Play Store and will be scaled up in staggered release methodology. 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.

8. After successfully onboarding existing BFL merchants on Bajaj Pay QR, the Company has accelerated QR deployment at small and medium merchants by mobilizing its distribution channels starting Q3 FY23. Bajaj Pay QR enables merchants to accept payments by way of UPI, PPI (Bajaj Pay Wallet) & Bajaj EMI (where eligible). The Company expects to deploy 450-500K merchant QRs in Q4 FY23.

Web platform – On track for 'Web=App' across all products and services

9. As articulated in Q1, Web platform transformation will have 2 phases. Phase 1 is live with full stack customer service offerings, revamped home page, customer assistance tools like calculators, credit reports, cart etc. Consumer application journeys namely, Personal Loans, EMI card, B2B and two-wheeler marketplace are also live on the platform.

10. Phase 2 will have end-to-end journeys for fixed deposit, business loan, co-brand Credit Cards, Doctor Loan, Chartered Accountant loan, Mortgages, Gold loan, loan against securities, used car financing and secured business loan.

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

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Particulars	Unit	Q1 FY23	Q2 FY23	Q3 FY23	FY23 estimates
Geography					
New locations added – in the Qtr	#	82	99	29	400-450
Locations - Cumulative	#	3,586	3,685	3714	3,900-3,950
Gold loan branches – Cumulative	#	155	175	179	375
App Metrics					
Downloads – In the Qtr	# in MM	11.01	12.59	14.84	53-55
Net Installs – Cumulative	# in MM	23.0	26.6	31.5	35-38
In-App programs – Cumulative	#	62	87	101	100+
Ranking in financial domain in Playstore	#	6	5	5	Top 5
Service requests initiated on app – In the Qtr	% of total SR	15%	19%	22%	23-25%
App Payments metrics					
Wallet accounts – Cumulative	# in MM	8.91	11.80	14.40	18.50
UPI handles - Cumulative	# in MM	3.61	7.23	10.39	12
Bill pay transactions – In the Qtr	# in MM	2.06	3.59	5.00	12
QRs at merchant PoS - Cumulative	# in '000	18	78	214	600-700
Rewards issued - In the Qtr	# in MM	4.8	9.1	17.3	37-40

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

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Particulars	Unit	Q1 FY23	Q2 FY23	Q3 FY23	FY23 estimates
App business metrics					
EMI cards acquired on App – In the Qtr	# in '000	69	100	100	300-325
Personal loan disbursed on App – In the Qtr	In $ MM	257	291	280	9,000-10,000
Credit card acquisition on App - In the Qtr	# in '000	30	47.8	59.2	175-200
Flexi loan transactions on App - In the Qtr	# in '000	866	1,030	1,481	3.6-3.8 MM
DMS receipts on App - In the Qtr	# in '000	644	770	900	3.0-3.2 MM
Marketplace metrics					
Bajaj Mall visits - In the Qtr	# in MM	31.8	33.6	44.2	140-150
Bajaj Mall loans - In the Qtr	# in '000	645	562	619	2.6-2.8 MM
Insurance Bazaar policies – In the Qtr	# in '000	9.5	23.5	153.7	250-275
Investments Bazaar MF A/C – In the Qtr	# in '000	10	20.8	19.5	100-110
Digital EMI card metrics					
EMI cards acquired digitally – In the Qtr	# in '000	522	664	637	2.0-2.2 MM
EMI cards acquired digitally – CIF	# in MM	2.3	2.6	3.1	3.8-4.0
B2B loans from digital EMI cards – in the Qtr	# in '000	227	269	284	1.0-1.2 MM

Customer franchise - Key financial metrics

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Particulars	Unit	FY17	FY18	FY19	FY20	FY21	FY22		9M FY22	9M FY23
New loans booked	In MM	10.1	15.3	23.5	27.4	16.9	24.7		18.4	22.0
New customer addition	In MM	4.1	6.1	8.3	8.1	6.0	9.0		6.8	8.5
Existing customer mix	%	59.8%	60.3%	64.8%	70.4%	64.6%	63.5%		63.0%	61.4%
Total franchise	in MM	20.1	26.2	34.5	42.6	48.6	57.6		55.4	66.1
Cross sell franchise	in MM	11.0	15.4	20.7	24.1	26.9	32.8		31.3	38.6
Co-branded credit cards sold	in MM	0.03	0.39	0.81	1.12	0.70	1.36		0.99	1.42
Other financial products sold to existing customers	in MM	0.06	0.08	0.19	0.27	0.67	2.23		1.61	1.64
AUM per cross sell franchise	$	666	650	682	742	692	713		705	728
PAT per cross sell franchise	$	20	20	24	27	20	26		18	26

Update on Long Range Strategy 2023-27

Long Range Strategy (LRS) framework

LRS is an annual 5 year rolling strategy planning process with an execution plan of 12-24 months. As part of LRS, the Company analyses macro, industry outlook, technology megatrends, business megatrends and selects a leading benchmark company to learn from. A rolling bottom's up financial plan is created every year to reflect impact of strategy on business outcomes. LRS is a 13 year old highly institutionalised and rigorous process and involves top 500 people spanning over 45-50 days period…

BFL business construct...

① Ambition	To be a leading payments and financial services company in India. Dominate with 100 MM consumers, market share of 3% of payments GMV, 3-4% of total credit and 4-5% of retail credit in India.
② Strategy	To be an omnipresent financial services company dominant across all consumer platforms - physical, app, web, social, rewards and virtual.
③ Approach	To acquire & cross-sell across payments, assets, deposits, insurance, investments and broking products to Consumer, MSME, Commercial and Rural consumers across all consumer platforms.

BFL business construct...

④ Philosophy	To build businesses with a 10 year view anchored on prudence and risk management to deliver 'through the cycle' 19–21% shareholder returns.
⑤ Market share	Every business of the company to be amongst top 5 in their respective product.
⑥ Profit share	To be amongst top 20 profit-making companies in India and amongst top 5 profit-making financial services companies in India.

India's total credit market is forecasted to grow from $ 1.8 trillion to $ 2.9 trillion, at an average growth rate of 12.4%

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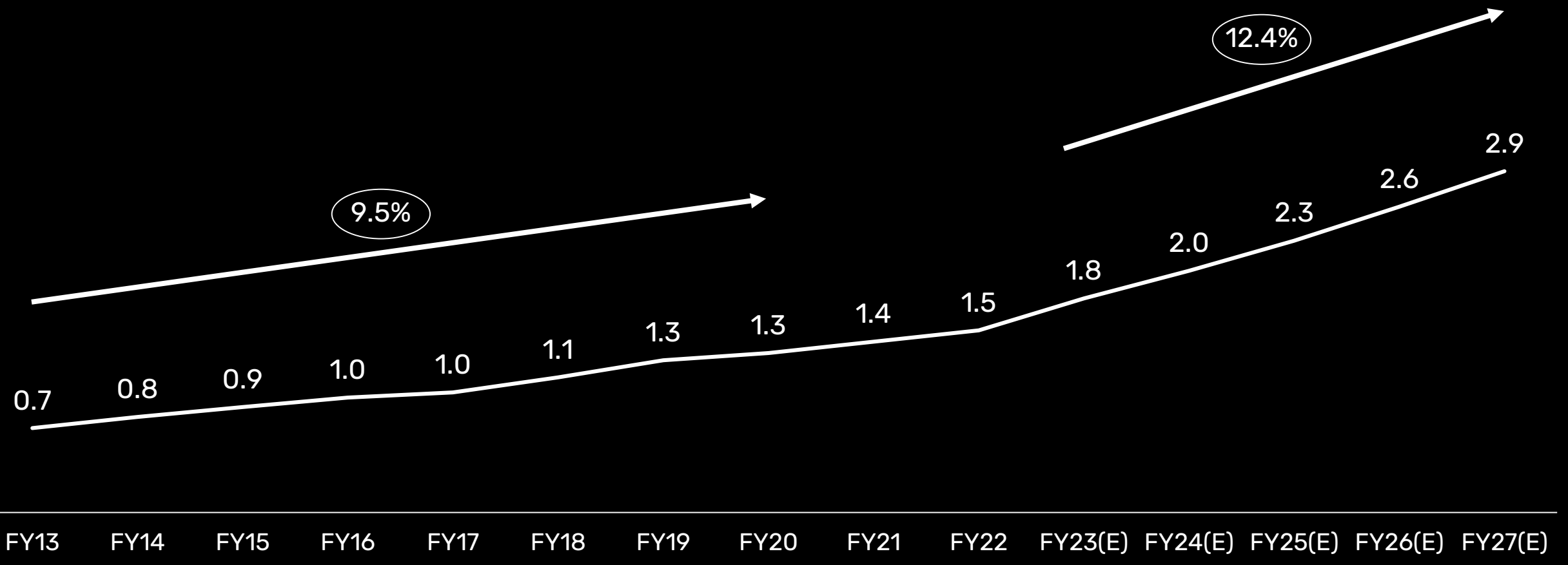
in $ trillion



Source : RBI Statistical Tables; Gross Deployment of Bank Credit – RBI, Financial Stability report - RBI

Total Credit = Bank Credit – Advances outside India – Advances to NBFC + NBFC Credit

Assumptions - Growth rate for bank credit is taken in the range of 11% - 13% and for NBFC it is taken in the range of 13% -15% for FY23 -27

India's retail credit mix is forecasted to remain steady. BFL is currently not present in 28% of retail credit categories namely Auto, CV & Agri

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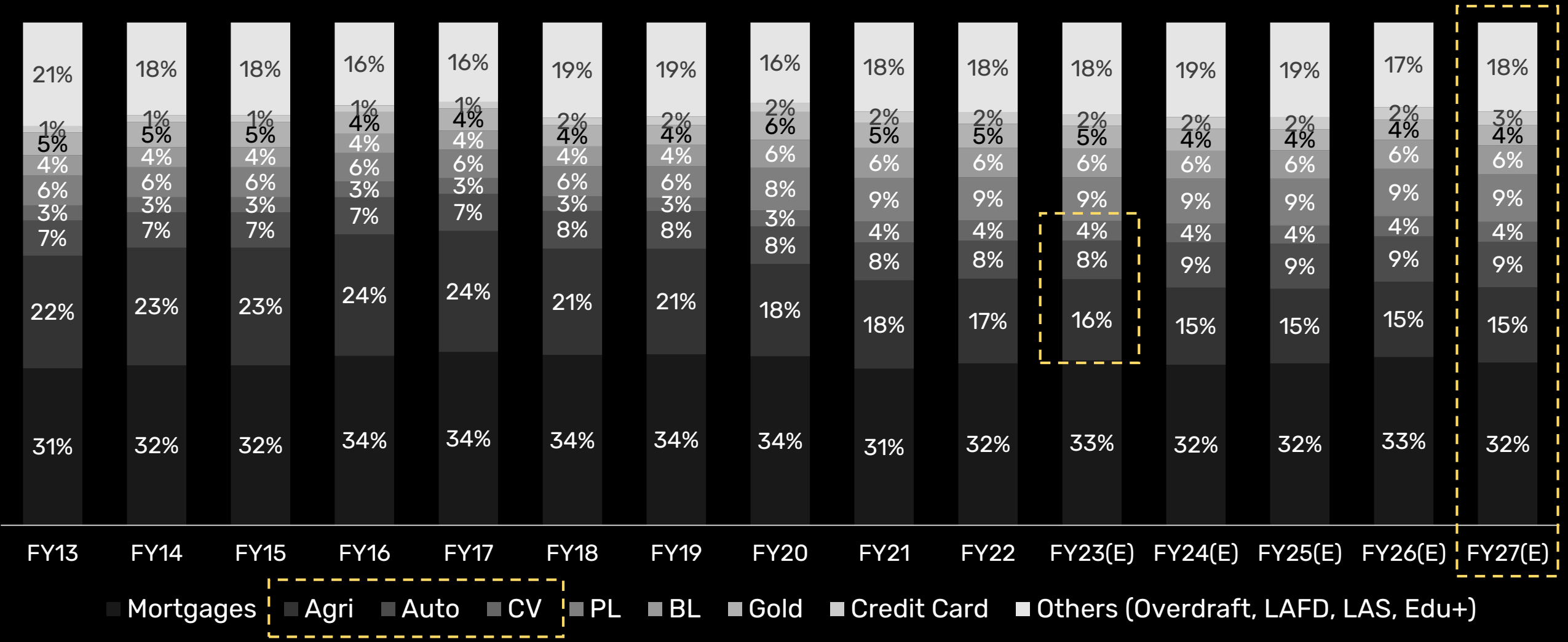

Source : Internal research and published regulatory data and reports

15 megatrends from a long-range perspective

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India stack (2)	Platform (4)	Product (4)	Technology (5)
Account Aggregator	Social as a platform	Pre-owned	Augmented reality
ONDC	Rewards as a platform	Monetizing digital assets	Data privacy
	Offline to Online	UPI as open architecture	CX – Customer experience practice
	Hyper personalization	Bajaj+	Vernacular
			Voice

Strategic construct – 5 blocks of strategy

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1 Products (12)

Be amongst the top 5 players in each product line

Megatrends – Pre-owned, UPI as Open architecture
New Product Lines– Auto, MFI, Tractor, CV, Emerging corporate
New Product Innovations – B2B on QR, B2B on EDC, Bajaj+, Flexi on QR, Insta PL card

2 Geography (3)

जहाँ BAJAJ FINSERV वहाँ BAJAJ FINSERV के सारे products

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

5 Subsidiaries

Grow and dominate in their respective industries

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

Contribute 12-15% of retail mortgages and 20-25% of broking accounts

3 Platforms (10)

Dominate all platforms of consumer presence & generate 50% of business from digital platforms

Megatrends – Social & Reward platforms
Consumer App – Hyper personalization, AR, CX
Consumer Web - Discoverability, CX, Video, Vernacular
Marketplace – Bajaj Mall 2.0

4 Horizontal functions (9)

Pursue operational excellence and deliver robust controls and compliance

Megatrends – Account Aggregator, data privacy
Risk – Know everyone
DMS – readiness for 6 MM receipts per month
Operations – STP across all products
Service – FPC, self-service
Technology – Consumerization of technology stack
Treasury - Diversified liability profile

LRS 2023-27 execution plan

1. Launched Loan Against Property (LAP) business in BFL for MSME customers in January 2023.
2. Launched Bajaj+ in January 2023.
3. Launch New Auto Loans in Q2 FY24, Micro Finance in Q4 FY24 and Tractor financing in Q1 FY25.
4. Launch Emerging corporate business in Q3 FY24.
5. Launch B2B on QR and EDC in Q4 FY24, Flexi on QR in Q4 FY24 and Insta PL card in Q4 FY24.
6. Deploy 8 megatrends by FY24 and balance 7 megatrends by FY25.
7. Launch Rewards as a platform in Q4 FY24 and Social as a platform in Q2 FY25.
8. Open 100 locations in UP, Bihar and North-East in FY24 and another 100 locations in FY25.
9. Continue investing in horizontal capabilities for operational excellence and deliver robust controls and compliance.

LRS Outcomes

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Sr. No.	Basic construct	Target Metric	9M FY23	FY27 (E)
1	Customer Franchise (MM)	100	66.1	110-120
2	Cross-sell Franchise (MM)	60	38.6	65-70
3	India payments GMV	3%	0.03%	1-1.25%
4	Share of total credit	3-4%	1.61%	2.5-2.75%
5	Share of retail credit	4-5%	2.47%	3.5-3.75%
6	Location presence	4,300-4,500	3,714	4,300-4,500
7	App – Net installs (MM)	60	31.5	70-80
8	Web – Visitors (MM)	NA	165	1,100-1,200
9	Return on Equity	19-21%	23.5%	20-22%
10	AUM per cross sell franchise	$ 1,217	$ 728	$ 1,034-1,095
11	PAT per cross sell franchise	$ 49	$ 26	$ 43-45

Henceforth, we will be publishing an abstract of rolling Long Range Strategy and an update along with Q3 results every year…

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

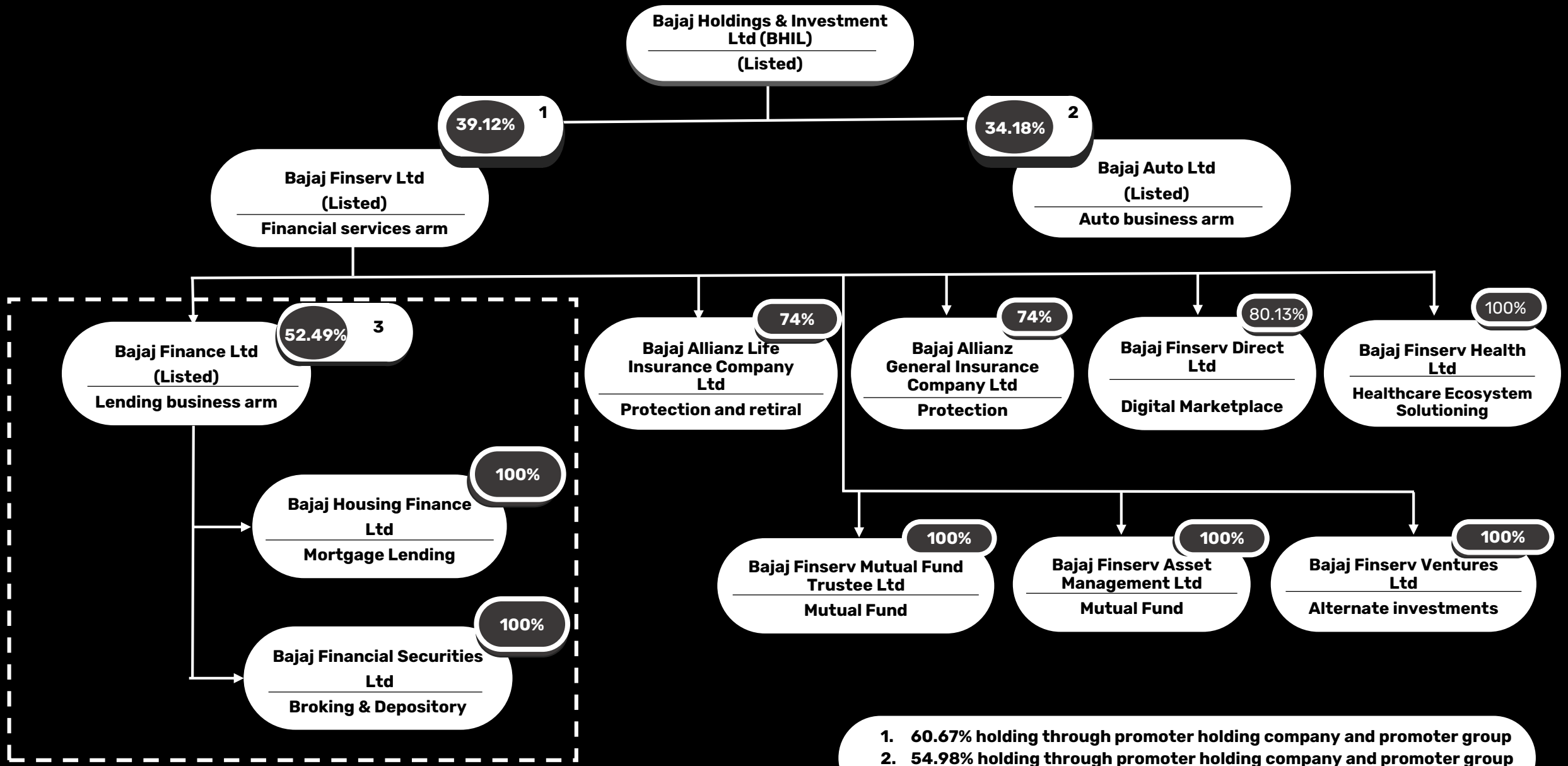
2.6 Our shareholder profile

2.7 15-years financial snapshot

2.8 Product suite

2.9 Executive summary

Bajaj group structure



1. 60.67% holding through promoter holding company and promoter group
2. 54.98% holding through promoter holding company and promoter group
3. 55.86% holding through promoter holding company and promoter group

Above shareholding is as of 31 December 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

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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%

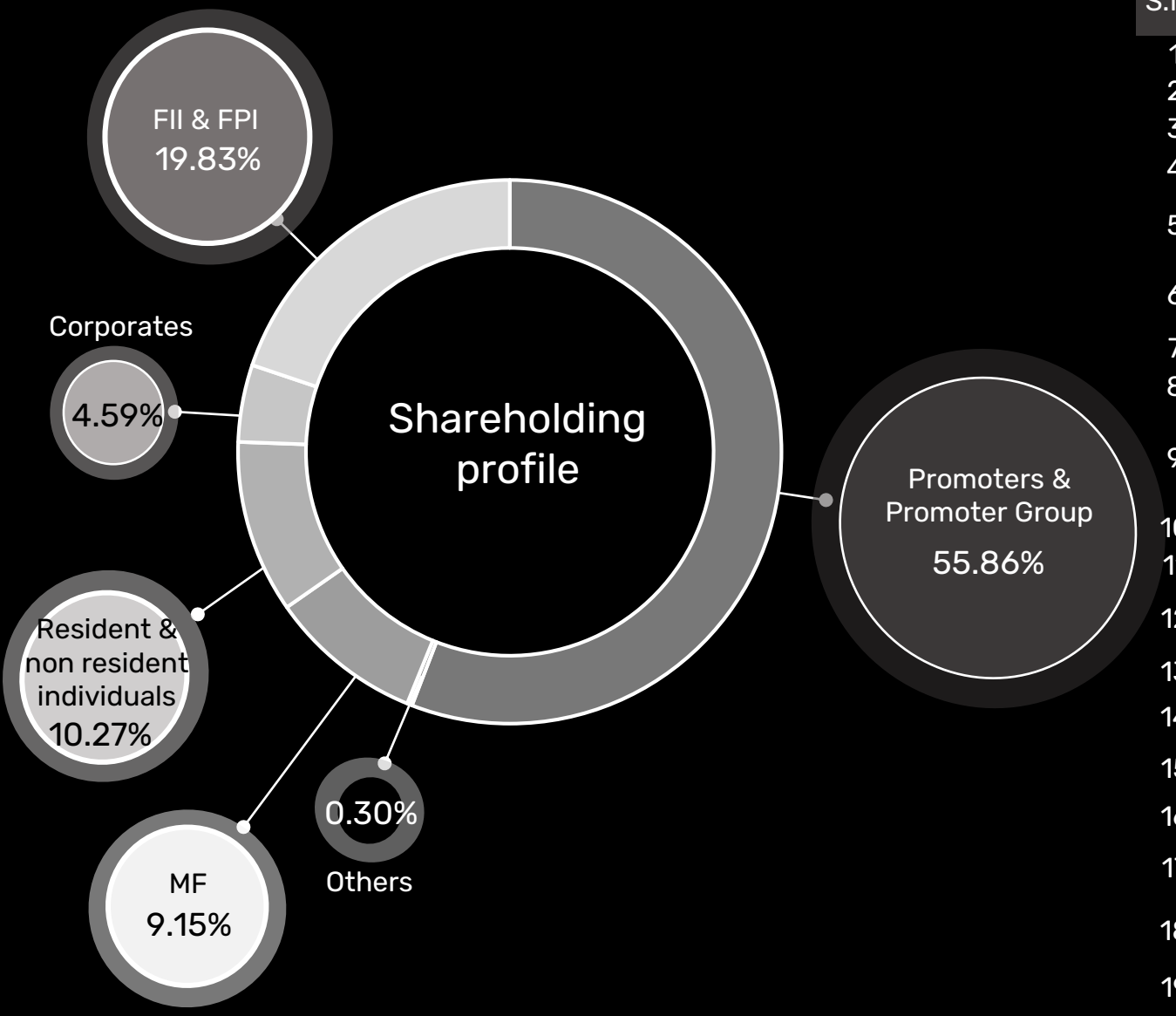
Return on assets
in corridor of
1.7%-2.0%

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 66.05 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 33% : 10% : 13% : 12% : 32%. Consolidated borrowing mix for Money Markets: Banks: Deposits: ECB stood at 47% : 31% : 21% : 1%
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 31 December 2022

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Top 20 investors & their holdings

S.No	Name of Shareholder	As on 31 Dec 22	As on 30 Sept 22	As on 31 Dec 21
1	BAJAJ FINSERV LTD	52.49%	52.49%	52.65%
2	GOVERNMENT OF SINGAPORE	3.44%	3.37%	3.13%
3	MAHARASHTRA SCOOTERS LIMITED	3.13%	3.13%	3.14%
4	SBI NIFTY 50 ETF	0.85%	0.83%	0.71%
5	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS BLUECHIP FUND	0.77%	0.77%	0.73%
6	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND	0.69%	0.69%	0.75%
7	NEW HORIZON OPPORTUNITIES MASTER FUND	0.55%	0.59%	0.77%
8	SBI S&P BSE SENSEX ETF	0.54%	0.52%	0.41%
9	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	0.54%	0.54%	0.54%
10	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	0.53%	0.48%	0.15%
11	NEW WORLD FUND INC	0.53%	0.53%	0.58%
12	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0.52%	0.52%	0.51%
13	SBI LIFE INSURANCE CO. LTD	0.49%	0.47%	0.46%
14	EUROPACIFIC GROWTH FUND	0.44%	0.44%	0.37%
15	PEOPLE'S BANK OF CHINA	0.40%	0.40%	0.39%
16	SBI EQUITY HYBRID FUND	0.40%	0.40%	0.35%
17	ISHARES CORE MSCI EMERGING MARKETS ETF	0.39%	0.08%	-
18	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS FOCUSED 25 FUND	0.37%	0.39%	0.48%
19	UTI FLEXI CAP FUND	0.35%	0.35%	0.33%
20	SBI FOCUSED EQUITY FUND	0.35%	0.35%	0.15%

15-years financial snapshot

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Values in MM
USD 1 – INR 82.2

Financials snapshot @	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	**CAGR (15 yrs.)**
AUM	301	309	491	921	1595	2131	2927	3943	5381	7,323	10,027	14,098	17,902	18,607	24,021	**37%**
Income from operations	61	73	111	171	264	378	495	659	892	1,215	1,552	2,251	3,210	3,246	3,850	**34%**
Interest expenses	21	20	24	45	91	147	191	273	356	463	561	806	1,152	1,145	1,186	**34%**
Net Interest Income (NII)	40	53	87	126	173	232	304	386	536	753	991	1,445	2,058	2,101	2,664	**35%**
Operating Expenses	23	27	39	56	82	103	140	174	231	312	398	511	689	646	924	**30%**
Loan Losses & Provision	13	20	32	25	19	22	31	47	66	98	125	183	478	726	584	**31%**
Profit before tax	4	6	16	45	73	106	133	165	239	343	468	752	891	729	1,156	**51%**
Profit after tax	3	4	11	30	49	72	87	109	156	223	304	486	640	538	855	**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 3,714 locations with over 143.9K+ point of sale
- Customer franchise of 66.05 MM as of 31 December 2022
- Amongst the largest new loan acquirers in the country (7.84 MM in Q3 FY23)
- AUM mix as of 31 December 2022 – Urban : Rural : SME : Commercial : Mortgages stood at 33% : 10% : 13% : 12% : 32%
- AUM of $ 28,083 MM as of 31 December 2022 and post tax profit of $ 362 MM in Q3 FY23
- Capital adequacy ratio (including Tier II capital) of 25.14% as of 31 December 2022. Tier I capital stood at 23.28%

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 $ 24,491 MM with a mix of 47% : 31% : 21% : 1% between money markets, banks, deposits & ECB as of 31 December 2022

Credit Quality

- Consolidated GNPA and NNPA as of 31 December 2022 stood at 1.14% and 0.41% respectively
- Provisioning coverage ratio was 64% as of 31 December 2022
- Provisioning coverage on stage 1 & 2 stood at 116 bps as of 31 December 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 $ 20,482 MM as of 31 December 2022
- AUM mix as of 31 December 2022 – Consumer : Rural : SME : Commercial : Mortgage stood at 44% : 14% : 18% : 16% : 8%
- Post tax profit of $ 319 MM in Q3 FY23
- Capital adequacy ratio (including Tier II capital) of 25.14% as of 31 December 2022. Tier I capital stood at 23.28%

Consumer business

- Present in 1,392 locations with 102.9K+ active distribution points of sale as of 31 December 2022
- Largest consumer electronics, digital products & lifestyle products lender in India
- 2-wheeler financing business disbursed 261.9K accounts in Q3 FY23 (growth of 32% YOY)
- 3-wheeler financing business disbursed 41K accounts in Q3 FY23 (growth of 73% YOY)
- Amongst the largest personal loan lenders in India

Payments

- EMI Card franchise stood at 35.9 MM cards in force (CIF) as of 31 December 2022
- Co-branded credit card CIF stood at 3.29 MM as of 31 December 2022
- Digital app platform has 31.5 MM net users as of 31 December 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 2,322 towns and villages with 33.5K+ active distribution points of sale as of 31 December 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 $ 4K to $ 730K 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 $ 18,009 MM with a mix of 48% : 22% : 29% : 1% between money markets, banks, deposits & ECB as of 31 December 2022
Credit Quality	• GNPA and NNPA as of 31 December 2022 stood at 1.45% and 0.52% respectively • Provisioning coverage ratio as of 31 December 2022 was 65% • Provisioning coverage on stage 1 & 2 stood at 132 bps as of 31 December 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 $ 7,978 MM as of 31 December 2022. Post tax profit of $ 41 MM for Q3 FY23
- Capital adequacy ratio (including Tier II capital) was 23.00% as of 31 December 2022

Home Loans

- Offers home loans to salaried customers for an average ticket size of $ 62K
- 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 31 December 2022
- Home loan mix as of 31 December 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 $ 80K
- Focused on offering customized propositions to both self employed and salaried customers
- Present in 25 locations as of 31 December 2022

Rural

- Offers home loans and loans against property to salaried and self-employed customers with an average ticket size of approximately $ 23K for home loans and $ 17K for loan against property
- Hub and spoke strategy through branch network, ASSC tie ups and channel partners
- Present in 109 locations as of 31 December 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 $ 1.2 MM to $ 67 MM • Present in 12 locations as of 31 December 2022
Developer Financing	• Offers construction finance and inventory finance mainly to category A and A+ developers in India • Offers developer financing from $ 0.6 MM to $ 61 MM • Present in 11 locations as of 31 December 2022
Credit Quality	• GNPA and NNPA as of 31 December 2022 stood at 0.23% and 0.10% respectively
Treasury	• Strategy is to create a balanced and sustained mix of borrowings • Borrowings stood at $ 6,323 MM with a mix of 51% : 35% : 13% : 1% between banks : money markets : assignment : ICD as of 31 December 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 – BFSL

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 $ 7 MM for Q3 FY23 and $ 18 MM for 9M FY23 • Delivered PAT of $ 365K for Q3 FY23 and $ 669K for 9M 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 Q3 FY23 stands at $ 122 MM • Physical branch network across has been expanded to 24 locations. Opened 6 new Branches during Q3 FY23 • Working on Geo-Expansion of our Branch network and planning to reach to 30+ Branches by the end of FY23 • Added 5.8K UHNI/HNI clients in Q3. Total client base stood at 17.3K+ as of 31 December 2022
Retail Broking	• Added ~71.3K+ trading and demat accounts in Q3 FY23. Total retail client base stood at 506.0K as of 31 December 2022 • Crossed 1,100+ network of partners and affiliates online accounts • Working with 230+ Independent Business Advisor (IBAs) • Margin Trade Financing book as of Q3 FY23 stands at $ 9 MM • Focused on driving client activation of BFSL Platform, monthly activation rate stands at 25%
Credit Rating	• Issuer rating of AAA from CRISIL
Regulated by	• Securities and Exchange Board of India

Executive summary – BFSL

Q3 capabilities update

In Q3, 45 new features were added on web and app

Gone live with below capabilities on web and app during Q3 FY23:

- **MTF NON POA** - Enablement of MTF product for NON POA customers
- **Market Smith –** 3rd Party research tool to provide stock recommendations on our Web & Mobile application.
- **BO & CO for options –** Bracket Order & Cover Order for Options contract.
- **Tools & Calculator** – Feature to view Margin files and calculate brokerage & required margin.
- **Applicable Charges to shown upfront –** Compliance requirement to show upfront trade charges.
- **Feedback & Rating –** Facility to get feedback and ratings about our Applications from the customers.
- **Trading View –** New charting tool to enhance the charting experience of our customers.
- **IPO Change –** Inclusion of SME IPO's, now clients can apply for SME IPO's from our platforms.
- **Watchlist Grid View –** Enhanced watchlist interface with grid view for easy understanding.
- **XIRR Logic –** Addition of XIRR values in P&L report for returns assessment.
- **News Upgrade –** Clickable news feed to get detailed news on the stocks and market.
- **UI/UX Enhancements –**few major UI/UX enhancements such as
    - Funds Page redesign
    - Holding & Net Positions Dashboard
    - AMO Order based on market timing
    - MTF Pledge separate dashboard for T1 & T2 stocks.

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

Values in MM USD 1 – INR 82.2

Financials snapshot	Q3 FY23	Q3 FY22	Y-o-Y	9M FY23	9M FY22	Y-o-Y
Assets under management	**28,083**	**22,050**	**27%**	**28,083**	**22,050**	**27%**
Assets under finance	**27,421**	**21,262**	**29%**	**27,421**	**21,262**	**29%**
Interest income	1,128	884	28%	3,127	2,422	29%
Fees, commission, and other non-interest income	184	155	19%	528	378	40%
Total Income	**1,312**	**1,039**	**26%**	**3,655**	**2,800**	**31%**
Interest expenses	408	308	32%	1,091	874	25%
Net Interest Income	**905**	**731**	**24%**	**2,564**	**1,926**	**33%**
Operating Expenses	314	254	24%	910	668	36%
Loan losses and provisions	102	128	(20%)	283	499	(43%)
Profit before tax	**488**	**349**	**40%**	**1,371**	**759**	**81%**
Profit after tax	**362**	**259**	**40%**	**1,016**	**561**	**81%**
Ratios						
Operating expenses to Net Interest Income	34.7%	34.7%		35.5%	34.7%	
Annualized Loan Loss to Average AUF	1.54%	2.51%		1.49%	3.40%	
Annualized Return on Average AUF	5.43%	5.07%		5.34%	3.82%	
Annualized Return on Average Equity	23.98%	21.20%		23.47%	15.73%	
Earning per share - Basic ($) *	0.6	0.4		1.7	0.9	

*Not annualized

Financial statement summary – Bajaj Finance Ltd

BAJAJ FINANCE LIMITED

Values in MM USD 1 – INR 82.2

Financials snapshot	Q3 FY23	Q3 FY22	Y-o-Y	9M FY23	9M FY22	Y-o-Y
Assets under management	**20,482**	**16,169**	**27%**	**20,482**	**16,169**	**27%**
Assets under finance	**20,235**	**15,904**	**27%**	**20,235**	**15,904**	**27%**
Interest income	949	771	23%	2,659	2,111	26%
Fees, commission, and other non-interest income	172	145	19%	500	354	41%
Total Income	**1,121**	**916**	**22%**	**3,159**	**2,465**	**28%**
Interest expenses	299	240	25%	812	684	19%
Net Interest Income	**822**	**676**	**22%**	**2,348**	**1,780**	**32%**
Operating Expenses	293	238	23%	849	627	36%
Loan losses and provisions	99	121	(18%)	275	482	(43%)
Profit before tax	**431**	**318**	**36%**	**1,223**	**672**	**82%**
Profit after tax	**319**	**235**	**36%**	**907**	**497**	**83%**
Ratios						
Operating expenses to Net Interest Income	35.6%	35.1%		36.2%	35.1%	
Annualized Loan Loss to Average AUF	2.00%	3.16%		1.94%	4.33%	
Annualized Return on Average AUF	6.49%	6.14%		6.40%	4.47%	
Annualized Return on Average Equity	22.23%	20.00%		21.92%	14.40%	
Earning per share - Basic ($) *	0.5	0.4		1.5	0.8	

*Not annualized

Financial statement summary – BHFL

BAJAJ FINANCE LIMITED

Values in MM USD 1 – INR 82.2

Financials snapshot	Q3 FY23	Q3 FY22	Y-o-Y	9M FY23	9M FY22	Y-o-Y
Assets under management	**7,978**	**5,986**	**33%**	**7,978**	**5,986**	**33%**
Assets under finance	**7,055**	**5,289**	**33%**	**7,055**	**5,289**	**33%**
Interest income	174	110	57%	456	307	49%
Fees, commission, and other non-interest income	11	10	13%	40	23	75%
Total Income	**185**	**120**	**54%**	**496**	**330**	**51%**
Interest expenses	107	68	58%	275	188	46%
Net Interest Income	**78**	**52**	**49%**	**222**	**141**	**57%**
Operating Expenses	19	15	27%	56	40	42%
Loan losses and provisions	4	7	(46%)	8	17	(53%)
Profit before tax	**55**	**30**	**81%**	**157**	**84**	**87%**
Profit after tax	**41**	**23**	**81%**	**116**	**62**	**87%**
Ratios						
Operating expenses to Net Interest Income	24.5%	28.7%		25.4%	28.0%	
Annualized Loan Loss to Average AUF	0.21%	0.54%		0.17%	0.50%	
Annualized Return on Average AUF	2.37%	1.79%		2.44%	1.78%	
Annualized Return on Average Equity	13.32%	11.47%		15.05%	10.86%	
Earning per share - Basic ($) *	0.006	0.005		0.017	0.013	

*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

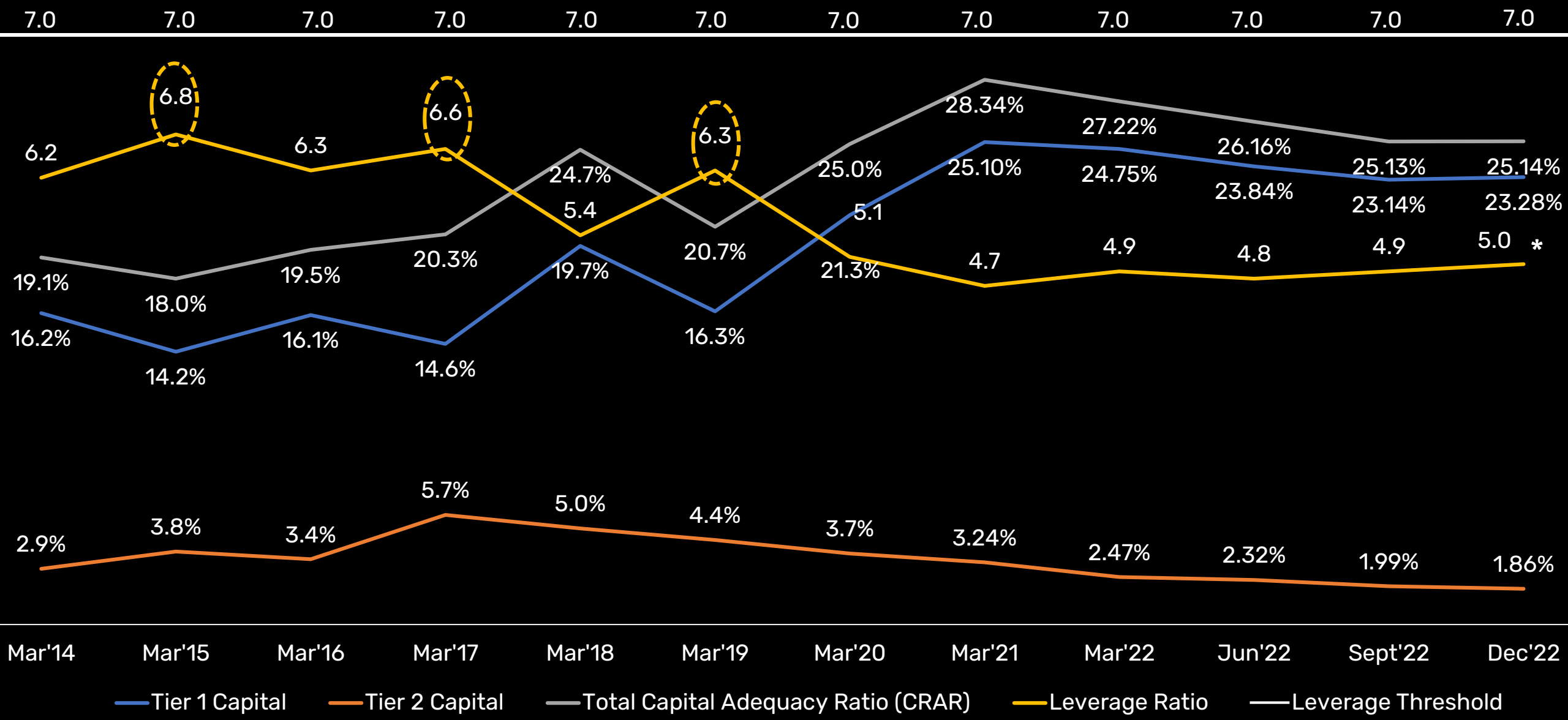
4.4 Behaviouralized ALM – Bajaj Housing Finance Limited

4.5 Disciplined ALM Management – Bajaj Finance Limited

4.6 Consolidated liability mix

Conservative leverage standards

BAJAJ FINANCE LIMITED



*Standalone leverage is approximately 4.1X as of 31 December 2022

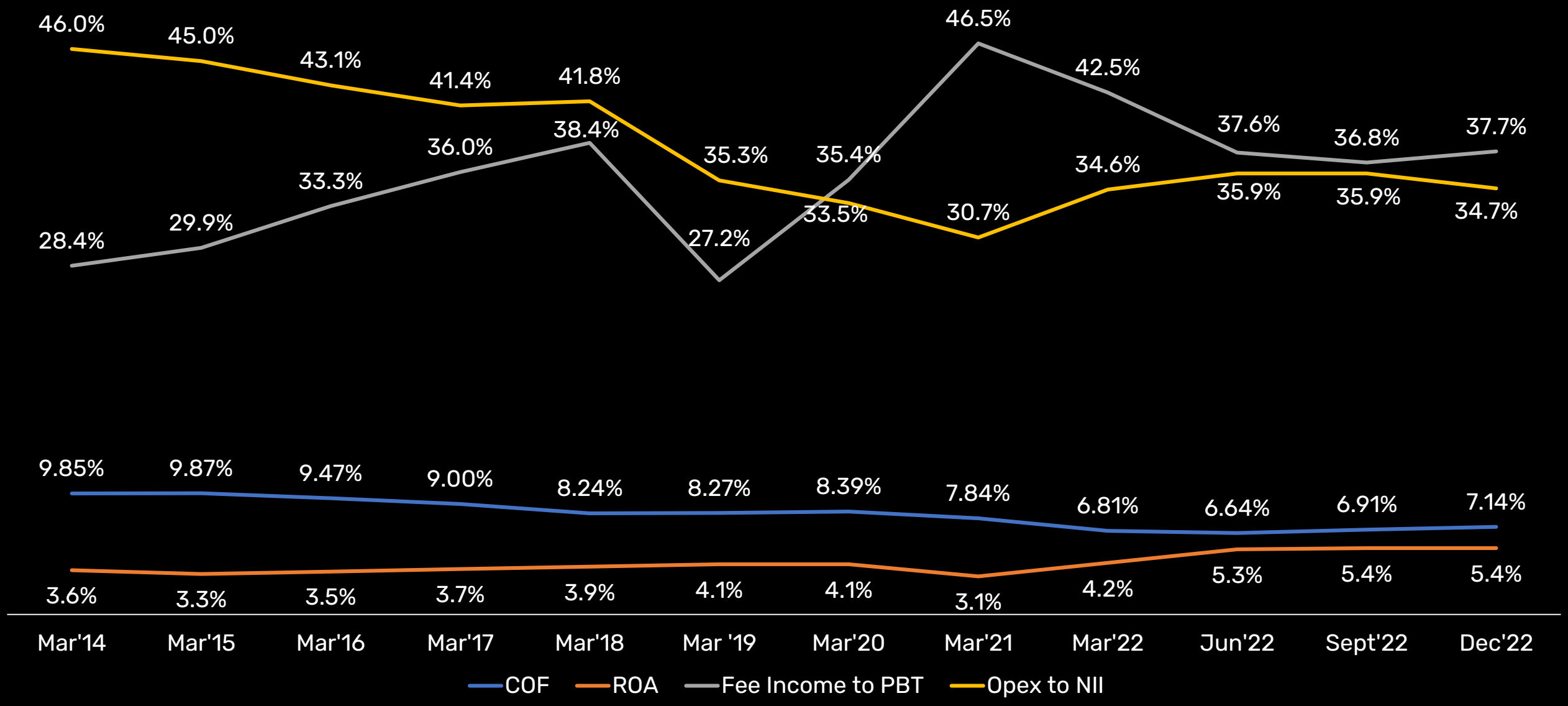
Capital Adequacy Ratios (CRAR) are on standalone basis

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 and Dec'22 COF numbers are for the quarter.

Behaviouralized ALM as of 31 Dec 2022 – BFL

BAJAJ FINANCE LIMITED

Values in MM USD 1 – INR 82.2

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	1,544	-	4	146	1	196	77	352	76	1,093	3,490
Advances	778	249	449	1,003	896	2,224	3,244	7,417	2,671	1,766	20,696
Other inflows	588	14	20	56	16	57	16	92	73	406	1,337
Total Inflows (A)	2,910	262	473	1,205	913	2,476	3,337	7,861	2,821	3,265	25,523
Cumulative Total Inflows (B)	**2,910**	**3,172**	**3,644**	**4,850**	**5,763**	**8,239**	**11,576**	**19,437**	**22,258**	**25,523**	
Borrowings	928	438	230	839	843	1,481	2,745	6,926	2,688	1,610	18,728
Capital Reserves and Surplus	-	-	-	-	-	-	-	-	-	5,913	5,913
Other Outflows	268	42	198	197	9	5	40	31	36	57	882
Total Outflows (C)	1,195	480	429	1,036	852	1,486	2,785	6,956	2,724	7,580	25,523
Cumulative Total Outflows (D)	**1,195**	**1,675**	**2,104**	**3,140**	**3,992**	**5,478**	**8,263**	**15,219**	**17,943**	**25,523**	
Mismatch (E = A - C)	1,714	(218)	44	169	61	990	552	905	97	(4,314)	
Cumulative mismatch (F = B-D)	1,714	1,496	1,540	1,709	1,771	2,761	3,313	4,218	4,314	-	
Cumulative mismatch as % (F/D)	**143%**	**89%**	**73%**	**54%**	**44%**	**50%**	**40%**	**28%**	**24%**	**0%**	

Permissible cumulative gap %	(10%)	(10%)	(20%)
Additional borrowings possible			2,451

In Q3 daily average LCR was 227% as against regulatory requirement of 70%

Behaviouralized ALM as of 31 Dec 2022 – BHFL

BAJAJ FINANCE LIMITED

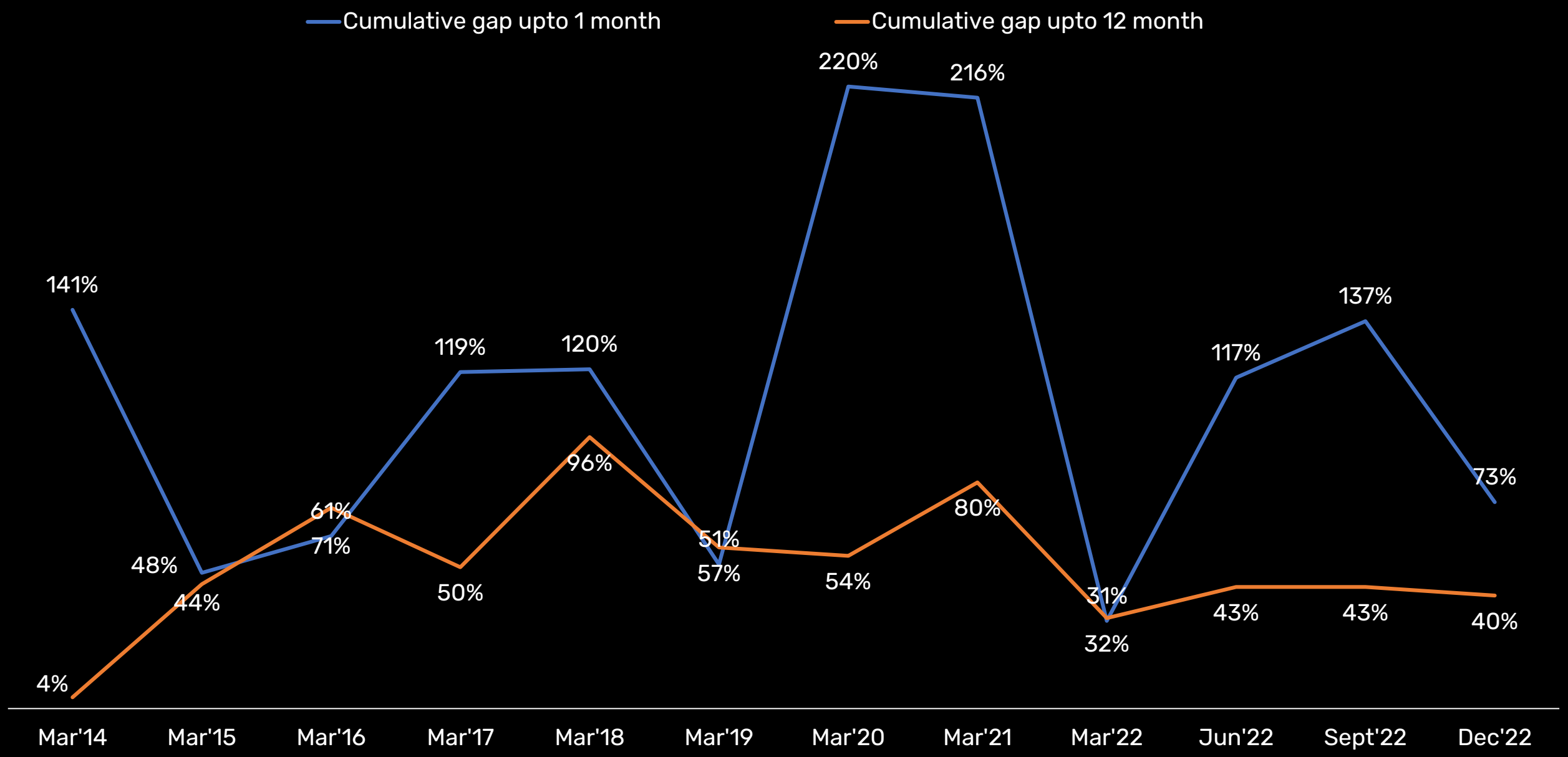
Values in MM USD 1 – INR 82.2

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	92	61	280	18	30	27	4	0	-	-	511
Advances	72	41	67	131	130	355	670	1,794	1,187	2,608	7,055
Other inflows	-	43	3	227	60	104	455	436	220	655	2,204
Total Inflows (A)	164	145	349	376	220	487	1,129	2,230	1,408	3,263	9,770
Cumulative Total Inflows (B)	**164**	**308**	**657**	**1,033**	**1,253**	**1,740**	**2,869**	**5,099**	**6,507**	**9,770**	
Borrowings	-	61	166	163	124	339	659	2,611	1,594	607	6,326
Capital Reserves and Surplus	-	-	-	-	-	-	-	-	-	1,241	1,241
Other Outflows	145	73	142	116	94	138	419	542	64	470	2,204
Total Outflows (C)	145	134	308	280	218	477	1,078	3,154	1,658	2318	9,770
Cumulative Total Outflows (D)	**145**	**279**	**587**	**866**	**1,084**	**1,561**	**2,640**	**5,794**	**7,451**	**9,770**	
Mismatch (E = A - C)	**18**	**11**	**41**	**97**	**2**	**9**	**51**	**(924)**	**(250)**	**945**	
Cumulative mismatch (F = B-D)	18	29	70	167	169	178	229	(694)	(945)	-	
Cumulative mismatch as % (F/D)	**13%**	**10%**	**12%**	**19%**	**16%**	**11%**	**9%**	**(12%)**	**(13%)**	**0%**	
Permissible cumulative gap %	**-10%**	**-10%**	**-20%**								
Additional borrowings possible			**234**								

In Q3, daily average LCR was 101% as against regulatory requirement of 60%

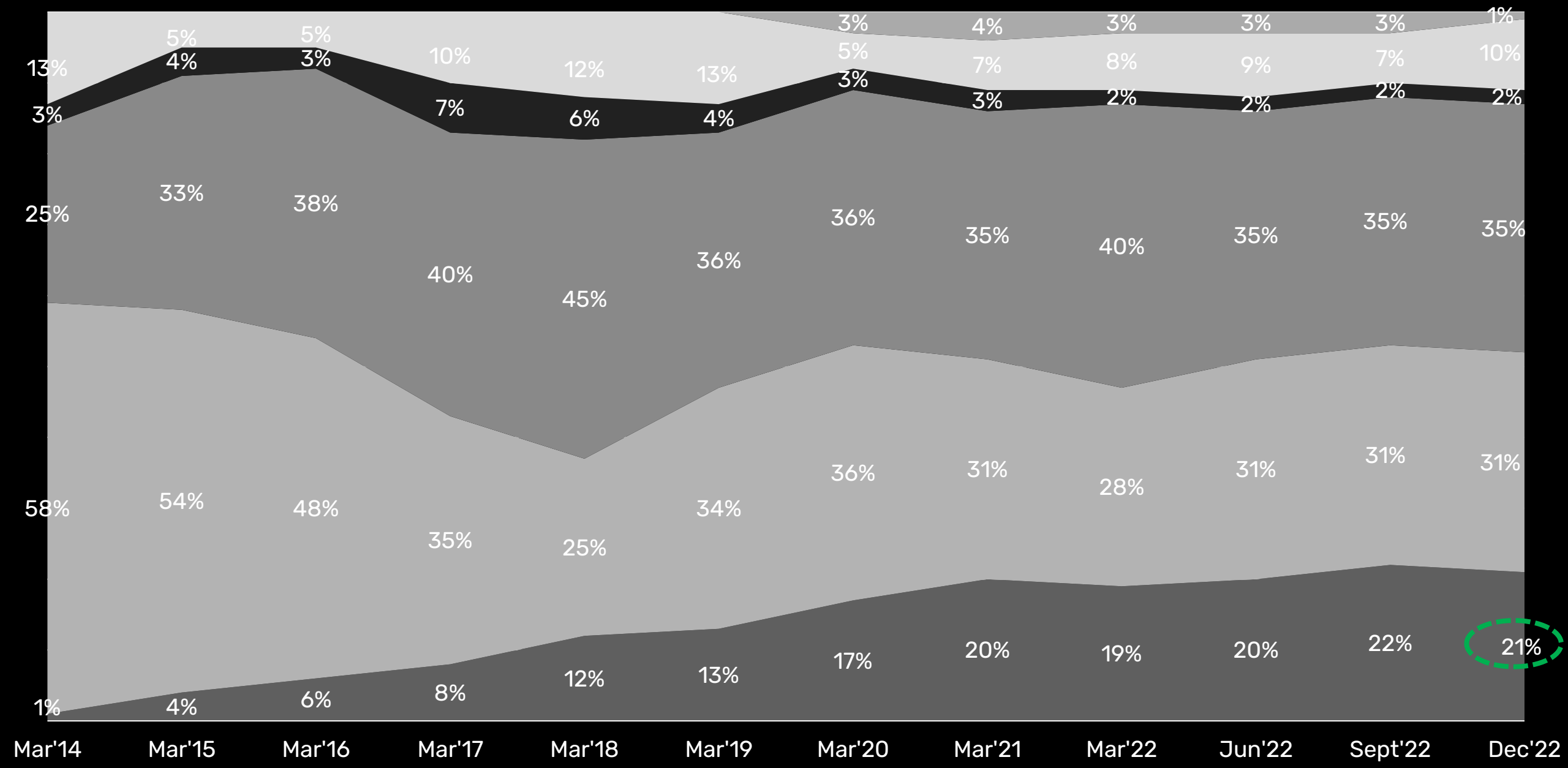
Disciplined ALM Management - BFL

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

	Q3 FY22	Q3 FY23	Q2 FY23
Total Franchise	55.36MM	66.05 MM	62.91 MM
Credit segment filter	43.45 MM	51.30 MM	49.08 MM
Overall Cross sell franchise	41.87 MM	49.66 MM	47.46 MM
Non delinquent customers	37.23 MM	43.86 MM	41.88 MM
Cross sell franchise	31.26 MM (56.5%)*	38.58 MM (58.4%)*	36.39 MM (57.8%)*

Customer Franchise addition

Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
2.35 MM	2.56 MM	2.21 MM	2.73 MM	2.61 MM	3.14 MM

*Represents cross sell franchise as a % of total franchise

Geographic presence

Geographic Presence	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022
Urban lending branches	986	1,210	1,368	1,368	1,368	1,372	1,392
Rural lending branches	1,193	1,604	2,055	2,136	2,218	2,313	2,322
Total Bajaj Finance presence	2,179	2,814	3,423	3,504	3,586	3,685	3,714
Net additions in the period	443	635	609	81	82	99	29

Map not to scale

Strong distribution reach

BAJAJ FINANCE LIMITED

Active distribution	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022
Consumer durable stores – Urban	23,300+	24,700+	29,500+	30,600+	31,000+	31,400+	32,000+
Consumer durable stores – Rural	17,900+	22,500+	27,900+	29,800+	31,500+	33,500+	33,550+
Digital product stores	25,300+	25,400+	28,800+	29,500+	31,150+	31,400+	32,050+
Lifestyle retail stores	9,000+	8,800+	10,800+	11,000+	11,050+	11,500+	11,150+
EMI card – retail spends stores	22,800+	10,400+	17,800+	18,800+	20,050+	20,800+	20,950+
Bajaj Auto dealers, sub-dealers & ASSC	5,300+	5,800+	6,000+	6,000+	5,550+	5,700+	5,100+
Non-captive 2W dealers, sub-dealers & ASSC*	-	-	-	-	1,170+	1,150+	1,600+
DSA/Independent Financial Agents	3,500+	5,200+	7,500+	7,500+	7,500+	7,500+	7,500+
Overall active distribution network	1,07,100+	1,02,800+	1,28,300+	1,33,200+	1,38,900+	1,43,300+	1,43,900+
Net addition in the period	22,400	4,300	25,500	4,900	5,700	4,400	600

Section 06

Business Segment wise AUM

5.1 Business segment wise AUM - Consolidated

5.2 Business segment wise AUM - Mortgages

Section 06

Business segment wise AUM

Business segment wise AUM - Consolidated

BAJAJ FINANCE LIMITED

Values in MM USD 1 – INR 82.2

Assets Under Management (Businesses)	AUM as of 31 Dec 2021	BFL as of 31 Dec 2022	BHFL as of 31 Dec 2022	AUM as of 31 Dec 2022	Growth YoY	Composition as of 31 Dec 2021	Composition as of 31 Dec 2022
Two & Three wheeler Finance	1,292	1,434	-	1,434	11%	6%	5%
Urban Sales Finance	1,815	2,033	-	2,033	12%	8%	7%
Urban B2C	4,421	5,488	198	5,685	29%	20%	20%
Rural Sales Finance	486	570	-	570	17%	2%	2%
Rural B2C	1,741	2,245	-	2,245	29%	8%	8%
SME Lending	2,817	3,740	17	3,757	33%	13%	13%
Securities Lending	1,110	1,481	-	1,613	45%	5%	6%
Commercial Lending	1,275	1,806	-	1,806	42%	6%	6%
Mortgages	7,093	1,685	7,763	8,940	26%	32%	33%
Total	**22,050**	**20,482**	**7,978**	**28,083**	**27%**	**100%**	**100%**
Co-brand Credit Card CIF	2.60 MM			3.29 MM	27%		
EMI Card CIF	27.5 MM			35.9 MM	31%		

Business segment wise AUM - Mortgages

BAJAJ FINANCE LIMITED

Values in MM USD 1 – INR 82.2

Consolidated mortgages

Assets Under Management (Businesses)	AUM as of 31 Dec 2021	AUM as of 31 Dec 2022	Growth YoY	Composition as of 31 Dec 2021	Composition as of 31 Dec 2022
Home Loans	4,023	5,028	25%	57%	56%
Loan against property	1,499	1,621	8%	21%	18%
Lease rental discounting	903	1,360	51%	13%	15%
Developer Finance	354	598	69%	5%	7%
Rural Mortgages	315	332	5%	4%	4%
Other loans	-	-	-	-	-
Total	**7,093**	**8,940**	**26%**	**100%**	**100%**

Bajaj Housing Finance Limited

Assets Under Management (Businesses)	AUM as of 31 Dec 2021	AUM as of 31 Dec 2022	Growth YoY	Composition as of 31 Dec 2021	Composition as of 31 Dec 2022
Home Loans	3,699	4,828	31%	62%	61%
Loan against property	721	837	16%	12%	10%
Lease rental discounting	754	1,196	59%	13%	15%
Developer Finance	354	598	69%	6%	7%
Rural Mortgages	272	304	12%	5%	4%
Other loans	186	215	15%	2%	3%
Total	**5,986**	**7,978**	**33%**	**100%**	**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

Values in MM USD 1 – INR 82.2

Particulars	AUM 31 Dec 22	GNPA	NNPA	PCR (%)	GNPA %			NNPA %		
					31 Dec 19	30 Sep 22	31 Dec 22	31 Dec 19	30 Sep 22	31 Dec 22
Two & Three Wheeler Finance	1,434	91	45	50%	5.68%	8.01%	5.99%	2.61%	4.17%	3.08%
Urban Sales Finance	2,033	13	2	85%	0.92%	0.53%	0.64%	0.18%	0.09%	0.10%
Urban B2C	5,685	61	15	75%	1.34%	0.93%	1.08%	0.38%	0.23%	0.27%
Rural Sales Finance	570	4	0	86%	0.59%	0.54%	0.61%	0.12%	0.08%	0.09%
Rural B2C	2,245	31	9	73%	1.33%	1.23%	1.34%	0.44%	0.35%	0.37%
SME Lending	3,757	59	15	75%	1.41%	1.45%	1.54%	0.36%	0.37%	0.39%
Securities Lending	1,613	0	0	7%	-	0.02%	0.01%	-	0.02%	0.01%
Commercial Lending	1,806	4	2	48%	0.60%	0.27%	0.24%	0.25%	0.14%	0.12%
Mortgages	8,940	55	25	54%	1.36%	0.65%	0.64%	0.99%	0.30%	0.29%
Total	**28,083**	**318**	**114**	**64%**	**1.61%**	**1.17%**	**1.14%**	**0.70%**	**0.44%**	**0.41%**

Stagewise ECL provisioning - Consolidated

BAJAJ FINANCE LIMITED

Values in MM USD 1 – INR 82.2

	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	1,335	-	93	91	21	-	19	46	1.6%	-	20.0%	50.1%
Urban Sales Finance	2,038	-	14	13	15	-	7	11	0.7%	-	46.9%	84.6%
Urban B2C	5,485	0	81	61	69	0	29	46	1.3%	10.0%	35.3%	75.0%
Rural Sales Finance	570	-	4	4	3	-	2	3	0.5%	-	52.7%	86.2%
Rural B2C	2,230	-	49	31	28	-	13	22	1.3%	-	27.5%	72.6%
SME Lending	3,746	0	24	59	37	0	9	44	1.0%	10.0%	35.3%	75.0%
Securities Lending	1,616	-	1	0	1	-	0	0	0.0%	-	0.1%	6.5%
Commercial Lending	1,806	-	2	4	4	-	0	2	0.2%	-	0.2%	47.9%
Mortgages	8,453	32	48	55	47	8	10	30	0.6%	23.6%	21.7%	54.5%
Total as of 31 Dec 2022	**27,280**	**32**	**315**	**318**	**225**	**8**	**88**	**204**	**0.8%**	**23.6%**	**27.9%**	**64.2%**
Total as of 30 Sep 2022	25,691	41	342	308	202	10	101	192	0.8%	23.2%	29.5%	62.3%
Total as of 30 Jun 2022	23,888	58	377	309	191	13	111	185	0.8%	23.0%	29.6%	59.9%

Provisioning Coverage – BHFL

BAJAJ FINANCE LIMITED

Values in MM USD 1 – INR 82.2

Particulars	AUM 31 Dec 22	GNPA	NNPA	PCR (%)	GNPA %			NNPA %		
					31 Dec 19	30 Sep 22	31 Dec 22	31 Dec 19	30 Sep 22	31 Dec 22
Home Loans	4,828	9	4	56%	0.08%	0.21%	0.19%	0.06%	0.09%	0.08%
Loan against property	837	4	2	45%	0.08%	0.52%	0.59%	0.05%	0.30%	0.33%
Lease rental discounting	1,196	-	-	-	-	-	-	-	-	-
Developer Finance	598	-	-	-	-	-	-	-	-	-
Rural Mortgages	304	3	1	61%	0.20%	1.34%	1.30%	0.14%	0.62%	0.52%
Other loans	215	1	0	66%	0.10%	0.40%	0.47%	0.04%	0.11%	0.15%
Total	**7,978**	**16**	**7**	**55%**	**0.07%**	**0.24%**	**0.23%**	**0.05%**	**0.11%**	**0.10%**

Stagewise ECL provisioning – BHFL

BAJAJ FINANCE LIMITED

Values in MM USD 1 – INR 82.2

	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	4,387	14	12	9	22	3.5	2	5	0.5%	25.9%	18.4%	55.9%
Loan against property	634	5	8	4	4	1	1	2	0.7%	23.4%	15.6%	44.2%
Lease rental discounting	993	0	0	0	6	0	0	0	0.6%	0.0%	0.0%	0.0%
Developer Finance	602	0	0	0	5	0	0	0	0.8%	0.0%	0.0%	0.0%
Rural Mortgages	219	2	5	3	1	1	1	2	0.6%	23.3%	16.8%	60.0%
Other loans	215	0	1	1	2	0	0	1	0.8%	23.9%	28.9%	67.5%
Total as of 31 Dec 2022	**7,050**	**22**	**26**	**16**	**41**	**5**	**5**	**9**	**0.6%**	**25.0%**	**17.7%**	**54.6%**
Total as of 30 Sep 2022	6,673	27	27	16	38	7	5	9	0.6%	25.1%	17.3%	54.2%
Total as of 30 Jun 2022	6,068	30	30	16	34	8	5	9	0.6%	25.6%	16.9%	58.2%

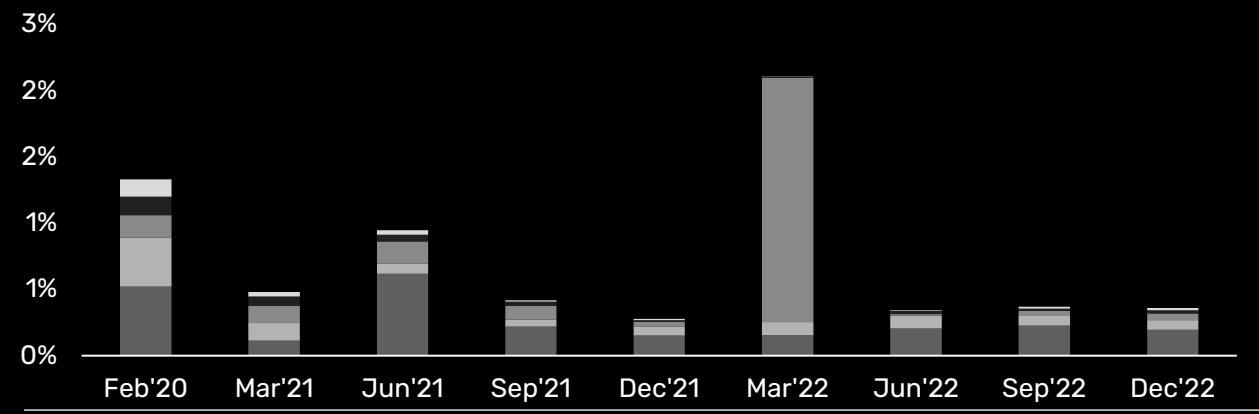
* Represents non overdue OTR assets classified as Stage 2

Portfolio credit quality – Consolidated

BAJAJ FINANCE LIMITED

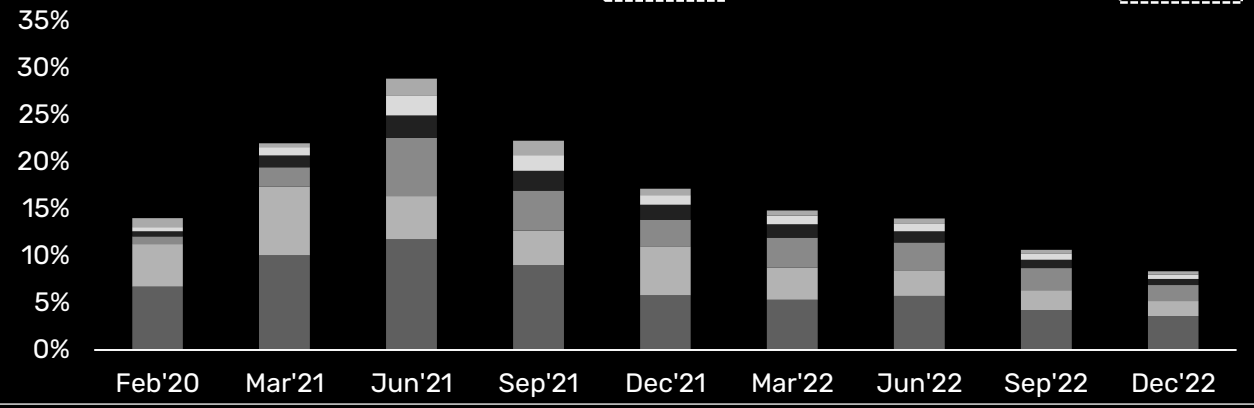
Consumer Durable & Lifestyle

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	98.65%	99.52%	99.05%	99.58%	99.72%	97.89%	99.66%	99.63%	99.64%
2	0.89%%	0.25%	0.69%	0.27%	0.22%	0.25%	0.30%	0.30%	0.27%



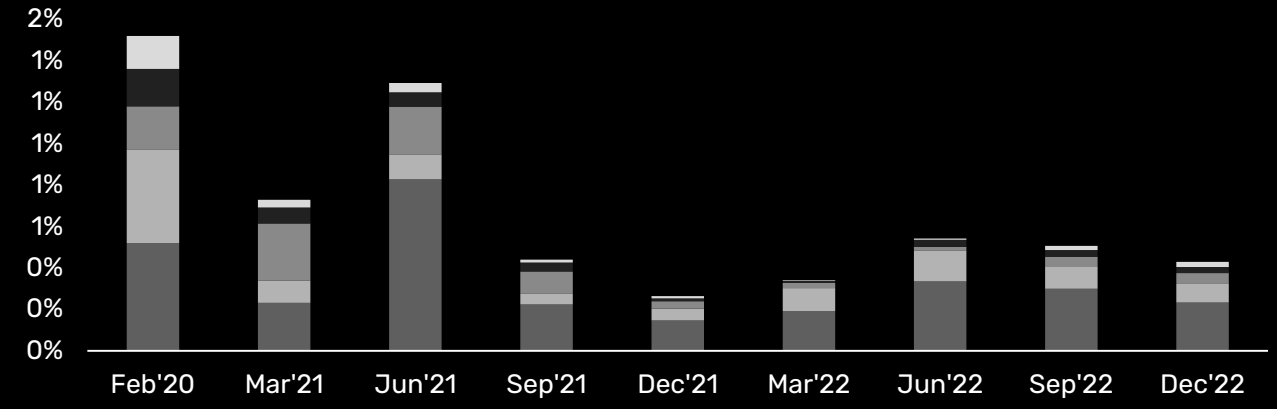
Two & three wheeler

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket	5+ Bucket			
1	86.00%	78.02%	71.14%	77.76%	82.86%	85.19%	86.02%	89.34%	91.68%
2	11.27%	17.37%	16.35%	12.67%	11.01%	8.74%	8.41%	6.34%	5.22%



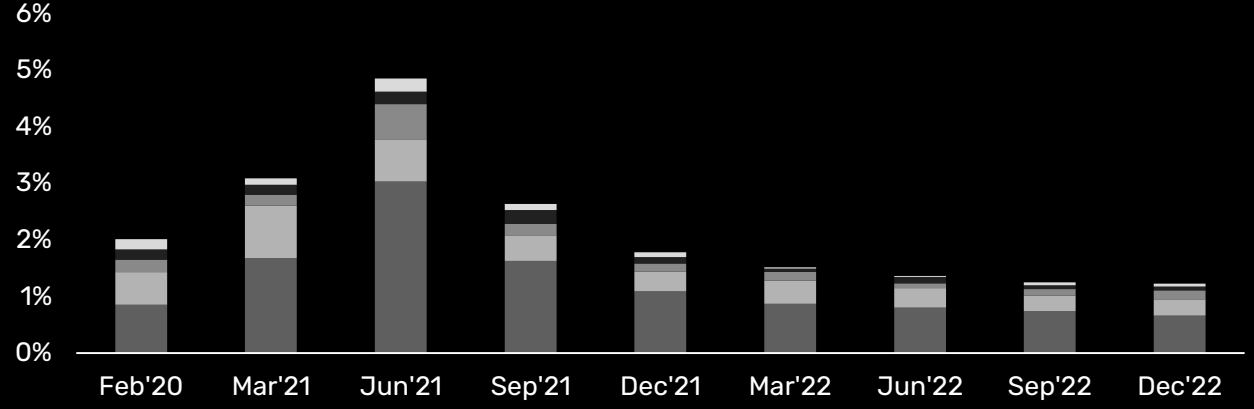
Digital product

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	98.49%	99.27%	98.71%	99.56%	99.74%	99.66%	99.46%	99.49%	99.57%
2	0.97%	0.34%	0.95%	0.27%	0.20%	0.30%	0.48%	0.40%	0.32%



Urban B2C

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	98.00%	96.91%	95.15%	97.37%	98.22%	98.48%	98.64%	98.75%	98.74%
2	1.43%	2.60%	3.78%	2.08%	1.43%	1.27%	1.15%	1.01%	0.95%



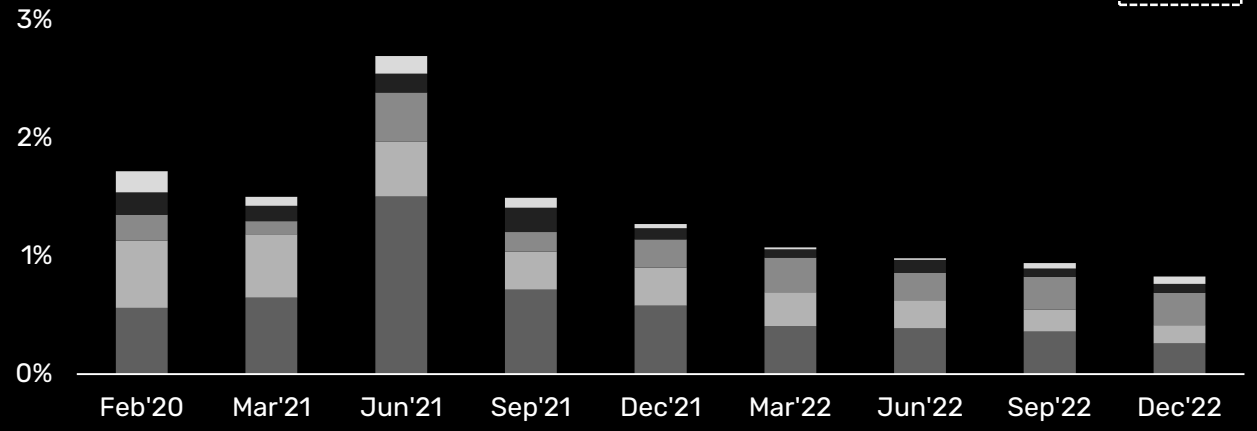
Portfolio credit quality after adjusting ECL provisions | Feb'20 has been retained as a pre covid benchmark

Portfolio credit quality – Consolidated

BAJAJ FINANCE LIMITED

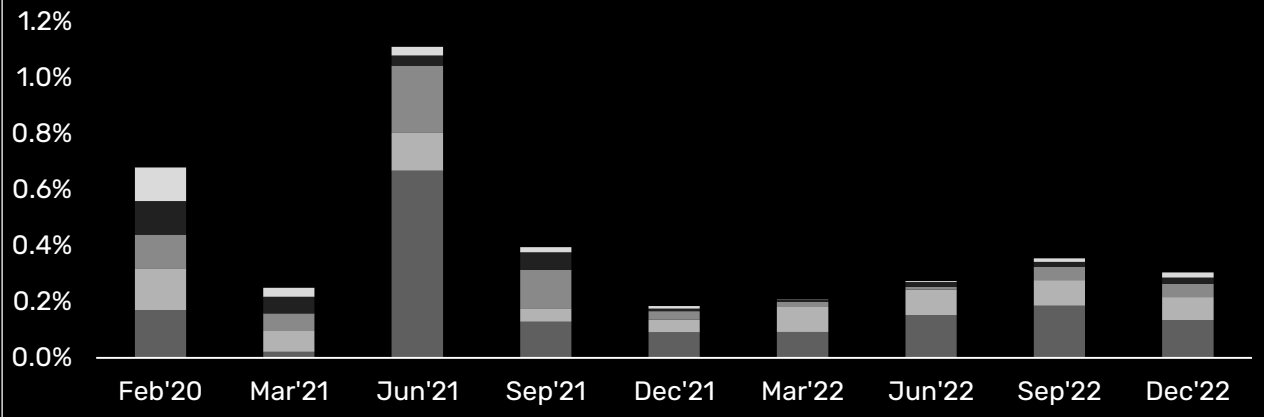
Business & professional loans

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	98.27%	98.50%	97.30%	98.51%	98.73%	98.93%	99.02%	99.06%	99.14%
2	1.13%	1.18%	1.97%	1.04%	0.90%	0.69%	0.63%	0.55%	0.41%



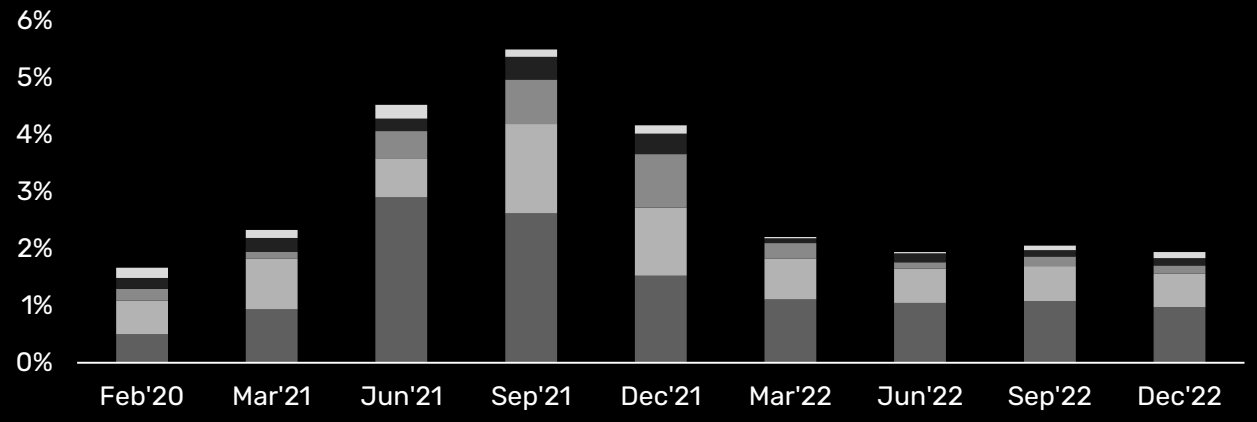
Rural B2B

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	99.33%	99.75%	98.89%	99.60%	99.82%	99.79%	99.73%	99.64%	99.70%
2	0.32%	0.10%	0.80%	0.18%	0.14%	0.18%	0.24%	0.28%	0.22%



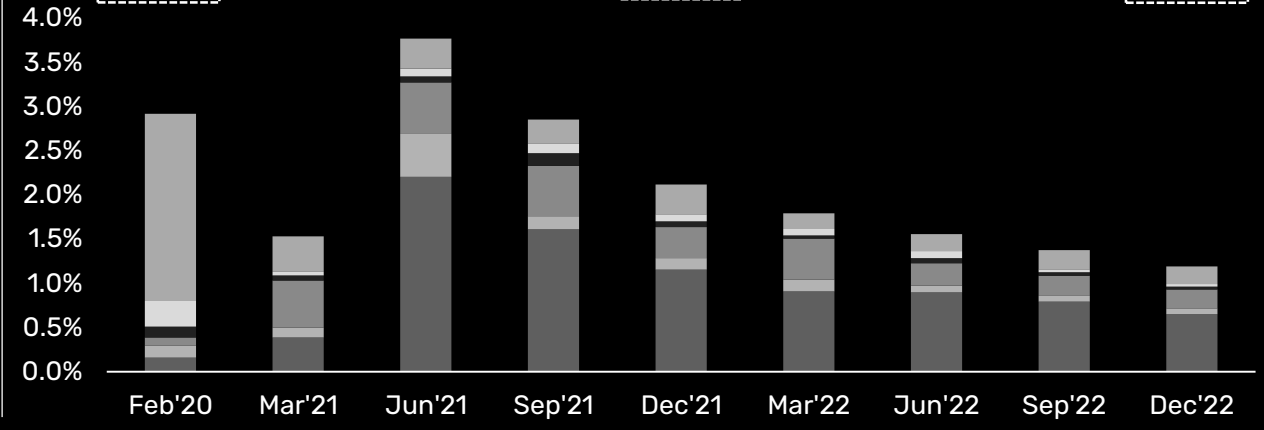
Rural B2C

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket				
1	98.32%	97.67%	95.47%	94.49%	95.83%	97.79%	98.05%	97.94%	98.02%
2	1.09%	1.83%	3.59%	4.19%	2.73%	1.83%	1.65%	1.70%	1.57%



Loan against property

Stage	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket	5+ Bucket			
1	97.06%	98.47%	96.23%	97.15%	97.88%	98.56%	98.44%	98.62%	98.81%
2	0.30%	0.50%	2.69%	1.76%	1.29%	0.79%	0.98%	0.86%	0.72%

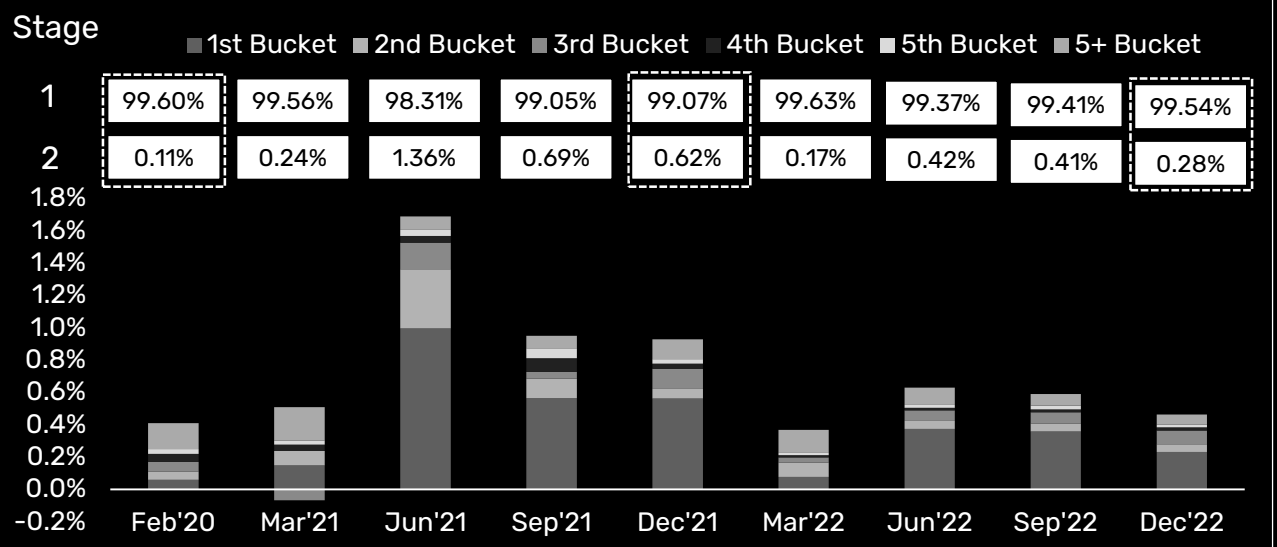


Portfolio credit quality after adjusting ECL provisions | Feb'20 has been retained as a pre covid benchmark

Portfolio credit quality – Consolidated

BAJAJ FINANCE LIMITED

Home loans



Commercial lending

- Commercial lending business portfolio is 99.88% current

Securities lending

- Securities lending business portfolio is 99.99% current

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

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BAJAJ FINANCE LIMITED
Q3 FY23 Investor Presentation
Thank You

Glossary

Abbreviation	Expansion	Abbreviation	Expansion
ALM	Asset liability management	LRD	Lease rental discounting
AMO	After market order	MF	Mutual funds
AR	Augmented reality	MFI	Microfinance
ASSC	Authorised sales & support centre	MSME	Micro, Small & Medium Enterprises
AUM	Assets under management	MTF	Margin Trading Finance
AUF	Assets under finance	NII	Net interest income
BBPS	Bharat bill payment system	NIM	Net interest margin
BL	Business loan	NNPA	Net non performing assets
CC	Cash credit	NPA	Non performing assets
CIF	Cards in force	OD	Overdraft
COF	Cost of funds	ONDC	Open Network for Digital Commerce
CV	Commercial vehicle	PAT	Profit after tax
CX	Customer experience	PBT	Profit before tax
DF	Developer finance	PCR	Provision coverage ratio
DMS	Debt management services	PL	Personal loan
DSA	Direct sourcing agency	PMS	Portfolio Management Services
ECB	External commercial borrowing	POA	Power of Attorney
ECL	Expected credit loss	PPI	Prepaid instruments
EDC	Electronic data capture machine	QR	Quick response
FII	Foreign institutional investor	ROA	Return on assets
FPC	Fair Practice Code	ROE	Return on equity
FPI	Foreign Portfolio Investor	SME	Small & Medium Enterprise
GMV	Gross merchandise value	STP	Straight through process
GNPA	Gross non performing assets	T1	Trade + 1 Day
HL	Home loan	T2	Trade + 2 Days
HNI	High Networth Individual	UHNI	Ultra High Networth Individual
ICD	Inter corporate deposits	UI	User Interface
IPO	Initial Public Offer	UPI	Unified payment interface
LAFD	Loan against fixed deposit	UX	User Experience
LAP	Loan against property	WCDL	Working capital demand loan
LAS	Loan against securities	XIRR	Extended Internal Rate of Return
LCR	Liquidity Coverage Ratio		