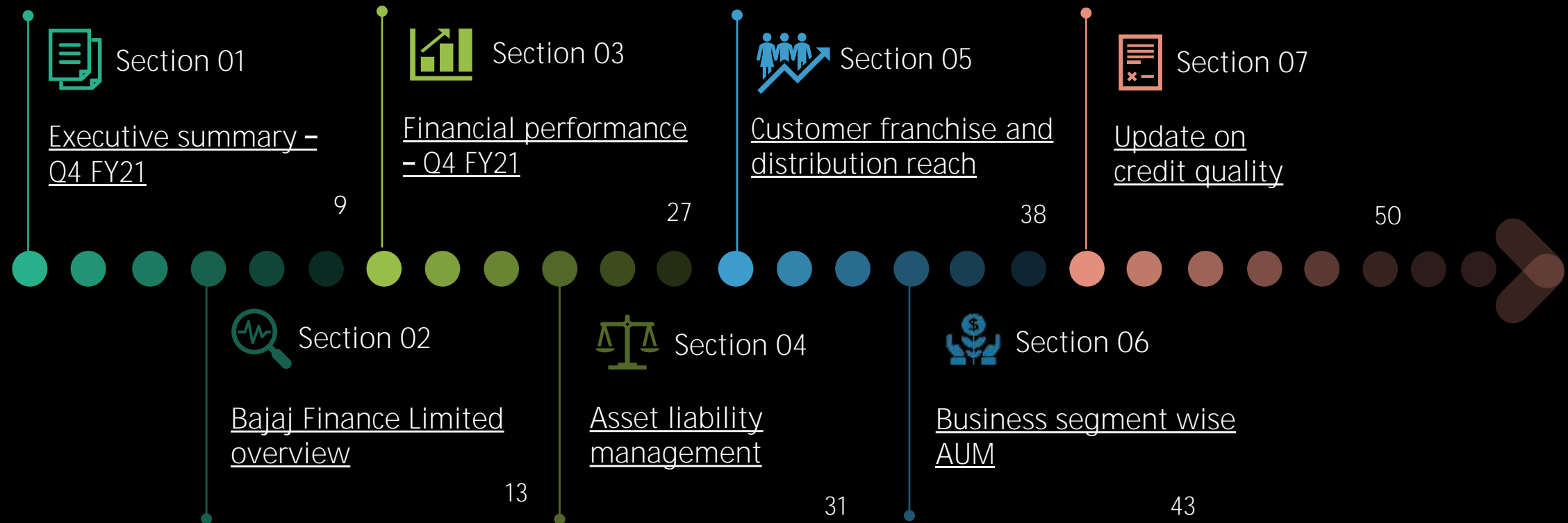




# **BAJAJ FINANCE LIMITED**

Q4 FY21 Investor Presentation  
27 April 2021





# Section 01

## Executive summary – Q4 FY21

1.1

Quarter gone by

1.2

Lead financial indicators

1.3

Preliminary assessment of  
second wave

1.4

Executive summary - Q4 FY21

Quarter gone by

A good quarter for the Company with most lead financial indicators normalizing to pre-COVID levels. Business transformation plan of the Company is on track. We expect to launch 3-in-1 financial services in a phased manner by August and September.

Q4 FY21



\*Not annualized

1. AUM as of 31 March 2021 was at ₹1,52,947 crore as against ₹1,47,153 crore as of 31 March 2020, YoY growth of 4%. Core AUM growth in Q4 FY21 was ₹ 9,397 crore as compared to ₹ 2,061 crore in Q4 FY20. Average AUM growth for 3 quarters of FY20 was ₹ 9,734 crore. Our diversified business model has enabled us to revert to pre-COVID levels of AUM growth.
2. The Company booked 5.47 MM new loans in Q4 FY21 as against 6.03 MM in Q4 FY20. New loans origination across businesses except auto finance is back to pre-COVID levels. The Company continued to keep in abeyance its wallet loans business (175 K accounts quarterly) and selective lending of Retail EMI (REMI) business (impact of 300 K accounts quarterly).
3. The Company acquired 2.26 MM new customers in Q4 FY21 versus 1.85 MM in Q4 FY20. Total customer franchise stood at 48.57 MM as of 31 March 2021, a growth of 14% YoY. Cross sell franchise stood at 26.89 MM, a growth of 11% YoY. The quarterly new customer addition has come in line with our general guidance of 7-8 MM new customer acquisition in a year.
4. Total geographic footprint stood at 2,988 locations and 1,10,300+ distribution points.
5. The Company continues to protect its margin profile across all its businesses except mortgages. The Company reversed interest income of ₹ 298 crore in Q4 FY21 as compared to ₹ 122 crore in Q4 FY20. Interest reversal was highest in Q3 FY21 at ₹ 450 crore on account of higher flows post moratorium. It should normalize by Q3 FY22.
6. Cost of funds for Q4 FY21 was 7.39% vs 8.37% in Q4 FY20. The Company has a liquidity buffer of ₹ 16,485 crore as of 31 March 2021. This represents 12.5% of its total borrowing. The Company has paid down over ₹ 7,500 crore to various banks in last 2 quarters as part of its strategy to optimize cost of funds and benefit from lower interest rate environment.
7. Deposits book stood at ₹ 25,803 crore, a growth of 20% YoY. Its contribution to consolidated balance sheet was 20% as of 31 March 2021. Deposits book grew by ₹ 2,026 crore in Q4 FY21. Retail : Corporate mix stood at 77 : 23 in Q4 FY21 as against 67 : 33 in Q4 FY20.

8. Operating expenses in Q4 FY21 were higher by ₹ 153 crore vs Q4 FY20. Recovery commission was higher by ₹ 140 crore and employee related costs were higher by ₹ 151 crore. Opex increase was partly mitigated by prudent management of other expenses.
9. Opex to NIM came in at 34.5% vs 31% in Q4 FY20. As the Company starts to grow AUM over the next 2-3 quarters, operating leverage kicks in and collection costs normalises, the ratio should revert to pre-COVID levels. The Company continues to significantly accelerate its Capex and Opex investments to deliver business transformation.
10. Loan losses and provisions for the quarter were ₹ 1,231 crore. The Company has done accelerated write off in the quarter of ₹ 1,530 crore due to COVID related stress and advancement of its write-off policy. After this write-off, the Company still holds a management overlay and macro provision of ₹ 840 crore. Based on the current risk estimates and available management overlay, the Company is covered for loan losses and provisions.
11. GNPA & NNPA for the quarter stood at 1.79% & 0.75% respectively as compared to 1.61% and 0.65% in Q4 FY20. The absolute NNPA was ₹ 1,136 crore as of 31 March 2021 vs ₹ 938 crore as of 31 March 2020, with higher contribution of secured assets - Auto finance (₹ 609 crore vs ₹ 419 crore) and mortgages (₹ 262 crore vs ₹ 141 crore).
12. Non overdue one-time restructuring (OTR) book stood at ₹ 1,739 crore as of 31 March 2021. This includes secured exposures of ₹ 918 crore, one large B2B retailer account of ₹ 397 crore and ₹ 424 crore of unsecured assets . The Company has considered OTR as an indicator of significant increase in credit risk and as a matter of prudence classified it as Stage 2. The Company holds ECL provision of ₹ 328 crore (19%).
13. Non OTR stage 2 assets stood at ₹ 4,985 crore as of 31 March 2021 compared to ₹ 3,148 crore as of 31 March 2020. The Company holds ECL provision of ₹ 1,239 crore (25%) compared to ₹ 589 Crore (19%) as of 31 March 2020. Of the non OTR stage 2 book, secured assets contribute ₹ 2,932 crore (59%) and unsecured assets contribute ₹ 2,053 crore (41%).

14. The bounce rates of new origination across businesses are in line or better than pre-COVID origination. The current bucket bounce rates across portfolios is close to pre-COVID levels. The current bucket collection efficiencies across all portfolios are better than pre-COVID levels.
15. The Collection efficiency metrics across businesses for stage 2 and OTR accounts is significantly better versus past experience.
16. With improved bounce rates, higher collection efficiency and overlay provisions, the Company is well positioned to navigate any temporary stresses on account of second COVID wave.
17. Consolidated post tax profit for the quarter was ₹ 1,347 crore compared to ₹ 948 crore in Q4 FY20, a growth of 42%.
18. The Board of Directors have recommended a dividend of ₹ 10 per equity share of the face value of ₹ 2 (500%) for FY21 (Previous year ₹ 10 per equity share of the face value of ₹ 2 i.e. 500%)
19. Capital adequacy remained very strong at 28.34% as of 31 March 2021. Tier-1 capital was 25.10%.
20. BHFL AUM grew by 19% to ₹ 38,871 crore as of 31 March 2021.
21. Capital adequacy of BHFL remained strong at 21.33% as of 31 March 2021.
22. BHFL post tax profit for the quarter was ₹ 179 crore compared to ₹ 91 crore in Q4 FY20, a growth of 97%.
23. Overall, the Company is entering FY22 on a strong footing. Barring a nationwide lockdown or extended lockdowns in large GDP contributing states, the Company is confident of delivering its long-term guidance metrics in FY22.

1. Barring a national lockdown, 3-4 large GDP contributing states going into simultaneous lockdown for 3-5 weeks and another moratorium on loan repayment, the Company is confident of delivering its long term guidance metrics in FY22.
2. Having experienced the first wave, we believe that a disruption in first quarter could be reasonably mitigated in the balance 3 quarters. We are watching the situation closely and are taking appropriate actions to navigate through this.
3. Despite significant disruptions, the Company remains open for business across geographies in line with local administration advisories. As a high frequency indicator, in the last 7-10 days, the Company has continued to originate 50-55% of daily volumes in B2B business, 80-85% in B2C and SME businesses and 40-50% in mortgages.
4. The Company in the last one year has significantly augmented its digital capabilities to remain fully functional for new origination, service, operations and collections in a work from home situation. The Company continues to remain well invested with 25-30% higher collections infrastructure.
5. All the planned business transformation initiatives are going live by August/September. It will help in accelerating market share as the economic momentum accelerates.
6. The current high frequency risk and collections data is not warranting any risk stance change. We will continue to remain data dependent to make risk decisions.
7. The Company has created detailed standard operating protocols for business continuity for micro containment across geographies.
8. Lastly but very importantly, we are concerned about the health of our employees and are closely monitoring the situation. The Company has reinitiated its financial aid program for medical expenditures for its employees. The Company has initiated discussion with vaccine producers to vaccinate all its employees and their dependents. The Company intends to bear the cost of vaccination.



## Business update by segments:

1. Most businesses have started disbursing 90-**105% of last year's volumes with incremental growth being observed every month.**
2. In Q4 FY21, urban consumption businesses (B2B) were at 105%, rural consumption business (B2B) at 119%, credit card origination at 95%, ecommerce at 84% and auto finance business was at 80% of Q4 FY20 volume.
3. In Q4 FY21, urban B2C was at 87% of Q4 FY20 and Rural B2C was at 115% of Q4 FY20 disbursements.
4. In Q4 FY21, SME business was at 138% of Q4 FY20 disbursements.
5. In Q4 FY21, Mortgages was at 147% of Q4 FY20 disbursements.
6. Commercial business AUM grew by 25% in Q4 FY21 compared to Q4 FY20.
7. LAS business AUM grew by 28% in Q4 FY21 compared to Q4 FY20.
8. Existing customers contributed 59% of new loans booked during Q4 FY21 vs 68% in Q4 FY20. This was due to keeping in abeyance wallet loans business (175 K accounts quarterly) and selective lending of Retail EMI (REMI) business (impact of 300 K accounts quarterly).

## Update on Business transformation:

9. The Company is on course to deliver its 3-in-1 financial services for its 48.57 MM customers in a seamless manner by creating an omnichannel framework. The omnichannel model will enable the customer to move between online to offline and vice versa in a frictionless manner. The transformation across products and platforms will go live in phased manner in Q2 FY22.
10. The Company will implement **3-in-1 financial services through an 'update' to its Experia App. It will ensure seamless migration of** existing 7.5 MM Experia users. Simultaneously, the Company has significantly accelerated the propagation and download of its Experia App.
11. **The Company's 4 'Productivity apps'** – Sales One app, Merchant app, Collections app and Partner app - will go live in a phased manner across businesses between May and September 2021. Sales one app to go live between May and July 2021; Collections App by May 2021; Partner one app between June and August 2021 and Merchant app by September 2021. These apps will significantly improve the productivity and efficiencies of our employees, channel partners and merchant ecosystem.
12. **As part of 'Bajaj Pay for consumers', Bharat Bill Pay System (BBPS) service went live in January 2021. UPI went live for a CUG in** March 2021; Fully functional UPI will go live by May 2021. Subject to regulatory clearance, PPI is ready to go live.
13. The 3 marketplaces – eStore, Insurance and investments are under advanced stages of development. The first phase of eStore has already gone live in February 2021. With its launch customers can now search, compare and select from +25 K SKUs of consumer durables, order online and make single click checkout through Bajaj Finserv EMI card. 40 K retailers have been onboarded. The second phase of capabilities will go live between July and August 2021.
14. Insurance and investments marketplace apps will go live between July and August 2021.
15. The onboarding app of Bajaj Financial securities limited has gone live and the revamped broking app will go live by May 2021.
16. 12 adjunct partner apps are live in Experia. Plan is to have 28 such apps on the platform along with the 5 proprietary apps.

## Customer Experience:

**The Company has a stated business strategy of ‘acquire and cross sell’. The Company has 48.57 MM customers as of 31 March 2021** and it continues to add 1.8-2.5 MM new customers every quarter. It is imperative for the Company to design its product, processes, technology stack and practices that reduce friction for purchase and post purchase experience of customers. The updates on some of the initiatives taken by the Company in the last quarter are as below:

17. To strengthen the customer grievance redressal mechanism, the Company has appointed an Internal Ombudsman (IO). In Q4, Of the referred cases, IO suggested a different set of actions in certain cases which were accordingly actioned.
18. **The Company introduced a ‘Reparation Policy’ in February 2021 to compensate customers for potential financial loss due to service deficiency.** As of 31 March 2021, the Company had compensated 150+ such customers.
19. The Company has a centralized call monitoring infrastructure for its outsourced agency network to significantly improve controllership over its outsourced agency network. 15-16% of the collection calls were made using this infrastructure in March 2021. The Company is in the process of deploying AI solutions to analyze these calls.
20. The Company has opened dedicated collections service desk across the top 10 branches in Q4 FY21. It is expanding this service to 7 more cities in Q1 FY22.
21. As part of its Debt Recovery Agent (DRA) and Change Agent program (CCA) certification, the Company has trained approximately 6.7K collection agents. It plans to cover all the agents in next 12 months in a phased manner.
22. NPS for collections was started in Q3 FY 21. in Q4 FY21, 7 Lacs customers responded to the NPS survey, with over 97% customers giving good NPS score.

## Subsidiaries

- 23. Bajaj Housing Finance Ltd (BHFL) profit after tax increased by 97% to ₹ 179 crore in Q4 FY21 against ₹ 91 crore in Q4 FY20.
- 24. **BHFL's** AUM increased by 19% to ₹ 38,871 crore as of 31 March 2021 from ₹ 32,705 crore as of 31 March 2020.
- 25. **BHFL's Net Interest Income for Q4 FY21 increased by 30% to ₹ 369 crore from ₹ 283 crore in Q4 FY20.**
- 26. **BHFL's Opex to NII stood at 26.6% in Q4 FY21 as against 25.4% in Q4 FY20.**
- 27. During the quarter, BHFL has further increased its provision on stage 1 and 2 assets by ₹ 19 crore taking the overall contingency provision to ₹ 310 crore as of 31 March 2021.
- 28. Bajaj Financial Securities Ltd (BFinsec) made a total Income of ₹ 17 crore in Q4 FY21 and ₹ 36 crore in FY21.
- 29. Bajaj Financial Securities Ltd (BFinsec) made a net profit of ₹ 4.5 crore in Q4 FY21 and ₹ 5.6 crore in FY21.

## Section 02 Bajaj Finance Limited overview

2.1

Bajaj group structure

2.2

What do we stand for

2.3

Our general long-term guidance on Financial metrics shareholder profile

2.4

Key strategic differentiators

2.5

Our shareholder profile

2.6

10-year financial snapshot

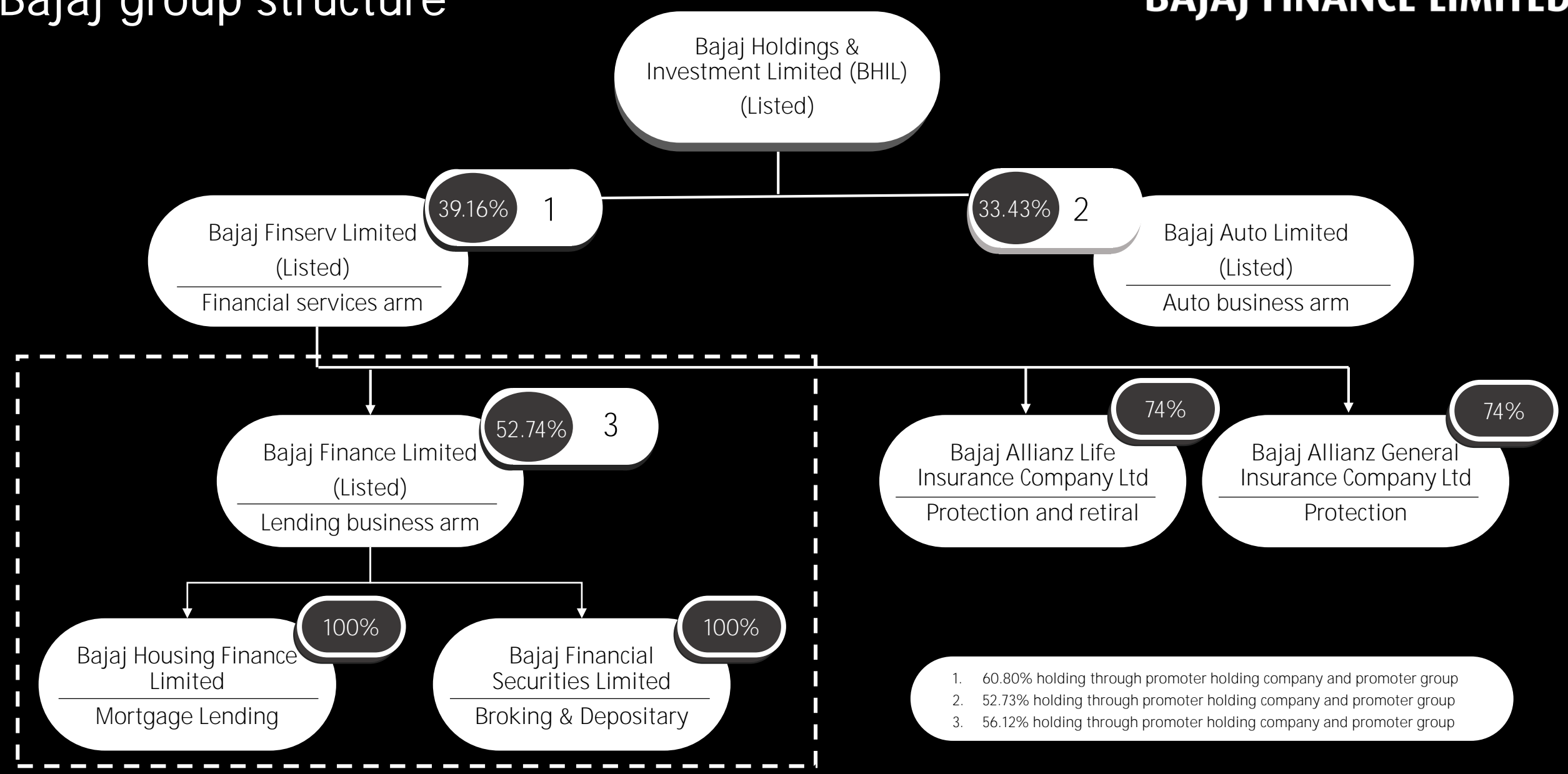
2.7

Product suite

2.8

Executive summary

# Bajaj group structure



- 1. 60.80% holding through promoter holding company and promoter group
- 2. 52.73% holding through promoter holding company and promoter group
- 3. 56.12% holding through promoter holding company and promoter group

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

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

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

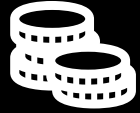
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**“Business construct to deliver a sustainable ROA of 3.3-3.5% and ROE of 19-21% in the long term”**

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

# Our general long-term guidance on financial metrics **BAJAJ FINANCE LIMITED**



AUM growth  
in corridor of  
25%-27%



Profit growth  
in corridor of  
23%-24%



GNPA  
in corridor of  
1.4%-1.7%



NNPA  
in corridor of  
0.4%-0.7%



Return on assets  
in corridor of  
3.3%-3.5%



Return on equity  
in corridor of  
19%-21%



# Key strategic differentiators

**BAJAJ FINANCE LIMITED**

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 48.57 MM

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

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

A well diversified balance sheet

Consolidated lending AUM mix for Consumer: Rural: SME: Commercial: Mortgages stood at 36%: 10%: 13%: 9%: 32%  
Consolidated borrowing mix for Money Markets :Banks: Deposits: ECB stood at 44%:32%:20%:4%

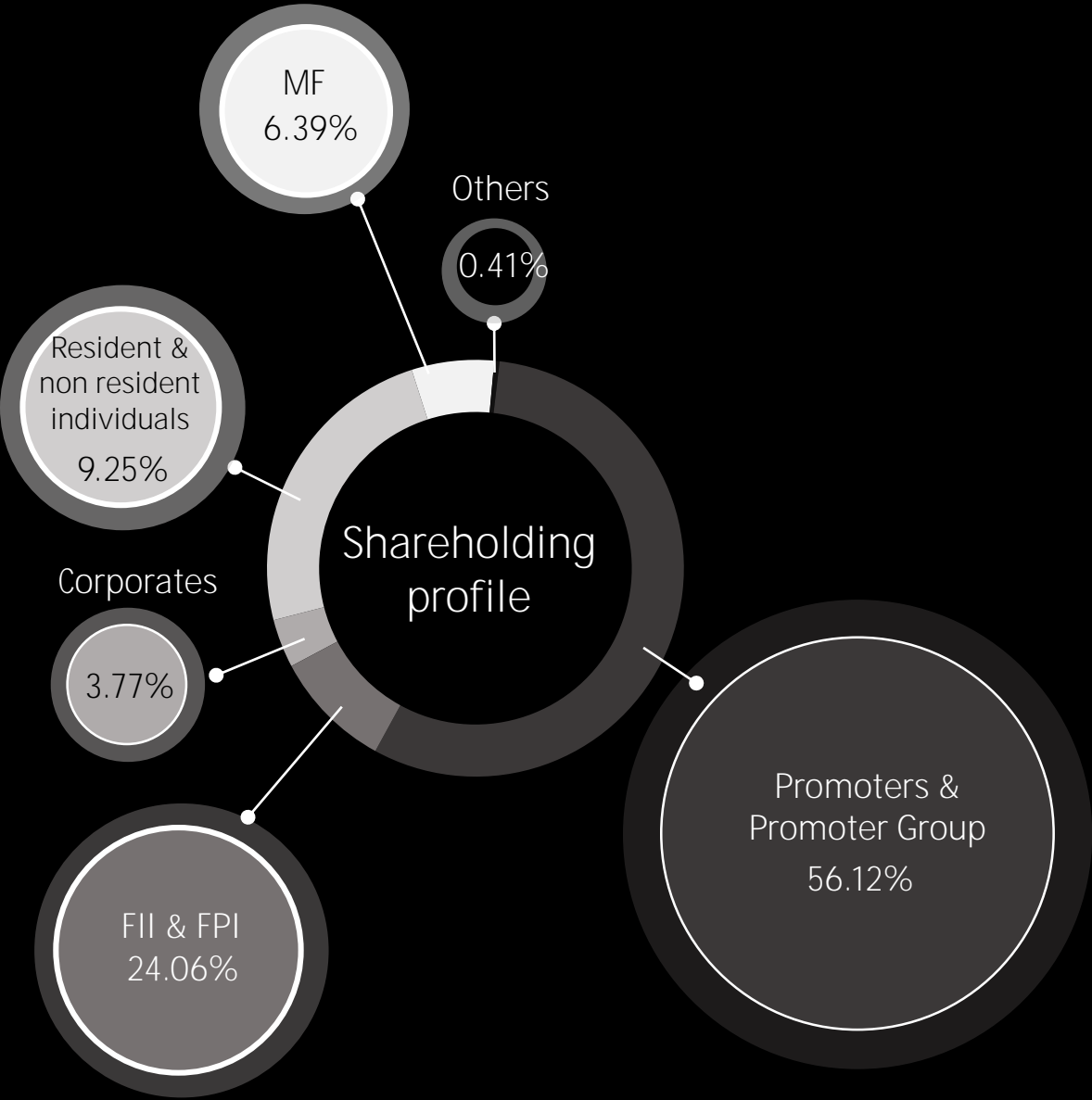
Highly agile & innovative

Continuous improvements in product features and digital technologies to maintain competitive edge

Deep investment in technology and analytics

Has helped achieve multi product cross sell and manage risk & controllership effectively. Obsessed to deliver frictionless experience to customer

Our shareholder profile



Above shareholding is as of 31 March 2021

Top 20 investors & their holdings

S.No	Name of Shareholder	As on 31 March 21	As on 31 Dec 20	As on 31 March 20
1	BAJAJ FINSERV LTD	52.74%	52.74%	52.82%
2	GOVERNMENT OF SINGAPORE	4.20%	4.28%	4.46%
3	MAHARASHTRA SCOOTERS LIMITED	3.15%	3.15%	3.15%
4	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND	0.80%	0.79%	0.76%
5	NEW HORIZON OPPORTUNITIES MASTER FUND	0.77%	0.77%	0.77%
6	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS BLUECHIP FUND	0.69%	0.68%	0.41%
7	SBI-ETF NIFTY 50	0.63%	0.52%	0.65%
8	LIFE INSURANCE CORPORATION OF INDIA	0.62%	0.62%	0.15%
9	NEW WORLD FUND INC	0.56%	0.56%	0.56%
10	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	0.50%	0.45%	0.44%
11	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS FOCUSED 25 FUND	0.46%	0.44%	0.36%
12	WF ASIAN SMALLER COMPANIES FUND LIMITED	0.46%	0.33%	0.00%
13	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0.45%	0.50%	0.52%
14	ST. JAMES'S PLACE EMERGING MARKETS EQUITY UNIT TRUST MANAGED BY WASATCH ADVISORS INC	0.44%	0.44%	0.23%
15	PEOPLE'S BANK OF CHINA	0.41%	0.42%	0.32%
16	BARON EMERGING MARKETS FUND	0.40%	0.34%	0.17%
17	FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING MARKETS OPPORTUNITIES FUND	0.39%	0.42%	0.00%
18	GOVERNMENT PENSION FUND GLOBAL	0.39%	0.34%	0.33%
19	ISHARES CORE EMERGING MARKETS MAURITIUS CO	0.39%	0.35%	0.26%
20	SMALLCAP WORLD FUND, INC	0.39%	0.54%	0.54%

10-year financial snapshot

₹ in crore

Financials snapshot @	FY12	FY13	FY14	FY15	FY16	FY17	FY18@ (Consol.)	FY19@ (Consol.)	FY20@ (Consol.)	FY21@ (Consol.)	YoY (FY20-FY21)	CAGR (10 yrs)
Assets under management	13,107	17,517	24,061	32,410	44,229	60,196	82,422	1,15,888	1,47,153	152,947	4%	31%
Income from operations	2,172	3,110	4,073	5,418	7,333	9,989	12,757	18,500	26,386	26,683	1%	32%
Interest expenses	746	1,206	1,573	2,248	2,927	3,803	4,614	6,623	9,473	9,414	(1%)	33%
Net Interest Income (NII)	1,426	1,904	2,500	3,170	4,406	6,186	8,143	11,877	16,913	17,269	2%	32%
Operating Expenses	670	850	1,151	1,428	1,898	2,564	3,270	4,197	5,662	5,308	(6%)	26%
Loan Losses & Provision (ECL)	154	182	258	385	543	804	1,030	1,501	3,929	5,969	52%	50%
Profit before tax	602	872	1,091	1,357	1,965	2,818	3,843	6,179	7,322	5,992	(18%)	29%
Profit after tax	406	591	719	898	1,279	1,837	2,496	3,995	5,264	4,420	(16%)	30%

Ratios	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Opex to NII	47.0%	44.6%	46.0%	45.0%	43.1%	41.4%	40.2%	35.3%	33.5%	30.7%
Return on assets	4.2%	4.1%	3.6%	3.3%	3.5%	3.7%	3.7%	4.2%	4.1%	3.1%
Return on equity	24.0%	21.9%	19.5%	20.4%	20.9%	21.6%	20.1%	22.5%	20.2%	12.8%
Net NPA *	0.12%	0.19%	0.28%	0.45%	0.28%	0.44%	0.43%	0.63%	0.65%	0.75%
NPA provisioning coverage	89%	83%	76%	71%	77%	74%	70%	60%	60%	58%

@ All figures till including FY17 are as per previous GAAP, whereas for FY18 onwards are as per IndAS

\* As per the RBI regulations, NNPA numbers for upto FY15 are at 6 months overdue, FY16 are at 5 months overdue, FY17 are at 4 months overdue and FY18 onwards are at 3 months overdue. Hence NPA across periods are not comparable.

BAJAJ FINANCE LIMITED

Consumer	SME	Commercial	Rural	Deposits	Partnerships & Services
1. Consumer Durable Loans	1. Unsecured Working Capital Loans <sup>(E)</sup>	1. Loan against securities	1. Consumer Durable Loans	1. Retail Term Deposits	1. Life Insurance Distribution
2. Digital Product Loans <sup>(E)</sup>		2. IPO financing	2. Digital Product Loans	2. Corporate Term Deposits	2. General Insurance Distribution
3. Lifestyle Product Loans	2. Loans to self employed and Professionals <sup>(E)</sup>	3. ESOP financing	3. Lifestyle Product Loans	3. Systematic Deposit Plan	3. Health Insurance Distribution
4. Lifecare financing	3. Secured Enterprise Loans	4. Vendor financing to auto component manufacturers	4. Personal Loans Cross Sell		4. Pocket Insurance <sup>(E)</sup>
5. EMI Cards	4. Used-car financing	5. Financial Institutions Lending	5. Salaried Personal Loans		5. Co-Branded Credit Card
6. Retail Spend Financing	5. Medical equipment financing	6. Light Engineering Lending	6. Gold Loans		6. Co-Branded Wallet
7. 2-Wheeler & 3-Wheeler Loans		7. Specialty Chemicals Lending	7. Loans to Professionals		7. Financial Fitness Report
8. Personal Loan Cross-Sell					
9. Salaried Personal Loans <sup>(E)</sup>					
10. E-Commerce - Consumer Finance					
11. Retailer Finance					
12. Health EMI Card					

BAJAJ HOUSING FINANCE LIMITED

1. Salaried Home Loans <sup>(E)</sup>	1. Loan Against Property	1. Developer Finance	1. Loan Against Property	1. Property Fitness Report
2. Salaried Loan Against Property	2. Self Employed Home Loans		2. Home Loans	
	3. Lease Rental Discounting		3. Secured Enterprise Loans	

BAJAJ FINANCIAL SECURITIES LIMITED

1. Trading Account <sup>(E)</sup>	5. Retail Broking HNI	9. Distribution of PMS
2. Depository Services <sup>(E)</sup>	6. Retail Broking <sup>(E)</sup>	
3. Margin Trading Financing <sup>(E)</sup>	7. IPO Financing	
4. HNI Broking	8. Mutual Funds <sup>(E)</sup>	

(E) Also available through digital channels

Overview	<ul style="list-style-type: none"><li>• 34-year-old non-bank with a demonstrated track record of profitable growth</li><li>• Diversified financial services company focused on Consumer, Rural, SME, Commercial, Mortgages and Payments</li><li>• Focused on mass affluent client with a strategy to cross sell</li><li>• Strong focus on deposits acceptance and fee product distribution</li><li>• Present in 2,988 locations with over 110 K+ point of sale</li><li>• Customer franchise of 48.57 MM</li><li>• Amongst the largest new loan acquirers in India (5.47 MM in Q4 FY21)</li><li>• AUM mix as of 31 March 2021 - Consumer: Rural: SME: Commercial: Mortgages stood at 36%: 10%: 13%: 9%: 32%</li><li>• AUM of ₹ 1,52,947 crore as of 31 March 2021 and post tax profit of ₹ 4,420 crore in FY21</li><li>• Capital adequacy ratio (including Tier II capital) of 28.34% as of 31 March 2021. Tier I capital stood at 25.10%</li></ul>
Subsidiaries	<ul style="list-style-type: none"><li>• 100% shareholding in Bajaj Housing Finance Limited</li><li>• 100% shareholding in Bajaj Financial Securities Limited</li></ul>
Treasury	<ul style="list-style-type: none"><li>• Strategy is to create a balanced mix of wholesale and retail borrowings</li><li>• Borrowings of ₹ 1,31,645 crore with a mix of 44%:32%:4%:20% between money markets, banks, deposits &amp; ECB as of 31 March 2021</li></ul>
Credit Quality	<ul style="list-style-type: none"><li>• Consolidated Gross and Net NPA as of 31 March 2021 stood at 1.79% and 0.75% respectively</li><li>• Provisioning coverage ratio as of 31 March 2021 was 58%</li><li>• Provisioning coverage on stage 1 &amp; 2 stood at 181 bps as of 31 March 2021 versus 190 bps as of 31 December 2020.</li></ul>

Overview	<ul style="list-style-type: none"><li>• Focused on Consumer, Rural, SME, Commercial and Payments lines of businesses</li><li>• Strategic business unit organization design supported by horizontal common utility functions to drive domain expertise, scalability and operating leverage</li><li>• Focused on cross sell, customer experience and product &amp; process innovations to create a differentiated &amp; profitable business model</li><li>• AUM mix as of 31 March 2021 - Consumer: Rural: SME: Commercial: Mortgage stood at 46%: 13%: 17%: 12%: 12%</li><li>• AUM of ₹ 1,15,418 crore as of 31 March 2021 and a post tax profit of ₹ 3,956 crore in FY21</li></ul>
Consumer business	<ul style="list-style-type: none"><li>• Present in 1,298 locations with 80,200+ active distribution points of sale as of 31 March 2021</li><li>• Largest consumer electronics, digital products &amp; lifestyle products lender in India</li><li>• 2-wheeler financing business disbursed 160 K accounts in the quarter (de-growth of 15% YOY)</li><li>• 3-wheeler financing business disbursed 21 K accounts in the quarter (de-growth of 46% YOY)</li><li>• Amongst the largest personal loan lenders in India</li></ul>
Payments	<ul style="list-style-type: none"><li>• EMI Card franchise stood at 23.77 MM cards in force (CIF) as of 31 March 2021</li><li>• Bajaj Finserv - RBL Bank co-branded credit card CIF stood at 2.05 MM as of 31 March 2021</li><li>• Bajaj Finserv Mobikwik app has 19.80 MM users as of 31 March 2021 who have linked their EMI card to the wallet</li></ul>
Rural business	<ul style="list-style-type: none"><li>• Highly diversified lender in rural markets offering 10 loan products across consumer and SME business categories</li><li>• Operates with a unique hub and spoke business model</li><li>• Geographic presence across 1,690 towns and villages with retail presence across 24,000+ points of sale</li></ul>

SME Business	<ul style="list-style-type: none"><li>• Offers unsecured working capital loans to SME and self-employed professionals</li><li>• Secured offerings include enterprise loans against property and financing against used car</li><li>• Focused on affluent SMEs (average sales of ₹ 15 to 17 crore) with established financials &amp; demonstrated borrowing track record</li></ul>
Commercial business	<ul style="list-style-type: none"><li>• Offers short, medium- and long-term financing to mid market corporates</li><li>• Focused on auto component, pharma, specialty chemicals, financial institution groups, lease rental discounting and top 500 mid corporate clients in India</li></ul>
Treasury	<ul style="list-style-type: none"><li>• Strategy is to create a balanced mix of wholesale and retail borrowings with a focus on long term borrowings</li><li>• Borrowings stood at ₹ 99,866 crore with a mix of 47%:22%:26%:5% between money markets, banks, deposits &amp; ECB as of 31 March 2021</li></ul>
Credit Quality	<ul style="list-style-type: none"><li>• Gross and Net NPA as of 31 March 2021 stood at 2.21% and 0.91% respectively</li><li>• Provisioning coverage ratio as of 31 March 2021 was 59%</li><li>• Provisioning coverage on stage 1 &amp; 2 stood at 208 bps as of 31 March 2021 versus 218 bps as of 31 December 2020.</li></ul>
Credit Rating	<ul style="list-style-type: none"><li>• Credit rating for long term borrowing is AAA/Stable by CRISIL, ICRA, CARE &amp; India Ratings</li><li>• Credit rating for short term borrowing is A1+ by CRISIL, ICRA &amp; India Ratings</li><li>• Credit rating for FD program is FAAA/Stable by CRISIL &amp; MAAA (Stable) by ICRA</li><li>• Long term issuer credit rating of BB+/Stable and short-term rating of B by S&amp;P Global</li></ul>

# Executive summary – Bajaj Housing Finance Limited

**BAJAJ FINANCE LIMITED**

## Bajaj Housing Finance Limited

- A 100% subsidiary of Bajaj Finance Limited, registered with National Housing Bank as a Housing Finance Company
- Strategic business unit organization design supported by horizontal common utility functions 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 ₹ 38,871 crore as of 31 March 2021. Post tax profit of ₹ 453 crore for FY21
- Capital adequacy ratio (including Tier II capital) was 21.33% as of 31 March 2021

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## Home Loans

- Offers home loans to salaried customers for an average ticket size of approximately 45 lakhs
- Focused on originating home loans at developer points – B2B home loans business
- Focused on balance transfers to large existing franchise of BFL by creating customized solutions
- Currently present across 32 locations in India

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## Loan Against Property

- Offers loan to mass affluent and above self-employed customers for an average ticket size of 50 lakhs
- Focused on balance transfers to large existing franchise of BFL by creating customized solutions
- Currently present across 14 locations in India

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## Rural

- Offers home loans and loans against property to salaried and self-employed customers with an average ticket size of approximately 17 lakhs for home loans and 12 lakhs for loan against property
- Hub and spoke strategy through branch network and ASSC tie ups
- Currently present across 93 locations in India



# Executive summary – Bajaj Housing Finance Limited

**BAJAJ FINANCE LIMITED**

## Lease Rental Discounting

- Offers loan against lease rentals to high-net-worth individuals and developers on commercial property leased mainly to corporate tenants
- All lease rental discounting transactions are backed by rentals through escrow mechanism
- Ticket size of lease rental discounting ranges from 5 - 200 crore with an average ticket size of approximately 25 crore
- Currently present across 8 locations in India (Mumbai, Delhi, Bangalore, Pune, Ahmedabad, Chennai, Kolkata and Hyderabad)

## Developer Financing

- Offers construction finance and inventory finance mainly to category A and A+ developers in India
- Average ticket size ranges between 15 – 35 crore
- Currently present in 8 locations (Mumbai, Bangalore, Pune, Ahmedabad, Chennai, Kolkata, Hyderabad and Surat)

## Credit Quality

- Gross NPA and Net NPA, recognized as per extant RBI prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS, as of 31 March 2021 stood at 0.35% and 0.22% respectively

## Treasury

- Strategy is to create a balanced and sustained mix of borrowings
- Borrowings stood at ₹ 31,601 crore with a mix of 64 : 36 between banks and money markets as of 31 March 2021

## 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

# Executive summary – Bajaj Financial Securities Limited

Bajaj Financial Securities Limited	<ul style="list-style-type: none"><li>• A 100% subsidiary of Bajaj Finance Limited, registered with Securities and Exchange Board of India (SEBI)</li><li>• Having membership of Stock Exchanges (NSE and BSE), Depositories (NSDL &amp; CDSL) and AMFI for distribution of Mutual Funds</li><li>• Offers Capital Market products like Broking, Depository services, Margin Trade Financing (MTF), Mutual Funds, IPOs and Distribution of PMS.</li><li>• Strategically Broking business has been carved out in two different business segment – HNI and Retail</li><li>• Margin Trade Financing Loan Book of ₹ 184 Cr as of 31 March 2021</li><li>• Post tax profit of ₹ 5.6 crore for FY21</li></ul>
HNI Broking	<ul style="list-style-type: none"><li>• Geographic presence in 4 locations as of 31 March 2021</li><li>• Total client base of 2,500+ as of 31 March 2021</li><li>• Generated Broking related gross Income of 19 Cr during FY21</li></ul>
Retail Broking	<ul style="list-style-type: none"><li>• Opened 40,000 + Trading and Demat accounts in FY21.</li><li>• Empaneled 50+ Affiliates for online accounts.</li><li>• Created an ecosystem of Digital platforms including Online Account Opening (Web and App), Online Trading (Web, App &amp; EXE), Partner platform and Customer Service Platforms.</li></ul>
Margin Trade Financing	<ul style="list-style-type: none"><li>• 105 clients have been activated for Margin Trade Financing</li><li>• Total Loan Book of ₹ 184 Cr of 31 March 2021</li></ul>
Treasury	<ul style="list-style-type: none"><li>• Total Borrowings stood at ₹ 179 Cr (98 Cr of borrowing via Commercial Paper and 81 Cr borrowing from overdraft facility).</li></ul>
Credit Rating	<ul style="list-style-type: none"><li>• Received issuer rating of AAA from CRISIL</li></ul>

## 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	Q4 FY21	Q4 FY20	Q-o-Q	FY21	FY20	Y-o-Y
Assets under management	1,52,947	1,47,153	4%	1,52,947	1,47,153	4%
Assets under finance	1,46,687	1,41,376	4%	1,46,687	1,41,376	4%
Interest income	6,034	6,302	(4%)	23,304	22,970	1%
Fee and other income	770	753	2%	2,788	2,878	(3%)
Net gain on fair value changes on investment	51	176	(71%)	591	537	10%
Total Income	6,855	7,231	(5%)	26,683	26,385	1%
Interest expenses	2,196	2,547	(14%)	9,414	9,473	(1%)
Net Interest Income	4,659	4,684	(1%)	17,269	16,912	2%
Operating Expenses	1,605	1,452	11%	5,308	5,661	(6%)
Loan losses and provisions	1,231	1,954	(37%)	5,969	3,929	52%
ECL stage 1 & 2	5	856	(99%)	414	1,318	(69%)
ECL stage 3 & write off	1,226	1,098	12%	5,555	2,611	113%
Profit before tax	1,823	1,278	43%	5,992	7,322	(18%)
Profit after tax	1,347	948	42%	4,420	5,264	(16%)
Ratios						
Operating expenses to Net Interest Income	34.5%	31.0%		30.7%	33.5%	
Loan loss to average AUF*	0.87%	1.39%		4.14%	3.10%	
Earning per share - Basic (₹) *	22.40	15.8		73.6	89.8	
Return on Average Assets*	0.9%	0.7%		3.1%	4.1%	
Return on Average Equity *	3.7%	2.9%		12.8%	20.2%	

\* Not annualized

# Financial statement summary – Bajaj Finance Ltd.

**BAJAJ FINANCE LIMITED**

₹ in Crore

Financials snapshot	Q4 FY21	Q4 FY20	QoQ	FY21	FY20	YoY
Assets under management	115,418	116,102	(1%)	115,418	116,102	(1%)
Assets under finance	113,090	113,417	0%	113,090	113,417	0%
Interest income	5,288	5,616	(6%)	20,419	20,668	(1%)
Fee and other income	681	753	(10%)	2,599	2,706	(4%)
Net gain on fair value changes on investment	41	146	(72%)	528	460	15%
<b>Total Income</b>	<b>6,010</b>	<b>6,515</b>	<b>(8%)</b>	<b>23,546</b>	<b>23,834</b>	<b>(1%)</b>
Interest expenses	1,723	2,056	(16%)	7,446	7,857	(5%)
<b>Net Interest Income</b>	<b>4,287</b>	<b>4,459</b>	<b>(4%)</b>	<b>16,100</b>	<b>15,977</b>	<b>1%</b>
Operating Expenses	1,514	1,389	9%	5,016	5,364	(6%)
<b>Loan losses and provisions</b>	<b>1,201</b>	<b>1,865</b>	<b>(36%)</b>	<b>5,721</b>	<b>3,805</b>	<b>50%</b>
ECL stage 1 & 2	(14)	788	(102%)	215	1,233	(83%)
ECL stage 3 & write off	1,215	1,077	13%	5,506	2,572	114%
<b>Profit before tax</b>	<b>1,572</b>	<b>1,205</b>	<b>30%</b>	<b>5,363</b>	<b>6,808</b>	<b>(21%)</b>
<b>Profit after tax</b>	<b>1,161</b>	<b>892</b>	<b>30%</b>	<b>3,956</b>	<b>4,881</b>	<b>(19%)</b>
<b>Ratios</b>						
Operating expense to Net Interest Income	35.3%	31.1%		31.2%	33.6%	
Loan loss to Average AUF*	1.09%	1.64%		5.05%	3.65%	
Return on Average Assets*	1.1%	0.8%		3.5%	4.7%	
Return on Average Equity*	3.3%	2.8%		11.7%	19.0%	

	₹ in Crore					
Financials snapshot	Q4 FY21	Q4 FY20	YoY	FY21	FY20	YoY
Assets under management	38,871	32,705	19%	38,871	32,705	19%
Assets under finance	33,419	27,975	19%	33,419	27,975	19%
Interest income	743	687	8%	2,877	2,303	25%
Fee and other income	88	58	52%	218	269	(19%)
Net gain on fair value changes on Investments	9	29	(69%)	60	74	(19%)
Total Income	840	774	9%	3,155	2,646	19%
Interest expenses	471	491	(4%)	1,966	1,616	22%
Net Interest Income	369	283	30%	1,189	1,030	15%
Operating Expenses	98	72	36%	329	339	(3%)
Loan losses and provisions	30	89	(66%)	247	124	99%
ECL stage 1 & 2	19	69	(72%)	199	86	131%
ECL stage 3 & write off	11	20	(45%)	48	38	26%
Profit before tax	241	122	98%	613	567	8%
Profit after tax	179	91	97%	453	421	8%
Ratios						
Operating expense to Net Interest Income	26.6%	25.4%		27.7%	32.9%	
Loan loss to Average AUF*	0.09%	0.33%		0.80%	0.55%	
Return on Average Assets*	0.6%	0.3%		1.5%	1.9%	
Return on Average Equity*	3.0%	1.9%		7.8%	9.1%	

\* Not annualized

## Section 04

### Asset liability management

4.1

Conservative leverage standards –  
Bajaj Finance Limited

4.2

Resilient business model –  
Consolidated

4.3

Behaviouralized ALM as of 31 March–  
Bajaj Finance Limited

4.4

Behaviouralized ALM as of 31 March –  
Bajaj Housing Finance Limited

4.5

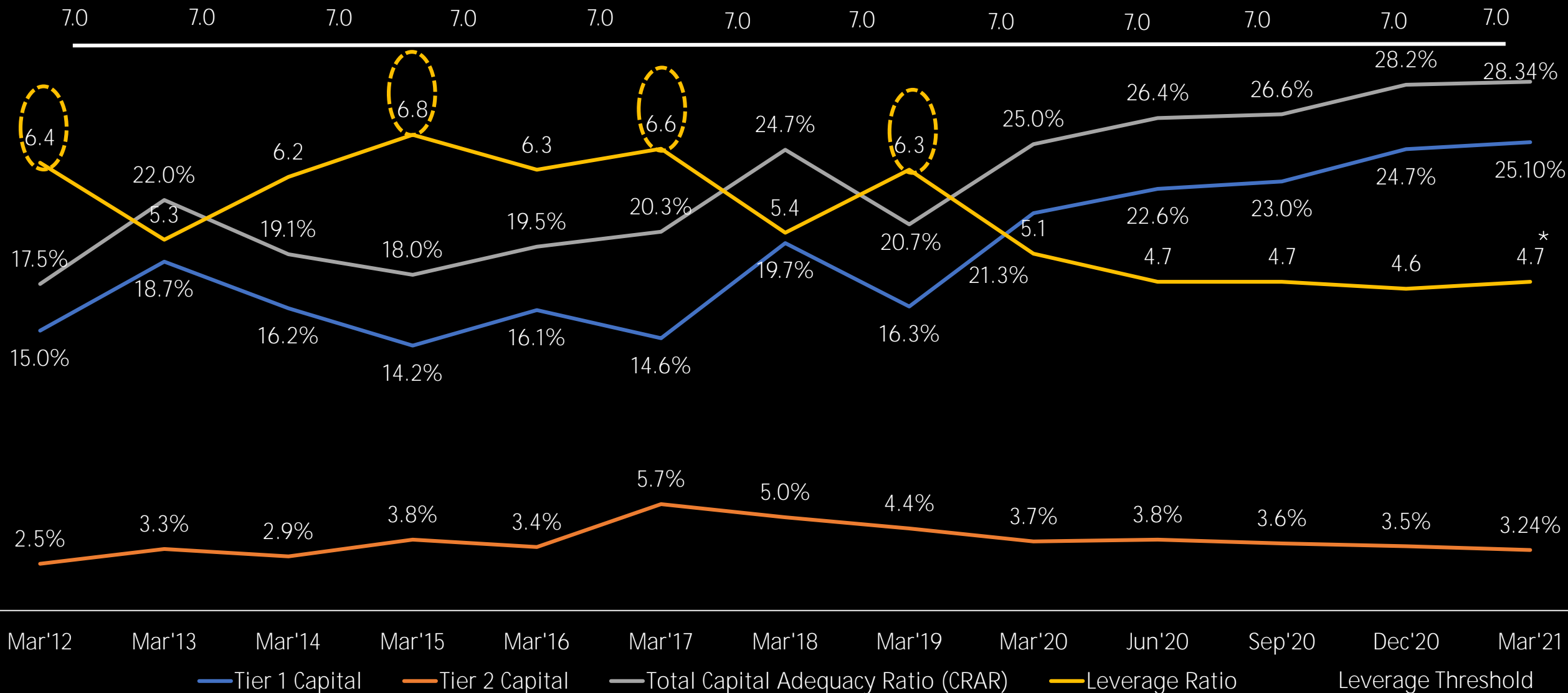
Disciplined ALM Management –  
Bajaj Finance Limited

4.6

Liability mix over the last 10 years –  
Bajaj Finance Limited

# Conservative leverage standards


**BAJAJ FINANCE LIMITED**



\*Standalone leverage is approximately 3.9X as of 31 March 2021

Capital Adequacy Ratios (CRAR) are on standalone basis

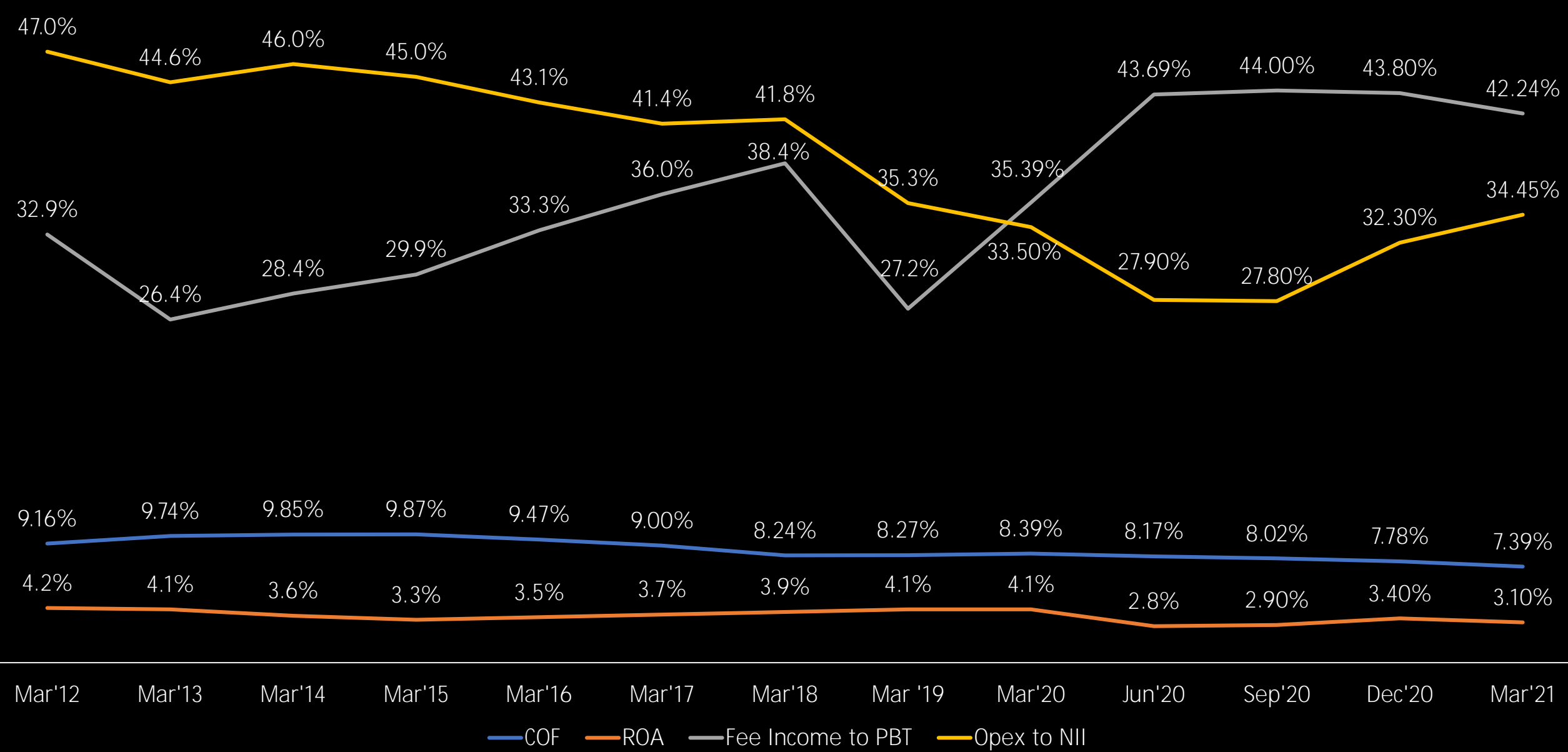
Mar '19 onwards numbers are as per Ind AS

 denotes point at which the Company initiated its capital raising plan in last 10 years



# Resilient business model – Consolidated

BAJAJ FINANCE LIMITED



Mar '19 onwards numbers are as per Ind AS. Jun'20, Sep'20, Dec'20 & Mar'21 numbers of COF are for the quarter  
Post Ind AS, Fee income to PBT represents non-loan fees and commission income as a % of Profit Before Tax

Behaviouralized ALM as of 31 March 2021 – BFL

Particulars	1 - 7 D	8 - 14 D	15 - 30 D	> 1 - 2 M	> 2 - 3 M	> 3 - 6 M	> 6M - 1Y	> 1 - 3Y	> 3 - 5 Y	> 5 Y	Total
Cash & Investments	11,658	197	0	509	0	978	103	2,439	0	5,668	21,553
Advances	3,552	1,147	2,849	5,213	5,426	13,464	19,654	38,941	17,280	5,928	1,13,455
Other inflows	47	71	4,777	24	751	53	1,249	1,351	226	4,735	13,284
Total Inflows (A)	15,257	1,415	7,625	5,746	6,178	14,495	21,006	42,732	17,506	16,331	1,48,292
Cumulative Total Inflows (B)	15,257	16,672	24,297	30,043	36,221	50,716	71,723	1,14,454	1,31,961	1,48,292	
Borrowings	1,320	181	1,298	5,585	3,474	5,592	17,269	49,254	12,825	9,757	1,06,554
Capital Reserves and Surplus	-	-	-	-	-	-	-	-	-	35,939	35,939
Other Outflows	3,588	485	809	0	88	3	62	264	260	240	5,799
Total Outflows (C)	4,908	666	2,107	5,585	3,561	5,595	17,332	49,519	13,085	45,936	
Cumulative Total Outflows (D)	4,908	5,573	7,680	13,265	16,826	22,421	39,753	89,271	1,02,356	1,48,292	
Mismatch (E = A - C)	10,349	750	5,518	161	2,616	8,901	3,675	(6,787)	4,422	(29,605)	
Cumulative mismatch (F = B-D)	10,349	11,099	16,617	16,778	19,394	28,295	31,970	25,183	29,605	-	
Cumulative mismatch as % (F/D)	211%	199%	216%	126%	115%	126%	80%	28%	29%		
Permissible cumulative gap %	-10%	-10%	-20%								
Additional borrowings possible			22,872								

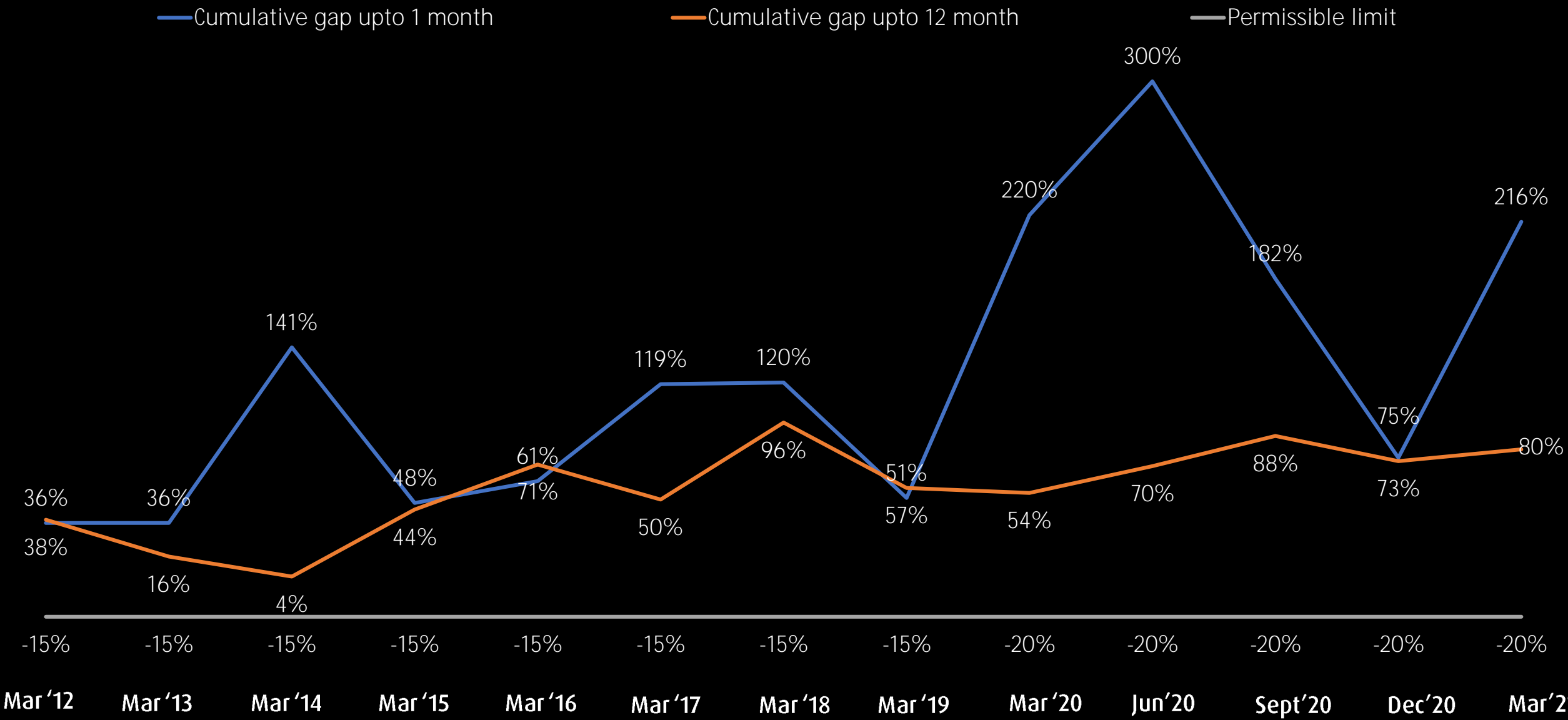
**Till Mar’19, RBI had prescribed** -15% ALM mismatch for upto 1 Month and upto 1 year. From FY20 onwards, RBI has prescribed -20% ALM mismatch for upto 1 Month and left mismatch across the buckets to discretion of the company.

Behaviouralized ALM as of 31 March 2021 – BHFL

BAJAJ FINANCE LIMITED

₹ in Crore

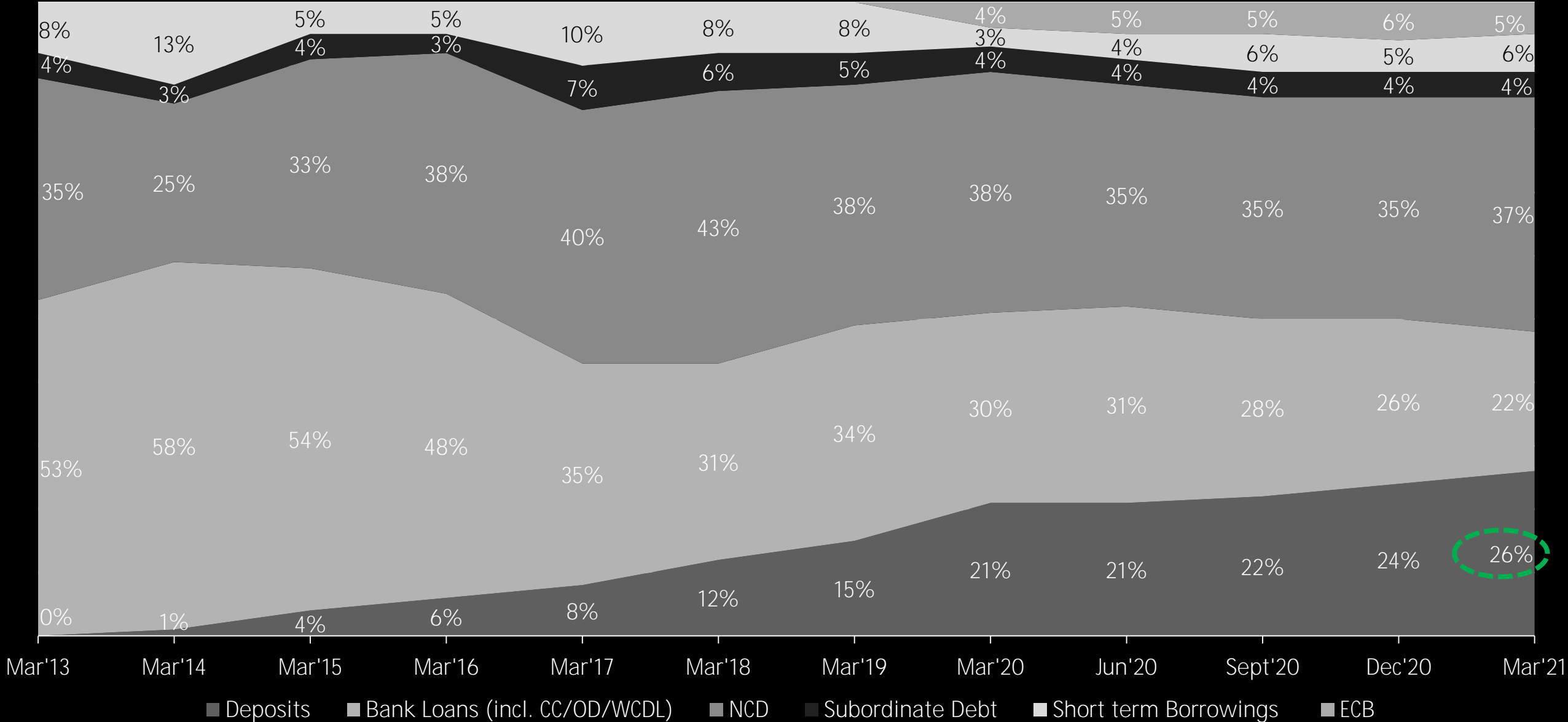
Particulars	1D - 7D	7D - 14D	15D - 30D	>1 - 2M	>2 - 3M	>3 - 6M	>6M - 1Y	>1Y - 3Y	>3Y - 5Y	>5Y - 7Y	>7Y - 10Y	>10 Y	Total
Cash & Investments	2,969	255	-	759	-	-	-	0	-	-	-	-	3,983
Advances	397	173	404	763	738	2,092	3,717	10,466	6,082	3,688	2,925	1,974	33,419
Other inflows	77	77	826	1,507	1,258	1,024	224	834	967	349	236	791	8,168
Total Inflows (A)	3,443	505	1,231	3,029	1,996	3,116	3,941	11,300	7,049	4,036	3,161	2,765	45,570
Cumulative Total Inflows (B)	3,443	3,947	5,178	8,207	10,203	13,319	17,260	28,559	35,608	39,644	42,805	45,570	
Borrowings	1,291	-	664	1,886	1,466	1,450	4,476	14,168	5,861	1,904	-	1,799	34,965
Capital Reserves and Surplus	-	-	-	-	-	-	-	-	-	-	-	6,032	6,032
Other Outflows	287	277	550	292	171	441	29	9	11	3	2,500	2	4,573
Total Outflows (C)	1,578	277	1,214	2,178	1,637	1,891	4,505	14,177	5,872	1,906	2,500	7,834	45,570
Cumulative Total Outflows (D)	1,578	1,855	3,069	5,247	6,884	8,776	13,280	27,458	33,330	35,236	37,736	45,570	
Mismatch (E = A - C)	1,865	228	16	851	358	1,224	(564)	(2,877)	1,176	2,130	661	(5,069)	
Cumulative mismatch (F = B-D)	1,865	2,093	2,109	2,960	3,319	4,543	3,979	1,102	2,278	4,408	5,069	-	
Cumulative mismatch as % (F/D)	118%	113%	69%	56%	48%	52%	30%	4%	7%	13%	13%	0%	
Permissible cumulative gap %	-10%	-10%	-20%										
Additional borrowings possible			3,397										



Till Mar '19, RBI had prescribed -15% ALM mismatch for upto 1 Month and upto 1 year. From FY20 onwards, RBI has prescribed -20% ALM mismatch for upto 1 Month and left mismatch across the buckets to discretion of the company.

36

Liability mix over the last 9 years





## Section 05

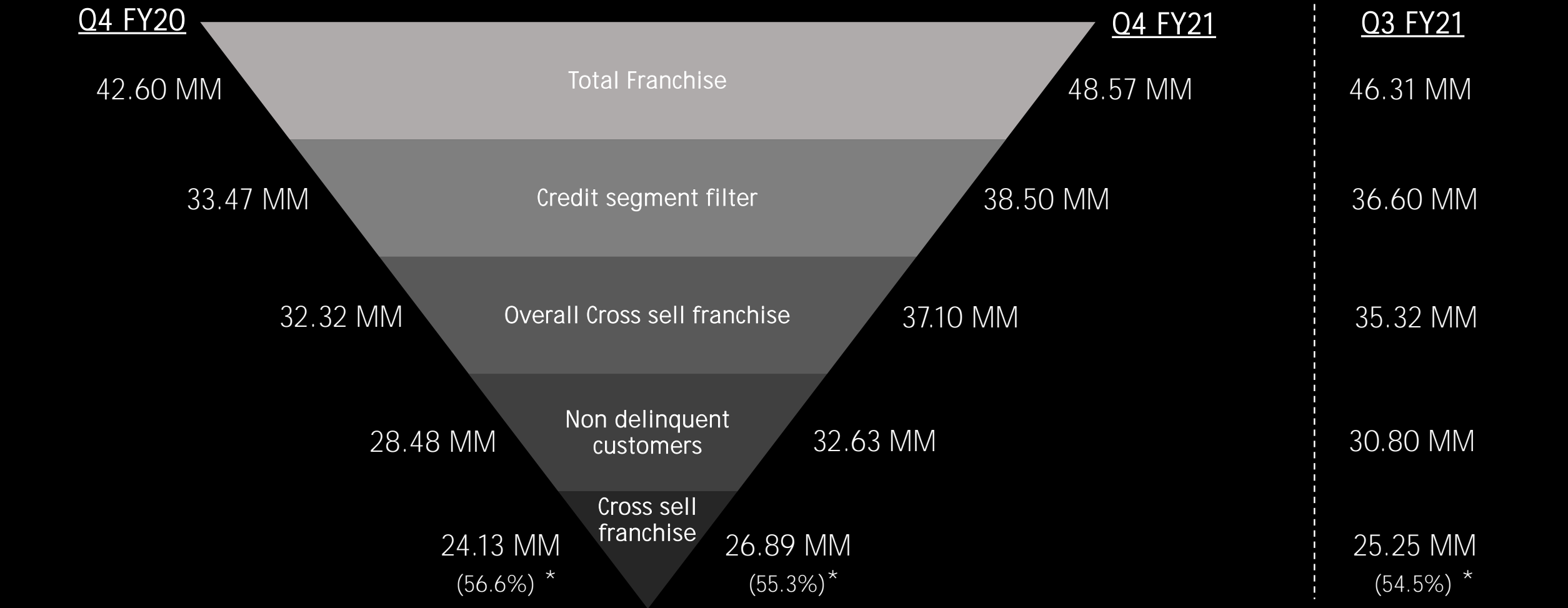
### Customer franchise and distribution reach

5.1 Customer franchise

5.2 Geographic presence

5.3 Strong distribution reach

Customer franchise



New to Bajaj Finance Customers



\*Represents cross sell franchise as a % of total franchise

Geographic presence



Geographic Presence	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Dec 2020	31 Mar 2021
Urban	377	730	927	1,035	1,210	1,298
Of which urban lending branches	377	730	927	1,035	1,137	1,148
Of which urban lending franchisee					73	150
Rural	538	602	903	1,357	1,604	1,690
Of which rural lending branches	177	219	347	527	527	527
Of which rural lending franchisee	361	383	556	830	1,077	1,163
Total Bajaj Finance presence	915	1,332	1,830	2,392	2,814	2,988



# Strong distribution reach

**BAJAJ FINANCE LIMITED**

Active distribution	31 Mar 2018	31 Mar 2019	31 Mar 2020	30 Sept 2020	31 Dec 2020	31 Mar 2021
Consumer durable stores – Urban	15,500+	20,400+	24,200+	24,200+	24,700+	26,400+
Consumer durable stores – Rural	8,200+	14,500+	19,600+	19,600+	22,500+	24,000+
Digital product stores	15,900+	22,500+	26,400+	26,400+	25,400+	23,800+
Lifestyle retail stores	6,000+	7,700+	9,500+	9,500+	8,800+	9,800+
EMI card – retail spends stores	12,100+	19,100+	24,300+	24,300+	10,400+	14,300+
Bajaj Auto dealers, sub-dealerships and ASSC	3,900+	4,600+	5,500+	5,500+	5,800+	5,900+
Direct Sales Agents	2,100+	2,800+	4,900+	4,900+	5,200+	6,100+
Overall active distribution network	64,300+	91,700+	1,14,400+	1,14,400+	1,02,800+	1,10,300+



## Section 06

### Business segment wise AUM

6.1

Business segment wise AUM as of 31 March - Consolidated

6.2

Business segment wise AUM as of 31 March - Mortgages

# Business segment wise AUM - Consolidated

**BAJAJ FINANCE LIMITED**

Assets Under Management	BFL as of 31 March 2021	BHFL as of 31 March 2021	Consolidated as of 31 March 2021	Consolidated as of 31 March 2020	Growth	Composition as of 31 March 2021
Auto Finance Business	12,112	-	12,112	13,085	(7%)	8%
Sales Finance Business	11,526	-	11,526	12,657	(9%)	8%
Consumer B2C Business	29,310	1,140	30,450	31,255	(3%)	20%
Rural Sales Finance Business	2,883	-	2,883	2,669	8%	2%
Rural B2C Business	11,822	-	11,822	10,659	11%	8%
SME Lending Business	20,057	160	20,217	19,429	4%	13%
Securities Lending Business	5,870	-	6,054	4,822	26%	4%
Commercial Lending Business	8,293	-	8,293	6,411	29%	5%
Mortgages	13,546	37,571	49,592	46,166	7%	32%
Total	1,15,418	38,871	1,52,947	1,47,153	4%	
Credit Card – CIF			2.05 MM	1.84 MM	11%	
EMI Card – CIF			23.77 MM	21.98 MM	8%	
Wallets			19.80 MM	15.20 MM	30%	

Break-up of AUM as of 31 March 2021 - Mortgages

₹ in crore

Assets Under Management	Bajaj Housing Finance Limited			Mortgage – All			
	31 March 2021	31 March 2020	Growth	31 March 2021	31 March 2020	Growth	Composition as of 31 March 2021
Home Loans	23,943	21,435	12%	27,525	26,724	3%	56%
Loan against property	4,753	3,996	19%	11,572	11,742	(1%)	23%
Lease rental development	4,838	2,940	65%	5,949	3,763	58%	12%
Developer Finance	2,057	1,774	16%	2,069	1,866	11%	4%
Rural	1,980	1,629	22%	2,471	2,071	19%	5%
Total	37,571	31,774	18%	49,586	46,166	7%	100%

Home loan portfolio customer categorisation	Bajaj Housing Finance Limited			Mortgage - All			
	31 March 2021	31 March 2020	Growth	31 March 2021	31 March 2020	Growth	Composition as of 31 March 2021
Home Loan to Salaried	22,373	19,689	14%	24,329	22,960	6%	85%
Home Loan to Self Employed	1,288	1,282	0%	2,684	3,247	-17%	10%
Home Loan to Professional	1,235	1,157	7%	1,511	1,554	-3%	5%

# **Section 07** Update on credit quality

7.1

Provisioning Coverage - Consolidated

7.2

ECL summary – Consolidated

7.3

ECL summary – Bajaj Housing Finance Limited

7.4

Portfolio stagewise provisioning

7.5

Portfolio credit quality - Consolidated

# Provisioning Coverage - Consolidated

Assets Under Management	Consol AUM 31 Mar 2021	GNPA	NNPA	PCR (%)	GNPA %			NNPA %		
					31 Mar 20	31 Dec 20*	31 Mar 21	31 Mar 20	31 Dec 20*	31 Mar 21
Auto Finance Business	12,112	1,227	609	50%	6.47%	11.54%	9.31%	3.08%	6.09%	4.84%
Sales Finance Business	11,526	145	33	77%	1.33%	1.91%	1.11%	0.35%	0.24%	0.26%
Consumer B2C Business	30,450	500	127	75%	1.62%	3.34%	1.70%	0.49%	1.23%	0.44%
Rural Sales Finance Business	2,883	33	8	77%	0.55%	2.08%	1.11%	0.10%	0.26%	0.26%
Rural B2C Business	11,822	201	47	76%	1.53%	3.64%	1.65%	0.51%	1.45%	0.39%
SME Lending Business	20,217	204	50	76%	1.70%	2.33%	0.94%	0.56%	0.84%	0.23%
Securities Lending Business	6,054	-	-	-	-	-	-	-	-	-
Commercial Lending Business	8,293	-	-	-	0.03%	-	-	0.03%	-	-
Mortgages	49,592	421	262	38%	0.53%	0.95%	0.92%	0.34%	0.56%	0.58%
Total	1,52,947	2,731	1,136	58%	1.61%	2.86%	1.79%	0.65%	1.22%	0.75%

Note:

\*Q3 FY20 data is before considering Hon'ble Supreme Court's interim order dated 3 Sep 2020, which had directed that accounts which were not declared NPA till 31 Aug 2020 shall not be declared as NPA till further orders.

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# ECL summary – Consolidated

**BAJAJ FINANCE LIMITED**

Assets categorization	Mar'20	Jun'20	Sep'20	Dec'20	Mar'21
Stage 1 & 2 (represents standard assets)	98.39%	98.60%	98.66%	97.14%	98.21%
Stage 3 (classified as NPA)	1.61%	1.40%	1.03%	0.55%	1.79%
Stage 3 (not classified as NPA)	-	-	0.31%	2.32%	-

## Summary of stage wise assets and provision for impairment allowance

Assets and impairment allowance	Mar'20	Jun'20	Sept '20	Dec '20	Mar'21
Gross Stage 1 & 2 assets* (A)	1,44,199	1,36,461	1,38,035	1,42,287	1,49,878
ECL Provision Stage 1 & 2 (B)	2,299	3,729	5,099	2,708	2,713
Net Stage 1 & 2 assets (C = A-B)	1,41,900	1,32,732	1,32,936	1,39,579	1,47,165
ECL Provision % Stage 1 & 2 assets (D = B/A)	1.59%	2.73%	3.69%	1.90%	1.81%
Gross Stage 3 assets@ (E)	2,363	1,938	1,873	4,194	2,731
ECL Provision Stage 3 (F)	1,425	1,257	1,102	2,433	1,595
Net Stage 3 assets (G = E-F)	938	681	771	1,761	1,136
Coverage Ratio % Stage 3 assets (H= F/E)	60%	65%	59%	58%	58%
Overall coverage ratio	2.54%	3.60%	4.43%	3.51%	2.82%

\*Gross stage 1 & 2 assets represent loans balance as per Ind AS after adjusting for the impact of amortisation of fees earned and acquisition cost incurred including other assets like security deposits, advance to dealer, receivable from related parties, capital advances etc

@ Gross Stage 3 assets represents loans balance as per Ind AS after adjusting for the impact of (i) amortisation of fees earned and acquisition cost incurred and (ii) overdue interest considered recoverable under Ind AS and other receivables considered as non-performing as at the end of respective periods.

# ECL summary – Bajaj Housing Finance Limited

**BAJAJ FINANCE LIMITED**

ECL categorization	Mar'20	Jun'20	Sept'20	Dec'20	Mar'21
Stage 1 & 2 (represents standard assets)	99.92%	99.92%	99.91%	99.65%	99.65%
Stage 3 (represents GNPA)	0.08%	0.08%	0.08%	0.06%	0.35%
Stage 3 (not classified as NPA)			0.01%	0.29%	

## Summary of stage wise assets and ECL provisioning

Financial Assets & ECL provision	Mar'20	Jun'20	Sept'20	Dec'20	Mar'21
Gross Stage 1 & 2 assets* (A)	28,199	28,739	29,601	31,356	34,000
ECL Provision Stage 1 & 2 (B)	112	156	220	291	310
Net Stage 1 & 2 assets (C = A-B)	28,088	28,582	29,381	31,065	33,690
ECL Provision % Stage 1 & 2 assets (D = B/A)	0.40%	0.54%	0.74%	0.93%	0.91%
Gross Stage 3 assets@ (E)	23.7	24.1	26.9	110.2	119.1
ECL Provision Stage 3 (F)	9.0	9.3	10.1	41.3	45.2
Net Stage 3 assets (G = E-F)	14.7	14.8	16.8	68.9	73.9
Coverage Ratio % Stage 3 assets (H= F/E)	38%	38%	38%	38%	38%
ECL/Total Assets	0.43%	0.58%	0.78%	1.06%	1.04%

\*Gross stage 1 & 2 assets represent loans balance as per Ind AS after adjusting for the impact of amortisation of fees earned and acquisition cost incurred including other assets like security deposits, receivable from related parties, capital advances etc

@ Gross Stage 3 assets represents Loans balance as per Ind AS after adjusting for the impact of (i) amortisation of fees earned and acquisition cost incurred and (ii) overdue interest considered recoverable under Ind AS and other receivables considered as non-performing as at the end of respective periods.



# Portfolio stagewise provisioning as of 31 March 2021

**BAJAJ FINANCE LIMITED**

₹ in crore

	Gross Assets Receivable				Stagewise Provision				PCR %			
	Stage 1	Stage 2 OTR*	Normal	Stage 3	Stage 1	Stage 2 OTR*	Normal	Stage 3	Stage 1	Stage 2 OTR*	Normal	Stage 3
Auto Finance Business	9,557	145	2,254	1,227	103	10	340	619	1.1%	6.8%	15.1%	50.4%
Sales Finance Business	11,169	405	127	145	150	54	65	112	0.9%	13.3%	50.9%	77.0%
Consumer B2C Business	27,522	225	1,162	500	304	56	392	373	1.1%	24.9%	33.7%	74.5%
Rural Sales Finance Business	2,889	0	18	33	25	0	9	25	0.9%	39.2%	46.5%	76.9%
Rural B2C Business	11,649	31	336	201	116	8	117	154	1.0%	24.3%	35.0%	76.5%
SME Lending Business	20,959	160	410	204	260	56	175	155	1.2%	35.2%	42.7%	75.7%
Securities Lending Business	6,048	0	12	0	4	0	2	0	0.1%	0.0%	17.4%	0.0%
Commercial Lending Business	8,301	0	1	0	17	0	0	0	0.2%	0.0%	2.1%	0.0%
Mortgages	43,446	773	664	421	217	145	139	158	0.5%	18.7%	20.9%	37.6%
Total as of 31 March 2021	1,41,539	1,739	4,985	2,731	1,145	328	1,239	1,595	0.8%	18.9%	24.9%	58.4%
Total as of 31 March 2020	1,39,950	-	3,148	2,363	1710	-	589	1,425	1.2%	-	18.7%	60.3%

	Gross Assets receivables	Provision	Net Assets receivables
Total (Q4 FY21)	1,50,995	4,308	1,46,687
Total (Q4 FY20)	1,45,100	3,724	1,41,376

\* OTR – One time Restructuring

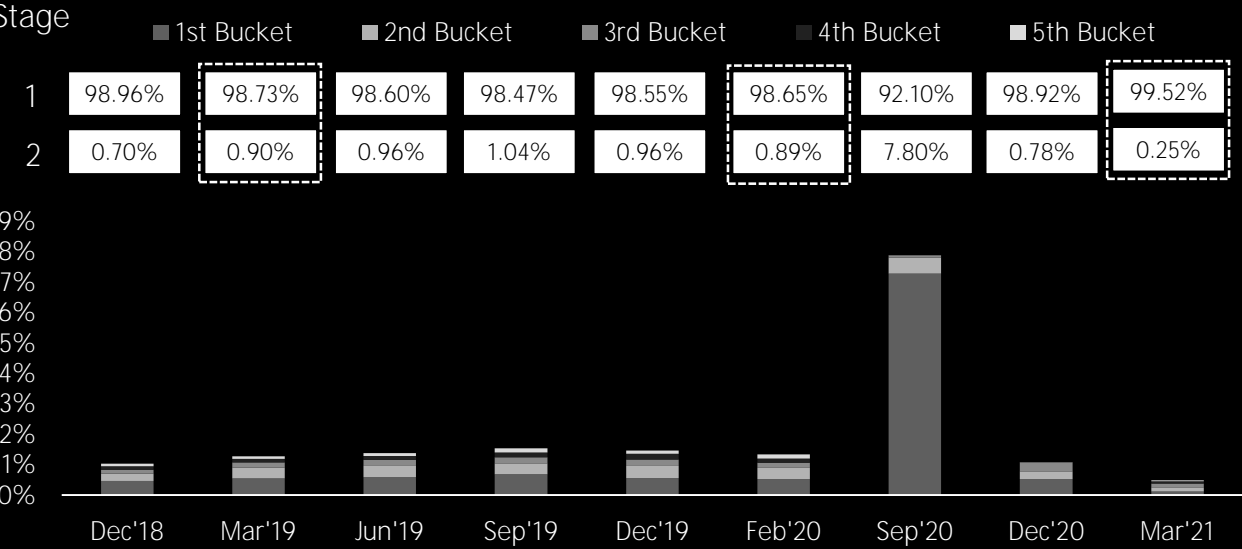
Stage 1 - Customer with no overdue on reporting date;

Stage 2 - Customer with 1 & 2 instalments overdue, including weak accounts without any overdue;

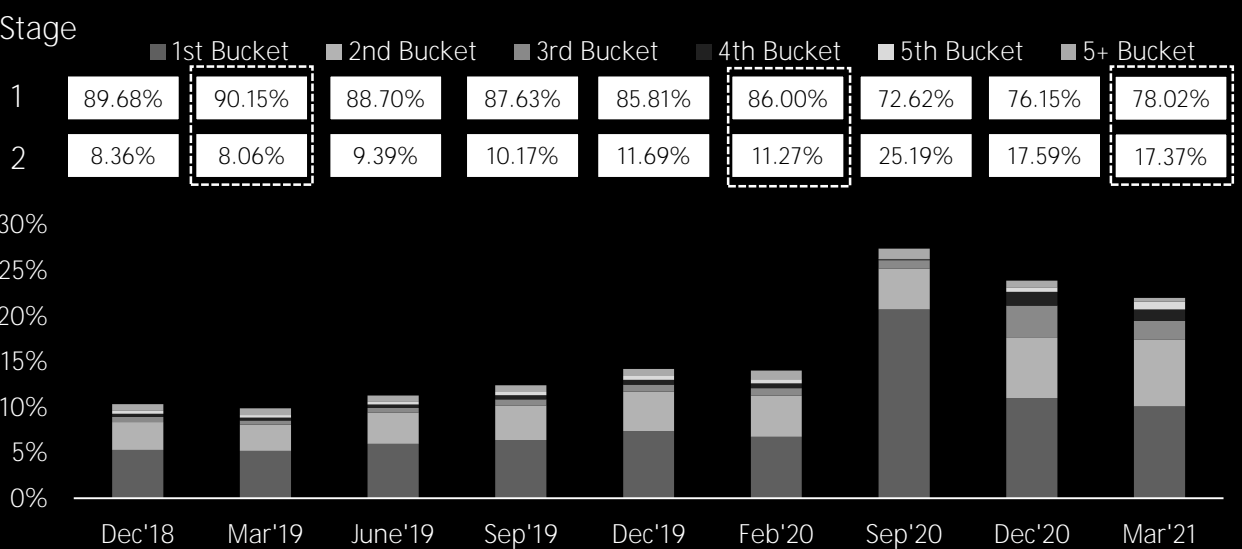
Stage 3 - Customer with 3 & above instalments overdue

Portfolio credit quality – Consolidated

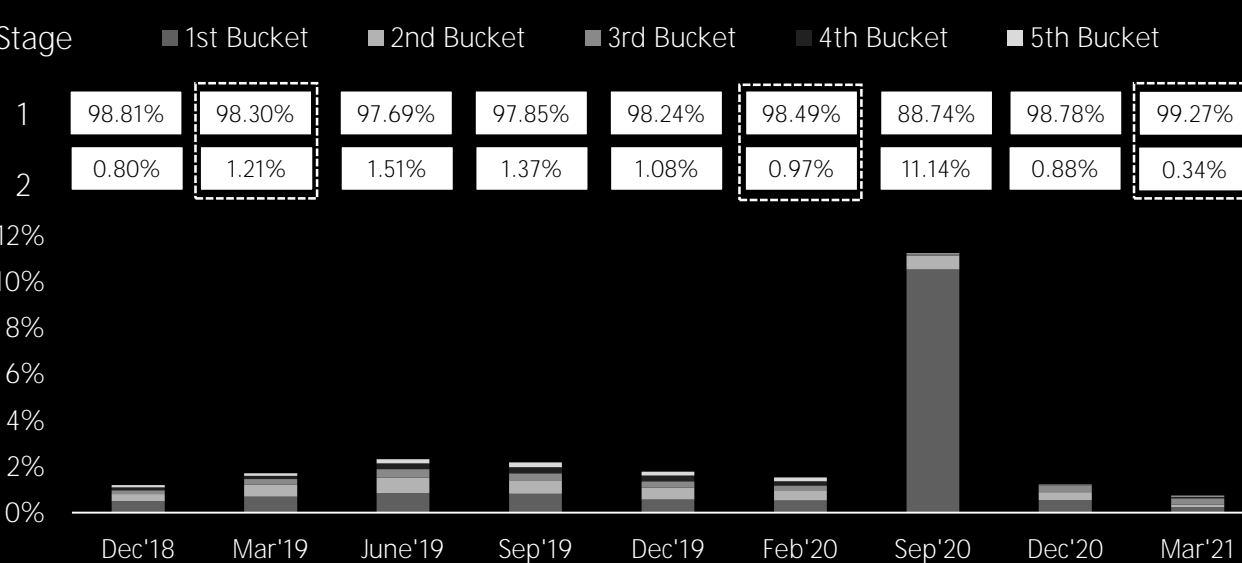
Consumer Durable & Lifestyle



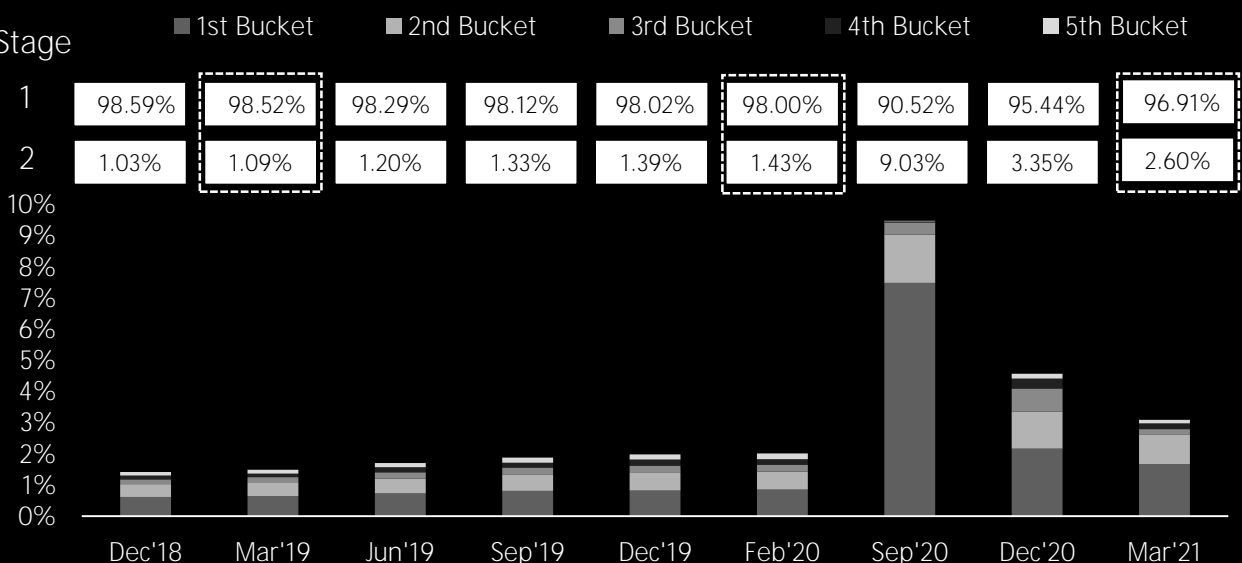
Two & three-wheeler



Digital product



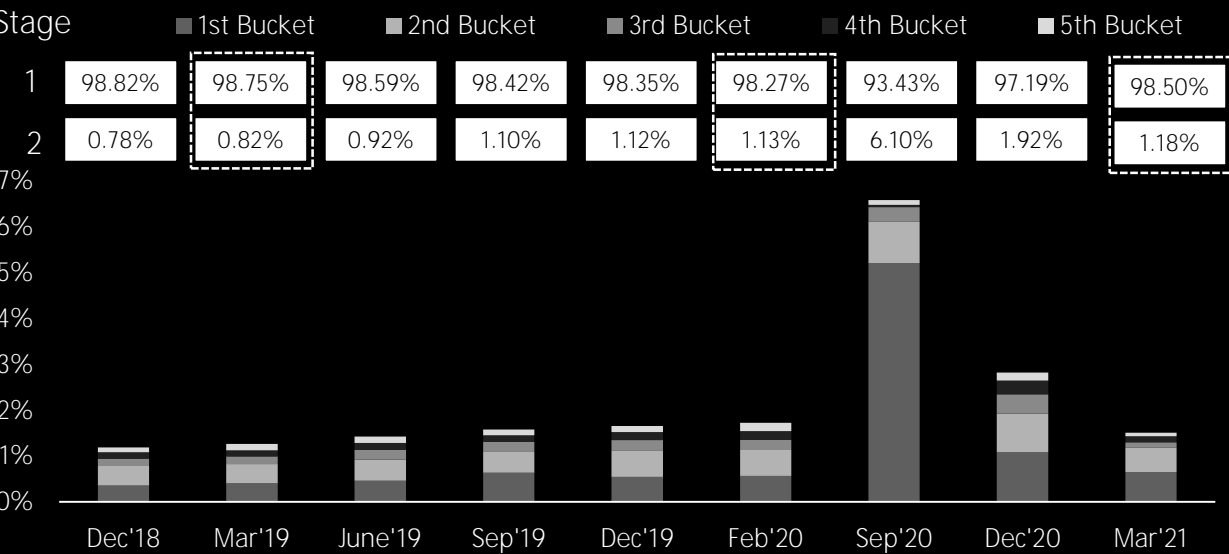
B2C loans



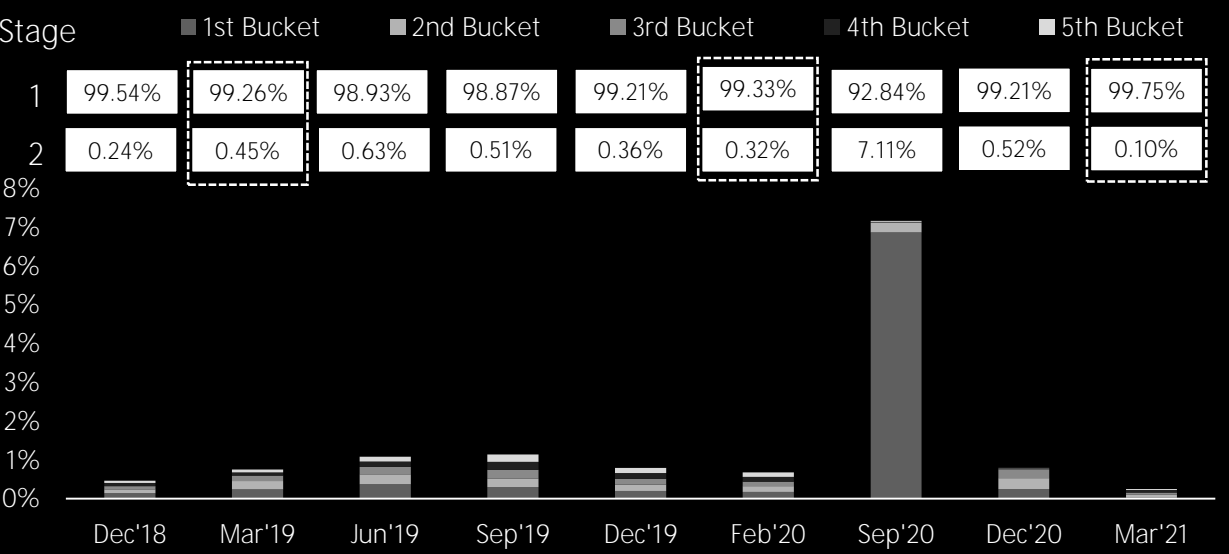
# Portfolio credit quality – Consolidated

BAJAJ FINANCE LIMITED

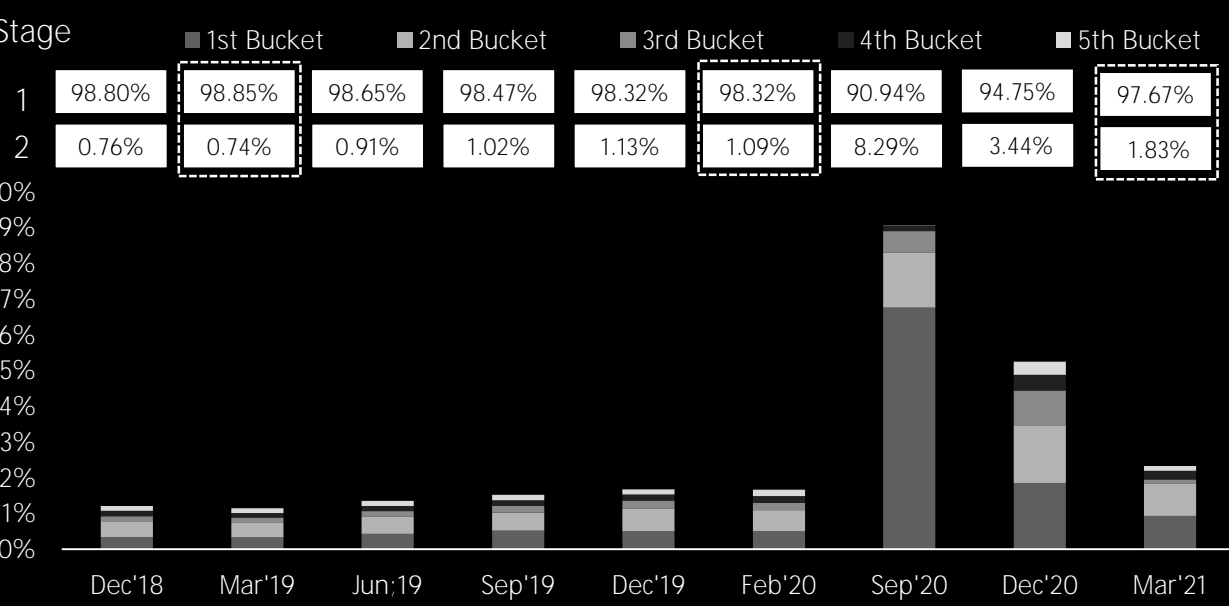
## Business & professional loans



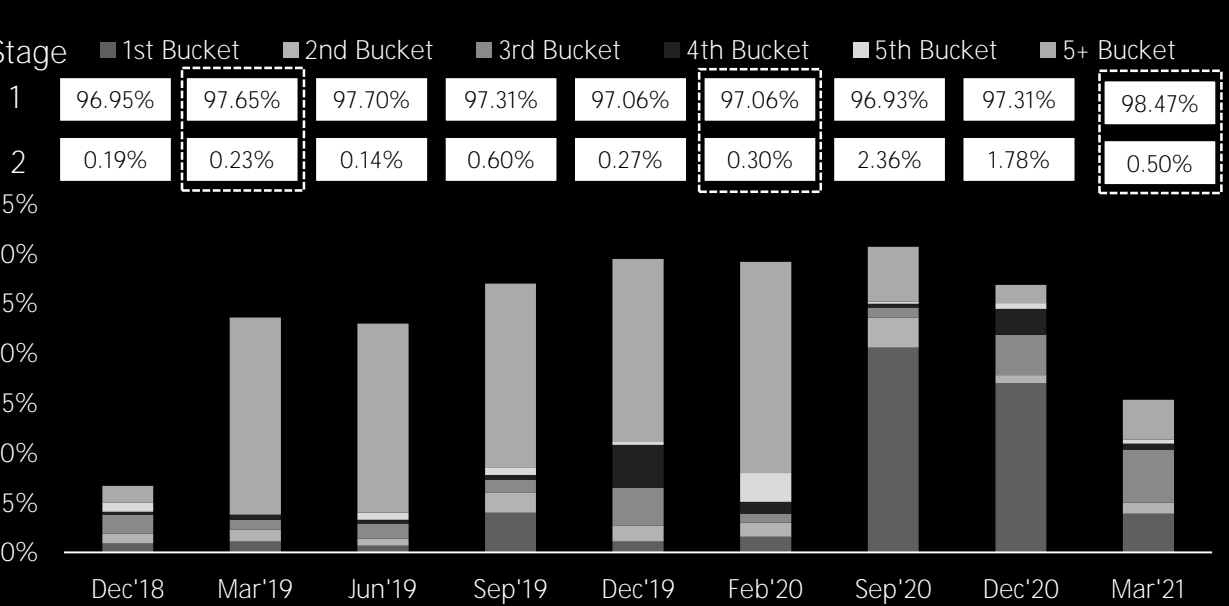
## Rural Lending B2B



## Rural lending B2C



## Loan against property

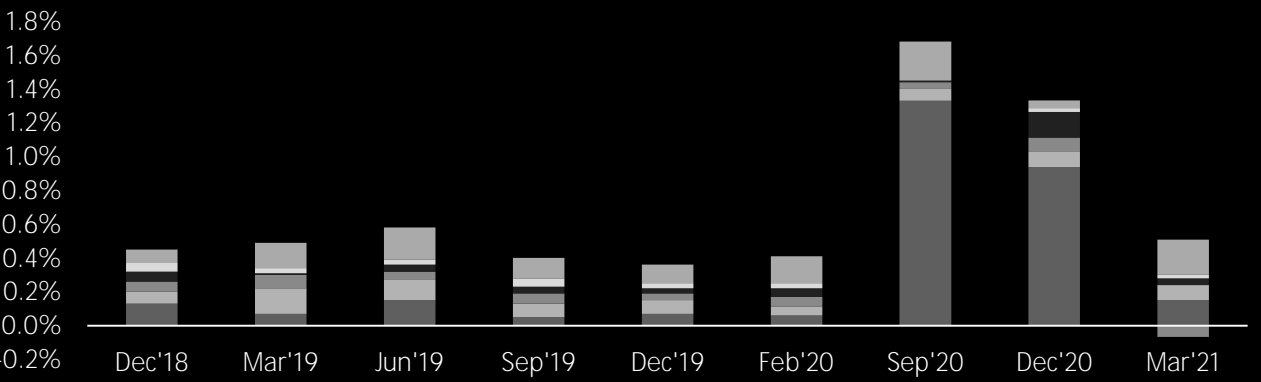


# Portfolio credit quality – Consolidated

## Home loans

Stage

	1st Bucket	2nd Bucket	3rd Bucket	4th Bucket	5th Bucket	5+ Bucket
1	99.54%	99.52%	99.42%	99.61%	99.63%	99.60%
2	0.20%	0.22%	0.27%	0.13%	0.15%	0.11%



# **BAJAJ FINANCE LIMITED**

Q4 FY21 Investor Presentation

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