BAJAJ FINANCE LIMITED

Public Disclosure on Liquidity Risk - For the quarter ended June 30, 2023

(i) Funding Concentration based on significant counterparty (both deposits and borrowings):

Sr No.	Type of Instruments	Number of Significant Counterparties	Amount (Rs. crore)	% of Total deposits	% of Total Liabilities
1	Borrowings	17	72,999.42	NA	40.37%
2	Deposits	0	0	NA	NA

(ii) Top 20 large deposits (amount in Rs. crore and % of total deposits):

Amount in Rs. Crore	7,826.63
% of total deposits	15.73%

(iii) Top 10 borrowings (amount in Rs. crore and % of total borrowings):

Amount in Rs. Crore	56,420.35	
% of total borrowings	31.95%	

(iv) Funding Concentration based on significant instrument/product:

Sr No.	Name of the instrument/product	Amount (Rs. crore)	% of Total Liabilities
1	NCD	62,935.35	34.80%
2	Deposits	49,763.85	27.52%
3	Bank Borrowings	38,754.12	21.43%
4	Commercial Paper	13,120.28	7.26%
5	CBLO	7,595.78	4.20%
6	Sub-debt	3,603.45	1.99%
7	ECB ⁽⁾	828.98	0.46%

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	Weightage
CP as % of Total Public funds	7.43%
CP as % of Total Liabilities	7.26%
CP as % of Total Assets	5.57%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total asset: (Not Applicable)

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

Particulars	Weightage
ther short-term liabilities as % of Total Public funds	36.16%
Øther short-term liabilities as % of Total Liabilities	35.31%
Other short-term liabilities as % of Total Assets	27.12%

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BAJAJ FINANCE LIMITED

(vi) Institutional set-up for liquidity risk management:

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company maintains a judicious mix of borrowings from banks, money markets, foreign market, public and other deposits and continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has helped the Company maintain a healthy asset liability position and interest rate during Q I of financial year 2023-24 (FY2024) The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 176,602 crore as of 30 June 2023.

The Company continuously monitors liquidity in the market; and as a part of its ALM strategy maintains a liquidity buffer through an active investment desk to reduce this risk. The Company endeavours to maintain liquidity buffer of 5% to 8% of its overall net borrowings in normal market scenario.

RBI vide Circular No. RBI/2019+20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 has issued guidelines on liquidity risk framework for NBFCs. It covers various aspects of Liquidity risk management such as granular level classification of buckets in structural liquidity statement, tolerance limits thereupon, and liquidity risk management tools and principles. The Company has a Liquidity Risk Management Framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement — stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

The Company exceeds the regulatory requirement of LCR which mandate maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). As of 30 June 2023, the Company maintained a LCR of 326.90%, well in excess of the RBI's stipulated norm of 70%. LCR requirement will move to 85% from 1 December 2023 and to 100% by December 2024.

*Notes:

1) Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies:

3) Total Liabilities has been computed as sum of all liabililies (Balance Sheet figure) less Equities and Reserves/Surplus.

Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

The amount stated in this disclosure is based on the unaudited financial statements for the quarter ended June 30,

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BAJAJ FINANCE LIMITED

Disclosure on Liquidity Coverage ratio (LCR) for the quarter ended 30th June 2023 pursuant to the Guidelines issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4th November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

	1	Total Unweighted	Total Weighted	
(₹in Crore)		Value (average)	Value (average)	
High Quality Liquid Assets				
1 **Total High Quality Liquid Assets (HQLA)		12,619.29	11,558.60	
Cash Outflows				
2 Deposits (for deposit taking companies)		1,568.84	1,804.16	
3 Unsecured wholesale funding		3,277.48	3,769.10	
4 Secured wholesale funding		1,865.93	2,145.82	
5 Additional requirements, of which		1,991.59	2,290.33	
Outflows related to derivative exposures				
(i) and other collateral requirements			(+	
Outflows related to loss of funding on		•		
(ii) debt products		=	120	
(iii) Credit and liquidity facilities		1,991.59	2,290.33	
6 Other contractual funding obligations		2,072.69	2,383.59	
7 Other contingent funding obligations		•		
8 TOTAL CASH OUTFLOWS		10,776.53	12,393.01	
Cash Inflows				
9 Secured lending		159.75	119.81	
10 Inflows from fully performing exposures		10,837.26	8,127.95	
11 Other cash inflows		9,762.88	7,322.16	
12 TOTAL CASH INFLOWS		20,759.89	15,569.92	
			Total Adjusted	
			Value	
13 TOTAL HQLA		12,619.29		
14 TOTAL NET CASH OUTFLOWS		2,694.13	3,098.25	
15 LIQUIDITY COVERAGE RATIO (%)*		468.40%		

	High Quality Liquid Assets (HQLA)	Total Unweighted	Total Weighted
	nigh Quality Liquid Assets (nQLA)	Value (average)	Value (average)
1	Assets to be included as HQLA without any haircut	7,315.81	7,315.81
2	Assets to be considered for HQLA with a minimum haircut of 15%		9
3	Assets to be considered for HQLA with a minimum haircut of 50%	22	-
4	Approved securities held as per the provisions of section 45 IB of		
4	RBI Act	5,303.48	4,242.79
	Total HQLA	12,619.29	11,558.60

^{*}Average LCR maintained during QI FY24.



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