

BAJAJ FINANCE LIMITED

29 January 2020

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|--|---|
| THE MANAGER, BSE LIMITED DCS - CRD PHIROZE JEEJEEBHOY TOWERS DALAL STREET, MUMBAI - 400 001 | THE MANAGER, LISTING DEPARTMENT NATIONAL STOCK EXCHANGE OF INDIA LTD. EXCHANGE PLAZA, C-1. BLOCK G, BANDRA - KURLA COMPLEX, BANDRA (EAST) MUMBAI - 400 051 |
| SCRIP CODE: 500034 | SCRIP CODE: BAJFINANCE – EQ |

Dear Sir / Madam,

Sub: Investor Presentation for the quarter ended 31 December 2019

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Investor Presentation for the quarter ended 31 December 2019.

Please access the link to view live webcast of conference call scheduled to be held on 29 January 2020 at 5:00 p.m. IST: <https://links.ccwebcast.com/?EventId=Bajaj20200129>

Kindly take the same on record.

Thanking you,
Yours faithfully,
For **BAJAJ FINANCE LIMITED**

R. VIJAY
COMPANY SECRETARY
Email ID: investor.service@bajajfinserv.in

Encl.: As above



Bajaj Finance Limited

Q3 FY20 Investor Presentation

29 January 2020

Presentation Path



Click on the section to view

 Section 01



Executive summary – Q3 FY20



A good quarter, despite slowing demand environment, an episodic provision on a broker account and higher credit costs. Portfolio granularity strategy continued in Q3 FY20 across products and locations. Return on assets sustained its momentum due to better operating efficiencies (Opex to NII). Return on equity was higher despite capital raise on account of lower corporate tax rate.



Search trends on our large keyword portfolios across loan and consumption categories (electronics, mobile, furniture, apparel) reflected a significant demand slowdown in Q3. However, there is some uptick in our consumption categories since December, which has continued in January so far. Republic day sale momentum was also strong. However, we need to watch the incoming data for a little longer period to have a definitive view on demand environment.

Balance Sheet and Franchise:

1. AUM grew by 35% YoY to ₹ 1,45,092 crore as of 31 December 2019. New loans booked grew by 13% YoY to 7.67 MM.
2. AUM growth was granular for most lines of businesses in the company (YoY growth for Consumer B2B sales finance – 7%, Consumer B2C – 43%, Rural B2B – 21%, Rural B2C – 58%, SME – 32%, Mortgages – 44%, Auto Finance – 51%, Commercial lending – 15%, Securities lending – 5%).
3. Consumer B2B sales finance had a slow quarter as the company witnessed significant slowdown in consumption categories. This was in addition to our cautious stance in digital products financing.
4. New customer acquisition momentum for the quarter remained strong at 2.46 MM. Total customer franchise stood at 40.38 MM as of 31 December 2019, a growth of 24% YoY. Cross sell franchise stood at 23.48 MM as of 31 December 2019. Strategy remains to grow wallet share of these 23.48 MM clients.
5. Existing customers contributed to 68% of new loans booked during Q3 FY20
6. We added 182 new locations in Q3 FY20 taking our total geographic presence to 2,179 locations in India as of 31 December 2019. Given corporate tax rate cut and capital raise, company has accelerated its geo expansion strategy and is opening over 200 new locations in Q4 as well.

Liquidity Management

7. Consolidated borrowing mix for Banks: Money Markets: Deposits: ECB stood at 38%: 42%: 17%: 3%. Cost of funds at consolidated level has sequentially improved by 9 bps to 8.29% in Q3 FY20 from 8.38% in Q2 FY20. Reduction in cost of funds is mainly due to robust ALM, strong liquidity position and incremental borrowings coming in at much lower cost. Due to large capital raise, the company saw its CP borrowing go down dramatically from 8% to 2% sequentially. This resulted in an overhang of 12-14 bps in overall cost of funds. This overhang will remain in Q4 as well.

8. Consolidated liquidity buffer (free cash and cash equivalents) was ₹ 11,642 crore as of 31 December 2019. We remain very comfortably placed on liquidity.
9. During the quarter, the Company raised \$575 MM (equivalent to ₹ 4,083 Cr) under the ECB facility agreement with various banks.
10. Fixed deposits book stood at ₹ 20,235 crore, a growth of 76% YoY. Its contribution to consolidated balance sheet stood at 17% as of 31 December 2019. We now have over 7 different channels to grow deposits.
11. During the quarter, the company has launched an industry first Systematic Deposit Plan (SDP) for retail deposit customers. This new offering provides customer the flexibility of placing deposits with BFL at fixed intervals and enjoy benefit of changes in interest rates.

Operating Efficiencies

12. Overall NIM remained strong in Q3 FY20 as well.
13. We continued to maintain strong focus on growing our fees and other income. Our fees and other income in Q3 FY20 grew by 52% YoY.
14. Operating expenses to net interest Income improved to 33.9% in Q3 FY20 as against 34.9% in Q3 FY19.

Credit Cost

15. Loan losses and provisions grew by 84% YoY in Q3 FY20 to ₹ 831 crores. During the quarter, the Company has made an accelerated provision of ₹ 85 crore in one of its loan against securities account. On the residual outstanding of this account, based on the progress in Q4 we will take a final call on provision. Adjusted for this, loan losses and provisions grew by 65% YoY in Q3 FY20 to ₹ 746 crore.

16. Gross NPA & Net NPA stood at 1.61% and 0.70% as of 31 December 2019. Sequentially, GNPA is flat & NNPA has moved up by 5 bps.
17. From management assurance standpoint, the only portfolio that turned red in Q3 from our disclosures (Page 39) is auto finance portfolio. We are taking corrective actions to improve portfolio metrics.

Profitability and Capital:

18. Consolidated profit before tax for the quarter grew by 33% YoY to ₹ 2,170 crore. Adjusted for accelerated provisioning, profit before tax grew by 38% YoY to ₹ 2,255 crore. Consolidated profit after tax for the quarter grew by 52% YoY to ₹ 1,614 crore.
19. Annualized Return on Assets for the quarter was 4.78% and Return on Equity was 23.78%.
20. Capital adequacy ratio stood at 26.87% as of 31 December 2019. Tier 1 capital stood at 23.16%. Consolidated leverage was 4.9X.
21. Company successfully completed ₹ 8,500 crores of capital raise through Qualified Institutions Placement in November 2019.
22. Standard assets provisioning was at 101 bps (ECL stage 1 & 2) under Ind AS as against requirement of ~40 bps as per prudential norms.

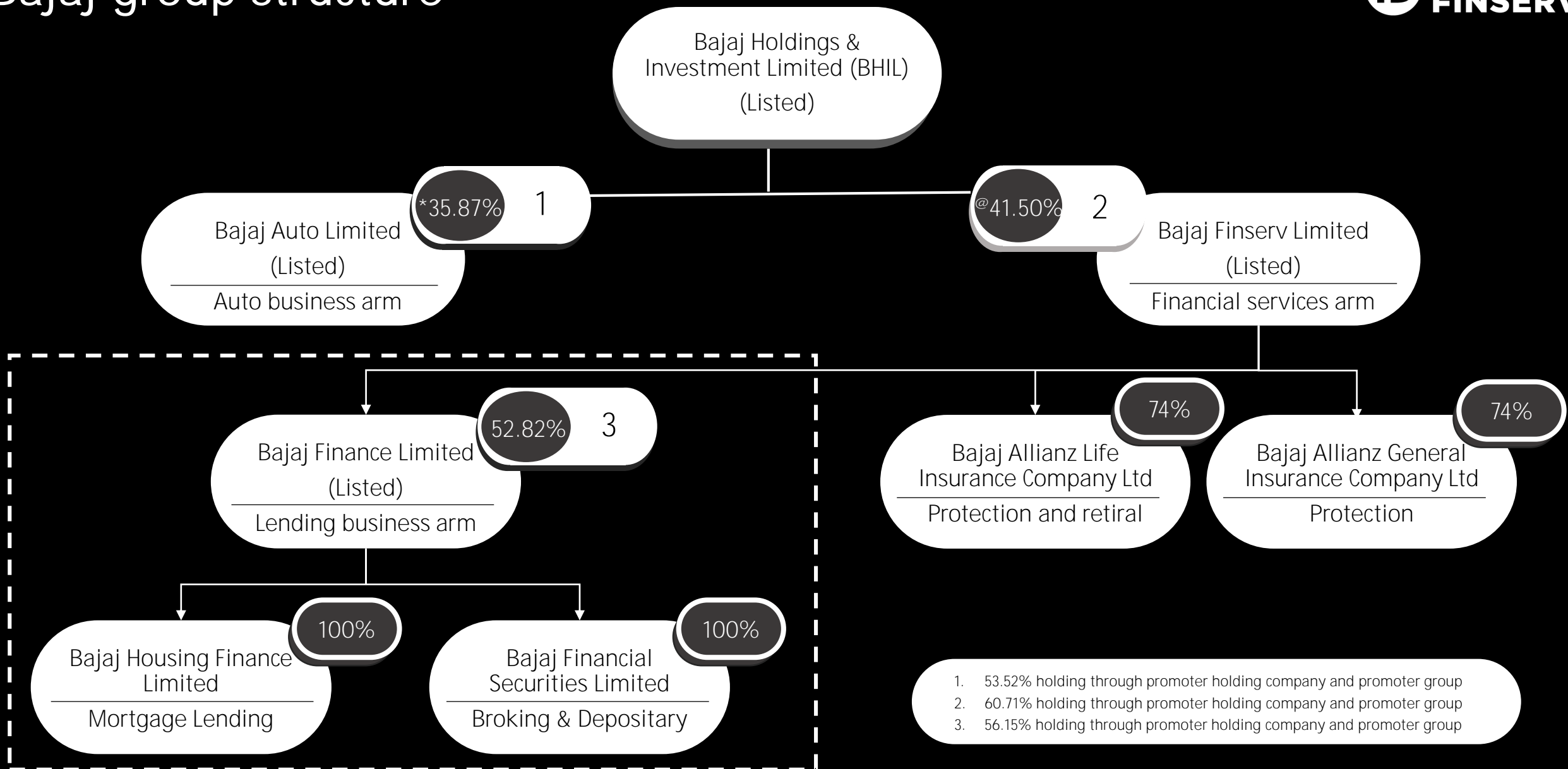
Subsidiaries:

23. Bajaj Housing Finance Ltd continued to grow in a robust manner delivering profit after tax of ₹ 131 crore in Q3 FY20. The Board of Directors of BFL has approved investment in the equity of BHFL amounting to ₹ 1,500 crore.
24. Bajaj Financial Securities Limited has launched digital platform for its retail & HNI customers and opened branches in 4 cities in India for servicing its HNI customers.

 Section 02

 Bajaj Finance Limited overview

Bajaj group structure



- 1. 53.52% holding through promoter holding company and promoter group
- 2. 60.71% holding through promoter holding company and promoter group
- 3. 56.15% holding through promoter holding company and promoter group




Above shareholding is as of 31 December 2019

*BHIL has a direct stake in Bajaj Auto Limited of 33.53% and an additional stake of 2.34% through its subsidiary, Maharashtra Scooters Limited

@BHIL has a direct stake in Bajaj Finserv Limited of 39.16% and an additional stake of 2.34% through its subsidiary, Maharashtra Scooters Limited



Bajaj Finserv is the financial services arm of the Bajaj group with business interest in "Lending" and "Protection and Retiral" through its various subsidiaries

|  Bajaj Finance Limited |  Bajaj Allianz General Insurance Limited* |  Bajaj Allianz Life Insurance Limited* |
|---|---|--|
| <ul style="list-style-type: none"> • A 32 year old non bank finance company • Diversified across consumer, payments, rural, SME, commercial & mortgage lending • 986 urban locations and 1,193 rural locations with over 1,07,100+ distribution points • Investment grade long term issuer credit rating of BBB-/Stable and short term rating of A-3 by S&P Global Ratings • Credit rating of 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 FAAA/ Stable by CRISIL & MAAA (Stable) by ICRA • Customer franchise of 40.38 MM | <ul style="list-style-type: none"> • 2nd largest private general insurer in India as of FY19 • Consistently profitable amongst the private players. ROE of 16.2% in FY19 • Multi-channel distribution supported by a wide range of products across all retail & corporate segments • Offers a wide range of general insurance products across retail and corporate segments • Combined ratio of 96.7% for FY19 and 103.9% for Q4 FY19 • Recognized in the market for claims servicing • AUM of ₹ 17.2K crore • Solvency ratio of 255% , well above regulatory solvency margin of 150% | <ul style="list-style-type: none"> • Amongst top 5 private players as of FY19 on new business • Diversified distribution mix consisting of agency, bank assurance, other partners, direct etc. • Deep pan India distribution reach of 600+ branches • AUM of ₹ 56.6K crore as on 31 March 19 • Networth of ₹ 9.65K crore as on 31 March 19 • One of the most profitable private life insurers in India • Solvency ratio of 804% |

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

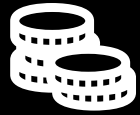
“Focused on mass affluent & above clients with a strategy to cross sell”

“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 3.3-3.5% and ROE of 19-21% in the medium term”

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

Our general 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
3.3%-3.5%



Return on equity
in corridor of
19%-21%

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 40.38 MM and cross sell franchise of 23.48 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 39%: 9%: 13%: 9%: 30%
Consolidated borrowing mix for Banks: Money Markets: Deposits: ECB stood at 38%: 42%: 17%: 3%

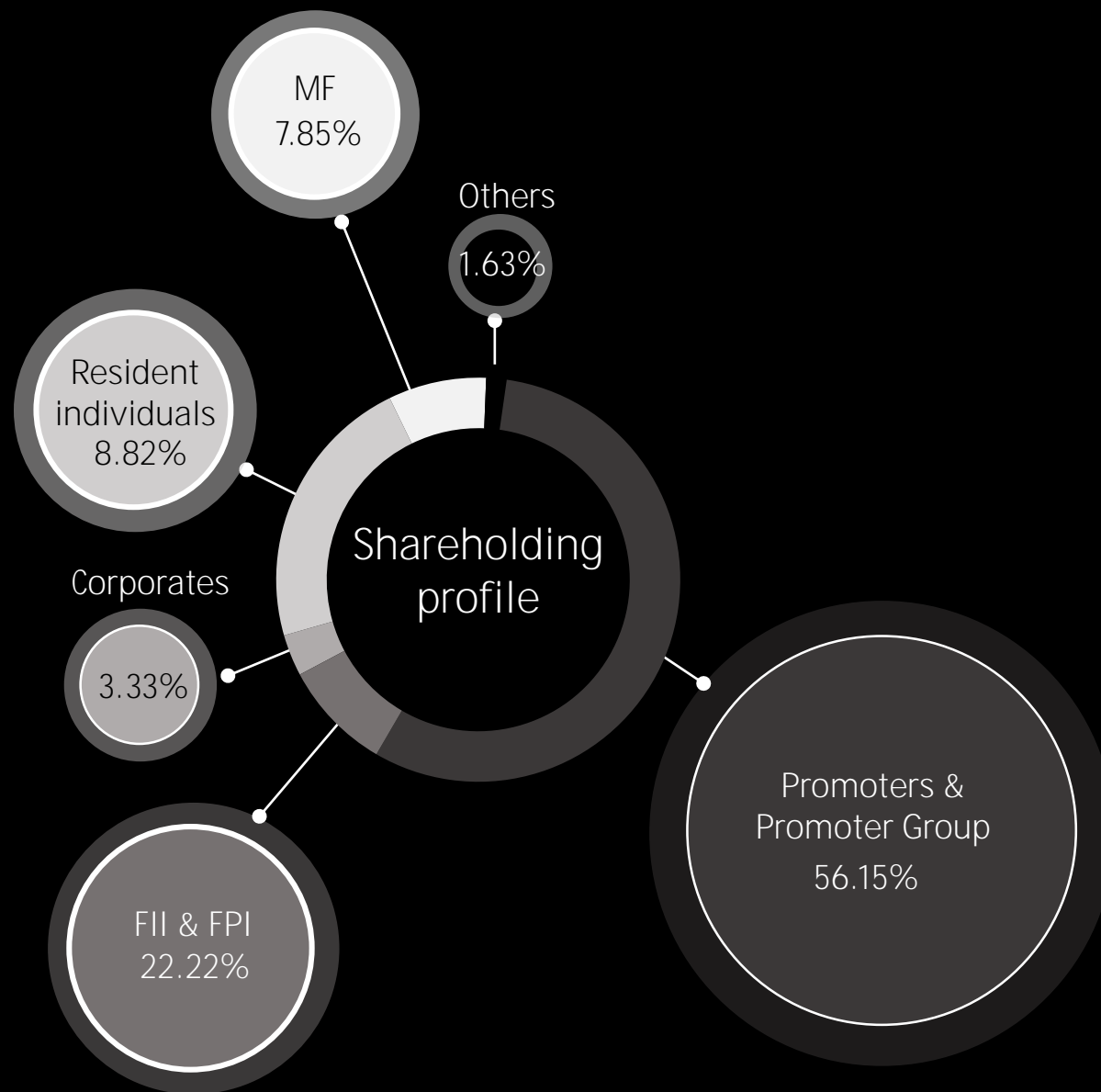
Highly agile & innovative

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

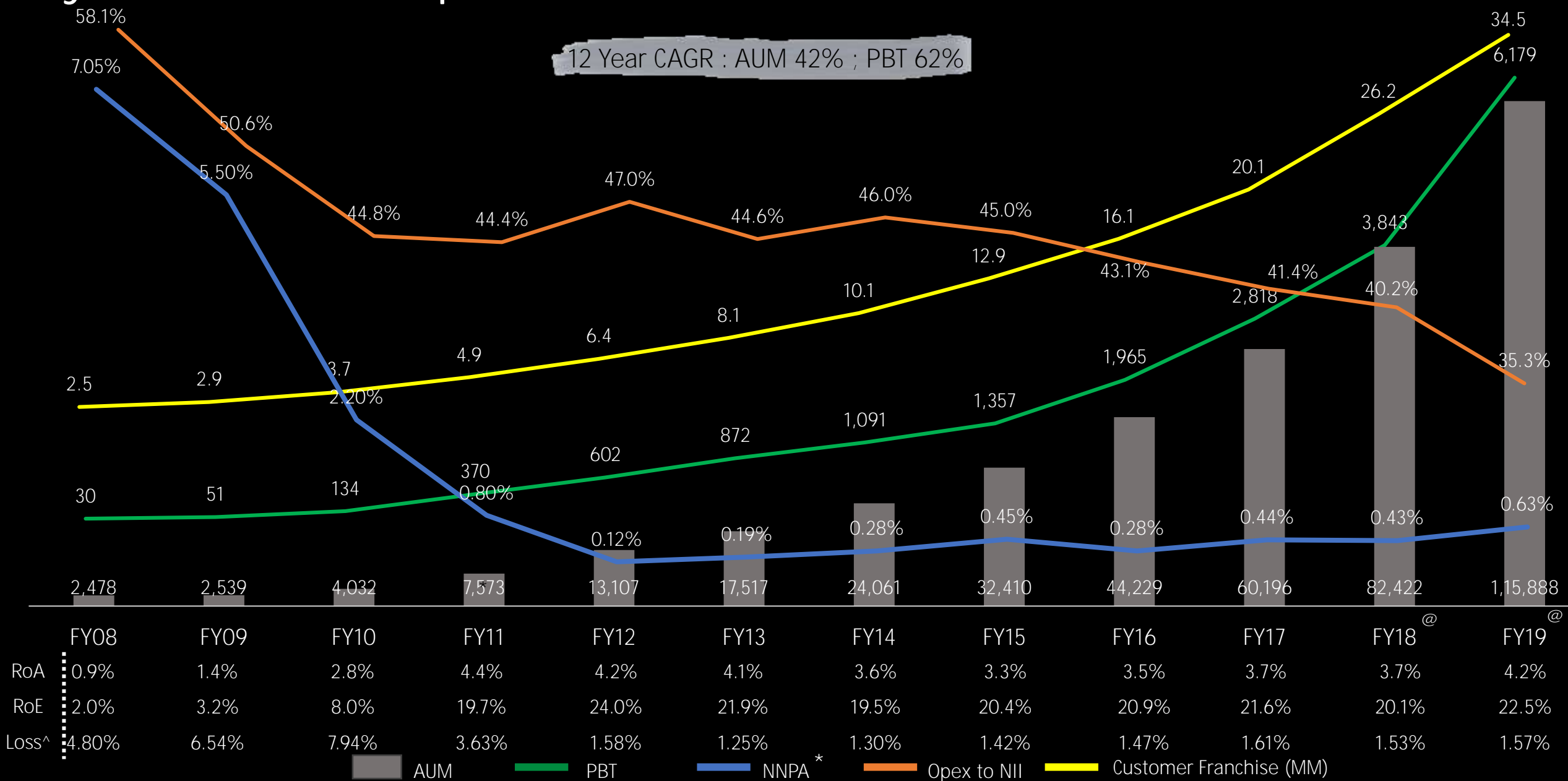


Top 20 investors & their holdings

| S.No | Name of Shareholder | As on 31 Dec 19 | As on 30 Sep 19 | As on 31 Dec 18 |
|------|---|-----------------|-----------------|-----------------|
| 1 | BAJAJ FINSERV LTD | 52.82% | 54.81% | 54.99% |
| 2 | GOVERNMENT OF SINGAPORE | 4.62% | 3.71% | 3.70% |
| 3 | MAHARASHTRA SCOOTERS LTD. | 3.15% | 3.27% | 3.28% |
| 4 | STEADVIEW CAPITAL MAURITIUS LTD. | 0.89% | 1.14% | 1.17% |
| 5 | NEW HORIZON OPPORTUNITIES MASTER FUND | 0.77% | 0.80% | 0.80% |
| 6 | AXIS LONG TERM EQUITY FUND | 0.77% | 0.83% | 0.72% |
| 7 | SBI ETF NIFTY 50 | 0.57% | 0.51% | 0.40% |
| 7 | NEW WORLD FUND INC. | 0.56% | 0.58% | 0.62% |
| 8 | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD | 0.56% | 0.58% | 0.14% |
| 9 | SMALL CAP WORLD FUND INC | 0.54% | 0.56% | 0.56% |
| 11 | VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 0.48% | 0.48% | 0.45% |
| 12 | NOMURA INDIA INVESTMENT FUND | 0.46% | 0.38% | 0.38% |
| 13 | VANGUARD EMERGING MARKET STOCK INDEX FUND | 0.44% | 0.45% | 0.47% |
| 14 | SBI LIFE INSURANCE CO. LTD | 0.43% | 0.38% | 0.41% |
| 15 | SBI EQUITY HYBRID FUND | 0.42% | 0.43% | 0.36% |
| 16 | GOVERNMENT PENSION FUND GLOBAL | 0.33% | 0.31% | 0.15% |
| 17 | AXIS FOCUSED 25 FUND | 0.32% | 0.36% | 0.37% |
| 18 | AXIS BLUECHIP FUND | 0.31% | 0.29% | 0.18% |
| 19 | UTI – EQUITY FUND | 0.30% | 0.34% | 0.41% |
| 20 | PEOPLE’S BANK OF CHINA | 0.30% | 0.30% | 0.23% |

12 year financial snapshot

12 Year CAGR : AUM 42% ; PBT 62%



^ Represents loan losses and provisions to average AUF under previous GAAP and Impairment of financial assets to average Loans under Ind AS.

@ All figures including FY17 are as per previous GAAP, whereas for FY18 and FY19 are as per Ind AS

* 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 are at 3 months overdue. Hence NPA across periods are not comparable

BAJAJ FINANCE LIMITED

| Consumer | SME | Commercial | Rural | Deposits | Partnerships & Services |
|--|---|--|--|---|--|
| <ul style="list-style-type: none"> • Consumer Durable Loans • Digital Product Loans ^(E) • Lifestyle Product Loans • Lifecare financing • EMI Cards • Retail Spend Financing • 2-Wheeler & 3-Wheeler Loans • Personal Loan Cross-Sell • Salaried Personal Loans ^(E) • E-Commerce - Consumer Finance • Retailer Finance | <ul style="list-style-type: none"> • Unsecured Working Capital Loans ^(E) • Loans to self employed and Professionals ^(E) • Secured Enterprise Loans • Used-car financing | <ul style="list-style-type: none"> • Loan against securities • Large Value Lease Rental Discounting • Vendor financing to auto component manufacturers • Financial Institutions Lending • Light Engineering Lending • Specialty Chemicals Lending • Corporate Finance Loans | <ul style="list-style-type: none"> • Consumer Durable Loans • Digital Product Loans • Lifestyle Product Loans • Personal Loans Cross Sell • Salaried Personal Loans • Gold Loans • Loans to Professionals | <ul style="list-style-type: none"> • Retail Term Deposits • Corporate Term Deposits • Systematic Deposit Plan | <ul style="list-style-type: none"> • Life Insurance Distribution • General Insurance Distribution • Health Insurance Distribution • Pocket Insurance ^(E) • Co-Branded Credit Card • Co-Branded Wallet • Financial Fitness Report |

BAJAJ HOUSING FINANCE LIMITED

| | | | | |
|--|---|---|---|---|
| <ul style="list-style-type: none"> • Salaried Home Loans ^(E) • Salaried Loan Against Property | <ul style="list-style-type: none"> • Loan Against Property • Self Employed Home Loans • Lease Rental Discounting | <ul style="list-style-type: none"> • Developer Finance | <ul style="list-style-type: none"> • Loan Against Property • Home Loans • Secured Enterprise Loans | <ul style="list-style-type: none"> • Property search services • Property Fitness Report |
|--|---|---|---|---|

Overview

- 32 year old non bank with a demonstrated track record of profitable growth
- Diversified financial services company focused on Consumer, 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 986 urban locations and 1,193 rural locations in India with over 1,07,100+ points of sale
- Large customer franchise of 40.38 MM with loans cross sell franchise of 23.48 MM
- Amongst the largest new loan acquirers in India (7.67 MM in Q3 FY20)
- AUM mix of Consumer: Rural: SME: Commercial: Mortgages stood at 39%: 9%: 13%: 9%: 30% as of 31 December 2019
- AUM of ₹ 1,45,092 crore as of 31 December 2019 and a post tax profit of ₹ 1,614 crore in Q3 FY20.
- Capital adequacy ratio (including Tier II capital) stood at 26.87% as of 31 December 2019. Tier I capital stood at 23.16%

Subsidiaries

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

Treasury

- Strategy is to create a balanced mix of wholesale and retail borrowings
- Borrowings of ₹ 1,22,050 crore with a mix of 38: 42: 17: 3 between banks, money markets, deposits & ECB as of 31 December 2019

Credit Quality

- Consolidated Gross and Net NPA as of 31 December 2019 stood at 1.61% and 0.70%, respectively
- Provisioning coverage ratio of 57% as of 31 December 2019
- Standard assets provisioning of 101 bps (ECL stage 1 & 2) under Ind AS as against requirement of ~40 bps as per RBI and NHB

Overview

- Focused on Consumer, Rural, SME, Commercial and Payments lines of 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 mix of Consumer: Rural: SME: Commercial: Mortgage (residual) stood at 48%: 11%: 16%: 11%: 14% as of 31 December 2019
- AUM of ₹ 1,16,460 crore as of 31 December 2019 and a post tax profit of ₹ 1,488 crore in Q3 FY20

Consumer business

- Present in 986 locations with 85,700+ active distribution points of sale as of 31 December 2019
- Largest consumer electronics, digital products & lifestyle products lender in India
- **Financed ~63% of Bajaj Auto's domestic two-wheeler sales in BFL's operational locations in Q3 FY20** – disbursed 343K accounts
- **Financed ~57% of Bajaj Auto's domestic three-wheeler sales in BFL's operational locations in Q3 FY20** - disbursed 55K accounts
- Amongst the largest personal loan lenders in India

Payments

- EMI Card franchise stood at 20.5 MM cards in force (CIF)
- Bajaj Finserv - RBL Bank co-branded credit card CIF stood at 1.66 MM as of 31 December 2019
- Bajaj Finserv Mobikwik app has 13.5 MM users as of 31 December 2019 who have linked their EMI card to the wallet

Rural business

- Highly diversified lender in rural markets offering 10 loan products across consumer, SME & mortgages business categories.
- Operates with a unique hub and spoke business model
- Geographic presence across 1,193 towns and villages with retail presence across 17,900+ points of sale

-
- SME Business**
- Offers unsecured working capital loans to SME and self-employed professionals
 - Secured offerings include enterprise loans against property and financing against used car
 - Focused on affluent SMEs (average sales of ₹15 to 17 crore) with established financials & demonstrated borrowing track record
-
- Commercial business**
- Offers short, medium and long term financing to mid market corporates
 - Offers a range of structured products collateralized by marketable securities or mortgage
 - Offers financing against shares, mutual funds, insurance policies and deposits
-
- Treasury**
- Strategy is to create a balanced mix of wholesale and retail borrowings with a focus on long term borrowings
 - Borrowings stood at ₹ 97,173 crore with a mix of 32: 43: 21: 4 between banks, money markets, deposits & ECB as of 31 December 2019
-
- Credit Quality**
- Gross and Net NPA as of 31 December 2019 stood at 1.96% and 0.85%, respectively
 - Provisioning coverage ratio of 57% as of 31 December 2019
 - Standard assets provisioning of 1.20% (ECL stage 1 & 2) under Ind AS as against requirement of ~40 bps as per RBI
-
- Credit Rating**
- Investment grade long term issuer credit rating of BBB-/Stable & short term rating of A-3 by S&P Global Ratings
 - 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 FAAA/Stable by CRISIL & MAAA (Stable) by ICRA



Section 03

Financial performance – Q3 FY20



Financial statement summary – Consolidated



₹ in crore

| Financials snapshot | Q3 FY20 | Q3 FY19 | Y-o-Y | 9M FY20 | 9M FY19 | Y-o-Y | FY19 |
|--|--------------|--------------|------------|---------------|---------------|------------|---------------|
| Assets under management | 1,45,092 | 1,07,507 | 35% | 1,45,092 | 1,07,507 | 35% | 1,15,888 |
| Assets under finance | 1,39,561 | 1,04,127 | 34% | 1,39,561 | 1,04,127 | 34% | 1,12,513 |
| Interest income | 6,105 | 4,387 | 39% | 16,668 | 11,692 | 43% | 16,349 |
| Fee and other income | 921 | 605 | 52% | 2,489 | 1,511 | 65% | 2,153 |
| Total Income | 7,026 | 4,992 | 41% | 19,157 | 13,203 | 45% | 18,502 |
| Interest expenses | 2,489 | 1,786 | 39% | 6,926 | 4,710 | 47% | 6,624 |
| Net Interest Income | 4,537 | 3,206 | 42% | 12,231 | 8,493 | 44% | 11,878 |
| Operating Expenses | 1,536 | 1,119 | 37% | 4,211 | 3,033 | 39% | 4,198 |
| Loan losses and provisions (ECL stage 1 & 2) | 203 | 76 | 166% | 462 | 227 | 104% | 260 |
| Loan losses and provisions (ECL stage 3 & write off) | 628 | 375 | 67% | 1,514 | 865 | 75% | 1,241 |
| Profit before tax | 2,170 | 1,636 | 33% | 6,044 | 4,368 | 38% | 6,179 |
| Profit after tax | 1,614 | 1,060 | 52% | 4,316 | 2,819 | 53% | 3,995 |
| Ratios | | | | | | | |
| Operating expenses to Net Interest Income | 33.9% | 34.9% | | 34.4% | 35.7% | | 35.3% |
| Loan loss to average AUF* | 0.61% | 0.45% | | 1.57% | 1.19% | | 1.57% |
| Earning per share - Basic (₹) * | 27.3 | 18.4 | | 74.2 | 48.9 | | 69.3 |
| Return on Average Assets* | 1.2% | 1.1% | | 3.4% | 3.1% | | 4.2% |
| Return on Average Equity * | 5.9% | 5.9% | | 16.6% | 16.4% | | 22.5% |

* Not annualized

 Section 04



Asset liability management



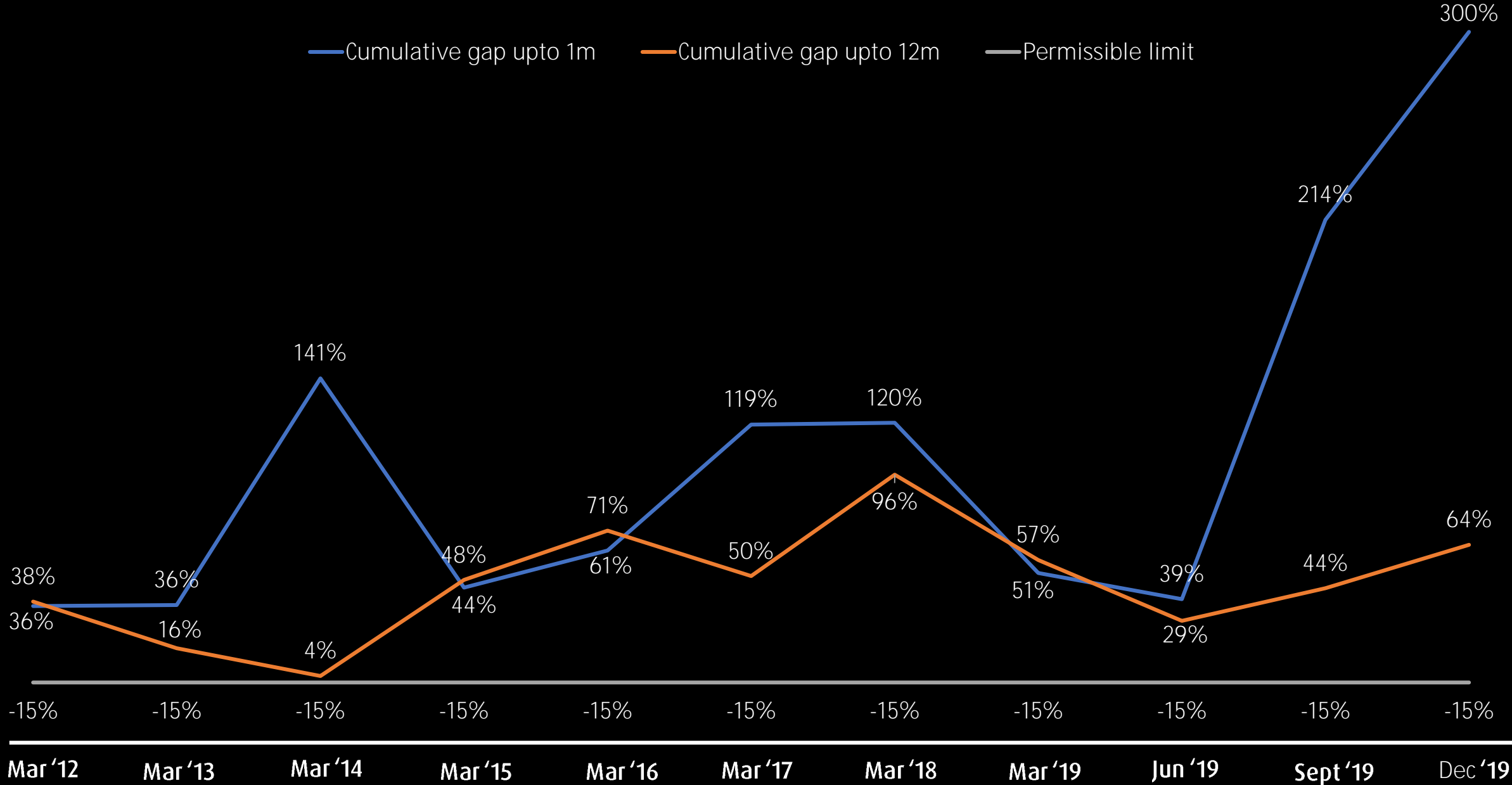
Behaviouralized ALM snapshot as on 31 December 2019

| Particulars | 1m | >1 to 2m | >2 to 3m | >3 to 6m | >6m to 1 yr | >1 to 3 yr | >3 to 5 yr | >5 yr | Total |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Cash, Cash Equivalents & Investments | 8,412 | 1 | 1 | 4 | 8 | 1,265 | 696 | 4,061 | 14,449 |
| Advances | 9,562 | 6,819 | 6,254 | 14,344 | 20,610 | 41,192 | 13,409 | 3,849 | 1,16,038 |
| Other inflows | 5,179 | 54 | 8 | 690 | 918 | 4,591 | 87 | 1,298 | 12,824 |
| Total Inflows (A) | 23,152 | 6,875 | 6,364 | 15,038 | 21,535 | 47,048 | 14,192 | 9,207 | 1,43,312 |
| Cumulative Total Inflows (B) | 23,152 | 30,027 | 36,291 | 51,329 | 72,865 | 1,19,912 | 1,34,105 | 1,43,312 | |
| Borrowings | 1,575 | 1,430 | 3,108 | 12,198 | 18,714 | 40,608 | 13,370 | 10,975 | 1,01,978 |
| Capital and Reserves and Surplus | - | - | - | - | - | - | - | 33,111 | 33,111 |
| Other Outflows | 4,211 | 117 | 612 | 2,023 | 469 | 648 | 40 | 102 | 8,222 |
| Total Outflows (C) | 5,786 | 1,546 | 3,720 | 14,221 | 19,183 | 41,256 | 13,410 | 44,189 | 1,43,312 |
| Cumulative Total Outflows (D) | 5,786 | 7,333 | 11,053 | 25,274 | 44,457 | 85,713 | 99,123 | 1,43,312 | |
| Mismatch (E = A-C) | 17,366 | 5,328 | 2,543 | 817 | 2,353 | 5,792 | 782 | (34,981) | |
| Cumulative mismatch (F= B-D) | 17,366 | 22,695 | 25,238 | 26,055 | 28,408 | 34,199 | 34,981 | 0 | |
| Cumulative mismatch as a % (F/D) | 300% | 310% | 228% | 103% | 64% | 40% | 35% | 0% | |
| Permissible cumulative GAP % | -15% | | | | | -15% | | | |
| Additional borrowings possible | 21,446 | | | | | 41,244 | | | |

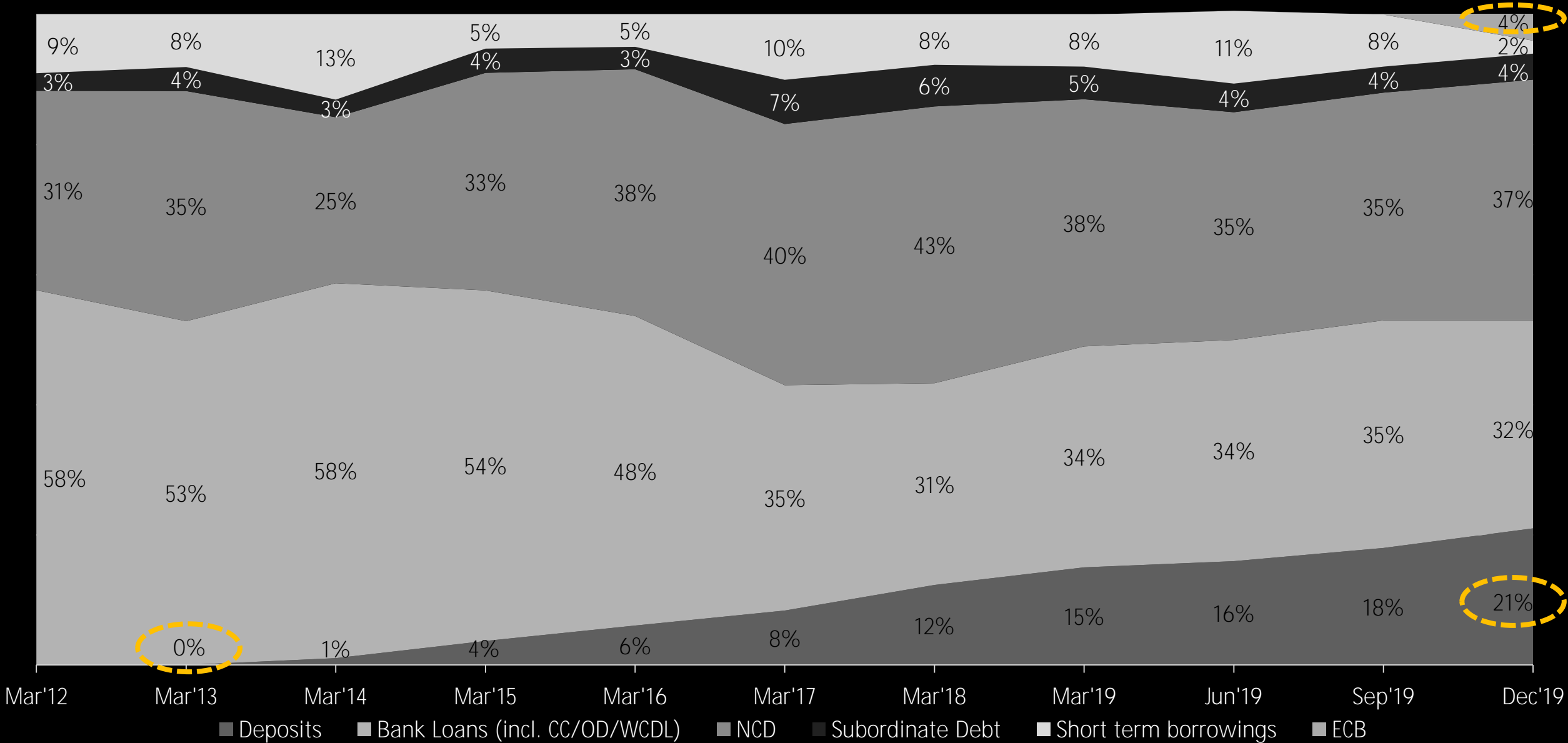
* As per previous GAAP

Disciplined ALM Management over the last 8 years

— Cumulative gap upto 1m — Cumulative gap upto 12m — Permissible limit

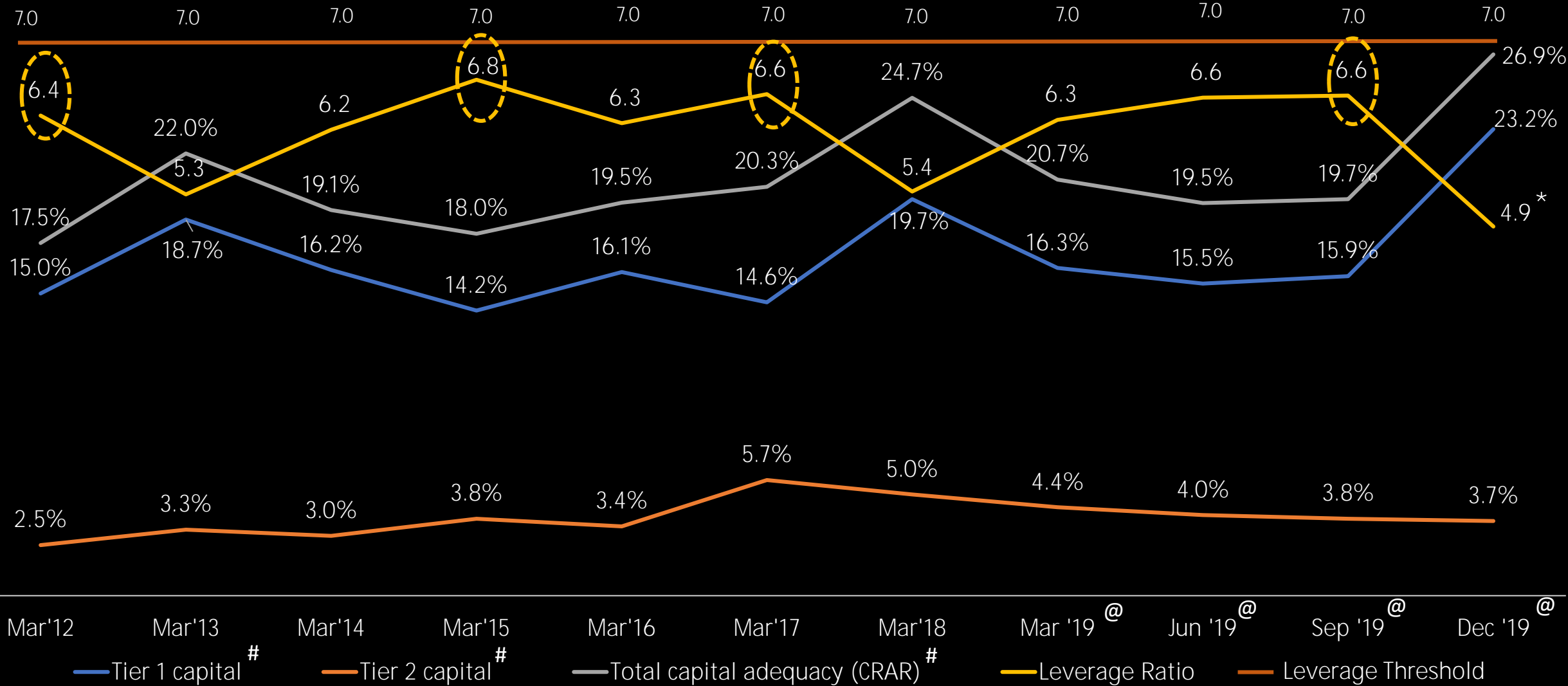


Liability mix over the last 8 years..



*Standalone borrowing mix

Conservative leverage standards



*Standalone leverage is approximately 4.1X as of 31 December 2019

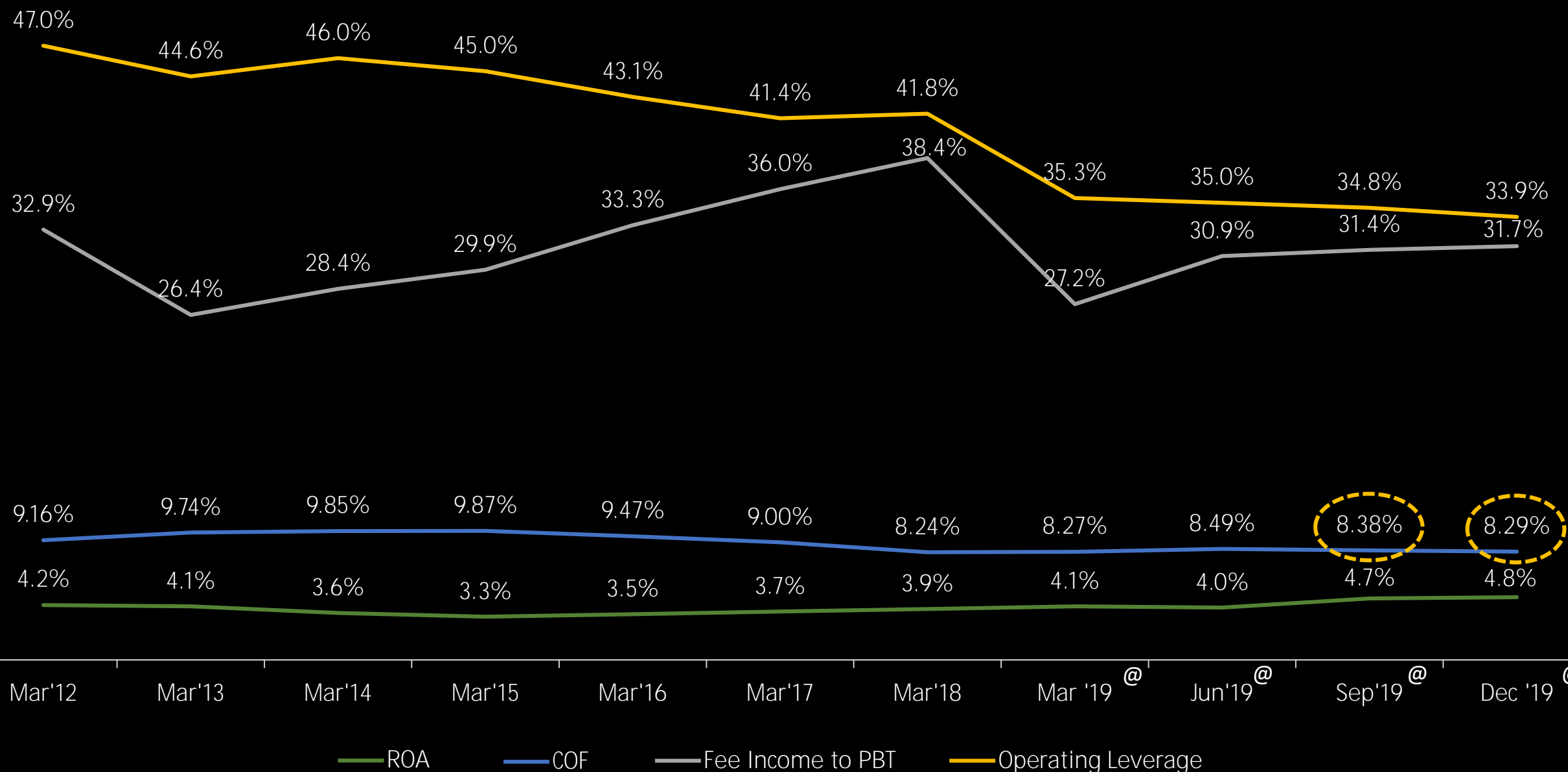
#Capital Adequacy Ratios (CRAR) are on standalone basis

@ March '19 onwards numbers are as per Ind AS

Leverage threshold denotes a point below which the company has raised capital in last 8 years

denotes point at which the Company initiated its capital raising plan in last 8 years

Resilient business model



@ Mar '19 onwards numbers are as per Ind AS. June '19, September '19 & December '19 numbers are for respective quarters
 Post Ind AS, Fee income to PBT represents non-loan fees and commission income as a % of Profit Before Tax

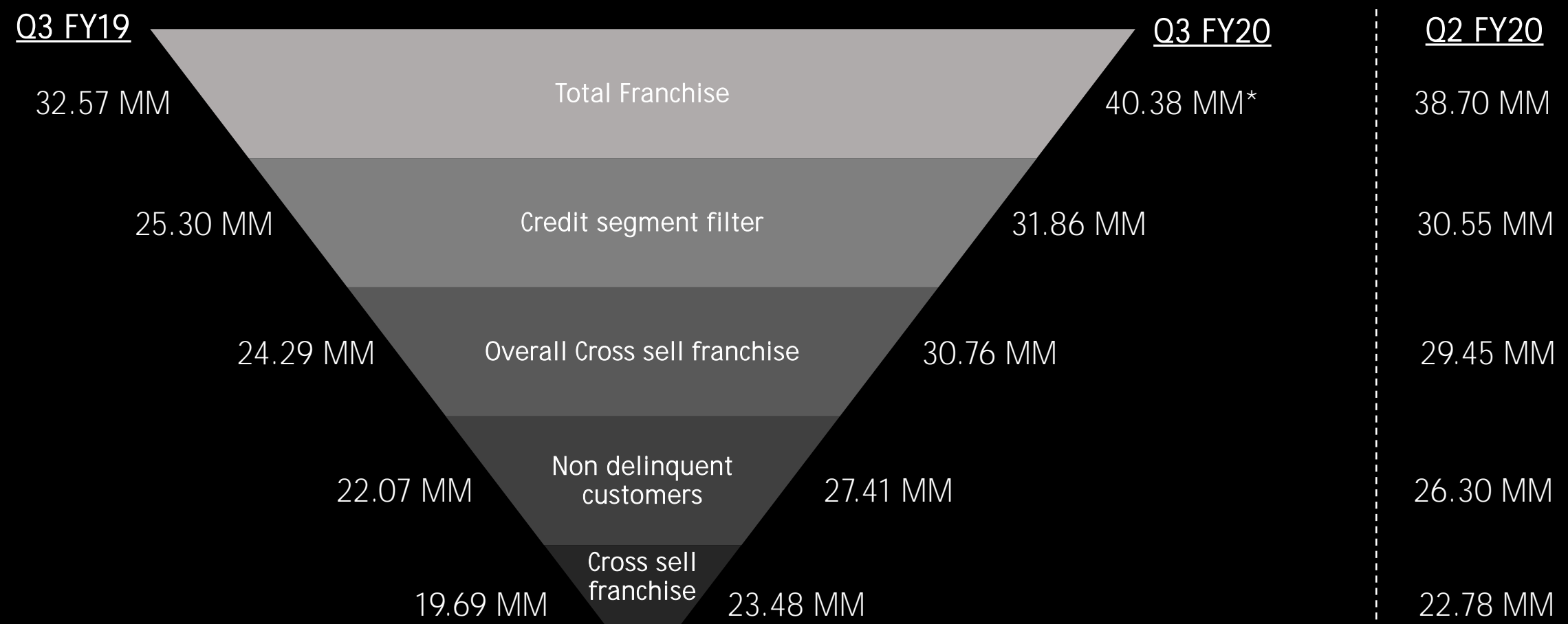
 Section 05



Customer franchise and
distribution reach



Customer franchise



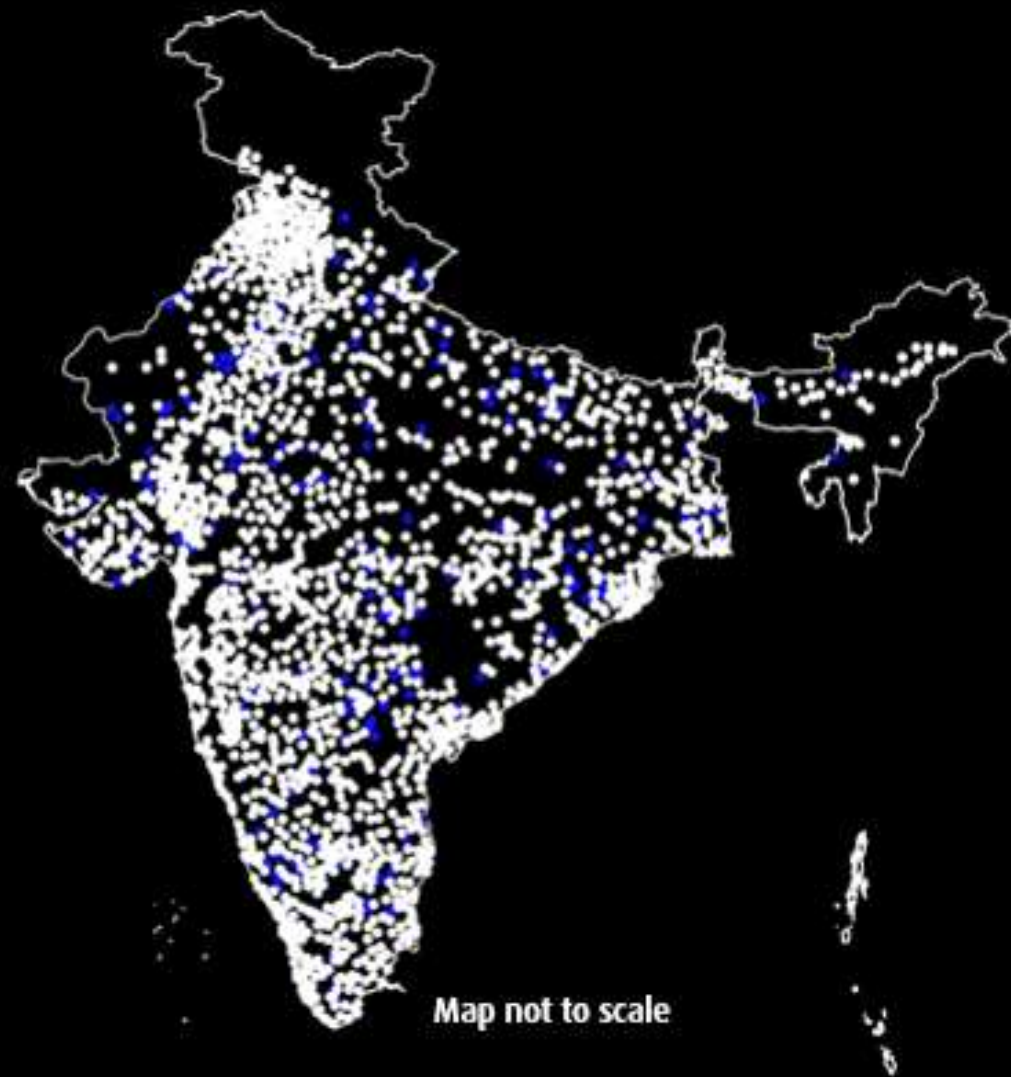
New to Bajaj Finance Customers



Continues to grow customer franchise by 8-9 MM and cross sell franchise by 3-4 MM every year...

*In Q3 FY20, as part of "Golden Record" project, the Company flagged 0.78 MM duplicate customer IDs from its customer franchise.

Geographic presence



| Geographic Presence | 31 Mar 2016 | 31 Mar 2017 | 31 Mar 2018 | 31 Mar 2019 | 30 Sep 2019 | 31 Dec 2019 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Urban | 262 | 377 | 730 | 927 | 956 | 986 |
| Rural | 397 | 538 | 602 | 903 | 1,041 | 1,193 |
| Of which rural lending branches | 105 | 177 | 219 | 347 | 427 | 445 |
| Of which rural lending franchise | 292 | 361 | 383 | 556 | 614 | 748 |
| Total Bajaj Finance presence | 659 | 915 | 1,332 | 1,830 | 1,997 | 2,179 |

Strong distribution reach

| Active distribution – points of sale | 31 Mar 2016 | 31 Mar 2017 | 31 Mar 2018 | 31 Mar 2019 | 30 Sep 2019 | 31 Dec 2019 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Consumer durable stores – Urban | 9,400+ | 14,000+ | 15,500+ | 20,400+ | 22,900+ | 23,300+ |
| Consumer durable stores – Rural | 3,200+ | 5,500+ | 8,200+ | 14,500+ | 16,400+ | 17,900+ |
| Digital product stores | 5,200+ | 5,900+ | 15,900+ | 22,500+ | 24,200+ | 25,300+ |
| Lifestyle retail stores | 3,200+ | 3,900+ | 6,000+ | 7,700+ | 8,700+ | 9,000+ |
| EMI card – retail spends stores | - | 5,600+ | 12,100+ | 19,100+ | 22,200+ | 22,800+ |
| Bajaj Auto dealers, sub-dealerships and ASSC | 3,000+ | 3,200+ | 3,900+ | 4,600+ | 5,200+ | 5,300+ |
| Direct Sales Agents | 800+ | 1,500+ | 2,100+ | 2,800+ | 3,000+ | 3,500+ |
| Overall active distribution network | 24,800+ | 39,600+ | 64,300+ | 91,700+ | 1,02,600+ | 1,07,100+ |

An icon showing two hands holding a dollar sign, symbolizing financial growth or investment.

Section 06

● ● ● ● ● ● Business segment wise AUM ● ● ● ● ● ●

Business segment wise AUM as of 31 December 2019

₹ crore

| Assets Under Management | Standalone as of 31 Dec 2019 | BHFL as of 30 Sep 2019 | Consolidated as of 31 Dec 2019 | Consolidated as of 31 Dec 2018 | Growth | Composition as of 31 Dec 2019 |
|---------------------------------------|---------------------------------|---------------------------|-----------------------------------|-----------------------------------|------------|----------------------------------|
| Consumer B2B Auto Finance Business | 13,176 | - | 13,176 | 8,741 | 51% | 9% |
| Consumer B2B Sales Finance Businesses | 13,960 | - | 13,960 | 13,035 | 7% | 10% |
| Consumer B2C Businesses | 28,639 | 741 | 29,381 | 20,515 | 43% | 20% |
| Rural B2B Sales Finance Business | 2,708 | - | 2,708 | 2,239 | 21% | 2% |
| Rural B2C Business | 9,957 | - | 9,957 | 6,285 | 58% | 7% |
| SME Business | 18,569 | 134 | 18,703 | 14,126 | 32% | 13% |
| Securities Lending Business | 6,511 | - | 6,513 | 6,190 | 5% | 5% |
| Commercial Lending Business | 6,503 | - | 6,503 | 5,660 | 15% | 4% |
| Mortgages | 16,437 | 29,160 | 44,191 | 30,716 | 44% | 30% |
| Total | 1,16,460 | 30,035 | 1,45,092 | 1,07,507 | 35% | 100% |
| Credit Card – CIF | | | 1,662 K | 845 K | 97% | |
| EMI Card – CIF | | | 20.5 MM | 16.5 MM | 24% | |
| Wallets | | | 13.5 MM | 6.5 MM | 108% | |

A small icon of a table with a minus sign, indicating a table of contents or a list of items.

Section 07



Update on credit quality



Credit Quality – Provisioning Coverage

| Assets Under Management | Consolidated AUM 31 Dec 2019 | GNPA | NNPA | PCR (%) | GNPA % | | | NNPA % | | |
|------------------------------------|------------------------------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | 31 Dec 18 | 30 Sep 19 | 31 Dec 19 | 31 Dec 18 | 30 Sep 19 | 31 Dec 19 |
| Auto Finance Business | 13,176 | 798 | 355 | 55% | 5.42% | 5.57% | 5.68% | 2.11% | 2.36% | 2.61% |
| Sales Finance Business | 13,960 | 156 | 30 | 81% | 0.86% | 1.08% | 0.92% | 0.26% | 0.26% | 0.18% |
| Consumer B2C Business | 29,381 | 407 | 114 | 72% | 1.49% | 1.49% | 1.34% | 0.38% | 0.41% | 0.38% |
| Rural B2B Business | 2,708 | 17 | 3 | 80% | 0.60% | 1.15% | 0.59% | 0.32% | 0.36% | 0.12% |
| Rural B2C Business | 9,957 | 137 | 45 | 67% | 1.42% | 1.41% | 1.33% | 0.63% | 0.45% | 0.44% |
| SME Business | 18,703 | 271 | 68 | 75% | 1.75% | 1.49% | 1.41% | 0.34% | 0.34% | 0.36% |
| Securities Lending Business | 6,513 | - | - | - | - | - | - | - | - | - |
| Commercial Lending Business | 6,503 | 39 | 16 | 58% | - | 0.58% | 0.60% | - | 0.23% | 0.25% |
| Mortgages | 44,191 | 529 | 387 | 27% | 1.38% | 1.20% | 1.36% | 0.96% | 0.87% | 0.99% |
| Total | 1,45,092 | 2,354 | 1,019 | 57% | 1.55% | 1.61% | 1.61% | 0.62% | 0.65% | 0.70% |
| Total (excluding IL&FS) | 1,45,092 | 2,120 | 847 | 60% | 1.34% | 1.44% | 1.45% | 0.45% | 0.52% | 0.59% |

GNPA remained flat on sequential quarter basis and increased by 6 bps YoY; NNPA increased by 5 bps on a sequential quarter basis and 8 bps YoY

NPA movement - consolidated

Values in ₹ Cr

| Particulars | Dec'18 | Mar'19 | Jun'19 | Sep'19 | Dec'19 |
|---|----------|----------|----------|----------|----------|
| Assets Under Management | 1,07,507 | 1,15,888 | 1,28,898 | 1,35,533 | 1,45,092 |
| Opening GNPA (A) | 1,471 | 1,691 | 1,804 | 2,094 | 2,213 |
| Roll Forward into NPA (i) | 702 | 593 | 697 | 779 | 924 |
| Restructuring (ii) | 13 | 14 | 5 | 7 | 12 |
| Total Slippages (B = i + ii) | 715 | 607 | 702 | 786 | 936 |
| Roll back to standard (iii) | 138 | 138 | 161 | 200 | 192 |
| Recoveries (iv) | 39 | 67 | 54 | 65 | 58 |
| Realisation on sale of NPA receivables* (v) | 33 | 19 | - | 24 | 18 |
| Write offs as per policy (vi) | 251 | 183 | 196 | 185 | 380 |
| Write offs on sale of NPA receivables (vii) | 34 | 87 | - | 193 | 147 |
| Total recoveries and write-offs (C = iii + iv + v + vi + vii) | 495 | 494 | 412 | 667 | 795 |
| Net slippages (B - C) | 220 | 113 | 290 | 119 | 141 |
| Gross NPA (A + B - C) | 1,691 | 1,804 | 2,094 | 2,213 | 2,354 |
| GNPA % | 1.55% | 1.54% | 1.60% | 1.61% | 1.61% |
| NNPA % | 0.62% | 0.63% | 0.64% | 0.65% | 0.70% |
| PCR % | 60% | 60% | 61% | 60% | 57% |

*Portfolio sale is on cash basis

ECL summary - consolidated

| Assets categorization | Dec '18 | Mar '19 | Jun '19 | Sep '19 | Dec '19 |
|--|---------|---------|---------|---------|---------|
| Stage 1 & 2 (represents standard assets) | 98.45% | 98.46% | 98.40% | 98.39% | 98.39% |
| Stage 3 (represents GNPA) | 1.55% | 1.54% | 1.60% | 1.61% | 1.61% |

Summary of stage wise assets and provision for impairment allowance

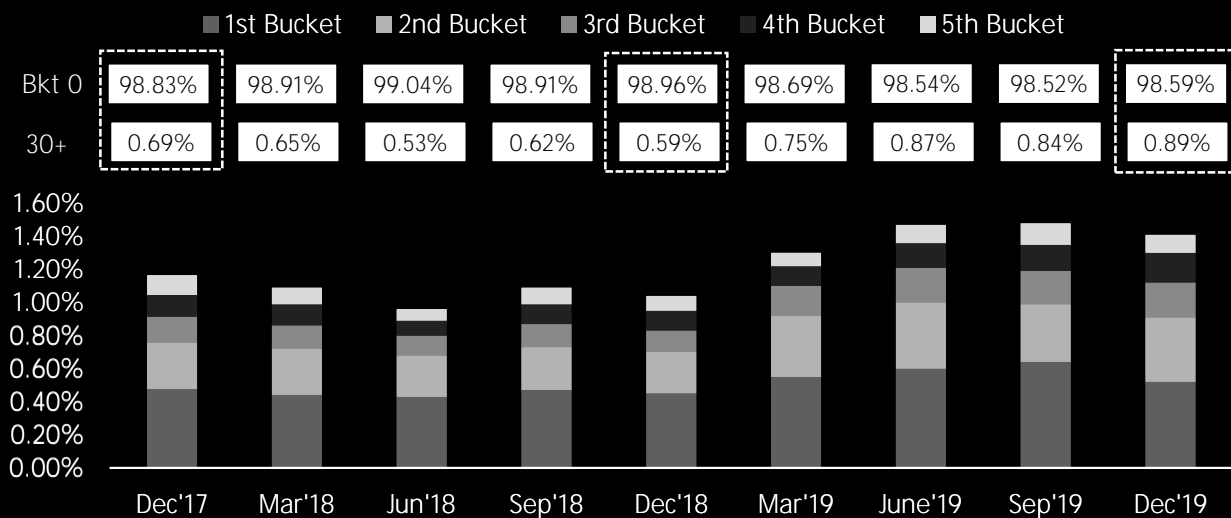
| Assets and impairment allowance | Dec '18 | Mar '19 | Jun '19 | Sep '19 | Dec '19 |
|--|----------|----------|----------|----------|----------|
| Gross Stage 1 & 2 assets* (A) | 1,07,094 | 1,15,438 | 1,28,570 | 1,35,552 | 1,43,534 |
| ECL Provision Stage 1 & 2 (B) | 947 | 981 | 1,111 | 1,239 | 1,443 |
| Net Stage 1 & 2 assets (C = A-B) | 1,06,146 | 1,14,458 | 1,27,459 | 1,34,312 | 1,42,091 |
| ECL Provision % Stage 1 & 2 assets (D = B/A) | 0.88% | 0.85% | 0.86% | 0.91% | 1.01% |
| Gross Stage 3 assets@ (E) | 1,691 | 1,804 | 2,094 | 2,213 | 2,354 |
| ECL Provision Stage 3 (F) | 1,020 | 1,077 | 1,270 | 1,325 | 1,335 |
| Net Stage 3 assets (G = E-F) | 671 | 727 | 824 | 888 | 1,019 |
| Coverage Ratio % Stage 3 assets (H= F/E) | 60% | 60% | 61% | 60% | 57% |
| Overall coverage ratio | 1.81% | 1.75% | 1.82% | 1.86% | 1.90% |

*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

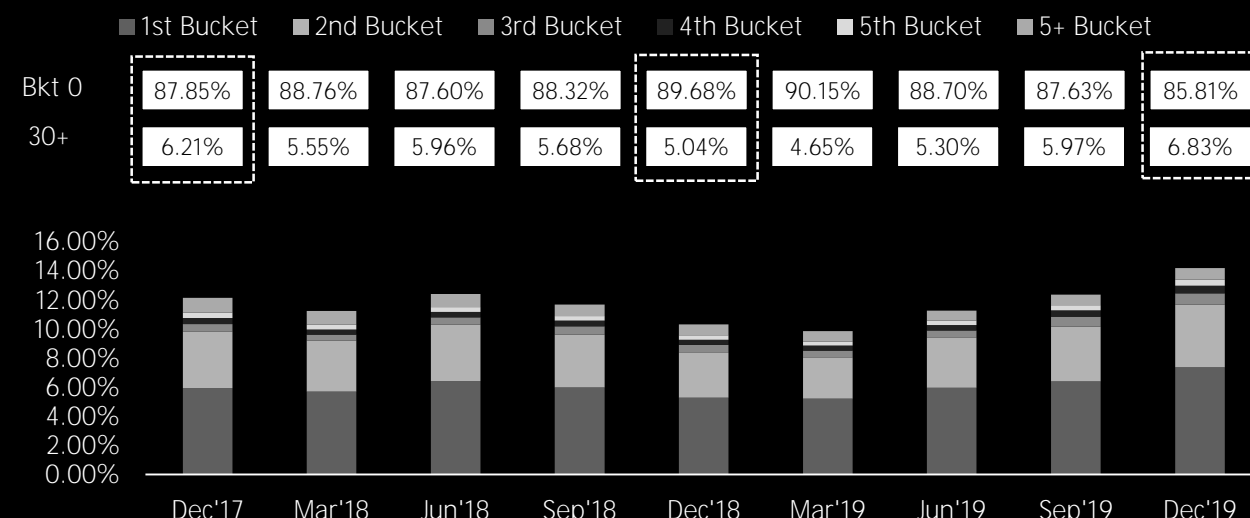
@ Gross Stage 3 assets represents loans balance as per Ind AS after adjusting for the impact of (i) amortisation of fees earned and acquisition cost incurred and (ii) overdue interest considered recoverable under Ind AS and other receivables considered as non-performing as at the end of respective periods.

Credit quality – Portfolio composition

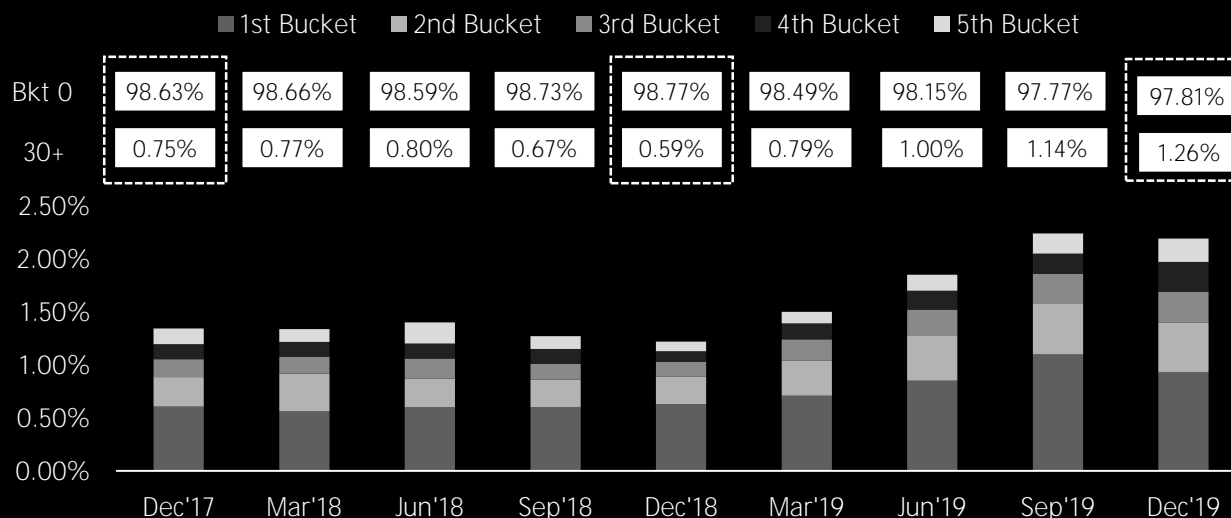
Consumer durable



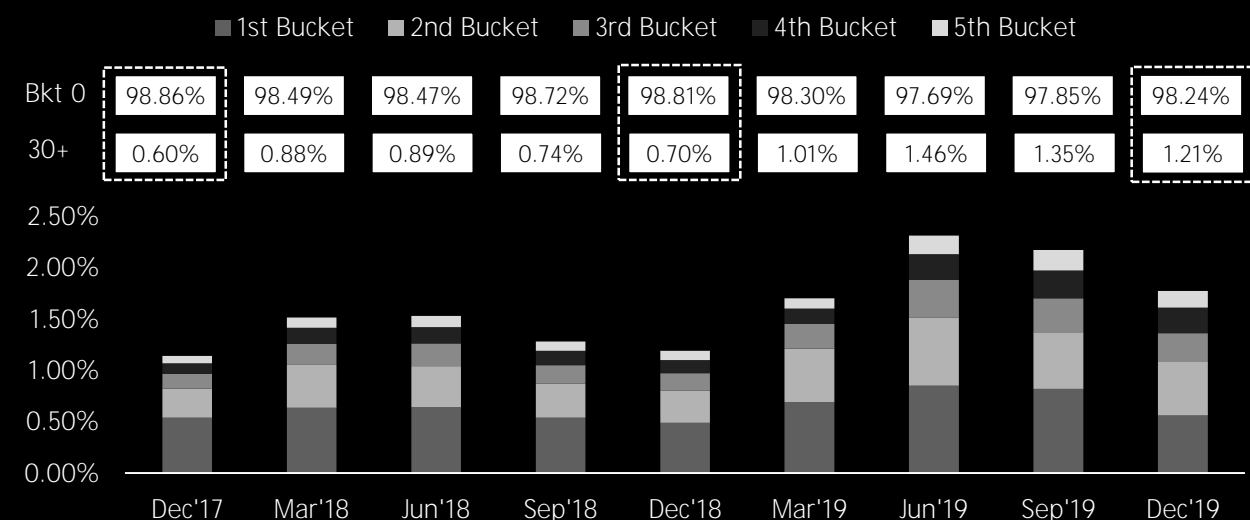
Two & three wheeler



Lifestyle

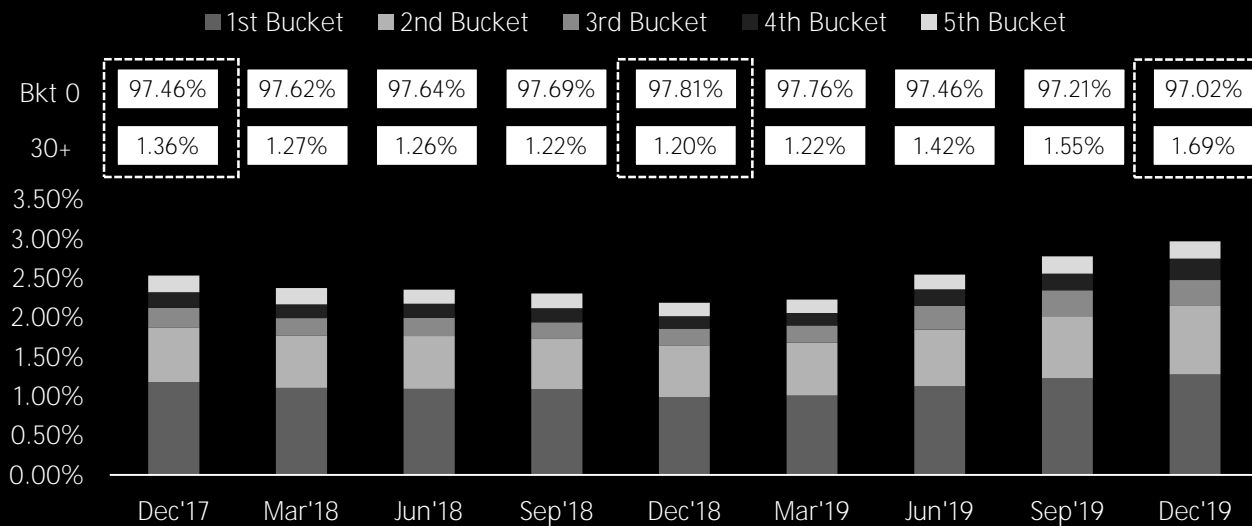


Digital product

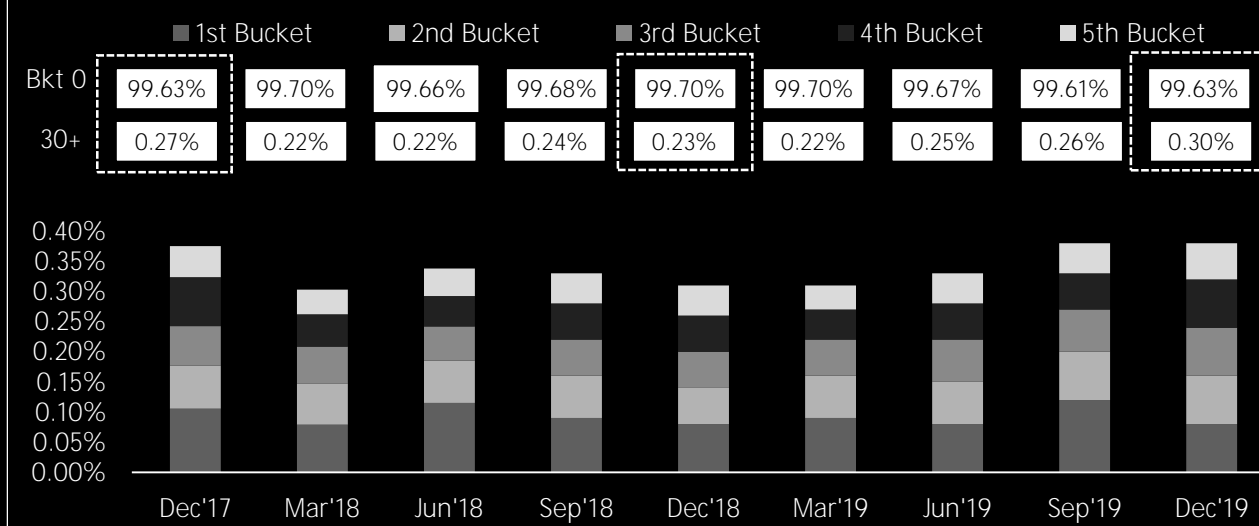


Portfolio Credit quality – Including BHFL

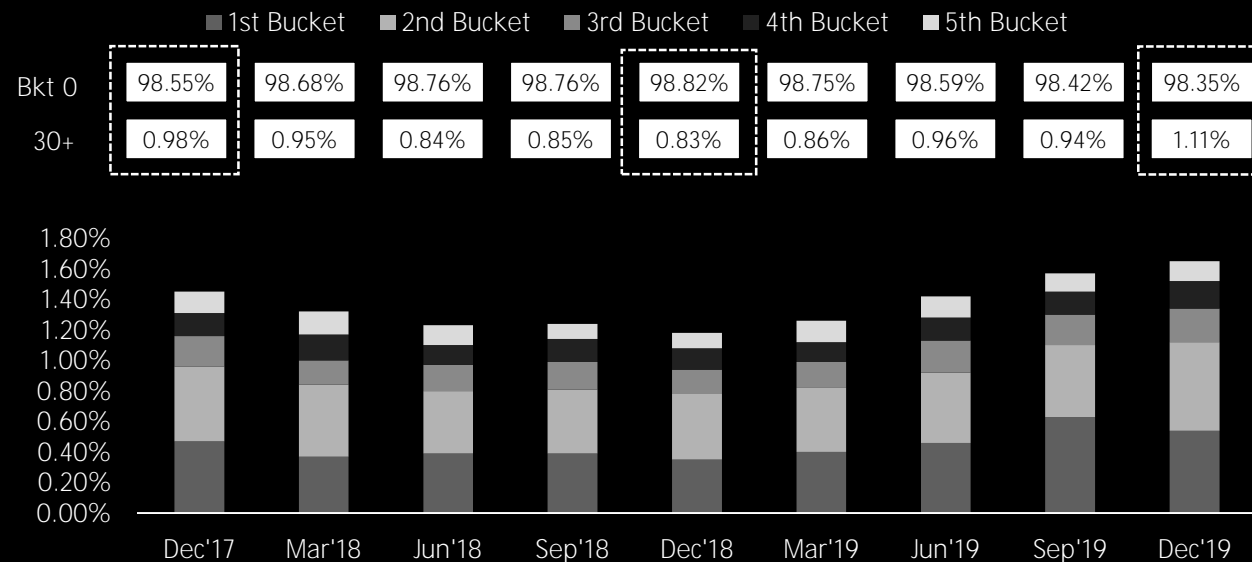
Personal loans cross sell



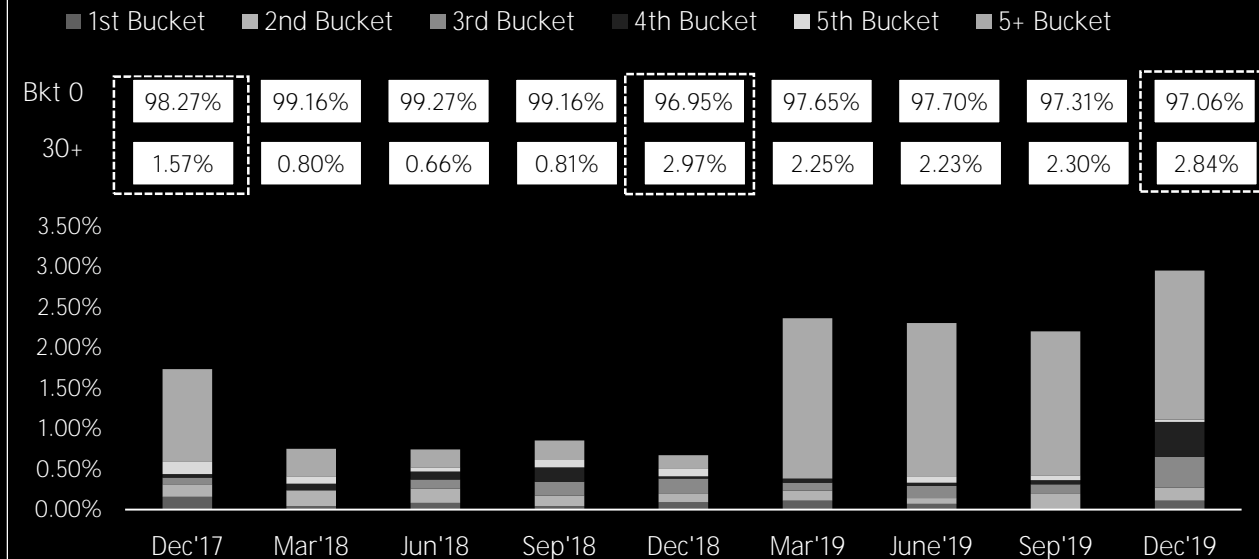
Salaried personal loans



Business & professional



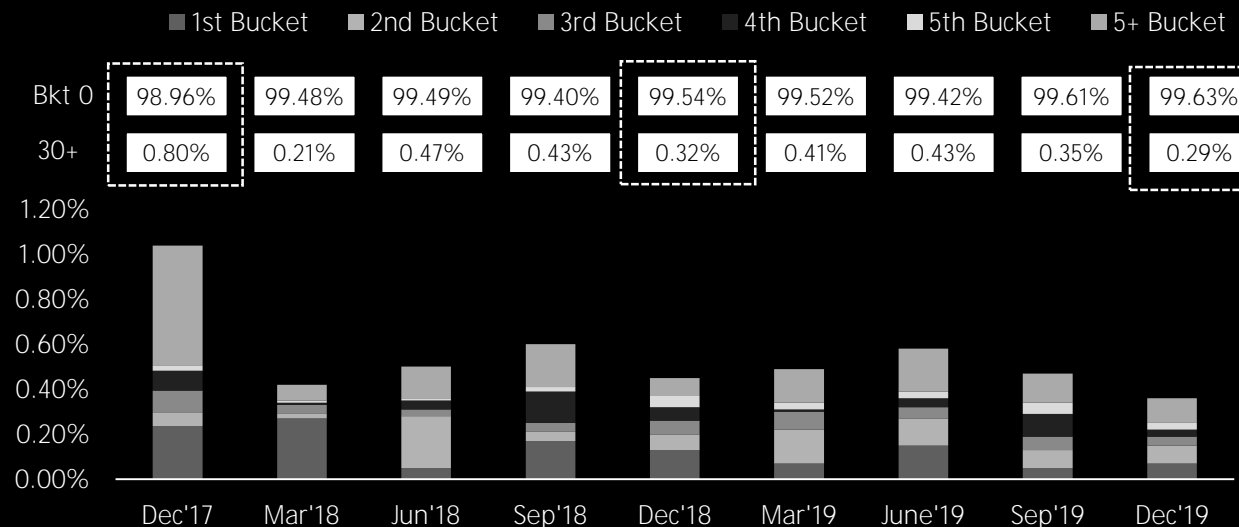
Loan against property*



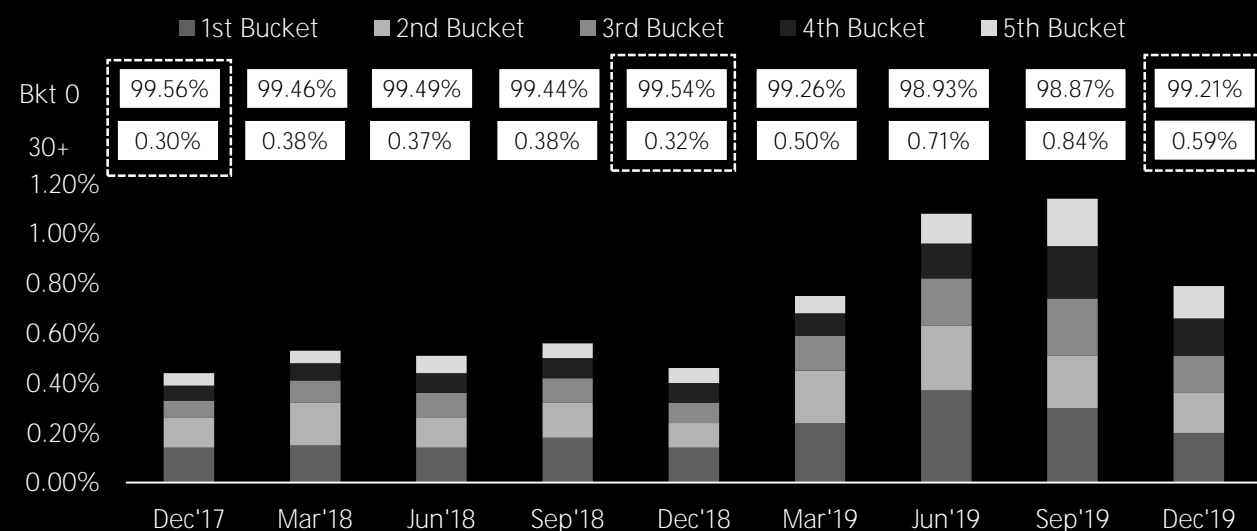
*Adjusted for IL&FS and a coffee conglomerate account, Dec'19 current portfolio is 99.03%

Portfolio Credit quality – Including BHFL

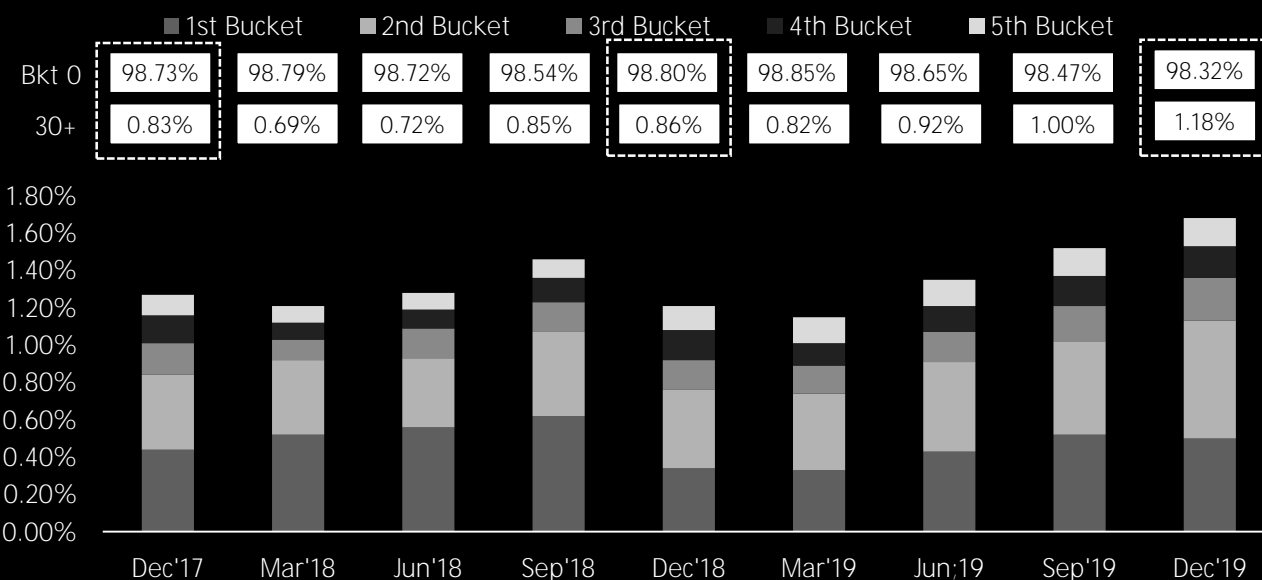
Home loans



Rural Lending B2B



Rural lending B2C



- Securities lending business has a delinquent broker account with principal outstanding of ₹ 303 crore on which company has taken an accelerated provision of ₹ 85 crore.
- LAP portfolio has 2 major NPA accounts : IL&FS with principal outstanding of ₹ 234 crore and a coffee conglomerate account with principal outstanding of ₹ 91 crore. Adjusted for these two accounts, the current bucket of LAP portfolio stands at 99.03%.
- We remain in cautious mode in auto finance, unsecured personal loan and business loans businesses.

 Section 08

 Bajaj Housing Finance Limited
Overview

Bajaj Housing Finance Limited

- A 100% subsidiary of Bajaj Finance Limited, registered with National Housing Bank as a Housing Finance Company
- 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 ₹ 30,035 crore as of 31 December 2019 and a post tax profit of ₹ 131 crore for Q3 FY20
- Capital adequacy ratio (including Tier II capital) stood at 18.91% as of 31 December 2019

Home Loans

- Offers home loan with an average ticket size of approximately 41 lakhs
- Focused on developing B2B business by leveraging existing developer finance relationships and through tie-ups with new project launches
- Currently present across 33 locations in India

Loan Against Property

- Offers loan to mass affluent and above self employed customers with an average ticket size of approximately 46 lakhs
- Strategy is to sell LAP product to existing customers only via direct to customer channel
- Currently present across 19 locations in India

Rural

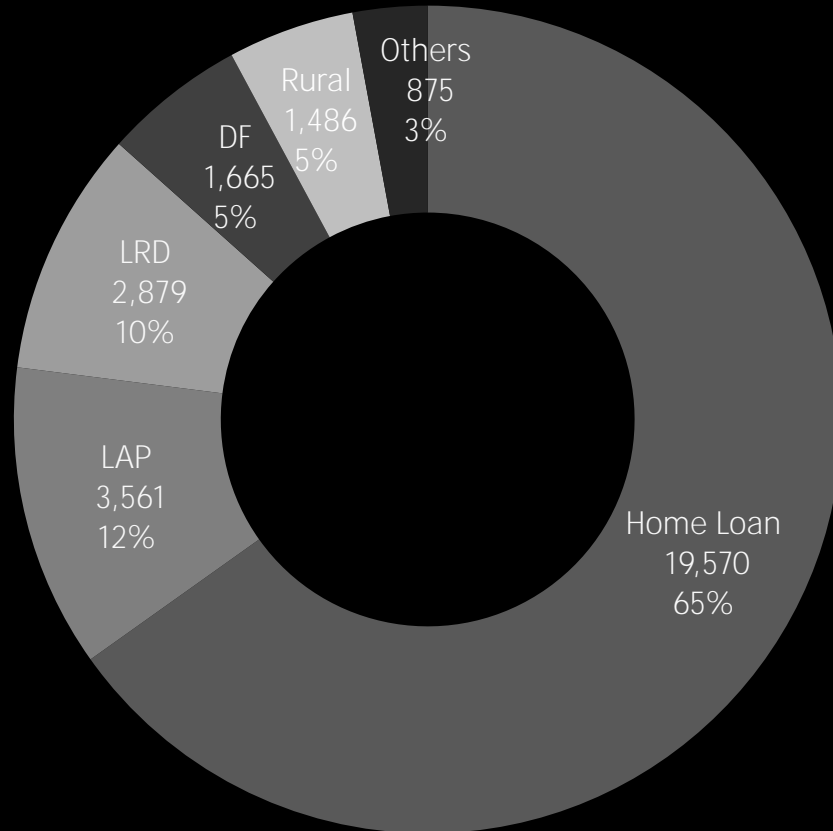
- Offers home loans and loans against property to salaried and self-employed customers with an average ticket size of approximately 18 lakhs for home loans and 12 lakhs for loan against property
- Hub and spoke strategy through branch network and ASSC tie ups
- Currently present across 73 locations in India

| | |
|--------------------------|--|
| Lease Rental Discounting | <ul style="list-style-type: none">• Offers loan against lease rentals to high net worth individuals and developers on commercial property leased mainly to corporate tenants• All LRD transactions are backed by rentals through escrow mechanism• Ticket size of lease rental discounting ranges from 5 - 100 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 | <ul style="list-style-type: none">• 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 | <ul style="list-style-type: none">• Gross NPA and Net NPA, recognized as per extant NHB prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS, as of 31 December 2019 stood at 0.07% and 0.05% respectively |
| Treasury | <ul style="list-style-type: none">• Strategy is to create a balanced and sustained mix of borrowings• Borrowings stood at ₹ 24,877 crore (excluding lease liability) with a mix of 63 : 37 between banks and money markets as of 31 December 2019 |
| Credit Rating | <ul style="list-style-type: none">• Credit rating for long term borrowing is AAA/Stable by CRISIL & IND AAA/Stable by India Ratings• Credit rating for short term borrowing is A1+ by CRISIL & IND A1+ by India Ratings |

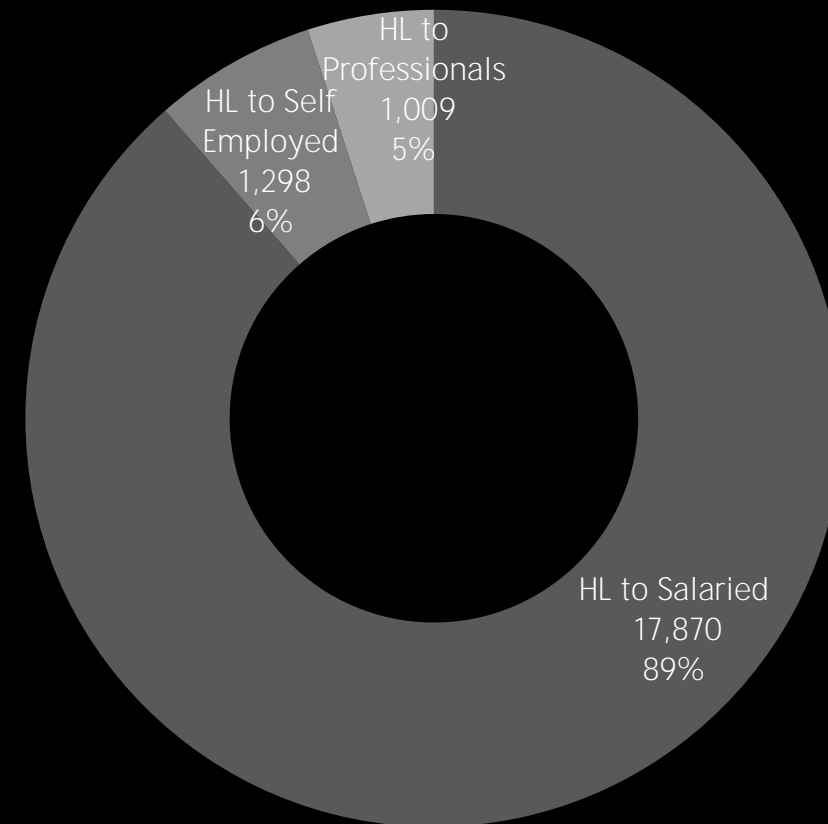
Portfolio Composition - Bajaj Housing Finance Limited

₹ in Crore

Product Category



Home Loan Portfolio Customer Categorisation



Salaried focused home loans acquisition strategy (93% of Q3 FY20 acquisition)

Customer Profile – Bajaj Housing Finance Limited

| | Home Loan | Loan Against Property |
|-----------------------------|-------------------------------|-------------------------------|
| Average Loan Size – Overall | 39 lakhs | 28 lakhs |
| Average Loan Size – Urban | 41 lakhs | 46 lakhs |
| Average Loan Size – Rural | 18 lakhs | 12 lakhs |
| LTV (at origination) | 71% | 46% |
| Average Loan Term – Overall | 18 years | 11 years |
| Average Customer Age | 39 years | 41 years |
| Primary Security | Mortgage of property financed | Mortgage of property financed |
| Repayment Type | Monthly amortizing | Monthly amortizing |

Financial statement summary – Bajaj Housing Finance Limited



₹ in Crore

| Financials snapshot | Q3 FY20 | Q3 FY19 | 9M FY20 | 9M FY19 | FY19 |
|--|------------|------------|--------------|------------|--------------|
| Assets under management | 30,035 | 13,963 | 30,035 | 13,963 | 17,562 |
| Assets under finance | 25,961 | 13,963 | 25,961 | 13,963 | 17,332 |
| Interest income | 620 | 297 | 1,616 | 616 | 998 |
| Fee and other income | 103 | 41 | 256 | 109 | 158 |
| Total Income | 723 | 338 | 1,872 | 725 | 1,156 |
| Interest expenses | 438 | 207 | 1,125 | 416 | 685 |
| Net Interest Income | 285 | 131 | 747 | 309 | 471 |
| Operating Expenses | 96 | 75 | 267 | 230 | 297 |
| Loan losses and provisions (ECL stage 1 & 2) | 6 | 5 | 17 | 15 | 21 |
| Loan losses and provisions (ECL stage 3 & write off) | 8 | 1 | 18 | 1 | 4 |
| Profit before tax | 175 | 50 | 445 | 63 | 149 |
| Profit after tax | 131 | 37 | 331 | 48 | 110 |
| Ratios | | | | | |
| Operating expense to Net Interest Income | 34% | 57% | 36% | 74% | 63% |
| Loan loss to Average AUF* | 0.06% | 0.05% | 0.17% | 0.19% | 0.24% |
| Return on Average Assets* | 0.5% | 0.3% | 1.5% | 0.5% | 1.1% |
| Return on Average Equity* | 3.3% | 1.4% | 8.6% | 2.3% | 4.2% |

* Not annualized

ECL summary – Bajaj Housing Finance Limited

| ECL categorization | Dec '18 | Mar'19 | Jun'19 | Sep'19 | Dec'19 |
|--|---------|--------|--------|--------|--------|
| Stage 1 & 2 (represents standard assets) | 99.97% | 99.95% | 99.94% | 99.94% | 99.93% |
| Stage 3 (represents GNPA) | 0.03% | 0.05% | 0.06% | 0.06% | 0.07% |

Summary of stage wise assets and ECL provisioning

₹ in Crore

| Financial Assets & ECL provision | Dec '18 | Mar'19 | Jun'19 | Sep'19 | Dec'19 |
|--|---------|--------|--------|--------|--------|
| Gross Stage 1 & 2 assets* (A) | 14,061 | 17,435 | 20,601 | 23,481 | 26,532 |
| ECL Provision Stage 1 & 2 (B) | 20 | 26 | 34 | 37 | 43 |
| Net Stage 1 & 2 assets (C = A-B) | 14,041 | 17,409 | 20,567 | 23,443 | 26,488 |
| ECL Provision % Stage 1 & 2 assets (D = B/A) | 0.14% | 0.15% | 0.16% | 0.16% | 0.16% |
| Gross Stage 3 assets@ (E) | 4.5 | 9.5 | 13.1 | 13.3 | 19.9 |
| ECL Provision Stage 3 (F) | 1.0 | 3.4 | 4.2 | 6.0 | 6.3 |
| Net Stage 3 assets (G = E-F) | 3.5 | 6.1 | 8.9 | 7.3 | 13.6 |
| Coverage Ratio % Stage 3 assets (H= F/E) | 23% | 35% | 32% | 45% | 32% |
| ECL/Total Assets | 0.15% | 0.17% | 0.18% | 0.18% | 0.19% |

*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.

Behaviouralized ALM snapshot as on 31 December 2019

| Particulars | 1 m | >1 to 2 m | >2 to 3 m | >3 to 6m | >6m to 1 yr | >1 to 3 yr | >3 to 5 yr | >5 to 7 yr | >7 to 10 yr | >10 yr | Total |
|---------------------------------------|--------------|--------------|--------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|
| Cash & Investments | 2,929 | - | - | - | - | - | - | - | - | - | 2,929 |
| Advances | 465 | 276 | 279 | 818 | 1,592 | 5,581 | 4,280 | 3,389 | 3,866 | 5,575 | 26,121 |
| Other inflows | 3,480 | 1,000 | 1,000 | - | - | 5 | - | - | - | 67 | 5,552 |
| Total Inflows (A) | 6,874 | 1,276 | 1,279 | 818 | 1,592 | 5,587 | 4,280 | 3,389 | 3,866 | 5,643 | 34,603 |
| Cumulative Total Inflows (B) | 6,874 | 8,150 | 9,429 | 10,247 | 11,839 | 17,426 | 21,706 | 25,094 | 28,960 | 34,603 | |
| Borrowings | - | 1,842 | 1,610 | 378 | 2,476 | 11,288 | 7,217 | 1,649 | 291 | - | 26,750 |
| Capital Reserves and Surplus | - | - | - | - | - | - | - | - | - | 3,926 | 3,926 |
| Other Outflows | 759 | - | 26 | 17 | 73 | 2,932 | - | 0 | - | 119 | 3,927 |
| Total Outflows (C) | 759 | 1,842 | 1,635 | 396 | 2,550 | 14,220 | 7,217 | 1,649 | 291 | 4,045 | 34,603 |
| Cumulative Total Outflows (D) | 759 | 2,601 | 4,236 | 4,632 | 7,181 | 21,401 | 28,618 | 30,267 | 30,558 | 34,603 | |
| Mismatch (E = A - C) | 6,115 | (566) | (356) | 423 | (958) | (8,633) | (2,937) | 1,740 | 3,575 | 1,598 | |
| Cumulative mismatch (F = B-D) | 6,115 | 5,549 | 5,193 | 5,615 | 4,658 | (3,976) | (6,913) | (5,173) | (1,598) | 0 | |
| Cumulative mismatch as % (F/D) | 806% | 213% | 123% | 121% | 65% | -19% | -24% | -17% | -5% | 0% | |
| Permissible cumulative GAP % | -15% | | | | -15% | | | | | | |
| Additional borrowings possible | 7,328 | | | | 6,738 | | | | | | |

* As per previous GAAP

BAJAJ FINANCE LIMITED

Q3 FY20 Investor Presentation

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Annexures

Financial snapshot

₹ in Crores

| Financials snapshot [@] | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 [@] (Consol.) | FY19 [@] (Consol.) | YoY (FY18-FY19) | CAGR (12 yrs) |
|----------------------------------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------------------------------|--------------------------------|--------------------|------------------|
| Assets under management | 2,478 | 2,539 | 4,032 | 7,573 | 13,107 | 17,517 | 24,061 | 32,410 | 44,229 | 60,196 | 82,422 | 1,15,888 | 41% | 42% |
| Income from operations | 503 | 599 | 916 | 1,406 | 2,172 | 3,110 | 4,073 | 5,418 | 7,333 | 9,989 | 12,757 | 18,502 | 45% | 39% |
| Interest expenses | 170 | 164 | 201 | 371 | 746 | 1,206 | 1,573 | 2,248 | 2,927 | 3,803 | 4,614 | 6,624 | 44% | 40% |
| Net Interest Income (NII) | 332 | 435 | 715 | 1,035 | 1,426 | 1,904 | 2,500 | 3,170 | 4,406 | 6,186 | 8,143 | 11,878 | 46% | 38% |
| Operating Expenses | 193 | 220 | 320 | 460 | 670 | 850 | 1,151 | 1,428 | 1,898 | 2,564 | 3,270 | 4,198 | 28% | 32% |
| Loan Losses & Provision (ECL) | 109 | 164 | 261 | 205 | 154 | 182 | 258 | 385 | 543 | 804 | 1,030 | 1,501 | 46% | 27% |
| Profit before tax | 30 | 51 | 134 | 370 | 602 | 872 | 1,091 | 1,357 | 1,965 | 2,818 | 3,843 | 6,179 | 61% | 62% |
| Profit after tax | 21 | 34 | 89 | 247 | 406 | 591 | 719 | 898 | 1,279 | 1,837 | 2,496 | 3,995 | 60% | 61% |
| Ratios | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | | |
| 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% | | |
| Return on assets | 0.9% | 1.4% | 2.8% | 4.4% | 4.2% | 4.1% | 3.6% | 3.3% | 3.5% | 3.7% | 3.7% | 4.2% | | |
| Return on equity | 2.0% | 3.2% | 8.0% | 19.7% | 24.0% | 21.9% | 19.5% | 20.4% | 20.9% | 21.6% | 20.1% | 22.5% | | |
| Net NPA * | 7.05% | 5.50% | 2.20% | 0.80% | 0.12% | 0.19% | 0.28% | 0.45% | 0.28% | 0.44% | 0.43% | 0.63% | | |
| NPA provisioning coverage | 29% | 32% | 55% | 79% | 89% | 83% | 76% | 71% | 77% | 74% | 70% | 60% | | |

[@] All figures till including FY17 are as per previous GAAP, whereas for FY18 and FY19 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

| | | | |
|------|--|------|----------------------------------|
| 2W | Two Wheeler | HL | Home Loan |
| 3W | Three Wheeler | IFA | Independent Financial Advisor |
| ACMF | Auto Components Manufacturer Financing | IRR | Internal Rate of Return |
| ALM | Asset & Liability Management | LAP | Loan Against Property |
| AR | Assets Receivable | LAS | Loan Against Securities |
| ARU | Activation, Retention & Usage | MF | Mutual Fund |
| ASC | Authorized Service Centers | MM | Million |
| AUF | Assets Under Finance | MSME | Micro, Small & Medium Enterprise |
| AUM | Assets Under Management | NII | Net Interest Income |
| B2B | Business to Business | NNPA | Net Non Performing Assets |
| B2C | Business to Customer | NTB | New to Bajaj Finance |
| BHFL | Bajaj Housing Finance Ltd | Opex | Operating Expenses |
| BL | Business Loan | PAT | Profit After Tax |
| CAGR | Compounded Annual Growth Rate | PBT | Profit Before Tax |
| CIF | Cards in Force | POS | Point of Sale |
| CPI | Consumer Price Index | PPC | Products Per Customer |
| ECB | External Commercial Borrowings | RBI | Reserve Bank of India |
| ECL | Expected Credit Loss | ROA | Return on Assets |
| EMI | Existing Member Identification | ROE | Return on Equity |
| EPS | Earnings Per Share | SE | Self Employed |
| FIG | Financial Institutions Group | SME | Small & Medium Enterprise |
| FII | Foreign Institutional Investor | TAT | Turn Around Time |
| FPI | Foreign Portfolio Investment | TTD | Through the Door |
| GNPA | Gross Non Performing Assets | WPI | Wholesale Price Index |