

# BAJAJ FINANCE LIMITED

20 July 2021

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 30 June 2021**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Investor Presentation for the quarter ended 30 June 2021.

Please access the link to view live webcast of conference call scheduled to be held on 20 July 2021 at 6.00 p.m. IST: <https://links.ccwebcast.com/?EventId=BAJF210720>

Kindly take the same on record.

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

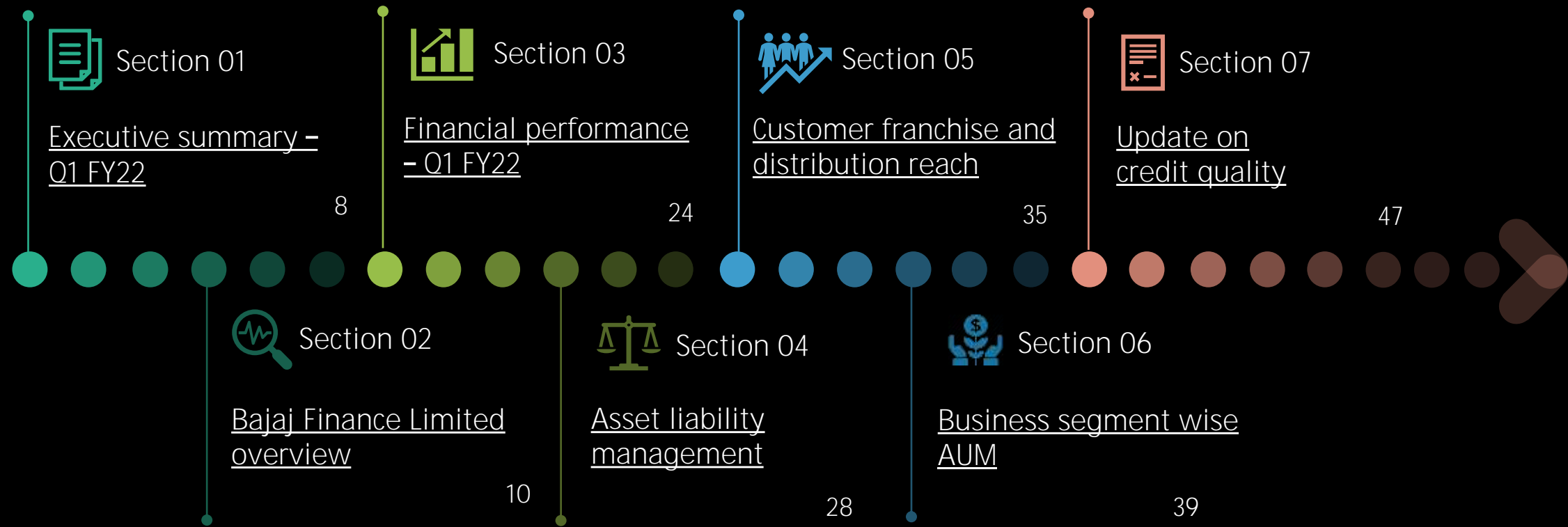
**R. VIJAY**  
**COMPANY SECRETARY**  
Email ID: [investor.service@bajajfinserv.in](mailto:investor.service@bajajfinserv.in)

Encl.: As above



# **BAJAJ FINANCE LIMITED**

Q1 FY22 Investor Presentation  
20 July 2021





# Section 01

## Executive summary – Q1 FY22

1.1

Quarter gone by

1.2

Lead financial indicators

1.3

Executive summary – Q1 FY22

It was a muted quarter impacted by severe second wave of pandemic. Both businesses and debt management efficiencies were affected due to strict lockdowns across most parts of India. Business transformation remains on track for phase-1 go live in October 2021.



\*Not annualized

\*\*Not relevant due to moratorium

1. At the outset, YoY numbers are not comparable due to strict lockdowns across most parts of India and EMI moratorium in Q1 FY21.
2. AUM as of 30 June 2021 was at ₹ 1,59,057 crore as against ₹ 1,38,055 crore as of 30 June 2020. Core AUM growth\* in Q1 FY22 was ~₹ 4,100 crore. In absence of a third wave, the Company expects quarterly AUM growth rate for balance of the year to be at pre-COVID levels .
3. The Company booked 4.63 MM new loans in Q1 FY22.
4. The Company acquired 1.88 MM new customers in Q1 FY22. Customer franchise crossed a milestone of 50 MM and stood at 50.45 MM as of 30 June 2021, a growth of 17% YoY. Cross sell franchise stood at 27.43 MM, a growth of 14% YoY. New customer addition in Q1 has come in line with our general guidance of 7-8 MM new customer addition annually.
5. Total geographic footprint stood at 3,113 locations and 1,14,400+ distribution points. During the quarter, the Company expanded its presence in 125 new locations including 50 financial inclusion locations. Further, the company added 49 new branches across its existing locations. This included 25 standalone branches for Gold loan and 24 dedicated branches for FD.
6. The Company continues to protect its margin profile across all its businesses. Due to lower debt management efficiencies and consequent increase in GNPA, interest income reversal for Q1 FY22 was higher at ₹ 451 crore as compared to ₹ 306 crore in Q1 FY21. In absence of a third wave, the company expects quarterly interest reversals to normalise by Q3 FY22.
7. **Cost of funds for Q1 FY22 was 7.11% vs 7.39% in Q4 FY21. The Company's liquidity buffer** was ₹ 10,857 crore as of 30 June 2021. This represents 8% of total borrowing. We expect further reduction in cost of funds, as liquidity buffer and borrowing basket is reinstated to pre-COVID levels.

\*Core AUM growth = (AUM growth for the quarter – short tenor IPO financing book + additional losses on account of COVID)

8. Deposits book on a YOY basis grew by 39% to ₹ 27,972 crore as of 30 June 2021. Its contribution to consolidated borrowings was 21%. During the quarter, deposits book grew by ₹ 2,169 crore. Retail : Corporate mix stood at 77 : 23 in Q1 FY22.
9. Opex to NII for Q1 FY22 was 30.6% vs 27.9% in Q1 FY21. The Company took several actions to reduce its operating expenses to partially mitigate the financial impact caused by second wave. This metric should normalize to ~33% by Q4 FY22.
10. The second wave caused a marginal increase in EMI bounce rate in Q1 FY22 over Q4 FY21. Average EMI bounce rate in Q1 FY22 was approximately 1.08X of Q4 FY21. The bounce rate for July 2021 has improved to 0.96X of Q4 FY21.
11. In Q1 FY22, forward flows across overdue positions were higher due to constraints on debt management amidst strict lockdowns across most parts of India. With most of the country now open constraints on debt management has eased significantly.
12. Loan losses and provisions for the quarter were ₹ 1,750 crore. The second wave resulted in significantly subdued debt management efficiencies leading to higher stage 2 & 3 assets. The Company follows ECL methodology of provisioning and accordingly accounted for higher credit cost in Q1 FY22.
13. The Company has management overlay provision of ₹ 483 crore as of 30 June 2021.
14. GNPA & NNPA as of 30 June 2021 stood at 2.96% and 1.46% compared to 1.79% and 0.75% as of 31 March 2021.
15. GNPA for the quarter increased by ₹ 2,006 crore from ₹ 2,731 crore as of 31 March 2021 to ₹ 4,737 crore as of 30 June 2021. Auto finance business was worst affected. Its GNPA increased by ₹ 1,199 crore from ₹ 1,227 crore to ₹ 2,426 crore. GNPA in other businesses increased by ₹ 807 crore from ₹ 1,504 crore to ₹ 2,311 crore.

16. NNPA as of 30 June 2021 was ₹ 2,307 crore vs ₹ 1,136 crore as of 31 March 2021. Secured assets constituted 74% of NNPA of which Auto finance was ₹ 1,420 crore ( ₹ 609 crore as of 31 March 2021) and Mortgages was ₹ 290 crore ( ₹ 262 crore as of 31 March 2021).
17. Non overdue one-time restructuring (OTR) book stood at ₹ 1,287 crore as of 30 June 2021 vs ₹ 1,739 crore as of 31 March 2021. 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 ₹ 235 crore (18.3%) against the OTR book.
18. Non OTR stage 2 assets stood at ₹ 6,137 crore as of 30 June 2021 compared to ₹ 4,985 crore as of 31 March 2021. The Company holds ECL provision of ₹ 1,395 crore (22.7%). Secured non OTR stage 2 assets was ₹ 3,107 crore (50.6%) and unsecured was ₹ 3,030 crore (49.4%).
19. In absence of a severe third wave, the Company is committed to bring down its GNPA to 1.7-1.8% & NNPA to 0.7-0.8% by 31 March 2022. Accordingly, the company estimates its overall credit cost for the year to be ₹ 4,200-4,300 crore.
20. Consolidated post tax profit for Q1 FY22 was ₹ 1,002 crore compared to ₹ 962 crore in Q1 FY21, a growth of 4%.
21. Capital adequacy remained very strong at 28.57% as of 30 June 2021. Tier-1 capital was 25.41%.
22. BHFL AUM grew by 24% to ₹ 40,941 crore as of 30 June 2021.
23. Capital adequacy of BHFL remained strong at 22.07% as of 30 June 2021.
24. BHFL post tax profit for Q1 FY22 was ₹ 161 crore compared to ₹ 92 crore in Q1 FY21, a growth of 75%.
25. BFSL has 95,000+ Retail and HNI Customers as of 30 June 2021. It acquired 52,500+ customers in Q1 FY22.



## Update on Business transformation:

1. The Company, at its AGM today, has shared the home page of its consumer app along with illustrative end to end journeys of fixed deposits for new customers and doctor loans. This video is uploaded in the investor section of our website. [\(Click here\)](#)
2. This consumer app as it gets delivered in phases will have 2,000+ screens across 20 business and service modules, 7,000+ content screens, personalized and dynamic banner infrastructure, self service screens supported by integrated contact center capabilities, 300+ transaction APIs, ability to handle 100K+ requests per second which are non-linearly scalable and 100+ dedicated staff monitoring 3,000+ KPIs real time and many more.
3. The Company launched its wallet business on 01 July 2021 and has onboarded 320K customers as of 18 July 2021. The Company expects to onboard over 5 MM customers for its wallet business in FY22.
4. The Company with a view to strengthen its presence in payments business has taken an approval of Board to apply to RBI for Payment Aggregator (PA) and Bharat Billpay Operating Unit (BBPOU) license.
5. BFSL launched its new mobile app on 31 May 2021.

## Subsidiaries – Bajaj Housing Finance Limited (BHFL)

6. **BHFL's AUM increased by 24% to ₹ 40,941 crore** as of 30 June 2021 from ₹ 32,982 crore as of 30 June 2020.
7. **BHFL's net Interest Income for Q1 FY22 increased by 38% to ₹ 335 crore** from ₹ 243 crore in Q1 FY21.
8. **BHFL's opex to NII stood at 27.2% in Q1 FY22** as against 30.5% in Q1 FY21.
9. **BHFL's loan losses and provisions for Q1 FY22 was ₹ 26 crore** as against ₹ 45 crore in Q1 FY21. It has management overlay provision of ₹ 132 crore as of 30 June 2021.
10. **BHFL's GNPA & NNPA as of 30 June 2021 stood at 0.28% and 0.18% respectively** compared to 0.35% and 0.22% as of 31 March 2021.
11. **BHFL's profit after tax increased by 75% to ₹ 161 crore** in Q1 FY22 against ₹ 92 crore in Q1 FY21.

## Subsidiaries – Bajaj Financial Securities Limited (BFSL)

12. BFSL has 95,128 Retail and HNI Customers as of 30 June 2021. It acquired 52,504 customers in Q1 FY22.
13. **BFSL's total Income was ₹ 14.98 crore** in Q1 FY22 against ₹ 2.88 crore in Q1 FY21.
14. BFSL registered a net loss ₹ 3.23 crore in Q1 FY22.

# Section 02 Bajaj Finance Limited overview

2.1

Bajaj group structure

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What do we stand for

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Our general long-term guidance on Financial metrics shareholder profile

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Key strategic differentiators

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Our shareholder profile

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14-years financial snapshot

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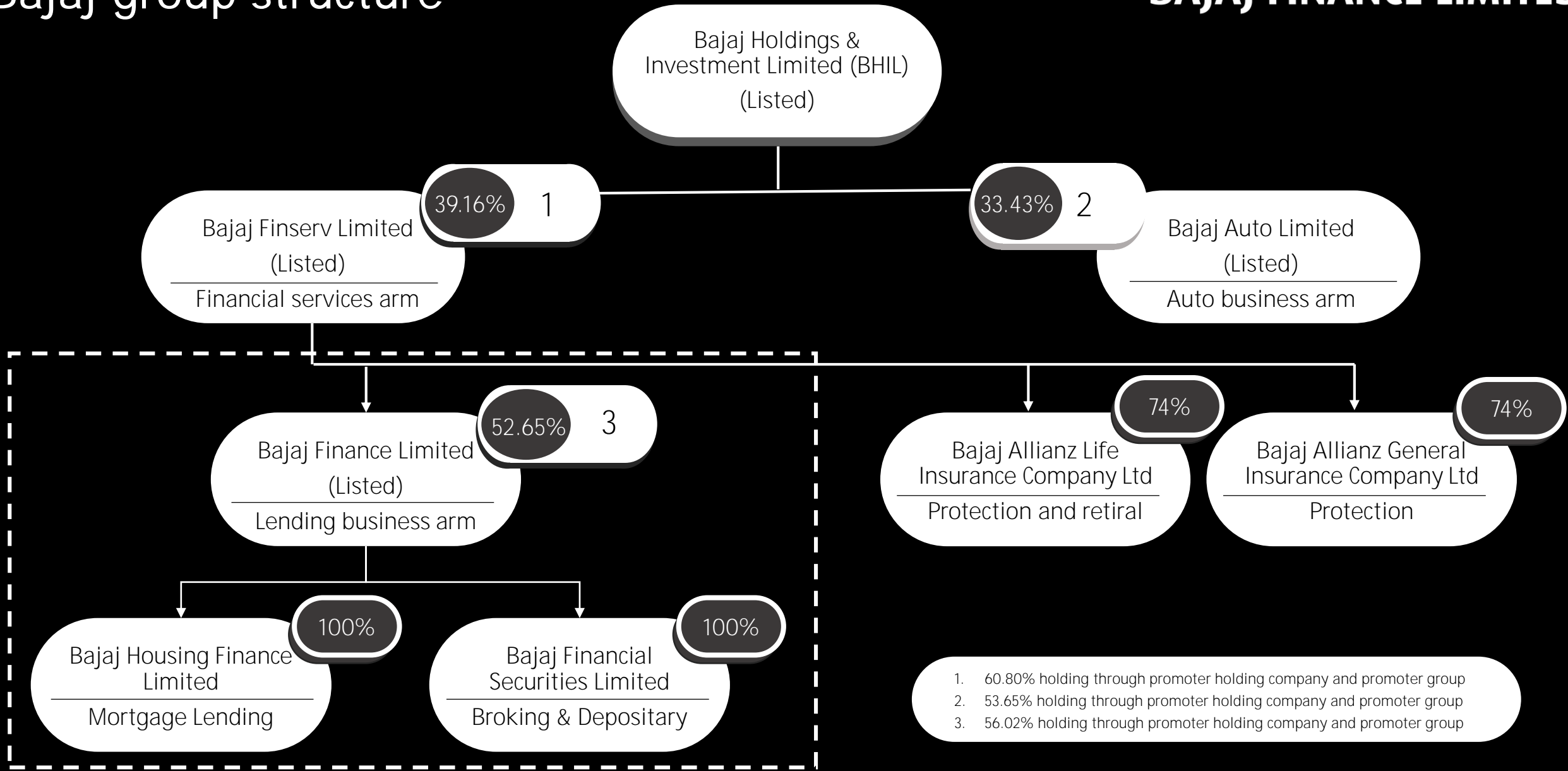
Product suite

2.8

Executive summary

# Bajaj group structure

# BAJAJ FINANCE LIMITED



- 1. 60.80% holding through promoter holding company and promoter group
- 2. 53.65% holding through promoter holding company and promoter group
- 3. 56.02% 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”

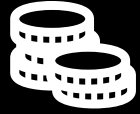
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“**Business construct to deliver** a sustainable ROA of 3.3-3.5% and ROE of 19-21% in the long term”

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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

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A trusted brand with strong brand equity

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Focus on mass affluent and above clients

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Total customer franchise of 50.45 MM

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

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

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A well diversified balance sheet

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Consolidated lending AUM mix for Consumer: Rural: SME: Commercial: Mortgages stood at 34%: 10%: 13%: 11%: 32%  
Consolidated borrowing mix for Money Markets :Banks: Deposits: ECB stood at 44%:31%:21%:4%

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Highly agile & innovative

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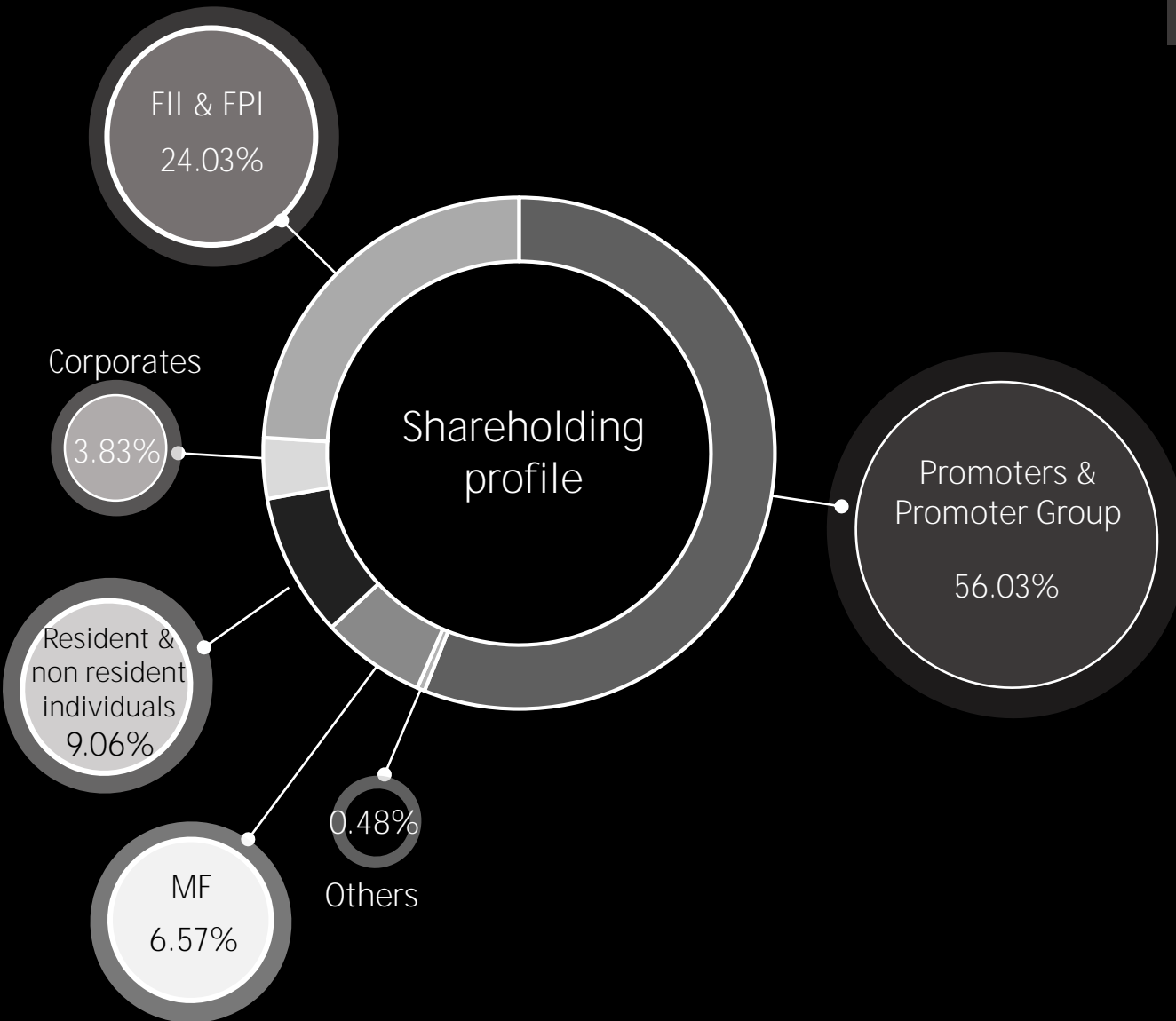
Continuous improvements in product features and digital technologies to maintain competitive edge

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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 30 June 21	As on 31 March 21	As on 30 June 20
1	BAJAJ FINSERV LTD	52.65%	52.74%	52.82%
2	GOVERNMENT OF SINGAPORE	4.09%	4.20%	4.30%
3	MAHARASHTRA SCOOTERS LIMITED	3.14%	3.15%	3.15%
4	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND	0.79%	0.80%	0.82%
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	0.67%	0.69%	0.54%
7	SBI-ETF NIFTY 50	0.66%	0.63%	0.56%
8	LIFE INSURANCE CORPORATION OF INDIA	0.62%	0.62%	0.69%
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	0.52%	0.50%	0.41%
11	WF ASIAN SMALLER COMPANIES FUND LIMITED	0.51%	0.46%	0.22%
12	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0.48%	0.45%	0.51%
13	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS FOCUSED 25 FUND	0.47%	0.46%	0.44%
14	ST. JAMES'S PLACE EMERGING MARKETS EQUITY UNIT TRUST MANAGED BY WASATCH ADVISORS INC	0.46%	0.44%	0.43%
15	SBI LIFE INSURANCE CO. LTD	0.41%	0.38%	0.44%
16	BARON EMERGING MARKETS FUND	0.40%	0.40%	0.26%
17	PEOPLE'S BANK OF CHINA	0.40%	0.41%	0.32%
18	ISHARES CORE EMERGING MARKETS MAURITIUS CO	0.39%	0.39%	0.23%
19	GOVERNMENT PENSION FUND GLOBAL	0.39%	0.39%	0.31%
20	DF INTERNATIONAL PARTNERS	0.38%	0.38%	0.38%

Above shareholding is as of 30 June 2021



# 14-years financial snapshot

# BAJAJ FINANCE LIMITED

₹ in crore

Financials snapshot <sup>@</sup>	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18 <sup>@</sup> (Consol.)	FY19 <sup>@</sup> (Consol.)	FY20 <sup>@</sup> (Consol.)	FY21 <sup>@</sup> (Consol.)	CAGR (14 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	1,47,153	152,947	37%
Income from operations	503	599	916	1,406	2,172	3,110	4,073	5,418	7,333	9,989	12,757	18,500	26,386	26,683	36%
Interest expenses	170	164	201	371	746	1,206	1,573	2,248	2,927	3,803	4,614	6,623	9,473	9,414	36%
Net Interest Income (NII)	332	435	715	1,035	1,426	1,904	2,500	3,170	4,406	6,186	8,143	11,877	16,913	17,269	36%
Operating Expenses	193	220	320	460	670	850	1,151	1,428	1,898	2,564	3,270	4,197	5,662	5,308	29%
Loan Losses & Provision (ECL)	109	164	261	205	154	182	258	385	543	804	1,030	1,501	3,929	5,969	36%
Profit before tax	30	51	134	370	602	872	1,091	1,357	1,965	2,818	3,843	6,179	7,322	5,992	50%
Profit after tax	21	34	89	247	406	591	719	898	1,279	1,837	2,496	3,995	5,264	4,420	51%
Ratios	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	
Opex to NII	58.1%	50.6%	44.8%	44.4%	47.0%	44.6%	46.0%	45.0%	43.1%	41.4%	40.2%	35.3%	33.5%	30.7%	
Return on assets	0.7%	1.4%	2.8%	4.4%	4.2%	4.1%	3.6%	3.3%	3.5%	3.7%	3.7%	4.2%	4.1%	3.1%	
Return on equity	2.0%	3.2%	8%	19.7%	24.0%	21.9%	19.5%	20.4%	20.9%	21.6%	20.1%	22.5%	20.2%	12.8%	
Net NPA *	7%	5.50%	2.20%	0.80%	0.12%	0.19%	0.28%	0.45%	0.28%	0.44%	0.43%	0.63%	0.65%	0.75%	
NPA provisioning coverage	30%	32%	55%	79%	89%	83%	76%	71%	77%	74%	70%	60%	60%	58%	

<sup>@</sup> 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. Loans to self employed and Professionals <sup>(E)</sup>	2. IPO financing	2. Digital Product Loans	2. Corporate Term Deposits	2. General Insurance Distribution
3. Lifestyle Product Loans	3. Secured Enterprise Loans	3. ESOP financing	3. Lifestyle Product Loans	3. Systematic Deposit Plan	3. Health Insurance Distribution
4. Lifecare financing	4. Used-car financing	4. Vendor financing to auto component manufacturers	4. Personal Loans Cross Sell		4. Pocket Insurance <sup>(E)</sup>
5. EMI Cards	5. Medical equipment financing	5. Financial Institutions Lending	5. Salaried Personal Loans		5. Co-Branded Credit Card
6. Retail Spend 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
2. Salaried Loan Against Property	2. Self Employed Home Loans	2. Commercial Construction Finance	2. Home Loans
	3. Lease Rental Discounting	3. Corporate Lease Rental Discounting	3. Secured Enterprise Loans

## BAJAJ FINANCIAL SECURITIES LIMITED

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

## Overview

- 34-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 3,113 locations with over 114 K+ point of sale
- Customer franchise of 50.45 MM as of 30 June 2021
- Amongst the largest new loan acquirers in the country (4.63 MM in Q1 FY22)
- AUM mix as of 30 June 2021 - Consumer: Rural: SME: Commercial: Mortgages stood at 34%: 10%: 13%: 11%: 32%
- AUM of ₹ 1,59,057 crore as of 30 June 2021 and post tax profit of ₹ 1,002 crore in Q1 FY22
- Capital adequacy ratio (including Tier II capital) of 28.57% as of 30 June 2021. Tier I capital stood at 25.41%

## 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 ₹ 1,33,298 crore with a mix of 44%:31%:21%:4% between money markets, banks, deposits & ECB as of 30 June 2021

## Credit Quality

- Consolidated Gross and Net NPA as of 30 June 2021 stood at 2.96% and 1.46% respectively
- Provisioning coverage ratio as of 30 June 2021 was 51%
- Provisioning coverage on stage 1 & 2 stood at 174 bps as of 30 June 2021 versus 273 bps as of 30 June 2020.

<b>Overview</b>	<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 of ₹ 1,19,567 crore as of 30 June 2021</li><li>• AUM mix as of 30 June 2021 - Consumer: Rural: SME: Commercial: Mortgage stood at 44%: 13%: 17%: 15%: 11%</li><li>• Post tax profit of ₹ 843 crore in Q1 FY22</li><li>• Capital adequacy ratio (including Tier II capital) of 28.57% as of 30 June 2021. Tier I capital stood at 25.41%</li></ul>
<b>Consumer business</b>	<ul style="list-style-type: none"><li>• Present in 1,368 locations with 82,900+ active distribution points of sale as of 30 June 2021</li><li>• Largest consumer electronics, digital products &amp; lifestyle products lender in India</li><li>• 2-wheeler financing business disbursed 136 K accounts in the quarter (growth 103% YOY)</li><li>• 3-wheeler financing business disbursed 7.7 K accounts in the quarter (growth of 31% YOY)</li><li>• Amongst the largest personal loan lenders in India</li></ul>
<b>Payments</b>	<ul style="list-style-type: none"><li>• EMI Card franchise stood at 24.1 MM cards in force (CIF) as of 30 June 2021</li><li>• Bajaj Finserv - RBL Bank co-branded credit card CIF stood at 2.13 MM as of 30 June 2021</li><li>• Bajaj Finserv Mobikwik app has 20.9 MM users as of 30 June 2021 who have linked their EMI card to the wallet</li><li>• Experia App has 8.7 MM active users as of 30 June 2021</li></ul>
<b>Rural business</b>	<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>• Present in 1,745 towns and villages with 24,000+ active distribution points of sale as of 30 June 2021</li></ul>

## 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
- Focused on auto ancillaries, pharma, specialty chemicals, financial institution groups, lease rental discounting and top mid corporate clients in India

## Treasury

- Strategy is to create a balanced mix of wholesale and retail borrowings with a focus on long term borrowings
- Borrowings stood at ₹ 1,01,486 crore with a mix of 47%:20%:28%:5% between money markets, banks, deposits & ECB as of 30 June 2021

## Credit Quality

- Gross and Net NPA as of 30 June 2021 stood at 3.76% and 1.86% respectively
- Provisioning coverage ratio as of 30 June 2021 was 52%
- Provisioning coverage on stage 1 & 2 stood at 202 bps as of 30 June 2021 versus 332 bps as of 30 June 2020.

## Credit Rating

- Credit rating for long term borrowing is AAA/Stable by CRISIL, ICRA, CARE & India Ratings
- Credit rating for short term borrowing is A1+ by CRISIL, ICRA & India Ratings
- Credit rating for FD program is FAAA/Stable by CRISIL & MAAA (Stable) by ICRA
- Long term issuer credit rating of BB+/Stable and short-term rating of B by S&P Global ratings for ECB

## 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 ₹ 40,941 crore as of 30 June 2021. Post tax profit of ₹ 161 crore for Q1FY22
- Capital adequacy ratio (including Tier II capital) was 22.07% as of 30 June 2021

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## Home Loans

- Offers home loans to salaried customers for an average ticket size of approximately 46 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 52 lakhs
- Focused on balance transfers to large existing franchise of BFL by creating customized solutions
- Currently present across 13 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

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Lease Rental Discounting	<ul style="list-style-type: none"><li>• Offers loan against lease rentals to high-net-worth individuals and developers on commercial property leased mainly to corporate tenants</li><li>• All lease rental discounting transactions are backed by rentals through escrow mechanism</li><li>• Ticket size of lease rental discounting ranges from 5 - 200 crore with an average ticket size of approximately 35 crore</li><li>• Currently present across 8 locations in India (Mumbai, Delhi, Bangalore, Pune, Ahmedabad, Chennai, Kolkata and Hyderabad)</li></ul>
Developer Financing	<ul style="list-style-type: none"><li>• Offers construction finance and inventory finance mainly to category A and A+ developers in India</li><li>• Average ticket size ranges between 20 – 25 crore</li><li>• Currently present in 7 locations (Mumbai, Bangalore, Pune, Ahmedabad, Chennai, Kolkata, Hyderabad)</li></ul>
Credit Quality	<ul style="list-style-type: none"><li>• 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 30 June 2021 stood at 0.28% and 0.18% respectively</li></ul>
Treasury	<ul style="list-style-type: none"><li>• Strategy is to create a balanced and sustained mix of borrowings</li><li>• Borrowings stood at ₹ 31,541 crore with a mix of 65 : 35 between banks and money markets as of 30 June 2021</li></ul>
Credit Rating	<ul style="list-style-type: none"><li>• Credit rating for long term borrowing is AAA/Stable by CRISIL &amp; IND AAA/Stable by India Ratings</li><li>• Credit rating for short term borrowing is A1+ by CRISIL &amp; IND A1+ by India Ratings</li></ul>

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## Bajaj Financial Securities Limited

- A 100% subsidiary of Bajaj Finance Limited, registered with Securities and Exchange Board of India (SEBI)
- Member of Stock Exchanges (NSE and BSE), Depositories (NSDL & CDSL) and AMFI for distribution of Mutual Funds
- Offers Capital Market products like Broking, Depository services, Margin Trade Financing (MTF), Mutual Funds, IPOs and Distribution of PMS.
- Broking business caters to two different business segment – HNI and Retail
- Margin Trade Financing Loan Book of ₹ 200 Cr as of 30 June 2021
- Received issuer rating of AAA from CRISIL

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## HNI Broking

- Business continues to expand revenues from 4 existing branches – Mumbai, Ahmedabad, Pune and Indore
- Opened 3 new branches in Q1 - Delhi, Kolkata and Bangalore
- Total client base over 3,000 as of 30 June 2021

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## Retail Broking

- Acquired 51 K+ trading and demat accounts in Q1 FY22.
- Empaneled 200+ Affiliates and Partners for online accounts.
- Uniquely designed subscription plans offering attractive commercials for all customer segments
- Focused on driving client activations and customer service frameworks for real time support

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## Capabilities Update

- Launched Web & Mobile App 2.0 aimed at offering fast and simple trading experience to clients
  - App in App infrastructure to originate customers from existing Mobile App of BFL (Experia)
  - Launched SAMADHAN platform oriented towards offering customer services via self help Q&As & ticket-based query resolution
  - Launched Partner Portal aimed at acquiring and servicing partner network
  - Strong pipelines of upcoming new products and features to offer complete product suite of BFSL clients
-



## 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	Q1 FY22	Q1 FY21	Y-o-Y	FY21	FY20
Assets under management	159,057	138,055	15%	1,52,947	1,47,153
Assets under finance	153,143	132,368	16%	1,46,687	1,41,376
Interest income	5,954	5,793	3%	23,304	22,970
Fee and other income	688	593	16%	2,788	2,878
Net gain on fair value changes on investment	101	264	(62%)	591	537
<b>Total Income</b>	<b>6,743</b>	<b>6,650</b>	<b>1%</b>	<b>26,683</b>	<b>26,385</b>
Interest expenses	2,254	2,498	(10%)	9,414	9,473
<b>Net Interest Income</b>	<b>4,489</b>	<b>4,152</b>	<b>8%</b>	<b>17,269</b>	<b>16,912</b>
Operating Expenses	1,373	1,156	19%	5,308	5,661
Loan losses and provisions	1,750	1,686	4%	5,969	3,929
ECL stage 1 & 2	(6)	1,430	(100%)	414	1,318
ECL stage 3 & write off	1,756	256	586%	5,555	2,611
<b>Profit before tax</b>	<b>1,366</b>	<b>1,310</b>	<b>4%</b>	<b>5,992</b>	<b>7,322</b>
<b>Profit after tax</b>	<b>1,002</b>	<b>962</b>	<b>4%</b>	<b>4,420</b>	<b>5,264</b>
<b>Ratios</b>					
Operating expenses to Net Interest Income	30.6%	27.9%		30.7%	33.5%
Loan loss to average AUF*	1.17%	1.23%		4.14%	3.10%
Earning per share - Basic (₹) *	16.7	16.0		73.6	89.8
Return on Average Assets*	0.7%	0.7%		3.1%	4.1%
Return on Average Equity *	2.7%	2.9%		12.8%	20.2%

# Financial statement summary – Bajaj Finance Limited

# BAJAJ FINANCE LIMITED

₹ in Crore

Financials snapshot	Q1 FY22	Q1 FY21	Y-o-Y	FY21	FY20
Assets under management	1,19,567	1,06,584	12%	1,15,418	116,102
Assets under finance	1,17,372	1,03,950	13%	1,13,090	113,417
Interest income	5,171	5,101	1%	20,419	20,668
Fee and other income	663	564	18%	2,599	2,706
Net gain on fair value changes on investment	83	237	(65%)	528	460
<b>Total Income</b>	<b>5,917</b>	<b>5,902</b>	<b>0%</b>	<b>23,546</b>	<b>23,834</b>
Interest expenses	1,764	1,985	(11%)	7,446	7,857
<b>Net Interest Income</b>	<b>4,153</b>	<b>3,917</b>	<b>6%</b>	<b>16,100</b>	<b>15,977</b>
Operating Expenses	1,280	1,092	17%	5,016	5,364
Loan losses and provisions	1,724	1,641	5%	5,721	3,805
ECL stage 1 & 2	(12)	1,386	(101%)	215	1,233
ECL stage 3 & write off	1,736	255	581%	5,506	2,572
<b>Profit before tax</b>	<b>1,149</b>	<b>1,184</b>	<b>(3%)</b>	<b>5,363</b>	<b>6,808</b>
<b>Profit after tax</b>	<b>843</b>	<b>870</b>	<b>(3%)</b>	<b>3,956</b>	<b>4,881</b>
<b>Ratios</b>					
Operating expenses to Net Interest Income	30.8%	27.9%		31.2%	33.6%
Loan loss to average AUF*	1.50%	1.51%		5.05%	3.65%
Earning per share - Basic (₹) *	14.0	14.5		65.9	83.2
Return on Average Assets*	0.7%	0.8%		3.5%	4.7%
Return on Average Equity *	2.3%	2.7%		11.7%	19.0%

Financials snapshot	Q1 FY22	Q1 FY21	Y-o-Y	FY21	FY20
Assets under management	40,941	32,982	24%	38,871	32,705
Assets under finance	35,762	28,423	26%	33,419	27,975
Interest income	777	691	12%	2,877	2,303
Fee and other income	29	38	(24%)	218	269
Net gain on fair value changes on investment	16	27	(41%)	60	74
<b>Total Income</b>	<b>822</b>	<b>756</b>	<b>9%</b>	<b>3,155</b>	<b>2,646</b>
Interest expenses	487	513	(5%)	1,966	1,616
<b>Net Interest Income</b>	<b>335</b>	<b>243</b>	<b>38%</b>	<b>1,189</b>	<b>1,030</b>
Operating Expenses	91	74	23%	329	339
Loan losses and provisions	26	45	(42%)	247	124
ECL stage 1 & 2	6	44	(86%)	199	86
ECL stage 3 & write off	20	1	NA	48	38
<b>Profit before tax</b>	<b>218</b>	<b>124</b>	<b>76%</b>	<b>613</b>	<b>567</b>
<b>Profit after tax</b>	<b>161</b>	<b>92</b>	<b>75%</b>	<b>453</b>	<b>421</b>
<b>Ratios</b>					
Operating expenses to Net Interest Income	27.2%	30.5%		27.7%	32.9%
Loan loss to average AUF*	0.07%	0.16%		0.80%	0.55%
Earning per share - Basic (₹) *	0.33	0.19		0.93	1.12
Return on Average Assets*	0.5%	0.3%		1.5%	1.9%
Return on Average Equity *	2.6%	1.6%		7.8%	9.1%

 **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 30 June–  
Bajaj Finance Limited

4.4

Behaviouralized ALM as of 30 June –  
Bajaj Housing Finance Limited

4.5

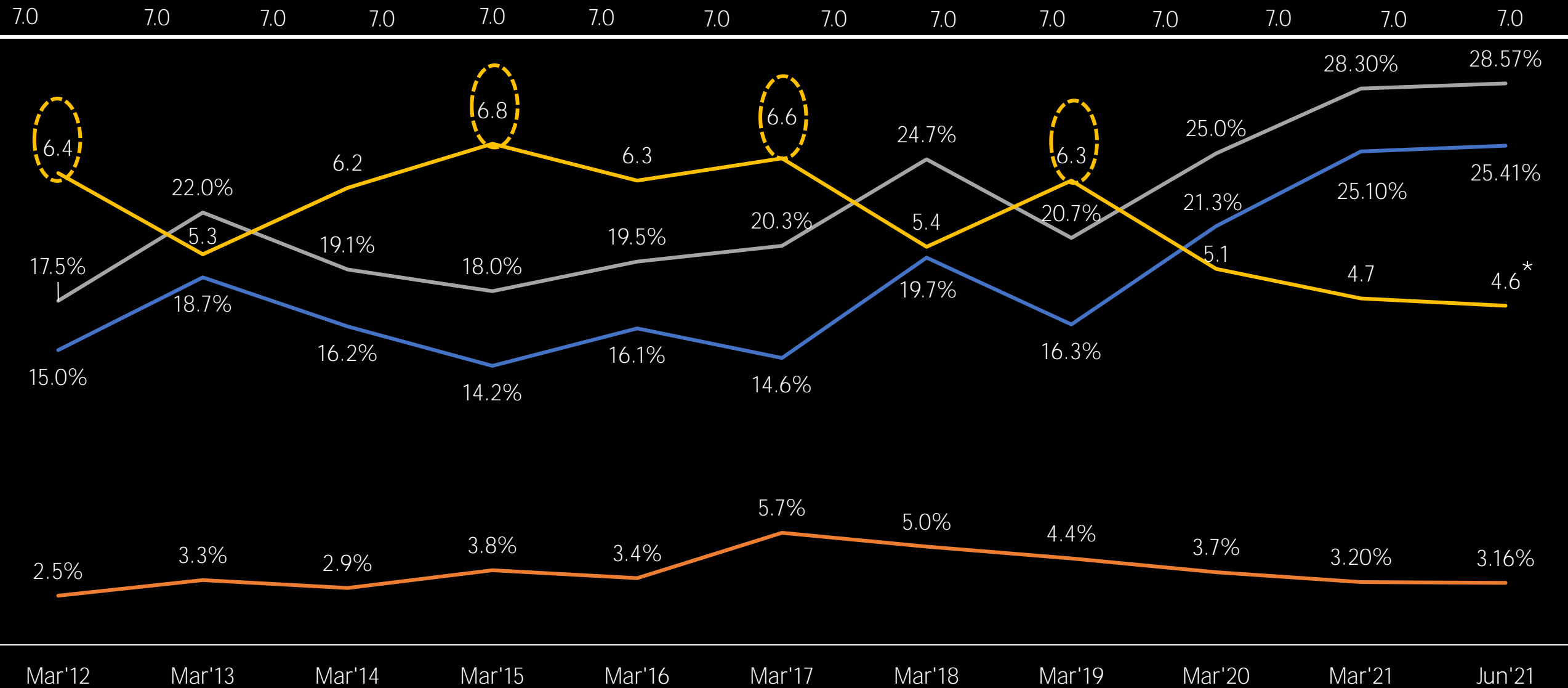
Disciplined ALM Management –  
Bajaj Finance Limited

4.6

Liability mix over last 9 years –  
Consolidated

# Conservative leverage standards

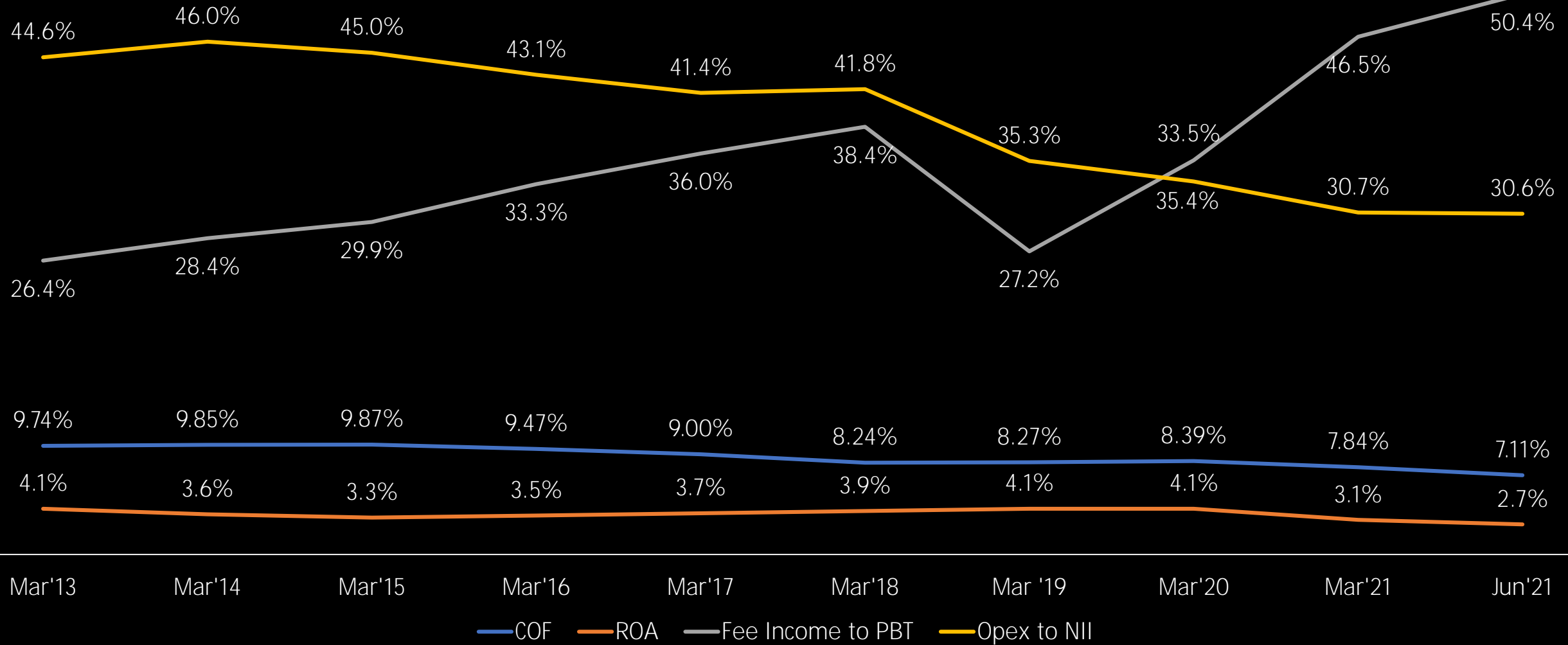
# BAJAJ FINANCE LIMITED



\*Standalone leverage is approximately 3.8X as of 30 June 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'21 number of COF is 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 30 June 2021 – BFL

**BAJAJ FINANCE LIMITED**

₹ in Crore

Particulars	1-7D	8-14D	15-30D	>1-2M	>2-3M	>3-6M	>6M-1Y	>1-3Y	>3-5Y	>5Y	Total
Cash & Investments	4,910	0	503	0	0	3,312	1,908	1,912	1,093	5,685	19,324
Advances	8,896	1,607	1,664	5,928	6,338	13,865	18,654	39,895	18,192	5,427	1,20,467
Other inflows	84	127	4,358	44	402	964	324	948	228	2,496	9,975
<b>Total Inflows (A)</b>	<b>13,891</b>	<b>1,734</b>	<b>6,525</b>	<b>5,972</b>	<b>6,741</b>	<b>18,141</b>	<b>20,885</b>	<b>42,755</b>	<b>19,514</b>	<b>13,608</b>	<b>1,49,766</b>
<b>Cumulative Total Inflows (B)</b>	<b>13,891</b>	<b>15,625</b>	<b>22,150</b>	<b>28,122</b>	<b>34,862</b>	<b>53,003</b>	<b>73,888</b>	<b>1,16,644</b>	<b>1,36,157</b>	<b>1,49,766</b>	
Borrowings	3,116	240	1,030	1,564	2,546	5,989	23,079	49,000	10,986	9,913	1,07,463
Capital Reserves and Surplus	-	-	-	-	-	-	-	-	-	36,900	36,900
Other Outflows	3,986	134	24	255	45	6	56	81	573	243	5,403
<b>Total Outflows (C)</b>	<b>7,102</b>	<b>373</b>	<b>1,054</b>	<b>1,819</b>	<b>2,591</b>	<b>5,994</b>	<b>23,135</b>	<b>49,081</b>	<b>11,559</b>	<b>47,056</b>	<b>1,49,766</b>
<b>Cumulative Total Outflows (D)</b>	<b>7,102</b>	<b>7,476</b>	<b>8,530</b>	<b>10,349</b>	<b>12,940</b>	<b>18,934</b>	<b>42,069</b>	<b>91,151</b>	<b>1,02,710</b>	<b>1,49,766</b>	
<b>Mismatch (E = A - C)</b>	<b>6,788</b>	<b>1,360</b>	<b>5,471</b>	<b>4,153</b>	<b>4,150</b>	<b>12,147</b>	<b>(2,250)</b>	<b>(6,326)</b>	<b>7,955</b>	<b>(33,448)</b>	
<b>Cumulative mismatch (F = B-D)</b>	<b>6,788</b>	<b>8,149</b>	<b>13,619</b>	<b>17,772</b>	<b>21,922</b>	<b>34,069</b>	<b>31,819</b>	<b>25,493</b>	<b>33,448</b>	<b>0</b>	
<b>Cumulative mismatch as % (D/F)</b>	<b>96%</b>	<b>109%</b>	<b>160%</b>	<b>172%</b>	<b>169%</b>	<b>180%</b>	<b>76%</b>	<b>28%</b>	<b>33%</b>	<b>0%</b>	
<b>Permissible cumulative gap %</b>	<b>-10%</b>	<b>-10%</b>	<b>-20%</b>								
<b>Additional borrowings possible</b>			<b>19,157</b>								



# Behaviouralized ALM as of 30 June 2021 – BHFL

## BAJAJ FINANCE LIMITED

₹ in Crore

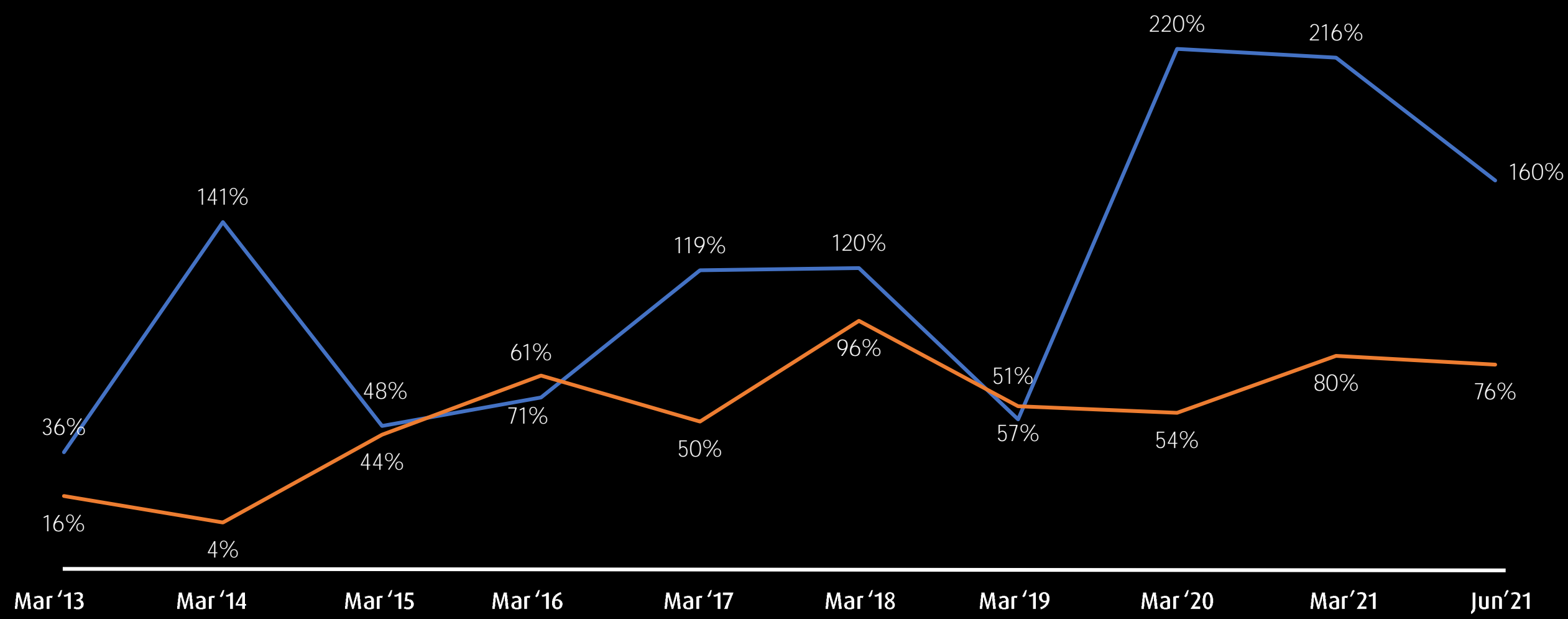
Particulars	1-7D	8-14D	15-30D	>1-2M	>2-3M	>3-6M	>6M-1Y	>1-3Y	>3-5Y	>5-7Y	>7-10Y	>10Y	Total
Cash & Investments	460	300	1,000	-	-	-	-	0	-	-	-	-	1,760
Advances	214	219	461	666	650	1,868	3,393	10,048	6,368	4,306	3,946	3,622	35,762
Other inflows	151	38	1,223	510	211	235	2,352	1,098	924	320	283	745	8,090
Total Inflows (A)	825	557	2,684	1,176	861	2,103	5,745	11,146	7,292	4,626	4,229	4,367	45,612
Cumulative Total Inflows (B)	825	1,382	4,066	5,242	6,104	8,206	13,951	25,097	32,389	37,015	41,245	45,612	
Borrowings	261	-	1,370	497	648	1,488	5,494	16,438	4,958	1,596	-	1,799	34,549
Capital Reserves and Surplus	-	-	-	-	-	-	-	-	-	-	-	6,193	6,193
Other Outflows	353	401	659	287	169	421	60	15	4	2	2,500	-	4,870
Total Outflows (C)	614	401	2,029	783	817	1,909	5,554	16,453	4,961	1,598	2,500	7,992	45,612
Cumulative Total Outflows (D)	614	1,015	3,045	3,828	4,645	6,554	12,108	28,561	33,522	35,120	37,620	45,612	
Mismatch (E = A - C)	211	155	655	393	45	194	191	-5,307	2,331	3,028	1,729	-3,625	211
Cumulative mismatch (F = B-D)	211	366	1,021	1,414	1,459	1,653	1,843	-3,464	-1,133	1,895	3,625	-	211
Cumulative mismatch as % (F/D)	34%	36%	34%	37%	31%	25%	15%	-12%	-3%	5%	10%	0%	
Permissible cumulative gap %	-10%	-10%	-20%										
Additional borrowings possible			2,032										

# Disciplined ALM Management

# BAJAJ FINANCE LIMITED

Cumulative gap upto 1 month

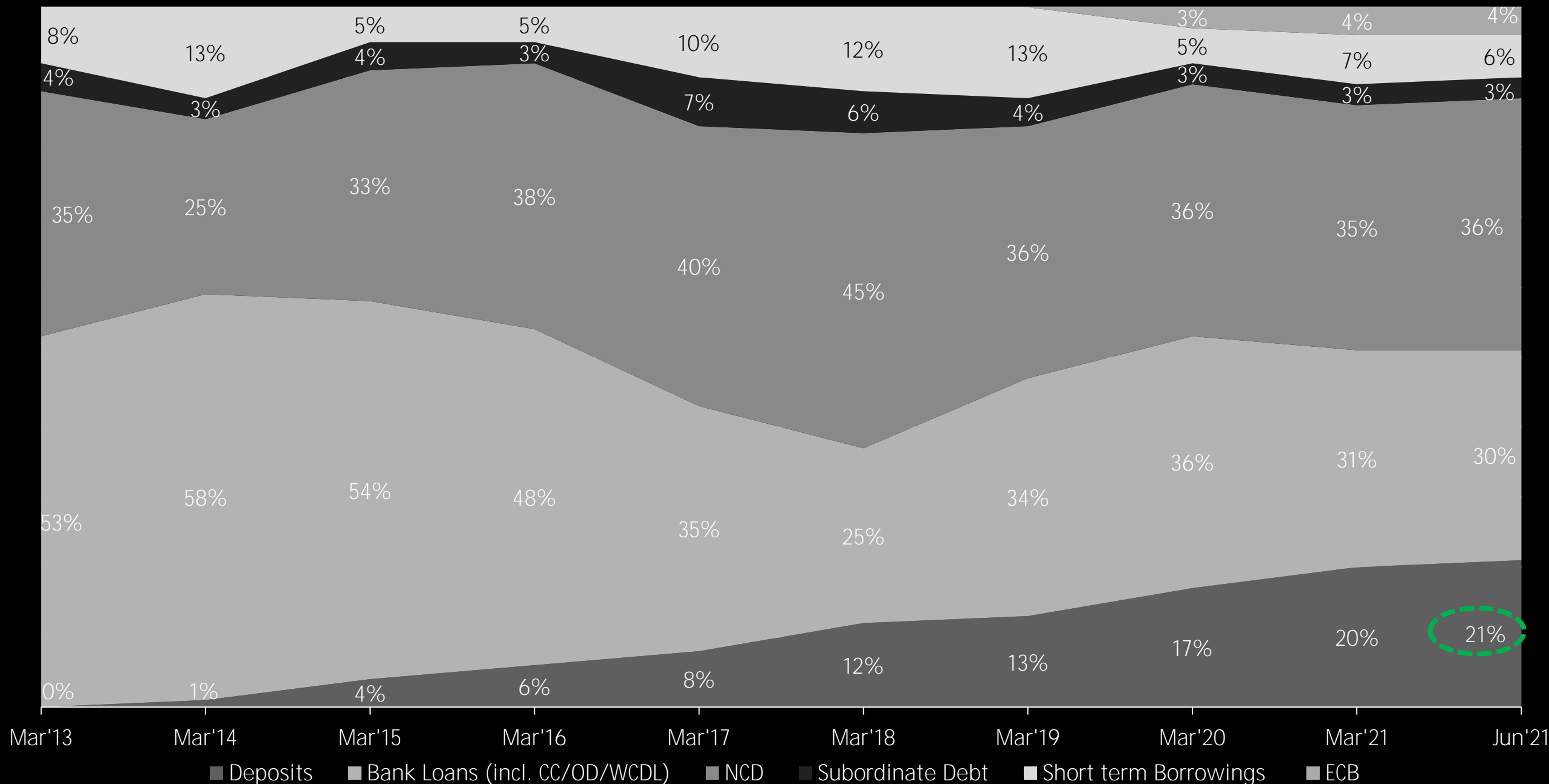
Cumulative gap upto 12 month



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.

# Consolidated Liability mix over last 9 years

**BAJAJ FINANCE LIMITED**





## Section 05 Customer franchise and distribution reach

5.1

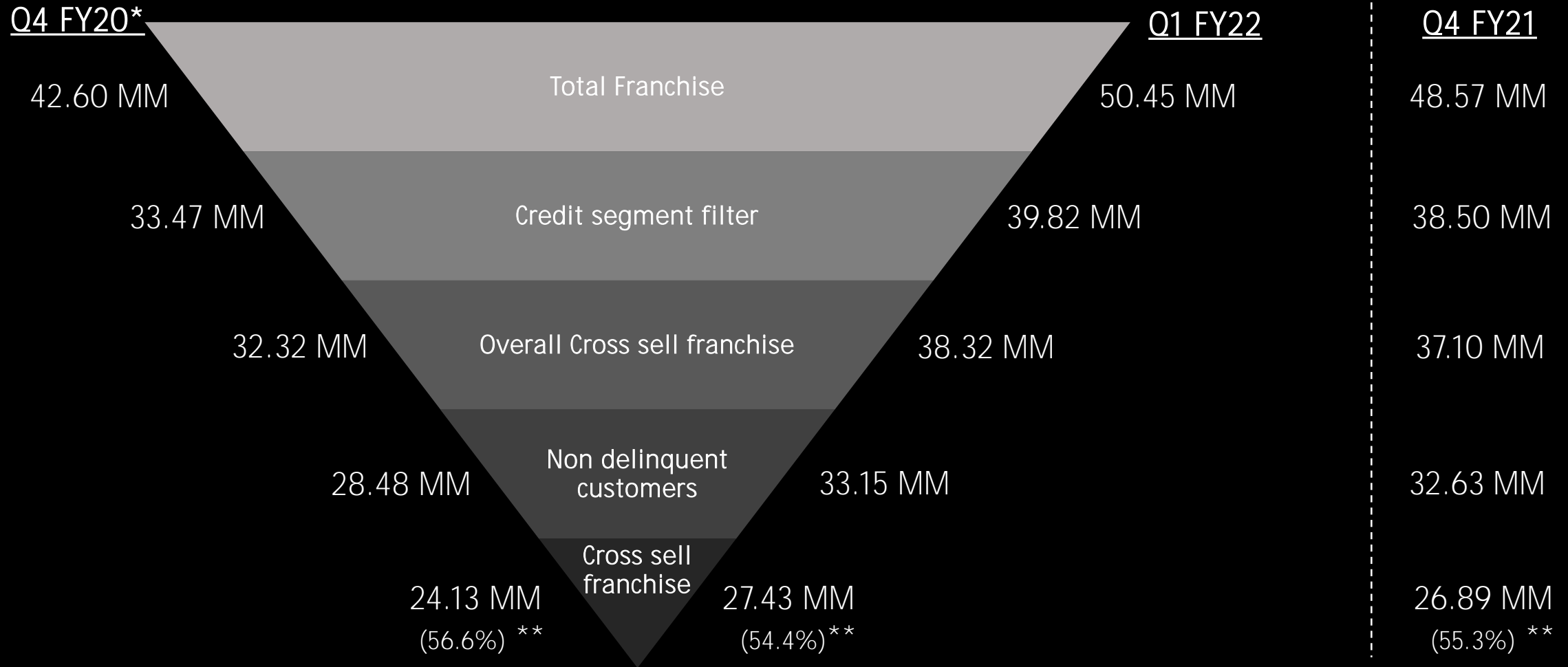
Customer franchise

5.2

Geographic presence

5.3

Strong distribution reach



## New to Bajaj Finance Customers



\* Due to moratorium on EMI repayment, customer franchise waterfall in Q1 FY21 was kept static and hence comparison has been made with Q4 FY20

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

# Geographic presence



Map not to scale

Geographic Presence	30 Jun 2018	30 Jun 2019	30 Jun 2020	31 Dec 2020	31 Mar 2021	30 Jun 2021
Urban	793	944	1,049	1,210	1,298	1,368
Of which urban lending branches	793	944	1,049	1,137	1,148	1,179
Of which urban lending franchisee				73	150	189
Rural	693	951	1,359	1,604	1,690	1,745
Of which rural lending branches	291	385	527	527	527	527
Of which rural lending franchisee	402	566	832	1,077	1,163	1,218
Total Bajaj Finance presence	1,486	1,895	2,408	2,814	2,988	3,113

# Strong distribution reach

Active distribution	30 Jun 2018	30 Jun 2019	30 Jun 2020	31 Dec 2020	31 Mar 2021	30 Jun 2021
Consumer durable stores – Urban	16,600+	22,000+	24,200+	24,700+	26,400+	26,900+
Consumer durable stores – Rural	10,100+	15,200+	19,600+	22,500+	24,000+	24,000+
Digital product stores	17,400+	23,100+	26,400+	25,400+	23,800+	26,350+
Lifestyle retail stores	6,400+	8,300+	9,500+	8,800+	9,800+	9,400+
EMI card – retail spends stores	12,100+	20,700+	24,300+	10,400+	14,300+	14,500+
Bajaj Auto dealers, sub-dealerships and ASSC	4,100+	4,900+	5,500+	5,800+	5,900+	5,800+
Direct Sales Agents/Independent Financial Agents	2,500+	2,800+	4,900+	5,200+	6,100+	7,500+
Overall active distribution network	67,000+	97,000+	1,14,400+	1,02,800+	1,10,300+	1,14,400+



# Section 06

## Business segment wise AUM

6.1

Business segment wise AUM as of 30 June - Consolidated

6.2

Business segment wise AUM as of 30 June - Mortgages



# Business segment wise AUM - Consolidated

**BAJAJ FINANCE LIMITED**

₹ in Crore

Assets Under Management	BFL as of 30 June 2021	BHFL as of 30 June 2021	Consolidated as of 30 June 2021	Consolidated as of 30 June 2020	Growth	Composition as of 30 June 2021	Composition as of 30 June 2020
Auto Finance Business	11,347	-	11,347	12,802	(11%)	7%	9%
Sales Finance Business	11,175	-	11,175	9,231	21%	7%	7%
Consumer B2C Business	30,171	1,228	31,399	29,219	7%	20%	21%
Rural Sales Finance Business	2,914	-	2,914	2,089	39%	2%	2%
Rural B2C Business	12,537	-	12,537	10,281	22%	8%	7%
SME Lending Business	20,368	152	20,335	18,277	11%	13%	13%
Securities Lending Business	6,090	-	6,290	3,957	59%	4%	3%
IPO Financing	2,942	-	2,942	-	100%	2%	-
Commercial Lending Business	9,011	-	9,011	6,075	48%	6%	4%
Mortgages	13,012	39,561	51,107	46,124	11%	31%	34%
<b>Total</b>	<b>1,19,567</b>	<b>40,941</b>	<b>1,59,057</b>	<b>1,38,055</b>	<b>15%</b>	<b>100%</b>	<b>100%</b>
Co-brand Credit Card – CIF			2.13 MM	1.80 MM	18%		
EMI Card – CIF			24.1 MM	21.5 MM	12%		
Co-brand Wallets			20.9 MM	15.7 MM	33%		

# Business segment wise AUM - Mortgages

**BAJAJ FINANCE LIMITED**

₹ in crore

Assets Under Management	Bajaj Housing Finance Limited			Mortgage – All			Composition as of 30 June 2021
	30 June 2021	30 June 2020	Growth	30 June 2021	30 June 2020	Growth	
Home Loans	25,389	21,553	18%	28,842	26,637	8%	57%
Loan against property	4,813	3,989	21%	11,357	11,538	(2%)	22%
Lease rental discounting	5,140	3,105	66%	6,230	4,007	55%	12%
Developer Finance	2,198	1,785	23%	2,211	1,874	18%	4%
Rural	2,021	1,644	23%	2,467	2,065	19%	5%
<b>Total</b>	<b>39,561</b>	<b>32,076</b>	<b>23%</b>	<b>51,107</b>	<b>46,122</b>	<b>11%</b>	<b>100%</b>

Home Loan customer categorisation	Bajaj Housing Finance Limited			Mortgage - All			Composition as of 30 June 2021
	30 June 2021	30 June 2020	Growth	30 June 2021	30 June 2020	Growth	
Home Loan to Salaried	23,773	19,837	20%	25,674	22,704	13%	86%
Home Loan to Self Employed	1,320	1,277	3%	2,631	3,183	(17%)	9%
Home Loan to Professional	1,303	1,155	13%	1,562	1,521	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

**BAJAJ FINANCE LIMITED**

₹ in Crore

Particulars	AUM 30 Jun 2021	GNPA	NNPA	PCR (%)	GNPA %			NNPA %		
					31 Dec 20	31 Mar 21	30 Jun 21	31 Dec 20	31 Mar 21	30 Jun 21
Auto Finance Business	11,347	2,426	1,420	41%	11.54%	9.31%	19.15%	6.09%	4.84%	12.18%
Sales Finance Business	11,175	133	30	77%	1.91%	1.11%	1.05%	0.24%	0.26%	0.24%
Consumer B2C Business	31,399	896	296	67%	3.34%	1.70%	2.84%	1.23%	0.44%	0.95%
Rural Sales Finance Business	2,914	40	9	78%	2.08%	1.11%	1.35%	0.26%	0.26%	0.29%
Rural B2C Business	12,537	372	118	68%	3.64%	1.65%	2.85%	1.45%	0.39%	0.92%
SME Lending Business	20,335	452	144	68%	2.33%	0.94%	2.15%	0.84%	0.23%	0.70%
Securities Lending Business	9,232	-	-	-	-	-	-	-	-	-
Commercial Lending Business	9,011	-	-	-	-	-	-	-	-	-
Mortgages	51,107	418	290	30%	0.95%	0.92%	0.88%	0.56%	0.58%	0.61%
<b>Total</b>	<b>1,59,057</b>	<b>4,737</b>	<b>2,307</b>	<b>51%</b>	<b>2.86%</b>	<b>1.79%</b>	<b>2.96%</b>	<b>1.22%</b>	<b>0.75%</b>	<b>1.46%</b>

# ECL summary – Consolidated

Assets categorization	Jun'20	Sept'20	Dec'20	Mar'21	Jun'21
Stage 1 & 2 (represents standard assets)	98.60%	98.66%	97.14%	98.21%	97.04%
Stage 3 (classified as NPA)	1.40%	1.03%	0.55%	1.79%	2.96%
Stage 3 (not classified as NPA)	-	0.31%	2.32%	-	-

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

Assets and impairment allowance	Jun'20	Sept'20	Dec'20	Mar'21	Jun'21
Gross Stage 1 & 2 assets* (A)	1,36,461	1,38,035	1,42,287	1,49,878	1,55,188
ECL Provision Stage 1 & 2 (B)	3,729	5,099	2,708	2,713	2,707
Net Stage 1 & 2 assets (C = A-B)	1,32,732	<b>1,32,936</b>	<b>1,39,579</b>	1,47,165	1,52,481
ECL Provision % Stage 1 & 2 assets (D = B/A)	2.73%	3.69%	1.90%	1.81%	1.74%
Gross Stage 3 assets@ (E)	1,938	1,873	4,194	2,731	4,737
ECL Provision Stage 3 (F)	1,257	1,102	2,433	1,595	2,430
Net Stage 3 assets (G = E-F)	681	771	1,761	1,136	2,307
Coverage Ratio % Stage 3 assets (H= F/E)	65%	59%	58%	58%	51%
<b>Overall coverage ratio</b>	<b>3.60%</b>	<b>4.43%</b>	<b>3.51%</b>	<b>2.82%</b>	<b>3.21%</b>

\*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**

Assets categorization	Jun'20	Sept'20	Dec'20	Mar'21	Jun'21
Stage 1 & 2 (represents standard assets)	99.92%	99.91%	99.65%	99.65%	99.72%
Stage 3 (classified as NPA)	0.08%	0.08%	0.06%	0.35%	0.28%
Stage 3 (not classified as NPA)		0.01%	0.29%		

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

Assets and impairment allowance	Jun'20	Sept'20	Dec'20	Mar'21	Jun'21
Gross Stage 1 & 2 assets* (A)	28,739	29,601	31,356	34,000	36,378
ECL Provision Stage 1 & 2 (B)	156	220	291	310	316
Net Stage 1 & 2 assets (C = A-B)	28,582	29,381	31,065	33,690	36,062
ECL Provision % Stage 1 & 2 assets (D = B/A)	0.54%	0.74%	0.93%	0.91%	0.87%
Gross Stage 3 assets@ (E)	24.1	26.9	110.2	119.1	102.5
ECL Provision Stage 3 (F)	9.3	10.1	41.3	45.2	36.6
Net Stage 3 assets (G = E-F)	14.8	16.8	68.9	73.9	65.9
Coverage Ratio % Stage 3 assets (H= F/E)	38%	38%	38%	38%	36%
Overall coverage ratio	0.58%	0.78%	1.06%	1.04%	0.97%

\*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.

# Stagewise receivables & provisioning as of 30 June 2021

**BAJAJ FINANCE LIMITED**

₹ in crore

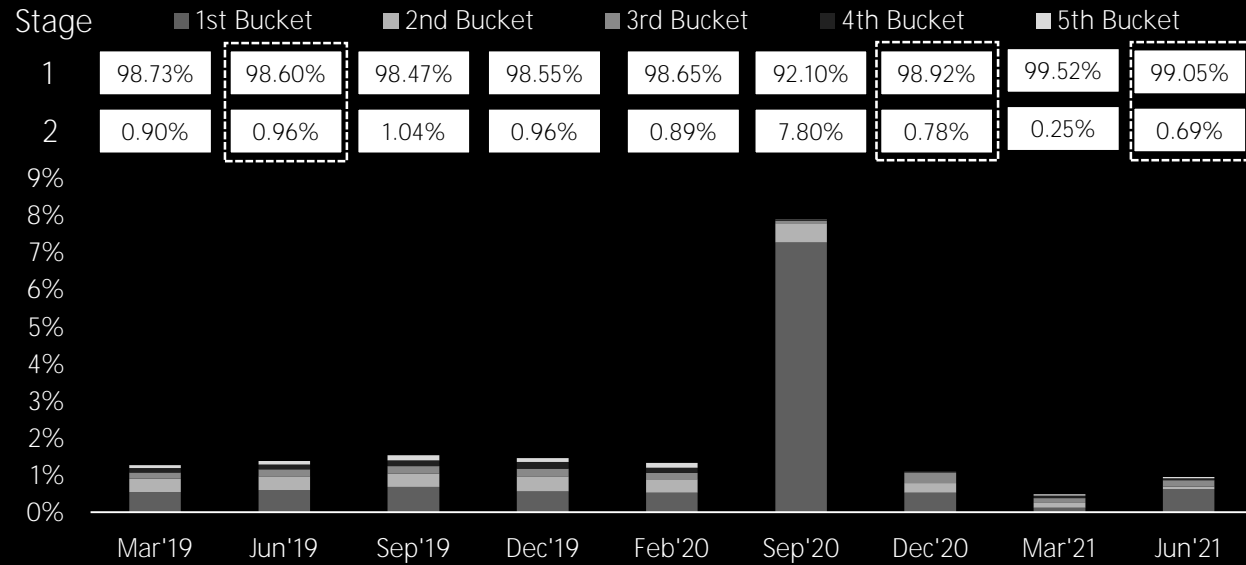
	Gross Assets Receivable				ECL Provision				PCR %			
	Stage 1	Stage 2 OTR*	Stage 2 Normal	Stage 3	Stage 1	Stage 2 OTR*	Stage 2 Normal	Stage 3	Stage 1	Stage 2 OTR*	Stage 2 Normal	Stage 3
Auto Finance Business	8,135	22	2,081	2,426	84	2	227	1,006	1.0%	6.8%	10.9%	41.5%
Sales Finance Business	10,765	396	221	133	96	52	89	103	0.9%	13.2%	40.1%	77.2%
Consumer B2C Business	29,075	103	1,480	896	325	25	458	600	1.1%	23.9%	30.9%	67.0%
Rural Sales Finance Business	2,902	-	56	40	25	-	28	32	0.9%	39.3%	49.3%	78.4%
Rural B2C Business	12,088	13	605	372	128	3	156	254	1.1%	24.0%	25.8%	68.3%
SME Lending Business	19,837	78	625	452	237	28	236	308	1.2%	36.0%	37.8%	68.2%
Securities Lending Business	9,052	-	12	-	4	-	2	-	-	-	21.0%	-
Commercial Lending Business	8,994	-	31	-	18	-	3	-	0.2%	-	8.4%	-
Mortgages	45,071	675	1,026	418	159	125	196	127	0.4%	18.6%	19.2%	30.5%
<b>Total as of 30 June 2021</b>	<b>1,46,119</b>	<b>1,287</b>	<b>6,137</b>	<b>4,737</b>	<b>1,077</b>	<b>235</b>	<b>1,395</b>	<b>2,430</b>	<b>0.7%</b>	<b>18.3%</b>	<b>22.7%</b>	<b>51.3%</b>
Total as of 31 Mar 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 Dec 2020	1,30,954	2,020	5,892	4,194	1,078	327	1,303	2,433	0.8%	16.2%	22.1%	58.0%

	Gross Assets receivables		Provision	Net Assets receivables
Total as of 30 June 2021	1,58,280		5,137	1,53,143
Total as of 31 Mar 2021	1,50,995		4,308	1,46,687
Total as of 31 Dec 2020	1,43,061		5,141	1,37,920

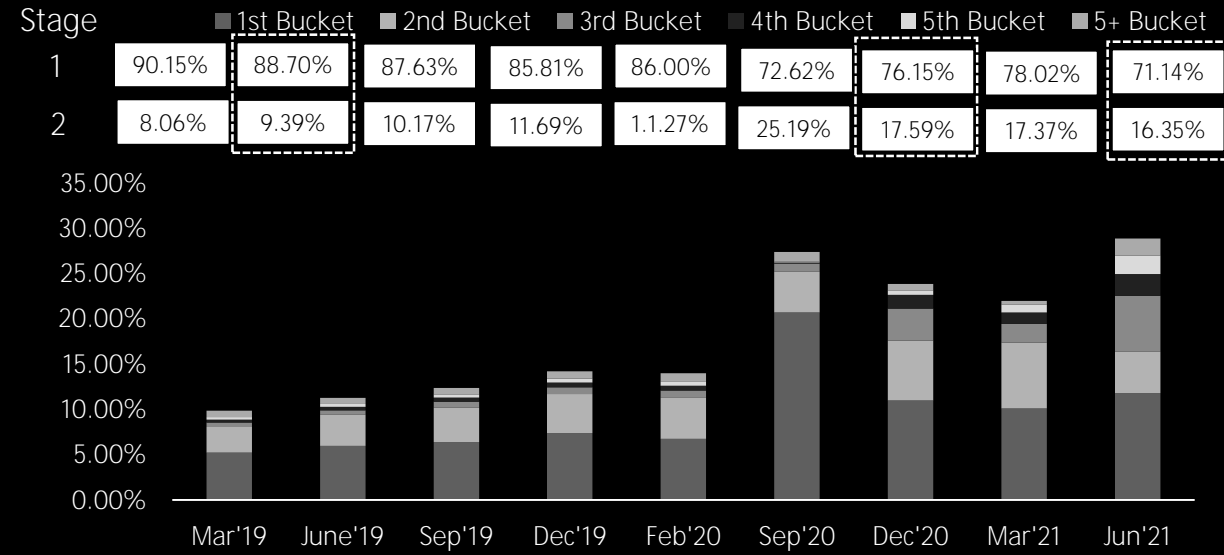
\* OTR – One time Restructuring | Stage 1 - Customer with no overdue on reporting date | Stage 2 - Customer with 1 &amp; 2 Instalments overdue, including weak accounts without any overdue | Stage 3 - Customer with 3 &amp; above Instalments overdue

# Portfolio credit quality – Consolidated

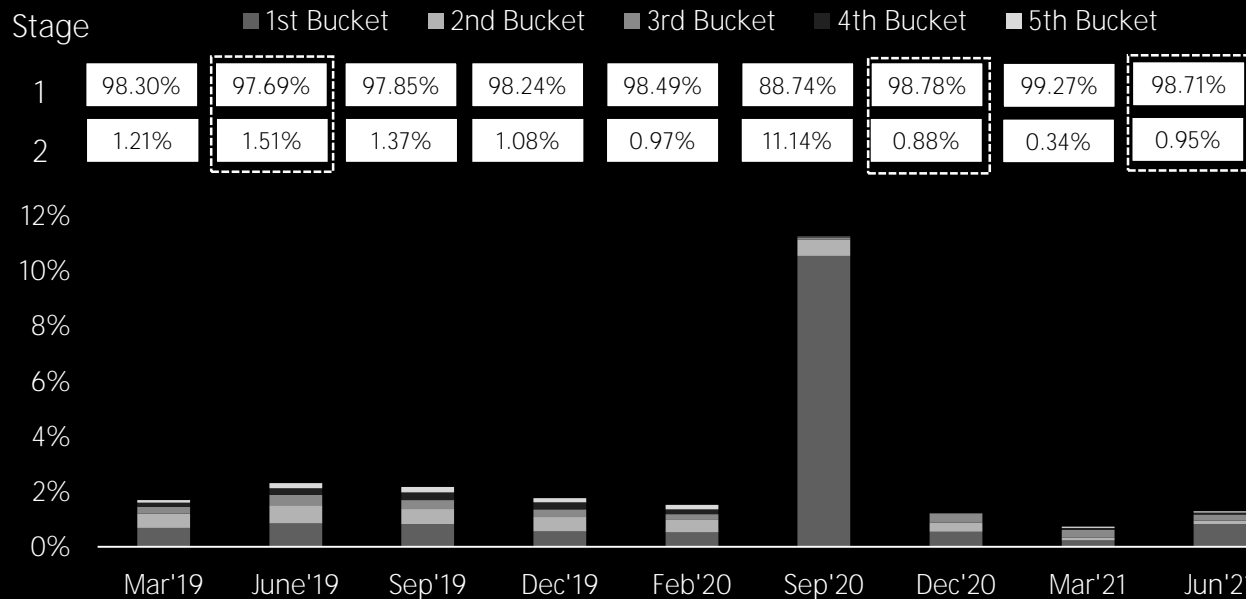
## Consumer Durable & Lifestyle



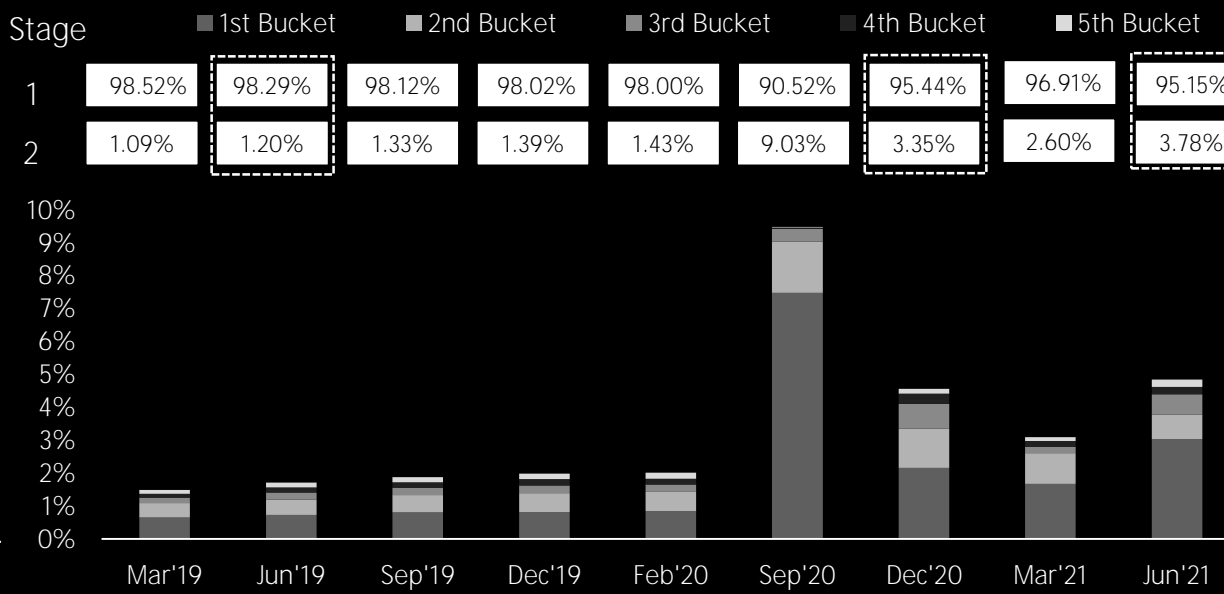
## Two & three-wheeler



## Digital product



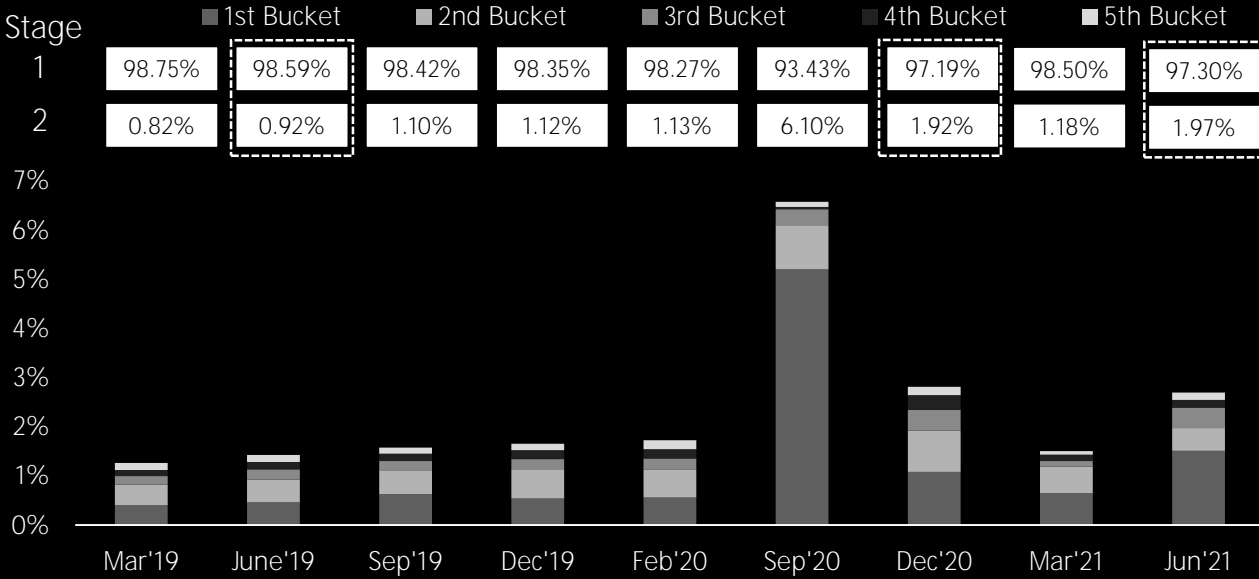
## B2C loans





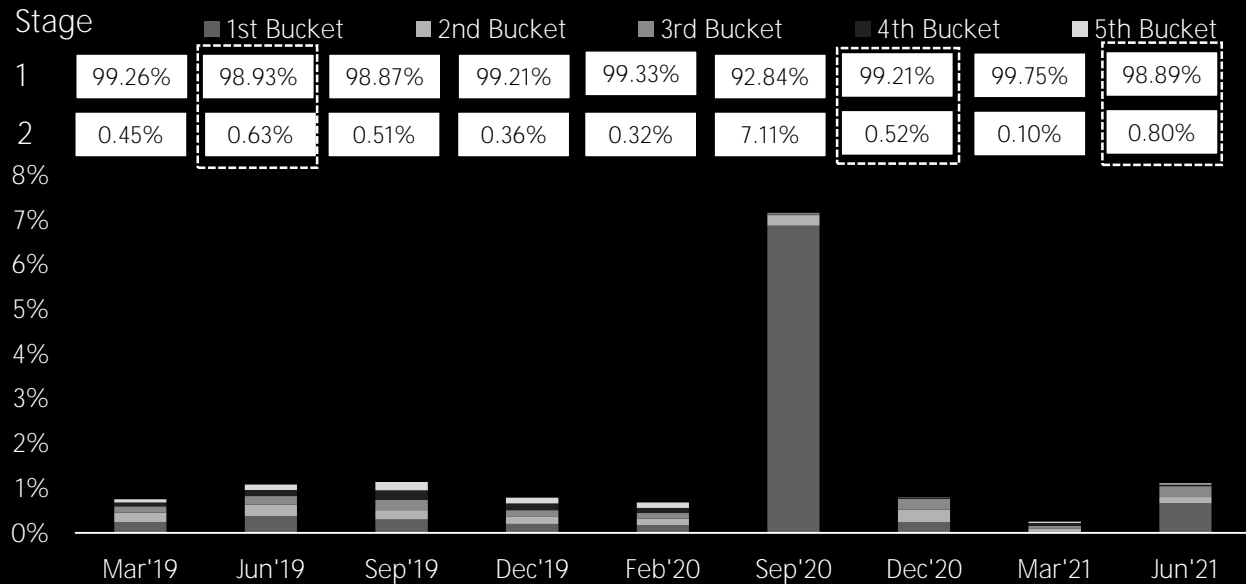
# Portfolio credit quality – Consolidated

## Business & professional loans

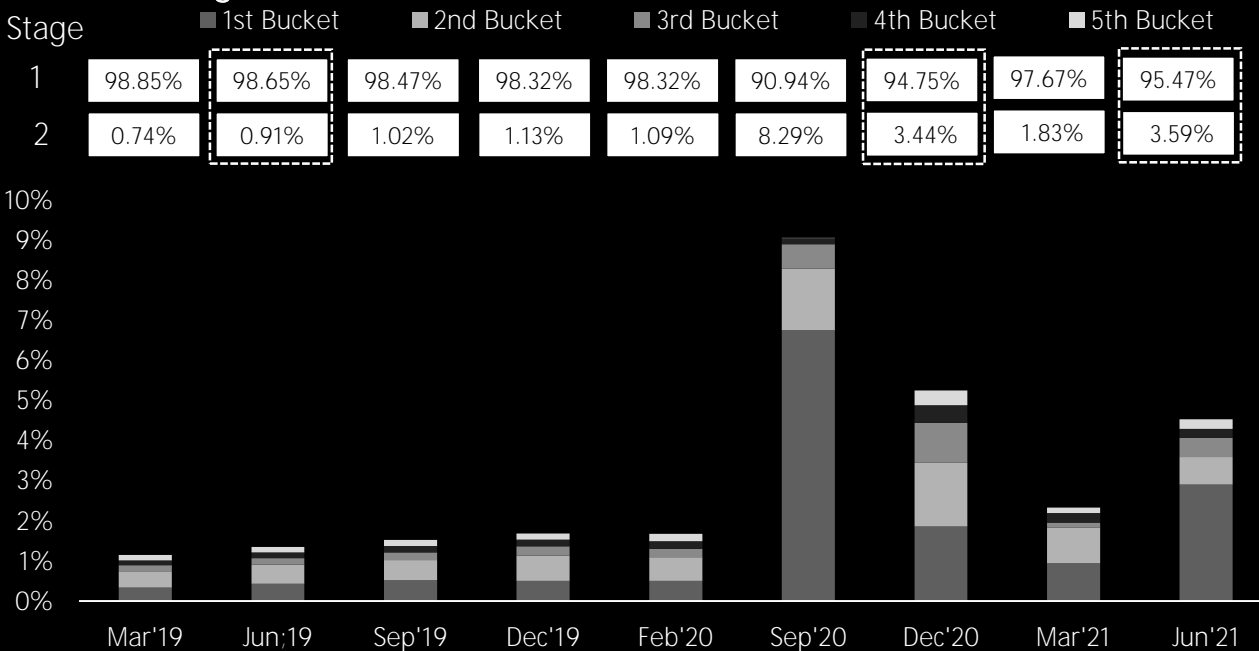


# BAJAJ FINANCE LIMITED

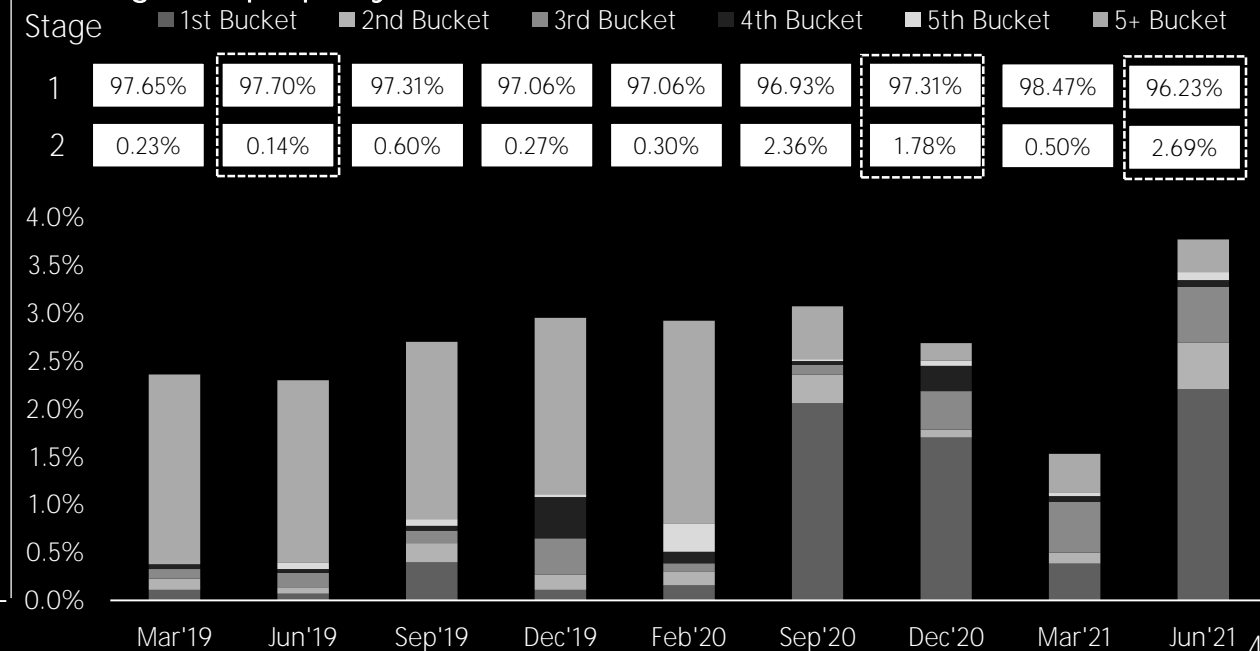
## Rural Lending B2B



## Rural lending B2C

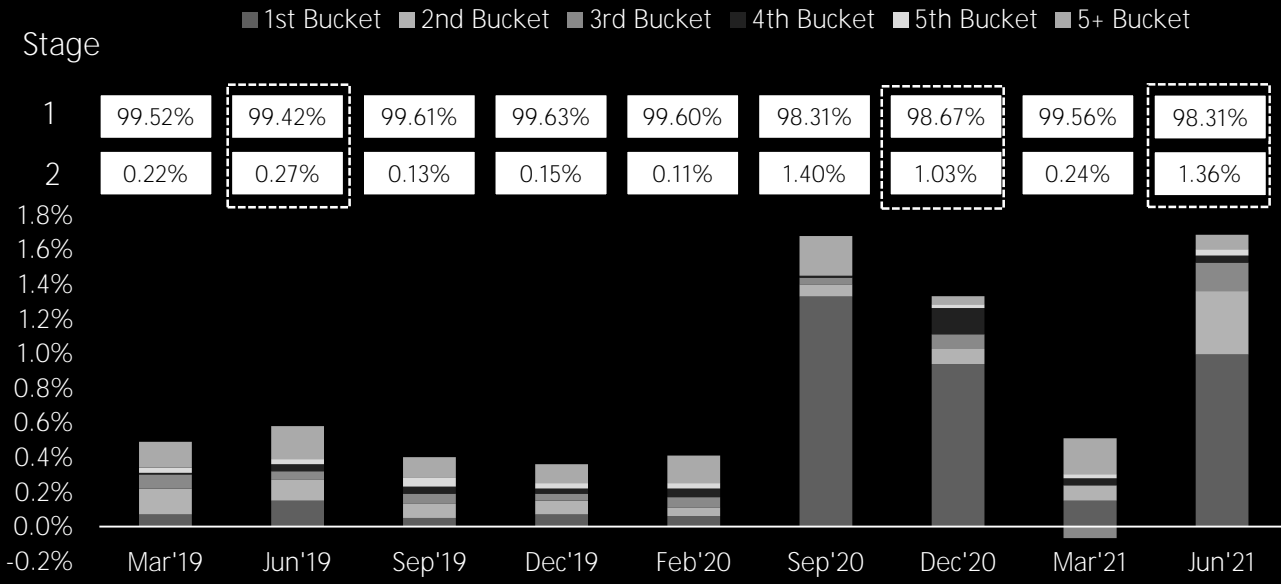


## Loan against property



# Portfolio credit quality – Consolidated

## Home loans



# **BAJAJ FINANCE LIMITED**

Q1 FY22 Investor Presentation

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