

BAJAJ FINANCE LIMITED

SEC/INVESTOR/2016/708

12 December 2016

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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 |

Sir/Madam,

Sub: Presentation to be made at the institutional investors / analysts

Further to our letters no. SEC/BM/2016/689 dated 1 December 2016 and SEC/INVESTOR/2016/707 dated 12 December 2016, please find enclosed herewith the presentation to be made at the meetings of the Company with institutional investors / analysts as intimated in our aforesaid letters.

Thanking you,

Yours faithfully,
For **Bajaj Finance Limited**

Anant Damle
Company Secretary

Encl.: as above



BAJAJ FINANCE LIMITED

Update on impact of demonetization

12th December 2016

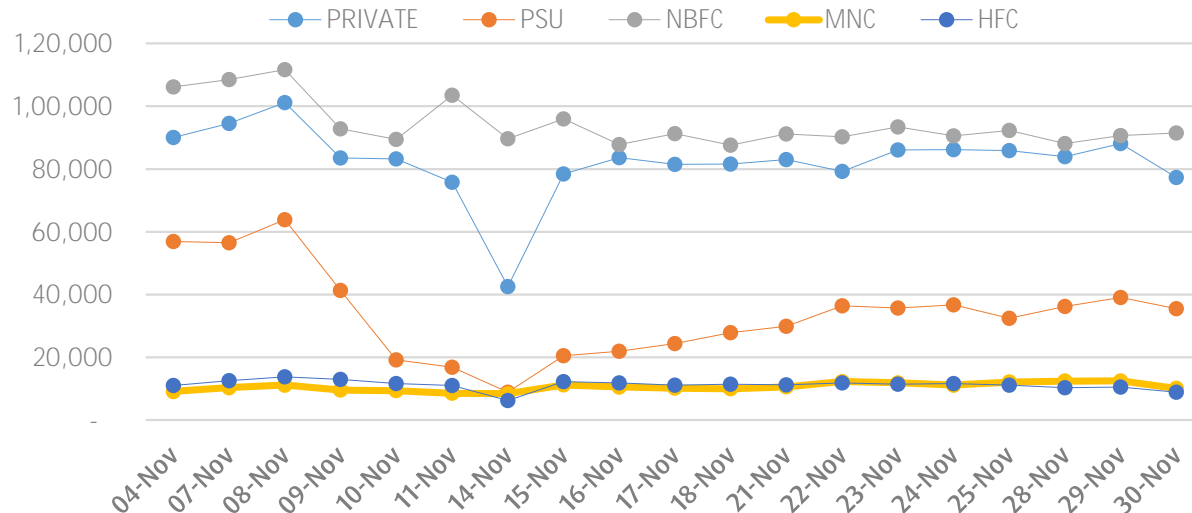
Impact on CIBIL inquiry

INQUIRY VARIATION ACROSS FINANCIAL INSTITUTIONS

| Member Type* | Variation in daily average inquiry volume : Illustrative view of 21 - 24 Nov over 07 - 08 Nov |
|---------------|---|
| Private Banks | -14% |
| Foreign Banks | 5% |
| PSB | -42% |
| NBFC | -17% |
| HFC | -8% |
| Overall | -20% |

* Note: Excluding Gold Loan account type

ONLINE INQUIRY - CONSUMER



- Inquiries dropped drastically post the announcement – PSBs & PVT Banks being more pronounced.
- While online traffic has increased, they have not come up to pre-announcement levels
- Credit Card & Auto Loan inquiry volumes have increased beyond pre-announcement volumes
- Other trade types continue to lag behind











Impact on deployments

(₹ Crores)

| Business Segment | Deployments (30 days post Diwali) | | | YoY | Deployment YoY growth Q2 FY17 | Comments |
|----------------------------------|--|---|------|------|---|----------|
| | 13 th Nov'15 - 12 th Dec'15 | 1 st Nov'16 - 30 th Nov'16 | | | | |
| <u>LOGINS</u> | | | | | | |
| 1. 2W & 3W finance # K | 76K | 86K | 13% | 50% | Very slow demand post demonetization | |
| 2. Consumer durable finance # K | 394K | 434K | 10% | 34% | Have cut 18% business in Q3 FY17 as articulated in Q2 earnings call | |
| 3. Digital product finance # K | 75K | 138K | 84% | 151% | Have cut 35% business in Q3 FY17 as articulated in Q2 earnings call | |
| 4. Lifestyle product finance # K | 18K | 23K | 28% | 57% | Deep slow down in first 30 days | |
| <u>DISBURSALS</u> | | | | | | |
| 5. Personal loans cross sell | 236 | 411 | 74% | 59% | No impact | |
| 6. Salaried personal loans | 269 | 294 | 9% | 21% | Slower demand post demonetization | |
| 7. Salaried - Home Loans | 89 | 181 | 103% | 82% | Low base and thus no impact | |
| 8. Business loans (BL) | 397 | 367 | -8% | 15% | Slower demand post demonetization | |
| 9. Professional loans | 101 | 144 | 43% | 47% | No impact | |
| 10. Loan against property (LAP) | 461 | 323 | -30% | -38% | Slower demand post demonetization | |
| 11. Self employed - Home Loans | 163 | 190 | 17% | 39% | Slower demand post demonetization | |
| 12. RM Business | 163 | 120 | -26% | -46% | Slower demand post demonetization | |
| 13. Rural lending | 287 | 320 | 11% | 126% | Very slow demand. Gold loan business has virtually stopped | |
| 14. BFS Direct (HL, PL) | 62 | 123 | 98% | 107% | No impact | |

* Commercial businesses did not see much impact due to low base.

Impact on current bucket portfolio

| Portfolio | Current Bucket | | | Status |
|---|----------------|--------|---------|---|
| | Sept'16 | Oct'16 | Nov'16 | |
| 1. 2W & 3W finance | 89.15% | 88.46% | 83.39%* |  |
| 2. CD Loan portfolio | 97.72% | 96.81% | 98.13% |  |
| 3. Digital product finance loan portfolio | 96.12% | 97.00% | 97.25% |  |
| 4. Lifestyle finance loan portfolio | 97.18% | 97.27% | 97.37% |  |
| 5. Personal loans cross sell portfolio | 97.21% | 97.52% | 97.87% |  |
| 6. Salaried personal loan portfolio | 99.43% | 99.45% | 99.49% |  |
| 7. Small business loan portfolio | 98.58% | 98.63% | 98.72% |  |
| 8. Loan against property portfolio | 99.30% | 99.22% | 99.20% |  |
| 9. Home loans portfolio | 99.03% | 99.35% | 99.37% |  |
| 10. Rural lending portfolio | 98.53% | 98.84% | 98.86% |  |

* 2W & 3W finance business has seen significant deterioration in current bucket portfolio owing to high dependency on cash collections, refer slide no.5.

Impact on bucket X collections

Channel wise collection mix of Bucket X customers under electronic / PDC payment mode

| Payment Channel | 2W & 3W finance businesses | | | Consumer businesses except 2W & 3W and rural lending businesses | | |
|-------------------------|----------------------------|---------|--------|---|---------|--------|
| | Oct'16 | Nov'16 | Change | Oct'16 | Nov'16 | Change |
| Cash | 83.87% | 66.34% | -21% | 86.87% | 49.73% | -43% |
| Cheque | 0.00% | 0.29% | - | 1.30% | 16.52% | 1171% |
| Representation | 12.85% | 27.66% | 115% | 6.46% | 18.30% | 183% |
| Online / Paynimo | 2.59% | 3.35% | 29% | 5.36% | 12.19% | 127% |
| Debit Card swipe (Mpos) | 0.69% | 2.36% | 242% | - | 3.06% | - |
| Mobile Wallets | - | - | - | - | 0.20% | - |
| Total | 100.00% | 100.00% | | 100.00% | 100.00% | |
| Bucket X resolution | 90.05% | 67.96% | | 94.96% | 94.80% | |

Channel wise collection mix of Bucket X customers under Direct Cash Collection (DCC) mode

| Payment Channel | 2W & 3W finance businesses | | |
|-------------------------|----------------------------|---------|--------|
| | Oct'16 | Nov'16 | Change |
| Cash | 99.78% | 98.50% | -1% |
| Cheque | 0.00% | 0.00% | - |
| Representation | 0.00% | 0.00% | - |
| Online / Paynimo | 0.21% | 0.50% | 138% |
| Debit Card swipe (Mpos) | 0.01% | 1.00% | 9900% |
| Mobile Wallets | - | - | - |
| Total | 100.00% | 100.00% | |
| Bucket X resolution | 75.10% | 60.58% | |

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Thank You

12th December 2016