



BAJAJ HOUSING FINANCE LIMITED

AGM PRESENTATION FY25



First of all, I would like to thank all our shareholders for their support for your Company's IPO:

- Giving overwhelming response for the listing and showcasing your enduring trust on the "Bajaj" brand; and
- Your sustained conviction on the Company as evident from substantial increase in our shareholder base of 17.3 Lakh on listing date to 25.4 Lakh shareholders.



I have 5 sections to cover which would take 15-20 minutes. Agenda for the presentation would be as follows:

- 1 **Quarterly results update – Q1 FY26**
- 2 **8-year journey**
- 3 **Year gone by - FY25**
- 4 **Sector Update**
- 5 **Management assessment for FY26**

Let's start with section 1: Q1 FY26 results which the board approved today

1

Quarterly results update – Q1 FY26

2

8-year journey

3

Year gone by - FY25

4

Sector Update

5

Management assessment for FY26

Quarterly financial snapshot – Q1 FY26

₹ in Crore

| Particulars | Q1 FY26 | Q1 FY25 | YoY |
|--|----------------|---------------|------------|
| Assets under management (AUM) | 120,420 | 97,071 | 24% |
| Loan Assets | 105,954 | 85,283 | 24% |
| Interest income | 2,493 | 2,064 | 21% |
| Interest expenses | 1,606 | 1,399 | 15% |
| Net Interest income | 887 | 665 | 33% |
| Fees and commission income | 58 | 56 | 2% |
| Net gain on fair value changes | 38 | 51 | (25%) |
| Sale of services and Income on de-recognised loans | 18 | 26 | (31%) |
| Others* | 11 | 12 | (8%) |
| Net Total Income (NTI) | 1,012 | 810 | 25% |
| Operating Expenses | 214 | 170 | 26% |
| Pre-provisioning operating profit | 798 | 640 | 25% |
| Loan Losses & Provision | 41 | 10 | 310% |
| Profit before tax (PBT) | 757 | 630 | 20% |
| Profit after tax (PAT) | 583 | 483 | 21% |
| Key Ratios: | | | |
| Opex to NTI | 21.2% | 21.0% | |
| Loan loss to Average Loan Assets ** | 0.16% | 0.05% | |
| Return on Average Loan Assets ** | 2.3% | 2.3% | |
| Return on Average Equity ** | 11.6% | 14.3% | |
| Earning per share - Basic (₹) | 0.70 | 0.62 | |
| Earning per share - Diluted (₹) | 0.70 | 0.62 | |

Quarterly results highlights – Q1 FY26

- Balanced quarter amid heightened competitive pricing and moderation in real estate sector demand
- Disbursements grew by 22% during the quarter.
- In terms of operating efficiency, Opex to NTI stood at 21.2% for the quarter.
- Asset quality remained robust with GNPA at 0.30% and NNPA at 0.13%
- RoA was 2.3% and ROE was 11.6% on annualized basis.
- PBC stood at 61.71% as against regulatory requirement of 60%
- Your Company's capital position remained healthy with CRAR of 26.94% as on 30 Jun'25

Moving on to section-2 which highlights your Company's 8-year journey

1 Quarterly results update – Q1 FY26

2 **8-year journey**

3 Year gone by - FY25

4 Sector Update

5 Management assessment for FY26

8-year financial snapshot reflecting financial resilience

₹ in Crore

| Financials Snapshot | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | CAGR (8 yrs.) |
|--------------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|
| Assets under management (AUM) | 3,570 | 17,562 | 32,705 | 38,871 | 53,322 | 69,228 | 91,370 | 1,14,684 | 64% |
| Interest income | 74 | 998 | 2,303 | 2,877 | 3,482 | 5,269 | 7,202 | 8,986 | 99% |
| Fees and other income | 32 | 158 | 343 | 278 | 285 | 396 | 415 | 590 | 52% |
| Total income | 106 | 1,156 | 2,646 | 3,155 | 3,767 | 5,665 | 7,617 | 9,576 | 90% |
| Interest expenses | 47 | 685 | 1,616 | 1,966 | 2,155 | 3,211 | 4,692 | 5,979 | 100% |
| Net Total Income (NTI) | 59 | 471 | 1,030 | 1,189 | 1,612 | 2,454 | 2,925 | 3,597 | 80% |
| Operating Expenses | 44 | 297 | 339 | 329 | 471 | 630 | 703 | 747 | 50% |
| Pre-provisioning operating profit | 15 | 174 | 691 | 860 | 1,141 | 1,824 | 2,222 | 2,850 | 112% |
| Loan Losses & Provision | 4 | 25 | 124 | 247 | 181 | 124 | 61 | 80 | 53% |
| Profit before tax (PBT) | 11 | 149 | 567 | 613 | 960 | 1,700 | 2,161 | 2,770 | 120% |
| Profit after tax (PAT) | 10 | 110 | 421 | 453 | 710 | 1,258 | 1,731 | 2,163 | 116% |

| Key Ratios: | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Opex to NTI | 74.6% | 63.1% | 32.9% | 27.7% | 29.2% | 25.7% | 24.0% | 20.8% |
| Loan loss to avg. loan assets | 0.22% | 0.24% | 0.55% | 0.80% | 0.45% | 0.23% | 0.09% | 0.09% |
| Return on average assets | 0.6% | 1.1% | 1.9% | 1.5% | 1.8% | 2.3% | 2.4% | 2.4% |
| Return on average equity | 1.1% | 4.2% | 9.1% | 7.8% | 11.1% | 14.6% | 15.2% | 13.4% |
| Gross NPA | 0.00% | 0.05% | 0.08% | 0.35% | 0.31% | 0.22% | 0.27% | 0.29% |
| Net NPA | 0.00% | 0.04% | 0.05% | 0.22% | 0.14% | 0.08% | 0.10% | 0.11% |
| Provision coverage ratio | - | 35% | 38% | 38% | 54% | 64% | 64% | 60% |
| CRAR | 45.12% | 25.81% | 25.15% | 21.33% | 19.71% | 22.97% | 21.28% | 28.24% |
| Leverage ratio | 3.03 | 5.26 | 5.62 | 6.28 | 7.20 | 6.16 | 6.69 | 5.15 |
| Capital infusion* (₹ in Crore) | 1,200 | 2,000 | 1,500 | - | - | 2,500 | - | 5,560 |

BAJAJ HOUSING FINANCE LIMITED

* Capital infusion of ₹ 328 crore prior to FY18 , ₹ 2,000 crore on 3rd April 2024 via rights issue and ₹ 3,560 crore on 16th September 2024 through Fresh issue (IPO), NPA: Non-performing asset, CRAR: Capital Adequacy Ratio







Your Company has five important strategic pillars to build sustainable mortgage business

Strategic Pillars

| S. No. | Pillars | Remarks | FY25 Update |
|--------|-----------------------------|--|---|
| 1 | Scalable Balance Sheet | Building scalable balance sheet through prime housing and lease rental discounting | ✓ Home Loan and LRD constitute 75% of portfolio mix |
| 2 | Low Risk Business Model | Robust underwriting and risk management framework | ✓ GNPA at 0.29% ✓ NNPA at 0.11% |
| 3 | Deliver Medium Return | Balanced portfolio mix between operating segments and sub-segments | ✓ Net Interest Margin: 4.0% ✓ ROA: 2.4% |
| 4 | Full Mortgage Product Suite | Offering all products to all customer segments across all transaction types | ✓ All products of mortgages: Home loans, LAP, LRD and construction finance ✓ All sub-segments within the products ✓ Covering all transaction types |
| 5 | Diversified Borrowing Mix | Mix between Banks : Money Market : NHB with focus on enhancing floating rate borrowing | ✓ Banks : Money Market : NHB Mix – 41% : 49% : 10% ✓ Highest possible domestic credit rating ensures availability of funds at competitive pricing to enable customer acquisition at best available pricing |

On track across strategic pillars

Your Company offers full array of mortgage product suite ...

| | PRODUCT * | SUB-PRODUCT | COVERAGE |
|---|---|--|---|
|  RETAIL |  Home Loan | <ul style="list-style-type: none"> ➤ Salaried Prime Home Loan ➤ Self-employed & Professionals Home Loan ➤ Near Prime & Affordable Home Loan (SBU) | <ul style="list-style-type: none"> ✓ Locations: 174 ✓ APF Base: 7,300+ projects |
| |  Loan Against Property (LAP) | <ul style="list-style-type: none"> ➤ Self-employed & Professionals LAP ➤ Salaried LAP | <ul style="list-style-type: none"> ✓ Locations: 74 |
| Micro-market coverage backed by Omnichannel sourcing strategy | | | |
|  COMMERCIAL |  Lease Rental Discounting (LRD) | <ul style="list-style-type: none"> ➤ Commercial LRD ➤ Retail LRD | <ul style="list-style-type: none"> ✓ Locations: 17 ✓ Active Customers: 292 |
| |  Developer Finance | <ul style="list-style-type: none"> ➤ Residential Construction Finance ➤ Commercial Construction Finance | <ul style="list-style-type: none"> ✓ Locations: 16 ✓ Active Projects: 798 |

... while leveraging digital initiatives for seamless experience throughout the lifecycle ...

■ Onboarding

Onboarding Experience



Digital Customer Onboarding Journey
DIY and assisted journey for customer and partners



Sales Mobility App
Digital sourcing by field team



Partner Portal
Unified portal for tracking

Faster Approval



Auto CAM
Effortless credit assessment with AA integration

■ Processing

Digital and Paperless Process



e-Agreement
Digital loan agreement eliminating multiple signatures



e-Mandate
Removing physical mandate forms



e-Sanction Letter
Sanction letter with KFS triggered through system



e-Insurance Form
Digital proposal forms across multiple partners



■ Servicing

Self-service at Fingertip



Customer App
24*7 account accessibility and self-service



Customer Portal
Self-service options through integrated portal

Smooth Debt Management



Debt Management App
For tracking, receipting and payment updation



UPI Payments via ECMS mode
Quick and convenient payment options

DIGITAL – ACROSS THE ECOSYSTEM

Simplified and Convenient

Enhanced Transparency






Consistent Experience

Instant Delivery

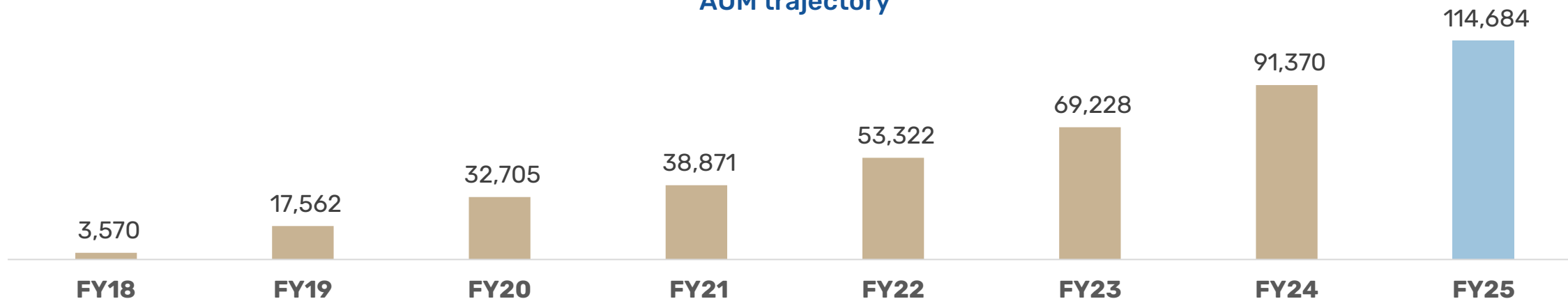
Anytime – Anywhere Service

Delivering our goal of – “YOUR HOME, YOUR WAY”

... and maintaining diversified portfolio mix over the years

| Product | FY22 | FY23 | FY24 | FY25 |
|---|---------------|---------------|---------------|-----------------|
| Assets under management | 53,322 | 69,228 | 91,370 | 1,14,684 |
|  Home Loan | 64.8% | 61.7% | 57.8% | 56.2% |
|  Loan Against Property | 13.9% | 11.3% | 10.5% | 10.7% |
|  Lease Rental Discounting | 12.9% | 16.3% | 19.3% | 19.1% |
|  Developer Finance | 5.4% | 8.2% | 10.5% | 12.5% |
|  Other Loans | 3.0% | 2.5% | 1.9% | 1.5% |

AUM trajectory

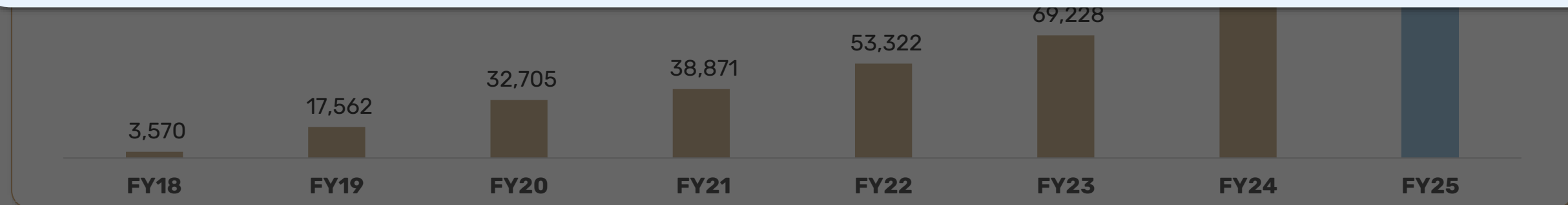


... and maintaining diversified portfolio mix over the years

| Product | FY22 | FY23 | FY24 | FY25 |
|--------------------------------|---------------|---------------|---------------|-----------------|
| Assets under management | 53,322 | 69,228 | 91,370 | 1,14,684 |
| Home Loan | 61.8% | 61.7% | 57.8% | 56.2% |

Your Company continues to diversify its product portfolio mix to:

- Ensure compliance with the Regulatory Principal Business Criteria (PBC);
- Enhance sourcing funnel for retail loans through its Construction finance business; and
- Optimize the mix between Loan against property and Lease rental discounting basis prevailing risk-return metrics to deliver low risk and medium return portfolio.



Let us now look at the previous year's financial performance

- 1 Quarterly results update – Q1 FY26
- 2 8-year journey
- 3 Year gone by - FY25**
- 4 Sector Update
- 5 Management assessment for FY26

FY25 financial performance

₹ in Crore

| Particulars | FY25 | FY24 | YoY |
|--|-----------------|---------------|------------|
| Assets under management (AUM) | 1,14,684 | 91,370 | 26% |
| Loan Assets (AR) | 99,513 | 79,301 | 25% |
| Interest income | 8,986 | 7,202 | 25% |
| Interest expenses | 5,979 | 4,692 | 27% |
| Net Interest income | 3,007 | 2,510 | 20% |
| Fees and commission income | 201 | 138 | 46% |
| Net gain on fair value changes | 164 | 133 | 23% |
| Sale of services and Income on de-recognised loans | 177 | 106 | 67% |
| Others* | 48 | 38 | 26% |
| Net Total Income (NTI) | 3,597 | 2,925 | 23% |
| Operating Expenses | 747 | 703 | 6% |
| Pre-provisioning operating profit | 2,850 | 2,222 | 28% |
| Loan Losses & Provision | 80 | 61 | 31% |
| Profit before tax (PBT) | 2,770 | 2,161 | 28% |
| Profit after tax (PAT) | 2,163 | 1,731 | 25% |
| Key Ratios: | | | |
| Opex to NTI | 20.8% | 24.0% | |
| Loan loss to Average Loan Assets ** | 0.09% | 0.09% | |
| Return on Average Loan Assets ** | 2.4% | 2.4% | |
| Return on Average Equity ** | 13.4% | 15.2% | |
| Earning per share - Basic (₹) | 2.67 | 2.58 | |
| Earning per share - Diluted (₹) | 2.67 | 2.58 | |

FY25 financial highlights

- Improved operating efficiency with Opex to NTI reduction from 24.0% to 20.8%.
- Healthy asset quality with GNPA at 0.29% and NNPA at 0.11%; amongst the lowest in the industry.
- Your Company enhanced its capital base by successfully raising 2,000 crore through rights issue and 3,560 crore of primary capital through IPO in FY25.
- Return on Equity at 13.4%, subdued due to two rounds of capital raise during the year.
- Your Company is well capitalized with Capital Adequacy ratio of 28.24% as of Mar'25.

Coming to the risk management metrics of your Company which remains the founding stone of the business

Maintaining robust asset quality with lower GNPA and higher PCR across products

| Particulars | AUM (₹ in Cr) 31 Mar 25 | GNPA % | NNPA % | PCR % | | |
|--------------------------|----------------------------|--------------|--------------|--------------|---------------|---------------|
| | | | | Stage 1 | Stage 2 | Stage 3 |
| Home Loans | 64,447 | 0.34% | 0.13% | 0.17% | 21.60% | 59.97% |
| Loan Against Property | 12,262 | 0.65% | 0.31% | 0.69% | 22.68% | 52.31% |
| Lease Rental Discounting | 21,913 | - | - | 0.57% | - | - |
| Developer Finance | 14,346 | 0.05% | 0.00% | 0.58% | 0.00% | 91.76% |
| Other loans | 1,716 | 0.95% | 0.21% | 0.35% | 30.43% | 77.94% |
| Total | 1,14,684 | 0.29% | 0.11% | 0.34% | 22.25% | 60.25% |

Moving to Section-4 : Sector Update

- 1 Quarterly results update – Q1 FY26
- 2 8-year journey
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- 5 Management assessment for FY26

- Housing sector remains crucial part of the economy significantly impacting both growth as well as employment for the country.
- Government's continued focus on improving affordability and formalization of sector through implementation of RERA and focus on "Housing for All" measures have resulted into sector resilience and enhanced mortgage to GDP penetration over the years.
- Housing finance sector is expected to witness healthy growth during FY25 owing to improved affordability, demand for larger homes and rising per capita income. However, there has been some moderation in demand from Q3 FY25 onwards.
- Asset quality metrics remained healthy and Return on Assets (RoA) was broadly stable across the housing finance sector.

- The RBI has re-issued notification on Scale Based Regulations (SBR) on 16 January 2025; your Company continues to remain part of Upper Layer NBFCs (NBFC-UL).
- The RBI has issued various guidelines during the year including Key Fact Statement (KFS), enhanced frequency of credit information reporting, fraud risk management, review of interest charging practices by lenders and guidance note on operational risk management.
- Your Company has taken required steps to ensure compliance of the RBI guidelines along with various circulars issued by the NHB on timely basis.

Coming to the last section of presentation on management assessment of key financial indicators for FY26

1 Quarterly results update – Q1 FY26

2 8-year journey

3 Year gone by - FY25

4 Sector Update

5 **Management assessment for FY26**

Management assessment of key financial indicators

| Key Indicators | FY26 | Medium Term |
|-----------------------------|---------------|-------------|
| AUM Growth | 21-23% | 24-26% |
| Opex to NTI | 20-21% | 14-15% |
| GNPA | 35 – 40 bps | 40 – 60 bps |
| Credit Cost | 15 – 20 bps | 20 – 25 bps |
| Provisioning Coverage Ratio | 50 – 60% | 40 – 50% |
| Return on Assets | 2.0 – 2.2% | 2.0 – 2.2% |
| Leverage | 5.5 – 6 times | 7 – 8 times |
| Return on Equity | 11 – 12% | 13 – 15% |

Your Company is well poised to grow its market share to 5% in home loans over medium term while maintaining these indicators

To sum up, there is immense opportunity of housing finance in India and your Company has just started.

Thank you for your patient listening and looking forward to your continued support.

THANK YOU

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Abbreviation

| Term | Full Form |
|---------|--|
| NBFC-UL | Non-Banking Finance Company – Upper Layer as per “Scale Based Regulation” by the RBI |
| HFC | Housing Finance Company |
| GNPA | Gross Non-Performing Assets |
| NNPA | Net Non-Performing Assets |
| AUM | Assets Under Management |
| APF | Approved Project Finance |
| PCR | Provision Coverage Ratio |
| NCD | Non-Convertible Debentures |

| Term | Full Form |
|------|--------------------------|
| NTI | Net Total Income |
| NIM | Net Interest Margin |
| ROA | Return on Average Assets |
| ROE | Return on Average Equity |
| CRAR | Capital Adequacy Ratio |
| CP | Commercial Papers |
| NHB | National Housing Bank |
| ICD | Inter-Corporate Deposit |