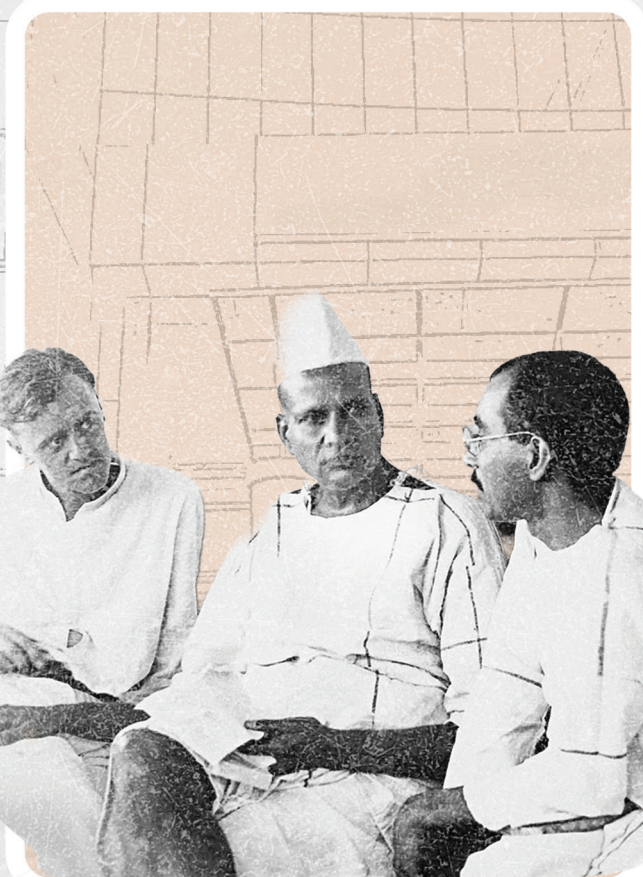


HALF YEARLY REPORT 2025-2026



HOUSING
FINANCE



Jamnalal Bajaj in Dhulia jail,
alongside Pyarelal Nair (Gandhiji's secretary) in 1932

Bajaj Housing Finance Office,
Cerebrum IT Park, Kalyani Nagar,
Pune

Dear Shareholder,

I am pleased to share the financial results of your Company for the half year ended 30 September 2025. Your Company has crossed Assets under Management (AUM) of ₹ 1,26,000 crore and recorded highest ever half yearly profit after tax during H1 FY26. Its AUM stood at ₹ 1,26,749 crore as of 30 September 2025 which grew by 24% on YoY basis with Profit after Tax (PAT) of ₹ 1,226 crore for H1 FY26.

Your Company continues to build a sustainable and scalable mortgage business anchored on five strategic differentiators:

- a robust and scalable balance sheet;
- with a low-risk operating business model;
- delivering reasonable return to its stakeholders;
- through a full mortgage product suite; and
- backed by diversified borrowing mix.

Your Company has continued to progress well across each of these strategic differentiators and is on track on its stated medium-term guidance.

Operational Highlights

As of 30 September 2025, your Company operates across 176 locations through a network of 220 branches span across 21 states and union territories. Our asset quality remained healthy with GNPA at 0.26% and NNPA at 0.12% as of 30 September 2025. Your Company continues to enjoy highest credit rating from CRISIL and India ratings AAA/stable for long-term and A1+ for short-term debt programs.



Your Company started 'Sambhav Home Loans' last year and has been investing in the business to expand its coverage to near prime and affordable customer segment. The business is currently performing well and in line with our expectations. ”

Sanjiv Bajaj
Chairman

FY26 Outlook

Considering moderate real estate demand and increased competition in prime housing, the Company has reassessed its estimate of key financial indicators for FY26:

- AUM growth: 21–23%
- Operating expenses to Net Total Income (Opex/NTI): 20–21%
- Credit cost: 15–20 basis points
- Return on Assets (ROA): 2.0–2.2%
- Return on Equity (ROE): 11–12%

Macroeconomic Environment

Despite global uncertainties stemming from geopolitical tensions, major economies have shown resilience. Global growth as per World Economic Outlook (WEO) is projected at 3.2% in 2025 and 3.1% in 2026; with declining inflation expectation.

In India, proactive government measures—such as income tax relief, monetary easing and GST rates rationalisation – have supported domestic growth. Basis latest RBI Monetary Policy Statement, GDP expanded by 7.8% in Q1 FY26, and full-year real GDP growth is projected at 6.8% for FY26. Also, International Monetary Fund revised India's GDP growth outlook from 6.4% to 6.6% for 2025.

Inflation remained benign with lower outcomes against projections. Assessing GST rate rationalisation and benign food prices, CPI inflation for 2025–26 is projected at 2.6%. *(Source: RBI Monetary Policy).*

Industry Trends

The financial health of scheduled commercial banks and NBFCs remains strong, with improved profitability and asset quality. India's housing finance sector continues to grow steadily. Mortgage-to-GDP penetration improved to 11.3% as of 31 March 2024. The home loan portfolio expanded by 13%, reaching ₹ 40.6 lakh crore in FY25 from ₹ 35.9 lakh crore in FY24. *(Source: CRISIL MI&A report)*

Financial Performance Highlights of H1 FY26 vs H1 FY25

- Your Company's assets under management (AUM) grew by 24% from ₹ 1,02,569 crore as of 30 September 2024 to ₹ 1,26,749 crore as of 30 September 2025.
- Portfolio composition remained well diversified between HL: LAP: LRD: DF: Others at 55.1%: 10.3%: 21.5%: 11.8%: 1.3% respectively as of 30 September 2025.
- Net interest income increased by 34% to ₹ 1,843 crore in H1 FY26 as against ₹ 1,378 crore in H1 FY25.
- Net total income grew from ₹ 1,707 crore in H1 FY25 to ₹ 2,110 crore in H1 FY26, growth of 24%.
- Opex to net total income improved by 40 bps to 20.3% for H1 FY26 from 20.7% for H1 FY25.
- Pre-provisioning operating profit increased by 24 % from ₹ 1,352 crore for H1 FY25 as against ₹ 1,681 crore for H1 FY26.
- Loan losses and provisions were ₹ 91 crore for H1 FY26 as against ₹ 15 crore for H1 FY25 (₹ 65 crore excluding overlay releases).
- Profit before tax (PBT) for H1 FY26 was ₹ 1,590 crore against ₹ 1,337 crore for H1 FY25, growth of 19%.

- Profit after tax (PAT) grew by 19% to ₹ 1,226 crore for H1 FY26 as against ₹ 1,028 crore for H1 FY25.
- Gross NPA and net NPA stood at 0.26% and 0.12% as of 30 September 2025 as against 0.29% and 0.12% as of 30 September 2024.
- Your Company has healthy provision coverage ratio of 55.6% on its stage-3 assets as of 30 September 2025.
- Annualised Return on Assets (ROA) stood at 2.3% for H1 FY26 and Annualised Return on Equity (ROE) stood at 11.9% for H1 FY26.
- Your Company's capital adequacy ratio stood comfortable at 26.12% as of 30 September 2025 as against regulatory requirement of 15% of which Tier-I capital stood at 25.61%.
- Your Company's leverage ratio stood at 5.5 times and debt-to-equity ratio stood at 4.4 times as of 30 September 2025.
- Your Company's borrowing mix remained well diversified between Money market: Bank borrowings: NHB refinance at 54%: 37%: 9% respectively as of 30 September 2025. Your Company had liquidity surplus of ₹ 2,265 crore as of 30 September 2025.

Update on key developments during the period

- Your Company remains committed to enhancing customer experience through a range of digital initiatives. Notably, the adoption of e-agreements has reached almost 94%, while the online customer onboarding journey has achieved around 93% as of September 2025. These milestones reflect our continued focus on simplifying processes and delivering seamless, tech-enabled service to our customers.
- In fiscal 2025, your Company launched 'Sambhav Home Loans' for near prime and affordable housing which is performing well and in line with our expectations and currently operating across 67 urban locations and 72 tier IV / rural locations. The Company shall continue to invest in this business over the coming years to expand its coverage to reach the near prime and affordable customer segment.
- For further diversification of borrowing sources, your Company has executed securitisation transaction during H1 FY26.

Detailed updates on your Company's financial, business performance and initiatives are given in the investor presentations of Q1 FY26 and Q2 FY26 which are on our website for reference.

Half-yearly financial results are summarised in **Annexure A**.

Amidst India's continued growth momentum, your Company is well positioned to leverage significant headroom available for mortgage growth.

Thank you for your continued support.

With my very best and season greetings,

Sanjiv Bajaj
Chairman

6 November 2025

Annexure A

Highlights of the financial results for H1 FY26

(₹ in crore)

Particulars	H1 FY26	H1 FY25	Growth (%)	FY25
Assets under Management	1,26,749	1,02,569	24%	1,14,684
Loan Assets	1,13,059	89,878	26%	99,513
Interest Income	5,107	4,290	19%	8,986
Interest and finance charges	3,264	2,912	12%	5,979
Net interest income	1,843	1,378	34%	3,007
Fees and commission income	127	101	26%	201
Net gain on fair value changes	66	96	(31%)	164
Sale of services and Income on de-recognised loans	43	107	(60%)	177
Others*	31	25	24%	48
Net total income	2,110	1,707	24%	3,597
Total operating expenses	429	355	21%	747
Pre-impairment operating profit	1,681	1,352	24%	2,850
Impairment on financial instruments	91	15		80
Profit before tax (PBT)	1,590	1,337	19%	2,770
Profit after tax (PAT)	1,226	1,028	19%	2,163
Earnings per share (EPS) (not annualised for interim period)				
Basic (₹)	1.47	1.31		2.67
Diluted (₹)	1.47	1.31		2.67
ROA (%) (annualised)	2.3%	2.4%		2.4%
ROE (%) (annualised)	11.9%	13.3%		13.4%
Opex to Net Total Income (%)	20.3%	20.7%		20.8%
Gross NPA (%)	0.26%	0.29%		0.29%
Net NPA (%)	0.12%	0.12%		0.11%
Capital to Risk-weighted Assets Ratio (CRAR) (%)	26.12%	28.98%		28.24%
Principal Business Criteria (PBC)				
Overall PBC (%)	61.21%	61.70%		63.28%
Individual Housing Loans PBC (%)	50.45%	50.81%		51.72%

* Others include other operating income and other income



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