HALF YEARLY REPORT 2026-27

BAJAJ HOUSING FINANCE



BAJAJ HOUSING FINANCE LIMITED

Dear Shareholder,

I am pleased to present your Company's financial results and operational highlights for the half year ended 30 September 2026.

Your Company crossed the landmark ₹ 1.5 lakh crore Assets under Management (AUM) milestone, supported by strong, diversified growth and further strengthening its position as one of India's leading housing finance companies. H1 FY27 recorded the Company's highest-ever disbursements and AUM addition. AUM grew 25% year on year to ₹ 1,58,205 crore, while profit after tax was ₹ 1,472 crore. This growth was delivered while maintaining strong asset quality and balance sheet resilience, with GNPA at 29 bps as of 30 September 2026.

The Company continues to advance its strategy of deepening and widening its presence across prime, near prime and affordable customer segments by expanding its distribution network. 'Sambhav loans', designed for near-prime and affordable customers, now contribute approximately 16% of home loan originations. The business is progressing towards a 20% share of home loan originations over the medium term while maintaining prudent underwriting standards.

Your Company is now the largest private HFC in the mortgage industry. Its differentiated model combines strong parentage, a multi-product mortgage platform, diversified funding, a technology-enabled customer journey and a robust risk management framework.



> "Your Company crossed the landmark ₹ 1.5 lakh crore AUM milestone, supported by strong, diversified growth and further strengthening its position as one of India's leading housing finance companies."

Sanjiv Bajaj
Chairman

Macroeconomic Environment

Geopolitical uncertainty and energy-market volatility continue to weigh on the global outlook, particularly for net energy-importing countries. At the same time, accelerating AI-led demand is supporting economies integrated with global technology supply chains. Against this backdrop, the International Monetary Fund (IMF) kept its 2027 global GDP growth forecast to 3.4% in Oct 2026 *World Economic Outlook (WEO) update.*

India's economy remains resilient despite global headwinds and shifting trade dynamics. Citing strong private consumption and services activity, the IMF raised its 2027 GDP growth forecast for India from 6.7% to 7.0%. The RBI's July 2026 Monetary Policy projected real GDP growth of 6.7% for FY27, supported by resilient domestic demand and investment activity; this was subsequently raised to 7.1% at the October 2026 MPC meeting. Separately, quarterly estimates released by the Ministry of Statistics and Programme Implementation (MOSPI) on 31 August placed Q1 real GDP growth at 7.8%, above the RBI's estimate.

Inflation remains relatively benign despite external uncertainty. After staying below the 4% target for sixteen consecutive months, inflation rose to 4.4% in June 2026, 4.45% in July, 4.83% in August and 5.54% in September 2026, marking the fourth consecutive monthly increase. The RBI has projected CPI inflation of 5.2% for FY27. *(Source: RBI Monetary Policy, MOSPI)*

At its 7 October MPC meeting, the RBI raised the policy rate by 25 bps to 5.50% and changed its stance from 'neutral' to 'calibrated tightening'.

Industry Trends

India's housing finance penetration remains low compared with developed economies, creating a multi-decade structural growth opportunity supported by favourable demographics, urbanization and policy measures. Competitive intensity has increased, particularly from banks in prime housing. Even so, the overall home loan portfolio reached ₹ 44.5 lakh crore in FY26, although year-on-year growth moderated from 13% in FY25 to 10.4% in FY26. *(Source: CRISIL report)*

Scheduled commercial banks and NBFCs/HFCs continue to report healthy balance sheets, asset quality and profitability. Well-capitalised lenders with strong risk management, diversified funding and scalable technology platforms are expected to be the principal beneficiaries of India's long-term housing finance growth.

Operational Highlights

As of 30 September 2026, your Company operated 223 branches across 182 locations in 20 states and union territories. Its approved project finance (APF) network covered more than 10,300 projects offering home loans. The Company also maintained one of the industry's most granular developer finance portfolios, spanning 614 active developer relationships and 885 projects, which provide an additional sourcing channel for retail home loans.

Asset quality remained healthy, with GNPA at 29 bps and NNPA at 12 bps as of 30 September 2026, reflecting prudent underwriting and a strong risk management framework. BHFL continues to hold the highest possible credit ratings: AAA/stable for long-term debt and A1+/stable for short-term debt programmes from both CRISIL and India Ratings. These ratings support access to a range of borrowing instruments at an optimized cost.

FY27 Outlook

Considering geopolitical uncertainty, moderating home loan industry growth and sustained competitive intensity in prime housing, your Company has assessed the following key financial indicators for FY27:

- AUM growth: 21–23%
- Net interest margin (NIM) moderation: 20-25 bps
- Opex to Net Total Income: 19–20%
- Gross NPA: 30-35 bps
- Credit cost: 10-15 bps
- Return on Assets (ROA): 2.1–2.3%
- Return on Equity (ROE): 12–13%

Financial Performance Highlights of H1 FY27 vs H1 FY26

Scale

- AUM increased 25% year on year, from ₹ 1,26,749 crore as of 30 September 2025 to ₹ 1,58,205 crore as of 30 September 2026.
- By product, AUM grew 22% year on year in home loans, 26% in LAP, 39% in LRD and 13% in DF. Growth in anchor products improved year on year, with home loan growth rising from 19% in H1 FY26 to 22% in H1 FY27.
- The portfolio remained well diversified. As of 30 September 2026, the mix of HL, LAP, LRD, DF and Others was 53.9%, 10.3%, 24.0%, 10.7% and 1.1%, respectively.

Profitability

- Net interest income rose 10% year on year, from ₹ 1,843 crore in H1 FY26 to ₹ 2,023 crore in H1 FY27. Net total income increased 16% to ₹ 2,429 crore from ₹ 2,100 crore.
- Operating efficiency improved, with opex to NTI moderating by 110 bps year on year from 20.4% in H1 FY26 to 19.3% in H1 FY27.
- Pre-provisioning operating profit grew 17% to ₹ 1,959 crore in H1 FY27, compared with ₹ 1,671 crore in H1 FY26.
- Profit before tax increased 20% year on year, from ₹ 1,590 crore in H1 FY26 to ₹ 1,908 crore in H1 FY27.
- Profit after tax grew 20% to ₹ 1,472 crore in H1 FY27 from ₹ 1,226 crore in H1 FY26.
- Annualised return on assets was 2.2%, while annualised return on equity stood at 12.6% for H1 FY27.

Asset Quality

- Asset quality remained resilient, with loan losses and provisions declining to ₹ 51 crore in H1 FY27 compared with ₹ 81 crore in H1 FY26.
- Gross NPA was 0.29% as of 30 September 2026, compared with 0.26% a year earlier. Net NPA remained unchanged from H1 FY26 at 0.12%.
- The Company maintained a healthy provisioning coverage ratio of 59.8% on stage-3 assets as of 30 September 2026.

Capitalisation and Liquidity

- The Company maintained comfortable capital adequacy, with CRAR at 21.24% as of 30 September 2026 against the regulatory requirement of 15%. The Tier-I capital ratio was 20.83%.
- The leverage ratio rose to 6.0 times as of 30 September 2026 from 5.5 times a year earlier.
- The borrowing mix remained diversified, with a higher share of money-market instruments. As of 30 September 2026, money market instruments, bank borrowings and NHB refinance accounted for 56%, 35% and 9% of borrowings, respectively. The Company held a liquidity surplus of ₹ 2,487 crore.

Update on key developments during the period

- The Company continues to expand its distribution network to increase its share of home loan originations, which has risen to approximately 2.6% of industry originations.
- Launched approximately two years ago, the 'Sambhav' housing initiative is broadening the Company's reach beyond prime customers and providing a natural hedge against margin pressure in prime housing. Serving near-prime and affordable customers, the business has steadily scaled its disbursements, with the monthly run rate increasing from approximately ₹ 350 crore in Q3 FY26 to more than ₹ 500 crore in Q2 FY27.
- Digital initiatives continue to simplify the home loan journey and deliver a seamless, consistent customer experience. In September 2026, 96% of retail logins were onboarded digitally, and 96% of retail agreements were executed digitally through the Customer One portal.
- The Company is also using AI across the customer lifecycle through voice agents for lead generation, sales-call intelligence, credit personal-discussion call intelligence, collateral intelligence and geo-analytics, an AI customer-assist platform, frontline hiring tools and an employee pulse-intelligence platform.

The Company's half-yearly financial results are summarised in **Annexure-A.** Detailed business and financial updates are available in the quarterly investor presentations on the Company's website.

India's housing finance market offers substantial growth potential, supported by favourable demographics, rising incomes and aspirations for home ownership. With a robust business model, prudent risk management and diversified funding, your Company is well positioned to capture this opportunity and expand its market share.

On behalf of the Board and Management team, I thank you for your continued trust and support. Season's greetings to you and your family.

Sanjiv Bajaj
Chairman

4 November 2026

Annexure A

Highlights of the financial results for H1 FY27

(₹ in crore)

Particulars	H1 FY27	H1 FY26	Growth (%)	FY26
Assets under Management	**1,58,205**	**1,26,749**	**25%**	**1,40,706**
Loan Assets	**1,39,862**	**1,13,059**	**24%**	**1,23,745**
Interest Income	5,908	5,107	16%	10,512
Interest and finance charges	3,885	3,264	19%	6,760
Net interest income	**2,023**	**1,843**	**10%**	**3,752**
Fees and commission income	230	127	81%	298
Net gain on fair value changes	47	66	(29%)	86
Sale of services and Income on de-recognised loans	107	43	149%	216
Others*	22	21	5%	39
Net total income	**2,429**	**2,100**	**16%**	**4,391**
Total operating expenses	470	429	10%	867
Pre-impairment operating profit	**1,959**	**1,671**	**17%**	**3,524**
Impairment on financial instruments	51	81	(37%)	191
Profit before exceptional items and tax	**1,908**	**1,590**	**20%**	**3,333**
Exceptional Item	-	-		13
Profit before tax (PBT)	**1,908**	**1,590**	**20%**	**3,320**
Profit after tax (PAT)	**1,472**	**1,226**	**20%**	**2,560**
Earnings per share (EPS) (not annualised for interim period)				
Basic (₹)	1.77	1.47		3.07
Diluted (₹)	1.77	1.47		3.07
ROA (%) (annualised)	2.2%	2.3%		2.3%
ROE (%) (annualised)	12.6%	11.9%		12.1%
Opex to Net Total Income (%)	19.3%	20.4%		19.7%
Gross NPA (%)	0.29%	0.26%		0.27%
Net NPA (%)	0.12%	0.12%		0.11%
Capital to Risk-weighted Assets Ratio (CRAR) (%)	21.24%	26.12%		22.46%
Principal Business Criteria (PBC)				
Overall PBC (%)	60.49%	61.21%		60.88%
Individual Housing Loans PBC (%)	50.62%	50.45%		50.45%

* Others include other operating income and other income

A CENTURY OF PURPOSE-LED GROWTH. A FUTURE FULL OF POSSIBILITIES.

For a hundred years, the Bajaj Group has stood at the intersection of enterprise and nation-building—guided by a simple yet powerful belief 'Kathni Karni Ek Si', where conviction and action are one.

From its early beginnings in Wardha to becoming a trusted name across the world, the Group's journey has been shaped by purpose, integrity, and an enduring commitment to society. Each generation has carried this legacy forward—not just in what the Group builds, but in how it builds it.

As the Bajaj Group marks this centennial milestone, it celebrates not only a rich past, but also a future filled with renewed responsibility and possibility. A future where the Bajaj legacy continues to grow, evolve, and echo the voice of India.

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