

BAJAJ FINSERV BANKING AND FINANCIAL SERVICES FUND

An open ended equity scheme investing in
Banking and Financial Services sector



THE RISE OF INDIA'S GROWTH STORY



 Reuters


Fitch maintains its rating on India, citing strong growth



 Reuters

IMF slightly raises India's growth forecast to 6.4%



 The Economic Times

India fastest-growing economy; can anchor global supply chains and aid China+1, Rajnath Singh says at ET WLF



 The Times of India

India's growth story: Will soon contribute 20% to world growth, says PM Modi; third-largest economy on horizon

INDIA EXPECTED TO BECOME 3rd LARGEST ECONOMY

TOP 10 ECONOMIES DECADE WISE (GDP IN USD TRILLION)



India is on track to become the world's third-largest economy with a projected GDP of \$7.3 trillion by 2030.

Source: PIB, Bloomberg, IMF, World Bank 2030 estimates from CEBR (The Centre for Economics and Business Research)

MEGATRENDS DRIVING INDIA'S GROWTH...



RAPID DIGITALIZATION & UPI



PHARMACY OF THE WORLD



69K KM OF RAIL ROUTES¹
31K KM LAID IN 10 YRS²



AGRO-TECHNOLOGY



BOOMING TECH
INDUSTRY



MORE THAN 4 IN 10
PEOPLE
IN INDIA ARE UNDER
25 YEARS OLD³



... BUT WITHOUT A SOUND FINANCIAL SYSTEM INDIA'S GROWTH CANNOT BE SUSTAINED




For GDP to grow to \$30 Tn, financial assets need to become 20x

1. 2023 numbers for US, China, and Germany basis 2022 Financial Stability Board report

India's banking industry will need to add **\$4 Tn** in capital in the next 2 decades; which will in turn create the multiplier effect for the economy to reach **\$30 Tn GDP by 2047**

Source: RBI; Financial Stability Board; World Bank; Federal Reserve; Bundesbank; BCG analysis. P: Projected

HOW IS BFSI POWERING INDIA'S ECONOMIC FUTURE?



CAPITAL MOBILIZATION & ALLOCATION:

Credit disbursement to Priority Sectors Jumps **85%** from ₹23 Lakh Crores in 2019 to ₹42.7 Lakh Crores in 2024



DIGITAL ACCESS AT SCALE:

UPI transaction value has increased **~5x** from ₹41t in FY21 to ₹236t in FY25



INCLUSION DRIVES DEMAND:

Microfinance portfolios hit **₹3.75 lakh crore**, serving **~79 million** borrowers as of March 2025



SAVINGS INTO CREDIT:

India's credit-to-deposit ratio stands at **~79%** (May 2025) — highlighting active reallocation of savings into economic growth

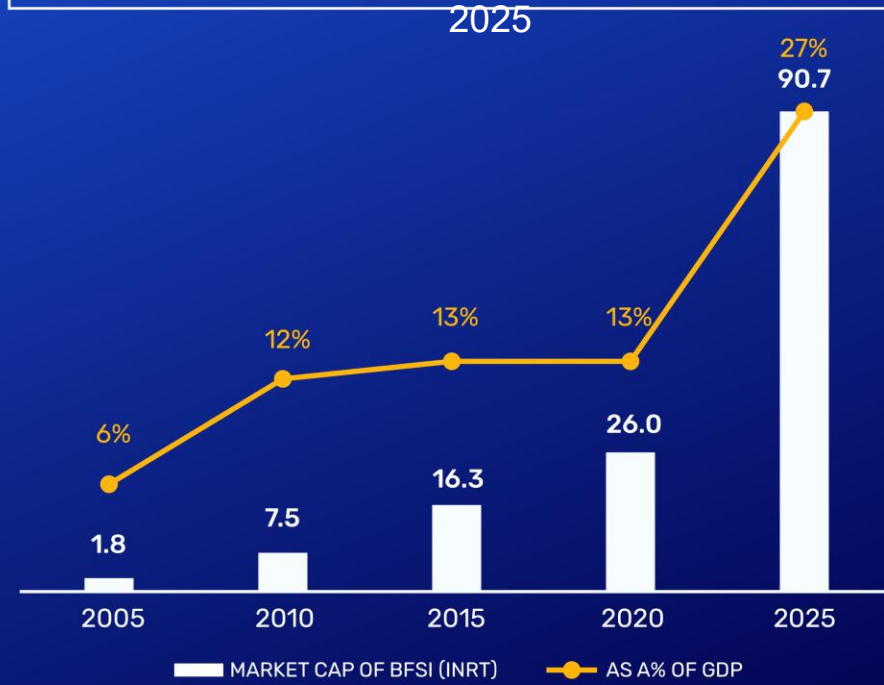


INDIAN BFSI SECTOR EXPERIENCED >50X SURGE IN MARKET CAP OVER 20 YEARS

The market cap of the Indian BFSI sector expanded to ₹91 tn in 2025 from ₹1.8 tn in 2005, reflecting a CAGR of ~22%

The sector has undergone a profound transformation driven by financialization, regulatory reforms and demographic dividends

BFSI MARKET CAP AS A % OF GDP HAS GROWN SIGNIFICANTLY FROM 6% TO 27% IN 2025



KEY OPPORTUNITIES IN BFSI



BANKS



NON BANKING FINANCIAL COMPANIES (NBFCs)



INSURANCE

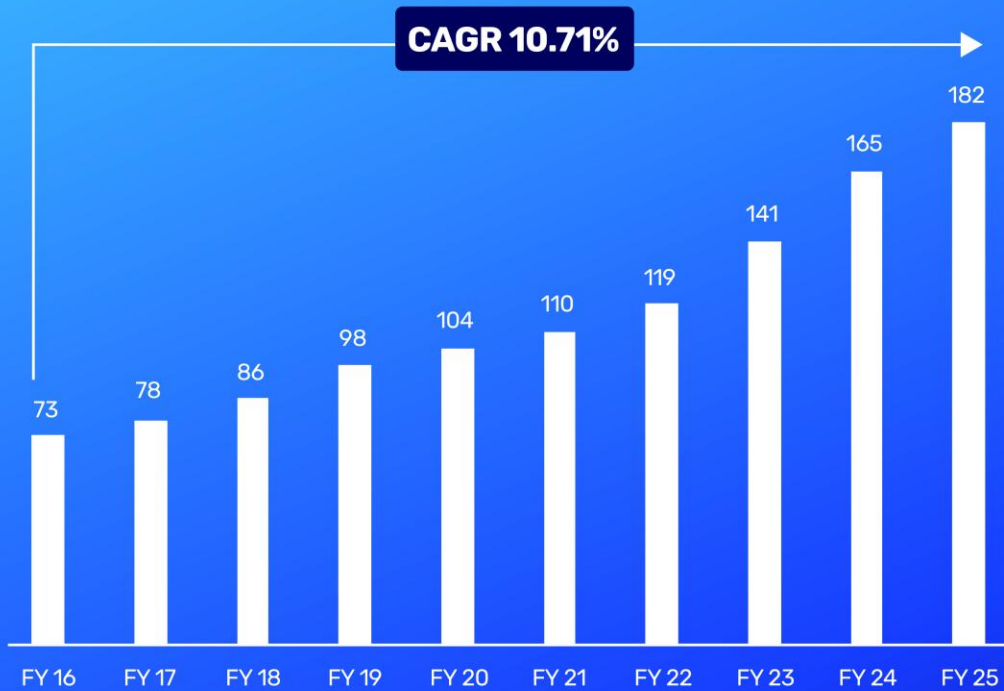


CAPITAL MARKETS, INTERMEDIARIES & ASSET MANAGEMENT

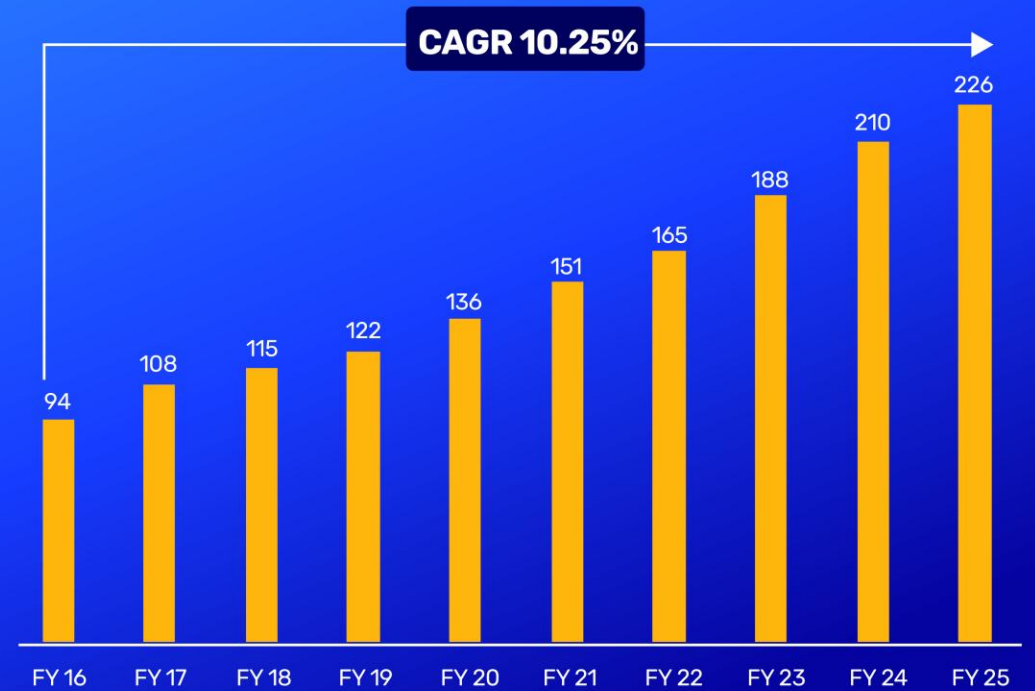
Source: MOFSL Report as published in April 2025

INDIAN BANKING SECTOR HAS GROWN AT A HEALTHY PACE

GROWTH IN BANK CREDIT (US\$ BILLION)



GROWTH IN DEPOSITS (US\$ BILLION)



 **BANKS**

 **NON BANKING FINANCIAL COMPANIES (NBFCs)**

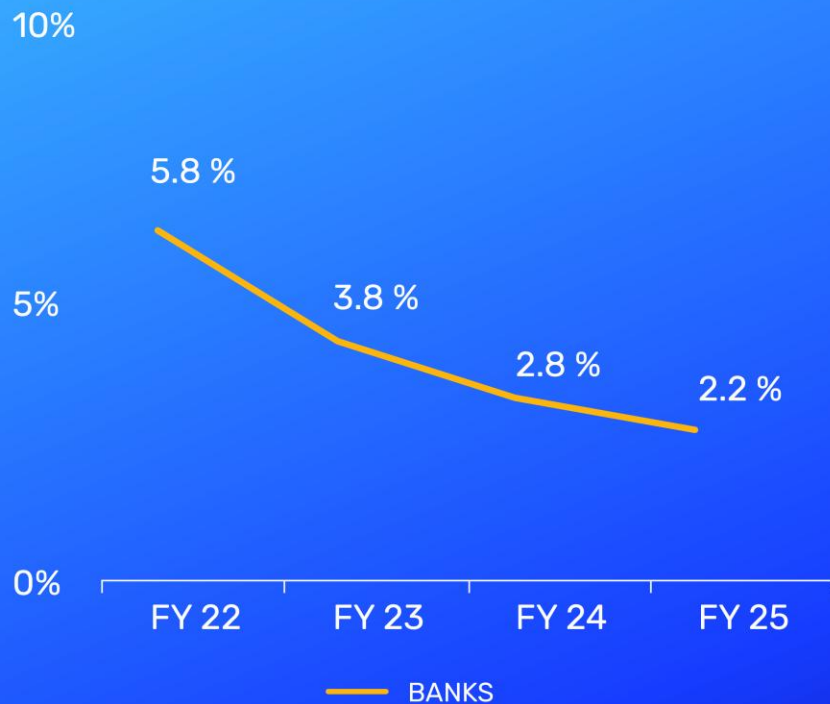
 **INSURANCE**

 **CAPITAL MARKETS, INTERMEDIARIES & ASSET MANAGEMENT**

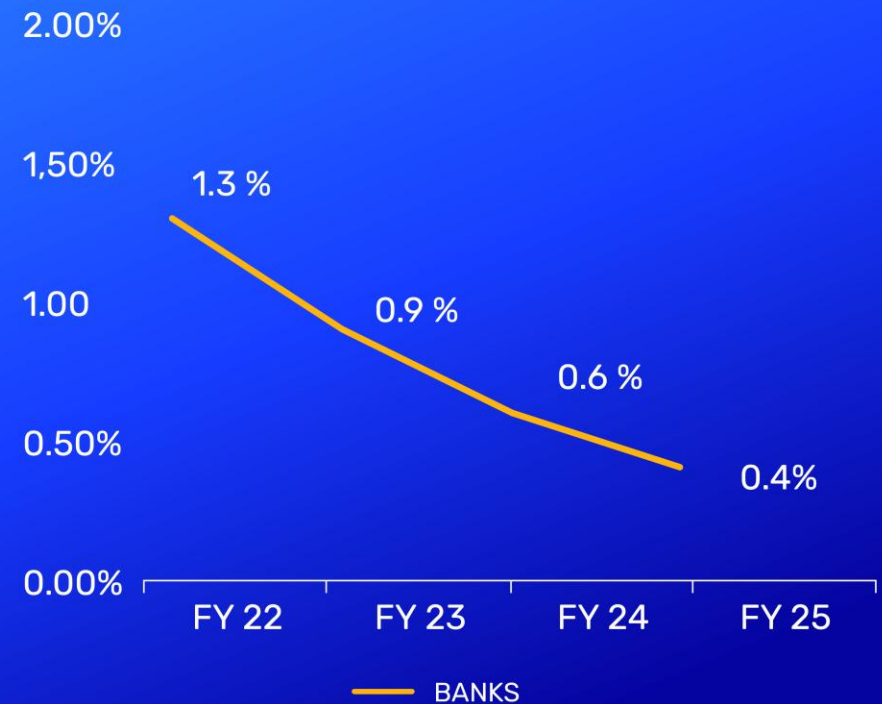
Source: RBI Documents

BANKS DEMONSTRATE IMPROVING FUNDAMENTALS

GNPA SHARPLY DECLINING FROM 5.8% TO 2.2%



CREDIT COST FALLING FROM 1.3% TO 0.4%

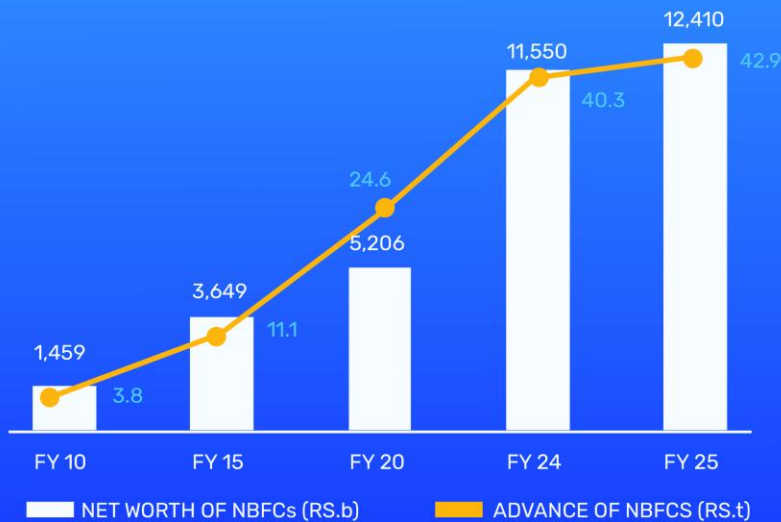


Source: RBI Documents, BCG Report

GNPA: Gross Non Performing Assets

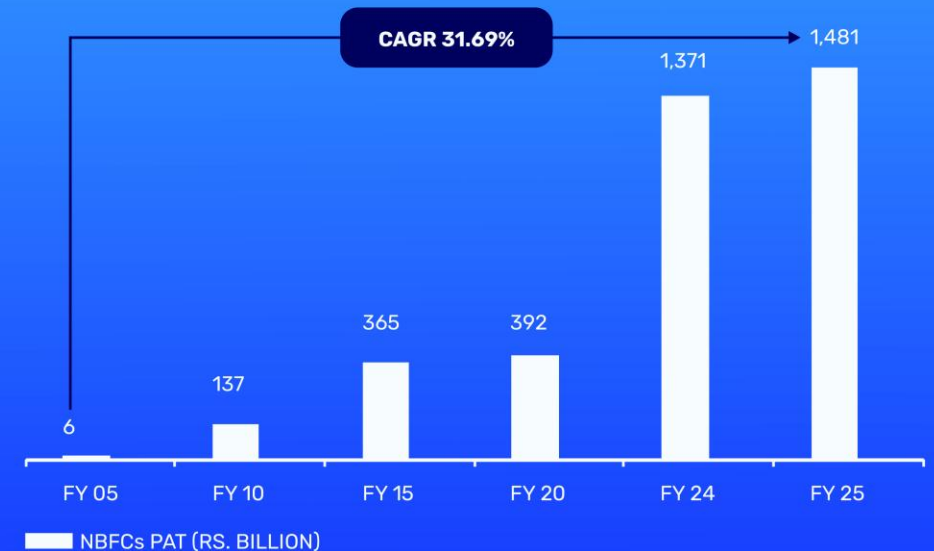
NBFCs HAVE WITNESSED SHARP GROWTH

NET WORTH OF NBFCs GREW BY ~15% (CAGR)



*NET WORTH FOR FY10-20 IS EXCLUDING HDFC LTD

PAT OF NBFCs GREW BY ~32% (CAGR)



NBFCs have emerged as a major force, playing a critical role in promoting financial inclusion and serving the credit needs of underserved segments



NBFCs account for 18% of total BFSI earnings in FY 24, highlighting their growing importance in retail lending and playing a critical role in promoting financial inclusion

 BANKS

 NON BANKING FINANCIAL COMPANIES (NBFCs)

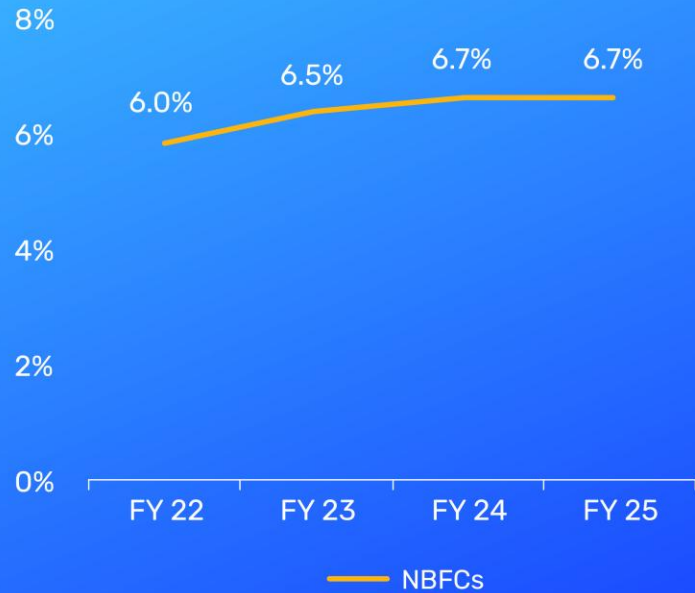
 INSURANCE

 CAPITAL MARKETS, INTERMEDIARIES & ASSET MANAGEMENT

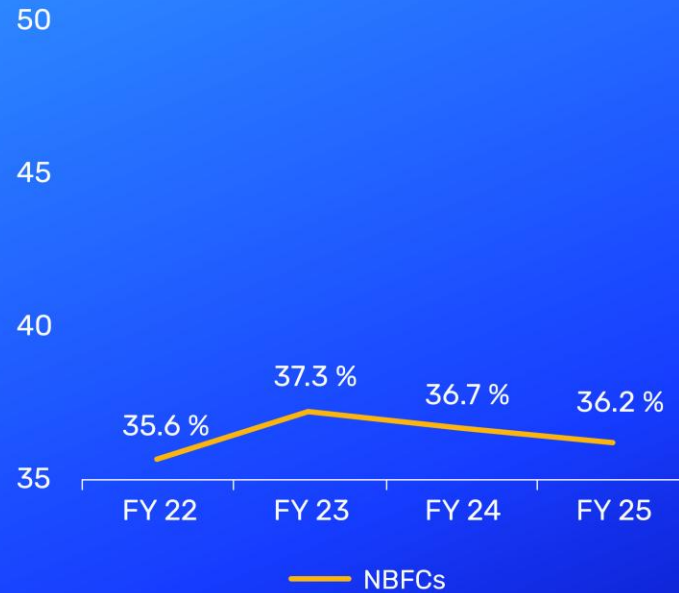
Source: MOFSL, RBI

FUNDAMENTALS OF NBFCs STRENGTHEN

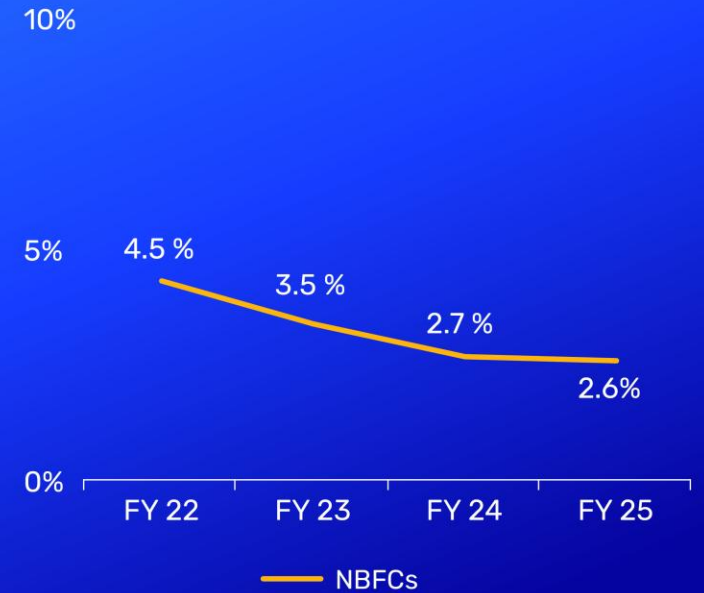
NET INTEREST MARGIN STEADY SINCE FY 2024



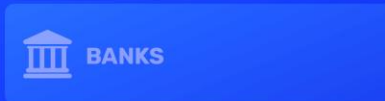
COST TO INCOME RATIO FELL MODERATELY FROM 37.3% TO 36.2%



GNPA FELL STEADILY SINCE FY 2022



NBFCs are emerging as key players in MSME lending, recording a 32% CAGR from FY21 to FY24

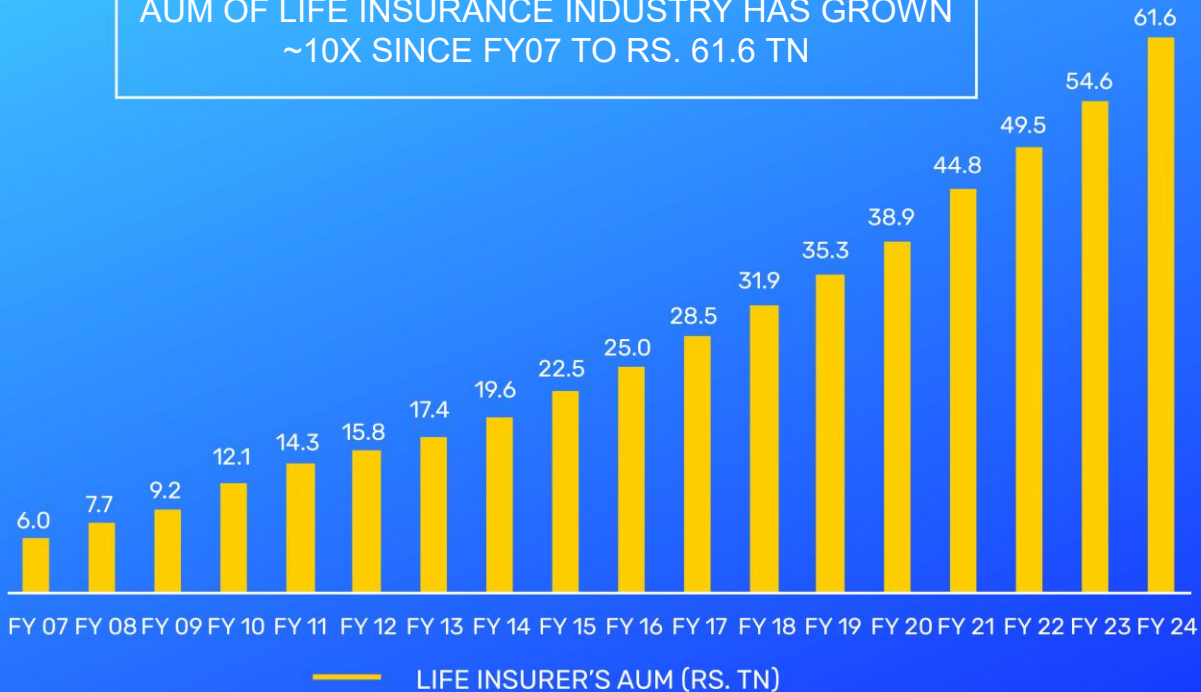


Source: RBI Documents, BCG Report

GNPA: Gross Non Performing Assets

INSURANCE INDUSTRY SCALING RAPIDLY

AUM OF LIFE INSURANCE INDUSTRY HAS GROWN
~10X SINCE FY07 TO RS. 61.6 TN



India is projected to become the 6th largest insurance market in 2032, surpassing Italy, Canada, South Korea, and Germany.

GENERAL INSURANCE INDUSTRY HAS WITNESSED
~10X GROWTH OVER LAST 15 YEARS



The insurance sector market cap surging to INR 10.6t, aided by increased financialization of savings and rising retail participation

BANKS

NON BANKING FINANCIAL COMPANIES (NBFCs)

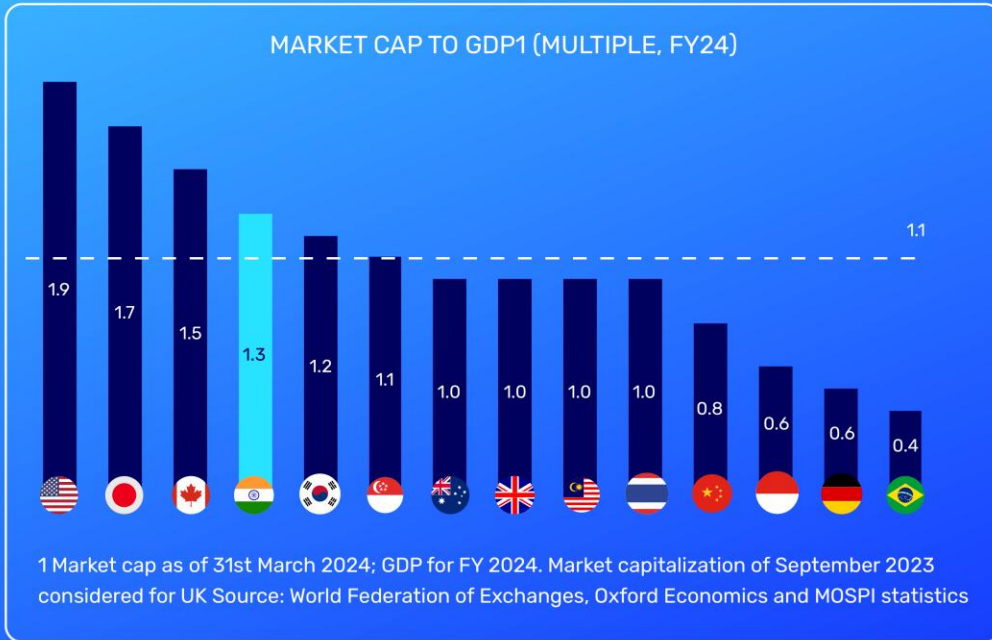
INSURANCE

CAPITAL MARKETS, INTERMEDIARIES & ASSET MANAGEMENT

Source: IRDAI, MOFSL, Swiss Re Sigma World Insurance Report, News Articles

INDIAN CAPITAL MARKET MEETING THE GLOBAL PACE

INDIA IS THE 4TH LARGEST BY MARKET CAPITALIZATION



Country wise, India is the 4th largest by market capitalization after the US, China and Japan

INDIA'S LEADING POSITION IN CASH EQUITIES

CASH EQUITIES MARKET CAPITALIZATION RANKINGS (FY24)

RANK	EXCHANGE	MARKET CAPITALIZATION (US\$ BN)
1	NEW YORK STOCK EXCHANGE	28,416
2	NASDAQ - US	25,430
3	EURONEXT	7,223
4	JAPAN EXCHANGE GROUP	6,660
5	SHANGHAI STOCK EXCHANGE	6,552
6	NATIONAL STOCK EXCHANGE INDIA	4,610
7	SHENZHEN STOCK EXCHANGE	4,099
8	HONGKONG ECHANGES AND CLEARING	3,870
9	LONDON STOCK EXCHANGE	3,423
10	TMX GROUP	3,210



India is above the global average in terms of market capitalization penetration, touching a 1.3x multiple, outperforming other emerging market equities due to its promising growth

BANKS

NON BANKING FINANCIAL COMPANIES (NBFCs)

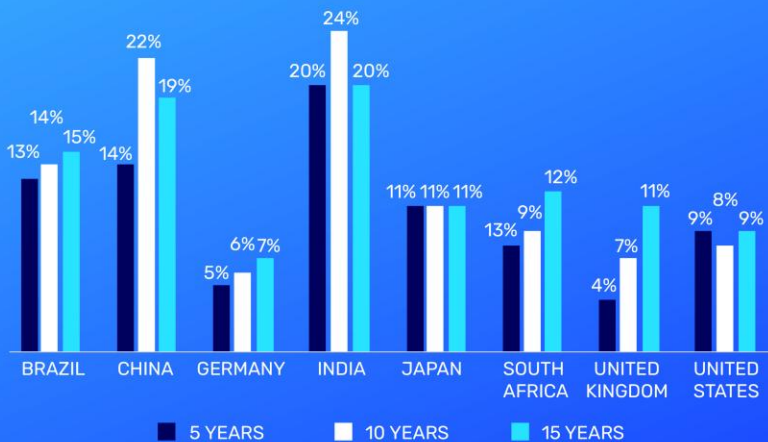
INSURANCE

CAPITAL MARKETS, INTERMEDIARIES & ASSET MANAGEMENT

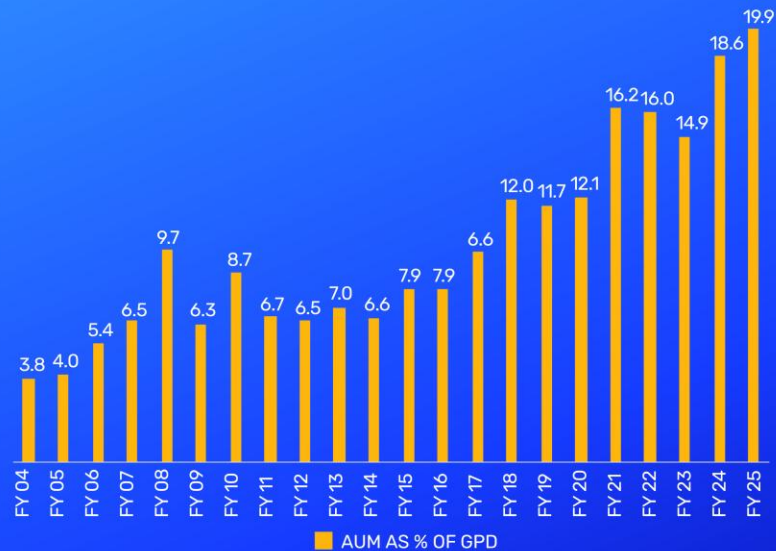
Source: NSE Report on Indian Capital Markets

INDIA EMERGING AS GLOBAL MUTUAL FUND POWERHOUSE

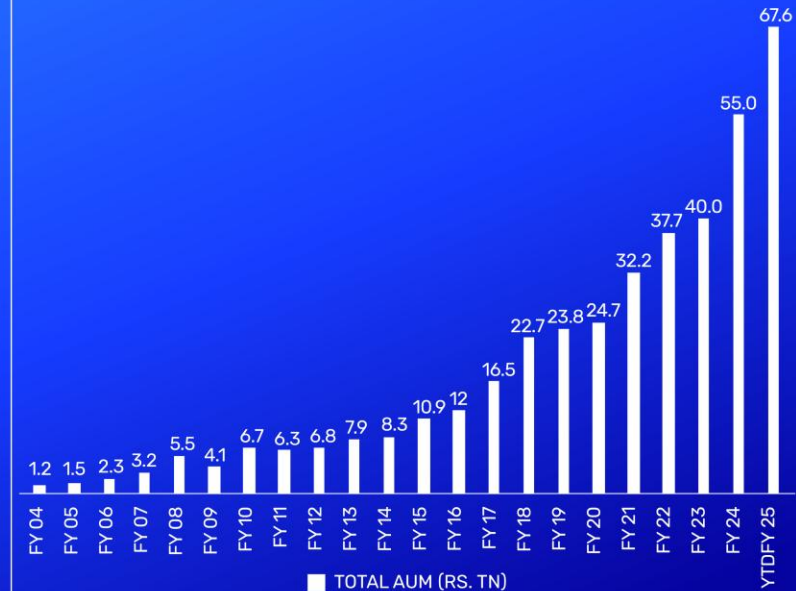
INDIAN MUTUAL FUND SAW THE HIGHEST GROWTH GLOBALLY IN 10 YEARS



AUM AS % OF GDP HAS GROWN TO ~19% FROM 7% A DECADE AGO



MF INDUSTRY AUM GREW BY ~45X OVER THE PAST TWO DECADES



India's MF AUM-to-GDP ratio has reached an all-time high of 19.9% of GDP as of March 2025.

Increased retail participation has helped the growth of the MF industry AUM with growing SIPs and unique investors

BANKS

NON BANKING FINANCIAL COMPANIES (NBFCs)

INSURANCE

CAPITAL MARKETS, INTERMEDIARIES & ASSET MANAGEMENT

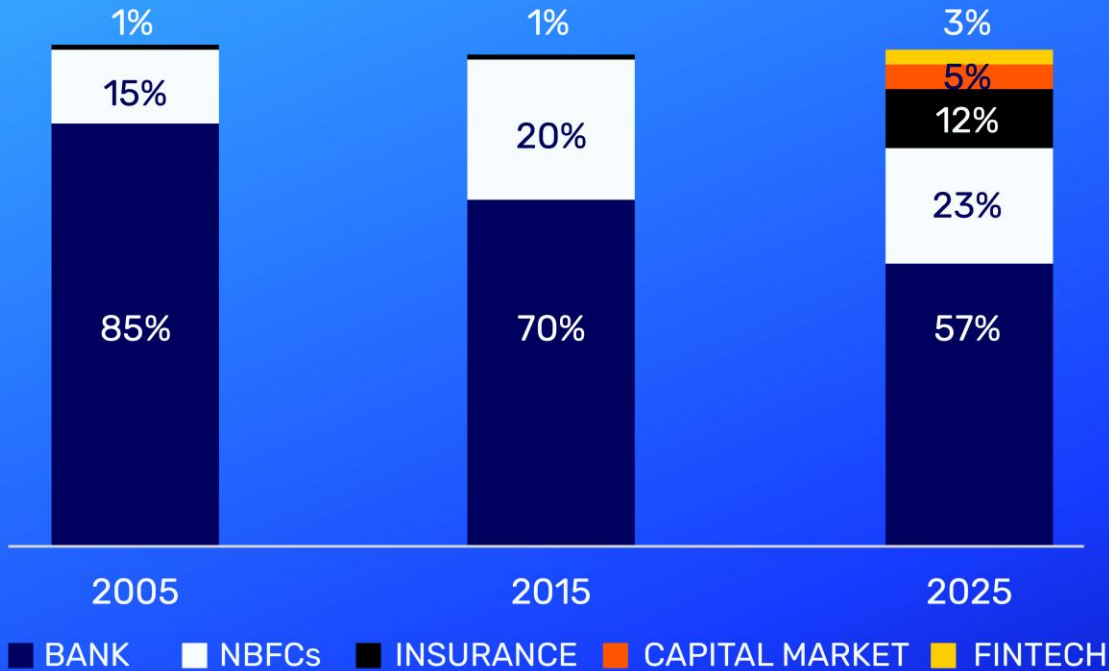

Source: AMFI, PIB, MOFSL

Why invest in BFSI?



BFSI ≠ JUST BANKS

BANKS NOW ACCOUNT FOR 57% OF SECTOR MARKET CAP VS 85% IN 2005

As of 2025, banks account for just **57% of BFSI's market cap**, down from 85% in 2005



This reflects the rising business of **NBFCs, fintechs, AMCs, and insurers** as major value drivers in the sector.



This transformation is **powered by digitization, fintech innovation, rising retail participation, and growing demand for diverse financial services**

Source: MOFSL Report as published in April 2025

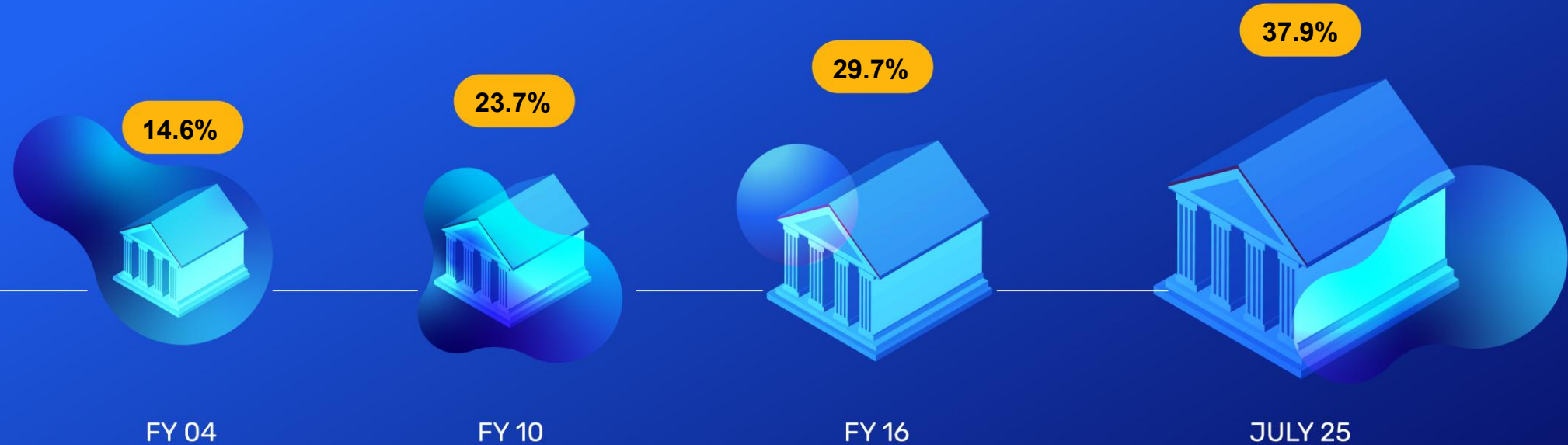
PROMINENT BUSINESS GROUPS HAVE MOVED BEYOND BANKS/ LENDING

	BANKING	NBFCs	ASSET MANAGEMENT	INSURANCE	CAPITAL MARKET
HDFC	✓		✓	✓	✓
ICICI	✓		✓	✓	✓
KOTAK	✓		✓	✓	✓
BAJAJ		✓	✓	✓	✓
ADITYA BIRLA		✓	✓	✓	✓

This slide is used for illustrative purposes to show Indian conglomerates which have diverse businesses in the BFSI sector. There might be other companies apart from the ones mentioned in this slide which have diverse businesses across the BFSI sector. These companies may/may not form part of the portfolio and investors are advised to consult with their financial advisors before investing.

BFSI's WEIGHT IN NIFTY 50 SURGED 2.6X OVER 20 YEARS

BFSI WEIGHT IN NIFTY 50 HAS INCREASED SIGNIFICANTLY TO 37.9% IN JUL'25 FROM 14.6% IN FY04



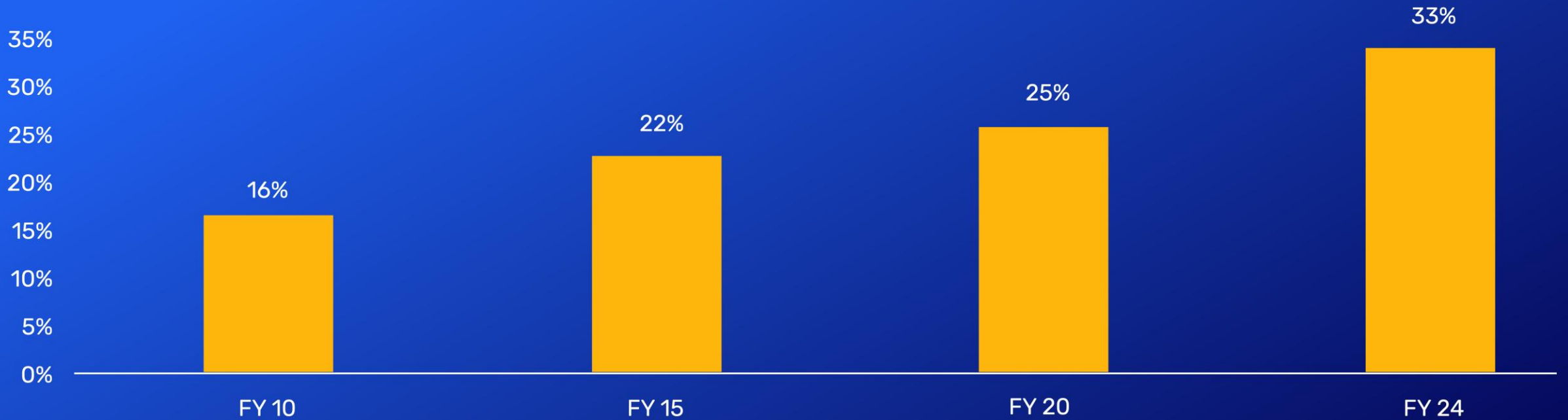
Additionally, there has been a 50X rise in BFSI's market cap — from ₹1.8 trn to ₹91 trn over two decades.



This signals a structural shift—driven by formalization, digitization, credit penetration, and strong investor confidence.

BFSI's PAT CONTRIBUTION IN NIFTY 50 ROSE BY 17% IN LAST 14 YEARS

PAT contribution has risen to 33% in FY24 from 16% in FY10



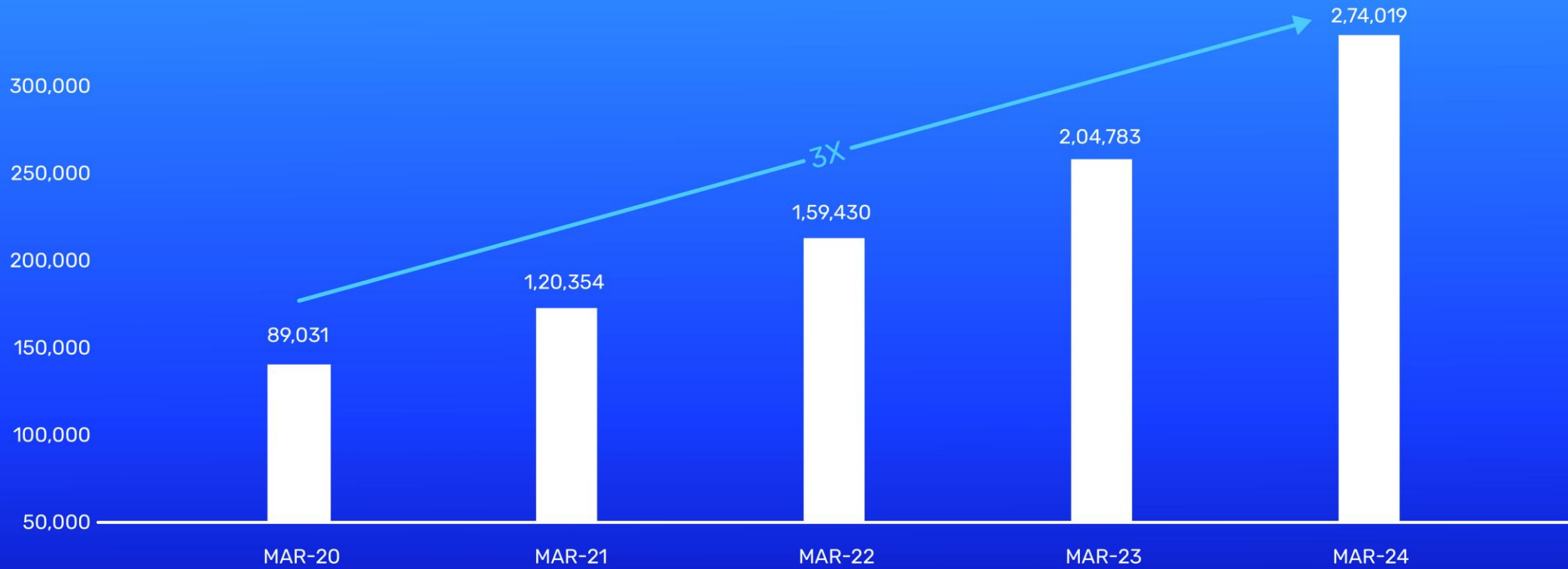
The earnings have rebounded strongly after FY20 underpinned by a combination of improving asset quality, robust loan growth, and a steady decline in provisioning expenses.

Why invest in BFSI NOW



HEALTHY PROFITABILITY & FUNDAMENTALS OF THE SECTOR

PAT OF NIFTY FINANCIAL SERVICES INDEX (IN RS. CRORE)

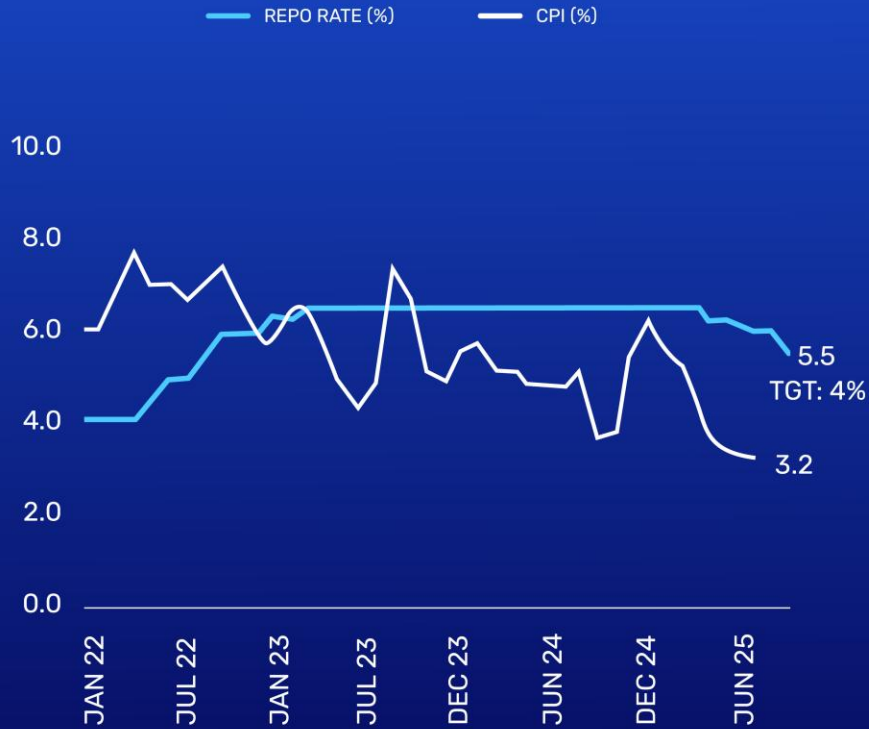


Past performance may or may not be sustained in future

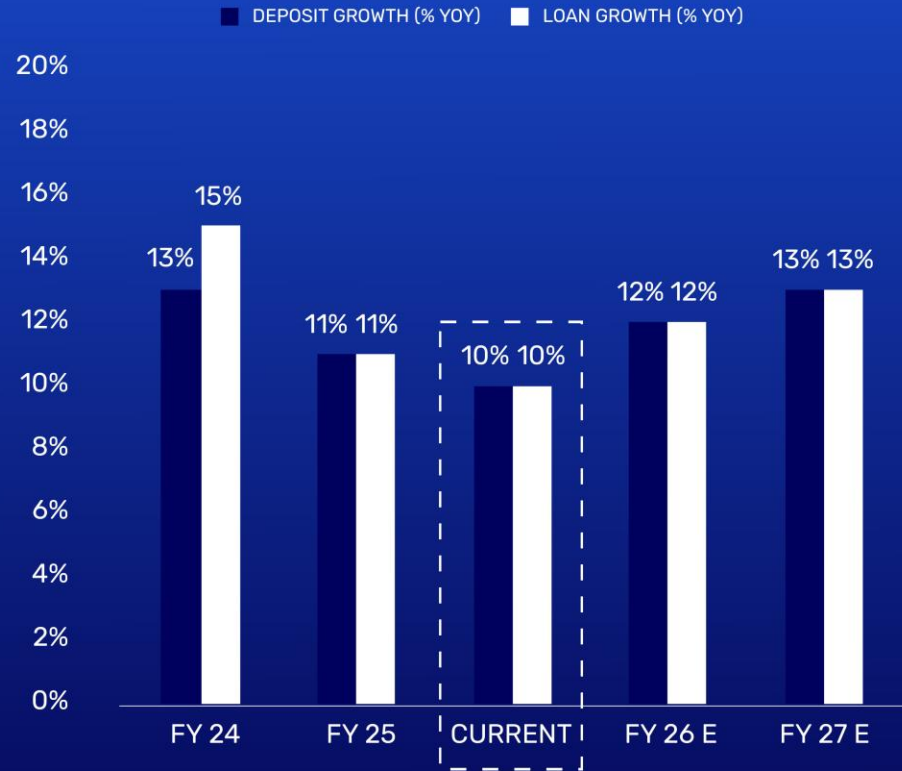
Data as on Mar 31, 2024 | Source: ACE Equity PAT: Profit After Tax

BFSI SET TO REAP THE GAINS FROM RATE CUT EFFECTS

RBI MPC CUT REPO RATE BY 100BPS TO 5.5% IN PAST 4M



CREDIT GROWTH EXPECTED TO IMPROVE BY 150-200BPS OVER COMING 12 MONTHS WITH BETTER MACROS AND RBI EASING



RBI's rate cuts in FY26 will boost loan demand, widen interest spreads, and support treasury gains for banks and NBFCs



A drop in yields due to easing can further unlock higher treasury gains for banks



MUTUAL
FUND

INTRODUCING

BAJAJ FINSERV BANKING AND FINANCIAL SERVICES FUND

An open ended equity scheme investing in Banking and Financial Services sector



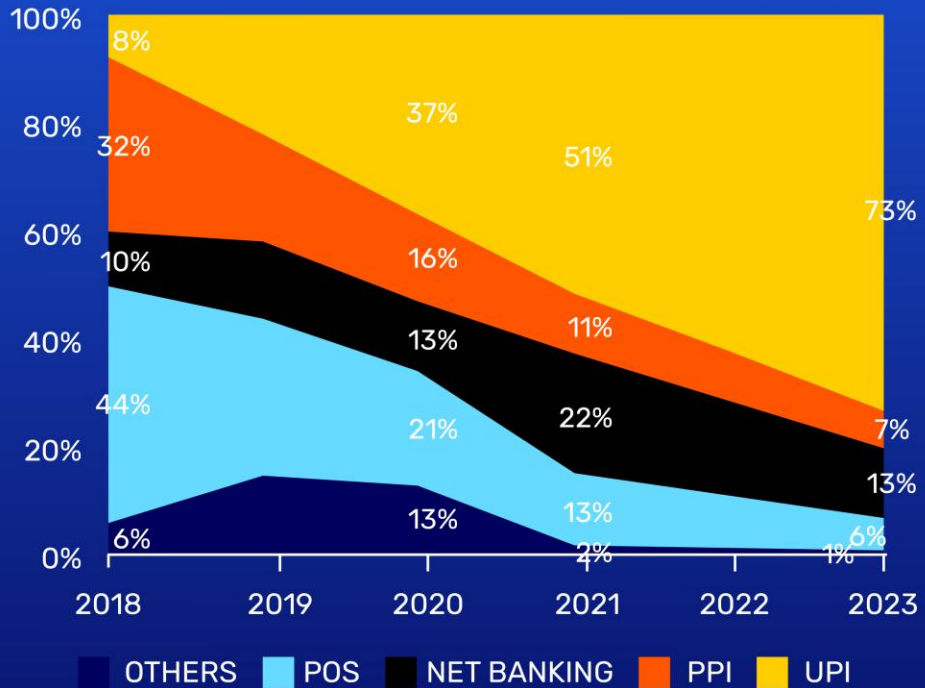
INVESTING IN



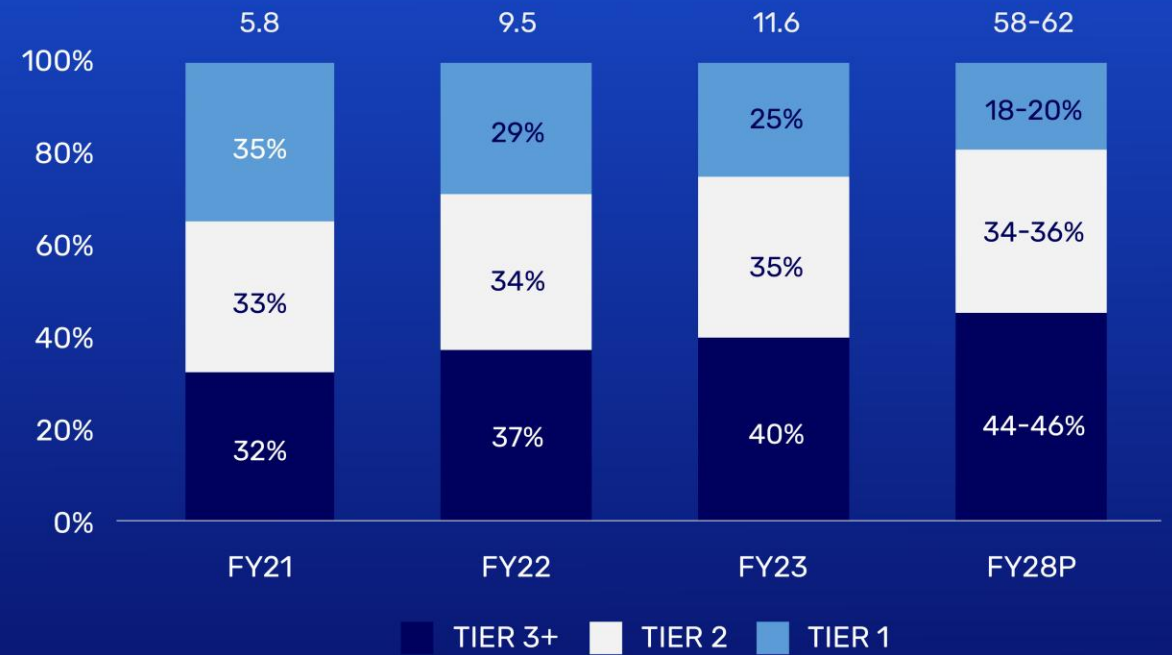
TECHNOLOGICAL REGULATORY ECONOMIC NATURE DEMOGRAPHIC SOCIAL

TECHNOLOGY: UPI TO DISPLACE CASH AS THE PREFERRED PAYMENT MODE

NON CASH TXN SHARE IN INDIA - VOLUME



NON CASH TXN SHARE IN INDIA - VOLUME

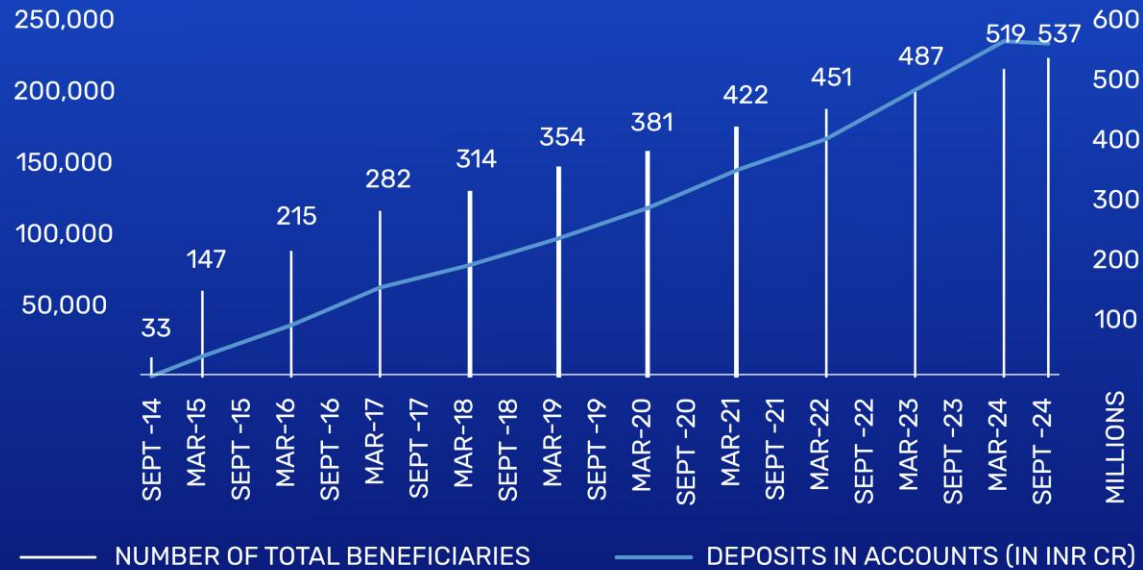


- Non-cash transactions for Indian households are expected to increase from 38% in FY23 to 62% in FY28
- Digitalization of Indian financial sector percolating into smaller cities as can be seen from trend and outlook of digital lending disbursements
- Tier 2 and smaller cities expected to account for 80%+ of the ~\$60bn digital lending disbursements by FY28 (estimates)

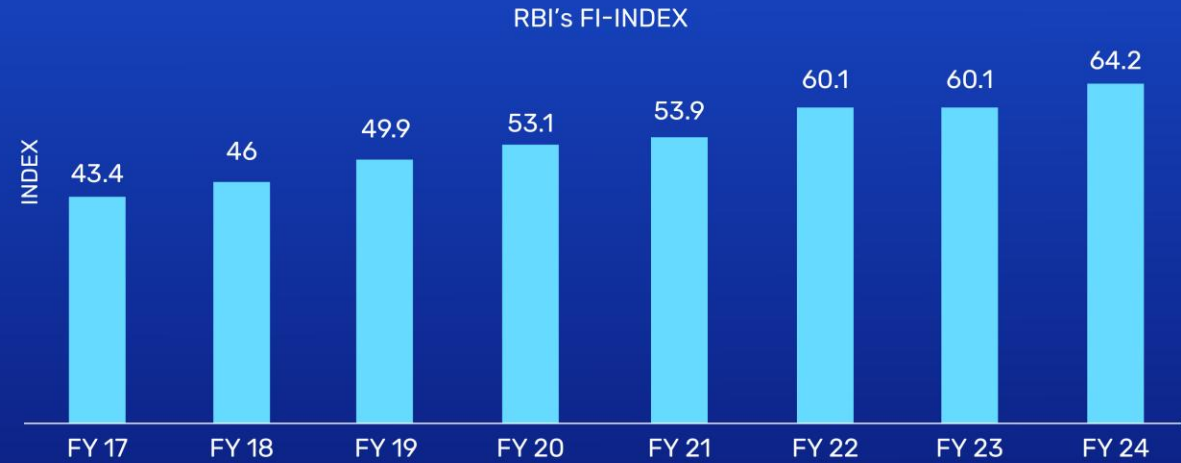
Source: Mobiquick RHP, Redseer, Internal

ECONOMIC: JAN DHAN ACCOUNTS DRIVING FINANCIAL INCLUSION

JAN DHAN ACCOUNT BENEFICIARIES AND DEPOSITS



STEADY PROGRESS ON FINANCIAL INCLUSION IN INDIA

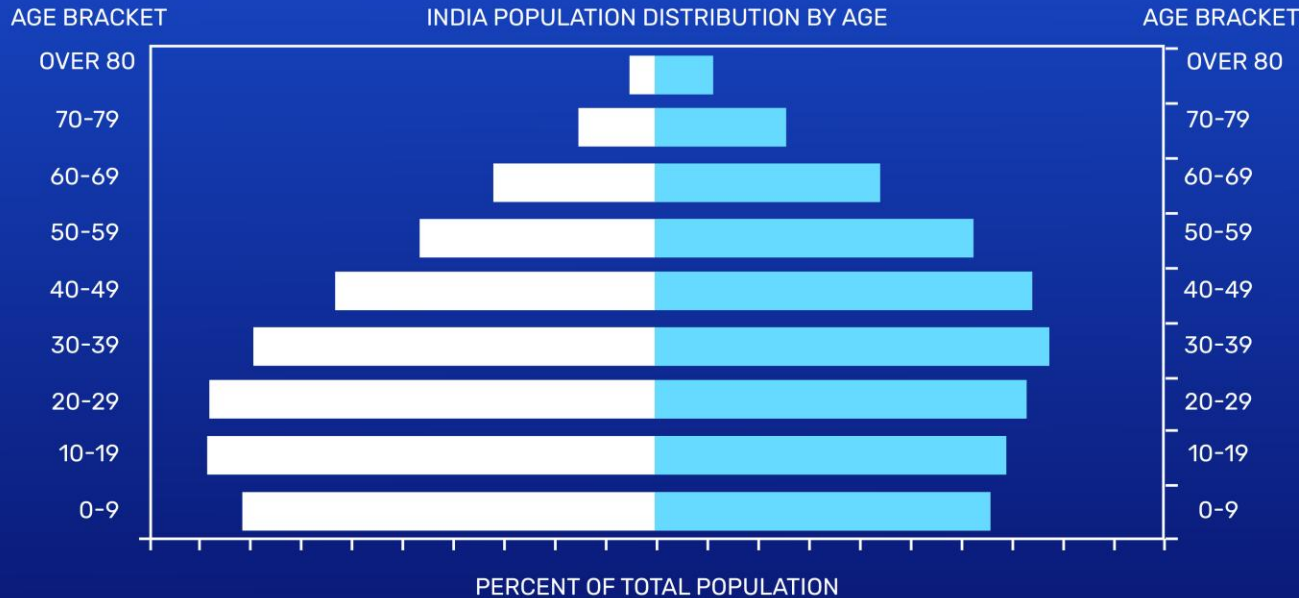


- Number of Jan dhan accounts over last 10 years has grown nearly 18 x from 33mn in FY14 to 540mn in FY24, driving the govt's agenda of financial inclusion.
- These 540 mn Jan dhan accounts have garnered deposits of INR 2.3 trillion.
- Jan dhan accounts have been the foundation of the direct benefits that the central and state governments have transferred into the beneficiaries of various schemes, preventing leakages and corruption in the system.

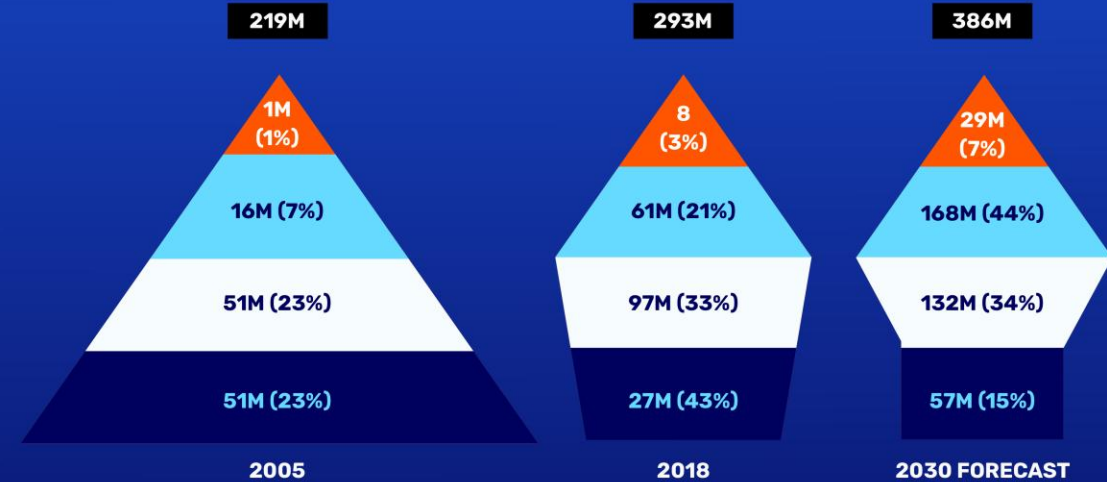
Sources: RBI, Periodic Labour Force Survey (2023), GSMA (2023)

DEMOGRAPHIC: INDIA'S RISING WORKFORCE AND PROSPERITY TO DRIVE BFSI DEMAND

INDIA'S WORKING AGE POPULATION IS SET TO INCREASE OVER THE NEXT TWO DECADES



EVOLUTION OF THE HOUSEHOLD-INCOME PROFILE IN INDIA



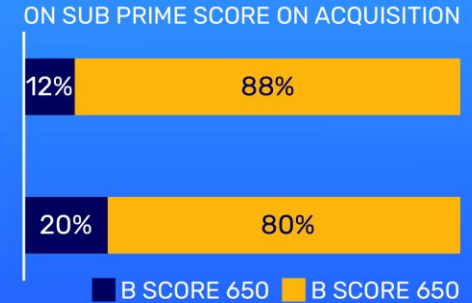
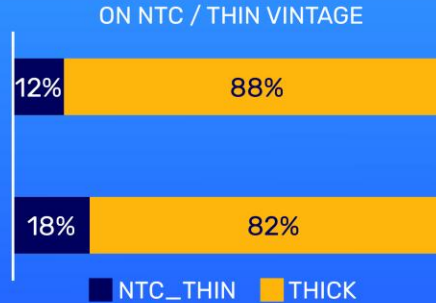
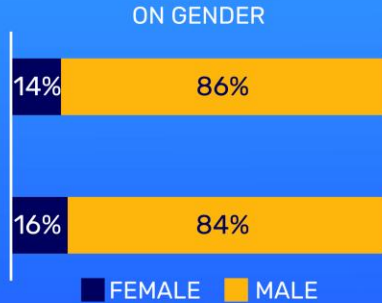
- India's growing working-age population and rising incomes are expanding the market for credit, insurance, and investments.
- As 75% of households move into middle and high-income segments by 2030, BFSI demand is set to surge across urban and rural India.

Source: Jefferies

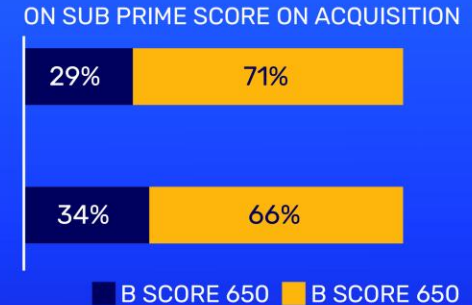
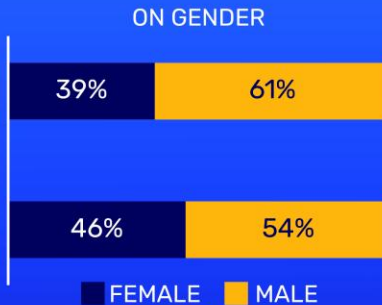
Note: Low income: <\$4,000, Lower-mid: \$4,000-8,500, Upper-mid: \$8,500-40,000, High income: >\$40,000 basis income per household in real terms; Projections with annual GDP growth assumed at 7.5% Source: PRICE Projections based on ICE 360° Surveys (2014, 2016, 2018) Household income per annum in 2017-18 prices by income segment: Low <\$4k (<INR 2.5 lakhs), Lower-middle- \$4k-8.5k (INR 2.5-5.5 lakhs), Upper-middle- \$8.5k-40k (INR 5.5-27.5 lakhs), High: >\$40k (>INR 27.5 lakhs). Poverty line at <\$2 (< INR 125) per day per person

SOCIAL: FINTECH INNOVATION DRIVING CREDIT ACCESS

HIGHER PENETRATION OF FINTECH IN SEGMENTS WITH LOW CREDIT ACCESS



SOURCING DISTRIBUTION ACROSS MULTIPLE CATEGORIES (PL FOR FY 22, FY 23 AND FY24)

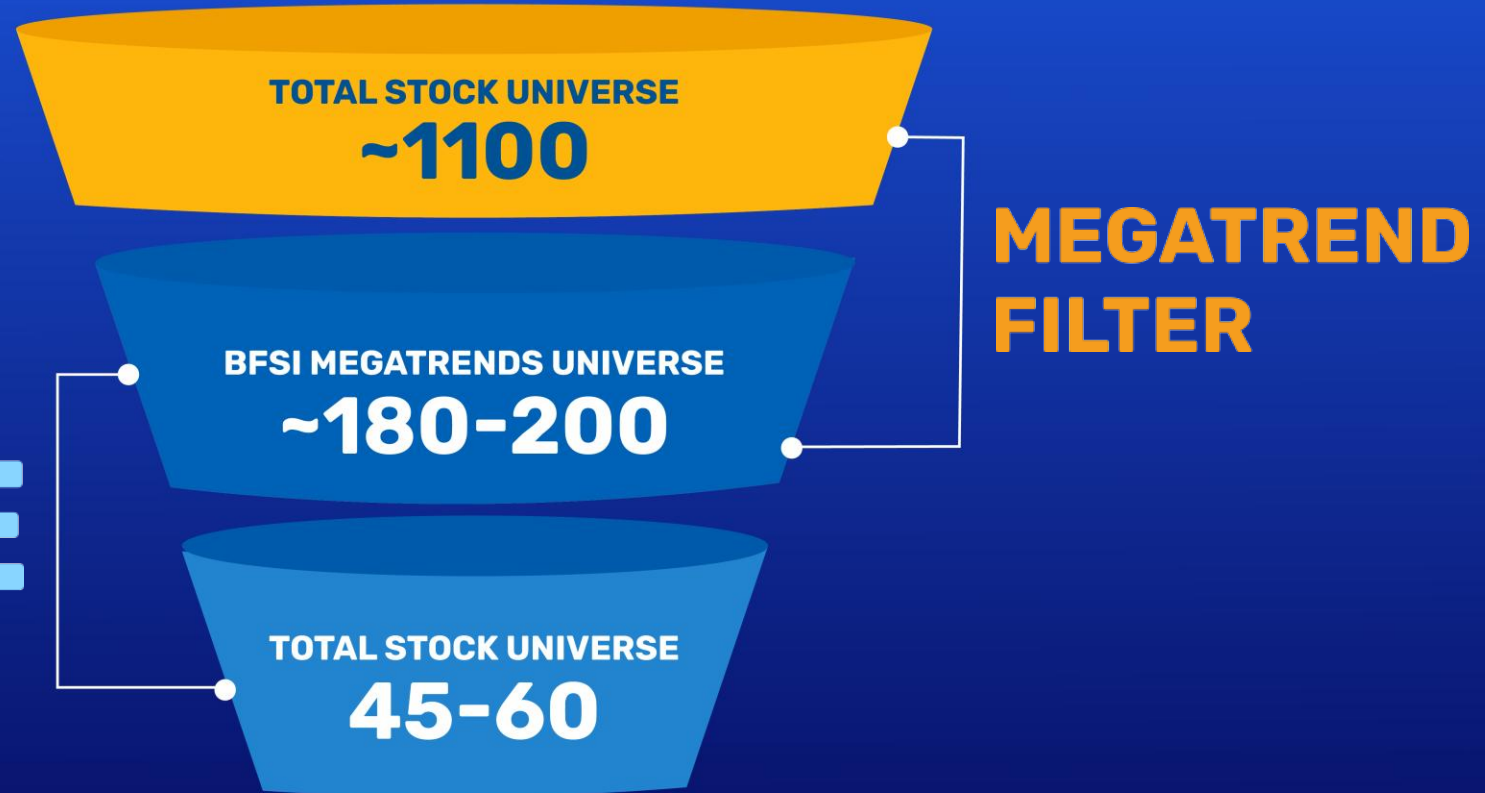


SOURCING DISTRIBUTION ACROSS MULTIPLE CATEGORIES (BL FOR FY 22, FY 23 AND FY24)

- Fintechs have brought new and innovative products to Indian consumers, especially to those who have limited credit history.
- Highest impact of fintechs can be seen in personal loans (PL) in people who are new to credit or have limited credit history or in people with low credit score. Fintechs also have higher exposure to women in business loans.
- Rapid rise in mobile internet, India stack and funding environment has led to increase in market share growth of fintech led lending in India

PORTFOLIO CONSTRUCTION PROCESS

INQUBE



The portfolio count is indicative, and actual number will depend on market conditions at the time of making investment

WHY INVEST IN BAJAJ FINSERV BANKING AND FINANCIAL SERVICES FUND?

CURATED FROM STRUCTURAL SECTOR TRENDS

45–60 stocks shortlisted from ~200 megatrends universe, aligned to long-term structural trends.

ALIGNED WITH INDIA'S BFSI MEGATRENDS

Taps into digital finance, financial inclusion, and sector growth—driven by UPI, digital lending, Jan Dhan, and rising traction across NBFCs, mutual funds, and insurance.

BROAD BASED EXPOSURE

Invests across banks, NBFCs, insurers, AMCs and other capital market participants—beyond just lending-focused BFSI.

ATTRACTIVE ENTRY POINT

Valuations below 14-year averages with improving asset quality and earnings visibility.

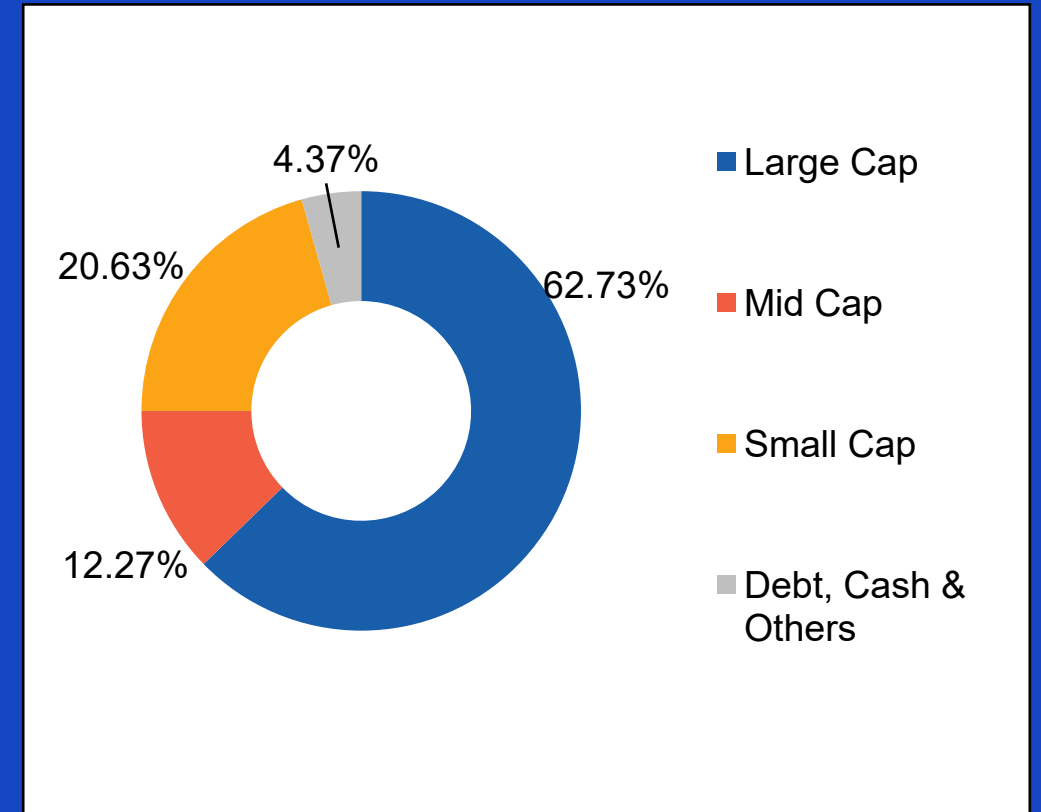
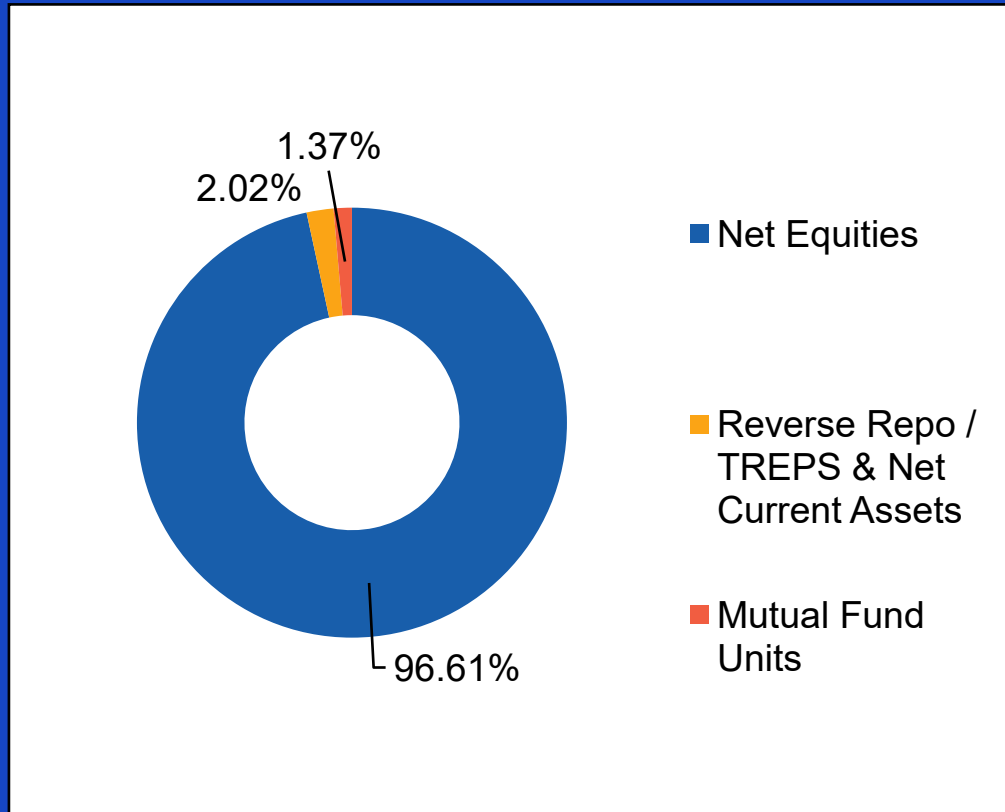
PORTFOLIO COMPOSITION

Stock	Market Value as % of Net Asset (Eq)
HDFC Bank Limited	14.67%
ICICI Bank Limited	13.37%
Axis Bank Limited	8.99%
State Bank of India	8.30%
Kotak Mahindra Bank Limited	7.80%
The Federal Bank Limited	4.24%
Manappuram Finance Limited	3.65%
Shriram Finance Limited	3.26%
RBL Bank Limited	2.91%
Go Digit General Insurance Limited	2.89%
Niva Bupa Health Insurance Company Limited	2.48%
Jio Financial Services Limited	2.41%
Bajaj Finserv Limited	2.19%
ICRA Limited	2.01%
Angel One Limited	1.91%
360 One WAM Limited	1.88%
Bajaj Finance Limited	1.74%
BSE Limited	1.67%

Stock	Market Value as % of Net Asset (Eq)
Ujjivan Small Finance Bank Limited	1.51%
CreditAccess Grameen Limited	0.99%
Aditya Birla Capital Limited	0.95%
Max Financial Services Limited	0.88%
PB Fintech Limited	0.82%
Prudent Corporate Advisory Services Limited	0.78%
Medi Assist Healthcare Services Limited	0.67%
City Union Bank Limited	0.64%
IndusInd Bank Limited	0.64%
One 97 Communications Limited	0.45%
Multi Commodity Exchange of India Limited	0.38%
HDFC Asset Management Company Limited	0.36%
PNB Housing Finance Limited	0.19%
Bank Nifty Index - Futures	0.98%
Total Equities	96.61%
Bajaj Finserv Mutual Fund	1.37%
Total Mutual Funds	1.37%
Short Term Debt and Net Current Assets	2.02%
Grand Total	100.00%

Data as on 31st March 2026

Asset and Market cap Allocation



SCHEME FEATURES

Scheme Type	An open-ended equity scheme investing in Banking and Financial Services Sector
Plans	Regular Direct
Option	Growth IDCW
Minimum Application Amount	Rs. 500 (Plus, multiples of Re.1)
Minimum Additional Application	Rs. 100 (Plus, multiples of Re.1)
Entry Load	Not Applicable
Exit Load	If units are redeemed switched out : Within 3 months from the date of allotment – 1% of applicable NAV More than 3 months from the date of allotment – Nil
Fund Manager	Equity portion – Mr. Nimesh Chandan & Mr. Sorbh Gupta Debt Portion: Mr. Siddharth Chaudhary
Benchmark Index	NIFTY Financial Services TRI
SIP/ SWP/ STP	Available
NAV in Rs.	Regular: 8.6480 Direct: 8.6960
AUM in Rs Cr.	367.33cr.
TER (%)	Regular: 2.36 Direct: 0.66

BAJAJ FINSERV BANKING AND FINANCIAL SERVICES FUND

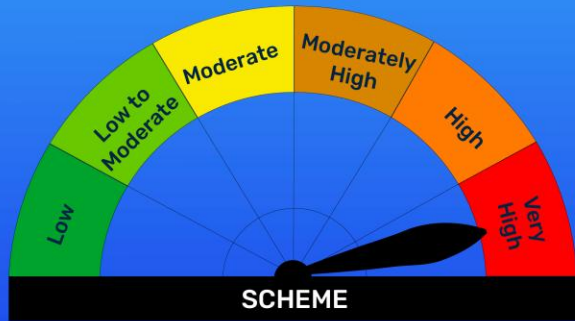
(An open ended equity scheme investing in Banking and Financial Services sector)

This product is suitable for investors who are seeking*:

- Wealth creation over long term
- To invest predominantly in equity and equity related securities of companies engaged in banking and financial services

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

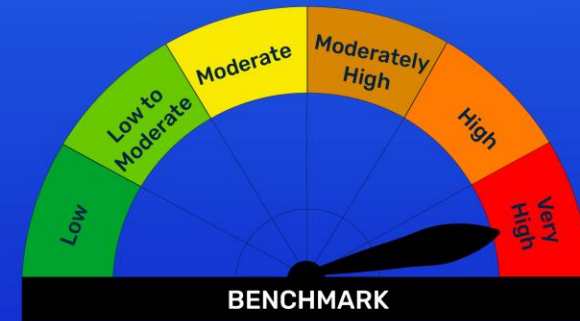
SCHEME



The risk of the scheme is very high

RISKOMETER#

BENCHMARK



The risk of the benchmark i.e. NIFTY Financial Services TRI is very high

"The above product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made.

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