BAJAJ FINSERV TOP 10 BANKS ETF

(An open ended scheme tracking BSE Top 10 Banks Total Return Index)

NFO Period	July 13, 2026 - July 15, 2026

Bajaj Finserv Mutual Fund || Reg. No. MF/078/23/04

Banking is the Backbone of the Indian Economy

Every ₹1 invested in the Indian economy flows through the banking system first.

~20%

Bank Sector Weight in BSE 500 (as on June 30, 2026)

(Dominant sector by market cap)

Source: BSE Indices, PIB

1

Capital Intermediation

Banks channel household savings into productive business investment - the primary engine of GDP growth.

2

Financial Inclusion at Scale

PM Jan Dhan Yojana has enabled over 57 crore bank accounts since 2014 (data as on March 2026), significantly expanding formal financial inclusion. Banks are the delivery vehicle.

3

Monetary Policy Transmission

Every RBI rate action reaches the real economy through bank lending rates - no other channel compares in speed or scale.

4

Infrastructure Financing

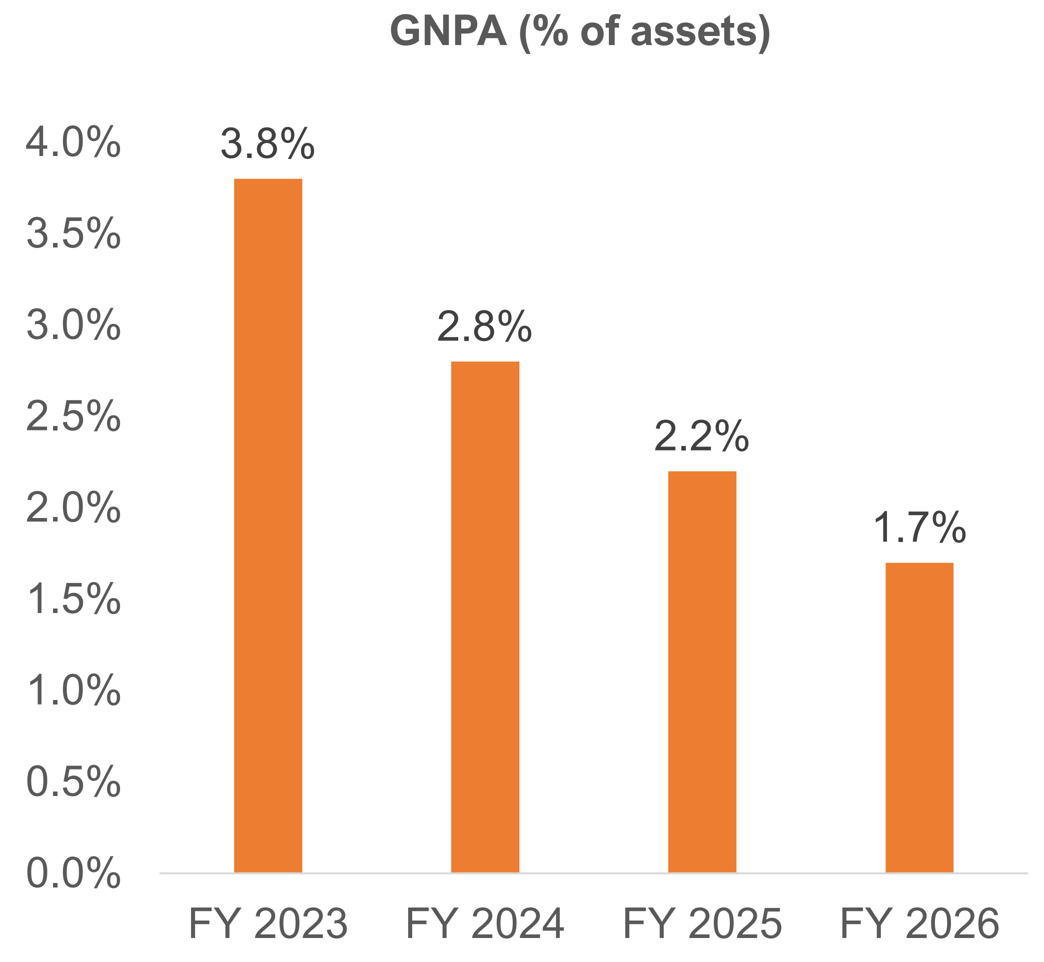
Public and private banks are the dominant financiers of India's roads, ports, power, and data centre build-out.

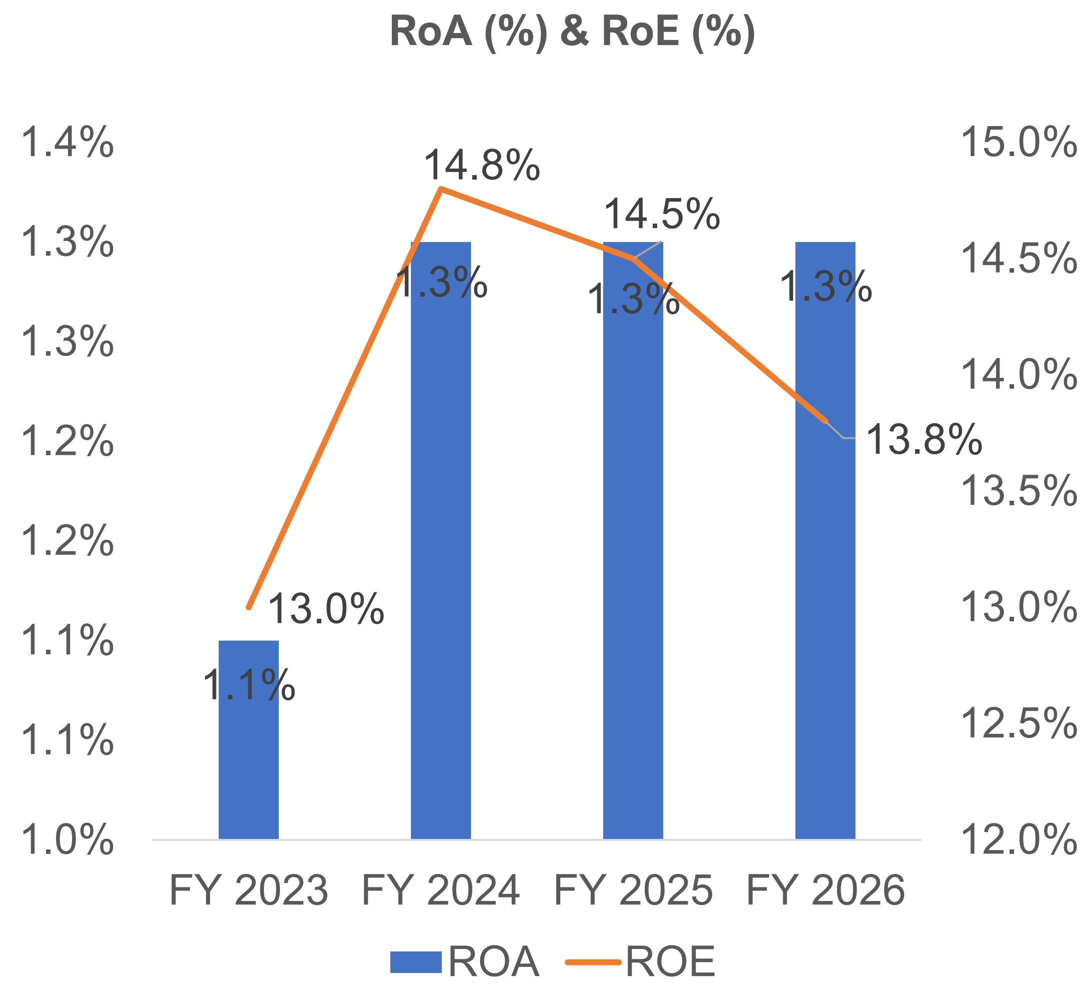
5

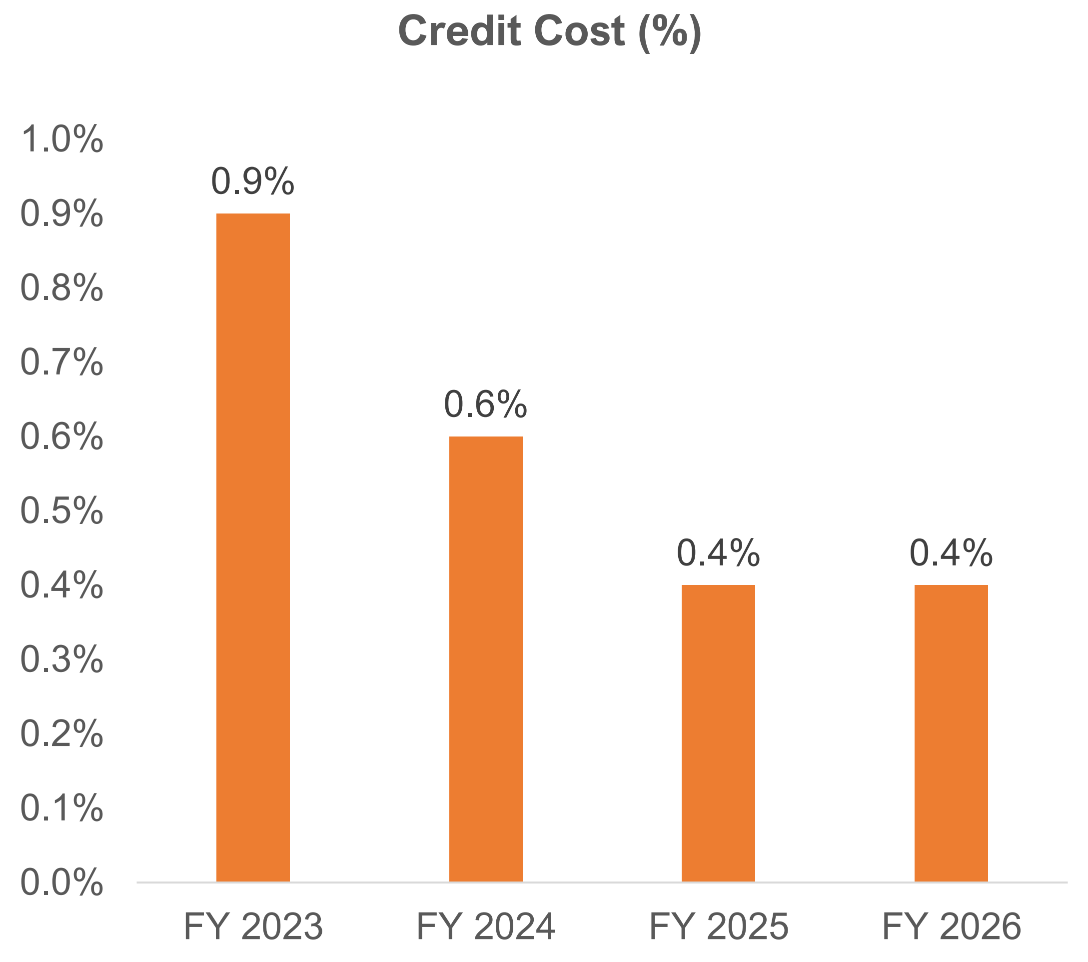
Digital Payments Leadership

India processes 20 billion+ UPI transactions monthly - all routed through bank-backed rails. The world's largest digital payments network.

Banking Sector Highlights (1/2)







- **Asset qualities of banks continued improving** with Gross Non – performing assets (GNPA) declining to **multi decadal low of 1.7%.**

- **RoA improved sharply from 1.1% in FY23 to 1.3% in FY24** and has remained stable through FY26.
- The decline in RoE despite stable RoA suggests **margin normalization, higher capital levels, or slower earnings growth rather than deterioration in asset quality.**

- Credit costs have more than halved, falling from 0.9% in FY23 to 0.4% in FY26
- The flattening at 0.4% suggests **banks are likely operating at normalized credit costs, leaving limited room for further earnings gains from lower provisions**

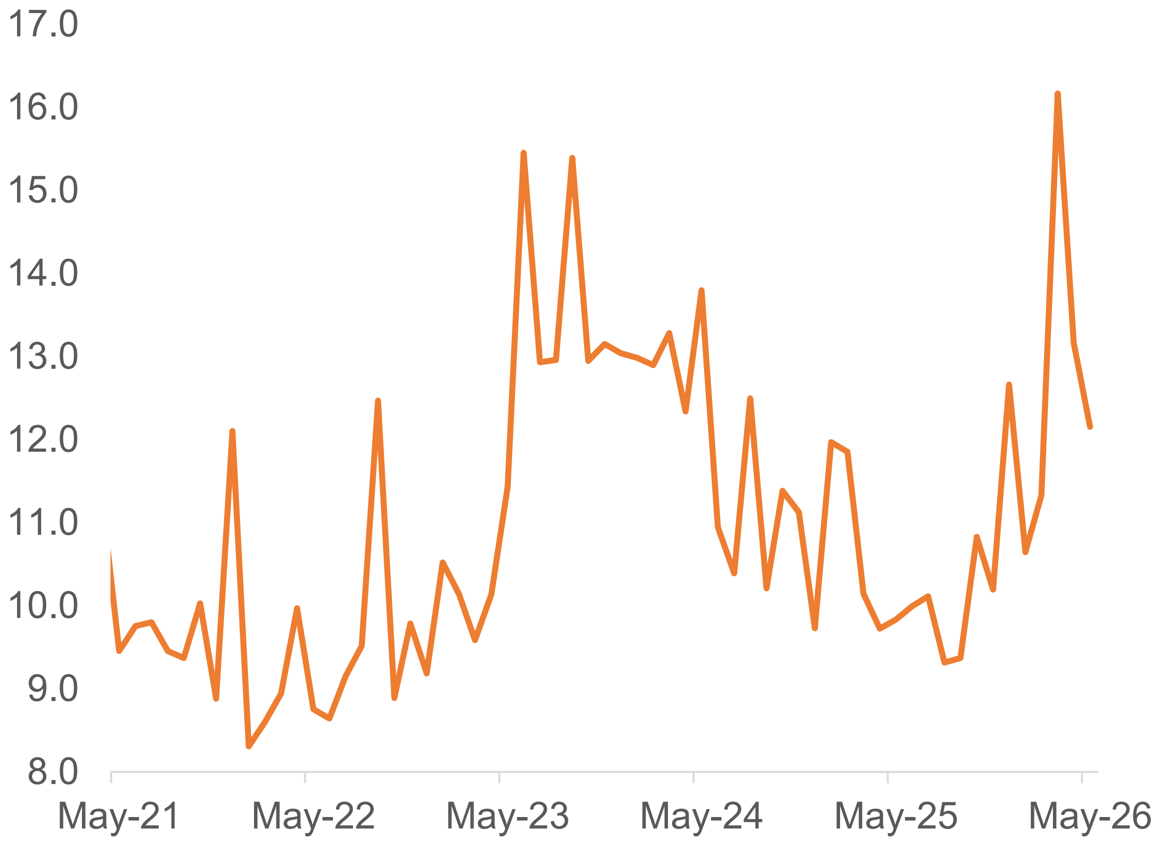
Notes: GNPA – Gross Non – performing assets; RoA – Return on Assets; RoE – Return on Equity; Data as of March 31, 2026; Data considered for scheduled commercial banks
Source: Ellara Capital, RBI

Banking Sector Highlights (2/2)

Credit growth (%)

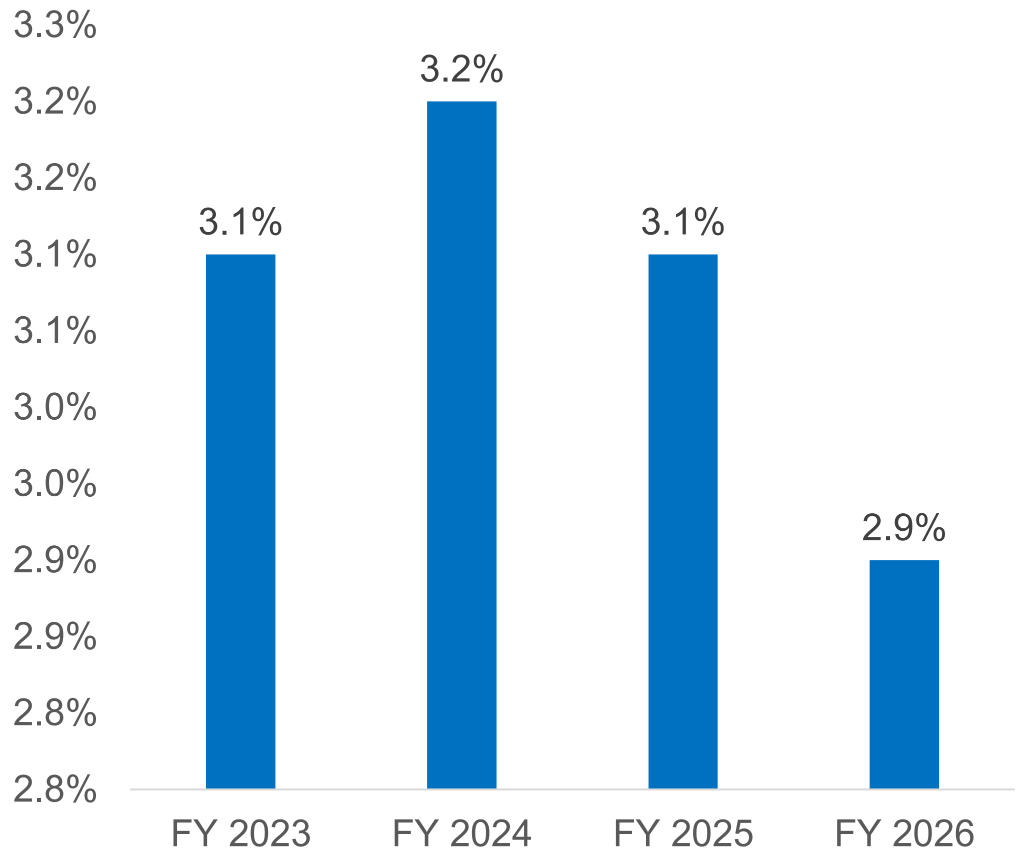
- **Credit growth is recovering to reaching 16.9% in March 2026, but profitability is expected to moderate as net interest margins (NIMs) normalize.**
- Despite the recovery, growth remains below the peak levels seen in FY23–FY24.

Deposit growth (%)



- **Deposit growth has improved since touching a low of ~9.4% in September 2025 by reaching ~16.2% in March 2026 which was at an all time high.**
- While the deposit growth rate dropped marginally in April and May 2026, the trajectory still shows strong growth

Annualized net interest margins (%)



- **NIMs improved from 3.1% in FY23 to 3.2% in FY24, benefiting from higher lending yields during the rising rate cycle.**
- Margins normalized to 3.1% in FY25 and are projected to decline further to 2.9% in FY26. However, even at 2.9%, margins remain healthy, though below the recent peak.

Notes: Data as of May 31, 2026; data considered for scheduled commercial banks. Credit and deposit growth graphs have been prepared with latest available data
Source: Ellara Capital, RBI

Why invest in the Banking Sector?

Backbone of the Economy

Bank credit fuels every other sector - corporates, MSMEs, housing and consumption - making Banks a leveraged play on India's broader GDP growth.

Strongest Asset Quality in a Decade

The sharp improvement in Gross NPAs of Scheduled Commercial Banks highlights a significantly stronger banking sector compared with the previous cycle.

Healthy Credit Growth

ICRA forecasts an acceleration in bank credit growth, supported by continued momentum in retail and MSME credit demand.

Robust Regulation

RBI's tight prudential norms - capital, provisioning & liquidity rules - reduce systemic risk and have kept Indian banks resilient through global cycles.

Rising Middle Class

A growing middle class is driving demand for retail credit, deposits, cards & wealth products - directly benefiting large, established banks.

Digital & UPI Adoption

India's digital payments and UPI rails enhance operational efficiency, lower cost-to-serve and deepen customer engagement.

Financial Inclusion Tailwind

Jan Dhan, digital KYC and DBT have on-boarded crores of new customers - expanding the base of low-cost CASA deposits.

Improving Profitability

Stronger balance sheets, lower credit costs and improving Return on Assets (RoA) have strengthened the profitability of the banking sector within Indian equities.

Source: PIB, RBI, ICRA, IBEF. Data as of latest publicly available reports.
MSME – Micro, Small and Medium Enterprises, DBT – Direct Benefit Transfer, KYC – Know Your Customer, CASA – Current Account Savings Account, NPA – Non Performing Assets

Why concentrate on the Top 10 Banks?

THE TOP 10 STORY

~82%

of the BSE Top 10 Banks Index is held by the **top 5 names alone** - concentrated quality, free of long tail risk.

Largest by Free-Float

The Index hand-picks only the 10 largest free-float market-cap names from the BSE 500 Banks universe - the most liquid, most scrutinised banks in India.

Refreshed Twice a Year

Semi-annual rebalancing in June & December ensures the basket always reflects the current "Top 10" - leaders rotate in, laggards drop out.

1

Quality over quantity

A focused 10-stock basket removes smaller, riskier names that drag broader bank indices. Investors get pure exposure to the system's most systemically important banks - most of which carry strong domestic credit ratings.

2

PSU + Private mix in one basket

Includes both PSU banks (e.g. SBI, Bank of Baroda) and large private banks (HDFC Bank, ICICI Bank, Axis, Kotak) - capturing both the rate cycle and the retail growth story in a single product.

3

Low cost, low effort

Buying 10 banks individually is expensive and operationally heavy. An ETF gives investors all 10 names in one trade, at a fraction of the cost of active banking funds, and with real-time pricing on exchange.

Source: BSE Indices

Why Invest Now?

1

Strong Balance Sheets

Healthy capital, low NPAs, and normalized credit costs position banks for sustained credit growth and resilient earnings.

2

Capex Super-Cycle

Govt + private capex of **₹11 lakh crore per year** needs banking credit at scale. Multi-year structural loan growth driver across sectors.

3

Housing & Retail Credit

Consumer durable loans are growing at ~15-20% YoY, while home loans and personal loans are expanding at ~10-13% YoY. Retail credit remains the highest-quality, highest-growth segment.

4

Reasonable Valuations

BSE Top 10 Banks Index at **P/E 16.36x and P/B 2.81x** (Jun 30, 2026) - below long-term averages. Margin of safety exists at current entry.

5

Well Positioned for FII Flows

As FII flows are expected to return to India, these top 10 banking stocks are well positioned to attract a disproportionate share of institutional inflows.

Source: Union Budget FY 26, Economic Times, BSE Indices

About the BSE Top 10 Banks Index

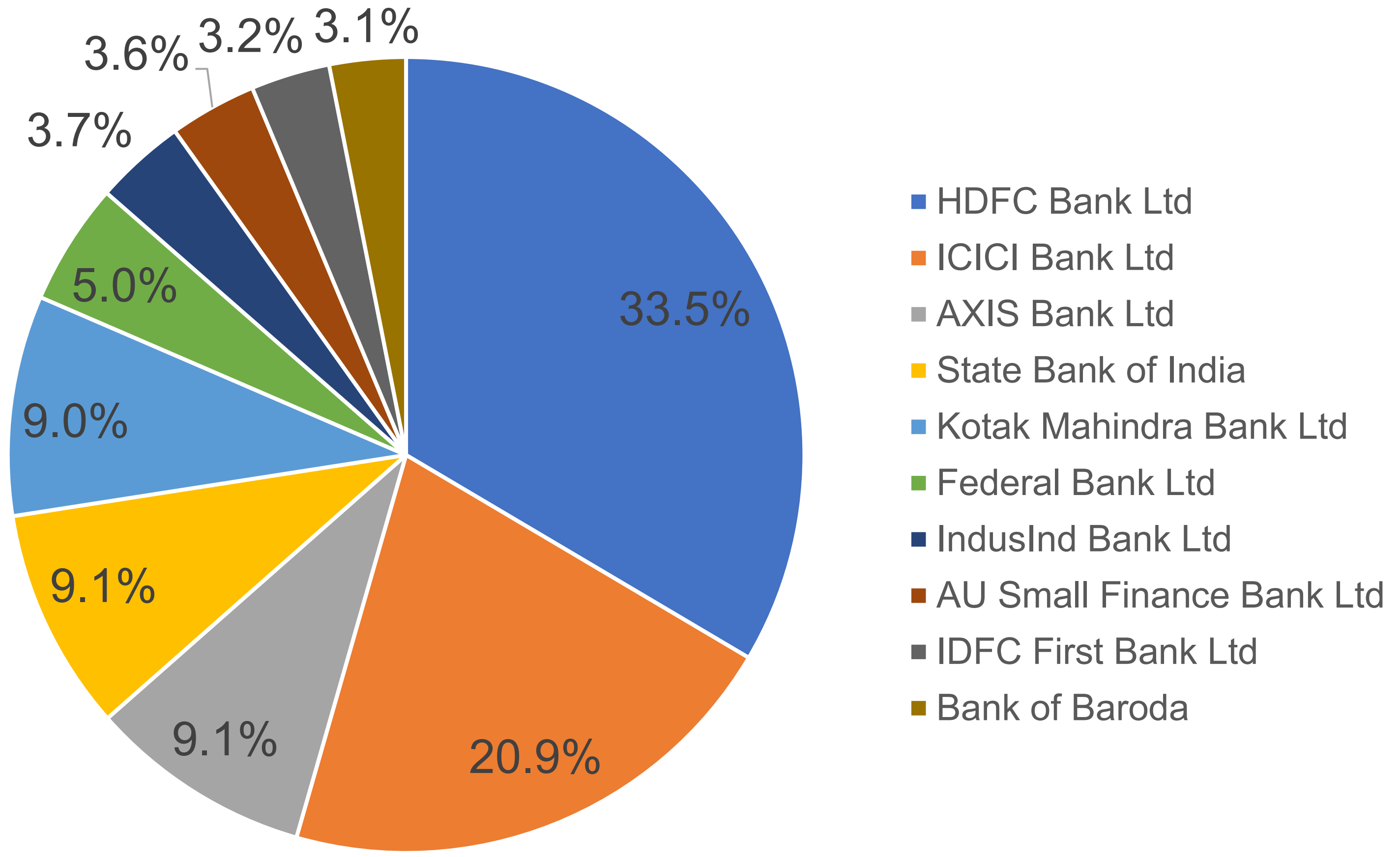
- The **BSE Top 10 Banks Index** is designed to track the performance of the **10 largest banking stocks** in India based on free-float market capitalisation.
- Constituents are drawn from the **BSE 500 Index** universe - only the largest, most liquid Indian banks are eligible.
- The Index uses **free-float market capitalisation weighting** - weights are aligned with the investable opportunity in each bank.
- The basket is **reviewed and rebalanced semi-annually - in June and December** - so the top 10 reflects current market reality, not yesterday's leaders.
- **A single constituent's weight is capped at 33%.** The aggregate weight of the **top three** index constituents shall **not be more than 63%** of the index
- The BSE Top 10 Banks Index has a **base value of 1,000** and a first value date of **20th June 2005**, giving it nearly two decades of back-tested history.

Index — Key Facts	
No. of Constituents	10
Base Value	1,000
Launch Date	14th Nov 2025
First Value Date	20th Jun 2005
Eligible Universe	BSE 500
Weighting	Free-float market cap
Rebalancing	Semi-annual (June & December)

Source: BSE Indices

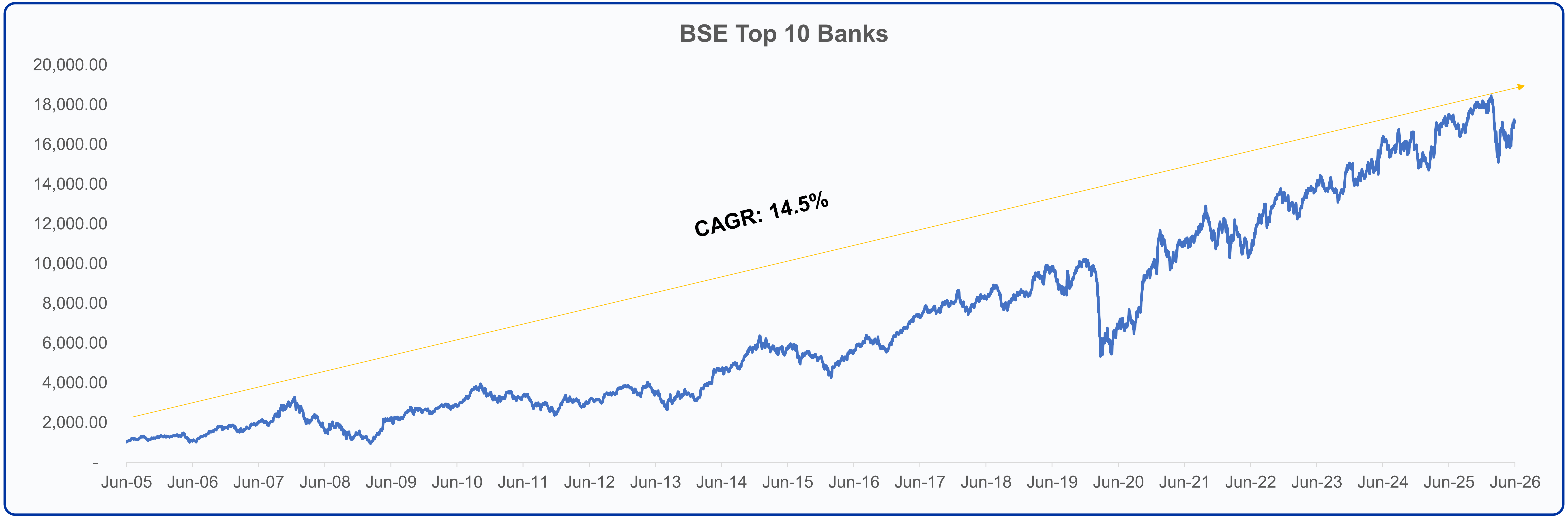
Composition of the Index

Company Name	Weight (%)
HDFC Bank Ltd	33.51%
ICICI Bank Ltd	20.93%
AXIS Bank Ltd	9.05%
State Bank of India	9.05%
Kotak Mahindra Bank Ltd	8.95%
Federal Bank Ltd	4.96%
IndusInd Bank Ltd	3.69%
AU Small Finance Bank Ltd	3.55%
IDFC First Bank Ltd	3.21%
Bank of Baroda	3.10%
Total	**100%**



Source: BSE Indices
Data as on June 30, 2026

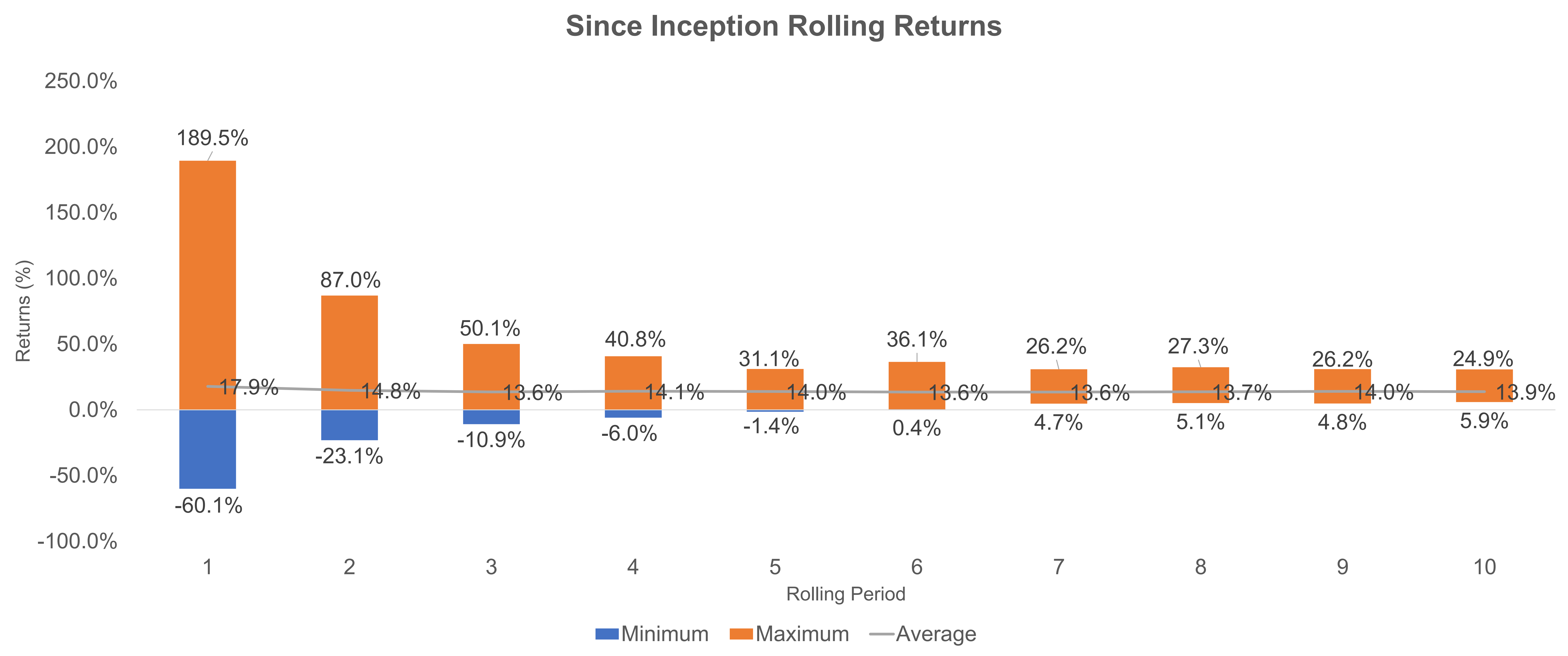
Index Performance through the years



BSE Top 10 Banks Index	1 Year	3 Years	5 Years	10 Years
Annualised Returns	-1.98%	6.90%	9.35%	11.78%
Annualised Risk-Adjusted Returns	-0.09	0.41	0.57	0.50

Source: BSE Indices. Data as on June 30, 2026.
Past performance may or may not be sustained in the future

Rolling Returns of the Index



Source: BSE Indices. Data as on June 30, 2026.
Past performance may or may not be sustained in the future

Why invest in Bajaj Finserv BSE Top 10 Banks ETF?

Exposure to India's Banking Leaders

Investment in India's 10 largest and most systemically important banks through a single ETF, capturing the leaders of India's financial system.

High-Quality Portfolio

The portfolio consists of banks with strong capital adequacy, low NPAs, healthy profitability and market leadership. This reduces exposure to weaker, smaller banks while focusing on established franchises.

Attractive Valuations

Despite strong fundamentals, the banking sector is trading below long-term valuation averages, offering an attractive entry point for investors from a long-term investment perspective.

Low-Cost, Passive Exposure with no exit load

Rather than selecting individual banks or relying on active stock picking, investors gain transparent, rules-based exposure to the sector through a single ETF with automatic semi-annual rebalancing.

High Liquidity

High liquidity as the ETF will be listed on domestic stock exchanges allowing it to be traded during market hours

Fund Facts

Scheme name	Bajaj Finserv BSE Top 10 Banks ETF
Scheme Category	Exchange Traded Fund (ETF)
Scheme Type	An open ended scheme tracking BSE Top 10 Banks Total Return Index
Benchmark	BSE Top 10 Banks TRI
Fund Manager	Mr. Ilesh Savla
Investment Objective	The investment objective of the Scheme is to provide returns that are corresponding with the performance of the BSE Top 10 Banks Index, subject to tracking errors. There is no assurance or guarantee that the investment objective of the Scheme would be achieved.
Exit Load	Nil
Minimum Application (NFO)	₹500 and in multiples of ₹1 thereafter
Creation Unit Size	50,000 units
NFO Period	NFO Open Date: July 13, 2026; NFO Close Date: July 15, 2026

Bajaj Finserv BSE Top 10 Banks ETF

(An open ended scheme tracking BSE Top 10 Banks Total Return Index)

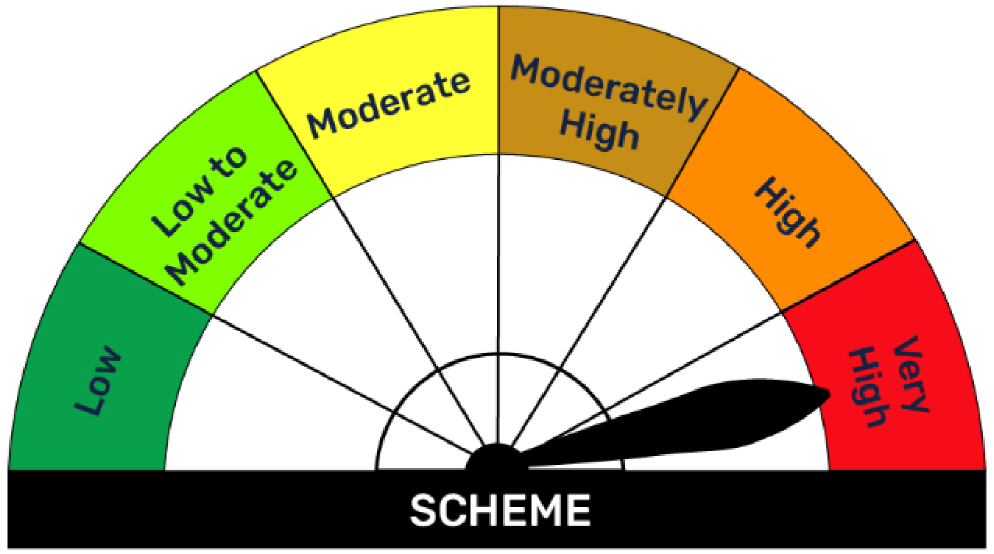
This product is suitable for investors who are seeking*:

- Wealth creation over long term
- An exchange traded fund that seeks to provide returns that correspond to the returns provided by BSE Top 10 Banks Index, subject to tracking error

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

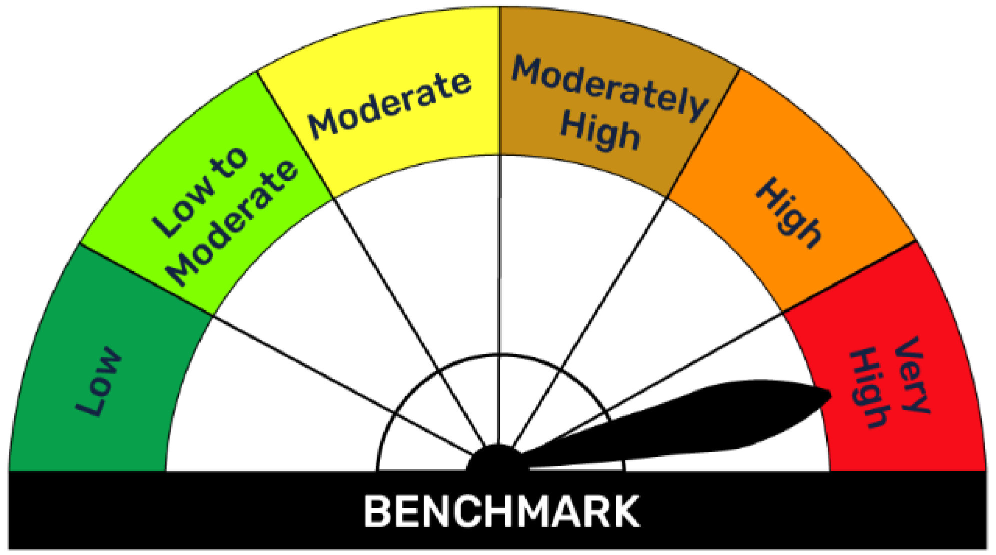
RISKOMETER#

SCHEME



The risk of the scheme is very high

BENCHMARK



The risk of the benchmark i.e. BSE Top 10 Banks 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.

Disclaimer

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.