HSBC Global Research

14 May 2020

Bajaj Finance (BAF IN)

Buy: Stimulating demand, the "No-cost EMI" way

Equities
Diversified Financial Services

India

- COVID-19 may drive a marked change in spending patterns, favouring "in-house" vs "out-of-home" spending
- Higher share of household spending likely to target electronics and durables during a prolonged period of staying indoors
- Financing needs set to rise as consumers and manufacturers push for "No-cost EMI" schemes; Bajaj Finance (Buy, TP INR3,700) is a top beneficiary

COVID-19 can potentially open up new avenues of demand: Currently, the outlook for discretionary spending appears hazy due to uncertainty related to employment. However, we believe COVID-19 will potentially open up new avenues of demand amid these emerging trends – 1) more work-from-home as corporates look to reduce overheads, 2) education institutes are increasingly pushing children towards online learning, and 3) increasing demand for electronic home appliances to manage daily chores in a hygienic manner with reduced reliance on outside help. Importantly, we believe these factors make a case for higher spending on electronics and durables as essentials, as opposed to being considered discretionary earlier.

"No-cost EMI" (equated monthly instalment) appears the best way forward to stimulate demand: Providing financial assistance to stimulate demand during a slowdown has been the norm in the automotive consumption space. However, the trend of purchasing non-automotive consumables (small-ticket items such as durables and electronics) via financing has been on the rise. While it is hard to know how the demand scenario will pan out post COVID-19, we believe the "No-cost EMI" financing route appears the best way for manufacturers to stimulate demand. "No-cost EMI" may act as a major catalyst for demand during uncertain times, whereas the sensitivity of overall manufacturer profitability to higher subvention costs appears limited.

Bajaj Finance (BAF) appears best positioned: Given its leadership position, strong relationships with manufacturers and a successful business model in the small-ticket consumer loans segment, BAF has proved itself a worthy partner and a demand enabler for manufacturers. Unlike auto OEMs, which rely on their captive financiers during uncertain times, we believe BAF can fulfil that gap for non-auto consumer companies. Moreover, given its dominant position and reach in this segment, it has enormous pricing power in the current environment, which makes the risk-reward favourable for BAF. Against this backdrop, we believe BAF's growth moderation may be less in the medium term than feared by the Street, especially in the high-yielding loan segments. While near-term uncertainty related to the lockdown extension will likely persist, we believe BAF has all the characteristics to emerge even stronger and cement its dominance in the consumer financing space once the dust settles. We retain our Buy rating with an unchanged TP of INR3,700.

MAINTAIN BUY

TARGET PRICE (INR)	PREVIOUS TARGET (INR)
3,700.00	3,700.00

SHARE PRICE (INR)	UPSIDE/DOWNSIDE
2,069.70	+78.8%

(as of 12 May 2020)

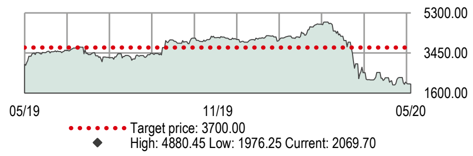
MARKET DATA

Market cap (INRm)	1,241,551	Free float	45%
Market cap (USDm)	16,366	BBG	BAF IN
3m ADTV (USDm)	211	RIC	BJFN.NS

FINANCIALS AND RATIOS (INR)

Year to	03/2019a	03/2020e	03/2021e	03/2022e
HSBC EPS	69.3	94.8	100.7	150.8
HSBC EPS (prev)	69.3	94.8	100.7	150.8
Change (%)	0.0	0.0	0.0	0.0
Consensus EPS	67.5	96.8	107.0	143.7
PE (x)	29.9	21.8	20.6	13.7
Dividend yield (%)	0.3	0.5	0.6	0.8
P/NAV	6.1	3.7	3.2	2.7
ROE inc. gwill (%)	22.5	21.5	16.9	21.4

52-WEEK PRICE (INR)



Source: Refinitiv IBES, HSBC estimates

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Financials & valuation: Bajaj Finance Ltd

Buy

Financial statements

Year to	03/2019a	03/2020e	03/2021e	03/2022e
P&L summary (INRm)				
Net interest income	95,924	132,794	157,380	203,154
Net fees/commissions	16,819	23,686	20,712	28,004
Trading profits	0	0	0	0
Other income	6,039	8,677	10,175	12,263
Total income	118,782	165,157	188,267	243,421
Operating expense	-41,977	-58,125	-54,042	-67,373
Bad debt charge	-15,014	-31,023	-53,482	-55,128
Other	0	0	0	0
HSBC PBT	61,792	76,010	80,743	120,920
Exceptionals	0	0	0	0
PBT	61,792	76,010	80,743	120,920
Taxation	-21,842	-19,154	-20,347	-30,472
Minorities and others	0	0	0	0
Attributable profit	39,950	56,855	60,396	90,448
HSBC attributable profit	39,950	56,855	60,396	90,448
Balance sheet summary (INRm)				
Ordinary equity	196,970	331,969	382,979	461,514
HSBC ordinary equity	196,970	331,969	382,979	461,514
Customer loans	1,125,128	1,430,029	1,663,657	2,220,458
Debt securities holdings	16,824	16,824	16,824	16,824
Customer deposits	131,930	163,504	191,296	258,203
Interest earning assets	1,020,211	1,404,747	1,728,652	2,160,724
Total assets	1,242,325	1,626,242	1,898,205	2,500,265
Capital (%)				
RWA (INRm)	1,220,870	1,516,613	1,766,993	2,359,550
Core tier 1	0.0	0.0	0.0	0.0
Total tier 1	15.6	21.4	21.3	19.3
Total capital	19.0	24.2	23.6	21.0

Ratio, growth & per share analysis

Year to	03/2019a	03/2020e	03/2021e	03/2022e
Y-on-y % change				
Total income	45.9	39.0	14.0	29.3
Operating expense	28.4	38.5	-7.0	24.7
Pre-provision profit	57.6	39.4	25.4	31.2
EPS	59.6	36.9	6.2	49.8
HSBC EPS	59.6	36.9	6.2	49.8
DPS	50.0	58.3	36.8	26.9
NAV (including goodwill)	23.9	62.1	15.4	20.5
Ratios (%)				
Cost/income ratio	35.3	35.2	28.7	27.7
Bad debt charge	1.6	2.4	3.5	2.8
Customer loans/deposits	852.8	874.6	869.7	860.0
NPL/loan	1.6	1.9	2.4	2.2
NPL/RWA	1.5	1.8	2.3	2.1
Provision to risk assets/RWA	0.9	1.2	1.6	1.5
Net write-off/RWA	0.0	0.0	0.0	0.0
Coverage	59.8	70.0	70.0	70.0
ROE (including goodwill)	22.5	21.5	16.9	21.4
Per share data (INR)				
EPS reported (diluted)	69.3	94.8	100.7	150.8
HSBC EPS (diluted)	69.3	94.8	100.7	150.8
DPS	6.0	9.5	13.0	16.5
NAV	341.5	553.4	638.5	769.4
NAV (including goodwill)	341.5	553.4	638.5	769.4

Valuation data

Year to	03/2019a	03/2020e	03/2021e	03/2022e
PE*	29.9	21.8	20.6	13.7
Pre-provision multiple	15.5	11.6	9.2	7.1
P/NAV	6.1	3.7	3.2	2.7
Dividend yield (%)	0.3	0.5	0.6	0.8

* Based on HSBC EPS (diluted)

ESG metrics

Environmental Indicators	03/2019a
GHG emission intensity*	NA
Energy intensity*	NA
CO_2 reduction policy	NA
Social Indicators	**03/2019a**
Employee costs as % of revenues	16.3
Employee turnover (%)	NA
Diversity policy	NA

Governance Indicators	03/2020a
No. of board members	13
Average board tenure (years)	NA
Female board members (%)	7.7
Board members independence (%)	61.5

Source: Company data, HSBC

* GHG intensity and energy intensity are measured in kg and kWh respectively against revenue in USD '000s

Issuer information

Share price (INR)	2069.70
Target price (INR)	3700.00
RIC (Equity)	BJFN.NS
Bloomberg (Equity)	BAF IN
Market cap (USDm)	16,366

Free float	45%
Sector	Diversified Financial Services
Country/Region	India
Analyst	Umang Shah
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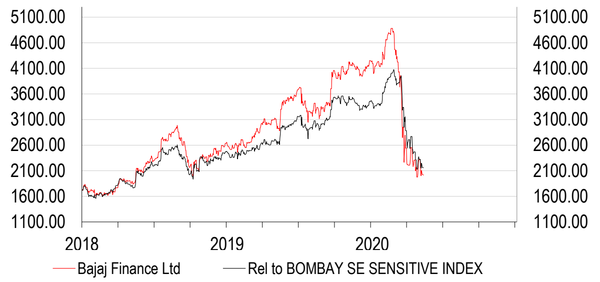
Price relative



Source: HSBC

Note: Priced at close of 12 May 2020

Revival in consumption demand post lockdown – a big unknown?

- As the central and state governments prepare for a lifting of the lockdown and businesses prepare to come back, we try to analyse those factors which could have a dominating impact on the consumer businesses. Revival in consumption demand remains pivotal as corporate demand may take some time to come back and consumer businesses are best positioned to return faster than others.
- In our view, a revival in consumption demand depends on two factors, which are unknown at this point: 1) the extent of job losses and loss of compensation leading to a shrinkage in the overall pool of income available for discretionary spending, and 2) government support (direct or indirect in the form of tax breaks) to boost consumption demand.
- The general assumption at this juncture is that: 1) government support, if any, would be directed towards the populace at the bottom of the pyramid and 2) there could be a meaningful cut in the number of jobs and compensation to reduce overheads. In such a scenario, the revival in consumption demand is likely to be slower and replacement or pent-up demand may not be sustainable in the medium term.
- Amid such a situation, the key question for manufacturers (OEMs) is how does supply find its demand? We believe OEMs along with financiers will work together on tweaking products and offerings to stimulate demand and make products more affordable to attract customers – who may be postponing their purchase decisions. While such practice is not new in the auto industry, where OEMs and dealers do partake some part of their margins to boost demand, something similar might have to be offered in the durables and electronics space to boost demand.

Demand for electronics and durables may bounce back faster

- In his latest report, *Will electronics save the day -- again?*, HSBC's Co-Head of Asian Economics Research, Frederic Neumann, makes a case for some of the major Asian emerging economics to bounce back faster than others on the back of the sharper rise in their electronic exports over other segments, post COVID-19. While this may be true for the Asian economies who have the capability and tech know-how to build and export, what could happen in the Indian context, where we are mostly consumers of such technology?
- We believe there is little debate about the fact that COVID-19 will not only accelerate the process of digitisation, but push businesses to become more tech-enabled, agile and flexible, all of which would require incremental investments on technology and electronics. Corporations and individuals may start looking at spending towards technology, electronics and durables as an inevitable process to adapt themselves to the new normal.

Classification between discretionary and essentials will be likely revisited in the post COVID-19 era

- Apart from cutting excess flab, businesses are looking at shifting a lot of processes and human resources towards work-from-home. Schools are asking children and patrons to adopt online learning; all these in our view will likely translate into higher demand for electronic devices like smartphones, tablets, personal computers, laptops, etc.
- Homes will have to become better equipped and conditions will have to be made more conducive for work / study – which, in our view, will increase demand for air conditioners, air purifiers, smartphones, smart televisions, computing hardware, etc.

- Besides, a lot of households are now looking at equipping their homes with necessary household appliances to manage household chores in a more hygienic way without outside help. This will likely boost demand for household appliances such as vacuum cleaners, dishwashers, washing machines, etc.
- In summary, what appeared as discretionary spending in the pre-COVID-19 period, such as shared personal devices and lower penetration of electronic household appliances, may be reviewed as more essential in the post COVID-19 era.

Interesting trends emerging post COVID-19

> **Samsung Announces ‘Stay Home, Stay Happy’; Pre-Book Offers on TVs and Digital Appliances; Up to 15% Cash Back & No-Cost EMIs**
>
> ***Samsung India, 4 May 2020***

> **Flipkart search trends reveal there is a huge surge in searches for consumer electronic products, which include personal grooming equipment, smartphones, and laptops among others.**
>
> ***The Indian Express, 6 May 2020***

> **Byju’s registered a 200% increase in the number of students using the app … more than 6 million new students used the app during the lockdown period as digital adoption has increased significantly**
>
> ***Livemint.com, 29 Apr 2020***

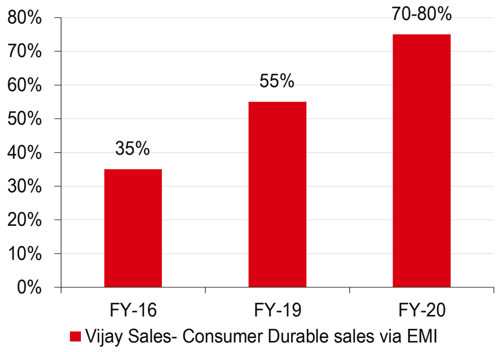
> **E-learning searches in 2020 increased 70%-300% clocking hundreds of millions of views; indicates the demand in the Edutech space**
>
> ***Google Insights, Apr 2020***

"No-cost EMI" appears the best way forward for OEMs

Consumer durable purchases on financing are on the rise

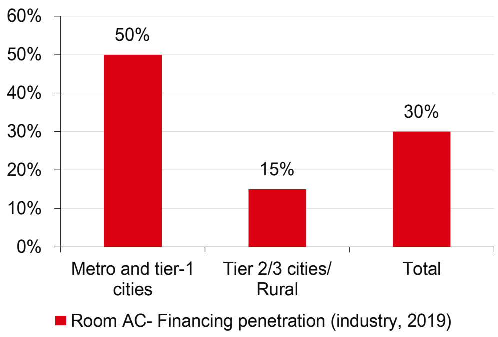
- Consumer spending in general and specifically purchase of durables, electronics and smartphones using consumer finance has been on the rise. Thanks to easy availability of financing via NBFCs and similar offers on bank credit cards, the financing penetration over past few years has increased rapidly across various products.
- This trend is supported by both supply as well as demand. On the supply side, it can be attributed to financiers expanding footprint, newer players entering the market and manufactures supporting interest subvention scheme to support sales ("No-cost EMI"). On the demand side, this can be attributed to subdued income growth for households in recent years, rising attraction of finance schemes without any extra cost, ability to upgrade their purchase easily with the help of financing, and the ongoing trend of millennials buying life improvement products with loans.

Vijay Sales' sales via. consumer finance



Vijay Sales is one of the India's leading multi format consumer electronics/ durable retailer.
Source: Company data, HSBC

Financing penetration is skewed to metro and tier-1 cities



Source: HSBC

Manufacturer subvention: Promotional tools to drive demand

- **Promotional tools to drive sales:** Manufacturers see subvention costs as below-the-line (BTL) promotional tools. At the unit level, the impact of this promotional activity is significant. However, interest costs are embedded in the product prices on a portfolio level, thereby spreading out interest costs across buyers who do not need to buy products on financing. As a result, the wider availability of such "No-cost EMI" schemes supported by retailers has been one of the key drivers of increasing financing penetration in appliances, electronics and smartphone purchases.
- **Manufacturers' profitability not very sensitive to embedded interest rate:** "No-cost EMI" subvention schemes are structured such that the down payment as well as number of EMIs are solely based on the product price and are optically not a function of the embedded interest rates. Our analysis suggests that **3% lower embedded interest rate would create headroom to cut product prices by ~1%,** assuming companies pass on lower interest costs to customers. We also analyse that if financiers lower the interest subvention costs due to lower embedded interest rates, and manufacturers retain the cost savings themselves, we see a limited increase in profitability per unit. **With 3% lower embedded costs, the profit per unit would be c.6% higher than the base case** (our analysis is based on economics of an air conditioner manufacturer; the economics could vary from

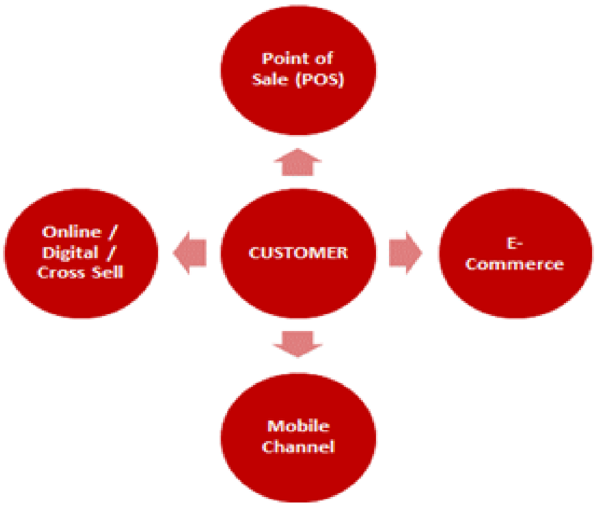
product to product). Demand and profitability are less sensitive to interest rate as the tenor of loan is very small and the embedded interest rates are high.

- **Demand support led by financing:** The attractive financing schemes make product purchase very appealing to customers as they can substantially reduce the upfront money required to purchase an appliance. Our interactions with retailers indicate that consumer financing supports demand. Particularly, in a weak demand environment, manufacturers see supporting financing as an important tool to boost demand. While the extent of demand generated or brought forward by financing is difficult to gauge, we believe the rising penetration numbers reflect the fact that financing has become an integral part of the industry and OEMs no longer have the choice to opt out. Hence, we believe that in the event of slower consumption demand, OEMs may have to aggressively push the "No-cost EMI" schemes and look at making products more appealing and affordable with the help of such financing schemes.

Bajaj Finance appears best positioned in such a scenario

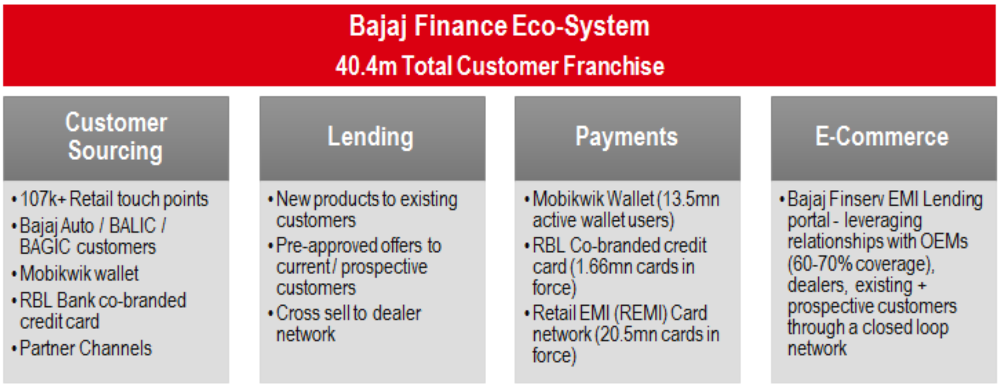
Given its leadership position, strong manufacturer relationships and a successful business model in the small-ticket consumer loans segment, BAF has proved itself a worthy partner and a demand catalyst / enabler for manufacturers. Unlike auto OEMs, who depend largely on their captive financiers during uncertain times, we believe BAF can fulfil that gap for non-auto consumer companies. Moreover, given its dominant position and reach in this segment, it has enormous pricing power in the current environment – which makes the risk- reward favourable for BAF.

Omni channel presence – Online + Offline



Source: Company data, HSBC

Bajaj Finance eco-system



Source: Company data, HSBC

Large geographical footprint in the offline network

Distribution network	FY15	FY16	FY17	FY18	FY19	9MFY20
Consumer durable stores - Urban	7,000	9,400	14,000	15,500	20,400	23,300
Consumer durable stores - Rural	1,500	3,200	5,500	8,200	14,500	17,900
Digital product stores	2,650	5,200	5,900	15,900	22,500	25,300
Lifestyle retail stores	1,150	3,200	3,900	6,000	7,700	9,000
Retail EMI card spends stores	-	-	5,600	12,100	19,100	22,800
Bajaj Auto dealers & authorized service centres	3,000	3,000	3,200	3,900	4,600	5,300
Rural authorized sales & services centres	-	-	-	380	-	-
Direct sales agents	700	800	1,500	2,100	2,800	3,500
Total	**16,000**	**24,800**	**39,600**	**64,300**	**91,700**	**107,100**

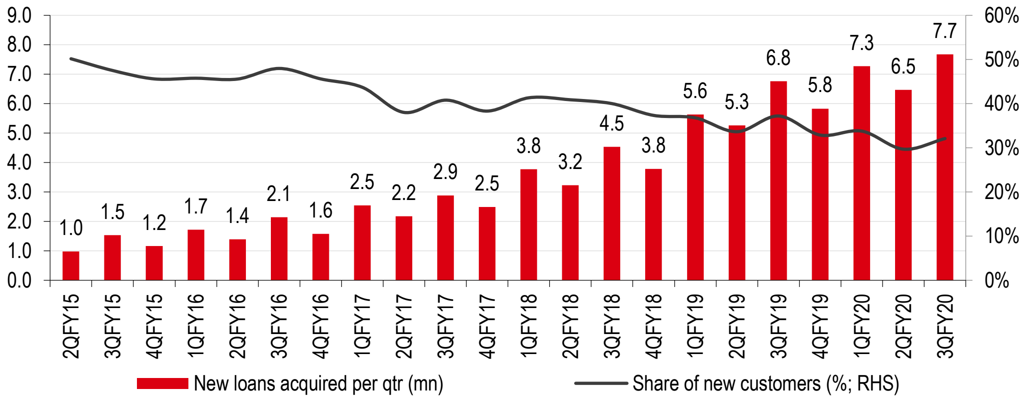
Source: Company data, HSBC

Urban and rural spread

Geographic presence	FY15	FY16	FY17	FY18	FY19	9MFY20
Urban	161	262	377	730	927	986
Rural	232	397	538	602	903	1,193
Of which rural lending branches	*50*	*105*	*177*	*219*	*347*	*445*
Of which rural lending franchise	*182*	*292*	*361*	*383*	*556*	*748*
Total Bajaj Finance presence	**393**	**659**	**915**	**1,332**	**1,830**	**2,179**

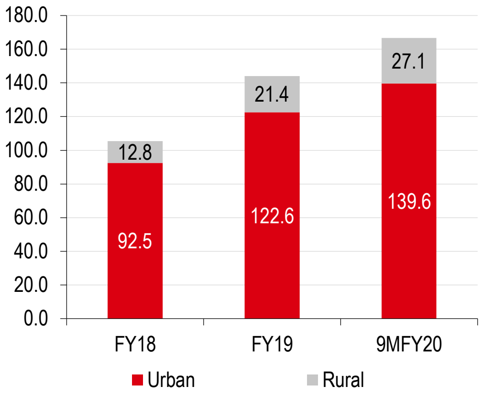
Source: Company data, HSBC

Rising share of cross-sell to existing customers lowers opex



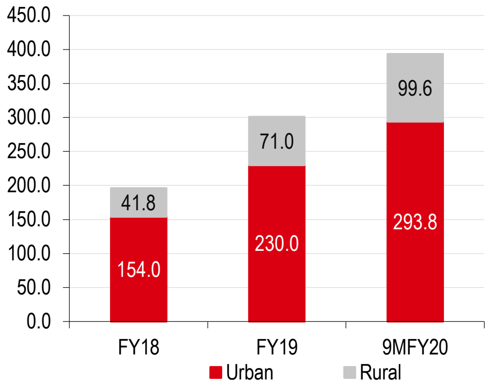
Source: Company data, HSBC

Point of Sale Financing AUMs (INR bn)



Source: Company data, HSBC

Personal Loans Financing AUMs (INR bn)



Source: Company data, HSBC

BAF's consumer loans growing at similar pace to large private banks

INR m	FY18	FY19	9MFY20	*% yoy*
Total retail loans	**8,588,450**	**10,300,000**	**11,693,330**	***18.5%***
HDFC Bank (HDFCB IN)	3,624,880	4,313,570	4,801,330	*14.1%*
Axis Bank (AXSB IN)	2,064,640	2,458,120	2,915,540	*25.5%*
ICICI Bank (ICICIBC IN)	2,898,930	3,528,310	3,976,460	*19.3%*
BAF (Consolidated AUM)	**824,220**	**1,158,880**	**1,450,920**	***32.0%***
as % of top 3 private banks	10%	11%	12%	
Personal loans + Credit cards	**1,671,410**	**2,247,150**	**2,751,212**	***31.0%***
HDFC Bank (HDFCB IN)	1,079,910	1,396,080	1,672,090	*25.1%*
Axis Bank (AXSB IN)	289,050	417,880	495,642	*33.3%*
ICICI Bank (ICICIBC IN)	302,450	433,190	583,480	*48.8%*
BAF - consumer loans	**301,130**	**445,060**	**560,060**	***27.3%***
as % of top 3 private banks	18%	20%	20%	

Source: Company data, HSBC

BAF IN: Segment-wise Zero (0+) dpd (days past due) bucket

	FY17	FY18	FY19	9MFY20
CD loans	97.83%	98.91%	98.69%	98.59%
2W / 3W loans	85.67%	88.76%	90.15%	85.81%
Lifestyle finance	97.32%	98.66%	98.49%	97.81%
Digital product finance	97.27%	98.49%	98.30%	98.24%
Personal loan cross sell	97.29%	97.62%	97.76%	97.02%
Salaried personal loans	99.52%	99.70%	99.70%	99.63%
Business loans	98.68%	98.68%	98.75%	98.35%
Loan against property	99.24%	99.16%	97.65%	97.06%
Home loans	99.02%	99.48%	99.52%	99.63%
Rural lending B2B	99.11%	99.46%	99.26%	99.21%
Rural lending B2C	99.15%	98.79%	98.85%	98.32%
SIMPLE AVERAGE	**97.28%**	**97.97%**	**97.92%**	**97.24%**

Source: Company data, HSBC

Appendix

"No-cost EMI" – How it works?

- Unlike car and housing finance, where the loan process is lengthy and costs are borne by the individual applicant, for durables and electronics financing, there are interest subvention schemes popularly known as "No-cost EMI" where financing approval is quick at the point of sale and the 'optical' interest cost that the consumer pays is zero.
- The interest costs are embedded in the product prices on a portfolio level, thereby spreading out interest costs across buyers who do not need to buy products on financing. The wider availability of such "No-cost EMI" schemes supported by retailers has been one of the key drivers of increasing financing penetration in appliance purchases.

How much are the costs and who bares the cost?

Interest subvention charges are typically ~6-8% of product prices and are based on embedded Effective Annual Interest Rate of ~24%. A significant part of this interest subvention costs are borne by the manufacture **(85-90%).** In some cases, such as non-moving inventory or private labels, retailers share a bigger or the entire portion of the subvention costs.

Summary of a few popular interest subvention schemes *(based on a 1.5-ton inverter air conditioner)*

INR	8/0/8 scheme	10/2/8 scheme	12/4/8 scheme
Retail Price	**37,500**	**37,500**	**37,500**
of which			
OEM/ Manufacturer realisation	26,953	26,953	26,953
Channel margin	2,344	2,344	2,344
GST	8,203	8,203	8,203
Down payment by buyer	**0**	**7,500**	**12,500**
Loan by financier	37,500	30,000	25,000
EMI- for customer	**4,688**	**3,750**	**3,125**
Number of EMIs	8	8	8
Effective Annual Interest Rate (%) embedded in the scheme	24%	24%	24%
EMI- as per formula	**5,079**	**4,063**	**3,386**
Total interest subvention costs	**3,130**	**2,504**	**2,087**
As a % of retail price	**8.3%**	**6.7%**	**5.6%**

Source: HSBC estimates

Valuation and risks

		Valuation	Risks to our view
Bajaj Finance BAF IN **Buy**	Current price: **INR2,069.70** Target price: **INR3,700** Up/downside: **78.8%**	We use a residual income valuation methodology to determine our target price of INR3,700. Under this methodology, we estimate the intrinsic value using three years of explicit forecasts (FY20-22e), 17 years of semi-explicit forecasts (FY22-39e) and a terminal growth stage (FY39e onwards). The present value of excess returns, i.e. the difference between ROE and COE, is the residual profit, which is then added to the existing net worth to arrive at our intrinsic value. Our assumptions include: cost of equity of 10.9%, risk-free rate of 2.5%, 2.5% inflation differential for India, equity risk premium of 5.5%, long-term growth rate of 5.0%, and beta of 1.07 – all unchanged. At our target price of INR3,700, the stock would trade at 24.5x FY22e PE and 4.8x FY22e P/B. Our target price implies upside of 78.8%; we retain our Buy rating as we believe that although there will likely be impact of COVID-19 on the business in the near term, the long-term potential remains unaffected. We believe this macro event will likely further strengthen BAF's dominance in the retail loan segment. In the past, management has demonstrated a strong execution track record during periods of macro-economic challenges. We expect the company to return back to the growth path sooner than expected once normality is restored. The management has demonstrated superior execution skills amid challenging times during past crisis.	**Key downside risks:** 1) longer-than-expected lockdown period, 2) large-scale job losses resulting in higher-than-expected credit costs in the unsecured loan portfolio and 3) slower-than-expected return of demand resulting in slower growth in the relatively more profitable loan portfolios.

Priced at 12 May 2020
Source: HSBC estimates

Disclosure appendix

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From 23rd March 2015 HSBC has assigned ratings on the following basis:

The target price is based on the analyst's assessment of the stock's actual current value, although we expect it to take six to 12 months for the market price to reflect this. When the target price is more than 20% above the current share price, the stock will be classified as a Buy; when it is between 5% and 20% above the current share price, the stock may be classified as a Buy or a Hold; when it is between 5% below and 5% above the current share price, the stock will be classified as a Hold; when it is between 5% and 20% below the current share price, the stock may be classified as a Hold or a Reduce; and when it is more than 20% below the current share price, the stock will be classified as a Reduce.

Our ratings are re-calibrated against these bands at the time of any 'material change' (initiation or resumption of coverage, change in target price or estimates).

Upside/Downside is the percentage difference between the target price and the share price.

Prior to this date, HSBC's rating structure was applied on the following basis:

For each stock we set a required rate of return calculated from the cost of equity for that stock's domestic or, as appropriate, regional market established by our strategy team. The target price for a stock represented the value the analyst expected the stock to reach over our performance horizon. The performance horizon was 12 months. For a stock to be classified as Overweight, the potential return, which equals the percentage difference between the current share price and the target price, including the forecast dividend yield when indicated, had to exceed the required return by at least 5 percentage points over the succeeding 12 months (or 10 percentage points for a stock classified as Volatile*). For a stock to be classified as Underweight, the stock was expected to underperform its required return by at least 5 percentage points over the succeeding 12 months (or 10 percentage points for a stock classified as Volatile*). Stocks between these bands were classified as Neutral.

*A stock was classified as volatile if its historical volatility had exceeded 40%, if the stock had been listed for less than 12 months (unless it was in an industry or sector where volatility is low) or if the analyst expected significant volatility. However, stocks which we did not consider volatile may in fact also have behaved in such a way. Historical volatility was defined as the past month's average of the daily 365-day moving average volatilities. In order to avoid misleadingly frequent changes in rating, however, volatility had to move 2.5 percentage points past the 40% benchmark in either direction for a stock's status to change.

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For the purposes of the distribution above the following mapping structure is used during the transition from the previous to current rating models: under our previous model, Overweight = Buy, Neutral = Hold and Underweight = Sell; under our current model Buy = Buy, Hold = Hold and Reduce = Sell. For rating definitions under both models, please see "Stock ratings and basis for financial analysis" above.

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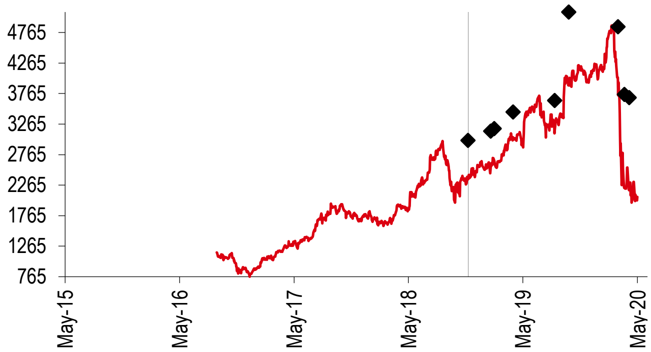
Share price and rating changes for long-term investment opportunities

Bajaj Finance Ltd (BJFN.NS) share price performance INR Vs HSBC rating history



Source: HSBC

Rating & target price history

From	To	Date	Analyst
N/A	Buy	19 Nov 2018	Umang Shah

Target price	Value	Date	Analyst
Price 1	3000.00	19 Nov 2018	Umang Shah
Price 2	3150.00	30 Jan 2019	Umang Shah
Price 3	3190.00	11 Feb 2019	Umang Shah
Price 4	3465.00	12 Apr 2019	Umang Shah
Price 5	3650.00	23 Aug 2019	Umang Shah
Price 6	5100.00	07 Oct 2019	Umang Shah
Price 7	4860.00	12 Mar 2020	Umang Shah
Price 8	3750.00	01 Apr 2020	Umang Shah
Price 9	3700.00	16 Apr 2020	Umang Shah

Source: HSBC

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HSBC & Analyst disclosures

Disclosure checklist

Company	Ticker	Recent price	Price date	Disclosure
BAJAJ FINANCE LTD	BJFN.NS	2069.70	12 May 2020	6, 7

Source: HSBC

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