

February 02, 2023



Current Price: ₹ 1267.30

STOCK DATA

BSE Code	500034
NSE Symbol	BAJFINANCE
Reuters	BJFN.BO
Bloomberg	BAF IN

VALUE PARAMETERS

52 W H/L(Rs)	1846.00/1077.70
Mkt. Cap.(Rs Cr)	201857.50
Latest Equity(Subscribed)	159.28
Latest Reserve (cons.)	42303.05
Latest EPS (cons.) -Unit Curr.	37.63
Latest P/E Ratio -cons	33.68
Latest Bookvalue (cons.) -Unit Curr.	266.59
Latest P/BV - cons	4.75
Dividend Yield -%	0.03
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2022
Foreign	8.29
Institutions	7.21
Non Promoter Corp. Hold.	5.09
Promoters	60.75
Public & Others	18.66

Financials Results

Particulars	In Cr.		
	Qtr Ending Dec. 22	Qtr Ending Dec. 21	Var. (%)
Income from Operations	21465.12	17245.04	24
OPM (%)	36.48	33.66	283 bps
OP	7831.03	5803.81	35
Other Inc.	0.20	32.90	-99
PBDIT	7831.23	5836.71	34
Interest	3240.78	2444.53	33
PBDT	4590.45	3392.18	35
Depreciation	171.55	143.09	20
PBT	4418.90	3249.09	36
Tax Expenses	1118.75	899.57	24
PAT	3300.15	2349.52	40
Non-controlling interest	1518.19	1093.64	39
Share of P&L from Asso.	0.06	-0.09	LP
Net profit	1782.02	1255.79	42
EPS (Rs)	11.20	7.89	

Bajaj Finserv has posted strong 42% increase in the net profit to Rs 1782.02 crore in the quarter ended December 2022 (Q3FY2023). The income from operation increased 24.47% to Rs 21465.12 crore in Q3FY2023. Overall OPM has increased to 36.48% in Q3FY2023 from 33.66% in Q3FY2022, leading to 34.93% rise in operating profit to Rs 7831.03 crore. Other expenditure as a percentage of total income moved down to 49.53% in Q3FY2023 from 49.87% in Q3FY2022. The staff cost as a percentage of total income declined to 10.05% in Q3FY2023 from 10.25% in Q3FY2022. The provisions as percentage of total income declined to 3.94% in Q3FY2023 from 6.23% in Q3FY2022.

Other income declined 99.39% to Rs 0.2 crore. Interest cost increased 32.57% to Rs 3240.78 crore. Depreciation moved up 19.89% to Rs 171.55 crore. PBT moved up 36% to Rs 4,418.90 crore. The effective tax rate declined to 25.32% in Q3FY2023 compared to 27.69% in Q3FY2022. Provision for tax was expense of Rs 1118.75 crore, compared to Rs 899.57 crore in Q3FY2022. Profit after tax rose 40.46% to Rs 3300.15 crore. There was profit attributable to non-controlling interest of Rs 1518.19 crore as compared to Rs 1093.64 crore in Q3FY2022. Finally, Net profit attributable to owners moved up 41.90% to Rs 1782.02 crore in Q3FY2023.

Business highlights:

Bajaj Finance (BFL) - Consolidated - Ind AS

Total income for Q3FY23 increased 26% to Rs 10786 crore against Rs 8.539 crore in Q3FY22. Profit after tax for Q3FY23 increased 40% to Rs 2973 crore against Rs 2125 crore in Q3FY22 mainly led by robust AUM growth, higher net interest income and better asset performance. This includes profit after tax of its 100% mortgage subsidiary, BHFL, of Rs 334 crore in Q3FY23 against Rs 185 crore in Q3FY22 - an increase of 81%.

Assets Under Management (AUM) end December 2022 was Rs 230842 crore against Rs 181250 crore end December 2021 - an increase of 27%. This includes AUM of Rs 65581 crore of BHFL, which recorded a growth of 33% over the AUM end December 2021.

Gross NPA and Net NPA end December 2022 stood at 1.14% and 0.41% respectively as against 1.73% and 0.78% end December 2021. Provisioning coverage ratio on stage 3 assets is 64%. BFL holds a management and macro-economic overlay in provisions of Rs 1000 crore end December 2022.

Capital adequacy ratio (including Tier-II capital) end December 2022 stood at 25.14%. The Tier-I capital stood at 23.28%.

For BHFL, the capital adequacy ratio (including Tier-II capital) stood at 23.00%.

Bajaj Allianz General Insurance Company (BAGIC) - Indian GAAP

Gross written premium for Q3FY23 increased by 29% to Rs 3821 crore against Rs 2959 crore in Q3FY22. Excluding tender driven crop and government health insurance premium, the gross written premium increased by 13% to Rs 3097 crore in Q3FY23 from Rs 2730 crore in Q3FY22. Net earned premium increased 8% to Rs 2086 crore in Q3FY2023 from Rs 1930 crore in Q3FY2022.

Claim ratio increased to 72.1% in Q3FY23 against 69.6% in Q3FY22. The increase in claim ratio is mainly due to high inflation in motor and health claims partially offset by lower claims from commercial lines. Sequentially from Q1FY23, claim ratio improved by 2.4% in Q2FY23 and from Q2FY23 it further improved by 3.4% in Q3FY23 due to better selection of business and normalization of some aberrations such as high motor own damage loss ratios.

Combined ratio stood at 100.3% in Q3FY23 against 98.9% in Q3FY22.

Underwriting loss stood at Rs 40 crore for Q3FY23 against profit of Rs 5 crore in Q3FY22.

Investment and other income (net) for Q3FY23 stood at Rs 413 crore against Rs 402 crore. Profit on sale of investments was lower by Rs 25 crore (before tax) in Q3FY23. Profit after tax for Q3FY23 stood at Rs 278 crore against Rs 304 crore in Q3FY22.

End December 2022, the solvency ratio was 373%, which is well above the minimum regulatory requirement of 150%.

Assets under Management (AUM), represented by cash and investments end December 2022 stood at f 25977 crore against Rs 23.977 crore end December 2021 - an increase of 8%.

Bajaj Allianz Life Insurance Company Limited (BALIC) - Indian GAAP

New business premium for Q3FY23 stood at Rs 2289 crore against Rs 2377 crore in Q3FY22. Individual rated new business premium was Rs 1255 crore in Q3FY23 against Rs 1033 crore in Q3FY22 - a growth of 22%. Group protection new business stood at Rs 605 crore in Q3FY23 against Rs 717 crore in Q3FY22.

Group fund new business stood at Rs 291 crore in Q3FY23 against Rs 571 crore in Q3FY22. Renewal premium for Q3FY23 was Rs 2215 crore against Rs 1702 crore in Q3FY22 - an increase of 30%.

Gross written premium for Q3FY23 increased by 10% to Rs 4504 crore from Rs 4079 crore in

Q3FY22.

Shareholders profit after tax during Q3FY23 stood at Rs 81 crore against Rs 88 crore in Q3FY22, mainly due to the new business strain arising out of strong growth in individual new business premium. Net New Business Value (NBV), which is the metric used to measure profitability of life insurance business, was significantly higher at Rs 210 crore in Q3FY23 against Rs 152 crore in Q3FY22 - an increase of 38%.

Solvency ratio stood at a healthy 529% end December 2022 as against the minimum regulatory requirement of 150%.

Assets Under Management (AUM), represented by total investments stood at Rs 89466 crore end December 2022 against Rs 83194 crore end December 2021 - an increase of 8%.

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