

January 30, 2023

**Bajaj
Finance**

Current Price: ₹ 5,756.00

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	7777.00/5235.60
Mkt. Cap.(Rs Cr)	348485.06
Latest Equity(Subscribed)	121.09
Latest Reserve (cons.)	47922.16
Latest EPS (cons.) -Unit Curr.	163.88
Latest P/E Ratio -cons	35.12
Latest Bookvalue (cons.) -Unit Curr.	793.54
Latest P/BV - cons	7.25
Dividend Yield -%	0.35
Face Value	2.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2022
Foreign	17.15
Institutions	15.93
Non Promoter Corp. Hold.	1.23
Promoters	55.91
Public & Others	9.80

Financial Consolidated Result

	Qtr Ending Dec. 22	Qtr Ending Dec. 21	In Cr. VAR %
Income from operations	9,273.40	7,262.26	28
Other Income	1,512.61	1,276.87	18
Total Income	10,786.01	8,539.13	26
Interest Expended	3,351.22	2,534.54	32
Operating Expense	2,462.83	1,988.86	24
Operating Profits	4,971.96	4,015.73	24
Depreciation / Amortization	118.99	96.58	23
Provisions and Write-offs	841.29	1,051.17	-20
PBT	4,011.68	2,867.98	40
Tax Expense	1,038.68	742.69	40
PAT	2,973.00	2,125.29	40
EPS	49.20	35.25	

Bajaj Finance Q3 Results: Profit rises 40% YoY to Rs 2,973 crore, beats estimates

Bajaj Finance has continued to post robust 40% growth in the net profit to Rs 2973.00 for the quarter ended December 2022 (Q3FY2023). Income from operations on a consolidated basis increased 28% to Rs 9273.40 crore, while other income jumped 18% to Rs 1512.61 crore. Total income moved up 26% to Rs 10786.01 crore in the quarter ended December 2022. Interest expenses rose at higher pace of 32% to Rs 3351.22 crore. NII of the company galloped 25% to Rs 5922.18 crore in Q3FY2023. Operating expenses increased 24% to Rs 2462.83 crore, allowing the operating profit to jump 24% to Rs 4971.96 crore. Depreciation moved up 23% to Rs 118.99 crore, while loan loss provisions declined 20% to Rs 841.29 crore in Q3FY2023. PBT increased 40% to Rs 4011.68 crore. Effective tax rate was flat at 25.9% in Q3FY2023 from 25.9% in Q3FY2022. Net Profit of the company moved up 40% to Rs 2973.00 crore in the quarter ended December 2022.

Business highlights

- Assets under management (AUM) grew by 27% to Rs 230842 crore end December 2022 from Rs 181250 crore end December 2021.
- New loans booked during Q3FY23 were highest ever at 7.84 million.
- Customer franchise stood at 66.05 million end December 2022 as compared to 55.36 million end December 2021, a growth of 19%. The Company recorded highest ever quarterly increase in its customer franchise of 3.14 million in Q3FY23.
- Net interest income (NII) for Q3FY23 increased by 24% to Rs 7435 crore from Rs 6005 crore in Q3FY22. NII growth was 28% after adjusting NII of Rs 203 crore earned on IPO financing in Q3FY22 which has since been discontinued due to change in regulation.
- Total operating expenses to net interest income for Q3FY23 was 34.7% as against 35.9% in 02 FY23 and 34.7% in Q3FY22.
- Loan losses and provisions for Q3FY23 was Rs 841 crore as against Rs 1051 crore in Q3FY22. The Company holds a management and macro-economic overlay of Rs 1000 crore end December 2022.

- Profit before tax for Q3FY23 increased by 40% to Rs 4012 crore from Rs 2868 crore in Q3FY22.
- Gross NPA and Net NPA end December 2022 stood at 1.14% and 0.41% respectively, as against 1.73% and 0.78% as of 31December2021. The Company has provisioning coverage ratio of 64% on stage 3 assets and 116 bps on stage 1 and 2 assets end December 2022.
- Capital adequacy ratio (including Tier-II capital) as of 31December2022 was 25.14%. The Tier-I capital was 23.28%.
- Annualized return on average assets for Q3FY23 was 5.4% as against 5.1% in Q3FY22. Annualized return on average equity for Q3FY23 was 24.0% as against 21.2% in Q3FY22.
- During the quarter, the Company acquired 41.5% stake (on fully diluted basis) in Snapwork Technologies Private Limited for 92.74 crore with an intention to strengthen its technology roadmap.

Bajaj Finance - Q3FY23

- Assets under management grew by 27% to Rs 168359 crore end December 2022 from Rs 132913 crore end December 2021.
- Net interest income (NII) for Q3FY23 increased by 22% to Rs 6759 crore from Rs 5558 crore in Q3FY22. NII growth was 26% after adjusting NII of Rs 203 crore earned on IPO financing in Q3FY22 which has since been discontinued due to change in regulation.
- Loan losses and provisions for Q3FY23 was Rs 811 crore as against Rs 995 crore in Q3FY22. The Company holds a management and macro-economic overlay of Rs 758 crore end December 2022.
- Profit after tax for Q3FY23 increased by 36% to Rs 2.624 crore from Rs 1.934 crore in Q3FY22.
- Annualized return on average assets for Q3FY23 was 6.5% as against 6.1% in Q3FY22. Annualized return on average equity for Q3FY23 was 22.2% as against 20.0% in Q3FY22.

Bajaj Housing Finance

- Assets under management grew by 33% to Rs 65581 crore as of 31 December 2022 from Rs 49203 crore end December 2021.
- Net interest income for Q3FY23 increased by 49% to Rs 638 crore from Rs 429 crore in Q3FY22.
- Loan losses and provisions for Q3FY23 was Rs 30 crore as against Rs 56 crore in Q3FY22. BHFL holds a management and macro-economic overlay of Rs 242 crore end December 2022.
- Profit after tax for Q3FY23 increased by 81% to Rs 334 crore from Rs 185 crore in Q3FY22.
- Gross NPA and Net NPA as of 31 December 2022 stood at 0.23% and 0.10% respectively, as against 0.35% and 0.18% end December 2021. BHFL has provisioning coverage ratio of 55% on stage 3 assets and 71 bps on stage 1 and 2 assets end December 2022.
- Annualized return on average assets for Q3FY23 was 2.4% as against 1.8% in Q3FY22. Annualized return on average equity for Q3FY23 was 13.3% as against 11.5% in Q3FY22.
- Capital adequacy ratio (including Tier-II capital) end December 2022 was 23.00%.

Bajaj Financial Securities (BFinsec)

- Customers acquired during Q3 FY23 were approximately 77100. BFinsec's customer franchise end December 2022 was over 523300.
- Margin trade financing (MTF) book stood at Rs 1080 crore end December 2022 as against Rs 770 crore end December 2021.
- Total Income for Q3 FY23 was Rs 61 crore as against Rs 38 crore for Q3 FY22. Q3FY22 has an IPO application and allotment income of Rs 7 crore.
- BFinsec generated profit after tax of Rs 3 crore for Q3FY23 against Rs 7 crore for Q3FY22.

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