

January 31, 2024



**Current Price:** ₹ 1590.65

## STOCK DATA

BSE Code	532978
NSE Symbol	BAJAJFINSV
Reuters	BJFS.BO
Bloomberg	BJFIN IN

## VALUE PARAMETERS

52 W H/L(Rs)	1741.85/1216.10
Mkt. Cap.(Rs Cr)	253834.30
Latest Equity(Subscribed)	159.55
Latest Reserve (cons.)	50713.43
Latest EPS (cons.) -Unit Curr.	48.88
Latest P/E Ratio -cons	32.55
Latest Bookvalue (cons.) -Unit Curr.	318.86
Latest P/BV - cons	4.99
Dividend Yield -%	0.05
Face Value	1.00

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2023
Foreign	8.55
Institutions	7.74
Non Promoter Corp. Hold.	5.21
Promoters	60.69
Public & Others	17.81

## Consolidated Financials Results

In Cr.

Particulars	Qtr Ending Dec. 23	Qtr Ending Dec. 22	Var. (%)
Total Income	29038.43	21755.15	33
OPM (%)	35.94	36.00	-6bps
OP	10437.82	7831.03	33
Other income	1.75	0.26	573
PBIDT	10439.57	7831.29	33
Net Finance Charges	4776.53	3240.78	47
PBDT	5663.04	4590.51	23
Depreciation	232.09	171.55	35
PBT before EO	5430.95	4418.96	23
EO	0.00	0.00	
PBT after EO	5430.95	4418.96	23
Tax expense	1385.66	1118.75	24
PAT	4045.29	3300.21	23
Minority Interest	1887.62	1518.19	24
Profit after Minority Interest and Share of profit of Associates	2157.67	1782.02	21
EPS (Rs)	13.55	11.20	

### Q3FY24: Continues healthy growth, above estimates

The income from operation of Bajaj Finserv increased 33.50% to Rs 29038.43 crore in Q3FY2024. The revenue of Insurance (49.98% of total revenues) segment has gone up 32.85% to Rs 14,676.23 crore. The revenue of Windmill (0.01% of total revenues) segment has gone up 2.42% to Rs 3.39 crore. The revenue of Investments & Others (1.77% of total revenues) segment has gone up 164.53% to Rs 519.78 crore. The revenue of Retail financing (48.24% of total revenues) segment has gone up 31.34% to Rs 14,165.98 crore.

PBIT of Insurance segment rose 62.02% to Rs 566.67 crore (accounting for 10.43% of total PBIT). PBIT of Windmill segment fell 16.05% to Rs 0.68 crore (accounting for 0.01% of total PBIT). PBIT of Investments & Others reported loss of Rs 197.80 crore (accounting for (-)3.64% of total PBIT) compared to loss of Rs 58.72 crore. PBIT of Retail financing segment rose 22.64% to Rs 5,061.40 crore (accounting for 93.20% of total PBIT).

Overall OPM eased to 35.94% in Q3FY2024 from 36.00% in Q3FY2023, leading to 33.29% rise in operating profit to Rs 10,437.82 crore. Other expenditure as a percentage of total income moved up to 49.96% from 49.53% in Q3FY2024. The staff cost as a percentage of total income declined to 9.29% from 10.05% in Q3FY2024. The provisions as percentage of total income increased to 4.32% from 3.94% in Q3FY2024.

Interest cost increased 47.39% to Rs 4776.53 crore. Depreciation moved up 35.29% to Rs 232.09 crore. PBT moved up 22.86% to Rs 5,429.20 crore.

The effective tax rate increased to 25.52% in Q3FY2024 compared to 25.32% in Q3FY2023. Provision for tax was expense of Rs 1385.66 crore, compared to Rs 1118.75 crore. Profit after tax rose 22.53% to Rs 4,043.54 crore.

There was profit attributable to non-controlling interest of Rs 1,887.62 crore as compared to Rs 1,518.19 crore. Finally, Net profit attributable to owners moved up 21.08% to Rs 2,157.67 crore.

## Business highlights:

### Bajaj Finance BFL)

- Net total income for Q3FY24 increased by 25% to Rs 9298 crore against Rs 7438 crore in Q3FY23.
- Profit after tax for Q3FY24 increased by 22% to Rs 3639 crore against Rs 2973 crore in Q3FY23. This includes profit after tax of its 100% mortgage subsidiary, BHFL of Rs 437 crore in Q3FY24 against Rs 334 crore in Q3FY23 - an increase of 31%. While net interest margin continues to soften gradually on account of lagged effect of cost of funds increase in Q3FY24, elevated loan losses and impact of Regulatory action have led to profit growth being lower by approximately 5-6%.
- Assets Under Management (AUM) end December 2023 were Rs 310968 crore against Rs 230842 crore end December 2022 - an increase of 35%. This includes AUM of Rs 85,929 crore of BHFL, which recorded a growth of 31% over the AUM end December 2022.
- Gross Non-Performing Assets (NPA) stood at 0.95% and Net NPA 0.37% end December 2023 as against 1.14% and 0.41% end December 2022. Provisioning coverage ratio on stage 3 assets is 62%. BFL holds a management and macroeconomic overlay of Rs 590 crore end December 2023.
- Capital adequacy ratio (CRAR) (including Tier-II capital) end December 2023 increased to 23.87%. The Tier-I capital stood at 22.80%. On 16 November 2023, Reserve Bank of India (RBI) increased risk weight on consumer credit exposure from 100% to 125% which had an impact of 290 bps on CRAR. Adjusted for this change CRAR would have been 26.77%.
- For BHFL, the capital adequacy ratio (including Tier-II capital) stood at 21.92%.

### Bajaj Allianz General Insurance Company (BAGIC)

- Gross written premium for Q3FY24 increased by 19% to Rs 4536 crore against Rs 3821 crore in Q3FY23.
- Excluding tender-driven crop and government health insurance premium, BAGIC's gross written premium increased by 20% to Rs 3707 crore in Q3FY24 from Rs 3097 crore in Q3FY23.
- Net earned premium increased by 13% to Rs 2358 crore for Q3FY24 against Rs 2086 crore in Q3FY23.
- Claim ratio increased to 72.9% in Q3FY24 against 72.1% in Q3FY23. The increase in claim ratio is largely attributable to higher NATCAT claims of Rs 79 crore, excluding which the claim ratio would have been lower at 69.5%.
- Combined ratio increased to 102.9% in Q3FY24 against 100.3% in Q3FY23. Excluding the NATCAT impact combined ratio for Q3FY24 stood at 99.5%.
- Underwriting loss increased to Rs 85 crore for Q3FY24 against loss of Rs 40 crore in Q3FY23.
- Investment and other income (net) for Q3FY24 increased 14% to Rs 469 crore as against Rs 413 crore in Q3FY23. Profit on sale of investments was lower by Rs 26 crore (before tax) in Q3FY24. Excluding profit on sale of investments, investment and other income (net) has shown a healthy growth of 22%.
- Profit after tax for Q3FY24 increased by 3% to Rs 281 crore against Rs 278 crore in Q3FY23, mainly on account of NATCAT claims and lower profit on sale of investments.
- End December 2023, solvency ratio was 355%, which is well above the minimum regulatory requirement of 150%.

- Assets Under Management (AUM), represented by cash and investments end December 2023 stood at Rs 30296 crore against Rs 25977 crore end December 2022 - an increase of 17%.

### **Bajaj Allianz Life Insurance Company (BALIC)**

- New business premium for Q3FY24 increased by 12% to Rs 2561 crore against Rs 2289 crore in Q3FY23.
- Individual rated new business premium was Rs 1553 crore in Q3FY24 against Rs 1255 crore in Q3FY23 - a strong growth of 24%.
- Group protection new business was Rs 555 crore in Q3FY24 against Rs 605 crore in Q3FY23.
- Group fund new business was Rs 340 crore in Q3FY24 against Rs 291 crore in Q3FY23, a growth of 17%.
- Renewal premium for Q3FY24 stood at Rs 2903 crore against Rs 2215 crore in Q3FY23, an increase of 31%.
- Consequently, gross written premium for Q3FY24 increased by 21% to Rs 5464 crore against Rs 4504 crore in Q3FY23.
- Shareholders` profit after tax during Q3FY24 increased 33% to Rs 108 crore against Rs 81 crore in Q3FY23.
- Net New Business Value (NBV) which is the key metric used to measure profitability of life insurance business was Rs 251 crore in Q3FY24 against Rs 210 crore in Q3FY23 - an increase of 20%.
- Solvency ratio stood at a healthy 446% end December 2023 as against the minimum regulatory requirement of 150%.
- Assets Under Management (AUM) represented by total investments stood at Rs 104737 crore end December 2023 against Rs 89466 crore end December 2022 - an increase of 17%.

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