

January 30, 2024

**Bajaj
Finance**

Current Price: ₹ 7187.50

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	8190.00/5487.25
Mkt. Cap.(Rs Cr)	444204.09
Latest Equity(Subscribed)	123.6
Latest Reserve (cons.)	68551.00
Latest EPS (cons.) -Unit Curr.	212.27
Latest P/E Ratio -cons	33.86
Latest Bookvalue (cons.) -Unit Curr.	1111.20
Latest P/BV - cons	6.47
Dividend Yield -%	0.41
Face Value	2.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2023
Foreign	18.29
Institutions	17.45
Non Promoter Corp. Hold.	1.09
Promoters	54.78
Public & Others	8.40

Consolidated Financial Result

	Qtr Ending Dec. 23	Qtr Ending Dec. 22	In Cr. VAR %
Income from operations	12523.32	9273.40	35
Other Income	1642.66	1515.53	8
Total Income	14165.98	10788.93	31
Interest Expended	4868.02	3350.51	45
Operating Expense	2979.99	2466.52	21
Operating Profits	6317.97	4971.90	27
Depreciation / Amortization	175.75	118.99	48
Provisions and Write-offs	1248.35	841.29	48
PBT	4893.87	4011.62	22
Tax Expense	1256.57	1038.68	21
PAT	3637.30	2972.94	22
Share of P&L of asso.	1.66	0.06	2658
Net Profit	3638.95	2973.00	22
EPS(Rs.)	58.91	49.20	

Bajaj Finance Q3FY2024 Results: AUM surges 35%, asset quality remains robust - beats estimates

Bajaj Finance has continued to post robust 22% growth in the net profit to Rs 3638.95 crore for the quarter ended December 2023 (Q3FY2024). Income from operations on a consolidated basis increased 35% to Rs 12523.32 crore, while other income jumped 8% to Rs 1642.66 crore. Interest expenses increased 45% to Rs 4868.02 crore. NII of the company galloped 29% to Rs 7655.30 crore in Q3FY2024. Operating expenses increased 21% to Rs 2979.99 crore, allowing the operating profit to jump 27% to Rs 6317.97 crore. Depreciation moved up 48% to Rs 175.75 crore, while loan loss provisions increased 48% to Rs 1248.35 crore in Q3FY2024. PBT increased 22% to Rs 4893.87 crore. Effective tax rate eased to 25.7% in Q3FY2024 from 25.9% in Q3FY2023.

Business highlights

- Number of new loans booked grew 26% in Q3FY24 to 9.86 million as against 7.84 million in Q3FY23.
- Customer franchise stood at 80.41 million end December 2023 as compared to 66.05 million end December 2022, a growth of 22%. The Company recorded highest ever quarterly increase in its customer franchise of 3.85 million in Q3FY24.
- Assets under management (AUM) grew 35% to Rs 310968 crore end December 2023 from Rs 230842 crore end December 2022. AUM grew Rs 20704 crore in Q3FY24.
- Net interest income increased 29% in Q3FY24 to Rs 7655 crore from Rs 5922 crore in Q3FY23.
- Net total income increased 25% in Q3FY24 to Rs 9298 crore from Rs 7438 crore in Q3FY23.
- Operating expenses to net total income for Q3FY24 was 33.9% as against 34.8% in Q3FY23.
- Pre-provisioning operating profit increased 27% to Rs 6142 crore in Q3FY24 from Rs 4853

crore in Q3FY23.

- Loan losses and provisions in Q3FY24 was Rs 1248 crore as against Rs 841 crore in Q3FY23. The Company holds a management and macro-economic overlay of Rs 590 crore end December 2023.
- Profit before tax increased 22% in Q3FY24 to Rs 4,896 crore from Rs 4,012 crore in Q3FY23. 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%.
- Profit after tax increased 22% in Q3FY24 to Rs 3639 crore from Rs 2973 crore in Q3FY23.
- Gross NPA and Net NPA end December 2023 stood at 0.95% and 0.37% respectively, as against 1.14% and 0.41% end December 2022. The Company has provisioning coverage ratio of 62% on stage 3 assets end December 2023.
- Capital adequacy ratio (CRAR) (including Tier-II capital) end December 2023 was 23.87%. The Tier-I capital was 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%.
- The Company enjoys the highest credit rating of AAA/Stable for its long-term debt programme from CRISIL, ICRA, CARE and India Ratings, A1+ for Short-term debt programme from CRISIL, ICRA and India Ratings and AAA (Stable) for its fixed deposits programme from CRISIL and ICRA.
- The Company has been assigned long-term issuer rating of BBB-/Stable and short-term issuer rating of A-3 by S&P Global ratings.
- On 2 November 2023, the Company allotted 1,550,000 warrants at a price of Rs 7670 per warrant, on a preferential basis, to Bajaj Finserv, the promoter and holding company on receipt of application money aggregating to Rs 297.21 crore being 25% of the total consideration. The remaining 75% of the consideration will be paid at the time of conversion of warrants into equity shares anytime within eighteen months from the date of allotment.
- On 9 November 2023, the Company allotted 12,104,539 equity shares through Qualified Institutions Placement (QIP) to eligible investors at a price of Rs 7270 per equity share (including a premium of Rs 7268 per Equity Share) aggregating approximately Rs 8800 crore.
- On 19 January 2024, the Company acquired 26.53% equity stake on a fully diluted basis of Pennant Technologies for an aggregate amount of Rs 267.47 crore.

Bajaj Finance - Q3FY24

- Assets under management grew 38% to Rs 232,040 crore end December 2023 from Rs 168,359 crore end December 2022.
- Net interest income increased 30% in Q3FY24 to Rs 6973 crore from Rs 5347 crore in Q3FY23.
- Net total income increased 26% in Q3FY24 to Rs 8485 crore from Rs 6760 crore in Q3FY23.
- Pre-provisioning operating profit increased 27% in Q3FY24 to Rs 5539 crore from Rs 4351 crore in Q3FY23.
- Loan losses and provisions in Q3FY24 was Rs 1248 crore as against Rs 811 crore in Q3FY23. The Company holds a management and macro-economic overlay of Rs 440 crore end December 2023.
- Profit before tax increased 21% in Q3FY24 to Rs 4291 crore from Rs 3540 crore in Q3FY23.
- Profit after tax increased 21% in Q3FY24 to Rs 3177 crore from Rs 2624 crore in Q3FY23.

Bajaj Housing Finance - Q3FY24

- Assets under management grew 31% to Rs 85929 crore end December 2023 from Rs 65581 crore end December 2022.
- Net interest income increased 17% in Q3FY24 to Rs 645 crore from Rs 549 crore in Q3FY23.
- Net total income increased 17% in Q3FY24 to Rs 746 crore from Rs 638 crore in Q3FY23.
- Loan losses and provisions in Q3FY24 was Rs 1 crore as against Rs 30 crore in Q3FY23. BHFL holds a management and macro-economic overlay of Rs 150 crore end December 2023.
- Profit after tax increased 31% in Q3FY24 to Rs 437 crore from Rs 334 crore in Q3FY23.
- Gross NPA and Net NPA end December 2023 stood at 0.25% and 0.10% respectively, as against 0.23% and 0.10% end December 2022. BHFL has provisioning coverage ratio of 61% on stage 3 assets end December 2023.
- Capital adequacy ratio (including Tier-II capital) end December 2023 was 21.92%.
- BHFL enjoys the highest credit rating of AAA/Stable for its long-term debt programme from CRISIL and India Ratings and A1+ for short-term debt programme from CRISIL and India Rating\$.

Bajaj Financial Securities - Q3FY24

- Customers acquired during Q3FY24 were approximately 38,500. Its customer franchise end December 2023 was approximately 656,300.
- Margin trade financing (MTF) book stood at Rs 3167 crore end December 2023 as against Rs 1080 crore end December 2022.
- Net interest income in Q3FY24 was Rs 31 crore as against Rs 22 crore in Q3FY23.
- Net total income in Q3FY24 was Rs 74 crore as against Rs 46 crore in Q3FY23.
- BFinsec generated profit before tax of Rs 22 crore in Q3FY24 against Rs 5 crore in Q3FY23.
- BFinsec generated profit after tax of Rs 16 crore in Q3FY24 against Rs 3 crore in Q3FY23.

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