

May 02, 2023



Current Price: ₹ 1351.35

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	1846.00/1077.70
Mkt. Cap.(Rs Cr)	215245.13
Latest Equity(Subscribed)	159.28
Latest Reserve (cons.)	46248.08
Latest EPS (cons.) -Unit Curr.	40.29
Latest P/E Ratio -cons	33.54
Latest Bookvalue (cons.) -Unit Curr.	291.35
Latest P/BV - cons	4.64
Dividend Yield -%	0.06
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2023
Foreign	7.53
Institutions	7.40
Non Promoter Corp. Hold.	4.94
Promoters	60.78
Public & Others	19.36

Financials Results

Particulars	In Cr.		
	Qtr Ending Mar. 23	Qtr Ending Mar. 22	Var. (%)
Income from Operations	23624.61	18861.67	25
OPM (%)	34.52	32.3	
OP	8154.41	6092.86	34
Other Income	0.34	0	-
PBDIT	8154.75	6092.86	34
Interest (Net)	3435.57	2481.34	38
PBDT	4719.18	3611.52	31
Depreciation / Amortization	180.58	149.33	21
PBT	4538.6	3462.19	31
Tax Expenses	1205.32	928.62	30
PAT	3333.28	2533.57	32
Profit attributable to non-controlling interest	1566.19	1187.5	32
Share of profit/loss of Associate	1.86	0.01	-
Net Profit after minority and share in associate	1768.95	1346.08	31
EPS (Rs)	11.11	8.46	

Q4FY23: Continues strong performance, in line with estimates

The income from operation of Bajaj Finserv increased 25.12% to Rs 23278.06 crore in Q4FY2023. The revenue of Insurance (51.57% of total revenues) segment has gone up 19.15% to Rs 12349.03 crore. The revenue of Windmill (0.01% of total revenues) segment has gone down 66.97% to Rs 2.58 crore. The revenue of Investments & Others (0.97% of total revenues) segment has gone up 84.39% to Rs 231.71 crore. The revenue of Retail financing (47.45% of total revenues) segment has gone up 31.67% to Rs 11363.06 crore. PBIT of Insurance segment rose 6.35% to Rs 205.21 crore (accounting for 4.52% of total PBIT). PBIT of Windmill segment fell 91.30% to Rs 0.38 crore (accounting for 0.01% of total PBIT). PBIT of Investments & Others reported loss of Rs 151.87 crore (accounting for (-) 3.34% of total PBIT) compared to loss of Rs 160.21 crore. PBIT of Retail financing segment increased 31.00% to Rs 4486.74 crore (accounting for 98.82% of total PBIT).

The Capital employed for Insurance (5.65% of total) segment has gone down 1.99% to Rs 16288.56 crore. The Capital employed for Windmill (0.01% of total) segment has gone down 4.62% to Rs 33.02 crore. The Capital employed for Investments & Others (0.45% of total) segment has gone up 38.74% to Rs 1301.13 crore. The Capital employed for Retail financing (93.88% of total) segment has gone up 29.68% to Rs 270469.55 crore.

Overall OPM has increased to 35.03% in Q4FY2023 from 32.75% in Q4FY2022, leading to 33.84% rise in operating profit to Rs 8154.41 crore. Other expenditure as a percentage of total income moved down to 50.31% from 53.03% in Q4FY2023. The staff cost as a percentage of total income increased to 10.96% from 10.28% in Q4FY2023. The provisions as percentage of total income declined to 3.70% from 3.95% in Q4FY2023. Interest cost increased 38.46% to Rs 3435.57 crore. Depreciation moved up 20.93% to Rs 180.58 crore. PBT moved up 31.09% to Rs 4538.60 crore.

The effective tax rate declined to 26.56% in Q4FY2023 compared to 26.82% in Q4FY2022.

Bajaj Finserv : Consolidated Segment Results

In Cr.

	Qtr Ending Mar 23	Qtr Ending Mar 22	Var (%)	% of (Total)
Segment Revenue				
Insurance	12349.03	10363.90	19	52
Windmill	2.58	7.81	-67	0
Investments & Others	231.71	125.66	84	1
Retail financing	11363.06	8630.28	32	47
Total Segment Revenue	23946.38	19127.65	25	100
Less: Inter segment revenues	321.43	265.98	21	
Total Segment Revenue from Operations (Net)	23624.95	18861.67	25	100
PBIT				
Insurance	205.21	192.95	6	5
Windmill	0.38	4.37	-91	0
Investments & Others	-151.87	-160.21	5	-3
Retail financing	4486.74	3425.09	31	99
Total PBIT	4540.46	3462.20	31	100
Less : Interest	0.00	0.00	-	
PBT	4540.46	3462.20	31	100
Capital Employed				
Insurance	5.65	16288.56	16619.38	-20
Windmill	33.02	34.62	-5	0
Investments & Others	1301.13	937.79	39	94
Retail financing	270469.55	208566.12	30	100
Total Segment	288092.26	226157.91	27	
Add: Unallocated Corporate	31.58	30.99	2	100
Total	288123.84	226188.90	27	

Figures in Rs crore, PL: Profit to Loss; LP Loss to Profit

.Provision for tax was expense of Rs 1205.32 crore, compared to Rs 928.62 crore. Profit after tax rose 31.56% to Rs 3333.28 crore.

There was profit attributable to non-controlling interest of Rs 1566.19 crore as compared to Rs 1187.50 crore. The share of profit of associate companies increased 18500% to Rs 1.86 crore. Finally, Net profit attributable to owners moved up 31.41% to Rs 1768.95 crore.

Business highlights:

- BFL recorded highest ever yearly consolidated profit after tax of Rs11508 crore. Customer franchise stood at 69.14 million as of 31 March 2023 as compared to 57.57 million as of 31 March 2022 - an increase of 20%. Customer franchise recorded highest ever increase of 11.57 million in FY23.
- Its wholly owned subsidiary, BHFL recorded growth of 77% in profit after tax to Rs 1258 crore.
- BAGIC maintained underwriting discipline being selective in growing business in a market where competition was seeking growth even by incurring losses. BAGIC still maintained its market position and registered its highest ever gross written premium of Rs 15487 crore and profit after tax of Rs 1348 crore. Gross written premium grew by 12%, excluding bulky tender-driven crop and government health business growth was 15%.
- BALIC continued its excellent performance and recorded growth of 41% in individual rated

new business premium, registered highest ever gross written premium of Rs 19462 crore and recorded 53% growth in new business value to Rs 950 crore.

- Consequently, BFS` consolidated results yet again reflected an all-time high consolidated total Income of Rs 82072 crore and profit after tax of Rs 6417 crore, surpassing the record set in the previous year.

Bajaj Finance (BFL) - Consolidated - Ind AS

- Total income for Q4FY23 increased by 32% to Rs 11363 crore against Rs 8629 crore in Q4FY22.
- Profit after tax for Q4FY23 increased by 30% to Rs 3158 crore against Rs 2420 crore in Q4FY22 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 302 crore in Q4FY23 against Rs 198 crore in Q4FY22 - an Increase of 53%.
- Assets Under Management (AUM) as on 31 March 2023 was Rs 247379 crore against Rs 197452 crore as on 31 March 2022 - an increase of 25%. This includes AUM of Rs 69228 crore of BHFL, which recorded a growth of 30% over the AUM as on 31 March 2022.
- Gross NPA and Net NPA end March 2023 stood at 0.94% and 0.34% respectively as against 1.60% and 0.68% end March 2022. Provisioning coverage ratio on stage 3 assets is 64%. BFL holds a management and macro-economic overlay in provisions of Rs 960 crore as on 31 March 2023.
- Capital adequacy ratio (including Tier-II capital) stood at 24.97% end March 2023. The Tier-I capital stood at 23.20%.
- For BHFL, the capital adequacy ratio (including Tier-II capital) stood at 22.97%.

Bajaj Allianz General Insurance Company (BAGIC) - Indian GAAP

- Gross written premium for Q4FY23 increased by 14% to Rs 3766 crore against Rs 3300 crore in Q4FY22.
- Excluding tender-driven crop and government health insurance premium, BAGIC`s gross written premium increased by 17% to Rs 3345 crore in Q4FY23 from Rs 2871 crore in Q4FY22.
- Net earned premium for Q4FY23 stood at Rs 1990 crore against Rs 1988 crore in Q4FY22.
- Claim ratio decreased to 66.4% in Q4FY23 against 68.8% in Q4FY22. The decrease in claim ratio is attributable to lower claims in motor, health and some commercial lines.
- Sequentially from Q1FY23, claim ratio improved by 2.4% in Q2FY23, 3.4% in Q4FY23 and further by 5.7% in Q4FY 23 due to better selection of business and normalisation of some aberrations such as high motor own damage and crop loss ratios.
- Combined ratio stood at 97.3% in Q4FY23 against 98.3% in Q4FY22.
- Underwriting loss stood at Rs 2 crore for Q4FY23 against profit of Rs 9 crore in Q4FY22.
- Investment and other income (net) for Q4FY23 stood at Rs 431 crore against Rs 327 crore in Q4FY22. Profit on sale of investments was higher by Rs 16 crore (before tax) in Q4FY23.
- Profit after tax for Q4FY23 stood at Rs 322 crore against Rs 248 crore in Q4FY22.
- The solvency ratio was 391% end March 2023, which is well above the minimum regulatory requirement of 150%.

- Assets Under Management (AUM) represented by cash and investments as on 31 March 2023 stood at Rs 27809 crore against Rs 24633 crore as on 31 March 2022- an increase of 13%

Bajaj Allianz Life Insurance Company (BALIC) - Indian GAAP

- Gross written premium for Q4FY23 increased by 13% to Rs 6434 crore from Rs 5719 crore in Q4FY22.
- New business premium for Q4FY23 stood at Rs 3297 crore against Rs 3236 crore in Q4FY22 - an increase of 2% due to lower group fund business.
- Individual rated new business premium was Rs 1992 crore in Q4FY23 against Rs 1347 crore in Q4FY22 - a growth of 48%.
- Group protection new business stood at Rs 675 crore in Q4FY23 against Rs 750 crore in Q4FY22.
- Group fund new business stood at Rs 505 crore in Q4FY23 against Rs 1030 crore in Q4FY22.
- Renewal premium for Q4FY23 was Rs 3137 crore against Rs 2483 crore in Q4FY22 - an increase of 26%.
- Shareholders` profit after tax during Q4FY23 stood at Rs 26 crore against Rs 48 crore in Q4FY22, 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 businesses, increased by 35% to Rs 415 crore in Q4FY23 against Rs 308 crore in Q4FY22.
- Solvency ratio stood at a healthy 516% as on 31 March 2023 as against the minimum regulatory requirement of 150%.
- Assets under Management (AUM). represented by total investments stood at Rs 90584 crore as on 31 March 2023 against Rs 85623 crore as on 31 March 2022- an Increase of 6%.

Financial Performance Fy2022

The income from operation increased 20.03% to Rs 80687.06 crore in FY2023. The revenue of Insurance (48.65% of total revenues) segment has gone up 10.21% to Rs 40867.25 crore. The revenue of Windmill (0.03% of total revenues) segment has gone down 21.17% to Rs 23.16 crore. The revenue of Investments & Others (2.03% of total revenues) segment has gone up 71.18% to Rs 1704.11 crore. The revenue of Retail financing (49.29% of total revenues) segment has gone up 30.86% to Rs 41405.69 crore.

PBIT of Insurance segment fell 31.81% to Rs 1212.61 crore (accounting for 7.21% of total PBIT). PBIT of Windmill segment rose 65.98% to Rs 10.49 crore (accounting for 0.06% of total PBIT). PBIT of Investments & Others reported loss of Rs 580.76 crore (accounting for (-) 3.45% of total PBIT) compared to loss of Rs 514.10 crore. PBIT of Retail financing segment rose 61.69% to Rs 16168.79 crore (accounting for 96.18% of total PBIT).

The Capital employed for Insurance (5.65% of total) segment has gone down 1.99% to Rs 16288.56 crore. The Capital employed for Windmill (0.01% of total) segment has gone down 4.62% to Rs 33.02 crore. The Capital employed for Investments & Others (0.45% of total) segment has gone up 38.74% to Rs 1301.13 crore. The Capital employed for Retail financing (93.88% of total) segment has gone up 29.68% to Rs 270469.55 crore.

Overall OPM has increased to 36.79% in FY2023 from 31.68% in FY2022, leading to 39.39%

rise in operating profit to Rs 29688.39 crore. The provisions as percentage of total income declined to 4% from 7.27% in FY2023. Other expenditure as a percentage of total income moved down to 48.34% from 51.28% in FY2023. The staff cost as a percentage of total income increased to 10.87% from 9.76% in FY2023.

Other income declined 97.66% to Rs 0.77 crore. There is 28.46% rise in interest cost at Rs 12201.42 crore and 20.45% rise in depreciation to Rs 677.8 crore, Profit before tax increased 49.14% to Rs 16809.94 crore. There is no extraordinary item. After which, PBT increased 49.14% to Rs 16809.94 crore.

The effective tax rate increased to 27.37% in FY2023 compared to 26.24% in FY2022. Provision for tax was expense of Rs 4601.59 crore, compared to Rs 2957.05 crore. Profit after tax jumped 46.84% to Rs 12208.35 crore.

There was profit attributable to non-controlling interest of Rs 5792.26 crore in FY2023 as compared to Rs 3756.76 crore in FY2022. Finally, Net profit attributable to owners rose 40.83% yoy to Rs 6417.28 crore in FY2023.

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