

PRESS RELEASE

Financial results for Q3 FY23

Bajaj Finance reports highest ever consolidated quarterly profit after tax of ₹ 2,973 crore in Q3 FY23, a growth of 40% over Q3 FY22.

A meeting of the Board of Directors of Bajaj Finance Limited (BFL) was held today to consider and approve the unaudited standalone and consolidated results for the quarter ended 31 December 2022.

The consolidated results of BFL include the results of its wholly owned subsidiaries viz. Bajaj Housing Finance Limited (BHFL), Bajaj Financial Securities Limited (BFinsec) and its associate company viz. Snapwork Technologies Private limited.

CONSOLIDATED PERFORMANCE HIGHLIGHTS

Particulars	Q3 FY23	Q3 FY22	Growth
Assets under management	₹ 230,842 crore	₹ 181,250 crore	27%
Profit after tax	₹ 2,973 crore	₹ 2,125 crore	40%
Annualized ROA	5.4%	5.1%	
Annualized ROE	24.0%	21.2%	

CONSOLIDATED PERFORMANCE HIGHLIGHTS - Q3 FY23

- **New loans booked** during Q3 FY23 were **highest ever** at 7.84 million.
- **Customer franchise** stood at 66.05 million as of 31 December 2022 as compared to 55.36 million as of 31 December 2021, a growth of 19%. The Company recorded **highest ever** quarterly increase in its customer franchise of 3.14 million in Q3 FY23.
- **Assets under management (AUM) grew by 27%** to ₹ 230,842 crore as of 31 December 2022 from ₹ 181,250 crore as of 31 December 2021.
- **Net interest income (NII)** for Q3 FY23 **increased by 24%** to ₹ 7,435 crore from ₹ 6,005 crore in Q3 FY22. NII growth was 28% after adjusting NII of ₹ 203 crore earned on IPO financing in Q3 FY22 which has since been discontinued due to change in regulation.
- **Total operating expenses to net interest income** for Q3 FY23 was 34.7% as against 35.9% in Q2 FY23 and 34.7% in Q3 FY22.
- **Loan losses and provisions** for Q3 FY23 was ₹ 841 crore as against ₹ 1,051 crore in Q3 FY22. The Company holds a management and macro-economic overlay of ₹ 1,000 crore as of 31 December 2022.
- **Profit before tax** for Q3 FY23 **increased by 40%** to ₹ 4,012 crore from ₹ 2,868 crore in Q3 FY22.
- **Profit after tax** for Q3 FY23 **increased by 40%** to ₹ 2,973 crore from ₹ 2,125 crore in Q3 FY22.

- **Gross NPA and Net NPA** as of 31 December 2022 stood at 1.14% and 0.41% respectively, as against 1.73% and 0.78% as of 31 December 2021. The Company has provisioning coverage ratio of 64% on stage 3 assets and 116 bps on stage 1 and 2 assets as of 31 December 2022.
- **Capital adequacy ratio** (including Tier-II capital) as of 31 December 2022 was 25.14%. The Tier-I capital was 23.28%.
- **Annualized return on average assets** for Q3 FY23 was 5.4% as against 5.1% in Q3 FY22.
- **Annualized return on average equity** for Q3 FY23 was 24.0% as against 21.2% in Q3 FY22.
- 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.

A - Breakup of consolidated AUM and deposits book

(₹ in crore)

AUM	As of 31 December 2022				Consolidated as of 31 December 2021	Growth
	BFL Standalone	BHFL	BFinsec	BFL Consolidated		
Two & Three Wheeler Finance	11,786	-	-	11,786	10,620	11%
Urban B2B - Sales Finance	16,712	-	-	16,712	14,920	12%
Urban B2C	45,108	1,625	-	46,733	36,344	29%
Rural B2B	4,684	-	-	4,684	3,993	17%
Rural B2C	18,458	-	-	18,458	14,311	29%
SME lending	30,739	141	-	30,880	23,153	33%
Commercial lending	14,848	-	-	14,848	10,478	42%
Loan against securities	12,177	-	1,080	13,257	9,127	45%
Mortgage lending	13,847	63,815	-	73,484	58,304	26%
Total AUM	168,359	65,581	1,080	230,842	181,250	27%

Deposits	As of 31 December 2022			Consolidated as of 31 December 2021	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Deposits	42,359	625	42,984	30,481	41%

Approximately 21% of the consolidated borrowings and 29% of the standalone borrowings.

B – Summary of consolidated financial results

(₹ in crore)

Particulars	Q3'23	Q3'22	QoQ	9m'23	9m'22	9Mo9M	FY'22
New loans booked (numbers in million)	7.84	7.44	5%	22.02	18.40	20%	24.68
Assets under management	230,842	181,250	27%	230,842	181,250	27%	197,452
Receivables under financing activity	225,399	174,775	29%	225,399	174,775	29%	191,423
Interest income	9,273	7,265	28%	25,703	19,909	29%	27,277
Fees, commission, and other non-interest income	1,513	1,274	19%	4,340	3,110	40%	4,371
Total income	10,786	8,539	26%	30,043	23,019	31%	31,648
Interest expenses	3,351	2,534	32%	8,968	7,186	25%	9,748
Net interest income	7,435	6,005	24%	21,075	15,833	33%	21,900
Total operating expenses	2,582	2,086	24%	7,478	5,493	36%	7,593
Loan losses and provisions	841	1,051	(20%)	2,330	4,102	(43%)	4,803
Profit before tax	4,012	2,868	40%	11,267	6,238	81%	9,504
Profit after tax	2,973	2,125	40%	8,350	4,609	81%	7,028

STANDALONE PERFORMANCE HIGHLIGHTS
Bajaj Finance Limited – Q3 FY23

- **Assets under management grew by 27%** to ₹ 168,359 crore as of 31 December 2022 from ₹ 132,913 crore as of 31 December 2021.
- **Net interest income (NII) for Q3 FY23 increased by 22%** to ₹ 6,759 crore from ₹ 5,558 crore in Q3 FY22. NII growth was 26% after adjusting NII of ₹ 203 crore earned on IPO financing in Q3 FY22 which has since been discontinued due to change in regulation.
- **Loan losses and provisions for Q3 FY23 was ₹ 811 crore as against ₹ 995 crore in Q3 FY22.** The Company holds a management and macro-economic overlay of ₹ 758 crore as of 31 December 2022.
- **Profit after tax for Q3 FY23 increased by 36%** to ₹ 2,624 crore from ₹ 1,934 crore in Q3 FY22.
- **Annualized return on average assets for Q3 FY23 was 6.5%** as against 6.1% in Q3 FY22.
- **Annualized return on average equity for Q3 FY23 was 22.2%** as against 20.0% in Q3 FY22.

C - Summary of standalone financial results of Bajaj Finance Limited

(₹ in crore)

Particulars	Q3'23	Q3'22	QoQ	9m'23	9m'22	9Mo9M	FY'22
New loans booked (numbers in million)	7.75	7.35	5%	21.78	18.11	20%	24.31
Assets under management	168,359	132,913	27%	168,359	132,913	27%	146,743
Receivables under financing activity	166,335	130,732	27%	166,335	130,732	27%	144,276
Interest income	7,802	6,338	23%	21,858	17,353	26%	23,736
Fees, commission, and other non-interest income	1,413	1,192	19%	4,111	2,907	41%	4,143
Total income	9,215	7,530	22%	25,969	20,260	28%	27,879
Interest expenses	2,456	1,972	25%	6,671	5,625	19%	7,573
Net interest income	6,759	5,558	22%	19,298	14,635	32%	20,306
Total operating expenses	2,408	1,953	23%	6,982	5,150	36%	7,098
Loan losses and provisions	811	995	(18%)	2,264	3,958	(43%)	4,622
Profit before tax	3,540	2,610	36%	10,052	5,527	82%	8,586
Profit after tax	2,624	1,934	36%	7,452	4,083	83%	6,350

PERFORMANCE HIGHLIGHTS OF SUBSIDIARIES
Bajaj Housing Finance Limited – Q3 FY23

- **Assets under management grew by 33%** to ₹ 65,581 crore as of 31 December 2022 from ₹ 49,203 crore as of 31 December 2021.
- **Net interest income** for Q3 FY23 **increase by 49%** to ₹ 638 crore from ₹ 429 crore in Q3 FY22.
- **Loan losses and provisions** for Q3 FY23 was ₹ 30 crore as against ₹ 56 crore in Q3 FY22. BHFL holds a management and macro-economic overlay of ₹ 242 crore as of 31 December 2022.
- **Profit after tax** for Q3 FY23 **increased by 81%** to ₹ 334 crore from ₹ 185 crore in Q3 FY22.
- **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% as of 31 December 2021. BHFL has provisioning coverage ratio of 55% on stage 3 assets and 71 bps on stage 1 and 2 assets as of 31 December 2022.
- **Annualized return on average assets** for Q3 FY23 was 2.4% as against 1.8% in Q3 FY22.
- **Annualized return on average equity** for Q3 FY23 was 13.3% as against 11.5% in Q3 FY22.
- **Capital adequacy ratio** (including Tier-II capital) as of 31 December 2022 was 23.00%.

D - Summary of standalone financial results of Bajaj Housing Finance Limited

(₹ in crore)

Particulars	Q3'23	Q3'22	QoQ	9m'23	9m'22	9Mo9M	FY'22
Assets under management	65,581	49,203	33%	65,581	49,203	33%	53,322
Receivables under financing activity	57,991	43,479	33%	57,991	43,479	33%	46,482
Interest income	1,428	907	57%	3,749	2,520	49%	3,482
Fees, commission, and other non-interest income	89	79	13%	331	189	75%	285
Total Income	1,517	986	54%	4,080	2,709	51%	3,767
Interest expenses	879	557	58%	2,257	1,549	46%	2,155
Net Interest Income (NII)	638	429	49%	1,823	1,160	57%	1,612
Total operating expenses	156	123	27%	463	325	42%	471
Loan losses and provisions	30	56	(46%)	67	143	(53%)	181
Profit before tax	452	250	81%	1,293	692	87%	960
Profit after tax	334	185	81%	956	512	87%	710

Bajaj Financial Securities Limited (BFinsec)

- Customers acquired during Q3 FY23 were approximately 77,100. BFinsec's customer franchise as of 31 December 2022 was over 523,300.
- Margin trade financing (MTF) book stood at ₹ 1,080 crore as of 31 December 2022 as against ₹ 770 crore as of 31 December 2021.
- Total Income for Q3 FY23 was ₹ 61 crore as against ₹ 38 crore for Q3 FY22. Q3 FY22 has an IPO application and allotment income of ₹ 7 crore.
- BFinsec generated profit after tax of ₹ 3 crore for Q3 FY23 against ₹ 7 crore for Q3 FY22.

For Bajaj Finance Limited
**Pune
27 January 2023**
**Rajeev Jain
Managing Director**