

PRESS RELEASE

Financial results for Q3 FY22

Bajaj Finance reports highest ever consolidated profit after tax of ₹ 2,125 crore and highest ever quarterly Core AUM growth¹ of ₹ 14,700 crore for the quarter ended 31 December 2021

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 2021.

The consolidated results of BFL include the results of its wholly owned subsidiaries viz. Bajaj Housing Finance Limited (BHFL) and Bajaj Financial Securities Limited (BFinsec).

CONSOLIDATED PERFORMANCE HIGHLIGHTS

Consolidated assets under management	- ₹ 181,250 crore	v/s	₹ 143,550 crore
Consolidated profit after tax	- ₹ 2,125 crore	v/s	₹ 1,146 crore

CONSOLIDATED PERFORMANCE HIGHLIGHTS – Q3 FY22

- **New loans booked** during Q3 FY22 were 7.44 million as against 6.04 million in Q3 FY21.
- **Customer franchise** stood at 55.36 million as of 31 December 2021 as compared to 46.31 million as of 31 December 2020, a growth of 20%. The Company's customer franchise increased by 2.56 million in Q3 FY22 as compared to 2.19 million in Q3 FY21.
- **Assets under management (AUM) grew by 26%** to ₹ 181,250 crore as of 31 December 2021 from ₹ 143,550 crore as of 31 December 2020. Core AUM growth¹ in Q3 FY22 was approximately ₹ 14,700 crore.
- **Net Interest Income (NII)** for Q3 FY22 **increased by 40%** to ₹ 6,000 crore as against ₹ 4,296 crore in Q3 FY21. Interest income reversal for the quarter was ₹ 241 crore as compared to ₹ 450 crore in Q3 FY21.
- **Total operating expenses to net interest income** for Q3 FY22 was 34.7% as against 32.3% in Q3 FY21.
- **Loan losses and provisions** for Q3 FY22 was ₹ 1,051 crore as against ₹ 1,352 crore in Q3 FY21. During the quarter, the Company has done accelerated write offs of ₹ 163 crore of principal outstanding on account of COVID-19 related stress. The Company holds a management and macro-economic overlay of ₹ 1,083 crore as of 31 December 2021.
- **Profit before tax** for Q3 FY22 **increased by 84%** to ₹ 2,868 crore from ₹ 1,555 in Q3 FY21.
- **Profit after tax** for Q3 FY22 **increased by 85%** to ₹ 2,125 crore from ₹ 1,146 crore in Q3 FY21.
- **Gross NPA and Net NPA** as of 31 December 2021 stood at 1.73% and 0.78% respectively, as against 2.45% and 1.10% as of 31 September 2021. The Company has provisioning coverage ratio of 56% on stage 3 assets and 156 bps on stage 1 and 2 assets as of 31 December 2021.

During the quarter, the Company has changed its NPA classification criteria from number of EMI outstanding to Days Past Due approach in line with the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications". This change did not have any negative impact on the Company's NPA.

¹ Core AUM growth = (AUM growth for the quarter – short tenor IPO financing book + additional COVID overlay on account of third wave of COVID-19)



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- **Capital adequacy ratio** (including Tier-II capital) as of 31 December 2021 was 26.96%. The Tier-I capital was 24.44%.

A – Breakup of consolidated AUM and deposits book

(₹ In Crore)

AUM	As of 31 December 2021			Consolidated as of 31 December 2020	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Consumer B2B – Auto Finance	10,620	-	10,620	12,707	(16)%
Consumer B2B - Sales Finance	14,920	-	14,920	10,185	46%
Consumer B2C	34,951	1,393	36,344	29,042	25%
Rural B2B	3,993	-	3,993	2,438	64%
Rural B2C	14,311	-	14,311	10,954	31%
SME lending	23,217	136	23,153	18,882	23%
Commercial lending	10,478	-	10,478	7,510	40%
Loan against securities	8,357	-	9,127	5,074	80%
Mortgage lending	12,066	47,673	58,304	46,758	25%
Total AUM	132,913	49,203	181,250	143,550	26%

Deposits	As of 31 December 2021			Consolidated as of 31 December 2020	Growth
	BFL Standalone	BHFL	BFL Consolidated		
Deposits book	29,971	510	30,481	23,777	28%

@ Approximately 20% of the consolidated borrowings and 26% of the standalone borrowings.

B – Summary of consolidated financial results

(₹ In Crore)

Particulars	Q3'22	Q3'21	QoQ	9m'22	9m'21	9Mo9M	FY'21
New loans booked (numbers in million)	7.44	6.04	23%	18.40	11.41	61%	16.88
Assets under management	181,250	143,550	26%	181,250	143,550	26%	152,947
Receivables under financing activity	174,775	137,920	27%	174,775	137,920	27%	146,687
Interest income	7,262	5,723	27%	19,904	17,279	15%	23,304
Fees, commission and other income	1,213	797	52%	2,879	2,009	43%	2,788
Net gain on fair value changes on investments	60	139	(57)%	227	540	(58)%	591
Total income	8,535	6,659	28%	23,010	19,828	16%	26,683
Interest expenses	2,535	2,363	7%	7,186	7,218	0%	9,414
Net interest income (NII)	6,000	4,296	40%	15,824	12,610	25%	17,269
Total operating expenses	2,081	1,389	50%	5,484	3,702	48%	5,308
Loan losses and provisions	1,051	1,352	(22)%	4,102	4,738	(13)%	5,969
- on stage 1 and 2	208	(2,391)	(109)%	27	409	(93)%	414
- on stage 3 and write off	843	3,743	(77)%	4,075	4,329	(6)%	5,555
Profit before tax	2,868	1,555	84%	6,238	4,170	50%	5,992
Profit after tax	2,125	1,146	85%	4,609	3,073	50%	4,420

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- The Board of Directors has approved infusion of up to ₹ 2,500 crore of equity share capital in BHFL to support its capital needs for next 24 months.
- The Board of Directors has approved infusion of up to ₹ 400 crore of equity share capital in BFinsec to support its growth plans for next 24 months.

STANDALONE PERFORMANCE HIGHLIGHTS

- **Assets under management (AUM) grew by 21%** to ₹ 132,913 crore as of 31 December 2021 from ₹ 109,598 crore as of 31 December 2020.
- **Net Interest Income (NII) for Q3 FY22 increased by 40%** to ₹ 5,553 crore as against ₹ 3,977 crore in Q3 FY21. Interest income reversal for the quarter was ₹ 232 crore as compared to ₹ 456 crore in Q3 FY21.
- **Loan losses and provisions for Q3 FY22** was ₹ 995 crore as against ₹ 1,245 crore in Q3 FY21. The Company holds a management and macro-economic overlay of ₹ 880 crore as of 31 December 2021.
- **Profit after tax for Q3 FY22** was ₹ 1,934 crore as against ₹ 1,049 crore in Q3 FY21.

C - Summary of standalone financial results of Bajaj Finance Limited

	(₹ In Crore)						
Particulars	Q3'22	Q3'21	QoQ	9m'22	9m'21	9Mo9M	FY'21
New loans booked (numbers in million)	7.35	6.00	23%	18.11	11.36	59%	16.78
Assets under management	132,913	109,598	21%	132,913	109,598	21%	115,418
Receivables under financing activity	130,732	107,056	22%	130,732	107,056	22%	113,090
Interest income	6,335	4,973	27%	17,348	15,141	15%	20,419
Fees, commission and other income	1,146	745	54%	2,724	1,908	43%	2,599
Net gain on fair value changes on investments	44	129	(66)%	179	487	(63)%	528
Total income	7,525	5,847	29%	20,251	17,536	15%	23,546
Interest expenses	1,972	1,870	5%	5,625	5,723	(2)%	7,446
Net interest income (NII)	5,553	3,977	40%	14,626	11,813	24%	16,100
Total operating expenses	1,948	1,310	49%	5,141	3,502	47%	5,016
Loan losses and provisions	995	1,245	(20)%	3,958	4,520	(12)%	5,721
- on stage 1 and 2	179	(2,463)	(107)%	(21)	229	(109)%	215
- on stage 3 and write off	816	3,708	(78)%	3,979	4,291	(7)%	5,506
Profit before tax	2,610	1,422	84%	5,527	3,791	46%	5,363
Profit after tax	1,934	1,049	84%	4,083	2,795	46%	3,956

PERFORMANCE HIGHLIGHT OF SUBSIDIARIES

Bajaj Housing Finance Limited

- **Assets under management (AUM) grew by 39%** to ₹ 49,203 crore as of 31 December 2021 from ₹ 35,492 crore as of 31 December 2020.
- **Net Interest Income for Q3 FY22 increase by 30%** to ₹ 429 crore from ₹ 329 crore in Q3 FY21.



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- **Loan losses and provisions** for Q3 FY22 was ₹ 56 crore as against ₹ 107 crore in Q3 FY21. BHFL holds a management and macro-economic overlay of ₹ 203 crore as of 31 December 2021.
- **Profit after tax** for Q3 FY22 **increased by 87%** to ₹ 185 crore from ₹ 99 crore in Q3 FY21.
- **Gross NPA and Net NPA** as of 31 December 2021 stood at 0.35% and 0.18% respectively, as against 0.35% and 0.21% as of 30 September 2021. BHFL has provisioning coverage ratio of 49% on stage 3 assets and 82 bps on stage 1 and 2 assets as of 31 December 2021
- **Capital adequacy ratio** (including Tier-II capital) as of 31 December 2021 was 19.37%

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

							(₹ In Crore)
Particulars	Q3'22	Q3'21	QoQ	9m'22	9m'21	9Mo9M	FY'21
Assets under management	49,203	35,492	39%	49,203	35,492	39%	38,871
Receivables under financing activity	43,479	30,772	41%	43,479	30,772	41%	33,419
Interest income	907	747	21%	2,520	2,134	18%	2,877
Fees, commission and other income	65	65	0%	146	130	12%	218
Net gain on fair value changes on Investments	14	9	56%	43	51	(16)%	60
Total Income	986	821	20%	2,709	2,315	17%	3,155
Interest expenses	557	492	13%	1,549	1,495	4%	1,966
Net Interest Income (NII)	429	329	30%	1,160	820	41%	1,189
Total operating expenses	123	87	41%	325	231	41%	329
Loan losses and provisions	56	107	(48)%	143	217	(34)%	247
- on stage 1 and 2	29	72	(60)%	48	180	(73)%	199
- on stage 3 and write off	27	35	(23)%	95	37	157%	48
Profit before tax	250	135	85%	692	372	86%	613
Profit after tax	185	99	87%	512	274	87%	453

Bajaj Financial Securities Limited (BFinsec)

- BFinsec acquired approximately 65K retail and HNI customers in Q3 FY22. Customer franchise as of 31 December 2021 stood at approximately 269K. During the quarter, BFinsec has changed its acquisition strategy to focus on higher activation rate.
- Margin trade financing (MTF) book stood at ₹ 770 crore as of 31 December 2021 as against ₹ 97 crore as of 31 December 2020.
- Total Income for Q3 FY22 was ₹ 38 crore as against ₹ 8 crore in Q3 FY21.
- BFinsec generated profit after tax of ₹ 7 crore in Q3 FY22.

Pune
18 January 2022



For Bajaj Finance Limited

Rajeev Jain
Rajeev Jain
Managing Director