

BUY

TP: Rs 9,605 | ▲ 19%

BAJAJ FINANCE

| NBFC

| 17 October 2023

On a strong wicket; maintain BUY

- **Robust, broad-based AUM growth of 33% YoY to Rs 2.9tn at end-H1FY24; we raise our FY24/FY25 AUM forecast by 3%/4%**
- **Asset quality remains sound with GNPA under 1%; credit cost in check at 156bps for Q2**
- **Maintain BUY with a revised TP of Rs 9,605 (vs. Rs 9,105) as we bake in higher growth and the proposed capital raise**

Mohit Mangal

research@bobcaps.in

Strong growth: BAF delivered 33% YoY AUM growth to Rs 2.9tn at end-H1FY24, supported by an uptick across segments. The mortgage business (31% of AUM) grew 28% YoY and urban B2C (20% share) was up 29%. SME lending (13% share) posted 38% growth to Rs 386bn. Two- and three-wheeler financing climbed 63% YoY, contributing 5.7% of AUM from 4.7% at end-H1FY23, as the company financed non-Bajaj Auto products as well. Baking in the Q2 results, we raise our FY24/FY25 AUM estimates by 3%/4% to Rs 3.3tn/Rs 4.2tn.

New businesses showing early positive signs: BAF introduced new auto financing products in Q1 and has scaled this business to 85 locations by the close of the second quarter. The microfinance pilot programme began in September and is active in 12 villages in Uttar Pradesh and Karnataka. Management expects to expand to 100 locations by Mar'24.

Asset quality robust: BAF's GNPA and NNPA stood at 0.9% and 0.3% respectively as of H1FY24 (vs. 1.2% and 0.4% in H1FY23). Despite strong AUM growth, stage-3 assets grew by ~Rs 1bn YoY to Rs 26bn. Credit cost remained low at 156bps.

Higher return ratios despite NIM compression: NIM dipped 14bps QoQ in Q2 as finance cost increased 15bps. However, the company posted high ROE of 24.1% by focusing on operating leverage. Management expects the cost of funds to rise further in H2, putting pressure on margins. We lower our NIM estimate by 7bps for FY24 to 10.2% but maintain our FY25 forecast. Baking in the proposed Rs 100bn capital raise, we now expect lower ROAE of 22.4%/22.8% for FY24/FY25 vs. 23.9%/24.8% earlier.

Maintain BUY: We remain **bullish on BAF** and value the standalone business at 6.3x FY25E ABV post-money (vs. 6.6x earlier), a 15% premium to the 10Y average but 18% below the 5Y mean. Baking in our estimate and multiple revision, we arrive at a new value of Rs 9,125/sh (Rs 8,619 earlier) for standalone operations. Adding Rs 477/sh for subsidiaries, we have a new SOTP-based TP of Rs 9,605 (Rs 9,105 earlier) that offers 19% upside. BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	BAF IN/Rs 8,093
Market cap	US\$ 18.7bn
Free float	44%
3M ADV	US\$ 81.5mn
52wk high/low	Rs 8,192/Rs 5,486
Promoter/FPI/DII	56%/20%/13%

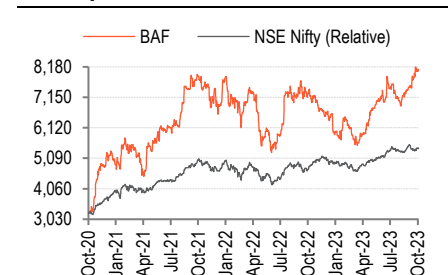
Source: NSE | Price as of 17 Oct 2023

Key financials

Y/E 31 Mar	FY23A	FY24E	FY25E
NII (Rs mn)	229,903	288,302	377,689
NII growth (%)	31.2	25.4	31.0
Adj. net profit (Rs mn)	115,077	145,282	191,734
EPS (Rs)	189.6	235.0	310.1
Consensus EPS (Rs)	189.6	235.0	299.0
P/E (x)	42.7	34.4	26.1
P/BV (x)	9.0	6.6	5.4
ROA (%)	4.7	4.5	4.5
ROE (%)	23.5	22.4	22.8

Source: Company, Bloomberg, BOBCAPS Research

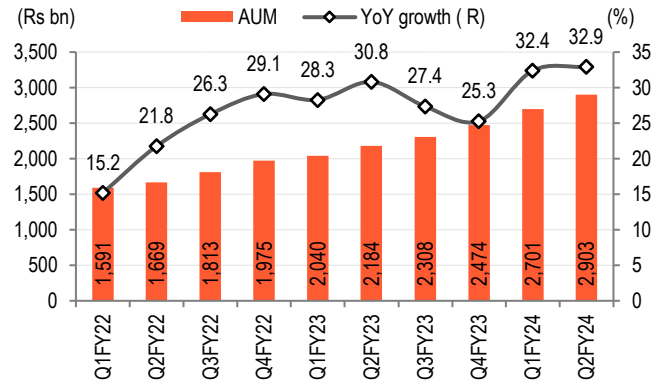
Stock performance



Source: NSE

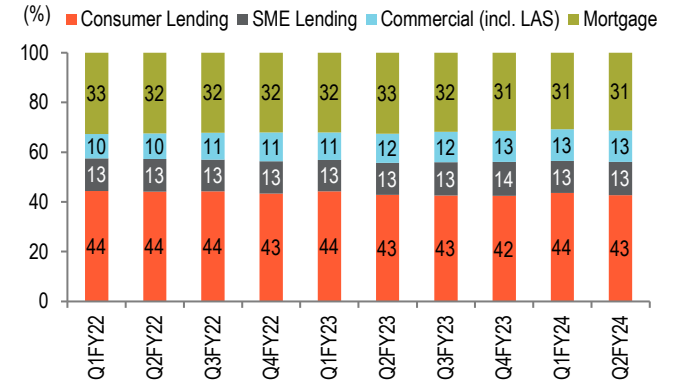


Fig 1 – Strong AUM growth



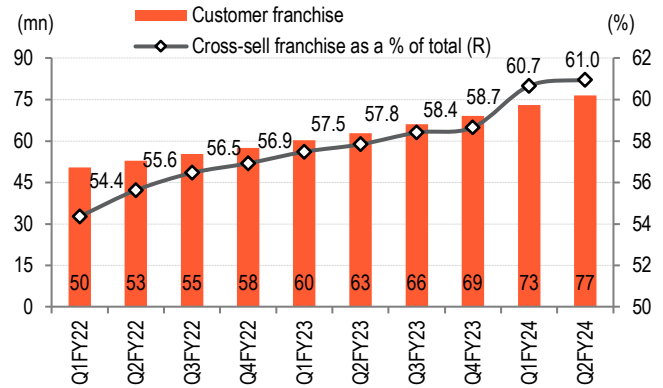
Source: Company, BOBCAPS Research

Fig 2 – AUM mix largely stable



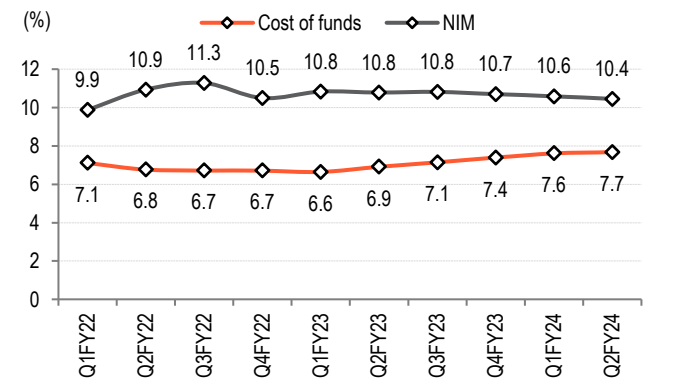
Source: Company, BOBCAPS Research

Fig 3 – Customer franchise strong



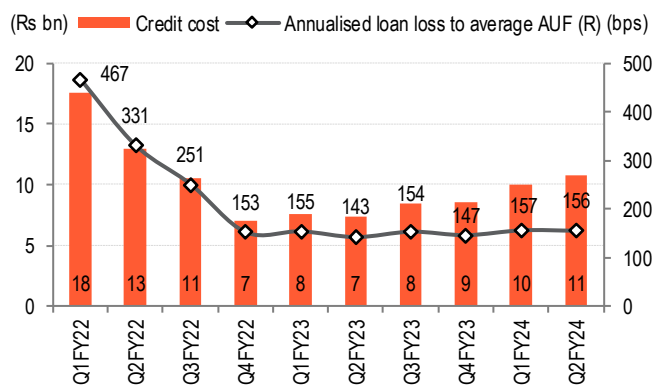
Source: Company, BOBCAPS Research

Fig 4 – NIM under pressure



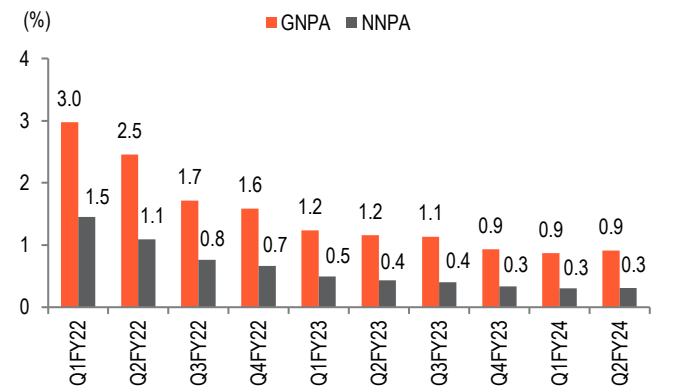
Source: Company, BOBCAPS Research

Fig 5 – Credit cost under control



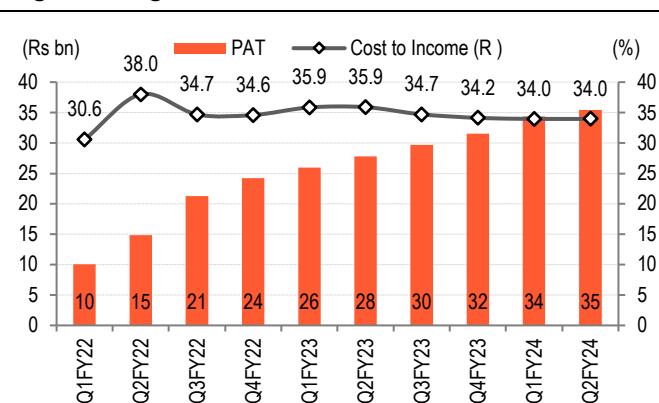
Source: Company, BOBCAPS Research | AUF: Assets under Finance

Fig 6 – Asset quality strong



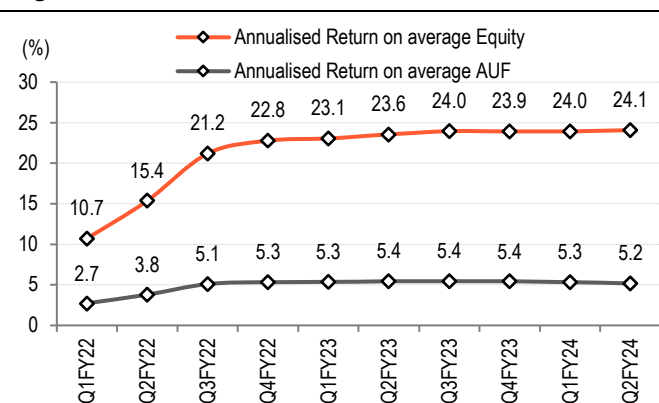
Source: Company, BOBCAPS Research

Fig 7 – PAT growth robust



Source: Company, BOBCAPS Research

Fig 8 – Return ratios stable



Source: Company, BOBCAPS Research

Fig 9 – Customer profile

Particulars	Unit	FY17	FY18	FY19	FY20	FY21	FY22	FY23	H1FY24
New loans booked	mn	10.1	15.3	23.5	27.4	16.9	24.7	29.6	18.5
New customer addition	mn	4.1	6.1	8.3	8.1	6.0	9.0	11.6	7.4
Co-branded credit cards sold	mn	0.03	0.39	0.81	1.12	0.70	1.36	1.92	1.04
Other financial products sold to existing customers	mn	0.06	0.08	0.19	0.27	0.67	2.23	2.36	1.26
AUM per cross-sell franchise	Rs	54,722	53,417	56,066	60,983	56,879	58,617	60,991	62,195
PAT per cross-sell franchise	Rs	1,670	1,618	1,933	2,182	1,644	2,145	2,837	1,497

Source: Company, BOBCAPS Research | Note: PAT per cross sell franchise not annualized for H1FY24

Fig 10 – High quality assets demonstrated by Stage-1 assets

Stage-1 (%)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Consumer durable & lifestyle	99.7	99.6	99.6	99.6	99.6	99.5
Two & three-wheelers	86.0	89.3	91.7	93.3	94.3	94.7
Digital products	99.5	99.5	99.6	99.5	99.5	99.4
Urban B2C	98.6	98.8	98.7	98.8	98.7	98.7
Business & professional loans	99.0	99.1	99.1	99.3	99.3	99.3
Rural B2B	99.7	99.6	99.7	99.6	99.7	99.6
Rural B2C	98.1	97.9	98.0	98.1	98.0	98.2
Loans against property	98.4	98.6	98.8	98.8	98.9	99.1
Home loans	99.4	99.4	99.5	99.6	99.4	99.5

Source: Company, BOBCAPS Research

Fig 11 – Profit and loss account

Consolidated (Rs mn)	Q2FY24	Q2FY23	YoY (%)	Q1FY24	QoQ (%)	H1FY24	H1FY23	YoY (%)
P&L								
Interest Income	117,340	85,090	37.9	108,211	8.4	225,551	164,299	37.3
Interest Expense	45,371	29,714	52.7	41,025	10.6	86,396	56,168	53.8
Net Interest Income (NII)	71,970	55,376	30.0	67,186	7.1	139,155	108,131	28.7
Non-interest income	16,442	14,633	12.4	16,795	(2.1)	33,237	28,283	17.5
Fee Income	13119.3	10,717	22.4	13,380	(1.9)	26,500	20,926	26.6
Sale of services	273.7	269	1.9	188	45.8	461	212	117.3
FV changes	711.2	844	(15.7)	904	(21.3)	1,615	1,302	24.0
Recovery from written off loans	2368.1	2,783	(14.9)	2,249	5.3	4,617	5,806	(20.5)
Non-Interest Income	(30)	21	(245.6)	74	(140.3)	44	37	21.3
Total income	88,412	70,009	26.3	83,980	5.3	172,392	136,413	26.4
Employee Costs	15875.2	12,393	28.1	14,970	6.0	30,845	24,255	27.2
Fees & commission expense	4729.6	4,784	(1.1)	4,684	1.0	9,413	9,378	0.4
Depreciation	1585.2	1,209	31.1	1,561	1.6	3,146	2,323	35.4
Other Expenses	7910.1	6,758	17.0	7,329	7.9	15,239	13,018	17.1
Total Operating Expenses	30,100	25,144	19.7	28,544	5.5	58,644	48,974	19.7
PPOP	58,312	44,865	30.0	55,437	5.2	113,748	87,440	30.1
Loan loss provision	10,771	7,342	46.7	9,953	8.2	20,723	14,889	39.2
PBT	47,541	37,523	26.7	45,484	4.5	93,025	72,551	28.2
Share of profit/(loss) from associate	1.5	-	NA	28	(94.7)	30	-	NA
Taxes	12,070	9,716	24.2	11,143	8.3	23,213	18,782	23.6
PAT	35,473	27,807	27.6	34,369	3.2	69,842	53,769	29.9

Source: Company, BOBCAPS Research

Fig 12 – Balance sheet

(Rs mn)	Q2FY24	Q2FY23	YoY (%)
Financial / Current Assets			
Cash & Cash equivalent	38,492	12,323	212.4
Bank balances other than cash and cash equivalents	37,026	6,443	474.7
Derivative financial instruments	1,051	4,705	(77.7)
Trade receivables	16,499	15,641	5.5
Loans	2,857,482	2,127,211	34.3
Investments	207,221	145,248	42.7
Other financial assets	18,462	11,953	54.5
Total Financial Assets	3,176,233	2,323,522	36.7
Non-financial / non-current assets			
Current tax assets	2,014	1,631	23.5
Deferred tax assets	10,667	9,738	9.5
PPE	19,137	14,732	29.9
Intangible assets	6,618	4,160	59.1
Goodwill	33	33	-
Other non-financial assets	3,241	3,411	(5.0)
Total Non-financial assets	42,938	33,704	27.4
Total Assets	3,219,170	2,357,225	36.6
Liabilities			
Financial Liabilities			
Derivative financial instruments	142	2,486	(94.3)
Trade payables	19,135	15,425	24.1

(Rs mn)	Q2FY24	Q2FY23	YoY (%)
Total outstanding dues of MSME	40	224	(82.1)
Total outstanding dues of creditors other than MSME	19,095	15,201	25.6
Other Payables	5,786	4,455	29.9
Total outstanding dues of MSME	4	-	NA
Total outstanding dues of creditors other than MSME	5,782	4,455	29.8
Debt securities	1,063,250	759,242	40.0
Borrowings	919,398	643,600	42.9
Deposits	548,212	394,222	39.1
Subordinated debts	34,627	35,664	(2.9)
Other financial liabilities	16,879	12,069	39.8
Total Financial Liabilities	2,607,427	1,867,161	39.6
Non-financial liabilities			
Current tax liabilities	6,142	5,060	21.4
Provisions	3,787	2,412	57.0
Other non-financial liabilities	3,069	2,162	42.0
Total Non-Financial Liabilities	12,998	9,634	34.9
Total Liabilities	2,620,426	1,876,796	39.6
Equity			
Equity share capital	1,211	1,208	0.2
Reserves & surplus	597,534	479,222	24.7
Total Equity	598,745	480,430	24.6
Total Liabilities & Equity	3,219,170	2,357,225	36.6

Source: Company, BOBCAPS Research

Earnings call takeaways

Operational highlights

- BAF's AUM grew 33% YoY to Rs 2.9tn at end-H1FY24. The company delivered quarterly AUM growth of Rs 202bn and half-yearly growth of Rs 429bn. Subsidiary BHFL's AUM grew 29% YoY to Rs 812bn at end-H1.
- The number of new loan accounts booked grew 26% YoY to 8.5mn in Q2FY24 vs. 6.8mn in Q2FY23. B2B disbursements increased 31% YoY to Rs 186bn.
- The opex-to-NII ratio improved to 34% from 35.9% in the year-ago quarter.
- BAF added 3.6mn new customers to the franchise during the quarter and 7.4mn in H1, indicating that it is on course to 12-13mn additions during FY24. The cross-sell customer franchise stood at 46.7mn.
- New car financing is moving ahead of plans and is now present in 85 locations across India. The microfinance pilot was launched at the start of September in 12 villages in Uttar Pradesh and Karnataka, with 100 locations to go live by Mar'24.
- In Q2, overall, the company added 106 new locations for a total of 3,934 and 14,000 distribution points for a total of 181,000.
- Employee headcount stood at 51,100 as of Sep'23, including 4,533 additions in Q2. Annualised attrition in H1FY24 was down to 13.4% from 18.6% in H1FY23.
- Capital adequacy remained strong at 23.2% as of Sep'23 with tier-1 capital at 21.9%.
- Product per customer (PPC) increased from 4.99 at the end of FY21 to 5.97 at the end of H1FY24, showing that the company's relationship with its customers is growing. PPC is a business metric used to determine the average number of products or services (active or closed) that a customer has availed over his/her lifetime with BAF and its subsidiaries

Use of capital

- Both subsidiaries, BHFL (Bajaj Housing Finance) and BFSL (Bajaj Financial Securities) witnessed strong business momentum in Q2FY24. Management indicated that capital would be allocated to these entities in a prudent manner based on ROE.
- Mandatory listing of BHFL on the bourses is 8-9 quarters away and the company stated that it has asked the regulator for an extension.

Mortgage

- Mortgage is an important driver of growth and constitutes ~30% of AUM.
- Within mortgage, LRD (lease rental discounting) grew 53% to Rs 169bn or 19% of the consolidated mortgage portfolio in Q2. BAF undertakes LRD on Grade-A commercial property, not on retail malls. The company counts Fortune 500 companies, primarily technology MNCs, among its clients.

- BAF's LRD portfolio has a vacancy rate of 1.6% against the industry's commercial market vacancy of 15-16%.

Asset quality

- Q2 loan losses & provisions stood at Rs 11bn. The company holds a management & macroeconomic overlay of Rs 7.4bn as of Sep'23, after releasing Rs 1bn from the overlay during the quarter.
- GNPA stood at 0.9% and NNPA at 0.3% as of September as against 1.2% and 0.4% a year-ago. Stage-3 assets stood at Rs 26bn vs. Rs 25bn.
- Per management, stage-2 and 3 assets in Q2 of any year would be higher because it is a 92-day quarter and are likely to normalise in Q4.
- Rural B2C business stage-2 assets have been reducing for the past few quarters, but the Sep'23 print of 141bps is higher than the pre-Covid figure of 109bps (Feb'20). Management is optimistic that the concerns will subside and the business will pick up in Q4.

Margins

- NIM compression is guided to continue for the next couple of quarters as:
 - the increase in cost of funds will be visible from Q3FY24 as borrowings are repriced at higher rates, and
 - yields likely remain flat given the competitive state of the business.
- Operating leverage will play an important part in mitigating the NIM compression.

Acquisition

- In mid-October, BAF entered into an agreement with technology product company Pennant Technologies for the acquisition of up to 26% equity stake for ~Rs 2.7bn.
- The business relationship dates to 2016 and BAF would benefit from the use of Pennant's technology platform.

Valuation methodology

We remain **bullish on BAF** and reiterate BUY with a revised TP of Rs 9,605 (from Rs 9,105). The company continues to report robust AUM growth as it benefits from a diverse product basket, wide distribution network, effective execution and seasoned management. To bake in the Q2FY24 results, we raise our AUM forecasts by 3%/4% for FY24/FY25 while lowering our FY24 NIM estimate slightly by 7bps to 10.2%.

Asset quality remains sound and BAF has maintained its decade-long track record of generating ROE of 20% or more (barring the Covid-affected period of FY21 and FY22), with a print of 24% in Q2. Intense competition and asset quality concerns over the company's new business forays look unfounded given management's established risk credentials and deep lending expertise.

Fig 13 – Revised estimates

(Rs mn)	New		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
AUM	3,278,958	4,212,878	3,194,190	4,049,303	2.7	4.0
NIM (%)	10.2	10.2	10.3	10.2	(7bps)	2 bps
Total income	362,460	474,526	358,740	457,187	1.0	3.8
C/I ratio (%)	33.9	33.2	33.6	33.1	35bps	10bps
PPOP	239,421	317,148	238,228	305,995	0.5	3.6
Credit cost	45,193	60,819	44,424	58,564	1.7	3.9
PAT	145,282	191,734	144,966	185,079	0.2	3.6
Net worth	755,210	930,184	666,940	824,257	13.2	12.9

Source: Company, BOBCAPS Research

Over the last decade, the stock has traded at an average of 5.5x one-year forward ABV on a standalone basis and 4.7x on a consolidated basis. Considering BAF's solid fundamentals and robust growth prospects, we value the standalone business at 6.3x FY25E ABV post-money (vs. 6.6x earlier), a 15% premium to the ten-year average but 18% below the five-year mean.

BAF recently secured board approval to raise capital of Rs 100bn via a qualified institutional placement (QIP) and preferential issue to boost its business, which explains our revised post-money valuation multiple. We now also expect a lower ROAE of 22.4%/22.8% for FY24/FY25 vs. 23.9%/24.8% earlier. Baking in our estimate and multiple revision, we arrive at a new value of Rs 9,125/sh (vs. Rs 8,619 earlier) for standalone operations.

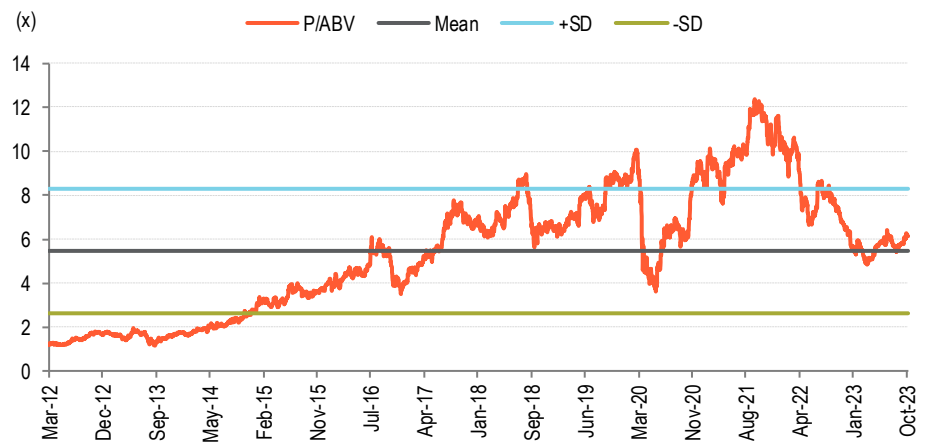
The addition of Rs 474/sh for housing arm BHFL (2x FY25E BV) and Rs 4/sh for securities subsidiary BFSL (15x FY25E EPS) – both largely unchanged valuations – makes for an SOTP-based TP of Rs 9,605 (Rs 9,105 earlier). We find current valuations compelling and maintain BUY for 19% upside from the current stock price.

Fig 14 – SOTP valuation

FY25E	Stake (%)	(Rs bn)	(Rs/share)	Valuation basis
Value of Bajaj Finance (Standalone)	-	5,795	9,125	6.3x P/ABV FY25E
Subsidiaries valuation	-	295	477	-
Bajaj Housing Finance (BHFL)	100	293	474	2x P/BV FY25E
Bajaj Financial Securities (BFSL)	100	2	4	15x P/E FY25E
Value of Bajaj Finance (Consolidated)	-	6,090	9,603	-
Final value (Consolidated – Rounded off)	-	-	9,605	-
Current Market Price	-	-	8,093	-
Upside/(Downside) (%)	-	-	18.7	-

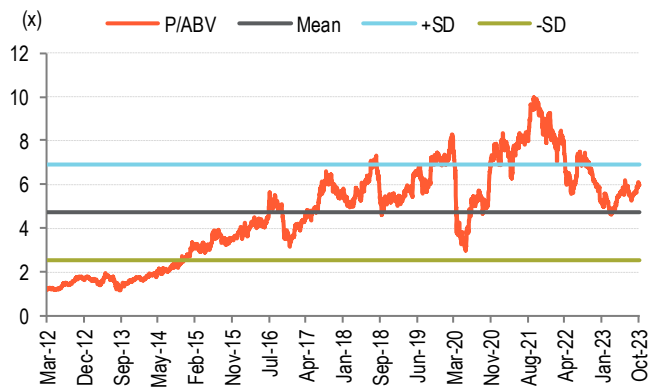
Source: BOBCAPS Research

Fig 15 – P/ABV 1Y fwd: Stock trading close to mean on standalone basis



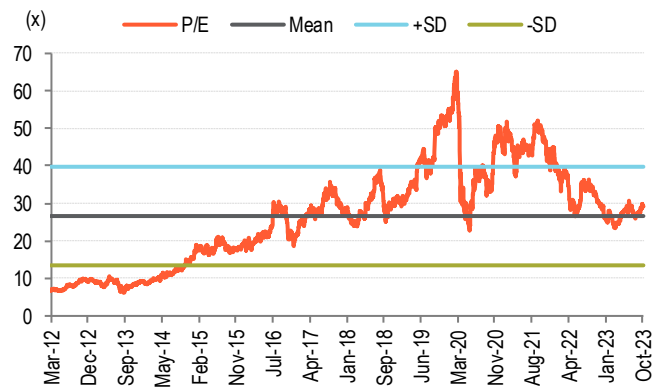
Source: Bloomberg, BOBCAPS Research

Fig 16 – P/ABV 1Y fwd: Stock trading above mean on consolidated basis



Source: Bloomberg, BOBCAPS Research

Fig 17 – P/E 1Y fwd: Stock trading close to mean on consolidated basis



Source: Bloomberg, BOBCAPS Research

Key risks

- **Intensifying competition:** Based on a wide product suite, solid execution capabilities, and robust demand for credit in its target industries, we expect BAF to achieve 20%+ loan growth in the medium term. However, above-expected competition, particularly from banks and other financial institutions, could weigh on performance, affecting our earnings, margin and valuation assumptions.
- **Deteriorating asset quality:** Between FY19 and FY23, BAF's GNPA and NNPA averaged just 1.5% and 0.6% respectively. Asset quality may decline as a result of slow economic growth or the recurrence of a pandemic (such as Covid).
- **Higher delinquency in new segments:** The company has announced plans to enter the higher risk microfinance and tractor financing markets in Q4FY24 and Q1FY25 respectively. These businesses could pose risks to asset quality.
- **Regulatory headwinds:** According to the RBI's scale-based NBFC framework published in 2022, BAF (along with 15 others) has been classed as an upper layer NBFC that must adhere to enhanced regulation. It cannot, for instance, lend more than 20% to one entity and more than 25% to a group of entities. In future, the RBI may even direct the company to transition from an NBFC into a bank, which would entail maintaining CRR, SLR and PSL – strictures that NBFCs aren't subject to and which would impact profitability.

Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
Bajaj Finance	BAF IN	18.7	8,093	9,605	BUY
SBI Card	SBICARD IN	9.3	805	1,011	BUY

Source: BOBCAPS Research, NSE | Price as of 17 Oct 2023

Glossary

Glossary of Abbreviations			
AUF	Assets Under Finance	LRD	Lease Rental Discounting
AUM	Assets Under Management	MDR	Merchant Discount Rate
CIF	Cards in Force	MSME	Micro, Small & Medium Enterprises
CRR	Cash Reserve Ratio	PSL	Priority Sector Lending
ECL	Expected Credit Loss	SLR	Statutory Liquidity Ratio
EMI	Equated Monthly Installment	UPI	Unified Payment Interface

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Net interest income	138,894	175,235	229,903	288,302	377,689
NilI growth (%)	2.9	26.2	31.2	25.4	31.0
Non-interest income	33,797	43,708	58,555	74,158	96,837
Total income	172,691	218,944	288,458	362,460	474,526
Operating expenses	53,082	75,872	101,300	123,039	157,378
PPOP	119,608	143,072	187,158	239,421	317,148
PPOP growth (%)	6.3	19.6	30.8	27.9	32.5
Provisions	59,686	48,034	31,897	45,193	60,819
PBT	59,923	95,038	155,262	194,228	256,329
Tax	15,724	24,756	40,202	48,945	64,595
Reported net profit	44,198	70,282	115,077	145,282	191,734
Adjustments	0	0	0	0	0
Adjusted net profit	44,198	70,282	115,077	145,282	191,734

Balance Sheet

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Equity capital	1,203	1,207	1,209	89,209	101,209
Reserves & surplus	367,981	435,920	542,511	666,001	828,975
Net worth	369,184	437,127	543,720	755,210	930,184
Debt securities	545,021	762,231	868,452	1,160,657	1,491,238
Borrowings	771,314	890,089	1,298,453	1,735,338	2,229,600
Other liab. & provisions	29,185	35,618	41,662	58,099	73,902
Total liab. & equities	1,714,704	2,125,064	2,752,287	3,709,304	4,724,925
Cash & bank balance	21,643	36,803	43,045	111,404	106,729
Investments	183,969	122,455	227,518	301,571	387,465
Advances	1,466,869	1,914,233	2,422,689	3,226,495	4,145,472
Fixed & Other assets	42,223	51,573	59,034	69,835	85,259
Total assets	1,714,704	2,125,064	2,752,287	3,709,304	4,724,925
Total debt growth (%)	10.0	39.9	13.9	33.6	28.5
Advances growth (%)	3.8	30.5	26.6	33.2	28.5

Per Share

Y/E 31 Mar (Rs)	FY21A	FY22A	FY23A	FY24E	FY25E
EPS	73.7	116.8	189.6	235.0	310.1
Dividend per share	10.0	20.0	30.0	35.2	46.5
Book value per share	615.4	726.6	895.7	1,221.4	1,504.4

Valuations Ratios

Y/E 31 Mar (x)	FY21A	FY22A	FY23A	FY24E	FY25E
P/E	109.9	69.3	42.7	34.4	26.1
P/BV	13.2	11.1	9.0	6.6	5.4
Dividend yield (%)	0.1	0.2	0.4	0.4	0.6

DuPont Analysis

Y/E 31 Mar (%)	FY21A	FY22A	FY23A	FY24E	FY25E
Net interest income	8.3	9.1	9.4	8.9	9.0
Non-interest income	2.0	2.3	2.4	2.3	2.3
Operating expenses	3.2	4.0	4.2	3.8	3.7
Provisions	3.6	2.5	1.3	1.4	1.4
ROA	2.6	3.7	4.7	4.5	4.5
Leverage (x)	4.9	4.8	5.0	5.0	5.0
ROE	12.8	17.4	23.5	22.4	22.8

Ratio Analysis

Y/E 31 Mar	FY21A	FY22A	FY23A	FY24E	FY25E
YoY growth (%)					
Net interest income	2.9	26.2	31.2	25.4	31.0
Pre-provisioning profit	6.3	19.6	30.8	27.9	32.5
EPS	(15.8)	58.6	62.3	24.0	32.0
Profitability & Return ratios (%)					
Net interest margin	9.6	10.4	10.6	10.2	10.2
Fees / Avg. assets	1.5	1.6	1.8	1.8	1.8
Cost-Income	30.7	34.7	35.1	33.9	33.2
ROE	12.8	17.4	23.5	22.4	22.8
ROA	2.6	3.7	4.7	4.5	4.5
Asset quality (%)					
GNPA	1.8	1.6	0.9	1.0	1.3
NNPA	0.8	0.7	0.3	0.4	0.6
Slippage ratio	5.3	4.1	1.9	2.4	2.5
Credit cost	4.1	2.8	1.5	1.6	1.7
Provision coverage	58.0	58.0	64.0	61.3	57.0
Ratios (%)					
Loans to Total debt	111.1	115.5	111.5	111.1	111.1
CAR	28.3	27.2	25.0	23.4	23.7
Tier-1	25.1	24.8	23.2	21.5	21.9

Source: Company, BOBCAPS Research

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Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

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BUY – Expected return >+15%

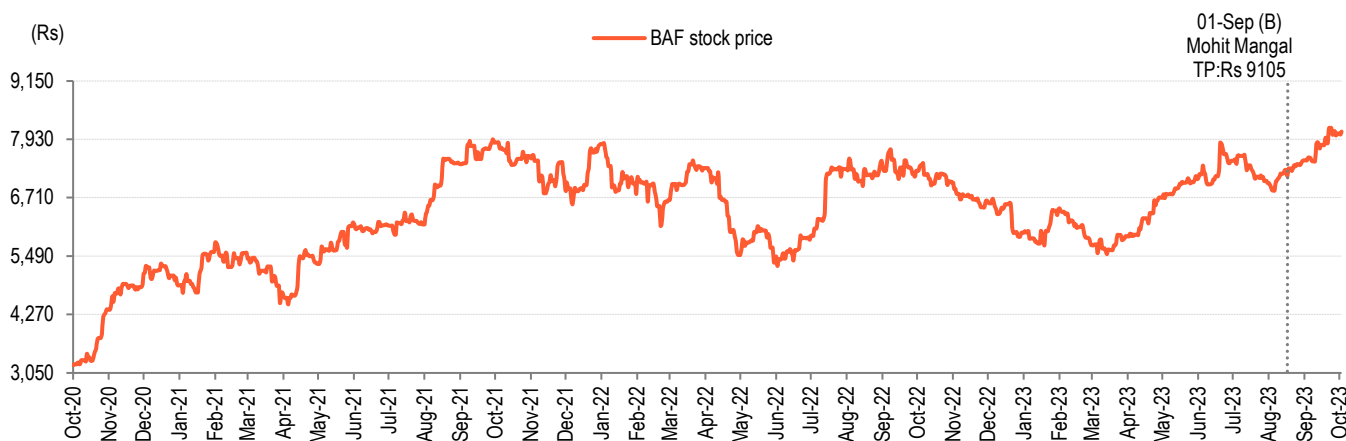
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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Ratings and Target Price (3-year history): BAJAJ FINANCE (BAF IN)



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