

BJFIN reported a healthy Q1FY26, with a satisfactory performance across the lending (BAF) business; however, the general insurance business was a mixed bag. The life insurance segment delivered a strong margin. BAF reported a satisfactory quarter in terms of AUM growth, customer acquisition, operating efficiencies, and pre-provisioning profit; however, credit cost remained elevated. BAGIC saw an elevated CoR at 103.6%, on higher expense ratio, whereas claims ratio saw YoY improvement; BAGIC delivered a healthy PAT, aided by robust investment income. The life insurance business saw a strong VNB margin at 11.1% (+4.2ppt YoY), led by strategic initiatives and a higher focus on protection products driving a strong 39% VNB growth; however, APE declined ~13% YoY. To reflect the Q1 developments, we have tweaked our FY26-28E estimates which led to ~1-2% change in PAT over FY26-28E. We maintain ADD, with a revised Jun-26E TP of Rs2,200 (Rs2,100 earlier).

General insurance witnesses elevated CoR; Life delivers a strong margin

BJFIN's performance in Q1FY26 was reasonable, with the lending business (BAF) reporting a satisfactory performance driven by healthy AUM, PPOP, and PAT growth; however, asset quality saw a marginal decline. The general insurance business's performance was a mixed bag, with modest ~8% GWP growth and an elevated combined ratio at 103.6%, driven by higher expense ratio; claims ratio, though, saw improvement. PAT growth was healthy, driven by robust investment income on the back of higher capital gains realized. The Life insurance business delivered a strong VNB margin at 11.1% (+4.2ppt YoY), driven by a profit-focused strategy and a higher contribution of protection, leading to ~39% VNB growth; however, APE declined YoY.

Focus remains on a profitable growth strategy

The general insurance industry continues to grapple with challenges, with a slowdown in the motor segment, increased competition, and the impact of the 1/n regulation; BAGIC, however, has maintained its focus on growing profitably. While the company has prioritized underwriting lower-claims ratio segments, it has seen higher expense ratios, owing to increased distributor payouts to acquire high-quality business. With the implementation of the surrender regulations, BALIC has turned around its strategy to focus on profitability with significant changes in the product construct, which includes higher tenure products, rider attachments, and increasing the minimum ticket size across products. While the strategic shift has resulted in a decline in APE, increased VNB margins have resulted in strong VNB growth.

Minor tweaks in consolidated PAT; reiterate ADD

To reflect Q1 developments of improved margins for BAF, higher CoR, investment income for BAGIC, and improved VNB margins for BALIC, we tweak our FY26-28E consolidated PAT by ~1-2%. Given the strong franchise strength across the lending and insurance businesses, we reiterate ADD with a revised Jun-26E TP of Rs2,200 (from Rs2,100).

Target Price – 12M	Jun-26
Change in TP (%)	4.8
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	10.8

Stock Data	BJFIN IN
52-week High (Rs)	2,135
52-week Low (Rs)	1,523
Shares outstanding (mn)	1,597.8
Market-cap (Rs bn)	3,173
Market-cap (USD mn)	36,673
Net-debt, FY26E (Rs mn)	NA
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	3,682.7
ADTV-3M (USD mn)	42.6
Free float (%)	34.2
Nifty-50	24,837.0
INR/USD	86.5

Shareholding, Mar-25

Promoters (%)	60.6
FPIs/MFs (%)	7.2/9.3

Price Performance

(%)	1M	3M	12M
Absolute	(1.3)	(2.9)	26.3
Rel. to Nifty	0.3	(6.0)	24.1

1-Year share price trend (Rs)



Bajaj Finserv: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net profits	81,478	88,723	118,675	145,797	181,973
AUM growth (%)	33.6	26.0	24.0	24.0	24.0
NII growth (%)	26.6	21.9	25.6	22.4	22.5
NIMs (%)	10.2	9.7	9.9	10.0	9.9
PPOP growth (%)	29.8	21.9	25.9	22.7	22.0
Adj. EPS (Rs)	51.2	55.6	74.4	91.4	114.0
Adj. EPS growth (%)	27.1	8.6	33.7	22.9	24.8
Adj. BV (INR)	378.4	453.6	527.0	617.3	730.3
Adj. BVPS growth (%)	29.9	19.9	16.2	17.1	18.3
RoA (%)	4.4	4.0	4.1	4.1	4.2
RoE (%)	22.0	19.3	19.9	20.8	21.6
P/E (x)	38.8	35.7	27.3	22.2	17.6
P/ABV (x)	5.2	4.4	3.8	3.2	2.7

Source: Company, Emkay Research; Note: AUM, NIMs, ROA, and ROE correspond to BAF

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Exhibit 1: Quarterly results summary

(Rs mn)	1QFY26	1QFY25	YoY change	4QFY25	QoQ change
BJFIN Consolidated - Ind AS					
Net worth	752,500	633,240	18.8%	723,950	3.9%
PAT	27,890	21,380	30.4%	24,170	15.4%
--o/w Bajaj Finance	24,160	20,090	20.3%	23,020	5.0%
--o/w General Insurance	4,450	3,650	21.9%	2,600	71.2%
--o/w Life Insurance	1,090	1,290	-15.5%	120	808.3%
--o/w Holdco and Consolidation	-1,810	-3,550	NM	-1,570	NM
Bajaj Finance - Ind AS					
AUM	4,414,500	3,541,920	25%	4,166,610	5.9%
PAT	47,650	39,120	21.8%	44,800	6.4%
GNPA (%)	1.03	0.86	17bps	0.96	7bps
NNPA (%)	0.50	0.38	12bps	0.44	6bps
Bajaj Allianz General - GAAP					
Gross written premium	52,020	48,056	8.2%	43,255	20.3%
Net earned Premium	22,289	22,315	-0.1%	22,700	-1.8%
PAT	6,600	5,760	14.6%	3,628	81.9%
Combined ratio (%)	103.6	103.7	-0.1ppts	104.8	-1.2ppts
Bajaj Allianz Life - GAAP					
APE	13,100	15,020	-12.8%	24,860	-47.3%
Individual WRP	12,550	12,940	-3.0%	23,280	-46.1%
Gross written premium	54,790	50,180	9.2%	92,370	-40.7%
VNB	1,450	1,040	39.4%	5,490	-73.6%
VNB Margin (%)	11.1	6.9	4.2ppts	22.1	-11ppts
PAT	1,710	970	76.3%	411	315.9%

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 2: Estimates revision

(Rs mn)	FY26E			FY27E			FY28E		
	Old	Revised	Chg	Old	Revised	Chg	Old	Revised	Chg
Consolidated									
PAT	116,165	118,675	2%	146,555	145,797	-1%	180,368	181,973	1%
Net worth	838,523	841,032	0%	968,671	985,233	2%	1,158,302	1,165,610	1%
Bajaj Finance									
AUM	5,208,263	5,166,596	-1%	6,458,246	6,406,580	-1%	8,008,224	7,944,159	-1%
Net worth	1,139,991	1,143,300	0%	1,351,982	1,361,827	1%	1,620,797	1,634,363	1%
PPOP	367,521	372,155	1%	450,522	460,093	2%	557,132	562,081	1%
PAT	206,026	209,966	2%	252,371	260,151	3%	320,018	324,447	1%
Bajaj General									
GWP	237,961	237,961	0%	267,524	267,524	0%	301,901	301,901	0%
U/w Result	-656	-2,684	309%	194	-1,646	-949%	1,225	-311	-125%
Operating profit	19,767	19,184	-3%	22,997	21,410	-7%	26,458	25,181	-5%
PAT	19,608	19,539	0%	22,581	21,468	-5%	25,766	24,888	-3%
Combined ratio (%)	100.6	102.5	1.9ppts	99.6	101.0	1.4ppts	98.8	99.9	1.1ppts
RoE (%)	15.6	15.5	-0.1ppts	16.4	15.6	-0.8ppts	17.2	16.7	-0.5ppts
Bajaj Life									
APE	87,407	84,969	-3%	100,332	97,535	-3%	115,174	111,965	-3%
VNB	12,899	14,445	12%	15,007	17,556	17%	17,342	20,713	19%
VNB Margin (%)	14.8	17.0	2.2ppts	15.0	18.0	3.0ppts	15.1	18.5	3.4ppts
EV	264,167	265,012	0%	293,414	296,978	1%	325,917	333,259	2%
PAT	6,564	7,280	11%	7,475	7,370	-1%	7,475	7,370	-1%

Source: Company, Emkay Research

Exhibit 3: BJFIN – SOTP-based valuation

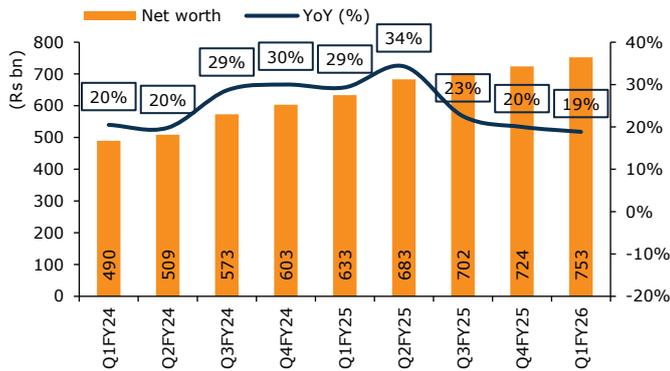
(Rs mn)	Parameter	FY27 Value	Implied Multiple	Valuation	BJFIN Stake	Value
Bajaj Finance	Net worth	1,361,827	4.6	6,208,500	51.3%	3,187,444
Bajaj Allianz General	PAT	21,468	28.1	602,779	74.0%	446,056
Bajaj Allianz Life	EV	296,978	1.5	446,529	74.0%	330,431
Holding company operations	PAT	990	15.0	14,850	100.0%	14,850
Bajaj Health	Revenue	12,934	5.0	64,670	100.0%	64,670
Bajaj Direct	Revenue	7,475	5.0	37,375	80.1%	29,949
Bajaj AMC	AUM	500,000	0.1	50,000	100.0%	50,000
BJFIN SoTP						4,123,400
Holdco discount on listed company		20%				-637,489
BJFIN Valuation						3,485,911
No of shares (mn)						1596.0
Fair Value per share (Rs)						2,184
Target price (Rs) - Jun-26E						2,200

Source: Company, Emkay Research

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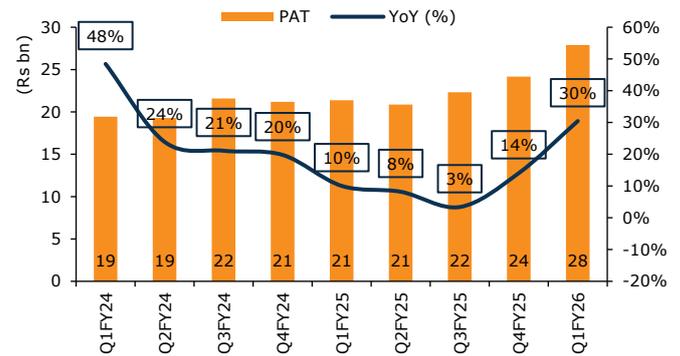
Story in charts

Exhibit 4: BJFIN's consolidated net worth grows 19% YoY



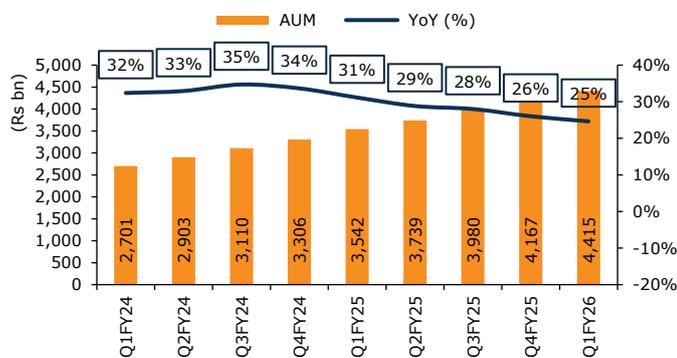
Source: Company, Emkay Research

Exhibit 5: BJFIN reports 30% YoY growth in consolidated PAT



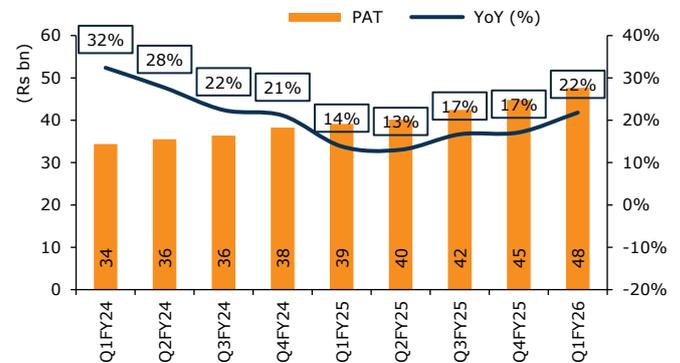
Source: Company, Emkay Research

Exhibit 6: BAF reports robust 25% AUM growth in Q1FY26



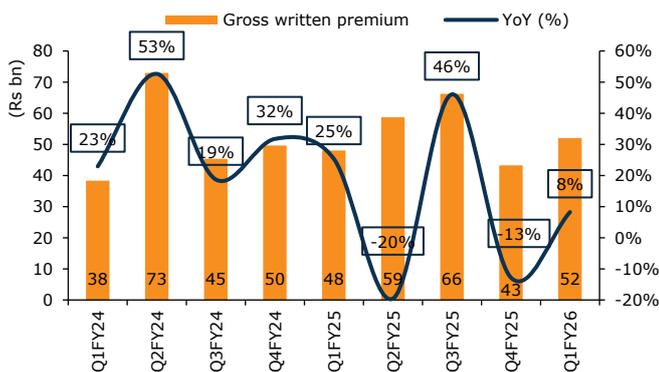
Source: Company, Emkay Research

Exhibit 7: BAF's PAT grows 22% during Q1FY26



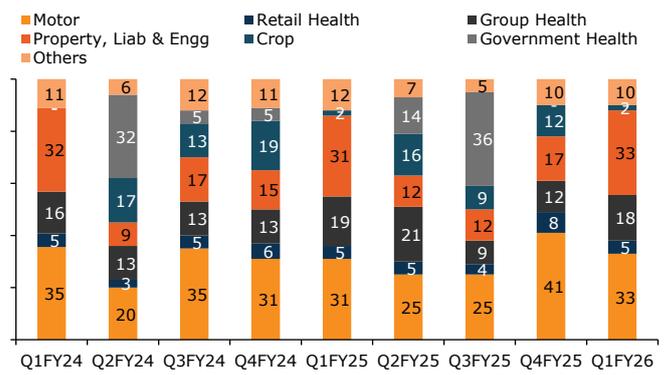
Source: Company, Emkay Research

Exhibit 8: BAGIC reports a 8% YoY growth in GWP



Source: Company, Emkay Research

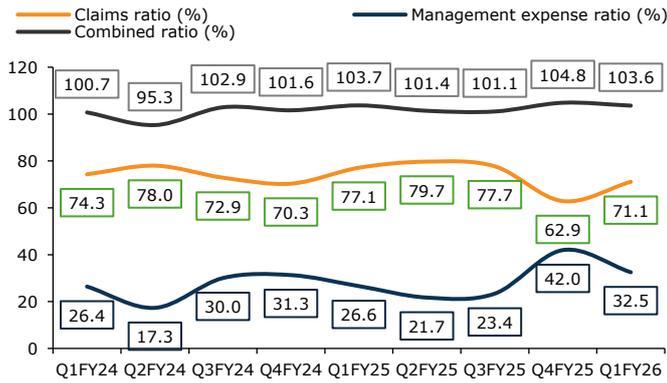
Exhibit 9: Motor segment dominates the Q1FY26 product mix



Source: Company, Emkay Research

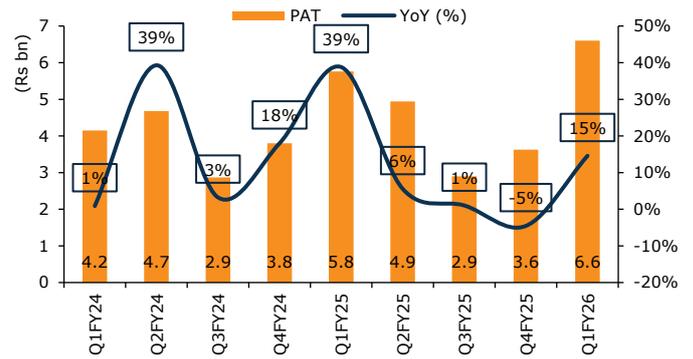
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Exhibit 10: CoR remains elevated at 103.6% on the back of higher expense ratios



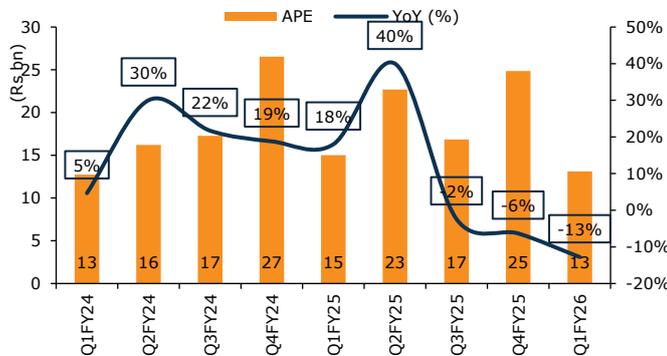
Source: Company, Emkay Research

Exhibit 11: BAGIC witnesses 15% growth in PAT, led by higher investment income



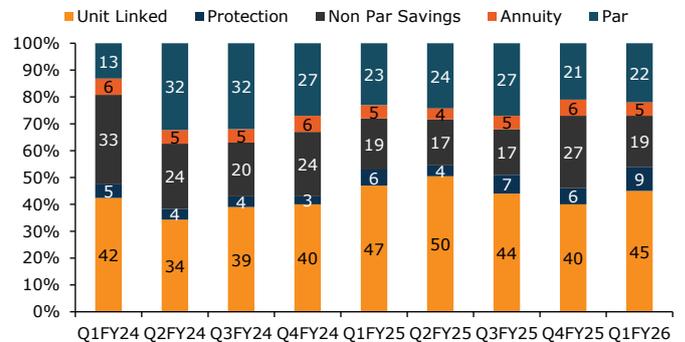
Source: Company, Emkay Research

Exhibit 12: BALIC witnesses a 13% decline in APE due to change in strategy



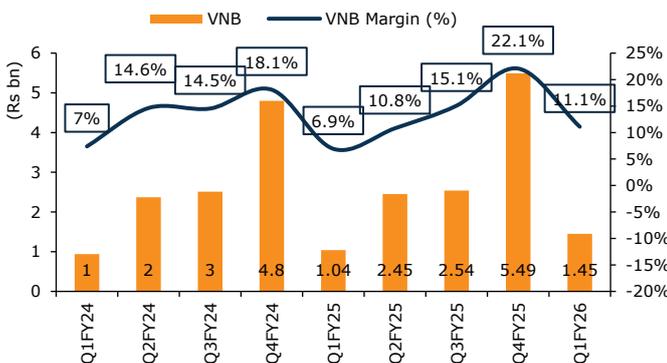
Source: Company, Emkay Research

Exhibit 13: Share of Protection products increases YoY



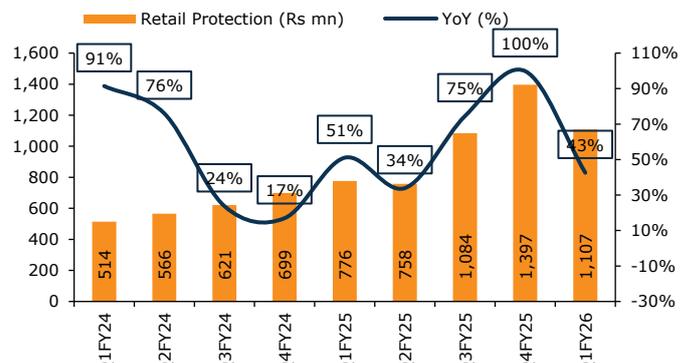
Source: Company, Emkay Research

Exhibit 14: Led by favorable changes in the product mix, BALIC reports strong margin delivery



Source: Company, Emkay Research

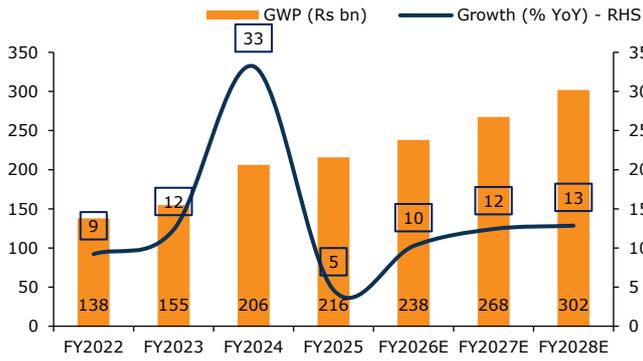
Exhibit 15: Retail protection grows 43% YoY



Source: Company, Emkay Research

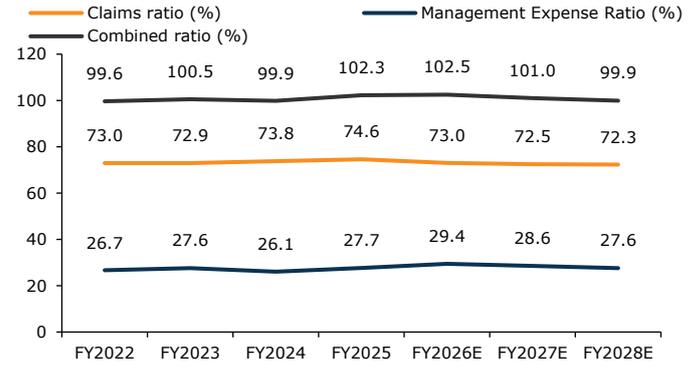
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Exhibit 16: We expect BAGIC GWP growth to remain modest



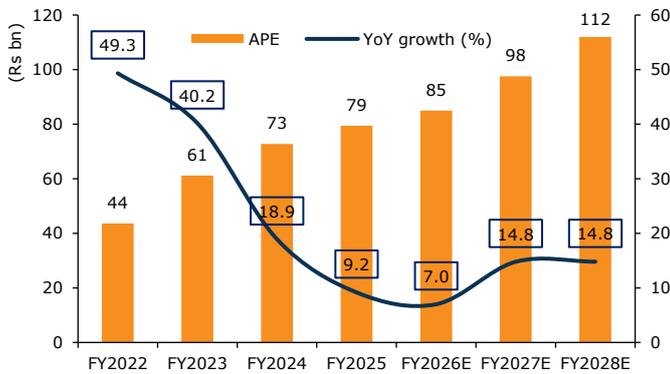
Source: Company, Emkay Research

Exhibit 17: Gradual improvement in CoR over FY26-28E



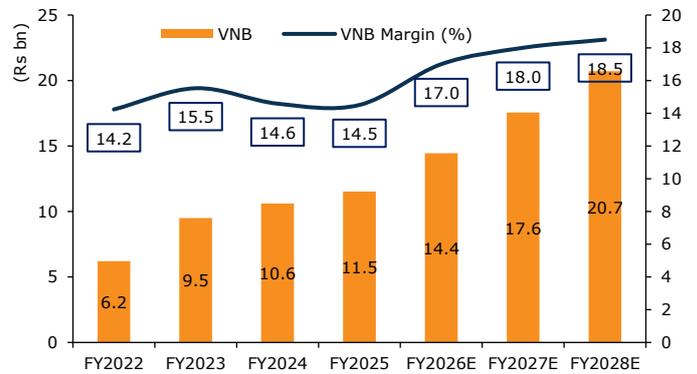
Source: Company, Emkay Research

Exhibit 18: BALIC APE growth is expected to pick up in FY27E/28E



Source: Company, Emkay Research

Exhibit 19: We expect VNB margins to improve gradually over FY26-28E



Source: Company, Emkay Research

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Earnings Conference Call Highlights

BAGIC

- The company endeavors to maintain the CoR close to ~100%. The management mentioned that despite market conditions, there has to be discipline in underwriting.
- Tender prices in the Crop segment were not favorable; hence, the company did not grow the crop segment during the quarter.
- The management stated that with its focus on profit, there will be higher acquisition costs for good quality business.
- Commissions have increased on account of business in the preferred segment. Further, the company has underwritten new business (compulsory 3Y/5Y business) in the Motor TP segment.
- CoR at 103.6% was elevated, driven by 1/n regulation change. Higher acquisition costs resulted in higher CoR on account of business in preferred segments. PAT grew 15%, attributable to better investment performance.

BALIC

- After the implementation of the new surrender regulations, the company has focused on profitability-driven growth. VNB growth was substantial in the recent quarter.
- Agency saw a 5Y CAGR of 25%. The company took a pause in the Agency channel during the quarter. The Agency channel has done a lot of heavy lifting, which has shown great results.
- The significant shift in Agency channel is owing to the focus on Term Plans.
- The management expects the Agency channel to witness slow growth in the next quarter as well, after which it is expected to pick up.
- The product mix has seen increased contribution from Protection.
- The product construct changed significantly which resulted in improved margins. Further, the company has also worked on cost-optimisation, which has resulted in higher margins.
- The rider attachment is healthy, and is currently 17% attachment across businesses.
- The company has increased the average premium to Rs30-35k, depending on the channels selling the Term Plans. Agency and Institutional channels are selling term products. There is ~9% increase in the ticket size.
- The management stated that the company is looking toward establishing a channel specifically focused on term plans.
- The management expects APE growth to revive during H2FY26.
- The management expects all the lines of Group Protection to pick up, with the uptake in credit disbursements.
- 30% of Agency customers are Term Plan customers. The management will maintain the pricing and quality of the protection book.

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Exhibit 20: BJFIN – Financial Summary

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Profit before Tax	213,750	237,482	309,073	379,281	471,607
-- Bajaj Finance	193,096	2,796	282,593	350,136	436,672
--General Insurance	,550	24,452	26,051	28,624	33,184
--Life Insurance	5,716	5,601	7,428	7,5	8,752
--Holding company net of elimination	-5,611	-13,367	-7,000	-7,000	-7,000
Tax expense	57,797	61,906	80,688	98,691	122,096
Profit after tax	155,954	175,576	228,385	280,589	349,511
Minorities	74,476	86,853	109,710	134,792	167,539
Group Net income	81,478	88,723	118,675	145,797	181,973
Balance Sheet					
EQUITY AND LIABILITIES					
Share Capital	1,594	1,596	1,596	1,596	1,596
Shareholders' funds	603,286	723,953	841,032	985,233	1,165,610
Minority interest	434,472	560,389	596,513	704,675	839,494
Total Equity	1,037,759	1,284,342	1,437,545	1,689,908	2,005,104
Financial liabilities					
Borrowings	2,875,988	3,543,498	4,333,222	5,378,094	6,677,109
Policy liabilities	1,182,801	1,346,787	1,548,421	1,774,215	2,029,909
Linked liabilities	113,774	129,433	151,848	177,541	7,273
Discontinued fund liabilities					
Other long-term liabilities	113,125	147,738	174,828	210,940	255,217
Long-term provisions					
Total - financial liabilities	4,285,688	5,167,456	6,8317	7,540,791	9,169,508
Non-financial liabilities					
Other current liabilities	50,519	63,751	64,376	72,154	80,969
Provisions	5,330	6,767	8,007	9,661	11,689
Total - non-financial Liabilities	55,850	70,518	72,383	81,815	92,658
Total - Equity and Liabilities	5,379,296	6,522,316	7,718,246	9,312,514	11,267,270
ASSETS					
Total - Financial Assets	5,293,471	6,416,396	7,592,903	9,161,282	11,084,292
Total - Non-financial Assets	85,825	105,921	125,342	151,233	182,977
Total	5,379,296	6,522,316	7,718,246	9,312,514	11,267,270
Per share data (in Rs)					
Basic EPS	51.2	55.6	74.4	91.4	114.0
Diluted EPS	50.7	55.0	73.6	90.4	112.8
BVPS (LHS)	378.4	453.6	527.0	617.3	730.3
DPS	1.00	1.00	1.00	1.00	1.00
Key ratios					
Return on Equity (%)	15.3	13.4	15.2	16.0	16.9
PAT Growth (YoY %)	27.0	8.9	33.8	22.9	24.8

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Exhibit 21: BAGIC – Financial Summary

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Policyholders' account					
Gross Written Premium	206,300	215,829	237,961	267,524	301,901
Net Written Premium	95,684	90,606	109,831	125,890	142,793
Net earned premium	88,839	95,645	110,000	124,589	141,225
Investment income	16,709	18,591	20,972	22,160	24,595
Other income	535	896	896	896	896
Total revenue	106,083	115,132	131,868	147,646	166,716
Commission expense	6,439	3,761	8,915	9,487	10,113
Operating expenses	18,495	21,319	23,426	26,474	29,315
Claims incurred (Net)	65,559	71,340	80,343	90,275	102,108
Total expense	90,525	96,452	112,684	126,236	141,536
Operating profit	15,557	18,680	19,184	21,410	25,181
Shareholders' account					
Operating profit	15,557	18,680	19,184	21,410	25,181
Investment income	5,663	6,484	7,606	8,032	8,908
expenses	705	718	790	869	956
Profit before tax	20,550	24,452	26,051	28,624	33,184
Tax expense	5,046	6,129	6,513	7,156	8,296
Profit after tax	15,503	18,323	19,539	21,468	24,888
Balance Sheet	15.0%	18.2%	6.6%	9.9%	15.9%
Sources of Funds					
Shareholders' Funds	108,413	120,122	131,845	142,580	155,023
Fair value gains	6,323	4,862	5,349	5,884	6,472
Total	114,736	124,985	137,194	148,463	161,495
Application of Funds					
Investments	301,680	317,295	361,297	399,481	450,062
Other non-current assets	5,210	5,174	5,432	5,703	5,987
Current Assets:					
Cash and Bank Balances	10,299	13,860	15,246	16,009	16,809
Other current assets	50,982	73,507	80,857	88,943	97,837
Current liabilities					
Claim reserves	201,947	238,369	293,910	322,152	365,168
Provisions	51,488	46,482	57,313	62,820	71,208
Net Current Assets	-192,154	-197,484	-255,119	-280,021	-321,730
Total	114,736	124,985	137,194	148,463	161,495
Key Ratio (%)					
Retention ratio	46.4	42.0	46.2	47.1	47.3
NEP/NWP	92.8	105.6	100.2	99.0	98.9
Claims ratio	73.8	74.6	73.0	72.5	72.3
Commission ratio	6.7	4.2	8.1	7.5	7.1
Opex ratio	19.3	23.5	21.3	21.0	20.5
Combined ratio	99.9	102.3	102.5	101.0	99.9
Reported combined ratio	99.9	102.3	102.5	101.0	99.9
GWP growth	33.2	4.6	10.3	12.4	12.9
Tax rate	24.6	25.1	25.0	25.0	25.0
Return on equity	15.2	16.0	15.5	15.6	16.7

Source: Company, Emkay Research

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Exhibit 22: BALIC – Financial Summary

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Policyholders' account					
Net earned premium	226,633	266,897	308,577	358,038	413,916
Investment income	146,296	90,655	116,471	133,505	155,970
Other income	885	1,140	0	0	0
Total revenue	373,813	358,693	425,048	491,543	569,886
Commission expense	20,593	31,068	35,919	41,677	48,181
Operating expenses	38,303	42,485	47,576	53,412	59,678
Benefits cost	124,500	131,256	143,131	167,919	196,332
Total expense	376,054	362,137	425,711	491,238	568,292
Surplus/Deficit	-2,241	-3,445	-663	305	1,594
Shareholders' account					
Transfer from policyholders' account	10,352	8,665	12,706	15,060	17,873
Investment income	8,871	10,086	9,476	8,664	8,678
expenses	13,523	13,219	14,754	16,204	17,799
Profit before tax	5,716	5,601	7,428	7,520	8,752
Tax expense	90	520	149	150	175
Profit after tax	5,626	5,081	7,280	7,370	8,577
Embedded Value Account					
Embedded Value	217,260	238,050	265,012	296,978	333,259
--o/w Adjusted Net Worth	128,210	135,570	141,882	142,085	142,322
--o/w Value-in-Force	89,050	102,480	123,130	154,893	190,937
Annualised Premium equivalent (APE)	72,740	79,410	84,969	97,535	111,965
New Business value	10,610	11,520	14,445	17,556	20,713
New Business Margin (%)	14.6	14.5	17.0	18.0	18.5
EV Operating Profit	26,950	27,610	33,088	38,179	43,675
Operating RoEV (%)	14.5	12.7	13.9	14.4	14.7

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Bajaj Finserv: Consolidated Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	537,932	674,491	831,823	1,017,209	1,252,406
Interest Expense	183,995	243,097	289,984	353,943	439,627
Net interest income	353,937	431,394	541,839	663,266	812,779
NII growth (%)	26.6	21.9	25.6	22.4	22.5
Non interest income	565,898	663,731	665,717	776,602	909,893
Total income	919,835	1,095,124	1,207,556	1,439,868	1,722,671
Operating expenses	659,830	778,346	808,599	950,252	1,125,207
PPOP	260,086	316,958	399,057	489,716	597,564
PPOP growth (%)	29.8	21.9	25.9	22.7	22.0
Provisions & contingencies	46,336	79,476	89,784	110,235	125,757
PBT	213,750	237,482	309,273	379,481	471,807
Extraordinary items	-	-	-	-	-
Tax expense	57,797	61,906	80,688	98,691	122,096
Minority interest	74,476	86,853	109,710	134,792	167,539
Income from JV/Associates	81	180	100	100	100
Reported PAT	81,478	88,723	118,675	145,797	181,973
PAT growth (%)	27.0	8.9	33.8	22.9	24.8
Adjusted PAT	81,478	88,723	118,675	145,797	181,973
Diluted EPS (Rs)	51.2	55.6	74.4	91.4	114.0
Diluted EPS growth (%)	27.1	8.6	33.7	22.9	24.8
DPS (Rs)	-	-	-	-	-
Dividend payout (%)	-	-	-	-	-
Effective tax rate (%)	27.0	26.1	26.1	26.0	25.9
Net interest margins (%)	10.2	9.7	9.9	10.0	9.9
Cost-income ratio (%)	34.0	33.2	33.4	33.5	34.4
PAT/PPOP (%)	60.4	55.9	56.4	56.5	57.7
Shares outstanding (mn)	1,594.1	1,596.0	1,596.0	1,596.0	1,596.0

Source: Company, Emkay Research Note: NIM, Cost to Income and PAT/PPOP for BAF

Asset quality and other metrics					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Asset quality					
GNPL - Stage 3	28,160	39,650	42,481	50,034	62,042
NNPL - Stage 3	12,100	18,350	20,100	24,104	30,455
GNPL ratio - Stage 3 (%)	0.8	1.0	0.8	0.8	0.8
NNPL ratio - Stage 3 (%)	0.4	0.4	0.4	0.4	0.4
ECL coverage - Stage 3 (%)	57.0	53.7	52.7	51.8	50.9
ECL coverage - 1 & 2 (%)	1.0	1.2	1.2	1.1	0.8
Gross slippage - Stage 3	0	0	0	0	0
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	1.7	1.8	1.9	1.9	2.0
Total credit costs (%)	1.6	2.1	1.9	1.9	1.8
NNPA to networth (%)	1.6	1.9	1.8	1.8	1.9
Capital adequacy					
Total CAR (%)	22.5	21.9	21.3	20.7	20.1
Tier-1 (%)	21.5	21.1	20.5	19.9	19.3
Miscellaneous					
Total income growth (%)	31.6	19.1	10.3	19.2	19.6
Opex growth (%)	32.4	18.0	3.9	17.5	18.4
PPOP margin (%)	8.3	8.0	8.0	8.0	7.8
Credit costs-to-PPOP (%)	19.3	26.5	24.1	24.0	22.4
Loan-to-Assets (%)	86.8	87.5	88.1	88.7	89.5
Yield on loans (%)	16.7	16.4	16.2	16.1	16.0
Cost of funds (%)	7.4	7.6	7.3	7.2	7.2
Spread (%)	9.3	8.7	8.9	8.8	8.8

Source: Company, Emkay Research Note: Total Income growth and Opex growth for BJFIN

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,594	1,596	1,596	1,596	1,596
Reserves & surplus	1,036,164	1,282,746	1,435,949	1,688,312	2,003,508
Net worth	1,037,759	1,284,342	1,437,545	1,689,908	2,005,104
Borrowings	2,875,988	3,543,498	4,333,422	5,378,094	6,677,109
Other liabilities & prov.	1,465,550	1,694,475	1,947,479	2,244,514	2,585,057
Total liabilities & equity	5,379,296	6,522,316	7,718,246	9,312,514	11,267,270
Net loans	3,267,422	4,084,908	4,996,105	6,194,272	7,704,162
Investments	1,680,018	1,897,295	2,175,403	2,515,362	2,912,634
Cash, other balances	123,867	157,368	103,047	85,547	46,480
Interest earning assets	5,071,307	6,139,570	7,274,554	8,795,180	10,663,276
Fixed assets	49,861	58,083	62,839	69,123	76,035
Other assets	258,129	324,663	380,852	448,211	527,959
Total assets	5,379,296	6,522,316	7,718,246	9,312,514	11,267,270
BVPS (Rs)	378.4	453.6	527.0	617.3	730.3
Adj. BVPS (INR)	378.4	453.6	527.0	617.3	730.3
Gross loans	3,313,344	4,148,270	5,068,756	6,280,569	7,787,906
Total AUM	3,306,150	4,166,610	5,166,596	6,406,580	7,944,159
On balance sheet	3,313,344	4,148,270	5,068,756	6,280,569	7,787,906
Off balance sheet	(7,193)	18,340	97,840	126,010	156,253
Disbursements	-	-	-	-	-
Disbursements growth (%)	0	0	0	0	0
Loan growth (%)	34.6	25.0	22.3	24.0	24.4
AUM growth (%)	33.6	26.0	24.0	24.0	24.0
Borrowings growth (%)	36.0	23.2	22.3	24.1	24.2
Book value growth (%)	29.9	19.9	16.2	17.1	18.3

Source: Company, Emkay Research Note: Gross Loans and AUM for BAF

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	38.8	35.7	27.3	22.2	17.6
P/B (x)	5.2	4.4	3.8	3.2	2.7
P/ABV (x)	5.2	4.4	3.8	3.2	2.7
P/PPOP (x)	12.2	10.0	7.9	6.5	5.3
Dividend yield (%)	0	0	0	0	0
Dupont-RoE split (%)					
NII/avg AUM	10.2	9.7	9.9	10.0	9.9
Other income	2.3	2.3	2.0	2.0	2.0
Securitization income	-	-	-	-	-
Opex	2.1	2.0	2.0	2.0	2.1
Employee expense	2.2	2.0	2.0	2.0	2.0
PPOP	8.3	8.0	8.0	8.0	7.8
Provisions	1.6	2.1	1.9	1.9	1.8
Tax expense	1.7	1.4	1.6	1.6	1.6
RoAUM (%)	5.0	4.5	4.5	4.5	4.5
Leverage ratio (x)	4.4	4.3	4.4	4.6	4.8
RoE (%)	22.0	19.3	19.9	20.8	21.6

Quarterly data					
Rs mn, Y/E Mar	Q1FY25	Q2FY25	Q3FY25E	Q4FY25	Q1FY26
BAGIC GWP	48,056	58,710	66,257	43,255	52,020
BAGIC PAT	5,760	4,940	2,900	3,628	6,600
BAGIC Combined Ratio (%)	103.7	101.4	101.1	104.8	103.6
BALIC APE	15,020	22,680	16,850	24,860	13,100
BALIC VNB Margin (%)	6.9	10.8	15.1	22.1	11.1

Source: Company, Emkay Research Note: Dupont-RoE split for BAF

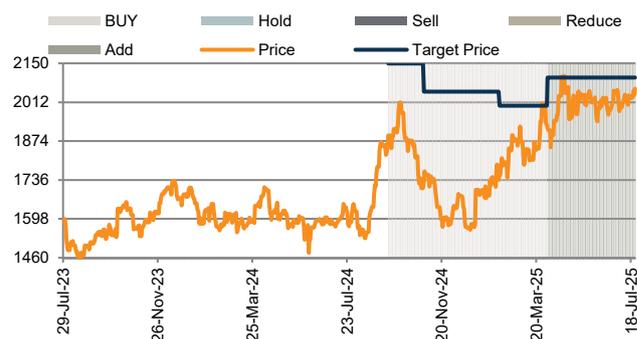
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
02-May-25	1,958	2,100	Add	Avinash Singh
03-Apr-25	1,920	2,100	Add	Avinash Singh
18-Mar-25	1,845	2,000	Buy	Avinash Singh
01-Feb-25	1,754	2,000	Buy	Avinash Singh
28-Oct-24	1,730	2,050	Buy	Avinash Singh
23-Oct-24	1,740	2,150	Buy	Avinash Singh
13-Sep-24	1,894	2,150	Buy	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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