ADD

Bajaj Finserv

LI shines; satisfactory quarter for GI

Emkay — Your success is our success

BFSI - NBFCs ▸ Result Update ▸ **August 01, 2026**

CMP (Rs): 2,029 | TP (Rs): 2,350

BJFIN reported healthy 1QFY27 performance, with its Lending and Life Insurance (LI) businesses delivering strong performance, while the General Insurance (GI) business saw satisfactory performance amid a challenging market environment. The LI business posted strong 30% yoy APE growth, led by growth in Group Protection, while VNB margin at 15.9%, despite the impact of GST ITC losses, led to strong ~87% yoy VNB growth. The GI business saw elevated combined ratio at 104.7% (+1.1ppt yoy), led by higher claims ratio in the Government Health segment and de-growth in the Fire segment; PAT at Rs4.8bn declined 28% yoy, driven by weak underwriting results and lower capital gains booked during the quarter. BAF reported a sturdy quarter in terms of growth, profitability, and credit cost, with PAT (attributable to shareholders) growing ~27% yoy to ~Rs59.8bn. Despite a challenging environment in the GI industry, the fundamental strength across businesses under the BJFIN umbrella is intact. We retain ADD and raise Jun-27E TP by ~7% to Rs2,350 from Rs2,200.

LI delivers strong results; satisfactory performance for GI

BJFIN delivered healthy performance in 1Q. The lending business saw a productive 1Q, with PAT growing 27% yoy to ~Rs59.9bn, led by ~24% yoy AUM growth to Rs5.47trn, supported by steady NIMs during the quarter. The GI business delivered ~11% GWP growth, while claims ratio increased to 74.3% (+3.2ppt yoy), led by higher claims in the Government Health segment. Further de-growth in the Fire segment resulted in elevated combined ratio at 104.7% (+1.1ppt yoy). Accordingly, PAT at Rs4.8bn declined 28% yoy owing to lower capital gains booked during the quarter. The LI business delivered strong ~30% yoy APE growth, driven by strong growth in the Group Protection segment. Retail APE grew ~18% yoy during the quarter. VNB margin improved by 480bps yoy, despite the GST ITC loss impact, driven by strong growth in the Protection business. Consequently, VNB grew ~87% yoy to Rs2.7bn.

Focus remains on profitability

The environment in the GI industry remains challenging, given increased competition in the Motor OD segment, nil hike in the Motor TP segment, and pricing aggression in the Fire segment. However, the management continues to focus on underwriting profitable pools of business, prioritizing profitability amid a soft market cycle. In the LI business, the management continues to focus on non-par, annuity, and protection segments driving margin expansion. Further, the GST impact was mitigated partially through rider attachments at same commissions and through distributor negotiations. Leveraging the group's insurance capabilities, the company plans to launch the reinsurance business, with initial focus on domestic markets.

We maintain ADD and increase Jun-27E TP to Rs2,350

We tweak our estimates following 1Q developments, resulting in a ~3-4% increase in VNB. We increase combined ratio by 50-80bps over FY27-29E. Our consolidated PAT estimates increase by 2-4%, largely owing to an increase in PAT assumptions for BAF. We maintain ADD and increase Jun-27E TP to Rs2,350 from Rs2,200.

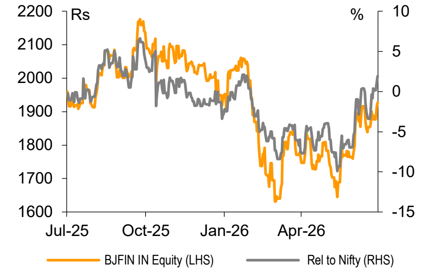
Target Price – 12M	Jun-27
Change in TP (%)	**6.8**
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	15.8

Stock Data	**BJFIN IN**
52-week High (Rs)	2,195
52-week Low (Rs)	1,597
Shares outstanding (mn)	1,600.6
Market-cap (Rs bn)	3,248
Market-cap (USD mn)	34,045
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	1.3
ADTV-3M (Rs mn)	2,283.2
ADTV-3M (USD mn)	23.9
Free float (%)	34.2
Nifty-50	24,383.6
INR/USD	95.4
Shareholding,Jun-26	
Promoters (%)	58.7
FPIs/MFs (%)	6.9/12.1

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	14.0	16.1	4.2
Rel. to Nifty	11.6	14.3	5.8

1-Year share price trend (Rs)



Bajaj Finserv: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	88,723	98,010	131,973	162,068	197,093
AUM growth (%)	26.0	22.4	23.0	23.0	24.0
NII growth (%)	21.9	19.9	19.9	21.9	22.1
NIMs (%)	9.7	9.5	9.4	9.3	9.2
PPOP growth (%)	18.5	18.0	22.1	21.7	21.1
Adj. EPS (Rs)	55.6	61.4	82.7	101.5	123.5
Adj. EPS growth (%)	8.6	10.4	34.7	22.8	21.6
Adj. BV (INR)	453.6	488.2	569.9	670.4	792.9
Adj. BVPS growth (%)	19.9	7.6	16.7	17.6	18.3
RoA (%)	4.0	3.8	4.2	4.1	4.1
RoE (%)	19.3	18.3	21.1	21.2	21.4
P/E (x)	36.5	33.0	24.5	20.0	16.4
P/ABV (x)	4.5	4.2	3.6	3.0	2.6

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

Avinash Singh
avinash.singh@emkayglobal.com
+91-22-66121327

Mahek Shah
mahek.shah@emkayglobal.com
+91-22-66121218

Kishan Rungta
kishan.rungta@emkayglobal.com
+91-22-66242490

Exhibit 1: 1QFY27 financial performance

(Rs mn)	1QFY27	1QFY26	yoy chg	4QFY26	qoq chg
BJFIN Consolidated – Ind AS					
Net worth	828,620	752,500	10.1%	779,150	6.3%
PAT	31,320	27,890	12.3%	25,390	23.4%
--o/w Bajaj Finance	30,710	24,160	27.1%	28,090	9.3%
--o/w General Insurance	-4,050	4,450	NM	310	NM
--o/w Life Insurance	1,330	1,090	22.0%	-2,010	NM
--o/w HoldCo and Consolidation	-4,770	-1,810	NM	-1,000	NM
Bajaj Finance – Ind AS					
AUM	5,469,440	4,414,500	24%	5,099,750	7.2%
PAT	60,806	47,650	27.6%	54,640	11.3%
GNPA (%)	0.96	1.03	-7bps	1.01	-5bps
NNPA (%)	0.39	0.50	-11bps	0.41	-2bps
Bajaj Allianz General – GAAP					
Gross written premium	57,890	52,020	11.3%	43,220	33.9%
Net earned premium	26,690	22,289	19.7%	24,310	9.8%
PAT	4,780	6,600	-27.6%	3,650	30.9%
Combined ratio (%)	104.7	103.6	1.1ppts	113.6	-8.9ppts
Bajaj Allianz Life – GAAP					
APE	17,060	13,100	30.2%	28,990	-41.2%
Individual WRP	14,740	12,550	17.5%	25,540	-42.3%
Gross written premium	73,990	54,790	35.0%	111,990	-33.9%
VNB	2,710	1,450	86.9%	7,090	-61.8%
VNB margin (%)	15.9	11.1	4.8ppts	24.5	-9ppts
PAT	510	1,710	NM	730	NM

Source: Company, Emkay Research

Exhibit 2: BJFIN – SOTP-based valuation

(Rs mn)	Parameter	Jun-28E Value	Implied Multiple	Valuation	BJFIN Stake	Value
Bajaj Finance	Networth	1,680,706	3.9	6,528,795	51.3%	3,350,578
Bajaj Allianz General	PAT	25,596	25	627,889	77.3%	485,547
Bajaj Allianz Life	EV	355,757	1.5	529,917	77.3%	409,785
Bajaj Health	Revenue	17,561	4.0	70,245	100.0%	70,245
Bajaj Direct	Revenue	6,887	4.0	27,549	80.1%	22,075
Bajaj AMC	AUM	650,000	0.1	65,000	100.0%	65,000
BJFIN SOTP						**4,403,229**
Holding company discount on listed company			20%			-670,116
BJFIN Valuation						**3,733,113**
No Of shares (mn)						1596.0
Fair Value per Share (Rs)						**2,339**
Target Price (Rs) – Jun-27E						**2,350**

Source: Company, Emkay Research

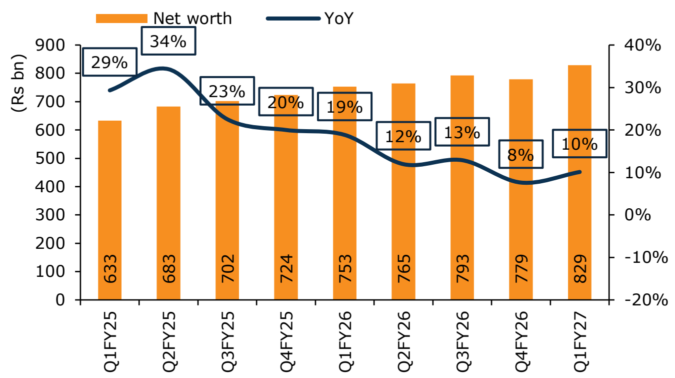
Exhibit 3: Changes in estimates

(Rs mn)	FY27E			FY28E			FY29E		
	Old	Revised	Chg	Old	Revised	Chg	Old	Revised	Chg
Consolidated									
PAT	127,191	131,973	3.8%	158,369	162,068	2.3%	192,300	197,093	2.5%
Networth	904,741	909,522	0.5%	1,061,513	1,069,994	0.8%	1,252,217	1,265,491	1.1%
Bajaj Finance									
AUM	6,221,695	6,272,693	0.8%	7,652,685	7,715,412	0.8%	9,489,329	9,567,111	0.8%
Networth	1,343,434	1,351,842	0.6%	1,589,792	1,604,795	0.9%	1,884,829	1,908,439	1.3%
PPOP	417,616	429,797	2.9%	510,169	519,267	1.8%	614,234	628,100	2.3%
PAT	247,880	258,447	4.3%	300,021	308,291	2.8%	359,113	369,970	3.0%
Bajaj General									
GWP	262,043	257,521	-2%	295,518	290,317	-2%	339,707	333,883	-2%
U/w results	-3,329	-4,250	28%	-2,155	-2,759	28%	-4,275	-5,164	21%
Operating profit	20,813	19,788	-5%	25,163	24,326	-3%	27,372	26,170	-4%
PAT	21,667	20,869	-4%	25,766	25,072	-3%	28,148	27,171	-3%
Combined ratio (%)	102.2	103.0	0.8ppts	101.1	101.5	0.5ppts	100.0	100.5	0.5ppts
ROE (%)	16.8	16.2	-0.6ppts	18.3	17.9	-0.4ppts	18.2	17.7	-0.5ppts
Bajaj Life									
APE	97,092	98,637	2%	111,408	113,184	2%	127,841	129,883	2%
VNB	20,098	20,911	4%	23,618	24,391	3%	27,741	28,444	3%
VNB Margin (%)	20.7	21.2	0.5ppts	21.2	21.6	0.3ppts	21.7	21.9	0.2ppts
EV	293,415	294,228	0.3%	340,303	341,950	0.5%	394,702	397,176	0.6%
PAT	3,353	3,342	0%	4,682	4,670	0%	6,530	6,526	0%

Source: Company, Emkay Research

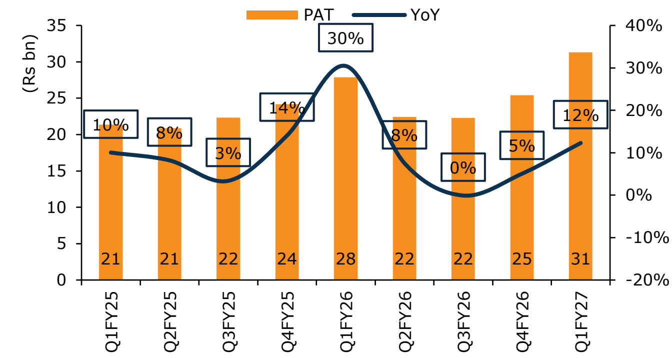
Story in charts

Exhibit 4: BJFIN's consolidated net worth grew 10% yoy



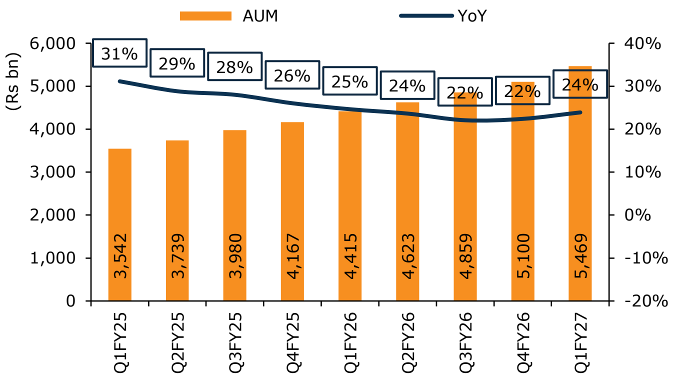
Source: Company, Emkay Research

Exhibit 5: BJFIN reported 12% yoy growth in consolidated PAT



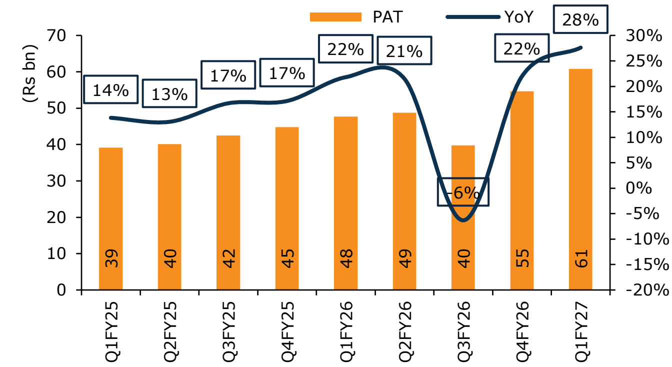
Source: Company, Emkay Research

Exhibit 6: BAF reported 24% yoy AUM growth in 1QFY27



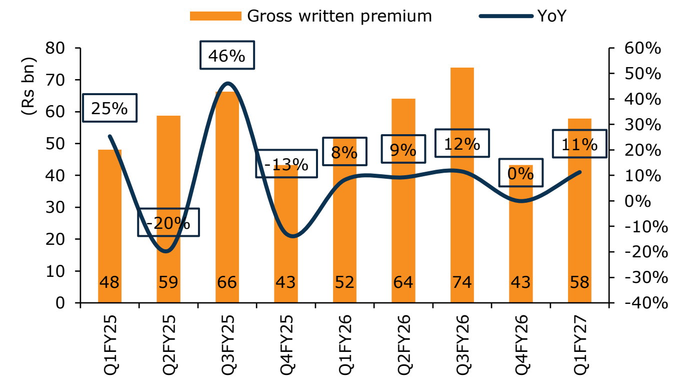
Source: Company, Emkay Research

Exhibit 7: BAF's PAT grew 28% yoy in 1QFY27



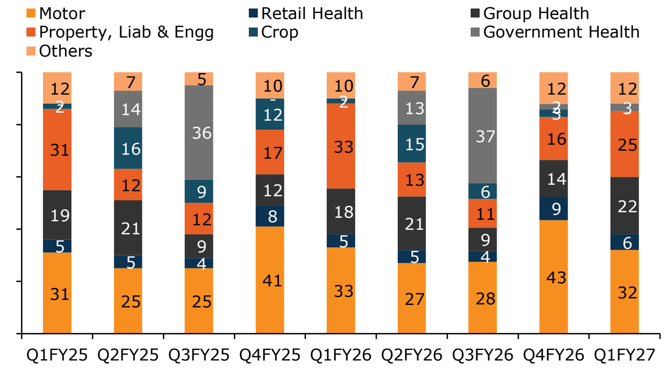
Source: Company, Emkay Research

Exhibit 8: BAGIC reported 11% yoy growth in GWP



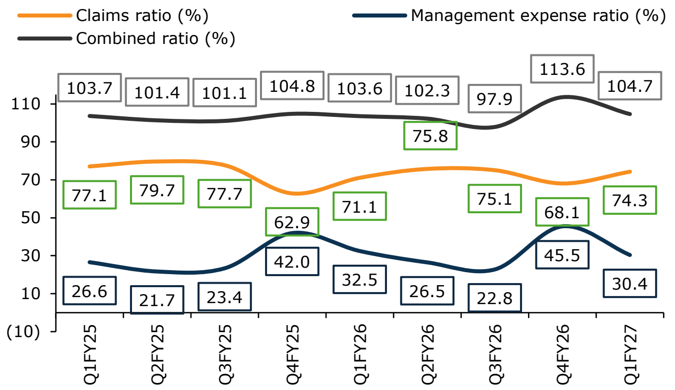
Source: Company, Emkay Research

Exhibit 9: Motor segment dominated product mix (%)



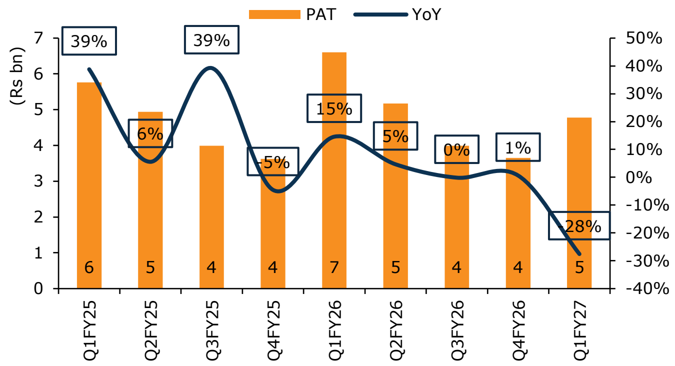
Source: Company, Emkay Research

Exhibit 10: CoR increased to 104.7% on the back of higher claims ratio



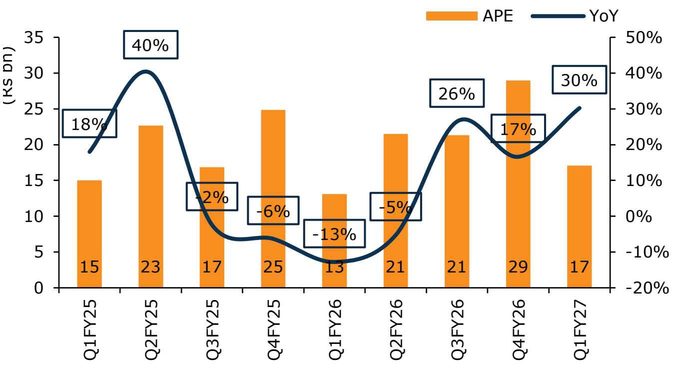
Source: Company, Emkay Research

Exhibit 11: BAGIC's PAT declined ~28% yoy



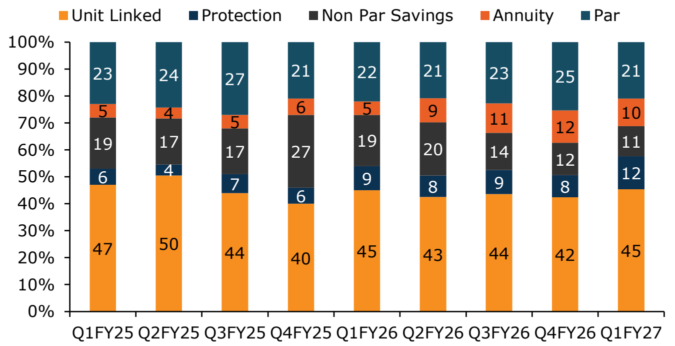
Source: Company, Emkay Research

Exhibit 12: BALIC saw strong 30% yoy growth in APE



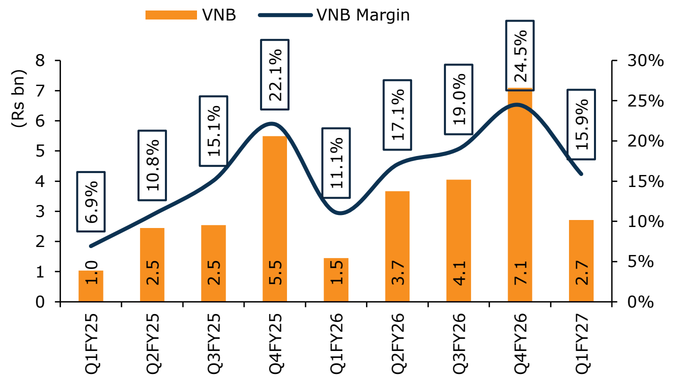
Source: Company, Emkay Research

Exhibit 13: Share of protection and annuity products rose yoy



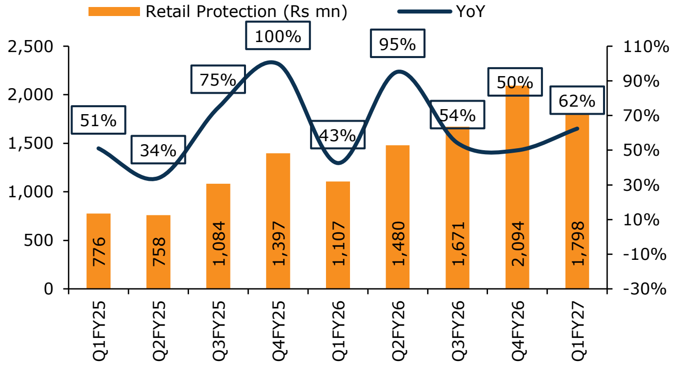
Source: Company, Emkay Research

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



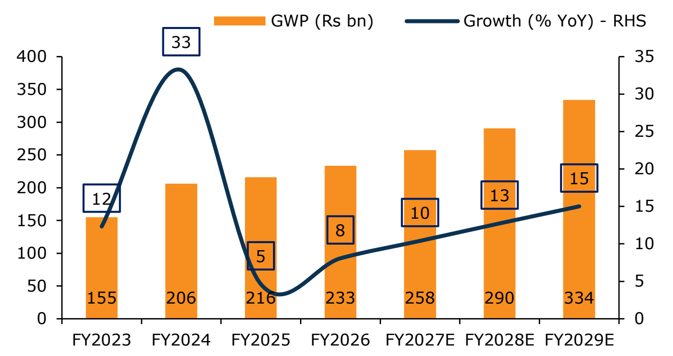
Source: Company, Emkay Research

Exhibit 15: Retail protection grew 62% yoy on a strong base



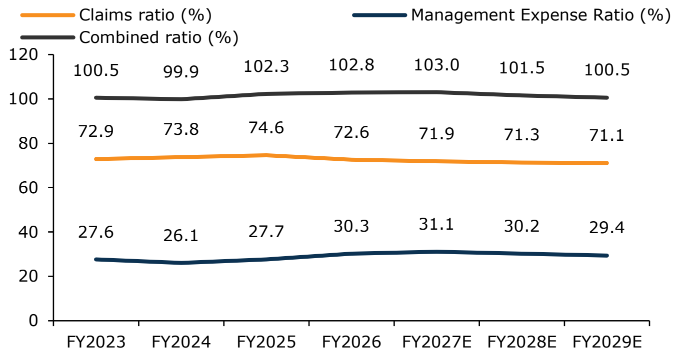
Source: Company, Emkay Research

Exhibit 16: We expect BAGIC GWP growth to increase over FY27-29E



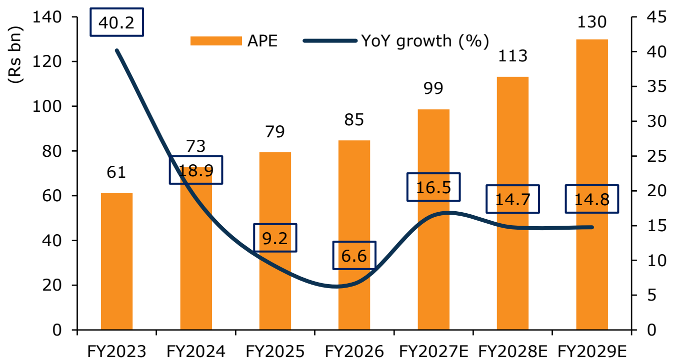
Source: Company, Emkay Research

Exhibit 17: Gradual improvement in CoR over FY27-29E



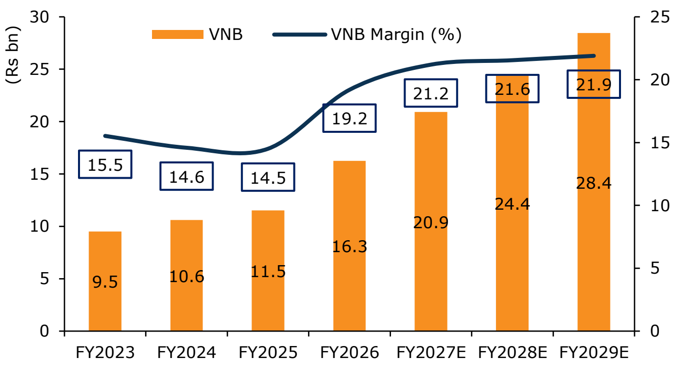
Source: Company, Emkay Research

Exhibit 18: BALIC's APE growth is expected to pick up in FY27E



Source: Company, Emkay Research

Exhibit 19: We expect VNB margin to improve gradually over FY27-29E



Source: Company, Emkay Research

Earnings conference call highlights

Bajaj General Insurance

- Combined ratio was elevated at **104.7%** versus 103.6% in 1QFY26; the management attributed the deterioration to Fire-segment de-growth across the industry and an uptick in Government-Health loss ratios.
- With respect to the Motor TP reserving, the management said that subsequent judgments, including from the Punjab and Haryana High Court, did not uphold the Rs30,000 notional-income benchmark uniformly, so the developments need to be watched before quantifying impact.
- Bajaj General books a deliberately conservative ultimate loss ratio on TP, which produces reserve releases as the book develops; this buffer is already built into the reserving and is expected to absorb any subsequent increase without a separate top-up.
- The number of such cases in the books is few—homemaker claims are an immaterial proportion of both settled and outstanding claims—and given the historical trajectory of reserve releases, the management sees no need to strengthen reserves at this stage.
- On industry response, the ask remains a TP price hike, under discussion with the regulator.
- The management framed the current market as a soft phase of the cycle – the absence of major catastrophe losses in prior years has pushed pricing below average across crop, fire, motor, and health.
- The rise in Motor OD claims was characterized as an industry-wide phenomenon rather than company-specific, with Bajaj General seeing a similar effect. The current motor slowdown is a tactical shift that will reverse when pricing and commission dynamics warrant.

Bajaj Life Insurance

- The near-doubling of Group Protection reflects a combination of factors: a genuine revival in MFI business across the industry, where Bajaj Life has one of the larger books, alongside 20+ new partners added over the last 15 months.
- Annuity and non-par are similarly structured, but target different markets, so they are not viewed as directly cannibalistic. The management is constructive on annuities structurally, citing longevity risk and the large and growing 50-plus age-group customer segment beginning to plan for it.
- Current mix is described as sustainable: par at 22–25%, non-par plus annuity at 22–25%, ULIP at ~45%, and retail protection at 12% (versus ~8–8.5% a year ago). The stated ambition is to push the non-par mix higher to enrich margins.
- On GST pass-through, the approach has been channel-specific and structured: in several cases riders were added to products at unchanged commission, lifting profitability, and pass-through was taken wherever avenues existed.
- Rider attachment stands at 22% of NOPs across term and savings plans combined, and the management intends to keep raising it. Riders are sold across ULIP, par, and non-par, not concentrated in ULIP alone.

Others

- Bajaj Finserv Direct is guided to break even at the quarterly level in 3Q or 4QFY27 and on a full-year basis in FY28.
- Bajaj Finserv Health is guided to break even in 3Q or 4QFY28, with full-year profitability the year after. The management framed continued investments in technology and network build as the differentiator, with a diversified revenue base across general insurers, corporates, and life insurers, with payback beginning next year.
- Bajaj AMC has crossed ~Rs300bn AUM. The management believes the Rs1trn AUM mark within three years is the route to profitability.

- The Board approved the setting up of a reinsurance company earlier on the day of the call, framed as a natural progression of the group's insurance capabilities; the company will now begin seeking the necessary regulatory approvals.
- The plan is at drawing-board stage and will be phased: Phase 1 focuses on the domestic market, where capital needs are limited; Phase 2 moves into international business once ratings are in place—a roughly three-year process—and this is where a large capital commitment will be required.

Exhibit 20: BJFIN – Financial Summary

(Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Profit before Tax	**237,482**	**268,832**	**363,840**	**438,702**	**527,636**
-- Bajaj Finance	220,796	258,167	350,015	417,920	501,671
--General Insurance	24,452	25,777	27,826	33,429	36,718
--Life Insurance	5,601	2,299	3,410	4,765	6,659
--Holding company net of elimination	-13,367	-17,411	-17,411	-17,411	-17,411
Tax expense	61,906	72,137	98,011	116,415	138,580
Profit after Tax	**175,576**	**196,695**	**265,829**	**322,287**	**389,056**
Minorities	86,853	98,685	133,856	160,219	191,963
Group Net Income	**88,723**	**98,010**	**131,973**	**162,068**	**197,093**
Balance Sheet					
EQUITY AND LIABILITIES					
Share capital	1,596	1,599	1,599	1,599	1,599
Shareholders' Funds	**723,953**	**779,145**	**909,522**	**1,069,994**	**1,265,491**
Minority interest	560,389	630,508	695,315	822,017	974,369
Total Equity	**1,284,342**	**1,409,653**	**1,604,837**	**1,892,011**	**2,239,860**
Financial Liabilities					
Borrowings	3,543,498	4,282,475	5,259,911	6,512,080	8,091,271
Deferred tax liabilities (net)					
Policy liabilities	1,346,787	1,478,179	1,744,010	2,042,878	2,378,077
Linked liabilities	129,433	133,370	160,566	191,920	227,970
Discontinued fund liabilities					
Other long-term liabilities	147,738	189,185	226,070	273,142	330,981
Long-term provisions					
Total Financial Liabilities	**5,167,456**	**6,083,209**	**7,390,557**	**9,020,020**	**11,028,298**
Non-financial Liabilities					
Other current liabilities	63,751	81,930	56,266	24,350	-15,980
Provisions	6,767	10,183	12,168	14,702	17,815
Total Non-financial Liabilities	**70,518**	**92,113**	**68,434**	**39,052**	**1,836**
Total Equity and Liabilities	**6,522,316**	**7,584,975**	**9,063,828**	**10,951,083**	**13,269,994**
ASSETS					
Financial Assets					
Shareholders' investments	535,561	478,831	550,656	633,254	728,242
Policyholders' investments	1,361,734	1,461,136	1,773,357	2,089,060	2,491,435
Receivables under financing activity	83,194	93,321	107,319	123,417	141,929
Trade receivables					
Cash and bank balances	157,368	176,180	195,421	190,169	133,276
Loans and advances	4,084,908	5,000,160	6,000,207	7,404,710	9,177,720
Other current assets	193,632	259,287	298,180	342,907	394,343
Total Financial Assets	**6,416,396**	**7,468,915**	**8,925,140**	**10,783,517**	**13,066,946**
Total Non-financial Assets	**105,921**	**116,060**	**138,688**	**167,566**	**203,048**
Total	**6,522,316**	**7,584,975**	**9,063,828**	**10,951,083**	**13,269,994**
Per Share Data (Rs)					
Basic EPS	55.6	61.4	82.7	101.5	123.5
Diluted EPS	55.0	60.8	81.8	100.5	122.2
BVPS (LHS)	453.6	488.2	569.9	670.4	792.9
DPS	1.00	1.00	1.50	2.00	3.00
Key ratios					
Return on Equity (%)	13.4	13.0	15.6	16.4	16.9
PAT Growth (yoy %)	8.9	10.5	34.7	22.8	21.6

Source: Company, Emkay Research

Exhibit 21: Bajaj General Insurance – Financial Summary

(Rs mn)	FY25	FY26E	FY27E	FY28E	FY29E
Policyholders' account					
Gross written premium	215,829	233,258	257,521	290,317	333,883
Net written premium	90,606	100,817	123,434	139,740	186,604
Net earned premium	95,645	95,188	121,568	137,532	172,253
Investment income	18,591	21,948	23,635	26,682	30,931
Other income	896	403	403	403	403
Total revenue	115,132	117,539	145,606	164,617	203,587
Commission expenses	3,761	6,874	9,615	10,188	12,837
Operating expenses	21,319	23,655	28,777	32,019	42,104
Claims incurred (net)	71,340	69,067	87,426	98,084	122,475
Total expenses	96,452	99,739	125,817	140,291	177,417
Operating profit	18,680	17,799	19,788	24,326	26,170
Shareholders' account					
Operating profit	18,680	17,799	19,788	24,326	26,170
Investment income	6,484	8,892	8,993	10,160	11,715
Expenses	718	916	1,007	1,108	1,219
Profit before tax	24,452	25,777	27,826	33,429	36,718
Tax expenses	6,129	6,362	6,956	8,357	9,547
Profit after tax	**18,323**	**19,415**	**20,869**	**25,072**	**27,171**
Balance Sheet	*18.2%*	*6.0%*	*7.5%*	*20.1%*	*8.4%*
Sources of Funds					
Shareholders' funds	120,122	123,638	134,072	146,608	160,194
Fair value gains	4,862	-4,149	-4,563	-5,020	-5,522
Total	**124,985**	**119,489**	**129,509**	**141,588**	**154,672**
Application of Funds					
Investments	317,295	345,925	409,355	448,412	545,964
Other non-current assets	5,174	5,642	5,923	6,219	6,529
Current Assets					
Cash and bank balances	13,860	9,360	9,828	10,320	10,836
Other current assets	73,507	87,360	129,186	157,205	172,926
Current Liabilities					
Claim reserves	238,369	276,504	357,225	404,136	506,161
Provisions	46,482	52,293	67,559	76,431	95,726
Net current assets	-197,484	-232,077	-285,769	-313,042	-418,125
Other assets	0	0	0	0	20,305
Total	**124,985**	**119,489**	**129,509**	**141,588**	**154,672**
Key Ratios (%)					
Retention ratio	42.0	43.2	47.9	48.1	55.9
NEP/NWP	105.6	94.4	98.5	98.4	92.3
Claims ratio	74.6	72.6	71.9	71.3	71.1
Commission ratio	4.2	6.8	7.8	7.3	6.9
Opex ratio	23.5	23.5	23.3	22.9	22.6
Combined ratio	102.3	102.8	103.0	101.5	100.5
Reported combined ratio	102.3	102.8	103.0	101.5	100.5
GWP growth	4.6	8.1	10.4	12.7	15.0
Tax rate	25.1	24.7	25.0	25.0	26.0
Return on equity	16.0	15.9	16.2	17.9	17.7

Source: Company, Emkay Research

Exhibit 22: Bajaj Life Insurance – Financial Summary

(Rs mn)	FY25	FY26E	FY27E	FY28E	FY29E
Policyholders' account					
Net earned premium	266,897	322,952	374,807	433,898	500,723
Investment income	90,655	44,054	129,845	155,709	185,484
Other income	1,140	1,461	0	0	0
Total revenue	358,693	368,468	504,651	589,607	686,207
Commission expense	31,068	35,681	41,035	47,504	54,821
Operating expenses	42,485	49,651	55,000	61,502	68,470
Benefits cost	131,256	153,230	156,736	188,697	225,544
Total expense	362,137	373,650	507,433	591,308	686,419
Surplus/deficit	-3,445	-5,183	-2,782	-1,702	-211
Shareholders' account					
Transfer from policyholders' account	8,665	6,208	9,834	12,262	15,236
Investment income	10,086	9,316	8,174	8,556	9,076
Expenses	13,219	13,226	14,598	16,053	17,653
Profit before tax	5,601	2,299	3,410	4,765	6,659
Tax expense	520	37	68	95	133
Profit after tax	**5,081**	**2,262**	**3,342**	**4,670**	**6,526**
Embedded value account					
Embedded value	238,050	252,990	294,228	341,950	397,176
--o/w Adjusted net worth	135,570	84,670	116,593	122,663	131,146
--o/w Value-in-force	102,480	168,320	177,635	219,287	266,030
Annualized premium equivalent (APE)	79,410	84,688	98,637	113,184	129,883
New business value	11,520	16,260	20,911	24,391	28,444
New business margin (%)	14.5	19.2	21.2	21.6	21.9
EV operating profit	27,610	32,430	40,238	46,722	54,226
Operating ROEV (%)	12.7	13.6	15.9	15.9	15.9
Number of shares o/s	150.7	146.2	146.2	146.2	146.2

Source: Company, Emkay Research

Bajaj Finserv: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	674,491	799,560	967,076	1,178,749	1,446,896
Interest Expense	243,097	282,318	346,909	422,855	523,703
Net interest income	**431,394**	**517,242**	**620,167**	**755,894**	**923,192**
NII growth (%)	21.9	19.9	19.9	21.9	22.1
Non interest income	654,953	705,744	775,255	901,257	1,065,103
Total income	**1,086,346**	**1,222,986**	**1,395,422**	**1,657,152**	**1,988,295**
Operating expenses	778,346	859,519	951,495	1,116,745	1,333,809
PPOP	**308,180**	**363,631**	**444,027**	**540,507**	**654,587**
PPOP growth (%)	18.5	18.0	22.1	21.7	21.1
Provisions & contingencies	70,698	94,800	79,987	101,605	126,751
PBT	**237,482**	**268,832**	**364,040**	**438,902**	**527,836**
Extraordinary items	-	-	-	-	-
Tax expense	61,906	72,137	98,011	116,415	138,580
Minority interest	86,853	98,685	133,856	160,219	191,963
Income from JV/Associates	180	165	100	100	100
Reported PAT	**88,723**	**98,010**	**131,973**	**162,068**	**197,093**
PAT growth (%)	8.9	10.5	34.7	22.8	21.6
Adjusted PAT	**88,723**	**98,010**	**131,973**	**162,068**	**197,093**
Diluted EPS (Rs)	**55.6**	**61.4**	**82.7**	**101.5**	**123.5**
Diluted EPS growth (%)	8.6	10.4	34.7	22.8	21.6
DPS (Rs)	**-**	**-**	**-**	**-**	**-**
Dividend payout (%)	**-**	**-**	**-**	**-**	**-**
Effective tax rate (%)	26.1	26.8	26.9	26.5	26.3
Net interest margins (%)	9.7	9.5	9.4	9.3	9.2
Cost-income ratio (%)	33.2	33.8	33.2	33.5	34.0
PAT/PPOP (%)	55.9	54.8	61.1	60.4	59.9
Shares outstanding (mn)	1,596.0	1,598.7	1,598.7	1,598.7	1,598.7

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

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	1,596	1,599	1,599	1,599	1,599
Reserves & surplus	1,282,746	1,408,054	1,603,238	1,890,412	2,238,261
Net worth	**1,284,342**	**1,409,653**	**1,604,837**	**1,892,011**	**2,239,860**
Borrowings	**3,543,498**	**4,282,475**	**5,259,911**	**6,512,080**	**8,091,271**
Other liabilities & prov.	**1,694,475**	**1,892,847**	**2,199,080**	**2,546,992**	**2,938,863**
Total liabilities & equity	**6,522,316**	**7,584,975**	**9,063,828**	**10,951,083**	**13,269,994**
Net loans	4,084,908	5,000,160	6,000,207	7,404,710	9,177,720
Investments	1,897,295	1,939,967	2,324,013	2,722,314	3,219,677
Cash, other balances	157,368	176,180	195,421	190,169	133,276
Interest earning assets	**6,139,570**	**7,116,308**	**8,519,641**	**10,317,193**	**12,530,673**
Fixed assets	58,083	62,475	65,970	72,566	79,823
Other assets	324,663	406,193	478,218	561,323	659,498
Total assets	**6,522,316**	**7,584,975**	**9,063,828**	**10,951,083**	**13,269,994**
BVPS (Rs)	453.6	488.2	569.9	670.4	792.9
Adj. BVPS (INR)	453.6	488.2	569.9	670.4	792.9
Gross loans	4,148,270	5,092,440	6,093,631	7,510,538	9,303,536
Total AUM	**4,166,610**	**5,099,750**	**6,272,693**	**7,715,412**	**9,567,111**
On balance sheet	4,148,270	5,092,440	6,093,631	7,510,538	9,303,536
Off balance sheet	18,340	7,310	179,062	204,873	263,574
Disbursements	-	-	-	-	-
Disbursements growth (%)	0	0	0	0	0
Loan growth (%)	25.0	22.4	20.0	23.4	23.9
AUM growth (%)	26.0	22.4	23.0	23.0	24.0
Borrowings growth (%)	23.2	20.9	22.8	23.8	24.3
Book value growth (%)	19.9	7.6	16.7	17.6	18.3

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

BAF: Asset quality and other metrics

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
GNPL - Stage 3	39,650	51,190	59,288	67,747	84,447
NNPL - Stage 3	18,350	20,620	23,784	28,393	35,348
GNPL ratio - Stage 3 (%)	1.0	1.0	1.0	0.9	0.9
NNPL ratio - Stage 3 (%)	0.4	0.4	0.4	0.4	0.4
ECL coverage - Stage 3 (%)	53.7	59.7	59.9	58.1	58.1
ECL coverage - 1 & 2 (%)	1.2	1.4	1.2	1.1	1.0
Gross slippage - Stage 3	0	0	0	0	0
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	1.8	1.5	1.5	1.4	1.4
Total credit costs (%)	2.1	2.0	1.4	1.5	1.5
NNPA to networth (%)	1.9	1.8	1.8	1.8	1.9
Capital adequacy					
Total CAR (%)	21.9	21.6	21.1	20.5	19.9
Tier-1 (%)	21.1	20.7	20.2	19.6	19.0
Miscellaneous					
Total income growth (%)	18.1	12.6	14.1	18.8	20.0
Opex growth (%)	18.0	10.4	10.7	17.4	19.4
PPOP margin (%)	8.0	7.6	7.6	7.4	7.3
Credit costs-to-PPOP (%)	26.5	26.9	18.6	19.6	20.2
Loan-to-Assets (%)	87.5	89.1	87.9	88.7	89.5
Yield on loans (%)	16.4	15.7	15.5	15.4	15.3
Cost of funds (%)	7.6	7.3	7.3	7.2	7.2
Spread (%)	8.7	8.4	8.2	8.2	8.1

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

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	36.5	33.0	24.5	20.0	16.4
P/B (x)	4.5	4.2	3.6	3.0	2.6
P/ABV (x)	4.5	4.2	3.6	3.0	2.6
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0	0	0	0	0
Dupont-RoE split (%)					
NII/avg AUM	9.7	9.5	9.4	9.4	9.3
Other income	2.3	2.0	1.9	1.8	1.7
Securitization income	-	-	-	-	-
Opex	2.0	1.9	1.9	1.8	1.8
Employee expense	2.0	2.0	1.9	1.9	1.9
PPOP	**8.0**	**7.6**	**7.6**	**7.4**	**7.3**
Provisions	2.1	2.0	1.4	1.5	1.5
Tax expense	1.4	1.4	1.5	1.5	1.5
RoAUM (%)	**4.5**	**4.2**	**4.6**	**4.5**	**4.4**
Leverage ratio (x)	4.3	4.4	4.6	4.7	4.9
RoE (%)	**19.3**	**18.3**	**21.1**	**21.2**	**21.4**

Quarterly data

Rs mn, Y/E Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
BAGIC GWP	52,020	64,130	73,890	43,220	57,890
BAGIC PAT	6,600	5,170	3,990	3,650	4,780
BAGIC Combined Ratio (%)	103.6	102.3	97.9	113.6	104.7
BALIC APE	13,100	21,490	21,310	28,990	17,060
BALIC VNB Margin (%)	11.1	17.1	19.0	24.5	15.9

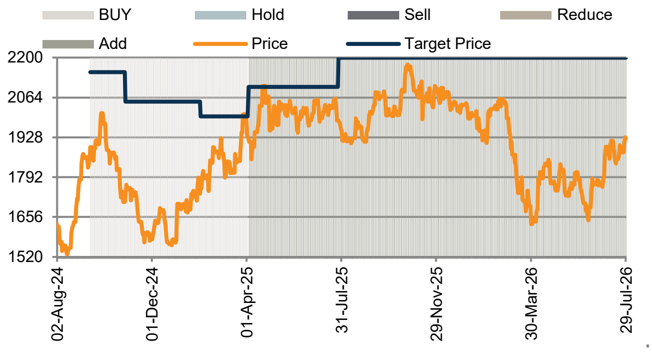
Source: Company, Emkay Research Note: Dupont-RoE split for BAF

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
03-May-26	1,747	2,200	Add	Avinash Singh
06-Feb-26	2,024	2,200	Add	Avinash Singh
12-Nov-25	2,036	2,200	Add	Avinash Singh
10-Sep-25	2,038	2,200	Add	Avinash Singh
27-Jul-25	1,986	2,200	Add	Avinash Singh
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

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons1 may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests2 in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

[1] An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

1. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of August 01, 2026
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of August 01, 2026
5. EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the August 01, 2026
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
8. EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

SESHADRI KUMAR SEN

Digitally signed by SESHADRI KUMAR SEN
Date: 2026.08.01 21:09:52 +05'30'