



India

REDUCE (previously HOLD)

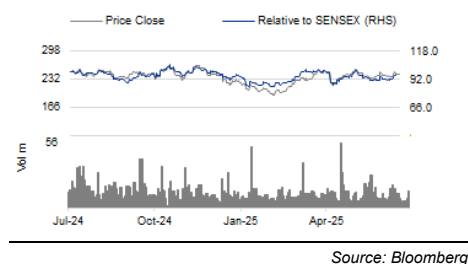
Consensus ratings*: Buy 28 Hold 8 Sell 2

Current price:	Rs243
Target price:	Rs240
Previous target:	Rs240
Up/downside:	-1.2%
InCred Research / Consensus:	-10.1%
Reuters:	BOB.NS
Bloomberg:	BOB IN
Market cap:	US\$14,551m
	Rs1,258,968m
Average daily turnover:	US\$30.7m
	Rs2658.1m
Current shares o/s:	240.2m
Free float:	42.6%

*Source: Bloomberg

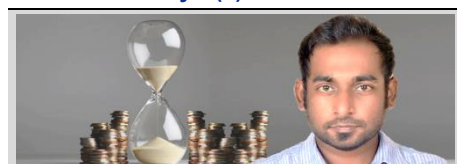
Key changes in this note

- Downgrade our rating to REDUCE from HOLD.
- Revise our margin/credit cost assumptions for FY26F-28F based on 1QFY26 results.



Price performance	1M	3M	12M
Absolute (%)	0.9	(3.6)	(2.5)
Relative (%)	4.1	(5.1)	(2.7)

Major shareholders	% held
PRESIDENT OF INDIA	64.0
LIC	6.3
HDFC AMC	2.3

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Bank of Baroda**Lacks lever to offset margin compression**

- 1QFY26 PAT beat was due to strong treasury gains while the core performance was weak. Slippage/credit cost uptick was led by a lumpy overseas account.
- BoB lacks material lever to offset RoA dip over the next few years. We expect RoA/RoE to moderate to 0.85%/11% in FY26F/27F, from 1.2%/16% in FY25.
- Downgrade to REDUCE while keeping our target price unchanged at Rs240 (~3% downside), implying 0.8x target multiple. Prefer large peer private banks.

Weak core performance; treasury gains drive beat on net income

1QFY26 PAT of Bank of Baroda (BoB) at Rs45.4bn (1% annualized RoA) beat our estimate on strong treasury gains (Rs20bn; 32bp net tax). The recovery from written-off accounts moderated QoQ to Rs6bn (11bp of avg. assets post-tax) vs. Rs10bn in 4QFY25. The core performance was weak with a higher-than-expected opex (14% YoY; 5% above our estimate) and lower core fees (5% YoY). Adjusted NII was flat QoQ (down 5% YoY) and 3% above our estimate. Margin (adjusted for income-tax refund) was down by just 4bp QoQ at 2.8%. The sharp fall in deposit costs helped (down 7bp QoQ; led by run-down of wholesale deposits) while loan yields declined by 12bp QoQ. Credit costs inched up QoQ (66bp vs. 53bp) on the back of increased slippage QoQ (1.4% of trailing loans - annualized vs. 1.2%). The loan book grew by 13% YoY (down 2% QoQ) and deposits grew by 10% YoY (down 2% QoQ). The CET-1 ratio improved QoQ (14.6% vs. 13.8%), partly helped by the reduction in NBFC risk weight. The average LCR moderated QoQ (119% vs. 123%).

Steady asset quality; higher slippage owing to an overseas account

The gross slippage increased QoQ (Rs37bn vs. Rs32bn), mainly led by a lumpy overseas account (Rs5bn; prudently provided for at 40%). Higher write-offs (Rs24bn vs. Rs18.5bn) helped drive some reduction in gross non-performing assets or GNPA's (down 1% QoQ) while recovery/upgrades moderated QoQ (although they remained healthy at Rs16bn vs. Rs19bn). The GNPA ratio inched up marginally to 2.3%. PCR moderated QoQ (74% vs. 75%). The net NPA ratio stood at 0.6%. NPA credit costs inched up QoQ (56bp vs. 44bp). Additionally, standard asset provisioning was 11bp (vs. 5bp last quarter) and included prudent provisioning on a few accounts with inherent weakness.

BoB lacks levers to offset RoA dip owing to margin compression

BoB delivered RoA of 1% in 1QFY26 (including treasury gains of ~32bp net tax – partly helped by open market operations or OMOs). We expect the RoA to moderate to 0.85% in FY26F-27F mainly owing to moderation in margin and lower non-core income. The RoE to decline to ~11% in FY26F-27F, from 16% in FY25. BoB trades at 0.8x FY27F BV for a RoE of 11% and we believe material rerating is difficult, given the core performance. We downgrade our rating on BoB to REDUCE (from HOLD earlier) while maintaining the target price at Rs240. Upside risks: Better-than-expected margin outcome, stronger-than-expected loan growth, and a significant improvement in the retail liability franchise.

Financial Summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Net Interest Income (Rsm)	447,215	461,334	449,706	517,943	590,148
Total Non-Interest Income (Rsm)	144,954	166,476	169,987	153,142	146,556
Operating Revenue (Rsm)	592,169	627,810	619,694	671,085	736,704
Total Provision Charges (Rsm)	(60,756)	(59,803)	(71,355)	(75,758)	(85,654)
Net Profit (Rsm)	177,888	200,561	159,929	169,922	183,499
Core EPS (Rs)	34.36	38.74	30.89	32.82	35.44
Core EPS Growth	26%	13%	(20%)	6%	8%
FD Core P/E (x)	7.09	6.28	7.88	7.42	6.87
DPS (Rs)	7.60	8.35	6.18	6.56	7.09
Dividend Yield	3.12%	3.43%	2.54%	2.70%	2.91%
BVPS (Rs)	216.7	264.5	287.0	313.6	342.5
P/BV (x)	1.12	0.92	0.85	0.78	0.71
ROE	16.9%	16.1%	11.2%	10.9%	10.8%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Financial Summary

Rs Mn	1QFY25	4QFY25	1QFY26	YoY (%)	QoQ (%)
Net Interest Income	116,001	114,944	114,348	-1%	-1%
Adj. Net Interest Income	116,001	110,194	110,648	-5%	0%
Other Income	24,873	47,351	46,745	88%	-1%
--Core Fee	10,360	15,040	10,870	5%	-28%
--Treasury Income	1,640	8,810	20,160	1129%	129%
--Misc. Income	12,873	23,501	15,715	22%	-33%
Total income	140,873	162,295	161,093	14%	-1%
--Core Revenues	126,361	129,984	125,218	-1%	-4%
--Adj. Core Revenues	126,361	125,234	121,518	-4%	-3%
Operating Expenses	69,261	80,973	78,728	14%	-3%
--Staff Expenses	40,140	43,472	43,077	7%	-1%
--Other Operating Expenses	29,121	37,501	35,651	22%	-5%
Operating Profit	71,613	81,321	82,365	15%	1%
--Core PPoP	57,100	49,010	46,489	-19%	-5%
--Adj. Core PPoP	57,100	44,260	42,789	-25%	-3%
Provisions	10,107	15,515	19,669	95%	27%
PBT	61,506	65,806	62,695	2%	-5%
Tax	16,924	15,329	17,282	2%	13%
PAT	44,582	50,477	45,414	2%	-10%
EPS	9	10	9		
Advances	10,479,487	12,095,579	11,865,855	13%	-2%
Deposits	13,069,941	14,720,349	14,356,343	10%	-2%
LD Ratio	80%	82%	83%		
CASA Ratio	34%	34%	33%		
Margins (%)	3.18	2.98	2.91	-0.27	-0.07
Adj. Margins (%)	3.18	2.86	2.82	-0.36	-0.04
Overall provisions (in bps)	38	53	66		
---Credit cost (in bps)	43	52	69		
-----NPA provisions	48	44	56		
GNPA	308,731	278,349	275,717	-11%	-1%
GNPA Ratio (%)	2.88%	2.26%	2.28%		
NNPA	72,315	69,942	71,576	-1%	2%
NNPA Ratio (%)	0.69	0.58	0.60		
PCR	236,416	208,406	204,142	-14%	-2%
PCR Ratio (%)	77%	75%	74%		
Slippages	30,180	31,590	36,860	22%	17%
--% of trailing loans	1.3%	1.2%	1.4%		
CET-1 Ratio (%)	13.5%	13.8%	14.6%		
RoA	1.1%	1.0%	1.0%		
RoE	15.3%	15.1%	13.0%		

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: DuPont analysis

% of average assets	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26F	FY27F	FY28F
Interest Earned	7.3%	7.1%	6.5%	6.3%	6.3%	6.2%	6.2%	6.6%	7.8%	6.1%	5.7%	6.5%	7.4%	7.2%	7.0%	7.0%	7.0%
Interest Expenses	4.8%	4.8%	4.5%	4.3%	4.5%	4.2%	4.0%	4.2%	5.0%	3.6%	3.1%	3.5%	4.5%	4.5%	4.6%	4.5%	4.6%
Net Interest Income	2.5%	2.3%	2.0%	1.9%	1.7%	2.0%	2.2%	2.5%	2.8%	2.5%	2.7%	3.0%	2.9%	2.7%	2.4%	2.5%	2.5%
Non-Interest Income	0.9%	0.7%	0.6%	0.6%	0.8%	0.9%	0.9%	0.7%	0.9%	0.9%	0.7%	0.5%	0.7%	0.7%	0.8%	0.6%	0.5%
--Fee Income	0.4%	0.3%	0.3%	0.3%	0.3%	0.4%	0.5%	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%
--Capital Gains	0.2%	0.1%	0.1%	0.1%	0.2%	0.4%	0.3%	0.1%	0.3%	0.3%	0.1%	0.0%	0.1%	0.1%	0.2%	0.1%	0.0%
--Others	0.3%	0.3%	0.2%	0.2%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%	0.1%	0.3%	0.2%	0.2%	0.1%
Total Revenue	3.4%	3.0%	2.6%	2.5%	2.5%	2.9%	3.0%	3.2%	3.7%	3.4%	3.4%	3.5%	3.6%	3.4%	3.1%	3.1%	3.0%
--Core Revenue	2.9%	2.6%	2.3%	2.2%	2.0%	2.4%	2.7%	3.0%	3.4%	3.0%	3.2%	3.5%	3.4%	3.1%	2.8%	2.8%	2.8%
Total costs	1.3%	1.2%	1.2%	1.1%	1.5%	1.4%	1.4%	1.5%	1.9%	1.8%	1.8%	1.8%	1.9%	1.8%	1.7%	1.7%	1.7%
--Staff Expenses	0.7%	0.7%	0.7%	0.6%	0.9%	0.7%	0.7%	0.7%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%
--Other Expenses	0.5%	0.5%	0.5%	0.5%	0.6%	0.7%	0.8%	0.8%	1.0%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Pre-Provision Operating Profits	2.1%	1.8%	1.5%	1.4%	1.0%	1.6%	1.6%	1.7%	1.8%	1.6%	1.6%	1.7%	1.8%	1.7%	1.4%	1.3%	1.3%
--Core PPOp	1.6%	1.4%	1.1%	1.1%	0.5%	1.0%	1.2%	1.5%	1.5%	1.2%	1.4%	1.7%	1.6%	1.3%	1.0%	1.1%	1.2%
Provision for Investment	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Bad Debts	0.4%	0.7%	0.5%	0.6%	2.0%	1.1%	2.0%	1.6%	1.7%	1.1%	1.2%	0.3%	0.4%	0.3%	0.3%	0.3%	0.3%
Other Provisions	0.2%	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.1%	0.3%	0.2%	-0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Recovery From Written/off Accounts	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.2%	-0.3%	-0.2%	-0.2%	-0.3%	-0.3%	-0.2%	-0.1%	-0.1%
Total Provisions	0.6%	0.8%	0.5%	0.6%	2.0%	1.2%	2.0%	1.6%	2.0%	1.1%	0.9%	0.3%	0.1%	0.1%	0.2%	0.2%	0.2%
PBT	1.5%	1.0%	0.9%	0.8%	-1.0%	0.4%	-0.4%	0.1%	-0.2%	0.5%	0.8%	1.4%	1.6%	1.6%	1.2%	1.1%	1.1%
Tax	0.3%	0.1%	0.2%	0.3%	-0.2%	0.2%	-0.1%	0.0%	-0.2%	0.4%	0.2%	0.4%	0.5%	0.4%	0.3%	0.3%	0.3%
Minority Interest and Others	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RoA	1.2%	0.9%	0.8%	0.5%	-0.8%	0.2%	-0.3%	0.1%	0.1%	0.1%	0.6%	1.0%	1.2%	1.2%	0.9%	0.8%	0.8%
Leverage	17x	17x	18x	18x	17x	17x	17x	16x	17x	16x	15x	15x	14x	14x	13x	14x	14x
RoE	21.4%	15.3%	13.5%	9.0%	-13.5%	3.4%	-5.8%	0.9%	1.0%	1.1%	8.9%	15.3%	16.9%	16.1%	11.2%	10.9%	10.8%

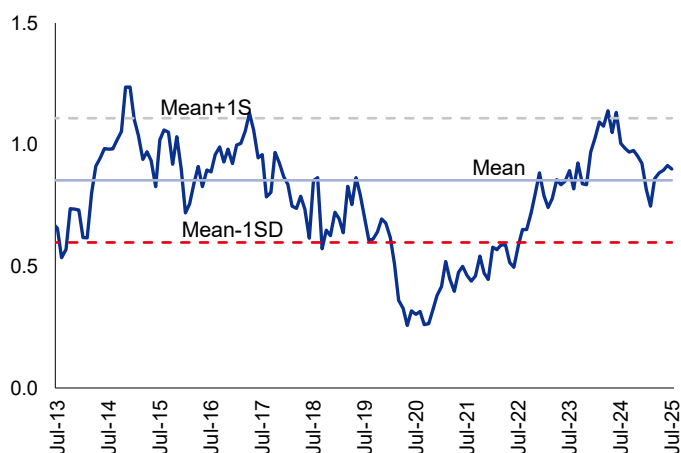
SOURCE: INCRED RESEARCH

Figure 3: Our revised earnings estimates

Rs bn	New Estimates				Old Estimates			Change		
	FY25	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F
Net Interest Income	461	450	518	590	476	547	626	-6%	-5%	-6%
--Growth YoY	3%	-3%	15%	14%	4%	15%	14%			
Non-Interest Income	166	170	153	147	145	139	135	17%	10%	8%
--Growth YoY	15%	2%	-10%	-4%	-13%	-4%	-3%			
Total Income	628	620	671	737	621	685	761	0%	-2%	-3%
--Growth YoY	6%	-1%	8%	10%	0%	10%	11%			
Opex	299	328	361	398	327	360	397	0%	0%	0%
--Growth YoY	6%	10%	10%	10%	9%	10%	10%			
PPOP	329	292	310	339	295	326	364	-1%	-5%	-7%
--Growth YoY	6%	-11%	6%	9%	-9%	11%	12%			
Provision	60	71	76	86	80	91	103	-11%	-17%	-17%
--as a % of avg. loans	53	56	54	54	63	63	63			
PBT	269	221	235	253	214	234	261	3%	0%	-3%
Tax	69	61	65	70	50	55	61	-18%	-16%	-13%
PAT	201	160	170	183	164	180	200	-3%	-5%	-8%
--Growth YoY	13%	-20%	6%	8%	-16%	9%	11%			
Advances	12,096	13,281	15,016	16,978	13,539	15,307	17,307	-2%	-2%	-2%
--Growth YoY	13%	10%	13%	13%	12%	13%	13%			
Deposits	14,720	16,340	18,464	20,864	16,340	18,464	20,864	0%	0%	0%
--Growth YoY	10%	11%	13%	13%	11%	13%	13%			
Book Value	264	287	314	343	288	316	348	0%	-1%	-2%
--Growth YoY	22%	9%	9%	9%	9%	10%	10%			
EPS	38	31	33	35	32	35	39	-3%	-5%	-8%
--Growth YoY	10%	-18%	6%	8%	-16%	9%	11%			
RoA	1.2%	0.9%	0.8%	0.8%	0.9%	0.9%	0.8%	-2	-5	-7
RoE	16.1%	11.2%	10.9%	10.8%	11.5%	11.5%	11.6%	-29	-56	-83

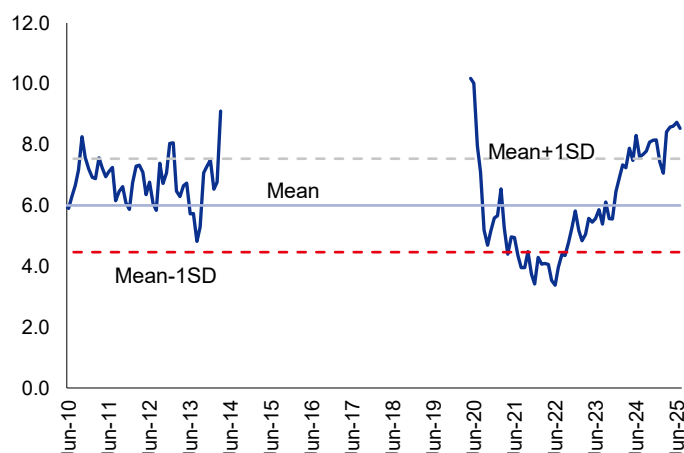
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: One-year forward P/BV



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: One-year forward P/E



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key highlights

- Domestic loan growth moderated to 12% YoY vs. 14% YoY last quarter. Sequentially, the domestic book declined by 3% vs. a growth of 6% last quarter. This was mainly led by the corporate book (down 10% QoQ owing to better opportunities in the bond market and deleveraging). Growth moderation was witnessed in retail, agri and MSME segments (up 1% QoQ vs. up 5% last quarter). On a YoY basis, RAM growth moderated to 16% vs. 17% last quarter. Corporate loan growth was down at 4% vs. 9% last quarter, and the bank expects this to rise to 10% in FY26F.
- Headline margin declined by 7bp QoQ to 2.91%. Adjusted for income-tax refund, margin declined by 4bp QoQ to 2.82%. The margin decline was lower vs. peers, mainly owing to the benefits from wholesale deposit repricing/run-down (cost of deposits was down 7bp QoQ). Yields declined by 12bp QoQ. The bank expects the margin to trough in 2QFY26F owing to the full impact of repo rate repricing flowing through, which will partly be offset by the benefit of SA rate cut and a gradual repricing of time liabilities (it expects ~15bp benefit on funding costs to flow through by Sep 2025F).
- On loan book by rate type, the repo rate-linked book stood at 35%, MCLR book at 45%, fixed-rate book at 6% and 14% pertains to the other linked book.
- SMA 1&2 books stood at 40bp vs. 33bp last quarter. This includes a couple of lumpy accounts which are guaranteed by the government, excluding which SMA 1&2 books stood at 0.1% each.
- Management noted that the account which slipped in the overseas book (~Rs5bn) has state backing in the international domain. The bank tagged the account as NPA (as per income recognition and asset quality norms) and prudently provided 40%, despite not being required to do so, as per international standards. The account is undergoing a resolution process in the international domain and is expected to get resolved within 210 days.

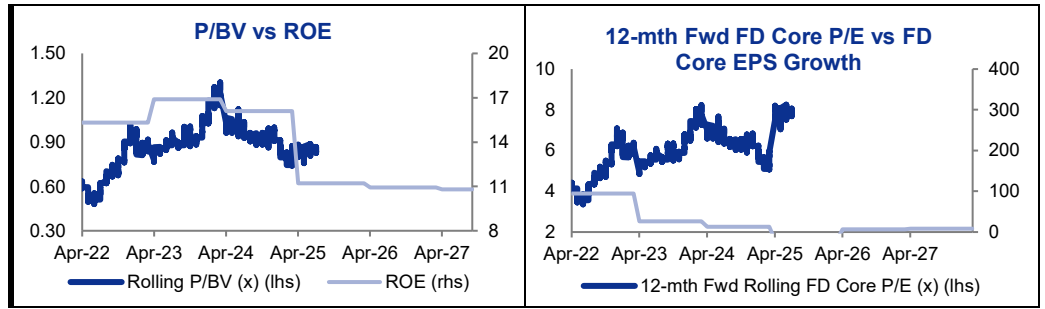
Figure 6: Financial summary

Bank of Baroda

Profit and Loss Statement					Per Share Data and Valuations				
Rs M (Year-end March)	FY25	FY26F	FY27F	FY28F	Year-end March	FY25	FY26F	FY27F	FY28F
Interest Income	1,219,164	1,312,449	1,474,058	1,671,091	Per Share Data (in Rs)				
Interest Expense	757,830	862,742	956,116	1,080,943	EPS (diluted)	37.9	30.9	32.8	35.4
Net Interest Income	461,334	449,706	517,943	590,148	Book Value	264.5	287.0	313.6	342.5
—Fee Income	33,658	36,738	40,412	44,453	Core Op. Profit	42.4	36.5	44.7	52.9
—Forex Income	7,630	6,500	6,500	6,500	DPS	8.4	6.2	6.6	7.1
—Capital Gains	14,898	38,790	20,000	6,000	Valuations				
—Miscellaneous Inc.	110,290	87,959	86,230	89,603	P/E	6.5	8.0	7.5	7.0
Total Non Interest Income	166,476	169,987	153,142	146,556	P/BV	0.9	0.9	0.8	0.7
Total Operating Income	627,810	619,694	671,085	736,704	Price to Core Op. Profit	5.8	6.8	5.5	4.7
—Employee Exp	166,076	178,031	192,534	208,487	Dividend Yield	3.4%	2.5%	2.7%	2.9%
—Other Expenses	132,637	149,520	168,210	189,236	Ratio Analysis				
Total Operating Expenses	298,714	327,550	360,743	397,723	(Year-end March)	FY25	FY26F	FY27F	FY28F
Operating Profit	329,096	292,143	310,342	338,982	Spread Analysis				
—Prov. For Investment Dep.	374	-860	0	0	Average yield on assets	7.5%	7.2%	7.3%	7.3%
—Loan Loss Provisions	52,523	63,591	69,686	78,789	Cost of earning assets	4.7%	4.8%	4.7%	4.7%
—Other Provisions	6,906	8,624	6,072	6,865	Net Interest Margin (Reported)	3.0%	2.8%	2.9%	3.0%
Total provisions	59,803	71,355	75,758	85,654	Growth Ratios				
Profit Before Tax	269,294	220,788	234,584	253,327	Net Interest Income	3.2%	-2.5%	15.2%	13.9%
Provision for Tax	68,732	60,859	64,662	69,829	Non Interest Income	14.8%	2.1%	-9.9%	-4.3%
Net Profit	200,561	159,929	169,922	183,499	Operating expenses	5.7%	9.7%	10.1%	10.3%
Core Operating profit	196,278	158,895	197,612	236,879	Core Operating Profit	12.1%	14.3%	15.8%	15.8%
Balance Sheet Data					Net Profit	12.7%	-20.3%	6.2%	8.0%
Rs M (Year-end March)	FY25	FY26F	FY27F	FY28F	EPS	10.1%	-18.4%	6.2%	8.0%
Shareholders' equity	1,369,257	1,485,952	1,623,888	1,773,403	Deposits	10.3%	11.0%	13.0%	13.0%
Deposits	14,720,349	16,339,587	18,463,733	20,864,018	Advances	13.5%	9.8%	13.1%	13.1%
Borrowings	1,029,082	1,162,862	1,319,849	1,498,028	Total Assets	12.3%	11.0%	12.8%	12.8%
Other Liabilities & Prov.	693,786	783,978	889,815	1,009,940	Profitability Ratios				
Total Liabilities	17,812,473	19,772,380	22,297,285	25,145,390	Return On Equity	16.1%	11.2%	10.9%	10.8%
Cash & Balances with RBI	560,685	623,093	704,302	796,096	Return on Assets	1.2%	0.9%	0.8%	0.8%
Balances with Banks	697,807	788,522	894,972	1,015,794	Efficiency Ratios				
Investments	3,853,985	4,409,317	4,935,144	5,522,608	Cost Income Ratio	47.6%	52.9%	53.8%	54.0%
Advances	12,095,579	13,281,451	15,016,374	16,977,926	Expenses/Avg Assets	1.8%	1.7%	1.7%	1.7%
Fixed Assets	123,763	126,857	130,028	133,279	Capital Ratios				
Other Assets	480,655	543,140	616,464	699,687	CET 1 Ratio	13.8%	13.9%	13.9%	13.9%
Total Assets	17,812,473	19,772,380	22,297,285	25,145,390	Tier 1 Ratio	14.8%	14.8%	14.8%	13.0%
Earning Assets	17,208,056	19,102,383	21,550,793	24,312,424	Capital Adequacy Ratio	17.2%	17.2%	17.2%	15.4%
Asset Quality					Source: Company Data, InCred Research				
Credit Costs / Advances (bps)	52	57	54	54	E=InCred Research Estimates				
Gross NPL	278,349	285,849	313,849	351,849					
Net NPL	69,942	84,844	113,158	142,370					
Gross NPL Ratio	2.3%	2.1%	2.1%	2.0%					
Net NPL Ratio	0.6%	0.6%	0.8%	0.8%					
NPL Coverage Ratio	75%	70%	64%	60%					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rsm)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Net Interest Income	447,215	461,334	449,706	517,943	590,148
Total Non-Interest Income	144,954	166,476	169,987	153,142	146,556
Operating Revenue	592,169	627,810	619,694	671,085	736,704
Total Non-Interest Expenses	(282,517)	(298,714)	(327,550)	(360,743)	(397,723)
Pre-provision Operating Profit	309,652	329,096	292,143	310,342	338,982
Total Provision Charges	(60,756)	(59,803)	(71,355)	(75,758)	(85,654)
Operating Profit After Provisions	248,896	269,294	220,788	234,584	253,327
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	248,896	269,294	220,788	234,584	253,327
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	248,896	269,294	220,788	234,584	253,327
Exceptional Items					
Pre-tax Profit	248,896	269,294	220,788	234,584	253,327
Taxation	(71,008)	(68,732)	(60,859)	(64,662)	(69,829)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	177,888	200,561	159,929	169,922	183,499
Minority Interests					
Pref. & Special Div					
FX And Other Adj.					
Net Profit	177,888	200,561	159,929	169,922	183,499
Recurring Net Profit					

Balance Sheet Employment

(Rsm)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Gross Loans/Cust Deposits					
Avg Loans/Avg Deposits	79.0%	81.1%	81.7%	81.3%	81.4%
Avg Liquid Assets/Avg Assets	96.2%	96.6%	96.6%	96.6%	96.7%
Avg Liquid Assets/Avg IEAs	107.0%	107.3%	107.9%	108.0%	108.0%
Net Cust Loans/Assets					
Net Cust Loans/Broad Deposits					
Equity & Provns/Gross Cust Loans					
Asset Risk Weighting					
Provision Charge/Avg Cust Loans	0.61%	0.53%	0.56%	0.54%	0.54%
Provision Charge/Avg Assets	0.40%	0.36%	0.38%	0.36%	0.36%
Total Write Offs/Average Assets					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

(Rsm)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Gross Loans	10,657,817	12,095,579	13,281,451	15,016,374	16,977,926
Liquid Assets & Invst. (Current)	3,698,169	3,853,985	4,409,317	4,935,145	5,522,608
Other Int. Earning Assets					
Total Gross Int. Earning Assets	14,355,986	15,949,564	17,690,768	19,951,518	22,500,534
Total Provisions/Loan Loss Reserve					
Total Net Interest Earning Assets	14,355,986	15,949,564	17,690,768	19,951,518	22,500,534
Intangible Assets					
Other Non-Interest Earning Assets	471,619	480,655	543,140	616,464	699,687
Total Non-Interest Earning Assets	550,744	604,418	669,997	746,492	832,966
Cash And Marketable Securities	951,241	1,258,492	1,411,615	1,599,275	1,811,890
Long-term Investments					
Total Assets	15,857,971	17,812,474	19,772,380	22,297,286	25,145,390
Customer Interest-Bearing Liabilities	13,351,364	14,720,348	16,339,587	18,463,734	20,864,018
Bank Deposits					
Interest Bearing Liabilities: Others					
Total Interest-Bearing Liabilities	14,064,137	15,749,430	17,502,450	19,783,582	22,362,046
Banks Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	671,598	693,786	783,978	889,815	1,009,940
Total Liabilities	14,735,735	16,443,216	18,286,428	20,673,398	23,371,988
Shareholders Equity	1,122,236	1,369,257	1,485,952	1,623,888	1,773,403
Minority Interests					
Total Equity	1,122,236	1,369,257	1,485,952	1,623,888	1,773,403

Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Income Growth	8.1%	3.2%	(2.5%)	15.2%	13.9%
Operating Profit Growth	15.3%	6.3%	(11.2%)	6.2%	9.2%
Pretax Profit Growth	26%	8%	(18%)	6%	8%
Net Interest To Total Income	75.5%	73.5%	72.6%	77.2%	80.1%
Cost Of Funds	5.05%	5.08%	5.19%	5.13%	5.13%
Return On Interest Earning Assets	8.2%	8.0%	7.8%	7.8%	7.9%
Net Interest Spread	3.17%	2.96%	2.61%	2.70%	2.74%
Net Interest Margin (Avg Deposits)	3.52%	3.29%	2.90%	2.98%	3.00%
Net Interest Margin (Avg RWA)					
Provisions to Pre Prov. Operating Profit	20%	18%	24%	24%	25%
Interest Return On Average Assets	2.94%	2.74%	2.39%	2.46%	2.49%
Effective Tax Rate	28.5%	25.5%	27.6%	27.6%	27.6%
Net Dividend Payout Ratio	22.1%	21.6%	20.0%	20.0%	20.0%
Return On Average Assets	1.17%	1.19%	0.85%	0.81%	0.77%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.