

India

**ADD** (no change)

Consensus ratings\*: Buy 37 Hold 0 Sell 1

|                              |                             |
|------------------------------|-----------------------------|
| Current price:               | Rs2,925                     |
| Target price: ▲              | Rs3,750                     |
| Previous target:             | Rs2,950                     |
| Up/downside:                 | 28.2%                       |
| InCred Research / Consensus: | 21.4%                       |
| Reuters:                     | SHMF.NS                     |
| Bloomberg:                   | SHFL IN                     |
| Market cap:                  | US\$15,143m<br>Rs1,099,599m |
| Average daily turnover:      | US\$57.9m<br>Rs4201.1m      |
| Current shares o/s:          | 375.9m                      |
| Free float:                  | 74.6%                       |

\*Source: Bloomberg

**Key changes in this note**

- Removed SFL from our high-conviction list post recent run-up in the share price as the risk-reward ratio is now favourable.



Source: Bloomberg

| Price performance | 1M    | 3M   | 12M  |
|-------------------|-------|------|------|
| Absolute (%)      | (0.9) | 17.1 | 61.5 |
| Relative (%)      | (3.7) | 7.5  | 31.3 |

| Major shareholders | % held |
|--------------------|--------|
| Shriram Group      | 25.4   |
| Govt of Singapores | 6.7    |
| Kotak MF           | 1.5    |

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# Shriram Finance Limited

## Risk-reward ratio turns favourable

- SFL posted a lower-than-expected 1Q PAT of Rs19.8bn (InCred est: Rs21.2bn) amid lower securitization income, despite healthy operational performance.
- Disbursement across portfolios witnessed ~4% qoq seasonal decline, but the cross-selling of non-vehicle loans to existing vehicle customers to drive AUM.
- Removed SFL from our high-conviction list post recent run-up as the risk-reward is now favourable. Retain ADD rating on it with a new TP of Rs3,750.

### Seasonal slowdown to ease in 2H aided by rising non-vehicle loans

Shriram Finance (SFL) reported AUM growth of ~3.8% sequentially and ~20.8% yoy to Rs 2.33tr in 1QFY25, despite vehicle as well as non-vehicle loans witnessing a seasonal slowdown in disbursement by ~4%. SFL is selectively rolling out SME (+720 branches in FY24) and gold loans (+1,500 branches) in catchment areas of existing commercial vehicle or CV branches. This will ensure further momentum in the non-vehicle loan book of the company. Management has given AUM growth guidance of ~15% yoy for FY25F led by ~12% yoy growth in the CV segment and ~20% yoy growth in the non-CV segment.

### NIM to be volatile in short term

Net interest margin or NIM witnessed a sequential decline of ~23bp to ~8.79% led by softening lending yields amid portfolio movement whereas the cost of funds remained stagnant. Management has a higher focus on profitability (RoE targeted to be 16-18%) than the top-line growth. Though we expect some volatility on the margin front for SFL amid tight liquidity, SFL is better placed with superior yields and consistently improving liability prolife. We expect NIM to remain in the range of ~924-936bp over FY25F-27F, with a diversified AUM growth.

### Stable asset quality trajectory continues

Gross stage-3 assets improved further to 5.39%, down ~6bp qoq, led by an overall improvement in underwriting and collection efficiency across segments. There has been a minor surge in provisioning amid a surge in stage-1 assets. We are keeping future credit costs in the range of ~230-240bp for FY25F-26F amid the unique customer base & improved underwriting practices of SFL.

### Outlook & valuation

We expect AUM to post a CAGR of ~21% over FY25F-27F led by diversified disbursement growth at ~22% CAGR over the same period. The company is well capitalized, and the sale of its housing subsidiary will further strengthen its CRAR by ~80bp. We have valued the standalone SFL at ~2.2x FY26F BV and added Rs50/share for the housing finance subsidiary. We have removed it from the high-conviction list post recent run-up as the risk-reward is now favourable. Retain ADD rating on it with a new TP of Rs3,750 (Rs2,950 earlier). Downside risks: Slower-than-expected growth and a spike in fresh slippage.

### Financial Summary

|                                   | Mar-23A  | Mar-24A  | Mar-25F  | Mar-26F  | Mar-27F  |
|-----------------------------------|----------|----------|----------|----------|----------|
| Net Interest Income (Rsm)         | 172,264  | 201,583  | 243,110  | 293,881  | 357,923  |
| Total Non-Interest Income (Rsm)   | 307      | 332      | 398      | 478      | 574      |
| Operating Revenue (Rsm)           | 172,571  | 201,915  | 243,508  | 294,359  | 358,497  |
| Total Provision Charges (Rsm)     | (41,592) | (45,183) | (57,151) | (71,988) | (90,288) |
| Net Profit (Rsm)                  | 59,793   | 71,905   | 85,651   | 103,253  | 127,373  |
| Core EPS (Rs)                     | 159.69   | 191.34   | 227.92   | 274.76   | 338.95   |
| Core EPS Growth                   | 60%      | 20%      | 19%      | 21%      | 23%      |
| FD Core P/E (x)                   | 18.32    | 15.29    | 12.83    | 10.65    | 8.63     |
| DPS (Rs)                          | 15.00    | 45.00    | 55.00    | 70.00    | 85.00    |
| Dividend Yield                    | 0.51%    | 1.54%    | 1.88%    | 2.39%    | 2.91%    |
| BVPS (Rs)                         | 1,156.6  | 1,292.4  | 1,465.4  | 1,670.1  | 1,924.1  |
| P/BV (x)                          | 2.53     | 2.26     | 2.00     | 1.75     | 1.52     |
| ROE                               | 17.3%    | 15.7%    | 16.5%    | 17.5%    | 18.9%    |
| % Change In Core EPS Estimates    |          |          |          |          |          |
| InCred Research/Consensus EPS (x) |          |          |          |          |          |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 1: Quarterly earnings estimates**

| Particulars (Rs m)             | 1QFY23           | 2QFY23           | 3QFY23           | 4QFY23           | 1QFY24           | 2QFY24           | 3QFY24           | 4QFY24           | 1QFY25           | YoY (%)      | QoQ (%)      |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|
| <b>Net Interest Income</b>     | <b>38,280</b>    | <b>37,775</b>    | <b>41,921</b>    | <b>42,639</b>    | <b>42,004</b>    | <b>45,947</b>    | <b>49,110</b>    | <b>50,874</b>    | <b>52,337</b>    | <b>24.6%</b> | <b>2.9%</b>  |
| <i>NIM (% of AUM)</i>          | 9.5%             | 9.1%             | 9.7%             | 9.4%             | 8.9%             | 9.3%             | 9.4%             | 9.3%             | 9.1%             |              |              |
| Operating Expenses             | 10,841           | 11,999           | 11,928           | 14,363           | 13,908           | 14,618           | 15,311           | 16,024           | 16,265           | 16.9%        | 1.5%         |
| <b>Operating Profit</b>        | <b>29,676</b>    | <b>29,938</b>    | <b>33,016</b>    | <b>30,810</b>    | <b>31,262</b>    | <b>34,808</b>    | <b>36,893</b>    | <b>39,056</b>    | <b>38,541</b>    | <b>23.3%</b> | <b>-1.3%</b> |
| Provisions                     | 11,597           | 8,976            | 9,173            | 11,846           | 8,786            | 11,286           | 12,497           | 12,615           | 11,876           | 35.2%        | -5.9%        |
| <i>Credit Costs (% of AUM)</i> | 3.2%             | 2.2%             | 2.1%             | 2.6%             | 1.9%             | 2.3%             | 2.4%             | 2.3%             | 2.1%             |              |              |
| <b>PBT</b>                     | <b>18,079</b>    | <b>20,962</b>    | <b>23,844</b>    | <b>18,964</b>    | <b>22,476</b>    | <b>23,523</b>    | <b>24,396</b>    | <b>26,441</b>    | <b>26,666</b>    | <b>18.6%</b> | <b>0.8%</b>  |
| Tax                            | 4,690            | 5,411            | 6,074            | 5,881            | 5,722            | 6,014            | 6,213            | 6,983            | 6,860            | 19.9%        | -1.8%        |
| <i>Tax rate (%)</i>            | 25.9%            | 25.8%            | 25.5%            | 31.0%            | 25.5%            | 25.6%            | 25.5%            | 26.4%            | 25.7%            |              |              |
| <b>PAT</b>                     | <b>13,390</b>    | <b>15,551</b>    | <b>17,770</b>    | <b>13,083</b>    | <b>16,754</b>    | <b>17,508</b>    | <b>18,183</b>    | <b>19,459</b>    | <b>19,806</b>    | <b>18.2%</b> | <b>1.8%</b>  |
| <b>AUM (Rs m)</b>              | <b>16,29,700</b> | <b>16,93,582</b> | <b>17,74,980</b> | <b>18,56,829</b> | <b>19,32,147</b> | <b>20,26,410</b> | <b>21,42,335</b> | <b>22,48,620</b> | <b>23,34,436</b> | <b>20.8%</b> | <b>3.8%</b>  |
| <b>Disbursement (Rs m)</b>     | <b>2,51,140</b>  | <b>2,64,190</b>  | <b>2,92,270</b>  | <b>3,10,543</b>  | <b>3,04,530</b>  | <b>3,46,020</b>  | <b>3,77,850</b>  | <b>3,93,240</b>  | <b>3,77,098</b>  | <b>23.8%</b> | <b>-4.1%</b> |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: Our revised earnings estimates**

| Y/E Mar (Rs m)      | FY25F    |          |          | FY26F    |          |          | FY27F    |          |          |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                     | Earlier  | Revised  | % change | Earlier  | Revised  | % change | Earlier  | Revised  | % change |
| Net interest income | 2,50,045 | 2,43,110 | -2.8%    | 2,99,959 | 2,93,881 | -2.0%    | 3,61,868 | 3,57,923 | -1.1%    |
| PPOP                | 1,79,054 | 1,72,118 | -3.9%    | 2,17,265 | 2,10,583 | -3.1%    | 2,65,949 | 2,61,259 | -1.8%    |
| PAT                 | 88,967   | 85,651   | -3.7%    | 1,05,997 | 1,03,253 | -2.6%    | 1,28,177 | 1,27,373 | -0.6%    |
| EPS (Rs)            | 237      | 228      | -3.8%    | 282      | 275      | -2.6%    | 341      | 339      | -0.6%    |
| AUM (Rs bn)         | 2,721.0  | 2,721.0  | 0.0%     | 3,278.0  | 3,278.0  | 0.0%     | 3,945.0  | 3,945.0  | 0.0%     |
| BV (Rs)             | 1,504.2  | 1,465.4  | -2.6%    | 1,651.5  | 1,670.1  | 1.1%     | 1,862.3  | 1,924.1  | 3.3%     |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## 1QFY25 earnings conference-call highlights

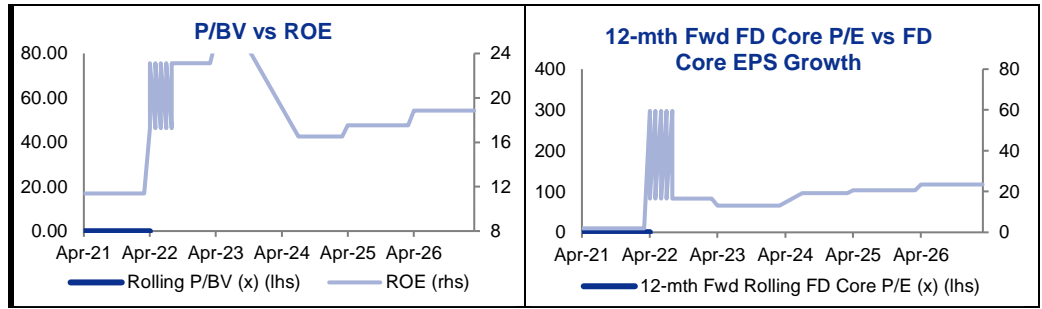
- Disbursements stood at Rs377bn. There was a broad-based slowdown in disbursements.
- Disbursements in the gold loan portfolio were impacted by revamping of some branches and the Reserve Bank of India's limit on cash disbursement of Rs20,000.
- The average ticket size in gold lending was Rs70,000-75,000, while management indicated an improvement in disbursements in the coming quarters.
- The used vehicle market was slow because of a low supply of old vehicles due to slowdown in the commercial vehicle industry between 2019-2021.
- The CV cycle picked pace in 2022 and consequently 1,202, upon completion of one cycle, these vehicles will come up for sale in another one-or-two years, leading to a spurt in used CV sales.
- Used vehicle prices are indicated to rise by 10-12% this year, which is lower than 20-25% growth in the previous year.
- Borrowing mix remained well diversified, with a strong growth in deposits.
- Deposit sourcing was largely internal, with ~1/3 sourced externally.
- Cost of deposits stood at 8.3-8.4%.
- The board of directors has approved the sale of SFL's entire stake in Shriram Housing to an arm of Warburg Pincus (Mago Crest Investments).
- The transaction is subject to regulatory approvals and is expected to be completed by 3QFY25F.
- The deal is expected to fetch Rs39bn to SFL and will add ~80bp in its capital adequacy ratio.
- Management indicated about introducing MSME lending at ~250 more existing branches and add gold lending to another ~500 branches in the next two years.

Figure 3: InCred BFSI coverage universe

| Banks                 | Rating | CMP(Rs) | TP(Rs) | P/B(x) (at TP)   |       | ROA(%)           |       |       | ROE(%)  |       |       |       |
|-----------------------|--------|---------|--------|------------------|-------|------------------|-------|-------|---------|-------|-------|-------|
|                       |        |         |        | FY25F            | FY26F | FY27F            | FY25F | FY26F | FY27F   | FY25F | FY26F | FY27F |
| SBI **                | ADD    | 863     | 1,000  | 2.1              | 1.8   | 1.6              | 1.0%  | 1.1%  | 1.1%    | 16.3% | 17.2% | 17.6% |
| HDFC Bank **          | ADD    | 1,618   | 2,000  | 3.1              | 2.8   | 2.6              | 1.9%  | 2.0%  | 2.0%    | 15.4% | 16.3% | 16.9% |
| ICICI Bank            | ADD    | 1,208   | 1,300  | 3.5              | 3.0   | 2.6              | 2.3%  | 2.2%  | 2.3%    | 17.7% | 17.3% | 17.7% |
| Axis Bank             | HOLD   | 1,178   | 1,300  | 2.3              | 2.0   | 1.7              | 1.7%  | 1.7%  | 1.7%    | 16.8% | 15.9% | 16.3% |
| IndusInd Bank         | HOLD   | 1,403   | 1,650  | 1.8              | 1.6   | 1.4              | 1.7%  | 1.7%  | 1.7%    | 14.1% | 14.4% | 14.8% |
| NBFCs                 | Rating | CMP(Rs) | TP(Rs) | P/B(x) (at TP)   |       | ROA(%)           |       |       | ROE(%)  |       |       |       |
|                       |        |         |        | FY25F            | FY26F | FY27F            | FY25F | FY26F | FY27F   | FY25F | FY26F | FY27F |
| Bajaj Finance         | ADD    | 6,789   | 9,000  | 6.0              | 5.1   | 4.2              | 4.2%  | 4.4%  | 4.5%    | 21.0% | 23.5% | 25.4% |
| Cholamandalam Finance | ADD    | 1,411   | 1,400  | 5.0              | 4.1   | 3.4              | 2.5%  | 2.5%  | 2.5%    | 21.0% | 21.8% | 22.5% |
| MMFS **               | ADD    | 294     | 370    | 2.4              | 2.2   | 2.0              | 1.8%  | 1.9%  | 2.0%    | 12.3% | 14.0% | 15.7% |
| Shriram Finance       | ADD    | 2,925   | 3,750  | 2.6              | 2.2   | 1.9              | 3.3%  | 3.4%  | 3.6%    | 16.5% | 17.5% | 18.9% |
| SBI Cards **          | REDUCE | 720     | 500    | 3.5              | 3.0   | 2.6              | 3.9%  | 3.6%  | 3.6%    | 18.7% | 17.8% | 17.5% |
| Aavas Financiers      | ADD    | 1,745   | 2,000  | 3.6              | 3.0   | 2.6              | 3.1%  | 3.1%  | 3.1%    | 14.1% | 14.7% | 15.8% |
| Home First Finance    | ADD    | 1,057   | 1,350  | 4.9              | 4.2   | 3.7              | 3.6%  | 3.5%  | 3.4%    | 16.9% | 18.3% | 19.4% |
| Spandana Spoorthy     | ADD    | 702     | 1,300  | 2.1              | 1.8   | 1.5              | 4.4%  | 4.6%  | 4.6%    | 16.7% | 17.9% | 18.2% |
| Fusion Micro Finance  | HOLD   | 438     | 580    | 1.7              | 1.4   | 1.1              | 4.7%  | 4.7%  | 4.7%    | 19.4% | 19.6% | 19.7% |
| AMCs                  | Rating | CMP(Rs) | TP(Rs) | P/E(x) (at TP)   |       | ROAUM (%)        |       |       | ROE (%) |       |       |       |
|                       |        |         |        | FY25F            | FY26F | FY27F            | FY25F | FY26F | FY27F   | FY25F | FY26F | FY27F |
| Nippon AMC            | ADD    | 652     | 800    | 35.7             | 29.5  | 23.7             | 0.28% | 0.26% | 0.25%   | 35.2% | 41.8% | 50.7% |
| HDFC AMC              | HOLD   | 4,100   | 4,250  | 33.5             | 29.9  | 25.3             | 0.37% | 0.35% | 0.35%   | 32.8% | 34.2% | 37.3% |
| UTI AMC               | ADD    | 1,051   | 1,200  | 16.8             | 13.8  | 11.8             | 0.30% | 0.30% | 0.29%   | 19.5% | 21.1% | 22.0% |
| ABSL AMC**            | ADD    | 703     | 950    | 26.9             | 22.0  | 18.2             | 0.27% | 0.27% | 0.27%   | 29.9% | 32.0% | 33.9% |
| Insurance             | Rating | CMP(Rs) | TP(Rs) | P/EV (x) (at TP) |       | Return on EV (%) |       |       | ROE (%) |       |       |       |
|                       |        |         |        | FY25F            | FY26F | FY27F            | FY25F | FY26F | FY27F   | FY25F | FY26F | FY27F |
| SBI Life Insurance    | HOLD   | 1,751   | 1,750  | 2.5              | 2.2   | 1.8              | 18.9% | 18.5% | 18.1%   | 15.4% | 16.6% | 16.2% |

NOTE: \*\* HIGH CONVICTION  
SOURCE: INCRED RESEARCH

**BY THE NUMBERS**



**Profit & Loss**

| (Rsm)                                   | Mar-23A         | Mar-24A         | Mar-25F         | Mar-26F         | Mar-27F         |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Interest Income                     | 172,264         | 201,583         | 243,110         | 293,881         | 357,923         |
| <b>Total Non-Interest Income</b>        | <b>307</b>      | <b>332</b>      | <b>398</b>      | <b>478</b>      | <b>574</b>      |
| Operating Revenue                       | 172,571         | 201,915         | 243,508         | 294,359         | 358,497         |
| <b>Total Non-Interest Expenses</b>      | <b>(43,889)</b> | <b>(54,207)</b> | <b>(65,019)</b> | <b>(76,641)</b> | <b>(89,318)</b> |
| Pre-provision Operating Profit          | 123,441         | 142,020         | 172,118         | 210,583         | 261,259         |
| <b>Total Provision Charges</b>          | <b>(41,592)</b> | <b>(45,183)</b> | <b>(57,151)</b> | <b>(71,988)</b> | <b>(90,288)</b> |
| Operating Profit After Provisions       | 81,849          | 96,836          | 114,967         | 138,595         | 170,971         |
| <b>Pretax Income/(Loss) from Assoc.</b> |                 |                 |                 |                 |                 |
| Operating EBIT (incl Associates)        | 81,849          | 96,836          | 114,967         | 138,595         | 170,971         |
| <b>Non-Operating Income/(Expense)</b>   |                 |                 |                 |                 |                 |
| Profit Before Tax (pre-EI)              | 81,849          | 96,836          | 114,967         | 138,595         | 170,971         |
| <b>Exceptional Items</b>                |                 |                 |                 |                 |                 |
| Pre-tax Profit                          | 81,849          | 96,836          | 114,967         | 138,595         | 170,971         |
| Taxation                                | (22,056)        | (24,932)        | (29,317)        | (35,342)        | (43,598)        |
| Consolidation Adjustments & Others      |                 |                 |                 |                 |                 |
| <b>Exceptional Income - post-tax</b>    |                 |                 |                 |                 |                 |
| Profit After Tax                        | 59,793          | 71,905          | 85,651          | 103,253         | 127,373         |
| Minority Interests                      |                 |                 |                 |                 |                 |
| Pref. & Special Div                     |                 |                 |                 |                 |                 |
| <b>FX And Other Adj.</b>                |                 |                 |                 |                 |                 |
| Net Profit                              | 59,793          | 71,905          | 85,651          | 103,253         | 127,373         |
| Recurring Net Profit                    |                 |                 |                 |                 |                 |

**Balance Sheet Employment**

| (Rsm)                                  | Mar-23A       | Mar-24A       | Mar-25F       | Mar-26F       | Mar-27F       |
|--|---------------|---------------|---------------|---------------|---------------|
| Gross Loans/Cust Deposits              |               |               |               |               |               |
| Avg Loans/Avg Deposits                 |               |               |               |               |               |
| Avg Liquid Assets/Avg Assets           | 91.9%         | 90.8%         | 91.4%         | 92.6%         | 93.5%         |
| <b>Avg Liquid Assets/Avg IEAs</b>      | <b>111.1%</b> | <b>107.0%</b> | <b>103.9%</b> | <b>102.1%</b> | <b>101.1%</b> |
| Net Cust Loans/Assets                  |               |               |               |               |               |
| <b>Net Cust Loans/Broad Deposits</b>   |               |               |               |               |               |
| Equity & Provns/Gross Cust Loans       |               |               |               |               |               |
| Asset Risk Weighting                   |               |               |               |               |               |
| <b>Provision Charge/Avg Cust Loans</b> |               |               |               |               |               |
| <b>Provision Charge/Avg Assets</b>     |               |               |               |               |               |
| Total Write Offs/Average Assets        |               |               |               |               |               |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

| <b>Balance Sheet</b>                      |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>(Rsm)</b>                              | <b>Mar-23A</b>   | <b>Mar-24A</b>   | <b>Mar-25F</b>   | <b>Mar-26F</b>   | <b>Mar-27F</b>   |
| <b>Total Gross Loans</b>                  | <b>1,719,846</b> | <b>2,072,941</b> | <b>2,521,959</b> | <b>3,038,178</b> | <b>3,656,429</b> |
| Liquid Assets & Invst. (Current)          |                  |                  |                  |                  |                  |
| Other Int. Earning Assets                 |                  |                  |                  |                  |                  |
| Total Gross Int. Earning Assets           | 1,719,846        | 2,072,941        | 2,521,959        | 3,038,178        | 3,656,429        |
| <b>Total Provisions/Loan Loss Reserve</b> |                  |                  |                  |                  |                  |
| Total Net Interest Earning Assets         | 1,719,846        | 2,072,941        | 2,521,959        | 3,038,178        | 3,656,429        |
| Intangible Assets                         |                  |                  |                  |                  |                  |
| <b>Other Non-Interest Earning Assets</b>  | <b>76,771</b>    | <b>81,336</b>    | <b>77,910</b>    | <b>74,655</b>    | <b>71,563</b>    |
| <b>Total Non-Interest Earning Assets</b>  | <b>101,894</b>   | <b>118,643</b>   | <b>116,064</b>   | <b>113,741</b>   | <b>111,673</b>   |
| Cash And Marketable Securities            | 158,174          | 108,126          | 70,098           | 48,874           | 22,727           |
| <b>Long-term Investments</b>              | <b>85,651</b>    | <b>106,566</b>   | <b>109,705</b>   | <b>117,577</b>   | <b>124,319</b>   |
| Total Assets                              | 2,065,565        | 2,406,277        | 2,817,827        | 3,318,370        | 3,915,148        |
| Customer Interest-Bearing Liabilities     |                  |                  |                  |                  |                  |
| Bank Deposits                             | 1,579,063        | 1,858,411        | 2,194,104        | 2,612,833        | 3,107,965        |
| Interest Bearing Liabilities: Others      |                  |                  |                  |                  |                  |
| Total Interest-Bearing Liabilities        | 1,579,063        | 1,858,411        | 2,194,104        | 2,612,833        | 3,107,965        |
| Banks Liabilities Under Acceptances       |                  |                  |                  |                  |                  |
| Total Non-Interest Bearing Liabilities    | 24,509           | 28,665           | 34,102           | 40,596           | 48,357           |
| Total Liabilities                         | 1,603,572        | 1,887,076        | 2,228,206        | 2,653,429        | 3,156,321        |
| Shareholders Equity                       | 433,066          | 485,684          | 550,666          | 627,614          | 723,045          |
| <b>Minority Interests</b>                 |                  |                  |                  |                  |                  |
| Total Equity                              | 433,066          | 485,684          | 550,666          | 627,614          | 723,045          |

| <b>Key Ratios</b>                        |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | <b>Mar-23A</b> | <b>Mar-24A</b> | <b>Mar-25F</b> | <b>Mar-26F</b> | <b>Mar-27F</b> |
| Total Income Growth                      | 80.9%          | 17.0%          | 20.6%          | 20.9%          | 21.8%          |
| Operating Profit Growth                  | 70.5%          | 14.8%          | 20.8%          | 22.0%          | 23.6%          |
| Pretax Profit Growth                     | 131%           | 18%            | 19%            | 21%            | 23%            |
| Net Interest To Total Income             | 99.8%          | 99.8%          | 99.8%          | 99.8%          | 99.8%          |
| Cost Of Funds                            | 9.21%          | 8.61%          | 8.50%          | 8.20%          | 7.80%          |
| Return On Interest Earning Assets        | 19.8%          | 17.7%          | 17.5%          | 17.1%          | 16.8%          |
| Net Interest Spread                      | 10.61%         | 9.10%          | 8.99%          | 8.88%          | 8.97%          |
| Net Interest Margin (Avg Deposits)       |                |                |                |                |                |
| Net Interest Margin (Avg RWA)            |                |                |                |                |                |
| Provisions to Pre Prov. Operating Profit | 34%            | 32%            | 33%            | 34%            | 35%            |
| Interest Return On Average Assets        | 9.87%          | 9.02%          | 9.31%          | 9.58%          | 9.90%          |
| Effective Tax Rate                       | 26.9%          | 25.7%          | 25.5%          | 25.5%          | 25.5%          |
| Net Dividend Payout Ratio                | 9.4%           | 23.5%          | 24.1%          | 25.5%          | 25.1%          |
| Return On Average Assets                 | 3.43%          | 3.22%          | 3.28%          | 3.37%          | 3.52%          |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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