Banque Saudi Fransi (BSF)

BUY

28 June 2026

Sector : Banking

Key investment highlights

- **BSF is sixth largest bank in Saudi Arabia, holding a market share of 6.4% in assets, 6.6% in loans, and 6.5% in deposits. As on 1Q26, the bank ranks third in terms of capital adequacy ratio (21%), behind industry leaders Al Rajhi Bank (23%) and Saudi National Bank (22%).**
- **BSF has outlined a strategy to increase net income from SAR 5.4bn in 2025 to SAR 10bn by 2030, compared with our and consensus estimate of SAR 7.8bn. While management is targeting a net income CAGR of 13% over 2025–2030, we forecast a CAGR of ~8%. The bank aims to achieve the target by increasing its net income market share from 6% to 8-10%, alongside a 300bps improvement in ROE to 15%.**
- **Growth is expected to be driven by higher contributions from personal banking, treasury and investments, as well as brokerage and asset management activities.**
- **For 2026, management has guided for high single-digit growth in loans and advances, stable NIMs of around 3%, and an improvement in the cost-to-income ratio to below 33%.**
- **The bank is currently trading at 9.6x 2026E P/E and 1.1x P/B, while offering a dividend yield of 5.6%. We initiate coverage on BSF with a BUY rating and a target price of SAR 22 per share**

BSF's focus to increase ROE from 12% currently to 15% by 2030, driven by income growth, cost efficiency and capital optimisation. The bank intends to grow its income by increasing its margins through portfolio shifts in favour of MSMEs and supply chain solutions, drive fee income growth through increased trade finance business, supply chain and fx solutions, besides deepening group wide cross sell across customers. On the cost side, the bank targets to improve cost income ratio from 34% to 27% by 2030, through a combination of cost control as well as higher operating income.

The bank is currently trading at 2026e PE of 9.6x and 2026e PB of 1.1x against median 2026e PE of 9.3x and 2026e PB of 1.2x of the seven banks under our coverage. While we have forecasted a net income CAGR (2025-2030e) of 8%, the bank's 2030 strategy roadmap expect a growth of 13%. We initiate BUY rating, with a target price of SAR 22.0/share.

Valuation snapshot

SAR bn	2024	2025	2026E	2027E	2028E	2029E	2030E
Loan Book	204.2	214.9	234.1	252.8	270.5	286.7	303.9
Deposits	185.1	195.2	208.9	225.6	245.9	263.1	281.5
Gross NPL (%)	1.01%	1.16%	1.00%	0.95%	0.95%	0.90%	0.90%
Operating Income	9.66	10.54	11.14	11.71	12.85	13.97	15.03
PAT	4.54	5.35	5.60	5.91	6.57	7.17	7.81
P/E(x)	9.29	8.60	9.54	9.00	8.02	7.30	6.67
P/B(x)	1.01	0.98	1.07	1.01	0.94	0.87	0.81

Target price (SAR)	**22.00**
Current price (SAR)	**19.58**
Return	**12.4%**

Exchange	Saudi Arabia
Index weight (%)	2.1%

(mn)	SAR	USD
Market Cap	48,950	13,050
Total Assets	309,006	82,377

Major shareholders	
Kingdom Holding Co	16.20%
Rashed Abdurrahman A	10.00%
Vanguard Group Inc/T	2.22%
Others	71.58%

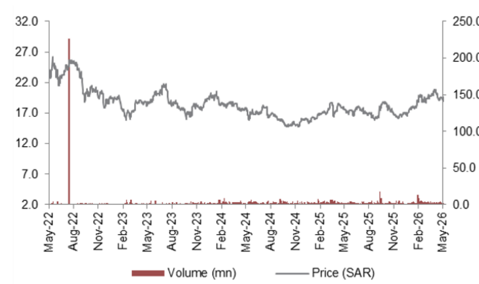
Valuation Summary (TTM)	
Price (SAR)	19.58
PER TTM (x)	9.9
P/Book (x)	1.1
Dividend Yield (%)	5.5
Free Float (%)	72%
Shares O/S (mn)	2,500
YTD Return (%)	16%
Beta	1.0

Key ratios	2023	2024	2025
EPS (SAR)	1.61	1.72	1.95
BVPS (SAR)	14.66	15.78	17.26
DPS (SAR)	0.94	1.50	1.07
Payout ratio (%)	59%	87%	55%

Price performance (%)	1M	3M	12M
Banque Saudi Fransi	2%	-1%	12%
Tadawul All Share Index	-1%	-1%	-1%

52 week	High	Low	CTL*
Price (SAR)	20.99	15.49	26.4

* CTL is % change in CMP to 52wk low

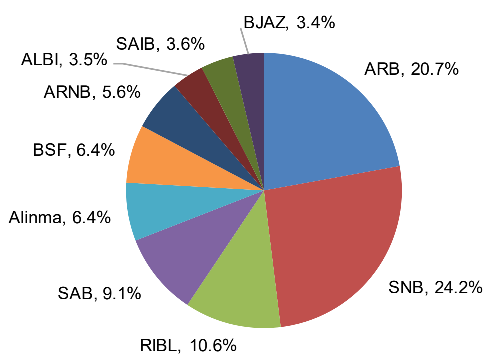


A mid-tier bank in KSA, with a large corporate exposure

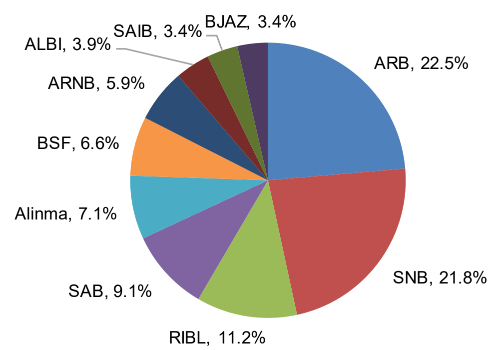
Loan and Deposit market share at ~6.6%…

BSF is the sixth-largest bank by assets, with an asset base of SAR 324.8 billion as of 1Q26. The bank held a market share of 6.4% in assets, 6.6% in loans, and 6.5% in deposits amongst listed banks in KSA. BSF ranked sixth among the 10 listed banks in terms of assets and loans, while it ranked seventh in terms of deposits. On a YoY basis, total assets increased by 7% in 1Q26, driven by growth in loans and investments of 6% and 16%, respectively. Deposits increased by 5% YoY during 1Q26. Interest-bearing assets accounted for 90.4% of total assets, while deposits represented 61% of total liabilities. The bank's loan portfolio grew at a CAGR of 9.8% between 2021 and 2025, supported primarily by the retail segment, which recorded a CAGR of 13%. Deposits grew at a CAGR of 8.3% over the same period, driven by the corporate segment, which expanded by 19%. The bank has one of the strongest capital adequacy ratios among listed banks at 21%, trailing only Al Rajhi Bank and SNB. Similarly, its loan-to-deposit ratio stood at 111% as of 1Q26, comparable to the levels maintained by leading banks such as Al Rajhi Bank and SNB.

Assets - Market share of 6.4%, a strong mid-tier bank…

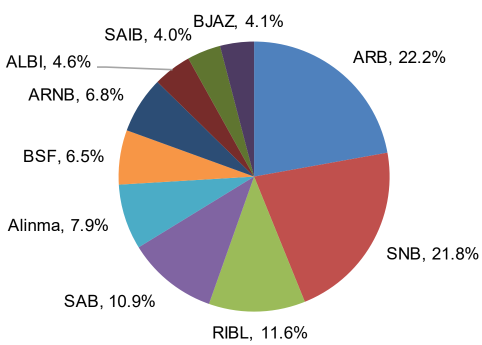


…with a loan market share of 6.6%, ranked 6th

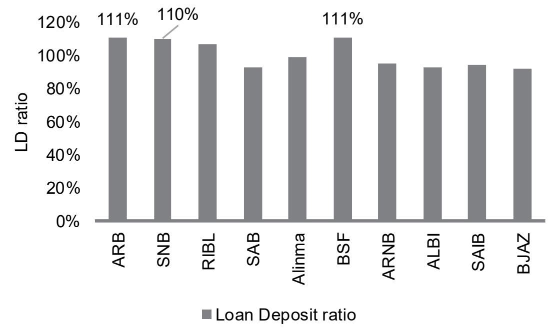


Source: Company reports, US Research

BSF's deposit share lower at 7th among top 10 banks…



…LDR at par with the two largest banks in KSA



Source: Company reports, US Research

NIM to remain stable, while non-interest income to rise

Operating income composition to shift in favour of non-interest income…

BSF's operating income grew at a CAGR of 10.0% between 2021 and 2025, driven primarily by a 12.8% increase in NII. In contrast, net fee and commission income declined by 5.8%, while other income increased by 10.3% over the same period. BSF reported a NIM of 2.9% in 2025, which management aims to increase to 3.3% by 2030. This expansion is expected to be driven by higher margins in the consumer segment and growth in interest-earning assets. Nevertheless, we have assumed a stable NIM of 3.0% in our model, given the current loan mix, with the corporate segment accounting for 71% of the loan book, and the challenges associated with scaling the consumer and retail banking segments.

As part of its 2030 strategy, management has indicated its intention to grow non-interest income at a faster pace than net interest income. This is expected to be supported by increased net fee and commission income, FX income, and other non-interest income streams. Key growth drivers include cross-selling initiatives, fee income from wholesale and business banking, as well as brokerage and treasury income. Management expects the contribution of non-interest income to increase from 18% of operating income in 2025 to 21% by 2030. However, we have assumed a more conservative share of 20% in our forecasts.

CoR to increase as cycle normalises, while CI ratio to improve as operating income grows…

Cost of risk to increase, while cost to income ratio to improve

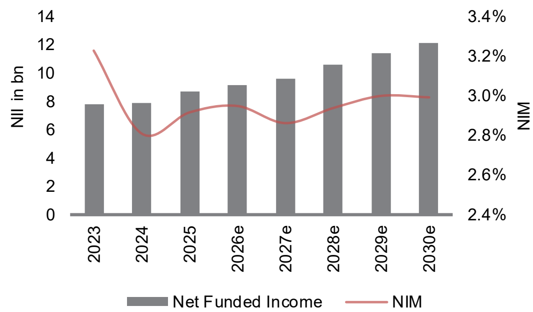
BSF's cost of risk stood at 0.45% in 2025, improving steadily from its peak of 0.96% in 2023. The improvement was primarily driven by lower impairment charges in the corporate segment, while impairments in the retail segment remained broadly stable since 2024.

In 1Q26, impairment charges declined by 12% YoY, mainly due to lower provisions in the corporate banking segment. In the near term, management has guided for a cost of risk in the range of 45-55bps. Over the longer term, management expects the cost of risk to rise to 60bps by 2030, which it considers a normalized level. This outlook reflects expectations of higher impairment charges in the retail segment, particularly in personal finance, as well as a gradual increase in corporate impairments as credit conditions normalize. In line with management's guidance, our model assumes a gradual increase in the cost of risk from 0.50% in 2026 to 0.60% by 2030.

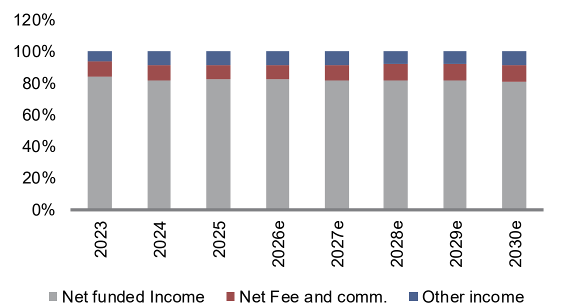
BSF's cost-to-income (CI) ratio has remained relatively stable within a range of 32.4% to 35.3% since 2021. In 2025, the ratio improved to 33.8% from 35.3% in 2024. The 152bps YoY improvement was primarily driven by lower operating expenses in the corporate segment, partially offset by higher expenses in the retail segment. Retail operations accounted for approximately 54% of total operating expenses during the year.

Management expects the cost-to-income ratio to decline to below 33% in 2026 and improve further to 27% by 2030, supported by tighter cost controls, increased automation, and growth in operating income. However, given the historical trend and our more conservative operating income growth assumptions, we forecast a gradual improvement of 50bps annually, resulting in a cost-to-income ratio of 29.5% by 2030.

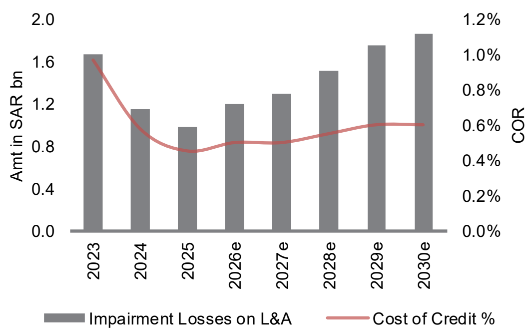
NIMs expected to remain stable going forward…



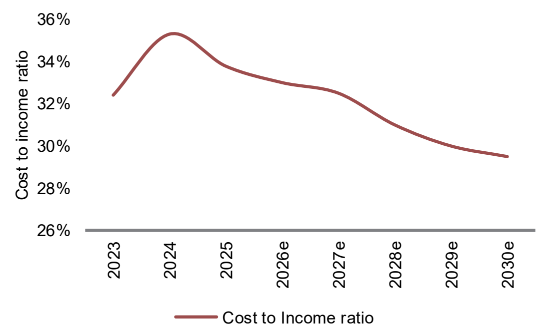
…with non int. income's share expected to increase



COR to increase to normalised levels of 60bps



…cost to income ratio to progressively improve



Source: Company reports, US Research

Higher operating profits to translate into net income growth

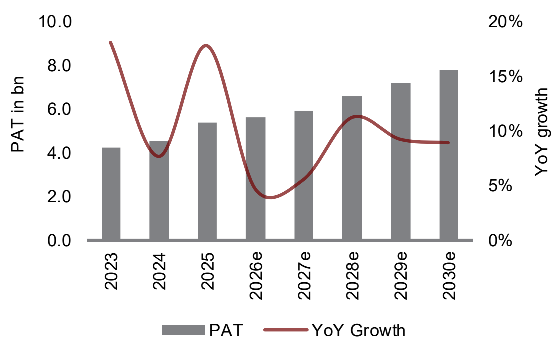
Return ratios to improve…

BSF's net income grew at a CAGR of 11.6% between 2021 and 2025, outpacing operating income growth, which increased at a CAGR of 10.0% over the same period. Operating expenses grew broadly in line with operating income, at a CAGR of 9.8%. However, net income expanded at a faster rate, supported by a 1.2% CAGR decline in impairment charges.

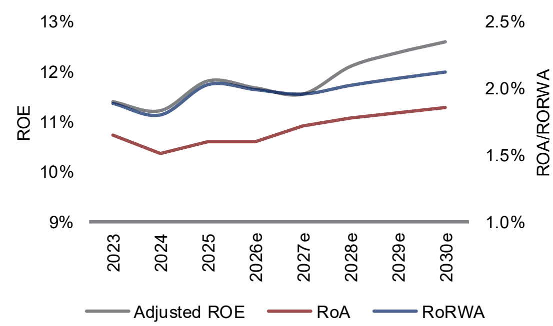
Reported net income reached SAR 5.4bn in 2025, and management expects it to increase to SAR 10.0bn by 2030e, driven by higher non-interest income and improved profitability from the non-corporate segment. This near doubling of net income implies a CAGR of approximately 13%, which we view as ambitious relative to the bank's historical performance. We conservatively forecast net income to grow at a CAGR of 7.8% over the next five years. While operating profit is expected to increase at a CAGR of 8.7%, part of this growth is likely to be offset by higher impairment charges as the cost of risk rises alongside an expanding loan book. For 2026e, we forecast net income growth of 4.6% to SAR 5.6bn, reflecting a higher base following the strong 18% growth recorded in 2025.

We expect return ratios to improve meaningfully over the next five years, with ROE increasing to 12.6% by 2030e from 11.8% in 2025, though lower compared with management's target of 15%. ROA is projected to rise to 1.9% by 2030e from 1.6% in 2025. Growth in non-interest income, which requires less capital, combined with a continued focus on profitability, is expected to support further improvement in ROE.

Net income CAGR (2025-2030e) expected at 8%...



... resulting in improvement in return ratios



Source: Company reports, US Research

High dependence on corporate segment

Retail growth faster in last five years…

Historically, BSF's key lending strength has been project finance, which has driven the faster growth of its corporate loan book. However, the bank has been deliberately increasing its exposure to the retail segment, with the retail loan book growing at a CAGR of 16% during 2021-2025, compared with overall loan book growth of 9.8% over the same period. Despite the stronger growth in the retail segment, the corporate loan book continues to account for a significant share of total loans, representing 71.3% of the portfolio as of 2025. The corporate loan book is fairly diversified, with the top three sectors- services, commerce, and utilities, accounting for 57% of the portfolio.

On the corporate side, the bank's strategy to sustain growth focuses on strengthening its global transaction banking franchise, expanding institutional banking, and enhancing relationship coverage, particularly for MSMEs and NBFIs. On the retail side, growth is expected to be driven by a greater focus on retail and affluent customers, business banking, private banking, and new product offerings in auto financing.

We have modelled loan book growth at a CAGR of 7% over 2025–2030e, compared with the bank's target of 9%. For 2026, management has guided for high single-digit loan growth, supported by stronger volumes across both the corporate and retail segments. We believe this target is achievable, given the year-to-date loan growth of 3.3%. The NPL ratio stood at 1.2% in 2025 and is expected to improve to 0.9% by 2030e, supported by lower provisioning requirements and a faster pace of loan book growth.

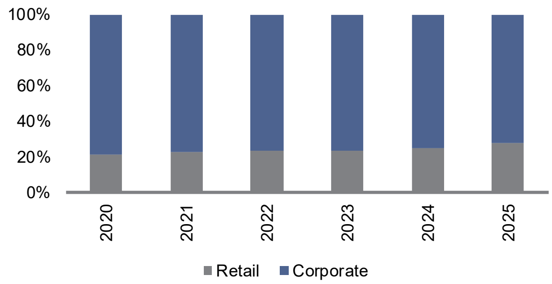
Share of retail deposits decline to 36%

CASA ratio declined in last five years…

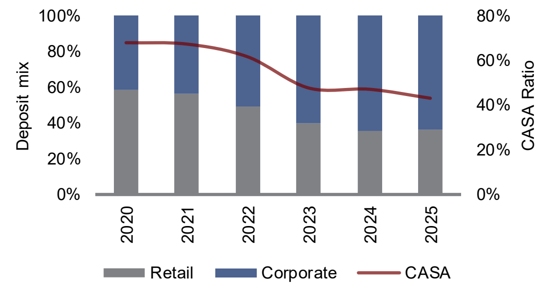
BSF's retail deposit base has gradually declined, with retail deposits falling from 40% of total deposits in 2023 to 36% in 2025. This decline reflects a broader structural trend that began in 2021, when retail deposits accounted for 57% of the deposit book, as the bank increasingly relied on corporate deposits to support loan growth.

The reduction in retail deposits has also led to a decline in the core CASA ratio, which fell from 68% in 2021 to 43% in 2025. While total deposits grew at a CAGR of 8.3% during 2021-2025, term deposits increased by 25% over the same period, whereas CASA deposits declined. The bank's funding profile remains increasingly reliant on term deposits, even as it strives to maintain CASA ratio of around 40% on an expanded deposit base by 2030e. Management expects to sustain the CASA ratio at this level by increasing penetration in the affluent and private banking segments while continuing to focus on business banking. In our model, we forecast deposit growth at a CAGR of 7.6% over 2025-2030e.

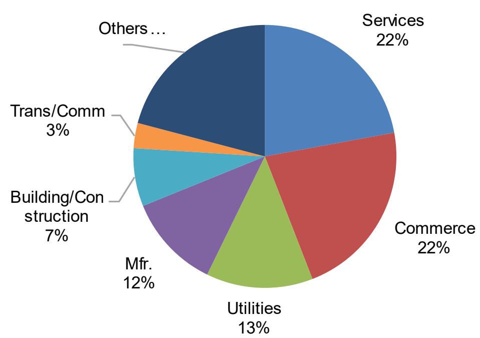
Share of corporate loans decline by 630bps…



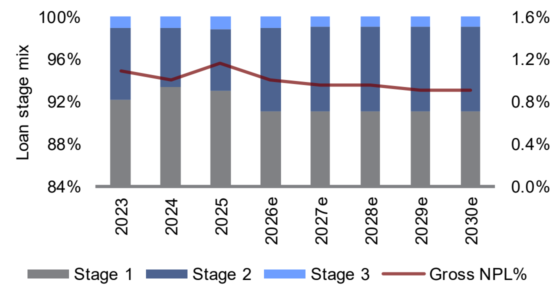
Corporate deposits increase, while CASA decine



Corporate loan book is widely diversified…



Loan stage mix to be stable, with NPL improving



Source: Company reports, US Research

Dividend payout ratio to be maintained

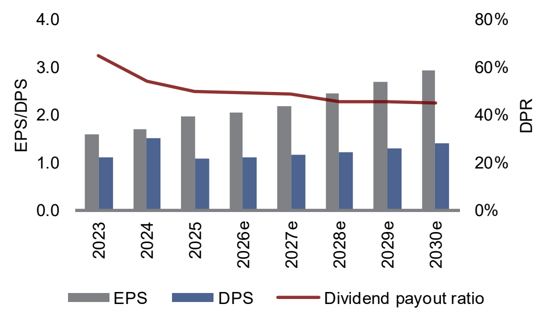
CAR to be among the best in KSA…

The bank has consistently maintained a dividend payout ratio of 50% since 2023, and we expect it to sustain this level going forward. We forecast earnings per share of SAR 2.05 for 2026. Assuming a dividend payout ratio of 50%, this implies a dividend of approximately SAR 1.1 per share, resulting in a dividend yield of 5.6% based on the current market price. The dividend payout ratio of BSF is similar to the median dividend payout ratio of seven banks under our coverage which is around 48.6%.

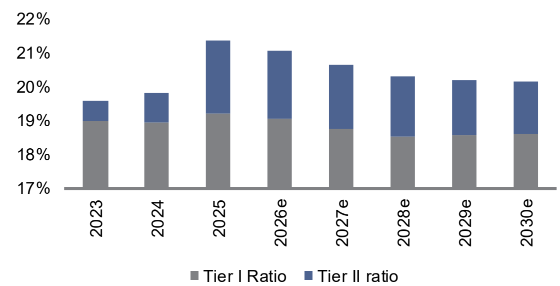
We expect EPS to grow at a CAGR of 8.3% over 2025–2030e. Given the stable dividend payout ratio, the dividend yield, based on the current market price, is expected to remain attractive over the forecast period.

At 21%, the bank's capital adequacy ratio is among the highest within the mid-tier banking segment and is comparable to that of larger peers such as Al Rajhi Bank and Saudi National Bank. We expect the capital adequacy ratio to remain above 20% throughout the forecast period despite higher risk-weighted assets resulting from loan book growth. Incremental capital generated through retained earnings after dividend distributions is expected to offset the increase in risk-weighted assets.

EPS to increase, with steady dividend payout …



Capital adequacy ratio to remain above 20%



Source: Company reports, US Research

Valuations

BSF, the sixth largest bank in KSA has laid out a strategy to increase its net income from SAR 5.4bn to SAR 10.0bn, which will drive ROE improvements to 15% by 2030. However, as per our estimates the net income by 2030 will be in the range of SAR 7.8bn or an 8% CAGR (2025-2030e). The bank is expected to increase its share of non-interest income to 20%, by focussing on supply chain solutions, project finance and lending to MSME and NBFI on the corporate side. While on the retail side, the growth would be led by affluent, private and business banking segments. We have modelled for a lower growth compared to the bank's stated vision; however, we remain positive on the bank's prospects ahead. We have valued BSF using the blended valuation approach, with 50% weight to intrinsic valuation based on excess ROE, 25% weight to relative valuation using P/E, and 25% weight to relative valuation using P/B and arrive at a fair value of SAR 22/share.

Residual income valuation

Valuation parameters	
Risk free rate	4.0%
Equity risk premium	5.0%
Beta	1.325
Cost of equity	**10.6%**
Terminal growth rate	3.0%

in SAR mn	2025	2026e	2027e	2028e	2029e	2030e
Equity at beginning of year	39,138	42,722	45,572	48,604	52,172	56,095
Equity at end of year	42,722	45,572	48,604	52,172	56,095	60,403
Net income attributable to shareholders	5,353	5,600	5,907	6,568	7,172	7,809
Cost of equity	4,539	4,842	5,164	5,543	5,960	6,418
Residual income	814	758	743	1,025	1,212	1,391
PV of residual income	775	720	638	795	850	976
PV of Terminal value residual income						17,933
Current equity value						39,138
Fair value of equity						57,071
Shares outstanding						2,500
Fair value per share (SAR)						**22.83**
CMP (SAR)						19.58
Upside/downside (%)						16.6%

Relative valuation

Valuation parameters	
5 Year earnings CAGR	7.8%
Risk free rate	4.0%
Equity risk premium	5.0%
Beta	1.33
Cost of equity	**10.6%**
Terminal growth	3.0%
Terminal year ROE (%)	11.8%
Justified P/B	**1.15x**

Relative Valuation - BSF	
EPS 2026e (SAR)	2.05
BVPS 2026e (SAR)	18.23
Target Price/Earnings Multiple for 2026E (x)	**10.5x**
Target Price/Book multiple for 2026E (x)	**1.15x**
Fair value per share (SAR) - P/E Multiple	**21.56**
Fair value per share (SAR) - P/B Multiple	**20.96**

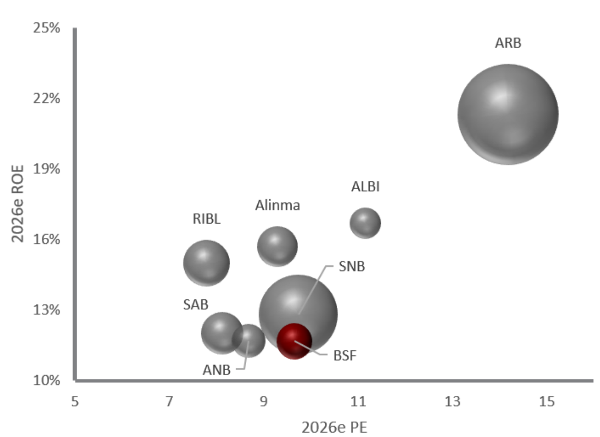
Blended Weighted Average Fair Value

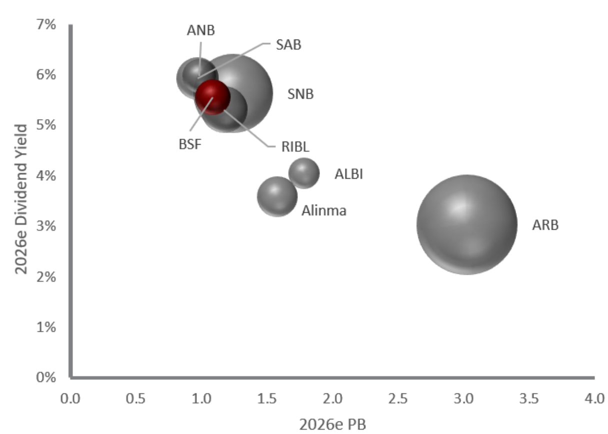
Valuation Method	Fair Value per share (SAR)	Weight	Upside/ downside
Relative Valuation - P/E	21.56	25.0%	10.1%
Relative Valuation - P/B	20.96	25.0%	7.1%
Intrinsic valuation - Excess ROE	22.83	50.0%	16.6%
Target Price (SAR)		**22.00**	**12.4%**
CMP (SAR)		19.58	0.0%
Forward Dividend Yield 2026E			5.6%
Total return Including dividend			**18.0%**

Peer Valuations

BSF is trading at a 2026E P/E of 9.6x, a P/B of 1.1x, and a dividend yield of 5.6%, compared with the median valuation of the seven banks under our coverage, which trade at a 2026E P/E of 9.3x, a P/B of 1.2x, and a dividend yield of 5.3%. Among banks with similar asset sizes (Alinma, ARNB, and ALBI), the median valuation stands at a 2026E P/E of 9.3x, a P/B of 1.6x, and a dividend yield of 4.1%. While BSF is trading at a marginal premium on a P/E basis, it trades at a significant discount on both a P/B and dividend yield basis. We believe this valuation discount is likely to narrow, bringing BSF more in line with peers of a similar balance sheet size.

Bank	Mcap(SAR mn)	P/E	2026e P/B	DY
ARB	396,000	14.2	3.0	3.0%
SNB	245,040	9.7	1.2	5.6%
Riyad Bank	82,960	7.8	1.2	5.3%
Alinma Bank	62,800	9.3	1.6	3.6%
SAB	69,336	8.1	1.0	5.9%
ANB	43,460	8.7	1.0	6.0%
ALBI	37,005	11.2	1.8	4.1%
Median		**9.3**	**1.2**	**5.3%**
BSF	**49,525**	**9.6**	**1.1**	**5.6%**

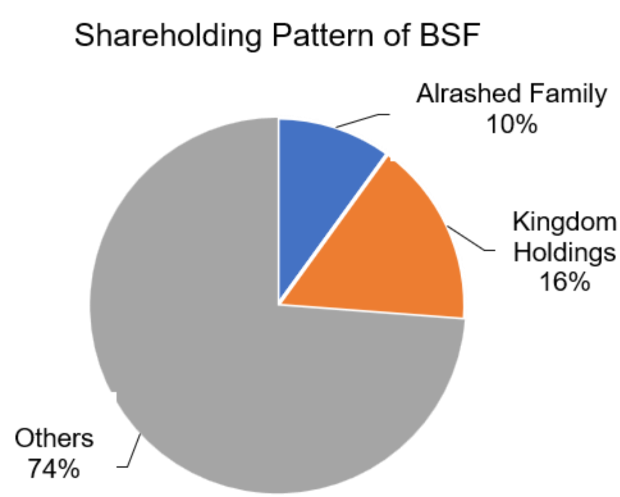




About Banque Saudi Fransi

Banque Saudi Fransi established in 1977 and was operating as Credit Agricole’s partner in Saudi Arabia. Over the years, Credit Agricole reduced its ownership and the bank is now one of Saudi Arabia's leading commercial banks, with a strong franchise in corporate banking, trade finance, treasury services, and affluent retail banking. The bank has undergone a significant transformation over the last five years, focusing on digitalization, operational efficiency, and balance sheet optimization. BSF is well positioned to benefit from Saudi Arabia's Vision 2030 initiatives, increasing private-sector investment, large-scale infrastructure projects, and growing demand for corporate financing. With assets of SAR 324.8 billion as of 1Q26, BSF is a leading bank in Saudi Arabia, serving 1.4 million customers and employing 3,146 people. BSF is headquartered in Riyadh and has 79 branches, 367 ATMs, and 32,847 points of sale terminals located throughout Saudi Arabia

BSF is rated A- by S&P and Fitch with a stable outlook, while Moody’s has a rating of A1 with stable outlook. Major shareholders include Al Rashed Family (10.1%), and Kingdom Holdings (16.4%), while the others hold 73.5% of the shares.



Source: Company reports, Bloomberg®, US Research

BOARD OF DIRECTORS

S.NO	NAME	POSITION
1	Mazin Abdulrazzak AlRomaih	Chairman
2	Talal Ibrahim Al Maiman	Vice Chairman
3	Abdulrahman Rashed Al-Rashed	Board Member
4	Bader Abdullah Al Issa	Board Member
5	Abdullatif Ahmed Al Othman	Board Member
6	Mr. Khaled Omran Al Omran	Board Member
7	Rayan Mohammad Fayez	Board Member
8	Khalid Malik Al Sharif	Board Member
9	Abdulaziz Mohammed Al Gudaimi	Board Member
10	Abdulmajid Ahmed Al Hagbani	Board Member

MANAGEMENT TEAM

S.NO	NAME	POSITION
1	Bader Alsalloom	CEO
2	Mohammed Abdulrahman Al Alshaikh	Chief Personal Banking Officer
3	May Al-Hoshan	Chief Human Capital Officer
4	Abdallah Alshaikh	Chief Legal, Governance, ESG Officer
5	Yasser AlAnssari	Chief Compliance Officer
6	Ibrahim Fadel Alsanebi	Chief Audit Executive
7	Mutasim Naji Mufti	Chief Risk Officer
8	Zuhair M. Mardam	Chief Treasury and Investment Officer
9	Majed Alsadhan	Chief Wholesale Banking Officer
10	Ramzy Darwish	Chief Strategy and Finance Officer

Income Statement (SAR Mn)	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Interest Income	13,218	16,372	17,559	18,472	19,604	21,039	22,605	24,006
Interest Expense	-5,383	-8,489	-8,867	-9,281	-9,995	-10,487	-11,164	-11,886
Net Interest Income	7,835	7,883	8,692	9,191	9,609	10,552	11,441	12,121
Non Interest Income	1,489	1,774	1,845	1,949	2,097	2,300	2,530	2,910
Total Operating Income	**9,324**	**9,658**	**10,537**	**11,140**	**11,706**	**12,853**	**13,971**	**15,030**
Operating Expenses	-3,022	-3,409	-3,559	-3,676	-3,805	-3,984	-4,191	-4,434
Operating Profit	**6,302**	**6,249**	**6,978**	**7,464**	**7,902**	**8,868**	**9,780**	**10,596**
Impairment charge	-1,594	-1,180	-989	-1,206	-1,302	-1,530	-1,766	-1,872
Profit Before Taxation	**4,708**	**5,069**	**5,989**	**6,257**	**6,600**	**7,339**	**8,014**	**8,725**
Zakat & Income Tax	-485	-525	-636	-657	-693	-771	-841	-916
Profit After Taxation	**4,223**	**4,544**	**5,353**	**5,600**	**5,907**	**6,568**	**7,172**	**7,809**

Balance sheet (SAR Mn)	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Cash and balances with Central Bank	10,559	10,921	10,931	7,592	6,944	10,147	11,806	13,792
Due from banks	4,113	5,016	3,817	4,084	4,288	4,417	4,549	4,686
Loans & advances to customers	179,391	204,168	214,891	234,062	252,787	270,482	286,711	303,914
Investment securities	48,760	60,829	68,691	73,843	79,011	84,541	90,458	96,789
Property and Equipment/Intangibles	2,382	2,662	2,763	3,075	3,403	3,763	4,154	4,575
Other Assets	8,461	9,710	7,912	8,307	8,556	8,728	8,902	9,080
Total Assets	**253,666**	**293,307**	**309,006**	**330,963**	**354,989**	**382,077**	**406,581**	**432,836**
LIABILITIES AND SHAREHOLDER'S EQUITY								
Due to banks	18,945	32,307	12,885	13,529	14,205	14,489	14,779	15,075
Customers' deposits	172,209	185,118	195,219	208,884	225,595	245,899	263,112	281,529
Debt and Other securities	8,634	15,518	38,877	42,765	45,758	48,046	50,448	52,971
Other Liabilities	12,473	13,226	11,366	12,275	12,889	13,533	14,210	14,920
Total Liabilities	**212,262**	**246,169**	**258,346**	**277,453**	**298,447**	**321,967**	**342,549**	**364,495**
Paid-up Capital	12,054	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Other Reserves	12,639	9,628	12,334	12,334	12,334	12,334	12,334	12,334
Retained earnings	11,711	4,510	5,388	8,238	11,270	14,839	18,761	23,070
Shareholder's Equity	**36,404**	**39,138**	**42,722**	**45,572**	**48,604**	**52,172**	**56,095**	**60,403**
Tier 1 Bonds	5,000	8,000	7,938	7,938	7,938	7,938	7,938	7,938
Total Equity	**41,404**	**47,138**	**50,659**	**53,510**	**56,542**	**60,110**	**64,032**	**68,341**
Total Liabilities and Equity	**253,666**	**293,307**	**309,006**	**330,963**	**354,989**	**382,077**	**406,581**	**432,836**

Cash Flow Statement (SAR Mn)	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Cash flow from operating activities	71	4,771	-12,133	5,230	8,098	12,505	11,665	12,719
Cash flow from investing activities	-4,217	-11,935	-7,782	-5,820	-5,871	-6,301	-6,755	-7,233
Cash flow from financing activities	1,467	7,075	19,542	-2,750	-2,875	-3,000	-3,250	-3,500
Net change in cash	-2,679	-89	-372	-3,340	-648	3,203	1,659	1,986
Cash at the end of period	**3,119**	**3,030**	**2,657**	**7,592**	**6,944**	**10,147**	**11,806**	**13,792**

Key ratios	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Operating performance								
Yield on average earning assets	5.72%	6.09%	5.97%	6.00%	6.05%	6.05%	6.10%	6.10%
Cost of funds	2.84%	3.80%	3.65%	3.60%	3.63%	3.53%	3.51%	3.51%
Interest spread	2.87%	2.29%	2.32%	2.40%	2.42%	2.52%	2.59%	2.59%
NIM	3.23%	2.81%	2.91%	2.95%	2.86%	2.94%	3.00%	2.99%
Interest income/operating income	141.76%	169.52%	166.64%	165.82%	167.46%	163.70%	161.79%	159.72%
Net interest income/operating income	84.03%	81.63%	82.49%	82.50%	82.09%	82.10%	81.89%	80.64%
Non interest income/operating income	15.97%	18.37%	17.51%	17.50%	17.91%	17.90%	18.11%	19.36%
Cost to income ratio	32.41%	35.30%	33.78%	33.00%	32.50%	31.00%	30.00%	29.50%
Liquidity								
Net Loan to Deposit Ratio	93.8%	93.9%	103.3%	105.2%	105.4%	103.9%	103.2%	102.5%
Customer deposits/total deposits	90.1%	85.1%	93.8%	93.9%	94.1%	94.4%	94.7%	94.9%
Net loans to customer deposits	104.2%	110.3%	110.1%	112.1%	112.1%	110.0%	109.0%	108.0%
Investments/total assets	19.2%	20.7%	22.2%	22.3%	22.3%	22.1%	22.2%	22.4%
Asset quality								
Stage 1 loan ratio	92.2%	93.3%	93.0%	91.0%	91.0%	91.0%	91.0%	91.0%
Stage 2 loan ratio	6.7%	5.6%	5.9%	8.0%	8.1%	8.1%	8.1%	8.1%
Gross NPL ratio	1.1%	1.0%	1.2%	1.0%	1.0%	1.0%	0.9%	0.9%
Provision as a % of gross loans	1.5%	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%	1.8%
NPL Coverage	134.2%	168.3%	149.2%	180.0%	189.5%	189.5%	200.0%	200.0%
Cost of credit	1.0%	0.6%	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%
Stage 1 coverage	0.3%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Stage 2 coverage	6.9%	10.6%	9.1%	8.6%	9.0%	9.0%	9.4%	9.4%
Stage 3 coverage	65.2%	63.3%	70.5%	75.0%	75.0%	75.0%	75.0%	75.0%
Capital adequacy								
Tier I ratio	19.0%	18.9%	19.2%	19.0%	18.8%	18.5%	18.5%	18.6%
Tier II ratio	0.6%	0.9%	2.2%	2.0%	1.9%	1.8%	1.7%	1.6%
CAR	19.6%	19.8%	21.4%	21.1%	20.7%	20.3%	20.2%	20.2%
Net Equity to Gross Loans	20.0%	18.8%	19.5%	19.1%	18.9%	18.9%	19.2%	19.5%
Net Equity to Total Assets	14.4%	13.3%	13.8%	13.8%	13.7%	13.7%	13.8%	14.0%
Return ratios								
Reported ROE	10.5%	10.2%	10.7%	10.8%	10.7%	11.3%	11.6%	11.8%
Adjusted ROE	11.4%	11.2%	11.8%	11.7%	11.6%	12.1%	12.4%	12.6%
ROA	1.6%	1.5%	1.6%	1.6%	1.7%	1.8%	1.8%	1.9%
RoRWA	1.9%	1.8%	2.0%	2.0%	2.0%	2.0%	2.1%	2.1%
Per share ratios								
EPS	1.60	1.70	1.95	2.05	2.18	2.44	2.68	2.94
BVPS	14.56	15.66	17.09	18.23	19.44	20.87	22.44	24.16
DPS	1.10	1.50	1.07	1.10	1.15	1.20	1.30	1.40
Valuation								
Price	19.3	15.8	16.8	19.8	19.6	19.6	19.6	19.6
P/E	12.1	9.3	8.6	9.5	9.0	8.0	7.3	6.7
P/B	1.3	1.0	1.0	1.1	1.0	0.9	0.9	0.8
Dividend Yield	5.7%	9.5%	6.4%	5.6%	5.9%	6.1%	6.6%	7.2%

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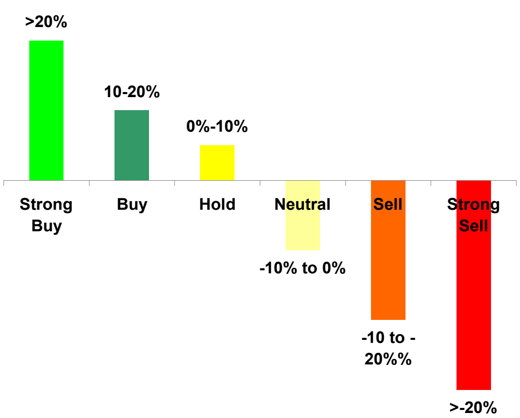
Rating Criteria and Definitions

Rating



Rating Definitions	
Strong Buy	This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
Buy	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
Hold	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
Neutral	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%
Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%
Strong Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20%
Not rated	This recommendation used for stocks which does not form part of Coverage Universe

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