Ujjivan Small Finance Bank

Improving Collections, Lower CoF and Strong Growth Momentum

Result Update

India I BFSI

23 January, 2026

Institutional Research

BUY

Price: Rs62
Target Price: Rs73
Forecast return: 18%

Ujjivan Small Finance Bank delivered a better-than-expected Q3FY26 performance, led by stronger NII growth and healthy fee income, which helped sustain solid PPoP despite higher operating expenses. Asset quality trends were reassuring, with slippages continuing to ease and the secured loan mix rising further to 48%, underlining steady progress toward a more balanced and durable portfolio. Management sounded confident on the outlook, highlighting that the peak of asset-quality stress is now behind the bank and that disbursement momentum should continue to pick up meaningfully in Q4FY26, supported by a favourable macro environment and stable credit demand. We remain positive on Ujjivan as a direct and high-conviction play on the ongoing microfinance upcycle, while the increasing contribution from the secured book (48%) (maturing through FY27/28) should provide a steady earnings backstop and reduce cyclicality in profitability. Given the steady improvement in the bank's return ratios, operating resilience, and diversified business mix, we raise our assigned target valuation multiple to 1.75x (1.5x earlier) on FY28E ABV. This represents a Mean + 1SD to its 5-year historical performance. Accordingly, we maintain our BUY rating with a revised Target Price of Rs73, implying an upside of 18% from current levels.

NIMs Expansion Supported by Lower CoF and Improving Collections

The bank reported a steady Q3FY26 performance, supported by a continued improvement in margins. NII rose to Rs10.0bn (+~8.5% QoQ), driven by record disbursements and healthy traction across both unsecured and secured portfolios. NIM expanded to 8.2% (vs. 7.9% in Q2FY26), aided by a CoF improvement by 20bps to 7.1% and liquidity absorption. Yield moderation observed as secured loans gain share further. Management expects CoF to ease further as liability repricing continues, helping sustain margins near current levels in Q4FY26 despite a gradual shift towards a more secured loan mix.

Healthy Growth Momentum; Liability Franchise Strengthens

The bank is delivering strong balance sheet momentum, with both deposits and loan growth running well above system. Deposits grew 7.7% QoQ / 22.4% YoY to Rs42,223cr supported by an improving liability franchise. CASA remains a key focus area, with CASA ratio staying above 27% for two consecutive quarters, and management remains confident of sustaining strong CASA growth (notably ~33% YoY). On the asset side, the gross loan book grew 7.1% QoQ / 21.6% YoY to Rs37,057cr, backed by record disbursements of Rs8,293cr and expected to continue to record disbursement in Q4. Importantly, the secured portfolio continues to expand and now represents ~48% of the book, setting up a healthier mix and reducing dependence on MFI over time

MFI Stress Eases; Credit Costs Set to Normalise

Asset quality is steadily improving, led by a sharp pickup in MFI collections and limited incremental stress. Bucket X collection efficiency remained strong at 99.7% (Dec'25), marking the seventh consecutive month of improvement, reflecting tighter underwriting and better quality of the new book. Reported metrics also strengthened with PAR improving to 3.3% while GNPA stayed flat at 1.1% QoQ, indicating the MFI stress cycle is past its peak. Quarterly slippages were Rs221 cr (~2.4% annualised), with ~80% from MFI, but are sequentially trending down as collections normalize across states. Management expects this to translate into further moderation in credit costs in Q4 and normalization into FY27, supporting a more sustainable profitability trajectory.

Market Data

Bloomberg:	UJJIVANS IN
52 week H/L:	63/31
Market cap:	Rs120.1bn
Shares Outstanding:	1939.0mn
Free float:	94.9%
Avg. daily vol. 3mth:	1,32,57,520

Source: Bloomberg

Changes in the report

Rating:	Unchanged
Target price:	Changed from Rs64 to Rs73
ABV:	FY27E: Rs35.4 FY28E: Rs41.8

Source: Centrum Broking

Shareholding pattern

	Dec-25	Sep-25	Jun-25	Mar-25
Promoter	0.0	0.0	0.0	0.0
FIIs	15.5	17.1	19.6	19.5
DIIs	28.7	20.1	16.8	8.5
Public/other	55.8	62.8	63.6	72.0

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q3FY26	Actual Q3FY26	Variance (%)
NII	9,223	10,005	8.5
PPOP	3,802	4,398	15.7
Provision	1,612	1,953	21.2
PAT	1,664	1,857	11.6

Source: Bloomberg, Centrum Broking

Financial and valuation summary

YE Mar (Rs mn)	3QFY26A	3QFY25A	YoY (%)	2QFY26A	QoQ (%)	FY26E	FY27E	FY28E
NII	10,005	8,867	12.8	9,218	8.5	38,045	48,925	59,813
PPoP	4,398	3,592	22.4	3,954	11.2	16,399	22,828	29,349
Provisions	1,953	2,228	(12.3)	2,350	(16.9)	7,896	6,727	8,739
Net profit	1,857	1,086	71.0	1,218	52.4	6,463	12,076	15,458
Loan growth (%)	22.3	15.6	42.8	15.9	40.6	23.6	24.9	24.2
NIM (%)	9.1	9.1	0.2	8.5	7.1	8.0	8.4	8.4
Cost/income (%)	66.1	66.1	0.0	66.4	(0.6)	66.6	63.3	59.9
GNPA (%)	2.4	2.7	(10.8)	2.4	(2.8)	2.4	2.0	2.0
RoA (%)	1.5	1.0	48.6	1.0	45.7	1.3	1.9	2.0
RoE (%)	11.9	7.8	51.4	8.0	48.7	10.2	17.9	20.3
P/ABV (x)	0.0	0.0	0.0	0.0	0.0	1.9	1.8	1.5

Source: Company, Centrum Broking

BFSI

Shailesh Kanani
+91-22 4215 9001
shailesh.kanani@centrum.co.in

Tanay Jain
+91-22 4215 9867
tanay.jain@centrum.co.in

Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY27E New	FY27E Old	% chg	FY28E New	FY28E Old	% chg
NII	48,925	48,758	0.3%	59,813	58,232	2.7%
PPOP	22,828	22,649	0.8%	29,349	27,982	4.9%
PAT	12,076	11,754	2.7%	15,458	14,909	3.7%

Source: Centrum Broking

Ujjivan Small Finance versus NIFTY Midcap 100

	1m	6m	1 year
UJJIVANS IN	14.3	31.3	80.1
NIFTY Mid Cap 100	(4.3)	(1.5)	9.6

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	FY27E	FY28E
AUM Growth	25.9%	22.9%
NII growth	28.6%	22.3%
Other Inc./Assets	2.1	1.7
Opex/Assets	6.4	5.7
Provision Cost	1.1	1.1

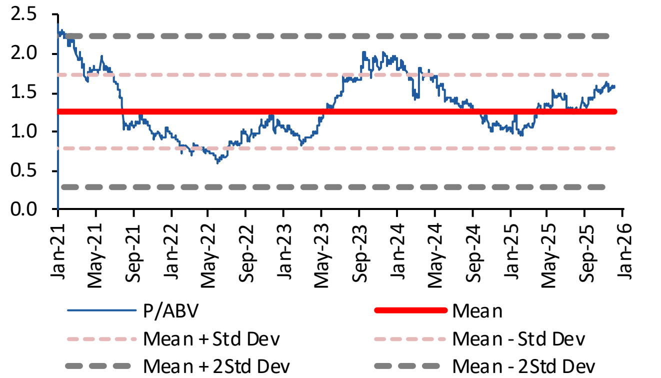
Source: Centrum Broking

Valuation

Given the steady improvement in the bank's return ratios, operating resilience, and diversified business mix, we raise our assigned target valuation multiple to 1.75x (1.5x earlier) on FY28E ABV. This represents a Mean + 1SD to its 5-year historical performance. Accordingly, we maintain our BUY rating with a revised Target Price of Rs73, implying an upside of 18% from current levels.

Valuation	Rs/share
ABV/share (FY28E)	42.0
Ascribed P/BV (x)	1.75
Target Price (Rs)	**73**
Upside to CMP	18%

P/ABV mean and standard deviation



Source: Bloomberg, Centrum Broking

Peer comparison

	EPS (Rs)				ABVPS (Rs)				RoAA (%)				RoAE (%)			
Company	**FY25**	**FY26E**	**FY27E**	**FY28E**	**FY25**	**FY26E**	**FY27E**	**FY28E**	**FY25**	**FY26E**	**FY27E**	**FY28E**	**FY25**	**FY26E**	**FY27E**	**FY28E**
SURYODAY	10.8	14.8	25.7	31.2	148.4	158.9	208.7	236.1	0.8	0.9	1.3	1.3	6.2	7.9	12.3	13.1
AUBANK	28.3	34.6	48.5	58.4	220.5	243.2	286.6	335.3	1.6	1.5	1.8	1.7	14.2	14.1	17.1	17.4
EQSFB	1.3	1.3	8.3	10.2	48.6	49.6	55.9	63.5	0.3	0.3	1.3	1.4	2.4	2.4	14.4	15.6
Average	**13.5**	**16.9**	**27.5**	**33.3**	**139.2**	**150.6**	**183.7**	**211.6**	**0.9**	**0.9**	**1.5**	**1.5**	**7.6**	**8.1**	**14.6**	**15.4**
UJJIVANS	**3.8**	**3.3**	**6.2**	**8.0**	**30.8**	**32.9**	**35.4**	**41.8**	**1.6**	**1.3**	**1.9**	**2.0**	**12.4**	**10.2**	**17.9**	**20.3**

Company	CMP	Rating	TP	Mcap (Rsbn)	CAGR (FY25-28E)				P/E (x)				P/BV (x)			
	(Rs)		**(Rs)**		**AUM**	**NII**	**Opex**	**PPoP**	**FY25**	**FY26E**	**FY27E**	**FY28E**	**FY25**	**FY26E**	**FY27E**	**FY28E**
SURYODAY	139.6	BUY	236	14.8	24.7	17.6	19.7	19.9	12.9	9.4	5.4	4.5	0.8	0.7	0.6	0.6
AUBANK	1000.6	BUY	1,208	747.8	22.3	19.0	18.1	22.7	35.4	28.9	20.6	17.1	4.3	3.9	3.3	2.7
EQSFB	70.1	Buy	78	80.0	22.1	19.2	17.6	21.7	54.4	54.9	8.5	6.9	1.3	1.3	1.2	1.0
Average					**23.0**	**18.6**	**18.5**	**21.4**	**34.2**	**31.1**	**11.5**	**9.5**	**2.1**	**2.0**	**1.7**	**1.4**
UJJIVANS	**62.0**	**Buy**	**73**	**120.1**	**24.1**	**18.0**	**16.3**	**18.1**	**16.5**	**18.6**	**9.9**	**7.8**	**2.0**	**1.8**	**1.7**	**1.5**

Source: Company, Centrum Broking

Exhibit 1: Key Parameters

	Reported			Calculated		
CoF	**2QFY26**	**3QFY26**	**QoQ change (bps)**	**2QFY26**	**3QFY26**	**QoQ change (bps)**
AUSFB	6.83	6.61	(22bps)	6.73	6.51	(22bps)
UJJIVAN	7.3	7.1	(20bps)	7.26	6.93	(33bps)
	Reported			**Calculated**		
NIMs	**2QFY26**	**3QFY26**	**QoQ change (bps)**	**2QFY26**	**3QFY26**	**QoQ change (bps)**
AUSFB	5.5	5.7	20bps	5.42	5.69	27bps
UJJIVAN	7.9	8.2	30bps	8.53	9.14	61bps
B/S	**LD Ratio**	**Dep. Growth**	**Borr/Liab**			
AUSFB	89.2	23.3	6.9			
UJJIVAN	85.8%	22.4%	4.6			

Source: Centrum Broking

Exhibit 2: Key conference call takeaways and metrics

Centrum Quarterly Monitor	Q2FY26	Q3FY26	Our Comments
Margins and Profitability	▪ NIMs expansion can be expected to continue in 2H. ▪ Further, given lower credit cost expect a major jump in profitability for 2H.	▪ NIMs expanded in Q3, driven by lower CoF and reduced interest reversals; indicating NIMs to at least sustain at current levels. ▪ Profitability improved sequentially, with management guiding for further improvement in Q4 on the back of lower CC.	▪ Factored an improved MFI cycle in FY27/FY28, driving better returns. ▪ In FY27/28 we expect NIMs to remain slight lower given increasing share of low yielding Non-Micro Banking book.
Asset quality	▪ Provision for the old book is nearly done and is expected to tapper of in coming quarters. ▪ CE has improved across all states.	▪ CE improved across all states, with Bucket X collections at ~99.6–99.7% in Nov–Dec. ▪ Growth momentum strengthened, with highest-ever disbursements recorded during the quarter.	▪ We bake in lower credit cost in FY27 for micro banking. ▪ Increasing share of Non-Micro Banking book should structurally bring stability in asset quality.
Outlook and guidance	▪ Growth guidance of 20% ▪ RoA 1.2%-1.4% ▪ RoE 10%-12%	▪ RoA 1.2%-1.4% ▪ RoE 10%-12% ▪ Credit cost guidance: 2.3-2.4% of average loans	▪ Factored similar growth profile. ▪ Expect Ujjivan to report improved return profile going ahead.

Source: Centrum Broking

Concall KTAs

Opening Remarks:

- The bank has completed its planned rollout of 24 new branches for the year.
- LCR remains strong at 165%.
- Bucket X collection efficiency stood at 99.7% in Dec-25, indicating sustained repayment discipline.
- New customer additions reached 1.4 lakh, up 11% QoQ.
- PAR improved to 3.3%, while GNPA remained flat at 1.1% QoQ.
- Asset quality trends in the new book remain healthy, with negligible early delinquencies.
- The bank plans to introduce mid-corporate offerings in Q4FY26, expanding its product suite.
- New labour code implementation resulted in an impact of Rs18cr.
- RBI is currently evaluating the bank for a universal banking license, and management expects the process to move ahead at the earliest.

Guidance – FY26:

- Management maintains guidance of ~20% growth in advances and deposits.
- Secured portfolio growth is expected at ~35% in FY26.
- Medium-term strategy remains focused on shifting the portfolio mix: FY26 target: 50:50 secured vs unsecured ; FY30 target: 65-70% secured and 30-35% unsecured
- CASA ratio guided at 27%, while maintaining CDR at ~88%.
- CTI expected to stay ~67%.
- Credit cost guidance: 2.3-2.4% of average loans
- Collection team strength is expected to reduce by 100-150 people from Q1FY27 onwards.
- Profitability guidance remains constructive:
- RoA: 1.2-1.4%
- RoE: 10-12% for FY26, supported by (i) peak disbursements expected in Q4FY26, (ii) declining CoF trending towards ~7%, and (iii) lower credit costs in Q4 versus Q3.

MFI Status:

- Momentum in new customer additions remains strong and is expected to continue through Q4.
- Rejection rates had increased to 46–47% post MFIN guardrails, but have now moderated to 35–36%.
- Management does not anticipate material disruption in West Bengal, with SMA trends improving, although 90+ delinquencies remain elevated.
- Gujarat saw a temporary blip in October, but collections recovered quickly.
- Collection efficiency remains strong across states, with all states above 99.6%.
- Karnataka continues to be a key contributor to the rise in IL PAR, though management remains comfortable on outlook.

Advances and Deposits:

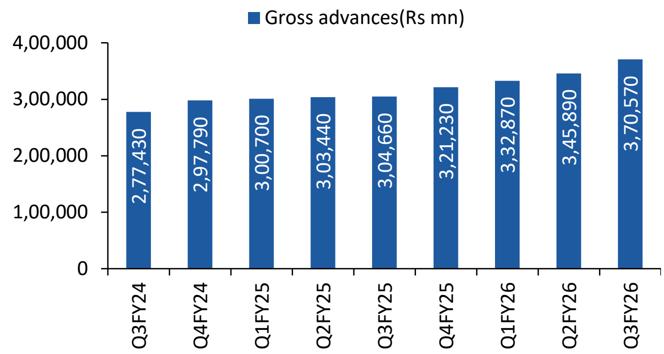
- Reduced SA rates for 0-1 lakh bucket by 25bps and 1-50lakhs bucket by 50bps.
- CASA improvement remains a strategic priority, with a long-term target of ~35% by FY30.
- The bank has raised its focus threshold to ATS ~Rs6.5 lakh, reducing reliance on low-ticket segments and pushing growth in the Rs6–12 lakh ticket size category.

- Management expects CASA ratio to remain stable for FY26, while CASA growth momentum (~33%) is expected to sustain in the next quarter as well.

Asset Quality and Margins:

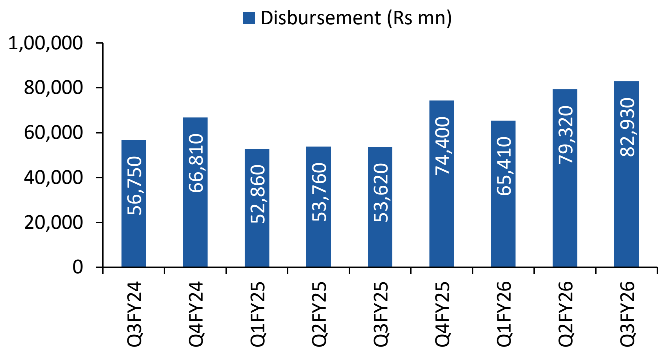
- Expect NIM to be at same level of this quarter. Possibility of improvement do exist. Deposit rate cut and portfolio mix points to positive direction.
- SMA has come down for west Bengal but 90+ continues to be higher.
- PCR of secured is 55% and unsecured at 85% bringing overall to 75-76%.
- Opex to assets increased to 6.7% (up 40 bps), though still better than internal estimates; Q4 expected to remain similar, with improvement expected next year.
- Cost of funds is at 7%, while SA rate is ~5.2% (expected to moderate by ~5 bps). Exit CoF expected to remain ~7%.
- Credit cost expected to improve in Q4 over Q3, with normalization expected from 2HFY27.
- CGFMU coverage is limited and used selectively as a tail-risk protection tool, rather than a broad portfolio strategy.
- Slippages between MFI and non MFI : 80% of overall slippages are from MFI and 20% non mfi. Within MFI: GL 70% and IL 30%.
-

Exhibit 3: Secured book share rising to 48%



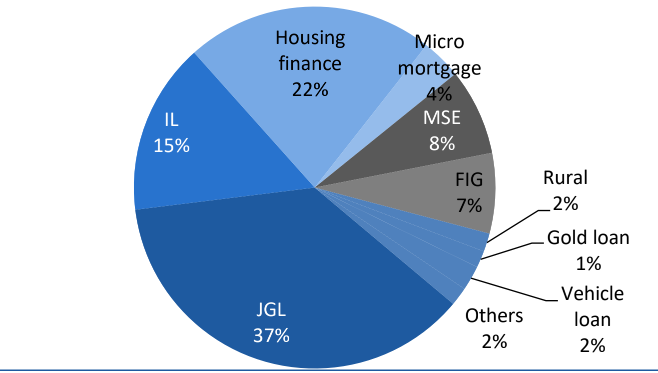
Source: Company Data, Centrum Broking

Exhibit 4: Highest ever Disbursement in this quarter



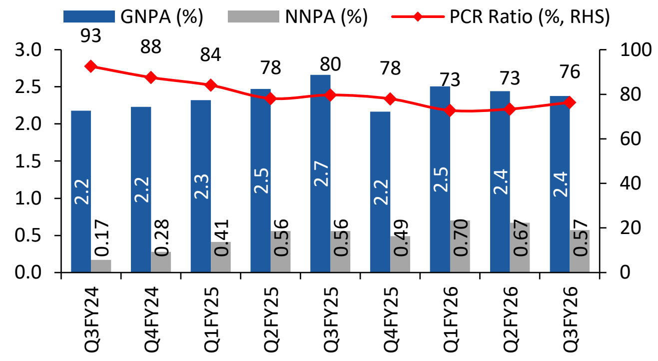
Source: Company Data, Centrum Broking

Exhibit 5: Micro Banking outlook is upbeat for 2HFY26



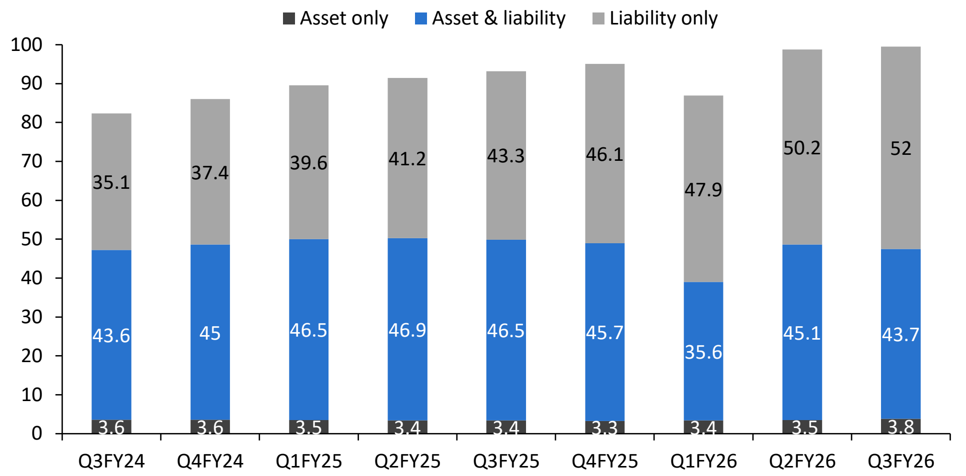
Source: Company Data, Centrum Broking

Exhibit 6: Higher write offs has led to drop in PCR



Source: Company Data, Centrum Broking

Exhibit 7: Customer base mix



Source: Company, Centrum Broking

Exhibit 8: Quarterly Financials Snapshot

Rs mn	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Income statement																
Interest earned	8,182	9,054	9,932	10,816	11,848	12,869	13,911	14,706	15,285	15,772	16,128	15,911	15,734	16,188	16,824	17,519
Interest expended	2,743	3,057	3,299	3,847	4,468	4,942	5,678	6,107	5,950	6,357	6,690	7,043	7,091	7,629	7,606	7,515
Net Interest Income	5,440	5,997	6,632	6,969	7,380	7,927	8,233	8,599	9,335	9,415	9,438	8,867	8,643	8,560	9,218	10,005
Other income	1,270	1,260	1,450	1,390	1,791	1,772	1,886	1,848	2,361	1,971	2,073	1,722	2,697	2,490	2,564	2,955
Total Income	**6,710**	**7,257**	**8,082**	**8,359**	**9,171**	**9,699**	**10,120**	**10,447**	**11,697**	**11,386**	**11,510**	**10,589**	**11,340**	**11,049**	**11,781**	**12,960**
Operating Expenses	**4,293**	**4,237**	**4,249**	**4,470**	**5,065**	**5,120**	**5,286**	**5,874**	**6,511**	**6,290**	**6,902**	**6,997**	**7,742**	7,445	**7,828**	**8,562**
Employees	2,269	2,210	2,204	2,255	2,532	2,684	2,734	3,140	3,273	3,403	3,684	3,712	4,196	4,118	4,355	4,738
Others	2,024	2,027	2,045	2,214	2,533	2,435	2,552	2,734	3,238	2,888	3,218	3,286	3,546	3,327	3,473	3,823
Operating profit	2,417	3,020	3,833	3,889	4,106	4,579	4,834	4,573	5,186	5,095	4,608	3,592	3,598	3,605	3,954	4,398
Provisions	688	299	-99	-2	-19	261	469	629	790	1,099	1,505	2,228	2,645	2,249	2,350	1,953
Profit before tax	1,729	2,721	3,933	3,891	4,125	4,318	4,364	3,944	4,396	3,997	3,103	1,364	953	1,355	1,604	2,445
Taxes	469	677	1,006	960	1,030	1,077	1,087	943	1,099	986	773	278	119	323	386	587
Net Profit	**1,260**	**2,044**	**2,926**	**2,932**	**3,095**	**3,241**	**3,277**	**3,001**	**3,296**	**3,011**	**2,330**	**1,086**	**834**	**1,032**	**1,218**	**1,857**
Balance sheet																
Shareholders funds	28,026	30,070	37,692	40,640	42,091	45,390	47,706	50,830	56,135	59,280	58,818	59,960	60,834	61,910	63,232	65,190
Borrowings	17,636	19,430	17,333	23,180	26,415	25,360	37,328	37,120	21,708	23,580	26,218	37,240	28,454	30,780	29,617	23,830
Deposits	1,82,922	1,84,490	2,03,962	2,32,030	2,55,377	2,66,600	2,91,393	2,96,690	3,14,622	3,25,140	3,40,698	3,44,940	3,76,305	3,86,190	3,92,109	4,22,230
Other liabilities	7,461	8,360	8,864	8,760	9,286	10,150	10,375	10,660	11,758	12,520	10,452	10,120	11,299	12,230	11,182	11,740
Total liabilities	**2,36,045**	**2,42,350**	**2,67,851**	**3,04,610**	**3,33,169**	**3,47,500**	**3,86,802**	**3,95,300**	**4,04,222**	**4,20,520**	**4,36,187**	**4,52,260**	**4,76,892**	**4,91,110**	**4,96,139**	**5,22,990**
Cash & bank	21,681	19,320	28,947	27,450	24,836	26,720	22,547	18,680	25,368	24,700	25,147	24,160	31,698	27,760	26,859	26,540
Advances	1,63,032	1,64,860	1,74,348	1,95,250	2,12,897	2,21,690	2,43,250	2,56,200	2,68,829	2,71,140	2,91,793	2,96,210	3,13,900	3,25,010	3,38,076	3,62,280
Investments	41,529	48,380	54,809	71,520	85,103	87,870	1,09,298	1,08,000	97,660	1,11,180	1,05,916	1,17,970	1,17,300	1,23,390	1,16,035	1,17,680
Fixed assets	2,494	2,600	2,603	2,700	2,829	3,280	3,573	3,950	4,267	4,700	4,800	4,600	4,569	4,780	4,899	4,820
Other assets	7,309	7,200	7,144	7,690	7,504	7,940	8,135	8,490	8,098	8,800	8,532	9,320	9,425	10,170	10,270	11,670
Total assets	**2,36,045**	**2,42,360**	**2,67,851**	**3,04,610**	**3,33,169**	**3,47,500**	**3,86,802**	**3,95,320**	**4,04,222**	**4,20,520**	**4,36,187**	**4,52,260**	**4,76,892**	**4,91,110**	**4,96,139**	**5,22,990**
Balance sheet (%)																
Loan growth	20.0	38.3	44.3	33.0	32.6	30.5	26.9	26.9	23.6	18.7	14.2	9.6	7.9	10.7	14.0	21.6
Deposit growth	39.3	34.9	44.8	49.1	39.6	44.5	42.9	27.9	23.2	22.0	16.9	16.3	19.6	18.8	15.1	22.4
Loans / Deposits	89.1	89.4	85.5	84.1	83.4	83.2	83.5	86.4	85.4	83.4	85.6	85.9	83.4	84.2	86.2	85.8
Investment / Deposits	22.7	26.2	26.9	30.8	33.3	33.0	37.5	36.4	31.0	34.2	31.1	34.2	31.2	32.0	29.6	27.9
Capital Adequacy																
Tier-1	17.7	18.7	23.4	22.8	22.7	23.6	22.5	22.0	22.6	23.0	21.6	22.1	21.4	21.2	19.9	20.1
Tier-2	1.3	1.3	3.3	3.2	3.1	3.1	2.7	2.4	2.1	1.9	1.8	1.8	1.7	1.6	1.5	1.5
CRAR	19.0	20.0	26.7	26.0	25.8	26.7	25.2	24.4	24.7	24.7	23.4	23.9	23.1	22.8	21.4	21.6
Profitability (%)																
Yield on IEA	17.0	18.1	18.6	18.2	18.0	18.2	18.3	17.7	18.0	17.9	17.5	16.4	15.7	15.6	15.6	16.0
Cost of funds	5.8	6.0	6.2	6.5	6.7	6.9	7.3	7.37	7.10	7.42	7.48	7.52	7.21	7.43	7.26	6.93
NIM	11.3	12.0	12.5	11.7	11.2	11.2	10.8	10.4	11.0	10.7	10.2	9.1	8.6	8.2	8.5	9.1
Other income/assets	2.3	2.1	2.3	1.9	2.2	2.1	2.1	1.9	2.4	1.9	1.9	1.6	2.3	2.1	2.1	2.3
Cost / Income	64.0	58.4	52.6	53.5	55.2	52.8	52.2	56.2	55.7	55.2	60.0	66.1	68.3	67.4	66.4	66.1
Employees	33.8	30.5	27.3	27.0	27.6	27.7	27.0	30.1	28.0	29.9	32.0	35.1	37.0	37.3	37.0	36.6
Others	30.2	27.9	25.3	26.5	27.6	25.1	25.2	26.2	27.7	25.4	28.0	31.0	31.3	30.1	29.5	29.5
Cost / Assets	7.8	7.7	7.3	6.2	6.4	6.0	5.8	6.0	6.5	6.1	6.4	6.3	6.7	6.2	6.3	6.7
RoA	2.2	3.4	4.6	4.1	3.9	3.8	3.6	3.1	3.3	2.9	2.2	1.0	0.7	0.9	1.0	1.5
RoE	18.4	28.1	34.5	29.9	29.9	29.6	28.2	24.4	24.7	20.9	15.8	7.3	5.5	6.7	7.8	11.6
Asset quality (%)																
GNPA	7.1	5.9	4.4	3.6	2.6	2.4	2.4	2.2	2.2	2.3	2.5	2.7	2.2	2.5	2.4	2.4
NNPA	0.61	0.11	0.04	0.05	0.04	0.06	0.09	0.17	0.28	0.41	0.56	0.56	0.49	0.70	0.70	0.57
PCR	92.3	98.4	99.2	99.0	98.0	98.0	96.0	92.5	87.5	84.0	78.1	79.7	78.0	72.8	72.8	76.4
Credit Cost (Annualized, bps)	159	64	-20	0	-3	42	72	93	110	147	199	293	338	275	277	218

Source: Company, Centrum Broking

Exhibit 9: ROAE tree

	FY19	FY20	FY21	FY22	FY23	FY24A	FY25A	FY26E	FY27E	FY28E
Total Assets	1,37,422	1,84,113	2,03,805	2,36,045	3,33,169	4,04,222	4,76,891	5,52,353	6,86,229	8,50,871
Average total assets	1,16,077	1,60,768	1,93,959	2,19,925	2,84,607	3,68,695	4,40,557	5,14,622	6,19,291	7,68,550
Equity	18,196	31,898	32,192	28,026	42,091	56,135	60,834	65,509	69,747	82,298
Average Equity	17,333	25,047	32,045	30,109	35,059	49,113	58,484	63,171	67,628	76,022
Interest Income on term loans/ Average total assets	14.9%	15.9%	13.4%	11.7%	13.0%	13.5%	12.5%	11.7%	12.3%	12.2%
Income on investments/money with RBI/other banks / Average total assets	0.8%	0.9%	1.1%	1.1%	1.5%	1.9%	1.9%	1.6%	1.4%	1.4%
Non-Interest Income/ Average total assets	1.8%	2.0%	1.6%	1.4%	2.1%	2.1%	1.92%	2.2%	2.1%	1.7%
Total Income/ Average total assets	**17.5%**	**18.8%**	**16.0%**	**14.2%**	**16.6%**	**17.5%**	**16.3%**	**15.5%**	**15.8%**	**15.4%**
Interest on Deposits, borrowings and debt securities / Average total assets	6.2%	6.7%	5.6%	4.7%	5.2%	6.2%	6.17%	5.9%	5.8%	5.9%
Net Interest Income / Average total assets	**9.5%**	**10.2%**	**8.9%**	**8.1%**	**9.5%**	**9.2%**	**8.3%**	**7.4%**	**7.9%**	**7.8%**
Net Total Income/ Average total assets	**11.3%**	**12.2%**	**10.5%**	**9.5%**	**11.5%**	**11.4%**	**10.2%**	**9.5%**	**10.0%**	**9.5%**
Operating Expenses / Average total assets	8.6%	8.2%	6.3%	6.8%	6.3%	6.2%	6.3%	6.4%	6.4%	5.7%
PPOP/Average total assets	**2.7%**	**4.0%**	**4.1%**	**2.7%**	**5.2%**	**5.2%**	**3.8%**	**3.2%**	**3.7%**	**3.8%**
Provision Cost / Average total assets	0.3%	1.1%	4.1%	5.2%	0.1%	0.6%	1.7%	1.5%	1.1%	1.1%
Profit before tax / Average total assets	2.3%	2.9%	0.1%	-2.5%	5.2%	4.6%	2.1%	1.7%	2.6%	2.7%
Tax expense/ Average total assets	0.6%	0.7%	0.0%	-0.6%	1.3%	1.1%	0.5%	0.4%	0.6%	0.7%
One-time tax adjustment/Average Total Assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
RoAA	**1.7%**	**2.2%**	**0.1%**	**-1.9%**	**3.9%**	**3.5%**	**1.6%**	**1.3%**	**1.9%**	**2.0%**
Leverage (Average total assets/average Equity or average Net-worth)	6.70	6.42	6.05	7.30	8.12	7.51	7.53	8.15	9.16	10.11
RoAE	**11.6%**	**14.1%**	**0.3%**	**-13.7%**	**31.4%**	**26.1%**	**12.4%**	**10.2%**	**17.9%**	**20.3%**

Source: Company, Centrum Broking

P&L

YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Interest earned	56,772	63,544	68,602	84,761	1,05,291
Interest expended	22,677	27,181	30,557	35,836	45,478
Net Interest Income	**34,095**	**36,363**	**38,045**	**48,925**	**59,813**
Other income	7,868	8,462	11,078	13,240	13,447
Total Income	**41,962**	**44,825**	**49,124**	**62,165**	**73,260**
Operating Expenses	**22,791**	**27,932**	**32,724**	**39,336**	**43,911**
Employees	11,832	14,995	18,090	21,030	24,382
Others	10,959	12,937	14,634	18,307	19,529
PPoP	**19,171**	**16,892**	**16,399**	**22,828**	**29,349**
Provisions	2,149	7,477	7,896	6,727	8,739
Profit before tax	**17,022**	**9,415**	**8,504**	**16,101**	**20,610**
Taxes	4,207	2,155	2,041	4,025	5,153
Net Profit	**12,815**	**7,260**	**6,463**	**12,076**	**15,458**

Ratios

YE Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Growth (%)					
Loans	26.3	16.8	23.6	24.9	24.2
Deposits	23.2	19.6	20.1	23.9	22.3
RWA growth	54.4	3.9	23.1	24.2	24.0
NII	26.4	6.7	4.6	28.6	22.3
Other income	33.5	7.6	30.9	19.5	1.6
Opex	26.5	22.6	17.2	20.2	11.6
PPoP	29.1	(11.9)	(2.9)	39.2	28.6
Provisions	1,107.8	247.9	5.6	(14.8)	29.9
Net profit	16.5	(43.3)	(11.0)	86.9	28.0
Profitability (%)					
Yield on assets	17.0	15.9	14.5	14.6	14.8
Cost of funds	7.3	7.3	7.0	6.7	6.8
NIM	10.2	9.1	8.0	8.4	8.4
Other income / Total inc.	18.7	18.9	22.6	21.3	18.4
Other inc. / avg assets	2.1	1.9	2.2	2.1	1.7
Cost/Income	54.3	62.3	66.6	63.3	59.9
Employee	28.2	33.5	36.8	33.8	33.3
Other	26.1	28.9	29.8	29.4	26.7
Opex/ Avg assets	5.6	5.9	5.9	5.7	5.2
Provisioning cost	0.9	2.6	2.2	1.5	1.6
Tax rate	24.7	22.9	24.0	25.0	25.0
RoE	26.1	12.4	10.2	17.9	20.3
RoA	3.5	1.6	1.3	1.9	2.0
RoRWA	6.2	2.8	2.2	3.3	3.4
Du-pont (%)					
Interest income	15.4	14.4	13.3	13.7	13.7
Interest expenses	6.2	6.2	5.9	5.8	5.9
NII	**9.2**	**8.3**	**7.4**	**7.9**	**7.8**
Other income	2.1	1.9	2.2	2.1	1.7
Total income	**11.4**	**10.2**	**9.5**	**10.0**	**9.5**
Operating expenses	6.2	6.3	6.4	6.4	5.7
Employee	3.2	3.4	3.5	3.4	3.2
Other	3.0	2.9	2.8	3.0	2.5
PPOP	**5.2**	**3.8**	**3.2**	**3.7**	**3.8**
Provisions	0.6	1.7	1.5	1.1	1.1
PBT	**4.6**	**2.1**	**1.7**	**2.6**	**2.7**
Tax	1.1	0.5	0.4	0.6	0.7
RoA	**3.5**	**1.6**	**1.3**	**1.9**	**2.0**

Source: Company, Centrum Broking

Balance sheet

YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Share capital	20,038	20,246	20,360	20,360	20,360
Reserves & surplus	36,097	40,588	45,149	49,387	61,938
Deposits	3,14,622	3,76,305	4,51,786	5,59,558	6,84,093
Borrowings	21,708	28,454	20,667	31,989	62,578
Other Liabilities	11,757	11,299	12,399	15,404	21,902
Total liabilities	**4,04,222**	**4,76,892**	**5,50,361**	**6,76,699**	**8,50,871**
Cash balances with RBI	25,183	31,334	20,655	21,287	44,466
Balances with banks	185	364	392	489	684
Investments	97,660	1,17,300	1,26,066	1,57,480	1,81,285
Advances	2,68,829	3,13,900	3,88,096	4,84,804	6,02,002
Fixed Assets	4,267	4,569	4,820	4,820	5,302
Other Assets	8,098	9,425	12,325	17,350	17,133
Total assets	**4,04,222**	**4,76,891**	**5,52,353**	**6,86,230**	**8,50,871**

Ratios

YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Balance Sheet (%)					
Loans / Deposits	85.4	83.4	85.9	86.6	88.0
Investments / Deposits	31.0	31.2	27.9	28.1	26.5
CASA	26.7	25.6	26.0	27.0	27.5
Assets/equity (x)	7.2	7.8	8.4	9.8	10.3
RWA / Total assets	62.5	55.0	58.5	58.5	58.5
Capital ratios (%)					
CET-1	20.4	21.4	18.8	16.2	15.6
Tier-1	20.4	21.4	18.8	16.2	15.6
Tier-2	1.9	1.7	1.4	1.1	0.9
CRAR	22.3	23.1	20.2	17.3	16.5
Asset quality ratios (%)					
GNPA (Rs mn)	6,123	6,961	9,464	10,037	12,232
NNPA (Rs mn)	763	1,529	2,307	1,637	1,681
GNPA	2.1	2.2	2.4	2.0	2.0
NNPA	0.3	0.5	0.6	0.3	0.3
PCR	87.5	78.0	75.6	83.7	86.3
Slippage	2.3	4.3	3.5	2.3	2.0
NNPA / Equity	1.4	2.5	3.5	2.3	2.0
Per share					
EPS	6.6	3.8	3.3	6.2	8.0
BVPS	29.1	31.4	33.8	36.0	42.5
ABVPS	28.4	30.8	32.9	35.4	41.8
Valuation (x)					
P/E	9.3	16.5	18.6	9.9	7.8
P/BV	2.1	2.0	1.8	1.7	1.5
P/ABV	2.2	2.0	1.9	1.8	1.5

Source: Company, Centrum Broking

Disclaimer

Centrum Broking Limited ("Centrum") is a full-service, Stock Broking Company and a member of The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE). Our holding company, Centrum Capital Ltd, is an investment banker and an underwriter of securities. As a group Centrum has Investment Banking, Advisory and other business relationships with a significant percentage of the companies covered by our Research Group. Our research professionals provide important inputs into the Group's Investment Banking and other business selection processes.

Recipients of this report should assume that our Group is seeking or may seek or will seek Investment Banking, advisory, project finance or other businesses and may receive commission, brokerage, fees or other compensation from the company or companies that are the subject of this material/report. Our Company and Group companies and their officers, directors and employees, including the analysts and others involved in the preparation or issuance of this material and their dependants, may on the date of this report or from, time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Centrum or its affiliates do not own 1% or more in the equity of this company Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We and our Group may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of Centrum. Centrum or its affiliates do not make a market in the security of the company for which this report or any report was written. Further, Centrum or its affiliates did not make a market in the subject company's securities at the time that the research report was published.

This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients of Centrum. Though disseminated to clients simultaneously, not all clients may receive this report at the same time. Centrum will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. Any such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document.

The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by or on behalf of the Company, Centrum, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts.

The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Centrum does not provide tax advice to its clients, and all investors are strongly advised to consult regarding any potential investment. Centrum and its affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk. Certain transactions including those involving futures, options, and other derivatives as well as non-investment-grade securities give rise to substantial risk and are not suitable for all investors. Please ensure that you have read and understood the current risk disclosure documents before entering into any derivative transactions.

This report/document has been prepared by Centrum, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. Centrum has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change.

This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of Centrum. This report or any portion hereof may not be printed, sold or distributed without the written consent of Centrum.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. "Investment in securities market are subject to market risks. Read all the related documents carefully before investing."

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Neither Centrum nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. By accepting this report, you agree to be bound by the fore going limitations. No representation is made that this report is accurate or complete.

The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of Centrum Broking and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection.

This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith.

Centrum and its affiliates have not managed or co-managed a public offering for the subject company in the preceding twelve months. Centrum and affiliates have not received compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for service in respect of public offerings, corporate finance, debt restructuring, investment banking or other advisory services in a merger/acquisition or some other sort of specific transaction.

As per the declarations given by him, Mr. Shailesh Kanani and Mr. Tanay Jain, research analyst and and/or any of their family members do not serve as an officer, director or any way connected to the company/companies mentioned in this report. Further, as declared by them, they are not received any compensation from the above companies in the preceding twelve months. They do not hold any shares by them or through their relatives or in case if holds the shares then will not to do any transactions in the said scrip for 30 days from the date of release such report. Our entire research professionals are our employees and are paid a salary. They do not have any other material conflict of interest of the research analyst or member of which the research analyst knows of has reason to know at the time of publication of the research report or at the time of the public appearance.

While we would endeavour to update the information herein on a reasonable basis, Centrum, its associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Centrum from doing so.

Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Centrum policies, in circumstances where Centrum is acting in an advisory capacity to this company, or any certain other circumstances.

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 or which would subject Centrum Broking Limited or its group companies to any registration or licensing requirement within such jurisdiction. 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. 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.

Ratings definitions

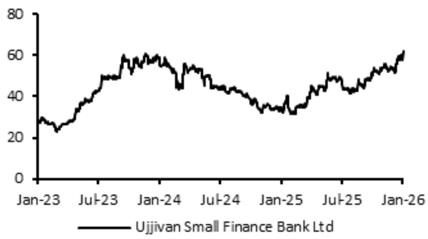
Our ratings denote the following 12-month forecast returns:

Buy – The stock is expected to return above 10%.

Neutral – The stock is expected to deliver -10% to +10% returns.

Sell – The stock is expected to decline more than 10%.

Ujjivan Small Finance Bank



Source: Bloomberg

	Disclosure of Interest Statement	
1	Business activities of Centrum Broking Limited (CBL)	Centrum Broking Limited (hereinafter referred to as "CBL") is a registered member of NSE (Cash, F&O and Currency Derivatives Segments), MCX-SX (Currency Derivatives Segment) and BSE (Cash segment), Depository Participant of CDSL and a SEBI registered Portfolio Manager.
2	Details of Disciplinary History of CBL	CBL has not been debarred/ suspended by SEBI or any other regulatory authority from accessing /dealing in securities market.
3	Registration status of CBL:	CBL is registered with SEBI as a Research Analyst (SEBI Registration No. INH000001469)

		Ujjivan Small Finance Bank
4	Whether Research analyst's or relatives' have any financial interest in the subject company and nature of such financial interest	No
5	Whether Research analyst or relatives have actual / beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the document.	No
6	Whether the research analyst or his relatives has any other material conflict of interest	No
7	Whether research analyst has received any compensation from the subject company in the past 12 months and nature of products / services for which such compensation is received	No
8	Whether the Research Analyst has received any compensation or any other benefits from the subject company or third party in connection with the research report	No
9	Whether Research Analysts has served as an officer, director or employee of the subject company	No
10	Whether the Research Analyst has been engaged in market making activity of the subject company.	No
11	Whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;	No
12	Whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;	No
13	Whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;	No

Member (NSE and BSE). Member MSEI (Inactive)

Single SEBI Regn. No.: INZ000205331

Depository Participant (DP)
CDSL DP ID: 120 – 12200
Single SEBI Regn. No.: IN-DP-537-2020

PORTFOLIO MANAGER

SEBI REGN NO.: INP000004383

Research Analyst
SEBI Registration No. INH000001469

Mutual Fund Distributor
AMFI REGN No. ARN- 147569

Website: www.centrumbroking.com
Investor Grievance Email ID: investor.grievances@centrum.co.in

Compliance Officer Details:
Chintan Madiya
(022) 4215 9000/9815; Email ID: compliance@centrum.co.in

Centrum Broking Ltd. (CIN :U67120MH1994PLC078125)

Registered and Corporate Office:
Level -9, Centrum House, C.S.T. Road,
Vidyanagari Marg, Kalina,
Santacruz (East) Mumbai – 400098
Tel.: - +91 22 4215 9000