BUY

Ujjivan Small Finance Bank

Strong delivery lifts guidance; reiterate BUY

BFSI - Banks | Result Update | **July 27, 2026**

CMP (Rs): 71 | TP (Rs): 85

Ujjivan SFB reported strong PAT of Rs3.17bn (up 207% yoy/12% qoq) with ROA of 2.2%, ahead of our/consensus estimates by 4/13%. AUM growth accelerated to 29% yoy, while margins were stable qoq at 8.5% and credit cost moderated to 1.34% (-25bps qoq). Credit growth continues to be driven by MSME and mortgages, while MFI growth has gained momentum (17% yoy, 3% qoq). The MFI group PAR 0+, 30+, and 60+ DPD continue to trend downward by 10bps/30bps/30bps qoq to 4.1%/3.7%/3.4%, respectively. The management raised its FY27 ROA guidance to 1.8–2.0% from 1.6% and lowered its credit cost guidance to 0.9–1.0% of ATA from 1.4-1.5%, while reaffirming ~25% loan growth and a secured loan mix of over 56% by FY27-end. We believe Ujjivan remains a strong play on the MFI recovery story and should drive ROA up to 1.6-1.9% over FY27-29E, from 1.3% in FY26. We retain BUY and raise our TP by ~6% to Rs85 (from Rs80), on rolling forward to 1.7x Jun-28E PABV.

Broad-based AUM momentum continues with stable NIM

Ujjivan delivered strong AUM growth, continuing its momentum of ~29% yoy/5.5% qoq (vs ~27%/22% yoy in 4Q/3Q), driven by broad-based expansion across segments. Group loans grew 17.2% yoy/3.3% qoq, while individual loans grew 16% yoy/2.9% qoq. Secured segments such as retail and MSME continue to gain traction, lifting the share of secured loans to 50% (vs 49% in 4QFY26/43.5% in FY25). NIM was stable at 8.5% qoq, with the management expecting margins to broadly remain at current levels, barring any increase in funding costs. We expect NIM to gradually settle at a lower level as the secured portfolio mix continues to increase.

Asset quality continues to improve; credit cost guidance revised downward

Asset quality improved further, with gross slippage declining to Rs1.7bn (1.6% of loans) and GNPA/NNPA improving to 2.16%/0.34% vs 2.27%/0.4% in FY25. The improvement was led by sustained normalization in the unsecured portfolio, with group/individual loan GNPAs declining to 3.1%/2.8% vs 3.4%/2.7%, respectively. Collection efficiency remained robust at 99.7%, prompting the management to lower FY27 credit cost guidance to 0.9–1.0% of ATA from 1.4-1.5% of gross loans. The MFI group PAR 0+, 30+, and 60+ DPD trend lower by 10bps/30bps/30bps qoq to 4.1%/3.7%/3.4%, respectively. The seasonal uptick in delinquencies across select secured segments is expected to normalize as the portfolio seasons.

We retain BUY on Ujjivan SFB

Notwithstanding the near-term setback of the Universal Banking license rejection, we believe Ujjivan remains a strong play on the MFI recovery story and should drive ROA up to 1.6-1.9% over FY27-29E, from 1.3% in FY26. Thus, we retain BUY and raise TP by ~6% to Rs85 (from Rs80), on rolling forward to 1.7x Jun-28E PABV. Key risks: macro and micro disruption leading to slower-than-expected growth and higher NPAs; KMP attrition.

Target Price – 12M	Jun-27
Change in TP (%)	**6.3**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	19.7

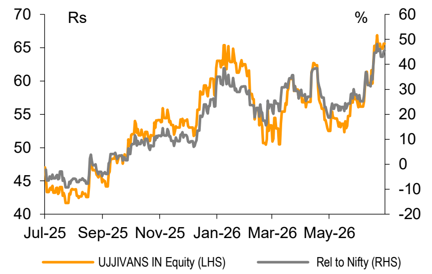
Stock Data	**UJJIVANS IN**
52-week High (Rs)	72
52-week Low (Rs)	41
Shares outstanding (mn)	1,945.8
Market-cap (Rs bn)	138
Market-cap (USD mn)	1,425
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	17.9
ADTV-3M (Rs mn)	1,096.8
ADTV-3M (USD mn)	11.4
Free float (%)	94.5
Nifty-50	23,767.4
INR/USD	96.6

Shareholding,Jun-26	
Promoters (%)	0.0
FPIs/MFs (%)	16.8/33.5

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	23.6	24.5	54.7
Rel. to Nifty	24.9	25.2	63.1

1-Year share price trend (Rs)



Ujjivan Small Finance Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Net profit	7,261	6,926	11,352	14,873	19,561
Loan growth (%)	16.8	26.7	26.3	26.2	26.2
NII growth (%)	6.7	6.5	26.9	21.1	23.0
NIM (%)	8.5	7.6	7.9	7.7	7.6
PPOP growth (%)	(11.9)	1.2	35.8	22.3	25.3
Adj. EPS (Rs)	3.8	3.6	5.8	7.7	10.1
Adj. EPS growth (%)	(43.1)	(4.9)	63.6	31.0	31.5
Adj. BV (INR)	30.8	34.4	39.6	46.5	55.5
Adj. BVPS growth (%)	7.2	11.5	15.2	17.3	19.4
RoA (%)	1.6	1.3	1.8	1.9	2.0
RoE (%)	12.4	10.7	15.5	17.4	19.2
P/E (x)	18.8	19.8	12.1	9.2	7.0
P/ABV (x)	2.3	2.1	1.8	1.5	1.3

Source: Company, Emkay Research

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Key concall takeaways

Outlook on loans, deposits, and NIM

- The management reiterated its ~25% advance growth guidance for FY27. ROA guidance has been increased to 1.8–2.0% (from 1.6% earlier), supported by improving asset quality, lower credit costs, and better operating leverage. Opex-to-average-assets guidance remains at 6.4%, despite continued investments in branches, branding, and technology.
- Operating leverage is expected to improve beyond FY27 as productivity from branch additions and technology investments increases.
- While macro risks remain from West Asia, El Niño, weaker Kharif sowing, tight liquidity, and competitive CASA pricing, the management remains confident of delivering its FY27 financial targets.
- The secured portfolio grew 42.7% yoy, taking the secured mix to 50.4% of loans; the management reiterated its target of 56% secured portfolio (44:56 MFI:Non-MFI mix) by FY27-end.
- Growth remained broad-based across secured businesses—Affordable Housing (+40.8% yoy), MSME (+54% yoy), Gold Loans (+249% yoy), and Vehicle Finance (+85% yoy).
- The management continues to position gold loans as a key growth engine, having activated over 100 branches during 1QFY27.
- The bank plans to expand the network to 575 branches by FY27-end, with monthly disbursements expected to reach Rs2.4–2.5bn. Around 40% of gold loan sourcing was from new-to-bank customers, and the bank's medium-term objective is to roll out the product across nearly all branches.
- Borrower base increased to 10.22mn, reversing seven consecutive quarters of decline, supported by healthy customer additions.
- New businesses (Gold, Agri, and Vehicle Finance) contributed 7% of the loan book and 9% of quarterly disbursements, providing incremental growth levers.
- Affordable Housing disbursements are running at Rs3.5–3.7bn/month, while Micro Mortgage disbursements (~Rs1bn/month) are targeted to increase to Rs1.4bn/month by FY27-end, with incremental mortgage growth expected to be driven by Micro Mortgages.
- MSME ticket sizes have been increased to Rs10–12mn, expanding banking relationships while maintaining prudent underwriting.
- The management continues to scale new businesses through digital unsecured loans, invoice discounting, mid-corporate lending, and pre-owned vehicle finance.
- NIM was stable at 8.5% despite competitive pricing pressures. Cost of funds declined to 6.86%, although the management indicated deposit repricing benefits have largely played out.
- Going forward, the management expects only a marginal increase in funding costs, with no significant deterioration in margins.
- Stable MFI yields, healthy Micro Mortgage yields (18–19%), Gold Loans, and Vehicle Finance are expected to offset pricing pressure in Affordable Housing and MSME.
- Affordable Housing yields are stable at ~12.5%, supported by semi-urban focus and disciplined ticket-size strategy.
- MSME yields are expected to stabilize at ~10–10.2%, with lower operating costs and credit costs partly offsetting lower lending yields.
- The management expects CASA momentum to continue through FY27, driven by segment-focused liability mobilization (HNI, NRI, TASC, and salary accounts), branch expansion, and FCNR(B) deposits.

- The top 8 markets delivered 75% CASA growth, while the top 30 markets recorded 36% deposit growth. Bulk deposits remain ~30% of total deposits, with the management targeting similar levels going forward. ~Rs0.6bn of FCNR(B) deposits were mobilized during the quarter.

- Liquidity remains comfortable with LCR of ~132%, while the management sees no immediate requirement for further deposit rate hikes.

Asset quality

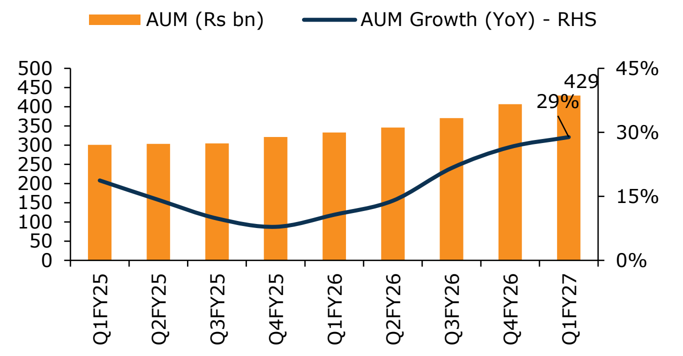
- The Micro Mortgage portfolio continues to season well, with 95% on-time repayments, 99.7% Bucket-X collection efficiency, and only a modest increase in PAR as the book matures.
- The management remains cautious on Kerala, while witnessing stronger portfolio performance and growth opportunities in states such as Uttar Pradesh and Bihar.
- FY27 credit cost guidance has been lowered to 0.9–1.0% of average assets, reflecting improving collection trends and lower slippages.
- The management has indicated confidence that collection efficiencies are likely to be stable, and asset quality trends should remain healthy, with no indication of any requirement for incremental contingency provisioning related to regulatory considerations or future strategic initiatives.

Other highlights

- To maintain adequate capital buffers above internal thresholds and support medium-term growth ambitions, the Board has approved an equity capital raise of up to Rs20bn, primarily intended to fund organic growth over the next several years rather than inorganic acquisitions.
- The bank plans capex of ~Rs2.5bn on branch expansion, branding, and technology during the rest of FY27.
- Mutual fund distribution and insurance cross-sell continue to gain traction, supporting non-interest income.
- Co-branded credit cards are currently under testing and are expected to improve customer engagement.
- The management does not plan to enter HCV/LCV financing before 4QFY27, preferring to first scale pre-owned vehicle finance.

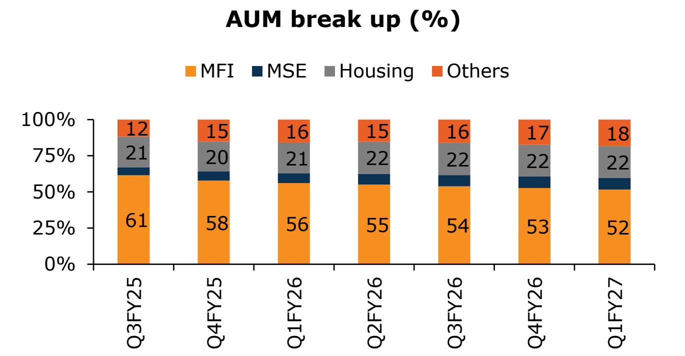
Story in charts

Exhibit 1: AUM growth remains healthy, driven by broad-based expansion across segments, with improvement in MFI growth



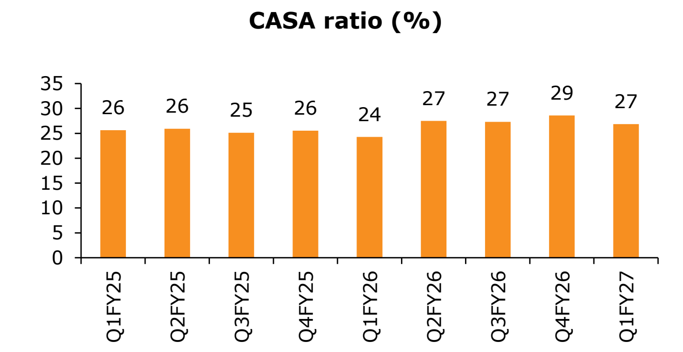
Source: Company, Emkay Research

Exhibit 2: AUM mix changes toward the secured portfolio, while MFI share declines to 52%



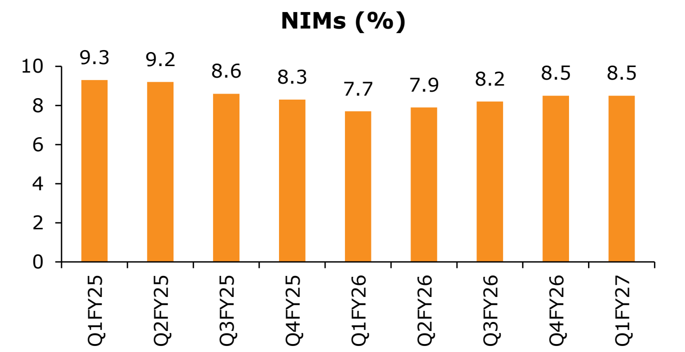
Source: Company, Emkay Research

Exhibit 3: CASA growth continues to be healthy with the CASA ratio remaining range-bound at 26-27%



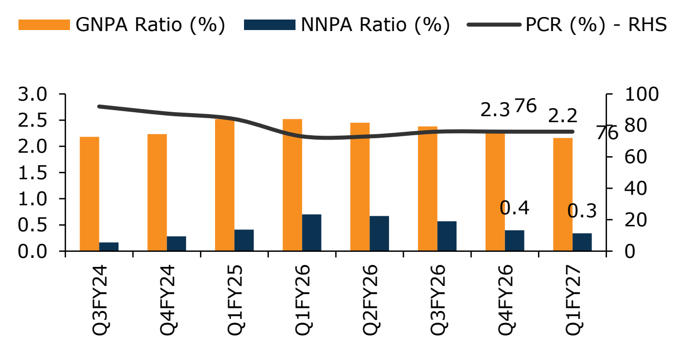
Source: Company, Emkay Research

Exhibit 4: Margin stable qoq



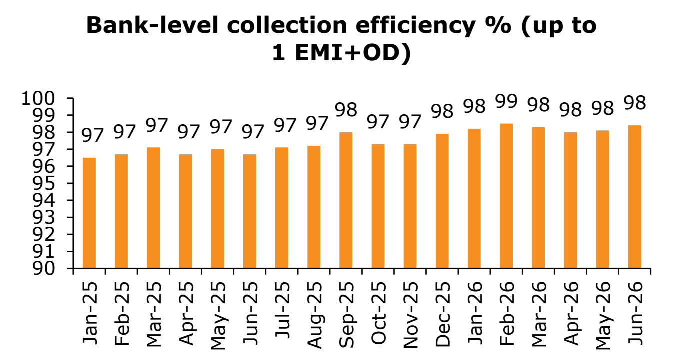
Source: Company, Emkay Research

Exhibit 5: Lower incremental stress flows led to a reduction in gross slippages, supporting an improvement in GNPA



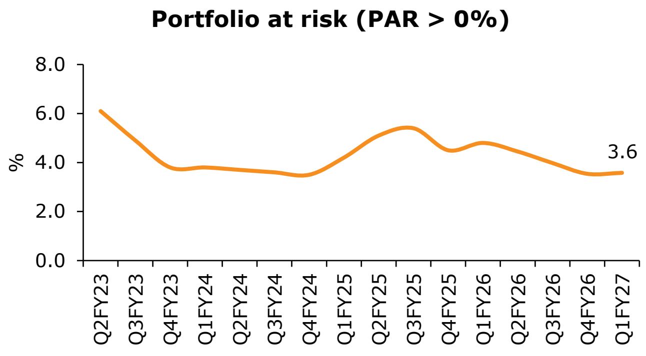
Source: Company, Emkay Research

Exhibit 6: Collection efficiency stable MoM



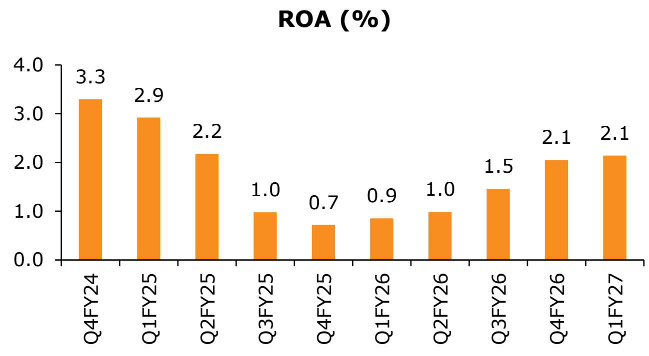
Source: Company, Emkay Research

Exhibit 7: PAR book stable qoq led by marginal rise across the segment



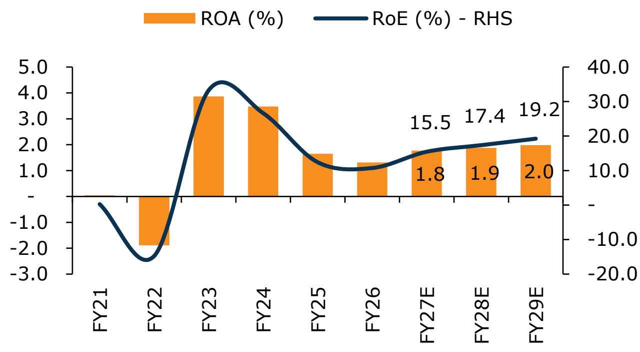
Source: Company, Emkay Research

Exhibit 8: Higher NII, coupled with contained opex and lower provisions, drove an improvement in ROA



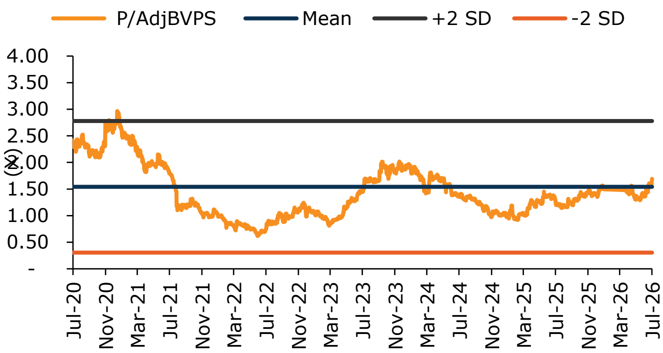
Source: Company, Emkay Research

Exhibit 9: Better NII, other income, and lower provisions likely to improve ROA over FY27-29E



Source: Company, Emkay Research

Exhibit 10: The stock currently trades above its mean valuation



Source: Company, Emkay Research

Exhibit 11: Actuals vs estimates (Q1FY27)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	14,434	14,559	13,508	-1%	7%	Lower other income led to a miss.
PPOP	5,481	5,682	5,281	-4%	4%	Lower net income, coupled with higher opex, led to a beat.
PAT	3,165	3,054	2,803	4%	13%	Lower PPOP offset by lower provisions led to a PAT beat.

Source: Company, Emkay Research

Exhibit 12: Quarterly summary

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)	FY26	FY27E	yoy (%)
Interest earned	16,188	16,823	17,519	18,784	20,249	25	8	69,314	83,988	21
Interest expenses	7,629	7,606	7,515	7,855	8,376	10	7	30,604	34,853	14
Net Interest Income	8,560	9,217	10,005	10,929	11,874	39	9	38,710	49,135	27
Global NIMs (reported)	7.7	7.9	8.2	8.5	8.5	80bps	0bps	7.6	7.9	31bps
Non-interest income	2,490	2,564	2,955	3,067	2,560	3	-17	11,075	12,326	11
Operating expenses	7,445	7,828	8,562	8,850	8,953	20	1	32,684	38,235	17
Pre-provisioning profit	3,605	3,952	4,398	5,146	5,481	52	7	17,101	23,226	36
Provision and contingencies	2,249	2,350	1,953	1,439	1,273	-43	-11	7,991	8,050	1
PBT	1,355	1,603	2,445	3,708	4,207	210	13	9,110	15,177	67
Income tax expense (Gain)	323	386	587	888	1,042	222	17	2,184	3,825	75
Net Profit/(Loss)	1,032	1,217	1,857	2,820	3,165	207	12	6,926	11,352	64
Gross NPA (%)	2.5	2.5	2.4	2.3	2.2	-36bps	-11bps	2.3	2.0	-23bps
Net NPA (%)	0.7	0.7	0.6	0.4	0.3	-36bps	-6bps	0.5	0.4	-6bps
Deposits (Rs bn)	386.2	392.1	422.2	456.7	481.3	25	5	456.7	569.5	24.7
Net Advances (Rs bn)	325.0	338.1	362.3	397.6	419.8	29	6	397.6	502.3	26.3

Source: Company, Emkay Research

Exhibit 13: Revision in estimates

Y/E Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	61,425	61,461	0.1%	73,105	73,352	0.3%	88,073	89,246	1.3%
PPOP	22,513	23,226	3.2%	27,322	28,407	4.0%	34,332	35,600	3.7%
PAT	10,559	11,352	7.5%	14,015	14,873	6.1%	18,803	19,561	4.0%
EPS (Rs)	5.4	5.8	7.5%	7.2	7.7	6.1%	9.7	10.1	4.0%
BV (Rs)	40.1	40.5	1.0%	46.8	47.7	1.8%	55.8	57.0	2.2%

Source: Company, Emkay Research

Exhibit 14: Key assumptions

(%)	FY26A	FY27E	FY28E	FY29E
Loan growth	26.7	26.3	26.2	26.2
Deposit growth	21.4	24.7	26.4	26.6
NIM	7.6	7.9	7.7	7.6
GNPA	2.3	2.0	1.9	1.7
Credit cost	2.2	1.6	1.4	1.3

Source: Emkay Research

Exhibit 15: Key ratios and trends

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Loans (Rs mn)	**300,690**	**303,440**	**304,660**	**321,220**	**332,870**	**345,880**	**370,570**	**406,550**	**429,030**
Growth yoy (%)	*18.7*	*14.2*	*9.8*	*7.9*	*10.7*	*14.0*	*21.6*	26.6	*28.9*
Growth qoq (%)	*1.0*	*0.9*	*0.4*	*5.4*	*3.6*	*3.9*	*7.1*	9.7	*5.5*
Composition (%)									
- MFI	69.0	63.7	61.5	56.9	55.0	53.7	52.3	50.9	49.8
- SME (MSE)	4.7	5.0	5.6	6.4	6.8	7.4	7.7	7.9	8.1
- Retail (Housing)	16.4	19.1	21.1	20.5	21.2	22.1	22.2	21.9	21.9
- Others	10.0	12.3	11.8	16.2	17.0	16.8	17.8	19.2	20.2
Liability profile (%)									
Deposit (Rs mn)	**325,140**	**340,698**	**344,940**	**376,305**	**386,190**	**392,109**	**422,230**	**456,683**	**481,290**
Growth yoy	*22.0*	*16.9*	*16.3*	*19.6*	*18.8*	*15.1*	*22.4*	21.4	*24.6*
Growth qoq	*3.3*	*4.8*	*1.2*	*9.1*	*2.6*	*1.5*	*7.7*	8.2	*5.4*
CASA (Rs mn)	83,350	88,330	86,570	96,120	93,810	107,830	115,350	130,610	129,300
CASA ratio	26	26	25	26	24	27	27	29	27
Asset quality									
Gross NPA (Rs mn)	6,972	7,500	8,112	6,959	8,344	8,431	8,794	9,167	9,237
Net NPA (Rs mn)	1,112	1,641	1,649	1,524	2,261	2,250	2,081	1,704	1,417
GNPA (%)	**2.5**	**2.5**	**2.7**	**2.2**	**2.5**	**2.5**	**2.4**	**2.3**	**2.2**
NNPA (%)	**0.4**	**0.6**	**0.6**	**0.5**	**0.7**	**0.7**	**0.6**	**0.4**	**0.3**
RSA (%)	**0.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Specific PCR (%)	84.0	78.1	80.0	78.0	73.0	73.0	76.0	81.0	85.0
Capital adequacy (%)									
CRAR	24.9	23.4	23.9	23.1	22.8	21.4	21.6	21.1	20.4
Tier-I	23.0	21.6	22.1	21.4	21.2	19.9	20.1	19.7	19.2
RoE decomposition – on total assets (%)									
NII	9.1	8.8	8.0	7.4	7.1	7.5	7.9	8.0	8.0
Other income	1.9	1.9	1.6	2.3	2.1	2.1	2.3	2.2	1.7
Net income	**11.0**	**10.7**	**9.5**	**9.8**	**9.1**	**9.5**	**10.2**	**10.2**	**9.8**
Opex	6.1	6.4	6.3	6.7	6.2	6.3	6.7	6.4	6.1
PPOP	**4.9**	**4.3**	**3.2**	**3.1**	**3.0**	**3.2**	**3.5**	**3.7**	**3.7**
Provisions	1.1	1.4	2.0	2.3	1.9	1.9	1.5	1.0	0.9
PBT	**3.9**	**2.9**	**1.2**	**0.8**	**1.1**	**1.3**	**1.9**	**2.7**	**2.8**
Tax	1.0	0.7	0.2	0.1	0.3	0.3	0.5	0.6	0.7
ROA	**2.9**	**2.2**	**1.0**	**0.7**	**0.9**	**1.0**	**1.5**	**2.1**	**2.1**
Leverage (x)	7.1	7.3	7.5	7.7	7.9	7.9	7.9	8.2	8.5
ROE	**20.9**	**15.8**	**7.3**	**5.5**	**6.7**	**7.8**	**11.6**	**16.9**	**18.1**

Source: Company, Emkay Research

Ujjivan Small Finance Bank: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	63,544	69,314	83,988	100,833	123,197
Interest Expense	27,181	30,604	34,853	41,353	50,055
Net interest income	**36,363**	**38,710**	**49,135**	**59,480**	**73,142**
NII growth (%)	6.7	6.5	26.9	21.1	23.0
Other income	8,462	11,075	12,326	13,872	16,104
Total Income	**44,825**	**49,785**	**61,461**	**73,352**	**89,246**
Operating expenses	27,932	32,684	38,235	44,945	53,646
PPOP	**16,892**	**17,101**	**23,226**	**28,407**	**35,600**
PPOP growth (%)	(11.9)	1.2	35.8	22.3	25.3
Core PPOP	**16,818**	**16,281**	**22,488**	**27,743**	**34,969**
Provisions & contingencies	7,477	7,991	8,050	8,524	9,448
PBT	**9,416**	**9,110**	**15,177**	**19,883**	**26,152**
Extraordinary items	0	0	0	0	0
Tax expense	2,155	2,184	3,825	5,011	6,590
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**7,261**	**6,926**	**11,352**	**14,873**	**19,561**
PAT growth (%)	(43.3)	(4.6)	63.9	31.0	31.5
Adjusted PAT	**7,261**	**6,926**	**11,352**	**14,873**	**19,561**
Diluted EPS (Rs)	**3.8**	**3.6**	**5.8**	**7.7**	**10.1**
Diluted EPS growth (%)	(43.1)	(4.9)	63.6	31.0	31.5
DPS (Rs)	**1.5**	**0.3**	**0.4**	**0.5**	**0.7**
Dividend payout (%)	**39.9**	**8.4**	**6.8**	**6.5**	**7.0**
Effective tax rate (%)	22.9	24.0	25.2	25.2	25.2
Net interest margins (%)	8.5	7.6	7.9	7.7	7.6
Cost-income ratio (%)	62.3	65.6	62.2	61.3	60.1
Shares outstanding (mn)	1,935.0	1,942.7	1,942.7	1,942.7	1,942.7

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	19,350	19,427	19,427	19,427	19,427
Reserves & surplus	41,484	48,686	59,261	73,162	91,364
Net worth	**60,834**	**68,113**	**78,688**	**92,590**	**110,791**
Deposits	376,305	456,683	569,450	719,634	911,049
Borrowings	28,454	37,360	42,964	49,409	56,820
Interest bearing liab.	**404,758**	**494,043**	**612,414**	**769,043**	**967,869**
Other liabilities & prov.	**11,299**	**13,256**	**14,828**	**17,701**	**16,319**
Total liabilities & equity	**476,892**	**575,412**	**705,930**	**879,333**	**1,094,980**
Net advances	313,900	397,606	502,300	634,057	800,133
Investments	117,300	127,243	142,455	170,785	203,761
Cash, other balances	31,698	34,437	42,869	53,833	67,751
Interest earning assets	**462,898**	**559,285**	**687,624**	**858,676**	**1,071,645**
Fixed assets	4,569	4,931	5,385	5,910	6,488
Other assets	9,424	11,197	12,922	14,747	16,847
Total assets	**476,892**	**575,412**	**705,930**	**879,333**	**1,094,980**
BVPS (Rs)	31.4	35.1	40.5	47.7	57.0
Adj. BVPS (INR)	30.8	34.4	39.6	46.5	55.5
Gross advances	319,336	405,068	510,386	643,086	810,289
Credit to deposit (%)	83.4	87.1	88.2	88.1	87.8
CASA ratio (%)	25.6	28.6	30.7	32.6	34.5
Cost of deposits (%)	7.2	6.9	6.4	6.1	5.9
Loans-to-Assets (%)	65.8	69.1	71.2	72.1	73.1
Net advances growth (%)	16.8	26.7	26.3	26.2	26.2
Deposit growth (%)	19.6	21.4	24.7	26.4	26.6
Book value growth (%)	8.2	11.5	15.5	17.7	19.7

Source: Company, Emkay Research

Asset quality and other metrics

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	6,959	9,167	10,367	12,039	14,105
Net NPLs	1,522	1,704	2,281	3,010	3,949
GNPA ratio (%)	2.2	2.3	2.0	1.9	1.7
NNPA ratio (%)	0.5	0.4	0.5	0.5	0.5
Provision coverage (%)	78.1	81.0	78.0	75.0	72.0
Gross slippages	11,288	11,890	11,994	12,862	12,862
Gross slippage ratio (%)	3.5	2.9	2.4	2.0	2.0
LLP ratio (%)	2.5	2.2	1.6	1.4	1.3
NNPA to networth (%)	2.4	2.4	2.8	3.1	3.4
Capital adequacy					
Total CAR (%)	23.1	21.1	20.0	18.9	18.2
Tier-1 (%)	21.4	19.7	18.8	18.0	17.5
CET-1 (%)	21.4	19.7	18.8	18.0	17.5
RWA-to-Total Assets (%)	55.0	55.2	55.0	55.0	55.0
Miscellaneous					
Total income growth (%)	11.4	11.6	19.8	19.1	21.4
Opex growth (%)	22.6	17.0	17.0	17.5	19.4
Core PPOP growth (%)	(11.2)	(3.2)	38.1	23.4	26.0
PPOP margin (%)	23.5	21.3	24.1	24.8	25.6
PAT/PPOP (%)	43.0	40.5	48.9	52.4	54.9
LLP-to-Core PPOP (%)	44.5	49.1	35.8	30.7	27.0
Yield on advances (%)	19.0	17.2	16.6	15.9	15.6
Cost of funds (%)	7.3	6.8	6.3	6.0	5.8

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	18.8	19.8	12.1	9.2	7.0
P/B (x)	2.2	2.0	1.7	1.5	1.2
P/ABV (x)	2.3	2.1	1.8	1.5	1.3
P/PPOP (x)	8.1	8.0	5.9	4.8	3.9
Dividend yield (%)	2.1	0.4	0.6	0.7	1.0
DuPont-RoE split (%)					
NII/avg assets	8.3	7.4	7.7	7.5	7.4
Other income	1.9	2.1	1.9	1.8	1.6
Fee income	1.9	1.9	1.8	1.7	1.6
Opex	6.3	6.2	6.0	5.7	5.4
PPOP	**3.8**	**3.3**	**3.6**	**3.6**	**3.6**
Core PPOP	3.8	3.1	3.5	3.5	3.5
Provisions	1.7	1.5	1.3	1.1	1.0
Tax expense	0.5	0.4	0.6	0.6	0.7
RoA (%)	**1.6**	**1.3**	**1.8**	**1.9**	**2.0**
Leverage ratio (x)	7.5	8.2	8.7	9.3	9.7
RoE (%)	**12.4**	**10.7**	**15.5**	**17.4**	**19.2**

Quarterly data

Rs mn	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
NII	8,560	9,217	10,005	10,929	11,874
NIM (%)	7.7	7.9	8.2	8.5	8.5
PPOP	3,605	3,952	4,398	5,146	5,481
PAT	1,032	1,217	1,857	2,820	3,165
EPS (Rs)	0.5	0.6	1.0	1.5	1.6

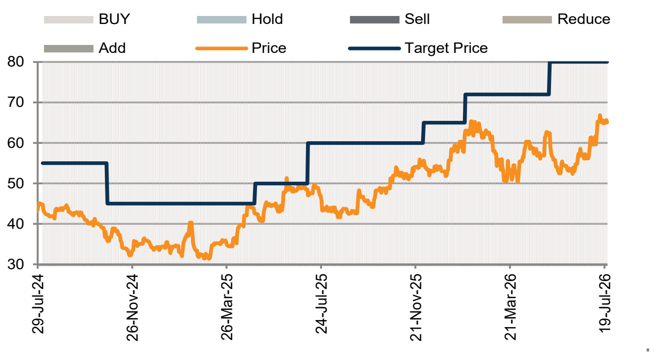
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
10-Jul-26	65	80	Buy	Avinash Singh
10-May-26	62	80	Buy	Anand Dama
19-Mar-26	52	72	Buy	Anand Dama
23-Jan-26	63	72	Buy	Anand Dama
01-Dec-25	56	65	Buy	Anand Dama
19-Oct-25	49	60	Buy	Anand Dama
09-Sep-25	47	60	Buy	Anand Dama
25-Jul-25	43	60	Buy	Anand Dama
07-Jul-25	47	60	Buy	Anand Dama
01-May-25	43	50	Buy	Anand Dama
09-Apr-25	39	45	Buy	Anand Dama
24-Jan-25	33	45	Buy	Anand Dama
25-Dec-24	34	45	Buy	Anand Dama
25-Oct-24	36	45	Buy	Anand Dama
04-Aug-24	45	55	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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