

Guidance cut on expected lines

Ujjivan SFB (Ujjivan) posted numbers for 2QFY25 which were lower than our expectations primarily poor asset quality. NII for the quarter came in at Rs9.4bn (up around 15%/flat YoY/QoQ) which was in line with our expectations. Cost/assets continued its upward trajectory 6.16% vs. 6.1%/5.7% in 1QFY25/2QFY24. Slippages for the quarter came in at 3.2% vs. 2.6% in 1QFY25. Resultantly, credit cost spiked to 1.72% vs. 1.47% in 1QFY25. RoA/RoE for the quarter were lower at 2.2%/15.8%. Further, given the QoQ spike of 90bps in PAR to 5.1% we expect huge jump in credit cost in 2HFY25. Management has revised its loan book growth guidance for FY25, prioritizing the containment of slippages and aligning with the MFIN guardrails. With three challenging quarters already behind us, much of the strain is reflected in the stock's significant de-rating, with a >35% decline YTD. Also, the management has started to observe early signs of improvement in CE. Against this backdrop, we maintain our BUY rating on the stock but lower the target multiple from 1.8x to 1.5x to reflect the reduced growth outlook and moderated return profile. Despite factoring in higher credit costs for the second half, we still expect Ujjivan to achieve a 12% RoE in FY25. If the MFI cycle improves as anticipated, the bank is well-positioned to deliver an 18% RoE by FY26. Our revised TP stands at Rs58 (1.5x1HFY27).

Financial performance below expectations

NII came in at Rs9.4bn, (15% YoY /flat QoQ) was in line with our expectations. NIMs (calc) for the quarter came in at 10.2% a sequential decline of 47bps. CTI for the quarter was sequentially higher at 60.0% vs. 55.2% in 1QFY25. Opex to asset also increased by 30bps to 6.4%. PPOP came at Rs4.6bn (down 5% YoY /down 10% QoQ). Provision for the quarter surge up to Rs1.51bn (221% YoY/ 37%QoQ). The PAT came in at Rs2.3bn, showing a decline of 28.9%/22.6% YoY/QoQ. Annualized gross slippages were 3.2% of AUM (up 59bps sequentially) and bank did a write off of Rs1400mn during the quarter.

Gross loan book (up 1% QoQ) and Deposits (up 4.8% QoQ) – comfortable LDR of 86%

Gross loan book at Rs303bn up 14%/1% Y-o-Y/Q-o-Q with Non-MFI (secured) book forming 69% of the book. Secured book increased sequentially by 100bps. Disbursements were at Rs53.8bn which were up 2% QoQ. **Sequentially, the ATS in JLG/IL exhibited an increase of 3.2%/0.1%, respectively.** Total Deposits stands at Rs341bn, up by 17% YoY and 4.8% QoQ. CASA has been sequentially flattish and stands at 25.9% vs. 25.6% in 1QFY25.

Management withdraws growth and RoE guidance amid MFI challenges

Management has withdrawn its loan book growth guidance (previously 20%) due to uncertainties in the MFI segment. However, they provided an outlook on other segments: 1) Secured book is projected to grow by over 40%, shifting the AUM composition from 36:64 (secured: unsecured) to 40:60. IL book is expected to grow around 17% for the year. NIM guidance has been revised down from ~9% to ~8.6%, reflecting the shrinking MFI portfolio and anticipated interest income reversals. Additionally, the credit cost forecast has been raised from 1.7% to 2.3%-2.5%, as recent slippages in the MFI segment are likely to impact asset quality. As a result, management has also withdrawn its earlier RoE guidance of 20% for the year.

Financial and valuation summary

YE Mar (Rs mn)	2QFY25A	2QFY24A	YoY (%)	1QFY25A	QoQ (%)	FY25E	FY26E	FY27E
NII	9,438	8,233	14.6	9,415	0.2	36,186	43,602	53,279
PPoP	4,608	4,834	(4.7)	5,095	(9.6)	16,883	20,482	24,434
Provisions	1,505	469	220.8	1,099	37.0	7,217	4,707	6,198
Net profit	2,330	3,277	(28.9)	3,011	(22.6)	7,250	11,831	13,677
Loan growth (%)	20.0	39.5		22.3		10.5	24.7	22.7
NIM (%)	10.2	10.8		10.7		9.4	9.6	9.4
Cost/income (%)	60.0	52.2		55.2		61.7	61.5	61.9
GNPA (%)	2.5	2.3		2.5		2.9	2.2	2.2
RoA (%)	2.3	4.0		3.1		1.7	2.4	2.2
RoE (%)	17.5	30.7		23.0		12.3	17.8	17.7
P/ABV (x)						1.2	1.0	0.9

Source: Company, Centrum Broking

Market Data

Bloomberg:	UJJIVANS IN
52 week H/L:	63/36
Market cap:	Rs70.8bn
Shares Outstanding:	1934.5mn
Free float:	91.9%
Avg. daily vol. 3mth:	1,39,05,030

Source: Bloomberg

Changes in the report

Rating:	BUY; Unchanged
Target price:	Changed from Rs68 to Rs58
ABV:	FY25E; 30.7 FY26E; 35.9

Source: Centrum Broking

Shareholding pattern

	Sep-24	Jun-24	Mar-24	Dec-23
Promoter	0.0	0.0	73.5	73.6
FIIs	20.6	24.7	3.5	3.7
DIIIs	6.5	7.3	2.3	4.0
Public/other	72.9	68.0	20.7	18.7

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q2FY25	Actual Q2FY25	Variance (%)
NII	9,410	9,438	0.3
PPOP	4,956	4,608	-7.0
Provision	1,587	1,505	-5.1
PAT	2,527	2,330	-7.8

Source: Bloomberg, Centrum Broking



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Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY25E New	FY25E Old	% chg	FY26E New	FY26E Old	% chg
NII	36,186	37,416	-3.3	43,602	46,593	-6.4
PPoP	16,883	18,307	-7.8	20,482	23,971	-14.6
PAT	7,250	8,040	-9.8	11,831	14,186	-16.6

Source: Centrum Broking

Ujjivan Small Finance versus NIFTY Midcap 100

	1m	6m	1 year
UJJIVANS IN	(2.9)	(19.7)	(0.2)
NIFTY Midcap 100	2.7	20.2	53.1

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	FY25E	FY26E
AUM Growth	9.7%	24.7%
NII growth	6.1%	20.5%
Other Inc./Assets	1.9%	1.9%
Opex/Assets	6.4%	6.5%
Provision Cost	2.3%	1.3%

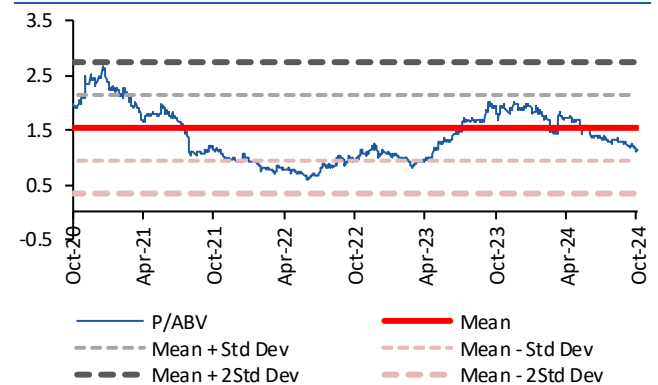
Source: Centrum Broking

Valuations

We maintain our BUY rating on the stock but lower the target multiple from 1.8x to 1.5x to reflect the reduced growth outlook and moderated return profile. Despite factoring in higher credit costs for the second half, we still expect Ujjivan to achieve a 12% RoE in FY25. If the MFI cycle improves as anticipated, the bank is well-positioned to deliver an 18% RoE by FY26. Our revised TP stands at Rs58 (1.5x1HFY27).

Valuations	Rs/share
ABV/share (1HFY27E)	39.0
Ascribed P/BV (x)	1.5
Target Price (Rs)	58
Upside to CMP	57%

P/ABV mean and standard deviation



Source: Bloomberg, Centrum Broking

Peer comparison

Company	EPS (Rs)				ABVPS (Rs)				RoAA (%)				RoAE (%)			
	FY23A	FY24	FY25E	FY26E	FY23A	FY24	FY25E	FY26E	FY23A	FY24	FY25E	FY26E	FY23A	FY24	FY25E	FY26E
AUBANK	21.4	22.9	30.6	38.4	160.8	181.8	217.6	221.7	1.8	1.5	1.7	1.6	15.9	12.4	15.4	16.6
EQSFB	5.2	7.0	5.6	9.7	43.6	49.4	54.5	62.0	1.9	2.0	1.3	1.8	12.2	14.4	10.2	15.7
SURYODAY	7.3	20.3	20.5	41.9	142.7	165.0	186.7	229.1	0.9	1.9	1.6	2.5	5.0	12.7	11.3	19.7
Average	11.3	16.7	18.9	30	115.7	132.1	152.9	170.9	1.5	1.8	1.5	2.0	11.0	13.2	12.3	17.3
UJJIVANS	5.6	6.6	3.7	6.1	21.5	28.4	30.7	35.9	3.9	3.5	1.7	2.4	31.4	26.1	12.3	17.8

Company	CMP (Rs)	Rating	TP (Rs)	Mcap (Rsbn)	CAGR (FY24-26E)				P/E (x)				P/BV (x)			
					AUM	NII	Opex	PPoP	FY23A	FY24	FY25E	FY26E	FY23E	FY24	FY25E	FY26E
AUBANK	646	Add	780	485.0	35.5	38.9	33.9	46.5	29.5	28.4	21.3	17.0	4.0	3.5	2.8	2.8
EQSFB	70	Buy	107	79.6	21.4	17.5	16.4	21.6	13.6	9.9	12.5	7.2	1.5	1.3	1.2	1.1
SURYODAY	155	Buy	279	1.7	29.6	24.3	24.8	27.3	21.3	7.7	7.6	3.8	1.0	0.9	0.8	0.7
Average					28.8	26.9	25.0	31.8	21.5	15.3	13.8	9.3	2.2	1.9	1.6	1.5
UJJIVANS	37	Buy	58	8.5	17.0	13.1	19.8	3.4	6.5	5.5	9.8	6.0	1.7	1.3	1.2	1.0

Source: Company, Centrum Broking

Exhibit 1: Key conference call takeaways and metrics

Centrum Quarterly Monitor	Q1FY25	Q2FY25	Our Comments
Margins and Profitability	<ul style="list-style-type: none"> NIM guidance ~9%. Credit cost guidance of 1.7% RoE 20% 	<ul style="list-style-type: none"> NIM guidance has been revised down from ~9% to ~8.6%, reflecting the shrinking MFI portfolio and anticipated interest income reversals. Credit cost guidance revised upwards to 2.3%-2.5% RoE guidance withdrawn 	<ul style="list-style-type: none"> We have already factored higher credit cost in our numbers – 2.12% which we maintain. We have factored lower NIMs Our FY25 RoE currently stands at 12.3%
Asset quality	<ul style="list-style-type: none"> Bank expects steady slippages similar to last range of 4quarters (0.6%-0.7%). Expect to peak out GNPA at 2.7-2.8% by the end of this FY and then see reducing trend. 	<ul style="list-style-type: none"> The credit cost forecast has been raised from 1.7% to 2.3%-2.5%, as recent slippages in the MFI segment are likely to impact asset quality. Increased write offs expected in second half. 	<ul style="list-style-type: none"> In terms of asset quality, we have factored in +4.3% slippage for the year and lower slippage 2.3% in FY26.
Outlook and guidance	<ul style="list-style-type: none"> Gross Loan Book Growth ~20%. Deposit Growth: In line with Asset Growth and NIM: ~9% Bank is confident to manage asset quality at healthy levels and guidance on credit cost will stay intact. Credit Cost: 1.7% and RoE: ~20%. 	<ul style="list-style-type: none"> Management has withdrawn its loan book growth guidance due to uncertainties in the MFI segment. Secured book is projected to grow by over 40%. IL book is expected to grow around 17% Management has also withdrawn its earlier RoE guidance of 20% for the year. 	<ul style="list-style-type: none"> We have cut our AUM growth for FY25 to 10% and similarly for deposits as well We bake in bounce back in return profile only in FY26

Source: Centrum Broking

Earnings Concall KTAs

Opening remarks

- Disbursements improved sequentially mainly on account of secured book.
- AHF disbursement picked up Rs750cr (up 70% QoQ) sequentially to reach AUM of Rs5784cr.
- Group loan will see decline for the year impacting the book growth for the year.
- AD-1 license received by the bank.
- Stability for the MFI business will be known only from 4QFY25..

Guidance – FY25 maintained

- Secured book +40%
- IL book – 17%
- GL growth is uncertain as there is no clarity.
- Secured: Unsecured 40% vs. 60%.
- NIMs are expected to lower ~8.6% vs. earlier guidance was 9%.
- *Credit cost guidance revised to 2.3-2.5% from earlier guidance of 1.7%*
- *RoE will be lower than earlier guidance 20% depending upon on MFI cycle.*

MFI status and state performance

- 7% borrowers were having 4 & above lenders and have seen higher slippages – 10% of total slippages.
- IL is performing better vs. GL.
- Among top 5 states - BH/TN/MTK/Bengal and UP – CE are good (+99.4%) above except TN.

Advances and deposits

- Secured: Unsecured 36% vs. 64% vs. 33%:67% in 1QFY25.
- 2W – is the major segment we are focussing in wheels.

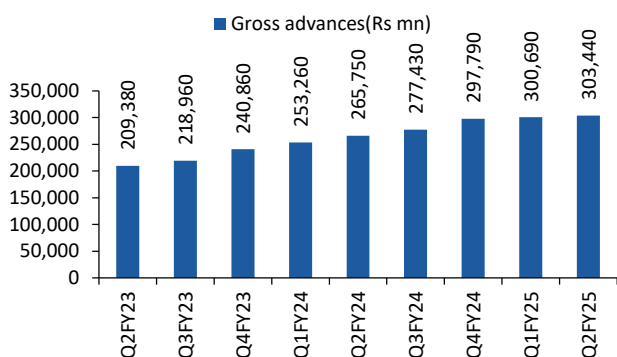
Asset quality and margins

- Slippages at 3.2% vs. 2.6%.
- Write off jumped to Rs140cr vs. Rs59cr. Rs50cr – Assam portfolio carrying since 2019.
- PCR dropped 600bps sequentially to 78%.
- FY25 – no additional branches to that extent we will have some respite on opex.

Others

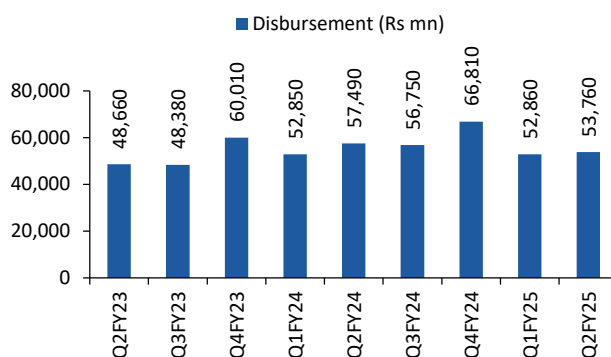
- Tier 1 capital reduction was due to dividend.
- Universal license is expected in FY25.
- PCR was lower however will be maintained above 70%..

Exhibit 2: Advances trend



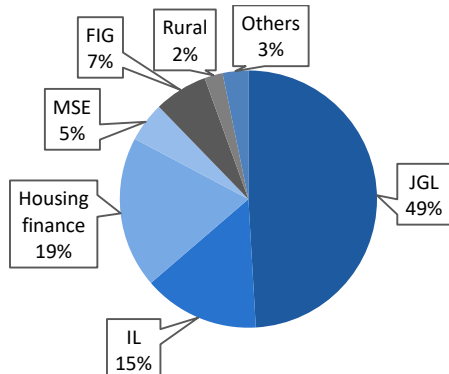
Source: Company Data, Centrum Broking

Exhibit 3: Disbursement trend



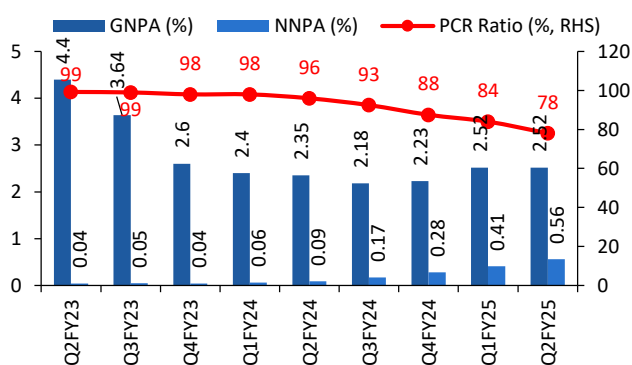
Source: Company Data, Centrum Broking

Exhibit 4: Segment wise Gross Loan mix



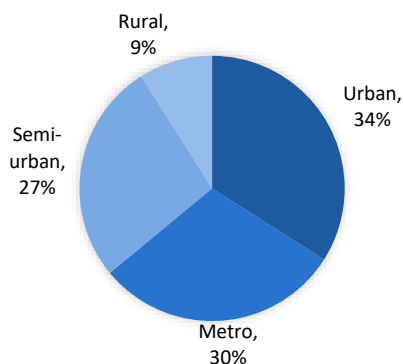
Source: Company Data, Centrum Broking

Exhibit 5: PCR has been dropping consistently



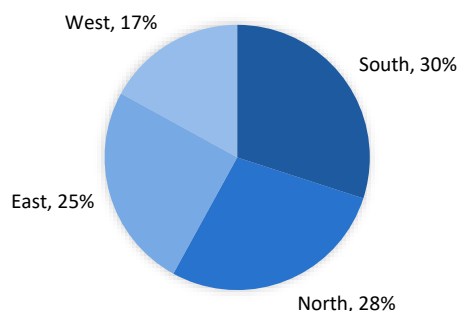
Source: Company Data, Centrum Broking

Exhibit 6: Branch wise Portfolio mix



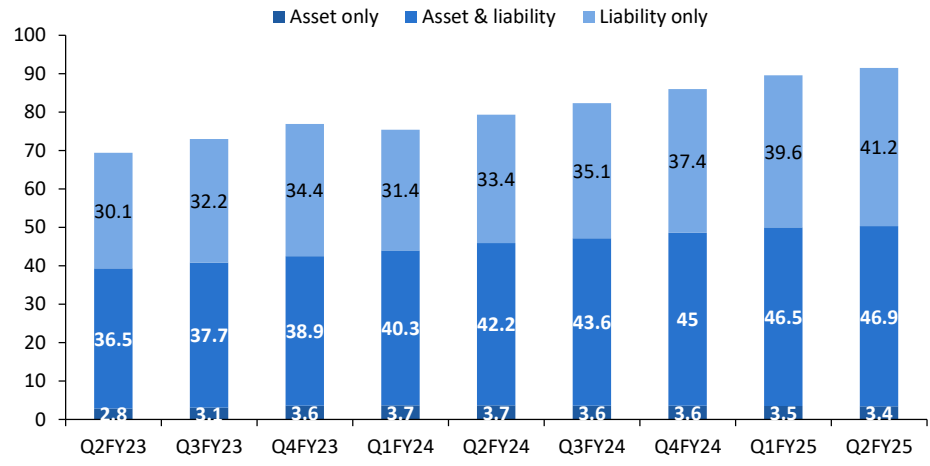
Source: Company Data, Centrum Broking

Exhibit 7: Region wise Portfolio mix



Source: Company Data, Centrum Broking

Exhibit 8: Customer base mix



Source: Company, Centrum Broking

Exhibit 9: Quarterly Financials Snapshot

Rs mn	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Income statement													
Interest earned	6,450	7,079	8,182	9,054	9,932	10,816	11,848	12,869	13,911	14,706	15,285	15,772	16,128
Interest expended	2,537	2,540	2,743	3,057	3,299	3,847	4,468	4,942	5,678	6,107	5,950	6,357	6,690
Net Interest Income	3,913	4,539	5,440	5,997	6,632	6,969	7,380	7,927	8,233	8,599	9,335	9,415	9,438
Other income	550	1,030	1,270	1,260	1,450	1,390	1,791	1,772	1,886	1,848	2,361	1,971	2,073
Total Income	4,463	5,569	6,710	7,257	8,082	8,359	9,171	9,699	10,120	10,447	11,697	11,386	11,510
Operating Expenses													
Employees	1,998	2,210	2,269	2,210	2,204	2,255	2,532	2,684	2,734	3,140	3,273	3,403	3,684
Others	1,674	1,823	2,024	2,027	2,045	2,214	2,533	2,435	2,552	2,734	3,238	2,888	3,218
Operating profit	790	1,535	2,417	3,020	3,833	3,889	4,106	4,579	4,834	4,573	5,186	5,095	4,608
Provisions	4,447	2,000	688	299	-99	-2	-19	261	469	629	790	1,099	1,505
Profit before tax	-3,656	-465	1,729	2,721	3,933	3,891	4,125	4,318	4,364	3,944	4,396	3,997	3,103
Taxes	-921	-118	469	677	1,006	960	1,030	1,077	1,087	943	1,099	986	773
Net Profit	-2,736	-347	1,260	2,044	2,926	2,932	3,095	3,241	3,277	3,001	3,296	3,011	2,330
Balance sheet													
Shareholders funds	27,076	26,742	28,026	30,070	37,692	40,640	42,091	45,390	47,706	50,830	56,135	59,280	58,818
Borrowings	16,772	19,360	17,636	19,430	17,333	23,180	26,415	25,360	37,328	37,120	21,708	23,580	26,218
Deposits	1,40,895	1,55,630	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
Other liabilities	10,338	10,260	7,461	8,360	8,864	8,760	9,286	10,150	10,375	10,680	11,758	12,520	10,452
Total liabilities	1,95,082	2,11,992	2,36,045	2,42,350	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
Cash & bank	20,840	16,170	21,681	19,320	28,947	27,450	24,836	26,720	22,547	18,680	25,368	24,700	25,147
Advances	1,34,870	1,53,530	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
Investments	29,680	31,980	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
Fixed assets	2,640	2,570	2,494	2,600	2,603	2,700	2,829	3,280	3,573	3,950	4,267	4,700	4,800
Other assets	7,052	7,742	7,309	7,200	7,144	7,690	7,504	7,940	8,135	8,490	8,098	8,800	8,532
Total assets	1,95,082	2,11,992	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
Balance sheet (%)													
Loan growth	4.5	20.7	20.0	38.3	44.3	33.0	32.6	30.5	26.9	26.9	23.6	18.7	14.2
Deposit growth	31.2	34.0	39.3	34.9	44.8	49.1	39.6	44.5	42.9	27.9	23.2	22.0	16.9
Loans / Deposits	95.7	98.7	89.1	89.4	85.5	84.1	83.4	83.2	83.5	86.4	31.0	83.4	85.6
Investment / Deposits	21.1	20.5	22.7	26.2	26.9	30.8	33.3	33.0	37.5	36.4	23.6	34.2	31.1
Capital Adequacy													
Tier-1	20.7	17.7	17.7	18.7	23.4	22.8	22.7	23.6	22.5	22.0	22.6	23.0	21.6
Tier-2	1.5	1.4	1.3	1.3	3.3	3.2	3.1	3.1	2.7	2.4	2.1	1.9	1.8
CRAR	22.2	19.1	19.0	20.0	26.7	26.0	25.8	26.7	25.2	24.4	24.7	24.7	23.4
Profitability (%)													
Yield on IEA	14.9	15.4	16.9	18.3	19.1	18.4	18.6	18.9	18.6	18.3	18.3	17.8	17.5
Cost of funds	6.7	6.3	6.0	6.8	7.0	7.2	7.4	8.0	8.3	8.3	7.7	7.94	7.48
NIM	9.0	9.9	11.2	12.1	12.8	11.9	11.6	11.6	11.0	10.7	11.2	10.7	10.2
Other income/assets	1.1	2.0	2.3	2.3	2.5	2.2	2.5	2.4	2.3	2.1	2.6	2.1	1.9
Cost / Income	82.3	72.4	64.0	58.4	52.6	53.5	55.2	52.8	52.2	56.2	55.7	55.2	60.0
Employees	44.8	39.7	33.8	30.5	27.3	27.0	27.6	27.7	27.0	30.1	28.0	29.9	32.0
Others	37.5	32.7	30.2	27.9	25.3	26.5	27.6	25.1	25.2	26.2	27.7	25.4	28.0
Cost / Assets	7.7	7.9	7.8	7.7	7.3	6.2	6.4	6.0	5.8	6.0	6.5	6.1	6.4
RoA	-5.7	-0.7	2.3	3.7	5.1	4.5	4.4	4.4	4.0	3.4	3.6	3.1	2.2
RoE	-36.1	-4.8	16.7	27.3	36.1	34.8	35.3	34.4	30.7	26.2	26.8	23.0	15.8
Asset quality (%)													
GNPA	11.8	9.8	7.1	5.9	4.4	3.6	2.6	2.4	2.4	2.2	2.2	2.5	2.5
NNPA	3.30	1.67	0.61	0.11	0.04	0.05	0.04	0.06	0.09	0.17	0.28	0.41	0.56
PCR	74.0	84.1	92.3	98.4	99.2	99.0	98.0	98.0	96.0	92.5	87.5	84.0	78.1
Credit Cost (Annualized, bps)	1252	532	165	71	-22	0	-4	47	79	101	117	159	199

Source: Company, Centrum Broking

Exhibit 10: ROAE Tree

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Assets	94,732	1,37,422	1,84,113	2,03,805	2,36,045	3,33,169	4,04,222	4,44,602	5,58,746	6,88,633
Average total assets	89,544	1,16,077	1,60,768	1,93,959	2,19,925	2,84,607	3,68,695	4,24,412	5,01,674	6,23,690
Equity	16,469	18,196	31,898	32,192	28,026	42,091	56,135	61,478	71,375	83,118
Average Equity	16,435	17,333	25,047	32,045	30,109	35,059	49,113	58,806	66,426	77,246
Interest Income on term loans/ Average total assets	14.7%	14.9%	15.9%	13.4%	11.7%	13.0%	13.5%	12.9%	13.1%	12.9%
Income on investments/money with RBI/other banks / Average total assets	1.1%	0.8%	0.9%	1.1%	1.1%	1.5%	1.9%	1.6%	1.6%	1.6%
Non-Interest Income/ Average total assets	1.2%	1.8%	2.0%	1.6%	1.4%	2.1%	2.1%	1.9%	1.9%	1.8%
Total Income/ Average total assets	17.0%	17.5%	18.8%	16.0%	14.2%	16.6%	17.5%	16.3%	16.6%	16.2%
Interest on Deposits, borrowings and debt securities / Average total assets	6.8%	6.2%	6.7%	5.6%	4.7%	5.2%	6.2%	6.4%	6.5%	6.4%
Net Interest Income / Average total assets	9.6%	9.5%	10.2%	8.9%	8.1%	9.5%	9.2%	8.5%	8.7%	8.5%
Net Total Income/ Average total assets	10.9%	11.3%	12.2%	10.5%	9.5%	11.5%	11.4%	10.4%	10.6%	10.3%
Operating Expenses / Average total assets	7.3%	8.6%	8.2%	6.3%	6.8%	6.3%	6.2%	6.4%	6.5%	6.4%
PPOP/Average total assets	3.6%	2.7%	4.0%	4.1%	2.7%	5.2%	5.2%	4.0%	4.1%	3.9%
Provision Cost / Average total assets	3.5%	0.3%	1.1%	4.1%	5.2%	0.1%	0.6%	1.7%	0.9%	1.0%
Profit before tax / Average total assets	0.1%	2.3%	2.9%	0.1%	-2.5%	5.2%	4.6%	2.3%	3.1%	2.9%
Tax expense/ Average total assets	0.0%	0.6%	0.7%	0.0%	-0.6%	1.3%	1.1%	0.6%	0.8%	0.7%
One-time tax adjustment/Average Total Assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
RoAA	0.1%	1.7%	2.2%	0.1%	-1.9%	3.9%	3.5%	1.7%	2.4%	2.2%
Leverage (Average total assets/average Equity or average Net-worth)	5.45	6.70	6.42	6.05	7.30	8.12	7.51	7.22	7.55	8.07
RoAE	0.5%	11.6%	14.1%	0.3%	-13.7%	31.4%	26.1%	12.3%	17.8%	17.7%

Source: Company, Centrum Broking

P&L					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Interest earned	41,650	56,772	63,329	76,053	93,371
Interest expended	14,671	22,677	27,143	32,451	40,092
Net Interest Income	26,979	34,095	36,186	43,602	53,279
Other income	5,892	7,868	7,952	9,599	10,929
Total Income	32,871	41,962	44,138	53,201	64,208
Operating Expenses	18,021	22,791	27,255	32,719	39,774
Employees	9,203	11,832	14,526	17,257	20,882
Others	8,818	10,959	12,729	15,461	18,893
PPoP	14,850	19,171	16,883	20,482	24,434
Provisions	178	2,149	7,217	4,707	6,198
Profit before tax	14,672	17,022	9,666	15,775	18,236
Taxes	3,673	4,207	2,417	3,944	4,559
Net Profit	10,999	12,815	7,250	11,831	13,677

Ratios					
YE Mar	FY23A	FY24A	FY25E	FY26E	FY27E
Growth (%)					
Loans	30.6	26.3	10.5	24.7	22.7
Deposits	39.6	23.2	11.1	27.7	24.2
RWA growth	27.0	54.4	2.1	26.8	23.2
NII	52.0	26.4	6.1	20.5	22.2
Other income	88.1	33.5	1.1	20.7	13.9
Opex	20.4	26.5	19.6	20.0	21.6
PPoP	150.8	29.1	(11.9)	21.3	19.3
Provisions	(98.4)	1,107.8	235.8	(34.8)	31.7
Net profit	nm	16.5	(43.4)	63.2	15.6
Profitability (%)					
Yield on assets	15.8	17.0	16.5	16.7	16.5
Cost of funds	6.1	7.3	7.6	7.6	7.5
NIM	10.2	10.2	9.4	9.6	9.4
Other income / Total inc.	17.9	18.7	18.0	18.0	17.0
Other inc. / avg assets	2.1	2.1	1.9	1.9	1.8
Cost/Income	54.8	54.3	61.7	61.5	61.9
Employee	28.0	28.2	32.9	32.4	32.5
Other	26.8	26.1	28.8	29.1	29.4
Opex/ Avg assets	5.4	5.6	6.1	5.9	5.8
Provisioning cost	0.1	0.9	2.6	1.4	1.5
Tax rate	25.0	24.7	25.0	25.0	25.0
RoE	31.4	26.1	12.3	17.8	17.7
RoA	3.9	3.5	1.7	2.4	2.2
RoRWA	7.5	6.2	2.8	4.0	3.7
Du-pont (%)					
Interest income	14.6	15.4	14.9	15.2	15.0
Interest expenses	5.2	6.2	6.4	6.5	6.4
NII	9.5	9.2	8.5	8.7	8.5
Other income	2.1	2.1	1.9	1.9	1.8
Total income	11.5	11.4	10.4	10.6	10.3
Operating expenses	6.3	6.2	6.4	6.5	6.4
Employee	3.2	3.2	3.4	3.4	3.3
Other	3.1	3.0	3.0	3.1	3.0
PPOP	5.2	5.2	4.0	4.1	3.9
Provisions	0.1	0.6	1.7	0.9	1.0
PBT	5.2	4.6	2.3	3.1	2.9
Tax	1.3	1.1	0.6	0.8	0.7
RoA	3.9	3.5	1.7	2.4	2.2

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Share capital	22,059	20,038	20,065	20,065	20,065
Reserves & surplus	20,032	36,097	41,413	51,310	63,053
Deposits	2,55,376	3,14,622	3,49,458	4,46,305	5,54,442
Borrowings	26,415	21,708	24,938	30,419	37,832
Other Liabilities	9,286	11,758	8,728	10,647	13,241
Total liabilities	3,33,168	4,04,222	4,44,602	5,58,746	6,88,633
Cash balances with RBI	23,053	25,183	27,957	35,704	44,355
Balances with banks	1,783	185	1,398	1,785	2,218
Investments	85,103	97,660	1,04,837	1,33,892	1,66,332
Advances	2,12,897	2,68,829	2,97,039	3,70,433	4,54,642
Fixed Assets	2,829	4,267	5,333	6,667	8,333
Other Assets	7,504	8,098	8,038	10,265	12,752
Total assets	3,33,169	4,04,222	4,44,602	5,58,746	6,88,633

Ratios					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Balance Sheet (%)					
Loans / Deposits	83.4	85.4	85.0	83.0	82.0
Investments / Deposits	33.3	31.0	30.0	30.0	30.0
CASA	26.4	26.7	27.0	28.0	28.0
Assets/equity (x)	7.9	7.2	7.2	7.8	8.3
RWA / Total assets	49.1	62.5	58.0	58.5	58.5
Capital ratios (%)					
CET-1	22.7	20.4	22.1	20.4	19.5
Tier-1	22.7	20.4	22.1	20.4	19.5
Tier-2	3.1	1.9	1.9	1.5	1.2
CRAR	25.8	22.3	23.9	21.9	20.7
Asset quality ratios (%)					
GNPA (Rs mn)	6,304	6,123	9,344	8,873	10,972
NNPA (Rs mn)	90	743	2,890	2,581	3,404
GNPA	2.6	2.1	2.9	2.2	2.2
NNPA	0.0	0.2	0.9	0.6	0.7
PCR	98.6	87.9	69.1	70.9	69.0
Slippage	1.8	2.3	4.3	2.3	2.5
NNPA / Equity	0.2	1.3	4.7	3.6	4.1
Per share					
EPS	5.6	6.6	3.7	6.1	7.1
BVPS	21.5	29.1	31.8	36.9	43.0
ABVPS	21.5	28.4	30.7	35.9	41.7
Valuation (x)					
P/E	6.5	5.5	9.8	6.0	5.2
P/BV	1.7	1.3	1.2	1.0	0.9
P/ABV	1.7	1.3	1.2	1.0	0.9

Source: Company, Centrum Broking

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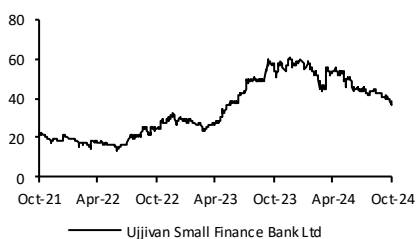
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Ujjivan Small Finance Bank



Source: Bloomberg

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