

Ujjivan reported a PAT miss at Rs 1bn (0.9% RoA), mainly due to a sharp decline in margins and elevated provisions, partly offset by higher treasury gains. AUM growth remains soft (10.7% YoY/3.6% QoQ), dragged by the MFI segment, while the bank continues to accelerate growth in secured lending, including housing loans. However, lower yields on secured loans, sticky funding cost, excess balance sheet liquidity, and a policy change to refund interest on MFI customer prepayments led to a sharp 60bps QoQ decline in NIM to 7.7%. Going forward, the bank expects NIM to remain range-bound at 7.8-7.9%. Though incremental stress in most states including Karnataka is easing, GNPA ratio inched up 30bps QoQ to 2.5% (still less than 3% threshold needed for a Universal Banking license). We believe Ujjivan could be a strong beneficiary of MFI recovery, thereby improving its RoA trajectory from 1.4% in FY26E to 2.2% in FY28E. Additionally, the bank is a potential candidate for the Universal Banking license, which should be both capital and RoA-positive. Thus, retain BUY with an unchanged TP of Rs60, rolling forward on 1.5x Jun-27EABV.

#### Slower growth, sharp margin compression

Ujjivan SFB reported soft AUM growth of 10.7% YoY/3.6% QoQ. After several quarters of sequential decline, the MFI portfolio reported flat growth (down 11.8% YoY) in Q1. However, the secured segments such as retail (+61.8% YoY) and MSME (+59.2% YoY) continue to deliver strong growth, increasing its share in the overall book to 46% vs 44% in Q4. Within retail, the bank has been aggressively growing its home loan portfolio, leading to softer yields. In Q1, NIM compressed by 56bps QoQ to 7.7%, mainly led by a change in the asset mix (25bps), excess liquidity (17bps), and refund of prepayment interest (14bps). Though the one-off impact will wane off, structural portfolio shifts toward secured loans and the rate cut cycle could keep NIMs range-bound at 7.8-7.9%.

#### MFI stress largely peaked; recovery expected in H2

Continued stress in MFI due to MFIN guardrails and the impact of recent ordinances in Karnataka and TN led to higher slippages at Rs3.5bn/4.2% of loans (80% from MFI). This along with no sale of NPAs to ARC led to a 30bps QoQ rise in GNPA ratio to 2.5% (still below the 3% threshold required for a Universal Banking license). The management indicated that MFI slippages have peaked in nine of the top 10 states in Q4 while KTK peaked in Q1FY26. The PAR pool rose to 4.8% (vs 4.5% QoQ), albeit the pace of accretion has moderated in the past two quarters. The management indicated that credit costs may remain elevated in Q2 but should gradually taper down in H2.

#### We retain BUY on Ujjivan SFB

Factoring in margin compression and elevated provisions, we cut earnings estimates but retain BUY with an unchanged TP at Rs60 (1.5x Jun-27E ABV). **Key risks:** Macro as well as micro disruption leading to slower-than-expected growth and higher NPAs; KMP attrition.

Target Price – 12M	Jun-26
Change in TP (%)	30.3
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	30.4

Stock Data	UJJIVANS IN
52-week High (Rs)	52
52-week Low (Rs)	31
Shares outstanding (mn)	1,935.3
Market-cap (Rs bn)	88
Market-cap (USD mn)	1,024
Net-debt, FY26E (Rs mn)	NA
ADTV-3M (mn shares)	16
ADTV-3M (Rs mn)	744.3
ADTV-3M (USD mn)	8.6
Free float (%)	94.5
Nifty-50	25,062.1
INR/USD	86.4

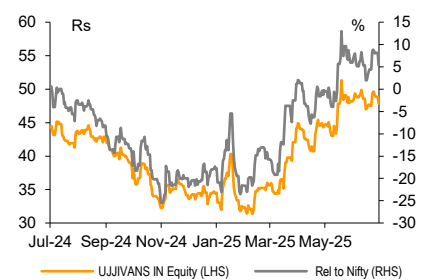
#### Shareholding, Jun-25

Promoters (%)	0.0
FPIs/MFs (%)	19.6/16.8

#### Price Performance

(%)	1M	3M	12M
Absolute	(6.2)	2.2	2.7
Rel. to Nifty	(5.5)	(2.0)	0.1

#### 1-Year share price trend (Rs)



#### Ujjivan Small Finance Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net profit	12,815	7,261	7,039	10,725	16,030
Loan growth (%)	26.3	16.8	18.0	20.2	22.2
NII growth (%)	26.4	6.7	1.7	19.0	24.3
NIM (%)	9.6	8.5	7.4	7.4	7.6
PPOP growth (%)	29.1	(11.9)	(6.1)	25.1	31.8
Adj. EPS (Rs)	6.6	3.8	3.6	5.5	8.3
Adj. EPS growth (%)	10.4	(43.0)	(3.2)	52.4	49.5
Adj. BV (INR)	28.8	30.8	33.9	38.9	46.5
Adj. BVPS growth (%)	40.5	7.2	9.9	14.6	19.5
RoA (%)	3.5	1.6	1.4	1.7	2.2
RoE (%)	26.6	12.4	11.0	14.8	18.9
P/E (x)	7.0	12.3	12.7	8.3	5.6
P/ABV (x)	1.6	1.5	1.4	1.2	1.0

Source: Company, Emkay Research

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## Key concall takeaways

### Outlook on loans, deposits, and NIM

- Customer graduation gained momentum, with 34,000 GL customers transitioning to individual loans, and a significant number migrating to secured products.
- NIM is expected to moderate, going forward. Deposit repricing will ease the cost of funds in the coming quarters. The bank is also carrying excess liquidity, which is expected to normalize by Q2.
- Yield decline is primarily attributed to a shift in loan mix toward secured products. Further, cost of funds is projected to decline by ~30bps in H2FY26, supported by a 65bps reduction in top-tier TD rates and selective recalibration of SA rates (cut by up to 100bps), post-Mar 2025.
- NIM contracted by 56bps QoQ, driven by asset mix change of 25bps, excess liquidity of 17bps (expected to be absorbed in Q2/Q3) and refund of prepayment interest of 14bps. NIM is guided to settle around 7.9% in Q2/Q3 and 7.8% by Q4 as these one-offs normalize.
- Further, 14bps prepayment is related to MFI segment where repayments are scheduled monthly and aligned with specific center meeting days. Some customers tend to pay one or two days in advance. Under the microfinance accounting framework, any interest corresponding to these early payments must be adjusted in the customer's favor. The bank has undertaken this exercise, and the resulting amount has been credited back to customers. This adjustment is recorded as an interest reversal before the actual realization, which is why it reflects accordingly in the financials.
- Group loan yields are lower than individual loans yields, which are ~100bps higher.
- Bulk term deposit yield at ~7.69% has an average tenure of one year. Retail TD yield on average is ~8.09%, though rates are gradually trending down. Retail TD rates are around 7.6%.
- The bank is carrying excess liquidity buffer of Rs11bn to meet the huge liabilities (maturities) in Q2, which will get absorbed in this quarter, leading to liquidity stabilization.
- Ujjivan continues to maintain competitive pricing; the sanction-to-disbursement ratio stands at 90%, higher than the industry average.

### Asset quality

- The Micro Banking Bucket-X CE stood at 99.34%, with the management expecting it to rise above 99.5% by Q3. Fresh PAR improved in Q1 as X-bucket collections improved while in Q4, the deterioration was primarily limited to the April period and improved May onwards.
- PAR accretion has moderated for the past two quarters. Slippages in the micro-banking segment peaked in nine of the top 10 states in Q4; Karnataka peaked in Q1FY26.
- The absence of ARC deals in Q1 (compared to Q4) led to higher reported PAR/GNPA figures. Q4 ARC deals helped reduce GNPA; of this, IL forms 22% and GL forms 78% of the ARC portfolios.
- The micro-mortgage portfolio is now 24 MOB, with ~80% of the book built in the last 15 MOB. While the portfolio may see a slight uptick in PAR and GNPA as the book matures, QoQ NPA has remained negligible so far. This is a high-yielding portfolio that complements the sub-Rs 1mn housing segment.
- IL book stands at Rs53bn, with Karnataka accounting for 10% of it. PAR in Karnataka rose from 6.8% to 7.4%.
- In Tamil Nadu, GL performance remains weak due to industry-wide over-leveraging, leading to elevated PAR and NPA. However, IL continues to perform better, with GNPA below 2% and PAR in the 3–4% range.

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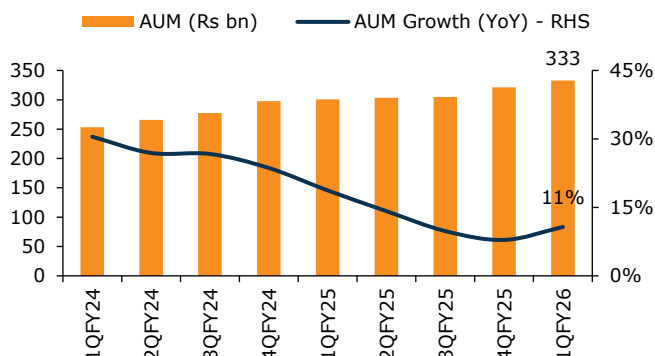
- One of the reasons for the drop in collection efficiency is the decline in the Ujjivan Plus 3+ customer base from 14% last year to ~7.4% now. As good customers complete their loans, the remaining portfolio is largely delinquent, impacting collection metrics. The bank expects this pool to become largely insignificant over the next quarter or in 4-5 months, as the rundown continues.
- The SMA book has steadily declined from 2.68% to 2.36%, and now to 2.29%, indicating that slippages are likely to be significantly lower in the coming quarters compared to the previous two.
- Further, Karnataka is showing clear signs of improvement, with stress seen in January easing significantly. Bengaluru Metro, where a large part of the portfolio lies, was never impacted and continues to perform well, with portfolio quality better than industry averages. While some stress remains in districts like Belgaum, Raichur, Tumkur, and Ramanagara (10% of the state portfolio), the overall state performance is strong. With the ordinance issue subsiding and demand improving, the bank expects continued recovery. The IL book, which forms 24% of the portfolio in the state, is performing significantly better than GL, supported by stronger customer profiles.
- Microfinance accounts for about 80% of total slippage, with ~Rs3bn coming from the micro-banking segment, including both group and individual loans. Of the remaining slippages, housing contributed ~Rs 250mn, MSME ~Rs200mn, and vehicle finance ~Rs50mn.
- Credit cost is expected to remain elevated for the next couple of quarters due to provisioning for legacy stock. It should taper in H2. Steady-state credit cost will be ~2.2-2.5% in unsecured and ~0.7-0.8% in secured.
- The increase in manpower is helping in two key areas—SMA and NPA collections, including recoveries from write-offs. Most of the off-roll team is focused on early buckets (31-90 days), leading to improved efficiency in SMA-1 collections, which rose from ~36-37% to 47-48%, and SMA-2, which rose from 42% to 45%. This focus has contributed to reduced slippages, with further improvement is expected. NPA collections, especially in micro-banking, take longer due to multiple follow-ups, but Q1 has already shown better recovery than Q4.

### Other highlights

- The bank added 101k new customers in the quarter.
- Gold loan is now present at 280 branches.
- The bank plans to open 25 new branches in FY26, aiming to reach 400 branches in the next four years.
- **FY26 guidance**
  - Advances growth of ~20%, with secured book expected to grow by ~35%
  - Deposit growth of ~18% and CD ratio of ~88%
  - Cost-to-income ratio would be ~67%
  - Credit cost: ~2.3-2.4% of average gross advances
  - ROE: 12-14% and ROA: 1.2-1.4%

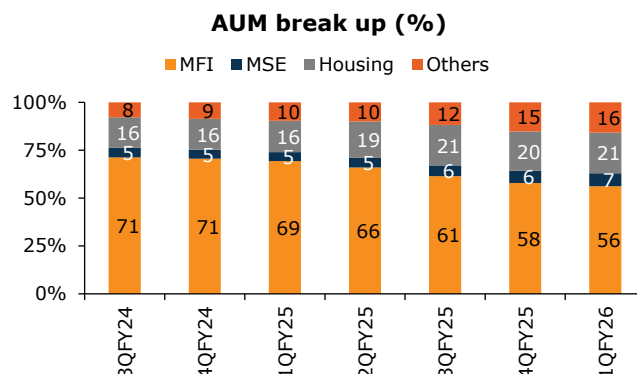
## Story in charts

**Exhibit 1: AUM growth remains soft, mainly led by strong growth in secured segment and flat MFI growth QoQ**



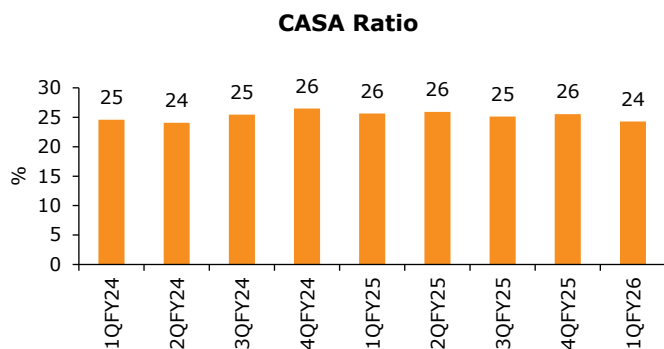
Source: Company, Emkay Research

**Exhibit 2: AUM mix changes toward the secured portfolio, while MFI share declines to 56%**



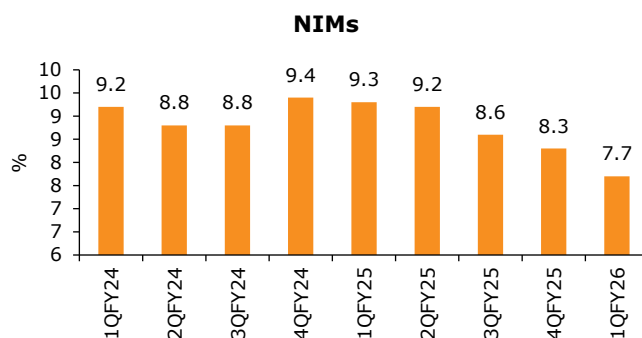
Source: Company, Emkay Research

**Exhibit 3: CASA ratio remains range-bound**



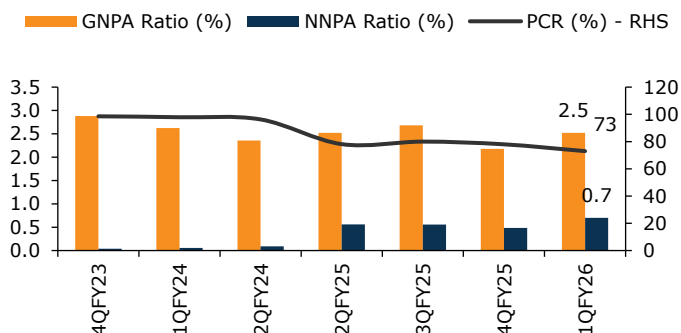
Source: Company, Emkay Research

**Exhibit 4: Margin falls by 56bps, mainly led by change in asset mix (25bps), excess liquidity (17bps), and refund of prepayment interest (14bps)**



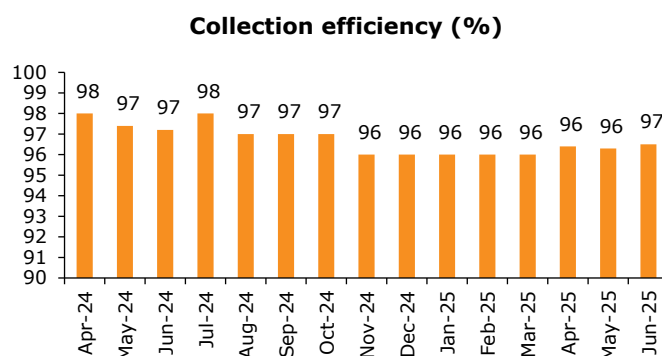
Source: Company, Emkay Research

**Exhibit 5: GNPA inched up due to elevated slippages**

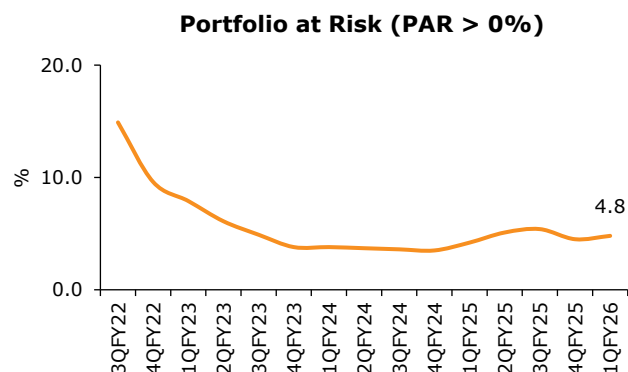


Source: Company, Emkay Research

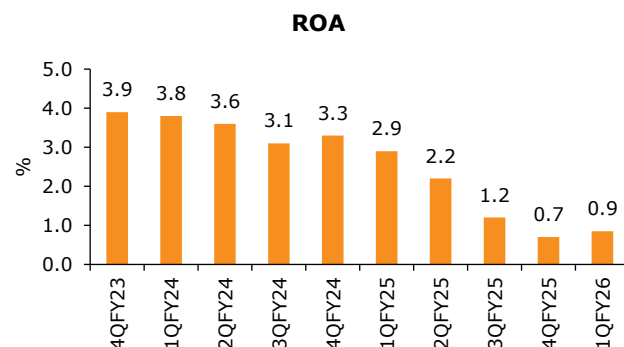
**Exhibit 6: Overall collection efficiency is largely stable MoM**



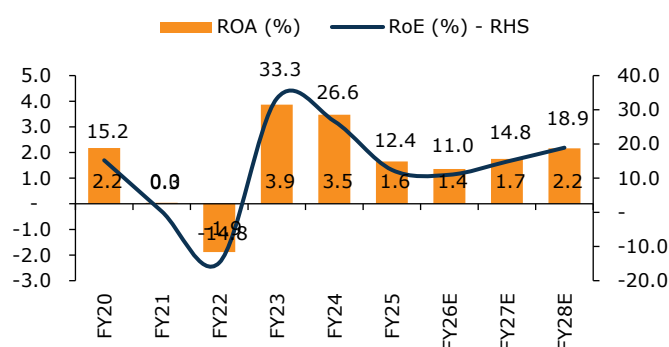
Source: Company, Emkay Research

**Exhibit 7: PAR book increased due to absence of ARC sale in Q1 vs Q4**

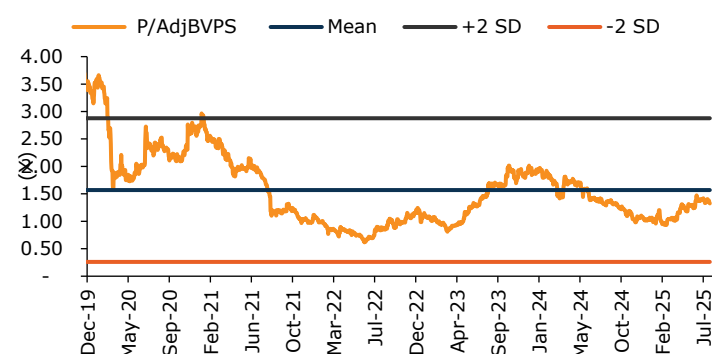
Source: Company, Emkay Research

**Exhibit 8: RoA slipped in FY25 due to margin contraction and higher LLP**

Source: Company, Emkay Research

**Exhibit 9: Return ratios set to improve as MFI stress eases**

Source: Company, Emkay Research

**Exhibit 10: The stock currently trades near its mean valuation**

Source: Bloomberg, Emkay Research

**Exhibit 11: Actuals vs Estimates (Q1FY26)**

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	11,049	11,044	10,516	0%	5%	Higher other income led to an in-line net income
PPOP	3,605	3,436	4,381	5%	-18%	In-line net income and contained opex lead to a beat
PAT	1,032	1,149	854	-10%	21%	Higher provisions lead to a PAT miss

Source: Company, Emkay Research

**Exhibit 12: Quarterly Summary**

(Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	YoY (%)	QoQ (%)	FY25	FY26E	YoY (%)
Interest Earned	15,772	16,128	15,911	15,734	16,188	3	3	63,544	67,948	7
Interest Expenses	6,357	6,690	7,043	7,091	7,629	20	8	27,181	30,974	14
Net Interest Income	9,415	9,438	8,867	8,643	8,560	-9	-1	36,363	36,973	2
Global NIMs (reported)	9.3	9.2	8.6	8.3	7.7	-160bps	-60bps	8.5	7.4	-116bps
Non-interest Income	1,971	2,073	1,722	2,697	2,490	26	-8	8,462	9,879	17
Operating Expenses	6,290	6,902	6,997	7,742	7,445	18	-4	27,932	30,989	11
Pre-Provisioning Profit	5,095	4,608	3,592	3,598	3,605	-29	0	16,893	15,863	-6
Provision & Contingencies	1,099	1,505	2,228	2,645	2,249	105	-15	7,477	6,953	-7
PBT	3,997	3,103	1,364	953	1,355	-66	42	9,416	8,910	-5
Income Tax Expense (Gain)	986	773	278	119	323	-67	172	2,155	1,871	-13
Net Profit/(Loss)	3,011	2,330	1,086	834	1,032	-66	24	7,261	7,039	-3
Gross NPA (%)	2.5	2.5	2.7	2.2	2.5	0bps	34bps	2.2	2.3	9bps
Net NPA (%)	0.4	0.6	0.6	0.5	0.7	29bps	21bps	0.5	0.6	11bps
Deposits (Rs bn)	325.1	340.7	344.9	376.3	386.2	19	3	376.3	451.4	20.0
Net Advances (Rs bn)	271.1	291.8	296.2	313.9	325.0	20	4	313.9	370.4	18.0

Source: Company, Emkay Research

**Exhibit 13: Revision in estimates**

Y/E Mar (Rs mn)	FY26E			FY27E			FY28E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	49,773	46,852	-5.9%	59,361	55,310	-6.8%	72,037	67,535	-6.2%
PPOP	17,721	15,863	-10.5%	22,307	19,846	-11.0%	28,770	26,160	-9.1%
PAT	8,834	7,039	-20.3%	12,413	10,725	-13.6%	16,857	16,030	-4.9%
EPS (Rs)	4.6	3.6	-20.3%	6.4	5.5	-13.6%	8.7	8.3	-4.9%
BV (Rs)	35.7	34.8	-2.6%	41.7	39.9	-4.3%	49.9	47.7	-4.5%

Source: Company, Emkay Research

**Exhibit 14: Key Assumptions**

	FY25A	FY26E	FY27E	FY28E
Loan Growth (%)	16.8	18.0	20.2	22.2
Deposit Growth (%)	19.6	20.0	21.0	22.2
NIM (%)	8.5	7.4	7.4	7.6
GNPA (%)	2.2	2.3	2.1	2.0
Credit Cost (%)	2.4	2.2	1.4	1.0

Source: Emkay Research

## Exhibit 15: Key ratios and trends

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Loans (Rs mn)	253,260	265,750	277,910	297,790	300,690	303,440	304,660	321,220	332,870
Growth YoY (%)	30.5	26.9	26.9	23.6	18.7	14.2	9.8	7.9	10.7
Growth QoQ (%)	5.1	4.9	4.6	7.2	1.0	0.9	0.4	5.4	3.6
<b>Composition (%)</b>									
- MFI	72.3	72.1	71.3	69.9	69.0	63.7	61.5	56.9	55.0
- SME (MSE)	6.0	5.4	5.0	4.7	4.7	5.0	5.6	6.4	6.8
- Retail (Housing)	14.5	15.2	15.9	16.5	16.4	19.1	21.1	20.5	21.2
- Others	7.2	7.3	7.8	8.8	10.0	12.3	11.8	16.2	17.0
<b>Liability Profile (%)</b>									
Deposit (Rs mn)	266,600	291,393	296,690	314,622	325,140	340,698	344,940	376,305	386,190
Growth YoY	44.5	42.9	27.9	23.2	22.0	16.9	16.3	19.6	18.8
Growth QoQ	4.4	9.3	1.8	6.0	3.3	4.8	1.2	9.1	2.6
CASA (Rs mn)	65,550	70,130	75,490	83,320	83,350	88,330	86,570	96,120	93,810
CASA ratio	25	24	25	26	26	26	25	26	24
<b>Asset Quality</b>									
Gross NPA (Rs mn)	5,965	5,860	5,707	6,125	6,972	7,500	8,112	6,959	8,344
Net NPA (Rs mn)	126	218	428	763	1,112	1,641	1,649	1,524	2,261
GNPA (%)	2.6	2.4	2.2	2.2	2.5	2.5	2.7	2.2	2.5
NNPA (%)	0.1	0.1	0.2	0.3	0.4	0.6	0.6	0.5	0.7
RSA (%)	0.8	0.6	0.5	0.4	0.4	0.4	0.0	0.0	0.0
Specific PCR (%)	97.9	96.3	92.0	87.5	84.0	78.1	78.0	78.0	73.0
<b>Capital Adequacy (%)</b>									
CRAR	26.7	25.2	24.4	24.7	24.9	23.4	23.9	23.1	22.8
Tier-I	23.6	22.5	22.0	22.6	23.0	21.6	22.1	21.4	21.2
<b>ROE Decomposition - on total assets (%)</b>									
NII	9.3	9.0	8.8	9.3	9.1	8.8	8.0	7.4	7.1
Other Income	2.1	2.1	1.9	2.4	1.9	1.9	1.6	2.3	2.1
Net Income	11.4	11.0	10.7	11.7	11.0	10.7	9.5	9.8	9.1
Opex	6.0	5.8	6.0	6.5	6.1	6.4	6.3	6.7	6.2
PPOP	5.4	5.3	4.7	5.2	4.9	4.3	3.2	3.1	3.0
Provisions	0.3	0.5	0.6	0.8	1.1	1.4	2.0	2.3	1.9
PBT	5.1	4.8	4.0	4.4	3.9	2.9	1.2	0.8	1.1
Tax	1.3	1.2	1.0	1.1	1.0	0.7	0.2	0.1	0.3
ROA	3.8	3.6	3.1	3.3	2.9	2.2	1.0	0.7	0.9
Leverage (x)	7.8	7.9	7.9	7.5	7.1	7.3	7.5	7.7	7.9
ROE	29.6	28.2	24.4	24.6	20.9	15.8	7.3	5.5	6.7

Source: Company, Emkay Research

Ujjivan Small Finance Bank: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	56,772	63,544	67,948	78,476	92,496
Interest Expense	22,677	27,181	30,974	34,472	37,786
Net interest income	34,094	36,363	36,973	44,004	54,710
NII growth (%)	26.4	6.7	1.7	19.0	24.3
Other income	7,868	8,462	9,879	11,306	12,825
Total Income	41,962	44,825	46,852	55,310	67,535
Operating expenses	22,791	27,932	30,989	35,464	41,375
PPOP	19,171	16,893	15,863	19,846	26,160
PPOP growth (%)	29.1	(11.9)	(6.1)	25.1	31.8
Core PPOP	18,931	16,580	15,301	19,171	25,384
Provisions & contingencies	2,149	7,477	6,953	5,917	4,787
PBT	17,022	9,416	8,910	13,928	21,373
Extraordinary items	0	0	0	0	0
Tax expense	4,207	2,155	1,871	3,203	5,343
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	12,815	7,261	7,039	10,725	16,030
PAT growth (%)	16.5	(43.3)	(3.1)	52.4	49.5
Adjusted PAT	12,815	7,261	7,039	10,725	16,030
Diluted EPS (Rs)	6.6	3.8	3.6	5.5	8.3
Diluted EPS growth (%)	10.4	(43.0)	(3.2)	52.4	49.5
DPS (Rs)	0.4	0	0.3	0.4	0.5
Dividend payout (%)	5.3	0	8.2	7.2	6.0
Effective tax rate (%)	24.7	22.9	21.0	23.0	25.0
Net interest margins (%)	9.6	8.5	7.4	7.4	7.6
Cost-income ratio (%)	54.3	62.3	66.1	64.1	61.3
Shares outstanding (mn)	1,931.4	1,935.0	1,935.0	1,935.0	1,935.0

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Asset quality					
Gross NPLs	6,125	6,959	8,536	9,531	10,771
Net NPLs	763	1,524	2,219	2,669	3,231
GNPA ratio (%)	2.2	2.2	2.3	2.1	2.0
NNPA ratio (%)	0.3	0.5	0.6	0.6	0.6
Provision coverage (%)	87.5	78.1	74.0	72.0	70.0
Gross slippages	4,798	11,290	12,131	9,946	8,273
Gross slippage ratio (%)	1.7	3.5	3.2	2.2	1.5
LLP ratio (%)	0.9	2.4	2.2	1.4	1.0
NNPA to networth (%)	1.3	2.4	3.2	3.3	3.4
Capital adequacy					
Total CAR (%)	29.0	23.1	21.8	20.9	20.6
Tier-1 (%)	28.1	21.4	20.4	19.7	19.6
CET-1 (%)	28.1	21.4	20.4	19.7	19.6
RWA-to-Total Assets (%)	46.6	55.0	55.0	55.0	55.0
Miscellaneous					
Total income growth (%)	36.0	11.4	8.1	15.4	17.3
Opex growth (%)	26.5	22.6	10.9	14.4	16.7
Core PPOP growth (%)	27.6	(12.4)	(7.7)	25.3	32.4
PPOP margin (%)	29.7	23.5	20.4	22.1	24.8
PAT/PPOP (%)	66.8	43.0	44.4	54.0	61.3
LLP-to-Core PPOP (%)	11.4	45.1	45.4	30.9	18.9
Yield on advances (%)	20.7	19.0	17.3	16.8	16.4
Cost of funds (%)	7.3	7.3	7.0	6.6	6.0

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	19,314	19,350	19,350	19,350	19,350
Reserves & surplus	36,820	41,484	47,942	57,893	72,955
Net worth	56,135	60,834	67,292	77,243	92,305
Deposits	314,622	376,305	451,405	546,252	667,749
Borrowings	21,708	28,454	27,031	24,328	21,895
Interest bearing liab.	336,330	404,758	478,436	570,580	689,644
Other liabilities & prov.	11,758	11,299	12,977	20,715	30,113
Total liabilities & equity	404,222	476,891	558,705	668,538	812,061
Net advances	268,829	313,900	370,422	445,224	544,005
Investments	97,660	117,300	139,896	166,953	201,630
Cash, other balances	25,368	31,698	33,491	39,940	48,275
Interest earning assets	391,857	462,898	543,808	652,118	793,911
Fixed assets	4,267	4,569	5,836	6,834	8,008
Other assets	8,098	9,425	9,061	9,586	10,143
Total assets	404,222	476,891	558,705	668,538	812,061
BVPS (Rs)	29.1	31.4	34.8	39.9	47.7
Adj. BVPS (INR)	28.8	30.8	33.9	38.9	46.5
Gross advances	274,192	319,335	376,739	452,086	551,545
Credit to deposit (%)	85.4	83.4	82.1	81.5	81.5
CASA ratio (%)	26.7	25.5	25.7	26.3	27.7
Cost of deposits (%)	7.1	7.4	7.1	6.6	6.0
Loans-to-Assets (%)	66.5	65.8	66.3	66.6	67.0
Net advances growth (%)	26.3	16.8	18.0	20.2	22.2
Deposit growth (%)	23.2	19.6	20.0	21.0	22.2
Book value growth (%)	41.7	8.2	10.6	14.8	19.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	7.0	12.3	12.7	8.3	5.6
P/B (x)	1.6	1.5	1.3	1.2	1.0
P/ABV (x)	1.6	1.5	1.4	1.2	1.0
P/PPOP (x)	4.6	5.2	5.6	4.5	3.4
Dividend yield (%)	0.8	0.0	0.7	0.9	1.1
DuPont-RoE split (%)					
NII/avg assets	9.2	8.3	7.1	7.2	7.4
Other income	2.1	1.9	1.9	1.8	1.7
Fee income	2.1	1.9	1.8	1.7	1.6
Opex	6.2	6.3	6.0	5.8	5.6
PPOP	5.2	3.8	3.1	3.2	3.5
Core PPOP	5.1	3.8	3.0	3.1	3.4
Provisions	0.6	1.7	1.3	1.0	0.6
Tax expense	1.1	0.5	0.4	0.5	0.7
RoA (%)	3.5	1.6	1.4	1.7	2.2
Leverage ratio (x)	7.7	7.5	8.1	8.5	8.7
RoE (%)	26.6	12.4	11.0	14.8	18.9

Quarterly data					
Rs mn	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
NII	9,415	9,438	8,867	8,643	8,560
NIM (%)	9.3	9.2	8.6	8.3	7.7
PPOP	5,095	4,608	3,592	3,598	3,605
PAT	3,011	2,330	1,086	834	1,032
EPS (Rs)	1.6	1.2	0.6	0.4	0.5

Source: Company, Emkay Research

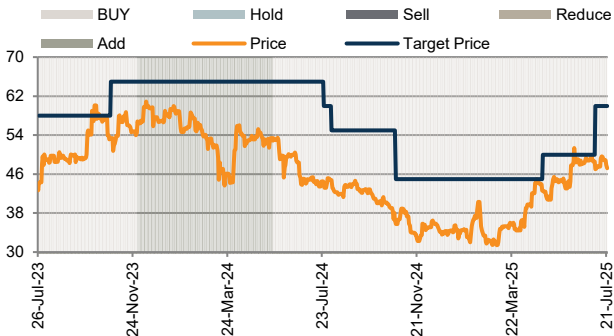


RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
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
25-Jul-24	44	60	Buy	Anand Dama
23-Jun-24	48	65	Buy	Anand Dama
21-May-24	53	65	Buy	Anand Dama
25-Jan-24	55	65	Add	Anand Dama
30-Nov-23	57	65	Add	Anand Dama
27-Oct-23	53	65	Buy	Anand Dama
02-Oct-23	54	58	Buy	Anand Dama
27-Jul-23	44	58	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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