

BUY**TP: Rs 78 | ▲ 23%****UJJIVAN SMALL
FINANCE BANK**

| Banking

| 18 October 2026

PAT beat; FY27 RoA could exceed 2% if performance sustains

- **Loan growth +32% YoY; FY27 guidance maintained at 25%, CASA ratio to improve from current 26% to 28% by FY27 end**
- **Strategy to de-risk the balance sheet by increasing the secured portfolio mix to 56% by FY27 from 52% currently**
- **Maintain BUY; TP raised to Rs 78 (Rs 72 earlier), valuing at 1.7x Sep'28E ABV (1.6x earlier) on strong Q2 performance and +ve outlook**

Catherine Gomes
Research Associate
 research@bobcaps.in

Return ratios improve: PAT grew 15.3% QoQ/~200% YoY to Rs 3.6bn, driven by strong NII, controlled credit costs, better MFI collections and lower provisions. Opex rose 11.8% QoQ/26.1% YoY as 66 branches were added in Q2, taking the total to 880. RoA/RoE improved to 2.4%/19.7% from 2.2%/18.2% in Q1FY27. YoA declined 10bps to 17.4% due to the shift towards secured assets. Deposit repricing kept CoF stable at 6.9%, but with most benefits realised and repo-hike effects flowing through, CoF is expected to rise ~10bps in Q3FY27. NIMs fell 10bps QoQ to 8.4%, management expects NIMs to moderate further to ~8.3% in H2FY27. Management lowered its opex/ATA target from 6.4% to 6.2% and retained its RoA target at 1.8–2%, we believe RoA could exceed 2% if business momentum and operating performance sustain.

Rising focus on secured portfolio: Loan growth remained healthy at 32.4% YoY, driven by housing (+23.7%), MSME (+43.5%) and gold loans (+209%). The secured loan mix stood at ~52%, with management targeting ~56% by FY27 and a further ~5% point increase annually thereafter, in line with its universal banking aspirations. FY27 loan growth guidance was maintained at 25%. Deposits grew 29.2% YoY, while CASA remained under pressure at ~26%. Management targets increasing CASA to ~28% by FY27, supported by NTB customer acquisition.

Asset quality continues to improve: Slippages rose marginally to ~Rs 1.8bn from ~Rs 1.7bn QoQ, slippage ratio remained stable at ~1.6%. Recoveries remained stable, write-offs declined QoQ, and MFI PAR trends improved as benefits of tighter guardrails flowed through. Credit cost improved ~30bps QoQ to 0.98%, with FY27 guidance retained at 0.9–1% of ATA. Drought-related microfinance exposure stands at Rs 24 bn in Karnataka (Rs 151 mn qualifying agri loans) and Rs 16.8 bn in Maharashtra (Rs 180mn in qualifying agri-loans). GNPA/NNPA improved QoQ by 6bps/3bps to 2.10%/0.31%.

Maintain BUY: MFI AQ stress has peaked, with a stabilised MFI/unsecured book expected to keep credit costs low and AQ stable. Strong advances growth, improving CASA, should support RoA reaching 2%+ in FY27. Maintain BUY.

Key changes

Target	Rating
▲	◀ ▶

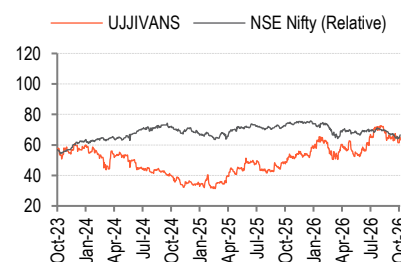
Ticker/Price	UJJIVANS IN/Rs 63
Market cap	US\$ 1.3bn
Free float	100%
3M ADV	US\$ 13.3mn
52wk high/low	Rs 74/Rs 48
Promoter/FPI/DII	0%/18%/36%

Source: NSE | Price as of 16 Oct 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
NII (Rs mn)	38,710	48,872	60,281
NII growth (%)	6.5	26.3	23.3
Adj. net profit (Rs mn)	6,926	12,412	15,784
EPS (Rs)	3.6	6.4	8.1
P/E (x)	17.7	9.9	7.8
P/BV (x)	1.8	1.5	1.3
ROA (%)	1.3	2.0	2.1
ROE (%)	10.7	16.8	18.3

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Fig 1 – Quarterly snapshot: Income statement

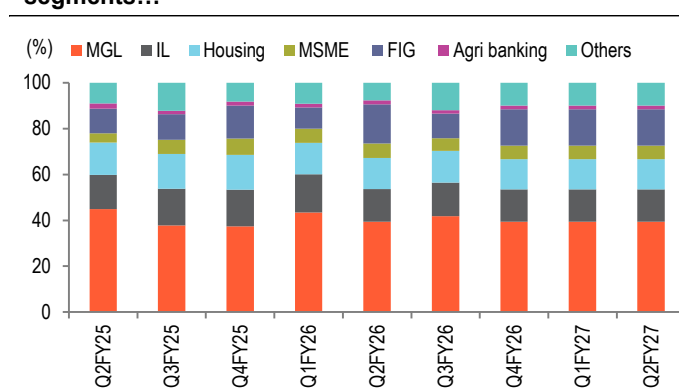
(Rs mn)	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Income Statement							
Interest Income	14,727	15,476	16,583	17,921	19,149	30.0	6.9
Income on investments	2,030	1,994	2,160	2,222	2,239	10.3	0.8
Int. on bal. with RBI & inter-bank funds & Others	66	49	40	106	146	120.5	36.7
Interest income	16,823	17,519	18,784	20,249	21,534	28.0	6.3
Interest expense	7,606	7,515	7,855	8,376	9,050	19.0	8.0
Net interest income	9,217	10,005	10,929	11,874	12,484	35.4	5.1
Growth YoY (%)	(2.1)	12.8	26.4	38.7	35.4		
Fee Income	1,600	1,830	1,820	1,460	1,830	14.4	25.3
Others	734	875	907	810	826	12.6	1.9
Non-interest income	2,564	2,955	3,067	2,560	2,956	15.3	15.5
Growth YoY (%)	30.1	71.6	13.7	2.8	15.3		
Total income	11,780	12,960	13,996	14,434	15,440	31.1	7.0
Growth YoY (%)	3.5	22.4	23.4	30.6	31.1		
Staff expenses	4,355	4,738	4,700	5,036	5,123	17.6	1.7
Other operating expenses	3,473	3,823	4,150	3,917	4,380	26.1	11.8
Operating expenses	7,828	8,562	8,850	8,953	9,503	21.4	6.1
Pre-Provisioning Profit (PPoP)	3,952	4,398	5,146	5,481	5,937	50.2	8.3
Growth YoY (%)	(22.4)	22.4	43.0	52.0	50.2		
Provisions	2,350	1,953	1,439	1,273	1,030	(56.2)	(19.1)
Growth YoY (%)	113.9	(12.3)	(45.6)	(43.4)	(56.2)		
Exceptional Item	-	-	-	-	-	-	-
PBT	1,603	2,445	3,708	4,207	4,907	206.2	16.6
Tax	386	587	888	1,042	1,257	225.9	20.6
PAT	1,217	1,857	2,820	3,165	3,651	199.9	15.3
Growth YoY (%)	(59.6)	71.0	238.1	206.7	199.9		
Per Share							
FV (Rs)	10	10	10	10	10	0.0	0.0
EPS (Rs)	0.6	1.0	1.5	1.6	1.9	197.0	14.8
Book Value (Rs)	32.6	33.6	35.1	36.7	38.6	18.3	5.1

Source: Company, BOBCAPS Research

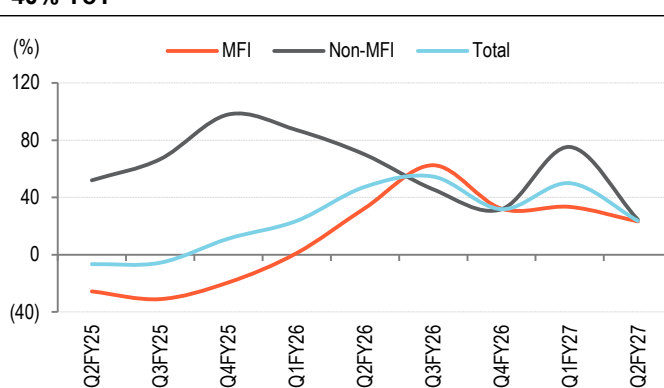
Fig 2 – Quarterly snapshot: Balance sheet & other key metrics

(Rs mn)	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Deposits	3,92,109	4,22,230	4,56,683	4,81,290	5,06,430	29.2	5.2
Growth YoY (%)	20.6	22.4	21.4	24.6	29.2		
Advances	3,38,076	3,62,280	3,97,606	4,19,800	4,47,533	32.4	6.6
Growth YoY (%)	24.7	22.3	26.7	29.2	32.4		
Investment	1,16,035	1,17,680	1,27,243	1,25,110	1,31,258	13.1	4.9
Equity	63,232	65,190	68,157	71,440	75,319	19.1	5.4
Assets	4,96,139	5,22,990	5,75,412	6,06,580	6,26,353	26.2	3.3
Growth YoY (%)	18.0	15.6	20.7	23.5	26.2		
Yield							
Yield on Funds	14.06	14.19	14.10	14.09	14.37	31bps	28bps
Cost of Funds	7.26	6.93	6.68	6.61	6.86	(40bps)	24bps
Spread	6.81	7.27	7.42	7.48	7.52	71bps	3bps
Net Interest Margin	7.70	8.11	8.20	8.26	8.33	63bps	7bps
Ratios							
Other Income / Net Income	21.8	22.8	21.9	17.7	19.1	(262bps)	141bps
Cost to Income ratio	66.4	66.1	63.2	62.0	61.5	(490bps)	(48bps)
CASA ratio	27.5	27.3	28.6	26.9	26.0	(148bps)	(85bps)
C/D ratio	86.2	85.8	87.1	87.2	88.4	215bps	115bps
Investment to Assets	23.4	22.5	22.1	20.6	21.0	(243bps)	33bps
Assets Quality							
GNPA	8,431	8,794	9,167	9,237	9,551	13.3	3.4
NNPA	2,250	2,081	1,704	1,417	1,404	(37.6)	(0.9)
Provision	6,181	6,713	7,463	7,820	8,148	31.8	4.2
GNPA (%)	2.45	2.39	2.26	2.16	2.10	(35bps)	(6bps)
NNPA (%)	0.67	0.57	0.43	0.34	0.31	(36bps)	(3bps)
Provision (%)	73.31	76.34	81.41	84.66	85.31	1,199bps	64bps

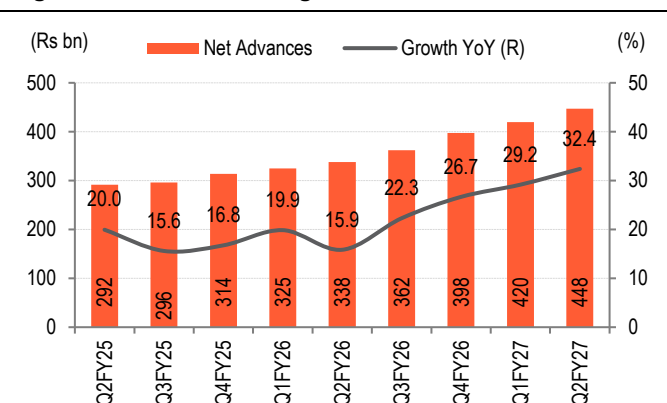
Source: Company, BOBCAPS Research

Fig 3 – UJJIVANS disbursed 52% towards secured segments...

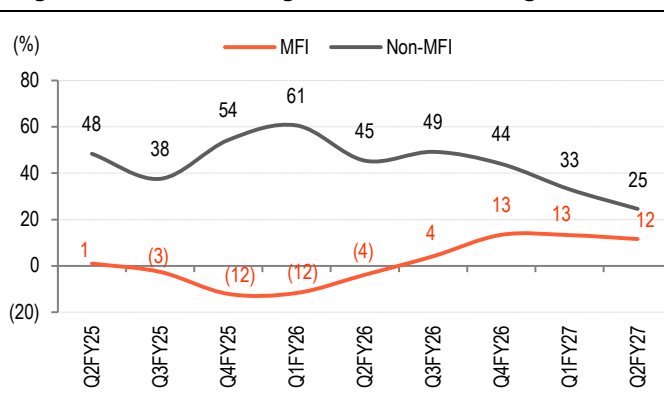
Source: Company, BOBCAPS Research

Fig 4 – ...increasing disbursement in non-MFI segment 40% YoY

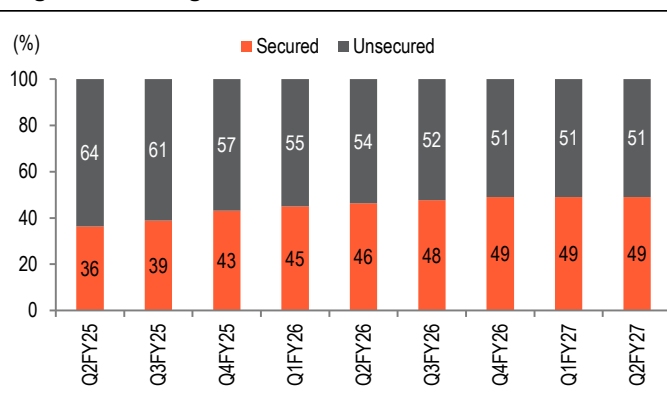
Source: Company, BOBCAPS Research

Fig 5 – Overall advances grew 32% YoY...


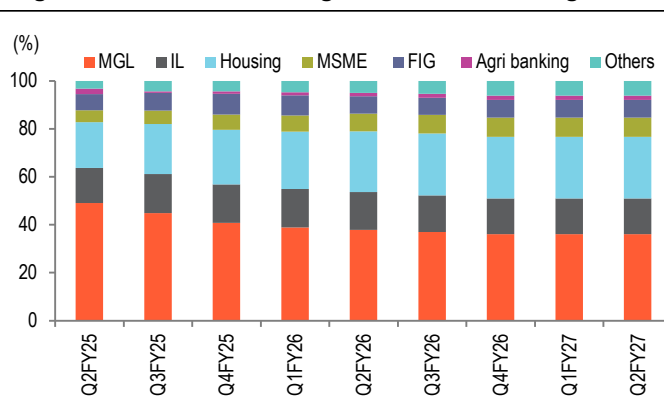
Source: Company, BOBCAPS Research

Fig 6 – ...with 34% YoY growth in non-MFI segments...


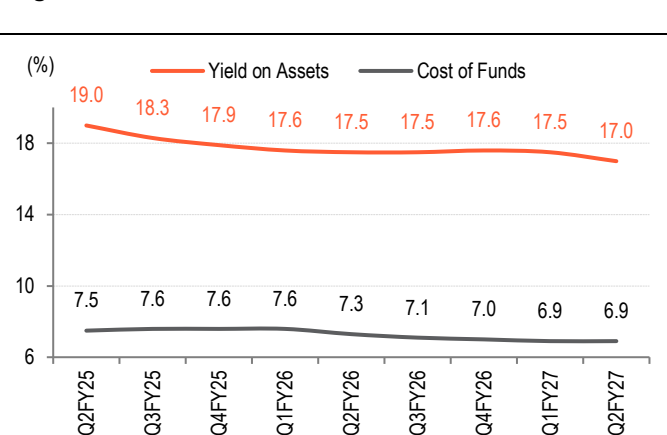
Source: Company, BOBCAPS Research

Fig 7 – ...leading to 52:48 secured vs unsecured mix


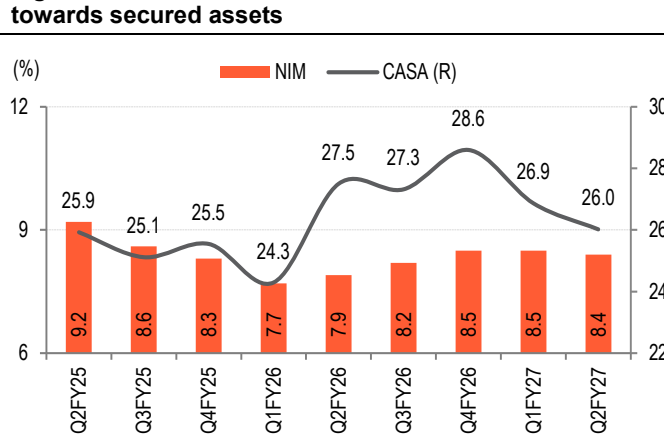
Source: Company, BOBCAPS Research

Fig 8 – Portfolio mix shifting towards secured segments


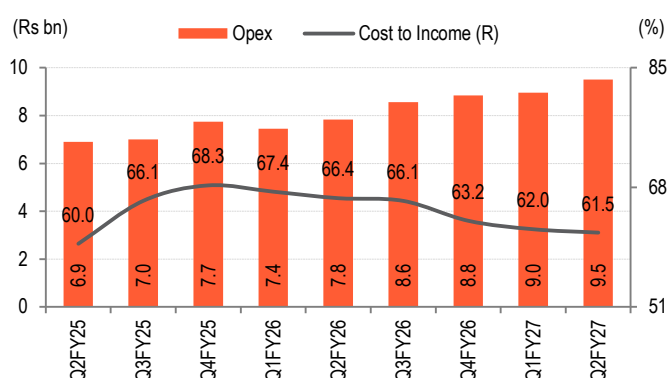
Source: Company, BOBCAPS Research

Fig 9 – CoF stable QoQ


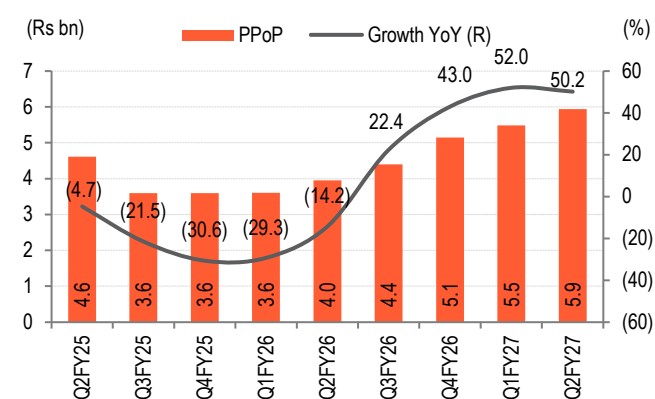
Source: Company, BOBCAPS Research

Fig 10 – NIMs fell QoQ as Yields declined due to shift towards secured assets


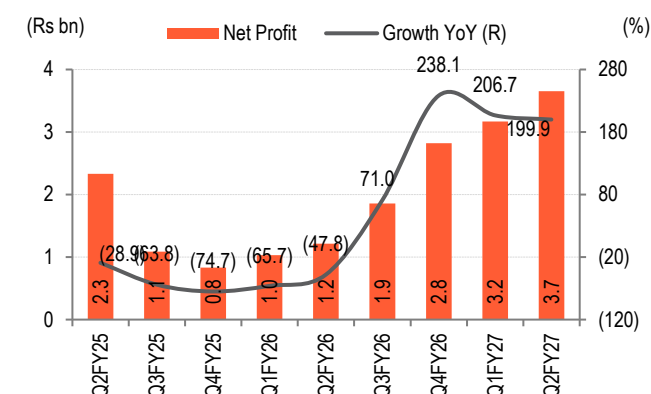
Source: Company, BOBCAPS Research

Fig 11 – Cost to Income stood at 61.5%


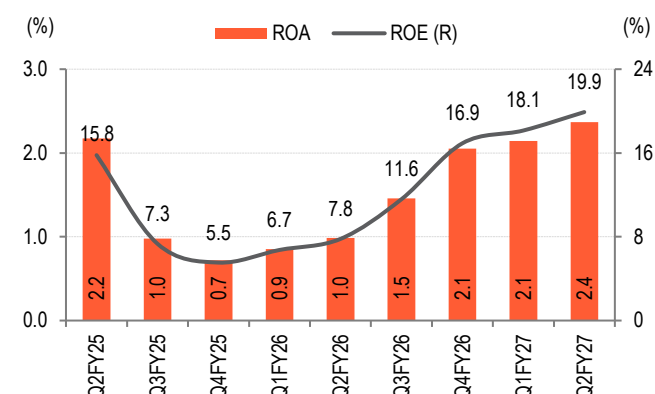
Source: Company, BOBCAPS Research

Fig 12 – PPoP grew 50% YoY, led by healthy NII growth


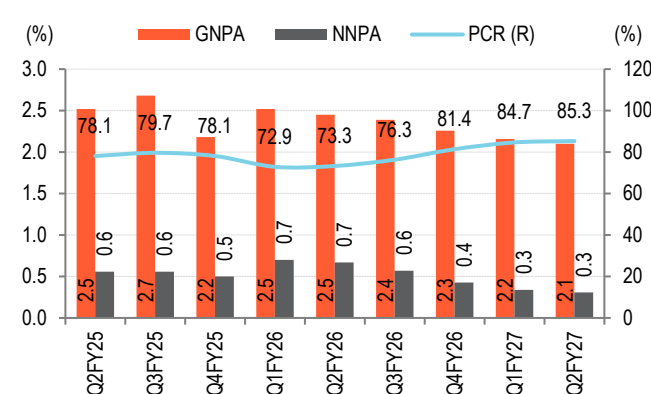
Source: Company, BOBCAPS Research

Fig 13 – PAT grew by 200% YoY


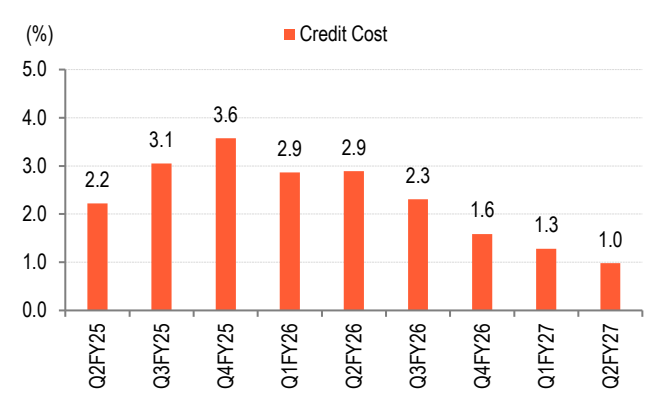
Source: Company, BOBCAPS Research

Fig 14 – Return ratios improve QoQ


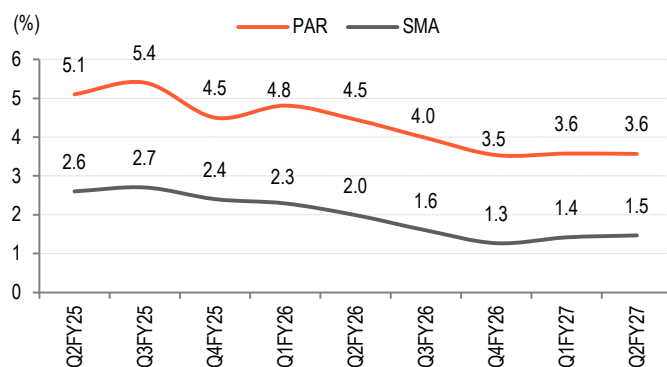
Source: Company, BOBCAPS Research

Fig 15 – Asset quality stable QoQ


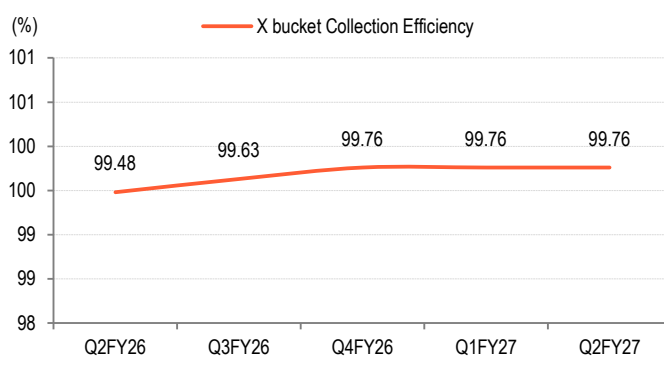
Source: Company, BOBCAPS Research

Fig 16 – Credit cost improved QoQ


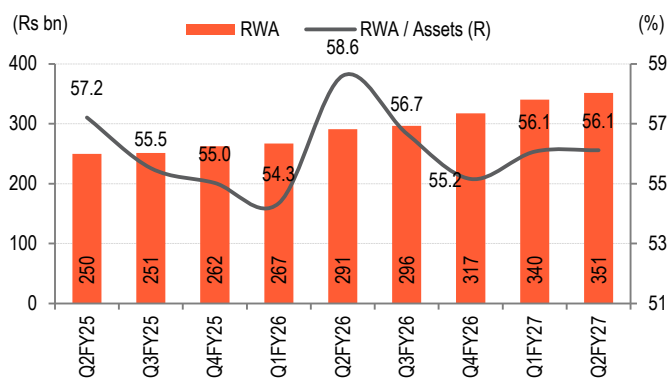
Source: Company, BOBCAPS Research

Fig 17 – PAR/SMA stable QoQ


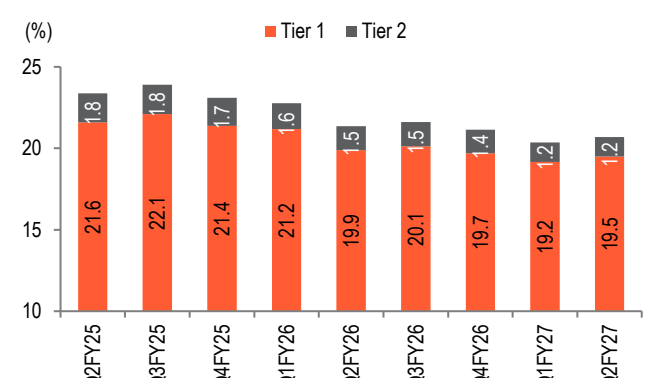
Source: Company, BOBCAPS Research

Fig 18 – Collection efficiency at stable level


Source: Company, BOBCAPS Research

Fig 19 – RWA/Asset healthy


Source: Company, BOBCAPS Research

Fig 20 – Adequate capital to fund growth


Source: Company, BOBCAPS Research

Concall Highlights

Business growth and outlook

- **Advances:** Loan growth remained strong at 32.4% YoY, with FY27 guidance maintained at 25%. The secured loan mix stood at 52%, targeted to reach 56% by FY27-end, with a further ~5 percentage-point increase in subsequent years, in line with its universal banking aspirations.
- **Deposits/CASA:** Deposits crossed Rs 500bn, growing 29.2% YoY, while CASA stood at ~26%. Strong NTB customer acquisition (+34% YoY) supports management's target of ~28% CASA by FY27-end.
- **MFI:** Portfolio grew 6% in H1FY27, with full-year growth guidance of 12–14%. Collection efficiency remained strong at 99.7%, in line with Q1, and 200k customers were added in Q2. Disbursements remained healthy despite disturbed monsoons.
- **Housing:** Affordable housing and micro mortgages grew 38.1% YoY, with affordable housing crossing Rs 100bn. GNPA stood at 3.7%. Q2 BT-out remained flat QoQ at 4.2%, as the bank prioritises yield preservation; average ticket size (ATS) stood at Rs 1.7mn.
- **Micro mortgages:** Portfolio grew 85.7% YoY, with GNPA at 0.7%. Management expects PAR to increase marginally but remain below 3%.
- **MSME:** Business grew 51.3% YoY, with the new book reaching Rs 30bn and GNPA at 0.5%.
- **Gold loans:** Growth accelerated to 209.8% YoY, supported by favourable industry-wide trends.
- **Agri banking:** Portfolio grew 17.2% YoY. Karnataka outstanding stood at Rs 1.65bn, while Maharashtra exposure was nil. Collections in Karnataka could be affected by government intervention.
- **Two-wheelers:** The bank is geared up for the festive season and expects robust momentum.
- **Strategic positioning:** Management believes the bank is well positioned through product evolution, pristine asset quality, and established systems and risk management. It remains focused on calibrated growth, portfolio quality and collections.

Asset quality

- **Asset quality:** GNPA/NNPA stood at 2.1%/0.3%, the slippage ratio at 1.6%, credit cost at 0.7%, and PCR at ~85%. Quarterly write-offs stood at Rs 0.59bn. Annualised MFI slippages were 1.85% in H1FY27.
- **Credit cost guidance:** Management maintained FY27 credit cost guidance at 0.9–1.0% of ATA, expecting asset quality to remain broadly in line with delivered levels.

- MFI stress: MFI PAR trends are improving as the benefits of tighter underwriting guardrails flow through. More than 60% of MFI borrowers have at least two household income sources, reducing dependence on agriculture.

Drought impact

- Karnataka drought exposure: Total microfinance portfolio stood at Rs 24bn, of which 20–25% is linked to agriculture and allied activities. Only Rs 0.15bn is eligible under the SLBC notice. Around 80% of microfinance branches are in metro and urban locations, with limited North Karnataka exposure; the bank has proactively moderated business in the region.
- Maharashtra drought exposure: Total microfinance portfolio stood at Rs 16.82bn, with agriculture and allied activities accounting for ~1%, or Rs 0.18bn, eligible under the SLBC notice. Around 97% of branches are in metro and urban markets, with no or very shallow presence in drought-affected areas such as Vidarbha.
- The bank remains cautious and is assessing relief eligibility and borrower requirements. Alternative household income sources and limited exposure to affected regions provide some comfort.

Margins

- NIM: Declined 10bps QoQ to 8.4%, reflecting the shift towards secured assets. Management expects NIM to moderate further to ~8.3% in H2FY27.
- Cost of funds: Deposit repricing kept CoF at 6.9%, but management expects a ~10bps increase in Q3FY27 and plans changes to retail term deposit and SA rates.

Opex

- Operating expenses: Other opex rose 6% QoQ, with employee expenses up 3% and other opex up 10%, driven by the brand campaign and branch expansion. Management expects institutional opex to increase further, albeit at a slower pace, as planned.
- Opex guidance: Management reduced its opex/ATA target from 6.4% to 6.2%.
- Branch and employee additions: The bank added 104 branches and 1,035 employees in H1FY27, strengthening distribution and human capital.
- PAT reached an all-time high of Rs 3.65bn. RoA/RoE improved to 2.4%/19.7% from 2.2%/18.2% in Q1FY27. Management retained its RoA target at 1.8–2%, while expecting to exceed the guided range if performance sustains.

IRDAI impact on banca income

- In H1 FY 2027, total insurance revenue stood at Rs 0.90 bn, with ~50% coming from credit life insurance. Management noted it is premature to quantify any exact reduction in income until final guidelines are issue. They do not expect any impact in Q3; if implementation occurs in Q4, there could be temporary stress, but otherwise, the full-year Third-Party Product targets remain on track. Insurance commissions flow almost entirely to the bottom line (minimal associated expenses). If commission caps lower income, the bank has alternative avenues planned to boost non-interest income

Capital raise, funding plans

- QIB fundraise: The bank plans to raise Rs 4.09bn through a QIB issue from marquee investors, including IFC, Bajaj Life, HDFC Life and Aditya Birla Sun Life. The raise is expected to increase pro forma CRAR by 1.2 percentage points from 20.69% and accrete BVPS by Rs 0.8 per share.
- Balance fundraise: The existing shareholder resolution remains valid until July 2027, with the remaining tranche planned before expiry.
- Securitisation: The bank increased its securitisation pool by Rs 5bn to diversify funding; management expects this to be NIM-accretive.
- MD succession: Following the current MD's tenure, the NRC is working to ensure timely nomination of a successor.

Valuation Methodology

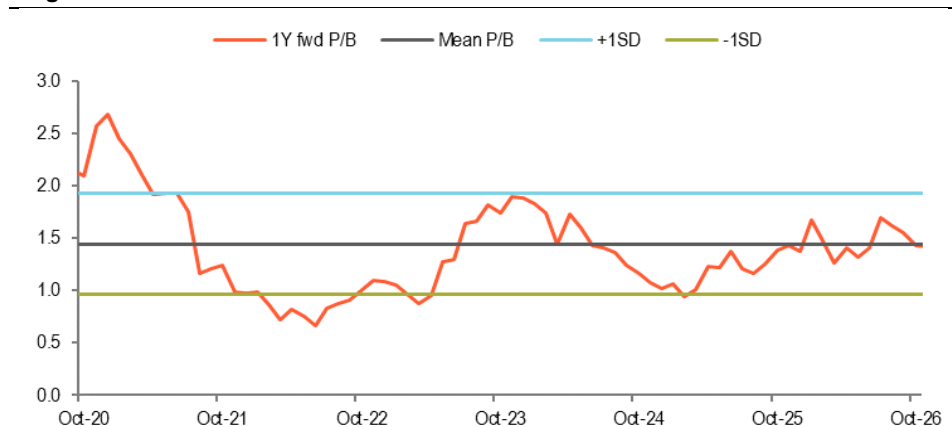
Ujjivan SFB is on track to reshape its business into a more diversified franchise with a higher secured-loan mix. MFI stress has peaked out, with a stabilised MFI/unsecured book expected to keep credit costs low and AQ stable, healthy return ratios support stock re-rating. Strong advances growth guidance of 25% in FY27, CASA improvement from 26% currently to 28% by FY27-end, stable asset quality, opex-to-assets guidance reduced from 6.4% to 6.2% and credit cost guidance of 1% should support RoA reaching 2%+ in FY27. We estimate FY27 RoA/RoE at 2%/16.8%. Maintain BUY; TP raised to Rs 78 (from Rs 72), valuing the bank at 1.7x Sep'28E ABV (vs. 1.6x earlier), on strong Q2 performance and a positive outlook.

Fig 21 – Key operational assumptions

(%)	FY26	FY27E	FY28E	FY29E
Advances growth	26.7	25.0	22.0	22.0
NII growth	6.5	26.3	23.3	23.1
PPoP growth	1.2	33.4	26.1	24.8
PAT growth	(4.6)	79.2	27.2	25.8
NIM	8.1	8.3	8.3	8.5
GNPA	2.3	2.1	1.9	1.9
CAR	23.1	18.4	17.7	17.3
ABV (Rs)	34.2	39.9	47.1	56.0

Source: Company, BOBCAPS Research

Fig 22 – PB band chart



Source: Company, BOBCAPS Research

Key Risks

Key downside risks to our estimates:

- Drought-related microfinance exposure stands at Rs 24 bn in Karnataka (Rs 151 mn qualifying agri loans) and Rs 16.8 bn in Maharashtra (Rs 180mn in qualifying agri-loans), current valuations reflect improving AQ. We believe other states may also announce drought relief measures soon, impact can come from H2FY27 onwards, AQ can start deteriorating with increase in credit cost hampering ROA.
- In H1 FY 2027, total insurance revenue stood at Rs 0.90 bn, with ~50% coming from credit life insurance, if implementation occurs in Q4, there could be temporary stress in other income impacting PAT and PPOP

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Net interest income	36,363	38,710	48,872	60,281	74,182
NII growth (%)	6.7	6.5	26.3	23.3	23.1
Non-interest income	8,462	11,075	13,306	16,099	19,555
Total income	44,825	49,785	62,178	76,381	93,737
Operating expenses	27,932	32,684	39,367	47,612	57,847
PPOP	16,892	17,101	22,811	28,768	35,890
PPOP growth (%)	(11.9)	1.2	33.4	26.1	24.8
Provisions	7,477	7,991	6,262	7,723	9,423
PBT	9,416	9,110	16,549	21,045	26,468
Tax	2,155	2,184	4,137	5,261	6,617
Reported net profit	7,261	6,926	12,412	15,784	19,851
Adjustments	0	0	0	0	0
Adjusted net profit	7,261	6,926	12,412	15,784	19,851

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Equity capital	19,350	19,427	19,427	19,427	19,427
Reserves & surplus	41,484	48,730	59,900	74,105	91,971
Net worth	60,834	68,157	79,327	93,532	111,398
Deposits	376,305	456,683	561,721	674,065	808,878
Borrowings	28,454	37,360	38,480	41,174	44,056
Other liab. & provisions	11,299	13,212	12,286	32,698	56,610
Total liab. & equities	476,892	575,412	691,813	841,469	1,020,942
Cash & bank balance	31,698	34,437	40,736	49,431	59,318
Investments	117,300	127,242	136,780	164,430	196,021
Advances	313,900	397,605	497,007	606,348	739,745
Fixed & Other assets	13,994	16,127	17,290	21,259	25,858
Total assets	476,892	575,412	691,813	841,469	1,020,942
Deposit growth (%)	19.6	21.4	23.0	20.0	20.0
Advances growth (%)	16.8	26.7	25.0	22.0	22.0

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
EPS	3.8	3.6	6.4	8.1	10.2
Dividend per share	0.0	0.0	0.6	0.8	1.0
Book value per share	31.4	35.1	40.8	48.1	57.3

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
P/E	16.8	17.7	9.9	7.8	6.2
P/BV	2.0	1.8	1.5	1.3	1.1
Dividend yield (%)	0.0	0.0	1.0	1.3	1.6

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Net interest income	8.3	7.4	7.7	7.9	8.0
Non-interest income	1.9	2.1	2.1	2.1	2.1
Operating expenses	6.3	6.2	6.2	6.2	6.2
Pre-provisioning profit	3.8	3.3	3.6	3.8	3.9
Provisions	1.7	1.5	1.0	1.0	1.0
PBT	2.1	1.7	2.6	2.7	2.8
Tax	0.5	0.4	0.7	0.7	0.7
ROA	1.6	1.3	2.0	2.1	2.1
Leverage (x)	7.5	8.2	8.6	8.9	9.1
ROE	12.4	10.7	16.8	18.3	19.4

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Net interest income	6.7	6.5	26.3	23.3	23.1
Pre-provisioning profit	(11.9)	1.2	33.4	26.1	24.8
EPS	(43.1)	(4.9)	78.8	27.2	25.8
Profitability & Return ratios (%)					
Net interest margin	8.8	8.1	8.3	8.3	8.5
Fees / Avg. assets	48.0	52.6	52.5	52.5	52.5
Cost-Income	62.3	65.6	63.3	62.3	61.7
ROE	12.4	10.7	16.8	18.3	19.4
ROA	1.6	1.3	2.0	2.1	2.1
Asset quality (%)					
GNPA	2.2	2.3	2.1	1.9	1.9
NNPA	0.5	0.4	0.4	0.3	0.3
Slippage ratio	4.2	3.4	2.5	2.1	2.1
Credit cost	2.6	2.2	1.4	1.4	1.4
Provision coverage	77.7	81.1	81.7	81.7	81.7
Ratios (%)					
Credit-Deposit	83.4	87.1	88.5	90.0	91.5
Investment-Deposit	31.2	27.9	24.4	24.4	24.2
CAR	23.1	23.1	18.4	17.7	17.3
Tier-1	21.4	21.4	17.1	16.7	16.4

Source: Company, BOBCAPS Research

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
 Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
 SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
 SEBI Stock Broker Registration No: **INZ000159332**
 SEBI Depository Participant Registration No: **IN-DP-728-2022**
 SEBI Merchant Banker Registration No: **INM000009926**
 Phone: +91-22-61389300
 Name of the Compliance Officer: Mr. Sameer Khobrekar
 Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
 For any queries or grievances, you may contact the Grievance Officer.
 Name of the Grievance Officer: Mr. Nilesh Mehta
 Email ID: head-customer@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
 Website: <https://www.bobcaps.in/>
 CIN: **U65999MH1996GOI098009**



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

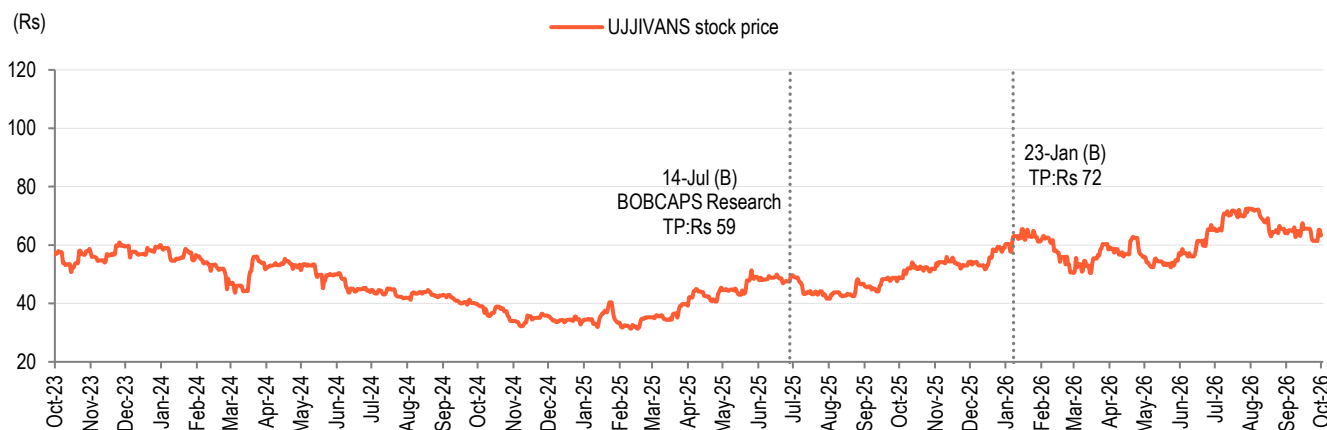
Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%
HOLD – Expected return from -6% to +15%
SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): UJJIVAN SMALL FINANCE BANK (UJJIVANS IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions 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. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this 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. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may 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 and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency 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. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "Losses") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd ("MSL") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as "MAYBANK"). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.