

Ujivan Small Finance Bank Ltd.



Ujjivan Small Finance Bank Ltd.

Issue Opens On
Monday, 2nd December 2019
Issue Closes On
Wednesday, 4th December 2019
Price Band (INR)
36-37
Issue Size (INR Cr.)
750
Rating
SUBSCRIBE

Company Overview

Ujjivan Financial Services Ltd (USFL), the promoter of the bank had received RBI In-principle Approval to establish an Small Finance Bank (SFB) on 7th October, 2015. Following which it incorporated Ujjivan Small Finance Bank Limited (USFB) as a wholly-owned subsidiary. On 11th November, 2016, USFL obtained RBI Final Approval to establish and carry on business as SFB and it transferred its business undertaking comprising of its lending and financing business to the bank and the bank commenced its operations from 1st February, 2017. The bank included as Scheduled bank to Reserve Bank of India Act, 1934 on 3rd July, 2017. The bank is operating as one of the leading SFBs in India with most diversified portfolio, spread across 24 states and union territories and it served 4.94 mn customers and operated from 552 banking outlets which includes 141 banking outlets in Unbanked Rural Centres (URCs) and additionally operates 4 Asset Centers as on Sept'19.

OFFER STRUCTURE

Particulars	IPO Details
Fresh Issue (INR)	750 cr
No. of shares (#)	20.27 - 20.83 cr
Pre-IPO Placement	INR 250 cr (7.14 cr shares)
Reservation for USFL (INR)	75 cr
Price band (INR)	36-37
Post issue MCAP (INR Cr.)	6,242-6,394
Face Value (INR)	10

Indicative Timetable

Offer Closing Date	4 th December 2019
Finalization of Basis of Allotment with Stock Exchange	On or about 9 th December 2019
Initiation of Refunds/ unblocking of funds from ASBA Account	On or about 10 th December 2019
Credit of Equity Shares to Demat accounts	On or about 11 th December 2019
Commencement of Trading of Eq.shares on stock exchanges	On or about 12 th December 2019

Issue break-up	% of shares
QIB	75%
Non- Institutional	15%
Retail	10%

Book Running Lead Managers (BRLMs)	Registrar to the issue
Kotak Mahindra Capital Company Limited	Karvy Fintech Private Limited
IIFL Securities Limited	
JM Financial Limited	

Source: IPO Prospectus, KRChoksey Research

Objects of the issue

to meet tier 1 capital for bank's future capital requirements which would be generated by bank's asset growth and investment portfolio

Valuation

The bank has performed well over the years and is expected to grow its business further with its product innovation strategy and customer centric approach. There was a robust growth in advances/deposits of 21.7%/229.4% CAGR (FY17 to FY19) where loan to deposit ratio was 1.43 in FY2019. We expect the bank to get the benefits from its digital advanced technology developments. Also, it focuses more on middle income segment of India to serve the unserved and underserved customers.

The issue is valued at 2.96x P/BV at upper price band of INR 37 on 1HFY20. We believe the bank is expected to be profitable in the long run and investors can **SUBSCRIBE** for the issue.

Peer Comparison	Face Value	CMP (INR)	Total Income (INR mn)	EPS (Basic) (INR)	EPS FY20E (INR)	Forward P/E (FY20)	BPS FY20E (INR)	Forward P/BV (FY20)	RONW (%)
Ujjivan Small Finance Bank Ltd	10	36-37*	13,123.8	1.20	2.62	14.1x	12.5	2.9x	11.49
AU Small Finance Bank Ltd	10	823.6	34,123.1	13.2	21.78	37.8x	132.96	6.2x	14.03
DCB Bank Ltd	10	176.2	33,919.2	10.5	12.60	14.0x	102.72	1.7x	10.99
RBL Bank Ltd	10	383.9	77,430.7	20.3	15.40	24.9x	181.54	2.1x	12.07
Equitas Holdings Ltd	10	99.0	23,577.5	5.2	8.30	11.9x	77.21	1.3x	7.52
CreditAccess Grameen Ltd	10	800.0	12,773.4	23.4	31.01	25.8x	195.80	4.1x	16.92
Bandhan Bank Ltd	10	579.8	77,070.5	16.4	21.89	26.5x	95.35	6.1x	18.96

Source: Factset, KRChoksey Research, * Issue Price band for the issue and valuation is based on upper price band

FY2019 figures for Total Income, EPS (Basic) and RONW (%), EPS FY20E and BPS FY20E are based on annualised basis considering the similar performance in 2HFY20 as 1HFY20.

Ujjivan Small Finance Bank Ltd.

Investment Rationale

Mass market comprising of middle income group remains the focus to serve unserved and underserved segments

Ujjivan Small Finance Bank is a Small Finance Bank (SFB) providing variety of banking products and services in mass market segment with a focus on serving the financially unserved and underserved segments in India. As of Sep'19, 25.54% of banking outlets were located in Unbanked Rural Centers (URCs) and 'priority sector advances' net of Priority Sector Lending Certificate (PSLC) and Inter-Bank Participation Certificate (IBPC) were 75.02% of adjusted net bank credit (ANBC). This has enabled the bank to comply with RBI's requirements within the first year of its operations.

The bank continues to focus to lend micro banking customers, however, deposits from micro banking customers constituting 6.83% of total deposits as of Jun'19. The bank is particularly focused on serving senior citizens and offer them differential interest rates, doorstep banking services, unlimited free ATM transactions along with free accidental insurance cover of up to INR 100,000 and no minimum balance maintenance requirements in savings accounts. It also offer such customers with priority service and life event-based services at Banking Outlets.

Offers customization and innovative product solutions to meet customer requirements across delivery channels

The bank considers customer as most significant stakeholder at the core of its operations and it serves ~4.94 mn customers. The bank has launched "Sampoorna Banking" in Apr'19 which extends full banking services including various products of loans, deposits and distribution of insurance to families of existing micro banking customers. (For more details check 'Exhibit: Products and services'). The bank is authorised to run "Aadhar Enrolment Centres" where customers and members of general public can enroll for Aadhar or get their Aadhar data updated. There is service quality team which focuses on customer retention, customer protection and grievance redressal. Customer satisfaction scores for banking outlets has improved from 77.11% in FY 2018 to 78.53% in FY 2019.



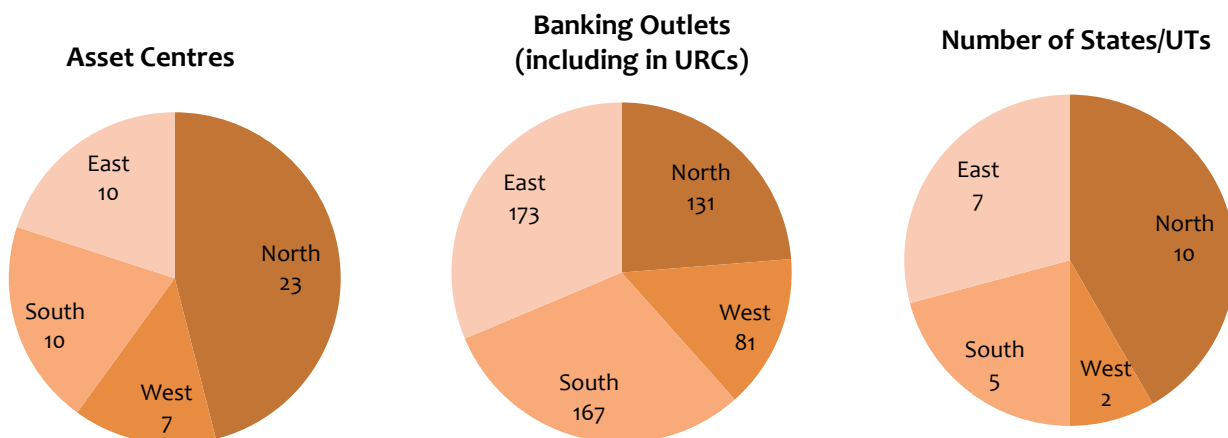
The bank has partnered with its group company, Parinaam Foundation to support them with its initiatives that aide in raising the level of financial awareness of customers and it has covered over million customers through various programmes. Bank's delivery channels includes Banking Outlets, Asset Centres, ATMs, ARCs, mobile and internet banking services, missed call and SMS banking services and Digi buddy services. Bank's "Digi-buddy" service aims at assisting and educating customers on the use of various digital platforms and enables them to move from assisted model to a self-service delivery model.

The bank has received 6th SMEs Excellence award for 'Excellent Service (Small Finance Bank)' from ASSOCHAM India, and were awarded 'Best HR Practice in Finance Sector' at the Banking, Financial Services and Insurance Awards.

Diversified operations across 24 Sates and Union Territories (UTs) has reduced concentration risk

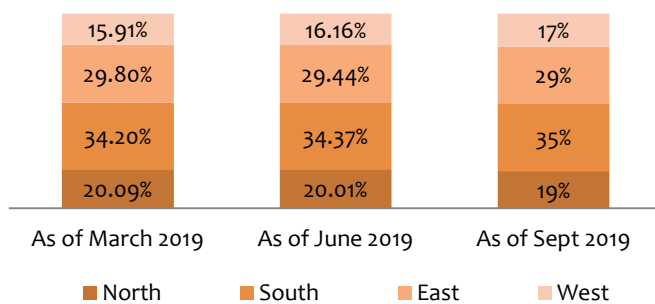
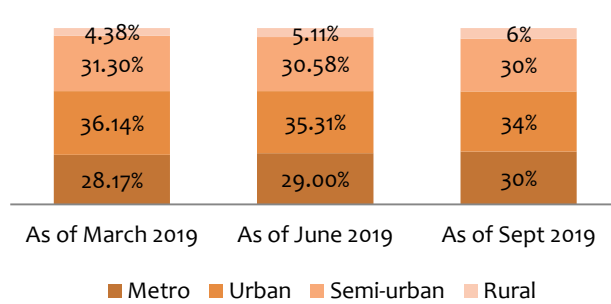
The bank is one of the leading SFBs in terms of branch count and geographical spread across India as of March 2019. It exists in 24 states and UTs covering 232 districts in India as of Sept'19. The bank has operated from 552 banking outlets which include 141 outlets in URCs, 4 Asset Centres and 442 ATMs. Fiscal 2019 alone, the bank operationalized 287 banking outlets. The bank has reduced concentration risk and could diversify its loan portfolio backed by well diversified operations i.e. no single state constituted more than 18% of its overall loan portfolio. The bank believes that its diversified operations and understanding of its customers' requirements have enabled them to establish a strong liability franchise.

Channels of Distribution Network Sep'19



Source: DRHP, KRChoksey Research

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Region wise contribution of gross advances

Area wise contribution of gross advances


Source: DRHP, KRChoksey Research

Advanced digital platform and technology driven operating model to boost banking operations

The bank manage the entire life cycle of its customers' banking transactions (from on boarding to customer management) through its various technology platforms. The number of banking transactions through digital channels were 0.60% and 8.31% of overall transactions in Fiscal 2018 and 2019, respectively. Such transactions accounted for 16.34% of overall transactions in the three months ended June 30, 2019. Since commencement of banking operations, 82.34% of advances have originated through handheld devices. Turn-around time in group loans has reduced from 8.00 days in Fiscal 2017 to 4.06 days in Fiscal 2019. In Fiscal 2019, the bank enabled UPI on its digital platforms. Customers are able to register savings bank accounts on mobile applications to perform financial and non-financial transaction. Also, it provides customers the ability to repay loans in a cashless manner and through digital wallets and payment gateways. In Fiscal 2019, the bank's mobile application was downloaded by 0.21 million users and was used by 0.19 million customers to perform banking transactions.

The bank continue to leverage technology for underwriting and creating credit models to ascertain credit behaviour of various customer segments to ensure diversification of product portfolio. It creates and manages data security infrastructure in-house and have systems in place to prevent security breaches and cyber-attacks. It has also introduced a remote monitoring system to manage security at Banking Outlets. Also, it undertakes periodic audits of systems through an external 'information security auditor'.

Robust risk management framework

The bank has an established credit management framework to identify, measure, monitor and manage credit market, liquidity, IT and operational risks. It is driven by the Board through its risk management committee and at the management level by the Asset and Liability and Market Risk Management Committee, Credit Risk Management Committee, Operational Risk Management Committee and the Information Security and Business Continuity Management Committee which are comprised and supported by members of senior management team. Risk Management Committee is responsible for the review of prudential risks while Credit Risk Management Committee is responsible for overseeing implementation of credit risk management framework across the Bank.

The bank has implemented credit management models such as decentralized loan sanctioning and stringent credit history checks. It continues to use technology and data analytics to manage credit risks and its in-house analytics team has developed a credit application scorecard to make informed decisions on lending. The bank has implemented SaaS for measuring capital adequacy, asset liability management and preventing money laundering. Bank's credit risk monitoring policies seek to monitor and control performance of both loan assets at account and portfolio levels, with account monitoring designed to identify and facilitate corrective action for weak accounts, and portfolio monitoring aimed at identifying credit stress in specific sectors and geographies.

The effective credit risk management is also reflected in portfolio quality indicators such as robust repayment rates, stable portfolio at risk and low gross and net NPAs. As of Sept'19, gross NPAs accounted for 0.9% of gross advances, while net NPAs accounted for 0.3% of Net Advances. Bank's GNPA was the lowest among the small finance banks in India, as of Mar'19 (Source: CRISIL Report). Bank's effective risk management framework is also evident from low portfolio at risk ratio that has been consistently declining since inception and was 1.49% and 1.6% as of Mar'19 and Sept'19, respectively. The bank manages operational risks at a granular level, through an internal scoring mechanism and through a 'Key Risk Indicator' program for monitoring critical industry-specific risks. The KRIs effectively monitors liquidity risk and interest rate risk, and ensure diversified funding as prescribed by the RBI.

Consistent strong financial performance

The bank has maintained strong growth credentials since inception through high rates of customer retention, geographical expansion, operationalization of Banking Outlets, improved productivity, lower credit cost and growth in customer base. It believes that operational efficiencies, low turn-around time and network of Banking Outlets have resulted in the rise in its profitability.

The bank has grown in a sustainable manner and accordingly has been able to maintain asset quality. The Bank was ranked second in terms of provision coverage ratio among the small finance banks in India, as of Mar'19 (Source: CRISIL Report). Bank was ranked fourth among the small finance banks in India as of Mar'19 (Source: CRISIL Report). (For more details on fundamental performance please check 'Exhibit: KEY FINANCIALS').

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Strong management, leadership and employee welfare are key to the success

The bank is professionally managed and senior management team has a diversified track record in the financial services industry. Board consists of Directors with a diverse mix of experience in various sectors, in particular, the financial services industry and technology. The Managing Director and Chief Executive Officer, Samit Kumar Ghosh. Nitin Chugh will be taking over as the Managing Director and Chief Executive Officer of the Bank with effect from December 1, 2019 following the retirement of Samit Kumar Ghosh. Nitin Chugh has previously worked with HDFC Bank Limited, Standard Chartered Bank, HCL, Hewlett Packard and Modi Xerox Limited. The bank's focus on ensuring strong corporate governance is evident from leadership transition process that has been a Board managed process for over a period of one year. It believes that the experience of independent Directors, who constitute a majority of Board, ensures transparency and accountability in its operations while the heads of functional groups, such as finance, financial planning and analysis, risk and human resources, enhance the quality of management with their specific and extensive industry experience.

As a performance driven organization, bank has undertaken a number of measures towards employee welfare, including introduction of specific programmes to address role specific regulatory requirements and build a culture of governance. SWAYAM, bank's learning application, was introduced in Oct'18, which allowed foray into technology-enabled, self-paced learning. Employees are educated on products, processes, compliance and basic banking knowledge with the help of SWAYAM across all regions. Employee base has grown from 10,167 employees as of Mar'17 to 14,752 employees as of Mar'19 and had 16,776 employees as of Sept'19.

Below are some strategies to be implemented by the bank in order to grow its business and to improve its operations

Develop an one-stop-shop for financial services to enable multiple customer relationship

The bank is putting efforts to be a one-stop-shop for financial services, delivering quality products and solutions, along with a personalized customer experience to a diversified customer base. It intends to develop and offer a comprehensive suite of asset and liability products that will help to attract new customers and deepen their relationship with their existing customer base. Also, it intends to expand range of third party products and services in order to serve its customers better.

Continue to focus on technology and data analytics to grow operations

The optimum use of advanced, cost-effective technology has significantly driven bank's operations, and going forward, bank intends to strategically invest resources for further integration of technology into its operations. By furthering digital and technology platform, bank's endeavour is to empower the customers to access various products and services on their own, reduce bank's operating costs and increase efficiencies.

In order to enhance adoption of digital channels among the underserved segment, the bank has undertaken measures to improve its mobile application by activating voice-enabled and gesture enabled interfaces in regional languages. The bank intends to move from person-to-person services to providing technology assisted services using handheld devices and phone banking services to entirely self-service model through the use internet and mobile banking. The bank intends to facilitate this with establishment of digital and neo banking services, where full range of financial services is available.

Strengthening retail base and liability franchise to reduce cost of source funding

The bank intends to strengthen its liability franchise with a focus on growing retail deposit base to provide with a stable, low-cost source of funding through measured expansion of Banking outlets and offer digital savings and deposit products through internet and mobile banking to acquire new customers. Also, the bank is expected to launch additional products and services designed for non-resident Indians and introduce foreign currency remittances, in order to increase its business with the Indian diaspora.

Expand distribution network to increase customer penetration

The bank is now focusing to expand its Banking Outlets and infrastructure by targeting on rural and semi-urban areas. It believes these areas represent a significant opportunity for its continued growth as it expands banking services to those areas which have traditionally been underserved. The bank is expected to operationalize additional Banking Outlets, convert existing Asset Centres to Banking Outlets, expands ATM network and business correspondent agent network to grow advances and deposits.

Focus on developing responsible banking behaviour for unserved and underserved segments

The bank believes that basic education on financial products and services can help individuals and MSEs access the right financial solutions and develop better financial behaviour. The bank's focus will continue to remain on serving the unserved and underserved segments to build responsible banking behaviour by educating potential customers and increasing financial literacy.

Diversification of revenue streams

An important and strategic focus for bank is to diversify its fee and non-fund based revenues. For MSE customers, the bank aims to market fee and non-fund based products such as letters of credit, bank guarantees, foreign exchange remittance services and third party insurance products. The bank intends to grow its income from fee based services by introducing new products and services and by cross selling offerings to existing customers.

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Key risks and concerns

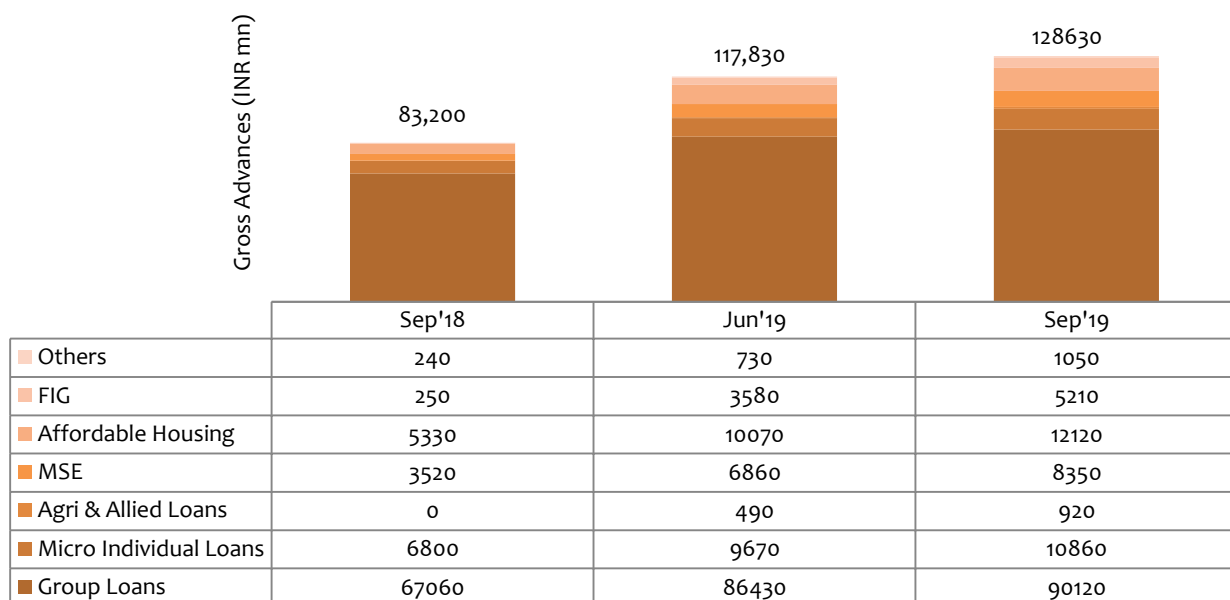
- Competition in the Indian banking industry is very high and bank's growth strategy will depend on its ability to compete effectively.
- The bank rely extensively on and continuously upgrade its information technology systems and any disruptions in such systems, or breach of data, could adversely affect their operations and reputation.

Exhibit: Management of the Ujjivan Small Finance Bank:

Board of Directors	Designation
Sunil Vinayak Patel	Part-Time Chairman and Independent Director
Samit Kumar Ghosh	Managing Director and Chief Executive Officer
Jayanta Kumar Basu	Non-Executive Director
Vandana Viswanathan	Non-Executive Director
Chitra Kartik Alai	Non-Executive Nominee Director
Sachin Bansal	Independent Director
Luis Miranda	Independent Director
Biswamohan Mahapatra	Independent Director
Prabal Kumar Sen	Independent Director
Nandlal Laxminarayan Sarda	Independent Director
Mona Kachhwaha	Independent Director
Lakshminarayanan	Independent Director

Source: KRChoksey Research, DRHP

Exhibit: Gross Advances- Segment Wise (INR mn)



Source: KRChoksey Research, Investor Presentation

Ujjivan Small Finance Bank Ltd.

Exhibit: Products and services

Asset Products	Ticket size	Interest rate	Tenure
Micro Banking			
Group loans	INR 2K-60K	declining rate of 22% pa	Up to 2 years
Ujjivan Bank Group business loan	INR 6K-60K		12/18/24 months
Ujjivan Bank Group Family Loan	INR 6K-40K		12/18/24 months
Ujjivan Bank Group Agriculture and Allied Loan	INR 6K-60K		12/18/24 months
Ujjivan Bank Group Education Core Loan	INR 6K-50K		12/18/24 months
Ujjivan Bank Group Emergency Top-up Loan	INR 2K-5K		6 months
Ujjivan Bank Group Education Loan Top Up	INR 5K-15K		12 months
Ujjivan Bank Group Top-up Loan	INR 10K-30K		6/12/18 months
Ujjivan Bank Group Loyalty Loan	INR 5K-25K		12/18/24 months
Individual Loans		declining rate of 23.25% - 24.00% pa	
Ujjivan Bank Individual Business Loan	INR 51K-200K		6 to 24 months
Ujjivan Bank Individual Bazar Loan	INR 51K-200K		6 to 24 months
Ujjivan Bank Home Improvement Loan	INR 51K-200K		12 to 36 months
Ujjivan Bank Individual Agriculture Loan	INR 51K-100K		6 to 24 months
Ujjivan Bank Higher Education Loan	INR 51K-200K		2 to 7 years
Ujjivan Bank Open Market Livestock Loan	INR 51K-200K		6 to 24 months
Ujjivan Bank Individual Livestock Loan:	INR 51K-200K		6 to 24 months
Ujjivan Bank Open Market Home Improvement Loan	INR 51K-200K		12 to 36 months
Agriculture and Allied Loan products			
Ujjivan Bank Agri Group Loan	INR 30K-60K	declining rate of 22% pa	24 months
Ujjivan Bank Kisan Suvidha Loan	INR 60K-150K (for existing customers) INR 60K-200K (for new customers)	declining rate of 23.25% pa	24 months
Micro and Small Enterprise ("MSE") Loans			
Ujjivan Bank Secured Enterprise Loan	Extended loans for eligible customers (from INR 1 mn to 10 mn) New customers (from INR 1 mn to 5 mn)	14% to 17% pa	3 to 10 years
Ujjivan Bank Business Loan Secured	INR 1 mn to 2.5 mn	17% to 19% pa	3 to 10 years
Ujjivan Bank Overdraft Facility	INR 5 mn to 10 mn	14% to 17% pa	
Ujjivan Bank Business Edge Term Loan and Overdraft	INR 2.5 mn to 20 mn	12% to 15% pa	3 to 10 years
Affordable Housing Loans			
Ujjivan Bank Construction and Purchase Loan	INR 200K to 7.5 mn	12.75% to 15.75%	36 to 240 months
Ujjivan Bank Home Improvement Loan	INR 200K to 2.5 mn	15.75%	36 to 144 months
Ujjivan Bank Composite Home Loan	INR 200K to 3 mn	12.75% to 15.75%	36 to 240 months
Ujjivan Bank Home Equity Loans (Non-Housing Loan)	INR 300K to 2.5 mn	17.75%	36 to 180 months
Loans Against Property			
Ujjivan Bank Loans Against Property	INR 300K to 1 mn		3 to 7 years
Personal Loans	INR 50K to 1.5 mn	declining rates from 18% - 23% pa	12 to 60 months
Financial Institutions Group ("FIG") Loans	INR 100 mn to 250 mn		2 to 3 years
Vehicle Loans			
Two wheeler loans	INR 26K to 85K	22% to 27% pa	12 to 36 months
3 wheeler loans	INR 50K to 175K	20% to 24% pa	12 to 36 months
Family Banking	to provide full range of affordable banking services		
Liability Products-Retail Products			
Current Accounts	Savings Accounts	Term Deposits	Institutional Products
Business Edge Current Account	Regular Savings Account	Fixed Deposits	Other Products and Services
Premium Current Account	Senior Citizen Savings Account	Recurring Deposits	ATM-cum-Debit Cards
Regular Current Account	Corporate Salary Account	TASC Fixed Deposits	Aadhaar Enrolment Services
TASC Current Account	Minor Savings Account	Tax Saver Fixed Deposit	Sale of Third Party Insurance Products
	Basic Savings Bank Deposit Account		
	Basic Savings Bank Deposit Small Account		
	Institutional Segment Savings Account		
	NRO Savings Account		
	NRE Savings Account		

Source: KRChoksey Research, DRHP

Ujivan Small Finance Bank Ltd.

KEY FINANCIALS

Profit and Loss statement:

Income Statement (INR mn)	Annuals			Semi-Annuals	
	FY2017	FY2018	FY2019	H1FY19	H1FY20
Interest Earned	2170.1	14678.8	18316.1	8333.0	12597.0
Interest Expended	1093.6	6068.6	7252.0	3270.0	5193.0
Net Interest Income	1076.5	8610.1	11064.1	5063.0	7404.0
Other Income	68.6	1114.8	2059.6	911.0	1752.0
Net Revenue	1145.2	9724.9	13123.8	5974.0	9156.0
Operating Expenses	1091.9	6528.7	10033.5	4459.0	6130.0
Pre-provision Profit	53.3	3196.2	3090.2	1515.0	3026.0
Provisions and Contingencies	44.4	3107.7	406.0	615.0*	1155.0*
Profit Before Tax	8.9	88.5	2684.2	-	-
Provision for tax	8.6	19.8	692.1	-	-
Net Profit/ (Loss) for the period/year	0.3	68.6	1992.2	900.0	1871.0
Basic EPS (INR)	0.00	0.05	1.20	0.60	1.20
Diluted EPS (INR)	0.00	0.05	1.20	0.60	1.20

Source: KRChoksey Research, USFB DRHP, Investor presentation,

* H1FY19 and H1FY20 figures for provisions and contingencies are including provision for tax.

Balance sheet:

Balance Sheet (INR mn)	Annuals			Semi-Annuals	
	FY2017	FY2018	FY2019	H1FY19	H1FY20
Capital	16,400.4	16,400.4	16,400.4	16,400.0	16,400.0
Reserves and Surplus	0.4	69.0	1,795.9	970.0	4,000.0
Shareholder's Funds	16,400.7	16,469.4	18,196.3	17,370.0	20,400.0
Deposits	2,064.1	37,725.2	73,794.4	41,881.0	1,01,298.0
Borrowings	62,914.0	38,528.5	41,660.9	41,869.0	34,702.0
Other Liabilities and Provisions	2,980.2	2,005.8	3,770.5	2,711.0	4,678.0
Total Liabilities	84,359.1	94,728.7	1,37,422.2	1,03,831.0	1,61,078.0
Cash and Balances with Reserve Bank of India	2,609.3	2,496.3	4,464.6	1,960.0	4,873.0
Balances with Banks and Money at Call and Short Notice	5,018.9	2,452.0	6,480.0	3,412.0	2,221.0
Investments	14,466.8	12,324.8	15,266.2	13,303.0	20,184.0
Advances	58,610.5	73,362.1	1,05,524.6	80,366.0	1,27,804.0
Fixed Assets	1,397.7	1,983.5	2,844.5	2,521.0	2,962.0
Other Assets	2,255.9	2,110.0	2,842.3	2,269.0	3,034.0
Total Assets	84,359.1	94,728.7	1,37,422.2	1,03,831.0	1,61,078.0

Source: KRChoksey Research, USFB DRHP

Ujjivan Small Finance Bank Ltd.

Ratios	Annuals			Quarters	
	FY2017	FY2018	FY2019	1HFY19	1HFY20
Net Interest Margin	8.36%	10.31%	10.93%	10.80%	10.60%
Other Income to Total Income ratio	0.03	0.07	0.10	0.15	0.19
ROAE	0.02%	0.42%	11.49%	-	-
ROAA	0.003%	0.08%	1.72%	-	-
CAR	21.07%	23.04%	18.95%	23.80%	19.00%
Tier I	20.40%	22.32%	18.39%	23.10%	18.37%
Tier II	0.67%	0.72%	0.55%	0.70%	0.63%
Cost to income	95.35%	67.13%	76.45%	74.60%	66.90%
Provision Coverage Ratio (%)	89.04%	81.87%	71.90%	85.00%	61.00%
Yield	16.86%	17.66%	17.01%	18.20%	18.63%
Cost of funds	10.01%	9.01%	8.33%	8.50%	8.40%
Spread	8.72%	10.65%	10.33%	9.70%	10.23%
GNPA (%)	0.28%	3.65%	0.92%	1.90%	0.90%
NNPA (%)	0.03%	0.69%	0.26%	0.30%	0.30%
CASA to total deposits ratio	1.57%	3.68%	10.63%	8.99%	11.90%

Source: KRChoksey Research, USFB DRHP

Peer Comparison for FY19 Financials

Company Name	Advances (INR Cr)	Deposits (INR Cr)	Loan to Deposit (%)	CASA	GNPA	NNPA	PCR	Tier I	ROA	P/BV
Ujjivan Small Finance Bank Ltd	10552	7379	143%	10.6%	0.9%	0.3%	61.0%	18.4%	1.7%	-
AU Small Finance Bank Limited	22819	19422	117%	21.0%	2.0%	1.3%	37.4%	16.0%	1.5%	6.1x
DCB Bank Limited	23568	28435	83%	23.9%	1.8%	0.7%	78.8%	13.1%	1.0%	1.7x
RBL Bank Ltd.	54308	58394	93%	25.0%	1.4%	0.7%	65.3%	12.1%	1.2%	2.1x
Equitas Holdings Ltd.	11835	8016	148%	28.0%	2.5%	1.4%	43.4%	20.9%	1.5%	1.4x
CreditAccess Grameen Ltd.	7159	-	-	-	0.6%	0.0%	-	-	5.2%	4.1x
Bandhan Bank Ltd.	39643	43232	92%	40.8%	2.1%	0.6%	72.1%	27.9%	3.9%	5.6x

Company Name	NIM	Cost to income (%)	Branches	Cost of funds (%)	Yield	Spread
Ujjivan Small Finance Bank Ltd	10.9%	76.5%	474	8.3%	18.7%	10.3%
AU Small Finance Bank Limited	5.5%	60.0%	408	7.9%	14.3%	6.4%
DCB Bank Limited	3.8%	53.7%	333	6.8%	11.3%	4.5%
RBL Bank Ltd.	4.1%	51.3%	324	6.8%	11.8%	5.0%
Equitas Holdings Ltd.	8.2%	70.1%	-	8.1%	18.8%	10.7%
CreditAccess Grameen Ltd.	-	33.9%	670	7.1%	21.8%	14.7%
Bandhan Bank Ltd.	9.0%	32.6%	961	5.4%	13.4%	8.0%

Source: KRChoksey Research, Company reports

Ujjivan Small Finance Bank Ltd.

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