UJJIVAN SMALL FINANCE BANK

**USFB/CS/SE/2020-21/37**

**Date:** August 26, 2020

**To,**

**National Stock Exchange of India Limited**
Listing Department
Exchange Plaza, C-1, Block G, Bandra Kurla
Complex, Bandra (E)
Mumbai – 400 051

**Symbol:** UJJIVANSFB

Dear Sir/Madam,

**Sub: Resubmission of outcome of the meeting of the Board of Directors - Approval of Financial Results for the quarter ended June 30, 2020**

Through our letter having reference number USFB/CS/SE/2020-21/29 dated July 31, 2020, we had submitted enclosed unaudited Financial Results and Limited Review Report thereon issued by the statutory auditors of the Bank, a copy of press release and the investor presentation on financial and business performance of the Bank for quarter ended June 30, 2020 under the Announcement Section of NSE Electronic Application Processing System ("NEAPS") Portal.

Pursuant to suggestion received from your good office, we hereby submit the aforementioned documents under the Quick Result Section of the NEAPS portal.

We request you to take note of the above.

Thanking You,

Yours faithfully,
**For UJJIVAN SMALL FINANCE BANK LIMITED**

Ujjivan Small Finance Bank Limited

**Chanchal Kumar**
**Company Secretary and Compliance Officer**

**Ujjivan Small Finance Bank Ltd.**
**Registered Office:** Plot No. 2364/8, Khampur Raya Village, Shadi Kampur, Main Patel Road, New Delhi-110008.
Tel: +91 11 30432121 , Fax: +91 11 30432111.
**Head Office:** Grape Garden, No. 27, 3rd A Cross, 18th Main, Koramangala 6th Block, Bengaluru-560095.
Tel: +91 80 40712121, Fax: +91 80 4146 8700.
**CIN:** L65110DL2016PLC302481 **W** www.ujjivansfb.in **E** ujjivan.blr@ujjivan.com

ujjivan SMALL FINANCE BANK

**USFB/CS/SE/2020-21/29**

**Date:** July 31, 2020

**To,**

**National Stock Exchange of India Limited**
Listing Department
Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

**Symbol:** UJJIVANSFB

**BSE Limited**
Listing Compliance
P.J. Tower,
Dalal Street
Mumbai – 400 001

**Scrip Code:** 542904

Dear Sir/Madam,

**Sub: Outcome of the meeting of the Board of Directors-Approval of Financial Results for the quarter ended June 30, 2020**

Further to our letter bearing reference number USFB/CS/SE/2020-21/26 dated July 23, 2020 and pursuant to Regulation 30 and 33 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that further to the review by the Audit Committee, the Board of Directors of the Bank, in its meeting held on July 31,2020, has considered and approved, ***inter alia***, unaudited Financial Results of the Bank for the quarter ended June 30, 2020 along with the Limited Review Report thereon issued by the statutory auditors of the Bank, M/s MSKA & Associates, Chartered Accountants.

A copy of aforesaid unaudited Financial Results and Limited Review Report thereon issued by the statutory auditors of the Bank, a copy of press release and the investor presentation on financial and business performance of the Bank for quarter ended June 30, 2020 are enclosed herewith.

The meeting of the Board of Directors commenced at 12:30 P.M and concluded at 05:00 P.M

This intimation shall also be available on the Bank's website at www.ujjivansfb.in.

We request you to take note of the above.

Thanking You,

Yours faithfully,
**For UJJIVAN SMALL FINANCE BANK LIMITED**

Ujjivan Small Finance Bank Limited

**CHANCHAL KUMAR**
**COMPANY SECRETARY AND COMPLIANCE OFFICER**

**Ujjivan Small Finance Bank Ltd.**
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MSKA
& Associates
Chartered Accountants

Floor 3, Enterprise Centre,
Nehru Road, Near Domestic Airport,
Vile Parle (E), Mumbai -400099, INDIA
Tel: +91 22 3358 9800

**Independent Auditor's Review Report on Unaudited Quarterly Financial Results of Ujjivan Small Finance Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To,**
**The Board of Directors**
**Ujjivan Small Finance Bank Limited**

1. We have reviewed the accompanying statement of Unaudited Financial Results of Ujjivan Small Finance Bank Limited (the "Bank") for the quarter ended June 30, 2020 ('the Statement') being submitted by the Bank pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').

2. This statement, which is the responsibility of the Bank's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' ('AS 25') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India from time to time ('RBI Guidelines') and other recognized accounting principles generally accepted in India. Our responsibility is to issue a report on the Statements based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

5. We draw attention to Note 9 to the unaudited financial results which describes the extent to which the Covid-19 Pandemic will continue to impact the Bank's result will depend on future developments, which are highly uncertain.

   Our opinion is not modified in respect of this matter.

**For MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W

**Swapnil Kale**
Partner
Membership No.: 117812
UDIN: 20117812AAAAUP6509

Mumbai
July 31, 2020

UJJIVAN SMALL FINANCE BANK LIMITED
CIN: L65110DL2016PLC302481
Registered Office: Plot No. 2364/8, Khampur Raya Village, Main Patel Nagar Road, Shadi Khampur, New Delhi - 110 008
Corporate Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095
Website: www.ujjivansfb.in Phone: +91 80 4071 2121

Unaudited Financial Results for the Quarter Ended June 30, 2020 (Rs. in Lacs)

| S.No. | Particulars | Quarter ended | | | Year ended |
|---|---|---|---|---|---|
| | | June 30, 2020 | March 31, 2020 | June 30, 2019 | March 31, 2020 |
| | | (Unaudited) | (Audited) Refer Note 4 | (Unaudited) | (Audited) |
| 1 | **Interest Earned (a)+(b)+(c)+(d)** | **74,628** | **73,749** | **60,537** | **270,360** |
| | a) Interest/ discount on advances/ bills | 69,763 | 69,822 | 56,720 | 255,171 |
| | b) Income on Investments | 4,154 | 3,620 | 3,503 | 13,870 |
| | c) Interest on balances with Reserve Bank of India and other interbank funds | 711 | 307 | 43 | 773 |
| | d) Others | - | - | 271 | 546 |
| 2 | Other Income (Refer note 6) | 2,870 | 7,216 | 10,013 | 32,221 |
| 3 | **Total Income (1)+(2)** | **77,498** | **80,965** | **70,550** | **302,581** |
| 4 | Interest Expended | 28,827 | 27,085 | 25,292 | 107,001 |
| 5 | Operating Expenses (i)+(ii) | 27,202 | 34,820 | 29,134 | 131,857 |
| | (i) Employees Cost | 18,576 | 18,490 | 15,938 | 71,849 |
| | (ii) Other Operating Expenses | 8,626 | 16,330 | 13,196 | 60,008 |
| 6 | **Total Expenditure (4)+(5) [excluding provisions & contingencies]** | **56,029** | **61,905** | **54,426** | **238,858** |
| 7 | **Operating Profit before Provisions & Contingencies (3)-(6)** | **21,469** | **19,060** | **16,124** | **63,723** |
| 8 | Provisions (other than tax) and Contingencies | 14,034 | 9,688 | 1,879 | 17,099 |
| 9 | Exceptional Items | - | - | - | - |
| 10 | **Profit from Ordinary Activities before tax (7)-(8)-(9)** | **7,435** | **9,372** | **14,245** | **46,624** |
| 11 | Tax Expense | 1,970 | 2,057 | 4,797 | 11,632 |
| 12 | **Net Profit from Ordinary Activities after tax (10)-(11)** | **5,465** | **7,315** | **9,448** | **34,992** |
| 13 | Extraordinary items (net of tax expense) | - | - | - | - |
| 14 | **Net Profit for the year (12)-(13)** | **5,465** | **7,315** | **9,448** | **34,992** |
| 15 | Paid up equity share capital (Face Value of Rs 10/- each) | 172,822 | 172,822 | 144,004 | 172,822 |
| 16 | Reserves excluding revaluation reserves | | | | 123,808 |
| 17 | **Analytical Ratios** | | | | |
| | (i) Percentage of shares held by Government of India | NIL | NIL | NIL | NIL |
| | (ii) Capital Adequacy Ratio - BASEL II (Refer note 7) | 28.68% | 28.82% | 19.00% | 28.82% |
| | (iii) Earnings per share (before and after extraordinary items, net of tax expenses)* | | | | |
| | Basic EPS (Rs) | 0.32 | 0.42 | 0.66 | 2.19 |
| | Diluted EPS (Rs) | 0.32 | 0.42 | 0.66 | 2.18 |
| | (iv) NPA Ratios | | | | |
| | (a) Gross NPAs | 13,982 | 13,714 | 9,578 | 13,714 |
| | (b) Net NPAs | 2,510 | 2,749 | 2,912 | 2,749 |
| | (c ) % of Gross NPAs to Gross Advances | 0.97% | 0.97% | 0.84% | 0.97% |
| | (d) % of Net NPAs to Net Advances | 0.18% | 0.20% | 0.26% | 0.20% |
| | (v) Return on assets (average)* | 0.29% | 0.42% | 0.68% | 2.21% |

* Figures for the quarters are not annualised

Ujjivan Small Finance Bank Ltd.

UJJIVAN SMALL FINANCE BANK LIMITED
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Corporate Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095
Website: www.ujjivansfb.in Phone: +91 80 4071 2121

Segment information in accordance with Accounting Standard on Segment Reporting (AS-17) of the operating segment of the Bank is as under:

(Rs. in Lacs)

| S.No | Particulars | Quarter ended | | | Year ended March 31, 2020 (Audited) |
|---|---|---|---|---|---|
| | | June 30, 2020 (Unaudited) | March 31, 2020 (Audited) Refer Note 4 | June 30, 2019 (Unaudited) | |
| 1 | **Segment Revenue** | | | | |
| (a) | Treasury | 5,979 | 3,965 | 7,992 | 19,781 |
| (b) | Retail Banking | 69,996 | 75,421 | 61,649 | 277,268 |
| (c) | Wholesale Banking | 1,523 | 1,579 | 909 | 5,532 |
| (d) | Unallocated | - | - | - | - |
| | Less: Inter-segment revenue | | | | |
| | **Income from operations** | **77,498** | **80,965** | **70,550** | **302,581** |
| 2 | **Segment Results** | | | | |
| (a) | Treasury | 972 | (272) | 4,117 | 4,241 |
| (b) | Retail Banking | 7,791 | 11,513 | 11,593 | 48,845 |
| (c) | Wholesale Banking | 444 | (123) | 127 | 153 |
| (d) | Unallocated | (1,772) | (1,746) | (1,592) | (6,615) |
| | **Total Profit Before Tax** | **7,435** | **9,372** | **14,245** | **46,624** |
| 3 | **Segment Assets** | | | | |
| (a) | Treasury | 429,710 | 355,489 | 226,833 | 355,489 |
| (b) | Retail Banking | 1,454,924 | 1,426,434 | 1,162,042 | 1,426,434 |
| (c) | Wholesale Banking | 52,338 | 54,916 | 35,872 | 54,916 |
| (d) | Unallocated | 3,838 | 4,284 | 4,514 | 4,284 |
| | **Total Assets** | **1,940,810** | **1,841,123** | **1,429,261** | **1,841,123** |
| 4 | **Segment Liabilities** | | | | |
| (a) | Treasury | 429,710 | 355,489 | 226,833 | 355,489 |
| (b) | Retail Banking | 1,148,705 | 1,127,771 | 973,218 | 1,127,771 |
| (c) | Wholesale Banking | 37,325 | 39,091 | 35,872 | 39,091 |
| (d) | Unallocated | - | - | 1,927 | - |
| | **Total Liabilities** | **1,615,740** | **1,522,351** | **1,237,850** | **1,522,351** |
| 5 | **Capital Employed** | | | | |
| | **(Segment Assets - Segment Liabilities)** | | | | |
| (a) | Treasury | - | - | - | - |
| (b) | Retail Banking | 306,219 | 298,663 | 188,824 | 298,663 |
| (c) | Wholesale Banking | 15,013 | 15,825 | - | 15,825 |
| (d) | Unallocated | 3,838 | 4,284 | 2,587 | 4,284 |
| | **Total** | **325,070** | **318,772** | **191,411** | **318,772** |

**A) Treasury:** The Treasury Segment primarily consists of net interest earnings from the Bank's Investment portfolio, money market borrowing and lending, gains or losses on Investment operations and income from sale of Priority Sector Lending Certificates ("PSLC").

**B) Retail Banking:** The Retail Banking Segment serves retail customers through a branch network and other delivery channels. Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment. This segment raises deposits from customers and provides loans and other services to customers. Revenues of the retail banking segment are derived from interest earned on retail loans, processing fees earned and other related incomes. Expenses of this segment primarily comprises of interest expense on deposits & borrowings, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

**C) Whole Sale Banking:** The Wholesale Banking Segment provides loans to Corporates and Financial Institutions. Revenues of the wholesale banking segment consist of interest earned on loans made to customers. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses of delivery channels, specialist product groups, processing units and support groups.

Ujjivan Small Finance Bank Ltd.

**Notes :**

1) The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 31, 2020. The financial results for the quarter ended June 30, 2020 have been subjected to "Limited Review" by the statutory auditors of the Bank. The report thereon is unmodified.

2) The above financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the guidelines issued by the Reserve Bank of India (RBI).

3) The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2020.

4) The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the financial year 2019-20 and the published year to date figures upto December 31, 2019.

5) The Bank has granted 4,07,99,100 options under the Employee Stock Option Plan (ESOP) 2019 to eligible employees of the Bank (including employees of the Bank's holding company) during the financial year 2019-20. As at June 30, 2020, out of the total options granted, 33,88,135 options were lapsed and 3,74,10,965 options are yet to be vested.

6) Other income includes income from commission, exchange and brokerage, processing fees, profit on sale of investments, PSLC fee income and recoveries from accounts previously written off .

7) The Capital Adequacy Ratio ("CAR") has been computed as per operating guidelines for Small Finance Bank in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No. 26/16.13.218/2016-17 dated October 06, 2016.
The Bank has followed BASEL II standardized approach for credit risk in accordance with the operating guidelines issued by the RBI for Small Finance Banks. Further, the RBI vide its Circular No. DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk. Additional COVID provisioning have not been considered in Tier II capital.

8) Bank has considered ESOP reserve as Tier 1 capital for the computation of Capital Adequacy Ratio -BASEL II.

9) The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments and companies, including the Bank, have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 46 days up till May 31, 2020 across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are incapable of assessment at this point in time, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Bank.
In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank has granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers. In line with the additional Regulatoy Package guidelines dated May 23, 2020, the Bank granted a second three months moratorium on instalments or interest, as applicable, due between June 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e, the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning Norms).
The Bank has made total provision of Rs 7,000 lacs for COVID 19 as on March 31, 2020 out of which Rs 4,897 lacs was in respect of accounts in default but standard against the potential impact of COVID-19. Further, the Bank has made additional provision of Rs 12,900 lacs during the current quarter against the potential impact of COVID 19 on standard assets based on all the available information at this point in time. The provision held by the Bank is in excess of the RBI prescribed norms.

10) Figures for the previous periods have been regrouped and reclassified wherever necessary to confirm to the current period presentation.

**By order of the Board**
**For Ujjivan Small Finance Bank Limited**

**Nitin Chugh**
**DIN: 01884659**
**Managing Director & CEO**

**Bengaluru**
**July 31, 2020**

Ujjivan Small Finance Bank Ltd.

*Press Release*

# Collection Efficiency at 54% in June'20; Cumulative COVID provisions of ₹ 199 Cr; Pre-provision operating profit (PPoP) at ₹ 215 Cr up by 33%

## Well-capitalized with CAR at 29.0%; Deposits up by 39% Y-o-Y

**Bengaluru, July 31, 2020: Ujjivan Small Finance Bank ltd**. [BSE: 542904; NSE: UJJIVANSFB], today announced its financial performance for the quarter ended June 30, 2020.

### Summary of Ujjivan Small Finance Bank Business Performance – Q1 FY 2020-21

- Gross Advances at ₹14,366 crore; growth of 22% over Jun'19
- Non-MicroBanking* portfolio now contributes 23% to the portfolio against 18% as of Jun'19
- Disbursement for Q1FY21 at ₹474 crore vs ₹2,959 crore at Q1FY20
- Secured portfolio constitutes 21% to the portfolio compared to 16% as of Jun'19
- GNPA at 1.0% and NNPA at 0.2% in Q1FY21 against 0.8% and 0.3% respectively as of Jun'19; write-off of ₹0.08 crore in Q1FY21;
- COVID provision for the quarter is ₹129 crore, total cumulative provision stands at ₹199 crore as of Jun'20
- Deposit base at ₹11,057 crore as of Jun'20 covering 77% of total advances against 68% as of Jun'19
- Retail deposits at 45% to total deposits vs. 43% in Jun'19; CASA ratio at 14% vs. 10% in Jun'19
- Net Profit of ₹55 crore in Q1FY21 against ₹94 crore in Q1FY20
- Net Interest Income of ₹458 crore in Q1FY21 up by 30% over Q1FY20
- Net Interest Margin at 10.2% in Q1FY21, against 10.5% in Q1FY20
- Cost to Income ratio at 56% in Q1FY21 vs. 64% in Q1FY20
- ROA/ ROE at 1.2%/ 6.8% in Q1FY21 vs. 2.7%/ 20.2% in Q1FY20
- Healthy Capital adequacy ratio at 29%, with Tier-1 capital at 28% in Q1FY21
- Liquidity coverage ratio at 453% in Q1FY21

**Mr. Nitin Chugh, MD & CEO, Ujjivan Small Finance Bank** said, "Despite paucity of economic activities and plenty of challenges posed by the growing pandemic of Covid-19, we remained profitable in the first quarter of FY21. Disbursements were muted due to which profitability was impacted and advances growth was moderate. Nevertheless we grew our gross advances book to ₹14,366 crore up 22% Y-o-Y. Concerted efforts towards business normalcy remained in full force for Q1FY21, reflecting in our improved collection efficiency of 54% for Jun'20 which further rose to 59% in Jul'20 (upto 30th July). Collection efficiency for Jun'20/ Jul'20 stands at 59%/64% if we include additional collections. We are confident and committed to improve it further in the coming days. Deposits grew 39% Y-o-Y to ₹11,057 crore of which 45% are retail deposits. Our recently launched digital deposit products are witnessing healthy pickup - acquiring over 17,000 retail customers digitally in Q1FY21. In the quarter gone by we have also commenced active trading, adding a significant revenue stream which will continue to boost profitability in the coming quarters. Safety of our employees and customers topped our priority list, several employees continued to work from home and were provided with necessary technological support. We continued to operate at optimum levels in these unprecedented times providing extended support to our customers. Our strive to become Mass Market Retail Bank with focus to provide differentiated and digital service experience remains intact and we continue this financial inclusion journey covering the under-served and unserved masses of the society."

Note: * MicroBanking includes Group Loans, Individual Loans and Rural Banking; Non-MicroBanking includes all asset verticals ex-MicroBanking; Gross Advances include IBPC & Securitization

**About Ujjivan Small Finance Bank Limited:**

Ujjivan Small Finance Bank Limited is a small finance bank licensed under Section 22 (1) of the Banking Regulation Act, 1949 to carry on the business of small finance bank in India.

Ujjivan Small Finance Bank serves over 54.7 lakh customers through 575 branches and 17,370 employees spread across 244 districts and 24 states and union territories in India. Gross Loan Book stands at ₹14,366 crore with a deposit base of ₹11,057 crore as of June 30, 2020.

Ujjivan Small Finance Bank's CSR is to focus on serving under served and unserved sections of the society. In these testing times, the Bank has involved itself in Covid relief activities by supporting the affected households, police, healthcare workers, municipal and panchayat employees. It has also undertaken the distribution of relief materials to families affected due to the Amphan cyclone in West Bengal. Through our strategic partner, Parinaam Foundation, Bank has initiated various community development programs and also a special program to educate the public about the Covid virus and various government benefits that can be availed. It has also partnered with the Give India Foundation to deliver PPE kits to various hospitals in Mumbai.

*Web: www.ujjivansfb.in Twitter: @UjjivanSFB*

**Safe Harbour:**

*Some of the statements in this document that are not historical facts are forward-looking statements. These forward- looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.*

**For further information, please contact:**


| Ujjivan Small Finance Bank Limited | |
|---|---|
| **For Media Queries:**<br>*Ms. Nivedita Ghosh*<br>+91 9901576620<br>nivedita.ghosh@ujjivan.com | **For Investor Queries:**<br>*Mr. Deepak Khetan*<br>+91 7045792752<br>deepak.khetan@ujjivan.com |

UJJIVAN

UJJIVAN SMALL FINANCE BANK

Build a Better Life

# Q1 FY21 Presentation

July 2020

BEST BANK AWARDS 2020 ASIAMONEY

**Awarded 'Best Microfinance Bank' by AsiaMoney**

GREAT PLACE TO WORK 10 YEARS IN A ROW

**Ranked 3rd in India's Best Companies To Work For 2020**

# Disclaimer

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- This presentation is not a complete description of the Bank. This presentation may contain statements that constitute forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially include, among others, future changes or developments in the Bank's business, its competitive environment and political, economic, legal and social conditions. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims any obligation to update these forward-looking statements to reflect future events or developments.
- Except as otherwise noted, all of the information contained herein is indicative and is based on management information, current plans and estimates in the form as it has been disclosed in this presentation. Any opinion, estimate or projection herein constitutes a judgment as of the date of this presentation and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. The Bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes. The accuracy of this presentation is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Bank.
- This presentation is not intended to be an offer document or a prospectus under the Companies Act, 2013 and Rules made thereafter , as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or any other applicable law.
- Figures for the previous period / year have been regrouped wherever necessary to conform to the current period's / year's presentation. Total in some columns / rows may not agree due to rounding off.
- Note: All financial numbers in the presentation are from Audited Financials or Limited Reviewed financials or based on Management estimates.

# Contents


Performance Highlights

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Ujjivan – Building a Mass Market Bank

# Q1FY21 – Key Highlights

- Collection Efficiency for the months of June'20 / July'20* stands at 54% / 59%**
- NII at ₹ 458 Cr up by 30% Y-o-Y with NIM at 10.2%
- Pre-Provision Operating Profit at ₹ 215 Cr up by 33% Y-o-Y; Net Profit at ₹ 55 Cr
- Deposit base building: Total deposit at ₹ 11,057 Cr up 39% Y-o-Y; retail deposits up 45% Y-o-Y; CASA up 90% Y-o-Y
- 29% Capital adequacy with Tier-1 capital at 28% as on 30th Jun'20 and Liquidity Coverage ratio is 453%

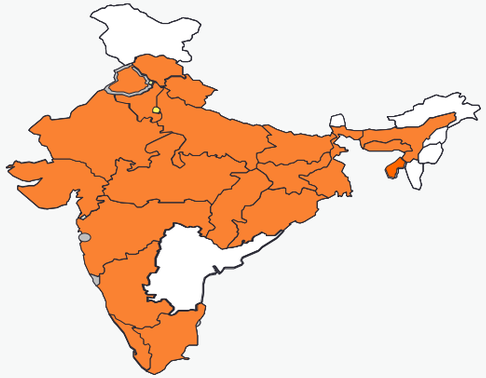
Note: 1 crore = 10 million; 1 million = 10 lakhs
* As of 30th July 2020
** Collection efficiency for Jun'20/ Jul'20 stands at 59%/64% if we include additional collections

# Performance Highlights

# Key Highlights as on June'20

## 24 States/ UTs, 244 Districts

vs 221 districts in Jun'19



## 575 branches[1], 475 ATMs[2]

vs 524 branches[3]; 387 ATMs in Jun'19

## Expanding Customer base

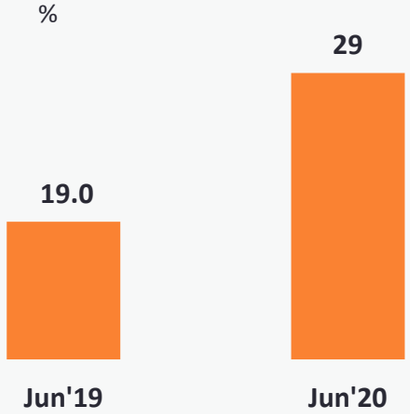
54.7 lakh customers
vs. 48.2 lakh in Jun'19

42.9 lakh borrowers
vs. 42.1 lakh in Jun'19

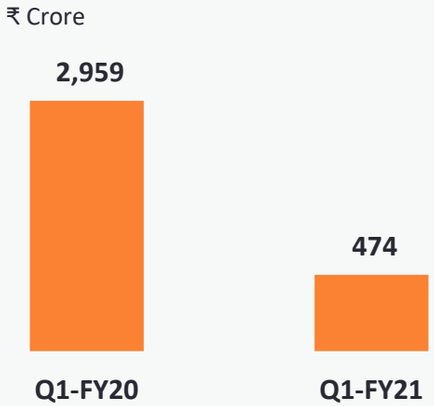
## 17,370 Employees

vs 15,626 in Jun'19

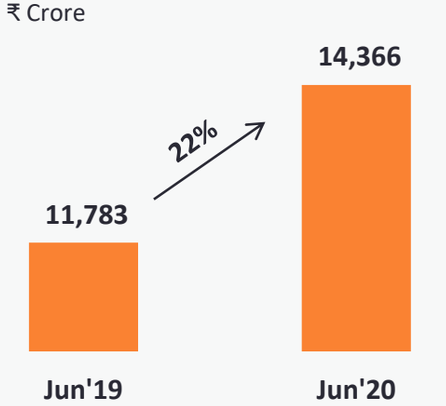
## CRAR[4]



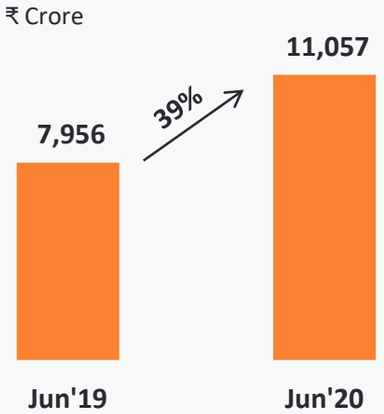

## Disbursements



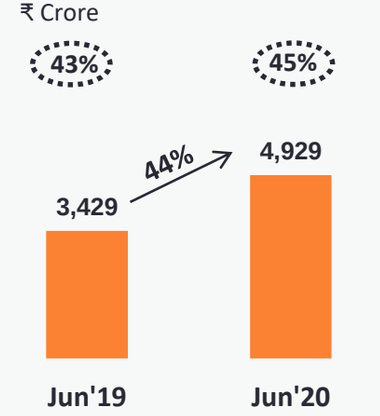

## Gross Advances[5]




## Total Deposits




## Retail Deposits[6]




UJJIVAN SMALL FINANCE BANK
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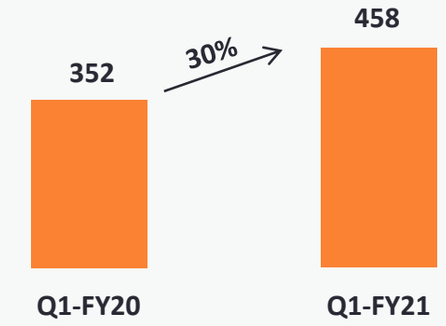
Note: 1 Includes 144 URC's
2 Includes 52 Automated Cash recyclers
3 Includes 50 Asset Centres
4 Increase in CRAR due to fund raise in Q3FY20
5 Gross advances includes Securitization & IBPC
6 Retail Deposit as a % of Total Deposit

# Q1FY21 - Key Highlights

## Net Interest Income

₹ Crore




## Net Interest Margin

**10.2%**

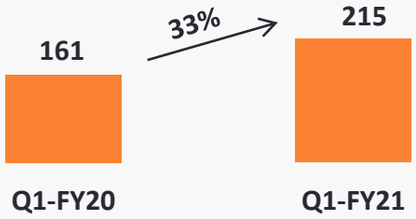
Vs.

10.5%

Q1-FY20

## Pre-provision Operating Profit (PPoP)*

₹ Crore




## GNPA

**1.0%**

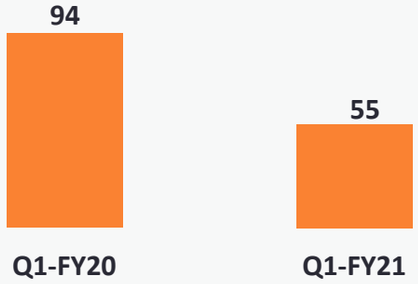
Vs.

0.8%

Jun'19

## PAT

₹ Crore




## ROA

**1.2%**

Vs.

2.7%

Q1-FY20

## ROE

**6.8%**

Vs.

20.2%

Q1-FY20

## NNPA

**0.2%**

Vs.

0.3%

Jun'19

*Adjusted for ₹ 42 Cr of PSLC income in Q1FY20, PPOP grew 79% YOY

# Concerted efforts towards business normalcy (1/2)

## Safety of employees

- WFH continued at most places, employees provided with additional technology support, field operations with all necessary precautions; regular sanitization of premises and relevant advisory issued at regular interval by QRT*
- COVID Insurance for all employees; Doctor-on-call facility
- Information flow ensures quick knowledge on any likely COVID impacted employee to provide help and support

## Business - Assets

- Focussed approach on collections (refer subsequent slides for details)
- Disbursement started with Unlock 1.0; June-20 disbursement at ₹ 370 Cr– 1/3rd of average pre-Covid levels
- Disbursements to pick-up in Q2 with country gradually returning to normalcy
- Re-modelling processes to suit post-COVID business arena – Limited human contact in loan processing
  - Repeat MicroBanking loans via. Phone, mobile app, ATM; MSE pre-qualified loan program based on track record
  - Remodeling Housing/ MSE processes; Prioritizing video KYC program
- 'Loan against Rent Receivables' being launched to target Ujjivan premise owner
- API platform is ready – Partnering with Fintech & Startups operating in payments, collections, lead generation, lending, etc. to expand reach inorganically
- Redefining internal workflow, identifying areas and piloting projects for automation and productivity improvement

* Quick Response Team

# Concerted efforts towards business normalcy (2/2)

## Business - Liabilities

- Deposits grew 39% Y-o-Y to ₹ 11,057 Cr
- Digital SA/ TD showing healthy traction – acquired over 17,000 customers in Q1FY21
- Maintaining surplus liquidity as on end of Q1-FY21 - ₹ 1,860 Cr contributing to 10% of Balance Sheet
- Low cost funding from NHB, SIDBI in Q1
- Reduced cost of funds to 7.7%, down by 21 bps Q-o-Q
- In process to introduce simpler & user-friendly mobile app, with specific focus to our MicroBanking customers

## Treasury

- Active trading commenced in Q1
- ₹ 10.4 cr of MTM gains realized in shift of portfolio from HTM to AFS
- ₹ 64 lakh of Trading income realized in HFT book
- SLR Book Management - Yield (6.2%) on our SLR book is protected by reinvesting in to better yielding SDLs

# Moratorium & Collection efficiency

## Moratorium

- Moratorium 1 came in towards end March 20 with National lockdown; extended to almost all customers on opt-out basis
- During April-May lockdown got continuously extended affecting field operations
- Moratorium 2 coincided with Unlock 1.0 leading to pick-up in field operations
- Engaged in customer communication on explaining how moratorium functions; extended to largely all customers on opt-in basis

## Collection efficiency

- Collection efficiency is defined as collections for the period against dues for the period. It does not include: (a) prior period EMIs, (b) part-payment, (c) pre-closure, and (d) any other repayment
- Details of monthly collection against dues are given in subsequent slides

# Moratorium Update

| ₹ crore | Moratorium 1 | | | | | | Moratorium 2 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Mar'20 | | | May'20 | | | Jun'20 | | | |
| Verticals | Loan Book | Loan Book under Moratorium | % Loan Book under Moratorium | Loan Book | Loan Book under Moratorium | % Loan Book under Moratorium | Loan Book | Loan Book under Moratorium | % Loan Book under Moratorium | Total Provisions |
| MicroBanking | 10,933 | 828 | 7.6% | 10,874 | 9,331 | 85.8% | 11,150 | 5,581 | 50.0% | 300 |
| MSE | 980 | 74 | 7.6% | 988 | 730 | 73.9% | 1,001 | 455 | 45.5% | 43 |
| Affordable Housing | 1,524 | 76 | 5.0% | 1,533 | 1,027 | 67.0% | 1,549 | 708 | 45.7% | 22 |
| Personal Loan | 79 | 5 | 6.4% | 78 | 47 | 60.8% | 77 | 49 | 64.5% | 2 |
| Vehicle Loans | 13 | 0 | 0.4% | 13 | 10 | 79.1% | 14 | 5 | 34.7% | 0 |
| FIG Lending | 549 | 0 | 0.0% | 553 | 115 | 20.8% | 523 | 7 | 1.4% | 3 |
| Others | 74 | 1 | 0.8% | 66 | 1 | 0.9% | 52 | 0 | 0.8% | 0 |
| **Total** | **14,153** | **984** | **7.0%** | **14,106** | **11,261** | **79.8%** | **14,366** | **6,805** | **47.4%** | **370** |

# 16% collection efficiency in May despite moratorium

| ₹ Crore | Mar'20 | | | | Apr'20 | | | | May'20 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Verticals | Due | Collection | Collection % | Additional Collection | Due | Collection | Collection % | Additional Collection | Due | Collection | Collection % | Additional Collection |
| MicroBanking | 970.0 | 897.2 | 93% | - | 990.0 | 22.4 | 2% | - | 988.1 | 141.3 | 14% | - |
| MSE | 25.5 | 20.8 | 82% | 6.3 | 25.4 | 4.8 | 19% | - | 25.2 | 4.4 | 17% | - |
| Affordable Housing | 23.4 | 22.1 | 94% | - | 22.8 | 7.4 | 32% | - | 23.4 | 7.7 | 33% | - |
| Personal Loan | 3.4 | 3.1 | 91% | - | 3.2 | 1.4 | 44% | - | 3.4 | 1.3 | 38% | - |
| Vehicle Loans | 0.6 | 0.6 | 95% | - | 0.6 | 0.2 | 33% | - | 0.6 | 0.1 | 23% | - |
| FIG Lending | 40.3 | 40.3 | 100% | - | 27.6 | 21.3 | 77% | - | 28.5 | 19.1 | 67% | - |
| **Total** | **1,060.0** | **980.4** | **93%** | **6.3** | **1,070.0** | **57.5** | **5%** | - | **1,069.0** | **173.9** | **16%** | **-** |

Additional collection refers to prior month EMIs / pre-closure

# Collection Efficiency picking up well under Moratorium 2

| ₹ Crore | Jun'20 | | | | Jul'20 (till 30th July) | | | |
|---|---|---|---|---|---|---|---|---|
| Verticals | Due | Collection | Collection % | Additional Collection | Due | Collection | Collection % | Additional Collection |
| MicroBanking | 1,048.9 | 551.4 | 53% | 55.0 | 1,009.4 | 589.0 | 58% | 51.0 |
| MSE | 25.2 | 11.5 | 46% | 3.6 | 26.0 | 12.3 | 47% | 4.4 |
| Affordable Housing | 22.8 | 11.9 | 52% | - | 22.8 | 15.6 | 68% | 0.8 |
| Personal Loan | 3.4 | 2.1 | 62% | - | 3.4 | 2.1 | 60% | - |
| Vehicle Loans | 0.7 | 0.5 | 67% | - | 0.7 | 0.5 | 78% | - |
| FIG Lending | 47.7 | 41.2 | 86% | - | 19.0 | 18.4 | 97% | - |
| **Total** | **1,148.6** | **618.5** | **54%** | **58.6** | **1,081.3** | **637.9** | **59%** | **56.2** |

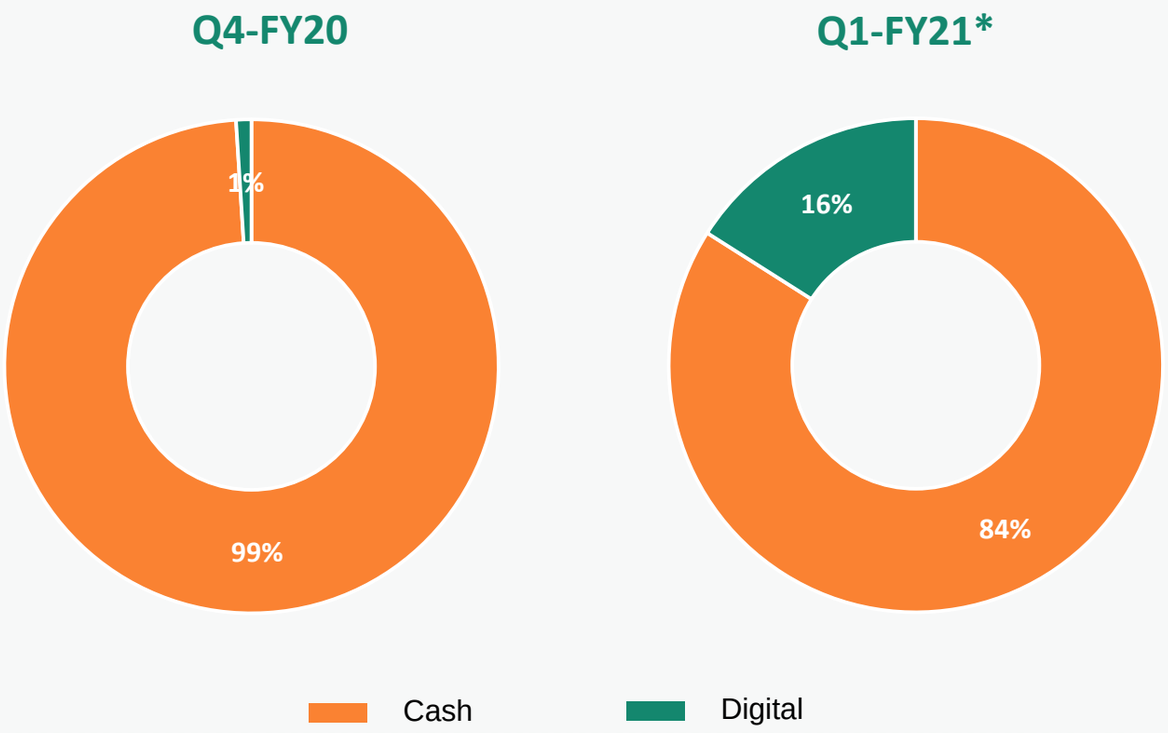
**Collection efficiency for Jun'20/ Jul'20 stands at 59%/64% if we include additional collections**

Additional collection refers to prior month EMIs / pre-closure

# Digital collection channels showing healthy trend

- Rolled-out Moratorium 2.0 on an "Opt-in" basis
- Continued touch with regular and non-paying customers
- Focus plan for moratorium availed customers
- Flexible & multiple modes of collections apart from traditional centre meetings/ door-to-door collections
- Tie-up with Airtel Payments Bank, Business Correspondents to increase reach; already showing healthy trend
- Renewed thrust on enabling EMI repayments through online payment platforms like ECS, e-wallets, UPI/ QR etc. and drive higher usage
- Strengthened Collection team

## Channel-wise break-up of collections




*Collection through Digital channel was at 37% for July'20 (up to 30th July)

# Collection by region

## Significantly better collection from rural areas

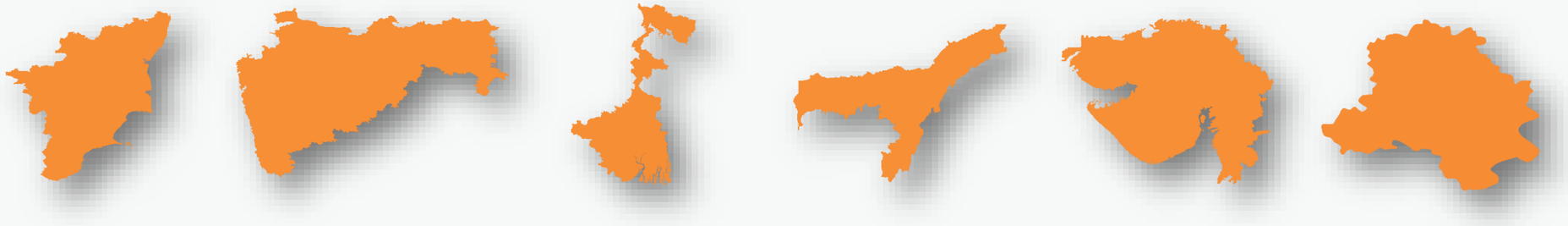
MicroBanking & Rural Banking

| Month (MB & RB) | April 20 | May 20 | June 20 | July 20 (up to 30th July) |
|---|---|---|---|---|
| Metro | 2% | 13% | 48% | 54% |
| Urban | 2% | 15% | 55% | 61% |
| Semi-Urban | 1% | 14% | 53% | 57% |
| Rural | 5% | 15% | 57% | 64% |
| **Total** | **2%** | **14%** | **53%** | **58%** |

Overall-Bank Level

| Area | April 20 | May 20 | June 20 | July 20 (up to 30th July) |
|---|---|---|---|---|
| Metro | 5% | 15% | 47% | 54% |
| Urban | 3% | 15% | 54% | 61% |
| Semi-Urban | 2% | 14% | 53% | 57% |
| Rural | 6% | 15% | 60% | 64% |
| **Total** | **5%** | **16%** | **54%** | **59%** |

# Ground situation like local lock-downs/ natural calamities add to collection complexities




| | Tamil Nadu | Maharashtra | West Bengal | Assam | Gujarat | Delhi |
|---|---|---|---|---|---|---|
| Total MB Portfolio (₹ cr) | 1,855 | 885 | 1,678 | 405 | 707 | 193 |
| Collection Efficiency % - Jun/Jul* | 50%/56% | 27%/27% | 41%/52% | 39%/37% | 62%/72% | 49%/69% |
| Customers affected due to Amphan/ flood^ | - | - | 80,617 (12%) | 11,682 (6%) | - | - |
| Loan under Moratorium as of June end | 52% | 74% | 60% | 64% | 39% | 52% |

**Measures**

- Continued loan disbursements to good customers
- Strengthened collection capacity across these states
- Enhance the digital payment infrastructure to scale quantum of digital payments
- Relief measures in the form of essential goods distribution being undertaken while customers impacted by calamities is provided with repayment holiday as per guidelines
- ₹ 6 Cr provision for Amphan; Covid provision covers 5.4% of June moratorium book in these 6 states

*July collection is updated upto 30th July

^% in bracket represents % of total customers in respective states

# Very Strong Fundamentals

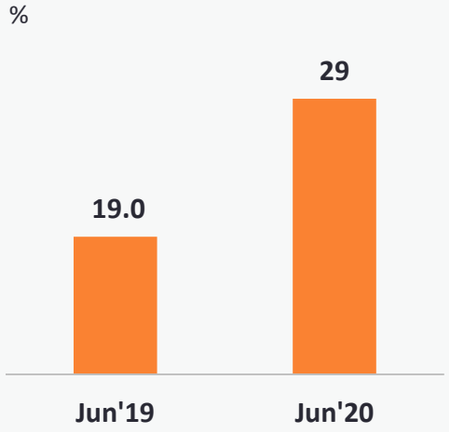
## Balance Sheet – Well-capitalized and high liquidity

- **Capital Adequacy Ratio at 29% with Tier-I being 28%**
- **LCR at 453% for Jun'20**
- **Surplus liquidity is ₹ 1,860 Cr contributing to 10% of Balance Sheet –** to support revival of business in this challenging time
- Deposits cover 77% of gross advances; Retail deposits at 45% of total deposit
- CRISIL reaffirmed A1+ (Certificate of Deposits) rating and long term rating at CARE A+ (Jun'20)

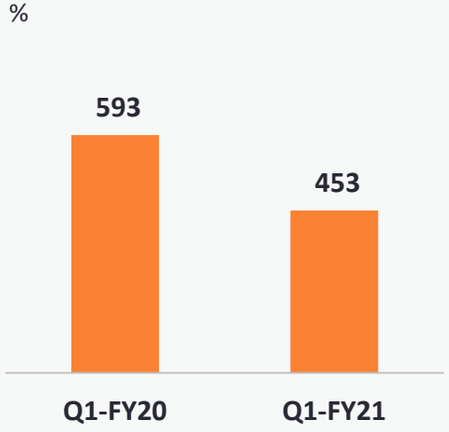
## Focus on portfolio quality

- NNPA at 0.2%; PAR at 1.8%
- COVID-19 provision for the quarter is ₹ 129 Cr – totaling to ₹ 199 Cr; 1.4% of gross advances
- Total coverage of Gross Advances at 2.6%
- PCR at 82% - among highest in industry
- Strong customer connect with prudent credit policies

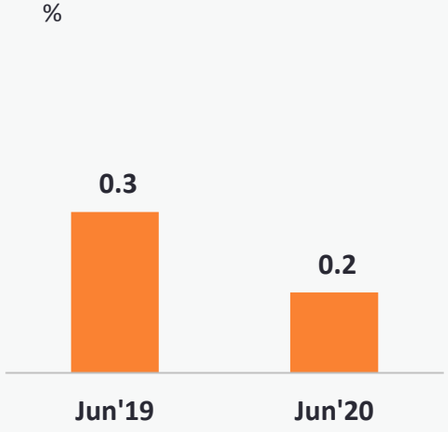
## CRAR



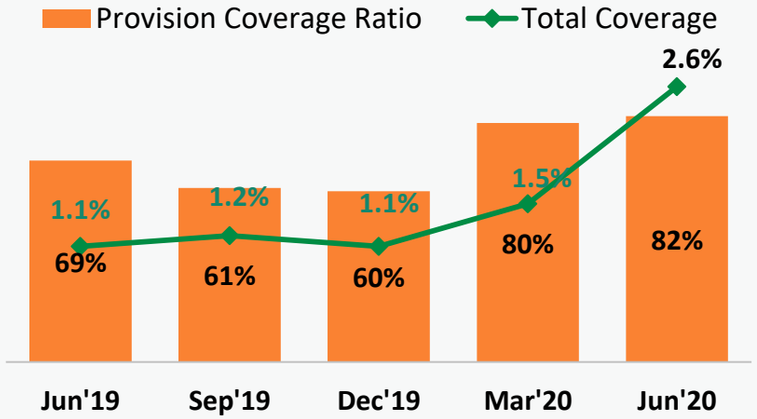

## LCR




## NNPA

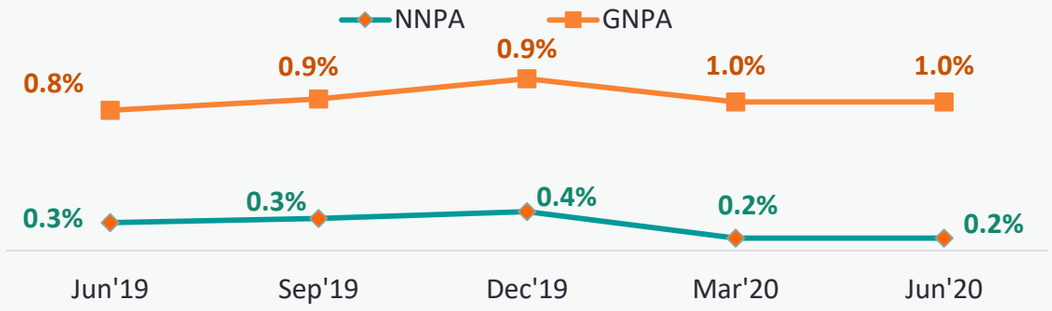



## Prudent Provisioning

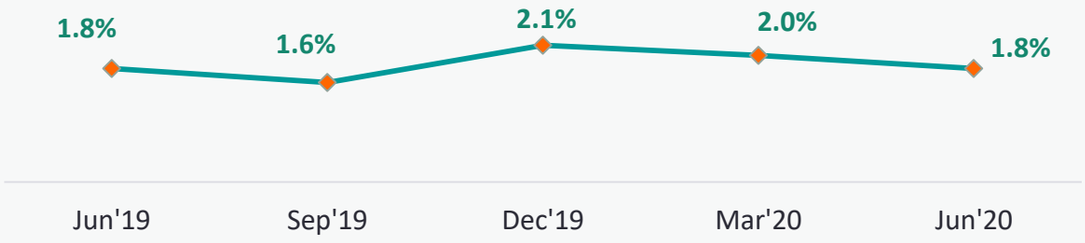


# Portfolio Quality – GNPA, NNPA and PAR

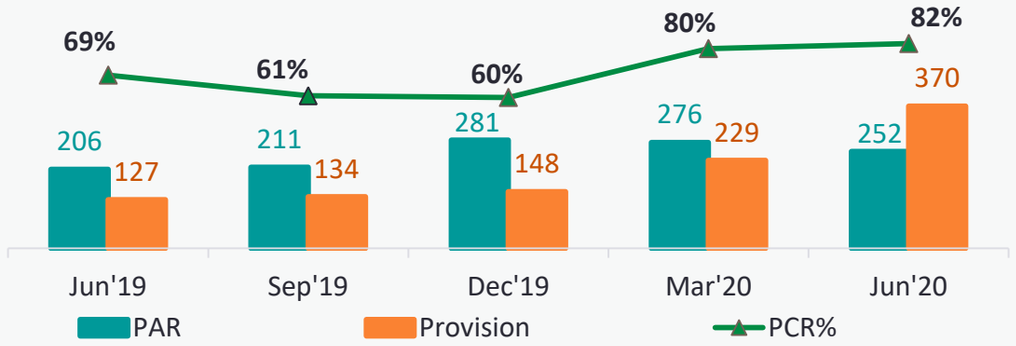
## GNPA and NNPA



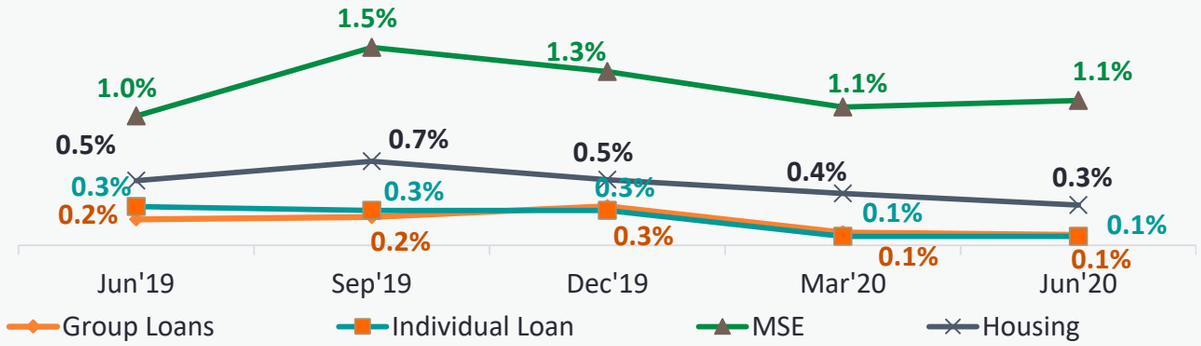

## Portfolio At Risk (PAR>0 %)




## PAR, Provision (₹ in Crore) & Provision Coverage Ratio



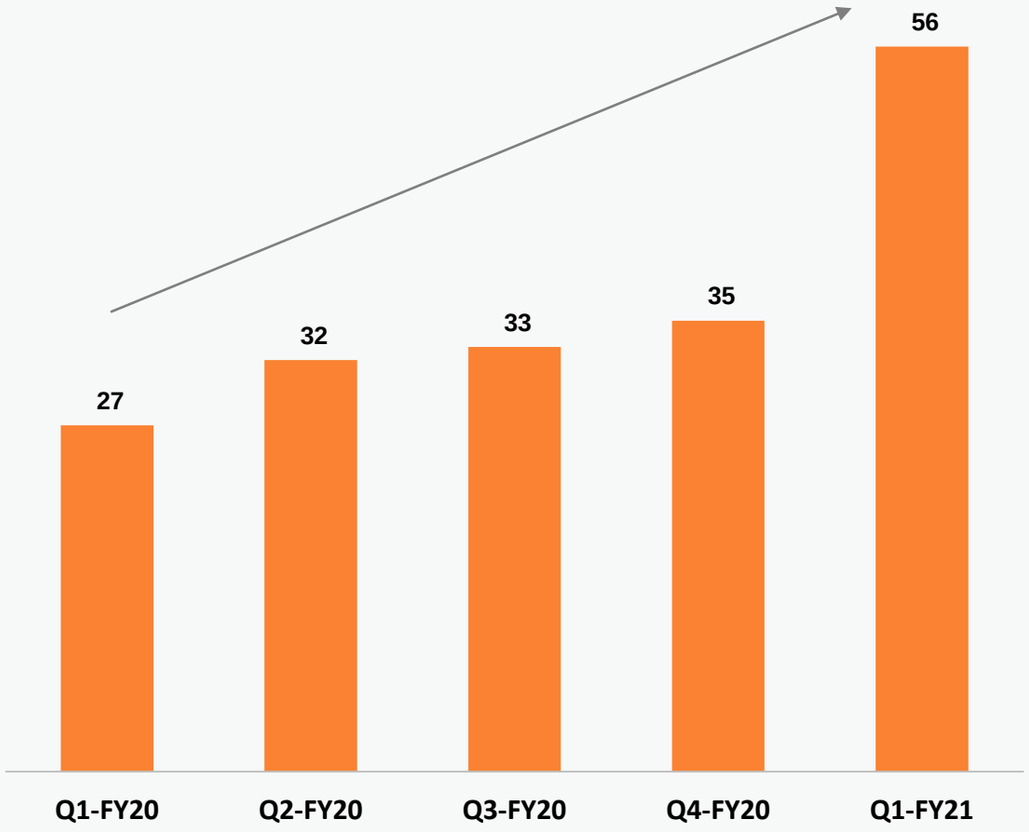

## NNPA (%) – Segment wise



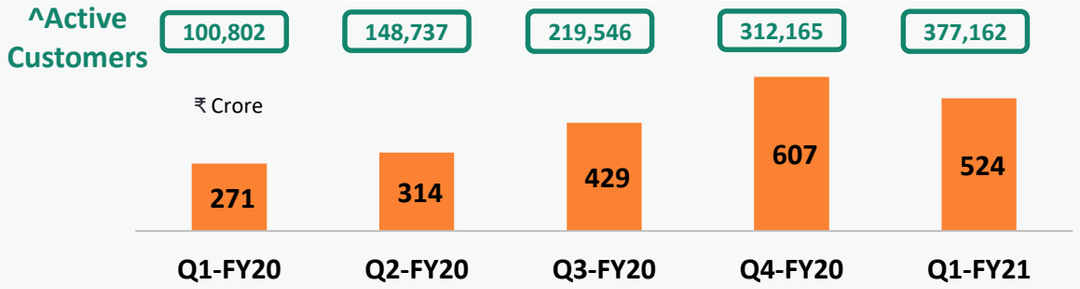
# Business Overview

# Increasing digital footprints (1/2)

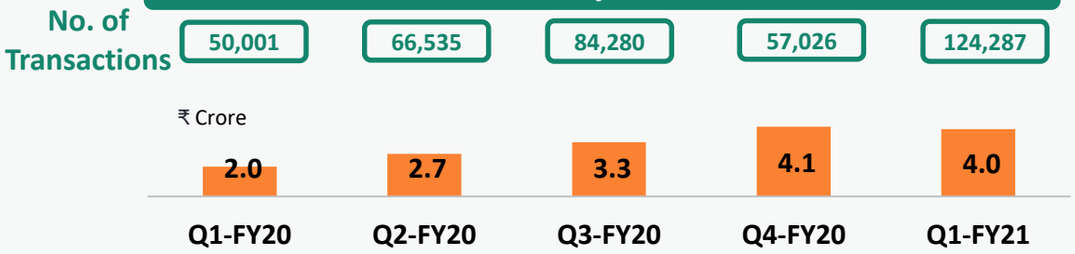
## *Digital Transactions (%)



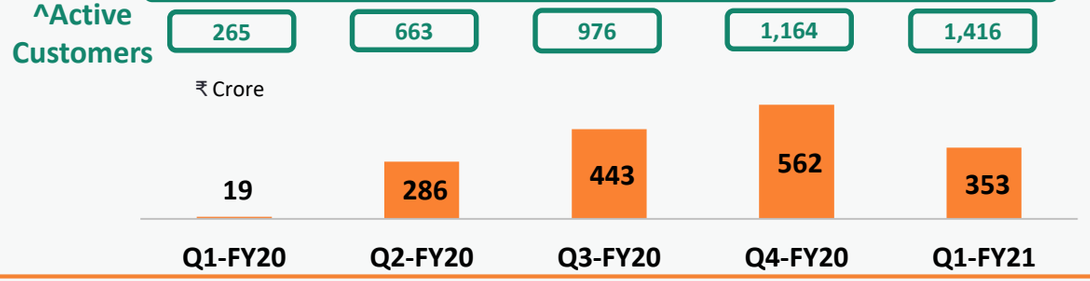

## UPI Transactions




## Bill Payments




## Business Net Banking

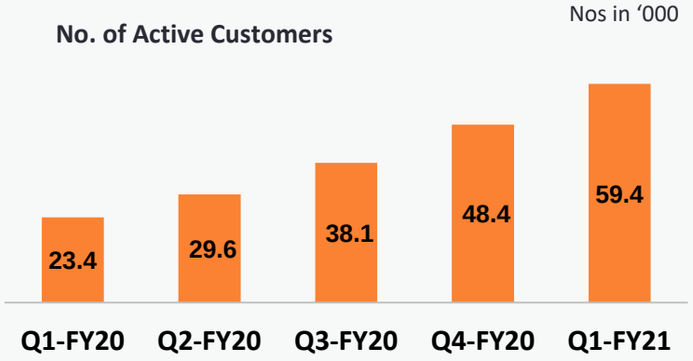



*Basis CBS volumes ^Active customers as of quarter-end

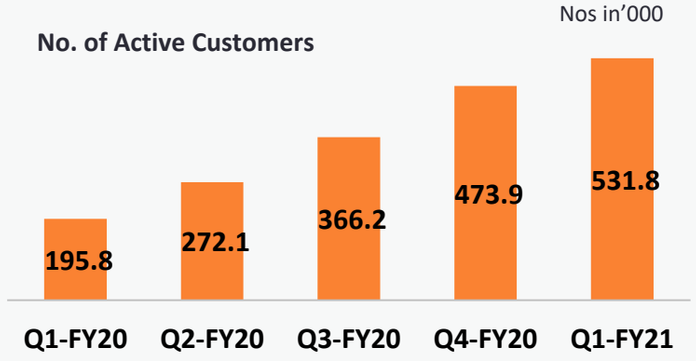
# Increasing digital footprints (2/2)

***Digital Transactions more than doubled to 56% in Q1-FY21 from 27% in Q1-FY20**

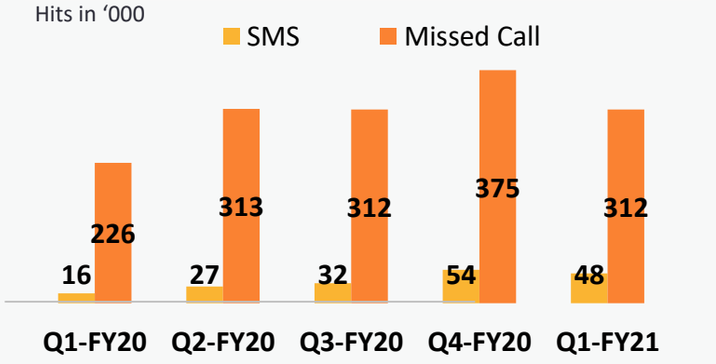
## Internet Banking



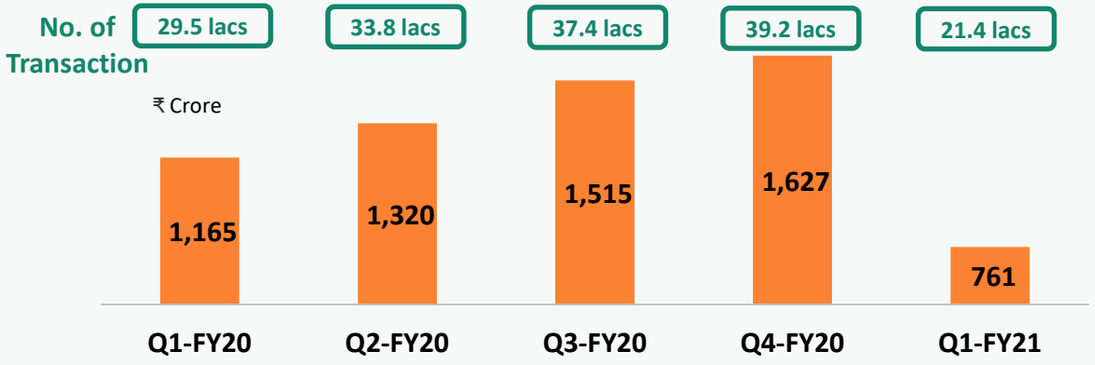

## Mobile Banking



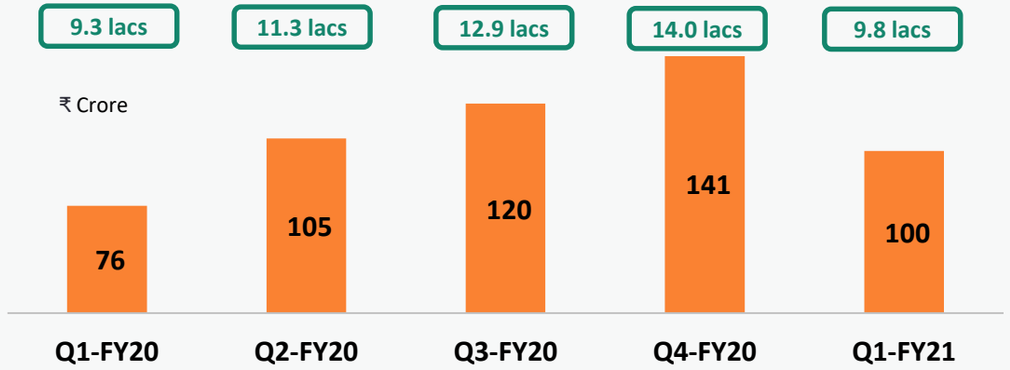

## SMS/Missed Call




## ATM Transactions



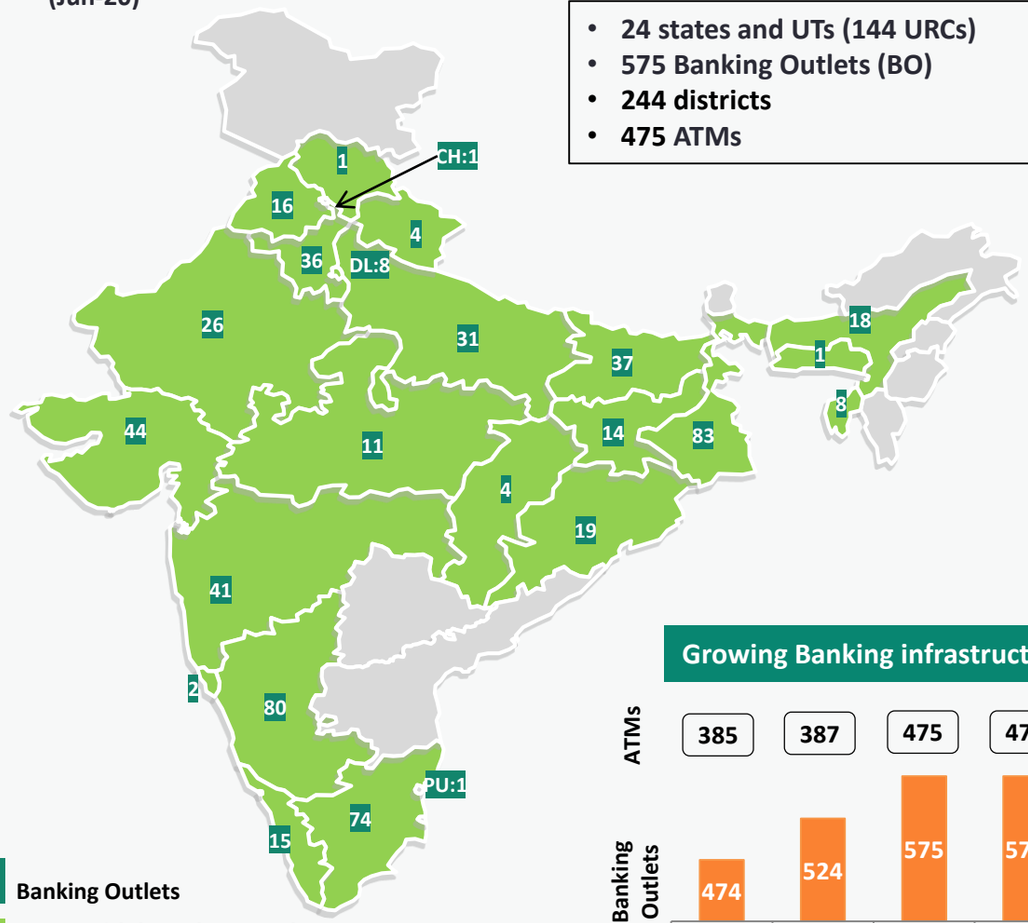

## POS Transactions



# Well Diversified Pan India Presence

(Jun-20)

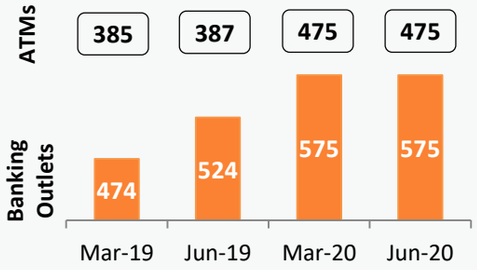
- 24 states and UTs (144 URCs)
- 575 Banking Outlets (BO)
- 244 districts
- 475 ATMs



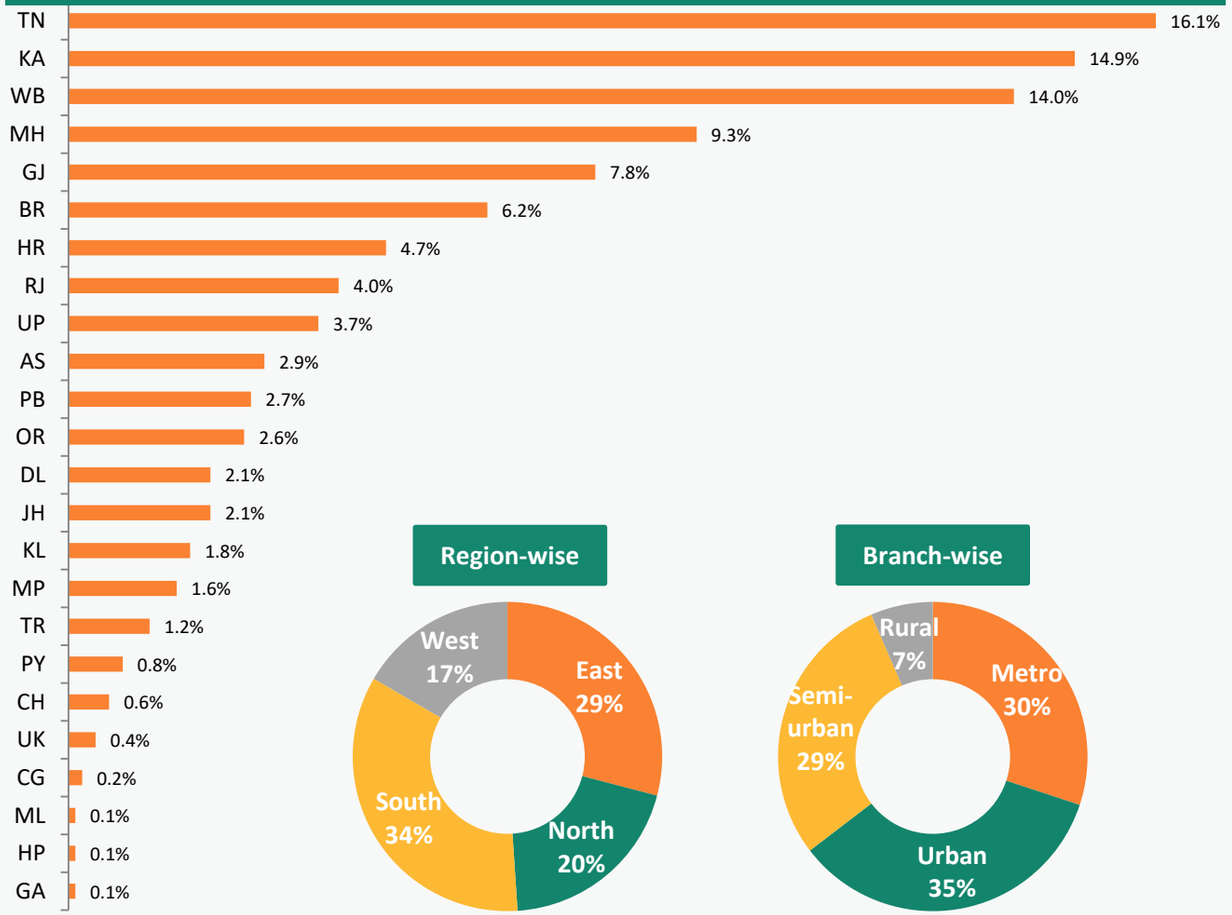

Banking Outlets

States with branch network

## Growing Banking infrastructure




## Gross Advances (Jun-20)




## Region-wise



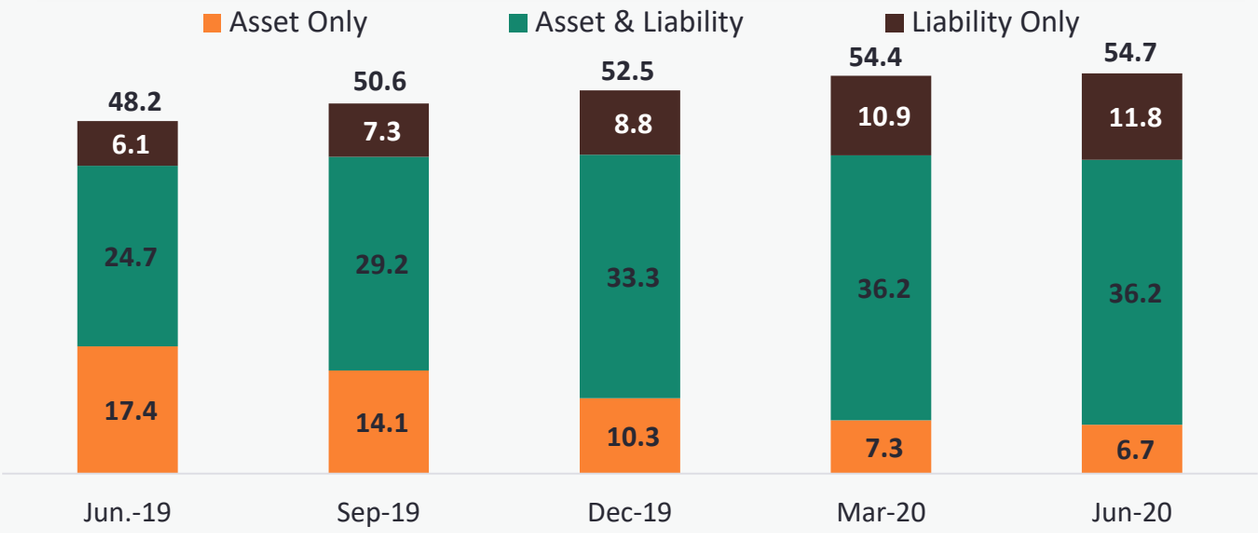

## Branch-wise




Total Gross Advances – ₹ 14,366 Cr

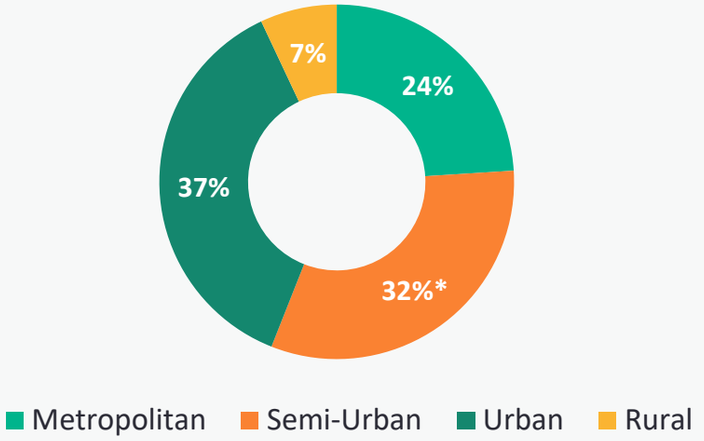
# Expanding liability customer base

## *Customer Base Growth




| Customers (in Lakhs) | Jun'19 | Sep'19 | Dec'19 | Mar'20 | Jun'20 |
|---|---|---|---|---|---|
| Asset only Customers | 17.4 | 14.1 | 10.3 | 7.3 | 6.7 |
| Liability Customers | 30.7 | 36.5 | 42.2 | 47.1 | 48.0 |
| Liability only Customers | 6.1 | 7.3 | 8.8 | 10.9 | 11.8 |
| Total Customers | 48.2 | 50.6 | 52.5 | 54.4 | 54.7 |

## Customer Base – Basis of Branch Classification



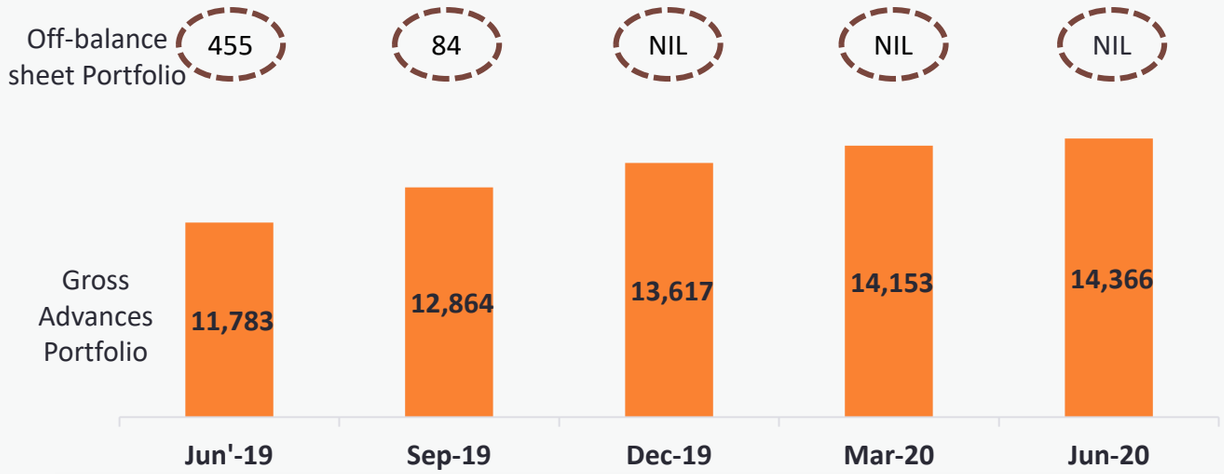

*Semi-Urban branches largely cater to rural customers

- Liability customers up by 56% vs Jun-19
- Digital SA/ TD showing healthy traction – acquired over 17,000 customers in Q1FY21

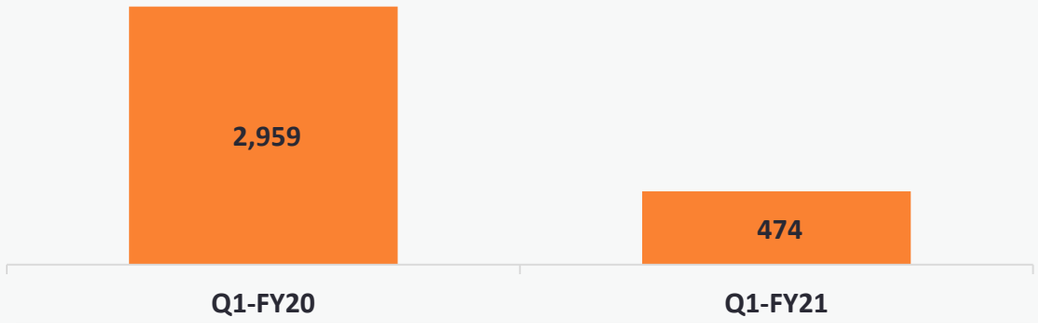
*Note - Customer count has been restated for all periods: includes all customers

# Gross Advances and Disbursement Trend

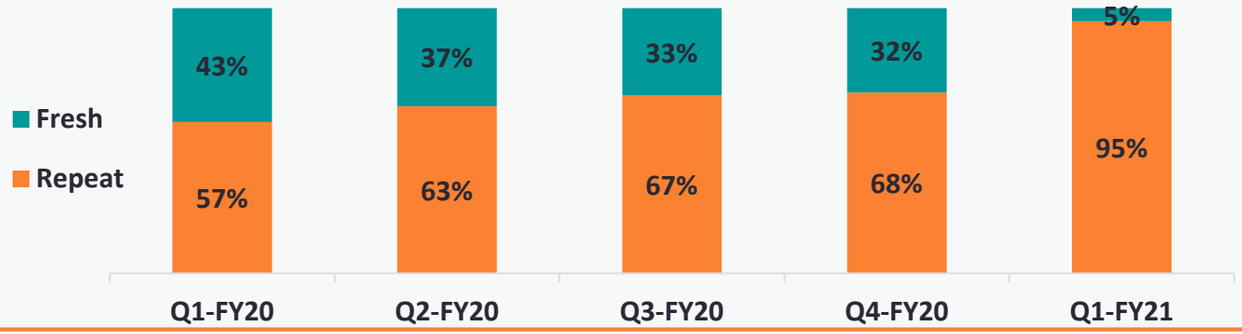
## Gross Advances (₹ in Crore)



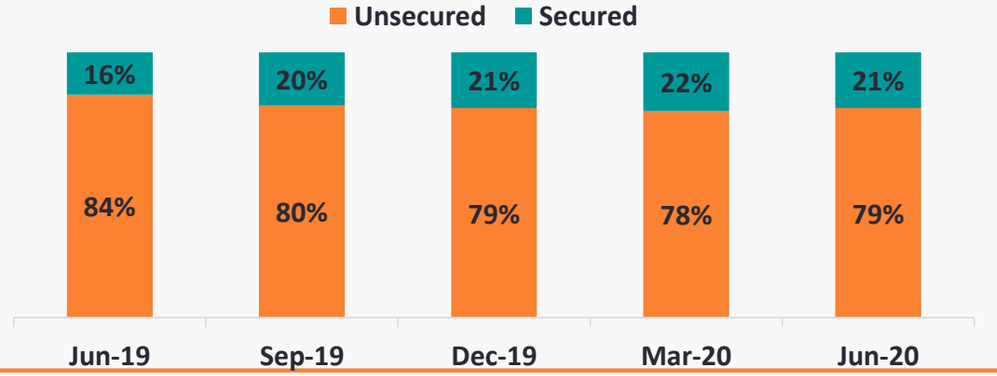

## Total Disbursements (₹ in Crore)




## Microfinance Loan Disbursement (No. of Loans)

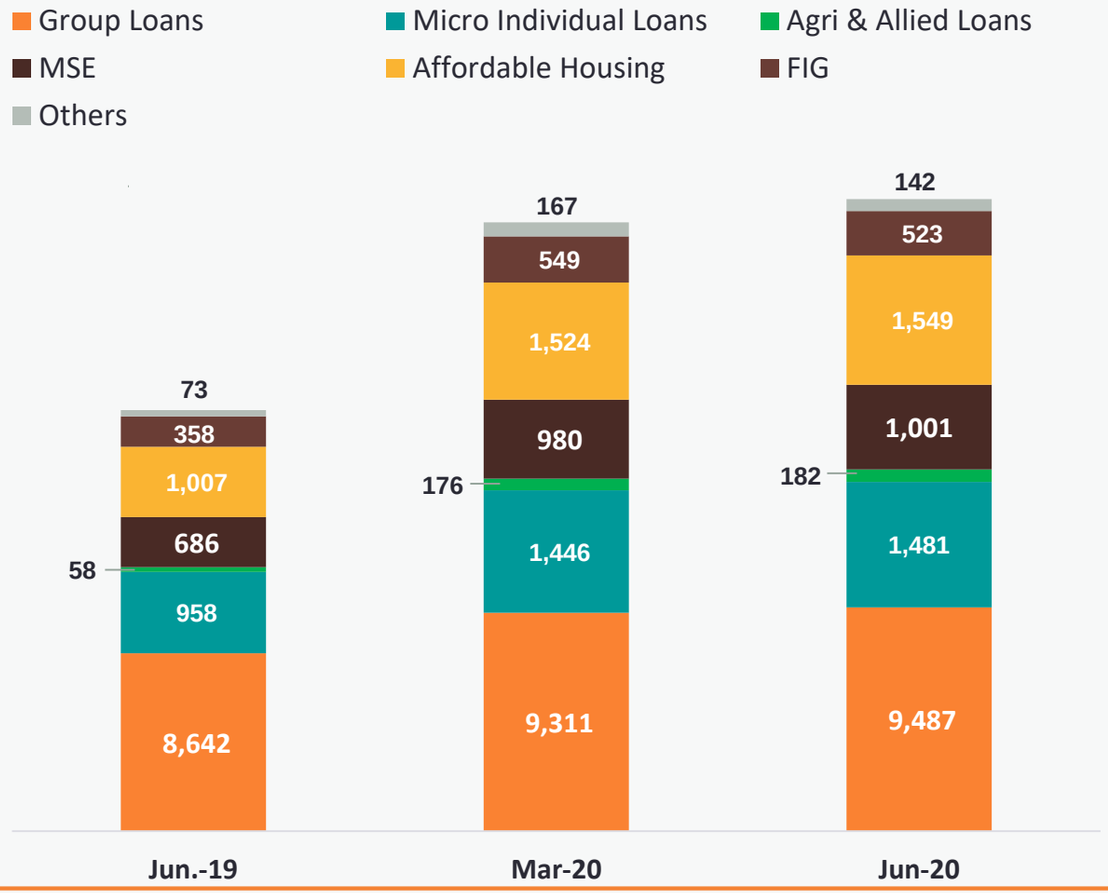



## Portfolio Breakup



# Gross Advances Snapshot

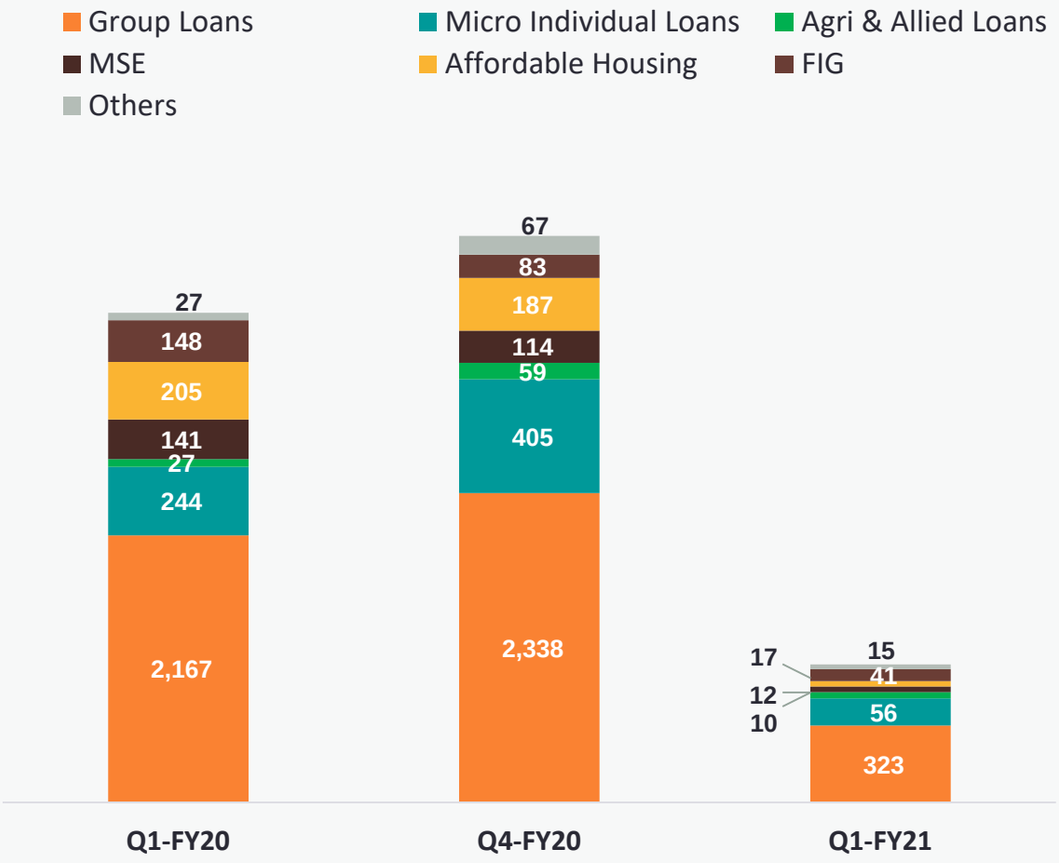
## Gross Advances– Segment wise (₹ in Crore)



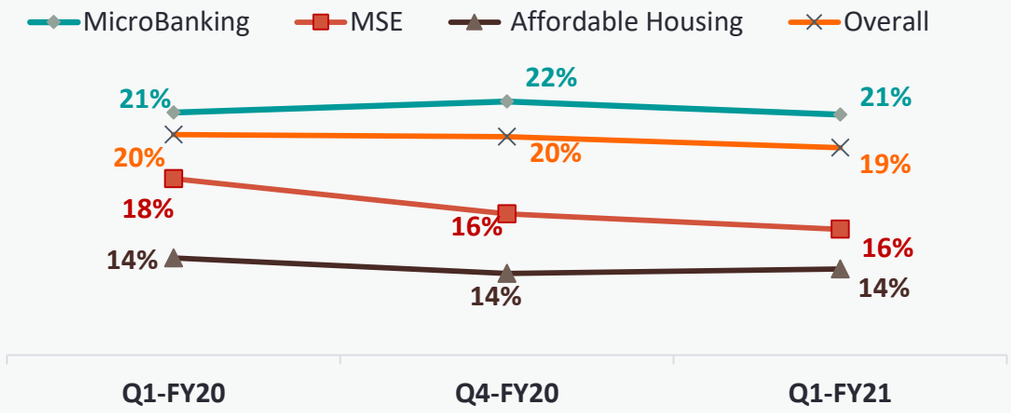

| Product | % Gross Advances | Growth Y-o-Y | Growth Q-o-Q |
|---|---|---|---|
| Group Loans | 66.0% | 9.8% | 1.9% |
| Micro Individual Loans | 10.3% | 54.7% | 2.4% |
| Agri & Allied loans | 1.3% | 215.6% | 3.6% |
| **MicroBanking** | **77.6%** | **15.5%** | **2.0%** |
| MSE | 7.0% | 46.0% | 2.1% |
| Affordable Housing | 10.8% | 53.8% | 1.7% |
| FIG Lending | 3.6% | 45.9% | (4.7%) |
| Others | 1.0% | 94.0% | (15.6%) |
| **Total** | **100.0%** | **21.9%** | **1.5%** |

# Disbursement & Average Ticket Size

## Product wise Disbursement (₹ in Crore)




## Yield (%) – Segment wise

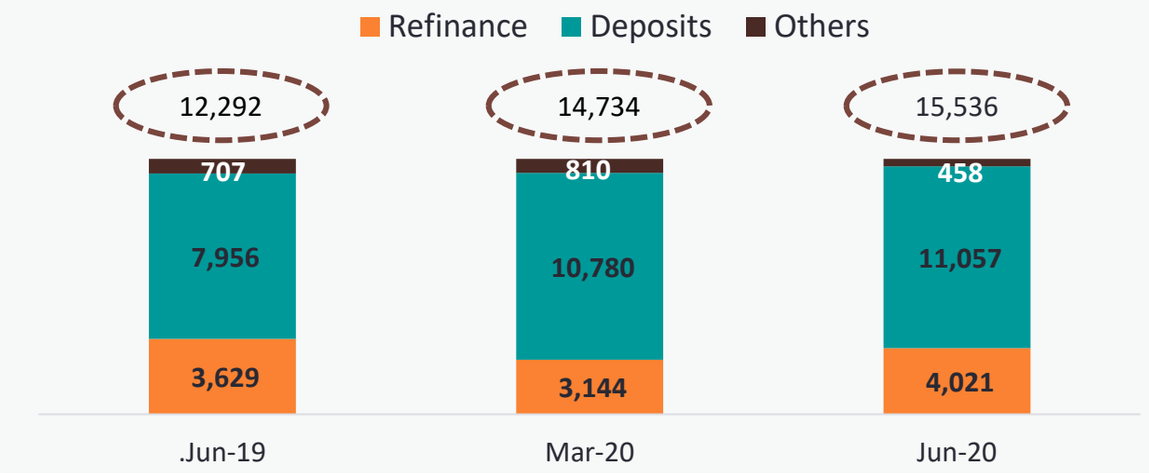



## Average Ticket Size (₹)

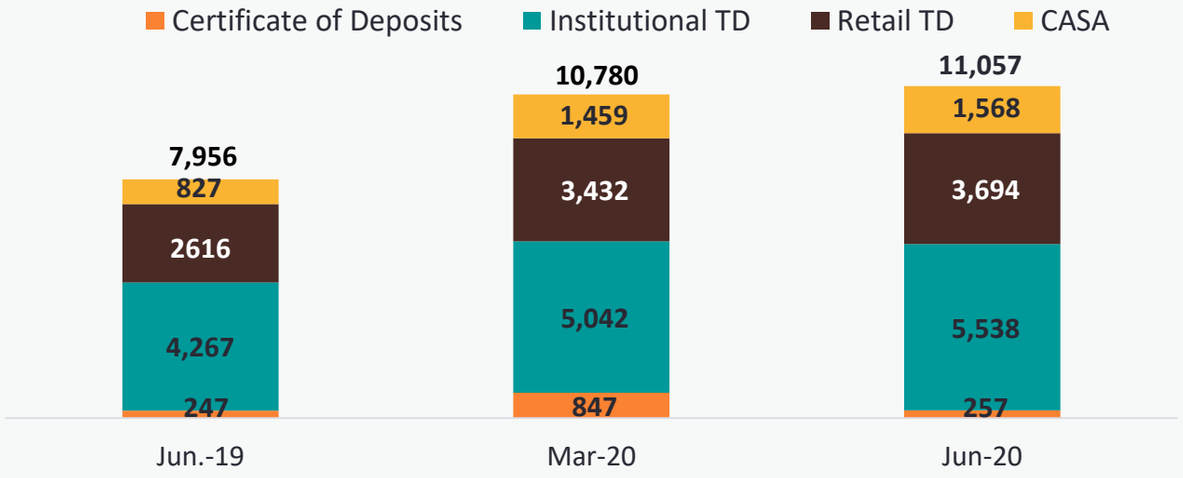
| Product | Q1-FY20 | Q4-FY20 | Q1-FY21 |
|---|---|---|---|
| Group Loans | 32,146 | 35,440 | 39,068 |
| Micro Individual Loan | 87,778 | 98,162 | 102,100 |
| MSE | 12.6 lakhs | 13.9 lakhs | 15.1 lakhs |
| Affordable Housing | 9.8 lakhs | 9.7 lakhs | 9.5 lakhs |

# Liability profile: Retail franchise picking up

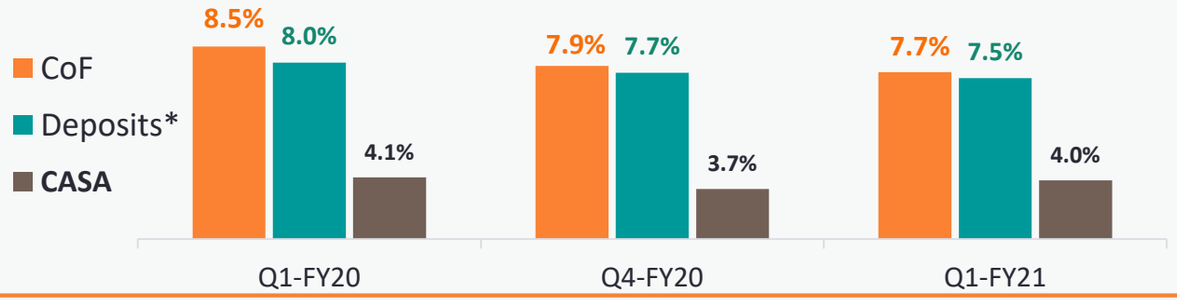
## Total liabilities profile (₹ in Crore)




## Deposits break-up (₹ in Crore)




## Cost of funds

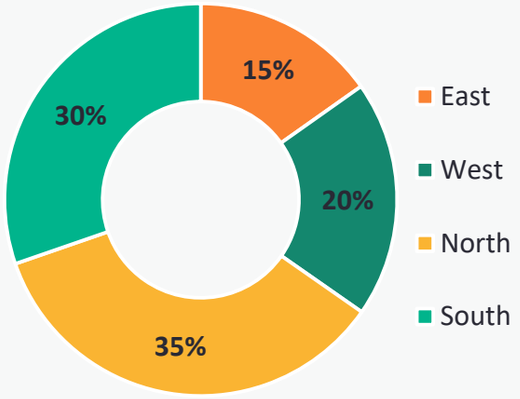



- CASA – Current A/c is ₹ 267 Cr; Savings A/c balance is ₹ 1,301 Cr
- CASA deposits up 90% Y-o-Y; CASA Ratio at 14%
- Credit-Total Deposit: 130%
- Retail % share has increased to 45% from 43% in Jun'19
- Retail deposits continues to rise reaping benefits from existing banking outlets and also with introduction of digital products

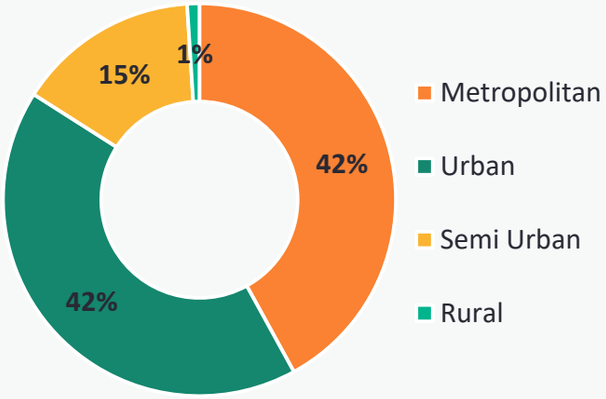
*^ TD: Term Deposits, CASA: Current Account, Savings Account*
**Cost of Blended Deposits – TD + CA+ SA*

# Well-diversified Deposit Mix

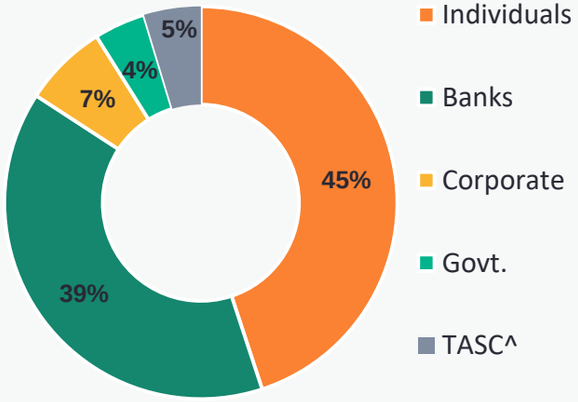
## Region-wise deposit mix




## Branch classification wise deposit mix




## Segment wise deposit mix




**Total Deposits (excluding CDs) as on 30 Jun'20: ₹ 10,800 Cr**

^TASC- Trust, Association, Societies & Clubs

# Adequately Capitalized

(₹ in Crore)

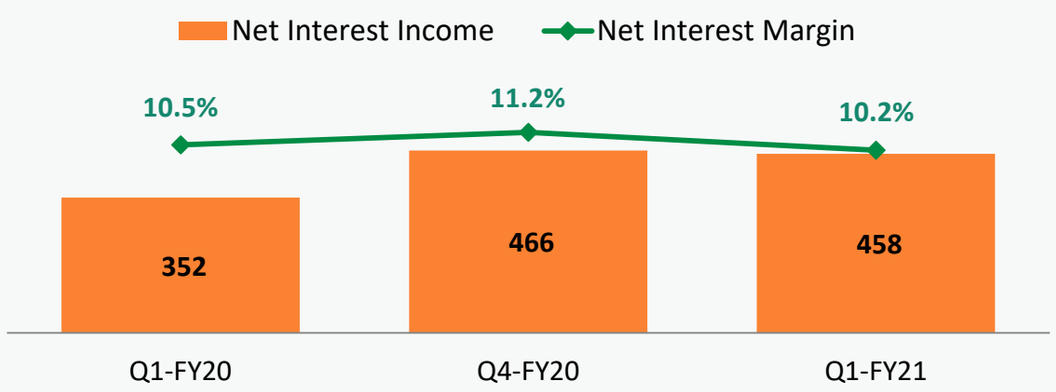
| | Jun'19 | Sep'19 | *Dec'19 | Mar'20 | Jun'20 |
|---|---|---|---|---|---|
| Credit Risk Weighted Assets | 9,434 | 10,026 | 10,442 | 10,775 | 11,032 |
| Tier I Capital | 1,733 | 1,821 | 2,873 | 3,018 | 3,072 |
| Tier II Capital | 59 | 68 | 84 | 87 | 93 |
| Total Capital | 1,793 | 1,889 | 2,958 | 3,105 | 3,164 |
| CRAR | 19.0% | 18.8% | 28.3% | 28.8% | 28.7% |
| Tier I CRAR | 18.4% | 18.1% | 27.5% | 28.0% | 27.8% |
| Tier II CRAR | 0.6% | 0.7% | 0.8% | 0.8% | 0.8% |

***Complying with the RBI's norm under SFB license, the Bank got listed; raised fresh capital of ₹ 1,053 crores including Employee Stock Purchase Scheme**

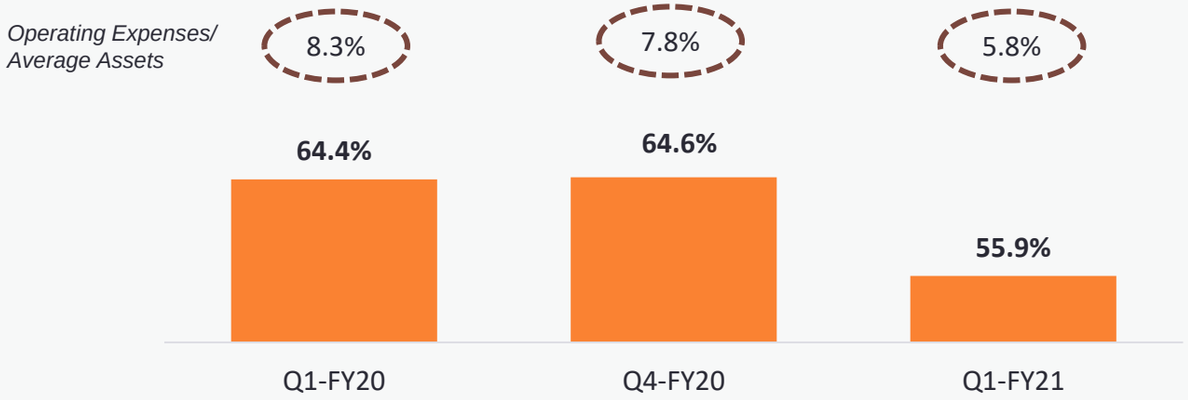
# Financial Overview

# Financial Overview

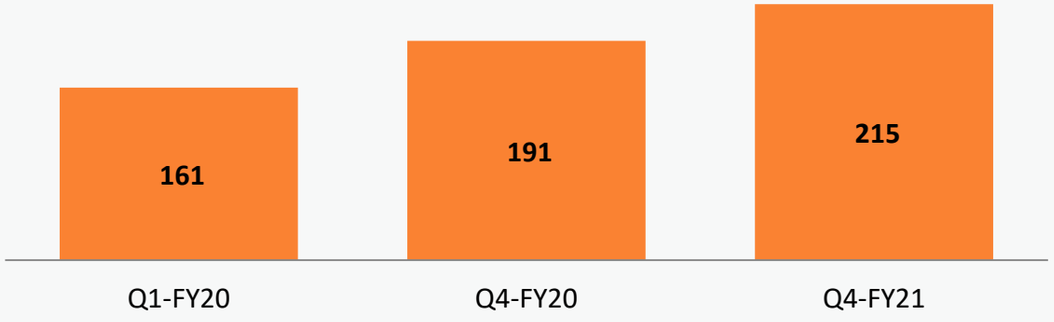
## NII (₹ in Crore) & NIM



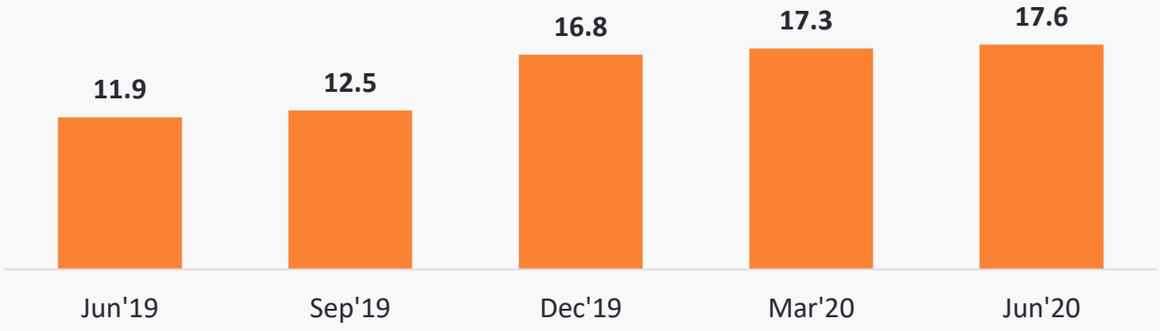

## Cost to Income Ratio[1] & Operating Expenses/ Average Assets (%)




## Pre-Provision Operating Profit (₹ in Crore) [2]




## Book Value Per Share (in ₹)




1.Adjusted for one time reversal of rent equalization reserve, cost to income ratio in Q1FY21 was 59.6%
2.Includes PSLC income of ₹ 42 cr Q1FY20 & (2) cr in Q4FY20

# Income Statement

| Particulars (₹ in Crore) | Q1-FY21 | Q1-FY20 | YoY Growth | Q4-FY20 | QoQ Growth |
|---|---|---|---|---|---|
| Interest Earned | 746 | 605 | 23% | 737 | 1% |
| Other Income | 29 | 100 | (71%) | 72 | (60%) |
| **Total Income** | **775** | **705** | **10%** | **810** | **(4%)** |
| Interest Expended | 288 | 253 | 14% | 271 | 6% |
| Operating Expenses | 272 | 291 | (7%) | 348 | (22%) |
| **Provisions and Contingencies** | **160** | **67** | **139%** | **117** | **37%** |
| -Provisions for tax | 20 | 48 | (58%) | 20 | 0% |
| - Provisions (Other than tax) & Contingencies | 140 | 19 | 639% | 97 | 45% |
| **Total Expenditure** | **720** | **611** | **18%** | **736** | **(2%)** |
| **Net profit for the period** | **55** | **94** | **(42%)** | **73** | **(25%)** |

# Total Income - Breakup

| Particulars (₹ in Crore) | Q1-FY21 | Q4-FY20 | Q1-FY20 |
|---|---|---|---|
| Interest on loan | 698 | 698 | 567 |
| Int. on investments | 49 | 39 | 36 |
| Securitization Inc. | - | - | 3 |
| **Total Interest Earned** | **746** | **738** | **605** |
| Processing Fees | 5 | 42 | 37 |
| PSLC Income | - | (2) | 42 |
| Trading Income | 11 | 0 | 3 |
| Bad Debts Recovery | 1 | 8 | 8 |
| Insurance Income | 2 | 6 | 4 |
| Misc. Income | 10 | 18 | 8 |
| **Total Other Income** | **29** | **72** | **100** |
| **Total Income** | **775** | **810** | **706** |

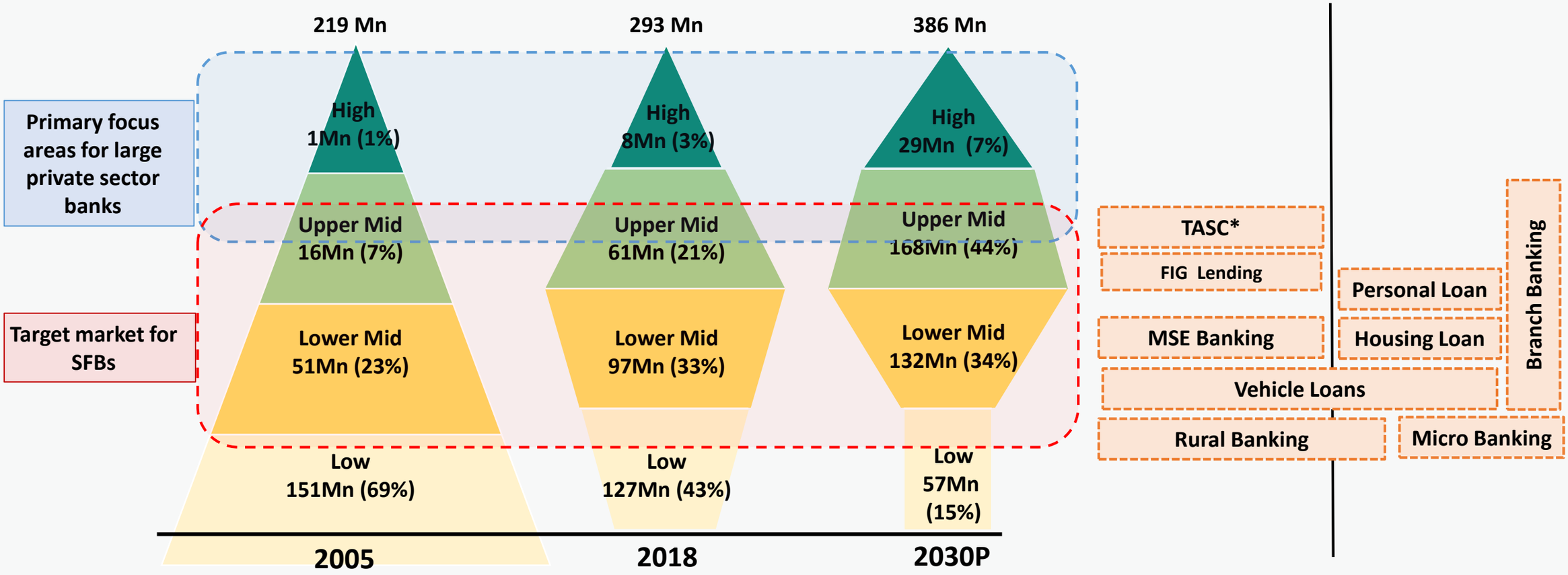
# Balance Sheet

| Particulars (₹ in Crore) | Jun-20 | Mar-20 | Jun-19 |
|---|---|---|---|
| **CAPITAL AND LIABILITIES** | | | |
| Capital | 1,928 | 1,928 | 1,640 |
| Employees Stock Options Outstanding | 30 | 21 | - |
| Reserves and Surplus | 1,293 | 1,238 | 274 |
| Deposits | 11,057 | 10,780 | 7,957 |
| Borrowings | 4,479 | 3,953 | 3,946 |
| Other Liabilities and Provisions | 621 | 491 | 478 |
| **TOTAL** | **19,408** | **18,411** | **14,293** |
| **ASSETS** | | | |
| Cash and Balances with Reserve Bank of India | 1,532 | 1,225 | 300 |
| Balance with Banks and Money at Call and Short Notice | 317 | 118 | 422 |
| Investments | 2,689 | 2,396 | 1,660 |
| Advances | 14,251 | 14,044 | 11,327 |
| Fixed Assets | 307 | 300 | 295 |
| Other Assets | 312 | 328 | 289 |
| **TOTAL** | **19,408** | **18,411** | **14,293** |

# Ujjivan – Building a Mass Market Bank

# Well placed to gain from evolving country demographics

**SFBs suited to reap benefits of the expanding middle-class expansion***




*Trusts, Associations, Societies and Clubs

*Source: PRICE Projections based on ICE 360$^0$ Surveys (2014, 2016, 2018); Note: Low income: <$4,000, Lower-mid: $4,000-8,500, Upper-mid: $8,500-40,000, High income: >$40,000 basis income per household in real terms; Projections with annual GDP growth assumed at 7.5%;

# Comprehensive suite of Banking Products & Services

## Loan

### Micro-Banking
- Group Loans
- Individual Loans
- Agriculture and allied loans
- Gold loan
- Street vendor loan program

### Micro and Small Enterprise Loans
- Secured Enterprise and Business Loans
- Overdraft
- Loan against rent receivables
- Overdraft with Fintech partnership

### Affordable Housing Loans
- Construction and Purchase
- Home Improvement
- Composite Home
- Home Equity

### Vehicle Loans
- Two wheeler loan
- Electric three wheeler loan
- CV loan

### Personal Loans
- Loan to salaried customers
- Top-up loan

### Financial Institutions Group
- Term loan to NBFCs and MFIs
- Call money products

## Deposit

### Retail Products
- Current Account
- Savings Account
- Term Deposit
- Goal Based Savings
- Digital Savings & FD

### Institutional Products
- Fixed Deposits
- Term Money
- Current Account
- Certificate of Deposit
- Escrow Account

## Third-Party

### Fee based Products
- Insurance
- Aadhaar enrolment services
- CMS

## Channels

- Branch Banking
- ATM / Debit Cards / POS / QR / UPI
- Mobile & Missed Call Banking
- Phone Banking & IVR
- Internet & Corporate Banking

Products highlighted in yellow are under development and likely to be launched in FY21

# Focus on growing stable and granular Liability base

**Target Segment**

- Traders, Retailers and MSE
- Salaried / Corporate Salary
- Youth
- Senior Citizen
- Micro banking customers and family members
- Local institutions & governments, schools, clinics, TASC
- Marginal farmers, Allied Agri Segment

- Dominate branch catchment
- Advanced business net banking
- Encourage user adoption for digital channels
- Digital + Branch led transactions
- Payment solutions, Fee Based Products, CMS
- Life Events Based Banking Solutions, Sampoorna Banking for Micro Banking
- Differentiated branch / digital experience
- Data analytics to facilitate cross-sell/ better solutions

**"Parinaam" – Financial literacy programs**

- Diksha+
- Paison ki ABCD
- Chillar Bank

**Ramped up retail deposits: ₹ 4,929 crores (45% of total deposits) vs ₹ 3,429 crores (43% of total deposits) Y-o-Y**

# Other Income – diversifying revenue streams

## Third Party Products

**₹ 2 crore in Q1-FY21**

**Current line of products – to be ramped-up over medium-term**

- Insurance: Life, General, Health insurance
  - Relevant benefits for target segment
  - Simple and easy process
  - Sold through branches and field staff

**Products under evaluation**

- Mutual Funds
- National Pension Scheme

**Process improvement**

- Automation & IT integration
- Tick-based products

Other Income

## PSLC Income

**NIL***

- Focussed approach to maximise PSLC income by way to automated tagging and better timing
- Majority of portfolio is PSL compliant vs. regulatory requirement of maintaining 75%

## Fee-Based & others

**₹ 27 crore in Q1-FY21**

- Processing fess
- AMC/NACH/ CMS Fee
- Treasury Income
- Bad debt recovery and others

* Following a cautious approach, we did not monetize our PSLC book this quarter. However, the same would be monetized in subsequent quarters

# Serving customers through multiple delivery channels

## Multiple delivery channels

### Personal & Business Internet banking

- Web-based, can be accessed from any system
- High volume bulk upload facility
- Customizable client centric approval matrix

### ATMs

- 475 ATMs including 52 Automated Cash Recycler machines
- 321 ATM's Re-enabled with biometrics; rest to be completed by Sep'20
- 12 regional languages

### Web/ Tablet Based Origination

- Liability customer acquisition from anywhere using website
- Tablet-based customer acquisition for loan products
- Door-step service; faster, easier, better TAT

### Phone

- 24x7 phone banking helpline
- Loan on Phone for repeat GL customers
- Mobile number and e-mail updation over call
- Ability to service customers in 13 Languages
- Missed call and SMS banking services

### Mobile App

- High customer rating of 4.4/5 on Google Playstore as of Jun-20 – Highest among SFBs
- Nine languages option – English, Hindi, Kannada, Tamil, Bengali, Marathi, Gujarati, Punjabi and Odiya
- Working on voice and video enabled customer interface
- Active users exceeds 0.53 million as of Jun-20

# Strong Independent Board

| Name | Education | Experience |
|---|---|---|
| **Biswamohan Mahapatra** *Part-time Chairman and Independent Director* | MA from JNU, M.Sc in management from Arthur D. Little Management Education Institute and MBA from Delhi University | Previously served as an executive director of the Reserve Bank of India |
| ***Nitin Chugh*** *MD and CEO* | Bachelor's degree in technology (electrical engineering) from Kurukshetra University and a professional diploma in marketing management from All India Management Association | Prior associations with banks incl. Standard Chartered Bank, HDFC Bank and worked with Modi Xerox Limited. HCL and Hewlett Packard Limited |
| **Jayanta Kumar Basu** *Non-Executive Director* | BA(economics) from DU and a PGDM from the IIM, Ahmedabad | Serves as a partner at CX Advisors and previously worked as SVP at CitiBank |
| **Mona Kachhwaha** *Non-Executive Director* | PGDM in business management from XLRI Jamshedpur and has completed a PE programme from Oxford University | Previously worked with with Citibank and Caspian Impact Investment Adviser |
| **Chitra Kartik Alai** *Non-Executive Nominee Director* | B.Com from Osmania University and MBA from Symbiosis Institute | Serves as General Manager at the Chennai regional office of SIDBI |

| Name | Education | Prior Experience |
|---|---|---|
| **Vandana Viswanathan** *Independent Director* | B.Sc from Bangalore University and MA in personnel management and industrial relations from the TISS | Co-founder and partner at Cocoon Consulting |
| **Prabal Kumar Sen** *Independent Director* | Master's degree in arts (economics) from Calcutta University | Served as Professor at XLRI, Institute of Rural Management as a Bank of Baroda chair professor and University of Burdwan |
| **Nandlal Laxminarayan Sarda** *Independent Director* | M.Tech and PhD from IIT, Bombay | Previously served on the boards of the Union Bank of India, Clearing Corporation of India and Andhra Bank |
| **Mahadev Lakshminarayanan** *Independent Director* | B.Sc from Kerala University and CA from ICAI | Serves on the board of Aspinwall and Company and ex-partner at Deloitte Haskins & Sells LLP and Fraser & Ross |
| **Umang Bedi** Additional Director (Independent) | Bachelor's degree in engineering from University of Pune General Management Program from Harvard Business School, Boston, Massachusetts. | Co-Founder of Dailyhunt, India's largest local language content & news discovery platform.Previously the Managing Director - India and South Asia with Facebook India Online Services Private Limited, ADOBE Systems India Private Limited and Intuit Inc. |

# Experienced Management Team

**Nitin Chugh – MD and CEO**

- Mr. Chugh took charge as MD & CEO from December 01, 2019. He joined Ujjivan SFB as President with effect from August 17, 2019
- Rich experience across traditional and digital banking with multiple associations including, HDFC Bank, Standard Chartered Bank; varied customer relations roles with HCL Hewlett Packard and Modi Xerox
- Holds a Bachelor's degree in Technology from Kurukshetra University and a professional Diploma in Marketing Management from All India Management Association

**Supported by a highly experienced team of qualified & experienced professionals**

| Name & Designation | Prior association | Education |
|---|---|---|
| **Sanjay Kao**<br>*Head - Human Resources* | Citibank, ABN AMRO Bank, Dunia Finance and Lipton India Ltd | • B.Tech, BHU<br>• PGDM, IIM Calcutta |
| **Carol Furtado**<br>*Head – Operations & Service Quality* | ANZ Grindlays Bank, Bank Muscat and Centurion Bank | • B.Sc, Bangalore University<br>• PGDM, Mount Carmel Institute |
| **Upma Goel**<br>*Chief Financial Officer* | L&T Finance Holdings, Ujjivan Financial Services and Escorts Securities | • Chartered Accountant, ICAI |
| **Alok Chawla**<br>*Head – Audit* | Mizuho Bank,ING Vysya Bank and Tata Motors Finance | • B.Com, DU<br>• CA, ICAI and a Certified internal auditor |
| **Kalyanraman M**<br>*Chief Credit Officer* | Equitas SFB, Citibank, SRF Ltd, Cholamandalam DBS Finance, TVS Credit Services, IL&FS | • B.E. (Hons) Electrical & Electronics, REC Tiruchi<br>• MBA (Finance), IIM Calcutta |
| **Jolly Zachariah**<br>*Head – Channels* | Ex COO (west) of Ujjivan Financial Services Limited; Citigroup | • B.Com, Bombay University |
| **Arunava Banerjee**<br>*Chief Risk Officer* | State Bank of India, Standard Chartered Bank and Bahraini Saudi Bank | • MA Economics, Calcutta University<br>• Associate of the Indian Institute of Bankers |
| **Rajat Singh**<br>*Business Head - Micro & Rural Banking* | Ujjivan Financial Services | • B. Tech (Agriculture and Food Engineering), IIT Kharagpur |
| **Rajeev Pawar**<br>*Head – Treasury* | Growmore Research; Kotak Mahindra Capital; Daewoo Securities India Ltd. ; American Express Bank, Standard Chartered Bank | • Masters Business Management, JBIMS<br>• Diploma in Business Management, Xavier's Institute of Management Mumbai |
| **Dheemant Thacker**<br>*Head - Digital Banking* | HDFC Bank, Bandhan Bank, Aditya Birla Capital | • M.B.A (Marketing), NMMIS<br>• B.E (Mechanical), Mumbai University |
| **Shrinivas Murty**<br>*Head - Liabilities* | HDFC Bank, Bandhan Bank, ICICI Bank Ltd | • PGDBM, MDI Gurugram<br>• Associate of Indian Institute of Banking & Finance<br>• MSc, Pt Ravishankar Shukla University |
| **Venkat Krishnan V**<br>*Chief Technology Officer* | Utkarsh SFB, Al Ahli Bank of Kuwait, Edelweiss Tokio Life, Yes Bank, Dhanlaxmi Bank, HSBC | • MCA, Government College of Engineering<br>• BSc (Physics, Electronics), SIES College |

# Key Growth Strategies

## 01 COMPREHENSIVE & RELEVANT PRODUCTS

- Entire gamut of asset and liability products to attract new customers and deepen existing customer relationships
- Expand range of third party products and services
- Increase penetration of asset products under Retail, MSE and affordable housing segments

## 02 FOCUS ON DIGITAL BANKING AND ANALYTICS

- User-friendly digital interface to extend bank's reach and offer a strong banking platform and focus on user adoption with programs like DIgiBuddy
- Invest in API platform, innovations, fintech partnerships to widen product offerings/ banking solutions
- Invest strategically to integrate technology into operations to empower customers, reduce costs and increase efficiencies
- Adopt robotic processes to automate operational processes
- Data analytics to be used to offer customized solutions
- Establish USFB as a modern technology enabled bank

## 03 BUILD A STABLE & GRANULAR DEPOSIT BASE

- Improve share of CASA, recurring and fixed deposits by building a sticky deposit base and attracting new customers; focus on retail deposit base to reduce cost of funds
- Selectively open branches in urban areas with large customer base
- Target mass customer acquisition through focused programs

## 04 EXPAND & OPTIMIZE DISTRIBUTION NETWORK

- Use right combination of physical and digital channels and partnerships to expand reach
- Expand banking outlets and infrastructure
- Strengthen alternate delivery channels and encourage customers to move towards a cashless environment

## 05 CONTINUE FOCUS ON IMPROVING FINANCIAL AND DIGITAL INCLUSION

- Focus on the un-served and underserved segments and educate customers to develop improved financial behaviour
- Maintain transparency, responsibly price loan offerings, effectively redress grievances and ensure disclosures in vernacular languages
- Continue to partner with Parinaam Foundation to enhance financial literacy and develop Kisan Pragati Clubs
- Promote use of bank accounts, UPI and digital payment gateways

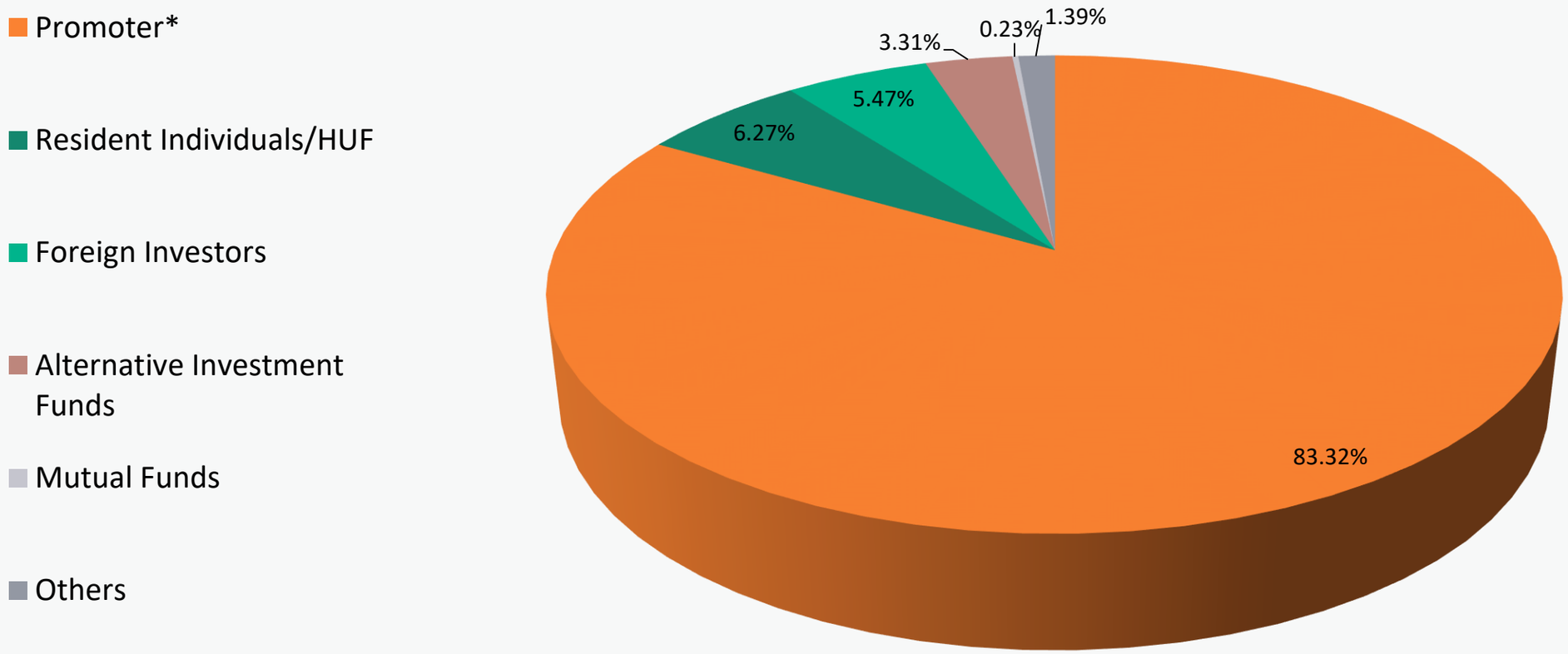
## 06 DIVERSIFY REVENUE STREAMS

- Leverage banking infrastructure to diversify product portfolio and increase fee and commission-based business
- Increase focus on treasury income, bancassurance, fee and processing charges
- Introduce new products and services and focus on cross-selling to existing customers

# Annexure

# Shareholding Pattern

**Shareholding Pattern (Based on Holding) as on 30th June, 2020**




***Promoter is Ujjivan Financial Services Ltd which is a Core Investment Company and listed on NSE/ BSE**

# Ujjivan: Inclusive Growth Philosophy

## Financial literacy

- Partnered with Parinaam Foundation for financial literacy programs like “Diksha”, “Chillar Bank”, “Paison ki ABCD”

## Environment Protection

- Promoting the protection of environment through the “Project Swach Neighbourhood”
- Making 100 meters around our offices & branches the cleanest area in the city, town & village we operate
- Promoting sanitization/ public health, environment protection and a concept of clean neighbourhood

## Community Development

- Partnered with Parinaam Foundation under “Chhote Kadam” promoting quality of life for marginalized communities, the project includes fixing school buildings, renovation or construction of public toilets, strengthening primary health centres, solar lighting and making available safe drinking water among others

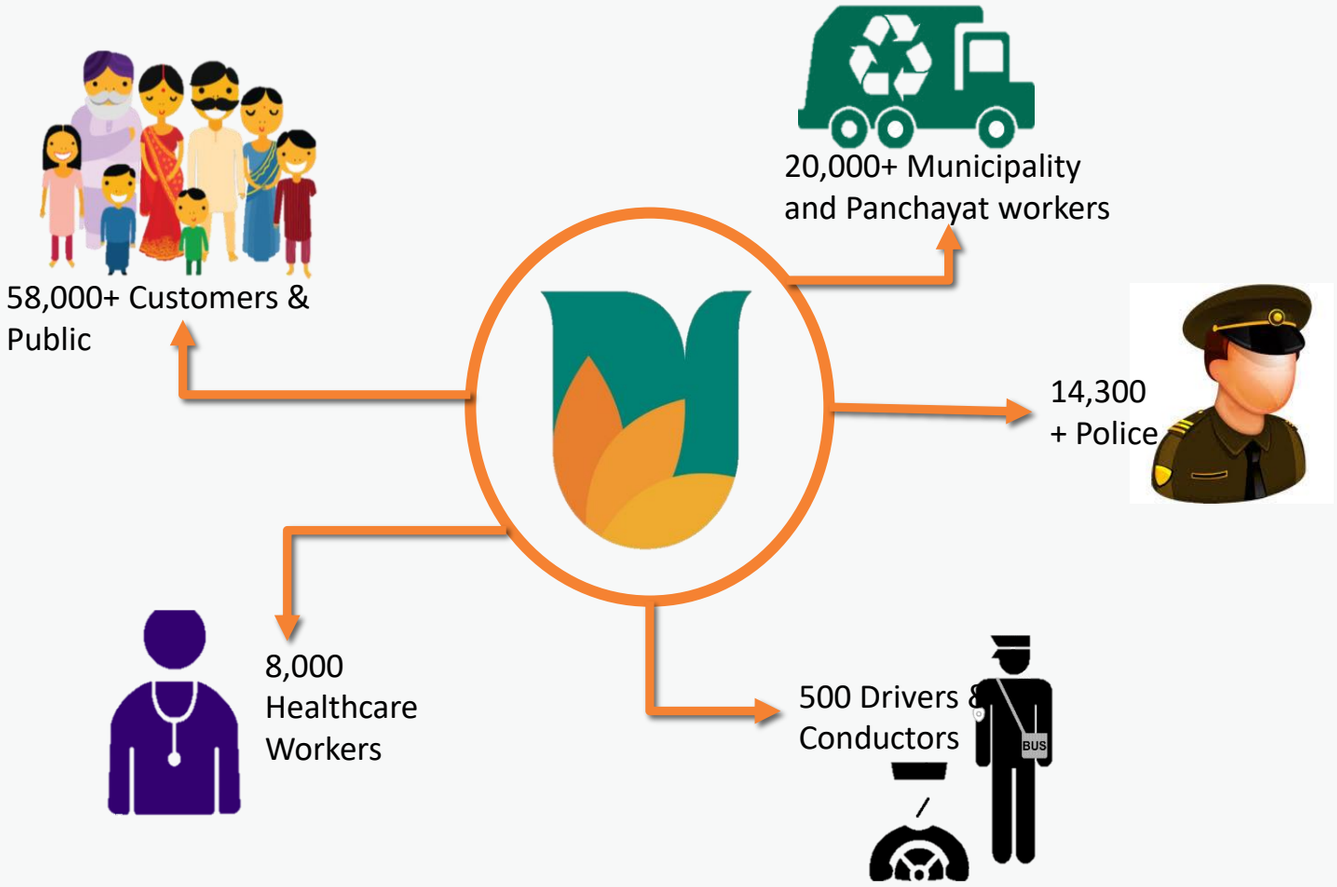
## Relief Programs

- Quickly responding and undertaking relief activities during natural calamities like floods, cyclones through vast branch network in various parts of the country

**Following the “Double Bottom Line” approach of business**
**Aims to establish an equilibrium of financial and social benefits before arriving at business decisions**

# Focused relief work

- **Amphan Relief**
  - Restoration support to regions affected due to Amphan flood is provided to 3600 families in West Bengal
- **Covid19 relief work**
  - Supported Public and Frontline Warriors battling Covid-19 crisis, we supported Doctors, Hospital Staff, Police Officials, Sanitary Workers, Municipality and Panchayat employees
  - Water Purifying Unit provided to St. John's Hospital, providing safe drinking water to patients and families
- **Covid Education Model**
  - Educating customers and Public about the virus and providing practical ways to exert caution along with availing Govt. benefits.
  - The training of customers began from the month of July. and is expected to impact 1 lakh people by end of Nov'20.
- **GiveIndia –** 5,000 PPE kits were provided to Mumbai Hospitals in the initial days of COVID outbreak in India



# Thank You!