

Date: November 07, 2020

To,

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

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

Symbol: UJJIVANSFB

Scrip Code: 542904

Dear Sir/Madam,

Sub: Outcome of the meeting of the Board of Directors-Approval of Audited Financial Results for the quarter and half year ended September 30, 2020

Further to our letter bearing reference number USFB/CS/SE/2020-21/47 dated October 27, 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, at their meeting held on Saturday, November 07, 2020, has considered and approved, *inter alia*, Audited Financial Results of the Bank for the quarter and half year ended September 30, 2020 along with the Audit Report thereon issued by the statutory auditors of the Bank, M/s MSKA & Associates, Chartered Accountants.

A copy of aforesaid Audited Financial Results and Audit 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 and half year ended September 30, 2020 are enclosed herewith.

The meeting of the Board of Directors commenced at 01:30 P.M and concluded at 04:15 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


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

Independent Auditor's Report on Quarter and Half year ended Financial Results of the Bank pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015

TO THE BOARD OF DIRECTORS OF UJJIVAN SMALL FINANCE BANK LIMITED

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying Financial Results of Ujjivan Small Finance Bank Limited ("the Bank") for the quarter and half year ended September 30, 2020 ("the Statement"), being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- i. is presented in accordance with the requirements of Listing Regulations; and
- ii. gives a true and fair view, in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Accounts) Rules, 2014, as amended to the extent applicable, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ("the RBI") from time to time ("the RBI Guidelines") and other accounting principles generally accepted in India of the net profit and other financial information for the quarter and half year ended September 30, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Statement.

Emphasis of Matter

We draw attention to Note 11 to the audited financial results, which states that there is reduction in the business activities of the Bank due to impact of COVID-19. The extent to which the COVID-19 Pandemic will continue to impact the Bank's operations and financial results will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.

Board of Directors' Responsibility for the Financial Results

This Statement has been compiled from the interim financial statements. The Bank's Board of Directors are responsible for the preparation of the Statement that gives a true and fair view of the net profit and other financial information of the Bank in accordance with the Accounting Standard - 25 "Interim Financial Reporting" (AS - 25) specified under section 133 of the Act, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and RBI guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Statement by the Board of Directors of the Bank, as aforesaid.

In preparing the Statement, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Bank are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion on whether the Bank has internal financial controls with reference to the Statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement include the results for the quarter ended September 30, 2020 being the balancing figure between the audited figures in respect of the half year ended September 30, 2020 and the published unaudited figures up to the first quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in AS - 25 which were subject to limited review by us.

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: 20117812AAAAZX9369

Mumbai
November 07, 2020

UJIVAN 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.ujivansfb.in Phone: +91 80 4071 2121

Audited Financial Results for the Quarter and Half Year Ended September 30, 2020

(Rs. in Lacs)

S.No.	Particulars	Quarter ended			Half - Year Ended		Year Ended March 31, 2020
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	
		(Audited) (Refer Note 6)	(Unaudited)	(Audited) (Refer Note 6)	(Audited)	(Audited)	(Audited)
1	Interest Earned (a)+(b)+(c)+(d)	75,361	74,628	65,433	149,989	125,970	270,360
	a) Interest/ discount on advances/ bills	70,057	69,763	61,983	139,820	118,703	255,171
	b) Income on Investments	4,396	4,154	3,146	8,550	6,648	13,870
	c) Interest on balances with Reserve Bank of India and other interbank funds	908	711	130	1,619	174	773
	d) Others	-	-	174	-	445	546
2	Other Income (Refer note 8)	6,440	2,870	7,503	9,310	17,516	32,221
3	Total Income (1)+(2)	81,801	77,498	72,936	159,299	143,486	302,581
4	Interest Expended	28,347	28,827	26,636	57,174	51,928	107,001
5	Operating Expenses (i)+(ii)	30,237	27,202	32,161	57,439	61,296	131,857
	(i) Employees Cost	18,980	18,576	17,779	37,556	33,718	71,849
	(ii) Other Operating Expenses	11,257	8,626	14,382	19,883	27,578	60,008
6	Total Expenditure (4)+(5)	58,584	56,029	58,797	114,613	113,224	238,858
	[excluding provisions & contingencies]						
7	Operating Profit before Provisions & Contingencies (3)-(6)	23,217	21,469	14,139	44,686	30,262	63,723
8	Provisions (other than tax) and Contingencies	10,052	14,034	2,479	24,086	4,358	17,099
9	Exceptional Items	-	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7)-(8)-(9)	13,165	7,435	11,660	20,600	25,904	46,624
11	Tax Expense	3,565	1,970	2,397	5,535	7,193	11,632
12	Net Profit from Ordinary Activities after tax (10)-(11)	9,600	5,465	9,263	15,065	18,711	34,992
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Net Profit for the period/year (12)-(13)	9,600	5,465	9,263	15,065	18,711	34,992
15	Paid up equity share capital (Face Value of Rs 10/- each)	172,822	172,822	144,004	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	NIL	NIL
	(ii) Capital Adequacy Ratio - BASEL II (Refer note 9)	30.99%	28.68%	18.84%	30.99%	18.84%	28.82%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*						
	Basic EPS (Rs)	0.56	0.32	0.55	0.87	1.21	2.19
	Diluted EPS (Rs)	0.56	0.32	0.55	0.87	1.21	2.18
	(iv) NPA Ratios						
	(a) Gross NPAs	13,609	13,982	10,940	13,609	10,940	13,714
	(b) Net NPAs	1,908	2,510	4,253	1,908	4,253	2,749
	(c) % of Gross NPAs to Gross Advances	0.98%	0.97%	0.85%	0.98%	0.85%	0.97%
	(d) % of Net NPAs to Net Advances	0.14%	0.18%	0.33%	0.14%	0.33%	0.20%
	(v) Return on assets (average)*	0.50%	0.29%	0.61%	0.79%	1.28%	2.21%

* Figures for the quarter and half year are not annualised



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						
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			Half - Year Ended	
		September 30, 2020 (Audited) (Refer Note 6)	June 30, 2020 (Unaudited)	September 30, 2019 (Audited) (Refer Note 6)	September 30, 2020 (Audited)	September 30, 2019 (Audited)
						Year ended March 31, 2020 (Audited)
1	Segment Revenue					
(a)	Treasury	7,887	5,979	3,821	13,866	11,813
(b)	Retail Banking	72,476	69,996	67,719	142,472	129,368
(c)	Wholesale Banking	1,438	1,523	1,396	2,961	2,305
(d)	Unallocated	-	-	-	-	-
	Less: Inter-segment revenue	-	-	-	-	-
	Income from operations	81,801	77,498	72,936	159,299	143,486
2	Segment Results					
(a)	Treasury	2,330	972	360	3,302	4,477
(b)	Retail Banking	12,000	7,791	13,995	19,791	25,588
(c)	Wholesale Banking	666	444	174	1,110	301
(d)	Unallocated	(1,831)	(1,772)	(2,869)	(3,603)	(4,462)
	Total Profit Before Tax	13,165	7,435	11,660	20,600	25,904
3	Segment Assets					
(a)	Treasury	424,180	429,710	256,979	424,180	256,979
(b)	Retail Banking	1,400,190	1,454,924	1,296,055	1,400,190	1,296,055
(c)	Wholesale Banking	50,591	52,338	52,156	50,591	52,156
(d)	Unallocated	4,498	3,838	5,599	4,498	5,599
	Total Assets	1,879,459	1,940,810	1,610,789	1,879,459	1,610,789
4	Segment Liabilities					
(a)	Treasury	424,180	429,710	256,979	424,180	256,979
(b)	Retail Banking	1,085,019	1,148,705	1,097,644	1,085,019	1,097,644
(c)	Wholesale Banking	34,911	37,325	52,156	34,911	52,156
(d)	Unallocated	-	-	-	-	-
	Total Liabilities	1,544,110	1,615,740	1,406,779	1,544,110	1,406,779
5	Capital Employed (Segment Assets - Segment Liabilities)					
(a)	Treasury	-	-	-	-	-
(b)	Retail Banking	315,171	306,219	198,411	315,171	198,411
(c)	Wholesale Banking	15,680	15,013	-	15,680	-
(d)	Unallocated	4,498	3,838	5,599	4,498	5,599
	Total	335,349	325,070	204,010	335,349	204,010

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.



Notes :

1) Statement of Assets and Liabilities as at September 30, 2020 is given below:

Particulars	(Rs. in Lacs)		
	As at September 30, 2020 (Audited)	As at September 30, 2019 (Audited)	As at March 31, 2020 (Audited)
CAPITAL AND LIABILITIES			
Capital	192,822	164,004	192,822
Share Application Money Pending Allotment	-	3,592	-
Employees Stock Options and Purchase Outstanding	3,654	1,070	2,142
Reserves and Surplus	138,874	35,344	123,808
Deposits	1,074,277	1,012,985	1,078,048
Borrowings	394,891	347,017	395,327
Other Liabilities and Provisions	74,941	46,777	48,976
Total	1,879,459	1,610,789	1,841,123
ASSETS			
Cash and Balances with Reserve Bank of India	75,550	48,725	122,487
Balances with Banks and Money at Call and Short notice	31,555	22,206	11,842
Investments	334,941	201,839	239,614
Advances	1,377,269	1,278,040	1,404,364
Fixed Assets	29,684	29,621	30,048
Other Assets	30,460	30,358	32,768
Total	1,879,459	1,610,789	1,841,123

2) Statement of Cashflow as at September 30, 2020 is given below:

Particulars	(Rs. in Lacs)		
	Half Year ended September 30, 2020 (Audited)	Half Year ended September 30, 2019 (Audited)	Year ended March 31, 2020 (Audited)
Cash Flow from Operating Activities			
Profit before taxation	20,600	25,904	46,624
Adjustments for :			
Depreciation on Bank's Property	3,755	3,592	7,263
Loss on sale of Land, Building & Other assets (net)	47	10	19
Expense on employee stock option	1,512	473	2,142
Expense on employee stock purchase	-	591	797
Fixed Assets Written off	-	9	9
Provision for Non Performing Assets	761	2,988	10,451
Provision for Standard Assets	23,324	1,370	6,641
Amortisation of premium on Held Till Maturity investments	592	158	455
	50,591	35,095	74,401
Adjustments for :			
(Increase) /Decrease in Advances	26,335	(225,782)	(359,570)
(Increase)/Decrease in Investments	(95,919)	(49,334)	(87,407)
(Increase)/Decrease in Other Assets	2,521	(1,173)	(3,595)
Increase/ (Decrease) in Deposits	(3,771)	275,041	340,104
Increase/ (Decrease) in Other Liabilities	2,641	7,708	4,629
	(17,602)	41,555	(31,438)
Direct Taxes paid (net of refunds)	(5,749)	(7,956)	(11,150)
Net Cash Flow generated from/(used in) Operating Activities (A)	(23,351)	33,599	(42,588)
Cash Flow from Investing Activities			
Proceeds from sale of Fixed Assets	20	49	59
Purchase of Fixed Assets including WIP	(3,457)	(4,836)	(8,953)
Net Cash Flow used in Investing Activities (B)	(3,437)	(4,787)	(8,894)
Cash Flow from Financing Activities			
Proceeds from issue of equity shares (net of issue expenses)	-	-	100,204
Proceeds from share application money pending allotment	-	3,592	-
Increase/(Decrease) in Borrowings (Net)	(436)	(69,592)	(21,282)
Preference dividend paid during the period/year	-	(1,100)	(1,100)
Dividend distribution tax paid during the period/year	-	(226)	(226)
Net Cash Flow used in Financing Activities (C)	(436)	(67,326)	77,596
Net Decrease in Cash and Cash Equivalents (A+B+C)	(27,224)	(38,514)	26,114
Cash and Cash Equivalents at the beginning of the period/year	133,879	107,765	107,765
Cash and Cash Equivalents at the end of the period/year	106,655	69,251	133,879



- 3) The above financial results for the quarter and half year ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 07, 2020. The financial results for the quarter and half year ended September 30, 2020 have been subjected to an audit by the statutory auditors of the Bank. The report thereon is unmodified.
- 4) 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) Regulations, 2015, as amended and the guidelines issued by the Reserve Bank of India (RBI).
- 5) 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.
- 6) The figures for the second quarter in each of the financial years are the balancing figures between audited figures in respect of the half year end and the published year to date figures upto the end of the first quarter of the respective financial year.
- 7) 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 September 30, 2020, out of the total options granted, 37,43,858 options were lapsed, 66,95,496 options were vested yet to be exercised and 2,65,61,049 options are yet to be vested.
- 8) 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.
- 9) 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.
- 10) Bank has considered ESOP reserve as Tier 1 capital for the computation of Capital Adequacy Ratio -BASEL II.
- 11) Consequent to the outbreak of COVID-19 pandemic, the Indian government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the government for certain activities in a phased manner outside specified containment zones.
The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activity, which may persist even after the restrictions related to the COVID-19 outbreak are lifted. While there has been some improvement in economic activities during the current quarter, the continued slowdown has led to a decrease in loan originations and in collection efforts efficiency. The slowdown may lead to a rise in the number of customers defaults and consequently an increase in provisions there against.
The extent to which the COVID-19 pandemic will continue to impact the Bank's operations and financial results will depend on future developments, which are highly uncertain, 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.

The Bank has made total provision of Rs 7,000 lacs for COVID 19 as on March 31, 2020 out of which Rs 4,586 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 and Rs 10,000 lacs during the quarter ended June 30, 2020 and September 30, 2020 respectively against the potential impact of COVID 19 on standard assets based on the information available at this point in time. The provision held by the Bank is in excess of the RBI prescribed norms.

In order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses, RBI through its circulars dated March 27, 2020 and April 17, 2020, permitted Banks to grant a moratorium, on the payment of all instalments and / or interest, falling due between March 01, 2020 and May 31, 2020 to their borrowers classified as standard even if overdue, as on February 29, 2020. This period was extended by RBI till August 31, 2020 through its circular dated May 23, 2020. The Bank accordingly extended the moratorium option to its borrowers in accordance with its Board approved policies. 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 determining whether an asset is non-performing).

The quantitative disclosures as required by RBI circular dated April 17, 2020 for the half year ended September 30, 2020 are given below:

(Rs in lacs)	
Particulars	Amount
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular*	11,858
Term Loan Instalments: Rs 11,833 (Rs in lacs)	
Cash Credit / Overdraft :Rs 24 (Rs in lacs)	
Respective amount where asset classification benefits is extended*	13,394
Term Loan Instalments: Rs 13,370 (Rs in lacs)	
Cash Credit / Overdraft : Rs 24 (Rs in lacs)	
Provisions made in terms of para 5 of the circular during the period ended September 30, 2020:	
March 31, 2020	4,586
June 30, 2020	17,486
September 30, 2020	27,486
Provisions adjusted during the respective accounting periods against slippages in terms of paragraph 6 of the circular	-
Residual provisions in terms of paragraph 6 of the circular	27,486

*represents outstanding balance as on September 30, 2020 in respect of such accounts.



- 12) The Honourable Supreme Court of India, vide an interim order dated September 03, 2020 in the writ petition - Gajendra Sharma Vs Union of India & Anr., directed that the accounts which were not declared Non-Performing Assets ('NPA') till August 31, 2020 shall not be declared NPA till further orders. Accordingly, an account, which was not declared NPA as at August 31, 2020, has not been declared NPA subsequently as per the RBI's Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.

However, if the Bank had classified borrower accounts as NPA after August 31, 2020, the Bank's proforma Gross NPA ratio and Net NPA ratio as at September 30, 2020 would have been 1.19% and 0.30% respectively. As a matter of prudence, the Bank has made contingency provisions (including interest accrued) of Rs. 792 lacs at September 30, 2020 on such advances in accordance with the extant policies as applicable to NPA's. This provision is included as Covid-19 related provision.

- 13) Department of Financial Services, Ministry of Finance, Government of India vide notification no. F.No.2/12/2020-BOA.I dated October 23, 2020 conveyed that in view of the unprecedented and extreme COVID - 19 situation, the Central Government has approved "Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts, (March 01, 2020 – August 31, 2020)". The benefits under the Scheme would be routed through lending institutions (as defined in the notification). The Bank has developed a Board approved Policy in line with the operational guidelines and pronouncements issued in this regard and conducted the aforesaid exercise of crediting the benefit in the respective accounts of eligible borrowers within the prescribed timeline. No effect of the Notification and the resultant credits to the loan accounts of eligible borrowers has been made in these financial results. Bank has considered computing and processing ex-gratia only for the eligible loan products which were charged/collected with compound interest during moratorium period (March 01, 2020 – August 31, 2020).

- 14) The Indian Parliament has approved the Code on Social Security, 2020 which may impact the contributions by the Bank towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be determined. The Bank will complete their evaluation and will give appropriate impact in the financial statements in the year in which, the Code becomes effective and the related rules to determine the financial impact are notified.

- 15) Figures for the previous periods have been regrouped/reclassified wherever necessary to confirm to the current period's presentation.

By order of the Board
For Ujjivan Small Finance Bank Limited

Bengaluru
November 07, 2020


Nitin Chugh
DIN: 01884659
Managing Director & CEO



Press Release

**Retail deposits is 49% of total deposits; October'20 collections@ at 93%;
PPoP at ₹ 232 Cr up by 64% Y-o-Y**

**Well-capitalized with CAR at 31%; Additional COVID provision of ₹ 100 Cr in Q2FY21;
Cumulative COVID provision of ₹ 299 Cr (2.2% of loan book)**

Bengaluru, November 07, 2020: Ujjivan Small Finance Bank Ltd. [BSE: 542904; NSE: UJJIVANSFB], today announced its financial performance for the half year and quarter ended September 30, 2020.

Summary of Ujjivan Small Finance Bank Business Performance – Q2 FY 2020-21

- ❖ Gross Advances at ₹13,890 crore; grew 8% over Sep'19
- ❖ Non-MicroBanking* portfolio contributes 24% of the portfolio against 21% as of Sep'19
- ❖ Disbursement for Q2FY21 at ₹1,458 crore vs ₹3,606 crore at Q2FY20; Sep'20 disbursement at ₹556 crore
- ❖ Secured portfolio is 23% of the total portfolio as on Sep'20 against 19% in Sep'19
- ❖ GNPA at 1.0% and NNPA at 0.1% against 0.9% and 0.3% respectively as of Sep'19. The Bank has not recognised any NPAs since August 31, 2020, in line with the interim order of Hon. Supreme Court. If the said Order was not given effect to, pro-forma GNPA & NNPA would have been 1.2% & 0.3% respectively.
- ❖ Deposits at ₹10,743 crore as of Sep'20 covering 77% of total advances
- ❖ Retail deposits at 49% of the total deposits vs. 42% in Sep'19; CASA ratio at 16% vs. 12% in Sep'19
- ❖ Net Profit of ₹96 crore in Q2FY21 against ₹93 crore in Q2FY20
- ❖ Net Interest Income of ₹470 crore in Q2FY21 up by 21% over Q2FY20
- ❖ Net Interest Margin at 10.2% in Q2FY21, against 10.8% in Q2FY20
- ❖ Cost to Income ratio at 56.6% in Q2FY21 vs. 69.5% in Q2FY20
- ❖ ROA/ ROE at 2.0%/11.6% in Q2FY21 vs. 2.4%/ 18.9% in Q2FY20; PPoP ROA at 4.9% in Q2FY21 vs. 3.7% in Q2FY20
- ❖ Capital adequacy ratio at 31%, with Tier-1 capital at 30%; Liquidity coverage ratio at 177% as of Sep'20

Mr. Nitin Chugh, MD & CEO, Ujjivan Small Finance Bank said, "We are pleased with the collection trends as Oct'20 collection efficiency reached 93% including all collections/ 88% against Oct'20 dues. This has improved significantly over Sep'20 and Jun'20 collections at 89%/59% - including all collections. 91% of customers have started paying since end of moratorium on 31st Aug'20. We believe our collections are amongst the best in the industry. We continue to invest in the business and take proactive actions towards creating a strong and sustainable franchise. As the business environment is opening up gradually, we disbursed ₹1,458 crore in Q2 reaching close to half of the pre-covid levels. We utilised this period to ramp-up our liability business which is evident from the increased traction in customer acquisition (5.1 lakh deposit accounts in H1FY21), improving retail deposits (49% of total deposits as against 42% in Sep'19) and CASA (16% as against 12% in Sep'19). Another achievement of this quarter is the reduction in cost of funds by 30 bps Q-o-Q to 7.4%. As we strive to create a strong presence in the digital banking space, we adopted new technologies like RPA[^], e-KYC, e-agreement etc. to further strengthen and digitize our processes; these coupled with various payment solutions through BBPS[#], customised link-based payments offer better customer experience. Understanding these are the unprecedented times, we always stood up in support of our customers, right from providing assistance during lockdown to undertaking relief activities for the society at large. We continue to progress in this journey of being a new age digital mass market bank offering a suite of relevant and meaningful products for the unserved and underserved of the society. "

Note: * MicroBanking includes Group Loans, Individual Loans and Rural Banking; Non-MicroBanking includes all asset verticals ex-MicroBanking; [^]Robotic Process Automation; [#]Bharat Bill Pay System; [@]Includes all collections

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.

Bank serves 55.3 lakh customers through 575 branches and 17,018 employees spread across 244 districts and 24 states and union territories in India. Gross Loan Book stands at ₹13,890 crore with a deposit base of ₹10,743 crore as of September 30, 2020.

Bank's CSR objective is to reach underserved and unserved sections of the society. In these testing times, the Bank undertook COVID relief activities by supporting the police personals, healthcare workers, public, municipal and panchayat employees. Bank also provided relief materials to families affected due to the Amphan cyclone in West Bengal. Through our strategic partner, Parinaam Foundation, we initiated various community development programs and a special program to educate the public about the Corona virus and various government benefits that can be availed. Bank also partnered with the "Give India Foundation" to deliver PPE kits to various hospitals in Mumbai.

Web: www.ujjivansfb.in Twitter: [@UjjivanSFB](https://twitter.com/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	
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Q2 FY21 Presentation

November 2020



**Semi-Finalist
European
Microfinance Award
2020 (Sole Indian
representative)**



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



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

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Contents

Performance Highlights



Business Overview



Financials



Ujjivan – Building a Mass Market Bank



Q2FY21 – Key Highlights



Collections: 91% of customers have started paying post end of moratorium



Q2FY21 Disbursements – 3x of Q1FY21 – ₹ 1,458 Cr – nearly half of pre-Covid levels



NII at ₹ 470 Cr up by 21% Y-o-Y with NIM at 10.2%



Pre-Provision Operating Profit at ₹ 232 Cr up by 64% Y-o-Y; Net Profit at ₹ 96 Cr; PPOp ROA at 4.9%



Retail Deposit base building: Retail deposits up 24% Y-o-Y; CASA up 47% Y-o-Y; total deposit at ₹ 10,743 Cr up 6% Y-o-Y



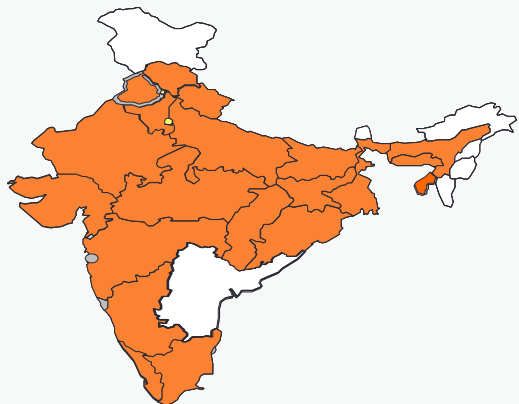
31% Capital adequacy with Tier-1 capital at 30% as on 30th September'20; Liquidity Coverage ratio at 177%

Performance Highlights

Key Highlights as on September'20

24 States/ UTs, 244 Districts

vs 232 districts in Sep'19



575 branches¹, 477 ATMs²

vs 552 branches³; 442 ATMs in Sep'19



Expanding Customer base

55.3 lakh customers
vs. 50.6 lakh in Sep'19



41.3 lakh borrowers
vs. 43.3 lakh in Sep'19

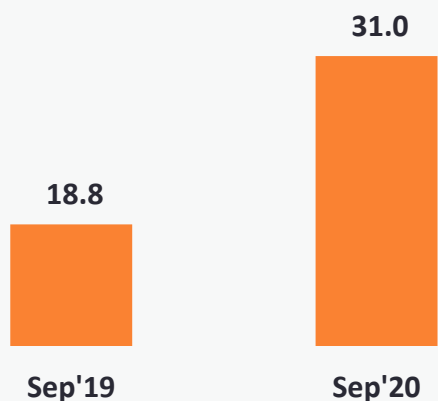
17,018 Employees

vs 16,776 in Sep'19



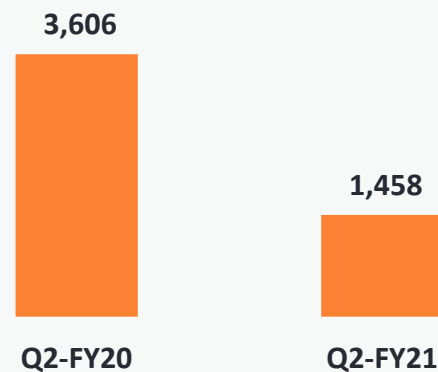
CRAR⁴

%



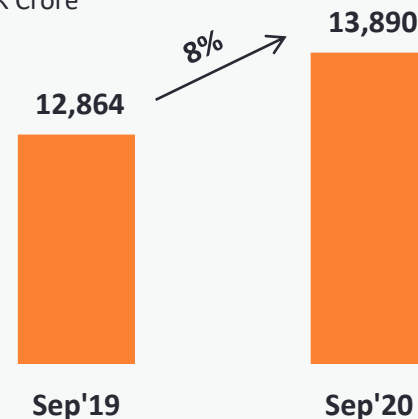
Disbursements

₹ Crore



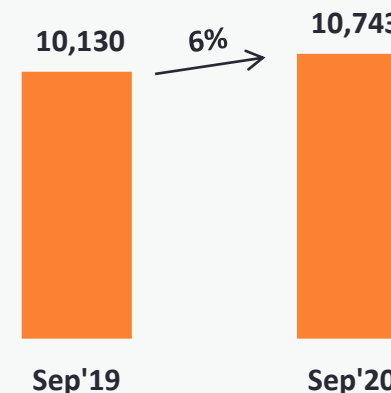
Gross Advances⁵

₹ Crore



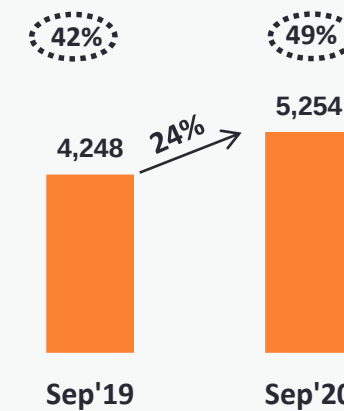
Total Deposits

₹ Crore



Retail Deposits⁶

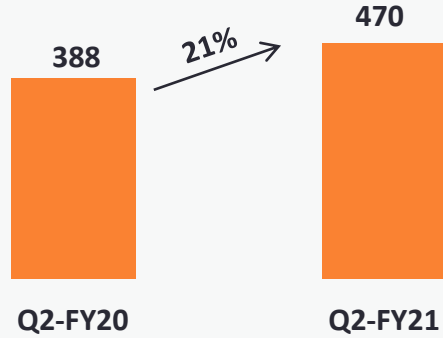
₹ Crore



Q2FY21 - Key Highlights

Net Interest Income

₹ Crore



Net Interest Margin

10.2%

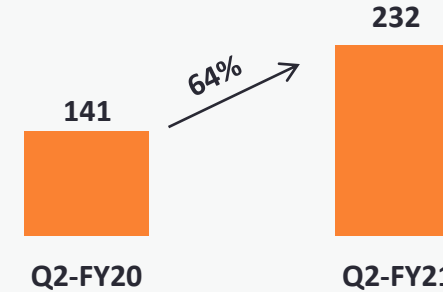
Vs.

10.8%

Q2-FY20

Pre-provision Operating Profit (PPOP)

₹ Crore



GNPA

1.0%*

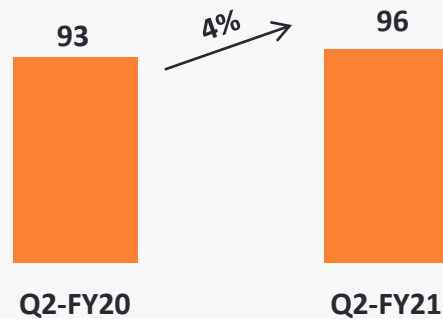
Vs.

0.9%

Sep'19

PAT

₹ Crore



ROA

2.0%

Vs.

2.4%

Q2-FY20

ROE

11.6%

Vs.

18.9%

Q2-FY20

NNPA

0.1%*

Vs.

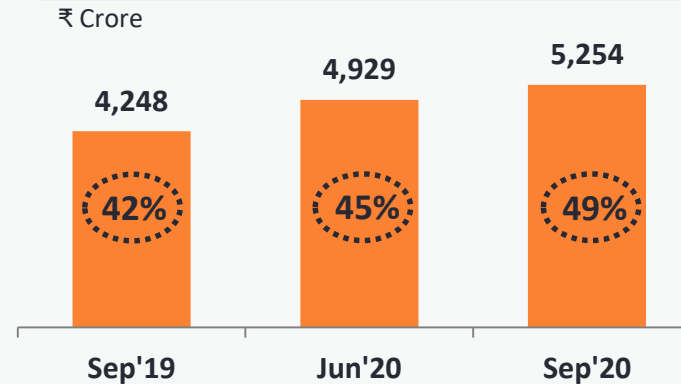
0.3%

Sep'19

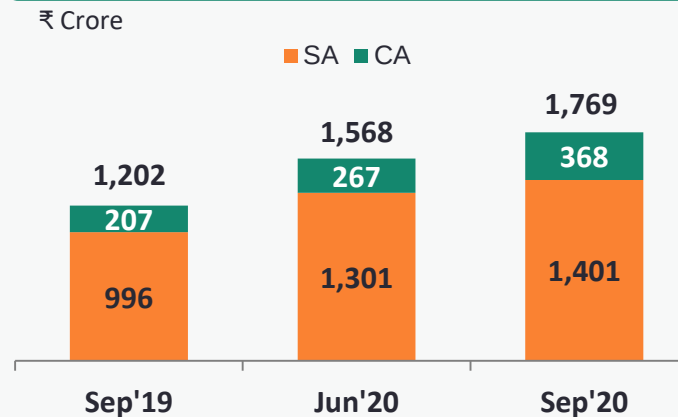
Liabilities – Strong build-up in retail franchise

- **Total deposits grew 6% Y-o-Y** to ₹ 10,743 Cr
- We continue to **focus on building granular** and stable deposit by substituting wholesale deposits with retail deposits
- Retail deposits contribution improved to 49% (% of total deposits) in Sep'20 vs 42% in Sep'19/ 45% in Jun'20
- **Strong new customer acquisition** – 5.1 lakh new deposit accounts opened during H1-FY21; of which around 3 lakh accounts were new-to-bank, sourced by branches
- **Focus on changing product mix** – Business Edge, Privilege SA, Privilege Senior Citizen, Salary etc
- **Digital SA/ TD** continues to show healthy traction – acquired ~39,000 customers in H1-FY21
- **Cost of deposits continues to trend lower** – 7.4% vs 7.9% in Mar'20 led by significant growth in CASA and reduction in FD rates

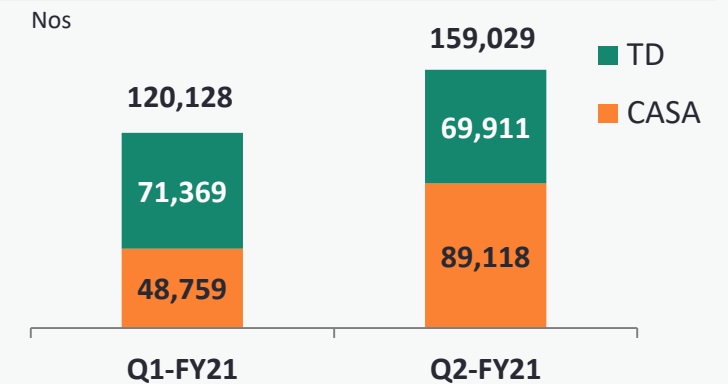
Retail Deposits share increasing rapidly



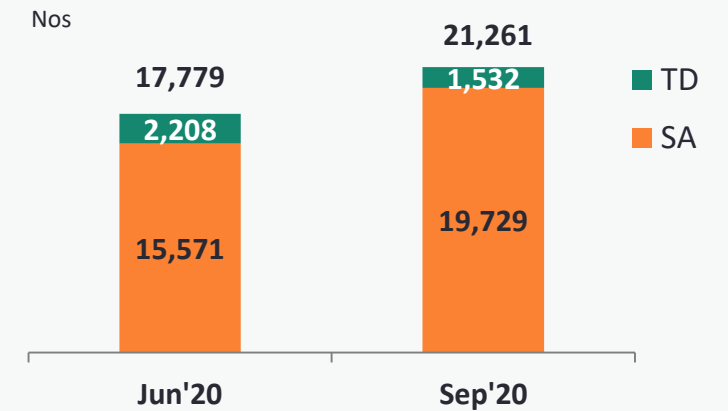
CASA: 13% Q-o-Q growth



Customer acquisition ramping-up at branches



Acquiring customers digitally



Asset businesses moving towards normalcy (1/3)

MicroBanking

- **Collections** have improved sequentially – 88% in Oct'20 (against Oct'20 dues)
- **Disbursement**
 - Disbursements picking up as economic activities improves
 - Continuing disbursements majorly in form of repeat loans to Microbanking customers in-line with robust lending policies
- **Tightened credit policies** to avoid any undue risk reflecting in 99.5%+ collection for loans disbursed in H1-FY21
- **New products launches:**
 - Gold Loan product launched targeting towards our Microfinance customers
 - PMSvanidhi Loan (Street vendor program)
 - Pre-approved loans for Microbanking customers; scaled to 9% of clients
- **Expanding reach:** Money Mitra (Ujjivan Transaction point) – Activated 100+ outlets across 12 states by mid October facilitating customers for basic banking services

FIG

- **Collections** reached 100% from August'20 onwards and no overdue in any account
- **Disbursements** – Cautiously scaling up; ₹ 81 Cr in Q2-FY21 vs ₹ 41 Cr in Q1-FY21
- **Tie-up** with NABARD and Vivriti Capital to offer partial guaranteed loan structure to MFIs

Asset businesses moving towards normalcy (2/3)

MSE

- **Collection efficiency in Secured in MSE** – 86% in Oct'20 (against Oct'20 dues)
- **Disbursements** at ₹ 92 Cr in Q2-FY21 up from ₹ 12 Cr in Q1-FY21
 - Sep'20 disbursement at ₹ 49 Cr; 78% of Sep'19
 - New case log-ins are now at pre-Covid levels
 - Disbursed 850 cases of ₹ 24 Cr under MSE Navnirman Loan (NNL) backed by ECLGS scheme
- **New products:**
 - Launched Loan against Rent Receivables (LARR) in Sep'20
 - CGTMSE facility for offering collateral free loans backed by govt. guarantee to be launched in Q3-FY21
- **Process improvement:**
 - Started full-fledged scan based disbursement process, post successful pilot
 - Piloting Hub-based disbursements to expedite disbursements and reduce cost

Affordable Housing

- **Collection efficiency** – 93% in Oct'20 (against Oct'20 dues)
- **Disbursements** at ₹ 116 Cr in Q2-FY21 up from ₹ 17 Cr in Q1-FY21
 - Sep'20 disbursement at ₹ 53 Cr; 74% of Sep'19
 - New case log-ins are now at pre-Covid levels
- **Increased focus on formal segment**
- **Process improvement:**
 - Started full-fledged scan based disbursement process, post successful pilot
 - Piloting Hub-based disbursements to expedite disbursements and reduce cost

Asset businesses moving towards normalcy (3/3)

Personal Loan

- **Collection efficiency** – 88% in Oct'20 (against Oct'20 dues)
- **Disbursements** at ₹ 12 Cr in Q2-FY21 vs nil in Q1-FY21
- **Targeting corporate tie-ups** with super cat A, cat A, cat B & Government companies (>300 Cr Turnover and Rating BBB above)
- **Channel:** Focus on proprietary sourcing, internal base using data analytics, digital sourcing; expanding reach to all Ujjivan branches
- **Fintech tie-up** to boost customer acquisition; expected to go live in Q3
- **New product expected in Q3:** Self-employed professional loans
- **Contact Less Process:** using tech service provider, focus on making whole flow digital and contactless

Vehicle Loan

- **Collection efficiency** – 91% in Oct'20 (against Oct'20 dues)
- **Disbursements** at ₹ 6 Cr in Q2-FY21 up from ₹ 2 Cr in Q1-FY21
- **Channel:** Focus on Proprietary channel; expanding reach to all Ujjivan branches
- Two-wheeler loan now available across pan India branches
- **Cross-selling** to existing MB customers and their families
- Focus on Tier-II+ markets; medium to low income category; first-time buyers
- Focus on improving productivity and efficiency – Launched LOS in Q2
- **New product launched:** Micro Mini CV
- **New product expected in Q3:** Used car loans

Increasing digital footprints (1/3)



Fintech & Payments Bank

- Tie-ups with Fintechs & Payments Bank
- 27.9 lac transactions made through this mode in H1-FY21
- Tie-ups have increased our reach to 7,000+ active outlets aiding in customer convenience



Payment Solutions

- Customised payment links shared
- Presence on BBPS* apps: Enabled for all asset products
- Range of choices provided to customers to choose between cash/digital payments



Solutions for MB customers

- Contactless lending: Loan on Phone for MicroBanking customers (Repeat and Top up offerings)
- Collection via Airtel Payments Bank centres



Process digitization

- Robotic Process Automation
- E-Agreement & E-Sign
- Scan-based disbursements
- Online ID & Document Verification
- Paperless sanctions
- E-KYC

API FRAMEWORK

Synergies

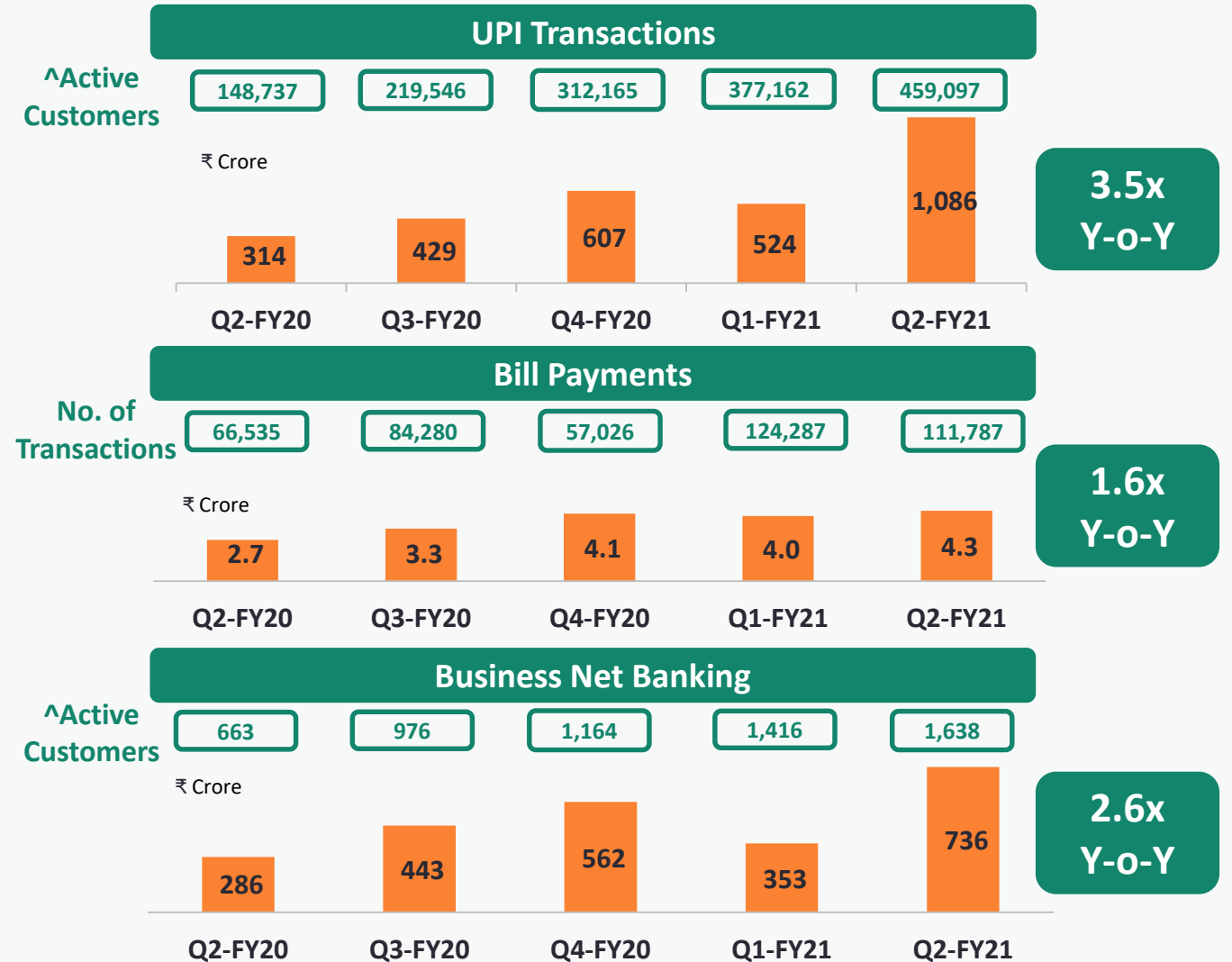
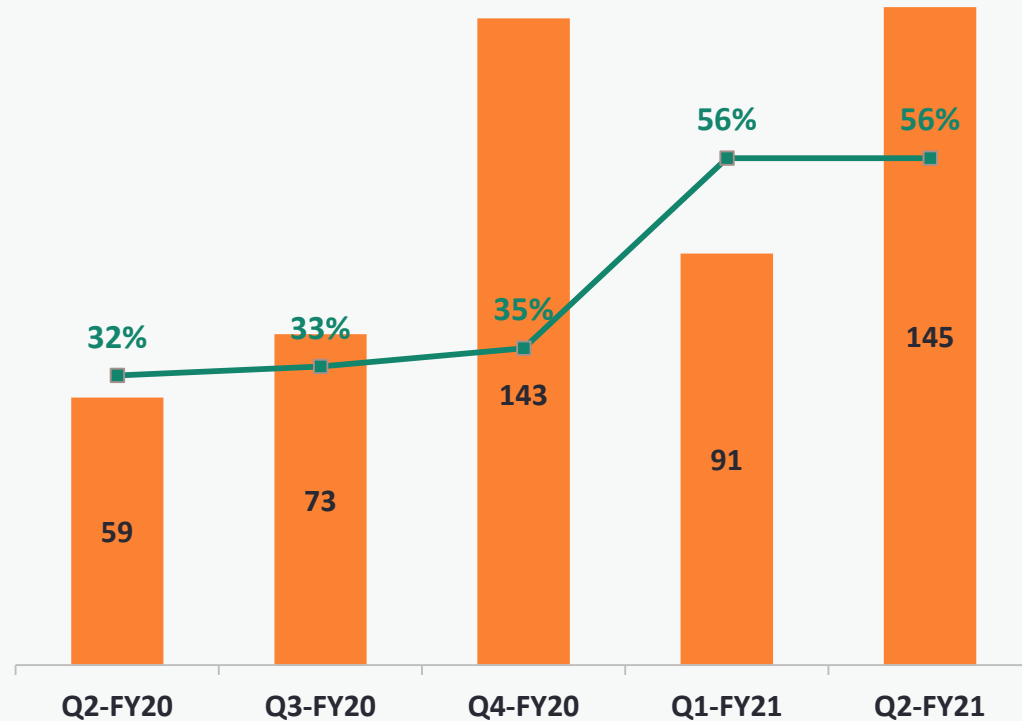
- Inorganically increase the reach of the Bank exponentially
- Sourcing asset and liability customers through the franchise's existing customer base
- Focussed on bringing in efficiencies in processes with lower cost of operations
- Over 1/3rd APIs are ready for consumption by fintechs which cover most of the banking transactions & requirements like A/c on-boarding for liabilities & assets, service requests & all types of payments

Increasing digital footprints (2/3)

*Increasing Digital Transactions (%)

■ Total transactions (in Lakhs)
 —■ Digital transactions (%)

Digital transactions at 56% in Q2-FY21 despite significant increase in total transactions



*Basis CBS volumes

^Active customers as of period end

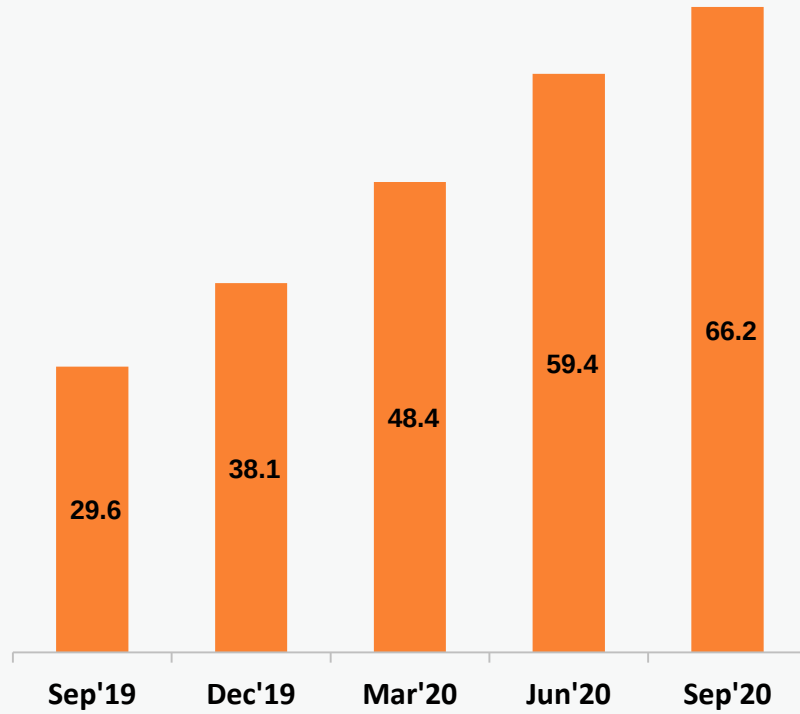
Increasing digital footprints (3/3)

Internet Banking

No. of Active Customers

Nos in '000

2.2x Y-o-Y

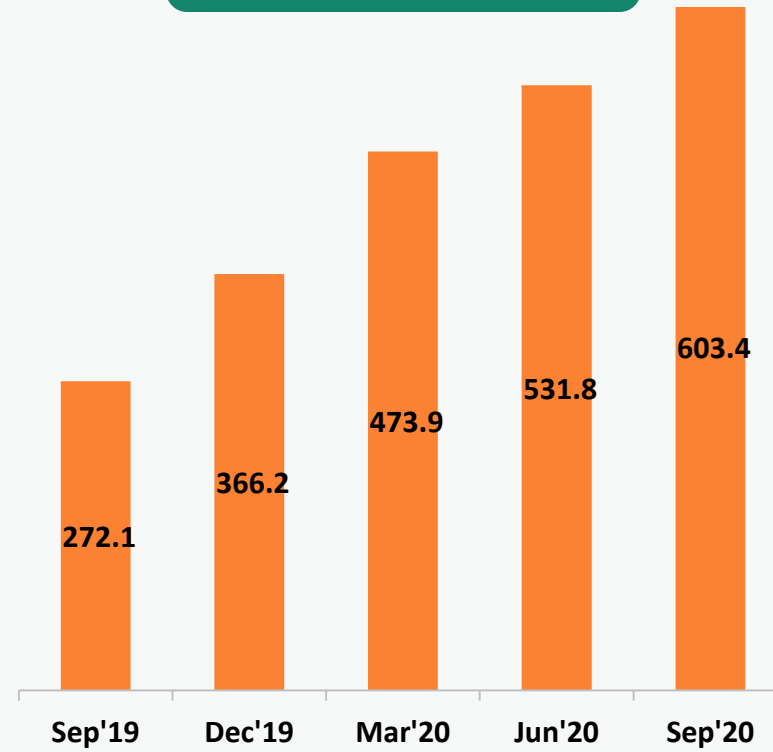


Mobile Banking

No. of Active Customers

Nos in '000

2.2x Y-o-Y

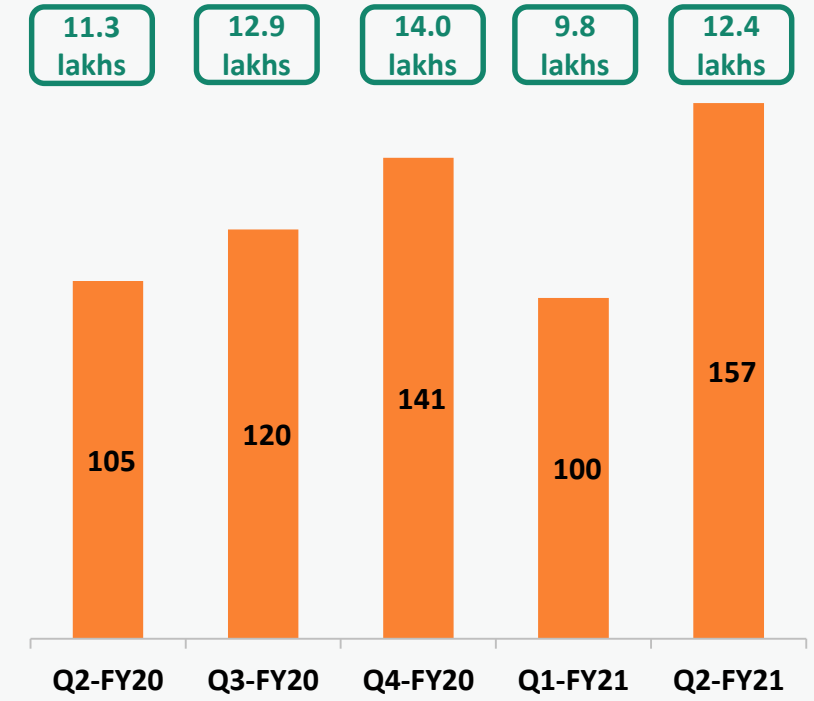


POS Transactions

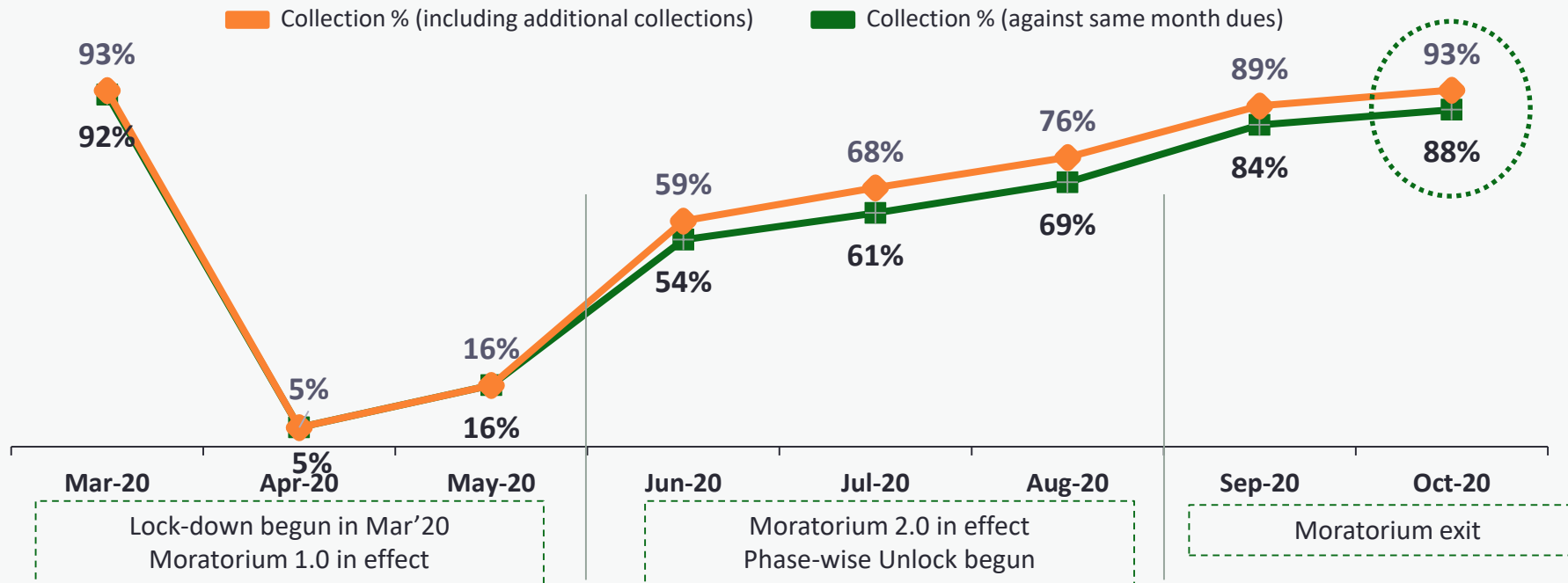
No. of Transaction (in box)

Value in ₹ Crore

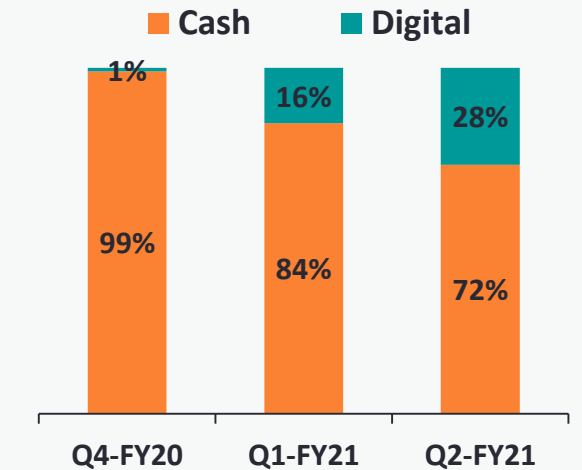
1.5x Y-o-Y



Collections: 91% of customers have started paying post end of moratorium



Digital vs cash collections



- Collection efficiency is defined as collections for the period against dues for the period. It does not include pre-closures and any advance or future payments
- Flexible & multiple modes of collections apart from traditional centre meetings/ door-to-door collections
- Tie-up with Airtel Payments Bank, Business Correspondents has increased reach; already showing healthy trend
- Renewed thrust on enabling EMI repayments through online payment platforms like ECS, e-wallets, BBPS, UPI/ QR etc. to drive higher usage
- Continuously strengthening collection team

Collection efficiency (1/2)

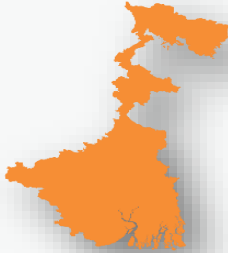
₹ Crore	June'20				July'20				August'20			
Verticals	Due	Collection	Collection %	Additional Collection	Due	Collection	Collection %	Additional Collection	Due	Collection	Collection %	Additional Collection
MicroBanking	1,038.6	549.4	53%	57.0	1,000.2	599.8	60%	71.4	996.0	677.1	68%	76.7
MSE (Secured)	16.3	9.3	57%	3.3	17.2	11.0	64%	4.6	17.4	11.1	64%	4.2
MSE (Unsecured)	6.4	1.9	30%	0.6	6.3	3.0	48%	0.4	6.2	2.7	44%	0.6
Affordable Housing	22.5	11.8	53%	0.1	23.0	15.4	67%	0.6	22.3	15.9	71%	0.6
Personal Loan	3.3	2.1	63%	0.0	3.3	2.0	62%	0.0	3.3	2.0	62%	0.0
Vehicle Loans	0.7	0.5	71%	0.0	0.6	0.5	72%	0.1	0.6	0.4	68%	0.0
FIG Lending	47.7	41.2	86%	0.0	33.0	33.0	100%	0.0	35.5	35.5	100%	0.0
Total	1,135.4	616.3	54%	60.9	1,083.6	664.7	61%	77.0	1,081.2	744.7	69%	82.1

Collection efficiency (2/2)

₹ Crore	September'20				October'20			
Verticals	Due	Collection	Collection %	Additional Collection	Due	Collection	Collection %	Additional Collection
MicroBanking	993.2	828.6	83%	56.6	975.5	856.1	88%	52.4
MSE (Secured)	17.7	14.3	81%	6.8	17.8	15.3	86%	7.8
MSE (Unsecured)	6.0	3.7	62%	0.2	5.8	3.9	67%	0.8
Affordable Housing	22.9	21.0	92%	1.6	23.7	22.0	93%	1.5
Personal Loan	3.3	2.6	79%	0.0	3.5	3.0	88%	0.7
Vehicle Loans	0.7	0.7	92%	0.0	0.8	0.8	91%	0.1
FIG Lending	43.9	43.9	100%	0.0	35.8	35.8	100%	0.0
Total	1,087.7	914.9	84%	65.2	1,062.8	936.8	88%	63.3

Collection efficiency for Sep'20/ Oct'20 stands at 89%/93% if we include additional collections

States with lower MicroBanking collections

	Maharashtra	West Bengal	Assam	Punjab
				
Total MB Portfolio (₹ cr)	814	1,570	385	360
MB Collection* % - Sep'20/ Oct'20	71%/ 79%	74%/ 78%	70%/ 74%	78%/ 83%
Reasons for low collections	▪ Severe Covid situation ▪ Localized political intervention	▪ Protests for loan waiver ▪ Lockdowns, Transportation unavailability	▪ Rains & Floods, impact of past protests ▪ Rumours of loan waiver	▪ Loan waiver and Farm bill protest by political parties
Measures	▪ Continued loan disbursements to good customers ▪ Strengthened collection capacity across these states ▪ Enhance the digital payment infrastructure to scale quantum of digital payments			

Very Strong Fundamentals

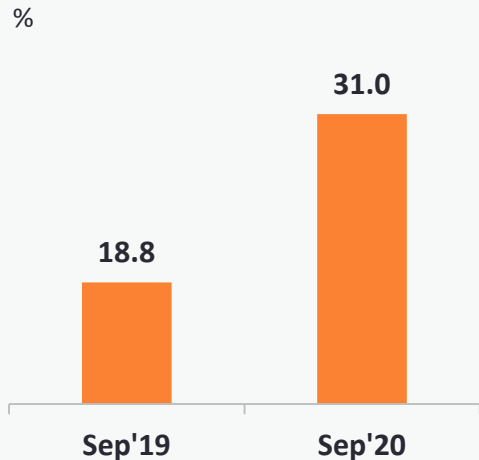
Balance Sheet – Well-capitalized with high liquidity

- Capital Adequacy Ratio at 31% with Tier-I being 30%
- LCR at 177% for Sep'20
- Surplus liquidity is ₹ 1,516 Cr contributing to 8% of Balance Sheet – to support revival of business in this challenging time
- CRISIL reaffirmed A1+ (Certificate of Deposits) rating and A+ long term rating by CARE

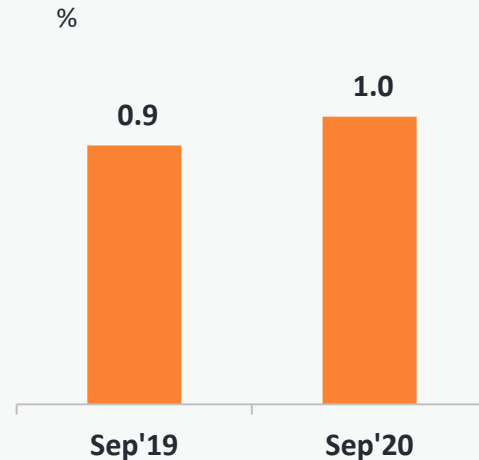
Focus on portfolio quality

- GNPA and NNPA at 1.0% and 0.1%;
- COVID-19 provision for the quarter is ₹ 100 Cr – totaling to ₹ 299 Cr; 2.2% of gross advances
- Total coverage of Gross Advances at 3.4%
- Strong customer connect with prudent credit policies

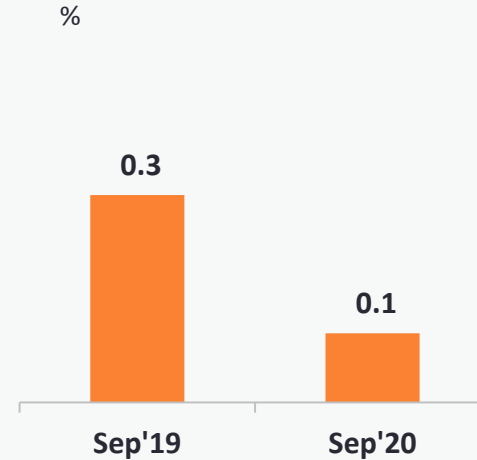
CRAR



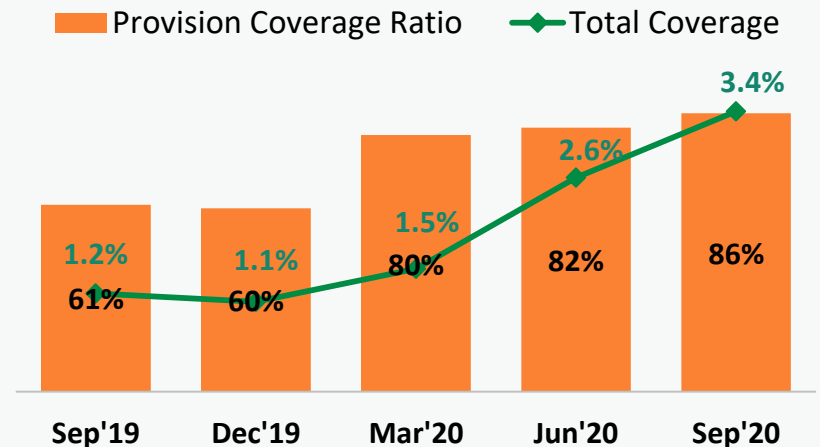
GNPA



NNPA

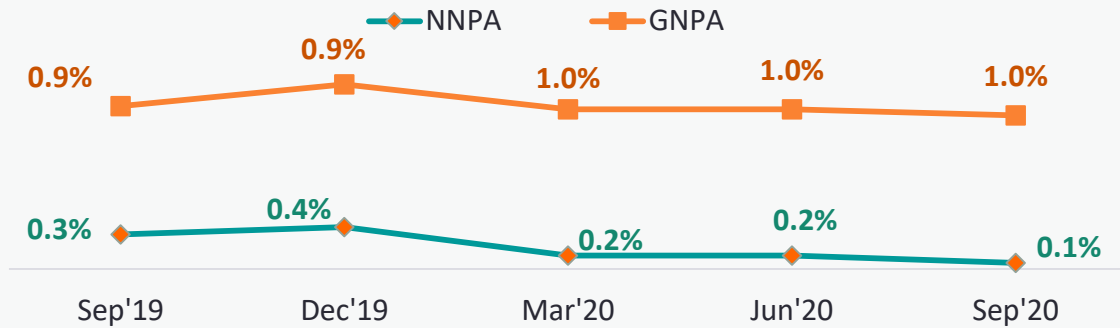


Prudent Provisioning

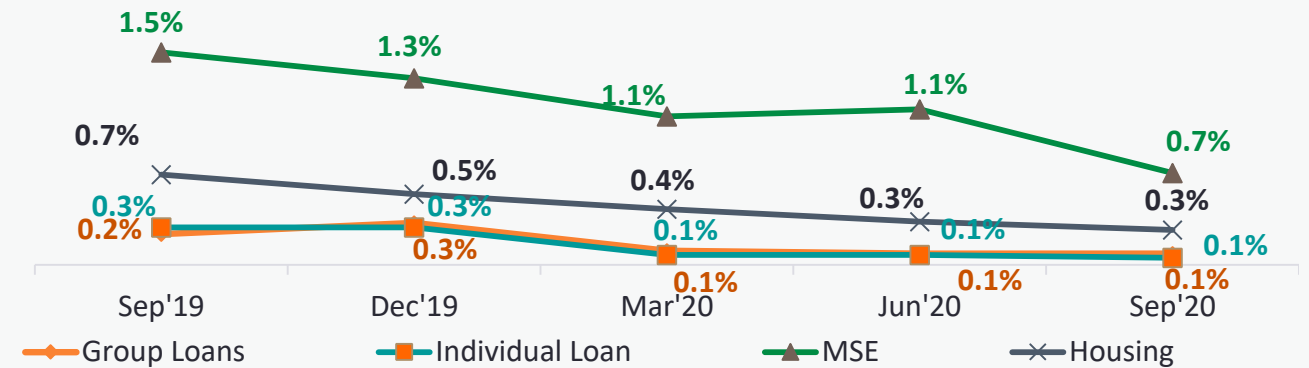


Portfolio Quality – GNPA, NNPA and PCR

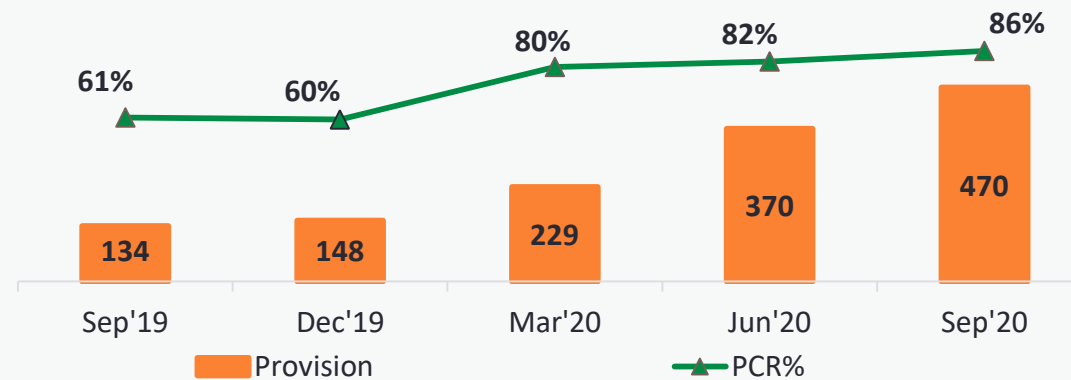
GNPA and NNPA



NNPA (%) – Segment wise



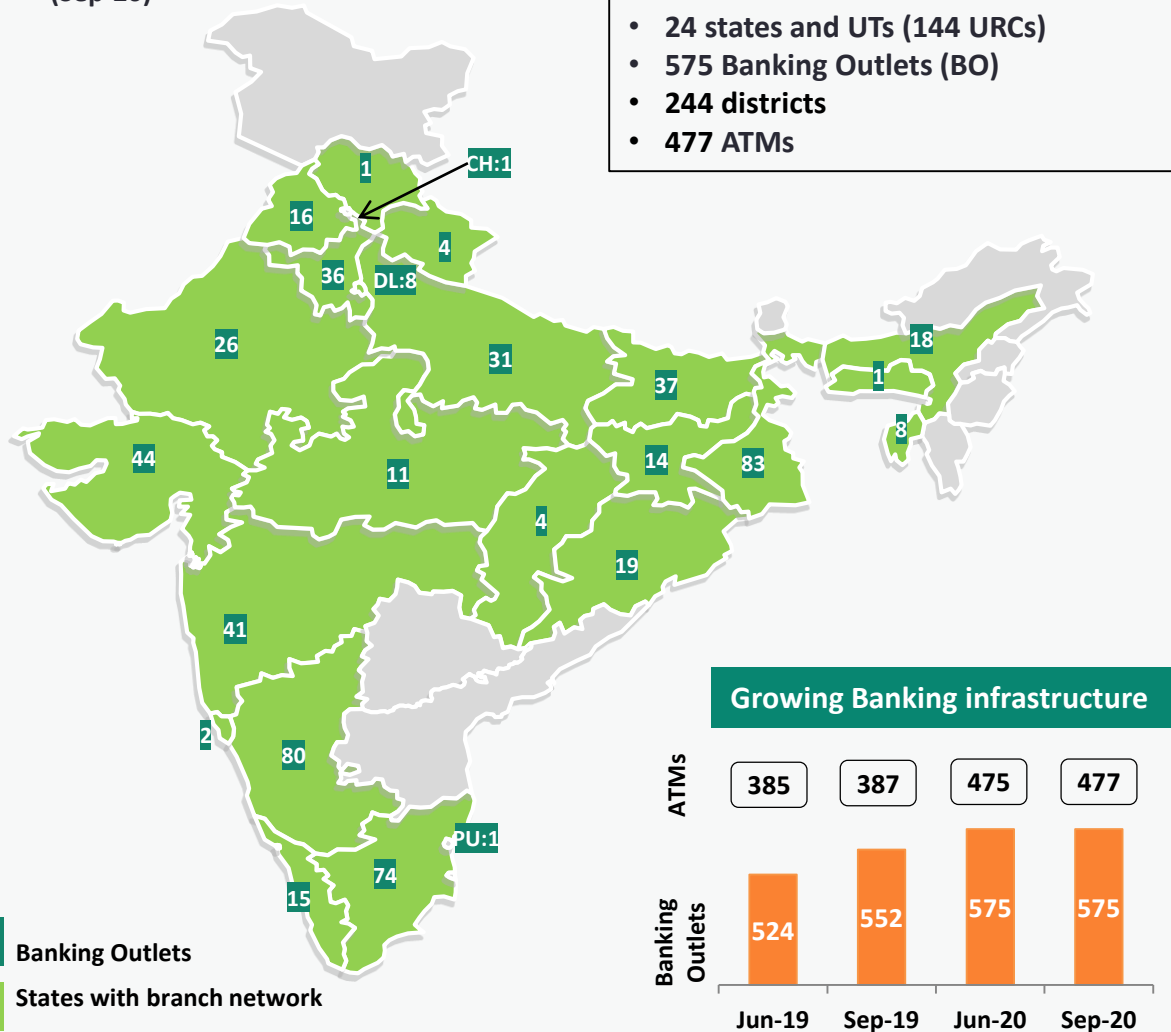
Provision (₹ in Crore) & Provision Coverage Ratio



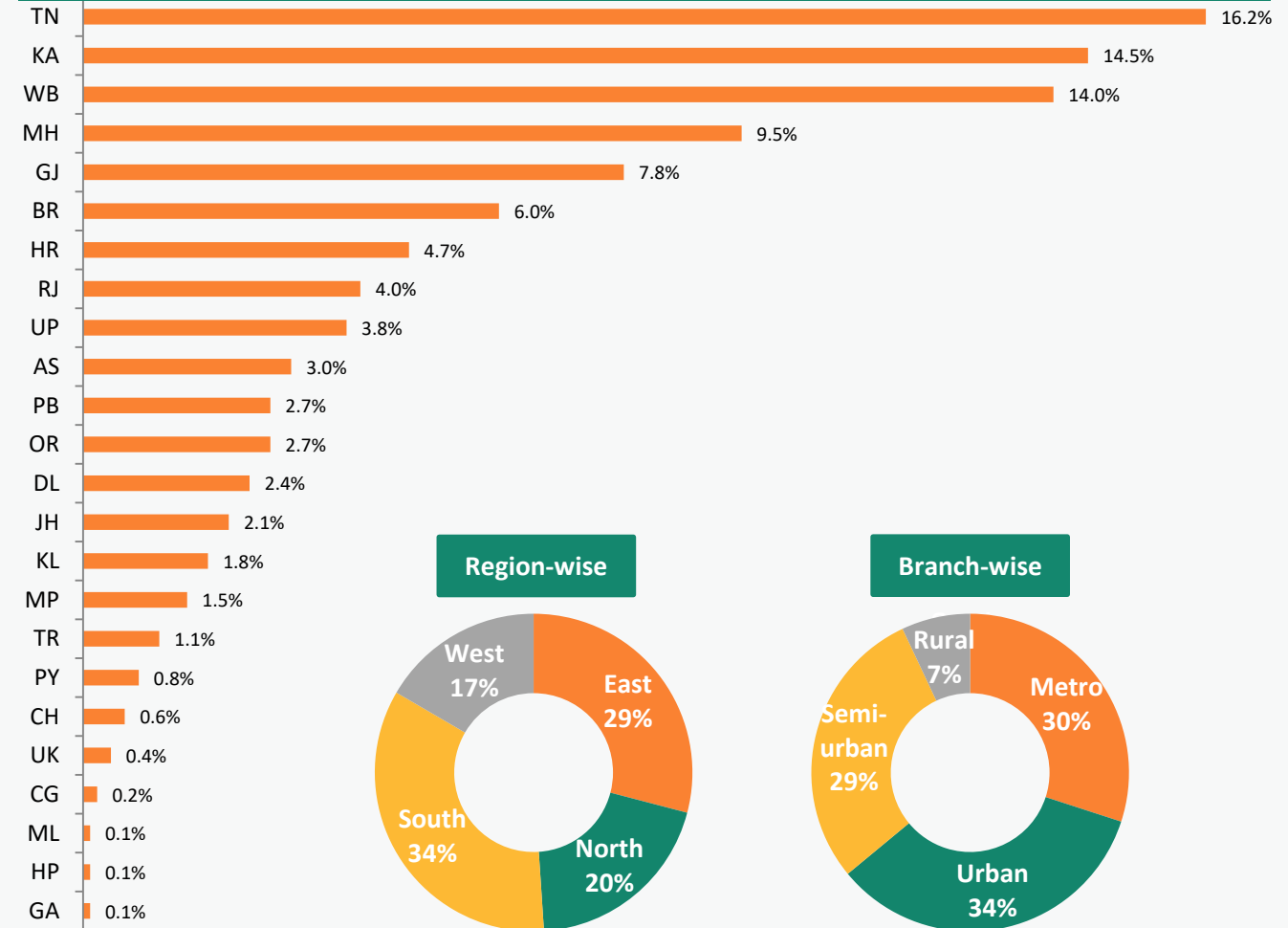
Business Overview

Well Diversified Pan India Presence

(Sep-20)



Gross Advances (Sep-20)

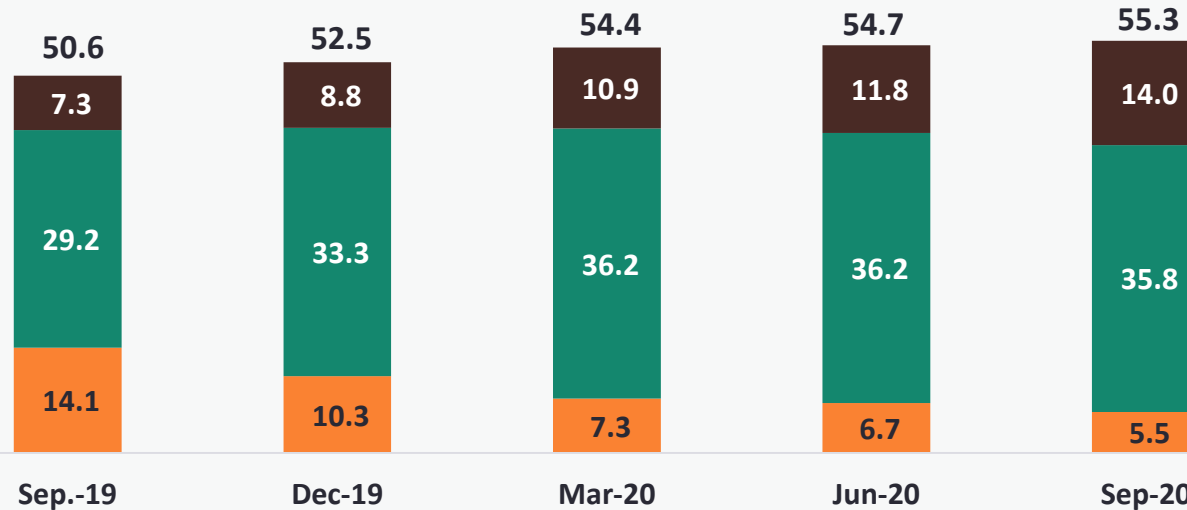


Total Gross Advances – ₹ 13,890 Cr

Expanding liability customer base

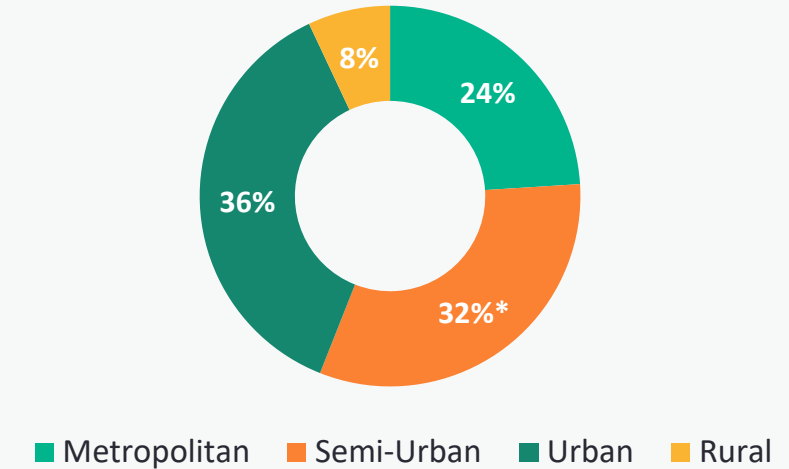
Customer Base Growth

■ Asset Only
 ■ Asset & Liability
 ■ Liability Only



Customers (in Lakhs)	Sep'19	Dec'19	Mar'20	Jun'20	Sep'20
Asset only Customers	14.1	10.3	7.3	6.7	5.5
Liability Customers	36.5	42.2	47.1	48.0	49.8
Liability only Customers	7.3	8.8	10.9	11.8	14.0
Total Customers	50.6	52.5	54.4	54.7	55.3

Customer Base – Basis of Branch Classification

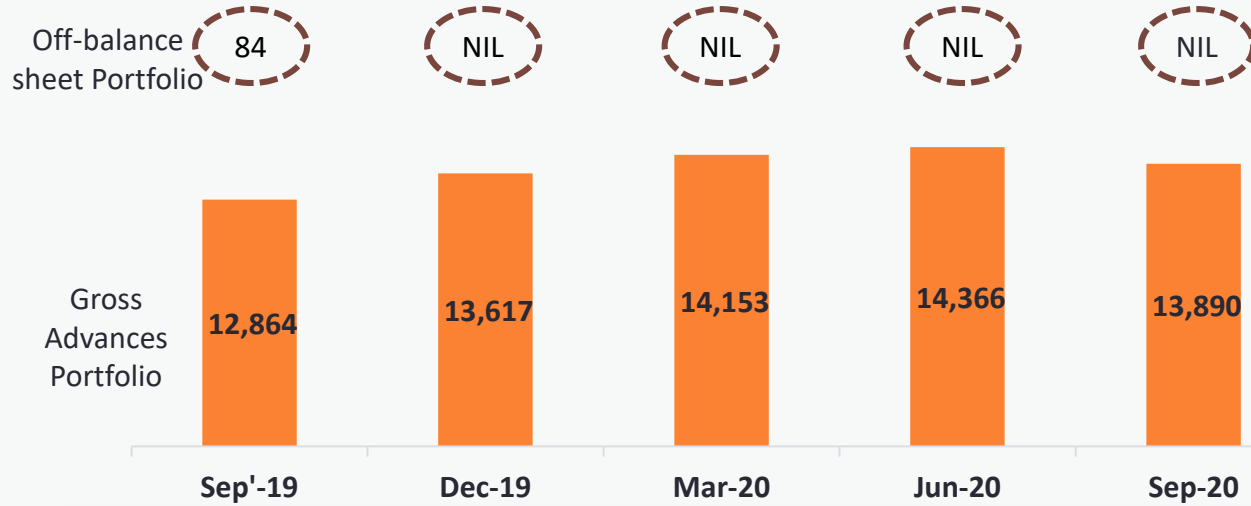


*Semi-Urban branches largely cater to rural customers

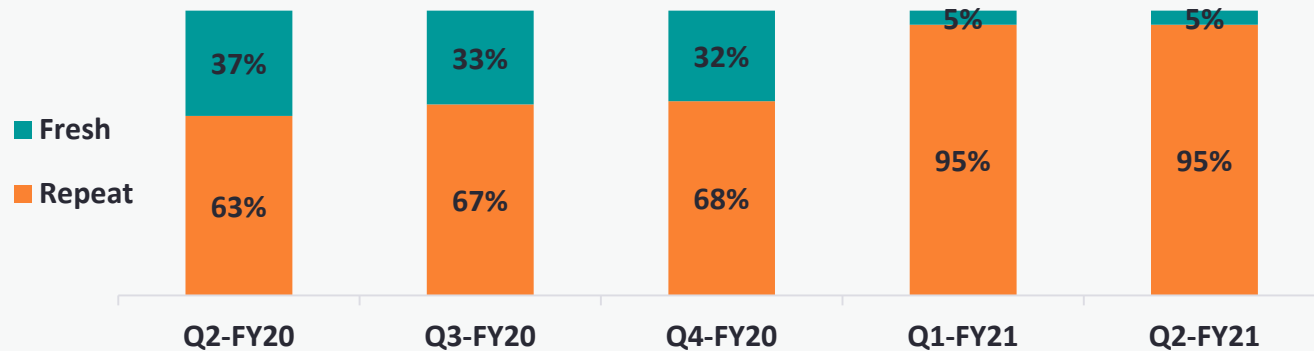
- Liability customers up by 36% vs Sep'19
- Strong new customer acquisition during the quarter – Liability only customers at 14.0 lakhs vs 11.8 lakhs as on Jun'20

Gross Advances and Disbursement Trend

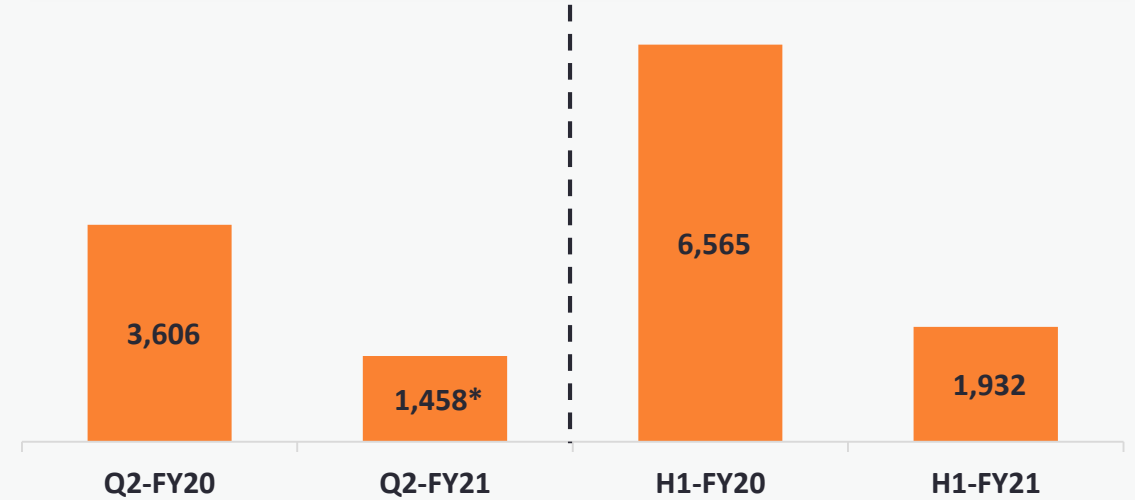
Gross Advances (₹ in Crore)



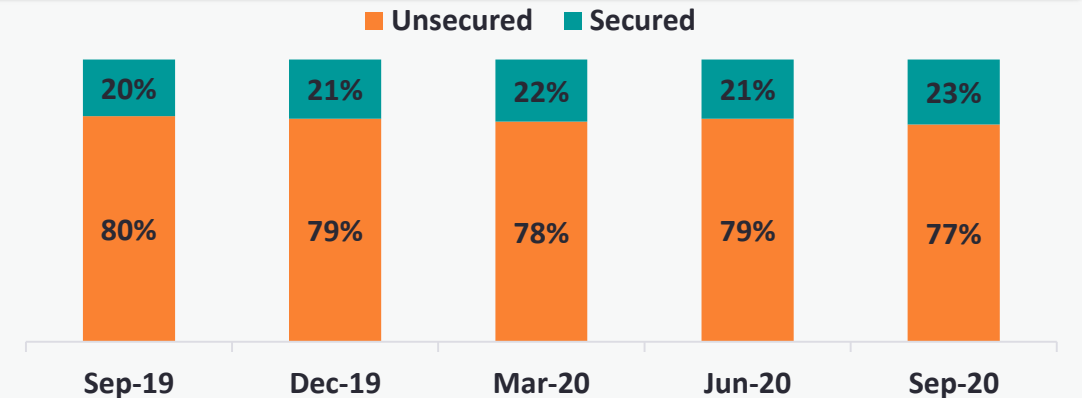
Microfinance Loan Disbursement (No. of Loans)



Total Disbursements (₹ in Crore)



Portfolio Breakup

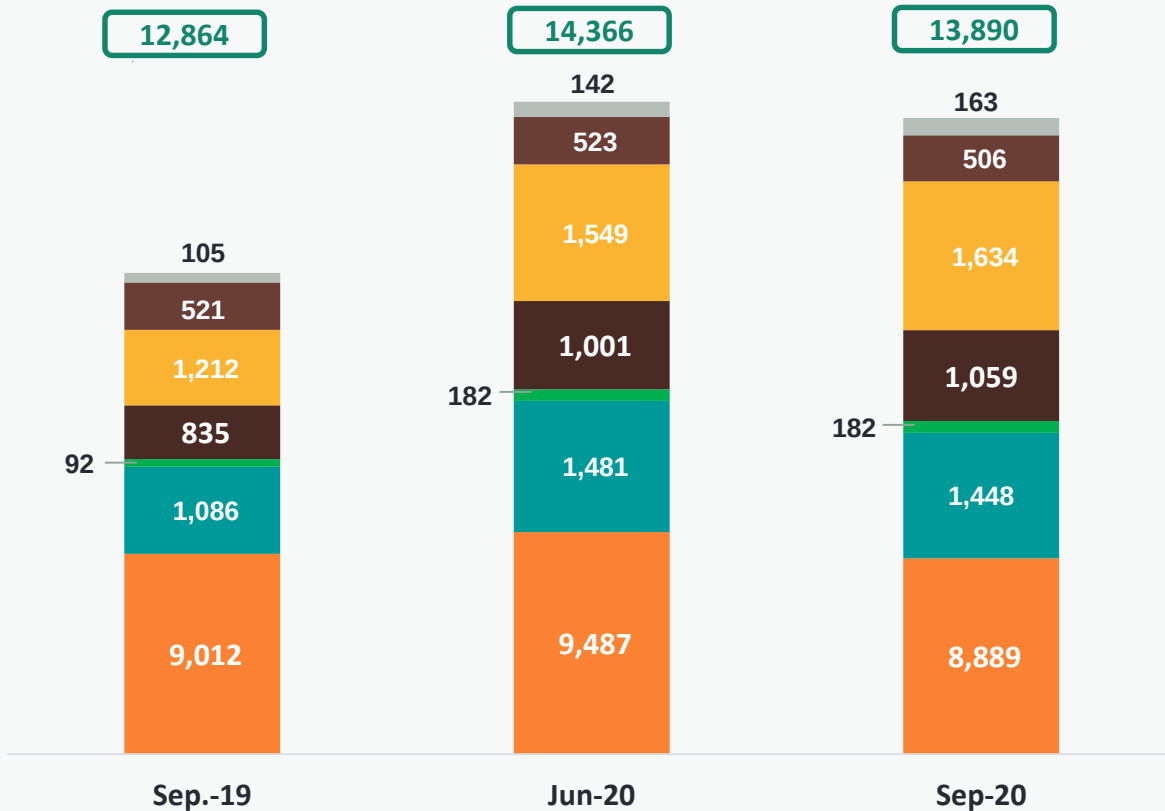


*Disbursement break-up : July'20 - ₹ 435 Cr, Aug'20 - ₹ 467 Cr, Sep'20 - ₹ 556 Cr

Gross Advances Snapshot

Gross Advances– Segment wise (₹ in Crore)

- Group Loans
- Micro Individual Loans
- Agri & Allied Loans
- MSE
- Affordable Housing
- FIG
- Others

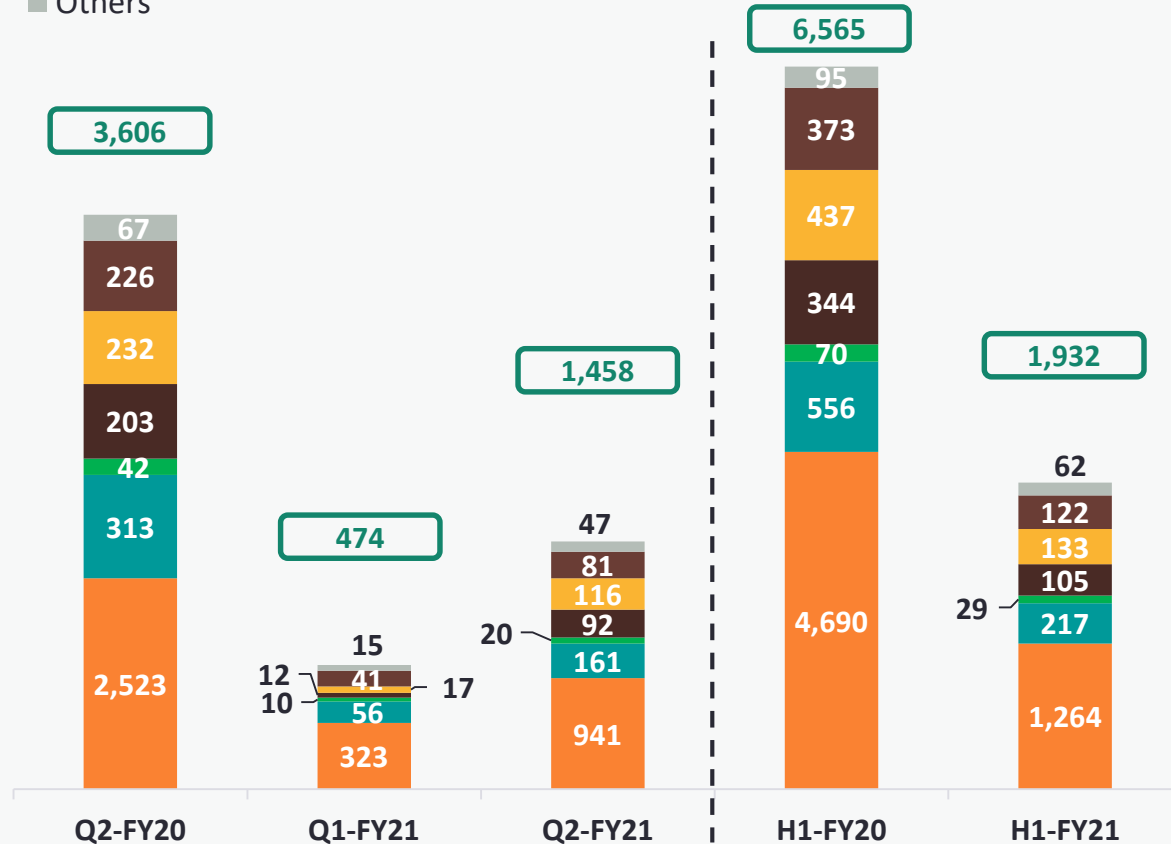


Product	% Gross Advances	Growth Y-o-Y	Growth Q-o-Q
Group Loans	64.1%	(1.3%)	(6.2%)
Micro Individual Loans	10.4%	33.3%	(2.3%)
Agri & Allied loans	1.3%	97.7%	NM
MicroBanking	75.8%	3.3%	(5.6%)
MSE	7.6%	26.8%	5.8%
Affordable Housing	11.8%	34.8%	5.5%
FIG Lending	3.6%	(2.9%)	(3.3%)
Others	1.2%	55.2%	14.8%
Total	100.0%	8.0%	(3.3%)

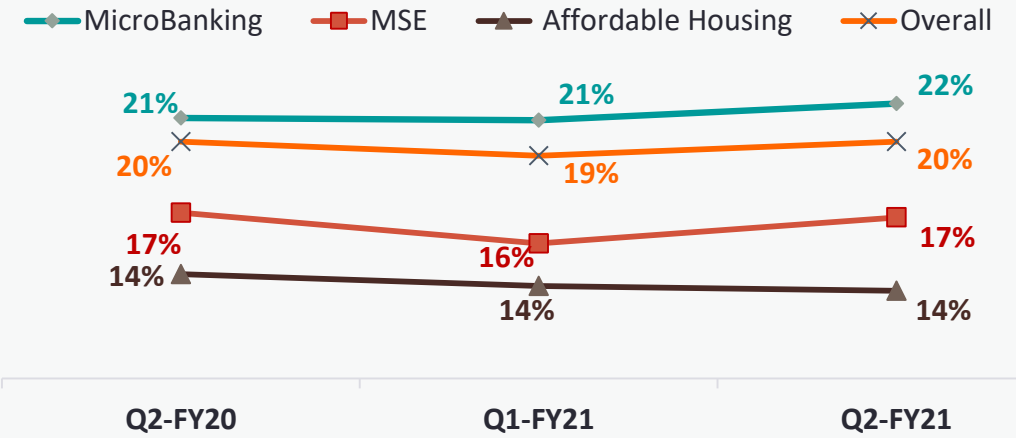
Disbursement & Average Ticket Size

Product wise Disbursement (₹ in Crore)

- Group Loans
- Micro Individual Loans
- Agri & Allied Loans
- MSE
- Affordable Housing
- FIG
- Others



Yield (%) – Segment wise



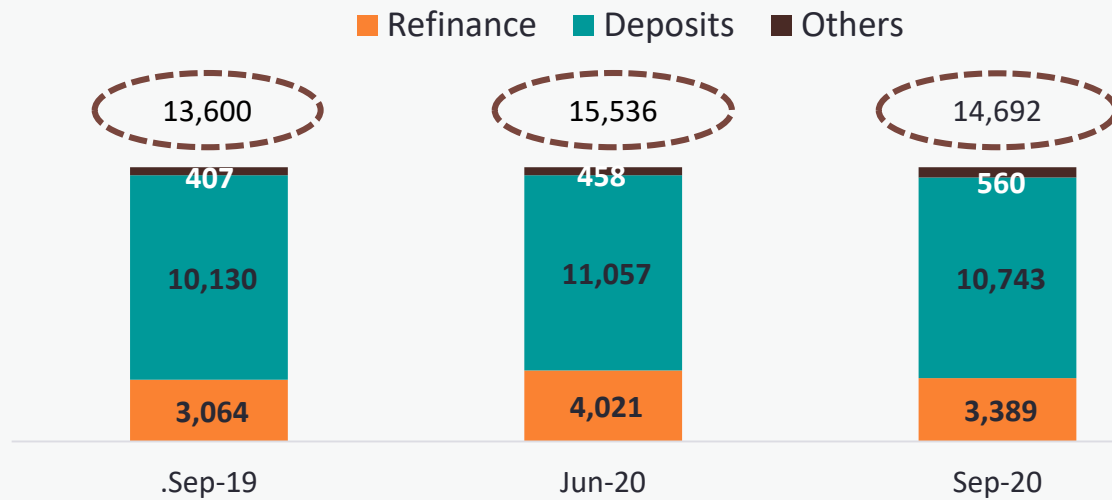
Average Ticket Size (₹)

Product	Q2-FY20	*Q1-FY21	*Q2-FY21
Group Loans	33,316	39,068	40,253
Micro Individual Loan	88,592	1,02,100	1,00,397
MSE	14.3 lakhs	15.1 lakhs	13.8 lakhs
Affordable Housing	10.0 lakhs	9.5 lakhs	10.1 lakhs

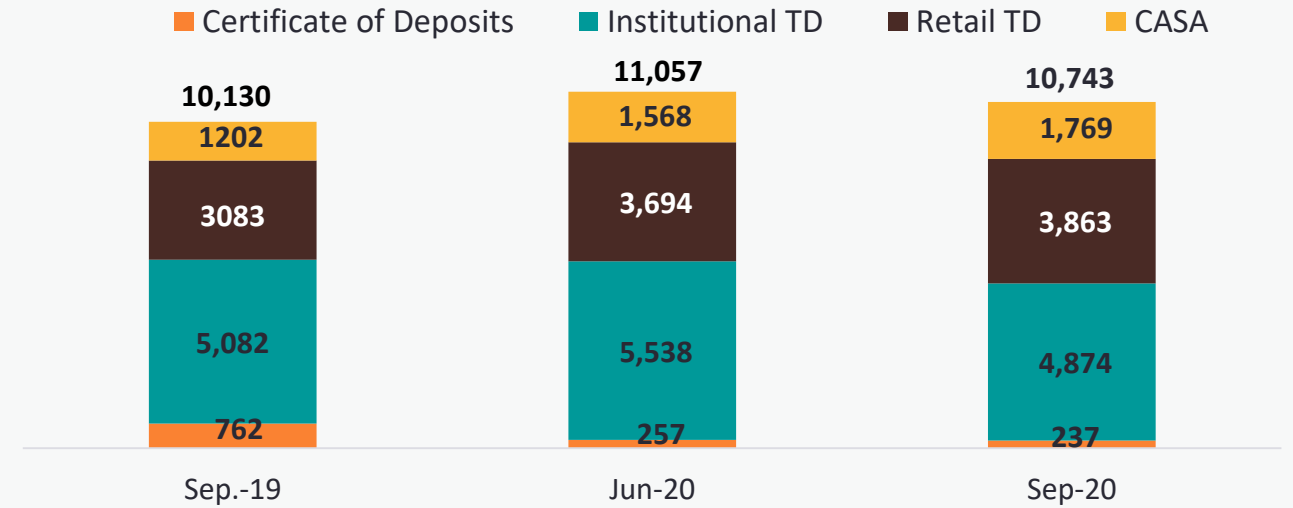
*Higher average ticket sizes due to lower disbursements and largely to existing customer base
 MSE ticket size is ₹8.2 lakhs in Q2FY21 if Navnirman loans under ECLGS scheme are included

Liability profile: Retail franchise picking up

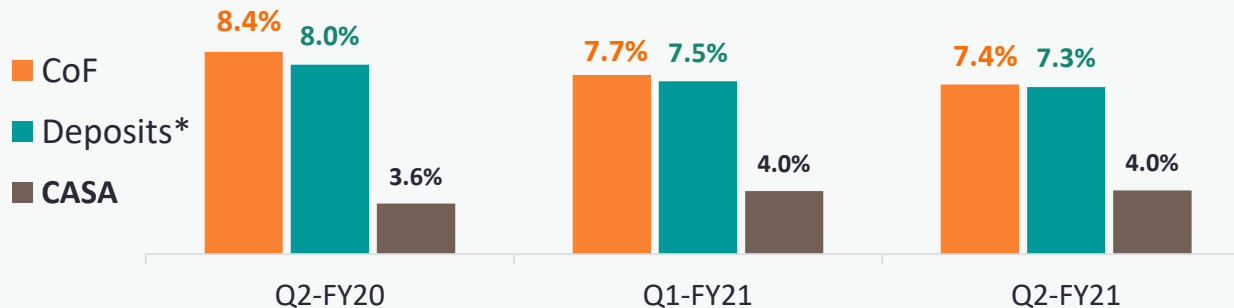
Total liabilities profile (₹ in Crore)



Deposits break-up (₹ in Crore)



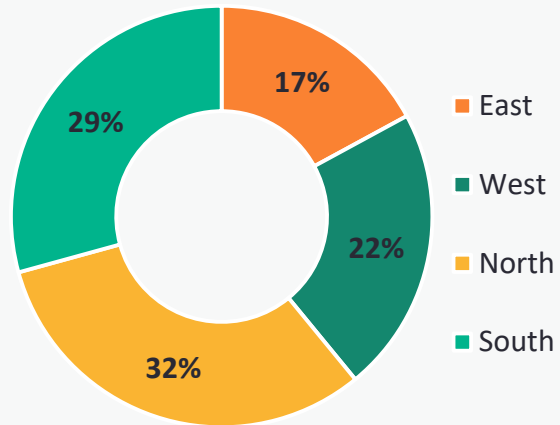
Cost of funds



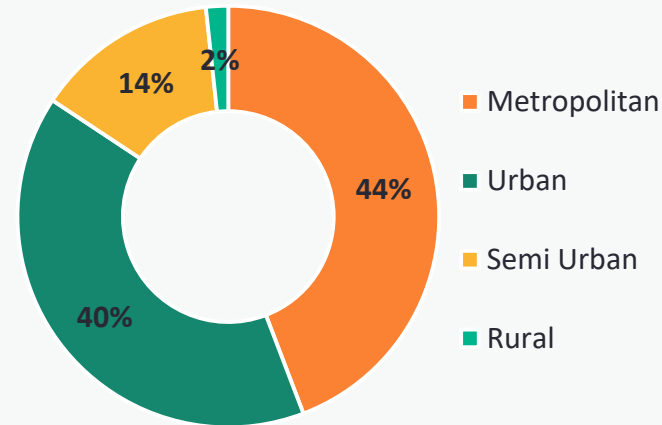
- ❖ Credit-Total Deposit: 129%
- ❖ Retail % share has increased to 49% from 42% in Sep'19
- ❖ Retail deposits continue to rise, reaping benefits from existing banking outlets and digital offerings

Well-diversified Deposit Mix

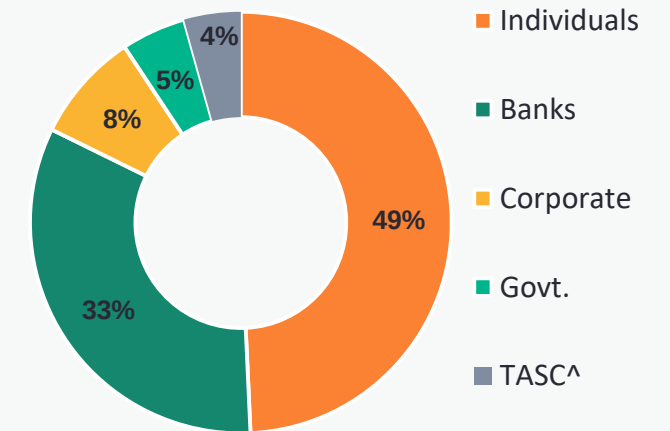
Region-wise deposit mix



Branch classification wise deposit mix



Segment wise deposit mix



Total Deposits (excluding CDs) as on 30 Sep'20: ₹ 10,506 Cr

Adequately Capitalized

(₹ in Crore)

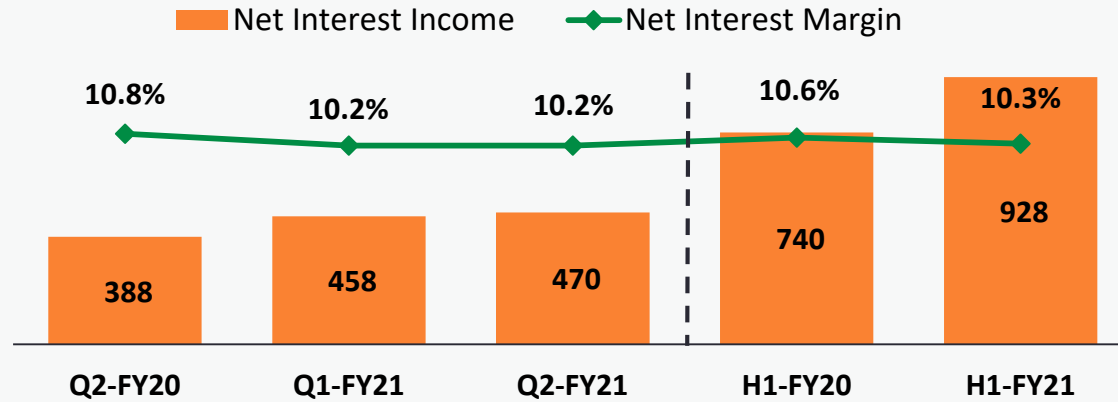
	Sep'19	Dec'19	Mar'20	Jun'20	Sep'20
Credit Risk Weighted Assets	10,026	10,442	10,775	11,032	10,543
Tier I Capital	1,821	2,873	3,018	3,072	3,168
Tier II Capital*	68	84	87	93	99
Total Capital	1,889	2,958	3,105	3,164	3,268
CRAR	18.8%	28.3%	28.8%	28.7%	30.99%
Tier I CRAR	18.1%	27.5%	28.0%	27.8%	30.05%
Tier II CRAR	0.7%	0.8%	0.8%	0.8%	0.94%

* Additional COVID provisioning is not being considered in Tier II capital.

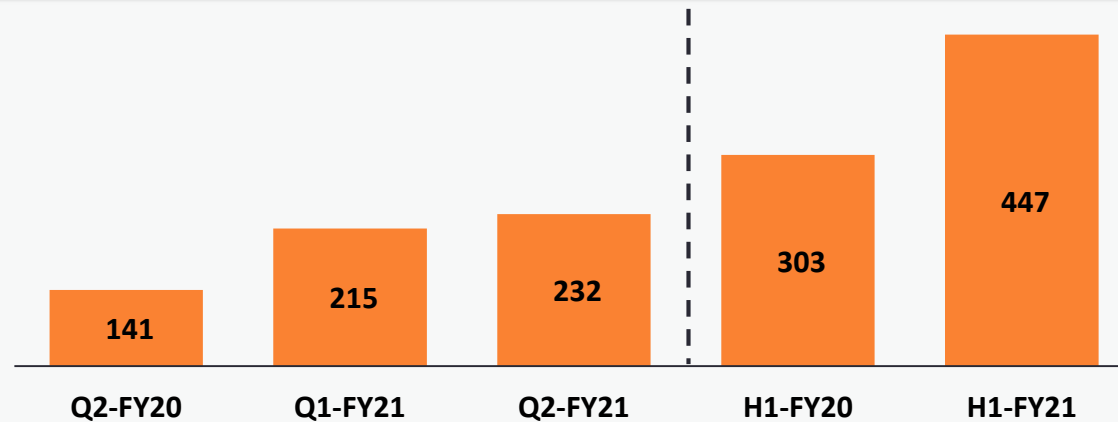
Financial Overview

Financial Overview

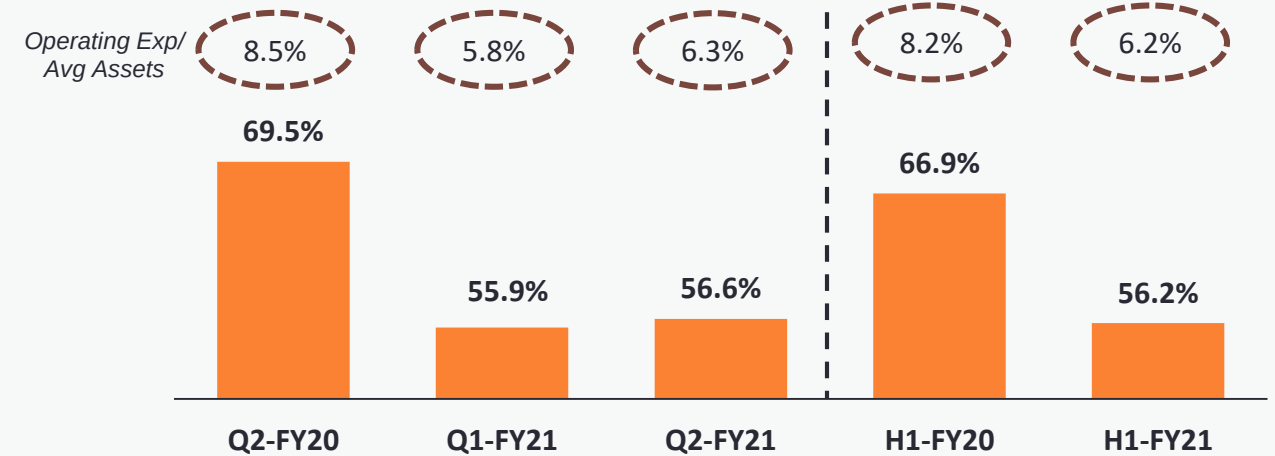
NII (₹ in Crore) & NIM



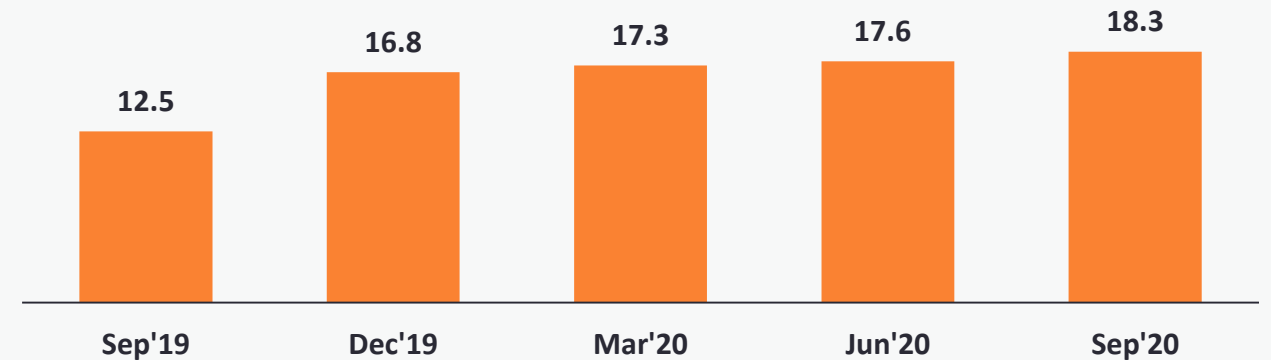
Pre-Provision Operating Profit (₹ in Crore)



Cost to Income Ratio & Operating Expenses/ Average Assets (%)



Book Value Per Share (in ₹)



Income Statement

Particulars (₹ in Crore)	Q2-FY21	Q2-FY20	YoY Growth	Q1-FY21	QoQ Growth	H1-FY21	H1-FY20	YoY Growth
Interest Earned	754	654	15%	746	1%	1,500	1,260	19%
Other Income	64	75	(14%)	29	124%	93	175	(47%)
Total Income	818	729	12%	775	6%	1,593	1,435	11%
Interest Expended	283	266	(6%)	288	2%	572	519	(10%)
Operating Expenses	302	322	(6%)	272	11%	574	613	6%
Provisions and Contingencies	137	49	179%	160	(15%)	296	116	(156%)
-Provisions for tax	36	24	139%	20	190%	55	72	7%
- Provisions (Other than tax) & Contingencies	101	25	(98%)	140	(100%)	241	44	223%
Total Expenditure	722	637	13%	720	(0%)	1,442	1,248	16%
Net profit for the period	96	93	4%	55	76%	151	187	(19%)

Total Income - Breakup

Particulars (₹ in Crore)	Q2-FY21	Q1-FY21	Q2-FY20	H1-FY21	H1-FY20
Interest on loan	701	698	619	1,398	1,186
Int. on investments	53	49	33	102	68
Securitization Inc.	0	0	2	0	5
Total Interest Earned	754	746	654	1,500	1,260
Processing Fees	19	5	45	24	81
PSLC Income	24	-	4	24	46
Trading Income	2	11	2	13	5
Bad Debts Recovery	2	1	8	3	16
Insurance Income	3	2	6	5	9
Misc. Income	14	10	10	24	18
Total Other Income	64	29	75	93	175
Total Income	817	776	729	1,593	1,435

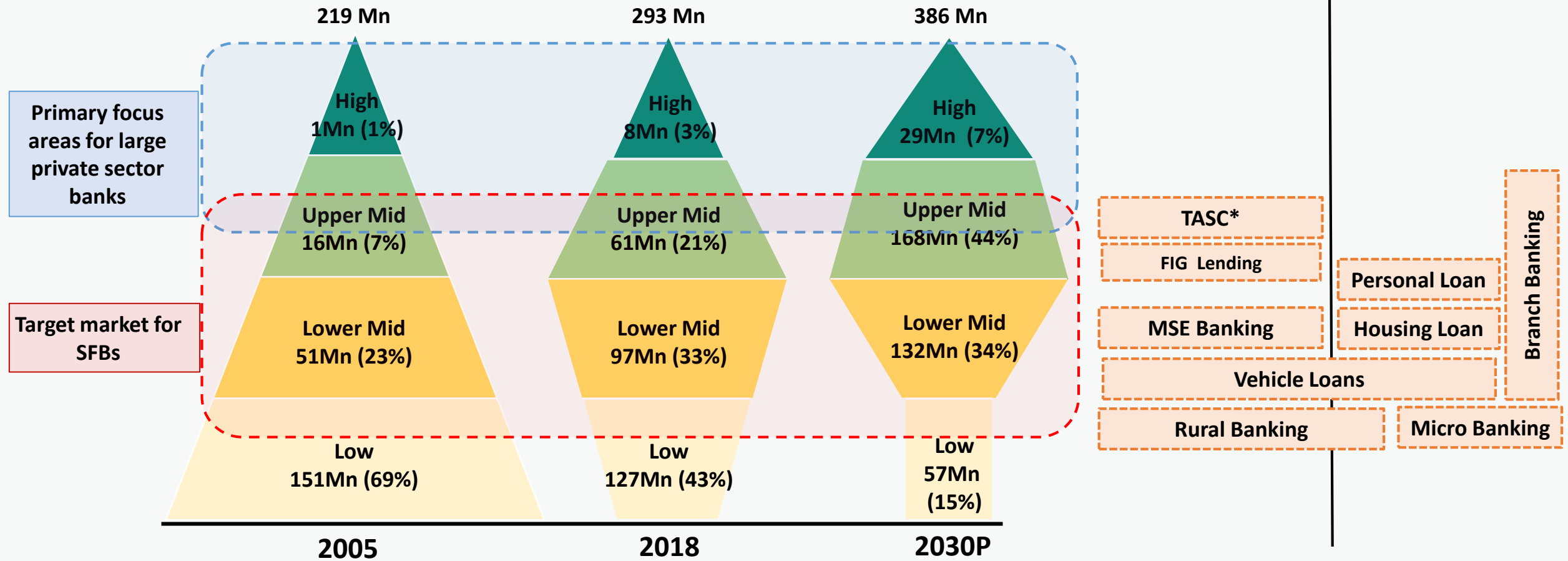
Balance Sheet

Particulars (₹ in Crore)	Sep-20	Jun-20	Sep-19
CAPITAL AND LIABILITIES			
Capital	1,928	1,928	1,640
Share Application Money Pending Allotment	-	-	36
Employees Stock Options Outstanding	37	30	11
Reserves and Surplus	1,452	1,293	353
Deposits	10,743	11,057	10,130
Borrowings	3,949	4,479	3,470
Other Liabilities and Provisions	748	621	468
TOTAL	18,794	19,408	16,108
ASSETS			
Cash and Balances with Reserve Bank of India	755	1,532	487
Balance with Banks and Money at Call and Short Notice	316	317	222
Investments	3,349	2,689	2,018
Advances	13,773	14,251	12,780
Fixed Assets	297	307	296
Other Assets	304	312	304
TOTAL	18,794	19,408	16,108

Ujjivan – Building a Mass Market Bank

Well placed to gain from evolving country demographics

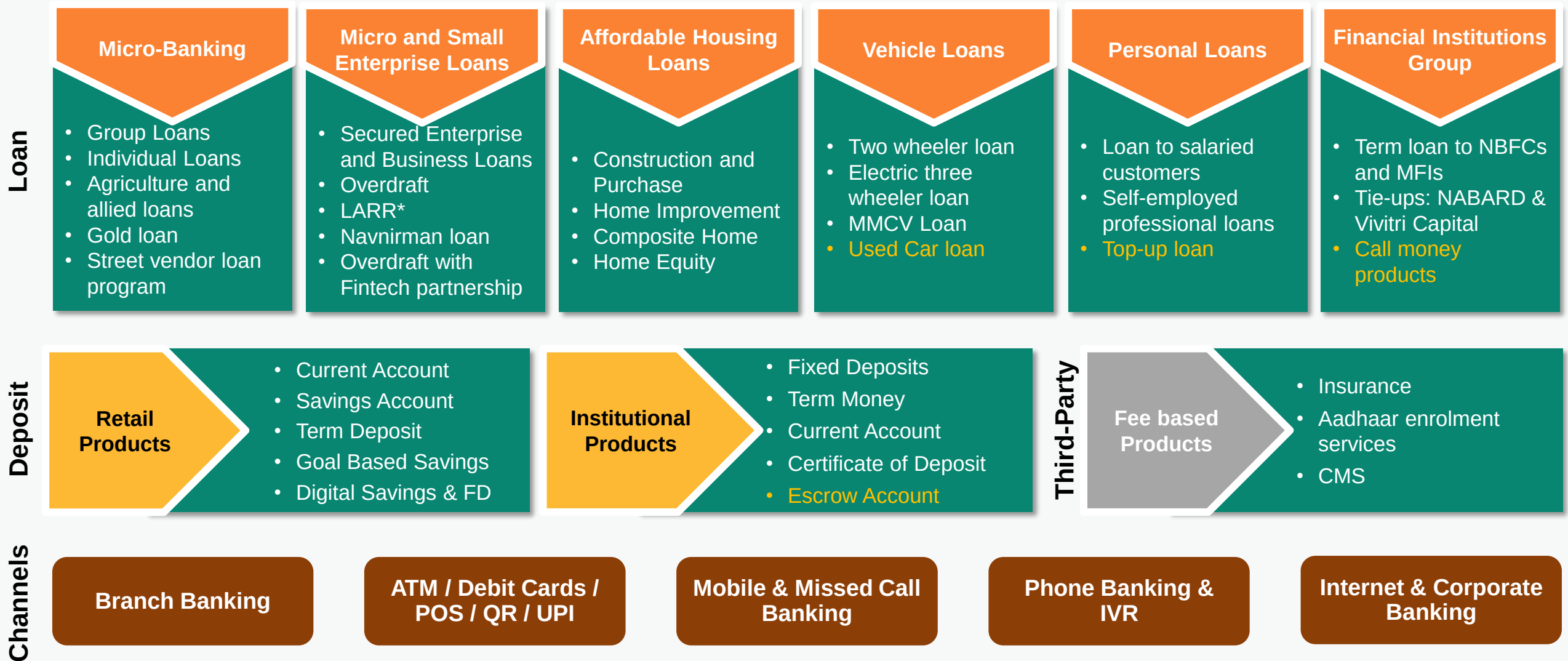
SFBs suited to reap benefits of the expanding middle-class expansion*



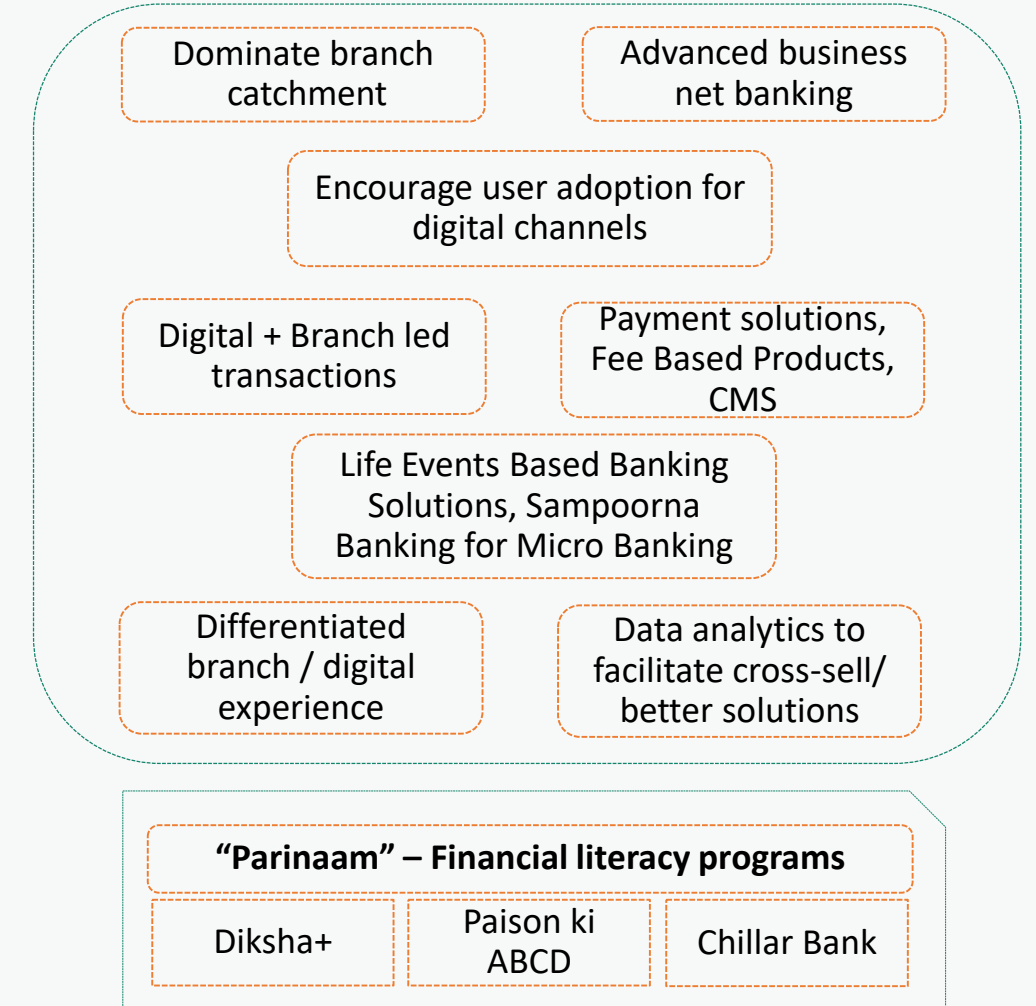
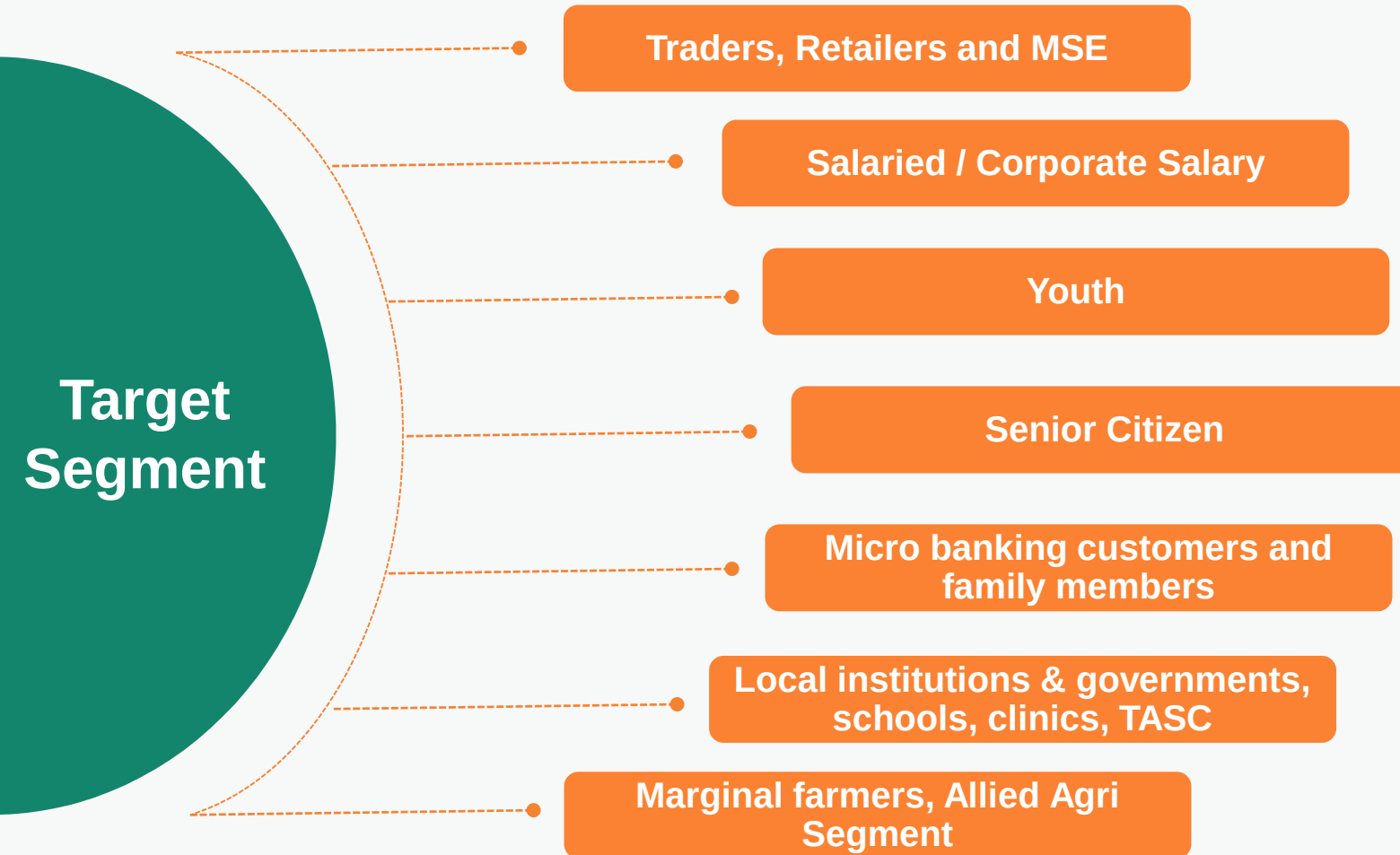
*Trusts, Associations, Societies and Clubs

*Source: PRICE Projections based on ICE 360° 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



Focus on growing stable and granular Liability base



Ramped up retail deposits: ₹ 5,254 crores (49% of total deposits) vs ₹ 4,248 crores (42% of total deposits) Y-o-Y

Other Income – diversifying revenue streams

Third Party Products

₹ 3 crore in Q2-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

₹ 24 crore in Q2-FY21

- 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%

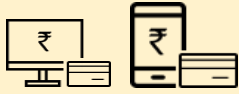
Fee-Based & others

₹ 37 crore in Q2-FY21

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

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

- 477 ATMs including 53 Automated Cash Recycler machines
- All ATM's re-enabled with biometrics
- 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 Sep'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 0.67 million as of Sep'20

Strong Independent Board

Name	Education	Experience
Biswamohan Mahapatra <i>Part-time Chairman and Independent Director</i>	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 <i>MD and CEO</i>	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 <i>Non-Executive Director</i>	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 <i>Non-Executive Director</i>	PGDM in business management from XLRI Jamshedpur and has completed a PE programme from Oxford University	Previously worked with Citibank and Caspian Impact Investment Adviser
Chitra Kartik Alai <i>Non-Executive Nominee Director</i>	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 <i>Independent Director</i>	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 <i>Independent Director</i>	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 <i>Independent Director</i>	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 <i>Independent Director</i>	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 <i>Independent Director</i>	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 <i>Head - Human Resources</i>	Citibank, ABN AMRO Bank, Dunia Finance and Lipton India Ltd	• B.Tech, BHU • PGDM, IIM Calcutta
Carol Furtado <i>Head – Operations & Service Quality</i>	ANZ Grindlays Bank, Bank Muscat and Centurion Bank	• B.Sc, Bangalore University • PGDM, Mount Carmel Institute
Upma Goel <i>Chief Financial Officer</i>	Ujjivan Financial Services , L&T Finance Holdings and Escorts Securities	• Chartered Accountant, ICAI
Alok Chawla <i>Head – Audit</i>	Mizuho Bank, ING Vysya Bank and Tata Motors Finance	• B.Com, DU • CA, ICAI and a Certified internal auditor
Kalyanraman M <i>Chief Credit Officer</i>	Equitas SFB, Citibank, SRF Ltd, Chola mandalam DBS Finance, TVS Credit Services, IL&FS	• B.E. (Hons) Electrical & Electronics, REC Tiruchi • MBA (Finance), IIM Calcutta
Jolly Zachariah <i>Head – Channels</i>	Ex COO (west) of Ujjivan Financial Services Limited; Citigroup	• B.Com, Bombay University
Arunava Banerjee <i>Chief Risk Officer</i>	State Bank of India, Standard Chartered Bank and Bahraini Saudi Bank	• MA Economics, Calcutta University • Associate of the Indian Institute of Bankers
Rajat Singh <i>Business Head - Micro & Rural Banking</i>	Ujjivan Financial Services	• B. Tech (Agriculture and Food Engineering), IIT Kharagpur
Rajeev Pawar <i>Head – Treasury</i>	Growmore Research; Kotak Mahindra Capital; Daewoo Securities India Ltd. ; American Express Bank, Standard Chartered Bank	• Masters Business Management, JBIMS • Diploma in Business Management, Xavier's Institute of Management Mumbai
Dheemant Thacker <i>Head - Digital Banking</i>	HDFC Bank, Bandhan Bank, Aditya Birla Capital	• M.B.A (Marketing), NMMIS • B.E (Mechanical), Mumbai University
Shrinivas Murty <i>Head - Liabilities</i>	HDFC Bank, Bandhan Bank, ICICI Bank Ltd	• PGDBM, MDI Gurugram • Associate of Indian Institute of Banking & Finance • MSc, Pt Ravishankar Shukla University
Venkat Krishnan V <i>Chief Technology Officer</i>	Utkarsh SFB, Al Ahli Bank of Kuwait, Edelweiss Tokio Life, Yes Bank, Dhanlaxmi Bank, HSBC	• MCA, Government College of Engineering • 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

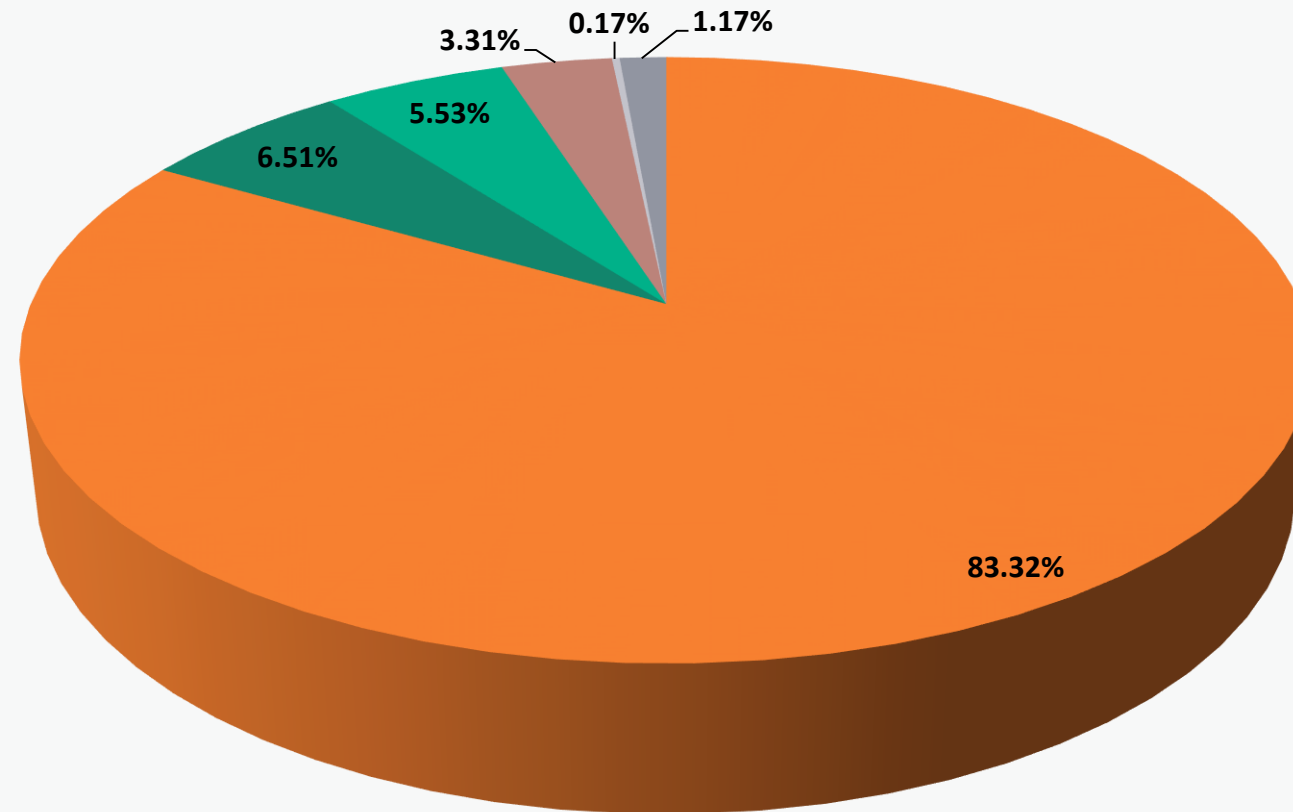
- Leverage banking infrastructure to diversify product portfolio and increase fee and commission-based business
- Increase focus on treasury income, bancassurance, fee and processing charges
- Introduce new products and services and focus on cross-selling to existing customers

Annexure

Shareholding Pattern

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

- Promoter*
- Resident Individuals/HUF
- Foreign Investors
- Alternative Investment Funds
- Mutual Funds
- Others



*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”

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**

Relief Activities

Beneficiary



36,500+ Customers
& Public



11,900+ Municipality
and Panchayat workers



80,000+ public trained
on COVID awareness



8,000 Healthcare
Workers



19,300+
Police



500 Drivers &
Conductors

- **Covid relief activity:**
 - As apart of CSR initiative distributed 45,000+ Mask; 33,000+ Sanitizers; 8,600+ gloves; 8,000+ PPE kits and many more
 - ₹ 1.6 Cr (approx) spent in response to the pandemic outbreak
 - ₹ 25 lac was spent on Amphan relief activities
- **Covid Education :**
 - Educated 80,000+ people on Covid symptoms, precautions, nearby testing centres and insurance schemes by GOI
 - Assisted 11,000+ public in downloading Arogya Setu App
 - Education training is being provided in 18 states
- **Covid Education program will reach 1.2+ lakh beneficiaries by end of November**

Thank You!