




Ujjivan

Build a Better Life

Investor Presentation Q3 FY 2016-17

December 2016

PRIVILEGED AND CONFIDENTIAL

Disclaimer

- This presentation is confidential and may not be copied, published, distributed or transmitted. The information in this presentation is being provided by Ujjivan Financial Services Limited (also referred to as 'Company'). By attending a meeting where this presentation is made, or by reading this presentation material, you agree to be bound by following limitations:
- The information in this presentation has been prepared for use in presentations by Company for information purposes only and does not constitute, or should be regarded as, or form part of any offer, invitation, inducement or advertisement to sell or issue, or any solicitation or any offer to purchase or subscribe for, any securities of the Company in any jurisdiction, including the United States and India, nor shall it, or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment to purchase or subscribe for any securities of the Company in any jurisdiction, including the United States and India. This presentation does not constitute a recommendation by the Company or any other party to sell or buy any securities of the Company.
- This presentation and its contents are not and should not be construed as a prospectus or an offer document, including as defined under the Companies Act, 2013, to the extent notified and in force or an offer document under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.
- The Company may alter, modify, or otherwise change in any manner the contents of this presentation without obligation to modify any person of such change or changes.
- No representation warranty implied as to and reliance or warranty, express or implied, is made to, no should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither Company nor any of its affiliates, advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither Company nor its affiliates, advisors or representatives are under an obligation to update, revise or affirm.
- This presentation contains certain supplemental measures of performance and liquidity that are not required by or presented in accordance with Indian GAAP, and should not be considered as an alternative to profit, operating revenue or any other performance measures derived in accordance with Indian GAAP or an alternative to cash flow from operations as a measure of liquidity of the Company.
- You must make your own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make independent analysis as you may consider necessary or appropriate for such purpose. Any opinions expressed in this presentation are subject to change without notice and past performance is not indicative of future results. By attending this presentation you acknowledge that you will be solely responsible for your own assessment of the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.
- This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding expansion plans and the benefits there from, fluctuations in our earnings, our ability to manage growth and implement strategies, competition in our business including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, our ability to win new contracts, changes in technology, availability of financing, our ability to successfully complete and integrate our expansion plans, liabilities, political instability and general economic conditions affecting our industry. Unless otherwise indicated, the information contained herein is preliminary and indicative and is based on management information, current plans and estimates. Industry and market-related information is obtained or derived from industry publications and other sources and has not been verified by us. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.
- This presentation is not an offer for sale of securities in the UNITED STATES or elsewhere.

Ujjivan
Build a Better Life

Agenda

- Performance Highlights
- SFB Update
- Company Overview
- Business & Financial Overview
- Borrowing Profile & Credit Ratings

Performance Highlights – Q3 FY17

Ujjivan
Build a Better Life

Performance Highlights

₹6,588 Gross Loan Book

0.25% GNPA, 0.05% NNPA

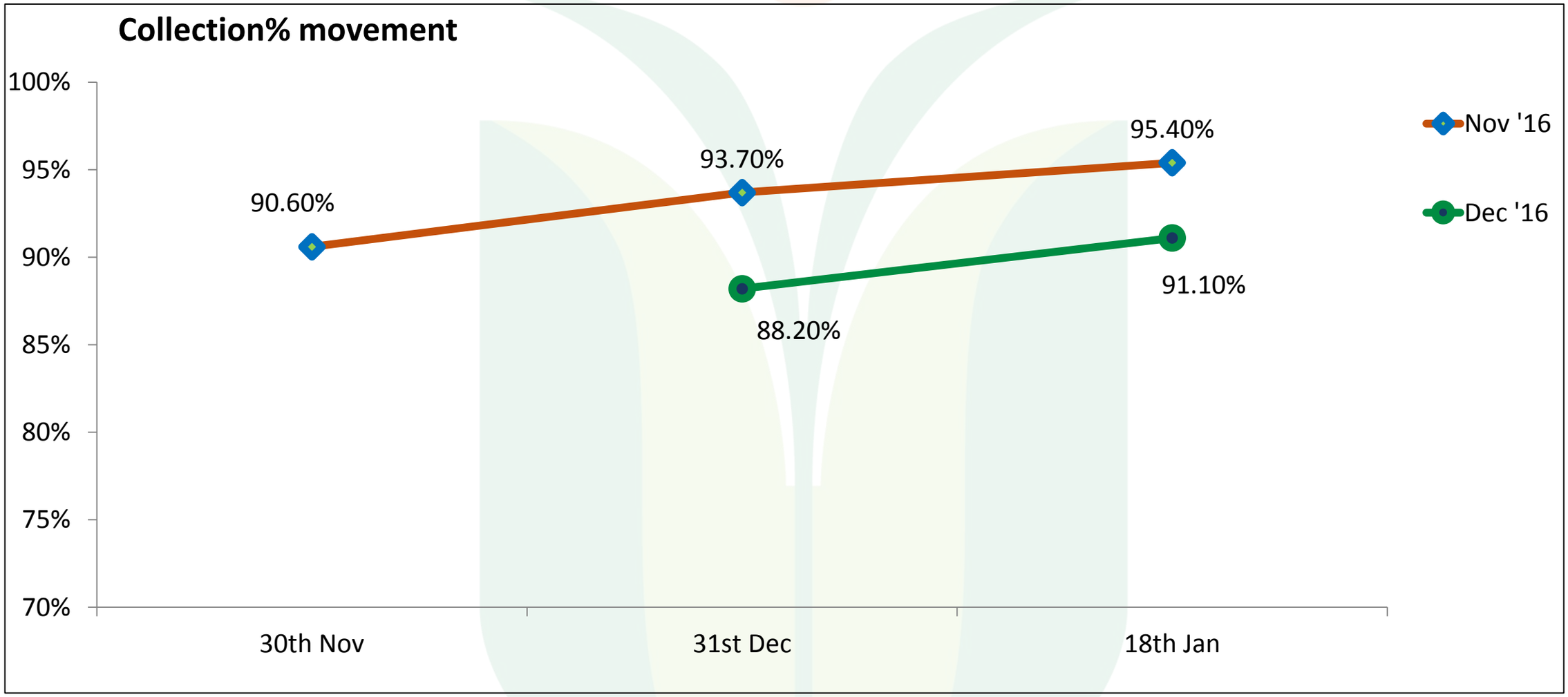
86% Customer Retention Ratio

9,593 Employee Strength

35.83 Active Customers (in lakhs)

Demonetization- Impact Analysis

Collection Efficiency



Operational & Business highlight

- Gross Loan Book at ₹6,587.90 crore; growth of 43.55% over Q3-FY16 and 1.57% over Q2-FY17
- Managed portfolio as on December 31, 2016 at ₹541.54 crore
- Net Loan Book at ₹6,046.36 crore; growth of 33.18% over Q3-FY16 and 0.77% over Q2-FY17
- Disbursement for Q3 at ₹1,662.84 crore; decrease of 0.56% over Q3-FY16 and 23.86% over Q2-FY17
- Even during demonetization period there was a disbursement to the existing customers- November December disbursements stood ₹965 crores
- 1.02 lakh new borrowers added during the quarter; Total borrowers stands at 35.83 lakh
- GNPA at 0.25% and NNPA at 0.05%
- Though RBI guidelines allowed for classification of portfolio as standard assets for 90 days with respect to over dues in demonetization period of November and December; Ujjivan took a conservative stance with added provisions

Financial & Operational Highlights

- All the financials in this presentation is consolidated for the convenience of understanding
- Total Income at ₹371.32 crore, an increase of 38.88 % over Q3-FY16 and 4.01 % over Q2-FY17
- Net Profit at ₹43.94 crore; a decrease of 9.54% over Q3-FY16 and 38.43% over Q2-FY17
- NII at ₹199.01 crore, an increase of 43.92% over Q3-FY16 and 5.84% over Q2-FY17
- NIM at 13.22% in Q3-FY17 increased from 12.83% in Q3-FY16 and 13.02% in Q2-FY17
- Cost to Income ratio at 49.33% from 49.01% in Q3-FY16 and 48.18% Q2-FY17
- EPS for Q3 FY17 at ₹3.7; 9M FY17 at ₹16.2
- For Q3 - RoAA at 2.53% and RoAE at 10.28%

Ujjivan
Build a Better Life

SFB Update

Ujjivan
Build a Better Life

SFB Update

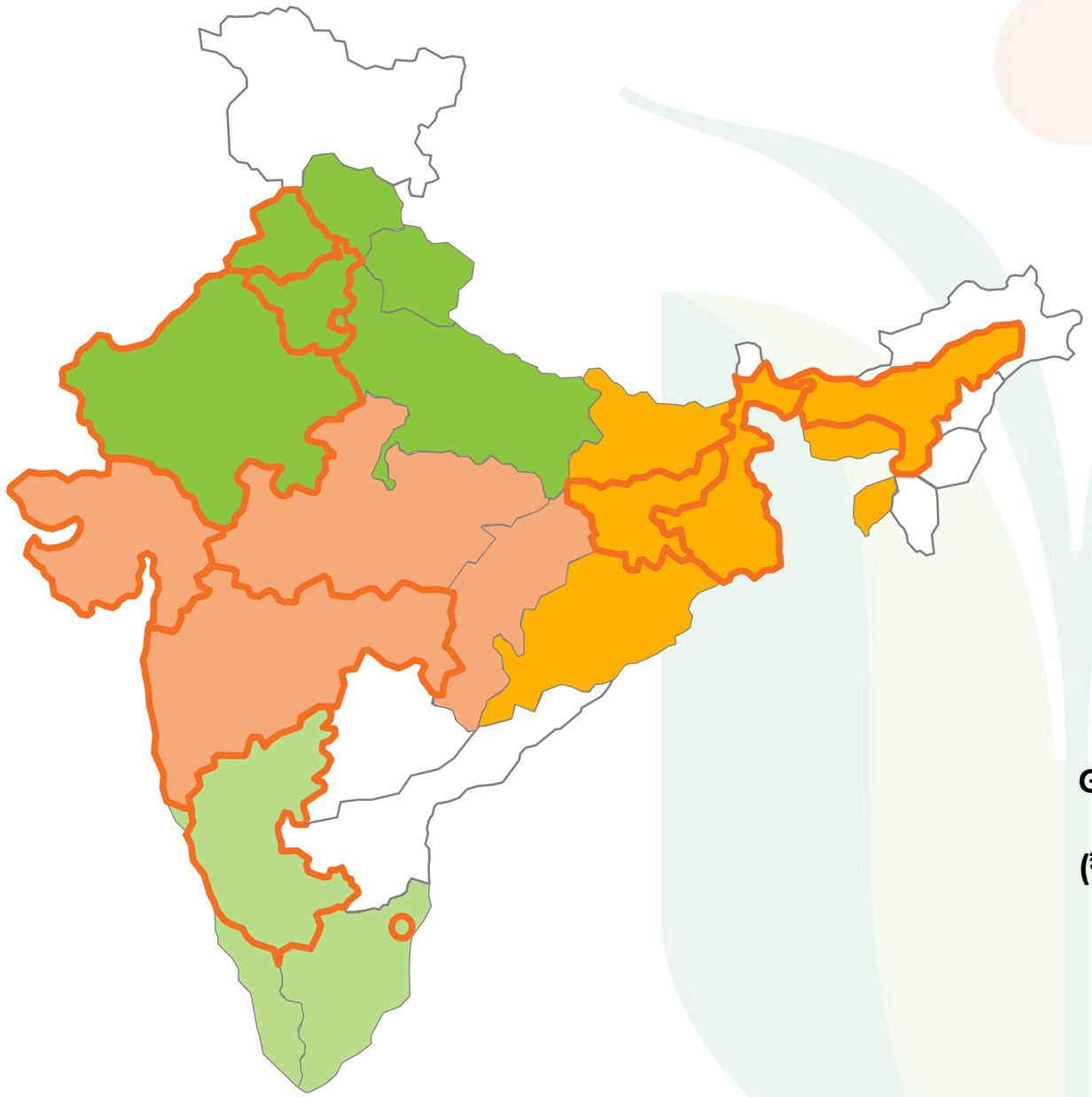
- Final SFB license obtained from RBI on 11th Nov 2016
- Launch of Bank in 1st week of February 2017 post getting other RBI and NPCI approvals
- Key compliance requirement across department in final stage of completion
- Technology systems ready to support day one requirement of SFB
- Launch of Bank with 5 branches in Bengaluru as a pilot
- Phased roll out of branches starting from Mar-17 and spread till Sept 17
- Key SFB related policies in place before the launch
- All products and features have been finalized for the Day 1 launch
- Major alternate channels – Biometric ATM, Phone banking, Internet & Mobile Banking – Ready to be launched with Bank

Ujjivan
Build a Better Life

Overview of Ujjivan

Ujjivan
Build a Better Life

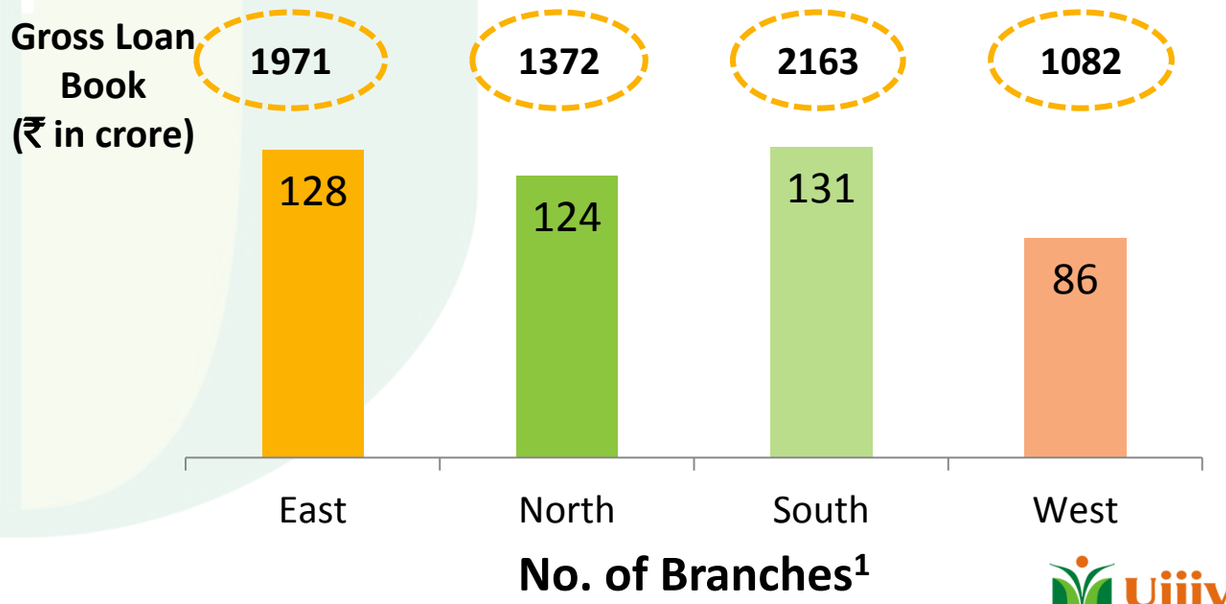
Deep pan-India presence



States where the share of Ujjivan Gross Loan Book is greater than 11.15%, which is the overall market share of Ujjivan in NBFC-MFI business in India

- Largest MFI in India in terms of geographical spread, with a pan-India presence through 469 branches across 24 states and union territories and 209 districts in India.
- 185 branches in 91 under-banked districts.
- 37% branches in the central, east and north east regions of India, where a majority of the under-banked districts are located.
- Third largest NBFC-MFI in India in terms of loans disbursed as of December 31, 2016. Our Gross Loan Book aggregates over ₹ 6,588 crore[1].
- Geographically diversified portfolio - no single state contributes > 16% of Gross Loan Book[1]

Well diversified presence as well as AUM base



[1] *As of December 31, 2016*

Customized Product Offerings

CREDIT OFFERINGS

- Business loan
- Family loan
- Education loan
- Agriculture and Allied loan
- Emergency Loan
- Loyalty loan

Micro Finance

MSE

- Individual Business Loan
- Individual Bazaar Loan
- Pragati Business loan
- Individual Loyalty Loan
- Secured business loan

Housing

- Home improvement loan
- Home loan: Self construction
- Home loan: Under construction purchase / Ready purchase
- Loan Against Property

Agri & Animal Husbandry

- Individual Livestock Loan
- Pragati Livestock loan
- Individual Agriculture loan
- Pragati Agriculture Loan

- **Others: other loans include Individual Higher Education loans**

NON-CREDIT OFFERINGS

BAJAJ Allianz

Birla Sun Life Insurance

HDFC Life

Sar utha ke jiyo!

kotak Life Insurance

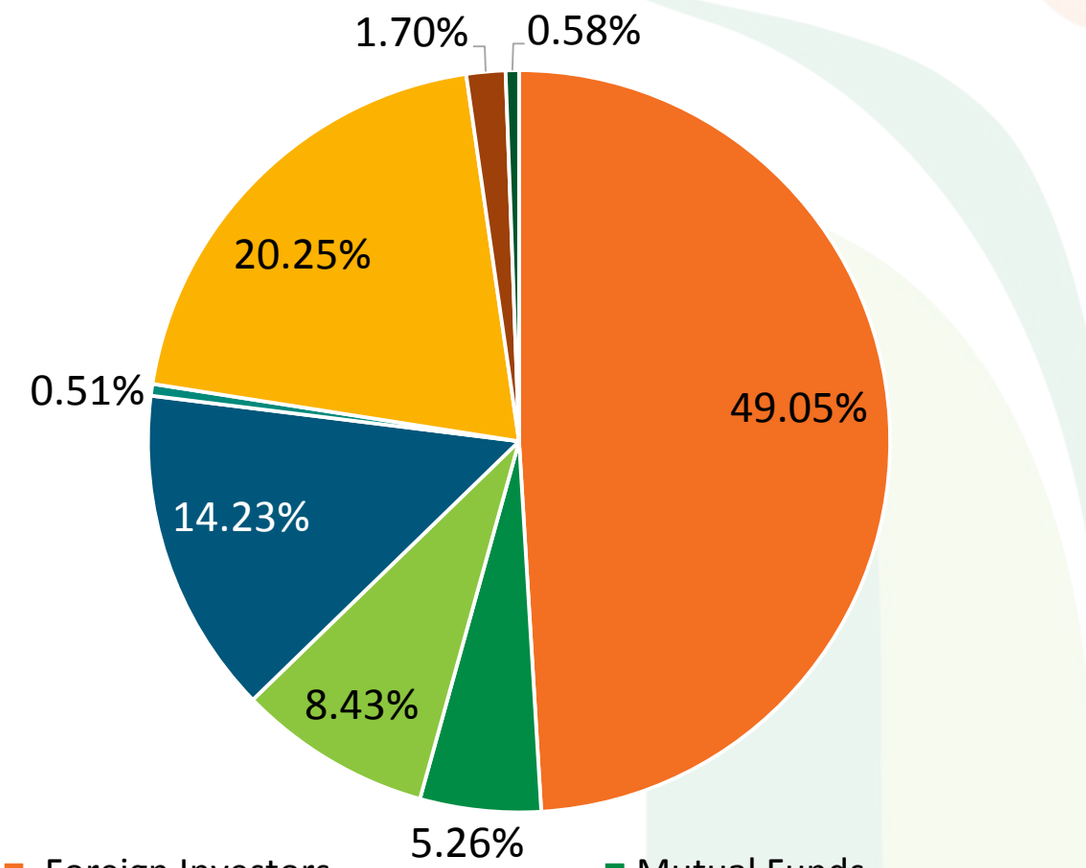
A JOINT VENTURE WITH OLD MUTUAL

In the event of death of our customer or their spouse, insurance amount helps the beneficiary cover the existing loan and receive the benefits of a life cover.

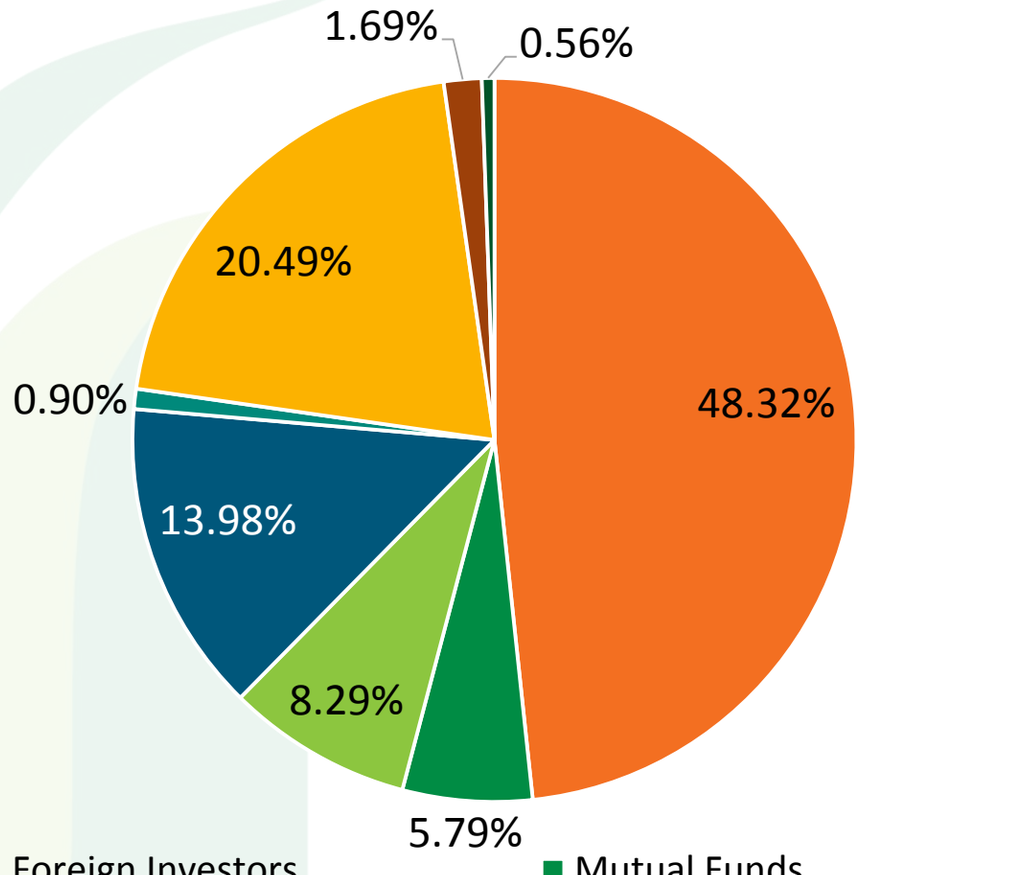
Ujjivan Build a Better Life

Shareholding Pattern

Shareholding Pattern as on 31st December, 2016



Shareholding Pattern as on 13th January, 2017



Foreign Shareholdings down to 48.32% as on 13th January 2017

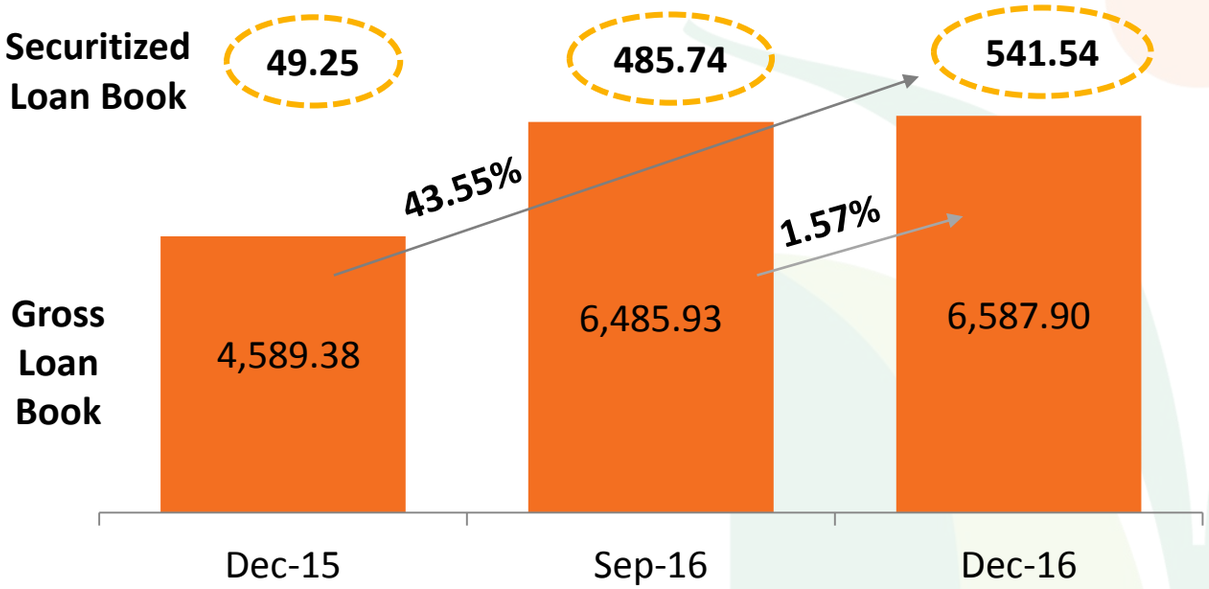
Ujjivan
Build a Better Life

Business Overview

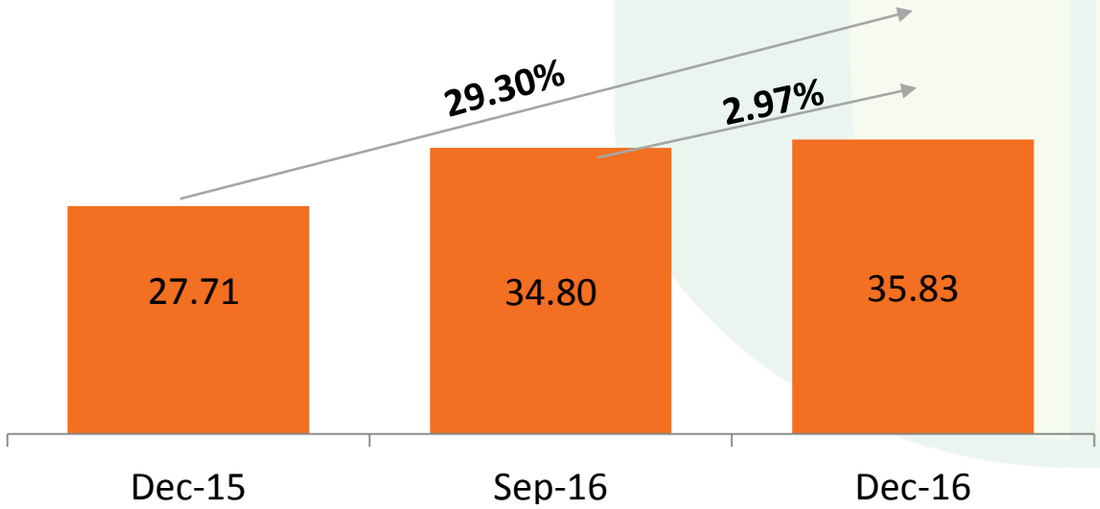
Ujjivan
Build a Better Life

Loan Book Overview

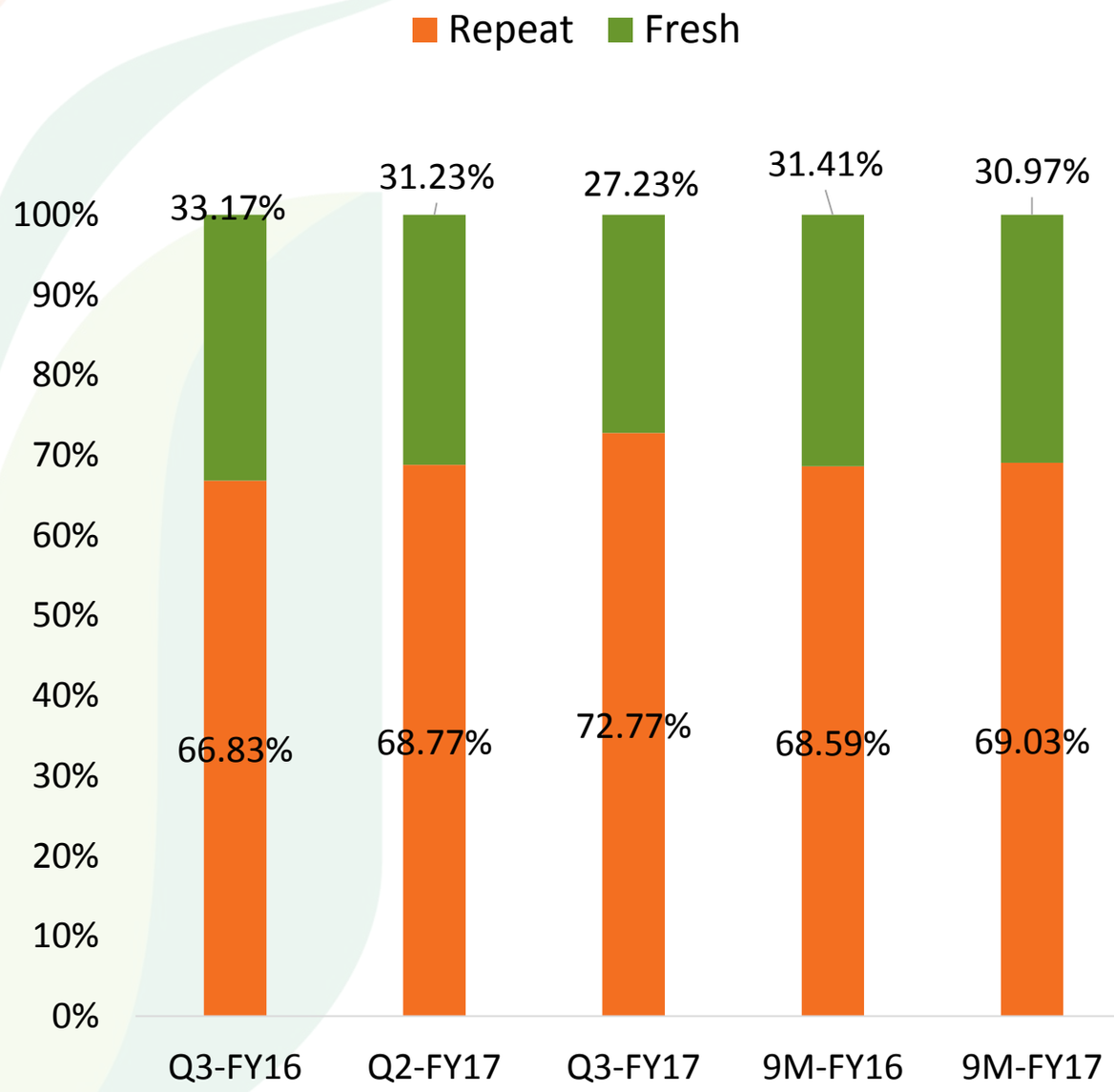
Gross Loan Book & Securitized Loan Book (₹ in Crore)



Number of Borrowers (in Lakh)

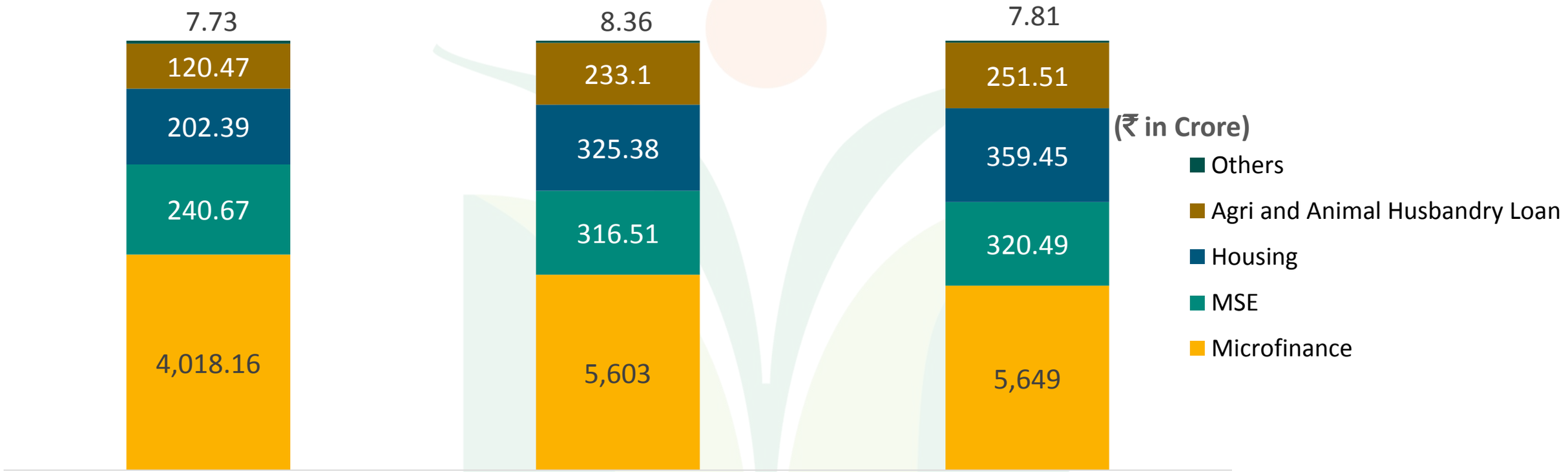


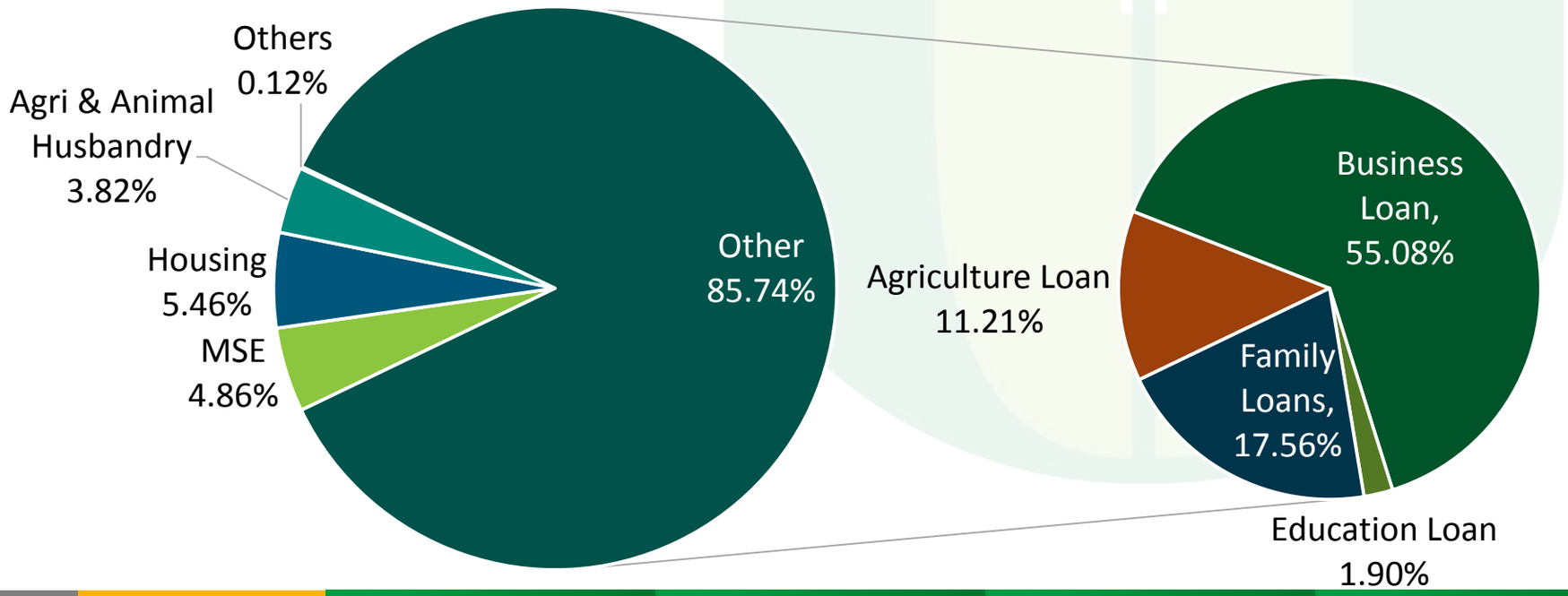
Type of Loan (on disbursement)



Ujjivan
Build a Better Life

Composition of Gross Loan Book

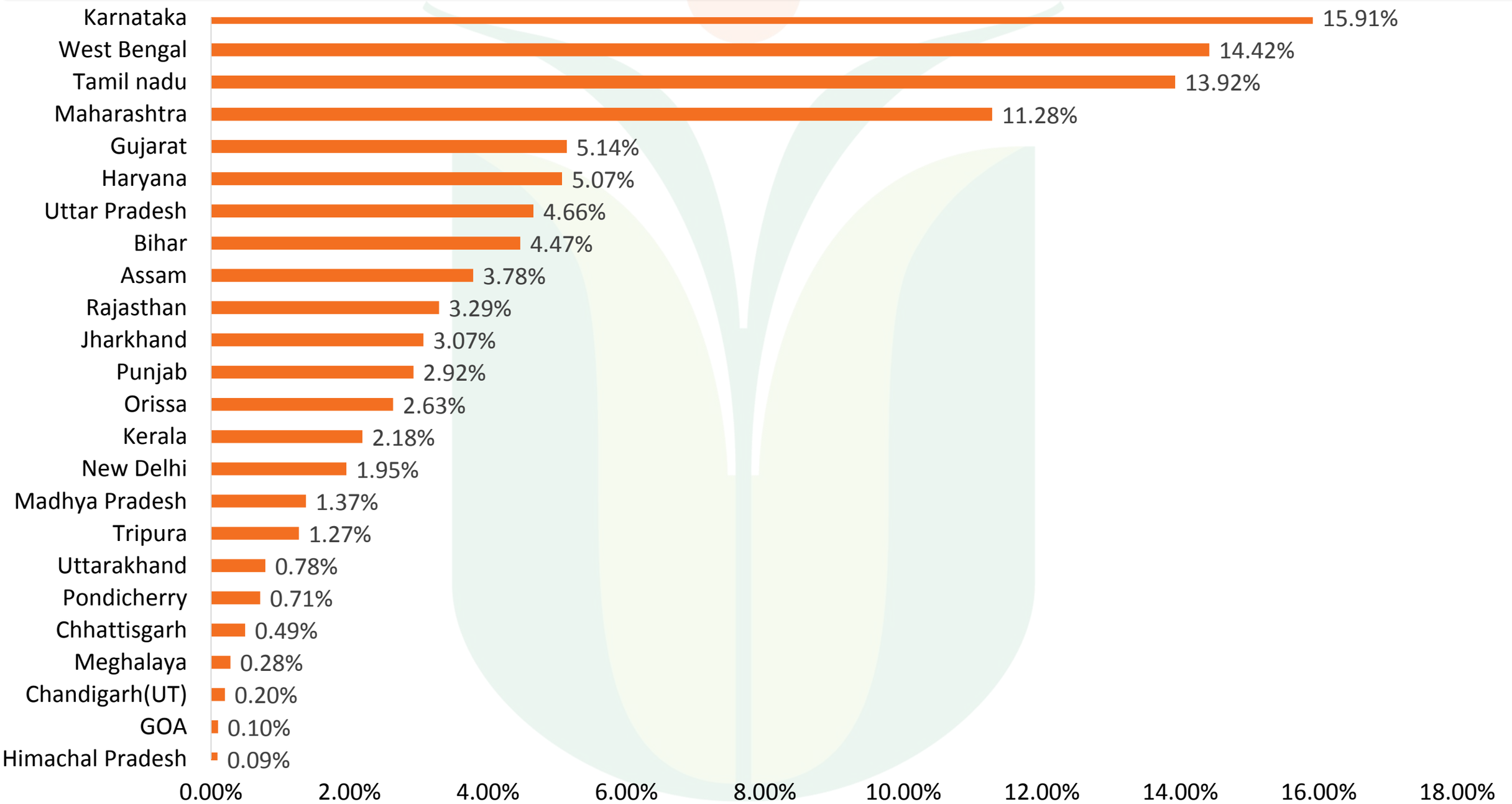




Product Bifurcation	% Share in Gross Loan Book
Unsecured Loan (Microfinance & Individual Loan)	98.68%
MSE Secured	0.22%
Housing Secured	1.10%

Portfolio Spread & Branch Vintage

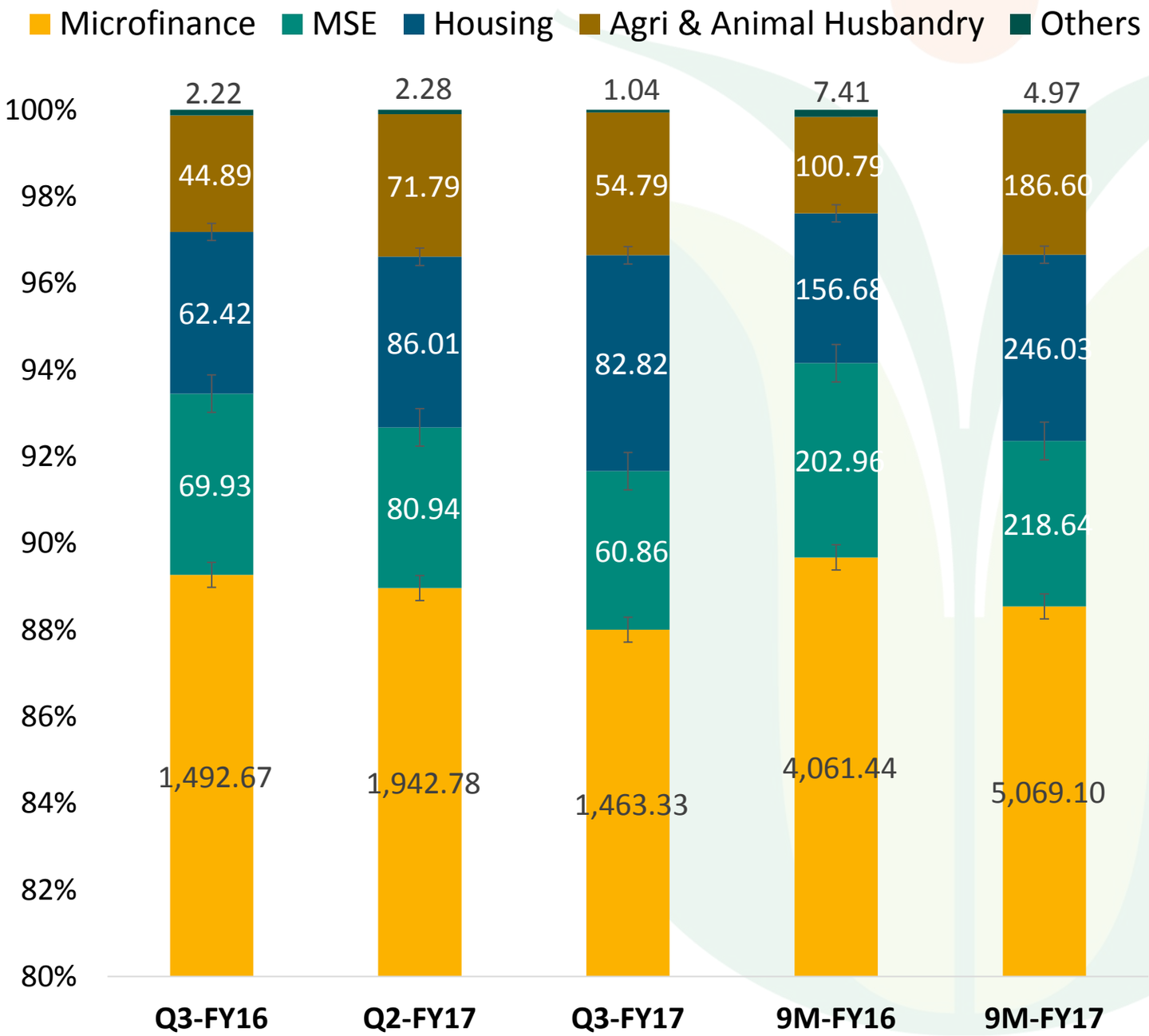
Portfolio Mix- December 2016



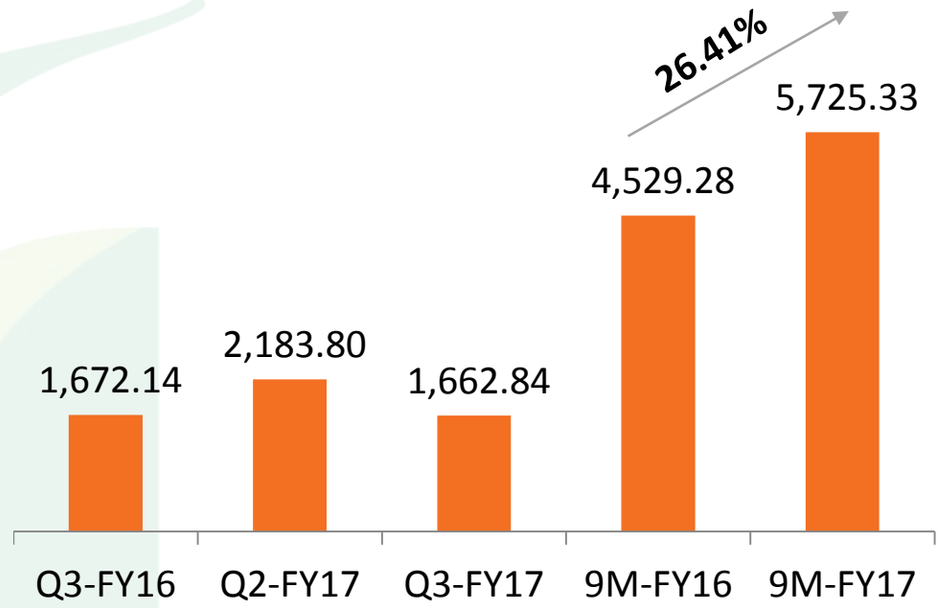
Ujjivan
Build a Better Life

Disbursement Spread & Average Ticket Size

Product wise Disbursement (₹ in Crore)



Total Disbursements (₹ in crore)



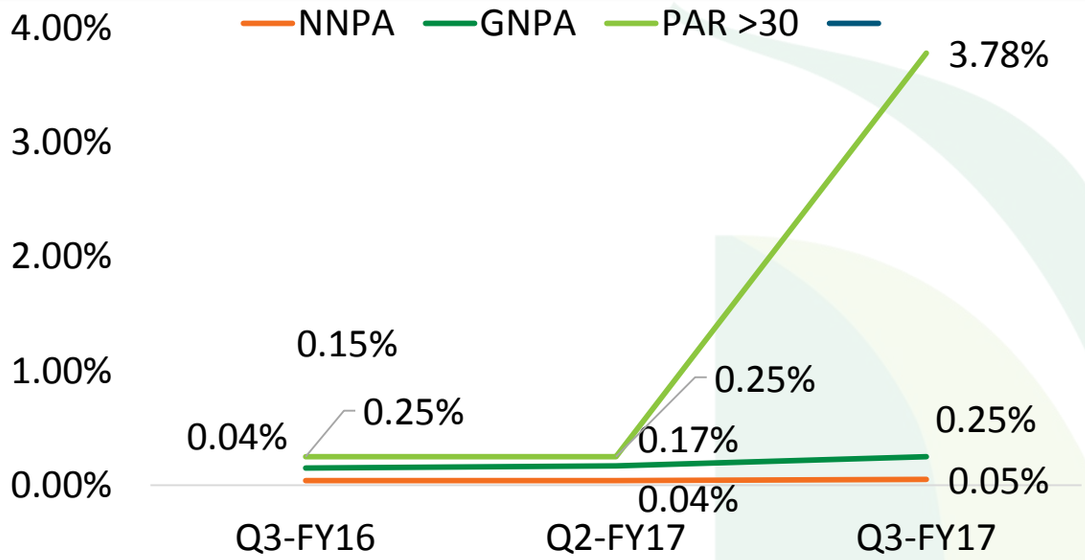
Average Ticket Size – 9M-FY17

Product	in ₹
Microfinance	23,172
MSE- Unsecured	69,386
MSE- Secured	4,02,782
Housing- Unsecured	67,439
Housing- Secured	3,79,837
Agri and Animal Husbandry Loan	57,832
Others	61,754

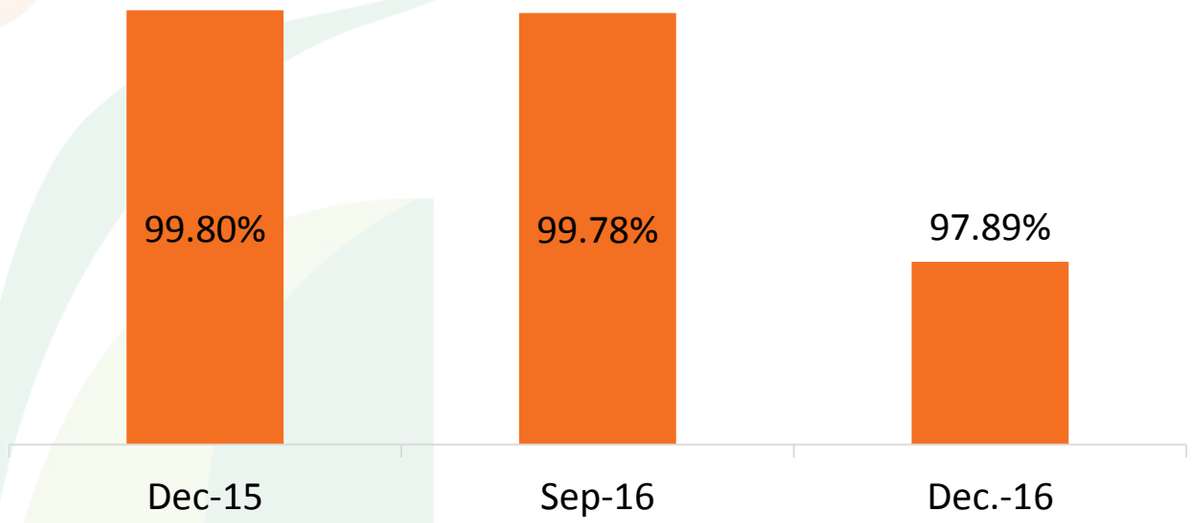
Ujjivan
Build a Better Life

Efficiency Parameters

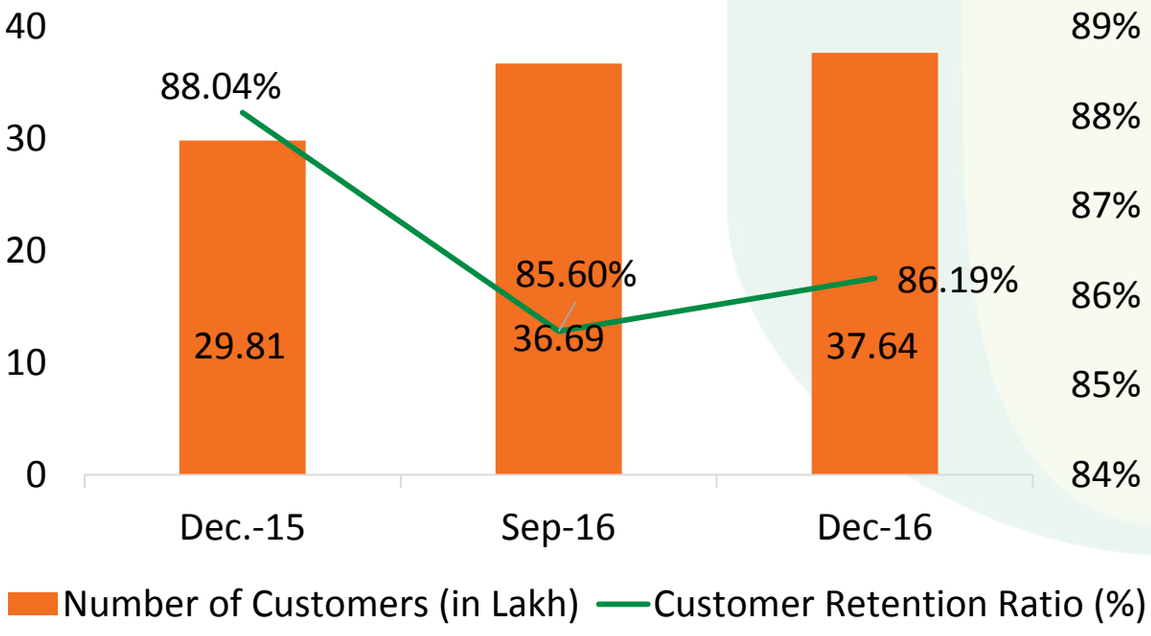
GNPA, NNPA & PAR>30



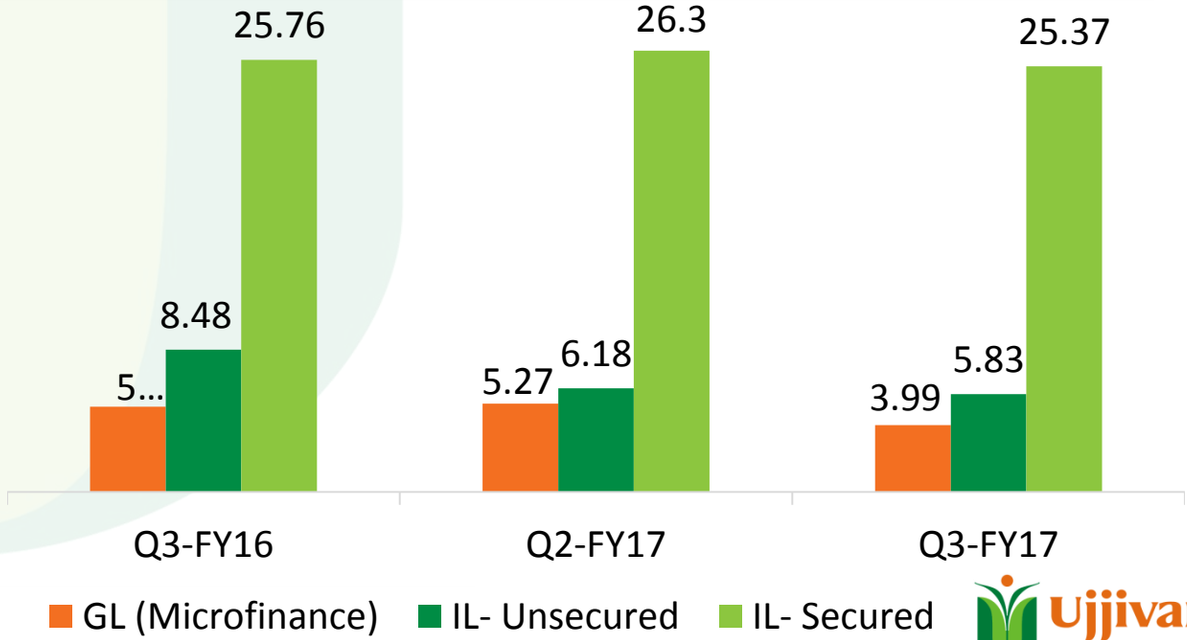
Cumulative Repayment Rate



Number of Customer & Customer Retention Ratio



Turn Around Time (TAT)



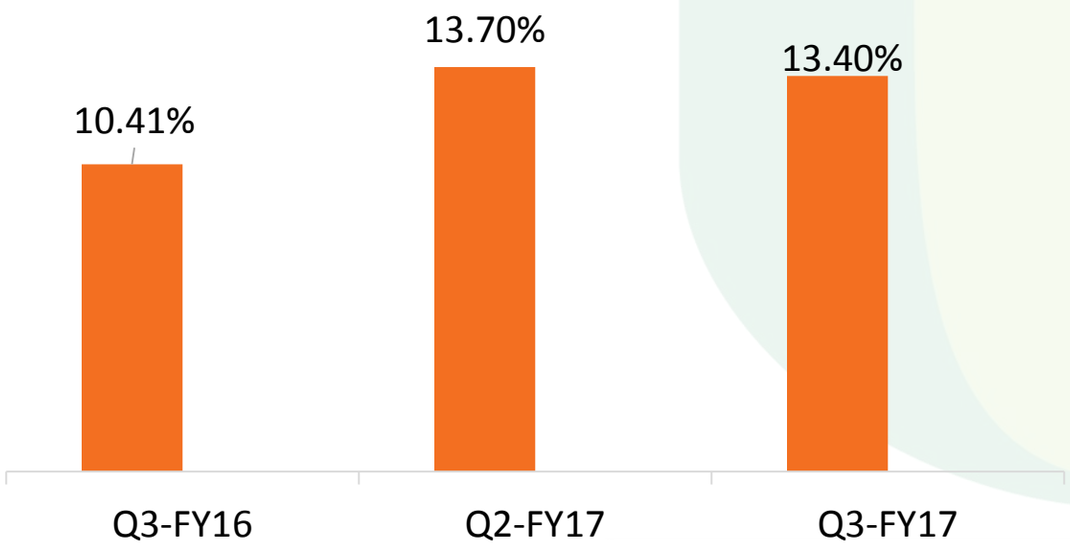
Ujjivan
Build a Better Life

Efficiency Parameters (Contd.)

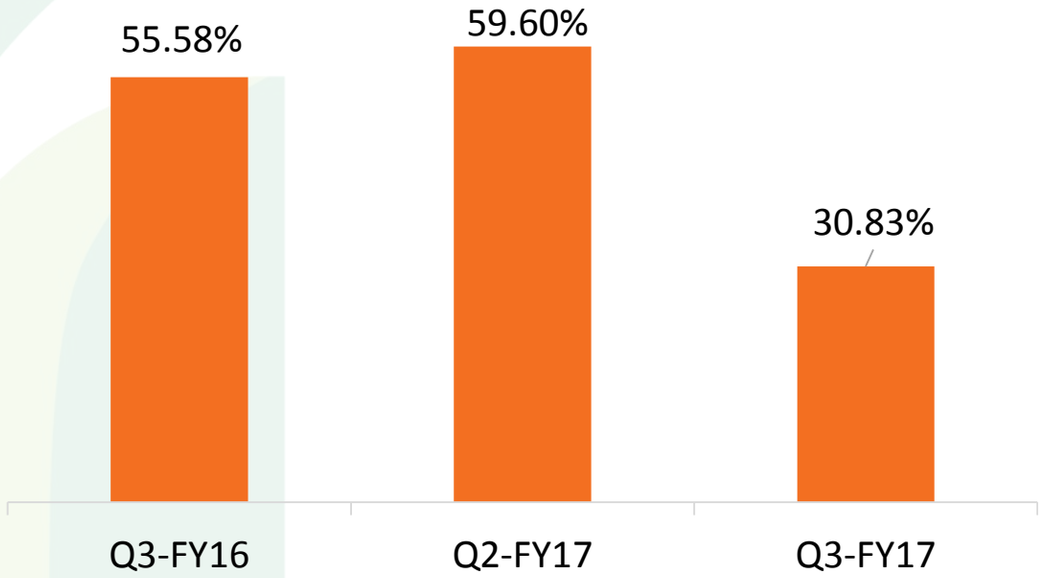
Rejection Rate & Key Reasons

Key Rejection Reasons	Dec'16
2 MFI Loans	48%
Overdue	11%
Loan Exposure >60,000	23%
2 MFI Loans + Overdue & Loan Exposure>60,000	2%
2MFI & Overdue	3%
2 MFI Loans & Loan Exposure >60,000	12%
Overdue & Loan Exposure >60,000	1%

Bureau Rejection Rate (%) - Microfinance



Cashless Disbursement (%)



AADHAAR

सत्यमेव जयते
Unique Identification Authority of India

84% Customers with Aadhar Card as on 31st December, 2016

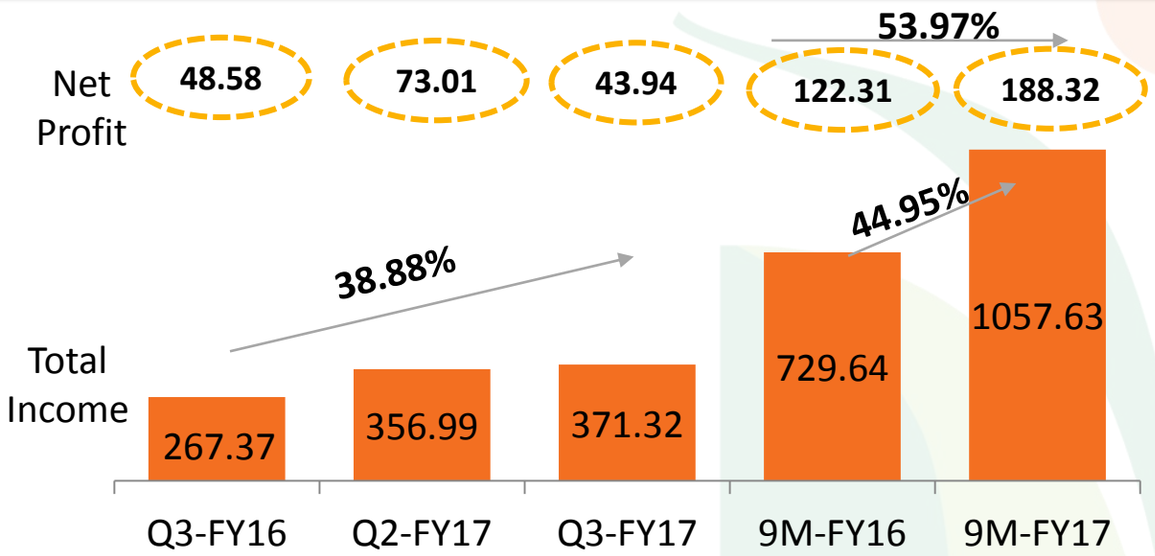
Ujjivan
Build a Better Life

Financial Overview

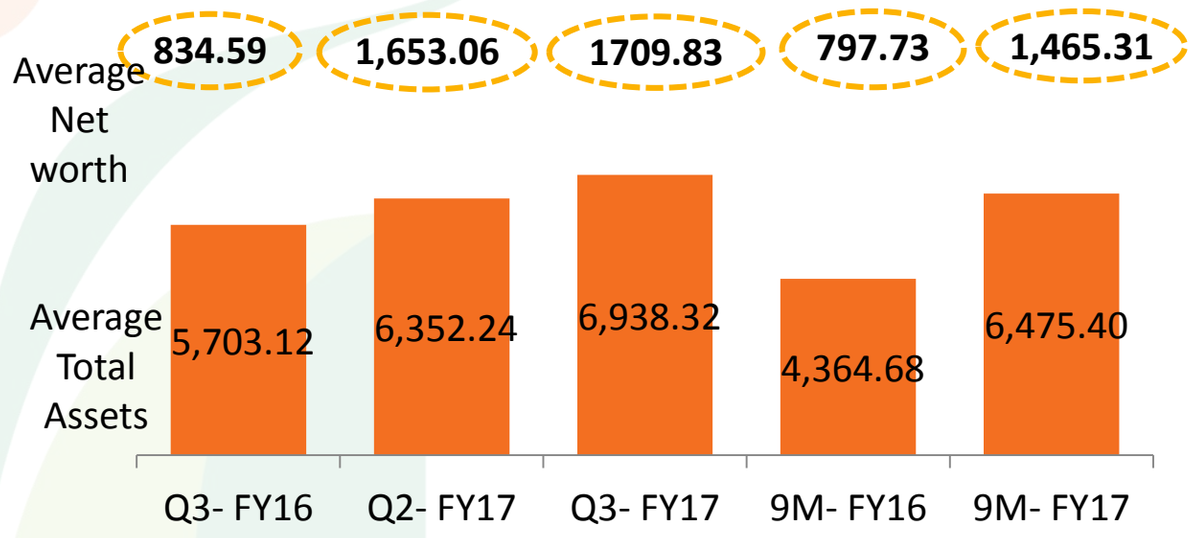
Ujjivan
Build a Better Life

Financial Overview

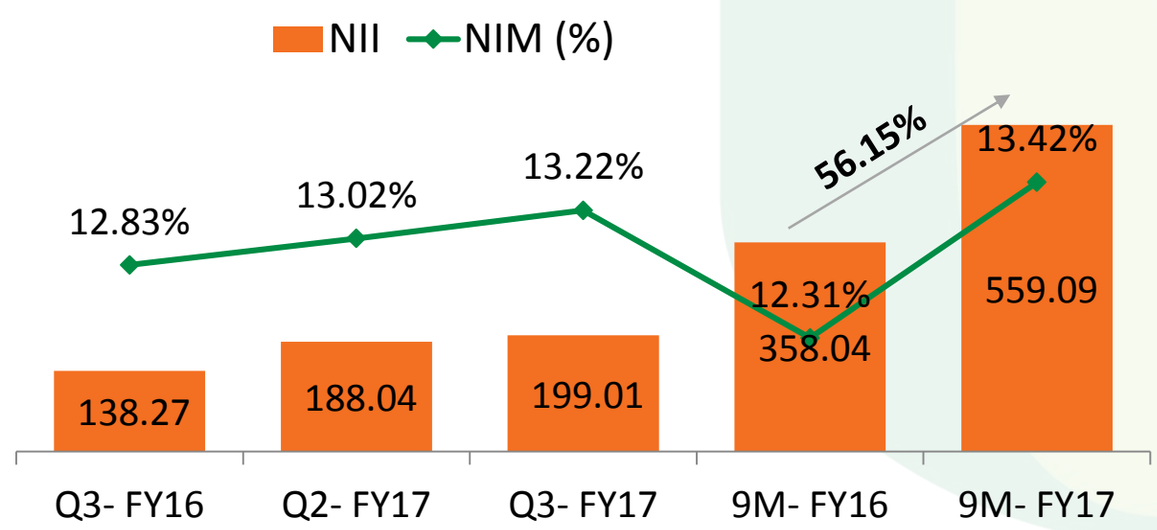
Total Income & Net Profit (₹ in Crore)



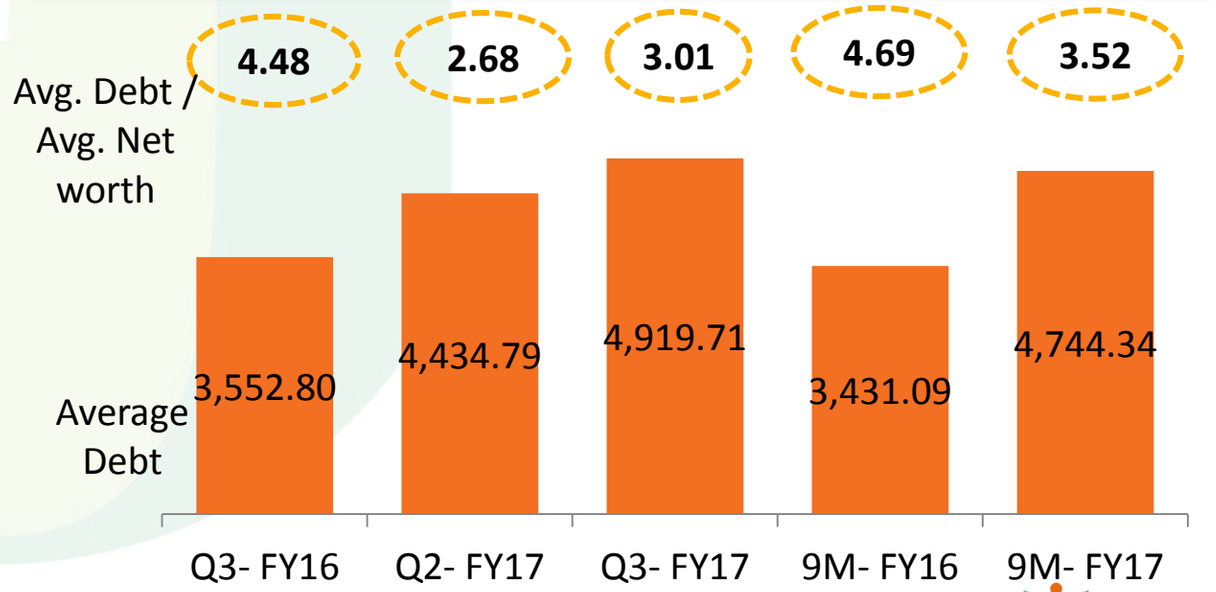
Average Total Assets and Net worth (₹ in crore)



NII & NIM



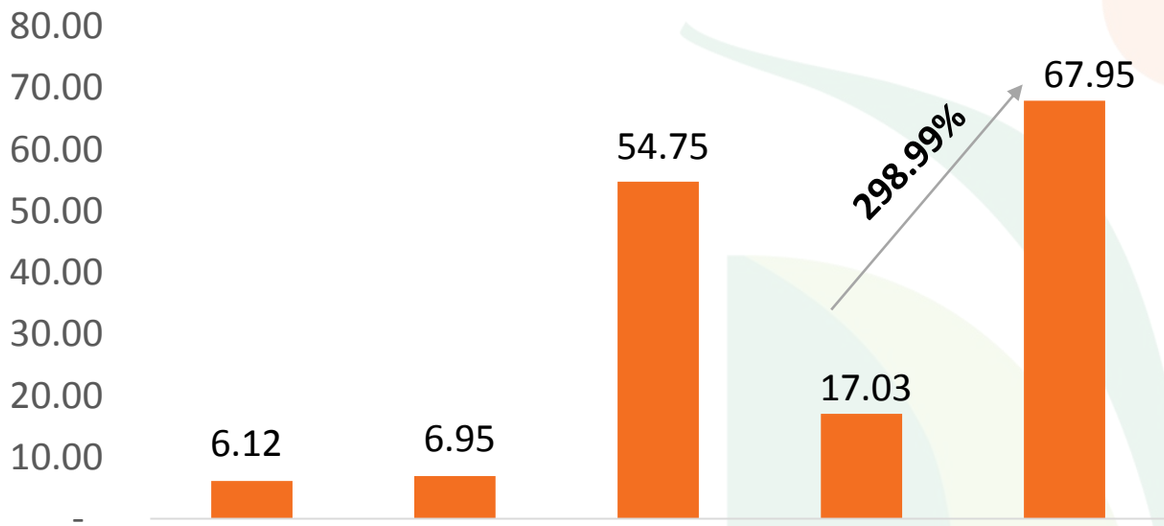
Average Debt (₹ in crore)



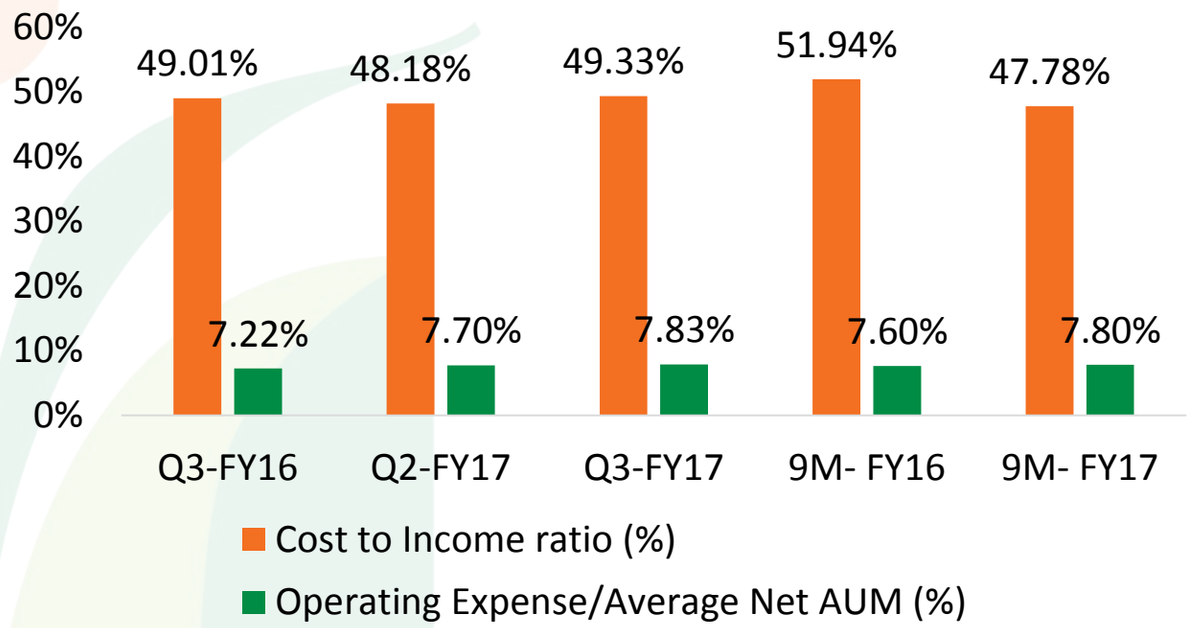
Ujjivan
Build a Better Life

Financial Overview (Contd.)

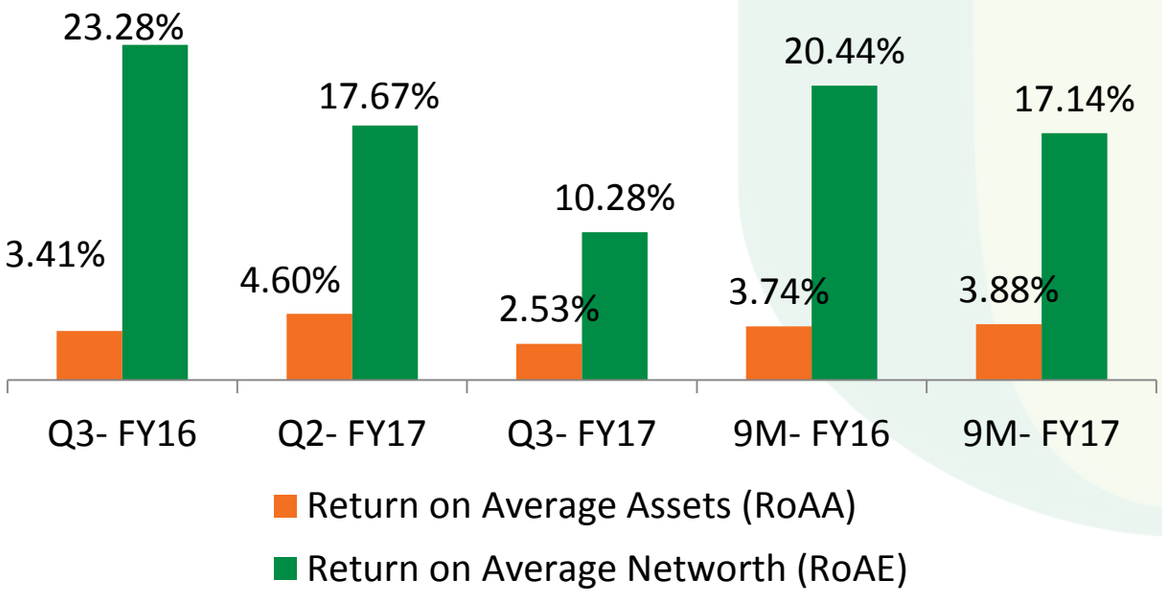
Credit Cost (₹ in crore)



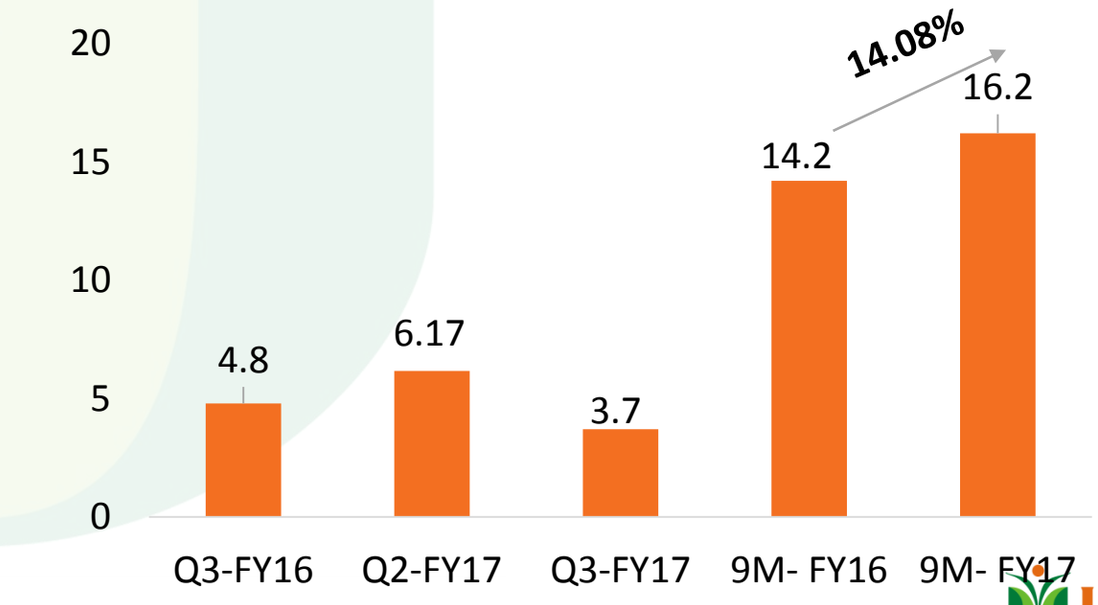
Operating Efficiency



RoAA & RoAE



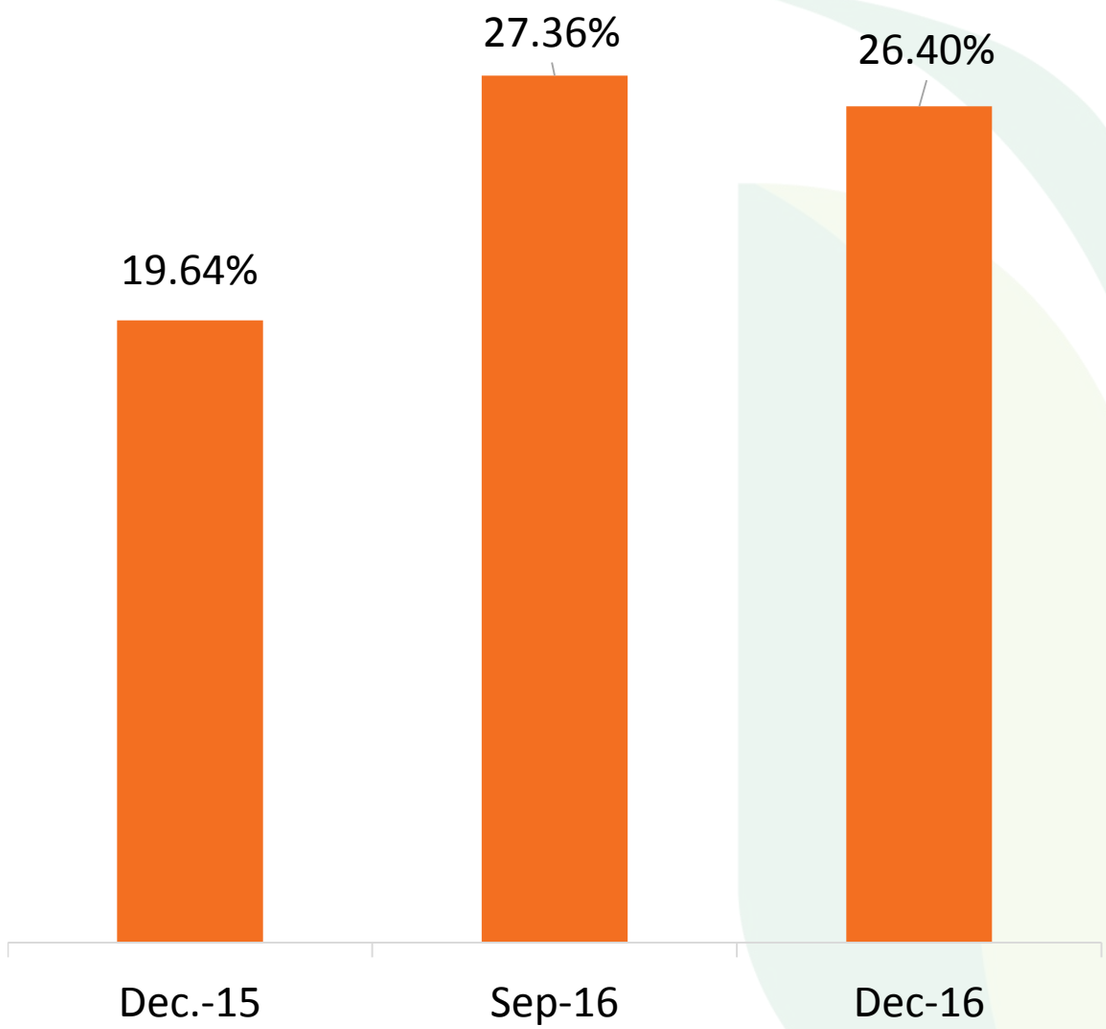
Earning Per Share



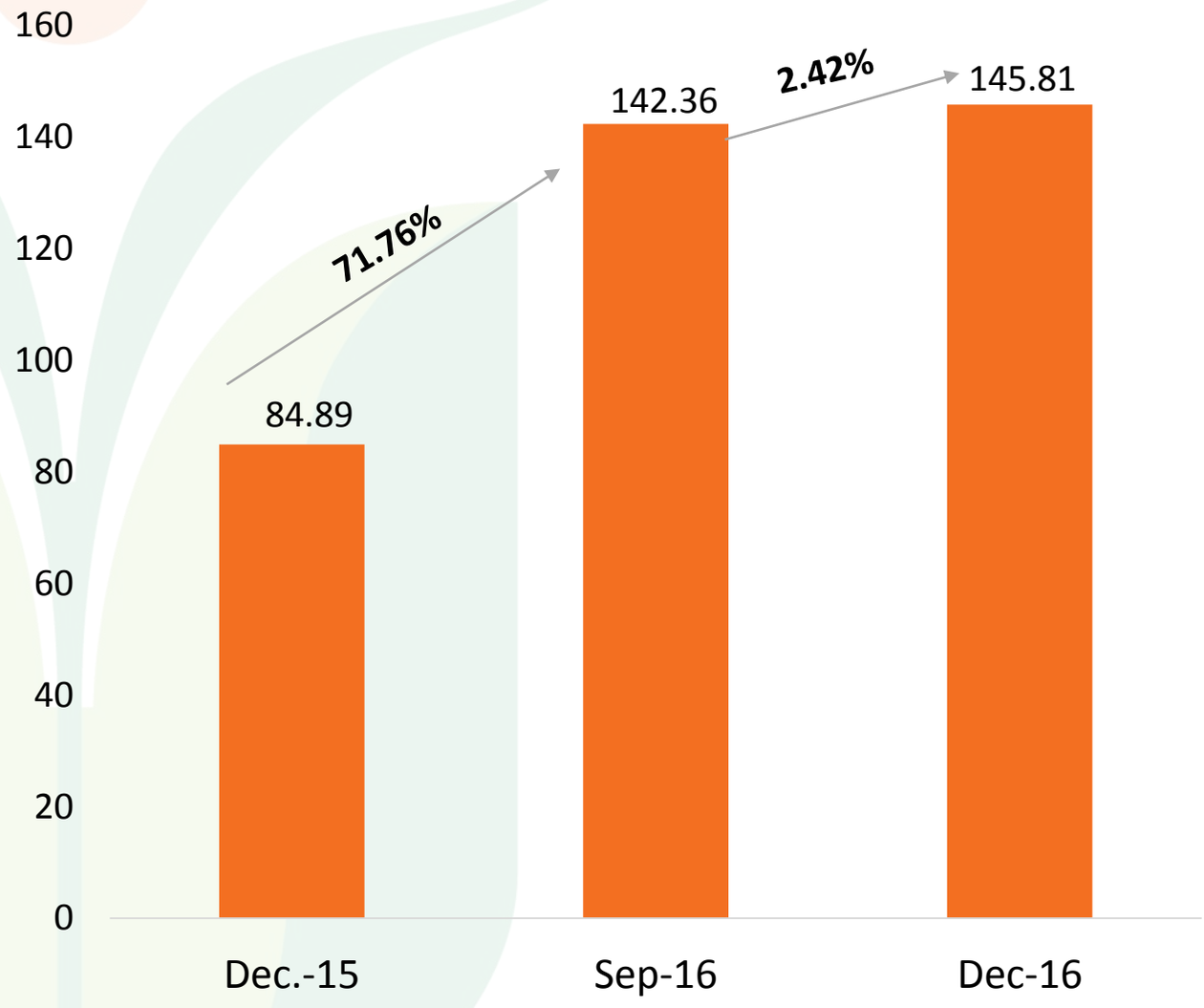
Ujjivan
Build a Better Life

Financial Overview (Contd.)

Capital Adequacy Ratio (%)



Book Value Per Share (in ₹)



Financials – Profit & Loss Statement

₹ in Crore

Particulars	Q3-FY17	Q3-FY16	YoY Growth (%)	Q2-FY17	QoQ Growth (%)	9M-FY17	9M-FY16	YoY Growth (%)
Revenue from operations	362.18	265.08	36.63%	350.98	3.19%	1,034.84	713.20	45.10%
Other income	9.14	2.29	299.27%	6.01	51.99%	22.79	16.44	38.63%
Total Income	**371.32**	**267.37**	**38.88%**	**356.99**	**4.01%**	**1,057.63**	**729.64**	**44.95%**
Finance costs	133.19	109.31	21.84%	127.43	4.52%	381.03	305.55	24.70%
Employee expenses	70.72	49.50	42.86%	64.48	9.67%	195.07	142.86	36.55%
Other expenses	43.51	25.53	70.41%	42.97	1.25%	118.95	70.58	68.54%
Depreciation	2.76	2.09	31.75%	2.52	9.13%	7.50	5.94	26.32%
Provisions and write offs	54.75	6.12	794.19%	6.95	687.68%	67.95	17.03	298.99%
Total Expenses	**304.92**	**192.56**	**58.35%**	**244.36**	**24.78%**	**770.49**	**541.96**	**42.17%**
Profit before tax	**66.40**	**74.81**	**-11.24%**	**112.63**	**-41.05%**	**287.13**	**187.68**	**52.99%**
Total tax expense	22.45	26.23	-14.40%	39.62	-43.32%	98.81	65.38	51.14%
Profit after tax	**43.94**	**48.58**	**-9.54%**	**73.01**	**-39.82%**	**188.32**	**122.31**	**53.97%**

Ujjivan
Build a Better Life

Financials – Balance Sheet

₹ in Crore

Particulars	As on Dec'16	As on Sept'16	QoQ Growth (%)	As on Dec'15	YoY Growth (%)
Share capital	118.84	118.49	0.30%	86.13	37.98%
Reserves and surplus	1,614.02	1,568.30	2.92%	772.87	108.83%
Borrowings	5,150.69	4,688.72	9.85%	3,740.40	37.70%
Provisions	168.52	114.1	47.69%	64.78	160.14%
Other Liabilities	171.42	163.54	4.82%	88.92	92.78%
Total	**7,223.49**	**6,653.15**	**8.57%**	**4,753.10**	**51.97%**
Cash and cash equivalent	830.21	377.49	119.93%	55.90	1385.22%
Advances	6,102.11	6,000.20	1.70%	4,540.13	34.40%
Investments	0.10	0.1	1.00%	0.10	1.00%
Fixed & tangible assets	107.25	85.6	25.29%	22.05	386.34%
Other assets	183.82	189.76	-3.13%	134.91	36.25%
Total	**7,223.49**	**6,653.15**	**8.57%**	**4,753.10**	**51.97%**

Ujjivan
Build a Better Life

Borrowing Profile & Credit Rating

Ujjivan
Build a Better Life

Borrowing Mix

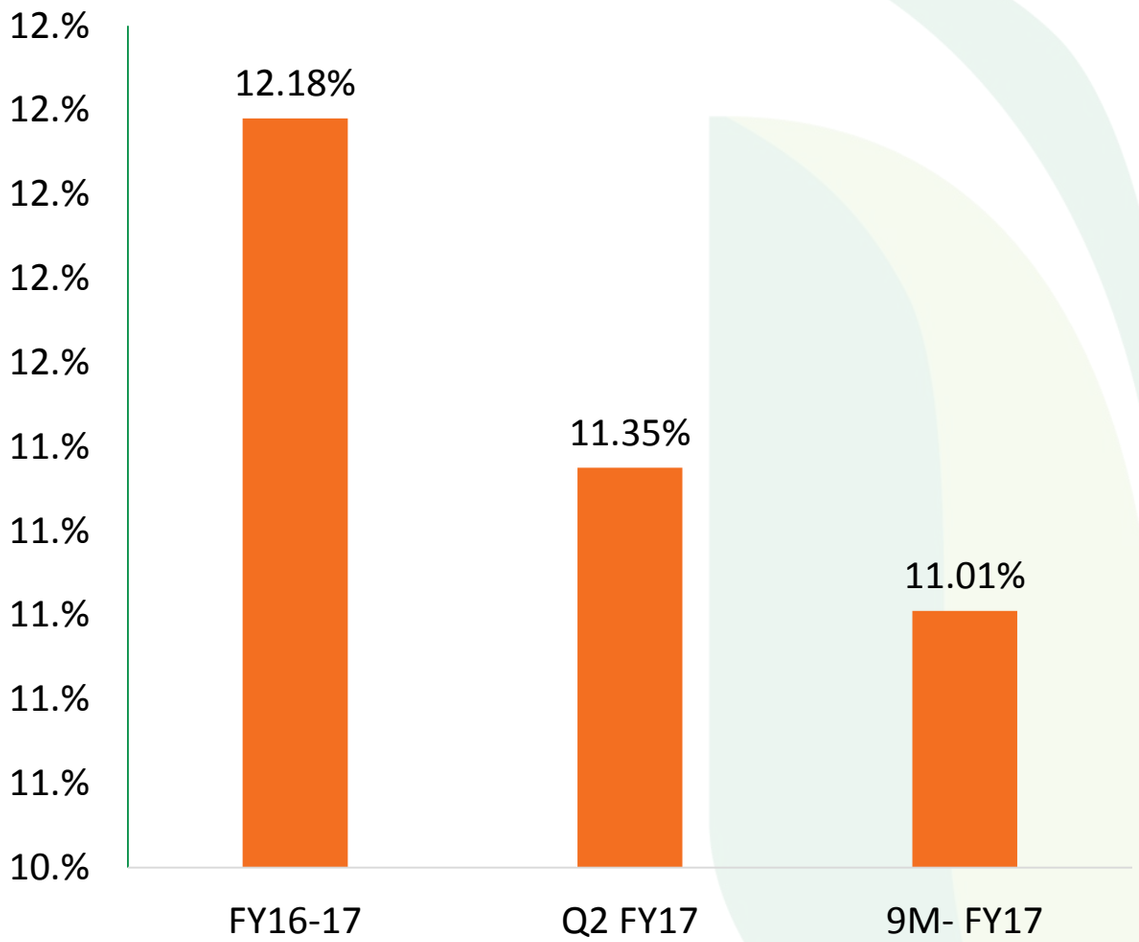
Borrowing Profile (Outstanding ₹ in crore)					
Sr. No	Term Loans	As on Dec-16	% Mix	As on March-16	% Mix
1	Term Loans, Cash Credit & Overdraft	3,687.28	64%	3,516.50	75%
2	Refinance Facility	519.67	9%	244.00	5%
3	Securitization (*Off Balance Sheet*)	541.54	9%	324.21	7%
4	Non Convertible Debentures	843.75	15%	527.50	11%
5	Sub Debt	50.00	1%	50.00	1%
6	Commercial Paper	100.00	2%		
	Total Outstanding Amount	**5,742.23**	**100%**	**4,662.21**	**100%**

Debt Raised (₹ in crore)					
Sr. No	Term Loans	As on Dec-16	% Mix	As on March-16	% Mix
1	Term Loans & Refinance	2574.25	62.43%	2,993.00	79.55%
2	Securitization (*Off Balance Sheet*)	684.31	16.60%	369.56	9.82%
3	Commercial Paper	465.00	11.28%	100.00	2.66%
4	NCD	400.00	9.70%	300.00	7.97%
	Total Outstanding Amount	**4,123.56**	**100%**	**3,762.56**	**100%**

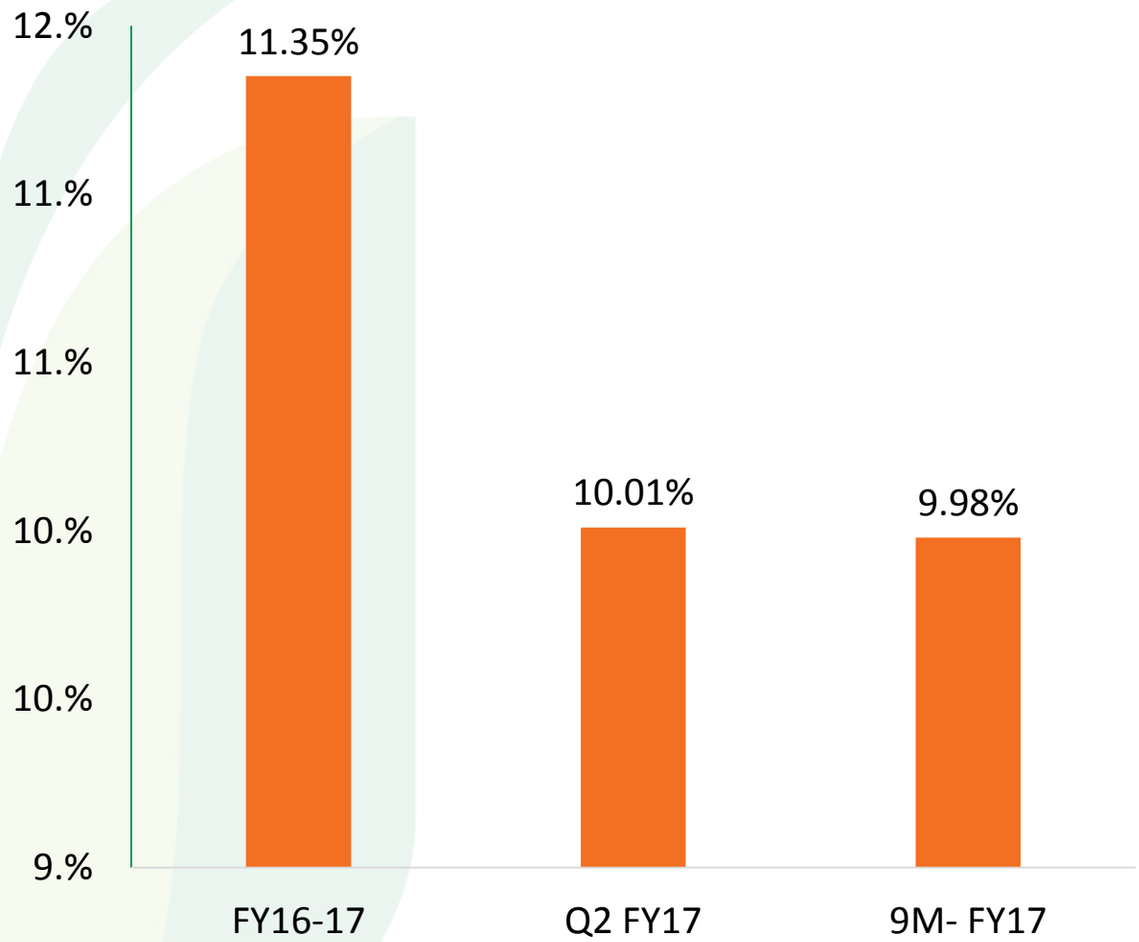
Ujjivan
Build a Better Life

Cost of Debt & Credit Ratings

Weighted Average Cost of Debt



Marginal Cost of Debt



Thank you!

Ujjivan
Build a Better Life