

USFB/CS/SE/2020-21/73

Date: February 03, 2021

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, Fort,  
Mumbai – 400 001

**Symbol: UJJIVANSFB**

**Scrip Code: 542904**

Dear Sir/Madam,

**Sub: Outcome of the meeting of Board of Directors-Approval of Unaudited Financial Results for the quarter and nine months ended December 31, 2020**

Further to our letter bearing reference number USFB/CS/SE/2020-21/70 dated January 27, 2021 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 Wednesday, February 03, 2021, has considered and approved, *inter alia*, Unaudited Financial Results of the Bank for the quarter and nine months ended December 31, 2020 and took note of the Limited Review Report thereon issued by the statutory auditors of the Bank, M/s MSKA & Associates, Chartered Accountants.

A copy of aforesaid Unaudited Financial Results and Limited Review Report thereon issued by the statutory auditors of the Bank, a copy of press release and the investor presentation on financial and business performance of the Bank for quarter and nine months ended December 31, 2020 are enclosed herewith.

The meeting of the Board of Directors commenced at 01:30 P.M. and concluded at 05:00 P.M.

This intimation shall also be available on the Bank's website at [www.ujjivansfb.in](http://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**

**Ranked 3<sup>rd</sup>**  
in India's Best Companies to Work For 2020

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

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

1. We have reviewed the accompanying statement of unaudited financial results of Ujjivan Small Finance Bank Limited ('the Bank') for the quarter ended December 31, 2020 and year to-date results for the period April 01, 2020 to December 31, 2020 ('the Statement') being submitted by the Bank pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation').
2. This statement, which is the responsibility of the Bank's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' ('AS 25') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directors issued by the Reserve Bank of India ('the RBI') from time to time ('RBI Guidelines') and other recognized accounting principles generally accepted in India. Our responsibility is to issue a report on the Statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters.

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

Our conclusion 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: 21117812AAAAABR8498

Mumbai  
February 03, 2021

**UJJIVAN SMALL FINANCE BANK LIMITED**

CIN: L65110KA2016PLC142162

Registered Office: Grape Garden, No. 27, 3rd "A" Cross, 18th Main, 6th Block, Koramangala, Bengaluru - 560095, Karnataka

Corporate Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560095, Karnataka

Website: www.ujjivansfb.in Phone: +91 80 4071 2121

**Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2020**

**(Rs. in Lacs)**

S.No.	Particulars	Quarter ended			Nine Months ended		Year Ended
		December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
		(Unaudited)	(Audited) (Refer Note 4)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Interest Earned (a)+(b)+(c)+(d)</b>	<b>68,832</b>	<b>75,361</b>	<b>70,642</b>	<b>218,821</b>	<b>196,612</b>	<b>270,360</b>
	a) Interest/ discount on advances/ bills	63,775	70,057	66,647	203,595	185,350	255,171
	b) Income on Investments	4,530	4,396	3,602	13,080	10,250	13,870
	c) Interest on balances with Reserve Bank of India and other interbank funds	527	908	292	2,146	466	773
	d) Others	-	-	101	-	546	546
2	Other Income (Refer note 7)	10,043	6,440	7,489	19,353	25,005	32,221
<b>3</b>	<b>Total Income (1)+(2)</b>	<b>78,875</b>	<b>81,801</b>	<b>78,131</b>	<b>238,174</b>	<b>221,617</b>	<b>302,581</b>
4	Interest Expended	25,604	28,347	27,989	82,778	79,916	107,001
5	Operating Expenses (i)+(ii)	32,893	30,237	35,741	90,332	97,037	131,857
	(i) Employees Cost	20,394	18,980	19,641	57,950	53,359	71,849
	(ii) Other Operating Expenses	12,499	11,257	16,100	32,382	43,678	60,008
<b>6</b>	<b>Total Expenditure (4)+(5)</b>	<b>58,497</b>	<b>58,584</b>	<b>63,730</b>	<b>173,110</b>	<b>176,953</b>	<b>238,858</b>
	[excluding provisions & contingencies]						
<b>7</b>	<b>Operating Profit before Provisions &amp; Contingencies (3)-(6)</b>	<b>20,378</b>	<b>23,217</b>	<b>14,401</b>	<b>65,064</b>	<b>44,664</b>	<b>63,723</b>
8	Provisions (other than tax) and Contingencies	58,345	10,052	3,053	82,431	7,411	17,099
9	Exceptional Items	-	-	-	-	-	-
<b>10</b>	<b>Profit/Loss from Ordinary Activities before tax (7)-(8)-(9)</b>	<b>(37,967)</b>	<b>13,165</b>	<b>11,348</b>	<b>(17,367)</b>	<b>37,253</b>	<b>46,624</b>
11	Tax Expense	(10,084)	3,565	2,382	(4,549)	9,576	11,632
<b>12</b>	<b>Net Profit/Loss from Ordinary Activities after tax (10)-(11)</b>	<b>(27,883)</b>	<b>9,600</b>	<b>8,966</b>	<b>(12,818)</b>	<b>27,677</b>	<b>34,992</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>14</b>	<b>Net Profit/Loss for the year (12)-(13)</b>	<b>(27,883)</b>	<b>9,600</b>	<b>8,966</b>	<b>(12,818)</b>	<b>27,677</b>	<b>34,992</b>
15	Paid up equity share Capital (Face Value of Rs 10/- each)	172,825	172,822	172,822	172,825	172,822	172,822
16	Reserves excluding revaluation reserves						123,808
<b>17</b>	<b>Analytical Ratios</b>						
	(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) Capital Adequacy Ratio - BASEL II (Refer note 8)	26.93%	30.99%	28.38%	26.93%	28.38%	28.82%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*						
	Basic EPS (Rs)	(1.61)	0.56	0.58	(0.74)	1.79	2.19
	Diluted EPS (Rs)	(1.61)	0.56	0.58	(0.74)	1.78	2.18
	(iv) NPA Ratios						
	(a) Gross NPAs	13,058	13,609	12,945	13,058	12,945	13,714
	(b) Net NPAs	640	1,908	5,149	640	5,149	2,749
	(c) % of Gross NPAs to Gross Advances	0.96%	0.98%	0.95%	0.96%	0.95%	0.97%
	(d) % of Net NPAs to Net Advances	0.05%	0.14%	0.38%	0.05%	0.38%	0.20%
	(v) Return on assets (average)*	(1.51)%	0.50%	0.54%	(0.68)%	1.82%	2.21%

\* Figures for the quarters and nine months are not annualised



**UJIVAN SMALL FINANCE BANK LIMITED**  
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Corporate Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560095, Karnataka  
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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			Nine Months ended		Year ended March 31, 2020 (Audited)
		December 31, 2020 (Unaudited)	September 30, 2020 (Audited) (Refer Note 4)	December 31, 2019 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)	
<b>1</b>	<b>Segment Revenue</b>						
(a)	Treasury	9,805	7,887	4,004	23,672	15,817	19,781
(b)	Retail Banking	67,712	72,476	72,478	210,184	201,846	277,268
(c)	Wholesale Banking	1,358	1,438	1,649	4,318	3,954	5,532
(d)	Unallocated	-	-	-	-	-	-
	Less: Inter-segment revenue						
	<b>Income from operations</b>	<b>78,875</b>	<b>81,801</b>	<b>78,131</b>	<b>238,174</b>	<b>221,617</b>	<b>302,581</b>
<b>2</b>	<b>Segment Results</b>						
(a)	Treasury	4,157	2,330	36	7,459	4,513	4,241
(b)	Retail Banking	(41,153)	12,000	11,744	(21,361)	37,333	48,845
(c)	Wholesale Banking	864	666	(25)	1,973	276	153
(d)	Unallocated	(1,835)	(1,831)	(407)	(5,438)	(4,869)	(6,615)
	<b>Total Profit Before Tax</b>	<b>(37,967)</b>	<b>13,165</b>	<b>11,348</b>	<b>(17,367)</b>	<b>37,253</b>	<b>46,624</b>
<b>3</b>	<b>Segment Assets</b>						
(a)	Treasury	496,623	424,180	301,709	496,623	301,709	355,489
(b)	Retail Banking	1,370,573	1,400,190	1,373,624	1,370,573	1,373,624	1,426,434
(c)	Wholesale Banking	50,795	50,591	54,628	50,795	54,628	54,916
(d)	Unallocated	23,582	4,498	6,080	23,582	6,080	4,284
	<b>Total Assets</b>	<b>1,941,573</b>	<b>1,879,459</b>	<b>1,736,041</b>	<b>1,941,573</b>	<b>1,736,041</b>	<b>1,841,123</b>
<b>4</b>	<b>Segment Liabilities</b>						
(a)	Treasury	496,623	424,180	301,709	496,623	301,709	355,489
(b)	Retail Banking	1,099,870	1,085,019	1,084,377	1,099,870	1,084,377	1,127,771
(c)	Wholesale Banking	37,116	34,911	39,126	37,116	39,126	39,091
(d)	Unallocated	-	-	-	-	-	-
	<b>Total Liabilities</b>	<b>1,633,609</b>	<b>1,544,110</b>	<b>1,425,212</b>	<b>1,633,609</b>	<b>1,425,212</b>	<b>1,522,351</b>
<b>5</b>	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>						
(a)	Treasury	-	-	-	-	-	-
(b)	Retail Banking	270,703	315,171	289,247	270,703	289,247	298,663
(c)	Wholesale Banking	13,679	15,680	15,502	13,679	15,502	15,825
(d)	Unallocated	23,582	4,498	6,080	23,582	6,080	4,284
	<b>Total</b>	<b>307,964</b>	<b>335,349</b>	<b>310,829</b>	<b>307,964</b>	<b>310,829</b>	<b>318,772</b>

**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.



**Note:**

- 1) The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 03, 2021. The financial results for the quarter and nine months ended December 31, 2020 have been subjected to a limited review by the statutory auditors of the Bank. The report thereon is unmodified.
- 2) The above financial results have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, and the guidelines issued by the Reserve Bank of India (RBI).
- 3) The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2020.
- 4) The figures for the second quarter of the financial year 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 financial year.
- 5) The Regional Director (New Delhi), Ministry of Corporate Affairs vide its order dated November 19, 2020, has approved, the alteration in Clause II of provision of the Memorandum of Association of the Bank on account of shifting of the Registered Office from New Delhi, National Capital Territory of Delhi, to Bengaluru, Karnataka, as resolved by the Shareholders in the Annual General Meeting of the Bank held on September 02, 2020.
- 6) 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. Additionally, 3,04,549 options were granted to Senior Management under the Employee Stock Option Plan (ESOP) 2019 during the quarter ended December 31, 2020. As at December 31, 2020, 46,03,655 options have been lapsed, 85,04,673 options vested and are yet to be exercised and balance 2,79,95,321 options remains unvested.
- 7) 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.
- 8) 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.

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

- 9) 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 were in respect of accounts in default but standard against the potential impact of COVID-19. The Bank made additional provision of Rs. 22,900 lacs during the half year ended September 30, 2020. The Bank has further made provision for the quarter of Rs. 54,700 lacs 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.

Out of the above total provision created, Rs.6,933 lacs have been appropriated towards the Restructuring Provision under the 'Resolution Framework for COVID-19-Related Stress. Accordingly, as at December 31, 2020, the Bank held aggregate COVID - 19 related provision of Rs 75,253 lacs.

- 10) 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 December 31, 2020 would have been 4.83% and 2.05% respectively. As a matter of prudence, the Bank has made contingency provisions of Rs. 26,310 lacs as at December 31, 2020 on such advances in accordance with the extant policies as applicable to NPAs. In addition, the Bank has also made provision of Rs. 2,493 lacs on interest accrued on such advances at December 31, 2020 which is included in 'Other Provisions and Contingencies'.
- 11) As per directives of Reserve Bank of India (RBI) in their Circular for "Resolution Framework for COVID-19 Related Stress (Ref. no RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020)" and "Micro MSME Sector - Restructuring of Advances (Ref. no RBI/2020 21/17 DOR.No.BP.BC/4/21.04.048/2020-21, dated August 6, 2020)", the bank adhered with the aforementioned framework and created provision under the Resolution Framework for COVID-19 Related Stress of Rs 6,933 lacs.
- 12) The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 relief scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme") as per the eligibility criteria and other aspects specified therein. During the quarter, the Bank has implemented the Scheme and credited the accounts or remitted amounts to the eligible borrowers as per the Scheme.
- 13) 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 Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Bank will complete their evaluation and will give appropriate impact in the financial statements in the year in which, the Code becomes effective.
- 14) Figures for the previous periods have been regrouped and reclassified wherever necessary to conform to the current period presentation.

Bengaluru  
February 03, 2021

By order of the Board  
For Ujjivan Small Finance Bank Limited

  
Nitin Chugh  
DIN: 01884659  
Managing Director & CEO



Press Release

## **Retail Businesses gaining momentum | Disbursements back to pre- COVID levels | Fast Tracked credit provisioning for future sustainable growth**

### **Robust Pre-Provisioning Operating Profit of 4.3% | 8% Book Coverage over Gross Advances**

**Bengaluru, February 03, 2021: Ujjivan Small Finance Bank Ltd.** [BSE: 542904; NSE: UJJIVANSFB], today announced its financial performance for the nine month and quarter ended December 31, 2020

#### **Summary of Ujjivan Small Finance Bank Business Performance – Q3 FY 2020-21**

- ❖ Gross advances at ₹13,638 crore
- ❖ Disbursement for Q3FY21 stood at ₹2,184 crore vs ₹3,403 crore at Q3FY20; Dec'20 disbursements up by 8% Y-o-Y (**₹1,118 in Dec '20 vs. ₹ 1,038 in Dec '19**)
- ❖ Retail other than Microbanking portfolio contribute 27% of total portfolio as against 22% in Dec'19
- ❖ Secured Advances stand at 25% of the total portfolio as on Dec'20 as against 21% in Dec'19
- ❖ Strong Treasury Income of ₹93 Cr in Q3FY21 against ₹39 Cr in Q3FY20
- ❖ Early recognition of expected credit costs of ₹547 Cr, to protect future ROI in the coming quarters
- ❖ **GNPA at 1% and NNPA at 0.05%** in Dec'20, as against **0.9%** and **0.4%**, respectively as of Dec'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 **4.8% & 2.05%** respectively.
- ❖ Deposits at **₹11,617 Cr.** as of Dec'20 up by 9% Y-O-Y as against Dec'19; covering 85% of total advances
- ❖ Retail deposits at **48%** of the total deposits vs. 43% of Dec'19 | CASA ratio at **18% in Dec'20 vs. 12% in Dec'19**
- ❖ Strong new retail customer acquisition; 1.7 Lakh customers acquired during the quarter
- ❖ Net Interest Income of **₹432 crore in Q3FY21**; Net Interest Margin at **9.7% in Q3FY21**, against 10.9% in Q3FY20
- ❖ Cost to Income ratio at **62% in Q3FY21 vs. 71% in Q3FY20**
- ❖ Loss of ₹279 crore in Q3FY21, on account of accelerated credit provisioning
- ❖ ROA/ ROE at (5.8%) / (34.7%) % in Q3FY21 vs. 2.1% / 14.0% in Q3FY20
- ❖ Capital adequacy ratio at 27% with Tier-1 capital at 26% | Liquidity coverage ratio at 179% as of Dec'20
- ❖ Gold Loan pilot in progress | Tie ups with leading Fin-Techs to supplement business growth.
- ❖ Disbursed 1,650 cases worth ₹ 55 Crore under MSE Navnirman Loan (NNL) backed by ECLGS scheme
- ❖ 165+ outlets Money Mitra agents (Ujjivan Transaction point) across 16 states facilitating basic banking services

**Mr. Nitin Chugh, MD & CEO, Ujjivan Small Finance Bank** said, "Business is moving towards normalcy with disbursements showing Y-o-Y growth; we believe the trend would continue into Q4 and the coming fiscal. Collections in non-delinquent accounts are also moving close to pre-COVID levels; as of Jan'21 around 95% of customers are paying EMIs (as against 91% as of Oct'20) which is a healthy sign. We have restructured ₹852 crore (8.5% of the book as of Dec'20) of portfolio in MicroBanking basis extensive discussion with borrowers, analysis of repayment behaviour and current cash-flows. We are seeing its positive impact on collection in Jan'21 and expect the trend to improve going forward. We are monitoring the situation in stressed pockets and have taken accelerated provision of ₹547 Cr. this quarter; total provision in books stands at ₹1029 crore (covering 8% of gross advances). In line with our liability strategy of building strong granular and stable deposit base, retail deposits are up 20% Y-o-Y; CASA stands at 18% vs 12% (Dec'19); cost of funds further reduced to 7.1% from 8.1% in Dec'19/ 7.4% in Sep'20. Customer acquisition (acquired 7.3 lakh deposit accounts in 9MFY21) and value added products remain our key focus. We have setup a solid base - on both asset and liability side - and are well prepared to scale up and grow further from here on. Additionally we have strengthened our processes, technology platforms and focused on improving productivity

across business verticals – now significantly above pre-COVID levels which is evident from higher business volumes despite lower head-count. We continue to expand our reach through strategic tie-ups (fintechs, payment banks etc.) which supplements sourcing and help provide better service to our customers. Our commitment and conviction towards becoming a new age digital mass market bank remains strong as we continue to serve the unserved and underserved segment.”

**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 56.6 lakh customers through 575 branches with 16,733 employees spread across 244 districts and 24 States and Union Territories across India. Gross Loan Book stands at ₹13,638 crores with a deposit base of ₹11,617 crores as of December 31, 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 Nivar and Burevi cyclone in Tamil Nadu. 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 e-Vidyaloka, a non-profit organisation to support their Vidyaganga project targeted to educate underprivileged students using digital technology.

Web: [www.ujjivansfb.in](http://www.ujjivansfb.in) Twitter: [@UjjivanSFB](https://twitter.com/UjjivanSFB)

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*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.*

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## Q3 FY21 PRESENTATION

FEBRUARY 2021



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



**Jury Recognition Award for  
Excellence in  
Cognitive Automation at  
UiPath Automation  
Excellence Awards 2020**



**Inclusive Finance India  
Award 2020: SFB for  
achieving financial  
inclusion among SFBs**



**Ranked 3<sup>rd</sup> 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



Building a Mass Market Bank



## Q3-FY21 – Key Highlights



Disbursements back on track – ₹ 2,184 Cr, up by 49% Q-o-Q | Dec'20 disbursement up by 8% Y-o-Y



Collections: 95% of customers have started paying post end of moratorium



Improved customer acquisition for the quarter with 1.7 Lakh new customers | Retail deposits up by 20% Y-o-Y | CASA up by 66% Y-o-Y | Total deposit at ₹ 11,617 Cr. up by 9% Y-o-Y



NII at ₹ 432 Cr | NIM at 9.7%



Pre-Provision Operating Profit at ₹ 204 Cr up by 42% Y-o-Y | PPOP ROA at 4.3%



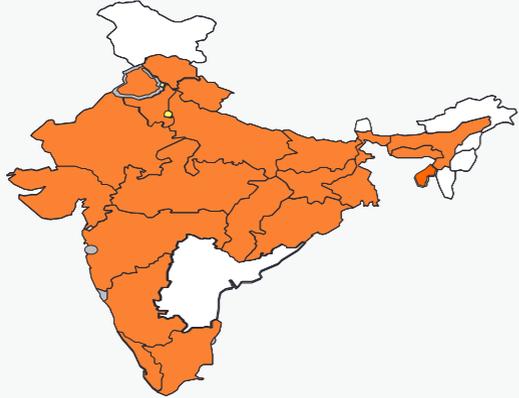
27% Capital adequacy with Tier-1 capital at 26% as on 31<sup>st</sup> December'20 | Liquidity Coverage of 179%

# Performance Highlights

# Key Highlights as on Dec'20

**24 States/ UTs, 244 Districts**

vs 244 districts in Dec'19



**575 branches<sup>1</sup>, 486 ATMs<sup>2</sup>**

vs 574 branches<sup>3</sup>; 471 ATMs in Dec'19



**Expanding Customer base**

**56.6 lakh customers**  
vs. 52.5 lakh in Dec'19



**40.2 lakh borrowers**  
vs. 43.6 lakh in Dec'19

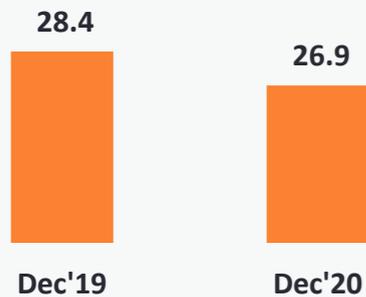
**16,733 Employees**

vs 17,783 in Dec'19



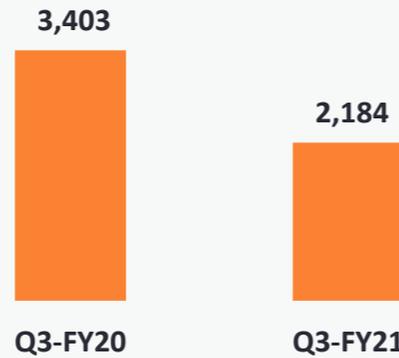
**CRAR**

%



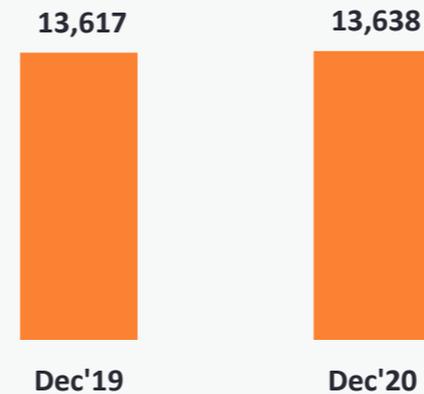
**Disbursements**

₹ Crore



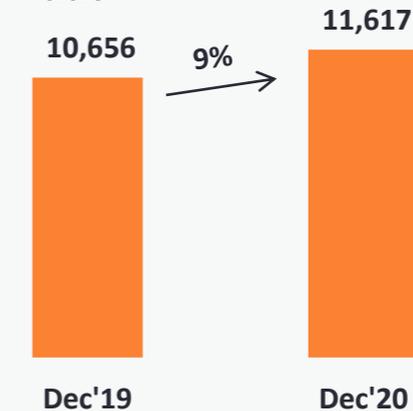
**Gross Advances**

₹ Crore



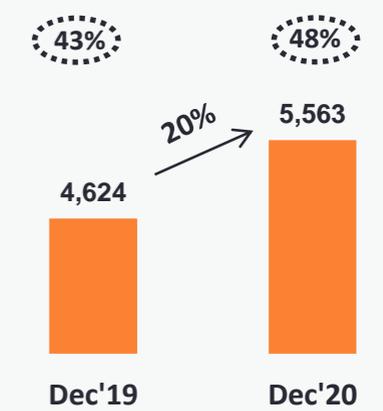
**Total Deposits**

₹ Crore



**Retail Deposits<sup>4</sup>**

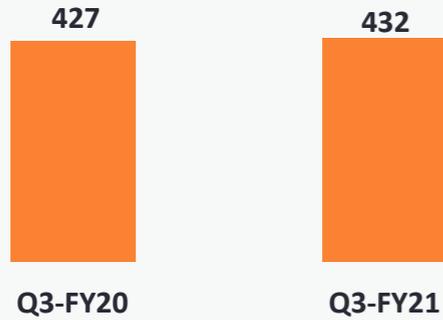
₹ Crore



# Q3-FY21 – Key Highlights

## Net Interest Income

₹ Crore

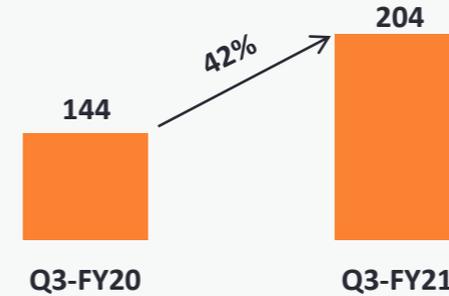


## Net Interest Margin

**9.7%**  
Vs.  
**10.9%**  
Q3-FY20

## Pre-provision Operating Profit (PPOP)

₹ Crore



## GNPA

**1% {4.8%}**  
Vs.  
**1%**  
Dec'19 \*

## PAT

₹ Crore

**(279)**  
Vs.  
**90**  
Q3-FY20

## ROA

**(5.8%)**  
Vs.  
**2.1%**  
Q3-FY20

## ROE

**(34.7%)**  
Vs.  
**14.0%**  
Q3-FY20

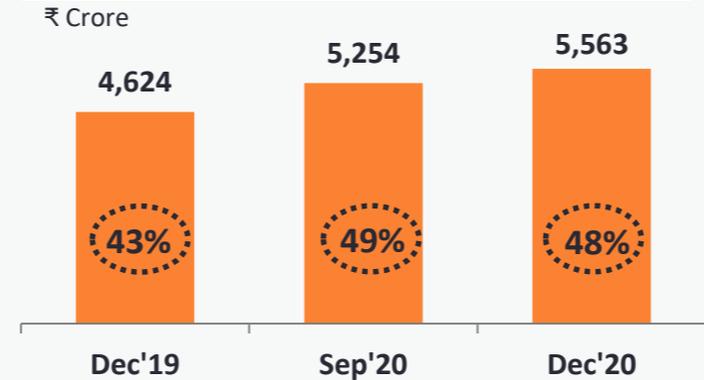
## NNPA

**0.05% {2.05%}**  
Vs.  
**0.4%**  
Dec'19 \*

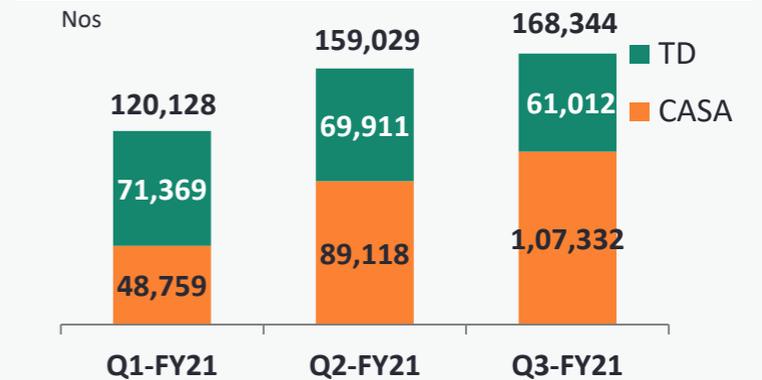
# Liabilities – Good traction in CASA, customer acquisition

- **Total deposits grew 9% Y-o-Y** to ₹ 11,617 Cr; CASA grew **66%** Y-o-Y
- We continue to **focus on building granular and stable deposit base**
- **Retail deposits grew 20% Y-o-Y**; contribution improved to 48% of total deposits in Dec'20 vs 43% in Dec'19
- **Strong customer acquisition** – 7.32 lakh new deposit accounts opened during 9M-FY21; focus on improving sales productivity – lead generation and conversion
- **Focus on changing product mix** – Business Edge, Privilege SA, Privilege Senior Citizen, Salary etc
- **Cost of deposits continues to trend lower** – 7.0% vs 7.3% in Sep'20 / 7.65% in Mar'20 led by significant growth in CASA and reduction in FD rates (in H1-FY21)

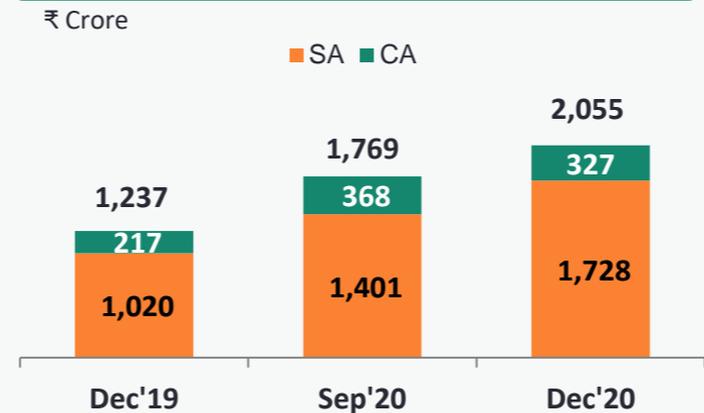
## Retail Deposits share increasing rapidly



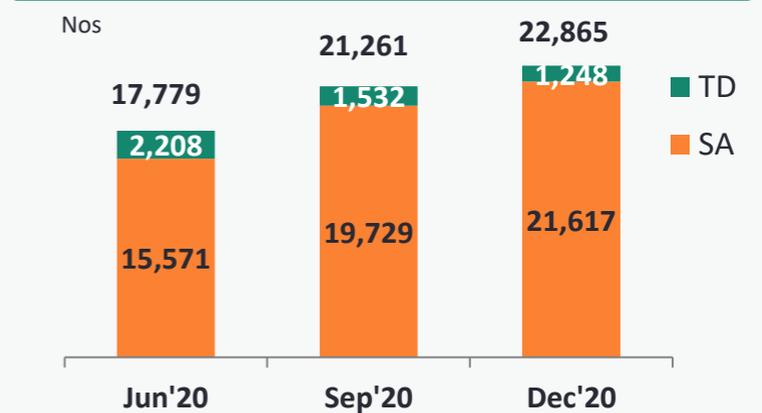
## Customer acquisition ramping-up at branches



## CASA: 16% Q-o-Q growth



## Digitally opened accounts



## Asset businesses ready for growth (1/3)

- **Collections** have improved sequentially
  - 94% in Dec'20 as against 83% in Dec'20
  - 99.5+% collection for loans disbursed in 9M-FY21
- **Disbursement**
  - Disbursements improving with pick up in economic activities
  - Dec'20 disbursement were above pre-COVID levels; ₹ 892 Cr vs ₹ 878 Cr in Dec'19
  - Gradually opening up new customer acquisition; 10% of loans in Q3 to new customers
- **Expanding reach**
  - Money Mitra (Ujjivan Transaction point) –165+ outlets across 16 states facilitating customers for basic banking services
  - 7000+ transaction points added with Airtel Payments Bank tie-up; to further increase with PayNearby tie-up
- **New products**
  - **Gold Loan product** – Pilot running well in 5 branches. 36 loans worth ₹ 18 Lac disbursed since pilot in Oct'20
  - Pre-approved loans for MicroBanking customers showing good traction ~ ₹ 180 Crore booked in Jan'21
- **Digital collections**
  - Cashless collections was 10% in Dec'20
  - Additionally 25% of the repayment is supported by CMS like Airtel Payments Bank locations

## Asset businesses ready for growth (2/3)

### Affordable Housing

- **Collection efficiency** – 94% in Dec’20 (92% in Sep’20)
- **Disbursements** at ₹ 209 Cr in Q3-FY21 at par with pre-COVID levels; up from ₹ 116 Cr in Q2-FY21
  - Dec’20 disbursement at ₹ 80 Cr; up 7% Y-o-Y
  - New case log-ins are now higher than pre-COVID levels
  - **Continued focus on semi-formal segment**; deeper penetration in tier 3-4 markets, region specific product offerings.
- **Process improvement:**
  - Testing mobile sourcing to increase efficiency / customer service
  - Launched Hub-based disbursements to improve TAT (2 Hubs operationalized)

### MSE

- **Collection efficiency (MSE Secured)** – 90% in Dec’20 (81% in Sep’20)
- **Disbursements** at ₹ 136 Cr in Q3-FY21 – up from ₹ 92 Cr in Q2-FY21
  - Dec’20 disbursement at ₹ 54 Crore; surpassing pre-COVID levels; up 12% Y-o-Y
  - New case log-ins at pre-COVID levels – more focus on Semi-formal and formal segments
  - Internal sourcing improved with activation of 55% of targeted Branches on MSE disbursements
- **New products:**
  - Disbursed 1,650 cases of ₹ 55 Cr under MSE Navirman Loan (NNL) backed by ECLGS scheme
  - Tied-up with Fintech for Supply Chain finance
- **Process improvement:**
  - Testing mobile sourcing to increase efficiency / customer service
  - Launched Hub-based disbursements to improve TAT

## Asset businesses ready for growth (3/3)

### FIG

- **Collections** continue to be at 100% since Aug'20; no overdue in any account
- **Disbursements** – Cautiously scaling up; ₹ 105 Cr in Q3-FY21 vs ₹ 88 Cr in Q3-FY20
- Focus on higher-rated entities for growth
- **New Products WIP** – Call Money for Cooperative banks

### Personal

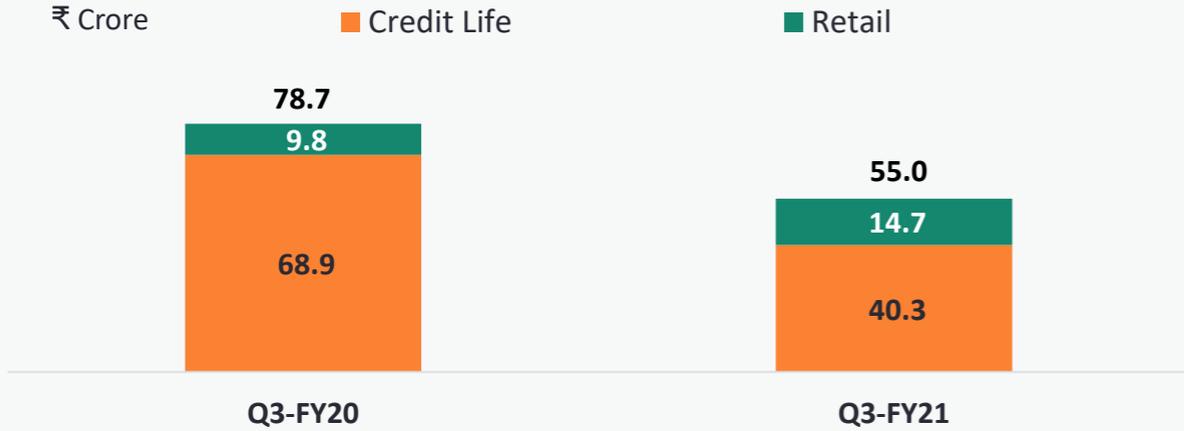
- **Collection efficiency** – 89% in Dec'20 (79% for Sep'20)
- **Disbursements** in Q3-FY21 at ₹ 30 Cr at par with Q3-FY20
- **Tie-ups** with super cat A, cat A, cat B & Government companies (>300 Cr Turnover and Rating BBB above)
- **Channel**
  - Proprietary channel sourcing showing good traction
  - Data analytics for lead generation; especially for existing customers
  - Offered from all Ujjivan branches
- **Tied-up with Fintech** to supplement customer acquisition
- **End-to-end digital product:** Using tech service provider, focus on making whole flow digital and contactless

### Vehicle

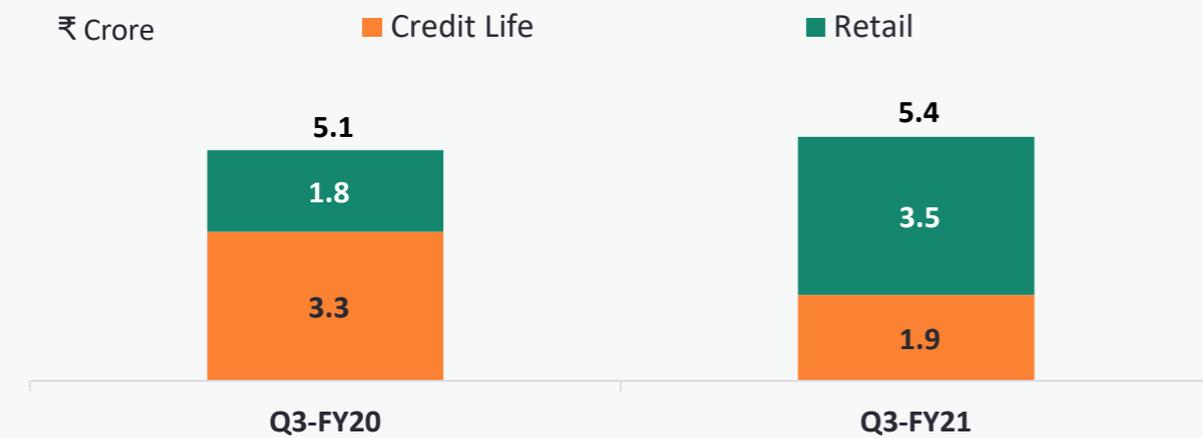
- **Collection efficiency** – 97% in Dec'20 (92% for Sep'20)
- **Disbursements** in Q3-FY21 at ₹ 21 Cr vs. ₹ 3 Cr in Q3-FY20
- **Channel:** Focus on Proprietary channel and cross-selling; expanded reach to all Ujjivan branches
- **Segment:** Focus on Tier-II+ markets; medium to low income category
- **New Product:** Pilot of MMCV in Sep'20. 22 loans worth ₹ 80 Lac disbursed since launch of pilot

# Insurance distribution: Focus on retail products to drive fee income

## Strong pick-up in retail premium...



## ...driving fee income



- **Focused product strategy** in retail driving higher commission;
  - Focus on health insurance, guaranteed products in Life Insurance
- **Expanding distribution channels:**
  - 953 IRDA certified employees as of Dec'20 up (420 in Mar'20)
  - PoSP launched in Aug'20; 973 employees licensed till Dec'20
  - WIP: Distribution through phone banking and digital modes
- **Technology/automation projects with Riskcovry:**
  - Revamped Hospi-Cash product in Aug'20 – complete digital product – onboarding, payment and policy delivery. Proposal submitted to IRDA to digitize Hospi-Cash claims
  - WIP: Partnering with Insurtech Riskcovry for digital distribution of Insurance business through API integration with all insurers. This will digitise customer on-boarding process with instant policy issuance and paperless claim settlement convenience to customers

# Comprehensive digital strategy to build a strong growth platform

## Fully digitized on-boarding for all asset/ liability products

- On-boarding processes like statement analysis, document verification, e-agreements, e-mandates operational
- TAT for various processes in on-boarding journey reduced from 70 – 90% & processing capacity increased by 30 – 70%

### Robotic Process Automation

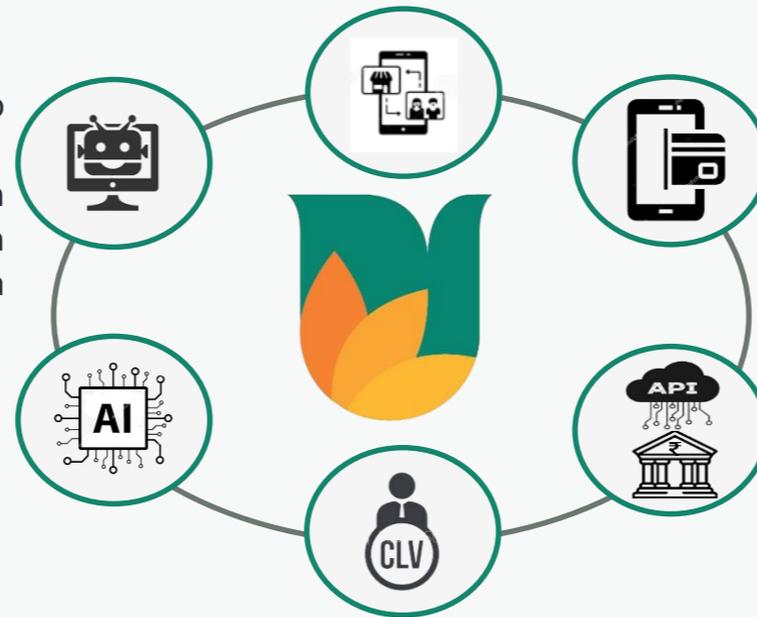
- In phase-I, 100+ processes being automated leading to improved efficiency and cost benefits
- Won the Jury recognition Award in the Excellence in Cognitive Automation category at the UiPath Automation Excellence Awards 2020 - India & South Asia for the bank’s RPA initiatives

### Artificial Intelligence

Multi-lingual Bot introduced on USFB website; WIP to enhance to Intelligent Bot; facilitate in lead generation and customer experience

### Enhancing Customer Lifetime Value

- Automated Customer Engagement (ACE) Tool to automate various customer information and engagement campaigns
- Facilitates cross-selling/ up-selling
- Targeted and unified digital marketing



### Digital repayments/ collections

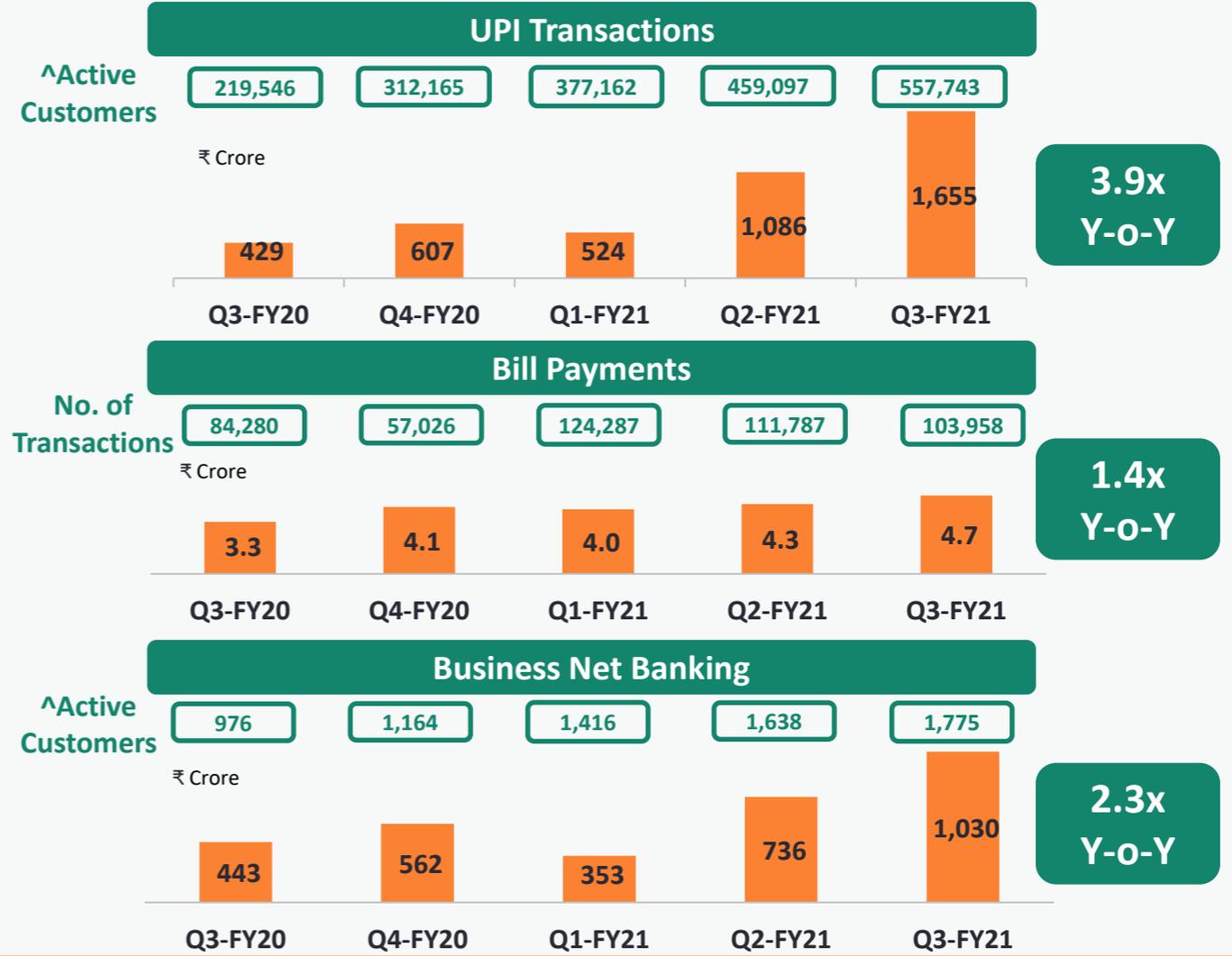
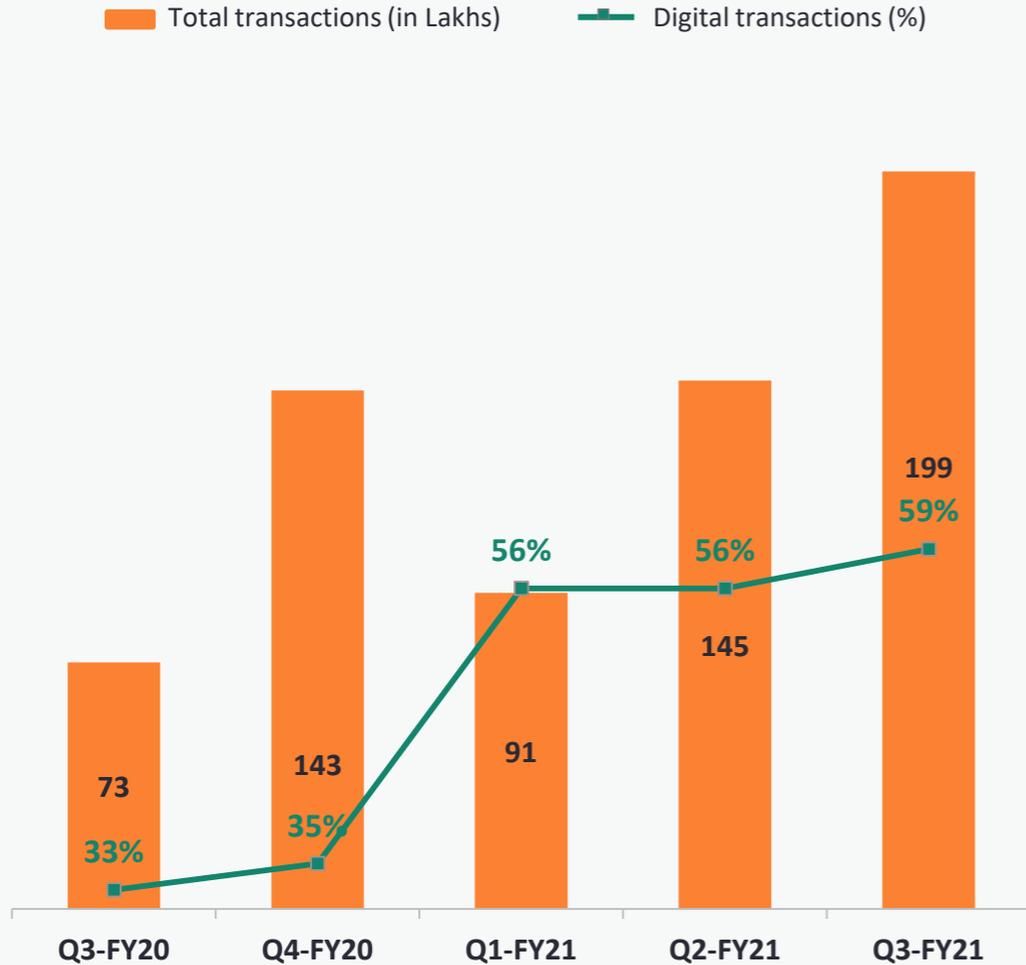
- Customised payment links
- BBPS\* apps enabled for all asset products
- Range of payment choices available between cash/digital
- Expanding reach via Money Mitra outlets (165+), Airtel Payments Bank (7000+ active), to increase further with PayNearby
- FinTech tie-up for institutionalized digital collection; pilot tested successfully

### API Banking & Fintech partnership

- 90/150 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
- Pilot tested successfully for digital lending in segments like MSE and PL

# Increasing digital footprints (1/2)

## \*Increasing Digital Transactions (%)



\*Basis CBS volumes

^Active customers as of period end

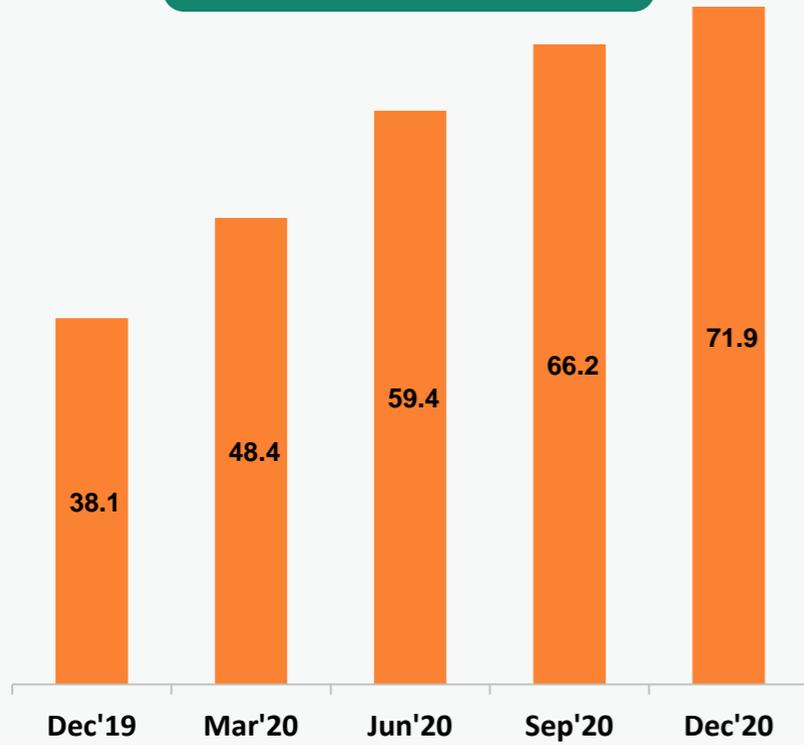
# Increasing digital footprints (2/2)

## Internet Banking

No. of Active Customers

Nos in '000

1.9x Y-o-Y

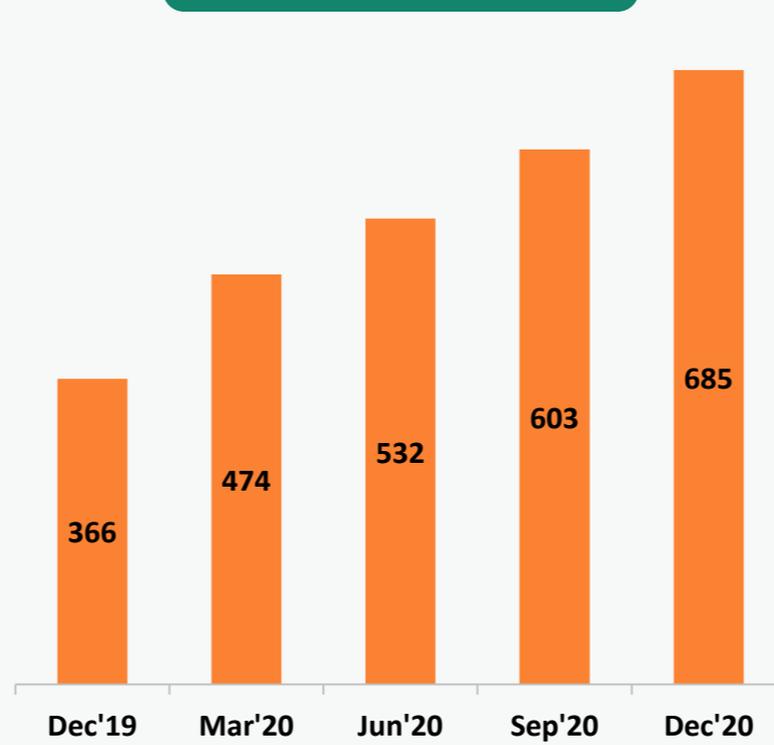


## Mobile Banking

No. of Active Customers

Nos in '000

1.9x Y-o-Y

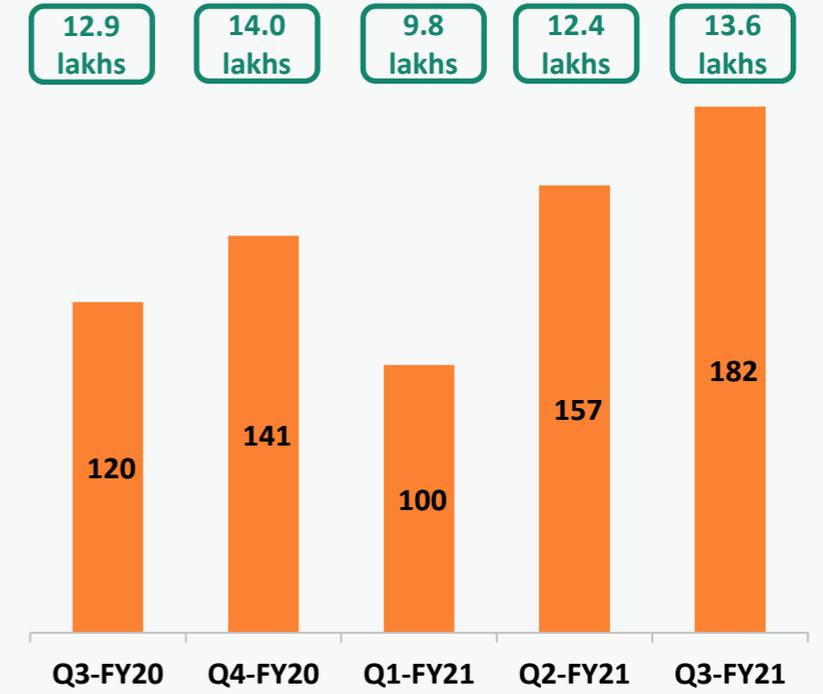


## POS Transactions

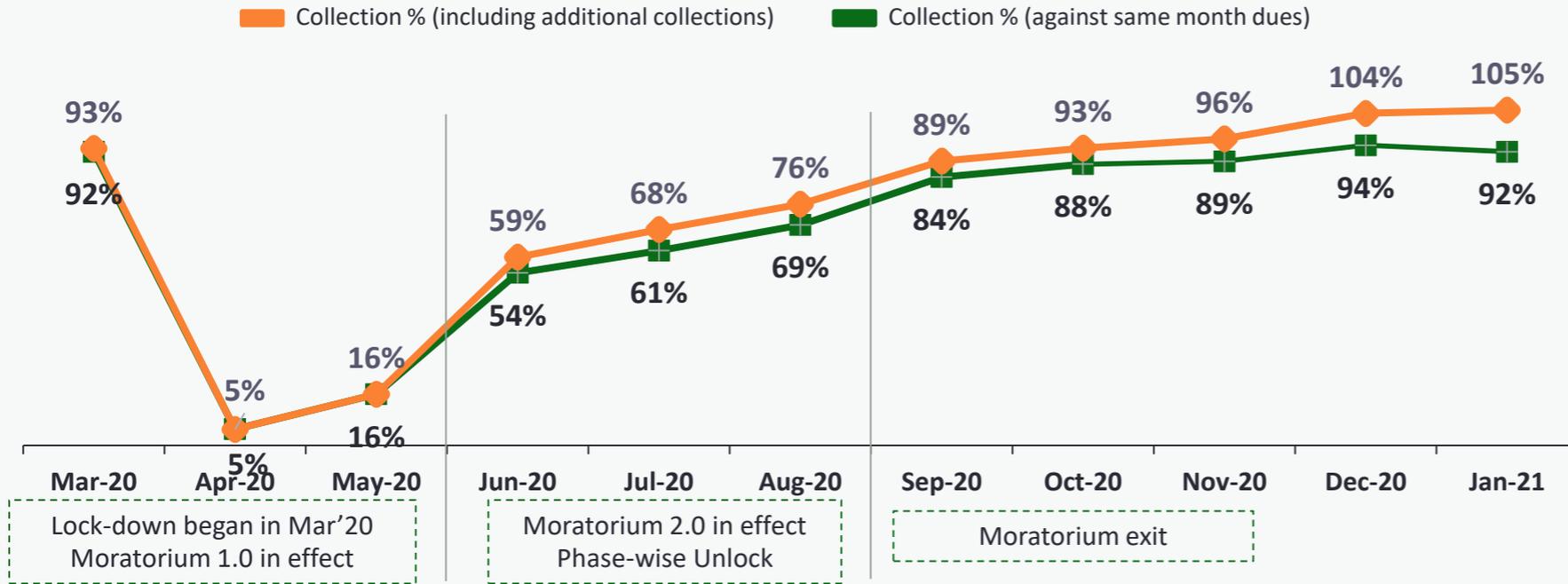
No. of Transaction (in box)

Value in ₹ Crore

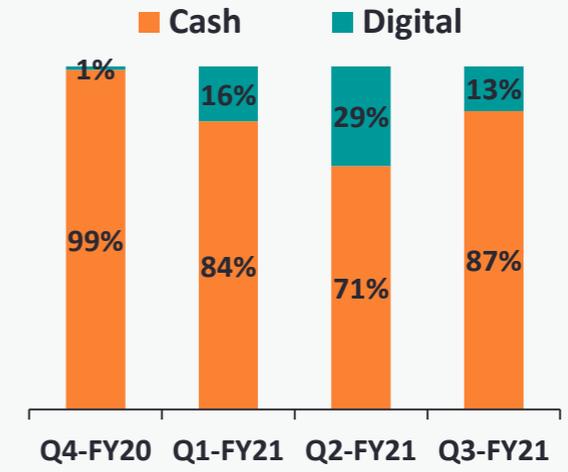
1.5x Y-o-Y



# Collections: 95% of customers have started paying post end of moratorium



## Digital vs cash collections



- Collection efficiency defined as collections as 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
- Money Mitra outlets, tie-up with Airtel Payments Bank, Pay Nearby have increased reach; already showing healthy trend
- Improved collections through online platforms like ECS, e-wallets, BBPS, UPI/ QR etc. for EMI repayments

# Collection efficiency (1/2)

₹ Crore	Oct'20				Nov'20			
	Verticals	Due	Collection	Collection %	Additional Collection	Due	Collection	Collection %
MicroBanking	975.5	856.1	88%	52.4	952.4	846.0	89%	52.0
MSE (Secured)	17.8	15.3	86%	7.8	18.3	16.2	88%	7.9
MSE (Unsecured)	5.8	3.9	67%	0.8	5.5	3.7	67%	0.5
Affordable Housing	23.7	22.0	93%	1.5	23.8	22.2	94%	9.7
Personal Loan	3.5	3.0	88%	0.7	3.5	3.1	88%	-
Vehicle Loans	0.8	0.8	91%	0.1	1.0	0.9	96%	-
FIG Lending	35.8	35.8	100%	0.0	36.8	36.8	100%	-
<b>Total</b>	<b>1,062.8</b>	<b>936.8</b>	<b>88%</b>	<b>63.3</b>	<b>1,041.2</b>	<b>928.9</b>	<b>89%</b>	<b>70.1</b>

Note: Excludes OD accounts as of 29<sup>th</sup> Feb'20

## Collection efficiency (1/2)

₹ Crore	Dec'20				Jan'21			
	Verticals	Due	Collection	Collection %	Additional Collection	Due	Collection	Collection %
MicroBanking	897.0	843.9	94%	75.8	887.7	818.0	92%	97.7
MSE (Secured)	18.3	16.5	90%	11.6	19.2	17.3	90%	12.9
MSE (Unsecured)	5.3	3.7	69%	0.3	4.9	3.2	66%	0.3
Affordable Housing	24.5	23.0	94%	10.7	25.1	23.5	94%	13.0
Personal Loan	3.8	3.3	89%	-	4.1	3.7	91%	0.9
Vehicle Loans	1.3	1.3	97%	0.01	1.7	1.6	97%	0.01
FIG Lending	44.7	44.1	99%*	-	34.6	33.9	98%*	0.5
<b>Total</b>	<b>994.8</b>	<b>935.8</b>	<b>94%</b>	<b>98.5</b>	<b>977.2</b>	<b>901.0</b>	<b>92%</b>	<b>125.3</b>

# States with Lower Collections - MicroBanking

## Maharashtra



771

## West Bengal



1,490

## Assam



364

## Punjab



337

Total MB Portfolio  
(₹ Crore)

Reasons for low  
collections

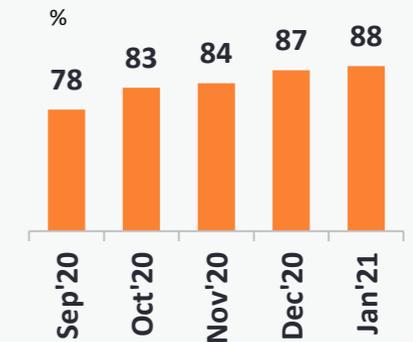
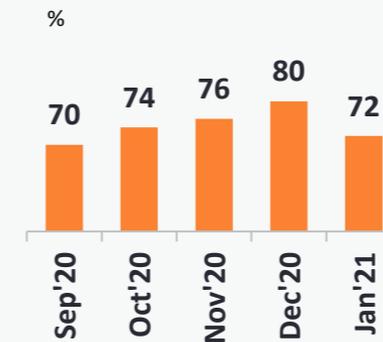
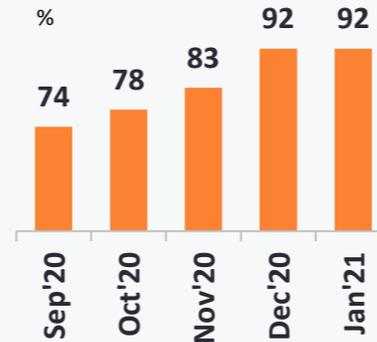
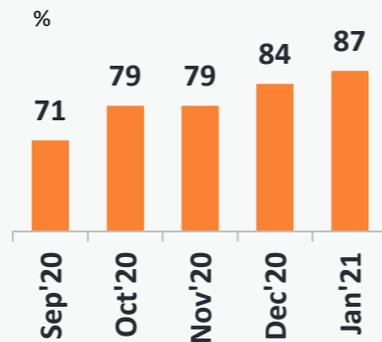
- High COVID exposure
- Localized political intervention

- Protests for loan waiver
- Lockdowns, Transportation unavailability

- Protest against MFI Bill
- Political disturbances

- Farm bill protest by political parties

Collection trend



# Assam: MicroBanking update

## Current situation

- Assam portfolio is less than 3% of total loan book
- Assam MFI Bill passed by the State government; aimed at regulating Microfinance Industry in the state; detailed guidelines for the bill are awaited
- In early Jan'21, leading political parties announced their support for Micro Finance loan waiver; elections are due in Apr'21
- Both the developments together have impacted collections in the State
- Collection efficiency for Jan'21 at 72% vs. 80% in Dec'20

## Measures Taken

- Extreme cautious approach to disbursements in the State
- Reaching out to major stakeholders in the State including local administrative bodies, to create awareness about Ujjivan Small Finance Bank
- Mass media intervention to strengthen brand, CSR activities, SMS communication to customers explaining relevance and applicability of MFI bill and its impact
- Working closely with MFIN to resolve issues as a work-around for the current escalations in the State

# Update on portfolio restructuring

## MicroBanking

- Identified accounts basis extensive discussion with borrowers and analysis of repayment during moratorium
- 3.7 lac accounts amounting to ₹ **852 Cr** portfolio restructured – **8.5%** of MicroBanking portfolio as of Dec'20
- ₹ **69 Cr** of COVID-19 provision utilized towards restructuring
- Collection efficiency of ~73% in restructured accounts in Jan'21; expected to improve
  - 29% of restructured customers (who had not paid any EMI until Dec'20) have started paying post restructuring

### Two modes of restructuring

- **Tenor elongation** – ₹ 536 Cr (2.2 lac accounts)
  - EMI reduced post assessment
  - Tenor elongated by maximum 24 months from original loan maturity date
  - Interest for the unpaid period capitalized
- **Moratorium** - ₹ 316 Cr (1.5 lac accounts)
  - Tenor elongated by number of months for which moratorium availed
  - No change in EMI

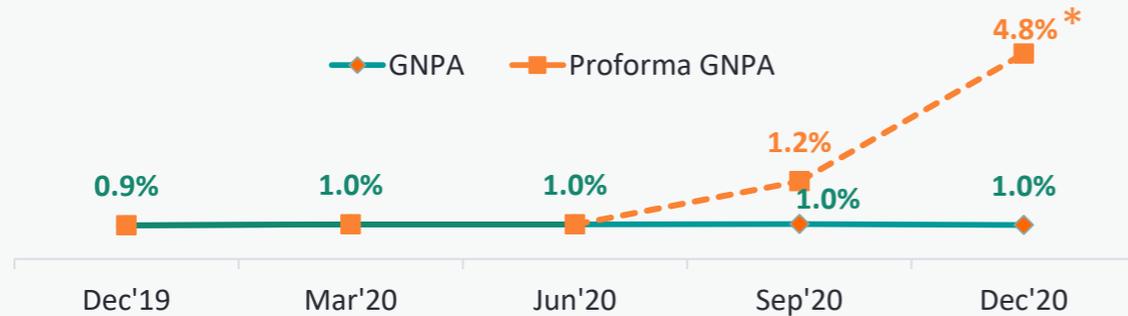
## Retail Assets

- Identified accounts for restructuring basis extensive discussion with borrowers and repayment analysis of moratorium accounts
- Communicating with customers on benefits, process, and implications of restructuring

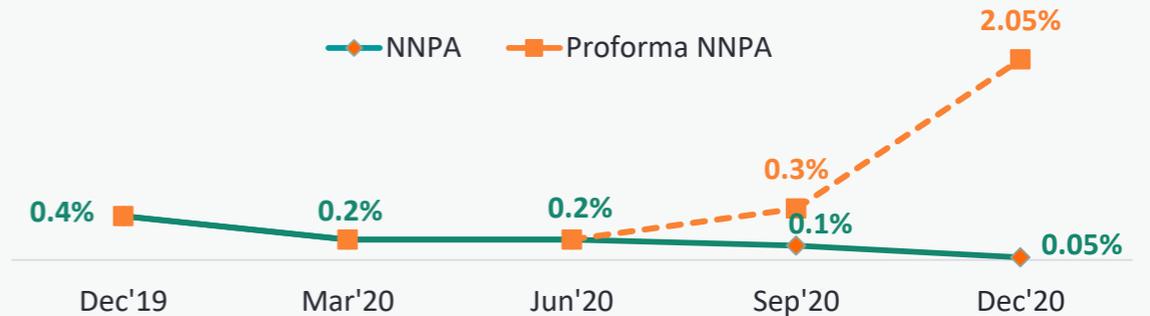
# Accelerated provisioning to buffer for contingencies

**Book Cover at 8% | COVID provisioning at 6%;  
Incremental COVID provision in Q3: ₹ 547 Cr | Total book provisions: ₹ 1029 Cr**

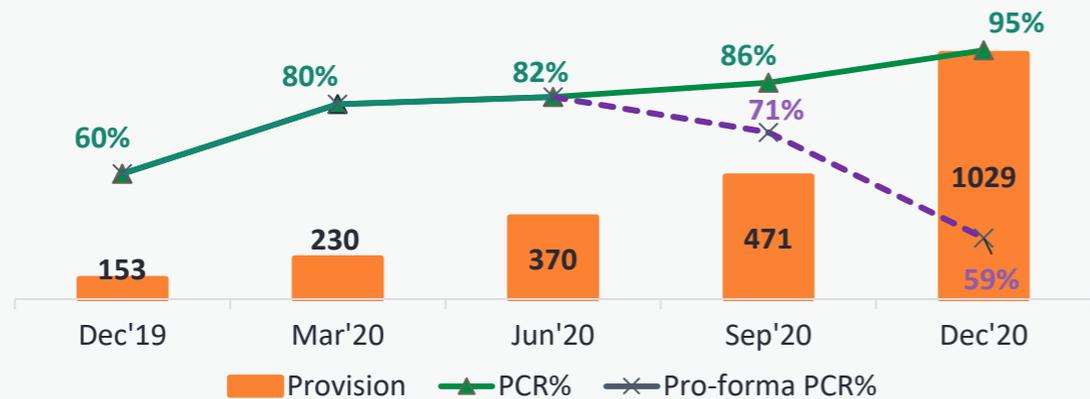
## GNPA and Pro-forma GNPA



## NNPA and Pro-forma NNPA



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



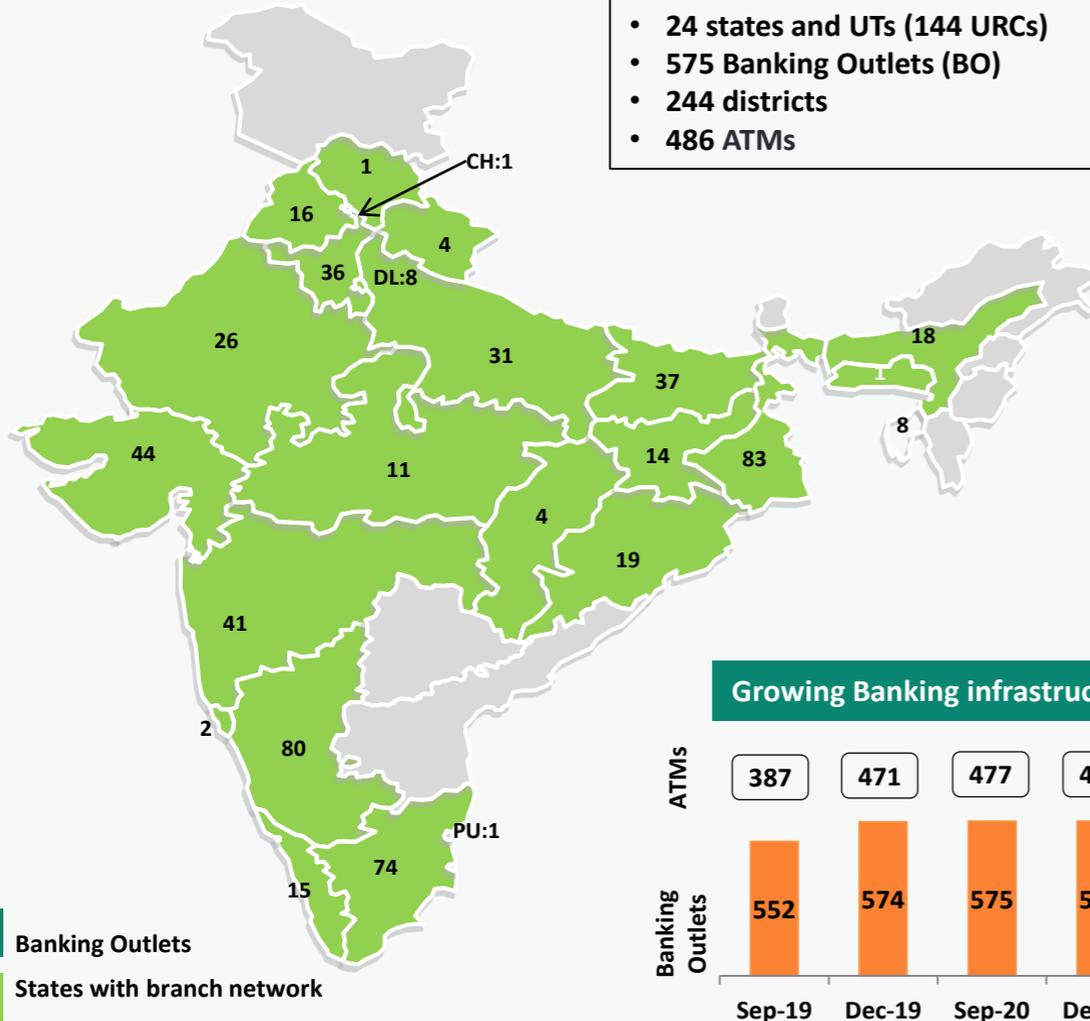
## Portfolio At Risk (PAR>0 %)



# Business Overview

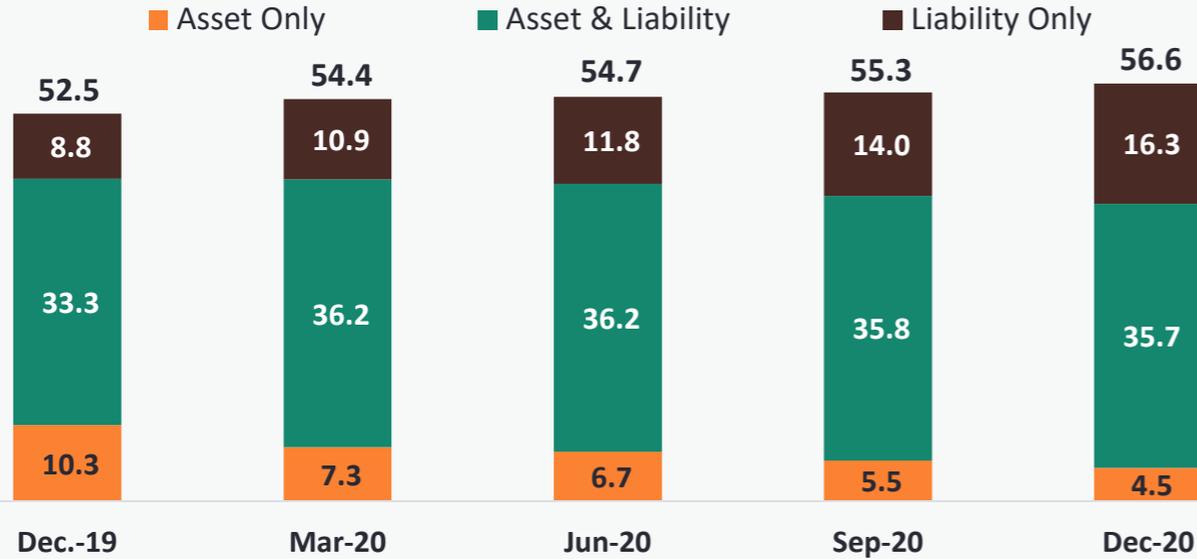
# Well Diversified Pan India Presence

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



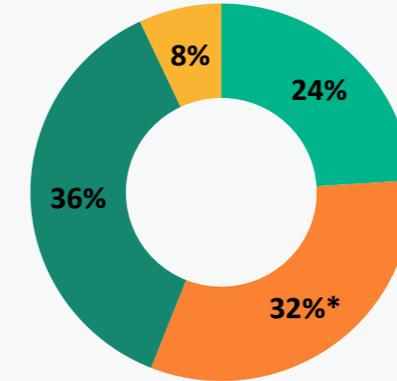
# Expanding liability customer base

## Customer Base Growth



Customers (in Lakhs)	Dec'19	Mar'20	Jun'20	Sep'20	Dec'20
Asset only Customers	10.3	7.3	6.7	5.5	4.5
Liability Customers	42.2	47.1	48.0	49.8	52.0
Liability only Customers	8.8	10.9	11.8	14.0	16.3
Total Customers	52.5	54.4	54.7	55.3	56.6

## Customer Base – Basis of Branch Classification

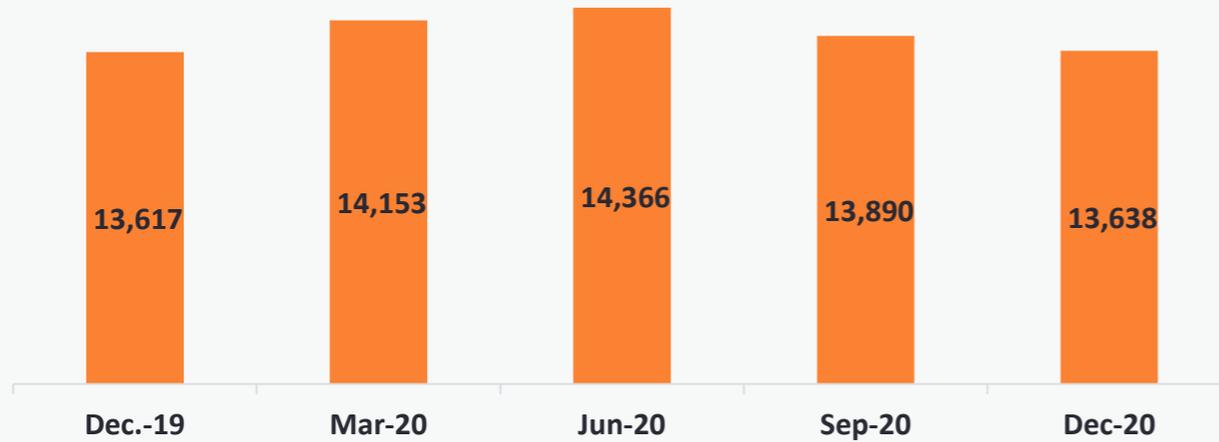


■ Metropolitan 
 ■ Semi-Urban 
 ■ Urban 
 ■ Rural  
 \*Semi-Urban branches largely cater to rural customers

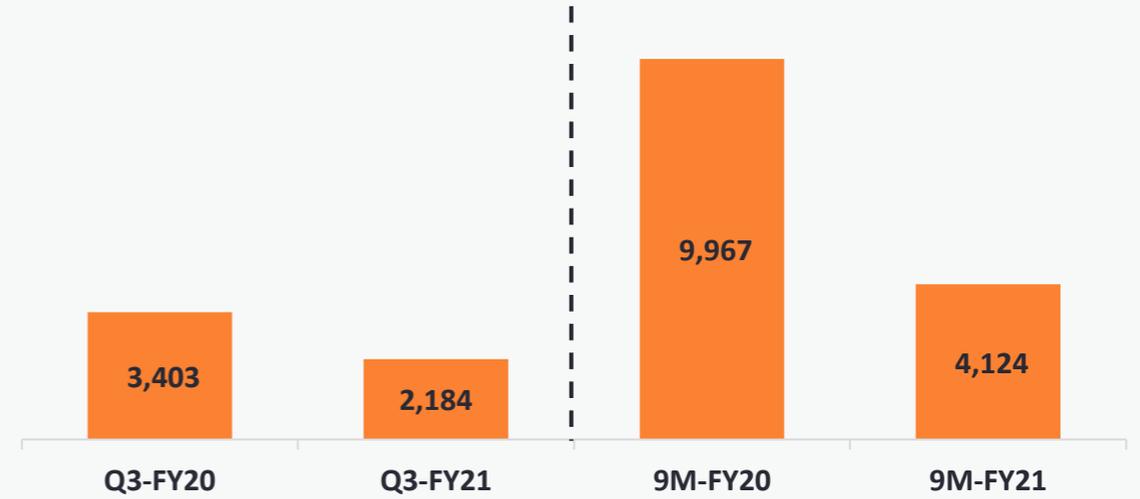
- Liability customers up by 23% vs Dec'19
- New customer acquisition continues with an uptrend during the quarter – Liability only customers at 16.3 lakhs vs 14.0 lakhs as on Sep'20

# Gross Advances and Disbursement Trend

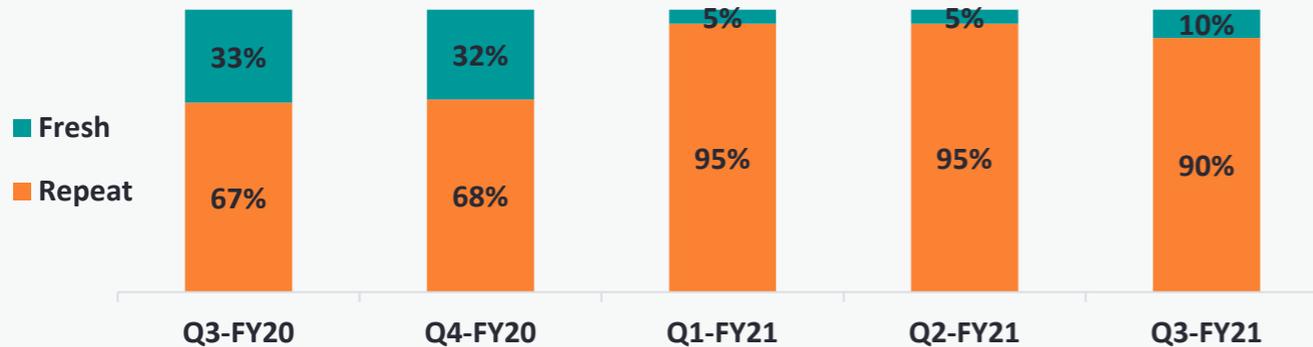
Gross Advances (₹ in Crore)



Total Disbursements (₹ in Crore)



Microfinance Loan Disbursement (No. of Loans)



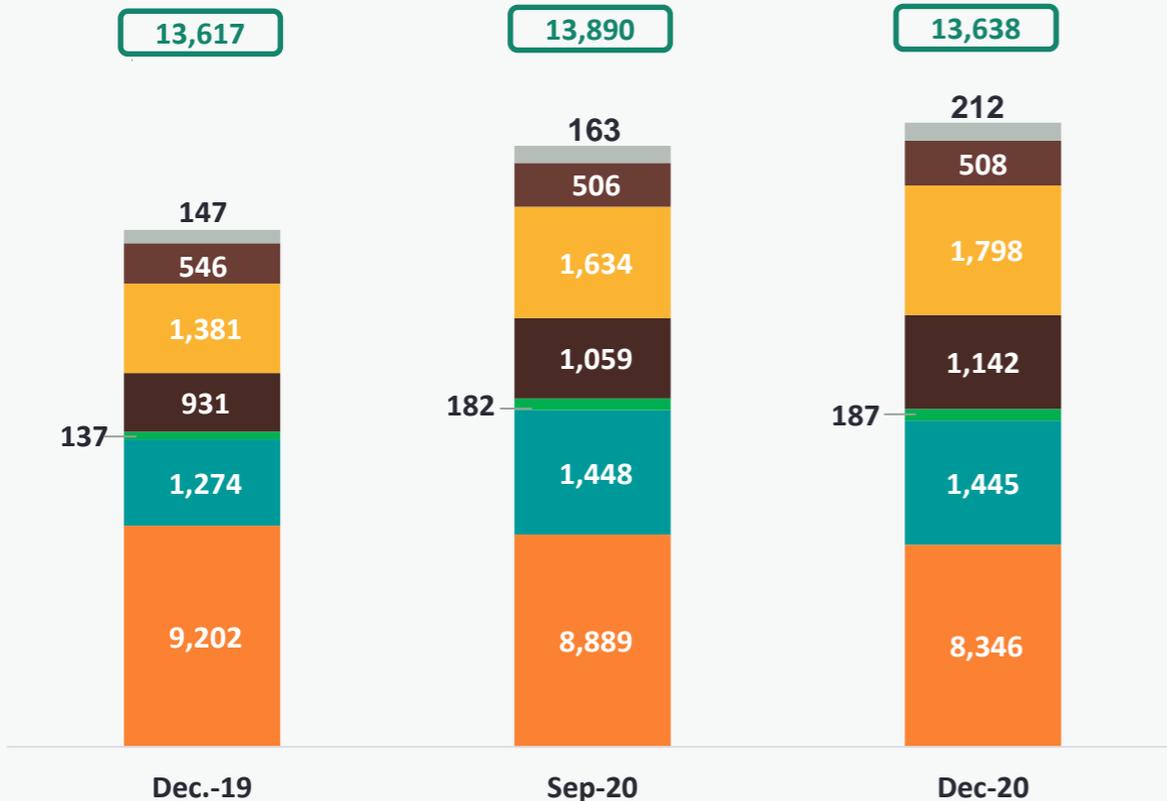
Portfolio Breakup



# Gross Advances Snapshot

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

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



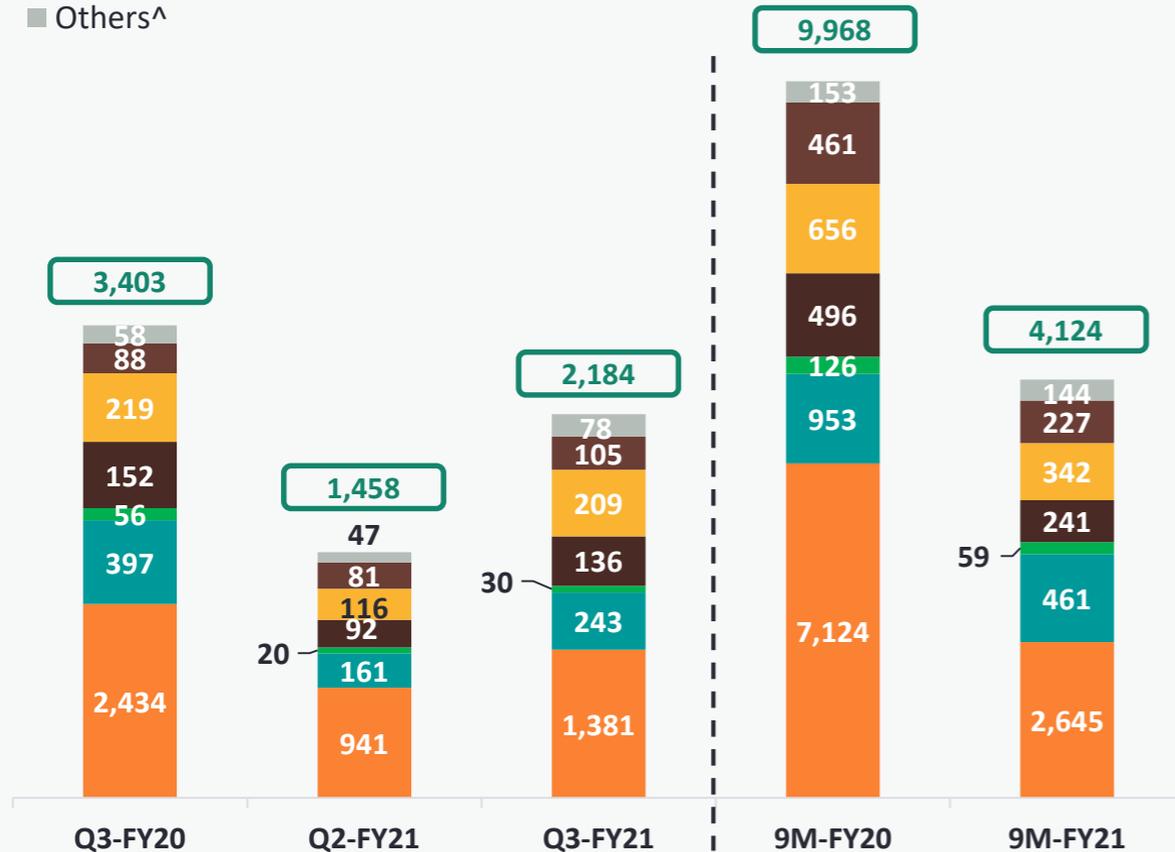
Product	% Gross Advances	Growth Y-o-Y	Growth Q-o-Q
Group Loans	61.2%	(9.3%)	(6.1%)
Micro Individual Loans	10.6%	13.4%	(0.2%)
Agri & Allied loans	1.4%	36.5%	2.7%
<b>MicroBanking</b>	<b>73.2%</b>	<b>(6.0%)</b>	<b>(5.1%)</b>
MSE	8.4%	22.7%	7.8%
Affordable Housing	13.2%	30.1%	10.0%
FIG Lending	3.7%	(7.0%)	0.4%
Others	1.6%	44.2%	30.1%
<b>Total</b>	<b>100.0%</b>	<b>0.1%</b>	<b>(1.8%)</b>

\*Includes Personal Loan, Vehicle loan, Staff Loan & others

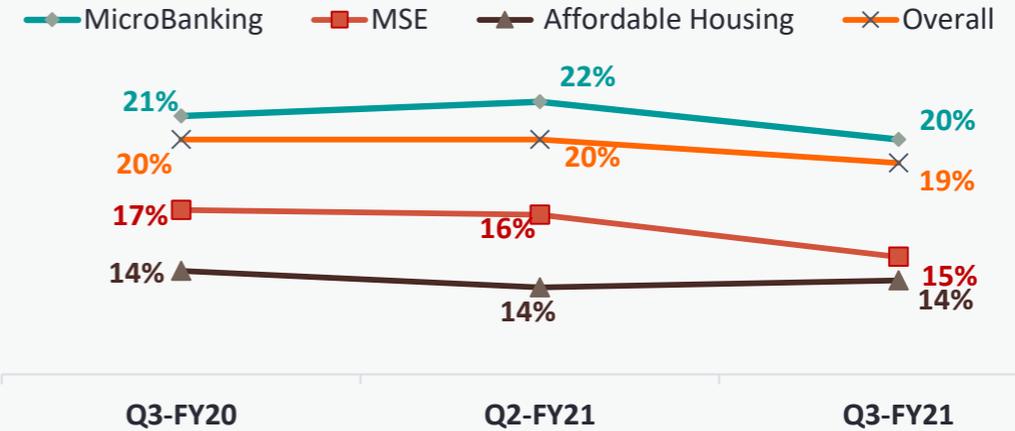
# Disbursement & Average Ticket Size

## Product wise Disbursement (₹ in Crore)

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



## Yield (%) – Segment wise



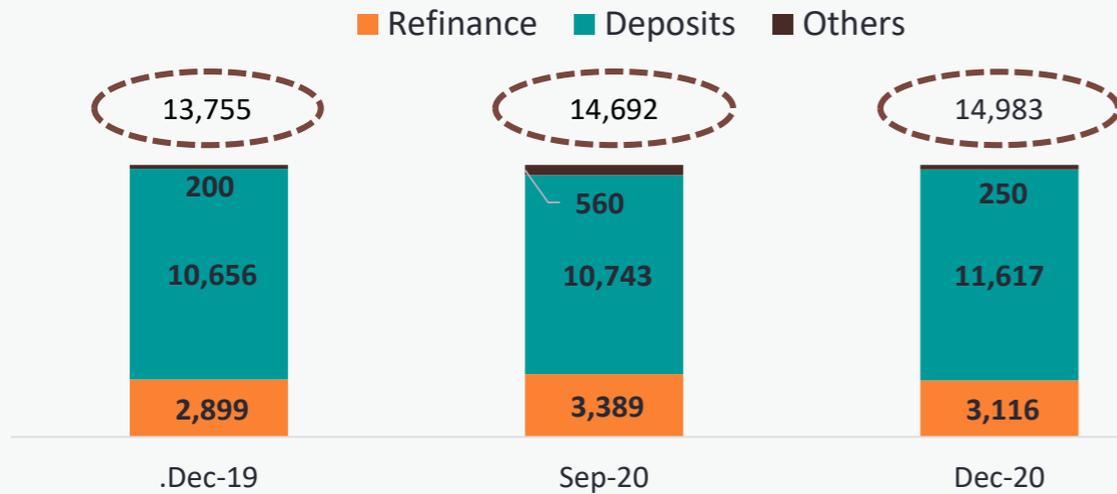
## Average Ticket Size (₹)

Product	Q3-FY20	*Q2-FY21	*Q3-FY21
Group Loans	35,086	40,253	39,279
Micro Individual Loan	92,312	1,00,397	1,02,430
MSE	15.9 lakhs	13.8 lakhs	15.2 lakhs
Affordable Housing	13.9 lakhs	10.1 lakhs	10.2 lakhs

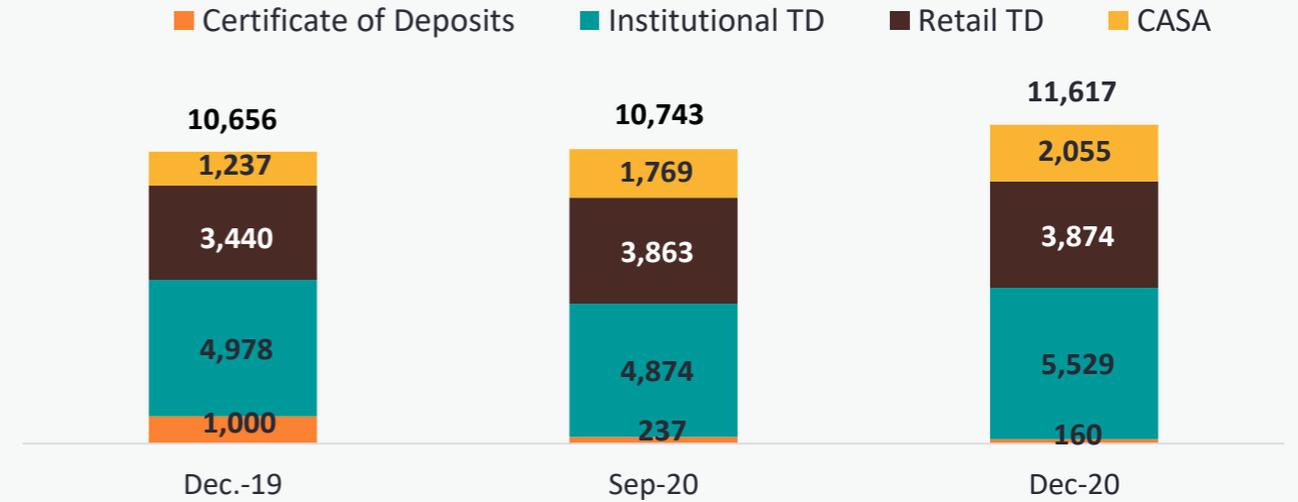
\*Higher average ticket sizes due to lower disbursements and largely to existing customer base  
MSE ticket size is ₹8.1 lakhs in Q3FY21 if Navnirman loans under ECLGS scheme are included  
^Includes Personal Loan, Vehicle loan, Staff Loan & others

# Liability profile: Retail franchise gaining momentum

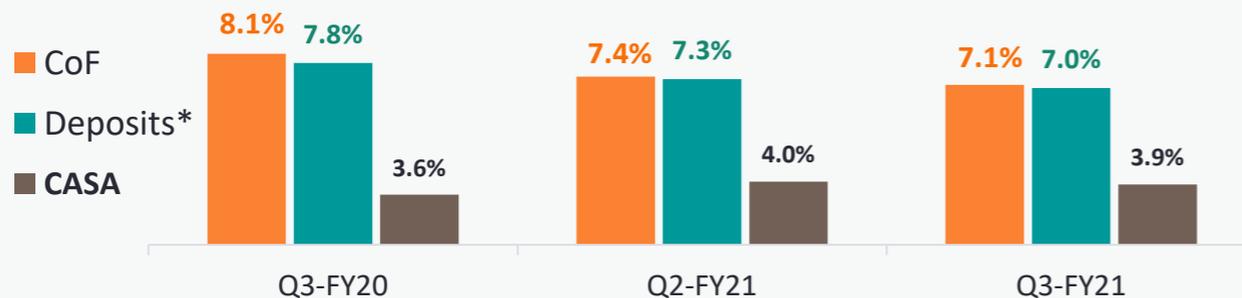
Total liabilities profile (₹ in Crore)



Deposits break-up (₹ in Crore)



Cost of funds



- ❖ Robust ALM position
- ❖ Credit-Total Deposit: 117% vs. 129% as of Sep'20
- ❖ Retail % share at 48% from 43% in Dec'19
- ❖ Cost of Deposits declined 80 bps Y-o-Y due to cut in interest rates coupled with rising share of retail deposits, reaping benefits from existing banking outlets and digital offerings

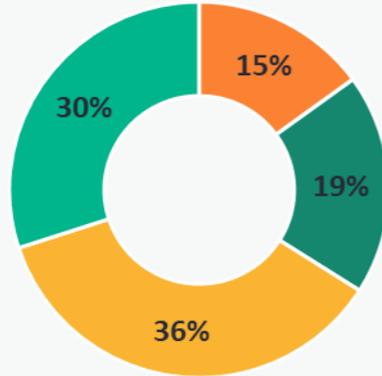
## Well-diversified and granular deposit mix

Region-wise deposit mix

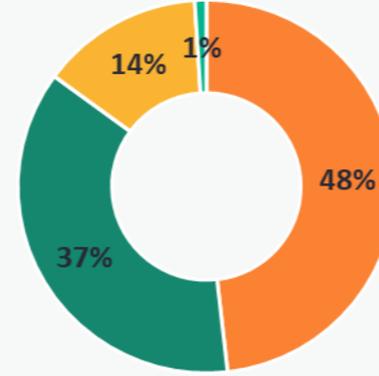
Branch classification wise deposit mix

Segment wise deposit mix

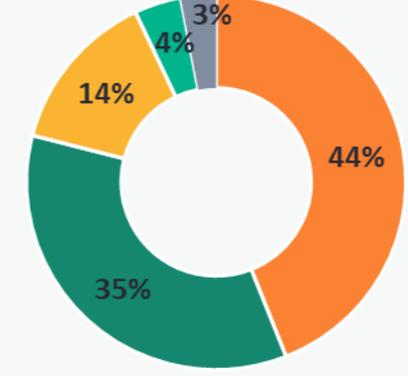
Dec'19



East West North South

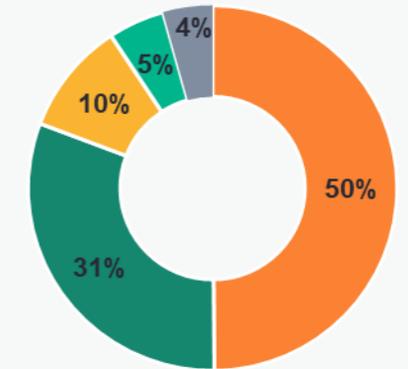
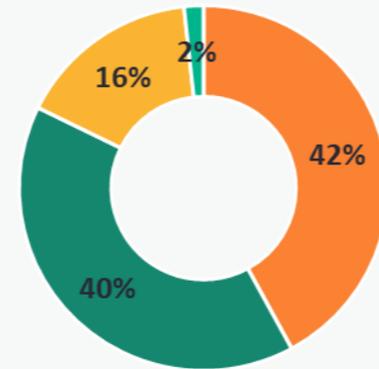
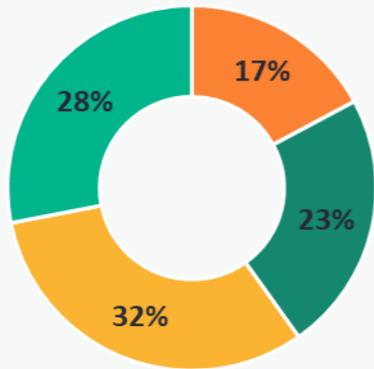


Metropolitan Urban Semi Urban Rural



Individuals Banks Corporate Govt. TASC<sup>^</sup>

Dec'20



## Healthy Capital Adequacy

(₹ in Crore)

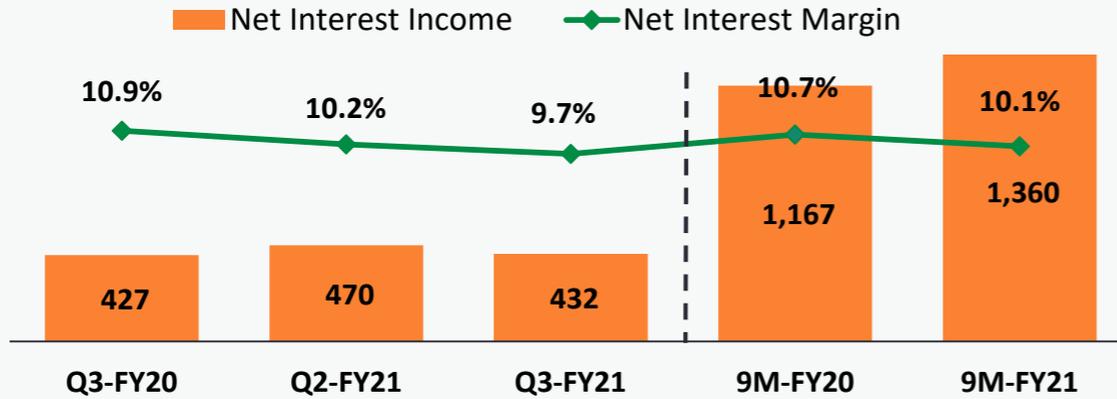
	Dec'19	Mar'20	Jun'20	Sep'20	Dec'20
Credit Risk Weighted Assets	10,442	10,775	11,032	10,543	10,342
Tier I Capital	2,873	3,018	3,072	3,168	2,681
Tier II Capital*	84	87	93	99	103
Total Capital	2,958	3,105	3,164	3,268	2,785
CRAR	28.3%	28.8%	28.7%	30.99%	26.93%
Tier I CRAR	27.5%	28.0%	27.8%	30.05%	25.93%
Tier II CRAR	0.8%	0.8%	0.8%	0.94%	1.00%

\* Additional COVID provisioning of ₹822 Cr not part of Tier II capital.

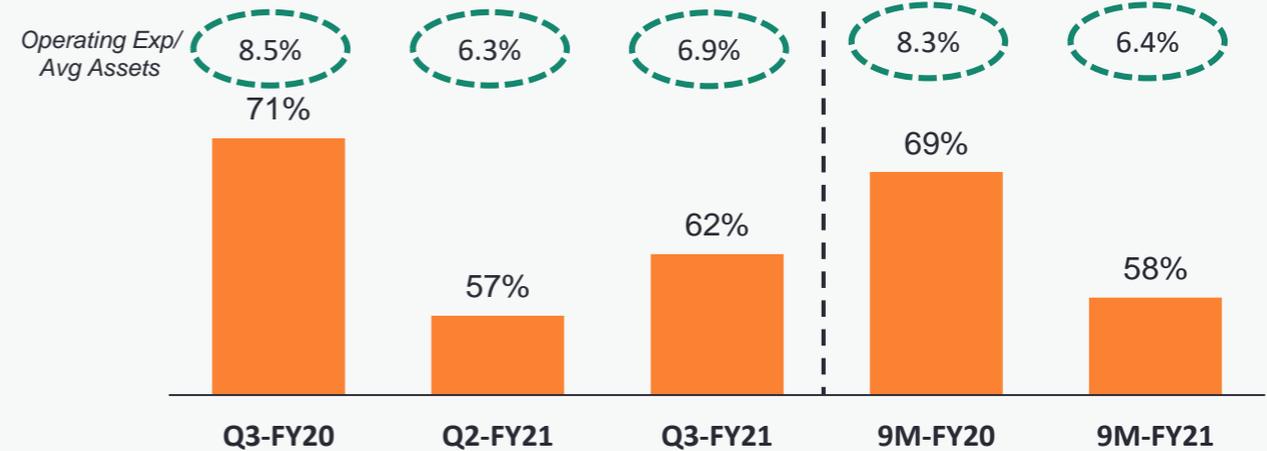
# Financial Overview

# Financial Overview

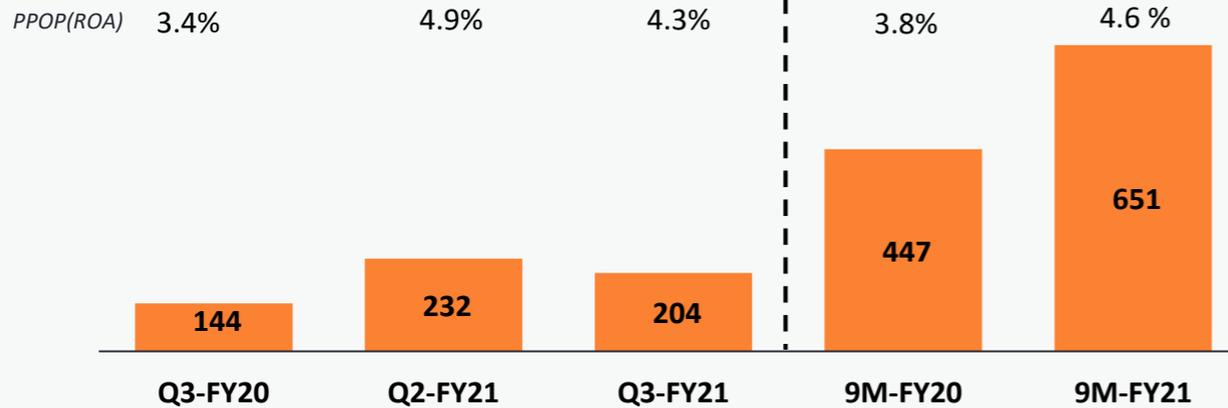
## NII (₹ in Crore) & NIM



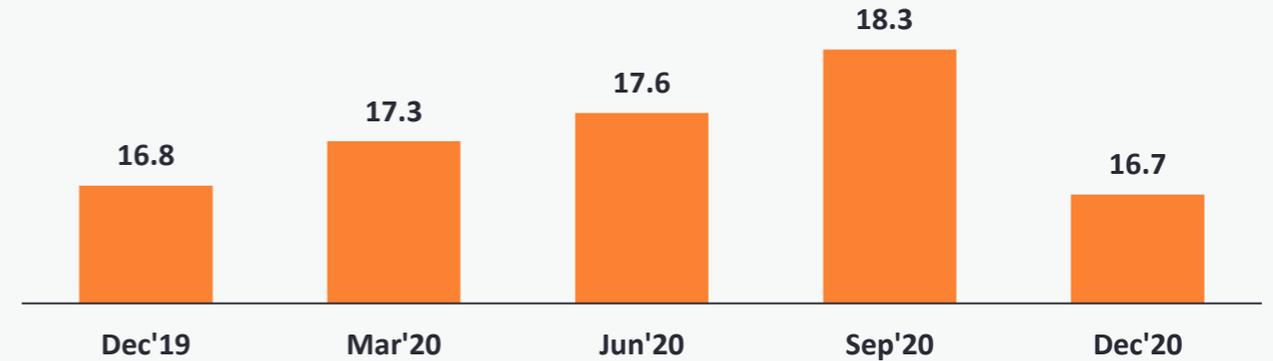
## Cost to Income Ratio & Operating Expenses/ Average Assets (%)



## Pre-Provision Operating Profit (₹ in Crore)



## Book Value Per Share (in ₹)



# Income Statement

Particulars (₹ in Crore)	Q3-FY21	Q3-FY20	YoY Growth	Q2-FY21	QoQ Growth	9M-FY21	9M-FY20	YoY Growth
Interest Earned	688	707	(3%)	754	(9%)	2,188	1,966	11%
Other Income	100	75	34%	64	56%	194	250	(23%)
<b>Total Income</b>	<b>789</b>	<b>782</b>	<b>1%</b>	<b>818</b>	<b>(4%)</b>	<b>2,382</b>	<b>2,216</b>	<b>7%</b>
Interest Expended	256	280	(9%)	283	(10%)	828	799	4%
Operating Expenses	329	358	(19%)	302	18%	903	971	(18%)
<b>Provisions and Contingencies</b>	<b>483</b>	<b>55</b>	<b>1288%</b>	<b>137</b>	<b>101%</b>	<b>779</b>	<b>170</b>	<b>865%</b>
- Provisions for tax	(100)	24	(523%)	36	(379%)	(45)	96	(148%)
- Provisions (Other than tax) & Contingencies	583	31	1811%	101	480%	824	74	1012%
<b>Total Expenditure</b>	<b>1068</b>	<b>693</b>	<b>1280%</b>	<b>722</b>	<b>101%</b>	<b>2,510</b>	<b>1,940</b>	<b>863%</b>
<b>Net profit for the period</b>	<b>(279)</b>	<b>90</b>	<b>(411%)</b>	<b>96</b>	<b>(392%)</b>	<b>(128)</b>	<b>277</b>	<b>(146%)</b>

## Total Income - Breakup

Particulars (₹ in Crore)	Q3-FY21	Q2-FY21	Q3-FY20	9M-FY21	9M-FY20
Interest on loan	638	701	667	2,036	1,853
Int. on investments	51	53	39	152	107
Securitization Inc.	0	0	1	0	6
<b>Total Interest Earned</b>	<b>688</b>	<b>754</b>	<b>707</b>	<b>2,188</b>	<b>1,966</b>
Processing Fees	28	19	44	52	126
PSLC Income	5	24	1	29	47
Trading Income	43	2	0	56	5
Bad Debts Recovery	3	2	8	5	24
Insurance Income	5	3	5	10	14
Misc. Income	17	14	17	41	34
<b>Total Other Income</b>	<b>100</b>	<b>64</b>	<b>75</b>	<b>194</b>	<b>250</b>
<b>Total Income</b>	<b>789</b>	<b>818</b>	<b>782</b>	<b>2,382</b>	<b>2,216</b>

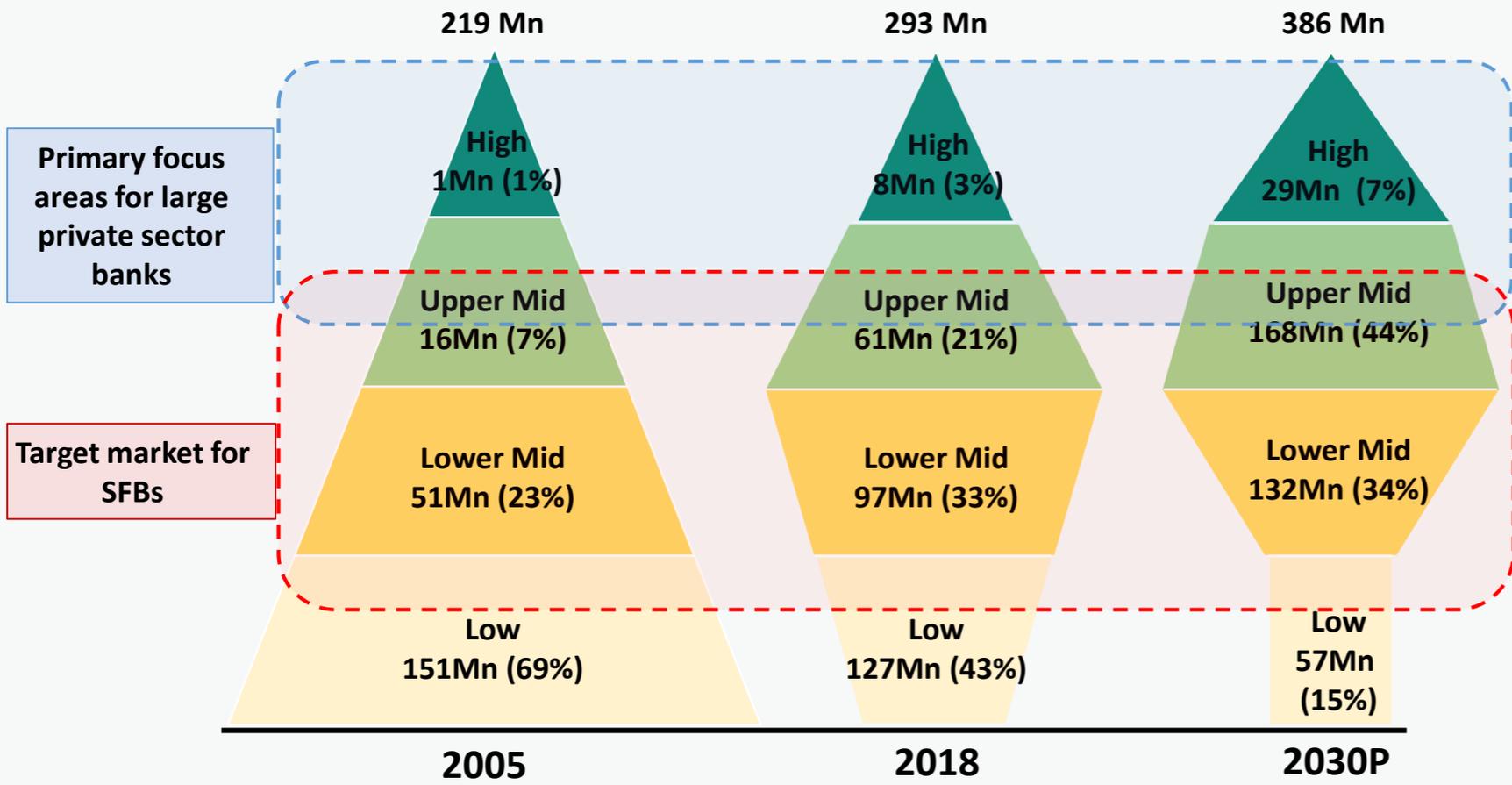
# Balance Sheet

Particulars (₹ in Crore)	Dec-20	Sep-20	Dec-19
<b>CAPITAL AND LIABILITIES</b>			
Capital	1,928	1,928	1,928
Share Application Money Pending Allotment	-	-	-
Employees Stock Options Outstanding	41	37	13
Reserves and Surplus	1,110	1,389	1,167
Deposits	11,617	10,743	10,656
Borrowings	3,366	3,949	3,099
Other Liabilities and Provisions	1,354	748	497
<b>TOTAL</b>	<b>19,416</b>	<b>18,794</b>	<b>17,360</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	1,206	755	663
Balance with Banks and Money at Call and Short Notice	427	316	292
Investments	3,484	3,349	2,282
Advances	13,514	13,773	13,539
Fixed Assets	289	297	292
Other Assets	496	304	321
<b>TOTAL</b>	<b>19,416</b>	<b>18,794</b>	<b>17,360</b>

# Ujjivan – Building a Mass Market Bank

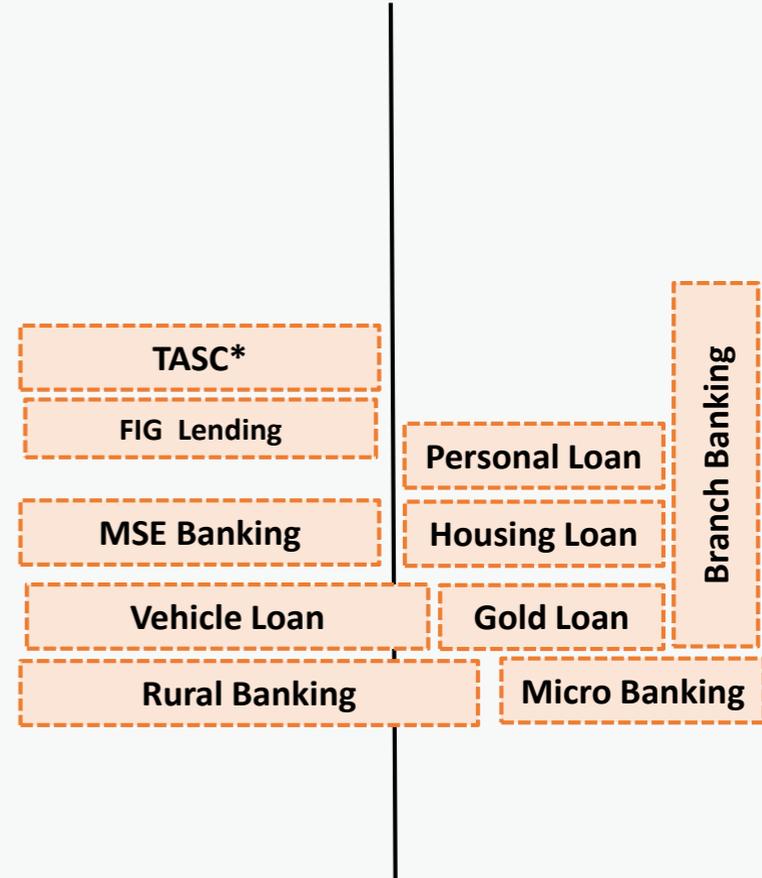
# Well placed to gain from evolving country demographics

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



USFB Enterprise Products

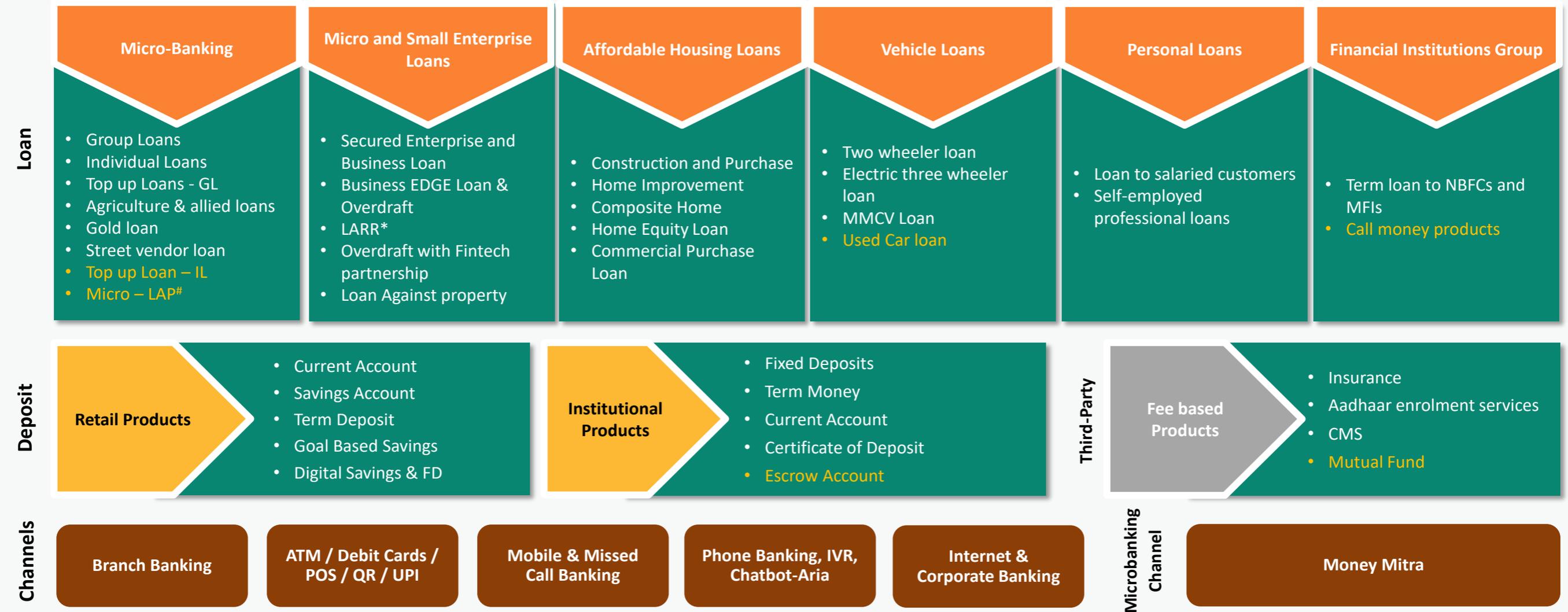
USFB Individual Products



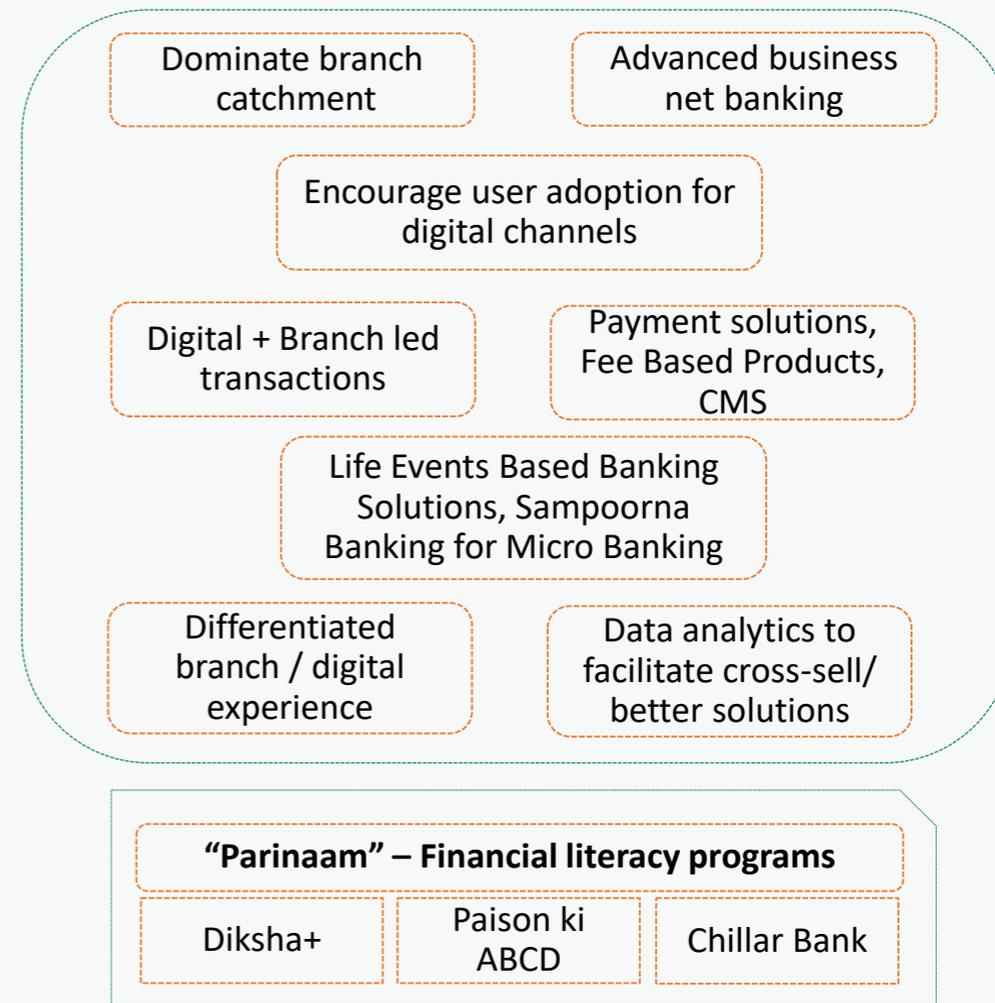
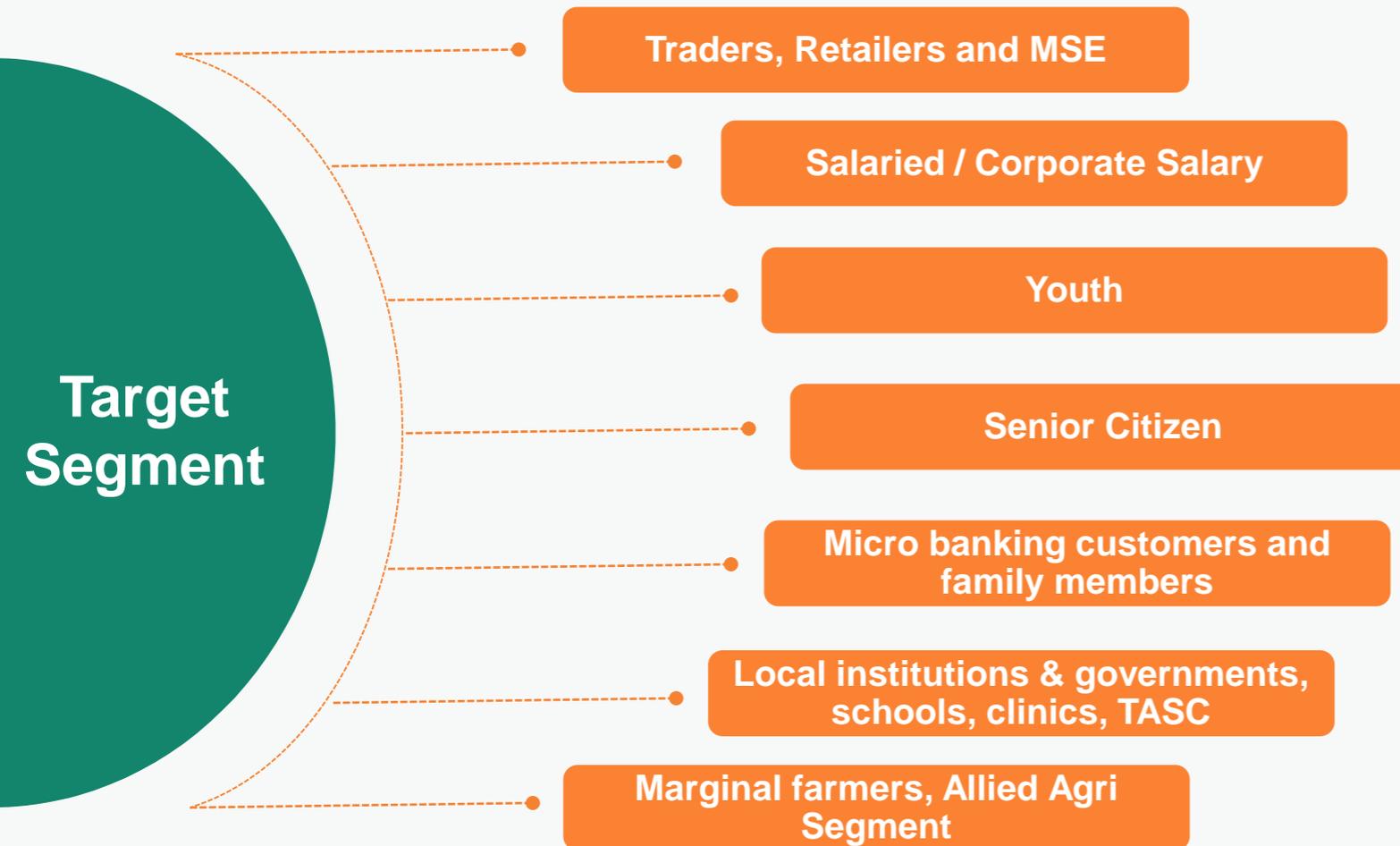
\*Trusts, Associations, Societies and Clubs

\*Source: PRICE Projections based on ICE 360<sup>0</sup> 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: ₹ 5,563 crores (48% of total deposits) vs ₹ 4,624 crores (43% of total deposits) Y-o-Y

# Other Income – diversifying revenue streams

## Third Party Products

₹ 5 crore in Q3-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

₹ 5 crore in Q3-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

₹ 91 crore in Q3-FY21

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

# Serving customers through multiple delivery channels

## Multiple delivery channels

 <p><b>Personal &amp; Business Internet banking</b></p> <ul style="list-style-type: none"> <li>• Web-based, can be accessed from any system</li> <li>• High volume bulk upload facility</li> <li>• Customizable client centric approval matrix</li> </ul>	 <p><b>ATMs</b></p> <ul style="list-style-type: none"> <li>• 486 ATMs including 53 Automated Cash Recycler machines</li> <li>• All ATM's re-enabled with biometrics</li> <li>• Empowering customers to block/unblock debit card &amp; set transaction limits through ATMs</li> <li>• 12 regional languages</li> </ul>
 <p><b>Web/ Tablet Based Origination</b></p> <ul style="list-style-type: none"> <li>• Liability customer acquisition from anywhere using website</li> <li>• Tablet-based customer acquisition for loan products</li> <li>• Chatbot Aria to improve user experience</li> <li>• Door-step service; faster, easier, better TAT</li> </ul>	 <p><b>Phone</b></p> <ul style="list-style-type: none"> <li>• 24x7 phone banking helpline</li> <li>• Loan on Phone for repeat GL customers</li> <li>• Ability to service customers in 13 Languages</li> <li>• Missed call and SMS banking services</li> </ul>
 <p><b>Mobile App</b></p> <ul style="list-style-type: none"> <li>• High customer rating of 4.4/5 on Google Playstore as of Dec'20 – Highest among SFBs</li> <li>• Nine languages option – English, Hindi, Kannada, Tamil, Bengali, Marathi, Gujarati, Punjabi and Odiya</li> </ul>	<ul style="list-style-type: none"> <li>• Working on voice and video enabled customer interface</li> <li>• Active users exceeds 0.68 million as of Dec'20</li> </ul>

# Strong Independent Board

Name	Education	Experience
<b>Biswamohan Mahapatra</b> <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
<b>Nitin Chugh</b> <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
<b>Mona Kachhwaha</b> <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
<b>Chitra Kartik Alai</b> <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
<b>Prabal Kumar Sen</b> <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

Name	Education	Prior Experience
<b>Nandlal Laxminarayan Sarda</b> <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
<b>Mahadev Lakshminarayanan</b> <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
<b>Umang Bedi</b> <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.
<b>Rajni Anil Mishra</b> <b>Additional Director (Independent)</b>	Master's degree in commerce (Gold Medalist) from M S University, Vadodara..	Career banker for nearly four decades with SBI as well as its associate banks. Handled varied assignments and diverse portfolios, gained exposure in branch administration, corporate credit, forex treasury etc. She is the chairperson and Independent Director of NCL Buildtek limited, Hyderabad

# Experienced Management Team

Name & Designation	Prior association	Education
<b>Nitin Chugh</b> <i>MD &amp; Chief Executive Officer</i>	HDFC Bank, Standard Chartered Bank, HCL Hewlett Packard, Modi Xerox	<ul style="list-style-type: none"> <li>● B. Tech, Kurukshetra University</li> <li>● Professional Diploma in Marketing Management, All India Management Association</li> </ul>
<b>Sanjay Kao</b> <i>Head - Human Resources</i>	Citibank, ABN AMRO Bank, Dunia Finance and Lipton India Ltd	<ul style="list-style-type: none"> <li>● B.Tech, BHU</li> <li>● PGDM, IIM Calcutta</li> </ul>
<b>Carol Furtado</b> <i>Head – Operations &amp; Service Quality</i>	ANZ Grindlays Bank, Bank Muscat and Centurion Bank	<ul style="list-style-type: none"> <li>● B.Sc, Bangalore University</li> <li>● PGDM, Mount Carmel Institute</li> </ul>
<b>Upma Goel</b> <i>Chief Financial Officer</i>	L&T Finance Holdings, Escorts Securities, Escorts Ltd.	<ul style="list-style-type: none"> <li>● Chartered Accountant, ICAI</li> </ul>
<b>Alok Chawla</b> <i>Head – Audit</i>	Mizuho Bank, ING Vysya Bank and Tata Motors Finance	<ul style="list-style-type: none"> <li>● B.Com, DU</li> <li>● CA, ICAI and a Certified internal auditor</li> </ul>
<b>Jolly Zachariah</b> <i>Head – Channels</i>	Ex COO (west) of Ujjivan Financial Services Limited; Citigroup	<ul style="list-style-type: none"> <li>● B.Com, Bombay University</li> </ul>
<b>Arunava Banerjee</b> <i>Chief Risk Officer</i>	State Bank of India, Standard Chartered Bank and Bahraini Saudi Bank	<ul style="list-style-type: none"> <li>● MA Economics, Calcutta University</li> <li>● Associate of the Indian Institute of Bankers</li> </ul>
<b>Rajat Singh</b> <i>Head - Micro &amp; Rural Banking</i>	Ujjivan Financial Services	<ul style="list-style-type: none"> <li>● B. Tech (Agriculture and Food Engineering), IIT Kharagpur</li> </ul>
<b>Rajeev Pawar</b> <i>Head – Treasury</i>	Growmore Research; Kotak Mahindra Capital; Daewoo Securities India Ltd. ; American Express Bank, Standard Chartered Bank	<ul style="list-style-type: none"> <li>● Masters Business Management, JBIMS</li> <li>● Diploma in Business Management, Xavier's Institute of Management Mumbai</li> </ul>
<b>Dheemant Thacker</b> <i>Head - Digital Banking</i>	HDFC Bank, Bandhan Bank, Aditya Birla Capital	<ul style="list-style-type: none"> <li>● M.B.A (Marketing), NMMIS</li> <li>● B.E (Mechanical), Mumbai University</li> <li>● PGDBM, MDI Gurugram</li> <li>● Associate of Indian Institute of Banking &amp; Finance</li> <li>● MSc, Pt Ravishankar Shukla University</li> </ul>
<b>Shrinivas Murty</b> <i>Head - Liabilities</i>	HDFC Bank, Bandhan Bank, ICICI Bank Ltd	<ul style="list-style-type: none"> <li>● MCA, Government College of Engineering</li> <li>● BSc (Physics, Electronics), SIES College</li> </ul>
<b>Venkat Krishnan V</b> <i>Chief Technology Officer</i>	Utkarsh SFB, Al Ahli Bank of Kuwait, Edelweiss Tokio Life, Yes Bank, Dhanlaxmi Bank, HSBC	<ul style="list-style-type: none"> <li>● PGDM (Marketing &amp; Finance), Xavier Institute of Management</li> <li>● B.Tech (Mechanical Engineering), Kurukshetra</li> </ul>
<b>Ashish Goel</b> <i>Chief Credit Officer</i>	ICICI Bank, Marico Industries, Godrej & Boyce	

# 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

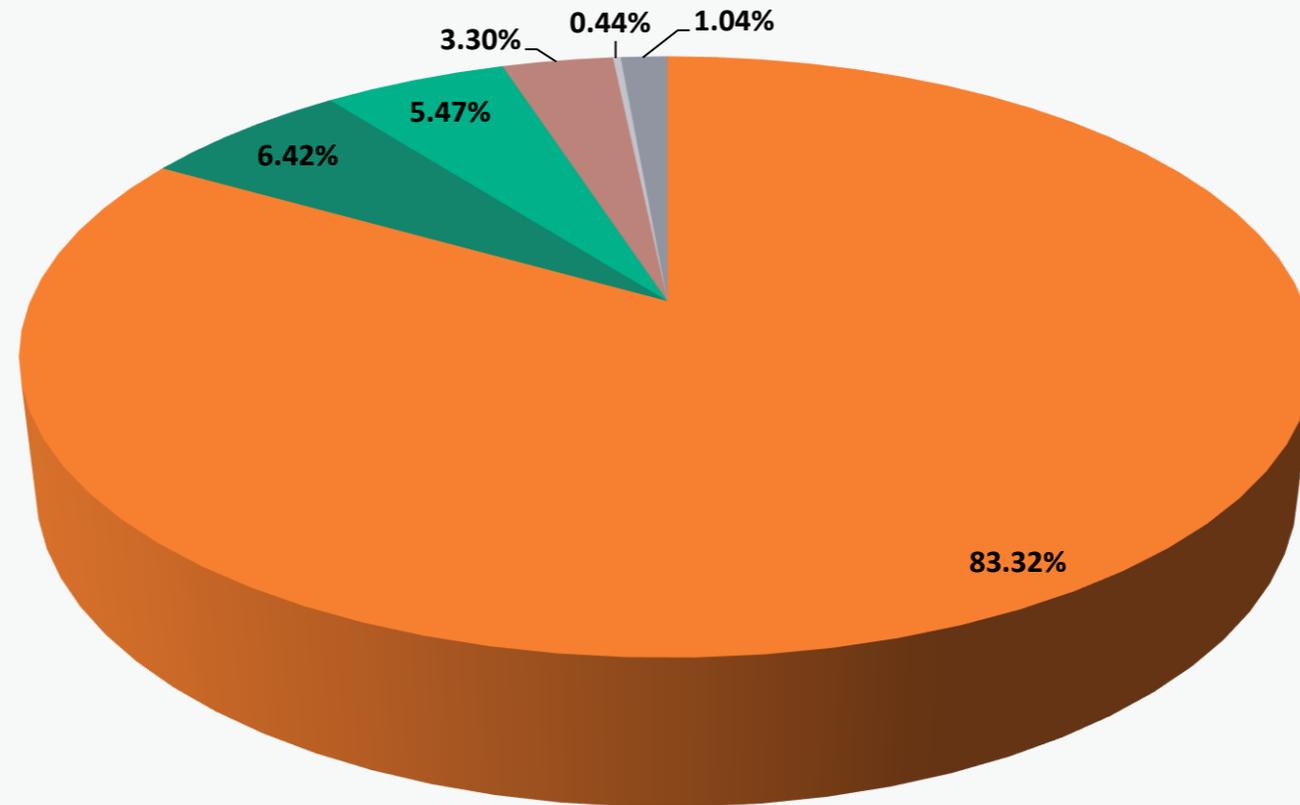
- Leverage banking infrastructure to diversify product portfolio and increase fee and commission-based business
- Increase focus on treasury income, bancassurance, fee and processing charges
- Introduce new products and services and focus on cross-selling to existing customers

# Annexure

# Shareholding Pattern

Shareholding Pattern (Based on Holding) as on 31<sup>st</sup> December, 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

## COVID Relief

- Initiatives were done internally by the bank to address the pandemic and also through partner organisations support the unserved and underserved

## 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

- Work with CSR partner organisations to strengthen communities by providing support to education, skill development, infrastructure development across India

## Disaster Relief & Vocational training

- 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



**44,107**  
beneficiaries



**12,800+** Municipality  
and Panchayat workers



**1,95,000+** trained on  
COVID awareness



**18,450** Healthcare  
Workers



**19,947**  
Police



**200** Drivers &  
Conductors

- **COVID relief activity:**
  - As apart of CSR initiative distributed 1,50,000+ Mask; 41,000+ Soaps; 27,000+ Sanitizers; 8,000+ PPE kits and many more
  - ₹ 1.81 Cr (approx) spent in response to the pandemic outbreak
  - ₹ 52 lac was spent on cyclone relief activities across India
- **COVID Education :**
  - Educated 1,95,000+ people on COVID symptoms, precautions, nearby testing centres and insurance schemes by GOI
  - Education training is being provided in 18 states
- **COVID Education program will reach overall 3+ lakh beneficiaries by end of March-21**

**Thank You!**