

USFB/CS/SE/2020-21/29

Date: July 31, 2020

To,

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

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

Symbol: UJJIVANSFB

Scrip Code: 542904

Dear Sir/Madam,

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

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

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

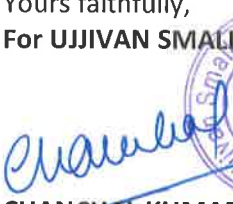
The meeting of the Board of Directors commenced at 12:30 P.M and concluded at 05:00 P.M

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

We request you to take note of the above.

Thanking You,

Yours faithfully,
For UJJIVAN SMALL FINANCE BANK LIMITED


CHANCHAL KUMAR
COMPANY SECRETARY AND COMPLIANCE OFFICER

Ujjivan Small Finance Bank Ltd.

Registered Office: Plot No. 2364/8, Khampur Raya Village, Shadi Kampur, Main Patel Road, New Delhi-110008.
Tel: +91 11 30432121, Fax: +91 11 30432111.

Head Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, Koramangala 6th Block, Bengaluru-560095.
Tel: +91 80 40712121, Fax: +91 80 4146 8700.

CIN: L65110DL2016PLC302481 **W** www.ujjivansfb.in **E** ujjivan.blr@ujjivan.com

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

To,
The Board of Directors
Ujjivan Small Finance Bank Limited

1. We have reviewed the accompanying statement of Unaudited Financial Results of Ujjivan Small Finance Bank Limited (the "Bank") for the quarter ended June 30, 2020 ('the Statement') being submitted by the Bank pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This statement, which is the responsibility of the Bank's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' ('AS 25') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India from time to time ('RBI Guidelines') and other recognized accounting principles generally accepted in India. Our responsibility is to issue a report on the Statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

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

Our opinion is not modified in respect of this matter.

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



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

Mumbai
July 31, 2020

UJJIVAN SMALL FINANCE BANK LIMITED

CIN: L65110DL2016PLC302481

Registered Office: Plot No. 2364/8, Khampur Raya Village, Main Patel Nagar Road, Shadi Khampur, New Delhi - 110 008

Corporate Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095

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

Unaudited Financial Results for the Quarter Ended June 30, 2020

(Rs. in Lacs)

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

* Figures for the quarters are not annualised



UJJIVAN SMALL FINANCE BANK LIMITED

CIN: L65110DL2016PLC302481

Registered Office: Plot No. 2364/8, Khampur Raya Village, Main Patel Nagar Road, Shadi Khampur, New Delhi - 110 008

Corporate Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095

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

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

(Rs. in Lacs)

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

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

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

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



Notes :

- 1) The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 31, 2020. The financial results for the quarter ended June 30, 2020 have been subjected to "Limited Review" by the statutory auditors of the Bank. The report thereon is unmodified.
- 2) The above financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the guidelines issued by the Reserve Bank of India (RBI).
- 3) The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2020.
- 4) The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the financial year 2019-20 and the published year to date figures upto December 31, 2019.
- 5) The Bank has granted 4,07,99,100 options under the Employee Stock Option Plan (ESOP) 2019 to eligible employees of the Bank (including employees of the Bank's holding company) during the financial year 2019-20. As at June 30, 2020, out of the total options granted, 33,88,135 options were lapsed and 3,74,10,965 options are yet to be vested.
- 6) Other income includes income from commission, exchange and brokerage, processing fees, profit on sale of investments, PSLC fee income and recoveries from accounts previously written off.
- 7) The Capital Adequacy Ratio ("CAR") has been computed as per operating guidelines for Small Finance Bank in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No. 26/16.13.218/2016-17 dated October 06, 2016.
The Bank has followed BASEL II standardized approach for credit risk in accordance with the operating guidelines issued by the RBI for Small Finance Banks. Further, the RBI vide its Circular No. DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk. Additional COVID provisioning have not been considered in Tier II capital.
- 8) Bank has considered ESOP reserve as Tier 1 capital for the computation of Capital Adequacy Ratio -BASEL II.
- 9) The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments and companies, including the Bank, have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 46 days up till May 31, 2020 across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are incapable of assessment at this point in time, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Bank.
In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank has granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers. In line with the additional Regulatory Package guidelines dated May 23, 2020, the Bank granted a second three months moratorium on instalments or interest, as applicable, due between June 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e, the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning Norms).
The Bank has made total provision of Rs 7,000 lacs for COVID 19 as on March 31, 2020 out of which Rs 4,897 lacs was in respect of accounts in default but standard against the potential impact of COVID-19. Further, the Bank has made additional provision of Rs 12,900 lacs during the current quarter against the potential impact of COVID 19 on standard assets based on all the available information at this point in time. The provision held by the Bank is in excess of the RBI prescribed norms.
- 10) Figures for the previous periods have been regrouped and reclassified wherever necessary to conform to the current period presentation.

Bengaluru
July 31, 2020

By order of the Board
For Ujjivan Small Finance Bank Limited


Nitin Chugh
DIN: 01884659
Managing Director & CEO

