



**BUILDING A MASS
MARKET BANK**
JUNE 2023



UJJIVAN SMALL FINANCE BANK

Build a Better Life

Investor & Analyst Meet



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AGENDA

Building a mass-market bank: Unique Business model

Liabilities: Stable, Sustainable, Scalable

Micro Lending: Serving fast expanding aspiring customer base

Affordable Housing: Geared-up for big leap ahead

Credit & Collection: FY23 delivered, steady road ahead

“Hello Ujjivan”: Attracting the new generation with tech enabled channels

Way Ahead: Sustainable profitable Growth

A group of women are sitting on the floor in a room, working on sewing projects. They are wearing colorful saris and are focused on their work. There are sewing machines and fabric pieces around them. The room has large windows in the background. The entire image is overlaid with a semi-transparent green filter.

Building a Mass Market Bank

Unique Business Model

INTRODUCING UJJIVAN SFB



Differentiated
Business
Model



Successful
Transition to
SFB



Most
Geographically
Diversified
SFB



Strong
Financial
Performance

- Focus on under-served customer segments
- Long-standing association with customers; more than 2/3rd of asset customers are associated for 3+ years
- Successful transition to a small finance bank
- Upfront investments made in branches, teams, technology, human resource over FY17 - FY20
 - Built granular retail deposit franchise, significant reduction in cost of fund
 - Launched secured lending products to deepen engagement and service life-cycle needs of clients
- Presence in 25 states through 629 branches
- No single state constitutes >16% of its AUM
- **Strong finish to FY23:** 33% Gross Loan Book growth, 40% deposit growth, 3.9% RoA, 31% RoE
- **Strong Credit quality:** FY23 fresh slippages low at 1.4%; PCR of 98% (highest in the industry), Net NPA of 0.04%(lowest in the industry), additional floating provision providing extra cushion to Balance Sheet

Despite Covid-19, strong foundation built over the last 3 years

Customer base (in mn)

5.3

March'20

7.7

March'23

Retail Deposits % of Total deposits

45%

March'20

66%

March'23

CASA Ratio

14%

March'20

26%

March'23



STANDING TALL

₹1,100 cr net profit: Among most profitable domestic companies

₹24,000+ cr Gross Loan Book

₹20,000+ cr disbursement in FY23

₹25,000+ cr deposits; ₹10,000+ cr retail TDs; ₹6,700+ cr CASA



Yield: 18.4%



NIM: 9.5%



RoA: 3.9%



RoE: 31.4%



Net worth:
₹4,209 cr



BVPS: ₹ 20.5



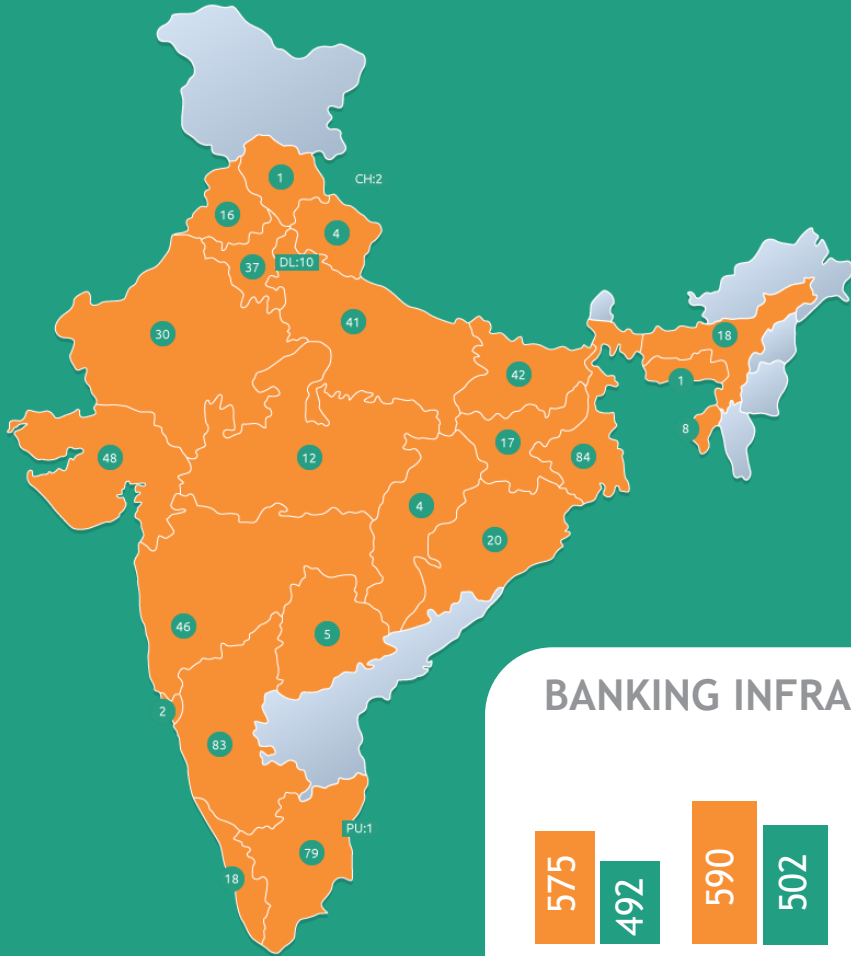
CRAR: 25.8%



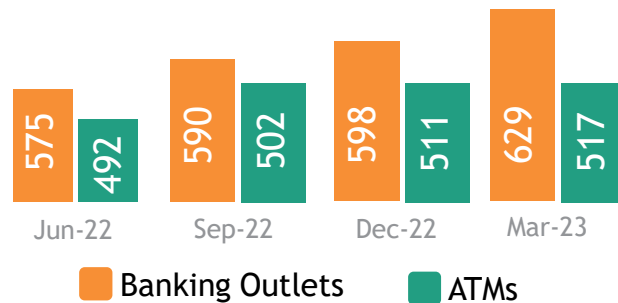
GNPA/NNPA:
2.6%/0.04%



WELL DIVERSIFIED PAN INDIA PRESENCE



BANKING INFRASTRUCTURE



Serving 77+ lakh customers through 17,870 employees

Banking Outlets

States with branch network

BRANCH NETWORK

- 25 states and UTs (161 URCs)
- 629 Banking Outlets (BO)
- 271 districts
- 517 ATMs/ACRs

OTHER PHYSICAL CONNECTS

- 5,000+ touch points
- 260+ Money Mitra
- 2 Asset Centers
- 21 Other Offices
- Chalta Phirta Bank - 13,000+ field staff

DIGITAL AND ALTERNATE

- Phone Banking
- Video Banking
- Voice Bot
- IB, MB and BNB
- Hello Ujjivan

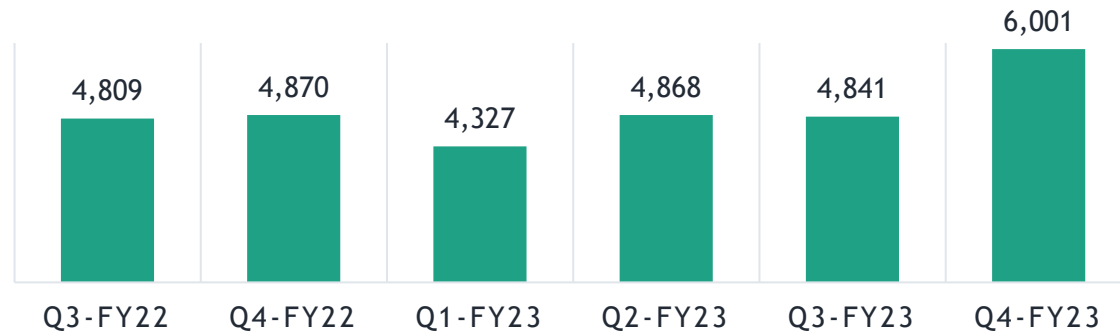


DELIVERING - CONSISTENTLY & PROFITABLY

Sustained momentum in Business volumes

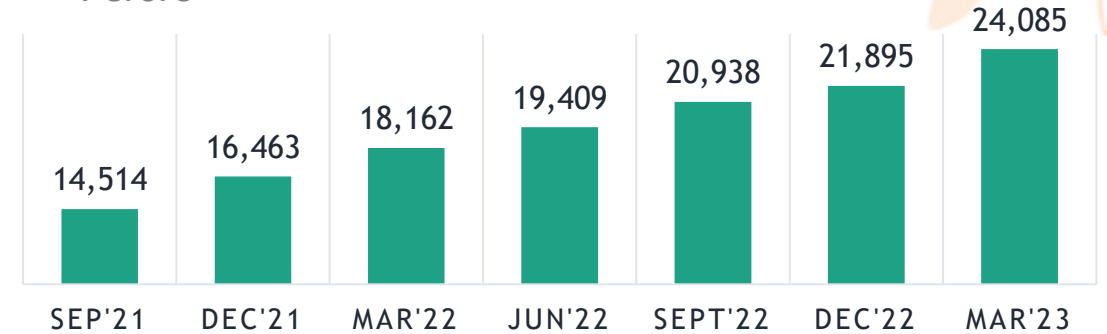
Quarterly Disbursements crossed ₹6,000 crores mark

₹ Crore



Gross loan book - 66% growth in 18 months

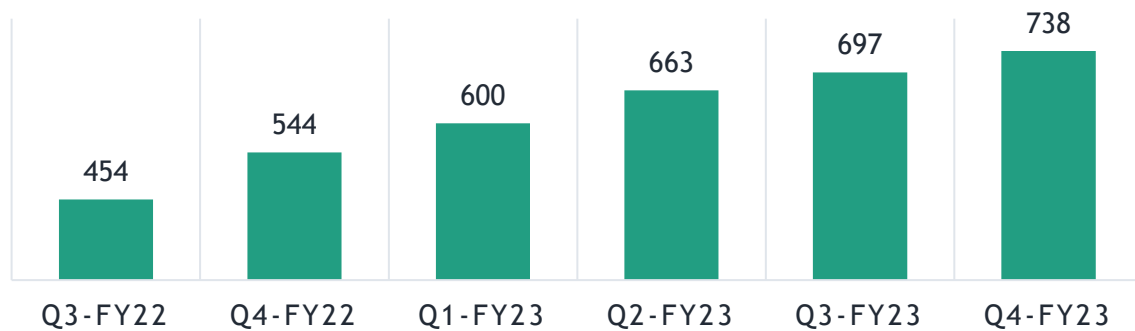
₹ Crore



Generating strong profitability

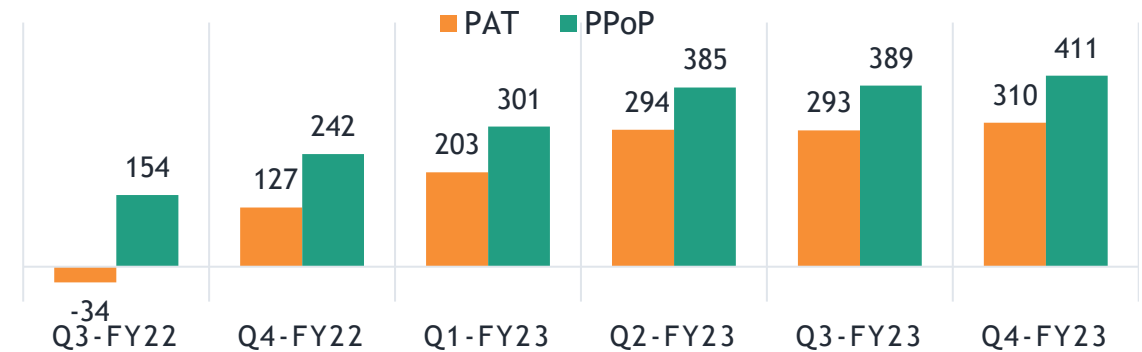
Rapid growth in Nil...

₹ Crore



... with high profitability

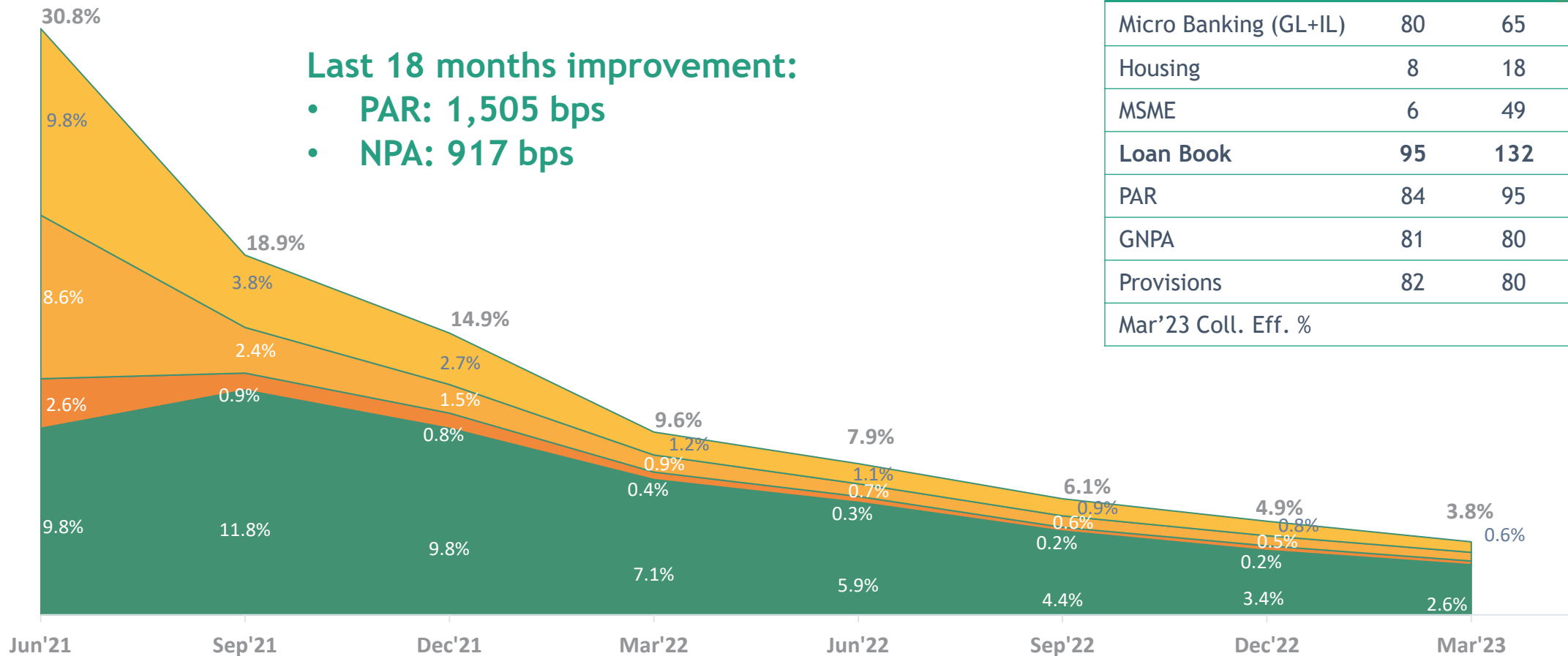
₹ Crore



ASSET QUALITY AT INDUSTRY BEST - NEGLIGIBLE NNPA

SMA Pool & Restructured Book have shrunk significantly highlighting strong asset quality

■ SMA-0 ■ SMA-1 ■ SMA-2 ■ NPA

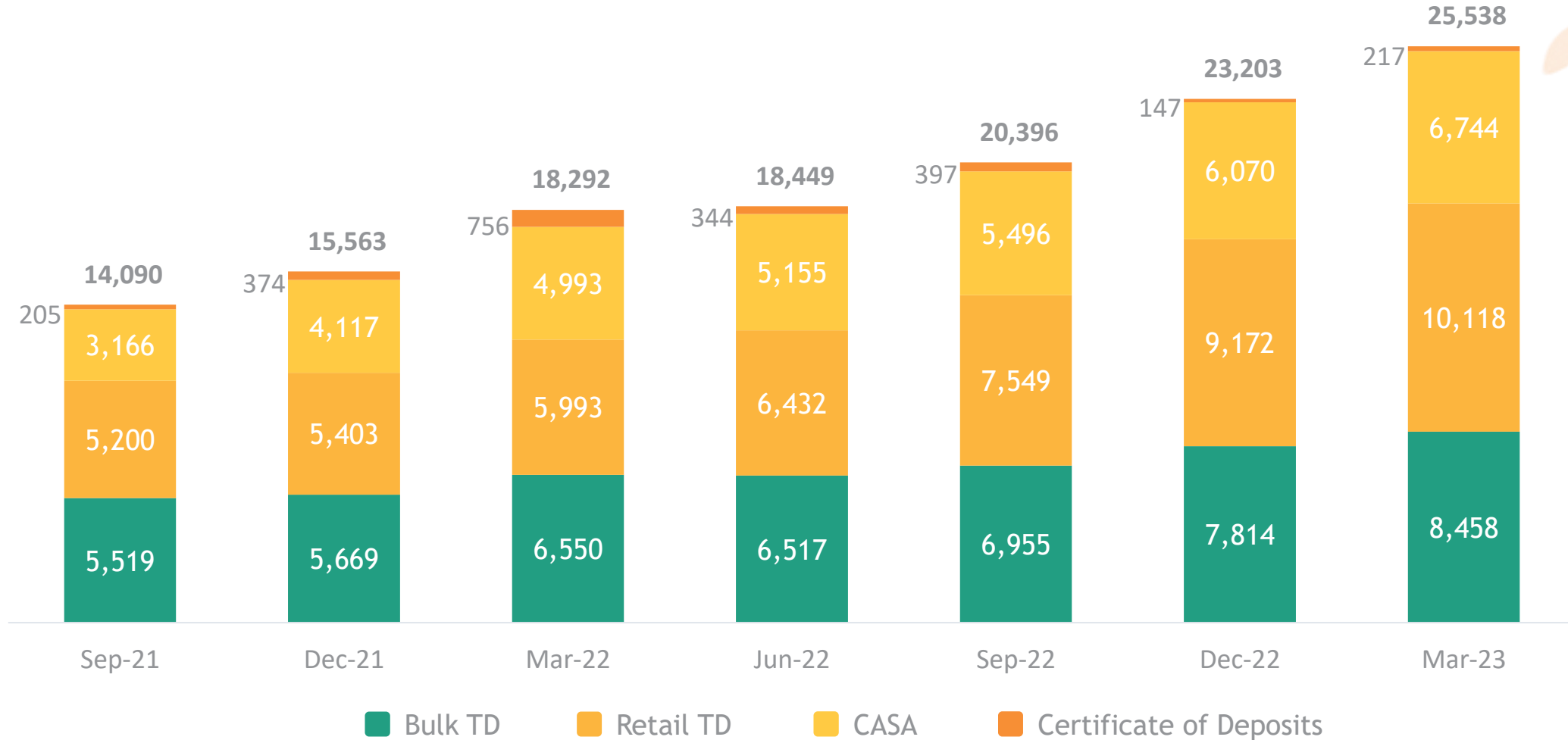


₹ crores	RF 1.0	RF 2.0	Total
Micro Banking (GL+IL)	80	65	145
Housing	8	18	26
MSME	6	49	55
Loan Book	95	132	227
PAR	84	95	179
GNPA	81	80	162
Provisions	82	80	162
Mar'23 Coll. Eff. %			111%



STRONG DEPOSIT GROWTH WITH RETAIL AT FORE-FRONT

81% growth in deposits over 18 months; CASA grew 113%



DRAWING STRENGTH FROM UJJIVAN'S UNIQUE BUSINESS MODEL

Asset Mix with high yields; fast growth



Higher
proportion
of unsecured

**Maintain high credit quality,
diversify to secured**

- High credit quality in MFI
- Strong on ground collection team along with increased focus on Digital collection
- Cushioned with Floating provision; High PCR
- Healthy CRAR
- Diversifying book
 - Through secured products-targeting aspiring middle class
 - Expanding geographies



Volume
Intensive

**Keeping opex under
check**

- Improving productivity
- Increased usage of technology; enhanced digital initiatives; robust deployment of RPA in business process
- Streamlining processes
- Digital reach beyond branches



Can absorb
higher cost
of fund

**Strengthening liabilities,
keeping CoF under check**

- Diversifying funding sources
- Reducing premium over larger peers
- Growing CASA, Refinance etc



FOCUS AREAS FOR FY 2023 - 24

Growing asset book
with balanced mix of
Secured Vs Unsecured



Enhancing delivery channels
with focus on digital, video
Banking, Phone Banking for
better customer experience



Continued focus on
productivity & sweating
the infrastructure



Consolidating Deposit
franchise with further granular
base toward Retail, CASA



Upgrading and
expanding **technology**
platform



Succession planning,
Reverse Merger with
Ujjivan Financial Services



A photograph of three business professionals in an office setting, overlaid with a semi-transparent teal filter. A man in a suit and tie is smiling and gesturing with his hands while holding a tablet. A woman is looking at him, and another man is partially visible on the left. A laptop is on the desk in the foreground.

LIABILITIES

STABLE, SUSTAINABLE, SCALABLE

LIABILITY MANTRA FOR NEXT LEAP

What underpinned ₹25K crore milestone?

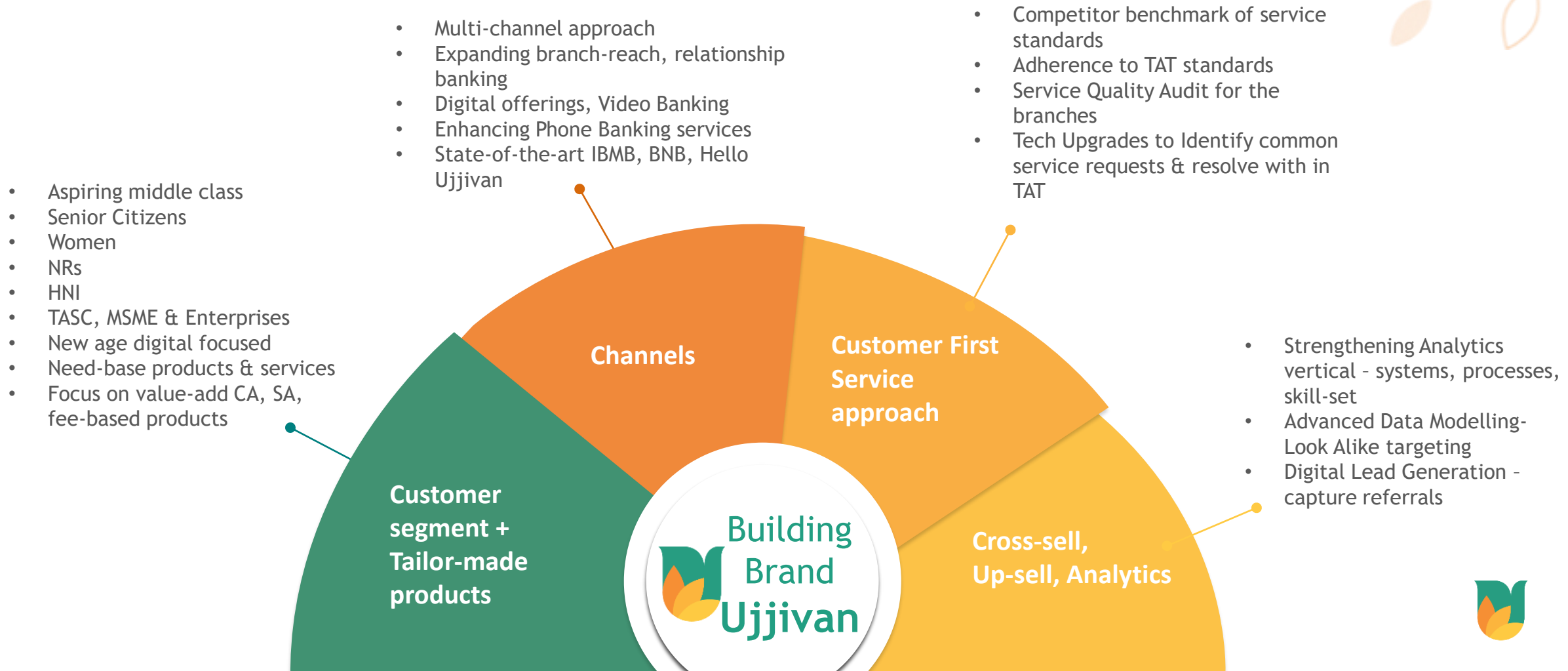
- Ahead of the market to anticipate rising rate cycle
- Strong base of traditional customer segments
- Strong customer service
- Wide Physical reach backed by Phone Banking, IB, MB, BNB, experienced field force
- Cost of Fund up by only 20bps in FY23 despite 250bps hike in REPO over last 18 Months

What is the focus ahead?

- Reducing interest rate premium over larger peers
- Expanding product & services suites to attract wider customer base
- Expanding customer base to new age, tech-savvy segment with:
 - Digital products
 - Multiple tech-led channels like video banking
- Implementing latest technology to provide better service
- Analytics-based cross-selling, up-selling
- Branding - national, regional campaigns, festival/ event based campaigns, digital marketing

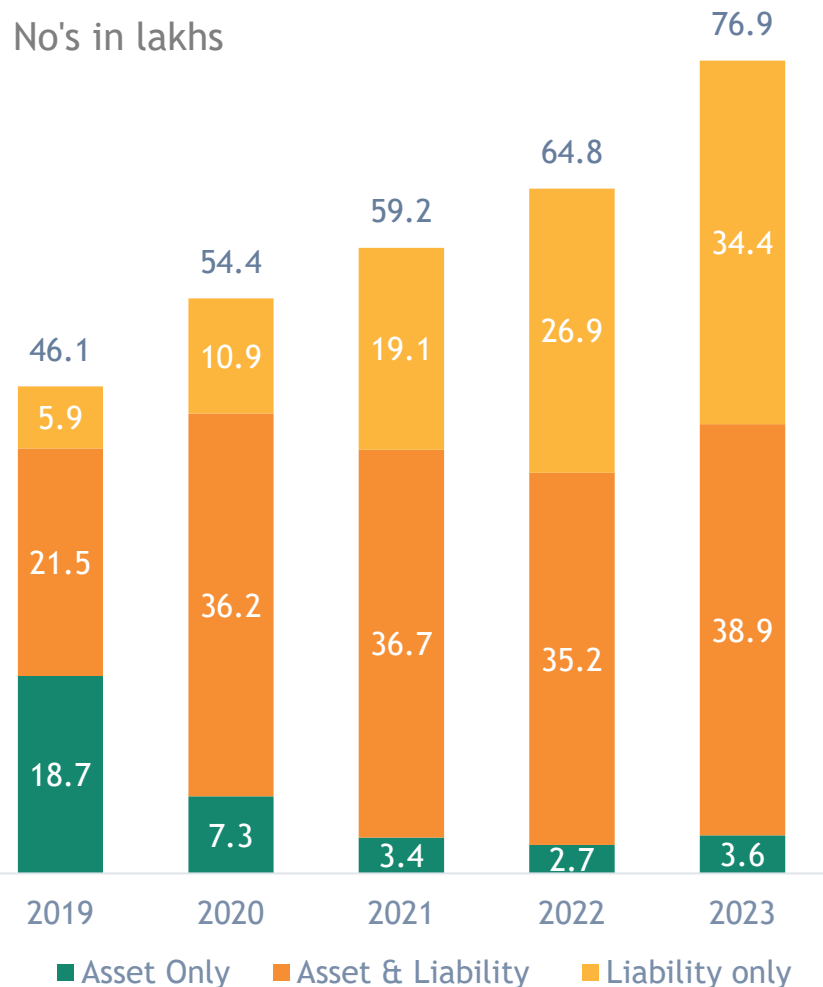


BUILDING STABLE AND GRANULAR LIABILITY BASE

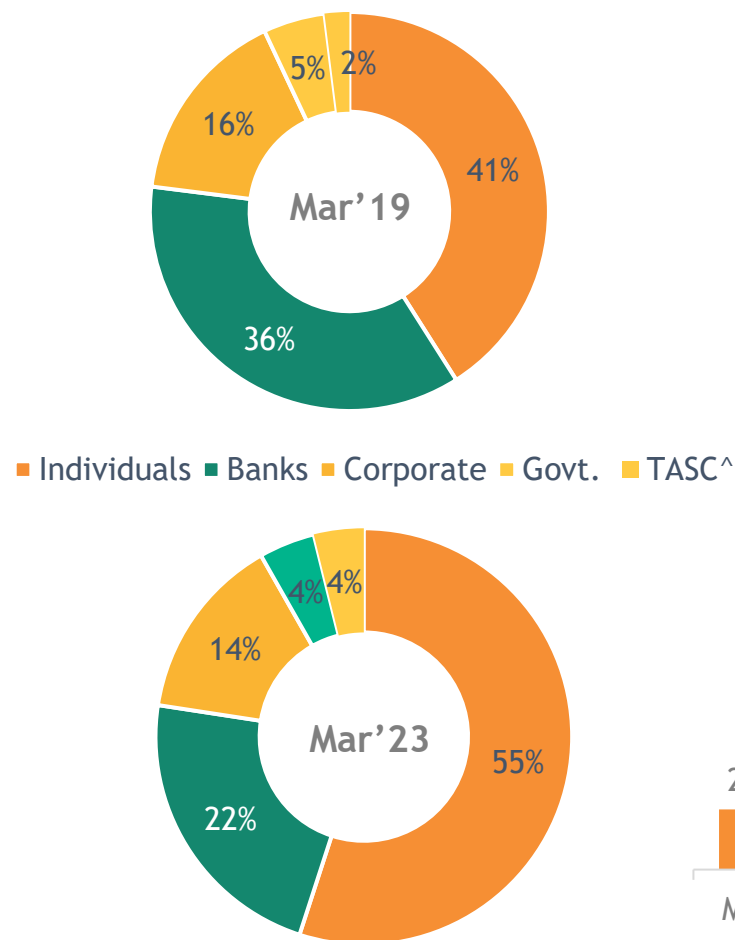


GROWING CUSTOMER BASE, MORE GRANULAR, BETTER ATS

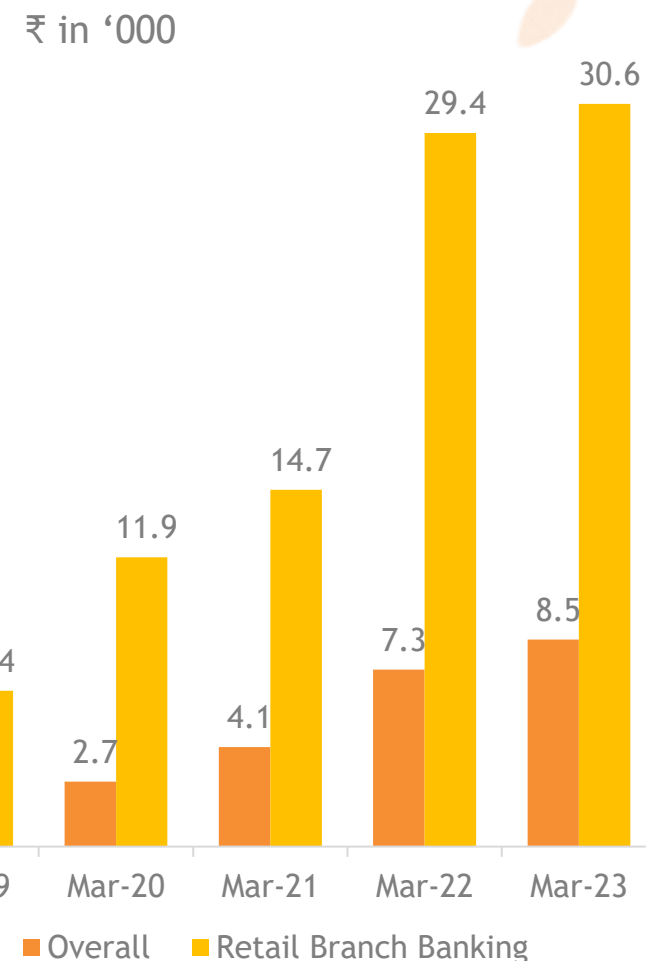
Growing Customer Base...



...with Focus on Granular Base...



...& Increasing Average SA Ticket Sizes (ATS)



EXPANDING FROM TRADITIONAL CUSTOMER SEGMENTS



Senior Citizen

- **Need:** Higher rates on deposits, low-cost banking services and priority services at branches/doorstep
- **USP:** Doorstep banking services, Additional interest rates for senior citizen and Life-time free Debit card



HNI

- **Need:** Exclusive lifestyle and wellness benefits, faster query resolution and higher interest rates
- **USP:** Dedicated Program 'Ujjivan Navratna' to cater to the needs of HNI customers



Women

- **Need:** Higher Interest rates, Exclusive offers, Easy-to-use banking services
- **USP:** Exclusive Savings account for Women; additional benefits on minor account linked with standing instruction; competitive interest rates



TASC

- **Need:** Higher Interest rates and CMS solutions
- **USP:** Charge-free banking services, Dedicated team of experts to manage the relationship, payment gateway and Value-added services (POS/QR/CMS)



NR

- **Need:** Remittance efficiency, FCNR account, Digital Banking capability and alerts on International mobile
- **USP:** Dedicated Helpline & RMs and Competitive interest rates



Enterprises

- **Need:** Working capital Loans, Payment Solutions and comprehensive banking solutions/ecosystem
- **USP:** Charge-free banking services, Value Added services (POS/QR/CMS) and higher cash limit



TO NEW AGE TECH SAVVY CUSTOMERS ACROSS THE COUNTRY, BEYOND PHYSICAL REACH OF THE BANK

Socially Active
Online investing
Travelling
Flexibility
Quick response
Hassle-free online account opening
Mobile Banking
Video Banking
Research-based decisioning
Convenience
Phone Banking



The Young Saver

Demographics: 25-30 years, Graduate, Middle-income

Psychographics: Values stability, financially responsible, prefers convenience

Behaviours: Prefers online services, research-based decisioning, active on social media, well-travelled, likes to watch educational/investment content

Preferences: Transparent and competitive interest rates, hassle-free online account opening & banking-services



The Established Investor

Demographics: 30-45 years, Post-graduate, High-income

Psychographics: Value security, comfortable with online transactions, prefer flexibility

Behaviours: Research before investing, willing to invest in long-term fixed deposits, travellers, consume news online, bookings online

Preferences: Wide range of tenures, hassle-free renewal and withdrawal process



The Tech-savvy Entrepreneur

Demographics: 30-45 years, Self-employed, High-income

Psychographics: Values convenience, prefers high returns with low risk, hassle-free banking-services

Behaviours: Frequently search online investment options, prefer mobile banking, frequent traveller, high-value online shopping, active on social media

Preferences: Competitive rates, invests with established financial institutions



MULTIPLE CHANNELS TO SERVE CUSTOMERS

Physical Infra

- 25 states and UTs
- 2 Asset Centers
- 271 districts
- 629 Banking Outlets (BO)
- 517 ATMs/ACRs

Payments & Tie-ups

- QR code/ Ujjivan Pay
- POS
- UPI
- Fintech partnership/ Digital lending

Additional touch-points

- Relationship Banking
- Chalta Phirta Bank: Door-Step Banking through 13,000+ field staff
- Money Mitra- 260+
- Agency touch points- 5k+

Alternate Channels

- Phone Banking (200+ services in 9 Indian Languages)
- Video Banking
- Voice Bot

IBMB

- Internet Banking
- Mobile Banking
- Business Net Banking

Hello Ujjivan

- Hello: Voice, video, vernacular Mobile App
 - Targeting less tech-savvy customers
 - Services like loan servicing, EMI payment, FD/ RD opening, fund transfer - more to be added like loan application



EXPANDING HUMAN RESOURCE CAPACITY & CAPABILITY

Talent Acquisition



- Focus on Employer Branding to attract good talent
- Tie-up with reputed universities / education institutes to ensure pool of fresh talent
- Need-based new profiles to cater customers better (CA RMs, NR RM's, Cluster Heads)
- Expanding overall field force, with back-ups of critical roles

Talent Management



- Attractive Compensation, Grade and Salary Structure
- Role-wise Career roadmap
- Identifying and retaining high performing employees; special bonus and ESOP programme for top performers

Learning & Development



- Skill development programmes - Selling for acquisition team, Supervisory for Branch Managers, Leadership for Regional/ Circle Business Heads, Design Thinking for Product teams
- Emphasis on certifications like JAIIB, CAIIB etc.,
- Gamifying and making learning interactive with specialised vendors
- Industry exposure to learn and adapt best practices

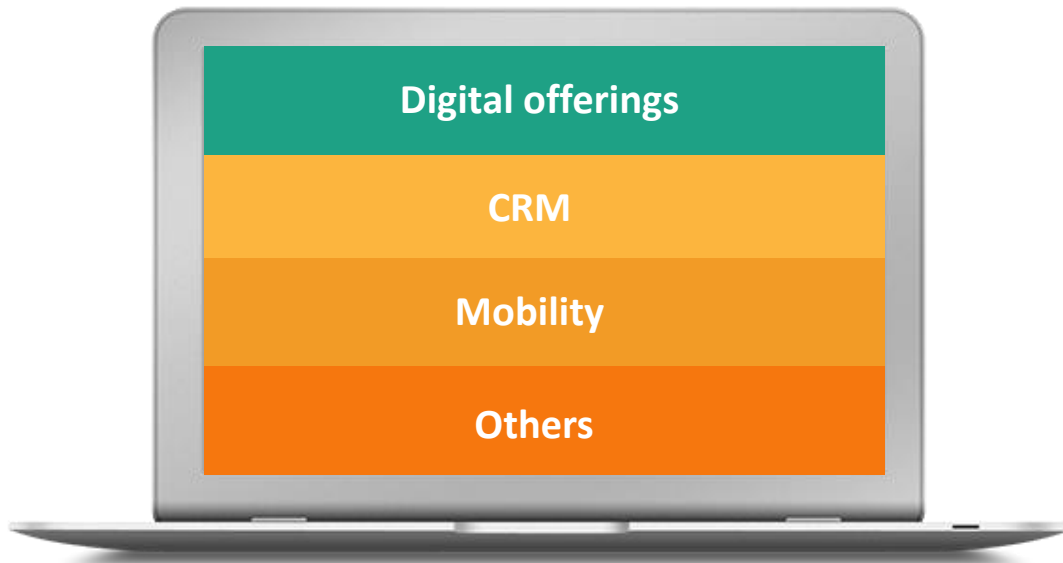
Rewards & Recognition



- Performance appraisal based on scorecard without Bell curve intervention
- Relevant sales contests at national & regional level
- Introduce 'Happy Quotient' for employees to take auto-approved leaves based on their life-events



DIGITAL FD, SA, CA VIDEO BANKING NEW TECHNOLOGICAL SOLUTIONS



- **Digital FDs, SA products to cater to tech savvy segment**

- Develop various APIs for Digital onboarding and servicing
- Enhancing BNB capabilities through existing suite upgradation/Introduction of new platform

- Knowledge on the current CRM capabilities and the process of utilizing them
- Robust Lead management system track all leads and to support quicker account opening
- Extensive Relationship Module for RM/RO mapping
- Linking of account for Group and Family banking
- Comprehensive 360° view of customers covering all product variants

- Extensive support in transition from HHD to Mobile device for account opening journey
- Develop CRM capabilities

- Collection & payment solutions - Virtual accounts, New Payment Hub
- Insure Tech solutions for TPP sales
- Develop charge module to allow waiver/discount on charges and for quicker implementation of any change in charges
- Continuous enhancement of system capabilities and bandwidth at branches based on usage and requirement
- Dedicated and stable UAT environment for testing
- Build internal Survey Portal for continuous feedback for upgradation and course correction



DIGITAL FIXED DEPOSITS

Attracting new age customers, across nation

Hassle-free
experience



A paperless
alternative to
traditional FDs



No need to hold
Savings Account
to open Digital
FD



Minimal
Documentation

- 1) Aadhaar Card
- 2) PAN Card
- 3) Mobile No. linked to Aadhaar

GET FD IN JUST 5
SIMPLE STEPS...



Step 1
Mobile No., PAN &
Aadhar Verification

Step 3
Complete Payment

Step 5
Complete Video
KYC

Step 2
Enter FD Details

Step 4
Provide Personal
details

FD booked
Successfully

Top Features

Paperless
and secure

Multiple
pay out
options

Pre-mature
withdrawals
after 6
months - no
penalties

FD advice
delivered to
Email ID

Online
Banking
Facility



DIGITAL SAVINGS ACCOUNTS

Attracting new age customers, across nation

Features



Open Bank A/c from the ease of your comfort



Virtual Debit Card



Unlimited Transactions in Ujjivan's ATM



Open A/c instantaneously



Banking at Fingertips via Ujjivan Mobile Banking app (Available in 9 languages)

Hassle-free SA opening through Digital account link



Step 1
Mobile No., PAN & Aadhar Verification

Step 3
Complete Payment

Step 5
Complete Video KYC

SA opened Successfully

Step 2
Enter initial funding Details

Step 4
Provide Personal details

Services for DSA Across various Digital Channels

Services	Web	IB/MB	Branch	ATM	Phone Banking	Video Banking
Account opening	✓					✓
Financial transactions		✓	✓	✓		✓
Non-financial transactions		✓	✓	✓	✓	✓
Account closure			✓			✓



RESEARCH-BASED BRAND BUILDING

- Print and TV campaigns - Independence Day, November Festive Season, and Republic Day
- T20 & WPL Branding
- Festive/thematic campaigns across all regions
- Customer connect initiatives and micro marketing activities at branches throughout the year
- Permanent Branding Initiatives across regions in association with Traffic Police, and Temples & Tourism department(s)
- Affordable housing loan campaign - Radio campaign in 18 cities, hoardings in 29 locations, wall painting in 15 locations and hyper local activities in the branch catchment
- Hello Ujjivan launch - Public Launch - total 375 stories in print & online news media across 10 locations and 20 languages

ATL Activities

- PAN India campaigns every 6 months and Regional campaigns every quarter
- Brand building through radio, TV & newspaper ads.
- Hoardings, signages having high visibility

Sponsorships

- Sponsorships and Co-branding initiatives to create impact
- Strong line of partnerships to offer rewards
- Creating visibility through participating in trade/industrial bodies/conferences.

BTL Activities

- Create visibility around the vicinity for focused branches
- Support during launch of new branch or re-location of existing branches
- Marketing activities calendar for the year state and segment wise

Digital

- Social Media campaigns for Brand building, Customer Acquisition etc.,
- Communication on new launches, offers and benefits for the customer
- Develop content to support benefits to customers in website



INVESTING IN BRAND BUILDING

THE TIMES OF INDIA Lucknow

Rushdie stabbed 10-15 times in neck in NY, flown to hosp
Man Attacks Author At Lectures, Held

Terrorists kill teenage migrant worker in Kashmir
Govt calls for de-escalation in Taliban

75 yrs of India's 'Tragic' legacy that killed 700

75 weeks (525 days) 7.5% p.a. additional for senior citizen

Happy 75th Independence Day

UJJIVAN SMALL FINANCE BANK
Build a Better Life

आजादी के 75 साल, बेमिसाल भारत

Special Offer 7.5% on Fixed Deposit

75 weeks (525 days) 7.5% p.a. additional for senior citizen

UJJIVAN SMALL FINANCE BANK
Build a Better Life

CELEBRATING REPUBLIC DAY INDIA AT 74

PRESIDENT'S Address to the Nation

7.5% INTEREST RATE p.a. ON SAVINGS ACCOUNT

UJJIVAN SMALL FINANCE BANK
Build a Better Life

THIS AD GIVES YOU GUARANTEED RETURNS

8.25%

UJJIVAN SMALL FINANCE BANK
Build a Better Life

चढ़ती गली से लेकर सभी हवेलियों तक, यह क्वाज दर सभी के लिए है।

8.75%

उज्जीवन स्मॉल फाइनेंस बैंक
(अनुसूचित जाति बैंक)
अब अरेरा कॉलोनी, भोपाल में

799 666 666 3

முதல்து செய்வதற்கு ஒரு காரணம் கொண்டாடுவதற்கு ஒரு சந்தர்ப்பம்

8.0%

8.75%

உஜ்ஜீவன் ஸ்மால் ஃனான்ஸ் பேங்க்
அதிக டிராபிங் ரேட்டில்

799 666 666 3

अधिक चांगल्या परताव्याचा प्रवाह आता आला आहे. नांदेडमध्ये.

उज्जीवन स्मॉल फायनान्स बँक
(अनुसूचित जाति बैंक)
आता नांदेडमध्ये

7.5% 8.0% 8.75%

उज्जीवन स्मॉल फायनान्स बँक
अतम जीवन पडव्या

విజయ కళాక్షేత్రం

NEET LONG TERM COACHING

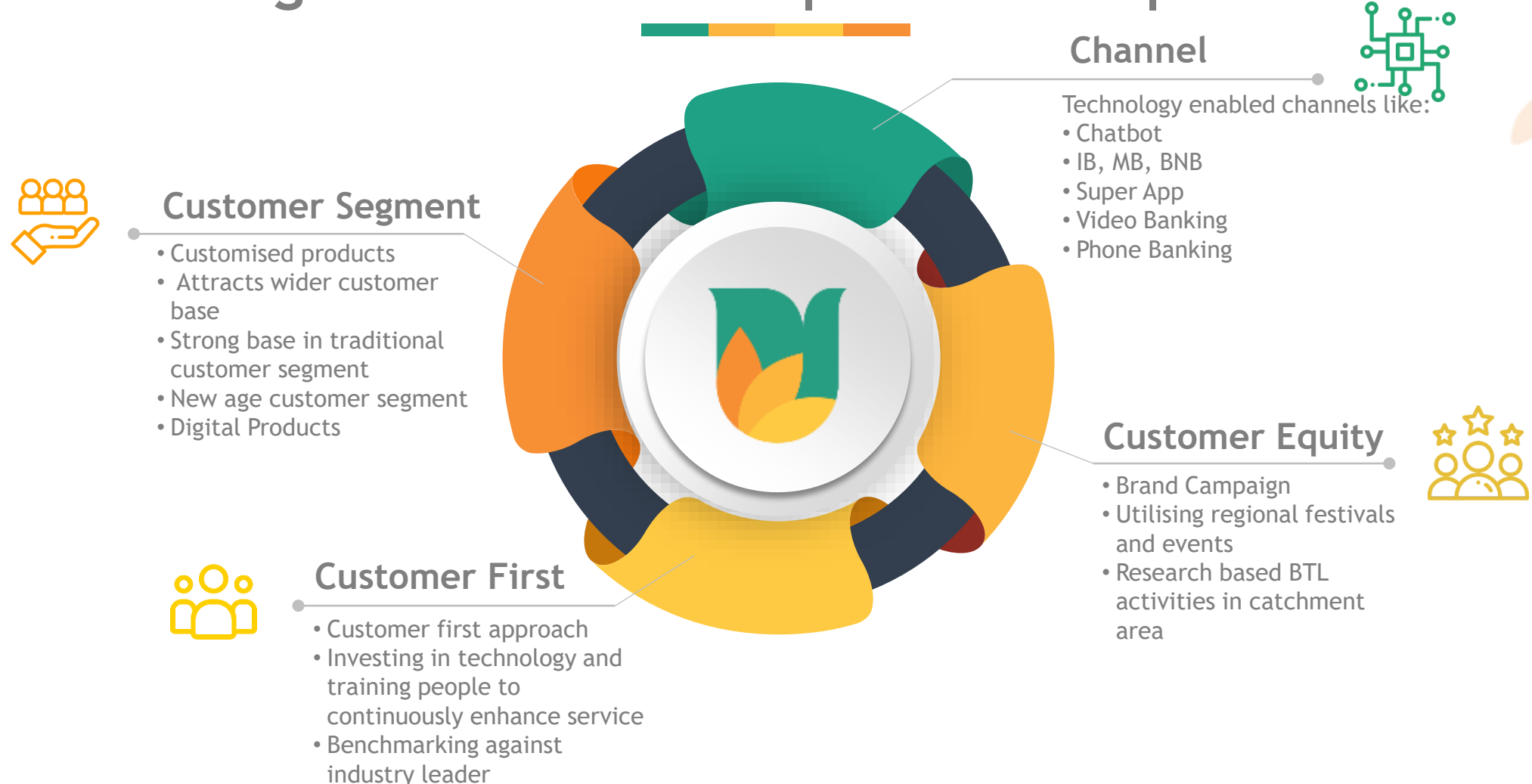
7.5% INTEREST RATE p.a. ON SAVINGS ACCOUNT

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WAY AHEAD: FAST GROWING BASE, AFFORDABLE COST

FY26 target: **80%** CD Ratio | **35%** CASA | **70%** Retail



Targeting FY 23 - 26 Deposits **CAGR: 30%+**

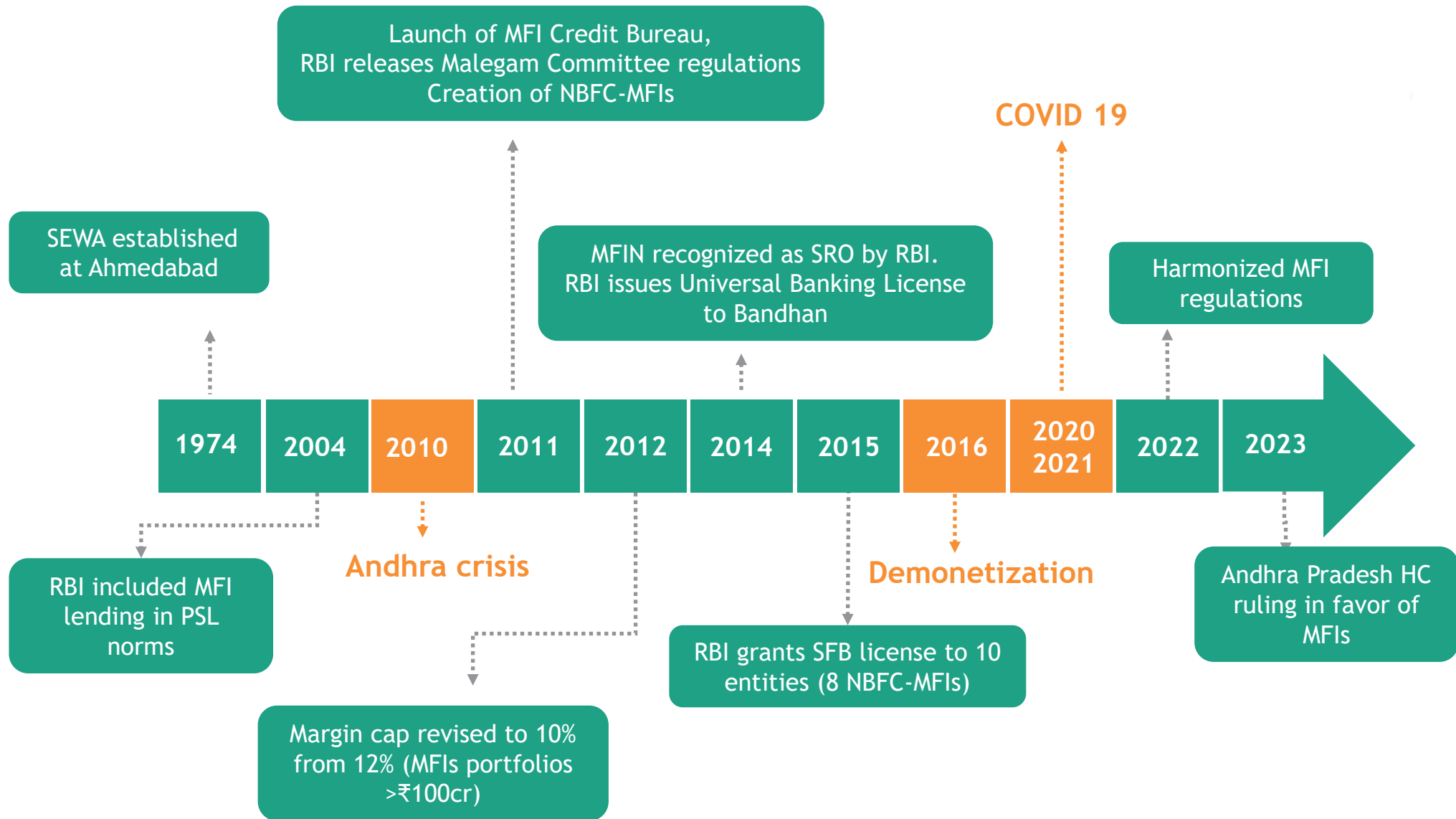


A woman in a yellow sari is sitting outdoors, smiling while using a laptop. She is holding a credit card in her left hand. The background is slightly blurred, showing some outdoor structures. The entire image has a green overlay.

MICRO LENDING

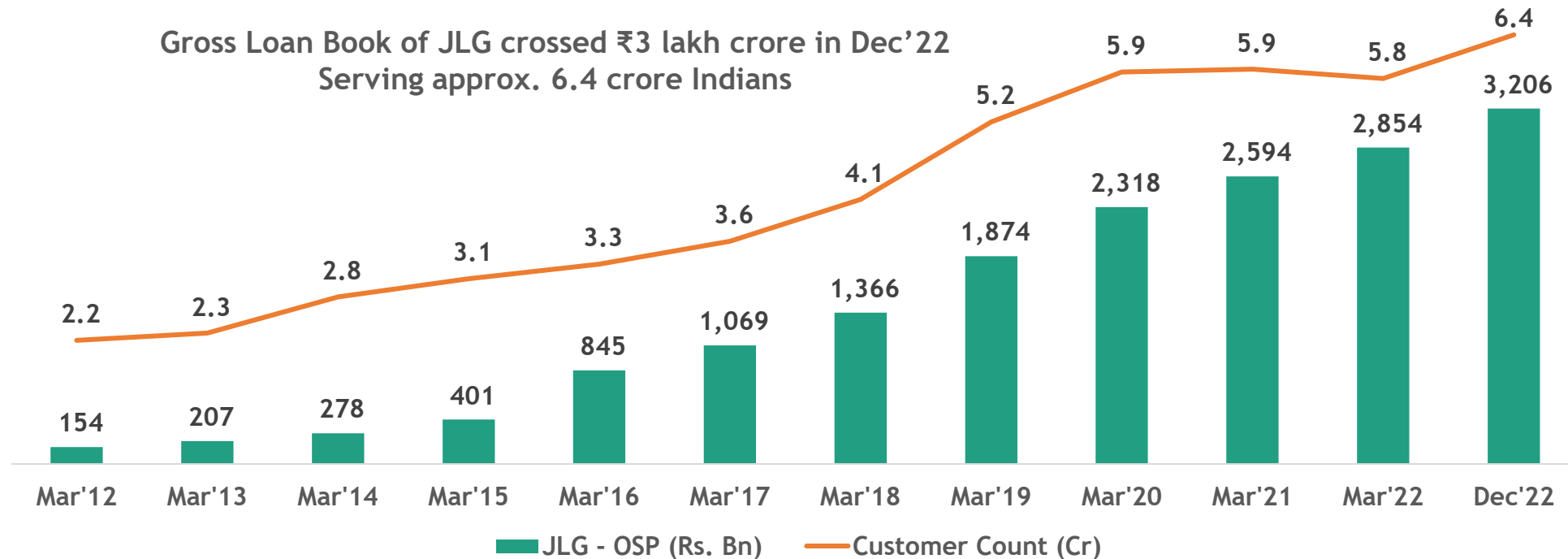
SERVING FAST EXPANDING ASPIRING CUSTOMER BASE

INDUSTRY HAS SURVIVED MULTIPLE CRISES



INDUSTRY GROWING AT 30%+ CAGR

- Industry has delivered **30%+ CAGR** since 2012 despite demonetisation and Covid, **serves 4.5% of Indian population**
- **10% CAGR in customer base**, expected to continue growing with support from macro factors and various government schemes
- **Exposure per borrower is 7x in 12 years** driven by inflation, increasing credit demand, evolving needs of the customer



Industry can continue **18-20% growth** over medium term

Source: Micro Meter by MFIN, (Only NBFC-MFI data till Mar 15), Borrower base has been estimated from FY 16- FY 19 due to non-availability of data in Micro Meter

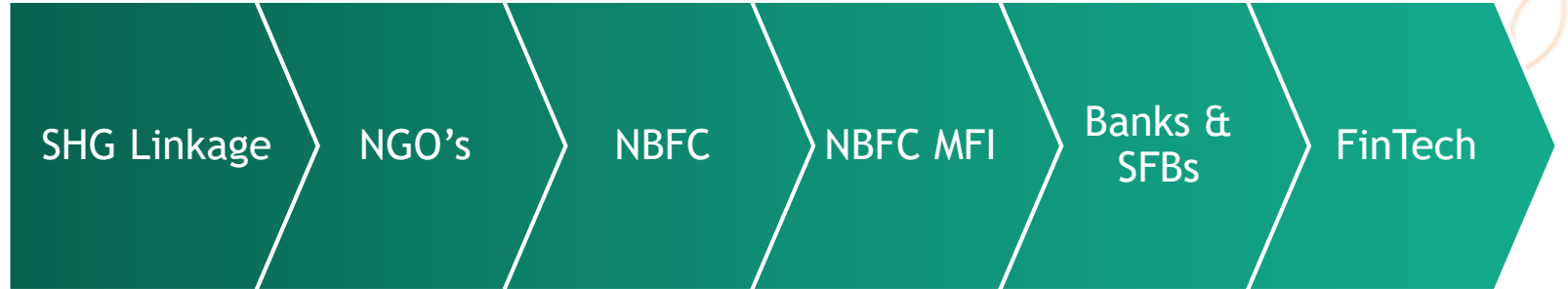


AN EVOLUTION - ORIGINS, TRANSFORMATION & COMMERCIALISATION



Better managed entities

- Developmental approach vs professional management
- Creating new job / employment opportunities
- Gaining visibility, recognition to attract talent - technical; management expertise
- Aspirational industry, Culture
- Increased transparency & corporate governance with improved Board composition including academicians/ social activists, bankers, IT & HR experts



Banks, SFBs gaining market share vs. NBFCs earlier

- Organic - HDFC, RBL
- Inorganic - IndusInd, Kotak
- Converted to Bank - Bandhan, SFBs

8%*

Mar-15

58%

Mar-23

Note: * Based on industry data

Source Crif for Mar'23

Evolving industry landscape - increased competition and regulated entities

- Number of players has expanded from handful to 200+
- Small/ local players to big and pan-India players
- Developmental sector to Sustainable to Profit-oriented sector
- Source of funds: Evolved with nature of players - SHG (Government-aids) to NGO's (donations) to NBFC/ MFI-NBFC (Private equity, Debt, public investors) to universal / Small Finance Banks (public deposits)



HIGH YIELD, HIGH GROWTH, MODERATE RISK

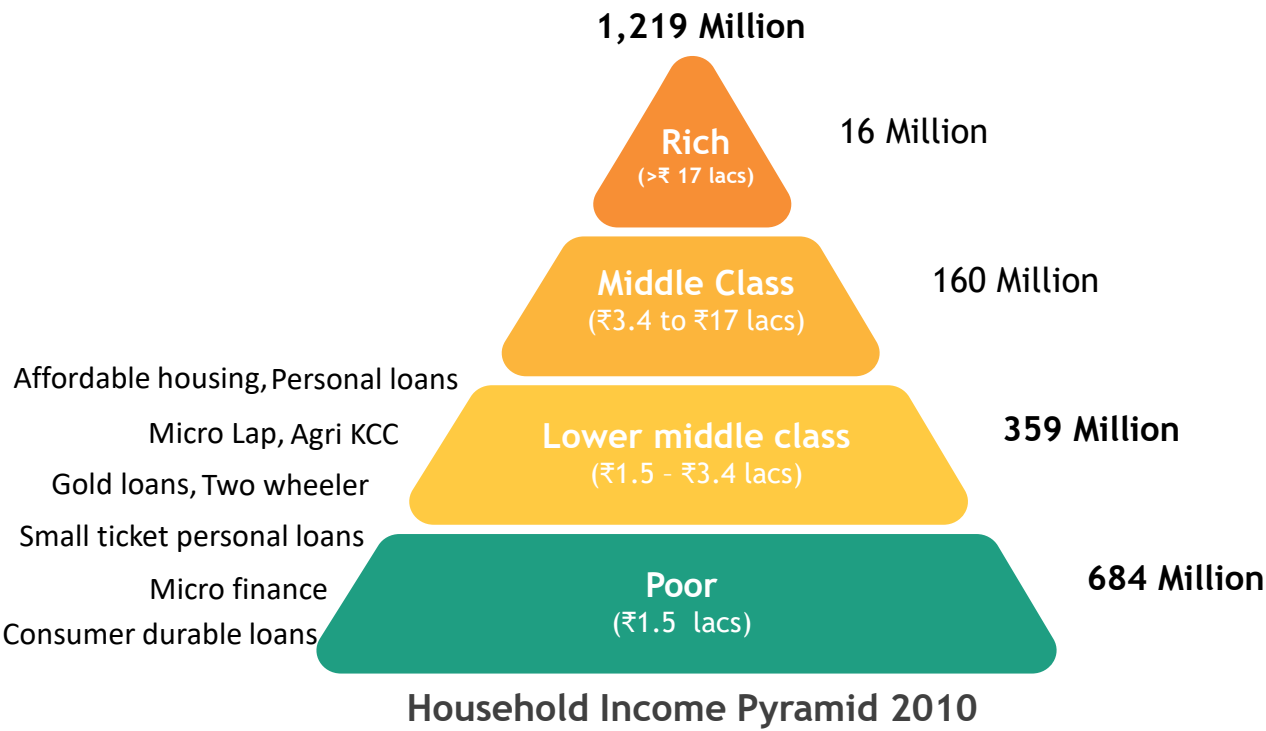
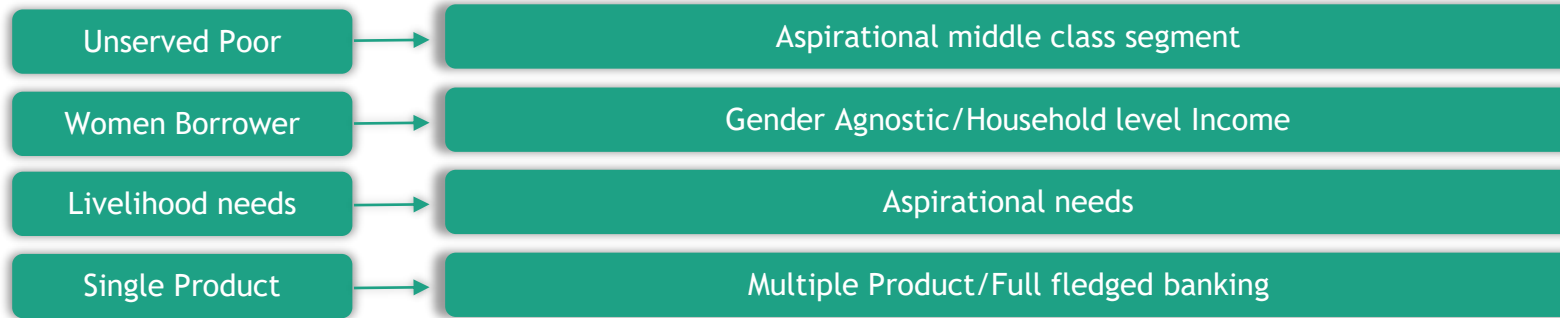
Loan product	Loan account count (Cr)	Yield (%)	PAR 31-90 %	PAR 91-180 %
Personal loans	9.5	12% - 16%	1.95%	0.79%
Unsecured Business Loans	1.2	17% - 20%	2.74%	1.91%
Micro finance	13.1	20% - 27%	1.19%	1.06%
Credit Card	8.6	30% - 45%	2.22%	6.60%
Consumer Loans	6.7	10% - 14%	1.59%	1.23%

Source Crif Highmark

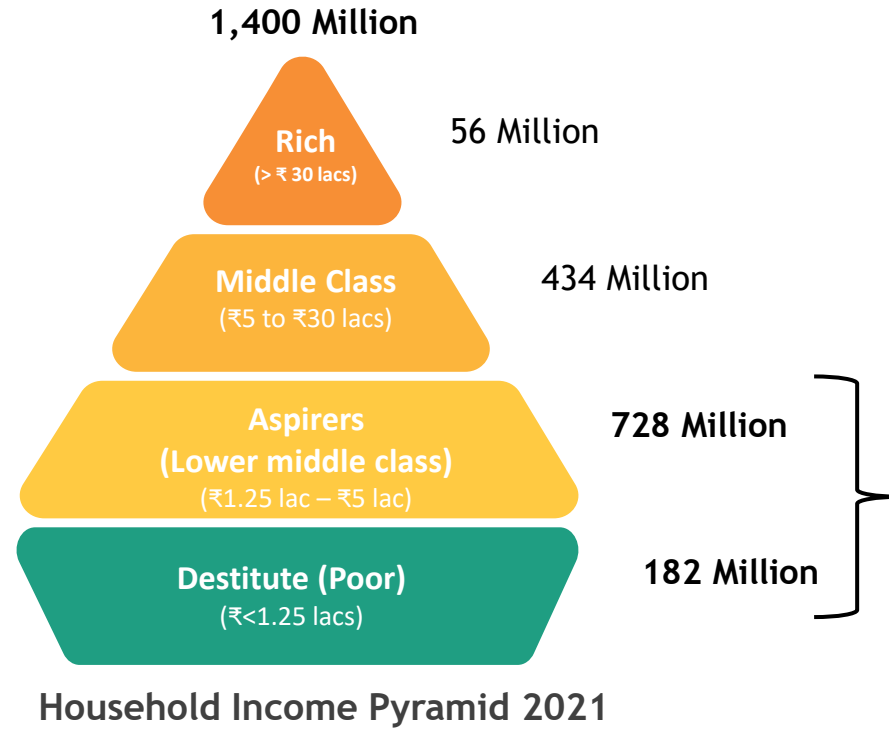
Evolving risk dynamics bringing in discipline



MARKET POTENTIAL



Source: NCAER-CMCR 2010 annual income data. India had a population on 1.21 billion in year 2010



Source : PRICE (People Research on India's Consumer Economy). India had a population on 1.4 billion in year 2021



UJJIVAN: LEADER OF TODAY

NBFC-MFI

- Commenced in 2005 with Grameen model
- Focus on urban poor
- in-depth understanding of customer needs
- Tailor-made solutions
- fully integrated back-end IT platform

SFB

- Commenced operation in 2017
- Additional focus on URCs
- Multiple sources of funds including public deposits

Established industry leader today

- 254 districts in 25 states/ UTs
- 599 outlets including 154 URCs
- Serving 60 lakh+ customers
- Disbursed ₹16,084 cr in FY23
- ₹17,401 cr gross loan book
- Industry-best asset quality with collections at ~100%
- Among most profitable franchise

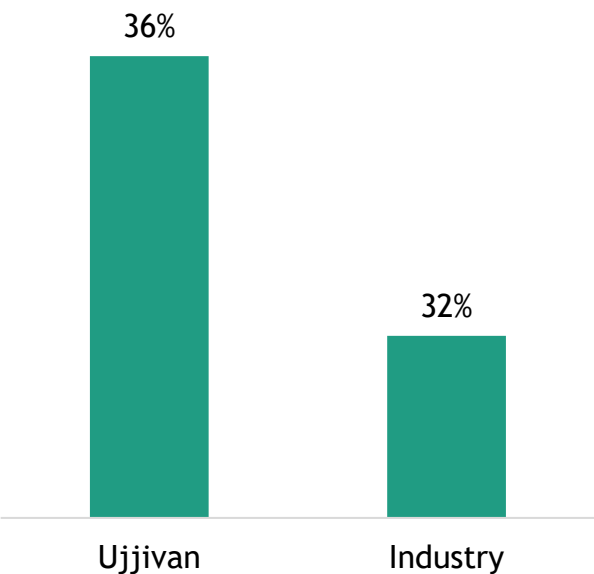


UJJIVAN: HIGHER GROWTH, BETTER CREDIT QUALITY

Growing faster than Industry...

Mar'12-Dec'22: Ujjivan - 22x | Industry - 16x

CAGR over last decade

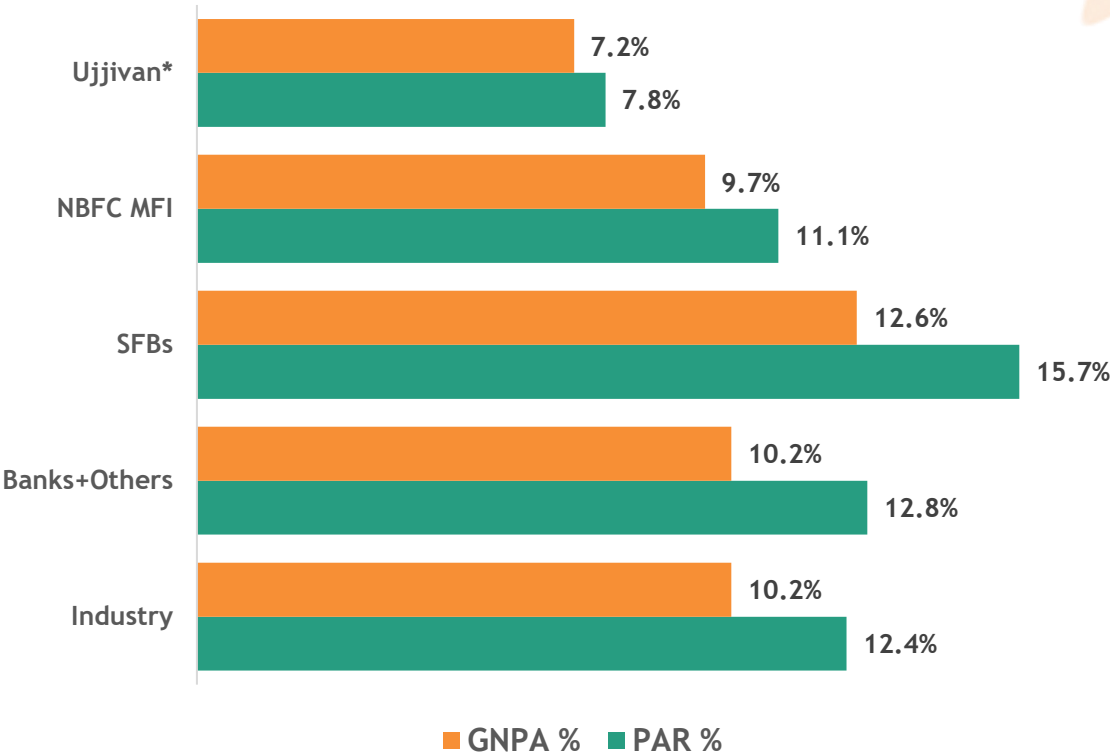


...& gaining market share

Market Share	Mar'22	Mar'23
Ujjivan Vs Industry	4.0%	4.5%
Ujjivan among SFB's*	23.3%	26.7%

Ujjivan asset quality, collections: Among industry best

Ujjivan Vs Industry Portfolio - Mar'23



Note: Data including technical write-off; may not match with reported data
Source: Crif Highmark



WHAT MAKES UJJIVAN UNIQUE?

Strong Credit underwriting & monitoring

- Industry 1st to have **dedicated credit team** for Microfinance business with a team size of **500+ (Field + backend)**
- 100% of loans are assessed and sanctioned by credit team
- **Score based Lending & Risk based Pricing**
- **Early warning system** to monitor portfolio quality
- Industry 1st to shift to **family-level Income/ Debt being evaluation**; since the start of micro finance business
- **Credit underwriting:** Paperless on boarding of clients, EKYC and PAN verifications, mobile number validation, use of comprehensive credit bureau check for the household at customer place

Collections

- Industry 1st to have **segment focused dedicated collection team** - all NPA & Probable NPA accounts
- Focused collections from restructured accounts with the help of data analytics - best in Industry

Technology

- Pioneer in the usage of **rule engine** for micro finance loans which became an industry norm
- **Integrated LOS, LMS** available on handheld devices for Feet on Street
- Use of **Data Analytics** to serve customer better - customer onboarding, customer servicing, upsell & cross sell
- **Geo tagging** - a feature in truell application which allows our ground staff to track/update customer's location (Centre/house) for better service



WHAT MAKES UJJIVAN UNIQUE?

Asset Product Suite

- **Wide Asset product basket**
 - **Traditional MF customer base:**
 - Group Loans
 - **For Aspiring Middle class -**
 - **Pioneer in unsecured Individual Loans** - Business, Livestock, House improvement
 - **18% of Micro-banking portfolio**
 - **Secured products suite -**
 - Gold Loan,
 - Two Wheeler,
 - M-LAP

Liability Product Suite

- **Focusing on Deposits from All - Sampoorna Banking:**
 - CASA, Goal Based TD
 - **Rs.2,100+** liability book size
 - **CASA contributing to more than 55%** of total deposit book raised from MFI customers
 - **Currently 13% of bank retail book**
- **Micro-Insurance & Govt. backed Investment products**

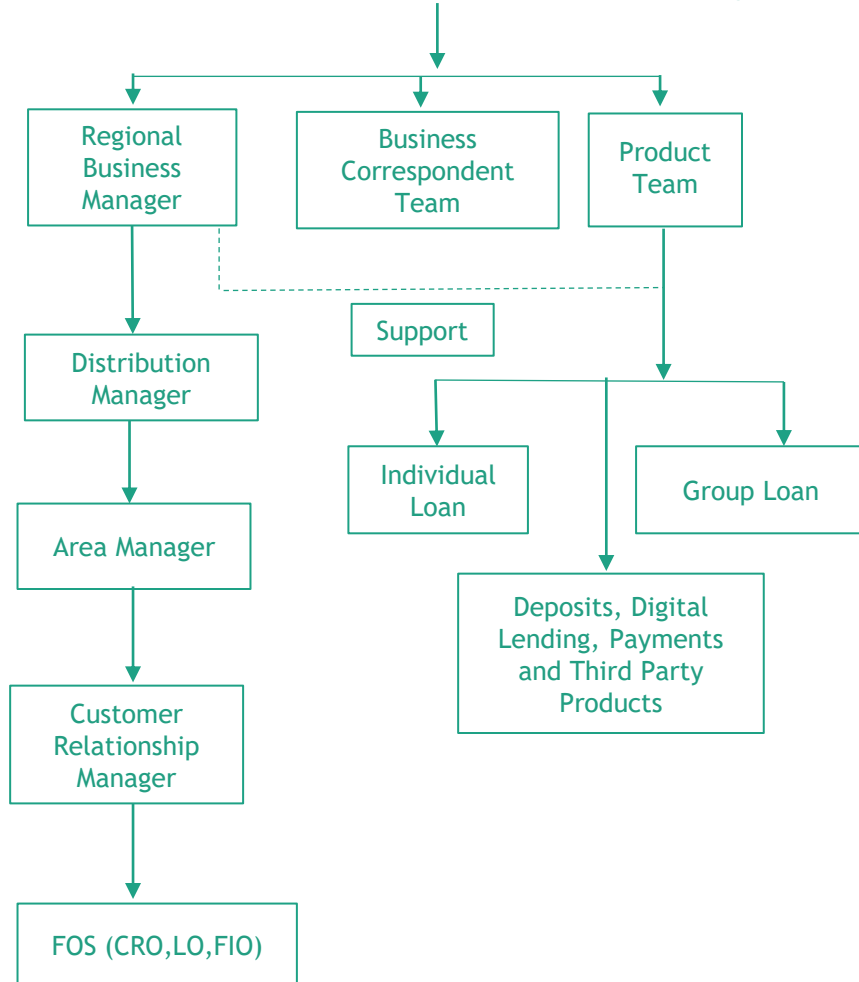
Alternate Channels

- **Virtual relationship Management:** Starting from collection all the other asset and liability services can be provided virtually.
- **Hello Ujjivan:** India's 1st Mobile banking application dedicated for the Semi-Literate & Illiterate Customers based on the 3 Principles of Voice, Visual & Vernacular based content
- **Money Mitra (CBC):** Agent Network providing door step banking. Capable of cross selling multiple products
- **Fintech touchpoints with partners** (Airtel Payment, PayNearby, Spice Money)
- **Ujjivan Pay (QR):** Alternate channel for Customer acquisition and help the small merchants to digitize their business related transactions. Way of capturing alternate data points

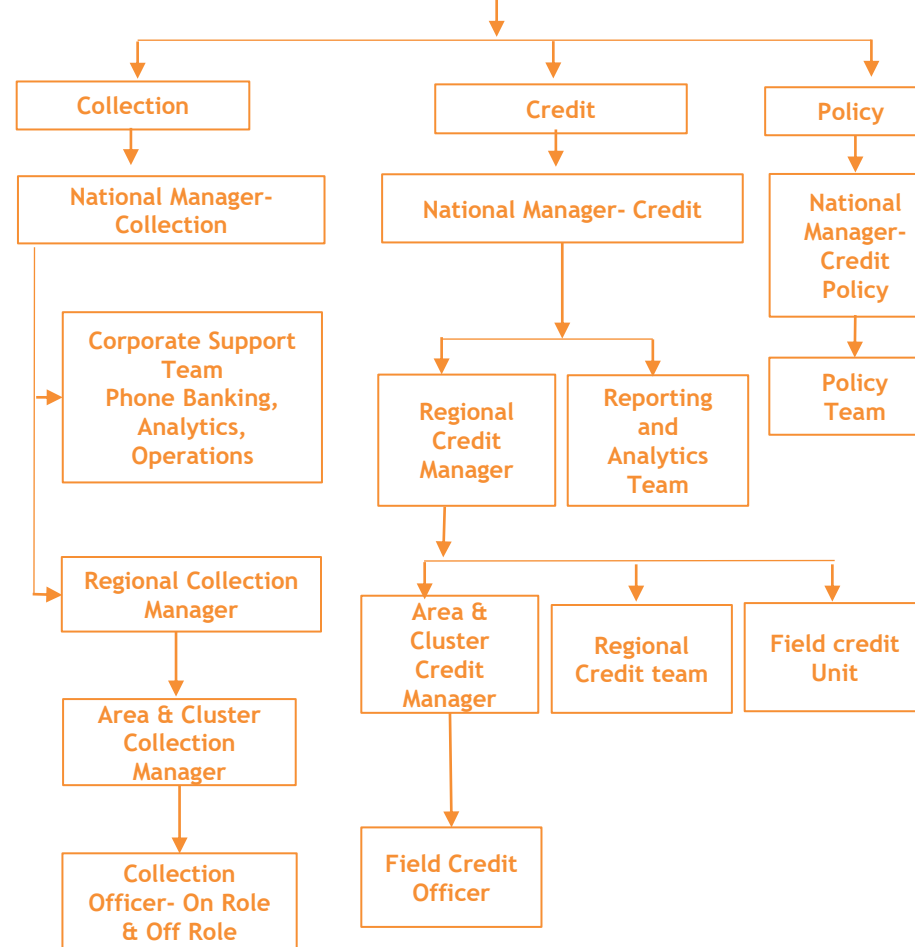


ORGANISATION STRUCTURE WITH STRONG CREDIT, COLLECTION, CONTROL

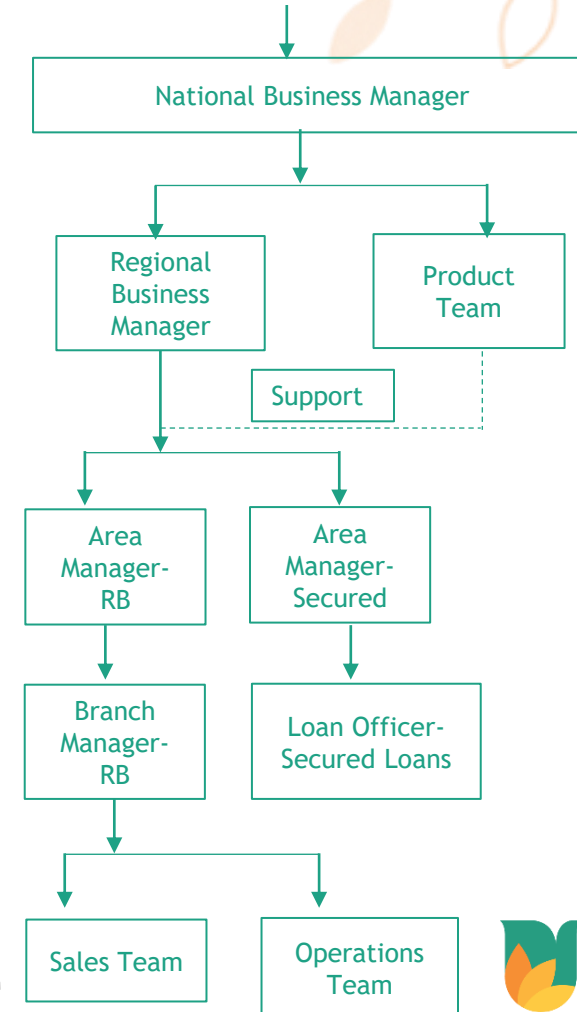
Business Head - Micro Banking



Chief Credit Officer



Business Head - Rural Banking



GROWTH ENGINES AT PLACE FOR A STEADY RIDE

What's driving Ujjivan's competitive edge

Comprehensive product suite

- Graduating customers to IL, M-Lap, Vehicle Loan & Gold Loan
- Enriching the savings behaviour of the customer by providing CASA & TD; also providing insurance products through TPP

Digital lending

- Phase 1- Digital Lending through Fintech Partnerships
- Phase 2 - Transaction based Lending (TBL)
- Phase 3 - Ujjivan Super App (Extension of Hello Ujjivan)

New Geographies

- Own branch network
- BC model

Hello Ujjivan

- UPI
- Bill Payments
- Loan Acknowledgement for repeat Loans
- End to end Loan Journey for Repeat & Top Up Loans
- Digital Savings Account Journey

Ujjivan Pay QR

- Introduction of Sound Box
- Merchant App
- Partnering with Fintechs/Distribution channels for QR

Productivity

- Virtual Relationship Managers
- Digital collection/ digital lending (through Hello Ujjivan) to aid productivity



GROWTH ENGINES AT PLACE FOR A STEADY RIDE

Leader of today

- Pioneers in IL business; already a large business with strong team → market slowly moving towards Individual Loans
- Comprehensive product suite to cater all the needs of the aspiring middle class customers through IL, M-LAP, Vehicle loan, Gold Loan
- Leader in technology & new initiatives
- Leader in adoption of best credit & collection practices like credit appraisal based on family-level income/ debt, dedicated credit & collection team, pioneers in rule-engine based underwriting

Stronger leader of tomorrow

- Opportunity to cross-sell and upsell our large customer base of more than 60+ lakh customers
- Strengthening the Credit & Collection workforce with Analytics for better asset quality
- Alternate channels has been built such as VRM, Hello Ujjivan to enable smooth onboarding and increasing efficiency
- Deeper digital penetration across assets, liabilities, payments, insurance - changing the way this segment banks

Can grow at CAGR of **20-25%** over medium term



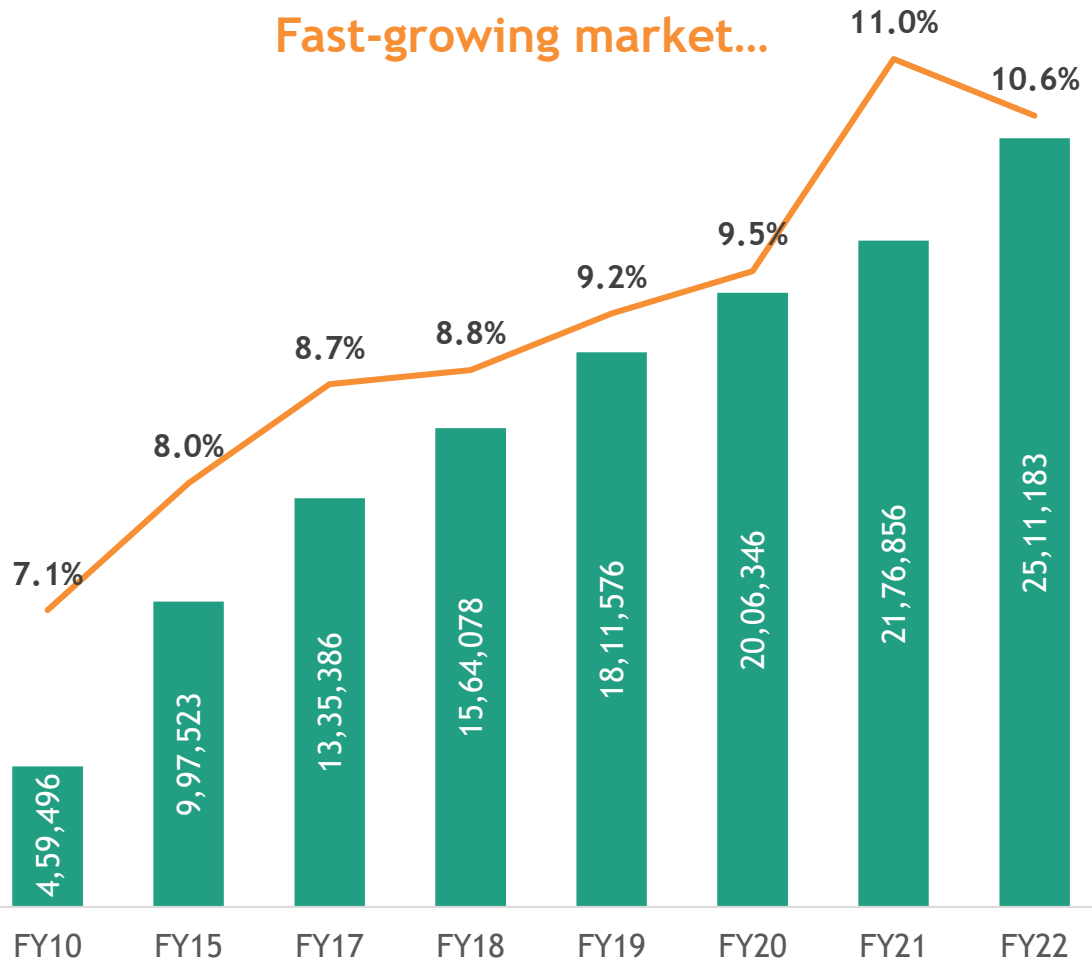


AFFORDABLE HOUSING

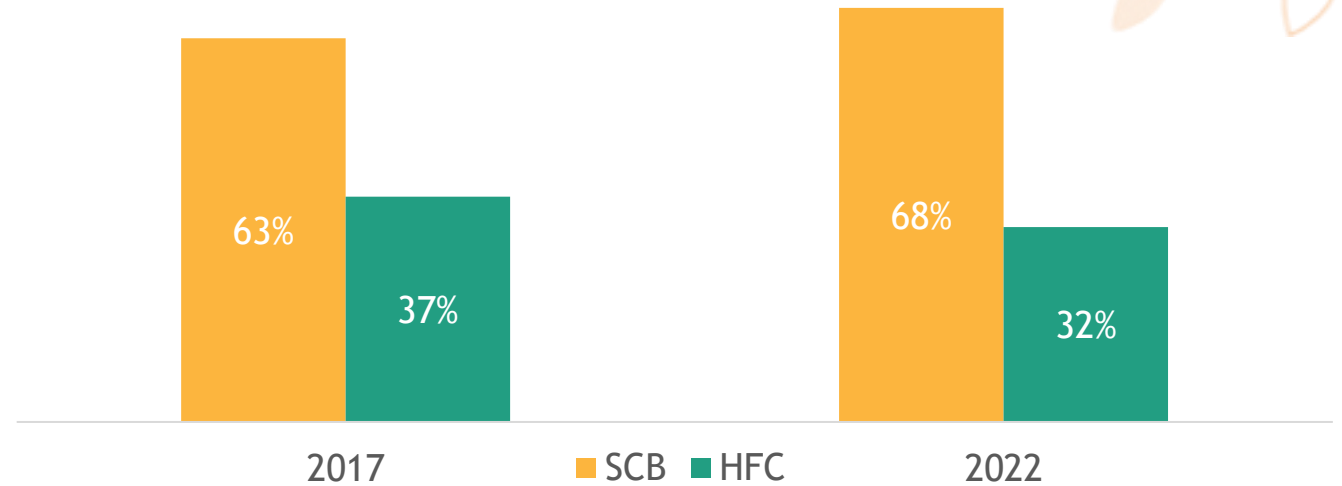
GEARED UP FOR BIG LEAP AHEAD

AFFORDABLE HOUSING- SECURED & RAPID GROWTH BUSINESS

Fast-growing market...



...with Banks gaining share



- Government Focus on “Housing for All”
- Huge potential to grow considering low “Individual Home Loan to GDP” ratio

■ Outstanding - IHL - SCBs & HFCs — IHL - GDP Ratio

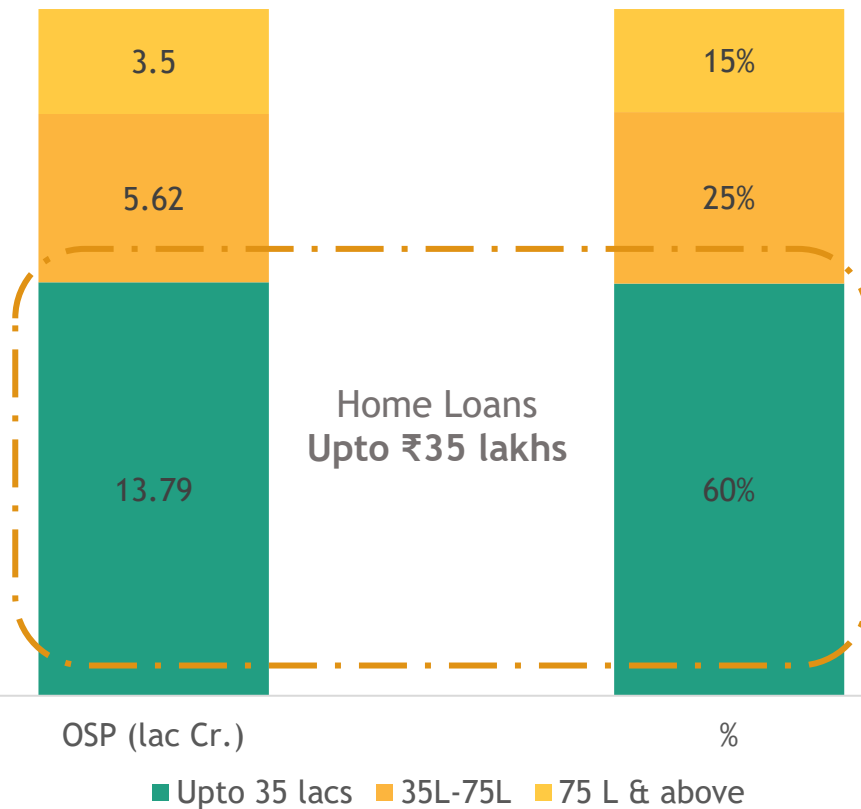
Source: NSO, RBI & NHB



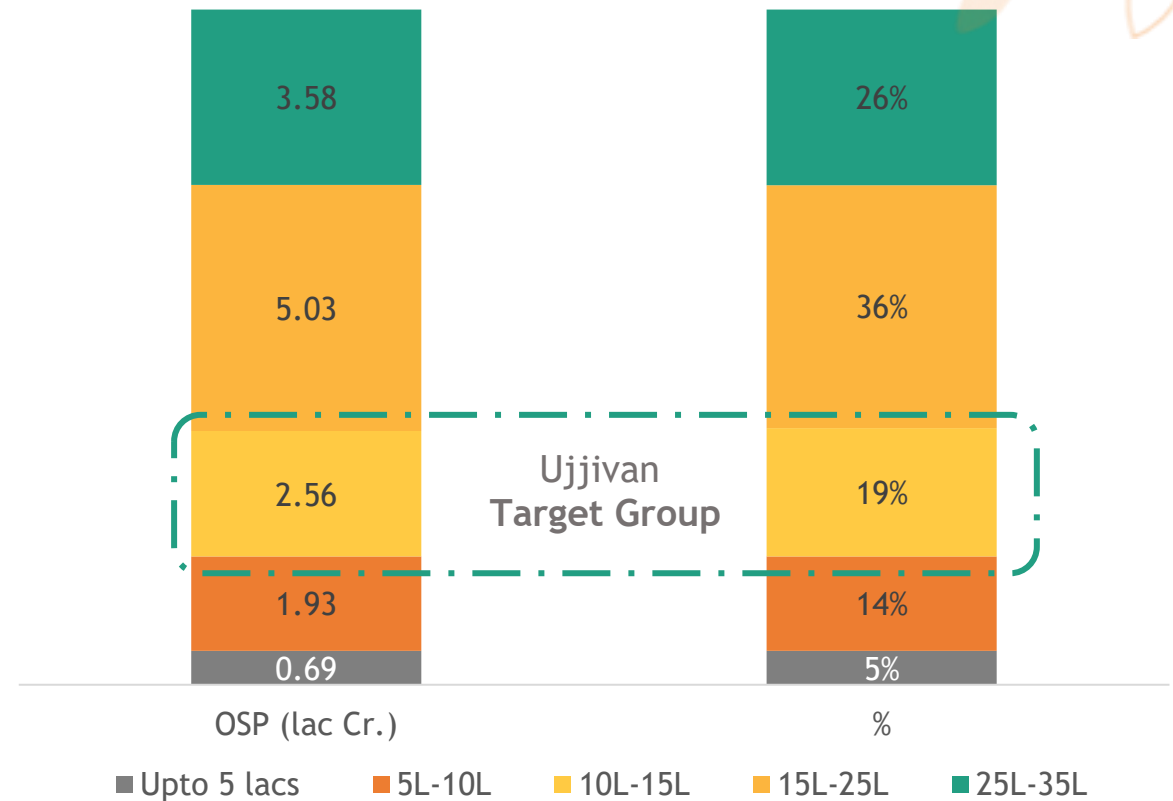
AFFORDABLE HOUSING: A DOMINANT FACTOR

Affordable segment **growing at 32% CAGR*** vs 12% for Housing Industry

Housing Loans Outstanding in India*



Break-up of Affordable Housing Loans



Note: * Over FY18 - FY22; Industry data as per analyst reports;
Affordable segment data for 7 large players - Aavas, Aptus, HFFC, AU SFB, Ujjivan SFB, Aadhar, Vastu



OUR JOURNEY SO FAR

Today we offer diversified & inclusive product suite to meet various home loan/mortgage related requirements across income segments

FY 16-17

- Forayed into Affordable Housing Space with a focus on up-selling to exiting customers
- Introduced Loan Originating System
- Products Offered:
- Home Improvement Loan, Home Loan with ticket size of INR 2-15 Lakhs and tenure upto 15 years.

FY 17-18

- Expanded focus to Semi-formal segment with suitable changes in loan size, ROI & loan tenor
- Added LAP to Product Suite
- Product awareness through major marketing initiatives
- Launch of PMAY-CLSS scheme

FY 18-19

- Increased distribution by collaborating and establishing business partnerships
- Launch of Composite Loan (Plot + Construction)
- Foray into builder market with increased concentration in Metros & Tier I locations

FY 19-21

- Overall TAT reduced to less than 10 days (from 25 days in FY 16-17)
- Developed Region Specific Policies to be implemented in FY 20-21
- Expanded presence to 450+ Branches
- Commercial Purchase product introduction
- Hit by Covid-19

FY 21-23

- Re-alignment of credit policy basis customer segment
- Moratorium & Restructuring for customer relief on repayment during Covid-19
- Strong employee & customer connect key to sustain during difficult times
- Diversified sourcing channels (Branch Referral, Customer Referral, Digital) with increased focus on bank credit salaried profile.
- Focus to acquire customers in Tier 2 and Tier 3 Locations



AMONG FASTEST GROWING AFFORDABLE HOUSING PLAYERS

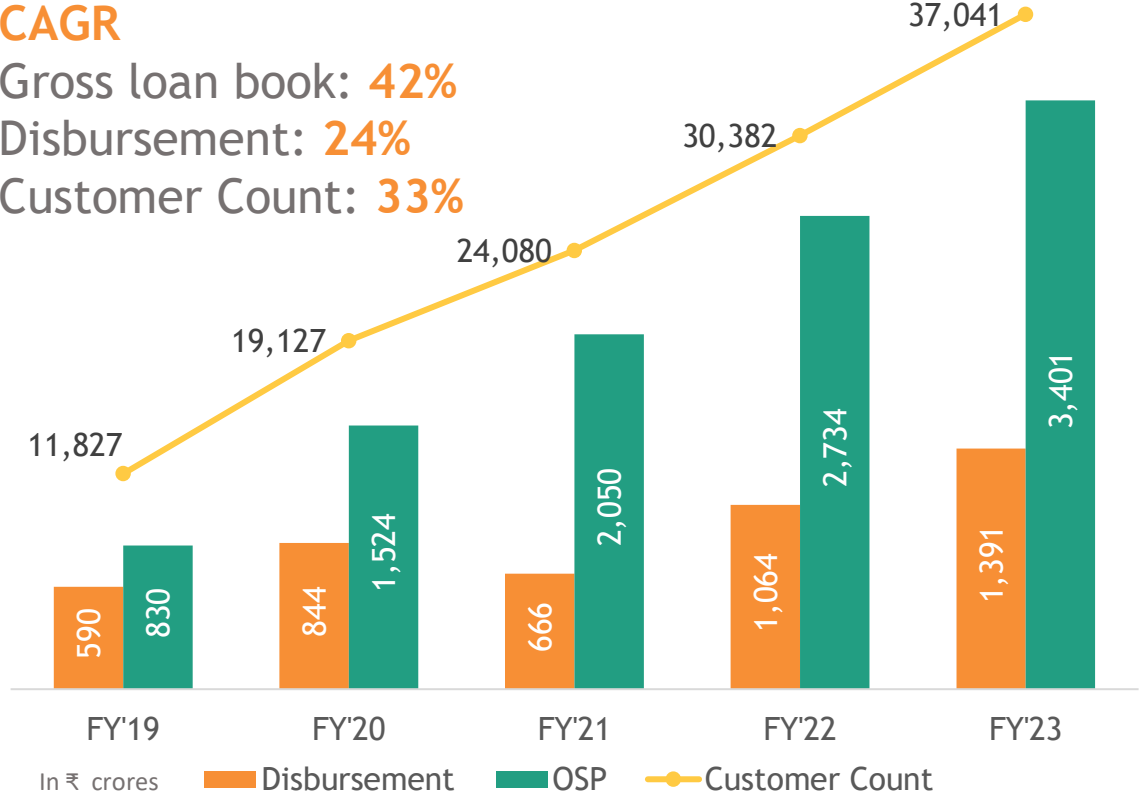
Among meaningful Affordable Housing players with average monthly disbursement close to ₹140 crores (up from ₹60 crores in FY21)

CAGR

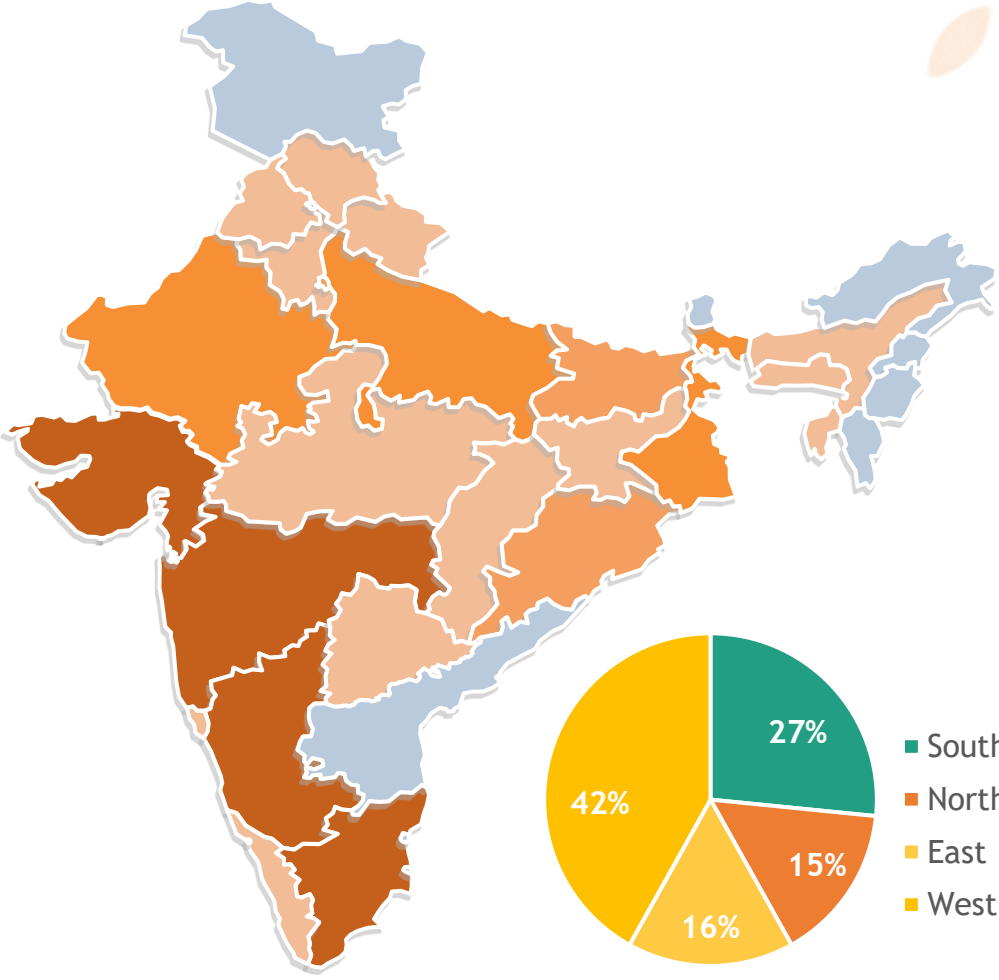
Gross loan book: 42%

Disbursement: 24%








Customer Count: 33%



Pan-India Presence
22 States, 143 Clusters, 445 Branches










RE-FOCUSED TO AIM HIGHER

Strategic Parameter		Housing 1.0	Housing 2.0
	Geography	West region focussed business with significant builder Loans.	Evenly spread across regions with a focus on individual properties Equitable sourcing from all tiers in a geography Focus on Tier 2 & 3
	Focus	Focus on Business Volume	Focus on Profitability
	ROI	Based on customer income profile	Based on customer income profile & collateral type
	Collateral Policy	One policy for Pan-India	State Specific Policy
	Product	Standard	Highly customized basis local needs
	Process	Largely Manual	Largely Digital
	Collections	One collection team for MFI and Secured business	Separate collection team for secured business

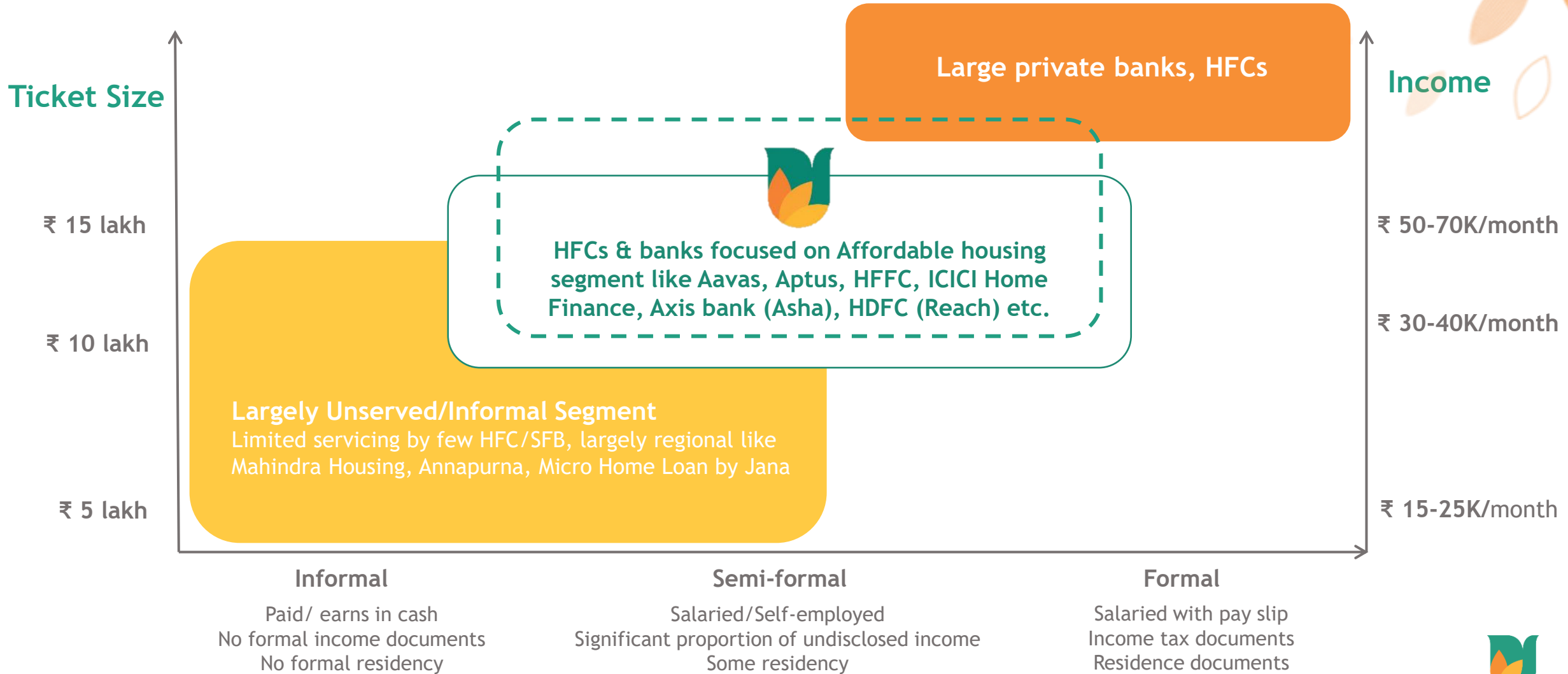


RE-FOCUSED TO AIM HIGHER

Strategic Parameter		Housing 1.0	Housing 2.0
	Sourcing Channel	Direct & Connector	Multi Channel Approach
	Credit Underwriting	Similar Process - Irrespective of income profile	Separate process for SF & Formal segments with lesser TAT
	Customer Engagement	Transactional	Relationship based on multi-product engagement
	Employee Incentive	Based on Business Volume	Linked to business profitability
	People	Regular engagement & Standard training module	Need based engagement and customised training
	Distribution Model	Branch based	Hub based Better TAT - local decisioning Increased productivity Adding regions for better control on process & close employee engagement
	Customer Segment	High focus on Informal segment along with semi formal	Added a small sourcing % of formal segment & increased focus to tap micro-segment through Micro-LAP product



MARKET POSITIONING - FINDING OUR SWEET SPOT

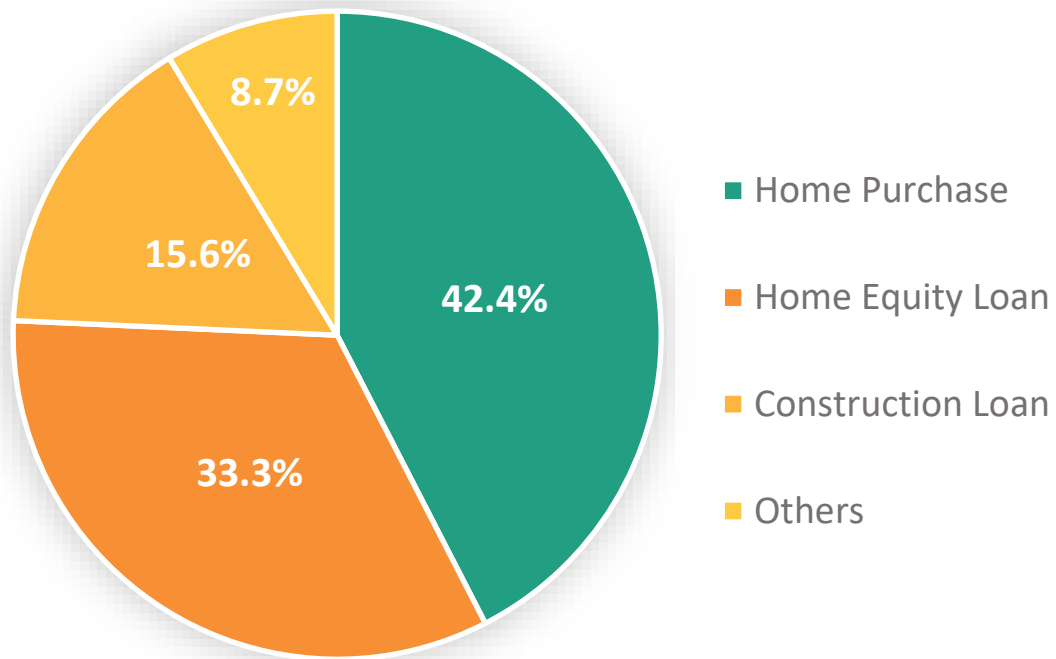


FOCUSED ON ASPIRING MIDDLE CLASS

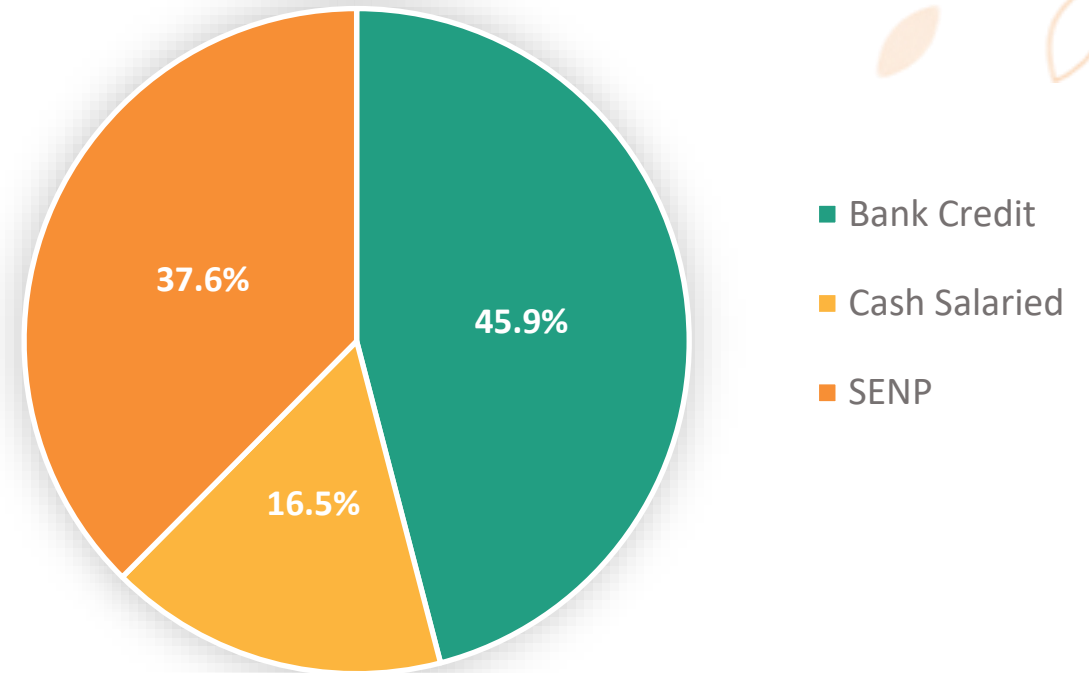
FOCUS AREA	Informal	Semi formal	Formal
	Rural & Semi-Urban	Semi-Urban & Urban	Semi-Urban, Urban & Metropolitan
BUSINESS ACTIVITIES	Cash Salaried, Small time businessmen, handloom workers, etc.	Salaried customers with more formal source of income, Self employed professionals, Self employed non professionals, etc.	Salaried customers with more formal source of income, Self employed professionals, Self employed non professionals, etc.
BANKING	Low exposure to banking	Moderate exposure to banking	Relatively higher exposure to banking
ACCESS TO FINANCE	High dependence on family, friends, chits/ committees & moneylenders	Accesses institutional finance- compares offerings	Accesses institutional finance- compares offerings
TARGET PRODUCTS	<ul style="list-style-type: none">› Home Improvement Loan› Self-Construction Loan› Home Equity Loan	<ul style="list-style-type: none">› Ready Property Purchase Loan› Home Equity Loan› Under Construction Purchase Loan› Composite Loan› Salaried LAP	<ul style="list-style-type: none">› Ready Property Purchase Loan› Home Equity Loan› Under Construction Purchase Loan› Composite Loan

PRODUCT & SEGMENTATION

Product Wise OSP %



Segment Wise OSP %

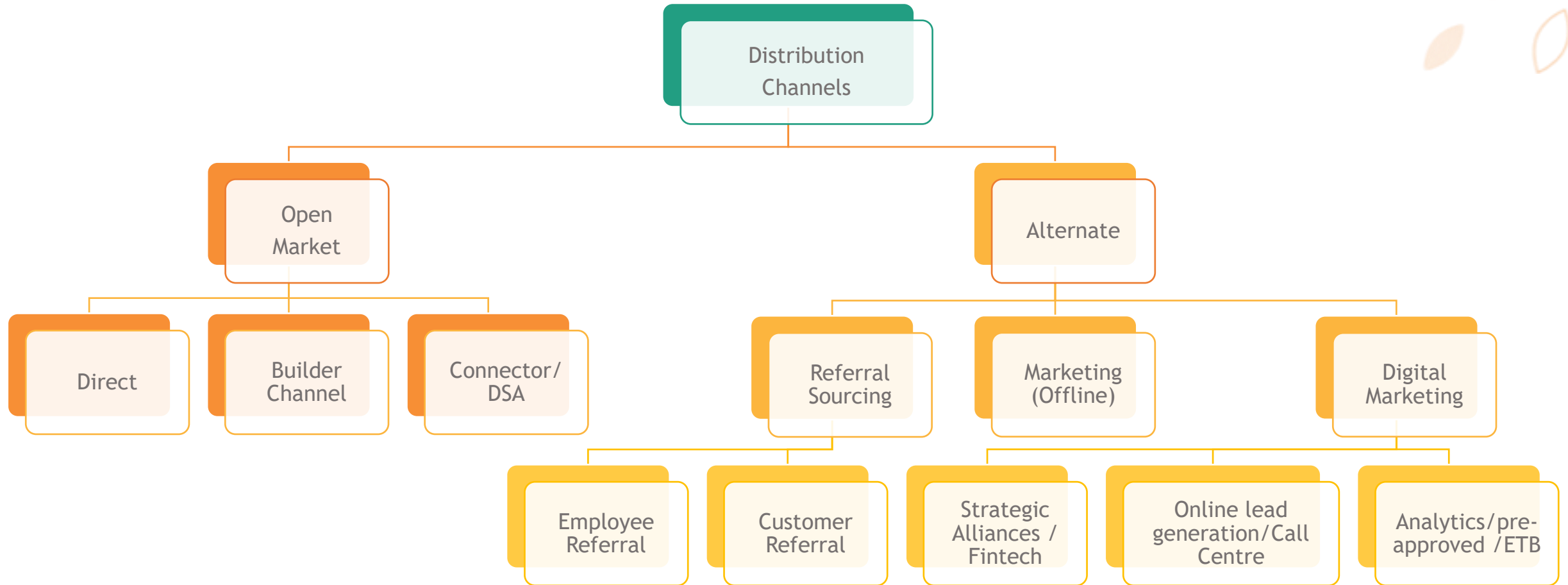


- Lion share of product is Home Purchase which is targeted for Bank Credit salaried segment
- Focus on tier II & III markets may contribute to increase in Construction Loan & Home improvement Loan portfolio going ahead



DIVERSIFYING SOURCING MODEL

Direct sales sourcing, connectors contribute to 95% of sourcing today
Targeting to increase contribution of **alternate channels to 25%** or more over next 3 Years



COMPREHENSIVE CREDIT ASSESSMENT

Customer Check

Bureau check, Document Verification & Multiple visits to cross-check customer's credit worthiness

Centralized Process

Centralized process for Bank Salaried customers: Quicker TAT & High Productivity

Strong Team

Strong and Experienced Credit team spread across all business sourcing locations



Property Check

Property Check through Credit Visits, Technical Visits, Legal assessment

Regular Portfolio Review

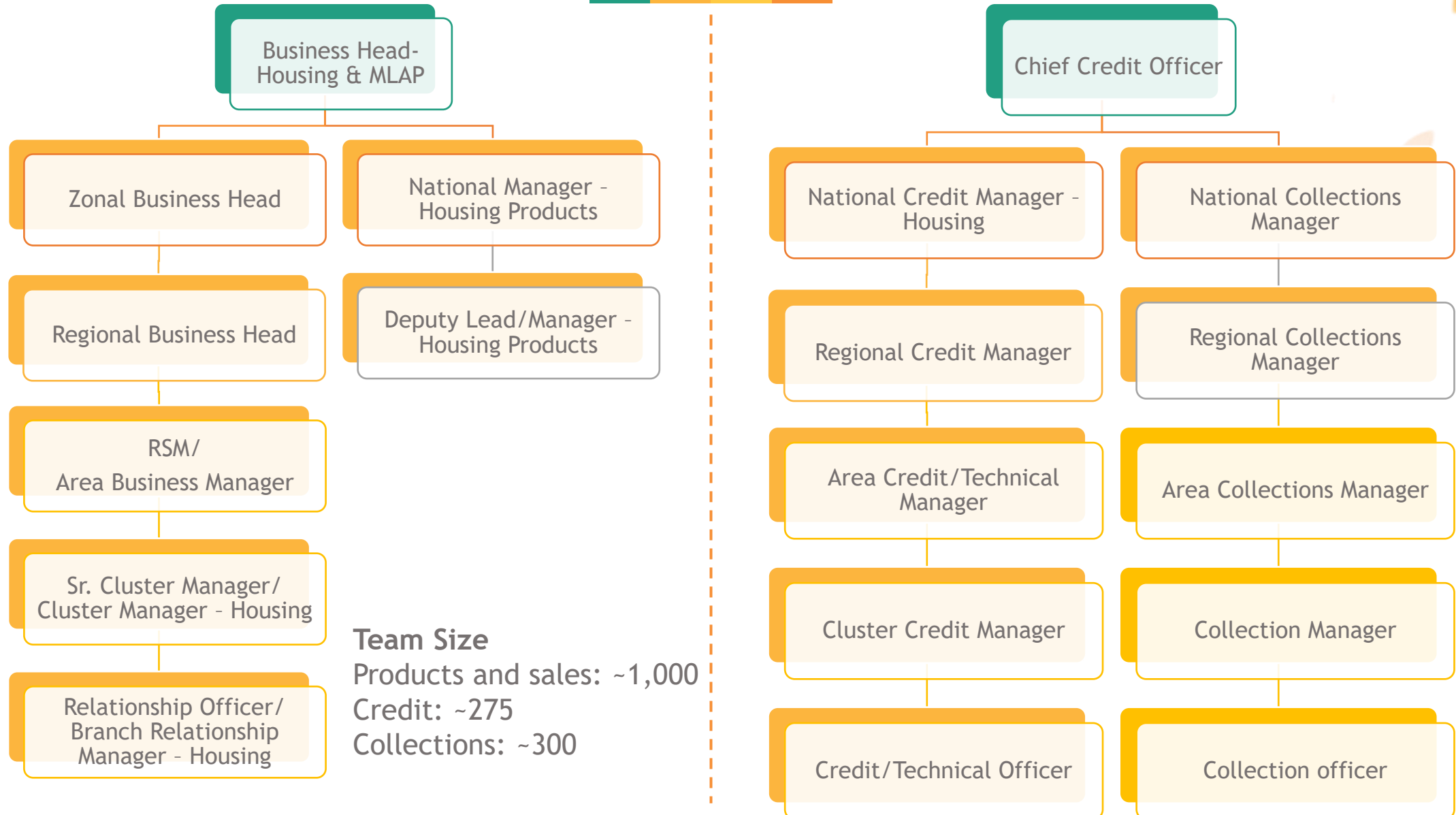
Portfolio monitoring at branch, regional and corporate level on a monthly basis

Robust analysis of Income

Income Assessment done through various methods designed with reference to customer profiles.



ORGANISATION STRUCTURE WITH STRONG CREDIT AND COLLECTION



NAVIGATING COMPETITION



People

- Performance recognition
- Customised training programs
- Reward & Recognition



Process

- Paperless process
- Mobility solution
- Better TAT



Channel diversification

- Branch & customer Referral
- Digital marketing & lead generation
- Higher DSA count



Customer

- New Customer Retention Policy
- Customer Service
- Multi-Product Offering

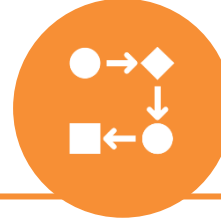


RECENT CHANGES



PRODUCT

- State Collateral Policy
- ROI Matrix
- Lower customer attrition driven by new retention plan
- Profitability & Productivity scored card up to cluster level



PROCESS

- Hub Model
 - Efficiency, Customer Service, Business
- Channel Diversification
 - Branch, Customer Referral, Digital
- Central Processing Unit for Semi-Formal segment
- ACH/SI - Cashless
- Simplified Documentation
- Vendor Management
- Mobility Pilot
- Humari Adalat



PEOPLE

- Simplified Variable Pay
 - *Profitability, performance*
- R&R programs
- Training programs - Basic level, Rise & Shine, Refresher training with a focus on sales skills & query resolution.
- Hiring skilled and experienced people



TIER II & III MARKET - BENEFITS

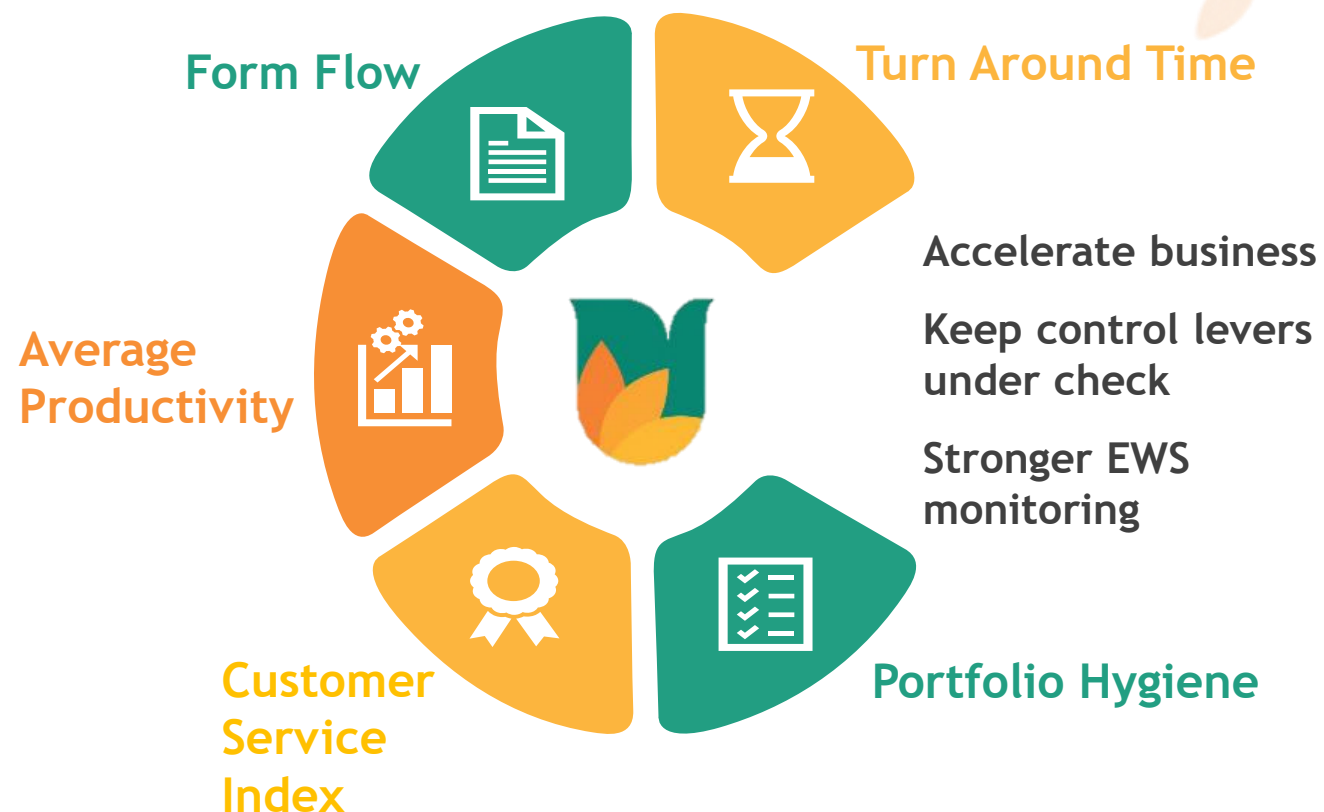
	METRO & TIER I	TIER II & III
PRODUCT TYPE	Purchase	Composite, HIL, HEL Construction, MLAP
CUSTOMER PROFILE	Salaried customers with more formal source of income, Self-employed professionals/ non-professionals etc. Earning is higher and so is Cost of living	Cash Salaried, Small time businessmen, etc. Informal income and are usually self-employed Income & Cost of living - moderate
LTV & PROPERTY TYPE	High LTV exposure Rented/SORP. Mostly Apartments (land will not be there) Low OCR	Low LTV SORP. Mostly Individual properties (land will also be there) High OCR
PEOPLE & OPERATIONAL COST	Attrition & Operating cost - High, Migration - High, Emotionally low attachment	Attrition & Operating cost - Low, Migration - Low, Emotionally high attachment
PROFITABILITY	NIM - Less Yield - Less COA - High	NIM - High Yield - High COA - Less



DRIVING EFFICIENCY THROUGH HUB-MODEL

Services	Platinum	Gold
Business	✓	✓
Credit	✓	✓
Credit Administration	✓	
Operations	✓	
Collections	✓	✓
Internal Legal & Technical	✓	✓
Coordinator/Retention Manager	✓	

- 5 hubs are already live, 23 more planned in FY24
- Positive traction observed in pilot phase on different parameters
- Catalysing non-hub locations to aspire for more



DIGITAL FOCUS TO STREAMLINE PROCESS, ENHANCE CUSTOMER EXPERIENCE

1

Digital Channel
for Sourcing
Business



IB/MB, Fintech,
Phone Banking etc.

2

Digital Customer
On-boarding



Assisted & Quick login
saving bandwidth for
bank & customer

3

Digital Processing
including tranches



Seamless processing
& Faster TAT

4

Post Disbursement
Service through
App/IB/MB



Interest Certificate,
Loan Statement etc.

5

Analytics support for
pre-approved top-up
loans & portfolio
monitoring



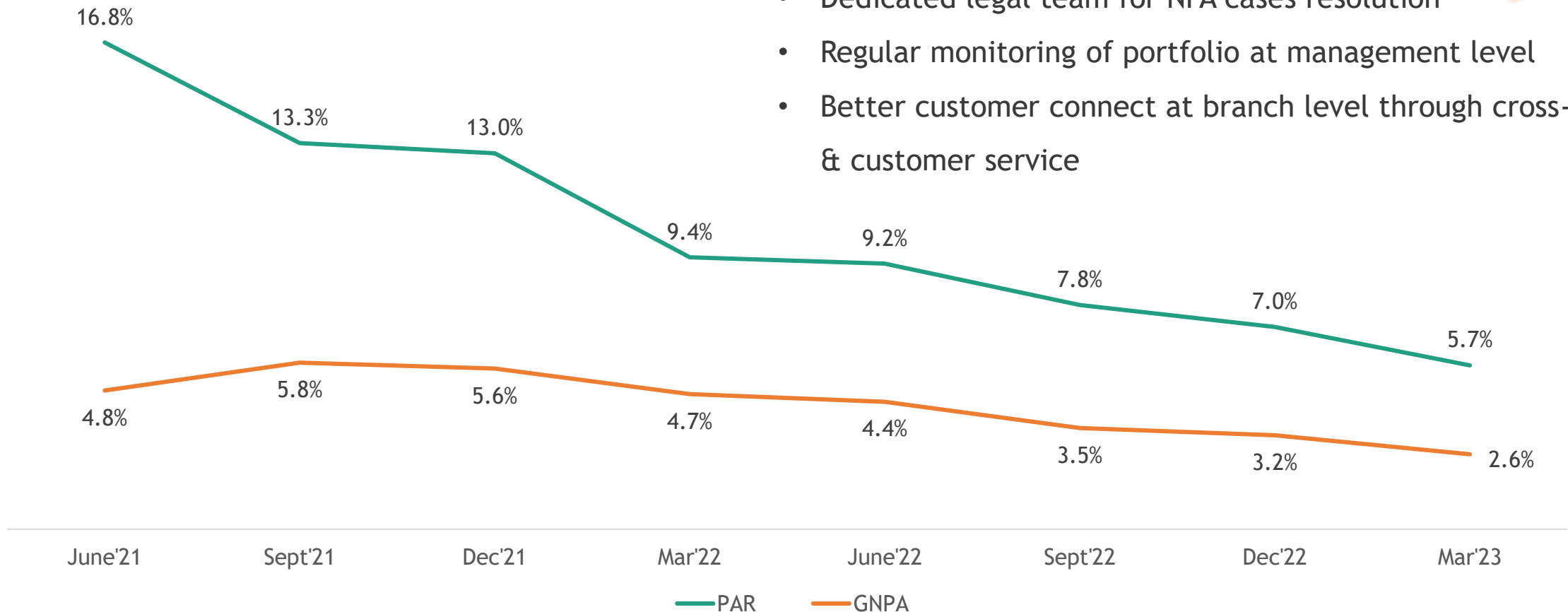
Data crunching to
monitor & leverage
existing customer base



ASSET QUALITY: COLLECTION FOCUS, STRICTER CREDIT

Portfolio Quality has improved significantly over 18 months

- Strong collection mechanism put in place post pandemic
- Dedicated legal team for NPA cases resolution
- Regular monitoring of portfolio at management level
- Better customer connect at branch level through cross-sell & customer service



KEY DIFFERENTIATORS



Understanding
Semi-formal &
Informal Segment



Agility of HFC within
ecosystem &
credibility of a Bank



Lender of Choice
with Tailor-made
offerings



Pan India
Presence



Differentiated
underwriting for salaried
& self-employed segment



GRADUATING MICRO TO MICRO LAP

Why Micro LAP?

Missing Segment (₹2-10 Lakhs Loan Segment)

High Yield & Need Driven

Gradual Destination for Micro Banking Customers

Increasing Secured Book



Key drivers

Quick Turnaround

Data Analytics on Existing to Bank Customers

Collection Led Business Model

Manpower Intensive



MICRO LAP: WAY AHEAD - SCALING UP

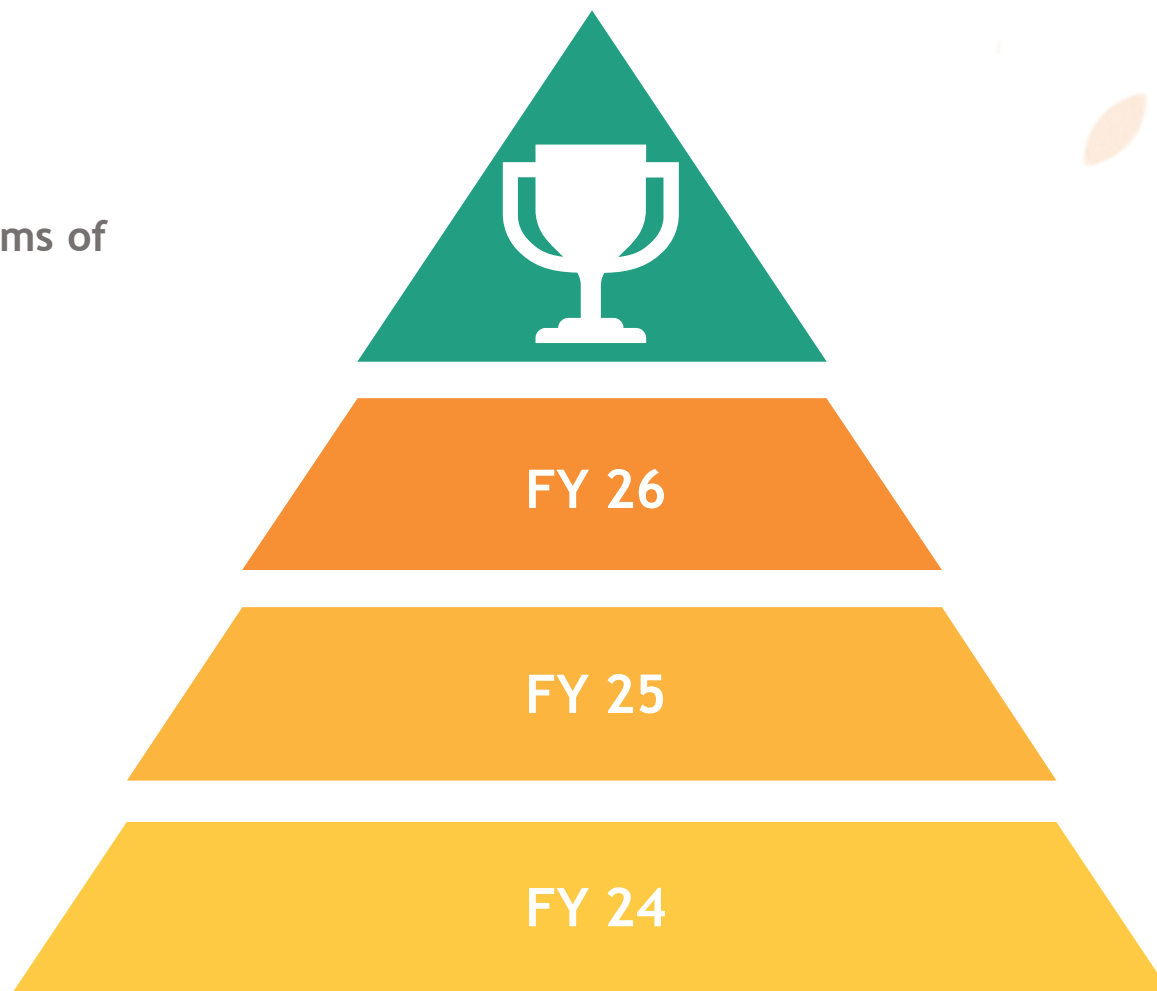


WAY AHEAD: GAINING LEADERSHIP

FY 2025 - 26: Lender Of Choice

- Among TOP 5 players in Affordable housing (in terms of monthly disbursal)
- Strong Asset Quality: GNPA of <1.00%
- Profitability: ROI focus, operational efficiency
- Customer first approach, 72 Hours TAT
- One-stop Ujjivan digital platform for servicing

₹10,000+ Cr gross loan book
₹9,000+ Cr Housing | ₹1,000+ Cr M-LAP



A man with a mustache, wearing a light blue button-down shirt, is smiling and giving a thumbs-up gesture. He is standing in a factory or workshop environment, with blurred figures of other workers and industrial equipment in the background. The entire image has a teal-colored overlay.

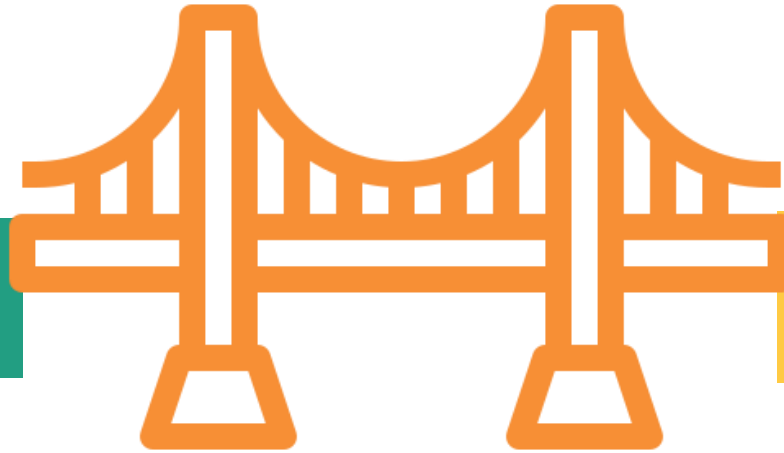
MSME

BUILDING A SCALABLE MODEL

MSME PORTFOLIO - POST COVID SNAPSHOT

PREVIOUS STATE

- High GNPA and Credit Cost impacted profitability
- Single Sourcing and underwriting team for both term loans and working capital business
- Present in 400+ locations with a customer base of 14000. Avg. customer per location was 35
- Minimal system controls to monitor recovery of delinquent accounts



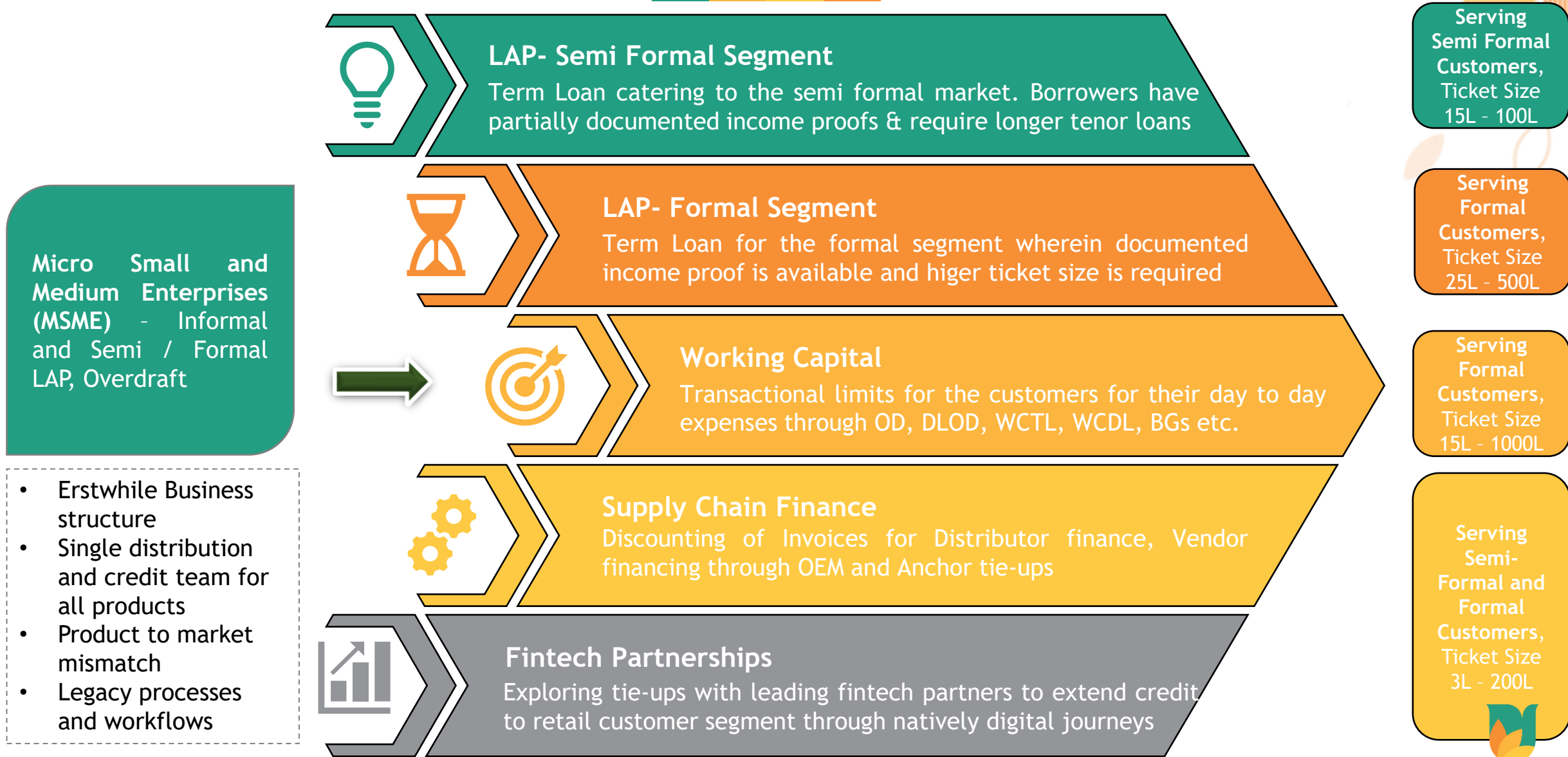
- **Re-planning of manpower resources to dedicated lines of business**
- **Rationalization of Locations**
- **Policy and Product development for LAP, Working Capital *et al***
- **Dedicated legal teams and collection teams to aid recovery**
- **Putting a Collection Management System in place**

THE ROAD AHEAD

- GNPA has reduced by 250 bps through FY23 reducing credit cost and improving profitability
- EWS and Monitoring team structure in place to identify and mitigate early delinquency
- Focused underwriting capabilities in place owing to segregation of businesses
- Focused locations and collection capability in place



BUSINESS STRATEGY - NEW LINES OF BUSINESS



MOVING ON FROM A TRANSACTIONAL APPROACH TO A RELATIONSHIP BASED APPROACH

TIMELINESS

Legacy Processes will be reengineered to ensure customers' applications and service requests are processed and disposed in the shortest possible time. This will help increase employee productivity and customer delight

BEING THE GO-TO BANKER

Strive to serve all kinds of financial and banking requirements MSME customers onboarded by offering various banking services under the single roof. This will help in enriching total relationship value

VALUE ADDITION

Value-added Services that go beyond loans and limits will help provide a richer experience. CMS, Business Net Banking, QR Payment, easy POS Solutions *et al* will ensure customer stickiness and delight

HUMAN CAPITAL

Digital enablers along with the right people put in place is what will drive us to be the banker of choice for MSMEs. People are what drive meaningful relationships and we bank on our human capital for the same

RISK BASED PRICING

Final Pricing of assets to be dynamic and will insulate the bank from micro and macro factors All our advances are natively poised to be floating and EBLR linked and priced basis risk rating of the customer arrived during assessment.



SOURCING & COLLECTIONS STRATEGY

SOURCE

Deploy Channel
Partners like DSAs and Financial
Advisors

Employ Aggregators and Digital
Sourcing channels like Fintech
Partners, OEMs, Anchors

Branch Channel and
Self-Sourcing



COLLECT

Employ Digital Channels for repayment
by the way of BBPS Integration ,
Payment Gateway et al and physical
channels like BCs to complement the
same

Double down on appointment of Legal
resources for speeding up recovery
proceedings in
the court of law

Upskill and Strengthen in-house
collection team with digital levers like
Collection Management Systems,
Repayment Gateways and relevant
product knowledge



ANNUAL ROADMAP - LINES OF BUSINESS

LAP

Q1

MILESTONE

- Closure on Vendor Identification for LOS Development
- Semi-Formal Variants Launch, Manpower hiring
- Business Initiation

Q2

MILESTONE

- LOS and LMS development, UAT Testing and Pre-Deployment
- Formal Variants Launch and Business Initiation
- R&R Program Finalization

Q3

MILESTONE

- LOS Go-live for Semi-Formal Variants
- LOS Development for Formal Variants
- Monitoring Team and EWS put in place

Q4

MILESTONE

- Annual Contest Launch
- Full LOS go-live
- Policy Review for Semi-formal variants

WORKING CAPITAL

Q1

MILESTONE

- Closure of onboarding of LOS Vendor
- Product Policy Formulation and Finalization
- Locations Survey and Finalization

Q2

MILESTONE

- LOS UAT - Phase 1
- Manpower planning and Hiring
- System Changes Implementation

Q3

MILESTONE

- LOS UAT - Phase 2
- Manpower readiness and Training
- Monitoring Team and EWS Set-up

Q4

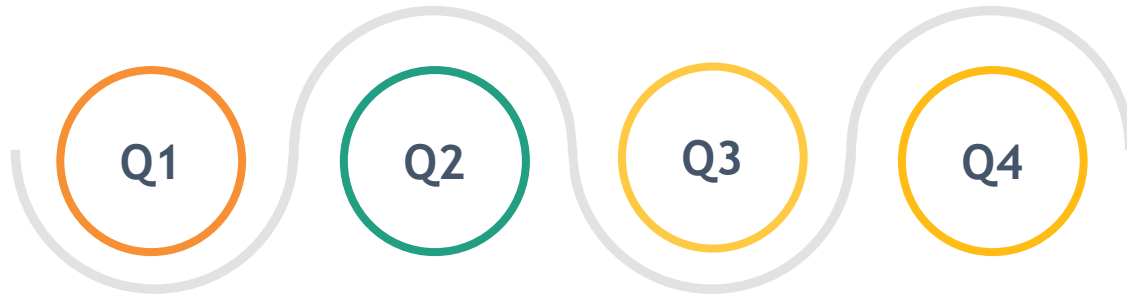
MILESTONE

- Commencement of Business
- Full LOS Go-live
- R&R Plan roll-out



ANNUAL ROADMAP - LINES OF BUSINESS

SUPPLY CHAIN FINANCE



MILESTONE

- Closure on Vendor Identification for LOS and LMS Development

MILESTONE

- LOS and LMS development, UAT Testing and Pre-Deployment
- Product Program and Policy Development

MILESTONE

- LOS and LMS go-live
- Key Manpower hiring to be complete
- Product to be launched

MILESTONE

- Anchor onboarding
- Borrower Onboarding
- Business commencement

FINTECH PARTNERSHIPS



MILESTONE

- Closure of onboarding of fintech partners

MILESTONE

- Co-development of Policy and Master Programs at partner level and sign-offs to be obtained
- Commencement of Business

MILESTONE

- Scaling up business with newer fintech
- Identification of other growth opportunities in the fintech ecosystem

MILESTONE

- Farming on fintech acquired customers with incremental cross-sell products
- Integrating partner systems with unified LOS



TECHNOLOGY AS AN ENABLER FOR BUSINESS GROWTH

INVESTING IN TOMORROW, TODAY

Our investments in technology is a reflection of our commitment towards delivering exceptionally superior banking services to our customers.

Over the next few quarters we will be committing financial and human capital in technology with the aim to:

- **Simplify** Processes
- **Enhance** Productivity
- **Speed up** delivery

We also aim to leverage upon newer technologies like API Banking, Deep Learning, AI and explore relevant use cases there

HARDWARE AND CLOUD

Ramping up our hardware and cloud capacity to keep up with the computing requirements

LOAN ORIGINATION SYSTEMS

Revamping LOS for various lines of businesses that are mobile first and API ready

NETWORK AND SECURITY

Ensuring teams are perpetually connected to information within a secure and safe environment

API BANKING

Tapping into the API ecosystem to create unique user journeys for external and internal customers

MOBILE

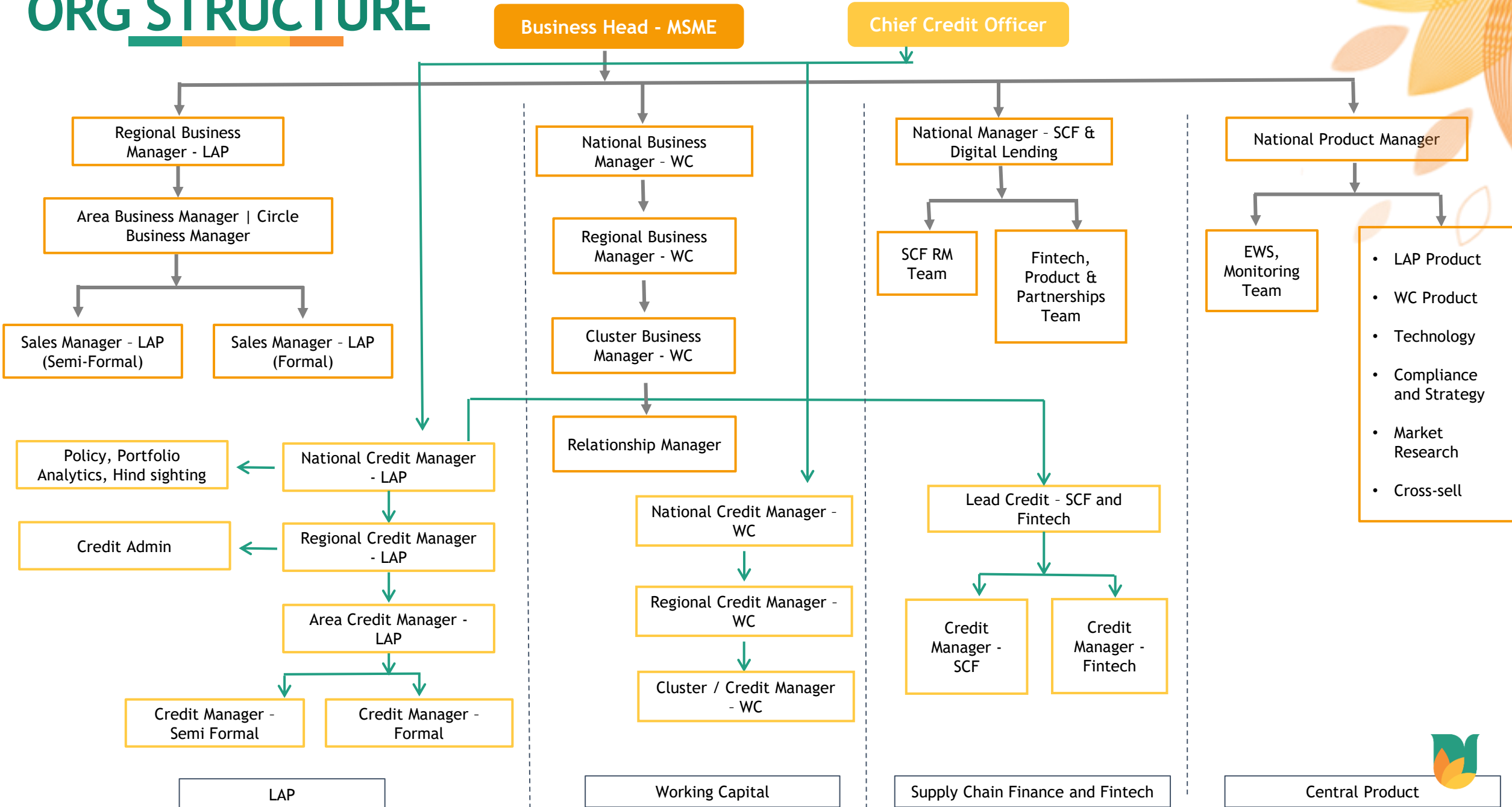
Having simplified digital journeys for customers that is mobile first and has minimal friction

DATA

Development of a data lake that will populate information from multiple sources, analyse and provide actionable insights



ORG STRUCTURE

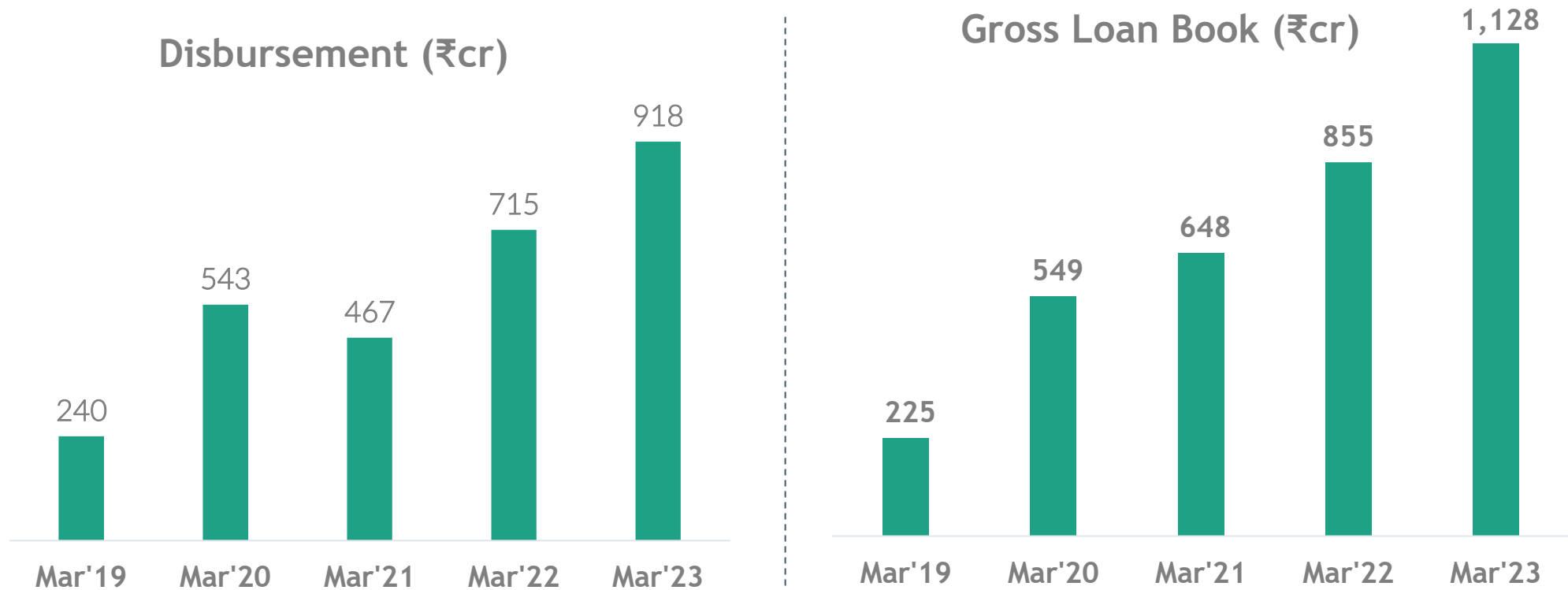




FINANCIAL INSTITUTIONS

Secured lending to Retail focused NBFCs

TECHNOLOGY AS AN ENABLER FOR BUSINESS GROWTH



Majority of the book on **Floating Rate**



EXPANSIVE AND STRINGENT UNDERWRITING PROCESS...

- Strong domain knowledge being a NBFC-MFI prior to becoming bank
- Hygiene Check of existing as well as new clients.
- Checking External & Internal Rating of the company.

INITIAL CHECK



- Understanding Management Philosophy & vision, Promoters experience & commitment as well as Corporate Governance
- Understanding Key management personnel
- Meeting management as well as ground level to check actual practicing of management philosophy

MANAGEMENT CHECK



- Understanding the Business model of the company & their performance
- Loan sanctioning process & Credit structure of each client
- Analyzing Past performance from Financials as well as evaluating the Projections
- Industry & peer analysis
- Having own operations in various segments aids in understanding ground level operations of other players

UNDERSTANDING BUSINESS MODELS & FINANCIALS



- Understanding ALM pattern with liquidity policy
- Collection structure & collection efficiencies
- Assessing requirements in terms of amount, tenor, security & end use of the funds

LIQUIDITY & COLLECTION POLICY



- Strict compliance with RBI & Internal Norms for all sanctions
- Regular Internal & External Audit of asset portfolio

REGULATORY & INTERNAL NORMS



- Committee based approach for sanction of facilities
- Credit Committee comprises of MD & CEO & other senior management

SANCTIONING



- Charge creation & End use monitoring.
- Quarterly monitoring of key covenants
- Half yearly review of FIG portfolio. AUW & EWS mechanism for FIG portfolio
- Monitoring External Rating & market related events

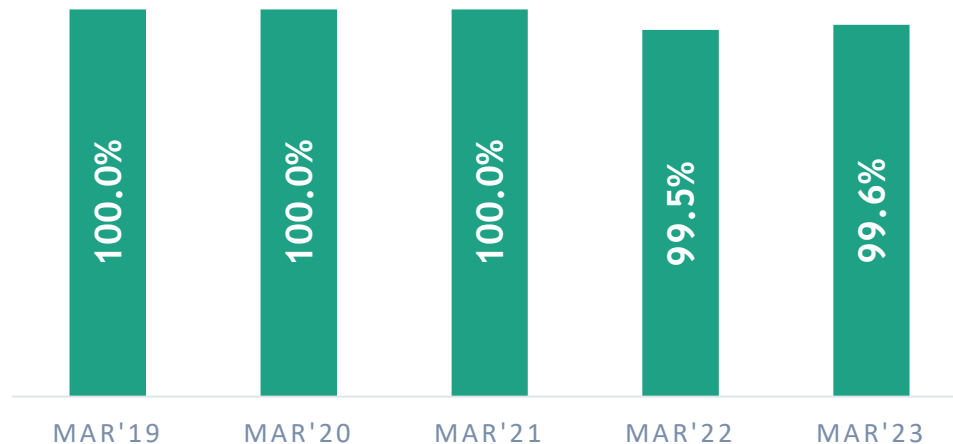
DOCUMENTATION & MONITORING



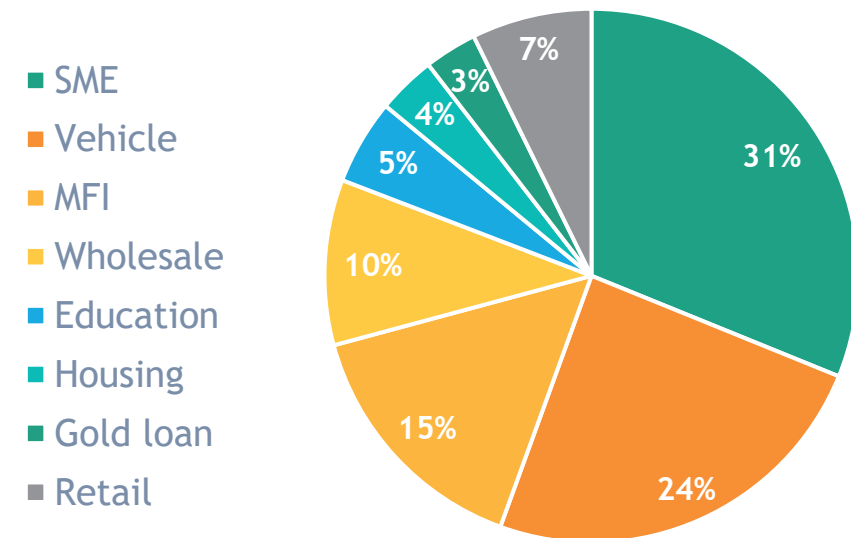
...WITH HIGH QUALITY BOOK TO ENSURE LOW CREDIT COST

Credit rating	Gross advances (FY21)	Percentage	Gross advances (FY22)	Percentage	Gross advances (FY23)	Percentage
AA	123	19%	277	32%	476	42%
A	397	61%	521	61%	568	50%
BBB	127	20%	57	7%	84	7%
Total	648	100%	855	100%	1,128	100%

Standard Book - High Asset Quality



Well-diversified across different Segments



WAY FORWARD



❖ Increasing exposure to BBB rated entities/ good unrated entities to max 10% of book

- Yield expansion
- Smaller ticket size
- Better Cross-selling opportunities

❖ New Products

- Working capital demand loan
- Capital market product - Lending through NCD, CP etc.; better opportunity to engage with higher rated borrowers

❖ Liability sourcing/ multiple product relationship focus to continue with Asset clients

(As of 31 Mar'23, against ₹1,128 cr of Gross Loan Book, we have more than ₹750 cr of deposits)





CREDIT & COLLECTION

FY23 DELIVERED, STEADY ROAD AHEAD

ASSET QUALITY: BETTER THAN INDUSTRY OVER COVID CYCLE



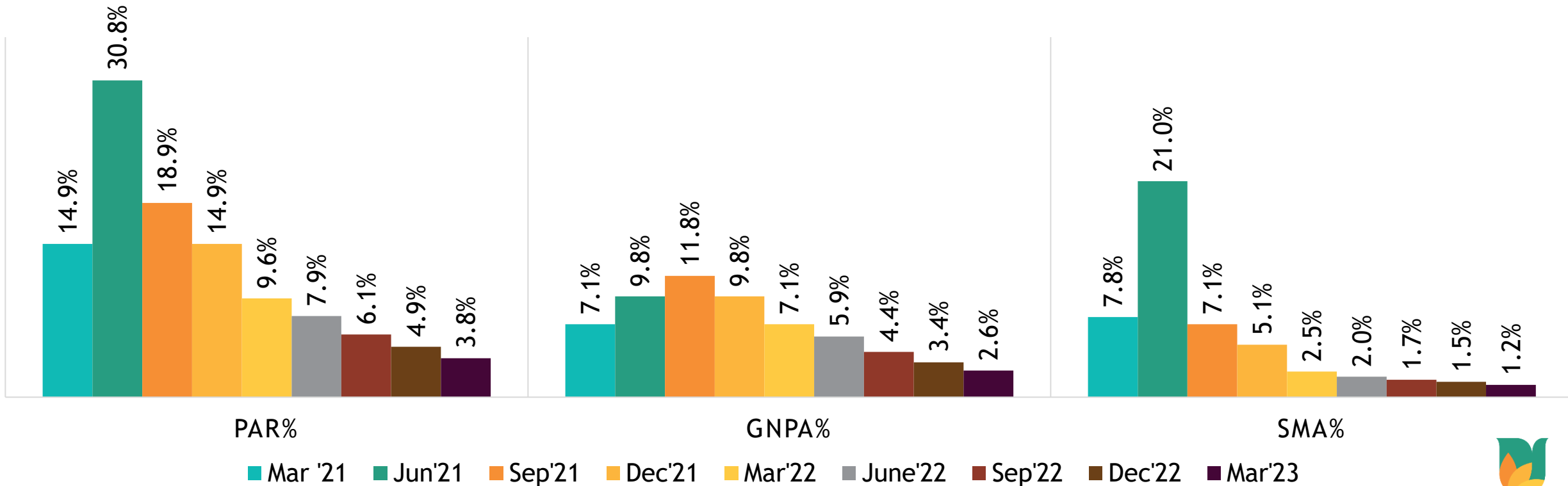
SMA Portfolio
1.2% improved
by half

Upgrades
(₹506 Cr)
higher than
slippages
(₹335 Cr)

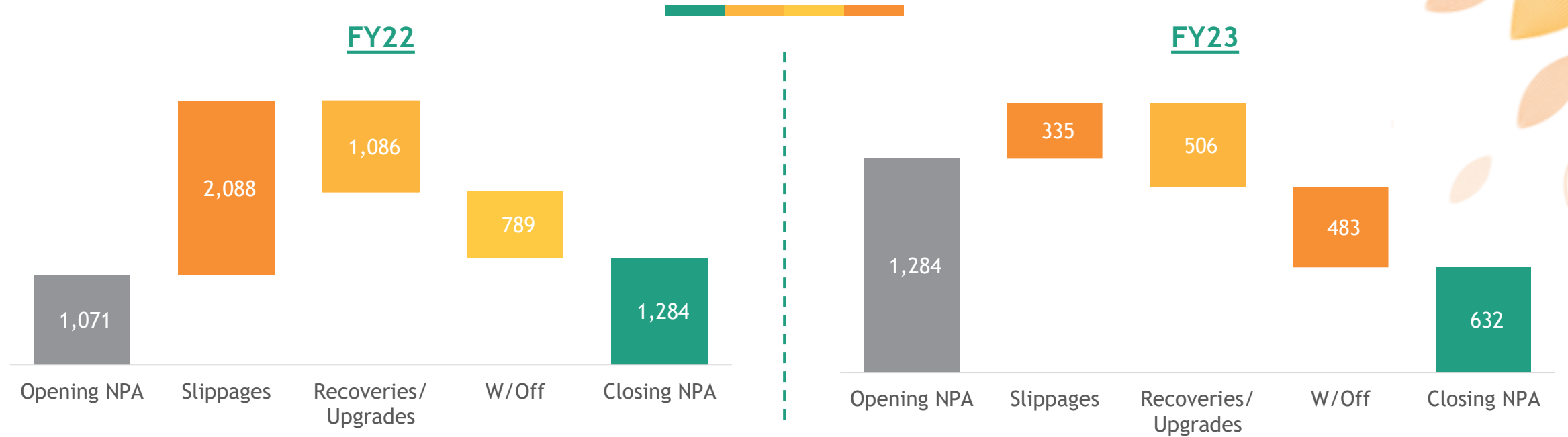
₹688 Cr NPA
Collection

Restructured
asset <1% of
gross loan book

Strong Credit
Policy &
Monitoring

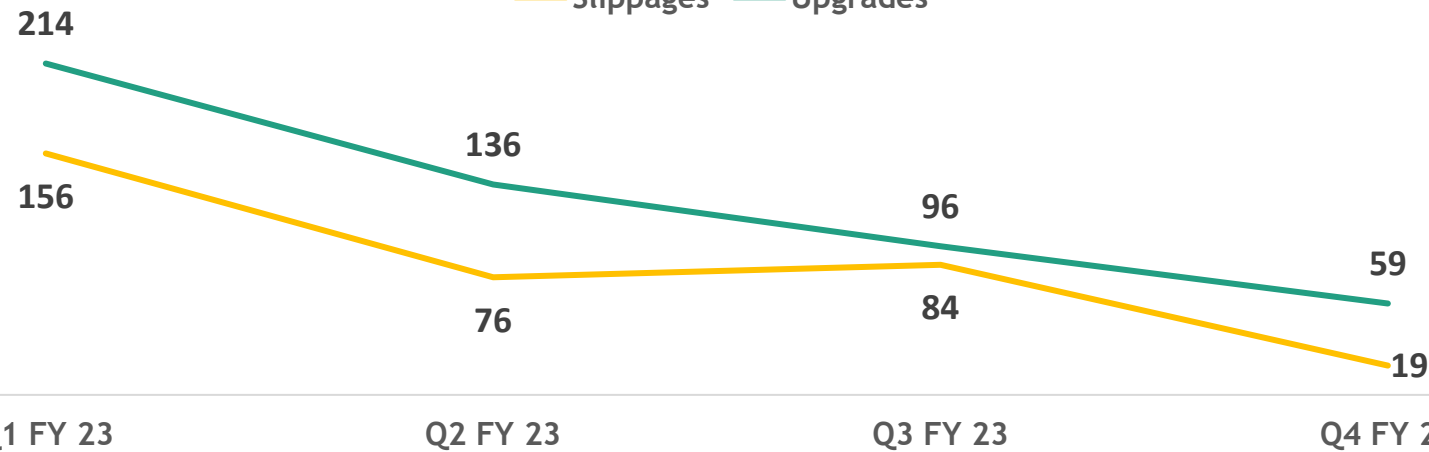


NPA MOVEMENT: SLIPPAGES UNDER CONTROL, STRONG RECOVERIES



FY23: Q-o-Q Slippages, upgrades/ recoveries

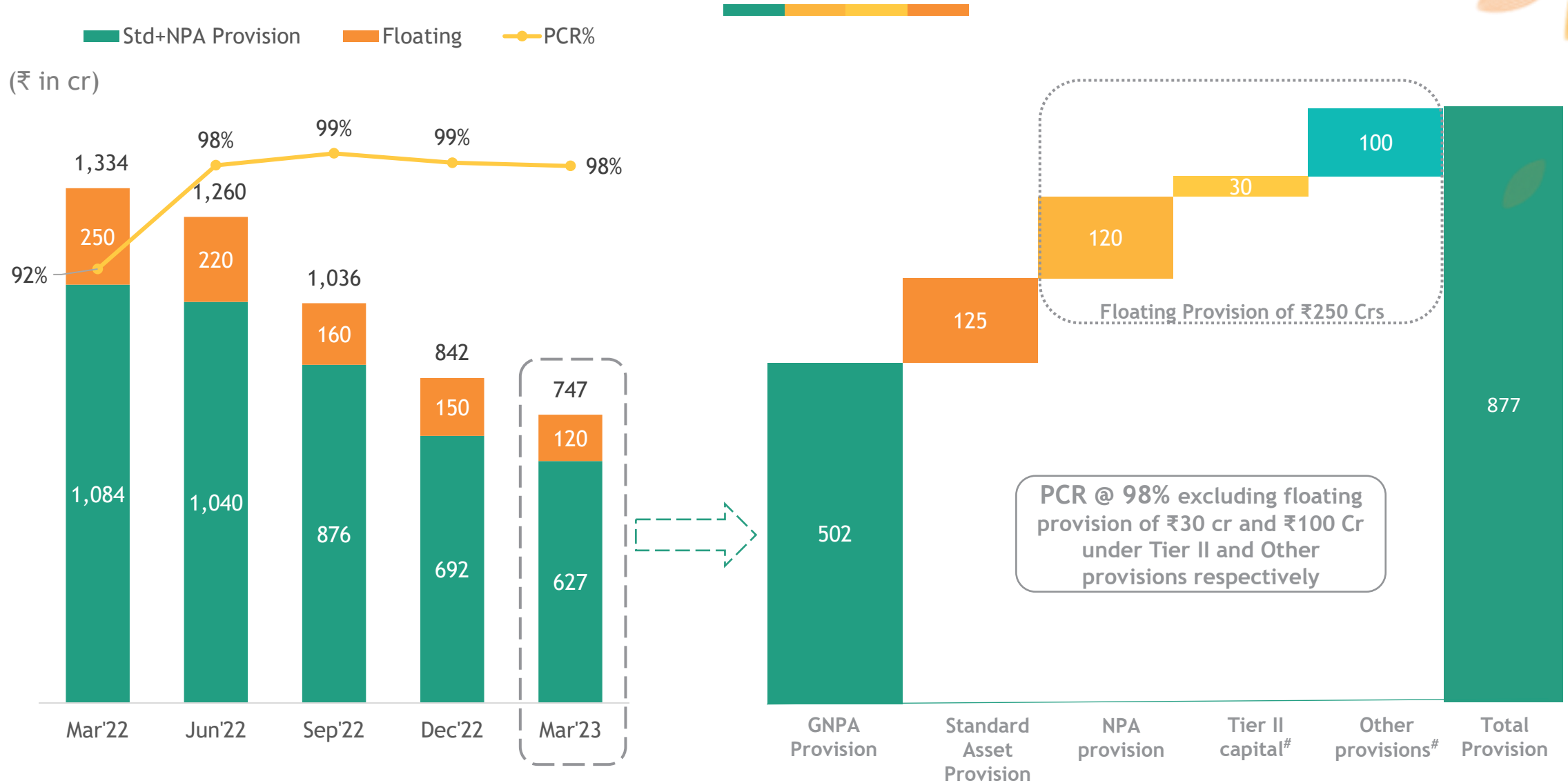
— Slippages — Upgrades



- Strong collections resulted in higher upgrades.
- Good performance of new portfolio and focus on early bucket collections is an important factor for low Slippages



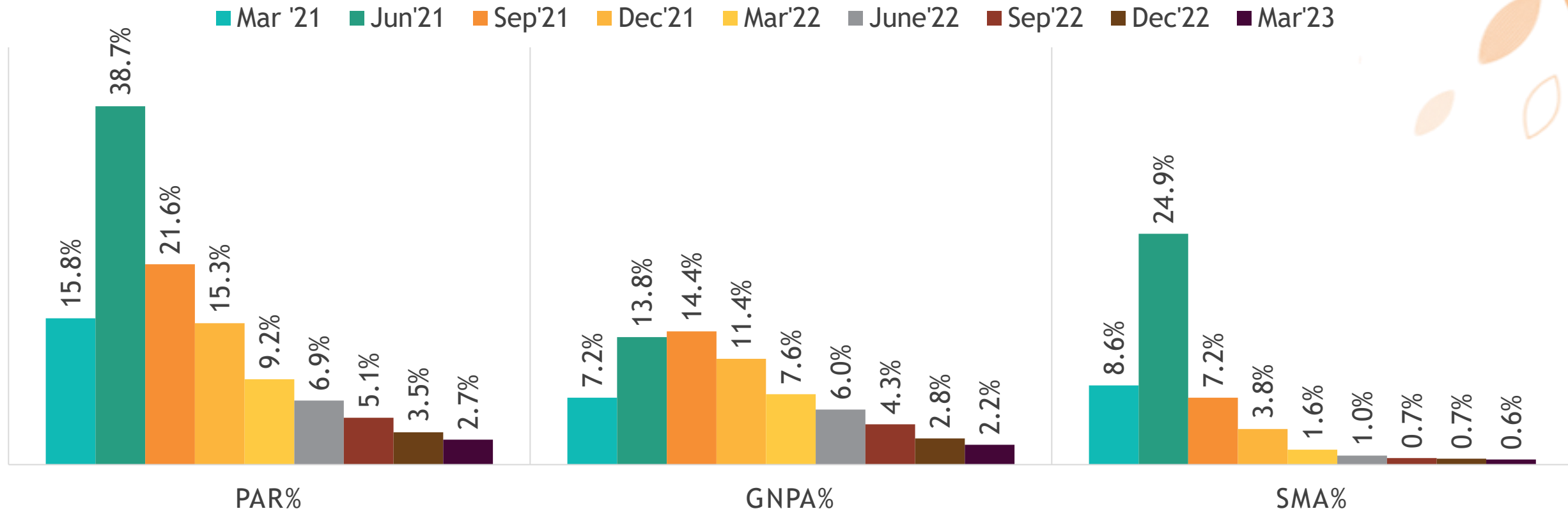
FLOATING PROVISION COVER @ 1%



[#] Floating provision of ₹250 Cr continues to be on books & can be utilized for making specific provisions in future during extraordinary circumstances, with prior approval from the RBI ₹ 30 Cr was moved to Tier II capital in Jun'22 while ₹ 60 Cr, ₹ 10 Cr and ₹ 30 Cr were moved to other provision in Sep'22, Dec'22 and Mar'23 respectively



MICROBANKING ASSET QUALITY EXCELLENT TURNAROUND

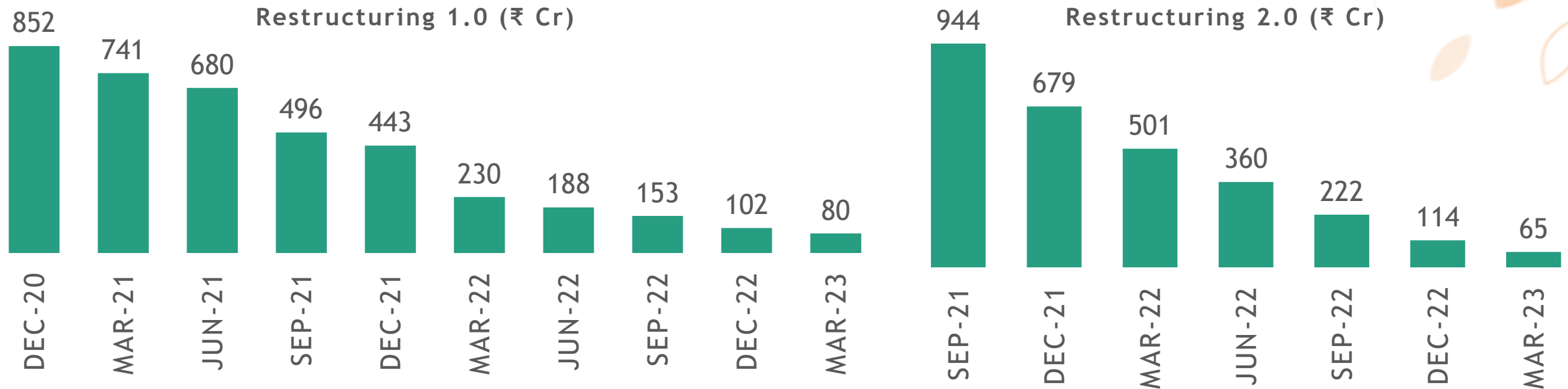


Asset quality much better than industry :

- Ujjivan Micro Banking PAR is 40% lower, NPA is 30% lower than Industry (Mar'23)
- SMA PAR is at 0.6% due to excellent collection from NDA pool with more than 99.7% CE through the year
- The Post covid micro banking book performance has been excellent with 15 MOB 30+ PAR is 0.6% for Ujjivan - better than Industry at 1.8% (Mar'23) for Group loans. (Ref - CRIF data)



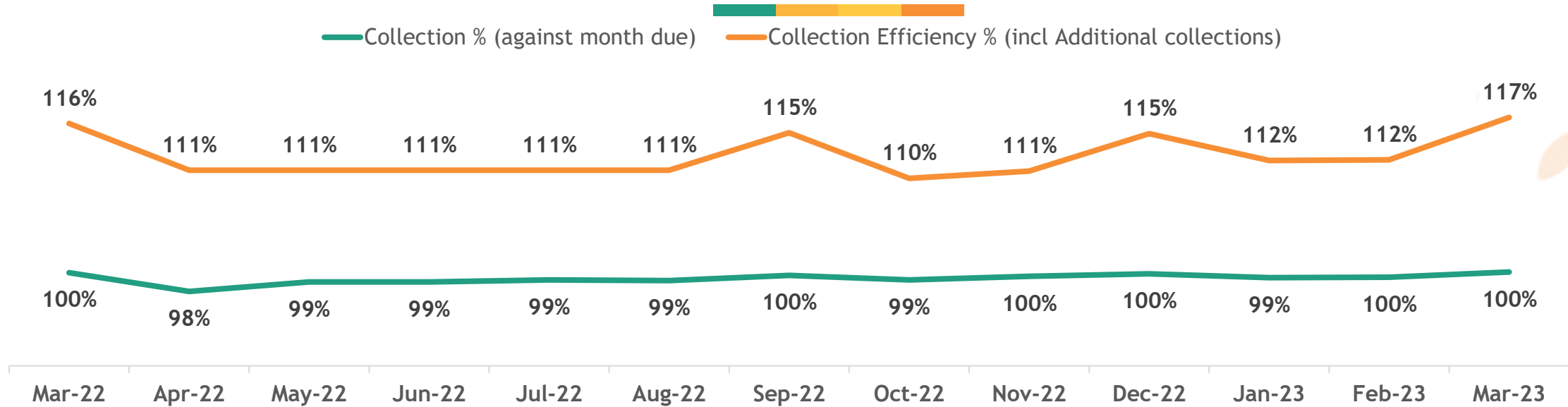
MICRO BANKING RESTRUCTURING PORTFOLIO, ALMOST RECOVERED



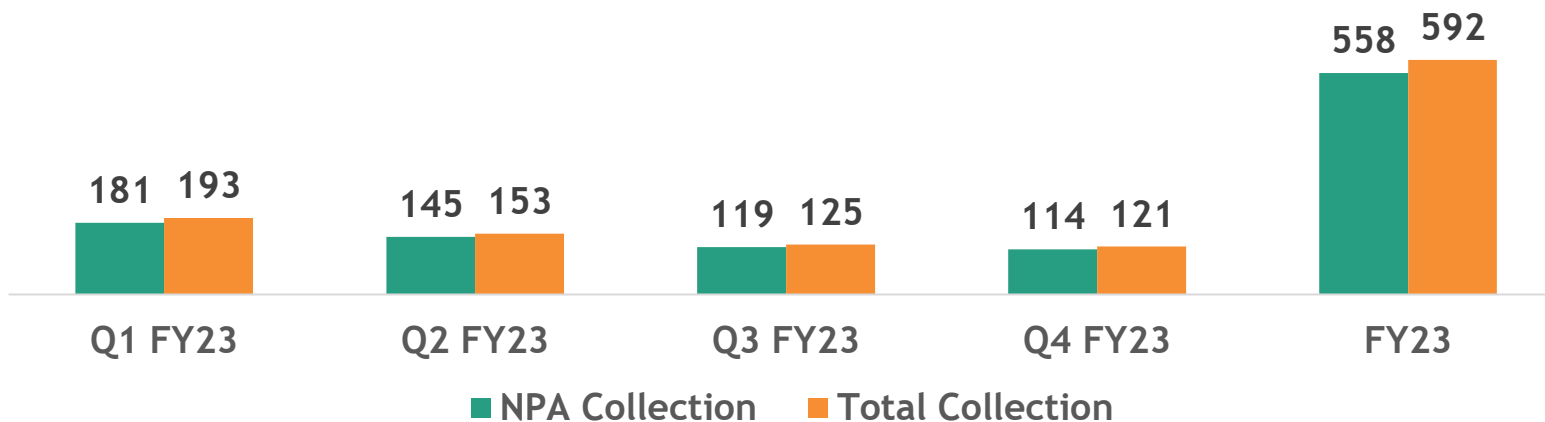
- Restructured book has reduced to less than 1% of total gross loan book
- 75% of the restructured book has been fully recovered
- Provision of 81% on balance restructured book of ₹145 Cr.
- Total ₹315 Cr written off from Restructured pool. ₹24 Cr. of cash collection from Restructured written-off book (8% of restructured write-off pool)



COLLECTIONS SUSTAINING; NDA COLLECTIONS AT ~100%



Microbanking Collection



- Collection efficiency is maintained at 99% & above through out the year
- Write-off recovery for FY 23 was ₹105 Cr.



MICRO BANKING - KEY HIGHLIGHTS & INITIATIVES



Systemic Implementation of Micro finance regulation

Household assessment, System changes for household bureau check



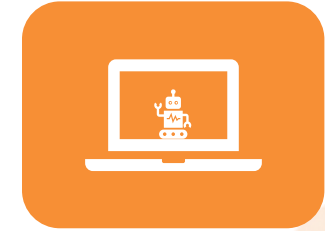
Micro finance market share increased from 4 % to 4.5%

Portfolio quality of Ujjivan has been better than industry for 4 consecutive quarters



Quick turnaround time for loan processing

Inhouse decision engine, Straight Through Processing and more than 3 lakh loan processed monthly with half day TAT



State of the art LOS for micro finance

Multiple API integrations for KYC authentication, Bureau check, regulatory checks



Robust growth in Borrower base

Borrower base Increased by 12% with NCA of 9.3 Lakh clients



Steady Growth in Individual Loan

Portfolio grown by 66% and borrower base increased by 27% during the year



Strong credit policy framework

Use of market intelligence insights, score card, segment wise underwriting, Robust policy, EWS and Dedicated Management committee



FIG PORTFOLIO : KEY HIGHLIGHTS & INITIATIVES



92% of the loan book from better rated entities i.e. A- & above.

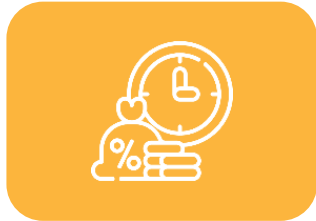
Diversified to 9 sectors in last 3 FY

FY23 disbursement: ₹918 Cr up 28%
growth Y-o-Y
Introduced Bank Guarantee Product

Internal rating model for assessment
of Inter-bank limits for PSU & Private
Banks; SFBs in progress



HOUSING - KEY HIGHLIGHTS & INITIATIVES



Portfolio Quality

18 MOB 30+ is 0.53% vs 1.03% (SFBs*)

Non- delinquent portfolio is at 99.24% vs 97.4% (SFBs*)



Digitization

Centralized Processing for Bank Salaried -75% cases decisioned in less than 2 days



Robust growth in

Borrower base post covid from 22,816 as on Sep'21 to 39,070 @71%



Credit Policy and Process

State wise Collateral policy
Robust process and policy reviews
Personal Discussion by Credit for all self employed borrowers



Portfolio Monitoring

Monthly portfolio decks for detailed monitoring of portfolio performance
Automated MIS



Capacity Building

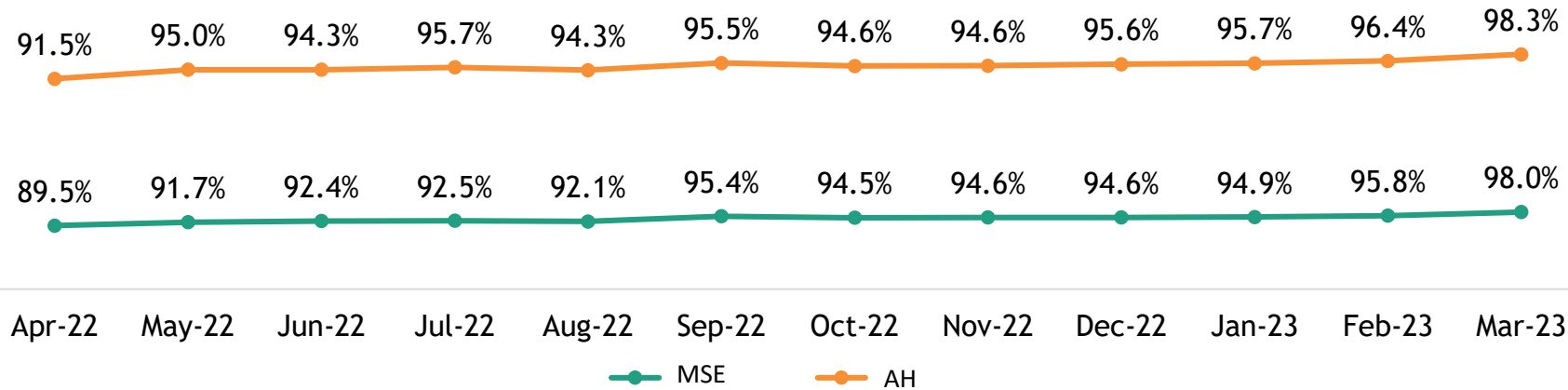
Extensive internal and external certification
Strengthening Technical team
Rewards and Recognition

*Note: For SFB delinquency, we have considered ticket size of 5 to 20 lacs and average ticket size of 12 lacs which is in line with our portfolio



RETAIL ASSETS: IMPROVING CREDIT QUALITY

Bucket X Resolution %



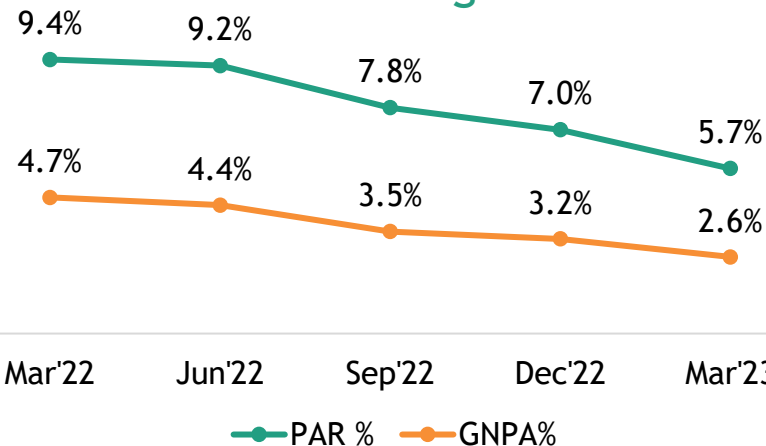
BUCKET X RESOLUTION %

- Bucket X Resolution has shown consistent improvement in FY23
- Resolutions improved to 98% at the end of year

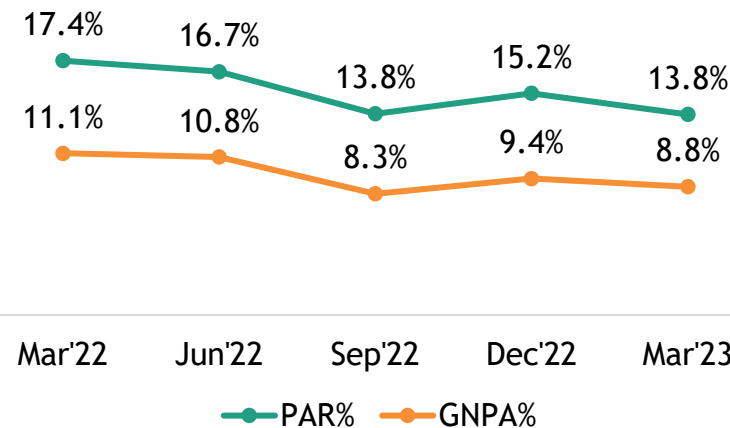
IMPROVEMENT IN OVER ALL HOUSING PORTFOLIO

- GNPA reduced to 2.6% Vs 4.7% as on Mar'22

Housing



MSE



MSME

- Legal initiatives giving good results
- 80%+ of NPA book covered through legal action
- Recalibrated products planned for introduction each quarter



COLLECTION SYSTEM

One of the best user interface in the Industry

Core System

Credit Nirvana
System

Accessibility
Options

Paperless Collection

- ✓ Elimination of Manual receipts
- ✓ Receipt Management - real time reconciliation & update

Effective Monitoring : Geo Tracking

- ✓ Geotagging of customers visits & ease of monitoring resources
- ✓ Real time updation of customer feedback
- ✓ Additional contact updation for collection purpose

Automated Allocation, Reports & Others

- ✓ Automated system driven allocation feature, Segmentation & Strategy execution
- ✓ Dashboards & Live Reports for tracking
- ✓ Notices & Analytics based Communications (SMS,IVR) / Nudges
- ✓ Settlement module, Repo Module & tracking
- ✓ Productivity and Pay-out module- Live Indicative pay-out



Mobility App for field agent
& supervisory function



Web link for Portfolio
Monitoring & allocation



SAY “HELLO UJJIVAN”

FOR THE NEW GENERATION



TECHNOLOGY DIFFERENTIATORS

Inclusion - Financial to Digital

- Digital Powered by vernacular

Reducing TAT

- Micro loans: 30 days to 3 days
- Automated Rule engine
- Assisted Digital Workflow
- Aiming for 30 min sanctioning
- API banking, fintech integration.

Customer 360° view

- Customer 360° Information
- Essential banking services on the field through Hand Held Devices
- Geo-tagging for Security and Controls.



Multi-channel approach

- Assisted digital journey
- Self service: Hello Ujjivan, IBMB, BNB, Digital FD
- Phone and video banking
- Payments: QR code, POS, UPI
- Fintech partnership and Digital lending
- Traditional channels: Branches, Asset centres, Outlets and ATMs

Tech Stack akin to larger peers

- Industry leading applications Finacle, BR.Net, CRM Next, Oracle & more
- Best-in-class IT infrastructure
- Industry leading API Gateway by IBM

Information Security

- Among top ranked Banks in IT security
- Robust monitoring



BUSINESS ENABLERS

Upgraded Loan Origination System for all secured products

Infrastructure upgrade at Data Centres and Disaster Recovery sites

Cloud strategy to enable multiple application rollout on cloud

System Reliability Engineering (SRE) for stability and availability of critical applications

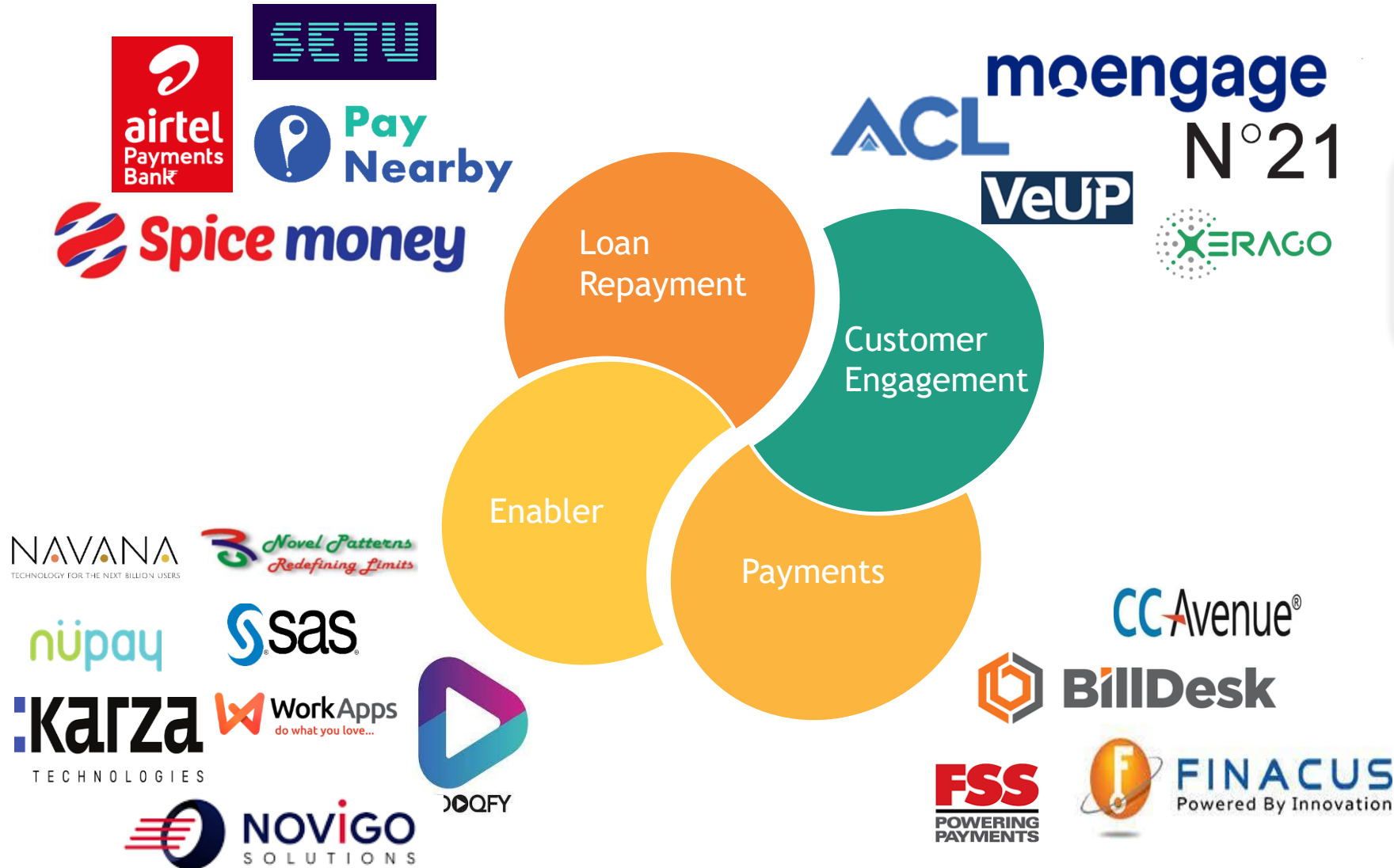
Micro services based applications for scalability and resilience

Best in class partners

CraftSilicon, Infosys, Cognizant, Kyndryl, Sysarc ,Wipro...



EXPANDING CAPABILITIES WITH STRATEGIC PARTNERSHIPS



iFrame for
Aadhar Verification
Easy input in single secure page

APIs hosted

73



END-TO-END DIGITAL JOURNEY

1. PROSPECTING

- **Advanced Data Modelling:** Targeting new customers using Artificial Intelligence and Machine Learning
- **Digital Lead Generation**

2. ONBOARDING

- **DIY journey** for deposits and loans
- **Frictionless on-boarding**

4. MULTI-PRODUCT OFFERING

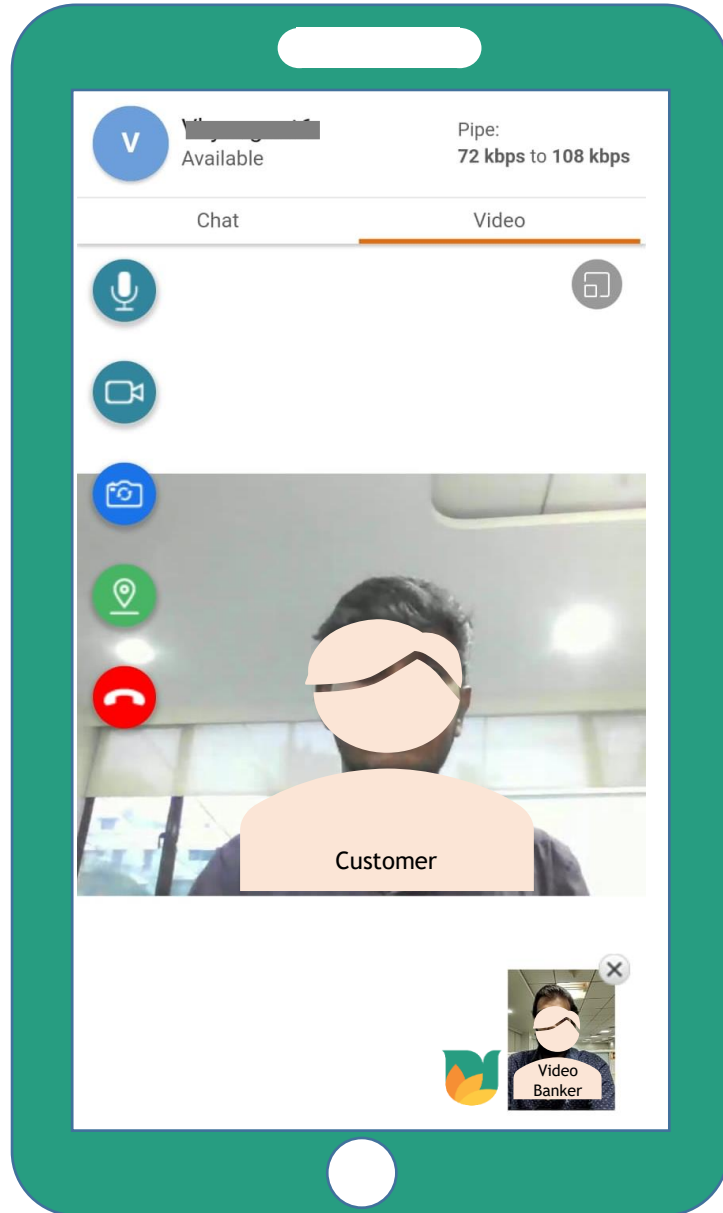
- **Analytics based Cross-selling and up-selling** of Ujjivan and Third Party Products

3. Servicing

- **Seamless payments** through UPI & IMPS
- **BBPS enabled loan repayments**
- **GST and Tax payments**



VIDEO BANKING: DIGITAL INCLUSION TO NEXT LEVEL



- Full KYC checks virtually
- First project enabled completely on Cloud....
- Virtual Re KYC facility
- Personal discussion for loans
- Banking services

ADVANTAGES TO CUSTOMER

Accessibility | Convenience
Personalization | Security



VIDEO BANKING

Customer Proposition

- **Customer Convenience**
 - Branch like experience
 - Multi-lingual, 8am -8pm - 365 days
 - Seamless Delivery of banking
 - Secure with multi layer authentication
- **Trust and Confidence**
 - Personalize, face to face interaction
 - No IVR- Direct connect

Business Proposition

- **Growth Opportunity**
 - Acquire in locations without branches
 - Opportunity for cross sell or up sell
- **Extended Banking Services (8am to 8pm)**
 - Reduces cost of customer acquisition
 - Assisted a/c opening by co-browsing
 - Virtual Personal discussions
 - Tranche disbursement of housing loans
 - Banking services for MSME



PHONE BANKING

Customer Proposition

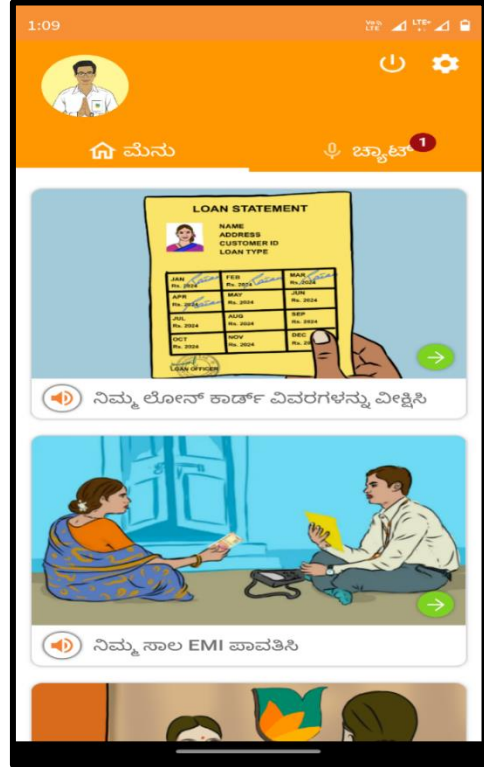
- **Customer First Approach**
 - Services Offered in 8 Indian languages + English
 - 89% customers serviced in Indian languages
- **200+ services offered**
 - 24/7, Inhouse at Bangalore & Pune
 - 150+ phone bankers
 - Term deposits on the call for existing customers
 - Straight-Through-Process for select services

Business Proposition

- **Primary Channel with high productivity & low cost**
 - Loan on Phone, Third Party Products
 - Repeat loans
 - Capture proposal stage and transfer to branch for further process
 - Virtual Relationship Management
- **Improve Customer Experience**
 - Short code services & favorite IVR self-service menus
 - Dedicated unit to support customers on digital platforms
 - Assisted services for semi-literate/ first time users for adopting digital banking platforms



“HELLO UJJIVAN”- PROMOTING DIGITAL INCLUSION



Audio guides on every screen



Learn with pictures Step-by-step



8 regional languages



Explore the App With your voice

हिन्दी गुजराती कन्नड़
தமிழ் மராठी বাংলা
English ଓଡ଼ିଆ
অসমীয়া



VOICE



VISUAL



VERNACULAR

Getting industry recognition...



AEGIS
GRAHAM BELL
AWARDS

Innovation in Consumer Tech

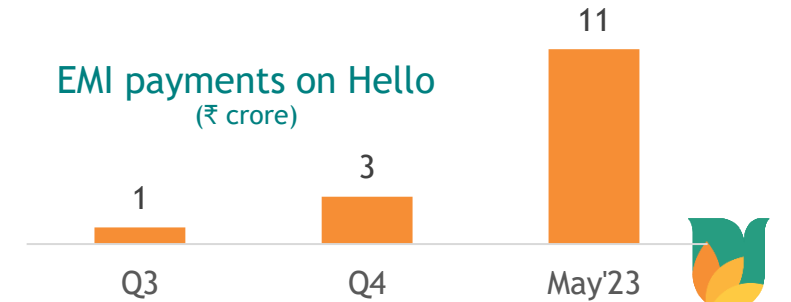
SCOCHAWARD

Mobile Banking Solution



...and customer acceptance

2,00,000+ downloads* and counting...



*as of May'23



QR CODE: PROMOTING DIGITAL INCLUSION

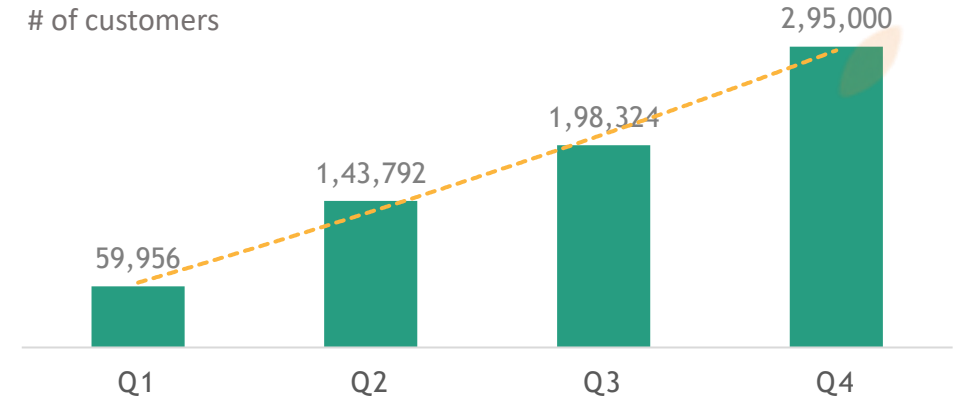


Empowering customers to accept digital payments

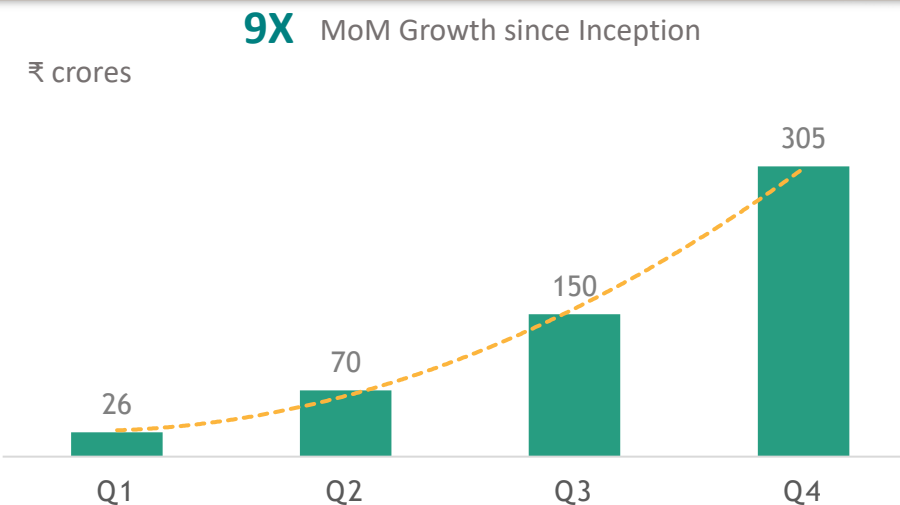


LAUNCHED IN JAN-22

Registrations ramping-up fast...

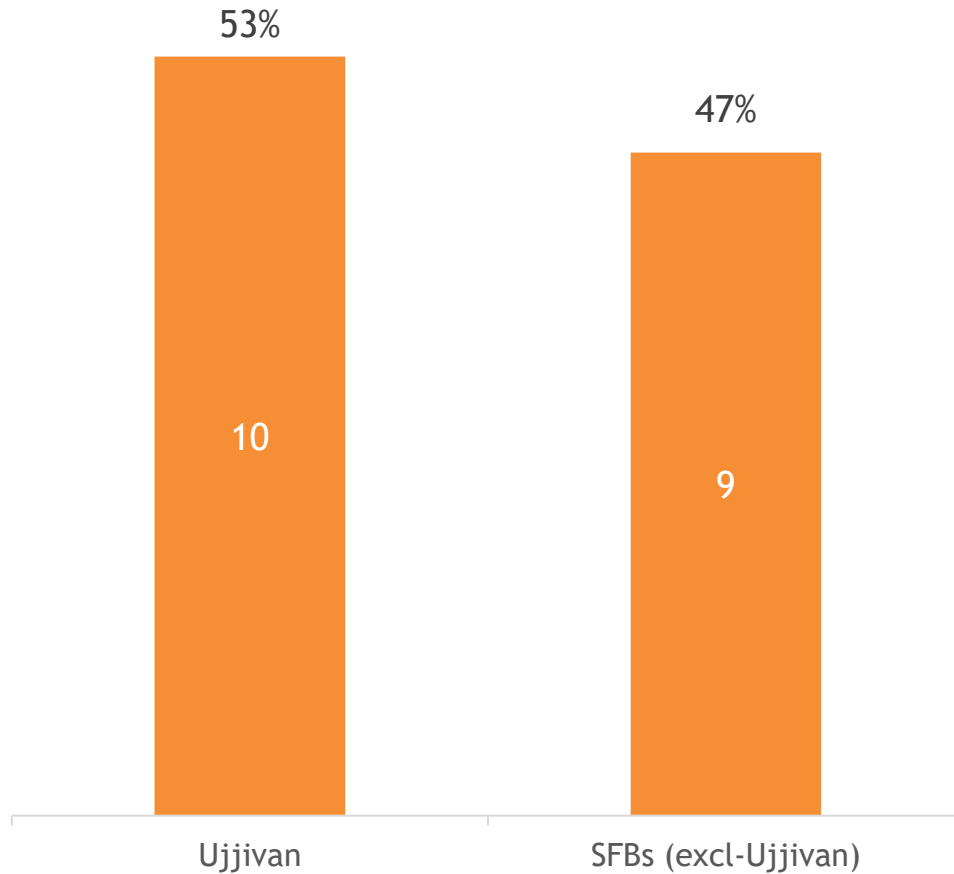


...with transactions growing faster



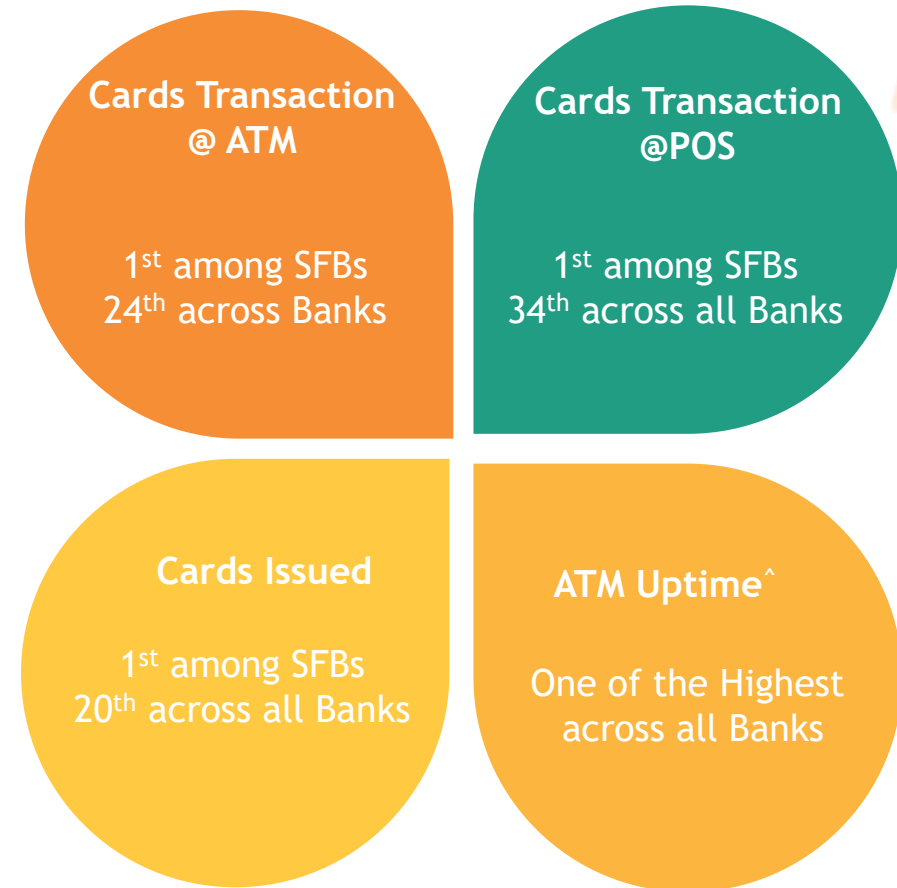
MOBILE BANKING: 53% MARKET SHARE

Touching more lives than others; Growing Faster than Industry



Mobile App Users in lacs*

Ranking reflecting leadership^



*For Jan-Mar23 ^ Based on service Partner & Industry Watch Source:

<https://www.rbi.org.in/Scripts/ATMView.aspx>

<https://www.npci.org.in/what-we-do/upi/upi-ecosystem-statistics>



*Data as published by RBI for Mar-23 Bank-wise Transactions through NEFT/RTGS/Mobile Banking/Internet Banking

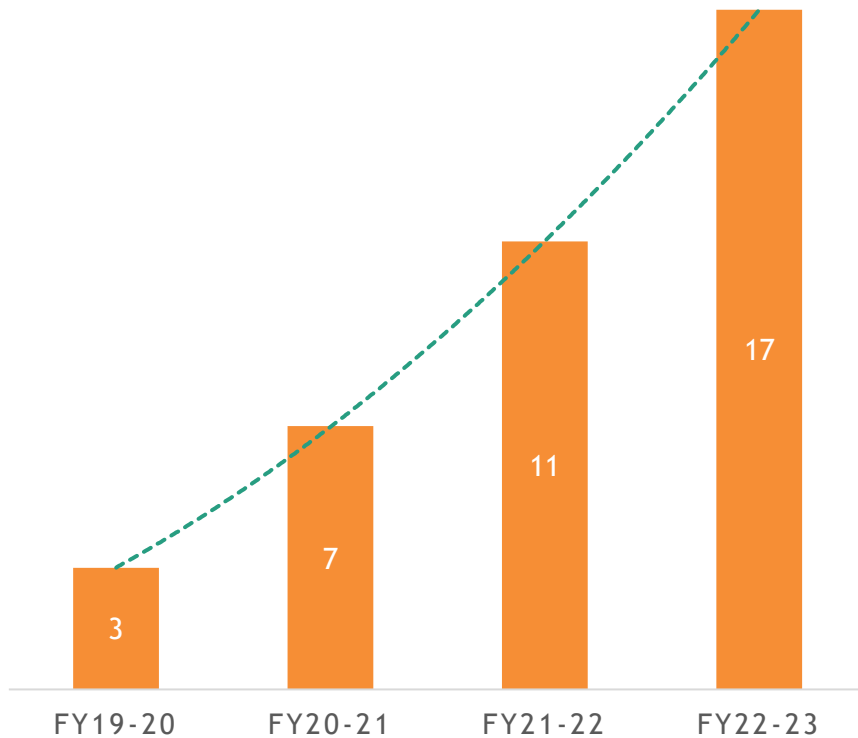
*Industry-Wide Monthly Active Users (MUA) (As of March - 23) in SFB Universe...

LEADERS IN DRIVING UPI USAGE

Ujjivan Ranks 31st across banks by volume
2nd among SFBs and Ranks 12th in Lowest Technical Decline

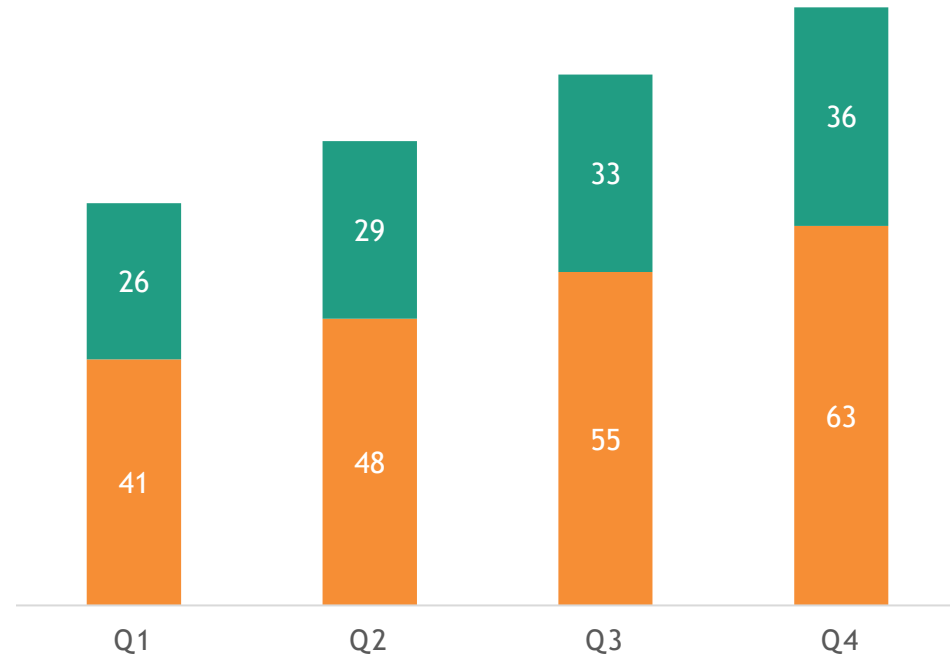


UPI Registration Count (In Lakhs) - FY23



UPI Transaction Count (In Mil) - FY23

Debit Trans. Count (In Mil) Credit Trans. Count (In Mil)

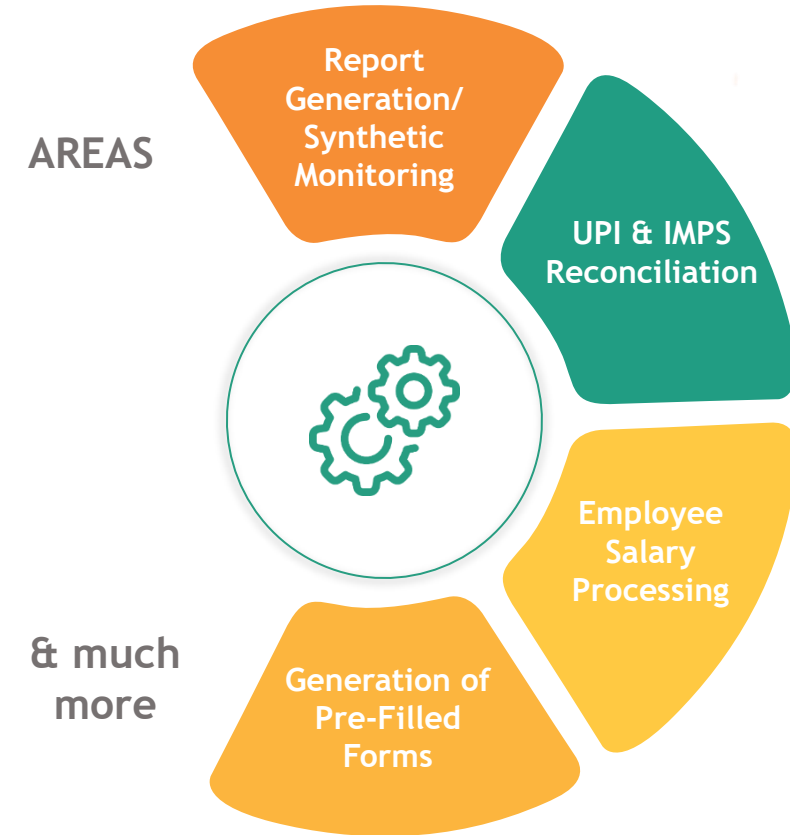


ROBOTIC PROCESS AUTOMATION DRIVING EFFICIENCIES

What is RPA?

Its a technology that can process repetitive tasks in large volumes yielding cost efficiencies

ROBOT is part of following functions



Over 45 million transactions processed through RPA (per month)



EXPANDING DIGITAL REACH



Video Banking ETA: Q2

One-stop solution for providing all banking services

Digital Account opening for term deposit and saving account integrated with VKYC process



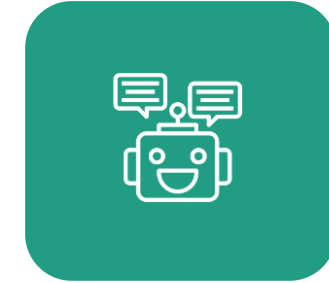
WhatsApp Banking ETA: Q3

Marketing outreach for increased customer penetration

Offering IB/MB Service features on WhatsApp for easy access

E2E Cross-sell/Up-sell functionality

Lead generation module with CRM integration for certain products







Conversational AI (Chatbot) ETA: Q3

Dynamic conversational features for service and lead generation



80+ INITIATIVES PLANNED FOR THIS FISCAL...

	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
 MB/IB	<ul style="list-style-type: none"> Fund Transfer Limit Enhancement Multi-Factor Authentication for Activation Video Banking Nominee Addition/Updating 	<ul style="list-style-type: none"> Home Loan Balance Transfer SR Home Loan Top-up SR Loans (HL, Vehicle, MSME) 	<ul style="list-style-type: none"> Complaint Registration Re-KYC facility View Upcoming Payments (BBPS) 	<ul style="list-style-type: none"> Investment Calculator Chatbot
	<ul style="list-style-type: none"> Loan Acknowledgement Language - English 	<ul style="list-style-type: none"> Language -Malayalam, Punjabi Cheque Services 	<ul style="list-style-type: none"> Debit Card Services like:- <ul style="list-style-type: none"> Turning on/off Block/unblock Manage limit for ATM/ POS/ eCommerce 	<ul style="list-style-type: none"> Preapproved Loan for existing micro banking customers Integration of Sampoorna lakshya (RD) & Sampoorna Nidhi (FD)
	<ul style="list-style-type: none"> Aadhaar Authentication along with existing debit card authentication UPI PSP App - Onboard USFB/Non-USFB Customer 		<ul style="list-style-type: none"> UPI PSP App - New Payment Channel & Extend UPI handle to TPAPs & Fintech partners Merchant Acquiring App Sound Box Feature for UPI transactions 	
	<ul style="list-style-type: none"> GST Payments 	<ul style="list-style-type: none"> BNB Platform Revamp Integration with PFMS 	<ul style="list-style-type: none"> Virtual Account 	<ul style="list-style-type: none"> Enhancement / renewal of loans



...WITH MANY MORE BEYOND FY 2023 - 24



- Instant in-principle approval of loans
- Fintech Tie ups
- DIY Current Account for Partnership/ Firms (Phygital)
- DIY - WhatsApp Banking A/c Opening
- DIY OD against FD / Loan against FD
- Investment & Insurance
- UPI Lite / International Payments

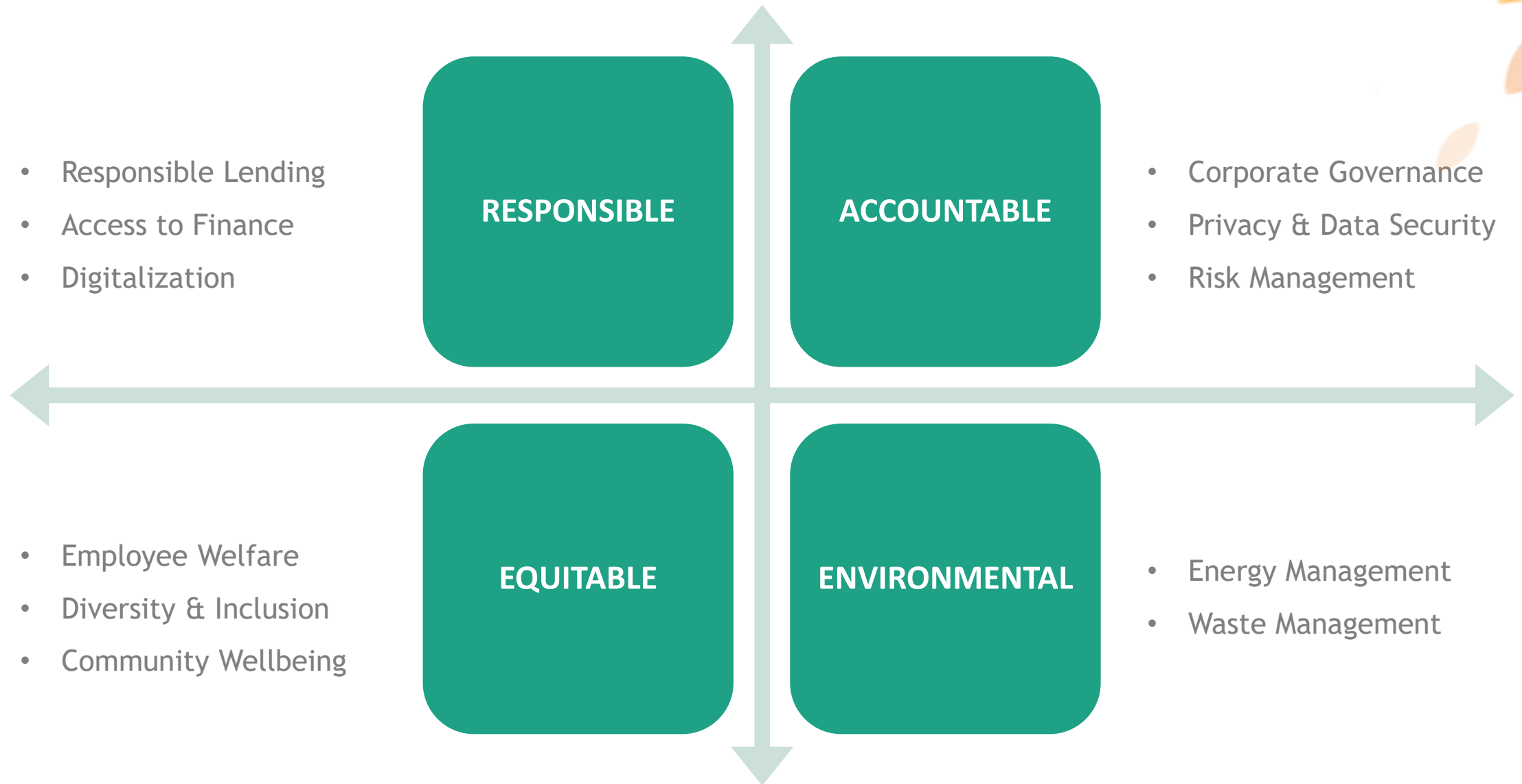


A group of women are sitting on the floor in a room, likely a garment factory or workshop. They are surrounded by large piles of fabric and are working on sewing or assembling clothing. A sewing machine is visible on the left. The room has large windows in the background. The entire image is overlaid with a semi-transparent green filter.

Lending Responsibly

Environmental, Social & Governance

ESG FOCUS AREAS AT UJJIVAN



ESG FOCUS AREAS AT UJJIVAN

RESPONSIBLE

Lending via Rural Banking - INR. 1,194 cr. OSP

93% Retention Rate

Reached 1.4 Mn through Financial Literacy programs

100% Compliance to Human Rights

CSR Reach of 5Mn & counting

- Expanding reach by presence across the country
- Financial inclusion linked to products & services -Rural Banking, Affordable housing etc.
- Water and Sanitation loans are provided
- Procurement from local suppliers
- Digital innovation, application programming interface (API) banking, etc.
- Financial Literacy Programs (Across Microbanking, Rural & emerging business - MSME)

Presence in 25 States

100% Group Loan lending to women borrowers with INR. 904 Cr. OSP

37K - Customer Base for Affordable Housing

19% Gender Diversity

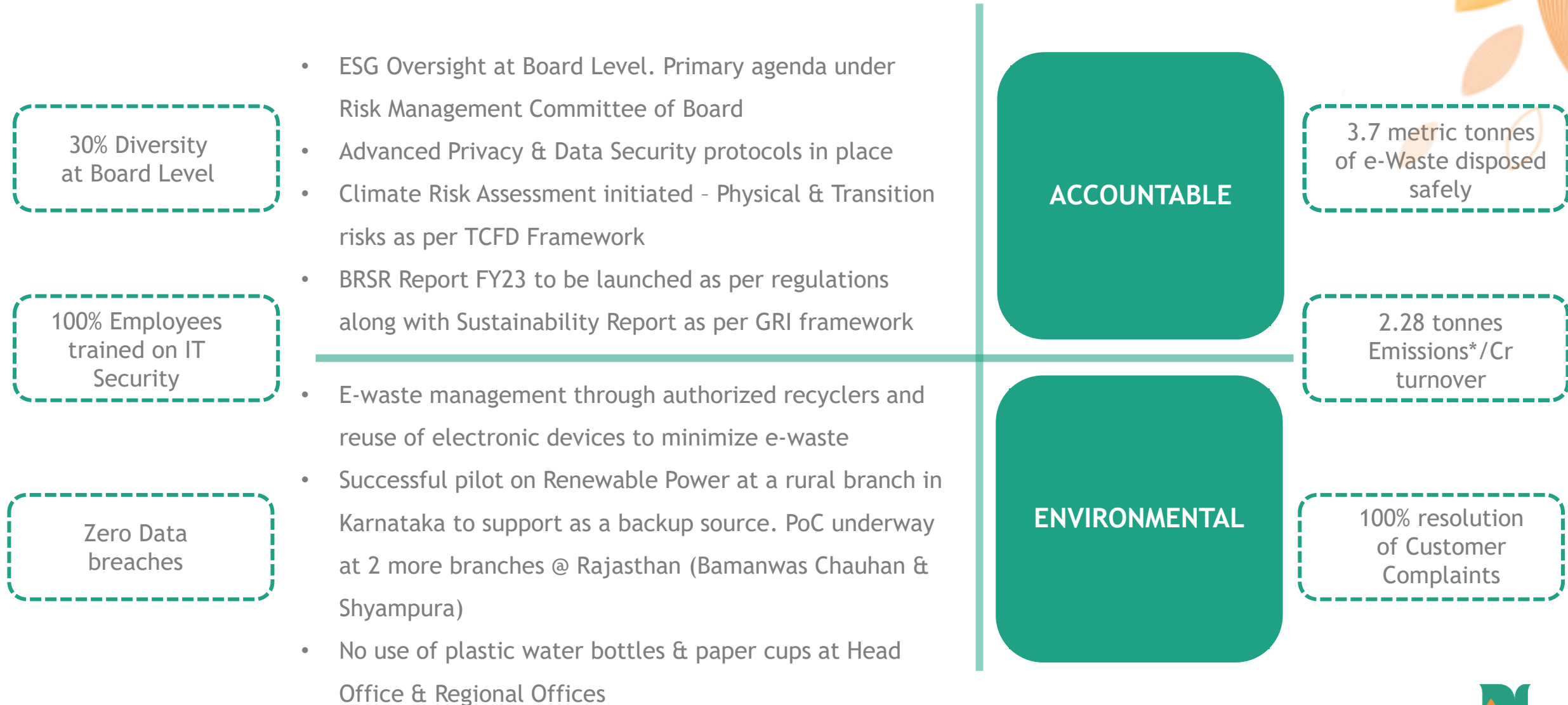
Employment to Specially-abled people, with 27% Female among the lot

EQUITABLE

- Great place to Work Certified
- Focus on Diversity & Inclusion at Workplace
- Multiple CSR programs on Public Amenities, Health & Hygiene, Promoting Education, Social Welfare, etc.



ESG FOCUS AREAS AT UJJIVAN



*Scope 1 & 2



WAY AHEAD

SUSTAINABLE PROFITABLE GROWTH

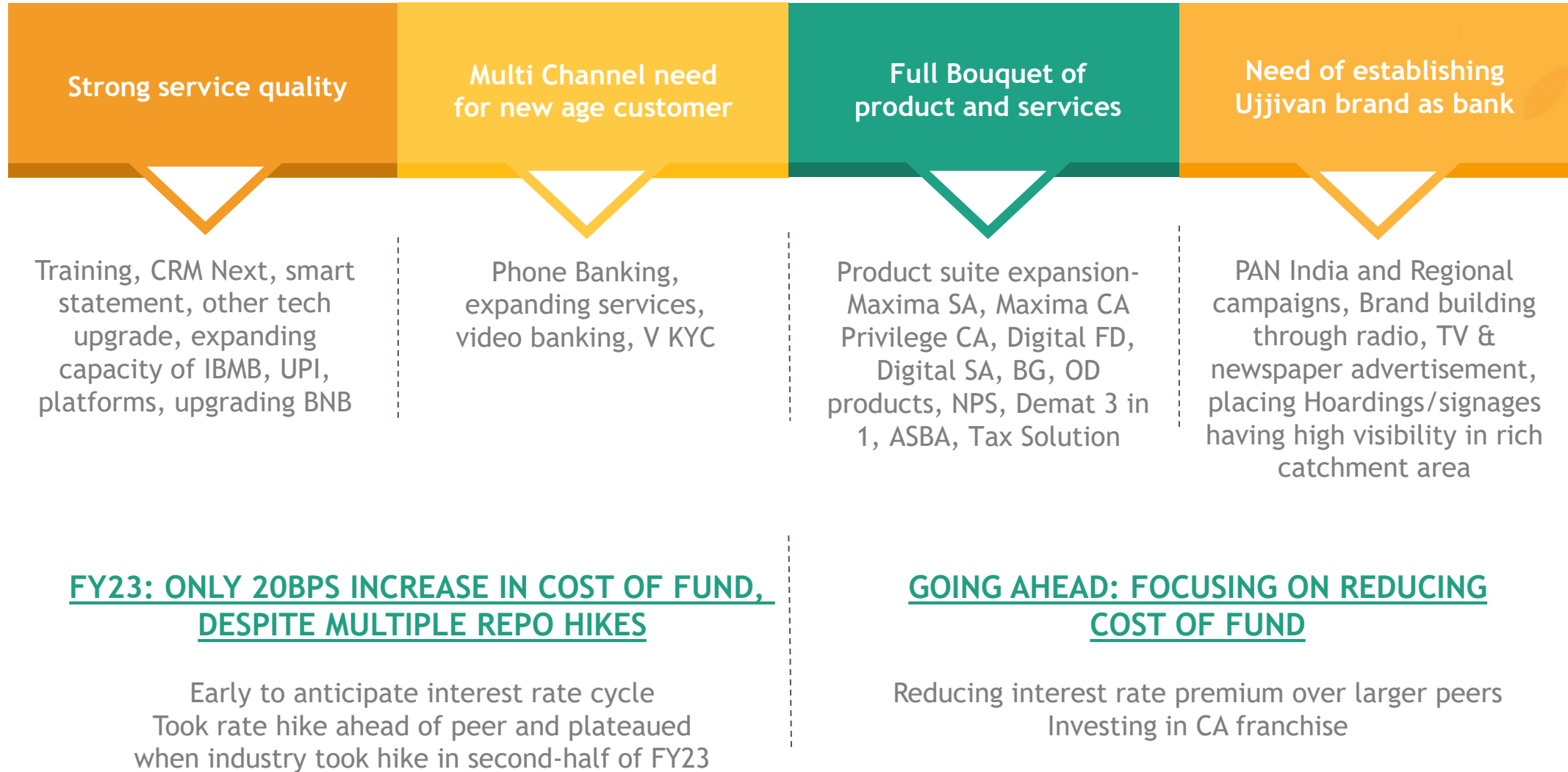
ASSETS: DRAWING LESSONS FROM EXPERIENCE

Microbanking	Affordable Housing	MSME	Financial Institutions
<ul style="list-style-type: none">• Expanding customer base - Deeper digital penetration with initiatives like Hello, virtual relationship managers, QR Code, UPI etc.• Customer graduation to Individual Loans and other secured lending products• 360° relationship with full-range of financial products including deposits, insurance, payments etc.• Disrupting the market with “Assisted to self-service” model	<ul style="list-style-type: none">• Lender of Choice in our focus markets• Among Top - 5 Affordable Housing players in terms of disbursement• Digital sourcing, onboarding, servicing• Robust collections mechanism with strong credit underwriting, NPA less than 1%• Operational efficiency, focus on turnaround time	<ul style="list-style-type: none">• Transitioning to “relationship model” from “transaction model”• Strong product base with full range serving the entire MSME customer ecosystem• Risk-priced pricing with strong credit underwriting; detailed EWS & portfolio monitoring• Expanding capabilities through strategic tie-ups• Meaningful player in the semi-formal segment	<ul style="list-style-type: none">• Supports overall RoE with good returns and secured book• Secured exposure to “other retail assets”• Comprehensive multi-product relationship

Balanced growth with rising **secured mix**, strong **credit quality**



LIABILITIES: DRAWING LESSONS FROM EXPERIENCE



NOT LOSING SIGHT OF COST MANGEMENT

- **Robotics Process Automation**
- **Increase in Productivity**
 - IT systems, Loan origination systems, mobility solutions
 - Video-KYC
 - Video-Banking, Phone Banking
 - Training
- **Technology-based cost initiatives**
 - Travel & conveyance
 - Printing, Postage, others
 - Cashless Collections
- **Hub-based secured loan processing**
- **Hello Ujjivan**
 - Repeat Loan
 - Collection cost
- **Process Simplification**
 - Straight through processes
 - Vendor management
 - Voucher processing module
- **Others - Housekeeping, admin etc.**



BUILDING ON TO THE STRONG PLATFORM



2023-24

Gross Loan Book Growth- >25%
Credit Cost: <100bps
Secured Book: Approx 32%

Deposit Growth: >30%
CASA growth: >35%

NIM: >9.0%
RoE: >22%

2024-26

Gross Loan Book Growth- >25%
Credit Cost: <150bps
Secured Book: Approx. 40%

CD Ratio: 80%
CASA Ratio: 35%

RoE: >20%



THANK YOU

Investor Relations:

Deepak Khetan | deepak.khetan@ujjivan.com | +91 7045792752

Madhusudan Dalmia | madhusudan.dalmia@ujjivan.com | +91 8391831703

