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**Independent Auditor's Review Report on Review of Unaudited Quarterly
Financial Results of the Company 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
Koramangala
Bengaluru

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **Ujjivan Small Finance Bank Limited** ("the Company") for the quarter and the nine months ended December 31, 2021 being submitted by it pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's management and approved by Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standard 25 "Interim Financial Reporting" ("AS 25") prescribed under section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of Statement in accordance with the Standard on Review Engagement (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 statements are free of material misstatement. A review of Interim Financial Information 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 of 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 and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended



Note:

- 1) The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 05, 2022. The financial results for the quarter and Nine months ended December 31, 2021, have been subjected to "Limited Review" by the statutory auditors (B. K. Ramadhyani & Co LLP, Chartered Accountants and Mukund M Chitale & Co, Chartered Accountants) of the Bank. The report thereon is unmodified. The first quarter ended June 30, 2021 results were reviewed by MSKA & Associates, Chartered Accountants.
- 2) The above financial results have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, and the guidelines issued by the Reserve Bank of India ('RBI')
- 3) The Bank has applied significant accounting policies in the preparation of these financial results that are consistent with those followed in the annual financial statements for the year ended March 31, 2021.
- 4) As at December 31, 2021, 15,865,555 options have been lapsed, 10,199,765 options vested and are yet to be exercised and balance 15,176,311 options remains unvested out of the total options granted under the approved Employee Stock Option Plan (ESOP) 2019.
- 5) Other income includes income from commission, exchange and brokerage, processing fees, profit on sale of investments and PSLC fee income.
- 6) The Capital Adequacy Ratio ("CAR") has been computed as per RBI Circular No. RBI/2016-17/81 DBR.NBD.No. 26/16.13.218/2016-17 dated October 06, 2016 on 'Operating Guidelines for Small Finance Banks'. The Bank has followed BASEL II standardized approach for credit risk in accordance with the aforesaid guidelines. 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. Further, the Bank has not considered contingent provisions created on account of COVID-19 stress for the purpose of computing CAR.
- 7) Based on RBI Master Direction on Financial statements - Presentation and Disclosures issued on August 30, 2021, recoveries from written off accounts, which was hitherto included as part of other income have been classified as credit to provisions and contingencies and provision for depreciation on investments, which was hitherto classified as part of provisions and contingencies has been reclassified as part of other income. There is no impact of this change on the net profit/loss of the current or earlier periods. The change has been effected from quarter ended September, 2021 and accordingly comparative figures have been regrouped.
- 8) Consequent to the outbreak of COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional post COVID 19 restrictions continue to be implemented in areas with a significant number of COVID-19 cases. India had experienced a "Second wave" of the COVID-19 pandemic in Apr-May 2021 following the discovery of mutual variant, leading to the re-imposition of regional lockdowns. These were gradually lifted as the Second wave subsided. The World is now experiencing another outbreak on account of new coronavirus variant and as a precautionary measure India has started to re-impose localised/regional restrictions.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities, which may persist even after the restrictions related to the COVID-19 outbreak are lifted. The disruptions following the outbreak, have led to a decrease in loan originations and the efficiency in collection efforts. This may lead to a continued rise in the number of customer defaults and consequently an increase in provisions there against.

The extent to which the COVID-19 pandemic will continue to impact the Bank's operations and financial results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether mandated by the Government or elected by the Bank.



Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2021							(Rs. in Lacs)
Sl No.	Particulars	Quarter ended			Nine month Ended		Year ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Interest Earned (a)+(b)+(c)	70,787	64,504	68,832	1,99,457	2,18,821	2,80,607
	a) Interest/ discount on advances/ bills	64,779	58,308	63,775	1,81,691	2,03,595	2,60,038
	b) Income on Investments	4,602	4,507	4,530	13,235	13,080	17,298
	c) Interest on balances with Reserve Bank of India and other interbank funds	1,406	1,689	527	4,531	2,145	3,271
2	Other Income (Refer note 5)	9,082	4,689	9,782	21,071	18,832	30,231
3	Total Income (1)+(2)	79,869	69,193	78,614	2,20,528	2,37,652	3,10,838
4	Interest Expended	25,401	25,368	25,604	76,495	82,778	1,07,751
5	Operating Expenses (i)+(ii)	40,335	36,723	32,893	1,06,707	90,332	1,23,008
	(i) Employees Cost	22,104	19,983	20,394	58,570	57,950	74,878
	(ii) Other Operating Expenses	18,231	16,740	12,499	48,137	32,382	48,130
6	Total Expenditure (4)+(5) [excluding provisions & contingencies]	65,736	62,091	58,497	1,83,202	1,73,110	2,30,759
7	Operating Profit before Provisions & Contingencies (3)-(6)	14,133	7,102	20,117	37,326	64,543	80,079
8	Provisions (other than tax) and Contingencies	18,697	43,688	58,084	1,09,706	81,909	79,059
9	Exceptional Items	-	-	-	-	-	-
10	Profit/(Loss) from Ordinary Activities before tax (7)-(8)-(9)	(4,564)	(36,586)	(37,967)	(72,380)	(17,367)	1,020
11	Tax Expense	(1,181)	(9,207)	(10,084)	(18,269)	(4,549)	190
12	Net Profit/(Loss) from Ordinary Activities after tax (10)-(11)	(3,383)	(27,379)	(27,883)	(54,111)	(12,818)	830
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Net Profit/(Loss) for the period (12)-(13)	(3,383)	(27,379)	(27,883)	(54,111)	(12,818)	830
15	Paid up equity share capital (Face Value of Rs 10/- each)	1,72,831	1,72,831	1,72,825	1,72,831	1,72,825	1,72,831
16	Reserves excluding revaluation reserves	-	-	-	-	-	1,24,671
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) Capital Adequacy Ratio - BASEL II (Refer Note 6)	19.09%	22.19%	26.93%	19.09%	26.93%	26.44%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*						
	Basic EPS (Rs)	(0.20)	(1.58)	(1.61)	(3.13)	(0.74)	0.05
	Diluted EPS (Rs)	(0.20)	(1.58)	(1.61)	(3.13)	(0.74)	0.05
	(iv) NPA Ratios						
	(a) Gross NPAs	1,61,166	1,71,265	13,058	1,61,166	13,058	1,07,060
	(b) Net NPAs	25,155	43,514	640	25,155	640	42,458
	(c) % of Gross NPAs to Gross Advances	9.79%	11.80%	0.96%	9.79%	0.96%	7.07%
	(d) % of Net NPAs to Net Advances	1.67%	3.29%	0.05%	1.67%	0.05%	2.93%
	(v) Return on assets (average)*	(0.17)%	(1.39)%	(1.51)%	(2.72)%	(0.68)%	0.04 %

* Figures for the quarter and nine month ended are not annualised



UJJIIVAN SMALL FINANCE BANK LIMITED							
CIN: L65110KA2016PLC142162							
Registered and Corporate Office: Grape Garden, No. 27, 3rd "A" Cross, 18th Main, 6th Block, Koramangala, Bengaluru - 560095, Karnataka							
Website: www.ujjivansfb.in Phone: +91 80 4071 2121							
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)							
Sl No.	Particulars	Quarter ended			Nine month ended		Year ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(unaudited)	(Audited)
1	Segment Revenue						
(a)	Treasury	6,042	6,661	9,805	22,232	23,672	31,931
(b)	Retail Banking	71,874	60,708	67,451	1,92,885	2,09,662	2,73,233
(c)	Wholesale Banking	1,952	1,824	1,358	5,411	4,318	5,674
(d)	Unallocated	-	-	-	-	-	-
	Less: Inter-segment revenue	-	-	-	-	-	-
	Income From Operations	79,868	69,193	78,614	2,20,528	2,37,652	3,10,838
2	Segment Results						
(a)	Treasury	(68)	(2,664)	4,157	1,008	7,459	10,293
(b)	Retail Banking	(5,336)	(33,179)	(38,876)	(72,520)	(21,361)	(9,572)
(c)	Wholesale Banking	1,556	207	864	1,561	1,973	2,974
(d)	Unallocated	(717)	(950)	(4,112)	(2,429)	(5,438)	(2,675)
	Total Profit Before Tax	(4,565)	(36,586)	(37,967)	(72,380)	(17,367)	1,020
3	Segment Assets						
(a)	Treasury	4,74,692	4,94,036	4,96,623	4,74,692	4,96,623	4,93,033
(b)	Retail Banking	15,11,256	13,36,176	13,70,573	15,11,256	13,70,573	14,54,524
(c)	Wholesale Banking	88,025	75,859	50,795	88,025	50,795	64,865
(d)	Unallocated	45,934	44,684	23,582	45,934	23,582	25,623
	Total Assets	21,19,907	19,50,755	19,41,573	21,19,907	19,41,573	20,38,045
4	Segment Liabilities						
(a)	Treasury	4,74,692	4,94,036	4,96,623	4,74,692	4,96,623	4,93,033
(b)	Retail Banking	13,06,631	11,26,993	10,99,870	13,06,631	10,99,870	11,75,425
(c)	Wholesale Banking	71,221	59,027	37,116	71,221	37,116	47,712
(d)	Unallocated	-	-	-	-	-	-
	Total Liabilities	18,52,544	16,80,056	16,33,609	18,52,544	16,33,609	17,16,170
5	Capital Employed						
(a)	Treasury	2,04,626	2,09,183	2,70,703	2,04,626	2,70,703	2,79,099
(b)	Retail Banking	16,804	16,832	13,679	16,804	13,679	17,153
(c)	Wholesale Banking	45,933	44,684	23,582	45,933	23,582	25,623
(d)	Unallocated	2,67,363	2,70,699	3,07,964	2,67,363	3,07,964	3,21,875
	Total						

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

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

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



Note:

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- 3) The Bank has applied significant accounting policies in the preparation of these financial results that are consistent with those followed in the annual financial statements for the year ended March 31, 2021.
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- 7) Based on RBI Master Direction on Financial statements - Presentation and Disclosures issued on August 30, 2021, recoveries from written off accounts, which was hitherto included as part of other income have been classified as credit to provisions and contingencies and provision for depreciation on investments, which was hitherto classified as part of provisions and contingencies has been reclassified as part of other income. There is no impact of this change on the net profit/loss of the current or earlier periods. The change has been effected from quarter ended September, 2021 and accordingly comparative figures have been regrouped.
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The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities, which may persist even after the restrictions related to the COVID-19 outbreak are lifted. The disruptions following the outbreak, have led to a decrease in loan originations and the efficiency in collection efforts. This may lead to a continued rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic will continue to impact the Bank's operations and financial results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether mandated by the Government or elected by the Bank.



- 9) Details of Resolution Plan implemented under the RBI Resolution Framework 2.0 - Resolution of COVID-19 related stress of Individuals and Small Businesses dated May 5, 2021 are given below

SL No.	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	47,156	2,00,171	-
(B)	Number of accounts where resolution plan has been implemented under this window	29,327	1,77,277	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	13,63,788	49,37,864	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	95,515	4,16,173	-

- 10) The Bank has restructured NIL accounts which fall under the RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on December 31, 2021.
- 11) Details of loans transferred / acquired during the quarter ended December 31, 2021 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
- The Bank has not transferred any non-performing assets (NPAs).
 - The Bank has not transferred any Special Mention Account (SMA) and loan not in default.
 - The Bank has not acquired any loans through assignment.
 - The Bank has not acquired any stressed loan.
- 12) In accordance with the applicable RBI guidelines, during the quarter ended June 30, 2021, Bank has shifted Central Government securities with a book value of ₹ 340 Crore and State Government securities with a book value of ₹ 135 Crore from HTM to AFS category.
- 13) The Honourable Supreme Court of India vide an interim order dated 03.09.2020 had directed that accounts which were not declared NPA till 31.08.2020 shall not be declared as NPA till further orders, which has been complied with by the Bank. The said interim order stood vacated on 23.03.2021 and the Bank continued with the asset classification of borrowers as per the extant RBI instructions/IRAC norms. In view of this, the results for the nine months period ended December 2021 may not be comparable with the corresponding nine months period ended December 2020.
- 14) The Bank does not hold any security receipts
- 15) Figures of the previous period have been regrouped / reclassified, wherever considered necessary to conform to the current period's classification. The figures for the third quarter ended December 31, 2021 are the balancing figures between reviewed figures in respect of the nine months ended December 31, 2021 and the published reviewed figures upto the end of half year ended September 30, 2021. The figures for the third quarter ended December 31, 2020 are the balancing figures between un audited figures in respect of the nine months ended December 31, 2020 and the published reviewed figures upto the end of half year ended September 30, 2020.



Bengaluru
February 05, 2022



By order of the Board
For Ujjivan Small Finance Bank Limited

Ittira Davis
Managing Director & CEO
DIN: 06442816