

Press Release

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

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

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

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

- ❖ Gross advances at ₹13,638 crore
- ❖ Disbursement for Q3FY21 stood at ₹2,184 crore vs ₹3,403 crore at Q3FY20; Dec'20 disbursements up by 8% Y-o-Y (**₹1,118 in Dec '20 vs. ₹ 1,038 in Dec '19**)
- ❖ Retail other than Microbanking portfolio contribute 27% of total portfolio as against 22% in Dec'19
- ❖ Secured Advances stand at 25% of the total portfolio as on Dec'20 as against 21% in Dec'19
- ❖ Strong Treasury Income of ₹93 Cr in Q3FY21 against ₹39 Cr in Q3FY20
- ❖ Early recognition of expected credit costs of ₹547 Cr, to protect future ROI in the coming quarters
- ❖ **GNPA at 1% and NNPA at 0.05%** in Dec'20, as against **0.9%** and **0.4%**, respectively as of Dec'19. The Bank has not recognised any NPAs since August 31, 2020, in line with the interim order of Hon. Supreme Court. If the said Order was not given effect to, **pro-forma GNPA & NNPA** would have been **4.8% & 2.05%** respectively.
- ❖ Deposits at **₹11,617 Cr.** as of Dec'20 up by 9% Y-O-Y as against Dec'19; covering 85% of total advances
- ❖ Retail deposits at **48%** of the total deposits vs. 43% of Dec'19 | CASA ratio at **18% in Dec'20 vs. 12% in Dec'19**
- ❖ Strong new retail customer acquisition; 1.7 Lakh customers acquired during the quarter
- ❖ Net Interest Income of **₹432 crore in Q3FY21**; Net Interest Margin at **9.7% in Q3FY21**, against 10.9% in Q3FY20
- ❖ Cost to Income ratio at **62% in Q3FY21 vs. 71% in Q3FY20**
- ❖ Loss of ₹279 crore in Q3FY21, on account of accelerated credit provisioning
- ❖ ROA/ ROE at (5.8%) / (34.7%) % in Q3FY21 vs. 2.1% / 14.0% in Q3FY20
- ❖ Capital adequacy ratio at 27% with Tier-1 capital at 26% | Liquidity coverage ratio at 179% as of Dec'20
- ❖ Gold Loan pilot in progress | Tie ups with leading Fin-Techs to supplement business growth.
- ❖ Disbursed 1,650 cases worth ₹ 55 Crore under MSE Navnirman Loan (NNL) backed by ECLGS scheme
- ❖ 165+ outlets Money Mitra agents (Ujjivan Transaction point) across 16 states facilitating basic banking services

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

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

**About Ujjivan Small Finance Bank Limited:**

Ujjivan Small Finance Bank Limited is a Small Finance Bank licensed under Section 22 (1) of the Banking Regulation Act, 1949 to carry on the business of small finance bank in India.

Bank serves 56.6 lakh customers through 575 branches with 16,733 employees spread across 244 districts and 24 States and Union Territories across India. Gross Loan Book stands at ₹13,638 crores with a deposit base of ₹11,617 crores as of December 31, 2020.

Bank’s CSR objective is to reach underserved and unserved sections of the society. In these testing times, the Bank undertook COVID relief activities by supporting the police personals, healthcare workers, public, municipal and panchayat employees. Bank also provided relief materials to families affected due to the Nivar and Burevi cyclone in Tamil Nadu. Through our strategic partner, Parinaam Foundation, we initiated various community development programs and a special program to educate the public about the Corona virus and various government benefits that can be availed. Bank also partnered with e-Vidyaloka, a non-profit organisation to support their Vidyaganga project targeted to educate underprivileged students using digital technology.

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

**Safe Harbour:**

*Some of the statements in this document that are not historical facts are forward-looking statements. These forward- looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.*

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