

Press Release

Business regaining momentum Post COVID 2.0
Strong build-up in retail liabilities
Accelerated provisioning covering 8.2% of advances

Bengaluru, August 06, 2021: Ujjivan Small Finance Bank Ltd. [BSE: 542904; NSE: UJJIVANSFB], today announced its financial performance for the quarter ended June 30, 2021.

Summary of Ujjivan Small Finance Bank Business Performance – Q1 FY 2021-22

- ❖ Gross advances at ₹14,037 crore 2% down Y-o-Y and 7% Q-o-Q
- ❖ Q1 FY22 Disbursement at ₹1,311 crore, 177% Y-o-Y growth, 69% Q-o-Q drop
- ❖ Non Micro Banking contributes 32% of total portfolio as against 22% in June, 2020
- ❖ Secured Advances stand at 30% of the total portfolio as on June, 2021 against 21% in June, 2020
- ❖ Total provision as on 30th June, 2021 stands at ₹1,149 crore (including ₹250 crore COVID floating provision), covering 8.2% of gross advances
- ❖ GNPA at 9.8% and NNPA at 2.7% as of June, 2021 against 1.0% and 0.2% respectively as of June, 2020; write-off of ₹280 crore in Q1FY22; Provision coverage ratio of 75% as of June, 2021, against 60% in March, 2021
- ❖ ₹70 crore restructured in Q1FY22 under Resolution 2.0. Total restructured loan book is 5.5%
- ❖ Deposits at ₹13,673 crore up by 24% Y-o-Y; covering 97% of total advances
- ❖ Retail deposits at 48% of the total deposits against 45% as of June, 2020; CASA ratio at 20.3% vs 14.2% in June, 2020. Retail banking contributed to 71% of total CASA, growing 129% Y-o-Y
- ❖ Strong retail liability customer acquisition with 1.1 lakh customers added during the quarter
- ❖ Net Interest Income of ₹384 crore in Q1FY22; Net interest margin at 8.0% in Q1FY22 against 10.2% in Q1FY21
- ❖ Operating expenses to average assets at 5.9% in line with Q1FY21; saving of 9% from Q4 FY21 (6.6%)
- ❖ PPOP at Rs 163 cr in Q1FY22
- ❖ PAT of (₹233) crore in Q1 FY22 against ₹ 55 crore in Q1 FY21
- ❖ ROA/ ROE at (4.7%)/ (30.1%) in Q1FY22 against 1.2%/ 6.8% in Y-o-Y; PPOP ROA at 3.3% against 4.5% in Q1FY21
- ❖ Collections hit due to COVID 2.0 and lockdowns; Collection Efficiency at 78% in June, 2021 against 94% in March, 2021; recovered to 93% in July, 2021. South region which got badly impacted due to extended lockdowns has recovered well in July, 2021 with collection efficiency touching 96% against 63% in June, 2021
- ❖ Capital adequacy ratio at 25.9% with Tier-1 at 24.5%; Liquidity coverage ratio at 138% as of June, 2021

Mr. Nitin Chugh, MD & CEO, Ujjivan Small Finance Bank said, “The onset of the second Covid wave and consequent restrictions and lockdowns lashed the industry, especially the microbanking sector which faced a severe stress. Our business and collection volumes were affected due to the restrictions on movement, resulting in a subdued overall performance in Q1 FY22. As a precautionary measure, floating provision of ₹250 crores has been created to absorb the impact of potential slippages in near future. We are hopeful that our customers will resurrect their livelihoods and continue to be resilient. We continued to diversify our asset book as a strategic approach; the non-MicroBanking portfolio grew to 32% and secured portfolio increased to 30%. In line with our growth strategy, retail branch banking performed strongly and now contributes to a substantial part of our total deposit book. As part of our commitment to provide a full range of banking services, non-binding MoU has been signed with a fin tech partner to enter into the credit card business. We continued to focus on our digital initiatives, driving digital collections (16% in Q1 FY22 against 11% in Q4 FY21) and encouraging contactless disbursement amidst the lockdown phase and our robust digital infrastructure and its optimal application sustained our business quite well in the crucial times.

Business momentum started building up since July both in terms of disbursement and collections. However, we are cautious about a potential impact on account of third Covid wave.”

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 58.2 lakh customers through 575 branches and 16,102 employees spread across 248 districts and 24 states and union territories in India. Gross Loan Book stands at ₹14,037 crore with a deposit base of ₹13,673 crore as of June 30, 2021.

'Bank's CSR objective is to reach unserved and underserved sections of the society. In Q1 FY22, the Bank has prioritized the need for COVID relief across the country. Understanding the need for health care and precautions in these testing times, the Bank has funded for the procurement and installation of 6 Intensive Therapy Units (ITU) for the COVID care ward in St. John's Hospital, Bangalore. To help the battle against COVID, the Bank also funded for the purchase of 40 D Type Oxygen cylinders for the COVID care ward at Christian Medical College, Vellore. Further to the projects undertaken with major hospitals, the Bank has partnered with various local hospitals and Primary Healthcare Centres to reach out to 32,618 beneficiaries, 636 Anganwadi and Asha Care workers and 134 healthcare workers across 7 states.'

Web: 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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