

Press Release

## **Sustaining and Scaling New Heights**

Highest-ever PAT at ₹324 crore for Q1FY24 driven by strong business momentum

Disbursed ₹5,284 crore for Q1FY24; Gross loan book up 30% Y-o-Y

Collections/ asset quality continues to be at industry best; PAR at 3.8%; GNPA/NNPA at 2.4%/0.06%

Deposits up 45% Y-o-Y; Retail TDs<sup>^</sup> up 71% Y-o-Y

**Bengaluru, Thursday 27 July, 2023: Ujjivan Small Finance Bank Ltd.** [BSE: 542904; NSE: UJJIVANSFB], today announced its financial performance for the quarter ended June 30, 2023

### **Summary of Ujjivan Small Finance Bank Business Performance – Q1FY24**

#### **❖ Assets**

- Disbursements were at ₹5,284 crore in Q1FY24 up 22% Y-o-Y
- Continued strong quarterly disbursement in Housing and FIG; disbursed ₹418 crore/ ₹320 crore respectively – highest ever for both the segments
- Gross loan book at ₹25,326\* crore up 30%/5% Y-o-Y/Q-o-Q

#### **❖ Collection and Asset Quality**

- Continued traction on Collections with ~99% efficiency in Jun'23; NDA collection consistently at ~100%
- Portfolio at risk at stable at 3.8% as of Jun'23\*
- GNPA declined to 2.4% as of Jun'23 vs 2.6% as of Mar'23; NNPA continues to be negligible at 0.06% as on Jun'23
- Total of ₹ 60 crore written-off in Q1FY24; Provision coverage ratio as on Jun'23 is 97.6%<sup>#</sup>

#### **❖ Deposits**

- Deposits at ₹26,660 crore as of Jun'23 up by 45%/4% Y-o-Y/Q-o-Q
- Retail TD grew 71%/8% Q-o-Q/Y-o-Y
- CASA grew 27% Y-o-Y taking CASA ratio at 24.6% as on Jun'23
- Healthy retail liability customer acquisition

#### **❖ Financials**

- Q1FY24 NII of ₹793 crores up 32% Y-o-Y; NIM at 9.2%\* for Q1FY24
- Cost to Income ratio at 52.8% in Q1FY24 vs 58.5% for Q1FY23
- Q1FY24 PPoP at ₹458 crore up 52% Y-o-Y; PAT of ₹324 crore up 60% Y-o-Y

#### **❖ Capital and Liquidity**

- Capital adequacy ratio at 26.7% with Tier-1 capital at 23.7%
- Provisional LCR at 189% as of Jun'23

\* Without adjusting IBPC & Securitization of ₹2,573/₹2,174/₹1,794 crores as on Jun 2023/ Mar 2023/ Jun 2022

<sup>^</sup> Retail TDs are TDs of below ₹2 crores

<sup>#</sup> For Jun'23, out of ₹250 crores floating provision only ₹120 crores has been utilized towards NNPA/ PCR calculation; ₹100 crores has been classified under "other provisions" and ₹30 crores used towards Tier II capital. Entire 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

**Mr. Ittira Davis, MD & CEO, Ujjivan Small Finance Bank** said, “FY24 has started on a very strong note as we hit another highest ever profit figure. The growth has come on the strong platform built during FY23. Our disbursement has been strong, despite Q1 being seasonally weakest quarter, taking our loan book past ₹25,000 crore mark. Among secured assets, Affordable Housing and FIG continues to show strong growth, while other products will start picking-up towards latter half of the year. During the quarter, we consciously reduced the excess liquidity which was driving negative carry and pulling our NIMs down. Deposits were up 45% Y-o-Y/ 4% Q-o-Q driven by retail focus. Our credit cost for the quarter was minimal on the back of strong collections. While, slippages continue to be under control, NPA recoveries have started to move towards normalization. Bad debt recoveries continue to be strong; we expect the same to be substantial this fiscal as well albeit lower than FY23. We remain confident of our sub-100 bps credit cost for FY24. We expanded our physical presence by 32 new branches during the quarter and look forward to add ~70 more branches during Jul’23-Mar’24. Our vvv\* based mobile banking app – “Hello Ujjivan” targeting non-tech savvy customers continues to do well with 2.7+ lakh customer downloads. Customers are increasingly using the app to transact. We are hopeful that “Hello Ujjivan” will bring several long-term benefits to the business and the society as well.

We have been delivering sustained profitability with significant improvement Q-o-Q for last six consecutive quarters. With our strong financial performance and growing business momentum, we have launched a national brand campaign to further establish our image as a mass-market bank. The business is delivering on all-fronts and gives us immense confidence to re-assure our FY24 guidance shared at the beginning of the year.

On the merger with our promoter, the hearing of our application with the NCLT was completed on June 28, 2023 and we positively expect to receive the order soon, entailing directions for scheduling the meetings of the stakeholders and other directions as the NCLT may deem fit.”

### **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 ~76 lakh customers through 661 branches and 19,294 employees spread across 285 districts and 25 states and union territories in India. Gross loan book stands at ₹25,326 crore with a deposit base of ₹26,660 crore as of Jun 30, 2023.

‘We constantly strive to ensure strong corporate culture which emphasizes on integrating CSR values with business objectives. We work with communities in navigating the unprecedented challenges primarily focused on healthcare, disaster relief, Covid relief, livelihood for especially abled people, education, and community infrastructure development.’

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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