

<p><b>B K Ramadhyani &amp; Co LLP</b> Chartered Accountants 4B, Chitrapur Bhavan , No.68, 8th Main, 15th Cross, Malleshwaram , Bangalore - 560 055</p>	<p><b>Mukund M Chitale &amp; Co.</b> Chartered Accountants Second Floor, Kapur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai- 400057</p>
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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 Bank") for the three months ended June 30, 2022, being submitted by the Bank 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 Bank'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. 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 including the manner in which it is to be disclosed, or the Statement contains any material



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misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification and provisioning and other related matters.

**5. Emphasis of matter:**

Attention is drawn to Note 11 to the Statement which describes the impact of the Covid – 19 Pandemic on the Company’s operations and financial position, including the credit quality and requirement for provisioning, is uncertain and will depend on the future steps as they evolve and is highly unpredictable at this stage. We have not modified our opinion in this matter

**6. Other matters:**

The review of unaudited financial results for the three months ended June 30, 2021, were conducted by M/s MSKA and Associates, Chartered Accountants, then statutory auditors of the Bank, who expressed unmodified opinions on such financial results. We do not express any conclusion/ opinion as the case may be, on the figures so reported in the financial results.

7. A copy of the unaudited quarterly financial results of the Bank for the period under review, which formed the basis of our limited review, duly initiated by us for the purpose of identification is enclosed to this report.

For B K Ramadhyani & Co. LLP  
Chartered Accountants  
FRN: 002878S/ S200021

  
(H S Vasuki)  
Partner

Membership No. 212013  
UDIN: 22212013ANQEWD4879



Mukund M. Chitale & Co  
Chartered Accountants  
FRN: 106655W

  
(Nilesh Joshi)  
Partner

Membership No. 114749  
UDIN: 22114749ANQEK5747



Place: Bengaluru  
Date: July 26, 2022

UJJIVAN 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					
Unaudited Financial Results for the Quarter Ended June 30, 2022					
(Rs. in Lakhs)					
Sl No.	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		(Refer Note 6)			
1	Interest Earned (a)+(b)+(c)+(d)	90,537	81,824	64,166	2,81,281
	a) Interest/ discount on advances/ bills	81,844	75,887	58,604	2,57,578
	b) Income on Investments	7,642	5,279	4,126	18,514
	c) Interest on balances with Reserve Bank of India and other interbank funds	467	658	1,436	5,189
	d) Others	584	-	-	-
2	Other Income (Refer note 8 & 10)	9,505	10,256	7,301	31,327
3	<b>Total Income (1)+(2)</b>	<b>1,00,042</b>	<b>92,080</b>	<b>71,467</b>	<b>3,12,608</b>
4	Interest Expended	30,566	27,426	25,726	1,03,921
5	Operating Expenses (i)+(ii)	42,370	42,931	29,649	1,49,638
	(i) Employees Cost	22,104	22,690	16,483	81,260
	(ii) Other Operating Expenses	20,266	20,241	13,166	68,378
6	<b>Total Expenditure (4)+(5)</b> [excluding provisions & contingencies]	<b>72,936</b>	<b>70,357</b>	<b>55,375</b>	<b>2,53,559</b>
7	<b>Operating Profit before Provisions &amp; Contingencies (3)-(6)</b>	<b>27,106</b>	<b>21,723</b>	<b>16,092</b>	<b>59,049</b>
8	Provisions (other than tax) and Contingencies	39	4,379	47,321	1,14,084
9	Exceptional Items	-	-	-	-
10	<b>Profit/(Loss) from Ordinary Activities before tax (7)-(8)-(9)</b>	<b>27,067</b>	<b>17,344</b>	<b>(31,229)</b>	<b>(55,035)</b>
11	Tax Expense	6,773	4,692	(7,881)	(13,577)
12	<b>Net Profit/(Loss) from Ordinary Activities after tax (10)-(11)</b>	<b>20,294</b>	<b>12,652</b>	<b>(23,348)</b>	<b>(41,458)</b>
13	Extraordinary items (net of tax expense)	-	-	-	-
14	<b>Net Profit/(Loss) for the period (12)-(13)</b>	<b>20,294</b>	<b>12,652</b>	<b>(23,348)</b>	<b>(41,458)</b>
15	Paid up equity share capital (Face Value of Rs 10/- each)	1,72,831	1,72,831	1,72,831	1,72,831
16	Reserves excluding revaluation reserves				83,212
17	<b>Analytical Ratios</b>				
	(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
	(ii) Capital Adequacy Ratio - BASEL II (Refer Note 9)	20.03%	18.99%	25.88%	18.99%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*				
	Basic EPS (Rs)	1.17	0.73	(1.35)	(2.40)
	Diluted EPS (Rs)#	1.17	0.73	(1.35)	(2.40)
	(iv) NPA Ratios				
	(a) Gross NPAs	1,14,671	1,28,408	1,37,498	1,28,408
	(b) Net NPAs	1,780	9,960	34,873	9,960
	(c) % of Gross NPAs to Gross Advances	6.51%	7.34%	9.79%	7.34%
	(d) % of Net NPAs to Net Advances	0.11%	0.61%	2.68%	0.61%
	(v) Return on assets (average)*	0.86%	0.57%	(1.19%)	(2.04%)

\* Figures for the quarters are not annualised

# The effect of potential equity shares on EPS is anti - dilutive



UJJIVAN 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 Lakhs)					
SI No.	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		(Refer Note 6)			
<b>1</b>	<b>Segment Revenue</b>				
(a)	Treasury	8,903	5,981	9,529	28,213
(b)	Retail Banking	89,158	84,042	60,303	2,76,927
(c)	Wholesale Banking	1,981	2,057	1,635	7,468
(d)	Unallocated	-	-	-	-
	Less: Inter-segment revenue	-	-	-	-
	<b>Income From Operations</b>	<b>1,00,042</b>	<b>92,080</b>	<b>71,467</b>	<b>3,12,608</b>
<b>2</b>	<b>Segment Results</b>				
(a)	Treasury	1,981	5,982	5,538	6,990
(b)	Retail Banking	25,897	10,229	(35,803)	(62,292)
(c)	Wholesale Banking	474	2,190	(202)	3,752
(d)	Unallocated	(1,285)	(1,057)	(762)	(3,485)
	<b>Total Profit Before Tax</b>	<b>27,067</b>	<b>17,344</b>	<b>(31,229)</b>	<b>(55,035)</b>
<b>3</b>	<b>Segment Assets</b>				
(a)	Treasury	6,67,745	6,17,666	5,28,732	6,17,666
(b)	Retail Banking	16,34,006	16,17,066	13,17,762	16,17,066
(c)	Wholesale Banking	86,116	84,361	74,499	84,361
(d)	Unallocated	35,649	41,353	35,437	41,353
	<b>Total Assets</b>	<b>24,23,516</b>	<b>23,60,446</b>	<b>19,56,430</b>	<b>23,60,446</b>
<b>4</b>	<b>Segment Liabilities</b>				
(a)	Treasury	5,84,893	5,44,990	4,48,003	5,44,990
(b)	Retail Banking	14,31,265	14,26,798	11,16,561	14,26,798
(c)	Wholesale Banking	75,430	74,434	63,125	74,434
(d)	Unallocated	31,226	36,487	30,026	36,487
	<b>Total Liabilities</b>	<b>21,22,814</b>	<b>20,82,709</b>	<b>16,57,715</b>	<b>20,82,709</b>
<b>5</b>	<b>Capital Employed</b>				
(a)	Treasury	82,851	72,677	80,729	72,677
(b)	Retail Banking	2,02,742	1,90,269	2,01,201	1,90,269
(c)	Wholesale Banking	10,685	9,926	11,374	9,926
(d)	Unallocated	4,424	4,865	5,411	4,865
	<b>Total</b>	<b>3,00,702</b>	<b>2,77,737</b>	<b>2,98,715</b>	<b>2,77,737</b>

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/loss from sale/purchase 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.



- 3) The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 26, 2022. The financial results for the quarter ended June 30, 2022, 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. An unqualified report has been issued by them thereon. The financial results for the quarter ended June 30, 2021 were reviewed by M S K A & Associates, Chartered Accountants, on which they had issued an unqualified opinion.
- 4) 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')
- 5) The Bank has consistently applied its 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, 2022.
- 6) The figures for the last quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the financial year and published year to date reviewed figures upto December 31, 2021.
- 7) As at June 30, 2022, 2,47,37,051 options have been lapsed, 92,02,429 options vested and are yet to be exercised and balance 3,77,41,321 options remains unvested out of the total options granted under the approved Employee Stock Option Plan (ESOP) 2019.
- 8) Other income includes fees earned from providing services to customers, income from commission, exchange and brokerage, processing fees, selling of third party products, profit on sale of investments and PSLC fee income.
- 9) 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.
- 10) 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 reclassified as credit to provisions and contingencies. 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.
- 11) India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the Bank's results will depend on ongoing as well as future developments, 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 government-mandated or elected by us.
- 12) Details of loans transferred / acquired during the quarter ended June 30, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
  - (i) The Bank has not transferred any non-performing assets (NPAs).
  - (ii) The Bank has not transferred any Special Mention Account (SMA) and loan not in default.
  - (iii) The Bank has not acquired any loans through assignment.
  - (iv) The Bank has not acquired any stressed loan.
- 13) As per the RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment reporting, 'Digital Banking' has been identified as a sub-segment under Retail Banking by Reserve Bank of India (RBI). However, as the proposed Digital Banking Unit (DBU) of the Bank has not yet commenced operations and having regard to the discussions of the DBU Working Group formed by Indian Banks' Association (IBA) (which included representatives of banks and RBI), held on July 14, 2022, reporting of Digital Banking as a separate sub-segment of Retail Banking Segment will be implemented by the Bank based on the decision of the DBU Working Group.
- 14) During the quarter ending June 30, 2022 the Bank has assigned standard advances to Special Purpose Entities (SPEs) as a Securitisation transaction for an aggregate amount of Rs. 12,114 Lakhs. Further the Bank has entered into Direct assignment of standard advances of Rs. 12,240 Lakhs and also entered in to IBPC transaction of Rs. 91,700 Lakhs.
- 15) Figures of the previous periods/year have been regrouped / reclassified, wherever considered necessary to conform to the current period's /year's presentation.

