

SUMMARY OF THE VALUATION REPORTS ALONG WITH BASIS OF VALUATION

1. Ujjivan Financial Services Limited (“**Transferor Company**”) engaged Mr. Prakash Adiga Chartered Accountant and a registered valuer having registration No. IBBI Registration No. IBBI/RV/03/2019/11780, (“**Valuer 1**”) and Ujjivan Small Finance Bank Limited (“**Transferee Company**”) engaged JBPR Valuation Advisors LLP, a registered valuer having registration No. IBBI Registration No. IBBI/RV-E/05/2021/150 (“**Valuer 2**”) (**collectively referred as “Valuers”**) for respectively undertaking and advising on the fair valuation of both the Transferor Company and Transferee Company for determining the ‘**Share Exchange Ratio**’ for the proposed amalgamation of Transferor Company into and with the Transferee Company.
2. The summary of valuation reports issued by Valuer 1 and Valuer 2 on October 14, 2022 to Transferor Company and Transferee Company respectively (“**Valuation Reports**”), *inter-alia*, recommending the fair equity share exchange ratio for the proposed amalgamation of Transferor Company into and with the Transferee Company, as stipulated in the scheme of amalgamation (“**Scheme**”) is as under:

The fair equity share exchange ratio has been arrived at on the basis of a valuation of the equity shares of the Transferor Company and Transferee Company based on the methodologies explained in the Valuation Reports and various qualitative factors relevant to the Transferor Company and Transferee Company. The methods adopted for determining the value of the shares of the respective companies are as follows:

- (a) **Valuer of the Transferor Company (Valuer 1)** has adopted the following methods for determining the value of the shares of the Transferor Company and Transferee Company:

Company	Methods Adopted
Transferor Company	(i) Market Approach – Market Price Method (ii) Asset Approach - Net Asset Value (NAV) Method
Transferee Company	(i) Market Approach – Market Price Method (ii) Market Approach - Comparable Company Multiples (CCM) method* * the below comparable companies were considered by Valuer 1 under CCM method: a) Equitas Small Finance Bank b) AU Small Finance Bank c) Suryoday Small Finance Bank d) Bandhan Bank Rationale for selecting the above comparable companies by Valuer 1: A set of four companies having similar nature of business have been considered and appropriate weights have been assigned after considering the size and composition of business activities.

- (b) **Valuer of the Transferee Company (Valuer 2)** has adopted the following methods for determining the value of the shares of the Transferor Company and Transferee Company:

Company	Methods Adopted
Transferor Company	(i) Market Approach – Market Price Method (ii) Asset Approach – Net Asset Value (NAV) Method



Transferee Company	<p>(i) Market Approach – Market Price Method (ii) Market Approach – Comparable Company Multiples (CCM) method*</p> <p>* the below comparable companies were considered by Valuer 2 under CCM method:</p> <p>a) Equitas Small Finance Bank b) Suryoday Small Finance Bank c) Bandhan Bank d) IDFC First Bank e) Spandana Spoorthy Financial f) Satin Creditcare g) AU Small Finance Bank</p> <p>Rationale for selecting the above comparable companies by Valuer 2: Selected comparable companies and assigned weights to each of the comparable companies based on the nature of the portfolio, loan book size, growth, profitability to arrive at the weighted average of the multiples.</p>

Based on the above valuation methodologies and after assigning appropriate weightages along with the rationale, Valuer 1 and Valuer 2 had arrived at the fair equity share exchange ratio of 116 (One Hundred Sixteen) equity shares of Transferee Company of INR 10/- each, fully paid-up for every 10 (Ten) equity shares of Transferor Company of INR 10/- each, fully paid-up (“Share Exchange Ratio”).

3. Transferor Company appointed DAM Capital Advisors Limited (“**DAM Capital**”) and Transferee Company appointed IIFL Securities Limited (“**IIFL**”) as Advisors to provide their respective independent opinions to the Board of Directors of the respective companies on the fairness of Share Exchange Ratio arrived at by the Valuers, from a financial point of view.
4. DAM Capital and IIFL, submitted their respective fairness opinions reports dated October 14, 2022, certifying that the Share Exchange Ratio provided in the respective Valuation Reports is fair from a financial point of view.
5. The Valuation Report issued by Valuer 1, the Share Exchange Ratio and the fairness opinion provided by DAM Capital were approved by the Audit Committee, Committee of Independent Directors and the Board of Directors of Transferor Company at their respective meetings held on October 14, 2022.
6. The Valuation Report issued by Valuer 2, the Share Exchange Ratio and the fairness opinion provided by IIFL were approved by the Audit Committee, Committee of Independent Directors and the Board of Directors of Transferee Company at their respective meetings held on October 14, 2022.

