

Press Release

Healthy growth in secured assets, CASA; leading to stronger franchise

Disbursement up 17%/ 19% YoY for Q3FY24/9MFY24; Gross loan book up 27% YoY;
Secured book at 28.3% as of Dec'23 vs 27.5% as of Sep'23;
Asset quality continues to be healthy with GNPA/NNPA at 2.1%/0.16% & PAR at 3.6%;
Deposits at ₹29,669 crore up 28% YoY; CASA up 24% YoY; CASA ratio at 25.5%;
RoA /RoE at 3.1% /24.2% for Q3FY24

Bengaluru, Wednesday 24 January, 2024: Ujjivan Small Finance Bank Ltd. [BSE: 542904; NSE: UJJIVANSFB], today announced its financial performance for the nine month and quarter ended December 31, 2023

Summary of Ujjivan Small Finance Bank Business Performance – Q3FY24 and 9MFY24

❖ **Assets**

- Disbursements were at ₹ 5,675 crore/ ₹ 16,708 crore in Q3FY24/9MFY24 up 17%/19% YoY
- Affordable Housing[§] disbursed ₹ 595 crore/ ₹ 1,554 crore in Q3FY24/9MFY24 up 73%/63% YoY
- Gross loan book at ₹27,743* crore up 27%/4% YoY/QoQ
- Secured book at 28.3% as of Dec'23 vs 27.5% as of Sep'23

❖ **Collection and Asset Quality**

- Continued traction on Collections with ~99% efficiency in Dec'23; NDA collection consistently at ~100%
- Portfolio at risk* at 3.6% as of Dec'23; GNPA* declined to 2.1% as of Dec'23 vs 2.2% as of Sep'23; NNPA* continues to be negligible at 0.16% as on Dec'23
- Q3FY24 write-off at ₹ 93 crore; Provision coverage ratio as on Dec'23 is 92%#

❖ **Deposits**

- Deposits at ₹ 29,669 crore as of Dec'23 up by 28%/2% YoY/QoQ
- CASA at ₹ 7,556 crore up 24%/8% YoY/QoQ; CASA ratio at 25.5% as of Dec'23 vs 24.1% as of Sep'23
- Retail TD[^] grew 40%/9% YoY/QoQ

❖ **Financials**

- Q3FY24 NII of ₹ 860 crores up 23% YoY; NIM at 8.8% for Q3FY24 vs 8.8% for Q2FY24
- Cost to Income ratio at 56% in Q3FY24 vs 53% for Q3FY23
- Q3FY24 PPOp at ₹ 457 crore up 18% YoY; PAT of ₹ 300 crore up 2% YoY

❖ **Capital and Liquidity**

- Capital adequacy ratio at 24.37% with Tier-1 capital at 21.97%
- Excess system liquidity further moderated during the quarter
- Provisional Daily LCR at 137% as on 31st Dec'23 vs 158% as on 30th Sep'23

[§] Including Micro mortgages

* Without adjusting IBPC & Securitization of ₹ 1,596/ ₹ 1,685/ ₹ 1,619 crores as on Dec 2023/ Sep 2023/ Dec 2022

[^] Retail TDs are TDs less than ₹ 2 crores

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 ₹ 30 Cr was moved to Tier II capital in Jun'22 while ₹ 60 Cr, ₹ 10 Cr and ₹ 30 Cr were moved to other provision in Sep'22, Dec'22 and Mar'23 respectively

Mr. Ittira Davis, MD & CEO, Ujjivan Small Finance Bank said, “Q3FY24 was yet another good quarter with healthy disbursements and high deposit accretion supported by strong CASA growth. Focus towards improving our secured book continued, increasing to 28.3% for the quarter vs 27.5% in the last quarter. During the quarter disbursements stood at ₹ 5,675 crore. Affordable Housing (including Micro-Mortgages) continues to grow with strong underlying demand and improving business productivity quarter on quarter; disbursed ₹ 595 crore for the quarter up 73% YoY. Further as we had stated earlier that we are moving to a hub & spoke model for our Housing & MSME business to enable quicker business decisions. We are witnessing significant reduction in TAT and increased business productivity. Reaping on the benefits of such operational efficiencies we currently have a total of 13 active hubs as on Dec’23. Focussed to diversify our book and enhance the product portfolio offered by the Bank we continue to develop on the other high yielding business segments like Gold loans and Two wheeler loans. These are currently very small but are expected to grow fast and add to secured book growth in coming quarters. Additionally, we have partnered with few Fintechs which we believe will provide us synergistic benefits going ahead and improve our product offerings. During the quarter we on-boarded two new Fintechs and started disbursements under the MSME business. On the deposit front, we have strategically further reduced our reliance on bulk deposits and have been successfully growing retail deposits. Initiatives such as nation-wide brand campaign and launch of value-add liability products has started to contribute meaningfully. This resulted in CASA book growing by 8% QoQ, sourcing more than ₹ 500 crore of CASA during the quarter despite stiff market competition. CASA ratio also improved to 25.5% vs 24.1% last quarter. In addition to this we have also started to offer our SA & TD products through alternate Digital channels. This will further add granularity to our liability book. Our focus on reducing excess liquidity in the system continued, reducing our daily LCR to 137% as on end of Dec’23. This aided in easing of pressure from the margins. We reported a PPOP of ₹ 457 crore supported by our NII growing by 23% YoY and 4% QoQ. Credit cost continues to stabilise and will continue to move towards normal levels as we progress. PAT for the quarter was ₹ 300 crore. Ujjivan’s strong business & financial performance over last 8 consecutive quarters continues showcasing healthy RoA /RoE of 3.1% /24.2% respectively for Q3FY24 and remains among the best in the industry.

Our guidance on loan and deposit book growth remains intact. Credit cost will continue to remain within sub 100 bps as per our earlier guidance. In line with our strategy, we will continue to expand our physical presence across the country. During this quarter 29 new branches were opened, taking our total branch count to 729. In Q4 we will be adding ~23 more branches.

Further we believe, we are in the final stages of merger with our holding company as a hearing by Hon’ble NCLT is scheduled on 30th Jan’24 to which we expect a positive outcome. Having said that, we expect merger process to get completed within this financial year.”



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 ~82 lakh customers through 729 branches and 21,796 employees spread across 321 districts and 26 states and union territories in India. Gross loan book stands at ₹27,743 crore with a deposit base of ₹29,669 crore as of Dec 31, 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 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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