

Press Release

## **Secured book leading to asset book growth; NIM healthy at 9.2%**

### **Asset quality stable – GNPA /NNPA at 2.5%/0.6%**

Gross loan book at ₹ 30,344 crore up 14% YoY;

Secured book at 34.9% at Sep'24 vs 31.3% at Jun'24;

Deposits at ₹ 34,070 crore up 17% YoY; CASA up 26% YoY; CASA ratio at 25.9%

**Bengaluru, Thursday 24 October, 2024: Ujjivan Small Finance Bank Ltd.** [BSE: 542904; NSE: UJJIVANSFB], today announced its financial performance for the quarter ended September 30, 2024

#### **Summary of Ujjivan Small Finance Bank Business Performance – Q2FY25**

##### **❖ Assets**

- Gross loan book at ₹ 30,344\* crore up 14% (YoY)/ 1% (QoQ)
- Secured book at 34.9% as of Sep'24 vs 31.3% as of Jun'24
- Disbursements at ₹ 5,376 crore in Q2FY25 down 6% (YoY) and up 2% (QoQ)

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

- Collection Efficiency at ~97% in Sep'24; NDA collection consistently at ~99%
- Portfolio at risk\* at 5.1% as of Sep'24; GNPA\* at 2.5% as of Sep'24 vs 2.3% as of Jun'24; NNPA\* at 0.6% as of Sep'24 vs 0.4% as of June'24
- Q2FY25 write-off at ₹ 140 crore; Provision coverage ratio as on Sep'24 is 78%<sup>#</sup>

##### **❖ Deposits**

- Deposits at ₹ 34,070 crore as of Sep'24 up 17% (YoY)/5% (QoQ)
- CASA at ₹ 8,832 crore up 26% (YoY); CASA ratio at 25.9% as of Sep'24 vs 25.6% as of Jun'24
- Retail TD<sup>^</sup> at ₹ 15,914 crore, up 35% (YoY)/2% (QoQ)

##### **❖ Financials**

- Q2FY25 NII of ₹ 944 crore up 15% (YoY)/ 0.2% (QoQ); NIM at 9.2% for Q2FY25
- Cost to Income ratio at 60% in Q2FY25
- Q2FY25 PPOp at ₹ 461 crore; Q2FY25 PAT at ₹ 233 Crore
- RoA/RoE at 2.2%/15.7% in Q2FY25

##### **❖ Capital and Liquidity**

- Capital adequacy ratio at 23.4% with Tier-1 capital at 21.6%
- Provisional Daily Average LCR for Sep'24 was 130%

\* Without adjusting IBPC & Securitization of ₹ 579 crore/ ₹ 2,369 crore/ ₹ 1,685 crore as on Sep 2024/ Jun 2024/ Sep 2023

<sup>^</sup> Retail TDs are TDs less than ₹ 3 crore

<sup>#</sup> Floating provision of ₹ 250 crore continues to be on books & can be utilized for making specific provisions in future during extraordinary circumstances, with prior approval from the RBI. Of this ₹ 30 crore was moved to Tier II capital in Jun'22 and ₹120 crore is earmarked for PCR calculation.

**Mr. Sanjeev Nautiyal, MD & CEO, Ujjivan Small Finance Bank** said, “Ujjivan has always stood strong and successfully navigated headwinds in the industry. Similarly, our resilient business model and sound reading of the on-ground situation has always kept us better prepared to identify and manage such issues confidently. As we had mentioned in our previous interactions, we had emanated pockets of stress across the country due to elevated indebtedness levels. Hence, we have proactively developed a cautious approach in terms of growth in microfinance space and have beefed up our vigilance to manage asset quality.

Ujjivan has constantly strategized to de-risk its portfolio by introducing more secured products in its offerings. In last 18 months Bank has launched products like Micro Mortgages, Gold Loan, Vehicle Loan, Agri and Working Capital (SME) loans and they are increasingly contributing to the overall asset book each month. This also reflects in our faster growth in secured asset portfolio, growing 12% sequentially. Currently our secured book contribution stands at 34.9% in Sep’24 vs 31.3% in Jun’24. Total asset book grew 14% YoY/1% QoQ to ₹ 30,344 crores in Sep’24. CD ratio is at 89%, with healthy total deposit growth at 17% YoY/5% QoQ to ₹ 34,070 crores. Introduction of solution-based products and increasingly enhancing product suite and delivery of quality service has continued to bring customer delight. Our CASA deposits continue to improve at ₹ 8,832 crore up 6% QoQ now contributing ~26% to the total deposits. Our service channels like Hello Ujjivan, our home-grown app is enabled with self-onboarding processes of repeat, pre-approved, and top-up loans for Individual Loans segment. Additionally, we continue to evolve and improve our business net banking by offering tax payment facility. We have also secured AD-1 licence that will enable us to offer range of forex services, increasing offerings to our MSME and retail customers. This will also benefit our Other Income in the upcoming quarters. Collections are slightly impacted, primarily on the Group loan segment at 97% in Sep’24 vs 98% in Jun’24. This also reflects in the stress appearing on overall GNPA at 2.5% in Sep’24 vs 2.3% in Jun’24. Our cautious approach by introducing stricter norms compared to MFIN guidelines will ensure quality acquisition.

NIM for the quarter at 9.2% was supported by cost of funds stable at 7.5%. PPOP for the quarter was at ₹ 461 crore and PAT for the quarter was ₹ 233 crore. This was impacted due to much slower growth vs previous quarters on account of impact on our Micro Finance Business book and due to rising credit cost. We are confident of our business as we progress to build a ‘bank of the future’ diversifying our portfolio, increasing secured asset portfolio, leveraging on our strengths and presenting ourselves as widely accepted Bank for the masses.

### **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 ~92 lakh customers through 752 branches and 23,746 employees spread across 326 districts and 26 states and union territories in India. Gross loan book stands at ₹ 30,344 crore with a deposit base of ₹ 34,070 crore as of Sep 30, 2024. The Bank has been assigned a credit rating of AA- (Stable)/A1+ from CARE/CRISIL respectively towards its long-term bank facilities, fixed deposits and CD program depicting sustenance of Banks Performance

‘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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