MANAGEMENT DISCUSSION AND ANALYSIS

MACROECONOMIC INDICATORS

In FY 2024-25, the global economy demonstrated resilience in the face of a variety of external pressures and challenges, ensuring that it remained stable. The projected growth for FY 2024-25 and FY 2025-26 is 3.2% and 3.3%, respectively, which is one of the lowest medium-term forecasts in decades. Although advanced economies experienced a modest acceleration (1.7% - 1.8%), emerging markets were confronted with structural challenges and China's decline. 58% of corporate executives identified escalating trade tensions, protectionist policies, and geopolitical instability as the most significant global risk of the year. Despite some progress in disinflation, central banks were compelled to maintain high interest rates for an extended period as a result of the persistent services inflation that impeded monetary normalisation. India remains a relative bright point, with an estimated 6.5% growth in GDP for FY 2024-25. The economy experienced a 6.2% expansion in Q3 FY 2024-25, despite the challenges it faced, as a result of the government's investment and increased consumer expenditure.

The inflation trajectory of India has considerably improved, with the Consumer Price Index (CPI) projected to be 4.6% in FY 2024-25 (Reserve Bank India estimate) compared to 5.4% in FY 2023-24. In Q2 FY 2024-25, the current account deficit decreased to 1.2% of GDP (USD 11.2 Billion), which was facilitated by robust service exports. However, the FY 2024-25 merchandise trade deficit, which reached USD 78.4 Billion from April to December, was further exacerbated by global tariff conflicts. Structural reforms and income tax relief measures contributed to the increase in consumption (65% of GDP), while the rural demand was stabilised by the 3.2% agricultural growth that resulted from the rabi crop recovery. In H1 FY 2024-25, capital expenditure experienced an 18% year-over-year increase, with a particular emphasis on housing and infrastructure. The rupee experienced pressure (-4.3% against the USD FYTD), despite the fact that forex reserves remained robust at USD 612 Billion (March 2025), contingent upon the monsoon performance and global trade.

INDIAN BANKING INDUSTRY SCENARIO

The Reserve Bank of India (RBI) substantially altered India's monetary policy by reducing the repo rate by 25 Basis Points (bps) in the Monetary Policy Committee (MPC) held in February 2025 from 6.50% to 6.25%. This marked the first-rate reduction since May 20. This action was indicative of the Reserve Bank of India's commitment to fostering economic expansion in the face of inflation, which is anticipated to decrease from 4.8% in FY 2024-25 to 4.2% in FY 2025-26. During the same period, it is anticipated that Gross Domestic Product (GDP) growth will increase from 6.5% to 6.8%. This rate reduction lowered borrowing costs, which in turn supported credit demand in sectors such as personal loans and services, which experienced resilient growth despite global uncertainties. However, the lending capacity was initially constrained by the withdrawal of ₹ 2,000 banknotes in FY 2023-24 and a widening credit deposit growth disparity in early FY 2024-25, which in turn resulted in liquidity pressures.

Gross bank credit growth is anticipated to moderate to 14% in FY 2024-25. The decline is influenced by a high base effect, regulatory changes, and expectations of slower GDP growth. In FY 2024-25, it is anticipated that non-food bank credit will decrease from 16% (as of February 2024) to 12% year-over-year, primarily due to a high base effect. With an anticipated disbursement of approximately ₹ 27.5 Lakh Crores, agricultural credit growth is anticipated to surpass 13. It is anticipated that credit to significant industries will expand at a rate of 7%, which is consistent with the pace of growth in FY 2023-24. It is anticipated that credit to medium and small industries will be approximately 13% in FY 2024-25 and 15% in FY 2023-24. The credit growth rate for metal and metal products may also stabilise at approximately 14%, which is indicative of the consistent industrial demand. The credit to the services sector experienced a 13% year-over-year increase. The credit to trade and real estate is anticipated to conform to the general credit trend, which is expected to moderate from the high growth levels observed in FY 2023-24 as a result of stricter regulatory measures and a high base effect. The credit growth rate for auto loans is anticipated to be 13.3%.

Outlook

The economic prognosis for India for FY 2025-26 is expected to remain stable, with Gross Domestic Product (GDP) growth estimated at 6.5%. This growth is primarily driven by stronger domestic consumption, increased investment, and lower borrowing costs as a result of repo rate cuts in February 2025. Tax incentives and lower borrowing costs are also contributing factors. Liquidity has been enhanced, and private sector credit has been stimulated by these measures. It is anticipated that disposable income will increase in FY 2025-26, as inflation is anticipated to be moderate. In FY 2024-25, the Net Interest Margin (NIM) was bolstered by stable interest rates and lower inflation, which in turn supported investment and consumption. It is anticipated that the credit growth will be sustained in FY 2025-26 as a result of the continuance of accommodative monetary policy, which includes repo rate cuts.

OUR STRATEGY

Ujjivan is making strategic strides towards becoming the primary bank of choice for the aspirant middle class. Our objective is to accomplish this by offering a comprehensive array of financial products and services that are accessible both in person and online. Our goal is to be a customer-centric organisation that is adept at adapting to the changing requirements of our diverse clientele, with a focus on digital technology. Ujjivan is dedicated to providing comprehensive banking solutions in light of India's dynamic demographic and economic landscape. We capitalise on this opportunity to promote growth and socio-economic development in the Indian market by targeting under-served and underpenetrated segments. We actively pursue strategic growth opportunities, acknowledging that banking inherently entails expansion. Our product line is intended to meet a wide range of financial requirements, thereby guaranteeing our clients' convenience and accessibility. We are committed to the development of a robust platform that facilitates sustainable growth and convenience for our customers. The introduction of mutual funds and the improvement of foreign exchange services capabilities will be done to expand the liability portfolio. Ujjivan is expressing its commitment to expanding its secure product line and providing comprehensive service to all customer demographics by pursuing universal banking status through voluntary transition.

Diversified Bouquet of Products

Ujjivan differentiates itself by creating tailored experiences for each consumer, transcending conventional product offerings. Consistent performance over the years has cultivated trust among a varied clientele across both asset and liability portfolios. Ujjivan is committed to a customer-centric approach, emphasising the development of need-based products suited to the specific requirements of each distinct sector. This product seeks to accommodate a diverse user base by providing a consolidated platform for UPI payments and integrating several bank accounts. Moreover, the implementation of UPI ATM and Insta Banking services illustrates our dedication to offering new and user-centric solutions for cash withdrawals and fund transfers, thus addressing the changing requirements of a digitally orientated clientele. Ujjivan prioritises the utilisation of digital solutions to improve client acquisition and accessibility in terms of liability. A crucial element of this plan entails enhancing fintech collaborations to broaden our service avenues. Initiatives such as the establishment of minor savings accounts via handheld devices and QR sound boxes have facilitated the bank's advancement towards a digitally sophisticated framework. We strategically introduced value-added liability products during the year, specifically targeting the high-net-worth category. This was supplemented by the implementation of initiatives such as Non-Resident (NR) Maxima Saving Accounts and the Navratna Family program. Ujjivan is concurrently dedicated to the striving middle-class demographic, persistently augmenting its value-added product offerings to bolster its mass-market position.

Building Capabilities through Data and Analytics

In a swiftly changing financial environment, Ujjivan has transitioned from conventional reporting to informed decision-making facilitated by Business Intelligence (BI), Machine Learning (ML), Artificial Intelligence (AI) and advanced analytics. FY 2024-25 initiated the groundwork for this transformation, wherein initial investments in automation, predictive modelling, and data infrastructure produced quantifiable benefits of approximately ₹ 100+ Crores in incremental business and around ₹ 4 Crores in cost reductions. To capitalise on this momentum, Ujjivan has enhanced its analytics team and commenced the creation of a comprehensive data lake—establishing the necessary infrastructure to disseminate insights throughout the organisation.

As FY 2025-26 commences, Ujjivan intends to enhance this momentum through high-impact initiatives: increasing product penetration utilising customer lifecycle analytics, converting phone banking into a growth channel, and initiating focused regional advertising. Additional priorities encompass augmenting branch profitability through micro-market analysis, mitigating portfolio losses through refined underwriting and recovery procedures, and establishing early warning systems for credit risk management. Moreover, frontline personnel would be equipped with real-time data to enhance decision-making.

A primary objective is to utilise ML/AI to enhance Anti-Money Laundering (AML) compliance through the identification of money mules and fraudulent activities. Ujjivan aims to derive around 3% of its budgeted business from analytics-driven growth, consistent with its objective of transforming data into a sustainable competitive advantage—generating value in the present while ensuring future resilience.

Increased Customer Penetration through Multi Channel Approach

Ujjivan expanded its customer reach through a well-structured multi-channel strategy, combining digital scale with assisted service support. This hybrid model improved access in semi-urban and rural areas while ensuring consistency and convenience across all service points.

The digital ecosystem includes mobile and internet banking for both retail and business users, self-service onboarding for savings, individual current and fixed deposit accounts, chatbot and WhatsApp banking, Unified Payments Interface (UPI) solutions, video banking, and the Hello Ujjivan application. In Financial Year 2024-25, key additions included a business mobile application with over 90 features, self-service digital individual current accounts, UPI-enabled merchant sound boxes, UPI Autopay, Bharat Bill Payment System (BBPS), and direct tax payment through business net banking.

Phone Banking serves customers around the clock 24x7x365. customer can choose their preferred language through IVR which caters in 9 Languages. Customers are also served through 13 Languages through human interactions. The phone banking team now manages over 500 plus services.

Robotic Process Automation improved 51 backend processes, saving over 708,527 man-hours. Cybersecurity systems were also upgraded to safeguard digital transactions.

Going forward, the retail digital platform is being transformed into a comprehensive application that will offer banking, mutual funds, insurance, and loan services. To digitise Current Account opening journey for Non-Individual customers and set up a complete UPI merchant stack for offline and online merchants, additional functionalities are being integrated. These initiatives, along with enhanced UPI features, will be introduced in Ujjivan's upgraded Mobile Banking app, which is set to further strengthen customer adoption and digital penetration.

Strengthening Liability Franchise, and Increasing Our Retail Base

Our principal focus remains on establishing a robust and durable foundation of retail deposits to facilitate development. Ujjivan has exhibited sustained progress in its retail deposit performance, encompassing CASA (Current Account and Savings Account) and retail Fixed Deposits. Ujjivan, with a robust presence among several customer segments—including senior citizens, high net worth individuals, corporations, and institutional clients Trusts, Associations, Societies, and Clubs (TASC) continues to prioritise the expansion of its reach. Utilising digital platforms and a multi-channel approach, we are actively acquiring contemporary customers, including young professionals, technologically adept entrepreneurs, and investors. Our focus on exceptional customer service, bolstered by advanced technology and proficient frontline personnel, guarantees superior service delivery and sustained client loyalty. Our strategy focusses on improving the diversity of consumer segments, fostering greater interaction, and assuring consistent deposit growth. Concurrently, we seek to enhance account utilisation by fostering digital adoption and tailored service via specialised customer assistance.

DIVERSIFY REVENUE STREAMS AND CONTROL COSTS

Ujjivan's primary objective is to diversify its revenue streams by broadening its selection of financial solutions, which includes both fee-based and non-fund-based avenues. Ujjivan aims to elevate its fee-and commission-based business to new heights by capitalising on its vast customer base, diversified product and service portfolio, digital channels, and extensive banking outlet network. The treasury staff of Ujjivan is adept at managing and trading funds, as well as leveraging lucrative market opportunities. The expansion of fee income will be further stimulated by the introduction of new products for institutional clients. Ujjivan is persistent in its pursuit of opportunities to increase the penetration of insurance products in order to generate non-interest income through commissions. Trading priority sector lending certificates is also a substantial source of fee income.

GROWING CUSTOMER BASE

In FY 2024-25, we maintained its commitment to serving a greater number of customers by welcoming 9.1 Lakhs customers, bringing the total number of customers served to 95.1 Lakhs as of March 31, 2025. This figure represents an 11% increase from the 86 Lakhs consumer base that was served as of March 31, 2025. This surge in numbers was fuelled by the robust growth in the liability sector, where customer addition has been increasing at a compound annual growth rate (CAGR) of 13% over last 5 years. This is being propelled by the robust branch network of 753 banking outlets, as well as the improved digital offerings of the Savings Account, Current Account, and Fixed Deposits.

FINANCIAL AND OPERATIONAL PERFORMANCE

In FY 2024-25, we adeptly manoeuvred through the tough business landscape in the Micro Banking sector, sustaining one of the industry's highest portfolio quality standards. The strategic initiative to diversify and enhance the secured loan portfolio has made substantial progress, now comprising 44% of the total loan portfolio, an increase from 30% last year. Despite ongoing issues in banking system liquidity, it was effectively managed, with the Credit to Deposit ratio rising to approximately 85% and the Liquidity Coverage Ratio maintained comfortably around 137.7% for FY 2024-25.

The financial year sustained the trend established in prior years, with growth in both asset and deposit sectors. We achieved a notable milestone by attaining an asset book size of ₹ 32,122 Crores, surpassing the ₹ 30,000 Crores threshold for the first time. The secured loan portfolio expanded by 56% compared to the prior year. Disbursements for the year rose slightly by 0.3% relative to the preceding fiscal year. The disbursement contribution from the secured firms has regularly exceeded 45% for the last two quarters of the year.

Affordable Housing and Micro Mortgages, representing 23% of the loan portfolio, exhibit consistent growth, establishing a significant presence in the Affordable Housing sector. In FY 2024-25, disbursements surpassed ₹ 3,146 Crores, bringing the total to ₹ 7,308 Crores as of March 2025, demonstrating a robust 38% year-over-year increase. The Affordable Housing book, our largest volume contributing secured business, has expanded to a magnitude of ₹ 6,585 Crores, reflecting a 39% year-over-year growth. Micro Mortgages, a high-yield secured segment, has demonstrated impressive growth, attaining ₹ 723 Crores, an increase of 258% year-over-year. This comprises a favourable blend of clients who have transitioned from Individual Loans and the Open Market.

Our restructured strategy for Micro, Small, and Medium Enterprises (MSME) business is driving momentum, increasing by 45% year-over-year to achieve ₹ 2,047 Crores. Growth has been derived from all products, namely Loan Against Property (LAP), Working Capital, and Supply Chain Finance. Disbursements exceeded ₹ 1,211 Crores in FY 2024-25. The Financial Institutions Group (FIG) book continues to expand, reaching ₹ 2,785 Crores as of March 2025, contributing 9% to the overall loan portfolio. The Vehicle Finance sector had significant growth, achieving a book size of ₹ 468 Crores and now accounts for over 1.5% of our asset portfolio, reflecting a year-on-year increase of 166%. The Gold Loan sector has undergone substantial growth, with its presence rising from 63 branches in March 2024 to 200 branches in March 2025. This book is valued at ₹ 196 Crores as of March 2025. Crucial facilitators for this enterprise include geographical expansion in the northern and eastern regions of the country, as well as a mobility solution that facilitates on-site customer onboarding. These are the outcomes of the recent investments.

The emphasis on enhancing the granular deposit base persisted throughout the year, with retail time deposits and current account savings account constituting approximately 71% as of March 2025. In accordance with its liability management strategy, we adjusted its exposure to Inter-Bank Participation Certificate (IBPC)/securitisation, which was ₹ 189 Crores as of March 31, 2025, a decrease from

₹ 2,360 Crores the prior year. These actions, along with substantial deposit growth, enabled Ujjivan to establish itself for sustained resilience and competitive advantage in the changing banking environment. We experienced significant growth in CASA, with balances increasing by 15% to ₹ 9,619 Crores as of March 31, 2025, up from ₹ 8,335 Crores the previous year, while the CASA ratio was 25.6%. Enhancing initiatives on the liability side with a robust focus on digital sourcing, digital current accounts, and digital savings accounts, which are increasingly contributing to overall sourcing. The Current Account surpassed a significant milestone of ₹ 1,000 Crores for the first time, attaining ₹ 1,118 Crores as of March 2025, reflecting an exceptional growth of 46% compared to the previous year.

This year commenced with instability in the Micro Banking sector, prompting the self-regulatory group Microfinance Institutions Network (MFIN) to implement Guardrails aimed at regulating asset quality across the industry. The initial set of guardrails was applied in August 2024 and fully executed by April 1, 2025. The outcome resulted in difficulties in collections for the section. We adeptly managed the situation and achieved one of the highest collection efficiencies in the industry for the segment. The year concluded with a collection efficiency of 99.5% for Micro Banking Bucket X in March 2025. The branch and customer-specific actions were crucial in managing the portfolio. The current plan to digitise repayments in the Micro Banking segment is yielding positive outcomes, with digital collections reaching 40% for Q4 FY25. The asset quality for the year remained consistent, with the Gross Non-Performing Assets (GNPA) at 2.2% and the Net Non-Performing Assets (NNPA) at 0.5% as of March 2025. Ujjivan upholds a robust Provision Coverage Ratio (PCR) of 78%. Facilitated by expedited allocation of ₹ 46 Crores as of March 2025. The Gross Non-Performing Assets (GNPA) in housing decreased year-over-year to 1.1% as of March 2025, down from 1.5%. MSME experienced significant enhancement, with GNPA declining to 5.5% as of March 2025 from 8.4% as of March 2024. The 24 MoB MSME book exhibits a GNPA of merely 0.1%. We executed two ARC transactions for a portfolio of ₹ 635 Crores in November 2024 and February 2025. In compliance with RBI standards, the bank utilised a floating provision of ₹ 69 Crores, concluding the year with a floating provision totalling ₹ 181 Crores.

Total income increased by 11% to ₹ 7,201 Crores, bolstered by an 8% year-on-year growth in the gross credit portfolio. Interest income from advances were the principal revenue source, accounting for a substantial amount of total income, despite a moderation in the net interest margin over the year, which reflected alterations in the product mix and an increased ratio of secured loans. Interest income from Advances totalled ₹ 5,526 Crores, constituting 77% of total revenue. Income from statutory and other investments increased by 19% to 816 Crores, representing 11% of total revenue. Fees and additional income amounted to ₹ 301 Crores, consisting of processing fees. Priority Sector Lending Certificates (PSLC) Sales profit increased to ₹ 48 Crores, reflecting a 19% rise compared to the previous year. The commission on third-party goods distribution increased to ₹ 115 Crores. The treasury income for the year has risen by 88% to ₹ 45 Crores, attributed to heightened treasury trading activities. Net Interest Income (NII) for the year was ₹ 3,636 Crores, and although the Net Interest Margin (NIM) decreased to 8.8%, overall profitability remained robust. The return ratios are 1.6% for Return on Assets (RoA) and 12.4% for Return on Equity (RoE).

In a year characterised by a challenging banking liquidity environment, we sustained a credit to deposit ratio of 84.9% (excluding IBPC/Securitisation) and 85.4% (including IBPC/Securitisation) as of the end of March 2025. The Cost of Funds remained between 7.5% and 7.6% for the entire year, concluding at 7.6% as of March 2025. The annual credit cost totalled ₹ 748 Crores, or 2.45% of the Average Gross Loan Book. Ujjivan's staff expanded to 24,374 personnel as of March 2025, reflecting an 8% increase, which led to a rise in operational expenditure to ₹ 2,793 Crores. Ujjivan is investing to enhance technical capabilities for secured enterprises, collection teams managing the micro banking segment, and the foreign exchange industry. We obtained the AD-1 business licence from the RBI this year.

Income Statement

Ujjivan continued to show consistent performance and reported a Profit After Tax (PAT) of ₹ 726 Crores. The pre provision operating profit for the year stood at ₹ 1,689 Crores. The balance sheet size increased to ₹ 47,689 Crores, marking a robust 18% increase from ₹ 40,422 Crores at the end of the previous year. Our net worth increased from ₹ 5,613 Crores to ₹ 6,083 Crores during the same period up 8%. Ujjivan's deposit base closed at ₹ 37,630 Crores, growing 20% YoY, it was largely driven by healthy growth in granular deposit base which was up 21% from previous year at ₹ 26,676 Crores. The loan book closed at ₹ 32,122 Crores, registering an 8% growth over the preceding year led by the secured businesses. The Capital to Risk Weighted Asset Ratio (CRAR) stood at 23.1%, ensuring a continued stable financial position.

DIGITAL INITIATIVES

In FY 2024-25, Ujjivan reinforced its digital-first strategy by advancing customer convenience, operational efficiency, and inclusive access. The year's focus revolved around scaling intelligent automation, expanding self-service platforms, and deepening digital engagement by strengthening Ujjivan's position as a modern, agile financial institution.

Expanding Access through Self-Service Platforms

The launch of the Do-It-Yourself (DIY) Digital Current Account (DCA) marked a pivotal step in onboarding individual customers with minimal branch intervention. This initiative enabled faster processing, improved customer reach, and lowered acquisition costs especially beneficial in underbanked geographies.

Digitising Credit Delivery with the Hello Ujjivan App

The full digitisation of the Individual Loan Journey through the Hello Ujjivan App facilitated seamless credit access for micro-banking customers, reducing turnaround time and promoting formal credit inclusion for under-served and rural segments.

Enabling Merchant Adoption with UPI Soundboxes

Ujjivan implemented voice-enabled UPI Soundboxes at merchant outlets, enhancing real-time transaction confirmations. This improved merchant trust and accelerated the adoption of digital payments among small business owners.

Boosting Operational Efficiency via Robotic Process Automation

RPA continued to play a critical role in driving cost and process efficiencies. In FY 2024-25 alone, 51 automated processes delivered productivity gains equivalent to **88,566 man-days,** saving ₹14 Crores+, and freeing up **89 full-time employee equivalents**. This reflects a 70%+ YoY improvement in both effort saved and cost rationalisation.

INTERNAL CONTROL SYSTEMS AND ADEQUACY RISK MANAGEMENT

Ujjivan has a strong risk management framework in place to identify, mitigate, and monitor material risks across all its functions. Guided by the Risk Management Committee of the Board (RMCB), the Bank has a well-staffed Risk Management team led by the Chief Risk Officer (CRO), tasked with implementing the Board's directives. The team is primarily based at our corporate office, with a presence in each regional office to facilitate the deployment of the operational risk framework at a granular level. A key hallmark of the Risk Management function is its independence from business sourcing units, converging only at the Board level.

Through continuous monitoring and enhancement, Ujjivan has established a distinct risk architecture with detailed policies and procedures for managing credit risk. In this regard, key areas in risk identification (portfolio reviews, risk posture reviews, risk scorecards, etc.), risk measurement (key Risk Indicators, accelerated provisioning, capital adequacy), risk mitigation (exposure limits, control testing), and risk monitoring (independent monitoring for large-ticket loans, High-Risk Branch analyser, collection productivity trackers, Risk and Control Self-Assessment (RCSA), etc.) were significantly overhauled and strengthened.

The Credit Risk Management Committee (CRMC) meets at least once a month to review the performance of the credit portfolio and oversee credit risk, credit policy reviews, and process management. The CRMC is also supported by a Health Council which is a specialised forum comprising senior management that reviews the performance of emerging asset verticals and initiates early corrective actions.

Market risk primarily arises from the Bank’s statutory reserve management and trading activities in the interest rate market. These risks are managed through real-time monitoring by the Treasury Mid Office, which operates within a well-defined Limit Management Framework that imposes caps on risk exposures through various limits and triggers. Risk measures include sensitivity limits such as PV01, Modified Duration of Held for Trading (HFT)/Held to Maturity (HTM) portfolios, Value-at-Risk (VaR) limits, and Stop Loss Trigger Levels (SLTL), among others.

Ujjivan has also established various limits for liquidity risk management to address funding mismatches and interest rate risks. Caps on maturity bucket mismatches and stock ratio limits help manage liquidity risk, while sensitivity analyses of Net Interest Income (NII) and Market Value of Equity (MVE) assist in mitigating interest rate risks. The Bank consistently maintained a Liquidity Coverage Ratio (LCR) comfortably above regulatory requirements during the year. Liquidity VaR (LVaR), IRR VaR (IRRVaR), and SLS-based stress testing models further support analysis of liquidity and interest rate risks under adverse scenarios, including contingency funding planning. Ujjivan also conducts internal assessments to study depositor behaviour regarding premature withdrawals, utilisation, and deposit tenure. Internally defined tolerance levels are incorporated into the Liquidity Risk Management Framework.

The Asset Liability and Market Risk Committee (ALCO) meets monthly or more frequently, as needed, to assess Ujjivan’s liquidity position.

Operational risk management at Ujjivan is driven top-down through robust policies, procedures, and a strong internal control culture, supported by clear reporting and contingency protocols. Operational risk manuals, derived from policies, are documented for key activities such as Risk and Control Self-Assessment (RCSA), Key Risk Indicators (KRI), and Loss Data Management. Ujjivan adopts both qualitative and quantitative approaches to manage operational risk. This includes rigorous product and process reviews, enterprise-level risk posture evaluations, thorough User Acceptance Testing (UAT), thematic reviews, risk scorecards, outsourcing risk assessments, Internal Financial Control (IFC) testing, and Business Continuity Planning/Management (BCP/M).

To ensure effective operational risk governance, Ujjivan has constituted an Operational Risk Management Committee (ORMC), chaired by the MD & CEO and convened by the CRO. This committee meets at least once every two months to review key operational risk matters, with a summary reported to the RMCB. Additionally, a dedicated Business Continuity Management Committee (BCMC) provides oversight on Business Continuity Plan (BCP) management and data centre/disaster recovery (DC/DR) drills.

Recognising the growing global threat landscape, the Bank has implemented a robust information security structure to manage cyber and information security risks. It has adopted a layered defence strategy to safeguard customer data and prevent undetected intrusions. Key functions within the Bank’s cybersecurity operations include policy development, regular awareness and training programmes, a dedicated red team for real-world attack simulation and ethical hacking, a blue team (Security Operations Centre) for incident detection and response, and a Governance, Risk and Compliance (GRC) unit to manage regulatory risks and operational controls. Ujjivan acknowledges that information security is a continuous process requiring constant improvement and adaptation.

Ujjivan actively participates in cyber drills conducted by the Institute for Development and Research in Banking Technology (IDRBT) and regularly conducts Disaster Recovery Drills for its technology infrastructure to ensure uninterrupted service during crises. Ujjivan follows a proactive rather than reactive approach to cybersecurity.

To ensure integration and forward-looking risk governance, Ujjivan has established an Enterprise Risk Management (ERM) unit under the oversight of the Enterprise Risk Management Committee (ERMC). This Committee evaluates strategic and emerging risks and regularly reviews macroeconomic and operational developments. The ERM unit also undertakes comprehensive reviews of material risks to determine capital requirements for unexpected losses. The ERMC meets bimonthly to assess capital adequacy, Pillar II risks, compliance risk, and central process oversight.

In FY 2024-25, the Bank added a dedicated Risk Analytics & Monitoring (RAM) unit, reporting directly to the CRO. Established as a second line of defence, the RAM unit ensures independent, data-driven decision-making in risk management without conflicts of interest. Its mandate includes standardising and reporting Risk Intelligence dashboards and undertaking predictive analytics for Credit Risk (e.g., statistical scorecards, KRI dashboards) and Market Risk (e.g., Value-at-Risk models).

LEGAL

The Legal Department continues to be a strategic enabler, offering timely legal support across due diligence, documentation, contracts, intellectual property, litigation, debt recovery, and other allied functions. It serves all business verticals including Administration, Infrastructure, Operations, Procurement, Information Technology, Human Resources, and Collections.

The department has actively supported Ujjivan's digital transformation by digitising legal processes to enhance efficiency and support sustainability goals. In April 2024, we implemented Legistify, a litigation management platform that enables real-time tracking of cases, automated updates, court order monitoring, and proactive risk mitigation. The platform currently tracks over 13,172 cases filed by and against Ujjivan in courts across India and allows monitoring even before summons are issued.

Another key initiative was the full digitisation of contract lifecycle management through Spotdraft, implemented in October 2023. This platform streamlined stakeholder collaboration, automated approvals, and digitalised contract drafting, execution, and storage. Since its rollout, 2,234 contracts have been processed digitally, including 1,870 in Financial Year 2024-25.

The department surpassed recovery targets for the year. The 100-day initiative Sampurna Samvada focused on customer engagement for amicable settlements in Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest cases, Potential Non-Performing Asset accounts, and Vehicle Loan accounts. It helped recover ₹ 2.46 Crores across 3,803 accounts and is now part of Ujjivan's standard operating procedure for litigation.

Additionally, the Legal Department concluded two major transactions involving the sale of Non-Performing Asset accounts to Asset Reconstruction Companies, covering principal outstanding of ₹ 630 Crores. All documentation including Offer Document, Trust Deed, Assignment Deed, and Agency Agreement was managed in-house.

Process simplification was another focus, with the creation of standardised disbursement documentation tailored to business segments such as Micro, Small and Medium Enterprises, Affordable Housing, Vehicle Finance, Financial Institutions Group, and Gold Loans.

Looking ahead, the Legal Department remains committed to providing comprehensive legal guidance, ensuring regulatory compliance, and swiftly addressing emerging legal challenges to support Ujjivan's business objectives.

COMPLIANCE

Ujjivan remains fully committed to the Reserve Bank of India's (RBI) mission of financial inclusion. Ujjivan adheres to the Small Finance Bank Licensing Guidelines issued on November 27, 2014, by ensuring that at least 75% of its Adjusted Net Bank Credit is directed toward priority sectors. Additionally, over 50% of its loan portfolio comprises loans and advances of up to ₹ 25 Lakhs. Ujjivan also ensures that at least 25% of its branches are located in Unbanked Rural Centres.

Ujjivan complies with RBI's exposure norms, limiting loans and investments to a single obligor to 10% and to a group obligor to 15% of its capital funds.

Ujjivan's strong compliance and Corporate Governance framework is embedded across all levels, from field staff to senior management. Ujjivan follows a zero-tolerance policy toward regulatory breaches. Risk assessments, certifications, and regular monitoring and testing reinforce the compliance structure.

The compliance department conducts periodic compliance risk assessments across all business, support, and control functions, ensuring consistent evaluation through a robust monitoring and testing process. We fully adhere to Know Your Customer (KYC) regulations and operates an automated Anti-Money Laundering (AML) monitoring system supported by a rigorous transaction review framework.

Ujjivan also maintains timely regulatory reporting, meeting all Risk-Based Supervision requirements and has complied with the listing norms within the stipulated three-year timeframe since the start of operations.

INTERNAL AUDIT

The Internal Audit Department's (IAD) primary goal is to provide the Board of Directors and senior management with independent assurance regarding the quality and effectiveness of internal control, risk management, and governance framework. IAD is led by Head of Internal Audit who reports to Audit Committee of the Board (ACB) and administratively reports to MD & CEO.

The Internal Audit Department is adequately manned with competent and qualified personnel and comprises five audit verticals: Central Functions, Information Security (IS) Audit, Credit Audit, Concurrent Audit & Analytics, and Branch Audit. A risk-based approach is employed to develop an annual audit plan that encompasses all audit areas. Audit Committee of the Board approves the annual plan. IAD provides quarterly update to ACB on the status of Audits conducted during the quarter and all significant observations along with management action plan for the observations reported. The ACB evaluates the internal audit function's efficacy and adequacy, which encompasses the internal audit department's structure, the annual audit plan's progress, and staffing. It guarantees the implementation of independent and effective review procedures.

VIGILANCE

Ujjivan has institutionalised a robust Fraud Risk Management Framework and internal vigilance system to strengthen fraud prevention and maintain operational integrity. In Financial Year 2024-25, both the number of fraud cases and the total amount involved declined significantly compared to the previous year, reflecting the success of our risk mitigation measures.

The core vigilance team played a key role in investigating incidents, facilitating recoveries, and strengthening operational safeguards. A notable achievement was the partial recovery in a high-value credit fraud case reported earlier. The team also promoted preventive vigilance by driving awareness and encouraging ethical conduct across the organisation.

Vigilance Awareness Week was observed to reinforce the importance of fraud prevention and customer protection, supported by an internal communication campaign. Select employees were recognised with the ‘Vigilance Warriors Awards’ for their proactive role in identifying and preventing fraud within their functions.

As part of its preventive approach, the department issued advisories highlighting process gaps and recommending corrective measures. Targeted training programs further reinforced best practices and vigilance awareness.

In compliance with Reserve Bank of India guidelines, fraud reporting was transitioned from the eXtensible Business Reporting Language platform to the Centralised Information Management System. Mystery shopping exercises were also conducted to assess frontline adherence to customer engagement protocols.

Operational audits, including branch and centre visits, were carried out to identify potential fraud vulnerabilities. With the expansion of the gold loan portfolio, we also strengthened product-specific oversight through regular gold inspections at branch level.

The following table summarises the fraud cases reported during the financial year under review:

Particulars	As on March 31, 2025	As on March 31, 2024
Number of frauds reported - Borrowal & Non borrowal accounts	315	401
Number of digital payment related frauds where credentials have been compromised by the customers themselves & no loss has been caused to the Bank	766	2,312
Total	**1,081**	**2,713**
Amount involved in fraud including digital payment related frauds (₹ in Crores)	9.16	24.16
Amount of provision made for such frauds* (₹ in Crores)	3.22	10.81
Amount of Unamortised provision debited from ‘other reserves’ as at the end of the year	-	-

* Note: The provision amount is net of recovery and write off's as at the end of the year.

CREDIT

Ujjivan's credit and collection operation remained essential in maintaining quality underwriting, effective policy administration, disciplined lending processes, prudent risk management, and continued customer engagement. The emphasis was on constructing a diversified portfolio, refining credit underwriting standards, and augmenting operational efficiency via digitisation and analytics.

The year offered a diverse mix of challenges and opportunities amid sectoral stress in the Micro finance industry, evolving regulations and competitive landscape

Total gross advances increased by 8% year-over-year, amounting to ₹ 32,122 Crores as of March 31, 2025, driven by substantial growth in housing and micro mortgages (48%), MSME (45%), and FIG lending (61%). The micro banking book has contracted by 12% due to sectoral cautious approach.

Macroeconomic Outlook

The fiscal year 2024-25 was characterised by a multifaceted macroeconomic landscape shaped by both international and domestic factors. The global recovery persisted unevenly due to geopolitical uncertainty, high commodity prices, and sustained stringent monetary policies in developed economies.

The Indian banking system experienced robust credit growth of 15.3% YoY, particularly in the retail, agriculture, and MSME sectors, which correspond with the primary emphasis areas of Small Finance Banks.

The Reserve Bank of India (RBI) maintained a calibrated approach by maintaining stable rates for the majority of the year to mitigate inflation. The repo rates were sustained at 6.5% for almost 10 months in the previous fiscal year, with rate reductions commencing in February and March 2025, totalling a 50 basis points decrease, indicative of an accommodative stance to enhance economic stability.

Indian banking sector remained stable, Credit offtake was broad-based, with growth in personal loans, real estate, NBFCs, and services sectors. Asset quality showed sustained improvement with lower slippages.

Portfolio Quality and Risk Management

Ujjivan's credit quality well sustained despite adverse market conditions, supported by robust recovery efforts, disciplined underwriting, and strong monitoring practices.

- Gross Non-Performing Asset (NPA) stands at 2.18% (0.12%↑) and Net NPA is at 0.49% (0.22%↑) as of March 31, 2025
- Provision Coverage Ratio (PCR) is at 78%, reflecting prudent provisioning
- Sectoral exposures remained well-diversified, with concentration risk within board-approved limits
- Stressed assets resolution was accelerated through robust collection strategies and one-time settlements, sale of stressed assets to ARCs

MicroBanking

The microfinance sector, long regarded as a vital catalyst for financial inclusion, witnessed headwinds during FY 2024-25. Due to a combination of borrower-specific stress and external factors, lenders have encountered increased operational and asset quality challenges. Crif Highmark data indicates that the percentage of borrowers with loans from four or more lenders increased to 5.8% in September 2024, up from 3.6% in 2021, raising worries about repayment capacity. The industry, which experienced a 28% expansion in assets under management (AUM) in FY 2023-24, witnessed a decline into negative growth in FY 2024-25, as lenders curtailed disbursements due to a cautious tightening of credit standards.

In response to widespread stress within the industry and increased regulatory oversight, Microfinance Institutions Network (MFIN), the self-regulatory organisation for the microfinance sector, has mandated member institutions to adhere to industry guardrails in phases beginning July 2024. The implementation of tougher regulations for overleveraged consumers has resulted in increased delinquencies from August 2024.

We demonstrated resilience during these hard times, achieving industry-leading performance through effective credit policies and timely implementation of guardrails. As of December 2024, the bank has reported 31 to 180 PAR of 3.5% while the industry has reported 6.75% PAR as per CRIF report. We have adopted a calibrated disbursement approach based on portfolio performance of the branches, focusing on existing borrowers with strong repayment history with tightened credit policy norms.

Karnataka, which largely remained stable over the first three quarters, has had a dramatic increase in delinquencies following the implementation of the Microfinance Ordinance by the Government of Karnataka in the fourth quarter.

During the year, Ujjivan has optimised internal process to standardise end-use check monitoring and implemented risk-based pricing for microfinance loans. Guardrails 1.0 was implemented in July 2024, followed by the implementation of Guardrails 2.0 in January 2025. We have instituted rigorous credit policy standards in addition to the existing guardrails to ensure high-quality client acquisition, with credit policies tailored at the branch level in line with branch's collection efficiency.

While stress levels remain elevated, the swift and coordinated actions by the regulator, industry associations, and lending institutions have laid the groundwork for more disciplined, transparent, and responsible lending.

Affordable Housing & Micro Mortgages

The housing vertical continued to be a core driver of our credit portfolio. This business constituted 23% of our total advances, with a nationwide presence over 565 branches, 23 states, and 16 retail asset centres. The product line is well diversified, encompassing Home Loans, Home Equity, and micro mortgages with an average ticket size of ₹ 12 Lakhs. The borrower segmentation consists of self-employed individuals accounting for 47%, while the salaried category comprises 53% of the total portfolio. Within the Housing vertical, Micro Mortgages is the new product variant with an average ticket size of ₹ 5 Lakhs. This product is designed to meet the elevated credit needs of seasoned borrowers from Micro banking vertical and new to bank customers from similar economic backgrounds. During the year, Ujjivan has implemented risk-based pricing for borrowers, which is associated with credit score, collateral type, borrower group, and assessment methodology. The vertical has completely transitioned to a new loan origination system, which has improved process efficiency. Following are the highlights of key initiatives during the year

- Centralised underwriting team for same day decisioning of salaried cases
- Strengthened specialised in-house technical team for collateral assessment and technical vendor management
- Regular review of state wise collateral policy to adapt to the evolving requirements of new products and geographies
- Process digitisation: Use of Account aggregator for banking, e-sign for loan documentation & Nupay for customer repayment & security cheques

Housing book portfolio quality is at par with the industry. We closely monitor the portfolio month-on-month by various portfolio analytics tools & dashboards. Ujjivan has dedicated collection and legal team which focuses on secured book portfolio. The GNPA of the housing book as of March 31, 2025, stands at 1.1% and the PAR at 3.5%, compared to 1.5% and 3.9% respectively last year. The NNPA is at 0.51% as of March 31, 2025.

The Micro Mortgages product has grown to ₹ 723 Crores as of March 31, 2025. YoY growth of 258% during FY 2024-25 with an average ticket size of ₹ 5.3 Lakhs. The new book exhibited excellent performance with GNPA at 0.2%. The sourcing borrower mix includes 56% new to bank and 44% sourced from existing micro banking base.

MSME

During the year, we continued to focus on the Micro, Small, and Medium Enterprises (MSME) sector. This year witnessed substantial progress in our MSME financing, which now comprises of three product variants. a) Loan Against Property (LAP) – with a combination of semi-formal and formal MSMEs, b) Working Capital (WC) – New business line for formal MSMEs, and c) Supply Chain Finance (SCF) – New business line for formal MSMEs featuring short-term anchor-led dealer and vendor financing.

Ujjivan has made significant strides in enhancing technology enabled credit underwriting and monitoring processes for MSME loans. A dedicated loan origination system was implemented for LAP and WC businesses, with an automated credit appraisal memo (CAM) that includes automated retrieval of GST, banking, and ITR data. These steps were aimed at ensuring robust risk management while providing timely and adequate credit to the segment. To enhance monitoring, we have implemented early warning signals (EWS) to detect initial indicators of distress and prevent prospective losses. Dedicated resources are deployed in credit team to improve monitoring aspects.

The MSME portfolio performance improved, with a significantly low delinquency rates in the new book. This positive trend underscores the robust credit policy framework and stringent underwritings norms. As of March 31, 2025, the Gross Non-Performing Assets (GNPA) is at 5.5%, the Portfolio at Risk (PAR) is at 9.1%, and the Net Non-Performing Assets (NNPA) is at 1.9%.

Financial Institutions Group (FIGB)

FIGB's lending to diverse segments of Non-Banking Financial Company (NBFC) clientele persisted. No individual segment contributes more than 38% to the FIGB loan portfolio. Portfolio is built basis Board approved credit policy which is refined from time to time. The FIGB portfolio is meticulously evaluated on a quarterly and semi-annual basis across all categories. Special emphasis was provided to low rated customers & market development in the sector. No fresh NPA in the portfolio in last couple of years.

New Product

The new products, vehicle finance, agricultural loans, and gold loans, now account for 3% of the total portfolio, with a combined book size of ₹ 1,040 Crores. Ujjivan is poised for substantial expansion in these new products to cater to the increasing consumer demands, by utilising extensive geographical reach, technology-enabled underwriting for quick approvals, strategic partnerships, and client-focused solutions. These products are not only prepared for expansion but also positioned to become crucial catalysts for Ujjivan in the forthcoming years.

Collections

The specialised collections department at Ujjivan continued to play a pivotal role in strengthening the Bank's credit resilience and overall portfolio health in FY 2024-25. With a focus on early resolution, digitised field operations, and predictive risk management, we effectively mitigated credit losses and enhanced recovery timelines across many product groups. We enhanced our customised, technology-driven collections strategy by utilising real-time data and intelligent segmentation to implement dynamic recovery methods. Empowered by data-driven tools, frontline teams operated with greater speed and precision, ensuring timely and effective resolutions. These initiatives resulted in a significant decrease in forward flows and enhanced recoveries, further bolstered by reinforced legal measures and a targeted resolution mechanism. The strategy continually harmonised operational flexibility with borrower compassion, enhancing asset quality while preserving customer trust.

The culmination of consistent portfolio monitoring and a customer-centric proactive approach demonstrates the enduring efficacy of Ujjivan's strategy, yielding sustained outcomes across critical metrics: a stable GNPA of 2.2%, diminished slippages, and enhanced efficiency.

FY 2024-25 demonstrated our resilience, adaptability, and steadfast commitment to inclusive growth, driven by prudent lending practices, customer-centric innovation, and regulatory foresight. Given the strengthened market conditions, scalable technology stack, and adept underwriting capabilities, Ujjivan is strategically positioned to spearhead the next phase of expansion within the Small Finance Bank sector.

INFORMATION TECHNOLOGY

Ujjivan continued to position technology as a key driver of financial inclusion, anchored in digital innovation, customer-centricity, and operational excellence. In Financial Year 2024-25, we successfully executed over 500 technology projects, covering regulatory compliance, product development, revenue generation, and cost optimisation.

A significant milestone was the expansion of our digital banking ecosystem. Phase 2 of WhatsApp Banking introduced over 40 customer services including balance checks, loan tracking, and Equated Monthly Instalment monitoring. Smart Statement features offered interactive summaries and supported cross-selling. We also launched Digital Current Accounts, alongside existing digital savings and fixed deposit products. New services such as Aadhaar-enabled Unified Payments Interface Personal Identification Number reset and UPI Autopay improved ease and security. For merchants, the Ujjivan Soundbox provided instant payment confirmations, enhancing trust in digital transactions.

In lending, a next-generation Loan Origination System was introduced for Micro, Small and Medium Enterprises Supply Chain Finance, with risk-based pricing integrated in line with Reserve Bank of India guidelines. A partnership with an Account Aggregator laid the foundation for future transaction-based lending. Our elevation as a Bharat Bill Payment System Operating Unit further strengthened our service delivery network.

Operational efficiency was improved through Robotic Process Automation across functions such as end-of-day cash audits, Cheque Truncation System clearing, Income Recognition and Asset Classification reporting, and Anti-Money Laundering data validation. Real-time document verification was extended to driving licenses, voter IDs, Legal Entity Identifiers, Income Tax Returns, Goods and Services Tax filings, and Udyam registrations, reducing processing time. Upgrades to data warehouses enhanced performance, and the adoption of eMudhra enabled paperless digital signing and stamping.

Under infrastructure modernisation, Software-Defined Wide Area Network was implemented across branches to improve network performance and cost efficiency. A new backup solution strengthened Business Continuity Planning, and Disaster Recovery drills ensured resilience. A central command centre was set up for real-time system monitoring and issue resolution. The Application Programming Interface gateway was also upgraded for enhanced security and performance.

Cybersecurity was a major focus. We implemented advanced security frameworks, real-time fraud detection, and enforced Multi-Factor Authentication across critical systems. Mobile Device Management and proxy services were moved to the cloud for better scalability. These initiatives led to Ujjivan earning the ISO/IEC 27001:2022 certification for information security management.

Looking ahead, Ujjivan plans to adopt cloud-native platforms and microservices-based architecture. Upcoming initiatives include revamped internet and mobile banking platforms, Artificial Intelligence-driven personalisation, and advanced data analytics. Foreign exchange services will also be introduced. Cybersecurity will remain a priority with deeper integration of threat intelligence. With innovation, security, and customer focus at the core, Ujjivan is poised to advance its digital transformation and reinforce its leadership in inclusive banking.

SERVICE QUALITY

Our top priority is the provision of exceptional customer service and an unwavering dedication to providing exceptional experiences. We endeavour to be a customer-centric organisation by consistently adapting to the evolving requirements of our consumers. This is accomplished by utilising technology, refining our processes, and nurturing our employees, all of which are informed by market insights and customer feedback. We have established a Service Quality department to operationalise this commitment. This team is essential in the enhancement of the customer experience across all business verticals, the expeditious resolution of customer grievances, the maintenance of rigorous service standards, and the adherence to regulatory guidelines regarding customer service and protection. This department plays a critical role in the implementation of our customer-centric vision, guaranteeing that each interaction with Ujjivan is both seamless and enjoyable.

Improved Customer Service Standards

We have achieved a high level of quality and consistency in all of our offerings as a result of which we delivered superior service standards. A comprehensive Service Index program that incorporates both internal and external customer service has been developed and refined to drive this commitment. This program is applicable to all business verticals and critical support functions, and it includes critical parameters that influence customer service delivery and satisfaction.

Our Service Index program has developed into a distinctive industry best practice over the past seven years. Our commitment to customer service is bolstered by a strong governance framework, which establishes explicit objectives for enhancing service index scores at both the functional and bank-wide levels.

The MD & CEO, business/function heads, frontline managers, sales and service staff, and key performance metrics are all linked to these objectives, which are essential to our performance management framework. Accountability is guaranteed and continuous development in customer service is fostered throughout the organisation through this structured approach.

Ujjivan's Bank level Customer Service Index has experienced significant improvements, reaching its highest-ever score of 93 points (out of 100) in March 2025, after having reached 89 points in March 2024 and 85 points in March 2023, as a result of the numerous cross-functional initiatives at the technology, process, and people levels.

- The number of complaints in FY 2024-25 had decreased by 21% compared to FY 2023-24, by 14% compared to FY 2022-23 and marginally reduced by 0.32% compared to FY 2021-22
- Resolution of customer service requests within standard turn-around-time has improved to 95% in FY 2024-25 from 94% in FY 2023-24 and 90% in FY 2022-23
- The resolution of customer complaints within standard turn-around time has improved to 99% in FY 2024-25 from 98% in FY 2023-24 and 96% in FY 2022-23

Aajeevan Services – A Life Events-Based Banking Services with Empathy

We comprehend that life events, regardless of whether they are joyous or sombre, necessitate empathy, encouragement, and assurance. In response to this requirement, we have implemented "Aajeevan," a distinctive program based on life event-based banking services. This program offers personalised services to assist customers in navigating the milestones of life with ease.

Aajeevan provides a variety of services, such as: Nomination facilities, joint accounts, settlement of claims for deceased account holders, settlement of insurance claims, priority and doorstep services for senior citizens and differently abled customers, and special services such as adding mandate holders or power of attorney.

The objective of this program is to cultivate long-term relationships with our consumers and to provide financial well-being through the application of empathy and compassion. We have also prioritised the simplification of procedures and the training of our personnel to ensure that they provide empathetic and efficient service.

In order to guarantee successful implementation, we have annually conducted a one-day workshop on Aajeevan services that is specifically designed for the Financial Year 2024-25. This workshop has been divided into 46 batches and has been attended by 934 customer-facing and sales staff. Our staff is able to offer exceptional support to our customers during life's significant occasions as a result of the training's emphasis on efficiency and empathy.

Over the years, the promotion of Aajeevan Services has significantly improved the resolution of Aajeevan Service requests to 99% in FY 2024-25 and FY 2023-24 from 94% in FY 2022-23.

HUMAN RESOURCES

Ujjivan is committed to fostering an environment that enables each individual to achieve their maximum potential. Our personnel strategy prioritises a holistic employee experience that elevates satisfaction and promotes performance through robust support and significant engagement. We acknowledge that our personnel are fundamental to our success, propelling innovation and growth. We want to foster a culture in which every team member feels appreciated and motivated to excel, thereby contributing substantial value to the organisation. Ujjivan is honoured to be acknowledged as one of the Best Companies to Work for in India, as certified by the Great Place to Work Institute, for the 15th consecutive year, with prior rankings from UFSL spanning from 2009 to 2016. We have regularly ranked among the Top 25 BFSI Best Places to Work for three consecutive years as of 2025.

We guarantee employee satisfaction and retention by utilising numerous mechanisms, including competitive remuneration, superior benefits, possibilities for skill enhancement, and the ability to effectuate substantial contributions. The commendation of employees for this comprehensive experience has enabled Ujjivan to attain one of the lowest attrition rates in the past four years (<20% for FY 2024-25), demonstrating one of the most favourable performance metrics in the banking sector. This year, our emphasis on mentoring and assisting new employees in acclimating has substantially decreased early turnover (those departing within six months) to below 5%. Furthermore, we have made progress in enhancing gender diversity, employing 1,934 female professionals in FY 2024-25, who now constitute over 20% of our staff.

In FY 2024-25, Ujjivan concentrated on establishing an ecosystem that fosters individualised employee development, transitioning from organisation-mandated programs to those directed by the organisation, and ultimately to employee-driven initiatives. This year's topic focused on empowering employees through choices, resulting in the establishment of Individual Learning Plans that correspond with professional ambitions and enhance skills in areas such as cross-selling, generative AI, and productivity mindset. We employed premium learning platforms such as Harvard Business Publication and LinkedIn Learning, culminating in a remarkable 4,814 hours of educational engagement for mid- to senior-management personnel. A thorough training program included more than 42,120 staff, focussing on functional expertise, behavioural skills, and technological proficiency. Furthermore, over 25,500 hours were allocated to the enhancement of supervisory competencies, specifically targeting middle management and novice supervisors.

Ujjivan is dedicated to improving talent management and professional advancement for its workforce. We launched high-potential programs and initiatives tailored for women to expedite career advancement. Ujjivan enhances internal promotions, job posting procedures, and career advancement initiatives to secure the appropriate people for fostering corporate success. Emphasis on mentorship and specialised development opportunities fosters internal career advancement and succession planning, crucial for organisational stability. Programs such as PACE aim to optimise resource utilisation and improve operational efficiency. Ujjivan is committed to utilising data-driven talent analytics and enhancing its employee value proposition, solidifying its status as a leading employer in the Banking, Financial Services, and Insurance (BFSI) sector while promoting a friendly and equitable work environment.

In accordance with our dedication to employee health, we have revised our health insurance policy to enhance benefits for maternity, prenatal/postnatal care, and In Vitro Fertilisation (IVF) services. The health program provides crucial coverage for employees at all life phases, guaranteeing that their families obtain supplementary benefits, especially in comparatively enhanced term-life plans for front-end positions. Our proactive wellness strategy encompasses several activities, including comprehensive counselling sessions on road safety, women's health, mental well-being, and financial wellbeing, as well as a 24/7 hotline for instant emotional assistance.

Ujjivan is distinguished as a workplace of esteem and reliability, attributable to our culture of active listening and transparency. We have created many venues for employees at all levels to access organisational information, engage with leadership, and voice their concerns. These encompass Branch Representative Meetings, Townhalls, and regional leadership update events. The employee experience culminates in a comprehensive rewards and recognition program that honours outstanding accomplishments. Initiatives such as the Annual Awards, Corporate Excellence Awards, Summit Awards, and regional programs like Pratistha and South Spotlight foster a culture of gratitude, guaranteeing that our premier talents are acknowledged and recognised for their achievements. With an 86% engagement score in FY 2024-25 and proactive talent management strategies, we are dedicated to cultivating a flourishing environment for everyone.