

Press Release

Another milestone quarter with record profitability

Highest ever quarterly net profit of ₹294 crore; RoA at 4.6%/ RoE at 34.5%**;

Disbursements up 56% Y-o-Y/ 12% Q-o-Q; deposits up 45% Y-o-Y/ 11% Q-o-Q;

Continued traction on collection and asset quality improvement; PAR at 6.1%; NNPA at 0.04%

Bengaluru, November 07, 2022: Ujjivan Small Finance Bank Ltd. [BSE: 542904; NSE: UJJIVANSFB], today announced its financial performance for the half-year and quarter ended September 30, 2022.

Summary of Ujjivan Small Finance Bank Business Performance – Q2 FY 2022-23

- ❖ Gross advances at ₹20,938* crore up 44% Y-o-Y and 8% Q-o-Q
- ❖ Strong disbursements for Q2 – ₹4,866 crore up 56% Y-o-Y
- ❖ As of 30th Sep'22, total provision on books are at ₹1,126 crore - ₹115 crore standard provision, ₹762 crore account level NPA provision and ₹250 crore floating provision. Entire Floating provision of ₹250[#] crore created in Jun'21 continues to be there on books and can be utilized for making specific provisions in extraordinary circumstances with prior approval of RBI; only ₹160 crore is utilized for NNPA/ PCR calculation, ₹30 crore towards Tier II capital and the balance ₹60 crore has been grouped as part of other provisions without utilizing the same towards Tier II capital, this amount continues to be earmarked for utilization for NNPA/PCR as and when needed.
- ❖ Continued traction on Collections side at ~100% in Sep'22
- ❖ Portfolio at risk continues to decline; 6.1% as of Sep'22* vs 7.9% as on Jun'22
- ❖ GNPA/ NNPA declined to 4.4% / 0.04[#] as of Sep'22 against 5.9% / 0.1%[#] respectively as of Jun'22; total of ₹157 crore written-off in Q2FY23; Provision coverage ratio as on Sep'22 is 99%[#]
- ❖ Substantial reduction in restructured book; constitutes 2.3% of gross advances* with provision cover of 63%
- ❖ Deposits at ₹20,396 crore as of Sep'22 up by 45% Y-o-Y; Retail deposits at 61% of total deposits against 52% as of Sep'21; CASA ratio at 26.9% in Sep'22 vs 22.5% in Sep'21. Retail banking CASA grew 79% Y-o-Y contributing 79% to total CASA; healthy retail liability customer acquisition.
- ❖ Net Interest Income of ₹663 crore in Q2FY23; Net interest margin at 9.8%* in Q2FY23 against 8.1% in Q2FY22
- ❖ Operating expenses to average assets at 6.6%; Cost to Income ratio at 52.5% in Q2FY23 vs 82.3% in Q2FY22
- ❖ PPOp at ₹385 crore vs ₹79 crore in Q2FY22; PAT of ₹294 crore vs ₹(274) crore Y-o-Y
- ❖ Capital adequacy ratio at 26.70% with Tier-1 capital at 23.37%; Liquidity coverage ratio*** at 219% as of Sep'22

Mr. Ittira Davis, MD & CEO, Ujjivan Small Finance Bank said, "Q2FY23 is another milestone quarter with record profitability. While disbursements continue to sustain the Rs 4,000+ crore mark, deposit growth took-off well this quarter driven by retail deposits. Our loan book grew 8% vs Jun'22 / 44% vs Sep'21 to ₹ 20,938* crore and deposits are up 11% vs Jun'22 / 45% vs Sep'21. Retail deposits and CASA contribute to 61% and 26.9% of total deposit. PAR continues to improve, currently at 6.1%* vs. 7.9%* as on Jun'22. This is largely due to sustained collection efficiency at pre-covid levels and normalised slippages; while recoveries continue to be strong. We continue to hold strong provisioning buffers on our books with PCR at 99%, resulting into NNPA of mere 0.04%. Additional provision of ₹30 crore is being used towards CRAR and ₹60 crore has been grouped as part of other provisions without utilising the same. We remain focused on building granular deposit franchise and continuously enhance digital capabilities to drive improved business and productivity levels. With recent capital raise and sustained high profitability, Sep'22 CRAR is far more than comfortable to capitalise on opportunities ahead."

* Without adjusting for ₹2,580/ ₹1,794/ ₹674 crore of IBPC/ Securitization as on 30th Sep 2022 / 30th June 2022 / 31 March 2022; ** annualized ; ***Provisional
For FY22, ₹250 crore was utilized towards NNPA/ PCR calculation; for Jun'22, ₹220 crore was utilized for NNPA/ PCR calculation and ₹30 crore towards Tier II capital. As of 30th Jun'22, total provision on books were at ₹1,290 crore

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 69 lakh customers through 590 branches and 16,620 employees spread across 249 districts and 24 states and union territories in India. Gross advances stand at ₹20,938 crore with a deposit base of ₹20,396 crore as of Sep 30, 2022.

'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 specially 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.

For further information, please contact:

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