

Press Release

Margins aided by stable CoF; Healthy Collection Efficiency; **Retail deposits continues to grow; Rising Secured book proportion**

Gross loan book at ₹ 30,069 crore up 19% YoY;

Secured book at 31.3% as of Jun'24 vs 30.2% as of Mar'24;

Asset quality continues to be healthy with GNPA/NNPA at 2.3%/0.4%;

Deposits at ₹ 32,514 crore up 22% YoY; CASA up 27% YoY; CASA ratio at 25.6%

RoA /RoE at 2.9% / 20.9%

Bengaluru, Thursday 25 July, 2024: Ujjivan Small Finance Bank Ltd. [BSE: 542904; NSE: UJJIVANSFB], today announced its financial performance for the quarter ended June 30, 2024

Summary of Ujjivan Small Finance Bank Business Performance – Q1FY25

❖ **Assets**

- Gross loan book at ₹ 30,069* crore up 19%/1% YoY/QoQ
- Secured book at 31.3% as of Jun'24 vs 30.2% as of Mar'24
- Disbursements were at ₹ 5,286 crore in Q1FY25 at par YoY and down by 21% QoQ

❖ **Collection and Asset Quality**

- Collections Efficiency at ~98% efficiency in Jun'24; NDA collection consistently at ~99%
- Portfolio at risk* at 4.2% as of Jun'24; GNPA* at 2.3% as of Jun'24 vs 2.1% as of Mar'24; NNPA* at 0.4% as on Jun'24 vs 0.3% as on Mar'24
- Q1FY25 write-off at ₹ 59 crore; Provision coverage ratio as on Jun'24 is 84%#

❖ **Deposits**

- Deposits at ₹ 32,514 crore as of Jun'24 up by 22%/3% YoY/QoQ
- CASA at ₹ 8,334 crore up 27% YoY; CASA ratio at 25.6% as of Jun'24 vs 26.5% as of Mar'24
- Retail TD[^] grew 42%/14% YoY/QoQ

❖ **Financials**

- Q1FY25 NII of ₹ 941 crore up 19% YoY / 1% QoQ; NIM at 9.3% for Q1FY25
- Cost to Income ratio at 55% in Q1FY25
- Q1FY25 PPOp at ₹ 510 crore up 11% YoY; Q1FY25 PAT of ₹ 301 crore down 7% YoY / 9% QoQ
- Healthy return ratios as normalisation continues – RoA/RoE at 2.9%/20.9% vs 3.3%/24.8% in Q4FY24

❖ **Capital and Liquidity**

- Capital adequacy ratio at 24.8% with Tier-1 capital at 23.0%
- Provisional Daily Average LCR for Jun'24 was 137%

[§] Including Micro mortgages

* Without adjusting IBPC & Securitization of ₹ 2,369 / ₹ 2,360/ ₹ 2,573 crores as on Jun 2024/ Mar 2024/ Jun 2023

[^] Retail TDs are TDs less than ₹ 3 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. Sanjeev Nautiyal, MD & CEO, Ujjivan Small Finance Bank said, “Our focussed business approach culminated with strong connect with the field aided in healthy asset book growth of 19% YoY to ₹ 30,069 crore as of Jun’24. This was significantly supported by strong growth in secured asset book improving by 5% QoQ, especially led by affordable housing. As on Jun’24 the secured book proportion stands at 31.3% vs 30.2% as on Mar’24. I am happy to see that we are on track to meet our stated objective and will ensure to improve the secured book contribution to 40% of the total gross advances by end of next financial year. New business segments like Micro-mortgages, Gold Loans and Vehicle Finance will play a meaningful role offering an enhanced product suite to our customers and will see significant spurt in business volumes, offsetting the impact on yields due to rising secured book proportion. Our focus on building granularity in the deposit book reflects through the strong growth in retail deposits forming 73% of the total deposits up 37% YoY. Total deposits were ₹ 32,514 crore up 22% YoY, with CASA ratio at 25.6% as at Jun’24. This healthy growth reflects our C/D ratios pegged at optimal levels of 85% (including IBPC/securitisation). We are confident that business volumes will improve post H1FY25 and our asset book growth guidance will be comfortably achieved. In addition, improving business productivity, enhancing value-add product offering, continually improving service level benchmarks, leveraging technology to enhance business processes will continue to be the mainstay to serve our customers better.

Our Bank has always strived for transparency and our prudent business approach has delivered strong business performance sequentially. During the last 2 quarters, signs of stress were visible in some isolated pockets of few states where we operate. Basis which we had developed a cautious approach especially towards acquiring new to credit customer and suitably moderated our disbursements. We are aware how the PAR book has increased to 4.2% in Q1FY25 from 3.5% in Q4FY24 but are equally confident that our collections stable at 98% underpinned by strong collection team will manage asset quality at healthy levels and our guidance on credit cost will stay intact.

NIMs for Q1FY25 was at 9.3% aided by stable cost of funds at 7.5%. PPOP was at ₹ 510 crore. Net Profit for the quarter was ₹ 301 crore, this was lower vs last quarter as normalisation in credit cost continues. Our return ratios continue to be healthy with RoA at 2.9% and RoE at 20.9% for the quarter.”

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 ~90 lakh customers through 752 branches and 22,882 employees spread across 326 districts and 26 states and union territories in India. Gross loan book stands at ₹ 30,069 crore with a deposit base of ₹ 32,514 crore as of Jun 30, 2024.

‘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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