

Press Release

Increasing diversification in Asset Mix; **Secured products contributing strongly; 9MFY25 NIM at 9.0%**

Gross loan book at ₹ 30,466 crore up 10% YoY;
Secured book at 39% as of Dec'24 vs 35% as of Sep'24;
GNPA / NNPA for the quarter stands at 2.7% / 0.6%; PCR stands at 80%
Deposits at ₹ 34,494 crore up 16% YoY; CASA up 15% YoY; CASA ratio at 25%

Bengaluru, Thursday 23 January, 2025: Ujjivan Small Finance Bank Ltd. [BSE: 542904; NSE: UJJIVANSFB], today announced its financial performance for the quarter ended December, 2024

Summary of Ujjivan Small Finance Bank Business Performance – Q3FY25

❖ **Assets**

- Gross loan book at ₹ 30,466* crore up 9.8% YoY / 0.4% QoQ
- Secured book at 39.3% as of Dec'24 vs 28.3% as of Dec'23 / 34.9% as of Sep'24
- Secured book up 13.3% QoQ and 52.0% YoY

❖ **Collection and Asset Quality**

- Overall Collection Efficiency at ~96% in Dec'24;
- Bucket X collection efficiency improving for Group and Individual Loan book; at 99.3% as of Dec'24
- Portfolio at Risk*/GNPA*/NNPA* at 5.4%/2.7%/0.6% respectively as of Dec'24; for Sep'24 at 5.1%/2.5%/0.6% respectively; Q3FY25 write-off at ₹ 30 crore;
- Accelerated Provision taken in Q3 of ₹ 30 crore; Provision coverage ratio as of Dec'24 is 80%#

❖ **Deposits**

- Deposits at ₹ 34,494 crore as of Dec'24 up 16.3% YoY / 1.2% QoQ
- CASA at ₹ 8,662 crore up 15% YoY; CASA ratio at 25.1% as of Dec'24
- Retail TD^ continues to grow and as of Dec'24 is ₹ 16,612 crore, up 29.5% YoY / 4.4% QoQ

❖ **Financials**

- Q3FY25 NII of ₹ 887 crore up 3.1% YoY; NIM at 8.6% for Q3FY25
- Opex to Avg assets improved to 6.2% in Q3FY25 vs 6.4% in Q2FY25
- Q3FY25 PPOp at ₹ 359 crore; Q3FY25 Adjusted[§] PAT at ₹ 132 Crore
- Q3FY25 Adjusted[§] RoA / RoE at 1.2% / 8.8%

❖ **Capital and Liquidity**

- Capital adequacy ratio at 23.9%
- Provisional Daily Average LCR for Dec'24 was 130.4%

* Without adjusting IBPC & Securitization of ₹ 199 crore / ₹ 579 crore / ₹ 1,596 crore as on Dec 2024 / Sep 2024 / Dec 2023

^ Retail TDs are TDs less than ₹ 3 crore

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 ₹170 crore is earmarked for PCR calculation.

§ Adjusted for accelerated provision of ₹ 30 crore

Mr. Sanjeev Nautiyal, MD & CEO, Ujjivan Small Finance Bank said, “Q3FY25 has been a healthy quarter wherein the diversification of loan book is showing consistent improvement. Our strategy towards more secured book has seen accelerated results contributing 39% to the total asset loan growing 13% QoQ and 52% YoY. These efforts enabled the loan book to grow to ₹ 30,466 crore up 0.4% QoQ and 10% YoY.

Being a responsible lender, Bank undertook a proactive decision to effect reduction in interest rates in Group loans (GL) and Individual loans (IL) offering competitive rates to our customers w.e.f. January 01, 2025. This will act as an enabler to acquire quality customers. Parallely, we are keeping a close watch on the evolving Microfinance space and navigating it appropriately. Few pockets of stress visible earlier are now demonstrating healthy trends. X-Bucket collection efficiency in GL & IL has improved to 99.3% in Dec’24 vs 99.0% in Aug’24. Owing to the visible green shoots, we have seen higher disbursements during the first 3 weeks of Q4FY25. We are geared to pursue healthy business as the situation in different states approach towards normalcy. Secured businesses are making perpetual and determined strides, this year registering a ~40% YTD growth and poised to register a stronger growth for full year FY25.

To manage asset quality better, Bank also engaged in a sale of stressed loan assets to the tune of ₹ 270 crore. Bank has also taken an accelerated provision of ₹ 30 crore to be better cushioned from any future exigencies. Post which GNPA/NNPA as on Dec’24 stands at 2.7%/0.6% with a comfortable PCR of 80%.

Deposit book at ₹ 34,494 crore as of Dec’24 is up 1.2% QoQ and 16.3% YoY. CASA ratio at 25.1% as of Dec’24 continued to be healthy. Bank is in the process of enabling some structural changes in its liability strategy enhancing focus to serve more targeted segments of affluent customers largely classified under Non-Residents, Corporate Salary and Traders. New products in our product suite affiliated post receipt of AD-1 licence will also enhance offerings and improve customer base in-line with our above stated strategy.

Finally, I am happy to share that we will be shortly moving the application to RBI for transition to a Universal Bank having received approval of the Board in the meeting held today.”

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 ~93 lakh customers through 753 branches and 24,293 employees spread across 326 districts and 26 states and union territories in India. Gross loan book stands at ₹ 30,466 crore with a deposit base of ₹ 34,494 crore as of Dec 31, 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 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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