



*Press Release*

## **Ujjivan Financial Services consolidated Q1 FY 2017-18 Total Income increase of 8.90% to ₹358.64 crore**

**Collection efficiency back to normal at 99.76% for new business from January to June'17  
1.76 lakh new borrowers added during the quarter**

**Bengaluru, August 3, 2017: Ujjivan Financial Services Ltd.** [BSE: 539874; NSE: UJJIVAN], the promoter of its 100% subsidiary "UJJIVAN SMALL FINANCE BANK", today announced its consolidated financial performance for the quarter ended June 30, 2017.

### **Summary of Business Performance – Q1 FY 2017-18:**

- 👉 All the financials indicated are consolidated numbers
- 👉 Gross Loan Book at ₹6,459.27 crore; growth of 10.40% over Q1-FY17 and an increase of 1.25% over Q4-FY17
- 👉 Managed portfolio as on June 30, 2017 at ₹348.57 crore
- 👉 Net Loan Book at ₹6,110.70 crore; growth of 9.95 % over Q1-FY17 and an increase of 4.08 % over Q4-FY17
- 👉 Disbursement at ₹1,701.92 crore; decrease of 9.41% over Q1-FY17 and an increase of 20.97% over Q4-FY17
- 👉 **1.76 lakh new borrowers added during the quarter; Total Borrowers stands at 36.25 lakh**
- 👉 **Collection efficiency back to normal for new business at 99.76% from January to June'17**
- 👉 Secured portfolio increased to ₹150 crore from ₹117 crore in March 2017
- 👉 GNPA at 6.16% and NNPA at 2.30%, as sticky Nov-Jan over dues rolling over to higher buckets
- 👉 **Provisions for Q1 FY 2017-18 at ₹150 crore including ₹43 crore of additional provision to cover hard core NPAs of Nov-Jan period**
- 👉 Provision Coverage Ratio at 64%

**Mr. Samit Ghosh, MD & CEO, Ujjivan Small Finance Bank** said, "We have taken significant provision in this quarter based on the collection trends in the quarter. We have ensured 100% provision of the hard core NPAs of the November, December & January loan portfolio amounting to ₹ 150 crore. We have fully dedicated teams engaged on recovery at branches in affected states to optimize overdue collections. In addition we have set up specialized collection teams focussed on over dues over 90 days. This is yielding good results as shown with overall reduction in PAR in the quarter. We will continue monitoring the trend in the next quarters and ensure adequate provisioning for the balance NPAs.

Further the collection efficiency for the new business from January is back to normal which stands at 99.76%. On the business front, we have seen normalcy returning in terms of disbursements across states with disbursement crossing a monthly average of pre-demonetization level. Growth will kick-in from this quarter onwards for overall business.

On the SFB Branch roll out plans, we are on track with 52 branches already rolled out till now and there is a good interest from both existing MFI customers and open markets customers in terms of deposit generation"

Commenting on the performance of the company **Ms. Sudha Suresh, MD & CEO Ujjivan Financial Services** said, "Our Cost to income in absolute amount is in line with the expectation, however the ratio in percentage terms is higher due to the low base impact of flat loan book and reversal of interest income due to NPA. We expect cost to income ratio to consistently come down during the year.

As we await the schedule bank status, we are confident to raise deposits enabling our funding cost to come down by around 150 bps.

Our CAR is positioned comfortably at 19.83%. We expect this ratio to improve further with the run-down of the grandfathered bank loans. We expect a repayment of around 65-70% of these loans during this financial year”

### Summary of Financial Performance – Q1 FY 17-18

- All the financials in this presentation are consolidated numbers
- Total Income at ₹358.64 crore, an increase of 8.90% over Q1-FY17 and an increase of 5.48% over Q4-FY17
- NII at ₹138.22 crore, a decrease of 19.66% over Q1-FY17 and an increase of 7.72% over Q4-FY17
- NIM at 9.23 % in Q1-FY18 decreased from 12.96% in Q1-FY17 and an increase from 7.14% in Q4-FY17
- Cost to Income ratio at 78%, increased from 45.6% in Q1-FY17 and 76.69% from Q4-FY17
- Net Loss at ₹74.94 crore
- Deposit base of ₹403.7 Crore against ₹206.4 crore in March 2017
- Average Cost of Deposits is 5.6%

### About Ujjivan Financial Services Limited:

Ujjivan Financial Services, is the promoter and non-operative holding company of its 100% subsidiary “Ujjivan Small Finance Bank”, which has started the banking operations from February 2017. Ujjivan SFB serves over 36.25 lakh active customers through 457 branches and 10,653 employees spread across 209 districts and 24 states in India. Ujjivan’s Gross Loan Book stand at ₹6,459.27 crore. Ujjivan SFB currently has over 52 liability taking branches with deposit base of ₹403.7 crore

Ujjivan also runs a robust financial literacy program in collaboration with Parinaam Foundation which is a non-profit organization apart from its community development & disaster relief programs for customers.

Web: [www.ujjivan.com](http://www.ujjivan.com); [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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