



Press Release

Ujjivan Financial Services registers a Net Profit of ₹29 crore in Q3-FY18 and reduction in NNPA to 1.04%

**Disbursement back to normal levels with 28% growth y-o-y, NII growth of 19% q-o-q
Collection Efficiency of 99.7% on loans disbursed since Jan' 17**

Bengaluru, February 5, 2018: Ujjivan Financial Services Ltd. [BSE: 539874; NSE: UJJIVAN], the holding company and promoter of its 100% subsidiary "UJJIVAN SMALL FINANCE BANK", today announced its consolidated financial performance for the quarter ended December 31, 2017.

Summary of Business Performance – Q3 FY 2017-18:

The financials and ratios as below are based on consolidated numbers:

- ❖ Gross Loan Book at ₹7,095.28 crore; growth of 6.39% over Q2-FY18 and an increase of 7.71% over Q3-FY17
- ❖ Off-balance sheet portfolio as of December 31, 2017 at ₹168.62 crore
- ❖ Net Loan Book at ₹6,926.66 crore; growth of 8.83% over Q2-FY18 and an increase of 14.57% over Q3-FY17
- ❖ Robust disbursements at ₹2,134.32 crore; an increase of 9.21% over Q2-FY18 and an increase of 28.35% over Q3-FY17
- ❖ New business from January 2017 is at 99.7% collection efficiency and constitutes 78% of the portfolio
- ❖ Secured portfolio (4% of book) increased by 37.92% to ₹279.54 crore from ₹202.68 crore in Q2-FY18
- ❖ GNPA at 4.24% and NNPA at 1.04% in Q3-FY18 as against 4.99% and 1.38% respectively in Q2-FY18
- ❖ Provision Coverage Ratio at 76.3%
- ❖ Overall PAR reduced to ₹384 crore in December'17 from ₹445 crore in September'17
- ❖ Deposit base at ₹2,437 crore in Q3-FY18 as against ₹1,349 crore in Q2-FY18
- ❖ 1.88 lakh new borrowers added during the quarter

Mr. Samit Ghosh, MD & CEO, Ujjivan Small Finance Bank said, "This quarter has been significant in terms of return to profitability with good growth in disbursements and reduction of credit and funding costs. Our business is back to normal levels with increase in portfolio this quarter, while our disbursements steadily increased with a 28% growth year on year. We recorded robust growth in disbursements in MSE and Affordable Housing segments this quarter in-line with our plan. The collection efficiency continues impressively at 99.7% for all new business from January 2017 till December. We are also on track in our transformation of 121 branches into full-fledged bank branches spread across 20 states. Further, by opening 39 Unbanked Rural Centres till January 2018, we are also spreading our reach to the un-served and underserved people in rural areas."

Commenting on the performance of the company **Ms. Sudha Suresh, MD & CEO, Ujjivan Financial Services** said, "We have posted higher NIM for the banking operations at 11.08% in Q3-FY18 as compared to 10.20% in Q2-FY18. This is due to reduction in finance cost by repayments of high cost legacy loans and mobilisation of deposits at lower costs. Our average cost of funds has reduced to 9.3% as of Q3-FY18 from 10.4% in FY17. We have also prepaid more than half of our high cost legacy loans in this financial year. Post scheduled bank status in August, we have raised significant amount of institutional deposits including certificate of deposits as per our strategy for the first year of our banking operations. Further, credit costs are trending down quarter on quarter as demonetisation impact has been largely provided for in the first two quarters of this financial year. Our branch conversion has also been successfully implemented as per our strategic plans."

Summary of Financial Performance – Q3 FY 2017-18:

The financials and ratios as below are based on consolidated numbers:

- ❖ Net Profit at ₹29.32 crore in Q3-FY18 against loss of ₹11.95 crore in Q2-FY18 due to lower credit cost of ₹60 crore and reduction in finance cost during the quarter
- ❖ Total Income at ₹384.13 crore, an increase of 1.61% over Q2-FY18 and an increase of 3.45% over Q3-FY17
- ❖ Net Interest Income at ₹195.84 crore, an increase of 19.00% over Q2-FY18 and a decrease of 1.60% over Q3-FY17
- ❖ Net Interest Margin at 11.79% in Q3-FY18, an increase from 10.55% in Q2-FY18 and a decrease from 13.22% in Q3-FY17
- ❖ Cost to Income ratio at 69.05%, an increase from 68.82% in Q2-FY18 and an increase from 49.33% in Q3-FY17
- ❖ ROA at 1.35% and ROE at 6.99% for Q3-FY18 against (0.56%) and (2.86%) respectively for Q2-FY18

About Ujjivan Financial Services Limited:

Ujjivan Financial Services Ltd. is the holding company and promoter of its 100% subsidiary “Ujjivan Small Finance Bank”, which has started banking operations from February 2017. It is registered as an NBFC-Non-Deposit-taking Systemically Important - Core Investment Company – (NBFC-ND-SI-CIC) with RBI.

Ujjivan Small Finance Bank serves over 37.13 lakh active customers through 441 branches and 10,881 employees spread across 209 districts and 24 states in India. Its Gross Loan Book stands at ₹7,095.28 crore. It has over 121 full-service banking branches with a deposit base of ₹2,437 crore as of December 31, 2017.

Ujjivan Financial Services Ltd. also runs a robust financial literacy program in collaboration with Parinaam Foundation which is non-profit organization as a part of its CSR activities along with community development programs.

Web: www.ujjivan.com; 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:

| Ujjivan Financial Services | |
|--|---|
| For Media Queries: Ms. Asha Gopal +91 80 40712121 asha.gopal@ujjivan.com | For Investor Queries: Mr. Sushant Vanmali +91 9309778243 sushant.vanmali@ujjivan.com |