

UJJIVAN/SE/2018-19/42

January 23, 2019

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051
Kind Attention: Manager, Listing Department

BSE Limited
P.J. Tower,
Dalal Street
Mumbai 400 001
Kind Attention: Manager, Listing Compliance

Trading Symbol: UJJIVAN

SCRIP CODE: 539874

Dear Sir/Madam,

Subject: Outcome of the Board Meeting held on January 23, 2019 – Financial Results for the quarter ended December 31, 2018

Please refer to our letter dated January 10, 2019 wherein we have intimated about the convening of the meeting of the Board of Directors on January 23, 2019 to approve inter alia the un-audited financial results of the Company for the quarter ended December 31, 2018.

In connection therewith, subsequent to the review of the Audit Committee, the Board in its meeting held today January 23, 2019 (meeting commenced at 01:30 PM and concluded at 03:30 PM) has approved and taken on record unaudited financial results of the Company for the quarter ended December 31, 2018 together with a copy of the limited review report issued by the statutory auditors of the Company.

Please be informed that the Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

A copy of the aforesaid un-audited financial results for the quarter ended December 31, 2018 and limited review report issued by the Statutory Auditors are enclosed herewith. Also, for the benefit of all stakeholders, please find appended the press release and the Investor presentation highlighting the IGAAP consolidated financial and business performance for the quarter ended December 31, 2018.

The above disclosures are being made in compliance with Regulation 30 and 33 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We request you to please take the above on record.

Thanking You,

Yours faithfully,

For **Ujjivan Financial Services Limited**


Sanjeev Barnwal
Company Secretary and Compliance Officer



Encl: as mentioned above

Price Waterhouse Chartered Accountants LLP

The Board of Directors
Ujjivan Financial Services Limited
Grape Garden, No. 27, 3rd A Cross,
18th Main, 6th Block, Koramangala,
Bengaluru - 560095

1. We have reviewed the unaudited financial results of Ujjivan Financial Services Limited (the "Company") for the quarter ended December 31, 2018 which are included in the accompanying 'Statement of Standalone Financial Results for the Quarter and Period ended December 31, 2018' together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") and SEBI Circular dated July 5, 2016, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 01, 2017 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 1 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2018, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS. Our conclusion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016



A.J. Shaikh
Partner
Membership Number: 203637

Place: Bengaluru
Date: January 23, 2019

Price Waterhouse Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor
Bangalore - 560 008
T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

UJJIVAN FINANCIAL SERVICES LIMITED

CIN No: L65999KA2004PLC035329

Regd Office : Grape Garden, No. 27, 3rd A Cross, 18th Main, Koramangala 6th Block, Bengaluru 560 095

Website: www.ujjivan.com

Statement of Standalone Financial Results for the Quarter and Period ended December 31, 2018

(Rs. In Lakhs)

Particulars	For the quarter ended			Nine months ended	
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I Revenue from operations	-	-	-	-	-
II Other Income	1,330.04	194.12	181.25	1,722.47	575.51
III Total Income (I+II)	1,330.04	194.12	181.25	1,722.47	575.51
Expenses					
Employee benefits expense	60.40	16.85	13.43	127.38	65.32
Finance costs	-	0.47	0.02	0.47	1.21
Depreciation and amortization expense	0.51	0.50	0.24	1.48	0.60
Other expenses	99.99	83.78	39.98	395.24	158.13
IV Total expenses	160.90	101.60	53.67	524.57	225.26
V Profit/(loss) before exceptional items and tax (III- IV)	1,169.14	92.52	127.58	1,197.90	350.25
VI Exceptional Items	-	-	-	-	-
VII Profit/(loss) before tax (V-VI)	1,169.14	92.52	127.58	1,197.90	350.25
Tax expense:					
(i) Current tax	82.01	65.22	166.26	160.43	229.26
(ii) Deferred tax charge/(credit)	0.21	(8.49)	0.23	0.76	1.05
VIII Total tax expense	82.22	56.73	166.49	161.19	230.31
IX Profit/(loss) for the period (VII-VIII)	1,086.92	35.79	(38.91)	1,036.71	119.94
X Other Comprehensive Income					
(i) Items that will not be reclassified to profit or loss	(0.49)	(0.98)	(0.32)	(1.47)	(0.94)
(ii) Income tax relating thereto	0.18	0.34	0.10	0.52	0.32
Total other comprehensive income for the year, net of tax	(0.31)	(0.64)	(0.22)	(0.95)	(0.62)
XI Total Comprehensive Income for the period (IX+X)	1,086.61	35.15	(39.13)	1,035.76	119.32
XII Paid-up equity share capital (face value of Rs. 10 per share)	12,112.19	12,101.98	12,060.83	12,112.19	12,060.83
XIII Earnings per equity share (not annualised):					
(1) Basic	0.90	0.03	(0.03)	0.86	0.10
(2) Diluted	0.89	0.03	(0.03)	0.85	0.10



Notes:

- The Company, being NBFC-ND-SI-CIC, has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, from 1 April 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP'). The figures have been presented in accordance with format prescribed for financial statements for a Non Banking Finance Company (NBFC) whose financial statements are drawn up in compliance with (Indian Accounting Standards) Rules 2015, in Division III of Notification dated 11th October, 2018 issued by Ministry of Corporate Affairs, Government of India.
In the event that there is a change in financial reporting requirements arising from any new standards, modifications to the existing standards, or new guidelines issued by the Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101, the aforesaid financial results for the current and previous periods may require adjustments, during finalisation of the financial statements under Ind AS for the year ending 31 March 2019.
- The Company reports quarterly standalone financial results, pursuant to the option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, as permitted under circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016 issued by Securities and Exchange Board of India ("SEBI"), the Company has opted to avail exemption for submission of Ind AS compliant financial results and statement of assets and liabilities for the previous year ended March 31, 2018.
- The aforesaid standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 23, 2019 in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory auditors of the Company have conducted a limited review of the standalone financial results for the quarter ended December 31, 2018.
- As required by paragraph 32 of Ind AS 101, net profit reconciliation (attributable to owners of the Company) is as under:

Reconciliation between Indian GAAP and Ind AS		
Particulars	For the quarter ended	Nine months ended
	December 31, 2017 Unaudited	December 31, 2017 Unaudited
Net profit or loss as per Previous GAAP (Indian GAAP)	(54.58)	71.01
<u>Add/ (Less) : Adjustments as per Ind AS</u>		
Impact on account of Fair valuation of stock options	15.45	48.31
Recognition of actuarial (gain) / loss in Other Comprehensive Income	0.32	0.94
Tax Adjustments on the above	(0.10)	(0.32)
Net profit/loss as per Ind AS	(38.91)	119.94
<u>Add/(Less) : Other Comprehensive Income</u>		
Recognition of actuarial gain / (loss) in Other Comprehensive Income	(0.32)	(0.94)
Tax Adjustments on the above	0.10	0.32
Total comprehensive income for the period	(39.13)	119.32

- The Company is registered as a NBFC-ND-SI-CIC (Core Investment Company) with the RBI under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the Company's business activity falls within a single business segment. As such there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment.
- Previous period figures have been reclassified/regrouped, wherever necessary, to confirm with the current period classification/grouping.

Place: Bengaluru
Date: January 23, 2019

For and on behalf of the Board of Directors

Ittira Davis
Managing Director & CEO
DIN:06442816





Press Release

Gross Loan Book grows 32% y-o-y; **NNPA at 0.3%**

**Strong build-up in retail liability franchise,
ROA at 1.7% and ROE at 9.7%**

Bengaluru, January 23, 2019: 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 and nine months ended December 31, 2018.

Summary of Business Performance – Q3 FY 2018-19:

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

- ❖ Loan Book at ₹9,349 crore; growth of 31.8% over Q3-FY18
- ❖ Net Loan Book at ₹9,073 crore; growth of 31.0% over Q3-FY18
- ❖ Non-MFI portfolio now contributes 13.4% to the portfolio against 5.5% in Q3-FY18
- ❖ Disbursement for Q3-FY19 at ₹2,885 crore; an increase of 35.2% over Q3-FY18
- ❖ Secured portfolio constitutes 11.3% to the portfolio compared to 3.9% in Q3-FY18
- ❖ Added 97 full service banking outlets in Q3 FY19 taking total count as of December'18 to 464
- ❖ GNPA at 1.4% and NNPA at 0.3% in Q3-FY19 against 4.2% and 1.0% respectively in Q3-FY18. Took write-off of ₹29 crore
- ❖ Deposit base at ₹5,376 crore in Q3-FY19 covering 58% of total advances against 35% in Q3-FY18
- ❖ Retail deposits at 36.2% to total deposits against 10.4% in Q3-FY18; CASA ratio improved to 10.4% from 3.7% in Q3-FY18

Mr. Samit Ghosh, MD & CEO, Ujjivan Small Finance Bank said, "The quarter witnessed improved growth and building of the business momentum. As we mentioned post Q2-FY19, growth in our MicroBanking vertical has picked-up. We expect overall growth momentum to continue, leading to 30-35% AUM growth in FY19. We continue to improve our retail deposits business, driven by expansion of our branch network and our continuous marketing efforts. Retail deposits stands at 36% of total deposits. Given our strong MicroBanking book and expanded funding options, we are comfortably placed despite tight liquidity scenario and were able to further reduce our exposure to the CD market. Our Net Income at Rs. 45.2 Crores was stable and in line with our forecast. We are fully committed to abide by the RBI guidelines in terms of promoter holding dilution to 40% by January 2022 and listing of the Bank by January 2020. Our Board has approved the roadmap, keeping in mind the interest of our shareholder. Since the process requires certain regulatory approvals, we would be better placed to share the details once the approvals are obtained. Overall, the fundamentals of the business are strong, and we look forward to a robust growth on the banking platform we have built."

Commenting on the performance of the company, **Mr. Ittira Davis, MD & CEO, Ujjivan Financial Services** said, "Consolidated Net Interest Income increased by 30% against Q3-FY18. Stable cost of funds and interest rate hike for Group Loans which we took in Sep'18 has helped us to maintain NIM at 11.8% in line with Q2-FY19. Asset quality remains strong with GNPA at 1.4% and NNPA at 0.3%. Capital adequacy ratio at present stands at 22.2%, out of which Tier I capital is 21.6%"

Summary of Financial Performance – Q3 FY 2018-19:

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

- ❖ Net Profit of ₹45.2 crore in Q3-FY19 against ₹29.3 crore in Q3-FY18
- ❖ Total Income of ₹512.6 crore in Q3-FY19, an increase of 33.4% over Q3-FY18
- ❖ Net Interest Income of ₹255.0 crore in Q3-FY19, an increase of 30.2% over Q3-FY18
- ❖ Net Interest Margin at 11.8% in Q3-FY19, in line with Q3-FY18
- ❖ Cost to Income ratio at 77.7% in Q3-FY19, an increase from 69.0% in Q3-FY18
- ❖ ROA at 1.7% and ROE at 9.7% for Q3-FY19 against 1.3% and 7.0% respectively for Q3-FY18
- ❖ Diluted EPS for Q3-FY19 at ₹3.7, an increase from ₹2.4 in Q3-FY18

About Ujjivan Financial Services Limited:

Ujjivan Financial Services Ltd. is registered as an NBFC-Non-Deposit-taking Systemically Important - Core Investment Company – (NBFC-ND-SI-CIC) with RBI and is the holding company and promoter of its 100% subsidiary “Ujjivan Small Finance Bank Limited”, which is a small finance bank and licensed under Section 22 (1) of the Banking Regulation Act, 1949 to carry on the business of small finance bank in India.

Ujjivan Small Finance Bank serves over 43.7 lakh customers through 522 branches and 14,305 employees spread across 223 districts and 24 states in India. Its Gross Loan Book stands at ₹9,349 crore and it has 464 banking outlets with a deposit base of ₹5,376 crore as of December 31, 2018.

Ujjivan Financial Services Ltd. has a robust CSR Initiative in operation in collaboration with Parinaam Foundation and Piramal Foundation. These include a range of services in the areas of health & sanitation, drinking water facilities, education and financial literacy programs. Many community development programs under the head “Chote Kadam” have been initiated with the support of Parinaam Foundation.

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 Limited	
For Media Queries: Ms. Nivedita Ghosh +91 9901576620 nivedita.ghosh@ujjivan.com	For Investor Queries: Mr. Deepak Khetan +91 7045792752 deepak.khetan@ujjivanfin.com

Investor Presentation

Q3 FY 2018-19

January 2019

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Business Performance Overview



Liabilities Profile



Financial Performance Overview - Consolidated



Financial Performance Overview - Ujjivan SFB



Performance Highlights – UFSL and USFB

Note: All financials given in this presentation are on I-GAAP basis unless specified. These are for informational purpose only

Performance Highlights (1/2)

Key highlights:

- ❖ Strong growth in AUM: Gross loan book stands at Rs 9,349 cr.; +31.8% Y-o-Y / 12.4% Q-o-Q
 - ❖ Micro Finance[^] growth improved to 20.8% Y-o-Y from 14.6% in H1-FY19
- ❖ 30.2% Y-o-Y / 6.5% Q-o-Q increase in Consolidated NII led by AUM growth
- ❖ Consolidated NIM at 11.8% in Q3-FY19 vs. 11.7% in H1-FY19; Ujjivan SFB NIM at 10.8% in line with H1-FY19
- ❖ Consolidated PAT at ₹45.2 cr. in Q3-FY19 vs. ₹44.3 cr. in Q2-FY19 and ₹ 29.3 cr. in Q3-FY18
- ❖ ROA stands at 1.7% in Q3-FY19 vs. 1.7% in Q2-FY19 and 1.3% in Q3-FY18
- ❖ Expanded branch network in Q3-FY19 (+97); total banking outlets stands at 464 as of Dec'18
- ❖ Retail deposit at Rs 1,945 cr (+48.2% Q-o-Q); 36.2% of total deposits
- ❖ Capital Adequacy maintained at 22.2% of which Tier-I capital is 21.6%

[^] Micro-Finance includes Group/ Individual loans in Rural Portfolio as well

Performance Highlights (2/2)

Focus on expanding Customer Base:

- ❖ New customer acquisition in expanded branch catchment areas and URCs; asset customer base increased to 41.4 lakhs from 40.3 in Sep'18
- ❖ Customers per Relationship Officer optimized to improve customer retention

Expansion of Rural Network:

- ❖ Expanded the rural network to 117 Banking Outlets, of which 84 are new branches (60 URCs opened in Q3-FY19)
- ❖ Opens up a large customer segment with opportunity to sell traditional as well as new products

Service Quality:

- ❖ Put in place Service Standards (Index) for each business and support function, in order to improve quality of services rendered to our customers
- ❖ Customer Satisfaction (C-SAT) scores of Branches improved from 77% in Q2 to 82% in Q3

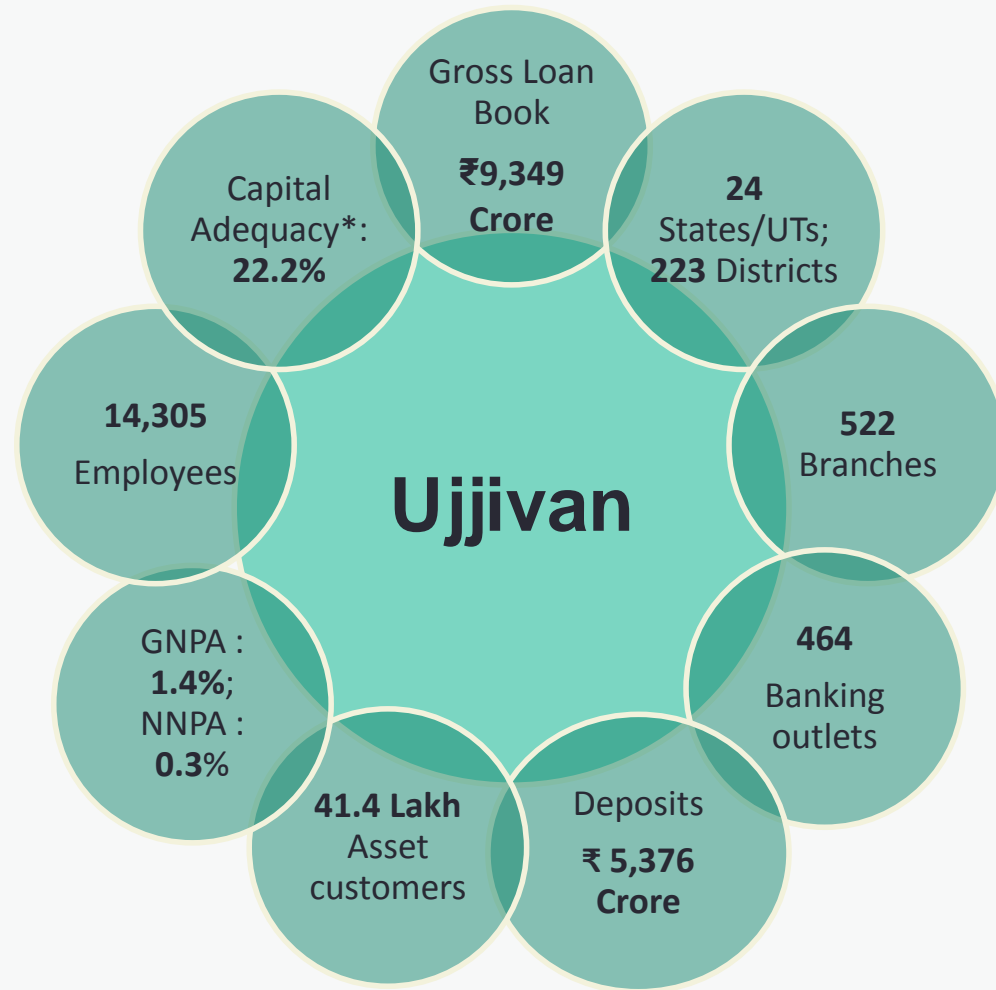
Awards:

- ❖ Ujjivan has won the 6th ASSOCHAM SMEs Excellence Award – 2018 for 'Excellent Service'
- ❖ NASSCOM Data Security Council of India- Corporate Segment Special Jury Recognition Award for Security Practices in Small Finance Bank

Key Focus Areas for Q4-FY19

- ❖ Continue to maintain the accelerated pace of disbursement and deposit building
- ❖ Continued focus on expanding the Customer Base; improve retention and new customer acquisition
- ❖ Focus on disbursement in all segments
- ❖ Retail deposit build up to be a priority
- ❖ Roll out products and services in the new rural branches and grow the customer base
- ❖ Leverage the Corporate Internet Banking and other solutions to expand the customer base
- ❖ Control on existing costs by revisiting processes & contracts
- ❖ To maintain USFB Cost-to-Income ratio at ~75% for FY19
- ❖ Branch expansion strategy- identify prospective locations for branch expansion in next FY

Snapshot: December, 2018



* Ujjivan Small Finance Bank

Q3-FY19: Business and Operational Highlights

Gross Total AUM

- ₹9,349 Crore as of Dec'18
- 31.8% y-o-y growth
- 12.4% q-o-q growth

Gross on-book AUM

- ₹9,073 Crore as of Dec'18
- 31.0% y-o-y growth
- 11.1% q-o-q growth

Loan Composition

- Non-Micro Finance[^] book constitutes 13.4% against 5.5% in Dec'17

Asset Quality

- GNPA at 1.4% from 1.9% in Sep'18, NNPA at 0.3%
- Adequate PCR at 81.4%

Secured Loan Book

- 11.3% to total loan book
- 277.0% y-o-y growth, 36.0% q-o-q growth

Disbursements

- ₹2,885 Crore for Q3-FY19
- 35.2% y-o-y growth
- 21.0% q-o-q growth

Branch Roll-out

- Converted 37 asset centers into banking outlets in Q3-FY19
- Opened 60 URCs

Deposits

- Deposits constitute 58.0% to total funding
- Reduced reliance on CD - 10.0% (14.0% in Sep'18)

Retail Deposits

- Retail deposits at 36.2% against 10.4% in Dec'17
- CASA at 10.4% improved from 3.7% in Dec'17

[^] Gross on-book AUM excludes Securitisation & IBPC; URC: Unbanked Rural Centre, Micro-Finance includes Group/ Individual loans in Rural Portfolio as well

Q3-FY19: Financial Highlights (Consolidated)

Total Income

- ₹512.6 Crore in Q3-FY19
- 33.4% y-o-y growth
- 9.7% q-o-q growth

Net Interest Income (NII)

- ₹255.0 Crore in Q3-FY19
- 30.2% y-o-y growth
- 6.5% q-o-q growth

Net Interest Margin (NIM)

- 11.8% in Q3-FY19
- Flat y-o-y / q-o-q

Cost to Income

- 77.7% in Q3-FY19 as against 69.0% in Q3-FY18 and 77.4% in Q2-FY19

Profit

- Net Profit of ₹45.2 Crore in Q3-FY19 as against ₹29.3 crore in Q3-FY18/ ₹44.3 crore in Q2-FY19

Return Ratios

- ROA at 1.7% / ROE at 9.7% for Q3-FY19 as against 1.3% / 7.0% for Q3-FY18 and 1.7% / 9.7% respectively for Q2-FY19

Note: All financials given in this presentation are on I-GAAP basis unless specified. These are for informational purpose only

Way Forward (1/3)

Micro banking

- ❖ Building up of GL & IL disbursement on the account of new customer acquisition, retention of repeat clients and focus on Individual loans
- ❖ Focus on Individual Lending across Metro, Urban & Rural locations by revamping processes and policies and addition of new products
- ❖ Developing the building blocks of Family Banking; expected launch in Q1 FY20
- ❖ Key projects to help customers build banking habits: QR code base payment & SI repayment etc.

Rural banking

- ❖ Capitalize on expanded URC network. Target Rural Affluent for deposits and word of mouth marketing, focus on deposits from Panchayat & other government, private bodies
- ❖ Multi Product Strategy – increased activities in MicroBanking and Farmer's Club
- ❖ Customized product offerings for small & marginal farmers; extend Agri Group Loan & Kissan Suvidha loan products to Haryana State

Way Forward (2/3)

MSE

- ❖ Leverage Corporate Internet Banking for deepening banking relationship in existing customers and drive on-boarding in corporate segment
- ❖ Partnership with Fintech platforms to explore alternate sourcing channels
- ❖ Introduction of new secured product variants
- ❖ Overdraft cross-sell campaigns on existing MSE and Current Account customers

Affordable Housing

- ❖ Penetration through Increase in Distribution – New product Variants in HL
- ❖ Further deepening of market penetration – relevant product changes, credit policies, branch reach
- ❖ Thrust on semi and informal segment
- ❖ Partnership with Online property aggregators

Way Forward (3/3)

Branch Banking

- ❖ Focus on Corporate Internet Banking to drive CA acquisition and balance in collaboration with Channels and MSE team
- ❖ Focus on on-boarding mid-size companies/ Institutions to drive Saving Accounts; salary account re-launched with revamped offerings
- ❖ Post e-KYC judgment by SC, New account opening process is being developed for better TAT and customer experience
- ❖ Leverage Bill Payment options, RuPay Offers, Mobile Banking Penetration & Loyalty Programs

FY19 Guidance: USFB

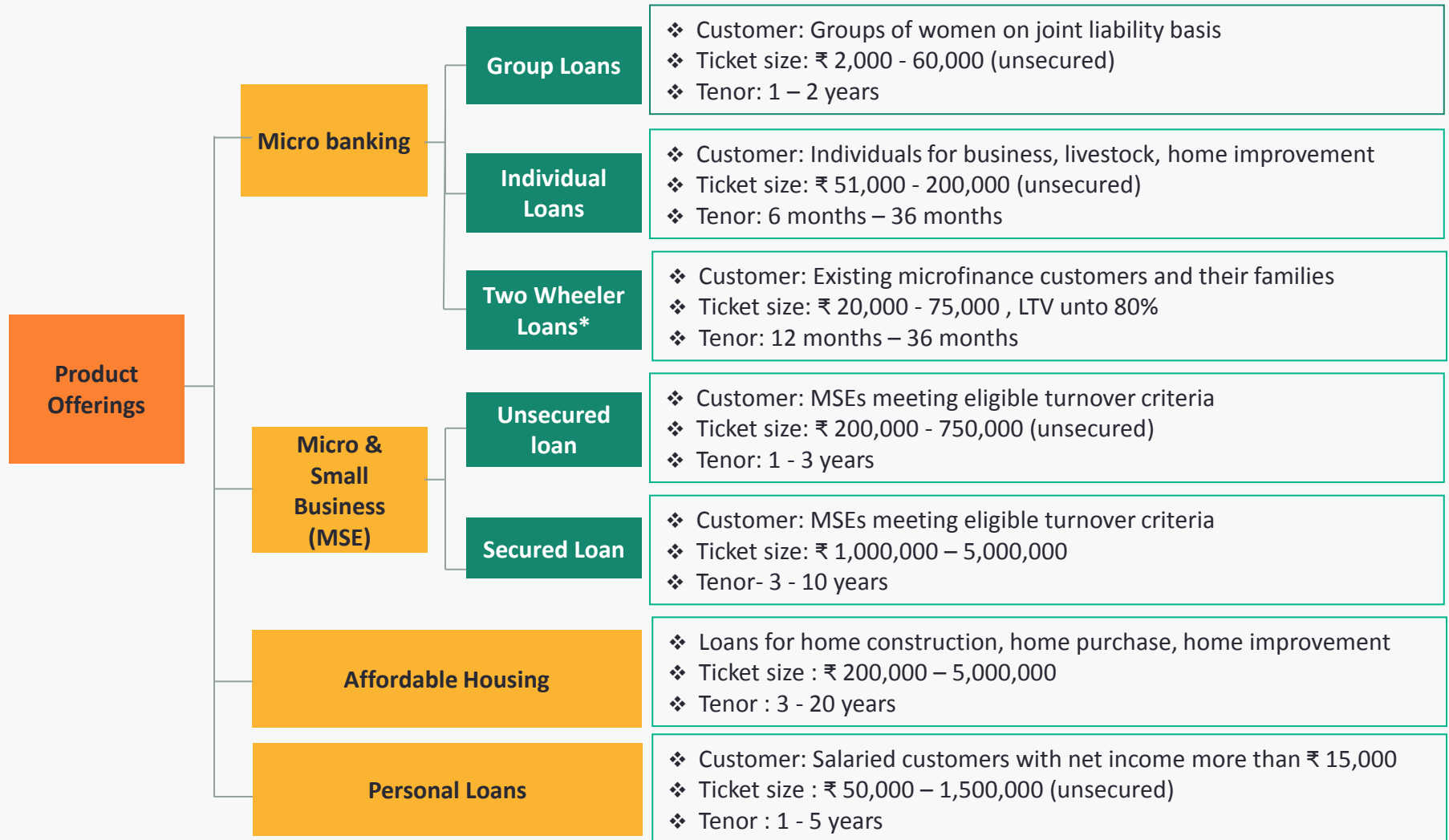
- ❖ AUM growth: 30—35%; Micro-banking to grow around 20%
- ❖ NIM (USFB): To remain ~11%
- ❖ Cost of funds: Expected to be in the range of 8.4-8.5% in FY19
- ❖ RoA: 1.7% in FY19
- ❖ RoE around 11% in FY19
- ❖ Cost to Income ratio ~75% in FY19
- ❖ Credit cost: sub 70 bps in FY19
- ❖ Update on hiring of new MD & CEO: USFB to submit application to RBI by end-Jan'19

Listing of Ujjivan SFB shares

- ❖ We are fully committed to abide by the RBI guidelines in terms of Listing and Dilution of Promoter's Equity in the SFB and have reviewed several options.
- ❖ Board Committees have evaluated all options keeping in mind the interest of UFSL shareholders and various tax, compliance and other regulatory aspects
- ❖ The listing teams will now work with their Advisors to obtain regulatory approvals
- ❖ Details will be provided after receiving regulatory approvals

Ujjivan SFB Business

Asset Offerings



* Pilot launched in 5 branches across India

Update On New Business Lines, FY19

Lending to Financial Institution

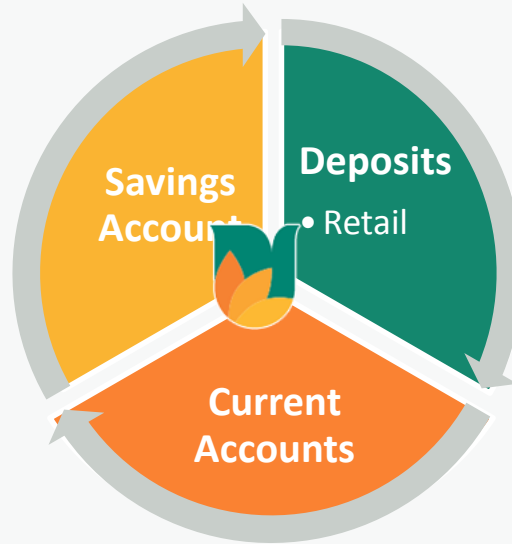
- ❖ Lending to NBFCs, MSME financiers, MFIs
- ❖ Focus on Term Loans having tenor of 1 -2 years
- ❖ Cap of 10% of Gross Loan Book
- ❖ Custom-made products suiting the requirement of borrower
- ❖ 100 Cr Loan Book as on Dec'18

Agri & Rural Business

- ❖ Focus on Small/Marginal farmer's meeting their undeserved needs
 - **Agri Group Loan** - JLG based loans for small and marginal farmers for allied activities like dairy , sericulture & tractor maintenance
Ticket Size : ₹ 30,000 to ₹ 60,000
 - **Agri Composite Loan**-
 Combination of loans aimed at customers engaged in array of farming and allied activities like dairy , post harvest transportation , poultry , fishery etc.
Ticket Size : ₹ 60,000 to ₹ 2,00,000

Liability Offerings Update

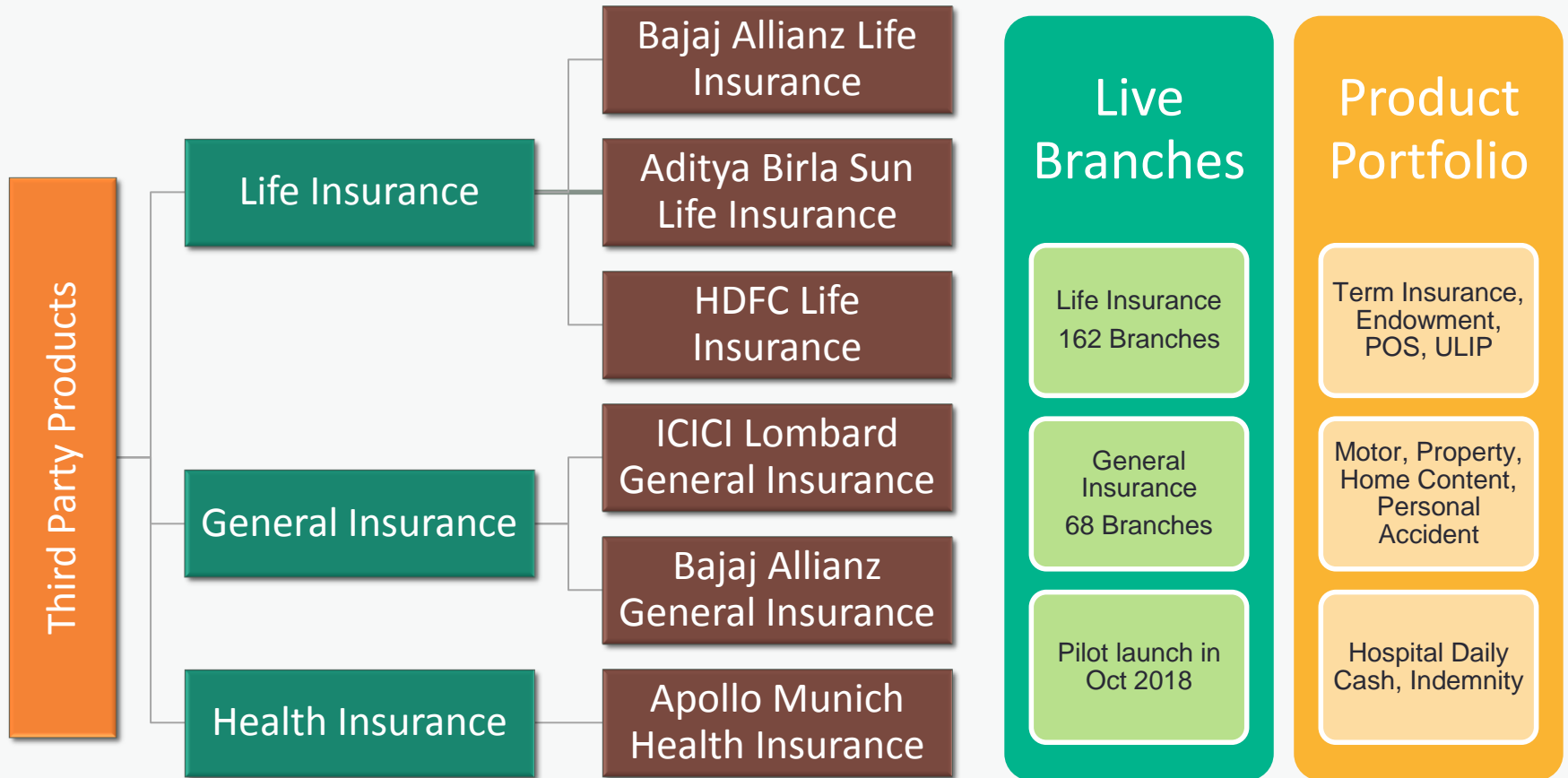
- ❖ Promotion of RuPay Debit card offers
- ❖ Effective communication to NTB and existing customers lead to increase in Mobile Banking usage from 16% to 40%
- ❖ Unlimited free transactions at Ujjivan's ATM for all SA products
- ❖ No charges on minimum balance requirement



- ❖ Interest rates for 1-2 years and 799 days revised to 8.3% and 8.6 % respectively effective from 26-11-2018 (additional interest rate of 0.5% for senior citizens)
- ❖ No penalty upon premature and partial withdrawal after 6 months
- ❖ Attractive Entry Level - ₹ 1000 for FD and ₹ 100 for RD

- ❖ USFB provides Business Edge Accounts to cater to MSE customers. Other variants of Current account catering to requirements of the mass market segments are:
 - Regular Current Account
 - Premium Current Account
- ❖ Started to offer **Platinum Debit Card** to Business Edge Accounts effective Dec'18
- ❖ Rationalization of product features for all CA variants w.r.t Competition effective from 01-11-2018, which made the product competitive for the respective target segment that lead to acquisition and balance built up
- ❖ CMS (Cash Management Services) launched for Business Edge Current account customers

Third Party Products

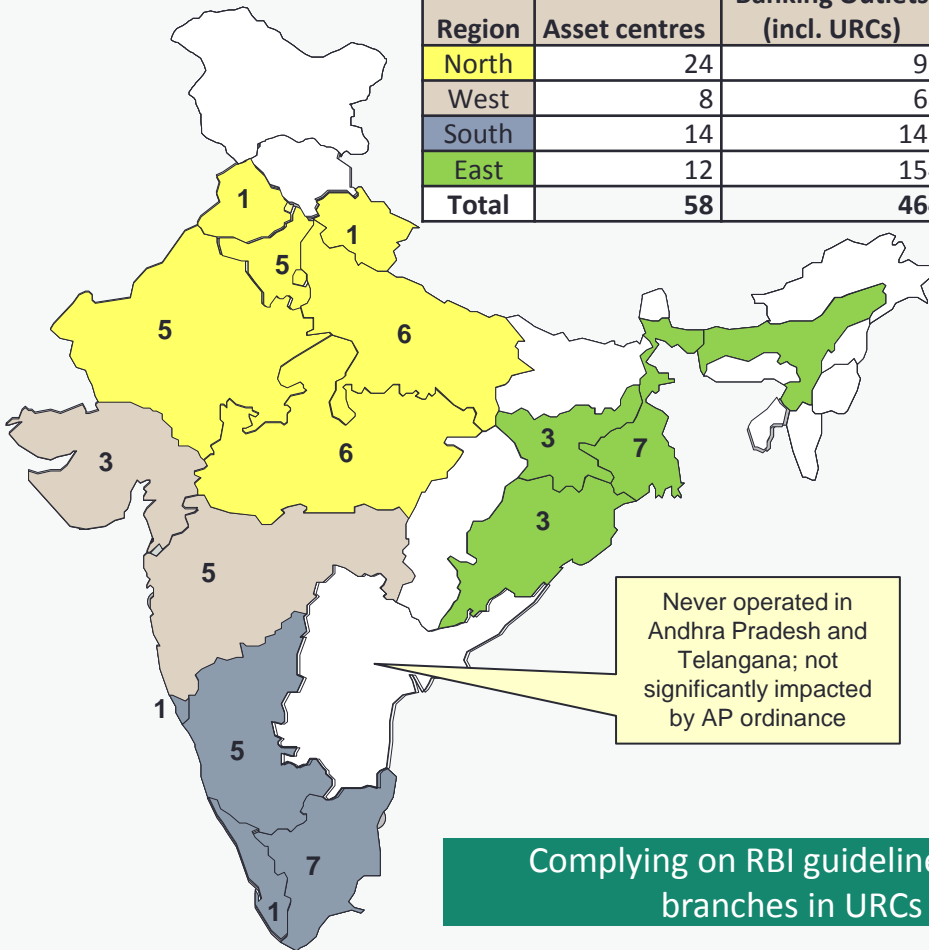
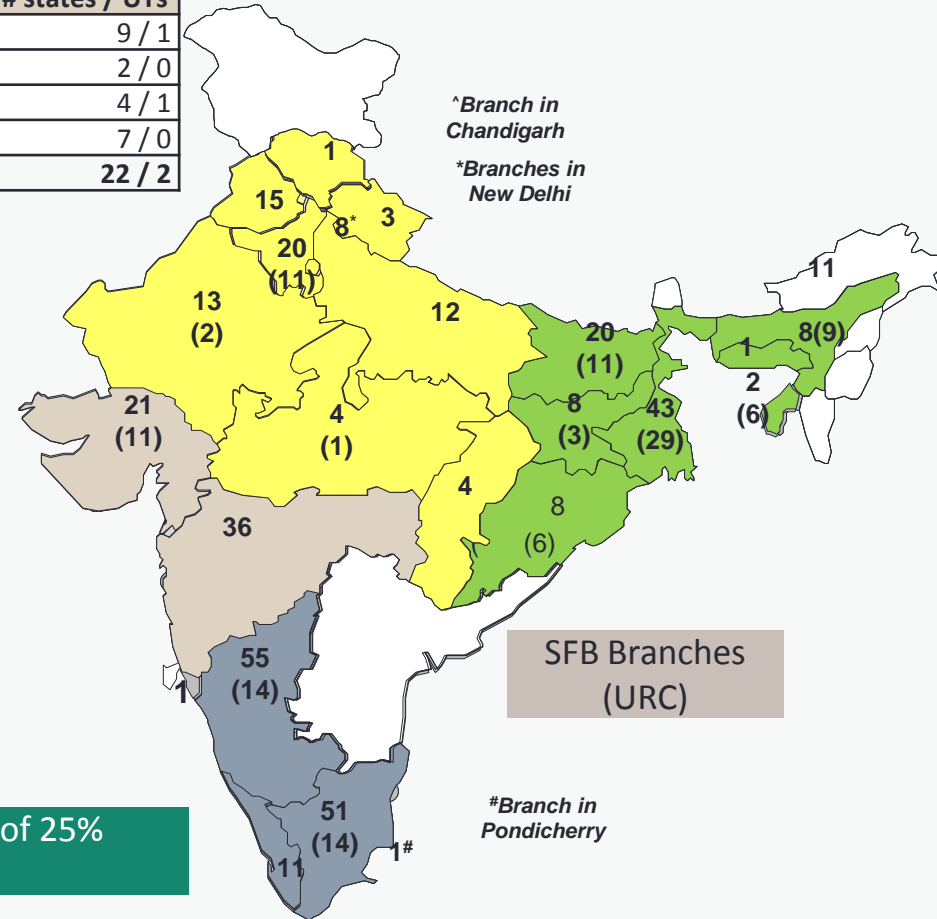


Wide Geographical Distribution

State wise Asset Centres Mix

Region	Asset centres	Banking Outlets (incl. URCs)	# states / UTs							
North	24	95	9 / 1							
West	8	68	2 / 0							
South	14	147	East	12	154	7 / 0	Total	58	464	22 / 2
East	12	154	7 / 0							
Total	58	464	22 / 2							

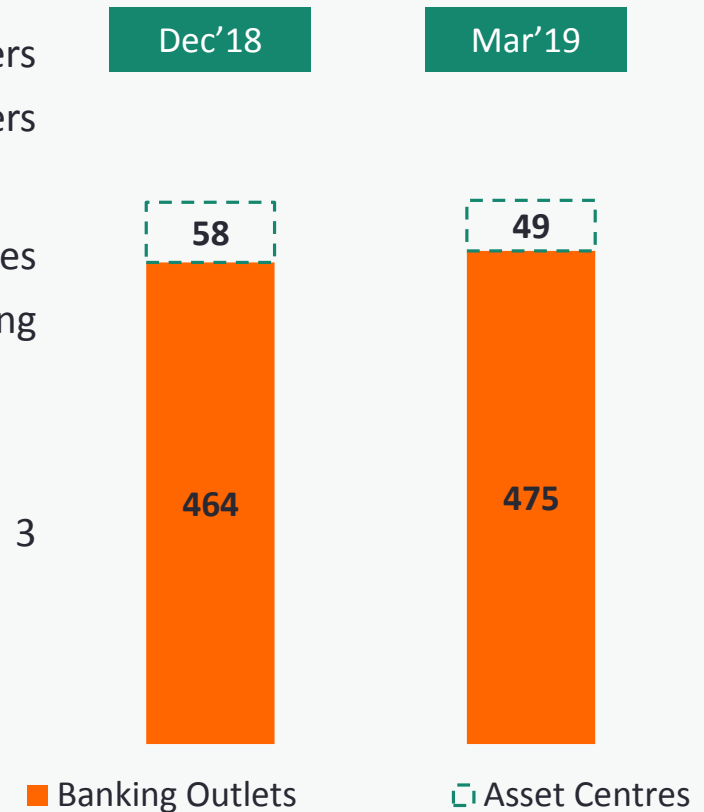
State wise Full-fledged Banking Outlets



Complying on RBI guideline of 25% branches in URCs

Banking Outlets Roll Out Plan

- ❖ As of Dec'2018, there are 522 branches with 58 asset centers and 464 banking outlets including 110 Unbanked Rural Centers (URCs) and 7 Business Correspondents (BCs)
- ❖ In Q3-FY19, we have added 97 banking outlets which includes 60 URCs. In 9M-FY19, we operationalized total 277 banking outlets
- ❖ Estimate to have total 475 banking outlets at the end of FY19
 - 11 banking outlets will be opened in Q4-FY19, of which 3 will be in URCs in Haryana, Bihar and Tamil Nadu
- ❖ Remaining asset centers will be converted in FY20



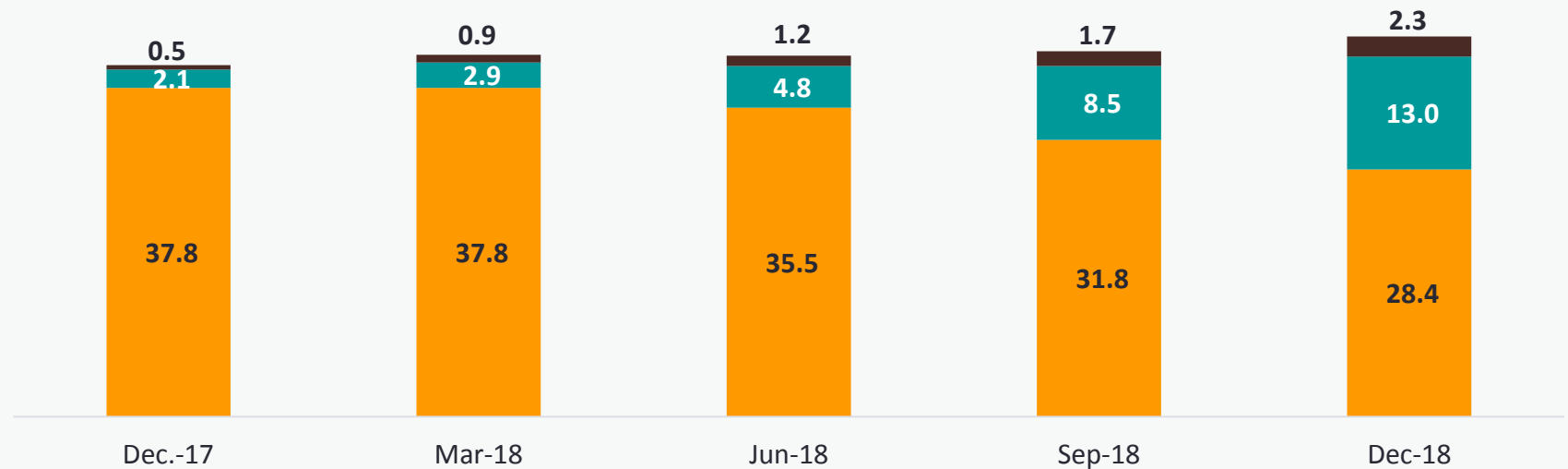
Every banking outlet to serve both asset and liability offerings

Customer Base Growth – USFB

Customer Base Growth – USFB

■ Asset Only

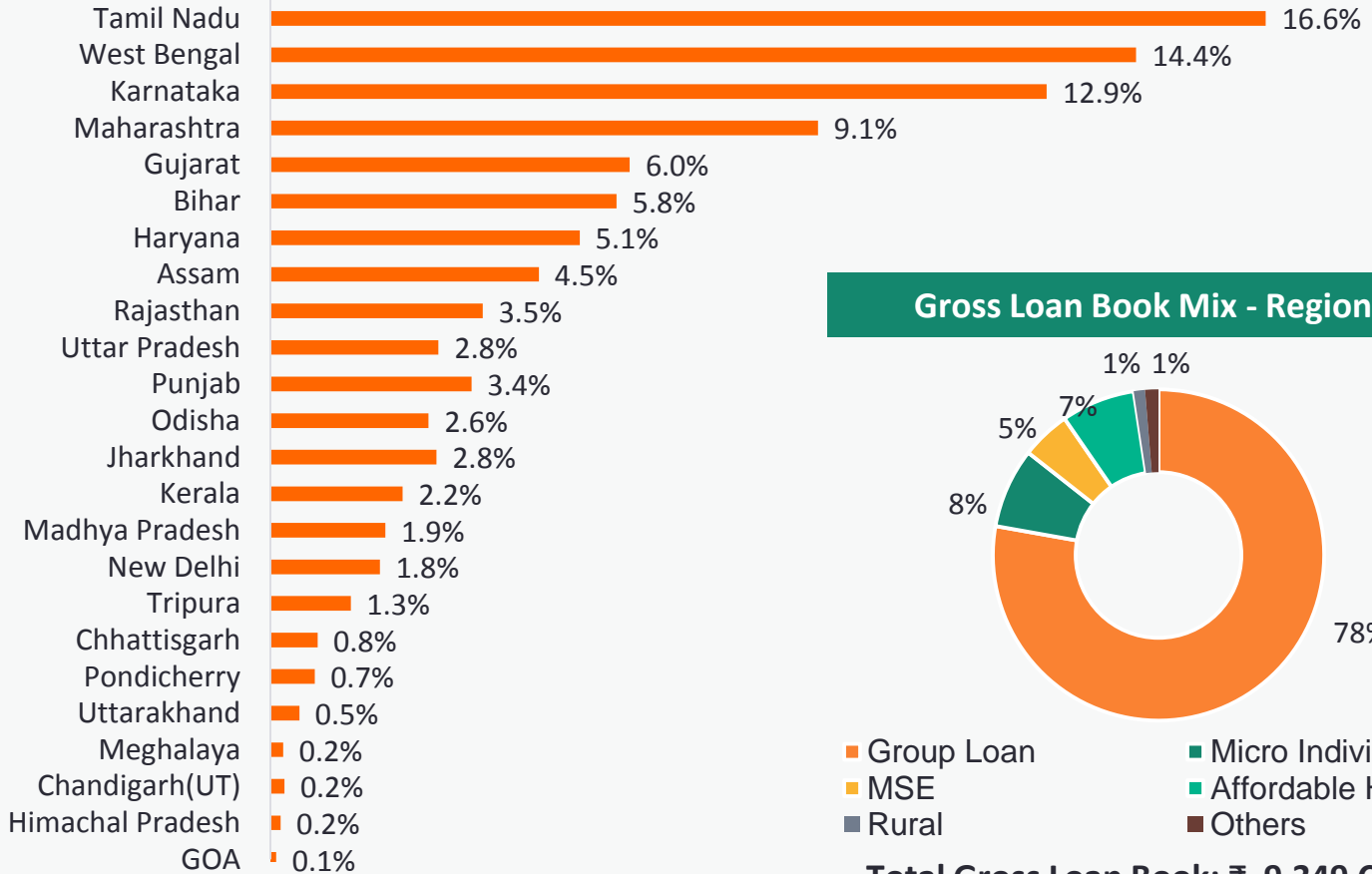
■ Asset & Liability both

■ Liability Only


Customers	Dec'17	Mar'18	Jun'18	Sep'18	Dec'18
Asset Customers	39.9	40.7	40.3	40.3	41.4
Deposit Customers	2.6	3.8	6.0	10.2	15.3
New to Bank Deposit Customers	0.5	0.9	1.2	1.7	2.3
Total Customers	40.4	41.6	41.5	42.0	43.7

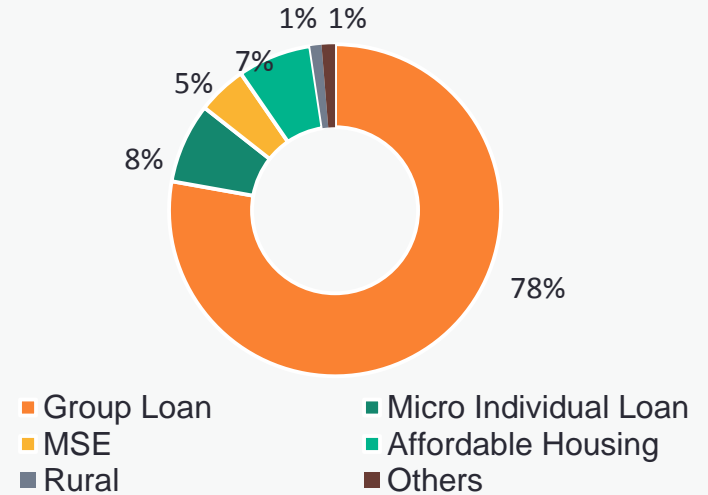
Diversified Portfolio Mix

State wise Micro Finance^ Portfolio Mix (%) – Dec'18



Highly diversified portfolio not skewed towards any particular state

Gross Loan Book Mix - Region wise



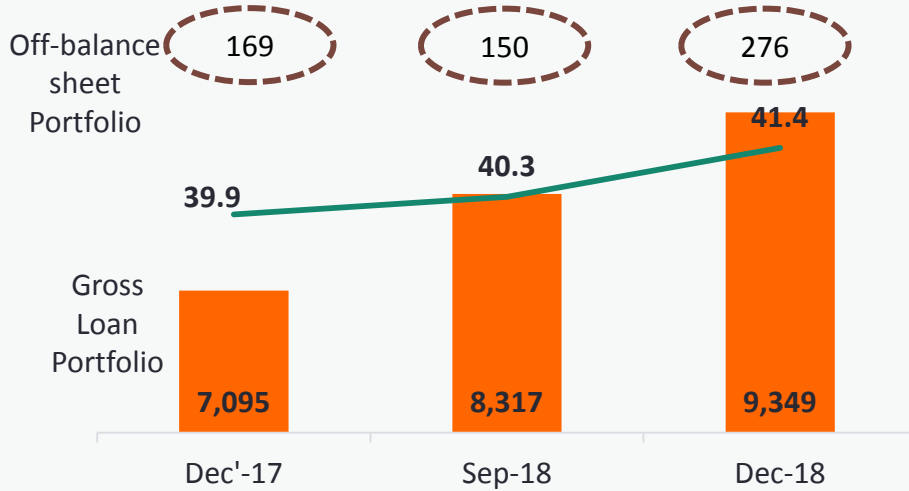
Total Gross Loan Book: ₹ 9,349 Crore

^ Includes Group Loan, Micro Individual Loan and Rural

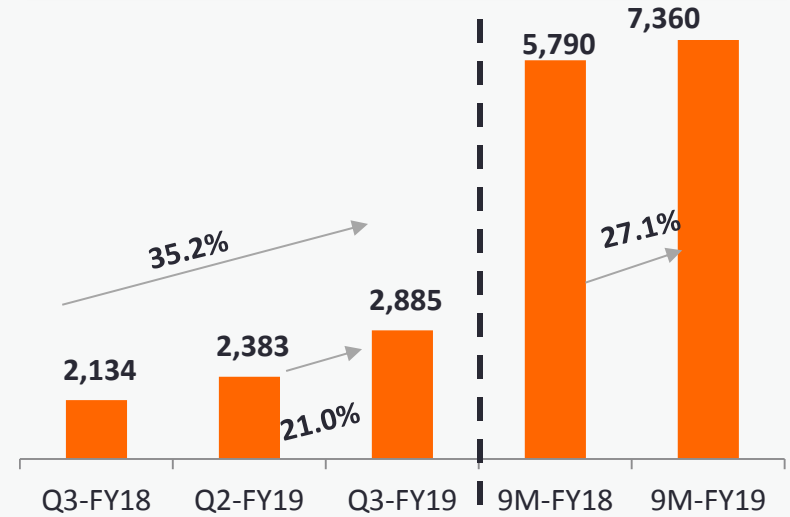
Business Performance Overview

Loan Book and Disbursement Trend

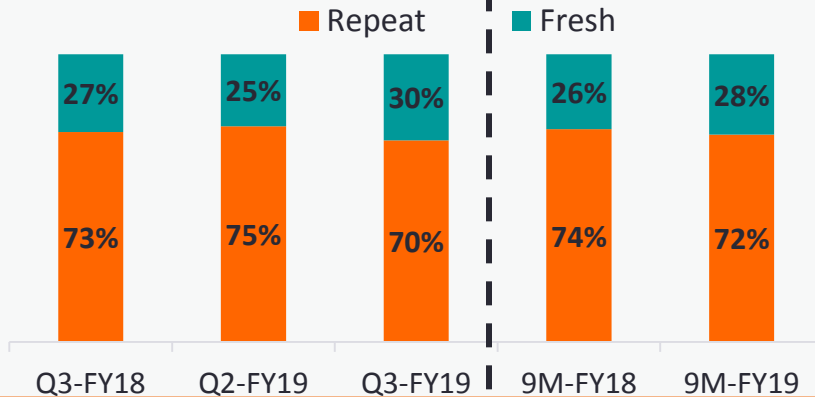
Loan Book (₹ in Crore) & Active Customer base



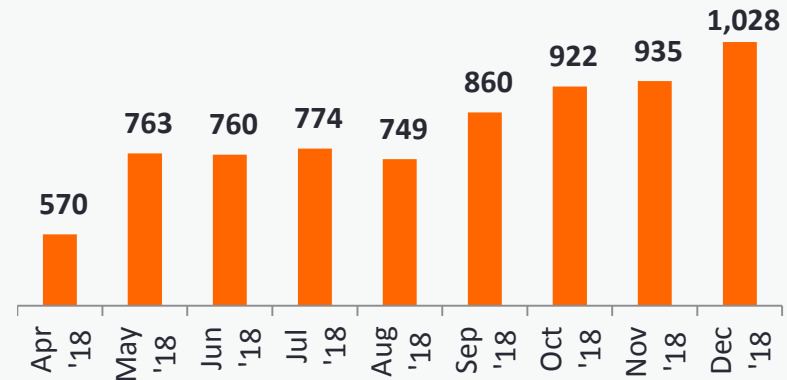
Total Disbursements (₹ in Crore)



Type of Loan (on Disbursement)



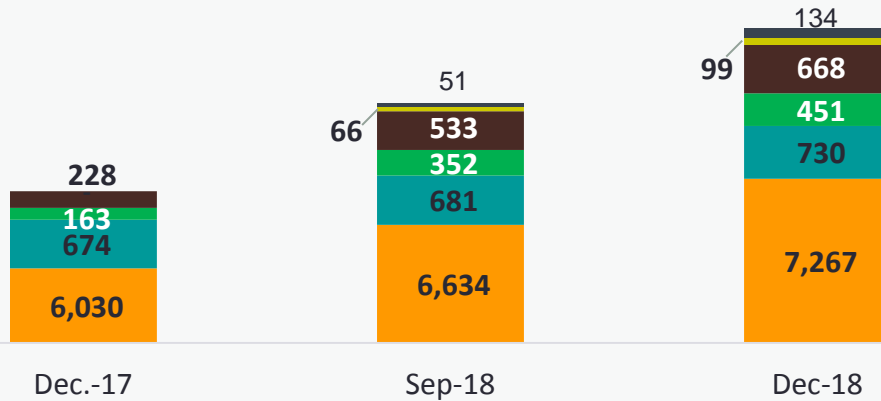
Monthly Disbursement Trend (₹ in Crore)



Composition of Gross Loan Book

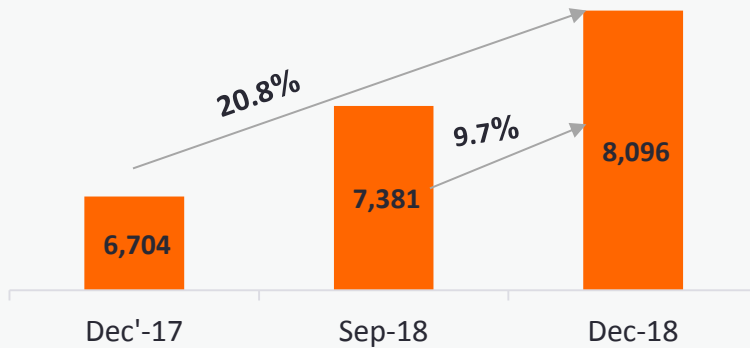
Loan Book – Segment wise (₹ in Crore)

- Group Loans
- Micro Individual Loan
- MSE
- Affordable Housing
- Rural
- Others

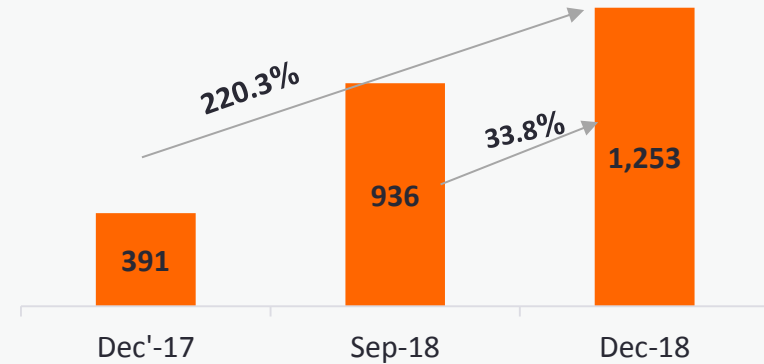


Product Bifurcation	% Share as of Dec'18
Group Loan	77.8
Micro Individual Loan	7.8
MSE	4.8
Affordable Housing	7.1
Rural	1.1
Others	1.4

Micro Finance^ Portfolio Trend (₹ in Crore)



Non – Micro Finance Portfolio Trend (₹ in Crore)

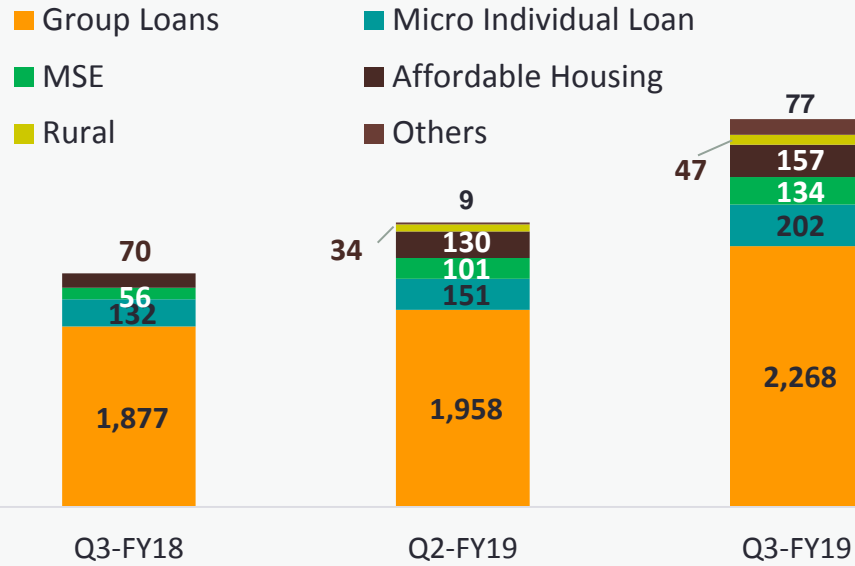


In Loan Book taken 5000Cr as base

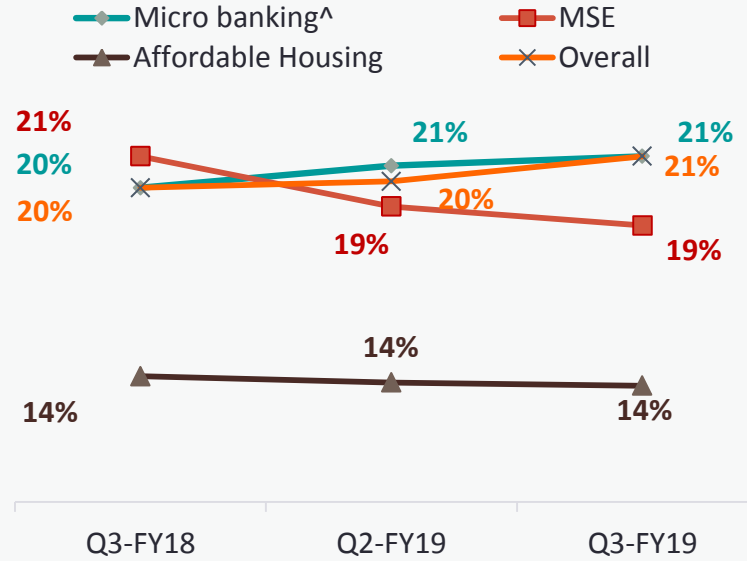
^ Includes Group Loan, Micro Individual Loan and Rural

Disbursement Spread, Yield and Average Ticket Size

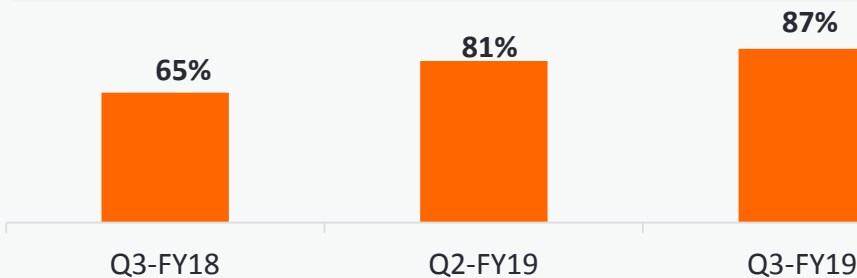
Product wise Disbursement (₹ in Crore)



Yield on AUM (%) – Segment wise



Cashless Disbursement (%)



Average Ticket Size (₹)

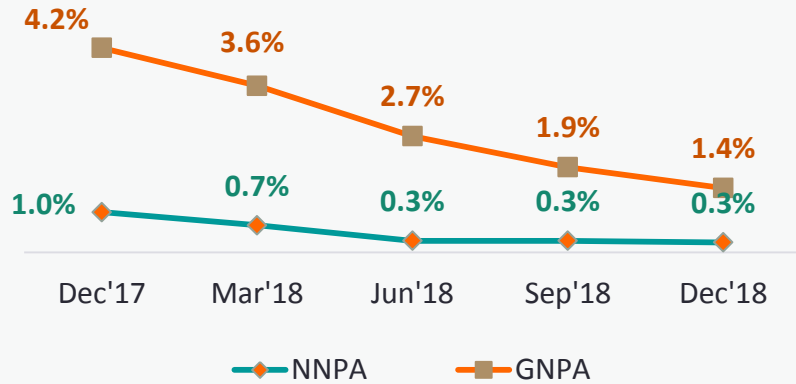
Product	Q3-FY19	Q2-FY19
Group Loans	31,517	29,506
Micro Individual Loan	81,976	80,929
MSE	7.4 lakhs	5.8 lakhs
Housing Finance	9.1 lakhs	9.3 lakhs

In Product wise Disbursement taken 1000Cr as base .

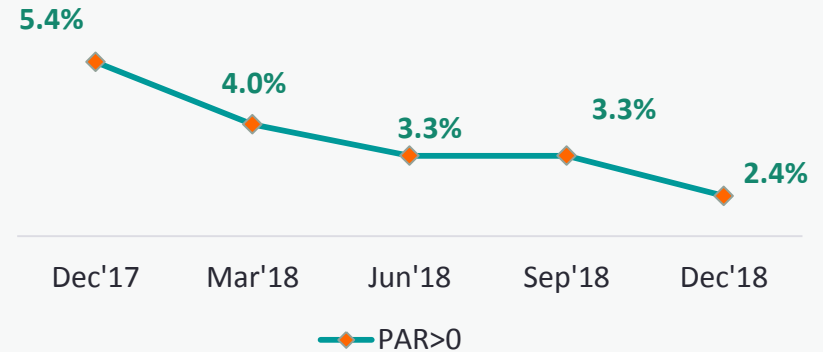
^ Micro banking: Includes Group Loan and Micro Individual Loan

GNPA, NNPA and PAR

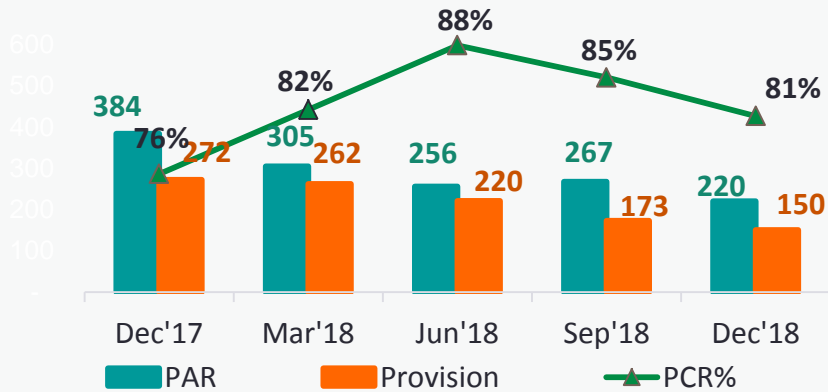
GNPA and NNPA



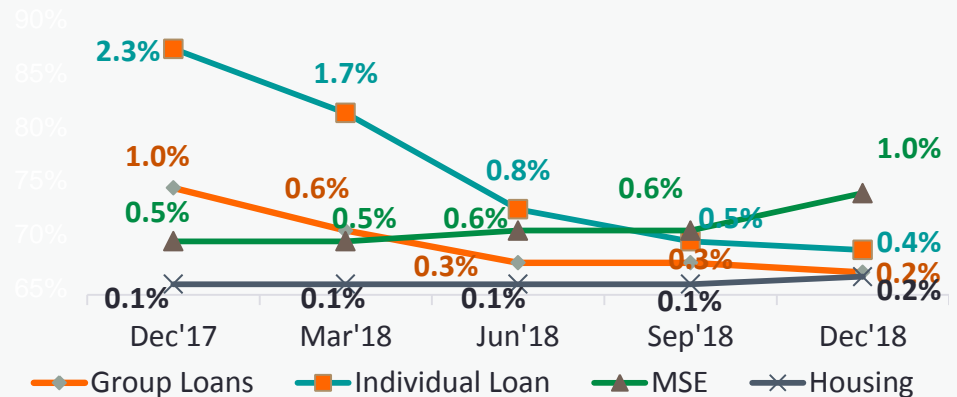
Portfolio At Risk (PAR%)



PAR, Provision (₹ in Cr.) & Provision Coverage Ratio



NNPA (%) – Segment wise

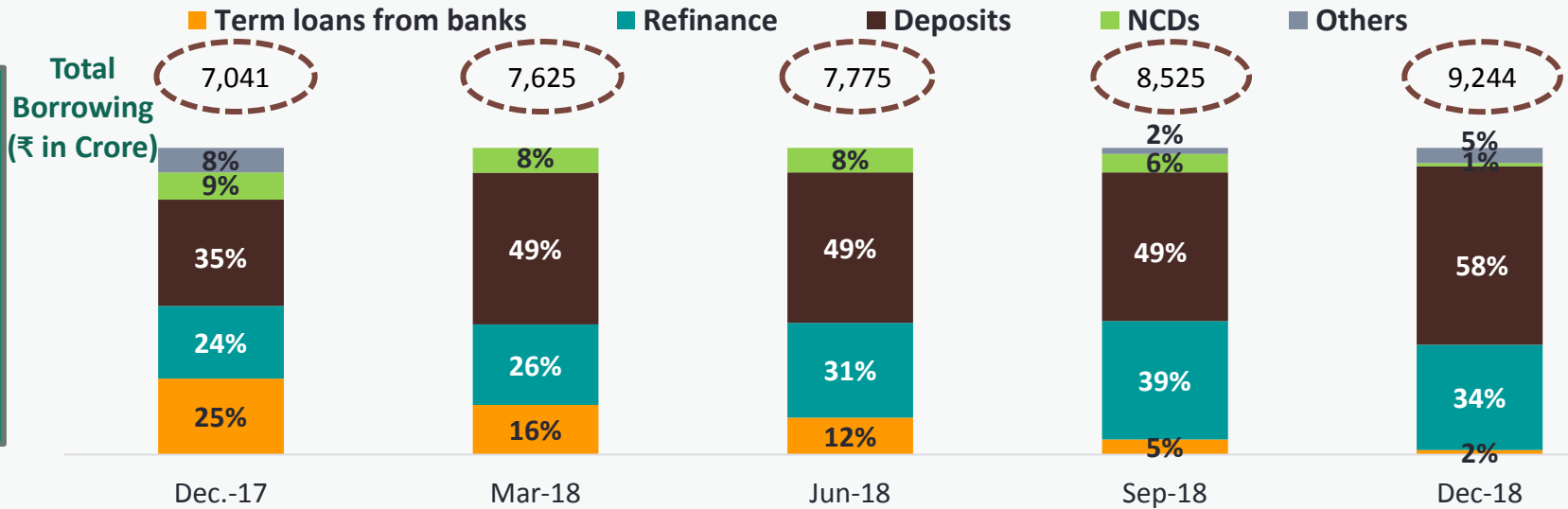


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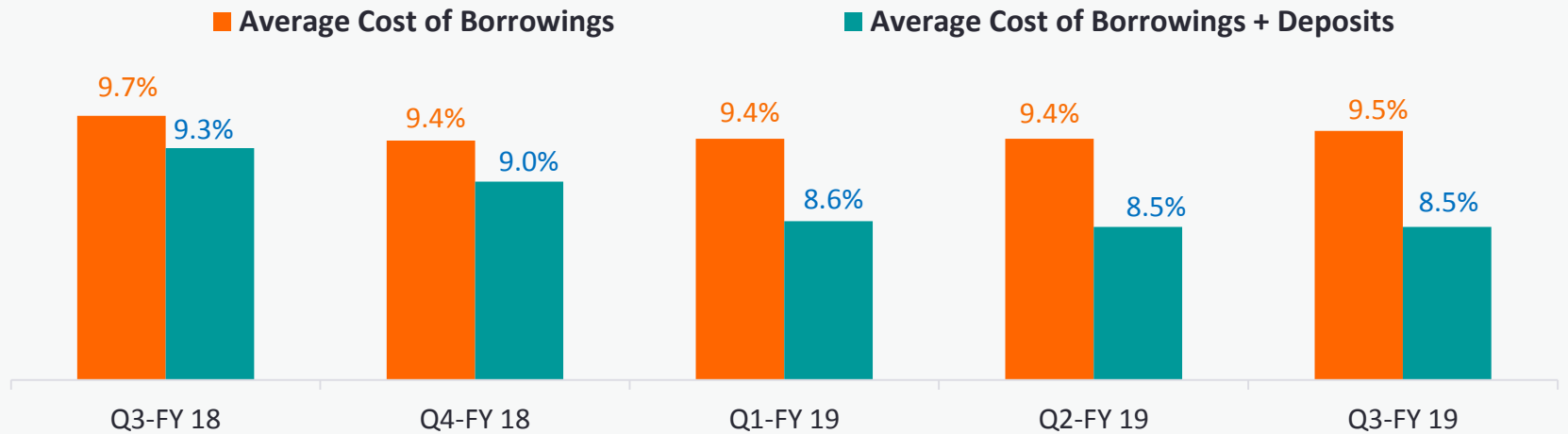
Liabilities Profile

Borrowings Profile and Cost of Funds

Borrowings Profile

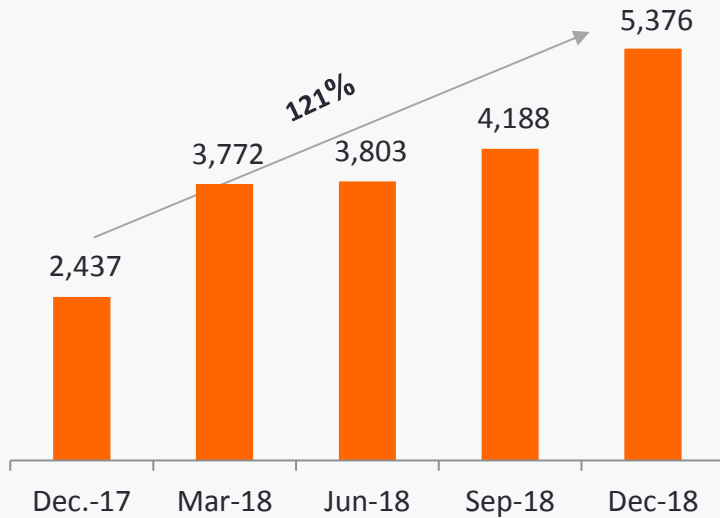


Cost of funds



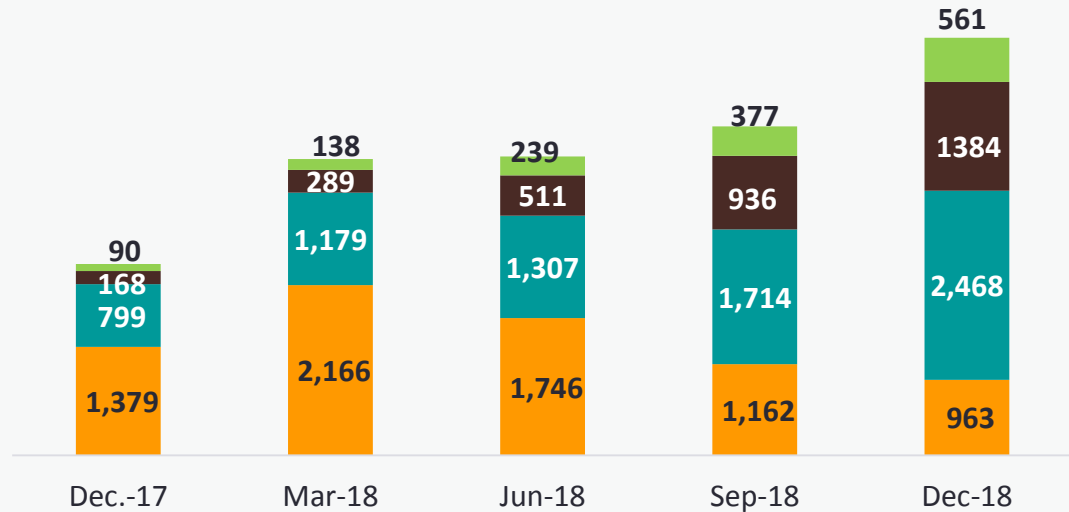
Deposits Update – USFB

Total Deposits (₹ in Crore)



Deposits break-up (₹ in Crore)

■ Certificate of Deposits
 ■ Institutional TD
 ■ Retail TD
 ■ CASA



Deposit Ratios

Q3-FY19

Average Cost of Deposits	7.8%
CASA Ratio	10.4%
Retail to Total Deposit	36.2%
Credit to Total Deposit	174%

^ TD: Term Deposits, CASA: Current Account, Savings Account

- ❖ Reliance on money market (certificate of deposits-CD) reducing quarter on quarter as CD balance went down by 56% from the start of FY19
- ❖ Retail deposits (including CASA) has shown significant improvement quarter on quarter with banking outlets roll out. Retail % share has increased to 36.2% from 11.3% in Mar'18

Liquidity Position and Asset Liability Management

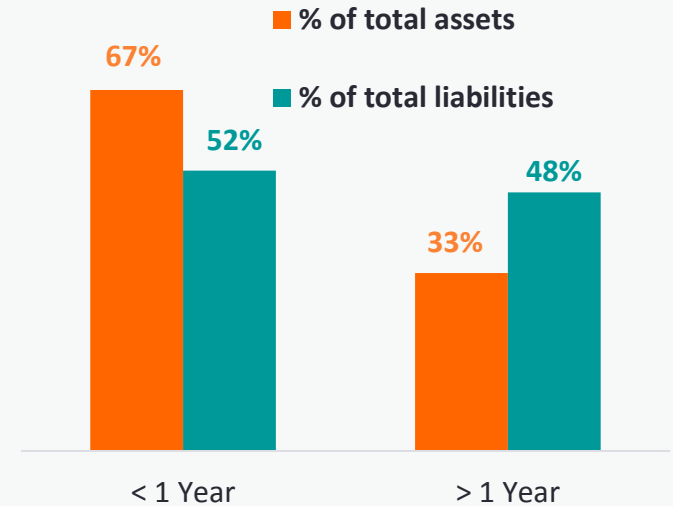
FUNDING STRATEGY

1. Building of Deposits
2. Long Term Refinance
3. Cut Down of CD Exposure
4. Rigorous monitoring of inflows & outflows to ensure optimized borrowing mix

- Favorable liquidity position as of end-Dec'18
- No impact on disbursements → Sep-Dec'18 disbursements were at highest levels

RAISING TIER-II CAPITAL

- Expect to receive US\$50mn from International Finance Corporation (IFC) in Q4-FY19
- Will serve dual purpose of augmenting capital and aids in balance sheet stability to better support long tenure loans



- ❖ Long term book adequately funded by long term deposits/borrowings
- ❖ 15% of the short term book funded by long term deposits/borrowings
- ❖ Adequately capitalized with CAR at 23.1% of which Tier I is 22.6%
- ❖ Strong liquidity position maintained with LCR at above 100% consistently against minimum stipulated limit of 70%

^ CAR: Capital Adequacy Ratio, LCR: Liquidity Coverage Ratio, CD: Certificate of Deposits

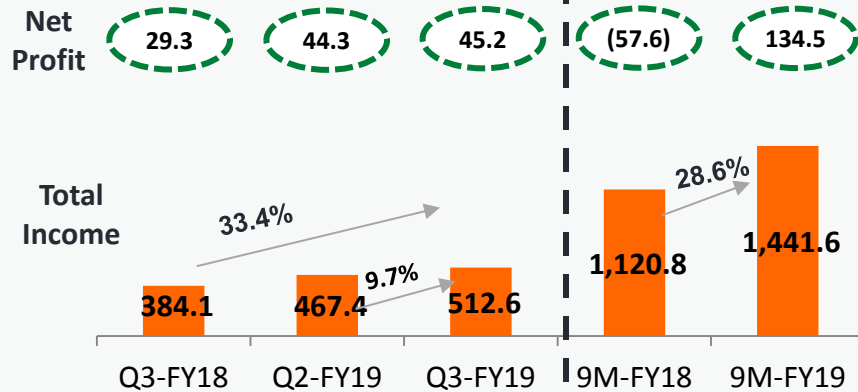
Credit Ratings for Ujjivan SFB

Particulars	₹ in Crore	Rating Agency
Long Term Borrowing	4,250.00	CARE A+ (Stable)
NCD	100.00	CARE A+ (Stable)
Certificate of Deposit	1,000.00	[ICRA] A1+
Short term fixed Deposit	1,000.00	[ICRA] A1+
Certificate of Deposit	4,000.00	CRISIL A1+
Short term fixed Deposit	3,000.00	CRISIL A1+

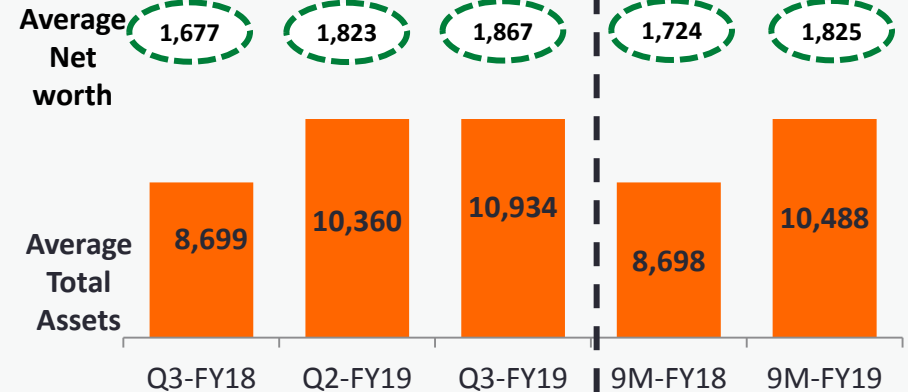
Financial Overview – Consolidated UFSL

Financial Overview

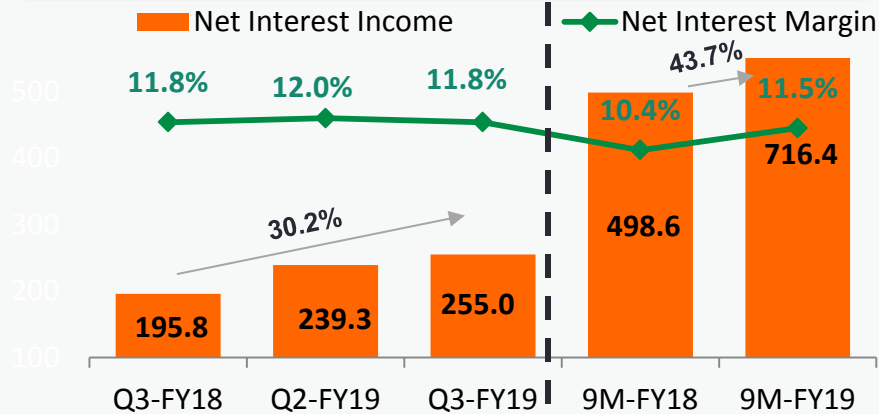
Total Income and Net Profit (₹ in Crore)



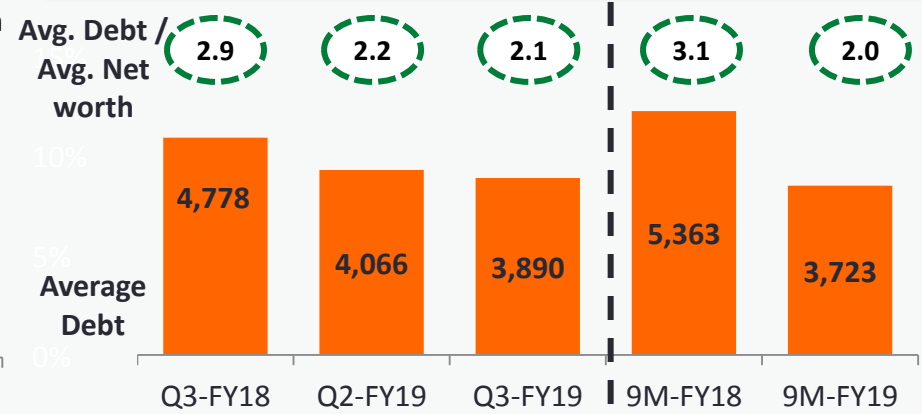
Average Total Assets and Net worth (₹ in Crore)



NII (₹ in Crore) and NIM



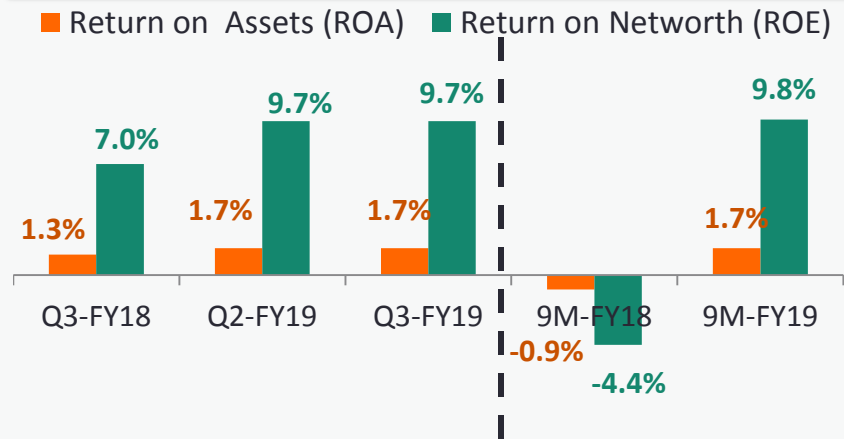
Debt to Equity Ratio



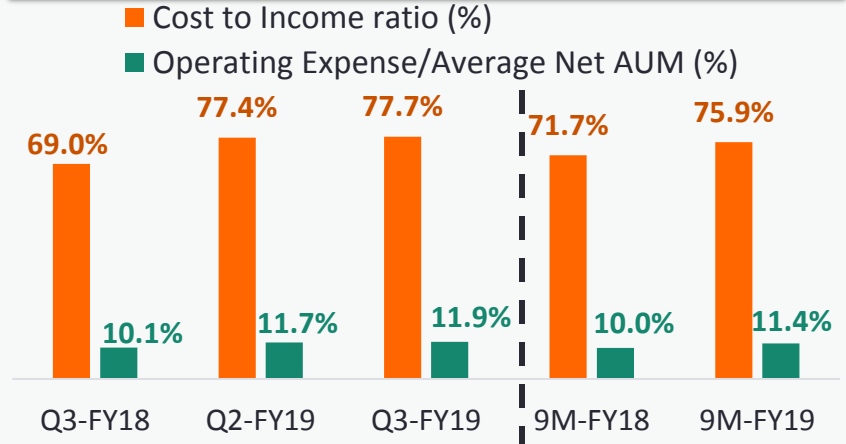
Note: All financials given in this presentation are on I-GAAP basis unless specified. These are for informational purpose only

Financial Overview (Contd.)

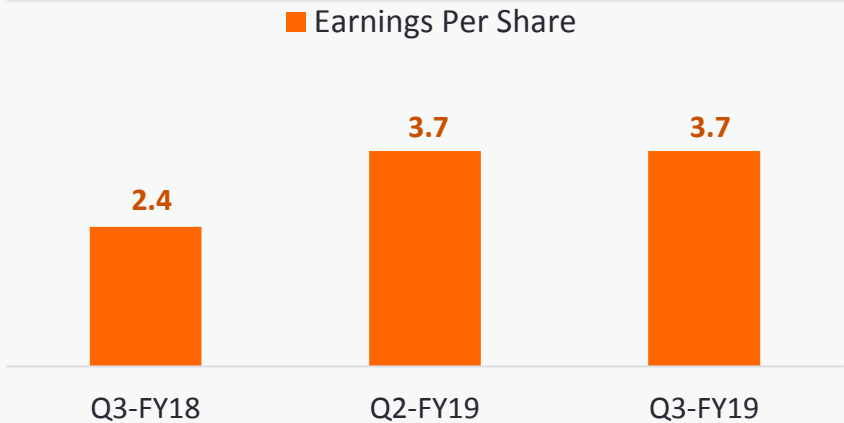
ROA (%) and ROE (%)



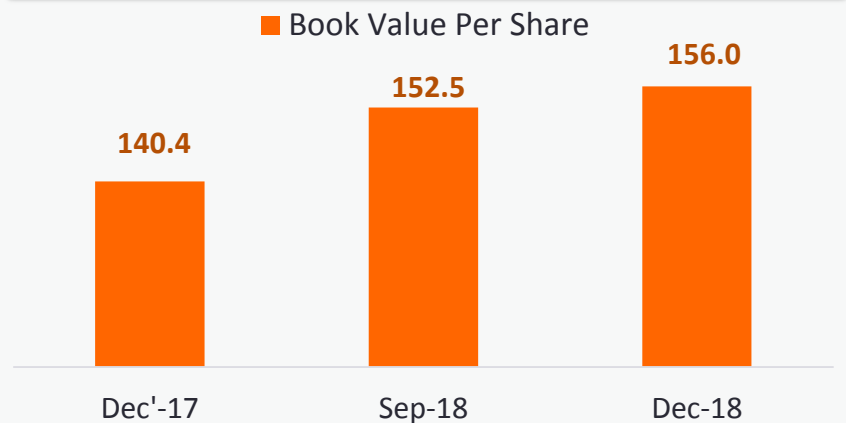
Operating Efficiency



Diluted Earnings Per Share (in ₹)



Book Value Per Share (in ₹)



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Financials – Profit and Loss Statement

₹ in Crore

Particulars	Q3-FY19	Q3-FY18	YOY Growth	Q2-FY19	QoQ Growth	9M-FY19	9M-FY18	YOY Growth
Revenue from operations	470.4	358.1	31.4%	429.4	9.5%	1303.4	1,020.7	27.7%
Other income	42.2	26.1	61.8%	38.0	11.1%	138.2	100.1	38.1%
Total Income	512.6	384.1	33.4%	467.4	9.7%	1441.6	1,120.8	28.6%
Finance costs	182.7	141.4	29.2%	166.7	9.6%	511.2	451.6	13.2%
Employee expenses	137.3	93.2	47.3%	121.6	12.9%	373.7	270.7	38.0%
Other expenses	102.1	63.1	62.0%	95.9	6.6%	287.7	179.3	60.5%
Depreciation	16.8	11.1	50.8%	15.0	12.0%	43.9	29.1	50.9%
Provisions and write offs	7.0	28.7	(75.6%)	6.2	13.7%	28.2	276.1	(89.8%)
Total Expenses	445.9	337.5	32.1%	405.3	10.0%	1244.7	1,206.8	3.1%
Profit before tax	66.7	46.7	42.9%	62.1	7.4%	196.9	(86.0)	NA
Total tax expense	21.5	17.3	24.0%	17.7	21.2%	62.4	(28.4)	NA
Profit After Tax	45.2	29.3	54.0%	44.3	1.8%	134.5	(57.6)	NA

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₹ in Crore

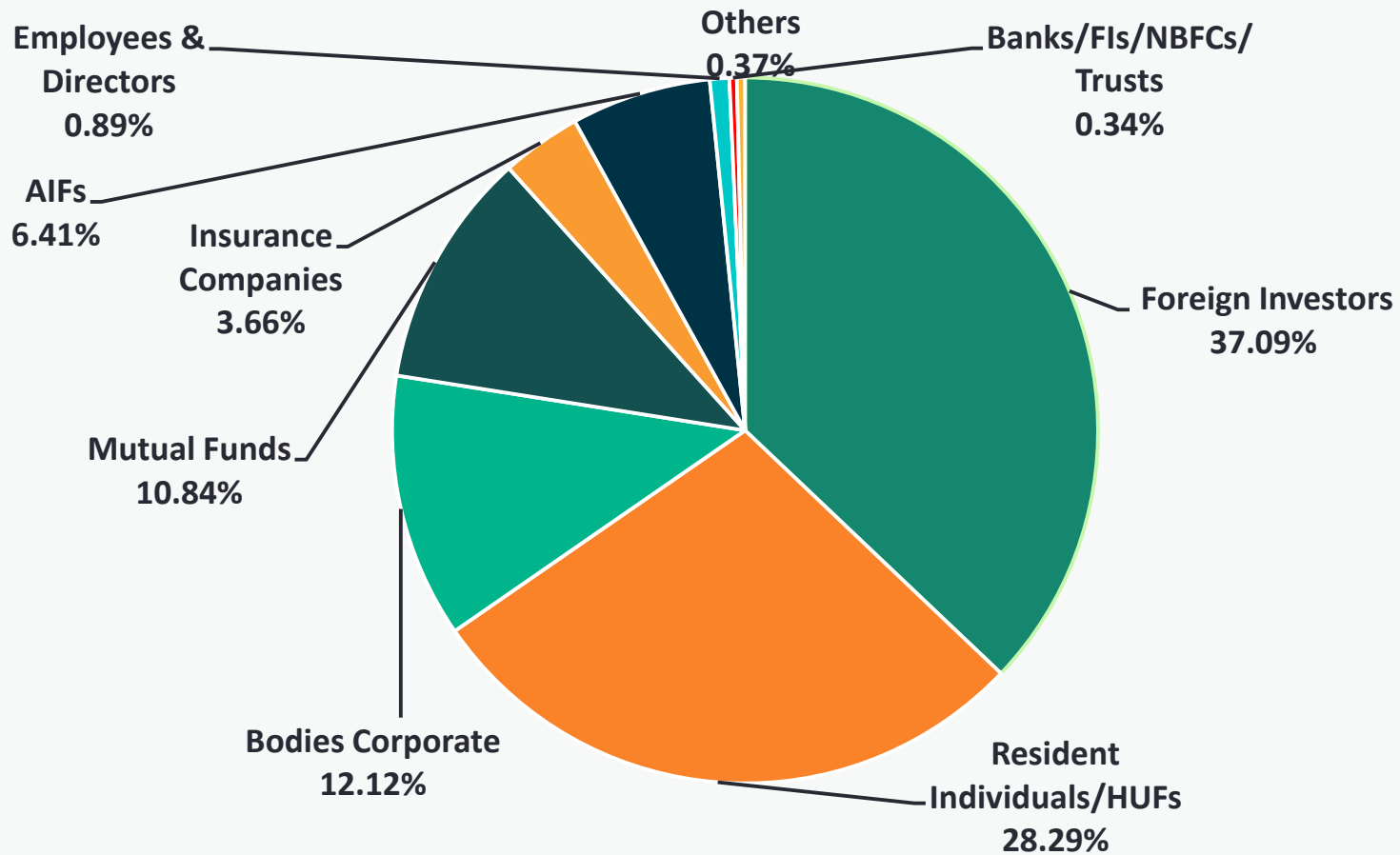
Financials – Balance Sheet

Particulars	Dec-18	Sep-18	Dec-17
Share capital	121.1	121.0	120.6
Reserves and surplus	1,768.0	1,724.2	1,573.0
Borrowings	3,593.0	4,186.9	4,435.4
Deposits	5,255.9	4,077.5	2,335.4
Provisions	179.0	198.6	292.5
Other Liabilities	246.2	396.3	161.5
Total	11,163.3	10,704.5	8,918.4
Cash and cash equivalent	434.6	564.6	433.0
Advances	9,073.4	8,167.5	6,926.7
Investments	1125.1	1,330.3	1,083.0
Fixed & tangible assets	271.3	252.2	183.9
Other assets	258.9	389.9	291.8
Total	11,163.7	10,704.5	8,918.4

Note: All financials given in this presentation are on I-GAAP; These are for informational purpose only

Shareholding Pattern of Ujjivan Financial Services

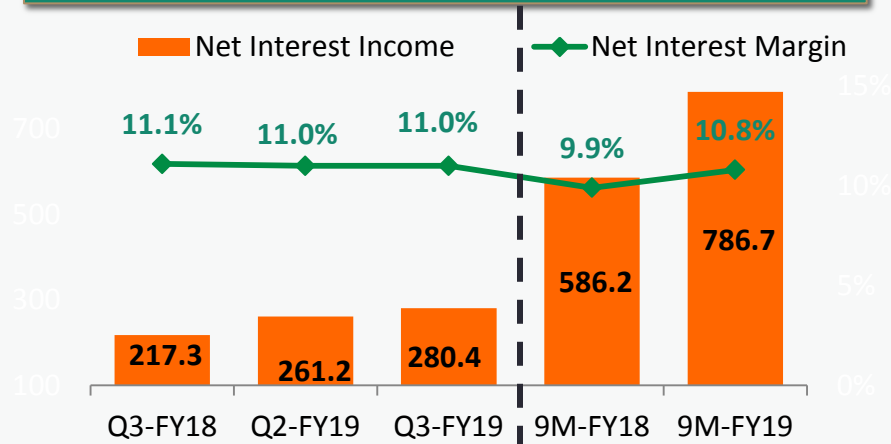
Shareholding Pattern as 31st December, 2018



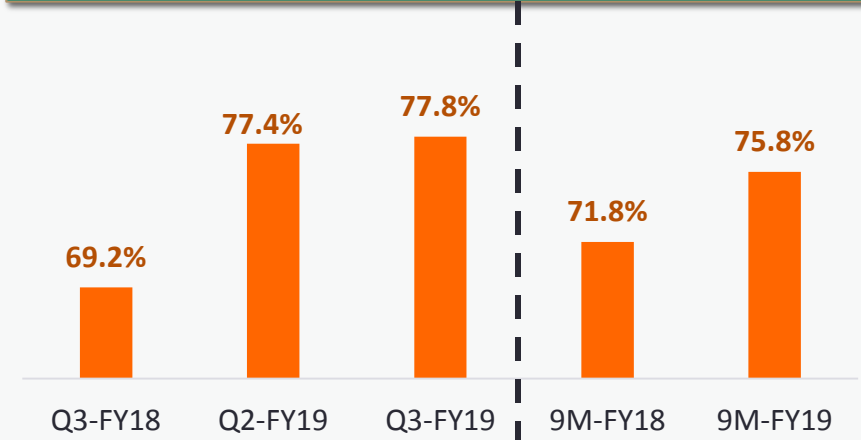
Financial Overview – Ujjivan SFB

Financial Overview

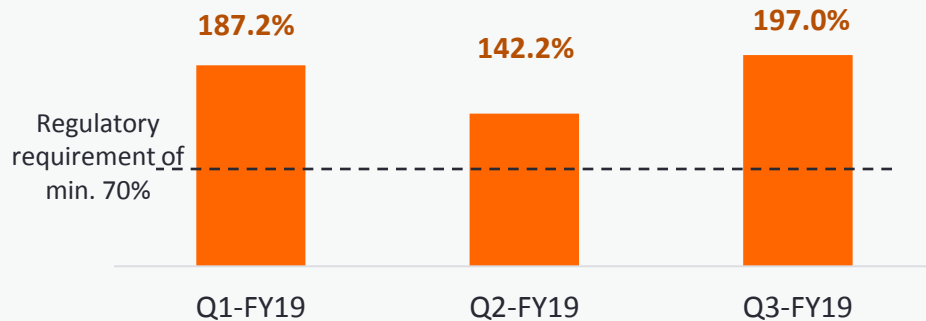
NII (₹ in Crore) & NIM



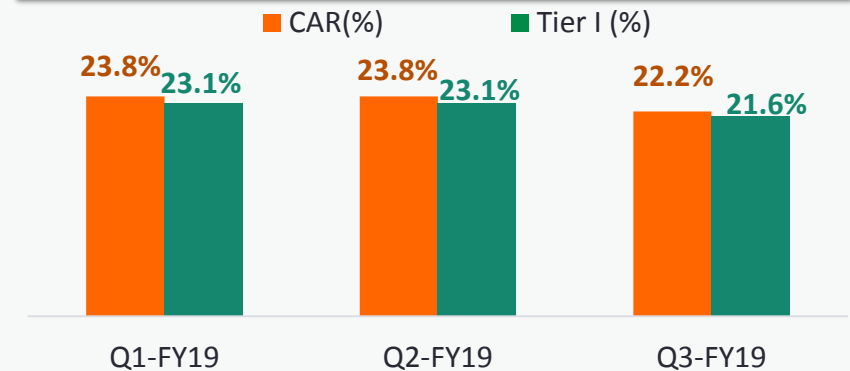
Cost to Income Ratio (%)



Liquidity Coverage Ratio (%)



Capital Adequacy Ratio (%)*



* CAR computation is as per RBI directive dated November 8, 2017 which provided exemption to all SFB with no capital charge on market and operational risk weighted asset.

Note: All financials given in this presentation are on I-GAAP basis unless specified. These are for informational purpose only

Income Statement – USFB

Particulars	Q3-FY19	Q3-FY18	YoY Growth	Q2-FY19	QoQ Growth	9M-FY19	9M-FY18	YoY Growth
Interest Earned	462.4	359.9	28.5%	427.0	8.3%	1295.7	1,041.1	24.5%
Other Income	48.5	23.9	103.2%	37.8	28.2%	139.6	78.4	78.2%
Total Income	510.9	383.8	33.1%	464.8	9.9%	1435.4	1,119.4	28.2%
Interest Expended	182.0	142.6	27.6%	165.8	9.8%	509.0	454.9	11.9%
Operating Expenses	256.0	167.0	53.3%	231.5	10.6%	701.9	477.5	47.0%
Provisions and Contingencies	27.5	44.4	(38.0%)	23.5	17.0%	89.0	245.4	(63.7%)
Total Expenditure	466.5	353.9	31.5%	420.8	10.6%	1299.9	1,177.7	10.4%
Net profit for the period	45.4	29.9	51.9%	44.0	3.1%	135.5	(58.3)	NA

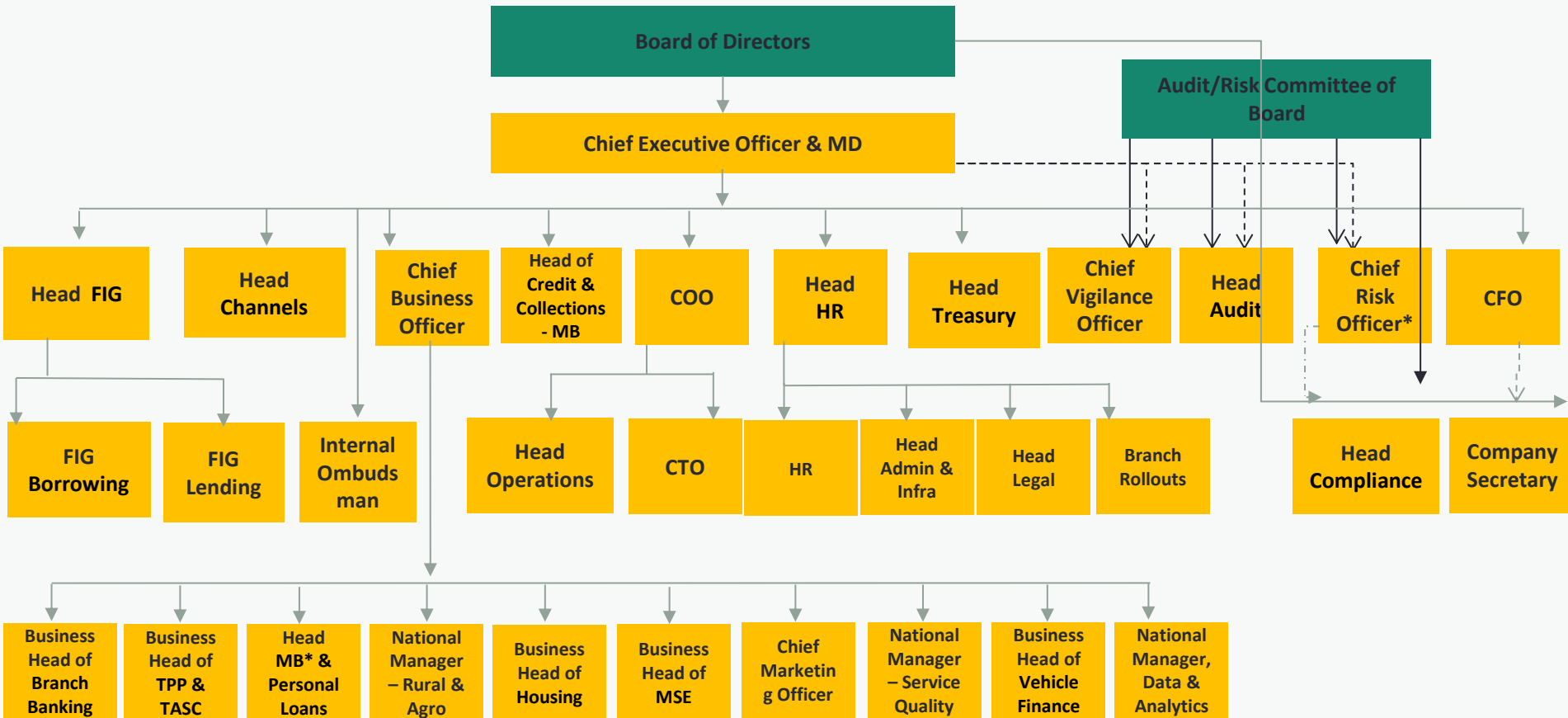
Note: All financials given in this presentation are on I-GAAP basis unless specified. These are for informational purpose only

Balance Sheet – USFB

Particulars	Dec-18	Sep-18	Dec-17
CAPITAL AND LIABILITIES			
Capital	1,640.0	1,640.0	1,640.0
Reserves and Surplus	129.1	97.0	(58.2)
Deposits	5,375.6	4,188.1	2,437.0
Borrowings	3,593.0	4,186.9	4,435.4
Other Liabilities and Provisions	317.3	271.7	234.4
TOTAL	11,055.10	10,383.7	8,688.6
ASSETS			
Cash and Balances with Reserve Bank of India	236.0	196.0	160.0
Balance with Banks and Money at Call and Short Notice	198.1	341.2	273.8
Investments	1,125.1	1,330.3	1,079.5
Advances	8,969.6	8,036.6	6,711.3
Fixed Assets	271.3	252.1	183.9
Other Assets	255.1	227.5	280.1
TOTAL	11,055.1	10,383.7	8,688.6

Note: All financials given in this presentation are on I-GAAP basis unless specified. These are for informational purpose only

Corporate Organization Structure



*MB stands for Micro Banking

Thank You!