



Q3 FY20 Presentation

January 2020

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Contents

Performance Highlights



Ujjivan – Building a Mass Market Bank



Business Overview



Financials



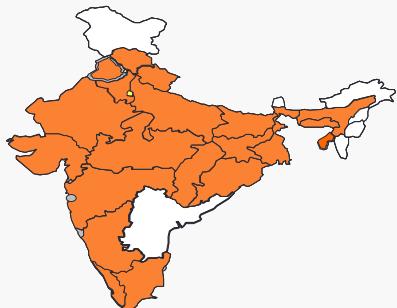
Q3FY20 – Key Highlights

-  Net Profit at ₹ 90 Cr up by 98% Y-o-Y; RoA / RoE at 2.1% / 14%
-  NII at ₹ 427 Cr up by 52% Y-o-Y with NIM at 10.9%
-  Strong growth in Gross Advances* – up 46% Y-o-Y to ₹ 13,617 Cr
-  **Deposit base building:** Total deposit at ₹ 10,656 Cr up 98% Y-o-Y; retail deposits up 138% Y-o-Y; CASA up 120% Y-o-Y
-  **Focus on customer acquisition:** 51.0 lakhs customers up from 43.7 lakhs as of Dec'18
-  Complied with Small Finance Bank licensing norm: Bank got listed within timeline of Jan'20; Ujjivan IPO was well-received by investors and was 101 times subscribed

Performance Highlights

Q3FY20 Key Highlights

24 States/ UTs, 244 Districts



574 branches¹, 471 ATMs²



Expanding Customer Base

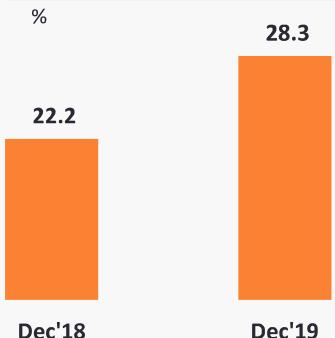


51.0 lakh customers
43.5 lakh borrowers

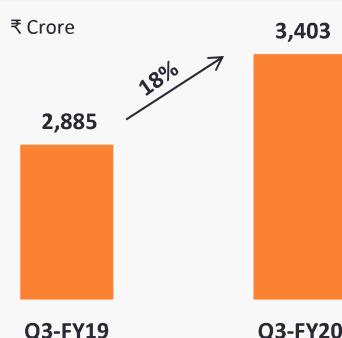
17,783 Employees



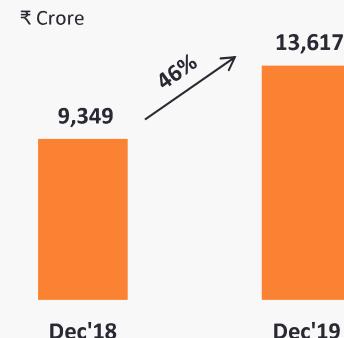
CRAR³



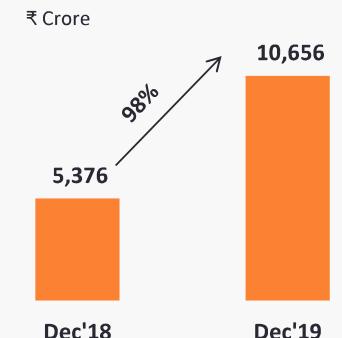
Disbursements



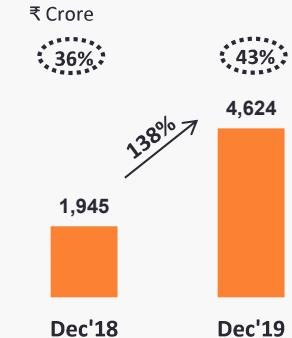
Gross Advances⁴



Total Deposits

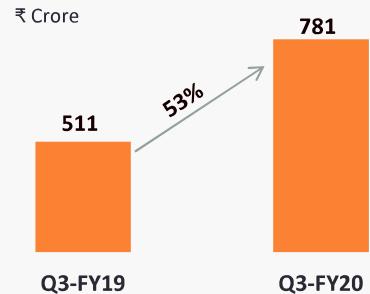


Retail Deposits⁵

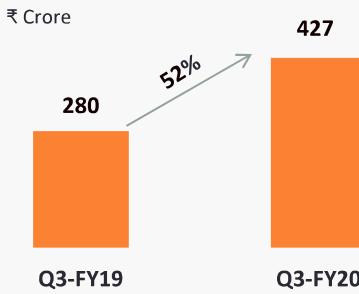


Q3FY20 Key Highlights

Total Income



Net Interest Income



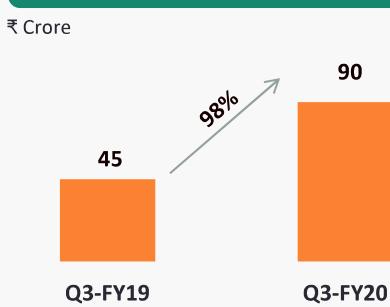
Net Interest Margin

10.9%
Vs.
11.0%
Q3FY19

GNPA

0.9%
Vs.
1.4%
Dec'18

PAT



ROA

2.1%
Vs.
1.7%
Q3FY19

ROE

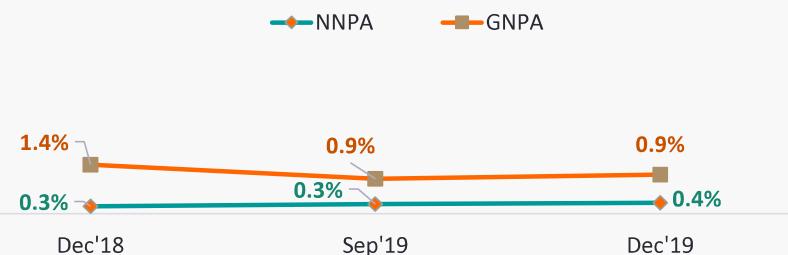
14%
Vs.
10.4%
Q3FY19

NNPA

0.4%
Vs.
0.3%
Dec'18

GNPA, NNPA and PAR

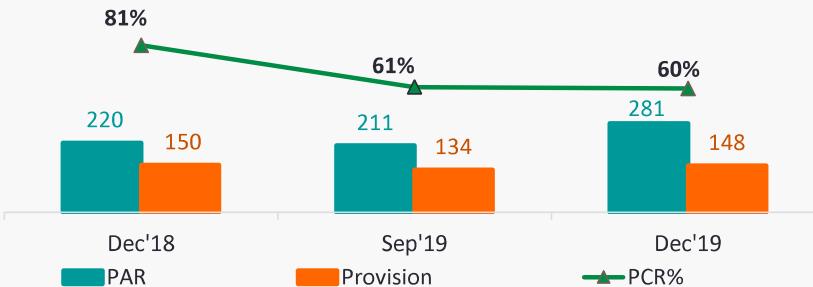
GNPA and NNPA



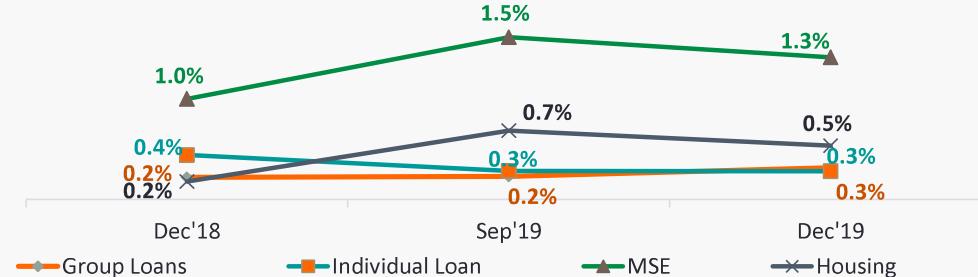
Portfolio At Risk (PAR>0 %)



PAR, Provision (₹ in Crore) & Provision Coverage Ratio



NNPA (%) – Segment wise



Update on Assam MicroBanking Business

- Assam contributes 3% to total gross advances
- 18 branches in Assam with a gross advances of ₹ 424 crore
- Major impact in Upper Assam area (7 Ujjivan branches) which contributes 1.4% of gross advances
- CRR* continues to be strong at 98%
- No presence in Dibrugarh district, the epicentre of protests

Actions

- Additional provision of 10% on standard assets (1-90 DPD) in Q3FY20 – ₹ 4.9 crore
- Serving only repeat clients with good credit history; disbursements reduced significantly
- Focus on customer outreach and communication activities to increase awareness
- Progressively working towards creating a resolution framework with all stakeholders including MFIN and the state government

*Cumulative Repayment Rate

Awards & Recognitions



Ranked 6 among 'India's Best Companies to Work For 2019'

Best HR Practice in Finance Sector Award
at Banking, Financial Services and Insurance Awards in 2019



IDEX Legal Awards, 2019 for the 'Best in-house Legal Team' under medium-large category



Mr. Samit Ghosh, Former MD & CEO, Ujjivan Small Finance Bank, was conferred upon the prestigious Inclusive Finance India Awards, 2019 in the category of "Contribution to advancing financial inclusion by an individual", for his exemplary contribution to the same.



IBA Banking Technology Innovation Awards for 'The Best IT Risk Management and Cyber security Initiative'



'ERM Strategy of the year' for developing a framework for implementing ERM using RAROC approach at **ERM World Summit Awards 2019**.

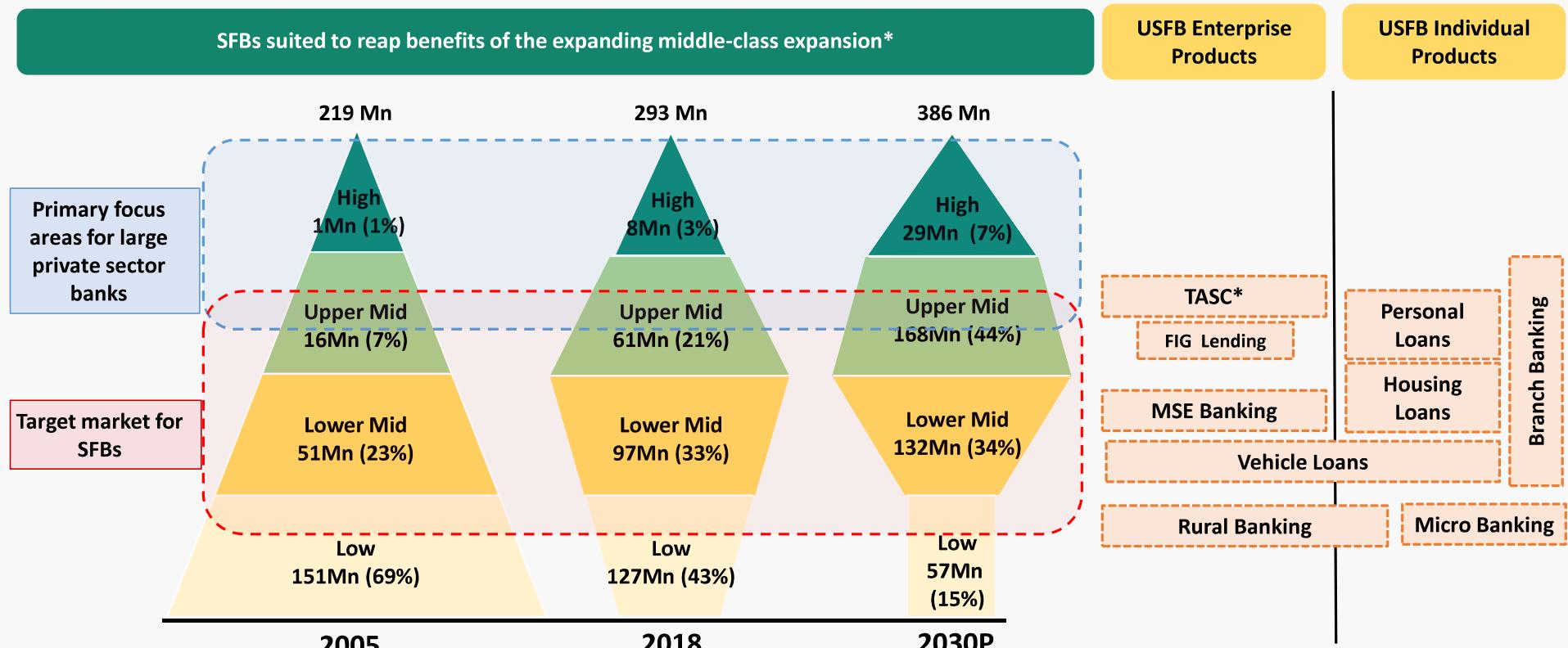


Finnoviti Awards, 2019 for 'Best innovation in IT'



Ujjivan – Building a Mass Market Bank

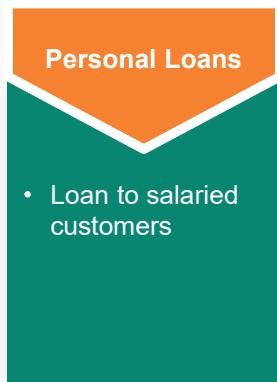
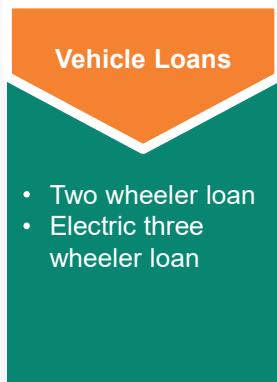
Well placed to gain from evolving country demographics



*Trusts, Associations, Societies and Clubs

Comprehensive suite of Banking Products & Services

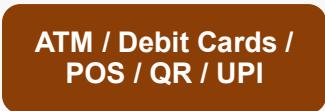
Loan



Deposit



Channels



Focus on growing stable and granular liability base



Traders, Retailers and MSE

Salaried / Corporate Salary

Youth

Senior Citizen

Micro banking customers and family members

Local institutions & governments, schools, clinics, TASC

Marginal farmers, Allied Agri Segment

Dominant branch catchment

Advanced business net banking

Encourage user adoption for digital channels

Digital + Branch led transactions

Payment solutions, Fee Based Products, CMS

Life Events Based Banking Solutions, Sampoorna Banking for Micro Banking

Differentiated branch / digital experience

Data analytics to facilitate cross-sell/better solutions

"Parinaam" – Financial literacy programs

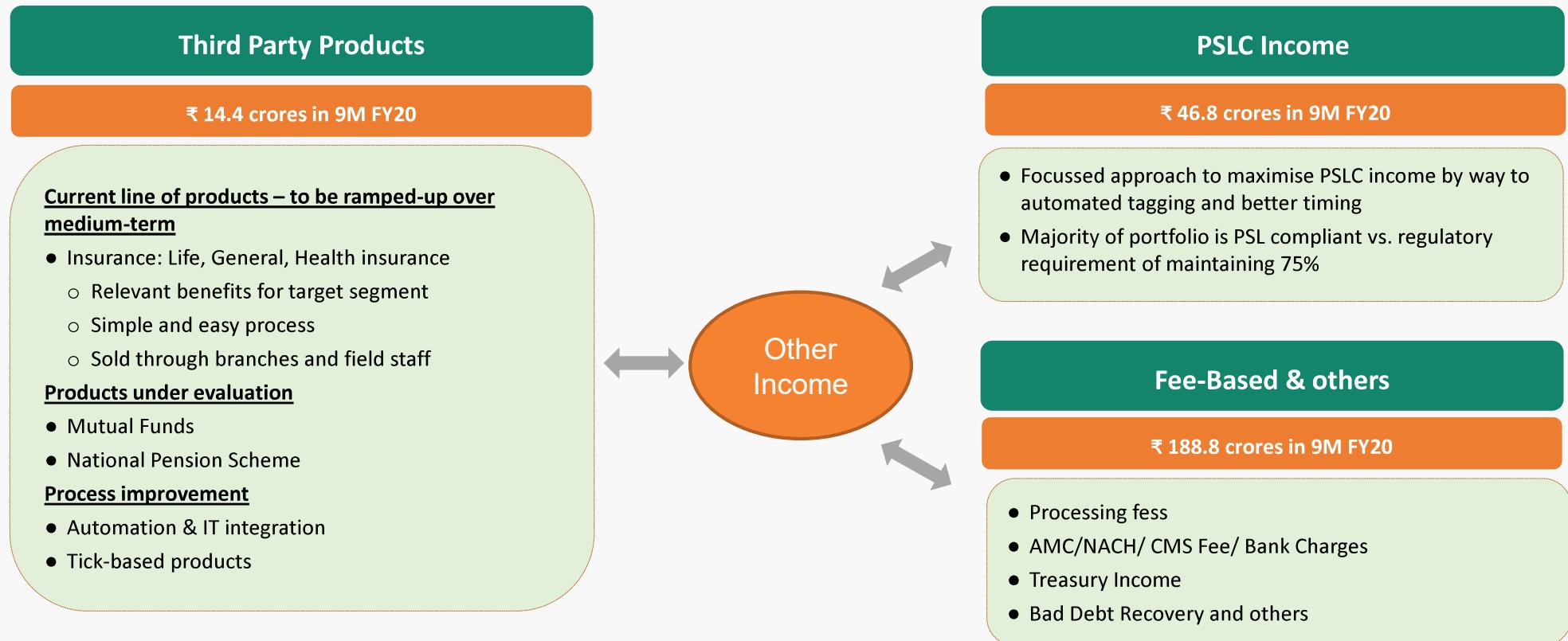
Diksha+

Paison ki ABCD

Chillar Bank

Ramped up retail deposits: ₹ 4,624 crores (43% of total deposits) vs ₹ 1,945 crores (36% of total deposits) Y-o-Y

Other Income – diversifying revenue streams



Serving customers through multiple delivery channels...

Multiple delivery channels



Personal & Business Internet banking

- Web-based, can be accessed from any system
- High volume bulk upload facility
- Customizable client centric approval matrix



ATMs

- 471 ATMs including 37 Automated Cash Recycler machines
- Re-enabling biometrics; to be completed by Mar'20
- 12 regional languages



Tablet Based Origination

- Customer acquisition for loan & deposit products
- Door-step service
- Faster, easier, leads to better TAT



Phone

- 24x7 phone banking helpline
- Ability to service customers in 13 Languages
- Missed call and SMS banking services



Mobile App

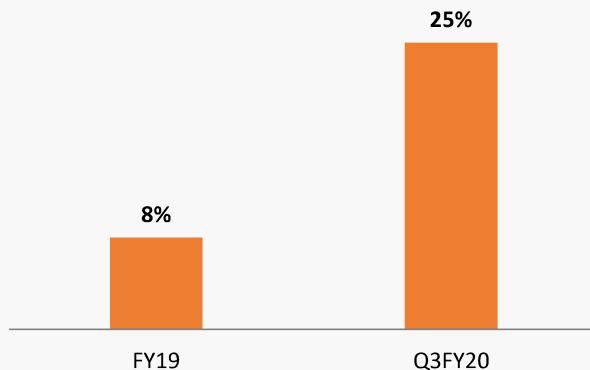
- High customer rating of 4.6/5 on Google Playstore as of Dec-19
- Nine languages option – English, Hindi, Kannada, Tamil, Bengali, Marathi, Gujarati, Punjabi and Odia

- Working on voice and video enabled customer interface
- Active users exceeds 3.6 lakh as of Dec-19

...Leading to improving efficiencies

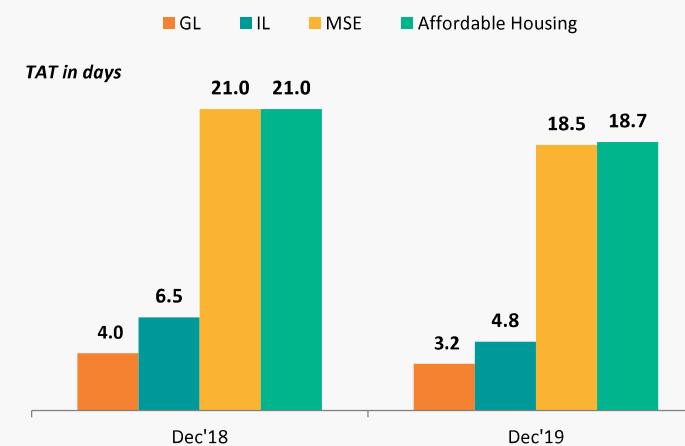
GROWING DIGITAL TRANSACTIONS

Number of banking transactions through digital channels as a percentage of overall transactions has been steadily growing



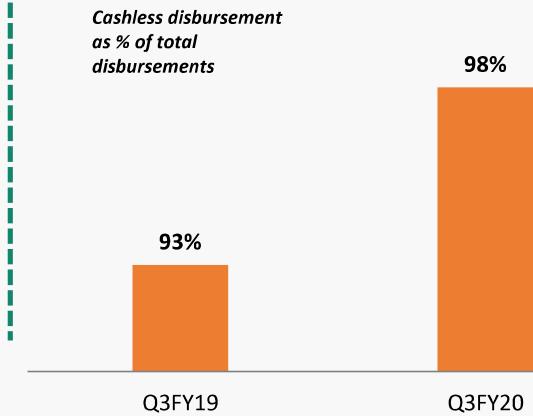
BETTER TURN AROUND TIME

Tablet-based loan origination system leading to improved turn-around time

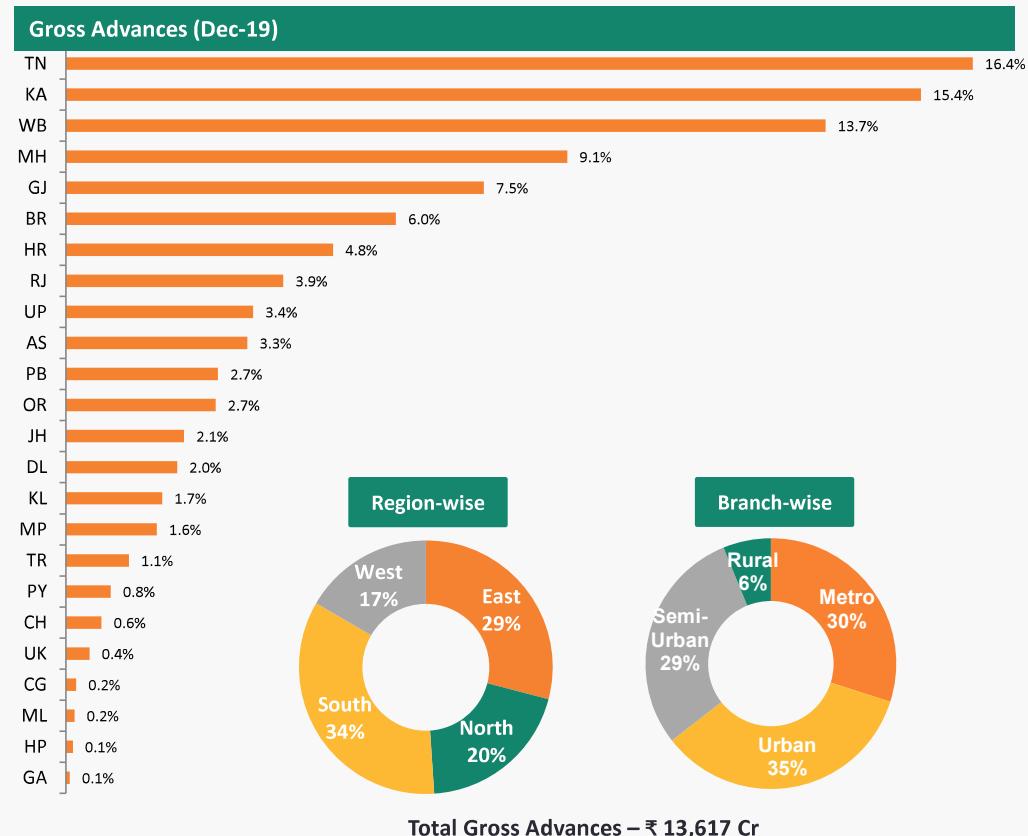
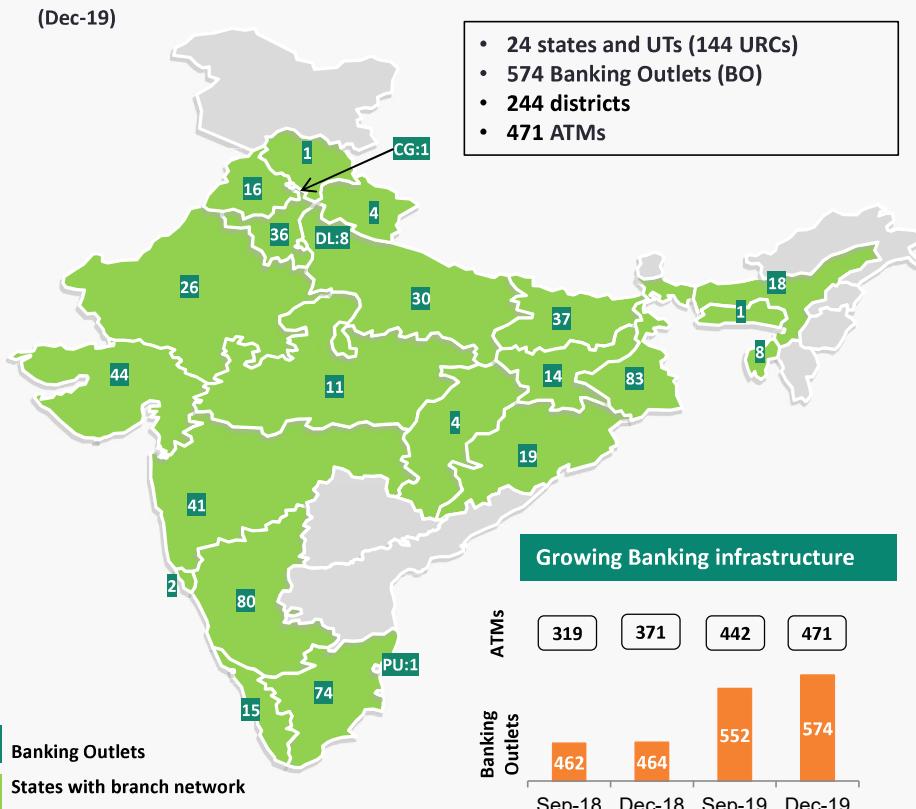


MOVING TOWARDS CASHLESS DISBURSEMENTS

Digitized paperless loan origination and cashless disbursements with remittances directly to customer accounts



Well Diversified Pan India Presence

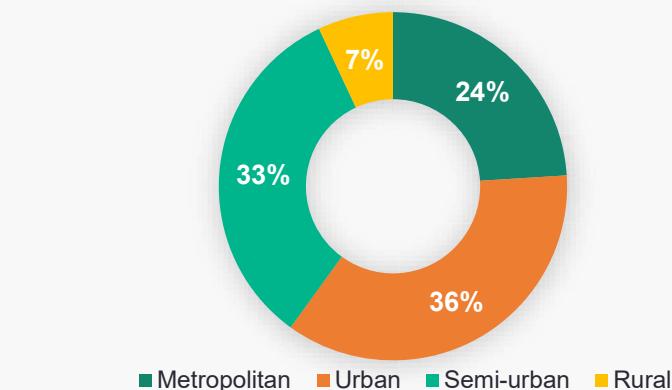


Focus on Customer Base Growth

Customer Base Growth – USFB



Customer Base – Basis of Branch Classification



Customers (in Lakhs)	Dec'18	Mar'19	Sept'19	Dec'19
Asset only Customers	28.4	18.7	16.1	12.6
Liability Customers	15.4	27.4	33.3	38.4
Liability only Customers	2.3	5.9	6.1	7.5
Total Customers	43.7	46.1	49.4	51.0

- Borrower base/asset customers up by 16% vs Dec-18 / 3% vs Sep-19
- Liability customers up by 159% vs Dec-18 / 17% vs Sep-19
- We plan to cover most of our MicroBanking customers with Liability products by end-FY20. Currently approx 85% of MicroBanking customers have liability relationship with us

Key Growth Strategies

01

COMPREHENSIVE & RELEVANT PRODUCTS

- Entire gamut of asset and liability products to attract new customers and deepen existing customer relationships
- Expand range of third party products and services
- Increase penetration of asset products under Retail, MSE and affordable housing segments

02

FOCUS ON DIGITAL BANKING AND ANALYTICS

- User-friendly digital interface to extend bank's reach and offer a strong banking platform and focus on user adoption with programs like DigiBuddy
- Invest in API platform, innovations, fintech partnerships to widen product offerings/ banking solutions
- Invest strategically to integrate technology into operations to empower customers, reduce costs and increase efficiencies
- Adopt robotic processes to automate operational processes
- Data analytics to be used to offer customized solutions
- Establish USFB as a modern technology enabled bank

03

BUILD A STABLE & GRANULAR DEPOSIT BASE

- Improve share of CASA, recurring and fixed deposits by building a sticky deposit base and attracting new customers; focus on retail deposit base to reduce cost of funds
- Selectively open branches in urban areas with large customer base
- Target mass customer acquisition through focused programs

04

EXPAND & OPTIMIZE DISTRIBUTION NETWORK

- Use right combination of physical and digital channels and partnerships to expand reach
- Expand banking outlets and infrastructure
- Strengthen alternate delivery channels and encourage customers to move towards a cashless environment

05

CONTINUE FOCUS ON IMPROVING FINANCIAL INCLUSION

- Focus on the un-served and underserved segments and educate customers to develop improved financial behaviour
- Maintain transparency, responsibly price loan offerings, effectively redress grievances and ensure disclosures in vernacular languages
- Continue to partner with Parinaam Foundation to enhance financial literacy and develop Kisan Pragati Clubs
- Promote use of bank accounts, UPI and digital payment gateways

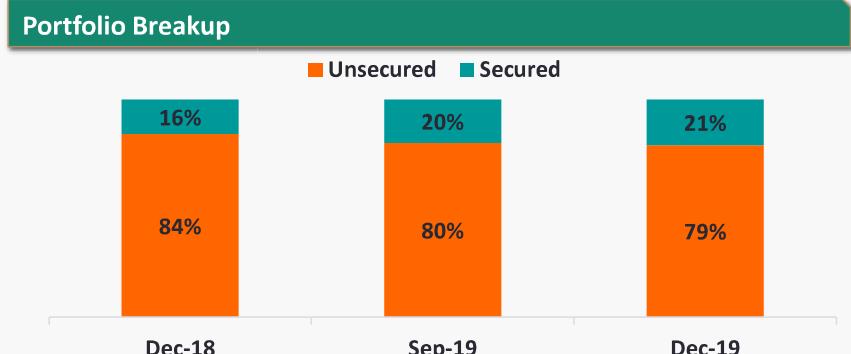
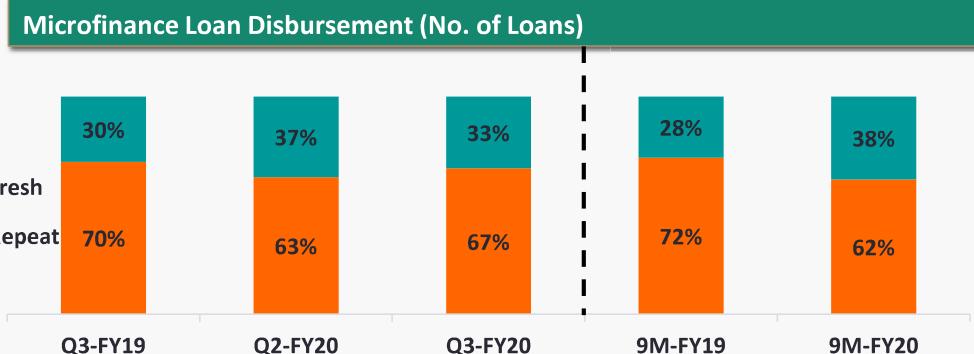
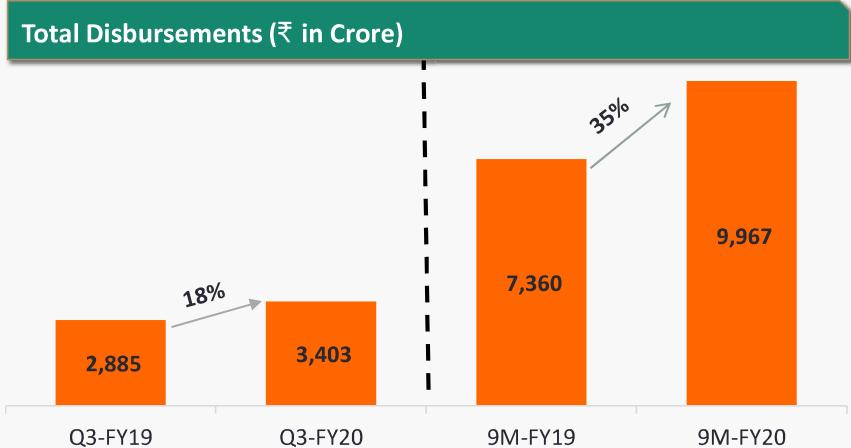
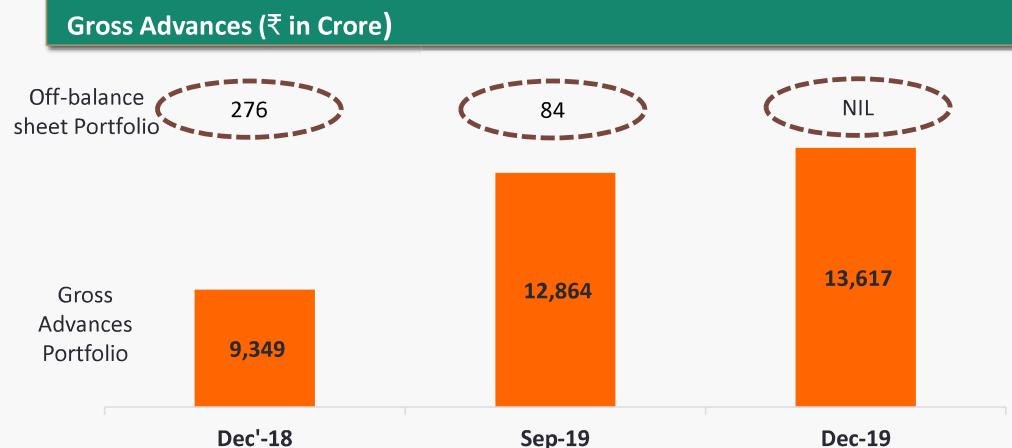
06

DIVERSIFY REVENUE STREAMS

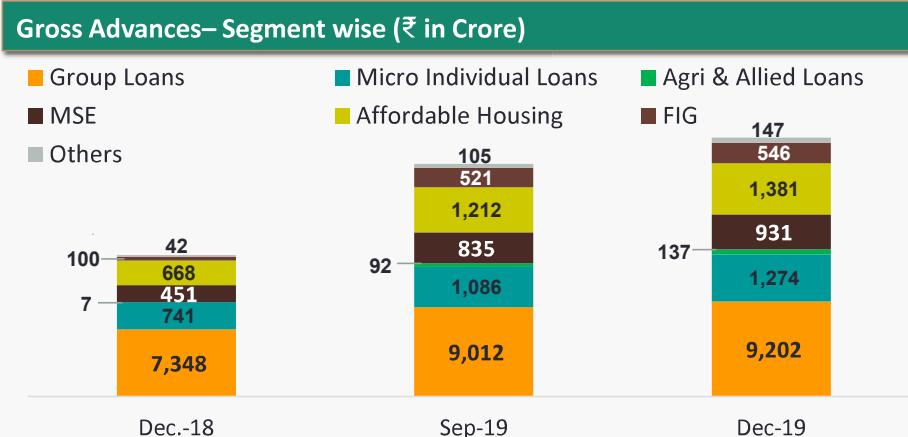
- Leverage banking infrastructure to diversify product portfolio and increase fee and commission-based business
- Increase focus on bancassurance, fee and processing charges
- Introduce new products and services and focus on cross-selling to existing customers

Business Overview

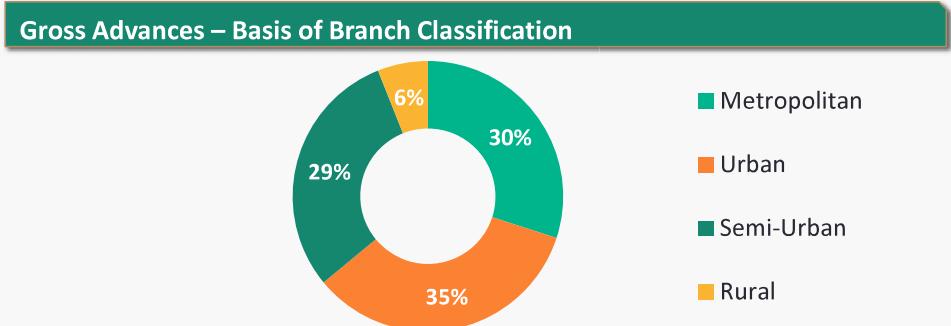
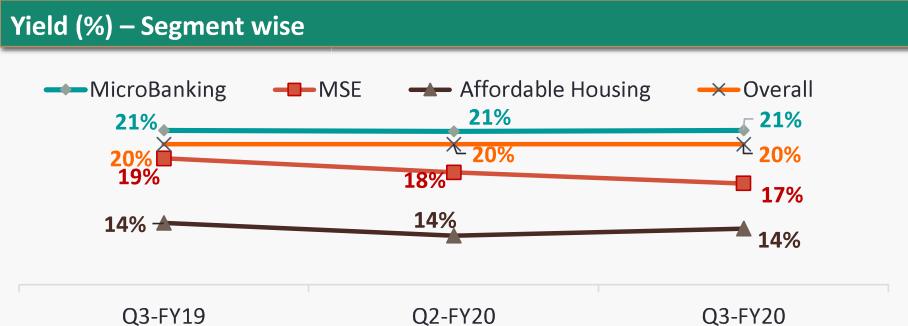
Gross Advances and Disbursement Trend



Gross Advances Snapshot

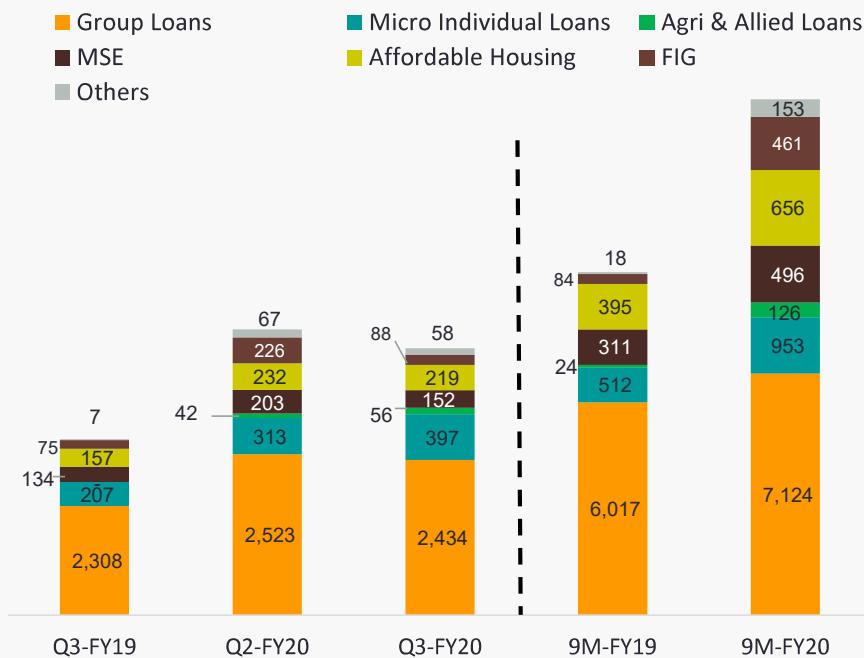


Product	% Gross Advances	Growth Y-o-Y	Growth Q-o-Q
Group Loans	67.6%	25.2%	2.1%
Micro Individual Loans	9.4%	72.0%	17.3%
Agri & Allied loans	1.0%	1747.3%	48.0%
MicroBanking	77.9%	31.1%	4.1%
MSE	6.8%	106.4%	11.5%
Affordable Housing	10.1%	106.8%	13.9%
FIG Lending	4.0%	446.1%	4.7%
Others	1.1%	324.3%	39.9%
Total	100.0%	45.7%	5.9%



Disbursement & Average Ticket Size

Product wise Disbursement (₹ in Crore)



Product	Growth Y-o-Y	Growth Q-o-Q
Group Loans	5.5%	(3.5%)
Micro Individual Loans	91.9%	27.0%
Agri & Allied Loans	937.0%	31.8%
MicroBanking	14.6%	0.3%
MSE	12.9%	(25.3%)
Affordable Housing	39.8%	(5.4%)
FIG Lending	16.7%	(61.2%)
Others	NM*	(13.7%)
Total	17.9%	(5.6%)

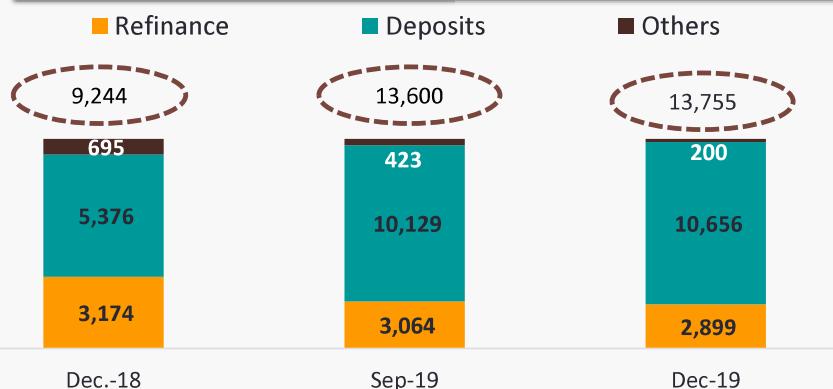
Average Ticket Size (₹)

Product	Q3-FY20	Q2-FY20
Group Loans	35,086	33,316
Micro Individual Loan	92,312	88,592
MSE	15.9 lakhs	14.3 lakhs
Affordable Housing	13.9 lakhs	10.0 lakhs

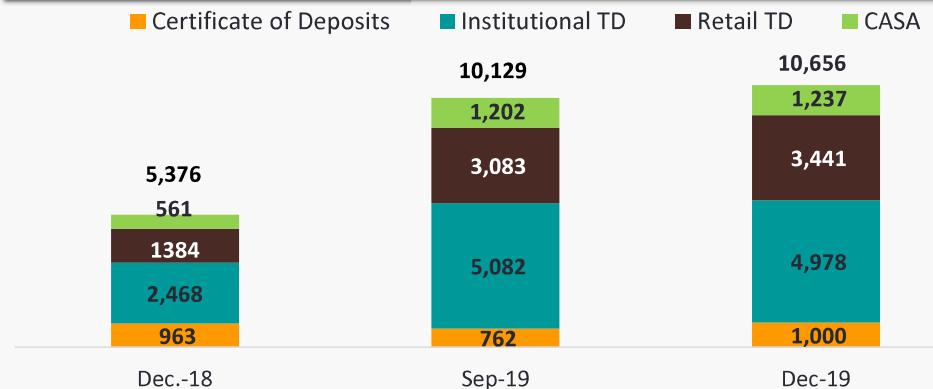
*NM - 3399% y-o-y growth

Stable Liability Profile

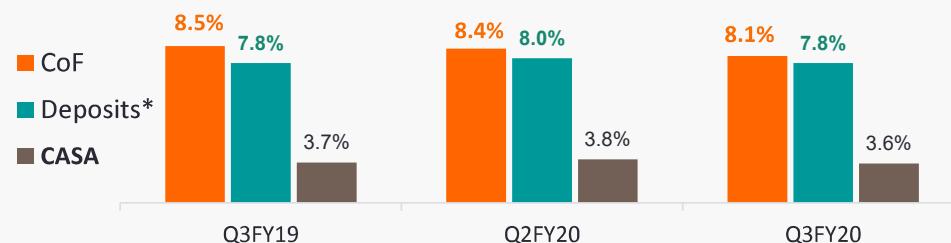
Total liabilities profile (₹ in Crore)



Deposits break-up (₹ in Crore)



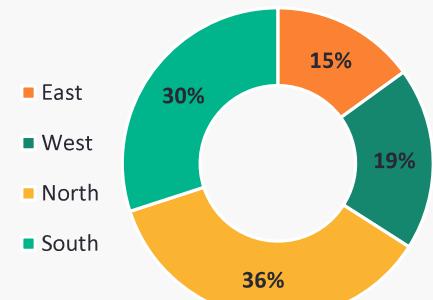
Cost of funds



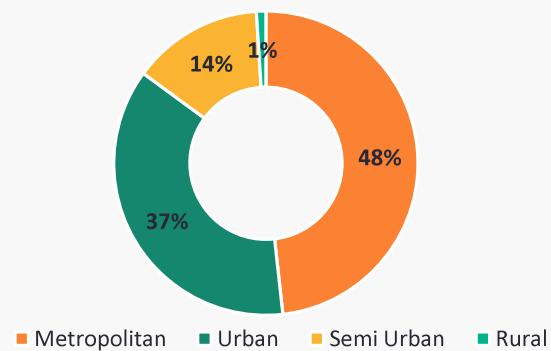
- ❖ CASA deposits up 120% Y-o-Y; CASA Ratio at 12%
- ❖ Retail deposits up 138% Y-o-Y
- ❖ Retail as percentage of total deposits has increased to 43% from 36% Y-o-Y
- ❖ Credit-Total Deposit: 128%

Well-diversified Deposit Mix

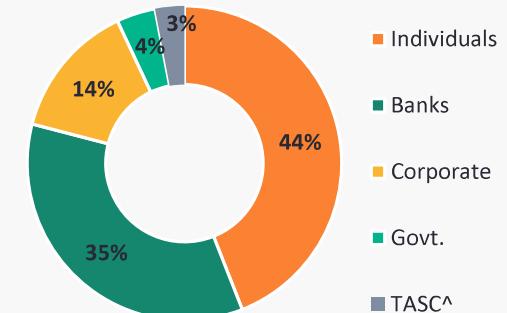
Region-wise deposit mix



Branch classification wise deposit mix



Segment wise deposit mix



Total Deposits (excluding CDs) as on 31 Dec'19: ₹ 9,656 Crore

[^]TASC- Trust, Association, Societies & Clubs

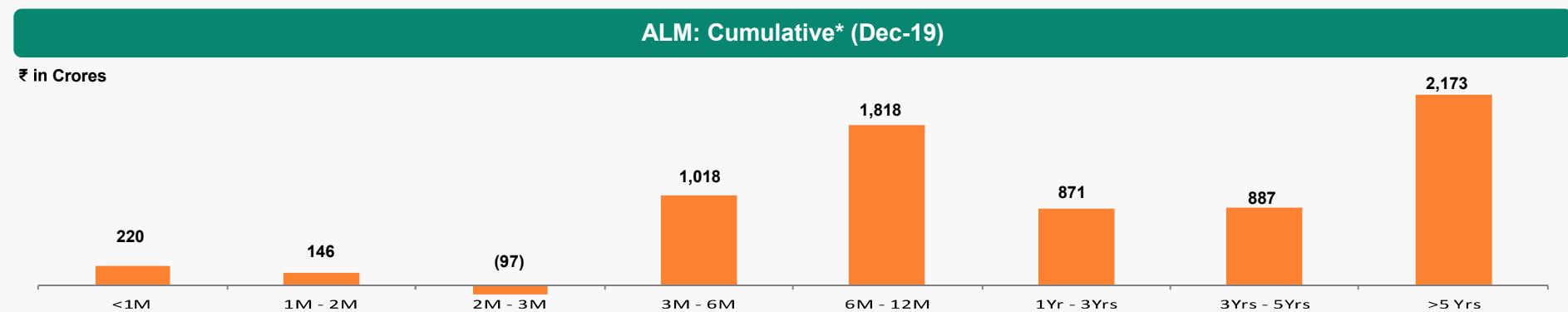
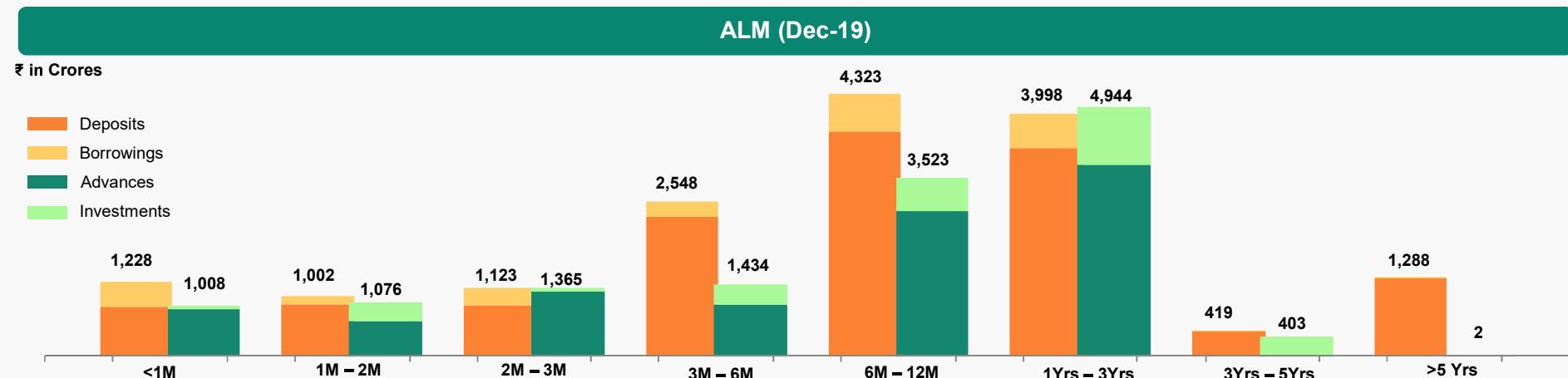
Adequately Capitalized

(₹ in Crore)

	Dec'18	Sep'19	Dec'19
Credit Risk Weighted Assets	9,852	10,026	10,442
Tier I Capital	1,632	1,821	2,873
Tier II Capital	39	68	84
Total Capital	1,671	1,889	2,958
CRAR	22.2%	18.8%	28.3%^
Tier I CRAR	21.6%	18.1%	27.5%
Tier II CRAR	0.5%	0.7%	0.8%

^Complying with the Small Finance Bank licensing requirement, the Bank got listed; raised fresh capital of ₹ 1,045 crores including Employee Stock Purchase Scheme

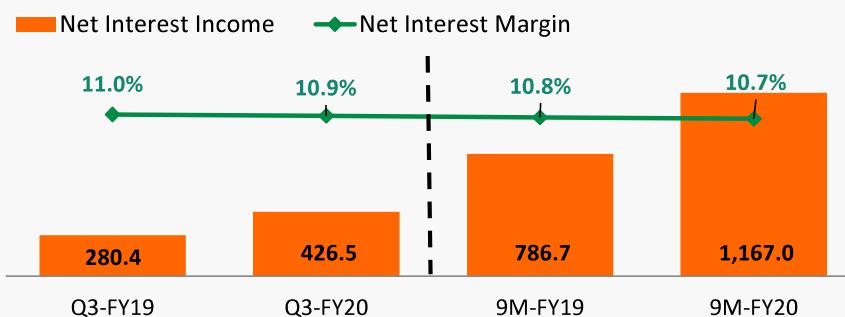
Healthy Asset Liability Position



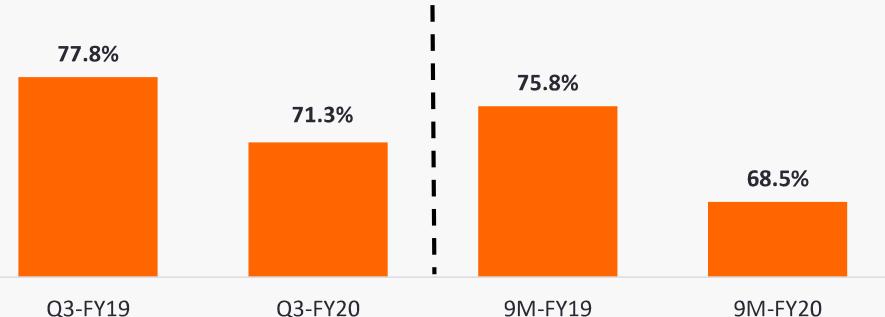
Financial Overview

Financial Overview

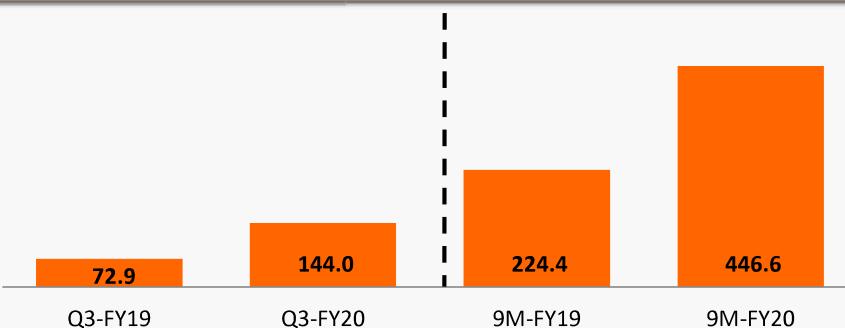
NII (₹ in Crore) & NIM



Cost to Income Ratio (%)



Pre-Provision Operating Profit



Book Value Per Share (in ₹)



Income Statement

₹ in Crore

Particulars	Q3-FY20	Q3-FY19	YoY Growth	Q2-FY20	QoQ Growth	9M-FY20	9M-FY19	YoY Growth
Interest Earned	707	462	53%	654	8%	1966	1,296	52%
Other Income	75	49	54%	75	0%	250	140	79%
Total Income	782	511	53%	729	7%	2216	1,435	54%
Finance Cost	280	182	(54)%	266	(5)%	799	509	(57)%
Personnel Cost	205	141	(45)%	183	(12)%	553	385	(43)%
Other Operating Cost	153	115	(33)%	139	(10)%	418	317	(32)%
Total Cost	637	438	(45)%	588	(8)%	1769	1,211	(46)%
Profit Before Provisions	144	73	98%	141	(2)%	447	225	99%
Credit Cost	31	7	(337)%	25	(23)%	74	28	(163)%
Profit Before Tax	114	66	73%	117	(2)%	373	196	90%
Net Tax	24	21	(16)%	24	1%	96	61	(57)%
Net profit for the period	90	45	98%	93	(3)%	277	136	104%

Other Income - Breakup

Break – up of Other Income (₹ in cr)	Q3-FY20	Q2-FY20	Q3-FY19
Interest on loan	667	620	437
Int. on investments	39	33	22
Securitization Inc.	1	2	4
Total Interest Earned	707	654	462
Processing Fees	44	45	30
PSLC Income	1	4	0
Bad Debts Recovery	8	8	5
Insurance Income	5	6	3
Misc. Income	17	12	10
Total Other Income	75	75	48
Total Income	782	729	511

Balance Sheet

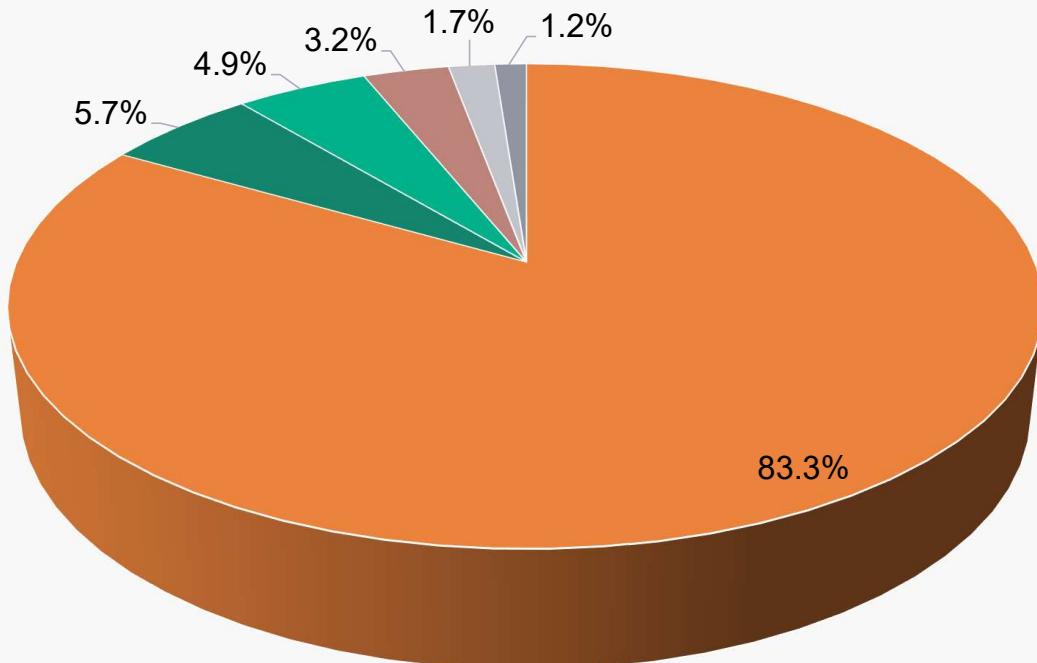
₹ in Crore

Particulars	Dec-19	Sep-19	Dec-18
CAPITAL AND LIABILITIES			
Capital	1,928	1,640	1,640
Share Application Money Pending Allotment	-	36	-
Employees Stock Options Outstanding	13	11	-
Reserves and Surplus	1,167	353	129
Deposits	10,656	10,130	5,376
Borrowings	3,099	3,470	3,593
Other Liabilities and Provisions	497	468	317
TOTAL	17,360	16,108	11,055
ASSETS			
Cash and Balances with Reserve Bank of India	633	487	236
Balance with Banks and Money at Call and Short Notice	293	222	198
Investments	2,282	2,018	1,125
Advances	13,539	12,780	8,970
Fixed Assets	292	296	271
Other Assets	321	304	255
TOTAL	17,360	16,108	11,055

Shareholding Pattern

Shareholding Pattern as on 31st December, 2019

- Promoter*
- Resident Individuals/ HUFs
- Foreign Investors
- AIF
- Mutual Funds
- Others



* Promoter is Ujjivan Financial Services Limited

Experienced Management Team



Nitin Chugh – MD and CEO

- Mr. Chugh has assumed office as a President with effect from August 17, 2019 and took charge as MD &CEO from December 01, 2019
- Rich experience across traditional and digital banking with multiple associations including, HDFC Bank, Standard Chartered Bank; varied customer relations roles with HCL Hewlett Packard and Modi Xerox
- Holds a bachelor's degree in technology from Kurukshetra University and a professional diploma in marketing management from All India Management Association

Top Leadership

Name & Designation	Prior association	Education
Sanjay Kao <i>Chief Business Officer</i>	Lipton India, Dunia Finance, Citibank, and ABN AMRO Bank	<ul style="list-style-type: none"> B.Tech from BHU PGDM from IIM, Calcutta
Carol Furtado <i>Head - Human Resources</i>	ANZ Grindlays Bank, Bank Muscat and Centurion Bank	<ul style="list-style-type: none"> B.Sc from Bangalore Uni. PGDM from Mount Carmel Institute of Management
Upma Goel <i>Chief Financial Officer</i>	L&T Finance Holdings, Ujjivan Financial Services and Escorts Securities	Chartered Accountant from ICAI
Alok Chawla <i>Head – Audit</i>	Mizuho Bank, ING Vysya Bank and Tata Motors Finance	<ul style="list-style-type: none"> B.Com from DU CA from ICAI and a Certified internal auditor
Jaya Janardanan <i>Chief Operating Officer</i>	JP Morgan Chase, ICICI Bank, ING Vysya Bank and others	M.Com from Bombay University
Kalyanraman M <i>Chief Credit Officer</i>	Equitas SFB, Citibank, SRF Finance, Cholamandalam DBS Finance, TVS Credit Services, IL&FS	<ul style="list-style-type: none"> B.E. (Hons) from NIT Tiruchi MBA (Finance) from IIM Calcutta
Jolly Zachariah <i>Head – Channels</i>	Ex COO (west) of Ujjivan Financial Services Limited and was previously employed with Citigroup	B.Com from Bombay University
Arunava Banerjee <i>Chief Risk Officer</i>	State Bank of India, Standard Chartered Bank and Bahraini Saudi Bank	<ul style="list-style-type: none"> MA economics from Calcutta University Associate of the Indian Institute of Bankers
Rajat Singh <i>Business Head - Micro & Rural Banking</i>	Ujjivan Financial Services	Bachelor's in agriculture and food engineering from IIT, Kharagpur

Supported by a highly experienced team of qualified & experienced professionals

Strong Independent Board

Name	Education	Experience
Sunil Vinayak Patel <i>Part-Time Chairman and Independent Director</i>	B.Com from University of Mumbai, CA from ICAI, and MBA from Wharton School	Previously served on the boards of L&T Investment Management and Ujjivan Financial Services
Nitin Chugh <i>MD and CEO</i>	Bachelor's degree in technology (electrical engineering) from Kurukshetra University and a professional diploma in marketing management from All India Management Association	Prior associations with banks incl. Standard Chartered Bank, HDFC Bank and worked with Modi Xerox Limited, HCL and Hewlett Packard Limited
Jayanta Kumar Basu <i>Non-Executive Director</i>	BA(economics) from DU and a PGDM from the IIM, Ahmedabad	Serves as a partner at CX Advisors and previously worked as SVP at CitiBank
Vandana Viswanathan <i>Independent Director</i>	B.Sc from Bangalore University and MA in personnel management and industrial relations from the TISS	Co-founder and partner at Cocoon Consulting
Chitra Kartik Alai <i>Non-Executive Nominee Director</i>	B.Com from Osmania University and MBA from Symbiosis Institute	Serves as General Manager at the Chennai regional office of SIDBI
Sachin Bansal <i>Independent Director</i>	B.Tech from Indian Institute of Technology, Delhi	Co-founded Flipkart

Name	Education	Prior Experience
Luis Miranda <i>Independent Director</i>	B.Com and M.Com from Bombay University, CA from ICAI and MBA from University of Chicago	Previously served as the President and CEO at IDFC Private Equity
Biswamohan Mahapatra <i>Independent Director</i>	MA from JNU, M.Sc in management from Arthur D. Little Management Education Institute and MBA from Delhi University	Previously served as an executive director of the Reserve Bank of India
Prabal Kumar Sen <i>Independent Director</i>	Master's degree in arts (economics) from Calcutta University	Served as Professor at XLRI, Institute of Rural Management as a Bank of Baroda chair professor and University of Burdwan
Nandalal Laxminarayan Sarda <i>Independent Director</i>	M.Tech and PhD from IIT, Bombay	Previously served on the boards of the Union Bank of India, Clearing Corporation of India and Andhra Bank
Mona Kachhwaha <i>Non-Executive Director</i>	PGDM in business management from XLRI Jamshedpur and has completed a PE programme from Oxford University	Previously worked with Citibank and Caspian Impact Investment Adviser
Mahadev Lakshminarayanan <i>Independent Director</i>	B.Sc from Kerala University and CA from ICAI	Serves on the board of Aspinwall and Company and ex-partner at Deloitte Haskins & Sells LLP and Fraser & Ross

Thank You!