

# Investor Presentation

## Q2 FY 2018-19

**November 2018**

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# 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 8,317 cr.; +25% Y-o-Y / 7% Q-o-Q
- ❖ 45% Y-o-Y / 8% Q-o-Q increase in Consolidated NII led by AUM growth
- ❖ Ujjivan SFB NIM maintained at 11.0% in Q2-FY19 vs 10.7% in Q1-FY19 despite rising interest rates; took 75 bps hike in Group Loan Lending Rates w.e.f. September 3, 2018
- ❖ Robust sequential growth in business profitability\*
  - Consolidated PAT at ₹44.3 cr. In Q2-FY19 vs ₹45.0 cr. in Q1-FY19 and Net loss of ₹12.0 cr. in Q2-FY18
  - ROA stands at 1.7% in Q2-FY19 vs 1.8% in Q1-FY19 and (0.6%) in Q2-FY18
- ❖ Expanded branch network in H1-FY19 (+180); total banking outlets stands at 367 as of Sep'18
- ❖ Retail deposit at Rs 1,312 cr (+75% Q-o-Q); 31% of total deposits
- ❖ Capital Adequacy maintained at 23.8% of which Tier-I capital is 23.1%

\* Income from sale of PSLC (priority sector lending certificate) in Q2-FY19 was Rs 1 cr vs. Rs 24 cr in Q1-FY19 and Rs 8 cr. In Q2-FY18

## Performance Highlights (2/2)

### Business development:

- ❖ Launch of new business lines (Composite Agri Loan, Wholesale Lending, 2-Wheeler Loans, Personal Loans & Overdraft facility)
- ❖ New Digital Services- Bill Payment, UPI, NACH, Mobile App in 5 languages

### Focus on Retail franchise:

- ❖ Launched differentiated liability products: Business Edge Current Account, variable interest rate for savings account customers
- ❖ Focus on longer tenor FDs (735 & 799 days) and Sr. Citizens product showing good traction

### Comfortable liquidity position despite market situation:

- ❖ Reduced dependence on money market: CD reduced to 14% as of Sep'18 vs. 22% as of Jun'18
- ❖ Mandate signed with IFC for Tier II capital (\$50mn.)

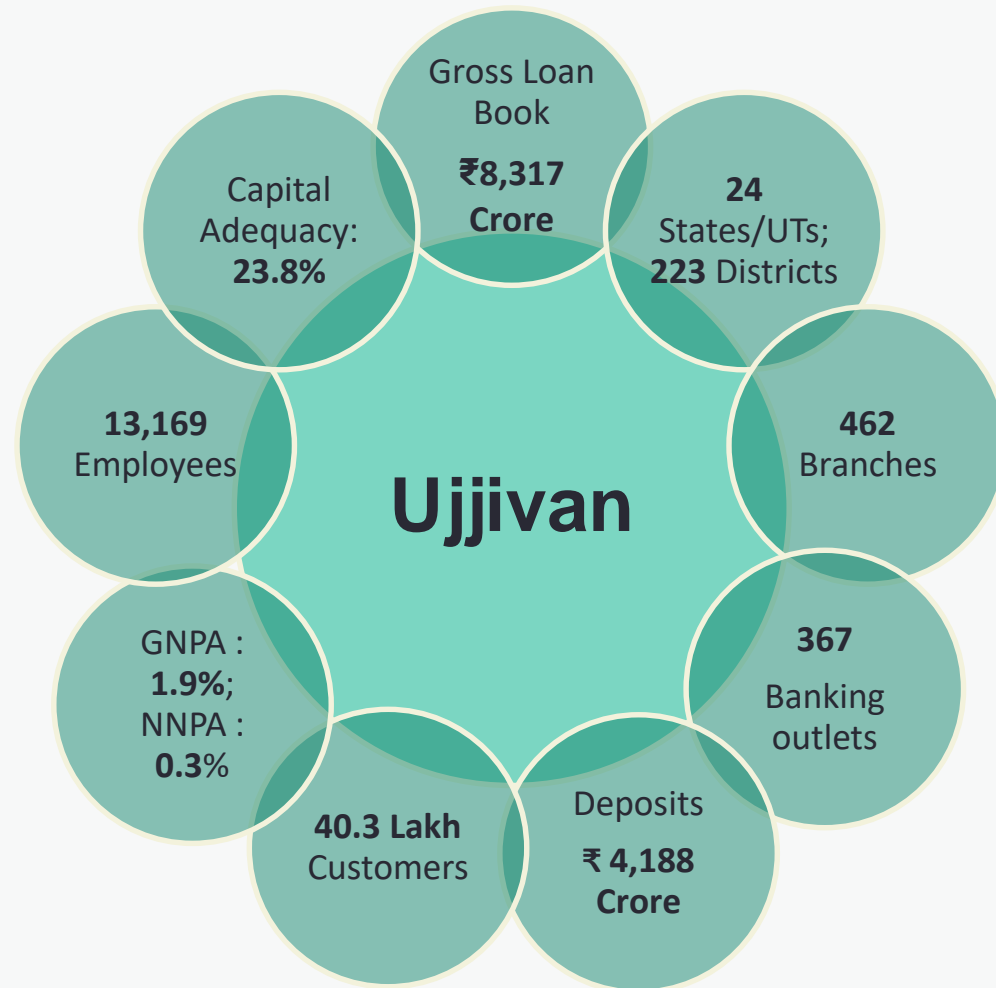
*^ IFC: International Finance Corporation, CD: Certificate of Deposits, UPI: Unified Payments Interface, NACH: National Automated Clearing House*

## Key Focus Areas for H2-FY19

- ❖ Ramp up Microfinance disbursement with focus on customer retention & new customer acquisition
- ❖ Roll out of Agri-Composite Loans by Q4
- ❖ Wholesale Lending to focus on Microfinance Institutions
- ❖ Promotion of new features- Bill Payment, UPI, Corporate Internet Banking, NACH, e-mail indemnity, RuPay promotions, regional language App to drive transactions and balances
- ❖ Marketing in regional languages via local mass media- Radio, regional TV, print
- ❖ Focus on longer tenor (1 year) institutional Fixed deposits
- ❖ Branch Rollout: to end the year with 475 banking outlets of which 120 will be URCs
- ❖ Control on existing costs by revisiting processes & contracts

<sup>^</sup> MSE: Micro & Small Enterprise, URC: Unbanked Rural Centre

# Bank Snapshot: September, 2018





# Q2-FY19: Business and Operational Highlights

## Gross Loan Book

- ₹8,317 crore as of Sep'18
- 24.7% y-o-y growth
- 6.8% q-o-q growth

## Loan Composition

- Non-Micro banking book constitutes 12.1% against 4.3% in Sep'17

## Disbursements

- ₹2,383 crore for Q2-FY19
- 22.0% y-o-y growth
- 13.9% q-o-q growth

## Asset Quality

- GNPA at 1.9% from 2.7% in Jun'18, NNPA at 0.3%
- Adequate PCR at 85%

## Secured Loan Book

- 9.0% to total loan book
- 270.1% y-o-y growth, 38.0% q-o-q growth

## Net Loan Book

- ₹8,167 crore as of Sep'18
- 28.3% y-o-y growth
- 4.9% q-o-q growth

## Branch Roll-out

- Converted 180 asset centres into banking outlets in H1-FY19 including 10 URCs

## Deposits

- Deposits constitute 49% to total funding
- Reduced reliance on CD - 14% (22% in Jun '18)

## Retail Deposits

- Retail deposits at 31.3% against 9.5% in Sep'17
- CASA at 9.0% improved from 4.6% in Sep'17

^ URC: Unbanked Rural Centre, CD: Certificate of Deposits, GNPA / NNPA: Gross / Net Non-Performing Assets

# Q2-FY19: Financial Highlights (Consolidated)

## Total Income

- ₹467.4 crore in Q2-FY19
- 23.6% y-o-y growth
- 1.2% q-o-q growth

## Net Interest Income (NII)

- ₹239.3 crore in Q2-FY19
- 45.4% y-o-y growth
- 7.6% q-o-q growth

## Net Interest Margin (NIM)

- 12.0% in Q2-FY19
- Up from 10.6% in Q2-FY18 and 11.6% in Q1-FY19

## Cost to Income

- 77.4% in Q2-FY19 as against 68.8% in Q2-FY18 and 72.3% in Q1-FY19

## Profit

- Net Profit of ₹44.3 crore in Q2-FY19 as against Net Loss of ₹12.0 crore in Q2-FY18 and Net Profit of ₹45.0 crore in Q1-FY19

## Return Ratios

- ROA at 1.7% / ROE at 9.7% for Q2-FY19 as against (0.6%) / (2.9%) for Q2-FY18 and 1.8% / 10.1% respectively for Q1-FY19

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# Way Forward (1/2)

## Micro banking

- ❖ Multi pronged strategy for H2-FY19
  - Opening up of new catchment areas to boost new customer acquisition
  - Focus on bringing back center meeting discipline
  - Revamped incentive scheme
  - Refinement in credit policy

## Rural banking

- ❖ Ramp up in Q4 with opening of 63 outlets in H2
- ❖ Multi Product Strategy
- ❖ Customized product offerings for small & marginal farmers
- ❖ Target Rural Affluent for deposits and word of mouth marketing, focus on deposits from panchayat & other government, private bodies

## Way Forward (2/2)

### MSE

- ❖ Introduction of new secured product variants
- ❖ Partnership with leading online aggregators to develop multiple sourcing channels
- ❖ Overdraft cross-sell campaigns on existing MSE and Current Account customers

### Affordable Housing

- ❖ Further deepening of market penetration
- ❖ Thrust on semi and informal segment

### Branch Banking

- ❖ Product enhancement & ecosystem for Current Account
- ❖ Salary account re-launched with revamped offerings
- ❖ Privileged offerings based on Total Relationship Value
- ❖ Leverage Bill Payment options, RuPay Offers, Mobile Banking Penetration & Loyalty Programs

## Guidance for FY19

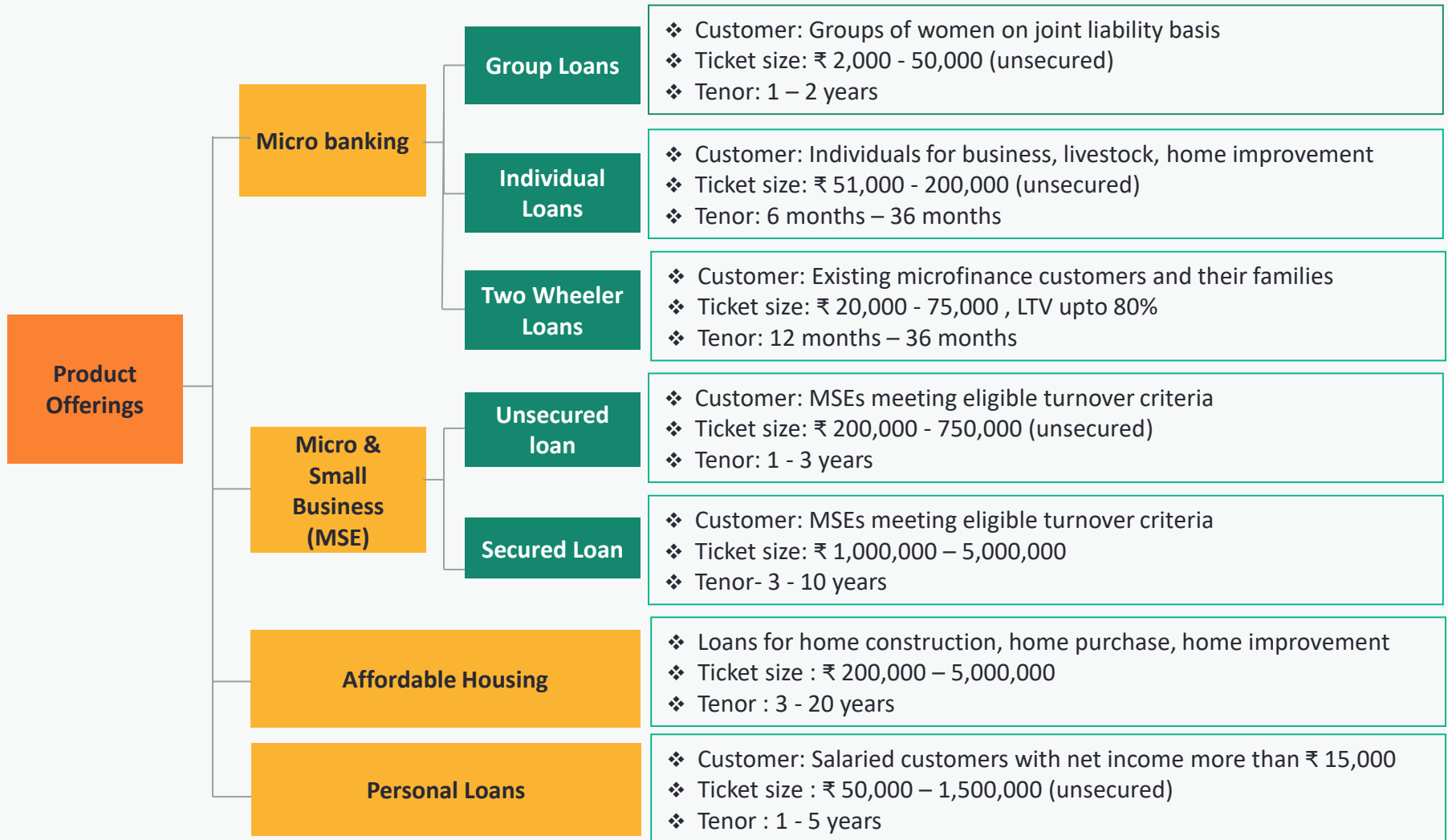
- ❖ AUM growth: 30—35%; Micro-banking to grow around 20%
- ❖ NIM (bank): To remain at current level of ~10.8% in FY19
- ❖ Cost of funds: Expected to be in the range of 8.4-8.5% in FY19
- ❖ RoA: 1.7% in FY19
- ❖ RoE around 12% in FY19
- ❖ 6.5x leverage maximum
- ❖ Cost to Income ratio would be in range of 74% - 75% in FY19; to achieve 55% in 3-4 years
- ❖ Credit cost: sub 70 bps in FY19
- ❖ MD designate to be announced at least 6 months prior to Mr. Ghosh stepping down; hand-holding for smooth transition; both internal and external candidates are being evaluated

## Listing of Ujjivan SFB shares

- ❖ We are fully committed to abide by the RBI guidelines in terms of promoter holding and listing of the SFB and working out the various options including:
  - Distribution of 20-60% of Ujjivan SFB shares to existing shareholders of UFSL (Holding Company)
  - Rights Issue
  - IPO of Ujjivan SFB
- ❖ We have formed a Board Committee to evaluate all option keeping in mind the interest of UFSL shareholders and various tax, compliance and other regulatory aspects. This committee will work in close conjunction with a similar Board Committee formed by Ujjivan SFB. Both the committees would ensure compliance with all the regulatory requirements and come up with optimal solution ensuring best interest of all stakeholders

# Ujjivan SFB Business

# Asset Offerings





# Update On New Initiatives, FY19

## Personal Loan

- ❖ Launched in Q2-FY19
- ❖ Live in 8 cities and 59 branches
- ❖ Technology led business process to ensure lower TAT
- ❖ Sourcing of business through multiple channels
- ❖ Listed on key Online aggregator platforms
- ❖ On boarded DSAs across regions

## Two-wheeler Loan

- ❖ Launched in Q2-FY19
- ❖ Cross Sell Loan to existing Micro banking customers with at least 12 months EMI relationship with good repayment track record
- ❖ Lower TAT, Simple & transparent processing and affordable pricing for our customer segment

## Lending to Financial Institution

- ❖ Lending to NBFCs, MSME financiers, MFIs
- ❖ Focus on Term Loans having tenor of 1 -2 years

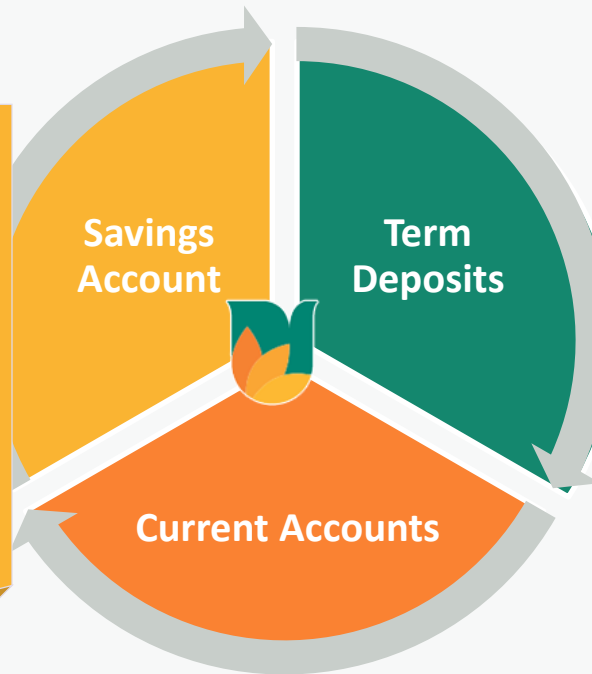
## Rural Business

- ❖ Focus on Small/Marginal farmers meeting their undeserved needs
  - ❖ Addressing the Male customers
    - Composite Agriculture Term Loans
    - Dairy Loans
    - Two Wheeler Loans



# Liability Offerings Update

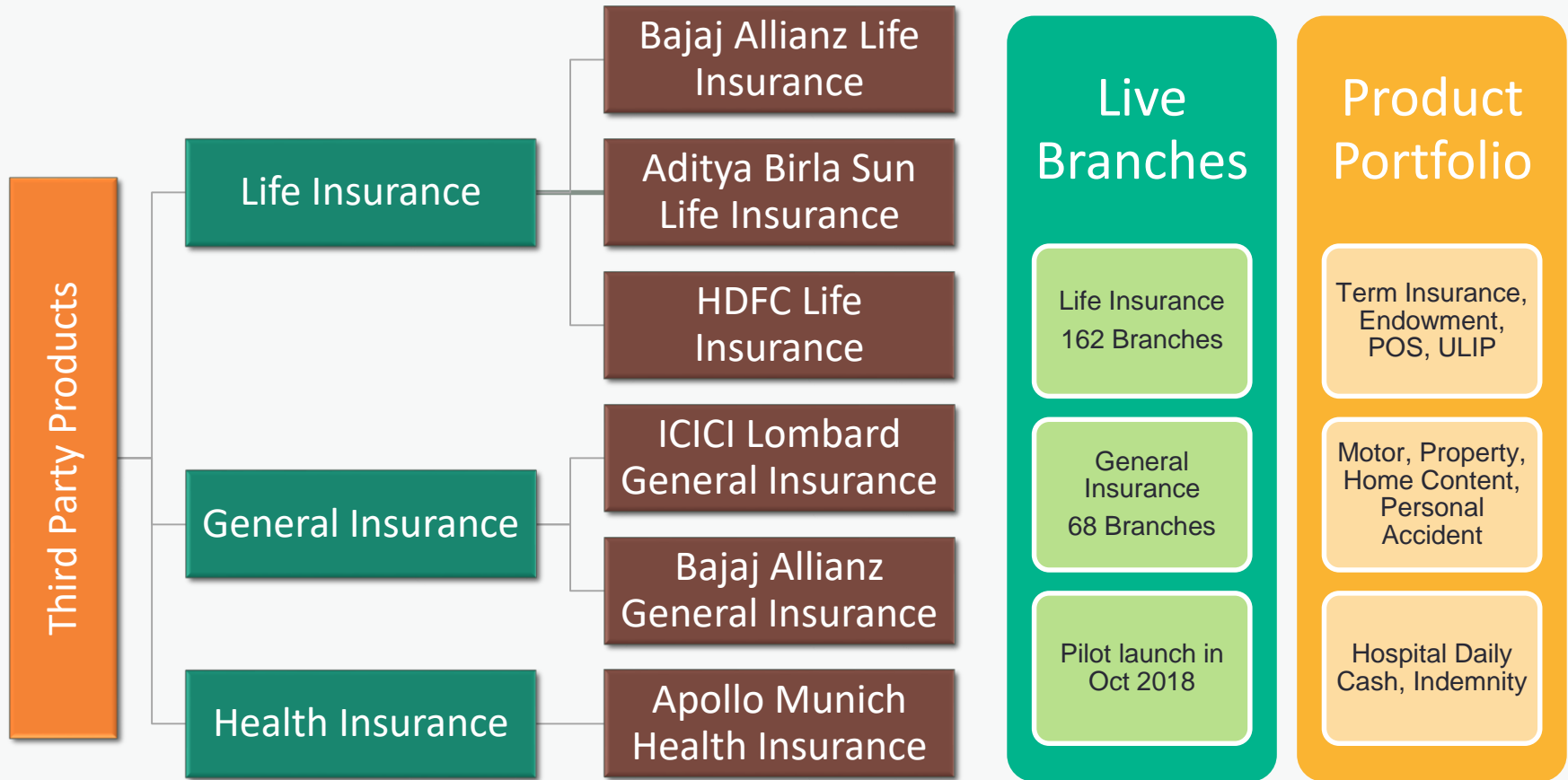
- ❖ No minimum balance requirement and unlimited free transactions at Ujjivan's ATM
- ❖ New Product "Corporate Salary Account" launched on 01<sup>st</sup> August 2018
- ❖ Introduced differential interest rate effective 08<sup>th</sup> July 2018 :
  - 4% (up to ₹5 Lac)
  - 5.5% (₹5Lac – up to ₹50Lac)
  - 6.75% (₹50 Lac- ₹5 Cr)
  - 7% (above ₹5 Cr)



- ❖ Attractive Entry Level - ₹ 1000 for FD and ₹ 100 for RD
- ❖ No penalty upon premature and partial withdrawal after 6 months
- ❖ Introduction of a new Interest rate slab effective from 01.09.2018 for 799 days at 8.5% for TDs, additional interest rate of 0.5% for senior citizens
- ❖ Introduction of Standalone FD through Hand Held Device effective from 04.09.2018, Standalone FDs can be funded by Cheque, EFT and Cash

- ❖ Ujjivan SFB provides 3 variants of Current account catering to requirements of the mass market segments.
- ❖ Launch of new current account variant - "Business Edge Current account" on 1<sup>st</sup> of Aug 2018
- ❖ Business Edge offers :
  - Rewards & offers to the customer with respect to Free POS rental & Installation, CMS services based on the Average monthly balances maintained by the customer.
  - Free cash deposits across all Ujjivan branches up-to 12 times of previous/ current month's average balance for Business Edge Current Account – Flexi Next/ Flexi Now option as chosen by the customer in accordance with the Business Seasonality.
  - Free Electronic fund transfer and unlimited free ATM transactions at Ujjivan ATMs

# Third Party Products

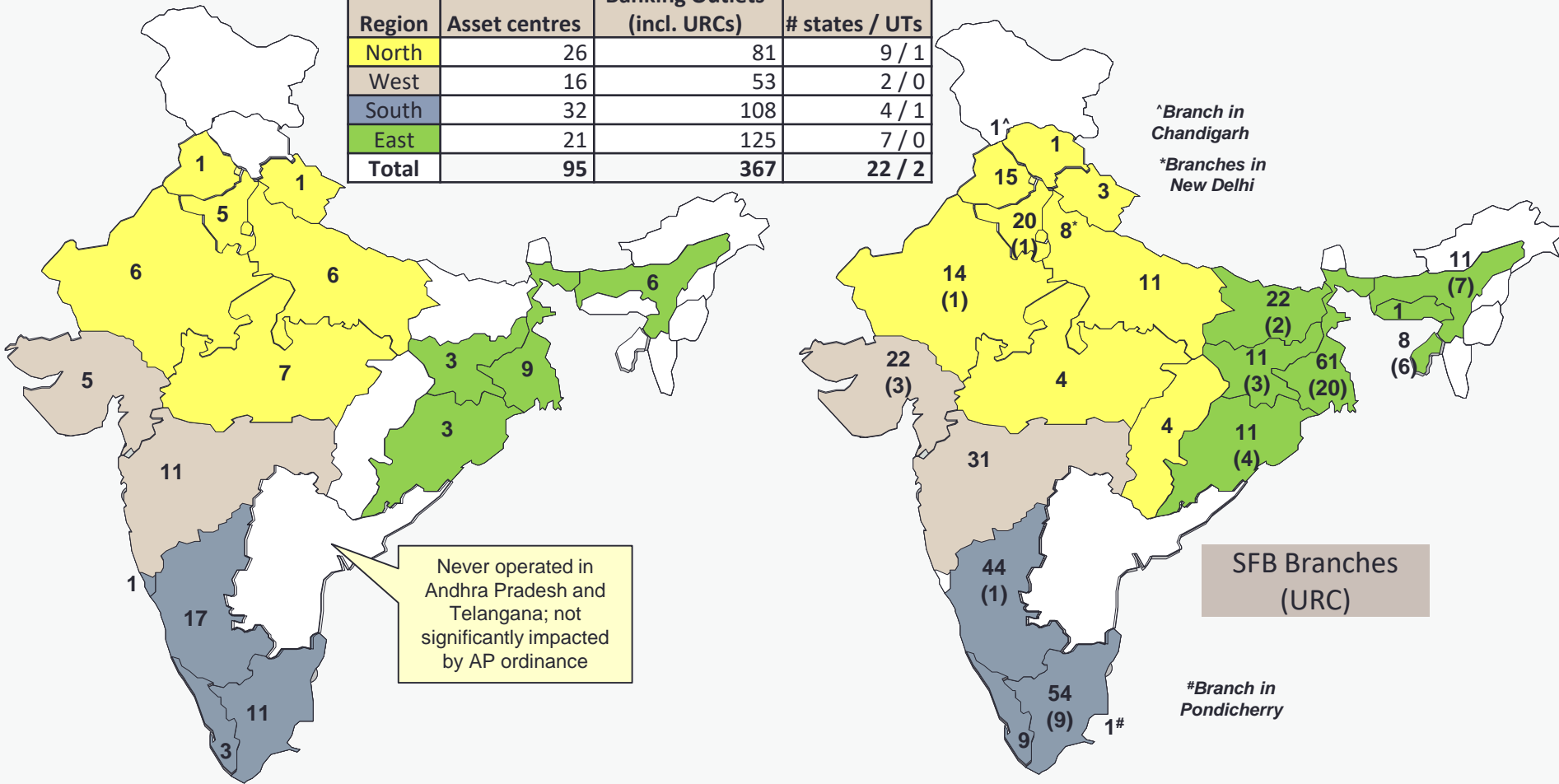


# Wide Geographical Distribution

State wise Asset Centres Mix

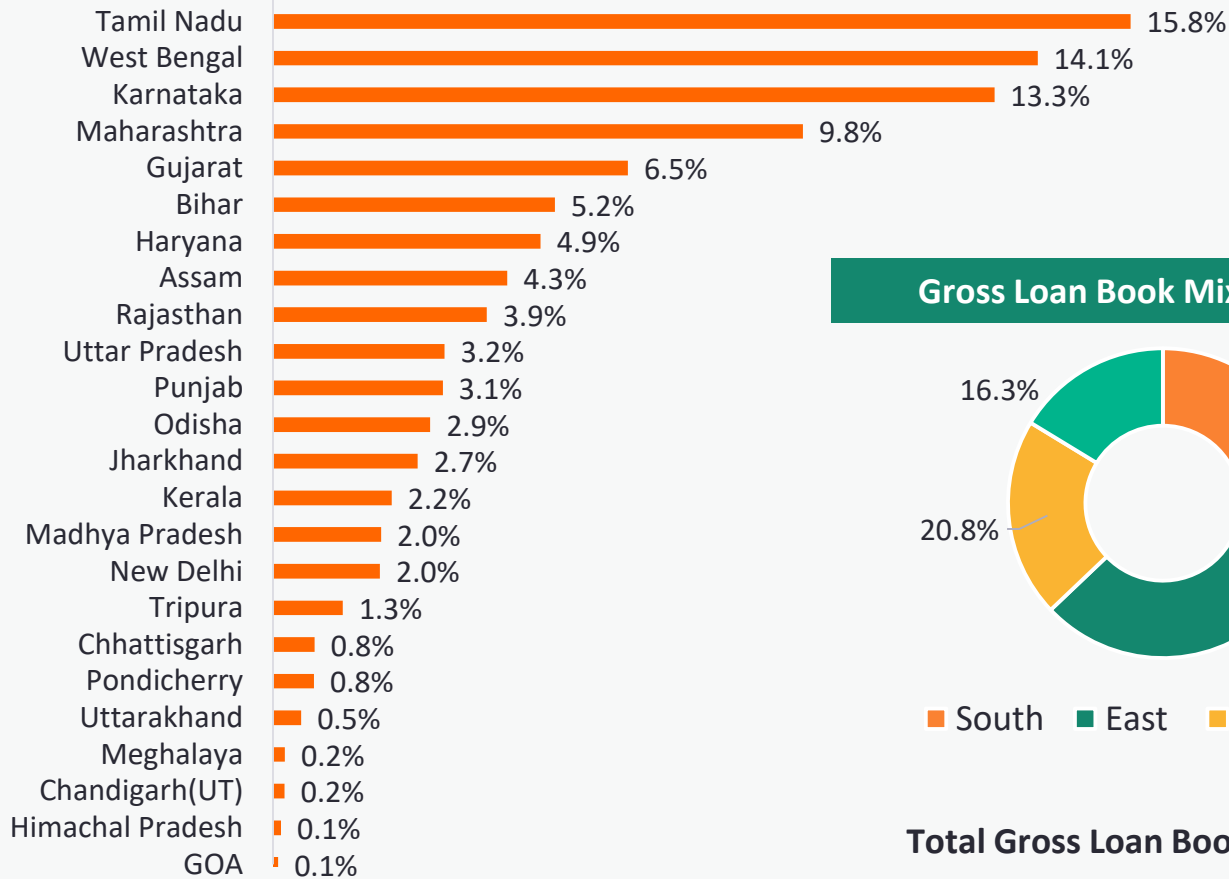
Region	Asset centres	Banking Outlets (incl. URCs)	# states / UTs
North	26	81	9 / 1
West	16	53	2 / 0
South	32	108	4 / 1
East	21	125	7 / 0
<b>Total</b>	<b>95</b>	<b>367</b>	<b>22 / 2</b>

State wise Full-fledged Banking Outlets



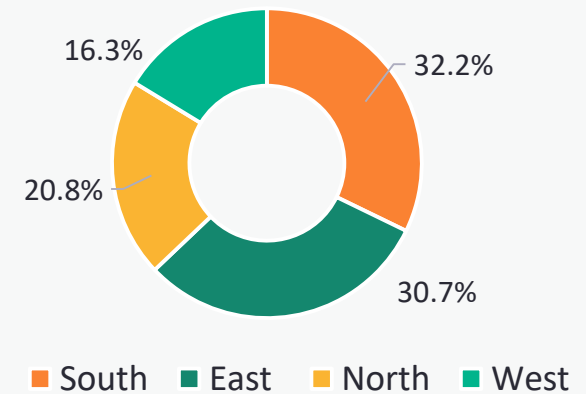
# Diversified Portfolio Mix

## State wise Portfolio Mix (%) – Sep'18



Highly diversified with no state accounting for more than 16% of overall portfolio

## Gross Loan Book Mix - Region wise



Total Gross Loan Book: ₹8,317 Crore

## Banking Outlets Roll Out Plan

- ❖ As of Sep'2018, there are 462 branches with 95 asset centres and 367 banking outlets including 57 URCs
- ❖ In Q2-FY19, we have converted 92 asset centres into banking outlets which includes 9 Unbanked Rural Centres (URCs). In H1-FY19, we operationalized total 180 banking outlets
- ❖ Total 475 banking outlets planned in FY19
  - 108 banking outlets will be opened in H2-FY19, of which 63 will be in URCs in Assam, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Odisha, West Bengal, Bihar, Odisha, Rajasthan, West Bengal and Tamil Nadu
- ❖ Remaining 48 asset centres will be converted in FY20

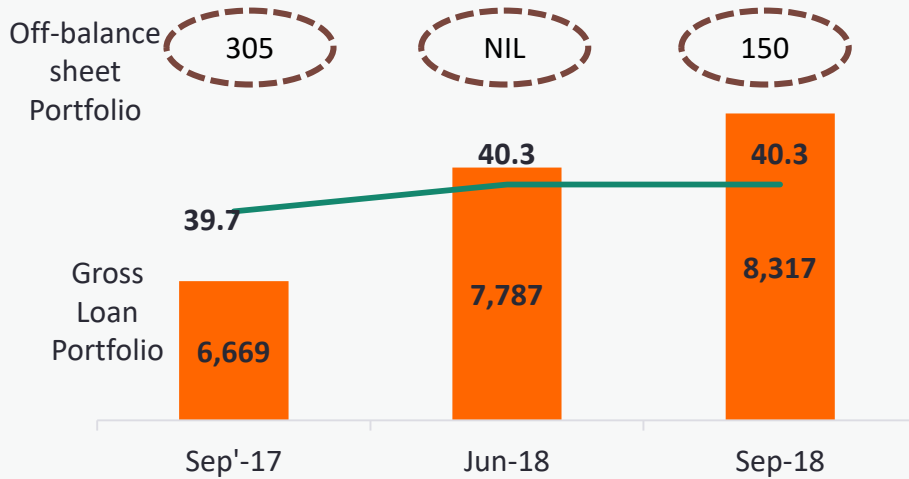


Each banking outlet to serve both asset and liability offerings

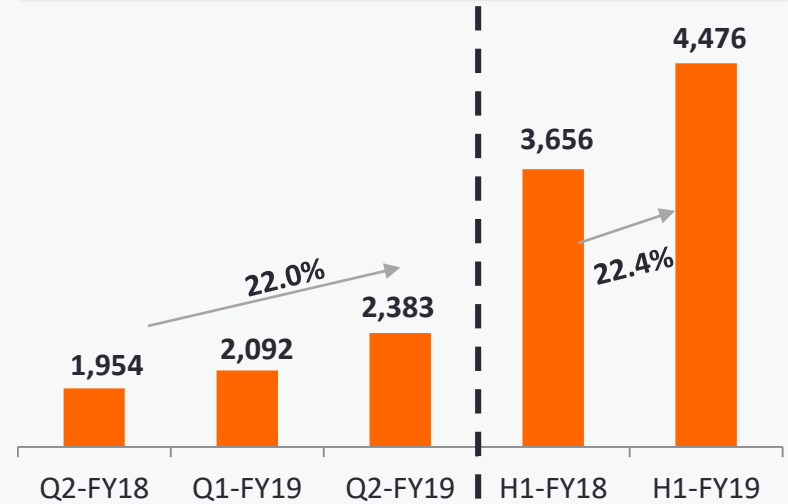
# Business Performance Overview

# Loan Book and Disbursement Trend

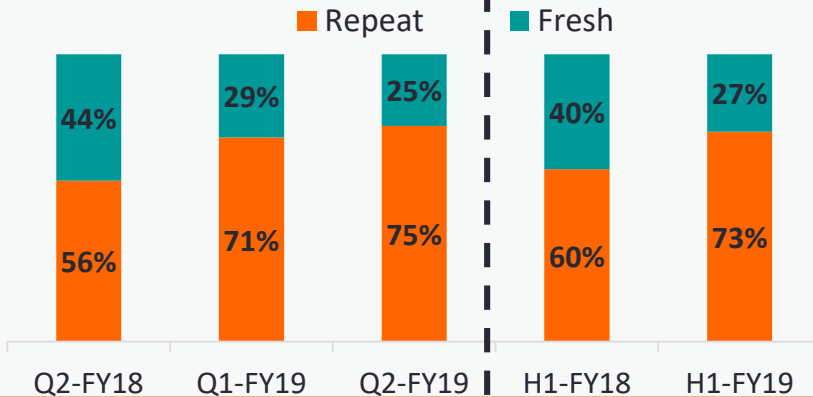
## Loan Book (₹ in Crore) & Active Customer base



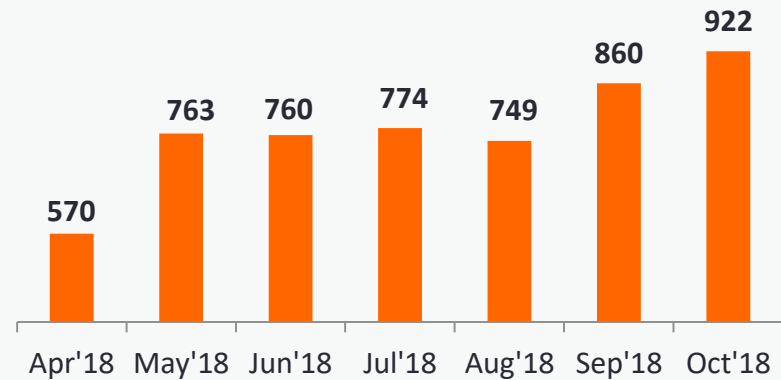
## Total Disbursements (₹ in Crore)



## Type of Loan (on Disbursement)



## Monthly Disbursement Trend (₹ in Crore)

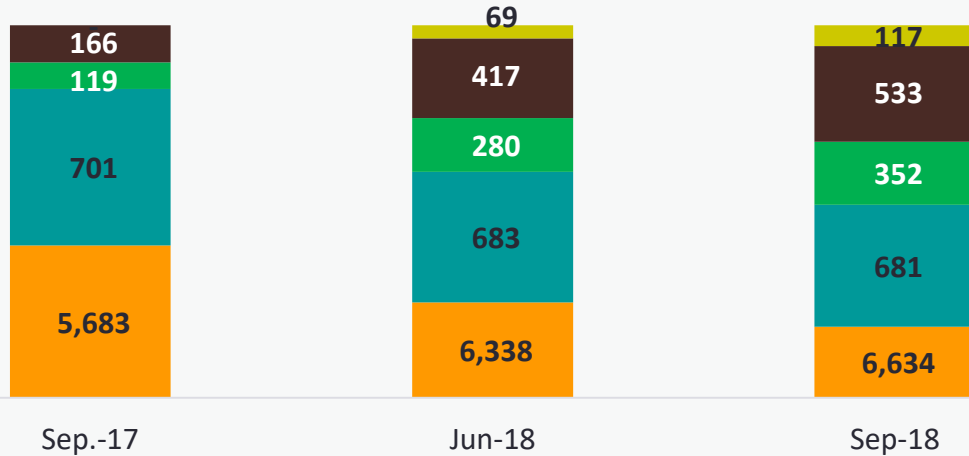




# Composition of Gross Loan Book

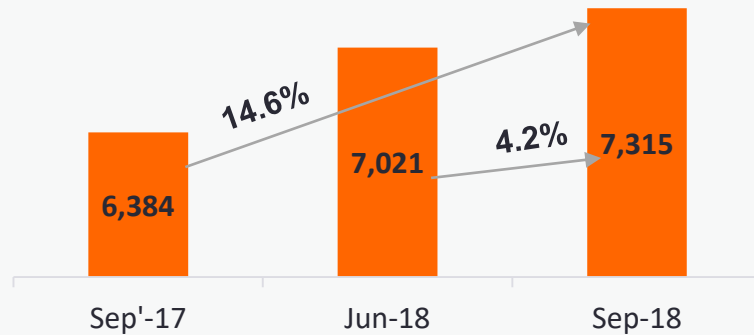
## Loan Book – Segment wise (₹ in Crore)

■ Group Loans ■ Micro Individual Loan ■ MSE ■ Affordable Housing ■ Others

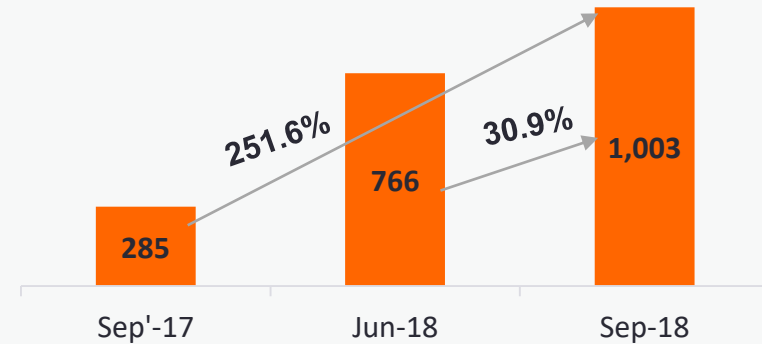


Product Bifurcation	% Share as of Sep'18
Group Loan	79.8
Micro Individual Loan	8.2
MSE	4.2
Affordable Housing	6.4
Others	1.4

## Micro banking^ Portfolio Trend (₹ in Crore)



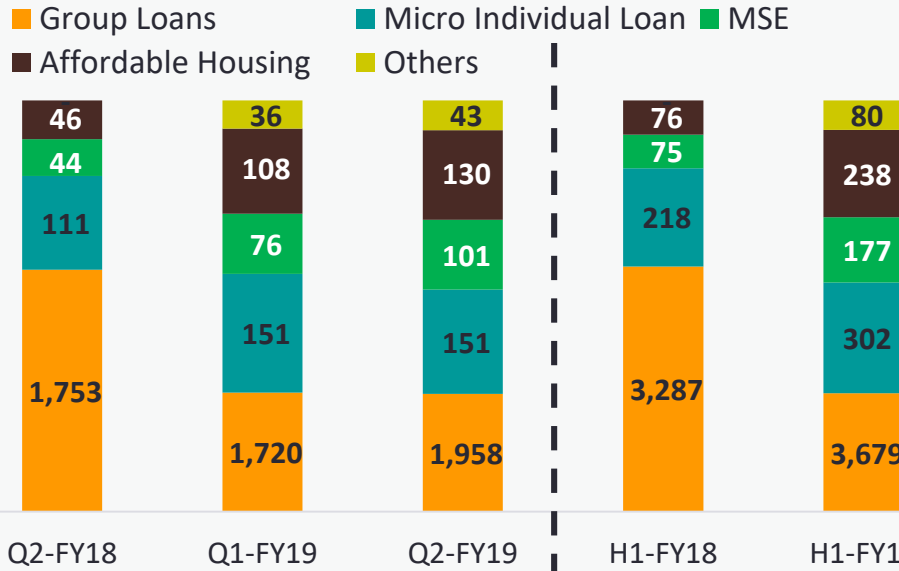
## Non – Micro banking Portfolio Trend (₹ in Crore)



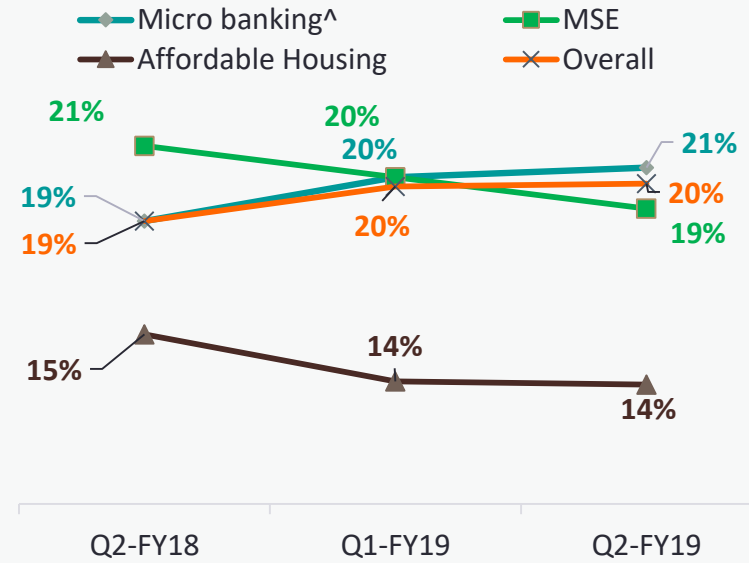
^ Micro banking: Includes Group Loan and Micro Individual Loan

# Disbursement Spread, Yield and Average Ticket Size

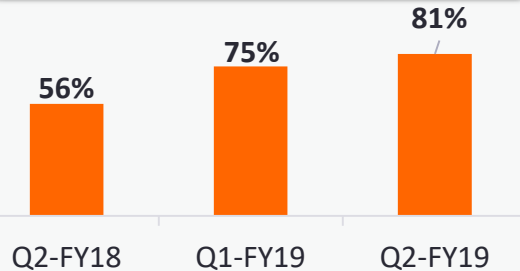
## Product wise Disbursement (₹ in Crore)



## Yield on AUM (%) – Segment wise



## Cashless Disbursement (%)



## Average Ticket Size (₹) – YTD FY 2018-19

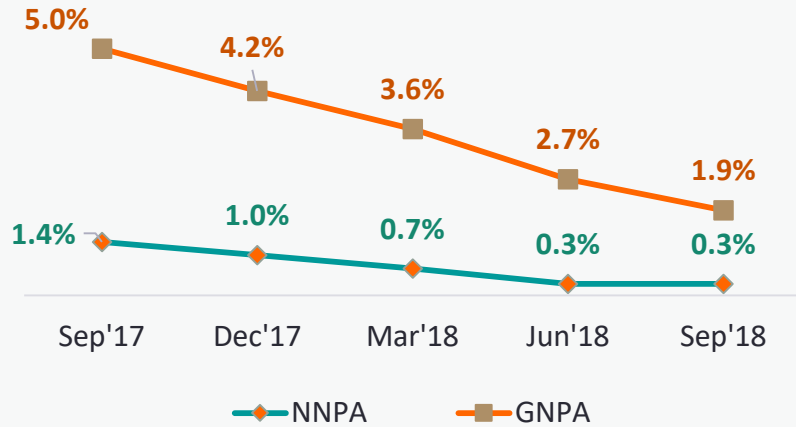
Product	Q2-FY19	Q1-FY19
Group Loans	29,506	30,192
Micro Individual Loan	80,929	79,545
MSE	5.8 lakh	5.2 lakh
Housing Finance	9.3 lakh	8.3 lakh

<sup>^</sup> Micro banking: Includes Group Loan and Micro Individual Loan

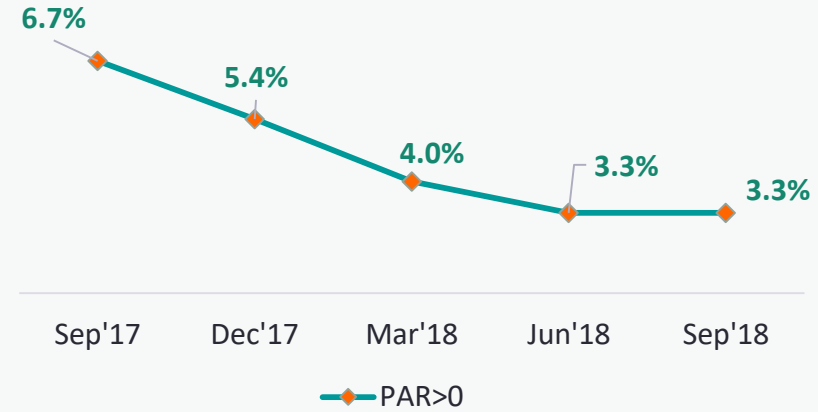
Interest rate on Group Loans have been increased by 75 bps effective 3<sup>rd</sup> September, 2018

# GNPA, NNPA and PAR

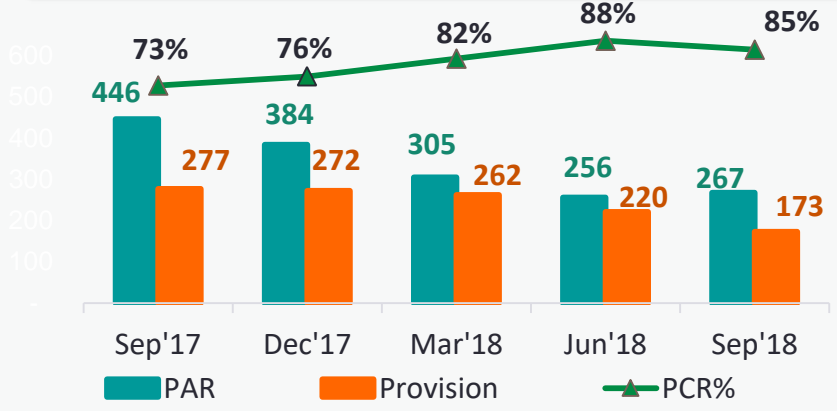
## GNPA and NNPA



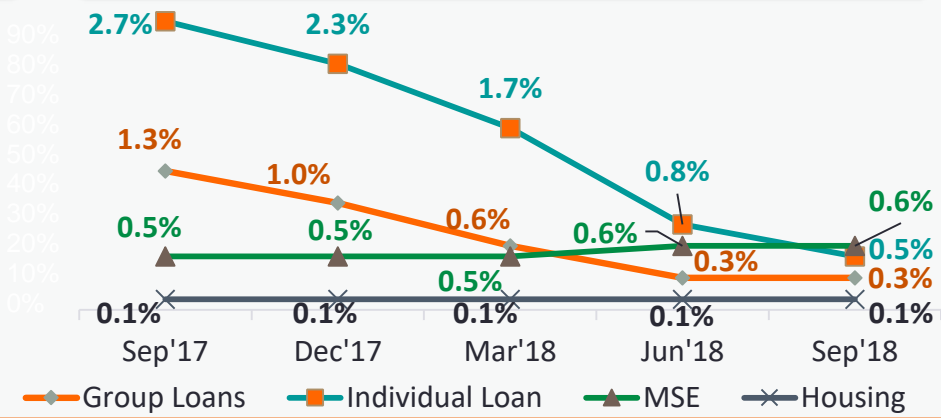
## Portfolio At Risk (PAR%)



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



## NNPA (%) – Segment wise



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# Kerala Status Update

Particulars	Overall	Flood Affected Branches
Number of Branches in Kerala	12	4
Number of accounts in Kerala	86,946	28,046
Loan Book (In Rs. Cr.)	174	52

## Actions

- ❖ Relief material like food, clothing & medicines distributed
- ❖ Repayment holiday to 22,103 accounts from 4 affected branches as declared by Kerala SLBC/61/104/GN/2018
- ❖ Provided 5% standard asset provision to restructured assets i.e. addition of 1.77 Cr



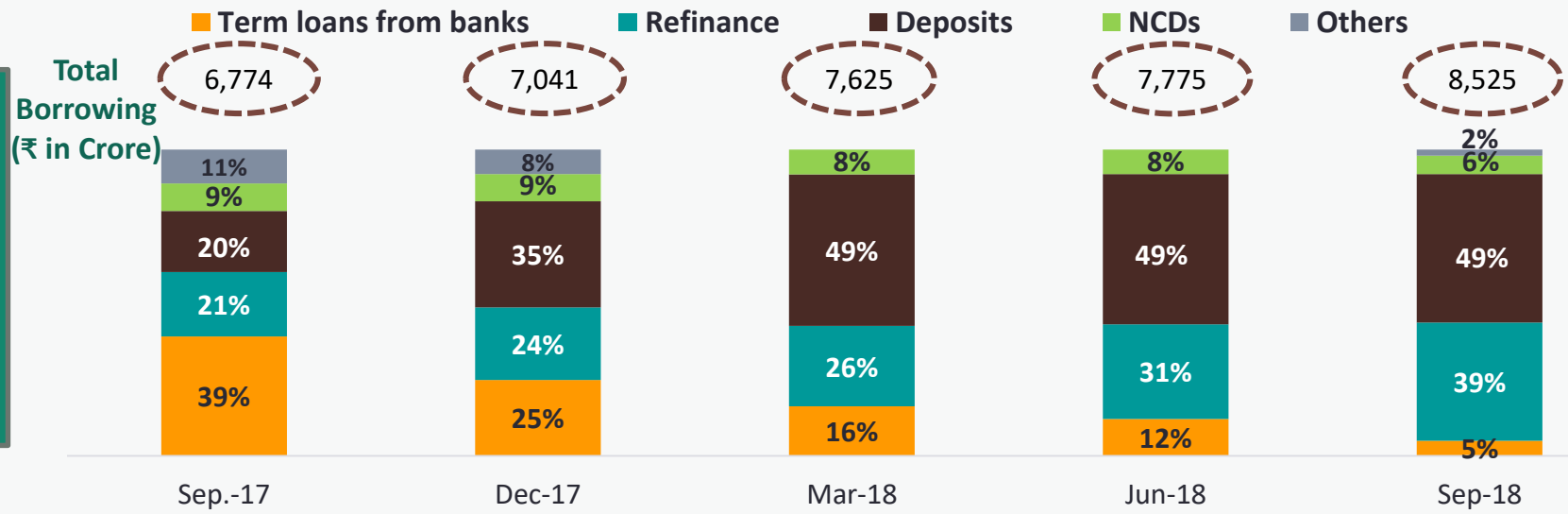
## Outcome

- ❖ ~97.5% customers have paid in October
- ❖ ~93% customers who were overdue as of September have paid at least 1 EMI in October

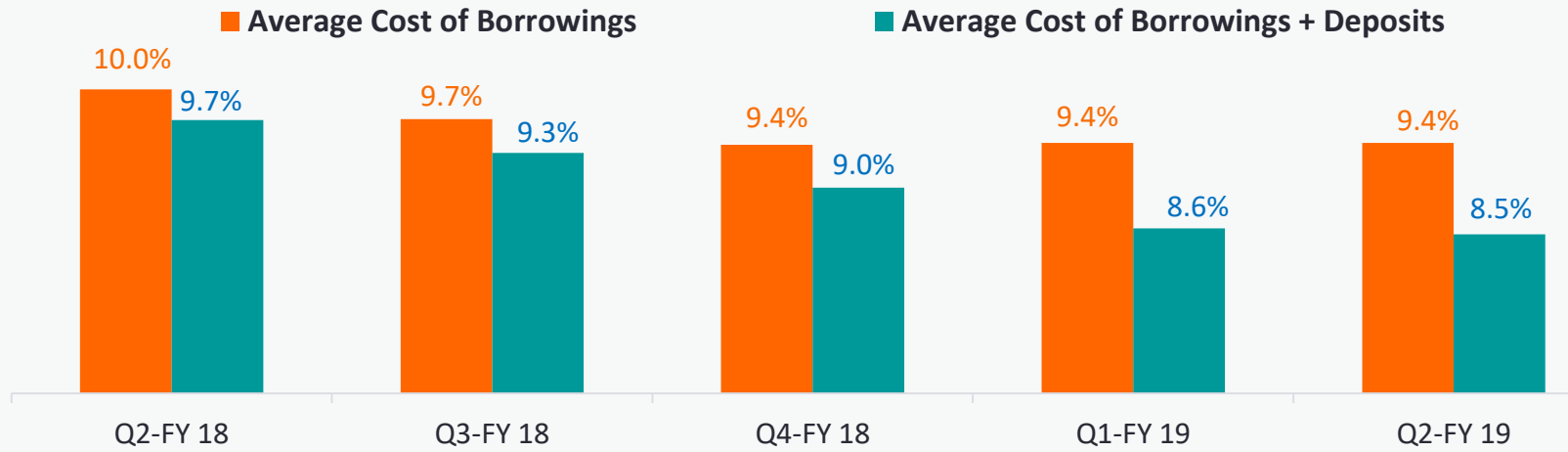
# Liabilities Profile

# Borrowings Profile and Cost of Funds

Borrowings Profile

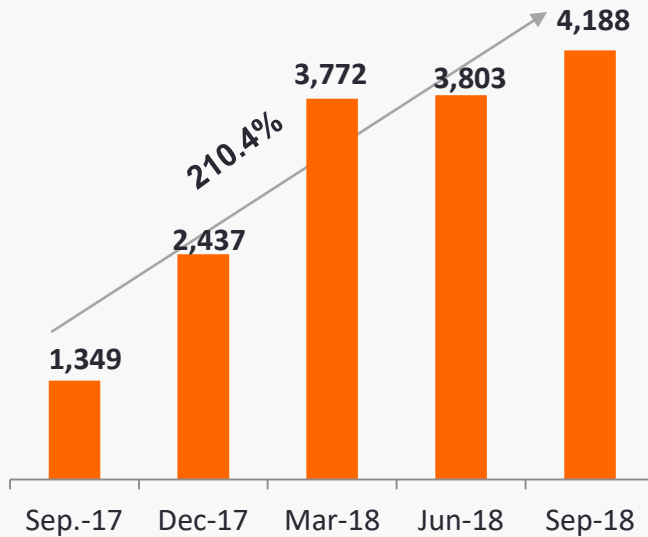


Cost of funds

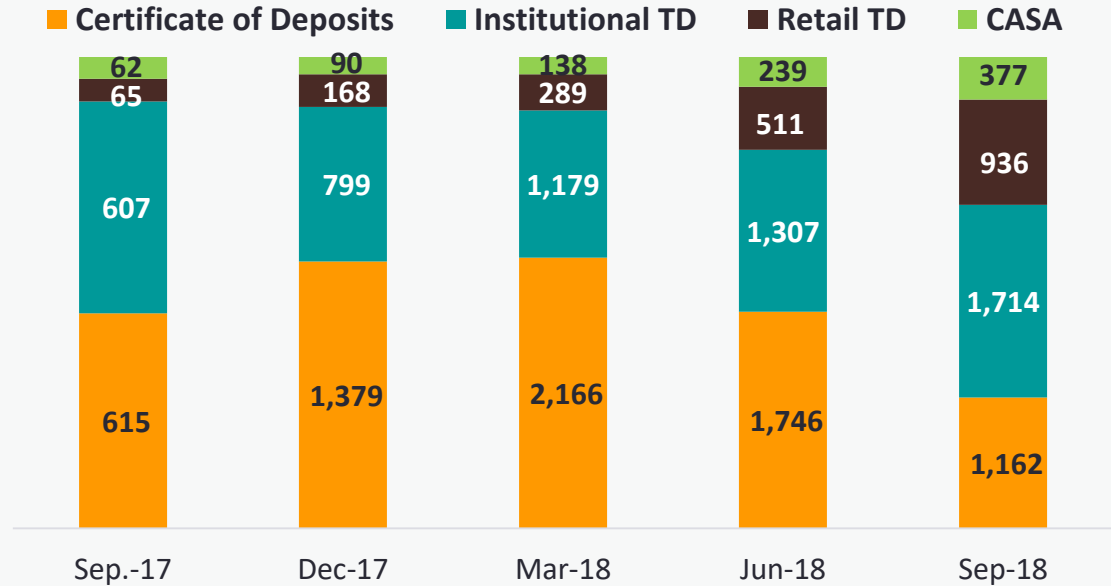


# Deposits Update – USFB

## Total Deposits (₹ in Crore)



## Deposits break-up (₹ in Crore)



Deposit Ratios	Q2-FY19
Average Cost of Deposits	7.5%
CASA Ratio	9.0%
Retail to Total Deposit	31.3%
Credit to Total Deposit	199%

^ 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 46% 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 31.3% 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

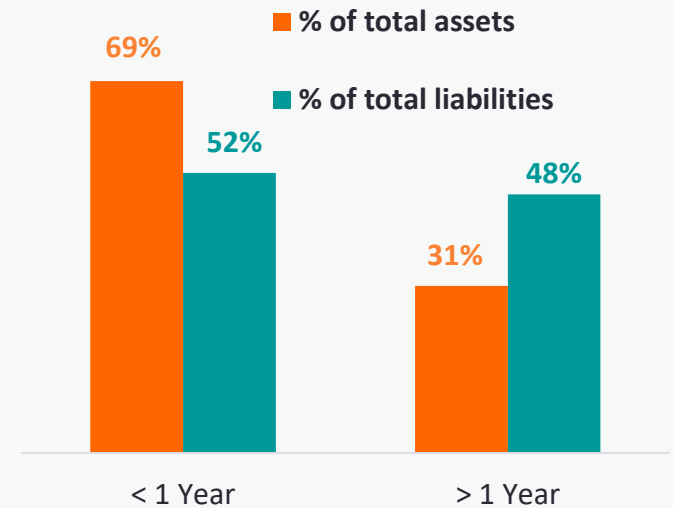
**NO MAJOR IMPACT OF LIQUIDITY CRISIS**

### LIQUIDITY MANAGEMENT

- Raised long term funds from SIDBI/NABARD
- Favorable liquidity position as of end-Sep'18
- No impact on disbursements → Sep-Oct'18 disbursements were at highest level

### RAISING TIER-II CAPITAL

- Mandate signed with International Finance Corporation (IFC) to raise US\$50mn. of tier II capital
- 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
- ❖ 17% of the short term book funded by long term deposits/borrowings
- ❖ Adequately capitalized with CAR at 23.8% of which Tier I is 23.1%
- ❖ 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



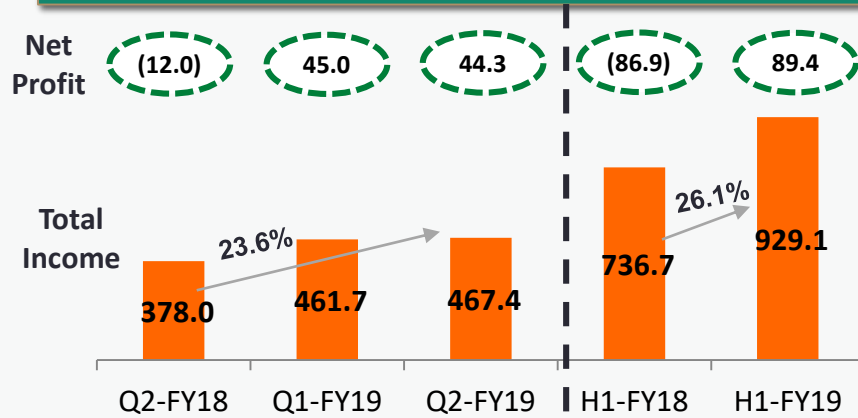
## Credit Ratings for Ujjivan SFB

Particulars	₹ in Crore	Rating Agency
Long Term Borrowing	4,250.00	CARE A+ (Stable)
NCD	100.00	CARE A+ (Stable)
NCD	400.00	[ICRA] 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+

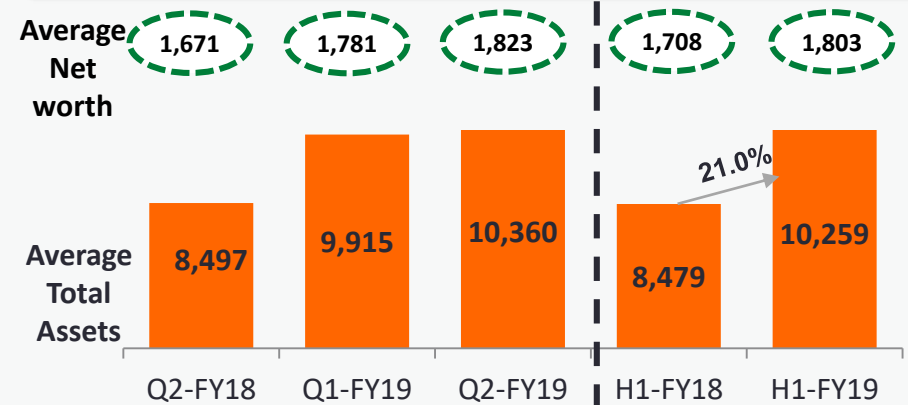
# Financial Overview – Consolidated UFSL

# Financial Overview

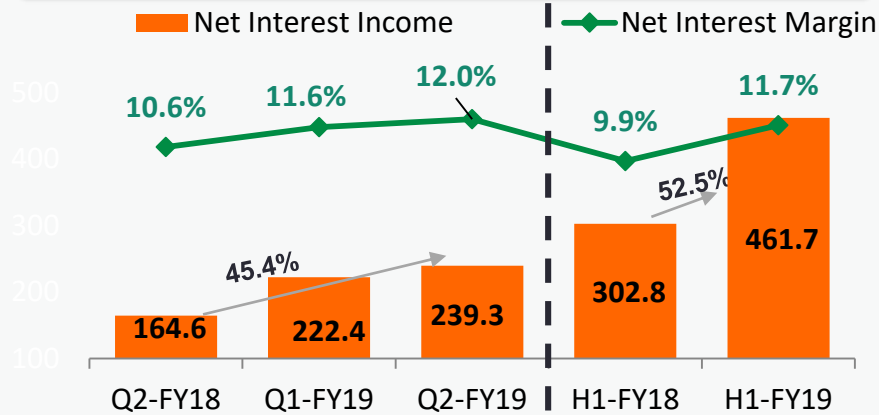
## Total Income and Net Profit (₹ in Crore)



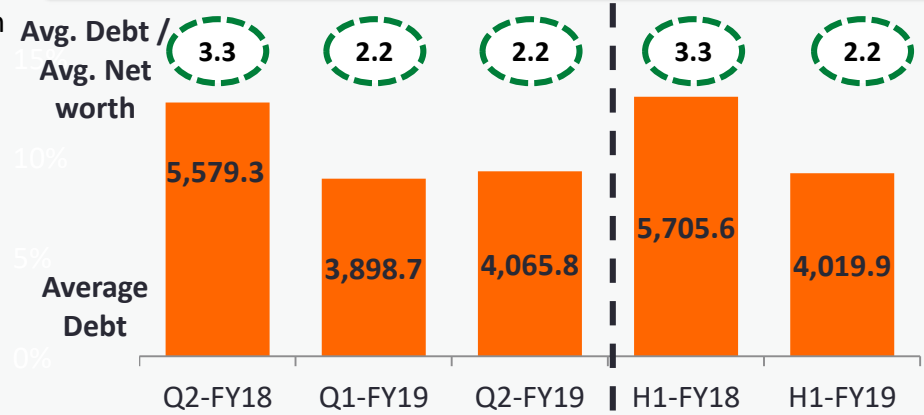
## Average Total Assets and Net worth (₹ in Crore)



## NII (₹ in Crore) and NIM



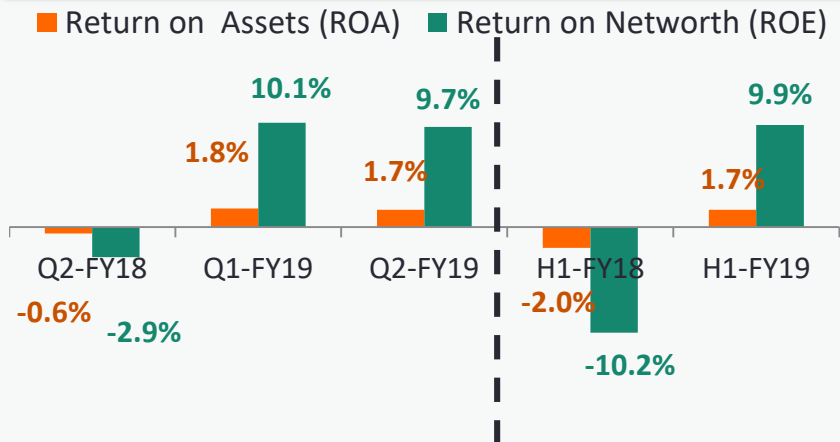
## Debt to Equity Ratio



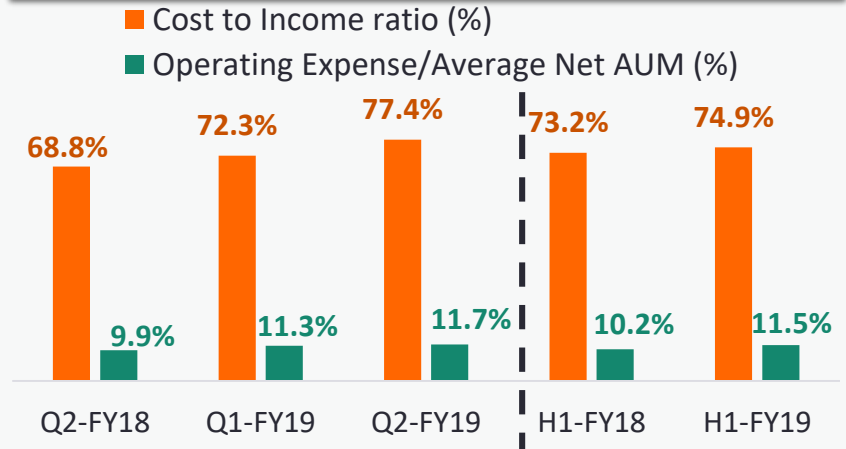
Note: All financials given in this presentation are on I-GAAP basis unless specified. These are for informational purpose only

# Financial Overview (Contd.)

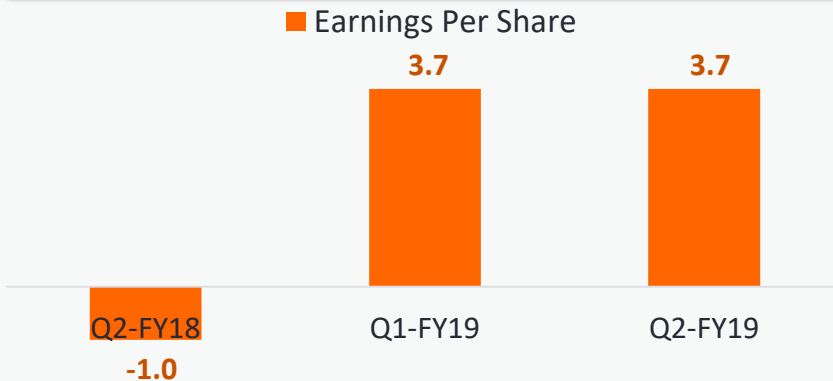
## ROA (%) and ROE (%)



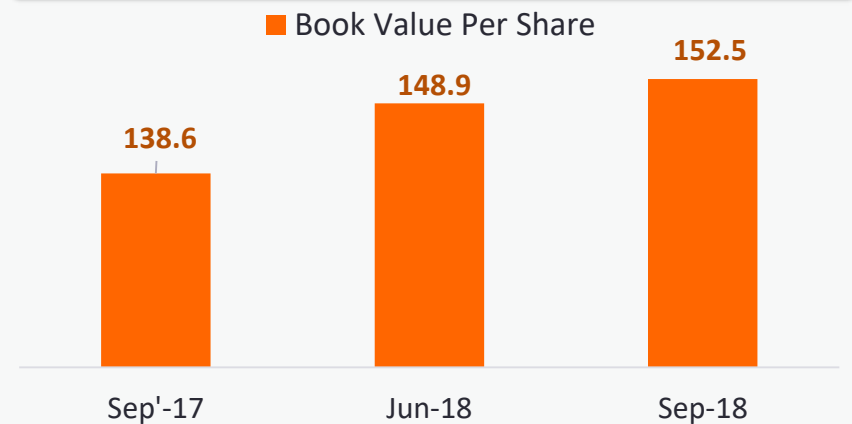
## Operating Efficiency



## Diluted Earnings Per Share (in ₹)



## Book Value Per Share (in ₹)



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# Financials – Profit and Loss Statement

₹ in Crore

Particulars	Q2-FY19	Q2-FY18	YOY Growth (%)	Q1-FY19	QoQ Growth (%)	H1-FY19	H1-FY18	YOY Growth (%)
Revenue from operations	429.4	339.3	26.6%	403.7	6.4%	833.1	662.7	25.7%
Other income	38.0	38.8	(2.0%)	58.0	(34.5%)	96.0	74.0	29.7%
<b>Total Income</b>	<b>467.4</b>	<b>378.0</b>	<b>23.6%</b>	<b>461.7</b>	<b>1.2%</b>	<b>929.1</b>	<b>736.7</b>	<b>26.1%</b>
Finance costs	166.7	153.0	9.0%	161.8	3.0%	328.5	310.2	5.9%
Employee expenses	121.6	89.5	35.8%	114.8	5.9%	236.4	177.6	33.1%
Other expenses	95.9	55.2	73.5%	89.7	6.9%	185.6	116.2	59.7%
Depreciation	15.0	10.1	48.1%	12.1	23.8%	27.1	18.0	50.9%
Provisions and write offs	6.2	88.2	(93.0%)	15.1	(59.2%)	21.2	247.4	(91.4%)
<b>Total Expenses</b>	<b>405.3</b>	<b>396.0</b>	<b>2.3%</b>	<b>393.5</b>	<b>3.0%</b>	<b>798.8</b>	<b>869.3</b>	<b>(8.1%)</b>
<b>Profit before tax</b>	<b>62.1</b>	<b>(18.0)</b>	<b>NA<sup>^</sup></b>	<b>68.2</b>	<b>(9.0%)</b>	<b>130.3</b>	<b>(132.7)</b>	<b>NA</b>
Total tax expense	17.7	(6.1)	NA	23.1	(23.3%)	40.9	(45.8)	NA
<b>Profit After Tax</b>	<b>44.3</b>	<b>(12.0)</b>	<b>NA</b>	<b>45.0</b>	<b>(1.6%)</b>	<b>89.4</b>	<b>(86.9)</b>	<b>NA</b>

^Not Applicable

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

# Financials – Balance Sheet

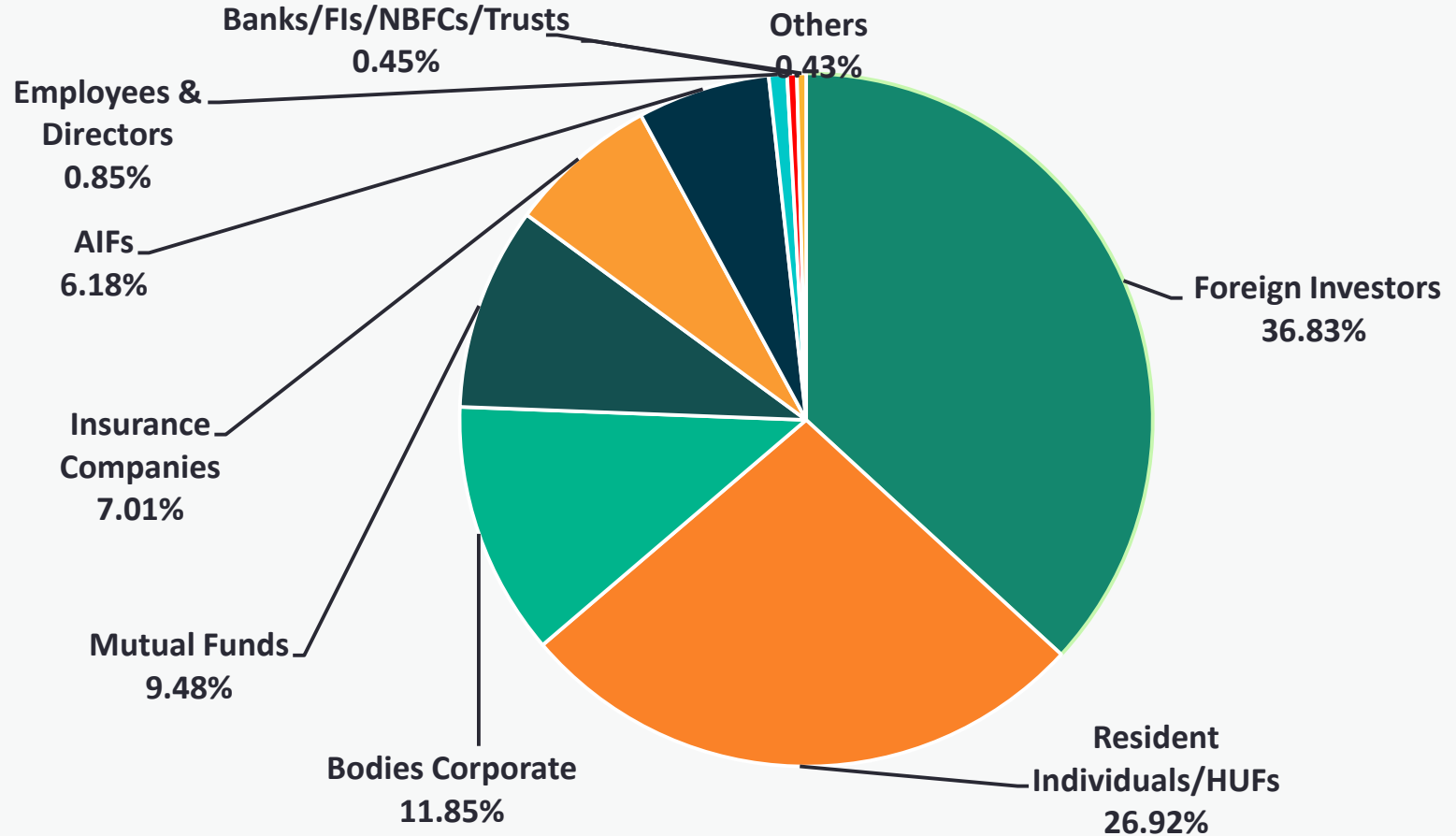
₹ in Crore

Particulars	Sep-18	Sep-17	YOY Growth (%)	Jun-18	QOQ Growth (%)
Share capital	121.0	119.7	1.1%	121.0	0.1%
Reserves and surplus	1,724.2	1,540.2	11.9%	1,679.6	2.7%
Borrowings	4,186.9	5,119.7	(18.2%)	3,944.6	6.1%
Deposits	4,077.5	1,247.5	226.8%	3,779.0	7.9%
Provisions	198.6	298.8	(33.5%)	249.2	(20.3%)
Other Liabilities	396.3	154.1	157.1%	241.8	63.9%
<b>Total</b>	<b>10,704.5</b>	<b>8,480.2</b>	<b>26.2%</b>	<b>10,015.2</b>	<b>6.9%</b>
Cash and cash equivalent	564.6	349.1	61.7%	547.1	3.2%
Advances	8,167.5	6,364.4	28.3%	7,786.6	4.9%
Investments	1,330.3	1,172.8	13.4%	1,235.9	7.6%
Fixed & tangible assets	252.2	171.9	46.7%	216.7	16.4%
Other assets	389.9	422.0	(7.6%)	228.9	70.3%
<b>Total</b>	<b>10,704.5</b>	<b>8,480.2</b>	<b>26.2%</b>	<b>10,015.2</b>	<b>6.9%</b>

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# Shareholding Pattern of Ujjivan Financial Services

Shareholding Pattern as 30<sup>th</sup> September, 2018

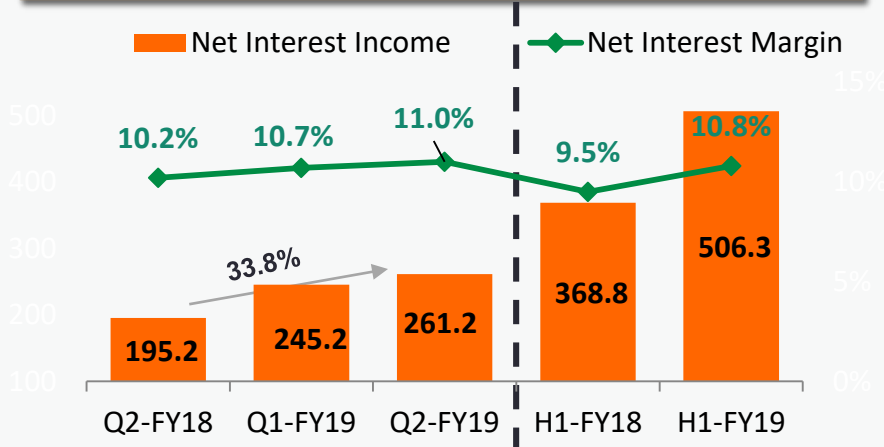


# Financial Overview – Ujjivan SFB

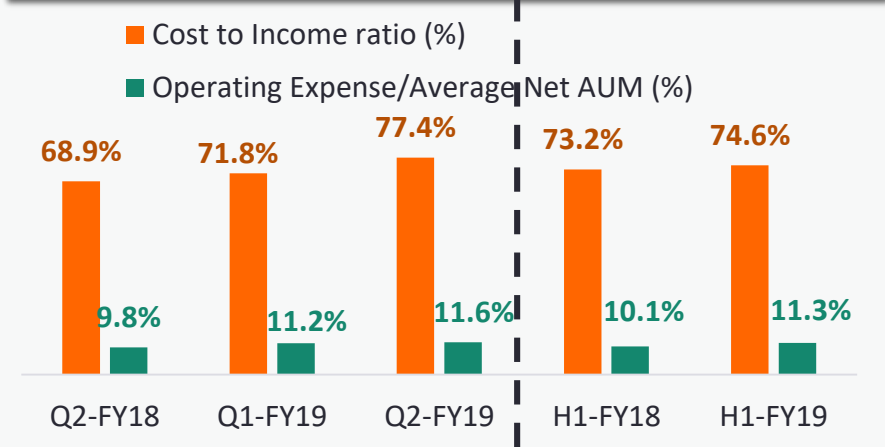


# Financial Overview

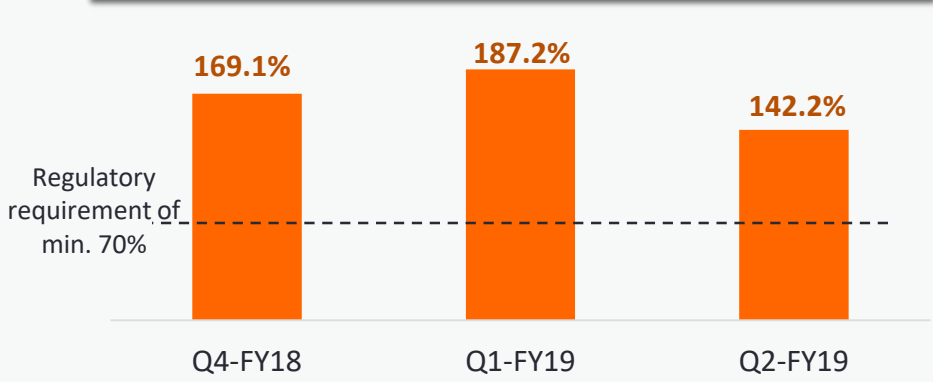
## NII (₹ in Crore) & NIM



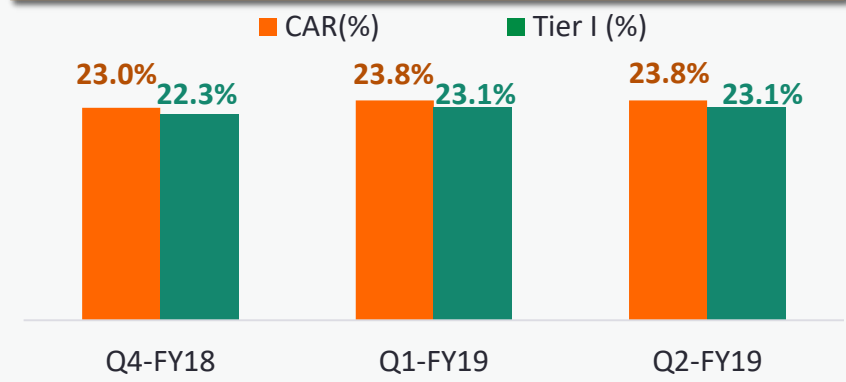
## Operating Efficiency (%)



## 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

₹ in Crore

Particulars	Q2-FY19	Q2-FY18	YoY Growth (%)	Q1-FY19	QoQ Growth (%)	H1-FY19	H1-FY18	YoY Growth (%)
Interest Earned	427.0	350.0	22.0%	406.3	5.1%	833.3	682.7	22.1%
Other Income	37.8	27.6	37.2%	53.3	(29.0%)	91.1	51.3	77.8%
<b>Total Income</b>	<b>464.8</b>	<b>377.6</b>	<b>23.1%</b>	<b>459.6</b>	<b>1.1%</b>	<b>924.5</b>	<b>734.0</b>	<b>26.0%</b>
Interest Expended	165.8	154.8	7.1%	161.1	2.9%	327.0	311.1	5.1%
Operating Expenses	231.5	153.6	50.7%	214.4	8.0%	445.9	310.1	43.8%
Provisions and Contingencies	23.5	81.8	(71.3%)	37.9	(38.1%)	61.5	201.0	(69.4%)
<b>Total Expenditure</b>	<b>420.8</b>	<b>390.1</b>	<b>7.9%</b>	<b>413.5</b>	<b>1.8%</b>	<b>834.3</b>	<b>822.1</b>	<b>1.5%</b>
<b>Net profit for the period</b>	<b>44.0</b>	<b>(12.5)</b>	<b>NA<sup>^</sup></b>	<b>46.1</b>	<b>(4.6%)</b>	<b>90.1</b>	<b>(88.1)</b>	<b>NA</b>

<sup>^</sup>Not Applicable

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# Balance Sheet – USFB

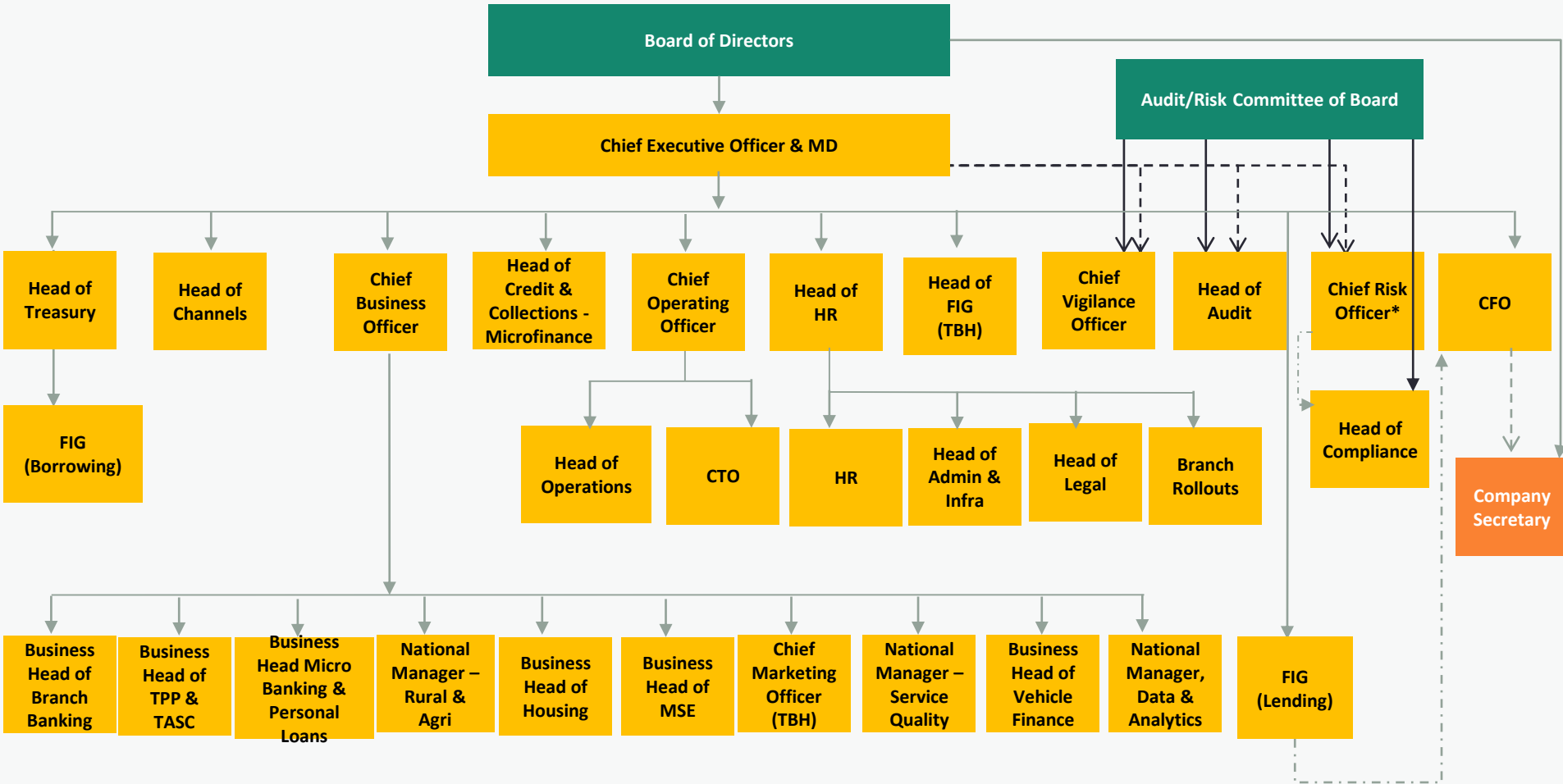
₹ in Crore

Particulars	Sep-18	Sep-17	YoY Growth (%)	Jun-18	QoQ Growth (%)
<b>CAPITAL AND LIABILITIES</b>					
Capital	1,640.0	1,640.0	-	1,640.0	-
Reserves and Surplus	97.0	(88.1)	NA	53.0	83.0%
Deposits	4,188.1	1,349.1	210.4%	3,803.4	10.1%
Borrowings	4,186.9	5,119.7	(18.2%)	3,944.6	6.1%
Other Liabilities and Provisions	271.7	206.0	31.9%	277.1	(1.9%)
<b>TOTAL</b>	<b>10,383.7</b>	<b>8,226.7</b>	<b>26.2%</b>	<b>9,718.2</b>	<b>6.8%</b>
<b>ASSETS</b>					
Cash and Balances with Reserve Bank of India	196.0	109.8	78.5%	183.6	6.8%
Balance with Banks and Money at Call and Short Notice	341.2	245.6	38.9%	298.1	14.5%
Investments	1,330.3	1,172.8	13.4%	1,203.8	10.5%
Advances	8,036.6	6,245.9	28.7%	7,604.8	5.7%
Fixed Assets	252.1	171.9	46.7%	216.6	16.4%
Other Assets	227.5	280.7	(19.0%)	211.3	7.7%
<b>TOTAL</b>	<b>10,383.7</b>	<b>8,226.7</b>	<b>26.2%</b>	<b>9,718.2</b>	<b>6.8%</b>

^Not Applicable

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

# Organization Structure

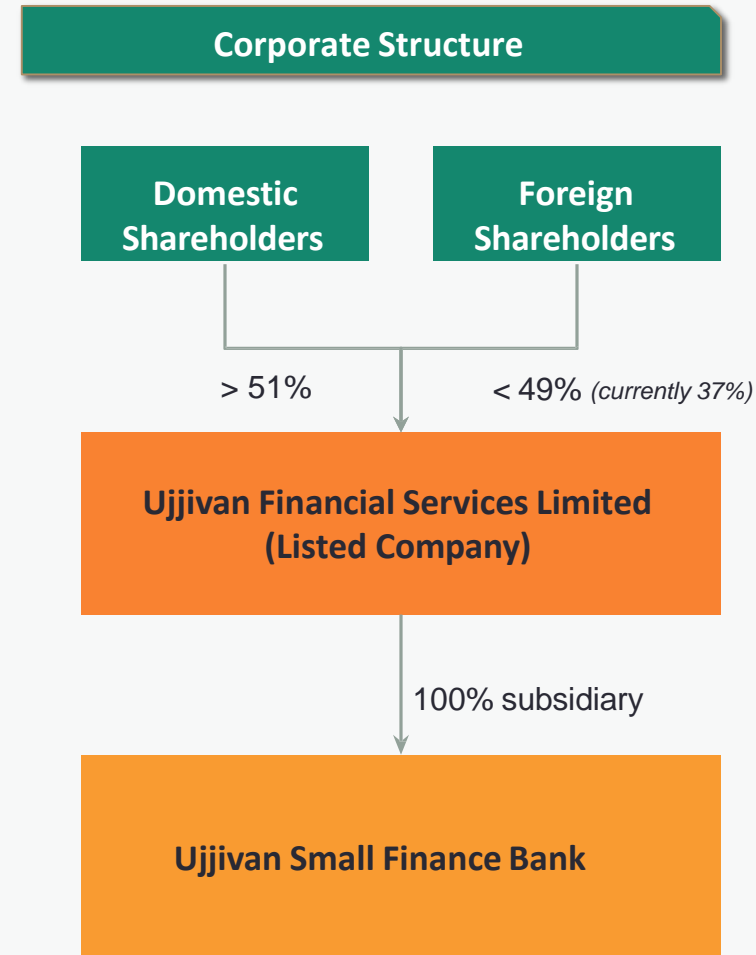


# Corporate Structure and SFB License norms

RBI Guidelines	Comment
1. After SFB reaches net worth of Rs. 5 bn., listing will be mandatory within 3 years of reaching that net worth	Subsidiary SFB has to be listed by 30 <sup>th</sup> Jan'2020 creating dual listing problem as the holding company (UFSL) is listed which will lead to discount in valuation of UFSL
2. Promoter's minimum contribution of 40% of paid-up capital to be locked in for a period of 5 years from the commencement of operations of bank	Prevents reverse merger for at least 5 years (till Jan'2022). Will require special RBI forbearance
3. Promoter's stake shall be brought down to 30% of paid-up capital within a period of 10 years and to 26% within 12 years from the commencement of operations of bank	Can be solved if reverse merger is permitted after 5 years (after Jan'2022)

We approached RBI for forbearance on either (1) or (2) above, i.e.,

- ❖ Either extend SFB listing timeline to 5 years (Jan'2022)
- ❖ Allow reverse merger in 3 years (Jan'2020) by relaxing promoter minimum contribution criteria of 40%



# Thank You!