

Investor Presentation

Q3 FY 2017-18

February 2018

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Business Performance Overview



Liabilities Profile



Financial Performance Overview - Consolidated

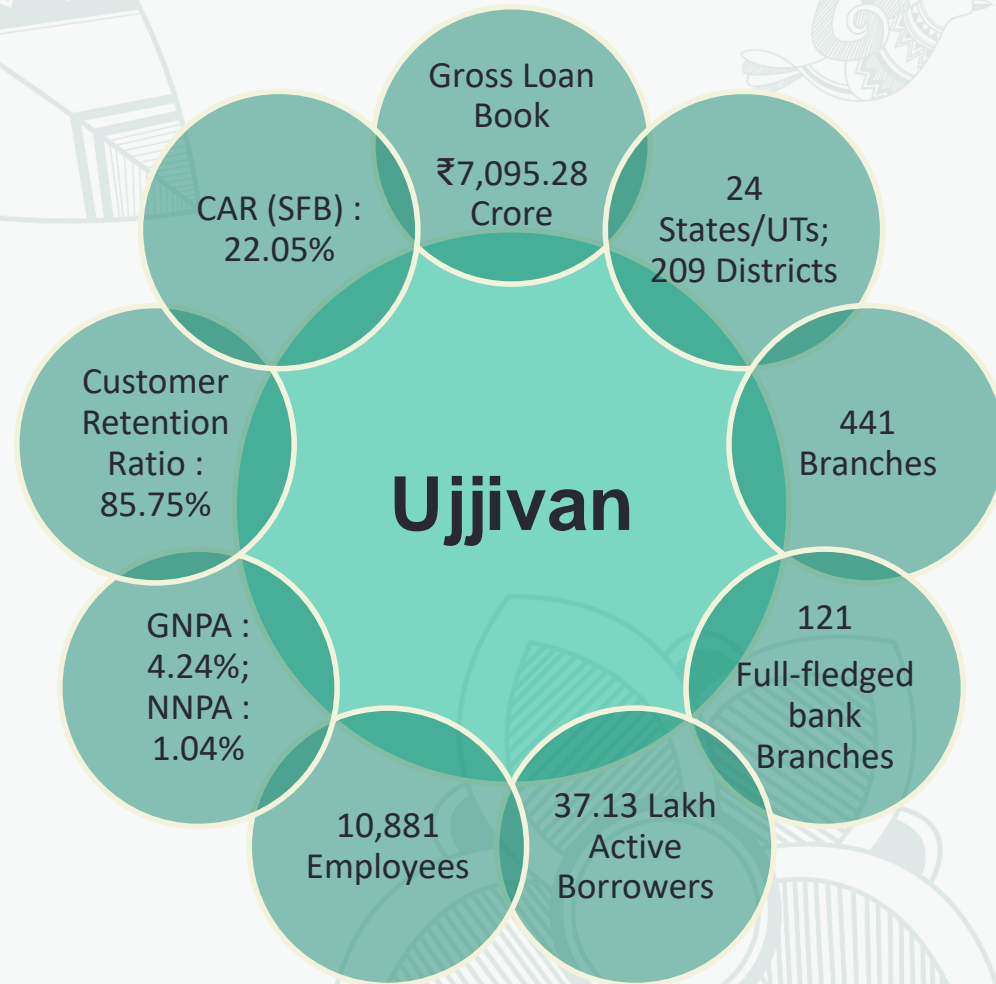


Financial Performance Overview - Ujjivan SFB



Performance Highlights – UFSL and USFB

Performance Highlight



Business and Operational Highlights

- Gross Loan Book at ₹7,095.28 crore; growth of 6.39% over Q2-FY18 and an increase of 7.71% over Q3-FY17
- Off-balance sheet portfolio as of December 31, 2017 at ₹168.62 crore
- Net Loan Book at ₹6,926.66 crore; growth of 8.83% over Q2-FY18 and an increase of 14.57% over Q3-FY17
- Disbursement at ₹2,134.32 crore; an increase of 9.21% over Q2-FY18 and an increase of 28.35% over Q3-FY17
- 1.88 lakh new borrowers added during the quarter
- New business from January 2017 is at 99.7% collection efficiency and constitutes 78% of the portfolio
- Secured portfolio increased by 37.92% to ₹279.54 crore from ₹202.68 crore in Q2-FY18 and now constitutes 4% to the portfolio
- GNPA at 4.24% and NNPA at 1.04% in Q3-FY18 against 4.99% and 1.38% respectively in Q2-FY18
- Prudential YTD write off of ₹131.71 crore in FY18 (covered by provisions)
- Provision Coverage Ratio at 76.3%
- Overall PAR reduced to ₹384 crore in December'17 from ₹445 crore in September'17

Financial Highlights – Consolidated

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

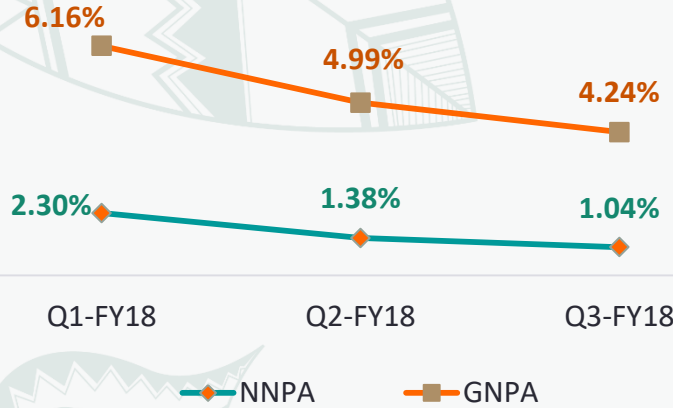
- Total Income at ₹384.13 crore in Q3-FY18, an increase of 1.61% over Q2-FY18 and an increase of 3.45% over Q3-FY17
- Net Interest Income at ₹195.84 crore in Q3-FY18, an increase of 19.00% over Q2-FY18 and decrease of 1.60% over Q3-FY17
- Net Interest Margin at 11.79% in Q3-FY18, an increase from 10.55% in Q2-FY18 and a decrease from 13.22% in Q3-FY17
- Cost to Income ratio at 69.05% in Q3-FY18, an increase from 68.82% in Q2-FY18 and an increase from 49.33% in Q3-FY17
- Breakeven quarter with Net Profit at ₹29.32 crore in Q3-FY18 against loss of ₹11.95 crore in Q2-FY18
 - Decline in credit cost of ₹60 crore during the quarter
 - Lower finance cost due to prepayment of high cost grandfathered borrowings
- EPS at ₹2.43 for Q3-FY18 against (₹1.00) for Q2-FY18
- ROA at 1.35% and ROE at 6.99% for Q3-FY18 against (0.56%) and (2.86%) respectively for Q2-FY18

Financial Highlights – Ujjivan SFB

- NII at ₹217.33 crore in Q3-FY18, an increase of 11.33% over Q2-FY18
- NIM at 11.08% in Q3-FY18 against 10.20% in Q2-FY18
- Operating Expense Ratio at 10.05% in Q3-FY18 against 9.85% in Q2-FY18
- Cost to Income Ratio at 69.22% in Q3-FY18 against 68.93% in Q2-FY18
- Deposit base of ₹2,437 crore in Q3-FY18 against ₹ 1,349 crore in Q2-FY18, Deposit base includes ₹1,379 Crore of certificate of deposits
- Cost of funds is reduced to 9.3% from 10.4% in FY17 and 9.7% in Q2-FY18
- Deposits constitute 36% of Advances in Q3-FY18 against 22% in Q2-FY18
- Deposits contribute 35% to total funding in Q3-FY18, an increase from 20% in Q2-FY18
- CASA at 3.7%, Retail to Total Deposit at 10.6% as of Q3-FY18
- Average Cost of Deposits at 7% in Q3-FY18

GNPA, NNPA and PAR

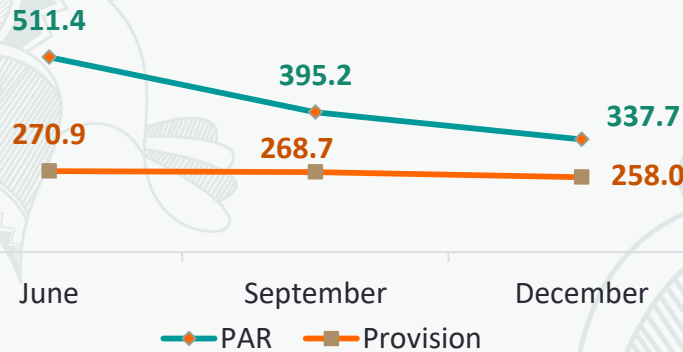
GNPA and NNPA



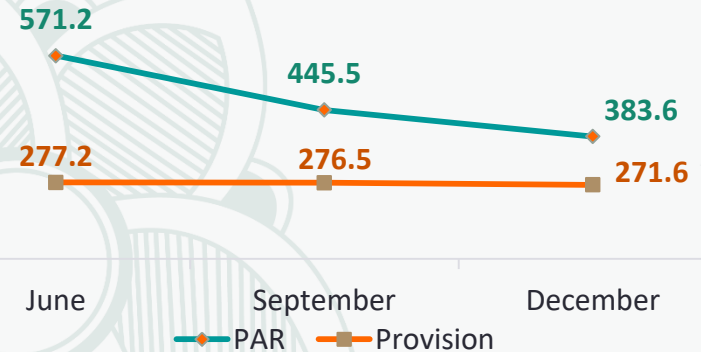
PAR %



PAR and Provision - On Book (₹ in Crore)



PAR and Provision - All Assets (₹ in Crore)



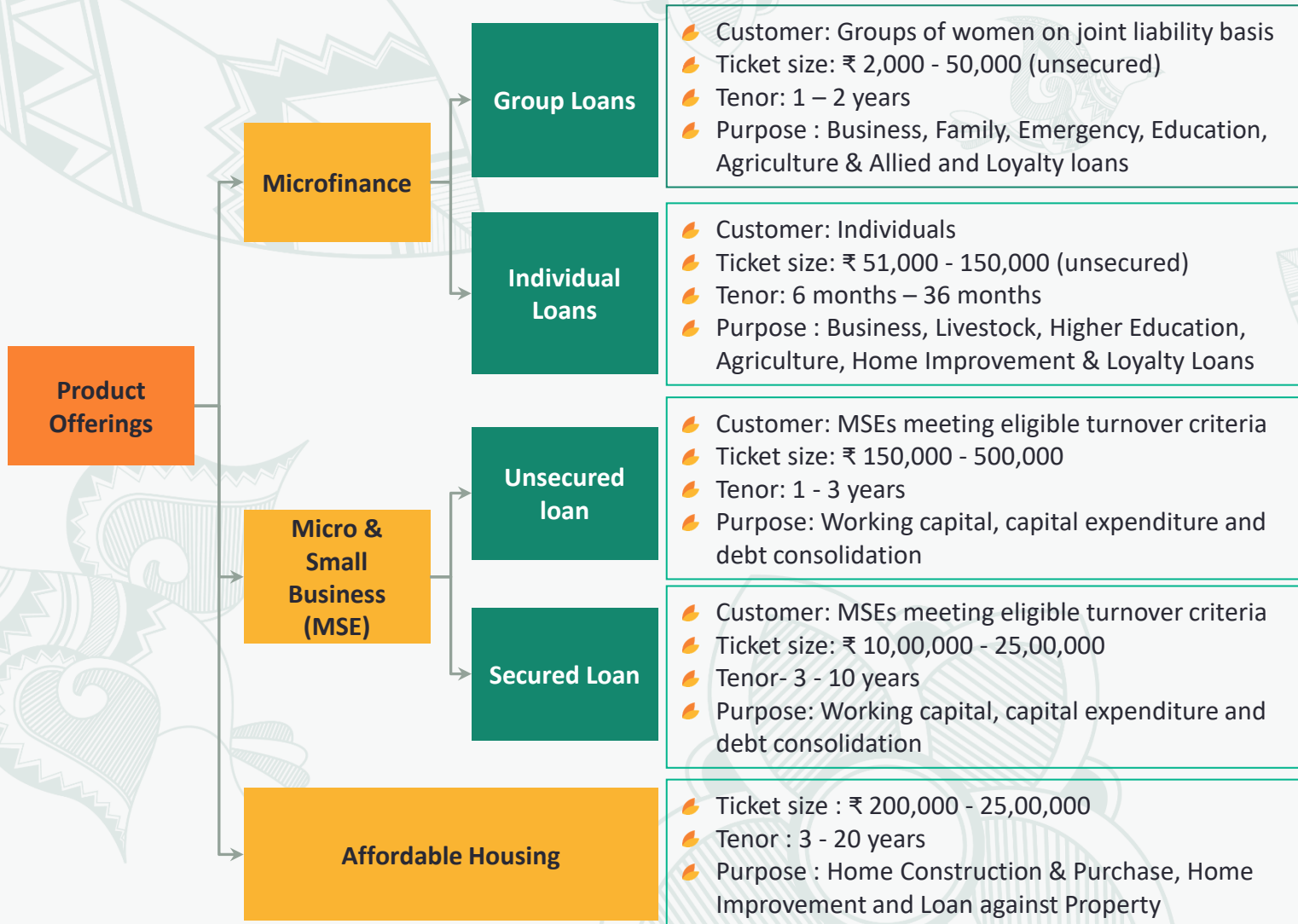
Provisioning and Write offs

Particulars (on Book)	Q3 FY-18 (₹ in Crore)
GNPA	4.24%
Standard Assets	6,640.9
NPA	294.3
Provision on NPA	224.5
Cumulative Provision	271.6
Provision Coverage Ratio	76.3%

- Overall PAR has reduced by ₹61.9 crore during the quarter and stands at ₹383.6 crore as of 31st December'17 (post technical write-off)
- YTD FY18 write off amount close to ₹131.71 crore, Q3-FY18 write off amount at ₹33.53 crore
- Dedicated focus on collection of hard bucket OD resulted in better traction (34% in Q3)

Ujjivan SFB Business

Asset Offerings



Liability Offerings Update

- No minimum deposit charges, no minimum balance requirement
- Unlimited free transactions at Ujjivan SFB ATMs
- Product for Senior Citizen launched on 11th Dec; provided free lifetime debit card
- Interest rate : 4%

- Free cash deposits across all Ujjivan branches upto 10 times of the previous month's average balance
- Electronic fund transfer and unlimited free ATM transactions at Ujjivan ATMs

Savings Account

Deposits

- Retail
- Institutional

- Attractive Entry Level - ₹ 1000 for FD and ₹ 100 for RD
- No penalty upon premature and partial withdrawal after 6 months
- Processing through branch, centre meetings, mobile and internet banking
- Interest rate of 5.5% - 8%, additional interest rate of 0.5% for senior citizens

TAX SAVER FIXED DEPOSIT (launched on 8th Jan)

- Avail tax exemption under Section 80C of Income Tax Act, 1961
- Min Rs 1000 and Max of Rs 1,50,000 with monthly/quarterly interest pay out

Current Accounts

Fee Based Products (Third Party Insurance products)

- Partnered with Bajaj Allianz Life Insurance Co Ltd, HDFC Standard Life Insurance Co Ltd, Aditya Birla Sun Life Insurance Co Ltd to cover our Loan Borrowers.
- Pilot Launched in 20 bank Branches with 11 Individual Insurance Products in association with Bajaj Allianz Life Insurance Co Ltd & Aditya Birla Sun Life Insurance Co Ltd targeted at existing and new to Bank customers. Shortly we will be rolling out products with HDFC Standard Life Insurance Co Ltd.
- Product proposition under discussion with Bajaj Allianz General Insurance Co Ltd for MSE and Housing borrowers



Easy and Convenient Banking

Modes to facilitate banking



Paperless / Cashless

- Quick and simple account opening / processes without forms
- Encourage use of cashless transactions



Assisted banking

- Educate and assist people to use different banking channels
- Bank staff to assist customers till they are able to use channels independently

Key channels



Branch

- All current branches to convert into bank branches
- Additional URCs to be opened



ATMs

- All branches to have ATMs
- ATMs with biometric and security pin access



Internet/ Mobile

- Pay bills, transfer funds, etc.
- Instant banking, easy to monitor
- Additional facilities – registration, generation/change of password



Phone

- 24x7 helpline; No lengthy IVRs
- Access to account related info, request for services, handle complaints, grievances



Missed call / SMS

- Simple short codes for quick requests / enquiries
- Balance and mini-statement through missed call on specified numbers



Doorstep

- Mobile ATMs carried to centre meetings held in neighbourhoods
- Deposits / withdrawals and other transactions

Why will people save with Ujjivan

Treat customers with RESPECT and provide courteous service

Ease of access through multiple channels

Brand franchise - Leverage on existing customer base

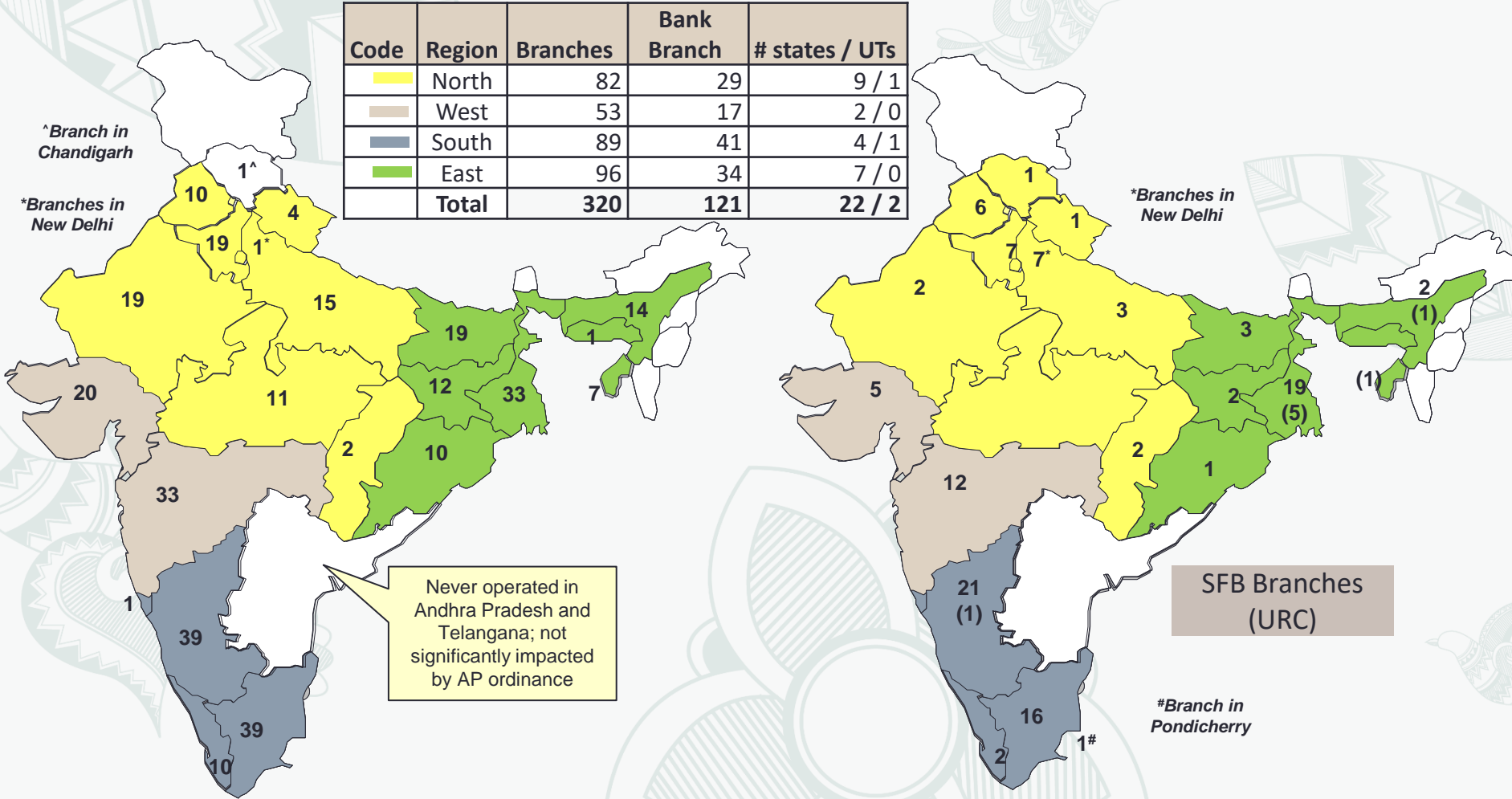
Employees from local community to serve as brand ambassadors

Wide Geographical Distribution

State wise Branch Mix

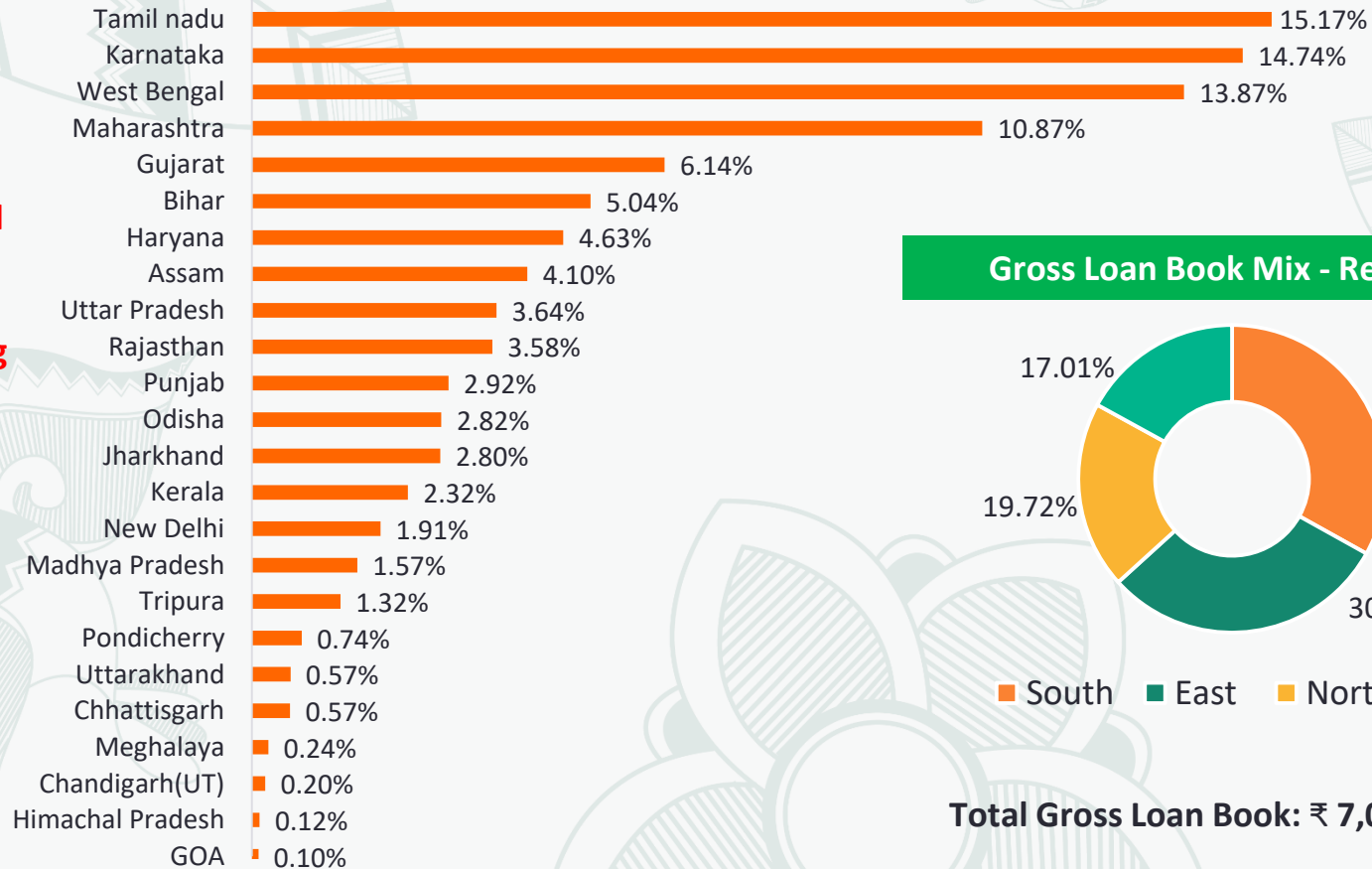
Code	Region	Branches	Bank Branch	# states / UTs
	North	82	29	9 / 1
	West	53	17	2 / 0
	South	89	41	4 / 1
	East	96	34	7 / 0
	Total	320	121	22 / 2

State wise Full-fledged Bank Branches



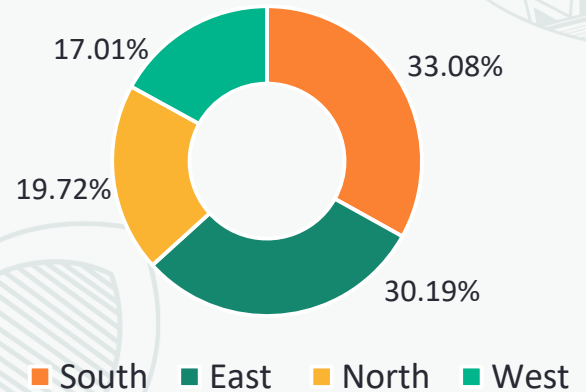
Diversified Portfolio Mix

State wise Portfolio Mix (%) – Q3 FY2017-18



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

Gross Loan Book Mix - Region wise



Total Gross Loan Book: ₹ 7,095.28 Crore

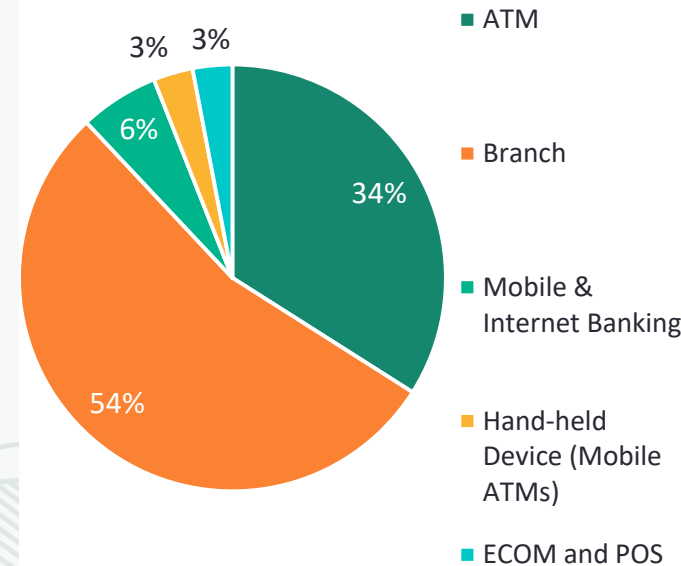
Bank Branches – Update

- Conversion of 29 branches in Q3-FY 18 took the count of SFB branches to 121 spread across 20 states including 8 URCs - West Bengal (5), Karnataka (1), Assam (1) and Tripura (1)
- As of December 2017, the company has 441 branches of which 121 are full-fledged bank branches
- We have launched banking services in Assam, Bihar, Odisha, Rajasthan, Tripura during this quarter
- Further expanded our banking outreach with further conversion of branches in Gujarat, Karnataka, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal
- The plan is to roll out 67 branches in the Q4 FY-18 taking the count of SFB branches to 188 by year end. Out of which, 39 URCs will be opened in Assam, Bihar, Jharkhand, Odisha, Tripura, West Bengal and Tamil Nadu in order to fill RBI requirement of 25% branches in unbanked areas
- Out of total URCs to be opened, 7 will be through Business Correspondent in West Bengal and remaining 18 through Brick and Mortar model as 14 existing MFI branches already qualify as an URC
- Each converted branch to cover both asset and liability products

Digital Banking Update – Q3 FY 2017-18

- 🔥 **ATM:** Network of 115 biometric ATMs
- 🔥 **M-POS** proposition for current account customers launched in all SFB branches
- 🔥 Introduced '**Insta-kits**' to streamline and speed up account opening process
- 🔥 **GLOW** – an improved process which includes paperless mode of booking, sanctioning and disbursing group loans enabling reduction in TAT significantly from around 8 days to 3 days. As of December, it is live in more than 350 branches
- 🔥 Commenced image based processing of individual loans to minimize turn-around time
- 🔥 Tied up with India Post resulted in average TAT for kit delivery to drop by a substantial 25%
- 🔥 Digi-buddies deployed across 40 branches to hand hold customers to operate on digital platforms

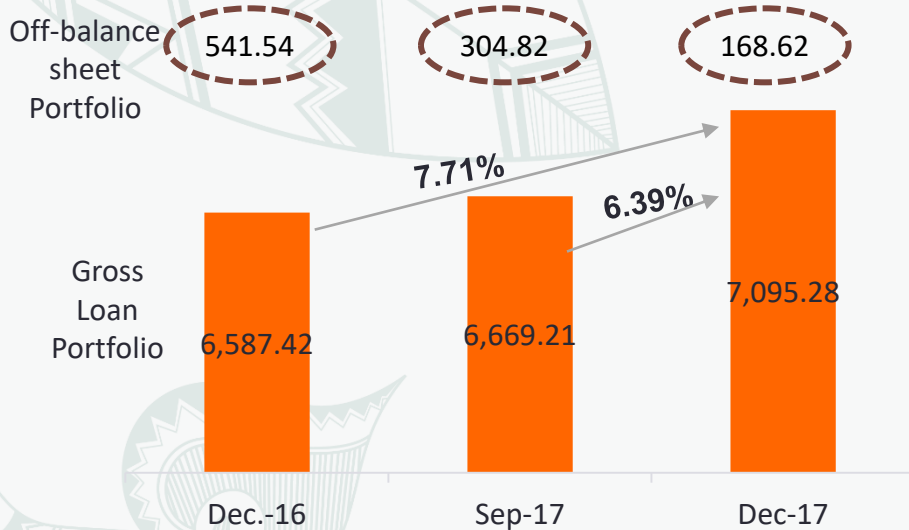
Transaction through Channels in Q3-FY18



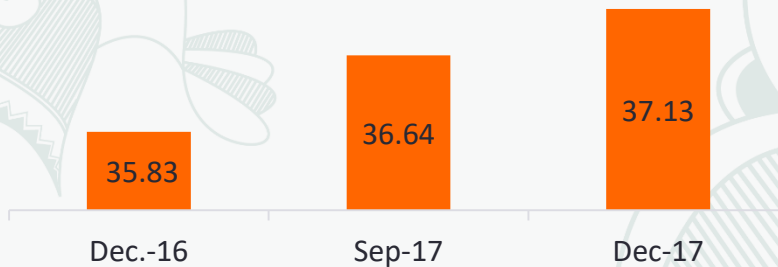
Business Performance Overview

Loan Book Overview

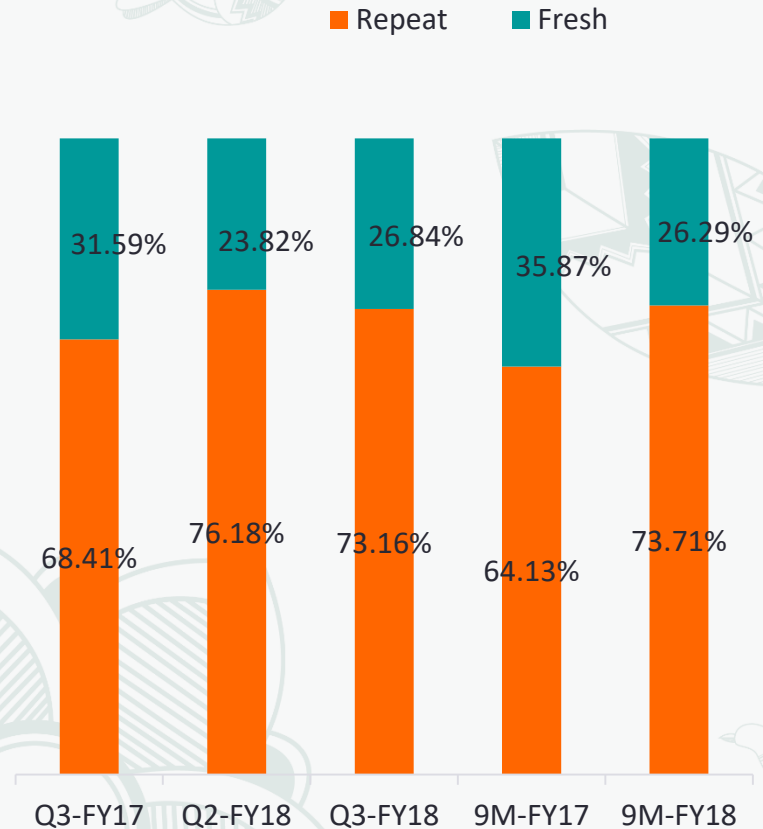
Gross Loan Portfolio & Off-Balance Sheet Portfolio (₹ in Crore)



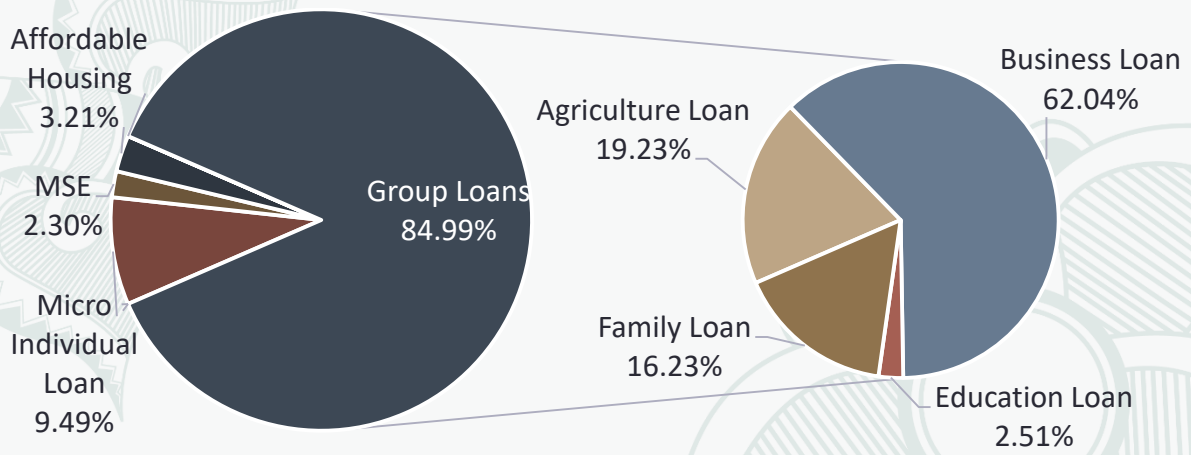
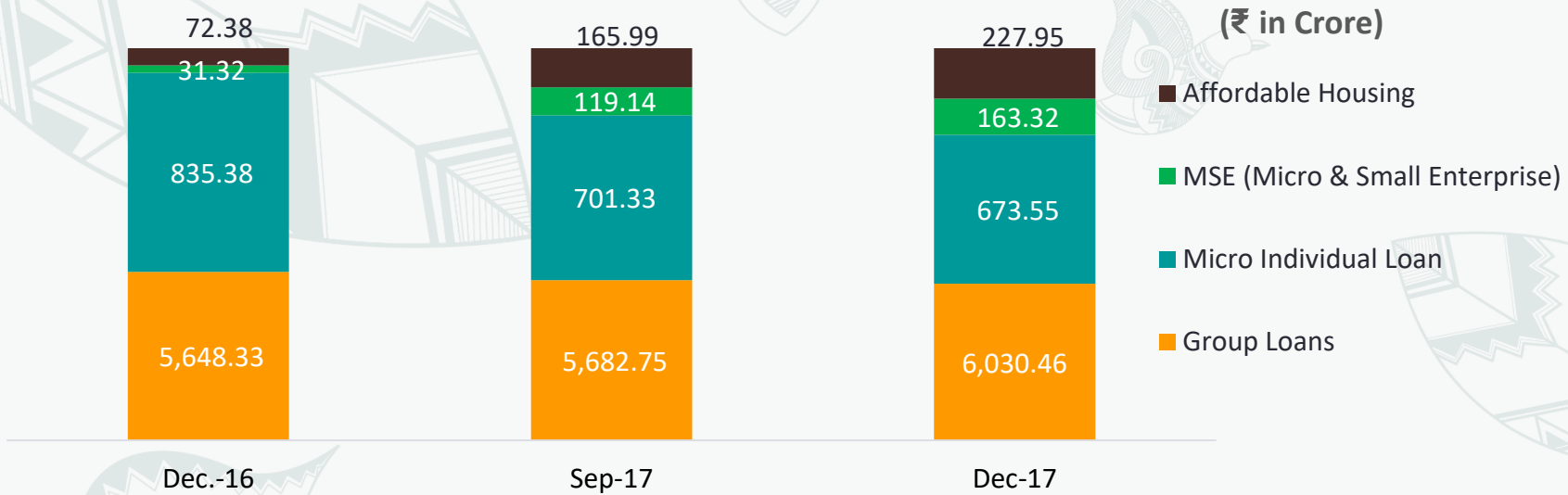
Number of Borrowers (in lakhs)



Type of Loan (on Disbursement)



Composition of Gross Loan Book

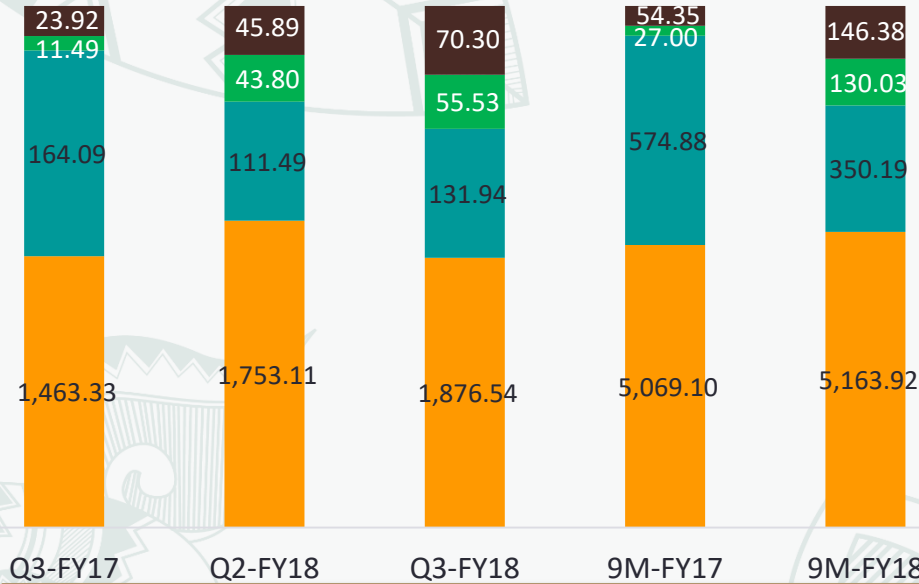


Product Bifurcation	% Share in Gross Loan Book
Microfinance (Group Loan & Individual Loan)	94.49%
MSE	2.30%
Housing Finance	3.21%

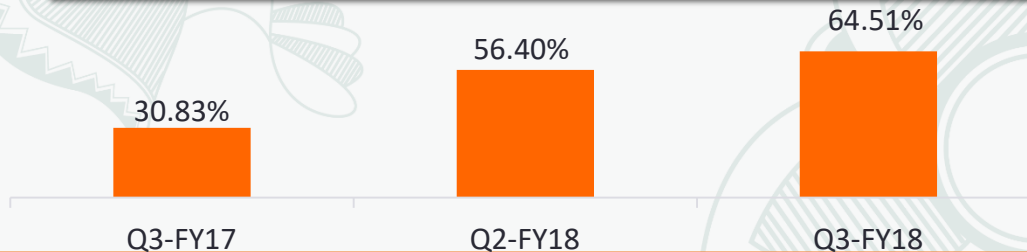
Disbursement Spread and Average Ticket Size

Product wise Disbursement (₹ in Crore)

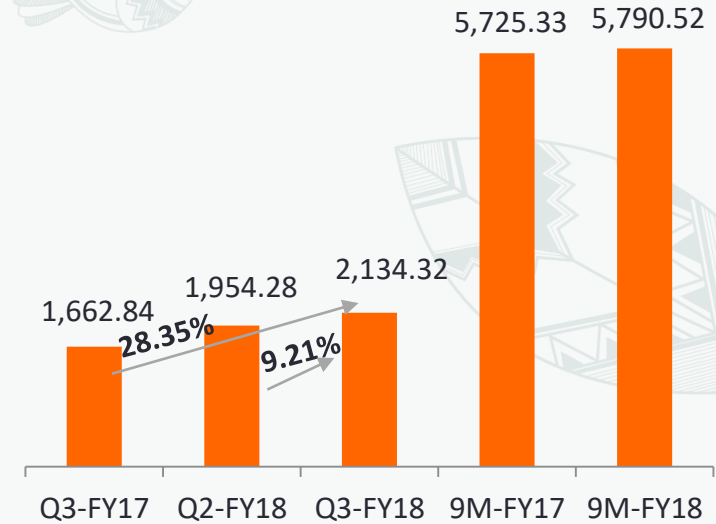
Group Loans Micro Individual Loan MSE Affordable Housing



Cashless Disbursement (%)



Total Disbursements (₹ in Crore)

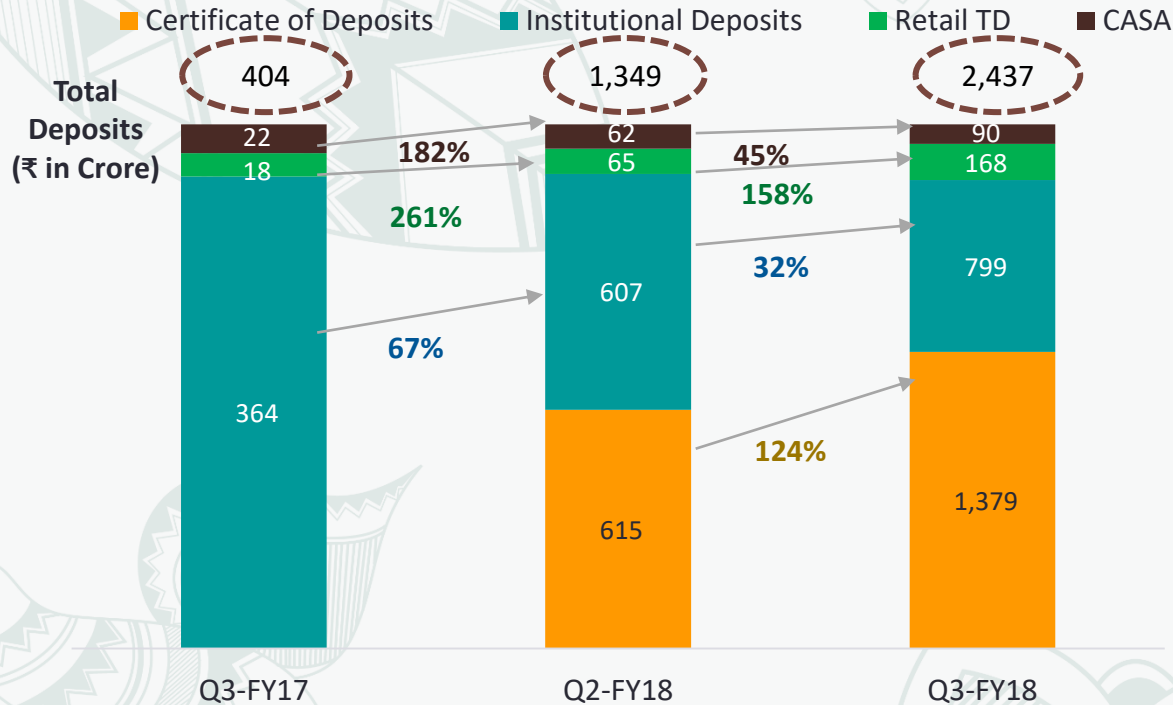


Average Ticket Size – Q3 FY 2017-18

Product	in ₹
Group Loans	27,591
Micro Individual Loan	75,646
MSE	3,47,040
Housing Finance	6,41,463

Liabilities Profile

Deposits Update – USFB

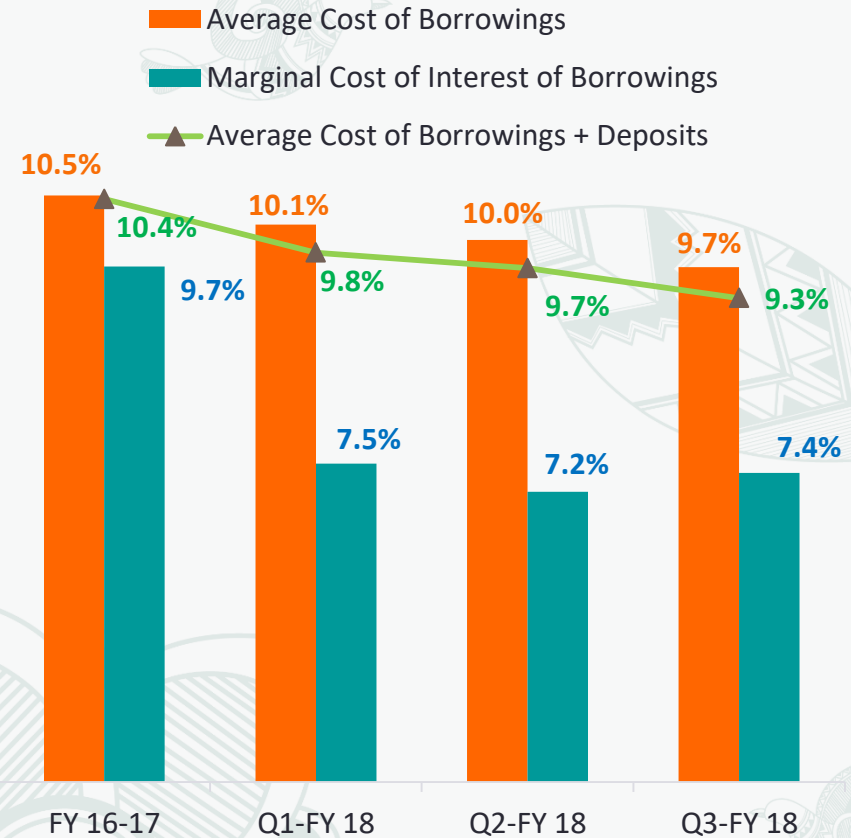


Deposit Ratios	Dec-17
Average Cost of Deposits	7.0%
CASA Ratio	3.7%
Retail to Total Deposit	10.6%
Credit to Total Deposit	2.8x

- The Deposits had recorded a 80.6% growth as compared to Q2-FY18
- Retail deposit base increased further with conversion of 29 additional branches and mobilization of deposits through existing customer base

Borrowing Profile and Cost of Borrowing

Sr. No	Particulars (₹ in Crore)	Dec-17	Sep-17
1	Term Loans from Banks/NBFC	1,740	2,670
2	Refinance Facility	1,695	1,440
3	Securitization / IBPC (Off Balance Sheet)	169	305
4	Non Convertible Debentures	600	625
6	Short term borrowings	400	385
7	Deposits	2,436	1,349
	Total Outstanding Amount	7,041	6,774



🔥 *Prepayment of grandfathered loans:*

🔥 YTD FY18: ₹ 951 crore

🔥 Q3-FY18: ₹ 463 crore

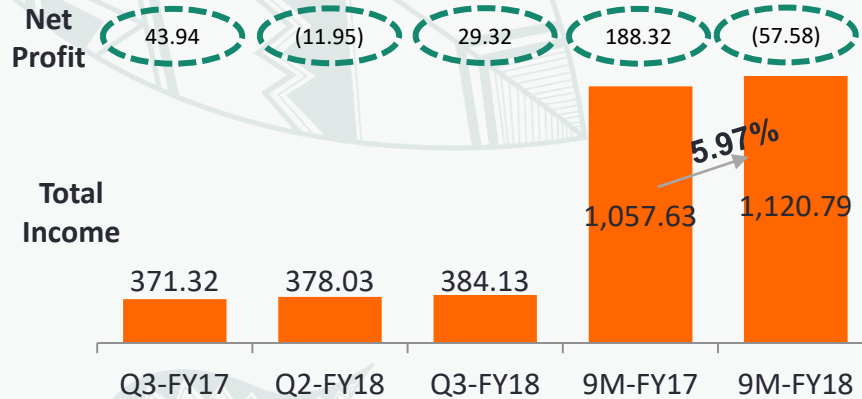
Credit Ratings for Ujjivan SFB

Particulars	₹ in Crore	Rating Agency
Long Term Borrowing	6,000.00	CARE A+ (Stable)
NCD	200.00	CARE A+ (Stable)
NCD	425.00	ICRA A+ (Stable)
Certificate of Deposit	3,000.00	CRISIL A1+ & ICRA A1+
Short term fixed Deposit	2,000.00	CRISIL A1+ & ICRA A1+

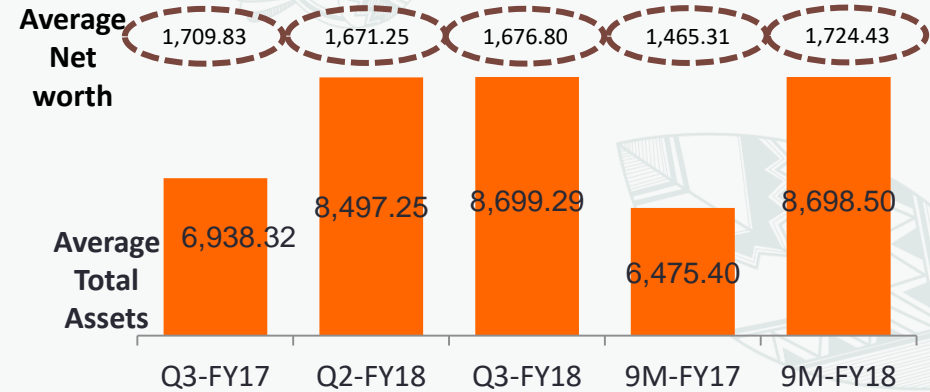
Financial Overview – Consolidated UFSL

Financial Overview

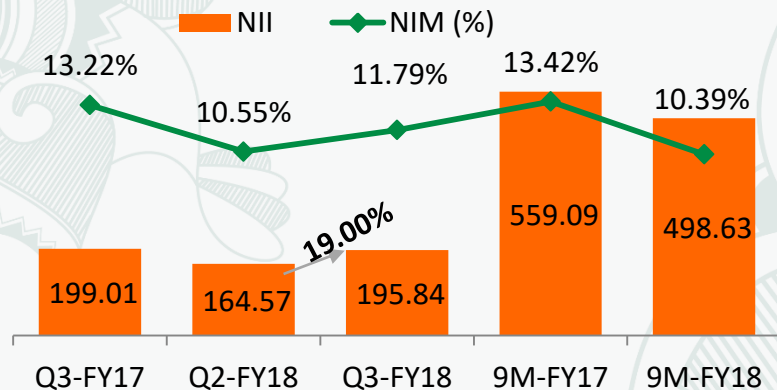
Total Income and Net Profit (₹ in Crore)



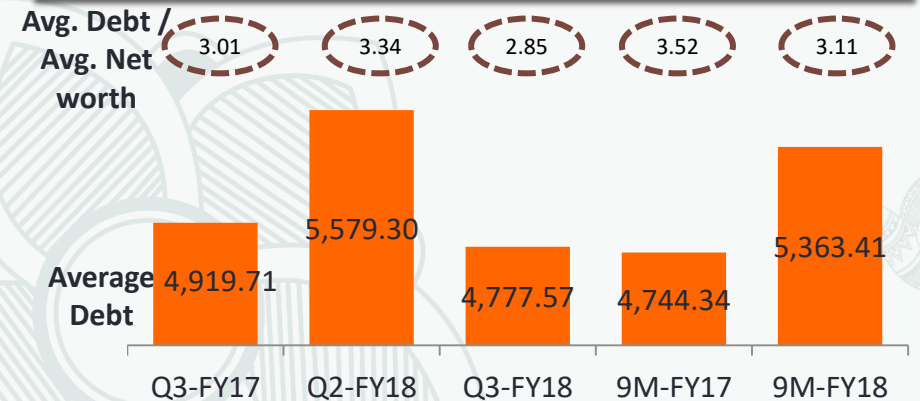
Average Total Assets and Net worth (₹ in Crore)



NII (₹ in Crore) and NIM



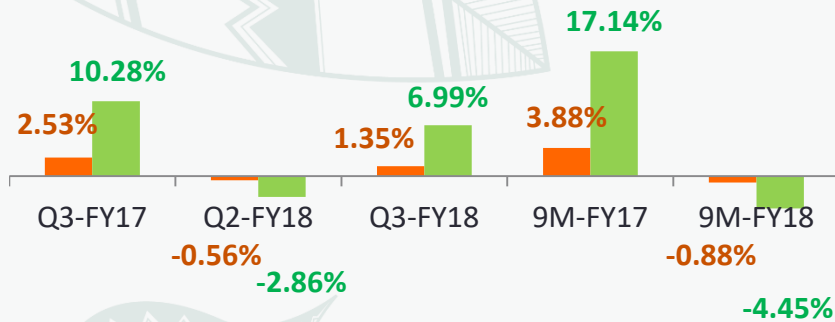
Average Debt (₹ in Crore)



Financial Overview (Contd.)

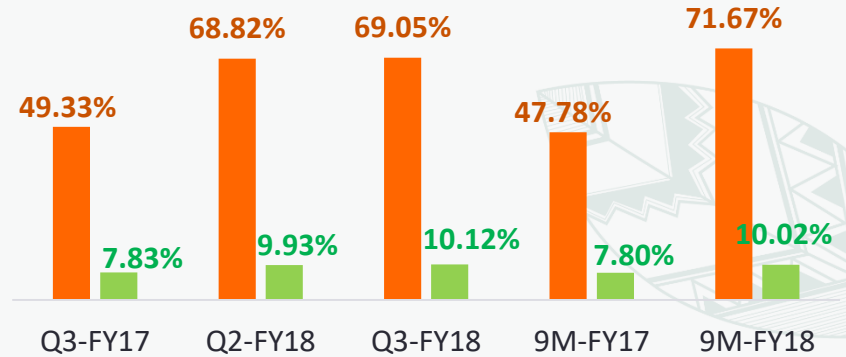
ROA and ROE

Return on Assets (ROA) Return on Networth (ROE)



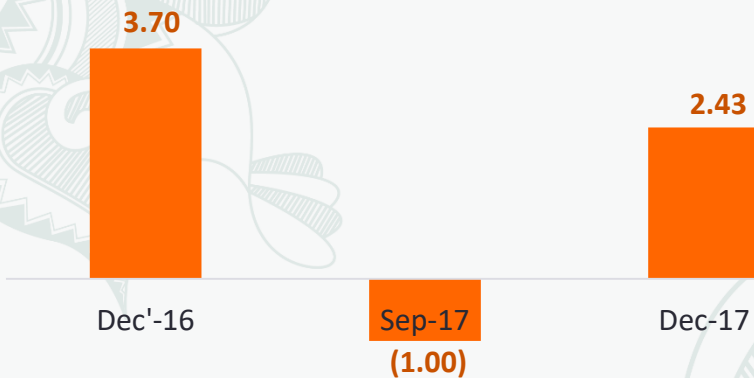
Operating Efficiency

Cost to Income ratio (%)
 Operating Expense/Average Net AUM (%)



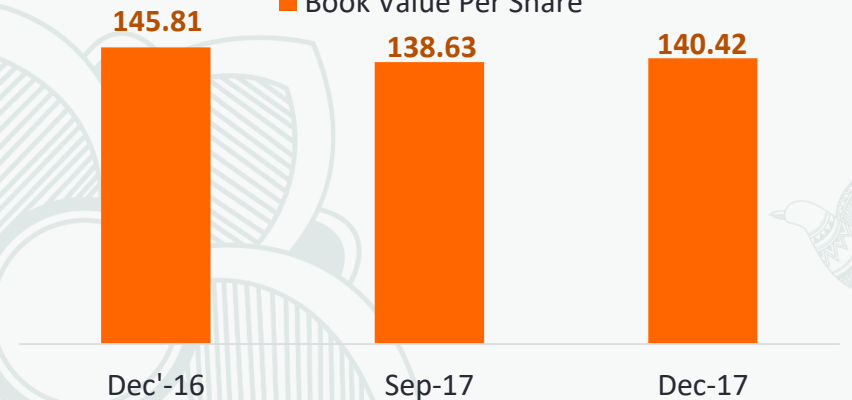
Earning Per Share (in ₹)

Earnings Per Share



Book Value Per Share (in ₹)

Book Value Per Share



Financials – Profit and Loss Statement

₹ in Crore

Particulars	Q3-FY18	Q3-FY17	YOY Growth (%)	Q2-FY18	QoQ Growth (%)	9M-FY18	9M-FY17	YOY Growth (%)
Revenue from operations	358.06	362.18	-1.14%	339.27	5.54%	1,020.73	1,034.84	-1.36%
Other income	26.07	9.14	185.26%	38.75	-32.73%	100.06	22.79	339.10%
Total Income	384.13	371.32	3.45%	378.03	1.61%	1,120.79	1,057.63	5.97%
Finance costs	141.35	133.19	6.13%	152.97	-7.59%	451.58	381.03	18.52%
Employee expenses	93.22	70.72	31.82%	89.53	4.13%	270.68	195.07	38.76%
Other expenses	63.06	43.51	44.92%	55.23	14.17%	179.35	118.95	50.78%
Depreciation	11.14	2.76	304.35%	10.13	10.02%	29.11	7.50	288.22%
Provisions and write offs	28.69	54.75	-47.59%	88.19	-67.46%	276.10	67.95	306.35%
Total Expenses	337.47	304.92	10.67%	396.04	-14.79%	1,206.81	770.49	56.63%
Profit before tax	46.66	66.39	-29.73%	(18.02)	358.94%	(86.02)	287.13	-129.96%
Total tax expense	17.34	22.45	-22.78%	(6.07)	385.78%	(28.45)	98.81	-128.79%
Profit After Tax	29.32	43.94	-33.28%	(11.95)	345.31%	(57.58)	188.32	-130.57%

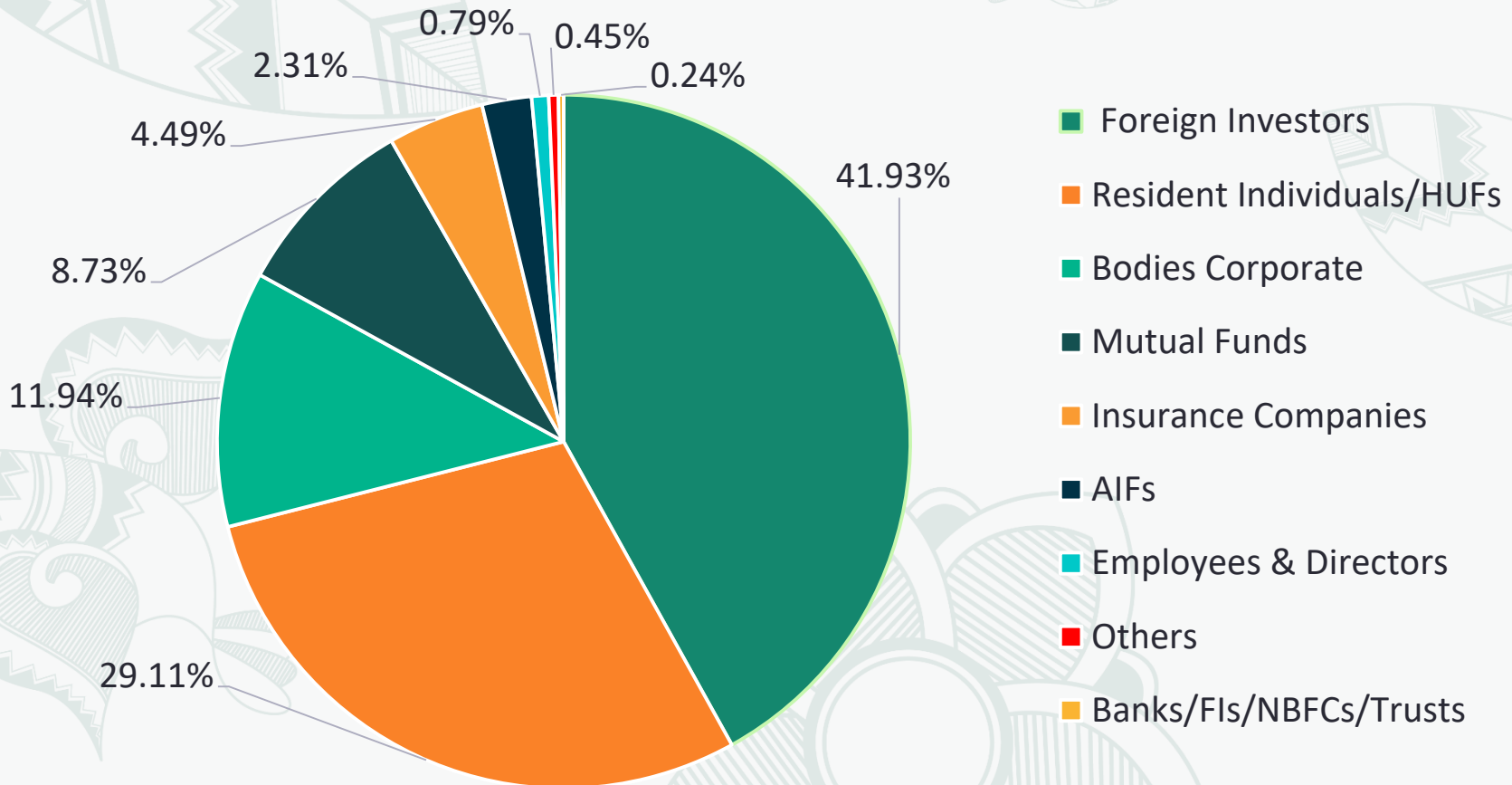
Financials – Balance Sheet

₹ in Crore

Particulars	Dec-17	Dec-16	YOY Growth (%)	Sept-17	QoQ Growth (%)
Share capital	120.61	118.84	1.48%	119.74	0.72%
Reserves and surplus	1,573.00	1,614.02	-2.54%	1,540.25	2.13%
Borrowings	4,435.41	5,150.69	-13.89%	5,119.73	-13.37%
Deposits	2,335.43	-	-	1,247.53	87.20%
Provisions	292.46	168.52	73.55%	298.81	-2.13%
Other Liabilities	161.51	171.42	-5.78%	154.12	4.80%
Total	8,918.41	7,223.49	23.46%	8,480.17	5.17%
Cash and cash equivalent	433.04	830.21	-47.84%	349.10	24.05%
Advances	6,926.66	6,102.11	13.51%	6,364.39	8.83%
Investments	0.10	0.10	-	0.10	-
Fixed & tangible assets	183.91	107.25	71.48%	171.93	6.96%
Other assets	1,374.70	183.82	647.84%	1,594.65	-13.79 %
Total	8,918.41	7,223.49	23.46%	8,480.17	5.17%

Shareholding Pattern – UFSL

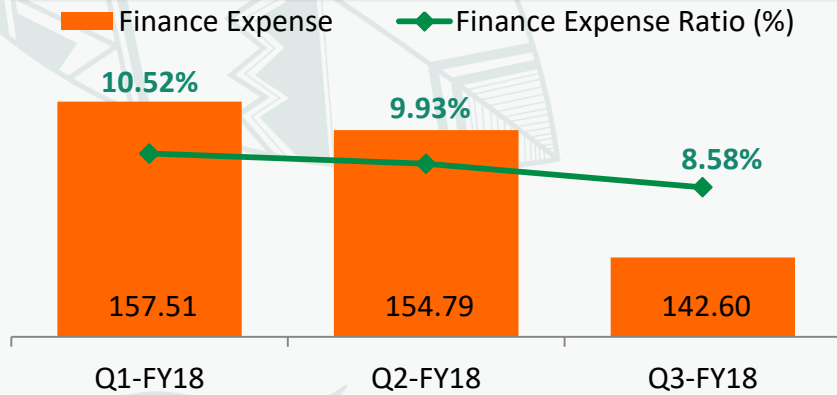
Shareholding Pattern as of 31st December, 2017



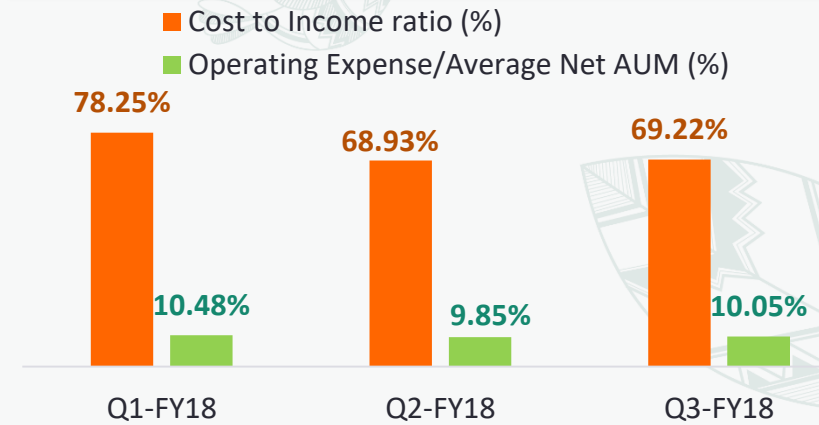
Financial Overview – Ujjivan SFB

Financial Overview

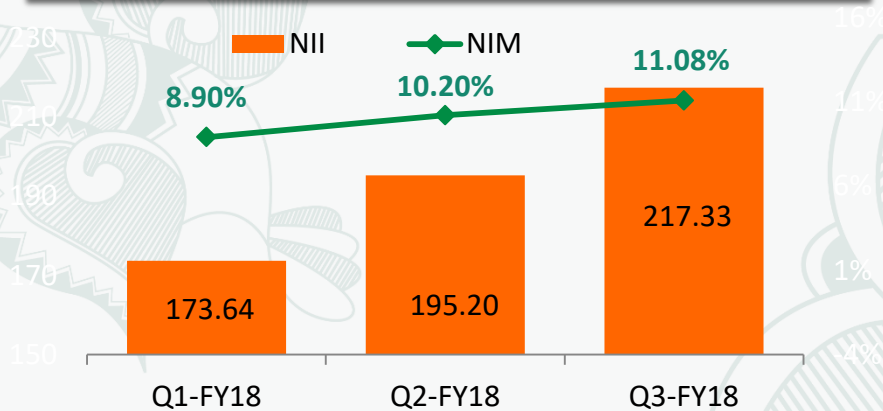
Finance Expense & Finance Expense Ratio



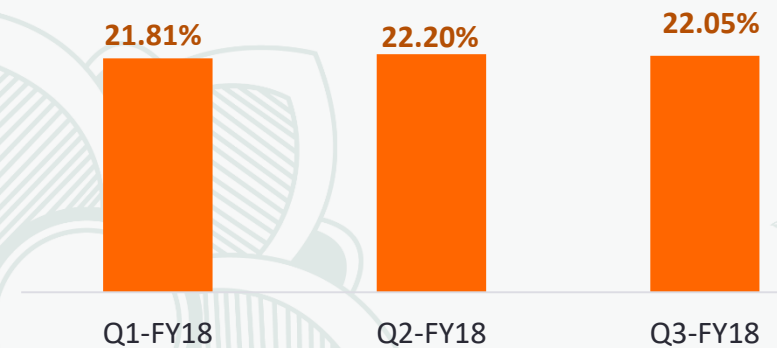
Operating Efficiency (%)



NII (₹ in Crore) & NIM



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.

Income Statement – USFB

₹ in Crore

Particulars	Q3-FY18	Q2-FY18	QoQ Growth (%)
Interest Earned	359.92	349.99	2.84%
Other Income	23.86	27.58	-13.48%
Total Income	383.79	377.57	1.65%
Interest Expended	142.60	154.79	-7.88%
Operating Expenses	166.96	153.57	8.72%
Provisions and Contingencies	44.37	81.76	-45.73%
Total Expenditure	353.92	390.12	-9.28%
Net profit for the period	29.86	(12.55)	338.03%
Profit brought forward	-	-	-
Total	29.86	(12.55)	338.03%
Appropriations			
Transfer to Statutory Reserve			
Total	29.86	(12.55)	338.03%

Balance Sheet – USFB

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₹ in Crore

Particulars	Dec. 2017	Sept. 2017	QoQ Growth (%)
CAPITAL AND LIABILITIES			
Capital	1,640.04	1,640.04	0.00%
Reserves and Surplus	(58.25)	(88.11)	33.89%
Deposits	2,436.98	1,349.08	80.64%
Borrowings	4,435.41	5,119.73	-13.37%
Other Liabilities and Provisions	234.45	205.98	13.82%
TOTAL	8,688.62	8,226.71	5.61%
ASSETS			
Cash and Balances with Reserve Bank of India	160.03	109.80	45.75%
Balance with Banks and Money at Call and Short Notice	273.80	245.61	11.48%
Investments	1,079.49	1,172.80	-7.96%
Advances	6,711.32	6,245.92	7.45%
Fixed Assets	183.87	171.90	6.97%
Other Assets	280.11	280.69	-0.21%
TOTAL	8,688.62	8,226.71	5.61%

Thank You!