

Investor Presentation

Q1 FY 2018-19

August 2018

Disclaimer

- ❖ This presentation is confidential and may not be copied, published, distributed or transmitted. The information in this presentation is being provided by Ujjivan Financial Services Limited (also referred to as 'Company'). By attending a meeting where this presentation is made, or by reading this presentation material, you agree to be bound by following limitations:
- ❖ The information in this presentation has been prepared for use in presentations by Company for information purposes only and does not constitute, or should be regarded as, or form part of any offer, invitation, inducement or advertisement to sell or issue, or any solicitation or any offer to purchase or subscribe for, any securities of the Company in any jurisdiction, including the United States and India, nor shall it, or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment to purchase or subscribe for any securities of the Company in any jurisdiction, including the United States and India. This presentation does not constitute a recommendation by the Company or any other party to sell or buy any securities of the Company.
- ❖ This presentation and its contents are not and should not be construed as a prospectus or an offer document, including as defined under the Companies Act, 2013, to the extent notified and in force or an offer document under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009as amended
- ❖ The Company may alter, modify, or otherwise change in any manner the contents of this presentation without obligation to modify any person of such change or changes
- ❖ No representation warranty implied as to and reliance or warranty, express or implied, is made to, no should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither Company nor any of its affiliates, advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither Company nor its affiliates, advisors or representatives are under an obligation to update, revise or affirm.
- ❖ This presentation contains certain supplemental measures of performance and liquidity that are not required by or presented in accordance with Indian GAAP, and should not be considered as an alternative to profit, operating revenue or any other performance measures derived in accordance with Indian GAAP or an alternative to cash flow from operations as a measure of liquidity of the Company.
- ❖ You must make your own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make independent analysis as you may consider necessary or appropriate for such purpose. Any opinions expressed in this presentation are subject to change without notice and past performance is not indicative of future results. By attending this presentation you acknowledge that you will be solely responsible for your own assessment of the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.
- ❖ This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding expansion plans and the benefits there from, fluctuations in our earnings, our ability to manage growth and implement strategies, competition in our business including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, our ability to win new contracts, changes in technology, availability of financing, our ability to successfully complete and integrate our expansion plans, liabilities, political instability and general economic conditions affecting our industry. Unless otherwise indicated, the information contained herein is preliminary and indicative and is based on management information, current plans and estimates. Industry and market-related information is obtained or derived from industry publications and other sources and has not been verified by us. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.
- ❖ This presentation is not an offer for sale of securities in the UNITED STATES or elsewhere.

Contents

Performance Highlights - UFSL and USFB



Business Performance Overview



Liabilities Profile



Financial Performance Overview - Consolidated



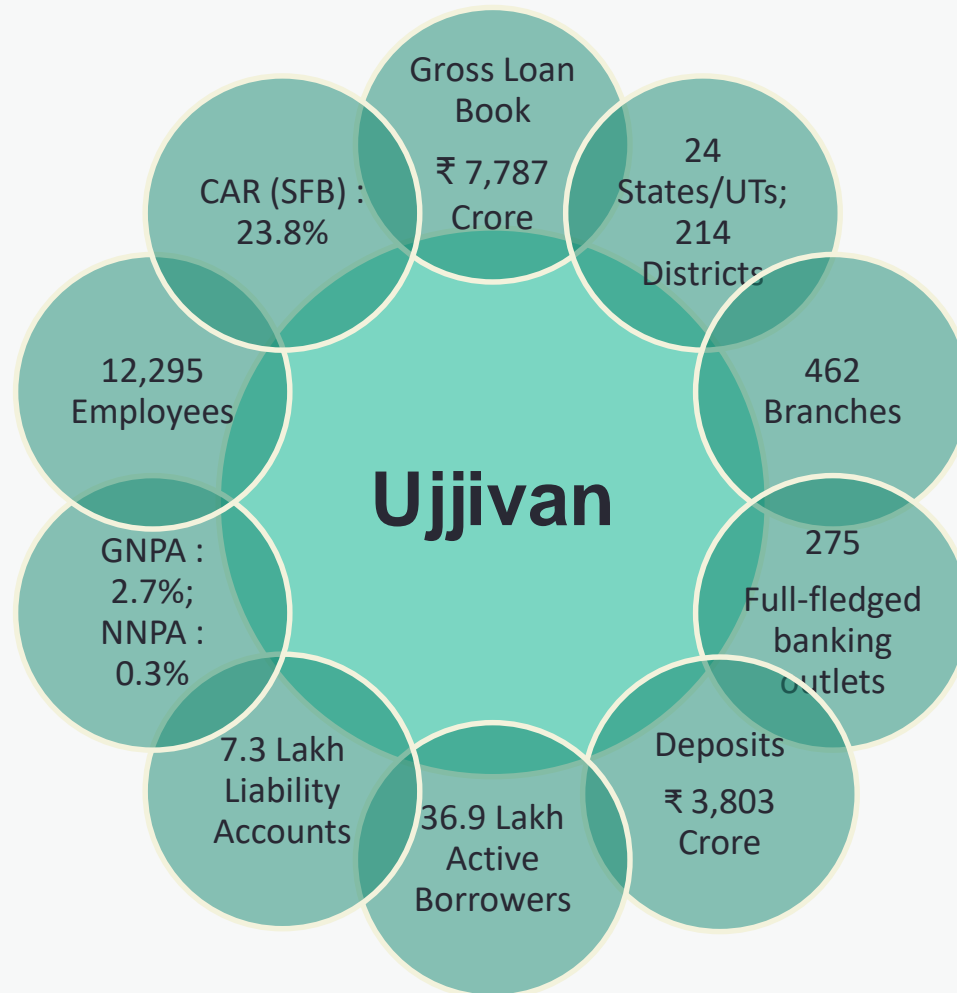
Financial Performance Overview - Ujjivan SFB



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



Business and Operational Highlights

Loan Book

- ₹7,787 crore as of Jun'18
- 20.5% y-o-y growth
- 3.0% q-o-q growth

Loan Composition

- Non-MFI book contributes 9.8% to total portfolio against 7.3% in Mar'18

Disbursements

- ₹2,092 crore as of Jun'18
- 22.9% y-o-y growth
- 7.5% q-o-q reduction

Asset Quality

- PAR at 3.3%, PCR at 87.5%
- Write off of ₹56 crore in Q1-FY19

Secured Loan Book

- ₹544 crore as of Jun'18
- Constitutes 7% to total loan book

Deposits

- Deposits constitute 49% to total funding
- Credit to total deposits at 205%

Retail Deposits

- Retail deposits at 19.7% against 11.3% in Mar'18
- CASA at 6.3% improved from 3.7% in Mar'18

Financial Highlights for Q1-FY19 – Consolidated

Total Income

- ₹461.7 crore in Q1-FY19
- 28.7% y-o-y growth
- 0.2% q-o-q growth

Net Interest Income

- ₹222.4 crore in Q1-FY19
- 60.9% y-o-y growth
- 5.4% q-o-q growth

NIM

- 11.6% in Q1-FY19
- Up from 9.2% in Q1-FY18
- Flat q-o-q

Cost to Income

- 72.3% in Q1-FY19 – transition cost in line with guidance as against 78.0% in Q1-FY18

Profit

- Net Profit of ₹45.0 crore in Q1-FY19 as against Net Loss of ₹74.9 crore in Q1-FY18

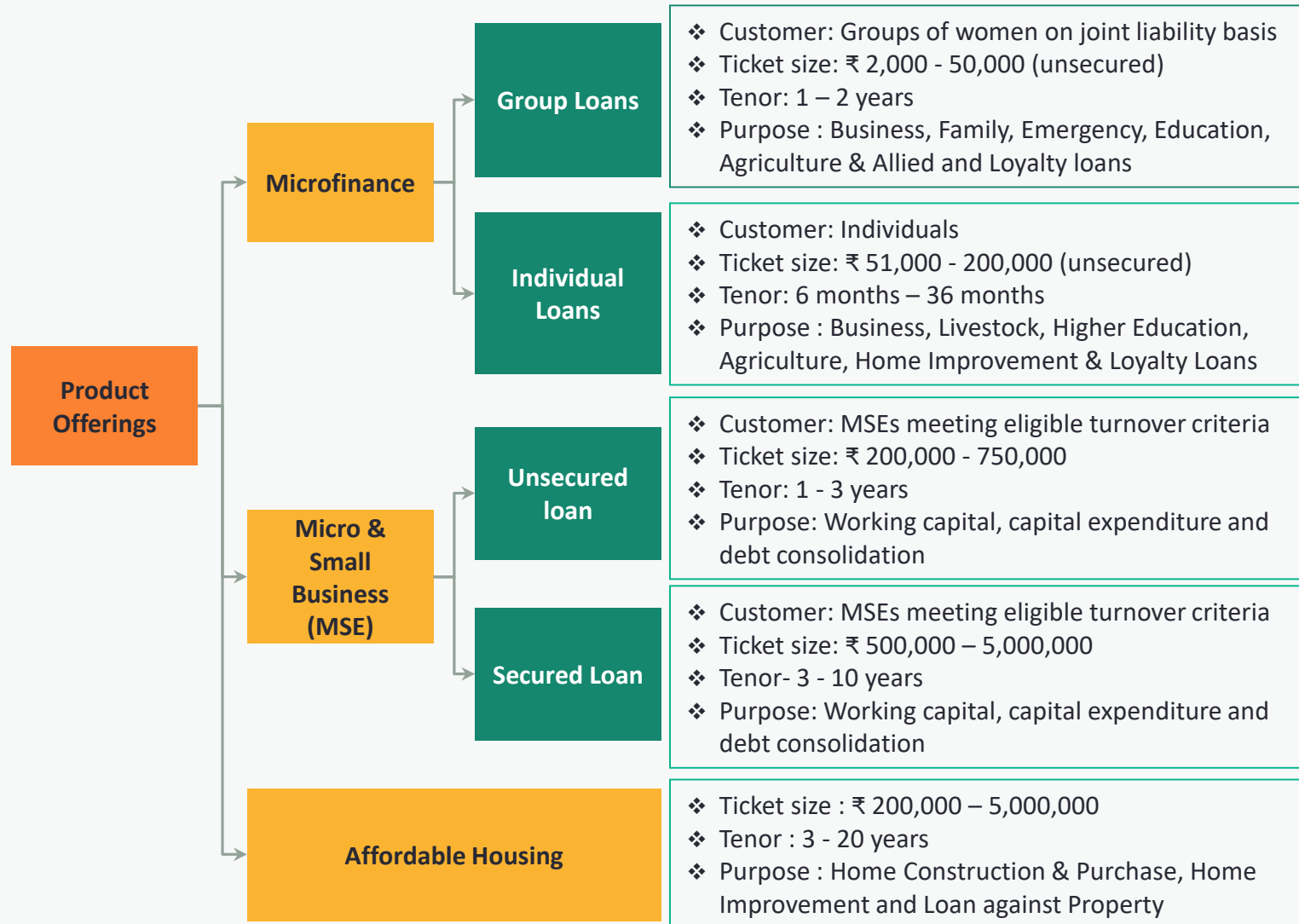
Return Ratios

- ROA at 1.8%/ ROE at 10.1% for Q1-FY19 as against (3.5%)/ (17.4%) respectively for Q1-FY18

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

Ujjivan SFB Business

Asset Offerings



New Initiatives

Personal Loan

- ❖ Salaried customers with net income > ₹ 15,000
- ❖ Start with top 13 cities which contributes 32% of current PL market
- ❖ Ticket size: ₹ 50,000 to ₹ 150,000
- ❖ Technology led business process to ensure lower TAT
- ❖ Tie-up with online aggregators
- ❖ Sourcing of business through multiple channels
- ❖ Co-lending with select Fin-tech
- ❖ Expected launch by 2nd quarter

Lending to Financial Institution

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

Two-wheeler Loan

- ❖ Cross Sell TW Loan to existing customers
- ❖ To focus on existing MFI customers in first phase
- ❖ Lower TAT, Simple & transparent processing and affordable pricing for our customer segment
- ❖ Exploring possibilities of co-lending with experienced players

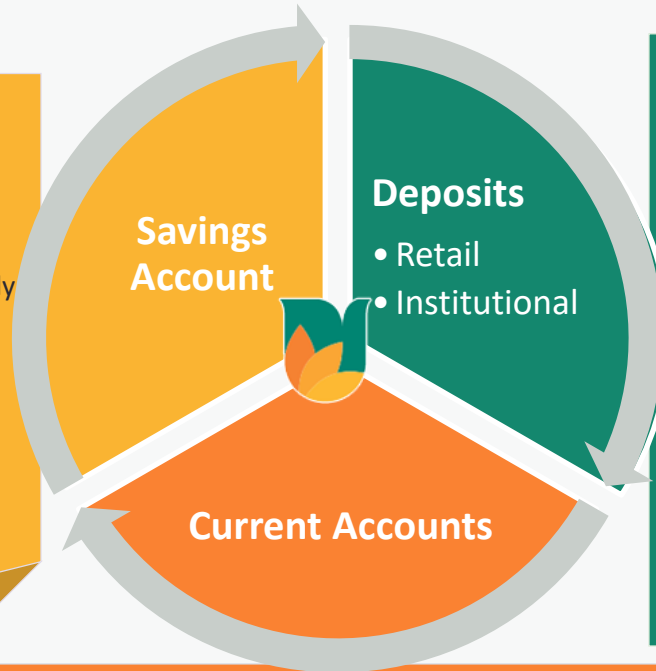
Rural Business

- ❖ 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 deposit charges, no minimum balance requirement
- ❖ Unlimited free transactions at Ujjivan SFB ATMs
- ❖ Interest rate revised effective 09th July 2018 :
 - 4% (up to ₹5 Lac)
 - 5.5% (above ₹5Lac - ₹50Lac)
 - 6.75% (above ₹50 Lac- ₹5 Cr)
 - 7% (above ₹5 Cr)



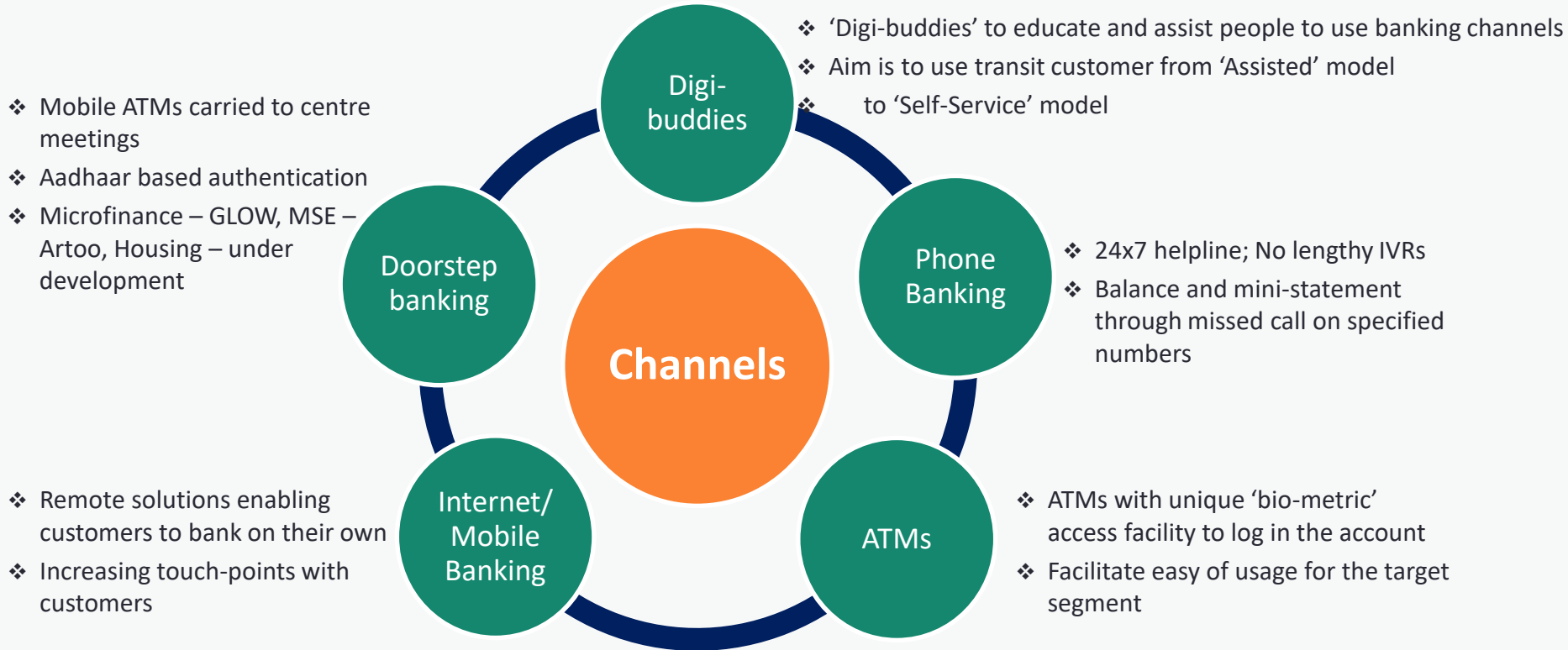
- ❖ Attractive Entry Level - ₹ 1000 for FD and ₹ 100 for RD
- ❖ No penalty upon premature and partial withdrawal after 6 months
- ❖ Interest rate of 8% for 735 days introduced, additional interest rate of 0.5% for senior citizens
- ❖ TAX SAVER FIXED DEPOSIT (launched 8th Jan'17)- Avail tax exemption under Section 80C of Income Tax Act, 1961
- ❖ Min ₹ 1000 and Max of ₹ 1,50,000 with monthly/quarterly interest pay out

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

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 103 Bank Branches with 15 Individual Insurance Products in association with Bajaj Allianz Life Insurance Co Ltd, Aditya Birla Sun Life Insurance Co Ltd and HDFC Life Insurance Co Ltd targeted at existing and new to Bank customers
- ❖ Motor & Property Insurance will be rolled out on a pilot basis from 23rd July 2018 with Bajaj Allianz General Insurance

Easy and Convenient Banking



Leveraging Tech Platform



Loan Delivery Architecture

- ❖ Originating on HHD, underwriting in LOS (SysArc, GLOW, Artoo, LoanMeet)
- ❖ Rule Engine supported credit decision, booking in Finnacle
- ❖ Productivity and TAT



CRMNEXT

CRM Platform

- ❖ Lead management, up-sell & cross-sell
- ❖ Prevents leakage of opportunity



Digital initiatives

- ❖ Express renewal of microfinance loans
- ❖ Tie-ups with Fintech companies



Analytics

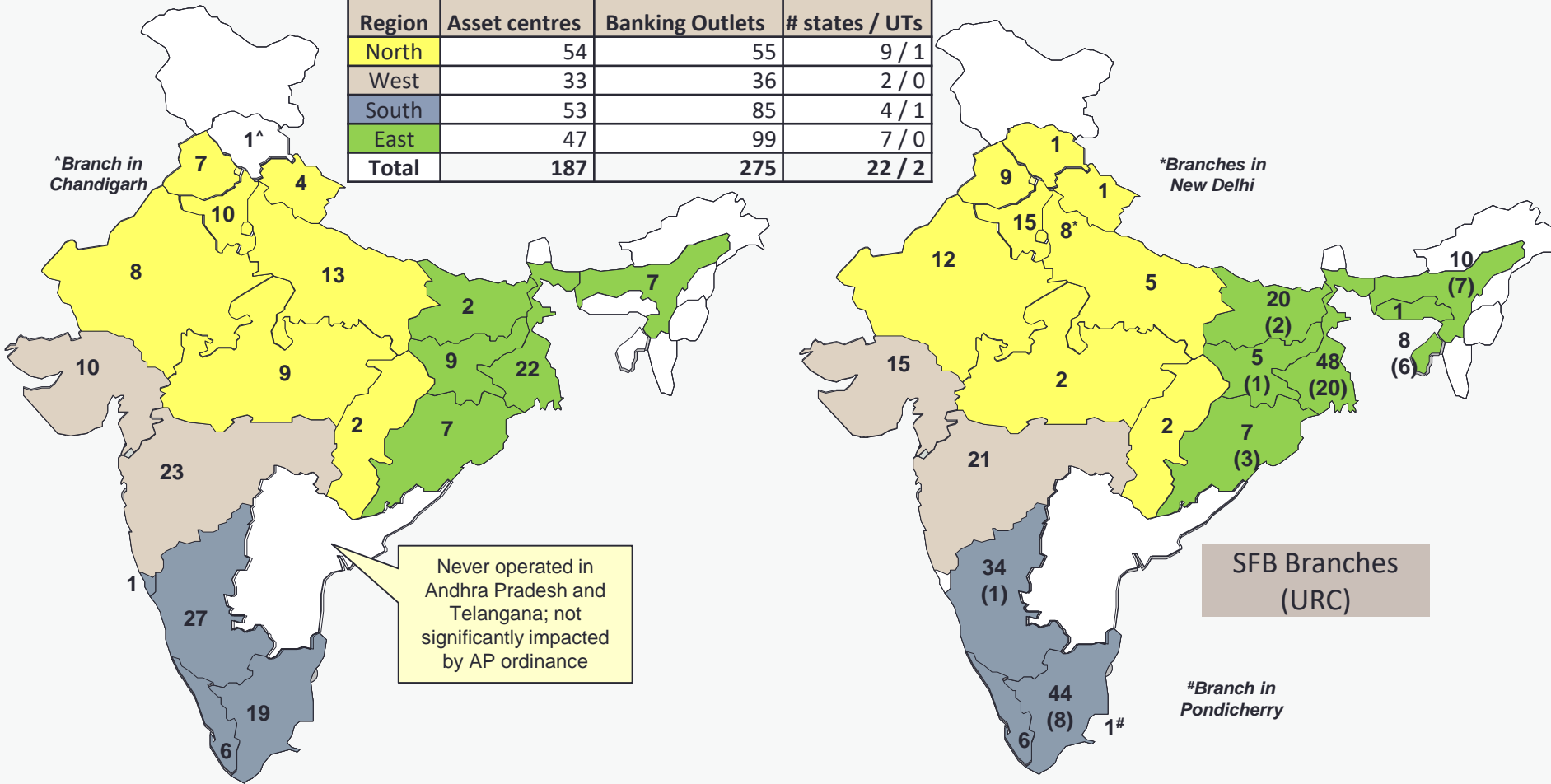
- ❖ Understand our customers
- ❖ Aids product development
- ❖ Better target marketing, cross-sell
- ❖ Better risk management

Wide Geographical Distribution

State wise Asset Centres Mix

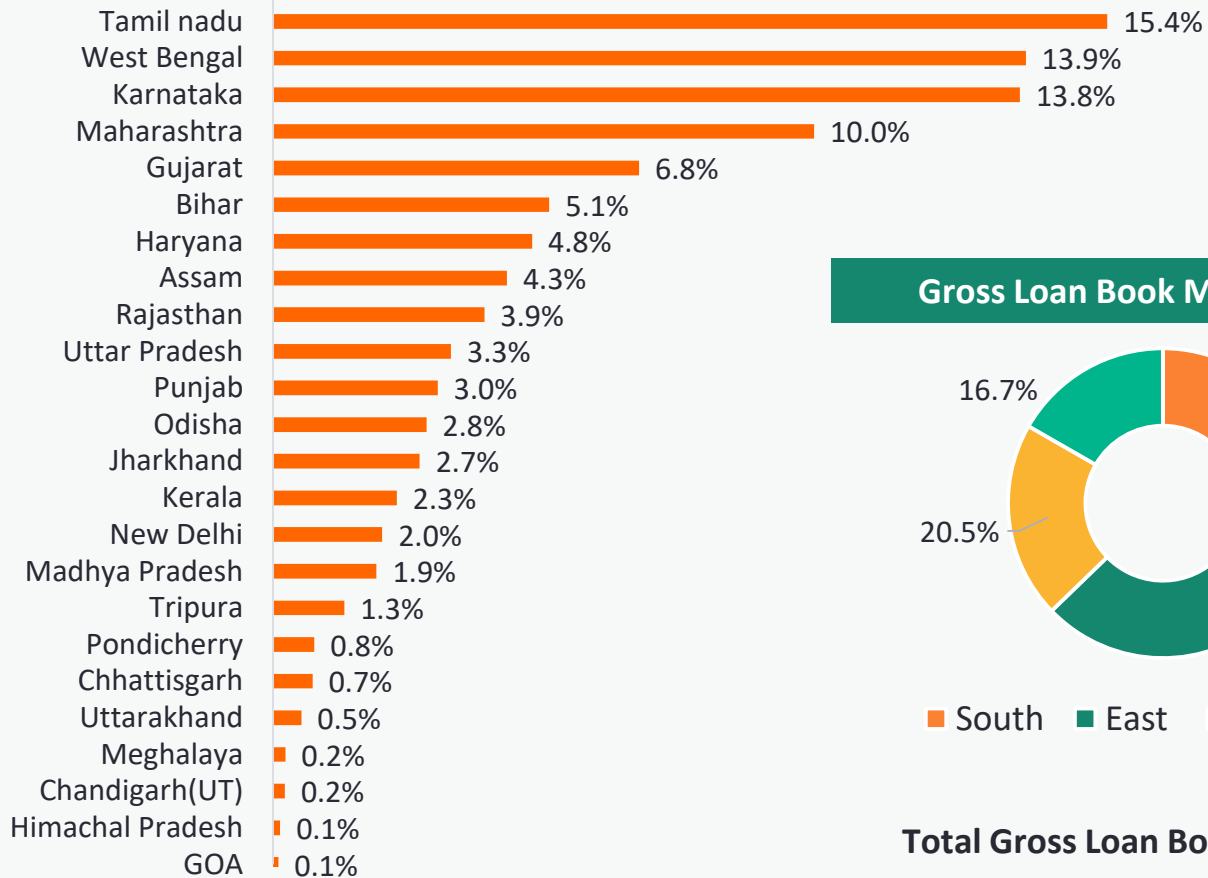
Region	Asset centres	Banking Outlets	# states / UTs
North	54	55	9 / 1
West	33	36	2 / 0
South	53	85	4 / 1
East	47	99	7 / 0
Total	187	275	22 / 2

State wise Full-fledged Bank Branches



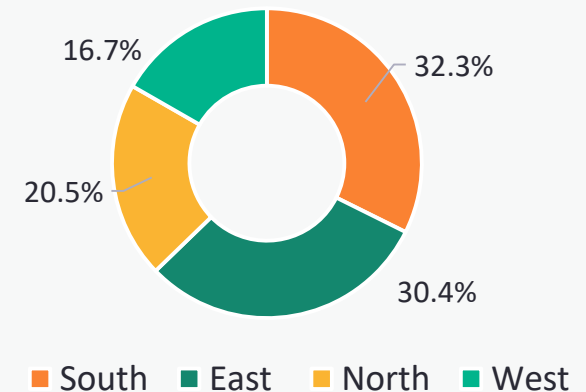
Diversified Portfolio Mix

State wise Portfolio Mix (%) – Q1 FY2018-19



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

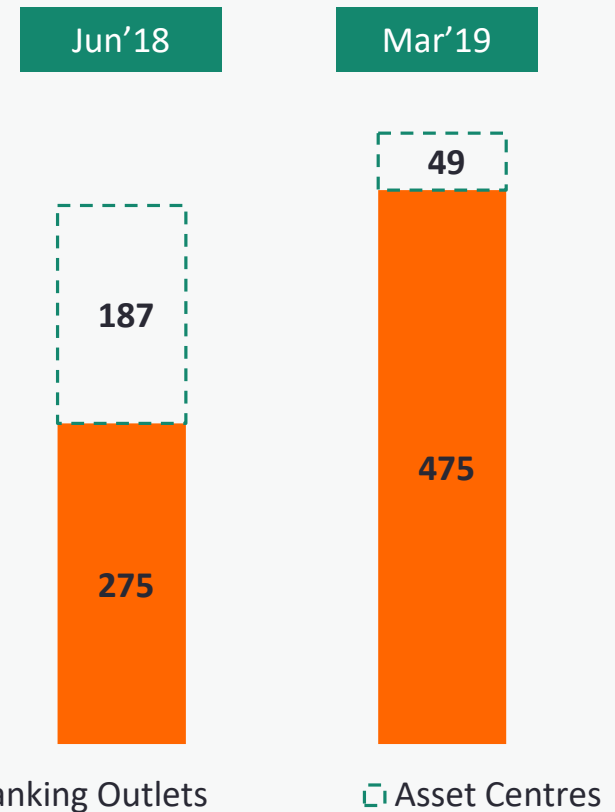
Gross Loan Book Mix - Region wise



Total Gross Loan Book: ₹ 7,787 Crore

Banking Outlets Roll Out Plan

- ❖ As of June'2018, there are 462 branches with 187 asset centres and 275 banking outlets including 48 URCS
- ❖ In Q1-FY19, we have converted 87 asset centres into banking outlets and added one Unbanked Rural Centre (URC)
- ❖ This quarter we have expanded our banking outlets reach in the states of Bihar, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab, Rajasthan, Tamil Nadu and West Bengal
- ❖ Total 475 banking outlets planned in FY19
 - 219 asset centres to be converted in FY19
 - 7 new outlets in Chennai, Gurugram, Noida, Mumbai and Kolkata
 - 62 new URCS in West Bengal, Bihar, Odisha, Gujarat, Karnataka and Tamil Nadu
- ❖ Remaining 49 asset centres will be converted in FY-20

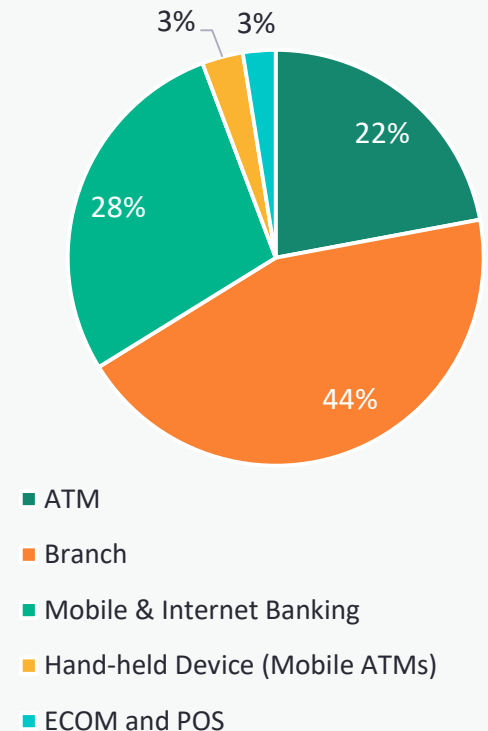


Each banking outlet to serve both asset and liability offerings

Process Improvements and Digitization

- ❖ 'Insta-kits' and 'Insta debit cards' live across all branches
- ❖ **GLOW** had led to improvement in TAT significantly to around 3-4 days and reduction in data entry costs. 92% of the loan disbursements in Q1 FY19 happened through GLOW mechanism
- ❖ Digi-buddy program - to deepen digital banking penetration. On an average, Digi-buddy branches reported double the number of card transactions than in a non-Digi-buddy branch
- ❖ Tie-up with Paytm and Instamojo to drive cashless repayments. Payment methods include wallet, internet banking and debit card, one Standee in every Branch for QR code payments
- ❖ **ATM:** Network of 232 biometric ATMs
- ❖ 8,000+ handheld devices for account opening
- ❖ 93% of FD and RD accounts were sourced through hand held device, mobile and internet banking

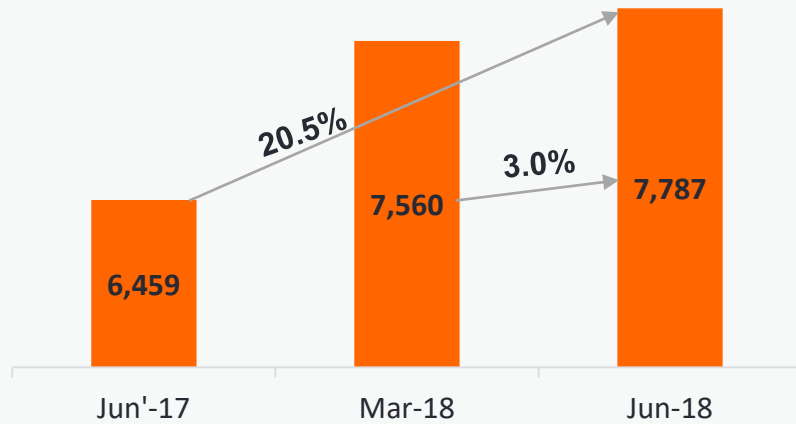
Transaction through Channels in Q1-FY19



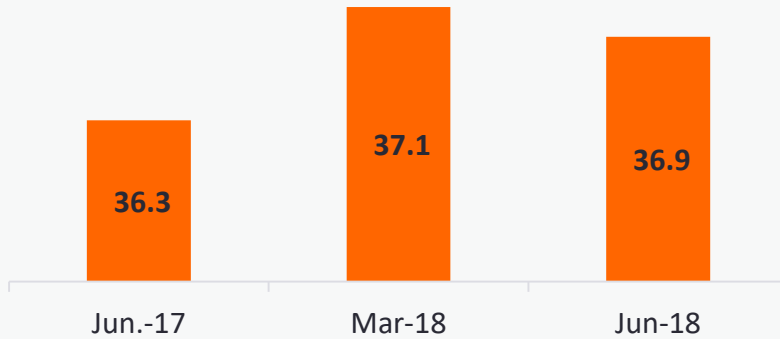
Business Performance Overview

Loan Book Overview

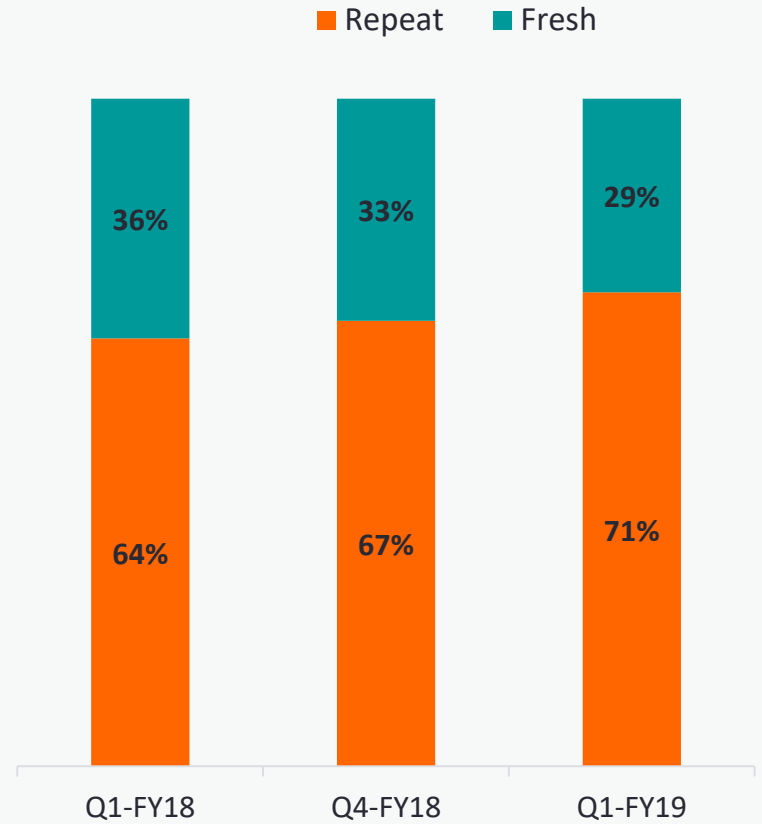
Loan Book (₹ in Crore)



Number of Active Borrowers (in lakhs)



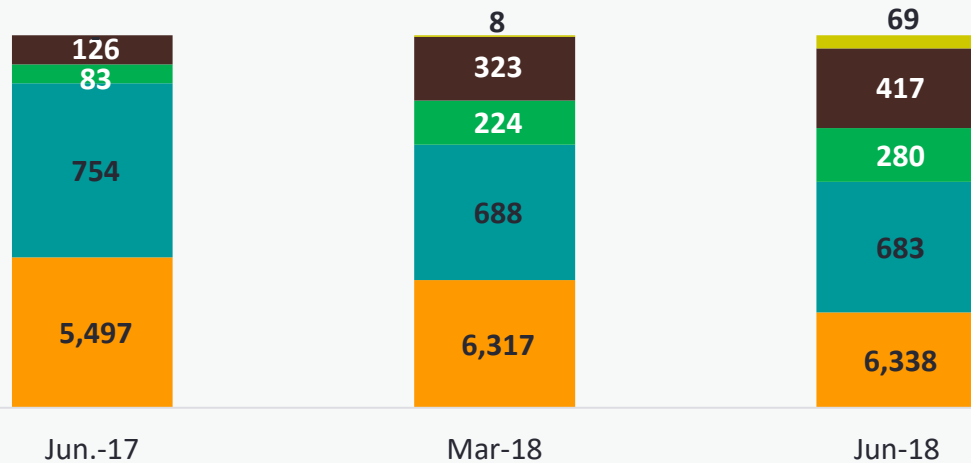
Type of Loan (on Disbursement)



Composition of Gross Loan Book

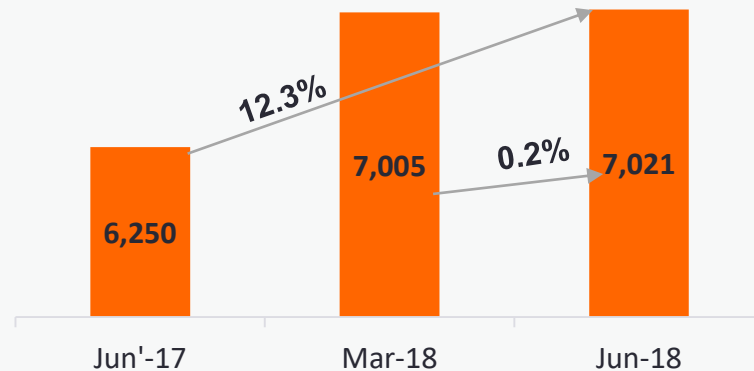
Loan Book – Segment wise (₹ in Crore)

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

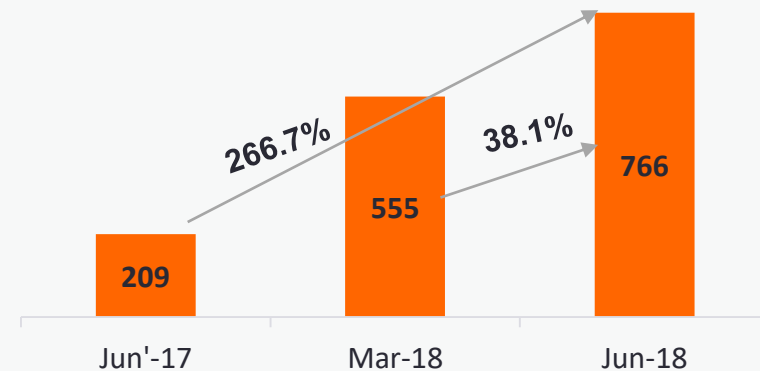


Product Bifurcation	% Share as of Jun'18
Microfinance (Group Loan, Micro Individual Loan)	90.2%
MSE	3.6%
Affordable Housing	5.4%
Others	0.9%

MFI Portfolio Trend (₹ in Crore)



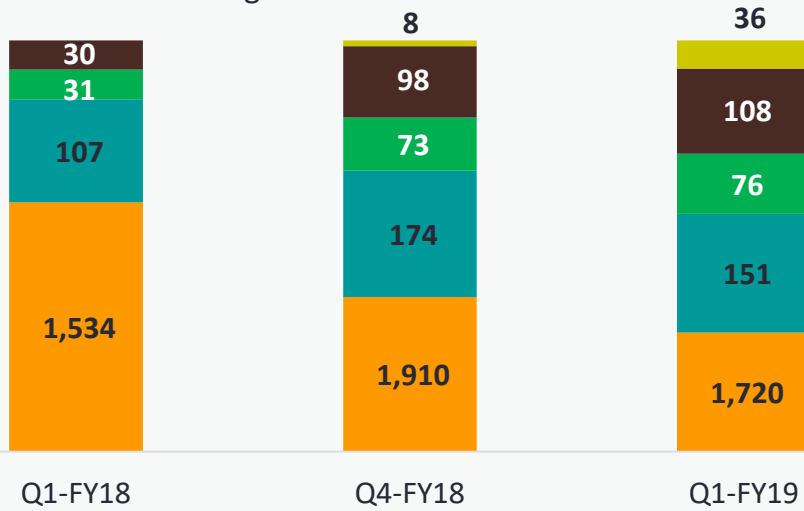
Non - MFI Portfolio Trend (₹ in Crore)



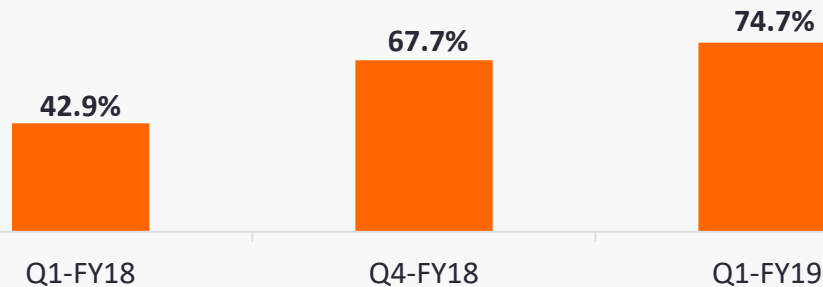
Disbursement Spread and Average Ticket Size

Product wise Disbursement (₹ in Crore)

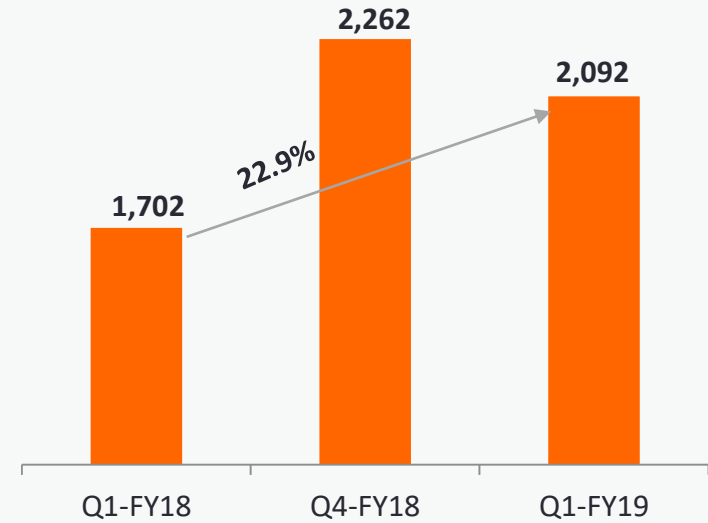
- Group Loans
- Micro Individual Loan
- MSE
- Affordable Housing
- Others



Cashless Disbursement (%)



Total Disbursements (₹ in Crore)

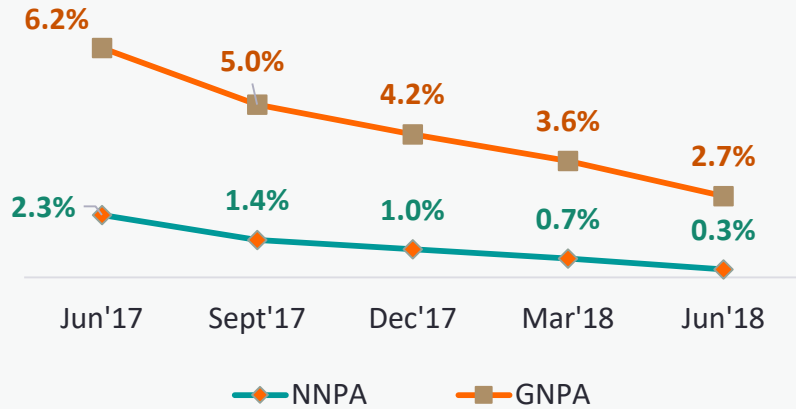


Average Ticket Size – Q1 FY 2018-19

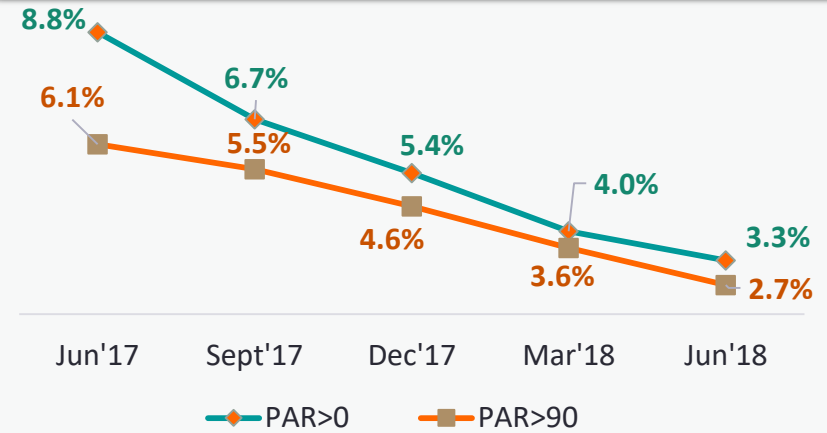
Product	in ₹
Group Loans	30,192
Micro Individual Loan	79,545
MSE	5,21,620
Housing Finance	8,26,000

GNPA, NNPA and PAR

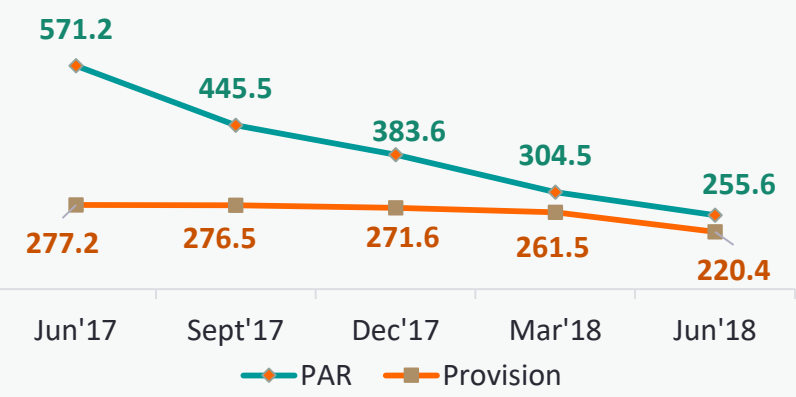
GNPA and NNPA



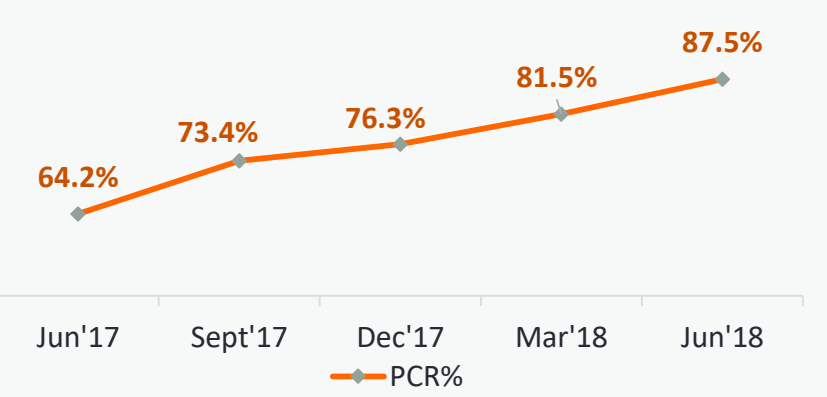
PAR %



PAR and Provision – All Assets (₹ in Crore)



Provision Coverage Ratio



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

Liabilities Profile

Highlights on Marketing / Promotions

Two Thematic Campaign to establish Ujjivan as a Bank
 a.) Ujjivan ab ban gaya hai bank b.) Ek Alag Bank

Marketing Communication focused on USP Products – 8% interest, formless banking, instant A/c opening etc.

Localized Communication for each State Launch
 Integrated messaging on MSE, Housing and Rural product offerings

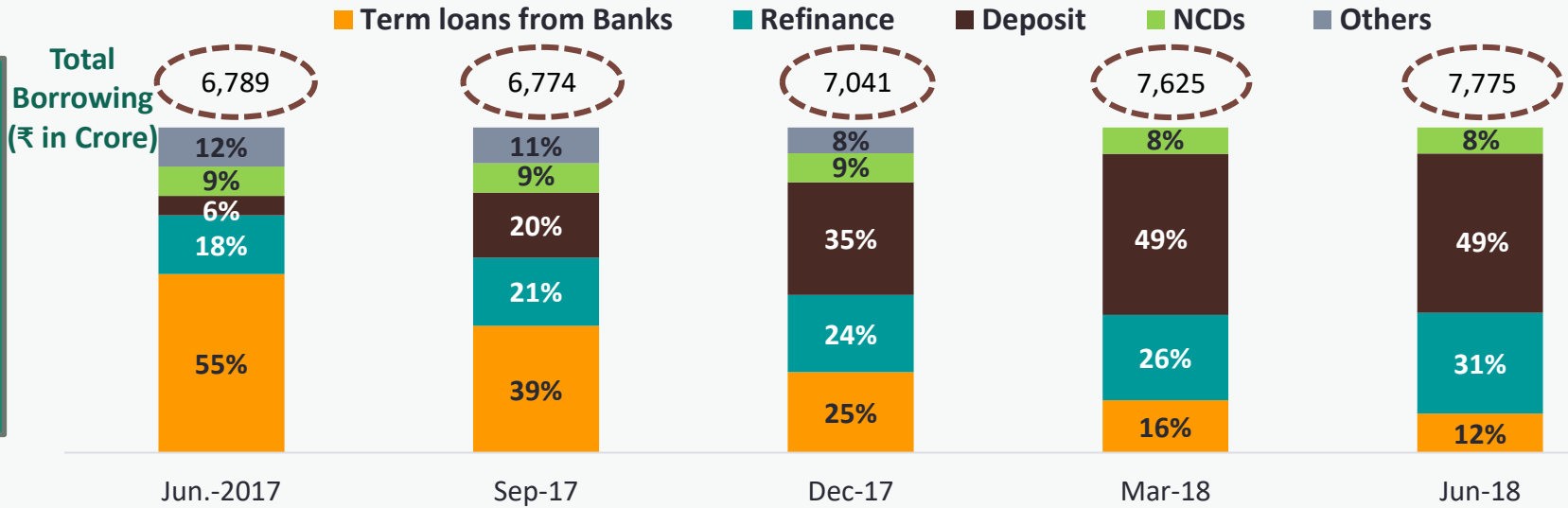
Advertising outreach in newspapers, radio, outdoor, cinema & digital
 Ujjivan’s debut TV Commercial in Karnataka & West Bengal

Lead generation activities in catchment areas of branches to create brand awareness and aid customer acquisitions

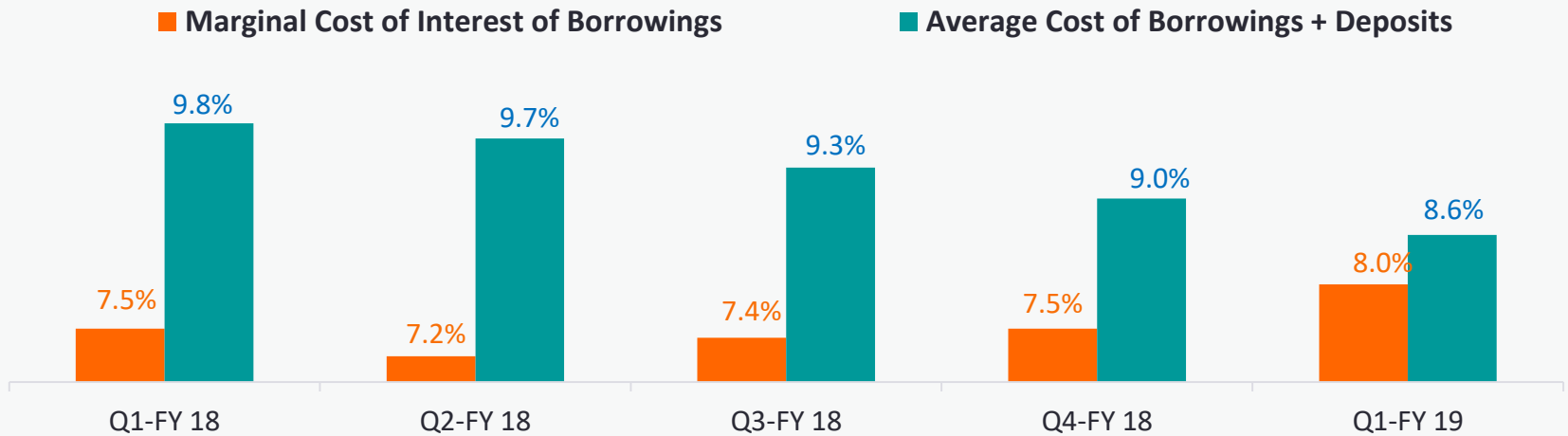


Borrowings Profile and Cost of Funds

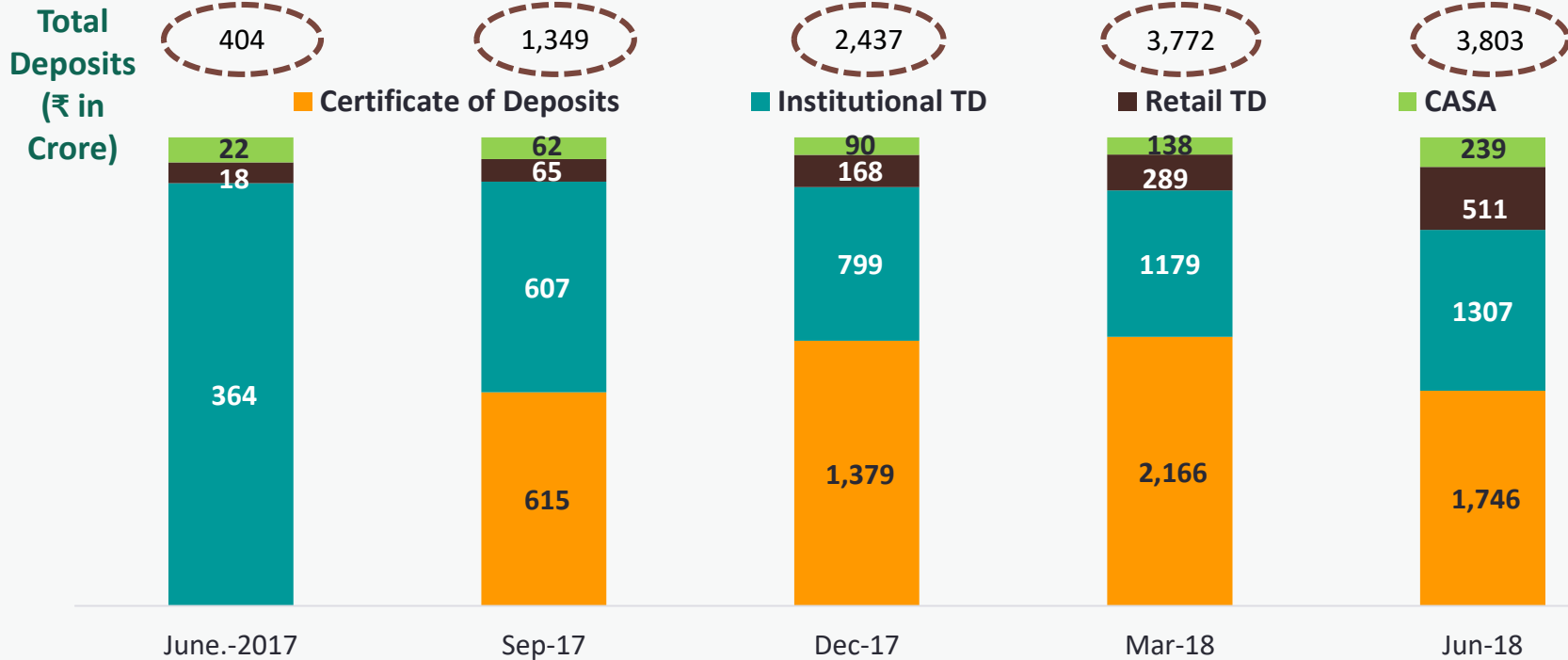
Borrowings Profile



Cost of funds



Deposits Update – USFB



Deposit Ratios	Mar-18
CASA Ratio	6.3%
Retail to Total Deposit	19.7%
Credit to Total Deposit	205%

- ❖ Reliance on CDs has reduced
- ❖ Improved traction in Retail deposits (including CASA) qoq on the back of mobilization of existing clients coupled with accelerated conversion of existing asset borrower base

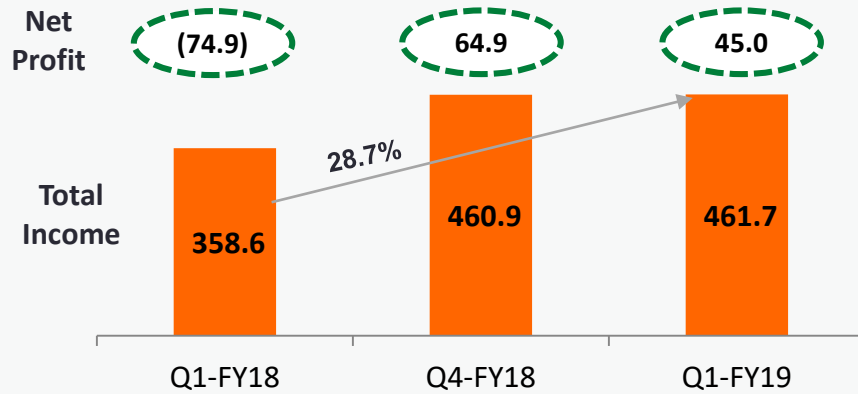
Credit Ratings for Ujjivan SFB

Particulars	₹ in Crore	Rating Agency
Long Term Borrowing	4,250.00	CARE A+ (Stable)
NCD	200.00	CARE A+ (Stable)
NCD	425.00	ICRA A+ (Stable)
Certificate of Deposit	4,000.00	CRISIL A1+ & ICRA A1+
Short term fixed Deposit	3,000.00	CRISIL A1+ & ICRA A1+

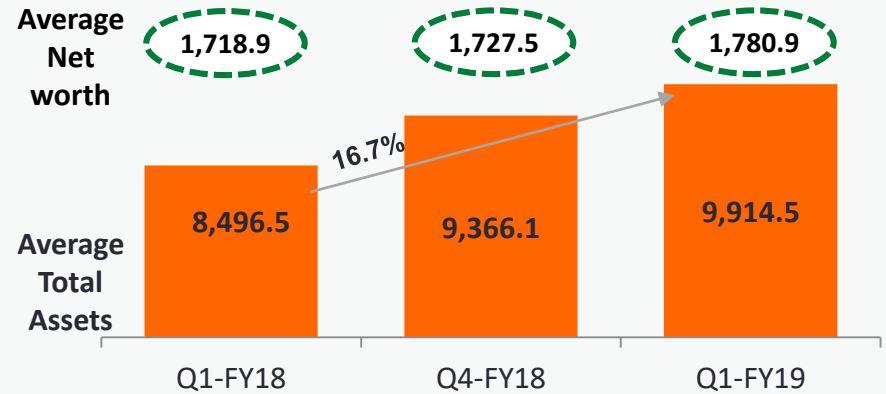
Financial Overview – Consolidated UFSL

Financial Overview

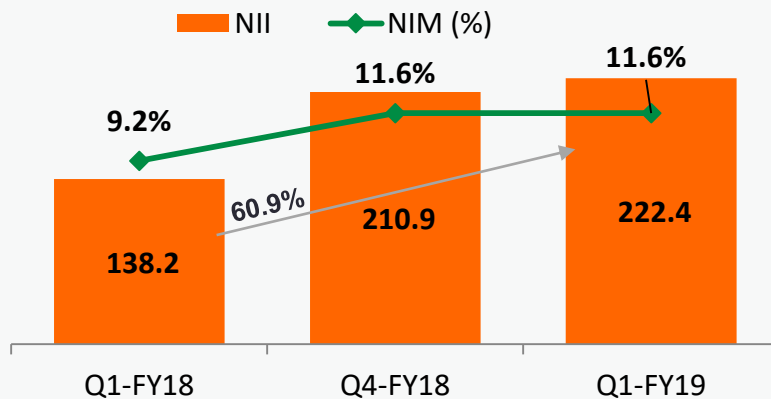
Total Income and Net Profit (₹ in Crore)



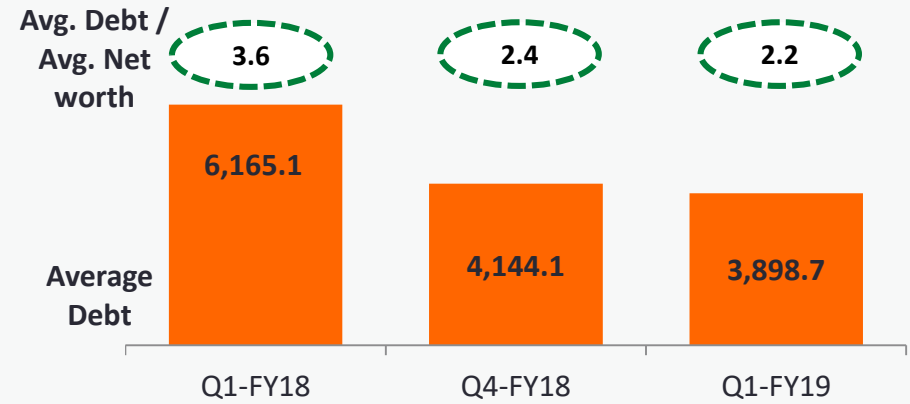
Average Total Assets and Net worth (₹ in Crore)



NII (₹ in Crore) and NIM



Average Debt (₹ in Crore)

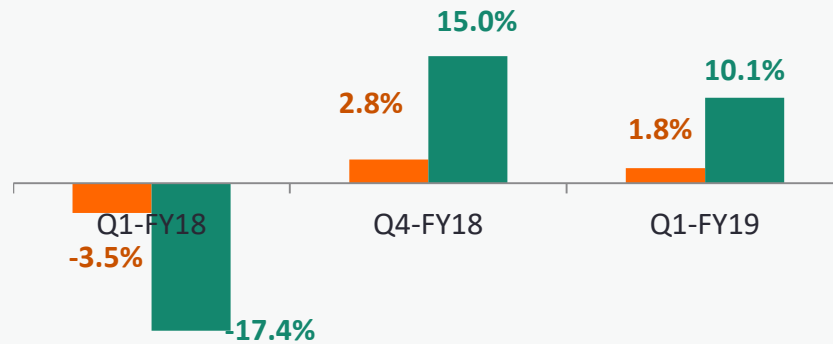


Note: All financials given in this presentation are on I-GAAP basis unless specified. These are for informational purpose only

Financial Overview (Contd.)

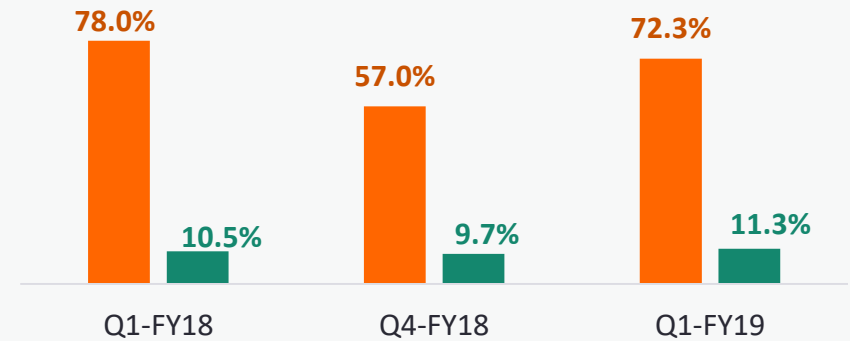
ROA and ROE

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



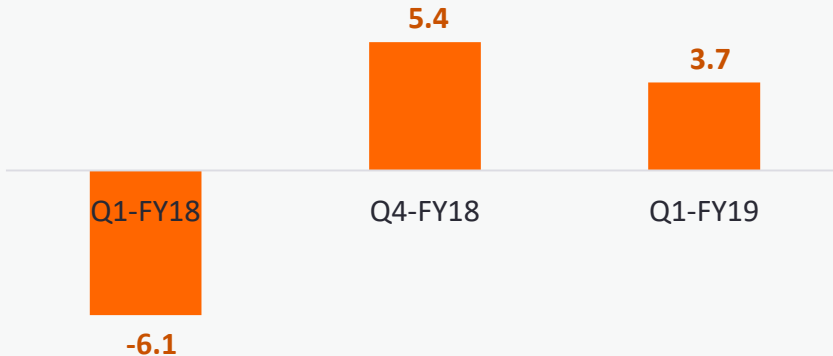
Operating Efficiency

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



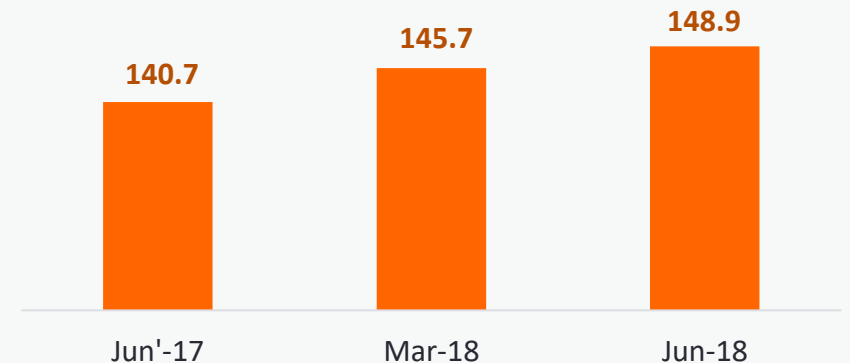
Diluted Earnings Per Share (in ₹)

Earnings Per Share



Book Value Per Share (in ₹)

Book Value Per Share



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

Financials – Profit and Loss Statement

₹ in Crore

Particulars	Q1-FY19	Q1-FY18	YOY Growth (%)	Q4-FY18	QoQ Growth (%)
Revenue from operations	403.7	323.4	24.8%	422.6	(4.5%)
Other income	58.0	35.2	64.7%	38.3	51.6%
Total Income	461.7	358.6	28.7%	460.9	0.2%
Finance costs	161.8	157.3	2.9%	153.3	5.5%
Employee expenses	114.8	88.0	30.4%	95.8	19.9%
Other expenses	89.7	61.0	47.2%	67.0	33.9%
Depreciation	12.1	7.8	54.6%	12.3	(1.3%)
Provisions and write offs	15.1	159.2	(90.5%)	34.7	(56.6%)
Total Expenses	393.5	473.3	(16.9%)	363.0	8.4%
Profit before tax	68.2	(114.7)	159.5%	97.9	(30.3%)
Total tax expense	23.1	(39.7)	158.3%	33.0	(29.9%)
Profit After Tax	45.0	(74.9)	160.1%	64.9	(30.5%)

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

Financials – Balance Sheet

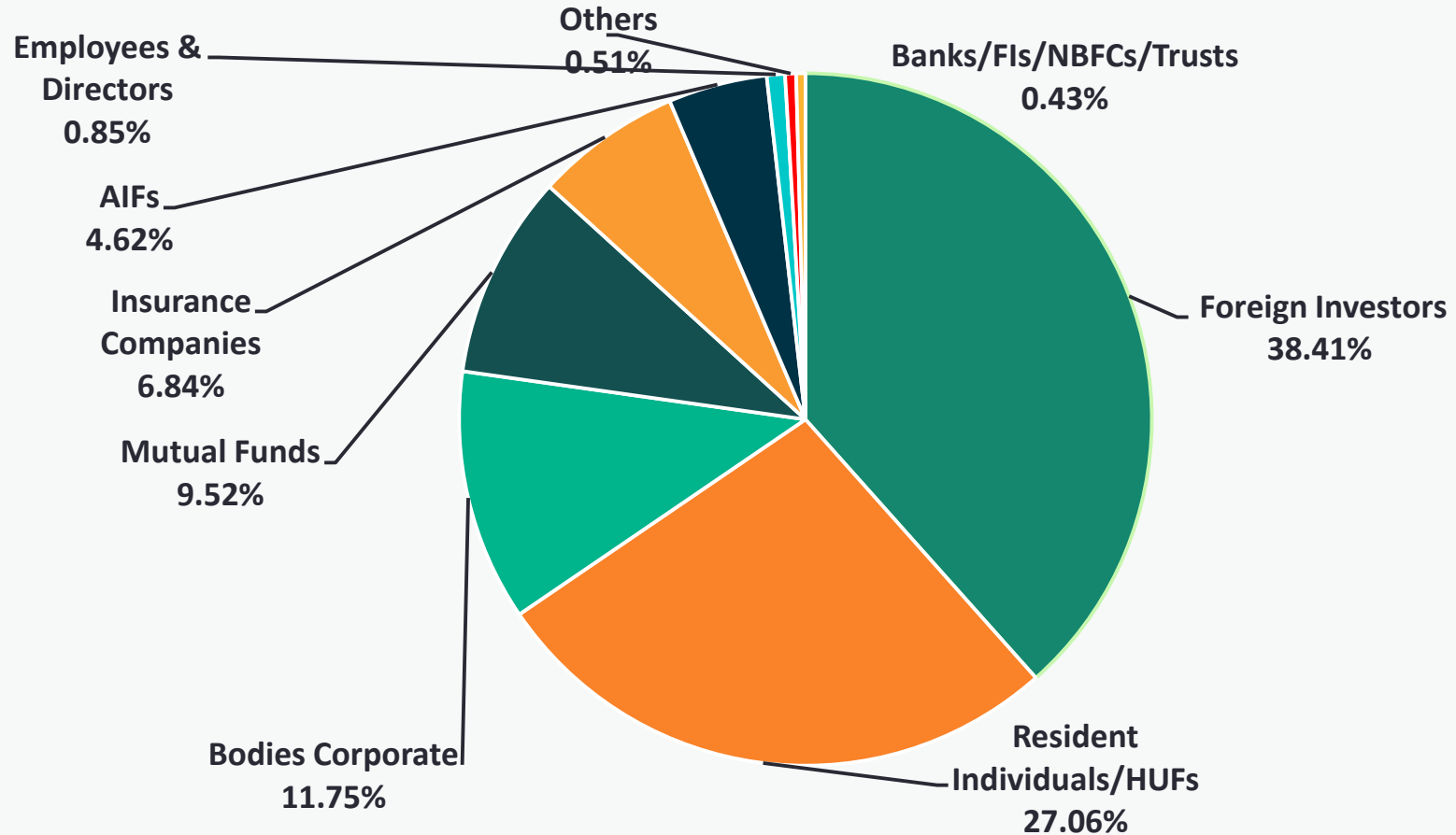
₹ in Crore

Particulars	Jun-18	Mar-18	Jun-17
Share capital	121.0	120.9	119.6
Reserves and surplus	1,679.6	1,640.5	1,562.9
Borrowings	3,944.6	3,852.8	6,038.9
Deposits	3,779.0	3,796.8	303.8
Provisions	249.2	285.8	296.9
Other Liabilities	241.8	117.1	192.3
Total	10,015.2	9,813.9	8,514.3
Cash and cash equivalent	547.1	593.7	558.2
Advances	7,786.6	7,559.7	6,110.7
Investments	0.1	0.1	0.1
Fixed & tangible assets	216.7	198.4	156.3
Other assets	1,464.8	1,462.0	1,689.0
Total	10,015.2	9,813.9	8,514.3

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

Shareholding Pattern of Ujjivan Financial Services

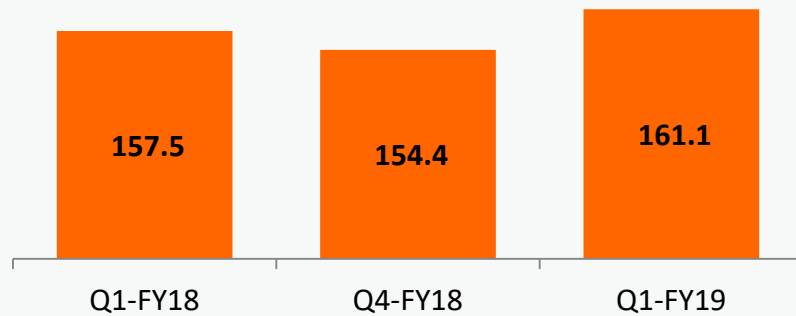
Shareholding Pattern as 30th June, 2018



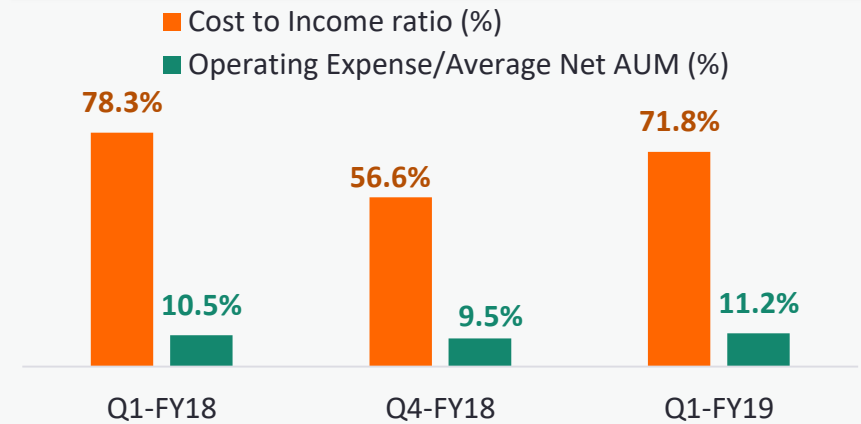
Financial Overview – Ujjivan SFB

Financial Overview

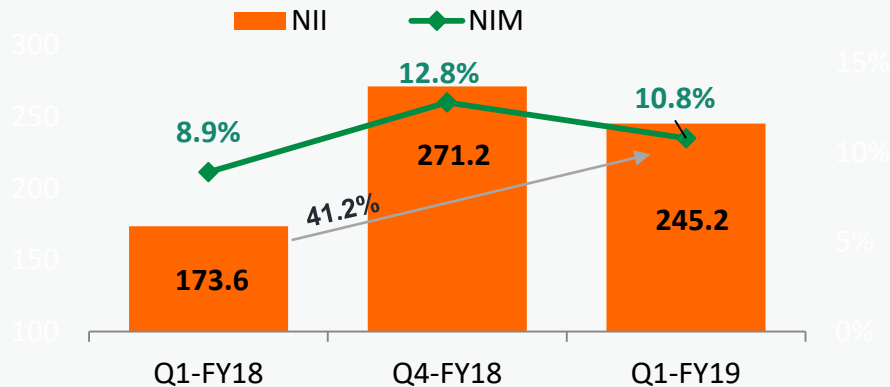
Finance Expense (₹ in Crore)



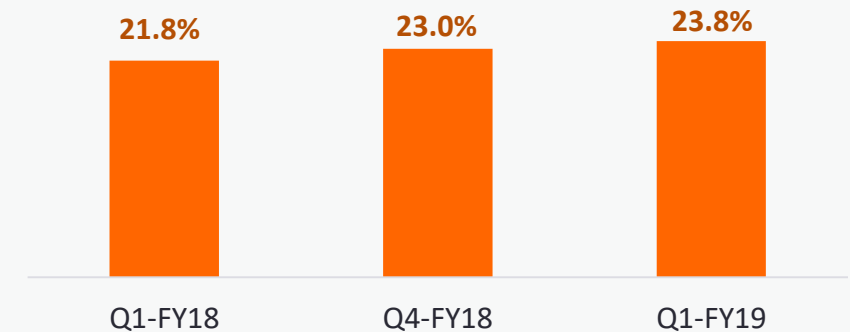
Operating Efficiency (%)



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.

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

₹ in Crore

Income Statement – USFB

Particulars	Q1-FY19	Q1-FY18	YoY Growth (%)	Q4-FY18	QoQ Growth (%)
Interest Earned	406.3	331.1	22.7%	425.6	(4.5%)
Other Income	53.3	26.9	98.0%	34.3	55.3%
Total Income	459.6	358.1	28.4%	459.9	(0.1%)
Interest Expended	161.1	157.5	2.3%	154.4	4.3%
Operating Expenses	214.4	156.9	36.6%	172.9	24.0%
Provisions and Contingencies	37.9	119.2	(68.2%)	67.4	(43.7%)
Total Expenditure	413.5	433.7	(4.7%)	394.8	4.7%
Net profit for the period	46.1	(75.6)	161.0%	65.1	(29.2%)

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

Balance Sheet – USFB

₹ in Crore

Particulars	Jun-18	Mar-18	Jun-17
CAPITAL AND LIABILITIES			
Capital	1,640.0	1,640.0	1,640.0
Reserves and Surplus	53.0	6.9	(75.6)
Deposits	3,803.4	3,772.5	403.7
Borrowings	3,944.6	3,852.8	6,038.9
Other Liabilities and Provisions	277.1	200.9	236.9
TOTAL	9,718.2	9,473.2	8,244.0
ASSETS			
Cash and Balances with Reserve Bank of India	183.6	197.6	243.8
Balance with Banks and Money at Call and Short Notice	298.1	297.2	308.3
Investments	1,203.8	1,232.5	1,394.0
Advances	7,604.8	7,335.5	5,877.2
Fixed Assets	216.6	198.3	156.3
Other Assets	211.3	212.1	264.5
TOTAL	9,718.2	9,473.2	8,244.0

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

Rewards and Recognition



- Ujjivan Small Finance bank was ranked 19th in the list of 100 India's Best Companies To Work For 2018
- Recognition for being **Best in the Industry** (Best Workplaces in Small Finance Bank) from Great Place To Work Institute

Mr. Samit Ghosh was awarded at MFIN Awards 2018 in New Delhi on the 24th May, 2018 for his multifaceted contribution to the sector



Mr. Samit Ghosh Awarded by MFIN

Thank You!