

UJJIVAN/SE/2018-19/10

May 17, 2018

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

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

Trading Symbol: UJJIVAN

SCRIP CODE: 539874

Dear Sir/Madam,

Subject: Intimation of information under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform you that the Company proposes to have small group meetings (one on one or on group basis) with the following institutions / funds as per the schedule below:

May 18, 2018 in Mumbai:

1. Birla Life
2. ENAM AMC
3. ENAM Holdings
4. Max Life
5. Reliance MF
6. Axis MF
7. BNP
8. Birla MF
9. Motilal AMC
10. IIFL wealth
11. HDFC Life
12. White Oak Capital
13. Avendus
14. Reliance Life
15. Eastbridge
16. Bajaj Holdings

The presentation which the Company will be presenting at the aforesaid meetings is being attached for your kind reference.

We request you to please take the same on record.

Thanking You,

Yours faithfully,

For **Ujjivan Financial Services Limited**


Sanjeev Barnwal
Company Secretary and Compliance Officer










Encl: as mentioned above



Investor Presentation Business Outlook

May 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

Where do we stand today

Liability strategy

Asset strategy

Overview

Q&A

Where do we stand today?

Significantly improved portfolio

- ❖ Loan book at Rs 7,560 crore, up 18.5% YoY
- ❖ PAR > 0 at 4% vs. 10% YoY
- ❖ GNPA at 3.6%
- ❖ NNPA at 0.7%

Leverage technology

- ❖ Evolute – hand held device
- ❖ Aadhar-based authentication
- ❖ GLOW, ARTOO
- ❖ Finnacle, SAS, CRMNext

Building Team

- ❖ Field force expansion
- ❖ Necessary domain expertise
- ❖ Training & development

Cost of funds

- ❖ Reduced from 10.4% to 9% YoY

Building multiple channels

- ❖ 187 banking outlets
- ❖ Alternate channels – IB/MB, phone banking, ATMs

Non-MFI portfolio growth

- ❖ 7.3% vs 2.4% as of Mar'17
- ❖ Ready for next leap

Focus areas for FY19

- ❖ Build **Ujjivan Bank brand** visibility and salience
- ❖ **Scale-up business verticals** by leveraging current competencies
- ❖ **Build deposits**; further reduction in cost of funds
- ❖ Completion of **banking transition**
- ❖ **Capitalize on the technology** platform
- ❖ Improve profitability and **return ratios**

Deposits: Target Segments

Segments

Retail

- ❖ MFI borrowers; family
- ❖ Open market Individuals
- ❖ Businesses- MSE

TASC, Govt. Bodies & Private Institutions

Cooperatives & Financial Institutions

Offerings

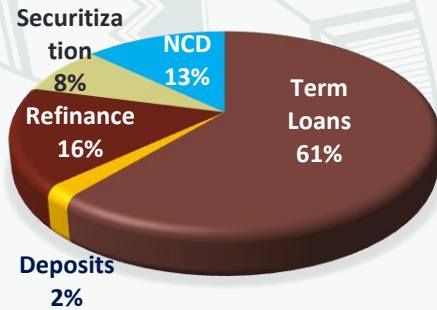
- SA, CA, RDs & FDs, Goal Based Savings

- FDs, Operative CA
- Customized services like CMS, fee collection, Salary Accounts

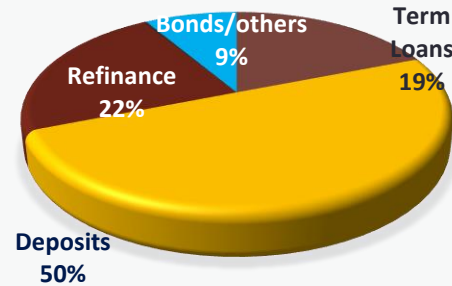
- Short & Long Term Deposits (FDs, CDs)

Deposits: Shifting towards retail

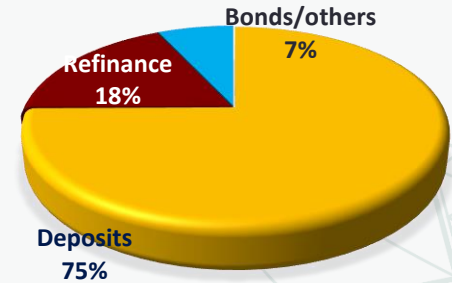
FY 2016-17



FY 2017-18

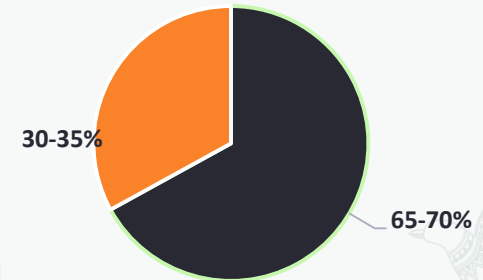
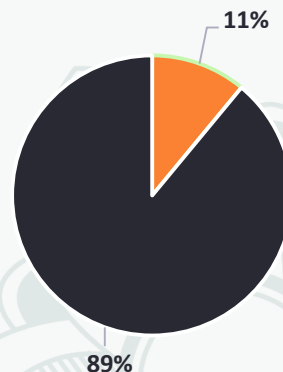
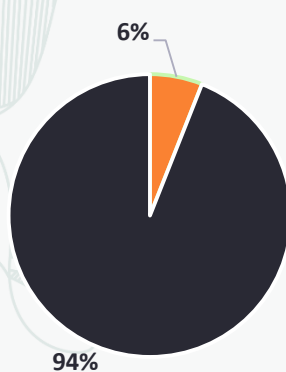


FY 2018-19



Liabilities Break-up

Deposits Break-up



Institutional Retail

Retail deposits: Setting up the base



Brand Ujjivan: Showcase technology, service quality, attractive interest rates, ease of banking through TVC, Radio, Print, hoardings



Branch Roll-out: Expanding network of banking outlets to 475 by FY19 vs. 187 as of Mar'18



Relevant products: No minimum balance charge, more number of free txns on ATMs, extensive use of digital channels, adding value added services like UPI, QR code



Focus on service quality: Develop strong connect by showing respect, assisted to self-service model, quick TAT, doorstep banking, remote solutions for account opening / management



Technology: Biometric ATMs, HHD, internet/mobile banking, SMS/Missed call banking, hassle free boarding

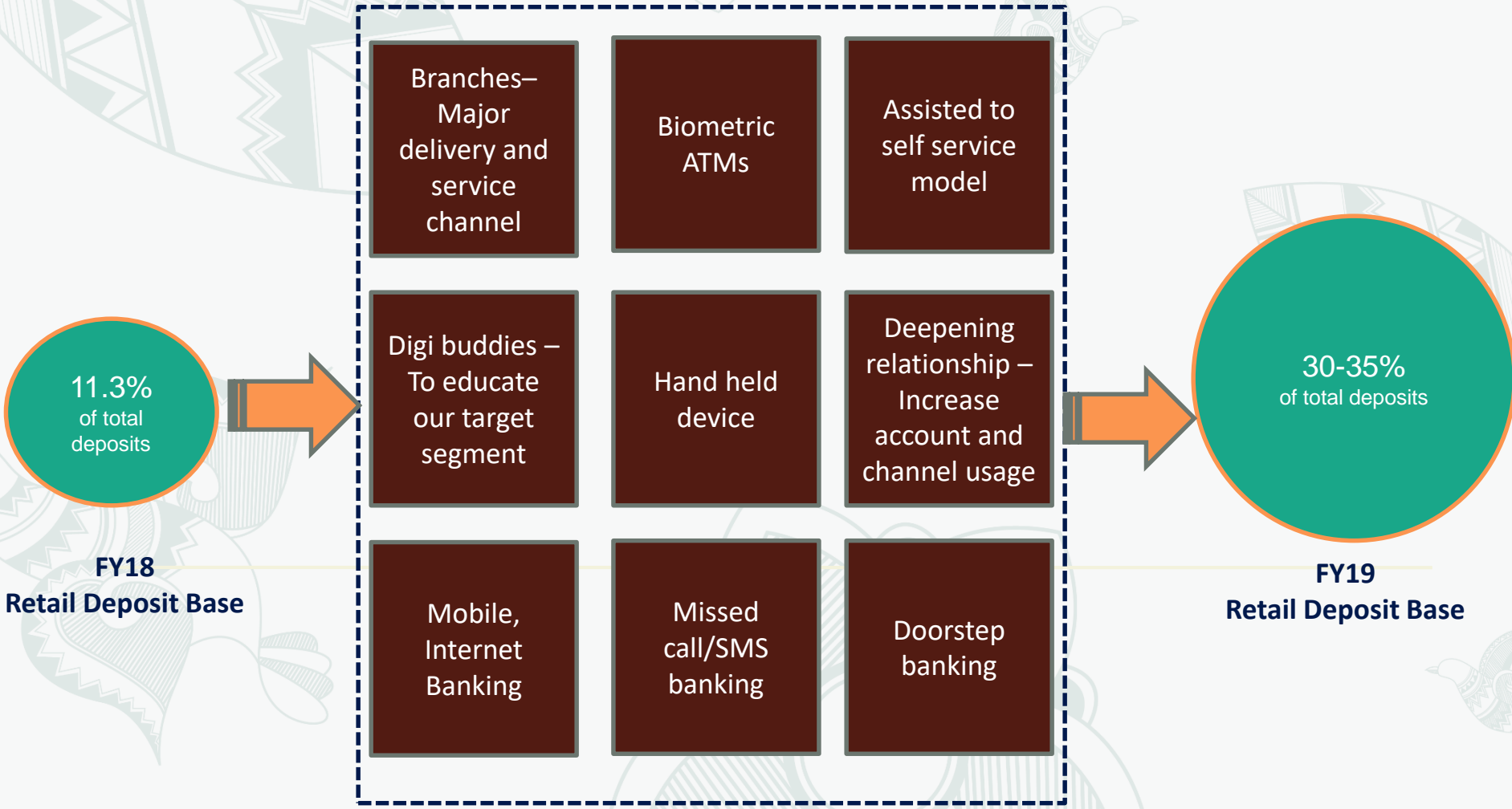
SellSmart

"SELL" culture: Setting-up systems and processes for products, deposit target to verticals, management

Retail deposits: Sourcing strategy



Technology enabled channels



11.3% of total deposits

FY18
Retail Deposit Base

30-35% of total deposits

FY19
Retail Deposit Base

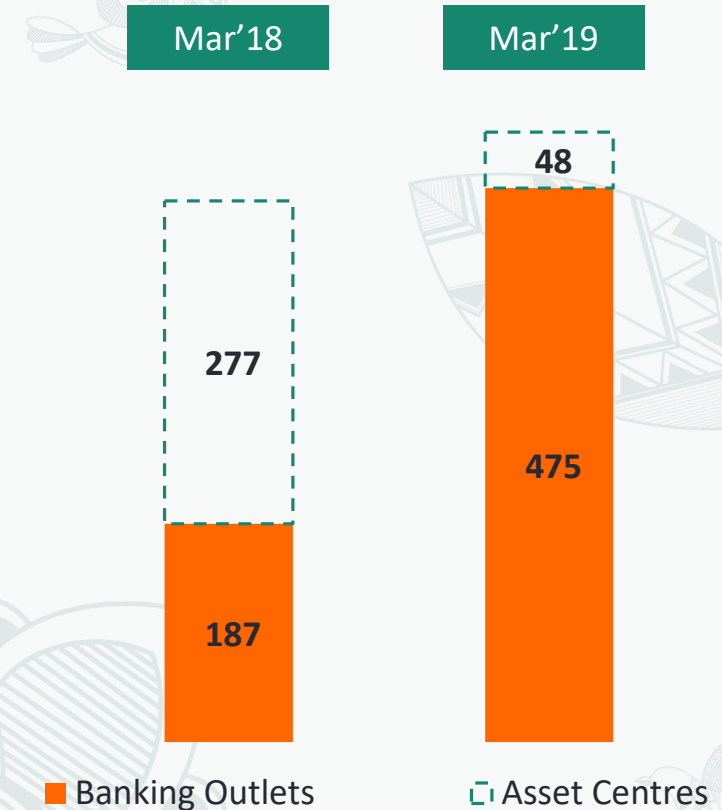
Banking Outlets Roll Out Plan

FY18

- ❖ 187 banking outlets
 - 47 banking outlets in Unbanked Rural Centres (URCs)
 - URCs include 7 Business Correspondents (BCs) in West Bengal

FY19

- ❖ Focus on East & North-East
- ❖ 288 additional banking outlets in FY19
 - 221 asset centres to be converted
 - 8 new outlets in Chennai, Gurugram, Noida, Mumbai and Kolkata
 - 59 new URCs in West Bengal, Bihar, Odisha, Gujarat, Karnataka and Tamil Nadu



Each bank branch to cover both asset and liability offerings

Building brand Ujjivan

- ❖ Establish Ujjivan as a Bank of choice amongst TA
- ❖ Drive quality acquisitions through segment-based communications

- ❖ Product Communication and awareness thrusts on liabilities, MSE, Housing, MFI & Rural business



- ❖ Catchment Area Awareness & Micro Marketing Activities for lead generation and conversions

- ❖ Mass media agents will be leveraged to build superior brand imagery & recall
- ❖ TV, Print, Cinema, Radio, Outdoor, Digital

Leveraging Tech Platform



Handheld devices

- ❖ Aadhaar based authentication
- ❖ Transactions
- ❖ Microfinance – GLOW, MSE – Artoo
- ❖ Housing – under development
- ❖ Demo of IB/ MB



Internet/ Mobile Banking

- ❖ Remote solutions enabling the customers to bank on their own
- ❖ Increasing touch-points with customers



Loan Delivery Architecture

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



CRM Platform

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



Digital initiatives

- ❖ Express renewal of microfinance loans
- ❖ Tie-ups with FinTechs



Analytics

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

Asset Portfolio growth across verticals

- ❖ **CAGR of 30-35% over next 2 years**
- ❖ **MFI business: Steady growth, selective state-wise expansion**
 - Process efficiency and productivity, digitization
 - New cross-sell products – Deposits, 2 Wheeler loans, Rural loans
 - Focus on overdue collection; maintaining high collection efficiency
- ❖ **Non-linear growth in MSE and Housing**
 - Ramp-up across 7-8 states in first phase
 - New clusters, product diversification
 - Productivity and backend efficiencies
- ❖ **Rural Banking: 120 URCS by Mar'19 vs. 47 currently**
- ❖ **New lending lines**
 - Institutional – MFIs, NBFCs, MSME financiers, Rural Business Finance
 - Retail – Personal loan

Micro Finance

Steady growth and tight credit control



- ❖ **Selective geographical expansion** – area survey in existing branches
- ❖ **Higher ticket size in select geographies**; lower in difficult areas
- ❖ **Digitization** of front end processes – Improves TAT, staff productivity
- ❖ **Individual loans** to grow
- ❖ **Cross-sell** to family – deposits, 2-wheeler loans
- ❖ **Door-step banking** services at Bank Meetings
- ❖ Disbursement through **Ujjivan account**
- ❖ **Cashless repayment** – QR code based solution

Micro & Small Enterprises

Micro & Small Enterprises USP



Target Segments

- ❖ The **Micro & Small Enterprises** in our working area-



- **Trade-** wholesalers, retailers
- **Services-** restaurants, job work, laundries, service centres
- **Manufacturers-** making of garments, footwear, metal products, furniture
- ❖ Cross-sell to high value customers
- ❖ Relatively higher economic level and awareness compared to microfinance customers

Product Offerings



Unsecured Business Loans

- ❖ Rs. 2 – 3 lakhs
- ❖ 12 – 24 months
- ❖ 24% p.a. reducing
- ❖ 2.25% processing fees



Loan Against Property

- ❖ Rs. 3 – 15 lakhs
- ❖ 36– 120 months
- ❖ 17-19% p.a. reducing
- ❖ 2.0% processing fees



Unsecured Enterprise Loan

- ❖ Rs. 3 – 7.5 lakhs
- ❖ 12– 24 months
- ❖ 24% p.a. reducing
- ❖ 2.25% processing fees



Secured Enterprise Loan

- ❖ Rs. 10 – 15 lakhs
- ❖ 36– 120 months
- ❖ 15-17% p.a. reducing
- ❖ 1.0% processing fees



Secured overdraft

- ❖ Rs. 11 – 25 lakhs
- ❖ Can be renewed Annually

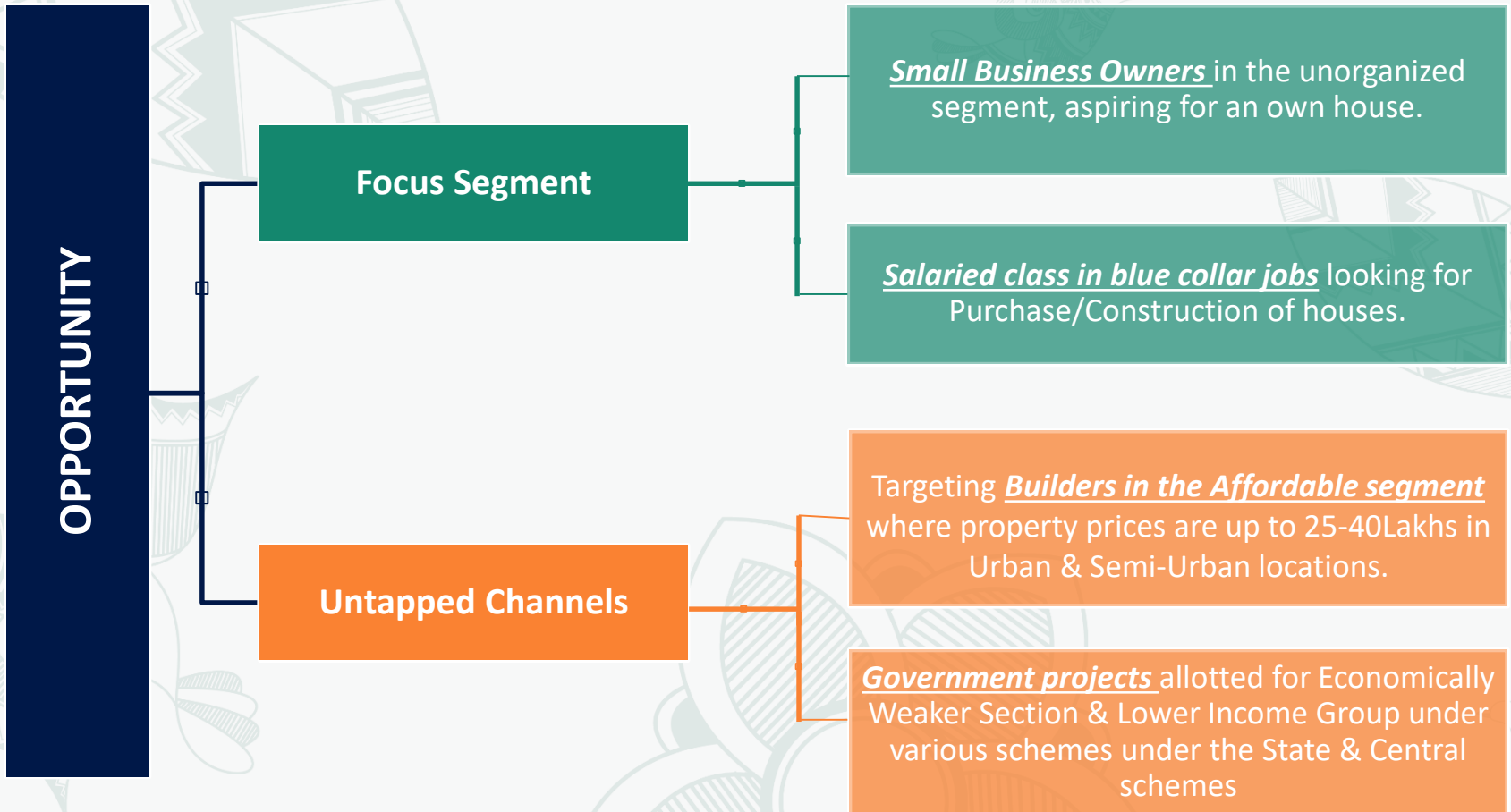
Under development

Affordable Housing

Affordable Housing USP



Opportunity



Product Offerings



Home Construction

- ❖ Current Up to 25 lakhs
- ❖ Proposed up to 50 lakhs



Home Purchase

- ❖ Current up to 25 lakhs
- ❖ Proposed up to 50 lakhs



Home Improvement

- ❖ Current up to 25 lakhs
- ❖ Proposed up to 15 lakhs



Home Loan Equity

- ❖ Current up to 10 lakhs
- ❖ Proposed up to 20 lakhs



Composite Loans

- ❖ Up to Rs 25 lakhs

New Product

New products/ verticals

New products under launch process

Personal Loan Against Salary

- ❖ Salary accounts with Ujjivan as well as open market
- ❖ Completely digital process
- ❖ Multi-channel sourcing
- ❖ Targeting 9 clusters in first phase

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

Rural Banking

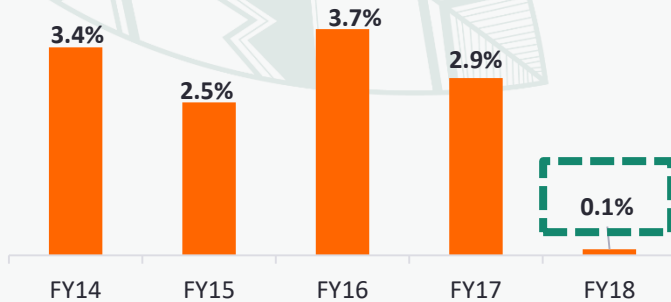
- ❖ Focus on Small/Marginal farmers meeting their undeserved needs
- ❖ Addressing the Male customers
 - Composite Agriculture Term Loans
 - Dairy Loans
 - Two Wheeler Loans
- ❖ Faster TAT

Lending to Financial Institutions

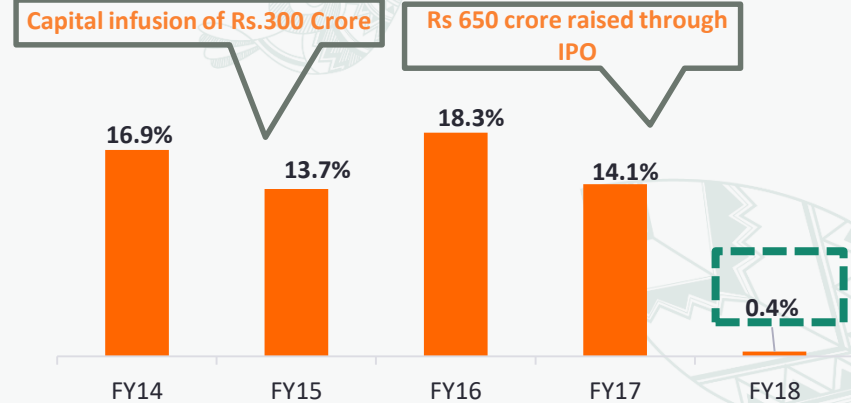
- ❖ NBFCs, MSME financiers, MFIs
- ❖ Focus on Term Loans having tenor of 1 -2 years

Overview

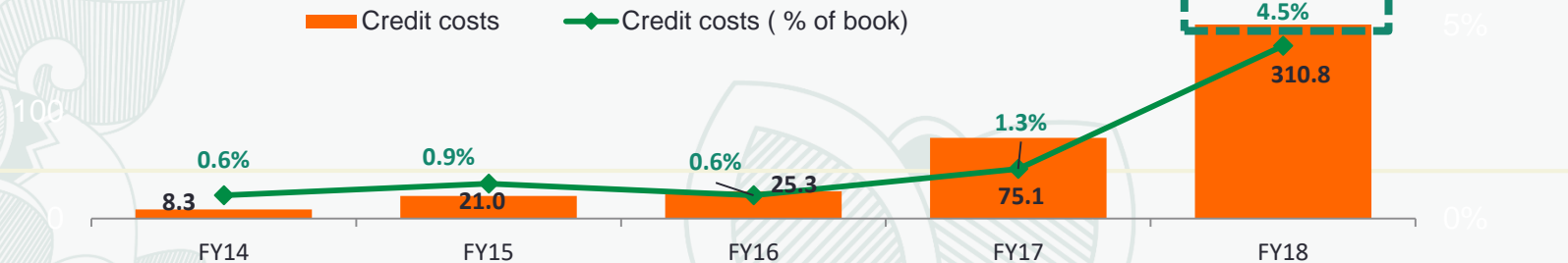
Return of Assets



Return on Equity

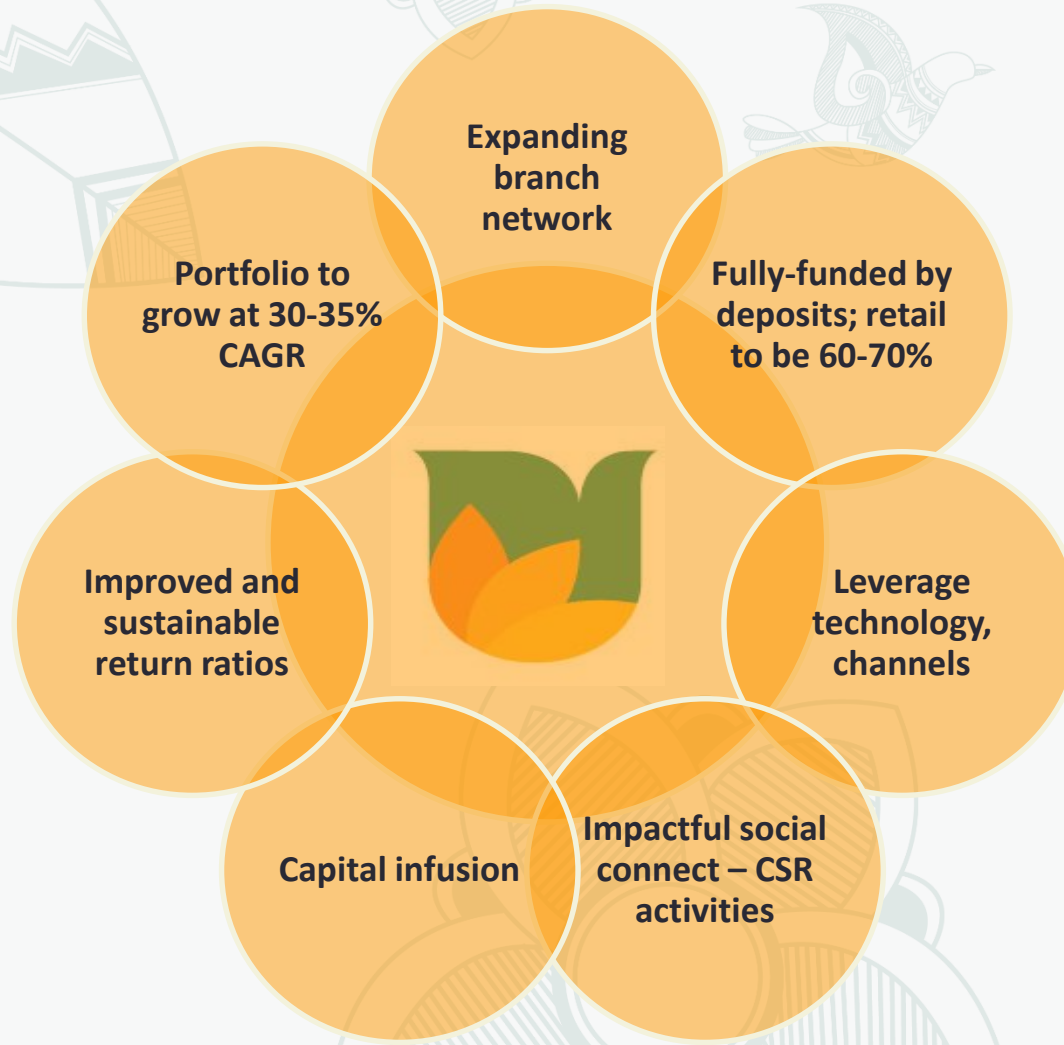


Credit costs (Rs. crore and as % of portfolio)



- ❖ FY18: High credit cost and transition cost
- ❖ While the transition cost continues to be there in FY19, credit cost will be contained
- ❖ We expect significant improvement in RoA and RoE in the current year
- ❖ Completion of transition process, stabilization of opex, sustained improvement in return ratios

Way forward



Thank You!