



Utkarsh Small Finance Bank

April 26, 2024

The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400001 Scrip Code: 543942, 958095, 958226, 959644	National Stock Exchange of India Limited 5th Floor, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 NSE symbol: UTKARSHBNK
---	--

Dear Sir/Madam,

Sub: Press Release on the Financial Results of the Bank for the quarter and year ended on March 31, 2024

Further to our intimation regarding the Financial Results of the Bank for the quarter and year ended on March 31, 2024 and pursuant to Regulation 30 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we enclose herewith a copy of the Press Release in connection with the aforesaid Financial Results.

This is for your information & record.

For **Utkarsh Small Finance Bank Limited**

Muthiah Ganapathy
Company Secretary & Compliance Officer
ICSI Membership No: F5674

Encl.: As above.

Registered & Corporate Office:

Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua Varanasi - Uttar Pradesh 221105

CIN: U65992UP2016PLC082804 | Tel.: 0542-6605555 | Website: www.utkarsh.bank



UTKARSH SMALL FINANCE BANK LIMITED ANNOUNCES ITS RESULTS FOR QUARTER & FINANCIAL YEAR ENDED MARCH 31, 2024

Consistent business growth and financial performance

Mumbai, 26th April, 2024: The Board of Directors of Utkarsh Small Finance Bank Limited approved the Audited Financial Results for the quarter and financial year ended March 31, 2024, at the Board meeting held on 26th April, 2024.

Key highlights of the quarter & financial year ended March 31, 2024:

- Gross Loan portfolio grew by 31.1% YoY to ₹18,299 crore
- Deposits grew by 27.4% YoY to ₹17,473 crore, led by Retail Term Deposits (RTD) growth of 43% YoY
- Gross NPAs declined to 2.51% as on March 31, 2024 from 3.04% as on December 31, 2023; Net NPAs declined to 0.03% as on March 31, 2024 from 0.39% as on March 31, 2023
- Highest ever annual operating profit (pre-provisions) of ₹997 crore and profit after tax of ₹498 crore in FY24 (YoY growth of 23%); profit after tax during Q4, FY24 stood at ₹160 crore
- Return on Assets and Return on Equity stood at a healthy 2.4% and 19.5% respectively, during FY24

Speaking on the results, **Mr. Govind Singh, MD and CEO, Utkarsh Small Finance Bank** said, “Our gross loan portfolio & deposits growth were strong in FY24, in line with our expectation, on the strength of our deep-rooted franchise & footprints and relevant product offerings. We continue to see good growth opportunities across our key products i.e. micro-banking, MSME, Housing and CV&CE loan portfolio. Deposit growth was led by retail term deposits. Our collection efficiency and asset quality witnessed healthy trend in Q4, FY24 leading to a decline in credit cost as well as reduction in net NPAs to negligible level of 0.03% as on March 31, 2024. We have registered highest ever annual operating profit (pre-provisions) of ₹997 crore in FY24 and profit after tax of ₹498 crore in FY24. We believe there are significant growth opportunities available in our core geographies given the growth potential and relatively low financial penetration. We will continue to strengthen our franchise & presence and explore significant growth potential through our relevant & suitable product offerings”, he added.

Financial Highlights for quarter and financial year ended March 31, 2024:

- Bank's loan Portfolio grew by 31.1% YoY to ₹18,299 crore as on March 31, 2024. The Bank continues to see healthy growth in micro-banking loan portfolio as well as build-up of secured loans i.e. MSME (YoY growth 67%), Housing (YoY growth 30%) and CV&CE (YoY growth 69%) and as a result we have witnessed a diversity of loan portfolio improving.
- Healthy asset quality trend following improvement in collection efficiency in Micro-banking lending as well as strengthening of collection efforts towards secured loans.
 - Gross NPAs declined from 3.04% as on December 31, 2023 to 2.51% as on March 31, 2024
 - Net NPAs declined from 0.19% as on December 31, 2023 to 0.03% as on March 31, 2024
 - Provision coverage ratio, including floating provision, was 99% as on March 31, 2024. In addition to provision in accordance with RBI IRAC norms, the Bank is consistently creating floating provision which stood at ₹149 crore as on March 31, 2024 vs. ₹93 crore as on March 31, 2023.



- Deposits grew by 27.4% YoY to ₹17,473 crore as on March 31, 2024 led by growth in retail term deposits. The Bank continues to focus on building strong liabilities franchise and as a result Bank's retail term deposits grew by 42.9% YoY to ₹7,968 crore. Bank's CD ratio improved to 93.7% as on March 31, 2024 vs. 95.3% as on March 31, 2023.
- Comfortable capitalisation with CRAR at 22.57% and Tier 1 capital at 20.95% as on March 31, 2024.
- Healthy profitability
 - Despite hardened interest rate scenario, Bank has been able to maintain strong Net Interest Margins (NIMs) at 9.9% in Q4, FY24.
 - Furthermore, with improvement in asset quality, credit cost declined to 1.7% in Q4, FY24.
 - Profit after tax increased by 37.6% QoQ to ₹ 160 crore for Q4, FY24 vs. ₹116 crore in Q3, FY24.
 - As for full FY24, profit after tax increased by 23% to ₹498 crore vs. ₹405 crore in FY23.
- Return on Assets and Return on Equity stood at 2.9% & 22.3% respectively for Q4, FY24 and 2.4% & 19.5% respectively for FY24. The Bank continues to invest in people, presence, products & processes / technology and building floating provision as well.
- The Board of Directors has proposed a dividend of ₹0.50 per share for the year ended March 31, 2024, subject to approval of the shareholders at the ensuing Annual General Meeting.
- Bank is continuously expanding its footprints, which is currently present in 26 States & UTs through a network of 888 banking outlets with a customer base of ~45 lakh.

About Utkarsh Small Finance Bank Limited

Utkarsh Small Finance Bank Limited (USFBL), incorporated on April 30, 2016, is engaged in providing banking and financial services with a focus on providing financial services to the underserved and unserved sections. The Bank's microfinance lending activities are primarily focused in rural and semi-urban locations of the country while its other services are spread across the country. The Bank commenced its operations on January 23, 2017, pursuant to the small finance banking license granted by RBI on November 25, 2016.

The Bank extends microfinance loans based on Joint Liability Group (JLG) model to individuals, other retail asset loans including Micro, Small and Medium Enterprise (MSME) Loans, Housing Loans (HL), Commercial Vehicle Loans, Construction Equipment Loans among other lending products. The Bank offers deposits products in form of saving, current and term deposits to its customers accompanied by slew of digital services such as Internet and Mobile Banking, Digi On-Boarding, and an online account opening facility for clients, besides a range of ATMs and Micro ATMs for ease of transactions, amongst other. The Bank is headquartered at Varanasi, Uttar Pradesh.

For more details, please contact:

Communications communications@utkarsh.bank