

Investor Presentation

Q1 FY 2017-18

August 2017

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Contents

Performance Highlights- UFSL & USFB



Business Performance Overview



Liabilities Profile



Financial Performance Overview- Consolidated

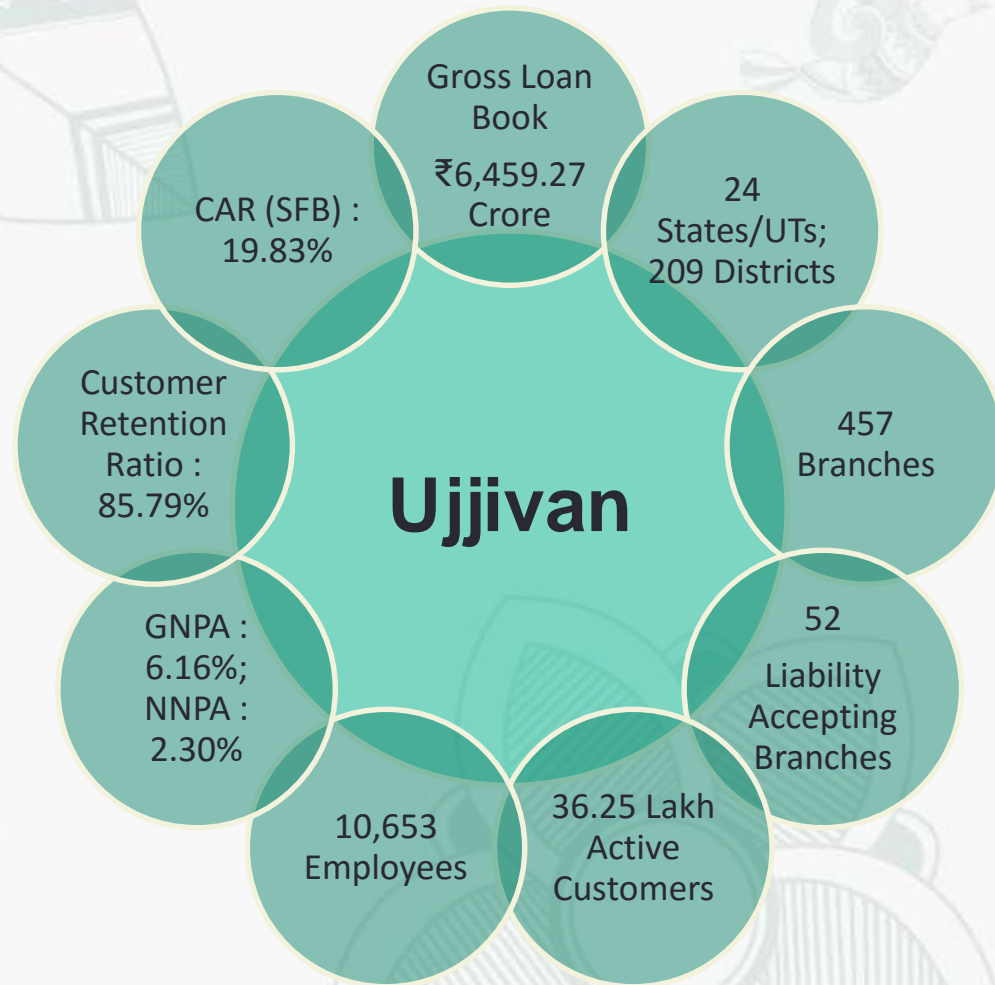


Financial Performance Overview- Ujjivan SFB



Performance Highlights

Performance Highlight



Business & Operational Highlights

- 🔥 Gross Loan Book at ₹6,459.27 crore; growth of 10.40% over Q1-FY17 and an increase of 1.25% over Q4-FY17
- 🔥 Managed portfolio as on June 30, 2017 at ₹348.57 crore
- 🔥 Net Loan Book at ₹6,110.70 crore; growth of 9.95 % over Q1-FY17 and an increase of 4.08 % over Q4-FY17
- 🔥 Disbursement at ₹1,701.92 crore; decrease of 9.41% over Q1-FY17 and an increase of 20.97% over Q4-FY17
- 🔥 1.76 lakh new borrowers added during the quarter
- 🔥 **Collection efficiency back to normal at 99.76% for New business from January to June'17**
- 🔥 Secured portfolio increased to ₹150 crore from ₹117 crore in March 2017
- 🔥 GNPA at 6.16% and NNPA at 2.30%, as sticky Nov-Jan over dues rolling over to higher buckets
- 🔥 **Provisions for Q1 FY 2017-18 at ₹150 crore; including ₹43 crore of additional provision to cover hard core NPAs of Nov-Jan period**
- 🔥 Provision Coverage Ratio at 64%
- 🔥 Overall PAR reduced from ₹650 crore in March'17 to ₹571 crore in June'17

Financial Highlights – Consolidated

All the financials in this presentation is consolidated for the convenience of understanding

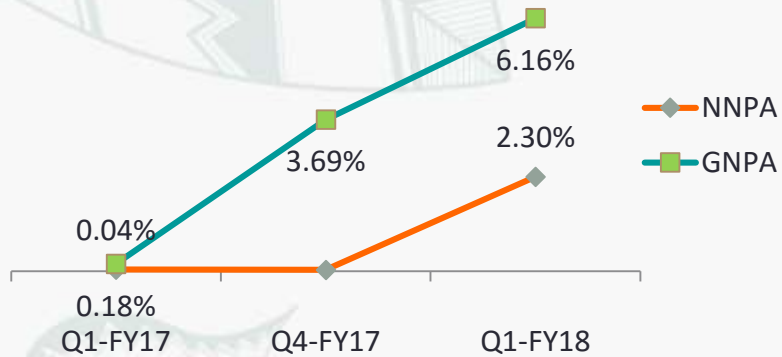
- 🔥 Total Income at ₹358.64 crore, an increase of 8.90% over Q1-FY17 and an increase of 5.48% over Q4-FY17
- 🔥 NII at ₹138.22 crore, a decrease of 19.66% over Q1-FY17 and an increase of 7.72% over Q4-FY17
- 🔥 NIM at 9.23% in Q1-FY18 decreased from 12.96% in Q1-FY17 and an increase from 7.14% in Q4-FY17
- 🔥 Cost to Income ratio at 78%, increased from 45.6% in Q1-FY17 and 76.69% from Q4-FY17
- 🔥 Net Loss at ₹74.94 crore
- 🔥 Net Loss on account of:
 - 🔥 Higher credit cost
 - 🔥 Moderate growth in revenue due to flat loan book and increased NPA

Financial Highlights -Ujjivan SFB

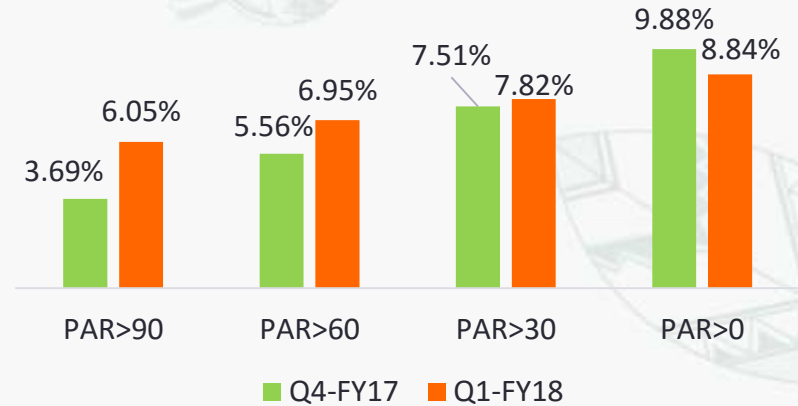
- 🔥 NII at ₹173.64 Crore
- 🔥 NIM at 8.90%
- 🔥 Operating Expense Ratio at 10.48%
- 🔥 Cost to Income Ratio at 78.25%
- 🔥 Deposit base of ₹403.7 Crore against ₹206.4 crore in March 2017
- 🔥 Deposits constitute 6.6% of Advances against 3.5% in March 2017
- 🔥 CASA: 5.3%, Retail to Total Deposit: 10%
- 🔥 Low momentum in Institutional Deposit business pending scheduled bank status
- 🔥 Average Cost of Deposits is 5.6%
- 🔥 PSLC income of ₹6.7 crore on sale of ₹400 crore
- 🔥 SLR maintained at ₹1,394 crore and CRR maintained at ₹204.6 crore

GNNPA, NNPA and PAR

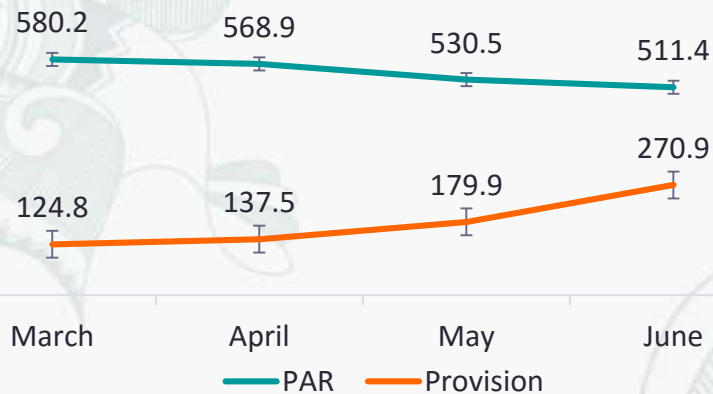
GNPA & NNPA



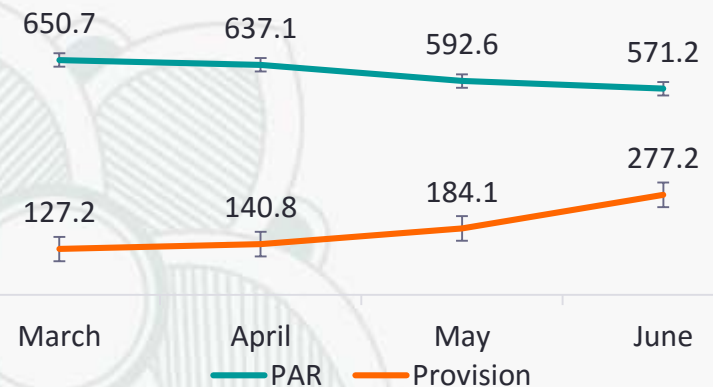
PAR %



PAR & Provision- On Book



PAR & Provision- All Assets



Provisioning & Write offs

Particulars (on Book)	Q1 FY2017-18
GNPA	6.16%
Standard Assets	5,742.2
NPA	376.8
Provision on NPA	241.8
Cumulative Provision	270.9
Provision Coverage	64.2%

- Overall PAR has reduced by ₹79.5 crore during the quarter and stands at ₹571.2 crore as on 30th June'17
- Incremental provision during Q1-FY18 is ₹150 Crore
- Over dues from November-January period are relatively stagnant and have rolled over to higher buckets

Actions Taken for Collections

- 🔥 PAR>5% branches are completely focused on recoveries
 - Branches have set monthly targets against which they are measured
 - Dedicated leadership members are managing portfolio quality on a full time basis
 - Management and leadership team members are also mentoring critical branches

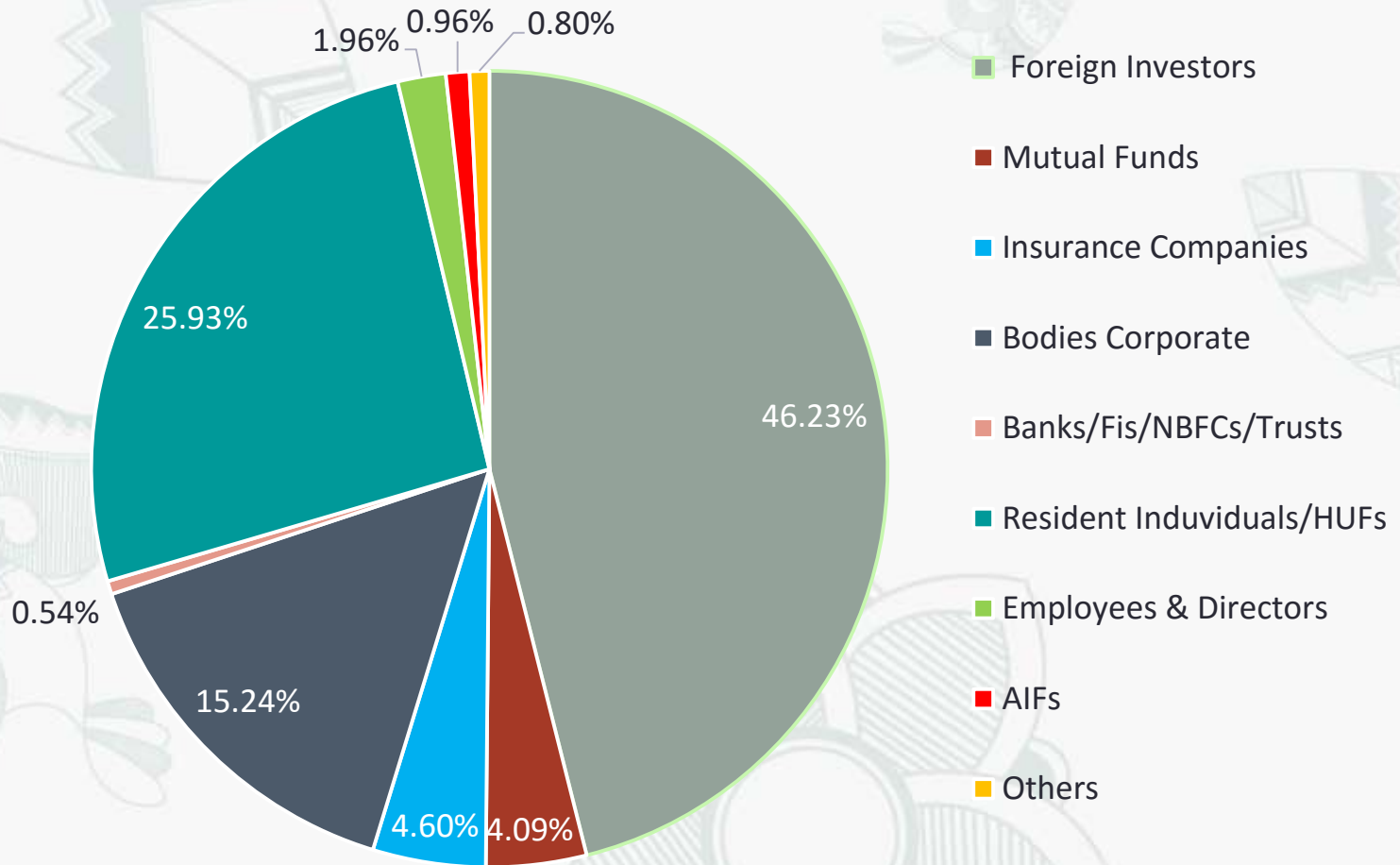
- 🔥 Independent collections team focused on >90 day cases
 - We have witnessed a traction of 25% from this team on allocated cases during May and June
 - Dedicated collections focus has proved beneficial and we are in the process of scaling up this team by redeploying existing CROs across critical branches

- 🔥 Tele calling institutionalized to enhance collection support
 - Call connect rate stands at 27% and
 - Conversion at 58% of the Promise to Pay dates obtained

- 🔥 Legal notices are being sent across difficult areas of the critical branches

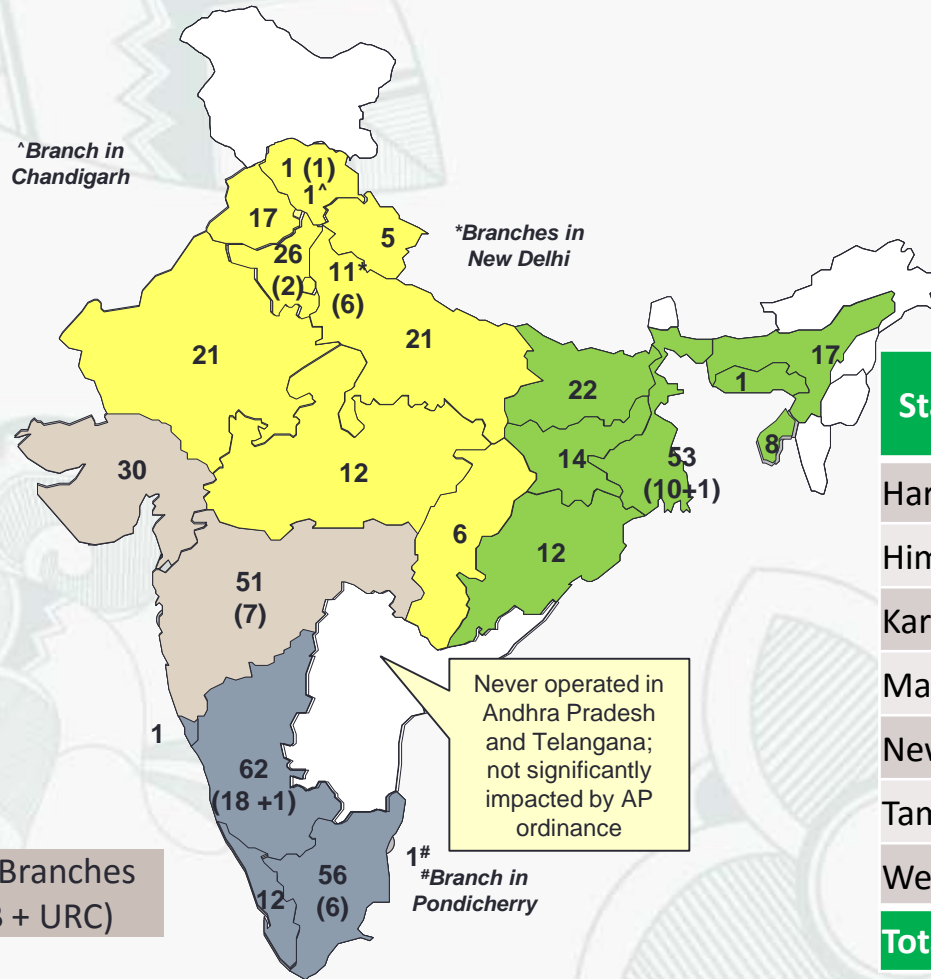
Shareholding Pattern- UFSL

Shareholding Pattern as on 30th June, 2017



Wide Geographical Distribution

Branch Mix- State Wise



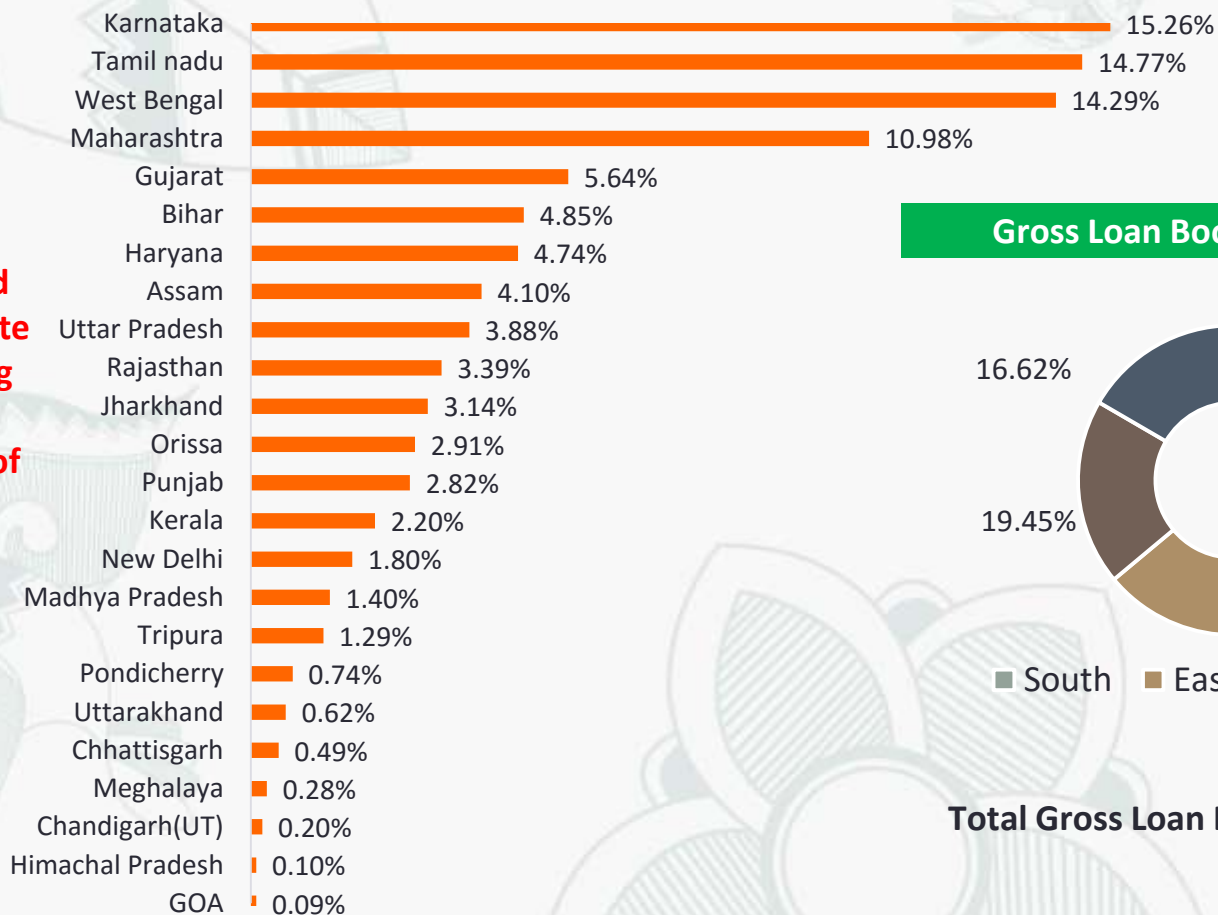
Region	Branches ⁽¹⁾	# states / UTs
North	118	9 / 1
West	81	2 / 0
South	132	4 / 1
East	126	7 / 0
Total	457	22 / 2

States	Liability Accepting Branches	URC Branches
Haryana	2	-
Himachal Pradesh	1	-
Karnataka	18	1
Maharashtra	7	-
New Delhi	6	-
Tamil nadu	6	-
West Bengal	10	1
Total	50	2

Total Branches
(SFB + URC)

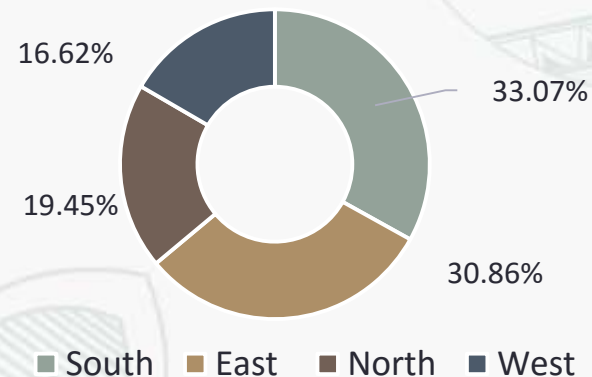
Portfolio Mix

Portfolio Mix- State wise (%) – Q1 FY2017-18



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

Gross Loan Book Mix- Region wise

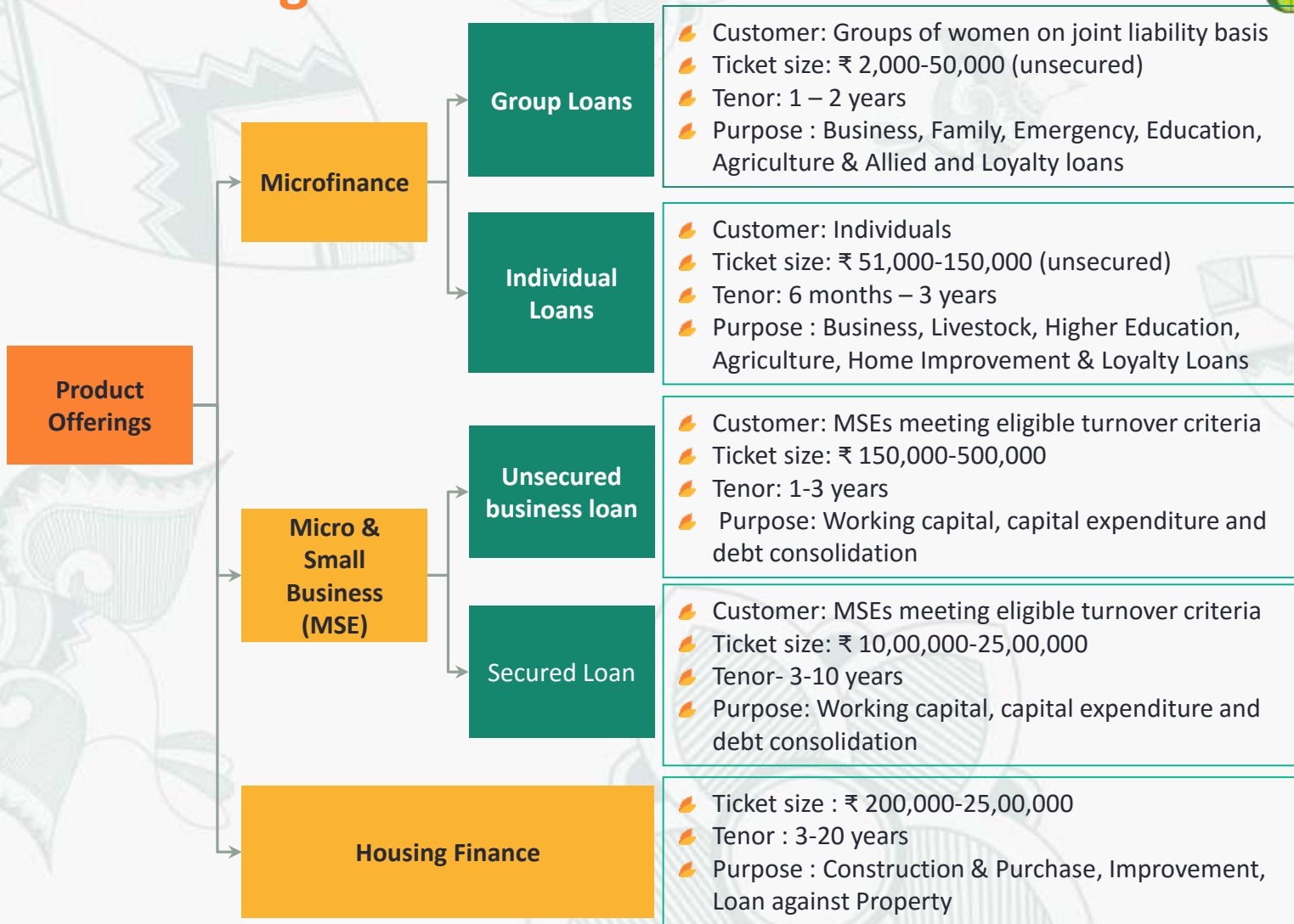


Total Gross Loan Book: ₹ 6,459.27 Crore

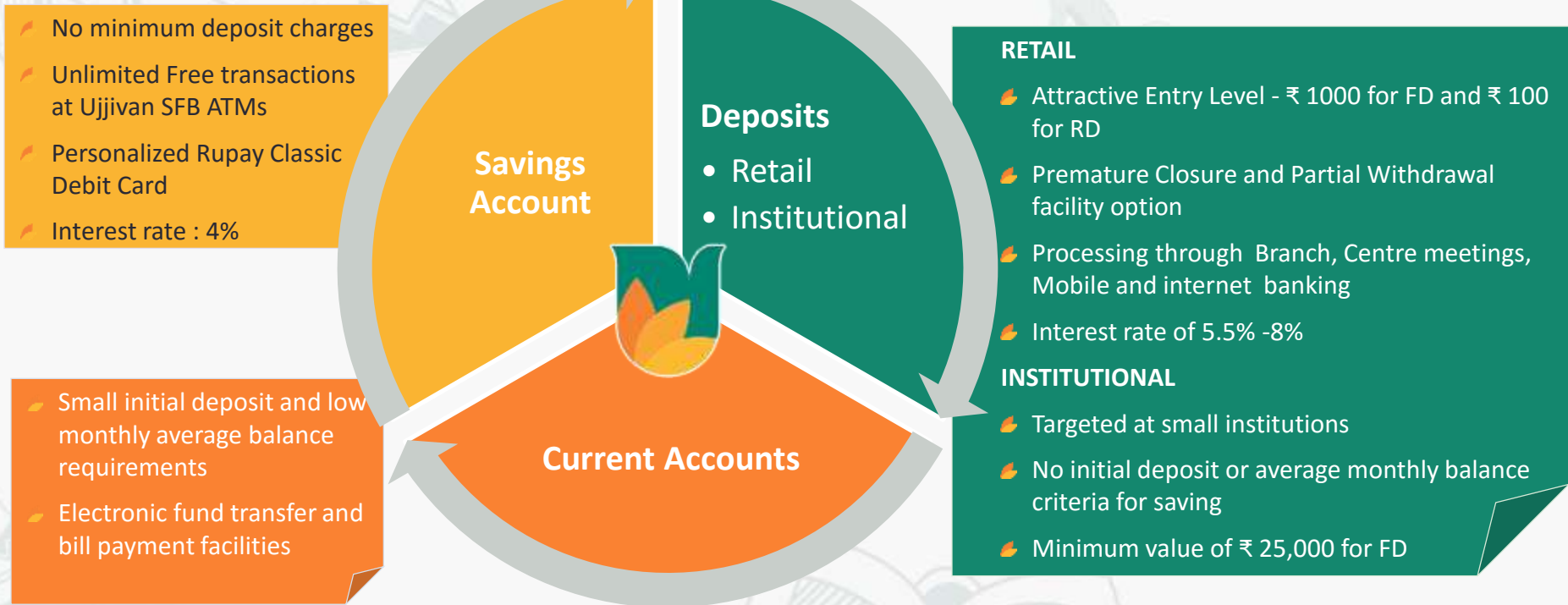
Deposit Accepting Branches- Roll Out Plan

- 52 existing branches converted to SFB branches; including 2 URCs
- As on 30th June'17, we have 457 banking outlets, of which 35 outlets to be merged, taking the count to 422
- Plan to convert remaining existing branches to bank branches in a phased manner over a period of three years subject to RBI approval :
 - 160 existing branches to be converted by end of FY 2017-18 and balance over a period of next 2 years
 - This includes the conversion of 18 Banking Outlets in LWE districts and NE states which qualify as Unbanked Rural Centres (URCs)
 - The remaining compliance of 29 Unbanked Rural Centres (URCs) to be fulfilled by Business Correspondents (BCs) model to fill RBI requirement of 25% branches in unbanked areas.
 - We'll have a total of 189 deposit accepting banking outlet by end of this financial year
 - Each converted branch to cover both asset and liability products

Asset Offerings



Liability Products



Fee Based Products (Remittances & Third Party Insurance products)

- Easy affordable services and products
- Remittance services - a huge unmet need in unserved and underserved segment
- Segment under penetrated for Insurance products - existing base offers huge potential
- Life insurance products : in the event of death of the loan customer or spouse, insurance amount helps beneficiary repay existing loan



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

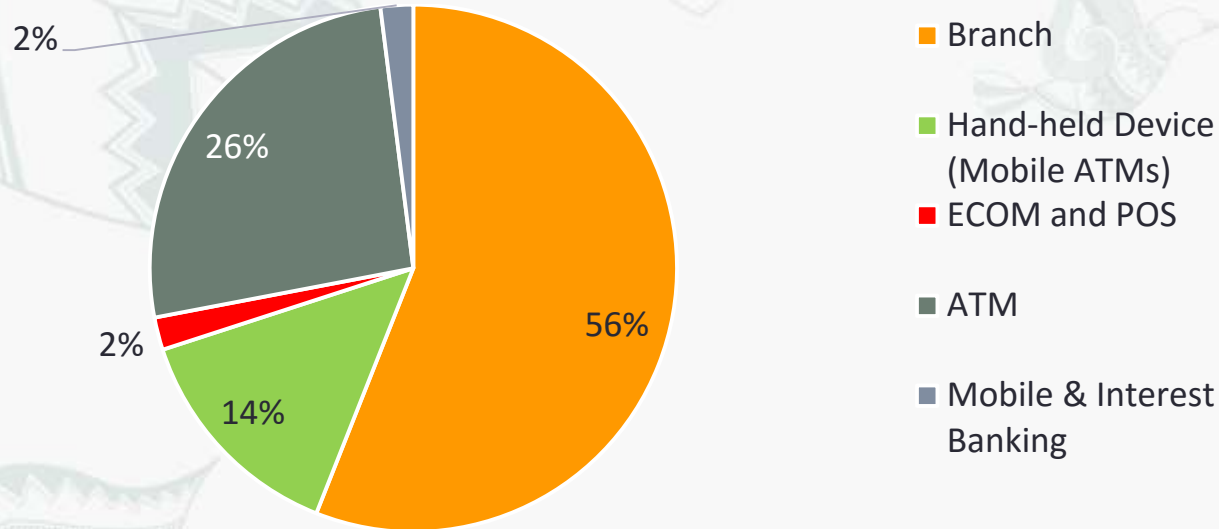
Treat customers with RESPECT

Ease of access through multiple channels

Brand franchise - Leverage on existing customer base

Employees from local community to serve as brand ambassadors

Digital Banking Update- Q1 FY 2017-18

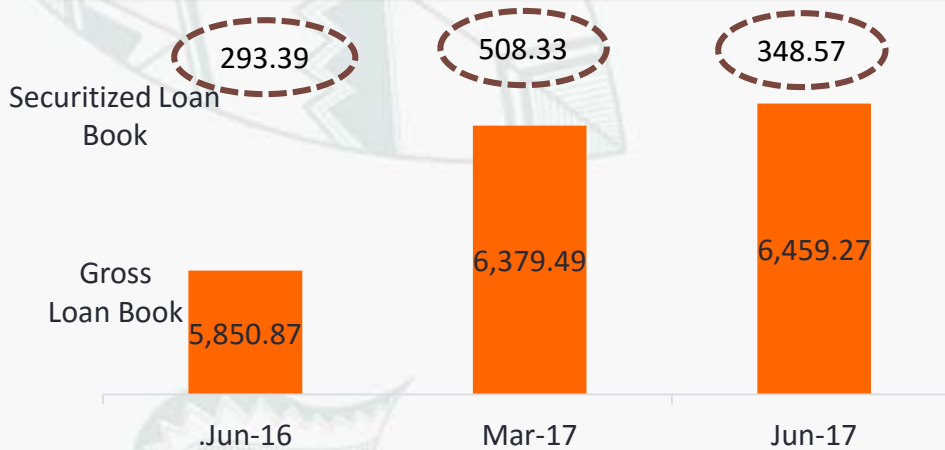


- 🔥 98% of our savings accounts were opened with E-KYC and Hand-held devices (mobile ATMs)
- 🔥 Existing MFI customer's saving account opened only through E-KYC and Hand-held device (mobile ATMs).
- 🔥 88% of our new customers savings account has been opened through E-KYC and Hand-held devices (mobile ATMs)
- 🔥 E-sign was used to open 37% of our MFI customer accounts
- 🔥 We have 3,711 hand-held device (mobile ATMs) in field which are being used for loan sourcing, savings account opening and providing services to customers

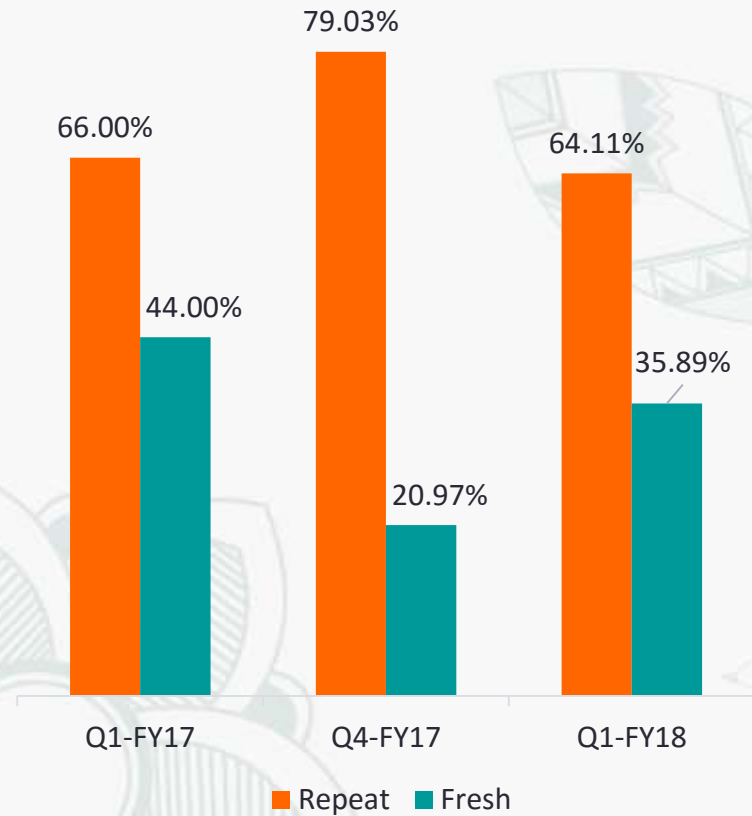
Business Performance Overview

Loan Book Overview

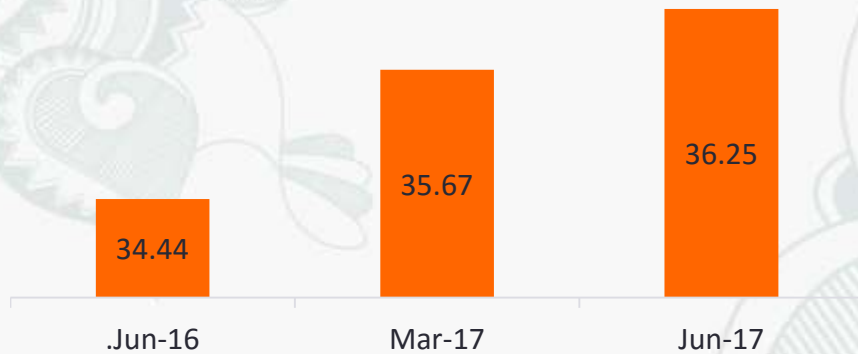
Gross Loan Book & Securitized Loan Book (₹ in Crore)



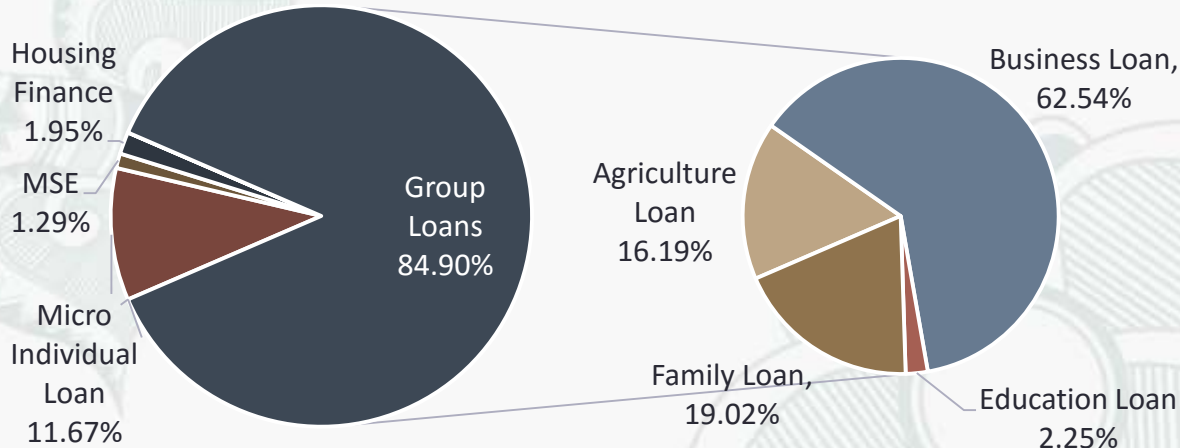
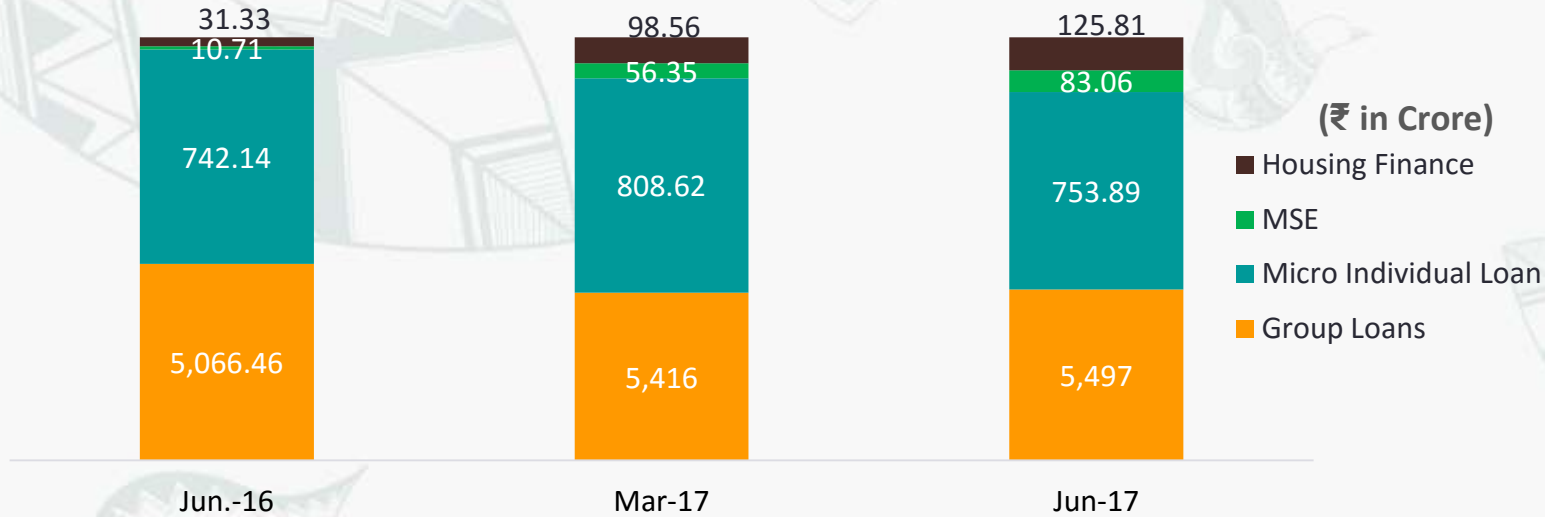
Type of Loan (on Disbursement)



Number of Borrowers



Composition of Gross Loan Book

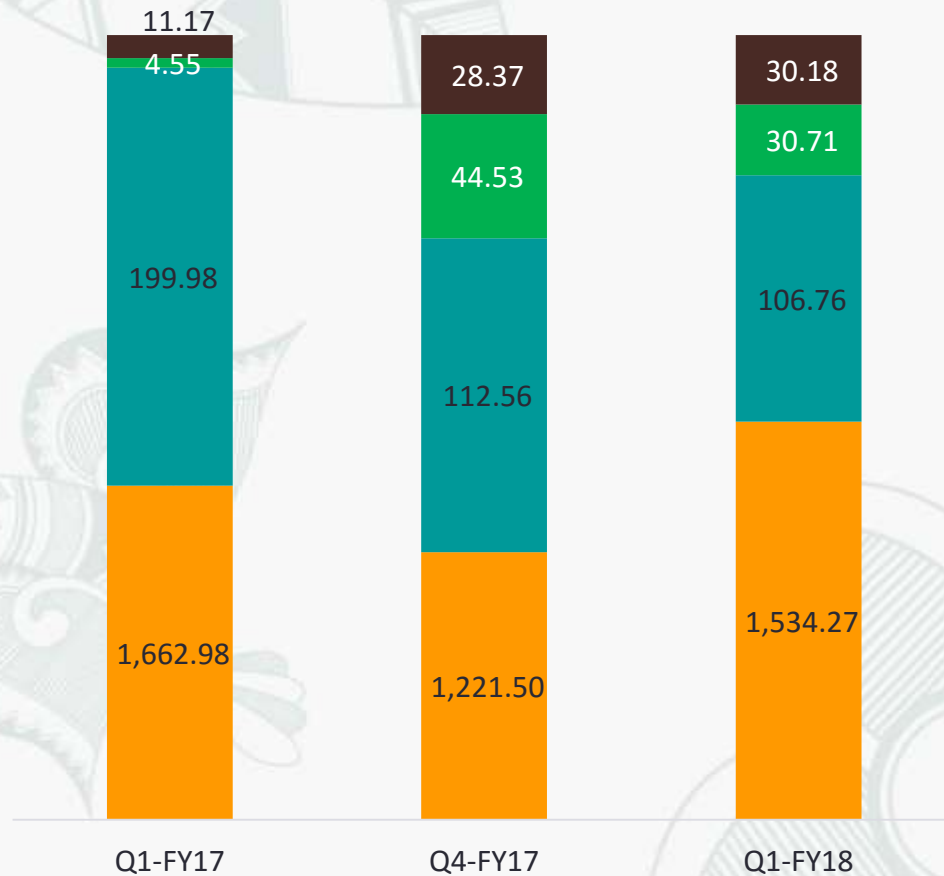


Product Bifurcation	% Share in Gross Loan Book
Microfinance (Group Loan & Individual Loan)	96.77%
MSE	1.29%
Housing Finance	1.95%

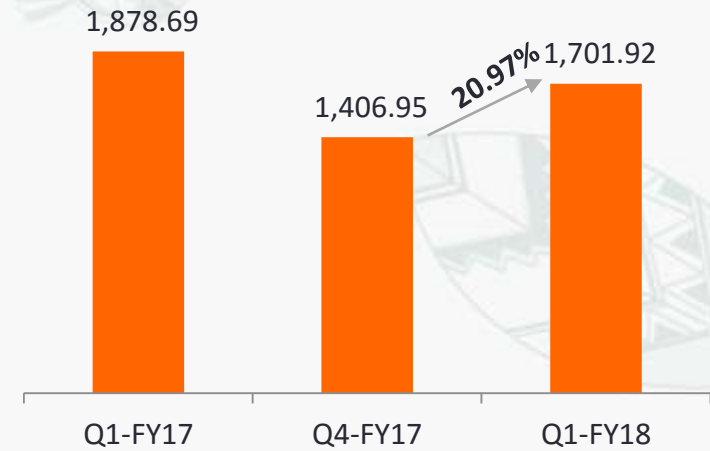
Disbursement Spread & Average Ticket Size

Product wise Disbursement (₹ in Crore)

■ Group Loans
 ■ Micro Individual Loan
 ■ MSE
 ■ Housing Finance



Total Disbursements (₹ in Crore)



Average Ticket Size – Q1 FY 2017-18

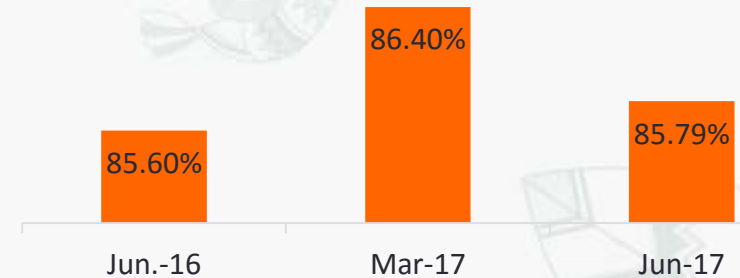
Product	in ₹
Group Loans	25,572
Micro Individual Loan	72,301
MSE	296,106
Housing Finance	485,264

Efficiency Parameters (Contd.)

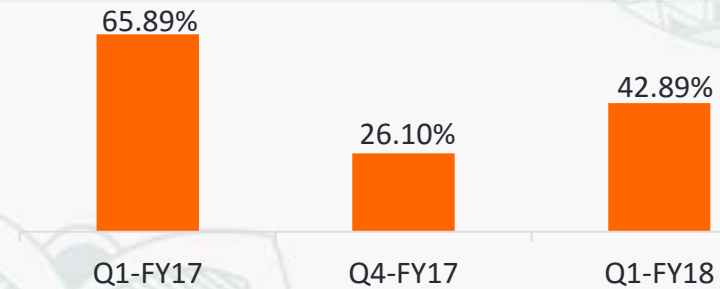
Rejection Rate & Key Reasons

Key Rejection Reasons	June'17
Live loans with 3 Lenders	36%
Overdue	35%
Loan Exposure > 60,000	13%
Live Loans with 3 Lenders, Overdue and Loan Exposure more than 60,000	2%
Live Loans with 3 Lenders and Overdue	4%
Live Loans with 3 Lenders and Loan Exposure more than 60,000	10%
Overdue and Loan Exposure more than 60,000	1%

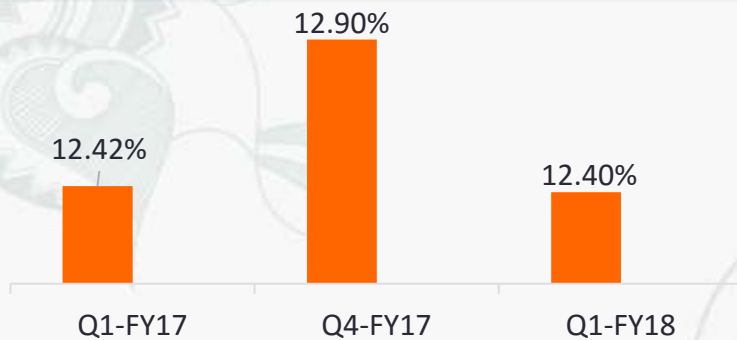
Customer Retention Ratio(%)



Cashless Disbursement (%)



Bureau Rejection Rate (%) - Microfinance



**89% Customers with Aadhar Card as on
30th June, 2017**

Liabilities Profile

Capital Adequacy Ratio- SFB

₹ in Crore

CRAR for SFB	30 th June 2017
Tier I Capital	1,401.78
Tier I Ratio	19.83%
Tier II Capital	-
Tier II Ratio	0.00%
Total Capital Ratio (CRAR)	19.83%
Total risk weighted assets	7,069.90

Deposits- USFB

Deposit Balance	₹ in Cr
Retail Deposits	39.4
CASA	21.56
Term Deposits- Retail	17.85
Institutional Deposits	364.3
Total	403.7

Deposit Ratios	Total
Average Cost of Deposits	5.6%
CASA Ratio	5.3%
Retail to Total Deposit	9.8%
Credit to Total Deposit	15.16x

- 🔥 The Deposit balance stood at ₹403.7 crore at end of June'17 against ₹206 Crore at end of March'17
- 🔥 Institutional Deposits stood at ₹ 364.3 crore against ₹199.8 crore at the end of previous quarter
- 🔥 Mobilization of Institutional Deposits to gain momentum post attainment of Scheduled Bank Status
- 🔥 Average balance CASA account is ₹3,249
- 🔥 Average balance per Term Deposit account is ₹26,571.62

Borrowing Profile & Cost of Borrowing

Sr. No	Particulars	Jun-17	Mar-17
1	Term Loans from Banks/NBFC	3,717.93	4,442.47
2	Refinance Facility	1,198.93	1,023.93
3	Securitization (Off Balance Sheet)	346.00	508.32
4	Non Convertible Debentures	625.00	825.00
6	Short term borrowings	497.00	-
7	Deposits	403.71	206.40
	Total Outstanding Amount	6,788.57	7,006.12

Cost of Borrowings

Sr. No	Particulars	Q1 FY17-18	FY 2016-17
1	Marginal Cost of Interest	7.5%	9.67%
2	Weighted Average Cost of Interest	10.13%	10.45%
3	Weighted Average Cost of Debt	10.13%	10.63%

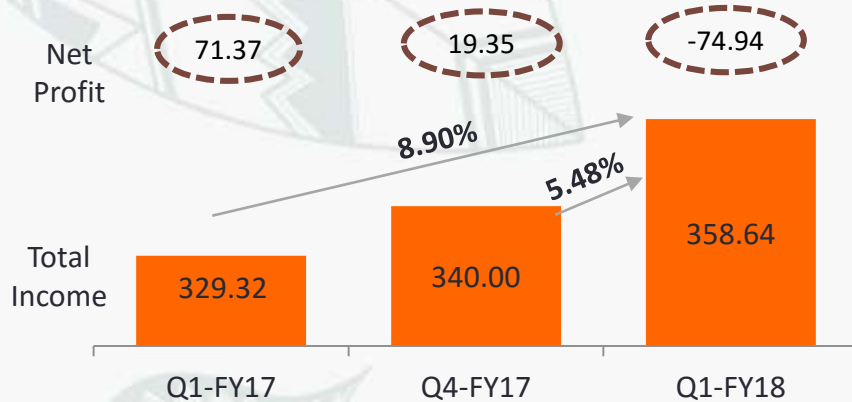
Credit Ratings for Ujjivan SFB

Particulars	₹ in Crore	Rating Agency
Long Term Borrowing	6,000.00	CARE A+ (Stable)
NCD	400.00	CARE A+ (Stable)
NCD	425.00	ICRA A+ (Stable)
Certificate of Deposit	2,000.00	CRISIL A1+ & ICRA A1+
Short term fixed Deposit	2,000.00	CRISIL A1+ & ICRA A1+

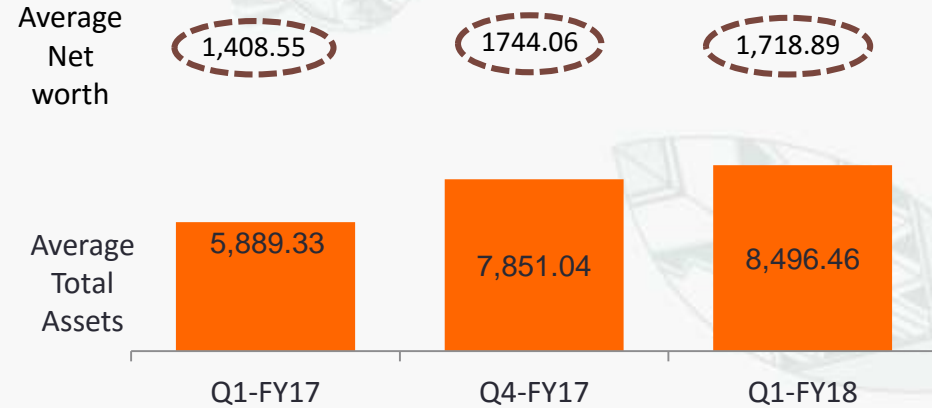
Financial Overview – Consolidated UFSL

Financial Overview

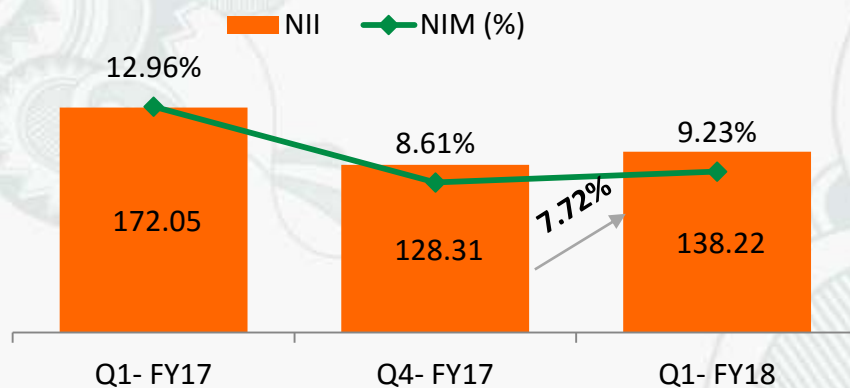
Total Income & Net Profit (₹ in Crore)



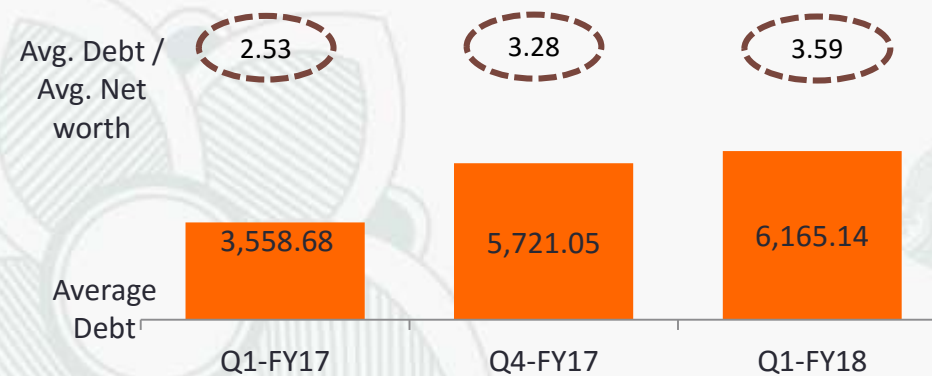
Average Total Assets and Net worth (₹ in Crore)



NII & NIM

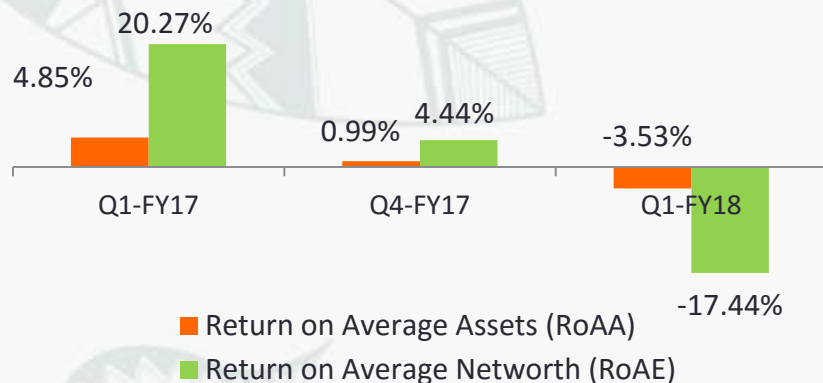


Average Debt (₹ in Crore)

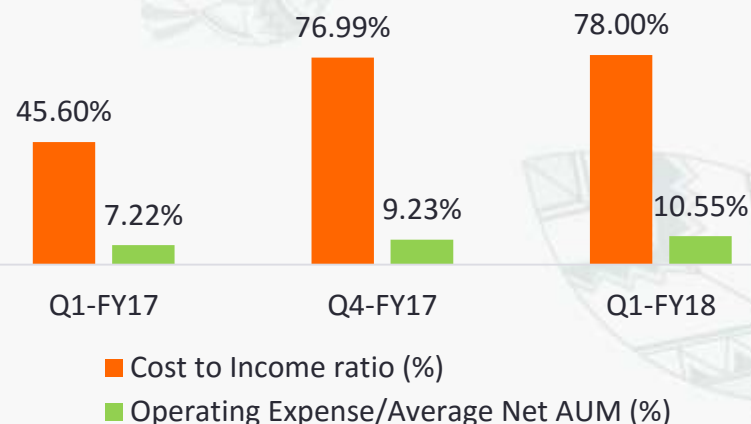


Financial Overview (Contd.)

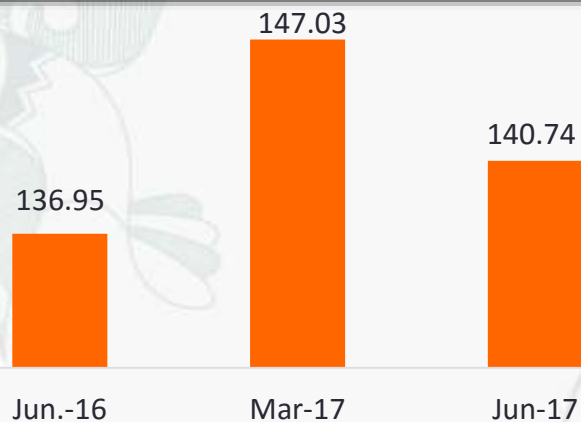
RoAA & RoAE



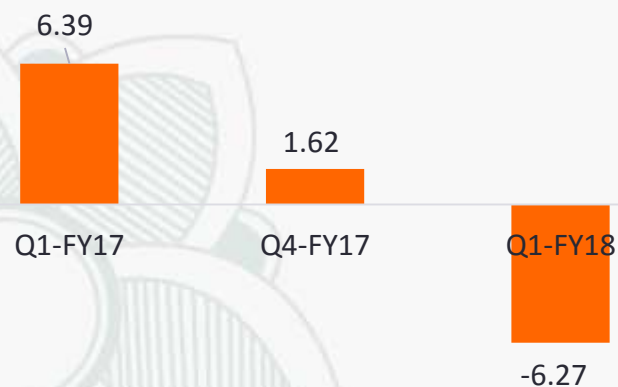
Operating Efficiency



Book Value Per Share (in ₹)



Earning Per Share



Consolidated UFSL Financials

Financials – Profit & Loss Statement



₹ in Crore

Particulars	Q1-FY18	Q1-FY17	YOY Growth (%)	Q4-FY17	QoQ Growth (%)
Revenue from operations	323.40	321.68	0.54%	314.53	2.82%
Other income	35.23	7.63	361.52%	25.46	38.36%
Total Income	358.64	329.32	8.90%	340.00	5.48%
Finance costs	157.25	120.40	30.61%	161.70	-2.75%
Employee expenses	88.03	59.87	47.03%	76.54	15.01%
Other expenses	60.96	32.47	87.76%	54.85	11.15%
Depreciation	7.84	2.22	253.53%	5.13	52.70%
Provisions and write offs	159.21	6.25	2448.22%	7.17	2120.34%
Total Expenses	473.30	221.21	113.96%	305.39	54.98%
Profit before tax	-114.66	108.11	-206.06%	34.61	-431.32%
Total tax expense	-39.72	36.74	-208.10%	15.26	-360.34%
Profit After Tax	-74.94	71.37	-205.01%	19.35	-487.29%

Financials – Balance Sheet



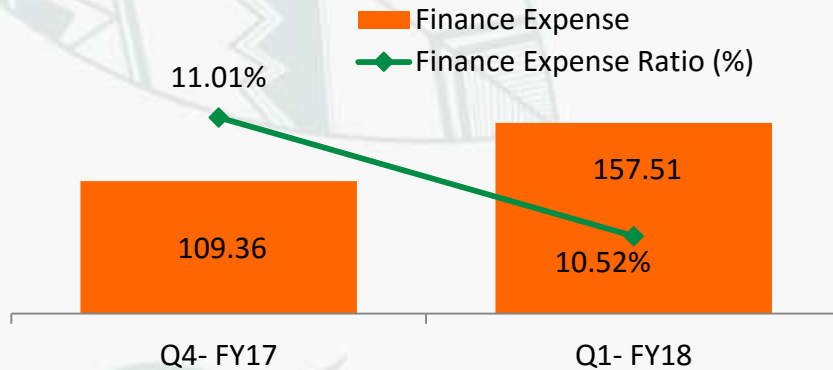
₹ in Crore

Particulars	Jun-17	Jun-16	YOY Growth (%)	Mar-17	QoQ Growth (%)
Share capital	119.64	118.24	1.19%	119.38	0.22%
Reserves and surplus	1,562.87	1,501.10	4.12%	1,635.88	-4.46%
Borrowings	6,038.87	4,180.86	44.44%	6,291.40	-4.01%
Deposits	303.75	-	-	106.41	185.45%
Provisions	296.93	107.61	175.93%	147.38	101.47%
Other Liabilities	192.26	143.54	33.95%	178.14	7.93%
Total	8,514.33	6,051.34	40.70%	8,478.59	0.42%
Cash and cash equivalent	558.16	292.72	90.68%	760.08	-26.56%
Advances	6,110.70	5,557.48	9.95%	5,871.16	4.08%
Investments	0.10	0.10	0.00%	0.10	0.00%
Fixed & tangible assets	156.32	25.16	521.33%	139.77	11.84%
Other assets	1,689.04	175.89	860.29%	1,707.49	-1.08%
Total	8,514.33	6,051.34	40.70%	8,478.59	0.42%

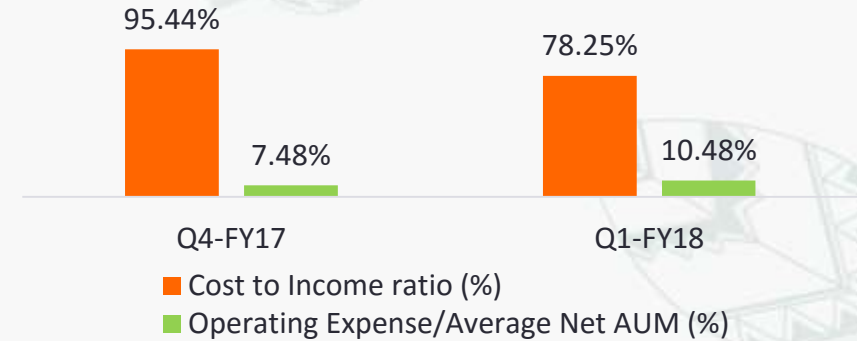
Financial Overview – Ujjivan SFB

Financial Overview*

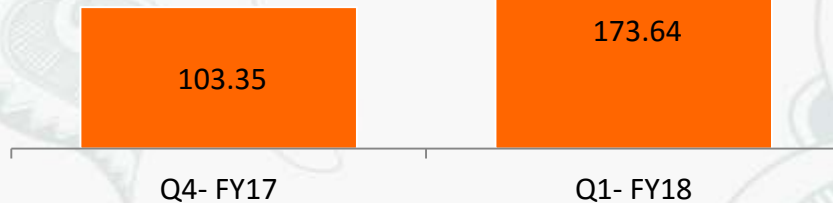
Finance Expense & Finance Expense Ratio



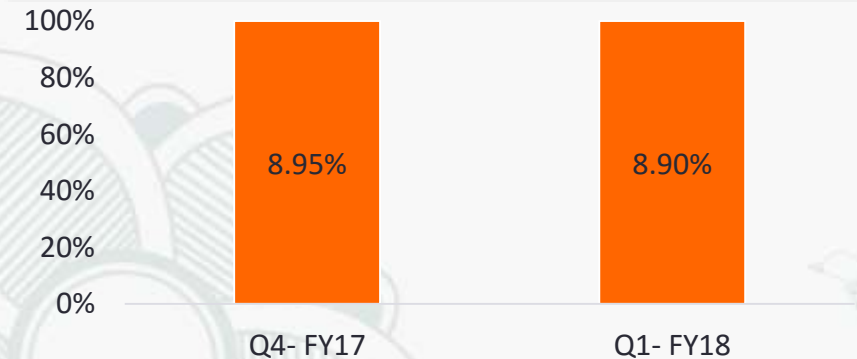
Operating Efficiency



NII (in ₹)



NIM (%)



*SFB figures for Q4-FY17 is only 2 months of banking business, hence the numbers are not comparative and indicated only for information purposes

Ujjivan SFB Financials

Income Statement – USFB

₹ in Crore

Particulars	Q1-FY18	Q4-FY17*
Interest Earned	331.15	212.71
Other Income	26.93	13.40
Total Income	358.08	226.10
Interest Expended	157.51	109.36
Operating Expenses	156.95	111.42
Provisions and Contingencies	119.22	5.29
Total Expenditure	433.68	226.07
Net profit for the period	-75.60	0.04
Profit brought forward	0.03	-
Total	-75.58	0.04
Appropriations		
Transfer to Statutory Reserve		0.01
Total	-75.58	0.04

**SFB figures for Q4-FY17 is only 2 months of banking business, hence the numbers are not comparative and indicated only for information purposes*

Balance Sheet – USFB

₹ in Crore

Particulars	June 2017	March 2017*
CAPITAL AND LIABILITIES		
Capital	1,640.0	1,640.0
Reserves and Surplus	(75.6)	0.0
Deposits	403.7	206.4
Borrowings	6,038.9	6,291.4
Other Liabilities and Provisions	236.9	297.7
TOTAL	8,244.0	8,435.6
ASSETS		
Cash and Balances with Reserve Bank of India	243.8	260.9
Balance with Banks and Money at Call and Short Notice	308.3	501.9
Investments	1,394.0	1,446.7
Advances	5,877.2	5,861.0
Fixed Assets	156.3	139.8
Other Assets	264.5	225.3
TOTAL	8,244.0	8,435.6

*SFB figures for Q4-FY17 is only 2 months of banking business, hence the numbers are not comparative and indicated only for information purposes

Thank You!