



SE/2023-24/60

November 04, 2023

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
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Dear Sir/Madam,

Sub: Press Release on the Financial Results of the Bank for the quarter and half year ended September 30, 2023

Further to our letter dated October 27, 2023 and October 30, 2023 intimating about the Board meeting to consider Financial Results of the Bank for the quarter and half year ended September 30, 2023 and pursuant to Regulation 30 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we enclose herewith a copy of the Press Release in this regard.

Thanking You
Yours Faithfully,

For **Utkarsh Small Finance Bank Limited**

Muthiah Ganapathy
Company Secretary & Compliance Officer

Encl.: As above.



UTKARSH SMALL FINANCE BANK LIMITED ANNOUNCES ITS RESULTS FOR QUARTER ENDED SEPTEMBER 30, 2023

Delivering consistent business growth and financial performance

Mumbai, 4th November, 2023: The Board of Directors of Utkarsh Small Finance Bank Limited approved the Audited Financial Results for the quarter and half year ended September 30, 2023, at the Board meeting held on 4th November, 2023.

Key highlights of the Q2, FY 2023-24 Results:

- Loan portfolio grew by 26.4% YoY to Rs. 14,892 crore
- Deposits grew by 19.0% YoY to Rs. 13,965 crore; Retail Term Deposits (RTD) grew by 50.5% YoY to Rs.6,448 crore
- Asset Quality showing a healthy trend with net NPAs at 0.16% as on September 30, 2023, reduced from 0.33% as on June 30, 2023,
- Profit after tax increased by 30% YoY to Rs.114.42 crore in Q2, FY24
- Return on Assets and Return on Equity stood at a healthy 2.3% and 18.2% respectively, during Q2, FY24, and the Bank continues to invest in people, presence, products & processes / technology
- Comfortable capitalisation with CRAR at 24.82% and Tier 1 capital at 23.04% as on September 30, 2023, providing adequate headroom for growth plans
- Bank expanded its footprints further by opening 20 banking outlets in Q2, FY24, presence spread across 26 States & UTs through 871 banking outlets as on September 30, 2023

Speaking on the results, **Mr. Govind Singh, MD and CEO, Utkarsh Small Finance Bank** said, "We continue to scale up our franchise & footprints and collaboration quotient. We have witnessed good traction in new customer acquisition in micro-banking lending business. Our retail loan portfolio (excluding micro-banking loans) witnessed a healthy growth of 86.3% YoY and increased to Rs. 3,928 crore as on Sep-23.

Our deposits grew by 19.0% YoY; retail term deposits grew by 50.5% YoY and we contained the share of bulk deposits as we continue to focus on broad-basing of our deposits profile. In addition, we have focused on consuming surplus liquidity to optimize cost of funds / NIMs. We maintained our net interest margins and cost efficiency and as result our profit after tax witnessed 30% YoY growth. Our Return on Assets and Return on Equity stood at a healthy 2.3% and 18.2% respectively, during Q2, FY24, on increasing asset and capital base. We continue to nurture trust and provide a financial stability that is both inclusive and new age for our customers. As we forge ahead, we will continue to pursue our expansion and leverage cutting-edge technology to deliver superior banking experiences to our customers.

Utkarsh Small Finance Bank Limited Q2, FY24 Financial Highlights:

- Bank's loan Portfolio grew by 26.4% YoY to Rs. 14,892 crore as on September 30, 2023. The share of secured loans in Bank's total loan portfolio accounted for 34.5% of total loan portfolio as on September 30, 2023, increased from 24.9% as on September 30, 2022
- Healthy asset quality with net NPAs at 0.16% as on September 30, 2023 vs. 0.39%



as on March 31, 2023. In addition to provision in accordance with RBI IRAC norms, the Bank continues to build in floating provision which stood at Rs.120 crore as on September 30, 2023 vs. Rs.93 crore as on March 31, 2023.

- Deposits grew by 19.0% YoY to Rs.13,965 crore as on September 30, 2023. The Bank continues to focus on broad-basing of liabilities profile and as a result Bank's retail term deposits (RTD) grew by 50.5% YoY to Rs.6,448 crore while bulk deposits share dropped as overall bulk deposits declined by 2.4% YoY to Rs.4,732 crore. The Bank continued to expand its General Banking franchise which stood at 269 banking outlets as on September 30, 2023, out of these ~42% are branches opened in last two years.
- Bank's capitalisation is comfortable with CRAR at 24.82% and Tier 1 capital at 23.04% as on September 30, 2023 providing adequate capital to support growth plan.
- Bank maintained a tight tracking on its Net Interest Margins (NIMs) through reduction in bulk deposits and prudently using surplus liquidity which along with re-pricing of loan portfolio helped the Bank to maintain consistent NIMs at 9.2% in Q2, FY24 despite an increase in cost of funds in general. Re-pricing of interest rates in Bank's key lending segment (microfinance), which reflects with pick-up of disbursements on account of fixed rate of interest, will have a positive impact on Bank's yield on advances over the next few quarters as well.
- Bank's profit after tax increased by 30% during Q2, FY24 to Rs.114 crore vs. Rs.88 crore in Q2, FY23. The Bank's return on assets and return on equity remains at a healthy 2.3% and 18.2% respectively, during Q2, FY24.
- Bank is continuously expanding its footprints, which is currently present in 26 States & UTs through a network of 871 banking outlets with a customer base of >39 lakh.
- In Sep-23, CARE Ratings upgraded Bank's long-term credit rating to CARE A+ (Stable) from CARE A (Positive).

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:
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