



SE/2023-24/99

January 27, 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
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Dear Sir/Madam,

Sub: Press Release on the Financial Results of the Bank for the quarter and nine months ended December 31, 2023

Further to our intimation regarding the Financial Results of Utkarsh Small Finance Bank Limited ("Bank") for the quarter and nine months ended December 31, 2023 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.

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 DECEMBER 31, 2023

Delivering consistent business growth and financial performance

Mumbai, 27th January, 2024: The Board of Directors of Utkarsh Small Finance Bank Limited approved the Limited Review Financial Results for the quarter and nine months ended December 31, 2023, at the Board meeting held on 27th January, 2024.

Key highlights of the Q3, FY 2023-24 Results:

- Gross Loan portfolio grew by 30.8% YoY to ₹16,407 crore
- Micro-banking loan portfolio grew by 15.6% YoY, crossed ₹10,000 crore mark
- Deposits grew by 17.6% YoY to ₹15,111 crore; Retail Term Deposits (RTD) grew by 45.8% YoY to ₹7,228 crore
- Net NPAs at 0.19% as on December 31, 2023
- Profit after tax increased by 24.1% YoY to ₹116.06 crore in Q3, FY24; PAT for 9M, FY24 increased by 24.8% to ₹337.97 crore in 9M, FY24
- Return on Assets and Return on Equity stood at a healthy 2.3% and 18.5% respectively, during 9M, FY24, and the Bank continues to invest in people, presence, products & processes / technology and building floating provision cover
- Comfortable capitalisation with CRAR at 23.18%
- Presence spread across 26 States & UTs through 880 banking outlets as on December 31, 2023

Speaking on the results, **Mr. Govind Singh, MD and CEO, Utkarsh Small Finance Bank** said, "We continue to expand our franchise & footprints as well as continuously strengthening our products & channels. On the back of our expanding franchise and customer base, our loan portfolio grew at healthy pace of 30.8% YoY to ₹16,407 crore as on December 31, 2023. Our Micro-banking loan portfolio growth also picked up, grew by 15.6% YoY to ₹10,054 crore as on December 31, 2023. Our deposits growth continued to be led by retail term deposits which grew by 45.8% and we continue to focus on broad-basing of our deposits profile and strengthening our digital presence as well. We believe there are significant growth opportunities available in our core geographies given the good 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.

Despite the hardened interest rate environment, we have been able to improve our net interest margin (NIMs) in Q3, FY24 as well as we keep our eyesight on cost metrics, resulting YoY profit after tax growth of 24.1%. Our Return on Assets and Return on Equity remains consistent & stable at a healthy 2.3% and 18.5% respectively, during 9M, FY24, even on increasing asset and capital base", he added.

Utkarsh Small Finance Bank Limited Q3, FY24 Financial Highlights:

- Bank's loan Portfolio grew by 30.8% YoY to ₹16,407 crore as on December 31, 2023. Bank continues to strengthen diversification of loan portfolio and as a result the share of secured loans in Bank's total loan portfolio increased to 35% as on December 31, 2023 vs. 28% as on December 31, 2022.
- Bank's net NPAs remain low at 0.19% as on December 31, 2023 vs. 0.39% as on March 31, 2023. In addition to provision in accordance with RBI IRAC norms, the



Bank consistently creating floating provision which stood at ₹134 crore as on December 31, 2023 vs. ₹93 crore as on March 31, 2023.

- Deposits grew by 17.6% YoY to ₹15,111 crore as on December 31, 2023. The Bank continues to focus on broad-basing of liabilities profile and as a result Bank's retail term deposits (RTD) grew by 45.8% YoY to ₹7,228 crore. The Bank continues to expand General Banking franchise which stood at 275 banking outlets as on December 31, 2023, out of these ~40% are branches opened in the last two years.
- Bank's capitalisation is comfortable with CRAR at 23.18% and Tier 1 capital at 21.49% as on December 31, 2023. Profit after tax for Q3, FY24 is not included in CRAR (as Q3, FY24 results are subjected to limited review by the Statutory Auditors and not full Audit).
- Despite hardened interest rate scenario, Bank has been able to improve its Net Interest Margins (NIMs) by ~50 bps to 9.7% in Q3, FY24. We also maintained tight control on cost efficiency as reflected in cost income ratio of 54.7% in Q3, FY24. Bank's profit after tax increased by 24.1% during Q3, FY24 to ₹116 crore vs. ₹94 crore in Q3, FY23. Profit after tax increased by 24.8% to ₹337.97 crore in 9M, FY24
- Return on Assets and Return on Equity stood at a healthy 2.3% and 18.5% respectively, during 9M, FY24, and the Bank continues to invest in people, presence, products & processes / technology and building floating provision as well
- Bank is continuously expanding its footprints, which is currently present in 26 States & UTs through a network of 880 banking outlets with a customer base of >41 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:

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