



SE/2023-24/30

August 08, 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 Unaudited Financial Results of the Bank for the quarter ended June 30, 2023

Further to our intimation regarding the Limited Review of Financial Results of Utkarsh Small Finance Bank Limited ("Bank") for the quarter ended June 30, 2023 and pursuant to Regulation 30 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 connection with the aforesaid Financial Results.

The above information is also being hosted on the Bank's website <https://www.utkarsh.bank/investors/> in terms of the Listing Regulations.

For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Company Secretary & Compliance Officer



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

Delivering consistent business growth and financial performance

Mumbai, 8th August, 2023: The Board of Directors of Utkarsh Small Finance Bank Limited approved the financial results for the quarter ended June 30, 2023, at the Board meeting held on 8th August, 2023.

Key highlights of the Q1, FY 2023-24 Results:

- Loan portfolio grew by 31.4% YoY to ₹14,394 crore
- Deposits grew by 35.6% YoY to ₹13,967 crore
- Strong Asset Quality with net NPAs at 0.33% as on June 30, 2023
- Profit after tax increased by 20% YoY to ₹107.50 crore in Q1, FY24
- Return on Assets and Return on Equity stood at a healthy 2.3% and 21.1% respectively, during Q1, FY24, and the Bank continues to invest in people, presence, products & processes / technology
- Bank expanded its footprints further by opening 21 banking outlets in Q1, FY24, presence spread across 26 States & UTs through 851 banking outlets as on June 30, 2023

Speaking on the results, **Mr. Govind Singh, MD and CEO, Utkarsh Small Finance Bank** said, "We are witnessing a healthy scaling up of our franchise towards microfinance & others retail loans i.e. MSME, housing and wheels segment as well as deposits build-up. Our endeavor is to be consistent in performance which leads us to focus on productivity and yield with granularity attached to it is the "Business-as-Usual" model for us. The Bank has raised equity capital of ₹500 crore through IPO exercise which provides sufficient headroom for our growth plans. Our Return on Assets and Return on Equity stood at a healthy 2.3% and 21.1% respectively, during Q1, FY24, and the Bank continues to invest in people, presence, products & processes / technology.

Utkarsh Small Finance Bank Limited Q1, FY2023-24 Financial Highlights:

- Bank's loan Portfolio grew by 31.4% YoY to ₹14,394 crore as on June 30, 2023. The Bank's microfinance portfolio accounted for 63% of total loan portfolio and non-microfinance portfolio accounted for 37% of loan book.
- Strong asset quality with net NPAs at 0.33% as on June 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 floating provision which stood at ₹106 crore as on June 30, 2023 vs. ₹93 crore as on March 31, 2023. The Bank's SMA-1 & SMA-2 book were within a tight control at 0.7% and 0.6% respectively, as on June 30, 2023, which is lower vis-a-vis 0.8% & 0.7%, respectively, as on March 31, 2023.
- Deposits of the Bank grew by 35.6% YoY to ₹13,967 crore as on June 30, 2023. The Bank continued to expand its General Banking franchise which stood at 257 banking outlets as on June 30, 2023, out of these ~44% are branches opened in last two years.



- Bank's capital adequacy was 19.8% as on June 30, 2023. The Bank has raised equity capital of ₹500 crore through IPO in July 2023. Adjusted for capital raised through IPO & Q1, FY24 profit, Bank's CRAR stands at > 25%, providing adequate capital to support growth plan.
- Bank's net interest margin (NIMs) remains in healthy range of 9–10% which stood at 9.2% in Q1, FY24 vs. 9.7% in Q1, FY23. Re-pricing of interest rates in Bank's key lending segment (microfinance), which reflect with a lag-on-account fixed rate of interest, will have a positive impact on Bank's yield on advances over next few quarters.
- Bank's profit after tax increased by 20% during Q1, FY24 to ₹107 crore vs. ₹89 crore in Q1, FY23. The Bank's return on assets and return on equity remains at healthy 2.3% and 21.1% respectively, during Q1, FY24.
- Bank is continuously expanding its footprints, which is currently present in 26 States & UTs through a network of 851 banking outlets with a customer base of >37 lakh.
- In Apr-23, ICRA upgraded Bank's long-term credit rating to [ICRA]A+ (Stable) from [ICRA]A (Positive). Bank's certificate of deposits programme has the highest credit rating of A1+ from ICRA.

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 licence 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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