



**Ujjivan**

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**Indian Urban Conference**

*Nov, 2011*

# Ujjivan Journey

- Founded by Samit Ghosh, an international banker for 30 years
- “**Ujjivan**” is derived from the phrase “Uttam Jeevan” meaning “**Better Life**”
- **Mission:** financial inclusion of the urban & semi-urban poor
- Started our operations with a 18 month pilot in Nov, 2005 in Bangalore
- Our mantra - rapid expansion and break-even by the 4<sup>th</sup> year of operations
- Break-even in 2009-10, wipe-out of past losses, dividends and bonus for employees.

## Story of our Robust growth:

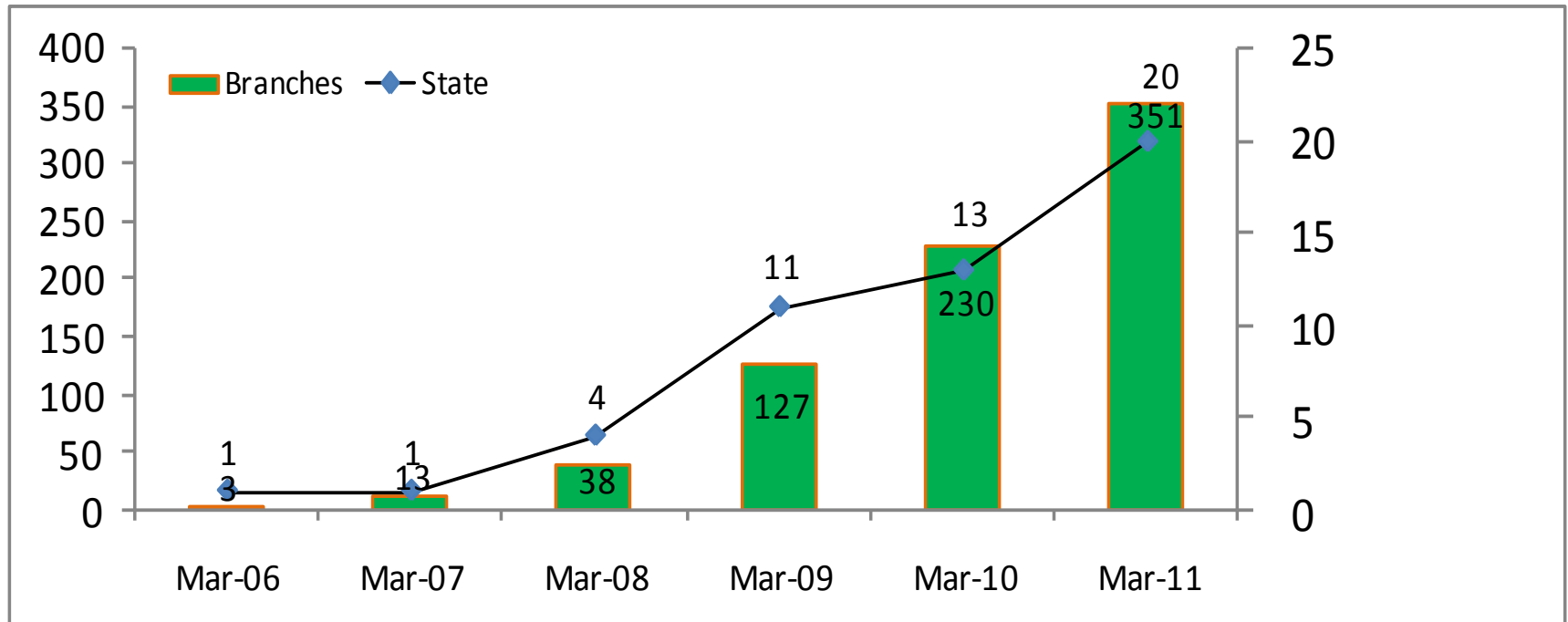
Key Metrics	2005-2006 (5 mths)	2006-2007	2007-2008	2008-2009	2009-2010
Loan O/S (Rs. Crores)	0.2	8.4	36.5	169	370
Customers	1,110	22,220	68,033	295,903	620,624
Branches	3	13	37	127	230
States	1	1	4	11	13

# Coping with the Industry Crisis: 2010-11

- Uninterrupted growth in first half & ability to raise funds in the second retain portfolio size
- Only collateral damage in credit portfolio and pro-active credit management
- Strategies that helped us emerge from the crisis unscathed:
  - Exclusion of AP & other vulnerable areas
  - Prudent cash management
  - Managing & motivating the Ujjivan team: Recognition in the Great Place to Work Award.
  - Strong customer & community connect
- Impressive financial & business performance in 2010-11 (Annual Report)

<b>Key Metrics</b>	<b>2009-10</b>	<b>2010-11</b>	<b>CAGR</b>
Loan O/S (Rs. Crores)	370.1	625.1	69%
Customers	620,624	991,584	60%
Branches	230	351	53%
States	13	20	54%
PBT (Rs. Crores)	11.9	17.7	49%
PAT (Rs. Crores)	9.6	11.4	19%

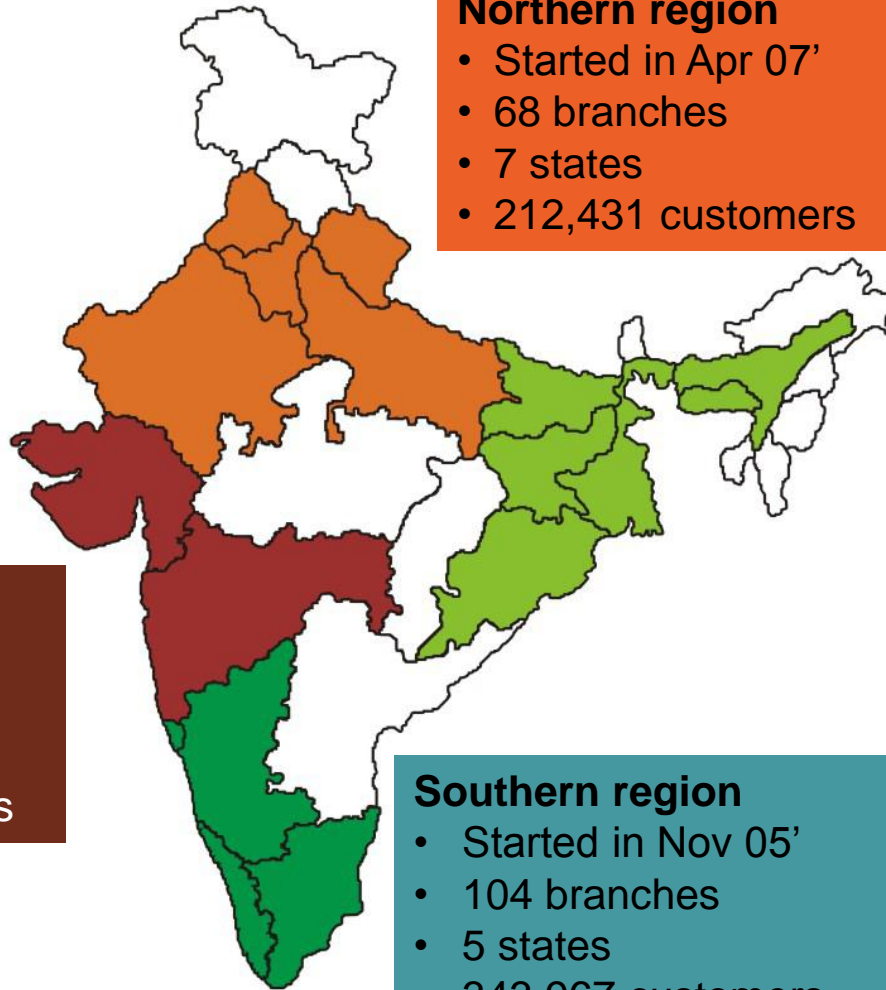
# Organisation Overview



18 month pilot to establish and adapt the Grameen Model to an Urban setting

Replication of the proven model across India with Regional Offices at Bangalore, Delhi, Kolkata, Pune

# Where we are today



## Northern region

- Started in Apr 07'
- 68 branches
- 7 states
- 212,431 customers

## Eastern region

- Started in May 07'
- 112 branches
- 6 states
- 397,930 customers

## Western region

- Started in Dec 08'
- 48 branches
- 2 states
- 162,842 customers

## Southern region

- Started in Nov 05'
- 104 branches
- 5 states
- 343,967 customers

# Customer Segmentation

1,117,170 Customers  
(August 2011)

Salaried Workers  
(13.9%)

Piece-rate Workers  
(6.5%)

Self-Employed  
(79.6%)

Factory workers, house  
maids

Garment workers,  
*Agarbatti* rollers

Provision stores, dairy  
supply, saree sales,  
tailoring, animal  
husbandry

Family Loan

Family/Business Loan

Business/Individual Loan

# Products & Services

- Understanding customer's life cycle and tailoring products to suit their needs
- Product development based on customer segmentation
- Dismantling the joint liability system in the higher loan cycles & introducing 'Mera Loan'
- Develop an additional business stream outside shackles set by the Malegam Committee which is aligned to our mission & current business model: the Individual Loan Business.

Primary Loans (Group Lending)	Value-added Loans (Group Lending)	Individual Lending Products	Value Added Services
Business Loans	Top Up Loan	Individual Business Loan (IBL)	Water Purifier
Family Loan	Education Loan	Housing	Insurance
Combo Loan	Emergency Loan	Livestock	Savings
		Short-term Business Loan	

# Customer Service Quality

- Post the crisis and the dramatically changing regulatory & business environment, we have made a number of fundamental changes yet remaining true to our mission
- **Mission:** providing financial services to the poor to better their lives.
- **Customer Retention** is the key to fulfill our mission.
- Reduce customer drop outs:
  - Moving to monthly centre meetings
  - Phasing out the Joint Liability System in the higher loan cycles
  - Introduce new business aligned to our mission & business model: Individual Business
- Widening our product offering to include savings, remittance, pension & insurance
- **Customer Care Representatives** in our mature branches to handle customer grievances and customer queries
- **Customer Help desk** in each Regional Office and **Toll Free** help desk number.



# Beyond Microfinance

Ujjivan has taken a multi – pronged approach to social performance to strengthen our customer & community connect.

- Going beyond business: Utilising a portion of the profits for Social Development Programs
- Microfinance Plus: Strategic partnership with Parinaam Foundation for non-financial services
- Monitoring & Evaluation: Investing in systems, people & processes to institutionalise social performance thru Social Performance Management (SPM).

# Impact Evaluation

## Impact evaluation:

- Measuring the outcomes of microfinance
- Aligning practice with vision & mission of institution
- Part of holistic Social Performance Management

## Ujjivan

- Believe that good Social Performance is also good economics – using social data to make business decisions
- Published double-bottom line annual reports in 2010 & 2011
- Board sub-committee on Social Performance set up
- Use various tools:
  - Grameen Foundation's Progress out of Poverty Index (PPI)
  - Housing, Education, Occupation and other parametric analysis

# Impact Evaluation

## Background

- 3,200 1st cycle customers who joined Ujjivan between Sept-Nov'09 surveyed across India
- These customers will be revisited after 2-3 years for impact evaluation

## Findings

- Overall Wellbeing: Better amongst 3<sup>rd</sup> cycle customer
- Monthly Household income (MHI): higher amongst business loan customers. 3<sup>rd</sup> cycle customers indicate improvement in last 2 years
- Savings: significant number of 3<sup>rd</sup> cycle customers reported higher savings in last 2 years
- Monthly House Hold Income: Much higher for self employed clients
- 'Soft' impact: Neighborhood safe from money lenders

# Impact Evaluation

## Learnings

- Implement the PPI as part of customer profiling for all customers. Data to be collected annually.
- Structure loans for specific needs for customers from 2nd cycle onwards: Animal Husbandry, Short Term Business, Housing, Individual Business Loans.
- Compulsory insurance for spouse where women customers are economically inactive.
- Quality education of children highest priority for customers: education loan interest refund.
- Introduce full fledged Service Quality Program for customer retention.
- Holistic approach to poverty alleviation: Healthcare, Education, Vocational Training jointly with Parinaam Foundation.

# Social Development & Disaster Relief Programs

- Initiated in 2010-11 after first year of profitable operations
- **Decentralised and participatory approach:** Empowers customers and the branch team to jointly undertake urgently needed community development projects
- Aims primarily to provide infrastructural support for Anganwadis, primary and middle schools. Support given in the form of education materials, water containers, toys, carpets, chairs etc.
- Over 34,000 children beneficiaries in 752 institutions
- **Disaster Relief Programs:** For the relief and rehabilitation of the victims of natural calamities, manmade disasters, and political atrocities.
  - Ujjivan contributes a sum equivalent to the contribution by all employees
  - Raised funds for North Karnataka, Orissa flood victims, victims of fire in Jamshedpur, Pune, Assam & Meghalaya.

# Impact

## 'उज्जीवन' ने जरूरतमंदों को दिये जरूरत के सामान

पंकज चौहान

दक्षिणी दिल्ली (ओ.वॉ.)। उज्जीवन गैर सरकारी संस्था जो शहरी माइक्रो फाईनेंस में अग्रणी संस्था है उन्होंने सामाजिक न्यायास को बढ़ाने के लिये एक कार्यक्रम आयोजन किया। जिसमें दक्षिण पुरी के क्रेच में आए मदनगौर, अम्बेडकर नगर, दक्षिणी पुरी के गरीब, विधवा, बुजुर्ग महिलाओं को उनके जरूरत के सामान उपलब्ध कराए गये। इस उपलब्ध पर मुख्य अतिथि के रूप में नियम पार्षद प्रमोद कुमार चौधरी थे। प्रमोद कुमार चौधरी ने संस्था के द्वारा किये गये कार्यों की सराहना करते हुए कहा कि जिस प्रकार से नाम है उसी प्रकार से इनके कार्य भी उज्जीवन लोगों के जीवन में भी उजाला कर रहा है। संस्था की ओर विजेश पांडे व रोहित उपेन्द्र आर्य ने एक वक्तव्य में बताया कि हमारा उद्देश्य जनता की छोटी-छोटी जरूरतों को पूरा करना है और संस्था के माध्यम से उन्हें हम पिछले कई सालों से करते चले जा रहे हैं। इस समारोह में अशोक, नीरज सचदेवा ने



कार्यक्रम के उद्देश्य और सफलता पर प्रकाश डाला। इस कार्यक्रम में क्षेत्र के कई गणमान्य व समाजसेवी उपस्थित थे।

“This is the first time I am seeing an MFI providing this support to the community at large. I urge Ujjivan to continue doing the same.”

**Smt. Chandra**  
Deputy Director Women & Child Welfare dept.

“Now a days a lot of MFI's are working only for profits. Yet, even in the current situation, Ujjivan is undertaking social projects with the profit generated. This is truly commendable. I urge other MFI's to do the same.”

**Mr. Vasudev**  
Deputy Director, ICDS

## अंगनवाड़ीಗೆ ಸವಲತ್ತು ವಿತರಣೆ

ಪ್ರಜಾವಾಣಿ ವಾರ್ತೆ

ದಾವಣಗೆರೆ: ಬಾಸಗಿ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳು ಸಮಾಜ ಉಪಯೋಗಿ ಕಾರ್ಯದಲ್ಲಿ ತೊಡಗಿರುವುದು ಶ್ಲಾಘನೀಯ ಎಂದು ಮಹಿಳಾ ಮತ್ತು ಮಕ್ಕಳ ಅಭಿವೃದ್ಧಿ ಇಲಾಖೆಯ ಉಪ ನಿರ್ದೇಶಕ ವಿ. ವಾಸುದೇವ್ ಹೇಳಿದರು.

ಬಾಸಾನಗರದಲ್ಲಿ ಉಜ್ಜೀವನ್ ಫೈನಾನ್ಸಿಯಲ್ ಸರ್ವಿಸ್ ಸಂಸ್ಥೆ ವತಿಯಿಂದ ನಡೆದ ಅಂಗನವಾಡಿ ಕಾಲೇಜ್‌ಗೆ ವಿವಿಧ ಸೌಲಭ್ಯ ವಿತರಣೆ ಆವರಣ ಮಾಡಿದರು.

ಎಷ್ಟೋ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳು ಸಾಲ ನೀಡಿ ತಮ್ಮ ಲಾಭ ಮಾಡಿಕೊಂಡು ಹೋಗುತ್ತವೆ. ಆದರೆ, ಈ ಸಂಸ್ಥೆ ಬಂದ ಲಾಭದಲ್ಲಿ ಒಂದು ಪಾಲನ್ನು ಸಮುದಾಯದ ಅಭಿವೃದ್ಧಿಗೆ ಮೀಸಲಿಡುತ್ತಿದೆ. ಇದನ್ನು ಇತರ ಸಂಸ್ಥೆಗಳು ಮಾದರಿಯಾಗಿ ಅನುಸರಿಸಬೇಕು. ತೀರಾ ಹಿಂದುಳಿದ, ಸೌಲಭ್ಯ ವಂತಿತ ಪ್ರದೇಶಗಳನ್ನು ಆಯ್ದುಕೊಂಡು ಸವಲತ್ತು ವಿತರಿಸಲಾಗುತ್ತಿದೆ. ಇಲ್ಲಿನ ವಸ್ತುಗಳನ್ನು ಶಿಕ್ಷಣ ಹಾಗೂ ಧೈನಂದಿನ ಬಳಕೆಗೆ ಉಪಯೋಗಿಸಬಹುದು. ಸವಲತ್ತು ಪಡೆದು ಕೊಂಡವರು ಸಮಸಮೀಕ್ಷಣೆ ಮಾಡಿಕೊಳ್ಳುವುದು ಮುಖ್ಯ ಎಂದು ಹೇಳಿದರು. ಭಾಷಾನಗರ ಸುತ್ತಮುತ್ತಲಿನ 8 ಅಂಗನವಾಡಿ ಕೇಂದ್ರಗಳಿಗೆ ವಿವಿಧ ಪರಿಕರ ವಿತರಿಸಲಾಯಿತು.



ದಾವಣಗೆರೆಯ ಬಾಸಾನಗರದಲ್ಲಿ ಉಜ್ಜೀವನ್ ಫೈನಾನ್ಸಿಯಲ್ ಸರ್ವಿಸ್ ಸಂಸ್ಥೆ ವತಿಯಿಂದ ಈಗಿನ ಅಂಗನವಾಡಿ ಕಾಲೇಜ್‌ಗೆ ವಿವಿಧ ಸೌಲಭ್ಯ ವಿತರಿಸಲಾಯಿತು. ಮಹಿಳಾ ಮತ್ತು ಮಕ್ಕಳ ಅಭಿವೃದ್ಧಿ ಇಲಾಖೆಯ ಉಪ ನಿರ್ದೇಶಕ ವಿ. ವಾಸುದೇವ್, ರಾಜಾ ಕಾಯ್, ಕೃಷ್ಣ ಪರಮೇಶ್ವರಪ್ಪ ಇತರರು ಇದ್ದರು. ಸಂಸ್ಥೆಯ ಗ್ರಾಹಕರು ಅಭಿವೃದ್ಧಿಯ ವ್ಯಕ್ತಪಡಿಸಿದರು. ಉಜ್ಜೀವನ್ ಸಂಸ್ಥೆಯ ಸಿಬ್ಬಂದಿ ವಿಭಾಗದ ಮುಖ್ಯಸ್ಥ ಮಹಿಳಾ ಮತ್ತು ಮಕ್ಕಳ ಅಭಿವೃದ್ಧಿ ಇಲಾಖೆಯ ಜಗದೀಶ ಬೇಗೂರು, ಗ್ರಾಹಕ ಸಂಪರ್ಕ ವ್ಯವಸ್ಥಾಪಕ ಅಧಿಕಾರಿ ರಾಜಾ ನಾಯ್ಕ, ಕೃಷ್ಣ ಪರಮೇಶ್ವರಪ್ಪ, ಕೆ. ಚನ್ನಪ್ಪ ಇತರರು ಇದ್ದರು.

# Social Performance

Strategic Partner - **Parinaam Foundation**, a non-profit organization

Activities undertaken:

## **Healthcare:**

- Eye & ENT Camps, Health Education, Health Management Program
- 59 health camps (approx. 23,000 direct beneficiaries)

**Community Services:** Safe Drinking Water Project - Water Purifiers

## **Education:**

- Conversational English Classes
- Ujjivan Education loans “Interest –Refund”
- Higher Education Scholarship program

**Vocational Training:** 100% Job Placement (261 direct beneficiaries)

**Urban Ultra Poor Program:** Goal is to make the ultra poor eligible for microfinance in 12 months

# Financial Literacy Project

We have undertaken an unique and extensive financial literacy program for customers to manage their debt.

- Ghost Lending
- Excessive Borrowing
- Impact of Credit Bureau

## Implementation in 2 parts

- Part-1: Building Awareness through a special film on financial literacy, **Sankalp**, screened at Centre leader functions, Cable TV broadcasting, Screening at centre meetings by branch staff.
- Part 2 : Financial Literacy Training, **Diksha**: Exclusive training module created to teach customers on prudent debt & financial management.



# Conclusion

- Create financial inclusion of urban poor like providing them bank accounts and not just the rural poor.
- Research on the financial, health, education and urban infrastructure (safe water, sanitation, housing) needs of urban poor.
- Study on impact of microfinance on urban poor and removing the myths of the urban poor.

# Thank You

**For more details, please visit our website**

**[www.ujjivan.com](http://www.ujjivan.com)**