

Investor Presentation

Q2FY25



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GNPA ,NNPA & Gross Advances across the presentation refers to GNPA, NNPA & Gross Advances including IBPC sold



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Thank you for your invaluable support and trust
that made this milestone possible!



Key Highlights



Snapshot

Operational



18 States and UTs



987 Banking Outlets
370 ATMs[#]



321 Business
Correspondents



23,233 employees

Asset Offerings



Gross Advances:

Rs. ^36,053 Cr [Rs. 31,229 Cr]
SBL - 41%, VF - 25%,
MFI - 16%, HF - 12%
MSE - 4%, NBFC - 2%



Disbursements for Q2FY25:

Rs. 4,850 Cr [Rs. 4,961 Cr]
SBL - 33%, VF - 31%,
MFI - 20%, HF - 8%,
MSE - 4%



Asset Quality:

GNPA: 2.95% [2.12%]
*GNPA: 2.84%
NNPA: 0.97% [0.91%]
PCR: 67.71% [57.72%]



Yield on Gross Advances:

16.49% for Q2FY25 [16.50%]

Liability Profile



Total Deposits:

Rs. 39,859 Cr [Rs. 30,839 Cr]
CASA – 31%, TD – 69%



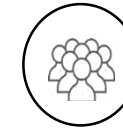
Third Party Products:

LI & GI Premium-
Rs. 35 Cr [Rs. 33 Cr]
Mutual Fund AUM-
Rs. 437 Cr [Rs. 249 Cr]
Demat A/C Opened - 7474 nos



Cost of Funds for Q2FY25:

7.50% [7.21%]
SA – 6.05%, TD – 8.37%



CASA Ratio:

31% [34%]

Financials



PAT for Q2FY25:

Rs. 13 Cr [Rs. 198 Cr]

PAT impacted due to Rs.146 crs of additional provision on MFI segment



Shareholders funds:

CRAR –19.36%
Tier I – 18.11%
Tier II – 1.25%



NIM for Q2FY25:

\$7.69% [8.43%]
\$NIM adjusted for off book income



RoA: Q2FY25 at 0.11% [2.03%]

RoE: Q2FY25 at 0.86% [14.62%]

Figures in [] represent Q2FY24 data | *Advance for the purpose of GNPA/NNPA calculation includes Securitization book | ^ Gross Advances includes IBPC & Securitization

[#]Including 366 onsite and 4 offsite ATMs



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Half Yearly Credit Cost Summary

Particulars – H1FY25 Credit Cost	%	Rs Crores
Microfinance & Micro Loans including one time provision buffer	10.18%	303.23
Rest of the portfolio	1.04%	151.07
Total credit cost for the bank excluding one time floating provision	2.59%	454.30
One time Floating provision created in Q1FY25	1.03%	180.00
Total Credit cost for H1FY25 annualized	3.62%	634.30

As can be seen from above, the Credit Cost for the bank other than Micro Finance, at 1.04% for H1 FY '25 is at a comfortable level. Due to the on-going stress in the micro finance sector, the credit cost for this portfolio has moved up significantly to 10.18%. However, since micro finance constitutes only about 16% of the total portfolio, the overall credit cost for the bank (excluding the one time floating provision), comes to 2.59%.

On an analysis, we find that the pool of micro finance where customers have borrowed more than Rs. 1.5 lacs from various lenders, causes the highest stress. We see this pool coming down and hope it will go down further over the next few quarters:

Portfolio Movement:

Equitas SFB	Dec 2023	March 2024	June 2024	Sep 2024
>1.5 Lacs Indebtedness	19%	20%	21%	16%



Key Highlights



Assets

- Gross Advances growth at 15% YoY and 3% QoQ
- Non MF book grew 20% YoY, led by 23% growth in Housing Finance and 28% growth in SBL over previous year. Within SBL , MLAP witnessed strong growth of 12% QoQ. Disbursement in MLAP grew 156% YoY
- The Bank continued to realign growth in Vehicle Finance towards higher margin segments. As a result, UCV and Used Cars witnessed robust growth with highest ever quarterly disbursements of Rs.887 crs and Rs.323 crs respectively, while new CV slows down as planned. Used Cars advances crossed Rs. 1500 Crs in Q2FY25
- Microfinance remains a concern as slippages continue to be elevated. Microfinance Collection efficiency (X-bucket) remains sub par at 98.1% for Sept '24, we remains cautious in this segment
- Bank witnessed green shoots in its digital initiatives. ~ Rs. 350 Crs of Loan disbursed during the quarter was sourced through the newly launched Selfe Loan App
- Gross Yields on Advances remained stable (up 4 bps) despite slowdown in Microfinance as strategy to focus on high yield products like UCV and MLAP gains traction
- Bank has strengthened the front-line Collection/Sales staff by adding 384 employees during the Quarter



Key Highlights



Liabilities

- Overall deposits grew by 29% YoY & 6% QoQ led by strong growth Retail TD of 39%
- CASA ratio stable at 31%; CA balances grew 72% YoY
- SA costs drops by 13 bps QoQ during the quarter. Cost of SA during the quarter was 6.05%
- Total Retail Deposits (Retail TD+CASA) forms 74% of the overall deposits.
- Relationship value from “Elite” customers grew 22% YoY & 5% QoQ on account of robust acquisition and enhanced relationship management
- NR focus continues to show results as relationship value from NR segment grew by 39% YoY & 7% QoQ . Currently the NR customers base is spread across 145+ countries & the book has crossed Rs. 2200 Crs
- Flagship Retail Term Deposit products – 444 Days tenure constitutes 55% of overall TD.



Highlights



Asset Quality & Provisioning

- GNPA increased by 28 bps QoQ to 2.95% in Q2FY25 as compared to 2.67% in Q1FY25; including securitization book, GNPA would stand at 2.84%
- NNPA increased by 16 bps QoQ to 0.97% in Q2FY25 as compared to 0.81% in Q1FY25
- Bank further accelerated provisions; Micro finance PCR increased to 80% during the quarter. (Ref slide no.22)

**includes NPA Classification of co-borrower's loans*



Profit & Loss

- Net Income and Total Opex grew by 11% and 14% YoY, for Q2FY25 respectively
- PPOP stood at Rs. 350 Crores, grow by 6% YoY. Credit cost remained elevated at Rs. 330 Crores, Microfinance credit cost stood at ~Rs. 241 Crores for the quarter compared to Rs. 62 Crores in Q1FY25
- PAT for Q2FY25 stood at Rs. 13 Crores.

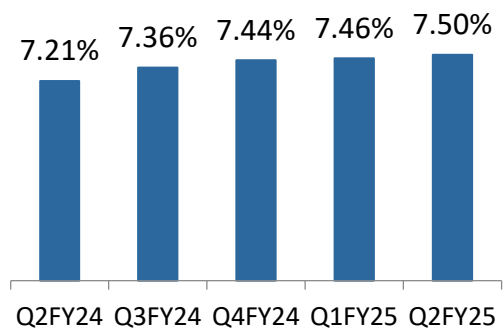


Financial Performance – Quarterly Trends



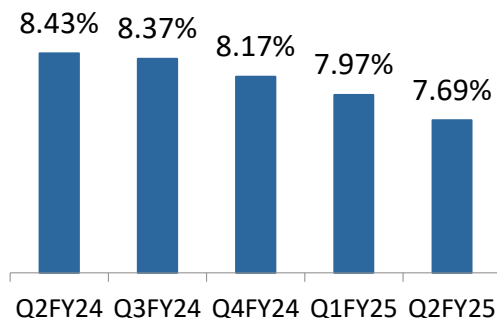
Key Ratios

Daily Avg Cost of Funds



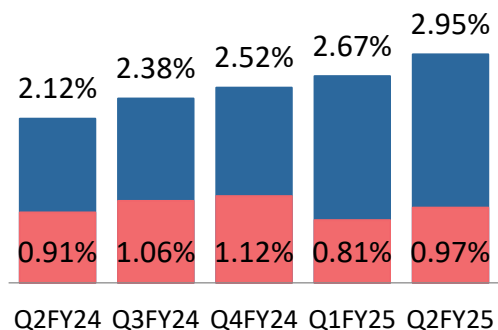
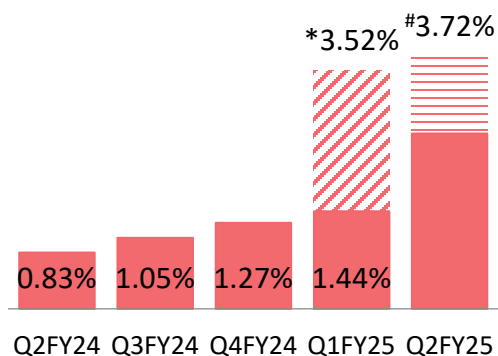
Credit Cost

Net Interest Margin (NIM)

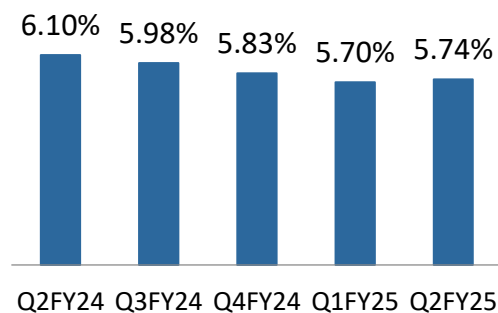


GNPA & NNPA

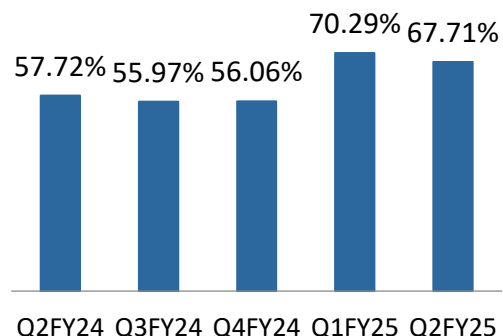
■ GNPA ■ NNPA



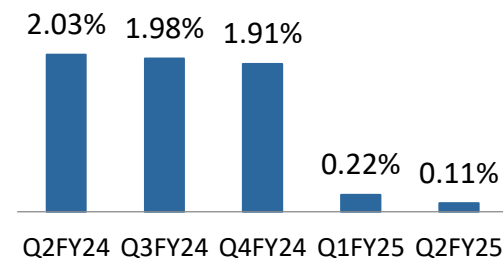
Cost to Assets



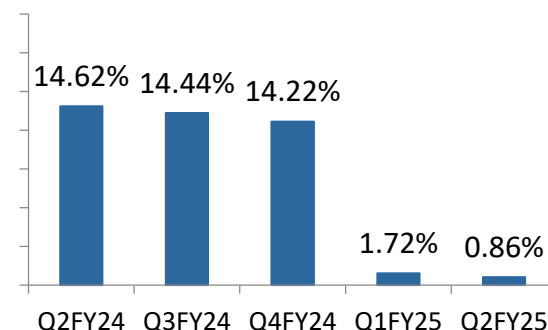
Provision Coverage Ratio



RoA



RoE

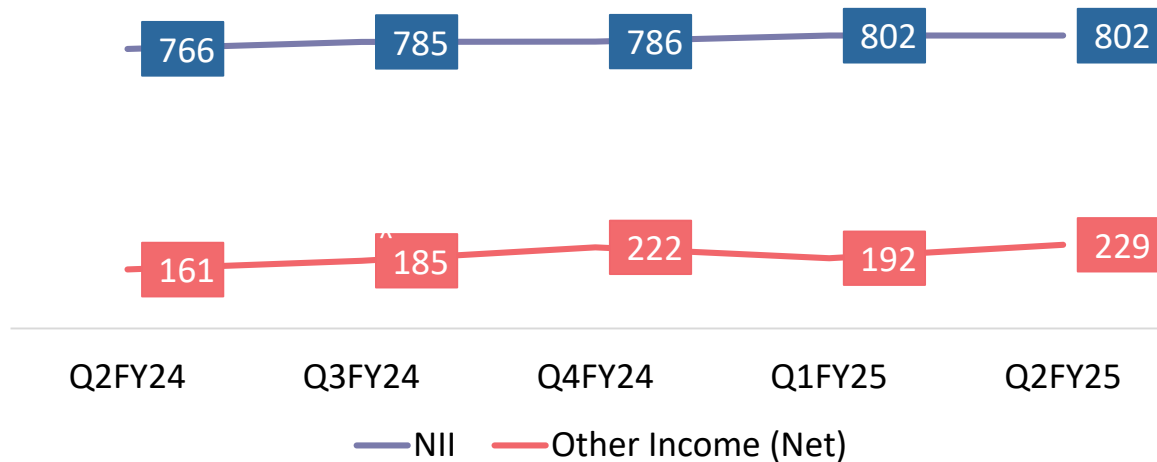


*Including additional floating provision of Rs.180 crs / #including additional stress sector provisioning of ~Rs.100 crs

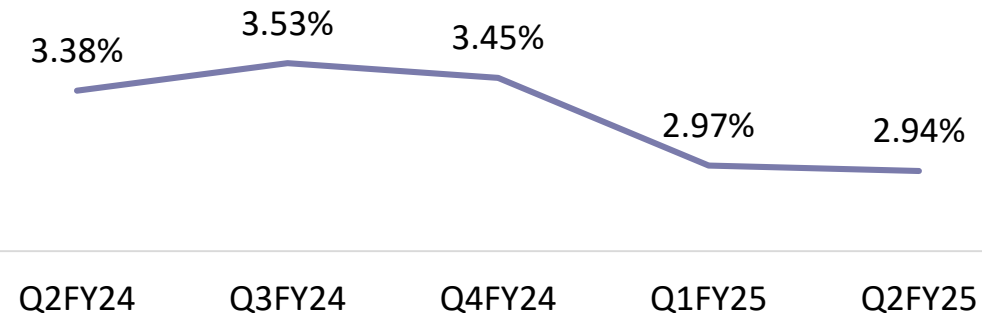


Income Evolution

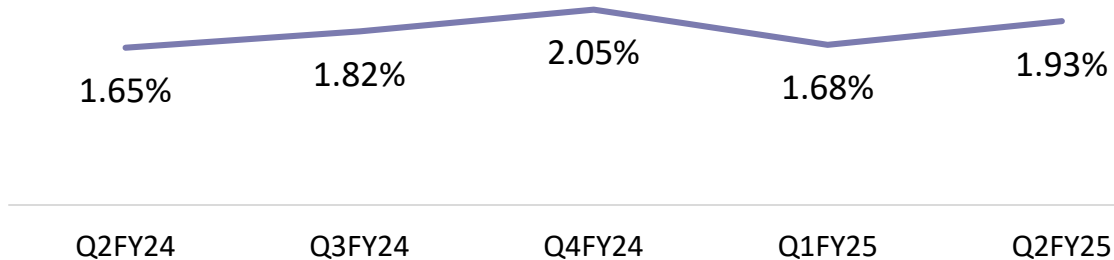
Net Income Evolution (Rs. Cr)



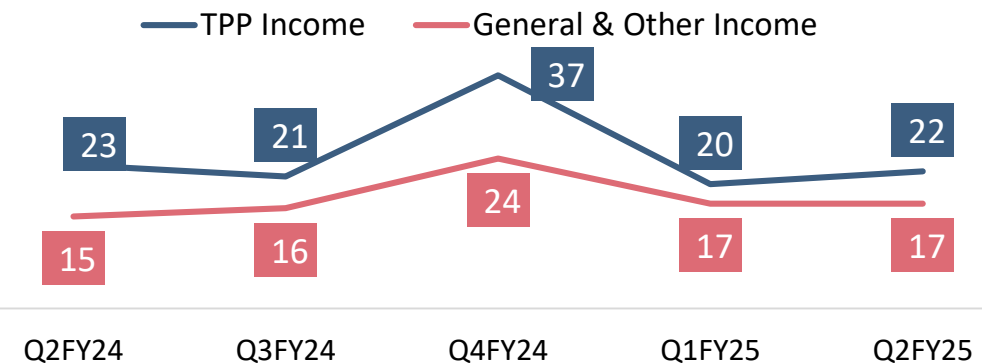
PPoP / Assets (%)



Other Income [Net] Contribution (%)

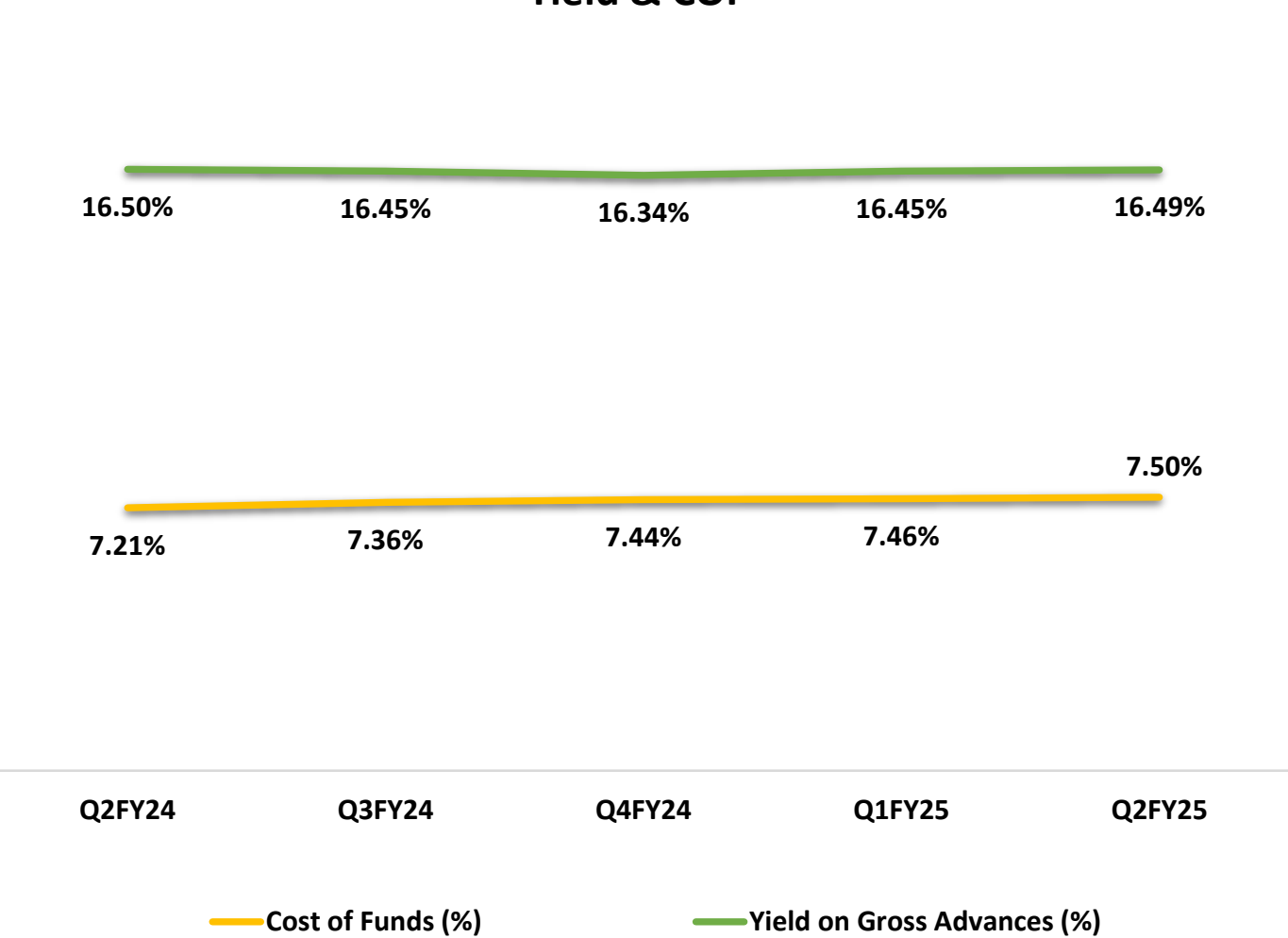


Liability Fee Income (Rs .Cr)



Yield & Cost of Funds Trend

Yield & COF



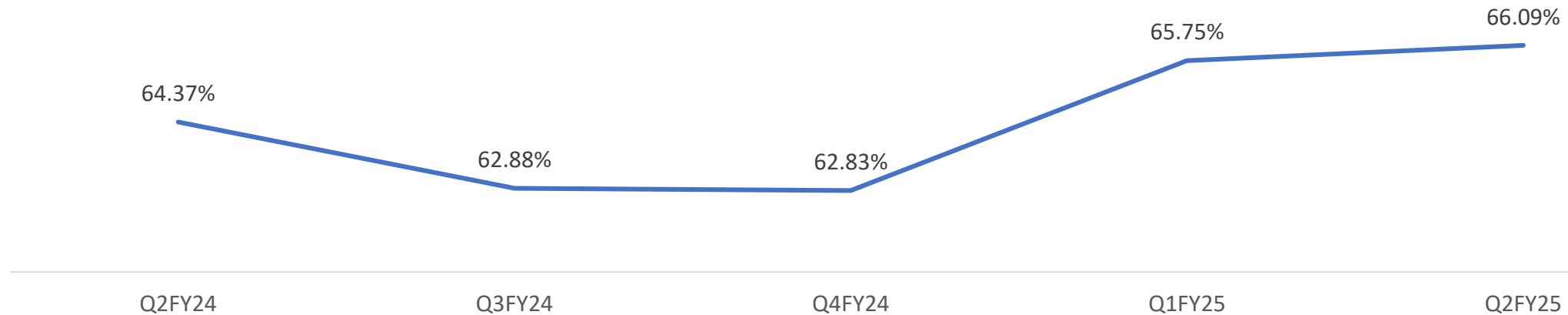
Particulars	Sept 2023	Dec 2023	March 2024	June 2024	Sept 2024
CD Ratio %	94.52	91.49	86.98	86.75	86.94
CD Ratio % (after reducing refinance borrowings from advances)	86.47	84.97	82.03	83.01	84.22



Opex evolution

Rs. Cr	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Employee expenses	332	346	363	375	402
Other expenses (net of digital expenses)	232	229	234	243	245
Depreciation	33	35	37	36	34
Total Operating expenses	597	610	634	653	681
No. of employees	21,862	21,679	22,854	22,585	23,233

Cost to Income



Advances



Advances evolution

Rs Cr	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY %	Contribution %
Micro Finance & Micro Loans	5,878	6,056	6265	5973	5636	-4%	16%
Small Business Loans (SBL)	11,493	12,285	13152	13747	14678	28%	41%
Housing Finance	3,582	3,884	4184	4342	4389	23%	12%
Vehicle Finance	7,777	8,093	8324	8472	8877	14%	25%
Used CV	3,675	3,762	3822	3895	4185	14%	12%
New CV	3,118	3,234	3278	3238	3189	2%	9%
Used Car	984	1097	1224	1339	1503	53%	4%
MSE Finance	1,095	1,167	1201	1235	1366	32%	4%
NBFC	1,042	887	716	643	604	-42%	2%
Others [†]	362	404	495	459	503	39%	1%
Gross Advances	31,229	32,776	34,337	34,871	36,053	15%	100%

[†] Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits ,staff loans and reverse repo of more than 14 days



Disbursements evolution

Rs Cr	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY %
Micro Finance & Micro Loans	1,406	1,380	1,466	1,035	949	-33%
Small Business Loans (SBL)	1,494	1,435	1,627	1,305	1,591	7%
Housing Finance	500	439	470	317	383	-24%
Vehicle Finance	1,341	1,239	1,254	1,061	1,484	11%
Used CV	669	622	637	572	887	33%
New CV	429	392	358	244	274	-36%
Used Car	243	225	259	245	323	33%
MSE Finance	102	152	168	121	194	90%
NBFC	25	0	0	65	125	400%
Others [†]	93	95	110	125	124	33%
Total Disbursements	4,961	4,740	5,095	4,029	4,850	-2%

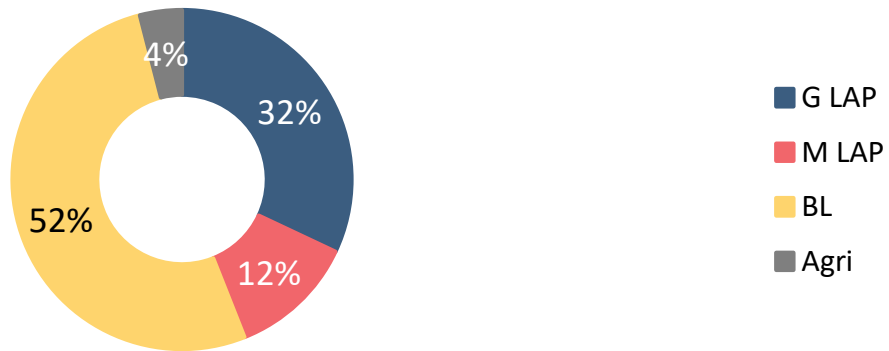
[†] Others includes loan-against-gold



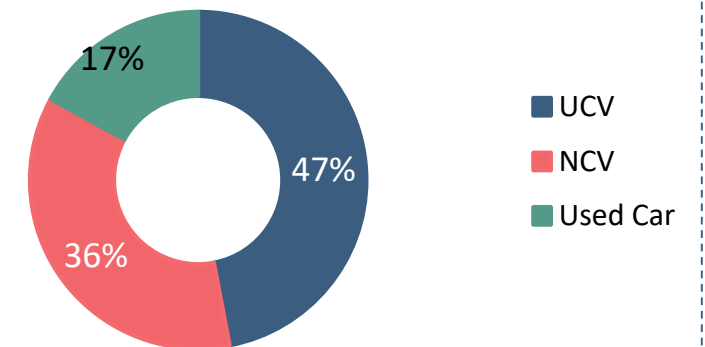
Segmental Details

Product Segment	Number of Live Loans	ATS @ Disbursement (Lacs)	ATS @ Portfolio (Lacs)	GNPA (%)	PCR (%)
Micro Finance	18,42,000	0.57	0.31	4.83%	80.38%
Small Business Loans (SBL)	2,91,894	7.42	5.03	2.19%	27.14%
Housing Finance	40,391	10.99	10.87	1.29%	29.04%
Vehicle Finance	2,24,357	6.10	3.96	2.65%	47.37%
MSE Finance	2,298	*92.32	59.43	9.35%	48.48%
NBFC	44	3125	1,372.61	0.79%	100.00%

SBL Product Mix



VF Product Mix



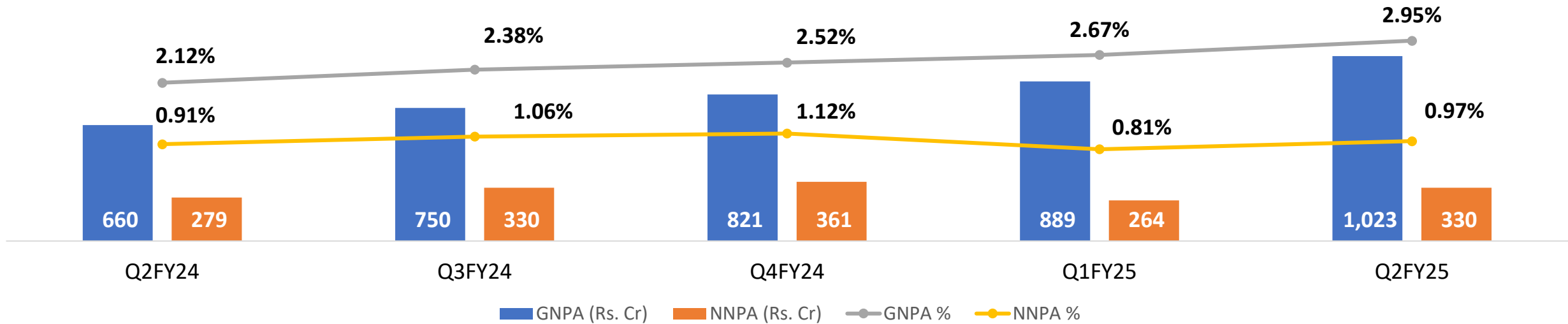
*Excludes TReDS



Asset Quality



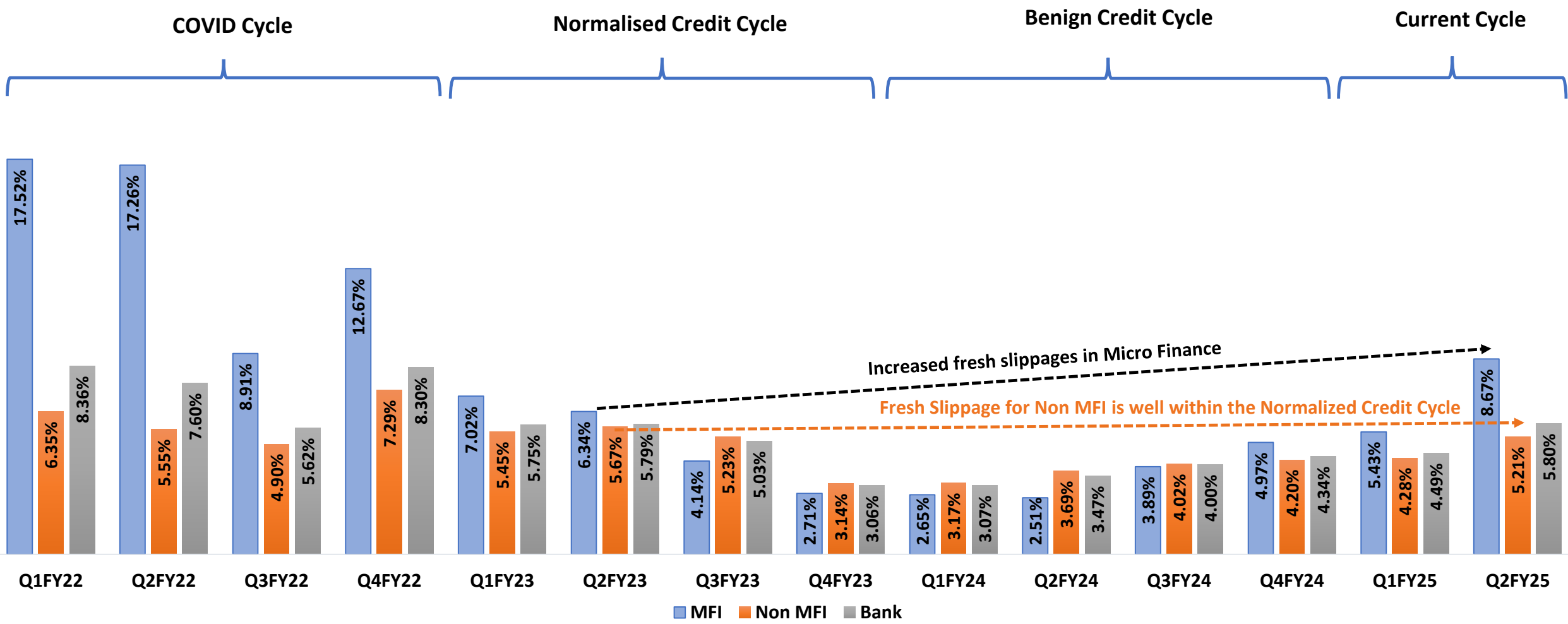
Asset Quality Trend



GNPA Movement (Rs. Cr)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Opening GNPA Balance	770.18	660.50	750.26	821.28	889.04
Add: Additions during the period	256.81	312.19	355.93	385.38	505.79
Less:					
i. Upgradations	114.86	102.71	136.36	121.34	126.97
ii. Recoveries (excluding recoveries made from upgraded accounts)	167.90	69.77	81.16	59.32	89.90
iii. Technical or Prudential write-offs	8.41	17.15	28.32	114.13	115.58
Write-offs other than those under (iii) above	75.32	32.80	39.07	22.83	39.56
Closing GNPA Balance	660.50	750.26	821.28	889.04	1022.82



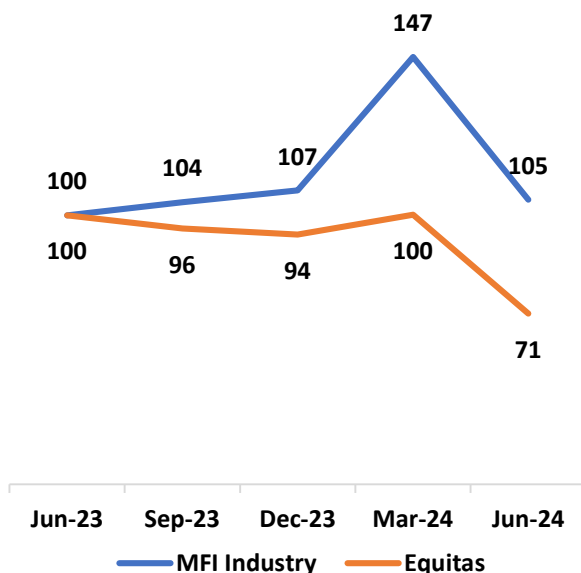
Slippages Trend



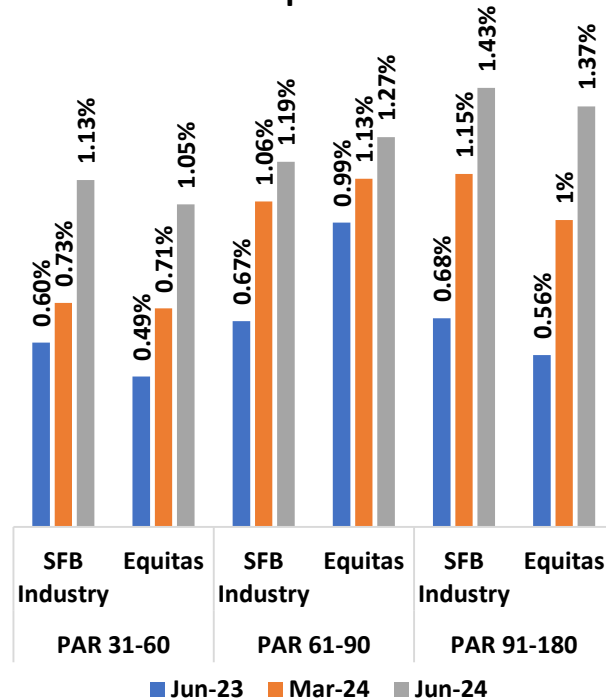
Industry Vs Equitas

- Equitas puts brakes on MFI disbursement momentum ahead of industry.
- Our DPD buckets are similar to SFB Industry levels.

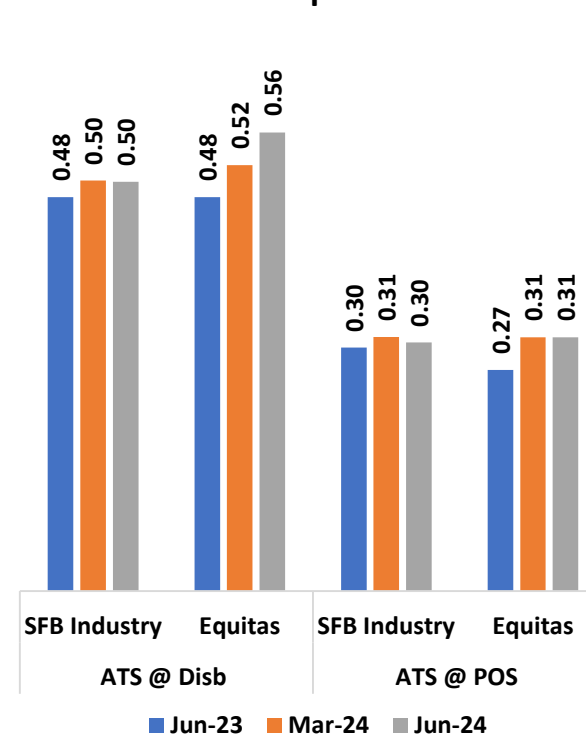
Disbursements Trend*



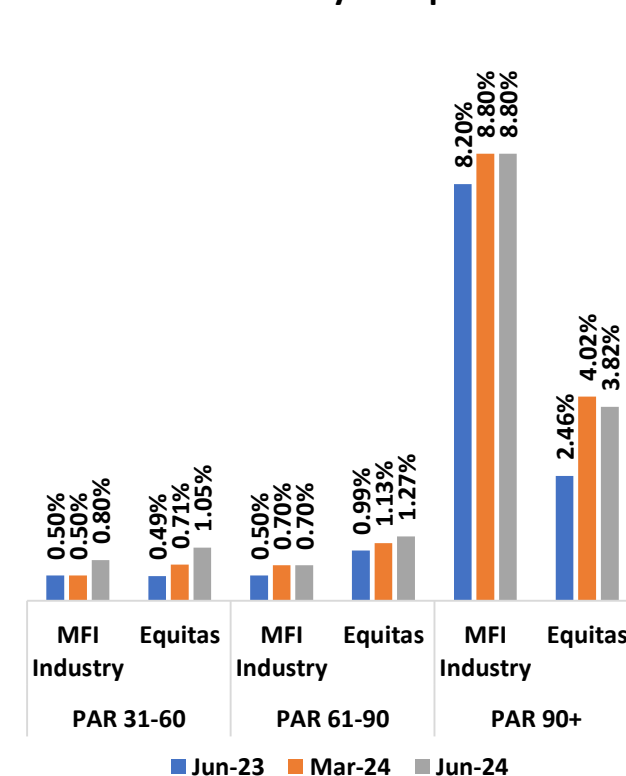
MFI Portfolio - SFB Industry Vs Equitas



ATS in Rs. Lakhs - SFB Industry Vs Equitas



MFI Industry Vs Equitas



*Based on Indexed value

Source: Micrometer Issue 50 by Mfin, MicroLend issue by CRIF High Mark

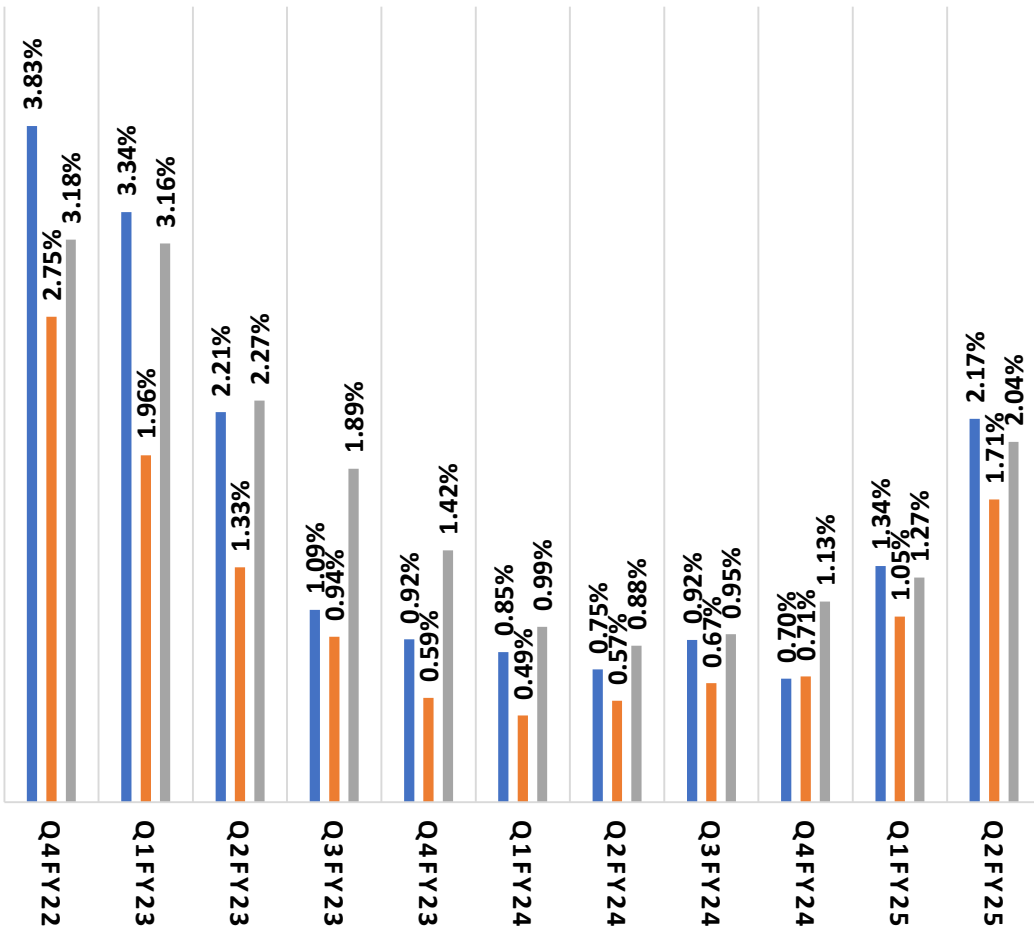


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DPD trends

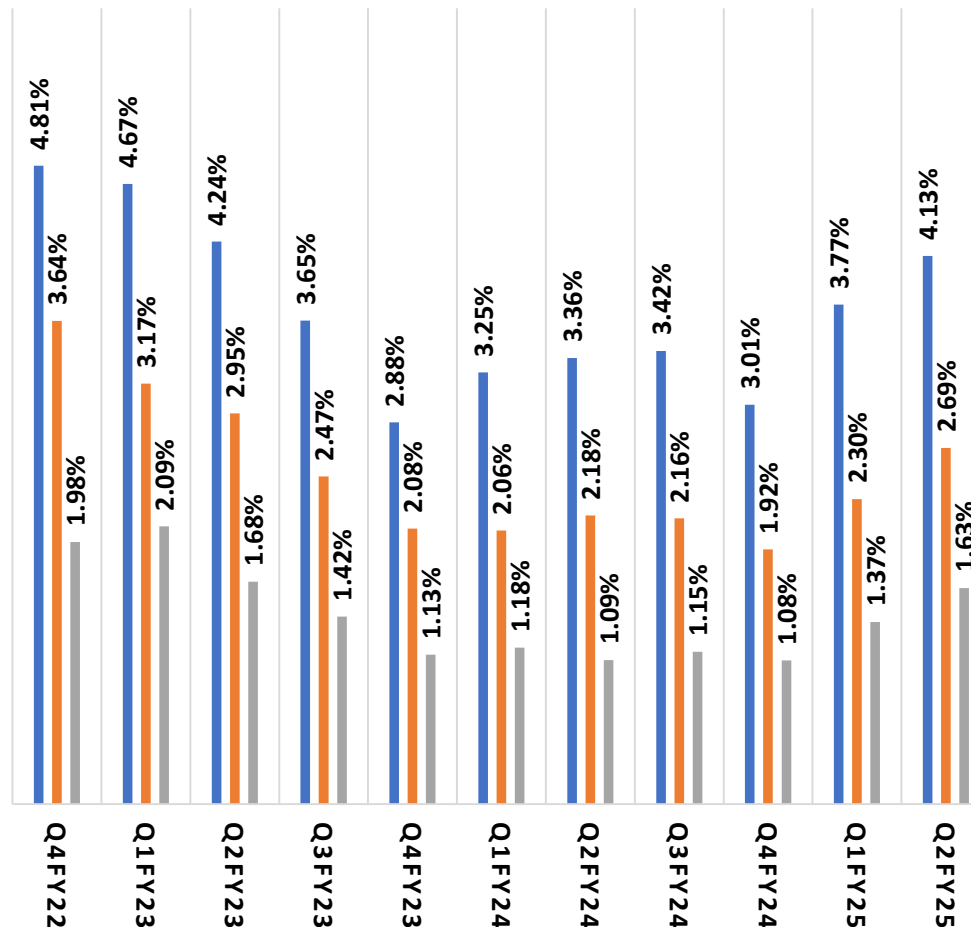
MICROFINANCE

■ SMA-0 ■ SMA-1 ■ SMA-2



BANK

■ SMA-0 ■ SMA-1 ■ SMA-2



Microfinance Trends:

- ~9% of the non delinquent (X-bucket) customers have loan exposure > Rs.2 lakhs
- Only ~11,000 out of 16 Lac customers are delinquent (31-90) but not NPA have exposure >Rs.2 lakhs
- Slippages largely seen from loans with vintage of 12 months.
- SMA book stands at 5.92%



Additional Provisioning in Microfinance

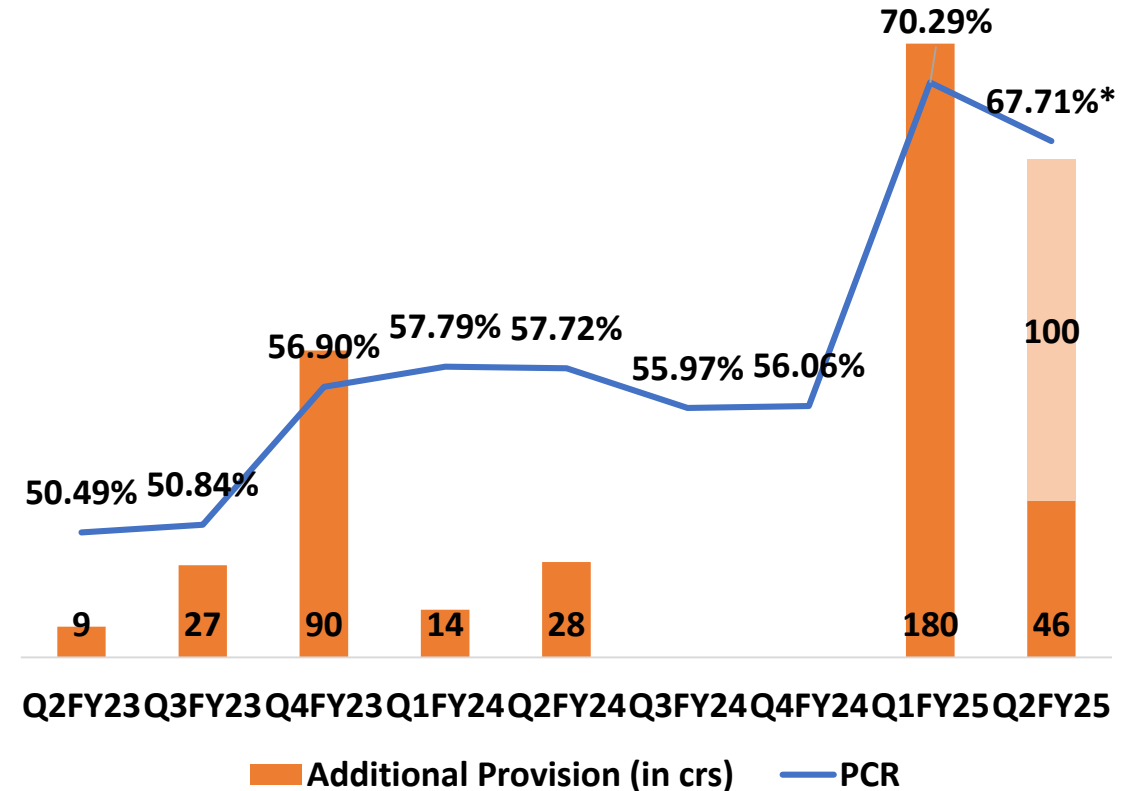
- 31-90 DPD for MFI portfolio has increased to 3.75% in Q2FY25 from 2.32% in Q1FY25 and 3.98% as on Oct2024
- Provisioning of ~ Rs. 146 Crs towards Microfinance made during the quarter
 - Bank has further strengthened its IRAC provisioning in Microfinance. This has lead to additional provisions of ~ Rs. 46 Crs
 - One time additional stress sector provisioning of ~Rs. 100 Crs proactively created during the quarter for the Microfinance portfolio. This translates to about 50% of 31-90 DPD of MFI portfolio as on 30th September, 2024.



Strengthening Provision Coverage

Asset Classification	Nature	Provisioning as per IRAC	Provisioning as per Equitas
Sub-standard	Secured	15%	24%
	Unsecured	25%	80%
Doubtful-1	Secured	25%	60%
	Unsecured	100%	100%
Doubtful-2	Secured	40%	70%
	Unsecured	100%	100%
Doubtful – 3	Secured	100%	100%
	Unsecured	100%	100%

PCR MOVEMENT



* Bank has further strengthened its IRAC provisioning in Microfinance. This has lead to additional provisions of ~ Rs. 46 Crs and one time additional stress sector provisioning of ~Rs. 100 Crs proactively on standard assets.



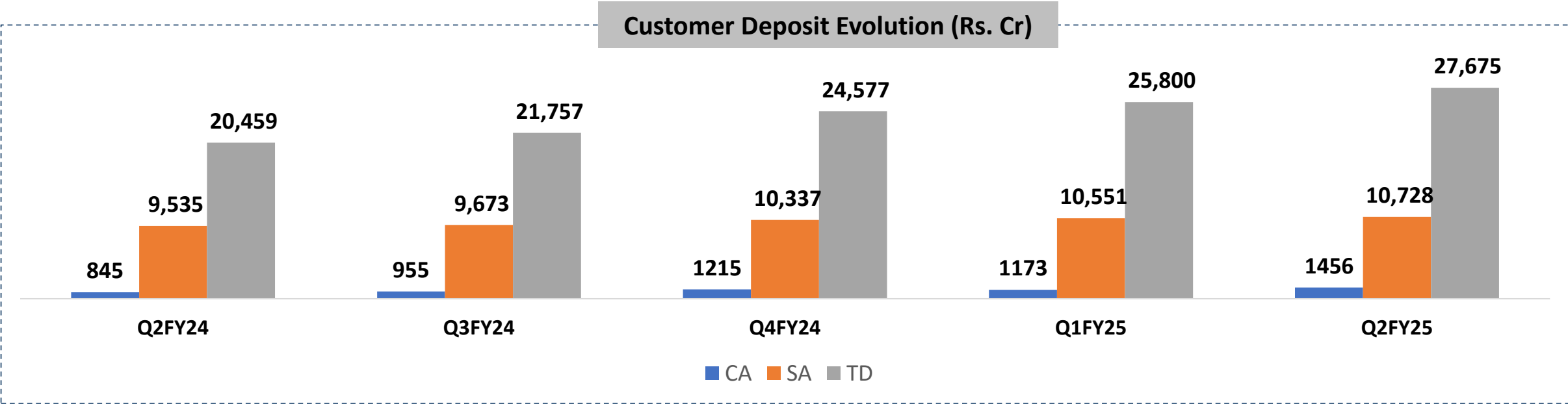
Liabilities & Branch Banking



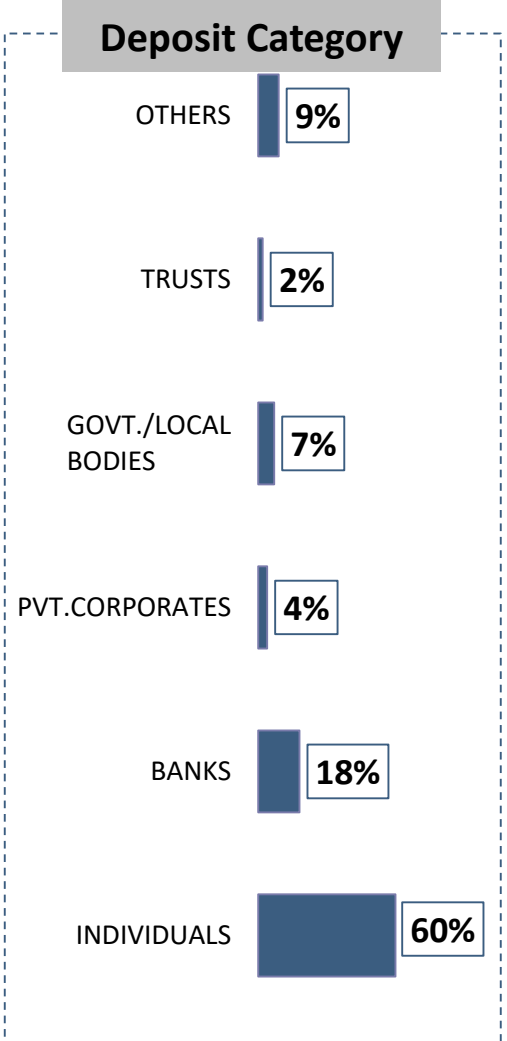
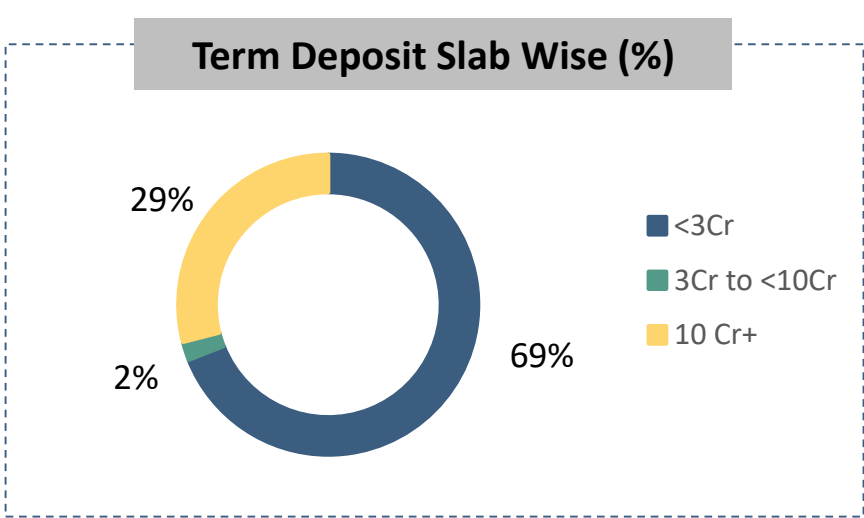
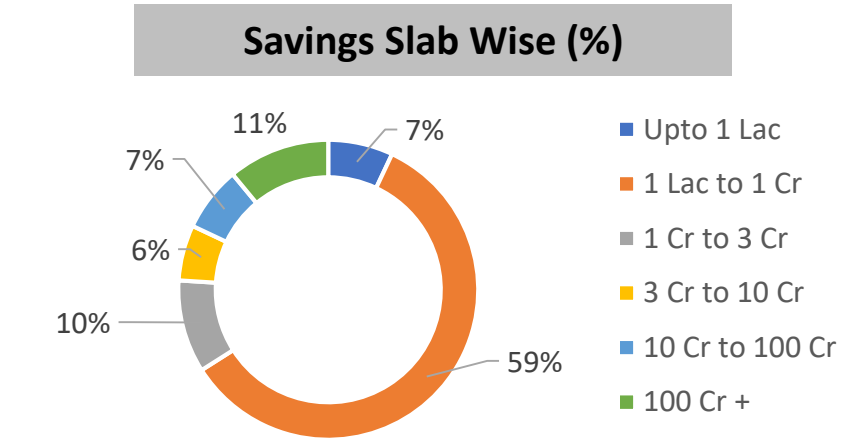
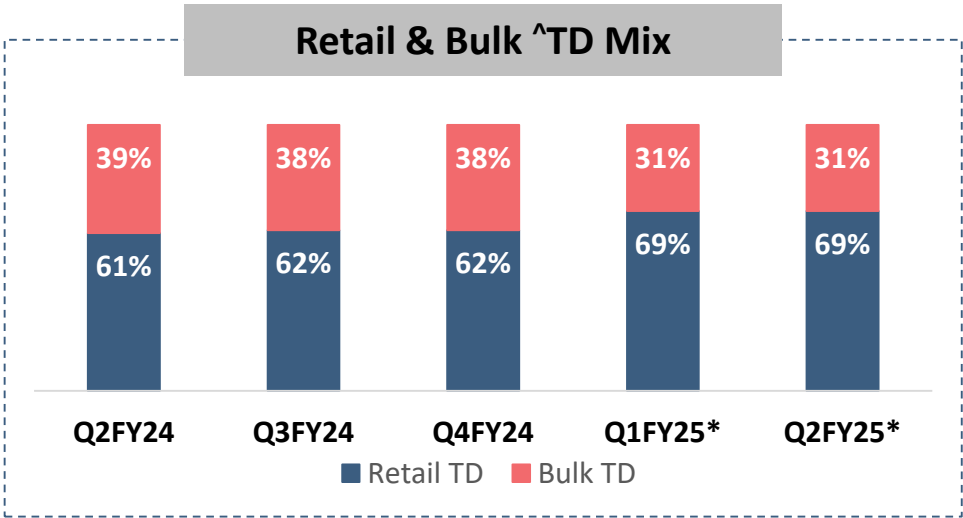
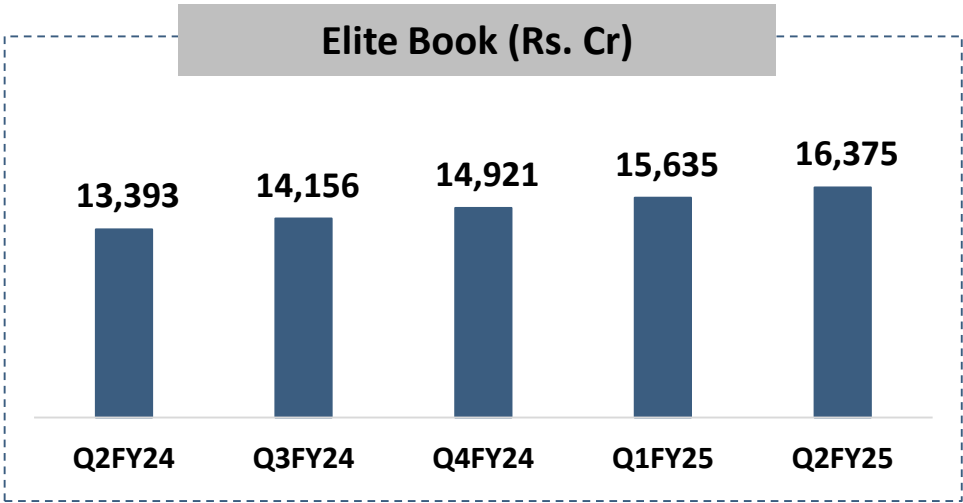
Deposits Evolution

as on 30 Sep 2024	CA [Current Account]	SA [Savings Account]	CASA [Low cost deposits]	TD [Term Deposits]	CASA+TD [Customer Deposits]
Balance (Cr)	1456	10,728	12,184	27,675	39,859
as a % of total borrowings (Rs. 40,944 Cr)	4%	26%	30%	68%	97%
as a % of total deposits (Rs. 39,859 Cr)	4%	27%	31%	69%	100%

^Includes Certificate of Deposits of Rs. 2,635 Crs



Customer Deposit Profile

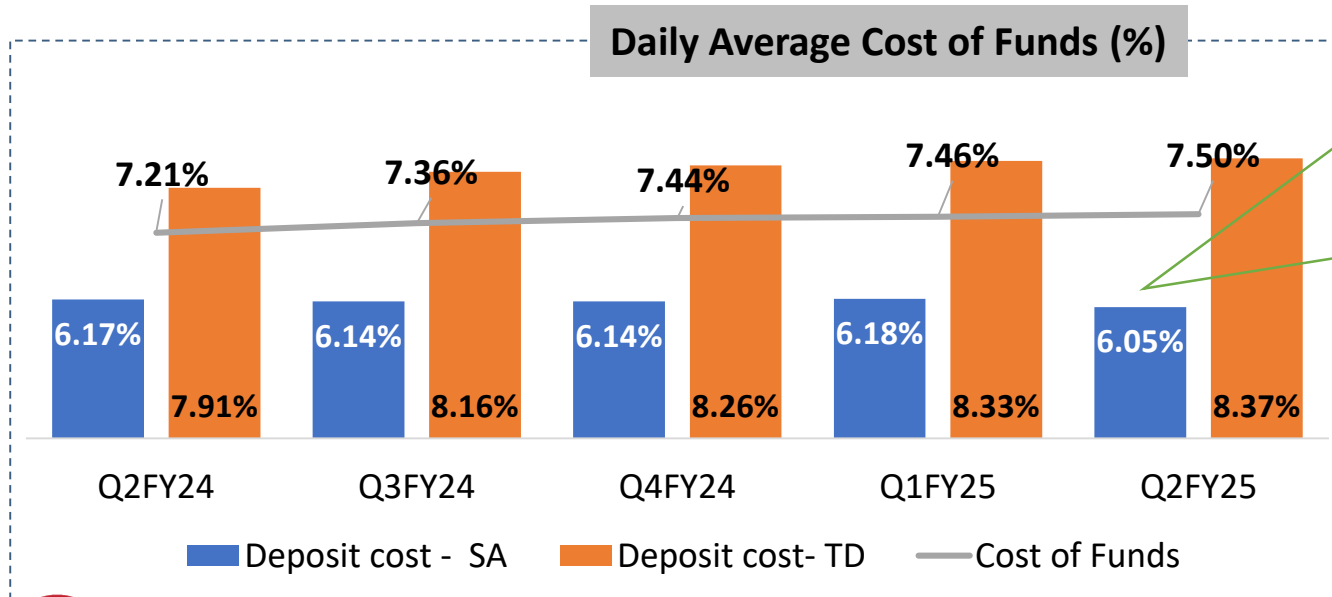
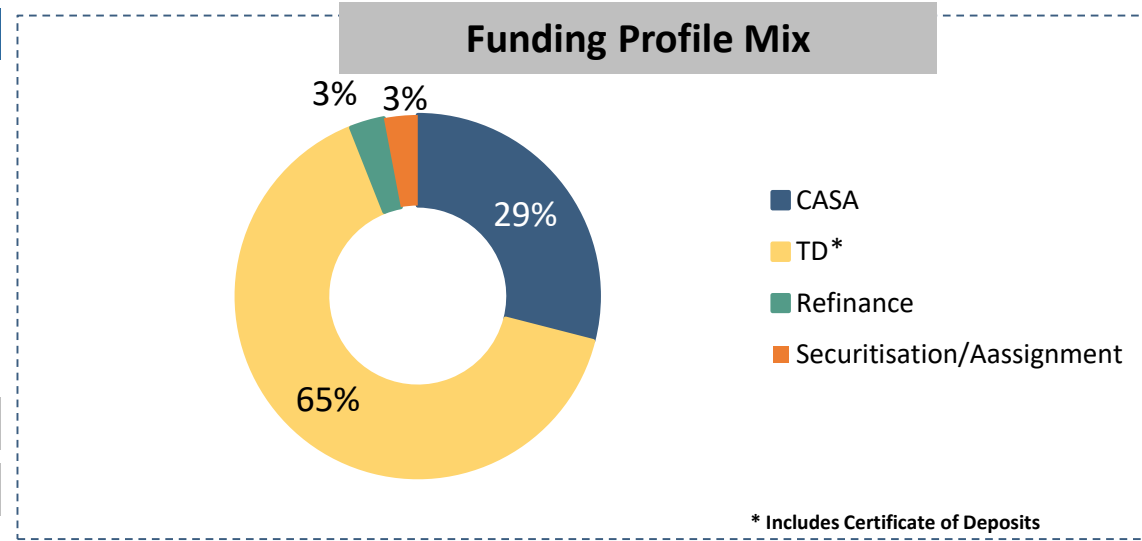


*^TD excludes certificate of Deposits | Retail TD as defined by RBI
As per the change in regulatory norms, bulk deposits threshold considered as ₹3 crore for June 30, 2024.



Funding Profile

Book Value (In Rs Cr)	Q4FY24	Q1FY25	Q2FY25
TD	22,937	23,545	25,040
Certificate of Deposits	1640	2255	2635
Refinance	1,788	1,403	1,085
CASA	11,552	11,724	12,184
Securitization/Assignment	1732	1570	1398
IBPC	1180	750	0
Total	40,829	41,248	42,342
Securitization/Assignment during the Quarter	584		



Impact of interest rate revision

Product	Slab/Rate (old)	Revision Jul'24	Revision Oct'24
SA	Up to Rs.1L : 3.5% Rs. 1 – 5L : 5% Rs. 5 – 7L : 7%	Rs. 1 – 7L : 5%	Up to Rs.1L : 3%
FD 444 days^	8.5%		8.25%

^For customers other than Sr. Citizens



Treasury Update



The Bank's total net Investment portfolio of Rs. 9,987 Crore comprises of SLR and Non-SLR securities

Category (In Rs. Cr)	Q2FY25
SLR	8,547
Non SLR	1,440
Total	9,987



Borrowings & Liquidity

- The Bank's Certificate of Deposits (CD) programme has highest rating at A1+ from India Ratings, CareEdge Ratings & CRISIL.
- The Bank's issuer rating has been rated AA-/Stable by India Ratings & CareEdge Ratings
- Liquidity Coverage Ratio (LCR) as on 30.09.2024 is 158.79%
- The Bank has adequate eligible advances available to raise funds through refinance or IBPC whenever required which provides strong cushion to ALM position of the Bank.



Profit on Sale of Investments for the quarter is Rs. 47.87 Crore



Financials



Balance Sheet

Particulars (in Rs Cr)	Sep-24	Sep-23	YoY %	Jun-24	QoQ%
Capital & Liabilities					
Capital	1,138	1,122	1%	1,136	0%
Reserves & Surplus	4,809	4,357	10%	4,872	-1%
Networth	5,947	5,479	9%	6,008	-1%
Deposits	39,859	30,839	29%	37,524	6%
Borrowings	1,085	2,481	-56%	1,403	-23%
Other Liabilities & Provision	1,743	1,330	31%	1,511	15%
Total	48,634	40,129	21%	46,446	5%
Assets					
Cash and Balances With Reserve Bank of India	2,160	1,306	65%	3,003	-28%
Balances With Banks and Money At Call and Short Notice	433	17	2447%	251	73%
Investments	9,987	8,551	17%	9,492	5%
Advances	33,963	28,768	18%	31,926	6%
Fixed Assets	622	560	11%	599	4%
Other Assets	1,469	927	58%	1,175	25%
Total	48,634	40,129	21%	46,446	5%
Gross Advances	36,053	31,229	15%	34,871	3%



Profit & Loss Account

Particulars (in Rs Cr)	Q2FY25	Q2FY24	YoY%	Q1FY25	QoQ%
Interest Income from Loans	1,366	1,225	11%	1,325	3%
Income on Investments	170	126	35%	154	10%
Interest on balances with RBI and other inter bank funds	19	8	148%	22	-14%
Total Interest Income	1,555	1,359	14%	1,501	4%
Finance Cost					
Interest on deposits	720	522	38%	663	9%
Interest on RBI / inter-bank borrowings	9	16	-45%	6	42%
Other interest	24	55	-56%	31	-21%
Total Finance Cost	753	593	27%	699	8%
Net Interest Income	802	766	5%	802	0%
Other Income^					
Asset Fee Income	144	105	37%	126	14%
Treasury & PSLC Fee Income	46	18	156%	29	60%
Liability & Distribution Income	39	38	3%	37	5%
Total Other Income^	229	161	42%	192	19%

^Other income is net of digital expenses



Profit & Loss Account

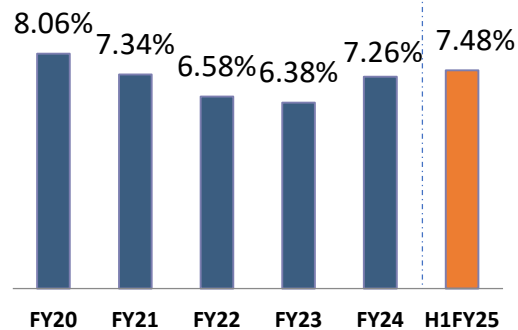
Particulars (in Rs Cr)	Q2FY25	Q2FY24	YoY%	Q1FY25	QoQ%
Net Income	1,031	927	11%	994	4%
Employee Cost	402	332	21%	375	7%
Opex*	279	265	5%	278	0%
Total Operating Expenditure	681	597	14%	653	4%
PBT before provision & Write-off	350	330	6%	341	3%
Credit Cost	330	63	422%	305	8%
PBT	20	267	-92%	36	-44%
Taxes	7	69	-90%	10	-28%
PAT	13	198	-93%	26	-50%

*Opex is exclusive of digital expenses

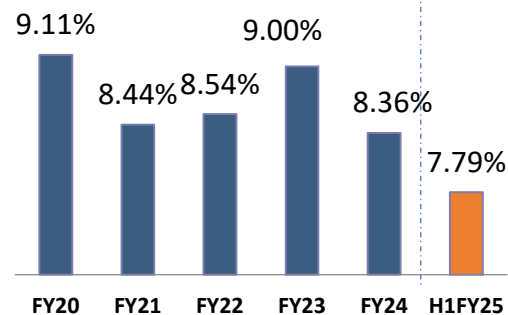


Key Ratios - Annual

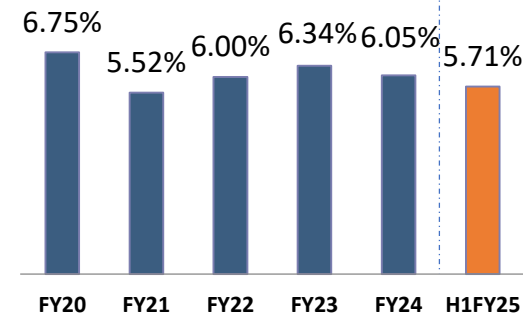
Cost of Funds



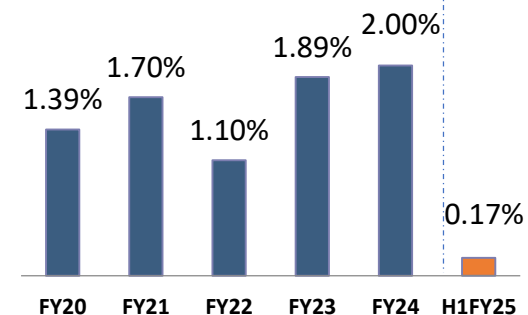
Net Interest Margin (NIM)



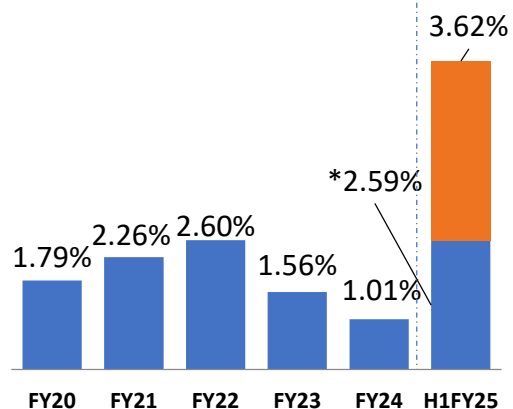
Cost to Assets



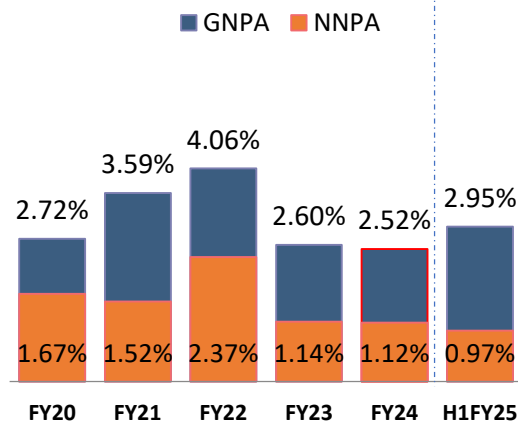
RoA



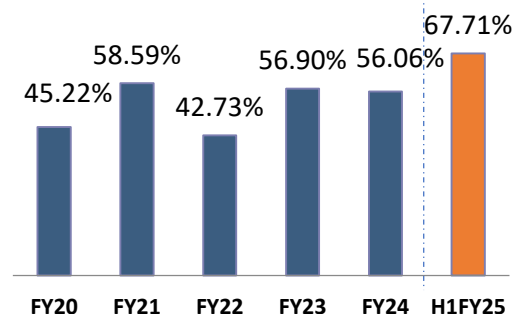
Credit Cost



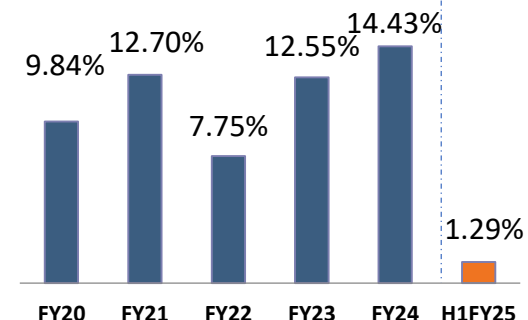
GNPA & NNPA



Provision Coverage Ratio



RoE

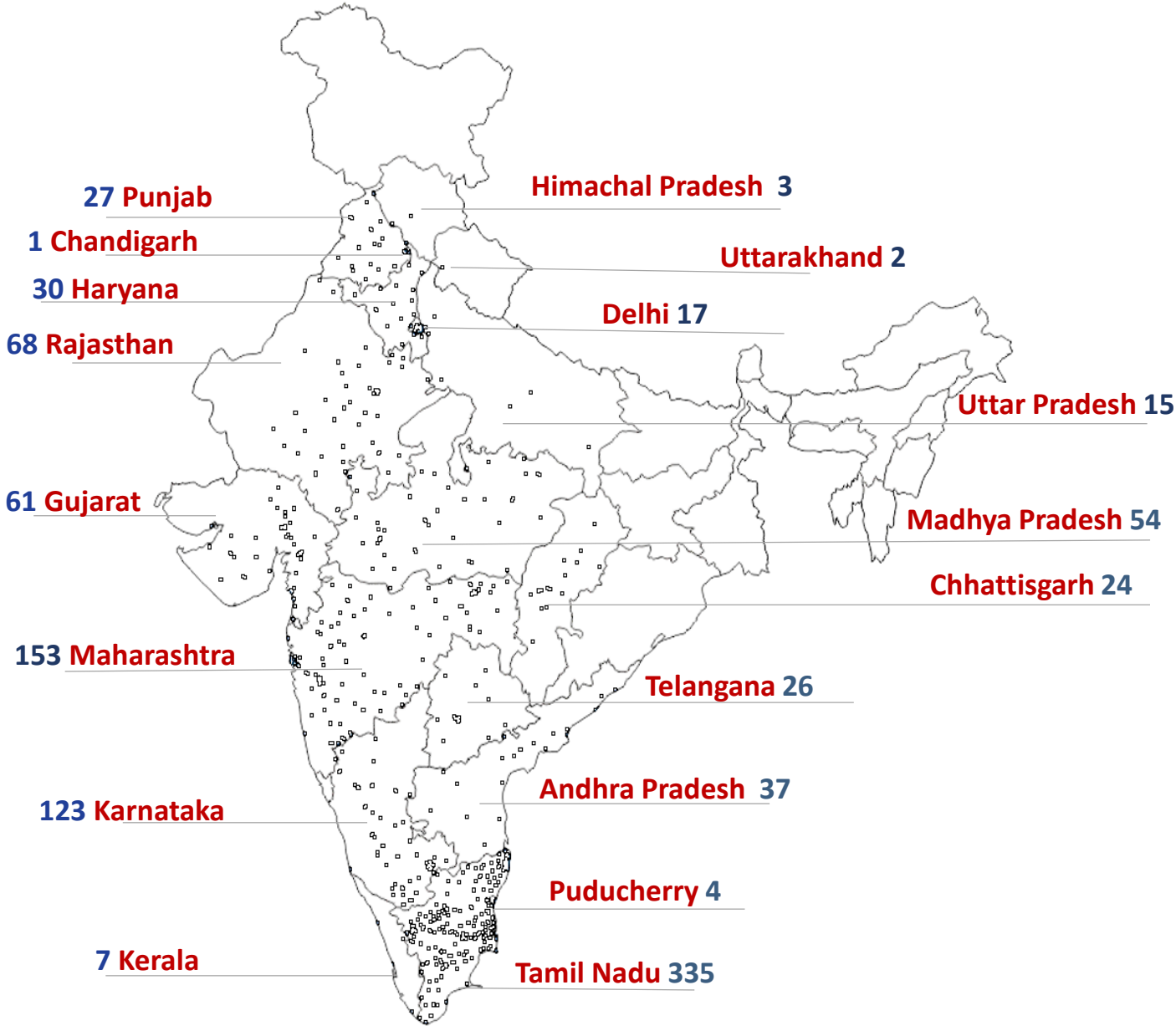


Our Presence

States	Advances (%)	Deposits (%)
Andhra Pradesh	4%	3%
Chandigarh	-	2%
Chhattisgarh	1%	2%
Delhi	2%	8%
Gujarat	4%	6%
Haryana	2%	4%
Himachal Pradesh	0.1%	-
Karnataka	13%	8%
Kerala	0.4%	1%
Madhya Pradesh	3%	4%
Maharashtra	15%	15%
Punjab	1%	6%
Rajasthan	4%	6%
Tamil Nadu & Pondicherry	48%	28%
Telangana	2%	3%
Uttar Pradesh	1%	2%
Uttarakhand	-	0%

Map not to scale

● Districts present in | Branch network



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Beyond Banking



CSR Initiatives



CHILDREN SCHOLARSHIP

Beneficiaries:-
Q2FY25 – 15
Cumulative - 2619

SKILL TRAINING

Women Trained:
Inception Year - 2008
Q2FY25 - 10021
Cumulative - 684944



FREE CATARACT SURGERIES

Beneficiaries:-
Q2FY25 – 722
Cumulative - 38707

DIFFERENTLY ABLED

Financial help:
Inception Year - 2008
Q2FY25 - 1393
Cumulative - 174455

JOB PLACEMENTS

Placed Youth:
Inception Year – 2014
Q2FY25 - 11057
Cumulative - 307051



PAVEMENT DWELLERS REHABILITATION

Beneficiaries:
Q2FY25 – 250
Cumulative - 5046

WOMEN EMPOWERMENT

Exhibitions Conducted:
Inception Year - 2008
Q2FY25 - 28
Cumulative - 192

TRANSGENDER INCLUSION

Beneficiaries:
Inception Year - 2008
Q2FY25 - 28
Cumulative - 538



HEALTH CAMPS

Camps Conducted:
Q2FY25 - 1438
Cumulative - 49254





**Beyond
Banking**

100K+ Reach

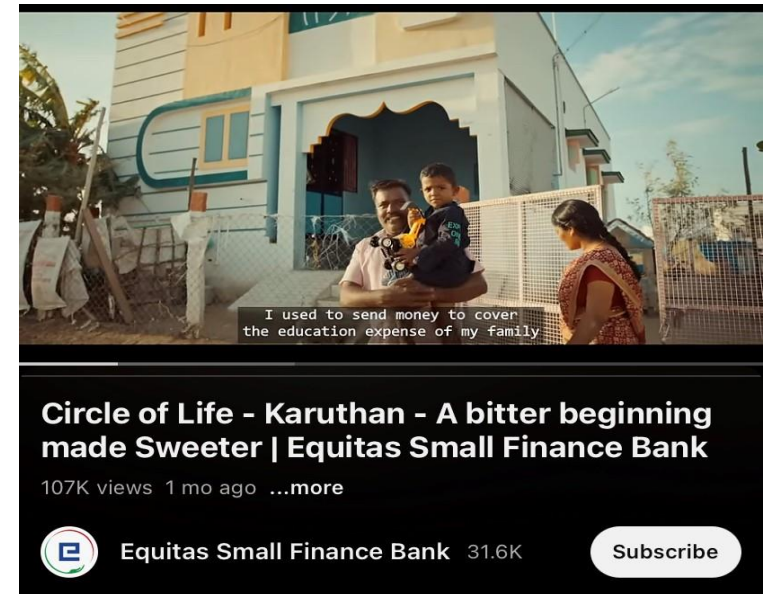
Investor Relations

Equitas Small Finance Bank Limited

Website – <https://ir.equitasbank.com/>

Email – ir@equitasbank.com

4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai,
Chennai 600 002, Tamil Nadu



Circle of Life – A bitter beginning made Sweeter

<https://youtu.be/ILOnnbATuJ4?si=Dc10ldSetpGVcDL>



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