

Q2FY21 Investor Presentation



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The Bank does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Bank.

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Key Highlights

Snapshot

Operational



17 States and UTs



856 Banking Outlets
322 ATMs



269 Business Correspondents



40+ Lac total customers
15,879 employees

Asset Offerings



Gross Advances:

Rs. 16,731 Cr [Rs. 13,268 Cr]
SBL- 42%, VF - 25%, MF- 22%
MSE – 6%, NBFC – 4%



Disbursements:

Rs. 1,902 Cr [Rs. 2,408 Cr]
SBL – 37%, VF - 27%, MF – 21%,
MSE – 4%, NBFC – 9%



Asset Quality*:

GNPA: 2.76% [2.86%]
NNPA: 1.40% [1.62%]
PCR: 58.84% [43.83%]



Yield on Gross Advances:

19.26% [18.60%]

Liability Profile



Total Deposits:

Rs. 12,901 Cr
[Rs. 10,025 Cr]



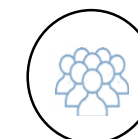
Third Party Products:

Insurance Premium Collected
Rs. 18.74 Crs [Rs. 14.91 Cr]
Mutual Fund AUM – Rs.
127.16 Cr [Rs. 117.37 Cr]



Daily Average Cost of Funds: 7.36%

SA – 6.43%, TD – 7.90%



Deposits Per Branch (branch banking outlets):

Rs. 34 Cr [Rs. 27 Cr]

Financials



PAT:

Q2FY21 Rs. 103 Cr [Rs. 49 Cr]
1HFY21 Rs 161 Cr [Rs.107 Cr]



Shareholders funds

CRAR – 20.93%
Tier I – 20.16%
Tier II – 0.77%



NIM:

Q2FY21 – 9.02% [8.83%]



RoA: 1.88% [1.17%]

RoE: 14.44% [8.47%]

Highlights – Q2FY21

Advances:

- Advances as of Q2FY21 was at Rs. 16,731 Cr, Advances growth of 26% YoY
- The Bank disbursed Rs. 1,902 Cr in Q2FY21, Disbursements at 80% of Q2FY20
- 77.37% of advances is secured loans
- New Product - Gold Loan & Used Car Advances cross Rs. 50 Cr each
- Collection efficiency for the month of October climbs upto 94.3%
- 89% of the Gross Advances is in 0 dpd bucket

Liabilities:

- Deposits excluding CD at Rs. 12,588 Cr, growth of 31% YoY and 10% QoQ
- Retail TD at Rs. 4,983 Cr, growth of 98% YoY and 14% QoQ
- Savings Account deposits at Rs. 2,845, growth of 53% YoY and 41% QoQ
- CASA stood at Rs. 3,246 Cr, CASA is 25% of Total Deposits
- 92% of bulk deposit are non-callable
- Digi Banking gains traction - Over 80,000+ Savings Account acquired and 36,000+ FASTags issued through Digital Marketing programme
- 15,000+ Accounts opened from Non Equitas branch location

Highlights – Q2FY21

Profit & Loss:

- Net Interest Income for Q2FY21 at Rs. 461 Cr as against Rs. 351 Cr in Q2FY20, growth of 31% YoY. NIM at 9.02%
- Core Income (Net Income other than PSL Fees, Treasury & Others) at 98%
- PBT before provisions and write off for Q2FY21 at Rs. 220 Cr as against Rs. 131 Cr in Q2FY20, growth of 67%
- Additional Covid provision of Rs. 26 Cr in Q2FY21. The bank now carries Rs. 170.63 Cr of COVID-19 related provisions (other than Standard and NPA Provisions), which constitutes 1.02% of total Gross Advances
- PAT for Q2FY21 at Rs. 103 cr as against Rs. 49 Cr in Q2FY20, growth of 108%

Asset Quality:

- GNPA at 2.39% in Q2FY21 as compared to 2.68% in Q1FY21 and 2.86% in Q2FY20
- NNPA at 1.00% in Q2FY21 as compared to 1.48% in Q1FY21 and 1.63% in Q2FY20

The Honorable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ("Interim Order"), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank has not classified any account (whether granted moratorium or not) which was not NPA as of August 31, 2020 as per the RBI IRAC norms, as NPA after August 31, 2020. Further, in light of the Interim Order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time that the Hon'ble SC rules finally on the matter.

However, if the Bank had classified borrower accounts as NPA after August 31, 2020, the Bank's proforma Gross NPA ratio and proforma Net NPA ratio would have been 2.76% and 1.40% respectively. Pending disposal of the case, the Bank, as a matter of prudence has, in respect of these accounts made a contingent provision (including on interest accrued) of Rs. 15.43 crore, which is included in Provisions (other than tax) and Contingencies

Highlights – Q2FY21

Capital:

- As of September 30, 2020 Total CRAR at 20.93% and Tier-I CRAR of 20.16%; Well above minimum regulatory requirements of 15% and 7.5%. Tier II Capital at 0.77%
- Complying with the Small Finance Bank licensing requirement, the Bank got listed

Treasury & Liquidity:

- Availed refinance of Rs. 1,100 Crore during Q2FY21 (Rs. 685 Crore in Q1FY21). Bank has adequate advances to avail fresh refinance whenever required which provides strong cushion to ALM position of the Bank
- Bank has also undertaken Inter-Bank Participation Certificates (IBPCs) with a mix of PSL/Non-PSL advances which further enhances the liquidity of the Bank
- Adequate surplus liquidity in the form of High Quality Liquid Assets (HQLA) being maintained to fund advances growth.
- Liquidity Coverage Ratio (LCR) for the quarter at 126% much above the minimum regulatory requirement of LCR at 80%
- Daily Average cost of funds for Q2FY21 at 7.36%

Key Ratios:

- Cost to Income improves to 58.15% in Q2FY21 as compared to 68.35% in Q2FY20 and 67.27% in Q1FY21
- RoA and RoE for Q2FY21 at 1.88% and 14.44% respectively

Highlights – Q2FY21

Customer Service Management:

- Launched NPS (Net Promoter Score) to improve customer experience across touch points in Q2FY21
- Launched Branch scorecards for branch banking outlets to improve customer service indicators
- Implemented AI led Bots to manage responses from marketing campaigns related enquires

Awards:

CMO Asia:

- Best Innovative CEO – Mr. P N Vasudevan (MD & CEO)
- Best Product Proposition – Savings Account
- Best innovative Insurance Solution – COVID Indemnity Policy
- Best Campaign – One India One Bank

Economic Times:

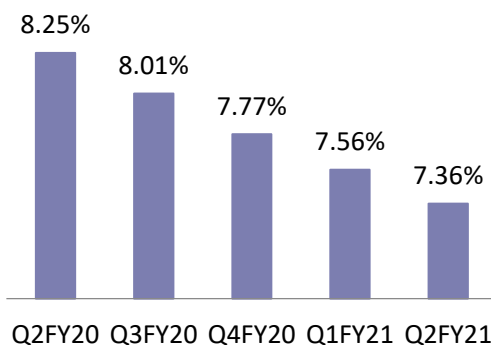
- Best Brand Award 2020



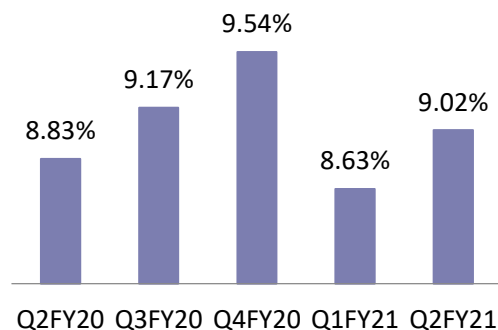
Financial Performance

Key Ratios

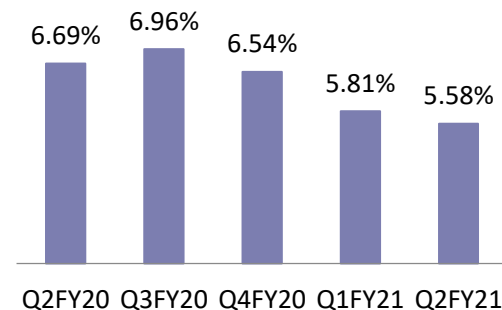
Cost of Funds



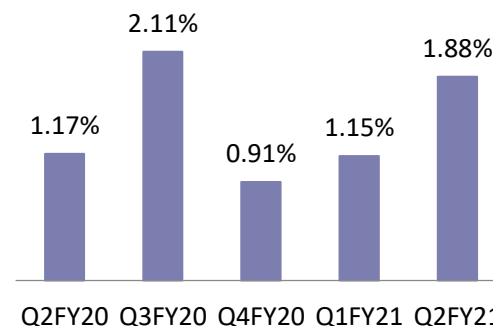
Net Interest Margin (NIM)



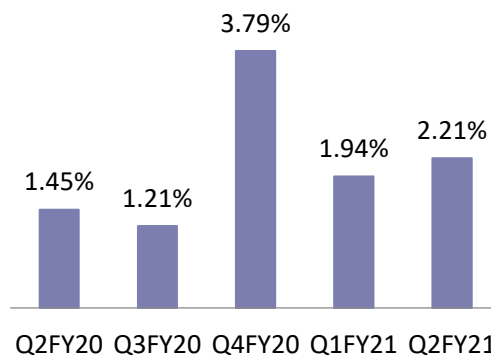
Cost to Assets



RoA

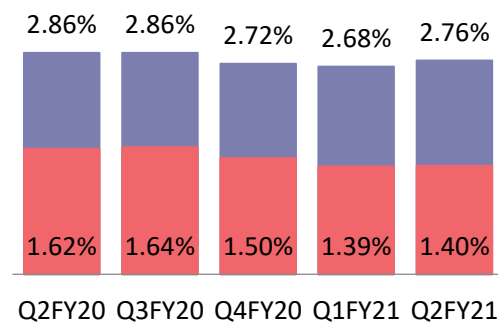


Credit Cost

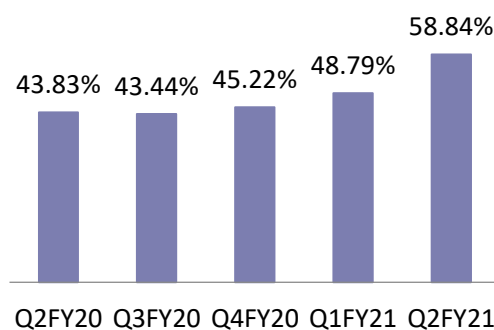


GNPA & NNPA*

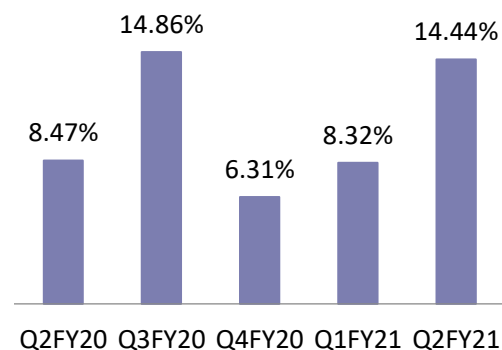
■ GNPA ■ NNPA



Provision Coverage Ratio



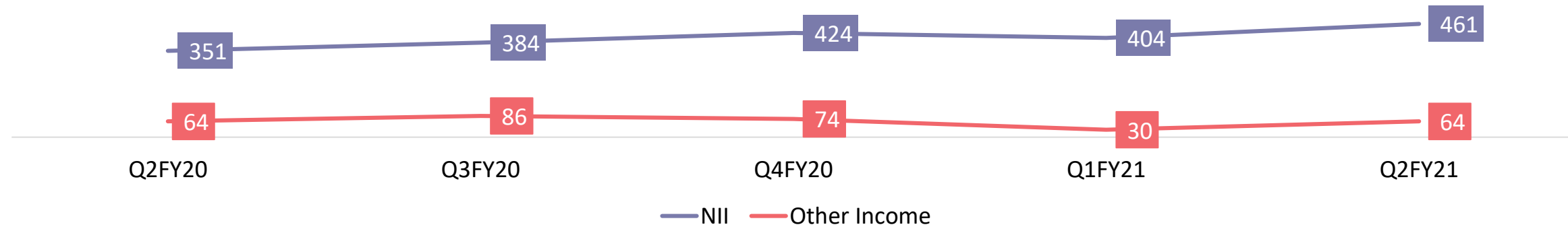
RoE



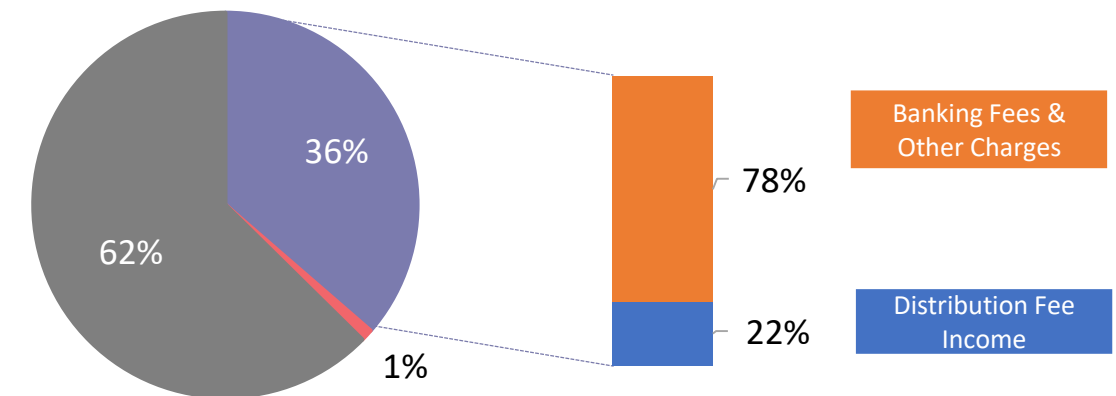
*Actual GNPA and NNPA due to Hon Supreme Court Order (Standstill) is at 2.39% and 1.00% respectively

Income Evolution

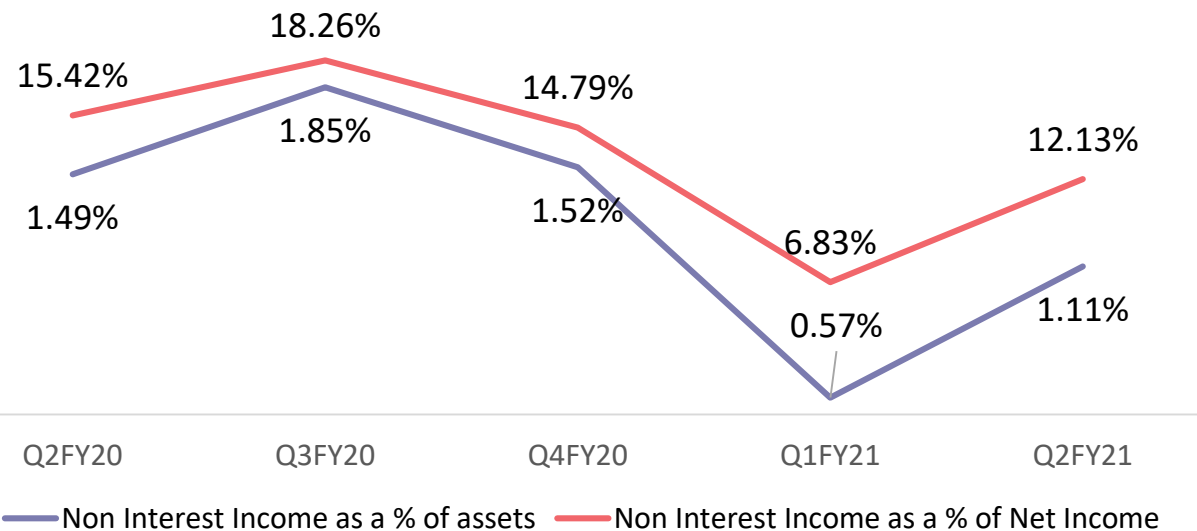
Net income evolution (in Rs. Cr)



Other Income Break-up (Rs. Cr)



Non-interest income * evolution



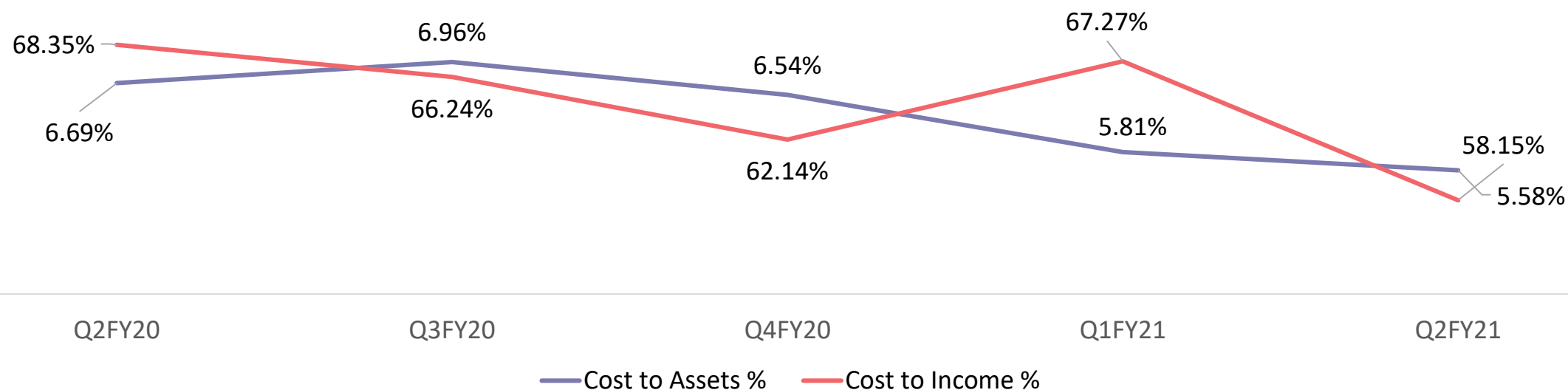
■ Liabilities Segment Fee Income
 ■ Treasury Gain/ Loss [Net]
 ■ Asset Segment Fee Income

* Non Interest Income = Other income + PSLC fee income | Net Income is NII + Other Income + PSLC

Opex Evolution

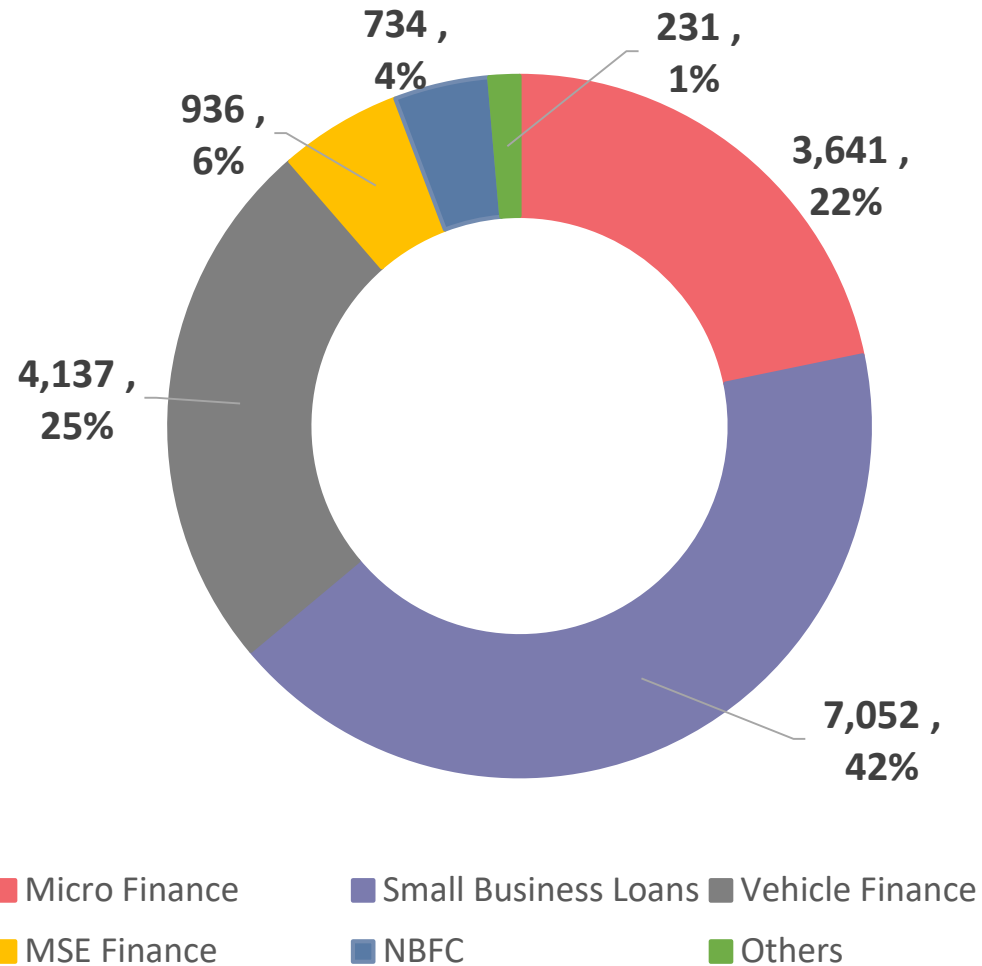
Rs Cr	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Employee expenses	170	184	187	194	188
Other expenses	89	101	100	78	99
Depreciation	25	26	22	19	19
Total Operating expenses	283	311	309	292	305
No. of employees	15,589	15,836	16,104	15,843	15,879

Opex evolution



Advances

Advances Evolution & Diversified Book



Rs Cr	Q2FY21	Q2FY20	YoY Growth %
Micro Finance	3,641	3,193	14%
Small Business Loans (Incl. HF)	7,052	5,405	30%
Vehicle Finance	4,137	3,235	28%
MSE Finance [^]	936	435	NA
NBFC [^]	734	693	NA
Others [†]	231	307	-25%
Gross Advances	16,731	13,268	26%

[^] Rs. 145.07 Cr reclassified from Corporate to MSE Finance from Q2FY21 onwards

[†] Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans| Housing Finance (HF) | Micro Small Enterprises (MSE)

Advances Evolution & Diversified Book

Rs Cr	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Micro Finance	3,193	3,504	3,616	3,618	3,641
Small Business Loans (Incl. HF)	5,405	5,931	6,279	6,484	7,052
Small Business Loans	4,340	4,739	4,995	5,152	5,580
Housing Finance	451	528	604	629	715
Agri Loans	614	664	680	703	757
Vehicle Finance	3,235	3,591	3,760	3,777	4,137
Used CV	2,362	2,550	2,625	2,628	2,835
New CV	873	1,041	1,135	1,149	1,302
MSE Finance [^]	435	563	669	712	936
NBFC [^]	693	760	818	772	734
Others [†]	307	258	224	210	231
Gross Advances	13,268	14,615	15,367	15,573	16,731

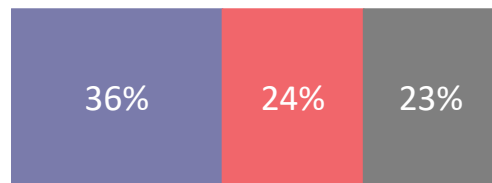
[^] Rs. 145.07 Cr reclassified from Corporate to MSE Finance from Q2FY21 onwards

[†] Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans| Housing Finance (HF) | Micro Small Enterprises (MSE)

Product Segment Details

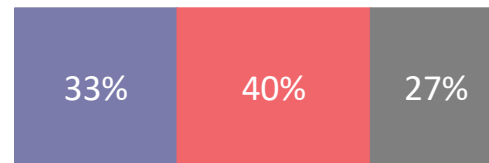
Product Segment	Number of Live Loans	ATS @ Disbursement (Lacs)	ATS @ Portfolio (Lacs)	GNPA (%)	PCR (%)
Micro Finance	22,27,072	0.20	0.16	1.16%	70.59%
Small Business Loans (Incl. HF)	2,24,795	5.32	3.14	2.48%	38.59%
Vehicle Finance	1,22,063	3.98	3.39	2.96%	50.51%
MSE Finance^	1,594	29.46	49.60	0.85%	27.76%
NBFC^	47	2,642.86	1,870.90	0.84%	20.43%

NBFC Exposure Mix



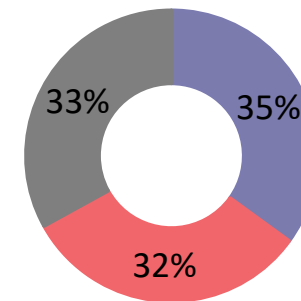
■ MFI ■ AFC ■ HFC

MSE Finance



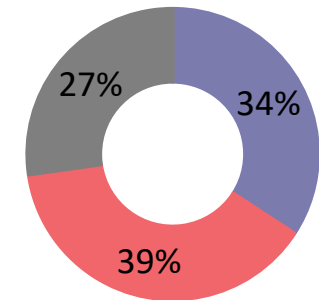
■ Manufacturing ■ Trading
■ Services

**Small Business Loans
Ticket Size Split**



■ Less than Rs.5 lakhs
■ Rs. 5 to Rs. 10 lakhs
■ Above Rs. 10 lakhs

**Vehicle Finance
Ticket Size Split**

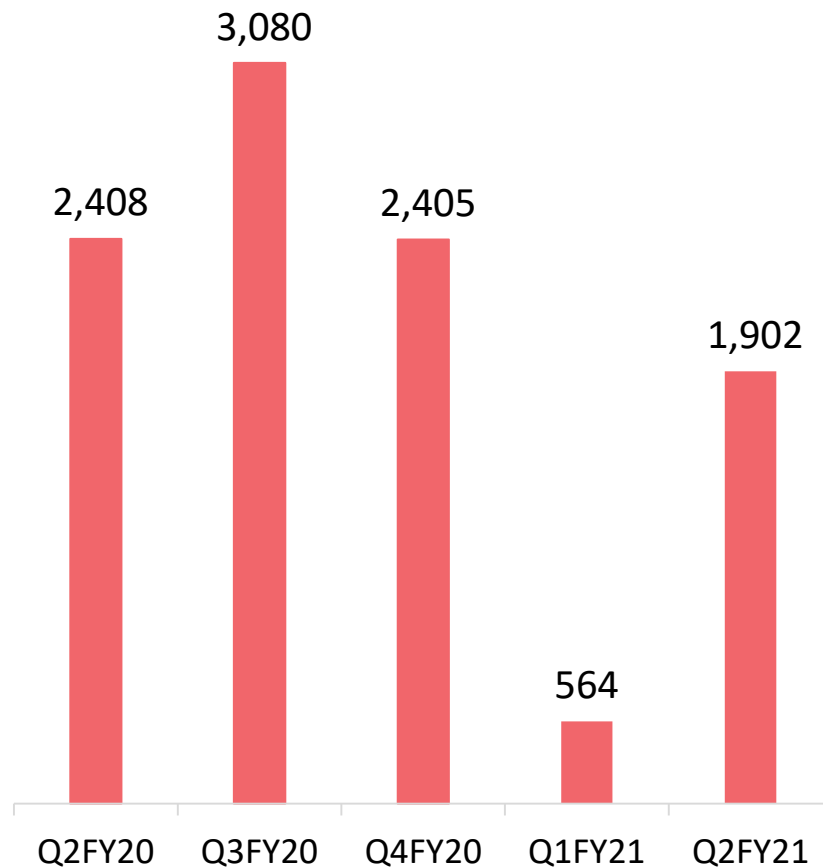


■ Less than Rs.5 lakhs
■ Rs. 5 to Rs. 10 lakhs
■ Above Rs. 10 lakhs

^ Rs. 145.07 Cr reclassified from Corporate to MSE Finance from Q2FY21 onwards
ATS stands for Average Ticket Size

Disbursements Product Wise

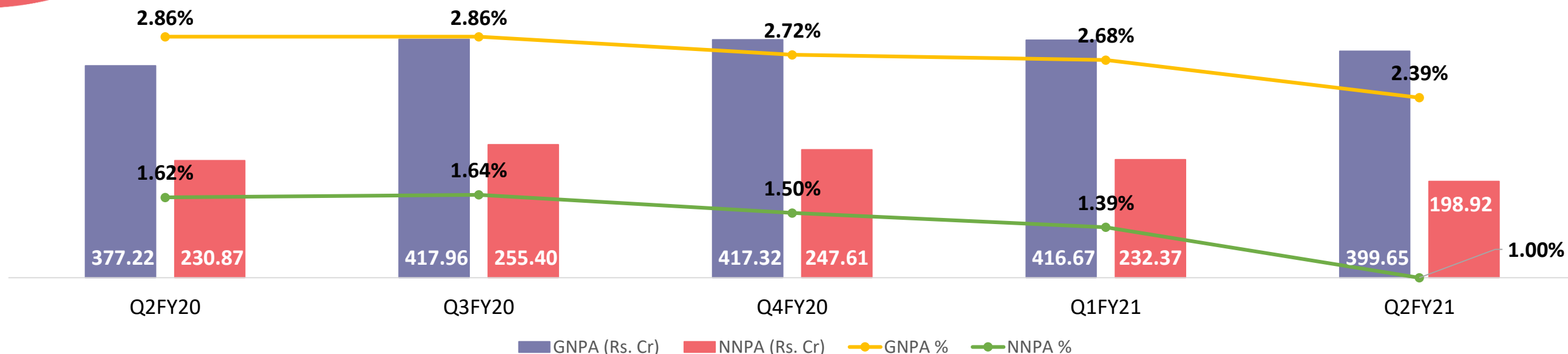
Disbursement (Rs. Cr)



Rs Cr	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Micro Finance	702	1,022	814	132	390
Small Business Loans (Incl. HF)	701	943	682	266	707
Small Business Loans	563	743	532	204	523
Housing Finance	58	107	92	30	115
Agri Loans	80	92	58	32	70
Vehicle Finance	638	815	592	104	508
Used CV	472	566	419	70	309
New CV	166	249	173	34	199
MSE Finance	159	151	135	36	85
NBFC^	192	139	171	19	166
Others	15	10	10	7	45
Total Disbursements	2,408	3,080	2,405	564	1,902

^ Rs. 5.59 Cr reclassified from Corporate to MSE Finance from Q2FY21 onwards

Asset Quality Trend



Gross NPA Movement (Rs Cr)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Opening GNPA Balance	334.30	377.22	417.96	417.32	416.67
Add: Additions during the period	108.57	127.24	94.13	15.39	22.92
Less:					
i. Upgradations	18.08	29.14	39.73	3.19	10.62
ii. Recoveries (excluding recoveries made from upgraded accounts)	28.77	35.34	33.26	4.69	15.82
iii. Technical or Prudential write-offs	5.47	3.64	4.79	5.21	5.54
Write-offs other than those under (iii) above	13.33	18.38	16.99	2.95	7.96
Closing GNPA Balance	377.22	417.96	417.32	416.67	399.65

If the Bank had classified borrower accounts as NPA after August 31, 2020, GNPA & NNPA would be 2.76% and 1.40% respectively

Collection Efficiency

Particulars	Collection Efficiency October 2020	Billing Efficiency October 2020
Micro Finance	92.43%	91.02%
Small Business Loans	102.80%	88.17%
Vehicle Finance	87.92%	77.86%
MSE Finance	92.91%	83.83%
Corporate	103.23%	96.24%
Total	94.31%	87.12%

1. Collection efficiency represents total collections during the month as a percentage of October months total EMIs due
2. Billing efficiency represents only the EMIs of October alone collected as a percentage of October months total EMIs due

Particulars	0 DPD Bucket Collection Efficiency October 2020	0 DPD Bucket Collection Efficiency Feb 2020 (Pre Covid)
Small Business Loans	98.77%	99.40%
Vehicle Finance	89.42%	95.73%

Robust collections seen across all products in 0 DPD bucket in September and October 2020

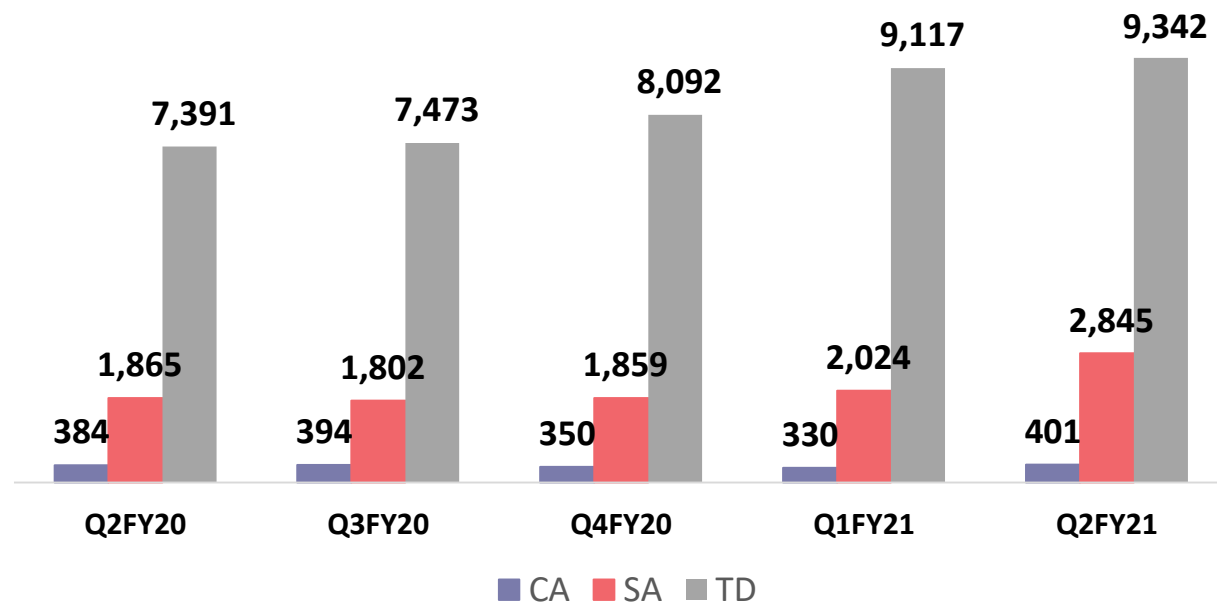
Liabilities & Branch Banking

Customer Deposits Evolution

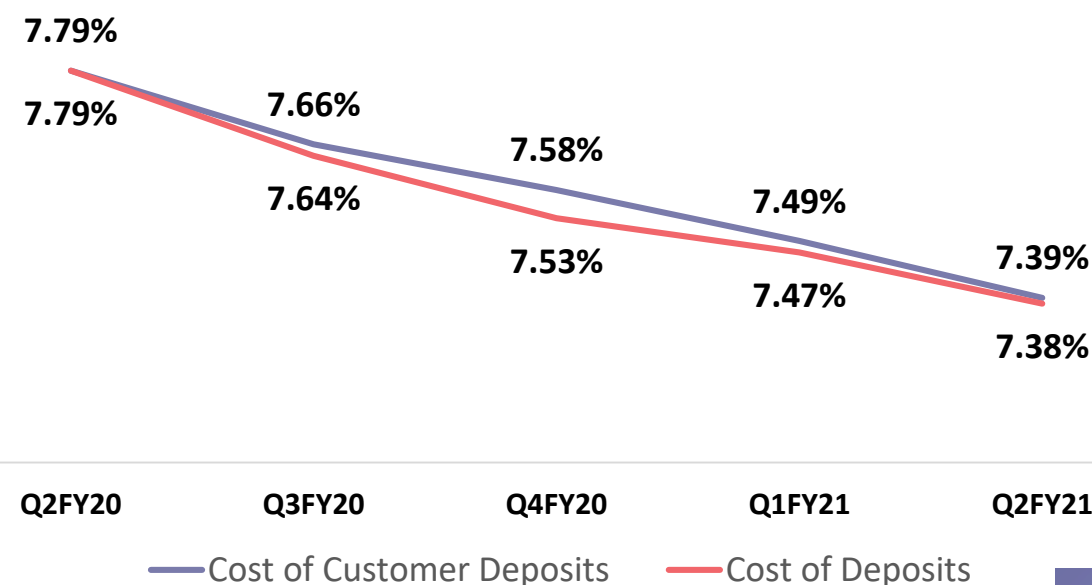
Update for Q2Y21

as on 31 September 2020	CA [Current Account]	SA [Savings Account]	CASA [Low cost deposits]	TD [Term Deposits]	CASA+TD [Customer Deposits]
Balance (Cr)	401	2,845	3,246	9,342	12,588
as a % of total borrowings (Rs. 19,675 Cr)	2%	14%	16%	47%	64%
as a % of total deposits (Rs. 12,901 Cr)	3%	22%	25%	72%	98%
Avg. balance (Branch Banking Customers)	76,410	44,051	-	7,57,312	-

Customer Deposits evolution (Rs. Cr)



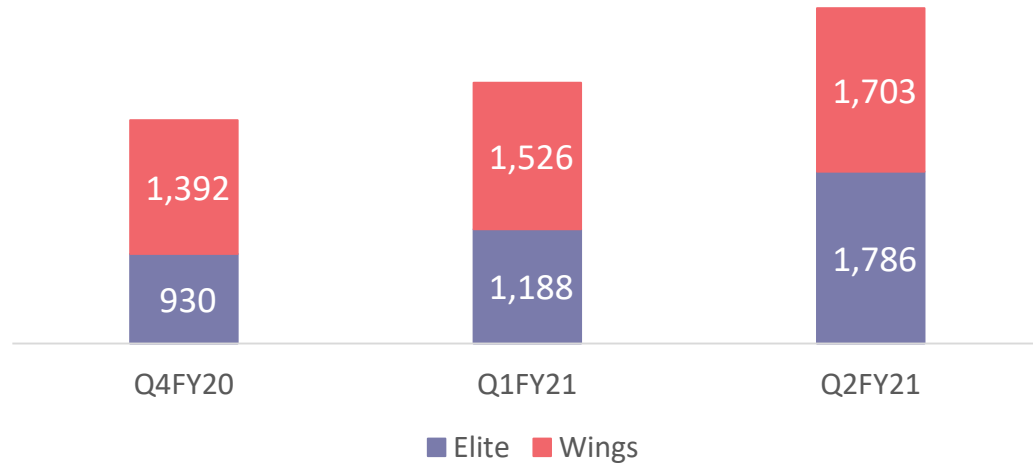
Daily Average Cost of Deposits (%)



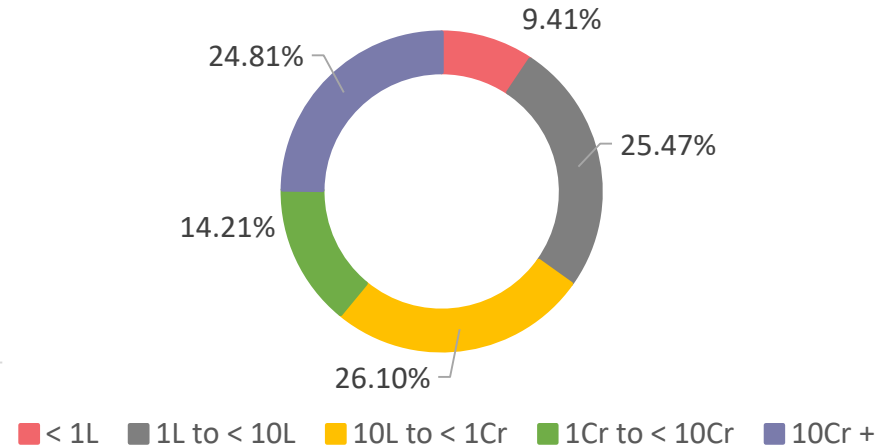
† Cost of Customer Deposits = Interest paid on Customer Deposits as a % of Average Customer Deposits | Customer Deposits = CASA + Term Deposits
 Cost of Deposits = Interest paid on Total Deposits as a % of Average Total Deposits | Total Deposits = Customer Deposits + Certificate of Deposits [CDs]

Customer Deposit Profile

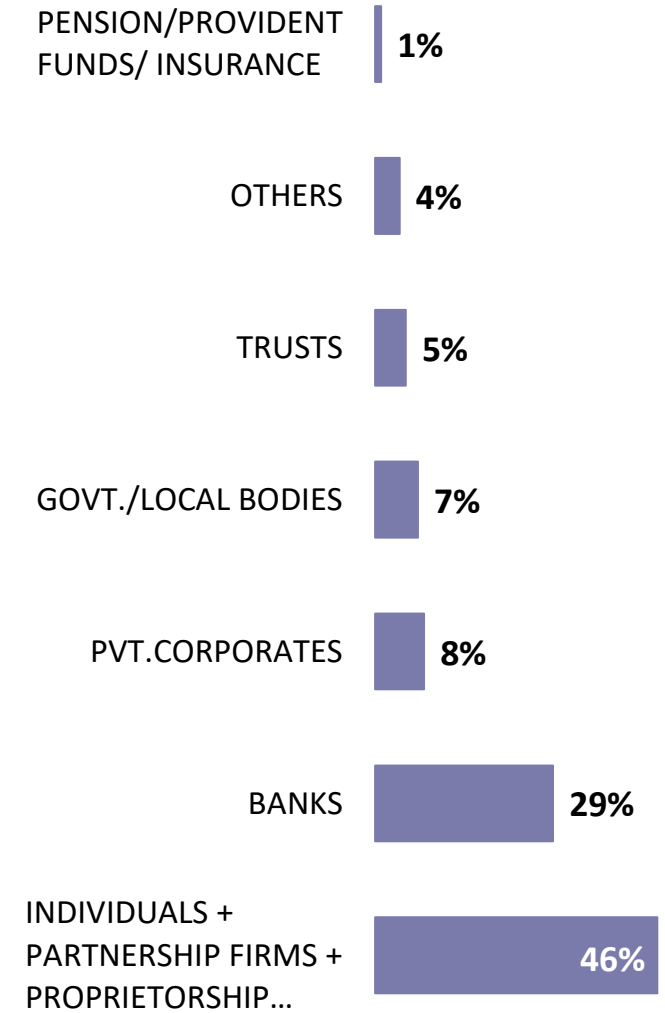
Mass Affluent Customer* (Deposit in Rs. Cr)



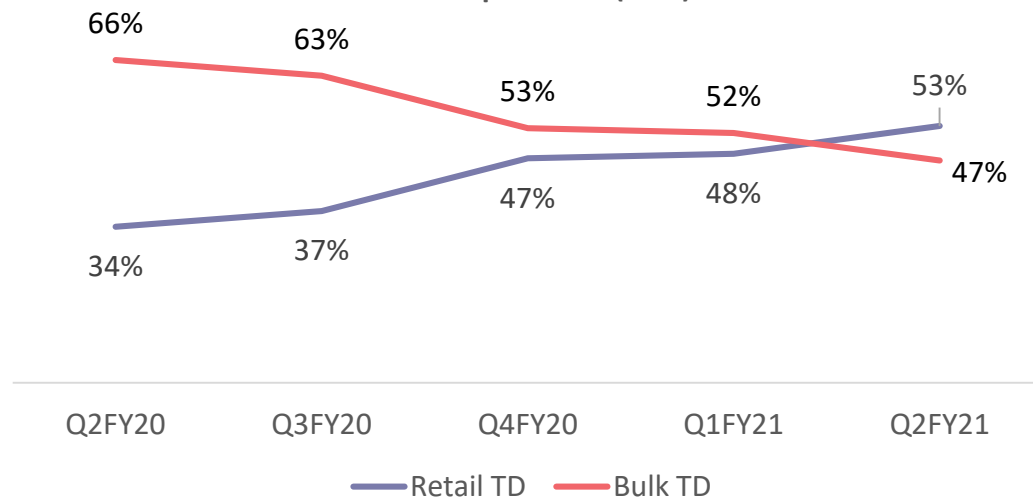
Savings Account Value Slabs



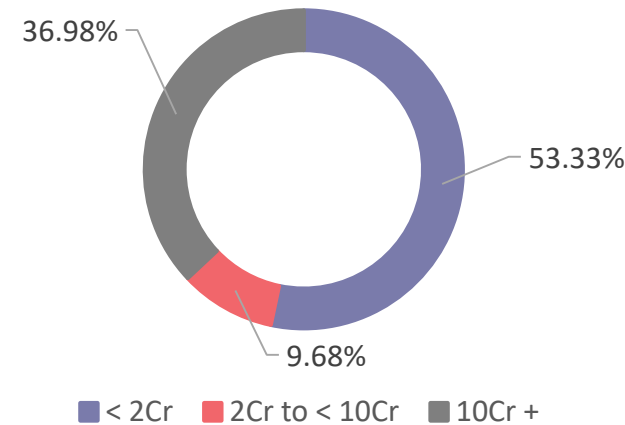
Deposits by Category



Term Deposits (TD) %



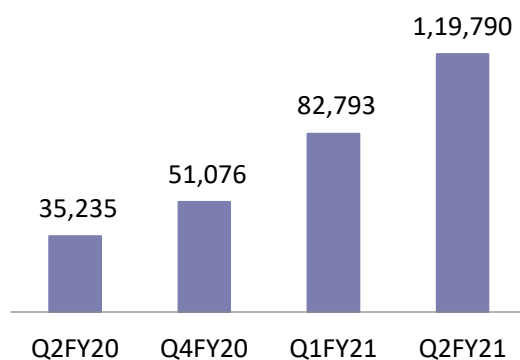
Term Deposits Value Slabs



*CASA and TD balances of Premium (Wings & Elite) CASA account holders | Retail TD as defined by RBI

Update on Channels & Acquisition

CASA Account Acquisition



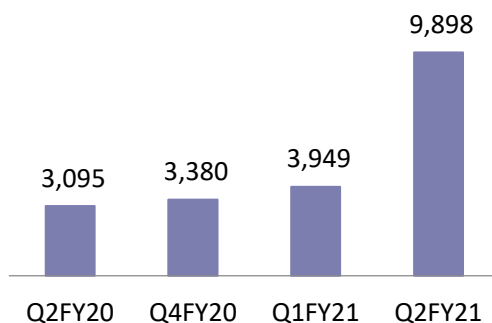
Corporate Salary Channel

- Dedicated channels to develop Corporate Salary relationships
- On boarded 170+ Corporates
- 80% of accounts opened digitally

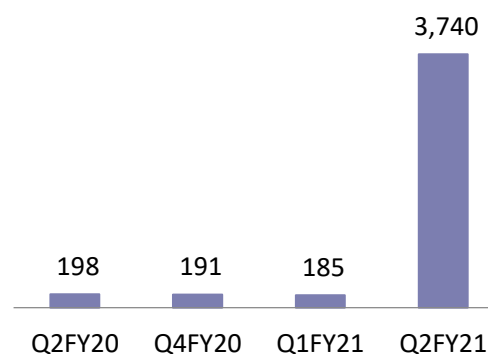
NRI Channel

- Launched Digital account opening
- Dedicated channel to tap in specific markets
- 4X YoY growth in Acquisition

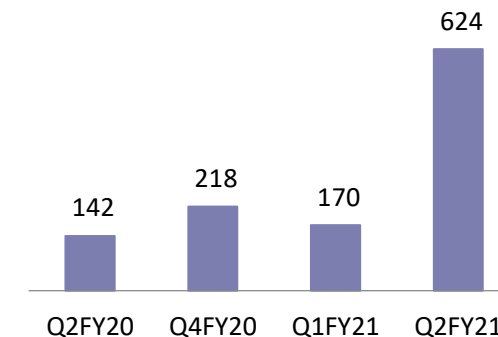
High Variant Account Acquisition



Corporate Salary Account Acquisition



NRI Account Acquisition



Digi Banking

Acquisition:

- Paperless account opening - Acquired & On boarded over 81,000+ Savings Account Customers through Digital Channels
- 15,000+ Accounts opened from Non Equitas branch location
- Launched digital account opening for Non Resident accounts
- Launched digital sales of Insurance products

Products:

- Launched digital 3 in 1 account, in partnership with Aditya Birla Securities Limited
- Live with Bharat Bill Payment System

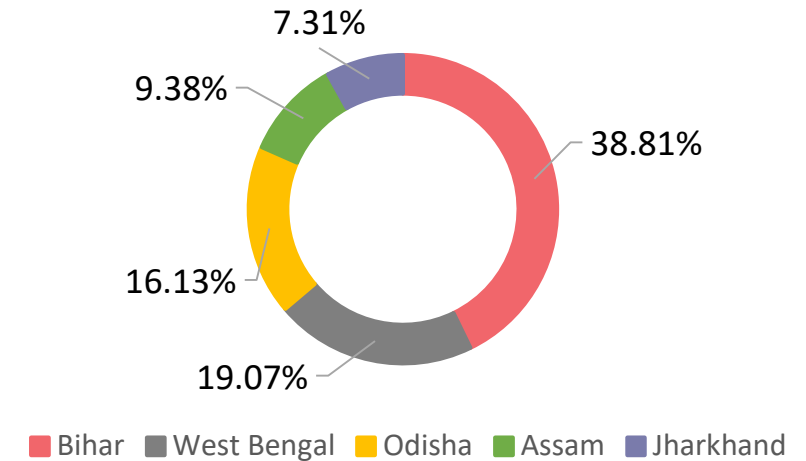
Partnerships:

- Focusing on partnerships with Fintechs to improve our service offerings. Partnered with Open Financial Technologies Private Ltd and Groww

Enhancements:

- Mobile Banking enhancements
 - OTP auto read
 - Debit Card upgrade/downgrade option
 - SIM binding for enhanced security
- Provide QR Code with all Current Accounts which shall enable easy adaption of digital transaction by customers

Top 5 Non Equitas Branch Locations



One India One Bank – Integrated Marketing Campaign

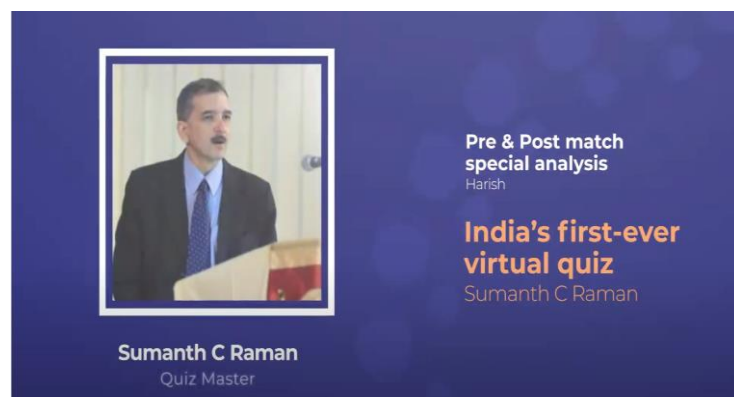
- Association with Chennai Super Kings
 - Exclusive CSK Co Branded Debit Card
 - Super Account for the Super Fan in You
 - Cricket Quiz with Ace Quiz Whiz Sumanth C Raman
 - Pre and Post Match Analysis with Hari Shankar
 - NRI Campaign with Kaleej Times - Dubai
- A Comical Web Series – Durai Shakes to reach the households and families
- A Musical tribute to the indomitable spirit of India and millions of Indians who are putting their effort in bring back the nation to its normalcy.



4th Year Anniversary Campaign



A Comical Web Series – Durai Shakes



EquiOne - Live Cricket Quiz with Sumanth C Raman



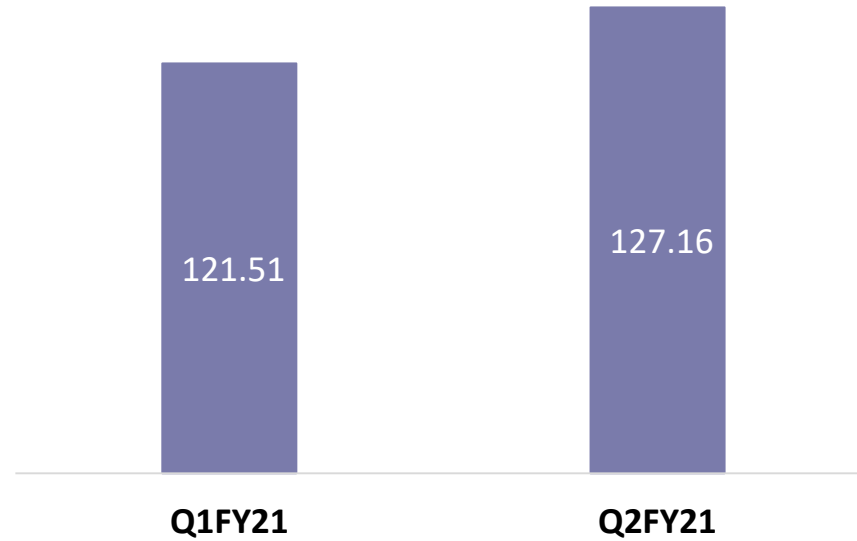
Exclusive Co Branded Debit Card



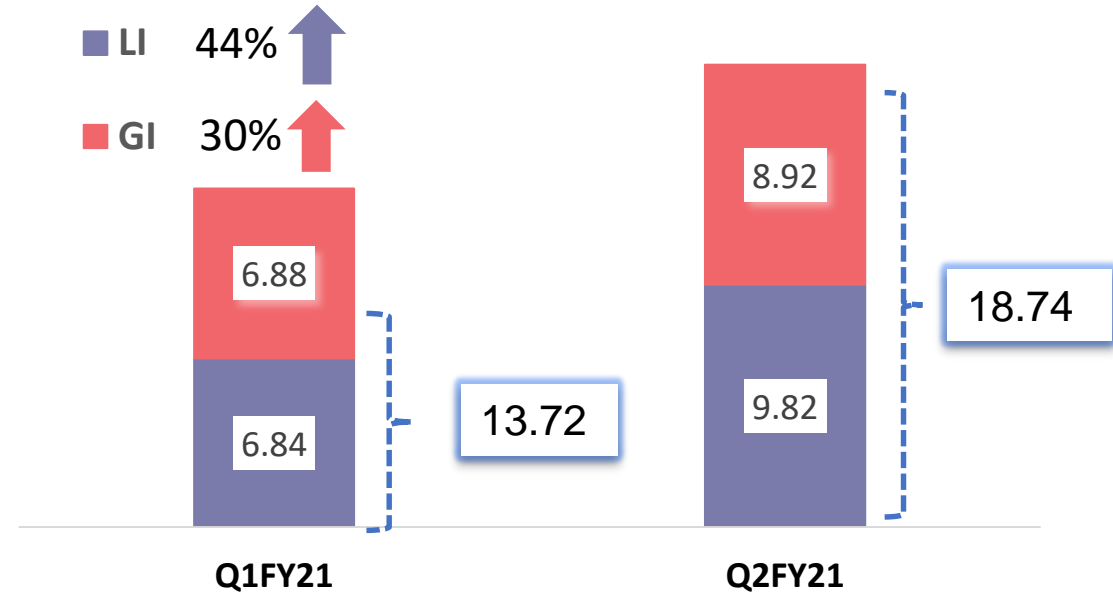
NRI Campaign with Kaleej Times

Overview of TPP Business

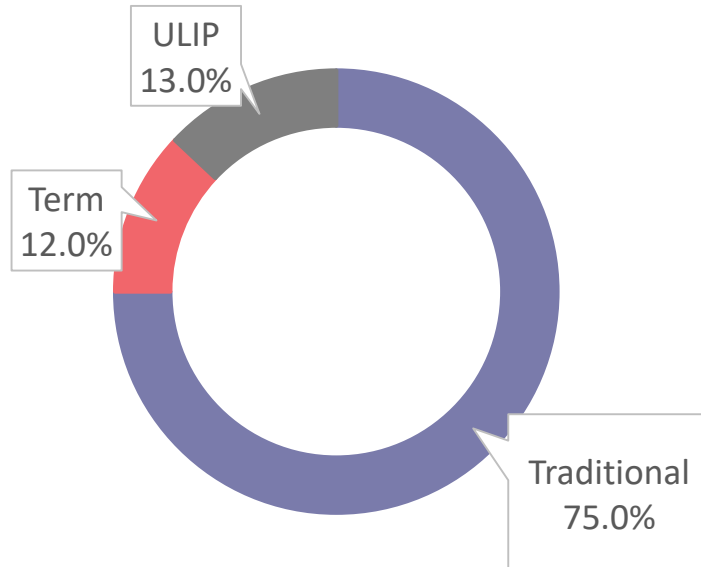
MF AUM (Rs. Cr)



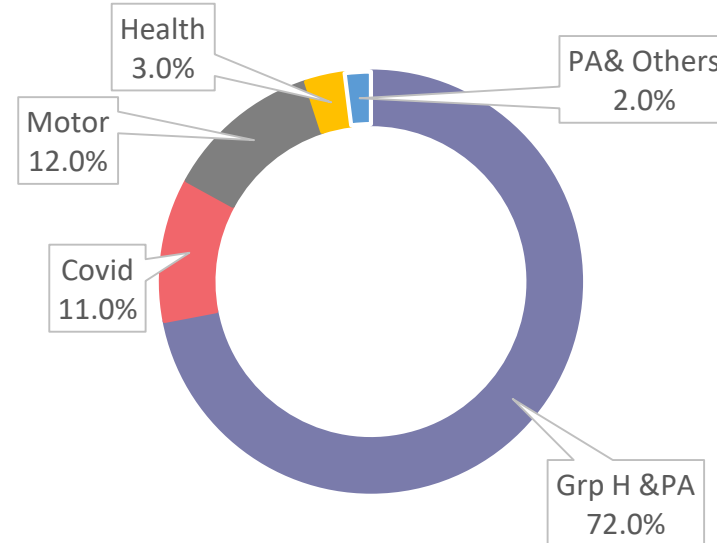
Premium Collected (Rs. Cr)



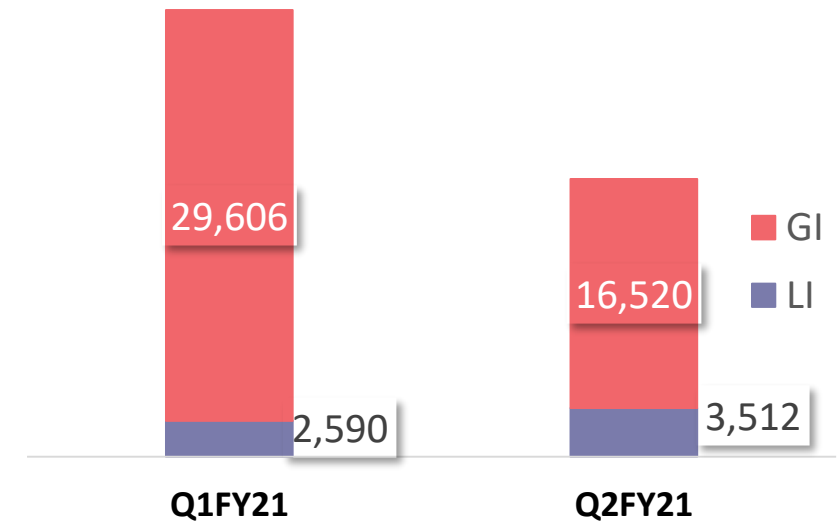
Life Insurance Policies Sold in Q2FY21



General Insurance Policies Sold in Q2FY21

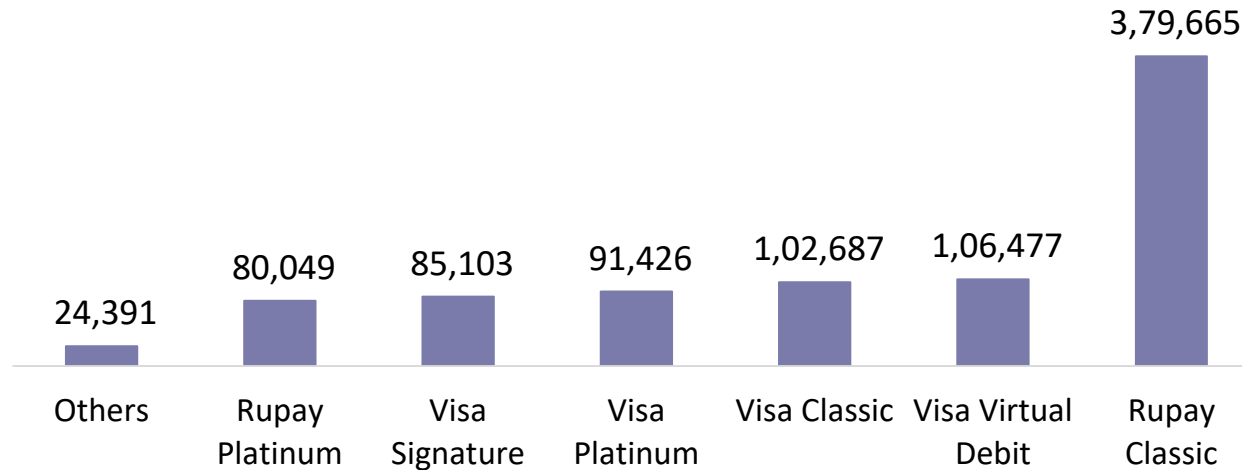


Of Policies Issued

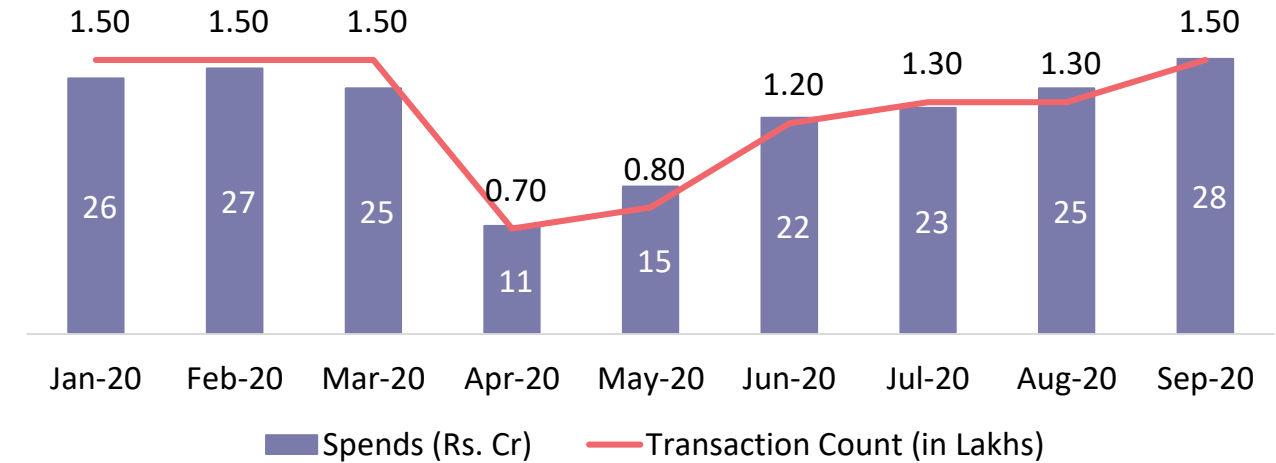


Debit Card & Spends Snapshot

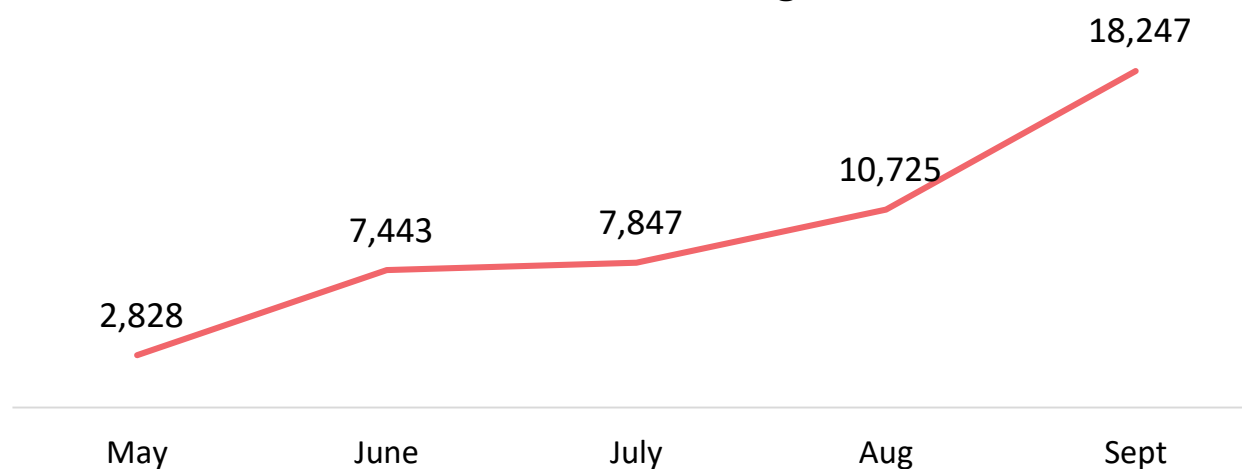
Cards Issued



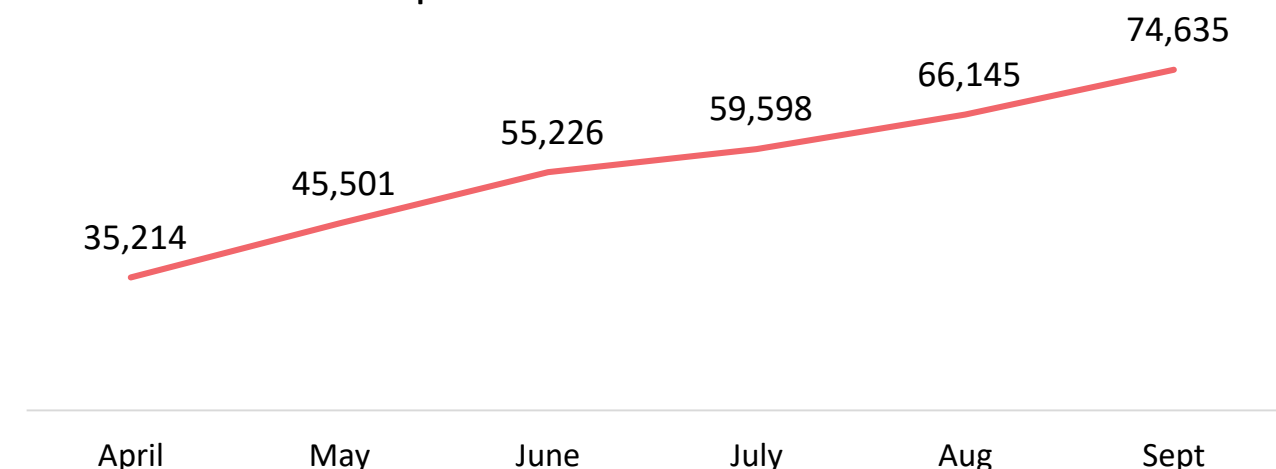
Debit Card Transaction Trend



Month on Month FastTag Issuance

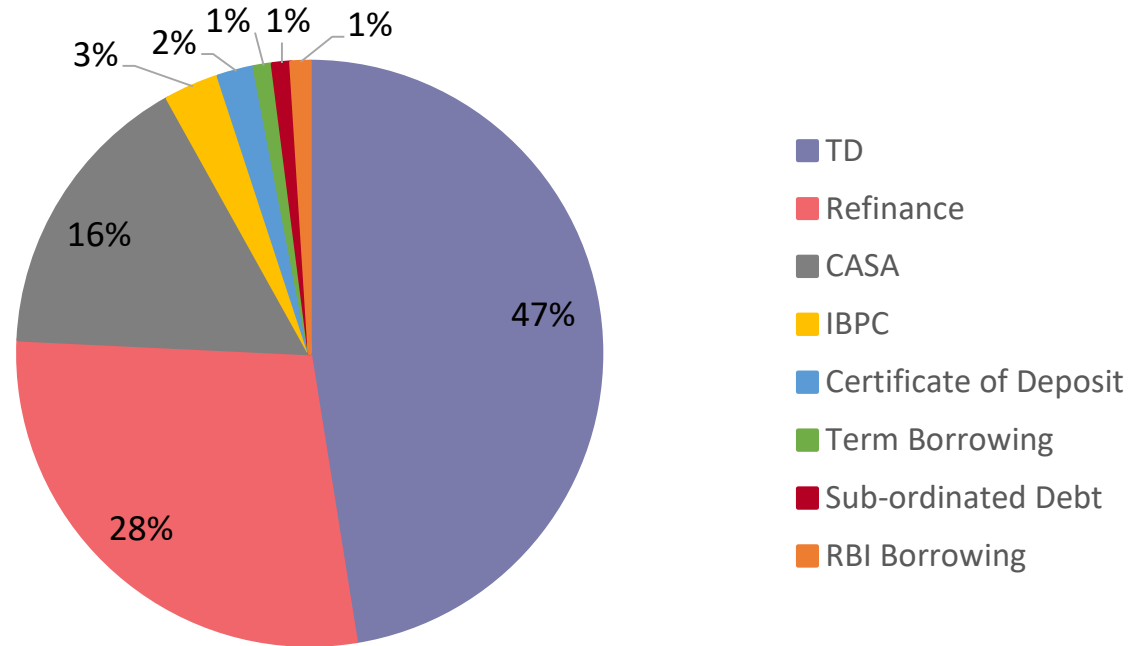


Unique Card Transactions - ATM



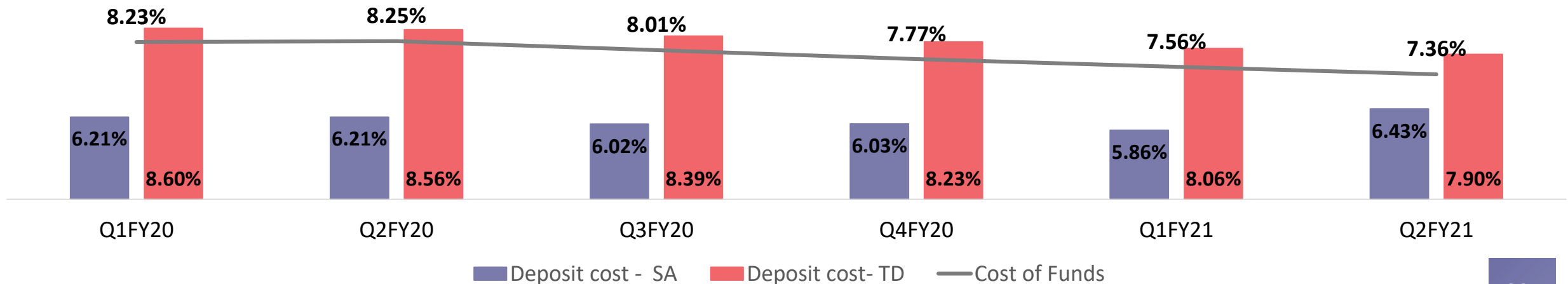
Funding Profile

As on 30 September 2020



In Rs Cr	June 2020	September 2020
TD	9,117	9,342
Refinance	4,963	5,570
CASA	2,354	3,246
CD	316	312
Sub Debt	220	220
Term Borrowing	110	260
IBPC	1,000	600
Repo Borrowing	233	124
Total Borrowings	18,313	19,675

Daily Average Cost of Funds



Investments

Total Investment Portfolio comprises SLR of Rs. 4,176 Crore (Book Value) and Non SLR of Rs. 124 Crore (Book Value) as given below:

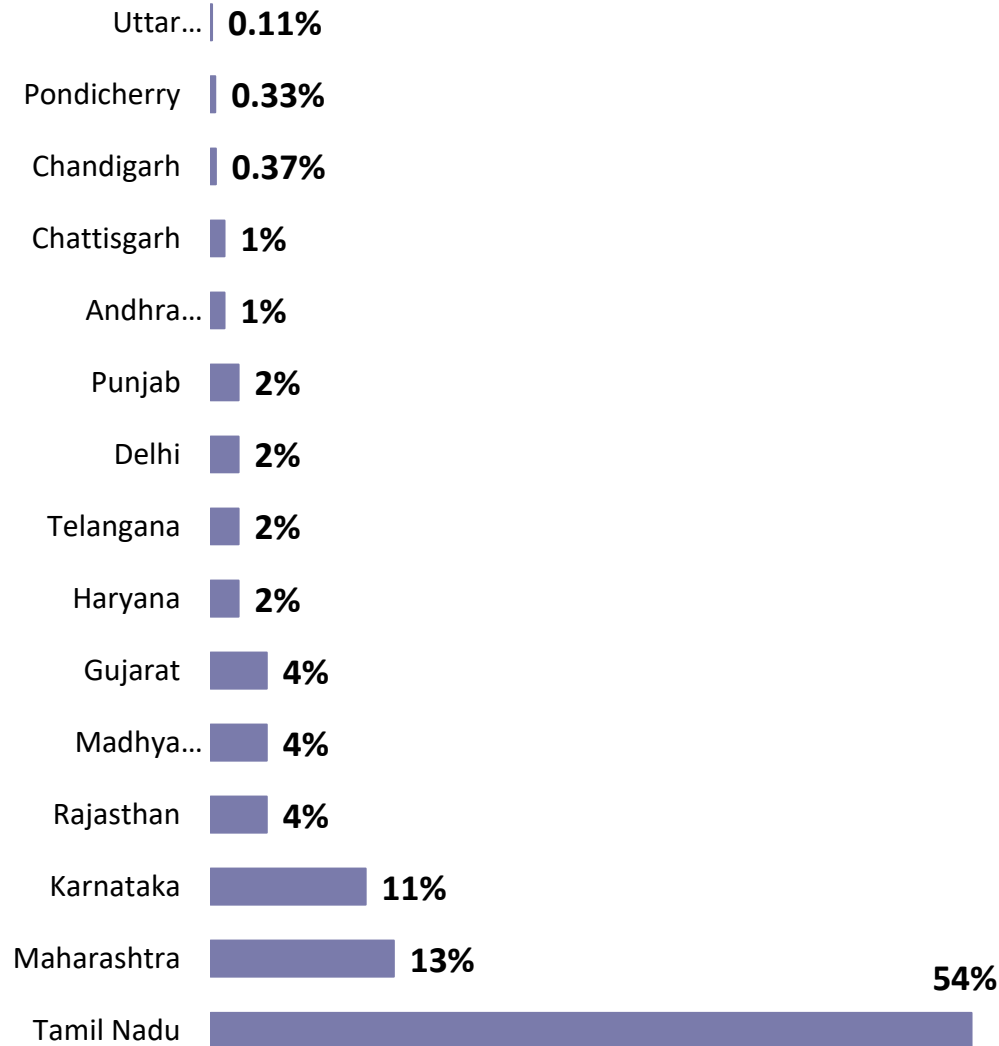
Category (Rs. Cr)	SLR (Book Value)	Non SLR (Book Value)
Held Till Maturity	2,617	124
Available for Sale	1,524	-
Held for Trading	35	-
Total	4,176	124

Borrowings & Liquidity:

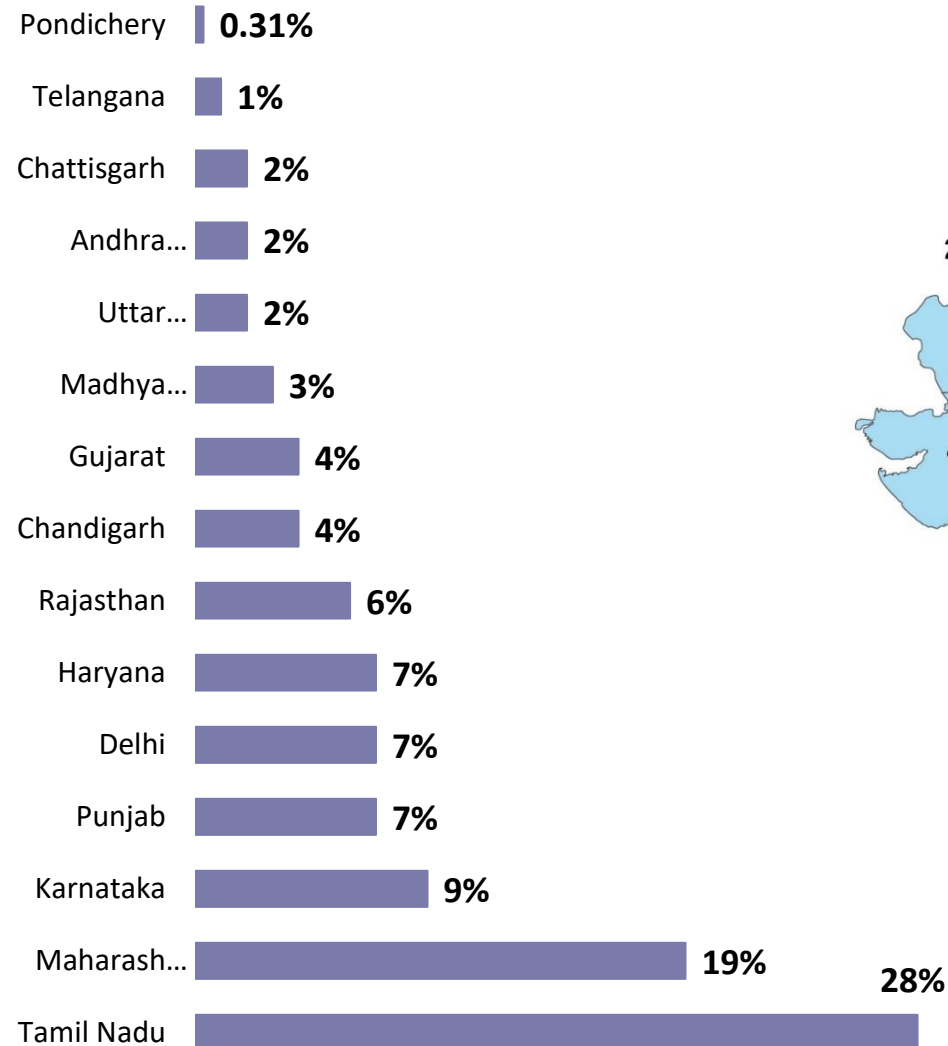
- Our Bank's Certificate of Deposit (CD) programme for ₹2,000 Crore has highest rating from at CRISIL A1+
- Availed refinance of ₹1,100 Crore during Q2FY21 (₹685 Crore in Q1FY21). Our Bank has adequate advances to avail fresh refinance whenever required which provides strong cushion to ALM position of the Bank
- Our Bank has also undertaken Inter-Bank Participation Certificates (IBPCs) with a mix of PSL/Non-PSL advances which further enhances the liquidity of the Bank
- Adequate surplus liquidity in the form of High Quality Liquid Assets (HQLA) being maintained to fund advances growth. Liquidity Coverage Ratio (LCR) for the quarter at 126% much above the minimum regulatory requirement of LCR at 80%

Pan India Presence

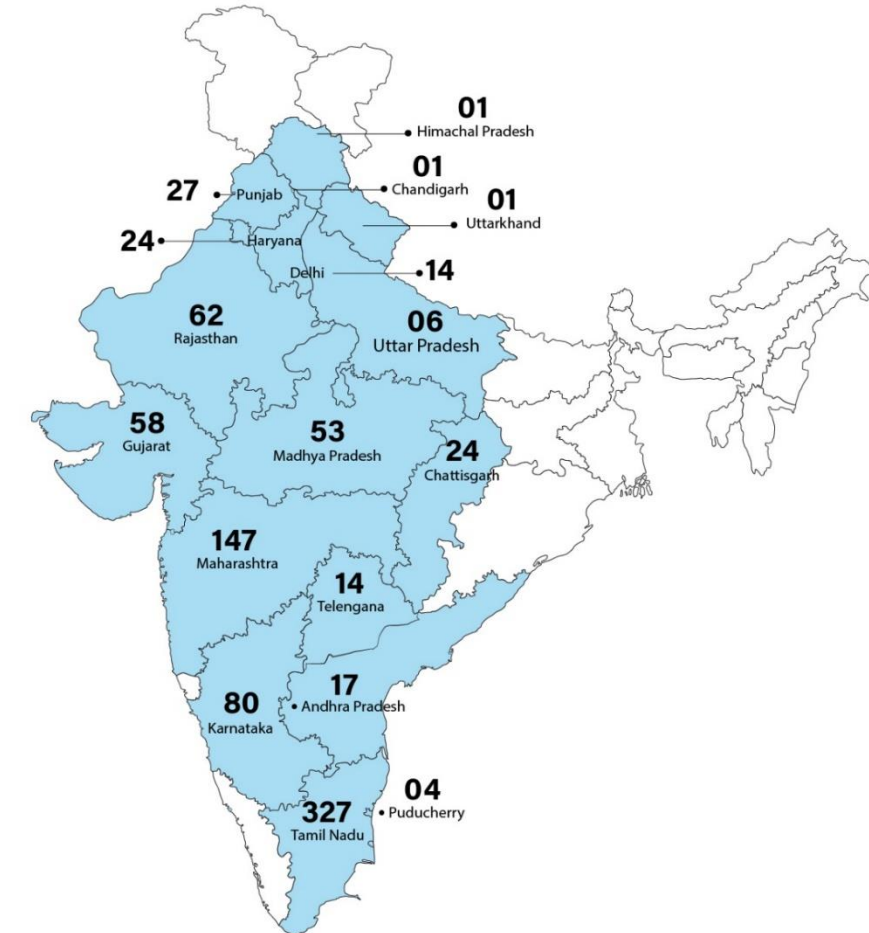
State Wise Advances



State Wise Deposits



Banking Outlets



Financials

Balance Sheet

Particulars (in Rs Cr)	Sept-20	Sept-19	YoY%	June-20	QoQ%
Capital & Liabilities					
Capital	1,053	1,006	5%	1,053	-
Reserves & Surplus	1,851	1,355	37%	1,748	6%
Networth	2,904	2,361	23%	2,801	4%
Deposits	12,901	10,025	29%	11,787	9%
Borrowings	6,175	4,274	44%	5,526	12%
Other Liabilities & Provision	870	552	58%	778	12%
Total	22,850	17,212	33%	20,892	9%
Assets					
Cash and Balances With Reserve Bank of India	426	436	-2%	429	-1%
Balances With Banks and Money At Call and Short Notice	1,475	687	115%	1,497	-1%
Investments	4,292	2,545	69%	3,479	23%
Advances	15,930	12,960	23%	14,389	11%
Fixed Assets	195	217	-11%	197	-
Other Assets	532	367	45%	901	-41%
Total	22,850	17,212	33%	20,892	9%
AUM [On Book + Off Book]	16,731	13,268	26%	15,573	7%

Profit & Loss Statement

Particulars (in Rs Cr)	Q2FY21	Q2FY20	YoY%	Q1FY21	QoQ%
Interest Income from Loans	730	581	26%	662	10%
Income on Investments	57	41	39%	44	30%
Interest on balances with Reserve Bank of India and other inter bank funds	11	18	-39%	16	-31%
Total Interest Income	798	640	25%	721	11%
Finance Cost					
Interest on deposits	227	182	25%	209	9%
Interest on RBI / inter-bank borrowings	6	6	-	4	50%
Other interest	104	101	3%	104	-
Total Finance Cost	336	289	16%	317	6%
Net Interest Income	461	351	31%	404	14%
Other Income					
Processing and Other Fees	37	43	-14%	11	236%
Interest on Securitization / Assignment	3	3	-	-	-
Gain on Sale of G-Secs	1	1	-	4	-75%
ATM Acquirer Fee Income & TPP Income	13	7	86%	10	30%
Others	10	10	-	5	150%
Total Other Income	64	64	-	30	113%

Profit & Loss Statement

Particulars (in Rs Cr)	Q2FY21	Q2FY20	YoY%	Q1FY21	QoQ%
Net Income	525	415	27%	434	21%
Employee Cost	188	170	11%	195	-4%
Opex	117	114	3%	97	21%
Total Operating Expenditure	305	284	7%	292	4%
PBT before provision & Write-off	220	131	68%	142	55%
Credit Cost	84	45	87%	68	24%
PBT	136	86	58%	74	84%
Taxes	33	37	-11%	16	106%
PAT	103	49	108%	58	78%

Thank You

Investor Relations

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