

Investor Presentation

Q2FY23



BEYOND BANKING

When you bank with us, you contribute towards a better society.

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



Table of Contents

1. Key Highlights
2. Financial Performance
3. Advances
4. Liabilities & Branch Banking
5. Digital Banking
6. Financials
7. Sustainability and Awards

BEYOND BANKING
**The more you save in
your account, the more
we contribute together.**

When you bank with us,
we invest up to 5% of our net
profit every year back to the
communities.



Key Highlights



Snapshot

Operational



18 States and UTs



887 Banking Outlets
345 ATMs*



285 Business
Correspondents



18,962 employees

Asset Offerings



Gross Advances:
Rs. 22,779 Cr [Rs. 18,978 Cr]
SBL- 38%, VF - 25%,
MFI- 18%, HF- 9% ,
MSE – 5%, NBFC – 3%



Disbursements^ for Q2FY23:
Rs. 3,845 Cr [Rs. 3,145 Cr]
SBL – 29%, VF - 29%, MFI –
25%, HF- 10% , MSE – 2%,
NBFC – 4%



Asset Quality:
GNPA: 3.82% [4.64%]
NNPA: 1.93% [2.37%]
PCR: 50.49% [50.09%]



Yield on Advances:
17.10% for Q2FY23 [17.75%]

Liability Profile



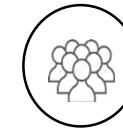
Total Deposits:
Rs. 21,726 Cr [Rs. 18,094 Cr]
CASA – 48%, TD – 52%



Third Party Products:
Premium Collected for Q2FY23
Rs. 38 Crs [Rs 31 Cr]
Mutual Fund AUM
Rs. 206 Cr [Rs. 170 Cr]



**Daily Average Cost of
Funds for Q2FY23:**
6.25% [6.81%]
SA – 6.28%, TD – 6.49%



CASA Ratio:
48.13% [45.31%]

Financials



PAT for Q2FY23:
Rs. 116 Cr [Rs. 41 Cr]



Shareholders funds
CRAR –23.08%
Tier I – 22.55%
Tier II – 0.53%



NIM for Q2FY23:
9.00% [8.14%]



**RoA: Q2FY23 at 1.60% [0.65%]
RoE: Q2FY23 at 10.57% [4.79%]**

Figures in [] represent Q2FY22 data | *Including 342 onsite and 3 offsite ATMs ^Disbursement excludes Rs 183 Crs under the TReDS platform in Q2FY23



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Business Highlights



Asset Updates

Small Business Loans

- *Piloted new age Loan Origination System (LOS) for Small Business Loans in select branches. This aims to improve sales productivity and improve disbursement TATs*
- *Continued to scale-up Merchant OD product – limit set increased from Rs. 50 Cr in Q1FY23 to Rs. 100 Cr in Q2FY23*

Vehicle Finance

- *Achieved highest ever quarterly disbursement in Q2FY23*
- *Continued to scale up Used Car business – disbursements increased by 49% YoY*
- *Increased our penetration in existing markets & expanded to new geographies – UP & Kerala*

Housing Finance

- *Continued to increase our penetration – disbursements increased 46% QoQ*



Liabilities Updates

- *Elite book consisting of Savings account plus Term Deposits crossed Rs. 10,000 Crs with 75,000+ accounts from 60,000+ Family relationships*
- *Continued focus on Individual SA segment has resulted in its mix improving to 84% of SA portfolio*
- *TD Sweep Product for Current Account is seeing a good traction with 1200+ Customers registered and portfolio crossing 100 Crs*
- *Managing more than 1 Lac Customers through Virtual Relationship Management Channel with sharp uptick in relationship value*
- *Corporate Salary Account business is growing in a healthy pace with 1,200+ Corporate relationships on boarded*
- *With RBI directions on NRE Term deposits - Exemption from maintenance of CRR/SLR, deposit mobilization from Non-Resident customers showed good traction in Q2*
- *SA mobilized through digital channel crossed 900 Crs and it contributes to ~ 10% of our SA Portfolio*
- *Tied up with HDFC Securities for 3-1 Account, this tie-up offers an opportunity to provide its customer with additional investment avenues*





Profit & Loss

- *Net Interest Income for Q2FY23 at Rs. 610 Cr as against Rs. 484 Cr in Q2FY22. Growth of 26% YoY. NIM at 9.00%*
- *PPoP as a % of assets expanded to 3.33% from 3.14% YoY*
- *PAT for Q2FY23 at Rs. 116 cr as against Rs. 41 Cr in Q2FY22*



Asset Quality, Provisioning & Restructuring

- *Annualised Credit Cost at 1.62%, excluding one time impact* at 1.35%*
- *Non restructured 31-90 pool as of Sept'22 at comfortable levels of 3.49%*
- *GNPA at 3.82% in Q2FY23 as compared to 3.95% in Q1FY23 and 4.64% in Q2FY22*
- *NNPA at 1.93% in Q2FY23 as compared to 2.07% in Q1FY23 and 2.37% in Q2FY22*
- *Provision coverage ratio improves to 50.49% from 48.46% in Q1FY23*



Strong Capital Buffer

- *As of Sept 30, 2022 Total CRAR at 23.08% | Tier I at 22.55% and Tier II at 0.53%*

*One time impact on account of complying with FAQ issued by RBI (updated Aug 22) wrt. Covid restructured loans | <https://www.rbi.org.in/Scripts/FAQView.aspx?Id=137>



Restructured Loans - Update

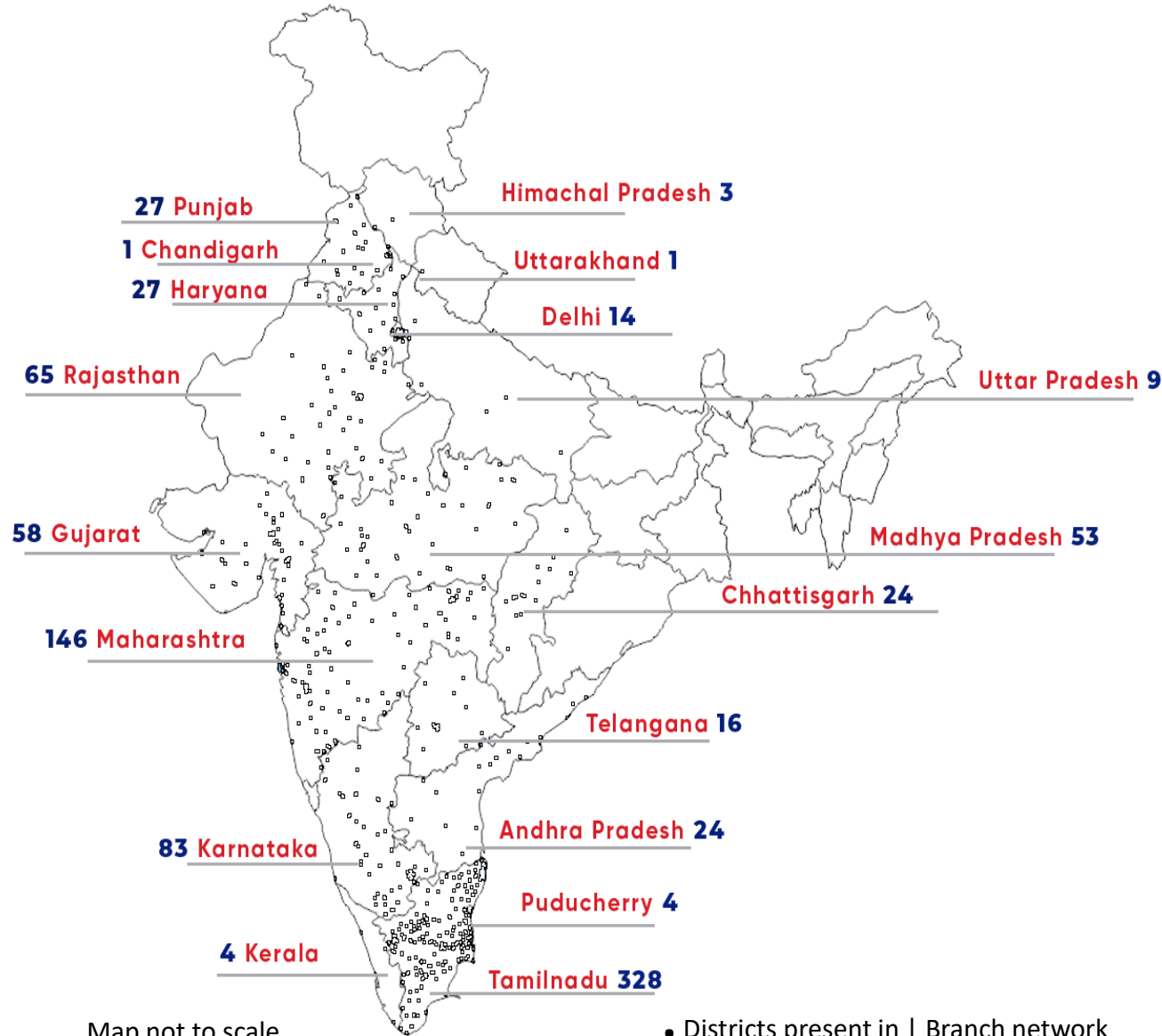
As of 30 th Sept 2022					Rs. Cr
Buckets	MF	CV	SBL & HF	MSE	Total
Standard	44	125	135	16	320
1 to 30 Days	8	76	30	8	121
31 to 60 Days	8	86	49	18	162
61 to 90 Days	31	43	49	7	130
NPA	14	108	121	10	253
Total	105	438	384	59	986

- *Restructured loans as a % of gross advances down from 9.76% in Q3FY22 to 4.33% in Q2FY23*
 - *X Bucket Restructured Loans at 1.40% of gross advances*
 - *NPA out of Restructured Loans at 1.11% of gross advances*
 - *Restructured Delinquent Loans which are not NPA at 1.81% of gross advances*

Particulars	Rs. Cr
Provision on Standard Assets	67.61
Additional Provision on Standard Assets	8.55
Provision on Restructured Standard Assets	95.14
Provision for Non-Performing Assets	439.38
Total	610.68



Our Presence



States	Advances (%)	Deposits (%)
Andhra Pradesh	2%	2%
Chandigarh	0.04%	3%
Chhattisgarh	1%	2%
Delhi	1%	8%
Gujarat	5%	6%
Haryana	3%	5%
Himachal Pradesh	0.09%	-
Karnataka	10%	10%
Kerala	0.07%	1%
Madhya Pradesh	3%	4%
Maharashtra	13%	13%
Pondicherry	1%	1%
Punjab	2%	5%
Rajasthan	4%	5%
Tamil Nadu	53%	31%
Telangana	2%	2%
Uttar Pradesh	0.46%	2%
Uttarakhand	0.24%	-

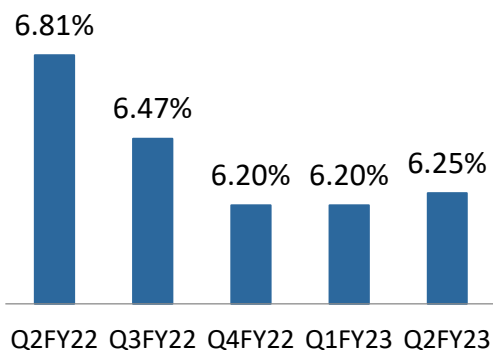


Financial Performance – Quarterly Trends

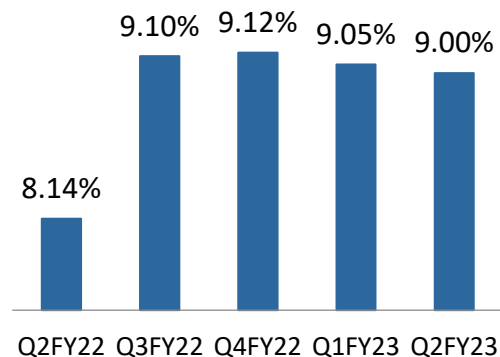


Key Ratios

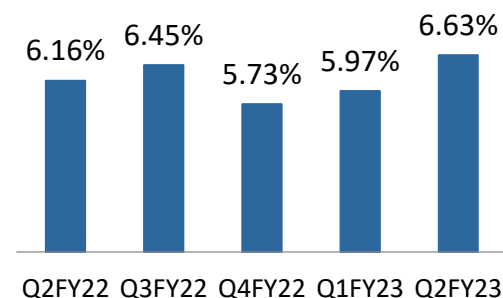
Daily Avg Cost of Funds



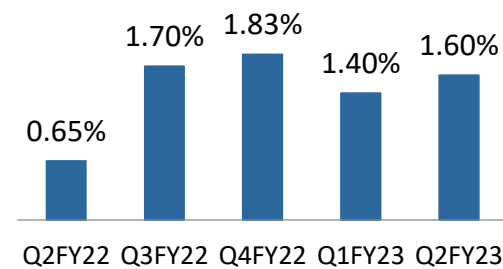
Net Interest Margin (NIM)



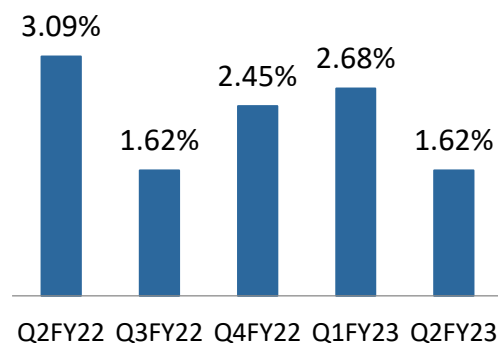
Cost to Assets



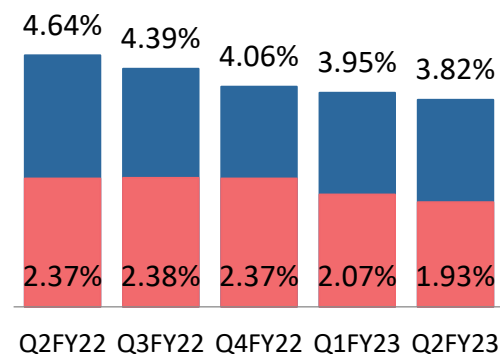
RoA



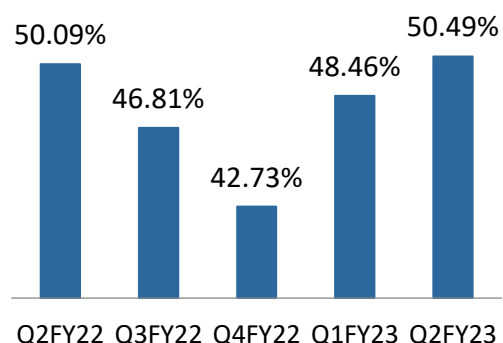
Credit Cost



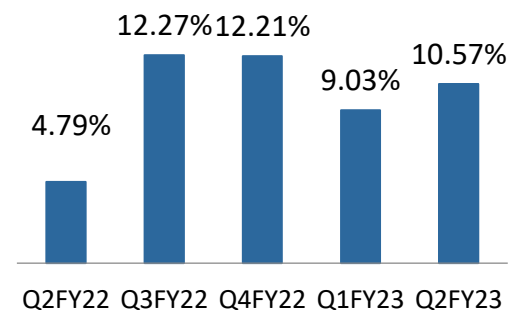
GNPA & NNPA



Provision Coverage Ratio

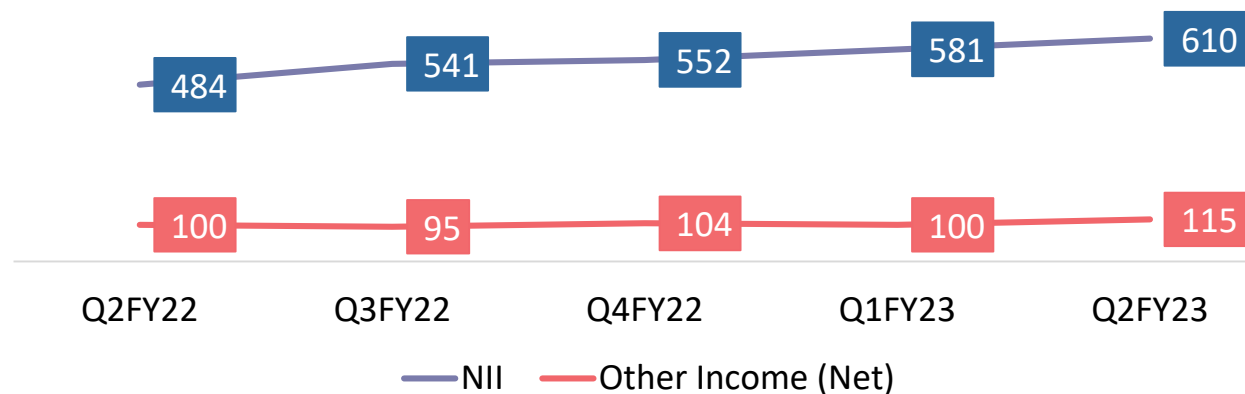


RoE

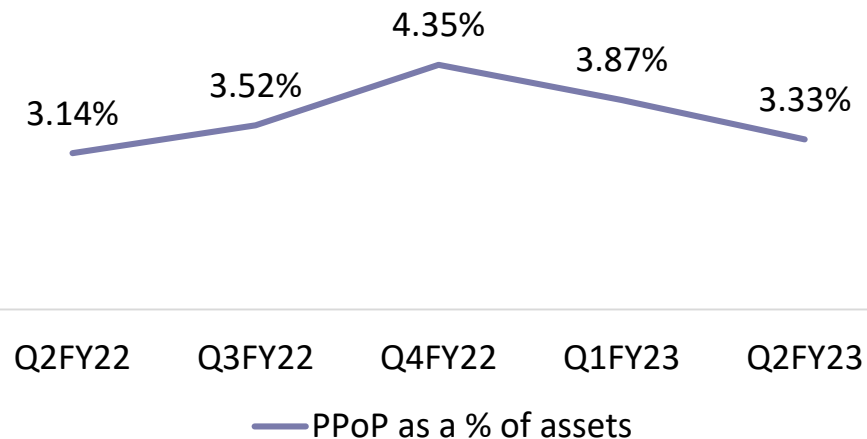


Income Evolution

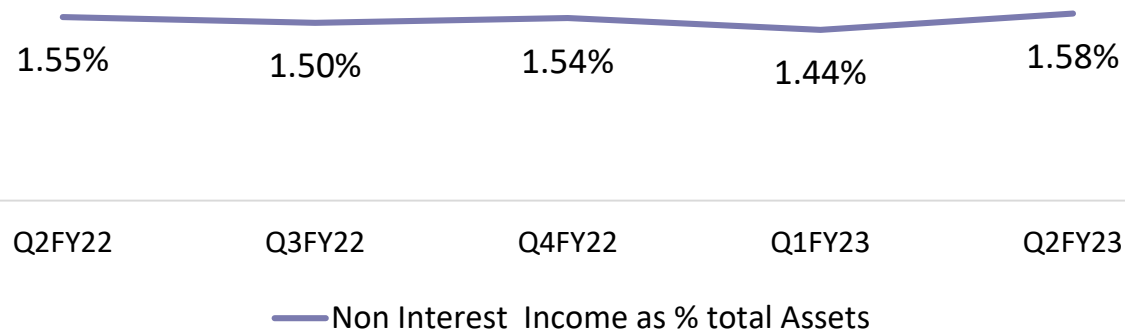
Net Income Evolution (Rs. Cr)



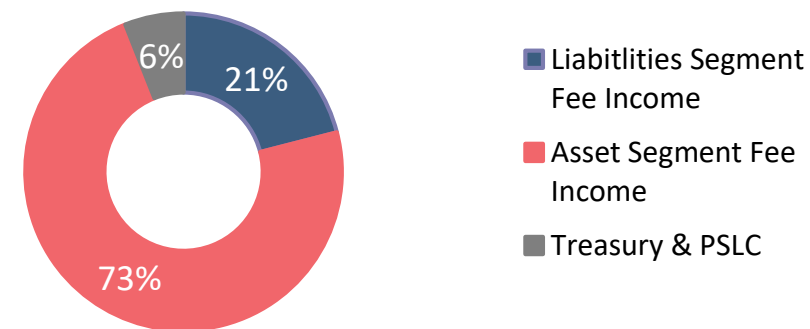
PPoP/ Assets (%)



Other Income [Net] Contribution (%)

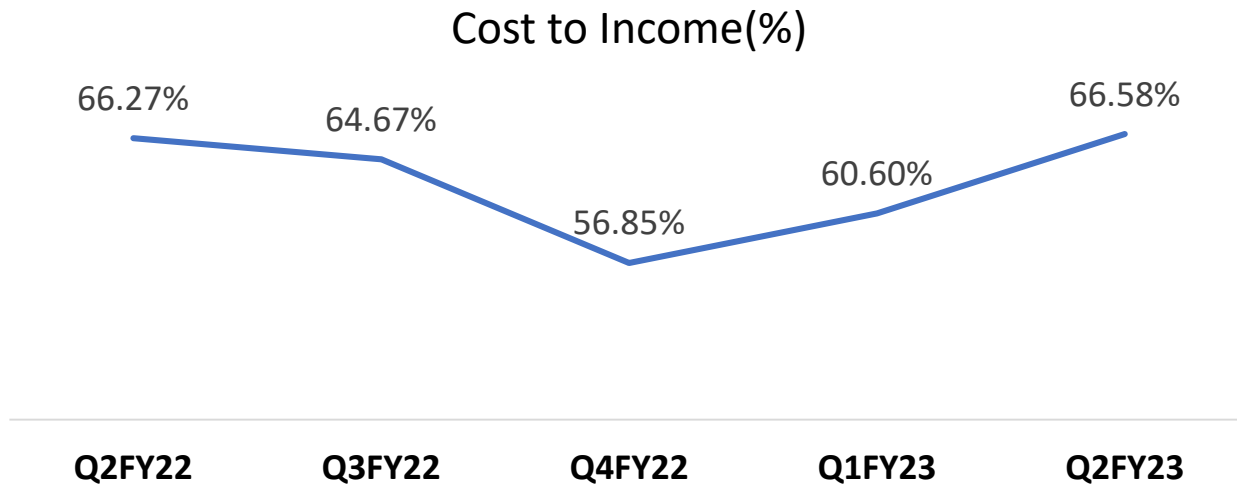


Other Income Break up (%)



Opex evolution

Rs. Cr	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Employee expenses	228	240	209*	225 [#]	275
Other expenses (net of digital expenses)	144	152	148	169	187
Depreciation	19	19	17	18	21
Total Operating expenses	391	411	374	412	483
No. of employees	17,441	17,509	17,607	17,936	18,962



*Reversal of excess provision for gratuity and leave salary of Rs 30.63 Cr. during the quarter

[#]Reversal of employee provision of Rs. 31 Crs created on account of Covid policy and performance incentives



Advances



Advances evolution

Rs Cr	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	YoY %	Contribution %
Micro Finance	3,438	3,695	3,907	4,007	4,144	21%	18%
Small Business & Agri Loans	7,421	7,609	7,881	8,234	8,725	18%	38%
Housing Finance	1,175	1,310	1,641	1,821	2,121	80%	9%
Vehicle Finance	4,670	4,846	5,047	5,279	5,641	21%	25%
Used CV	2,997	3,127	3,193	3,303	3,491	16%	15%
New CV	1,673	1,719	1,854	1,976	2,150	29%	9%
MSE Finance	1,170	1,194	1,164	1,122	1,157	-1%	5%
NBFC	908	817	758	692	709	-22%	3%
Others [†]	196	217	199	533	282	44%	1%
Gross Advances	18,978	19,687	20,597	21,688	22,779	20%	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	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	YoY %
Micro Finance	938	1,010	972	939	971	4%
Small Business and Agri Loans	951	728	940	978	1,096	15%
Housing Finance	203	177	267	266	388	91%
Vehicle Finance	782	778	940	889	1,098	40%
Used CV	523	512	617	579	717	37%
New CV	259	266	323	310	381	47%
MSE Finance	98	54	72	73	77	-21%
NBFC	136	50	28	30	135	-1%
Others [†]	37	64	60	63	80	116%
Total Disbursements	3,145	2,861	3,279	3,238	3,845	22%

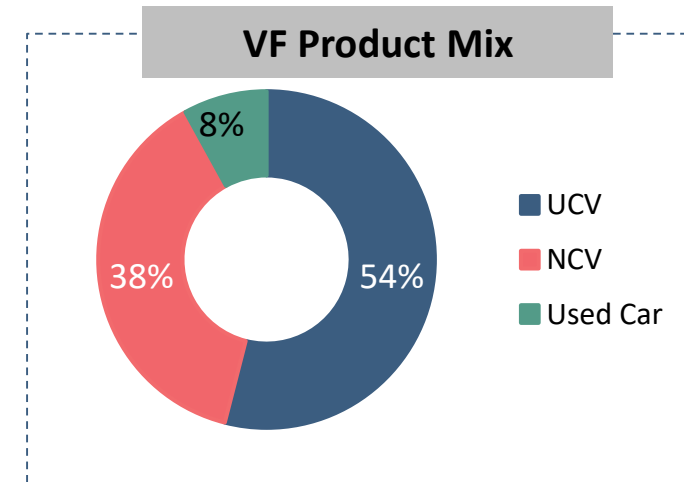
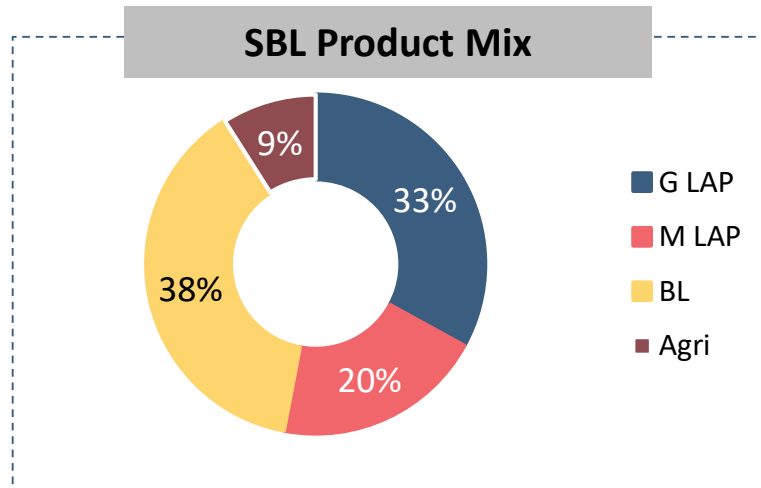
[†] Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans

* Disbursement excludes Rs 185 Crs & Rs 183 Crs under the TReDS platform in Q1FY23 & Q2FY23 respectively



Segmental Details

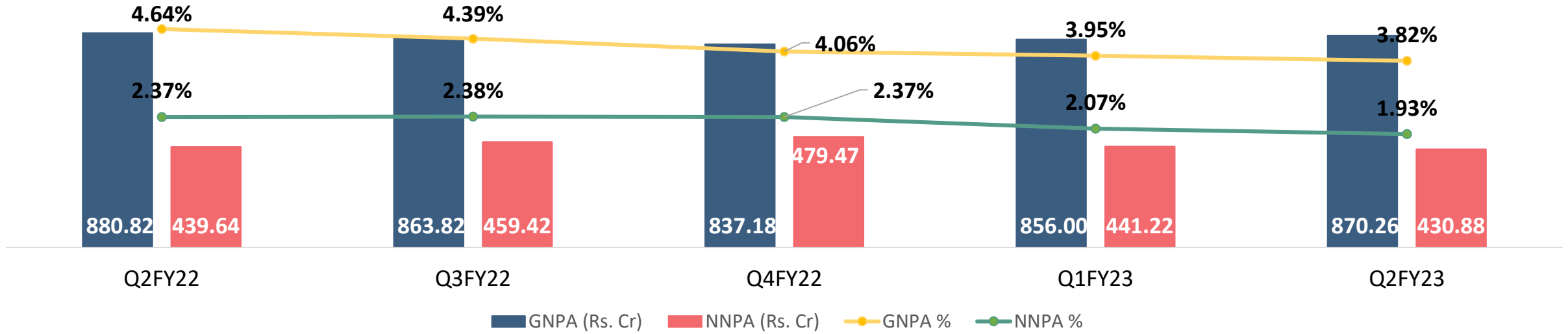
Product Segment	Number of Live Loans	ATS @ Disbursement (Lacs)	ATS @ Portfolio (Lacs)	GNPA (%)	PCR (%)
Micro Finance	18,54,906	0.40	0.22	4.63%	55.14%
Small Business Loans	2,31,380	6.30	3.77	4.19%	37.81%
Housing Finance	25,102	11.15	8.45	1.17%	33.25%
Vehicle Finance	1,76,442	5.20	3.20	3.65%	75.99%
MSE Finance	3,205	55.04*	36.09	6.29%	31.64%
NBFC	41	1,921	1,730	0.67%	100%



* Excludes disbursement under the TReDS platform



Asset Quality Trend



GNPA Movement (Rs. Cr)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Opening GNPA Balance	816.17	880.82	863.82	837.18	856.00
Add: Additions during the period	339.08	266.82	408.56	296.03	314.01
Less:					
i. Upgradations	186.61	68.64	109.88	51.75	136.67
ii. Recoveries (excluding recoveries made from upgraded accounts)	65.47	80.28	133.62	95.64	81.73
iii. Technical or Prudential write-offs	7.15	102.46	105.62	95.95	58.58
Write-offs other than those under (iii) above	15.20	32.45	86.08	33.87	22.76
Closing GNPA Balance	880.82	863.82	837.18	856.00	870.26

Previous quarters do not include slippages and upgrades within each month

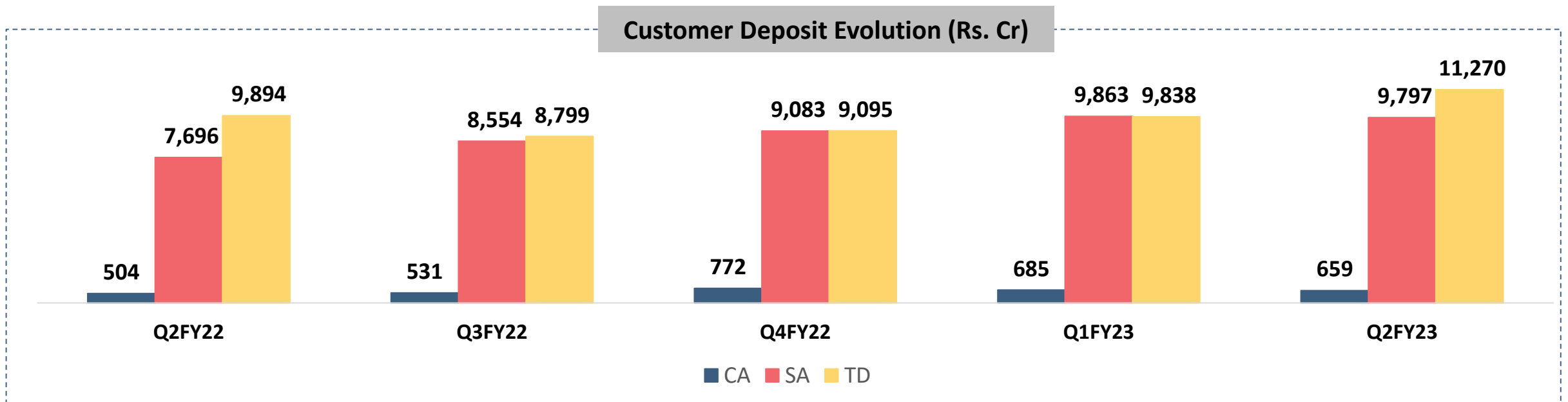


Liabilities & Branch Banking



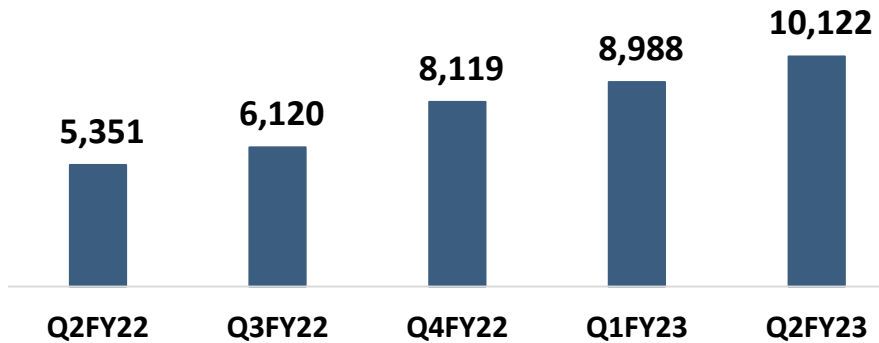
Deposits Evolution

as on 30 Sept 2022	CA [Current Account]	SA [Savings Account]	CASA [Low cost deposits]	TD [Term Deposits]	CASA+TD [Customer Deposits]
Balance (Cr)	659	9,797	10,456	11,270	21,726
as a % of total borrowings (Rs. 24,065 Cr)	3%	41%	43%	47%	91%
as a % of total deposits (Rs. 21,726 Cr)	3%	45%	48%	52%	100%

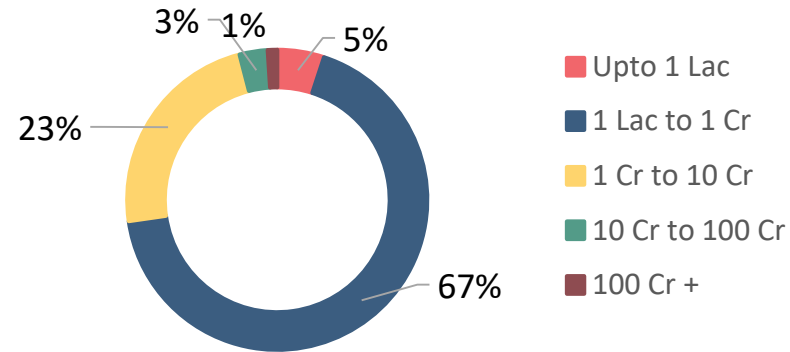


Customer Deposit Profile

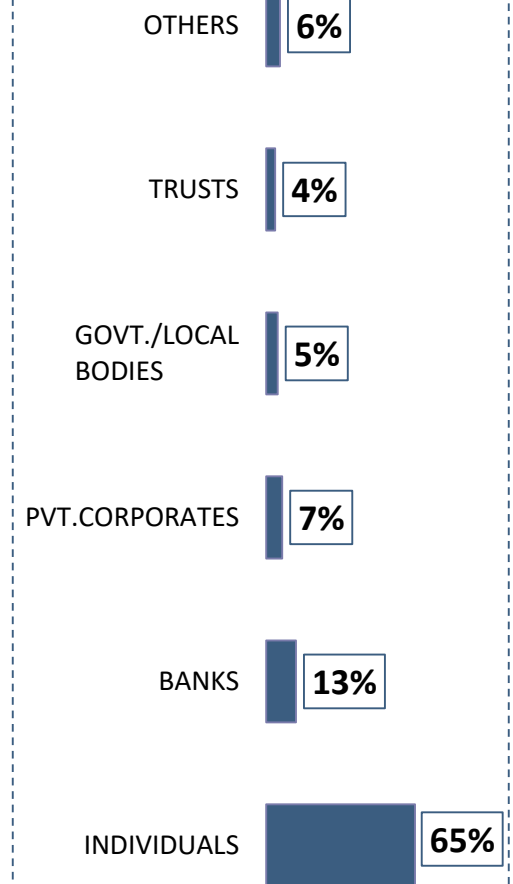
Elite Book (Rs. Cr)



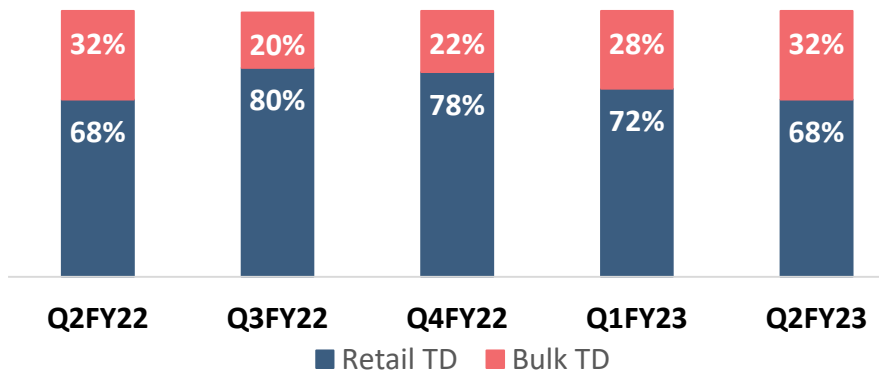
Savings Slab Wise (%)



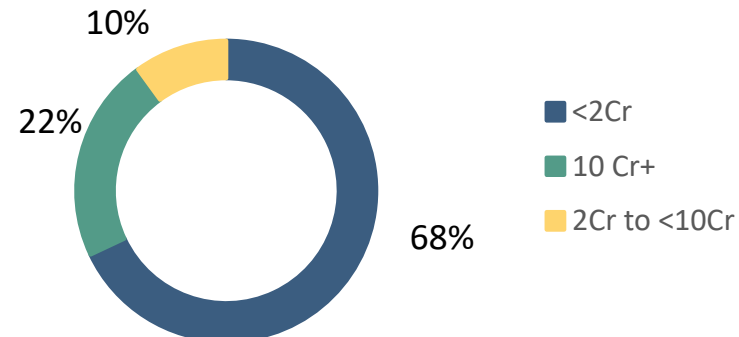
Deposit Category



Retail & Bulk TD Mix

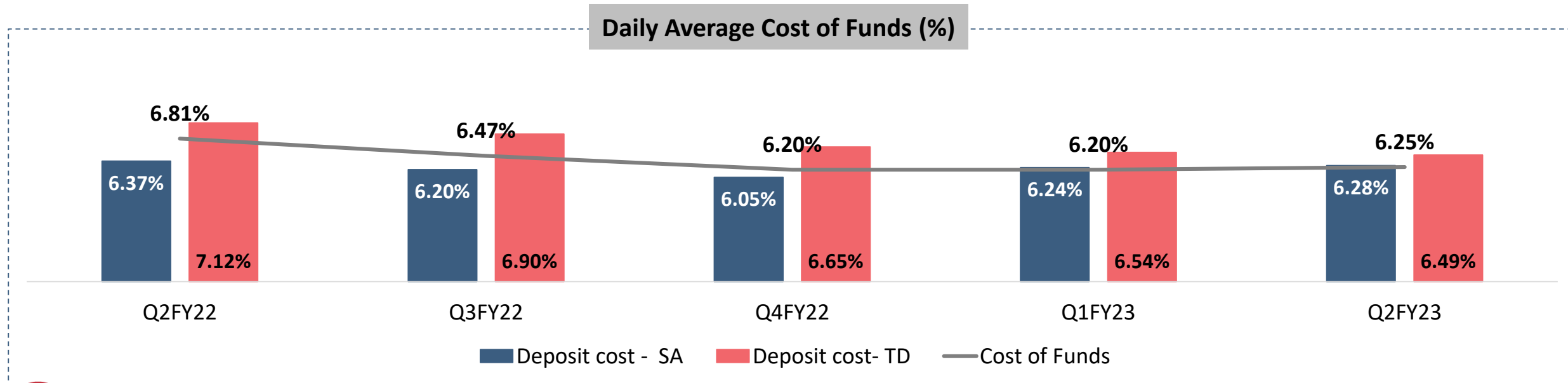
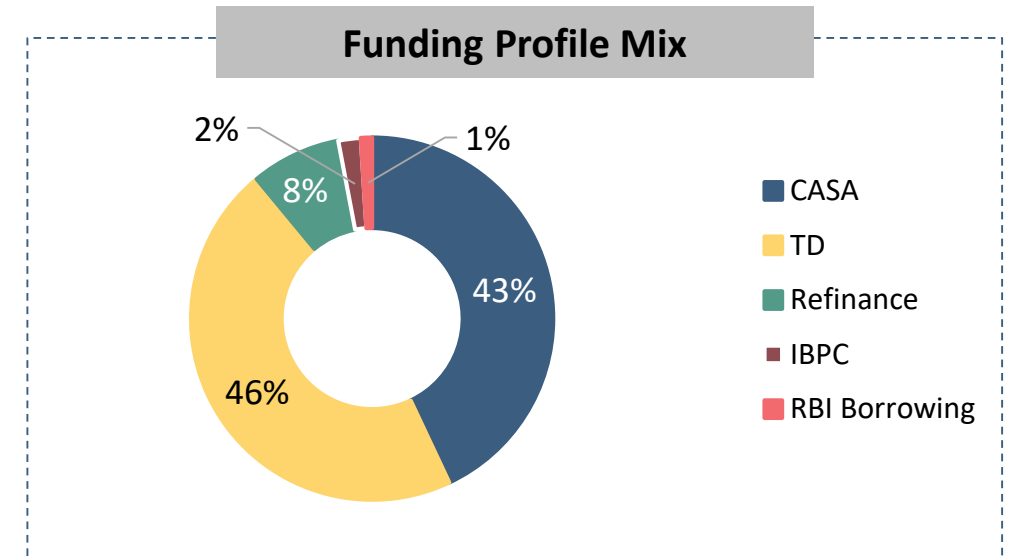


Term Deposit Slab Wise (%)



Funding Profile

In Rs Cr	Sept 2021	June 2022	Sept 2022
TD	9,894	9,838	11,270
Refinance	2,980	2,299	2,023
CASA	8,200	10,548	10,456
Sub Debt	150	150	-
IBPC	700	795	500
RBI Borrowing	-	-	316
Total Borrowings	21,924	23,630	24,565



Treasury Update



The Bank's total investment portfolio of Rs. 5,748 Crore comprises of SLR and Non-SLR securities

Category (Rs. Cr)	Book Value
SLR	5,730
Non SLR	18
Total	5,748



Borrowings & Liquidity

- The Bank's Certificate of Deposit (CD) programme for Rs. 500 Crore has highest rating from at CRISIL A1+
- 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
- The Bank currently maintains 'surplus' liquidity in the form of High Quality Liquid Assets (HQLA). Liquidity Coverage Ratio (LCR) as on 30.09.2022 is 202%



Profit on sale of Investments for the quarter is Rs. 7.76 Crore and MTM depreciation on Investments for the quarter is Rs. 1.35 crore



Digital Banking



Digital Banking – Key Highlights

Neo Banking



Equitas Selfe
Own digital platform



Rs. 578 Crs
Total Deposits

Niyox



Rs. 510 Crs
Total Deposits

freo



Rs. 4 Crs
Total Deposits

Digital Products overview for Q2



Prepaid Cards

- 1.58 Lacs Cards issued
- 55 Lacs+ Transactions
- Rs. 325 Crs Txn value processed

Micro ATM

- 195 Lacs+ Transactions
- Rs. 6,546 Crs Txn value processed

NETC - FASTag

- 49 K+ new Fastags issued
- Rs. 267 Crs issuer Txn value processed

UPI

- 12.75 Lacs Transactions Processed
- Rs. 23 Crs Txn Value processed



Financials



Balance Sheet

Particulars (in Rs Cr)	Sept-22	Sept-21	YoY %	Jun-22	QoQ%
Capital & Liabilities					
Capital	1,254	1,145	9%	1,253	-
Reserves & Surplus	3,213	2,321	38%	3,095	4%
Networth	4,467	3,466	29%	4,348	3%
Deposits	21,726	18,094	20%	20,386	7%
Borrowings	2,339	3,130	-25%	2,449	-4%
Other Liabilities & Provision	1,392	1,058	32%	1,184	18%
Total	29,924	25,748	16%	28,367	5%
Assets					
Cash and Balances With Reserve Bank of India	976	3,424	-71%	1,911	-49%
Balances With Banks and Money At Call and Short Notice	288	64	354%	145	98%
Investments	5,746	3,531	63%	4,854	18%
Advances	21,840	17,837	22%	20,479	7%
Fixed Assets	221	173	28%	200	11%
Other Assets	853	719	19%	778	10%
Total	29,924	25,748	16%	28,367	5%
Gross Advances	22,779	18,978	20%	21,688	5%

Profit & Loss Account

Particulars (in Rs Cr)	Q2FY23	Q2FY22	YoY%	Q1FY23	QoQ%	H1FY23	H1FY22	YoY%
Interest Income from Loans	904	767	18%	855	6%	1,759	1,509	17%
Income on Investments	73	60	22%	62	18%	134	117	15%
Interest on balances with Reserve Bank of India and other inter bank funds	25	17	47%	24	4%	50	37	35%
Total Interest Income	1,002	844	19%	941	6%	1,943	1,663	17%
Finance Cost								
Interest on deposits	326	289	13%	296	10%	622	568	10%
Interest on RBI / inter-bank borrowings	18	-	-	12	50%	30	1	-
Other interest	49	70	-31%	52	-8%	101	149	-32%
Total Finance Cost	393	360	9%	360	9%	752	718	5%
Net Interest Income	610	484	26%	581	5%	1,190	945	26%
Other Income								
Asset Fee Income	84	65	29%	67	25%	151	92	64%
Treasury & PSLC Fee Income	7	17	-59%	7	-	14	32	-56%
Liability & Distribution Income	25	24	4%	26	-4%	51	41	24%
Total Other Income^	115	106	8%	100	15%	216	165	31%

*Opex is exclusive of digital expenses | ^Other income is net of digital expenses

Profit & Loss Account

Particulars (in Rs Cr)	Q2FY23	Q2FY22	YoY%	Q1FY23	QoQ%	H1FY23	H1FY22	YoY%
Net Income	725	590	23%	681	6%	1,406	1,110	27%
Employee Cost	275	228	21%	226	22%	501	449	12%
Opex*	208	163	28%	187	11%	395	298	33%
Total Operating Expenditure	483	391	24%	413	17%	875	747	17%
PBT before provision & Write-off	242	199	22%	268	-10%	510	363	40%
Credit Cost	90	142	-37%	142	-37%	232	292	-21%
PBT	152	57	167%	127	20%	279	71	293%
Taxes	36	16	125%	30	20%	66	18	267%
PAT	116	41	183%	97	20%	213	53	302%

*Opex is exclusive of digital expenses ^Other income is net of digital expenses

Sustainability at Equitas

Environment

- Bank has a policy on Environmental & Social safeguards framework for Micro & Small Enterprises during the appraisal process of loan application
- Bank has tied-up with IFC to conduct exploratory data analysis to establish base line for Green Portfolio

Social

- The Equitas Development Initiative Trust (EDIT) was set up to undertake social and community development initiatives in the areas of Health, Education and Employment
- To know more about the impact of EDIT on society [click here](#)

Governance & Inclusion

- Board of Directors with diversified industry experience
- Experienced Management team with 20+ years of individual experience across functions
- To more about our governance & inclusion practices [click here](#)

UN SDG's



Sustainalytics – Equitas ESG risk rated at Medium levels among Banks



EDIT Impact

26,16,049 Eye- Camp Participants	1,18,812 Spectacles distributed for free	33,605 Cataract Operations Sponsored
38,80,073 Medical Camps Organized	6,00,420 Participants in Skill Training	2,40,251 Unemployed Placed
4,33,166 Swasth Mahila Health Education	2,343 Pavement Dweller Rehabilitated	57,38,883 Number of People Vaccinated

Inclusion

- Employee were provided with benefits of Covid policy which included benefits like Special Covid leaves , Hospitalization Assistance , test charges reimbursement
- A Child Care Centre has been opened in the Head-Office to encourage and support the working parents. This initiative specially helps the working mothers in managing their careers

Governance

Equitas from the very beginning has reflected high governance standard which is reflected by the board demographics and its independence

6 No of Board Meeting	98.33% Board Attendance	99.53% Board Committee Attendance
9 No of Independent Directors	9 No of non- management Directors	8 Years Term Limit of Ind. Directors

To know more about our Board Committees [click here](#)



Awards



AmbitionBox Best
Places to Work in
India 2022



e4m IMA South
Circle of Life –
Branded Content BFSI



Quantic
Disruptive Technology
Innovation Award



e4m IMA South
Equiverse – Innovative
use of Technology



Awards



W.E. matter
Global Employee
Choice Awards
Best CEO



BW Marketing World
40 under Forty



BSE
Top Performer in
Banks Category
2020-21





Investor Relations

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