

Investor Presentation

Q3FY22



BEYOND BANKING

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



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Table of Contents

01

KEY HIGHLIGHTS

PAGE 08

02

FINANCIAL PERFORMANCE

PAGE 14

03

ADVANCES

PAGE 18

04

LIABILITIES & BRANCH BANKING

PAGE 23

05

DIGITAL BANKING

PAGE 28

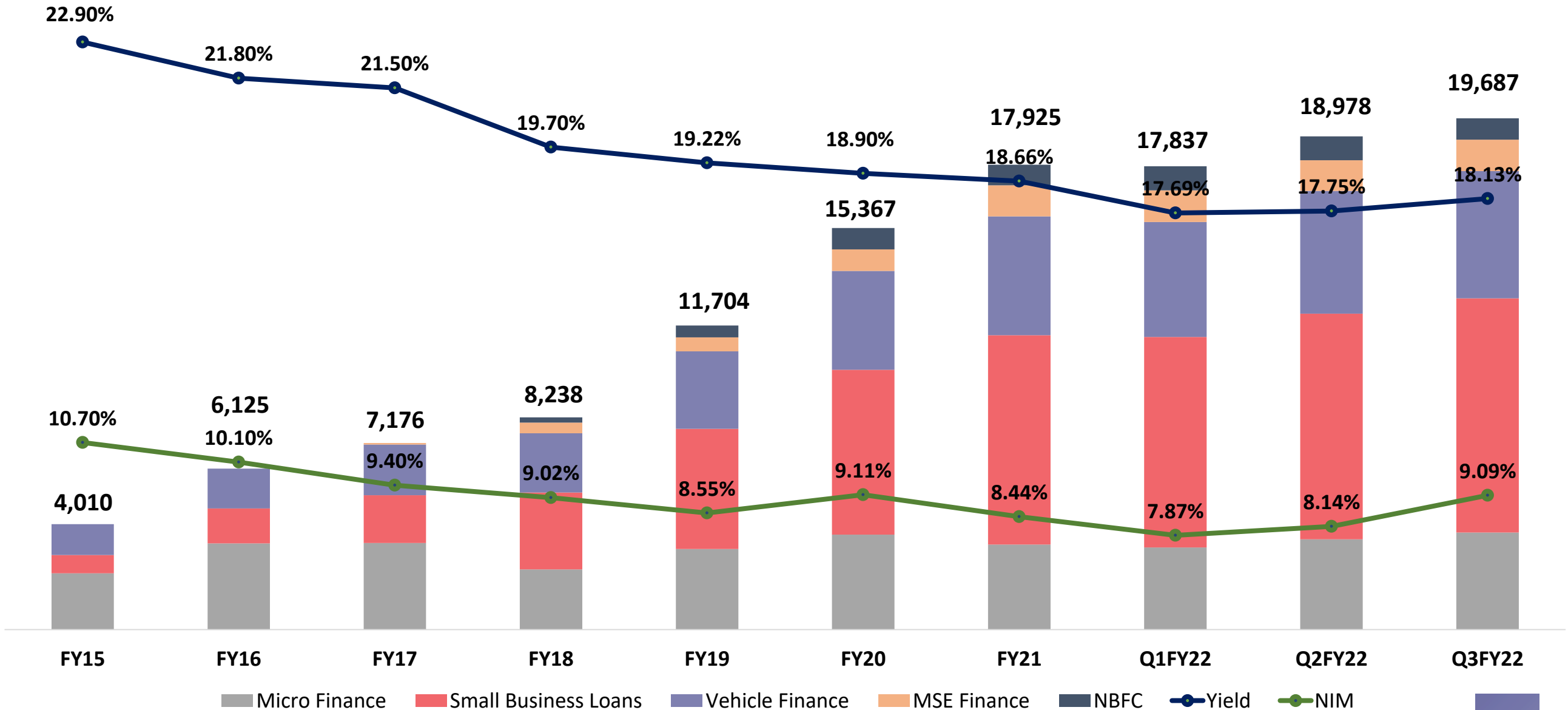
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FINANCIALS

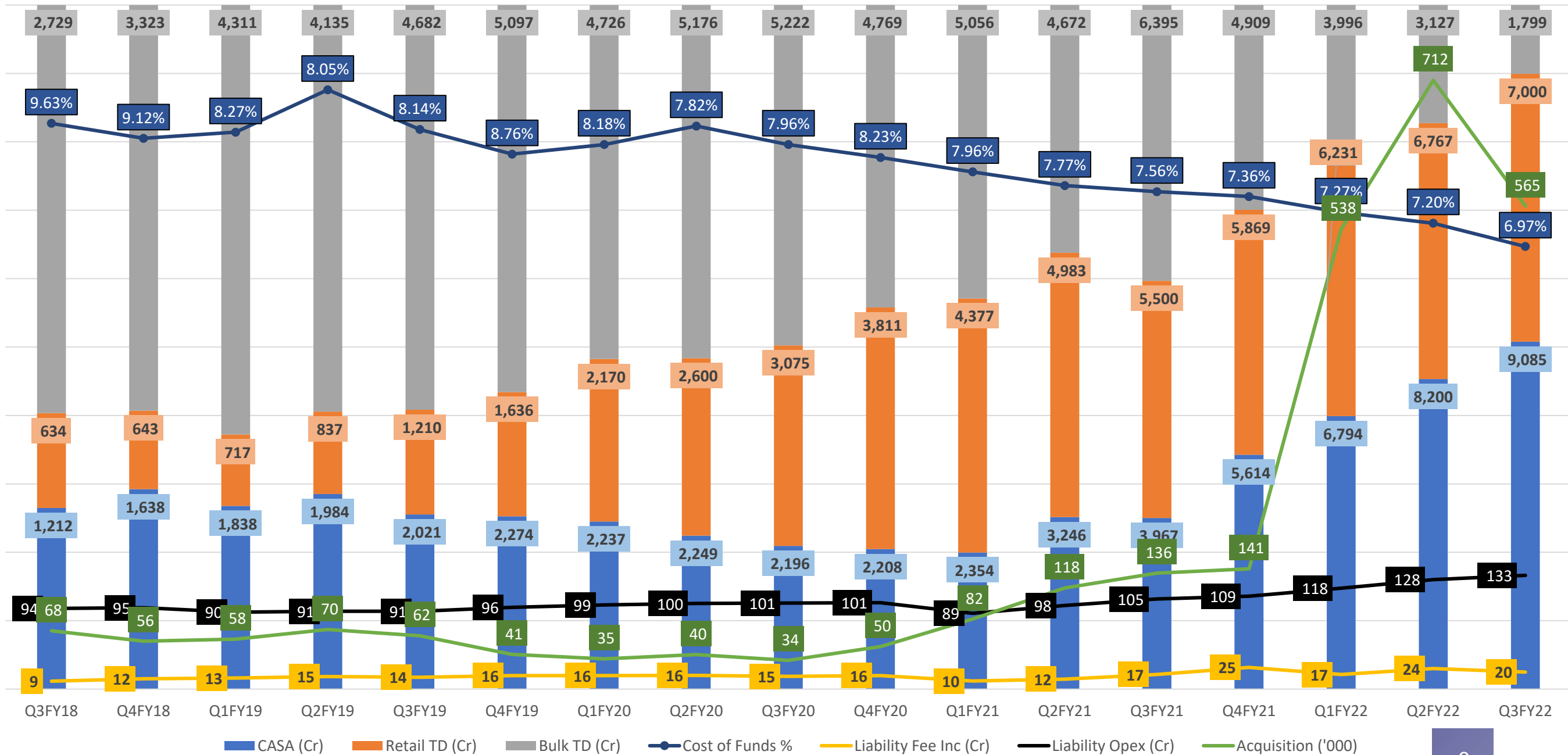
PAGE 30

Journey of building a Stable, Sustainable and Scalable Bank

Diversifying across the informal segment



Liability franchise evolution



Key Highlights

Quarterly Snapshot

Operational



17 States and UTs



860 Banking Outlets
336 ATMs



278 Business Correspondents



17,509 employees

Asset Offerings



Gross Advances:
Rs. 19,687 Cr [Rs. 17,373 Cr]
SBL- 45%, VF - 25%, MFI- 19%,
MSE – 6%, NBFC – 4%,
Others – 1%



Disbursements:
Rs. 2,861 Cr [Rs. 2,461 Cr]
SBL – 32%, VF - 27%, MFI – 35%,
MSE – 2%, NBFC – 2%



Asset Quality:
GNPA: 4.39% [4.16%]
NNPA: 2.38% [1.71%]
PCR: 46.81% [59.88%]



Yield on Gross Advances:
18.13% [18.89%]

Liability Profile



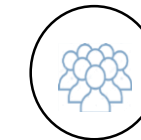
Total Deposits:
Rs. 17,884 Cr [Rs. 15,862 Cr]



Third Party Products:
Premium Collected
Rs. 31 Crs [Rs. 16 Cr]
Mutual Fund AUM
Rs. 176 Cr [Rs. 391 Cr]



Daily Average Cost of Funds: 6.47% [7.27%]
SA – 6.20%, TD – 6.90%



CASA Ratio:
50.80% [25.01%]

Financials



PAT:
Rs. 108 Cr [Rs. 111 Cr]



Shareholders funds
CRAR –21.91%
Tier I – 20.66%
Tier II – 1.25%



NIM:
9.09% [8.48%]



RoA: 1.70% [1.84%]
RoE: 12.27% [14.32%]

Advances:

- Advances as of Q3FY22 was at Rs. 19,687 Cr, Advances growth of 13% YoY
- 81% of advances is secured loans
- Quarterly disbursement of Rs. 2,861 Cr in Q3FY22, as the Bank focused on collections in the month of October and November 2021
- Collection Efficiency for December 2021 across major segments remained healthy even as restructured loans resumed billing after the moratorium periods.
- X Bucket (Non delinquent Loans) collection efficiency for Small Business Loans , Vehicle Finance and Micro Finance was 98.1%,95% and 97% respectively for December 2021.
- As on December 2021, PAR 30 for the restructured loans stood at 37%.

Liabilities:

- Cost of funds reduced to 6.47% from 6.81% in Q2FY22 and 7.27% in Q3Y21
- Deposits excluding CD at Rs. 17,884 Cr
- Retail TD at Rs. 7000 Cr, growth of 27% YoY. Retail TD at 79.5% and Bulk TD at 20.5%
- Savings Account deposits at Rs. 8554 Cr, growth of 143% YoY nd 11% QoQ
- CASA stood at Rs. 9,085 Cr, CASA is 50.80% of Total Deposits

Profit & Loss:

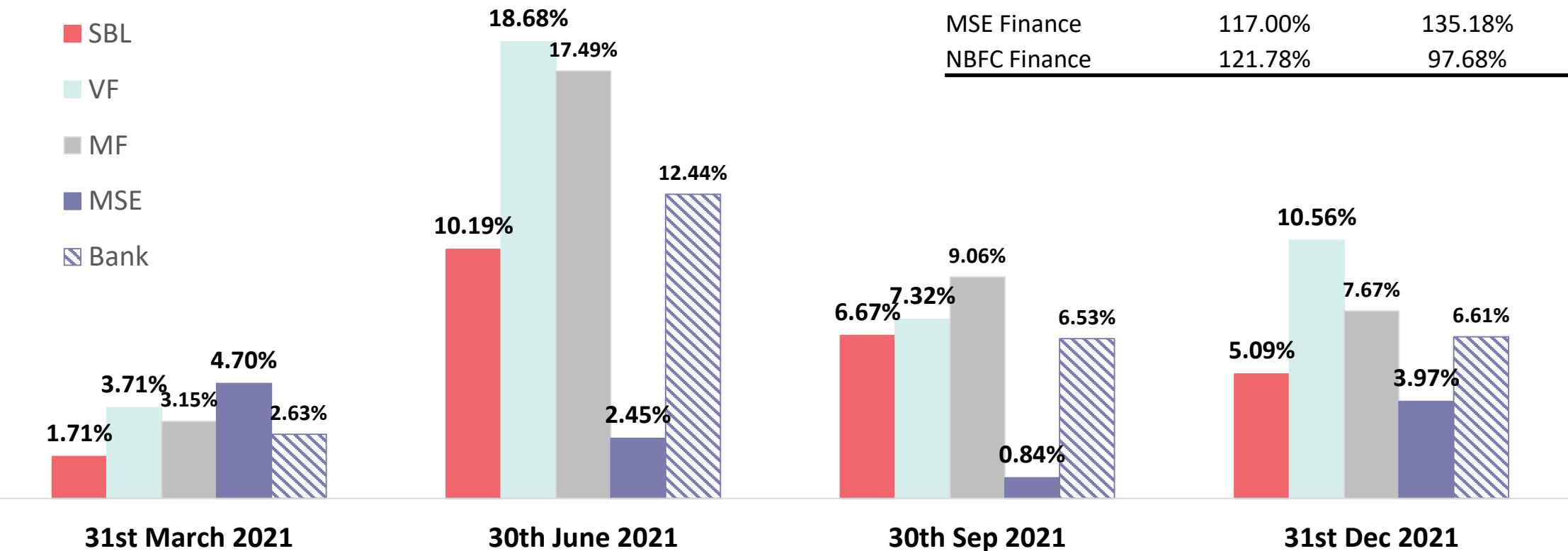
- Net Interest Income for Q3FY22 at Rs. 541 Cr as against Rs. 484 Cr in Q3FY21. NIM at 9.09%
- Core Income (Net Income other than PSL Fees, Treasury & Others) at 87.62%
- Pre Provisioning Operating Profit (PPOP) for Q3FY22 at Rs. 225 Cr as against Rs. 283 Cr in Q3FY21
- PPOP as a percentage of average assets improves to 3.52% in Q3FY22 from 3.14% in Q2FY22
- PAT for Q3FY22 at Rs. 108 cr as against Rs.41Cr in Q2FY22 and Rs. 111 Cr in Q3FY21

Asset Quality, Provisioning & Restructuring:

- GNPA at 4.39% in Q3FY22 as compared to 4.64% in Q2FY22 and 4.16% in Q3FY21
- NNPA at 2.38% in Q3FY22 as compared to 2.37% in Q2FY22 and 1.71% in Q3FY21
- Provision coverage ratio at 46.81%

31-90 DPD Bucket movement

- 60-90 DPD Bucket is at 2.12% against 1.51% in September '21
- X Bucket improves to 82% against 80.5% in September '21



Collection Efficiency

Product	Oct-21	Nov-21	Dec-21
Micro Finance	100.21%	94.04%	96.29%
Small Business Loans	101.73%	97.40%	94.21%
Vehicle Finance	87.08%	86.25%	91.13%
MSE Finance	117.00%	135.18%	97.98%
NBFC Finance	121.78%	97.68%	100.92%

Highlights

Key Ratios:

- Cost to Income at 64.67% in Q3FY22 as compared to 66.27% in Q2FY22 and 54.07% in Q3FY21; after adjusting digital expenses to corresponding digital income.
- RoA and RoE for Q3FY22 at 1.70% and 12.27% respectively

Capital:

- As of December 31, 2021 Total CRAR at 21.91%

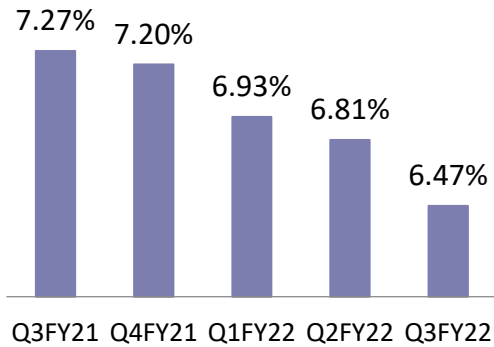
Treasury:

- The Bank currently maintains 'surplus' liquidity in the form of High Quality Liquid Assets (HQLA). Daily Average Liquidity Coverage Ratio (LCR) for December 2021 was at 125%
- During the quarter, the Bank participated in equity primary market. Profits realised in those equity IPOs amounted to Rs. 14.53 Crore
- PSLC Income for the quarter was 5.73 Cr

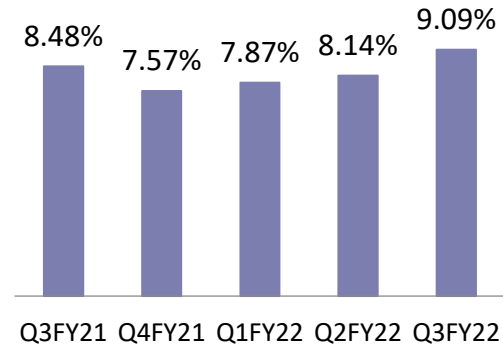
Financial Performance – Quarterly trends

Key Ratios

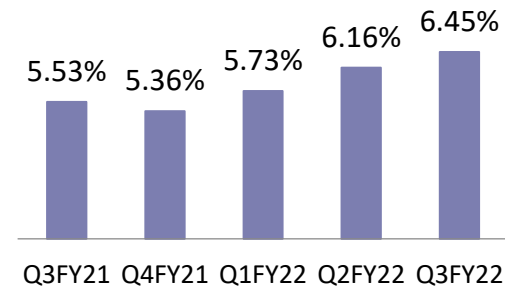
Daily Avg Cost of Funds



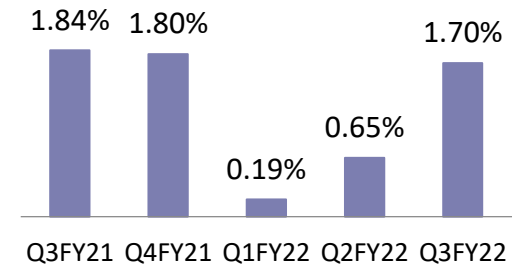
Net Interest Margin (NIM)



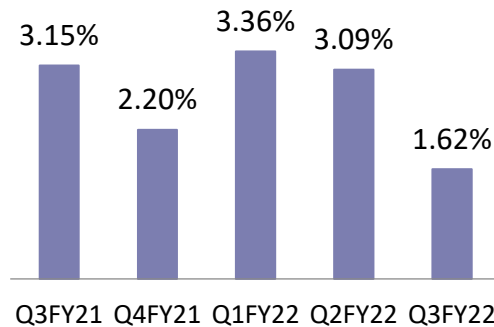
Cost to Assets



RoA

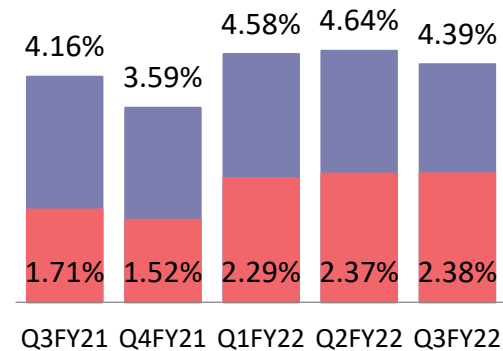


Credit Cost

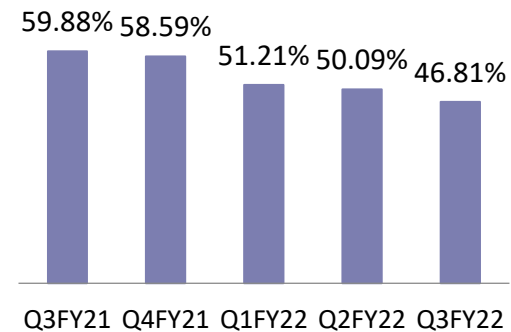


GNPA & NNPA

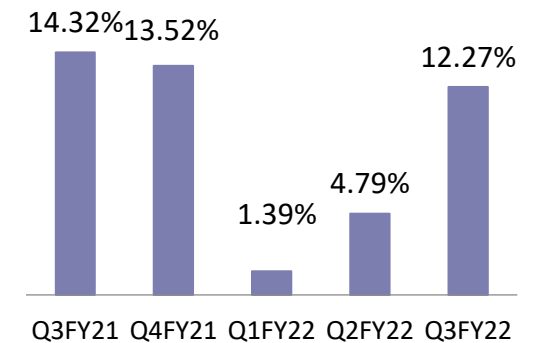
■ GNPA ■ NNPA



Provision Coverage Ratio

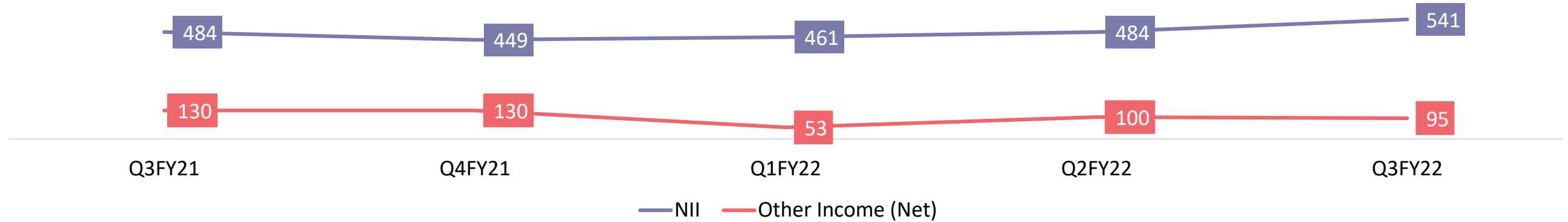


RoE

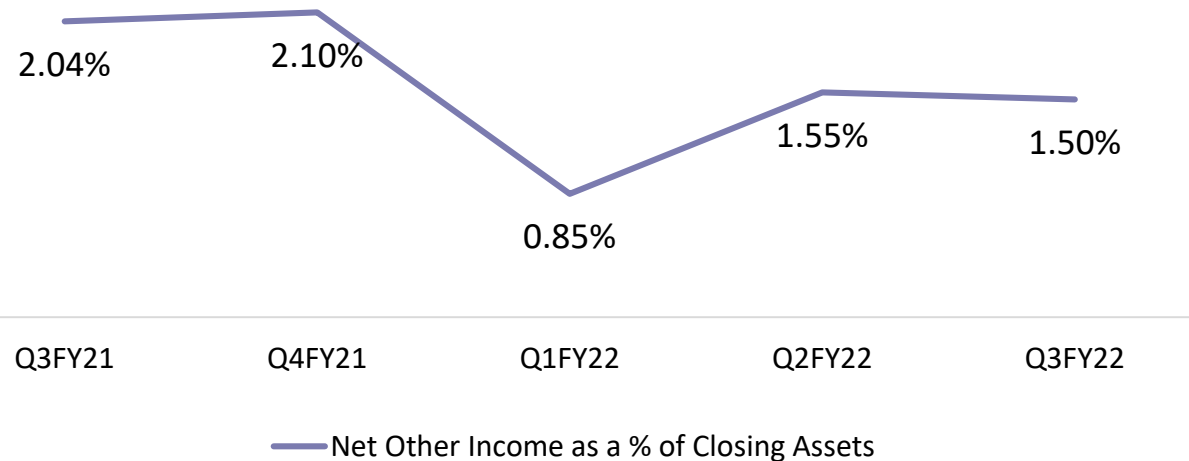


Income Evolution

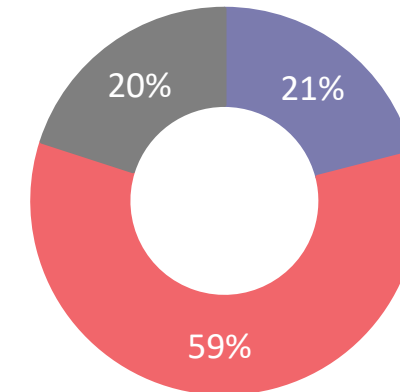
Net income evolution (in Rs. Cr)



Other income contribution



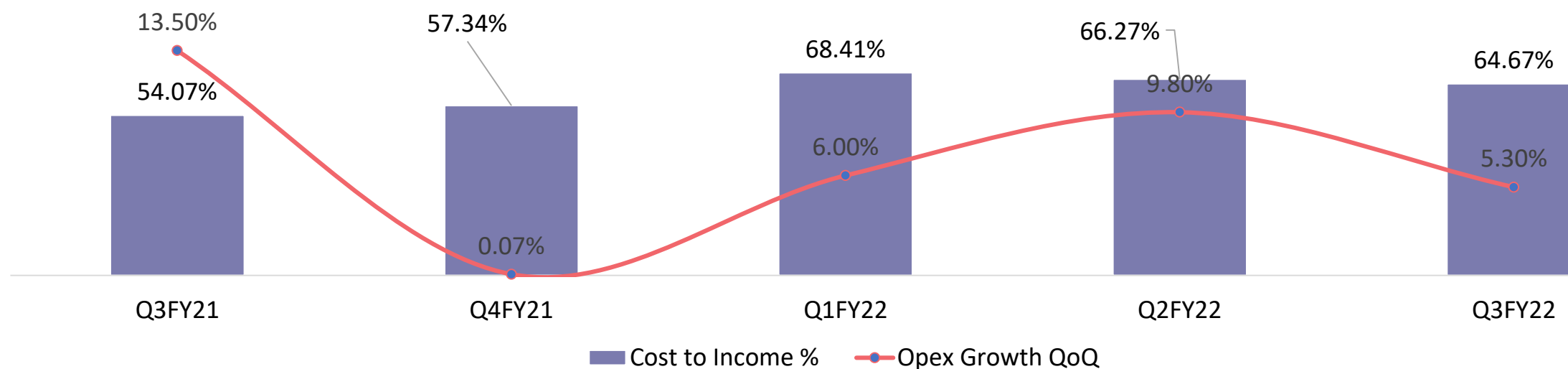
Other Income Break-up (Rs. Cr)



Opex Evolution

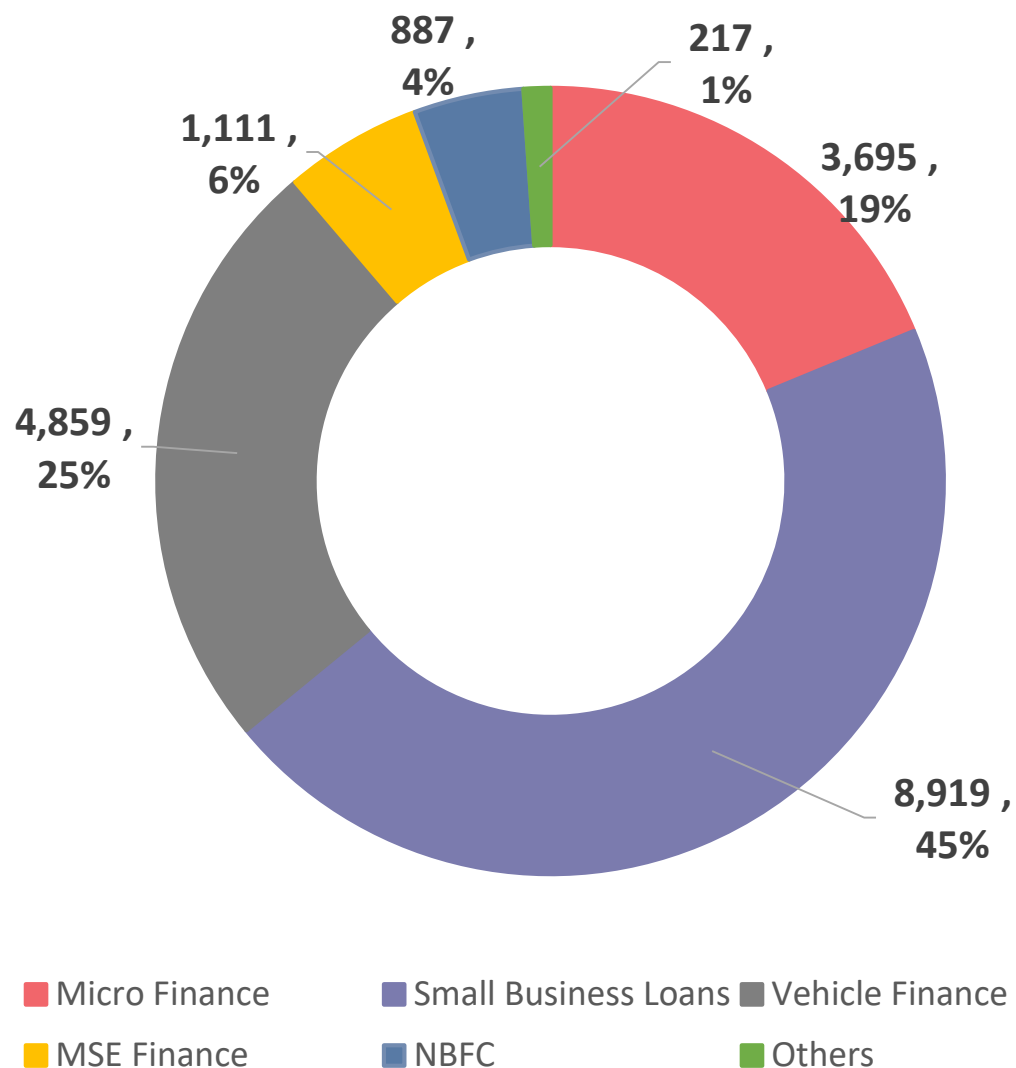
Rs Cr	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Employee expenses	205	204	222	228	240
Other expenses (Excl digital expenses)	110	112	115	144	152
Depreciation	19	19	20	19	19
Total Operating expenses	334	335	357	391	411
No. of employees	16,036	16,556	16,770	17,441	17,509

Opex evolution



Advances

Advances Evolution & Diversified Book



Rs Cr	Q3FY21	Q3FY22	YoY Growth %
Micro Finance	3,491	3,695	6%
Small Business & Home Loans	7,496	8,919	19%
Vehicle Finance	4,275	4,846	13%
MSE Finance	988	1,194	21%
NBFC	898	817	-9%
Others [†]	225	216	-4%
Gross Advances	17,373	19,687	13%

[†] 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	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Micro Finance	3,491	3,236	3,128	3,438	3,695
Small Business and Home Loans	7,496	7,971	8,015	8,596	8,919
Small Business Loans	5,890	6,227	6,227	6,629	6,824
Housing Finance	834	959	1,017	1,175	1,310
Agri Loans	772	785	771	792	785
Vehicle Finance	4,275	4,530	4,377	4,670	4,846
Used CV	2,862	2,971	2,836	2,997	3,127
New CV	1,413	1,559	1,541	1,673	1,719
MSE Finance	988	1,180	1,208	1,170	1,194
NBFC	898	783	914	908	817
Others [†]	225	225	195	196	217
Gross Advances	17,373	17,925	17,837	18,978	19,687

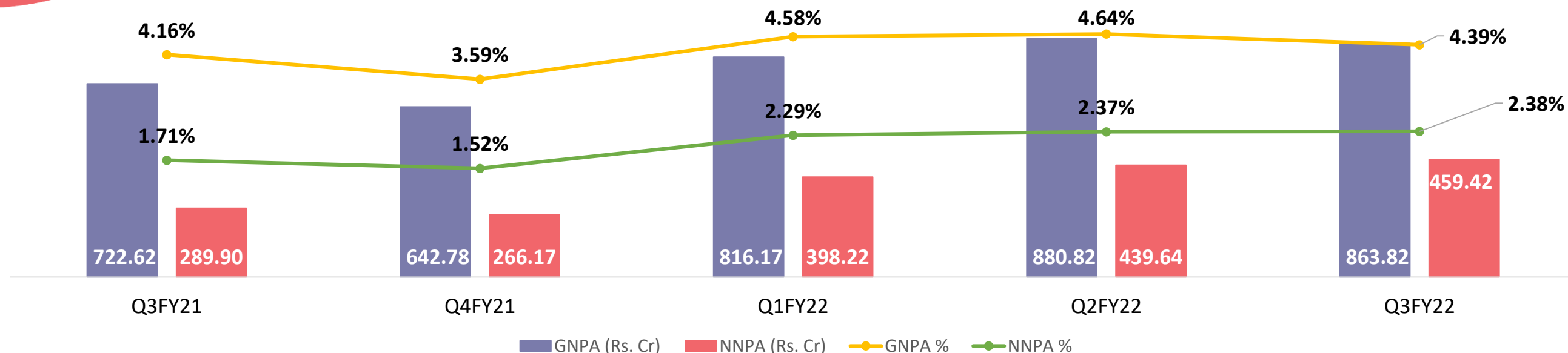
[†] Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans| Housing Finance (HF) | Micro Small Enterprises (MSE)

Product Segment & Disbursement Details

Product Segment	Number of Live Loans	ATS @ Disbursement (Lacs)	ATS @ Portfolio (Lacs)	GNPA (%)	PCR (%)
Micro Finance	19.38L	0.32	0.19	6.05%	48.58%
Small Business Loans (Incl. HF)	2.41L	6.04	3.71	3.51%	41.29%
Vehicle Finance	1.53L	3.24	3.17	4.26%	36.95%
MSE Finance	0.18	50.39	63.94	5.11%	25.58%
NBFC	~	69.43	1,816	0.58%	25.00%

Rs Cr	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Micro Finance	596	655	393	938	1,010
Small Business Loans (Incl. HF)	873	960	315	1,154	905
Small Business Loans	654	703	207	853	667
Housing Finance	151	189	83	203	177
Agri Loans	68	68	25	98	61
Vehicle Finance	621	723	177	782	778
Used CV	392	460	106	523	512
New CV	229	263	72	259	266
MSE Finance	100	123	63	98	54
NBFC	245	51	300	136	50
Others	26	23	17	37	64
Total Disbursements	2,461	2,535	1,265	3,145	2,861

Asset Quality Trend



Gross NPA Movement (Rs Cr)	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Opening GNPA Balance	399.65	387.60	642.78	816.17	880.82
Add: Additions during the period	36.47	514.59	374.86	339.08	266.82
Less:					
i. Upgradations	11.57	12.63	157.54	186.61	68.64
ii. Recoveries (excluding recoveries made from upgraded accounts)	18.65	42.01	32.43	65.47	80.28
iii. Technical or Prudential write-offs	5.28	175.81	5.65	7.15	102.46
Write-offs other than those under (iii) above	13.02	28.95	5.86	15.20	32.44
Closing GNPA Balance	387.60	642.78	816.17	880.82	863.82

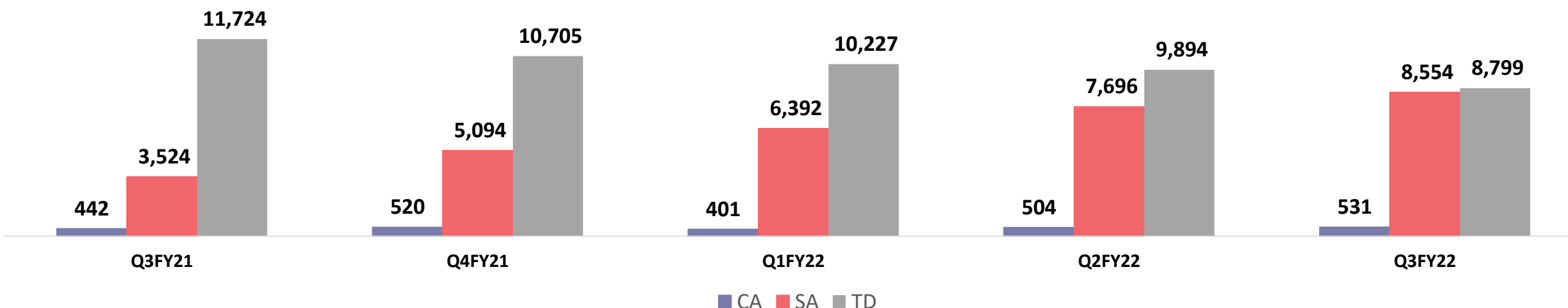
Liabilities & Branch Banking

Customer Deposits Evolution

Update for Q3Y22

as on 31 December 2021	CA [Current Account]	SA [Savings Account]	CASA [Low cost deposits]	TD [Term Deposits]	CASA+TD [Customer Deposits]
Balance (Cr)	531	8,554	9,085	8,799	17,884
as a % of total borrowings (Rs. xx Cr)	2%	40%	42%	41%	83%
as a % of total deposits (Rs. xx Cr)	3%	48%	51%	49%	100%
Avg. balance (Branch Banking Customers)	81,388	67,897	-	5,42,484	-

Customer Deposits evolution (Rs. Cr)



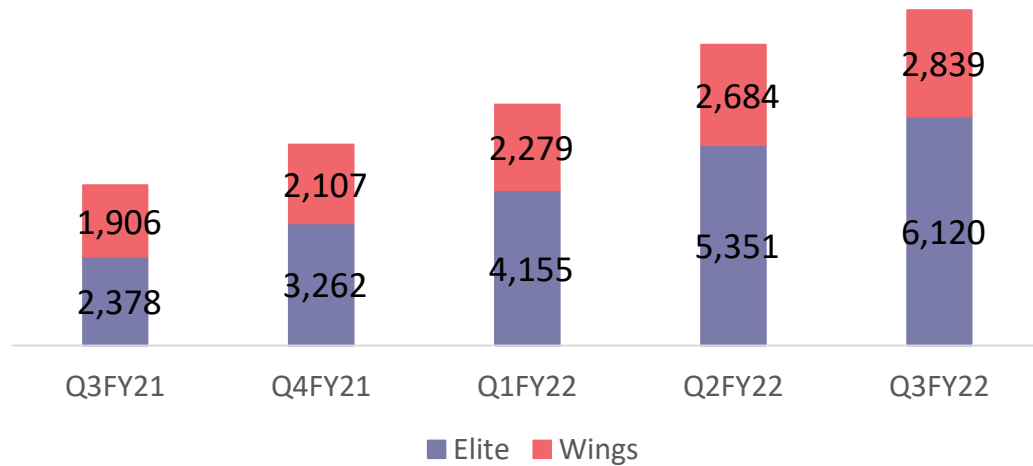
† Cost of Customer Deposits = Interest paid on Customer Deposits as a % of Average Customer Deposits | Customer Deposits = CASA + Term Deposits

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

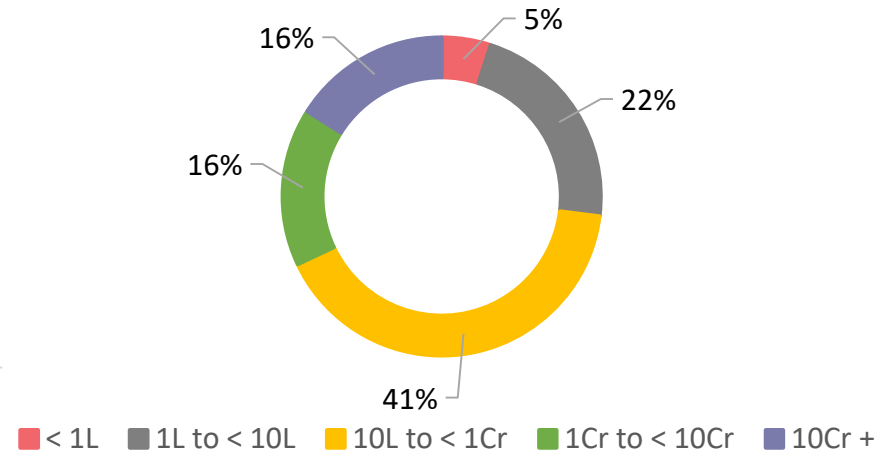
Figures in {} represent CA as a % of CASA

Customer Deposit Profile

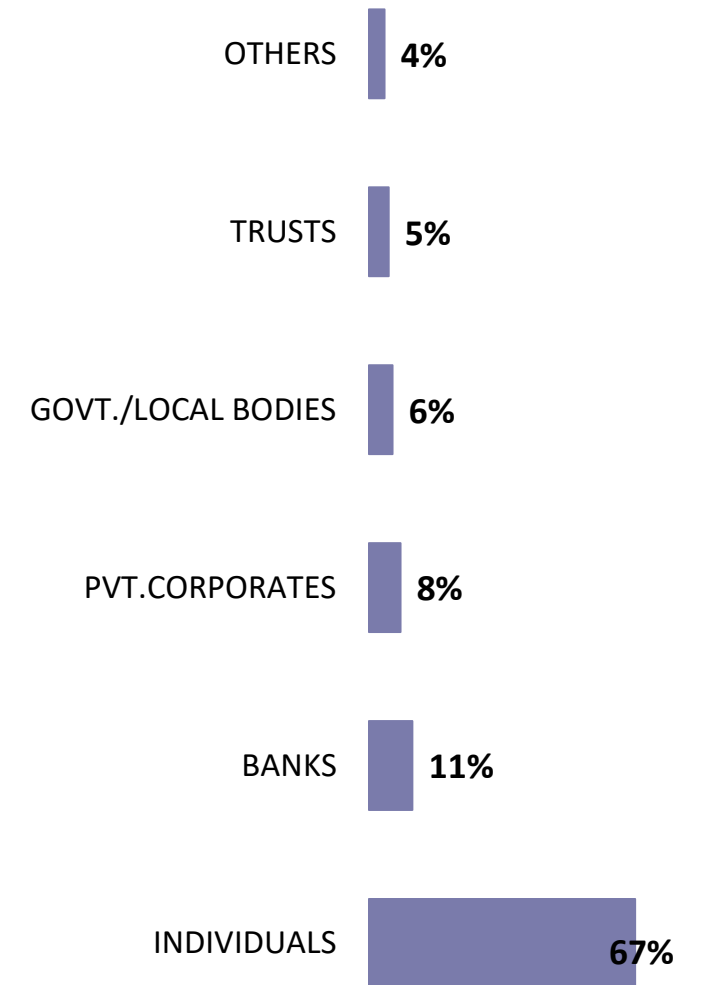
Mass Affluent Customer* (Deposit in Rs. Cr)



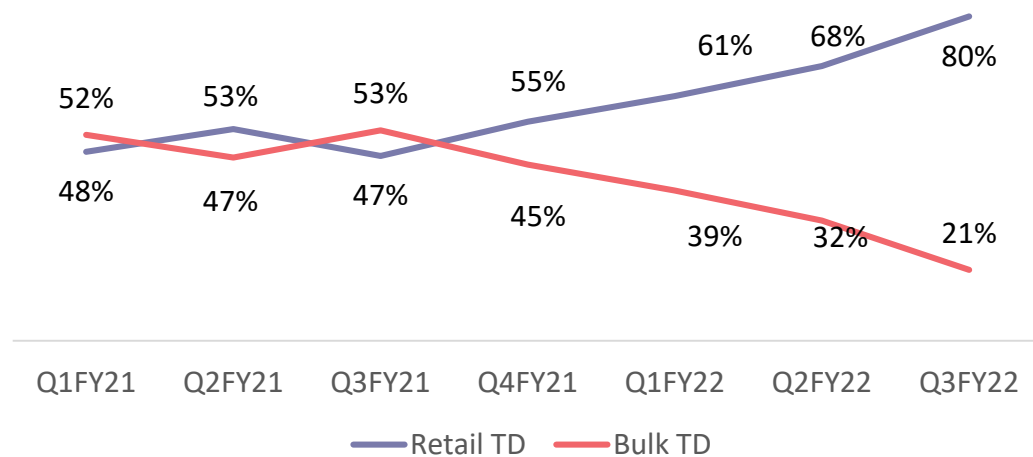
Savings Account Value Slabs



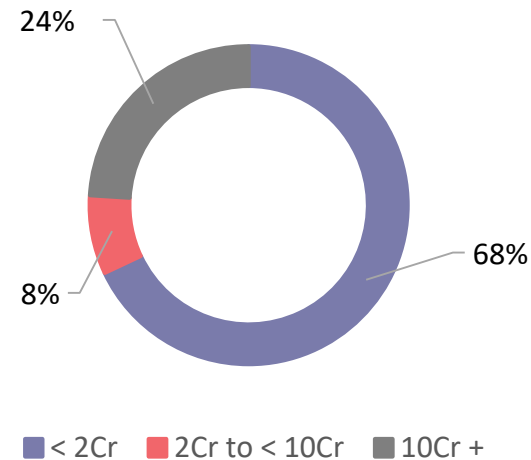
Deposits by Category



Term Deposits (TD) %



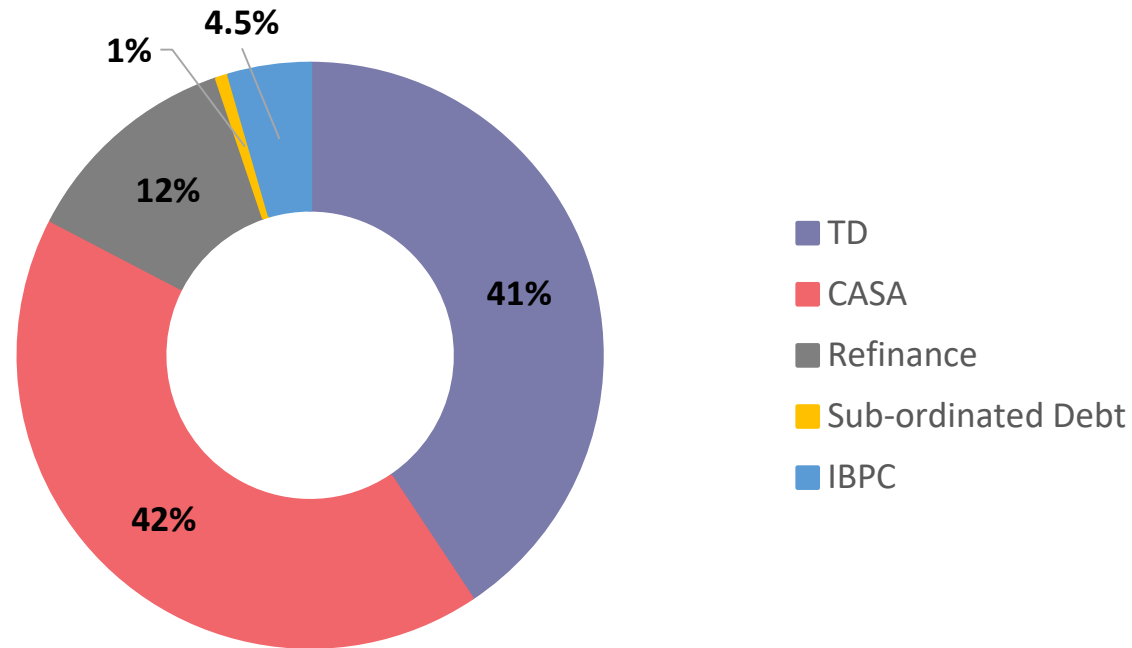
Term Deposits Value Slabs



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

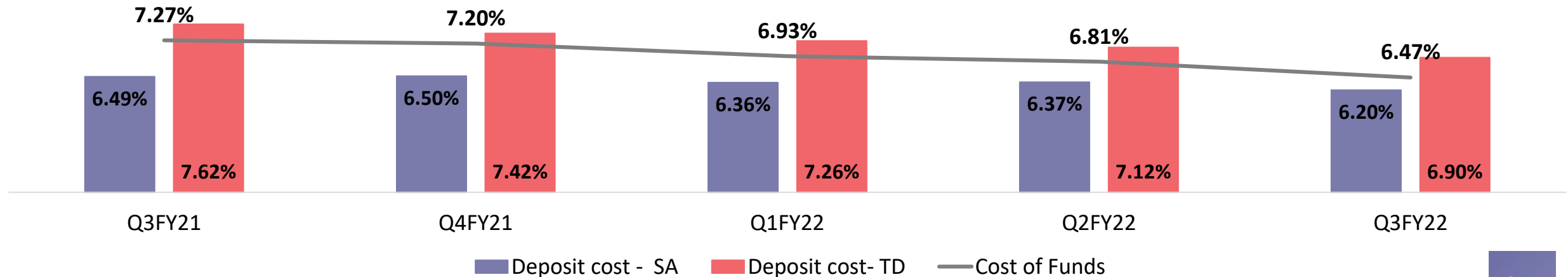
Funding Profile

As on 31 Dec 2021



In Rs Cr	Sep 2021	Dec 2021
TD	9,894	8,799
Refinance	2,980	2,635
CASA	8,200	9,085
CD	-	-
Sub Debt	150	150
IBPC	700	968
RBI Borrowing	-	-
Total Borrowings	21,924	21,637

Daily Average Cost of Funds



Treasury

Investments

The Bank's total investment portfolio of Rs. 4,925 Crore comprises of SLR and Non-SLR securities as given below:

Category (Rs. Cr)	Book Value
SLR	4,884
Non SLR	39
Total	4,923

During the quarter, the Bank participated in equity primary market. Profits realized in those equity IPOs amounted to Rs. 14.2 Crore

Borrowings & Liquidity:

- The Bank currently maintains 'surplus' liquidity in the form of High Quality Liquid Assets (HQLA). Daily Average Liquidity Coverage Ratio (LCR) for December 2021 was at 125%

Digital Banking

Digital Banking

Key Quarterly Highlights

NeoBanking

- **NiyoX Program:**

- 10.35 lac Accounts Opened
- CASA Balance EoP – Rs. 316 Crs
- 670 Fixed Deposits valuing Rs. 8 Crs



- **Groww**

- 2,054 FDs opened
- EOP balance of Rs. 10.04 Crs



Prepaid Engagements

- 17 lakh+ cards issued (Physical + Virtual)
- 4.71 Crs+ Transactions
- 2,242 Crs+ transaction value processed
- Programs under integration:
 - Neokred – Integration completed
 - BankIT
 - Muvn
 - Decentro



Digital Payments and Acquisitions

- **UPI**

- 15.40 Crs Transactions processed



- **NETC - FASTag**

- ~98,165 new Fastags issued
- ~368 Crs issuer transaction value processed
- ~4.71 lac NETC transactions valuing more than 10 Crs

- **MicroATM**

- 4.24 Crs+ Transactions
- ~12,350 Crs+ transaction value processed

Digital Transformation and Channels

- Video Banking Phase 2
- Video KYC being extended to NeoBanking partners
- Positive Pay – CBS Integration
- BBPS phase 2
- eKYC BC App for Selfe customers via Novopay
- WhatsApp Banking/ Bot Banking for customer onboarding
- DIY phase 3 & Video Banking Phase 2 under integration
- New mobile banking app launched with performance upgrade
- eNACH product revamp
- Scheme nodal A/c new product development in process

Financials

Balance Sheet

Particulars (in Rs Cr)	Dec-21	Dec-20	YoY %	Sep-21	QoQ%
Capital & Liabilities					
Capital	1,148	1,138	1%	1,145	0%
Reserves & Surplus	2,435	2,143	14%	2,321	5%
Networth	3,583	3,281	9%	3,466	3%
Deposits	17,884	15,862	13%	18,094	-1%
Borrowings	2,785	5,266	-47%	3,130	-11%
Other Liabilities & Provision	1,009	960	0%	1,058	-5%
Total	25,261	25,369	-1%	25,748	-2%
Assets					
Cash and Balances With Reserve Bank of India	766	502	52%	754	2%
Balances With Banks and Money At Call and Short Notice	372	3,547	-90%	2,734	-86%
Investments	4,923	3,766	31%	3,531	39%
Advances	18,315	16,797	9%	17,837	3%
Fixed Assets	185	188	-1%	173	7%
Other Assets	700	569	18%	719	-3%
Total	25,261	25,369	-1%	25,748	-2%
AUM [On Book + Off Book]	19,687	17,373	13%	18,978	4%

Profit & Loss Statement

Particulars (in Rs Cr)	Q3FY22	Q3FY21	YoY%	Q2FY22	QoQ%	9MFY22	9MFY21	YoY%
Interest Income from Loans	819	773	6%	767	7%	2328	2164	8%
Income on Investments	64	60	6%	60	7%	180	161	12%
Interest on balances with Reserve Bank of India and other inter bank funds	18	24	-25%	17	4%	55	51	9%
Total Interest Income	901	857	5%	844	7%	2563	2376	8%
Finance Cost								
Interest on deposits	291	259	12%	290	1%	859	695	24%
Interest on RBI / inter-bank borrowings	6	2	-	0	-	8	12	-37%
Other interest	63	112	-44%	70	-11%	211	320	-34%
Total Finance Cost	360	373	-4%	360	0%	1078	1027	5%
Net Interest Income	541	484	12%	484	12%	1485	1349	10%
Other Income								
Asset Fee Income	51	48	5%	60	-16%	148	103	43%
Treasury & PSLC Fee Income	24	68	-64%	21	14%	51	60	-6%
Liability & Distribution Income	59	39	52%	71	-16%	191	77	148%
Total Other Income	134	155	-13%	152	-12%	390	240	63%

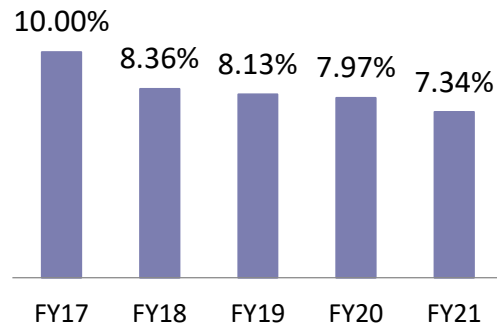
Profit & Loss Statement

Particulars (in Rs Cr)	Q3FY22	Q3FY21	YoY%	Q2FY22	QoQ%	9MFY22	9MFY21	YoY%
Net Income	675	638	6%	636	6%	1875	1589	18%
Employee Cost	240	205	17%	228	6%	690	587	17%
Opex	210	150	40%	209	0%	598	365	64%
Total Operating Expenditure	450	355	27%	437	2%	1288	952	35%
PBT before provision & Write-off	225	283	-21%	199	13%	588	637	-8%
Credit Cost	78	134	-42%	142	-45%	371	278	33%
PBT	146	149	-2%	57	157%	217	358	-39%
Taxes	38	38	0%	16	144%	56	87	-35%
PAT	108	111	-2%	41	162%	161	271	-41%

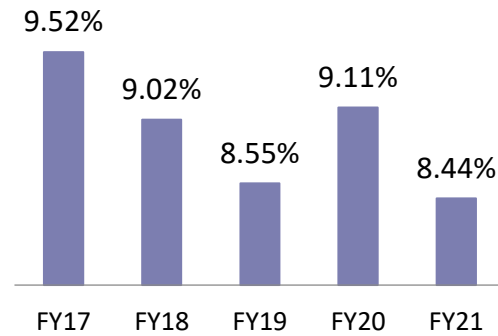
Financial Performance – Yearly trends

Key Ratios

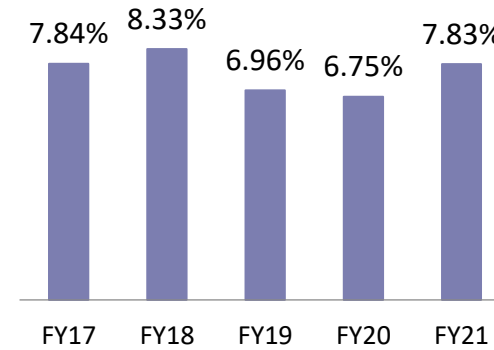
Cost of Funds



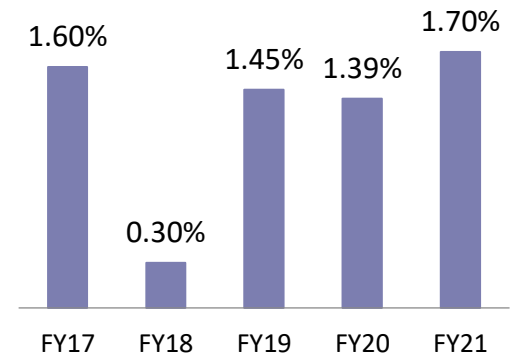
Net Interest Margin (NIM)



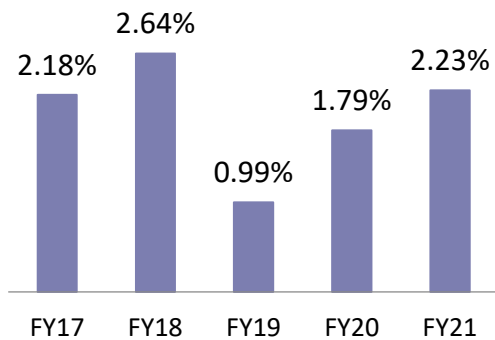
Cost to Assets



RoA

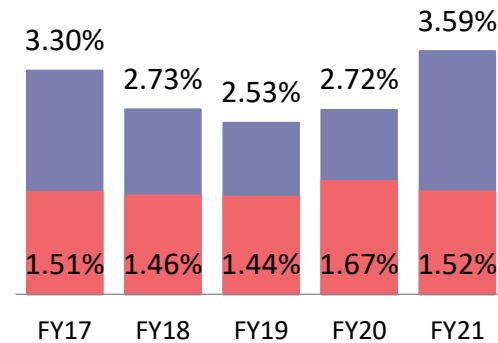


Credit Cost

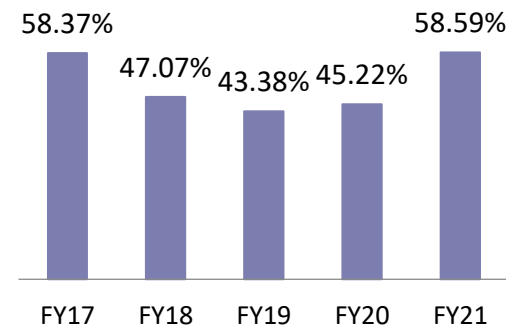


GNPA & NNPA

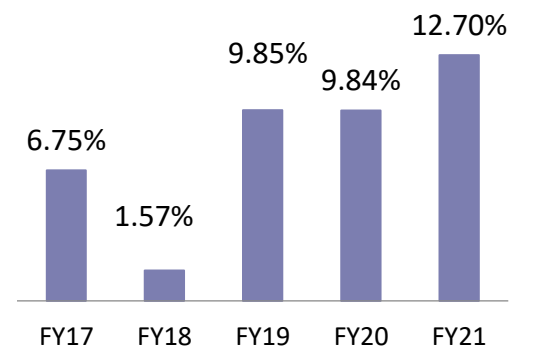
■ GNPA ■ NNPA



Provision Coverage Ratio



RoE



Thank You

Investor Relations

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