



EQUITAS SMALL FINANCE BANK LIMITED

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PRESS RELEASE

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Collection Efficiency for the month of May at 77.84%

Billing Efficiency for the month of May at 66.97%

Table A: Collection & Billing Efficiency Product Wise:

Particulars	Collection Efficiency			Billing Efficiency		
	March 2021	April 2021	May 2021	March 2021	April 2021	May 2021
Micro Finance	93.44%	88.85%	63.60%	91.90%	88.05%	63.12%
Small Business Loans	106.56%	97.17%	76.76%	91.48%	86.08%	70.91%
Vehicle Finance	113.84%	84.39%	67.35%	87.74%	75.17%	62.82%
MSE Finance	180.26%	150.55%	139.63%	89.04%	85.59%	77.67%
Corporate	174.91%	300.45%	242.77%	99.91%	97.75%	97.46%
Total	108.51%	105.16%	77.84%	91.12%	84.68%	66.97%

1. Collection efficiency represents total collections during the month as a percentage of that month's total EMIs due
2. Billing efficiency represents only the EMIs of that month alone collected as a percentage of that month's total EMIs due.
3. The month's total EMIs includes EMIs of accounts which are in NPA also and not just standard assets

Table B: Collection & Billing Efficiency Product Wise: (Non NPA)

Particulars	Collection Efficiency			Billing Efficiency		
	March 2021	April 2021	May 2021	March 2021	April 2021	May 2021
Micro Finance	98.26%	94.26%	66.33%	96.76%	93.63%	65.90%
Small Business Loans	101.31%	95.62%	77.31%	94.33%	88.90%	73.65%
Vehicle Finance	102.32%	82.36%	68.22%	90.32%	77.54%	64.93%
MSE Finance	181.30%	136.53%	116.39%	88.97%	85.63%	78.73%
Corporate	153.31%	149.75%	132.55%	99.90%	97.54%	98.36%
Total	104.88%	95.69%	73.72%	94.46%	88.12%	69.41%

The difference between Table A and Table B is that in Table B, the denominator which represents the total EMI due for that particular month consists of EMIs due of all accounts which are standard only. The EMIs due from NPA accounts are not added in the denominator in Table B.

Table 3: X Bucket Collection Efficiency:

Particulars	X Bucket Collection Efficiency March 2021	X Bucket Collection Efficiency April 2021	X Bucket Collection Efficiency May 2021
Small Business Loans	99.60%	97.82%	84.14%
Vehicle Finance	98.85%	86.92%	78.56%
Micro Finance	98.70%	96.00%	68.94%

X bucket means those accounts which are not having any overdue as at the end of previous month. X bucket collection efficiency represents collections of that particular month's EMI from such X bucket accounts during that particular month divided by total EMIs from all such X bucket accounts

Commenting on the collection trends, Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank said:

In view of the lockdowns in different parts of the country, normal commercial life has been disrupted. Our customers who are majorly small traders and business people engaged in daily use products, were unable to open their shop and their livelihood has been accordingly impacted.

Our conscious plan to grow the unsecured micro finance book at a slower pace compared to the rest, has helped mitigate the overall credit cost impact on the bank. As of 31st March 2021, the unsecured micro finance advances were 18% while the remaining 81% were secured loans. The least impacted product which is Small Business Loans secured by house property, constitutes 45% of the total advances.

Last year we had seen as much as 90% by number of clients and 98% by value avail moratorium in April '20 but post September '20, we had seen a strong pick up in collection efficiency and ended the year with March '21 at pre-covid level collection efficiencies.

As and when the severity of Wave 2 recedes from the country and life comes back to normal, our customers are expected to bounce back quickly, since they deal largely in daily use products and services. We are beginning to see some relaxations in the lockdowns in June and hope that 2nd quarter would be largely back to normal.

We will be studying the impact of stress created by wave 2 on our customers and any possible restructuring they may require to help revive their livelihood.

As a country we need to guard against a possible 3rd wave of the pandemic. While wearing masks and maintaining distance is important, large scale vaccinations is currently believed to be the only long term tool available to us to protect ourselves against any such future waves.

We, at Equitas have been doing our significant bit towards working with various State and local Governments in mass mobilising people for vaccination camps across the country. We have so far helped organise 656 vaccination camps across the country and helped vaccinate around 42,800 people who are all from the low-income segments.

About Equitas Small Finance Bank Limited [ESFBL]

Equitas Small Finance Bank Limited is the largest SFB in India in terms of number of banking outlets, and the second largest SFB in India in terms of assets under management and total deposits in Fiscal 2019. (Source: CRISIL report). Its focus customer segments include individuals with limited access to formal financing channels on account of their informal, variable and cash-based income profile. It offers a range of financial products and services that address the specific requirements of these customer segments by taking into account their income profile, nature of business and type of security available. Its asset products are suited to a range of customers with varying profiles.

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