

Investor Presentation

Q2FY24



BEYOND BANKING

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



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

Disclaimer

Disclaimer:

The information in this document, including facts and figures, is being provided by Equitas Small Finance Bank Limited (the “Bank”) for informational purposes only and could be subject to change without notice. The information has also not been independently verified. No representation or warranty, express implied, is made as to the accuracy, completeness or fairness of the presentation and the information contained herein and no reliance should be placed on such information. The Bank or any other parties whose name appears herein shall not be liable for any statements made herein or any event or circumstances arising therefrom.

This presentation or any part of it or the fact of its, form the basis of, or be relied on in connection with, any contract or commitment therefore. This document has not been and will not be reviewed or approved by any statutory or regulatory authority in India or any other jurisdiction or by any stock exchanges in India or elsewhere This document and the contents hereof are restricted for only the intended recipient(s). This document and the contents hereof should not be (forwarded or delivered or transmitted in any manner whatsoever, to any other person, other than the intended recipients(s) or reproduced in any manner whatsoever. Any forwarding, distribution or reproducing of this document in whole or in part is unauthorized.

Forward Looking Statements:

Certain statements in this document with words or phrases such as “ will”,“ etc. and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements, due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but not limited to, our ability to successfully implement our strategies, change in government policies etc. The Bank may, from time to time, make additional written and oral forward looking statements, including statements contained in the Bank’s filings with the stock exchanges and our reports to shareholders.

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.

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

Associate Sponsor



Earn more with Fixed Deposits

up to **9** %*
p.a.

Interest on FD

for 888 days for Senior Citizens

*T&C Apply, 8.5% for Individuals, NRE/NRO for 888 days



The advertisement features three cricketers in Qatar Airways uniforms standing in front of an Equitas branch building at night. The building has a prominent Equitas logo on its facade. The cricketers are wearing red and blue uniforms with 'QATAR AIRWAYS' and 'ROYAL CHALLENGERS' branding. The background is a dark blue sky with some lights from the building.



Key Highlights



Snapshot

Operational



18 States and UTs



956 Banking Outlets
356 ATMs*



303 Business
Correspondents



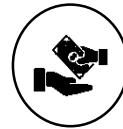
21,862 employees

Asset Offerings



Gross Advances:

Rs. 31,229 Cr [Rs.22,779 Cr]
SBL- 37%, VF - 25%,
MFI- 19%, HF-11%
MSE – 3%, NBFC – 3%



Disbursements for Q2FY24:

Rs. 4,961 Cr [Rs. 3,845 Cr]
SBL – 30%, VF - 27%,
MFI – 28%, HF- 10% ,
MSE – 2%, NBFC – 1%



Asset Quality:

GNPA: 2.12% [3.82%]
NNPA: 0.91% [1.93%]
PCR: 57.72% [50.49%]



Yield on Advances:

17.41% for Q2FY24 [17.10%]

Liability Profile



Total Deposits:

Rs. 30,839 Cr [Rs. 21,726 Cr]
CASA – 34%, TD – 66 %



Third Party Products:

Premium Collected for Q2FY24
Rs. 33 Cr [Rs. 35 Cr]
Mutual Fund AUM
Rs. 249 Cr [Rs. 206 Cr]



Daily Average Cost of Funds for Q2FY24:

7.21% [6.25%]
SA – 6.17%, TD – 7.91%



CASA Ratio:

34% [48.05%]

Financials



PAT for Q2FY24:

Rs. 198 Cr [Rs. 116 Cr]



Shareholders funds

CRAR –21.33%
Tier I – 20.65%
Tier II – 0.68%



NIM for Q2FY24:

8.43% [9.00%]



RoA: Q2FY24 at 2.03% [1.60%]

RoE: Q2FY24 at 14.62% [10.57%]

*Including 353 onsite and 3 offsite ATMs | Figures in [] represent Q2FY23 data



Key Highlights



Key message

- Sustained Credit growth with advances growing at 37% YoY and 6% QoQ
- TD grows healthy at 82 % YoY supported by 58% YoY growth in retail TD; CASA remains flat as money moves towards TD
- Bank sold Rs 162Cr of NPA assets to ARC during Q2FY24
- Asset quality remains under control; made additional provisions of Rs 28.04 Crs during the quarter



Profit & Loss

- NII grew 26% YoY and 3% QoQ, Other income grew 40% YoY and 8% QoQ
- Opex grew 24% YoY and 3% QoQ as the Bank continues to invest in technology & new products
- PPOP grew 36% YoY. PPOP to assets stands at 3.38% for the quarter
- PAT stood at Rs. 198 Crs for Q2FY24, growth of 70% YoY and 3.63 % QoQ
- RoA and RoE for Q2FY24 stands at 2.03% and 14.62% respectively.



Highlights



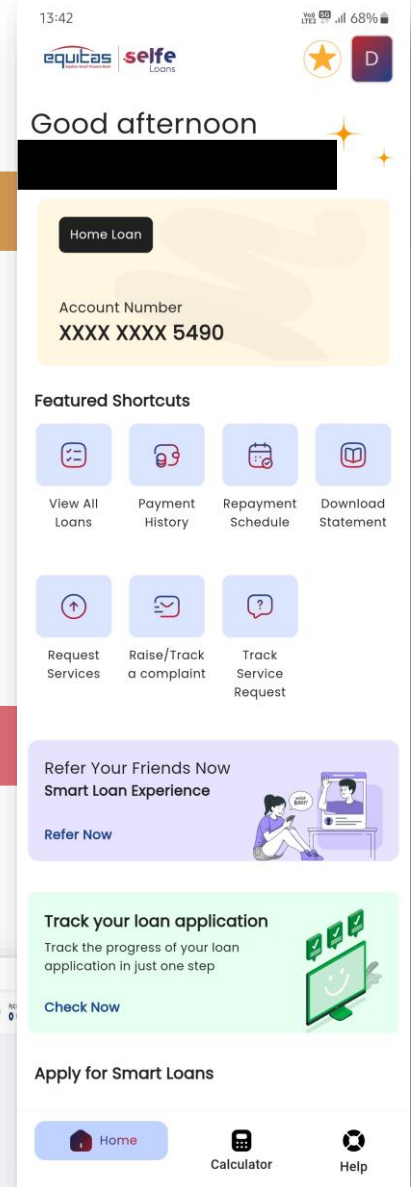
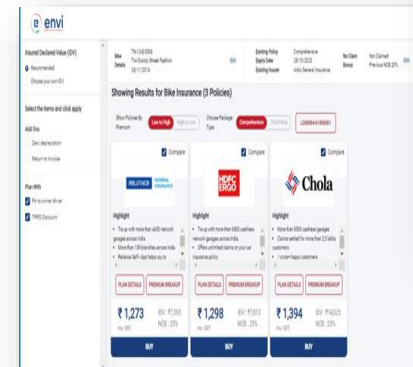
Asset Quality & Provisioning

- GNPA improved by 170 bps YoY to 2.12% in Q2FY24 as compared to 3.82% in Q2FY23 and improved by 48 bps as compared to 2.60% in Q1FY24
- NNPA improved by 102 bps YoY to 0.91 % in Q1FY24 as compared to 1.93% in Q2FY23 and improved by 21 bps QoQ as compared to 1.12% in Q1FY24
- Additional provisions of Rs. 28.04 Crs made during the quarter to strengthen coverage.
- Gross Slippages Stands at 3.47% for Q2 FY24



Business Update

- NR customers base across 100+ countries & NR TD book crossed Rs 1000 Crs during Q2FY24
- InsurTech platform launched to provide customers with an enhanced digital insurance buying experience.
- Added 29 banking outlets across states like Andhra Pradesh, Karnataka, Telangana. Majority of the outlets are asset centers.
- Yield on disbursement further improves as lending rates across products increase.

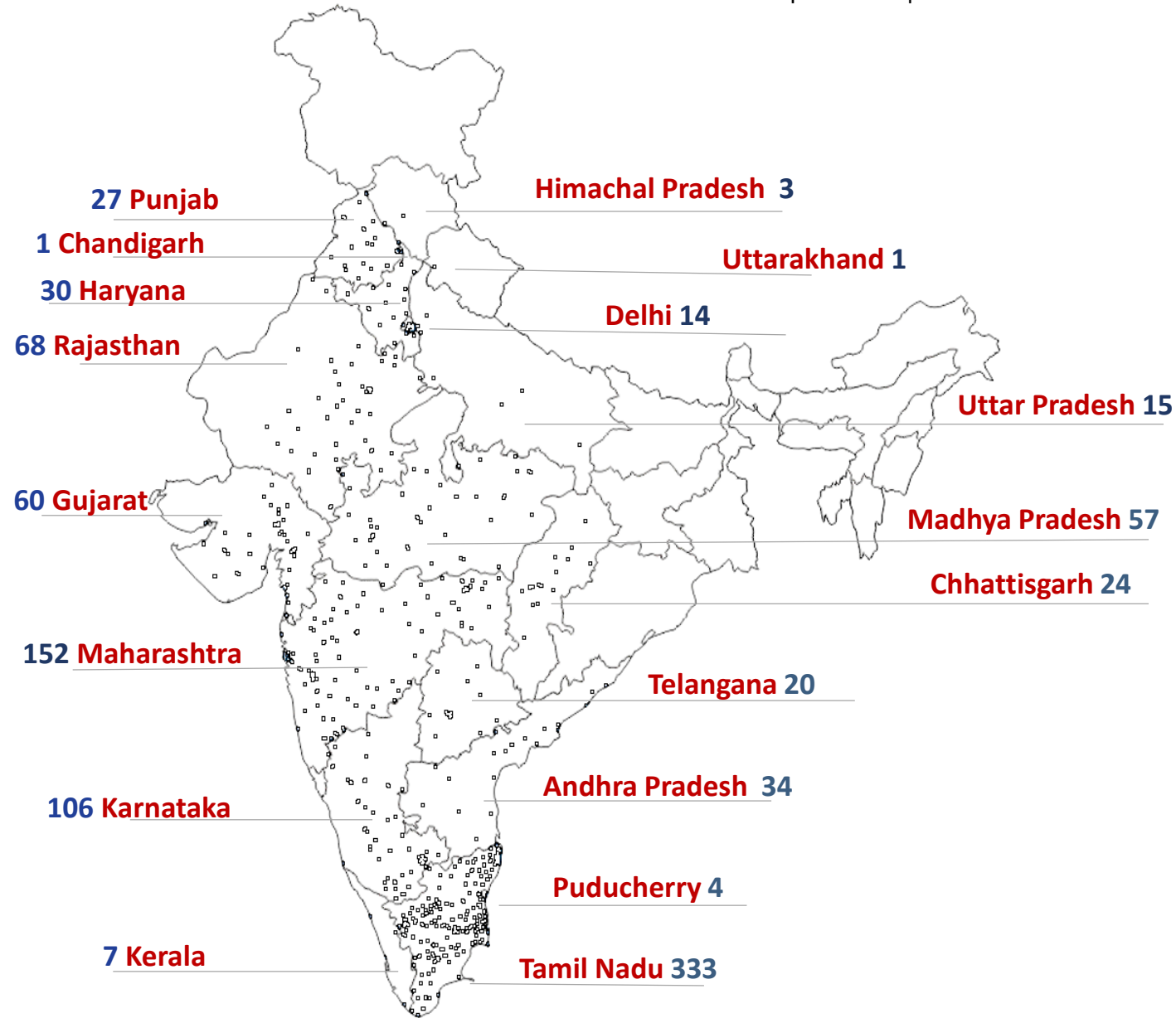


Our Presence

Map not to scale

● Districts present in | Branch network

States	Advances (%)	Deposits (%)
Andhra Pradesh	2%	3%
Chandigarh	-	3%
Chhattisgarh	1%	2%
Delhi	1%	8%
Gujarat	5%	5%
Haryana	2%	5%
Himachal Pradesh	0.10%	
Karnataka	11%	9%
Kerala	0.10%	1%
Madhya Pradesh	3%	4%
Maharashtra	14%	12%
Pondicherry	1%	0.46%
Punjab	2%	7%
Rajasthan	4%	6%
Tamil Nadu	50%	29%
Telangana	2%	3%
Uttar Pradesh	1%	2%
Uttarakhand	0.30%	-



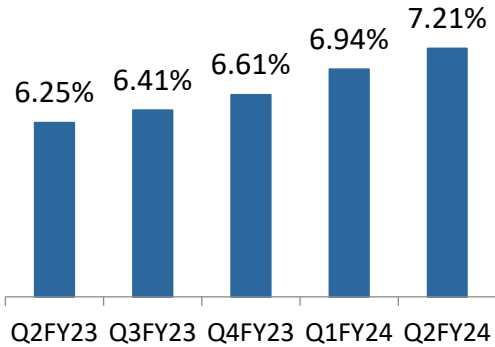
BEYOND BANKING | When you bank with us, you contribute towards a better society.

Financial Performance – Quarterly Trends

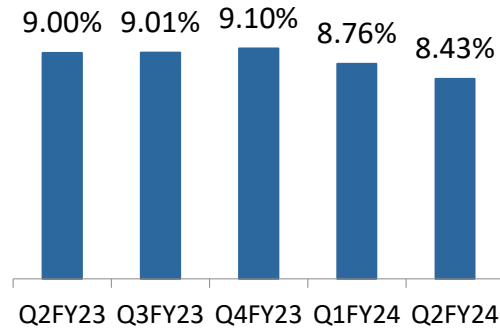


Key Ratios

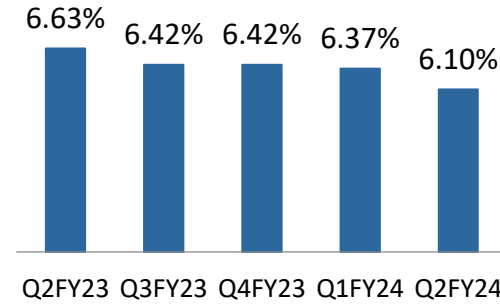
Daily Avg Cost of Funds



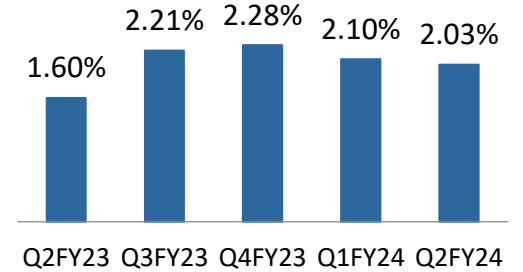
Net Interest Margin (NIM)



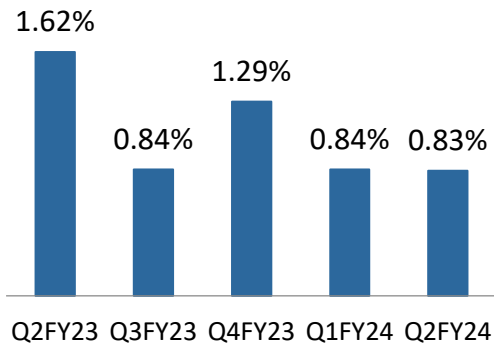
Cost to Assets



RoA

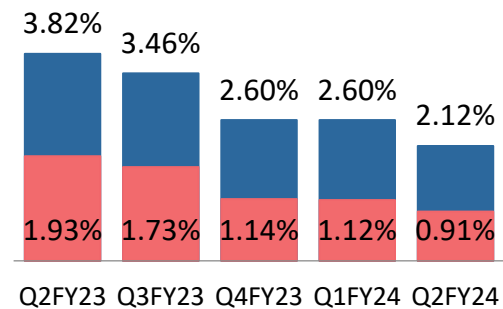


Credit Cost

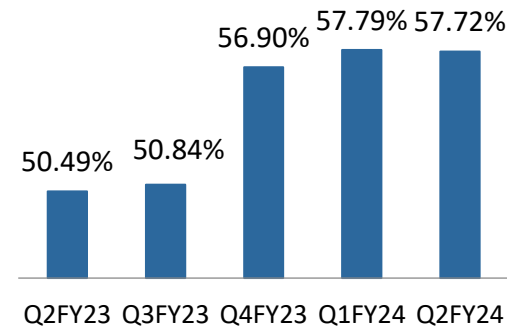


GNPA & NNPA

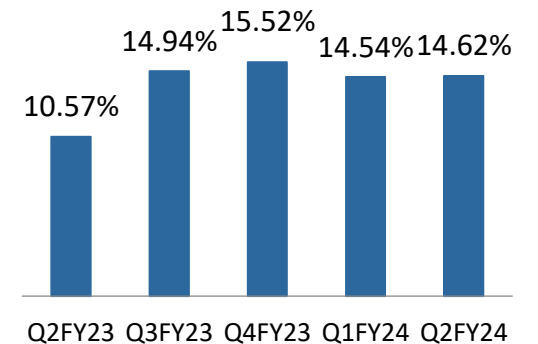
■ GNPA ■ NNPA



Provision Coverage Ratio

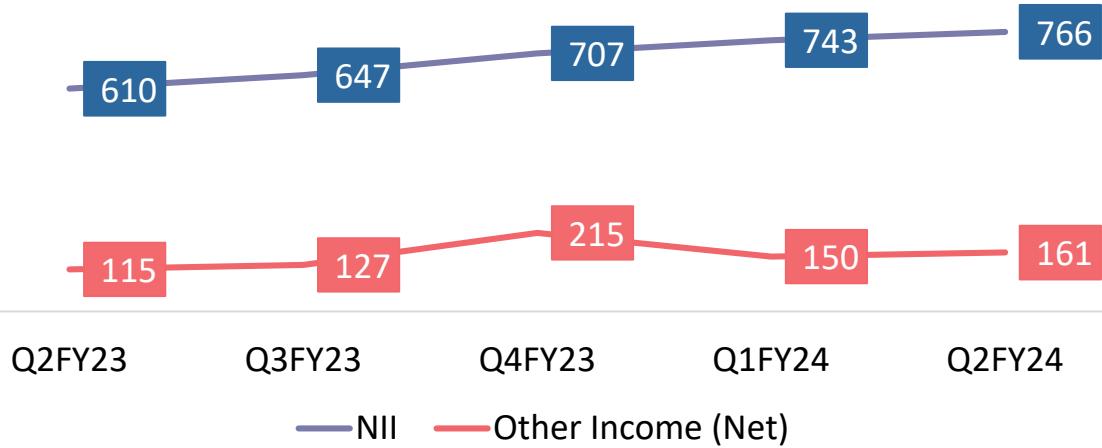


RoE

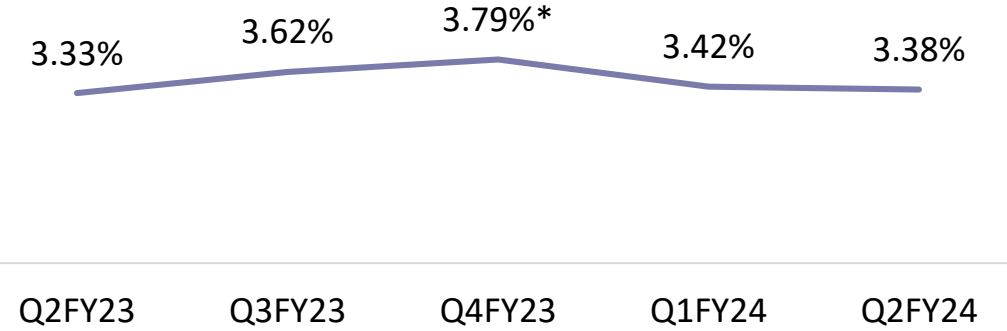


Income Evolution

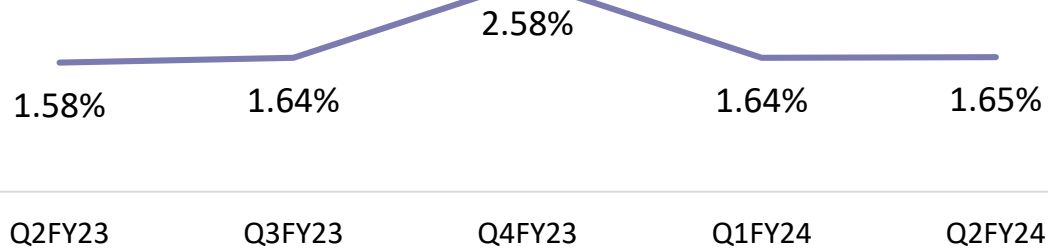
Net Income Evolution[^] (Rs. Cr)



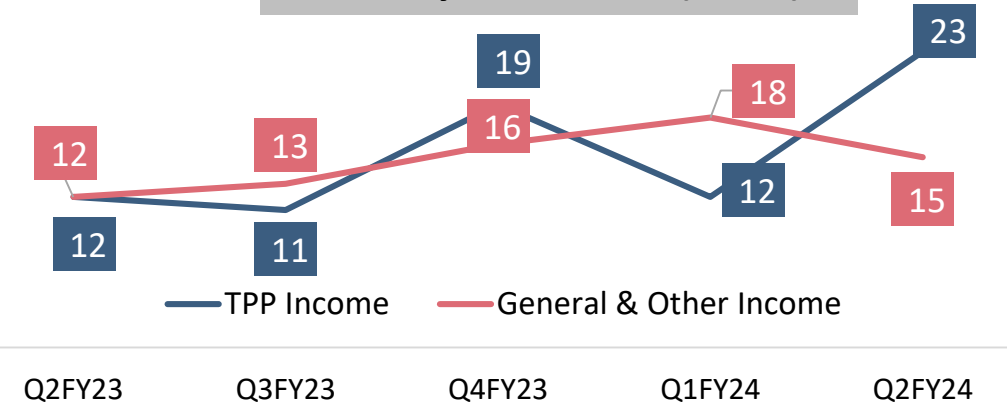
PPoP / Assets (%)



Other Income [Net] Contribution[^] (%)



Liability Fee Income (Rs .Cr)



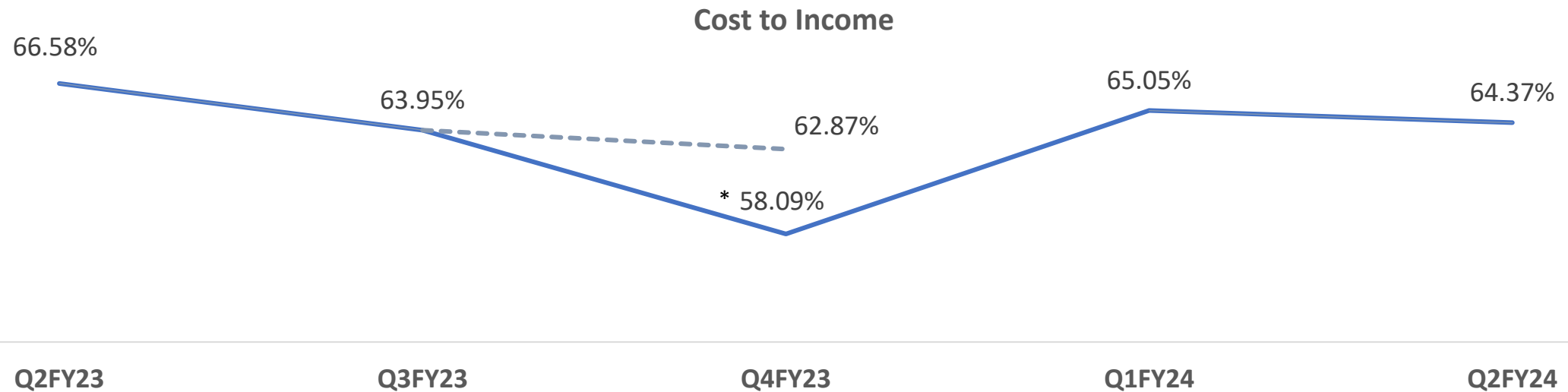
[^]Other income Includes Rs 70 Crs Income from Sale to ARC in Q4FY23

*Core PPoP – PPoP excluding income from sale to ARC



Opex evolution

Rs. Cr	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Employee expenses	275	292	304	328	332
Other expenses (net of digital expenses)	187	182	207	224	232
Depreciation	21	21	25	29	33
Total Operating expenses	483	495	536	581	597
No. of employees	18,962	20,005	20,563	20,996	21,862



* Including the Income from ARC Sale of Rs 70 Crs



Advances



Advances evolution

Rs Cr	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY %	Contribution %
Micro Finance	4,144	4,600	5,225	5,626	5,878	42%	19%
Small Business Loans (SBL)	8,725	9,312	10,083	10,787	11,550	32%	37%
Housing Finance	2,121	2,463	2,873	3,206	3,582	69%	11%
Vehicle Finance	5,641	6,203	6,971	7,342	7,777	38%	25%
Used CV	3,015	3,226	3,463	3,540	3,675	22%	12%
New CV	2,150	2,404	2,793	2,960	3,118	45%	10%
Used Car	476	573	715	842	984	107%	3%
MSE Finance	1,157	1,172	1,175	1,093	1,038	-10%	3%
NBFC	709	872	1,184	1,178	1,042	47%	3%
Others [†]	282	293	350	369	362	28%	1%
Gross Advances	22,779	24,915	27,861	29,601	31,229	37%	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	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY %
Micro Finance	971	1,340	1,676	1,464	1,406	45%
Small Business Loans (SBL)	1,096	1,260	1,464	1,361	1,494	36%
Housing Finance	388	427	557	438	500	29%
Vehicle Finance	1,098	1,334	1,591	1,168	1,341	22%
Used CV	589	699	743	551	668	13%
New CV	381	477	635	408	429	13%
Used Car	128	158	213	210	244	90%
MSE Finance	77	92	88	91	102	33%
NBFC	135	261	425	135	25	-81%
Others [†]	80	83	116	100	93	17%
Total Disbursements	3,845	4,797	5,917	4,757	4,961	29%

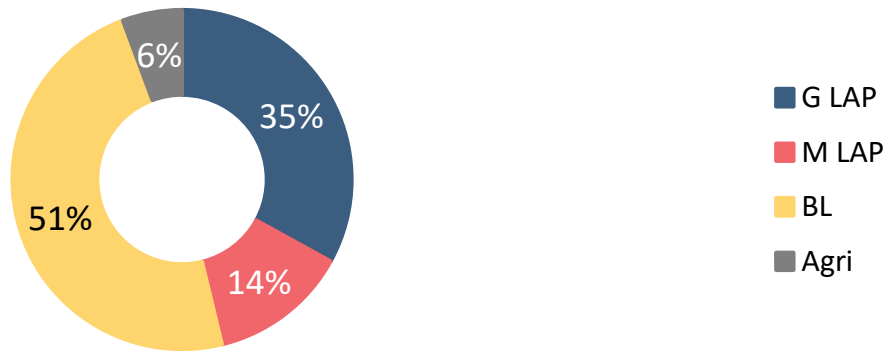
[†] Others includes loan-against-gold, overdrafts against fixed deposits and staff loan



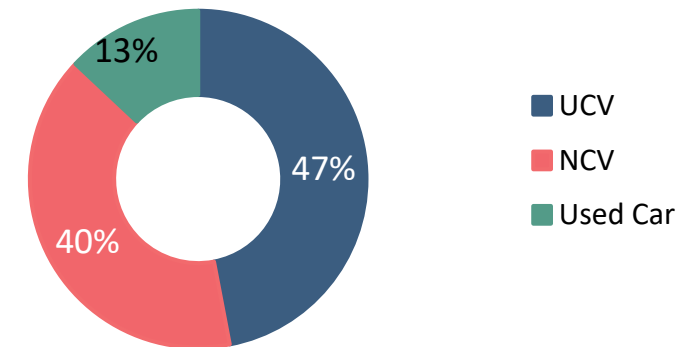
Segmental Details

Product Segment	Number of Live Loans	ATS @ Disbursement (Lacs)	ATS @ Portfolio (Lacs)	GNPA (%)	PCR (%)
Micro Finance	20,28,854	0.49	0.29	2.72%	81.00%
Small Business Loans (SBL)	2,56,007	6.74	4.49	1.70%	32.50%
Housing Finance	36,814	11.74	9.73	0.86%	29.39%
Vehicle Finance	2,21,691	5.35	3.51	2.43%	62.75%
MSE Finance	2,005	*74.05	51.55	6.95%	68.97%
NBFC	56	2500.00	1,861.50	0.46%	100.00%

SBL Product Mix



VF Product Mix



*Excludes TReDS

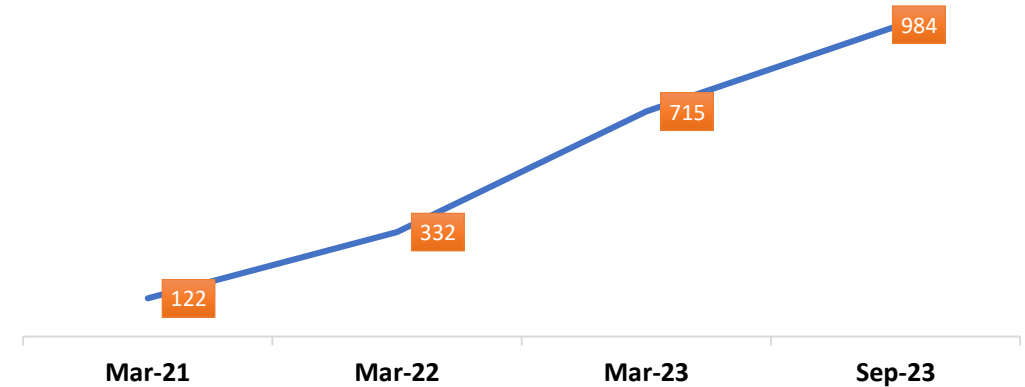


Used Car Financing – Scale up

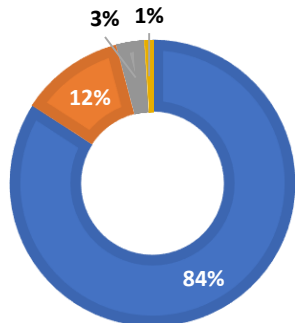
Key factors

- **Pilot launch in June 2020; Spread across 347 branches; 13 States**
- **Focus on High Resale Value Manufacturer** -70% portfolio is from Maruti, Hyundai, Honda and Toyota.
- **Small Ticket loans** - Average ticket size of Rs 3.50 lacs. Around 85% cases are less than Rs 5 Lacs
- **Entry level Car Segments-** 67% Cars are from Hatch Back & Sedan
- **Focus on Buyer & Seller Transaction-** 82% : 18% (Purchase : Refinance)

Advance Growth (In Cr)

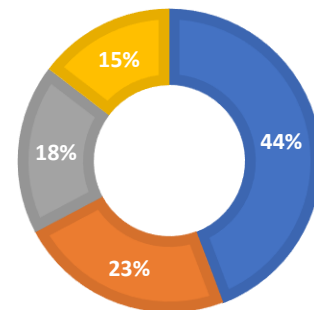


Ticket Size



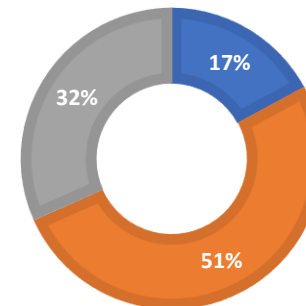
■ < 5 Lacs ■ >5 -7.50 Lacs
■ >7.50-10 lacs ■ > 10.00 Lacs

Segment wise Concentration



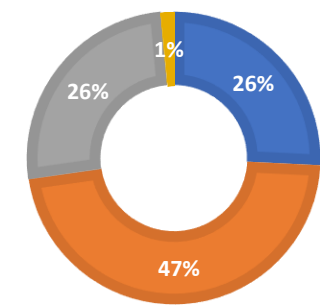
■ Hatch Back ■ Sedan
■ Muv ■ Suv

Location wise Advance-Sept'23



■ Tier 1 ■ Tier 2 ■ Tier 3

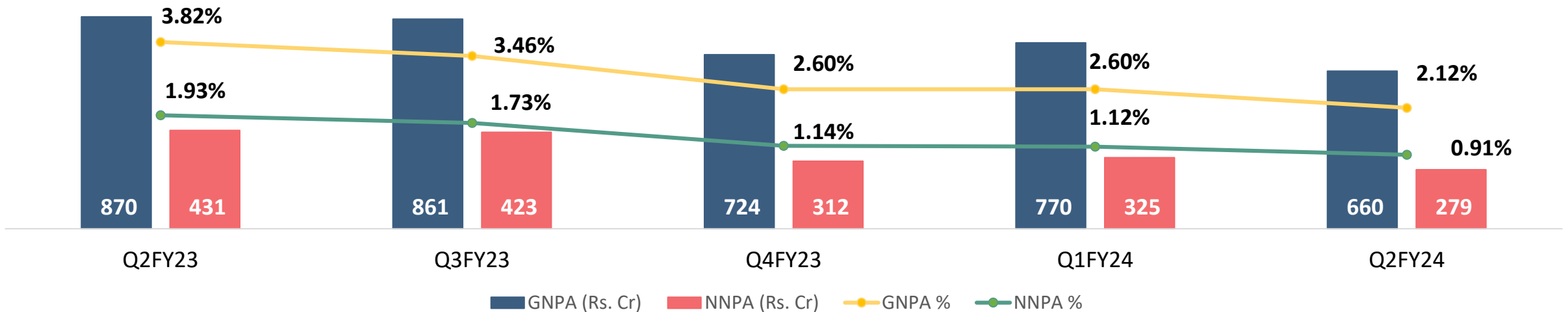
Loan to Value % - Sept'23



■ <60.00% ■ 60.01%-75.00%
■ >75%-90% ■ >90%-100%



Asset Quality Trend



GNPA Movement (Rs. Cr)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Opening GNPA Balance	856.00	870.26	861.36	723.96	770.18
Add: Additions during the period	314.01	286.46	190.59	213.94	256.81
Less:					
i. Upgradations	136.67	144.81	125.71	87.38	114.86
ii. Recoveries (excluding recoveries made from upgraded accounts)	81.73	69.37	84.79	49.38	167.92
iii. Technical or Prudential write-offs	22.76	27.71	9.21	3.37	8.41
Write-offs other than those under (iii) above	58.58	53.47	108.28	27.59	75.32
Closing GNPA Balance	870.26	861.36	723.96	770.18	660.50



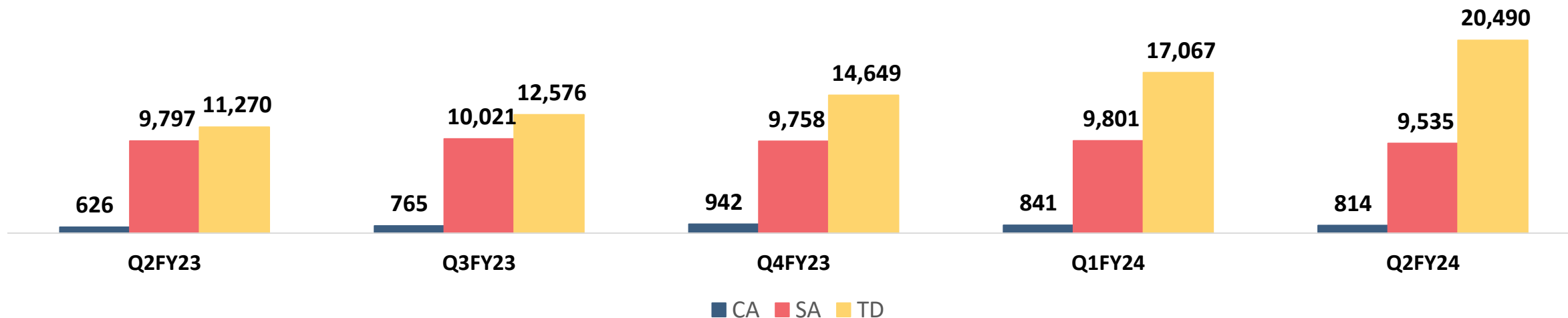
Liabilities & Branch Banking



Deposits Evolution

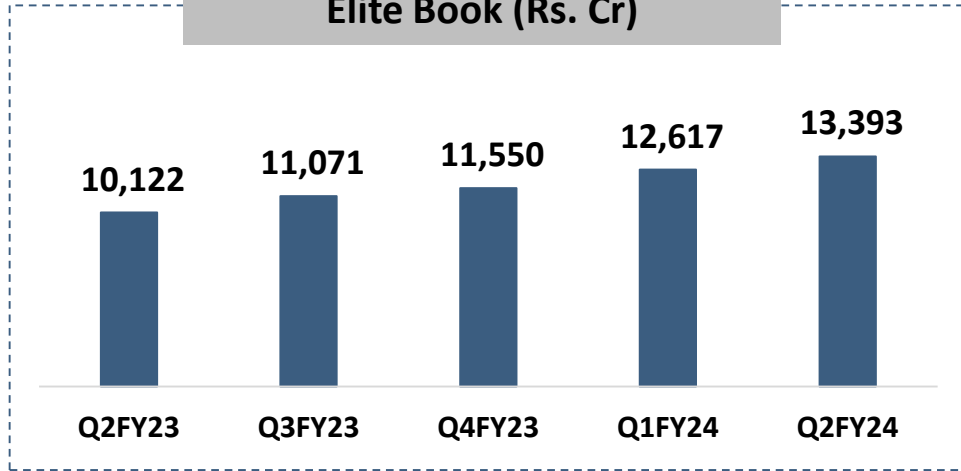
as on 30 Sept 2023	CA [Current Account]	SA [Savings Account]	CASA [Low cost deposits]	TD [Term Deposits]	CASA+TD [Customer Deposits]
Balance (Cr)	814	9,535	10,349	20,490	30,839
as a % of total borrowings (Rs. 35,40 Cr)	2%	29%	31%	61%	93%
as a % of total deposits (Rs. 30,839 Cr)	3%	31%	34%	66%	100%

Customer Deposit Evolution (Rs. Cr)

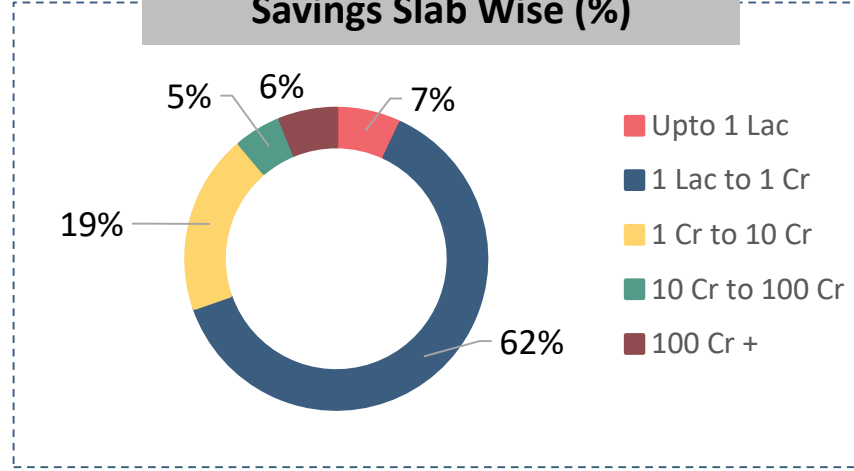


Customer Deposit Profile

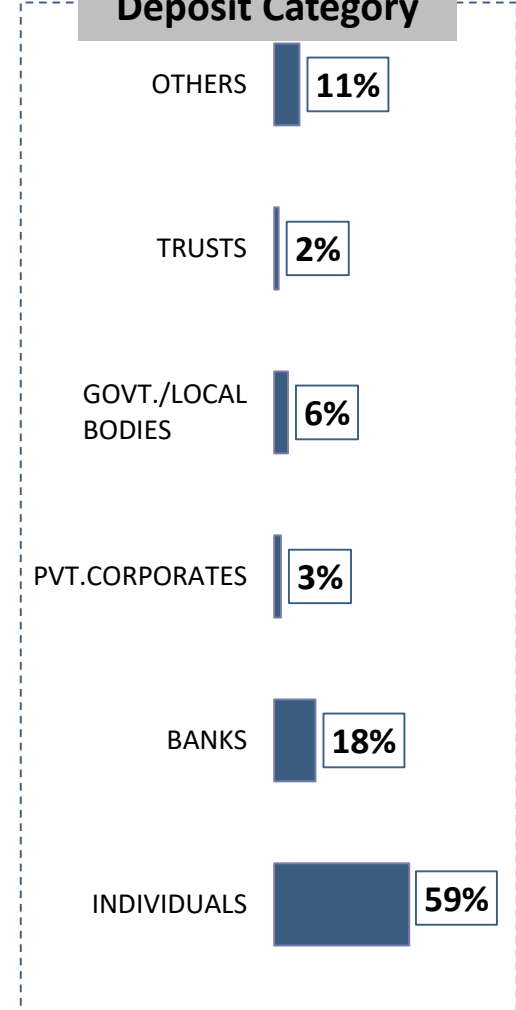
Elite Book (Rs. Cr)



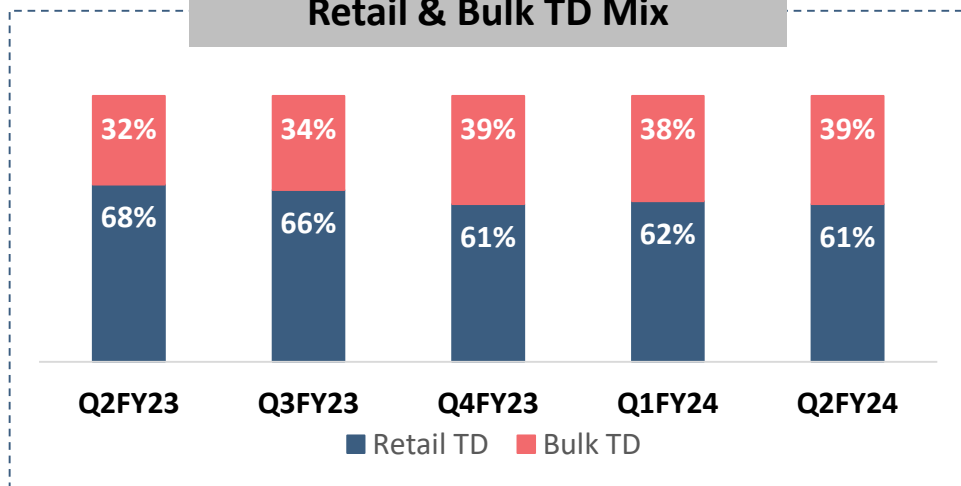
Savings Slab Wise (%)



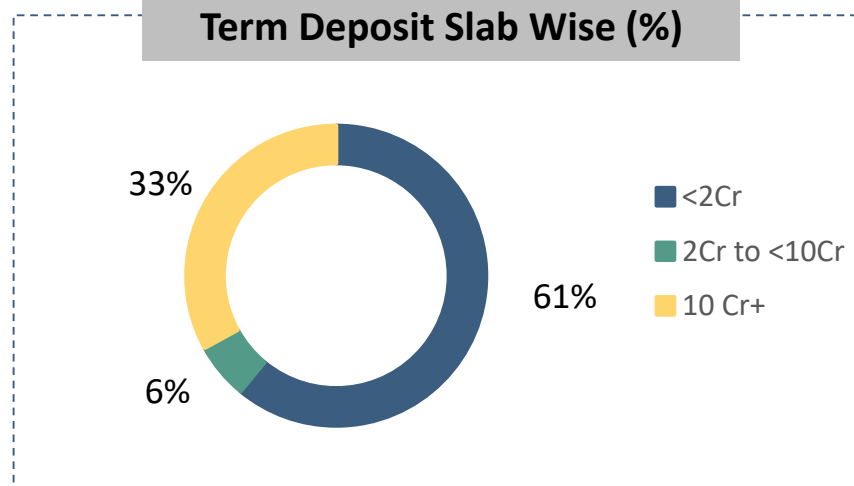
Deposit Category



Retail & Bulk TD Mix



Term Deposit Slab Wise (%)

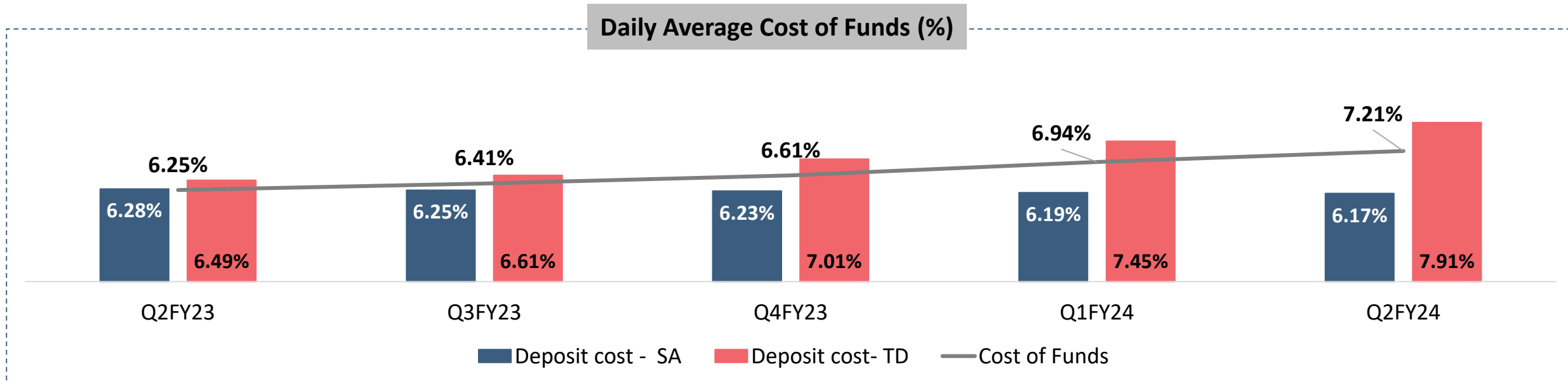
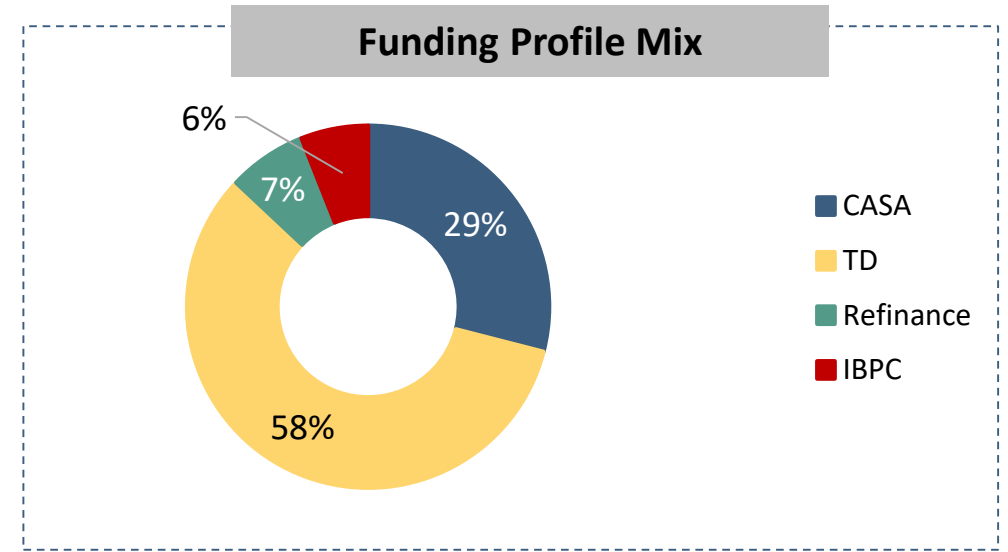


Retail TD as defined by RBI



Funding Profile

In Rs Cr	Sep 2022	Jun 2023	Sep 2023
TD	11,270	17,067	20,490
Refinance	2,023	2,971	2,481
CASA	10,423	10,642	10,350
Sub Debt	-	-	-
IBPC	500	1630	2080
<i>Others (Repo & Market Repo)</i>	316	681	-
Total Borrowings	24,532	32,991	35,401



Treasury Update



The Bank's total investment portfolio of Rs. 8,551 Crore comprises of SLR and Non-SLR securities

Category (In Rs. Cr)	Q2FY24	Q1FY24	Q2FY23
SLR	7,892	7,148	5,729
Non SLR	659	43	17
Total	8,551	7,191	5,746



Borrowings & Liquidity

- The Bank's Certificate of Deposits (CD) programme has highest rating at A1+ from CRISIL, CARE and India Ratings.
- 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 30.09.2023 is 182.17%



Profit on Sale of Investments for the quarter is Rs. 23 Crore



Digital Banking



Digital Banking – Key Highlights

Neo Banking



Equitas Selfe
Own digital platform

 **Rs 822.2 Crs**
Total Deposits



 **Rs 601.6 Crs**
Total Deposits



 **Rs 9.5 Crs**
Total Deposits

Digital Products overview for Q2 FY24



Prepaid Cards

- 18 K+ Transactions
- 60 Crs+ Txn value processed

Micro ATM

- 82 Lacs+ Transactions
- 2777 Crs + Txn value processed

NETC - FASTag

- 45 K+ new Fastags issued
- 280 Crs+ issuer Txn value processed

UPI

- 30 Crs+ Transactions Processed



Financials



Balance Sheet

Particulars (in Rs Cr)	Sept-23	Sept-22	YoY %	June-23	QoQ%
Capital & Liabilities					
Capital	1,122	1,254	-11%	1,113	1%
Reserves & Surplus	4,357	3,213	36%	4,247	3%
Networth	5,479	4,467	23%	5,360	2%
Deposits	30,839	21,693	42%	27,709	11%
Borrowings	2,481	2,339	6%	3,652	-32%
Other Liabilities & Provision	1,330	1,360	-2%	1,322	1%
Total	40,129	29,859	34%	38,043	5%
Assets					
Cash and Balances With Reserve Bank of India	1,306	976	34%	1,208	8%
Balances With Banks and Money At Call and Short Notice	17	288	-94%	664	-97%
Investments	8,551	5,746	49%	7,191	19%
Advances	28,768	21,840	32%	27,526	5%
Fixed Assets	560	221	153%	539	4%
Other Assets	927	788	18%	915	1%
Total	40,129	29,859	34%	38,043	5%
Gross Advances	31,229	22,779	37%	29,601	6%



Profit & Loss Account

Particulars (in Rs Cr)	Q2FY24	Q2FY23	YoY%	Q1FY24	QoQ%
Interest Income from Loans	1,225	904	35%	1,142	7%
Income on Investments	126	73	74%	108	16%
Interest on balances with RBI and other inter bank funds	8	25	-70%	4	111%
Total Interest Income	1,359	1,002	36%	1,254	8%
Finance Cost					
Interest on deposits	522	326	60%	437	20%
Interest on RBI / inter-bank borrowings	16	18	-15%	14	11%
Other interest	55	48	14%	60	-8%
Total Finance Cost	593	392	51%	511	16%
Net Interest Income	766	610	26%	743	3%
Other Income[^]					
Asset Fee Income	105	84	25%	91	15%
Treasury & PSLC Fee Income	18	7	157%	29	-39%
Liability & Distribution Income	38	24	55%	30	30%
Total Other Income[^]	161	115	40%	150	8%

[^]Other income is net of digital expenses



Profit & Loss Account

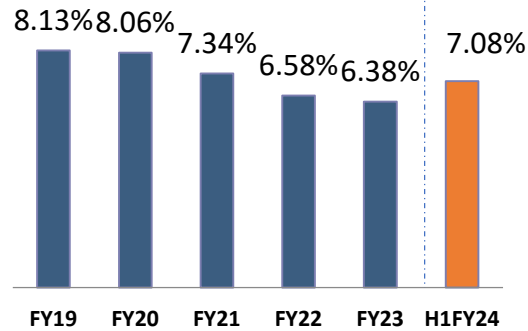
Particulars (in Rs Cr)	Q2FY24	Q2FY23	YoY%	Q1FY24	QoQ%
Net Income	927	725	28%	893	4%
Employee Cost	332	275	20%	328	1%
Opex*	265	208	28%	253	5%
Total Operating Expenditure	597	483	24%	581	3%
PBT before provision & Write-off	330	242	36%	312	6%
Credit Cost	63	90	-30%	60	5%
PBT	267	152	75%	252	6%
Taxes	69	36	92%	61	13%
PAT	198	116	70%	191	3.63%

*Opex is exclusive of digital expenses

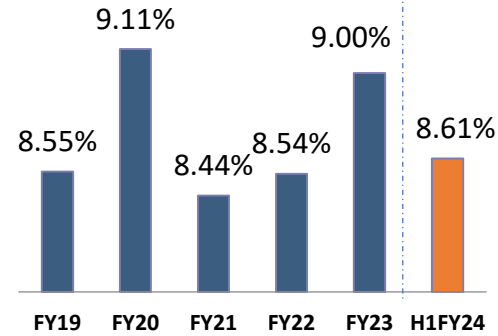


Key Ratios - Annual

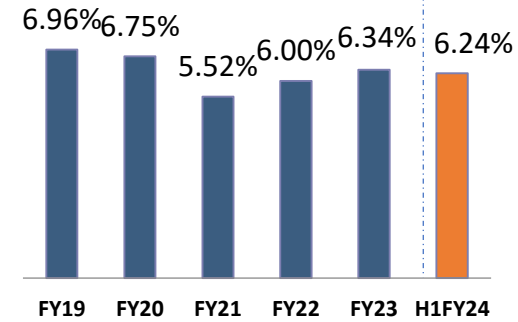
Cost of Funds



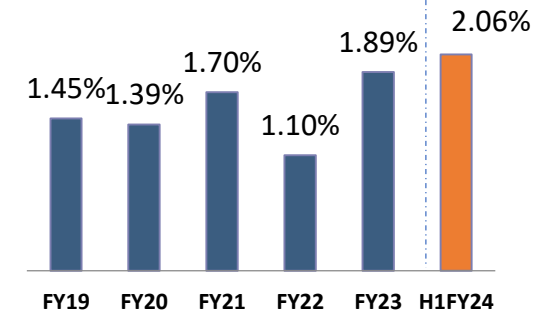
Net Interest Margin (NIM)



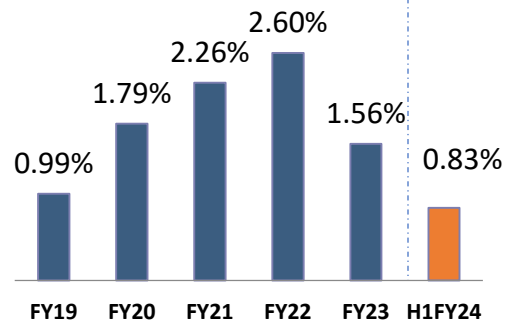
Cost to Assets



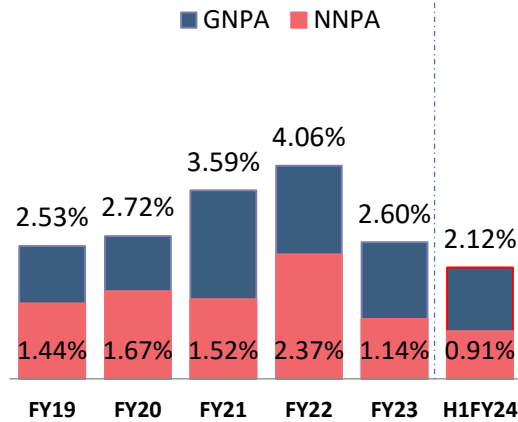
RoA



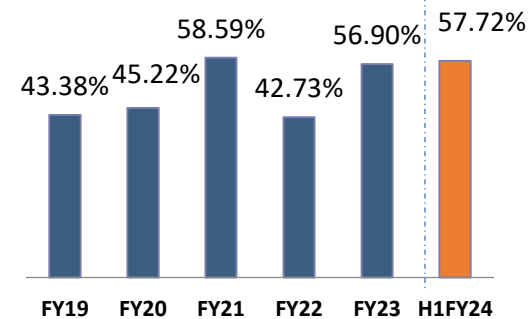
Credit Cost



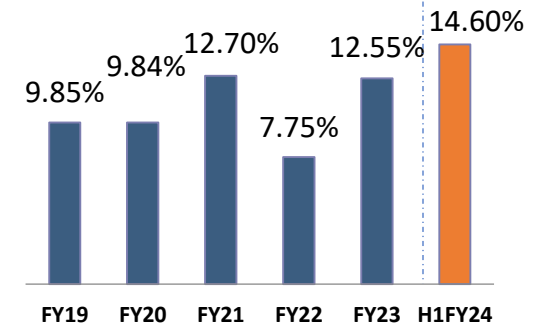
GNPA & NNPA



Provision Coverage Ratio



RoE



Social Impact

41,78,786
General & other
camp
participants

1,23,381
Spectacles
distributed for
free

35,960
Cataract
Operations
Sponsored

80,029
Sugam Clinic
Beneficiaries

6,41,975
Participants in
Skill Training

2,64,443
Unemployed
Placed

8,12,456
Swasth Mahila
Health Education

28,57,201
Eye- Camp
Participants

57,52,876
Number of
People
Vaccinated

32,308
Health Helpline Beneficiaries

2,432
Pavement Dweller Rehabilitated

Health care-Hospital



- Equitas Healthcare Foundation, as a part of CSR initiative, has recently inaugurated Sringeri Sharada Equitas Hospital (SSEH) in JV with Sringeri Sharada Mutt with focus on cancer cum other multi speciality care
- This would provide affordable high quality healthcare for people from the lower income strata
- This hospital is a 100 bed facility located in the South end of Chennai.





Investor Relations

Equitas Small Finance Bank Limited

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

Email – ir@equitasbank.com

Twitter - @EquitasIR

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

