



EQUITAS SMALL FINANCE BANK LIMITED

CIN: L65191TN1993PLC025280

Regd. Office: 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002

Website: www.equitasbank.com

1. Statement of Unaudited Financial Results for the quarter and nine months period ended December 31, 2023

Particulars	(₹ in Lakh)					
	Quarter ended			Nine months ended		Year ended
	31-Dec-23	30-Sep-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Mar-23
	Unaudited	Unaudited	Audited (Refer note.13)	Unaudited	Audited	Audited
1 Interest Earned (a)+(b)+(c)	1,42,879.65	1,35,899.35	1,06,338.82	4,04,175.01	3,00,615.16	4,16,187.81
(a) Interest / discount on advances / bills	1,27,448.54	1,22,521.73	95,930.59	3,64,153.72	2,71,812.69	3,76,472.47
(b) Income on Investments	14,854.48	12,613.58	8,061.46	38,319.20	21,493.38	31,560.94
(c) Interest on balances with Reserve Bank of India and other inter bank funds	576.63	764.04	2,346.77	1,702.09	7,309.09	8,154.40
2 Other Income	20,547.55	18,137.37	15,264.37	55,821.58	43,089.34	66,958.57
3 Total Income (1)+(2)	1,63,427.20	1,54,036.72	1,21,603.19	4,59,996.59	3,43,704.50	4,83,146.38
4 Interest Expended	64,365.36	59,340.73	41,588.84	1,74,788.13	1,16,838.70	1,61,715.39
5 Operating Expenses (i)+(ii)	63,031.23	61,677.05	52,103.07	1,84,947.25	1,47,903.97	2,03,830.24
(i) Employees Cost	34,604.76	33,151.48	29,200.17	1,00,543.44	79,275.39	1,09,667.60
(ii) Other Operating Expenses	28,426.47	28,525.57	22,902.90	84,403.81	68,628.58	94,162.64
6 Total Expenditure (4)+(5) (excluding provisions & contingencies)	1,27,396.59	1,21,017.78	93,691.91	3,59,735.38	2,64,742.67	3,65,545.83
7 Operating Profit before Provisions & Contingencies (3)-(6)	36,030.61	33,018.94	27,911.28	1,00,261.21	78,961.83	1,17,600.75
8 Provisions (other than tax) and Contingencies	8,438.02	6,319.51	4,990.20	20,764.08	28,160.08	40,720.35
9 Exceptional Items	-	-	-	-	-	-
10 Profit from Ordinary Activities before tax (7)-(8)-(9)	27,592.59	26,699.43	22,921.08	79,497.13	50,801.75	76,880.40
11 Tax Expense	7,392.51	6,885.61	5,908.45	20,363.19	12,446.47	19,521.35
12 Net Profit from Ordinary Activities after tax (10)-(11)	20,200.08	19,813.82	17,012.63	59,133.94	38,355.28	57,359.05
13 Extraordinary Items (net of Tax Expense)	-	-	-	-	-	-
14 Net Profit for the Period / Year (12)-(13)	20,200.08	19,813.82	17,012.63	59,133.94	38,355.28	57,359.05
15 Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	1,13,145.27	1,12,173.43	1,25,430.61	1,13,145.27	1,25,430.61	1,11,055.82
16 Reserves excluding Revaluation Reserves	-	-	-	-	-	4,04,738.95
17 Analytical Ratios and other disclosures:						
(i) Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio (%) - Basel-II (Refer note 6)	20.24%	21.33%	24.28%	20.24%	24.28%	23.80%
(iii) Earnings Per Share (EPS) - (Face Value of ₹ 10/- each)						
- Basic EPS (₹) before & after extraordinary items (net of tax expense) *	1.79	1.77	1.36	5.28	3.06	4.71
- Diluted EPS (₹) before & after extraordinary items (net of tax expense) *	1.77	1.74	1.34	5.20	3.04	4.67
(iv) NPA Ratio						
(a) Gross NPAs	75,025.64	66,049.66	86,136.14	75,025.64	86,136.14	72,396.46
(b) Net NPAs	33,033.62	27,928.89	42,343.94	33,033.62	42,343.94	31,201.64
(c) % of Gross NPA to Gross Advances	2.53%	2.27%	3.63%	2.53%	3.63%	2.76%
(d) % of Net NPA to Net Advances	1.13%	0.97%	1.82%	1.13%	1.82%	1.21%
(v) Return on Assets (average) *	0.48%	0.49%	0.53%	1.49%	1.25%	1.82%
(vi) Net worth (excluding Revaluation Reserve, Share based Reserve & Intangibles)	5,29,008.51	5,05,743.84	4,37,645.97	5,29,008.51	4,37,645.97	4,79,115.11
(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
(viii) Capital redemption reserve	-	-	-	-	-	-
(ix) Debt-equity ratio \$	0.14	0.17	0.23	0.14	0.23	0.27
(x) Total debts to total assets @	5.08%	6.18%	8.61%	5.08%	8.61%	8.51%
* Not annualised for the quarters and nine months period ended.						
\$ Debt represents borrowings with residual maturity of more than one year.						
@ Total debts represents total borrowings of the Bank.						



2 Segment information in accordance with the Accounting standard on Segment Reporting (AS-17) of the operating segments of the Bank is as under:

Sl No	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-23	30-Sep-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Mar-23
		Unaudited	Unaudited	Audited (Refer note.13)	Unaudited	Audited	Audited
1	Segment revenue						
a)	Treasury	18,468.39	15,174.95	11,175.92	47,779.67	30,960.91	42,650.27
b)	Retail Banking	1,39,841.96	1,33,334.47	1,06,591.13	3,96,909.39	3,01,501.74	4,24,161.91
c)	Wholesale Banking	2,388.56	2,758.04	2,314.43	8,038.14	6,491.03	8,981.49
d)	Other Banking operations	2,728.29	2,769.26	1,521.71	7,269.39	4,750.82	7,352.71
e)	Unallocated	-	-	-	-	-	-
	Income from operations	1,63,427.20	1,54,036.72	1,21,603.19	4,59,996.59	3,43,704.50	4,83,146.38
2	Segment results						
a)	Treasury	5,506.51	2,086.14	1,840.30	10,106.84	7,129.99	8,326.96
b)	Retail Banking	21,166.01	23,056.02	20,703.16	66,845.19	42,548.03	66,266.02
c)	Wholesale Banking	414.03	953.70	530.39	1,773.15	1,639.38	1,493.33
d)	Other Banking operations	2,382.15	2,458.83	1,259.78	6,358.70	3,760.22	6,155.97
e)	Unallocated	(1,876.11)	(1,855.26)	(1,412.55)	(5,586.75)	(4,275.87)	(5,361.88)
	Profit before Tax	27,592.59	26,699.43	22,921.08	79,497.13	50,801.75	76,880.40
3	Segment assets						
a)	Treasury	10,61,270.27	9,44,234.39	7,18,830.73	10,61,270.27	7,18,830.73	7,00,898.97
b)	Retail Banking	29,74,356.28	29,31,345.58	23,33,446.07	29,74,356.28	23,33,446.07	26,32,801.18
c)	Wholesale Banking	1,00,871.56	1,16,344.69	1,08,682.86	1,00,871.56	1,08,682.86	1,43,374.46
d)	Other Banking operations	-	-	-	-	-	-
e)	Unallocated	21,550.32	21,019.18	19,581.21	21,550.32	19,581.21	18,738.25
	Total	41,58,048.43	40,12,943.84	31,80,540.87	41,58,048.43	31,80,540.87	34,95,812.86
4	Segment liabilities						
a)	Treasury	9,16,452.66	8,16,091.30	6,14,148.64	9,16,452.66	6,14,148.64	5,97,175.89
b)	Retail Banking	25,80,036.36	25,45,528.87	20,07,225.73	25,80,036.36	20,07,225.73	22,55,631.59
c)	Wholesale Banking	87,540.11	1,01,095.45	93,479.89	87,540.11	93,479.89	1,22,860.63
d)	Other Banking operations	-	-	-	-	-	-
e)	Unallocated	2,487.74	2,353.21	1,673.79	2,487.74	1,673.79	4,349.98
	Total	35,86,516.87	34,65,068.83	27,16,528.05	35,86,516.87	27,16,528.05	29,80,018.09
5	Capital Employed [Segment Assets-Segment Liabilities]						
a)	Treasury	1,44,817.61	1,28,143.09	1,04,682.09	1,44,817.61	1,04,682.09	1,03,723.08
b)	Retail Banking	3,94,319.92	3,85,816.71	3,26,220.34	3,94,319.92	3,26,220.34	3,77,169.59
c)	Wholesale Banking	13,331.45	15,249.24	15,202.97	13,331.45	15,202.97	20,513.83
d)	Other Banking operations	-	-	-	-	-	-
e)	Unallocated	19,062.58	18,665.97	17,907.42	19,062.58	17,907.42	14,388.27
	Total	5,71,531.56	5,47,875.01	4,64,012.82	5,71,531.56	4,64,012.82	5,15,794.77

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, and guidelines prescribed by RBI and in compliance with the Accounting Standard 17 - "Segment Reporting". The methodology adopted by the bank in compiling and reporting the above information has been relied upon by the auditors.

The RBI vide its circular dated April 7, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub - segment of Retail Banking Segment. The Bank has not set up any DBUs and hence no Digital Banking Segment disclosure have been made. The business operations of the Bank are in India and for the purpose of segment reporting as per Accounting Standard-17 (Segment reporting) the bank is considered to operate only in domestic segment.



Notes

- 3 The above unaudited financial results (along with the notes given below) hereafter referred as "Statement" of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the quarter and nine months period ended December 31, 2023 were reviewed by the Audit Committee at their meeting held on January 24, 2024 and approved by the Board of Directors at their meeting held on January 25, 2024 and have been subjected to a limited review by the statutory auditors of the Bank (M/s Varma & Varma, Chartered Accountants and M/s ASA & Associates LLP, Chartered Accountants). Their report thereon is unmodified.
- 4 The above financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the guidelines issued by the Reserve Bank of India (RBI) from time to time.
- 5 The Bank has applied its significant accounting policies in the preparation of these financial results that are consistent with those followed in the annual financial statements for the year ended March 31, 2023. Any circular / direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under those circulars / directions.
- 6 The Capital adequacy ratio ("CAR") of the Bank has been computed as per applicable Basel II Standardized approach in accordance with RBI Master Circular No. DBR.No.BP.BC.4./21.06.001/2015-16 dated July 1, 2015 on Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF).
- 7 The Bank makes Pillar III disclosures as part of Market Discipline as per above referred RBI circular. In addition to this, the Bank provides disclosures on Leverage ratio as per Basel III- Capital Regulations (vide Circular DOR.CAP.REC.3/21.06.201/2022-23 dt. April 1, 2022). Further, the Bank makes disclosures on liquidity coverage ratio (vide ref. RBI/2013-14/635 DBOD.BP.BC.No.120 / 21.04.098/2013-14 dt. June 9,2014 read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments') and Net Stable Funding Ratio (vide ref. RBI/2017-18/178 DBR.BP.BC.No.106/21.04.098/2017-18 dt. May 17 2018) These disclosures are available on the Bank's website at the following link: <https://ir.equitasbank.com/reports-and-presentations/>. These disclosures have not been subjected to audit or limited review.
- 8 Details of loans transferred / acquired during the nine months period ended December 31, 2023, as per RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) The Bank has not transferred any non-performing assets (NPAs) during the quarter ended December 31, 2023.

Details of Non performing advances (NPA) transferred during the nine month period ended December 31, 2023 are given below.

(Amount in ₹ .Crore except number of accounts and year)

Particulars	To ARCs	To permitted transferees	To other transferees
Number of accounts	7,845	-	-
Aggregate principal outstanding of loans transferred	161.86	-	-
Weighted average residual tenor of the loans transferred as on the date of Transfer (in years)	4.19	-	-
Net book value of loans transferred (at the time of transfer)	34.87	-	-
Aggregate consideration	118.19	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

The Bank had also reversed excess provision of ₹ 23.04 Crore to the Profit and Loss account on account of sale of Non performing advances to ARC

(ii) The Bank has not transferred any Special Mention Account (SMA).

(iii) Details of loans not in default transferred through assignment are given below:

(Amount in ₹ .Crore)

S.No.	Particulars	31st December, 2023
1	Aggregate amount of loans transferred	493.21
2	Weighted average residual maturity (in years)	14.22
3	Weighted average holding period by originator (in years)	1.43
4	Retention of beneficial economic interest by the originator	10%
5	Tangible security coverage(%)	100%

The loans transferred are not rated as these are to non-corporate borrowers.

(iv) The Bank has not acquired any "loans not in default" from other entities through assignment.

(iv) The Bank has not acquired any stressed loan.

(v) Details of Ratings of Security receipts (SR) as on December 31, 2023 are given below.

(Amount in ₹ .Crore)

Rating	Rating Agency	Recovery Rating	Gross Value of Outstanding SRs
IND RR5	India Ratings	Upto 25%	40.33
Yet to be rated *	-	-	60.28
Total			100.61

* Pursuant to regulatory norms, the ARC has time to obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.



- 9 The Bank has granted 87,56,571 options under the ESFB Employees Stock Option Scheme 2019 (ESFB ESOP Scheme) to eligible employees of the Bank as defined during nine month period ended December 31, 2023. Out of total 8,84,32,589 options granted till December 31, 2023, 1,90,12,879 Options were vested and 2,12,75,806 options were lapsed and 1,31,64,163 options are yet to be vested
- 10 During the nine month period ended December 31,2023, the Bank has allotted 2,08,94,563 equity shares of ₹ 10/- each, fully paid up, on exercise of options by its employees in accordance with the ESFB ESOP Scheme.
- 11 Other Income includes fees earned from providing services to customers, Interchange fee income, selling of third-party products, profit on sale of investments (net) (including provision for depreciation), recoveries from accounts previously written off, etc.,
- 12 The ratios and other information which are to be disclosed as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been disclosed to the extent applicable.
- 13 Figures for the quarter ended December 31, 2022 are the balancing figures between audited figures in respect of the nine months ended December 31, 2022 and published year to date figures upto September 30, 2022.
- 14 Previous period / year figures have been reclassified/regrouped, wherever necessary, to conform to the current period / year classification/ grouping.

For Equitas Small Finance Bank Limited



P N Vasudevan

Managing Director and Chief Executive Officer

Place: Chennai

Date: January 25, 2024



Independent Auditors Review Report on the unaudited interim financial results of Equitas Small Finance Bank Limited for the quarter ended December 31, 2023 and year to date results for the period from April 01, 2023 to December 31, 2023, pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**Review Report to
The Board of Directors
Equitas Small Finance Bank Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Equitas Small Finance Bank Limited (“the Bank”) for the quarter and nine months ended December 31, 2023 (“the Statement”) attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”), except for the disclosures relating to ‘Pillar 3 disclosure under Basel III Capital Regulations as at December 31, 2023, including Leverage Ratio and Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India’ (“RBI”) as have been disclosed on the Bank’s website and in respect of which a link has been provided in the aforesaid financial results and have not been reviewed by us.
2. This statement is the responsibility of the Bank’s Management and has been approved by the Bank’s Board of Directors. This statement has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, (AS 25) “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, in so far as they apply to banks, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by Reserve Bank of India from time to time (‘the RBI Guidelines’) and other accounting principles generally accepted in India, and in compliance with the Listing Regulations. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (‘SRE’) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information is limited primarily to inquiries of Bank’s personnel and analytical and other review procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Varma & Varma,
Chartered Accountants
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Chennai - 600 020

ASA & Associates LLP,
Chartered Accountants,
Unit 709 & 710 7th Floor,
BETA Wing, Raheja Towers,
New No. 177, Anna Salai,
Chennai - 600 002

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results including notes thereon prepared in accordance with applicable accounting standards, the RBI Guidelines and other accounting principles generally accepted in India, in so far as they apply to banks, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to 'Pillar 3 disclosure under Basel III Capital Regulations as at December 31, 2023, including Leverage Ratio and Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India' ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results and have not been reviewed by us.
5. Other matters

The audit of the financial results for the quarter & nine months period ended December 31, 2022 and the audit of annual financial results for the year ended March 31, 2023 were conducted by M/s TR Chadha & Co LLP, Chartered Accountants, then Joint Statutory Auditor of the Bank, and M/s Varma & Varma, Chartered Accountants, who expressed an unmodified opinion on such financial results on February 08, 2023 and May 05, 2023, respectively.

Attention is invited to Note No. 14 to the Statement. As stated therein, the statement includes the results for the quarter ended December 31, 2022 being the balancing figures between the audited figures in respect of nine months period ended on that date and the published unaudited year to date figures upto September 30, 2022, which were subject to limited review by M/s TR Chadha & Co LLP, Chartered Accountants, then Joint Statutory Auditor of the Bank, and M/s Varma & Varma, Chartered Accountants.

Our opinion is not modified in respect of the above matters.

For Varma & Varma
Chartered Accountants
ICAI FRN: 004532S

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P R Prasanna Varma
Partner
ICAI Membership No. 025854
UDIN: 24025854BKGPXK9424

Place: Chennai
Date: 25/01/2024

For ASA & Associates LLP
Chartered Accountants
ICAI FRN: 009571N/N500006

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Date: 25/01/2024