

February 08, 2023

National Stock Exchange of India Limited Exchange Plaza BandraKurla Complex (BKC) Bandra (East) Mumbai - 400051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001
<b>Symbol: EQUITASBNK</b>	<b>Scrip Code No: 543243</b>

Dear Sir / Madam,

**Sub: Disclosure under Regulations 30 & 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Outcome of Board meeting held on February 08, 2023**

Pursuant to Regulations 30 (read with Part A of Schedule III) & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors of the Bank at its meeting held today i.e., February 08, 2023, has inter-alia considered, reviewed and approved the Audited financial results for the quarter & nine months ended December 31, 2022 as recommended by the Audit Committee.

In furtherance of the same, please find enclosed:

- The Audited financial results of the Bank for the quarter & nine months ended December 31, 2022.
- The Auditor's Report issued by the Joint Statutory Auditors, M/s T R Chadha & Co LLP and M/s Varma & Varma, Chartered Accountants.
- Press Release on the Audited financial results for the quarter & nine months ended December 31, 2022.
- Investor presentation for the quarter and nine months ended December 31, 2022.


The Meeting of the Board of Directors of the Bank commenced at 16.30 hours and concluded at ~~19:25~~ hours

The above information will be made available on the Bank's website [www.equitasbank.com](http://www.equitasbank.com).

Kindly take the above information on record.

Thanking you,  
Yours truly,

For Equitas Small Finance Bank Limited

  
N Ramanathan  
Company Secretary  
Encl: a/a



BEYOND BANKING

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

Equitas Small Finance Bank Limited  
(Previously known as Equitas Finance Limited)

2890780

4<sup>th</sup> Floor, Phase II, Spencer Plaza, No.769, Mount Road, Anna Salai, Chennai, Tamil Nadu, India - 600 002

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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 Audited Financial Results for the quarter and nine months period ended December 31, 2022

(₹ in Lakh)

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Audited (Refer note 19)	Unaudited	Unaudited	Audited	Unaudited	Audited
1 Interest Earned (a)+(b)+(c)	1,06,338.82	1,00,236.51	90,115.70	3,00,615.16	2,56,384.27	3,45,966.93
(a) Interest / discount on advances / bills	95,930.59	90,433.21	81,918.30	2,71,812.69	2,32,784.48	3,13,912.24
(b) Income on Investments	8,061.46	7,265.59	6,390.57	21,493.38	18,046.04	24,614.47
(c) Interest on balances with Reserve Bank of India and other inter bank funds	2,346.77	2,537.71	1,806.83	7,309.09	5,553.75	7,440.22
2 Other Income	15,264.37	14,502.90	13,385.22	43,089.34	38,940.80	53,755.65
3 Total Income (1)+(2)	1,21,603.19	1,14,739.41	1,03,500.92	3,43,704.50	2,95,325.07	3,99,722.58
4 Interest Expended	41,588.84	39,267.69	36,008.02	1,16,838.70	1,07,776.09	1,42,113.36
5 Operating Expenses (i)+(ii)	52,103.07	51,239.73	45,021.81	1,47,903.97	1,28,744.88	1,70,414.53
(i) Employees Cost	29,200.17	27,510.06	24,043.35	79,275.39	68,962.83	89,820.84
(ii) Other Operating Expenses	22,902.90	23,729.67	20,978.46	68,628.58	59,782.05	80,593.69
6 Total Expenditure (4)+(5) (excluding provisions & contingencies)	93,691.91	90,507.42	81,029.83	2,64,742.67	2,36,520.97	3,12,527.89
7 Operating Profit before Provisions & Contingencies (3)-(6)	27,911.28	24,231.99	22,471.09	78,961.83	58,804.10	87,194.69
8 Provisions (other than tax) and Contingencies	4,990.20	9,010.28	7,840.45	28,160.08	37,066.32	49,383.69
9 Exceptional Items	-	-	-	-	-	-
10 Profit from Ordinary Activities before tax (7)-(8)-(9)	22,921.08	15,221.71	14,630.64	50,801.75	21,737.78	37,811.00
11 Tax Expense	5,908.45	3,579.58	3,820.14	12,446.47	5,615.49	9,737.82
12 Net Profit from Ordinary Activities after tax (10)-(11)	17,012.63	11,642.13	10,810.50	38,355.28	16,122.29	28,073.18
13 Extraordinary Items (net of Tax Expense)	-	-	-	-	-	-
14 Net Profit for the Period / Year (12)-(13)	17,012.63	11,642.13	10,810.50	38,355.28	16,122.29	28,073.18
15 Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	1,25,430.61	1,25,367.12	1,14,788.93	1,25,430.61	1,14,788.93	1,25,202.77
16 Reserves excluding Revaluation Reserves						2,99,414.09
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 8)	24.28%	23.08%	21.91%	24.28%	21.91%	25.16%
(iii) Earnings Per Share (EPS) - (Face Value of ₹ 10/- each)						
- Basic EPS (₹) before & after extraordinary items (net of tax expense) - not annualised	1.36	0.93	0.94	3.06	1.41	2.43
- Diluted EPS (₹) before & after extraordinary items (net of tax expense) - not annualised	1.34	0.92	0.93	3.04	1.39	2.40
(iv) NPA Ratio						
(a) Gross NPAs	86,136.14	87,026.23	86,381.78	86,136.14	86,381.78	83,718.36
(b) Net NPAs	42,343.94	43,088.18	45,942.46	42,343.94	45,942.46	47,947.51
(c) % of Gross NPA to Gross Advances	3.63%	3.91%	4.61%	3.63%	4.61%	4.24%
(d) % of Net NPA to Net Advances	1.82%	1.97%	2.51%	1.82%	2.51%	2.47%
(v) Return on Assets (average)- not annualised for the quarter and nine months ended	0.53%	0.38%	0.41%	1.25%	0.62%	1.07%
(vi) Net worth (excluding Revaluation Reserve & Intangibles)	4,38,126.93	4,19,584.81	3,32,515.55	4,38,126.93	3,32,515.55	3,97,281.76
(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
(viii) Capital redemption reserve	-	-	-	-	-	-
(ix) Debt-equity ratio \$	0.23	0.19	0.46	0.23	0.46	0.29
(x) Total debts to total assets @	8.61%	7.83%	11.03%	8.61%	11.03%	9.71%
\$ 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:

		(₹ in Lakh)					
SI No	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
		Audited (Refer note 19)	Unaudited	Unaudited	Audited	Unaudited	Audited
<b>1</b>	<b>Segment revenue</b>						
a)	Treasury	11,175.92	10,505.48	10,075.97	30,960.91	28,745.86	37,155.90
b)	Retail Banking	1,06,591.13	1,00,422.11	89,555.34	3,01,501.74	2,55,174.10	3,46,901.14
c)	Wholesale Banking	2,314.43	2,156.17	2,199.17	6,491.03	7,286.57	9,314.62
d)	Other Banking operations	1,521.71	1,655.65	1,670.44	4,750.82	4,118.54	6,350.92
e)	Unallocated	-	-	-	-	-	-
	Less: Inter segment revenue	-	-	-	-	-	-
	<b>Income from operations</b>	<b>1,21,603.19</b>	<b>1,14,739.41</b>	<b>1,03,500.92</b>	<b>3,43,704.50</b>	<b>2,95,325.07</b>	<b>3,99,722.58</b>
<b>2</b>	<b>Segment results</b>						
a)	Treasury	1,840.30	2,558.76	4,456.59	7,129.99	10,638.67	13,699.76
b)	Retail Banking	20,703.16	12,271.14	9,879.91	42,548.03	10,986.60	23,104.65
c)	Wholesale Banking	530.39	639.27	189.19	1,639.38	793.62	1,206.20
d)	Other Banking operations	1,269.78	1,231.92	1,457.38	3,760.22	3,432.26	5,348.91
e)	Unallocated	(1,412.55)	(1,479.38)	(1,352.43)	(4,275.87)	(4,113.37)	(5,548.52)
	<b>Profit before Tax</b>	<b>22,921.08</b>	<b>15,221.71</b>	<b>14,630.64</b>	<b>50,801.75</b>	<b>21,737.78</b>	<b>37,811.00</b>
<b>3</b>	<b>Segment assets</b>						
a)	Treasury	7,18,830.73	6,72,436.25	5,72,829.92	7,18,830.73	5,72,829.92	6,36,573.43
b)	Retail Banking	23,33,446.07	22,03,900.62	18,27,666.03	23,33,446.07	18,27,666.03	19,42,845.61
c)	Wholesale Banking	1,08,682.86	89,192.17	1,03,462.28	1,08,682.86	1,03,462.28	93,982.52
d)	Other Banking operations	-	-	-	-	-	-
e)	Unallocated	19,581.21	20,379.81	22,175.84	19,581.21	22,175.84	21,360.59
	<b>Total</b>	<b>31,80,540.87</b>	<b>29,85,908.85</b>	<b>25,26,134.07</b>	<b>31,80,540.87</b>	<b>25,26,134.07</b>	<b>26,94,762.15</b>
<b>4</b>	<b>Segment liabilities</b>						
a)	Treasury	6,14,148.64	5,71,741.92	4,89,757.37	6,14,148.64	4,89,757.37	5,34,382.59
b)	Retail Banking	20,07,225.73	18,89,467.39	15,88,510.31	20,07,225.73	15,88,510.31	16,53,940.05
c)	Wholesale Banking	93,479.89	76,401.31	88,194.69	93,479.89	88,194.69	79,347.68
d)	Other Banking operations	-	-	-	-	-	-
e)	Unallocated	1,673.79	1,630.32	1,403.32	1,673.79	1,403.32	2,474.97
	<b>Total</b>	<b>27,16,528.05</b>	<b>25,39,240.94</b>	<b>21,67,865.69</b>	<b>27,16,528.05</b>	<b>21,67,865.69</b>	<b>22,70,145.29</b>
<b>5</b>	<b>Capital Employed [Segment Assets-Segment Liabilities]</b>						
a)	Treasury	1,04,682.09	1,00,694.33	83,072.55	1,04,682.09	83,072.55	1,02,190.84
b)	Retail Banking	3,26,220.34	3,14,433.23	2,39,155.72	3,26,220.34	2,39,155.72	2,88,905.56
c)	Wholesale Banking	15,202.97	12,790.86	15,267.59	15,202.97	15,267.59	14,634.84
d)	Other Banking operations	-	-	-	-	-	-
e)	Unallocated	17,907.42	18,749.49	20,772.52	17,907.42	20,772.52	18,885.62
	<b>Total</b>	<b>4,64,012.82</b>	<b>4,46,667.91</b>	<b>3,58,268.38</b>	<b>4,64,012.82</b>	<b>3,58,268.38</b>	<b>4,24,616.86</b>

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 in compiling and reporting the above information has been relied upon by the auditors.

3 Statement of Assets and Liabilities as on December 31, 2022 is given below:

		(₹ in Lakh)		
SI No	Particulars	As at	As at	As at
		31-Dec-22	31-Dec-21	31-Mar-22
		Audited	Unaudited	Audited
	<b>CAPITAL AND LIABILITIES</b>			
1	Capital	1,25,430.61	1,14,788.93	1,25,202.77
2	Reserves and Surplus	3,38,582.21	2,43,479.45	2,99,414.09
3	Deposits	23,39,351.89	17,88,364.12	18,95,079.73
4	Borrowings	2,73,950.72	2,78,530.00	2,61,640.00
5	Other Liabilities and Provisions	1,03,225.44	1,00,971.57	1,13,425.56
	<b>Total Liabilities</b>	<b>31,80,540.87</b>	<b>25,26,134.07</b>	<b>26,94,762.15</b>
	<b>ASSETS</b>			
6	Cash and Balances With Reserve Bank of India	1,30,295.53	1,06,781.34	2,07,699.17
7	Balances With Banks and Money At Call and Short Notice	2,820.15	7,035.55	5,552.29
8	Investments	6,18,131.02	4,92,261.97	4,44,984.96
9	Advances	23,27,670.67	18,31,490.54	19,37,420.60
10	Fixed Assets	23,209.22	18,557.46	20,044.45
11	Other Assets	78,414.28	70,007.21	79,060.68
	<b>Total Assets</b>	<b>31,80,540.87</b>	<b>25,26,134.07</b>	<b>26,94,762.15</b>



4 Statement of Cash Flow for the period ended December 31,2022 is given below:

(₹ in Lakh)

Particulars	Period ended		Year Ended
	31-Dec-22	31-Dec-21	31-Mar-22
	Audited	Unaudited	Audited
<b>Cash Flow from Operating activities</b>			
Profit Before Tax	50,801.75	21,737.78	37,811.00
<b>Adjustments for</b>			
Depreciation on fixed assets	5,951.93	5,781.57	7,528.31
Depreciation on investments	160.42	276.86	56.30
Amortization on held to maturity securities	1,815.96	1,619.85	2,169.29
Provision for standard assets (including restructured standard assets)	(7,519.09)	17,319.35	12,585.99
Additional Provision on Standard assets	(1,766.95)	-	2,607.68
Bad debts written off	29,234.57	16,876.34	36,045.73
Provision for Non performing assets	8,021.35	2,778.35	(1,890.12)
Other Provision and Contingencies	190.20	92.27	34.40
(Profit) / Loss on sale of fixed assets	13.03	26.58	30.65
Interest expenses on borrowings	21,900.93	24,211.43	31,980.45
Interest income on bank balances not considered as cash and cash equivalents	(196.90)	(189.02)	(189.38)
Esop Expenses -Material Risk Takers/Whole Time Director	359.22	66.38	126.79
Dividend Income	(18.47)	(40.28)	(50.40)
	<b>1,08,947.95</b>	<b>90,557.46</b>	<b>1,28,846.69</b>
<b>Adjustments for</b>			
(Increase)/Decrease in investments	(1,75,122.44)	(1,23,642.07)	(76,693.95)
(Increase)/Decrease in advances	(4,27,505.99)	(1,66,326.34)	(2,86,757.30)
Increase/(Decrease) in deposits	4,44,272.16	1,49,166.95	2,55,882.55
(Increase)/Decrease in other assets	2,791.99	(3,341.81)	(13,792.66)
Increase/(Decrease) in other liabilities and provisions	4.82	9,276.38	24,280.64
Direct taxes paid	(15,165.84)	(13,104.40)	(15,819.22)
<b>Net cash (used in)/ generated from operating activities (A)</b>	<b>(61,777.35)</b>	<b>(57,413.83)</b>	<b>15,946.75</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets	(9,315.47)	(5,987.44)	(9,275.45)
Proceeds from sale of fixed assets	185.74	126.83	177.04
Interest received from bank balances not considered as cash and cash equivalents	196.90	189.02	189.38
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(8,932.83)</b>	<b>(5,671.59)</b>	<b>(8,909.03)</b>
<b>Cash flow from financing activities</b>			
Increase/(decrease) in borrowings (net)	12,310.72	(1,38,002.00)	(1,54,892.00)
Proceeds from issue of share capital (including share premium)	681.45	2,445.61	57,896.93
Share issue Expenses	-	-	(1,114.15)
Interest paid on borrowings	(22,417.77)	(25,412.05)	(33,547.79)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(9,425.60)</b>	<b>(1,60,968.44)</b>	<b>(1,31,657.01)</b>
<b>Net Increase /(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(80,135.78)</b>	<b>(2,24,053.86)</b>	<b>(1,24,619.29)</b>
Cash and Cash equivalents at beginning of the period / year	2,13,251.46	3,37,870.75	3,37,870.75
<b>Cash and Cash equivalents at end of the period / year</b>	<b>1,33,115.68</b>	<b>1,13,816.89</b>	<b>2,13,251.46</b>

Note: Cash and Cash equivalents comprise of cash on hand, Balances with Reserve Bank of India, Balance with Banks and money at call and short notice.





**Notes**

- 5 The above audited financial results (along with the notes given below) hereafter described as "Statement" of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the quarter and nine months ended December 31, 2022 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 8th February 2023 and have been subjected to an Audit by the statutory auditors of the Bank (T R Chadha & Co LLP, Chartered Accountants and Varma & Varma, Chartered Accountants). The report thereon is unmodified.
- 6 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 and the guidelines issued by the Reserve Bank of India (RBI).
- 7 The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2022. Any circular/ direction issued by RBI is implemented prospectively when it becomes applicable.
- 8 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).
- 9 The Bank makes Pillar III disclosures as part of Market Discipline as per the 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/.html>. The disclosure has not been subjected to audit or limited review.
- 10 The Board of Directors of Equitas Small Finance Bank Limited (ESFBL) and Equitas Holdings Limited (EHL) at their respective Meetings held on March 21, 2022 approved the revised Scheme of Amalgamation (Scheme) between EHL, ESFBL and their respective shareholders, after complying with the Minimum Public Shareholding (MPS) requirements through Qualified Institutions Placement (QIP) of its equity shares in February 2022. The Scheme was then filed with the Stock Exchanges and RBI for necessary approvals/ sanctions.
- Upon coming into effect of this Scheme and in consideration of the amalgamation of EHL with ESFBL, ESFBL, without any further application, act or deed, shall issue and allot to each of the equity shareholders of EHL as on the Record Date defined in the Scheme, 231 equity Shares of ₹ 10/- each credited as fully paid up of ESFBL, in respect of every 100 Equity Shares of ₹ 10/- each fully paid up held by them in EHL.
- During the quarter, RBI vide its letter dated May 6, 2022 has conveyed its 'no-objection' to the proposal for voluntary amalgamation of EHL with ESFBL. Observation letters on the draft scheme of amalgamation with "No adverse observations" from the stock exchanges were received on June 10, 2022 including the observations of SEBI. Consequently, Joint application by EHL and ESFBL for the Scheme has been filed under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Hon'ble National Company Law Tribunal, Chennai Bench (NCLT) on June 18, 2022 seeking directions on convening Meeting of shareholders and creditors of EHL and ESFBL.
- Subsequently, NCLT has passed an order dated July 22, 2022 directing EHL and ESFBL to convene meetings of their respective Equity Shareholders and Unsecured Creditors on September 06,2022 and Depositors holding deposits above ₹ 3 lakhs in ESFBL on September 07, 2022. As directed by NCLT, Extraordinary General Meetings were held by EHL & ESFBL on 6th & 7th September 2022 respectively, wherein the necessary resolutions were passed by the Shareholders, Creditors and Depositors of the respective companies with requisite majority. The Company Petition filed by EHL and ESFBL before NCLT has been allowed by NCLT vide its Order dated 12th January 2023. The Appointed date under the Scheme approved by NCLT is 1st January 2023 as recommended by the Board. Both EHL & ESFBL shall within 30 days of the receipt of the certified copy of the Order file the same with the Registrar of Companies (ROC), Chennai, which will be the Effective date and EHL shall be dissolved without winding up. Pursuant to the applicable provisions of the Companies Act, 2013, the approved Scheme and in terms of the approval accorded by the respective Boards of EHL and ESFBL, Form INC-28 has been filed with the ROC, Chennai on February 01, 2023 by EHL and on February 02, 2023 by ESFBL respectively. Thus, the Scheme has become effective from Thursday, February 02, 2023.
- 11 The bank continues to monitor and assess the impact of COVID-19 Pandemic on its operations and financials, including the possibility of higher defaults by customers, which however largely depends on external factors including new information on severity of the new and evolving virus variants, if any. All information available upto the date of these results have been considered and adequately dealt with in preparation and presentation of these Financial results.
- 12 Details of loans transferred / acquired during the quarter ended December 31, 2022 under the 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).
- (ii) The Bank has not transferred any Special Mention Account (SMA) and loan not in default.
- (iii) The Bank has not acquired any "loans not in default" from other entities through assignment.
- (iv) The Bank has not acquired any stressed loan.
- 13 The Bank has granted 2,03,70,893 options under the ESFB Employees Stock Option Scheme 2019 (ESFB ESOP Scheme) to eligible employees of the Bank and employees of the Holding company (Equitas Holdings Limited) as defined during the period ended December 31, 2022. Out of total 7,96,36,283 options granted till December 31, 2022, 2,90,15,420 Options were vested and 1,61,62,377 options were lapsed and 2,10,33,542 options are yet to be vested.
- 14 During the nine months period ended December 31, 2022, the Bank has allotted 22,78,462 equity shares of ₹ 10/- each, fully paid up, on exercise of options by its employees and employees of the Holding company (Equitas Holdings Limited) in accordance with the ESFB ESOP Scheme.
- 15 During the nine months period ended December 31, 2022, the Bank has realised ₹ 2.00 Crore from sale of Priority Sector Lending Certificates ('PSLC'). The same is amortised on a straight-line basis over the tenor of the certificate. The Bank has recognised ₹ 1.51 Crore as income during the period ended December 31, 2022 and has deferred ₹ 0.49 Crore of PSLC fee income.
- 16 Other Income includes fees earned from providing services to customers, Interchange fee income, selling of third-party products, profit on sale of investments (net), profit on sale of Priority Sector Lending Certificates, recoveries from accounts previously written off, etc.,





- 17 As per RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment reporting, 'Digital Banking' has been identified as a sub-segment under Retail Banking by Reserve Bank of India (RBI). However, as the proposed Digital Banking Unit (DBU) of the Bank has not yet commenced operations and having regard to the discussions of the DBU Working Group formed by Indian Banks' Association (IBA) (which included representatives of banks and RBI), reporting of Digital Banking as a separate sub-segment of Retail Banking Segment will be implemented by the Bank based on the decision of the DBU Working Group.
- 18 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 considered applicable.
- 19 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.
- 20 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: February 8, 2023



**T R Chadha & Co LLP**  
**Chartered Accountants**  
**Door No. 5D, V Floor,**  
**Mount Chambers**  
**758, Anna Salai**  
**Chennai - 600 002, Tamil Nadu**

**Varma & Varma**  
**Chartered Accountants**  
**Sreela Terrace, Level 4, Unit -D**  
**105, 1st Main Road,**  
**Gandhi Nagar Adyar**  
**Chennai - 600 020, Tamil Nadu**

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**Independent Auditors Report on the quarterly and year to date financial results of Equitas Small Finance Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To**  
**The Board of Directors**  
**Equitas Small Finance Bank Limited**

**Report on Audit of the Statement of Financial Results**

**Opinion**

1. We have audited the accompanying Statement of Financial results of **Equitas Small Finance Bank Limited** ("the Bank") for the quarter ended 31st December 2022 and year to date results for the period from 1st April 2022 to 31st December 2022 ('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, 2022, 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 audited by us.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement;
  - a) is presented in accordance with the requirements of the Listing Regulations in this regard except for the disclosures relating to 'Pillar 3 disclosure under Basel III Capital Regulations as at December 31, 2022, 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 audited by us; and
  - b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Accounts) Rules, 2014 as amended to the extent applicable, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time (the "RBI Guidelines") to the extent applicable and other accounting principles generally accepted in India of the net profit and other financial information for the quarter and year ended December 31, 2022.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the “Auditors’ Responsibilities for the Audit of the Statement” section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

4. We draw attention to Note No. 11 to the Statement which describes the economic and social disruption the Bank is facing as a result of COVID-19 pandemic, and that its possible consequential implications, if any, on the Bank’s operations and financial results are dependent on future developments, which are highly uncertain.

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

### **Board of Director’s Responsibility for the Statement**

5. The Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the Condensed Interim audited financial statements for the nine months period ended December 31, 2022. The Bank's Management and Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net profit and other financial information of the Bank in accordance with the recognition and measurement principles laid down in Accounting Standards specified under section 133 of the Act, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Statement by the Board of Directors of the Bank, as aforesaid.
6. In preparing the Statement, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.



7. The Board of Directors of the Bank are also responsible for overseeing the Bank's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Statement**

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on effectiveness of bank's internal controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Bank to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
  - Evaluate the overall presentation, structure, and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

**T R Chadha & Co LLP**  
**Chartered Accountants**  
**Door No. 5D, V Floor,**  
**Mount Chambers**  
**758, Anna Salai**  
**Chennai - 600 002, Tamil Nadu**

**Varma & Varma**  
**Chartered Accountants**  
**Sreela Terrace, Level 4, Unit -D**  
**105, 1st Main Road,**  
**Gandhi Nagar Adyar**  
**Chennai - 600 020, Tamil Nadu**

- 
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

12. Attention is invited to Note No. 19 to the Statement. As stated therein, the Statement includes the results for the quarter ended 31st December 2022 being the balancing figures between the audited figures in respect of nine months period ended December 31, 2022 and the published unaudited year to date figures upto the second quarter of the financial year, which were subject to limited review by us.

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

For **T R Chadha & Co LLP**  
Chartered Accountants  
Firm Registration No 006711N/N500028

**SHESHU**  
**SAMUDRALA**  
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SHESHU SAMUDRALA  
Date: 2023.02.08  
19:08:02 +05'30'

**Sheshu Samudrala**  
**Partner**  
ICAI Membership No. 235031  
UDIN: 23235031BGWCTY7431

Place: Chennai  
Date: 08.02.2023

For **Varma & Varma**  
Chartered Accountants  
Firm Registration No 004532S

**POONJAR RAMA**  
**PRASANNA**  
**VARMA**  
Digitally signed by  
POONJAR RAMA  
PRASANNA VARMA  
Date: 2023.02.08 19:15:06  
+05'30'

**P R Prasanna Varma**  
**Partner**  
ICAI Membership No. 025854  
UDIN: 23025854BGRHVS9877

Place: Chennai  
Date: 08.02.2023





# EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

Feb 08, 2023

Chennai, Feb 08, 2023: The Board of Directors of Equitas Small Finance Bank Limited at its meeting held today, approved the audited financial results for quarter and nine months ended December 31, 2022

**Highest quarterly PAT of Rs. 170 Cr in Q3FY23 vs Rs. 108 Crs in Q3FY22**

**Highest quarterly disbursement at Rs. 4,797 Crs, growth of 68% YoY**

**Gross Advances as of Q3FY23 was at Rs. 24,915 Cr, growth of 27% YoY**

**RoA & RoE for the quarter at 2.21% and 14.94%**

## 1. Key Highlights for Q3FY23:

- Q3FY23 was a strong quarter across key performance indicators delivering sustainable loan and deposit growth, stable margins, improving asset quality
  - Loan Growth – 27% YoY | Deposit Growth – 31% YoY
  - 93bps improvement in GNPA YoY
  - Highest ever PAT at Rs. 170 Crs
  - Improved return ratios with RoA at 2.21% and RoE at 14.94%
- PPop expanded to 3.62% from 3.52% YoY as productivity improved across product segments
- Asset quality continues to improve with DPD buckets normalized with covid impact waning off and restructured book contracting further. 1-90 DPD stands at 7.53% in Q3FY23 as compared to 10.43% in March'22 and 5.51% in March'20 (Pre-Covid'19)
- Bank has utilized Rs. 36 Crs of Covid Restructured Loan (RL) standard provisions during the quarter and continues to hold Rs. 60 Crs in Standard RL provisions which may be utilized in the following quarters

## 2. Business Highlights:

### Asset Updates:

- Q3FY23 disbursement at Rs. 4,797 Crs, growth of 68% YoY.
- Strong disbursement across all product segments, with the Bank's flagship product - SBL clocking a YoY disbursement growth of 73%.

- Advances as of Q3FY23 was at Rs. 24,915 Cr, growth of 27% YoY

### **Liabilities:**

- Total deposits grew 31% YoY to Rs. 23,393 Crs
- CASA deposit grew 19% YoY to Rs. 10,817 Crs. CASA ratio stood at 46% as of December 2022
- Term Deposits grew 43% YoY to Rs. 12,576 Crs
- Retail Term Deposits grew 18% YoY to Rs. 8,270 Crs. Retail Term Deposits contribute 66% of total term deposits.

- **Key Ratios:**

- NIM remains stable and healthy at 9.01%
- Cost to Income at 63.95% in Q3FY23 as compared to 66.58% in Q2FY23 as compared and 64.67% in Q3FY22
- RoA and RoE for Q3FY23 at 2.21% and 14.94%

- **Capital:**

- As of Dec 31, 2022 Total CRAR at 24.28% | Tier I at 23.74% and Tier II at 0.54%

- **Treasury & Liquidity:**

- The Bank's Certificate of Deposit (CD) program for Rs. 500 Crore has highest rating from at CRISIL A1+
- The Bank maintains 'surplus' liquidity in the form of High Quality Liquid Assets (HQLA). Liquidity Coverage Ratio (LCR) as on 31.12.2022 is 216%
- Profit on sale of Investments for the quarter is Rs. 7.01 Crore and there was no MTM depreciation on Investments for the quarter

### **3. Profit & Loss:**

- Net Interest Income for Q3FY23 at Rs. 647 Cr as against Rs. 541 Cr in Q3FY22, growth of 20% YoY. NIM's stable at 9.01%
- Pre Provisioning Operating Profit (PPoP) for Q3FY23 grew 24% YoY to Rs. 279 Cr as against Rs. 225 Cr in Q3FY22
- PAT for Q3FY23 grew 57% YoY to Rs. 170 cr as against Rs. 108 Cr in Q3FY22

### **4. Asset Quality & Provisions:**

- Annualised Credit Cost for Q3FY23 at 0.84%
- GNPA on advances [including advances sold under IBPC] at 3.46% in Q3FY23 as compared to 3.82% in Q2FY23 and 4.39% in Q3FY22
- NNPA on advances [including advances sold under IBPC] at 1.73% in Q3FY23 as compared to 1.93% in Q2FY23 and 2.38% in Q3FY22
- Provision coverage ratio at 50.84%



Commenting on the quarterly performance, **Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank** said: “The effect of Covid on the bank’s financials has waned. Many initiatives of the Bank to create a stable, sustainable and scalable bank have started yielding results and the performance of the 3<sup>rd</sup> quarter reflects the same.

Various projects on the digital side are expected to become operational over the next few quarters. As they go live, we expect further improvement in both productivity and efficiency as well as in generating newer business models.”

### **About Equitas Small Finance Bank Limited [ESFB]**

Equitas Small Finance Bank is one of the largest small finance banks in India. As a new-age bank, we offer a bouquet of products and services tailored to meet the needs of our customers – individuals with limited access to formal financing channels, as well as affluent and mass affluent, Small & Medium Enterprises (SMEs) and corporates. Our firmly entrenched strategy focuses on providing credit to the unbanked and underbanked micro and small entrepreneurs, developing products to address the growing aspirations at the ‘bottom of the pyramid’, fuelled by granular deposits and ‘value for money’ banking relationships.

For further details, contact:

#### **Investor Relations Team**

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

Email – [ir@equitasbank.com](mailto:ir@equitasbank.com)

Twitter - [@EquitasIR](https://twitter.com/EquitasIR)

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

# Investor Presentation

Q3FY23



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



# Key Highlights





# Snapshot

## Operational



18 States and UTs



901 Banking Outlets  
347 ATMs\*



287 Business  
Correspondents



20,005 employees

## Asset Offerings



**Gross Advances:**  
Rs. 24,915 Cr [Rs. 19,687 Cr]  
SBL- 37%, VF - 25%,  
MFI- 18%, HF-10%  
MSE – 5%, NBFC – 4%



**Disbursements^ for Q3FY23:**  
Rs. 4,797 Cr [Rs. 2,861 Cr]  
SBL – 26%, VF - 28%,  
MFI – 28%, HF- 9% ,  
MSE – 2%, NBFC – 5%



**Asset Quality:**  
GNPA: 3.46% [4.39%]  
NNPA: 1.73% [2.38%]  
PCR: 50.84% [46.81%]



**Yield on Advances:**  
17.01% for Q3FY23 [18.13%]

## Liability Profile



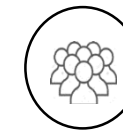
**Total Deposits:**  
Rs. 23,393 Cr [Rs. 17,884 Cr]  
CASA – 46%, TD – 54 %



**Third Party Products:**  
Premium Collected for Q3FY23  
Rs. 32 Crs [Rs 31 Cr]  
Mutual Fund AUM  
Rs. 211 Cr [Rs. 176 Cr]



**Daily Average Cost of Funds for Q3FY23:**  
6.41% [6.47%]  
SA – 6.25%, TD – 6.61%



**CASA Ratio:**  
46.24% [50.20%]

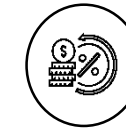
## Financials



**PAT for Q3FY23:**  
Rs. 170 Cr [Rs. 108 Cr]



**Shareholders funds**  
CRAR –24.28%  
Tier I – 23.74%  
Tier II – 0.54%



**NIM for Q3FY23:**  
9.01% [9.10%]



**RoA: Q3FY23 at 2.21% [1.70%]  
RoE: Q3FY23 at 14.94% [12.27%]**

Figures in [] represent Q3FY22 data | \*Including 344 onsite and 3 offsite ATMs ^Disbursement excludes Rs. 226 Crs under the TReDS platform in Q3FY23



# Key Highlights



## Key Messages

- Q3FY23 was a strong quarter across key performance indicators delivering sustainable loan and deposit growth, stable margins, improving asset quality
  - Loan Growth – 27% YoY | Deposit Growth – 31% YoY
  - 93bps improvement in GNPA YoY
  - Highest ever PAT at Rs. 170 Crs
  - Improved return ratios with RoA at 2.20% and RoE at 14.95%
- PPop expanded to 3.62% from 3.52% YoY as productivity improved across product segments
- DPD buckets have normalized as covid impact wanes off and restructured book contracts. 1-90 DPD stands at 7.53% in Q3FY23 as compared to 10.43% in March'22 and 5.51% in March'20 (Pre-Covid'19)
- Bank has utilized Rs. 36 Crs of Covid Restructured Loan (RL) standard provisions during the quarter and continues to hold Rs. 60 Crs in Standard RL provisions which may be utilized in the following quarters
- In order to strengthen PCR, the Bank made additional provisions of Rs. ~27 Crs towards Covid Restructured retail LAP loans that have become NPA
- 90% of the employee additions in FY23 have been in business team as the Bank is investing for the future



# Business Highlights



## Asset Updates

### Small Business Loans

- New sub product line - Merchant Overdraft continues to scale up; gross advances crossed Rs. 150 Crs. New limits set up for the quarter at Rs. 100 Crs

### Vehicle Finance

- A revamped proprietary Loan origination system was launched in Q1FY23, currently 60% of disbursement are done through this platform
- Newly entered states of Kerala and Uttar Pradesh have started to contribute well

### Housing Finance

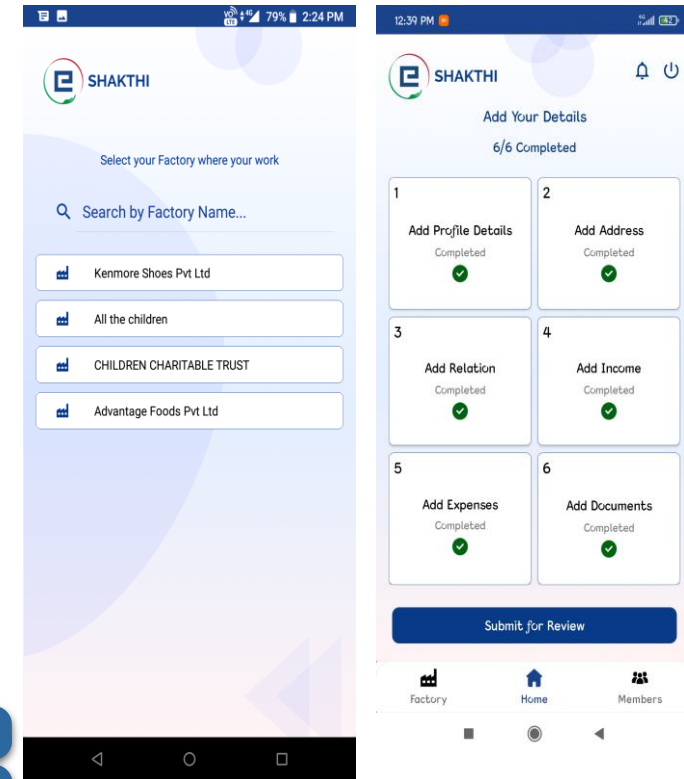
- Southern India scaling up in the Affordable Housing Segment. AHF was initially launched in Gujarat & Maharashtra

### Micro Finance

- Equitas Shakthi, a 100% digital self on-boarding app to form their own JLG for factory workers went live



## Equitas Shakthi

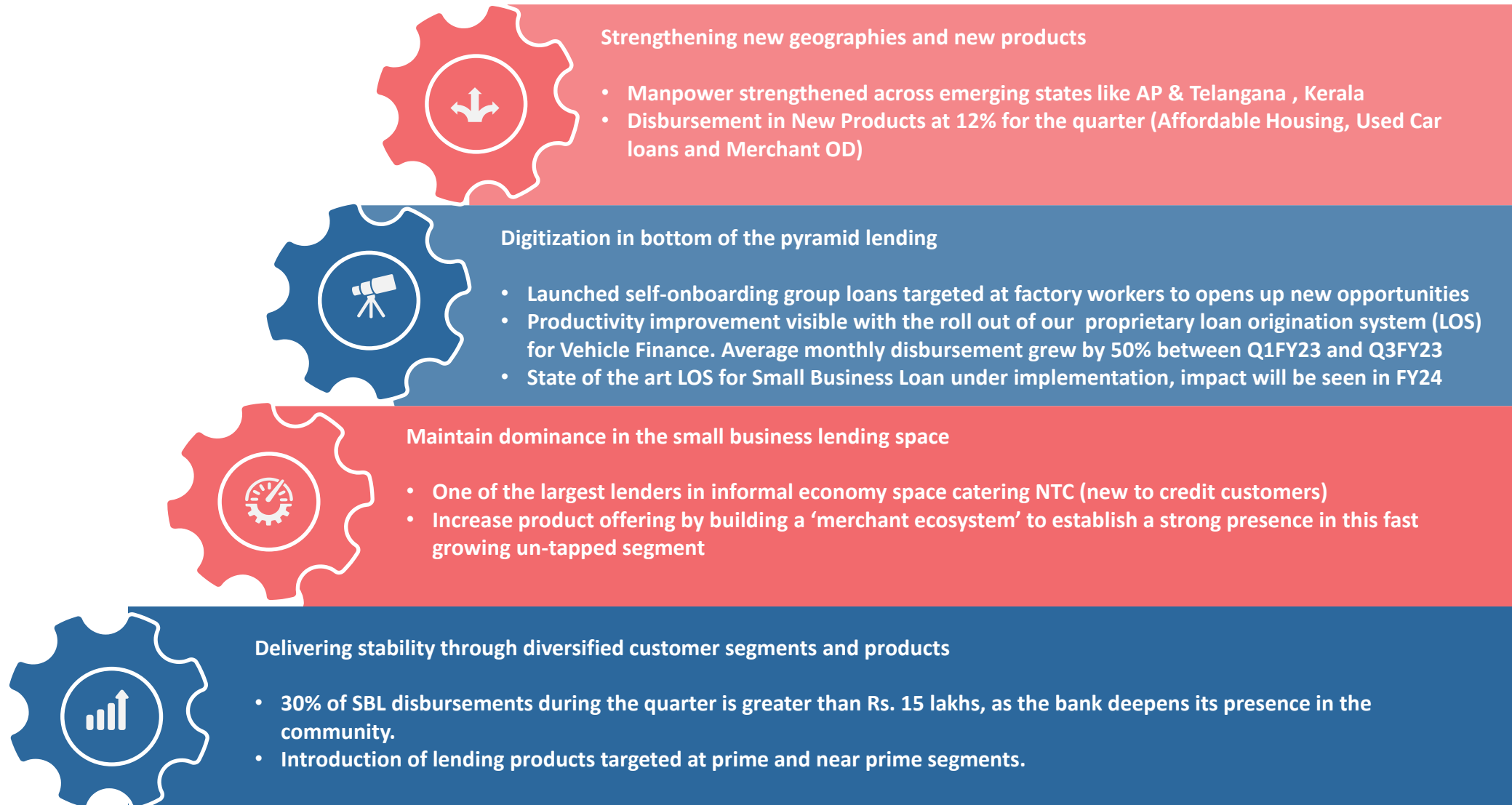


*Digitizing Bottom of Pyramid*





# Shifting gears for sustainable asset growth



# Business Highlights



## Liabilities Updates

- Savings & Term Deposits from “Elite” the mass affluent customer segment crossed Rs. 11,500 Crs. The program now services about 68,000+ Families
- Savings account balances from individuals continue to remain healthy and contribute 84% of savings balances
- NR customer acquisition has been growing steady with deposits crossing Rs. 1,200 Crs
- Current Account acquisition with focus on market specific opportunities has seen good momentum
- Launched WhatsApp Banking to help improve customer experience across multiple platforms
- 95% of Bulk Term Deposits are non callable i.e. ‘LCR Friendly’ deposits providing stability to the portfolio



## Insurtech Platform “ENVI”



- *In Q4, the Bank would be launching its InsurTech platform which would be an integrated platform between the Bank and its insurance partners to help Bank's staff on-board clients in a seamless manner*

**Integrated System**

**Multi Channel capability**

**Instant issuance**



## Premium Liabilities Branches



- *Bank's savings account proposition has turned out attractive to mass affluent and NR segment. To further improve our service and experience of customers, the Bank is planning to open marquee branches in major towns which will also be part of the branding exercise of the Bank*

**Superior banking experience**





# Potential of SBL in informal economy

Estimated number of households in India

**271 Million**

Estimated share of self-employed (non-agri)

**56 million**

Estimated number of self-employed households with self occupied residential property

**46 million**

Estimated self-employed with Pucca house

**44 million**

Average ticket size  
**Rs. 5 lacs** (assumed)

Addressable market for residential property backed small business lending

**Rs. 22 Lakh Crore**

Source: National Sample Survey (NSSO) 73rd round (July 2015 – June 2016) and NSSO 76th round (July 2018 – December 2018), Crisil Research





# Building moats around small business lending space

## Equitas Vintage Proven business model since 2013 in SBL

<b>Gross Advances Rs. 9,312 Crores</b>		
<b>Yield</b> 16.5%	<b>RoA*</b> 4.5%+	<b>GNPA</b> 3.97%

\*RoA based on internal transfer pricing policy

## Institutional knowledge in credit assessment built over cycles

<b>Sub - Segment</b> ~15	<b>LTV</b> ~45%	<b>Bureau Footprint</b> Low
-----------------------------	--------------------	--------------------------------

## Benefits of a Bank addressing this segment

Unique advantage of Equitas: Ability to lend like an NBFC; capability to address end to end needs unlike an NBFC. Equitas as a sole banker

**Merchant OD  
(Working capital Loans)**

Over 11K borrowers

**Payment Ecosystems  
(QR & UPI Solutions)**

45,800 QR issued

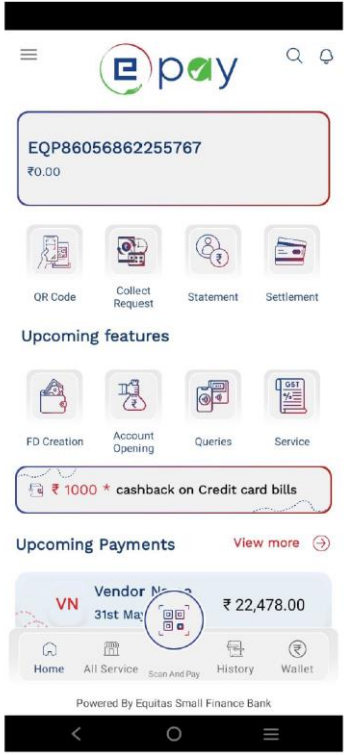
Launch in FY24

**Digital Account onboarding**

100% Digital Current account

**Merchant App**

Billing, Inventory Management



# Merger Updates

## Impact of Merger

Particulars	
ESFB Networth (Rs. Crs)	4,640
EHL Networth (Rs. Crs)	325*
ESFB Networth Post Merger (Rs. Crs)	4,965
ESFB BVPS (Rs.)	36.98
ESFB BVPS Post Merger (Rs.)	44.72
ESFB No of Shares (# Crs)	125
ESFB No of Shares Post Merger (# Crs)	111

\*basis unaudited management accounts

## Merger Timeline

Particulars	Dates
Record Date	03-02-2023
ESFB Board Meeting for allotment	08-02-2023
Filing of PAS-3 form with MCA <sup>#</sup>	09-02-2023
Listing approval with Stock Exchanges	09-02-2023
Filing Corporate action with Depositories	Post listing approval
Trading approval with Stock Exchanges	T+3 from corporate action

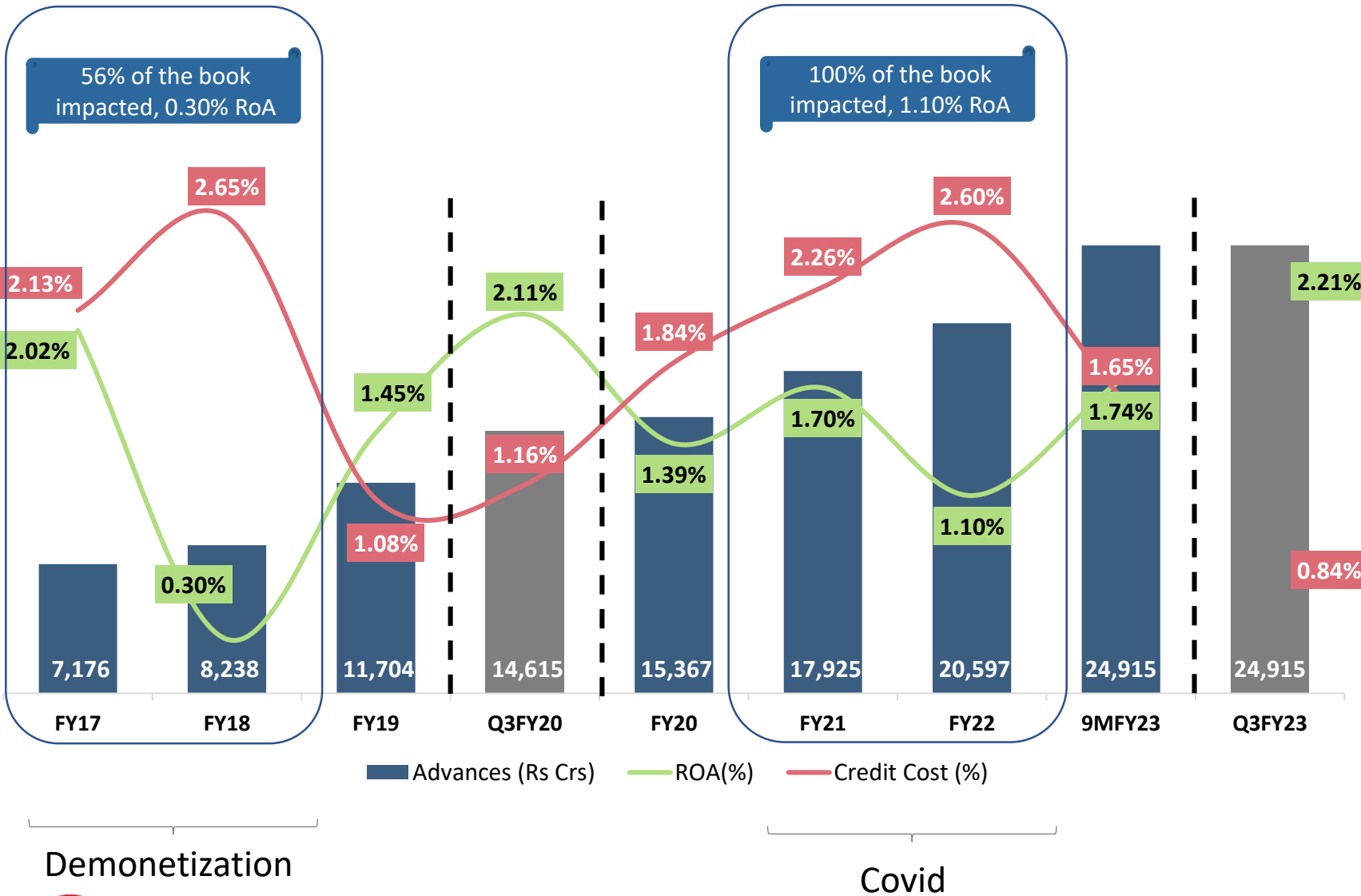
<sup>#</sup>subject to technical support from MCA



# Journey of building a stable, scalable & sustainable Bank



# Bank Performance Over the Cycles



Loan CAGR (FY18-22)	26%
Qtr. Avg PPOP	3.19%

During demonetization, 53% of our advances representing Micro Finance was impacted while the rest of the book had no impact. Our RoA went down to the lowest level of 0.30% for the year ended March 2018. During Covid-19, the entire advances was impacted and yet, the lowest level our RoA went down to, was 1.1% for the year ended March 22.

After demonetization impact, it took us 7 quarters to get to the over 2% annualised RoA for the quarter. After Covid-19 impact, it has taken us just 3 quarters to get over 2% annualised RoA for the quarter.

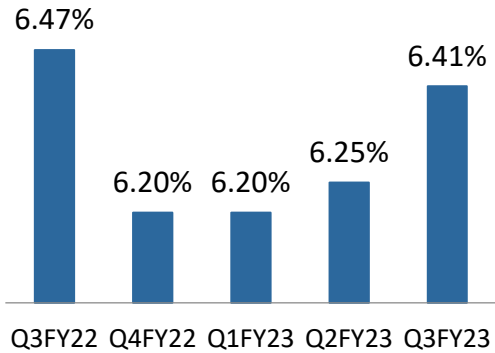


# Financial Performance – Quarterly Trends

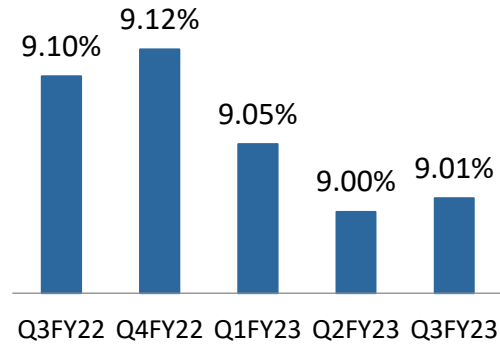


# Key Ratios

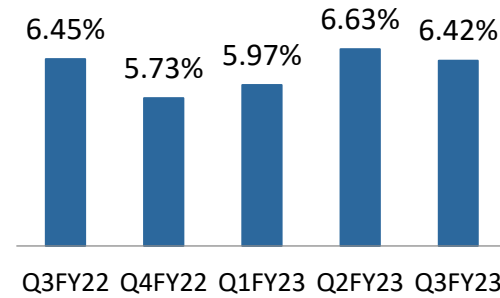
Daily Avg Cost of Funds



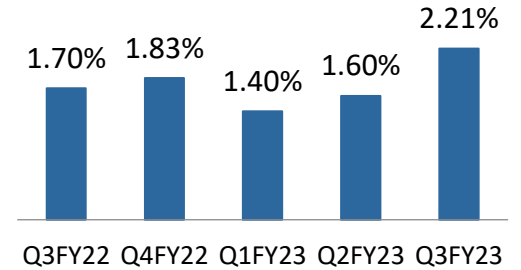
Net Interest Margin (NIM)



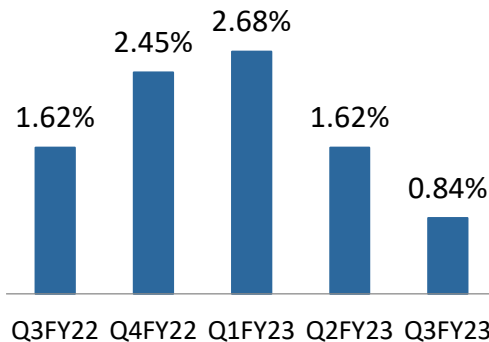
Cost to Assets



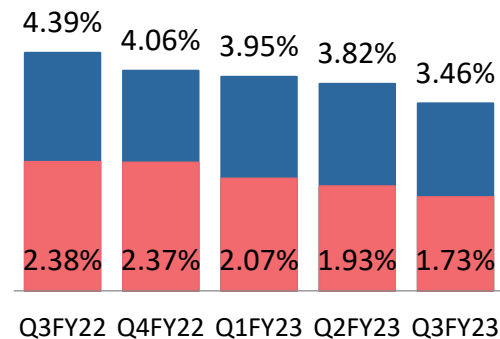
RoA



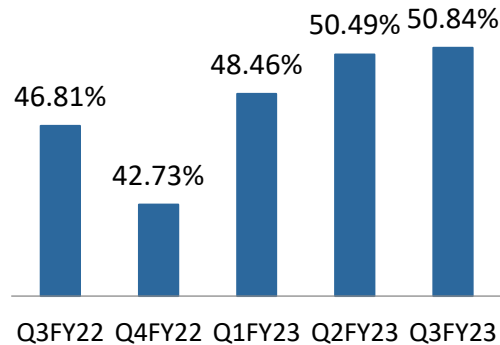
Credit Cost



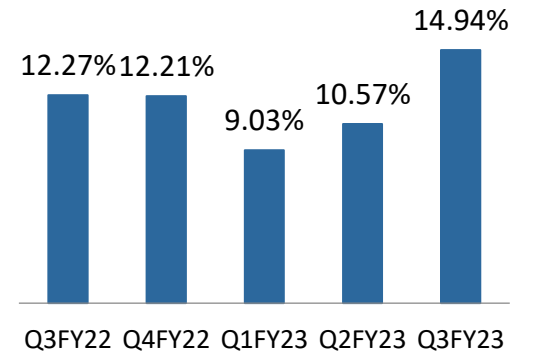
GNPA & NNPA



Provision Coverage Ratio

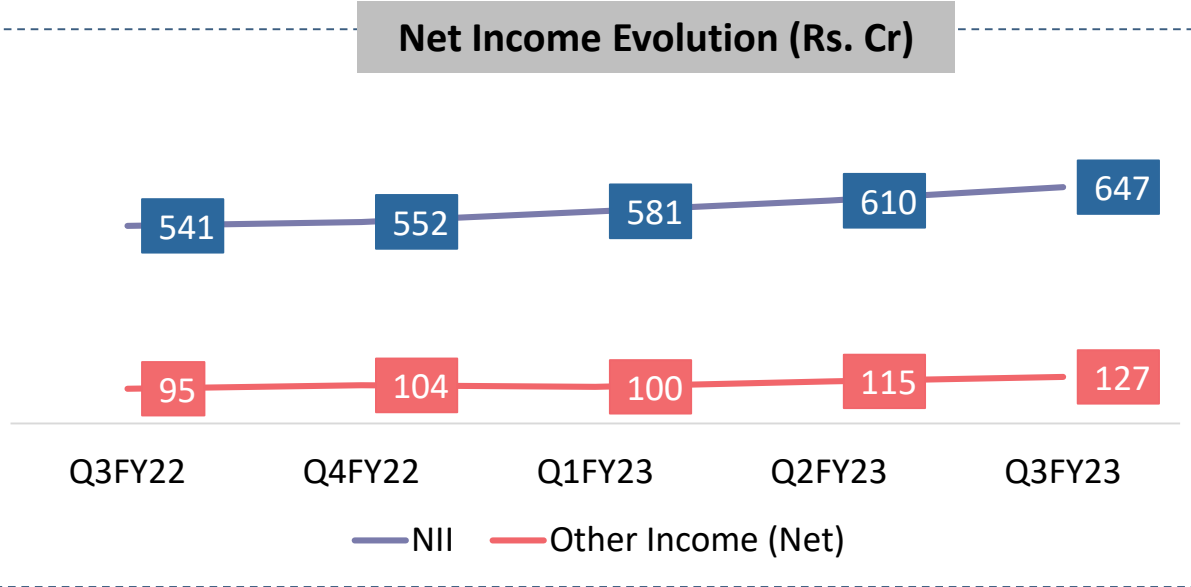


RoE

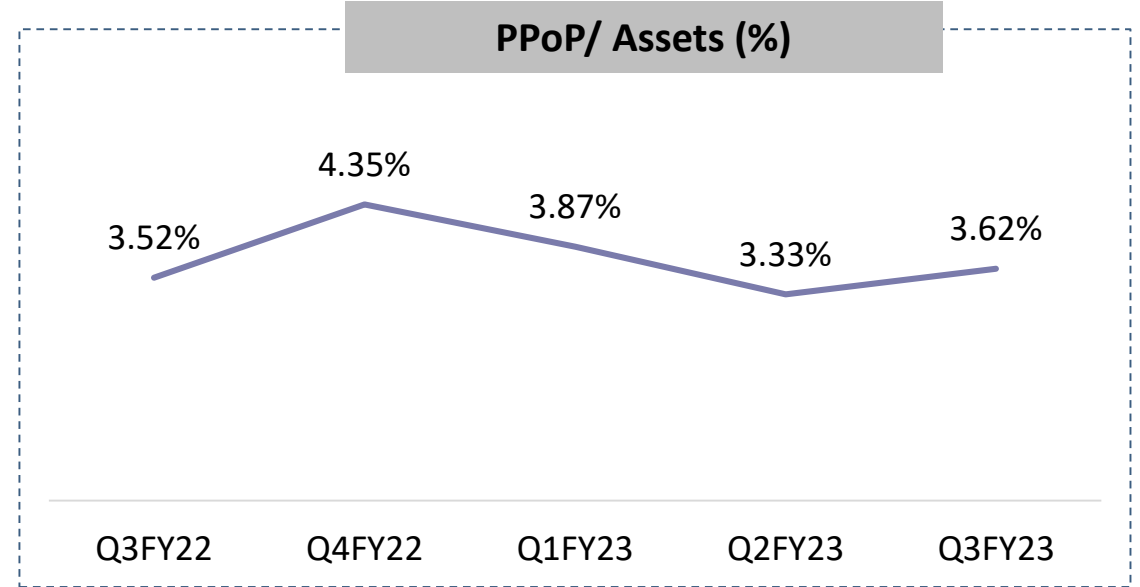


# Income Evolution

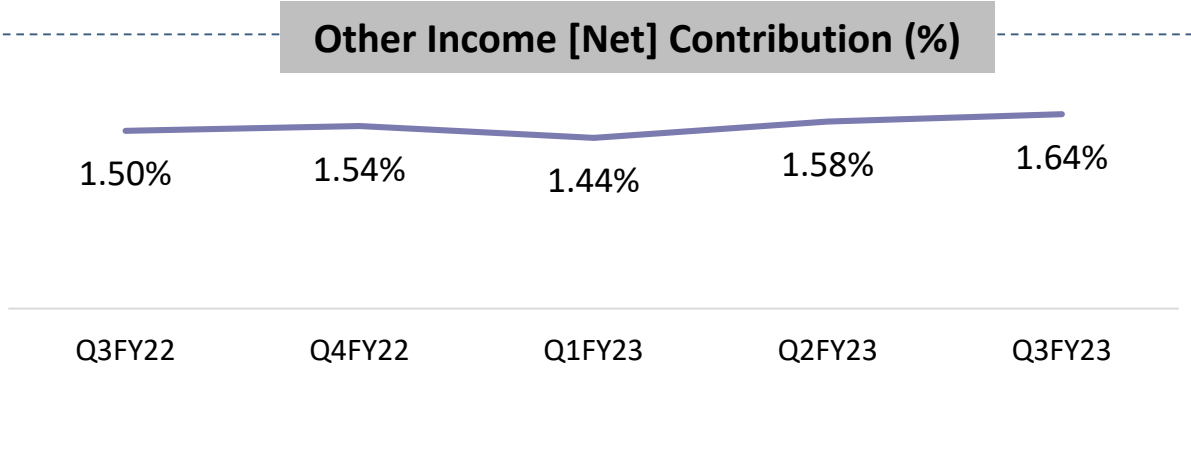
Net Income Evolution (Rs. Cr)



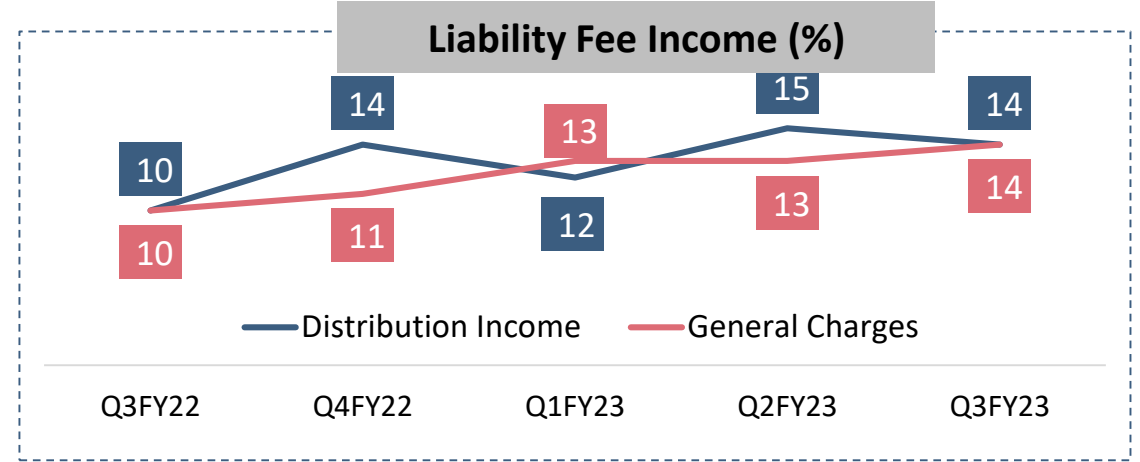
PPoP/ Assets (%)



Other Income [Net] Contribution (%)



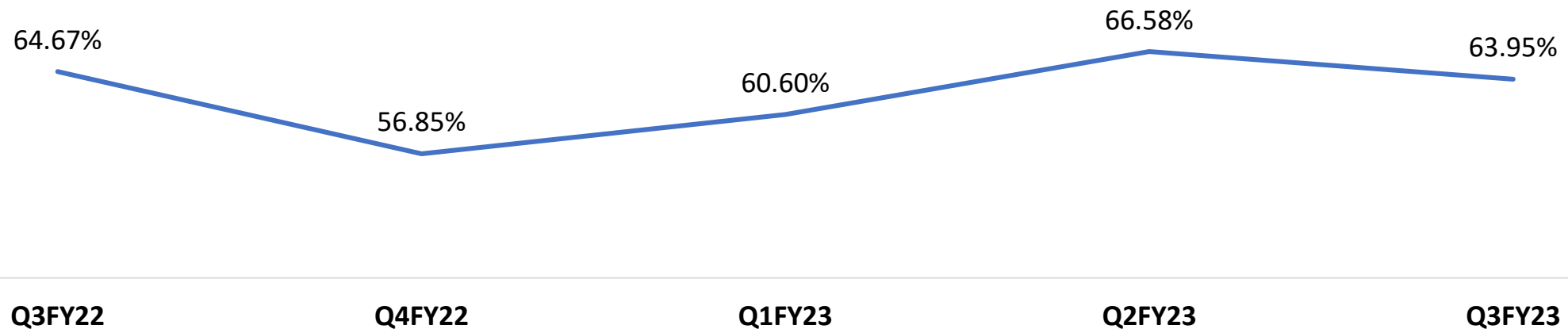
Liability Fee Income (%)



# Opex evolution

Rs. Cr	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Employee expenses	240	209*	225 <sup>#</sup>	275	292
Other expenses (net of digital expenses)	152	148	169	187	182
Depreciation	19	17	18	21	21
Total Operating expenses	411	374	412	483	495
No. of employees	17,509	17,607	17,936	18,962	20,005

Cost to Income(%)



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

<sup>#</sup>Reversal of employee provision of Rs. 31 Crs created on account of Covid policy and performance incentives





# Advances



# Advances evolution

Rs Cr	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	YoY %	Contribution %
Micro Finance	3,695	3,907	4,007	4,144	4,600	24%	18%
Small Business Loans (SBL)	7,609	7,881	8,234	8,725	9,312	22%	37%
Housing Finance	1,310	1,641	1,821	2,121	2,463	88%	10%
Vehicle Finance	4,845	5,047	5,279	5,641	6,203	28%	25%
Used CV	2,865	2,861	2,905	3,015	3,226	13%	13%
New CV	1,719	1,854	1,975	2,150	2,404	40%	10%
Used Car	261	332	399	476	573	120%	2%
MSE Finance	1,194	1,164	1,122	1,157	1,172	-10%	5%
NBFC	817	758	692	709	872	7%	4%
Others <sup>†</sup>	217	199	533	282	293	35%	1%
<b>Gross Advances</b>	<b>19,687</b>	<b>20,597</b>	<b>21,688</b>	<b>22,779</b>	<b>24,915</b>	<b>27%</b>	<b>100%</b>

<sup>†</sup> 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	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	YoY %
Micro Finance	1,010	972	939	971	1,340	33%
Small Business Loans (SBL)	728	940	978	1,096	1,260	73%
Housing Finance	177	267	266	388	427	141%
Vehicle Finance	778	940	889	1,098	1,334	72%
Used CV	425	514	474	589	699	65%
New CV	266	323	310	381	477	79%
Used Car	87	102	105	128	158	82%
MSE Finance	54	72	73	77	92	70%
NBFC	50	28	30	135	261	422%
Others <sup>†</sup>	64	60	63	80	83	30%
<b>Total Disbursements</b>	<b>2,861</b>	<b>3,279</b>	<b>3,238</b>	<b>3,845</b>	<b>4,797</b>	<b>68%</b>

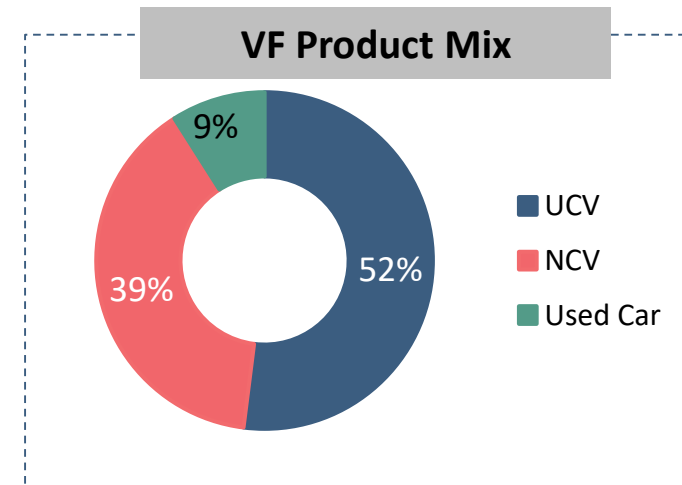
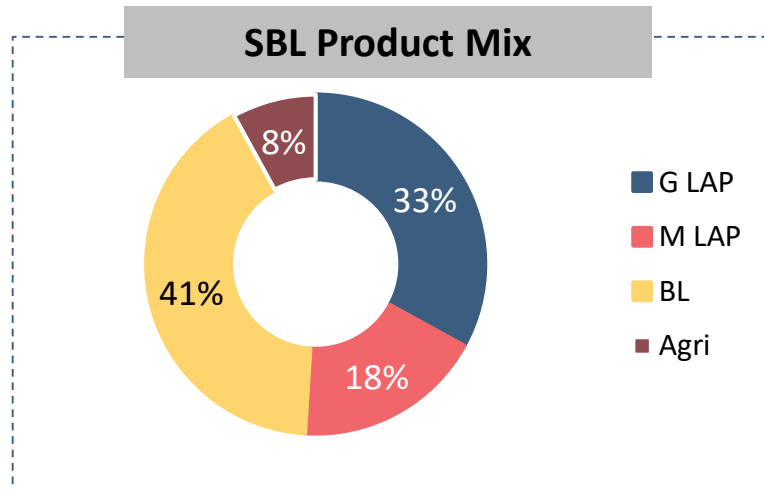
<sup>†</sup> Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans

\* Disbursement excludes Rs 185 Crs , Rs 183 Crs & Rs 226 Crs under the TReDS platform in Q1FY23 , Q2FY23 & Q3FY23 respectively



# Segmental Details

Product Segment	Number of Live Loans	ATS @ Disbursement (Lacs)	ATS @ Portfolio (Lacs)	GNPA (%)	PCR (%)
Micro Finance	19,30,803	0.43	0.24	4.15%	56.88%
Small Business Loans (SBL)	2,37,811	6.45	3.92	3.97%	42.00%
Housing Finance	27,842	11.95	8.85	1.13%	32.30%
Vehicle Finance	1,87,760	5.45	3.30	3.04%	67.92%
MSE Finance	2,912	56.82*	40.24	6.34%	38.74%
NBFC	49	2,610	1,779	0.55%	100%

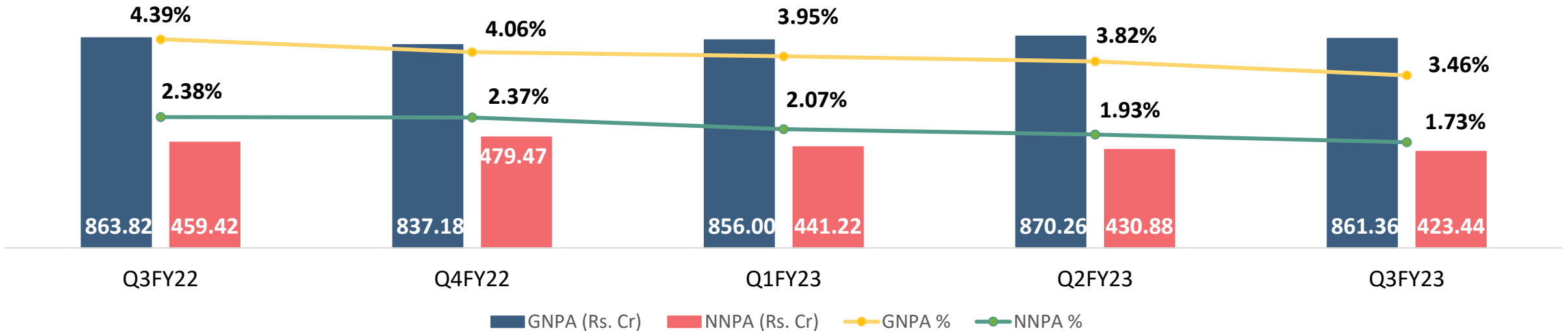


\* Excludes disbursement under the TReDS platform





# Asset Quality Trend



■ GNPA (Rs. Cr) ■ NNPA (Rs. Cr) — GNPA % — NNPA %

GNPA Movement (Rs. Cr)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Opening GNPA Balance	880.82	863.82	837.18	856.00	870.26
Add: Additions during the period	266.82	408.56	296.03	314.01	286.46
Less:					
i. Upgradations	68.64	109.88	51.75	136.67	144.81
ii. Recoveries (excluding recoveries made from upgraded accounts)	80.28	133.62	95.64	81.73	69.37
iii. Technical or Prudential write-offs	102.46	105.62	95.95	22.76	27.71
Write-offs other than those under (iii) above	32.45	86.08	33.87	58.58	53.47
<b>Closing GNPA Balance</b>	<b>863.82</b>	<b>837.18</b>	<b>856.00</b>	<b>870.26</b>	<b>861.36</b>

On daily recognition basis, no netting of during the quarter

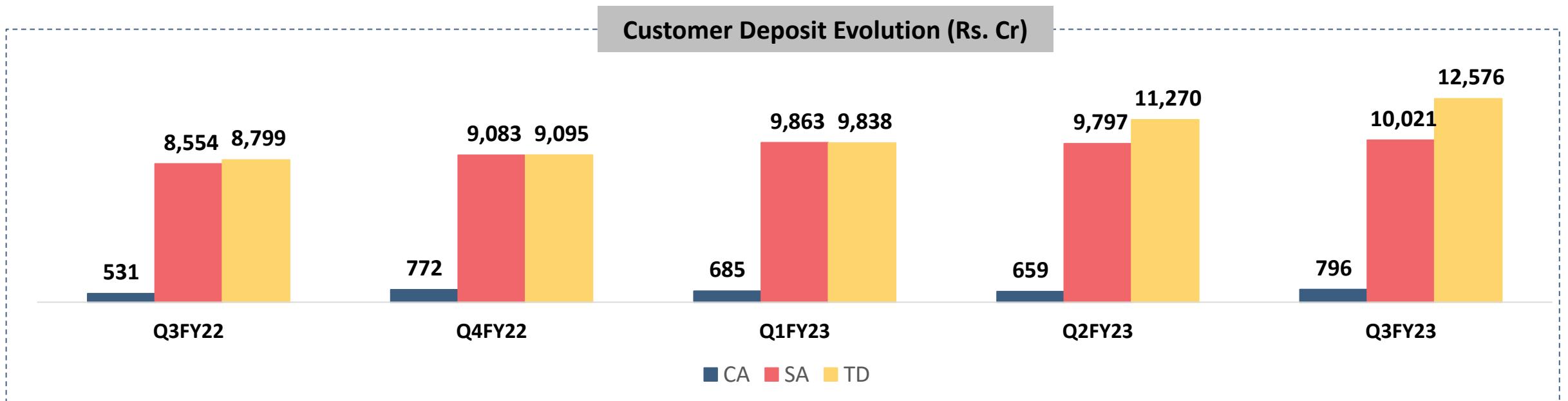


# Liabilities & Branch Banking



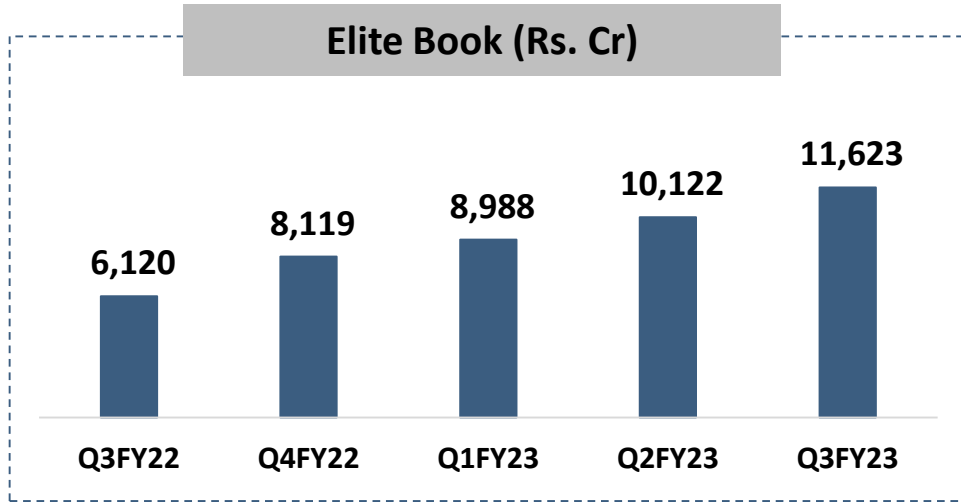
# Deposits Evolution

as on 31 Dec 2022	CA [Current Account]	SA [Savings Account]	CASA [Low cost deposits]	TD [Term Deposits]	CASA+TD [Customer Deposits]
Balance (Cr)	796	10,021	10,817	12,576	23,393
as a % of total borrowings (Rs. 27,333 Cr)	3%	37%	40%	46%	86%
as a % of total deposits (Rs. 23,393 Cr)	3%	43%	46%	54%	100%

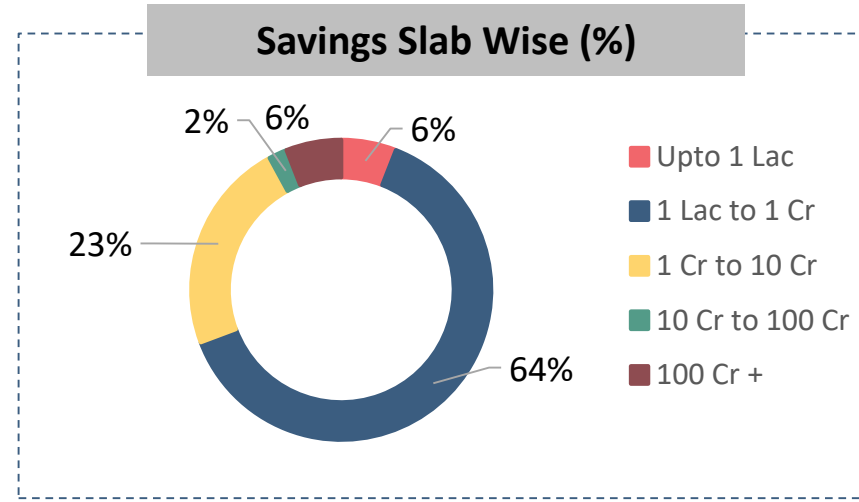


# Customer Deposit Profile

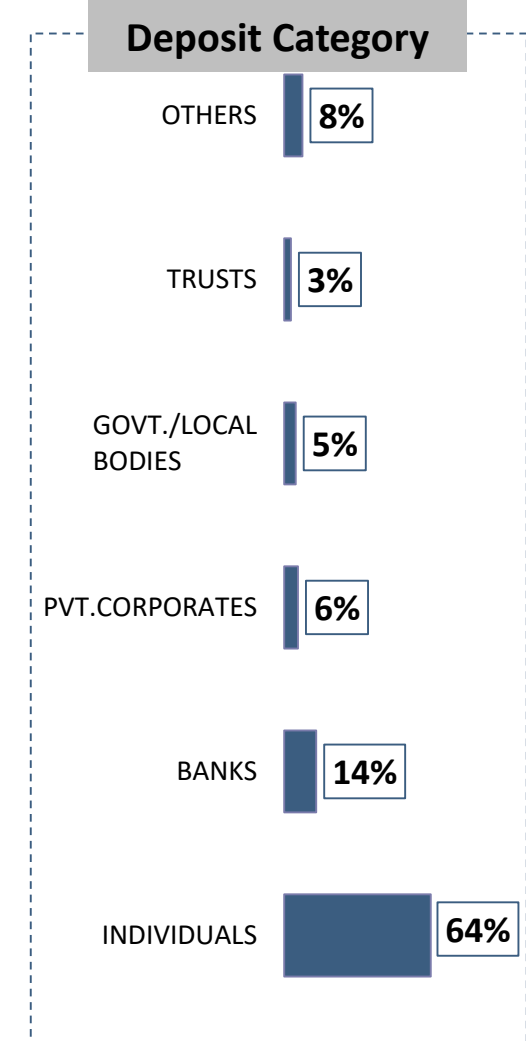
Elite Book (Rs. Cr)



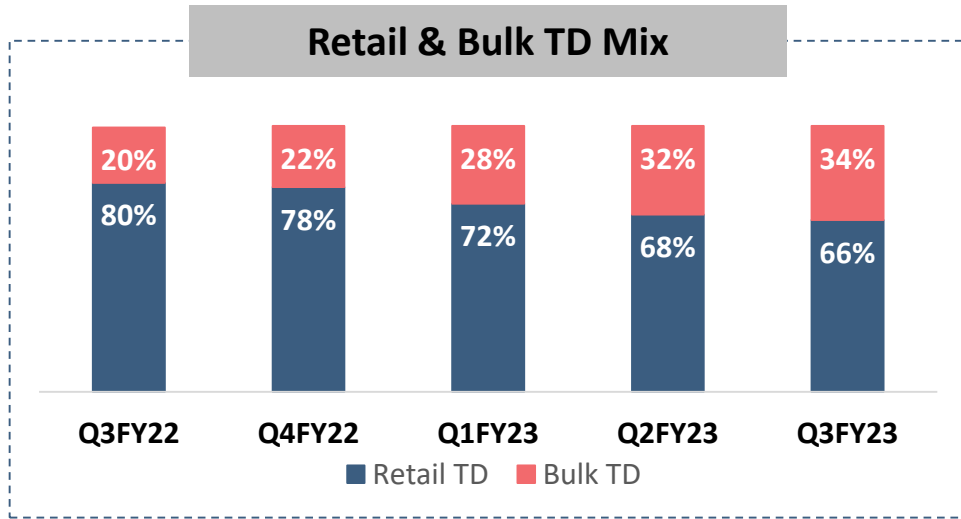
Savings Slab Wise (%)



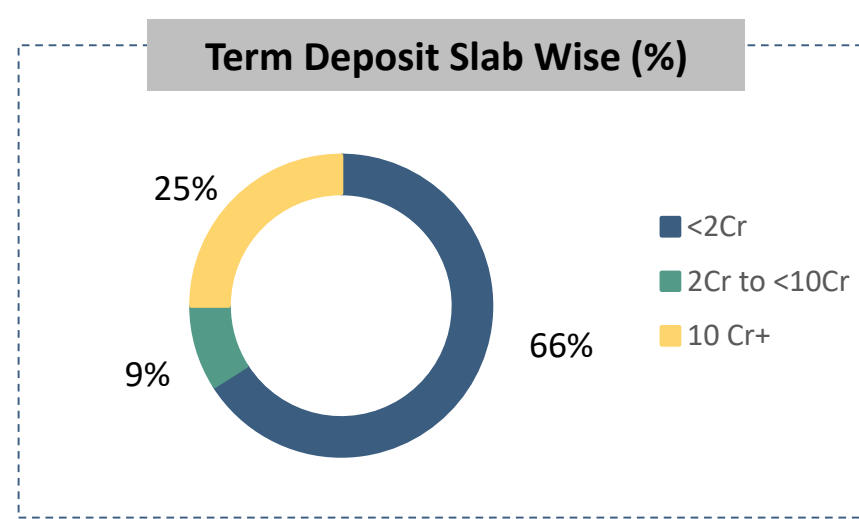
Deposit Category



Retail & Bulk TD Mix

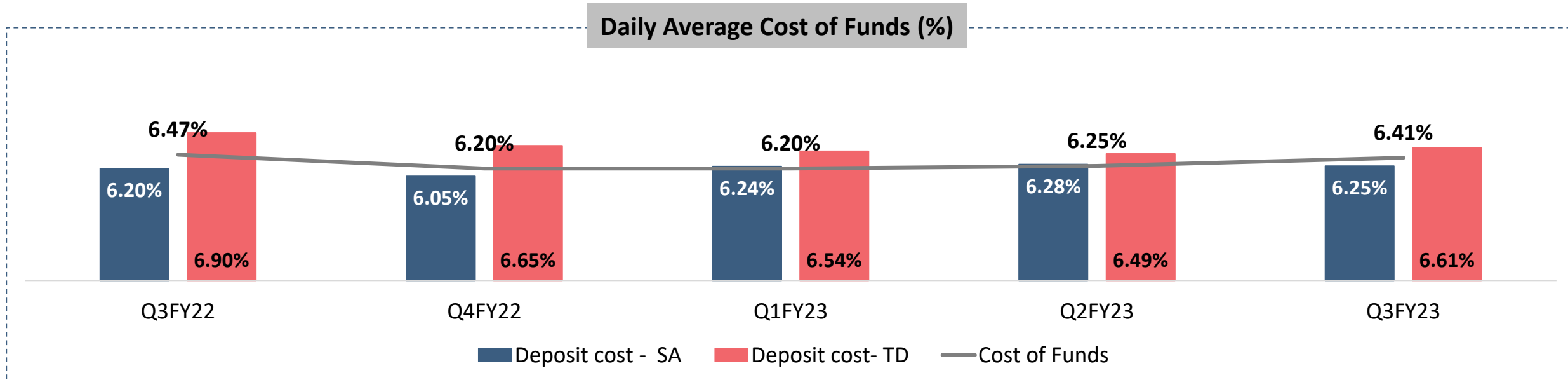
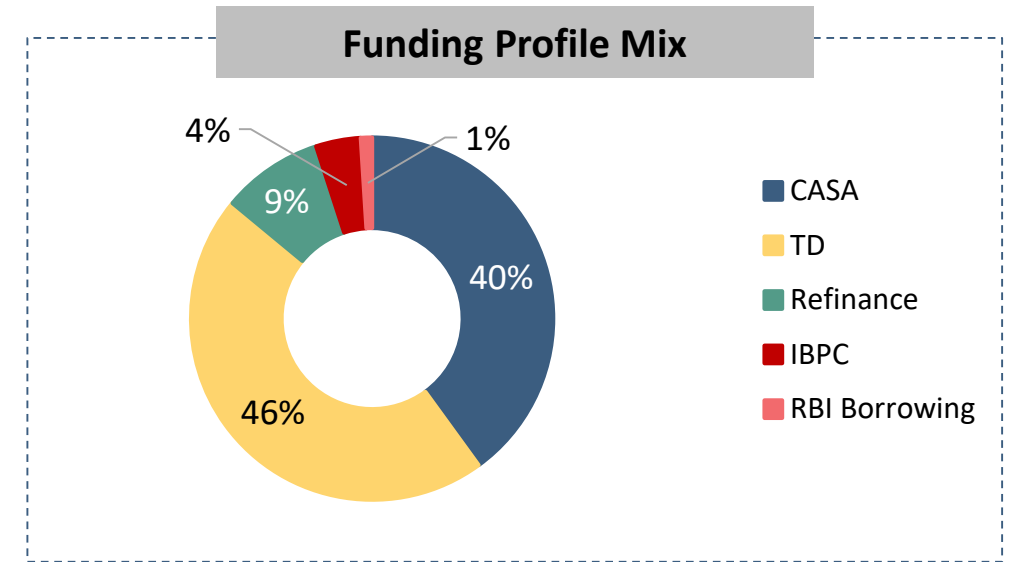


Term Deposit Slab Wise (%)



# Funding Profile

In Rs Cr	Dec 2021	Sept 2022	Dec 2022
TD	8,799	11,270	12,576
Refinance	2,635	2,023	2,410
CASA	9,085	10,456	10,817
Sub Debt	150	-	-
IBPC	968	500	1200
RBI Borrowing	-	316	330
<b>Total Borrowings</b>	<b>21,637</b>	<b>24,565</b>	<b>27,333</b>





# Treasury Update



The Bank's total investment portfolio of Rs. 6,181 Crore comprises of SLR and Non-SLR securities

Category (Rs. Cr)	Book Value
SLR	6,160
Non SLR	21
<b>Total</b>	<b>6,181</b>



## Borrowings & Liquidity

- The Bank's Certificate of Deposit (CD) programme has highest rating at A1+ from CRISIL and India Ratings (CRISIL A1+ for Rs. 500 Crore & IND A1+ for Rs. 100 Crore)
- 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 31.12.2022 is 216%



Profit on Sale of Investments for the quarter is Rs. 7.01 Crore; there is no MTM depreciation on Investments for the quarter



# Digital Banking



# Digital Banking – Key Highlights

## Neo Banking



**Equitas Selfe**  
Own digital platform

 **Rs. 592 Crs**  
Total Deposits



 **Rs. 520 Crs**  
Total Deposits



 **Rs. 5.5 Crs**  
Total Deposits

## Digital Products overview for Q3

### WhatsApp Banking

+91 81224 83766



**Equitas**  
~Equitas Small Finance Bank

FAQ Bot + Live agent chat during Banking hours for assistance



### Prepaid Cards

- 2.1 Lacs Cards issued
- 58 Lacs+ Transactions
- 442 Crs+ Txn value processed

### Micro ATM

- 270 Lacs+ Transactions
- 9108 Crs + Txn value processed

### NETC - FASTag

- 73 K+ new Fastags issued
- 397 Crs+ issuer Txn value processed

### UPI

- 37 Crs+ Transactions Processed



# Financials



# Balance Sheet

Particulars (in Rs Cr)	Dec-22	Dec-21	YoY %	Sept-22	QoQ%
<b>Capital &amp; Liabilities</b>					
Capital	1,254	1,148	9%	1,254	-
Reserves & Surplus	3,386	2,435	39%	3,213	5%
Networth	4,640	3,583	30%	4,467	4%
Deposits	23,393	17,884	31%	21,726	8%
Borrowings	2,740	2,785	-2%	2,339	17%
Other Liabilities & Provision	1,032	1,010	2%	1,327	-22%
<b>Total</b>	<b>31,805</b>	<b>25,261</b>	<b>26%</b>	<b>29,859</b>	<b>7%</b>
<b>Assets</b>					
Cash and Balances With Reserve Bank of India	1,303	1,068	22%	976	33%
Balances With Banks and Money At Call and Short Notice	28	70	-60%	288	-90%
Investments	6,181	4,923	26%	5,746	8%
Advances	23,277	18,315	27%	21,840	7%
Fixed Assets	232	185	25%	221	5%
Other Assets	784	700	12%	788	-
<b>Total</b>	<b>31,805</b>	<b>25,261</b>	<b>26%</b>	<b>29,859</b>	<b>7%</b>
<b>Gross Advances</b>	<b>24,915</b>	<b>19,687</b>	<b>27%</b>	<b>22,779</b>	<b>9%</b>



# Profit & Loss Account

Particulars (in Rs Cr)	Q3FY23	Q3FY22	YoY%	Q2FY23	QoQ%	9MFY23	9MFY22	YoY%
Interest Income from Loans	959	819	17%	904	6%	2,718	2,328	17%
Income on Investments	81	64	26%	73	11%	215	180	19%
Interest on balances with Reserve Bank of India and other inter bank funds	23	18	30%	25	-8%	73	56	30%
<b>Total Interest Income</b>	<b>1,063</b>	<b>901</b>	<b>18%</b>	<b>1,002</b>	<b>6%</b>	<b>3,006</b>	<b>2,564</b>	<b>17%</b>
<b>Finance Cost</b>								
Interest on deposits	357	291	23%	326	10%	979	859	14%
Interest on RBI / inter-bank borrowings	11	6	69%	18	-41%	41	8	413%
Other interest	48	62	-23%	49	-1%	149	211	-29%
<b>Total Finance Cost</b>	<b>416</b>	<b>360</b>	<b>15%</b>	<b>393</b>	<b>6%</b>	<b>1,168</b>	<b>1,078</b>	<b>8%</b>
<b>Net Interest Income</b>	<b>647</b>	<b>541</b>	<b>20%</b>	<b>610</b>	<b>6%</b>	<b>1,838</b>	<b>1,486</b>	<b>24%</b>
<b>Other Income</b>								
Asset Fee Income	95	56	70%	84	13%	246	148	66%
Treasury & PSLC Fee Income	8	19	-59%	7	14%	21	51	-59%
Liability & Distribution Income	24	20	20%	24	-4%	75	61	23%
<b>Total Other Income<sup>^</sup></b>	<b>127</b>	<b>95</b>	<b>34%</b>	<b>115</b>	<b>10%</b>	<b>342</b>	<b>260</b>	<b>32%</b>

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

# Profit & Loss Account

Particulars (in Rs Cr)	Q3FY23	Q3FY22	YoY%	Q2FY23	QoQ%	9MFY23	9MFY22	YoY%
<b>Net Income</b>	<b>774</b>	<b>636</b>	<b>22%</b>	<b>725</b>	<b>7%</b>	<b>2,180</b>	<b>1,746</b>	<b>25%</b>
Employee Cost	292	240	21%	275	6%	793	670	15%
Opex*	203	171	19%	208	-2%	597	468	28%
<b>Total Operating Expenditure</b>	<b>495</b>	<b>411</b>	<b>20%</b>	<b>483</b>	<b>2%</b>	<b>1,390</b>	<b>1,158</b>	<b>20%</b>
<b>PBT before provision &amp; Write-off</b>	<b>279</b>	<b>225</b>	<b>24%</b>	<b>242</b>	<b>15%</b>	<b>790</b>	<b>588</b>	<b>34%</b>
Credit Cost	50	79	-36%	90	-44%	282	371	-24%
<b>PBT</b>	<b>229</b>	<b>146</b>	<b>57%</b>	<b>152</b>	<b>51%</b>	<b>508</b>	<b>217</b>	<b>134%</b>
Taxes	59	38	55%	36	65%	124	56	123%
<b>PAT</b>	<b>170</b>	<b>108</b>	<b>57%</b>	<b>116</b>	<b>46%</b>	<b>384</b>	<b>161</b>	<b>138%</b>

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



## **Investor Relations**

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