

October 29, 2021

The Secretary National Stock Exchange of India Limited Exchange Plaza BandraKurla Complex (BKC) Bandra (East) Mumbai - 400051	The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001
Symbol: EQUITASBNK	Scrip Code No-543243
F Group - Debt Instruments listed in BSE Ref: Scrip Codes - 952812 and 952815	

Dear Sirs,

Sub: Intimation on outcome of the Board Meeting held on October 29, 2021 and disclosure under Regulation 30, 33 & 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulations 30, 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to forward the following:

- a) Un-audited financial results for the quarter and half-year ended September 30, 2021 under Regulation 33 of the SEBI (LODR) 2015.
- b) Limited Review Report from the Statutory Auditors, T R Chadha & Co LLP.
- c) Press Release on the un-audited financial results for the quarter and half-year ended September 30, 2021.
- d) Investor Presentation on the un-audited financial results for the quarter and half-year ended September 30, 2021 to be made to Analysts and Investors.
- e) Disclosure pursuant to Regulation 52(4) of SEBI (LODR) Regulations, 2015.

The Meeting of the Board of Directors of the Bank commenced at 15.30 hours and concluded at 18.40 hours.

The above information will be made available on the Bank's website www.equitasbank.com.

Kindly take the above information on record.

Thanking you,

Yours truly,
For Equitas Small Finance Bank Limited


Sampathkumar K R
Company Secretary





EQUITAS SMALL FINANCE BANK LIMITED
CIN: L65191TN1993PLC025280

[Subsidiary of Equitas Holdings Limited]

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 half year ended September 30, 2021

(₹ In Lakh)

Particulars	Quarter ended			Half Year ended		Year ended
	30-Sep-21	30-Jun-21	30-Sep-20	30-Sep-21	30-Sep-20	31-Mar-21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income Earned (a)+(b)+(c)	84,357.66	81,896.91	79,754.04	1,66,254.57	1,51,885.21	3,19,441.32
(a) Interest / discount on advances / bills	76,650.81	74,215.37	72,999.77	1,50,866.18	1,39,160.31	2,90,082.90
(b) Income on Investments	5,963.85	5,677.62	5,668.71	11,641.47	10,055.34	21,938.47
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,743.00	2,003.92	1,085.56	3,746.92	2,669.56	7,419.95
2 Other Income	14,782.22	10,095.17	5,453.48	24,877.39	8,371.35	41,243.51
3 Total Income (1)+(2)	99,139.88	91,992.08	85,207.52	1,91,131.96	1,60,256.56	3,60,684.83
4 Interest Expended	35,974.95	35,793.12	33,628.99	71,768.07	65,332.28	1,39,645.29
5 Operating Expenses (i)+(ii)	43,701.07	40,022.00	30,525.69	83,723.07	59,717.42	1,32,942.86
(i) Employees Cost	22,754.09	22,165.39	18,779.48	44,919.48	38,227.53	79,144.96
(ii) Other Operating Expenses	20,946.98	17,856.61	11,746.21	38,803.59	21,489.89	53,797.90
6 Total Expenditure (4)+(5) (excluding provisions & contingencies)	79,876.02	75,815.12	64,154.88	1,55,491.14	1,25,049.70	2,72,588.15
7 Operating Profit before Provisions & Contingencies (3)-(6)	19,463.86	16,176.96	21,052.84	35,640.82	35,206.86	88,096.68
8 Provisions (other than tax) and Contingencies	13,781.48	14,752.20	7,475.28	28,533.68	14,261.61	36,970.00
9 Exceptional Items	-	-	-	-	-	-
10 Profit from Ordinary Activities before tax (7)-(8)-(9)	5,682.38	1,424.76	13,577.56	7,107.14	20,945.25	51,126.68
11 Tax Expense	1,563.18	232.17	3,278.74	1,795.35	4,879.31	12,704.36
12 Net Profit from Ordinary Activities after tax (10)-(11)	4,119.20	1,192.59	10,298.82	5,311.79	16,065.94	38,422.32
13 Extraordinary Items (net of Tax Expense)	-	-	-	-	-	-
14 Net Profit for the Period / Year (12)-(13)	4,119.20	1,192.59	10,298.82	5,311.79	16,065.94	38,422.32
15 Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	1,14,519.12	1,14,244.85	1,05,340.16	1,14,519.12	1,05,340.16	1,13,927.83
16 Reserves excluding Revaluation Reserves						2,25,706.26
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 10)	22.21%	24.07%	20.93%	22.21%	20.93%	24.18%
(iii) Earnings Per Share (EPS) - (Face Value of ₹ 10/- each)						
- Basic EPS (₹) before & after extraordinary items (net of tax expense) - not annualised	0.36	0.10	0.98	0.47	1.53	3.53
- Diluted EPS (₹) before & after extraordinary items (net of tax expense) - not annualised	0.36	0.10	0.98	0.46	1.53	3.49
(iv) NPA Ratio						
(a) Gross NPAs	88,082.54	81,617.05	39,964.62	88,082.54	39,964.62	64,278.42
(b) Net NPAs	43,964.00	39,822.37	17,992.23	43,964.00	17,992.23	26,617.46
(c) % of Gross NPA to Gross Advances	4.82%	4.76%	2.48%	4.82%	2.48%	3.73%
(d) % of Net NPA to Net Advances	2.46%	2.38%	1.13%	2.46%	1.13%	1.58%
(v) Return on Assets (average)- not annualised	0.16%	0.05%	0.47%	0.21%	0.76%	1.65%
(vi) Net worth (excluding Revaluation Reserve & Intangibles)	3,19,455.73	3,17,219.34	2,68,796.40	3,19,455.73	2,68,796.40	3,17,578.12
(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
(viii) Capital redemption reserve	-	-	-	-	-	-
(ix) Debt-equity ratio \$	0.56	0.69	1.08	0.56	1.08	0.74
(x) Total debts to total assets @	12.16%	14.72%	27.06%	12.16%	27.06%	16.86%
\$ 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)					
Sl No	Particulars	Quarter ended			Half Year ended		Year ended
		30-Sep-21	30-Jun-21	30-Sep-20	30-Sep-21	30-Sep-20	31-Mar-21
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment revenue						
a)	Treasury	9,522.51	9,147.38	5,925.88	18,669.89	12,162.88	39,811.89
b)	Retail Banking	85,353.31	79,611.53	74,810.19	1,64,964.84	1,40,346.52	3,04,741.27
c)	Wholesale Banking	2,512.64	2,536.49	3,054.68	5,049.13	5,221.48	9,954.49
d)	Other Banking operations	1,751.42	696.68	1,416.77	2,448.10	2,525.68	6,177.18
e)	Unallocated	-	-	-	-	-	-
	Less: Inter segment revenue	-	-	-	-	-	-
	Income from operations	99,139.88	91,992.08	85,207.52	1,91,131.96	1,60,256.56	3,60,684.83
2	Segment results						
a)	Treasury	4,726.63	4,576.10	2,375.08	9,302.73	5,600.80	27,361.26
b)	Retail Banking	934.87	(2,935.00)	9,967.94	(2,000.13)	13,865.98	20,936.25
c)	Wholesale Banking	568.39	22.36	928.36	590.75	998.69	1,568.18
d)	Other Banking operations	1,316.99	657.74	701.96	1,974.73	1,170.62	3,281.96
e)	Unallocated	(1,864.50)	(896.44)	(395.78)	(2,760.94)	(690.84)	(2,020.97)
	Total Profit before Tax	5,682.38	1,424.76	13,577.56	7,107.14	20,945.25	51,126.68
3	Segment assets						
a)	Treasury	3,99,242.42	6,28,201.43	4,71,777.19	3,99,242.42	4,71,777.19	4,21,997.41
b)	Retail Banking	20,30,436.62	17,26,762.61	16,88,191.42	20,30,436.62	16,88,191.42	19,20,389.26
c)	Wholesale Banking	1,22,029.99	1,25,478.93	1,07,361.88	1,22,029.99	1,07,361.88	1,13,138.96
d)	Other Banking operations	-	-	-	-	-	-
e)	Unallocated	23,062.08	18,484.29	14,338.44	23,062.08	14,338.44	15,321.84
	Total Assets	25,74,771.11	24,98,927.26	22,81,668.93	25,74,771.11	22,81,668.93	24,70,847.47
4	Segment liabilities						
a)	Treasury	3,44,107.19	5,41,596.61	4,14,857.26	3,44,107.19	4,14,857.26	3,65,996.80
b)	Retail Banking	17,76,862.11	15,05,663.89	14,81,840.81	17,76,862.11	14,81,840.81	16,65,456.95
c)	Wholesale Banking	1,05,923.38	1,08,677.13	93,697.06	1,05,923.38	93,697.06	98,125.00
d)	Other Banking operations	-	-	-	-	-	-
e)	Unallocated	1,274.35	1,298.00	792.95	1,274.35	792.95	1,634.61
	Capital and Other Reserves	3,46,604.08	3,41,691.63	2,90,480.85	3,46,604.08	2,90,480.85	3,39,634.11
	Total liabilities	25,74,771.11	24,98,927.26	22,81,668.93	25,74,771.11	22,81,668.93	24,70,847.47

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.

Notes:

3 Statement of Assets and Liabilities as on September 30, 2021 is given below:

		(₹ in Lakh)		
Sl No	Particulars	As at	As at	Year ended
		30-Sep-21	30-Sep-20	31-Mar-21
		Unaudited	Unaudited	Audited
	CAPITAL AND LIABILITIES			
1	Capital	1,14,519.12	1,05,340.16	1,13,927.83
2	Reserves and Surplus	2,32,064.96	1,85,140.69	2,25,706.28
3	Deposits	18,09,399.66	12,90,058.59	16,39,197.17
4	Borrowings	3,12,999.00	6,17,448.84	4,16,532.00
5	Other Liabilities and Provisions	1,05,768.37	83,680.65	75,484.19
	Total Liabilities	25,74,771.11	22,81,668.93	24,70,847.47
	ASSETS			
6	Cash and Balances With Reserve Bank of India	75,414.19	42,582.86	51,480.80
7	Balances With Banks and Money At Call and Short Notice	2,73,354.80	1,47,514.93	2,86,390.44
8	Investments	3,53,069.22	4,29,194.33	3,70,516.61
9	Advances	17,83,709.31	15,91,155.23	16,84,818.91
10	Fixed Assets	17,309.84	19,539.23	18,505.00
11	Other Assets	71,913.75	51,682.35	59,135.71
	Total Assets	25,74,771.11	22,81,668.93	24,70,847.47



4 Statement of Cash Flow for the half year ended September 30,2021 is given below:

(₹ in Lakh)

Particulars	Half Year ended		Year ended
	30-Sep-21	30-Sep-20	31-Mar-21
	Unaudited	Unaudited	Audited
Cash Flow from Operating activities			
Profit Before Tax	7,107.14	20,945.25	51,126.68
Adjustments for			
Depreciation on fixed assets	3,883.53	3,820.74	7,643.32
Depreciation on investments	-	821.38	-
Amortization on held to maturity securities	1,054.38	457.52	1,140.08
Provision for standard assets	19,261.62	756.12	3,702.55
General Provision under COVID-19 – Regulatory Package	-	7,100.00	(9,963.00)
Bad debts written off	2,692.79	2,025.10	23,911.32
Provision for Non performing assets	6,457.58	3,102.00	18,790.58
Other Provision and Contingencies	121.69	(268.23)	524.47
(Profit) / Loss on sale of fixed assets	8.06	(3.91)	(3.72)
Interest expenses on borrowings	16,544.12	24,230.65	45,968.66
Interest income on bank balances not considered as cash and cash equivalents	(74.13)	(15.84)	(43.72)
ESOP Expenses	36.55	-	-
Dividend Income	(14.00)	-	-
	57,079.33	62,970.78	1,42,797.22
Adjustments for			
(Increase)/Decrease in investments	16,393.01	(1,96,222.61)	(1,37,406.07)
(Increase)/Decrease in advances	(1,08,040.81)	(2,23,458.18)	(3,54,696.65)
Increase/(Decrease) in deposits	1,70,202.48	2,11,217.89	5,60,356.47
(Increase)/Decrease in other assets	(4,388.86)	(6,200.15)	(9,367.94)
Increase/(Decrease) in other liabilities and provisions	11,950.93	11,406.02	18,100.82
Direct taxes paid	(10,170.50)	(3,264.33)	(15,389.66)
Net cash (used in)/ generated from operating activities (A)	1,33,025.58	(1,43,550.58)	2,04,394.19
Cash flow from investing activities			
Purchase of fixed assets	(2,793.86)	(2,133.69)	(4,998.28)
Proceeds from sale of fixed assets	97.44	54.58	130.62
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	-	354.40	535.76
Interest received from bank balances not considered as cash and cash equivalents	74.13	8.88	51.45
Net cash (used in) / generated from investing activities (B)	(2,622.29)	(1,715.83)	(4,280.45)
Cash flow from financing activities			
Increase/(decrease) in borrowings (net)	(1,03,533.00)	1,03,961.48	(96,955.36)
Proceeds from issue of share capital (including share premium)	1,658.19	-	28,278.52
Share issue Expenses	-	-	(1,481.63)
Interest paid on borrowings	(17,630.73)	(21,927.13)	(45,232.52)
Net cash generated from / (used in) financing activities (C)	(1,19,505.54)	82,034.35	(1,15,390.99)
Net Increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	10,897.75	(63,232.06)	84,722.75
Cash and Cash equivalents at beginning of the period /year	3,37,871.24	2,53,148.49	2,53,148.49
Cash and Cash equivalents at end of the period /year	3,48,768.99	1,89,916.43	3,37,871.24

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 unaudited financial results (along with the notes given below) hereafter "Statement" of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the quarter and half year ended September 30, 2021 were reviewed by the Audit Committee at their meeting held on October 28, 2021 and approved by the Board of Directors at their meeting held on October 29, 2021 and have been subjected to a limited review 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 that are consistent with those followed in the annual financial statements for the year ended March 31, 2021.
- 8 Based on RBI Master Direction on Financial Statements - Presentation and Disclosures issued on 30th August, 2021, recoveries from written off accounts hitherto included as part of 'Other income' have been reclassified as a credit to 'Provisions and contingencies' and provision for depreciation on investments hitherto classified as part of 'Provisions and contingencies' have been reclassified as part of 'Other income'. Previous periods figures have also been reclassified as appropriate to make them comparable with current period figures. There is no impact of this change on the net profit or loss of the current or earlier periods.
- 9 The Reserve Bank of India, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors /Chief Executive Officers / Material Risk Takers and Control Function Staff, advised all the banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ended March 31, 2021. Accordingly, the Bank has recognised expenses related to instruments granted after March 31, 2021 in respect of Whole Time Directors /Chief Executive Officers / Material Risk Takers. The fair value of stock options is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. 'Employee cost' for the quarter and half year ended September 30, 2021 is higher by ₹36.55 lakhs with a consequent reduction in profit after tax by the said amount.
- 10 The Capital adequacy ratio ("CAR") of the Bank has been computed as per applicable Basel II requirements in accordance with RBI Master Circular No.DBOD.BP.BC.9/21.06.001/2013-14 dated 1 July 2013, on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF).
- 11 RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015 on 'Basel III Capital Regulations' 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' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://ir.equitasbank.com/reports-and-presentations/>.html. These disclosures have not been subjected to audit or limited review.
- 12 The Board of Directors of Equitas Small Finance Bank Limited (ESFBL) and Equitas Holdings Limited (EHL) at their respective Meetings held on July 26, 2021 approved a Scheme of Amalgamation between EHL, ESFBL and their respective shareholders, contemplating amalgamation of EHL with ESFBL under applicable provisions of the Companies Act 2013. The Scheme seeks to achieve the RBI licensing requirement of dilution of promoter shareholding in the Bank, in a manner that is in the best interests of and without being prejudicial to EHL, ESFBL, their respective shareholders or any other stakeholders. The Scheme, when implemented, will also enable ESFBL to meet the minimum public shareholding requirement prescribed by SEBI Regulations.

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, 226 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.

Subsequently, the Board of Directors of the Bank in the Meeting on October 18, 2021 has approved meeting the Minimum Public Shareholding (MPS) requirements stipulated by SEBI by raising a sum not exceeding ₹ 1,000 Crore (including premium) through Qualified Institutions Placement (QIP) of equity shares. The Scheme of Amalgamation would be suitably amended post completion of QIP. Necessary approvals from regulatory and statutory authorities would be obtained for the Scheme as would then be amended.

- 13 The COVID-19 pandemic (declared as such by the World Health Organisation on March 11,2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Indian government announced a strict nation-wide lockdown in India in march 2020 to contain the spread of the virus. Subsequently, while the national lockdown was lifted, regional post COVID-19 disruptions continue in many parts of the country.

This lockdown coupled with change in customer behaviour and pandemic scare has led to significant disruptions and dislocations for individuals and businesses, with consequential impact on regular banking operations including lending, fund-mobilisation, and collection activities. The full extent of impact of the COVID-19 pandemic, on the Bank's operations, and financial metrics (including impact on provisioning on advances) is uncertain as on date and will depend on future developments, including new information on severity of the new and evolving virus variants, government and regulatory guidelines, resilience of customers to bounce back and their behaviour patterns, which are uncertain and incapable of estimation at this time.

- 14 (i) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) are given below:

Format A

(Amount in ₹. crore except number of accounts)

Type of Borrower	A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	147	14.55	-	-	0.88
Of which, MSMEs	76	6.56	-	-	0.39
Others	7,725	401.94	-	2.88	27.52
Total	7,872	416.49	-	2.88	28.40

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016



Format B

(Amount in ₹ .crore except number of accounts)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of previous half - year (A)	Of (A) aggregate debt that slipped into NPA during the half - year	Of (A) amount written off during the half -year #	Of (A) amount paid by the borrower during the half - year ##	Exposure to accounts classified as Standard consequent of implementation of resolution plan - Position as at end of this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	14.55	2.22	-	(0.15)	12.48
Of which, MSMEs	6.96	0.44	-	(0.04)	6.57
Others	422.33	75.27	5.11	12.55	334.51
Total	436.88	77.49	5.11	12.40	346.99

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

represents debt that slipped into NPA and was subsequently written off during the half year

includes change in the balances on account of interest.

There were 1988 borrower accounts having an aggregate exposure of ₹ 140.41 crores to the Bank, where resolution plans had been Implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 5, 2021.

(ii) Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated May 5, 2021 are given below:

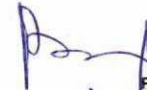
(Amount in ₹ .crore except number of accounts)

Particulars	Individual Borrowers		Small Businesses
	Personal Loans	Business Loan	
(A) Number of requests received for invoking resolution process under Part A	173	1,67,944	121
(B) Number of accounts where resolution plan has been implemented under this window	173	1,64,559	121
(C) Exposure to accounts mentioned at (B) before implementation of the plan	16.85	1,338.12	15.53
(D) Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	39.44	-
(F) Increase in provisions on account of the implementation of the resolution plan	0.23	65.07	0.39

The Bank has restructured loans amounting to ₹ 1401.10 crores as of 30th September 2021, ₹ 36.02 crores in October 2021 and has made provision of ₹ 195.94 crores against these restructuring under Resolution Framework - 2.0.

- 15 The Honourable Supreme Court of India (Hon' ble SC), vide an interim order dated September 3, 2020, had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders, which has been complied with by the Bank. The said interim order stood vacated on March 23, 2021 and the Bank continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms. In view of this, the results for the half-year ended September 2021 may not be comparable with the corresponding half year of FY 2020-2021 .
- 16 The Bank has granted 64,76,457 options under the ESFB Employees Stock Option Scheme 2019 (ESFB ESOP Scheme) to eligible employees of the Bank as defined during the half year ended September 30,2021. Out of total 5,75,79,901 options granted till September 30,2021, 2,57,61,354 Options were vested and 84,38,558 options were lapsed, and 1,64,38,906 options are yet to be vested.
- 17 The Bank, during the half year ended September 30,2021 has allotted 59,12,919 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.
- 18 Other Income includes fees earned from providing services to customers, Interchange fee income, selling of third-party products, profit on sale of investments (net), etc.,
- 19 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: October 29, 2021



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

Independent Auditors Review Report on the unaudited quarterly financial results and year to date financial results of Equitas Small Finance Bank Limited pursuant to Regulation 33 & Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 ended 30 September 2021 and year to date results for the period from 1 April 2021 to 30 September 2021 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 & Regulation 52 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 September 30, 2021, 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, 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 recognized accounting principles generally accepted in India. 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 is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
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 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 & Regulation 52 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 September 30, 2021, including Leverage Ratio and Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards



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Gandhi Nagar Adyar
Chennai - 600 020, Tamil Nadu

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.

Emphasis of Matter

5. We draw attention to Note 13 to the statement which describes the economic and social disruption the Bank is facing as a result of COVID-19 pandemic, and its possible consequential implications, if any, on the Bank's operations and financial results are dependent on future developments, which are highly uncertain.

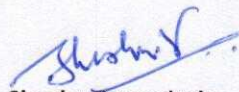
Our conclusion is not modified with regard to this matter.

Other Matter

6. The review of unaudited financial results for the quarter ended 30th June 2021, review of unaudited financial results for the quarter/ half year ended 30th September 2020 and audit of financial results for the year ended 31st March 2021 included in the Statement were conducted by M/s T R Chadha & Co LLP Chartered Accountants, the statutory auditors of the bank, who had expressed an unmodified conclusion/ opinion, as the case may be, on those financial results. Accordingly, we M/s Varma & Varma, Chartered Accountants, do not express any conclusion/ opinion, as the case maybe, on these figures reported in the Statement as above.

Our conclusion is not modified in respect of above matter.

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



Sheshu Samudrala
Partner

ICAI Membership No. 235031
UDIN: 21235031AAAACG9593



Place: Chennai
Date: 29 October 2021

For Varma & Varma
Chartered Accountants
Firm Registration No 004532S


P R Prasanna Varma
Partner

ICAI Membership No. 25854
UDIN: 21025854AAAADT3548



Place: Chennai
Date: 29 October 2021



EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

October 29, 2021

Chennai, October 29, 2021: The Board of Directors of Equitas Small Finance Bank Limited at its meeting held today, approved the unaudited financial results for quarter and half year ended September 30, 2021

Net Income for Q2FY22 at Rs. 632 Cr, up 22% YoY

Advances grew 13% YoY to Rs. 18,978 Cr

Highest quarterly disbursement of Rs. 3,145 Cr in Q2FY22

CASA stood at Rs. 8,200 Cr, CASA Ratio at 45%

Savings Account deposits at Rs. 7,696 Cr, growth of 170% YoY and 20% QoQ

Q2FY22 Highlights:

1. Key Highlights for Q2FY22:

- **Advances:**

- Advances as of Q2FY22 was at Rs. 18,978 Cr, Advances growth of 13% YoY
- 81.44% of advances is secured loans
- Strong revival of credit demand witnessed across products; Highest quarterly disbursement of Rs. 3,145 Cr in Q2FY22
- Continued Improvement in X Bucket (Non Delinquent) Collection Efficiency indicating significant reduction in further build-up of stress. Segment wise X bucket (Non Delinquent) collections as below:
 - SBL – 99.60%, VF – 92.30%, MF – 97.37%
- Over Collection Efficiency for September 2021 at 99.71%

- **Liabilities:**

- CASA stood at Rs. 8,200 Cr, CASA is 45% of Total Deposits
- Deposits excluding CD at Rs. 18,094 Cr, growth of 40% YoY and 6% QoQ
- Retail TD at Rs. 6,767 Cr, growth of 36% YoY and 9% QoQ. Retail TD at 68%
- Cost of funds reduced to 6.81% from 6.93% in Q1FY22 and 7.36% in Q2Y21
- Savings Account deposits at Rs. 7,696 Cr, growth of 171% YoY and 20% QoQ.

- **Key Ratios:**

- Cost to Income[^] at 67.01% in Q2FY22 as compared to 68.89% in Q1FY22 and 58.77% in Q2FY21
- RoA and RoE for Q2FY22 at 0.65% and 4.79% respectively

[^] Income considering net-off of corresponding fees pay-outs to partners

- **Capital:**

- As of September 30, 2021 Total CRAR at 22.21%, Tier-I CRAR at 20.96% and Tier II CRAR at 1.25%

- **Treasury & Liquidity:**

- The Bank's Certificate of Deposit (CD) programme for Rs. 1,000 Crore has highest rating from at CRISIL A1+
- The Bank has adequate room available to avail refinance or raise funds through IBPC whenever required which provides strong cushion to ALM position of the Bank.
- Liquidity Coverage Ratio (LCR) as on September 2021 at 154%

2. Profit & Loss:

- Net Interest Income for Q2FY22 at Rs. 484 Cr as against Rs. 461 Cr in Q2FY21. NIM at 8.14%
- Core Income (Net Income other than PSL Fees, Treasury & Others) at 88%
- Pre Provisioning Operating Profit (PPoP) for Q2FY22 at Rs. 195 Cr as against Rs. 211 Cr in Q2FY21
- PAT affected due to provisions made on restructured accounts. PAT for Q2FY22 at Rs. 41 Cr as against Rs. 103 Cr in Q2FY21

3. Asset Quality, Provisions & Restructuring:

- Total advances restructured for the year stands at Rs. 1,401* Cr, which forms around 7% of Goss Advances
- The Bank carries a provision of Rs. 196 Cr towards the restructured book of Rs. 1,401* Cr
- Upgradations and Recoveries have improved sharply
- GNPA at 4.64% in Q2FY22 as compared to 4.58% in Q1FY22 and 2.39% in Q2FY21
- NNPA at 2.37% in Q2FY22 as compared to 2.29% in Q1FY22 and 1.09% in Q2FY21
- Provision coverage ratio at 50.09%

**Excludes Rs. 140.4 Cr of restructuring forming part of RSL 1.0 which also forms part of RSL 2.0*

Commenting on the quarterly performance, **Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank** said: With no lockdowns and spread of virus under control largely, the Bank saw an improved performance all around. While the overall GNPA remained steady compared to 1st quarter, there was improved collection efficiency leading to reduction in overdue cases between 1 to 90 days. And with X-bucket collection efficiency coming back to the pre-Covid level, we expect to reach steady state operating level shortly.

Demand for credit continues to be strong. The second quarter saw the highest quarterly disbursement done by the Bank ever.

New account opening through both digital and physical channels continue to be strong. CASA has shown consistent growth and CASA Ratio stands at 45%. Some of the digital initiatives undertaken by the Bank have been well received and the Bank would increase its use of analytics to benefit from the large customer base acquired digitally.

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

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

Q2FY22



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.

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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.

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FINANCIALS

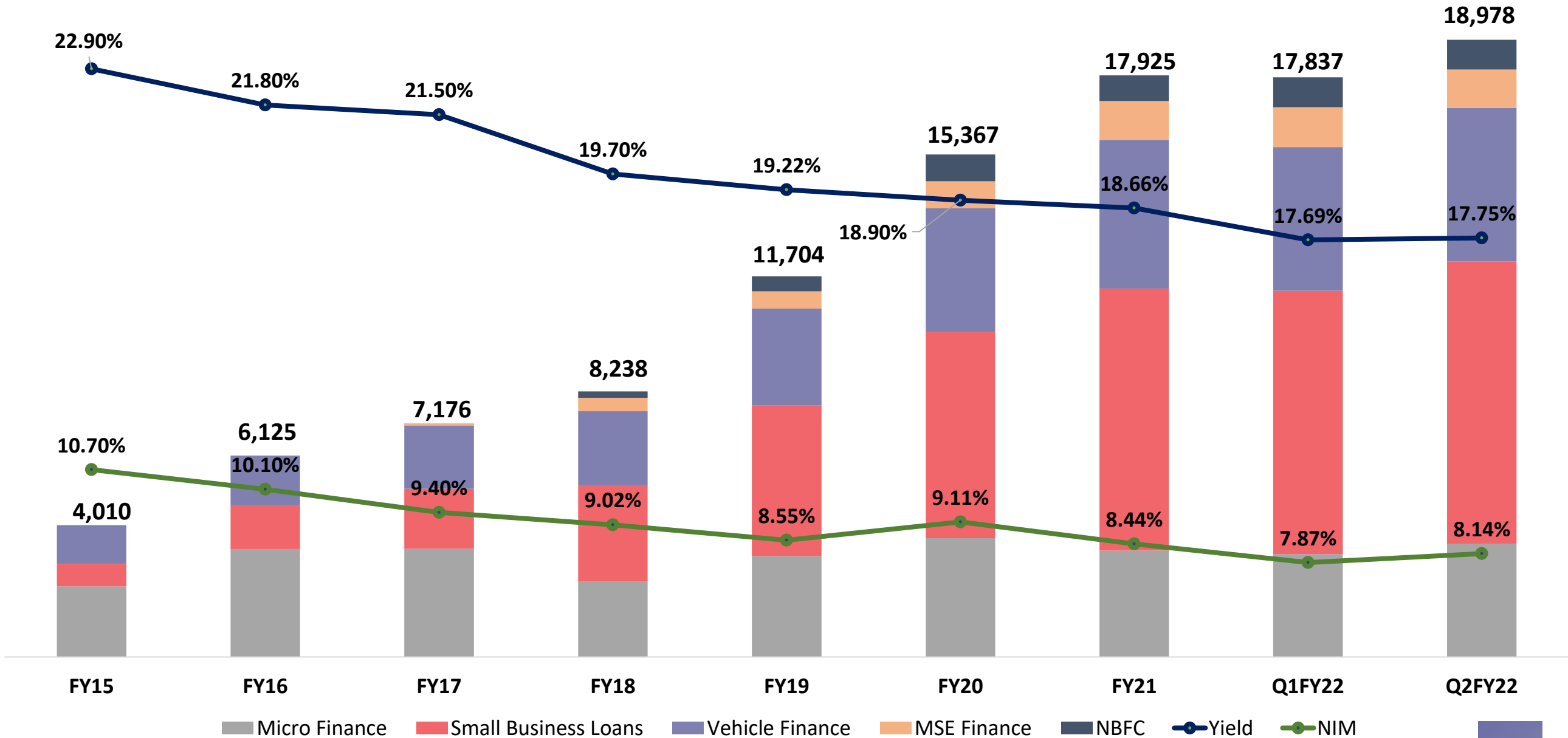
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Update on Scheme of Amalgamation

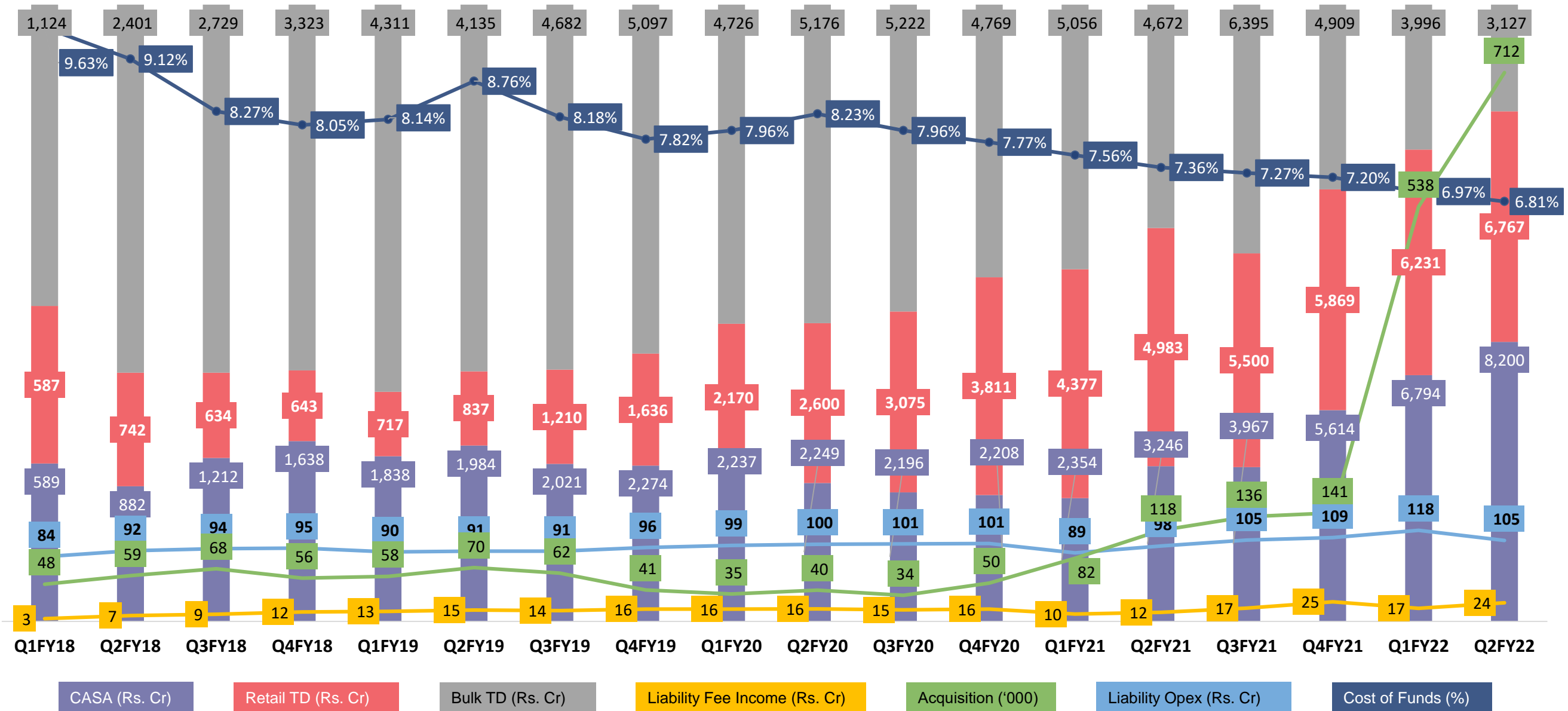
- The Board in their meeting held on July 26th 2021 approved the scheme of amalgamation between Equitas Holdings Limited (EHL - Transferor Company) and Equitas Small Finance Bank Limited (ESFB - Transferee Company)
- The Bank had reached out to SEBI for two exemption approvals:
 - Permit the Bank to achieve MPS through the scheme of amalgamation
 - Exempt the Bank from the 20% Promoter lock in for 3 years post the IPO of the Bank
- The Bank has since received SEBI approval for exemption from Promoter lock in of 3 years; however the Bank needs to comply with MPS requirement of 25% minimum public share holding
- The Board of Directors in the Meeting held on 18th October 2021 approved meeting the Minimum Public Shareholding (MPS) requirements stipulated by SEBI through Qualified Institutions Placement (QIP)
- Equitas Holdings Limited is in the process of disposing off its investment in Equitas Technologies Pvt. Ltd
- The Bank is awaiting approvals from RBI on the scheme of amalgamation

Journey of building a Stable, Sustainable and Scalable Bank

Diversifying across the informal segment



Liability franchise evolution



Key Highlights

Quarterly Snapshot

Operational



17 States and UTs



861 Banking Outlets
335 ATMs



278 Business Correspondents



17,441 employees

Asset Offerings



Gross Advances: 13% YoY
Rs. 18,978 Cr [Rs. 16,731 Cr]
SBL- 45%, VF - 25%, MFI- 18%,
MSE – 6%, NBFC – 5%



Disbursements: 65% YoY
Rs. 3,145 Cr [Rs. 1,902 Cr]
SBL – 37%, VF - 25%, MFI – 30%,
MSE – 3%, NBFC – 4%



Asset Quality:
GNPA: 4.64% [2.39%]
NNPA: 2.37% [1.09%]
PCR: 50.09% [58.98%]



Yield on Gross Advances:
17.75% [19.27%]

Liability Profile



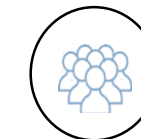
Total Deposits: 40% YoY
Rs. 18,094 Cr [Rs. 12,901 Cr]



Third Party Products:
Premium Collected
Rs. 31 Crs [Rs. 17 Cr]
Mutual Fund AUM
Rs. 170 Cr [Rs. 127 Cr]



Daily Average Cost of Funds: 6.81% [7.36%]
SA – 6.37%, TD – 7.12%



CASA Ratio:
45% [25%]

Financials



PPoP:
Q2FY22 Rs. 195 Cr [Rs. 211 Cr]

PAT:
Q2FY22 Rs. 41 Cr [Rs. 103 Cr]



Shareholders funds
CRAR – 22.21%
Tier I – 20.96%
Tier II – 1.25%



NIM:
Q2FY22 – 8.14% [9.02%]



RoA: 0.65% [1.88%]
RoE: 4.79% [14.42%]

Advances:

- Advances as of Q2FY22 was at Rs. 18,978 Cr, Advances growth of 13% YoY.
- 81.44% of advances is secured loans
- Highest quarterly disbursement of Rs. 3,145 Cr in Q2FY22
- Improvement in X Bucket Collection Efficiency indicating significant reduction in further build up of stress. Segment wise X bucket collections as below:
 - SBL – 99.60%, VF – 92.30%, MF – 97.37%
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- Cost of funds reduced to 6.81% from 6.93% in Q1FY22 and 7.36% in Q2Y21
- Savings Account deposits at Rs. 7,696 Cr, growth of 171% YoY and 20% QoQ.
- CASA stood at Rs. 8,200 Cr, CASA is 45% of Total Deposits

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Asset Quality, Provisioning & Restructuring:

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- Provision coverage ratio at 50.09%

* Excludes Rs. 140.4 Cr of restructuring forming part of RSL 1.0 which also forms part of RSL 2.0

Restructuring

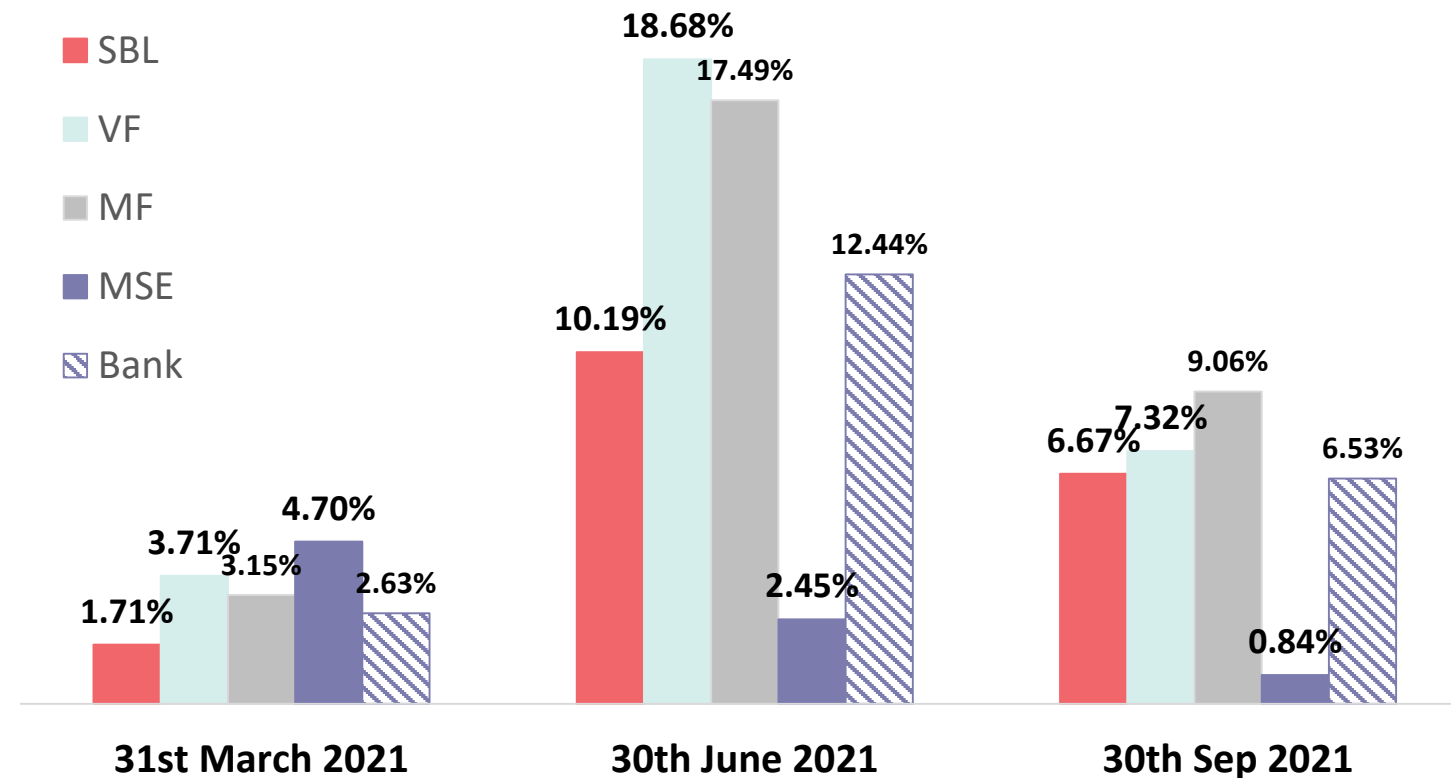
- Advances restructured during H1FY22 at Rs. 1,401* Cr
- 17.74% of Covid 1.0 restructured book slipped into NPA

Products Segments (Rs. Cr)	Advances restructured due to Covid 2.0 Rs. Cr	As a % of Gross Advances
Small Business Loan	382.75	2%
Vehicle Finance	622.88	3%
Micro Finance	354.86	2%
MSE Finance	40.61	0.2%
Corporate Loans	-	-
Total	1,401.10*	7%

* Excludes Rs. 140.4 Cr of restructuring forming part of RSL 1.0 which also forms part of RSL 2.0

31-90 DPD Bucket movement

- 60-90 DPD Bucket shrinks to 1.5% of Gross Advance
- X Bucket improves to 85% of Gross Advances



Highlights

Key Ratios:

- Cost to Income[^] at 67.01% in Q2FY22 as compared to 68.89% in Q1FY22 and 58.77% in Q2FY21
- RoA and RoE for Q2FY22 at 0.65% and 4.79% respectively

Capital:

- As of September 30, 2021 Total CRAR at 22.21%, Tier-I CRAR at 20.96% and Tier II CRAR at 1.25%

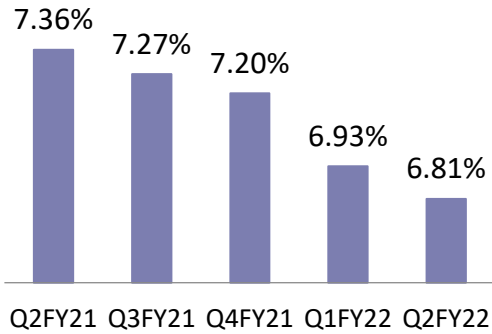
Treasury:

- The Bank's Certificate of Deposit (CD) programme for Rs. 1,000 Crore has highest rating from at CRISIL A1+
- The Bank has adequate room available to avail refinance or raise funds through IBPC whenever required which provides strong cushion to ALM position of the Bank.
- Liquidity Coverage Ratio (LCR) as on 30.09.2021 154%

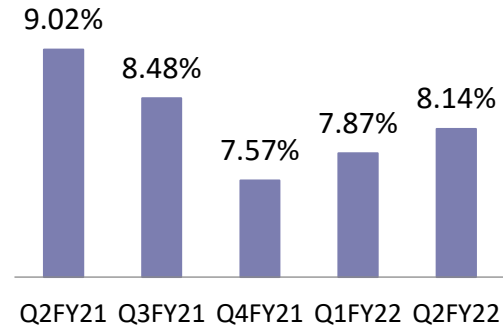
Financial Performance – Quarterly trends

Key Ratios

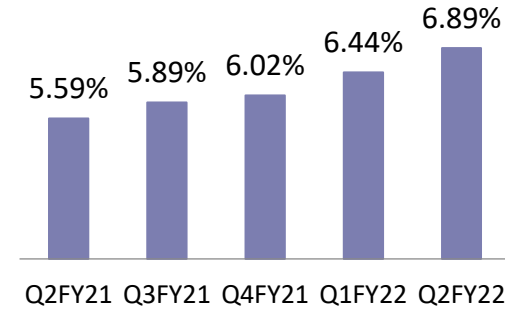
Cost of Funds



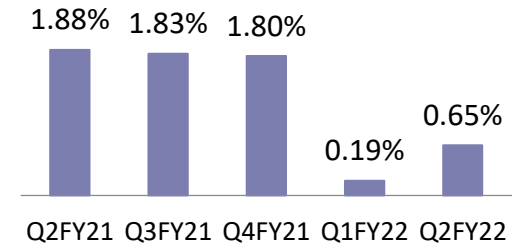
Net Interest Margin (NIM)



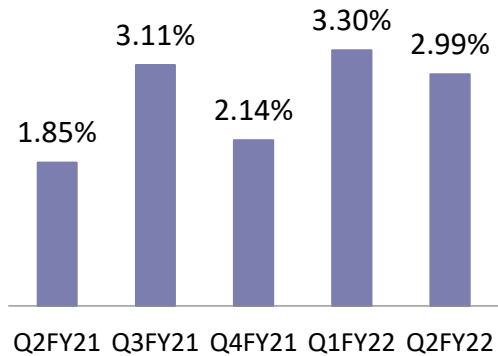
Cost to Assets



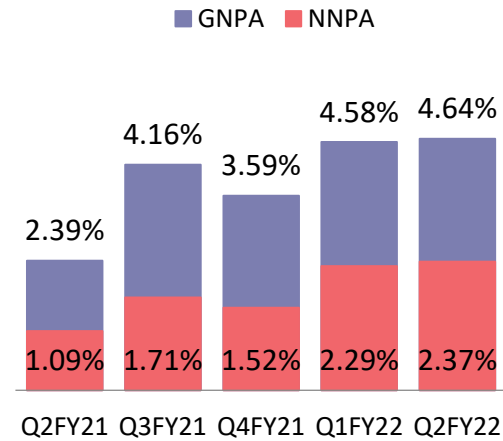
RoA



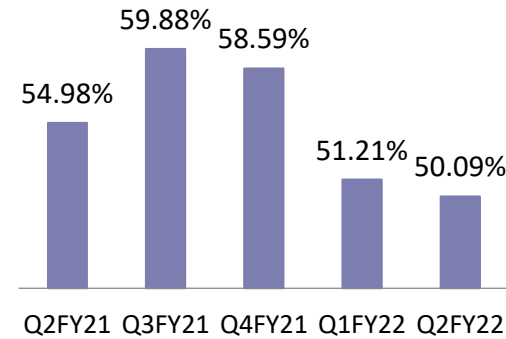
Credit Cost



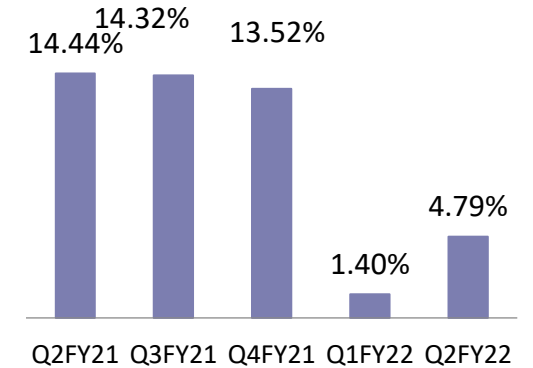
GNPA & NNPA



Provision Coverage Ratio

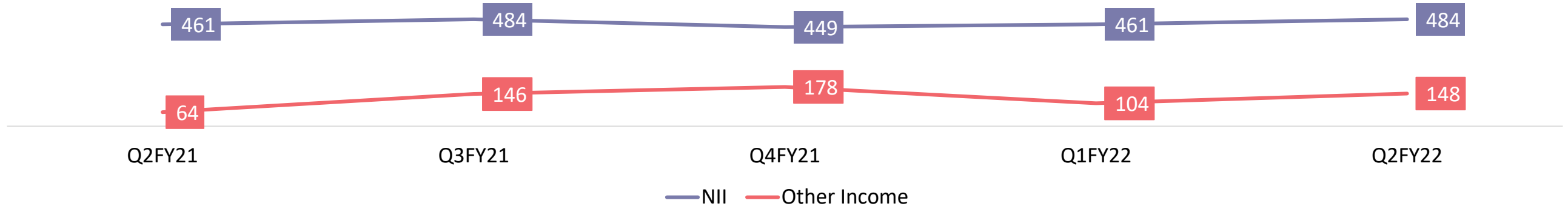


RoE

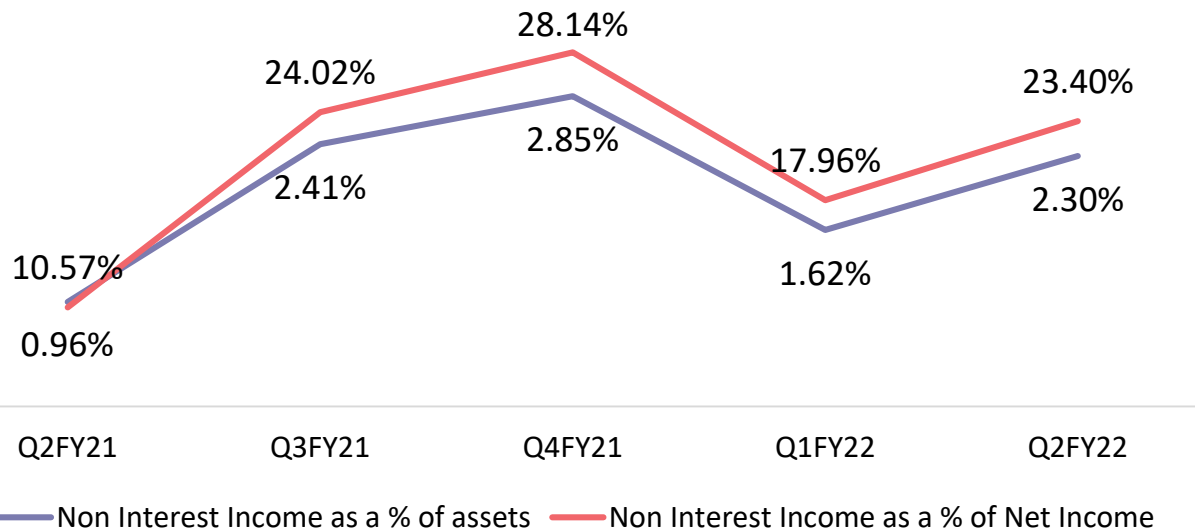


Income Evolution

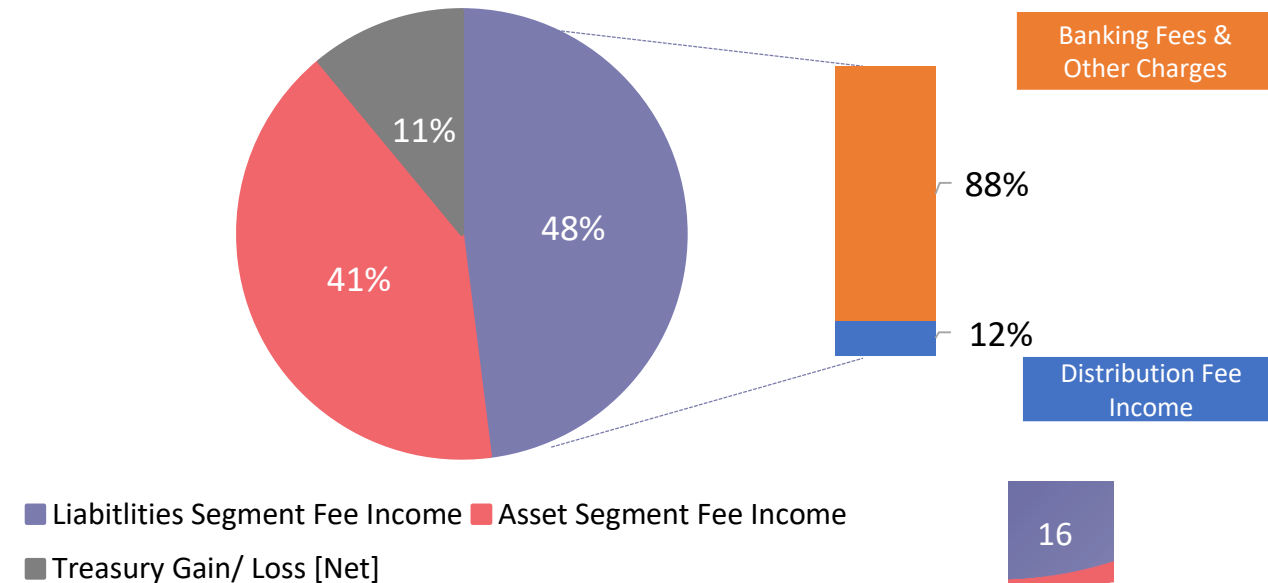
Net income evolution (in Rs. Cr)



Non-interest income * evolution



Other Income Break-up (Rs. Cr)

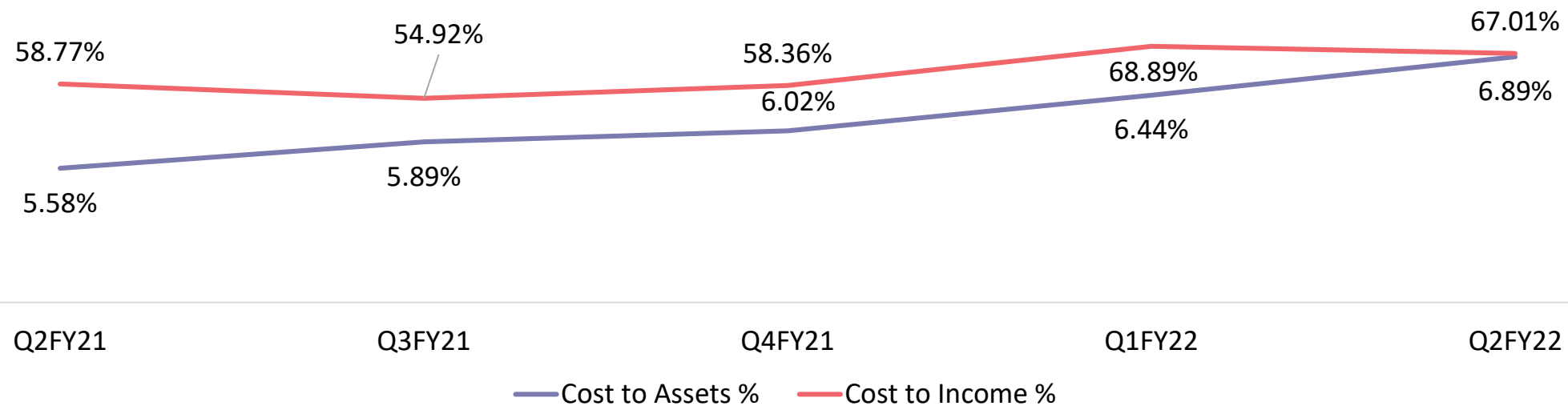


* Non Interest Income = Other income + PSLC fee income | Net Income is NII + Other Income + PSLC

Opex Evolution

Rs Cr	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Employee expenses	188	205	204	222	228
Other expenses^	94	119	124	116	148
Depreciation	19	19	19	20	19
Total Operating expenses	300	344	347	358	395
No. of employees	15,879	16,036	16,556	16,770	17,441

Opex evolution

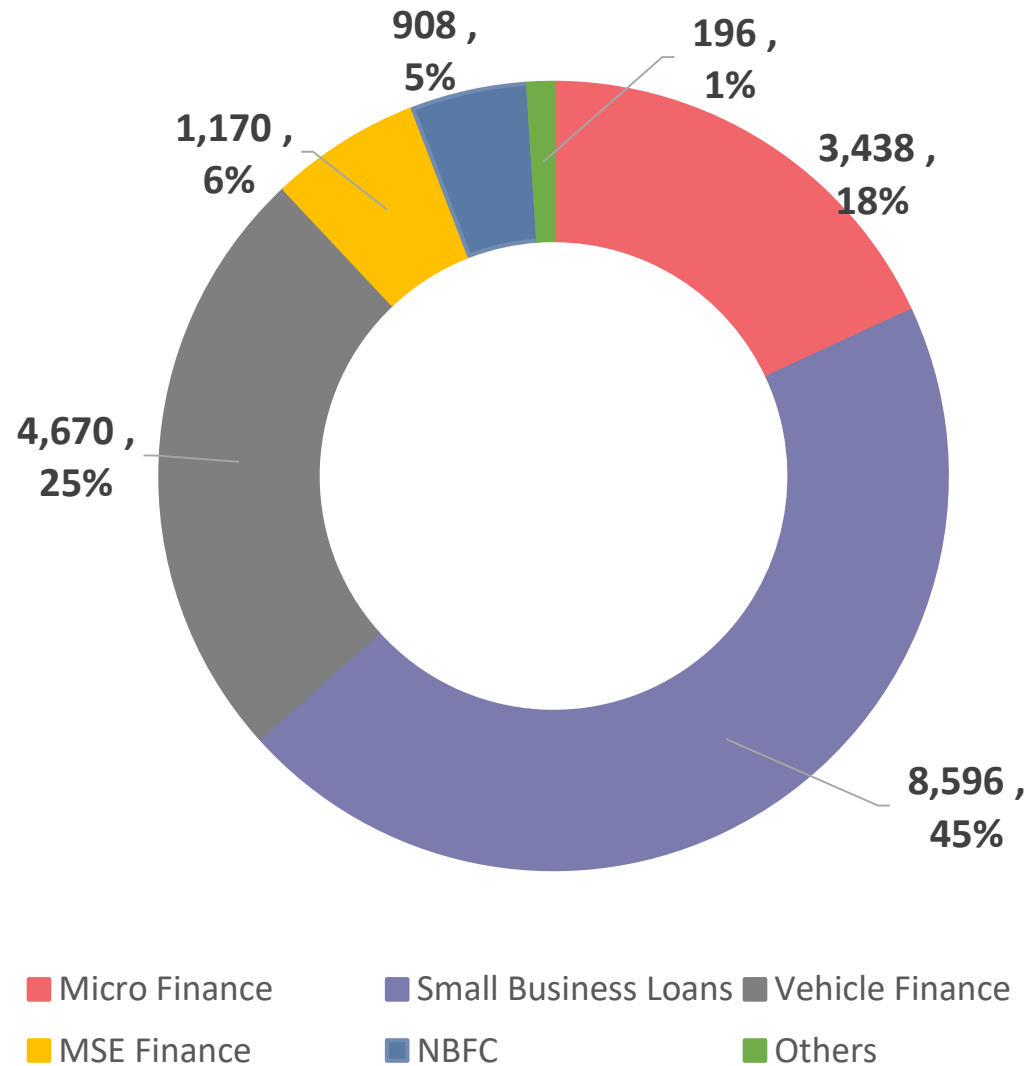


Cost to income (%) Opex / Net Income [Total Income- Finance Cost] Cost to assets (%) – Opex/ Total Assets

^Income considering net-off of corresponding fees payouts to partners

Advances

Advances Evolution & Diversified Book



Rs Cr	Q2FY21	Q2FY22	YoY Growth %
Micro Finance	3,641	3,438	-6%
Small Business & Home Loans	7,052	8,596	22%
Vehicle Finance	4,137	4,670	13%
MSE Finance	791	1,170	48%
NBFC	879	908	3%
Others [†]	232	196	-15%
Gross Advances	16,731	18,978	13%

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

Advances Evolution & Diversified Book

Rs Cr	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Micro Finance	3,641	3,491	3,236	3,128	3,438
Small Business and Home Loans	7,052	7,496	7,971	8,015	8,596
Small Business Loans	5,580	5,890	6,227	6,227	6,629
Housing Finance	715	834	959	1,017	1,175
Agri Loans	757	772	785	771	792
Vehicle Finance	4,137	4,275	4,530	4,377	4,670
Used CV	2,835	2,862	2,971	2,836	2,997
New CV	1,302	1,413	1,559	1,541	1,673
MSE Finance	936	988	1,180	1,208	1,170
NBFC	734	898	783	914	908
Others [†]	231	225	225	195	196
Gross Advances	16,731	17,373	17,925	17,837	18,978

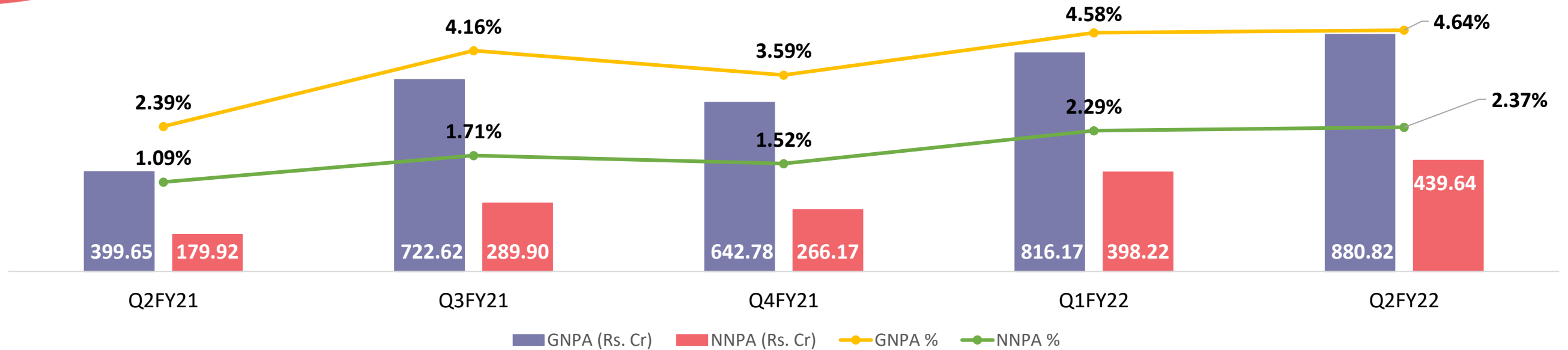
[†] Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans| Housing Finance (HF) | Micro Small Enterprises (MSE)

Product Segment & Disbursement Details

Product Segment	Number of Live Loans	ATS @ Disbursement (Lacs)	ATS @ Portfolio (Lacs)	GNPA (%)	PCR (%)
Micro Finance	18,40,325	0.32	0.19	6.81%	52.71%
Small Business Loans (Incl. HF)	2,39,190	5.64	3.59	3.66%	39.83%
Vehicle Finance	1,47,400	4.21	3.17	4.58%	47.84%
MSE Finance	2,234	56.82	52.37	4.75%	24.82%
NBFC	45	7,267	2,019	0.53%	25.00%

Rs Cr	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Micro Finance	390	596	655	393	938
Small Business Loans (Incl. HF)	708	873	960	315	1,154
Small Business Loans	523	654	703	207	853
Housing Finance	115	151	189	83	203
Agri Loans	70	68	68	25	98
Vehicle Finance	508	621	723	177	782
Used CV	309	392	460	106	523
New CV	199	229	263	72	259
MSE Finance	85	100	123	63	98
NBFC	166	245	51	300	136
Others	45	26	23	17	37
Total Disbursements	1,902	2,461	2,535	1,265	3,145

Asset Quality Trend



Gross NPA Movement (Rs Cr)	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Opening GNPA Balance	416.67	399.65	387.60	642.78	816.17
Add: Additions during the period	22.92	36.47	514.59	374.86	339.08
Less:					
i. Upgradations	10.62	11.57	12.63	157.54	186.61
ii. Recoveries (excluding recoveries made from upgraded accounts)	15.82	18.65	42.01	32.43	65.47
iii. Technical or Prudential write-offs	5.54	5.28	175.81	5.65	7.15
Write-offs other than those under (iii) above	7.96	13.02	28.95	5.86	15.20
Closing GNPA Balance	399.65	387.60	642.78	816.17	880.82

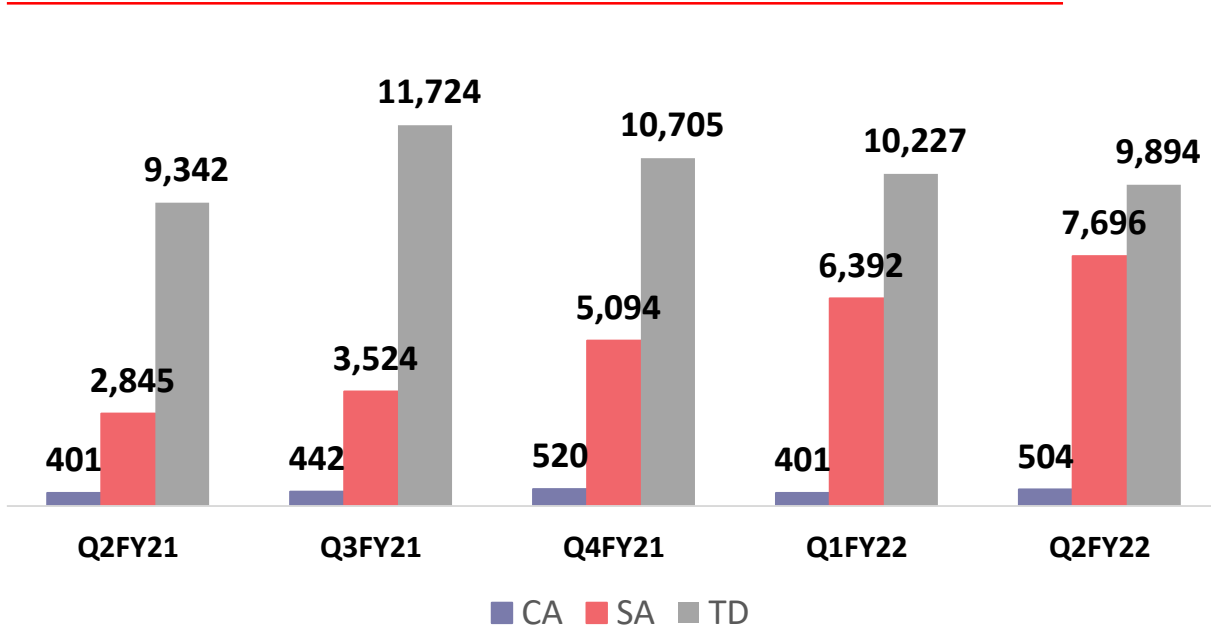
Liabilities & Branch Banking

Customer Deposits Evolution

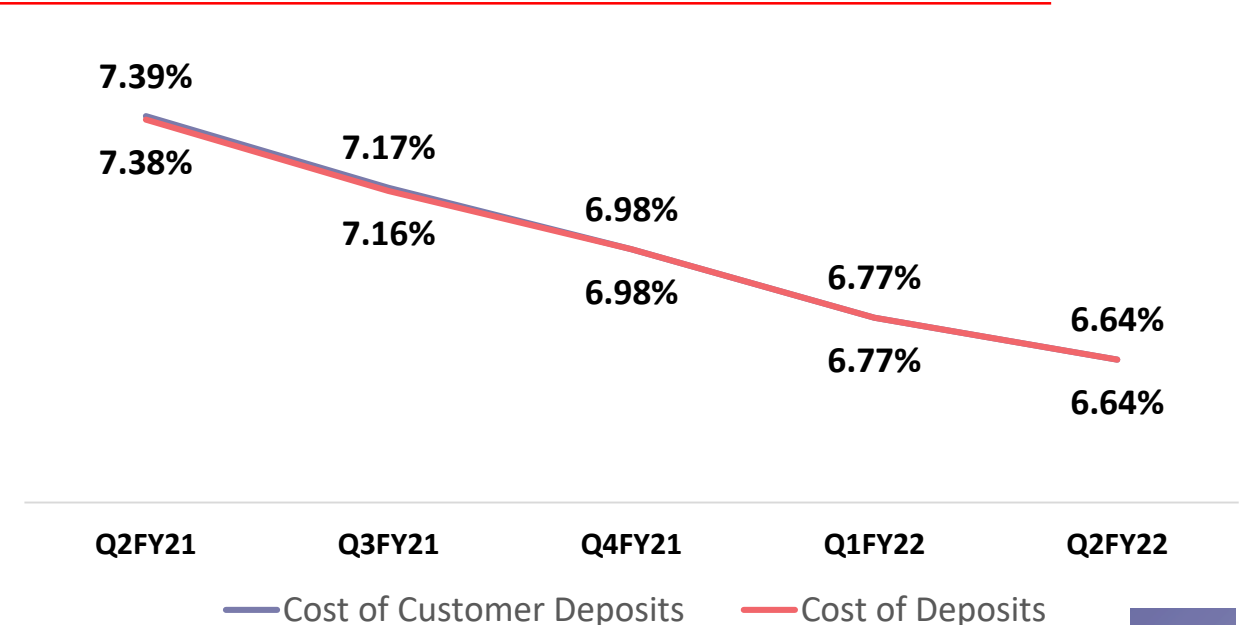
Update for Q2Y22

as on 30 September 2021	CA [Current Account]	SA [Savings Account]	CASA [Low cost deposits]	TD [Term Deposits]	CASA+TD [Customer Deposits]
Balance (Cr)	504	7,696	8,200	9,894	18,094
as a % of total borrowings (Rs. 21,924 Cr)	2%	35%	37%	45%	83%
as a % of total deposits (Rs. 18,094 Cr)	3%	42%	45%	55%	100%
Avg. balance (Branch Banking Customers)	83,898	72,897	-	5,96,041	-

Customer Deposits evolution (Rs. Cr)



Daily Average Cost of Deposits (%)



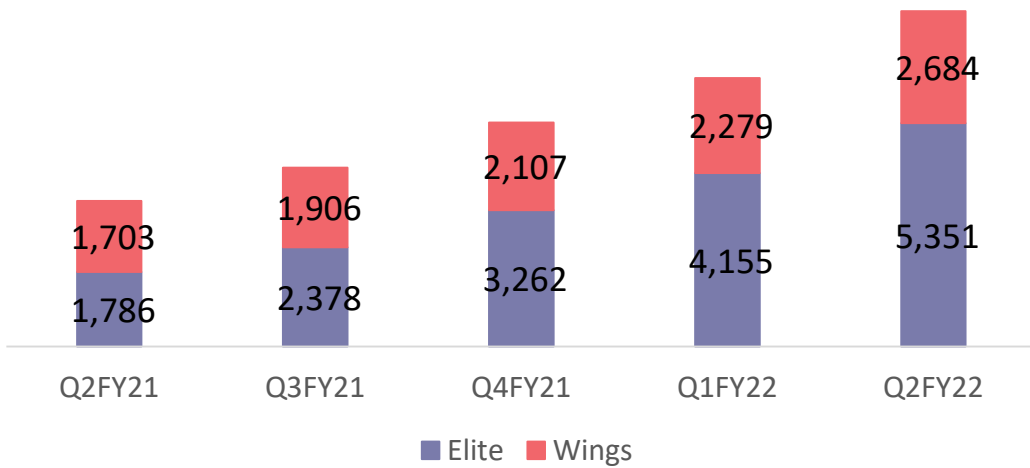
† Cost of Customer Deposits = Interest paid on Customer Deposits as a % of Average Customer Deposits | Customer Deposits = CASA + Term Deposits

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

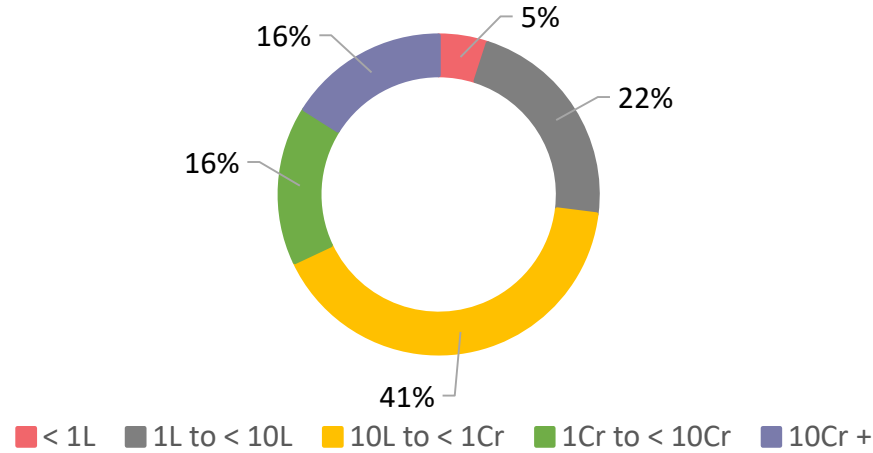
Figures in {} represent CA as a % of CASA

Customer Deposit Profile

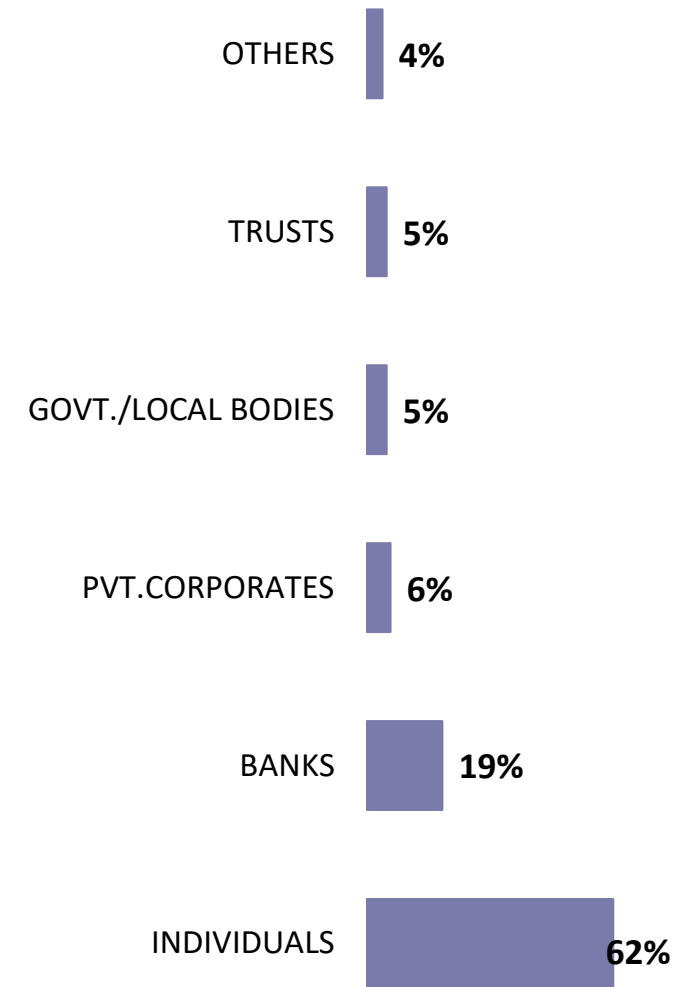
Mass Affluent Customer* (Deposit in Rs. Cr)



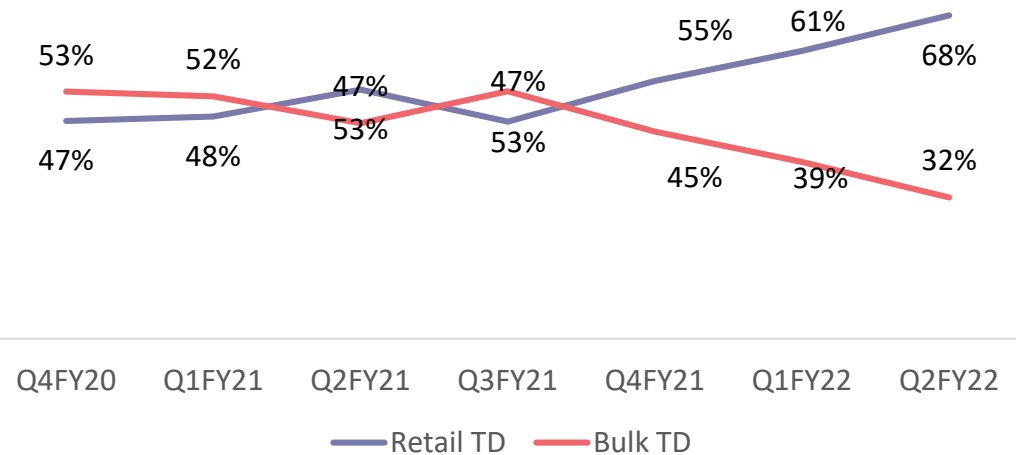
Savings Account Value Slabs



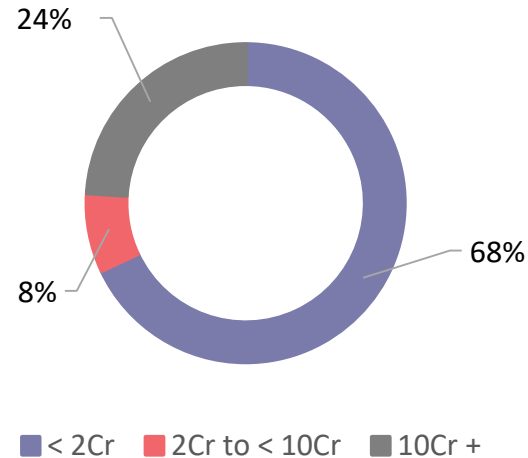
Deposits by Category



Term Deposits (TD) %



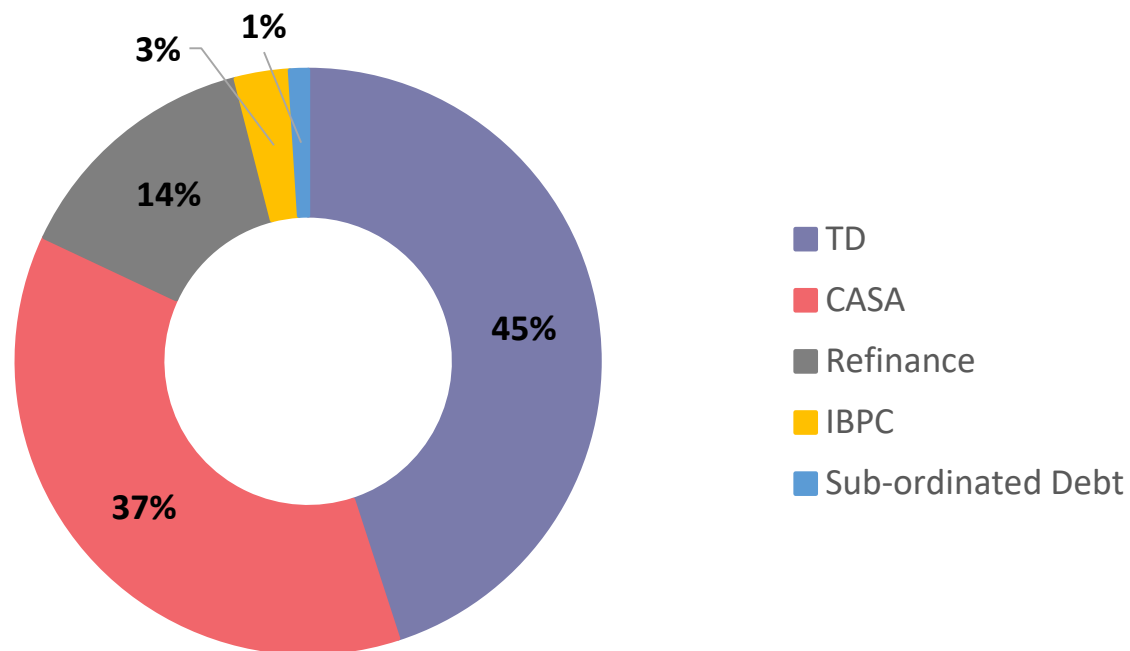
Term Deposits Value Slabs



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

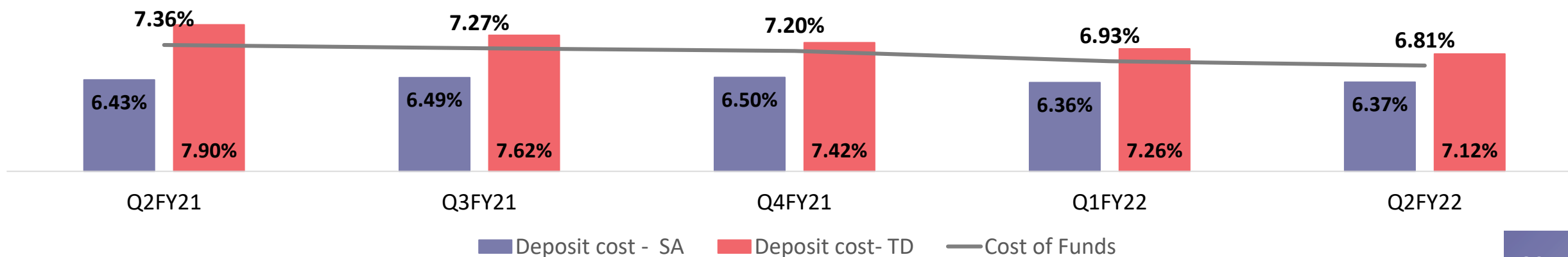
Funding Profile

As on 30 Sept 2021



In Rs Cr	June 2021	Sep 2021
TD	10,227	9,894
Refinance	3,413	2,980
CASA	6,794	8,200
CD	74	-
Sub Debt	150	150
IBPC	700	700
RBI Borrowing	15	-
Tri Party Repo	100	-
Total Borrowings	21,473	21,924

Daily Average Cost of Funds



Investments

The Bank's total investment portfolio of Rs. 3,530 Crore comprises of SLR and Non-SLR securities as given below:

Category (Rs. Cr)	Book Value
SLR	3,529
Non SLR	1
Total	3,530

During the quarter, the Bank participated in equity primary market. Profits realized in those equity IPOs amounted to Rs. 5.8 Crore

Borrowings & Liquidity:

- The Bank's Certificate of Deposit (CD) programme for Rs. 1,000 Crore has highest rating from at CRISIL A1+.
- The Bank has adequate room available to avail refinance or raise funds through IBPC whenever required which provides strong cushion to ALM position of the Bank.
- Liquidity Coverage Ratio (LCR) as on September 2021 at 154%

Digital Banking

Digital Banking

Key Quarterly Highlights

NeoBanking

- **NiyoX Program:**

- ~7 lac Accounts Opened
- CASA Balance – Rs. 280 Cr
- ~600 Fixed Deposits valuing Rs. 6 Cr



- **Groww**

- 2,300 FDs opened
- Balance – Rs. 11.25 Cr



Prepaid Engagements

- 7 lakh+ cards issued (Physical + Virtual)
- 3 Cr Transactions
- ~2,100 Cr transactions value processed
- Programs under integration:
 - BankIT
 - Neokred



Digital Payments and Acquisitions

- **NETC - FASTag**

- Integration for 2 new toll plazas completed for NETC Acquiring
- ~68,000 new FASTag issued
- ~240 Cr issuer transaction value processed
- ~3 lac NETC transactions valuing more than 6 Crs



- **MicroATM**

- 3 Cr Transactions
- ~8,300 Cr transaction value processed

Digital Channels, Transformation and Transaction Banking

- Launched Mobile Banking App with revamped UI-UX
- Income Tax 2.0 & ASBA Integration completed
- Enabled Contact Center & Branch-based Video-KYC Process
- BBPS & Razor pay collections for Asset products

Financials

Balance Sheet

Particulars (in Rs Cr)	Sep-21	Sep-20	YoY %	June-21	QoQ%
Capital & Liabilities					
Capital	1,145	1,053	9%	1,142	-
Reserves & Surplus	2,321	1,851	25%	2,274	2%
Networth	3,466	2,905	19%	3,416	1%
Deposits	18,094	12,901	40%	17,095	6%
Borrowings	3,130	6,174	-49%	3,678	-15%
Other Liabilities & Provision	1,058	837	26%	800	32%
Total	25,748	22,817	13%	24,989	3%
Assets					
Cash and Balances With Reserve Bank of India	754	426	77%	601	26%
Balances With Banks and Money At Call and Short Notice	2,734	1,475	85%	1,082	153%
Investments	3,531	4,292	-18%	5,787	-39%
Advances	17,837	15,912	12%	16,719	7%
Fixed Assets	173	195	-11%	170	2%
Other Assets	719	517	39%	631	14%
Total	25,748	22,817	13%	24,989	3%
AUM [On Book + Off Book]	18,978	16,731	13%	17,837	6%

Profit & Loss Statement

Particulars (in Rs Cr)	Q2FY22	Q2FY21	YoY%	Q1FY22	QoQ%	H1FY22	H1FY21	YoY%
Interest Income from Loans	767	730	5%	742	3%	1,509	1,392	8%
Income on Investments	60	57	5%	57	5%	116	101	16%
Interest on balances with Reserve Bank of India and other inter bank funds	17	11	61%	20	-13%	37	27	40%
Total Interest Income	844	798	6%	819	3%	1,663	1,519	9%
Finance Cost								
Interest on deposits	289	226	28%	278	4%	568	436	30%
Interest on RBI / inter-bank borrowings	-	6	-	1	-	1	10	-
Other interest	70	104	-33%	79	-11%	149	208	-29%
Total Finance Cost	360	336	7%	358	1%	718	653	10%
Net Interest Income	484	461	5%	461	5%	945	866	9%
Other Income								
Processing and Other Fees	60	36	70%	24	150%	85	46	83%
Interest on Securitization / Assignment	-	3	-	1	-	1	3	-
Gain on Sale of G-Secs	17	-7	-	16	8%	32	(3)	-
ATM Acquirer Fee Income & TPP Income	10	13	-22%	5	80%	15	23	-33%
Others	61	10	477%	55	10%	116	15	-
Total Other Income	148	55	171%	101	46%	249	84	197%

Profit & Loss Statement

Particulars (in Rs Cr)	Q2FY22	Q2FY21	YoY%	Q1FY21	QoQ%	H1FY22	H1FY21	YoY%
Net Income	632	516	22%	562	12%	1,194	949	26%
Employee Cost	228	188	21%	222	3%	449	382	18%
Opex	209	117	78%	179	17%	388	215	81%
Total Operating Expenditure	437	305	43%	400	9%	837	597	40%
PBT before provision & Write-off	195	211	-8%	162	20%	356	352	-
Credit Cost	138	75	84%	148	-7%	285	143	100%
PBT	57	136	-58%	14	299%	71	209	-66%
Taxes	16	33	-52%	2	-	18	49	-63%
PAT	41	103	-60%	12	245%	53	161	-67%

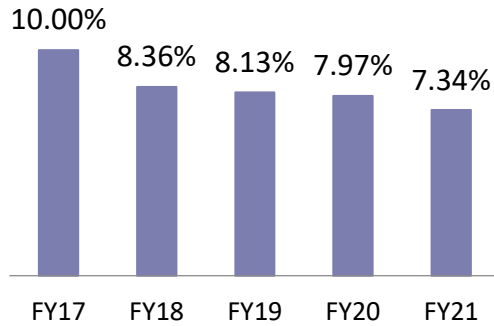
Provisions - Breakup

Particulars (Rs. Cr)	H1FY22
Standard Asset Provision	(0.21)
Restructured Standard Asset Provision	192.83
Total Standard Asset Provision (A)	192.62
NPA and other provision	65.79
Loan assets written off	33.85
Loan loss recovery	(6.92)
Total NPA Provisions & Write Off (B)	92.72
Total Provisions & Contingencies Other than Tax (A+B)	285.34

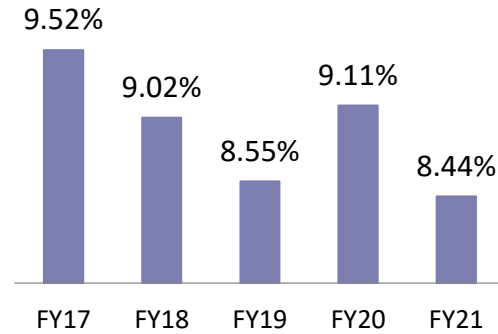
Financial Performance – Yearly trends

Key Ratios

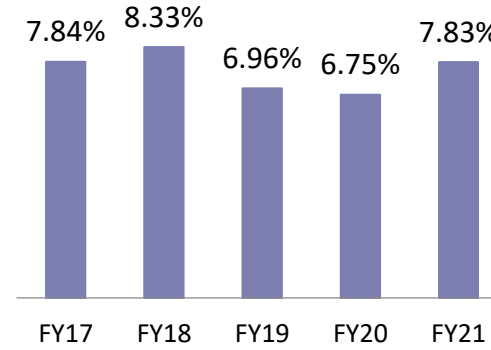
Cost of Funds



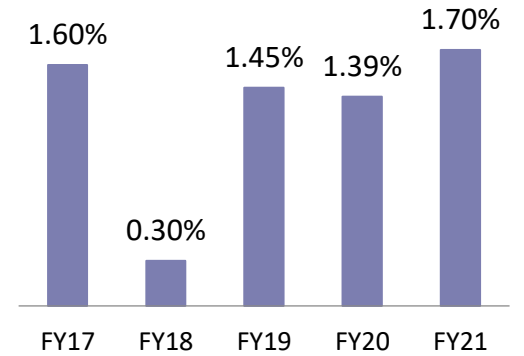
Net Interest Margin (NIM)



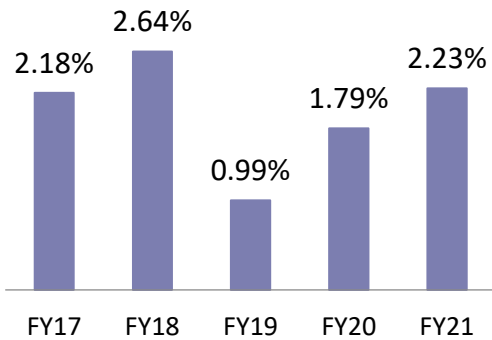
Cost to Assets



RoA

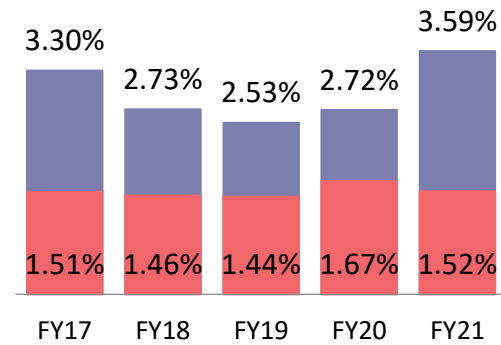


Credit Cost

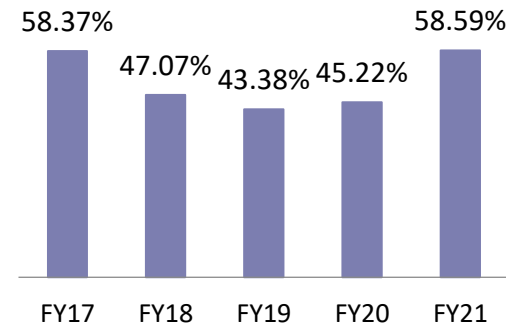


GNPA & NNPA

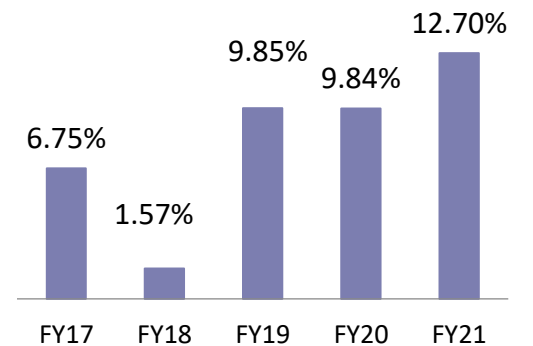
■ GNPA ■ NNPA



Provision Coverage Ratio



RoE



Thank You

Investor Relations

Equitas Small Finance Bank Limited

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Twitter - @EquitasIR

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ANNEXURE FOR NON-CONVERTIBLE DEBENTURES ISSUED ON PRIVATE PLACEMENT BASIS UNDER REGULATION 52(4) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

- a) **Debt Equity Ratio** (for the half year ended on 30th September 2021): 0.56 times (Debt represents borrowings with residual maturity of more than one year)
- b) **Capital Redemption Reserve/Debenture Redemption Reserve:** Equitas Small Finance Bank Limited being a banking company as on 30th September 2021, accordingly Debenture Redemption Reserve requirement is not applicable for Privately Placed Debentures.
- c) **Net Worth:** The Net Worth of the Bank as on 30th September 2021 is ₹ 319455.73 Lakhs.
- d) **Net Profit after Tax:** The Net Profit after tax for the half year ended on 30th September 2021 is ₹ 5311.79 Lakhs.
- e) **Earnings Per Share:**

Earnings per equity share (including exceptional item):

Particulars	EPS
Basic (in Rs.)	0.47
Diluted (in Rs.)	0.46


Earnings per equity share (excluding exceptional item):

Particulars	EPS
Basic (in Rs.)	0.47
Diluted (in Rs.)	0.46

f) **Current Ratio : Not Applicable**

We request you to take the above information on your records

Thanks & Regards,
For Equitas Small Finance Bank Limited


Sampathkumar KR
Company Secretary

