



May 15, 2020

The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001	The Secretary National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex (BKC) Bandra (east) Mumbai - 400051
Scrip Code No-539844	Symbol: EQUITAS

Dear Sirs,

Sub: Intimation under Regulation 30 and 46 of SEBI (LODR) Regulations, 2015

Pursuant to the above Regulations, the presentation on the financial results of our subsidiary, Equitas Small Finance Bank Limited for the six months/ year ended March 31, 2020, to be made to the analysts and institutional investors is attached. The same is being displayed on the website of the Company.

Kindly take the above information on record

Thanking you,

Yours Faithfully,
for **Equitas Holdings Limited**

Deepti R
Company Secretary



EQUITAS HOLDINGS LIMITED

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L65100TN2007PLC064069



Equitas Small Finance Bank Limited

Investor Presentation

FY20

31st March 2020



Disclaimer

Disclaimer:

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Disclaimer clause of RBI:

A license authorizing the Bank to carry on small finance bank business has been obtained from the Reserve Bank of India in terms of Section 22 of the Banking Regulation Act, 1949. It must be distinctly understood, however, that in issuing the license, the Reserve Bank of India does not undertake any responsibility for the financial soundness of the Bank or for the correctness of any of the statements made or opinion expressed in this connection.

Disclaimer

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.

The Bank is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its equity shares (the “**Equity Shares**”) and has filed a draft red herring prospectus dated December 16, 2019 (the “**DRHP**”) with the Securities and Exchange Board of India (“**SEBI**”). The DRHP is available on the website of the SEBI at www.sebi.gov.in, BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and on the websites of the BRLMs at www.jmfl.com, www.edelweissfin.com and www.iiflcap.com, respectively. Investors should note that the investment in Equity Shares involves a high degree of risk. For details, potential investors should refer to the red herring prospectus which may be filed with the Registrar of Companies, Tamil Nadu, situated at Chennai, in future including the section titled “Risk Factors”. Potential investors should not rely on the DRHP filed with the SEBI in making any investment decision.

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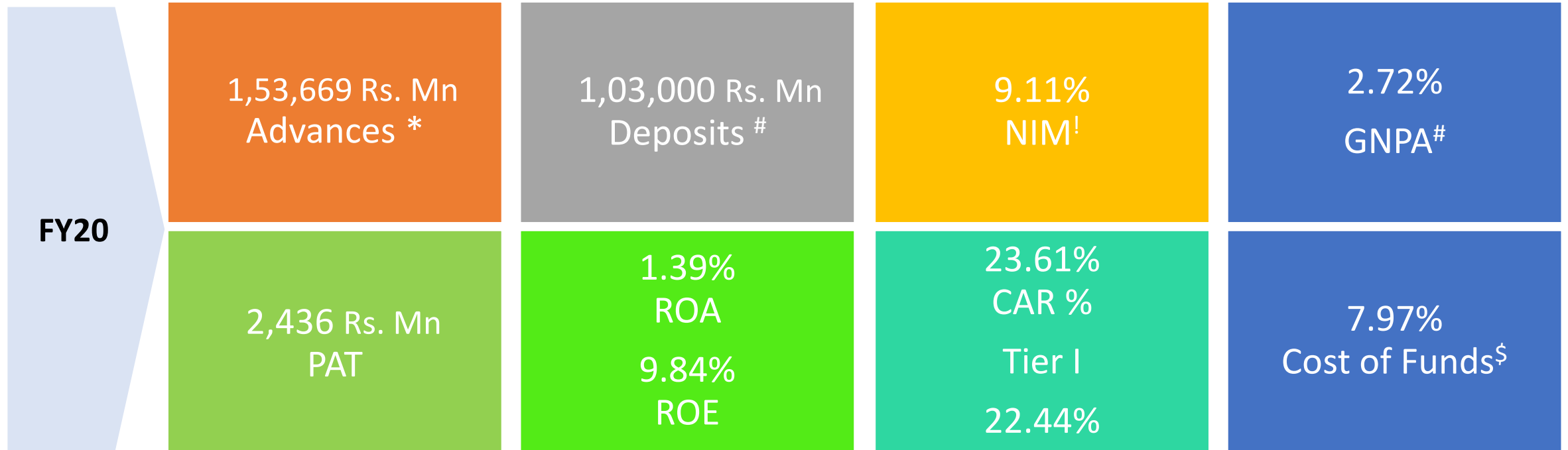
Financials

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Key Highlights

Snapshot



* Advances = Gross Advances including IBPC issued | [!]NIM = Net interest income [excluding securitization] as a % of avg. interest earning assets | [#] GNPA including IBPC | ^{\$}Cost of Funds = Total Interest Expense as a % of Average Interest Bearing Borrowings (Quarterly Average) | [#] Deposits excluding CD's

Highlights – FY 2020

Advances*

- Disbursement for FY20 grew 15.54% YoY to Rs. 99,110.73 Mn from Rs. 85,783.11 Mn in FY19
- Advances* as of March 31, 2020 grew 31.29% YoY to Rs. 1,53,669.45 Mn
- 75.39% of advances* is secured loans

Liabilities:

- Deposits excluding CD at Rs. 1,02,999.91 Mn, growth of 25.69% YoY
- Retail TD at Rs. 38,112.87 Mn as on 31st March 2020, growth of 132.93% YoY
- CASA stood at Rs. 22,082.13 Mn, CASA as a % of Total Deposits at 21.44%

Profit & Loss:

- Net Interest Income for FY20 at Rs. 14,953.06 Mn as against Rs. 11,517.34 Mn in FY19, growth of 29.83%, NIM* at 9.11%
- PBT before provisions and write off for FY20 at Rs. 5,975.79 Mn as against Rs. 4,261.45 Mn in FY19, growth of 40.23%
- Provisions for FY20 at Rs. 2,466.39 Mn, including Rs. 996.30 Mn COVID-19 provision (including Rs. 29.8 Mn representing the minimum provision of entire 10% on standard assets availing moratorium where asset classification benefit is extended. The provision held by the bank is in excess of the RBI prescribed norms.
- PAT for FY20 at Rs. 2,436.35 Mn as against Rs. 2,105.66 Mn in FY19, growth of 15.70%

Highlights – FY 2020

Key Ratios:

- Cost to Income* improved by 390 basis points from 70.30% in FY19 to 66.38% in FY20
- RoA^ and RoE# for FY20 at 1.39% and 9.84% respectively vs. 1.45% & 9.85% in FY19

Capital:

- As of March 31, 2020 Total CRAR at 23.61% and Tier-I CRAR of 22.44%; Well above minimum regulatory requirements of 15% and 7.5%
- On December 11th 2019, the bank issued 47,458,239 equity shares of face value Rs. 10 each on preferential basis at a premium of Rs. 42.68 each for total cash consideration of Rs. 2,500.10 Mn
- Tier II Capital at 1.17%

Liquidity:

- Bank has undertaken Inter-Bank Participation Certificates (IBPCs) with a mix of PSL/Non-PSL advances which further enhances the liquidity of the Bank
- Liquidity Coverage Ratio (LCR)\$ as on 31.03.2020 at 133.2% much above the minimum regulatory requirement of LCR at 90%

COVID-19 : Business Impact and Response

- Corporate & Central Processing Unit on WFH mode
- Most of the Banking Outlets open during lockdown to facilitate banking transactions
- ~67% of our Micro Finance Portfolio (Rs. 24,117.57 Mn) as on 31st March 2020 is in the 170[§] hotspot districts
- **Focus during lockdown**
 - 1. Customer Engagement :-**
 - Teams are in constant touch with customers to assist them with any banking transactions
 - Moratorium Communication and addressing related queries
 - 2. Digital Product acquisition**
 - NTB customers through Online Savings and Online FD acquisition
 - Sale of COVID-19 Health Insurance plan
 - 3. Portfolio analysis for post lockdown activities**
 - Identify customers for Top up and Upsell opportunities
 - COVID-19 loan assistance

Products	% of customers opting for moratorium (no of loans)
Micro Finance	99.99%
Small Business Loans	87.27%
Housing Finance	71.50%
Vehicle Finance	89.55%
Working Capital	93.00%
Corporate	3.43%
Others	91.79%
Total	98.26%

As on April 2020

The Bank encouraged its customers to Opt for Moratorium to help them conserve cash during the lockdown

COVID-19 : Business Impact and Response

%	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	April 2020
Liquidity Coverage Ratio ^{\$}	133.15%	117.55%	103.54%	125.48%	132.67%	127.84%	138.51%

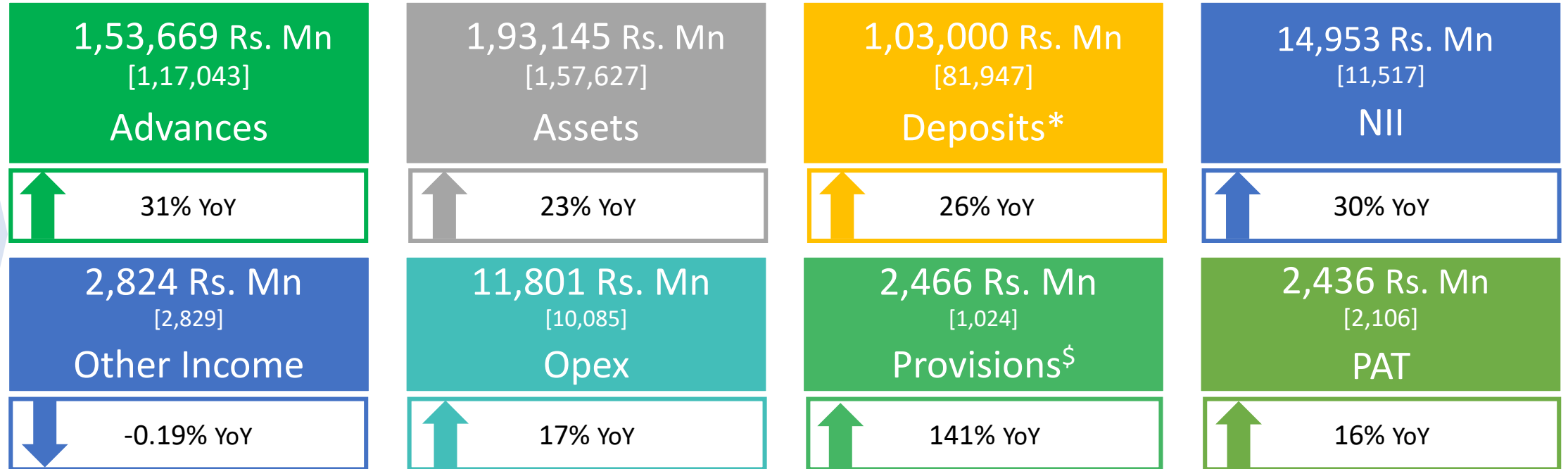
Particulars (Rs. Mn)	31 st March 2020	30 th April 2020
CASA	22,082.13	20,254.51
Term Deposits	80,917.78	82,020.73
Retail Term Deposits	38,112.87	40,456.51
Total Deposits	1,02,999.91	1,02,275.25

Digital Products	Customers acquired in April 2020
Selfe SA	22,018
Selfe FD	192
COVID-19 Health Insurance	8,727

Financial Performance

Financial Overview

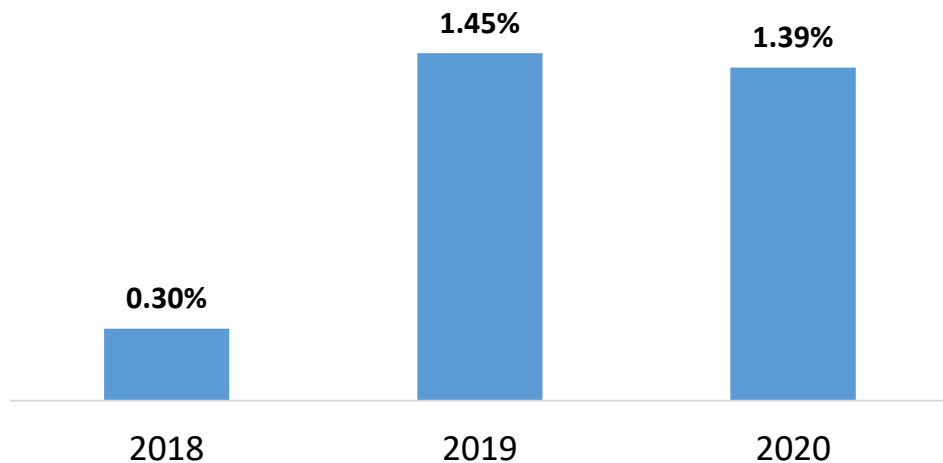
FY20



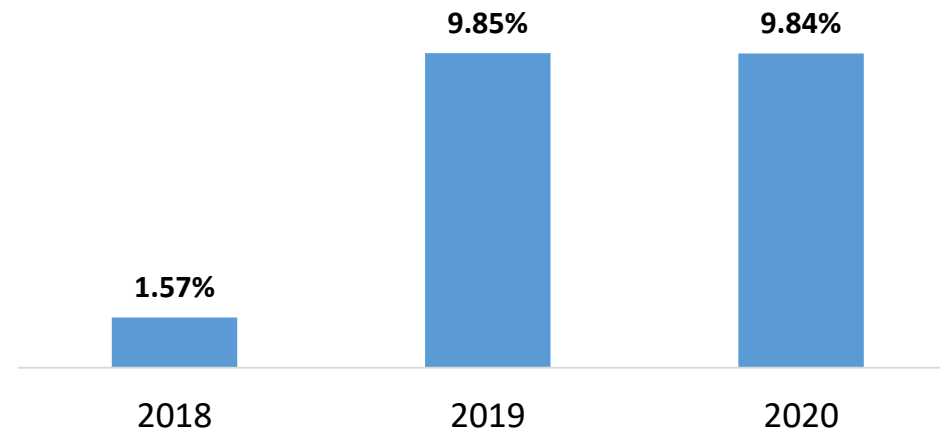
§ - The Bank has made a provision of Rs 996.30 Mn in the quarter ended March 31, 2020 (including Rs 29.80 Mn representing the minimum provision of 10% on standard assets availing moratorium where asset classification benefit is extended as required in paragraph 5 of the RBI's guidelines dated April 17, 2020), based on assessment of recoverability of advances after considering internal and external information and the norms prescribed by RBI. The provision held by banks are in excess of the RBI prescribed norms.

Key Ratios

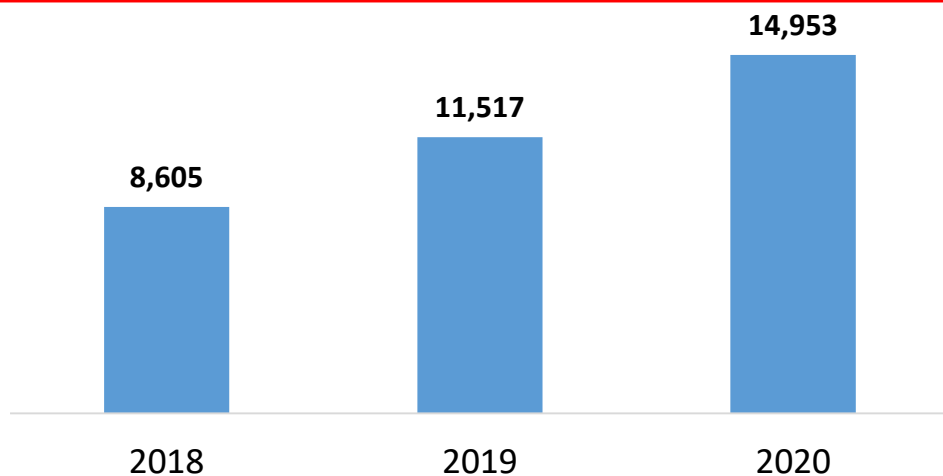
Return on Assets (ROA)



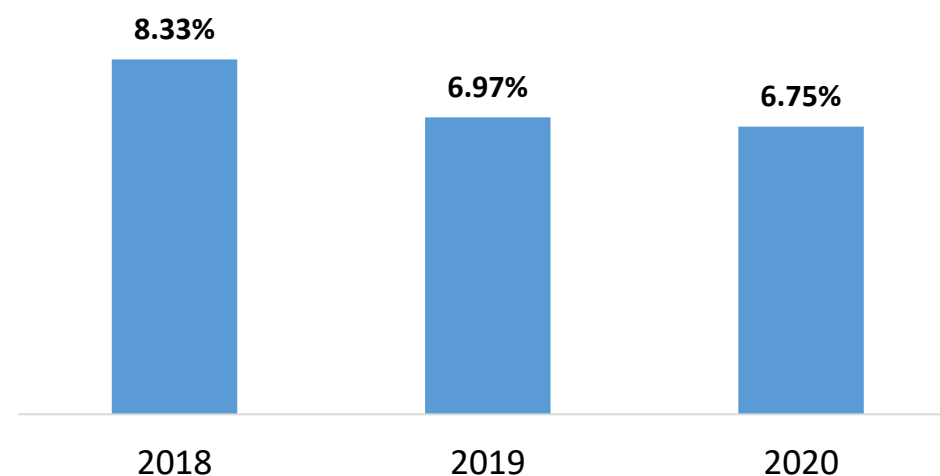
Return on Avg. Equity (ROAE)



Net Interest Income (NII) (Rs. Mn)

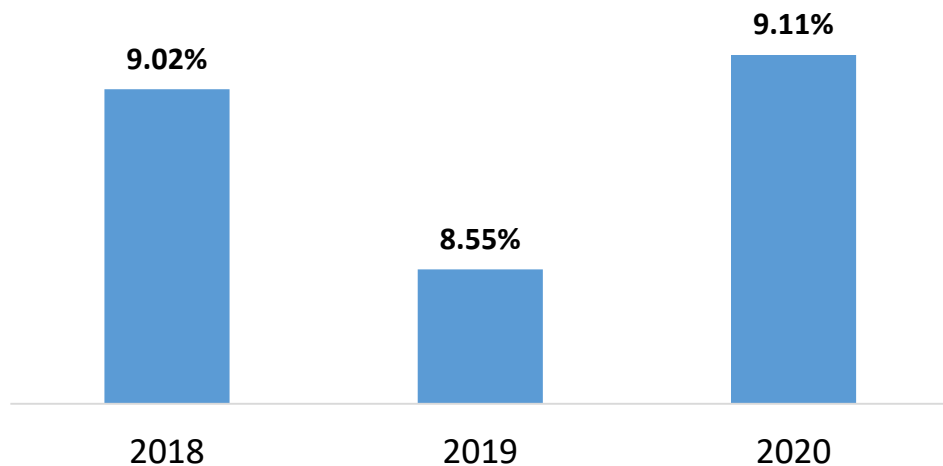


Operating Expenses to Total Average Assets

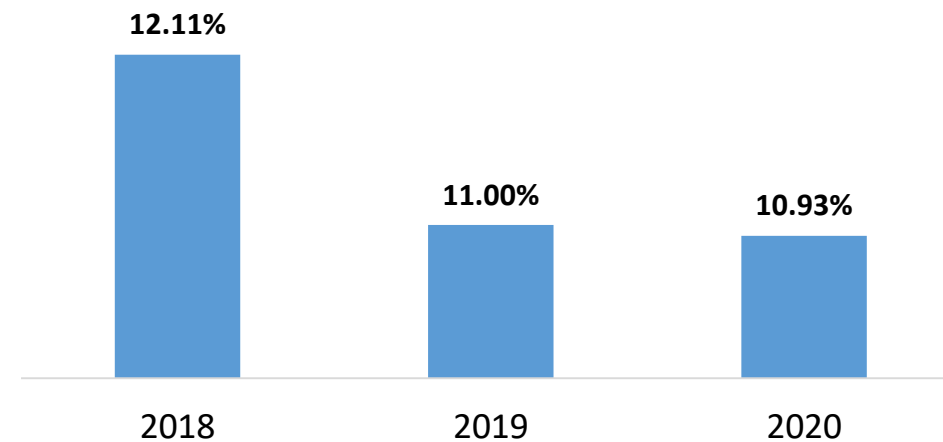


Key Ratios

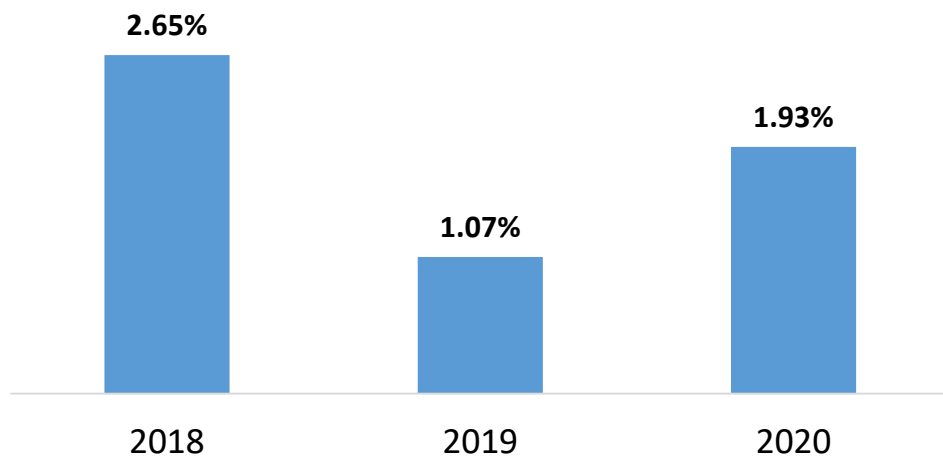
Net Interest Margin * (NIM)



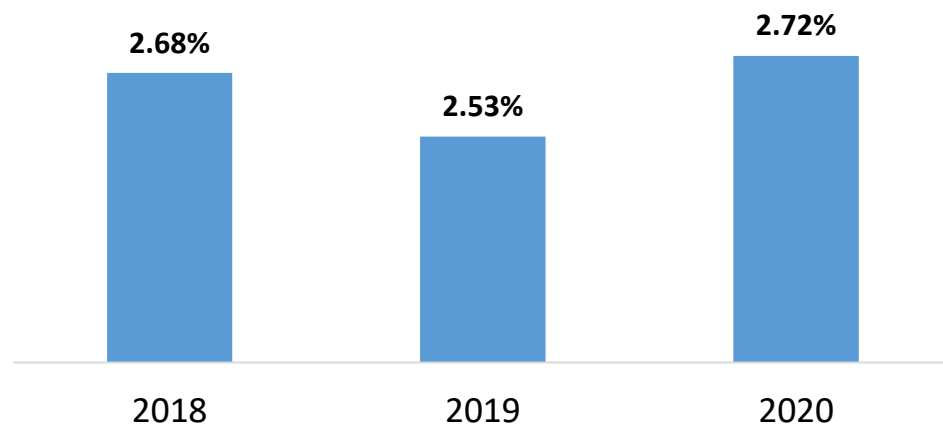
Lending spreads *



Credit cost *



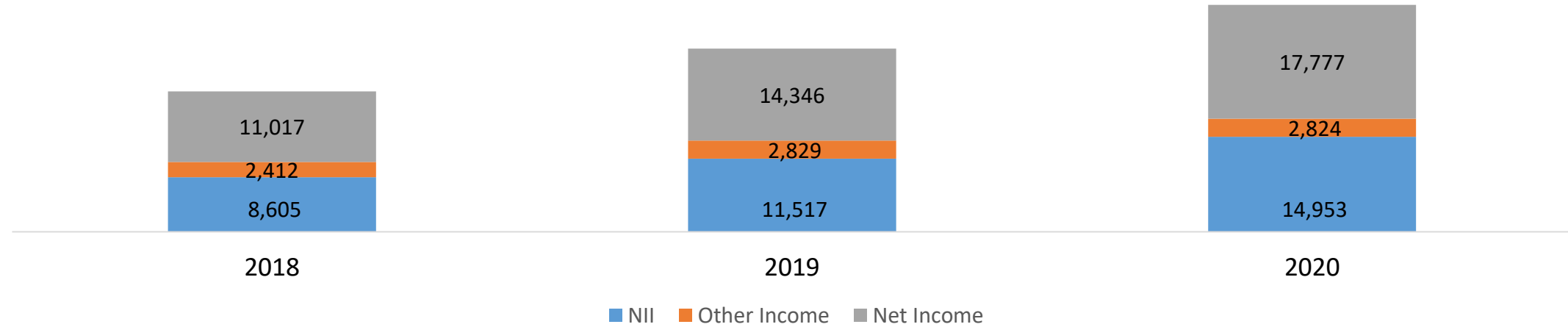
Asset Quality – Gross NPA*



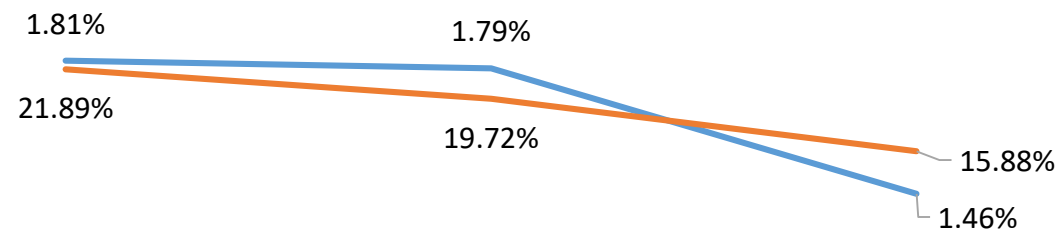
• NIM = Net interest income [excluding securitization] as a % of avg. income earning assets | Lending spread = Difference between Yield on Advances and Cost of Funds | * Credit cost = Credit Cost divided by Average Balance of Advances | GNPA including IBPC

Income Evolution

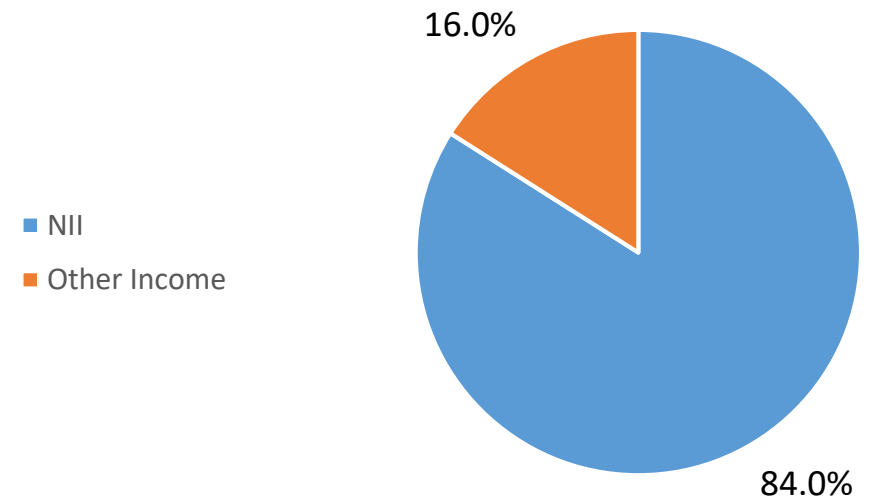
Net income evolution (in Rs. Mn)



Non-interest income * evolution



Net income composition (%) –FY20



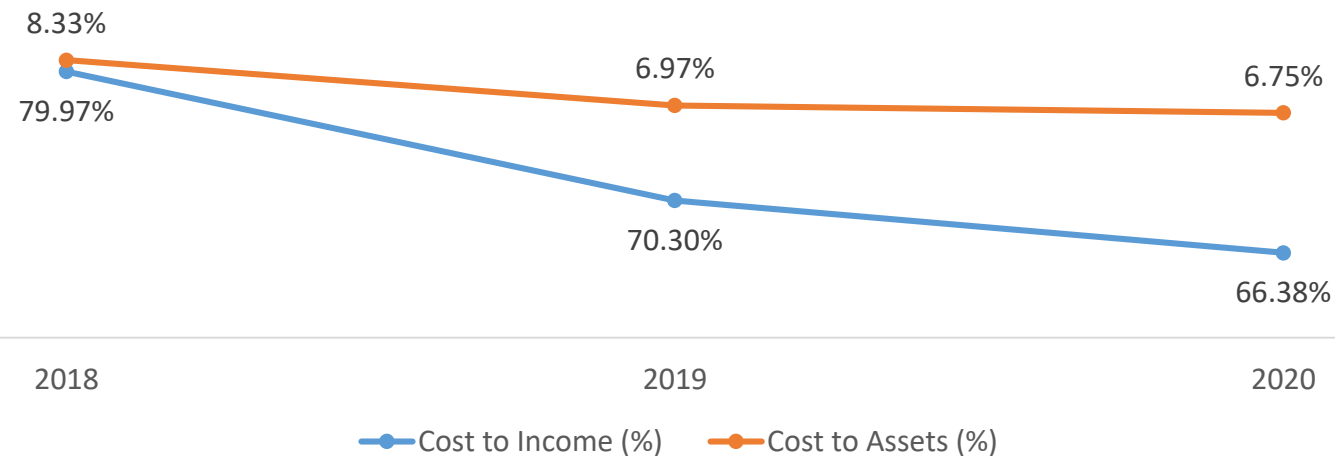
— Non Interest Income as a % of assets — Non Interest Income as a % of Net Income

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

Opex Evolution

Rs Mn	2018	2019	2020
Employee expenses	5,154.11	5,513.06	7,097.89
Other expenses	2,781.95	3,654.04	3,738.35
Depreciation	875.06	917.77	964.55
Total Operating expenses	8,811.12	10,084.87	11,800.79
No. of employees	13,490	14,608	16,104

Opex evolution

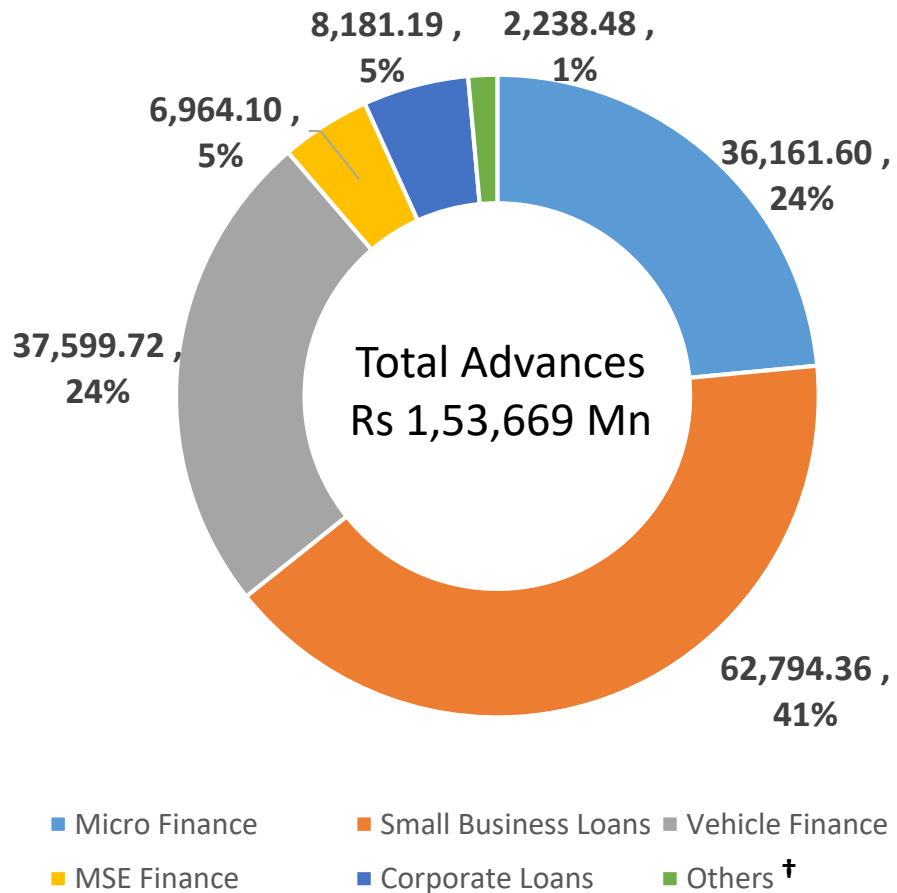


Capital Adequacy

Rs. Mn	March 2020
Total Risk Weighted Assets	112,574.81
Tier I Capital	25,260.68
Tier II Capital	1,315.06
Total Capital	26,575.74
CRAR	23.61%
Tier I CRAR	22.44%
Tier II CRAR	1.17%

Advances

Advances evolution and Diversified book



Rs Mn	2020	2019	YoY %
Micro Finance	36,161.60	30,696.02	17.81%
Small Business Loans (Incl. HF)	62,794.36	45,771.21	37.19%
Vehicle Finance	37,599.72	29,511.97	27.40%
MSE Finance	6,694.10	1,808.60	270.13%
Corporate Loans	8,181.19	4,559.65	79.43%
Others †	2,238.48	4,695.43	-52.33%
Gross Advances	1,53,669.45	1,17,042.88	31.29%

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

Advances Evolution – Product-wise

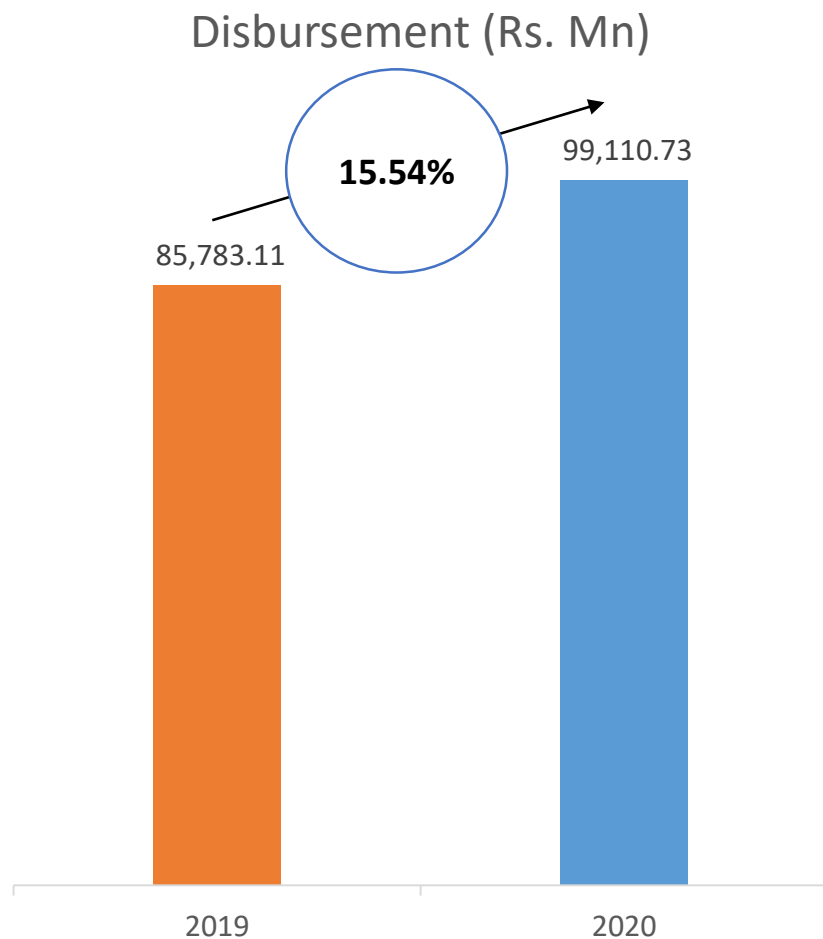
Rs Mn	2019	2020	YoY growth
Micro Finance	30,696.02	36,161.60	17.81%
Small Business Loans (Incl. HF)	45,771.21	62,794.35	37.19%
Small Business Loans	36,727.97	49,949.12	36.00%
Housing Finance	3,765.86	6,041.85	60.44%
Agri Loans	5,277.38	6,803.38	28.92%
Vehicle Finance	29,511.97	37,599.73	27.40%
Used CV	22,595.51	26,250.98	16.18%
New CV	6,916.46	11,348.75	64.08%
MSE Finance	1,808.60	6,694.10	270.13%
Corporate Loans	4,559.65	8,181.19	79.43%
Others [†]	4,695.43	2,238.48	-52.33%
Gross Advances	1,17,042.88	1,53,669.45	31.29%

Advances including IBPC † Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans

Asset Products - Details

Product Segment (as on 31 st March 2020)	GNPA (%) 2019	GNPA (%) 2020
Micro Finance	0.86%	1.16%
Small Business Loans (Incl. HF)	2.63%	2.73%
Vehicle Finance	4.00%	4.03%
MSE Finance	1.75%	1.19%
Corporate Loans	0.00%	0.00%
GNPA	2.53%	2.72%

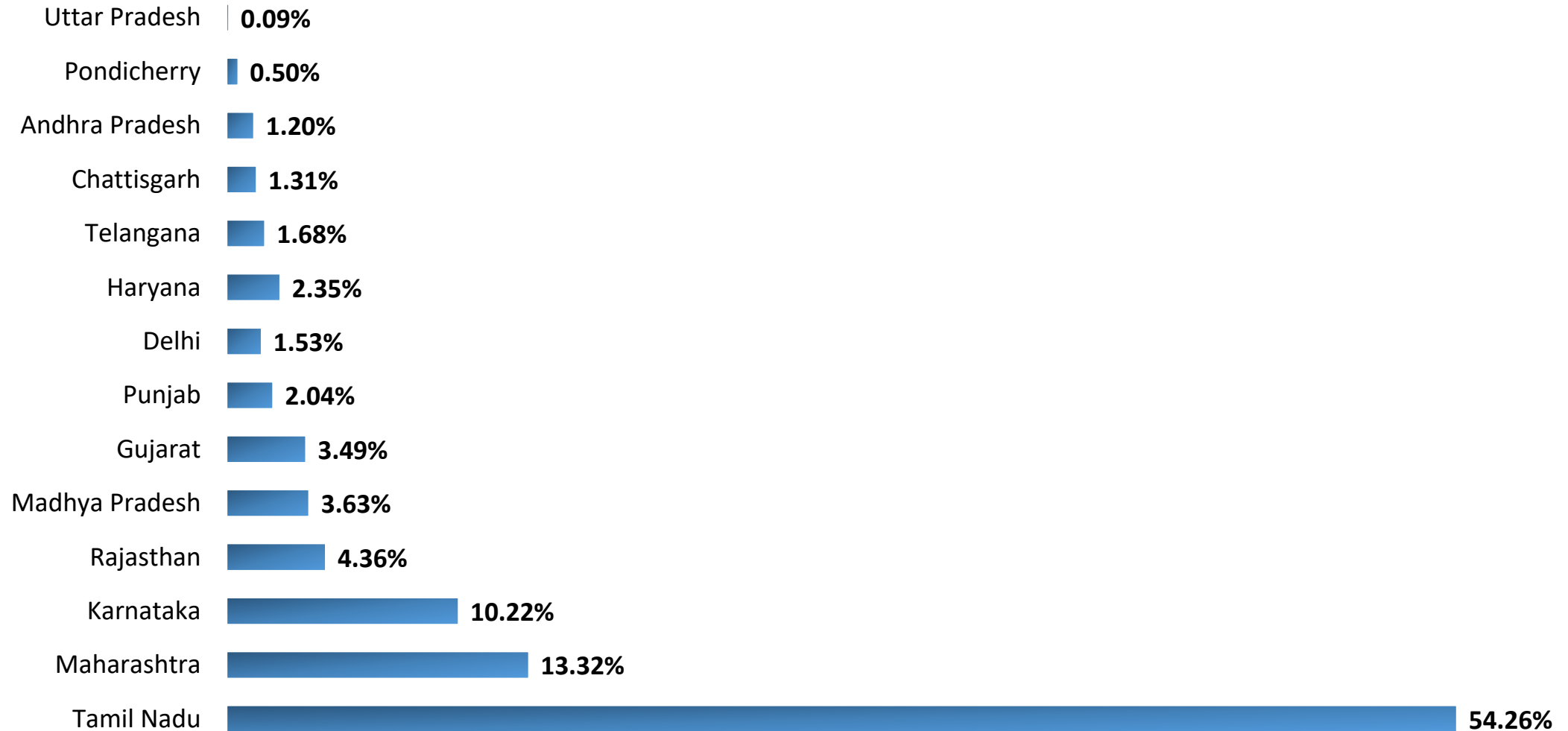
Disbursements Product-wise



Rs Mn	2019	2020	YoY Growth %
Micro Finance	29,780.53	31,692.76	6.42%
Small Business Loans (Incl. HF)	26,079.19	29,653.47	13.71%
Small Business Loans	21,203.60	23,461.04	10.65%
Housing Finance	1,690.56	3,124.50	84.82%
Agri Loans	3,185.00	3,067.93	-3.68%
Vehicle Finance	22,667.04	25,522.97	12.60%
Used CV	16,886.32	18,278.51	8.24%
New CV	5,780.72	7,244.46	25.32%
MSE Finance	2,188.04	5,733.69	162.05%
Corporate Loans	2,988.89	6,118.41	104.70%
Others [†]	2,079.41	389.43	-81.27%
Total Disbursements	85,783.11	99,110.73	15.54%

Asset Landscape

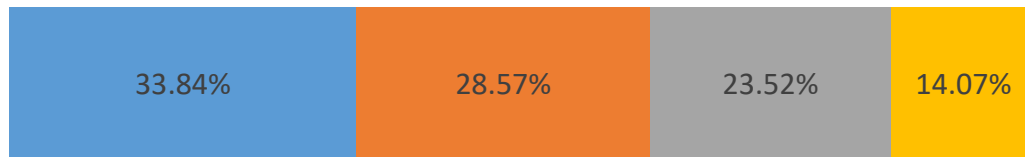
State Wise Advances (as of March 31, 2020)



Loan Profile Mix

Corporate Loans (as of March 31, 2020)

NBFC Exposure Mix



■ MFI ■ AFC ■ HFC ■ Non NBFC

Ratings Exposure



■ AA ■ A ■ BBB ■ Unrated

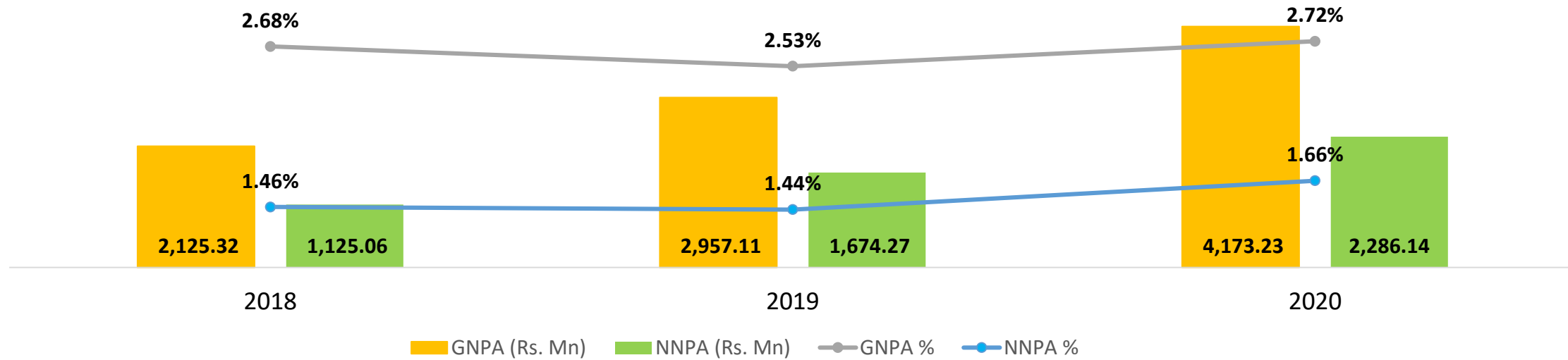
MSE Finance (as of March 31, 2020)

Working Capital Loans



■ Manufacturing ■ Trading ■ Services

Asset quality trend



Gross NPA Movement (Rs Mn)	2018	2019	2020
Opening GNPA Balance	2,064.80	2,125.32	2,957.11
Add: Additions during the period	3,442.72	3,173.00	4,093.00
Less:			
i. Upgradations	534.26	812.80	1,011.88
ii. Recoveries (excluding recoveries made from upgraded accounts)	945.63	920.70	1,149.90
iii. Technical or Prudential write-offs	1,421.12	317.58	172.70
Write-offs other than those under (iii) above	481.19	290.13	542.40
Closing GNPA Balance	2,125.32	2,957.11	4,173.23

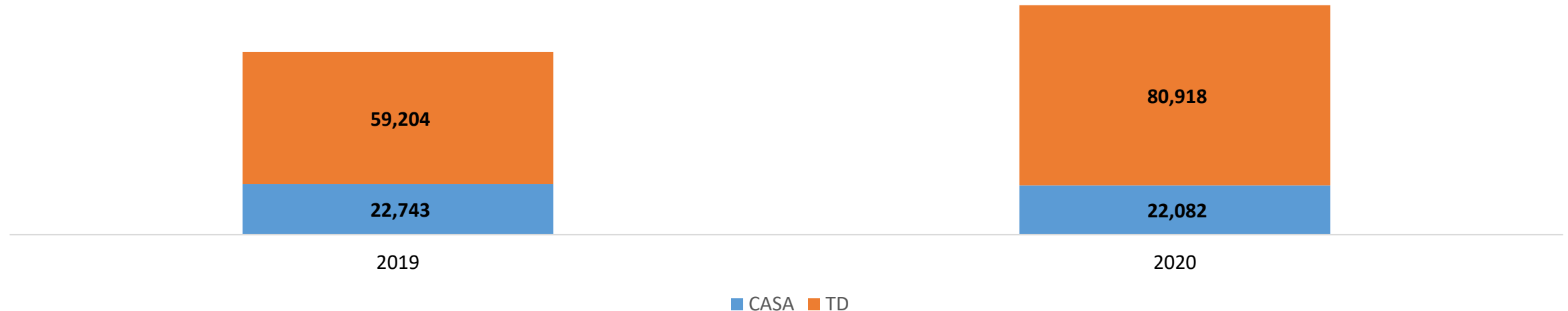
Liabilities & Branch Banking

Customer deposits evolution

Update for 2020

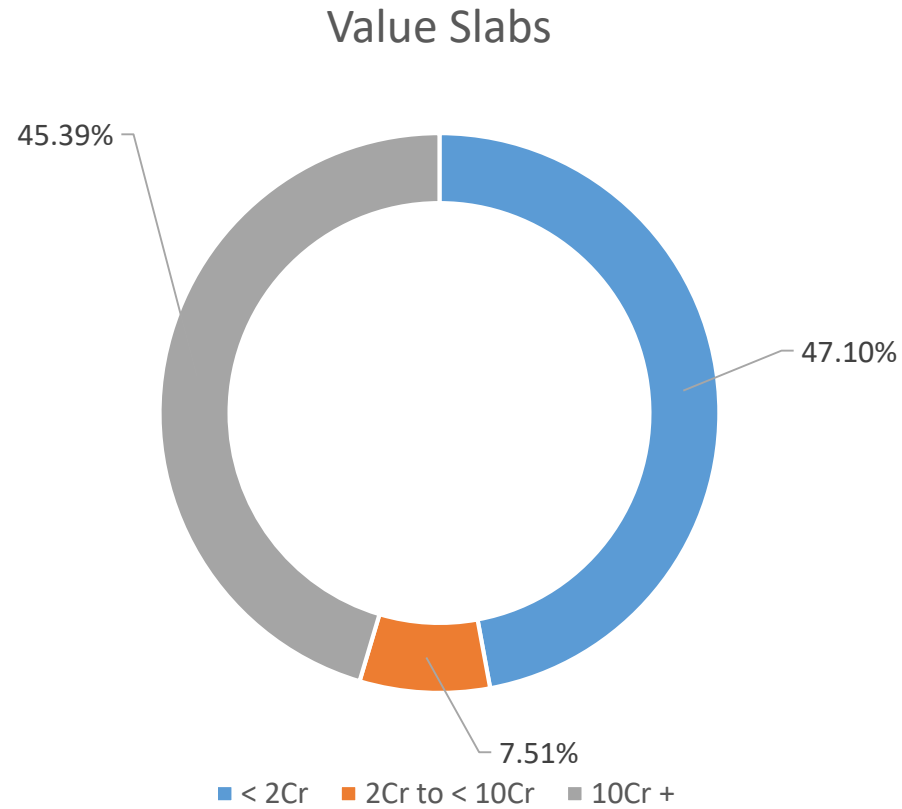
as on 31 March 2020	CA [Current Account]	SA [Savings Account]	CASA [Low cost deposits]	TD [Term Deposits]	CASA+TD [Customer Deposits]
Balance (Mn)	3,496.33	18,585.80	22,082.13	80,917.78	1,02,999.91
as a % of total borrowings (Rs. 1,59,233 Mn)	2.20%	11.67%	13.87%	50.82%	64.69%

Customer Deposits evolution (Rs. Mn)

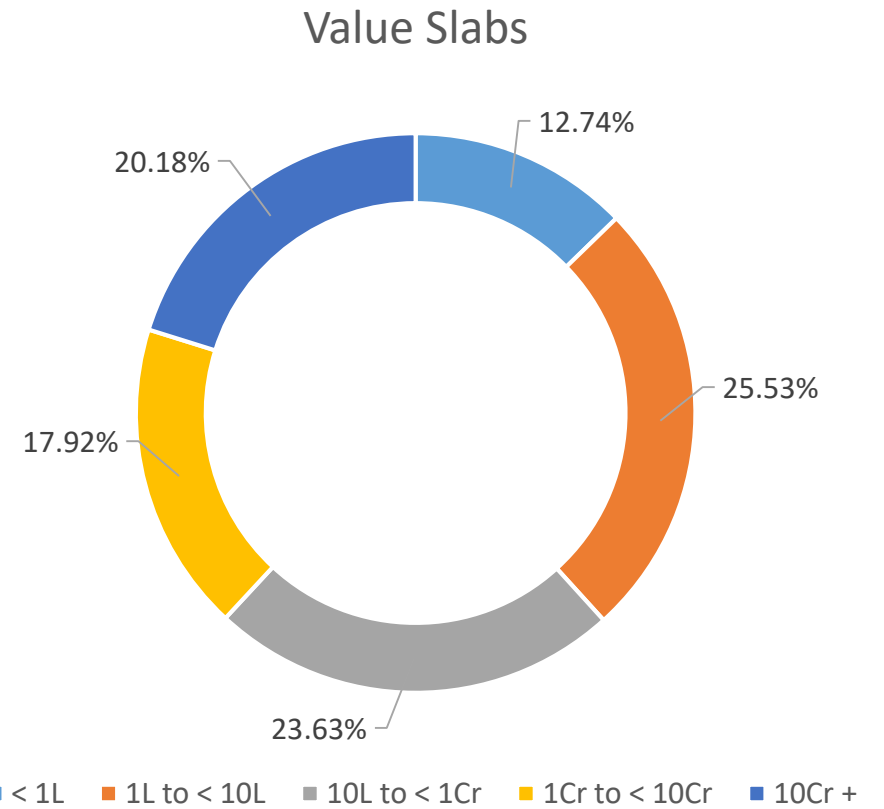


Customer Deposit Profile

(as of March 31, 2020)



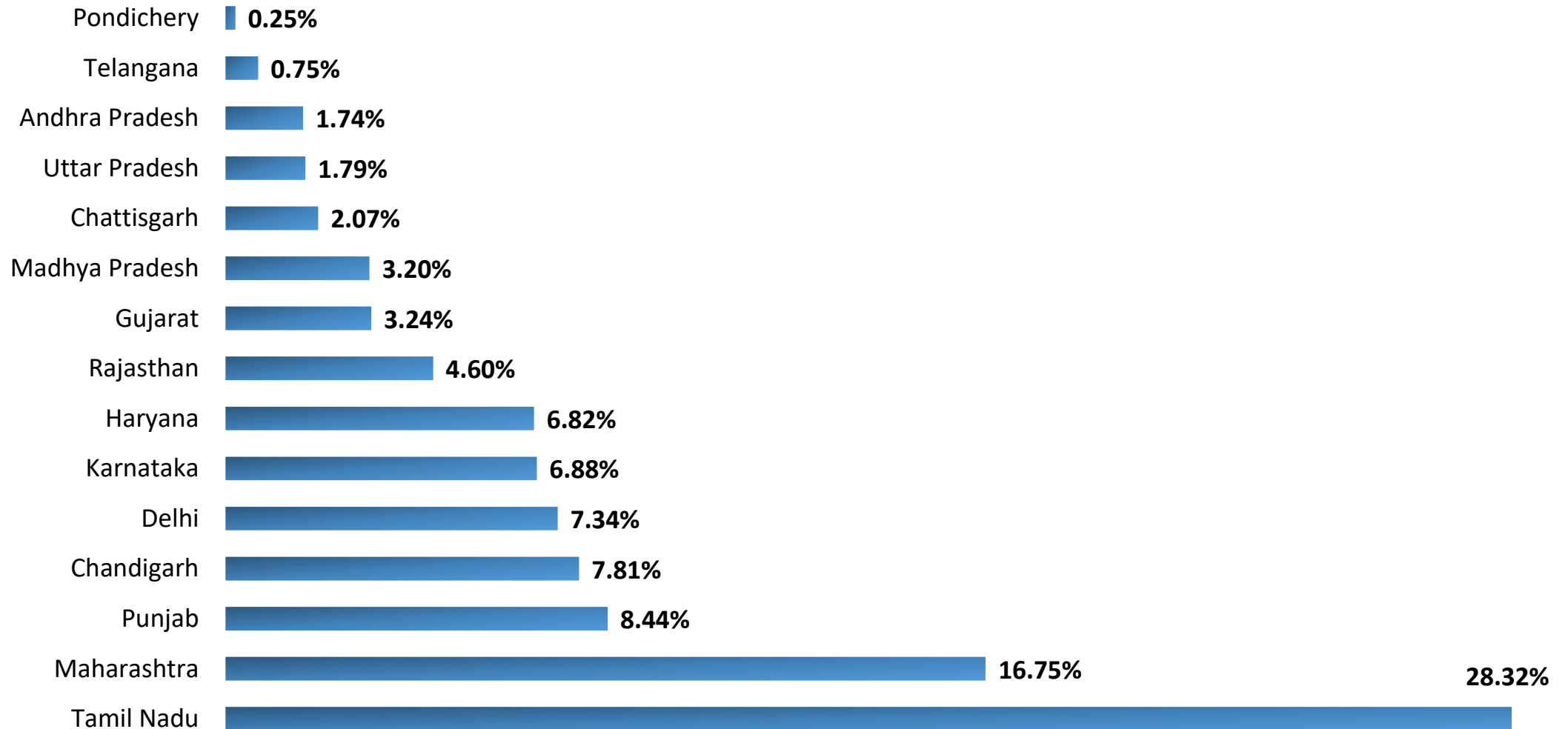
Term Deposit Mix



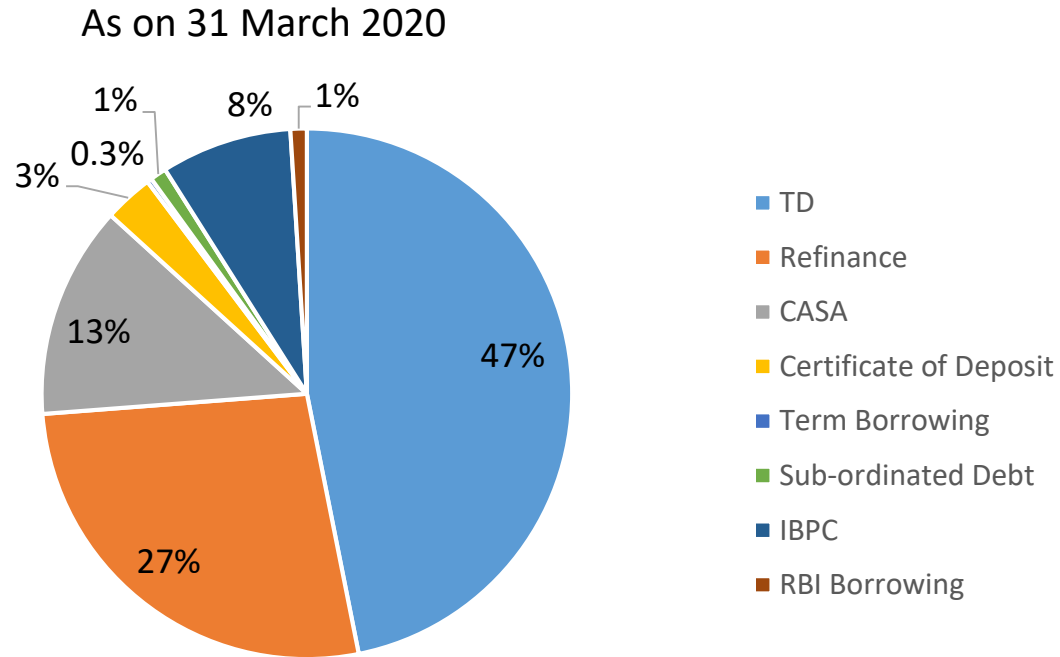
CASA Mix

Liabilities Landscape

State Wise Deposits (as of March 31, 2020)



Funding profile



In Rs Mn	March 2020
TD	80,917.78
Refinance	46,318.74
CASA	22,082.13
CD	4,884.15
Sub Debt	2,200.00
Term Borrowing	500.00
IBPC	14,500.00
RBI Borrowing	2,330.00
Total Borrowings	1,73,732.79

Period ended	CASA (Mn)	Term Deposits (Mn)	Retail Term Deposits (Mn)	Customer deposits [CASA + TD] (Mn)	CASA as a % Customer Deposits	Certificate of Deposits (Mn)	Total Deposits (Mn)
31 st Mar 19	22,743	59,204	16,363	81,947	28%	8,120	90,067
31 st Mar 20	22,082	80,918	38,113	1,03,000	21%	4,884	1,07,884

Treasury

Investments (As on 31 March 2020)

SLR Portfolio

Portfolio Category	Book Value (Rs. Mn)
Held Till Maturity (HTM)	17,828
Available for Sale (AFS)	5,045
Held for Trading (HFT)	50
Total	22,924

Non SLR Portfolio (As on 31 March 2020)

Type of Investment	Book Value (Rs. Mn)
Opening CPs/ NCDs	502
Purchases/ Subscription	Nil
Sales/ Redemption	Nil
Closing CPs/ NCDs	502

Borrowings & Liquidity

Borrowings:

- Our Bank's Certificate of Deposit (CD) programme for Rs. 20,000 Mn has highest rating from at CRISIL A1+.
- Availed refinance of Rs. 10,000 Mn during Q4FY20 (Rs. 6,000 Mn in Q3FY20). Our Bank has adequate advances to avail fresh refinance whenever required including assistance from Special Refinance Scheme announced by RBI through SIDBI / NABARD / NHB which provides strong cushion to ALM position of the Bank.
- Our Bank has undertaken Inter-Bank Participation Certificates (IBPCs) with a mix of PSL/Non-PSL advances which further enhances the liquidity of the Bank.
- Liquidity Coverage Ratio (LCR) as on 31.03.2020 at 133.2% much above the minimum regulatory requirement of LCR at 90%

Liquidity:

- Total Investment Portfolio comprises SLR of Rs. 22,924 Mn (Book Value) and Non SLR of Rs.502 Mn.

Financials

Balance Sheet

Particulars (in Rs Mn)	Mar-20	Mar-19	YoY %
Capital & Liabilities			
Capital	10,534.02	10,059.43	4.72%
Reserves & Surplus	16,907.47	12,483.75	35.44%
Networth	27,441.49	22,543.18	21.73%
Deposits	1,07,884.05	90,067.36	19.78%
Borrowings	51,348.74	39,730.26	29.24%
Other Liabilities & Provision	6,471.19	5286.11	22.42%
Total	1,93,145.47	1,57,626.91	22.53%
Assets			
Cash and Balances With Reserve Bank of India	3,808.64	4,027.04	-5.42%
Balances With Banks and Money At Call and Short Notice	21,559.79	8,579.12	151.31%
Investments	23,425.06	23,444.54	-0.08%
Advances	1,37,472.42	1,15,950.04	18.56%
Fixed Assets	2,127.69	2,373.36	-10.35%
Other Assets	4,751.87	3,252.81	46.09%
Total	1,93,145.47	1,57,626.91	22.53%
AUM	1,53,669.45	1,17,042.88	31.29%

Profit & Loss Statement

Particulars (in Rs Mn)	2020	2019	YoY %
Interest Income from Loans	24,200.07	18,236.56	32.70%
Interest Income on Fixed Deposits with Banks	1,576.52	2,579.61	-38.89%
Interest Income on SLR & Non SLR Investment and Call Money	677.86	303.17	123.59%
Total Interest Income	26,454.45	21,119.34	25.26%
Finance Cost			
Interest on deposits	7,381.19	5,097.01	44.81%
Interest on RBI / inter-bank borrowings	273.28	529.30	-48.37%
Other interest	3,846.92	3,975.70	-3.24%
Net Finance Cost	11,501.39	9,602.01	19.78%
Net Interest Income	14,953.06	11,517.33	29.83%
Other Income			
Processing and Other Fees	1,780.77	1,656.70	7.49%
Interest on Securitization / Assignment	99.99	283.66	-64.75%
PSLC Fee Income	223.35	281.54	-20.67%
Gain on Sale of G-Secs	33.77	32.73	3.19%
ATM Acquirer Fee Income & TPP Income	302.08	253.19	19.31%
Others	383.56	321.16	19.43%
Total Other Income	2,823.52	2,828.98	-0.19%

Profit & Loss Statement

Particulars (in Rs Mn)	2020	2019	YoY %
Net Income	17,776.58	14,346.31	23.91%
Employee Cost	7,097.89	5,513.06	28.75%
Opex	4,702.90	4,571.80	2.87%
Total Operating Expenditure	11,800.79	10,084.86	17.01%
PBT before provision & Write-off	5,975.79	4,261.45	40.23%
Credit Cost	2,466.39	1,024.08	140.84%
PBT	3,509.40	3,237.36	8.40%
Taxes	1,073.05	1,131.71	-5.18%
PAT	2,436.35	2,105.66	15.70%

Key Ratio

Key Ratio	2018	2019	2020
Yield on "On book" Advances	16.05%	15.68%	18.90%
Cost of funds	8.36%	8.13%	7.97%
Lending spread	12.11%	11.00%	10.93%
NIM on Interest Earning assets	9.02%	8.55%	9.11%
GNPA	2.68%	2.53%	2.72%
Credit Cost	2.65%	1.07%	1.93%
Provision Coverage	47.07%	43.38%	45.22%
NNPA	1.46%	1.44%	1.66%
ROA	0.30%	1.45%	1.39%
ROE	1.57%	9.85%	9.84%

Notes: NIM on Interest Earning Assets = Net interest income [excluding securitization] as a % of avg. income earning assets | Lending spread = [Yield on "On book" advances in %] – [Cost of Funds in %] | Credit Cost = Provision cost as a % of average 'On Book' advances | GNPA = including IBPC

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