



Equitas Holdings Limited

Q3FY20 results

Equitas Small Finance Bank posts advances growth of 37% YoY

Cost to Income improved by 280 bps to 66.24% in Q3FY20

PAT for Q3FY20 up 51% YoY at Rs. 94 Cr

ESFB Quarterly Highlights (iGAAP):

1. Key Highlights for Q3FY20:

- **Advances:**
 - Disbursement for the quarter grew 36% YoY
 - Advances grew 37% YoY
 - Micro Finance stands at 24% of total advances; 75% of the overall advances is secured loans.

- **Liabilities:**
 - Retail TD at Rs. 3,075 Cr in Q3FY20 has grown 153% YoY
 - Total Deposits crossed Rs. 10,400 Cr
 - Customer Deposits as a % of Total Borrowings stands at a 64%
 - CASA stood at Rs. 2,196 Cr, CASA ratio at 23%
 - Launched Equitas Elite, a priority banking & wealth management programme. We have enrolled about 1,700 clients into this programme within the first 2 months of launch
 - We issued 80,928 FASTags during the quarter. NPCI has approved the Bank on acquiring of toll plazas as an Acquirer. We have completed POC with AIROLI toll Plaza in Mumbai
 - Appointed Mr. Murali Vaidyanathan as President & Country Head – Branch Banking, Liabilities, Product & Wealth. Earlier he served as EVP – Business Head (Merchant Acquiring), Product Head – CASA/ Segments & Programs at Kotak Mahindra Bank.

^ All ESFB numbers in this document are on iGAAP basis unless specified. | NIM = Net interest income as a % of avg. income earning assets | Customer Deposits = Deposits excluding CD | *Cost to income ratio is calculated as a ratio of Operating expenses divided by Net Operating Income (Net Operating Income is a sum of net interest income and other income) ^RoA – ratio of the net profit for the period/ to the average assets | #Ratio of the net profit for the period/ to the average shareholders' Equity | §GNPA including IBPC. All ESFB numbers are based on management report and are not subject to audit

- **Operating Leverage:**
 - Cost to Income* improved by 280 basis points from 69.06% in Q2FY20 to 66.24% in Q3FY20
 - Improvement in RoA[^] and RoE[#] at 2.11% and 14.86% respectively vs. 1.12% & 8.14% in Q2FY20 and 1.72% & 11.53% in Q3FY19
- **RBI Approval on new banking outlets:**
 - RBI has permitted us to open 12 new branches, 86 business correspondents (URC) and conversion of 142 asset centres to banking outlets
- **Marketing & Branding Activities:**
 - Several activities were conducted in Q3FY20 at branch catchment areas across the country
 - Generated leads and website traffic increased due to Branch BTL Activities and Digital Campaigns
 - #Equitasbankturns3, wins the “Marketing Campaign of the year” award presented by World Marketing Congress

2. Quarterly Profit & Loss:

- Net Interest Income grew by 23% YoY to Rs. 384 cr, NIM* at 9.17%
- Provisions and loan loss charges at Rs. 40.5 cr. PCR stood at 43.44%
- PAT up 51% YoY to Rs. 94 Cr vs. Rs. 62 cr in Q3FY19

3. Balance Sheet:

- Advances grew 37% YoY to Rs. 14,615 cr
 - Micro Finance grew 19% YoY to Rs. 3,504 cr
 - Small Business Loans (Incl. HF) grew 45% YoY to Rs. 5,930 cr
 - Vehicle Finance grew 32% YoY to Rs. 3,587 cr
 - MSE Finance grew 448% YoY to Rs. 563 cr
 - Corporate Loans grew 97% YoY to Rs. 760 cr

4. Asset Quality:

- GNPA[§] at 2.86% as compared to 2.86% in Q2FY20 and 3.14% in Q3FY19
- NNPA at 1.73% as compared to 1.63% in Q2FY20 and 1.77% in Q3FY19

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Equitas Holdings Limited [EHL],

Summary of Consolidated IND-AS Financial Performance – 9MFY20:

- Total Income of Rs. 2,131 Cr in 9MFY20 as compared to Rs. 1,738 Cr in 9MFY19
- PAT of Rs. 191 Cr in 9MFY20 as compared to Rs. 134 Cr in 9MFY19

Results Conference Call Details

We will hold an earnings conference call on 31st January 2020, Friday at 08:30 am IST to discuss quarterly performance. Transcript of the call will be available later in the Investor Relations section of our website <https://www.equitas.in/>

Please dial the numbers at least 5-10 minutes prior to the conference schedule to ensure that you are connected on time.

Conference Call Primary Number: +91 22 6280 1102/ +91 70456 71221

About Equitas Holdings Limited [EHL]

Equitas Holdings Limited ('the Company') is a Non-Deposit Taking Systemically Important - Core Investment Company – (CIC-ND-SI) registered with The Reserve Bank of India. The main objects of EHL are interalia (i) to carry on business of investment company/finance Company, and (ii) to carry on business of holding company and to invest in subsidiary companies

The Company has the following Subsidiaries:

- Equitas Small Finance Bank Limited, licensed under Section 22 of the Banking Regulations Act, 1949 to carry on the business of small finance bank;
- Equitas Technologies Private Limited [ETPL], a Company registered under the Companies Act, 2013 engaged in the business of freight aggregation.

About Equitas Small Finance Bank Limited [ESFBL]

Equitas Small Finance Bank Limited is the largest SFB in India in terms of number of banking outlets, and the second largest SFB in India in terms of assets under management and total deposits in Fiscal 2019. (Source: CRISIL report). Its focus customer segments include individuals with limited access to formal financing channels on account of their informal, variable and cash-based income profile. It offers a range of financial products and services that address the specific requirements of these customer segments by taking into account their income profile, nature of business and type of security available. Its asset products are suited to a range of customers with varying profiles.

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Disclaimer:

Equitas Small Finance Bank Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed a draft red herring prospectus dated December 16, 2019 (“DRHP”) with the Securities and Exchange Board of India. The DRHP is available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the book running lead managers, JM Financial Limited, Edelweiss Financial Services Limited and IIFL Securities Limited, at www.jmfl.com, www.edelweissfin.com and www.iiflcap.com respectively, the website of the National Stock Exchange of India Limited at www.nseindia.com and the website of the BSE Limited at www.bseindia.com, respectively. Investors should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the RHP 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 SEBI in making any investment decision. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act, “Rule 144A”) in transactions exempt from, or not subject to, registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and pursuant to the applicable laws of the jurisdictions where those offers and sales are made. There will be no public offering of the Equity Shares in the United States.

For further details, contact:

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