



# EQUITAS HOLDINGS LIMITED

## Q2 FY19 results

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

November 02, 2018

### **Equitas posted healthy advances growth of 36% YoY PAT of ₹ 49.7 Cr in Q2, more than tripled from previous year**

Equitas Holdings Limited [EHL] announced the Un-Audited Consolidated results for quarter and half year ended September 30, 2018:

#### **1. Key Highlights for Q2FY19**

##### ***Sustained Earnings Delivery with improving efficiency:***

- NII grew 22% YoY to ₹ 277 cr, NIMs\* stable at 7.7%
- Profit before Provision grew 142% to ₹ 108 cr, cost to income improved to 68.51% as compared to 75.9% previous quarter
- PAT grew 356% YoY to ₹ 49.7 cr as compared to ₹ 10.9 cr in Q2FY18

##### ***Robust advances growth across product segments:***

- Advances grew 36% YoY to ₹ 9,981 cr with stable growth across segments
- Non-Micro Finance lending products constituted 73% of total portfolio
- Total deposits\* grew by 90% YoY to ₹ 5,698 cr. CASA ratio at 35%
- Customer Deposits as a % of Total Borrowings stands at a healthy 50.3% vs. 49.2% sequentially
- Capital Adequacy remains healthy at 23.84% with Tier I ratio at 22.27%

##### ***Increase in GNPA as Bank proactively moves to Daily recognition of GNPA from Month end NPA recognition.***

- During 1HFY19, non-performing assets are identified on a daily basis instead of month end. Equitas Small Finance Bank is among the few who have proactively moved to this methodology of GNPA recognition.
- Under the earlier practice of recognition of NPA, the GNPA as of Sep 2018 was 2.73%, down from 2.84% in June 2018.
- However, under the new practice of daily recognition of NPA, the GNPA as of Sep 2018 stands at 3.36%.
- This had an additional provision and income reversal impact of ₹ 12.28 Cr at PBT level

\*Total Deposits excluding CD's / NIM = Net interest income as a % of avg. income earning assets

**Comfortable Liquidity position:** Liquidity Coverage Ratio (LCR) is maintained at well above 100%. Bank maintains a “comfortable” outlook on liquidity in the near term.

## 2. Profit & Loss: **Sustained Earnings Delivery with improving efficiency**

- Net Interest Income grew by 22% YoY to ₹ 277 cr, NIMs\* stable at 7.7%
- Non-Interest Income as a % of assets stood at 1.80% and Non-Interest Income as a % of Net Income stood at 19%
- Liability fee as a % of total Non-Interest Income stood at 23%
- Other Income grew by 90% YoY to ₹ 65 cr
- Cost to Income ratio improved to 68.5% vs. 75.9% sequentially
- Cost to Assets stood at 6.50%
- Provisions at ₹ 112 cr, an increase of ₹ 9 Cr is attributed to the change in GNPA recognition from Month end to Daily. PCR stood at 41%.
- PAT grew 3.5 times over previous year. PAT at ₹ 49.7 cr as compared to ₹ 10.9 cr in Q2FY18
- Return ratios for Q2FY19: **ROA at 1.37%. ROE at 8.50%**

## 3. Balance Sheet: **Robust advances growth across all products.**

### **Advances:**

- Advances grew 36% YoY to ₹ 9,981 cr with stable growth across segments
  - Micro Finance grew 2% YoY to ₹ 2,703 cr
  - Small Business Loans (Incl. HF) grew 69% YoY to ₹ 3,751 cr
  - Vehicle Finance grew 21% YoY to ₹ 2,502 cr
  - MSE Finance (Incl. BL) grew 111% YoY to ₹522 cr
  - Corporate Loans grew 378% YoY to ₹ 392 cr
  - Others (including Loan against Gold) grew 112% YoY to ₹ 110 cr
- Disbursements grew 14% sequentially to ₹ 2,171 cr

## 4. Liabilities & Branch Banking:

- Total deposits grew by 90% YoY to ₹ 5,698 cr. CASA ratio at 34%
- CASA and Term Deposits as a % of Total Borrowings stands at a healthy 50.3%.
- Retail momentum picks up
  - No of Retail Term deposits accounts stood at 45,706 vs. 17,127 in FY18
  - Retail Term deposits stood at ₹ 1,400 cr vs. ₹ 965 cr in FY18
  - No of CASA customers stood at 387,446 as compared to 266,019 in FY18
  - CASA stood at ₹ 1,973 cr representing 18% of total borrowing
- Credit to Total deposits stood at 136%
- Debit card spends crossed Rs 200 crs since inception

- Third party distribution contribution improves. Bank mobilises over ₹ 78 cr in Insurance premium for the half year stood. Mutual Fund Assets under management crosses ₹ 60 cr.

#### **5. Digital Payments:**

- UPI - Done over a Million Transactions in the current FY with a volume through put of Rs. 277 crs, ATS 2632
- AEPS - Started Micro ATM transactions through BC agents handling Monthly transaction volume of over 35,000 plus transactions, ATS is 2200
- NACH - Handle a monthly Transaction Volume of 1.20 lakh plus

#### **Results Conference Call Details**

*We will hold an earnings conference call on 5<sup>th</sup> November 2018, Monday at 02:00 pm 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 activity of the Company is making investment in subsidiary companies and providing loans to them. It has no other operations.

The Company has the following Wholly Owned 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 a Small Finance Bank (SFB), licensed by Reserve Bank of India under Section 22 of the Banking Regulation Act, 1949 to carry on the business of Small Finance Bank. The Bank commenced the business of SFB on September 5, 2016. It is the first Private Sector Bank from Tamil Nadu to commence operations post Indian Independence.

ESFBL, with pan India operations, is focussed on providing financing solutions for individuals and micro and small enterprises (MSEs) that are underserved by formal financing channels while providing a comprehensive banking and digital platform for all.

True to its tag line – “Fun Banking”, the bank offers customized savings products with a focus towards giving children, youth, families and entrepreneurs across India, a new and a fun way to bank.

For further details, contact:

Investor Relations Team Email – <a href="mailto:ir@equitasbank.com">ir@equitasbank.com</a> Spencer Plaza, 4th Floor, Phase II, # 769, Anna Salai, Chennai -600002
--

## Annexure: Consolidated Unaudited Profit & Loss Statement

Particulars (in Rs Cr)	Q2FY19	Q2FY18	YoY%	Q1FY19	QoQ%
<b>Interest Income</b>					
Income from Loan	443.11	342.86	29%	397.88	11%
Income from Treasury	90.15	45.10	100%	84.39	7%
<b>Total Interest Income</b>	<b>533.25</b>	<b>387.96</b>	<b>37%</b>	<b>482.27</b>	<b>11%</b>
Finance Cost	256.19	160.21	60%	227.89	12%
<b>Net Interest Income</b>	<b>277.07</b>	<b>227.74</b>	<b>22%</b>	<b>254.38</b>	<b>9%</b>
<b>Other Income</b>					
Assets Fee Income	42.81	26.55	61%	38.15	12%
PSLC Income	7.04	-	-	7.04	-
Liabilities Fee Income	14.72	7.43	98%	13.01	13%
Gain/Loss on Sale of Investment	0.16	0.16	3%	2.97	-95%
<b>Total Other Income</b>	<b>64.73</b>	<b>34.14</b>	<b>90%</b>	<b>61.17</b>	<b>6%</b>
<b>Net Income</b>	<b>341.79</b>	<b>261.89</b>	<b>31%</b>	<b>315.55</b>	<b>8%</b>
<b>Operating Expenditure</b>					
Employee Cost	135.52	130.29	4%	138.14	-2%
Other Admin Cost	75.52	64.80	17%	78.81	-4%
Depreciation	23.11	22.36	3%	22.53	3%
<b>Total Opex</b>	<b>234.15</b>	<b>217.45</b>	<b>8%</b>	<b>239.48</b>	<b>-2%</b>
<b>Profit Before Provision</b>	<b>107.64</b>	<b>44.44</b>	<b>142%</b>	<b>76.07</b>	<b>42%</b>
Loan Loss Provision and Write off	30.51	27.00	13%	20.90	46%
<b>Profit Before Tax</b>	<b>77.13</b>	<b>17.43</b>	<b>342%</b>	<b>55.17</b>	<b>40%</b>
Tax	27.42	6.52	321%	19.78	39%
<b>Profit after Tax</b>	<b>49.71</b>	<b>10.91</b>	<b>356%</b>	<b>35.38</b>	<b>41%</b>