

February 11, 2022

To,

BSE Limited

Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalai Street,
Mumbai-400001

Dear Sir/Madam,

Subject: Submission of financial results under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Scrip Code: 956462, 957863, 957864 and 959025

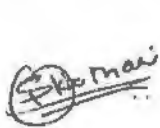
Pursuant to the provisions of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we would like to inform you that the Board of Directors of Fincare Small Finance Bank Limited at their meeting held on February 11, 2022 has approved the unaudited financial results of the Company for the quarter ended December 31, 2021.

Please find enclosed herewith the unaudited financial results of the Company for the quarter ended December 31, 2021 along with the limited review report by the Statutory Auditors.

You are requested to take the same on your records.

Yours faithfully,

For Fincare Small Finance Bank Limited



Shefaly Kothari

Company Secretary and Compliance Officer

FINCARE SMALL FINANCE BANK LIMITED

Registered Office: 301-306, 3rd Floor, ABHIJEET -V, Opp. Mayor's Bungalow, Law Garden Road, Mithakhali, Ahmedabad-380006, Gujarat

Corporate Office: #835/39 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bengaluru-560035, Karnataka

CIN: U67120GJ1995PLC025373 Website: www.fincarebank.com Email: sfbcompsec@fincarebank.com Tel: 080-42504444

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Bank Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Fincare Small Finance Bank
5th Floor, Bren Mercury
Kalkondanahalli, Sarjapur Main Road
Bengaluru, 560035**

1. We have reviewed the accompanying statement of unaudited financial results of Fincare Small Finance Bank (the "Bank") for the quarter ended December 31, 2021 and year to date from April 01, 2021 to December 31, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Bank's Management and approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, "Interim Financial Reporting" (AS 25) prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the relevant guidelines and directions issued by Reserve Bank of India (the "RBI Guidelines"), other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Bank's Board of Directors. Our responsibility is to express a conclusion 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, 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.
5. We draw attention to note 5 of the accompanying Statement, which describes the uncertainty continued to be caused by Covid-19 pandemic and related events which could impact the Bank's operations and financial metrics including provisions which are dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. The figures for the previous quarter ended December 31, 2020, as reported in these unaudited financial results have been approved by the Bank's Board of Directors, but have not been subjected to a review or audit.
7. The comparative financial information of the Bank for year to date figures for nine months period ended December 31, 2020, included in these financial results, were audited by the predecessor auditor who expressed an unmodified opinion dated April 28, 2021. The financial statements of the Bank for the year ended March 31, 2021 were also audited by predecessor auditor who expressed an unmodified opinion dated June 14, 2021.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**Sarvesh
Warty**

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per Sarvesh Warty

Partner

Membership No.: 121411

UDIN: 22121411ABJOUH7477

Place: Mumbai

Date: February 11, 2022

Fincare Small Finance Bank Limited
Unaudited Profit and Loss account for the quarter and nine months ended 31 December 2021

(All amounts in ₹ lakhs except otherwise stated)

Particulars	Quarter ended 31 December 2021	Quarter ended 30 September 2021	Quarter ended 31 December 2020	Nine months ended 31 December 2021	Nine months ended 31 December 2020	Year ended 31 March 2021
	Un-audited	Un-audited	Un-audited	Un-audited	Audited	Audited
1 Interest earned (a)+(b)+(c)+(d)	37,402	34,532	29,909	105,540	93,955	125,103
a Interest/discount on advances/bills	34,552	31,349	27,357	86,598	86,127	114,828
b Income on investments	2,310	2,424	1,739	6,773	5,105	6,852
c Interest on balances with Reserve Bank of India and other interbank funds	522	756	695	2,147	2,562	3,261
d Others	18	3	118	22	161	162
2 Others Income	5,354	4,616	2,733	12,686	6,752	12,738
3 Total Income (1+2)	42,756	39,148	32,642	118,226	99,707	137,841
4 Interest Expended	14,174	14,274	13,414	42,374	41,879	55,009
5 Operating Expenses (f)+(g)	16,666	15,701	12,193	46,160	33,452	46,324
i Employees cost	10,523	10,300	7,814	30,091	21,056	28,919
ii Other operating expenses	6,143	5,401	4,379	16,069	12,396	17,405
6 Total Expenditure (4+5) (excluding Provisions and Contingencies)	30,840	29,975	25,607	88,534	75,331	101,333
7 Operating Profit (3-6) (Profit before Provisions & Contingencies)	11,916	9,173	7,035	29,692	24,376	36,508
8 Provisions (other than tax) and Contingencies	21,326	8,172	5,261	35,844	10,886	21,866
9 Exceptional Items	-	-	-	-	-	-
10 Net Profit from Ordinary activity before Tax (7-8-9)	(9,410)	1,001	1,754	(6,152)	13,490	14,642
11 Tax Expenses	(2,233)	214	407	(1,494)	3,097	3,328
12 Net Profit from Ordinary activity after Tax (10-11)	(7,177)	787	1,347	(4,658)	10,393	11,314
13 Extra-ordinary Item	-	-	-	-	-	-
14 Net Profit/Loss for the period (12-13)	(7,177)	787	1,347	(4,658)	10,393	11,314
15 Paid-up equity share capital	22,078	22,078	6,361	22,078	6,361	6,361
16 Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	-	-	-	-	-	95,330
17 Analytical Ratios						
i Percentage of shares held by Government of India	-	-	-	-	-	-
ii Capital Adequacy Ratio	24.46%	28.06%	28.90%	24.46%	28.90%	29.56%
iii Earning per share						
(a) Basic	(3.07)	0.34	0.68	(2.01)	5.09	5.55
(b) Diluted	(3.07)	0.34	0.66	(2.01)	5.09	5.55
iv Non-Performing Assets						
(a) Amount of gross non-performing assets	80,496	50,782	18,123	60,496	18,123	35,359
(b) Amount of net non-performing assets	25,277	26,627	9,723	25,277	9,723	14,841
(c) % of gross NPAs	8.91%	8.04%	3.46%	8.91%	3.46%	6.42%
(d) % of net NPAs	3.93%	4.38%	1.88%	3.93%	1.88%	2.80%
v Return on Assets (annualised)	(3.04%)	1.02%	0.69%	(0.69%)	1.33%	1.44%
vi Net worth (Refer Note 14.a)	105,717	114,210	95,418	105,717	95,418	95,038
vii Outstanding Redeemable Preference Share	-	-	-	-	-	-
viii Debt Equity Ratio (Refer Note 14.b)	1.84	1.54	1.05	1.84	1.05	1.38
ix Total debt to total asset (Refer Note 14.c)	0.22	0.20	0.14	0.22	0.14	0.18

Notes

- The above financial results for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on February 11, 2022. An unmodified report has been issued by S.R Balibol & Associates LLP for the quarter and nine months ended December 31, 2021. The Financial Results for the nine months ended December 31, 2020 and for the year ended March 31, 2021 were audited by Walker Chandok & Co LLP. The Financials Results for the quarter ended 31 December 2020 were reviewed and approved by the Management.
- "Other Income" includes income from non-fund based activities such as brokerage and commission, profit / loss on sale of Investments (net), profit / loss on revaluation of Investment (net) and income from sale of Priority Sector Lending Certificates.
- During the quarter ended December 31, 2021, the Bank has received approval from RBI to grant stock options of 265,748 shares under Employee Stock Option Scheme to MD & CEO for FY 2021. Further, the total No. of options granted / outstanding as on December 31, 2021 is 25,91,266.
- During the nine months ended December 31 2021, the Bank has infused capital including premium amounting to ₹ 16,971 lakhs owing to a rights issue and ₹ 14,719 lakhs pursuant to bonus issue of equity shares.

5 India has witnessed multiple waves of COVID-19 pandemic since mid-2020 leading to significant volatility in Indian financial markets and a significant decrease in local economic activities. The full extent of impact of the pandemic on the Bank's operations and financial metric (including impact on provision for loan portfolio) will depend on future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, governmental and regulatory measures and the Bank's responses thereto, which are highly uncertain at this time

(i) 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:

Particulars	(₹ in lakhs)	
	Small Business	Individual Borrowers
(a) Number of requests received for invoking resolution process	-	78,965
(b) Number of accounts where resolution plan has been implemented under this window	-	78,965
(c) Exposure to accounts mentioned at (b) before implementation of the plan	-	16,879
(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	-	3,409
(f) Increase in provisions on account of the implementation of the resolution plan*	-	-

*the Bank did not observe an increase in provision on account of implementation of the resolution plan when compared with provisions held on date of implementation of resolution plan

(ii) Higher provision for COVID 19

The Bank held an aggregate Covid-19 related provision of ₹ 5,908 lakhs as at 31 March 2021. Further, the Bank made Covid-19 related provision amounting to ₹ 25,847 lakhs for the period ended 31 December 2021. As at 31 December 2021, the Bank held an aggregate Covid-19 related provision of ₹ 10,299 lakhs (included in General provision for standard assets of ₹ 7,855 lakhs and non-performing asset provision of ₹ 2,444 lakhs) after utilisation towards Covid-19 related delinquencies

6 The Honorable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Ar), vide an interim order dated September 03, 2020 ("Interim Order"), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders

However the Interim order stood vacated on March 23, 2021 and the impact of such vacation has already been considered in the audited figures for Nine Month ended 31st December 2020

7 The amounts/ratios for the period / year have been regrouped / reclassified pursuant to the requirements of 'Master Direction on Financial Statements - Presentation and Disclosures' issued by RBI date August 30, 2021 and wherever considered necessary. Accordingly, recoveries from written off accounts hitherto included as part of 'Other Income' have been classified as a credit to 'Provision and Contingencies'; there is no change in the Net Profit for the period

8 These un-audited financial results are prepared in compliance with the generally accepted accounting principles in India (Indian GAAP), statutory requirements prescribed under Banking Regulations Act, 1949, circulars and guidelines issued by the Reserve Bank of India (the RBI) from time to time and Regulation 52 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) 2015 as amended.

9 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and postemployment benefits received Presidential Assent in September 2020. The Code has been published in the Gazette of India, however, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Bank will assess the impact of the Code and record any related impact in the period it becomes effective.

10 EPS disclosed for the quarters and nine months ended period are not annualised

11 Figures for the previous period / year have been regrouped / reclassified wherever necessary to conform to the classification of the current period/year.

12 There are no changes to the significant accounting policies adopted during the quarter and nine months ended 31 December 2021 as compared to those followed for the year ended 31 March 2021.

13 The Bank has changed the estimate relating to incremental provisioning of non-performing assets during current period based on days past due. The impact on account of the this change in estimate is decrease in provision towards NPA by Rs. 3,505 lakhs and increase in the Profit after tax by Rs. 2,623 lakhs

14 a) Networth is calculated as per Master Circular - Exposure Norms Issued By RBI

b) Debt Represents Borrowings with Residual Maturity of more than one year

c) Total Debt represents Total Borrowings of the Bank

15 The Capital adequacy ratio("CRAR") has been computed as per the Operating guidelines vide RBI notification RBI/2016-17/81 DBR.NBD NO.26/16.13 21&/2016-17 dated 6 October 2016 ("the Operating guidelines") prescribed for Small Finance Bank. The Bank has followed Basel II standardised approach for credit risk in accordance with the operating guidelines issued by the RBI for Small Finance Banks. Further no separate capital charge for market risk and operational risk have been computed in view of the exception contained in RBI Notification DBR.NBD NO 4502/16.13 21&/2017-18 dated 8 November 2017.

For and on behalf of the Board of Directors of
Fincare Small Finance Bank Limited

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Pramod Kabra
Director
DIN- 02252403

Place: Mumbai
Date: 11 February 2022

FINCARE SMALL FINANCE BANK LIMITED

Registered Office: 301-306, 3rd Floor, ABHIJEET -V, Opp Mayor's Bungalow, Law Garden Road, Milhakhal Ahmedabad - 380006 Gujarat
Head Office: #835/39 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bengaluru 560035 Karnataka www.fincarebank.com
CIN: U67120GJ1995PLC025373

Fincare Small Finance Bank Limited

Un-audited statement of financial results for the half year ended 31 December 2021

Annexure I

Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1 Credit rating:

Deposit instrument	Name of rating agency	Rating assigned
Non-Convertible Debentures	India Ratings	IND A Stable
Term loans (Long)	ICRA Limited	[ICRA] A (Stable)
Term loans (Short)	CARE Limited	CARE A : Stable
Fixed Deposit	ICRA Limited	[ICRA] MA+ (Stable)
Certificate of Deposit	CRISIL Limited	CRISIL A1+

2 Previous due date for payment of principal/interest on Non Convertible Debentures ("NCDs")

NCD	ISIN number	Due date (from 01 April 2021 to 31 December 2021)	
		Principal	Interest
2500, 12.60% Debentures of ₹100,000 each	INE519Q08020	Not due	29-Nov-21
3700, 11.30% Debentures of ₹100,000 each	INE519Q08145	Not due	20-Sep-21
3800, 11.30% Debentures of ₹100,000 each	INE519Q08137	Not due	22-Sep-21
1000, 12.87% Debenture of ₹10,00,000 each	INE519Q08152	Not due	30-Sep-21

The Company has paid the interest and principal on NCDs on the respective due dates mentioned above.

3 Next due date for payment of principal/interest on Non-convertible Preference Shares - Not applicable.
4 Outstanding redeemable preference shares - Not applicable.
5 Debenture Redemption Reserve (DRR) - No DRR is required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of the Companies (Share Capital and Debenture) Rules, 2014.
6 Net Profit after tax - (₹ 4,658 lakhs)
7 Earnings per share - (₹ 2.01 per share)

For and on behalf of the Board of Directors

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Pramod Kabra
 Director
 DIN- 02252403

Place: Mumbai
 Date: 11 February 2022

FINCARE SMALL FINANCE BANK LIMITED

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