

No.CTL/DEB/18-19/Noting Certificate

May 30, 2018

To Whomsoever It May Concern,


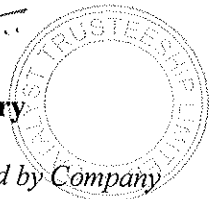
CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **North East Small Finance Bank Limited (“the Company”)** for the Half year ended March 31, 2018.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited

Authorised Signatory

Encl: Results submitted by Company





& Associates

Chartered Accountants

To,
The Board of Directors
North East Small Finance Bank Limited
1st and 3rd Floor, Fortune Central, Basistha Road
Basisthapur, Bylane No. 3, Beltola
Guwahati- 781028

Independent Auditors' Report on the Statement of Financial Results

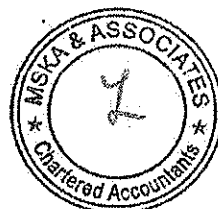
1. We have audited the accompanying Statement of financial results containing the annual audited Financial Results of North East Small Finance Bank Limited (the "Company") for the year ended March 31, 2018 together with notes thereon (hereinafter referred to as the "Statement"), which we have signed under reference to this report.

Management's Responsibility

2. Management is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual statutory financial statements in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India, basis which the above Statement containing the annual audited financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to financial statements to the Company's preparation of the Statement that give a fair presentation view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.





MSKA
& Associates

Chartered Accountants

Floor 2, Enterprise Centre,
Nehru Road, Near Domestic Airport,
Vile Parle (E), Mumbai - 400 099, INDIA
Tel.: +91 22 3358 9700

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Statement.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us:
- the Statement, together with the notes thereon are presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - the financial results for the year ended March 31, 2018 gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended March 31, 2018.

Emphasis of Matter

7. We draw your attention to Note 6 of the Statement regarding the figures for the six months ended March 31, 2018, which are the balancing figures between audited figures in respect of the full financial year and the unaudited figures for the six months ended September 30, 2017.

Our opinion is not modified in respect of this matter.

Other Matter

8. The Statement dealt with by this report has been prepared for the express purpose of filing with Bombay Stock Exchange of India Limited.

Restriction on Use

9. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 8 above. This report should not be otherwise used by any other party for any other purpose.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Swapnil Kate
Swapnil Kate
Partner

Membership No.1178



Mumbai
May 30, 2018

North East Small Finance Bank Limited
Registered Office: 1st & 3rd Floor, Fortune Central, Basistha Road, Basisthapur, Byelane No.3,
Guwahati-781028

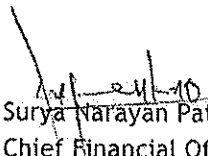
CIN U65100AS2016PLC017505

Financial results for the year ended March 31, 2018


(Rs '000)

	As at March 31, 2018
CAPITAL AND LIABILITIES	
Capital	2,933,850
Reserves and Surplus	223,553
Deposits	1,253,105
Borrowings	10,814,034
Other Liabilities and Provisions	284,684
TOTAL	15,509,226
ASSETS	
Cash and Balance with Reserve Bank of India	298,933
Balance with Banks and Money at call & short notice	2,263,285
Investments	1,691,024
Advances	10,823,985
Fixed Assets	166,705
Other Assets	265,295
TOTAL	15,509,226
Contingent Liabilities	19,769

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


Surya Narayan Patro
Chief Financial Officer




Rupali Kalita
Managing Director and CEO



Guwahati

North East Small Finance Bank Limited
Registered Office: 1st & 3rd Floor, Fortune Central, Basistha Road, Basisthapur, Byelane No.3, Guwahati-781028
CIN U65100AS2016PLC017505
Financial results for the year ended March 31, 2018

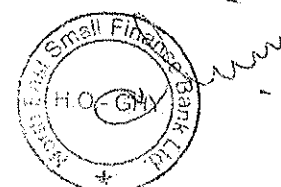
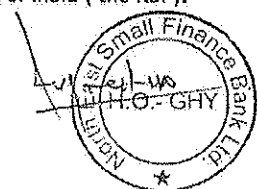
(Rs '000)

Particulars	Six months ended	Year ended
	March 31, 2018	March 31, 2018
	Audited	Audited
1. Interest earned (a)+(b)+(c)+(d)	930,355	963,172
(a) Interest on advances	807,651	807,651
(b) Income on investments	40,381	40,381
(c) Interest on balances with RBI and other inter bank funds	82,313	115,131
(d) Others	9	9
2. Other Income	81,627	81,627
3. Total Income (1+2)	1,011,982	1,044,799
4. Interest Expended	521,757	521,757
5. Operating Expenses (i)+(ii)	280,158	280,642
(i) Employees cost	159,156	159,156
(ii) Other operating expenses	121,002	121,486
6. Total Expenditure (4+5) excluding provisions and contingencies	801,915	802,399
7. Operating Profit (3-6) (Profit before Provisions and Contingencies)	210,067	242,400
8. Provisions (other than tax) and Contingencies	(4,457)	(4,457)
9. Profit from Ordinary Activities before tax (7-8)	214,524	246,857
10. Tax expense	14,205	23,530
11. Net Profit from Ordinary Activities after tax (9-10)	200,319	223,327
12. Extraordinary items (net of tax expense)	-	-
13. Net Profit (11-12)	200,319	223,327
14. Paid-up equity share capital -(of Face Value Rs 10 per Share)	2,933,850	2,933,850
15. Reserves (excluding Revaluation Reserves)	223,553	223,553
16. Analytical Ratios		
(i) Capital Adequacy Ratio	21.7%	21.7%
(ii) Earnings Per Share (EPS)		
-Basic (not annualised) Rs	0.68	1.15
-Diluted (not annualised) Rs	0.68	1.15
(iii) NPA Ratios		
a) Gross NPA	92,758	92,758
b) Net NPA	46,464	46,464
c) % of Gross NPA to Gross Advances	0.85%	0.85%
d) % of Net NPA to Net Advances	0.43%	0.43%
e) Return on Assets -not annualised	1.29%	1.44%

1. North East Small Finance Bank Limited ("the Bank") is a public limited company incorporated on July 25, 2016 in India after receiving in principle approval from Reserve Bank of India ("RBI") to establish a small finance bank in the private sector under section 22 of the Banking Regulation Act, 1949. The Bank received the license from the Reserve Bank of India on March 31, 2017 and commenced its banking operations from October 17, 2017.

2. The above results have been reviewed by the audit committee and approved by the Board of Directors of the Bank at their respective meetings held on May 30, 2018, in accordance with the requirement of regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. The audited 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 Companies Act 2013, Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidelines issued by Reserve Bank of India ("the RBI").



4. Pursuant to the approval received from the RBI for commencement of banking operations, all the assets and liabilities pertaining to the lending activities of RGVN (North East) Microfinance Limited ("RGVN-MFI") were transferred to the Bank on a slump sale basis on October 17, 2017. Accordingly, Non Convertible Debentures of RGVN-MFI which are listed on the Bombay Stock Exchange also got transferred to the Bank. However, the Company is in the process of transferring legal ownership from RGVN-MFI to NESFB. Since, prior to October 17, 2017, the bank neither had any beneficial ownership of debentures nor had any operational business in the previous year, the above financial results does not include comparable figures for corresponding previous six months ended and year ended March 31, 2017.

5. The figures for six months ended March 31, 2018 are balancing figures between audited figures in respect of full financial year ended March 31, 2018 and unaudited figures for six months ended September 30, 2017.


6. The Capital Adequacy Ratio as on March 31, 2018 has been computed as per Basel II requirements in accordance with RBI Master circular No. DBOP.BP.BC 9/21.06.001/ 2013-14 dated July 1, 2013 on prudential guidelines on Capital Adequacy and Market discipline - New Capital Adequacy Framework (NCAF). Further, the RBI vide its circular no. DBR.NBD.No.4502/16.13.218/2017-18 dated November 8, 2017 has provided an exemption to all small finance banks whereby no capital charge is prescribed for market and operational risk.

7. The Financial results will be available on Company's website www.nesfb.com


Surya Narayan Patro
Chief Financial Officer

Guwahati

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


Rupali Kalita
Managing Director and CEO

Disclosure as per Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Six months ended March 31, 2018

- a) Credit rating and change in credit rating (if any) : SMERA A- dated March 6, 2018, Previously SEMRA BBB+ (RGVN-MFI)
 b) Debt equity ratio : 3.58
 c) Previous due date for the payment of interest and repayment of principal for non- convertible debentures and whether the same has been paid or not

Particulars	Rate of Interest	Interest Due Date	Actual Date of Payment
160, rated, listed, secured, redeemable, non-convertible debentures of Rs 1 million each	14.70%	14-Jan-18	12-Jan-18
3326, rated, listed, secured, redeemable, non-convertible debentures of Rs 0.1 million each	14.50%	13-Nov-17	13-Nov-17
400, rated, listed, secured, redeemable, non-convertible debentures of Rs 1 million each	11.00%	31-Oct-17	30-Oct-17
		29-Nov-17	29-Nov-17
		29-Dec-17	27-Dec-17
		30-Jan-18	29-Jan-18
		01-Mar-18	27-Feb-18
		29-Mar-18	28-Mar-18


- d) Next due date for the payment of interest and repayment of principal for non- convertible debentures

Particulars	Rate of Interest	Interest due date	Principal Due date
160, rated, listed, secured, redeemable, non-convertible debentures of Rs 1 million each	14.70%	14-Jul-18	14-Jul-20
3326, rated, listed, secured, redeemable, non-convertible debentures of Rs 0.1 million each	14.50%	13-May-18	13-Nov-20
400, rated, listed, secured, redeemable, non-convertible debentures of Rs 1 million each	11.00%	01-May-18	29-May-18

- e) Net worth: 3,020,502

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

Surya Narayan Patro
Chief Financial Officer
Guwahati



Rupali Kalita
Managing Director and CEO

