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Independent Joint Auditor's Review Report on the Quarterly Unaudited Financial Results of Jana Small Finance Bank Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Jana Small Finance Bank Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Jana Small Finance Bank Limited (the "Bank") for the quarter ended June 30, 2024 (the "Statement") attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), except for the disclosures relating to Pillar 3 disclosures as at June 30, 2024, including leverage ratio under Basel II Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in Note 8 to the Statement and have not been reviewed by us.
2. The Bank's Management is responsible for the preparation of the Statement 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 provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time (the 'RBI Guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 33 and 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 Standard 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



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or that it has not been prepared in accordance with the relevant prudential norms issued by RBI in respect of income recognition, asset classification, provisioning and other related matters.

5. The comparative figures for the corresponding quarter ended June 30, 2023 and the financial statements of the Bank for the year ended March 31, 2024, included in these financial results, were audited, by Brahmaya & Co. and M M Nissim & Co LLP (the 'Joint Predecessor Auditors') who expressed an unmodified opinion, on those financial information on August 11, 2023 and April 29, 2024 respectively.
6. The comparative figures for the quarter ended March 31, 2024 included in these financial results are the balancing figures between the audited figures in respect of the full financial year audited by the Joint Predecessor Auditors and the published unaudited year to date figures upto the third quarter of the last financial year, which were subjected to limited review by the Joint Predecessor Auditors.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration Number: 101048W

Sarvesh Warty

Janak Mehta

per Sarvesh Warty
Partner
Membership Number: 121411
UDIN: 24121411BKFRR18000
Place of Signature: Bengaluru
Date: July 22, 2024

per Janak Mehta
Partner
Membership Number: 116976
UDIN: 24116976BKGWTT5503
Place of Signature: Bengaluru
Date: July 22, 2024



JANA SMALL FINANCE BANK LIMITED

CIN No: L65923KA2006PLC040028

Registered Office : The Fairway Business Park #10/1,11/2,12/2B,

Off Domlur, Koramangala Inner Ring Road, Next to EGL, Challaghatta, Bengaluru 560071

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

(₹ in 000s)

S.No.	Particulars	Quarter ended			Year ended
		30.06.2024	31.03.2024	30.06.2023	31.03.2024
		Unaudited	Audited (Refer note 2)	Audited	Audited
1	Interest earned (a)+(b)+(c)+(d)	1,16,70,555	1,11,10,798	88,49,145	4,01,30,453
	a) Interest/discount on advances/bills	1,04,39,469	1,00,12,024	78,85,144	3,61,60,330
	b) Income on investments	10,89,175	9,45,763	8,62,653	34,90,301
	c) Interest on balances with Reserve Bank of India and other inter bank funds	1,41,844	1,52,927	1,01,238	4,79,421
	d) Others	67	84	110	401
2	Other Income	18,90,129	17,98,682	18,80,757	67,10,110
3	Total Income (1)+(2)	1,35,60,684	1,29,09,480	1,07,29,902	4,68,40,563
4	Interest Expended	55,73,145	52,00,630	42,30,407	1,88,59,047
5	Operating Expenses (i)+(ii)	44,29,763	42,89,470	37,69,336	1,60,48,397
	i) Employee cost	27,76,990	25,90,825	23,19,959	97,46,693
	ii) Other operating expenses	16,52,773	16,98,645	14,49,377	63,01,704
6	Total Expenditure (4)+(5) (excluding Provision and Contingencies)	1,00,02,908	94,90,100	79,99,743	3,49,07,444
7	Operating profit before provision and contingencies (3)-(6)	35,57,776	34,19,380	27,30,159	1,19,33,119
8	Provisions (other than tax) and contingencies	19,56,499	17,54,478	18,26,510	67,89,591
9	Exceptional items	-	-	-	-
10	Profit from Ordinary Activities before tax (7)-(8)-(9)	16,01,277	16,64,902	9,03,649	51,43,528
11	Tax Expenses/(Credit)	(1,04,343)	(15,51,875)	-	(15,51,875)
12	Net profit from Ordinary Activities after tax (10)-(11)	17,05,620	32,16,777	9,03,649	66,95,403
13	Extraordinary items (net of tax expenses)	-	-	-	-
14	Net profit for the period (12)-(13)	17,05,620	32,16,777	9,03,649	66,95,403
15	Paid up Equity share capital (Face value of 10/- each)	10,45,903	10,45,903	6,98,293	10,45,903
16	Reserves excluding revaluation reserves	-	-	-	3,46,19,093
17	Analytical ratio and other disclosure:				
	(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
	(ii) Capital Adequacy Ratio - Basel II	19.29%	20.31%	18.67%	20.31%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*				
	Basic EPS (₹)	16.31	34.55	16.20	90.85
	Diluted EPS (₹)	16.14	34.50	14.09	90.72
	(iv) NPA Ratios				
	(a) Gross NPAs	64,59,295	49,43,284	55,26,605	49,43,284
	(b) Net NPAs	24,07,536	13,00,179	22,06,168	13,00,179
	(c) % of Gross NPAs to Gross Advances	2.62%	2.11%	2.94%	2.11%
	(d) % of Net NPAs to Net Advances	0.99%	0.56%	1.19%	0.56%
	(v) Return on assets (annualised)	2.10%	4.21%	1.41%	2.38%
	(vi) Net worth	3,55,29,156	3,39,09,020	2,40,63,683	3,39,09,020
	(vii) Outstanding redeemable preference shares	-	-	-	-
	(viii) Capital redemption reserve/ Debenture redemption reserve	2	2	-	2
	(ix) Debt-equity ratio	1.24	1.46	2.46	1.46
	(x) Total debts to total assets	13.90%	15.93%	22.56%	15.93%

* Figures for the quarter are not annualized

Net worth represents sum of Capital and Reserves & Surplus excluding Employee stock option reserve and reduced by deferred tax asset and prepaid expenses

Total debt/debt represents total borrowings of the Bank



Segment information in accordance with the Accounting Standard on Segment Reporting (AS 17) and RBI guidelines of the operating segment of the bank for the quarter ended June 30, 2024

(₹ in 000s)

Particulars	Quarter ended			Year ended
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Unaudited	Audited (Refer note 2)	Audited	Audited
Segment Revenue:				
Treasury	33,16,246	30,74,665	29,17,504	1,18,38,755
Corporate/Wholesale Banking	5,93,330	3,12,363	5,17,281	19,67,983
Retail Banking	1,71,81,473	1,64,04,519	1,32,09,365	5,89,96,676
(i) Digital Banking Units	10,751	8,119	5,640	29,621
(ii) Other Retail Units	1,71,70,722	1,63,96,400	1,32,03,725	5,89,67,055
Other Banking operations	3,86,032	3,56,242	2,95,114	11,22,125
Unallocated	-	-	-	-
Total Revenue	2,14,77,081	2,01,47,789	1,69,39,264	7,39,25,539
Less: Inter Segment Revenue	(79,16,397)	(72,38,309)	(62,09,362)	(2,70,84,976)
Income from Operations	1,35,60,684	1,29,09,480	1,07,29,902	4,68,40,563
Segment Results (net of provisions)				
Treasury	2,49,174	1,91,201	1,47,917	7,25,317
Corporate/Wholesale Banking	61,089	(26,207)	80,817	2,67,876
Retail Banking	9,04,982	11,43,665	3,79,801	30,28,210
(i) Digital Banking Units	5,830	5,161	2,967	14,049
(ii) Other Retail Units	8,99,152	11,38,504	3,76,834	30,14,161
Other Banking operations	3,86,032	3,56,243	2,95,114	11,22,125
Unallocated	-	-	-	-
Profit/(Loss) before tax	16,01,277	16,64,902	9,03,649	51,43,528
Segment Assets				
Treasury	7,90,38,884	8,32,38,297	6,91,36,215	8,32,38,297
Corporate/Wholesale Banking	2,53,31,235	2,01,69,162	1,81,62,953	2,01,69,162
Retail Banking	22,51,73,997	22,17,66,039	17,51,33,830	22,17,66,039
(i) Digital Banking Units	1,35,464	1,30,624	73,809	1,30,624
(ii) Other Retail Units	22,50,38,533	22,16,35,415	17,50,60,021	22,16,35,415
Other Banking operations	-	-	-	-
Unallocated	33,94,450	19,24,327	18,51,877	19,24,327
Total	33,29,38,566	32,70,97,825	26,42,84,875	32,70,97,825
Segment Liabilities				
Treasury	4,72,52,925	5,35,48,629	6,10,48,187	5,35,48,629
Corporate/Wholesale Banking	1,01,078	80,320	71,610	80,320
Retail banking	24,78,63,877	23,72,09,186	17,84,43,641	23,72,09,186
(i) Digital Banking Units	96,965	1,00,840	61,417	1,00,840
(ii) Other Retail Units	24,77,66,912	23,71,08,346	17,83,82,224	23,71,08,346
Other banking operations	-	-	-	-
Unallocated	1,46,240	4,88,702	2,70,323	4,88,702
Total	29,53,64,120	29,13,26,837	23,98,33,761	29,13,26,837
Capital employed: (Segment assets - Segment liabilities)				
Treasury	3,17,85,959	2,96,89,668	80,88,028	2,96,89,668
Corporate/wholesale banking	2,52,30,157	2,00,88,842	1,80,91,343	2,00,88,842
Retail banking	(2,26,89,880)	(1,54,43,147)	(33,09,811)	(1,54,43,147)
(i) Digital Banking Units	38,499	29,784	12,392	29,784
(ii) Other Retail Units	(2,27,28,379)	(1,54,72,931)	(33,22,203)	(1,54,72,931)
Other banking operations	-	-	-	-
Unallocated	32,48,210	14,35,625	15,81,554	14,35,625
Total	3,75,74,446	3,57,70,988	2,44,51,114	3,57,70,988



Segment Notes:

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure, the internal business reporting system and the guidelines prescribed by the RBI. Digital Banking Segment is reported as a sub-segment of Retail Banking Segment related to Digital Banking Units of the Bank in India.

a) Treasury

The treasury segment primarily consists of entire investment portfolio of the Bank.

b) Retail Banking

The retail banking segment serves retail customers through a branch network. Exposures are classified under retail banking taking into account the status of the borrower (orientation criterion), the nature of product, granularity of the exposure and the quantum thereof. Revenues of the retail banking segment are primarily derived from interest and fees earned on retail loans, interest on deposits placed as collateral with banks and financial institutions. Expenses of this segment primarily comprise interest expense on borrowings, deposits, infrastructure and premises expenses for operating the branch network, personnel costs and other direct overheads.

c) Wholesale Banking

Wholesale Banking includes all advances to companies and statutory bodies, which are not included under Retail Banking.

d) Other Banking Operation

Other Banking includes other items not attributable to any particular business segment.

e) Unallocated

All items which are reckoned at an enterprise level are classified under this segment. This includes capital and reserves, and other unallocable assets and liabilities not identifiable to particular segment such as deferred tax, prepaid expenses, etc.

Notes:

1 The above financial results for the quarter ended June 30, 2024, have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Bank have considered and approved the same at its meeting held on July 22, 2024. The above financial results for the quarter ended June 30, 2024, have been reviewed by the joint statutory auditors, S.R. Batliboi & Associates LLP, Chartered Accountants and Batliboi & Purohit, Chartered Accountants.

2 The comparative figures for the quarter ended March 31, 2024 included in these financial results are the balancing figures between the audited figures in respect of the full financial year ended 2023-24 and the published unaudited year to date figures upto December 31, 2023 which were subjected to limited review.

3 The Bank has followed consistently the same significant accounting policies in the preparation of these financial results for the quarter with those followed in the annual financial statements for the year ended March 31, 2024, except for the classification and valuation of investments which is as per the Master direction No. RBI/DOR/2023'24/104 DOR.MRG.36 /21.04.141/2023-24 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 issued by Reserve Bank of India dated September 12, 2023 which is applicable from April 1, 2024.

In compliance with the RBI's Master Directions on Investments, the Bank has accounted net transition discount accretion of ₹ 2.47 crores in General Reserve. The Bank has also transferred balance in Investment Reserve amounting to ₹ 0.30 crores on the date of the transition to General Reserve.

During the quarter ended June 30, 2024, the Bank has recognised an amount of ₹ 0.21 crores in profit and loss account on account of discount accrual. Amounts for the previous quarter and corresponding quarter of the previous year are not comparable.

4 These financial results of the Bank have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India and in compliance with the presentation and disclosure requirements of the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended including relevant circulars issued by SEBI from time to time.

5 The Bank had raised ₹ 462 crores by issue of 1.12 crores of equity shares having face value of ₹ 10 each at ₹ 414 per share during the previous quarter ended March 31, 2024. The Bank had incurred share issue expenses of ₹ 32.61 crores towards IPO activity, which was charged-off to securities Premium account in March 31, 2024 in accordance with section 52 Companies Act, 2013.

During the previous quarter ended March 31, 2024, the Bank had allotted 12,41,54,044 Compulsorily Convertible Preference Shares (CCPS) pursuant to approval of Board and shareholders. During the previous year ended March 31, 2024, the Bank had converted 39,41,54,044 CCPS into 2,10,47,842 equity shares of ₹ 10 each.

Further, during the previous year ended March 31, 2024, the Bank had issued equity shares having face value of ₹ 10 each for cash pursuant to preferential allotment of 24,39,607 equity shares at ₹ 414 each aggregating to ₹ 100.99 crores and 1,48,50,632 equity shares pursuant to rights issue at ₹ 302.98 each aggregating to ₹ 449.94 crores and issued 1,14,071 equity shares having face value of ₹ 10 each under employee stock option plan aggregating to ₹ 3.46 crores.

6 Details of loans not in default and stressed loans (NPA and SMA accounts) acquired and transferred during the quarter ended June 30, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated 24th September, 2021 are given below:

a) The Bank has not transferred any loans not in default to other entities during the quarter ended June 30, 2024.

b) The Bank has not purchased any loans not in default during the quarter ended June 30 2024.

c) Details of stressed loans transferred during quarter ended of June 30, 2024.

Particulars	₹ in crores	
	To	ARCs
No of accounts		30,859
Aggregate principal outstanding of loans transferred (on the date of transfer)		83.82
Weighted average residual tenor of the loans transferred (Years)		0.46
Net book value of the loans transferred (at the time of transfer)		39.63
Aggregate consideration		39.63
Additional consideration realized in respect of accounts transferred in earlier years		-



d) Details of ratings of Security Receipts (SRs) outstanding as on June 30, 2024 are given below

			₹ in crores
Rating	Rating Agency	Recovery Rating	Gross Value of SRs Outstanding
RR1	Infomerics	100% to 150%	130.15
RR1	ICRA	100% to 150%	60.70
RR1+	Infomerics	More than 150%	212.37
In process of getting rated			194.25

e) The Bank has not acquired any stressed loan.

- 7 Other income includes fees earned by providing services to customers, income from sale of priority sector lending certificates, profit on sale of investments (net), lease income, income from sale of prudentially written off accounts to ARCs and recoveries from written off accounts.
- 8 The Capital Adequacy Ratio (CAR) has been computed in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No. 26/16.13.218/2016-17 dated October 6, 2016 on Operating Guidelines for Small Finance Banks. As per the said circular, prudential regulatory framework will largely be drawn from the Basel standards for capital requirements and Basel II standardized approach for credit risk. Further, the RBI vide its Circular No. DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk. Further, Pillar III disclosures are made available on the Bank's website at the following link: <https://www.janabank.com/regulatory-disclosures/>. These disclosures have not been subjected to audit/review by the Joint Statutory Auditors.
- 9 Previous period/year figures have been regrouped / reclassified, wherever necessary to conform with the current period/year presentation. The previous period results were reviewed / audited by predecessor auditors.

For and on behalf of the Board of Directors

Ajay Kanwal

Managing Director & Chief Executive Officer

Bengaluru, July 22, 2024

