



# EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

April 29, 2021

Chennai, April 29, 2021: The Board of Directors of Equitas Small Finance Bank Limited at its meeting held today, approved the audited financial results for quarter and full year ended March 31, 2021

**Q4FY21 PAT at Rs. 113 Cr, up 162% YoY | FY21 PAT at Rs. 384 Cr, up 58% YoY**

**Advances grew 17% YoY to Rs. 17,925 Cr**

**CASA stood at Rs. 5,614 Cr, up 154% YoY. CASA ratio at 34%**

**Bank holds a management overlay provision\* of Rs. 153 Cr crore as of 31<sup>st</sup> March 2021**

## **Q4FY21 Highlights:**

### **1. Key Highlights for Q4FY21:**

- **Advances:**

- Advances as of Q4FY21 was at Rs. 17,925 Cr, Advances growth of 17% YoY
- Disbursed Rs. 2,535 Cr in Q4FY21
- 81.37% of advances is secured loans
- New Product - Used Car Advances cross Rs. 120 Cr
- Collection & Billing efficiency for the month of March 2021 at 108.51% and 91.12% respectively
- Collection efficiency nears pre-covid levels:
  - MFI X Bucket Collection efficiency for the month of March 2021, December 2020 & Feb 2020 at 98.70%, 98.30% & 98.50% respectively
  - SBL X Bucket Collection efficiency for the month of March 2021, December 2020 & Feb 2020 at 99.60%, 99.05% & 99.41% respectively
  - VF X Bucket Collection efficiency for the month of March 2021, December 2020 & Feb 2020 at 98.85%, 95.72% & 96.50% respectively

*\*Management Overlay Provision – Provision carried in excess of the regulatory requirement*

- **Liabilities:**
  - Deposits excluding CD at Rs. 16,319 Cr, growth of 58% YoY and 4% QoQ
  - Retail TD at Rs. 5,869 Cr, growth of 54% YoY and 7% QoQ
  - Savings Account deposits at Rs. 5,094 Cr, growth of 174% YoY and 45% QoQ
  - CASA stood at Rs. 5,614 Cr, CASA is 34% of Total Deposits

- **Digital 2.0:**

**Neobanking:**

- Tied-up with Niyox in March 2021 to offer 2 in 1 wealth + Savings account. An industry first for offering Savings + Investment on a single platform. Opened 27,000+ accounts since launch in March 2021
- Partnered with Groww for online FD opening. Pilot program in progress

**Digital Payments & Acquisitions:**

- FASTag - 78,000+ FASTags issued in Q4FY21, 1.3 Bn+ transaction throughput. Multiple toll plazas and parking terminals being acquired
- Micro ATM Services – 37 Bn+ transaction throughput, 10 Mn+ transactions processed
- UPI QR Acquiring - 92 Mn+ transaction throughput, 100,000+ transactions
- POS Acquiring - 3.4 Bn+ transaction throughput, 680,000+ transactions

**Digital Transaction Banking:**

- Corporate Payment Services - 6.6 Bn+ transaction throughput, 2 lacs+ transactions processed
- Aadhaar Enrolment & eKYC - 60,000+ enrolments across 75 branches, ~300,000 successful Authentication and eKYC transactions
- Video Banking - 9 Services Live, Same services to be exposed to Neo banking partners

**Prepaid Engagements:**

- Prepaid Gift Cards – Crossed 100 Mn+ transaction throughput
- Launched Prepaid Cards for Cooperative Societies
- Partnered with Fintechs for cashless campus programs

- **Key Ratios:**

- Cost to Income at 58.10%^ as compared to 56.35% in Q3FY21 and 62.14% in Q4FY20
- RoA and RoE for Q4FY21 at 1.80% and 13.52% respectively

*^ Income considering net-off of switching fees & prepaid card expense*

- **Capital:**
  - As of March 31, 2021 Total CRAR at 24.18%, Tier-I CRAR of 23.23% and Tier II CRAR at 0.95%
- **Treasury & Liquidity:**
  - The Bank's Certificate of Deposit (CD) programme for Rs. 1,000 Cr has highest rating from at CRISIL A1+
  - The Bank has adequate room available to avail refinance or raise funds through IBPC (with mix of PSL / Non-PSL) whenever required which provides strong cushion to ALM position of the Bank.
  - The Bank currently maintains 'surplus' liquidity in the form of High Quality Liquid Assets (HQLA)
  - During the quarter, Bank sold PSLCs worth Rs, 3,000 Cr
  - Income booked on sale of PSLCs for this quarter amounted to Rs. 44.6 Cr which includes Rs. 5.8 Cr received in Q3FY21
  - During the quarter, the Bank participated in equity primary market. Profits realised in those equity IPOs amounted to Rs. 2 Cr

## **2. Profit & Loss:**

- Net Interest Income for Q4FY21 at Rs. 449 Cr as against Rs. 424 Cr in Q4FY20. NIM at 7.57%
- Core Income (Net Income other than PSL Fees, Treasury & Others) at 84%
- PBT before provisions and write off for Q4FY21 at Rs. 250 Cr as against Rs. 188 Cr in Q4FY20, growth of 33%
- PAT for Q4FY21 at Rs. 113 cr as against Rs. 43 Cr in Q4FY20, growth of 162%

## **3. Asset Quality, Provisions & Restructuring:**

- During the quarter the Bank has written off of Rs. 171 Cr in the Micro Finance portfolio
- Loan loss and provision for FY21 was Rs. 375 Cr as against Rs. 247 Cr in FY20. The Bank holds a management overlay provision\* of Rs. 153 Cr crore as of 31<sup>st</sup> March 2021
- GNPA at 3.59% in Q4FY21 as compared to 4.16% (proforma approach) in Q3FY21 and 2.72% in Q4FY20
- NNPA at 1.52% in Q4FY21 as compared to 1.71% (proforma approach) in Q3FY21 and 1.67% in Q4FY20
- Credit Cost for FY21 at 2.26%
- Provision coverage ratio at 58.59%
- Bank holds cumulative provision (standard asset + floating + provision for NPA) of 2.56% of advances

*\*Management Overlay Provision – Provision carried in excess of the regulatory requirement*

#### 4. Collection & Billing Efficiency Product Wise:

Particulars	Collection Efficiency December 2020	Billing Efficiency December 2020	Collection Efficiency March 2021	Billing Efficiency March 2021
Micro Finance	97.98%	91.29%	93.44%	91.90%
Small Business Loans	104.56%	90.56%	106.56%	91.48%
Vehicle Finance	108.39%	82.25%	113.84%	87.74%
MSE Finance	192.55%	88.88%	180.26%	89.04%
Corporate	149.36%	94.51%	174.91%	99.91%
<b>Total</b>	<b>105.36%</b>	<b>88.73%</b>	<b>108.51%</b>	<b>91.12%</b>

1. Collection efficiency represents total collections during the month as a percentage of March months total EMIs due
2. Billing efficiency represents only the EMIs of March alone collected as a percentage of March months total EMIs due. The March month total EMIs includes EMIs of accounts which are in NPA also and not just standard assets

#### Collections touch pre-Covid levels

Particulars	X Bucket Collection Efficiency March 2021	X Bucket Collection Efficiency December 2020	X Bucket Collection Efficiency Feb 2020
Small Business Loans	99.60%	99.05%	99.41%
Vehicle Finance	98.85%	95.72%	96.50%
Micro Finance	98.70%	98.30%	98.50%

#### **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.

For further details, contact:

#### **Investor Relations Team**

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