



# EQUITAS SMALL FINANCE BANK LIMITED

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PRESS RELEASE

October 29, 2021

Chennai, October 29, 2021: The Board of Directors of Equitas Small Finance Bank Limited at its meeting held today, approved the unaudited financial results for quarter and half year ended September 30, 2021

**Net Income for Q2FY22 at Rs. 632 Cr, up 22% YoY**

**Advances grew 13% YoY to Rs. 18,978 Cr**

**Highest quarterly disbursement of Rs. 3,145 Cr in Q2FY22**

**CASA stood at Rs. 8,200 Cr, CASA Ratio at 45%**

**Savings Account deposits at Rs. 7,696 Cr, growth of 170% YoY and 20% QoQ**

## **Q2FY22 Highlights:**

### **1. Key Highlights for Q2FY22:**

- **Advances:**

- Advances as of Q2FY22 was at Rs. 18,978 Cr, Advances growth of 13% YoY
- 81.44% of advances is secured loans
- Strong revival of credit demand witnessed across products; Highest quarterly disbursement of Rs. 3,145 Cr in Q2FY22
- Continued Improvement in X Bucket (Non Delinquent) Collection Efficiency indicating significant reduction in further build-up of stress. Segment wise X bucket (Non Delinquent) collections as below:
  - SBL – 99.60%, VF – 92.30%, MF – 97.37%
- Over Collection Efficiency for September 2021 at 99.71%

- **Liabilities:**

- CASA stood at Rs. 8,200 Cr, CASA is 45% of Total Deposits
- Deposits excluding CD at Rs. 18,094 Cr, growth of 40% YoY and 6% QoQ
- Retail TD at Rs. 6,767 Cr, growth of 36% YoY and 9% QoQ. Retail TD at 68%
- Cost of funds reduced to 6.81% from 6.93% in Q1FY22 and 7.36% in Q2Y21
- Savings Account deposits at Rs. 7,696 Cr, growth of 171% YoY and 20% QoQ.

- **Key Ratios:**

- Cost to Income<sup>^</sup> at 67.01% in Q2FY22 as compared to 68.89% in Q1FY22 and 58.77% in Q2FY21
- RoA and RoE for Q2FY22 at 0.65% and 4.79% respectively

<sup>^</sup> Income considering net-off of corresponding fees pay-outs to partners

- **Capital:**

- As of September 30, 2021 Total CRAR at 22.21%, Tier-I CRAR at 20.96% and Tier II CRAR at 1.25%

- **Treasury & Liquidity:**

- The Bank's Certificate of Deposit (CD) programme for Rs. 1,000 Crore has highest rating from at CRISIL A1+
- The Bank has adequate room available to avail refinance or raise funds through IBPC whenever required which provides strong cushion to ALM position of the Bank.
- Liquidity Coverage Ratio (LCR) as on September 2021 at 154%

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

- Net Interest Income for Q2FY22 at Rs. 484 Cr as against Rs. 461 Cr in Q2FY21. NIM at 8.14%
- Core Income (Net Income other than PSL Fees, Treasury & Others) at 88%
- Pre Provisioning Operating Profit (PPoP) for Q2FY22 at Rs. 195 Cr as against Rs. 211 Cr in Q2FY21
- PAT affected due to provisions made on restructured accounts. PAT for Q2FY22 at Rs. 41 Cr as against Rs. 103 Cr in Q2FY21

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

- Total advances restructured for the year stands at Rs. 1,401\* Cr, which forms around 7% of Goss Advances
- The Bank carries a provision of Rs. 196 Cr towards the restructured book of Rs. 1,401\* Cr
- Upgradations and Recoveries have improved sharply
- GNPA at 4.64% in Q2FY22 as compared to 4.58% in Q1FY22 and 2.39% in Q2FY21
- NNPA at 2.37% in Q2FY22 as compared to 2.29% in Q1FY22 and 1.09% in Q2FY21
- Provision coverage ratio at 50.09%

*\*Excludes Rs. 140.4 Cr of restructuring forming part of RSL 1.0 which also forms part of RSL 2.0*

Commenting on the quarterly performance, **Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank** said: With no lockdowns and spread of virus under control largely, the Bank saw an improved performance all around. While the overall GNPA remained steady compared to 1st quarter, there was improved collection efficiency leading to reduction in overdue cases between 1 to 90 days. And with X-bucket collection efficiency coming back to the pre-Covid level, we expect to reach steady state operating level shortly.

Demand for credit continues to be strong. The second quarter saw the highest quarterly disbursement done by the Bank ever.

New account opening through both digital and physical channels continue to be strong. CASA has shown consistent growth and CASA Ratio stands at 45%. Some of the digital initiatives undertaken by the Bank have been well received and the Bank would increase its use of analytics to benefit from the large customer base acquired digitally.

### **About Equitas Small Finance Bank Limited [ESFB]**

Equitas Small Finance Bank is one of the largest small finance banks in India. As a new-age bank, we offer a bouquet of products and services tailored to meet the needs of our customers – individuals with limited access to formal financing channels, as well as affluent and mass affluent, Small & Medium Enterprises (SMEs) and corporates. Our firmly entrenched strategy focuses on providing credit to the unbanked and underbanked micro and small entrepreneurs, developing products to address the growing aspirations at the ‘bottom of the pyramid’, fuelled by granular deposits and ‘value for money’ banking relationships.

For further details, contact:

#### **Investor Relations Team**

Website – <https://ir.equitasbank.com/>

Email – [ir@equitasbank.com](mailto:ir@equitasbank.com)

Twitter - [@EquitasIR](https://twitter.com/EquitasIR)

4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002, Tamil Nadu