



EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

May 04, 2022

Chennai, May 04, 2022: 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, 2022

FY22 disbursement at Rs. 10,549 Crs, highest ever achievement – growth of 41%

Gross Advances as of Q4FY22 was at Rs. 20,597 Cr, growth of 15% YoY

PPoP as a % of assets expanded to 4.35% from 3.52% in Q3FY22

Cost of funds improved to 6.20% from 7.20% in Q4FY21, improvement of 100bps

CASA Deposit grew 76% YoY to Rs. 9,855 Crs. CASA Ratio stood at 52.01% as of March 2022

Digital Initiatives drive account acquisition, acquired 23 lac liability accounts in FY22 as compared to 4.7 lac accounts in FY21

GNPA down to 4.06% from 4.39% in Q3FY22

Q4FY22 Highlights:

1. Key Highlights for Q4FY22:

- **Advances:**

Highest ever yearly & quarterly disbursements:

- FY22 disbursement at Rs. 10,549 Crs, our highest ever achievement – growth of 41%
- Q4FY22 disbursement at Rs. 3,279 Crs exceeding previous highest quarter
- Fastest growing Segment for the quarter is Small Business Loans, the Bank's flagship product

Advances growth picks up:

- Advances as of Q4FY22 was at Rs. 20,597 Cr, growth of 15% YoY

Normalising credit costs:

- Non Restructured Loans credit cost for Q4FY22 annualised at 1.26%, trending back to Bank's historical levels

- **Liabilities:**

- **Strong retail momentum:**

- Cost of funds improved to 6.20% from 7.20% in March 2021, improvement of 100bps
- CASA Deposit grew 76% YoY to Rs. 9,855 Crs. CASA Ratio stood at 52.01% as of March 2022
- Retail Term Deposits grew 21% YoY to Rs. 7,093 Crs. Retail Deposits forms 78% of the Term Deposits

- **Expanding cross sell opportunity:**

- Liability Fee Income at Rs. 73 Crs vs. Rs. 50 Crs in FY21, growth of 46% YoY
- 53% growth in Insurance Premium mobilized for the year at Rs. 127 Crs
- 32,000 3in1 Account sourced in FY22
- Cross selling of Used Car loans, Prime Home Loans and Working capital loans pick up

- **Deepening retail relationship:**

- NRI SA grew 236%, highest growing segment within the SA book
- Debit Card spends doubled in FY22 to Rs. 689 Crs
- Unique Card Transactions in FY22 up by 150% YoY

- **Key Ratios:**

- Cost to Income at 56.85% in Q4FY22 as compared to 64.67% in Q3FY22 and 57.34% in Q4FY21; after adjusting digital expenses to corresponding digital income
- RoA and RoE for Q4FY22 at 1.83% and 12.21% respectively

- **Capital:**

- As of March 31, 2022 Total CRAR at 25.16% | Tier I at 24.53% and Tier II at 0.63%

- **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 eligible advances available to raise funds through refinance or IBPC 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). Average Liquidity Coverage Ratio (LCR) for the quarter at 134%
- LCR improved sharply as the Bank focused on improving quality of deposits

2. Profit & Loss:

- Net Interest Income for Q4FY22 at Rs. 552 Cr as against Rs. 449 Cr in Q4FY21. NIM at 9.12%
- Pre Provisioning Operating Profit (PPoP) for Q4FY22 at Rs. 284 Cr as against Rs. 250 Cr in Q4FY21
- PAT for Q4FY22 at Rs. 120 cr as against Rs. 113 Cr in Q4FY21

3. Asset Quality, Provisions & Restructuring:

- GNPA at 4.06% in Q4FY22 as compared to 4.39% in Q3FY22 and 3.59% in Q4FY21
- NNPA at 2.37% in Q4FY22 as compared to 2.38% in Q3FY22 and 1.52% in Q4FY21
- Provision coverage ratio at 42.73%
- The Bank has made additional standard assets provision of Rs. 26.08 Crs in Q4FY22

Commenting on the quarterly performance, **Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank said:** “The Bank achieved its highest ever disbursement in Q4FY22. The demand for credit has come back to normal levels. With improving asset quality, the Bank is well positioned to get back to its pre-Covid levels growth rate of around 30% p.a. The Bank’s capital position is also strong with capital adequacy of over 25%, enabling the Bank to pursue growth over the coming years.”

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.

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