



# EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

July 28, 2022

Chennai, July 28, 2022: The Board of Directors of Equitas Small Finance Bank Limited at its meeting held today, approved the unaudited financial results for quarter ended June 30, 2022

**PAT for the quarter at Rs 97 Cr compared to Q1FY22 PAT of Rs 12 Crs**

**Gross Advances as of Q1FY23 was at Rs. 21,688 Cr, growth of 22% YoY**

**Q1FY23 disbursement at Rs. 3,238 Crs, growth of 156% YoY**

**PPoP as a % of assets expanded to 3.87% from 2.65% in Q1FY22**

**Cost of funds improved to 6.20% from 6.93% in Q1FY22, improvement of 73bps**

**CASA Deposit grew 55% YoY to Rs. 10,548 Crs. CASA Ratio stood at 51.74% as of June 2022**

**Retail Term Deposits grew 14% YoY and contribute 72% of total term deposits**

**GNPA down to 3.95% from 4.06% in Q4FY22, PCR improves to 48.46% from 42.73% sequentially**

## **Q1FY23 Highlights:**

### **1. Key Highlights for Q1FY23:**

- **Advances:**

**Credit growth continues to be healthy:**

- Q1FY23 disbursement at Rs. 3,238 Crs, strong growth of 156% YoY on account of a low base due to Covid led lockdowns
- Advances as of Q1FY23 was at Rs. 21,688 Cr, growth of 22% YoY
- Yields stable at 17.15% on a sequential basis

- **Liabilities:**

**Strong retail deposit momentum:**

- Cost of funds stable at 6.20%, on a YoY basis CoF improved by 73bps
- CASA deposit grew 55% YoY to Rs. 10,548 Crs. CASA ratio stood at 52% as of June 2022

- Retail Term Deposits grew 14% YoY to Rs. 7,083 Crs. Retail Term Deposits contribute 72% of total term deposits.
- Elite SA book crossed Rs. 8,000 Crs with 70,000+ Customers
- NR Book crossed Rs. 1,000 Crs
- **Key Ratios:**
  - Cost to Income at 60.60% in Q1FY23 as compared to 56.85% in Q4FY22 as compared and 68.47% in Q1FY22
  - RoA and RoE for Q1FY23 at 1.40% and 9.03%
- **Capital:**
  - As of June 30, 2022 Total CRAR at 24.62% | Tier I at 24.07% and Tier II at 0.55%
- **Treasury & Liquidity:**
  - The Bank's Certificate of Deposit (CD) program for Rs. 500 Crore has highest rating from at CRISIL A1+
  - The Bank maintains 'surplus' liquidity in the form of High Quality Liquid Assets (HQLA). Liquidity Coverage Ratio (LCR) as on 30.06.2022 is 211%

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

- Net Interest Income for Q1FY23 at Rs. 581 Cr as against Rs. 461 Cr in Q1FY22. NIM at 9.05%
- Pre Provisioning Operating Profit (PPoP) for Q1FY23 at Rs. 269 Cr as against Rs. 164 Cr in Q1FY22
- PAT for Q1FY23 at Rs. 97 cr as against Rs. 12 Cr in Q1FY22

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

- GNPA at 3.95% in Q1FY23 as compared to 4.06% in Q4FY22 and 4.58% in Q1FY22
- NNPA at 2.07% in Q1FY23 as compared to 2.37% in Q4FY22 and 2.29% in Q1FY22
- Provision coverage ratio improves to 48.46%
- The Bank during the quarter has made higher provisions of Rs. 76 Cr towards the restructured loans which became NPA during Covid

Commenting on the quarterly performance, **Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank** said: "The first quarter has been a strong quarter unlike normal, where first quarters tends to be slow. The advances grew strongly by 22% and expected to improve further over the rest of the year. Our deposits growth continues to be strong, with CASA coming in at over 50% and retail deposits being about 72% of total deposits. Our digital foray is delivering value with nearly 9% of our savings account balances coming in from digitally sourced accounts. With Covid related disturbances behind us, and our customers' livelihoods coming back strongly, we should be able to support their aspirations for growth and growing along with them."

### **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**

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