



# EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

Oct 31, 2022

Chennai, Oct 31, 2022: The Board of Directors of Equitas Small Finance Bank Limited at its meeting held today, approved the unaudited financial results for quarter ended September 30, 2022

**PAT for the quarter at Rs 116 Cr compared to Q2FY22 PAT of Rs 41 Crs**

**Gross Advances<sup>^</sup> as of Q2FY23 was at Rs. 22,779 Cr, growth of 20% YoY**

**Q2FY23 disbursement at Rs. 3,845 Crs, growth of 22% YoY**

**RoA & RoE at 1.60% and 10.57%**

**CASA Deposit grew 28% YoY to Rs. 10,456 Crs. CASA Ratio stood at 48% as of Sept 2022**

**GNPA<sup>^</sup> down to 3.82% from 3.95% in Q1FY23, PCR improves to 50.49% from 48.46% sequentially**

## Q2FY23 Highlights:

### 1. Key Highlights for Q2FY23:

- **Advances<sup>^</sup>:**
  - Q2FY23 disbursement at Rs. 3,845 Crs, growth of 22% YoY
  - Advances<sup>^</sup> as of Q2FY23 was at Rs. 22,779 Cr, growth of 20% YoY
  - Yields stable at 17.10% on a sequential basis
  
- **Liabilities:**
  - Cost of funds stable at 6.25%, on a YoY basis CoF improved by 56bps
  - CASA deposit grew 28% YoY to Rs. 10,456 Crs. CASA ratio stood at 48% as of September 2022
  - Term Deposits grew 14% YoY to Rs. 11,270 Crs
  - Retail Term Deposits grew 13% YoY to Rs. 7,665 Crs. Retail Term Deposits contribute 68% of total term deposits
  - Elite book consisting of Savings account plus Term Deposits crossed Rs. 10,000 Crs
  - SA mobilized through digital channel crossed Rs. 900 Crs and it contributes to ~ 10% of SA Portfolio

<sup>^</sup>GNPA, NNPA & Gross Advances refers to GNPA, NNPA & Gross Advances including IBPC sold

- **Key Ratios:**
  - Cost to Income at 66.58% in Q2FY23 as compared to 60.60% in Q1FY23 as compared and 66.27% in Q2FY22
  - RoA and RoE for Q2FY23 at 1.60% and 10.57%
  
- **Capital:**
  - As of Sept 30, 2022 Total CRAR at 23.08% | Tier I at 22.55% and Tier II at 0.53%
  
- **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 30.09.2022 is 202%
  - Profit on sale of Investments for the quarter is Rs. 7.76 Crore and MTM depreciation on Investments for the quarter is Rs. 1.35 crore

## 2. Profit & Loss:

- Net Interest Income for Q2FY23 at Rs. 610 Cr as against Rs. 484 Cr in Q2FY22. NIM at 9.00%
- Pre Provisioning Operating Profit (PPoP) for Q2FY23 at Rs. 242 Cr as against Rs. 199 Cr in Q2FY22
- PAT for Q2FY23 at Rs. 116 cr as against Rs. 41 Cr in Q2FY22

## 3. Asset Quality & Provisions:

- Annualised Credit Cost at 1.62%, excluding onetime impact\* at 1.35%
- Non restructured 31-90 pool as of Sept'22 at comfortable levels of 3.49%
- GNPA^ at 3.82% in Q2FY23 as compared to 3.95% in Q1FY23 and 4.64% in Q2FY22
- NNPA^ at 1.93% in Q2FY23 as compared to 2.07% in Q1FY23 and 2.37% in Q2FY22
- Provision coverage ratio improves to 50.49% from 48.46% in Q1FY23

^GNPA, NNPA & Gross Advances refers to GNPA, NNPA & Gross Advances including IBPC sold

\*One time impact on account of complying with FAQ issued by RBI (updated Aug 22) wrt. Covid restructured loans | <https://www.rbi.org.in/Scripts/FAQView.aspx?id=137>

Commenting on the quarterly performance, **Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank** said: "Demand for credit continues to remain strong, especially in the informal sector. The 20% year on year growth in advances for the first half is expected to improve further in the seasonally active second half. Quality of portfolio remains a comfort with reducing credit cost. Deposit growth has been satisfactory and we have been able to retain the cost of funds with only marginal increase. Our CASA continues to remain in comfort zone and the digital initiatives of the Bank are beginning to yield significant benefits. Overall, the effect of Covid is receding and we expect to be back to our pre-covid levels of growth and profitability going forward"

### **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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