



# EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

Feb 08, 2023

Chennai, Feb 08, 2023: The Board of Directors of Equitas Small Finance Bank Limited at its meeting held today, approved the audited financial results for quarter and nine months ended December 31, 2022

**Highest quarterly PAT of Rs. 170 Cr in Q3FY23 vs Rs. 108 Crs in Q3FY22**

**Highest quarterly disbursement at Rs. 4,797 Crs, growth of 68% YoY**

**Gross Advances as of Q3FY23 was at Rs. 24,915 Cr, growth of 27% YoY**

**RoA & RoE for the quarter at 2.21% and 14.94%**

## 1. Key Highlights for Q3FY23:

- Q3FY23 was a strong quarter across key performance indicators delivering sustainable loan and deposit growth, stable margins, improving asset quality
  - Loan Growth – 27% YoY | Deposit Growth – 31% YoY
  - 93bps improvement in GNPA YoY
  - Highest ever PAT at Rs. 170 Crs
  - Improved return ratios with RoA at 2.21% and RoE at 14.94%
- PPop expanded to 3.62% from 3.52% YoY as productivity improved across product segments
- Asset quality continues to improve with DPD buckets normalized with covid impact waning off and restructured book contracting further. 1-90 DPD stands at 7.53% in Q3FY23 as compared to 10.43% in March'22 and 5.51% in March'20 (Pre-Covid'19)
- Bank has utilized Rs. 36 Crs of Covid Restructured Loan (RL) standard provisions during the quarter and continues to hold Rs. 60 Crs in Standard RL provisions which may be utilized in the following quarters

## 2. Business Highlights:

### Asset Updates:

- Q3FY23 disbursement at Rs. 4,797 Crs, growth of 68% YoY.
- Strong disbursement across all product segments, with the Bank's flagship product - SBL clocking a YoY disbursement growth of 73%.

- Advances as of Q3FY23 was at Rs. 24,915 Cr, growth of 27% YoY

### **Liabilities:**

- Total deposits grew 31% YoY to Rs. 23,393 Crs
- CASA deposit grew 19% YoY to Rs. 10,817 Crs. CASA ratio stood at 46% as of December 2022
- Term Deposits grew 43% YoY to Rs. 12,576 Crs
- Retail Term Deposits grew 18% YoY to Rs. 8,270 Crs. Retail Term Deposits contribute 66% of total term deposits.

- **Key Ratios:**

- NIM remains stable and healthy at 9.01%
- Cost to Income at 63.95% in Q3FY23 as compared to 66.58% in Q2FY23 as compared and 64.67% in Q3FY22
- RoA and RoE for Q3FY23 at 2.21% and 14.94%

- **Capital:**

- As of Dec 31, 2022 Total CRAR at 24.28% | Tier I at 23.74% and Tier II at 0.54%

- **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 31.12.2022 is 216%
- Profit on sale of Investments for the quarter is Rs. 7.01 Crore and there was no MTM depreciation on Investments for the quarter

### **3. Profit & Loss:**

- Net Interest Income for Q3FY23 at Rs. 647 Cr as against Rs. 541 Cr in Q3FY22, growth of 20% YoY. NIM's stable at 9.01%
- Pre Provisioning Operating Profit (PPoP) for Q3FY23 grew 24% YoY to Rs. 279 Cr as against Rs. 225 Cr in Q3FY22
- PAT for Q3FY23 grew 57% YoY to Rs. 170 cr as against Rs. 108 Cr in Q3FY22

### **4. Asset Quality & Provisions:**

- Annualised Credit Cost for Q3FY23 at 0.84%
- GNPA on advances [including advances sold under IBPC] at 3.46% in Q3FY23 as compared to 3.82% in Q2FY23 and 4.39% in Q3FY22
- NNPA on advances [including advances sold under IBPC] at 1.73% in Q3FY23 as compared to 1.93% in Q2FY23 and 2.38% in Q3FY22
- Provision coverage ratio at 50.84%

Commenting on the quarterly performance, **Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank** said: “The effect of Covid on the bank’s financials has waned. Many initiatives of the Bank to create a stable, sustainable and scalable bank have started yielding results and the performance of the 3<sup>rd</sup> quarter reflects the same.

Various projects on the digital side are expected to become operational over the next few quarters. As they go live, we expect further improvement in both productivity and efficiency as well as in generating newer business models.”

### **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