



EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

May 05, 2023

Chennai, May 05, 2023: 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, 2023

Highest Quarterly PAT of Rs. 190 Cr in Q4FY23, growth of 59% YoY

Quarterly disbursement at Rs. 5,917 Crs in Q4FY23, growth of 80% YoY

Gross advances at Rs. 27,861 Crs with a growth of 35% YoY

Highest RoA and RoE of 2.28% and 15.52% respectively

Board recommended maiden dividend of Rs. 1 per equity shares for FY23

1. Key Highlights for Q4FY23:

- Core operating performance remained strong despite the sharp rise in interest rate
- Highest ever broad-based disbursements of Rs. 5,917 Crs with new products continuing to scale-up. Growth of 80% YoY and 23% QoQ
- Gross advances at Rs. 27,861 Crs with a growth of 35% YoY and 12% QoQ
- Deposits grew 34% YoY and 8% QoQ to reach Rs. 25,381 Crs
- Q4FY23 saw a 20bps increase in CoF sequentially to 6.61%, for the year ended with a CoF of 6.38%
- The receipt of AD-1 license to further strengthen product suite

2. Business Highlights:

Asset Updates:

- Q4FY23 disbursement at Rs. 5,917 Crs, growth of 80% YoY
- Strong disbursement across all product segments, with the Bank's flagship product - SBL clocking a YoY disbursement growth of 56%
- Newer products like Housing Finance, Used Car and Merchant OD continue to scale-up
- Advances as of Q4FY23 was at Rs. 27,861 Crs, growth of 35% YoY

Liabilities:

- Total deposits grew 34% YoY to Rs. 25,381 Crs
- CASA deposit grew 9% YoY to Rs. 10,732 Crs. CASA ratio stood at 42%
- Term Deposits grew 61% YoY to Rs. 14,649 Crs
- Retail Term Deposits grew 25% YoY to Rs. 8,883 Crs. Retail Term Deposits contribute 61% of total term deposits

- **Key Ratios:**
 - NIM remains stable and healthy at 9.10%
 - Cost to Income improves to 58.09% in Q4FY23 as compared to 63.95% in Q3FY23 and 56.85% in Q4FY22
 - RoA and RoE for Q4FY23 at 2.28% and 15.52%

- **Capital:**
 - Networth of the Bank crosses Rs. 5,100 Crs
 - As of March 31, 2023 Total CRAR at 23.80% | Tier I at 23.08% and Tier II at 0.72%
 - Board recommended maiden dividend of Rs. 1 per equity shares (10% of face value) for FY23

- **Treasury & Liquidity:**
 - The Bank's Certificate of Deposit (CD) program has highest rating at A1+ from CRISIL and India Ratings (CRISIL A1+ for Rs. 500 Crs and IND A1+ for Rs. 100 Crs)
 - 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). Liquidity Coverage Ratio (LCR) as on 31.03.2023 is 182%
 - Profit on sale of Investments for the quarter is Rs. 2.67 Crs, MTM depreciation on investments on the quarter is Rs. 1 Crs

3. Profit & Loss:

- NII grew 28% YoY and 9% QoQ, Other income grew 66% YoY and 38% QoQ
- Core PPOP* grew 11% YoY and 13% QoQ to Rs. 316 Crs
- Core PPOP* to assets expanded to 3.79% for the quarter
- Highest ever PAT at Rs. 190 Crs for Q4FY23, growth of 59% YoY and 12% QoQ

**Core PPOP – PPOP excluding income from sale to ARC*

4. Asset Quality & Provisions:

- Annualized gross slippages at 3.06% for Q4FY23 as compared to 5.03% in Q3FY23 and 8.30% in Q4FY22
- GNPA improved by 147bps YoY to 2.60% in Q4FY23 as compared to 3.46% in Q3FY23 and 4.06% in Q4FY22
- NNPA improved by 123bps YoY to 1.14% in Q4FY23 as compared to 1.73% in Q3FY23 and 2.37% in Q4FY22
- In order to strengthen PCR, Bank has made additional provisions of Rs. 90 Crs during the quarter, PCR improved to 56.90% from 50.84% in Q3FY23 and 42.73% in Q4FY22

Commenting on the quarterly performance, **Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank said:** “During the Bank’s initial years, the focus was on laying the foundation to transition from an NBFC into a Bank. The Bank is in its second phase of growth and the overarching strategy is to leverage the investments made in branches, people, systems, products and most importantly customers. Initiatives centered on these investments will drive operational efficiencies, customer retention and improve the overall profitability of the Bank. As a stable, sustainable and scalable bank, Equitas is well positioned to capitalise on industry growth potential.”

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:

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