



EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

July 28, 2023

Chennai, July 28, 2023: 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, 2023

PAT of Rs. 191 Cr in Q1FY24, Strong growth of 97% YoY

Quarterly disbursement at Rs. 4,757 Crs in Q1FY24, growth of 47% YoY

Gross advances at Rs. 29,601 Crs with a growth of 36% YoY

Steady RoA and RoE of 2.10% and 14.54% respectively

1. Key Highlights for Q1FY24:

- Credit Growth continues to remain strong with advance growing at 36% YOY and 6% QoQ to Rs 29,601 Cr despite Q1 seasonality
- The Bank registered a strong disbursements growth of 47% YoY to Rs. 4,757 Crs
- Deposits grew 36% YoY and 9% QoQ to reach Rs. 27,709 Crs
- Q1FY24 saw a 33bps increase in cost of funds sequentially to 6.94% compared to 6.61% for Q4FY23

2. Business Highlights:

- Advances of newly launched Merchant Over Draft loans for tiny/small shop keepers cross Rs 500 Crs
- Strong disbursement across all product segments, with the Bank's flagship product – SBL. (Small Business Loans) clocking a YoY disbursement growth of 31%
- CASA ratio stood at 38%; Term Deposits grew 73% YoY to Rs. 17,067 Crs
- Retail Term Deposits grew 49% YoY to Rs. 10,536 Crs contributing to 62% of total term deposits

Key Ratios:

- NIM remains healthy at 8.76%
- Cost to Income stood at 65.05% in Q1FY24 as compared to 58.09% in Q4FY23 and 60.60% in Q1FY23.
- RoA and RoE for Q1FY24 at 2.10% and 14.54%

Capital:

- Networth of the Bank stands at Rs. 5,360 Crs
- As of June 30, 2023, Total CRAR at 22.06% | Tier I at 21.36% and Tier II at 0.70%

Treasury & Liquidity:

- The Bank's Certificate of Deposit (CD) programme has highest rating at A1+ from CRISIL, CARE and India Ratings.
- The Bank currently maintains 'surplus' liquidity in the form of High Quality Liquid Assets (HQLA). Liquidity Coverage Ratio (LCR) as on 30.06.2023 is 237%
- Profit on sale of Investments for the quarter is Rs. 26 Crs

3. Profit & Loss:

- NII grew 28% YoY and 5% QoQ, Other income grew 50% YoY and 4% QoQ (Excluding ARC sale Income in Q4FY23)
- PAT stood at Rs. 191 Crs for Q1FY24, growth of 97% YoY and 1% QoQ

4. Asset Quality & Provisions:

- Annualized gross slippages remain healthy at 3.07% for Q1FY24 as compared to 3.06% in Q4FY23 and 5.75% in Q1FY23
- GNPA improved by 135bps YoY to 2.60% in Q1FY24 compared to 3.95% in Q1FY23.
- NNPA improved by 95bps YoY to 1.12% in Q1FY24 as compared to 2.07% in Q1FY23
- In order to strengthen PCR, Bank has made additional provisions of Rs.13.99 Crs during the quarter, PCR improved to 57.79% from 56.90% in Q4FY23 and 48.46% in Q1FY23

Commenting on the quarterly performance, **Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank said:** "The Bank has now consistently delivered to a 2%+ ROA and ~15% ROE over the past three quarters back by a strong credit growth, continued traction in retail deposits and a favourable credit cycle in urban and rural geographies. We firmly believe over the past 7 years the Bank has created a strong franchise which is stable, scalable and sustainable and now aspires to convert to a universal bank. Our investments in technology continue to progress well, the impact of which should be felt in the coming few 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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