

Press Release for Immediate Circulation**DCB Bank announces Full Year FY 2022 Results**

May 07, 2022, Mumbai: The Board of Directors of DCB Bank Ltd. (BSE: 532772; NSE: DCB) at its meeting in Mumbai on May 07, 2022, took on record the audited financial results of the Fourth Quarter (Q4 FY 2022) and the Year ended March 31, 2022 (FY 2022).

Highlights:**1) Profit After Tax**

The Bank's **Profit After Tax (PAT)** for Q4 FY 2022 was at INR 113 Cr. In comparison **Profit After Tax** for Q4 FY 2021 was at INR 78 Cr., growth of 46%.

PAT was at INR 288 Cr. in FY 2022 as against INR 336 Cr. in FY 2021.

2) Operating Profit

The **Operating Profit** for Q4 FY 2022 was INR 221 Cr. as against INR 201 Cr. for Q4 FY 2021.

Operating Profit for FY 2022 was INR 797 Cr., as against INR 886 Cr. for the same period last year. FY 2021 had the benefit of much higher one-time Treasury Income due to favorable interest rate movements.

3) Net Interest Income

The Bank earned **Net Interest Income** of INR 380 Cr. for Q4 FY 2022 as against INR 311 Cr. for Q4 FY 2021.

Net Interest Income in FY 2022 was INR 1,358 Cr. as against INR 1,287 Cr.

In Q4 FY 2022, **Net Interest Margin (NIM)** was at 3.93% as against 3.46% in Q4 FY 2021.

NIM was at 3.56% in FY 2022 as against 3.59% in FY 2021.

4) Non-Interest Income

In FY 2022, **Non-Interest Income (Fee)** was at INR 452 Cr. as against INR 446 Cr. for the same period. As mentioned above, FY 2021 had the benefit of much higher one-time Treasury Income due to favorable interest rate movements.

5) Cost Income Ratio

Cost Income Ratio (CI) for FY 2022 was at 55.96% as compared to 48.87% in FY 2021. As the COVID-19 pandemic appears to be receding opening business opportunities in the chosen self-employed segment, the Bank is continuing to increase its frontline headcount / capacity to step-up growth in the coming months. As the Bank is predominantly in the small ticket secured Retail and SME/MSME business, headcount / capacity increase, initially impacts CI ratio. If the business volume increases as planned, then CI ratio is expected to decline over time.

6) Return on Equity

Return on Equity (ROE) (Annualized) was at 12.12% in Q4 FY 2022 as compared to 8.96% in Q4 FY 2021.

ROE was at 7.92% in FY 2022 as compared to 9.99% in FY 2021.

7) Dividend

The Board of Directors have recommended a dividend of **INR 1 per share @ 10%** for the year ended March 31, 2022 subject to approval of the members in the ensuing Annual General Meeting.

8) Capital Adequacy

Capital Adequacy continues to be strong and as on March 31, 2022, the **Capital Adequacy Ratio** was at 18.92% (with Tier I at 15.84% and Tier II at 3.08% as per Basel III norms).

9) Deposits

The Bank has been steadily growing the **Retail Term Deposits** (less than INR 2 crores) and reducing Bulk Deposits. As on March 31, 2022, the top 20 deposits ratio was at 6.31%.

In FY 2022, the Bank achieved **CASA** growth of **37%** over the previous year.

CASA Ratio was at 26.75% as on March 31, 2022, as against 22.85% as on March 31, 2021.

10) Advances

The main target market of the Bank is MSME/SME segment. In terms of products, the Bank is focused on growing **Home Loans, Business Loans (LAP), Gold Loans, MSME/SME (CC/OD/Term), KCC (Kisan Credit Card), Tractor Loans, Loans to MFIs and MFI-BC Loans**. In FY 2022, the Bank also embarked on lending in TReDS platform and Gold Loans through Co-lending partnership.

In **Corporate segment**, the Bank continues to cautiously target short term loans.

As on March 31, 2022, **Net Advances** was at INR 29,096 Cr. A 13% growth as compared to the previous year.

In Q4 FY 2022, the Bank disbursed INR 5,043 Cr. (Mortgage INR 1,115 Cr., Gold Loans INR 309 Cr., Agri & Inclusive Banking INR 782 Cr., MSME/SME INR 112 Cr., Construction Finance INR 244 Cr., Commercial Vehicle INR 24 Cr., Corporate Banking INR 503 Cr., Co-Lending INR 1,954 Cr.)

11) Refinance

Bank Refinance (NABARD, NHB and SIDBI) was at INR 3,477 Cr. as on March 31, 2022. Given the granular nature of Advances, the Bank's portfolio is eligible to continue to seek long term refinance options from SIDBI, NABARD and NHB periodically.

12) Liquidity

The average **LCR** for Q4 FY 2022 was 125.33%.

On a conservative approach, the Bank had maintained daily liquidity at levels higher than "business as usual". However, as situation is improving, the Bank is slowly moderating the excess liquidity.

13) Costs

Costs are increasing on account of (a) Increase in frontline headcount (b) Salary increase (c) New branch additions (d) Technology investments. This may result in near term increase in Cost / Income ratio. Both Cost / Income ratio and Cost to Average Assets are expected to steadily decline over time with increase in business volumes.

14) Provisions

As on March 31, 2022, the Bank is holding the following provisions:

Item	INR Cr.
Provision for Gross NPA	595
Floating Provision	122
a. Sub Total	717
Specific Standard Assets Provision	29
Contingency Provision on Restructured and Stressed Assets	70
Restructured Standard Assets	287
b. Sub Total	386
Standard Assets Provisions (as required by RBI guidelines)	94
c. Sub Total	94
Total – a + b + c	1,197

15) Asset Quality

The **Gross NPA** as on March 31, 2022 was at 4.32% as compared to 4.78% in December 31, 2021.

The **Net NPA** was at 1.97% as on March 31, 2022 as compared to 2.55% in December 31, 2021.

As the Bank has mostly secured portfolio, as environment improves, the Bank continues to have strong performance in Recoveries and Upgrades.

In Q4 FY 2022 while NPA slippages was INR 378 Cr., Recoveries and Upgrades were INR 426 Cr. or 113%. The month-on-month slippages excluding Gold Loans have steadily declined and are nearly back to pre-Covid-19 levels. We continue to improve on Collections, Recoveries and Upgrades.

The **Provision Coverage Ratio (PCR)** as on March 31, 2022 was at 67.84% and PCR without considering Gold Loans NPAs was at 72.49%.

16) Collections Efficiency (%)

	Jan 2020	Mar 2021	Apr 2021	Jul 2021	Sep 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022
Business Loans (LAP)	98.9	97.0	94.3	97.3	97.2	96.0	97.2	96.9	97.7
Home Loans	99.2	98.1	96.3	98.8	98.8	98.7	98.9	98.5	99.0
CV Loans	96.0	90.0	82.5	85.0	84.6	85.2	84.8	83.0	85.1

The Collections Efficiency Overall (including delinquent and restructured)

	Jan 2020	Mar 2021	Apr 2021	Jul 2021	Sep 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022
Business Loans (LAP)	97.5	95.2	91.5	93.2	95.8	94.8	95.7	95.2	96.7
Home Loans	98.5	96.8	94.5	96.5	98.1	98.2	98.2	97.7	98.5
CV Loans	92.1	86.0	76.7	77.9	80.8	84.6	84.2	82.0	85.2

Business Loans (LAP): Customers (including delinquent & restructured) who have not paid any installment from April 1, 2020, to March 31, 2022, was at **0.59%**.

The percentage of portfolio who have paid 3 EMIs or more from April 01, 2020, to March 31, 2022, stood at **98.5%**.

Home Loans: Customers (including delinquent & restructured) who have not paid any installment from April 1, 2020, to March 31, 2022, was at **1.53%**.

The percentage of portfolio who have paid 3 EMIs or more from April 01, 2020, to March 31, 2022, stood at **94.6%**.

Commercial Vehicle: Customers (including delinquent & restructured) who have not paid any installment from April 1, 2020, to March 31, 2022, was at **2.83%**.

The percentage of portfolio who have paid 3 EMIs or more from April 01, 2020, to March 31, 2022, stood at **95.4%**.

17) **Credit Costs**

While relentlessly focusing on Collections, Recoveries and Upgrades the Bank is likely to make provisions on a conservative basis.

18) **ECLGS**

Under ECLGS the Bank has so far disbursed INR 1,285 Cr. (15,002 customers).

19) **Restructure**

Unlike Covid-19 first wave, the unanticipated severity of the second wave drove More customers to seek restructure as their business / livelihood was impacted. The Bank had followed a cautious approach to restructure requests from customers. As on March 31, 2022, the **Net Restructured Standard Advances** including Covid-19 relief stood at INR 1,869 Cr. mostly contributed by Mortgages, Commercial Vehicles and SME / MSME.

20) **Branch Network**

The **Bank's branch network** stood at 400 as on March 31, 2022. The Bank intends to add 25-35 branches in the next 12-15 months. The pace of branch expansion will depend inter alia upon business opportunities and performance.

21) **Headcount**

The **Bank's headcount** was 8,077 as on March 31, 2022 (6,432 as on March 31, 2021 and 6,845 as on March 31, 2020). The Bank plans to continue to increase its frontline headcount to build capacity for growth.

22) **Accelerating Digital Agenda**

The Bank has embarked upon **accelerating the digital agenda** with the intention of vastly improving customer journey / service quality and reducing costs as part of strategic cost management. The Bank has identified 852 digital projects (105 – Large, 465 – Medium and 282 – Small) of which 275 projects have already been completed.

Speaking on the FY 2022 results **Mr. Murali M. Natrajan**, Managing Director & CEO said, “Monthly NPA Slippages are steadily declining, while Recoveries and Upgrades continue to be strong. Business volumes are increasing, and our intention is to build further momentum while utilizing the increased frontline capacity. During the quarter the Bank crossed an important milestone of 400 branches”.

Key Balance Sheet Parameters

INR Cr.	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Total Assets	44,840	41,178	41,475	40,308	39,602
Deposits	34,692	32,231	31,769	30,602	29,704
Net Advances	29,096	27,343	26,537	25,290	25,737
Investments	9,098	8,583	8,626	9,107	8,414
Shareholders' Equity	4,049	3,934	3,858	3,793	3,759
Gross NPA Ratio	4.32%	4.78%	4.73%	4.91%	4.13%
Net NPA Ratio	1.97%	2.55%	2.66%	2.84%	2.31%
Coverage Ratio	67.84%	62.17%	60.46%	59.42%	62.35%
CASA Ratio	26.75%	25.94%	25.38%	21.69%	22.85%
Credit Deposit Ratio	83.87%	84.84%	83.53%	82.64%	86.65%

DCB Bank Audited Results for the Quarter ended March 31, 2022

INR Cr.	FY 2021-22	Q4 FY 2021-22	Q3 FY 2021-22	Q2 FY 2021-22	Q1 FY 2021-22	FY 2020-21
Interest Income	3,513	920	878	869	846	3,458
Interest Expense	(2,155)	(540)	(533)	(546)	(537)	(2,171)
Net Interest Income	1,358	380	345	323	309	1,287
Non-Interest Income	452	115	118	98	121	446
Total Income	1,810	495	463	421	430	1,733
Operating Expenses	(1,013)	(274)	(264)	(246)	(228)	(847)
Operating Profit	797	221	199	175	202	886
Provisions other than Tax	(407)	(68)	(97)	(86)	(156)	(433)
Net Profit Before Tax	390	153	102	89	46	453
Tax	(102)	(40)	(27)	(24)	(12)	(117)
Net Profit After Tax	288	113	75	65	34	336

About DCB Bank

DCB Bank Limited is a new generation private sector bank with 400 branches across 18 states and 2 union territories. It is a scheduled commercial bank regulated by the Reserve Bank of India. It is professionally managed and governed. DCB Bank has contemporary technology and infrastructure, including state-of-the-art India's first Aadhaar number & fingerprint based biometric ATMs, and internet banking for personal as well as business banking customers.

The Bank's business segments are Retail, micro-SMEs, SMEs, mid-Corporate, Microfinance Institutions (MFI), Agriculture, Commodities, Government, Public Sector, Indian Banks, Co-operative Banks and Non Banking Finance Companies (NBFC). DCB Bank has more than 10,00,000 active customers.

A presentation for investors is separately available at www.dcbbank.com

Safe Harbour

Some of the statements contained herein are forward looking statements. These statements are based on information currently available to us. There are risks and uncertainties which could cause actual outcomes to differ materially from these forward looking statements. We assume no responsibility to update these statements as circumstances change.

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