

Ref No: 04/SE/CS/FEB/2024-25

Date: February 10, 2025

To,

Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	Listing & Compliance Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C/1, “G” Block Bandra- Kurla Complex Bandra(E), Mumbai- 400051
BSE Scrip Code: 544020	NSE Symbol: ESAFSFB

Dear Sir / Madam,

Sub: Integrated Filing (Financial) on the Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2024

Pursuant to SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024, read with BSE Circular No. 20250102-4 and NSE Circular No. NSE/CML/2025/02 both dated January 2, 2025, please find enclosed herewith the Integrated Filing (Financial) on the Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2024.

The intimation shall also be made available in the website of the Bank www.esafbank.com.

Requesting you to take the same into your records.

Thanking you,

Yours Faithfully,

For ESAF Small Finance Bank Limited

Ranjith Raj. P
Company Secretary and Compliance Officer

Abarna & Ananthan

Chartered Accountants
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6th Block, Banashankari 3rd Stage,
Bengaluru, Karnataka 560 085, India
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Kirtane & Pandit LLP

Chartered Accountants
601,6th Floor
Earth Vintage Building,
Dadar West,
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Tel: +91 022 69328846 /47

Independent Auditor's Review Report for the quarter and nine months ended December 31, 2024 on Unaudited Financial Results of ESAF Small Finance Bank Limited pursuant to the Regulation 33 and 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

To
The Board of Directors
ESAF Small Finance Bank Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **ESAF SMALL FINANCE BANK LIMITED** (the "Bank") for the quarter and nine months ended December 31, 2024 (the "Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") except for the disclosures relating to Pillar 3 disclosures as at December 31, 2024, including leverage ratio under Basel II Capital Regulations as have been disclosed on the Bank's website and have not been reviewed by us.
2. The Bank's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Accounting Standard 25 – Interim Financial Reporting ('AS 25') prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time (the 'RBI Guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Bank's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) Companies Act 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.




Abarna & Ananthan

Kirtane & Pandit LLP

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the RBI Guidelines and other accounting principles generally accepted in India, in so far as they apply to the banks, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by RBI in respect of income recognition, asset classification, provisioning and other related matters.

For **Abarna & Ananthan**
Chartered Accountants
(Firm Registration No.: 000003S)

For **Kirtane & Pandit LLP**
Chartered Accountants
(Firm Registration No.:
105215W/W100057)


Abarna Bhaskar
Partner
Membership No.: 025145



UDIN: 25025145BMKWVI6579

Place: Mannuthy
Date: February 10, 2025


Sandeep Welling
Partner
Membership No.: 044576



UDIN: 25044576BMKQWN9688

Place: Mannuthy
Date: February 10, 2025

Statement of unaudited financial results for the quarter and nine months ended 31 December 2024

Rs. In Lakhs

Sl No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31 December 2024	30 September 2024	31 December 2023	31 December 2024	31 December 2023	31 March 2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	94,989	99,643	97,440	2,96,878	2,81,654	3,81,853
	a) Interest/discount on advances/bills	83,359	87,835	87,841	2,62,965	2,55,354	3,46,142
	b) Income on investments	10,322	9,485	9,395	29,092	25,923	35,295
	c) Interest on balances with Reserve Bank of India and other inter-bank funds	1,308	2,323	204	4,821	377	416
	d) others	-	-	-	-	-	-
2	Other Income	11,189	9,658	11,995	32,375	29,187	44,172
3	Total Income (1)+(2)	1,06,178	1,09,301	1,09,435	3,29,253	3,10,841	4,26,025
4	Interest expended	46,287	45,607	37,740	1,35,304	1,03,748	1,44,873
5	Operating Expenses (i)+(ii)	47,153	49,391	42,926	1,41,504	1,19,291	1,64,883
	i) Employees Cost	17,867	19,306	8,930	47,520	25,825	36,297
	ii) Other operating expenses	29,286	30,085	33,996	93,984	93,466	1,28,586
6	Total Expenditure (4)+(5)	93,440	94,998	80,666	2,76,808	2,23,039	3,09,756
7	Operating Profit before provisions and contingencies (3)-(6)	12,738	14,303	28,769	52,445	87,802	1,16,269
8	Provisions (other than tax) and contingencies	40,977	33,969	13,784	91,858	36,613	59,228
9	Exceptional items (Refer Note 11)	-	5,800	-	5,800	-	-
10	Profit/(Loss) from ordinary activities before tax (7)-(8)-(9)	(28,239)	(25,466)	14,985	(45,213)	51,189	57,041
11	Tax expenses	(7,149)	(6,459)	3,771	(11,393)	12,967	14,484
12	Net profit/(Loss) from ordinary activities after tax (10)-(11)	(21,090)	(19,007)	11,214	(33,820)	38,222	42,557
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Net Profit/(Loss) for the Period/ year (12)-(13)	(21,090)	(19,007)	11,214	(33,820)	38,222	42,557
15	Paid up equity share capital (Face Value of Rs. 10/- each)	51,508	51,487	51,478	51,508	51,478	51,478
16	Reserves excluding revaluation reserves	-	-	-	-	-	1,97,133
17	Analytical Ratios and other disclosures						
	(i) Percentage of shares held by Government of India	-	-	-	-	-	-
	(ii) Capital Adequacy Ratio - Basel II (Refer Note 5)	22.70%	23.16%	21.03%	22.70%	21.03%	23.27%
	(iii) Earnings Per Share (EPS) [before and after extraordinary items, net of expenses] (Face value of Rs.10/- each) *						
	- Basic (Rs.)	(4.10)	(3.69)	2.43	(6.57)	8.27	8.96
	- Diluted (Rs.)	(4.09)	(3.69)	2.42	(6.56)	8.26	8.94
	(iv) NPA Ratio						
	(a) Gross NPA	1,27,395	1,27,933	71,320	1,27,395	71,320	89,304
	(b) Net NPA	52,046	52,494	36,831	52,046	36,831	41,379
	(c)% of Gross NPA to Gross Advances	6.96%	6.98%	4.16%	6.96%	4.16%	4.76%
	(d) % of Net NPA to Net Advances	2.97%	2.98%	2.19%	2.97%	2.19%	2.26%
	(v) Return on Assets *	(0.79)%	(0.70)%	0.51%	(1.26)%	1.74%	1.86%
	(vi) Network #	2,12,366	2,33,300	2,48,205	2,12,366	2,48,205	2,48,611
	(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
	(viii) Capital Redemption Reserve/ Debenture Redemption	-	-	-	-	-	-
	(ix) Debt - Equity Ratio **	0.64	0.75	0.54	0.64	0.54	0.83
	(x) Total debts ** to total assets	6.33%	8.04%	9.90%	6.33%	9.90%	12.35%

* Quarterly and nine months numbers are not annualised

#Network represents sum of Capital and Reserves & Surplus

**Debt represents borrowings with residual maturity of more than one year. Total debt represents total borrowings. Equity represents sum of Capital and Reserves & Surplus

As per regulation 33 and regulation 52(4) of SEBI (Listing obligations & Disclosure Requirements) regulations, 2015 the equity and debt listed entities are required to disclose certain ratios. The ratios which are relevant to the Banking sector are disclosed above.



Notes:

1. Segment information in accordance with the RBI guidelines and Accounting Standard 17-"Segment Reporting"

SI	Particulars	Quarter ended					Rs. In Lakhs	
		31 December 2024		30 September 2024		31 December 2023		Year ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Segment Revenue							
(a)	Retail	86,628	88,449	92,340	2,71,427	2,68,648	3,64,261	
(b)	Wholesale	3,866	3,578	2,137	10,669	6,217	9,429	
(c)	Treasury	12,736	14,434	11,104	38,672	28,881	39,906	
(d)	Other Banking Operations	2,948	2,840	3,854	8,485	7,095	12,429	
(e)	Less: Inter Segment Revenue	-	-	-	-	-	-	
	Income from operations	1,06,178	1,09,301	1,09,435	3,29,253	3,10,841	4,26,025	
2	Segment Results							
(a)	Retail	(32,302)	(31,812)	9,150	(60,694)	38,313	34,460	
(b)	Wholesale	781	1,315	780	3,375	2,693	5,470	
(c)	Treasury	589	2,385	1,523	4,265	3,496	5,298	
(d)	Other Banking Operations	2,693	2,646	3,532	7,841	6,687	11,813	
	Total Profit/(Loss) Before Tax	(28,239)	(25,466)	14,985	(45,213)	51,189	57,041	
3	Segment Assets							
(a)	Retail	16,99,969	17,11,622	16,67,898	16,99,969	16,67,898	17,93,145	
(b)	Wholesale	1,20,682	1,24,349	74,446	1,20,682	74,446	97,718	
(c)	Treasury	8,11,774	7,94,427	6,62,699	8,11,774	6,62,699	6,90,503	
(d)	Unallocated	42,333	34,231	25,003	42,333	25,003	27,323	
	Total Assets	26,74,758	26,64,629	24,30,046	26,74,758	24,30,046	26,08,689	
4	Segment Liabilities							
(a)	Retail	16,83,209	17,29,549	15,96,641	16,83,209	15,96,641	17,11,980	
(b)	Wholesale	1,12,649	1,15,754	62,520	1,12,649	62,520	86,657	
(c)	Treasury	6,18,736	5,33,504	4,84,917	6,18,736	4,84,917	5,10,397	
(d)	Capital & Reserves	2,12,366	2,33,300	2,48,205	2,12,366	2,48,205	2,48,611	
(e)	Unallocated	47,798	52,522	37,763	47,798	37,763	51,044	
	Total Liabilities	26,74,758	26,64,629	24,30,046	26,74,758	24,30,046	26,08,689	

Notes:

- The business of the Bank is confined within India and does not have any assets situated outside India or earnings from outside India. Accordingly, the Bank has reported operations in domestic segment only.
- Income, expenses, assets and liabilities have been either specifically identified to individual segments or allocated to segments based on matching principle and the residual items are classified as unallocated.
- Unallocated item includes Capital expenditure, deferred income tax assets/ liabilities and advance tax etc.
- In computing the above information, certain estimates and assumptions have been made by the management and have been relied upon by the auditors.
- The RBI vide its Circular dated April 7, 2022 on establishments of Digital Banking Units (DBUs) has prescribed reporting of Digital Banking Segments as a sub segment of Retail Banking Segment (RBS). The Bank has not set up any DBU so far and hence DBU has not been disclosed as a separate segment as per Accounting Standard 17 (Segment Reporting).



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2.The statement of unaudited financial results for the quarter and nine months ended 31 December 2024 ("Statement" or "financial results") have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 10 February 2025 in accordance with the requirement of Regulation 33 and Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Regulations") as amended. The results have been subjected to limited review by the Joint Statutory auditors and an unmodified opinion has been issued by them thereon.

3. The above financial results of the Bank has been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standard) Rules, as amended and applicable to the Banks, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended and guidelines issued by Reserve Bank of India (RBI).

4. The Bank has applied significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended 31 March 2024, except as stated in note 9 below. Any circulars/ directions issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under those circulars/ directions.

5. The Capital Adequacy Ratio ("CRAR") has been computed as per the Operating guidelines in the RBI notification RBI/2016-17/81 DBR.NBD.NO.26/16.13.218/2016-17 dated 6 October 2016 ("the Operating guidelines") prescribed for Small Finance Bank. The Bank has followed Basel II standardised approach for credit risk in accordance with the Operating Guidelines issued by the RBI for Small Finance Banks. Further no separate capital charge for market risk and operational risk has been computed in view of the exception contained in RBI Notification DBR. NBD. NO. 4502/16.13.218/2017-18 dated 8 November 2017.

6. (i) During the nine months ended 31 December 2024, the bank has not acquired / transferred any "loans not in default" through assignment of loans.
(ii) During the nine months ended 31 December 2024, the bank has not acquired/ transferred any stressed loans (Non-performing Asset and Special Mention Account).

iii) Details of ratings of SRs outstanding as on 31 December 2024 are given below:

Ratings	Rating Agency	Recovery Rating	Rs.in Lakhs
			Gross Value of Outstanding SRs
RR3	Crisil	50% and upto 75%	5,469.39*

* the same has been carried at Rs. 2/- in the books.

7. The Bank is carrying an additional contingency provision on standard assets of Rs. 4,885 Lakhs as on 31 December 2024 (Rs. 4,626 Lakhs as on 30th September 2024 and Rs. 3011 Lakhs as on 31 December 2023).

8. Other income includes processing fee, profit/ loss on sale of investments (net off provision for depreciation), Income from bancassurance business, recovery from loans written off, income from dealing in PSLC, Collection Agency Fees from Asset Reconstruction Companies (ARC).

9. During the quarter ended 30 June 2024, the Bank implemented the RBI Master Direction - Classification, Valuation, and Operation of Investment Portfolio of Commercial Banks (Directions), 2023, dated 12 September 2023. This directive is applicable to banks from 1 April 2024. Consequent to the transition provisions, the Bank has recognised net gain of Rs. 951.73 lakhs (net of taxes) which has been credited to General Reserve as on 01 April 2024, on account of revision in the carrying value of investments to the fair value as on such date. The impact of the revised framework for the period subsequent to transition is not ascertainable, making the income/profit or loss from investments for the quarter and nine months ended 31 December 2024, incomparable with the previous period/year.

10. During the nine months ended 31 December 2024, the Bank has allotted 3,00,897 equity shares (Quarter ended 31 December 2024: 2,06,859 equity shares) pursuant to the exercise of options under the approved employee stock option scheme

11. The Board of Directors at their meeting held on June 14, 2024, had taken a strategic decision to reduce concentration risk associated with dependence on business correspondents and had decided to modify the existing arrangement with M/s. ESAF Swasraya Multi State Agro Co-operative Society Limited ("ESMACO"), the largest business correspondent and one of the promoter group entities of the Bank from 1 July 2024.

In terms of the modified arrangement the Bank had absorbed 5,109 trained employees of ESMACO and had agreed to compensate ESMACO Rs 5,800 lakhs (inclusive of GST) being the value addition for sourcing and training the staff which otherwise the Bank would have had to incur based on an independent external valuation. These employees would be eligible to all the benefits similar to the Bank staff from 1 July 2024. Accordingly Rs. 5,800 Lakhs is reported as an exceptional item for the nine months ended 31 December 2024 and Quarter ended 30 September 2024.

12. The Bank does not have any subsidiary/ associate/ joint venture as on 31 December 2024.

13.Figures for the previous period/year have been reclassified/regrouped wherever necessary, to conform to the current period classification.

Place : Mannuthy
Date : 10 February 2025




Kadambelil Paul Thomas
Managing Director & CEO
DIN: 00199925



B. STATEMENT ON DEVIATION OR VARIATION FOR PROCEEDS OF PUBLIC ISSUE, RIGHTS ISSUE, PREFERENTIAL ISSUE, QUALIFIED INSTITUTIONS PLACEMENT ETC.

– Not Applicable for the quarter ended December 31, 2024.

C. FORMAT FOR DISCLOSING OUTSTANDING DEFAULT ON LOANS AND DEBT SECURITIES - Not Applicable as there were no defaults.

D. FORMAT FOR DISCLOSURE OF RELATED PARTY TRANSACTIONS (applicable only for half-yearly filings i.e., 2nd and 4th quarter) -Not Applicable for the quarter ended December 31, 2024.

E. STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL AUDITED FINANCIAL RESULTS (Standalone and Consolidated separately) (applicable only for Annual Filing i.e., 4th quarter) – Not Applicable for the quarter ended December 31, 2024.

ESAF SMALL FINANCE BANK LIMITED

RBI License No.: MUM 124, CIN: L65990KL2016PLC045669

Registered & Corporate Office: ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur - Palakkad National Highway, Thrissur - 680 651, Kerala.

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