

Ref No: 07/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: PRESS RELEASE ON THE FINANCIAL RESULTS OF THE BANK FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2024

Further to our intimation dated February 10, 2025 about the Unaudited Standalone Financial Results of the Bank for the quarter and Nine Months ended December 31, 2024 and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we enclose herewith a copy of the Press Release in this regard.

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

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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ESAF Small Finance Bank Reports Strong Growth in Secured Assets and CASA Deposits

Thrissur, Kerala, 10 February 2025 – ESAF Small Finance Bank, the scheduled commercial Bank headquartered in Thrissur, announced its financial results for the third quarter and nine months of FY 2025, highlighting strong growth in secured assets, a significant rise in CASA deposits, and proactive provisioning to strengthen its balance sheet. The Bank reported a Net Interest Income (NII) of ₹487 Crore, with a Net Interest Margin (NIM) of 8.64%. The Bank reported a loss of ₹211 crore, while setting aside higher provisions for stressed assets impacted profitability. The bank's branch network has expanded to 770 branches and 669 ATMs across 24 states and 2 union territories.

Secured loan disbursements surged by 172% YoY, reaching ₹4,226 crore in the nine months of FY25, up from ₹1,554 crore in the same period last year. The secured asset portfolio expanded from 27.91% in NM FY24 to 43.35% in NM FY25. Gold loans also experienced robust growth of 82% YoY, reaching ₹4,576 crore in nine months of FY25 from ₹2,513 crore in the same period last year. CASA deposits recorded a strong 57% YoY growth, rising to ₹5,592 crore in Q3 FY25 from ₹3,562 crore in Q3 FY24, with the CASA ratio improving to 24.95% from 18.89%.

The Bank allocated provisions of ₹410 crore towards stressed assets in the quarter, increasing its Provision Coverage Ratio (PCR) to 78.58% as of December 2024 from 73.70% in September 2024. The Gross NPA is at 6.96% of advances. The Net Non-Performing Asset (NNPA) ratio stood at 2.97% in December 2024 compared to 2.98% in the preceding quarter. ESAF added 8.18 lakh new customers in the nine months of FY25, bringing the total to 91.9 lakh customers. The Bank's total business expanded by 12.3% YoY to ₹41,576 crores. Gross advances growing by 6.6% YoY to ₹18,291 crores. The total loan book increased by 5.6% YoY to ₹19,161 crores.

Deposits witnessed a significant increase, rising by 18.9% YoY to ₹22,415 crores in Q3 FY25 from ₹18,860 crores in Q3 FY24. The cost of funds for Q3 FY25 stood at 7.64%, while the Capital to Risk-Weighted Assets Ratio (CRAR) remained strong at 22.70%, including Tier I capital at 18.68%.

Talking about the results, K. Paul Thomas, MD & CEO, ESAF Small Finance Bank, said: "We have registered strong growth in total business and witnessed a significant rise in CASA deposits. 92% of our deposits are retail, reflecting our financial stability. We remain confident in improving asset quality over the next one to two quarters, driven by our commitment to responsible lending and diversification to mitigate concentration risks. Additionally, our focus on technological advancements will enhance operational efficiency and elevate customer experience."

Key Financial Highlights (Q3 FY25):

Business Growth

- Total business grew by 12.3% YoY to ₹41,576 crores in Q3 FY25 compared to ₹37,009 crores in Q3 FY24.

Advances

- Gross advances increased by 6.6% YoY to ₹18,291 crores in Q3 FY25 from ₹17,153 crore in Q3 FY24.
- Total Loan Book stood at ₹19,161 crore, up by 5.6% YoY. Micro Loans accounted for 57%, Gold Loans for 24%, and Other secured Loans for 19%.
- Disbursements during Q3 FY25 amounted to ₹5,544 crore compared to ₹3,893 crore in Q3 FY24.

Deposits

- Total deposits grew by 18.9% YoY to ₹22,415 crore in Q3 FY25 compared to ₹18,860 crore in Q3 FY24.
- CASA deposits surged by 57.0% YoY to ₹5,592 crore in Q3 FY25 from ₹3,562 crore in Q3 FY24.
- CASA ratio improved to 24.9% in Q3 FY25 from 18.9% in Q3 FY24.

Profitability Metrics

- Net Interest Income (NII) stood at ₹487 crore compared to ₹597 crore in Q2 FY24, reflecting changes in the loan mix and an increase in slippage. Net Interest Margin (NIM) for Q3 FY25 was 8.64%.
- Pre-provisioning operating profit (PPOP) before exception items in Q3 FY25 stood at ₹127 crore compared to ₹288 crore in Q3 FY24.
- The bank set aside additional provisions of ₹251.8 crore over and above the policy requirements, reducing Net NPA and improving coverage. In Q3 FY24, additional provisions amounted to ₹124.93 crore.
- The bank reported a loss of ₹211 crore in Q3 FY25 compared to a loss of ₹190 crore in the previous quarter.
- Cost of funds for Q3 FY25 remained stable at 7.7%.
- CRAR was at healthy level 22.70%, with Tier I capital at 18.67% as of December 2024.

Asset Quality

- Provision Coverage Ratio improved to 78.58% as of December 31, 2024, from 73.70% in the previous quarter.
- Net NPA stood at 2.97%, marginally improving from 2.98% in the previous quarter.

The bank's distribution network expanded to 770 branches and 669 ATMs across 24 States and 2 Union Territories, supported by 35 institutional Business Correspondents and 1,106 Customer Service Centres.

About ESAF Small Finance Bank



ESAF Small Finance Bank, promoted by Mr Kadambelil Paul Thomas and ESAF Financial Holdings Private Limited commenced operations on March 10 2017 became a Scheduled Commercial Bank in December 2018 and continues to drive financial inclusion through innovative banking solutions, serving retail, MSME, and underserved communities with a strong focus on technology and sustainable growth.

With a triple-bottom-line approach focused on People, Planet, and Prosperity, ESAF drives universal financial access and inclusion, empowering individuals, groups, and MSMEs. ESAF Small Finance Bank began its journey in 2017, primarily serving the underserved, and has now grown to manage a total loan book of ₹192 billion and deposits of ₹224 billion.

Safe Harbor Statement

Any forward-looking statements about expected future events and financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Contact Details

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