

Ref No: 22/SE/CS/JULY/2024-25

Date: July 26, 2024

To,

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

Dear Sir/ Madam,

**SUB: PRESS RELEASE ON THE FINANCIAL RESULTS OF THE BANK FOR THE QUARTER ENDED JUNE 30, 2024**

Further to our letter dated July 19, 2024 intimating about the Board meeting to consider and approve the Unaudited Standalone Financial Results of the Bank for the quarter ended June 30, 2024 and pursuant to Regulation 30 of the 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 Reports Results for Q1 FY25: Profits up by 45% Sequentially

**Thrissur, 26<sup>th</sup> July 2024:** The Board of Directors of ESAF Small Finance Limited at its meeting, approved the financial results for the quarter ended June 30, 2024

Thrissur, Kerala, 26-July-2024 – ESAF Small Finance Bank, the scheduled bank headquartered in Thrissur, announced its financial performance for the first quarter of the fiscal year 2025. The bank has demonstrated significant growth in key business metrics, reinforcing its commitment to financial inclusion and sustainable development

In Q1 FY25, the total business of ESAF Small Finance Bank grew by 23.4% YoY, reaching **₹40,551 Crore**, up from **₹32,860 Crore** in Q1 FY24. Gross advances surged by 30.0% YoY to **₹18,783 Crore** in Q1 FY25, compared to **₹14,444 Crore** in Q1 FY24. The total loan book for the quarter was **₹19,664 Crore**, a 14.3% increase YoY. Of this, Micro Loans contributed 66%, while Retail Loans and others accounted for 34%. Disbursements during Q1 FY25 were **₹4,503 Crore**, consistent with the **₹4,509 Crore** disbursed in Q1 FY24. Deposits saw significant growth, with total deposits increased by 33.4% YoY to **₹20,887 Crore** in Q1 FY25, compared to **₹15,656 Crore** in Q1 FY24. CASA deposits increased by 72.8% YoY to **₹4,927 Crore** in Q1 FY25, up from **₹2,852 Crore** in Q1 FY24, resulting in a CASA ratio of 23.6%.

Profit After Tax (PAT) for Q1 FY25 was **₹63 Crore**, reflecting a 44.8% QoQ increase from **₹43 Crore** in Q4 FY24. ESAF Small Finance Bank's Net Interest Income (NII) was stable at **₹588 Crore**, compared to **₹591 Crore** in Q4 FY24. The Net Interest Margin (NIM) for the quarter stood at a solid **9.4%**.

The cost of funds for Q1 FY25 stood at **7.4%**, while the Capital to Risk-Weighted Assets Ratio (CRAR) was a robust **23.5%**, with Tier I capital at 20.0% as of June 2024. This highlights the bank's strong capital position and prudent risk management practices. GNPA stood at **6.6%** in Q1 FY25 and Net NPA at **3.2%** of advances. The Provision Coverage Ratio stood at **61.9%**, reflecting the bank's strong provisioning policies.

Additionally, ESAF Small Finance Bank expanded its distribution network, operating 755 branches and 627 ATMs across 23 States and 2 Union Territories. The bank also partnered with 35 institutional Business Correspondents and operated 1065 Customer Service Centres, enhancing its reach and accessibility to underserved communities.

**Commenting on the Q1 FY25 performance, K. Paul Thomas, MD & CEO of ESAF Small Finance Bank, said,** *“Our bank continues to demonstrate robust growth across all key metrics, with a 23.4% year-on-year increase in total business and a notable rise in CASA deposits. The deposits remain solid, with 92% being retail deposits, which further solidifies our financial stability. By reducing our reliance on our major business correspondent, we are effectively mitigating concentration risk. Our ongoing investment in advanced technology will drive innovation and transform our operational efficiency. With these strategic measures in place, we are confident in enhancing our asset quality over the next two quarters.”*

## **Financial Performance( Q1 FY25):**

### **Profit Metrics**

- Net Interest Income (NII) grew 0.5% YoY to ₹ **588 Crore** compared to ₹ **585 Crore** in Q1FY24 and the Net Interest Margin (NIM) for Q1FY25 stood at 9.4%
- Pre-provisioning operating profit (PPoP) for Q1FY25 stood at ₹ **254 Crore**
- Profit After Tax at ₹ **63 Crore** in Q1FY25 as compared to ₹ **43 Crore** in Q4FY24
- Cost of funds for the Q1FY25 was 7.4%
- CRAR was 23.5% and Tier I at 20.0% as at end of June 2024

### **Business**

- Total business grew by 23.4% YoY to ₹ **40,551 Crore** in Q1FY25 as against ₹ **32,860 Crore** in Q1FY24.

### **Advances**

- Gross advances grew by 30.0% YoY to ₹ **18,783 Crore** in Q1FY25 as against ₹ **14,444 Crore** in Q1FY24
- Total Loan Book for the quarter stood at ₹ **19,664 Crore**, up by 14.3% YoY. Of the total loan book, Micro Loan contributes 66%, Retail Loans and others being 34%
- Disbursements during Q1FY25 stood at ₹ **4,503 Crore** as against ₹ **4,509 Crore** in Q1FY24

### **Deposits**

- The total deposits grew by 33.4% YoY to reach ₹ **20,887 Crore** in Q1FY25 compared to ₹ **15,656 Crore** in Q1FY24
- CASA deposits increased by 72.8% YoY to ₹ **4,927 Crore** in Q1FY25 compared to ₹ **2,852 Crore** in Q1FY24; CASA ratio stand at 23.6%

### **Asset Quality**

- Bank's asset quality stand (GNPA) at 6.6% in Q1FY25
- Net NPA stood at 3.2% of the Advances in Q1FY25
- Provision Coverage Ratio (PCR) stood 61.9%

### **Additional Updates**

- The bank's distribution network stood at 755 branches and 628 ATMs across 23 States and 2 Union Territories. In addition, we have 35 institutional Business Correspondents and 1,065 Customer Service Centres

Particulate (₹ Cr)	Q1FY25	Q1FY24	Y-o-Y	Q4FY24	Q-o-Q
Net Interest Income	<b>588.4</b>	585.4	0.5%	590.7	-0.4%
Net Total Income	<b>703.6</b>	678.5	3.7%	740.6	-5.0%
Operating Expense	<b>449.6</b>	377.8	19.0%	455.9	-1.4%
Pre-Provision Operating Profit	<b>254.0</b>	300.7	-15.5%	284.7	-10.8%
Profit before tax	<b>84.9</b>	173.7	-51.1%	58.5	45.1%
Profit After Tax	<b>62.8</b>	130.0	-51.7%	43.3	44.8%

### About ESAF Small Finance Bank:

ESAF Small Finance Bank Ltd (ESFB), a schedule commercial Bank, commenced its banking operations on 10th March 2017. Mr. Kadambelil Paul Thomas and ESAF Financial Holdings Private Limited promoted the Bank.

The bank's triple-bottom-line approach, focusing on People, Planet, and Prosperity, exemplifies its commitment to universal financial access and inclusion. With a dedication to predominantly serve the low-income and middle-income segments in India, ESAF continues to contribute to livelihoods and economic development, embodying empowerment, inclusivity, and positive transformation in every financial interaction.


ESAF SFB along with its promoters has over 28 years of experience in the Indian BFSI space primarily serving the unserved and underserved. It has expanded product portfolio in the last 3 years to cater to individuals, groups, MSMEs through retail loans and other loans and now boasts an Advance Under Management of INR Rs.197 billion and Deposits of INR Rs.209 billion.

ESAF SFB has Set up extensive network of 755 banking outlets, 1065 customer service centres, 35 institutional business correspondents, 5386 banking agents, 651 business facilitators and 627 ATMs spread across 23 states and 2 union territories.

### Safe Harbor Statement

Any forward-looking statements about expected future events, 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 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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