

CSFB.2024-25/518

January 29, 2025

**BSE Limited
Listing Compliance
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Maharashtra**

**National Stock Exchange of India Limited
The Listing Department,
Exchange Plaza,
Bandra Kurla Complex,
Mumbai - 400 051
Maharashtra**

Scrip Code: 544120, 951995 & 953739

Symbol: CAPITALSFB

Subject: Integrated Filing (Financial) - Unaudited Financial Results of Capital Small Finance Bank Limited for the Quarter and Nine months ended on December 31, 2024

Respected Sir/Madam,

Pursuant to SEBI Circular No. SEB I/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 dated January 2, 2025, we submit herewith the Integrated Filing (Financial) - Unaudited Financial Results for the Quarter and Nine months ended on December 31, 2024.

We request you to take note of the results in terms of the all applicable provisions of the Listing Regulations.

The above may also be accessed on the website of the Bank at www.capitalbank.co.in.

This is for your information and records.

Thanking You,

Yours faithfully,

For **Capital Small Finance Bank Limited**

**Amit Sharma
Company Secretary & Compliance Officer
Membership No.: F10888**

Encl: as above

Independent Auditors' Limited Review Report on the Unaudited Financial Results of Capital Small Finance Bank Limited for the Quarter and Nine months ended December 31, 2024, pursuant to the Regulations 33 and 52 read with Regulation 63 (2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

To

The Board of Directors

Capital Small Finance Bank Limited

1. We have reviewed the accompanying statement of unaudited financial results of Capital Small Finance Bank Limited (hereinafter referred to as "the Bank") for the quarter and nine months ended December 31, 2024 ("the Statement"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulations 33 and 52 read with 63(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations") except for the disclosures relating to Pillar 3 disclosures as at December 31, 2024, "Leverage Ratio", "Liquidity Coverage Ratio", and "Net Stability Funding Ratio" which have been disclosed on Bank's website and in respect of which a link has been provided in Note 11 of the Statement and have not been reviewed by us.
2. This Statement, which is the responsibility of the Bank's Management and approved by the Bank's Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", as prescribed under section 133 of the Companies Act, 2013 ("the Act") 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 the Listing Regulations. Our responsibility is to issue 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 is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as 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 Accounting Standard 25 "Interim Financial reporting", prescribed under Section 133 of the Act as amended, read with relevant rules issued thereunder, the RBI Guidelines and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in accordance with 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 the Reserve Bank of India in respect of Income recognition, asset classification, provisioning and other related matters.



Other Matter

5. The comparative financial information of the Bank for the quarter and nine months ended December 31, 2023, included in the Statement has been subjected to limited review by the predecessor auditor. The report of the predecessor auditor dated February 27, 2024, on this comparative financial information expressed an unmodified conclusion.

Our Conclusion is not modified in respect of the above matter.

For SCV & CO. LLP
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No. 000235N/N500089



A handwritten signature in blue ink, appearing to read "Sunny Singh".

Place: Noida
Date: January 29, 2025

SUNNY SINGH
PARTNER
MEMBERSHIP No: 516834
ICAI UDIN: 25516834BMMNBV6573

CAPITAL SMALL FINANCE BANK LIMITED

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CIN: L65110PB1999PLC022634

Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2024

(* in lacs except otherwise stated)

S. No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
		Unaudited Refer Note 6	Unaudited Refer Note 6	Unaudited Refer Note 6	Unaudited	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	23,497	22,359	20,415	67,704	59,013	79,433
	(a) Interest/discount earned on advances/bills	18,624	17,848	16,099	53,318	46,593	62,435
	(b) Income on Investments	3,134	3,017	2,933	9,153	8,234	11,216
	(c) Interest on balances with Reserve Bank of India and other interbank funds	1,672	1,452	1,321	5,083	4,012	5,564
	(d) Others	67	42	62	150	174	218
2	Other Income (refer note 9)	1,816	2,570	1,830	6,045	4,754	6,808
3	Total Income (1)+(2)	25,313	24,929	22,245	73,749	63,767	86,241
4	Interest Expended	12,785	12,267	11,671	36,990	33,172	44,918
5	Operating Expenses (i)+(ii)	7,748	7,838	6,567	22,900	19,050	25,833
	i. Employee cost	3,712	3,739	3,205	11,021	9,345	12,458
	ii. Other operating expenses	4,036	4,099	3,362	11,879	9,705	13,375
6	Total Expenditure (4)+(5) (excluding provisions and contingencies)	20,533	20,105	18,238	59,890	52,222	70,751
7	Operating Profit before Provisions and Contingencies (3)-(6)	4,780	4,824	4,007	13,859	11,545	15,490
8	Provisions (other than tax) and Contingencies	216	391	162	845	487	669
9	Exceptional Items	-	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7)-(8)-(9)	4,564	4,433	3,845	13,014	11,058	14,821
11	Tax Expense	1,159	1,099	952	3,273	2,726	3,668
12	Net Profit from Ordinary Activities after tax (10)-(11)	3,405	3,334	2,893	9,741	8,332	11,153
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Net Profit for the period (12)-(13)	3,405	3,334	2,893	9,741	8,332	11,153
15	Paid up equity share capital (Face Value of ₹10/- each)	4,525	4,507	3,543	4,525	3,543	4,504
16	Reserves excluding Revaluation Reserves	-	-	-	-	-	1,15,238
17	Analytical Ratios and other disclosure						
	i. Percentage of shares held by Government of India	-	-	-	-	-	-
	ii. Capital Adequacy Ratio (Refer Note 10)	25.82%	26.34%	20.06%	25.82%	20.06%	27.39%
	Tier-I Ratio	21.87%	22.19%	15.00%	21.87%	15.00%	22.80%
	iii. Earnings per share (before and after extraordinary items, net of tax expense)						
	Basic EPS (₹) (non-annualized)	7.55	7.41	7.92	21.61	23.77	30.65
	Diluted EPS (₹) (non-annualized)	7.54	7.35	7.86	21.56	23.58	30.45
	iv. NPA Ratios						
	(a) Gross NPAs	18,230	17,532	17,004	18,230	17,004	17,018
	(b) Net NPAs	9,060	8,544	8,647	9,060	8,647	8,508
	(c) % of Gross NPAs to Gross Advances	2.67%	2.61%	2.97%	2.67%	2.97%	2.76%
	(d) % of Net NPAs to Net Advances	1.35%	1.29%	1.53%	1.35%	1.53%	1.40%
	v. Return on Assets ¹ (non-annualized)	0.34%	0.35%	0.33%	1.01%	0.97%	1.27%
	vi. Net worth ²	1,29,781	1,26,073	74,335	1,29,781	74,335	1,19,742
	vii. Operating Margin ³	18.88%	19.35%	18.01%	18.79%	18.10%	17.96%
	viii. Net Profit Margin ⁴	13.45%	13.37%	13.01%	13.21%	13.07%	12.93%
	ix. Debt Equity Ratio ⁵	0.27	0.31	0.71	0.27	0.71	0.39
	x. Total Debt to Total Assets ⁶	3.47%	4.08%	5.98%	3.47%	5.98%	5.08%
	xi. Outstanding redeemable preference shares ⁷	-	-	-	-	-	-
	xii. Capital redemption reserve ⁸	-	-	-	-	-	-
	xiii. Debenture redemption reserve ⁸	-	-	-	-	-	-

¹Return on Assets means the ratio of profit after tax to average monthly total assets

²Net worth means the aggregate value of the paid-up share capital and reserves and surplus created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

³Operating Margin means Operating profit before provisions and contingencies to the total income

⁴Net Profit Margin means Net Profit to total income

⁵The Bank follows the guidelines issued by the Reserve Bank of India (RBI) from time to time with regard to the Capital Adequacy Ratio. Accordingly, debt-equity ratio is not applicable on the Bank. However, the Debt Equity Ratio is calculated as total borrowings to share capital plus reserves and surplus

⁶Total Debts to Total assets means the ratio of total borrowings to total assets

⁷The Bank has not issued any redeemable preference shares

⁸As per the Companies Act, 2013, the Bank is not required to create capital/debenture redemption reserve. However, the Bank has created Recovery Expense Fund Account with BSE Limited

⁹Being a Banking Company, the following ratio disclosure is not applicable as per SEBI (LODR), 2015 & Indian Banks' Association (IBA) letter bearing reference no. COB/Cr/LoRD/2021-22/10718 dated December 22, 2021:

- | | |
|--------------------------------------|--|
| 1. Debt Service Coverage Ratio | 5. Bad Debts to Account Receivable Ratio |
| 2. Interest Service Coverage Ratio | 6. Current Liability Ratio |
| 3. Current Ratio | 7. Debtors Turnover |
| 4. Long term Debt to Working Capital | 8. Inventory Turnover |



CAPITAL SMALL FINANCE BANK LIMITED

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Segment Information in accordance with Accounting Standard on Segment Reporting (AS-17) and the RBI Guidelines of the operating segment of the Bank

S. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
		Unaudited Refer Note 6	Unaudited Refer Note 6	Unaudited Refer Note 6	Unaudited	Unaudited	Audited
1	Segment Revenue						
a)	Treasury	4,820	4,549	4,331	14,330	12,275	16,862
b)	Retail Banking	22,183	21,479	19,400	64,650	56,919	77,475
c)	Wholesale Banking	2,294	2,363	1,623	6,606	4,939	6,714
d)	Other Banking Operations	946	1,218	1,020	2,941	2,207	3,095
e)	Unallocated	-	-	-	-	-	-
	Less: Inter Segment Revenue	(4,930)	(4,680)	(4,129)	(14,778)	(12,573)	(17,905)
	Income from Operations	25,313	24,929	22,245	73,749	63,767	86,241
2	Segment Results						
a)	Treasury	342	287	363	760	806	355
b)	Retail Banking	6,127	5,604	4,832	17,638	15,534	20,412
c)	Wholesale Banking	162	313	115	605	459	634
d)	Other Banking Operations	888	1,156	965	2,759	2,026	2,865
e)	Unallocated	-	-	-	-	-	-
	Total	7,519	7,360	6,275	21,762	18,825	24,266
	Less: (i) Interest	(632)	(631)	(659)	(1,910)	(1,956)	(2,614)
	(ii) Other Unallocable Expenditure net off Unallocable Income	(2,323)	(2,296)	(1,771)	(6,838)	(5,811)	(6,831)
	Total Profit Before Tax	4,564	4,433	3,845	13,014	11,058	14,821
3	Segment Assets						
a)	Treasury	2,72,086	2,26,057	2,47,609	2,72,086	2,47,609	2,52,766
b)	Retail Banking	6,39,978	6,33,500	5,62,238	6,39,978	5,62,238	5,98,165
c)	Wholesale Banking	1,00,079	89,644	68,962	1,00,079	68,962	72,572
d)	Other Banking Operations	728	1,097	546	728	546	442
e)	Unallocated	5,578	5,788	5,610	5,578	5,610	5,583
	Total Assets	10,18,449	9,56,086	8,84,965	10,18,449	8,84,965	9,29,528
4	Segment Liabilities						
a)	Treasury	-	-	-	-	-	-
b)	Retail Banking	7,97,753	7,46,312	7,27,585	7,97,753	7,27,585	7,25,839
c)	Wholesale Banking	61,602	54,397	53,491	61,602	53,491	54,160
d)	Other Banking Operations	1	2	28	1	28	32
e)	Unallocated	28,892	28,809	29,526	28,892	29,526	29,755
	Total Liabilities	8,88,248	8,29,520	8,10,630	8,88,248	8,10,630	8,09,786
5	Capital and Reserves	1,30,201	1,26,566	74,335	1,30,201	74,335	1,19,742
6	Total (4+5)	10,18,449	9,56,086	8,84,965	10,18,449	8,84,965	9,29,528

-The Bank is operating in domestic segment, so there is only one geographic segment.

-Inter Segment transactions are based on transfer pricing as determined by the management.

-The RBI vide its circular dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The Bank has not setup any DBU so far and hence DBU has not been disclosed as a separate segment.

Notes:

1. Statement of Assets and Liabilities is as below:

Particulars	₹ in lacs		
	December 31, 2024 Unaudited	December 31, 2023 Unaudited	March 31, 2024 Audited
CAPITAL AND LIABILITIES			
Capital	4,525	3,543	4,504
Reserves and Surplus	1,25,676	70,792	1,15,238
Deposits	8,38,391	7,48,237	7,47,774
Borrowings	35,354	52,951	47,225
Other Liabilities and Provisions	14,503	9,442	14,787
Total	10,18,449	8,84,965	9,29,528
ASSETS			
Cash and Balances with Reserve Bank of India	78,500	49,617	56,898
Balances with Banks and Money at call and short notice	57,215	66,749	75,218
Investments	1,82,252	1,77,649	1,70,571
Advances	6,72,408	5,63,440	6,07,469
Fixed Assets	8,420	7,874	8,373
Other Assets	19,654	19,636	10,999
Total	10,18,449	8,84,965	9,29,528
Contingent Liabilities	7,545	6,174	6,300
Bills for Collection	-	-	-



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2. The above financial results for the quarter and nine months ended December 31, 2024 have been reviewed by the Audit Committee at its meeting held on January 28, 2025 and were recommended to the Board of Directors for approval. The Board of Directors of the Bank have considered and approved the same at its meeting held on January 29, 2025. The results have been subjected to limited review by the Statutory Auditors of the Bank and they have issued their unmodified review report thereon. The figures for the quarter and nine months ended December 31, 2023 were subjected to limited review under regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, by the previous auditors.
3. These financial results of the Bank have been prepared in accordance with Banking Regulation Act 1949, generally accepted accounting principles in India, recognition and measurement principles laid down in Accounting Standard -25 'Interim Financial Reporting' ('AS-25'), as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in so far as they apply to the Bank, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time (the "RBI Guidelines") and is in compliance with the presentation and disclosure requirements of Regulation 33 and 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
4. The Bank has applied its significant accounting policies in the preparation of these financial results, consistent with those followed in the annual financial statements for the year ended March 31, 2024 except for:
 - a. Classification, measurement and valuation of the Bank's investments which are carried out in accordance with RBI Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023 ('the RBI Investment Master Directions') effective from April 01, 2024. Consequently, the Bank has accounted net gain of ₹299 lacs (net of applicable taxes) in the General Reserve, resulting into net positive impact on the net worth of the Bank as on date of transition, i.e., April 01, 2024. The Bank has also transferred balance in Investment Reserve amounting to ₹95 lacs to the General Reserve in compliance with these Directions. Further, the Bank has recognized:
 - i. During the quarter ended December 31, 2024, a net loss of ₹74 lacs (net of applicable taxes) and during the nine months ended December 31, 2024, a net gain of ₹293 lacs (net of applicable taxes) on account fair value of instruments in the AFS-Reserve;
 - ii. During the quarter and nine months ended December 31, 2024, a net loss of ₹6 lacs and net gain of ₹10 lacs in the Profit & Loss account on account of fair value of instrument in FVTPL category; and
 - iii. During the quarter ended December 31, 2024, a debit of ₹5 lacs and during the nine months ended December 31, 2024 a debit of ₹35 lacs in the Profit & Loss Account on account of discount/premium amortisation.The figures of the quarter and nine months ended December 31, 2024 are not comparable with that of the previous period/s, to that extent.
 - b. With effect from May 15, 2024, the Bank has changed its policy in respect of the order of priority, for appropriation of recoveries in non-performing accounts. The impact of the such change on the financial results is not material.
5. Any application guidance /clarifications /circulars /directions issued by the RBI or other regulators are implemented prospectively as and when they become applicable, unless specifically required under those application guidance /clarifications /circulars /directions otherwise.
6. The figures of the quarter are the balancing figures between figures in respect of the year-to-date figures and the published figures upto previous quarter.
7. During the quarter and nine months ended December 31, 2024, the Bank has allotted 1,77,750 and 2,04,417 equity shares, respectively pursuant to the exercise of options under the approved employee stock option schemes.

During the year ended March 31, 2024, the Bank has issued and allotted:

 - 96,15,384 equity shares having face value of ₹10/- each at a premium of ₹458/- (i.e., at the total issue price of ₹468/-) per equity share aggregating to ₹45,000 lacs, as public issue in Initial Public Offering (IPO) and got listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on February 14, 2024 for which the Bank has incurred share issue expenses of ₹2,458 lacs towards IPO activity which has been charged off to share premium account in accordance with section 52 of Companies Act, 2013;
 - 10,57,700 equity shares having face value of ₹10/- each at a premium of ₹458/- (i.e., at the total issue price of ₹468/-) per equity share aggregating to ₹4,950 lacs on a private placement basis under preferential allotment; and
 - 1,16,982 equity shares to employees of the Bank in form of employee stock option as per the ESOP plans of the Bank.
8. During the quarter and nine months ended December 31, 2024, the Bank has not transferred/acquired any stressed loan or loan not in default under the master directions of Reserve Bank of India on Transfer of Loan Exposures dated September 24, 2021, updated as on December 05, 2022.
9. Other income relates to income from commission, exchange & brokerage, profit/fee earned on sale of third-party products, profit/loss on sale/revaluation on investments, profit on exchange transactions, etc.
10. Capital to risk-weighted asset ratio of the Bank has been computed in accordance with the Reserve Bank of India ("RBI") circular no DBR. NBD. No.26/ 16.13.218/2016-17, dated October 06, 2016 on "Operating Guidelines for Small Finance Banks". The Bank has followed Basel II Standardized Approach for credit risk. Market risk and operation risk has not been considered for measurement of Capital Adequacy Ratio as per the letter issued by the Reserve Bank of India vide reference number DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 to all the small finance banks.
11. In accordance with the Reserve Bank of India guidelines, Pillar 3 disclosure, leverage ratio, liquidity coverage ratio, net stable funding ratio and main features of capital instruments are available at <https://www.capitalbank.co.in/investors/regulatory-disclosures>. The disclosure has not been subjected to limited review.
12. Figures of the previous periods/years have been regrouped/reclassified wherever necessary to conform to current period's classification.

Date: January 29, 2025
Place: Jalandhar



For and on behalf of the Board of Directors of
Capital Small Finance Bank Limited

Sarvjit Singh Samra
Managing Director
DIN: 00477444

