

Ref No: 10/SE/CS/MAY/2025-26



Date: May 16, 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 FINANCIAL YEAR ENDED MARCH 31, 2025

Further to our intimation dated May 12, 2025 about the Board meeting to consider the Audited Standalone Financial Results of the Bank for the quarter and financial year ended March 31, 2025 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.

Ph. No: 0487 7123456 Email: customer-care@esafbank.com www.esafbank.com

ESAF Small Finance Bank Reports Strong Growth in Secured Assets

Thrissur, Kerala, 16 May 2025 – ESAF Small Finance Bank, a scheduled commercial bank headquartered in Thrissur, Kerala, announced its financial results for the fourth quarter and full year of FY 2025, highlighting a robust growth trajectory in secured lending, a near doubling of the gold loan portfolio, and strong CASA deposit mobilization.

In line with its strategic pivot towards a more secured and diversified loan mix, secured loan disbursements saw a remarkable surge, rising to ₹5,832 crore in Q4 FY25 from ₹2,187 crore in Q4 FY24. This translated into a significant shift in the asset portfolio, with secured loans now comprising 52.84% of the total portfolio, up from 29.98% in FY24.

The Gold Loan segment emerged as a key growth driver, registering a YoY growth of 98%, reaching ₹5,734 crore in FY25 as against ₹2,889 crore in FY24. This growth reflects ESAF Bank's enhanced focus on high-yield, secured retail assets.

CASA deposits recorded strong momentum, increasing 28% YoY to ₹5,783 crore in Q4 FY25 from ₹4,502 crore a year earlier. The CASA ratio improved to 24.8% from 22.7%, demonstrating growing customer confidence and deepening of relationships.

Total business reached ₹42,919 crore, growing by 8.6% YoY, supported by a stable gross advances book of ₹18,779 crore and total deposits rising by 17.2% to ₹23,276 crore. Bank also added over 10.4 lakh new customers during the year, expanding its total customer base to 94.15 lakh.

Despite the overall progress, the bank face the macro-level stress primarily in its legacy microloan portfolio. In response, ESAF Bank proactively strengthened its balance sheet by setting aside ₹332 crore in provisions during Q4 FY25, including ₹131 crore over and above the policy norm. These forward-looking measures elevated the Provision Coverage Ratio (PCR) to 80.5%, a key indicator of resilience. While setting aside additional provisions for stressed assets, the bank reported a loss of ₹183 crore, with Net Interest Income (NII) reduced to ₹436 crore from ₹591 crore in Q4 FY24, due to systematic stress in the microlending book.

The bank reported a Net NPA of 2.9%, which remained stable, reflecting a strong recovery focus. The Capital Adequacy Ratio stood at a healthy 21.8%, with Tier I capital at 17.1%, ensuring ample headroom for future growth.

While the Net Interest Income (NII) for Q4 FY25 stood at ₹436 crore, compared to ₹591 crore in the previous year, this was largely attributable to a strategic shift in the loan mix and enhanced provisioning discipline. The Net Interest Margin (NIM) remained at 8.08%, underscoring the underlying profitability of core lending operations.

Statement from the MD & CEO

K. Paul Thomas, MD & CEO, ESAF Small Finance Bank, said:

“This year marks a significant shift in our business strategy as we transition towards secured and retail asset-led growth. Our performance in FY25 reflects the early success of this strategy, particularly in the gold and secured loan segments, and in building a strong CASA base.

We remain deeply committed to financial inclusion, while also embracing a technology-led future. Our ongoing investments in digital innovation, analytics, and process automation will help us scale efficiently and ensure quality portfolio expansion.

As we move into FY26, we do so with cautious optimism and a sharper retail asset focus, ensuring both impact and profitability. ”

Financial Performance (Q4 FY25):

Business

- Total business grew by 8.6% YoY to ₹ 42,919 crore in Q4FY25 as against ₹ 39,527 crore in Q4FY24

Advances

- Gross advances remained stable YoY to ₹ 18,779 crore in Q4FY25 as against ₹ 18,772 crore in Q4FY24
- Total Loan Book for the quarter stood at ₹ 19,643 crore, stable YoY. Of the total loan book, Micro Loan contributes 49%, Gold Loan contributes 29% and others being 21%
- Disbursements during Q4FY25 stood at ₹ 6,878 crore as against ₹ 5,266 crore in Q4FY24

Deposits

- The total deposits grew by 17.2% YoY to reach ₹ 23,276 crore in Q4FY25 compared to ₹ 19,868 crore in Q4FY24
- CASA deposits increased by 28% YoY to ₹ 5,783 crore in Q4FY25 compared to ₹ 4,502 crore in Q4FY24.
- CASA ratio improved to 24.8% in Q4 FY 25 as against 22.7% in Q4 FY25

Profit Metrics

- Net Interest Income (NII) reduced to ₹ 436 crore compared to ₹ 591 crore in Q4FY24 on account of change in loan mix and increase in slippage. Net Interest Margin (NIM) for Q4FY25 stood at 8.08%

- Pre-provisioning operating profit (PPoP) in Q4FY25 reduced to ₹ 91 crore from Rs.285 crore for Q4 FY 24.
- On the back of macro-issues in our key states, we continue to keep aside provisions amounting to Rs. 332 crore which included Rs. 130 crore over and above the policy.
- On account of the same the bank declared a loss of Rs.183 crore.

Asset Quality

- Provision Coverage improved to 80.5% as on 31 March 2025 as against 78.6% in the trailing quarter
- Net NPA remained stable to 2.9%.
- The Bank has done a total write-off of Rs. 345 Crore during the quarter.

Financial Performance (FY25)

Profit Metrics

- The Bank's Net Interest Income (NII) declined 13.4% YoY to ₹ 2,052 crore compared to ₹ 2,370 crore during FY24, mainly due to the change in asset mix.
- Net Interest Margin (NIM) for FY25 stood at 8.08% compared to 11.15% in FY24
- The Bank's pre-provisioning operating profit (PPoP) for FY25 decreased by 52.1% YoY to ₹557 crore as compared to ₹ 1,163 Crore in FY24.
- Loss After Tax for FY25 came in at (₹521) crore as compared to Profit After Tax ₹426 crore in FY24.

Other Updates

The bank's distribution network stood at 787 branches and 693 ATMs across 26 States and 2 Union Territories. In addition, we have 34 institutional Business Correspondents and 1,106 Customer Service Centers.

About ESAF Small Finance Bank:

ESAF Small Finance Bank Ltd (ESFB), a scheduled commercial Bank, commenced its banking operations on 10th March 2017.

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 30 years of experience in the Indian BFSI space primarily serving the unserved and underserved. It has expanded its 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.196 billion and Deposits of INR Rs.233 billion.

ESAF SFB has Set up extensive network of 787 banking outlets, 1106 Customer Service Centres, 34 Institutional Business Correspondents, 4,405 Banking Agents, 735 Business Facilitators and 693 ATMs spread across 26 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:

ESAF Small Finance Bank Limited	Investor Relations: Orient Capital
	
CIN: U65990KL2016PLC045669	Mr. Nikunj Jain Email: Nikunj.jain@linkintime.co.in Mobile: +91 9769060608
Media Relations: Mr. Sreekanth C K Head – Marketing & Public Relations Mobile: +91 85899 18282	Mr. Viral Sanklecha Email: viral.sanklecha@linkintime.co.in Mobile: +91 9987123158