

Date: February 8, 2023

To,  
**The Department of Corporate Services**  
**BSE Limited**  
**Phiroze Jeejeebhoy Towers,**  
**Dalal Street, Mumbai — 400001**

Sir,

**Sub: Standalone Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2022**

In terms of Regulation 51 (1) & 52(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby enclose the Standalone Unaudited Financial Results for the quarter and the Nine Months ended December 31, 2022, along with the Review Report issued by the Statutory Auditors of the Bank. The disclosures as per Regulation 52(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is also enclosed herewith.

The disclosures in this regard are also made available in the website [www.esafbank.com](http://www.esafbank.com)

Requesting you to take the same on your records.

Thanking You,

**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: U65990KL2016PLC045669

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, 123457, Email: [customercare@esafbank.com](mailto:customercare@esafbank.com) [www.esafbank.com](http://www.esafbank.com)

**Deloitte Haskins & Sells**

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S.G. Highway  
Ahmedabad – 380 015  
Gujarat, India  
Tel: +91 79 6682 7300  
Fax: +91 79 6682 7400

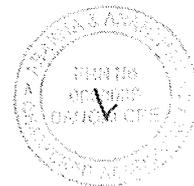
**Abarna & Ananthan**

Chartered Accountants  
521, 3rd Main Rd, 2nd Phase,  
6th Block, Banashankari 3rd Stage,  
Banashankari, Bengaluru,  
Karnataka 560085.

**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
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 31 December, 2022 (the "Statement"), being submitted by the Bank pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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 the recognition and measurement principles laid down in Accounting Standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder, in so far as they apply to Banks, 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 ("RBI Guidelines") and other accounting principles generally accepted in India. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Bank's personnel 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) of the 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.



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, the RBI Guidelines and other accounting principles generally accepted in India, in so far as they apply to Banks, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement includes comparative financial information for the previous reporting periods, which was reviewed/ audited by Deloitte Haskins & Sells, Chartered Accountants, one of the joint statutory auditors of the Bank, who have expressed an unmodified opinion. Accordingly, Abarna & Ananthan, Chartered Accountants, do not express any conclusion on the comparative figures reported for the previous periods.

Our conclusion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 117365W)



**G. K. Subramaniam**  
Partner  
Membership No. 109839  
UDIN: 23109839BGXPVQ1579  
Place: Mannuthy  
Date: February 08, 2023



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



**Mohan Rao** CA  
Partner  
Membership No. 203737  
UDIN: 23203737BGZDDN1442  
Place: Mannuthy  
Date: February 08, 2023



## Statement of unaudited financial results for the quarter and nine months ended 31 December 2022

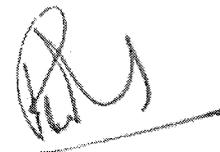
Rs. In Lakh

Sl No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months	Nine months	Year ended
		31 December 2022	30 September 2022	31 December 2021	ended 31 December 2022	ended 31 December 2021	31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Interest Earned (a)+(b)+ (c)+(d)	70,129	68,819	50,541	2,07,980	1,34,229	1,93,993
	a) Interest/discount on advances/bills	61,688	60,289	44,986	1,83,773	1,19,455	1,72,671
	b) Income on investments	8,412	8,058	5,131	23,261	12,768	18,831
	c) Interest on balances with Reserve Bank of India and other inter-bank funds	29	472	424	946	2,006	2,491
	d) others	-	-	-	-	-	-
2	Other Income	8,090	6,504	6,016	19,395	15,879	20,758
3	<b>Total income (1)+(2)</b>	<b>78,219</b>	<b>75,323</b>	<b>56,557</b>	<b>2,27,375</b>	<b>1,50,108</b>	<b>2,14,751</b>
4	Interest expended	24,993	25,092	20,265	74,241	57,300	79,279
5	Operating Expenses (i)+(ii)	29,317	29,148	23,240	85,613	59,432	86,287
	i) Employees Cost	7,014	7,062	6,006	20,176	17,094	23,214
	ii) Other operating expenses	22,303	22,086	17,234	65,437	42,338	63,073
6	<b>Total Expenditure (4)+(5)</b> (excluding provisions & contingencies)	<b>54,310</b>	<b>54,240</b>	<b>43,505</b>	<b>1,59,854</b>	<b>1,16,732</b>	<b>1,65,566</b>
7	Operating Profit before provisions and contingencies (3)-(6)	23,909	21,083	13,052	67,521	33,376	49,185
8	Provisions(other than tax) and contingencies	18,806	13,370	5,548	40,539	40,119	41,800
9	Exceptional items	-	-	-	-	-	-
10	<b>Profit/(Loss) from ordinary activities before tax (7)-(8)-(9)</b>	<b>5,103</b>	<b>7,713</b>	<b>7,504</b>	<b>26,982</b>	<b>(6,743)</b>	<b>7,385</b>
11	Tax expenses	1,362	1,955	1,843	6,887	(1,656)	1,912
12	<b>Net profit/(Loss) from ordinary activities after tax (10)-(11)</b>	<b>3,741</b>	<b>5,758</b>	<b>5,661</b>	<b>20,095</b>	<b>(5,087)</b>	<b>5,473</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	<b>Net Profit/(Loss) for the Period/ year (12)-(13)</b>	<b>3,741</b>	<b>5,758</b>	<b>5,661</b>	<b>20,095</b>	<b>(5,087)</b>	<b>5,473</b>
15	Paid up equity share capital (Face Value of Rs. 10/- each)	44,947	44,947	44,947	44,947	44,947	44,947
16	Reserves excluding revaluation reserves	-	-	-	-	-	95,732
17	<b>Analytical Ratios and other disclosures</b>						
	(i) Percentage of shares held by Government of India	-	-	-	-	-	-
	(ii) Capital Adequacy Ratio - Basel II (Refer Note 4)	20.27%	21.18%	19.26%	20.27%	19.26%	18.64%
	(iii) Earnings Per Share (EPS) [before and after extraordinary items, net of expenses] (Face value of Rs.10/- each) *						
	- Basic (Rs.)	0.83	1.28	1.26	4.47	(1.13)	1.22
	- Diluted (Rs.)	0.83	1.28	1.26	4.46	(1.13)	1.22
	(iv) NPA Ratio						
	(a) Gross NPA	90,828	96,175	70,223	90,828	70,223	94,959
	(b) Net NPA	45,105	49,383	20,190	45,105	20,190	45,596
	(c)% of Gross NPA to Gross Advances	7.24%	8.11%	6.57%	7.24%	6.57%	7.83%
	(d) % of Net NPA to Net Advances	3.73%	4.34%	1.98%	3.73%	1.98%	3.92%
	(v) Return on Assets *	0.21%	0.32%	0.39%	1.11%	(0.38%)	0.39%
	(vi) Networth #	1,60,775	1,57,034	1,30,119	1,60,775	1,30,119	1,40,679
	(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
	(viii) Capital Redemption Reserve/ Debenture Redemption Reserve	-	-	-	-	-	-
	(ix) Debt - Equity Ratio **	1.22	1.32	1.44	1.22	1.44	1.70
	(x) Total debts ** to total assets	15.53%	14.30%	12.90%	15.53%	12.90%	16.68%

\* Quarterly and nine months numbers are not annualised

#Networth represents sum of Capital and Reserves &amp; Surplus

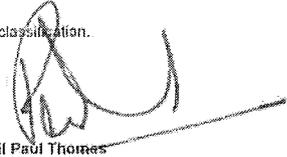
\*\*Debt represents borrowings with residual maturity of more than one year. Total debt represents total borrowings.

**Notes :**

1. The statement of unaudited financial results for the quarter and nine months ended 31 December 2022 ("Statement" or "financial results") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 8 February 2023 in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Regulations") as amended. The results have been subject to limited review by joint statutory auditors of the Bank and unqualified review report has been issued thereon. The comparatives included in the financial results has been reviewed/ audited by one of the Joint Statutory Auditors Deloitte Haskins & Sells, Chartered Accountants.
2. The above financial results of the Bank has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder, in so far as they apply to Banks, 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 ("RBI Guidelines") and other accounting principles generally accepted in India.
3. 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 31 March 2022. Any Circular/ direction issued by RBI is implemented prospectively when it becomes applicable.
4. The Capital adequacy ratio ("CRAR") has been computed as per the Operating guidelines vide 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.
5. During the quarter and Nine months period ended 31 December 2022, the Bank has not transferred / acquired any loans under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021.
6. The Bank continues to monitor the developments/ongoing impact resulting from COVID-19 Pandemic. The Bank continues to carry an additional contingency provision of Rs.81.35 Crore (as at 31 March 2022: Rs.66.06 Crore ) as on 31 December 2022.
7. Other income includes processing fee, profit/ loss on sale of investments (including provision for depreciation), recovery from loans written off, income from dealing in PSLC, etc.
8. The Bank is in the process of completing the initial public offering (IPO), as per the regulatory requirement and has incurred certain expenses towards its proposed issue of equity shares which would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon completion of the IPO.
9. Figures for the previous period/year have been classified/regrouped wherever necessary, to conform to the current period classification.

Place : Mannuthy  
Date : 8 February 2023

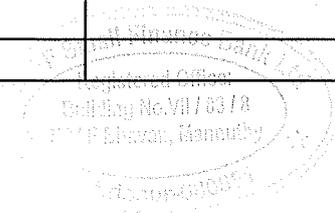
  
Kadambellil Paul Thomas  
Managing Director & CEO  
DIN: 00189925



**Annexure**

**Disclosure in Compliance with Regulation 52 (4) of SEBI (LODR) Regulations, 2015 for the Quarter and Nine Months ended December 31, 2022**

		For the Quarter and Nine Months ended December 31, 2022
1	Debt Equity Ratio	1.22
2	Debt Service Coverage Ratio	NA
3	Interest Service Coverage Ratio	NA
4	Outstanding Redeemable Preference Shares (Quantity and Value)	NA
5	Capital Redemption Reserve/ Debenture Redemption Reserve	NA
6	Networth	Rs.1,607.75 Crores
7	Net Profit after Tax	Rs.200.95 Crores
8	Earnings Per Share	Rs.4.47 (Basic) Rs.4.46(Diluted)
9	Current Ratio	NA
10	Long Term Debt to Working Capital	NA
11	Bad Debts to Account Receivable Ratio	NA
12	Current Liability Ratio	NA
13	Total Debts to Total Assets	15.53%
14	Debtors Turnover	NA
15	Inventory Turnover Ratio	NA
16	Operating Margin	NA
17	Net Profit Margin	NA



**ESAF SMALL FINANCE BANK LIMITED**

RBI License No.: MUM 124, CIN: U65990KL2016PLC045669

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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