

DIFFERENT PEOPLE,
DIFFERENT NEEDS.
AND ONE THING
CONNECTS THEM ALL.



Investor Presentation | July 2024

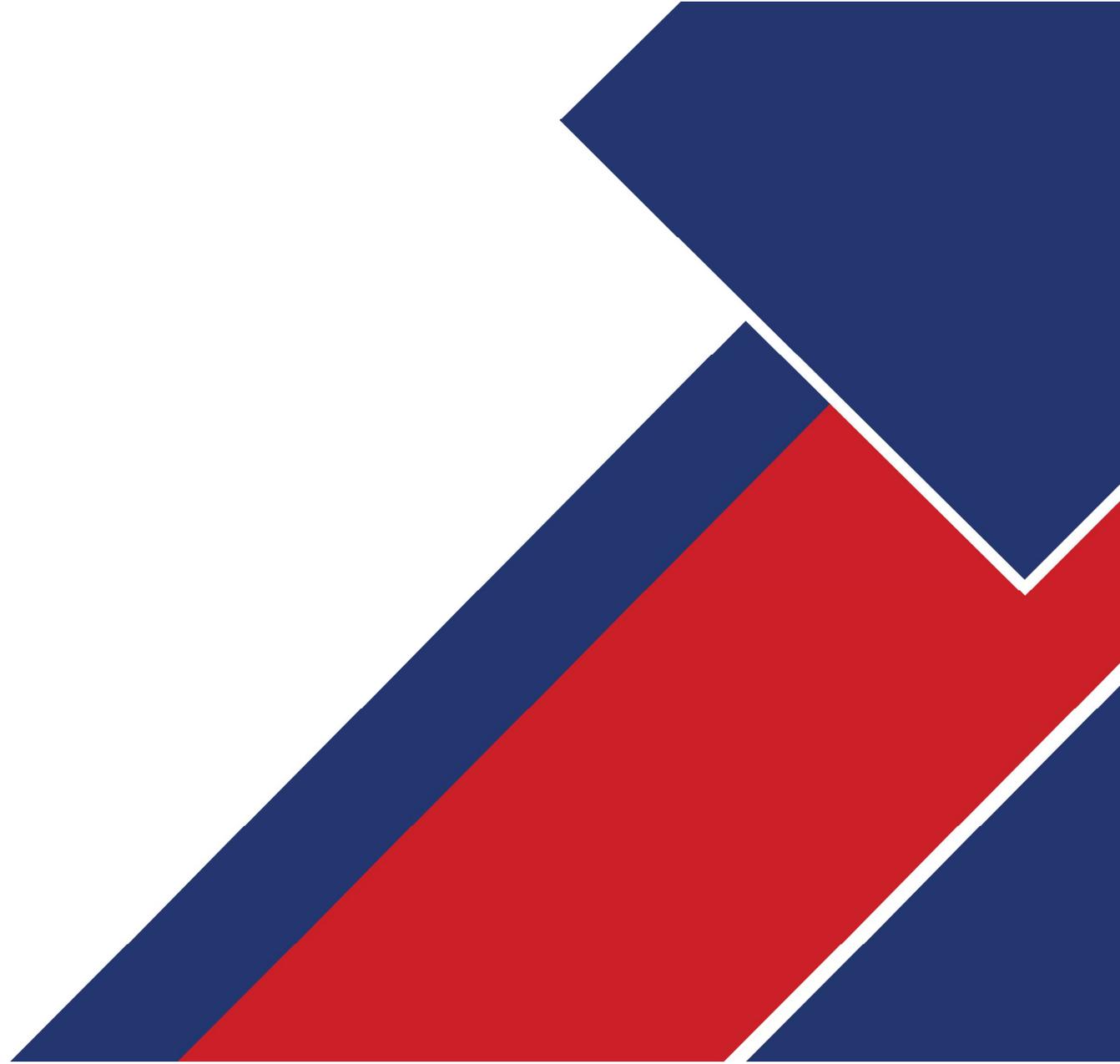
This presentation and the accompanying slides (the “Presentation”), which have been prepared by ESAF Small Finance Bank Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the Company’s ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cashflows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

All Maps used in the Presentation are not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

Company Overview



Company Overview

- ESAF Small Finance Bank Limited commenced its operation on 10th March 2017
- Mr. Kadambelil Paul Thomas, and ESAF Financial Holdings Private Limited promoted the Bank.

Total Business
(Total Loan Book* + Deposits)
₹ 40,551 crs

Total Loan Book
₹ 19,664 crs

Deposit
₹ 20,887 crs

Vision

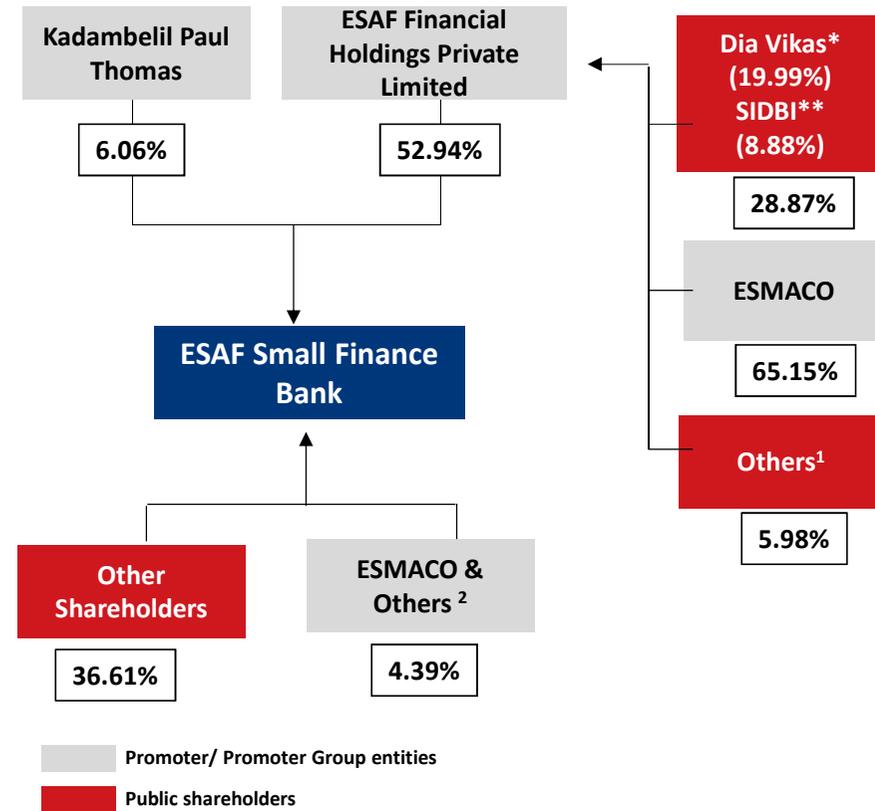
"To be India's leading social bank that offers equal opportunities for the whole society through universal access and financial deepening, thus promoting financial inclusion, livelihood and economic development as a whole"

Mission

"To provide responsive banking services to the underserved and un-served households in India facilitated by customer-centric products, high quality service and innovative technology."

*Total Loan Book represents Gross Advances plus Advances originated & transferred under securitization, Assignment & Inter Bank participation certificate for which bank continues to hold collection responsibility

Structure as on June 30, 2024



¹Other Shareholders include ESAF Staff Welfare Trust, Cedar Retail Pvt Ltd. and Individuals;

²Others include individuals forming part of the promoter group

*Dia Vikas Capital Private Limited

**SIDBI Trustee Company Limited – A/C Samridhi Fund

Business Snapshot

Operational	 <p>23 States and 2 UTs 8,481 Total Customer Touch Points</p>	 <p>755 Banking Outlets 627 ATMs</p>	 <p>Other Touch Points 1,065 Customer Service Centers 5,386 Banking Agents 648 Business Facilitators</p>	 <p>86.7 lakh Total Customers 6,283 Employees 35 Institutional Business Correspondents</p>
Advance Profile	 <p>Total Loan Book: ₹ 19,664 cr Micro Loans: 67% Retail & Other Loans: 33%</p>	 <p>Total Loan Book Growth (YoY) Q1 FY25: 14.3% FY24: 20.4%</p>	 <p>Asset Quality GNPA: 6.6% NNPA: 3.2%</p>	 <p>Yield on Advances Q1 FY25: 20.2% FY24: 20.9%</p>
Deposit Profile	 <p>Deposits: ₹ 20,887 cr</p>	 <p>Deposits Growth (YoY) Q1 FY25: 33.4% FY24: 35.5%</p>	 <p>CASA (% of total deposits) Q1 FY25: 23.6% (CA: 1.3%, SA: 22.3%) FY24: 22.7% (CA: 1.7%, SA: 21.0%)</p>	 <p>Cost of Deposits Q1 FY25: 7.3% FY24: 7.2%</p>
Financials	 <p>PAT: Q1 FY25: ₹ 63 cr FY24: ₹ 426 cr</p>	 <p>Shareholders' Funds: ₹ 2,558 cr CRAR: 23.5% (Tier I: 20.1%)</p>	 <p>NIM: Q1 FY25: 9.4% FY24: 10.7%</p>	 <p>Q1 FY25 / FY24 ROA: 0.9% / 1.9% ROE: 9.9% / 20.3%</p>

Data as of June 30, 2024, unless specified. Micro Loans comprise of microfinance loans and other micro loans. Retail & Other Loans consists of Mortgage, Gold Loan, MSME loans, loan to financial institutions, vehicle loans, agricultural loans, personal loan, etc.

Enhancing Risk Management

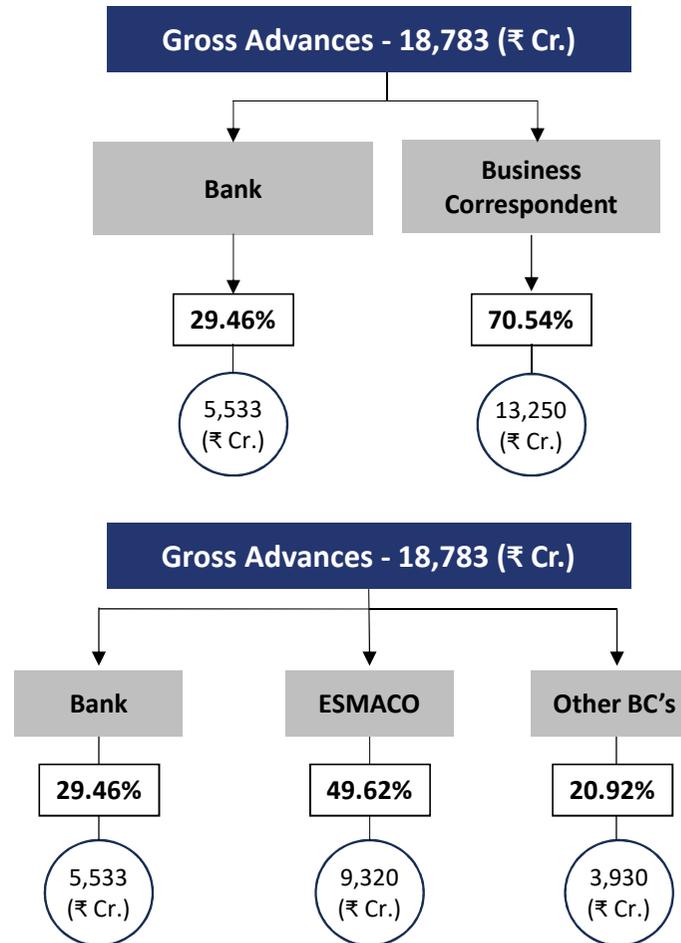
Board of Directors of ESAF Small Finance Bank Limited (“the Bank”) at its meeting held on June 14, 2024, has taken a strategic decision to reduce concentration on individual business correspondents. As a result, it was decided to discontinue certain specific part of the existing scope of business correspondent services being provided by M/s. ESAF Swasraya Multi State Agro Co-operative Society Limited (“ESMACO”), the largest business correspondent and one of the promoter group entities of the Bank.

This decision is part of the Bank’s strategy to mitigate concentration risk associated with reliance on a single business correspondent and to bring the business operations in-house. This move aligns with our risk management and operational efficiency objectives for further improving our control and visibility on these operations.

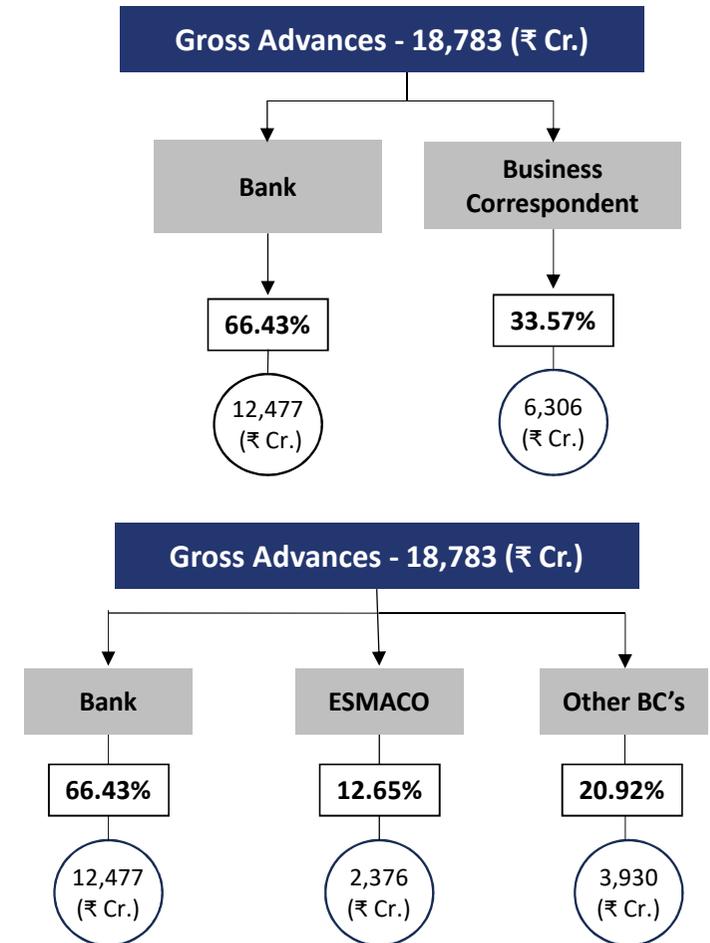
The discontinuation of the specific part of the scope of business correspondent services of ESMACO was effective from end of business hours on June 30, 2024.

The Bank absorbed 5,157 employees as on 01st July 2024 and the total number of employees of the Bank is increased to 11,526 as on July 1, 2024.

Pre -Transition - Business Distribution (EOD 30th June 2024)



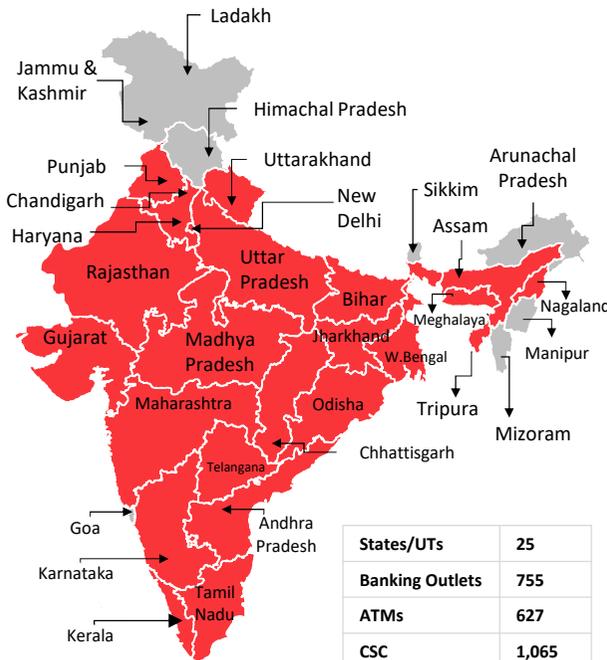
Post-Transition - Business Distribution (SOM 01st July 2024)



Extensive Geographical Footprint

ESAF SFB has a large national footprint with presence in 23 states & 2 UTs

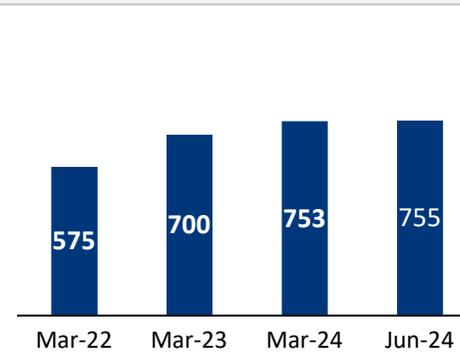
Name of the State/ Union Territory	BOs	ATMs	CSC
Andhra Pradesh	6	3	32
Assam	5	2	17
Bihar	10	10	57
Chhattisgarh	35	27	31
Gujarat	10	5	71
Haryana	6	2	7
Jharkhand	15	15	10
Karnataka	37	21	134
Kerala	311	303	27
Madhya Pradesh	68	46	91
Maharashtra	72	53	132
Meghalaya	2	0	0
Nagaland	2	0	0
New Delhi	9	9	1
Odisha	13	10	63
Punjab	1	0	0
Rajasthan	9	3	37
Tamil Nadu	104	90	130
Telangana	4	4	15
Tripura	3	3	5
Union Territory Of Chandigarh	1	1	0
Union Territory Of Puduchery	3	2	1
Uttar Pradesh	12	10	73
Uttarakhand	3	3	6
West Bengal	14	5	125
Grand Total	755	627	1,065



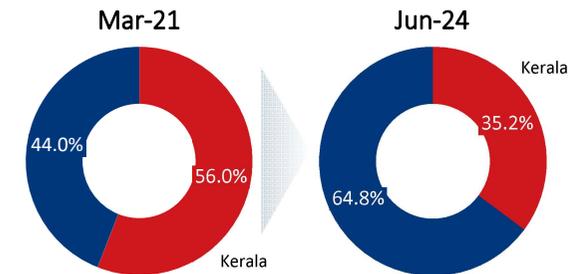
States/UTs	25
Banking Outlets	755
ATMs	627
CSC	1,065
Banking Agents	5,386
Institutional Business Correspondents	35
Business Facilitators	648

62% of the Banking Outlets network in south India contributes 87% of deposits and 68% of gross advances

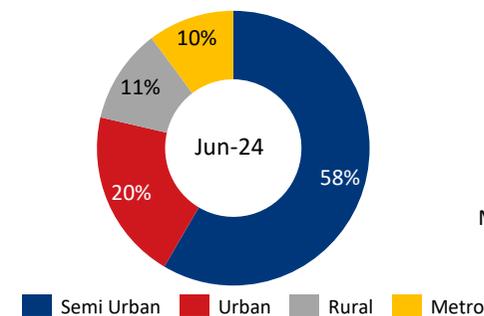
Banking Outlets (Nos.)



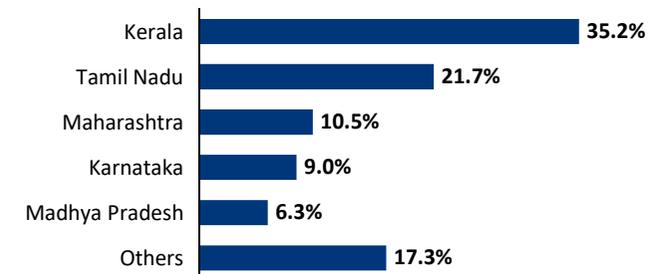
Reduced Home State Concentration (% of Gross Advances)



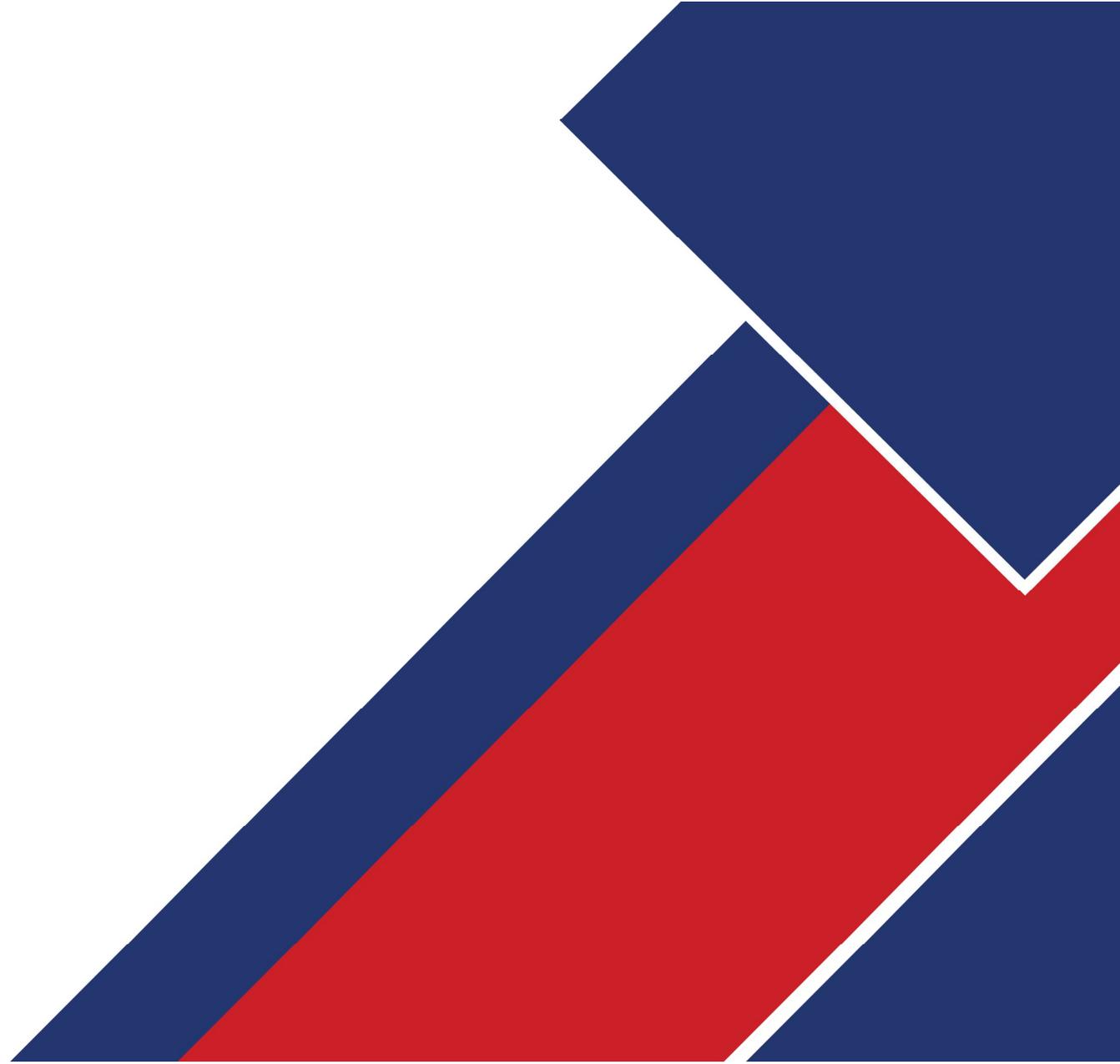
Split of banking outlets across locations



Gross Advances by States (Jun-24)

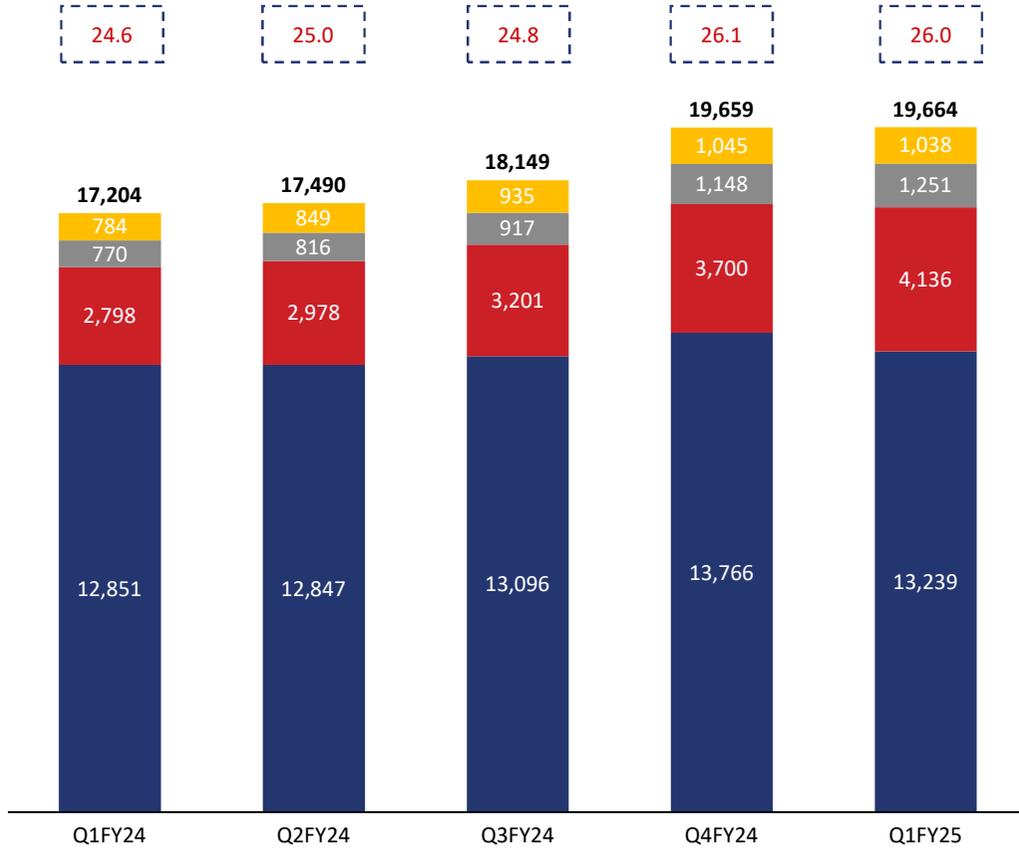


Financial Performance

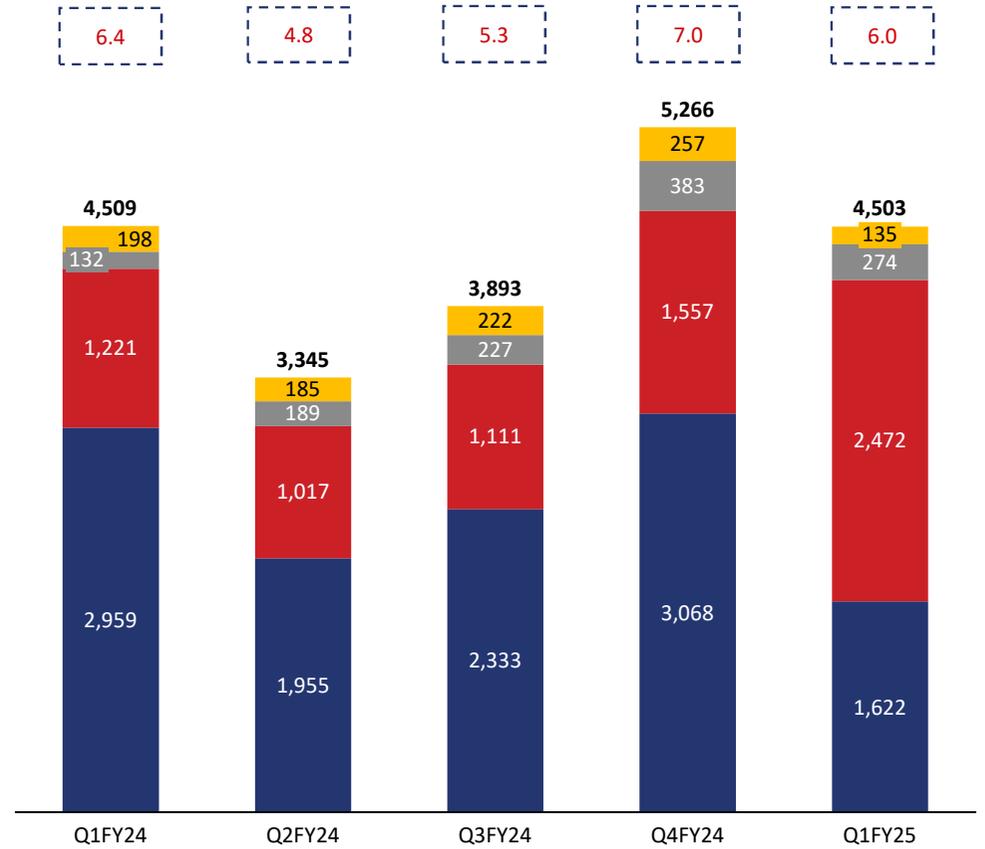


Total Loan Book & Disbursement Mix

Total Loan Book Mix (₹ Crs)



Disbursements Mix (₹ Crs)

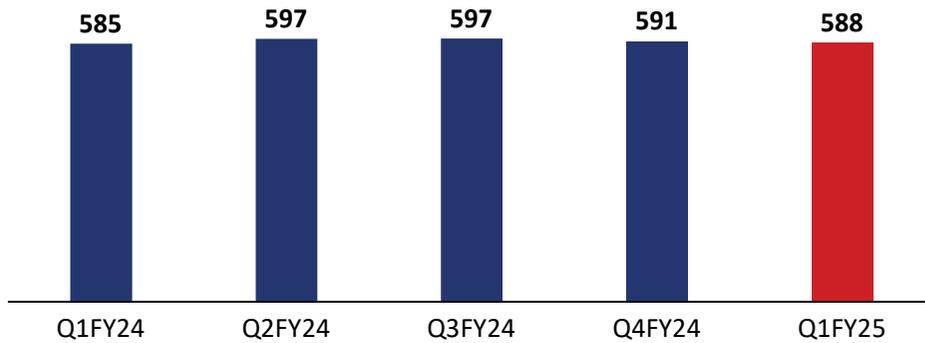


■ Agricultural loans ■ Retail loans (including Gold Loans)
■ MSME loans & Loans to financial institutions ■ Micro Loans
 Total Loan Book per Banking outlet (₹ Crs)

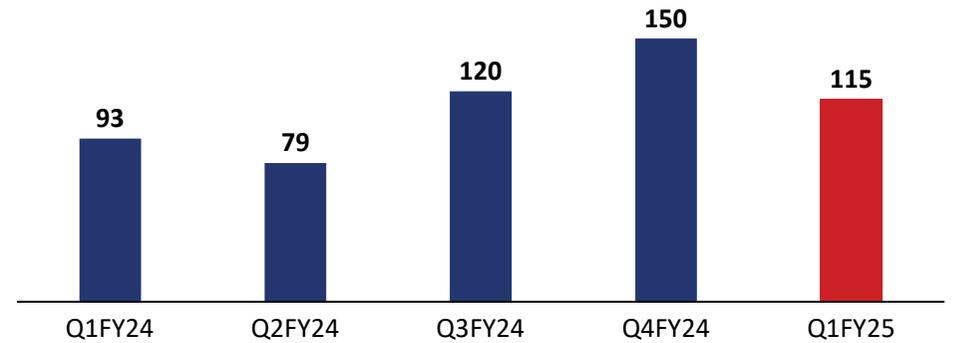
■ Agricultural loans ■ Retail loans (including Gold Loans)
■ MSME loans & Loans to financial institutions ■ Micro Loans
 Disbursements per Banking outlet (₹ Crs)

Key Profitability Metrics

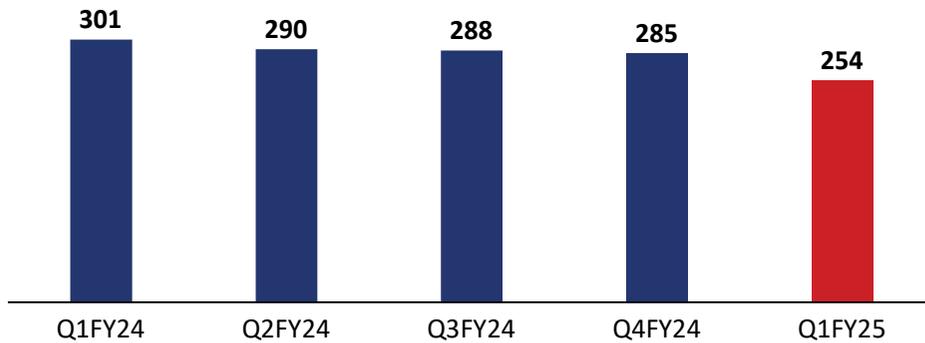
Net Interest Income (₹ Crs)



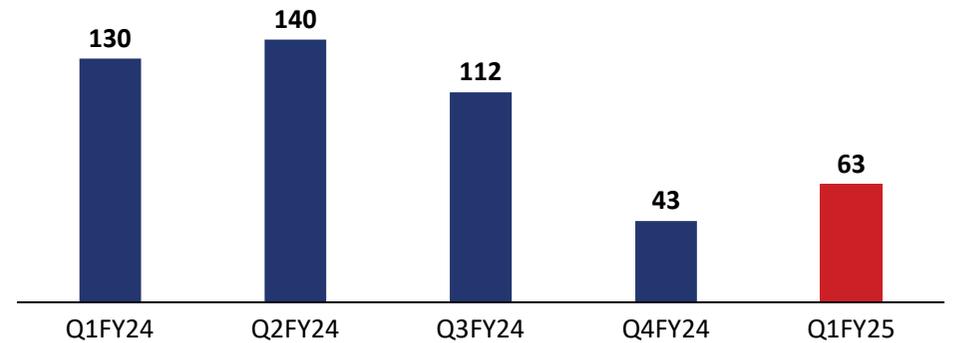
Non-Interest Income (₹ Crs)



Pre-Provision Operating Profit (₹ Crs)

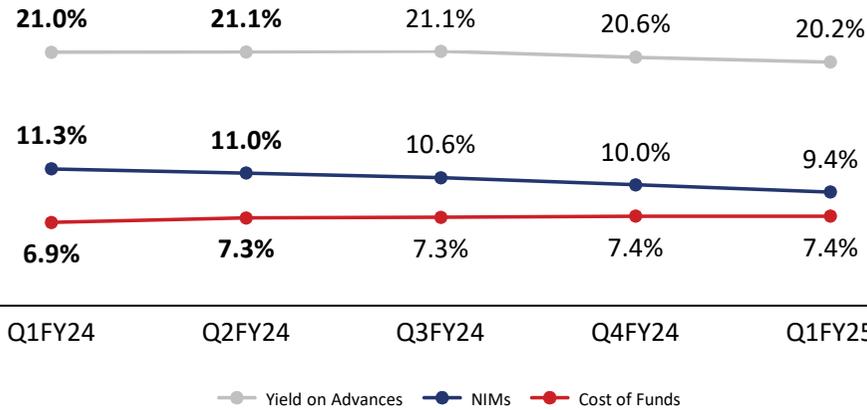


Profit After Tax (₹ Crs)

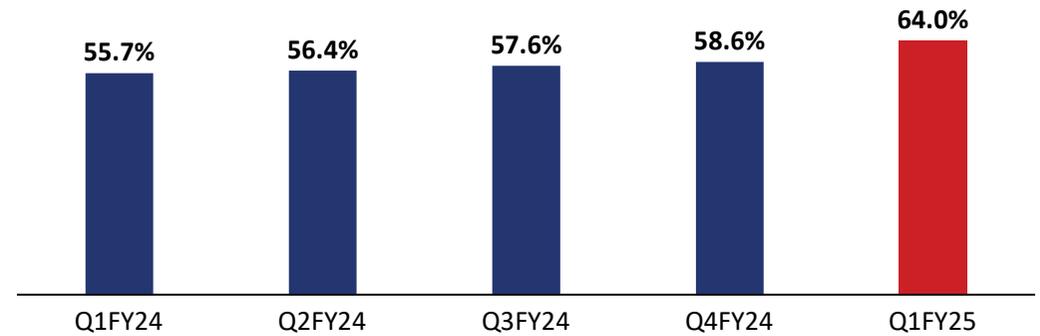


Key Profitability Ratios

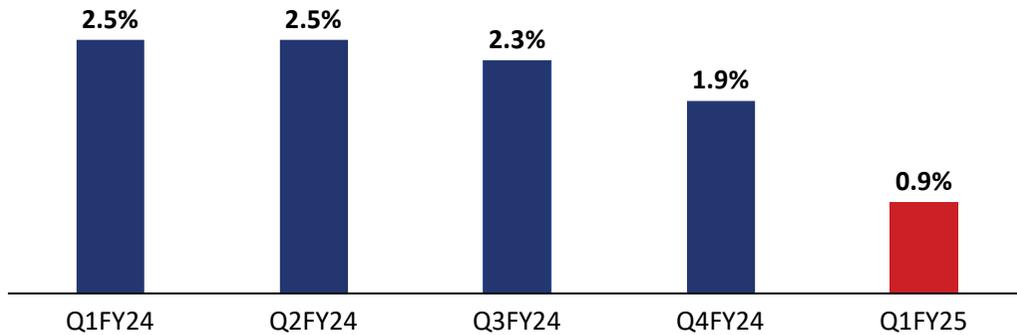
Margins* (%)



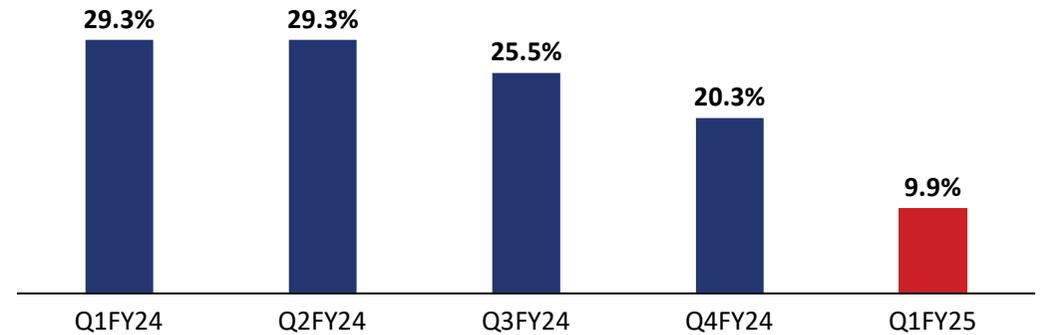
Cost to Income (%)



ROA* (%)



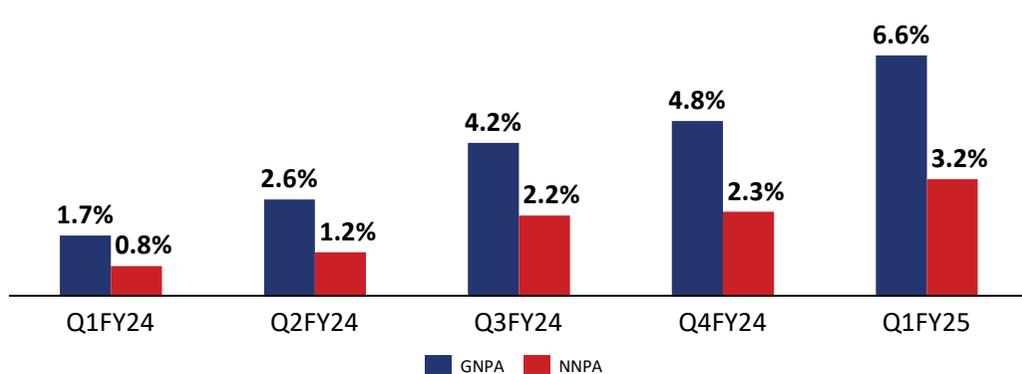
ROE* (%)



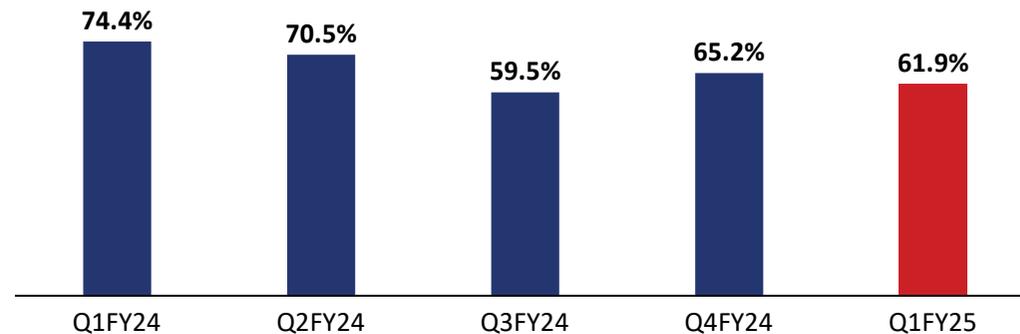
*Annualized & Cumulative

Asset Quality

GNPA & NNPA (%)



PCR (%)

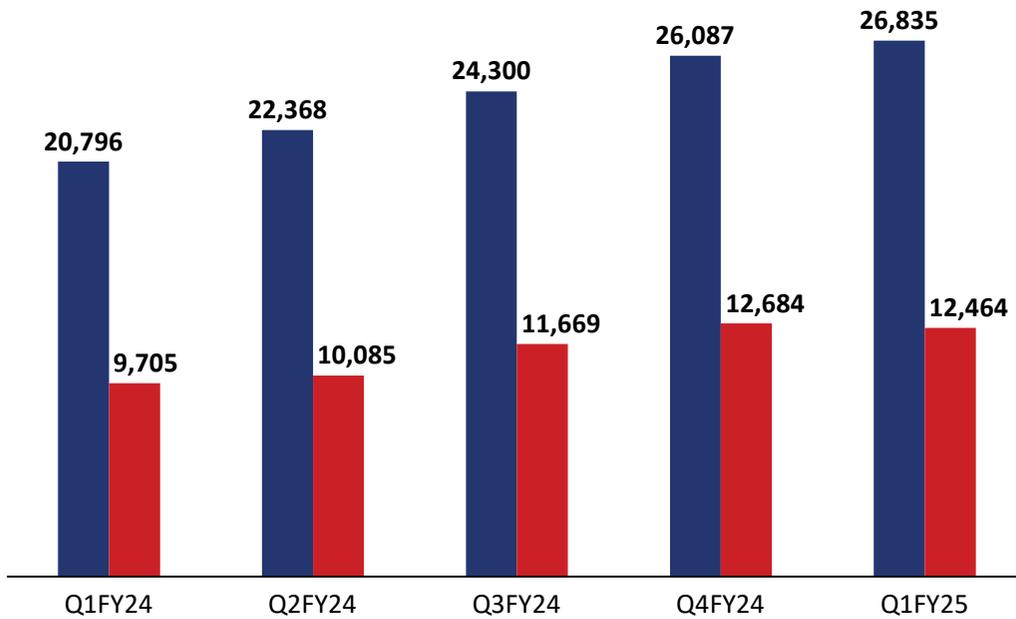


NPA Movement (₹ Crs)

Description	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Opening balance of Gross NPAs at the beginning of the period/year	351.7	237.6	399.1	713.2	893.0
Additions during the period/year	120.0	186.0	335.4	327.6	390.4
Less: Reductions during the period/year on account of recovery	7.4	6.5	7.8	14.2	18.2
Less: Reductions during the period/year on account of upgradations	26.0	18.0	13.6	28.2	23.1
Less: Reductions during the period/year on account of write offs (including technical write-offs)	200.7	0.0	0.0	105.4	0.0
Less: Reductions during the period/year on account of sale of NPAs to an asset reconstruction company	0.0	0.0	0.0	0.0	0.0
Gross NPAs at the end of period/year	237.6	399.1	713.2	893.0	1,242.1

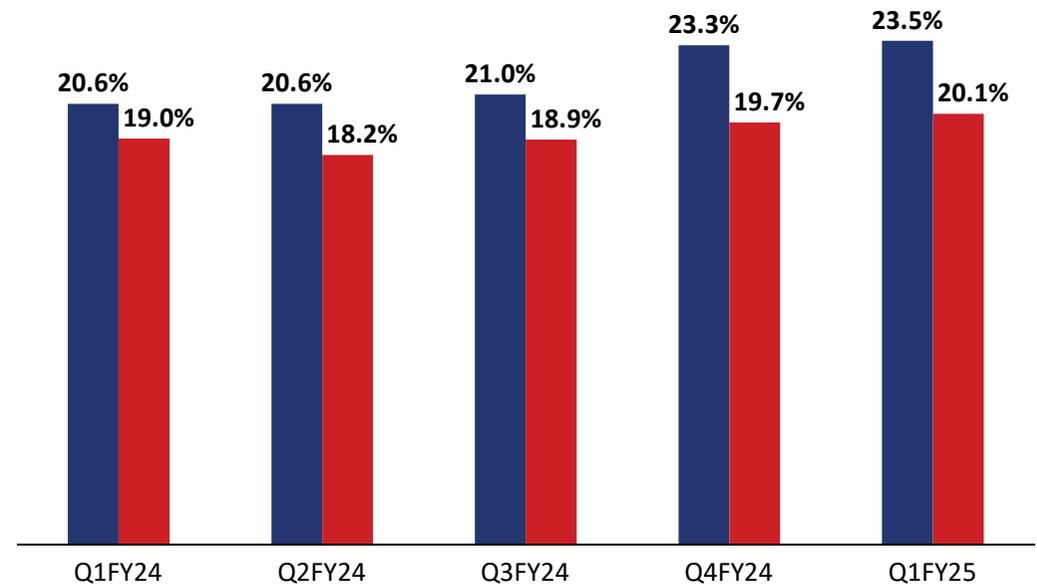
Capital Adequacy

Total Assets & Risk Weighted Assets (₹ Crs)



■ Total Assets ■ Risk Weighted Assets

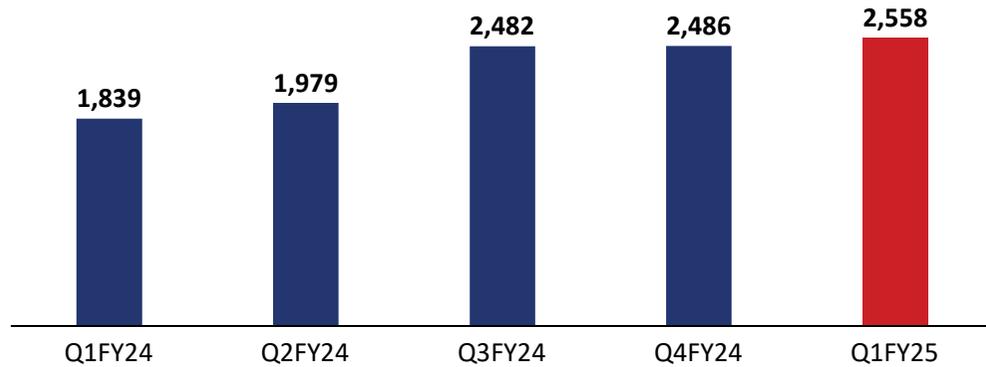
Capital Adequacy (%)



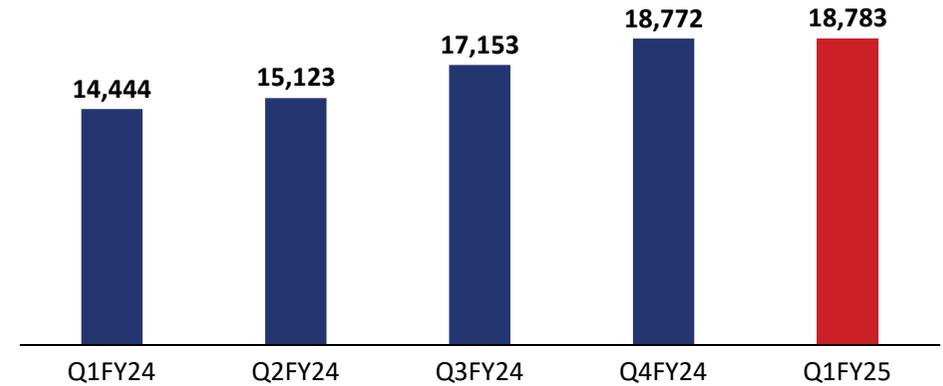
■ CRAR ■ Tier 1

Key Balance Sheet Metrics

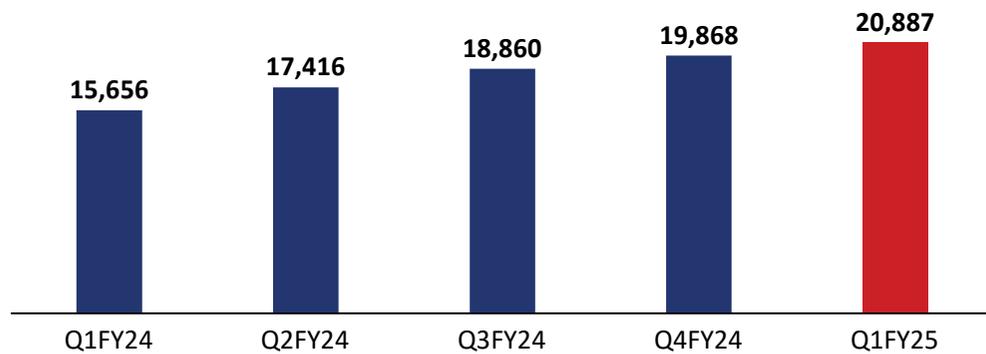
Shareholders Funds (₹ Crs)



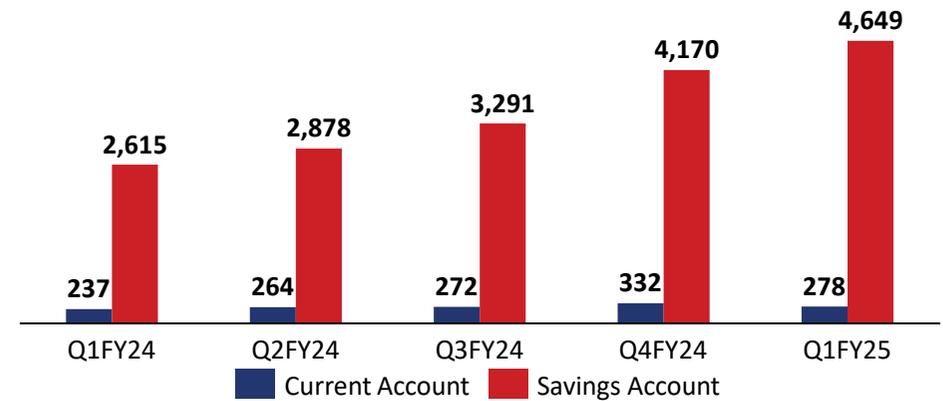
Gross Advances (₹ Crs)



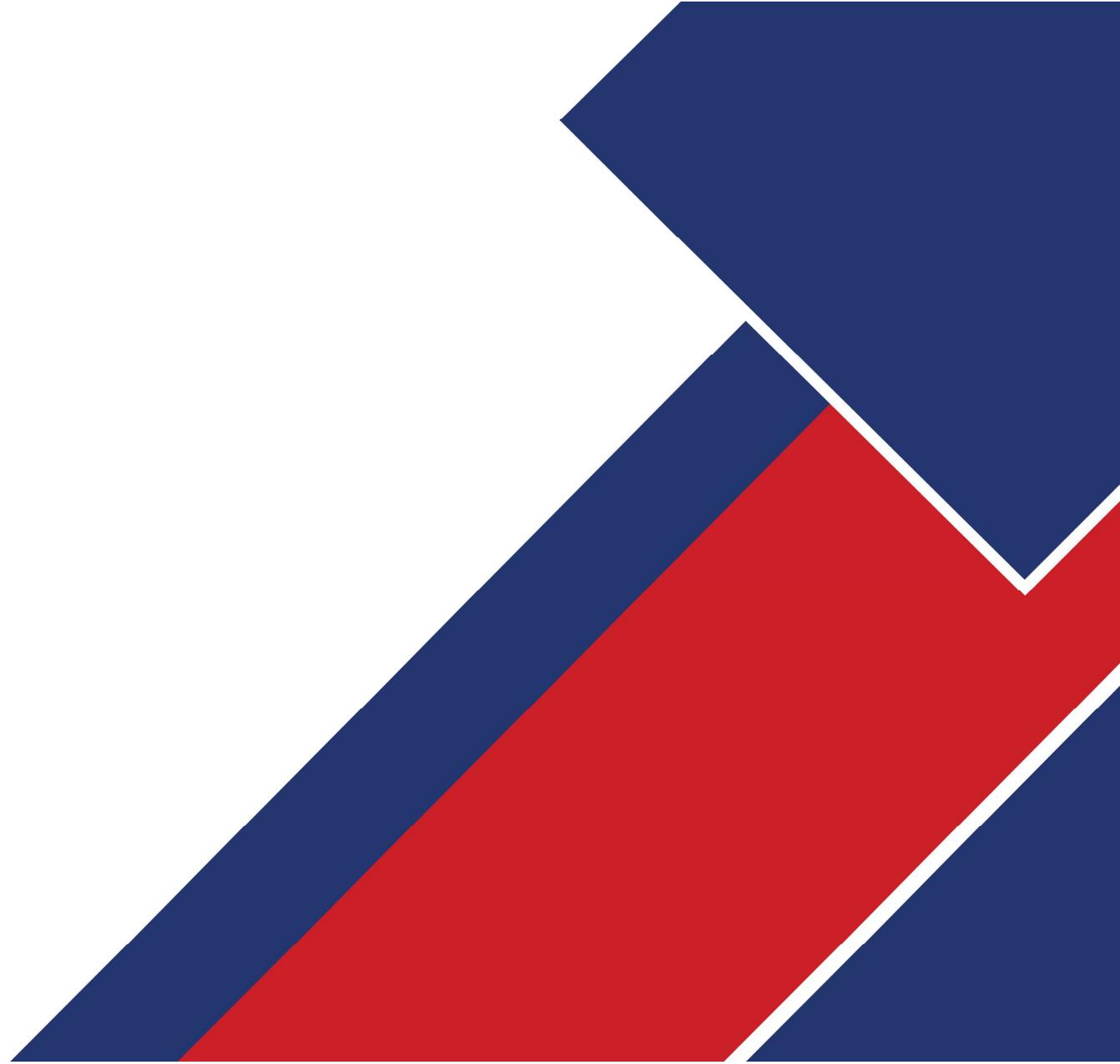
Total Deposits (₹ Crs)



CASA Deposits (₹ Crs)



Key Strengths



Key Strengths

Multi-Nodal Delivery Channels

Strong Rural And Semi-Urban
Banking Franchise

Continued focus on Loan
Diversification

Robust Funding Profile and
Healthy Capital Adequacy

Technology Driven Model With
An Advanced Digital Technology
Platform Centric Approach

Customer Centric Approach

Competitive Product Lineup

Prudent Risk Management

Experienced Management
Team and Professional Board

Large, Loyal, and Consistently
Growing Customer Base

Deep Understanding of
Business Correspondent Model

- Multiple channels for servicing the customers in an efficient manner
- BC network allows dual advantage
 - Better understanding of customer requirements
 - Constant engagement with micro loan customers to have door-step banking without any hassle
- Digital channels viz. internet banking and mobile banking offerings in line with the evolving technology in banking industry
- Growing ATM network

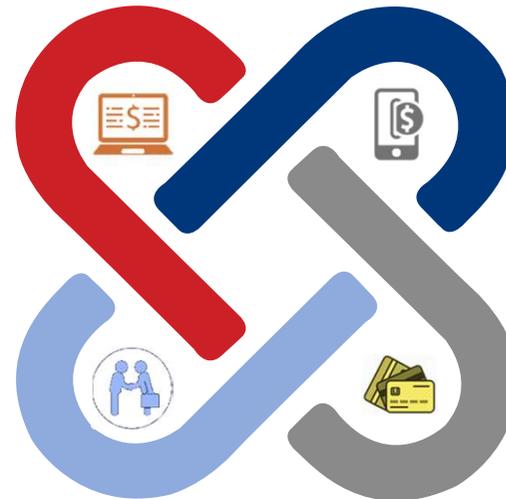
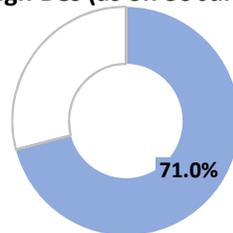
Banking Outlets

- Provision for full-fledged banking product & services
- Branch Operations
- Customer Service

Institutional Business Correspondents (BCs)

- Sourcing and servicing of customers for micro loans, mortgage loans, vehicle loans, MSME loans, agricultural loans, select deposit and third-party products
- 35 Institutional Business Correspondents

Gross advances sourced/ serviced through BCs (as on 30 Jun 2024)

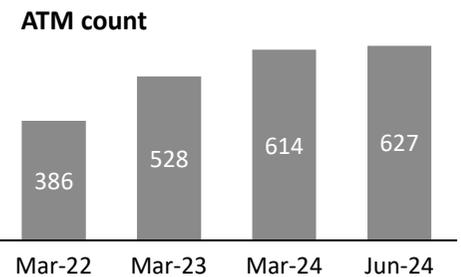


Digital Banking

- Application (compatible with Android and iOS) that connects with the National Payments Corporation of India's unified payments interface platform
- Enable customers to pay bills, transfer funds to other banks instantaneously and use scan and pay facilities at merchant outlets
- Miss call Banking
- WhatsApp Banking

ATMs and Debit Cards

- 627 ATMs
- RuPay branded ATM-cum-debit cards

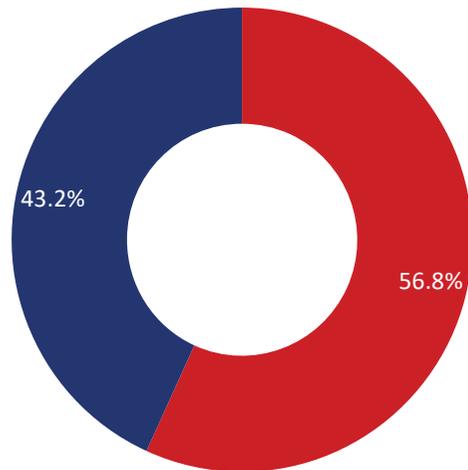


Strong Rural And Semi-Urban Banking Franchise

Strong rural and semi-urban franchise of ESAF to take advantage of the growth opportunity in the under-penetrated rural and semi-urban market

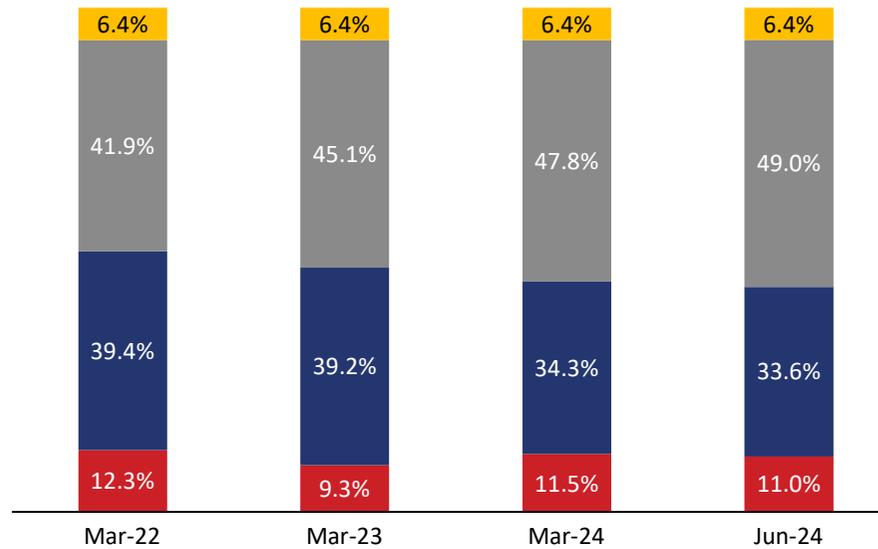
Majority of advances in rural & semi-urban regions

As of Jun-24 (% of Gross Advances)



■ Rural & Semi-Urban ■ Urban & Metropolitan

Focusing on rural & semi-urban areas in the liabilities profile



■ Rural ■ Semi Urban ■ Urban ■ Metro

Footprint in Rural & Semi-urban

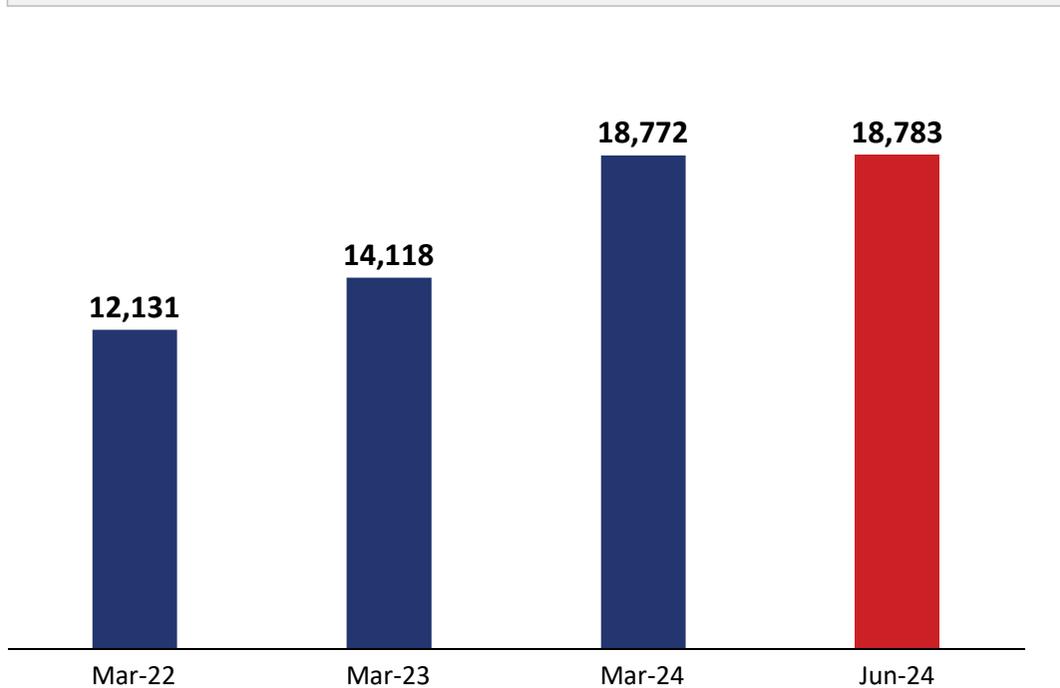
54%
Customers in rural and semi-urban areas

70%
Banking outlets in rural and semi-urban areas

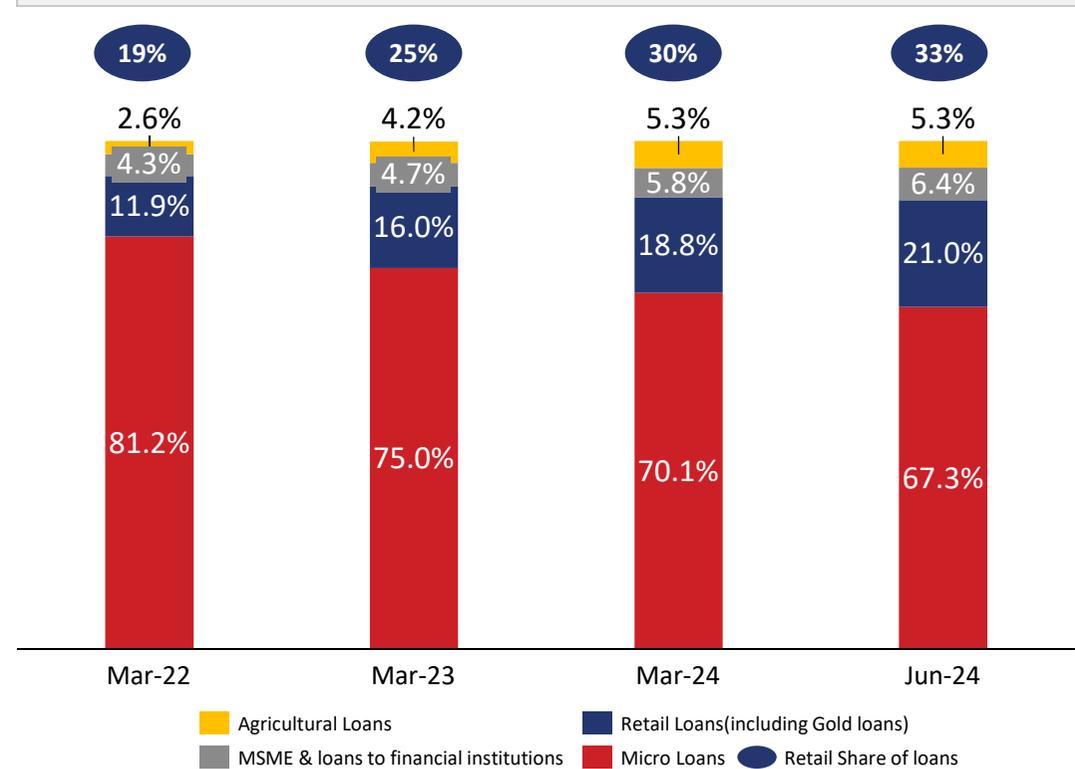
Continued focus on Loan Diversification

As of June 30, 2024, ESAF SFB had over 55.1 lakh customers with Micro Loans, the majority of whom were women

Growth in Gross Advances (₹ Crs)

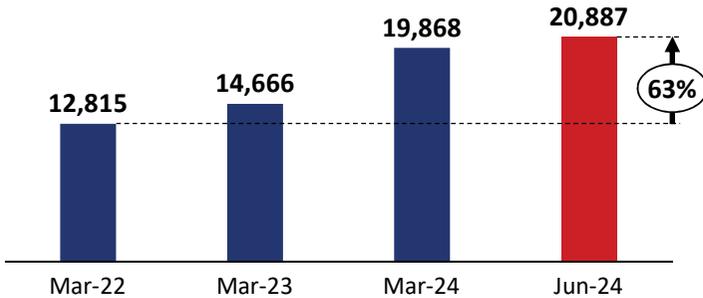


Continued focus on Loan Diversification

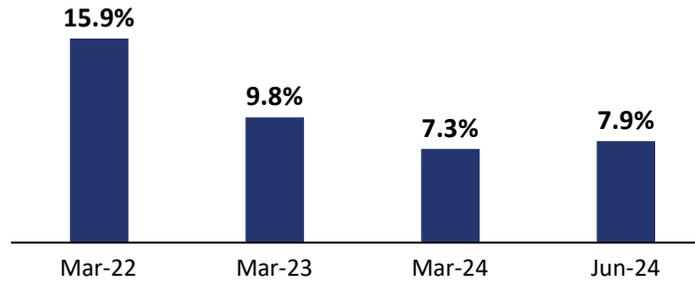


Robust Funding Profile and Healthy Capital Adequacy

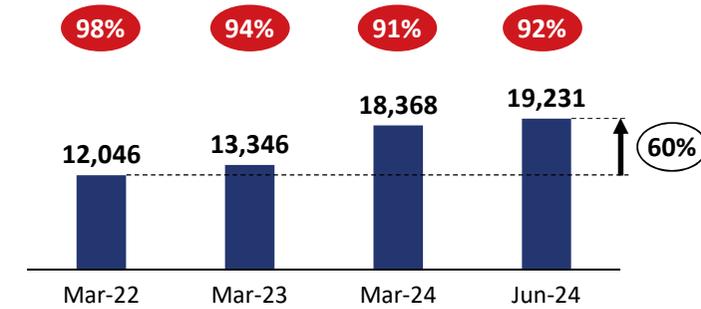
Deposits growth (₹ Crs)



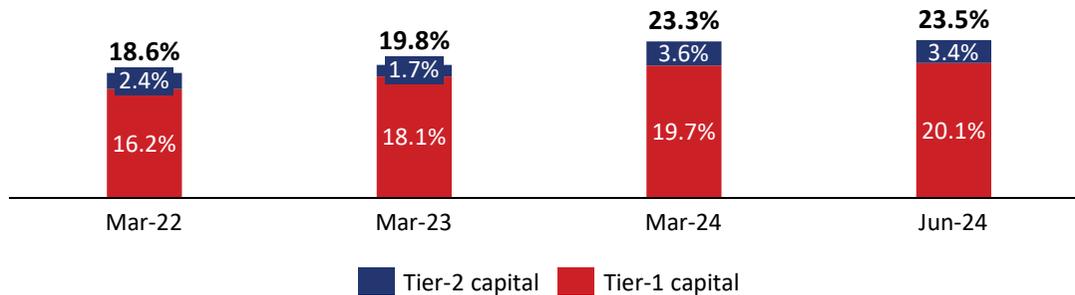
% deposits from top 20 largest depositors



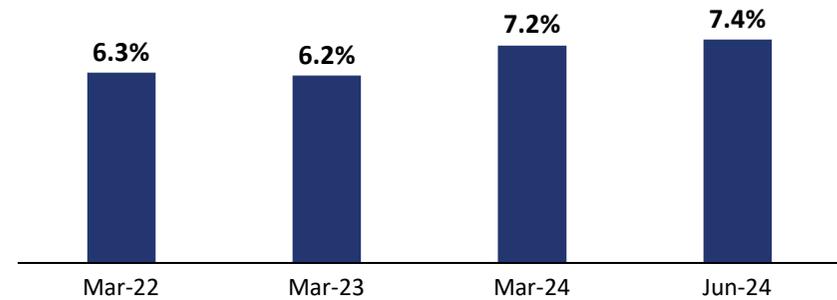
Retail share of deposits (₹ Crs)



Capital Adequacy



Cost of Funds



Technology Driven Model With An Advanced Digital Technology Platform

ESAF SFB has continuously worked towards improving its customers' experience through the use of technology. Such initiatives have enabled the Bank to deliver improved customer service in a cost-effective manner

DIGITAL MEASURES

Various digital platforms including an internet banking portal, a mobile banking platform, SMS alerts, bill payments, etc. for all banking and payment transactions like remittances, utility payments, etc.

DIGITALISED CENTRAL CPU

Digitalised central credit processing unit for Micro Loans using inputs from credit bureau and customer data analytics for underwriting & credit sanctioning

CUSTOMER SERVICING

VERNACULAR SUPPORT 24/7 call center facility with multi-lingual agents. All calls are recorded and made available for monitoring, quality control and reference purposes by customer service quality department

CASHLESS DISBURSEMENT

Implemented technology solutions that enable the company to ensure cashless disbursements of loans. The collections mechanism has also been digitalised through the use of mobile applications

REDUCED TAT

Digitalised account opening & loan underwriting process by using tablets contributing to reduced turnaround time and better services to customers

E-SIGN

For better customer service and environment conservation ESAF SFB introduced E sign for micro loan disbursals

Products to meet customers' life-cycle needs



Home loans



Agri-loans



Loan against property



Personal Loans



Vehicle Loans



Gold Loans



MSME



Micro Loans

Customer service measures



24*7 CALL CENTRE

- Multi-lingual assistance from agents
- Daily report of calls monitored



DOOR-STEP BANKING

- Facilitate regular door-step collection from microfinance customers
- Facilitates door-step service to deposit customers with focus on senior citizens
- On-ground presence through BC partners; better understanding of customer requirements



CUSTOMER SERVICE QUALITY DEPARTMENT

- Dedicated team; conducts fortnightly reviews calls on efficient resolution of customer complaints
- Undertakes surveys from customers to obtain their feedback on the quality of customer service



COMMUNITY BUILDING PROGRAMME

- BCs undertake various non-financial services, which include, among other things, conducting financial literacy programmes, livelihood programmes, entrepreneurship training programmes and community engagement programmes

Competitive Product Lineup



Agri-Lending



MSME



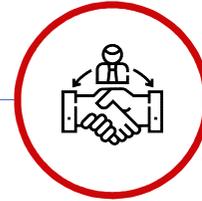
Micro Assets



Retail Assets



Retail Liability



Third Party Products



Other Services

Loan & Advances

Agri-Lending Products

- ESAF Dairy Development Loan
- ESAF Kisan Credit Card (E-KCC)
- ESAF Haritha Loan
- Kisan Jyothi
- ESAF Farmer Producer Organisation (FPO) Finance
- ESAF Kisan Pragati
- ESAF Kisan Saral
- ESAF Farmer Interest Group Loan
- ESAF SHG-BLP
- ESAF Kisan Vriddhi

MSME

- TReDS (Trade Receivables Electronic Discounting System)
- QR Loan
- Udyog Saral Loan
- MSME GST Power
- MSME Business LAP
- MSME Udyog Loans

Micro Assets

- Microfinance Loans
- Other Micro Loans
- Micro Enterprise Loan (MEL)
- Vyapar Vikas Yojana (VVY)

Retail Assets

- Housing Loans
- Loan Against Property
- Education Loans
- Lease Rental Discounting
- School Loans
- Vehicle Loans
- Personal Loans
- Clean Energy Loans
- Gold Loans

Retail Liabilities

- Current Accounts
- Savings Accounts
- Recurring Deposits
- Fixed Deposits

Third Party Products

- Life Insurance
- General Insurance
- Depository Services
- Mutual Funds
- National Pension System
- Atal Pension Yojana
- Broking Services

Other Services

- Bharat Bill Pay System
- Money Transfer Services
- Safe Deposit Lockers
- Foreign Exchange Services
- Aadhar Seva Kendra

High Quality Board At The Helm Of The Organization

Ravimohan Periyakavil Ramakrishnan Part time Chairman & Non-Executive Independent Director

- Bachelor's and master's degree in science from Kerala University, master's degree in business administration from Birmingham University and; certified associate of Indian Institute of Bankers (IIB)
- Previously employed as a chief general manager in the department of banking supervision of the Reserve Bank of India
- Has also held the position of a resident advisor, financial sector supervision, International Monetary Fund, AFRITAC South, Mauritius

Kadambelil Paul Thomas Managing Director and Chief Executive Officer

- Master's degree in business administration from Annamalai University
- Served as the founder secretary cum honorary executive director of Evangelical Social Action Forum for over 25 years and was the chairman and managing director of ESAF Financial Holdings Limited
- Has also served as a director on the board of Sanma Garments Private Limited, Rhema Dairy Products India Private Limited, Rhema Milk Producer Company Limited, CEDAR Livelihood Services Private Limited (Formerly Cedar Agri Solutions Private Limited), etc.
- Presently, serves as the president of Kerala Association of Microfinance Institutions Entrepreneurs

George Kalaparambil John Executive Director

- Brings an overall experience of 30 years with extensive expertise in Micro Banking Business, significantly contributing to the growth of Bank's microfinance business
- He has a broad banking background across various functions, including Micro Banking, Liability, Assets, IT, Digital, Operations, Finance, Treasury, MIS, HR, Marketing, and Legal
- Has led numerous projects and holds specialised knowledge in Banking, Finance, Agriculture and Rural Economy, Co-operation, Human Resources, and Business Management
- Holds an MBA in Fintech from BITS Pilani and an MSW in Community Development from the University of Pune

Biju Varkkey Additional Non-Executive Independent Director

- Master's degree in Personnel Management and Industrial relation from MG University and a fellowship programme from National Institute of Bank Management, Pune.
- Faculty member at IIM Ahmedabad.
- He was previously on the board of directors of Bank of Baroda.
- Presently, holds directorship in the board of M/s. V Guard Industries limited, a listed entity and M/s. Konnect CSR Impactors Pvt Ltd.

Ms. Kolasseril Chandramohan Ranjani Non-Executive Independent Director

- Bachelor's degree in science from University of Kerala and a master's degree in bank management from Cochin University of Science and Technology
- More than 21 years of experience in micro, small and medium enterprises in India.
- Held senior management positions at SIDBI

High Quality Board At The Helm Of The Organization

Ravi Venkatraman Non-Executive Independent Director

- Associate member of the Institute of Chartered Accountants of India and has completed the Cost and Management Accountancy Course from the Institute of Cost and Management Accountants of India
- Previously served as the executive director and chief financial officer of Mahindra and Mahindra Financial Services Limited

Thomas Jacob Kalappila Non-Executive Independent Director

- Fellow member of the Institute of Chartered Accountants of India (ICAI), diploma in information and systems audit from the ICAI
- He is a partner of Thomas Jacob & Co., a partnership firm and has 35 years of experience in statutory audit, internal and forensic audit of banks
- Ex-independent director on the Boards of South Indian Bank Limited and Malabar Cements Limited.

Vinod Vijayalekshmi Vasudevan Non-Executive Independent Director

- A bachelor's degree in technology (computer science and engineering), a master's degree in technology (computer science and engineering), and a doctorate of philosophy (computer science and engineering) from Indian Institute of Technology (IIT), Kharagpur
- Presently serving as group CEO of Flytxt

Joseph Vadakkekara Antony Non- Executive Director

- Bachelor's degree in law, a master's degree in personnel management and a doctorate of philosophy (business economics) from Pune University.
- Certified Associate of Indian Institute of Bankers
- He was the Managing Director and Chief Executive Officer on the board of South Indian Bank Limited and was also on the boards of directors of Muthoot Homefin (India) Limited, SP Life Care Private Limited and ET Marlabs Private Limited. He was previously employed with Syndicate bank. He is currently on the board of directors of Agappe Diagnostics Limited.

Ajayan Mangalath Gopalakrishnan Nair Non-Executive Nominee Director

- Bachelor's degree in science (Horticulture) from the Kerala Agricultural University
- Certified Associate of Indian Institute of Bankers
- He was previously employed as the Executive Vice President of ESAF SFB. He was previously the general manager of IT and CIO, general manager of retail assets, general manager of transaction banking, general manager of pune circle, chief compliance officer and deputy general manager of calicut circle in Canara Bank

Gabriel John Samuel Non-Executive Nominee Director

- Fellow member of the Institute of Chartered Accountants of India (ICAI), master's degree in business administration from Cochin University of Science and Technology.
- He was previously a member of the Postal Services Board and held the position of chief post master general

Experienced Management Team

Supported by a highly experienced team of qualified & experienced professionals

Name & Designation	Education	Prior Associations
George Thomas Executive Vice President – Human Resources	<ul style="list-style-type: none"> Master’s degree of science in ecology & environment from Sikkim Manipal University 	<ul style="list-style-type: none"> Senior agriculture officer (assistant director agriculture) - Department of Agriculture Development & Farmer’s Welfare
Hari Velloor Executive Vice President - Credit	<ul style="list-style-type: none"> Bachelor’s degree in arts (history) from University of Delhi, Master’s degree in arts (political science) from Madurai Kamaraj University 	<ul style="list-style-type: none"> Senior vice president – HDFC Bank
Hemant Kumar Tamta Executive Vice President - Assets	<ul style="list-style-type: none"> Bachelor’s degree in law from University of Delhi Course in banking and finance from NIBM, Pune 	<ul style="list-style-type: none"> Executive director - Bank of Maharashtra General manager - Canara Bank
Bosco Joseph Executive Vice President- Micro Banking	<ul style="list-style-type: none"> LLB with specialisation with Labour Laws PG Diploma in Personnel Management, Industrial relations and Health care Administration 	<ul style="list-style-type: none"> General manager in the HR & Administration department of ESAF Microfinance and Investments Pvt. Ltd. Chief Operating Officer in ESAF Health care services
Gireesh C.P. Executive Vice President- Finance & Chief Financial Officer	<ul style="list-style-type: none"> Bachelor’s degree in science from Mahatma Gandhi university Fellow member of ICAI and certified associate of IIB 	<ul style="list-style-type: none"> CFO at South Indian Bank
Sudev Kumar V Executive Vice President – Branch Banking	<ul style="list-style-type: none"> Master’s degree in science (horticulture) from Kerala Agriculture University 	<ul style="list-style-type: none"> Canara Bank
Ranjith Raj P Company Secretary & Compliance Officer	<ul style="list-style-type: none"> Bachelor’s degree in commerce from Calicut University Company secretary and associate of ICSI 	<ul style="list-style-type: none"> Company secretary of ESAF Financial Holdings Private Limited
E A Jacob Head-Vigilance and Chief Vigilance Officer	<ul style="list-style-type: none"> Bachelor’s degree in science from Kerala University 	<ul style="list-style-type: none"> Deputy general manager in the audit department of South Indian Bank
Sivakumar P Head - Internal Audit	<ul style="list-style-type: none"> Bachelor’s degree in commerce from Madras University Certified associate of IIB 	<ul style="list-style-type: none"> General manager (internal audit) of State Bank of India
Wilson Cyriac Head – Risk Management and Chief Risk Officer	<ul style="list-style-type: none"> Master’s degree in economics from Kerala University Certified associate of IIB 	<ul style="list-style-type: none"> Executive vice president – head risk and chief risk officer at Federal Bank Limited

Clearly Articulated Strategy

1 Increase Deposits

- Target new & existing customers for CASA, fixed deposits and recurring deposits by focusing on customer service & offering competitive pricing
- Add more BCs for sourcing deposits from micro loan customers
- Appoint dedicated relationship managers to target HNI customers
- Focus on high NRI remittances regions by launching targeted campaigns around festivals, conducting marketing activities at airports, malls, etc., and entering into tie-ups with third parties, such as remittance arrangers

2 Increase Advances

- **Micro Loan Business:**
 - Cross selling and up-selling to its customer base
 - Appoint new BCs and have its banking agents start to source customers.
- **Retail Loans:**
 - Increased focus by targeting agriculturists/small farmers, salaried employees, students etc. in small towns/ rural India
 - Offer personalized loan products to salaried account holders
- **MSME Loans:**
 - Help its Micro Loan customers to grow their business with additional funding
 - Find more customers for small ticket term loans
 - Increase supply chain finance by partnering with fintech/tech platforms to find more customers for its working capital loans
- **Agriculture Loans:**
 - Appointing agri relationship officers in more states
 - Entering into relationships with more FPOs
- **Collections:**
 - Increased focus on Portfolio collection • Focus on improving asset quality

3 Deeper Penetration

- Open additional Branches, ATMs along with engaging existing & new BCs to go deeper in existing states
- Continue to open branches in urban and semi-urban areas taking into account aggregate deposits, deposit growth, number of urban households, households with banking access, share of PSU deposits and total NRI remittances

4 Increase Fee Income

- Expand third-party product and service offerings like mutual funds distribution and other fee-based offerings
- Plan to offer bank guarantees and letters of credit to MSMEs
- Commission income from Treasury/Forex Business

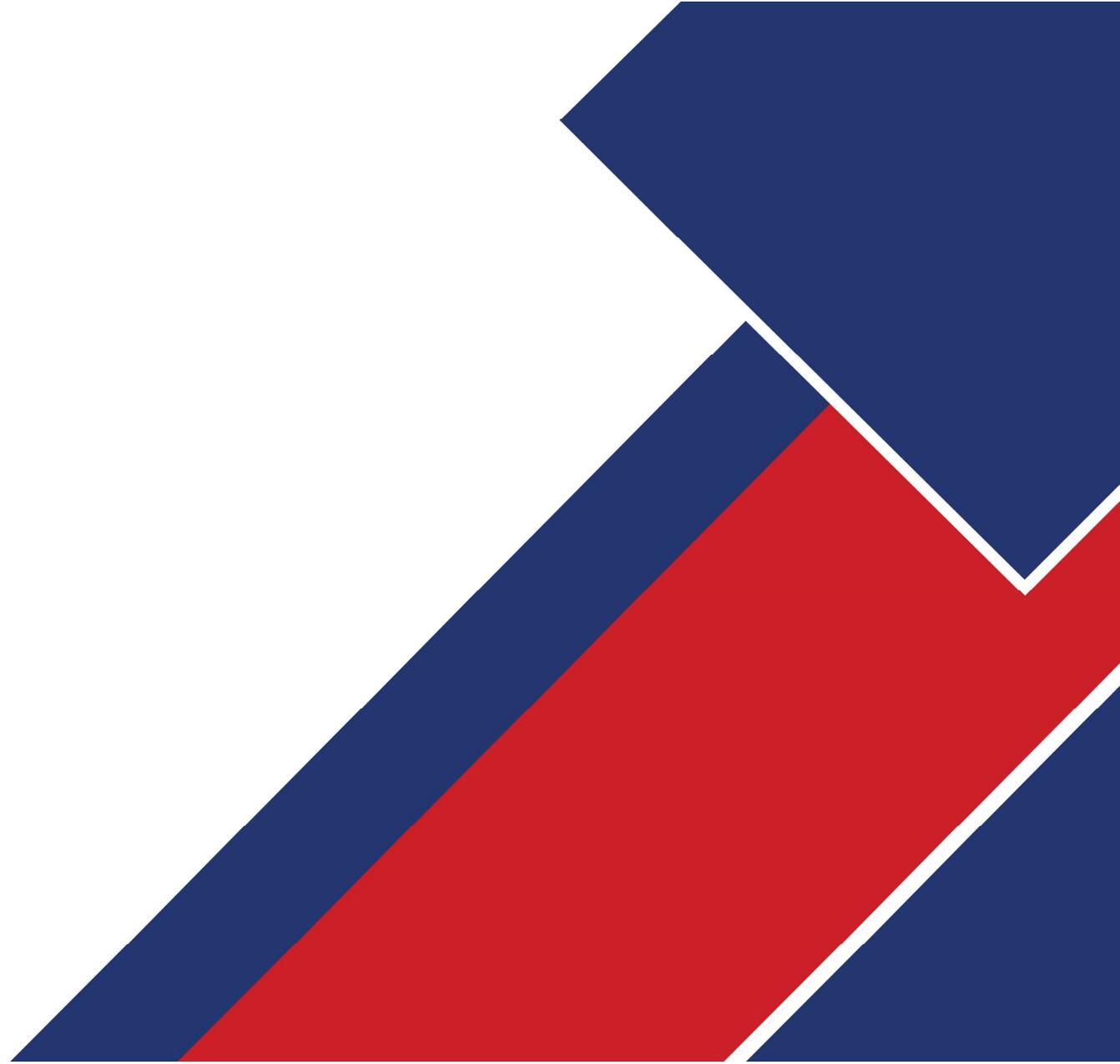
5 Leverage Technology And Customer Data Analytics

- Enhance technology platforms such as internet banking, mobile banking, ATMs, customer service applications & payment interfaces
- This will enable us to perform more reliable data analytics, resulting in more efficient risk management processes & targeted customer profiling

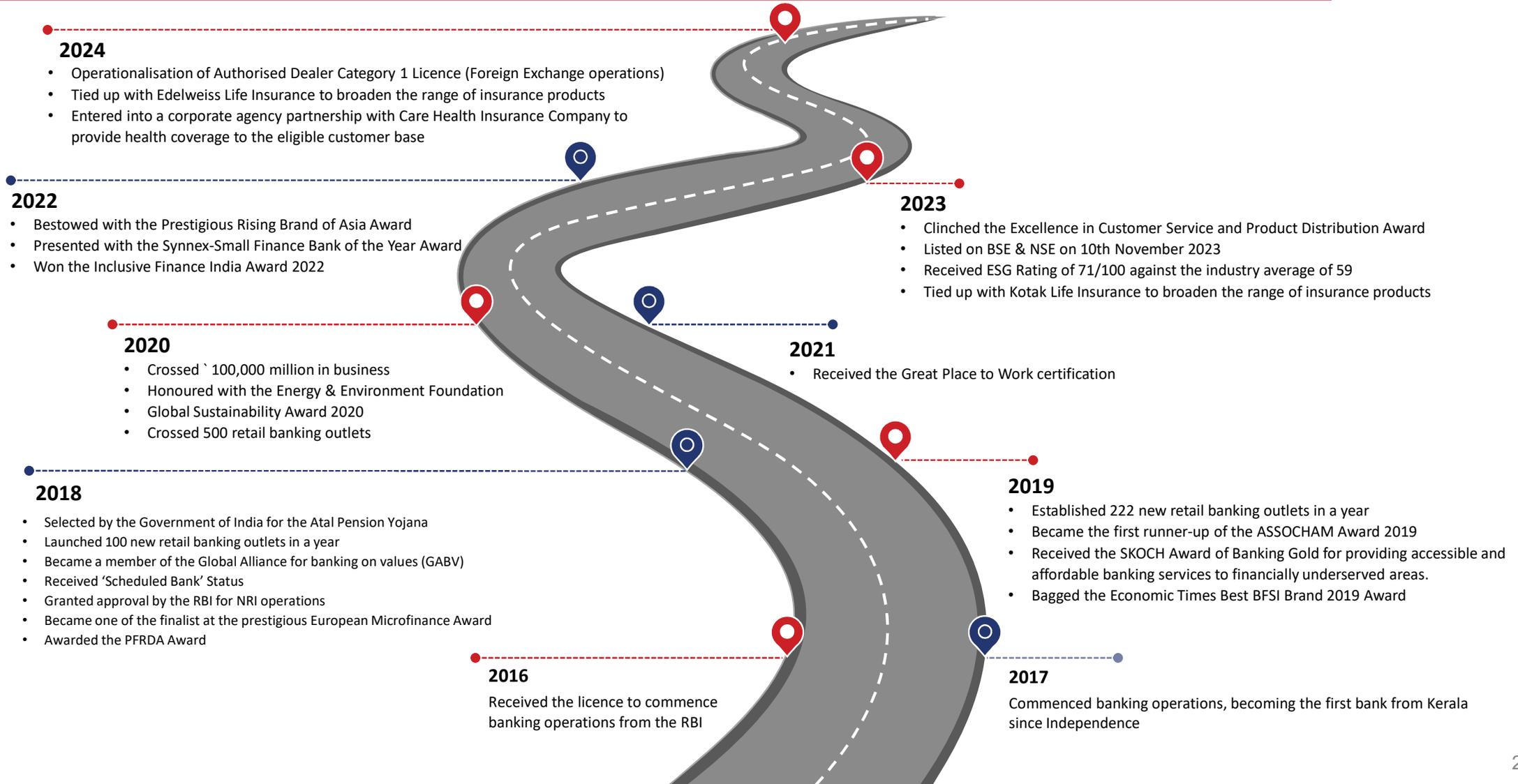
6 Focus on Recovery

- Focus on asset quality improvement by way of linking the same with performance pay of field staff, rationalising ticket size to afford instalments in fresh lending, increasing the customer engagement activities etc.

Annexures

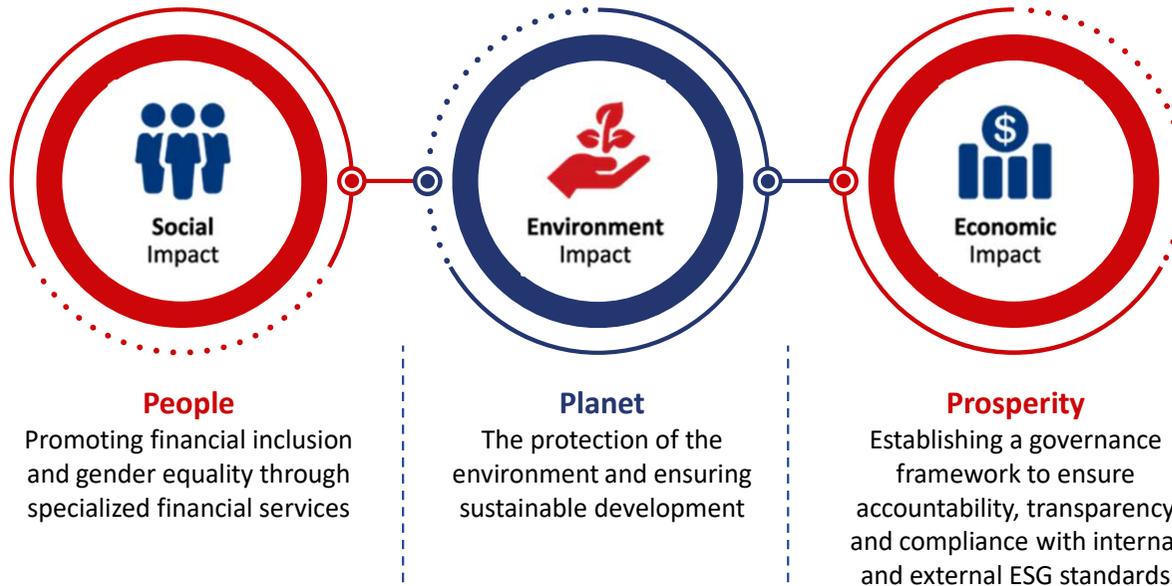


Journey So Far



A social business driven by providing “Joy of Banking” to customers

ESAF SFB has adopted a **triple bottom line approach** towards business in line with the motto – ‘fighting the partiality of prosperity’. The triple bottom line approach of ESAF SFB focuses on the following **3 Ps**:



ESAF SFBs main focus is on **unbanked and under-banked customer segments**, especially in rural and semi-urban areas, as well as catering to all customer segments



ESAF SFBs business model focuses on the principles of **responsible banking**, providing customer-centric products and services through the innovative application of technology



ESAF SFB has a strong focus on **leveraging technology** to deliver products and services and it continuously works towards improving its **customers’ experience through the use of technology**

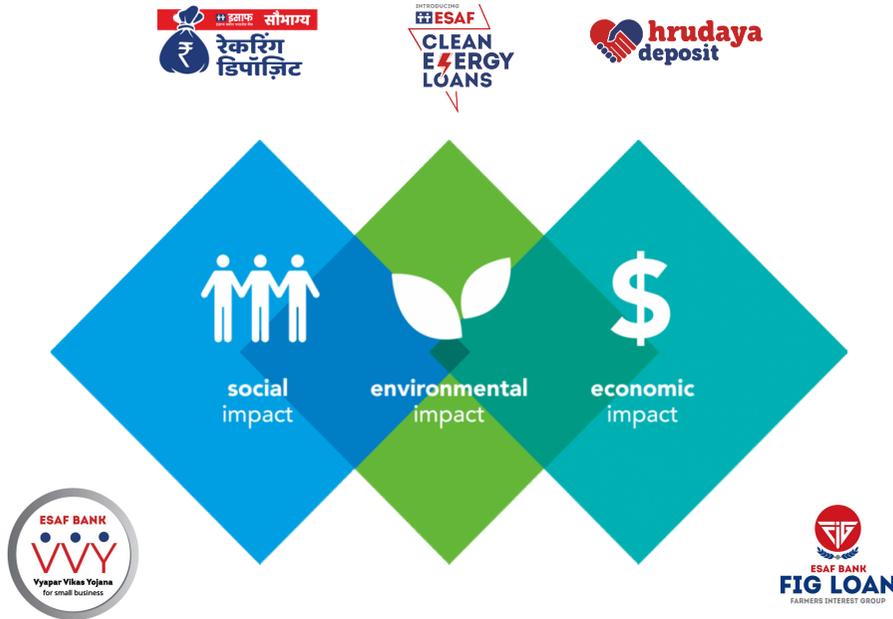
Sustainability & ESG Performance – ESAF SFB’s social business strategy

Pursuant to the ESG policy, ESAF SFB is committed to

- (i) the protection of the environment and ensuring sustainable development
- (ii) promoting financial inclusion and gender equality through specialised financial services
- (iii) establishing a governance framework to ensure accountability, transparency and compliance with internal and external ESG standards

The Bank received ISO 26000:2010 certification during FY 23-24. It is a recognition for the Bank’s range of inclusive financial services for social and environmental resilience and returns to individuals, professionals and businesses through ethical practices and global standards. It is a comprehensive certification on the Social Responsibility covering seven core subjects:

- Community Engagement and Development
- Environmental Stewardship
- Human Rights
- Labour Practices
- Consumer Protection
- Fair Operating Practices
- Organisational Governance



Profit & Loss Statement – Q1 FY25

Particulars (₹ Crs)	Q1 FY25	Q1 FY24	Y-o-Y	Q4 FY24	Q-o-Q
Interest Income	1,022.49	898.72	13.8%	1,002.00	2.0%
Interest Expense	434.10	313.29	38.6%	411.25	5.6%
Net Interest Income	588.39	585.43	0.5%	590.75	-0.4%
Other Income	115.25	93.06	23.9%	149.84	-23.1%
Net Total Income	703.64	678.48	3.7%	740.59	-5.0%
Employee Benefits Expense	103.48	79.87	29.6%	104.72	-1.2%
Depreciation and Amortization Expense	13.81	12.27	12.6%	13.56	1.9%
Other Expenses	332.30	285.67	16.3%	337.63	-1.6%
Operating Expense	449.59	377.81	19.0%	455.91	-1.4%
Pre-Provision Operating Profit	254.05	300.67	-15.5%	284.68	-10.8%
Provisions	169.12	126.92	33.2%	226.15	-25.2%
Profit before tax	84.92	173.75	-51.1%	58.53	45.1%
Tax Provisions	22.15	43.78	-49.4%	15.18	46.0%
Profit After Tax	62.77	129.96	-51.7%	43.35	44.8%
Earnings Per Share Diluted	1.22	0.91	34.1%	0.91	34.1%
Breakup of Other Income					
Loan Processing Fees	26.51	45.21	-41.4%	48.37	-45.2%
Profit on sale of investments (Net)	9.58	6.21	54.2%	6.82	40.5%
Profit on revaluation of investments (Net)	0.33	5.23	-93.6%	9.04	-96.3%
Recovery on written off loan	4.55	0.29	1466.9%	5.23	-12.9%
PSLC Income	31.41	9.00	249.0%	13.13	139.2%
Account maintenance charge	2.81	1.59	76.6%	3.14	-10.5%
Third Party Product Income	16.19	7.73	109.5%	35.73	-54.7%
Other charges	23.86	17.79	34.1%	28.38	-15.9%
Total	115.25	93.06	23.9%	149.84	-23.1%

Profit & Loss Statement

Particulars (₹ Crs)	FY24	FY23	FY22
Interest Income	3,818	2,854	1,940
Interest Expense	1,449	1,017	793
Net Interest Income	2,370	1,836	1,147
Other Income	442	288	208
Net Total Income	2,812	2,124	1,355
Employee Benefits Expense	363	278	232
Depreciation and Amortization Expense	51	42	33
Other Expenses	1,235	911	598
Operating Expense	1,649	1,231	863
Pre-Provision Operating Profit	1,163	894	492
Provisions (other than tax and contingencies)	592	488	418
Profit before tax	570	406	74
Tax Provisions	145	104	19
Profit After Tax	426	302	55
Earnings Per Share Diluted	8.94	6.73	1.22

Balance Sheet

Particulars (₹ Crs)	Jun-24	Mar-24	Mar-23	Mar-22
CAPITAL AND LIABILITIES				
Capital	514.78	514.78	449.47	449.47
Employee Stock Option Outstanding	6.31	5.68	5.88	4.81
Reserves and Surplus	2,043.62	1,971.33	1,259.66	957.32
Deposits	20,887.04	19,867.80	14,665.63	12,815.07
Borrowings	2,868.83	3,222.53	3,354.20	2,952.83
Other Liabilities and Provisions	514.05	504.76	488.83	528.06
Total Capital and Liabilities	26,834.63	26,086.88	20,223.66	17,707.56
ASSETS				
Cash and Balances with Reserve Bank of India	1,197.67	1,364.65	739.55	1,300.67
Balances with Banks and Money at Call and Short Notice	1,373.23	58.28	27.50	211.24
Investments	5,326.34	5,541.02	4,888.53	4,070.30
Advances	18,125.16	18,293.11	13,924.33	11,637.01
Fixed Assets	209.45	207.55	187.93	159.48
Other Assets	602.78	622.27	455.82	328.88
Total Assets	26,834.63	26,086.88	20,223.66	17,707.56

Awards & Recognitions



2019

- Dhanam 'Kerala Bank of The Year – 2019' award
- 'Banking Gold' SKOCH Award for Access and Affordable Banking Services for Financially Underserved Areas
- Diversity & Inclusion Excellence Awards 2019 – first runner up under the category 'Best Employer for Women (in Large Category)' by ASSOCHAM India
- Best Performance Award 2018-19 under the SHG – Bank Linkage Programme by NABARD, Kerala Regional Office



2020

- 'Global Sustainability Award 2020' for outstanding achievements in sustainability management by the Energy and Environment Foundation



2021

- Semi Finalist at the SKOCH Award 2021 in the category 'Financial, Digital Inclusion and Education'
- 'Great Place to Work' certification for March 2021-February 2022 by the Great Place to Work Institute, India
- ISO 9001:2015 certification no. IN92405A valid from April 8, 2021 to April 7, 2024 by LMS Certification Private Limited for our: (i) customer service quality initiatives; (ii) regulatory and statutory reporting of the customer service quality department; (iii) customer grievance redressal mechanism; and (iv) customer service call center monitoring.



2022

- 'Small Finance Bank of the Year' certification at the IBS India Banking Summit and Awards 2022
- 'Rising Category: Banking' Award at the Prestigious Brand Asia Awards presented by BARC Herald Global
- 'Financial Inclusion by Small Finance Bank' Award by HSBC



2023

- 'Excellence in Customer Service and Product Distribution' Award at the Eastern India Micro Finance Summit
- 'Best Customer Experience Bank of the Year' Award at the India Customer Excellence Summit and Awards 2023
- 'Innovative Bank of the Year' Award at the India Banking Summit and Awards 2023 by Synnex Group
- 'Best Customer Experience Bank of the Year' in customer service quality award and best CX personality of the year
- 'Innovative Initiative in Rural Sector Award and MD Leadership' award at Governance now 6th BFSI Conclave and awards on 12th October 2023
- 'Best Banking Initiative in Social Sector' award at 4th Annual BFSI excellence award 2023 on Oct 2023



2024

- Received award for **Best Recruitment Agency and HR Team Partnership and Best Employer Branding** at India HR Summit and Awards 2023
- Won the **Fastest Retail Loan Approval Award for Gold Loan** during the 2nd edition of BFSI.
- Secured the '**Innovative Initiative in Social Sector**' award at the BFSI CXO awards by Elets - Banking & Finance Post.
- Won the **Special Jury Award at the Productivity Council Awards** for our innovative e-onboarding approach to Micro Banking Loans, recognized as a commendable KAIZEN initiative
- Received the **Emerging Bank of the Year** award at the Dhanam BFSI Summit and Award Nite in recognition of our outstanding IPO performance.
- Won Bronze in the **Cannes Lions Sustainable Development Goals** category



COMPANY :



ESAF Small Finance Bank Limited

Mr. Ranjith Raj P

Email: investor.relations@esafbank.com

Website: www.esafbank.com

CIN : U65990KL2016PLC045669

INVESTOR RELATIONS ADVISORS :



Orient Capital (a division of Link Group)

Mr. Nikunj Jain
+91 9769060608
nikunj.jain@linkintime.co.in

Mr. Viral Sanklecha
+91 9987123158
Viral.sanklecha@linkintime.co.in