

TRANSCRIPT OF THE NINTH ANNUAL GENERAL MEETING OF ESAF SMALL FINANCE BANK LIMITED HELD ON WEDNESDAY, SEPTEMBER 24, 2025 HELD THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO-VISUAL MEANS (OAVM) AT 03:00 PM.

MODERATOR:

Good afternoon, Ladies and Gentlemen. A warm welcome to one and all present at the 9th Annual General Meeting of ESAF Small Finance Bank Limited.

To begin with, let us start the meeting with a silent prayer.

Thank you everybody.

Going ahead for the benefits of the shareholders, I will brief certain points regarding the participation at this Annual General Meeting.

1. The facility for joining the AGM through video conferencing or other audio-visual means is being made available for members on the first come first serve basis.
2. All members who have joined the meeting are by default placed on mute mode by the host to avoid any disturbance arising from the background noise and to ensure smooth and seamless conduct of the meeting.
3. Once the Question-and-Answer session starts, we will be announcing the name of the shareholders who have registered as speaker shareholders, one by one.
4. The speaker shareholder will thereafter be unmuted by the host. To start speaking, the shareholder is requested to click the video ON button only once and wait till the video is ON. If the shareholder is not able to join through video for any reason, the shareholder can speak through the audio mode.
5. While speaking, we would request the speaker to:
 - (a) use the earphones so that speaker is clearly audible;
 - (b) minimize any noise in the background;
 - (c) ensure that Wi-Fi is not connected to any other device;
 - (d) no other background applications are running; and
 - (e) There is proper lighting to have a good video experience.

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6. If there is a connectivity problem at the speaker shareholder's end, we would request the next speaker to join. Once the connectivity improves, the speaker shareholder may be called again to speak, after other registered speakers, complete their turn.
7. We request the speaker shareholders to limit their speech to three minutes. All the questions will be answered together at the end.
8. During the AGM, if a member faces any technical issues, he or she may contact the helpline number of NSDL mentioned in the notice of the AGM.

I shall now introduce the Directors and other Officials attending the Meeting.

To begin with. We have with us

1. **Shri. Ravimohan Periyakavil Ramakrishnan** – Part-Time Chairman and Non-Executive Independent Director
2. **Shri. Kadambelil Paul Thomas** – Managing Director and CEO
3. **Shri. George Kalaparambil John** – Executive Director
4. **Shri. Thomas Jacob Kalappila** – Non-Executive Independent Director and Chairman of the Audit Committee of the Board.
5. **Shri. Biju Varkkey** – Non-Executive Independent Director and Chairman of the Nomination, Remuneration and Compensation Committee of the Board.
6. **Ms. Kolasseril Chandramohanan Ranjani** – Non-Executive Independent Director and Chairperson of the Stakeholders' Relationship Committee of the Board.
7. **Dr. Vinod Vijayalekshmi Vasudevan** – Non-Executive Independent Director
8. **Shri. Ravi Venkatraman** – Non-Executive Independent Director
9. **Shri. Ajayan Mangalath Gopalakrishnan Nair** – Non-Executive Nominee Director
10. **Shri. John Samuel** – Non-Executive Nominee Director
11. **Dr. Joseph Vadakkekara Antony** – Non-Executive Director
12. **Shri. Gireesh C.P** – Executive Vice President - Finance & Chief Financial Officer

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13. **Shri. George Thomas** - Executive Vice President – Human Resource

14. **Shri. Ranjith Raj P** – Company Secretary and Compliance Officer

We also have with us Ms. Mittal Shah, Partner, Kirtane & Pandit and Ms. Abarna Bhaskar, Partner, Abarna and Ananthan, Joint Statutory Auditors of the Bank and Shri. Puzhankara Sivakumar, Partner SEP and Associates, the Secretarial Auditor of the Bank, attending this meeting through video conferencing.

Now I request Chairman of the Bank to please preside over the meeting and commence the proceedings. Thank you.

CHAIRMAN:

Good afternoon, Ladies and Gentlemen. I would like to welcome all the shareholders to the Ninth Annual General meeting of ESAF Small Finance Bank Limited.

I would also like to welcome the Managing Director and CEO, all the Directors, Key Managerial Personnel, Statutory Auditors, and Secretarial Auditor of the Bank. As the requisite quorum is present, I now call the meeting to order.

Notice of this meeting was sent by electronic means to those members who are entitled to receive the same. With your kind permission, Ladies and Gentlemen, I take the notice as read. The Statutory Auditors and the Secretarial Auditors have given unqualified opinion and unmodified opinion without any reservation or adverse remarks in their respective reports for the Financial Year 2024-25. The Statutory Auditors Report on Financial Statements and Secretarial Audit Report form part of the Annual Report. Since the Audit Reports were circulated to the members electronically with their consent, the same is taken as read. I now request the Company Secretary to explain the sequence of meeting and process of voting on the resolutions in the meeting.

COMPANY SECRETARY:

Thank you, Chairman.

Dear All,

We are holding this Annual General Meeting through video conferencing in compliance with the circulars issued by the Ministry of Corporate Affairs vide its General Circular numbers 20/2020 dated May 05, 2020, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023, 09/2024 dated September 19, 2024 and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024. The deemed venue for the AGM shall be the Registered and Corporate Office of the Bank situated at Building No. VII/83/8, ESAF Bhavan, Mannuthy,

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Thrissur – Palakkad National Highway, Thrissur, Kerala, PIN – 680 651. The Company has taken the requisite steps to enable members to participate and vote on the items being considered at this AGM. The Annual Report for the Financial Year 2024-25 was sent on August 30, 2025, to all the shareholders through e-mail in compliance with the directions of the Ministry of Corporate Affairs and SEBI and the physical copy of the Annual Report was also sent to those shareholders who had requested for the same.

For your information, since there is no physical attendance of members, the requirement of appointing proxies is not applicable.

The Registers mentioned in the notice as required under the Companies Act, 2013 and other documents related to the Ordinary and Special Business are available for inspection electronically.

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires to provide electronic voting facility on the resolutions set out in the Notice of the AGM. The Company is also providing the e-voting facility, administered by NSDL, during the AGM.

Accordingly, the Company had provided remote e-voting facility to its members from September 21, 2025 till September 23, 2025. The e-voting facility during the meeting is provided for members present here through video conferencing and have not casted their vote yet. Shri. Akash Binoy, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the votes cast through remote e-voting and e-voting during the AGM.

Since the AGM is being held through video conferencing or other audio-visual means and the resolutions mentioned in the notice convening this AGM have been already put to vote through remote e-voting, there will be no proposing and seconding of resolutions.

Thank you. Over to the moderator.

MODERATOR:

Thank you so much sir.

I would now request Shri. P. R Ravi Mohan Sir, Chairman of the Bank, to deliver his speech.

Thank you.

CHAIRMAN:

Thank you. On the occasion of the 9th AGM of your Bank, it gives me great pleasure to warmly welcome the Shareholders, Directors, Statutory Auditors, Secretarial Auditors, Employees and Partners. There is a great appreciation for continued trust and patience during a period of resilience. The recent International Monetary Fund's Global Financial Stability Report has expressed that globally, the uncertainty remains exceptionally high and several vulnerabilities that can amplify the future shocks include the geopolitical tensions, the trade barriers, the rising sovereign debt levels and increased nexus of Non-Banks with Banks. So, there is great appreciation for the continued trust and patience of all the shareholders in this juncture. And in this scenario, the Board's focus has been to ensure strong Governance, Risk Management, Oversight, and Long-term Sustainability. So, the importance of balancing growth, ambition with prudence and compliance have been the primary concern of the Bank and the value of independent oversight and collective wisdom of the Board in guiding the Management is greatly appreciated.

So let me compliment the efforts of the MD and the CEO and the Management team in navigating the Bank during a very difficult environment. The past year has been challenging, and the Indian Banking situation also has gone through a lot of challenges, especially the micro finance segment in the country is going through difficult times and the corrective measures and the diversification strategy adopted by the Bank are in the right direction. Let me assure all shareholders, that the Board continues to monitor execution very closely, keeping long term interest of the stakeholders in mind. It gives me great pleasure to re-affirm the Bank's rules as a socially inclusive institution ensuring that while it diversifies into secured and retail assets, it will not lose sight of its mission to serve the underserved community and the financial inclusion remains at the heart of the Bank's DNA. The importance of balancing commercial performance with social responsibility is very important for your Bank.

And while we acknowledge shareholder concerns regarding the profitability and performance, we reassure that the Bank is working towards sustainable profitability without compromising the values. The long same story is about building a stronger, stable and competitive institution. The future will be shaped by Resilience, Governance, Innovation, and Continued Trust of the Stakeholders. The Board envisions the Bank growing not just in numbers, but also in Reputation, Social Impact, and Customer Trust. These are very three important pillars that the Bank is dependent on, and the Board envisions the Bank growing not just in numbers, but also in these three pillars. The Bank is positioning itself for the next phase of growth with the balance, foresight and responsibility.

We thank the regulators for their support, the employees for their dedication and the customers for their trust and shareholders for their continued confidence and these are factors which will help the Bank going forward. So, on an optimistic note, the Bank's future rooted in values and strengthened by experience, we are sure that we will tide over all the temporary problems and your Bank will shine as an example in the Small Finance Bank spectrum. As we always say, spreading the Joy of Banking has been our motto, and we continue to emphasize on spreading the Joy of Banking, and thank you very much. Thank you for your continued support and the confidence reposed in the Bank's Board and the Management and the employees. Thank you.

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Over to the moderator.

MODERATOR:

Thank you so much sir.

I now request, M D and CEO of the Bank to please address the meeting.

MD and CEO:

Thank you.

It is indeed a privilege to welcome our esteemed shareholders, Directors, our Statutory Auditors, our Secretarial Auditors and our colleagues to this 9th Annual General Meeting of ESAF Small Finance Bank. I am honoured to present before you an overview of the Bank's performance during the past year, the challenges we have navigated, the progress we have achieved, and the course we have charted for the future.

The past year has brought with it several challenges, but also valuable lessons, and we have taken decisive steps to reposition the institution for sustainable growth. As you are aware, the Bank has faced pressure on earnings over the past few quarters, resulting in reported loss of ₹ 521 Crores during the Financial Year 2025. The primary contributor has been the asset quality of the microfinance portfolio, which was impacted by broader issues across the country. This has been an industry-wide development, and while it affected our performance, we have treated it as an opportunity to strengthen the fundamentals of our Balance Sheet.

For the Financial Year ended March 31, 2025, the Bank recorded total business of ₹ 42,919 crores, comprising Deposits of ₹ 23,276 Crores and Advances of ₹ 19,643 Crores. The Gross NPA ratio stood at 6.9 % while the net NPA ratio stood at 2.9 %. The Capital Adequacy ratio remained comfortable at 21.8 % with Tier I Capital at 17.6%. For the quarter ended June 30, 2025, the Bank reported business of ₹ 42,507 Crores with Deposits of ₹ 22,698 Crore and Advances of ₹ 19,809 Crores. The CASA ratio remained at 24.8 % as on June 30, 2025, as compared to 24.8% as on March 31, 2025, with CASA Deposits registering a growth of 28% year-on-year, March 2024 to March 2025. This steady improvement demonstrates the strength of our retail franchise and the stability of our low-cost funding base.

With prudence, we have undertaken proactive provisioning of ₹ 460 Crores leading to a coverage ratio of 80.5 % on stressed asset, thereby ensuring that risks are well recognized and adequately cushioned. While this has weighed upon our near-term results, it reinforces our resilience and positions as better for recovery.

Equally important, we have rebalanced our book towards secured lending with secured assets accounting for 58.6 % of the Gross Advances as on June 2025 and 52 % of the Gross Advances as on March 2025, as compared to 23.11 % in March 2024. Within this, our gold loan portfolio has expanded by 98% year on year to reach ₹ 5,734 Crores as on March 2025, whereby providing the Bank with a stronger and more stable earning space. At the time of commencement of operations, the Bank's lending portfolio was entirely micro finance. Today

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with strategic diversification, the Bank is set to achieve the planned 60:40 composition of secured and micro finance lending, originally targeted for 2027, well in advance, the strengthening both the quality and resilience of the book.

Our deposit franchise continues to be a source of strength. The Bank has built a strong retail base with a healthy CASA mix of 24.8 % marking a year-on-year growth of 28 %, which provides a stable liability profile. The strong retail franchise is a reflection of the trust placed in us by customers across segments and it provides us with the ability to fund growth without over reliance on wholesale deposits.

I also wish to acknowledge the contribution of our employees. During the past year, as part of our Risk Management Strategies, the Bank successfully transitioned employees from one of its business correspondences through which the management of significant portfolio, the Bank's micro loan portfolio is carried out directly by the Bank which was earlier managed by the business correspondent. As part of this exercise, approximately 5200 employees who were earlier associated with their business correspondent were moved into the Bank's roles. This has strengthened our workforce, enhanced direct oversight and aligned operations more closely compliance framework. Their smooth integration has been critical in ensuring continuity of service and the strengthening of our customer engagement model.

The significant milestone during the year has been the progress on our IT transformation program, which is one of the largest initiatives in our history. With a significant investment, we are reshaping our entire technology landscape. This includes the implementation of a modernized core banking system to drive scalability and efficiency. The revamp of customer channels for seamless and secure experiences, the introduction of enhanced analytics and digital tools for sharper risk management and the digitization of end-to-end process to improve speed and reduce cost. The full rollout of this initiative is expected in Financial Year 2026, which will not only improve efficiency but also enable us to deliver banking that is simple, fast and digital first.

To support our future growth trajectory recently the Bank has augmented Tier II Capital to the tune of ₹ 115 Crores. Further, we are planning to executing our Tier I Capital raising plan by this Financial Year.

This initiative is designed to strengthen our capital adequacy position, provide growth capital for expanding secured assets and build confidence among regulators, investors, and customers. Preparatory work is already underway and we are confident of achieving this.

While the past year reflected the strain of industry headwinds, it has also been a period of rebuilding and consolidation. We have strengthened the foundations of the Bank by pursuing balanced growth, reinforcing our approach to risk and governance, investing in technology to drive efficiency and innovation and maintaining a clear focus on Capital and Financial strength. Together, these measures position us well to restore profitability, safeguard stability, and create sustainable value for all our stakeholders in the years ahead.

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I wish to take this opportunity to thank our Shareholders and investors for your continued support and patience, our Board for your valuable guidance, our Statutory and Secretarial Auditors for their independent oversight and contributions to governance and our employees for their dedication and commitment. I also wish to thank our Business Correspondents, Business Partners and Vendors for their support. I also extend our gratitude to the Reserve Bank of India, SEBI and other Regulatory and Statutory Authorities for their guidance and support during our journey. Looking ahead, we remain confident that with the strong foundation now in place, the Bank is well positioned to grow stronger, enhance and embrace the future with resilience.

Thank you.

COMPANY SECRETARY:

Thank you, sir. Now with regard to the agenda to be transacted as forming part of the notice, there are 6 items:

Item 1: To receive, consider and adopt the Standalone Audited Financial Statements of the Bank for the Financial year ended March 31, 2025, together with the schedules and annexures thereto, reports of the Board of Director's and the Auditor's thereon.

Item 2: To re-appoint Dr. Joseph Vadakkekara Antony (DIN: 00181554), who retires by rotation this year, and being eligible, offered himself for re-appointment.

Item 3: To appoint M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration Number: 004207S), as one of the Joint Statutory Auditors of the Bank to hold office for a period of 3 (Three) consecutive Financial Years, who shall hold office from the conclusion of the 09th Annual General Meeting until the conclusion of the 12th Annual General Meeting of the Bank and to authorize the Board of Directors of the Bank to fix their remuneration.

Item 4: Appointment of Shri. George Ittan Maramkandathil (DIN: 11193648) as Non-Executive Director of the Bank.

Item 5: To appoint M/s. SEP and Associates, (Firm Registration No: P2019KE075600), as the Secretarial Auditors of the Bank to hold office for a period of 5 (five) consecutive Financial Years, who shall hold office from the conclusion of the 09th Annual General Meeting until the conclusion of the 14th Annual General Meeting of the Bank and to authorize the Board of Directors of the Bank to fix their remuneration.

Item 6: Borrowing / raising of funds, by issue of debt securities on a Private Placement basis.

Over to the moderator

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MODERATOR:

Thank you so much Sir. It is now time for the members who have registered as speaker to ask their questions. I will call out the names of the registered speaker shareholders one by one. Please note that each speaker will be allowed to speak for 3 minutes only.

Starting with the first person on the list, we have with us Mr. Manjit Singh. Manjit ji, thank you so much for joining us. It's a pleasure to have you with us. We would also request you to turn on the video, if possible, Sir.

MANJITH SINGH:

Will definitely turn on the video next time. May I continue to speak.

MODERATOR:

Okay sir. We can continue sir.

MANJITH SINGH:

I would like to welcome the Management Team, Secretarial Team and Co-Shareholders of the Bank.

Good afternoon, Sir. In your remarks, you told us about the Bank and its businesses. Sir, what are the risks involved in the upcoming schemes when our NPA's are high? And how does the lender take further insurance for the people whom they grant loans to? Based on the amount of loans granted, what insurance system is being followed? Knowing about the same, will help me to know more about the Bank. I have also noticed that our Bank's business is doing well. On that note, I would like to ask about the steps being taken in future to increase profitability margin. Our Bank is listed on the Stock exchange and the BSE code is 544020ESAF and I'm happy that our balance sheet was prepared on time. I would like to express my special thanks to the Secretarial Department who have been very helpful. I also look forward to the progress of our Bank and shall pray to the God that the time I had spent today will be rewarded in future and it will help me in building a strong investor relationship with the Bank.

I once again thank the Management Team and the Secretarial team.

MODERATOR:

Thank You. This was Mr. Manjith Singh.

Going ahead, with the next speaker shareholder, we have with us Neha Dua. Neha ji thank you so much for joining us, we can also have your video turned on, if you like and can we proceed with the question please.

The question which Neha ji was supposed to ask was already covered in the Chairman's Speech.

MODERATOR:

Thank you so much. Hence, we would like to go ahead. Our next registered speaker shareholder is Savitha Rani. Thank you so much for joining us. Can we proceed with the question please?

We would also request all the shareholders to please turn on your video, if possible.

Ma'am, can we go ahead with your questions please?

Savitha ji if you could hear us, can we go ahead with your questions please?

Sir, I think Savitha ji is not responding with your permission can we go ahead and take her at the very end again?

CHAIRMAN:

Yes.

MODERATOR:

Thank you so much sir. Our next speaker shareholder is Mr. Gagan Kumar. Gagan ji thank you so much for joining us. We are ready for your questions.

GAGAN KUMAR:

I'm I audible.

MODERATOR:

Yes Sir.

GAGAN KUMAR:

Good afternoon, Mr Chairman, Board of Directors and fellow shareholders. Myself Gagan Kumar joining this meeting from Delhi. First of all, I would like to mention that I have requested for the hard copy of Annual Report, which I received well in time and after going through the

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Balance Sheet, I have checked that we are working with a good promoter holding of around 63.31 %. So, my queries to the management are that, do we expect any dividend from the management this year? And my second question is that in loan segment how many products we have? And this the only two general queries and at which rate we're providing the loan to the consumer ? This is the only queries for today's AGM.

As far as the agenda of this meeting is concerned, I supported all the resolution. It would be unfair on my part without mentioning higher Corporate Governance under the leadership of our CFO ,CS and entire Secretarial Team. Hope to see a healthy growth in the business and as well as size of the Bank.

Thank you so much for this opportunity.

MODERATOR:

Thank you so much. Thank you. This was Mr. Gagan Kumar. Going ahead we have with us Krishnadas K. Thank you so much for joining us. Can we go ahead with the questions, please?

KRISHNADAS K:

Good afternoon, can you hear me?

MODERATOR:

Yes sir.

KRISHNADAS K:

I'm very happy to find the urge for diversification exhibited by the Bank, and the Management has kept the word it has committed towards this objective. This is witnessed in the significant growth in gold loan and reduced concentration in micro finance portfolio. The recent challenges in microfinance segment have been a concern across the industry per se. Could you please share some of your thoughts, how the Bank plans to address these risks in micro finance portfolio while continuing to diversify? Also at the same time, how the Bank ensures that it does not drift away from the core theme of being a socially responsible Bank?

Thank you.

MODERATOR:

Thank you so much for your questions, sir. Thank you. Going ahead with the list of our registered speaker shareholders, we were supposed to have with us Mr. Raju Upadhyay. I'm very sure I saw him in the attendance list before, but at the moment, he's not a part of this meeting, he left.

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Hence going ahead, we would like to go on to the next speaker shareholder we have with us Mr. Srikanth Jhawar. Srikanth Ji thank you so much for joining us and we are ready for your questions sir. We can also have your video turned on if you like.

SRIKANTH JHAWAR:

I'm I audible ?

MODERATOR:

Yes Sir.

SRIKANTH JHAWAR:

Thank you, moderator.

Respected Chairman, all Board of Directors. My name is Srikanth Jhawar, joining this meeting from Hyderabad and I'm the shareholder of this Bank since IPO. I would like to know more about the resolution no 6 pertaining to Borrowing / raising of funds, by issue of debt securities on a Private Placement basis. Further, I would also like to know about the number of branches opened in this Financial Year in India. How the reduction in repo rate will affect the Bank's interest rate? What are the steps taken by the Bank to recover the NPA? As a suggestion, I would recommend the management to take adequate care while providing loan facilities. Further, it is also advisable for the Banks to tie up with organisations like Bajaj Electronics for expanding the Bank's business.

I thank the Secretarial Team for sending the hard copy of Annual Report and the AGM link well in time. I wish you all a happy Navaratri and advance Diwali. I once again thank everybody for giving me this opportunity.

MODERATOR:

Thank you so much. Thank you. The next person on the list we have with us is Mr. Sarvjeet Singh. He was part of the meeting, probably he left early, hence, we will have to go ahead to the next registered speaker shareholder.

We were also supposed to have with us Mr. Manoj Kumar Gupta, Mr. Hemanshu Anilbhai Trivedi, Mr, Dhyaneshwar K Bhagwat and all of these registered speaker shareholders haven't joined the meeting as of now.

Hence, going ahead we have with us Mr. Vinod Kumar. Vinod ji, thank you so much for joining with us and we would like to go ahead with your questions sir.

VINOD KUMAR:

I'm I audible ?

MODERATOR:

So sorry to interrupt sir. Your voice was breaking a lot sir. But now, you can continue sir. Can we go ahead with the question sir? I think the connectivity has now improved sir.

So, I think we have network issues with Mr. Vinod Kumar. I'm really sorry sir, your voice is still breaking.

VINOD KUMAR:

I'm I audible now?

MODERATOR:

Yes Sir.

VINOD KUMAR:

My question to MD sir is that what steps are being taken by you or your team members for stress management. As you all know , team is the biggest asset of an organisation. So, when the NPAs keep rising, the team member will be responsible for taking steps to reduce the same. So, I would like to know what steps are being taken to reduce their stress life and help them to work in a comfortable environment so that they can maintain a work life balance ?

MODERATOR:

Thank you so much sir. Your questions have been noted. Thank you.

Going ahead with our next registered speaker shareholder.

We would like to revisit Mr. Himanshu. Himanshu ji thank you so much for joining us. It's a pleasure to have you with us. Can we go ahead with your questions sir?

HIMANSHU ANILBHAI TRIVEDI:

Hello, I'm I audible?

Respected Chairman P R Ravi Mohan Sir and other Board of Directors. I'm Himanshu. I'm thankful to Mr Ranjith Raj P, Company Secretary who has sent the hard copy of Annual report in time. The Annual Report is nicely prepared. I don't have a question because I have full faith on Board and its workings. I'm very thankful to the Secretarial team for sharing the AGM link and giving me the opportunity to speak. I would like to know what are the new products coming

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in current Financial Year and how much profit sharing is coming in the Financial Year? I wish good luck and bright future to Company in the coming financial years. Thank you so much for allowing me to speak. Thank you, sir.

MODERATOR:

Thank you so much. We would also like to revisit our speaker shareholder Mr. Manoj Kumar Gupta. Manoj Kumar Gupta ji is now present with us. So, thank you so much. And can we have your question please?

MANOJ KUMAR GUPTA:

Hello, good afternoon, respected Chairman, Board of Directors, and fellow shareholders. My name is Manoj Kumar Gupta and I've joined this meeting from my residence situated at Kolkata. I feel proud to be a shareholder of ESAF Small Finance Bank. Just now I've got a call from Gundluru Reddeppa, and then I came to know today is the AGM and I got the link today. So, I thank you and your team for the excellent result of the Bank for the Financial Year 2024-2025, and I thank the Company Secretary and his team for helping me to join this meeting through VC. What's your future plan and when the investors will get Return on their Investment and how will you reward to the shareholder in future sir ? And what's your plan to spread the wings of Bank branches from Kashmir to Kanyakumari and Gujarat to Assam? Why are you not going in the interior area of the country where the 70 % population are living and you should consider to open more branches in the different States of the Country. And I have sent a mail to the shareholder also, that they should open their and their family member bank account with ESAF Small Finance Bank , so that account holders' numbers will go up and Bank's reserve will go up.

So, with this, I strongly support all the resolutions and wish you happy Pooja and Diwali to you and the entire Board and I believe that when we meet next, our share price will be double and Return will be doubled. Thank you.

MODERATOR:

Thank you so much sir. Thank you. After this, we were supposed to have with us Mr. P Jaichand, but he isn't part of the meeting as of now. Also revisiting the shareholder specifically Ma'am Savita Rani, who was not audible when her turn came, she has left the meeting early, hence this brings us to the end of the list of the registered speaker shareholders.

And we would like to go over to the board members and the dais to help us with the answers on the queries.

MODERATOR:

Thank you.

MANAGING DIRECTOR AND CEO:

Thank you, shareholders for registering as speakers and asking questions and making very good valued comments. So, I will answer one by one. Manjit Singh, thank you Manjit Singh ji for your questions on NPA and profitability and insurance systems to manage the assets. As, I have mentioned in my speech we have taken steps to diversify our assets from unsecured to secured book. So, the secured gold loan and other secured loan book is growing, so that will help us to reduce the NPAs and the microfinance NPA collection teams are accelerated. We are working closely with the BC team and also, we have taken steps to take over a major part of the micro finance operation directly by the Bank and the cost reduction measures have been in place to improve the profitability. And on the insurance system, we have a credit life insurance for all our micro loan customers and their spouses, and it is working very well and that is also helping to improve the portfolio asset quality, also the regular collections on micro loans have improved to 97% on March.

And the other question from Gagan Kumar ji, very happy to note that you received the hard copy of the annual report well in advance and you have gone through it, and you have asked for loan segments. We have a major loan segment in Micro Assets, Agri Finance, Mortgage and Mobility. These are all major segments and in each of these segments we have multiple products suitable to various category of our customers. In Financial Year 2024-2025, we have issued dividend, but because of the reported losses we are not able to distribute dividend during this Financial Year, but we look forward.

Thank you Krishnadas ji for your comment on diversification towards more secured book and your concern on whether Bank will continue to have its social mission? I promise that we will continue to be known as Social Bank and we will hold our social mission intact. We have opened 70% of the branches in rural and semi urban areas, it shows that we are socially committed and we are not exiting from our micro loan segment. So as of now, we wanted to maintain 60:40 ratio on secured and unsecured loans.

Thank you Srikant Ji for being continuing as an investor from the IPO time and you have asked about the resolution regarding borrowings increase to 1000 crores. We wanted to improve our Tier II position, that is the main purpose of having a higher borrowing limit. We have already raised Tier II capital of 150 crores in this Financial Year itself which will augment our capital raising plan and we have 788 branches across 26 states in India and we are definitely using the festival season to promote our product and thank you for your suggestion. We will, ensure that we will make use of this opportunity in the upcoming festivals.

Thank you, Manoj Kumar Ji, regarding the Banks future plans, we have already presented the future plans and we have taken all the actions on a futuristic basis. So, we have a well-diversified asset book and Franchise. This year we have planned to open 49 branches and the work is progressing and we have a well-diversified branch network except Kashmir. We have branches in Uttarakhand, UP, Rajasthan, Gujarat, even in North east, in Meghalaya, Nagaland, Tripura, Assam. So, we have covered almost all States and remaining States will

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be covered in coming days and your suggestion on family member Bank account, also we have taken it very seriously. We will work on it.

Himanshu ji, thank you very much for your comment and we are happy to note that you received the hard copy of the Annual Report and you have gone through it. Thank you very much. So, this year actually, we have launched a few new loan products for Agri Sector, secured credit card and a tractor loan for Agri Sector. We are continuously improving our existing loan products and we are indeed working towards reaching the profitability back.

Vinod Kumar Ji thank you very much for your questions on steps taken for staff management. We have a very well-structured management team. The business is structured in Zonal level, Regional level and Cluster level and HR people are being placed at each Regional level. HR spokes are there and they continuously interact with the staff to understand their concerns and we also have a well-defined training team. We have a Learning and Development team and the specialists are there for each of the business vertical in the training team, because we know the importance of human resources in banking, so we are building a team regularly. We are recruiting executive trainees and management trainees every year from campuses and we are training them and we are building future leadership also.

On the question on NPA, we have already mentioned, we are working on it and the actions taken is already explained. So, I hope I have covered all the questions and I wish you all Happy Navaratri and Pooja and advanced Diwali wishes to all our shareholders.

Thank you very much.

CHAIRMAN:

Before concluding, I would like to say that the requisite quorum was present throughout the meeting. The e-voting facility will remain open for 15 min more from the conclusion of the meeting. The results will be announced within two working days from the conclusion of the meeting and the same would be intimated to the stock exchanges and uploaded on the website of the bank and NSDL. I thank all the shareholders for attending the meeting and for their continuous support for showing their keen interest in the Bank by seeking clarifications on various matters. I also thank our Directors, Statutory Auditors, and Secretarial Auditors for joining the meeting remotely.

With this, I declare the meeting concluded.

Jai Hind.

MODERATOR:

Thank you so much sir. We shall conclude the proceedings of the meeting with the National Anthem. We would request everybody to please join us for the same.

Thank you so much. Thank you everybody.

Thank you all for attending the 9th annual general meeting of ESAF Small Finance Bank Limited.

This concludes the meeting. Thank you.

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