

Ref No:08/SE/CS/MAY/2024-25

Date: May 08, 2024

To,

Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	Listing & Compliance Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C/1, “G” Block Bandra- Kurla Complex Bandra(E), Mumbai- 400051
BSE Scrip Code: 544020	NSE Symbol: ESAFSFB

Dear Sir / Madam,

SUB: PRESS RELEASE ON THE FINANCIAL RESULTS OF THE BANK FOR THE QUARTER AND FINANCIAL YEAR ENDED MARCH 31, 2024

Further to our letter dated April 30, 2024 intimating about the Board meeting to consider Financial Results of the Bank for the Quarter and Financial Year ended March 31, 2024 and pursuant to Regulation 30 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we enclose herewith a copy of the Press Release in this regard.

Requesting you to take the same into your records.

Thanking you,

Yours Faithfully,

For ESAF Small Finance Bank Limited

Ranjith Raj. P
Company Secretary and Compliance Officer

ESAF Small Finance Bank Limited Achieves Remarkable 40.8% Year-on-Year Profit Surge, Recommends 7% Dividend

Thrissur, 8th May 2024: The Board of Directors of ESAF Small Finance Limited at its meeting, approved the financial results for the quarter ended March 31, 2024

ESAF Small Finance Bank witnessed a rise in Net Interest Income (NII), surging by 18.4% year-on-year to **₹591 Crore**, compared to **₹499 Crore** in Q4FY23. Additionally, the Pre-provisioning operating profit (PPoP) for Q4FY24 grew by 30.1% year-on-year to **₹285 Crore**, showcasing an improvement from **₹219 Crore** in Q4FY23. However, the bank has allocated higher provisions, resulting in a Profit After Tax of **₹43 Crore** for the quarter, compared to **₹101 Crore** in Q4FY23.

In terms of business growth, the bank showcased impressive results, with total business surging by 27.5% year-on-year to **₹39,527 Crore** in Q4FY24, compared to **₹30,997 Crore** in Q4FY23. Gross advances saw a substantial increase of 33% year-on-year to **₹18,772 Crore** in Q4FY24, compared to **₹14,118 Crore** in Q4FY23. Advances Under Management for the quarter stood at **₹19,659 Crore**, marking a year-on-year growth of 20.4%. Micro Loan segment contributed at 70% to Assets Under Management. Total Disbursements during Q4FY24 stood at **₹5,266 Crore**.

Deposits witnessed robust growth, with total deposits growing by 35.5% year-on-year to reach **₹19,868 Crore** in Q4FY24, compared to **₹14,666 Crore** in Q4FY23. CASA deposits increased by 43.5% year-on-year to **₹4,502 Crore** in Q4FY24, compared to **₹3,138 Crore** in Q4FY23, resulting in a CASA ratio of 22.7%.

Gross Non-Performing Assets (GNPA) stood at **4.8%** in Q4FY24 compared to 2.5% in Q4FY23. Net Non-Performing Assets (NNPA) stood at **2.3%** of advances in Q4FY24. The Provision Coverage Ratio (PCR) stood at a healthy **65.2%**.

The Return on Asset (ROA) and Return on Equity (ROE) stood at **1.9%** and **20.3%**, respectively. Furthermore, the Cost of funds for FY24 remained at 7.4%, reflecting a marginal increase of 10 basis points from December Q3FY23, in line with market trends. The Capital Adequacy Ratio (CRAR) stood robust at **23.3%**, with Tier I at 19.7% as of March 2024.

Commenting on the performance, Mr. K. Paul Thomas, MD & CEO, said, "The bank's business is growing at a commendable pace, with a satisfying year-on-year growth of 28%. Technology advancement remains a central focus, driving our efforts to enhance both customer experience and operational efficiency. Through fortified supervisory oversight and strategic initiatives, we are poised to navigate challenges effectively and achieve even better performance in the coming quarters. Meanwhile, we continue our pioneering efforts in the realm of ESG, underscoring our commitment to sustainability."

Financial Performance(Q4 FY24):

Profit Metrics

- Net Interest Income (NII) grew 18.4% YoY to ₹ **591 Crore** compared to ₹ **499 Crore** in Q4FY23
- Pre-provisioning operating profit (PPoP) for Q4FY24 grew 30.3% YoY to ₹ **285 Crore** compared to ₹ **219 Crore** in Q4FY23
- Profit After Tax is at ₹ **43 Crore** in Q4FY24 compared to ₹ **101 Crore** in Q4FY23
- The Return on Asset (ROA) and Return on Equity (ROE) stood at 1.9% and 20.3% respectively.
- Cost of funds for the FY24 was 7.4%, higher by 10 bps on account of increase in the deposit cost in line with the market trend.
- CRAR was **23.3%** and Tier I at 19.7% as at end of March 2024.

Business

- Total business grew by 27.5% YoY to ₹ **39,527 Crore** in Q4FY24 as against ₹ **30,997 Crore** in Q4FY23.

Advances

- Gross advances grew by 33.0% YoY to ₹ **18,772 Crore** in Q4FY24 as against ₹ **14,118 Crore** in Q4FY23.
- Advances Under Management (AUM) for the quarter stood at ₹ **19,659 Crore**, up by 20.4% YoY. Of the AUM, Micro Loan and other contributes 81.2%, Retail Loans being 18.8%.
- Disbursements during Q4FY24 stood at ₹ **5,266 Crore** as against ₹ **6,043 Crore** in Q4FY23

Deposits

- The total deposits grew by 35.5% YoY to reach ₹ **19,868 Crore** in Q4FY24 compared to ₹ **14,666 Crore** in Q4FY23
- CASA deposits increased by 43.5% YoY to ₹ **4,502 Crore** in Q4FY24 compared to ₹ **3,138 Crore** in Q4FY23; CASA ratio stand at 22.7%

Asset Quality

- Bank's asset quality stand (GNPA) at **4.8%** in Q4FY24 vs 2.5% in Q4FY23.
- Net NPA stood at **2.3%** of the Advances in Q4FY24
- Provision Coverage Ratio (PCR) stood **65.2%**

Financial Performance(FY24):

Profit Metrics

- The Bank's Net Interest Income (NII) grew 29.0% YoY to ₹ **2,370 Crore** compared to ₹ **1,836 Crore** during FY23.
- Net Interest Margin (NIM) for FY24 stood at 10.7% compared to 10.0% in FY23
- The Bank's pre-provisioning operating profit (PPoP) for FY24 increased 30.1% YoY to ₹ **1,163 Crore** as compared to ₹ **894 Crore** in FY23.
- The Profit After Tax for FY24 increased by 40.8% YoY to ₹ **426 Crore** as compared to ₹ **302 Crore** in FY23

Additional Updates

- The bank's distribution network stood at 753 branches and 614 ATMs across 23 States and 2 Union Territories. In addition, we have 35 Business Correspondents and 930 Customer Service Centres

Particulate (₹ Cr)	Q4FY24	Q4FY23	Y-o-Y	Q3FY24	Q-o-Q	FY24	FY23	Y-o-Y
Net Interest Income	590.8	498.9	18.4%	597.0	-1.0%	2,369.7	1,836.3	29.0%
Net Total Income	740.6	592.9	24.9%	716.9	3.3%	2,811.5	2,124.3	32.4%
Operating Expense	455.9	374.4	21.8%	429.2	17.9%	1,648.8	1,230.5	34.0%
Pre-Provision Operating Profit	284.7	218.5	30.3%	287.7	-18.4%	1,162.7	893.7	30.1%
Profit before tax	58.5	136.2	-57.0%	149.9	-94.3%	570.4	406.0	40.5%
Profit After Tax	43.4	101.4	-57.2%	112.1	-105.9%	425.6	302.3	40.8%

About ESAF Small Finance Bank:

ESAF Small Finance Bank Ltd (ESFB), a schedule commercial Bank, commenced its banking operations on 10th March 2017. Mr. Kadambelil Paul Thomas and ESAF Financial Holdings Private Limited promoted the Bank.

The bank's triple-bottom-line approach, focusing on People, Planet, and Prosperity, exemplifies its commitment to universal financial access and inclusion. With a dedication to predominantly serve the low-income and middle-income segments in India, ESAF continues to contribute to livelihoods and economic development, embodying empowerment, inclusivity, and positive transformation in every financial interaction.


ESAF SFB along with its promoters has over 28 years of experience in the Indian BFSI space primarily serving the unserved and underserved. It has expanded product portfolio in the last 3 years to cater to individuals, groups, MSMEs through retail loans and other loans and now boasts an Advance Under Management of INR Rs.197 billion and Deposits of INR Rs.198 billion.

ESAF SFB has set up extensive network of 753 Banking Outlets, 930 Customer Service Centres, 35 Business Correspondents, 5024 Banking Agents, 772 Business Facilitators and 614 ATMs spread across 23 states and 2 union territories.

Safe Harbor Statement

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward- looking statements to reflect events or circumstances after the date thereof.

Contact Details

ESAF Small Finance Bank Limited	Investor Relations: Orient Capital
 <p>ESAF SMALL FINANCE BANK Joy of Banking</p>	 <p>orient capital</p>
<p>CIN: U65990KL2016PLC045669 Sreekanth C K, Head Marketing & Public Relations, Email: sreekanth.ck@esafbank.com Contact: +91 8589918282</p>	<p>Mr. Nikunj Jain Email: Nikunj.jain@linkintime.co.in Contact: +91 9769060608</p>
<p>Email: investor.relations@esafbank.com</p>	<p>Mr. Viral Sanklecha Email: viral.sanklecha@linkintime.co.in Contact: +91 9987123158</p>