

Ref No: 08/SE/CS/FEB/2023-24

Date: February 08, 2024

To,

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

Dear Sir / Madam,

**Sub: Investor Presentation for the quarter ended December 31, 2023**

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 presentation to be made by the Bank with the Investors and analysts.

The copy of the disclosure is also being made available on the website of the Bank at [www.esafbank.com](http://www.esafbank.com)

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**

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



Investor Presentation | February 2024

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# 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.
- With roots of micro-financing business tracing back to 1995; ESAF SFB along with its promoters has over 28 years of experience in the Indian MFI space primarily serving the unserved and underserved
- ESAF Financial Holdings Private Limited transferred its lending and financing business to ESAF SFB pursuant to the business transfer agreement

Total Business  
(AUM + Deposits)  
**₹ 37,009 crs**

Advances under  
Management (AUM)  
**₹ 18,149 crs**

Deposit  
**₹ 18,860 crs**

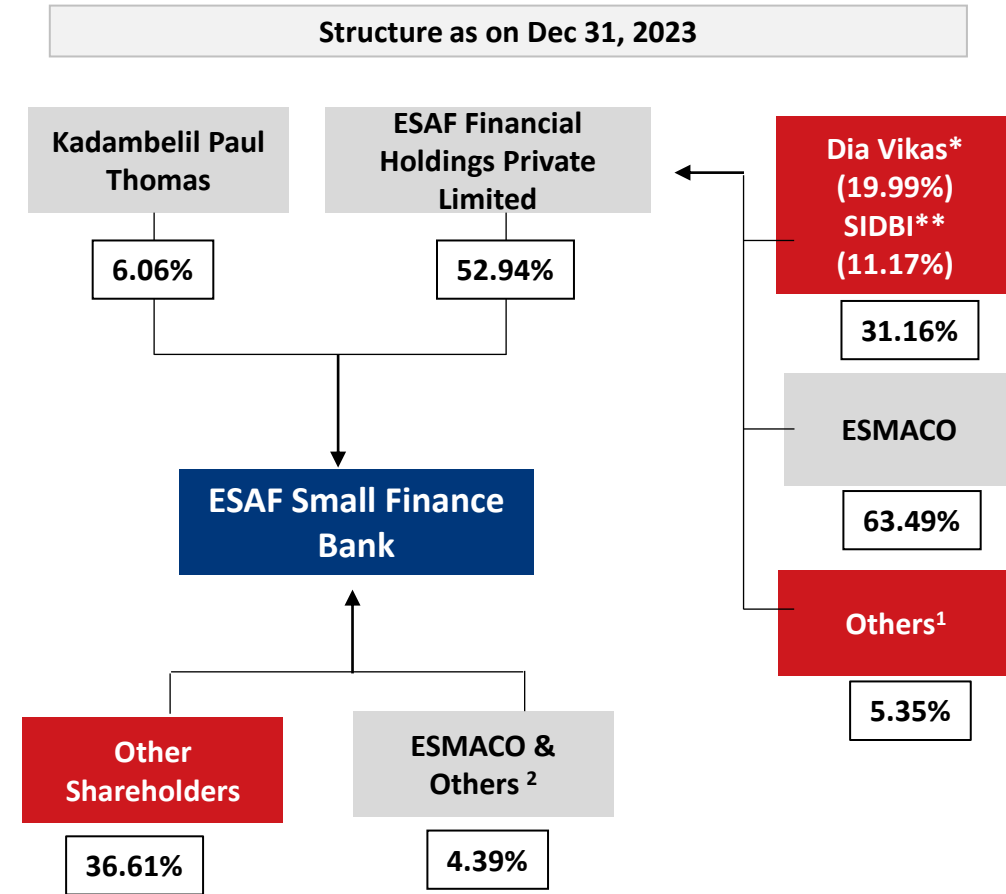
## Vision

"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."

## Structure as on Dec 31, 2023

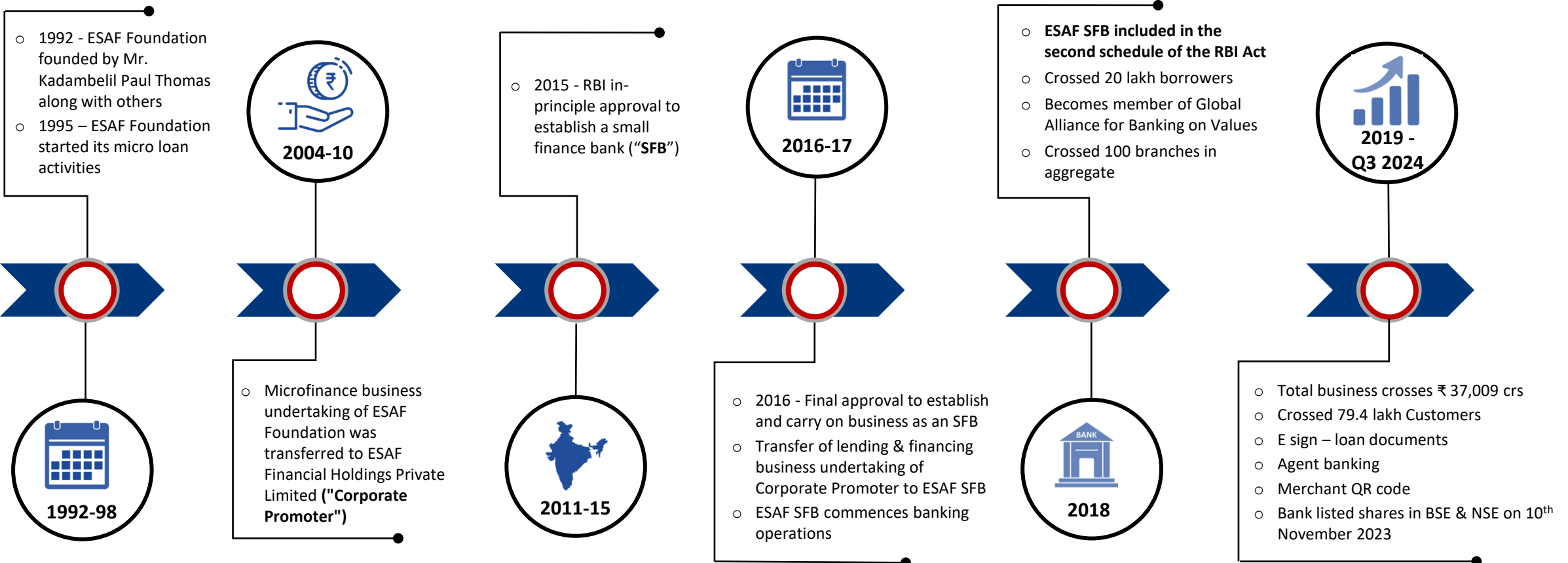


Promoter/ Promoter Group entities  
 Public shareholders

<sup>1</sup>Other Shareholders include ESAF Staff Welfare Trust, Cedar Retail Pvt Ltd. and Individuals;  
<sup>^</sup>Others include ESAF Staff Welfare Trust and other individuals  
<sup>2</sup>Others include individuals forming part of the promoter group  
 \*Dia Vikas Capital Private Limited  
 \*\*SIDBI Trustee Company Limited – A/C Samridhi Fund

ESAF Small Finance Bank Limited ("ESAF SFB") is one of the 12 awardees of the SFB licenses as of Dec 31, 2023

Over the years it has expanded its geographical coverage and product offerings (both assets & deposits)



Overwhelming subscription of **77 times** with a listing day gain of ~19%



ESAF SFB Listing done at Valuation of ~ **₹ 3,088 Crs** based on Upper price band on 10<sup>th</sup> Nov 2023

## November 2023

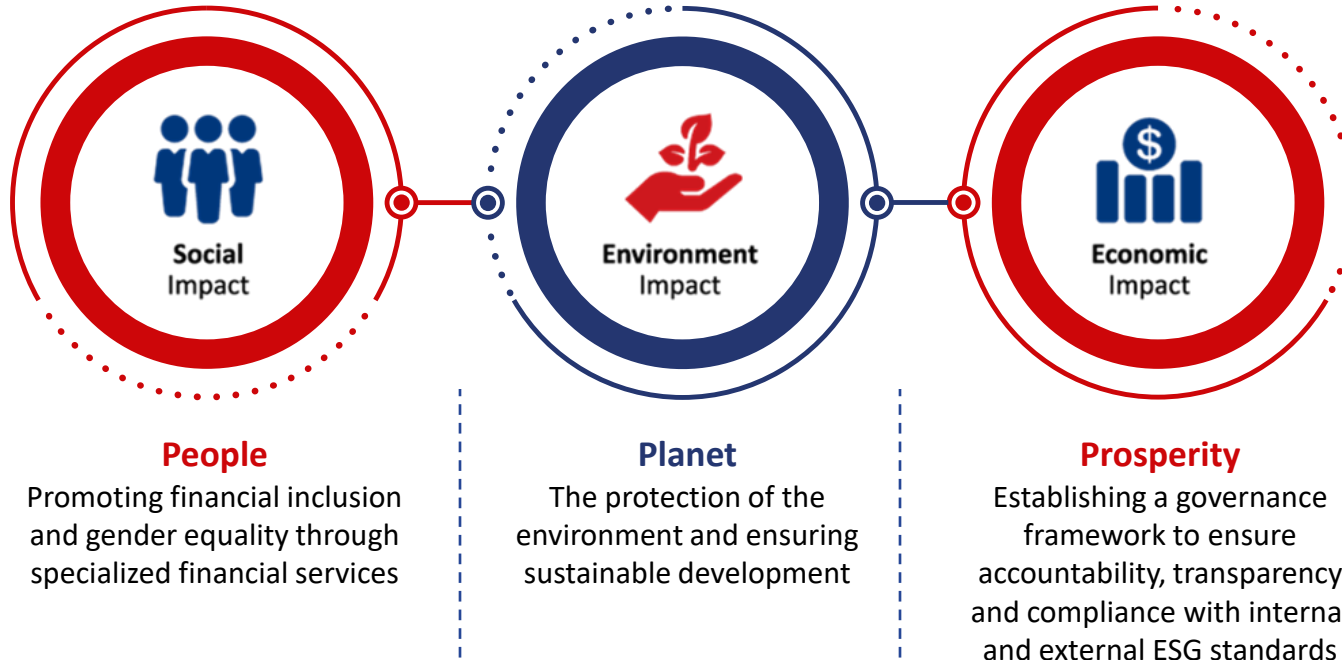
- **Listing done on BSE & NSE**
- **IPO Price:** ₹ 60 per share
- **Listing Price:** NSE ₹ 71.0 per share BSE ₹ 71.9 per share
- **Listing day gain:** ~19%
- **Net Proceeds of the Issue:** ₹ 348.3 crs (Gross Proceeds of ₹ 390.70 crs less estimated issue expenses of ₹ 42.42 crs)
- **Objects of the Issue:** Net Proceeds will be utilized to augmentation of the Bank's Tier-I capital base to meet the Bank's future capital requirements and to ensure compliance with regulatory licensing conditions.

## IPO Subscription

Category	Times Subscribed
QIB	182.6x
NII	88.8x
RII	17.8x
Employee	4.6x
<b>Total</b>	<b>77.0x</b>

# 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

## Care Edge ESG Rating



Overall score of 71 compared to industry average of 59.8

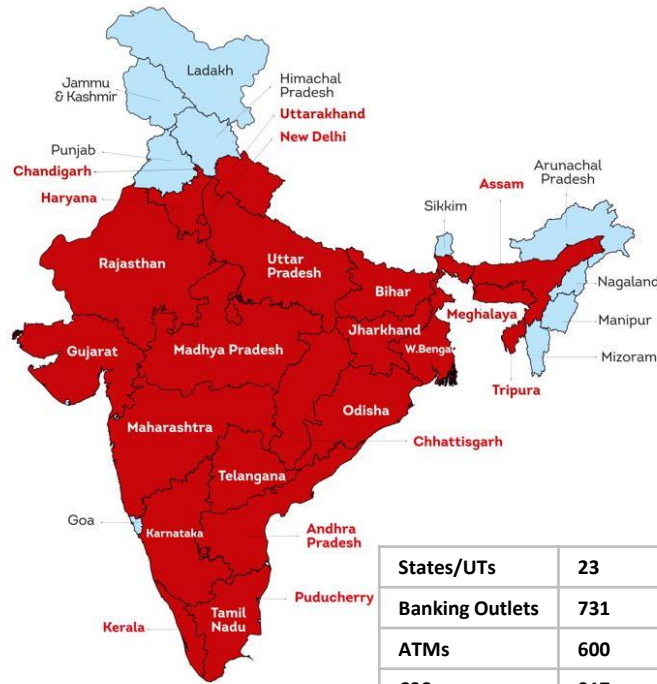


<p><b>Operational</b></p>	 <p>21 States and 2 UTs</p>	 <p>731 Banking Outlets</p>	 <p>600 ATMs</p>	 <p><b>79.4 lakh</b> Total Customers  <b>5,823</b> Employees  <b>30</b> Business Correspondents  <b>917</b> Customer Service Centers  <b>4,003</b> Banking agents  <b>723</b> Business facilitators</p>
<p><b>Advance Profile</b></p>	 <p><b>AUM:</b> ₹ 18,149 cr            Micro Loans: 72.2%            Retail &amp; Other Loans: 27.8%</p>	 <p><b>AUM Growth (YoY)</b>            Dec-23: 35.9%            FY23: 32.3%</p>	 <p><b>Asset Quality</b>            GNPA: 4.2%            NNPA: 2.2%</p>	 <p><b>Yield on Advances:</b>            Dec-23: 21.1%*            FY23: 19.6%</p>
<p><b>Deposit Profile</b></p>	 <p><b>Deposits:</b>            ₹ 18,860 cr</p>	 <p><b>Deposits Growth (YoY)</b>            Dec-23: 40.6%            FY23: 14.4%</p>	 <p><b>CASA (% of total deposits)</b>            18.9%            (CA: 1.4%, SA: 17.5%)</p>	 <p><b>Concentration</b>            Top 20 largest Depositors: 9.1%</p>
<p><b>Financials</b></p>	 <p><b>PAT:</b>            Dec-23: ₹ 382 cr            FY23: ₹ 302 cr</p>	 <p><b>Shareholders' Funds:</b>            ₹ 2,442 cr  <b>CRAR:</b> 21.0%            (Tier I: 18.9%)</p>	 <p><b>NIM:</b>            Dec-23: 10.9%*            FY23: 10.0%</p>	 <p>Dec-23 / FY23  <b>ROA:</b> 2.3%* / 1.6%  <b>ROE:</b> 25.5%* / 19.7%</p>

# Extensive Geographical Footprint

ESAF SFB has a large national footprint with presence in 21 states & 2 UT

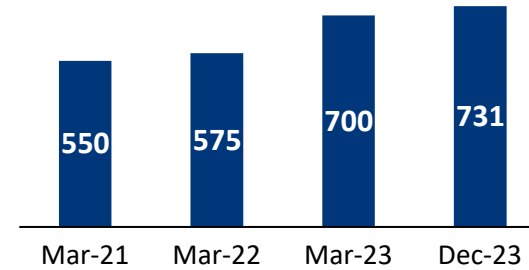
Name of the State/ Union Territory	BOs	ATMs	CSC
Andhra Pradesh	4	3	11
Assam	3	2	10
Bihar	10	10	25
Chhattisgarh	35	27	31
Gujarat	8	5	60
Haryana	6	2	6
Jharkhand	15	14	5
Karnataka	29	20	106
Kerala	309	291	27
Madhyapradesh	68	46	90
Maharashtra	72	53	124
Meghalaya	1	0	0
New Delhi	9	9	1
Odisha	13	10	55
Rajasthan	9	2	38
Tamil Nadu	101	83	155
Telangana	4	4	7
Tripura	3	2	10
Union Territory Of Chandigarh	1	1	0
Union Territory Of Puduchery	3	2	1
Uttar Pradesh	12	8	56
Uttarakhand	3	2	6
West Bengal	13	4	93
<b>Grand Total</b>	<b>731</b>	<b>600</b>	<b>917</b>



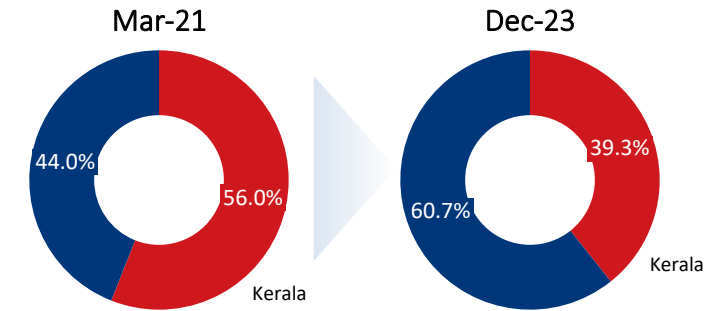
States/UTs	23
Banking Outlets	731
ATMs	600
CSC	917
Banking Agents	4,003
Business Correspondents	30
Business Facilitators	723

62% of the Banking Outlets network in south India contributes 86% of deposits and 70% of gross advances

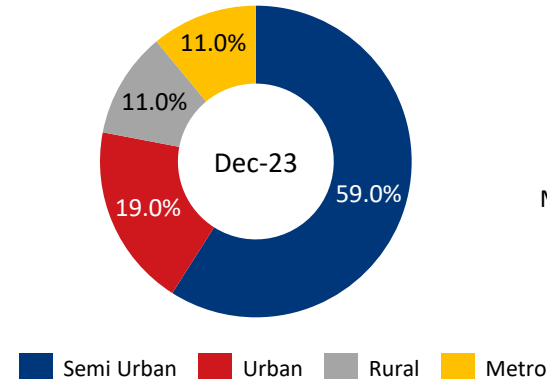
## Banking Outlets (Nos.)



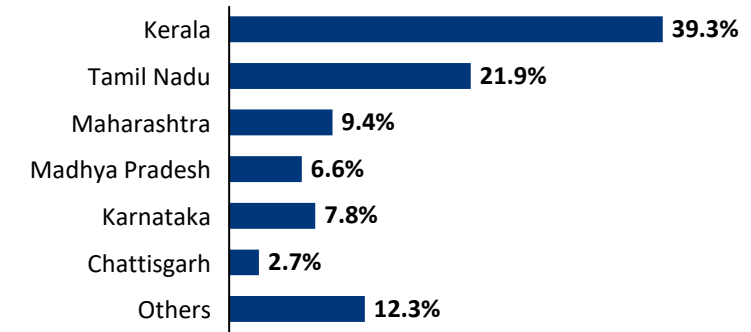
## Reduced Home State Concentration (% of Gross Advances)



## Split of banking outlets across locations



## Gross Advances by States (Dec-23)

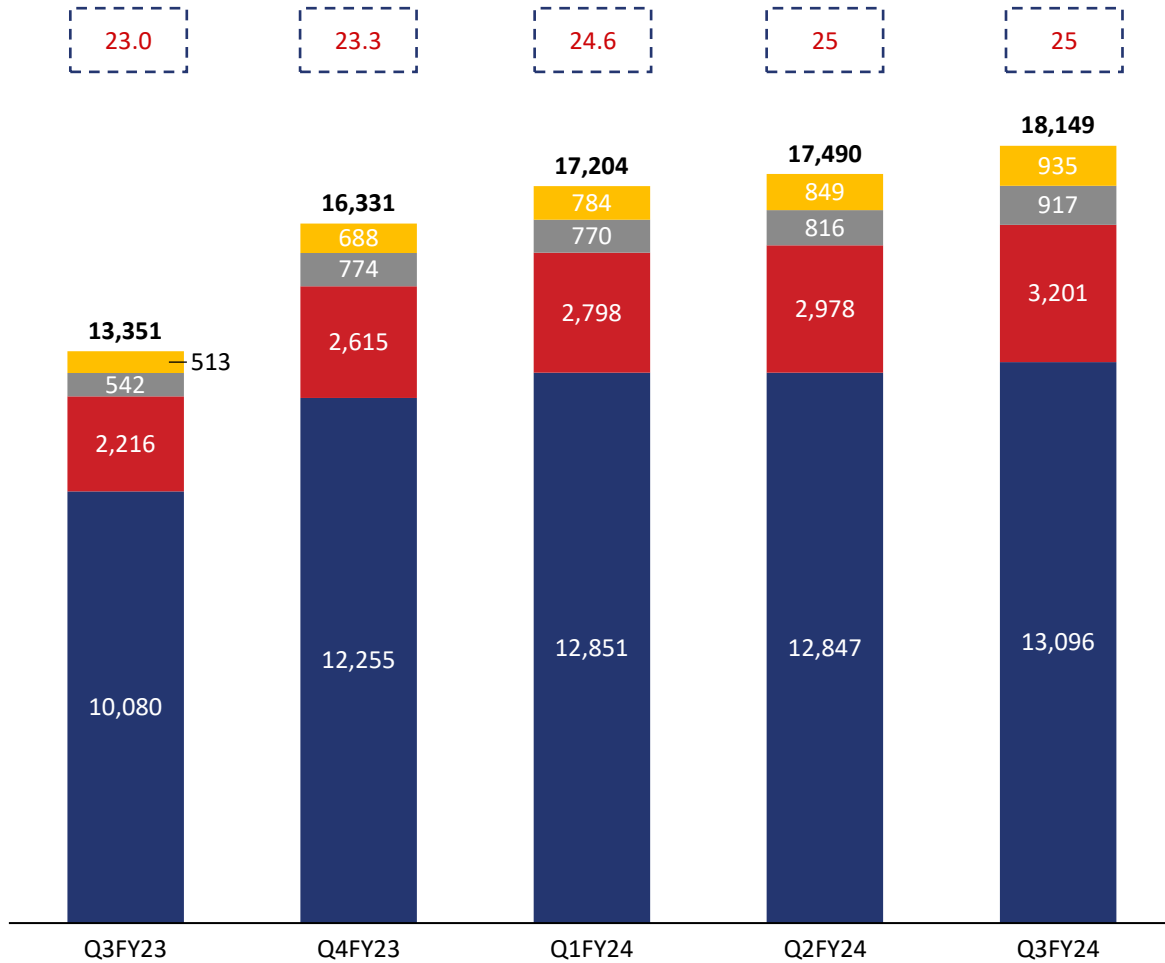


**Financial Performance**

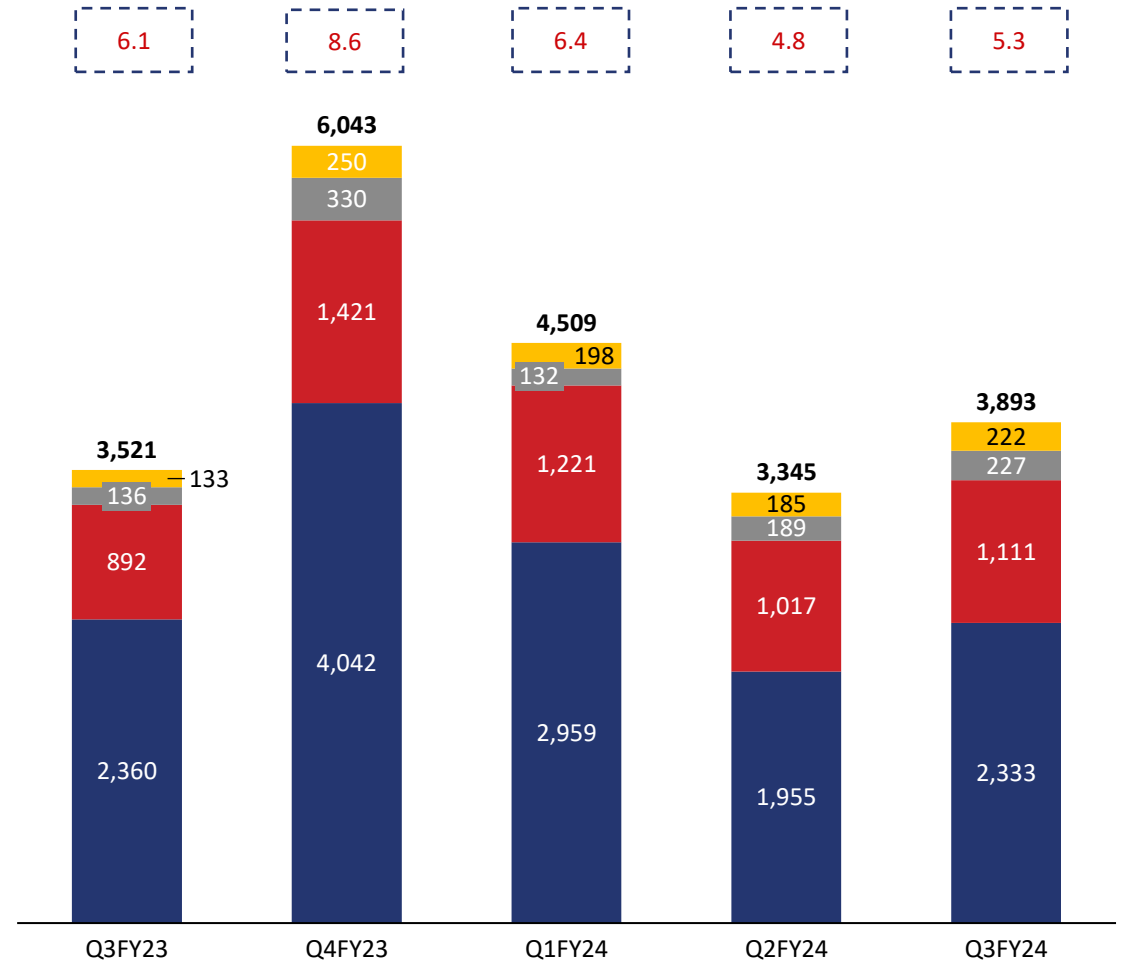
The background features a large, abstract geometric design. It consists of several overlapping shapes in a dark blue and a vibrant red color. The shapes are angular and create a sense of movement and depth. The blue shapes form a large, irregular shape that occupies the right side of the frame, while the red shape is a large triangle pointing towards the bottom right, partially overlapping the blue. The overall effect is modern and dynamic.

# AUM & Disbursement Mix

**AUM Mix (₹ Crs)**



**Disbursements Mix (₹ Crs)**



■ Agricultural loans 
 ■ MSME loans & Loans to financial institutions 
 ■ Retail loans 
 ■ Micro Loans

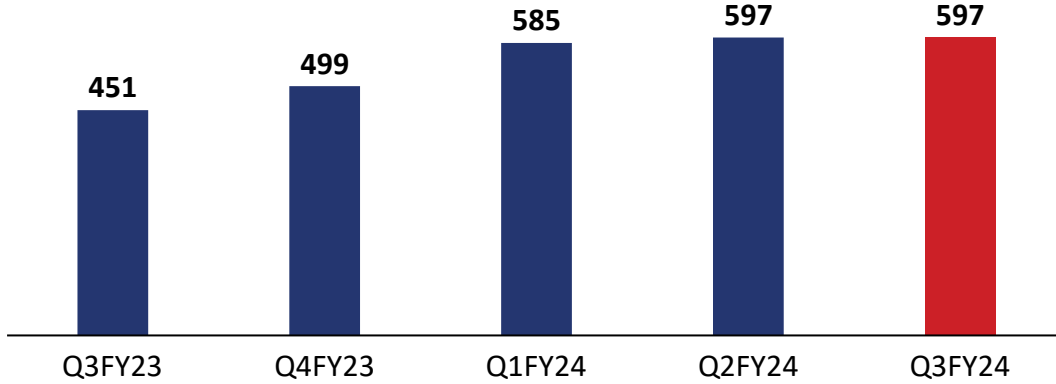
   Aum per Banking outlet (₹ Crs)

■ Agricultural loans 
 ■ MSME loans & Loans to financial institutions 
 ■ Retail loans 
 ■ Micro Loans

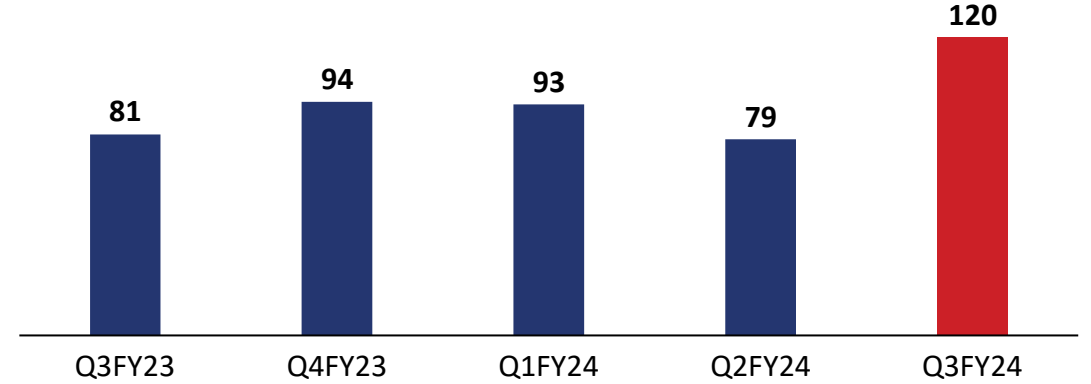
   Disbursements per Banking outlet (₹ Crs)

# Key Profitability Metrics

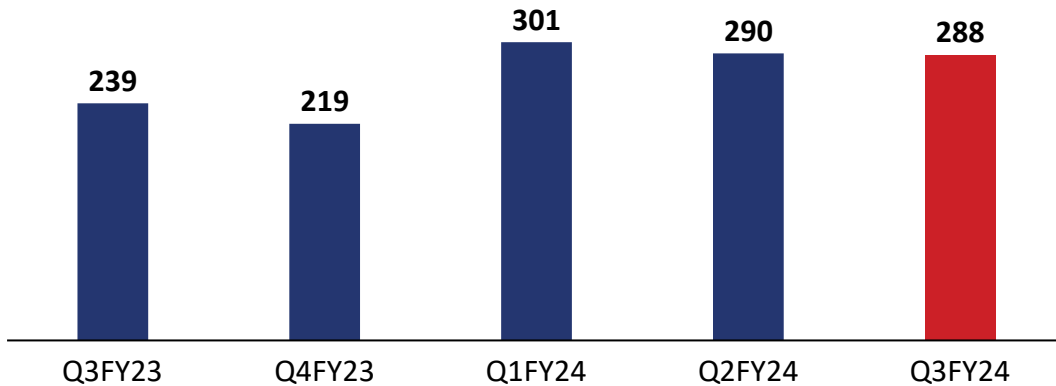
### Net Interest Income (₹ Crs)



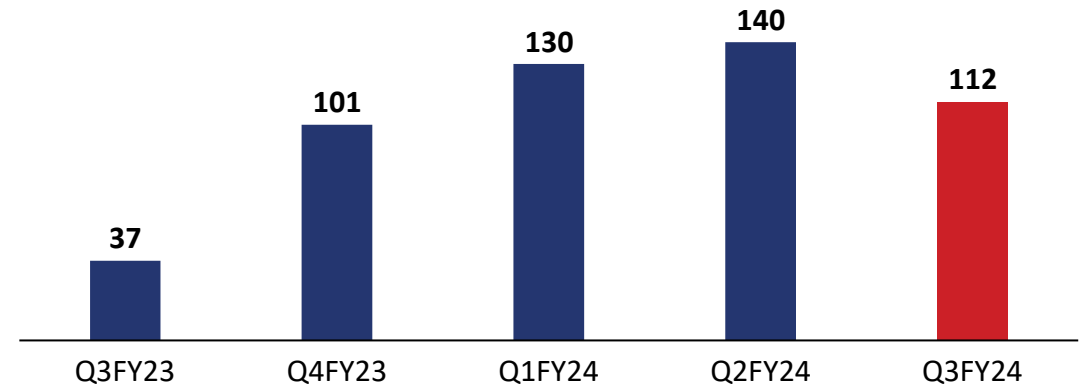
### Non-Interest Income (₹ Crs)



### Pre-Provision Operating Profit (₹ Crs)

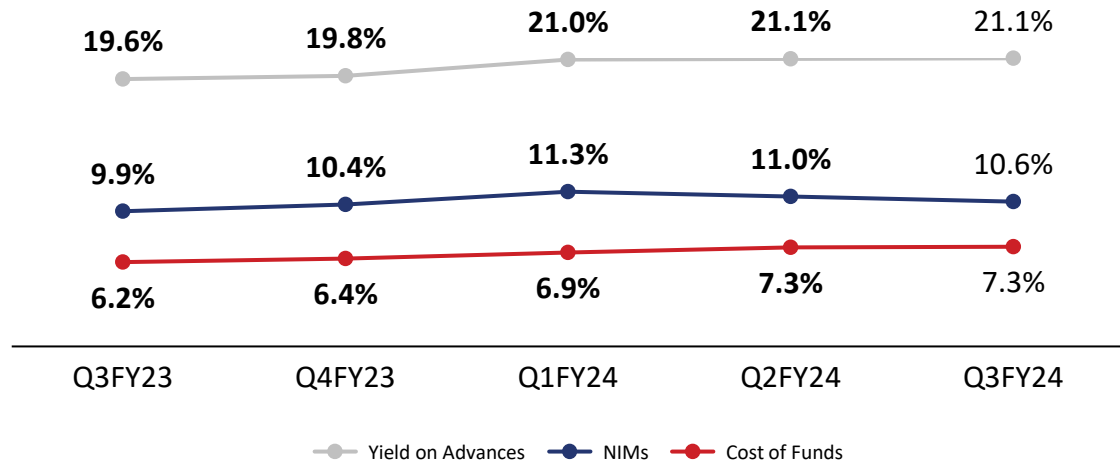


### Profit After Tax (₹ Crs)

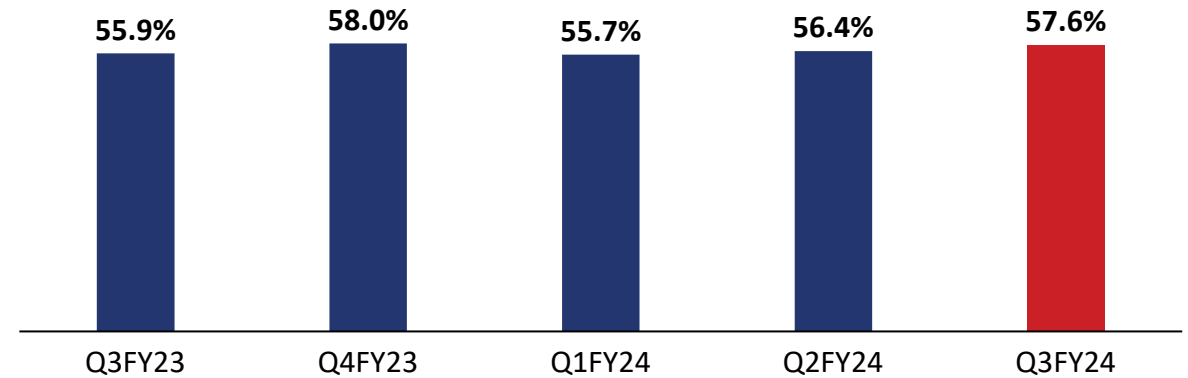


# Key Profitability Ratios

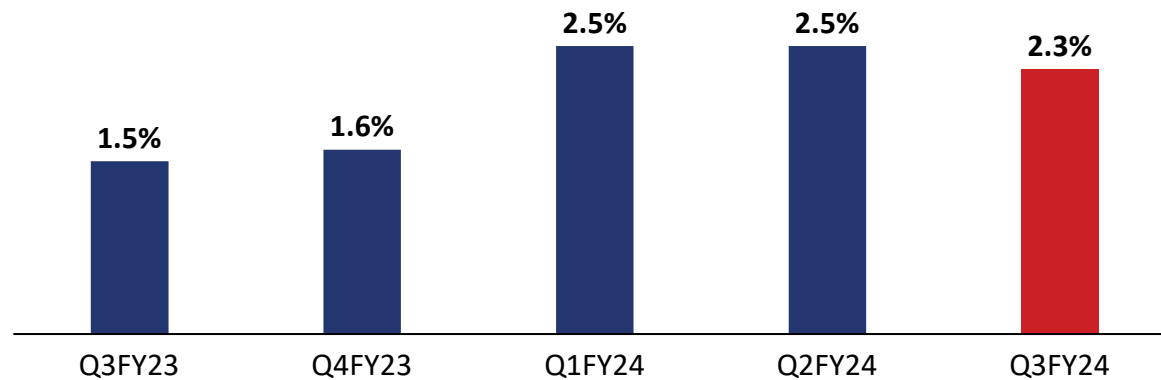
Margins# (%)



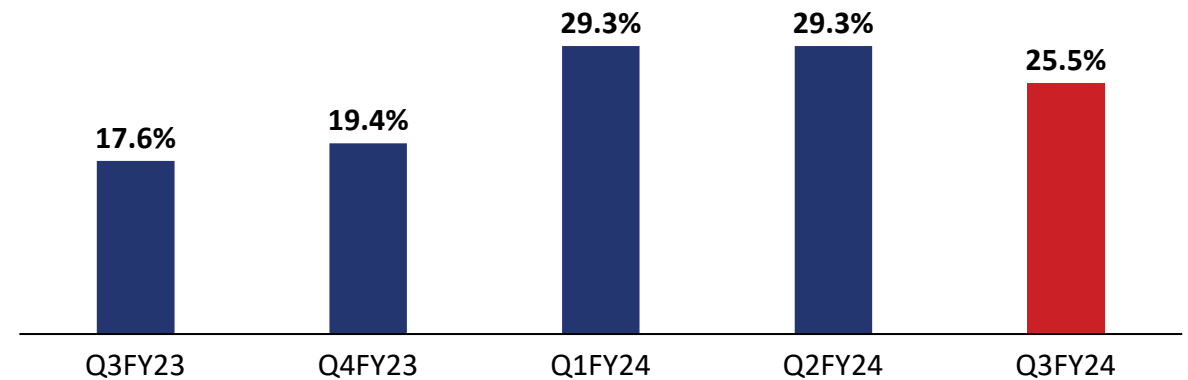
Cost to Income (%)



ROA\* (%)

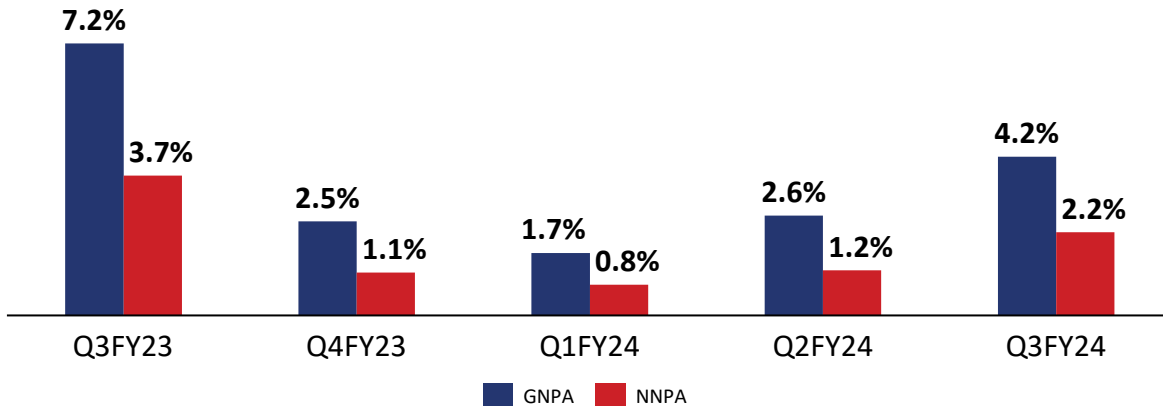


ROE\* (%)

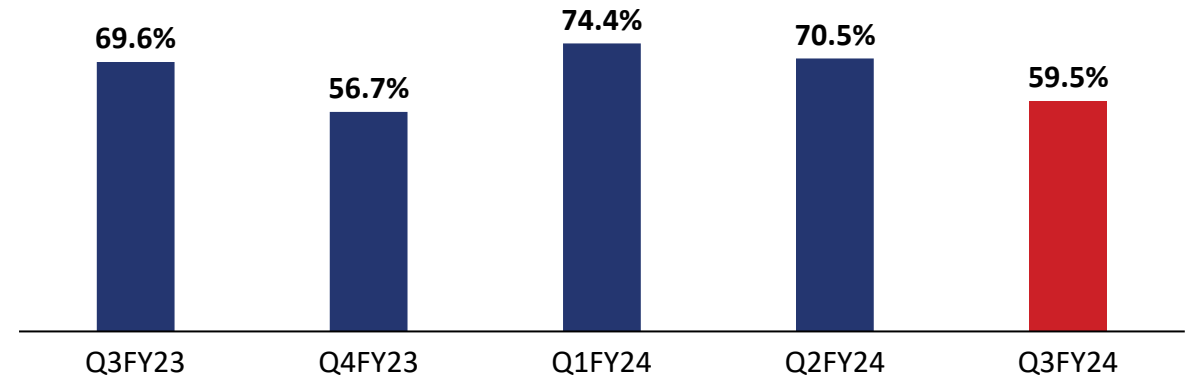


#Annualized  
\*Annualized & Cumulative

## GNPA & NNPA (%)



## PCR (%)

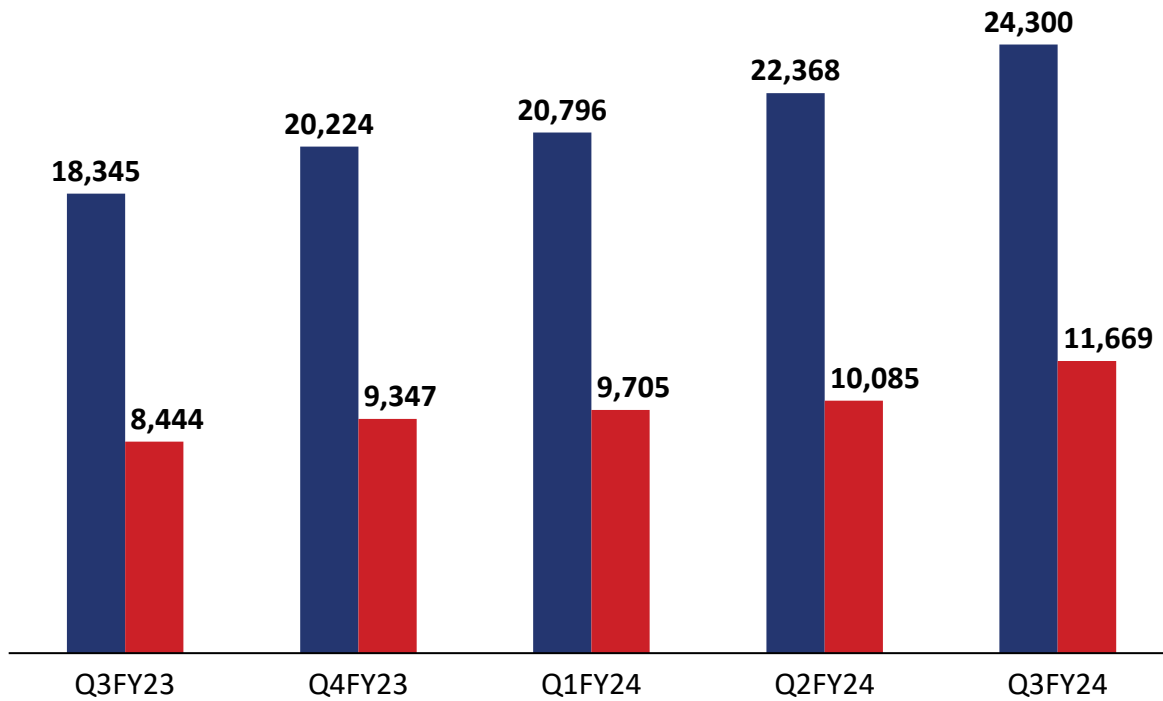


## NPA Movement (₹ Crs)

Description	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Opening balance of Gross NPAs at the beginning of the period/year	961.7	908.3	351.7	237.6	399.1
Additions during the period/year	257.3	138.7	120.0	186.0	335.4
Less: Reductions during the period/year on account of recovery	9.6	16.1	7.4	6.5	7.8
Less: Reductions during the period/year on account of upgradations	68.6	90.8	26.0	18.0	13.6
Less: Reductions during the period/year on account of write offs (including technical write-offs)	232.5	0.2	200.7	0.0	0.0
Less: Reductions during the period/year on account of sale of NPAs to an asset reconstruction company	0.0	588.3	0.0	0.0	0.0
<b>Gross NPAs at the end of period/year</b>	<b>908.3</b>	<b>351.6</b>	<b>237.6</b>	<b>399.1</b>	<b>713.2</b>

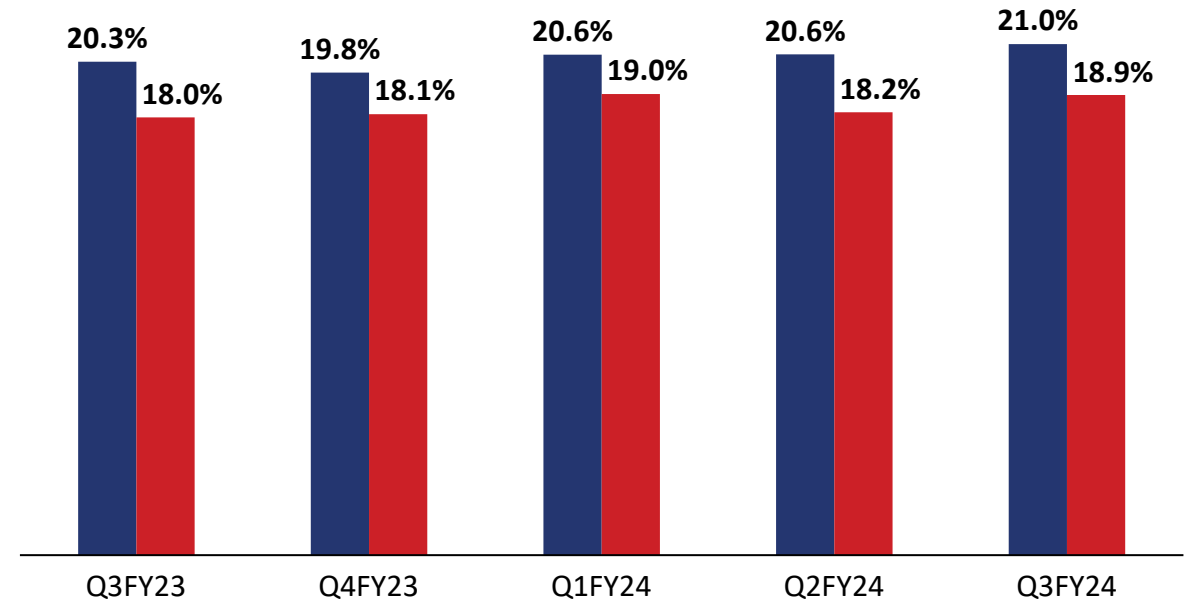


Total Assets & Risk Weighted Assets (₹ Crs)



■ Total Assets ■ Risk Weighted Assets

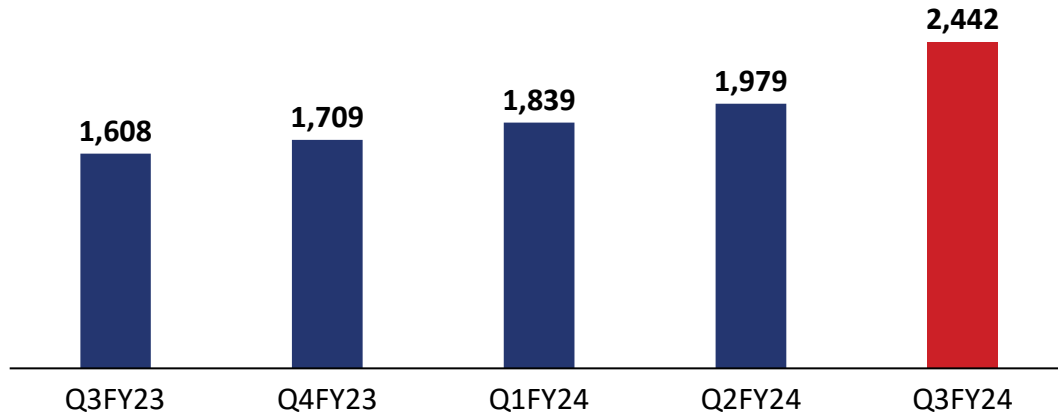
Capital Adequacy (%)



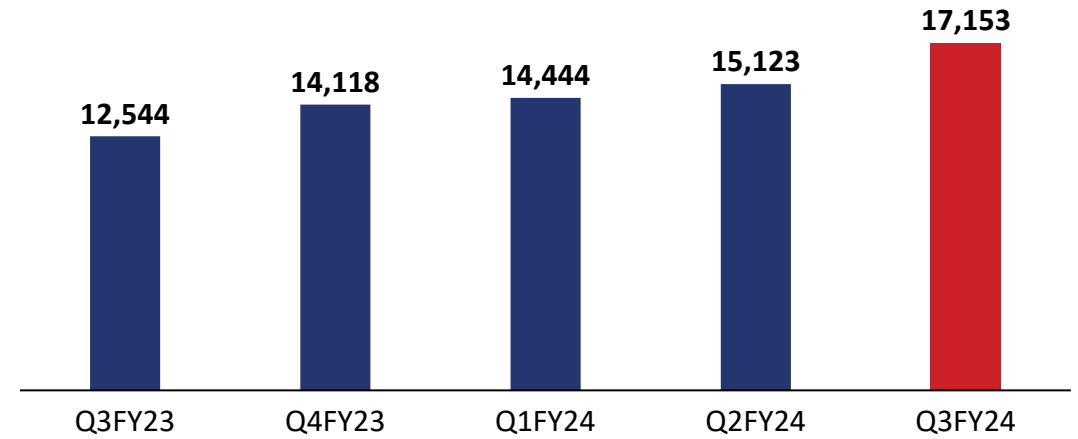
■ CRAR ■ Tier 1

# Key Balance Sheet Metrics

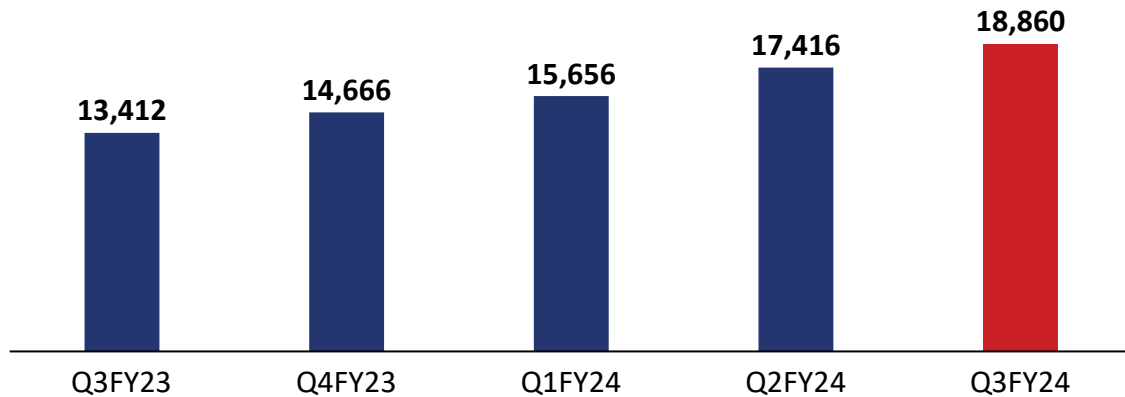
Shareholders Funds (₹ Crs)



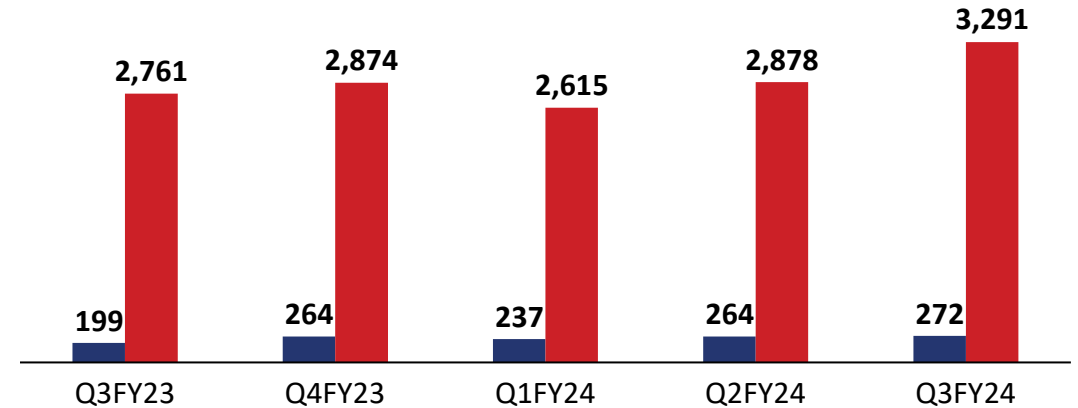
Gross Advances (₹ Crs)



Total Deposits (₹ Crs)



CASA Deposits (₹ Crs)



■ Current Account ■ Savings Account

## Key Strengths

The background features a large, abstract geometric design on the right side. It consists of several overlapping shapes in a dark blue and a bright red color, separated by thin white lines. The shapes are angular and create a sense of movement and depth. The overall composition is clean and modern.

# Key Strengths

Multi-Nodal Delivery Channels

Strong Rural And Semi-Urban  
Banking Franchise

Rapid Asset Growth with  
continuous focus on Core  
Segment & Retail Growth

Robust Funding Profile and  
Healthy Capital Adequacy

Technology Driven Model With  
An Advanced Digital Technology  
Platform Centric Approach

Customer Centric Approach

Best-In Class Banking Products  
and Services

Prudent Risk Management

Experienced Management  
Team & High Quality Board

Clearly Articulated Strategy

- 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 helps to keep delinquencies in check
- Digital channels viz. internet banking and mobile banking offerings in line with the evolving technology in banking industry
- Growing ATM network

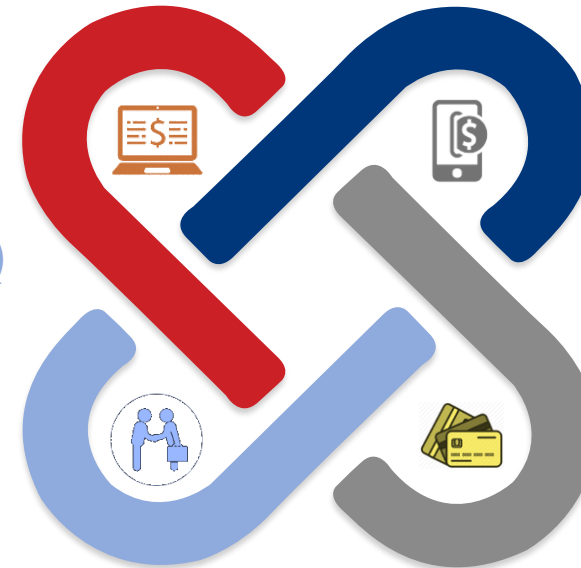
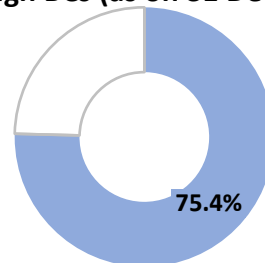
## Banking Outlets

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

## 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
- 30 Institutional Business Correspondents

Gross advances sourced/ serviced through BCs (as on 31 Dec 2023)



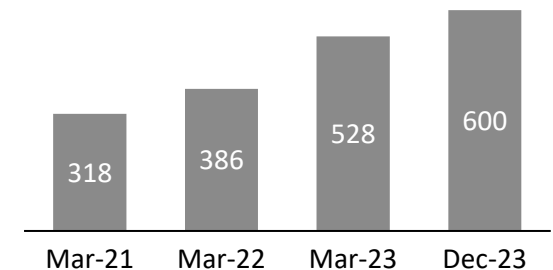
## Digital Banking

- 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

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

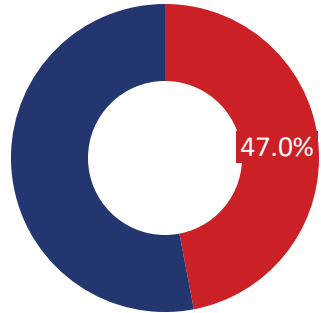
### ATM count



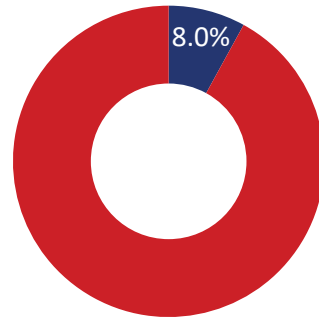
# Strong Rural And Semi-Urban Banking Franchise

## Low penetration of banking credit in rural areas

Rural share of GDP contribution (Mar-23)



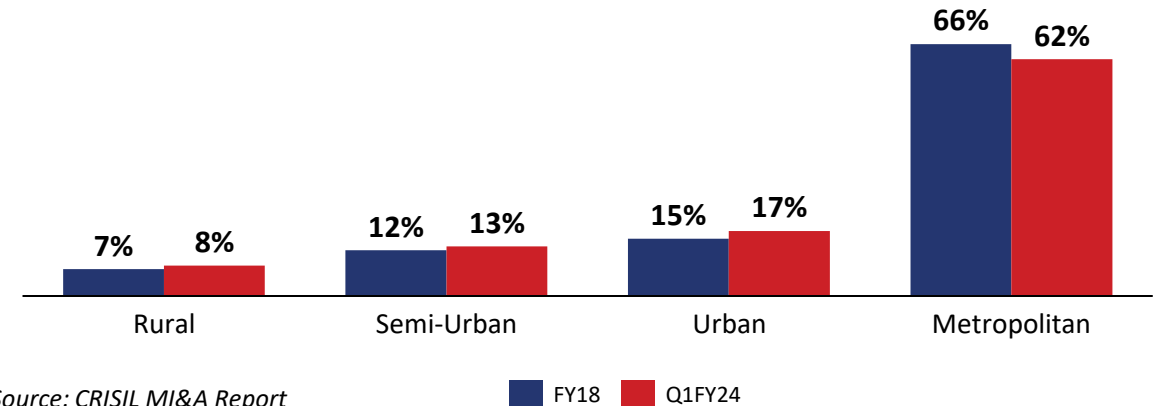
Rural share of Credit outstanding (Q1FY24)



Source: CRISIL MI&A Report

## Focus on increasing credit in the rural & semi-urban areas has remained low

Rural share of Credit outstanding (Q1FY24)

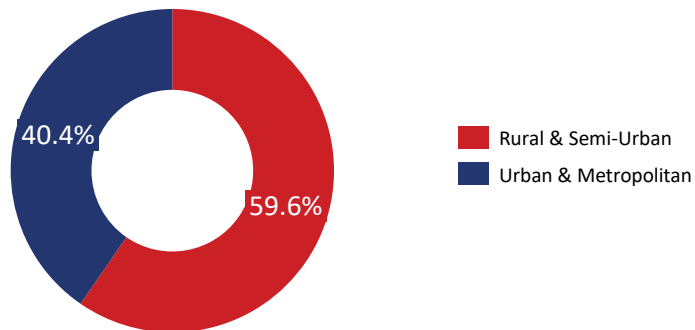


Source: CRISIL MI&A Report

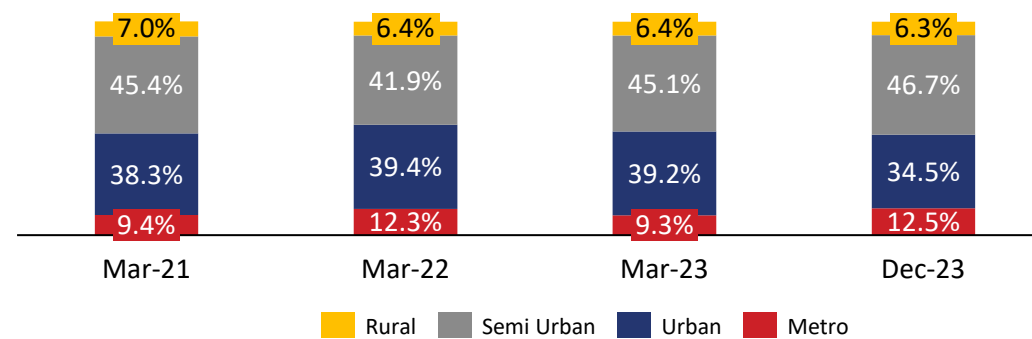
**Strong rural and semi-urban franchise of ESAF to take advantage of the growth opportunity in the under-penetrated rural and semi-urban market**

## Majority of advances in rural & semi-urban regions

As of Dec-23 (% of Gross Advances)



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



## Footprint in Rural & Semi-urban

**53.8%**

Customers in rural and semi-urban areas

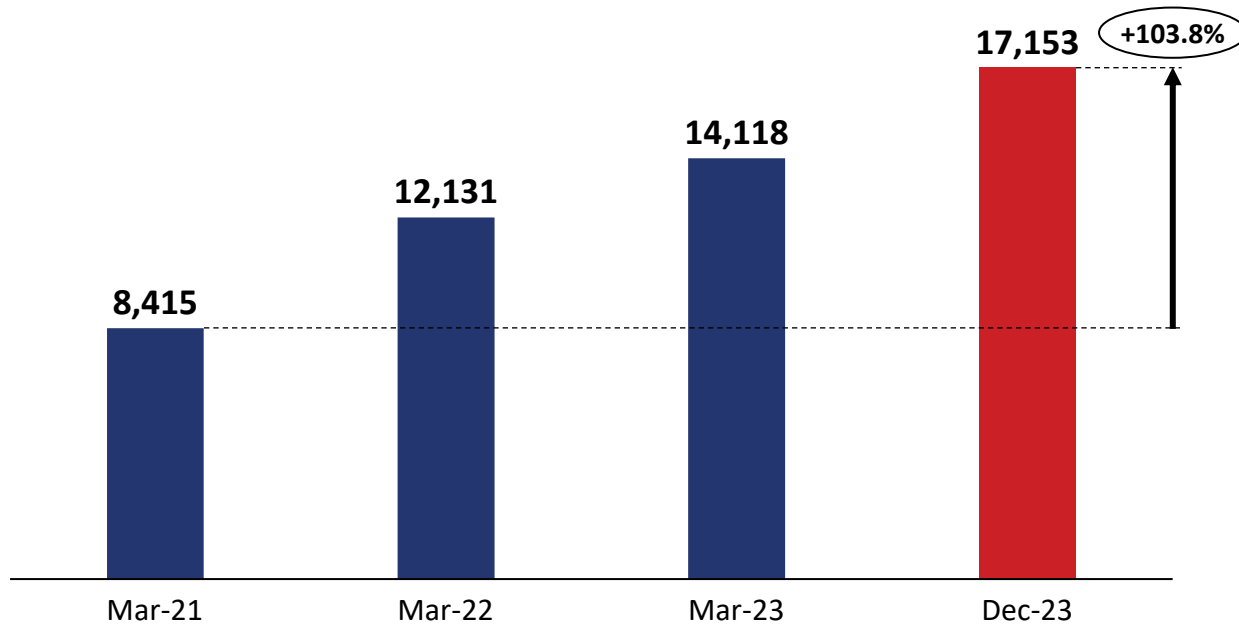
**70.7%**

Banking outlets in rural and semi-urban areas

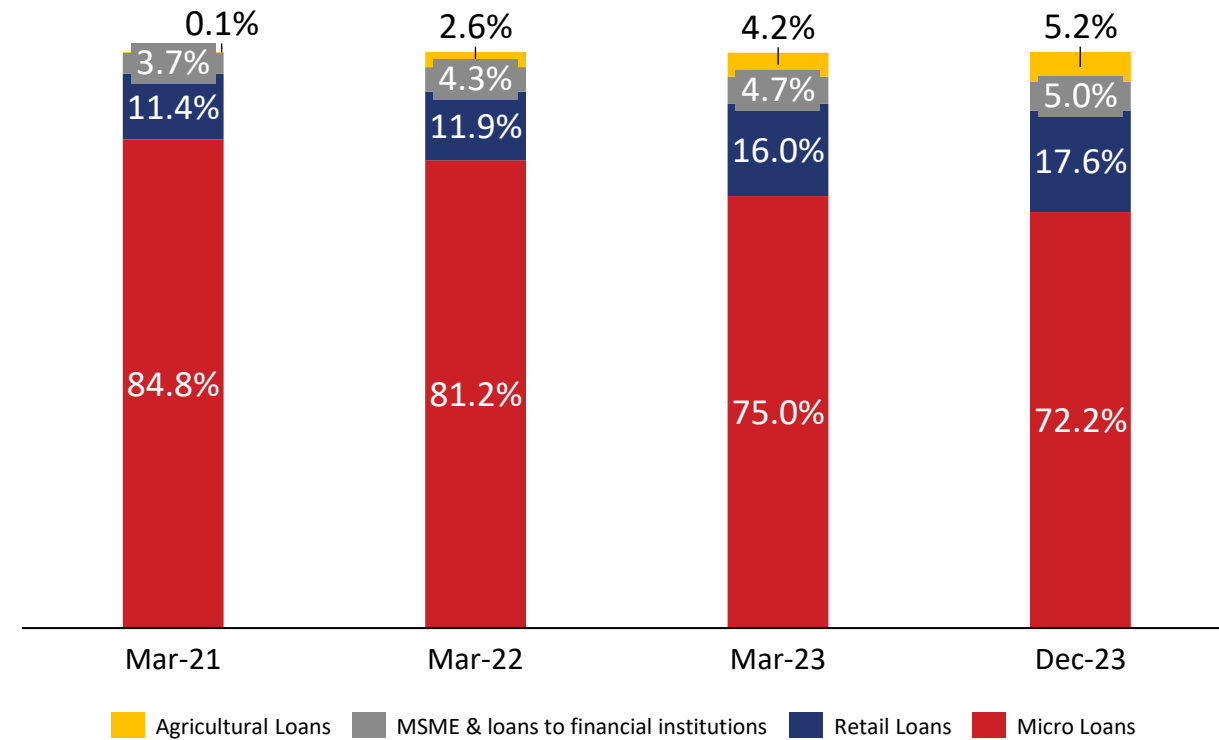
# Rapid Asset Growth with continuous focus on Core Segment & Retail Growth

As of December 31, 2023, ESAF SFB had over 79.4 lakh customers

Gross Advances have grown rapidly (₹ Crs)

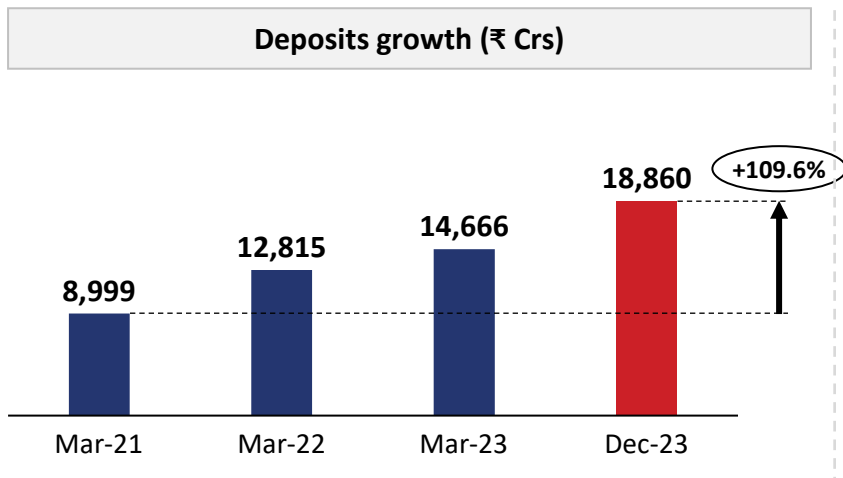


Continued focus on Micro Loans segment with Increased Retail Diversification

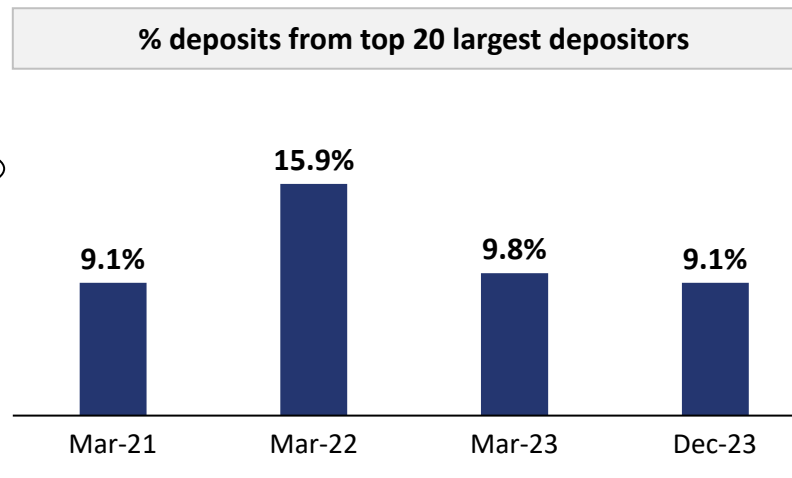


# Robust Funding Profile and Healthy Capital Adequacy

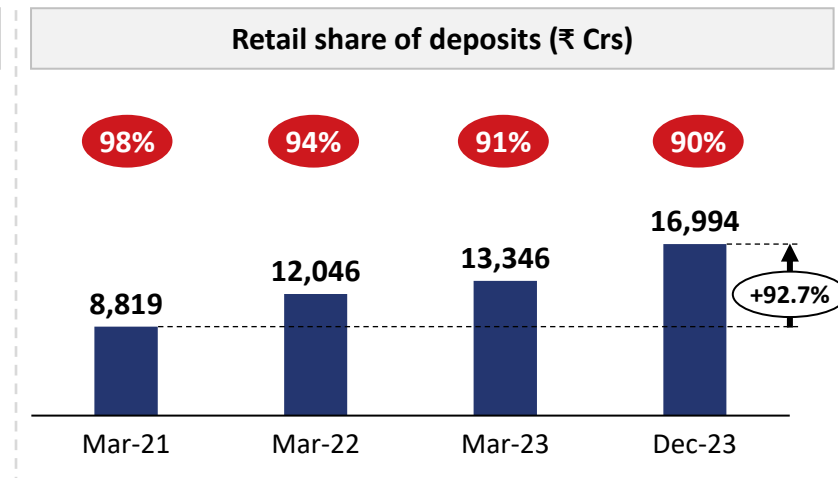
Deposits growth (₹ Crs)



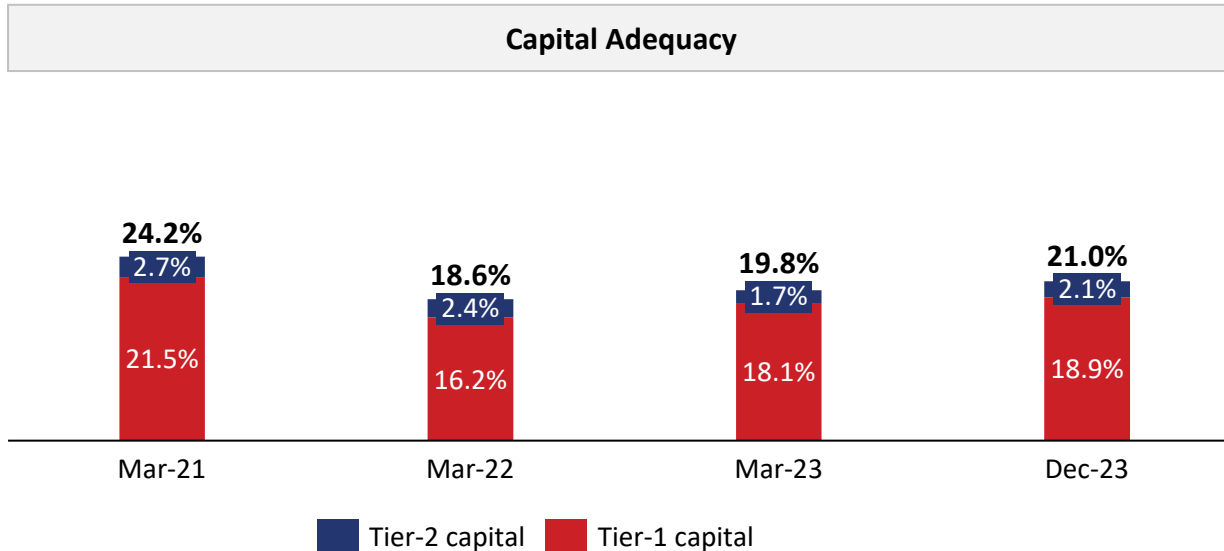
% deposits from top 20 largest depositors



Retail share of deposits (₹ Crs)

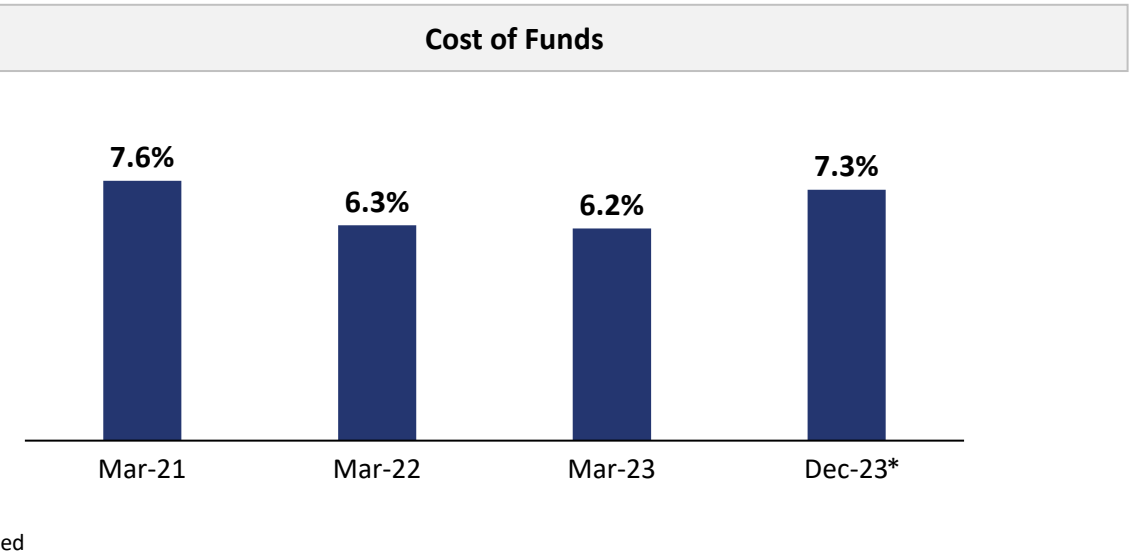


Capital Adequacy



■ Tier-2 capital ■ Tier-1 capital

Cost of Funds



\*Annualized

<sup>1</sup>Cost of average borrowings, which is a non-GAAP financial measure, represents the ratio of interest expended on borrowings to average borrowings calculated on the basis of the average of the opening balance at the start of the relevant fiscal year and the closing balance as at the quarter end for all quarters in the relevant fiscal year. All of the borrowings are interest-bearing. <sup>2</sup>Cost of Funds, which is a non-GAAP measure, is the ratio of interest expended to Average Total Interest-Bearing Liabilities. Average Total Interest-Bearing Liabilities are total interest-bearing liabilities (comprising demand deposits, savings bank deposits, term deposits and borrowings) calculated on the basis of the average of the opening balance at the start of the relevant fiscal year/period and the closing balance as at quarter end for all quarters in the relevant fiscal year/period.



# 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
- Loans to Financial Institutions

## Case-in-point: COVID



Proactive steps taken to support customers:

- Moratorium on loans up to six months
- Restructuring of loans
- Special Loan Products

## 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
- 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

## Loan & Advances

### Microfinance Loans

- ESAF Income Generation Loan
- ESAF General Loan
- ESAF Vidyajyoti Loan
- ESAF Jeevadhara Loan
- ESAF Nirmal Loan

### Retail Loans

- ESAF Dream Home Loan
- ESAF Clean Energy Product Loan
- ESAF Flexi Home
- ESAF Loan against Property
- ESAF Lease Rental Discounting
  
- ESAF Gold Loan
- Salary Overdraft Loan
- ESAF Personal Loan
- Education Loan
- ESAF Dream Education Loan
- ESAF School Loan
- ESAF New Car Loan
  
- ESAF Used Car Loan
- ESAF New LCV Loan
- ESAF Used LCV Loan
- ESAF Two-Wheeler Loan
- ESAF Three-Wheeler Loan
- Loan against deposit

### Other Loans

- MSME Loans
- ESAF Micro Enterprise Loan
- Vyapar Vikas Yojana
- ESAF TReDS (Financing Trade Receivables e-Discounting System) (TreDS)
- ESAF MSME Easy Business Loan
- ESAF MSME Smart Loan
- ESAF Udyog Loan
- ESAF GST Power OD
- ESAF MSME Business Lap
- ESAF Secured Business Loan to Enterprises
  
- Loans to Financial Institutions
- Loans to NBFCs & MFIs
  
- Agricultural Loans
- ESAF Haritha Loan
- ESAF Dairy Development Loan
- ESAF Kisan Credit Card
- ESAF Farmer Producer Organization Finance
- ESAF Kisan Jyoti
- ESAF Farmer Interest Group Loan
- ESAF SHG-BLP

### Liability Products

- 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

### Other Services

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

## ESAF SFB has a well-defined risk management architecture with:

- Active board and senior management oversight
- Appropriate policies, procedures and limits
- Comprehensive and timely identification, measurement, mitigation, controlling, monitoring and reporting of risks
- Appropriate management information systems
- Comprehensive internal controls

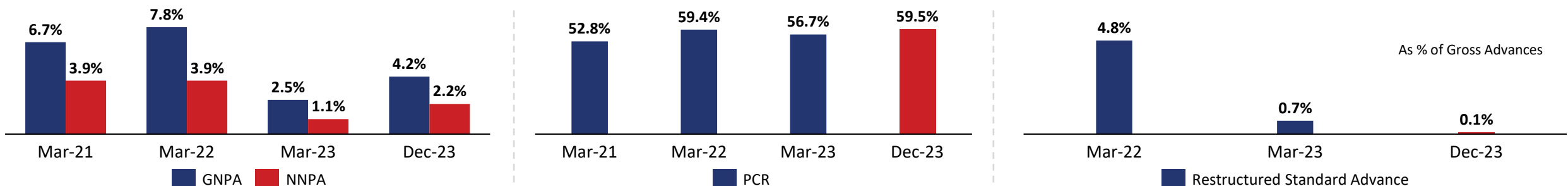
### Risk Management Architecture

- Independent business functions, risk management and compliance and internal audit roles
- Annual risk strategy defined based on risk appetite aligning risk, capital and performance targets
- Focused management of all major risk classes through dedicated committees:
  - Credit risk management committee
  - Market risk division (interest rate risk, liquidity risk)
  - Operational risk and business continuity management committee
  - Information security governance committee
- Appropriate representation of risk function on management committees to ensure risk view is factored into business decisions

### Business continuity plan

- Implemented in March 2020; Business continuity plan involves creation and implementation of strategies that recognize threats and risks that ESAF SFB may be subject to, with a focus on the protection of personnel and assets, while maintaining continued operations in the event of a disaster
- Created an executive-level crisis management and quick response team that is responsible for initiating immediate actions in the event of occurrence of a crisis and to guide the business units on steps to be taken to protect its assets and to ensure continuity of business
- These plans and processes are periodically reviewed to ensure that they are effective and functional.

### Asset quality



# Experienced Management Team

## 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

Supported by a highly experienced team of qualified & experienced professionals

Name & Designation	Education	Prior Associations
<b>George Kalaparambil John</b> Executive Vice President – IT and Operations	<ul style="list-style-type: none"> <li>○ Master's degree in social work from Pune University</li> <li>○ Master's degree in business administration (Fintech) from Birla Institute of Technology &amp; Science, Pilani</li> </ul>	<ul style="list-style-type: none"> <li>○ General manager – operations of ESAF Financial Holdings Private Limited</li> </ul>
<b>George Thomas</b> Executive Vice President – Corporate Services	<ul style="list-style-type: none"> <li>○ Master's degree of science in ecology &amp; environment from Sikkim Manipal University</li> </ul>	<ul style="list-style-type: none"> <li>○ Senior agriculture officer (assistant director agriculture) - Department of Agriculture Development &amp; Farmer's Welfare</li> </ul>
<b>Hari Velloor</b> Executive Vice President - Network 1 South	<ul style="list-style-type: none"> <li>○ Bachelor's degree in arts (history) from University of Delhi,</li> <li>○ Master's degree in arts (political science) from Madurai Kamaraj University</li> </ul>	<ul style="list-style-type: none"> <li>○ Senior vice president – HDFC Bank</li> </ul>
<b>Hemant Kumar Tamta</b> Executive Vice President - Network 2 Rest of India	<ul style="list-style-type: none"> <li>○ Bachelor's degree in law from University of Delhi</li> <li>○ Course in banking and finance from NIBM, Pune</li> </ul>	<ul style="list-style-type: none"> <li>○ Executive director - Bank of Maharashtra</li> <li>○ General manager - Canara Bank</li> </ul>
<b>Gireesh C.P.</b> Chief Financial Officer	<ul style="list-style-type: none"> <li>○ Bachelor's degree in science from Mahatma Gandhi university</li> <li>○ Fellow member of ICAI and certified associate of IIB</li> </ul>	<ul style="list-style-type: none"> <li>○ CFO at South Indian Bank</li> </ul>
<b>Ranjith Raj P</b> Company Secretary & Compliance Officer	<ul style="list-style-type: none"> <li>○ Bachelor's degree in commerce from Calicut University</li> <li>○ Company secretary and associate of ICSI</li> </ul>	<ul style="list-style-type: none"> <li>○ Company secretary of ESAF Financial Holdings Private Limited</li> </ul>
<b>E A Jacob</b> Head-Vigilance and Chief Vigilance Officer	<ul style="list-style-type: none"> <li>○ Bachelor's degree in science from Kerala University</li> </ul>	<ul style="list-style-type: none"> <li>○ Deputy general manager in the audit department of South Indian Bank</li> </ul>
<b>Sivakumar P</b> Head - Internal Audit	<ul style="list-style-type: none"> <li>○ Bachelor's degree in commerce from Madras University</li> <li>○ Certified associate of IIB</li> </ul>	<ul style="list-style-type: none"> <li>○ General manager (internal audit) of State Bank of India</li> </ul>
<b>Wilson Cyriac</b> Head – Risk Management and Chief Risk Officer	<ul style="list-style-type: none"> <li>○ Master's degree in economics from Kerala University</li> <li>○ Certified associate of IIB</li> </ul>	<ul style="list-style-type: none"> <li>○ Executive vice president – head risk and chief risk officer at Federal Bank Limited</li> </ul>
<b>Sudev Kumar V</b> Head – Compliance and Chief Compliance Officer	<ul style="list-style-type: none"> <li>○ Master's degree in science (horticulture) from Kerala Agriculture University</li> </ul>	<ul style="list-style-type: none"> <li>○ Canara Bank</li> </ul>

# High Quality Board At The Helm Of The Organization

## Biju Varkkey

Additional Non-Executive Independent Director

- Bachelor's degree in science from Gandhiji 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.

## Thomas Jacob Kalappila

Non-Executive Independent Director

- Associate 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

## Ravi Venkatraman

Non-Executive Independent Director

- He has passed the final examination held by the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India
- Previously served as the executive director and chief financial officer of Mahindra and Mahindra Financial Services Limited

## Ms. Kolasseril Chandramohanan 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

## 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

## John Samuel

Non-Executive Nominee Director

- Associate 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

## 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
  - Have hired a Senior VP to concentrate on increasing its mortgage business
- **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

## 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

## 5 Leverage Technology And Customer Data Analytics

- Enhance technology platforms such as internet banking, mobile banking, ATMs, cash deposits machines, 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

# Annexures





# Profit & Loss Statement – Q3 & 9M FY24

Particulars (₹ Crs)	Q3 FY24	Q3 FY23	Y-o-Y	Q2 FY24	Q-o-Q	9M FY24	9M FY23	Y-o-Y
Interest Income	974.4	701.3	38.9%	943.3	3.3%	2,816.4	2,079.8	35.4%
Interest Expense	377.4	249.9	51.0%	346.8	8.8%	1,037.5	742.4	39.7%
<b>Net Interest Income</b>	<b>597.0</b>	<b>451.4</b>	<b>32.3%</b>	<b>596.5</b>	<b>0.1%</b>	<b>1,778.9</b>	<b>1,337.4</b>	<b>33.0%</b>
Other Income	120.0	80.9	48.3%	79.0	51.9%	292.0	194.0	50.5%
<b>Net Total Income</b>	<b>716.9</b>	<b>532.3</b>	<b>34.7%</b>	<b>675.5</b>	<b>6.1%</b>	<b>2,070.9</b>	<b>1,531.3</b>	<b>35.2%</b>
Employee Benefits Expense	89.3	70.1	27.3%	89.1	0.2%	258.3	201.8	28.0%
Depreciation and Amortization Expense	12.9	10.8	19.6%	12.3	4.8%	37.4	31.1	20.5%
Other Expenses	327.1	212.3	54.1%	284.5	15.0%	897.2	623.3	43.9%
<b>Operating Expense</b>	<b>429.3</b>	<b>293.2</b>	<b>46.4%</b>	<b>385.8</b>	<b>11.3%</b>	<b>1,192.9</b>	<b>856.1</b>	<b>39.3%</b>
<b>Pre-Provision Operating Profit</b>	<b>287.7</b>	<b>239.1</b>	<b>20.3%</b>	<b>289.7</b>	<b>-0.7%</b>	<b>878.0</b>	<b>675.2</b>	<b>30.0%</b>
Provisions	137.8	188.1	-26.7%	101.4	36.0%	366.1	405.4	-9.7%
<b>Profit before tax</b>	<b>149.8</b>	<b>51.0</b>	<b>193.7%</b>	<b>188.3</b>	<b>-20.4%</b>	<b>511.9</b>	<b>269.8</b>	<b>89.7%</b>
Tax Provisions	37.7	13.6	176.9%	48.2	-21.7%	129.7	68.9	88.3%
<b>Profit After Tax</b>	<b>112.1</b>	<b>37.4</b>	<b>199.8%</b>	<b>140.1</b>	<b>-20.0%</b>	<b>382.2</b>	<b>201.0</b>	<b>90.2%</b>
Earnings Per Share Diluted	2.4	0.8	191.6%	3.1	-22.2%	8.3	4.5	85.2%
<b>Breakup of Other Income</b>								
Loan Processing Fees	36.6	36.1	1.4%	30.5	20.0%	112.3	78.9	42.3%
Profit on sale of investments (Net)	4.0	2.8	39.3%	3.7	7.2%	13.8	13.3	3.9%
Profit on revaluation of investments (Net)	10.8	6.5	66.1%	-4.9	-321.2%	11.1	-23.8	-146.8%
Recovery on written off loan	6.6	15.4	-57%	9.5	-30.8%	16.4	44.2	-63.0%
PSLC Income	7.4	0.0	-	7.2	2.8%	23.6	22.4	5.4%
Account maintenance charge	2.6	1.6	56.1%	2.6	-1.2%	6.7	4.6	47.7%
Third Party Product Income	29.8	4.6	545.8%	5.1	483.8%	42.6	12.2	250.4%
Other charges	22.3	13.8	61.2%	25.4	-12.4%	65.4	42.2	55.1%
<b>Total</b>	<b>120.0</b>	<b>80.9</b>	<b>48.3%</b>	<b>79.0</b>	<b>51.9%</b>	<b>292.0</b>	<b>194.0</b>	<b>50.5%</b>

# Profit & Loss Statement

Particulars (₹ Crs)	FY23	FY22	FY21
Interest Income	2,854	1,940	1,641
Interest Expense	1,017	793	720
<b>Net Interest Income</b>	<b>1,836</b>	<b>1,147</b>	<b>922</b>
Other Income	288	208	127
<b>Net Total Income</b>	<b>2,124</b>	<b>1,355</b>	<b>1,049</b>
Employee Benefits Expense	278	232	188
Depreciation and Amortization Expense	42	33	29
Other Expenses	911	598	415
<b>Operating Expense</b>	<b>1,231</b>	<b>863</b>	<b>632</b>
<b>Pre-Provision Operating Profit</b>	<b>894</b>	<b>492</b>	<b>417</b>
Provisions (other than tax and contingencies)	488	418	276
<b>Profit before tax</b>	<b>406</b>	<b>74</b>	<b>141</b>
Tax Provisions	104	19	36
<b>Profit After Tax</b>	<b>302</b>	<b>55</b>	<b>105</b>
Earnings Per Share Diluted	6.73	1.22	2.46

# Balance Sheet

Particulars (₹ Crs)	Dec-23	Mar-23	Mar-22	Mar-21
<b>CAPITAL AND LIABILITIES</b>				
Capital	515	449	449	449
Employee Stock Option Outstanding	6	6	5	-
Reserves and Surplus	1,967	1,260	957	903
Deposits	18,860	14,666	12,815	8,999
Borrowings	2,406	3,354	2,953	1,694
Other Liabilities and Provisions	546	489	528	293
<b>Total Capital and Liabilities</b>	<b>24,300</b>	<b>20,224</b>	<b>17,708</b>	<b>12,339</b>
<b>ASSETS</b>				
Cash and Balances with Reserve Bank of India	896	740	1,301	1,618
Balances with Banks and Money at Call and Short Notice	80	28	211	201
Investments	5,685	4,889	4,070	1,932
Advances	16,808	13,924	11,637	8,168
Fixed Assets	200	188	159	139
Other Assets	631	456	329	281
<b>Total Assets</b>	<b>24,300</b>	<b>20,224</b>	<b>17,708</b>	<b>12,339</b>



**2018**

- MSME Banking Excellence Awards **'Special Jury Award for Serving MSMEs'** by Chamber of Indian Micro Small & Medium Enterprises
- Finalist at the 9th European Microfinance Award **'Inclusive Finance through Technology'** and recognition for the Bank's range of back and front end digital solutions for staff and clients alike
- Recognition for implementing outstanding initiatives in the category **'Positive External Image Building'** by MFIN Microfinance Awards 2018: In Pursuit of Excellence
- Perform for Pride FY 2018-19 **'Best Performing Branch - Kattapana'** under the Atal Pension Yojana by PFRDA
- **'Banking & Finance Gold'** SKOCH Award for Financial Inclusion for All



**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 6<sup>th</sup> BFSI Conclave and awards on 12<sup>th</sup> October 2023
- **'Best Banking Initiative in Social Sector'** award at 4<sup>th</sup> Annual BFSI excellence award 2023 on Oct 2023



**COMPANY :**



**ESAF Small Finance Bank Limited**

Mr. Ranjith Raj P

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