

Ref No:07/SE/CS/FEB/2023-24

Date: February 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 NINE MONTHS ENDED DECEMBER 31, 2023

Further to our letter dated February 01, 2024 intimating about the Board meeting to consider Financial Results of the Bank for the quarter and nine months ended December 31, 2023 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 delivers consistent operating performance in Q3FY24

Thrissur, 8th February 2023: The Board of Directors of ESAF Small Finance Limited at its meeting, approved the financial results for the quarter ended December 31, 2023

Financial Performance(Q3 FY24):

Profit Metrics

- Net Interest Income (NII) grew 32.3% YoY to ₹ **597 Crore** compared to ₹ **451 Crore** in Q3FY23 as the Net Interest Margin (NIM) for Q3FY24 stood at 10.6%
- Pre-provisioning operating profit (PPoP) for Q3FY24 grew 20.5% YoY to ₹ **288 Crore** compared to ₹ **239 Crore** in Q3FY23
- Profit After Tax at ₹ **112 Crore** in Q3FY24 grew 199.4% YoY compared to ₹ **37 Crore** in Q3FY23
- The Return on Asset (ROA) and Return on Equity (ROE) stood at 2.3% and 25.5% respectively.
- Cost of funds for the 9MFY24 was 7.3%, higher by 110 bps on account of increase in the deposit cost in line with the market trend.
- CRAR was 21.0% and Tier I at 18.9% as at end of December 2023.

Business

- Total business grew by 38.3% YoY to ₹ **37,009 Crore** in Q3FY24 as against ₹ **26,763 Crore** in Q3FY23.

Advances

- Gross advances grew by 36.7% YoY to ₹ **17,153 Crore** in Q3FY24 as against ₹ **12,544 Crore** in Q3FY23.
- Advances Under Management (AUM) for the quarter stood at ₹ **18,149 Crore**, up by 35.9% YoY. Of the AUM, Micro Loan and other contributes 72%, Retail Loans being 28%.
- Disbursements during Q3FY24 grew by 10.6% to ₹ **3,893 Crore** as against ₹ **3,521 Crore** in Q3FY23

Deposits

- The total deposits grew by 41.0% YoY to reach ₹ **18,860 Crore** in Q3FY24 compared to ₹ **13,412 Crore** in Q3FY23
- CASA deposits increased by 20.3% YoY to ₹ **3,562 Crore** compared to ₹ **2,960 Crore** in Q3FY23; CASA ratio stand at 18.9%.

Asset Quality

- Bank's asset quality stand (GNPA) at 4.2% in Q3FY24 vs 7.2% in Q3FY23.
- Net NPA stood at 2.2% of the Advances in Q3FY24
- Provision Coverage Ratio (PCR) stood 59.5%

Financial Performance(9MFY24):

Profit Metrics

- The Bank's Net Interest Income (NII) grew 33.0% YoY to ₹ **1,779 Crore** compared to ₹ **1,337 Crore** during 9MFY23.
- Net Interest Margin (NIM) for 9MFY24 stood at 10.9% compared to 9.9% in 9MFY23
- The Bank's pre-provisioning operating profit (PPoP) for 9MFY24 increased 30.0% YoY to ₹ **878 Crore** as compared to ₹ **675 Crore** in 9MFY23.
- The Profit After Tax for 9MFY24 increased by 90% YoY to ₹ **382 Crore** as compared to ₹ **201 Crore** in 9MFY23

Additional Updates

- The bank's distribution network stood at 731 branches and 600 ATMs across 262 Districts in 21 States and 2 Union Territories. In addition, we have 30 Business Correspondents and 917 Customer Service Centres.

Particulate (₹ Cr)	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q	9MFY24	9MFY23	Y-o-Y
Net Interest Income	597.0	451.4	32.3%	596.5	0.1%	1,778.9	1,337.4	33.0%
Net Total Income	716.9	532.3	34.7%	675.5	6.1%	2,070.9	1,531.3	35.2%
Operating Expense	429.3	293.2	46.4%	385.8	11.3%	1,192.9	856.1	39.3%
Pre-Provision Operating Profit	287.7	239.1	20.3%	289.7	-0.7%	878.0	675.2	30.0%
Profit before tax	149.8	51.0	193.7%	188.3	-20.4%	511.9	269.8	89.7%
Profit After Tax	112.1	37.4	199.8%	140.1	-20.0%	382.2	201.0	90.2%

Commenting on the performance, **Mr. Kadambelil Paul Thomas MD & CEO, ESAF Small Finance Bank Ltd.** said, *"The growth in the bank's business numbers has been satisfactory. We are particularly pleased to note a year-on-year (YoY) growth of 38% in our business numbers. Keeping this positive trend in mind, the bank is strategically reinforcing its efforts to ensure continued success. Through improved supervisory oversight at the field level, we aim to proactively manage potential challenges and further optimize our operational efficiency. With these initiatives underway, we are confident in achieving better performance in the coming quarters."*

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.181 billion and Deposits of INR Rs.188 billion.

ESAF SFB has Set up extensive network of 731 banking outlets 917 customer service centres, 30 business correspondents, 4003 banking agents, 723 business facilitators and 600 ATMs spread across 21 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
	
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