

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

Date: November 14, 2024

To,

<b>Listing Department</b> <b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers,</b> <b>Dalal Street, Mumbai – 400001</b>	<b>Listing &amp; Compliance Department</b> <b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, 5<sup>th</sup> Floor</b> <b>Plot No. C/1, “G” Block</b> <b>Bandra- Kurla Complex</b> <b>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 AND HALF YEAR ENDED SEPTEMBER 30, 2024**

Pursuant to Regulation 30 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 on the business and financial performance of the Bank for the quarter and half year ended September 30, 2024.

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 | November 2024

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

# Company Overview



# Company Overview

- ESAF Small Finance Bank Limited commenced its operation on 10th March 2017 & became Scheduled commercial bank on December 2018.
- Mr. Kadambelil Paul Thomas, and ESAF Financial Holdings Private Limited promoted the Bank.

Total Business  
(Total Loan Book\* + Deposits)  
**₹ 40,829 crs**

Total Loan Book  
**₹ 19,216 crs**

Deposit  
**₹ 21,613 crs**

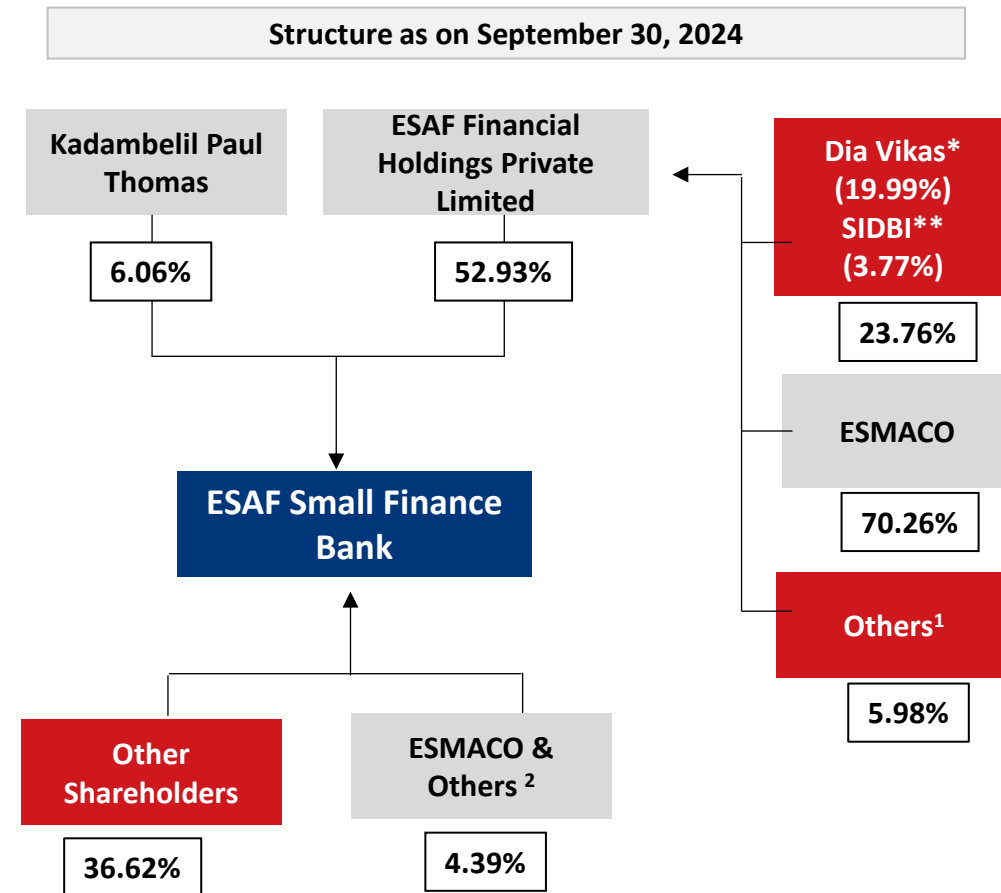
## Vision

"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 September 30, 2024



Grey box: Promoter/ Promoter Group entities

















Red box: Public shareholders

<sup>1</sup>Other Shareholders include ESAF Staff Welfare Trust, Cedar Retail Pvt Ltd. and 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

<p><b>Operational</b></p>	 <p><b>24 States and 2 UTs</b> <b>8,834</b> Total Customer Touch Points</p>	 <p><b>756</b> Banking Outlets <b>646</b> ATMs</p>	 <p><b>Other Touch Points</b> <b>1,097</b> Customer Service Centers <b>5,765</b> Banking Agents <b>570</b> Business Facilitators</p>	 <p><b>89.4 lakh</b> Total Customers <b>12,782</b> Employees <b>35</b> Institutional Business Correspondents</p>
<p><b>Advance Profile</b></p>	 <p><b>Total Loan Book:</b> ₹ 19,216 cr Micro Loans: 62% Retail &amp; Other Loans: 38%</p>	 <p><b>Total Loan Book Growth (YoY)</b> Sep-24: 9.9% FY24: 20.4%</p>	 <p><b>Asset Quality</b> GNPA: 6.9% NNPA: 2.9%</p>	 <p><b>Yield on Advances</b> Sep-24 : 19.9% FY24: 20.9%</p>
<p><b>Deposit Profile</b></p>	 <p><b>Deposits:</b> ₹ 21,613 cr</p>	 <p><b>Deposits Growth (YoY)</b> Sep-24 : 24.1% FY24: 35.5%</p>	 <p><b>CASA (% of total deposits)</b> Sep-24 : 24.6% (CA: 1.4%, SA: 23.3%) FY24: 22.7% (CA: 1.7%, SA: 21.0%)</p>	 <p><b>Cost of Deposits</b> Sep-24 : 7.4% FY24: 7.2%</p>
<p><b>Financials</b></p>	 <p><b>Profit/(Loss) After Tax:</b> Sep-24 : ₹ (127.3) cr FY24: ₹ 426 cr</p>	 <p><b>Shareholders' Funds:</b> ₹ 2,333 cr <b>CRAR:</b> 23.2% (Tier I: 19.6%)</p>	 <p><b>NIM:</b> Sep-24 : 9.1% FY24: 10.7%</p>	 <p>Sep-24 / FY24 <b>ROA:</b> (0.9%) / 1.9% <b>ROE:</b> (10.3%) / 20.3%</p>

# Enhancing Risk Management

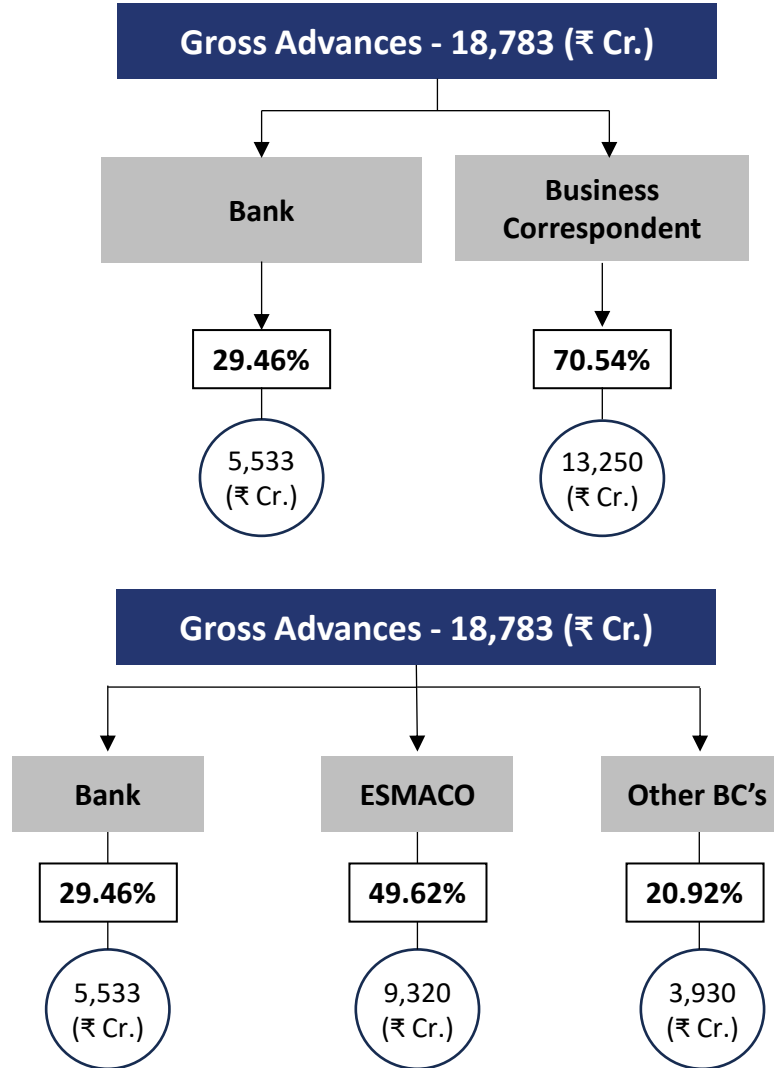
Board of Directors of ESAF Small Finance Bank Limited (“the Bank”) at its meeting held on June 14, 2024, has taken a strategic decision to reduce concentration on individual business correspondents. As a result, it was decided to discontinue certain specific part of the existing scope of business correspondent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

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

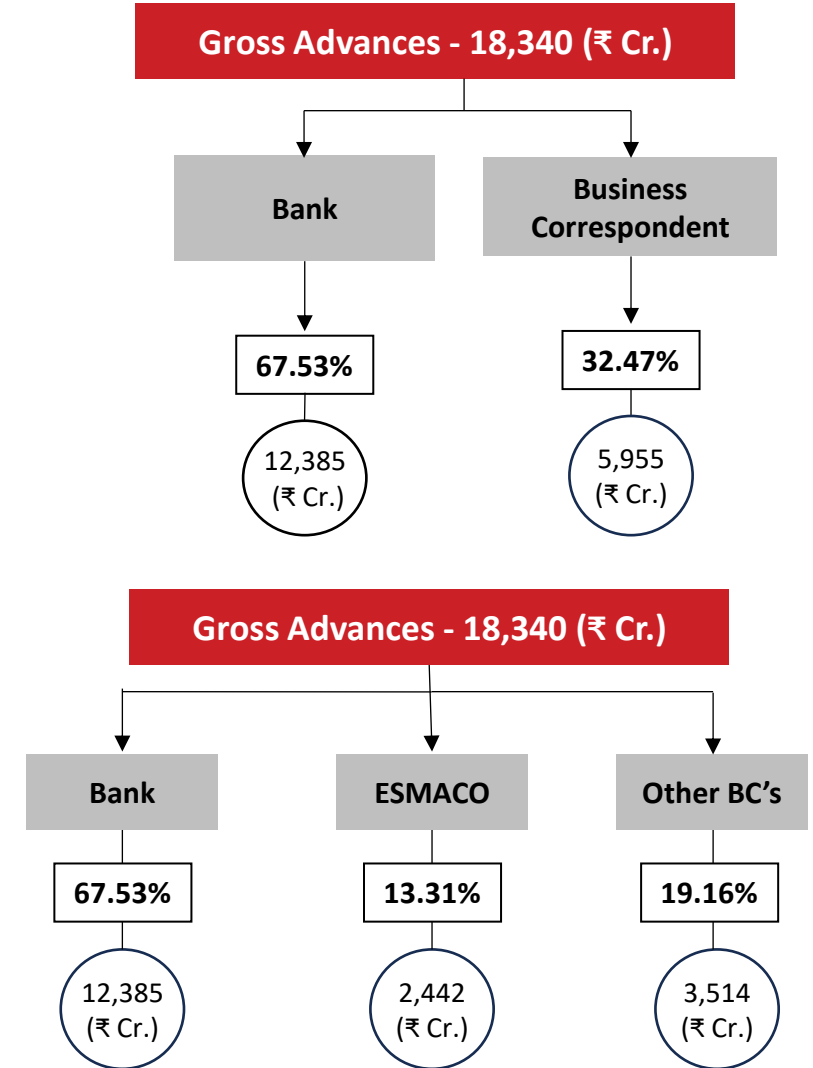
The discontinuation of the specific part of the scope of business correspondent services of ESMACO was effective from end of business hours on June 30, 2024.

The Bank absorbed 5,109 employees as a part of transition.

**Pre -Transition - Business Distribution (EOD 30<sup>th</sup> June 2024)**



**Post-Transition - Business Distribution (as on 30<sup>th</sup> Sep 2024)**







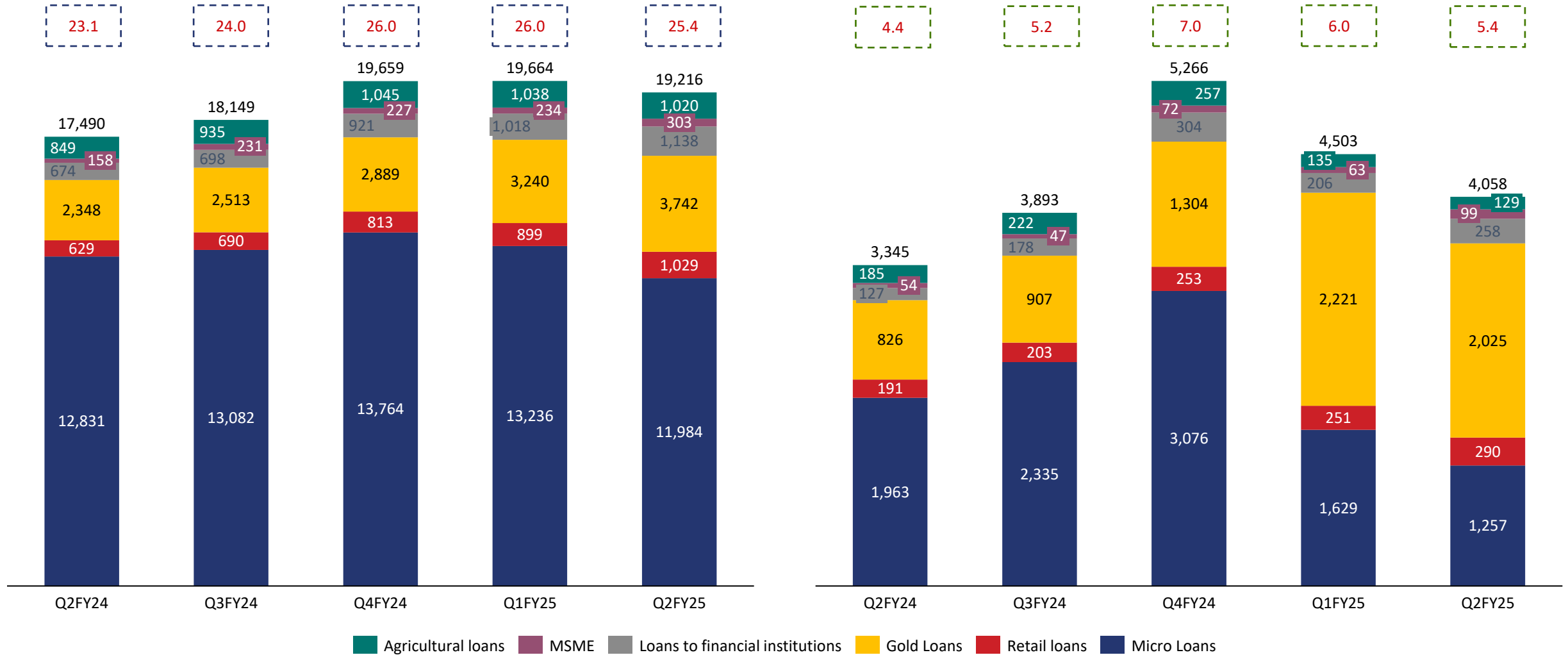
**Financial Performance**

The background features a large, abstract geometric design. It consists of several overlapping shapes in a dark blue and a bright red color. The shapes are angular and create a sense of depth and movement, with some areas appearing to be layered on top of others. The overall composition is modern and dynamic.

# Total Loan Book & Disbursement Mix

**Total Loan Book Mix (₹ Crs)**

**Disbursements Mix (₹ Crs)**

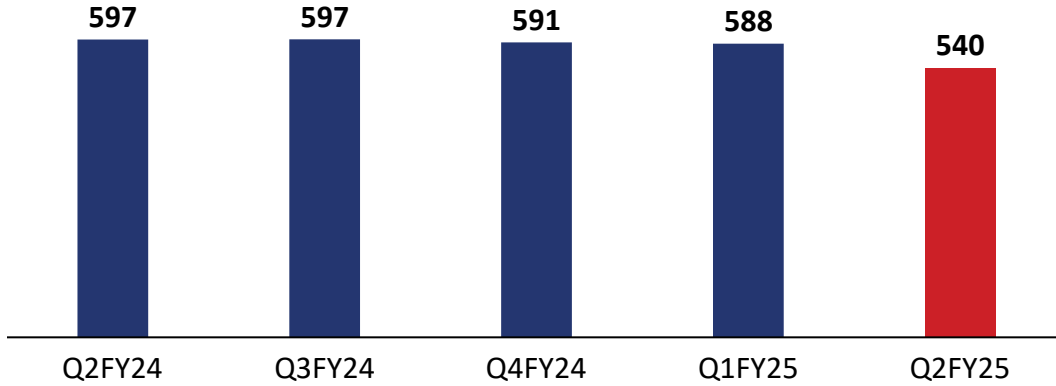


☐ Total Loan Book per Banking outlet (₹ Crs)

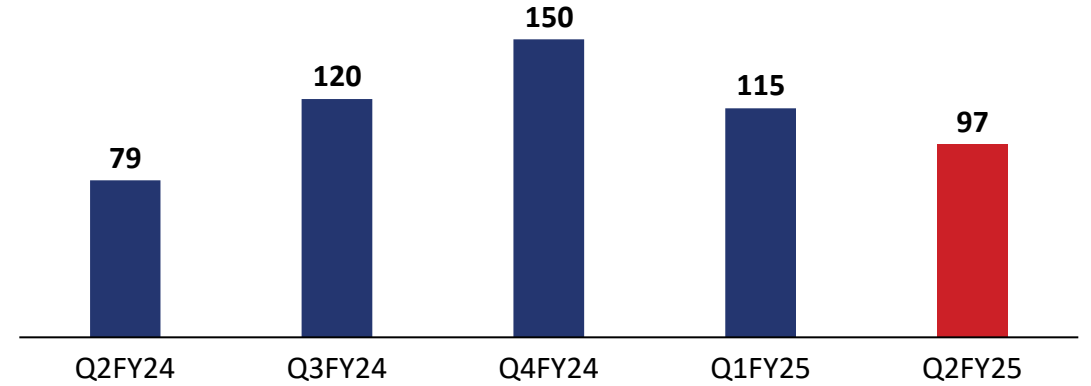
☐ Disbursements per Banking outlet (₹ Crs)

# Key Profitability Metrics

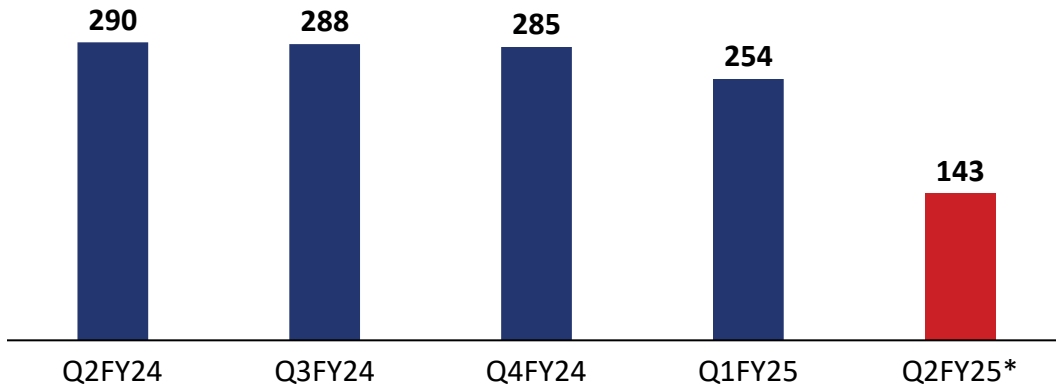
### Net Interest Income (₹ Crs)



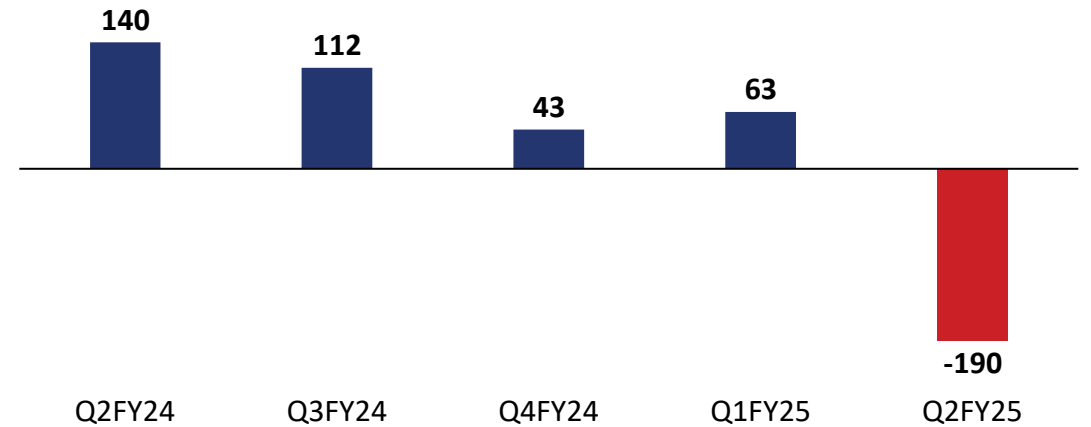
### Non-Interest Income (₹ Crs)



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



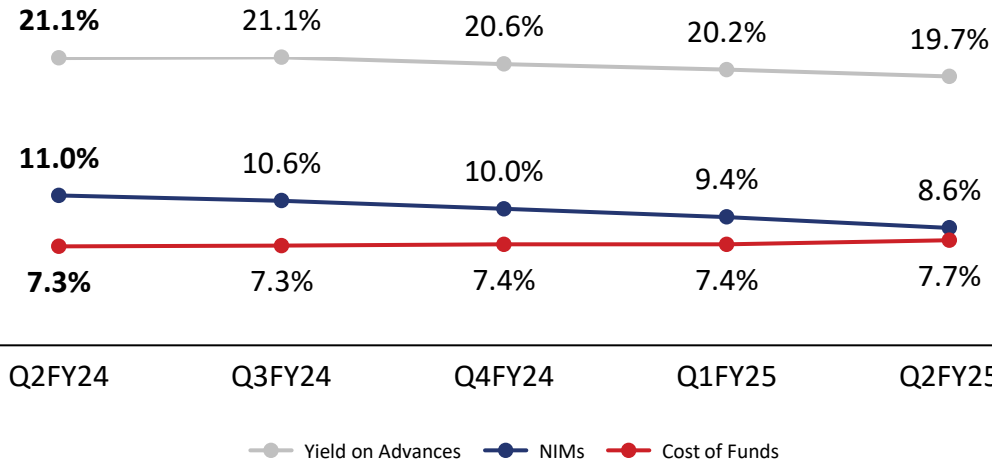
### Profit /Loss After Tax (₹ Crs)



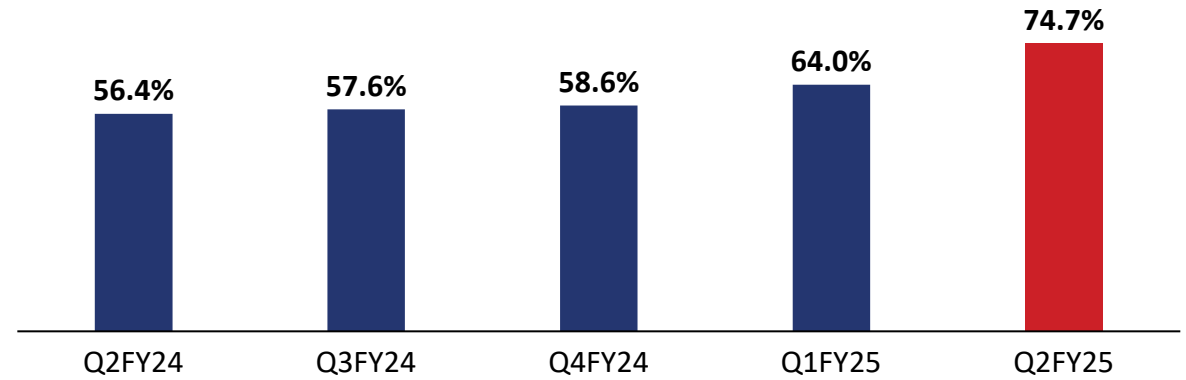
\*Before considering exceptional item of ₹ 58 crores

# Key Profitability Ratios

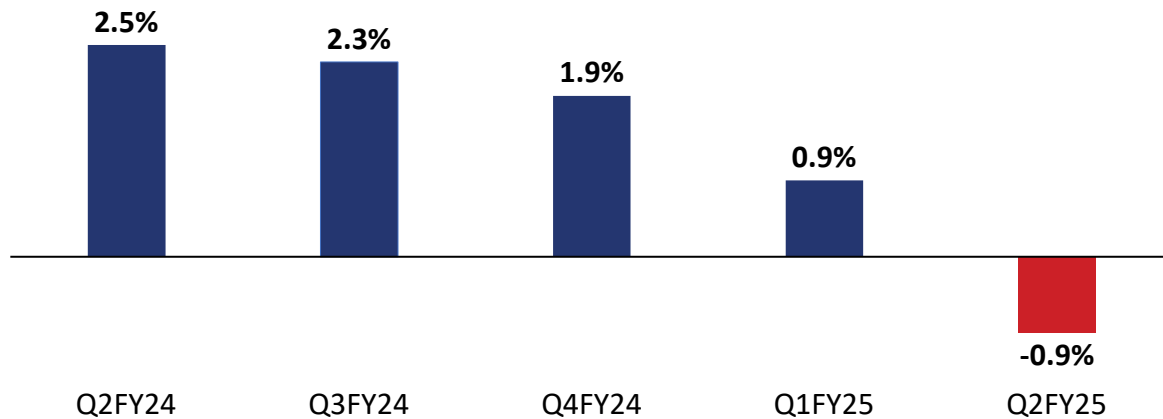
### Margins\* (%)



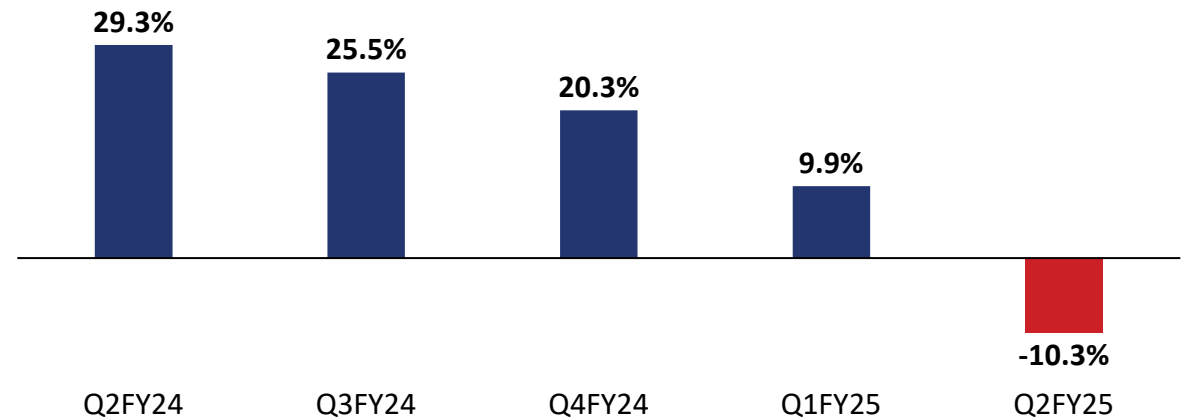
### Cost to Income (%)



### ROA\* (%)

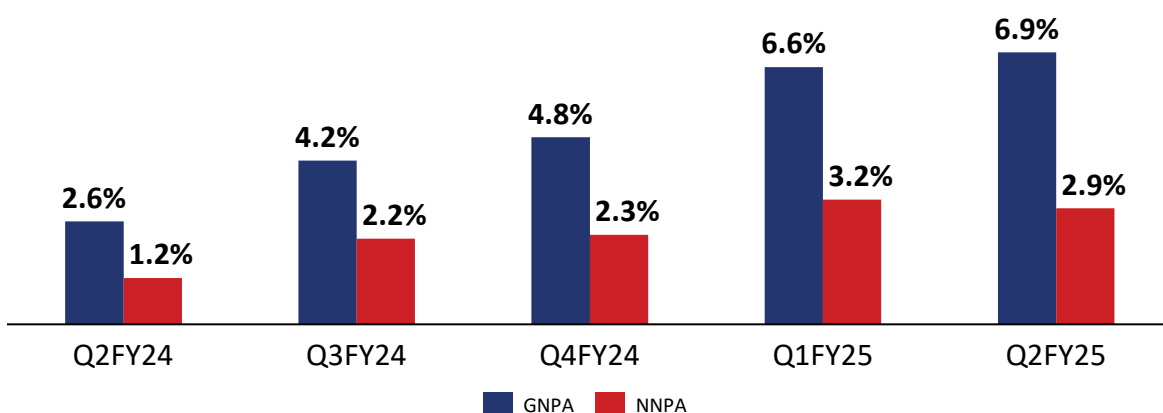


### ROE\* (%)

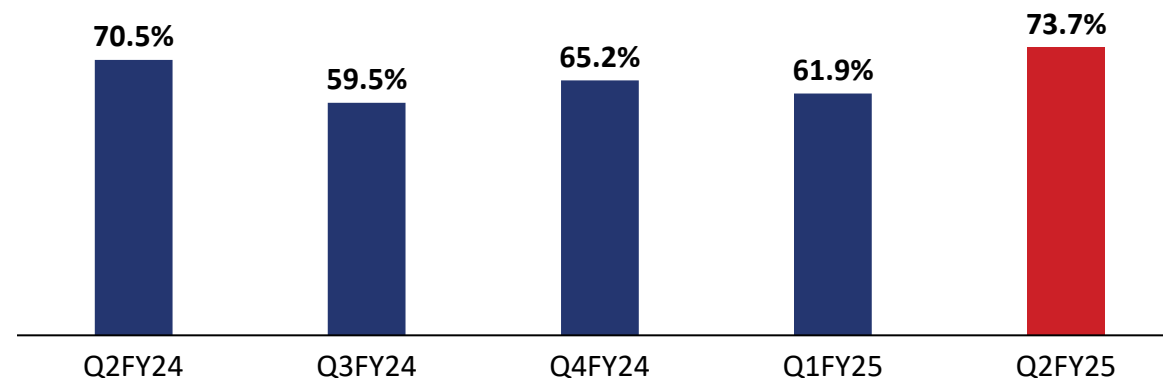


\*Annualized & Cumulative

## GNPA & NNPA (%)



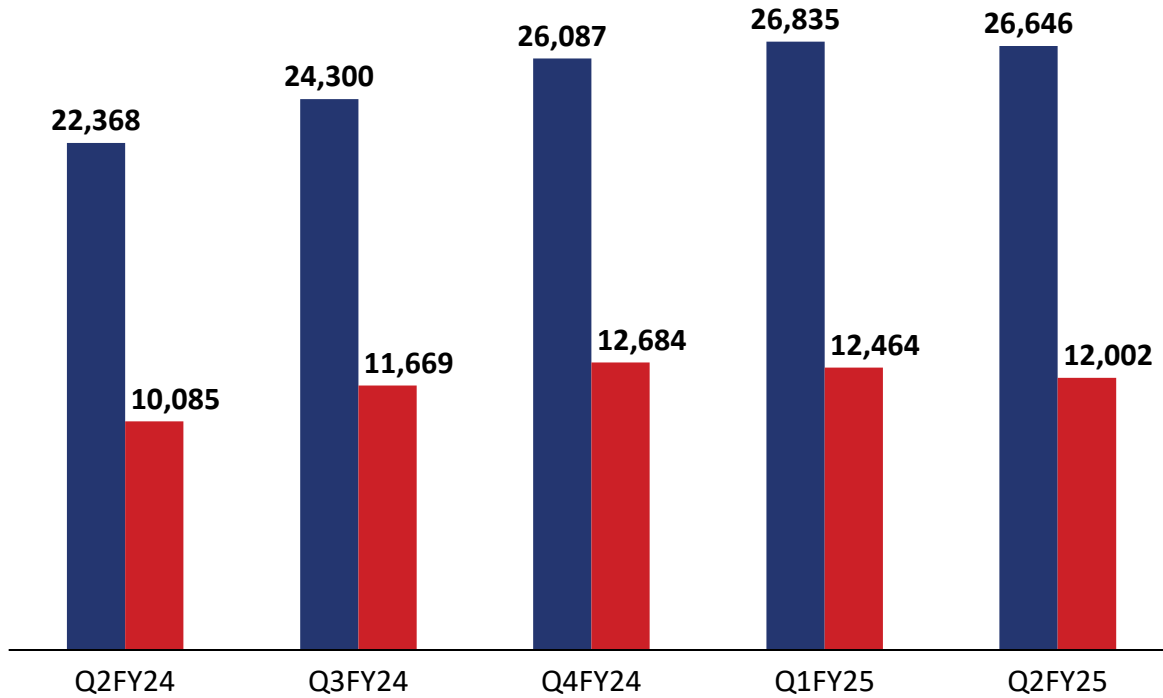
## PCR (%)



## NPA Movement (₹ Crs)

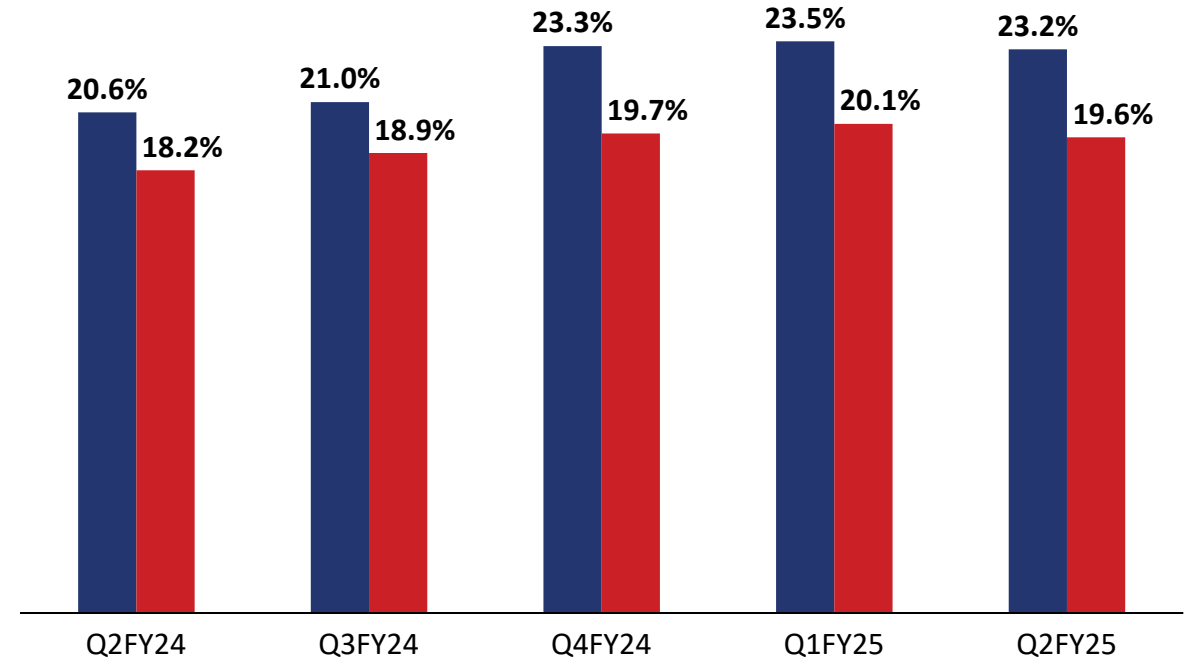
Description	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Opening balance of Gross NPAs at the beginning of the period/year	237.6	399.1	713.2	893.0	1,242.1
Additions during the period/year	186.0	335.4	327.6	390.4	517.2
Less: Reductions during the period/year on account of recovery	6.5	7.8	14.2	18.2	24.1
Less: Reductions during the period/year on account of upgradations	18.0	13.6	28.2	23.1	26.1
Less: Reductions during the period/year on account of write offs (including technical write-offs)	0.0	0.0	105.4	0.0	429.8
Less: Reductions during the period/year on account of sale of NPAs to an asset reconstruction company	0.0	0.0	0.0	0.0	0.0
<b>Gross NPAs at the end of period/year</b>	<b>399.1</b>	<b>713.2</b>	<b>893.0</b>	<b>1,242.1</b>	<b>1,279.3</b>

Total Assets & Risk Weighted Assets (₹ Crs)



■ Total Assets ■ Risk Weighted Assets

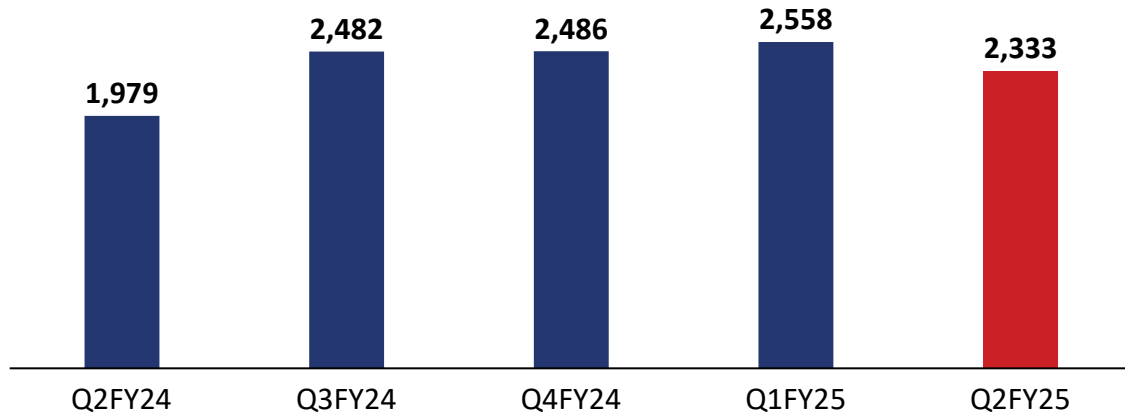
Capital Adequacy (%)



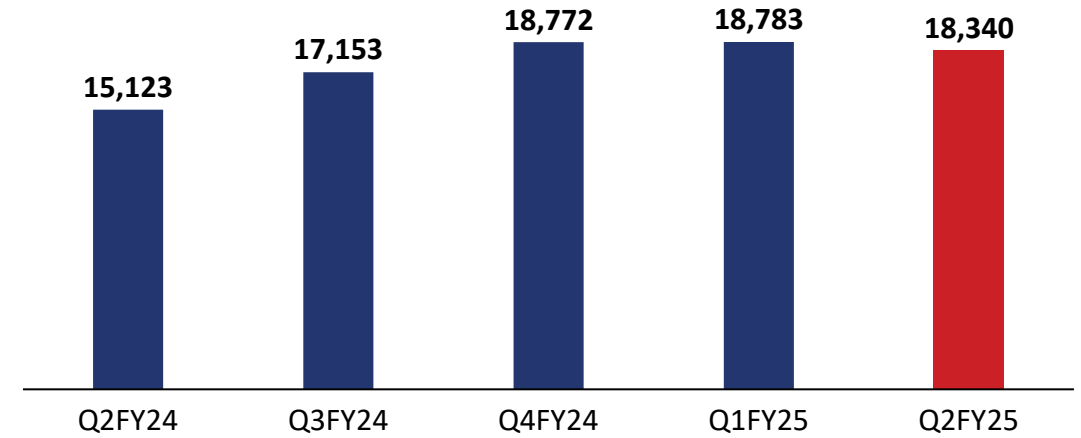
■ CRAR ■ Tier 1

# Key Balance Sheet Metrics

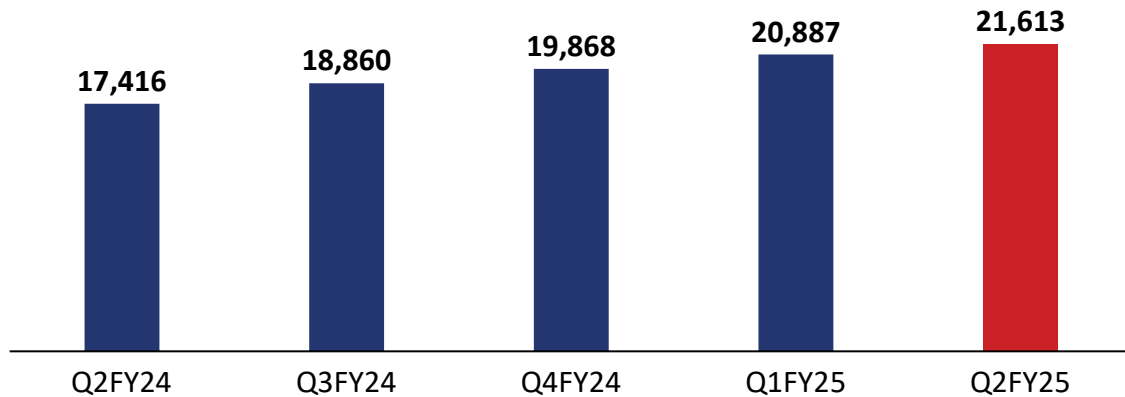
Shareholders Funds (₹ Crs)



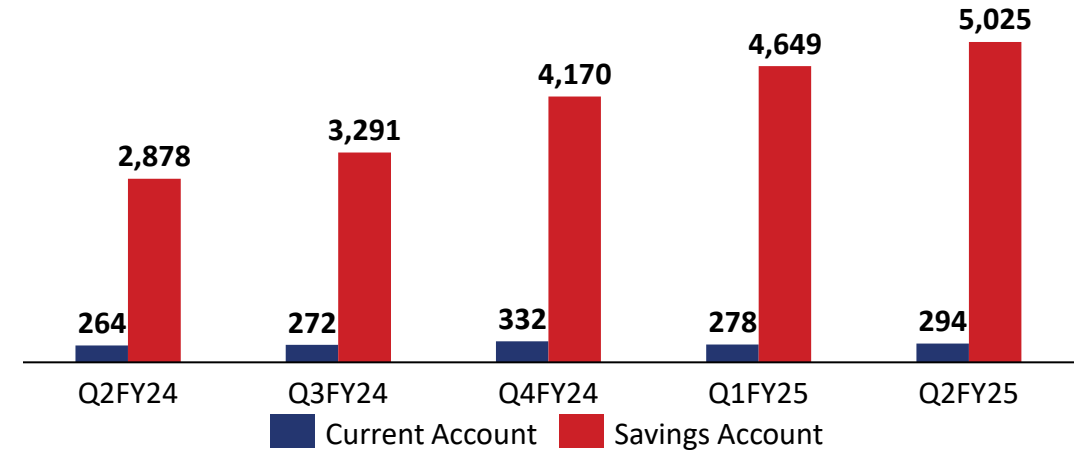
Gross Advances (₹ Crs)



Total Deposits (₹ Crs)



CASA Deposits (₹ Crs)



■ Current Account ■ Savings Account

## Key Strengths





# Key Strengths

Multi-Nodal Delivery Channels

Strong Rural And Semi-Urban  
Banking Franchise

Continued focus on Loan  
Diversification

Robust Funding Profile and  
Healthy Capital Adequacy

Technology Driven Model With  
An Advanced Digital Technology  
Platform Centric Approach

Customer Centric Approach

Competitive Product Lineup

Prudent Risk Management

Experienced Management  
Team and Professional Board

Large, Loyal, and Consistently  
Growing Customer Base

Deep Understanding of  
Business Correspondent Model

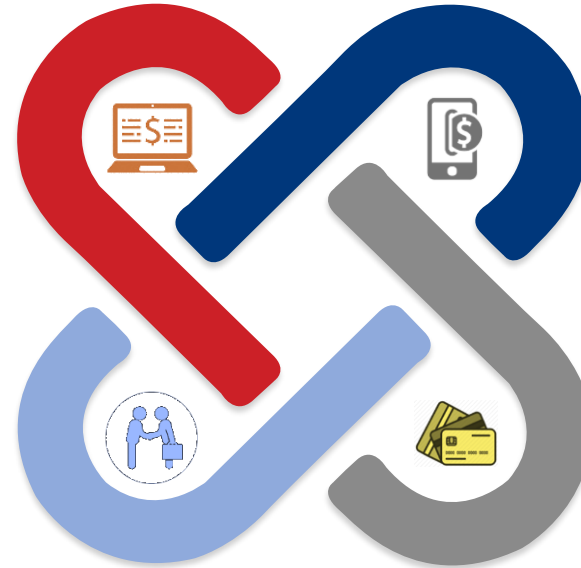
- Multiple channels for servicing the customers in an efficient manner
- BC network allows dual advantage
  - Better understanding of customer requirements
  - Constant engagement with micro loan customers to have door-step banking without any hassle
- Digital channels viz. internet banking and mobile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

## Banking Outlets

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

## Institutional Business Correspondents (BCs)

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



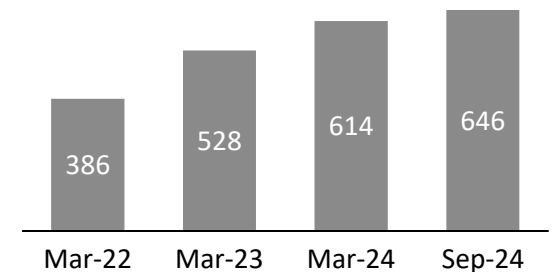
## Digital Banking

- 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

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

### ATM count

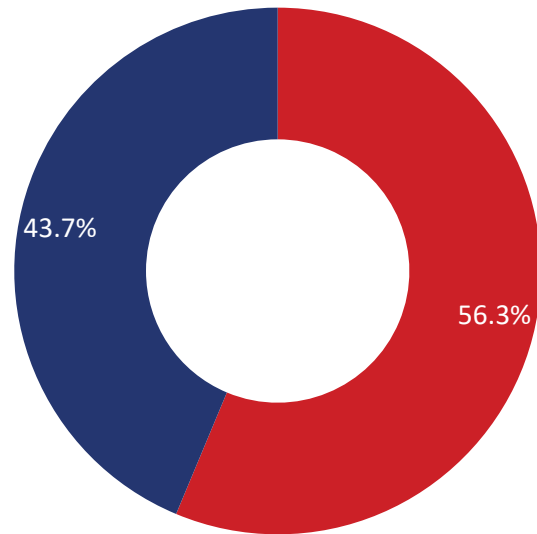


# Strong Rural And Semi-Urban Banking Franchise

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

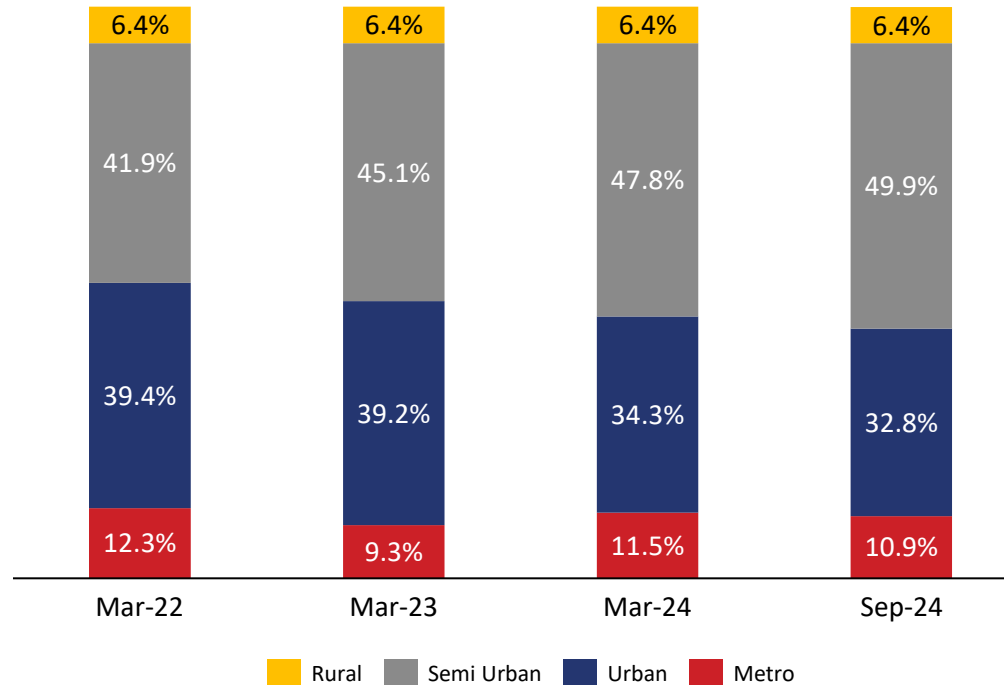
## Majority of advances in rural & semi-urban regions

As of Sep-24 (% of Gross Advances)



■ Rural & Semi-Urban 
 ■ Urban & Metropolitan

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



## Footprint in Rural & Semi-urban

**53%**

Customers in rural and semi-urban areas

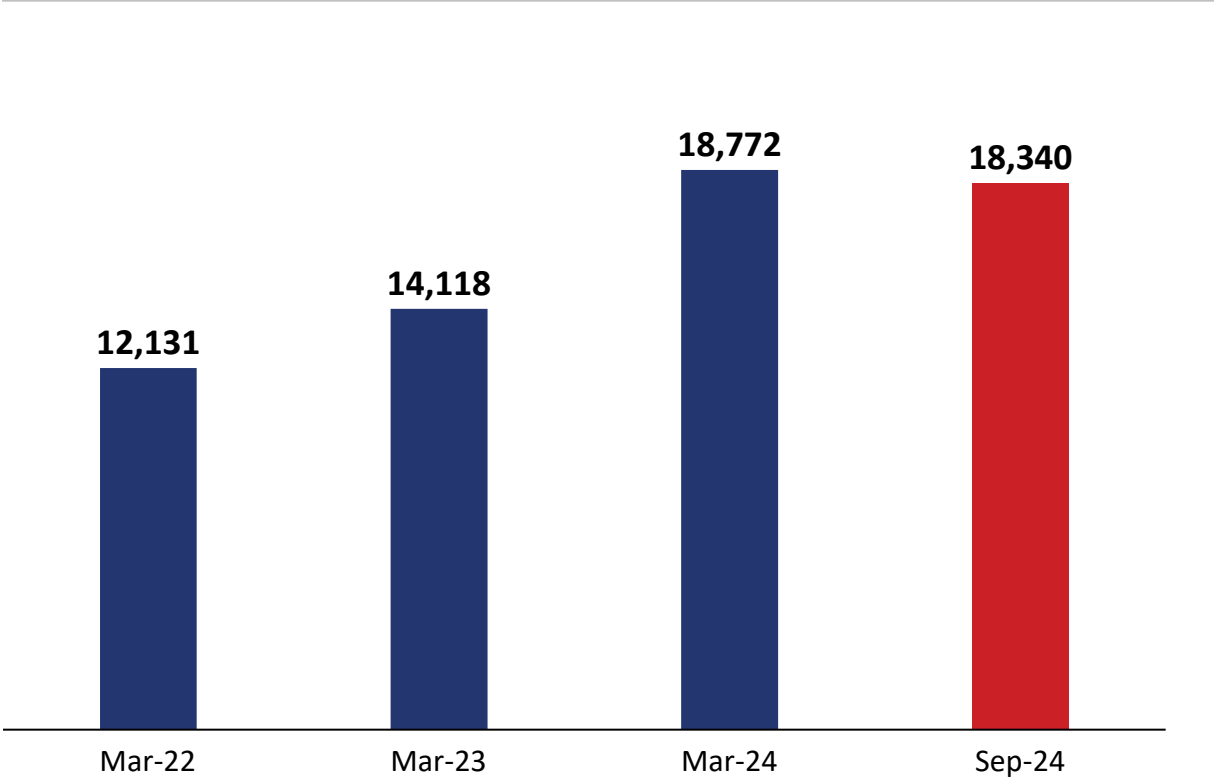
**70%**

Banking outlets in rural and semi-urban areas

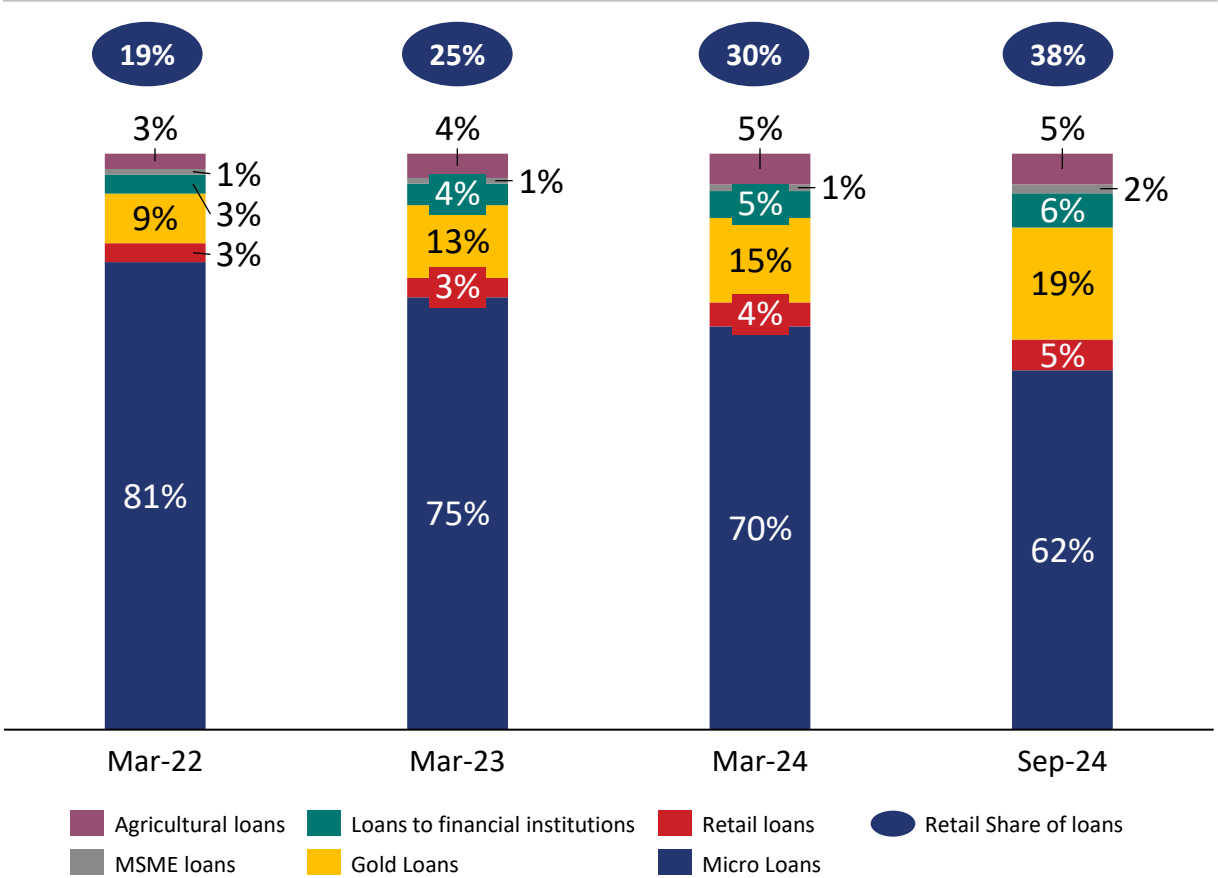
# Continued focus on Loan Diversification

As of September 30, 2024, ESAF SFB had over 55.6 lakh customers with Micro Loans, the majority of whom were women

Growth in Gross Advances (₹ Crs)

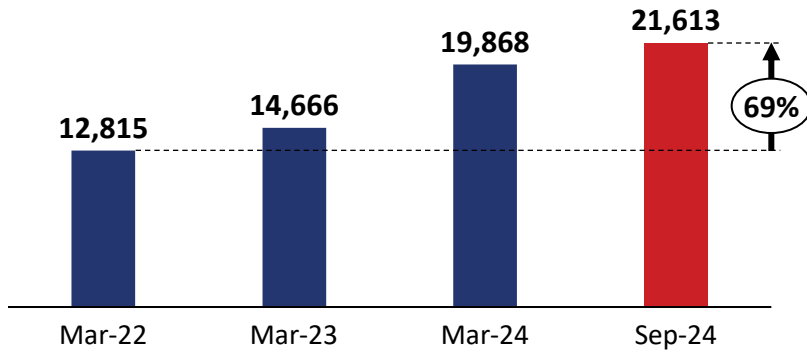


Continued focus on Loan Diversification

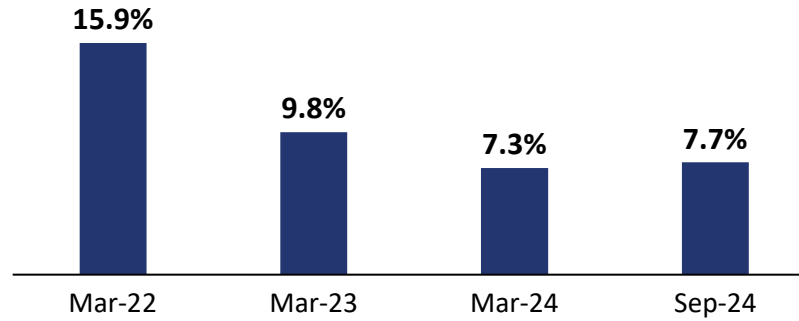


# Robust Funding Profile and Healthy Capital Adequacy

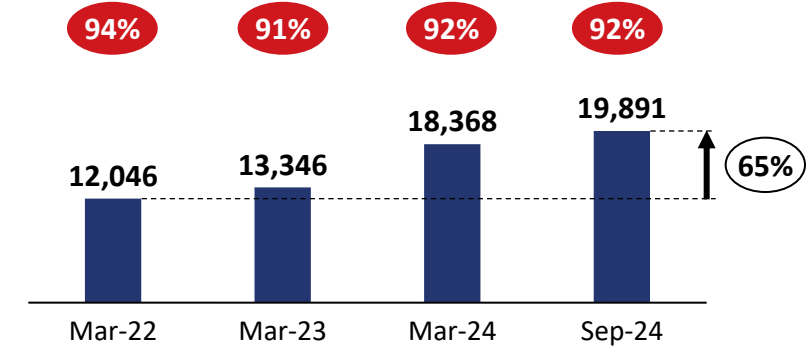
Deposits growth (₹ Crs)



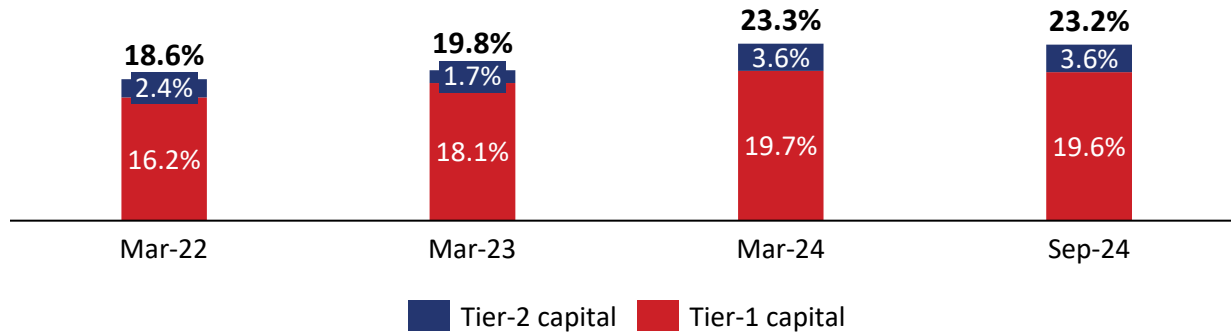
% deposits from top 20 largest depositors



Retail share of deposits (₹ Crs)

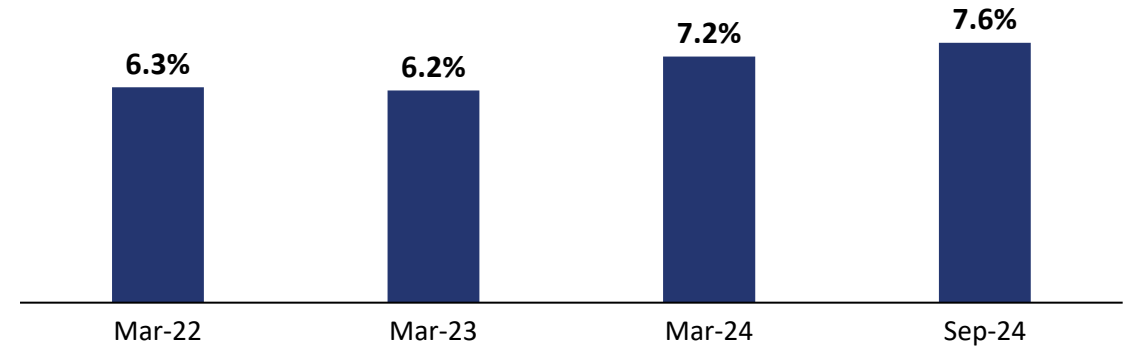


Capital Adequacy



■ Tier-2 capital ■ Tier-1 capital

Cost of Funds



# Technology Driven Model With An Advanced Digital Technology Platform

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

## DIGITAL MEASURES

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

## DIGITALISED CENTRAL CPU

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

## CUSTOMER SERVICING

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

## CASHLESS DISBURSEMENT

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

## REDUCED TAT

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

## E-SIGN

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

## Products to meet customers' life-cycle needs



Home loans



Agri-loans



Loan against property



Personal Loans



Vehicle Loans



Gold Loans



MSME



Micro Assets

## Customer service measures



### 24\*7 CALL CENTRE

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



### DOOR-STEP BANKING

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



### CUSTOMER SERVICE QUALITY DEPARTMENT

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



### COMMUNITY BUILDING PROGRAMME

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

# Competitive Product Lineup



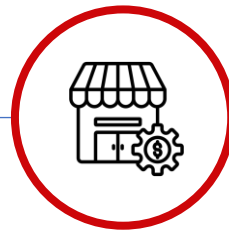
Agri-Lending



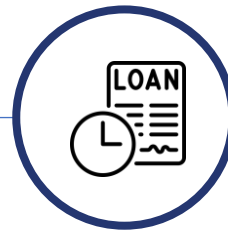
MSME



Micro Assets



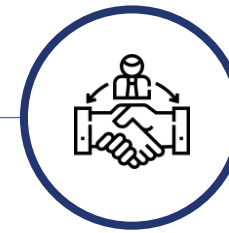
Retail Assets



FIBD



Retail Liability



Third Party Products



Other Services

## Loan & Advances

### Agri-Lending Products

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

### MSME

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

### Micro Assets

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

### Retail Assets

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

### FIBD

- ESAF NBFC
- ESAF FIBD

### Retail Liabilities

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

### Third Party Products

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

### Other Services

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



# High Quality Board At The Helm Of The Organization

## Ravimohan Periyakavil Ramakrishnan

Part time Chairman & Non-Executive Independent Director

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

## Kadambelil Paul Thomas

Managing Director and Chief Executive Officer

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

## George Kalaparambil John

Executive Director

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

## Biju Varkkey

Additional Non-Executive Independent Director

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

## Ms. Kolasseril Chandramohan Ranjani

Non-Executive Independent Director

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

# High Quality Board At The Helm Of The Organization

## Ravi Venkatraman Non-Executive Independent Director

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

## Thomas Jacob Kalappila Non-Executive Independent Director

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

## Vinod Vijayalekshmi Vasudevan Non-Executive Independent Director

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

## Joseph Vadakkekara Antony Non- Executive Director

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

## Ajayan Mangalath Gopalakrishnan Nair Non-Executive Nominee Director

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

## Gabriel John Samuel Non-Executive Nominee Director

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

# Experienced Management Team

Supported by a highly experienced team of qualified & experienced professionals

Name & Designation	Education	Prior Associations
<b>George Thomas</b> Executive Vice President – Human Resources	<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 - Credit	<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 - Assets	<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>Bosco Joseph</b> Executive Vice President- Micro Banking	<ul style="list-style-type: none"> <li>LLB with specialisation with Labour Laws</li> <li>PG Diploma in Personnel Management, Industrial relations and Health care Administration</li> </ul>	<ul style="list-style-type: none"> <li>General manager in the HR &amp; Administration department of ESAF Microfinance and Investments Pvt. Ltd.</li> <li>Chief Operating Officer in ESAF Health care services</li> </ul>
<b>Gireesh C.P.</b> Executive Vice President- Finance & 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>Sudev Kumar V</b> Executive Vice President – Branch Banking	<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>
<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>George Chacko Varghese</b> Chief Compliance Officer	<ul style="list-style-type: none"> <li>PGDBM (Finance&amp; Marketing) from Lal Bahadur Shastri Institute of Management, New Delhi</li> <li>Certified for Risk Management Professional for Financial Services (Level 1) from Indian Institute of Banking &amp;. Finance</li> </ul>	<ul style="list-style-type: none"> <li>Assistant Vice President (State Risk Head - Gujarat) in Fullerton India Credit Company Ltd</li> <li>Regional Credit Manager ICICI Bank - Gujarat and MP</li> </ul>
<b>M C Paul</b> Head Vigilance and Chief Vigilance Officer	<ul style="list-style-type: none"> <li>Master's degree in Commerce from M G University</li> </ul>	<ul style="list-style-type: none"> <li>Head Vigilance at CSB</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>

## 1 Increase Deposits

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

## 2 Increase Advances

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

## 3 Deeper Penetration

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

## 4 Increase Fee Income

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

## 5 Leverage Technology And Customer Data Analytics

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

## 6 Focus on Recovery

- Focus on asset quality improvement by way of use of data analysis, Specialized work force, rationalising ticket size to afford instalments in fresh lending, increasing the customer engagement activities etc.

# Annexures



# Journey So Far

## 2024

- Operationalisation of Authorised Dealer Category 1 Licence (Foreign Exchange operations)
- Tied up with Edelweiss Life Insurance to broaden the range of insurance products
- Entered into a corporate agency partnership with Care Health Insurance Company to provide health coverage to the eligible customer base
- Launch of Bank Credit Card

## 2022

- Bestowed with the Prestigious Rising Brand of Asia Award
- Presented with the Synnex-Small Finance Bank of the Year Award
- Won the Inclusive Finance India Award 2022

## 2020

- Crossed ` 100,000 million in business
- Honoured with the Energy & Environment Foundation
- Global Sustainability Award 2020
- Crossed 500 retail banking outlets

## 2018

- Selected by the Government of India for the Atal Pension Yojana
- Launched 100 new retail banking outlets in a year
- Became a member of the Global Alliance for banking on values (GABV)
- Received 'Scheduled Bank' Status
- Granted approval by the RBI for NRI operations
- Became one of the finalist at the prestigious European Microfinance Award
- Awarded the PFRDA Award

## 2016

Received the licence to commence banking operations from the RBI

## 2021

- Received the Great Place to Work certification

## 2023

- Clinched the Excellence in Customer Service and Product Distribution Award
- Listed on BSE & NSE on 10th November 2023
- Received ESG Rating of 71/100 against the industry average of 59
- Tied up with Kotak Life Insurance to broaden the range of insurance products

## 2019

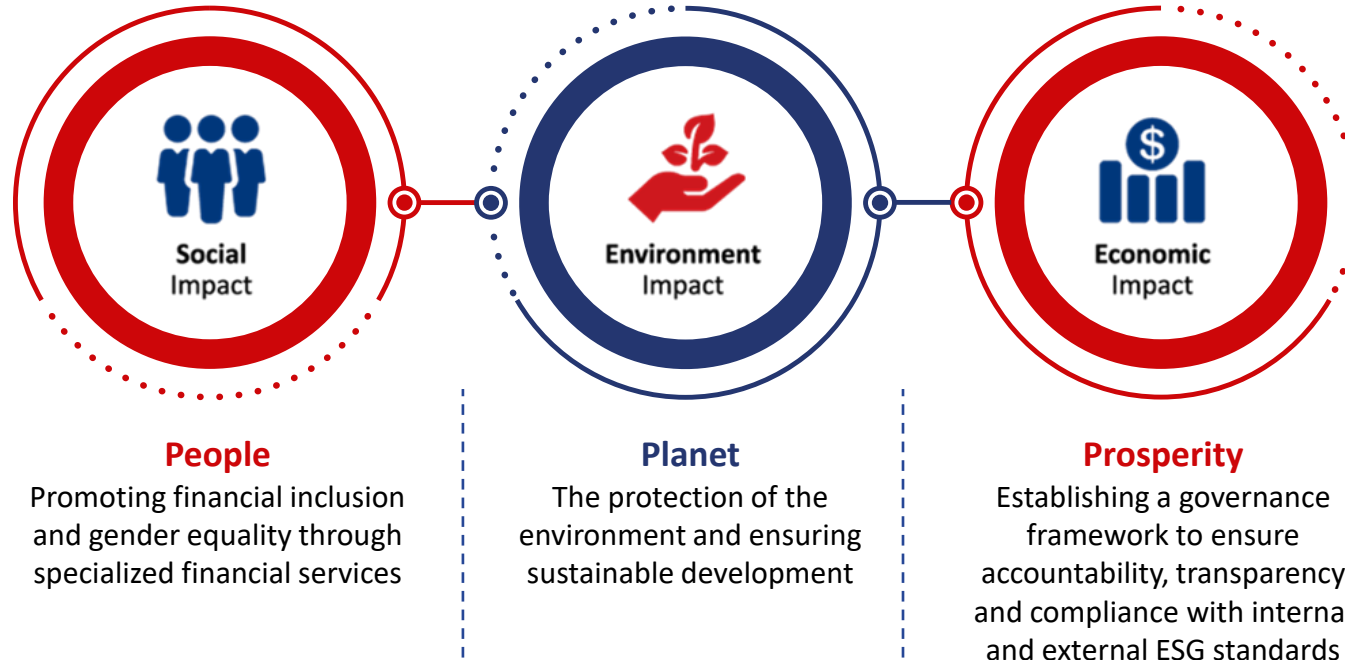
- Established 222 new retail banking outlets in a year
- Became the first runner-up of the ASSOCHAM Award 2019
- Received the SKOCH Award of Banking Gold for providing accessible and affordable banking services to financially underserved areas.
- Bagged the Economic Times Best BFSI Brand 2019 Award

## 2017

Commenced banking operations, becoming the first bank from Kerala since Independence

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

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



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



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



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

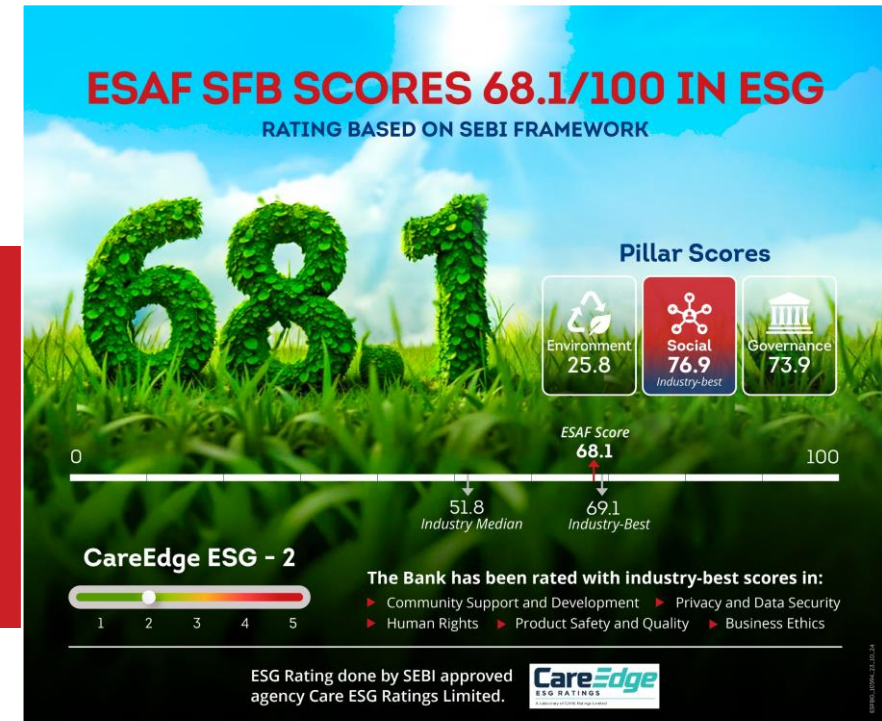
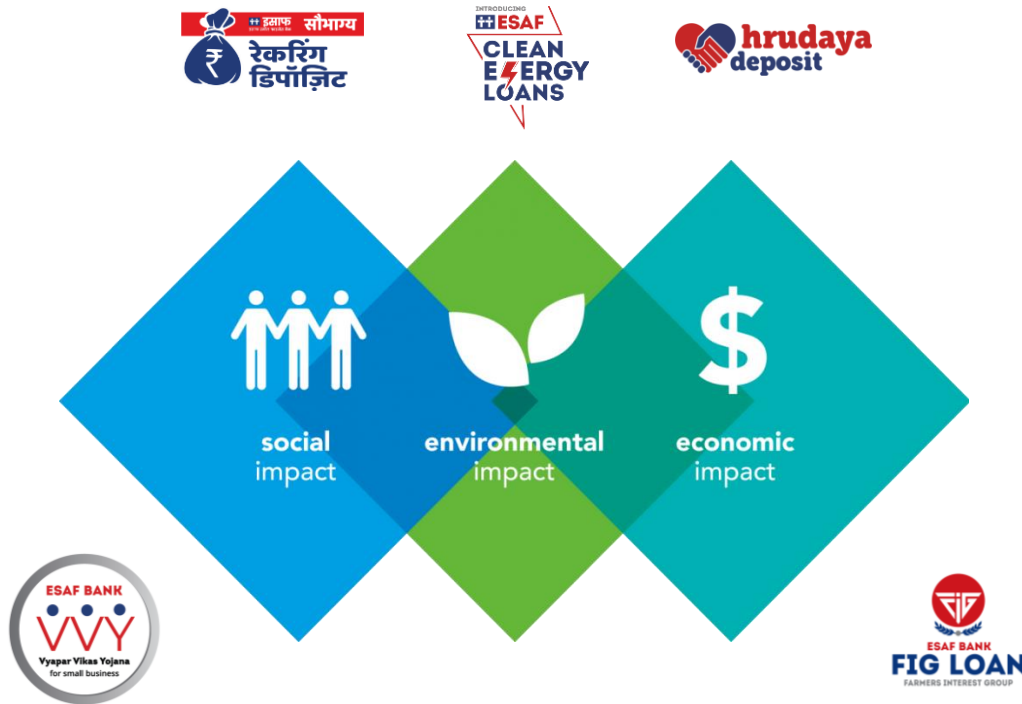
# Sustainability & ESG Performance – ESAF SFB’s social business strategy

Pursuant to the ESG policy, ESAF SFB is committed to

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

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

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





# Profit & Loss Statement – Q2 & H1FY25

Particulars (₹ Crs)	Q2FY25	Q2 FY24	Y-o-Y	Q1 FY25	Q-o-Q	H1FY25	H1FY24	Y-o-Y
Interest Income	996.38	943.35	5.6%	1,022.45	-2.5%	2,018.83	1,842.09	9.6%
Interest Expense	456.06	346.78	31.5%	434.10	5.1%	890.17	660.08	34.9%
<b>Net Interest Income</b>	<b>540.32</b>	<b>596.57</b>	<b>-9.4%</b>	<b>588.34</b>	<b>-8.2%</b>	<b>1,128.67</b>	<b>1,182.01</b>	<b>-4.5%</b>
Other Income	96.58	78.91	22.4%	115.27	-16.2%	211.85	171.92	23.2%
<b>Net Total Income</b>	<b>636.91</b>	<b>675.47</b>	<b>-5.7%</b>	<b>703.61</b>	<b>-9.5%</b>	<b>1,340.52</b>	<b>1,353.93</b>	<b>-1.0%</b>
Employee Benefits Expense	193.06	89.09	116.7%	103.48	86.6%	296.54	168.96	75.5%
Depreciation and Amortization Expense	14.65	12.29	19.2%	13.81	6.0%	28.46	24.56	15.9%
Other Expenses	286.16	284.44	0.6%	332.28	-13.9%	618.44	570.09	8.5%
<b>Operating Expense</b>	<b>493.87</b>	<b>385.82</b>	<b>28.0%</b>	<b>449.57</b>	<b>9.9%</b>	<b>943.44</b>	<b>763.61</b>	<b>23.6%</b>
<b>Pre-Provision Operating Profit</b>	<b>143.04</b>	<b>289.66</b>	<b>-50.6%</b>	<b>254.05</b>	<b>-43.7%</b>	<b>397.08</b>	<b>590.32</b>	<b>-32.7%</b>
Provisions	339.69	101.37	235.1%	169.12	100.9%	508.81	228.29	122.9%
<b>Exceptional Items</b>	58.00	-		-		58.00	-	
<b>Profit before tax</b>	<b>-254.65</b>	<b>289.66</b>	<b>-187.9%</b>	<b>254.05</b>	<b>-200.2%</b>	<b>-169.73</b>	<b>590.32</b>	<b>-128.8%</b>
Tax Provisions	-64.59	48.17	-234.1%	22.15	-391.5%	-42.43	91.95	-146.1%
<b>Profit After Tax</b>	<b>-190.06</b>	<b>241.48</b>	<b>-178.7%</b>	<b>231.89</b>	<b>-182.0%</b>	<b>-127.30</b>	<b>498.37</b>	<b>-125.5%</b>
Earnings Per Share Diluted	(3.69)	1.22		1.22		(2.47)	6.00	
<b>Breakup of Other Income</b>								
Loan Processing Fees	21.84	30.47	-28.3%	26.51	-17.6%	48.35	75.68	-36.1%
Profit on sale of investments (Net)	25.80	(1.29)	-2104.8%	9.91	160.2%	35.71	10.15	251.7%
Profit on revaluation of investments (Net)	3.05	(4.94)	-161.7%	0.33	816.7%	3.38	0.29	1084.8%
Recovery on written off loan	3.14	9.50	-66.9%	4.55	-30.9%	7.69	9.79	-21.4%
PSLC Income	-	7.18	-100.0%	31.41	-100.0%	31.41	16.18	94.1%
Account maintenance charge	3.56	2.58	38.1%	2.81	26.8%	6.37	4.17	52.8%
Third Party Product Income	17.85	5.14	247.6%	16.19	10.3%	34.05	12.87	164.6%
Other charges	21.34	30.27	-29.5%	23.55	-9.4%	44.88	42.80	4.9%
<b>Total</b>	<b>96.58</b>	<b>78.91</b>	<b>22.4%</b>	<b>115.27</b>	<b>-16.2%</b>	<b>211.85</b>	<b>171.92</b>	<b>23.2%</b>

# Profit & Loss Statement

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

# Balance Sheet

Particulars (₹ Crs)	Sep-24	Mar-24	Mar-23	Mar-22
<b>CAPITAL AND LIABILITIES</b>				
Capital	514.87	514.78	449.47	449.47
Employee Stock Option Outstanding	6.94	5.68	5.88	4.81
Reserves and Surplus	1,818.12	1,971.33	1,259.66	957.32
Deposits	21,613.50	19,867.80	14,665.63	12,815.07
Borrowings	2,141.13	3,222.53	3,354.20	2,952.83
Other Liabilities and Provisions	551.73	504.76	488.83	528.06
<b>Total Capital and Liabilities</b>	<b>26,646.29</b>	<b>26,086.88</b>	<b>20,223.66</b>	<b>17,707.56</b>
<b>ASSETS</b>				
Cash and Balances with Reserve Bank of India	1,115.94	1,364.65	739.55	1,300.67
Balances with Banks and Money at Call and Short Notice	1,222.55	58.28	27.50	211.24
Investments	5,715.58	5,541.02	4,888.53	4,070.30
Advances	17,585.62	18,293.11	13,924.33	11,637.01
Fixed Assets	218.40	207.55	187.93	159.48
Other Assets	788.20	622.27	455.82	328.88
<b>Total Assets</b>	<b>26,646.29</b>	<b>26,086.88</b>	<b>20,223.66</b>	<b>17,707.56</b>



**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



**2024**

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



**COMPANY :**



**ESAF Small Finance Bank Limited**

Mr. Ranjith Raj P

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