

Ref No: 20/SE/CS/JULY/2024-25



Date: July 26, 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: Disclosure under Regulations 30, 33, 51 and 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Financial Results for the Quarter ended June 30, 2024

In continuation to our intimation dated July 19, 2024, we hereby inform that further to the review by the Audit Committee, the Board of Directors of the Bank, in its meeting held on Friday, July 26, 2024, has, inter alia, considered and approved the Unaudited Standalone Financial Results of the Bank for the Quarter ended June 30, 2024 along with the Limited Review Report thereon issued by the Joint Statutory Auditors of the Bank, M/s. Abarna and Ananthan, Chartered Accountants and M/s. Kirtane and Pandit, Chartered Accountants.

Therefore, pursuant to Regulation 30, 33, 51 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith:

1. Unaudited Standalone Financial Results of the Bank for the Quarter ended June 30, 2024 along with the Limited Review Report thereon issued by the Joint Statutory Auditors of the Bank, M/s. Abarna and Ananthan, Chartered Accountants and M/s. Kirtane and Pandit, Chartered Accountants.
2. The Disclosure in accordance with Regulation 52(4) of SEBI (LODR) Regulations, 2015 for the quarter ended June 30, 2024.

The above announcements are also being made available on the website of the Bank at 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

ESAF SMALL FINANCE BANK LIMITED

RBI License No.: MUM 124, CIN: U65990KL2016PLC045669

Registered & Corporate Office: ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur - Palakkad National Highway, Thrissur - 680 651, Kerala.

Ph. No: 0487 7123456, 123457, Email: customercare@esafbank.com www.esafbank.com

Abarna & Ananthan

Chartered Accountants
521, 3rd Main Road, 2nd Phase,
6th Block, Banashankari 3rd Stage,
Bengaluru, Karnataka 560 085, India
Tel: +91 022 2444 4119
Fax: +91 022 2444 1147

Kirtane & Pandit LLP

Chartered Accountants
601,6th Floor
Earth Vintage Building,
Dadar West,
Mumbai 400 028, India,
Tel: +91 022 69328846 /47

Independent Joint Auditor's Review Report on the Quarterly Unaudited Financial Results of ESAF Small Finance Bank Limited pursuant to the Regulation 33 and 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Review Report to
The Board of Directors
ESAF Small Finance Bank Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **ESAF SMALL FINANCE BANK LIMITED** (the "Bank") for the quarter ended June 30, 2024 (the "Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), except for the disclosures relating to Pillar 3 disclosures as at June 30, 2024, including leverage ratio under Basel II Capital Regulations as have been disclosed on the Bank's website and have not been reviewed by us.
2. The Bank's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Accounting Standard 25 – Interim Financial Reporting ('AS 25') prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time (the 'RBI Guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Bank's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by RBI in respect of income recognition, asset classification, provisioning and other related matters.
5. The corresponding figures for the corresponding quarter ended June 30, 2023 were reviewed by one the joint auditor Abarna & Ananthan who expressed an unmodified conclusion. Accordingly, Kirtane & Pandit LLP, Chartered Accountants, do not express any conclusion on the comparative figures reported for the previous periods.

For **Abarna & Ananthan**
Chartered Accountants
(Firm Registration No. 000003S)



Abarna Bhaskar
Partner
Membership No. 025145
UDIN: 24025145BKBNIL4420
Place: Mannuthy
Date: July 26, 2024



For **Kirtane & Pandit LLP**
Chartered Accountants
(Firm Registration No.
105215W/W100057)



Sandeep Welling
Partner
Membership No. 044576
UDIN: 24044576BKAUGG6639
Place: Mannuthy
Date: July 26, 2024



Statement of unaudited financial results for the quarter ended 30 June 2024

Rs. In Lakh


Sl No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
		30 June 2024	31 March 2024	30 June 2023	31 March 2024
		Unaudited	Audited (Refer Note 10)	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	1,02,249	1,00,200	89,872	3,81,843
	a) Interest/discount on advances/bills	91,773	90,790	82,080	3,46,132
	b) Income on investments	9,285	9,371	7,780	35,295
	c) Interest on balances with Reserve Bank of India and other inter-bank funds	1,191	39	12	416
	d) others	-	-	-	-
2	Other Income	11,525	14,984	9,306	44,182
3	Total Income (1)+(2)	1,13,774	1,15,184	99,178	4,26,025
4	Interest expended	43,410	41,125	31,329	1,44,873
5	Operating Expenses (I)+(ii)	44,960	45,591	37,782	1,64,883
	i) Employees Cost	10,348	10,472	7,987	36,297
	ii) Other operating expenses	34,612	35,119	29,795	1,28,586
6	Total Expenditure (4)+(5)	88,370	86,716	69,111	3,09,756
	(excluding provisions & contingencies)				
7	Operating Profit before provisions and contingencies (3)-(6)	25,404	28,468	30,067	1,16,269
8	Provisions (other than tax) and contingencies	16,912	22,615	12,693	59,228
9	Exceptional items	-	-	-	-
10	Profit from ordinary activities before tax (7)-(8)-(9)	8,492	5,853	17,374	57,041
11	Tax expenses	2,215	1,518	4,378	14,484
12	Net profit from ordinary activities after tax (10)-(11)	6,277	4,335	12,996	42,557
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net Profit for the period/ year (12)-(13)	6,277	4,335	12,996	42,557
15	Paid up equity share capital (Face Value of Rs. 10/- each)	51,478	51,478	44,947	51,478
16	Reserves excluding revaluation reserves				1,97,133
17	Analytical Ratios and other disclosures				
	(i) Percentage of shares held by Government of India	-	-	-	-
	(ii) Capital Adequacy Ratio - Basel II (Refer Note 5)	23.46%	23.27%	20.56%	23.27%
	(iii) Earnings Per Share (EPS) [before and after extraordinary items, net of expenses] (Face value of Rs.10/- each) *				
	- Basic (Rs.)	1.22	0.91	2.89	8.96
	- Diluted (Rs.)	1.22	0.91	2.89	8.94
	(iv) NPA Ratio				
	(a) Gross NPA	1,24,211	89,304	23,761	89,304
	(b) Net NPA	58,379	41,379	11,561	41,379
	(c)% of Gross NPA to Gross Advances	6.61%	4.76%	1.65%	4.76%
	(d) % of Net NPA to Net Advances	3.22%	2.26%	0.81%	2.26%
	(v) Return on Assets *	0.24%	0.17%	0.62%	1.86%
	(vi) Networth #	2,55,840	2,48,611	1,83,909	2,48,611
	(vii) Outstanding redeemable preference shares	-	-	-	-
	(viii) Capital Redemption Reserve/ Debenture Redemption Reserve	-	-	-	-
	(ix) Debt - Equity Ratio **	0.76	0.83	1.31	0.83
	(x) Total debts ** to total assets	10.69%	12.35%	13.17%	12.35%

* Quarterly numbers are not annualised

#Networth represents sum of Capital and Reserves & Surplus

**Debt represents borrowings with residual maturity of more than one year. Total debt represents total borrowings. Equity represents sum of Capital and Reserves & Surplus

As per regulation 33 and regulation 52(4) of SEBI (Listing obligations & Disclosure Requirements) regulations, 2015 the equity and debt listed entities are required to disclose certain ratios. The ratios which are relevant to the Banking sector are disclosed above.

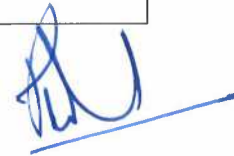




Notes:
1. Segment information in accordance with the RBI guidelines and Accounting Standard 17-"Segment Reporting"

SI No.	Particulars	Rs. In Lakh			
		Quarter ended 30 June 2024	Quarter ended 31 March 2024	Quarter ended 30 June 2023	Year ended 31 March 2024
		Unaudited	Audited (Refer Note 10)	Unaudited	Audited
1	Segment Revenue				
(a)	Retail	96,350	95,613	86,558	3,64,261
(b)	Wholesale	3,225	3,212	2,009	9,429
(c)	Treasury	11,502	11,025	8,968	39,906
(d)	Other Banking Operations	2,697	5,334	1,643	12,429
(e)	Less: Inter Segment Revenue	-	-	-	-
	Income from operations	1,13,774	1,15,184	99,178	4,26,025
2	Segment Results				
(a)	Retail	3,420	(3,853)	13,029	34,460
(b)	Wholesale	1,279	2,777	948	5,470
(c)	Treasury	1,291	1,802	1,838	5,298
(d)	Other Banking Operations	2,502	5,127	1,559	11,813
	Total Profit Before Tax	8,492	5,853	17,374	57,041
3	Segment Assets				
(a)	Retail	17,63,360	17,93,144	14,30,520	17,93,144
(b)	Wholesale	1,08,622	97,718	62,231	97,718
(c)	Treasury	7,84,999	6,90,503	5,64,039	6,90,503
(d)	Unallocated	26,482	27,323	22,714	27,323
	Total Assets	26,83,463	26,08,688	20,79,504	26,08,688
4	Segment Liabilities				
(a)	Retail	18,55,590	17,11,979	13,99,554	17,11,979
(b)	Wholesale	86,930	86,657	50,895	86,657
(c)	Treasury	4,32,746	5,10,397	4,03,923	5,10,397
(d)	Capital & Reserves	2,56,160	2,48,611	1,83,909	2,48,611
(e)	Unallocated	52,037	51,044	41,313	51,044
	Total Liabilities	26,83,463	26,08,688	20,79,594	26,08,688

Notes:

- i) The business of the Bank is confined within India and does not have any assets situated outside India or earnings from outside India. Accordingly, the Bank has reported operations in domestic segment only.
- ii) Income, expenses, assets and liabilities have been either specifically identified to individual segments or allocated to segments based on matching principle and the residual items are classified as unallocated.
- iii) Unallocated item includes Capital expenditure, deferred income tax assets/ liabilities and advance tax etc.
- iv) In computing the above information, certain estimates and assumptions have been made by the management and have been relied upon by the auditors.
- v) The RBI vide its Circular dated 7 April 2022 on establishments of Digital Banking Units (DBUs) has prescribed reporting of Digital Banking Segments as a sub segment of Retail Banking Segment (RBS). The Bank has not set up any DBU so far and hence DBU has not been disclosed as a separate segment as per Accounting Standard 17 (Segment Reporting).


2. The statement of unaudited financial results for the quarter ended 30 June 2024 ("Statement" or "financial results") have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 26 July 2024 in accordance with the requirement of Regulation 33 and Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Regulations") as amended. The results have been subjected to limited review by the Joint Statutory auditors and an unmodified opinion has been issued by them thereon. The comparative financial information of the Bank included in the Statement with respect to quarter ended 30 June 2023 have been reviewed by M/s. Deloitte Haskins & Sells and M/s. Abarina & Ananthan (one of the current Joint auditors), who had expressed an unmodified opinion.

3. The above financial results of the Bank has been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standard) Rules, as amended and applicable to the Banks, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended and guidelines issued by Reserve Bank of India (RBI).

4. The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended 31 March 2024, except as stated in note 9 below. Any circulars/ directions issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under those circulars/ directions.

5. The Capital Adequacy Ratio ("CRAR") has been computed as per the Operating guidelines in the RBI notification RBI/2016-17/81 DBR.NBD.NO.26/16.13.218/2016-17 dated 6 October 2016 ("the Operating guidelines") prescribed for Small Finance Bank. The Bank has followed Basel II standardised approach for credit risk in accordance with the Operating Guidelines issued by the RBI for Small Finance Banks. Further no separate capital charge for market risk and operational risk has been computed in view of the exception contained in RBI Notification DBR. NBD. NO. 4502/16.13.218/2017-18 dated 8 November 2017.

6. (i) During the quarter ended 30 June 2024, the bank has not acquired / transferred any "loans not in default" through assignment of loans.
(ii) During the quarter ended 30 June 2024, the bank has not acquired/ transferred any stressed loans (Non-performing Asset and Special Mention Account).

iii) Details of ratings of SRs outstanding as on 30 June 2024 are given below:

Ratings	Rating Agency	Recovery Rating	Rs.in Lakhs
			Gross Value of Outstanding SRs
RR2	Crisil	75% and upto 100%	6433.12*

* the same has been fully provided in the books of account.

7. The Bank is carrying an additional contingency provision on standard assets of Rs. 34.74 crore as on 30 June 2024 (Rs. 35.94 Crore as on 31 March 2024 and Rs. 16.33 Crore as on 30 June 2023).

8. Other income includes processing fee, profit/ loss on sale of investments (net off provision for depreciation), recovery from loans written off, income from dealing in PSLC, Collection Agency Fees from Asset Reconstruction Companies (ARC).

9. During the quarter ended 30 June 2024, the Bank implemented the RBI Master Direction - Classification, Valuation, and Operation of Investment Portfolio of Commercial Banks (Directions), 2023, dated 12 September 2023. This directive is applicable to banks from 1 April 2024. Consequent to the transition provisions, the Bank has recognised net gain of Rs. 951.73 lakhs (net of taxes) which has been credited to General Reserve as on 01 April 2024, on account of revision in the carrying value of investments to the fair value as on such date. The impact of the revised framework for the period subsequent to transition is not ascertainable, making the income/profit or loss from investments for the quarter ended 30 June 2024, incomparable with the previous period/year.

10. The figures for the quarter ended 31 March 2024 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year 2023-24.

11. Figures for the previous period/year have been reclassified/regrouped wherever necessary, to conform to the current period classification.

Place : Mannuthy
Date : 26 July 2024




Kadambelil Paul Thomas
Managing Director & CEO
DIN: 00199925





Annexure-1

Disclosure in compliance with Regulation 52(4) of SEBI (LODR) Regulations, 2015 for the quarter ended June 30, 2024.

		For the Quarter ended June 30, 2024	
1	Debt Equity Ratio**	0.76 ✓	
2	Debt Service Coverage Ratio	NA	
3	Interest Service Ratio	NA	
4	Outstanding Redeemable Preference Shares (Quantity and Value)	NA	
5	Capital Redemption Reserve/ Debenture Redemption Reserve	NA	
6	Networth # (Rs. In crore)	2,558.40 ✓	
7	Net Profit after Tax (Rs. In crore)	62.77 ✓	
8	Earnings Per Share	Basic (Rs)	1.22 ✓
		Diluted (Rs)	1.22 ✓
9	Current Ratio	NA	
10	Long Term Debt to Working Capital	NA	
11	Bad Debts to Account Receivable Ratio	NA	
12	Current Liability Ratio	NA	
13	Total Debts to Total Assets	10.69% ✓	
14	Debtors Turnover	NA	
15	Inventory Turnover Ratio	NA	
16	Operating Margin	NA	
17	Net Profit Margin	NA	

Note:

** Debt represents borrowings with residual maturity of more than one year. Total debt represents total borrowings.

Networth represents sum of Capital and Reserves & Surplus

For ESAF Small Finance Bank Limited


Gireesh CP
Executive Vice President- Finance & CFO



ESAF SMALL FINANCE BANK LIMITED

RBI License No.: MUM 124, CIN: U65990KL2016PLC045669

Registered & Corporate Office: ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thirissur - Palakkad National Highway, Thirissur - 680 651, Kerala.

Ph. No: 0487 7123456 Email: customercare@esafbank.com www.esafbank.com