

CTL/DEB/19-20/Noting Certificate/5958

November 05, 2019

To Whomsoever It May Concern,

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **ESAF Small Finance Bank Limited** (“**the Company**”) for the Half year ended September 30, 2019.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited



Authorised Signatory



Encl: Results submitted by Company

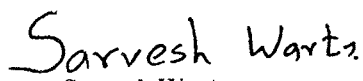


Independent Auditor's Report On Financial Results of ESAF Small Finance Bank Limited pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
ESAF Small Finance Bank Limited

1. We have audited the accompanying statement of financial results of ESAF Small Finance Bank Limited ('the Bank') for the six month period ended September 30, 2019 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 ('the Circular'). This Statement which is the responsibility of the Bank's management and has been approved by the Board of Directors of the Bank, has been prepared on the basis of the related interim financial statements, which are prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 (as amended) and the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India as applicable to banking companies, applicable requirements of the Banking Regulation Act, 1949 and the relevant requirements of the Regulation and the Circular. Our responsibility is to express an opinion on the Statement based on our audit.
2. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Statement is free of material misstatement(s).
3. An audit involves performing procedures to obtain sufficient audit evidences about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgement including the assessment of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - i. is presented in accordance with the requirements of the Regulation, read with the Circular, in this regard; and
 - ii. gives a true and fair view of the net profit and other financial information of the Bank for the six month period ended September 30, 2019

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004


per Sarvesh Warty
Partner
Membership No.: 121411
UDIN: 19121411AAAAKS2703
Place: Mannuthy
Date: November 5, 2019

ESAF SMALL FINANCE BANK LIMITED
 Building No.VII/83/8, ESAF Bhavan, Thrissur - Palakkad National Highway,
 Mannuthy, Thrissur, Kerala - 680651
 CIN : U65990KL2016PLC045669

Statement of audited financial results for the Six Month Period ended 30 September 2019

(Amount in Rs.)

Particulars	Six Month Period ended 30 September 2019	Six Month Period ended 30 September 2018	Year ended 31 March 2019
	Audited	Audited	Audited
I. INCOME			
Interest Earned	6,60,68,31,283	4,72,25,75,976	10,31,63,85,127
Other Income	68,19,23,250	60,67,09,544	1,09,15,05,571
Total	7,28,87,54,533	5,32,92,85,520	11,40,78,90,698
II. EXPENDITURE			
Interest expended	2,94,73,43,010	2,14,50,09,235	4,58,28,17,052
Operating Expenses	2,81,33,92,643	2,00,27,36,973	4,53,39,42,364
Provisions and Contingencies	60,36,19,799	94,09,46,947	1,38,82,92,961
Total	6,36,43,55,452	5,08,86,93,155	10,50,50,52,377
III. PROFIT			
Net Profit for the Period (I - II)	92,43,99,081	24,05,92,365	90,28,38,321
Analytical Ratios			
(i) Capital Adequacy Ratio	25.69%	27.95%	27.59%
(ii) Earnings Per Share (EPS) (Face value of Rs.10 each) *			
- Basic	2.16	0.72	2.37
- Diluted	2.16	0.72	2.37
NPA Ratio			
a) Gross NPA	96,34,12,813	1,34,60,22,083	74,01,37,591
Net NPA	33,41,02,496	19,03,80,662	35,20,52,596
b) % of Gross NPA	1.76%	3.37%	1.61%
% of Net NPA	0.62%	0.49%	0.77%
c) Return on Assets *	1.16%	0.45%	1.52%

* Six Months numbers are not annualised



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 Building No.VII/83/8, ESAF Bhavan, Thrissur - Palakkad National Highway,
 Mannuthy, Thrissur, Kerala - 680651
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Notes :

1 Statement of Assets and Liabilities as at 30 September 2019

(Amount in Rs.)

Particulars	As at	As at
	30 September 2019	31 March 2019
	Audited	Audited
CAPITAL AND LIABILITIES		
Capital	4,27,79,54,900	4,27,79,54,900
Reserves and Surplus	5,58,33,53,578	4,65,89,54,497
Deposits	60,63,37,23,583	43,17,00,82,077
Borrowings	13,37,49,94,707	17,02,35,94,786
Other Liabilities and Provisions	1,67,55,93,767	1,44,42,80,932
Total	85,54,56,20,535	70,57,48,67,192
ASSETS		
Cash and Balances with Reserve Bank of India	3,29,47,40,381	2,46,74,07,284
Balances with Banks and Money at Call and Short Notice	7,89,64,60,612	5,34,71,50,342
Investments	17,78,71,90,519	15,30,74,98,786
Advances	54,11,30,43,676	45,48,25,45,244
Fixed Assets	98,36,74,035	89,94,06,254
Other Assets	1,47,05,11,312	1,07,08,59,282
Total	85,54,56,20,535	70,57,48,67,192
Contingent Liabilities	7,76,97,297	58,32,65,877
Bills for collection	-	-

2. The statement of audited financial results for Six Month Period ended 30 September 2019 ("the Statement") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 5 November 2019.

3. The above financial results of the Bank have been prepared in all material aspects, in accordance with the generally accepted accounting principles in India ("Indian GAAP"), statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time, Regulation 52 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) 2015 and Accounting Standards as prescribed under section 133 of the Companies Act, 2013.

4. There are no changes to the significant accounting policy adopted during the half year ended 30 September 2019 as compared with those followed for the year ended 31 March 2019.

5. The Capital adequacy ratio ("CRAR") has been computed as per Operating guidelines for Small Finance Bank in accordance with RBI circular no. RBI/2016-17/81 DBR.NBD.NO.26/16.13.218/2016-17 dated 6 October 2016.

The Bank has followed Basel II standardised approach for credit risk in accordance with the operating guideline issued by the Reserve Bank of India for Small Finance Banks. Further, RBI vide its circular no. DBR.NBD.NO.4502/16.13.218/2017-18 dated 8 November 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk.

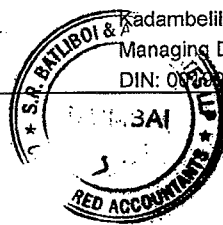
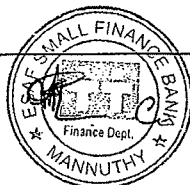
6. The Bank has elected to exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019, Accordingly, the Bank has recognised Provision for - Income Tax for the six months ended 30 September 2019 and re-measured its deferred tax assets based on the rates prescribed in the aforesaid section and recognised the effect of change in the Profit and Loss Account. The re-measurement has resulted in an additional charge to the net profit during the half year ended 30 September 2019 and a write down of the net deferred tax assets pertaining to earlier years by Rs. 79,76,127.

7. The Bank has not considered profit for the six months period ended 30 September 2018 for the purpose of calculation of Capital Adequacy Ratio. Had it been included Capital Adequacy Ratio of the Bank will be higher by 62 Basis Points as on such date.

8. Figures for the previous period/year have been classified/regrouped wherever necessary, to conform to the current period presentation.

Place : Mannuthy

Date : 5 November 2019

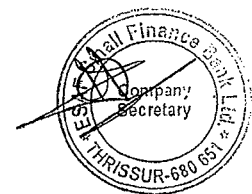


Kadambelil Paul Thomas
 Managing Director & CEO
 DIN: 0000925

Disclosures made in compliance with the Regulation 52 (4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the period ended 30th September, 2019

- A) Credit Rating and Change in Credit Rating – Enclosed
 B) Debt Equity ratio – 1.36
 C) Previous due date for the payment of interest/ dividend for non- convertible redeemable preference shares/ repayment of principal of non – convertible preference shares / non convertible debt securities and whether the same has been paid or not

Particulars	Rate of Interest	Interest Due Date	Actual Date of Payment
250 Unsecured, Rated, Listed, redeemable , Non Convertible Debentures of Rs.10 Lakh	17.23%	24.12.2018	24.12.2018
250 Unsecured, Rated, Listed, redeemable , Non Convertible Debentures of Rs.10 Lakh	16.83%	28.12.2018	28.12.2018
200 Unsecured, Rated, Listed, Basel III Compliant Tier II Bonds Rs.10 Lakh	10.50%	1.07.2019	1.07.2019
200 Rated, Listed, , Redeemable , Unsecured Basel III Compliant Convertible Debentures of Rs.10 Lakh	11.50%	1.07.2019	1.07.2019
400 Rated, Listed, , Redeemable , Unsecured Basel III Compliant Convertible Debentures of Rs.10 Lakh	11.50%	1.07.2019	1.07.2019



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: info@esafbank.com www.esafbank.com

D) Next Due Date for the Payment of Interest/ dividend of Non- Convertible Debentures with amount of Interest payable and redemption amount

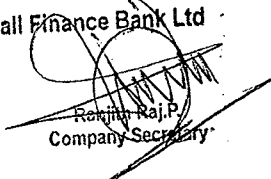
Particulars	Rate of Interest	Interest Due Date	Principal Due Date
250 Unsecured, Rated, Listed, redeemable , Non Convertible Debentures of Rs.10 Lakh	17.23%	22.12.2019	22.12.2021
250 Unsecured, Rated, Listed, redeemable , Non Convertible Debentures of Rs.10 Lakh	16.83%	30.12.2019	28.12.2021
200 Unsecured, Rated, Listed, Basel III Compliant Tier II Bonds Rs.10 Lakh	10.50%	31.12.2019	30.12.2024
200 Rated, Listed, , Redeemable , Unsecured Basel III Compliant Convertible Debentures of Rs.10 Lakh	11.50%	31.12.2019	28.12.2025
400 Rated, Listed, , Redeemable , Unsecured Basel III Compliant Convertible Debentures of Rs.10 Lakh	11.50%	31.12.2019	1.06.2025

- E) Networth – Rs.986.13 Cr
F) Net Profit After Tax – Rs.92.44
G) EPS – Rs.2.16

As we are registered as a Banking Company, the following are not applicable to us :-

- A) Interest Coverage Ratio
B) Debt Service Coverage Ratio
C) Maintenance of Debenture Redemption Reserve

For ESAF Small Finance Bank Ltd


Rajendra Raj P.
Company Secretary

CARE/CRO/RL/2018-19/1593

Mr. K Paul Thomas
Managing Director & CEO
ESAF Small Finance Bank Limited
ESAF Bhavan, Mannuthy P.O.,
Thrissur, Kerala - 680 651

January 21, 2019

Confidential

Dear Sir,

Credit rating for Debt facilities

On the basis of recent developments including operational and financial performance of your company for FY18 (Audited) and H1FY19 (Provisional), our Rating Committee has reviewed the following ratings:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Tier II Bond facilities	125* (Rs. One Hundred and Twenty Five crore only)	CARE A; Stable (Single A; Outlook: Stable)	Revised from CARE A-; Negative (Single A Minus; Outlook: Negative)

*outstanding amount of Rs.80 crore as on December 31, 2018

- Details of the instruments are provided in Annexure I.
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

CORPORATE OFFICE- 4th Floor, Godrej Coliseum, Somaya Hospital Road,
Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
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No. 769, Anna Salai, Chennai - 600 002.
Tel: +91-44-2849 0811 / 13 / 76
Tel./ Fax: +91-44-2849 7812


CIN-L67190MH1993PLC071691

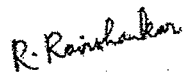
6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
7. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
8. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
10. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours Faithfully,


Parthiban V
Manager
parthiban.v@careratings.com


Ravi Shankar R
Manager
ravi.s@careratings.com

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CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002.
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Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure I

Details of instruments rated

Instrument	Amount (Rs. Crore)
Tier II Bond-I	40.00
Tier II Bond-II	20.00
Tier II Bond-III	20.00
Tier II Bond-Proposed	45.00
Total	125.00

R