



▶ Kejriwal Misses ED Date, Seeks Summons Withdrawal ▶ Mahua Moitra, Oppn Members Storm Out of LS Ethics Panel Meet over 'Unethical' Conduct: P 2

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Initial Public Offer of equity shares on the main board of the Stock Exchanges in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



(Please scan the QR code to view the RHP and the Abridged Prospectus).

ESAF SMALL FINANCE BANK LIMITED

Our Bank was incorporated as 'ESAF Small Finance Bank Limited' on May 5, 2016 at Thrissur, Kerala, as a public limited company under the Companies Act, 2013, and was granted the certificate of incorporation by the Registrar of Companies, Kerala at Ernakulam ("RoC"). Our Promoter, ESAF Financial Holdings Private Limited, was granted in-principle approval to establish a small finance bank ("SFB"), by the RBI, pursuant to its letter dated October 7, 2015. Subsequently, our Bank received the final approval to carry on the SFB business in India, pursuant to a letter dated November 18, 2016 issued by the RBI. Our Bank commenced its business with effect from March 10, 2017 and was included in the second schedule to the RBI Act pursuant to a notification dated November 12, 2018 issued by the RBI. For further details, see "History and Certain Corporate Matters" on page 241 of the red herring prospectus dated October 28, 2023, read with the corrigendum to the Red Herring Prospectus dated October 30, 2023 together ("RHP" or "Red Herring Prospectus").

Corporate Identity Number: U65990KL2016PLC045669

Registered and Corporate Office: Building No. V10/3/8, ESAF Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur 860 651, Kerala, India. Tel: +91 487 7123 907. Website: www.esafbank.com. Contact Person: Ranjith Raj P, Company Secretary and Compliance Officer; E-mail: investor.relations@esafbank.com.

OUR PROMOTERS: KADAMBELIL PAUL THOMAS AND ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

INITIAL PUBLIC OFFER OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF ESAF SMALL FINANCE BANK LIMITED ("BANK" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING UP TO ₹ 4,630.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 3,907.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 723.00 MILLION (THE "OFFER FOR SALE"), COMPRISING UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹492.60 MILLION BY ESAF FINANCIAL HOLDINGS PRIVATE LIMITED (THE "PROMOTER SELLING SHAREHOLDER"), AND UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹126.70 MILLION BY PNB METLIFE INDIA INSURANCE COMPANY LIMITED AND UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹103.70 MILLION BY BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED (THE "OTHER SELLING SHAREHOLDERS") AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES THE "OFFERED SHARES".

THE OFFER INCLUDES A RESERVATION OF UP TO [•] EQUITY SHARES, AGGREGATING UP TO ₹ 125.00 MILLION (CONSTITUTING UP TO [•] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [•] % AND [•] %, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR BANK.

DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS

| NAME OF THE SELLING SHAREHOLDERS | TYPE | NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (IN ₹ MILLION) | WACA (IN ₹ PER EQUITY SHARE)* |
|--|------------------------------|---|-------------------------------|
| ESAF Financial Holdings Private Limited | Promoter Selling Shareholder | Up to [•] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 492.60 million | 10.11 |
| PNB Metlife India Insurance Company Limited | Other Selling Shareholder | Up to [•] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 126.70 million | 40.07 |
| Bajaj Allianz Life Insurance Company Limited | Other Selling Shareholder | Up to [•] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 103.70 million | 40.07 |

WACA: Weighted average cost of acquisition on fully diluted basis *As certified by A. John Morris & Co., Chartered Accountants pursuant to their certificate dated October 28, 2023.

We are a small finance bank headquartered in Kerala provides micro, retail and corporate banking, para banking activities such as debit card, third party financial product distribution, in addition to treasury and permitted foreign exchange business.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

• QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Retail Portion: Not less than 35% of the Net Offer
Employee Reservation Portion: Upto [•] Equity Shares aggregating up to ₹125.00 Million

PRICE BAND: ₹ 57 TO ₹ 60 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

THE FLOOR PRICE IS 5.70 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 6.00 TIMES THE FACE VALUE OF THE EQUITY SHARES

THE PRICE TO EARNING RATIO BASED ON DILUTED EPS FOR FISCAL 2023 AT THE FLOOR PRICE IS 8.49 TIMES AND AT THE CAP PRICE IS 8.94 TIMES

BIDS CAN BE MADE FOR A MINIMUM OF 250 EQUITY SHARES AND IN MULTIPLES OF 250 EQUITY SHARES THEREAFTER

A DISCOUNT OF ₹ 5 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Bank, pursuant to their resolution dated October 30, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the 'Basis for Offer Price' section on page 130-149 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS:

- Our business is concentrated in Kerala and Tamil Nadu. As at June 30, 2023, 43.43% and 13.86% of our banking outlets were in Kerala and Tamil Nadu, respectively, 43.45% and 22.14% of our gross advances were from customers in Kerala and Tamil Nadu, respectively, and 80.04% and 3.36% of our deposits were from banking outlets in Kerala and Tamil Nadu, respectively. Any adverse change in the economies of those states, could have an adverse effect on our financial condition, results of operations and cash flows.
- As at June 30, 2023, and March 31, 2023, 2022 and 2021, 75.15%, 75.35%, 83.59% and 85.50% of our advances (net of provisions) were unsecured advances, respectively. If we are unable to recover such advances in a timely manner or at all, our financial condition, results of operations and cash flows may be adversely affected.
- As at March 31, 2023, we were in non-compliance with 17 out of the 272 Risk Based Supervision Tranche III requirements and if the Reserve Bank of India imposes penalties on us for this non-compliance, it could adversely affect our reputation, business, financial condition, results of operations and cash flows.
- As at June 30, 2023 and March 31, 2023, 2022 and 2021, 74.70%, 75.04%, 81.16% and 84.80%, respectively, of our advances under management were Micro Loans. Any decrease in demand for our Micro Loans could adversely affect our business, financial condition, results of operations and cash flows.
- Under the provisions of the SFB Licensing Guidelines, the RBI In-Principle Approval and the RBI Final Approval, the Equity Shares are required to be mandatorily listed on a stock exchange in India within three years from the date our Bank reached a net worth of ₹5.00 billion, which we reached on July 31, 2018. Therefore, the Equity Shares were required to be listed on a stock exchange in India before July 31, 2021, which we did not comply with. We could be subject to various sanctions and penalties by the Reserve Bank of India (RBI) for failing to comply with this requirement. The RBI pursuant to its letter June 9, 2023 observed that our Bank continued to be in violation of the listing deadline and directed our Bank to ensure that the Equity Shares are listed by November 30, 2023.
- We are currently in non-compliance with certain major observations of the RBI noted in its regular inspection reports, which we are in the process of rectifying. These major observations include integrate our treasury system with our core banking solution; ensure completion of re-KYC of pending accounts with a particular focus on high-risk customers; ensure that KYC details of pending current and legacy accounts are uploaded to the Central

- Know Your Customer Registry within the defined timespan; implement an automated asset liability management system; implement system-level controls to ensure customers with a Basic Saving Bank Deposit account are restricted from opening another savings bank account with us; and ensure that our various forms for customers are printed in tri-lingual form and shall include the option of a third gender. Any significant deficiencies identified by the RBI in a final inspection report or other observations made that we are unable to rectify to the RBI's satisfaction could lead to sanctions and penalties being imposed by the RBI on our Bank, which could materially and adversely affect our reputation, business, financial condition, results of operations and cash flows.
- Our business is significantly dependent on our business correspondents. Our business correspondents sourced or serviced 74.75%, 75.53%, 83.35% and 84.78% of our gross advances as at June 30, 2023, and March 31, 2023, 2022 and 2021. Our income contributed by business correspondents represented 77.13%, 79.02%, 76.06% and 80.97% of our total income for the three months period ended June 30, 2023 and 2022 and Fiscals 2023, 2022 and 2021, respectively. If any of our business correspondents prefer to promote our competitors' loans over our loans or the agreements between us and them are terminated or not renewed, it would adversely affect our business, financial condition, results of operations and cash flows.
- The attrition rate of our employees was 3.87% (not annualized), 5.66% (not annualized), 24.07%, 20.07% and 13.03% for the three months period ended June 30, 2023 and 2022 and Fiscals 2023, 2022 and 2021, respectively. If the attrition rate of our employees continues to increase our payments to and provisions for employees could increase, which could have an adverse effect on our financial condition, results of operations and cash flows.
- The majority of our customers' complaints relate to (i) internet banking, mobile banking and electronic banking and (ii) transaction disputes related to withdrawal of cash from ATMs through ATM cards and disputes related to debit card transactions carried out at the merchant through point-of-sale machines. If we are unable to resolve our customers' complaints to their satisfaction, they may decide to no longer bank with us, which could have an adverse effect on our business, financial condition, results of operations and cash flows.
- The gross proceeds of the Offer are up to ₹4,630.00 million, which includes the gross proceeds of the Offer for Sale by the Selling Shareholders of up to ₹723.00 million, which represents 15.62% of the gross proceeds of the Offer. Our Bank will not receive any proceeds from the Offer for Sale.

Continued on next page...

- 11. Average cost of acquisition of Equity Shares for the Selling Shareholders namely, ESAF Financial Holdings Private Limited is ₹10.11, PNB MetLife India Insurance Company Limited is ₹40.07 and Bajaj Allianz Life Insurance Company Limited is ₹40.07 and Offer Price at upper price Band is ₹ 60.00.
- 12. Weighted average cost of acquisition of all Equity Shares transacted in one year, last 18 months and three years preceding the date of the Red Herring Prospectus:

| Period | Weighted average cost of acquisition per Equity Share (in ₹) | Upper end of the price band (₹60) is 'X' times the weighted average cost of acquisition | Range of acquisition price: Lowest price – Highest price (in ₹)* |
|------------------|--|---|--|
| Last one year | Nil | NA | NA |
| Last 18 months | Nil | NA | NA |
| Last three years | 75 | 0.80 | Highest - 75 Lowest - 75 |

*As certified by A. John Moris & Co., Chartered Accountants pursuant to their certificate October 30, 2023

- 13. Weighted average cost of acquisition compared to Floor Price and Cap Price:

| Past Transactions | Weighted average cost of acquisition (in ₹)* | Floor Price (in ₹) | Cap Price (in ₹) |
|---|--|--------------------|------------------|
| WACA of past five primary /secondary transactions | 75.00 | 0.76 times | 0.80 times |

*As certified by A. John Moris & Co., Chartered Accountants pursuant to their certificate dated October 30, 2023

- 14. Market Capitalization to Revenue From Operations and total market valuation at floor and cap prices:

| Particulars | At Floor Price (₹ 57) | At Cap Price (₹60) |
|--|-----------------------|---------------------|
| Market capitalization to revenue from operations (Fiscal 2023) | 1.04 times | 1.08 times |
| Total Market Valuation | ₹ 29,539.03 million | ₹ 30,886.79 million |

- 15. Weighted Average Return on Net Worth for Fiscals 2023, 2022 & 2021 is 11.44%

- 16. The three BRLMs associated with the Offer have handled 70 public issues in the past three years, out of which 26 issues closed below the offer price on listing date.

| Name of BRLMs | Total Issues | Issues closed below IPO Price on listing date |
|----------------------------------|--------------|---|
| ICICI Securities Limited | 35 | 15 |
| DAM Capital Advisors Limited | 11 | 4 |
| Nuvama Wealth Management Limited | 9 | 2 |
| Common issues of above BRLMs | 15 | 5 |
| Total | 70 | 26 |

ISSUE OPENS TODAY
BID/ OFFER CLOSES ON TUESDAY, NOVEMBER 7, 2023⁽¹⁾

THE EQUITY SHARES OF OUR BANK WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid Offer Period not exceeding 10 Working Days. In case of force majeure, banking strike or similar circumstances, our Bank and the Promoter Selling Shareholder may, for reasons to be recorded in writing, extend the Bid Offer Period for a minimum of three Working Days, subject to the Bid Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid Offer Period, if applicable, shall be widely disseminated to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Banks.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") and Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Bank and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion) ("Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Net QIB Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders, out of which (a) one-third of such portion shall be reserved for Bidders with Bids exceeding ₹ 2.00 million and up to ₹ 1.00 million, and (b) two-third of such portion shall be reserved for Bidders with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders, subject to valid Bids received at or above the Offer Price, and not less than 20% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily register to participate in the Offer through the Application Support and Blocked Account ("ASBA") process by providing details of their respective ASBA Accounts (as defined hereinafter), and UPI ID in case of UPI Bidders (defined hereinafter), if applicable, pursuant to which the corresponding Bid Offer may be blocked by the Self Certified Syndicate Banks ("SCSBs") or the Sponsor Banks, as the case may be, to the extent of their respective Bid Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedures" on page 471 of the RHP.

LIABILITY OF THE MEMBERS OF OUR BANK: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR BANK AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of the Bank is ₹ 6,000,000,000 consisting of 600,000,000 equity shares of face value of ₹ 10 each aggregating to ₹ 6,000,000,000. The issued, subscribed and paid-up share capital before the Offer of the Bank is ₹ 4,484,373,980 consisting of 448,437,398 equity shares of face value of ₹ 10 each. For details of the capital structure of our Bank, see "Capital Structure" beginning on page 109 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR BANK AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The names of the initial signatories of the Memorandum of Association of our Bank along with their allotment: Allotment of 14,965 equity shares to ESAF Financial Holdings Private Limited, 5,000 equity shares to Kadambeil Paul Thomas and 1 Equity Share each to Mervena Paul, Alex Thomas Paul, Emv Acha Paul, George Kalajampal John and Beena George who hold such Equity Shares as nominees on behalf of ESAF Financial Holdings Private Limited, who is the beneficial owner of such Equity Shares. For details of the share capital history and capital structure of our Bank see "Capital Structure" beginning on page 109 of the RHP.

LISTING: The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and together with NSE, the "Stock Exchanges". Our Bank has received "in-principle" approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters, each dated September 7, 2023. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A signed copy of the Red Herring Prospectus has been filed with the RoC and a copy of the Prospectus shall be filed with the RoC in accordance with Section 28(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 497 of the RHP.

DISCLAIMER CLAUSE OF BSE: Allotment authorizing the Bank to carry on small finance bank business has been obtained from the Reserve Bank of India in terms of Section 22 of the Banking Regulation Act, 1949. It must be distinctly understood, however, that in issuing the license, the Reserve Bank of India does not undertake any responsibility for the financial soundness of the Bank or for the correctness of any of the statements made or opinion expressed in this offer document.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer Document. The investors are advised to refer to page 465 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 445 of the RHP for the full text of the disclaimer clause of BSE.

DISCLAIMER CLAUSE OF NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 445 of the RHP for the full text of the disclaimer clause of NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For an investment decision, investors must rely on their own examination of our Bank and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 35 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available for UPI Bidders bidding through the UPI Mechanism in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA account or for other correspondences) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update Demographic Details would be at the Bidder/Applicant's sole risk.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notified dated February 13, 2020 and read with press release dated June 25, 2021, September 17, 2021 and March 28, 2023 and any subsequent press releases in this regard.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR BANK REGRARDS ITS OBJECTS: For information on the main objects of our Bank, investors are requested to see "History and Certain Corporate Matters" beginning on page 241 of the RHP. The Memorandum of Association of our Bank is a material document for inspection in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" beginning on page 497 of the RHP.

ASBA * Simple, Safe, Smart, Application!
Way to Apply with I!

*Applications Supported by Blocked Account ("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA. **Mandatory in public issues. No cheque will be accepted.**

UPI
Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Investors and Non-Institutional Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CDDT notification dated June 25, 2021 and press release dated September 17, 2021.

ASBA has to be available by all the investors except Anchor Investors. UPI may be available by (i) Retail Individual Investors in the Retail Portion; (ii) Non-Institutional Investors with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Offer Procedures" on page 471 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIB") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?do=RecognisedPp-yes&tm=43, respectively as updated from time to time. For the list of UPI apps and banks to be IPO, please refer to the link www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCBSs and mobile applications whose names appear on the website of SEBI, as updated from time to time. HDFC Bank Limited and Kotak Mahindra Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail ID: upi@npci.org.in.

| BOOK RUNNING LEAD MANAGERS | REGISTRAR TO THE OFFER | COMPANY SECRETARY AND COMPLIANCE OFFICER |
|--|---|---|
| <p>ICICI Securities Limited ICICI Venture House, Appasahai Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India Tel: +91 22 6807 7100 E-mail: esafb.bpo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance ID: customerservice@icicisecurities.com Contact Person: Kristina Diaz/ Asha Joskar SEBI Registration No.: INM000011179</p> | <p>LINK Intime Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Veshal (West), Mumbai 400 085, Maharashtra, India Tel: +91 022 4918 6060 E-mail: esafi.ipoo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance ID: esafi.ipoo@linkintime.co.in Contact Person: Shanti Gopalakrishnan SEBI Registration Number: INR000004558</p> | <p>Ranjith Raj P ESAF Small Finance Bank Limited Building No. VIII/83, ESAF Bhawan, Thrusur-Palakkad National Highway, Mannurthy, Thrusur 680 651 Kerala, India Tel: +91 487 7123 507; Email: investor_relations@esafsb.com</p> <p>Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of related orders or non-receipt of funds by electronic mode, etc. For all Offer-related queries and for redressal of complaints, investors may also write to the BRLMs.</p> |
| <p>DAM CAPITAL DAM Capital Advisors Limited One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India Tel: +91 22 4202 2500 E-mail: esaf.ipoo@damcapital.in Website: www.damcapital.in Investor Grievance ID: complaint@damcapital.in Contact Person: Chandresh Sharma SEBI Registration No.: MB/INM00011336</p> | <p>nuvama Nuvama Wealth Management Limited (formerly known as Edelweisse Securities Limited) 801-804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051 Tel: +91 22 4209 4400 E-mail: ESAF@nuvama.com; Website: www.nuvama.com Investor Grievance ID: customerservice.mfg@nuvama.com Contact person: Lokeswari Shah SEBI Registration No.: INM000013004</p> | |

*Pursuant to order passed by Hon'ble National Company Law Tribunal, Mumbai Bench dated April 27, 2023, the merchant banking business of Edelweisse Financial Services Limited has been demerged and now transferred to Nuvama Wealth Management Limited and therefore the said merchant banking business is part of Nuvama Wealth Management Limited.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 35 of the RHP before applying in the Offer. A copy of the RHP has been made available on the website of SEBI at www.sebi.gov.in and is also available on the websites of the BRLMs, ICICI Securities Limited at www.icicisecurities.com, DAM Capital Advisors Limited at www.damcapital.in and Nuvama Wealth Management Limited at www.nuvama.com and the websites of the Stock Exchanges, for BSE and NSE at www.bseindia.com and for NSE at www.nseindia.com.

AVAILABILITY OF THE ABRIDGED PROSPECTUS: A copy of the abridged prospectus shall be available on the website of the Bank at www.esafsb.com, the websites of the BRLMs, ICICI Securities Limited at www.icicisecurities.com, DAM Capital Advisors Limited at www.damcapital.in and Nuvama Wealth Management Limited at www.nuvama.com and the Registrar to the offer at www.linkintime.com.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of our Bank, **ESAF SMALL FINANCE BANK LIMITED**, Tel: +91 487 7123 507; BRLMs: ICICI Securities Limited, Tel: +91 22 6807 7100; DAM Capital Advisors Limited, Tel: +91 22 4202 2500 and Nuvama Wealth Management Limited (formerly known as Edelweisse Securities Limited), Tel: +91 22 4209 4400 and Syndicate Members: Nuvama Wealth Management Limited (formerly known as Edelweisse Securities Limited), Tel: +91 22 4209 4400 and Sharekhan Limited, Tel: +91 22 6750 2000 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCBSs, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCBSs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SYNDICATE MEMBERS: Nuvama Wealth Management Limited (formerly known as Edelweisse Securities Limited) and Sharekhan Limited.

SUB-SYNDICATE MEMBERS: Anand Rathi Share & Stock Brokers Limited, Axis Capital Limited, Centrum Broking Limited, Centrum Wealth Management Ltd., Choice Equity Broking Private Limited, DB(International) Stock Brokers Ltd., Eureka Stock & Share Broking Services Ltd., Finwizard Technology Pvt. Ltd., HDFC Securities Limited, IDBI Capital Markets & Securities Ltd., IFCI Financial Services Ltd., IIFL Securities Ltd., JM Financial Services Ltd., Joburgpatt Fiscal Services Pvt. Ltd., Keynote Capitals Limited, KMC Capital Market Services Ltd., Kotak Securities Limited, LKP Securities Ltd., Inventure Growth & Securities Ltd., Mollat Oval Securities Ltd., Nirmal Bang Securities Pvt. Ltd., Prabhudas Lilladher Pvt.Ltd., Pravin Rasthi Share And Stock Brokers Ltd., Religare Broking Limited, Religare Securities Ltd., RRRI Brokers Pvt.Ltd., SBCAP Securities Limited, SJMC Global Market Services Ltd., Synchronic Shares and Stocks (India) Limited, Trade Bulls Securities (P) Ltd., Way2wealth brokers Pvt.Ltd. and YES Securities (India) Limited.

ESCROW COLLECTION BANK AND REFUND BANK: HDFC Bank Limited.

PUBLIC OFFER ACCOUNT BANK: Kotak Mahindra Bank Limited

SPONSOR BANKS: HDFC Bank Limited and Kotak Mahindra Bank Limited

UPI: UPI Bidders can also Bid through UPI Mechanism.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Thrusur, Kerala
Date: November 2, 2023

For ESAF SMALL FINANCE BANK LIMITED
On behalf of the Board of Directors
Sd/
Ranjith Raj P
Company Secretary and Compliance Officer

ESAF Small Finance Bank Limited is proposing to submit the receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the RHP with RoC. The RHP along with the compendium to the Red Herring Prospectus dated October 30, 2023 shall be available on the website of SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com, and www.nseindia.com, respectively, and is available on the websites of the BRLMs, i.e. ICICI Securities Limited at www.icicisecurities.com, DAM Capital Advisors Limited at www.damcapital.in and Nuvama Wealth Management Limited at www.nuvama.com, the website of the NSE at www.nseindia.com and the website of the BSE at www.bseindia.com and the website of the Bank at www.esafsb.com. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risks, please see the section titled "Risk Factors" beginning on page 35 of the RHP. Potential investors should not rely on the DRHP for making any investment decision.

This announcement has been prepared for publication in India and may not be released in the United States. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended, or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Bank and that will contain detailed information about the Bank and management, as well as financial statements. However, no public offering of securities is being made in the United States.