

**Ref No: 7/SE/CS/AUG/2025-26**

**Date: August 8, 2025**

**To,**

<b>Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001</b>	<b>Listing &amp; Compliance Department National Stock Exchange of India Limited Exchange Plaza, 5<sup>th</sup> Floor Plot No.C/1, “G” Block Bandra- Kurla Complex Bandra(E), Mumbai- 400051</b>
<b>BSE Scrip Code: 544020</b>	<b>NSE Symbol: ESAFSFB</b>

Dear Sir/ Madam,

**SUB: PRESS RELEASE ON THE FINANCIAL RESULTS OF THE BANK FOR THE  
QUARTER ENDED JUNE 30, 2025**

Further to our letter dated August 01, 2025 intimating about the Board meeting to consider and approve the Unaudited Standalone Financial Results of the Bank for the quarter ended June 30, 2025 and pursuant to Regulation 30 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we enclose herewith a copy of the Press Release in this regard.

Requesting you to take the same into your records.

Thanking you,

Yours Faithfully,

**For ESAF Small Finance Bank Limited**

**Ranjith Raj. P**  
**Company Secretary and Compliance Officer**

## **ESAF Small Finance Bank Reports Q1 FY26 Results**

***‘ESAF Bank’s Secured Loan Disbursements Jump 142% YoY, CASA Ratio Rises to 24.8%’***

**Thrissur, Kerala, 08 August 2025** – ESAF Small Finance Bank’s secured loan disbursements soared 142.4% YoY to ₹6,963 crore in Q1 FY26 from ₹2,872 crore in Q1 FY25, reflecting strong demand across product segments. The secured asset portfolio maintained its upward momentum, led by a 106% YoY growth in the gold loan book to ₹6,674 crore from ₹3,240 crore in the same period last year. The bank posted a net loss of ₹81 crore during Q1 FY26 as against a net loss of ₹183 crore during the previous quarter.

CASA deposits registered strong growth, rising 14.2% YoY to ₹5,628 crore, driving the CASA ratio to 24.8% from 22.7% a year ago. With 96% of deposits sourced from retail customers, ESAF SFB further reinforced its stable and low-cost funding base. Total deposits grew 8.7% YoY to ₹22,698 crore, while retail deposits increased by 13.17% YoY.

In line with its prudent risk management strategy, the bank made provisions of ₹234 crore towards stressed assets during the quarter, improving its Provision Coverage Ratio (PCR) to 73.2% as of June 2025 from 61.9% in June 2024. Net NPA stood at 3.8%.

During the quarter, ESAF SFB added 3.5 lakh new customers, expanding its total customer base to 95.8 lakh. Total business grew 4.8% YoY to ₹42,507 crore, with the loan book holding steady at ₹19,809 crore, despite a de-growth in the unsecured portfolio.

Commenting on the results, **Dr. K. Paul Thomas**, MD & CEO of ESAF Small Finance Bank, said: “Our Q1 performance highlights our focus on the secured asset portfolio and the trust our customers place in us, as reflected in the consistent growth of our CASA base. With encouraging signs of revival in the microfinance segment, we remain optimistic about the opportunities ahead. Continued investments in technology will enhance operational efficiency and enrich customer experience, paving the way for sustainable growth. We remain committed to delivering value to all stakeholders while staying true to our mission of financial inclusion.”

### **Key Highlights – Q1 FY26**

- **Business:** Total business at ₹42,507 crore, up 4.8% YoY
- **Advances:** Gross advances at ₹18,224 crore; Loan book at ₹19,809 crore with micro assets (46%) and secured loans (54%)
- **Disbursements:** ₹7,694 crore in Q1 FY26 vs. ₹4,503 crore in Q1 FY25
- **Deposits:** ₹22,698 crore, up 8.7% YoY
- **CASA Growth:** ₹5,628 crore, up 14.2% YoY; CASA ratio at 24.8%
- **Capital Position:** CRAR at 22.7% with Tier I at 18.4%

## **Financial Performance (Q1 FY26):**

### **Business**

- Total business grew by 4.8% YoY to ₹42,507 crore in Q1 FY26 as against ₹40,551 crore in Q1 FY25

### **Advances**

- Gross advances remained stable YoY at ₹18,224 crore in Q1 FY26 as against ₹18,783 crore in Q1 FY25
- Total loan book for the quarter stood at ₹19,809 crore, stable YoY. Of the total loan book, micro assets contribute 46%, gold loans 34%, and others 20%
- Disbursements during Q1 FY26 stood at ₹7,694 crore as against ₹4,503 crore in Q1 FY25

### **Deposits**

- Total deposits for the quarter stood at ₹22,698 crore in Q1 FY26 compared to ₹20,887 crore in Q1 FY25
- Retail deposits stood at ₹21,763 crore in Q1 FY26 as against ₹19,230 crore in Q1 FY25
- CASA deposits increased by 14% YoY to ₹5,628 crore in Q1 FY26 compared to ₹4,927 crore in Q1 FY25
- CASA ratio improved to 24.8% in Q1 FY26 as against 23.6% in Q1 FY25

### **Profit Metrics**

- Net Interest Income (NII) reduced to ₹378 crore compared to ₹588 crore in Q1 FY25 on account of a change in loan mix and an increase in slippage, particularly in the microfinance portfolio. Net Interest Margin (NIM) for Q1 FY26 stood at 6.0%
- Pre-provision operating profit (PPoP) in Q1 FY26 reduced to ₹125 crore from ₹254 crore for Q1 FY25
- Even though the stress level of the unsecured book has moderated, we continue to set aside higher provisions amounting to ₹234 crore during Q1 FY26
- On account of the same, we declared a loss of ₹81 crore against a profit of ₹63 crore YoY

### **Asset Quality**

- Provision coverage stood at 73.2% as on 30 June 2025 as against 80.5% in the trailing quarter
- Net NPA stood at 3.8%



### **Other Updates**

ESAF SFB has set up an extensive network of 788 bank branches, 1,095 Customer Service Centres, 33 Institutional Business Correspondents, 4,948 Banking Agents, 733 Business Facilitators, and 713 ATMs spread across 24 States and 2 Union Territories.

### Safe Harbor Statement

Any forward-looking statements about expected future events and financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

### Contact Details :

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