



Ref: SSFL/Stock Exchange/2025-26/090

October 31, 2025

To
BSE Limited,
Department of Corporate Services
P. J. Towers, 25th Floor,
Dalal Street,
Mumbai - 400001

To
National Stock Exchange of India Limited,
Listing Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400051

Scrip Code: 542759 and 890221

Symbol: SPANDANA and SSFLPP

Dear Sir/Madam,

Sub: Press release on the financial and operational performance of the Company for the quarter and half year ended September 30, 2025

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed herewith the press release on the financial and operational performance of the Company for the quarter and half year ended September 30, 2025.

Kindly take the same on record.

Thanking you.

Yours sincerely,
For Spandana Sphoorty Financial Limited

Vinay Prakash Tripathi
Company Secretary

Encl: as above

Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

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PRESS RELEASE

Spandana disburses ₹934 Cr in Q2FY26. Portfolio built in FY26 under new credit norms shows strong performance

Hyderabad, October 31, 2025: Spandana Sphoorty Financial Limited (NSE: SPANDANA, BSE: 542759) (“Spandana”) announced its unaudited financial results for the quarter and half year ended September 30th, 2025, today.

Highlights for Q2FY26:

• AUM	-	₹4,088 Cr; 18% QoQ decline (₹4,958 Cr)
• Disbursement	-	₹934 Cr; 233% QoQ growth (₹280 Cr)
• GNPA & NNPA (standalone)	-	4.97% & 0.97% (30-June-25 - 4.88% & 0.96% respectively)
• Income	-	₹239 Cr; 21% QoQ decline (₹304 Cr)
• Net Interest Income	-	₹91 Cr; 20% QoQ decline (₹113 Cr)
• PPOP	-	₹(40) Cr; flat vs. Q1FY26

Mr. Ashish Damani, Interim CEO, President and CFO, while announcing the results stated, “*The trends developing in Q2FY26 have been rather heartening after last 15 tumultuous months for microfinance industry. Spandana’s X-bucket collection efficiency continued its upward trajectory recording 98.7% for September 2025 vs. 97.9% reported for Jun-25. ~28% of our portfolio (built under new stricter credit norms) is performing extremely well with only 0.1% delinquent at the end of September 25. Our focused efforts have resulted in ₹48 Cr recoveries during Q2FY26.*

The positive trends during the quarter strengthened our confidence to deepen customer engagement, leading to a sequential increase in disbursements to ₹934 crore, compared with ₹280 crore in Q1FY26. The Company’s AUM stood at ₹4,088 crore as of September 30, 2025, while standalone GNPA and NNPA were 4.97% and 0.97% respectively. However, profitability continued to be weighed down by elevated impairment costs from the portfolio originated in FY24 and FY25, along with a higher bench relative to a shrinking loan book. Consequently, the Company reported a net loss of ₹249 crore for Q2FY26.

We continue to relook at every possibility for improvements. Our comfortable liquidity of ₹1,179 Cr and strong Balance sheet with CRAR of 47.0%, gearing of 1.5x positions us favorably to drive future growth. The recent macros along with bountiful rains across India give us sufficient indication of the quality and trend of credit demand in rural India”.

Key performance metrics for Q2FY26:

1. AUM – ₹4,088 Cr 18% QoQ decline (₹4,958 Cr – June’25).
2. Disbursement – ₹934 Cr as against ₹280 Cr disbursed in Q1FY26 - a QoQ growth of 233%.
3. Asset Quality (Consolidated) –
 - a. GNPA – 5.62% (30-June-2025 – 5.49%); NNPA – 1.17% (30-June-2025 – 1.15%)
 - b. PCR – Provision Coverage Ratio has been maintained at ~80%
4. Collection Efficiency-
 - a. Gross Collection Efficiency improved to 92.9% for Q2FY26 (91.1% in Q1FY26).
 - b. Net collection efficiency improved to 92.4% (90.6% in Q1FY26)
5. Sufficient liquidity of ₹1,179 Cr at the end of September 2025.
6. Financial Performance for Q2FY26 vs. Q1FY26 -
 - a. Total Income: ₹239 Cr in Q2FY26, 21% QoQ decline
 - b. Net Interest Income: ₹91 Cr in Q2FY26, lower by 20% QoQ
 - c. Yield: 19.6%, improved by 21 bps QoQ
 - d. Cost of borrowings: 12.6% in Q2FY26; increased by 27 bps QoQ
 - e. Pre-Provision Operating Profit (PPOP): (₹40 Cr) for Q2FY26 vs. (₹40 Cr) reported in Q1FY26
 - f. The Company reported a net loss of ₹249 crore for Q2FY26, driven by elevated credit costs stemming from higher gross slippage, coupled with subdued income due to degrowth in loan book and elevated operational expenses.

About Spandana Sphoorty:

Spandana Sphoorty Financial Ltd. is a rural-focused non-banking financial company and a microfinance lender (NBFC-MFI) with a geographically diversified presence in India. The company offers income generating loans under the joint liability group (JLG) model, predominantly to women from low-income households in rural areas. Spandana was started as an NGO in 1998 in Guntur, which later converted to an NBFC in 2004. In 2015, it became an NBFC-MFI, licensed by the Reserve Bank of India.

Disclaimer

This press release is prepared for general information purposes only. The information contained herein is based on management information and estimates. It is only current as of its date, has not been independently verified and may be subject to change without notice. Spandana makes no representation or warranty, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own investigation, assessment and analysis of the market and the market position of Spandana. Spandana does not provide any guarantee or assurance with respect to any distribution or the trading price of its Shares.

This press release contains forward-looking statements based on the currently held beliefs, opinions and assumptions of the Management. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Spandana or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, including the impact of COVID-19 on us, our borrowers and the Indian economy, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. Spandana disclaims any obligation to update these forward-looking statements to reflect future events or developments or the impact of events which cannot currently be ascertained, such as COVID-19. In addition to statements which are forward looking by reason of context, the words 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' or 'continue' and similar expressions identify forward-looking statements.

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