Utkarsh Small Finance Bank

August 01, 2026

The BSE Limited
Scrip Code: 543942, 975790, 959644, 976203

National Stock Exchange of India Limited
Symbol: UTKARSHBNK

Dear Sir/Madam,

Sub: Press Release on the Unaudited Financial Results for the quarter ended June 30, 2026

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of the press release on the Unaudited Financial Results for the quarter ended June 30, 2026 of the Bank.

This disclosure is also available on the website of the Bank i.e. www.utkarsh.bank.in.

This is for your information and records.

Yours faithfully,
For **Utkarsh Small Finance Bank Limited**

Muthiah Ganapathy
Digitally signed by Muthiah Ganapathy
Date: 2026.08.01 20:27:35 +05'30'

Muthiah Ganapathy
Company Secretary & Compliance Officer

Encl.: As above

UTKARSH SMALL FINANCE BANK LIMITED ANNOUNCES ITS RESULTS for quarter ended June 30, 2026

Mumbai, August 01, 2026: The Board of Directors of Utkarsh Small Finance Bank Limited approved the Financial Results for the quarter ended June 30, 2026, at the Board meeting held on August 01, 2026.

Key highlights of the quarter ended June 30, 2026:

- Disbursements grew by 48.5% YoY in Q1 FY27 wherein JLG Disbursements grew by 4.5% YoY and Non-JLG disbursements grew by 92.9% YoY in Q1 FY27
- Gross Loan Portfolio grew by 2.0% YoY to ₹19,610 crore. Share of secured lending grew from 45% as on June 30, 2025 to 51% as on June 30, 2026
- Deposits grew by 2.6% YoY to ₹22,054 crore, CASA ratio stood at 22% as on June 30, 2026 vs. 20% as on June 30, 2025
- Cost of Funds (CoF) improved by ~40 bps YoY to 7.7%, leading to a ~20 bps YoY expansion in NIM to 6.1% in Q1 FY27.
- GNPA[1] improved by ~550 bps YoY to 5.9%, while credit cost improved by ~620 bps YoY to 2.3% in Q1 FY27.
- Net Loss of ₹34 crore in Q1, FY27, **lower by 86%** from Q1, FY26 loss of ₹239 crore.
- Presence across 27 States & UTs, through a network of 1,110 branches

Speaking on the results, **Mr. Govind Singh, MD & CEO, Utkarsh Small Finance Bank** said, "Q1 FY27 marked a significant step forward in the Bank's recovery and transformation journey. After navigating a challenging operating environment for the microfinance sector over the last several quarters, the Bank remained focused on strengthening franchise quality, improving collections, enhancing portfolio resilience, and building a more diversified balance sheet. The strategic actions undertaken over the last year are now translating into tangible improvements across business momentum, asset quality, portfolio diversification, funding costs, and overall operating performance, resulting in a sharp reduction in losses and reinforcing confidence in the Bank's long-term trajectory. During the quarter, disbursements across both JLG and non-JLG segments increased by 49% YoY, supported by disciplined underwriting and portfolio monitoring. Asset quality trends continued to improve, with JLG X-bucket collection efficiency remaining strong at 99.7%, SMA pools declining meaningfully, and fresh NPA slippages (net of recoveries and upgradations) reducing to ~₹125 crore from ~₹400 crore in Q1 FY26. Consequently, GNPA[1] improved by ~550 bps YoY to 5.9%. These outcomes reflect the combined impact of focused field execution, targeted collection initiatives and structural interventions implemented across the franchise. A central strategic priority has been structural de-risking of unsecured exposure and a deliberate pivot towards secured, higher-yield and lower-risk portfolios.

[1] Advances for the purpose of GNPA/NNPA calculation includes IBPC

As a result, secured assets now constitute 51% of the gross loan book. Within micro-banking, the MBBL portfolio grew 147% YoY and now accounts for over 30% of the segment. At the same time, sustained growth in MSME, Housing, BBG, Gold Loans, and other businesses further strengthened portfolio diversification and balance sheet quality. On the liabilities side, CASA and retail term deposits each grew 15% YoY, improving the CASA plus Retail TD ratio to 83% from 74% a year ago. Supported by deposit repricing initiatives, cost of funds declined by ~40 bps YoY to 7.7%, providing support to margin stability. The Bank also strengthened its risk framework through CGFMU coverage for eligible JLG & MBBL disbursements, with ~60% of the microfinance portfolio already covered (increasing to ~80% upon inclusion of Q1 FY27 disbursements). The CGFMU scheme provided ~₹75 crore mitigation in P&L impact during the quarter, contributing to a reduction in credit cost to 2.3% for Q1 FY27. Backed by ongoing investments under the Utkarsh 2.0 technology transformation project which is enabling greater automation, digital underwriting and 360-degree portfolio monitoring capabilities, alongside a capital adequacy ratio of 17.4%, the Bank remains well-positioned to drive sustainable growth, improve profitability, and create long-term value for all stakeholders."

Financial Highlights for quarter ended on June 30, 2026:

- The Bank continues to focus on building granular liabilities franchise, Bank's retail term deposits grew by 14.7% YoY to ₹13,393 crore & CASA deposits grew by 15.1% YoY to ₹4,867 crore as on June 30, 2026. CASA deposits ratio increased to 22.1% as on June 30, 2026 from 19.7% as on June 30, 2025. Reflecting the Bank's focus on granular deposits, the share of institutional term deposits within its total deposits decreased to 17.2% as of June 30, 2026, compared to 26.0% on June 30, 2025. Overall Deposits grew by 2.6% YoY and 1.8% QoQ to ₹22,054 crore as on June 30, 2026.

- Bank's CD ratio was 83.8% as on June 30, 2026 vs. 83.4% as on June 30, 2025.

- The share of secured loans in overall portfolio increased to 51% as on June 30, 2026 from 45% as on June 30, 2025. Bank's loan Portfolio grew by 2.0% YoY and 1.4% QoQ to ₹19,610 crore as on June 30, 2026.

- Gross NPAs[1] declined to 5.9% as on June 30, 2026 vs. 11.4% as on June 30, 2025 (7.6% as on March 31, 2026). Net NPAs[1] declined to 2.8% as on June 30, 2026 vs. 5.0% as on June 30, 2025 (3.2% as on March 31, 2026).

- CRAR stood at 17.4%, which is well above the regulatory threshold of 15%, and Tier 1 capital at 15.1% as on June 30, 2026.

[1]Advances for the purpose of GNPA/NNPA calculation includes IBPC

- Bank's pre-provision operating profit was at ₹64 crore in Q1 FY27 vs. ₹12 crore in Q4 FY26 (₹92 crore in Q1 FY26). During Q1, FY27, the Bank reported net loss of ₹34 crore vs. net loss of ₹188 crore in Q4, FY26 (net loss of ₹239 crore in Q1 FY26).

The Full Format of the quarter ended Financial Results are available on the website of the Stock Exchanges, www.nseindia.com & www.bseindia.com & of the Bank - www.utkarsh.bank.in

About Utkarsh Small Finance Bank Limited

Utkarsh Small Finance Bank Limited (USFBL), incorporated on April 30, 2016, is engaged in providing banking and financial services with a focus on providing financial services to the underserved and unserved sections. The Bank commenced its operations on January 23, 2017, pursuant to the small finance banking license granted by RBI on November 25, 2016. The Bank is headquartered at Varanasi, Uttar Pradesh. The Bank's micro-banking activities are primarily focused in rural and semi-urban locations of the country while its other services are spread across the country.

The Bank offers deposits products in form of saving, current and term deposits to its customers accompanied by slew of digital services such as Internet and Mobile Banking, Digi On-Boarding, and an online account opening facility for clients, besides a range of ATMs and Micro ATMs for ease of transactions, amongst other. The Bank extends Joint Liability Group (JLG) loans to individuals, micro-banking business loans (MBBL), other retail asset loans including Micro, Small and Medium Enterprise (MSME) Loans, Housing Loans (HL), Commercial Vehicle Loans, Construction Equipment Loans among other lending products.

For more details, please contact:
Communications communications@utkarsh.bank.in