

Ref No: 18/SE/CS/OCT/2026-27



Date: October 29, 2026

To,

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

Dear Sir/ Madam,

SUB: PRESS RELEASE ON THE FINANCIAL RESULTS OF THE BANK FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2026

Further to our letter dated October 16, 2026 intimating about the Board meeting to consider and approve the Unaudited Standalone Financial Results of the Bank for the quarter and half year ended September 30, 2026 and pursuant to Regulation 30 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.

The copy of the disclosure is also being made available on the website of the Bank at <https://www.esaf.bank.in/investor-relation/?id=disclosure-to-stock-exchanges>.

Requesting you to take the same into your records.

Thanking you,

Yours Faithfully,

For ESAF Small Finance Bank Limited

Ranjith Raj P
Digitally signed by Ranjith Raj
P
Date: 2026.10.29 18:11:31
+05'30'

Ranjith Raj. P
Company Secretary and Compliance Officer

ESAF SMALL FINANCE BANK LIMITED

RBI License No.: MUM 124, CIN: L65990KL2016PLC045669

Registered & Corporate Office: ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur – Palakkad National Highway, Thrissur – 680 651, Kerala.

24x7 Toll Free: 1800-103-3723 Email: customercare@esafbank.com www.esaf.bank.in

ESAF Small Finance Bank delivers record quarterly profit in Q2 FY27 with Strong Growth and Improving Asset Quality

Highest quarterly PAT at ₹160 Crore, more than doubled sequentially

Retail share of deposits crossed ₹25,000 Crore, reaching ₹25,475 Crore

- Asset quality strengthens with **NNPA at 0.3%**
- Provision coverage ratio at **94.0%**
- Gross Advances grew **25% YoY** to ₹23,934 Crore
- Gold portfolio crosses ₹10,000 Crore reaching ₹10,456 Crore up **39% YoY**
- Deposits grow **24% YoY** to ₹28,466 Crore
- Secured portfolio rises **32% YoY**, now contributing **64%** of advances
- Net Interest margin at **8.2%**
- Quarterly PPOP at ₹362 Crore, almost **3x YoY** growth

Thrissur, Kerala | 29 October 2026: ESAF Small Finance Bank, a leading scheduled commercial bank headquartered in Thrissur, continued its strong start to FY27, delivering improved profitability, healthy business growth and significant improvement in asset quality on the back of successful execution of its strategic transformation.

ESAF Small Finance Bank Key Financial and Business Highlights – Q2 FY27

- **Advances**
 - Gross advances at ₹23,934 Crore, growth of 25% YoY (3% QoQ)
 - Secured advances at ₹15,377 Crore, growth of 32% YoY (6% QoQ); now constitutes 64% of portfolio
 - Strategic portfolio MARG grew by 38% YoY (8% QoQ)
 - Gold portfolio crossed ₹10,000 Crore in Gross Advances and now accounts for ~44% of portfolio
 - Unsecured advances at ₹8,557 Crore, growth of 15% YoY (-2% QoQ)
 - The Emerging Household (EH) portfolio continued its strong momentum, growing 134% YoY, reflecting the Bank's strategy of expanding relationships with graduating micro-finance customers
- **Deposits**
 - Deposits at ₹28,466 Crore, growth of 24% YoY (6% QoQ)
 - CASA at ₹6,645 Crore up 10% YoY (6% QoQ); CASA ratio stable at 23.3%
 - Cost of Funds stood at 7.2% in Q2 FY27 as compared to 7.4% in Q2 FY26
 - Credit to Deposit ratio stands at 82.0%

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- Asset Quality
 - GNPA / NNPA improved to 2.8%/0.3% as of 30th September 2026 from 8.5%/3.8% as of 30th September 2025
 - Provision coverage ratio at 94.0% as of 30th September 2026 compared to 74.4% as of 30th September 2025
 - Slippages for Q2 FY27 is lower by 75% compared to Q2 FY26
- Financials
 - Interest income in Q2 FY27 at ₹1,175 Crore, growth of 43% YoY
 - NIM improves from 5.9% in Q2 FY26 to 8.2% in Q2 FY27
 - Cost to Income for Q2 FY27 improved to 57.7% compared to 82.0% in Q2 FY26
 - Pre-Provision Operating Profit (PPOP) at ₹362 Crore, growth of 289% YoY
 - Q2 FY27 PAT doubled sequentially to ₹160 Crore; compared to a loss of ₹116 Crore in Q2 FY26
 - For Q2 FY27 RoA stood at 1.5% and RoE stood at 26.5%
- Capital and Liquidity
 - Capital adequacy ratio (CRAR) at 24.1%
 - Net worth stands at ₹2,027 Crore
 - Strong liquidity with LCR as on 30th September 2026 at 141.5%
- Credit Rating
 - Brickwork Ratings upgraded rating of Tier II Bonds to “BWR A-/Stable” from “BWR BBB+/Stable”
 - CARE Ratings has revised long-term rating outlook to “CARE A-/Stable” from “CARE A-/Negative”

Commenting on the performance, Dr. K. Paul Thomas, Managing Director & CEO, ESAF Small Finance Bank, said:

“Q2 FY27 marks an important milestone in ESAF Small Finance Bank’s transformation journey, with record quarterly profitability, strong business growth and improving asset quality. Our strategic focus on building a diversified and increasingly secured portfolio is progressing well, with secured advances now accounting for 64% of our total advances.

The successful implementation of **ESAF 2.0 – StratoNeXt**, our flagship technology transformation programme, is another landmark achievement, establishing a modern and scalable digital foundation for the Bank’s next phase of growth. I sincerely appreciate the dedication of our employees and the support of our technology partners in making this complex transformation possible.

Going forward, we will continue to strengthen our core MARG portfolio, deepen financial inclusion and advance our *phygital* strategy by combining our strong branch network with next-generation digital capabilities. Our focus remains on delivering superior customer experiences, strengthening customer trust and achieving sustainable, profitable growth while staying true to our mission of inclusive banking.”

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About ESAF Small Finance Bank:

ESAF Small Finance Bank Ltd (ESAF SFB), a scheduled commercial Bank, commenced its banking operations on 10th March 2017. ESAF SFB is one of India's leading Small Finance Banks, committed to building an inclusive, technology-enabled and sustainable banking franchise. Guided by its triple-bottom-line philosophy of **People, Planet and Prosperity**, the Bank serves individuals, entrepreneurs, MSMEs, farmers and emerging households across the country through a comprehensive suite of retail and business banking solutions.

ESAF SFB along with its promoters has over 30 years of experience in the Indian BFSI space primarily serving the unserved and underserved. It has expanded its product portfolio in the last 3 years to cater to individuals, groups, MSMEs through retail loans and other loans.

ESAF SFB has set up extensive network of 831 banking outlets, 722 ATMs and 1,060 Customer Service Centres spanning across 24 States and 2 Union Territories.

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