ESAF
ESAF SMALL FINANCE BANK
Joy of Banking

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

Date: April 30, 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 FINANCIAL YEAR ENDED MARCH 31, 2026

Further to our letter dated April 24, 2026 intimating about the Board meeting to consider and approve the Audited Standalone Financial Results of the Bank for the Quarter and Financial Year ended March 31, 2026 and pursuant to Regulation 30 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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: 2026.04.30 21:52:57 +05'30'

Ranjith Raj. P
Company Secretary and Compliance Officer

ESAF Small Finance Bank reports 166.1% YoY growth in Operating Profit in Q4 FY26. MARG portfolio grows 72% YoY, driving improved profitability and asset quality

Thrissur, Kerala | 30 April 2026 – ESAF Small Finance Bank, a leading scheduled commercial bank headquartered in Thrissur, announced its financial results for the fourth quarter of FY26, marking improved profitability, strong growth in its MARG portfolio, and a significant improvement in asset quality. A key milestone in the Bank's transformation journey has been the successful execution of its MARG strategy—representing MSME, Agri, Retail, and Gold loans—which underscores ESAF Bank's deliberate and well-calibrated shift from unsecured lending towards a more secured, resilient, and sustainable portfolio.

The Bank reported a net profit of ₹24 crore for Q4 FY26, as against a loss of ₹183 crore in the same quarter last year and a profit of ₹7 crore in the previous quarter. Total business stood at ₹48,276 crore as of 31 March 2026, registering a year-on-year growth of 14.8%. Gross advances grew by 19.4% to ₹22,426 crore, while deposits increased by 11.1% to ₹25,850 crore.

Secured loan disbursements grew by 73.8% year-on-year to ₹10,134 crore during the quarter. Secured assets now constitute 61% of gross advances, up from 53% a year ago, reflecting the Bank's continued focus on strengthening portfolio quality.

Gold loans emerged as a key growth driver, with the portfolio expanding to ₹8,858 crore, reflecting 54.5% year-on-year growth. In line with the Bank's calibrated de-risking strategy, the microfinance portfolio moderated from ₹8,857 crore in Q4 FY25 to ₹8,746 crore in Q4 FY26, with its share of gross advances declining from 47% to 39%.

Net Interest Income increased to ₹518 crore from ₹434 crore in the previous quarter. Net Interest Margin improved to 6.4%, supported by a better asset mix, lower slippages, and a reduced cost of funds. Pre-provisioning operating profit rose sharply to ₹241 crore, registering a 166.1% year-on-year growth, while other income increased to ₹201 crore, up 39.2% year-on-year.

Asset quality saw a meaningful improvement, with Gross NPA reducing to 5.4% from 5.6% in the previous quarter, and Net NPA declining to 1.8% from 2.7%. The Bank made provisions of ₹214 crore towards stressed assets. The Capital to Risk-Weighted Assets Ratio (CRAR) remained strong at 22.2%, while the cost of funds stood at 7.1%.

Total deposits grew to ₹25,850 crore, up 11% year-on-year. Retail deposits increased by 9.4% to ₹23,674 crore, accounting for 92% of total deposits. CASA balances rose to ₹6,181 crore, with the CASA ratio at 23.9%.

The Bank added nearly 2.3 lakh new customers during the quarter, taking the total customer base to 102.2 lakh, reflecting strong traction across products and geographies.

Commenting on the performance, Dr. K. Paul Thomas, Managing Director & CEO, ESAF Small Finance Bank, said: "Q4 FY26 reflects a continued strengthening of our business with improved profitability and steady progress in asset quality. The successful execution of our MARG strategy—focusing on MSME, Agri, Retail, and gold lending—has accelerated our shift towards a more secured, granular, and sustainable portfolio. With secured assets now accounting for over 60% of our advances, we are building a resilient balance sheet for long-term growth. We remain confident that this strategic shift, supported by investments in technology, operational efficiency, and risk management, will continue to drive consistent performance while staying true to our mission. With strong business momentum and a clear strategic direction, we are well positioned to deliver sustained, profitable growth in the coming quarters." The MD & CEO also added that the Bank continues to expand its branch network, having added 16 branches in FY26.

About ESAF Small Finance Bank:

ESAF Small Finance Bank Ltd (ESAF SFB), a scheduled commercial Bank, commenced its banking operations on 10th March 2017.

The bank's triple-bottom-line approach, focusing on People, Planet, and Prosperity, exemplifies its commitment to universal financial access and inclusion. With a dedication to predominantly serve the low-income and middle-income segments in India, ESAF SFB continues to contribute to livelihoods and economic development, embodying empowerment, inclusivity, and positive transformation in every financial interaction.

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 804 banking outlets, 720 ATMs, 1047 Customer Service Centres spanning across 24 States and 2 Union Territories.

Safe Harbor Statement

Any forward-looking statements about expected future events, 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 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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