



EQUITAS SMALL FINANCE BANK LIMITED

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PRESS RELEASE

August 08, 2025

Chennai, August 08, 2025: The Board of Directors of Equitas Small Finance Bank Limited at its meeting held today, approved the unaudited financial results for quarter ended June 30, 2025

Advances grew by 8% YoY supported by 18% growth in Non-MFI advances

Deposits grew by 18% YoY; Growth in Retail TD of 20% YoY

Bank made one time additional provisions of Rs. 330 Crs during the quarter, resulting in PAT miss

1. Key Highlights for Q1FY26:

- Secured loan advances forms 91% of the total advances of the Bank
- Gross Advances growth remained muted at 8% YoY and flat QoQ as Microfinance loan book contracts. Non Microfinance book grew 18% YoY, led by 22% growth in SBL over previous year.
- Overall deposits registered a growth of 18% YoY & 3% QoQ

2. Business Highlights:

- Vehicle Finance portfolio has crossed Rs. 9500 Crs during the quarter.
- Used Car Advances crossed Rs. 2000 Crs, registered a growth of 50% YoY.
- Used CV Advances registered a growth of 26% YoY
- CASA ratio stable at 29%; CA balances grew 92% YoY.
- Retail Term Deposits posted a growth of 20% YoY to Rs. 19,354 Crs

Key Ratios:

- NIM for the quarter stood at 6.55%
- Cost to Income stood at 70.62% in Q1FY26 as compared to 70.28% in Q4FY25 and 65.75% in Q1FY25

Capital:

- Networth of the Bank stands at Rs. 5,849 Crs
- As of June 30, 2025, Total CRAR at 20.48% | Tier I at 17.16% and Tier II at 3.32%
- Tier II capital raised of Rs. 500 Cr in July '25, improving CAR further by about 1.7%

Treasury & Liquidity:

- The Bank's Certificate of Deposit (CD) programme has highest rating at A1+ from India Ratings, CareEdge Ratings & CRISIL
- Liquidity Coverage Ratio (LCR) as on 30.06.2025 is 209.5%
- Profit on sale of Investments for the quarter is Rs. 116 Crs

3. Profit & Loss:

- Net Income and Total Opex grew by 8% and 16% YoY in Q1FY26
- The Bank has made Additional Standard Asset Provision (One-time Impact) of Rs.185 Crs in Microfinance and Rs.145 Crs for Additional NPA Provision due to change in Provisioning norms, resulting in a Loss of Rs. 224 Cr for the quarter

4. Asset Quality:

- GNPA improved by 7 bps QoQ to 2.82% in Q1FY26 as compared to 2.89% in Q4FY25
- NNPA improved by 3 bps QoQ to 0.95% in Q1FY26 as compared to 0.98% in Q4FY25

About Equitas Small Finance Bank Limited [ESFB]

Equitas Small Finance Bank is one of the largest small finance banks in India. As a new-age bank, we offer a bouquet of products and services tailored to meet the needs of our customers – individuals with limited access to formal financing channels, as well as affluent and mass affluent, Small & Medium Enterprises (SMEs) and corporates. Our firmly entrenched strategy focuses on providing credit to the unbanked and underbanked micro and small entrepreneurs, developing products to address the growing aspirations at the 'bottom of the pyramid', fuelled by granular deposits and 'value for money' banking relationships.

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