



Utkarsh Small Finance Bank

February 02, 2026

BSE Limited

Scrip Code: 543942, 975790, 959644,
958226, 976203

National Stock Exchange of India Limited

Symbol: UTKARSHBNK

Dear Sir/Madam,

Sub: Press Release on the Un-audited Financial Results for the quarter and nine months ended December 31, 2025

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 Un-audited Financial Results for the quarter and nine months ended December 31, 2025 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

Company Secretary & Compliance Officer

Encl.: As above

Registered & Corporate Office

Utkarsh Tower, NH-31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh - 221105.
CIN: L65992UP2016PLC082804 | ☎ 0542-6605555 | 🌐 www.utkarsh.bank.in



UTKARSH SMALL FINANCE BANK LIMITED ANNOUNCES ITS RESULTS for quarter and nine months ended December 31, 2025

Mumbai, February 02, 2026: The Board of Directors of Utkarsh Small Finance Bank Limited approved the Financial Results for the quarter and nine months ended December 31, 2025, at the Board meeting held on February 02, 2026.

Key highlights of the quarter and nine months ended December 31, 2025:

- Gross Loan Portfolio contracted by 3.9% YoY to ₹18,306 crore. Share of secured lending grew from 41% as on December 31, 2024 to 50% as on December 31, 2025
- Deposits grew by 4.5% YoY to ₹21,087 crore, led by Retail Term Deposits (RTD) growth of 23.8% YoY
- Presence across 27 States & UTs, through a network of 1,105 branches
- Net Loss of ₹375 crore in Q3, FY26.

Speaking on the results, **Mr. Govind Singh, MD & CEO, Utkarsh Small Finance Bank** said, “Q3 FY26 was a decisive quarter of strategic recalibration for the Bank, marked by a disciplined shift toward portfolio quality, secured asset expansion, and operational strengthening. The operating environment remained influenced by regulatory transitions and residual stress; however, the Bank demonstrated steady progress through focused execution and structural interventions aimed at long-term resilience. Secured lending increased to 50% of the gross loan portfolio as of December 31, 2025, compared with 41% a year earlier. This shift is aligned with the strategic intent to transition toward more stable asset classes and reduce cyclical credit costs. Non-JLG portfolios – comprising MBBL, MSME, Housing, BBG, etc. – registered strong growth at 28% YoY and 8% QoQ, supported by disciplined underwriting and yield optimization efforts. These trends re-affirm the franchise’s momentum in building a balanced, diversified portfolio beyond traditional JLG lending. On the liabilities side, the Bank recorded 5% YoY growth in deposits, reaching ₹21,087 crore by December 31, 2025, driven primarily by granular, low cost CASA and retail term deposits. This aligns with the strategic direction emphasized during the quarter – reducing reliance on bulk deposits and improving the CASA + RTD ratio, which strengthened to 82% as of December 31, 2025 from 70% a year earlier. As newly launched branches continue to mature, we expect further margin improvement and enhanced business scalability. In the micro-banking segment, the Bank adopted a



cautious posture due to stress indicators emerging in the unsecured JLG portfolio. Tighter underwriting norms, pre-qualified lending to disciplined existing customers, and moderated disbursement levels resulted in a planned contraction of the JLG book during the quarter. While this impacted near-term interest income, these actions are consistent with the Bank's long-term goal of improving asset quality and reducing volatility in the book. The Bank also achieved operational improvements as JLG X-bucket collection efficiency rose to 99.5% in the month of Dec-25 – the highest in three quarters of FY26 – indicating that the corrective measures implemented earlier in the year are gaining traction. To strengthen field discipline and credit oversight, the Bank continued to split larger micro-banking branches, expanded its JLG & MBBL collection workforce to ~1,300, and rolled out back-to-basics training programs emphasizing centre-meeting quality and onboarding rigor. These structural enhancements have contributed to improved operating stability and early signs of asset-quality moderation, including a ~140 bps QoQ reduction in the GNPA ratio as of Dec-25. Under the Utkarsh 2.0 program, multiple digital and automation sub-projects went live, improving productivity, strengthening underwriting through credit-guardrail controls, and enhancing monitoring through 360-degree parameter mapping. These initiatives, already yielding measurable benefits, support the Bank's objective of building a more future-ready franchise. Despite legacy stress impacting profitability – with a reported net loss of ₹375 crore for the quarter – the Bank exited Q3 with a strong capital adequacy ratio of 20.1%, bolstered by the successful ₹950 crore rights issue completed in November 2025. Liquidity strength also remained robust, reflected in an LCR of 207% and surplus liquidity of nearly ₹4,700 crore. These indicators underline the Bank's ability to absorb near-term volatility while continuing to invest in transformation and franchise development. Overall, Q3 FY26 demonstrated clear improvements in execution discipline, collection efficiency, secured asset build-up, deposit granularity, and early signs of asset-quality stabilization. As FY26 continues to serve as a transition year, the Bank remains focused on prudent growth, operational agility, and margin discipline. With foundational shifts underway, the Bank is positioning itself for stronger momentum heading into FY27 and FY28, guided by the ambition to deliver diversified growth, healthier underwriting outcomes, and long-term value creation for stakeholders."

Financial Highlights for quarter and nine months ended on December 31, 2025:

- Deposits grew by 4.5% YoY to ₹21,087 crore as on December 31, 2025, led by growth in retail term deposits. The Bank continues to focus on building granular liabilities franchise, Bank's retail term deposits grew by 23.8% YoY to ₹12,586 crore



- & CASA deposits grew by 16.1% YoY to ₹4,611 crore as on December 31, 2025. CASA deposits ratio increased to 21.9% as on December 31, 2025 from 19.7% as on December 31, 2024. Reflecting the Bank's focus on granular deposits, the share of institutional term deposits within its total deposits decreased to 18.4% as of December 31, 2025, compared to 29.9% on December 31, 2024.
- Bank's CD ratio improved to 79.4% as on December 31, 2025 vs. 91.9% as on December 31, 2024.
 - Bank's loan Portfolio contracted by 3.9% YoY to ₹18,306 crore as on December 31, 2025. The share of secured loans in overall portfolio increased to 50% as on December 31, 2025 from 41% as on December 31, 2024.
 - Gross NPAs declined to 11.0% as on December 31, 2025 vs. 12.4% as on September 30, 2025 (6.2% as on December 31, 2024). Net NPAs declined to 4.5% as on December 31, 2025 vs. 5.0% as on September 30, 2025 (2.5% as on December 31, 2024).
 - Comfortable capitalisation with CRAR at 20.11% and Tier 1 capital at 17.10% as on December 31, 2025. In November 2025, the Bank successfully raised Equity Capital for an amount aggregating to ₹950 crore through rights issue to augment our Tier-1 capital base and meet future growth requirements.
 - Bank's pre-provision operating profit was at ₹44 crore in 9M, FY26 vs. ₹773 crore in 9M, FY25. During 9M, FY26, the Bank reported net loss of ₹963 crore vs. PAT of ₹21 crore in 9M, FY25. Bank's pre-provision operating loss was at ₹44 crore in Q3, FY26 vs. pre-provision operating profit of ₹185 crore in Q3, FY25. During Q3, FY26, the Bank reported net loss of ₹375 crore vs. ₹168 crore in Q3, FY25.

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:

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