IIFL Finance Limited - Q1FY27 Results Press Release

Press Release
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Strong Q1FY27 Performance: PAT at ₹713 Cr, up 14% QoQ; AUM crosses ₹1.15 lakh Cr.

IIFL Finance Limited ("IIFL Finance"), a leading retail-focused NBFC, today announced its financial results for the quarter ended June 30, 2026, delivering strong growth, improved asset quality, and robust profitability.

Performance Overview

- IIFL Finance delivered a robust quarter with consistent growth across core businesses, driven by a strategic focus on secured lending, disciplined portfolio rebalancing, and improved operating efficiency
- Total income for Q1FY27 stood at ₹2,202.4 Cr, up 34% YoY, while pre-provision operating profit rose 50% YoY to ₹1,252.4 Cr. Profit before tax increased 161% YoY to ₹928.6 Cr, reflecting strong operating leverage and improved asset quality
- For Q1FY27, PAT (pre-NCI) stood at ₹713.1 Cr, marking a 160% YoY growth, highlighting the continued strength of the company's secured lending strategy

Key Highlights

- Consolidated AUM grew to ₹1,15,523 Cr, up 7% QoQ and 38% YoY
- Profit After Tax (pre-NCI) stood at ₹713.1 Cr, up 14% QoQ and 160% YoY
- Gross NPA at 1.6% (up 9 bps QoQ)
- Net NPA at 0.8% (up 9 bps QoQ)
- Provision Coverage Ratio strengthened to 94%
- Book value at ₹333.9
- ROA at 3.1% and ROE at 19.5%
- Strong liquidity position of ₹7,148 Cr
- Computed consolidated CRAR at 24.3%

Mr. Nirmal Jain, Founder & Managing Director, IIFL Finance said:

"Q1FY27 demonstrates that our transformation is now showing results. Return on equity annualised at 19.5% and return on assets at 3.1% mark a decisive return to best-in-class profitability, and the book is now nearly 90% secured. Gold loans have powered growth and although the pace of growth can slow down, it remains a core engine, with mortgages and secured MSME expected to gain momentum. With a robust balance sheet, an AI-led operating model and deepening bank partnerships, we are confident of delivering resilient, capital-efficient growth through FY27 while serving underserved segments across India."

Business Segment Performance

- Gold Loans: Gold loan AUM surged to ₹58,406 Cr, up 114% YoY and 11% QoQ, emerging as the primary growth driver. Asset quality remained healthy with GNPA at 0.61%
- Home Finance: AUM stood at ₹41,540 Cr, up 4% QoQ. Asset quality remained stable with GNPA at 1.46%, reflecting continued focus on prudent underwriting
- MSME Loans: Continued shift towards secured MSME lending, with MSME AUM growing 9% QoQ to ₹10,808 Cr and disciplined reduction in unsecured exposure, leading to improved risk profile
- Microfinance: Portfolio stabilization continued with AUM at ₹9,473 Cr, up 4% QoQ, alongside improving asset quality and calibrated growth

Key Updates

- Moody's Ratings has assigned Ba3 Issuer rating and (P)Ba3 GMTN program rating to IIFL Finance Limited; outlook stable
- Raised US$500 mn through Social Bonds Issuance proceeds which are directed to income generating loans for women, low-income and rural / semi-urban borrowers.
- Crisil ESG Ratings has assigned an ESG rating of ‘Crisil ESG 66’ and Core ESG rating of ‘Crisil Core ESG 69’ to the Company

Strategic Focus

The company continues to execute on its strategy of “Resilient, Capital-Efficient Growth” anchored on:

- Secured lending focus (Gold + Mortgages)
- Expansion in underserved MSME and Bharat segments
- AI-led operating model driving productivity and risk management
- Branch-led distribution with hyperlocal sourcing
- Co-lending partnerships enabling capital-light growth
- Strong capital efficiency through DA/PTC and co-lending

Off-book AUM continues to scale meaningfully with cumulative DA + co-lending originations of ₹1.55 lakh Cr since FY14 (through Q4FY26), with zero losses reported in co-lent portfolios.

AI Transformation

IIFL Finance is accelerating its AI-led transformation across underwriting, collections, customer engagement, and cross-sell:

- ML-led Voice AI driving significant customer win-back through targeted calling campaigns
- Grounded, multilingual 24/7 customer bot with seamless human hand-off for service queries
- AI video training launched for 50%+ of frontline staff, accelerating proficiency at scale, alongside faster credit decisions using structured discussion capture
- AI-powered gold-image fraud detection analysed over 1.5 lakh gold ornament images in Q1FY27 to focus field audits on higher-risk cases

Outlook

IIFL Finance enters the rest of FY27 with strong momentum, a robust balance sheet, and a clear strategic roadmap targeting ~25% AUM growth, ROA of 3.1-3.3%, ROE of 16-20%, and an off-book mix of 35-40% for the full year, focused on:

- Scaling secured lending franchises
- Expanding co-lending partnerships with banks
- Proposed equity raise
- Maintaining superior asset quality and capital discipline

Rs Crore	Quarter ended Jun 30, 2026	Quarter ended Jun 30, 2025	Y-o-Y	Quarter ended Mar 31, 2026	Q-o-Q
Loan AUM	1,15,523	83,889	38%	1,08,180	7%
Pre-provision operating profit*	1,252.4	836.1	50%	1,172.7	7%
Profit before tax (pre-exceptional items)	928.6	356.3	161%	832.6	12%
Profit after tax (pre-NCI[1])	713.1	274.2	160%	623.2	14%
Return on assets	3.1%	1.6%	156 bps	3.0%	17 bps
Return on equity	19.5%	7.6%	1188 bps	17.9%	162 bps
GNPA	1.6%	2.3%	(79 bps)	1.5%	9 bps
NNPA	0.8%	1.1%	(31 bps)	0.7%	9 bps

*excluding net gain/(loss) on fair value changes
[1]NCI is Non-controlling interest

Leadership Update

Mr. Vikas Jain joins as Chief Financial Officer, bringing over two decades of experience across finance, treasury, capital markets, risk and investor relations in leading financial institutions. He spent over six years with the Bajaj Finserv Group, where he was part of the leadership team during a period of significant growth and operational transformation. Prior to joining the Company, he served as Group CFO at Hinduja Leyland Finance. His experience spans large-scale fund raising, balance sheet management, regulatory engagement and building high-performing finance functions, and he will play a key role in supporting the Company's next phase of growth and value creation.

Mr. Vikas Jain, CFO, IIFL Finance said:

" It is an exciting time to join IIFL Finance, and Q1FY27 reflects the strength of the platform I am stepping into - PAT up 14% QoQ and Pre-Provision Operating Profit up 7% QoQ, even as we continue to invest in growth, reflecting disciplined cost management and improving operating leverage. During the quarter,

we also strengthened our global funding franchise with a US$500 million social bonds issuance and received a Ba3 (stable) rating from Moody's.
I look forward to building on this strong foundation and bringing continued rigour to our cost discipline and capital planning as we grow through FY27"

Awards and Recognition

- IIFL Finance received further ESG ratings upgrades/reaffirmations as of June 2026, all improved or stable versus March 2026 - Sustainalytics Risk Rating improved to 19.1 (Low Risk) from 25.9 (Medium Risk); S&P Global CSA 2025 maiden score of 46; ESG Risk.ai Rating stable at 69 (Strong); NSE Rating stable at 65 (Strong); CRISIL ESG Rating stable at 60 (Strong)
- IIFL Foundation continued its Miyawaki Plantation initiative in Udaipur, Rajasthan, planting 11,000 trees to improve biodiversity and green cover as part of ongoing environmental initiatives
- IIFL Foundation's Sakhiyon Ki Baadi program continued to benefit 18,432 girl children across 715 learning centers under CSR in aspirational districts
- IIFL Foundation provided 12,000 electrolyte ORS sachets to Mumbai Traffic Police to help prevent heat-related illnesses and dehydration during the summer months

About IIFL Finance

IIFL Finance Limited, along with its subsidiaries IIFL Home Finance and IIFL Samasta Finance, is a leading retail-focused NBFC offering diversified loan products, including home, gold, MSME, microfinance, and capital market finance. With a network of 4,937 branches, IIFL leverages a robust phygital model to serve underserved segments across India.

This document may contain certain forward looking statements based on management expectations. Actual results may vary significantly from these forward looking statements. This document does not constitute an offer to buy or sell IIFL products, services or securities. The press release, results and presentation for analysts/press for the quarter ended June 30, 2026, are available under the 'Financials' section on our website www.iifl.com.

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