IIFL Finance Limited

Press Release
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IIFL Finance Q2FY26 Results update

Strong rebound continues with PAT at Rs. 418 Cr, up 52% q-o-q;
Gold loans growth momentum strong, closing at Rs. 34,577 Cr recording y-o-y growth of 220%

For the quarter ended Sept 30, 2025, IIFL Finance reported a consolidated profit after tax of Rs. 418 Cr (pre non-controlling interest) up 52% q-o-q. The company's consolidated AUM rose 7% q-o-q to ₹90,122 Cr, reflecting steady growth driven by strong growth momentum in gold loans business.

Key Highlights

- **Gold Loans:** Fully normalized post-embargo (Sep 2024); AUM at record high, yields rising, > 98 % customer retention
- **Asset Quality:** Stage 2/3 trending down; PCR 93 %
- **Portfolio Re-set:** Exited unsecured MSME, micro-LAP & high-risk MFI geographies
- **Financial Strength:** ROA 1.9 % | ROE 9.8 % | CRAR (Consolidated, Computed) 28.2 % | Liquidity ₹ 8,170 Cr | PAT ₹ 692 Cr (H1)
- **Growth Focus:** Collateral-backed retail lending – Gold, MSME Secured & Home Finance
- **Operating Model:** AI-led risk and governance systems; phygital reach of ~ 4,800 branches
- **Fitch Ratings** affirmed the rating at 'B+' and revised the outlook on IIFL Finance's Long term Issuer Default Rating from **Stable to Positive**

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

"The past year has been a true test of our resilience and an affirmation of our core strengths. We faced challenges with complete transparency and used them as an opportunity to fortify every pillar of governance, compliance, and customer trust. Today, with risks well-contained, a stronger balance sheet, and renewed operational momentum, IIFL Finance stands poised at the cusp of a new growth cycle. The recent quarterly results reflect that this momentum is translating into strong operating performance. Our unwavering focus on collateral-backed retail lending, technology enablement, and execution excellence will continue to drive sustainable value creation for all stakeholders."

Business Segment Performance

- Home Loans: AUM grew 10% YoY to ₹32,034 Cr but was flat QoQ; business is steady and on track to deliver as per plan
- Gold Loans: AUM surged 220% YoY and 27% QoQ to ₹34,577 Cr, demonstrating a strong momentum supported by healthy tonnage growth and stable asset quality
- MSME Loans: AUM was in line with YoY to ₹13,474 Cr but was down 3% QoQ, owing to strategic re-calibration towards low risk secured lending and pullback from unsecured lending
- Microfinance: AUM stood at ₹8,362 Cr, down 26% YoY and 6% QoQ, impacted by macroeconomic pressures in unsecured lending

Mr. Kapish Jain, Group Chief Financial Officer, IIFL Finance said:

"Our strong rebound both in topline and bottom line continues in the current quarter as well. With strategic focus on increasing share of secured assets we recorded all time highest AUM of ₹90,122 Cr led by Gold and home loans which together account for 74% of the total AUM with stable asset quality, low LTV and healthy yields. Our strong partnership with banks has been reaping good results with share of off book touching 34% of the total AUM."

Mr. Girish Kousgi joins IIFL Home Finance as Managing Director and Chief Executive Officer (CEO)

Mr. Kousgi is a seasoned leader in the financial sector with nearly three decades of diverse experience across banking and finance. He has deep understanding of managing assets and liabilities and expertise in mortgage, retail lending, SME and Agri business. He has dealt with broad suite of financial products like home loans, business loans, LAP, personal loans, mortgages, deposits, retail, rural products, etc. and consistently demonstrated strategic acumen in managing sales, product development, credit underwriting, risk, and operations. The marks a strategic step in strengthening IIFL Home Finance's leadership structure.

Revision in Outlook from Stable to Positive by Fitch Ratings

Fitch Ratings has affirmed IIFL Finance Limited's Long-Term Issuer Default Rating ("IDR") at 'B+' and has revised the Outlook from Stable to Positive on IDR. Further, Fitch has also affirmed the rating on Senior Secured Debt at 'B+' with a Recovery Rating of 'RR4'. In addition, Global Medium-Note programme rating has been affirmed at 'B+'.

Rs Crore	Quarter ended Sep 30, 2025	Quarter ended Sep 30, 2024	Y-o-Y	Quarter ended Jun 30, 2025	Q-o-Q
Loan AUM	90,122	66,964	35%	83,889	7%
Pre-provision operating profit*	1,032.5	747.5	38%	836.1	23%
Profit before tax (pre-exceptional items)	556.7	446.8	25%	356.3	56%
Profit after tax (pre-NCI[1])	417.9	(93.1)	-	274.2	52%
Return on assets	2.2%	(0.7%)	-	1.6%	67 bps
Return on equity	11.9%	(5.2%)	-	7.6%	427 bps
GNPA	2.1%	2.4%	(22 bps)	2.3%	(21 bps)
NNPA	1.0%	1.1%	(4 bps)	1.1%	(11 bps)

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

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 4,780 branches and a customer base of over 4.6 million, 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 and year ended Sept 30, 2025, are available under the 'Financials' section on our website www.iifl.com.

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