IIFL Finance Limited - Q4FY26 & FY26 Results Press Release

Press Release
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Strong Q4FY26 Performance: PAT at ₹623 Cr, up 24% QoQ; AUM crosses ₹1.08 lakh Cr.

IIFL Finance Limited ("IIFL Finance"), a leading retail-focused NBFC, today announced its financial results for the quarter and year ended March 31, 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 Q4FY26 stood at ₹2,090 Cr, up 51% YoY, while pre-provision operating profit rose 80% YoY to ₹1,173 Cr. Profit before tax increased 169% YoY to ₹833 Cr, reflecting strong operating leverage and improved asset quality
- For FY26, PAT (pre-NCI) stood at ₹1,817 Cr, marking a 214% YoY growth, highlighting the success of the company's strategic reset and recovery

Key Highlights

- Consolidated AUM grew to ₹1,08,180 Cr, up 10% QoQ and 38% YoY
- Profit After Tax (pre-NCI) stood at ₹623 Cr, up 24% QoQ and 148% YoY
- Gross NPA improved to 1.5% (down 14 bps QoQ)
- Net NPA at 0.7% (down 2 bps QoQ)
- Provision Coverage Ratio strengthened to 93%
- ROA at 2.4% and ROE at 13.1%
- Strong liquidity position of ₹6,638 Cr
- Consolidated CRAR at 25.3%

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

" The performance in Q4FY26 reflects the strength of our strategic direction and disciplined execution. Our focus on secured lending, portfolio quality, and capital efficiency is delivering consistent results, with strong growth in gold loans and stable performance in mortgages. We have significantly strengthened our balance sheet, improved asset quality, and built a scalable operating model anchored in AI and co-lending partnerships. As we move into FY27, we are well positioned to deliver sustainable, high-quality growth while continuing to serve underserved segments across India."

Business Segment Performance

- Gold Loans: Gold loan AUM surged to ₹52,581 Cr, up 150% YoY and 21% QoQ, emerging as the primary growth driver. Asset quality remained strong with GNPA at 0.35%
- Home Finance: AUM stood at ₹40,075 Cr with a stable performance. Asset quality improved with GNPA at 1.2%, reflecting continued focus on prudent underwriting
- MSME Loans: Shift towards secured MSME lending continues, with disciplined reduction in unsecured exposure, leading to improved risk profile
- Microfinance: Portfolio stabilization underway with improving asset quality and calibrated growth

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

Co-lending continues to scale meaningfully, with cumulative originations exceeding ₹50,000 Cr and 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:

- AI-driven lead generation engine contributing ~₹1,000 Cr monthly pipeline
- Multilingual customer interface across 22 languages
- AI-powered branch productivity tools and call analytics
- AI-powered Image fraud detection that scores and flags images for field audit; 1,895 loans flagged by AI

Outlook

IIFL Finance enters FY27 with strong momentum, a robust balance sheet, and a clear strategic roadmap focused on:

- Scaling secured lending franchises
- Expanding co-lending partnerships with banks
- Driving AI-led productivity and cost efficiency
- Maintaining superior asset quality and capital discipline

Rs Crore	Quarter ended Mar 31, 2026	Quarter ended Mar 31, 2025	Y-o-Y	Quarter ended Dec 31, 2025	Q-o-Q
Loan AUM	1,08,180	78,341	38%	98,336	10%
Pre-provision operating profit*	1,172.7	651.2	80%	1,075.4	9%
Profit before tax (pre-exceptional items)	832.6	309.5	169%	662.9	26%
Profit after tax (pre-NCI[1])	623.2	251.4	148%	501.4	24%
Return on assets	3.0%	1.6%	139 bps	2.5%	44 bps
Return on equity	17.9%	7.0%	1089 bps	14.4%	354 bps
GNPA	1.5%	2.2%	(77 bps)	1.6%	(14 bps)
NNPA	0.7%	1.0%	(32 bps)	0.8%	(2 bps)

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

Mr. Kapish Jain, CFO, IIFL Finance said:

” Fiscal 2026 has been a milestone year in the history of the company where we have conclusively established ourselves as a strong retail franchise led by Gold loans and mortgage assets. The growth has been enabled through a strong partnership with banks for both Direct Assignment and Col ending which collectively form around 36% of our Asset Under Management and going strong.”

Awards and Recognition

- IIFL Finance received multiple ESG ratings upgrade or reaffirmation in Q4FY26 - Sustainanalytics Risk Rating: 19.1 (Low risk) from 25.9 (Medium risk), S&P Global CSA 2025 maiden rating of 46, ESG Risk.ai Rating: 69 (Strong) NSE Rating: 60 (Strong) from 65, CFC Finlease rating: 85 (Excellent)
- IIFL Finance has been recognized as one of the "Best Organizations for Women 2026" by ET Edge, a Times Group initiative
- IIFL Finance received the "Changemakers 2026" Award at the Palo Alto Networks Cybersecurity Leadership Summit in February 2026
- IIFL Finance received ‘Best Skill Development Program Initiative of the Year’ at UBS Forums’ 16th CSR Summit and Awards for IIFL Foundation’s Manipur Skill Development Program
- IIFL Finance received the ‘Best CSR Project of the Year award’ for the Holistic Development of 102 Schools in Rajasthan by IIFL Foundation at UBS Forums’ 16th CSR Summit and Awards
- Mrs Madhu Jain, Founder-Director, IIFL Foundation received the CSR Leadership Award at UBS Forums’ 16th CSR Summit and Awards for driving multiple initiatives with IIFL Finance

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 4,829 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 Mar 31, 2026, are available under the 'Financials' section on our website www.iifl.com.

Investor & Media Contact:

Media Relations
Sourav Mishra
Email:sourav.mishra@iifl.com

Investor Relations
Veenashree Samani
Email:ir@iifl.com