

IIFL Finance Limited – Q2FY27 Results Press Release**Press Release****For immediate publication****Mumbai, India | October 15, 2026****Strong Q2FY27 Performance: PAT at ₹805 Cr, up 13% QoQ; AUM crosses ₹1.24 lakh Cr.**

IIFL Finance Limited (“IIFL Finance”), a leading retail-focused NBFC, today announced its financial results for the quarter ended September 30, 2026, delivering strong growth, an improvement in overall GNPA, and robust profitability.

Performance Overview

- IIFL Finance delivered a robust quarter, with consistent growth across its core businesses, supported by its secured-lending focus, disciplined portfolio rebalancing and improving operating efficiency.
- Total income rose 23% YoY to ₹2,339.6 crore, while pre-provision operating profit increased 31% YoY to ₹1,355.1 crore. Profit before tax rose 93% YoY to ₹1,073.7 crore, supported by operating leverage and lower loan losses and provisions.
- For Q2FY27, PAT (pre-NCI) stood at ₹805.0 Cr, marking a 93% YoY growth, highlighting the continued strength of the company’s secured lending strategy

Key Highlights

- Consolidated AUM grew to ₹1,24,268 Cr, up 8% QoQ and 38% YoY
- Profit After Tax (pre-NCI) stood at ₹805.0 Cr, up 13% QoQ and 93% YoY
- Gross NPA at 1.5% (down 7 bps QoQ)
- Net NPA at 0.9% (up 5 bps QoQ)
- Provision Coverage Ratio at 91%
- Book value at ₹351.5
- ROA at 3.1% and ROE at 20.1% (annualized for H1FY27).
- Strong liquidity position of ₹13,805 Cr
- Computed consolidated CRAR at 23.5%

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

“Q2 FY27 delivered robust growth, with AUM crossing ₹1.24 lakh crore, up 38% year-on-year, a 90% secured AUM and GNPA of 1.5%. ROE above 20% reflects strong gold and mortgage franchises, lower credit costs and improved operating efficiency.

As gold loan growth moderates, we expect home loans and secured MSME lending to gain momentum. We are strengthening risk, audit, compliance and customer service through AI, while deepening bank partnerships. The Fitch upgrade underscores growing confidence in our credit profile. We expect to sustain resilient, capital-efficient growth through FY27 while serving underserved India.”

Business Segment Performance

- Gold Loans: Gold loan AUM surged to ₹65,729 Cr, up 90% YoY and 13% QoQ, emerging as the primary growth driver. Yields improved marginally by 15bps QoQ. Asset quality remained healthy with GNPA at 0.90%
- Home Finance: Total AUM stood at ₹43,070 Cr, up 4% QoQ. Asset quality improved with GNPA declining to 1.38%, reflecting continued focus on prudent underwriting
- MSME Loans: Continued shift towards secured MSME lending, with MSME AUM growing 11% QoQ to ₹11,948 Cr and disciplined reduction in unsecured exposure, leading to improved risk profile
- Microfinance: Consolidated microfinance AUM stood at ₹9,489 broadly flat QoQ with improving asset quality

Key Updates

- IIFL Finance successfully completed a ₹25 crore tokenised bond transaction, becoming the first Non-PSU Non-Banking Financial Company (NBFC) in India to undertake a transaction of this nature
- Fitch Ratings upgraded IIFL Finance (IIFL) Long-Term Issuer Default Rating (IDR), senior secured debt and global medium-note programme (GMTN) ratings to 'BB-' from 'B+'; outlook stable
- CRISIL ESG Ratings has assigned an ESG rating of 'CRISIL ESG 66' and Core ESG rating of 'CRISIL Core ESG 70' 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 ₹1.7 lakh Cr since FY14 (through Q2FY27).

AI Transformation

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

- Voice AI is live in gold-loan sales, with acquisition cost below 1% of loan value in the pilot and a target of below 0.3% at scale.
- AI credit assessment is now used for 85%+ of SME LAP applications to generate credit assessment memoranda.
- AI video-based sales training has engaged 12,000+ sales employees through interactive, customised content in their own language.
- AI-powered fraud detection has analysed over 11 lakh gold jewellery images and is implemented across all gold-loan branches.

Outlook

IIFL Finance enters the rest of 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
- Progressing the proposed equity raise, pursuant to the enabling shareholder approval received in July 2026
- Maintaining superior asset quality and capital discipline

Rs Crore	Quarter ended Sep 30, 2026	Quarter ended Sep 30, 2025	Y-o-Y	Quarter ended Jun 30, 2026	Q-o-Q
Loan AUM	1,24,268	90,122	38%	1,15,523	8%
Pre-provision operating profit ¹	1,355.1	1,032.5	31%	1,252.4	8%
Profit before tax	1,073.7	556.7	93%	928.6	16%
Profit after tax (pre-NCI ²)	805.0	417.9	93%	713.1	13%
Return on assets ³	3.2%	2.2%	99 bps	3.1%	9 bps
Return on equity ³	20.8%	11.9%	890 bps	19.5%	132 bps
GNPA	1.5%	2.1%	(66 bps)	1.6%	(7 bps)
NNPA	0.9%	1.0%	(13 bps)	0.8%	5 bps

Notes

1. excluding net gain/(loss) on fair value changes
2. NCI is Non-controlling interest
3. Annualized

Mr. Vikas Jain, CFO, IIFL Finance said:

“For H1FY27, PAT (pre-NCI) more than doubled year-on-year to ₹1,518 crore, supported by stronger operating leverage and a 43% reduction in loan losses and provisions YoY. With liquidity of ₹13,805 crore, a well-diversified borrowing mix and consolidated CRAR of 23.5%, we remain well positioned to fund growth while maintaining balance-sheet resilience and capital discipline.”

“During the quarter, we also completed a ₹25 crore tokenised bond transaction, becoming the first non-PSU NBFC in India to undertake a transaction of this nature. We remain focused on strengthening the balance sheet, maintaining financial discipline and supporting sustainable, capital-efficient growth.”

Awards and Recognition

- IIFL Finance was recognised as one of the ‘ET Iconic Brands of India 2026’
- IIFL Finance was recognised among ‘Top 50 India's Best Workplaces for Women 2026’ by Great Place to Work India
- IIFL Foundation received the ‘Best Innovation in CSR Practices Award’ at 17th Corporate Social Responsibility Summit and Awards in Pune
- Mrs. Madhu Jain, Founder-Director, IIFL Foundation received the ‘CSR Visionary Award’ at 17th Corporate Social Responsibility Summit and Awards in Pune
- Mrs. Madhu Jain, Founder-Director, IIFL Foundation, was recognised by the Hon’ble Governor of West Bengal, Shri R. N. Ravi, at the Jito Ladies Wing Women Entrepreneurs Summit for her contributions in the areas of entrepreneurship, leadership and women empowerment
- IIFL Foundation was recognised among ‘Top Five Recipients of Rajasthan's Prestigious Bhamashah Award’ by Government of Rajasthan.

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 5,091 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 September 30 2026 are available under the '[Financials](#)' section on our website www.iifl.com.

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