***Press Release***
***October 15, 2026, Mumbai***

# L&T Finance Ltd. (LTF) records highest ever consolidated Profit After Tax (PAT) of Rs. 975 Crore for Q2FY27, up 33% YoY, while also achieving its highest ever consolidated book of Rs. 1,36,635 Crore, up 28% YoY

*Robust Q2FY27 Retail Disbursements at Rs. 24,027 Crore, up 27% YoY, reflecting continued business momentum*

*Improving asset quality, lower credit costs, and higher Return on Assets (RoA) reinforce the Company's focus on profitable, risk-calibrated growth*

*Accelerates technology deployment to evolve into an AI-native lender*

**Key highlights for Q2FY27:**

- Off to a strong start on the Lakshya 2031 trajectory, with Retail book growth reaching 29% YoY, exceeding the over 20% target. Retail book for the quarter stands at Rs.1,34,600 Crore vs. Rs. 1,04,607 Crore in Q2FY26
- Consolidated book for Q2FY27 stands at Rs. 1,36,635 Crore vs. Rs. 1,07,096 Crore in Q2FY26, registering a growth of 28% YoY
- Improved NIMs + Fees for Q2FY27 at 10.48% vs. 10.22% in Q2FY26, registering an improvement of 26 bps YoY
- Maintained an improving trajectory in consolidated asset quality - Gross Stage 3 (GS3) at 2.75% and Net Stage 3 (NS3) at 0.85% for Q2FY27 vs a GS3 of 3.29% and NS3 of 1.00% in Q2FY26
- RoA improved to 2.60% in Q2FY27 vs. 2.41% in Q2FY26, up 19 bps YoY

**Robust business model coupled with responsible growth across all retail segments led to:**

- Healthy quarterly retail disbursements in Q2FY27 at Rs. 24,027 Crore vs. Rs. 18,883 Crore in Q2FY26, a growth of 27% YoY
- Risk calibrated growth across product segments with a focus on high yielding secured and unsecured products

**Proactive Asset Liability Management:**

- Diversified liability mix coupled with timely fund raising has enabled the Company to achieve its lowest-ever Weighted Average Cost of Borrowing (WACB) at 6.95% in Q2FY27 compared with 7.20% in Q1FY27, down 25 bps QoQ largely contributed by:
    - Continued leveraging the rural asset profile judiciously to extract best pricing on borrowings.
    - Contracted low-cost tenor funding as well as favorably repricing bank funding lines taking advantage of dip in yield curve seen in July to August 2026 period.

**Steady Consolidated Asset quality:**

- Gross Stage 3 (GS3) stood at 2.75% in Q2FY27 vs. 3.29% in Q2FY26
- Net Stage 3 (NS3) stood at 0.85% in Q2FY27 vs. 1.00% in Q2FY26

**Improvement in credit cost:**

- Continuous focus on tightening credit and risk administration frameworks, strengthening collections infrastructure and accelerating our AI-led technology transformation led to a 52 bps YoY reduction in Credit Cost to 2.46% in Q2FY27 vs 2.98% (before macro prudential provisions) in Q2FY26
- Credit cost for Q2FY27 stood at 2.46% vs. 2.54% in Q1FY27, a sequential reduction of 8 bps

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**Performance for Q2FY27 (Consolidated)**

- Profit after tax for Q2FY27 stands at Rs. 975 Crore vs. Rs. 735 Crore, up by 33% YoY
- Retail disbursements for Q2FY27 stand at Rs. 24,027 Crore vs. Rs. 18,883 Crore in Q2FY26, growth of 27% YoY
- Continued the momentum in Gold Finance distribution expansion, exiting Q2FY27 with 502 branches, a cumulative addition of 372 new branches since acquisition of the business in June 2025. Book size of the Gold Loan business expanded to Rs. 5,043 Crore in Q2FY27 against a book size of Rs. 1,475 Crore in Q2FY26, witnessing a growth of 242% YoY
- Cyclops powered Two-Wheeler disbursements stood at Rs. 3,170 Crore vs. Rs. 2,512 Crore in Q2FY26, a growth of 26% YoY
- Personal Loans disbursements continued the growth momentum by registering a 45% jump in YoY disbursements to Rs. 4,233 Crore in Q2FY27 vs Rs. 2,918 Crore in Q2FY26, with an increased focus on risk calibrated disbursements through Big Tech Partnerships
- Consolidated Credit cost for Q2FY27 at 2.46% vs. 2.54% in Q1FY27, a reduction of 8 bps QoQ
- RoE increased to 13.56% in Q2FY27 from 11.33% (RoE after macro prudential provisions) in Q2FY26
- RoA stood at 2.60% in Q2FY27 vs. 2.41% in Q2FY26, up 19 bps YoY

The Board of LTF, one of the leading Upper-Layer Non-Banking Financial Companies (NBFCs) in India, today announced the financial results for the second quarter ended September 30, 2026. As a part of its next 5-year strategic plan Lakshya 2031 is steadily working towards transitioning to an AI-native Retail financial services institution through cutting-edge in-house AI & Deep Tech stack. The Company offers Farmer Finance, Rural Business Finance, Two-wheeler Finance, Personal Loan, Home Loan and Loan Against Property (LAP), SME Finance, and Gold Finance. With a robust business model and super-fast solutions development cycle, LTF is dedicated towards building a high-quality risk calibrated retail lending franchise with equal dominance in urban and rural segments.

Commenting on the financial results, **Mr. Sudipta Roy, Managing Director & CEO, LTF**, said, "Q2FY27 has been yet another strong quarter for L&T Finance with strong delivery across all business parameters, laying a solid foundation for our Lakshya 2031 journey with a sustained business momentum. These outcomes reflect the strength of our diversified retail franchise, the discipline of our execution and our continued focus on delivering sustainable, risk-calibrated growth. Despite uncertainties in the macroeconomic environment, inflation pressures, and seasonal headwinds, our resilient business model enabled us to navigate these macro dynamics effectively while expanding key focus verticals like Gold Finance, Micro LAP, Personal Loans, and Two-Wheeler Finance. Our approach will continue to be guided by disciplined underwriting, strengthened risk guardrails, granular portfolio monitoring and a strong collections framework. We believe that responsible growth and superior portfolio quality must go hand in hand.

As we progress on our Lakshya 2031 journey, we remain focused on strengthening our granular distribution channels, expanding our branch footprint and enhancing our digital acquisition capabilities. Our investments in artificial intelligence, particularly through our AI-powered credit administration and portfolio management frameworks are expected to further enhance credit decision-making, identify early warning signals and drive greater operational efficiency. These capabilities will help us build a more agile, scalable and resilient organisation.

Our priority remains to sustain profitable growth, improve returns and strengthen the quality of our franchise. We are confident that our investments in technology, distribution and risk management will help us navigate evolving market conditions while progressing towards our long-term strategic ambitions."

**Developing digital finance delivery as a customer value proposition**

In Q2FY27, the Company's flagship PLANET app reinforced its status as a core digital engine for the Company - surpassing 2.7 crore downloads. The application now services 94% of the total service requests generated by its customers and has driven collections of Rs. 2,168 Crore during the quarter, coupled with a business generating of Rs. 5,934 Crore in business.

Further strengthening its rural reach, PLANET app introduced a dedicated rural interface with a clear, intuitive and clutter-free UI, offering multilingual capabilities, including Hindi. This enables rural customers

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to navigate the app more easily, access services in a familiar language and complete transactions with greater convenience and confidence.

**Partner PLANET**

The Company's Partner PLANET app has emerged as a dedicated digital platform designed to strengthen engagement with its dealer network by bringing key business information, retail performance insights and operational services onto a single interface. The platform enables dealers to access business metrics, monitor retail performance, manage Trade Advance requirements and track operational requests, enhancing transparency, convenience and efficiency across the dealer ecosystem.

**Outcome of AI Implementations**

L&T Finance continues to advance its Lakshya 2031 ambition of becoming a risk-first, technology-first and AI-native retail financial services institution. The Company is embedding intelligence across customer acquisition, underwriting, portfolio management, servicing and cross-selling.

- **Project Hercules – Advancing agentic AI-led cross-selling:** The Company has launched Phase 1 of Project Hercules, its agentic AI-based cross-sell platform, in beta during Q2FY27. Powered by a new Lead Management System (LdMS), the platform is live for upsell and cross-sell opportunities across urban products, with rural products targeted for introduction by mid-November 2026.

- **AI Citizen – Embedding an AI-first culture across the organisation:** Extending AI adoption beyond technology teams, the Company has launched its AI Citizen initiative to enable employees to build and deploy customised AI agents for their functional requirements. The initiative has already engaged over 1,200 employees, generated more than 21,000 chat sessions and enabled the creation of over 5,000 agents. With leadership training and an expanding network of AI Champions, the programme is designed to deepen organisation-wide AI adoption, strengthen employees' technology capabilities and drive productivity through function-specific applications.

- **In-house developed AI solutions and Co-pilots driving operational efficiencies:** Co-pilots at LTF provide speed and deepen human decisions across underwriting, fraud detection, servicing and collections.
    - **Project Helios**, the underwriting co-pilot for SME, Home Loan and Personal Loan businesses, has processed approximately 80,000 files, while reducing underwriting turnaround time from 21 to 16 hours for Self-Employed Professionals (SEP) and from 37 to 22 hours for Self-Employed Non-Professionals (SENP).
    - **Project Orion**, the Nostradamus portfolio-management co-pilot, has facilitated approximately 5,000 conversational self-service business queries, enabling real-time portfolio insights and report generation.
    - **Project ShighraM**, the mortgage legal process automation co-pilot, has processed over 9,500 files across 11 vernacular languages. The Mortgage Policy and Pricing Assistant (MOPPA) handles over 240 queries per day across 15 vernacular languages.
    - **Project Argus**, the SME fraud-screening co-pilot, has processed approximately 9,700 files.

  Collectively, these solutions are helping improve decision consistency, accelerate processes and make AI-enabled capabilities accessible across the organisation.

**Key Highlights:**

**Robust Retail Franchise:**

The Company's granular and deep pan-India Retail franchise is led by its strong distribution capabilities, namely, its geographic presence in around 2 Lakh villages and over 450 cities/towns, over 3,100 branches in urban and rural geographies. The Company witnessed strong growth in its Distribution Network in Q2FY27. The Company activated 25,670 new villages for Rural Group Loans and MFI. Active sourcing points at the end of the quarter were 9,453 for Two-wheeler Finance, 2,766 for Farm Equipment Finance, and 298 for Home Loan/LAP. Additionally, the Company has established 502 active Gold Finance branches as of Q2FY27.

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**Building a diversified retail franchise:**

Retail disbursements for Q2FY27 stand at Rs. 24,027 Crore vs. Rs. 18,883 Crore in Q2FY26, a growth of 27% YoY. The Retail Book size for Q2FY27 stands at Rs. 1,34,600 Crore vs. Rs. 1,04,607 Crore in Q2FY26, registering a growth of 29% YoY. Growth was driven by all business segments across rural and urban geographies with a focus on high yielding loan products.

**Rural Business Finance:**

- Book size up 22% YoY to Rs. 33,465 Crore in Q2FY27 vs. Rs. 27,460 Crore in Q2FY26
- Quarterly disbursements for Q2FY27 at Rs. 6,356 Crore vs. Rs. 6,316 Crore, up 1% YoY

**Farmer Finance:**

- Book size up 9% YoY to Rs. 17,397 Crore in Q2FY27 vs. Rs. 15,943 Crore in Q2FY26
- Quarterly disbursements for Q2FY27 at Rs. 1,643 Crore vs. Rs. 1,654 Crore, down 1% YoY

**Two-wheeler Finance:**

- Book size up 24% YoY to Rs. 16,158 Crore in Q2FY27 vs. Rs. 13,013 Crore in Q2FY26
- Quarterly disbursements for Q2FY27 at Rs. 3,170 Crore vs. Rs. 2,512 Crore, up 26% YoY

**Personal Loans:**

- Book size up 72% YoY to Rs. 18,664 Crore in Q2FY27 vs. Rs. 10,878 Crore in Q2FY26
- Quarterly disbursements for Q2FY27 at Rs. 4,233 Crore vs. Rs. 2,918 Crore, up 45% YoY
- Partnered with Pine Labs to introduce Agentic Commerce and Payments on L&T Finance PLANET App

**Housing Loans and Loan Against Property (LAP):**

- Book size up 20% YoY to Rs. 32,846 Crore in Q2FY27 vs. Rs. 27,407 Crore in Q2FY26
- Quarterly disbursements for Q2FY27 at Rs. 2,926 Crore vs. Rs. 2,713 Crore, up 8% YoY

**SME Finance:**

- Book size up 27% YoY to Rs. 9,495 Crore in Q2FY27 vs. Rs. 7,465 Crore in Q2FY26
- Quarterly disbursements for Q2FY27 at Rs. 1,820 Crore vs. Rs. 1,468 Crore, up 24% YoY

**Gold Finance:**

- Book size up 242% YoY to Rs. 5,043 Crore in Q2FY27 vs. Rs. 1,475 Crore in Q2FY26
- Quarterly disbursements for Q2FY27 at Rs. 3,237 Crore vs. Rs. 983 Crore, up 229% YoY
- Launched an integrated marketing campaign featuring brand ambassador Jasprit Bumrah under the tagline "Koi Bhi Sapna Hold Mat Karo, L&T Finance Gold Loan Karo," covering key markets across eight states and one union territory, and reaching consumers through approximately 150 LTF branches

**About L&T Finance Ltd. (LTF):**

L&T Finance Ltd. (LTF) ( www.LTFINANCE.com ), is a leading Non-Banking Financial Company (NBFC), offering a range of financial products and services. Headquartered in Mumbai, the Company has been rated 'AAA' — the highest credit rating — by four leading domestic rating agencies. LTF is also rated by International Rating Agencies. S&P Global Ratings has affirmed LTF with long-term Issuer Credit Rating at "BBB/Stable" and short-term issuer credit rating at "A-2". Fitch Ratings has affirmed LTF Long-Term Foreign and Local-Currency Issuer Default Ratings of "BBB-" with a Stable outlook. It has also received leadership scores and ratings by global and national Environmental, Social, and Governance (ESG) rating providers for its sustainability performance. The Company has been certified as a Great Place To Work® and has also won many prestigious awards for its flagship CSR project – "Digital Sakhi"- which focuses on women's empowerment and digital and financial inclusion. Under Right to Win, being in the 'right businesses' has helped the Company become one of the leading financiers in key Retail products. The Company is focused on transforming into a Risk-first, Technology-first, AI-native Retail financial services institution as part of the Lakshya 2031 plan. The Company has over 3 Crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.