

Press Release
April 24, 2026, Mumbai

L&T Finance Ltd. (LTF) records highest ever consolidated annual Profit After Tax (PAT) of Rs. 3,003 Crore (before effect of Labour Code considered in Q3FY26), up 14% YoY in FY26

Q4FY26 consolidated PAT is at Rs. 807 Crore, up 27% YoY

Accelerates technology deployment momentum to fully transform to an AI-enabled lender

Strong retail franchise with a Retail Book Size of Rs. 1,19,508 Crore, up 26% YoY for FY26

Highest ever annual retail disbursements at Rs. 83,213 Crore, up 39% YoY

Consolidated Book stands at Rs. 1,21,728 Crore in FY26

Launches 5-year strategic plan Lakshya 2031

Continuous improvement in credit cost and profitability trajectory

Board recommends a dividend of Rs. 2.75 per equity share for FY26

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

- Highest ever annual Retail disbursements in FY26 at Rs. 83,213 Crore vs. Rs. 60,040 Crore in FY25, a growth of 39% YoY
- Highest ever quarterly Retail disbursements in Q4FY26 at Rs. 24,107 Crore vs. 14,899 Crore in Q4FY25, a growth of 62% YoY

Proactive Asset Liability Management led to:

- Lowest-ever Quarterly Weighted Average Cost of Borrowing (WACB) at 7.17% in Q4FY26, reduction of 67 bps Year-on-Year (YoY), driven by a diversified liability mix and prudent liability planning
- Lowest-ever yearly WACB at 7.35% in FY26, reduction of 48 bps (YoY)

Steady Consolidated Asset quality:

- Gross Stage 3 (GS3) stood at 2.88% in Q4FY26 vs. 3.19% in Q3FY26 vs. 3.29% in Q4FY25
- Net Stage 3 (NS3) stood at 0.96% in Q4FY26 vs. 0.92% in Q3FY26 vs. 0.97% in Q4FY25

Steady credit cost:

- Maintained steady state credit cost at 2.54% (post utilisation of macro-prudential provisions in Q1 and Q2 FY26) in FY26
- Credit cost for Q4FY26 stood at 2.64% vs. 2.83% in Q3FY26

Performance for FY26 (Consolidated)

- Retailisation at 98% of overall book
- Highest ever annual PAT (before effect of Labour Code considered in Q3FY26) at Rs. 3,003 Crore
- Retail book stands at Rs. 1,19,508 Crore, growth of 26% YoY
- Consolidated book stands at Rs. 1,21,728 Crore, growth of 25% YoY

- Retail disbursements for FY26 stands at Rs. 83,213 Crore vs. 60,040 Crore in FY25, growth of 39% YoY
 - Maintained a steady state run-rate on disbursements throughout the year, supported by GST 2.0 and robust festive demand resulting in growth across the span of diversified product profile
 - Two-Wheeler Finance, Gold Finance, Personal Loans, and Rural Business Finance contributed significantly to this growth
- Improvement in credit cost to 2.54% (post utilisation of macro-prudential provisions in Q1 and Q2 FY26)
- Return on Assets (RoA) at 2.39% (before the impact of Labour Code) for FY26
- Return on Equity (RoE) increased to 11.33% (before the impact of Labour Code) for FY26 from 10.87% in FY25
- Gained momentum in Gold Finance branches expansion, exiting Q4FY26 with 330 branches addition of 200 new branches since acquisition of the business in June 2025
- Scaled up Personal Loans disbursements through Big Tech partnerships, contributing 38% to the total personal loan disbursements in Q4FY26 vs. 22% in Q4FY25 (38% in FY26 vs. 10% in FY25)

Performance for Q4FY26 (Consolidated)

- PAT for Q4FY26 stands at Rs. 807 Crore vs. Rs. 636 Crore, up by 27% YoY
- Retail disbursements for Q4FY26 stands at Rs. 24,107 Crore vs. Rs.14,899 Crore in Q4FY25, growth of 62% YoY
- Growth in secured disbursements led by Two-Wheeler Finance at Rs. 2,930 Crore growing 58% YoY
- Gold Finance disbursements at Rs. 2,779 Crore in Q4FY26
- Personal Loans disbursements grew 98% YoY to Rs. 3,786 Crore with increased focus on Big Tech Partnerships
- Rural Business Finance disbursements increased 41% YoY and 7% QoQ, at Rs. 7,208 Crore
- Sequential improvement of 6bps in Net Interest Margin (NIMs) + Fees with NIMs + Fees for Q4FY26 at 10.47% vs. 10.41% in Q3FY26
- Credit cost for Q4FY26 at 2.64% vs. 2.83% in Q3FY26
- RoE increased from 10.13% in Q4FY25 to 11.71% in Q4FY26
- RoA stood at 2.40% in Q4FY26 vs. 2.22% in Q4FY25, up 18 bps YoY

The Board of LTF, one of the leading Non-Banking Financial Companies (NBFCs) in India today, announced the financial results for the fiscal and the fourth quarter ended March 31, 2026. Under the Lakshya 2026 goals, the Company has transitioned to AI-driven Prime Retail Franchise offering Farmer Finance, Rural Business Finance, Two-wheeler Finance, Personal Loan, Home Loan and Loan Against Property (LAP), SME Finance, and Gold Loan. The Company reoriented Lakshya 2026 strategy midway, with focus on building prime resilient customer portfolio with Prime/Near Prime customer profile and developed digital AI stack in house such as 'Project Cyclops' (underwriting) and 'Project Nostradamus' (Portfolio Management). With a robust business model, advanced technology, and data analytics for fully-digitised disbursement and collection processes, LTF is dedicated towards building a high-quality retail lending franchise.

Commenting on the financial results **Mr. Sudipta Roy, Managing Director & CEO, LTF**, said, "FY26 has been a good year for us, despite significant headwinds in our microfinance business in the initial months of the year and the end of the year closing with geopolitical tensions. Through the course of the year, we remained steadfast in our approach—tightening credit and risk administration frameworks, strengthening collections infrastructure, accelerating our AI-led technology transformation and continuously focusing on growth across all our business lines. On the microfinance business, our focus was on navigating the cycle with prudence and our efforts have yielded results, with business parameters across both disbursements and collection efficiencies now reverting to near pre-crisis levels, giving us confidence that FY27 will be a stable and productive year for this segment.

FY26 also marks the successful completion of our Lakshya 26 strategic plan, achieving most of our stated objectives even amid volatility in the credit environment. This reflects the resilience of our diversified franchise, disciplined execution, and the strength of the digital and analytics capabilities that we built during the plan period. As we embark on our next five-year strategic roadmap, Lakshya 31, we are setting



ourselves ambitious and measurable targets to drive consistent growth with improved profitability. While global geopolitical uncertainties persist, we remain confident that the solid foundation established during the Lakshya 26 period will enable us to deliver steady outcomes and create long-term value for all stakeholders and truly transform L&T Finance into a Risk-first, Technology-first, Multi-product Retail Financier of Choice.”

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 500 cities/towns from around 2,311 rural meeting centers/branches and 529 branches across urban centers. This extensive geographic presence is also supported by around 14,000 distribution points built over 15+ years. The Company added 200 new Gold Finance Branches since acquisition in June 2025, exiting Q4FY26 with 330 branches. The Company also leverages around 2.8 Crore of its customer database to drive a credible cross-sell and up-sell franchise, contributing 43% of the Company’s repeat disbursements share in value and 45% in count during Q4FY26. The Company has a portfolio mix of 60% Urban and 40% Rural. The Company continued its up-sell efforts in Rural Group Loans and MFI, to consolidate and expand the exclusive customer base.

Building a diversified retail franchise:

Retail disbursements for FY26 stands at Rs. 83,213 Crore vs. Rs. 60,040 Crore in FY25, growth of 39% YoY. The Company maintained a steady state run-rate on disbursements throughout the year, bolstered by GST 2.0 and robust festive demand results in growth across the span of our diversified product profile. Two-Wheeler Finance, Gold Finance, Personal Loans, and Rural Business Finance contributed significantly to this growth.

During the year, the Company launched two Integrated Marketing Campaigns with its brand ambassador Jasprit Bumrah namely, ‘Just Zoom Two-Wheeler Loans’ for Two-Wheeler Finance and ‘Aapke Business Ka Game Changer’ campaign for Business Loans (SME Finance).

Rural Business Finance:

- Book size up 17% to Rs. 30,805 Crore vs. Rs. 26,320 Crore YoY
- Annual disbursements for FY26 at Rs. 25,882 Crore vs. Rs. 20,921 Crore, up 24% YoY
- Quarterly disbursements for Q4FY26 at Rs. 7,208 Crore vs. Rs. 5,114 Crore, up 41% YoY

Farmer Finance:

- Book size up 12% to Rs. 16,970 Crore vs. Rs. 15,219 Crore YoY
- Annual disbursements for FY26 at Rs. 8,674 Crore vs. Rs. 7,935 Crore, up 9% YoY
- Quarterly disbursements for Q4FY26 at Rs. 2,037 Crore vs. Rs. 1,755 Crore, up 16% YoY

Two-wheeler Finance:

- Book size up 17% to Rs. 14,372 Crore vs. Rs. 12,321 Crore YoY
- Annual disbursements for FY26 at Rs. 10,787 Crore vs. Rs. 9,285 Crore, up 16% YoY
- Quarterly disbursements for Q4FY26 at Rs. 2,930 Crore vs. Rs. 1,857 Crore, up 58% YoY

Personal Loans:

- Book size up 70% to Rs. 14,666 Crore vs. Rs. 8,648 Crore YoY
- Annual disbursements for FY26 at Rs. 12,220 Crore vs. Rs. 6,096 Crore, up 100 % YoY
- Quarterly disbursements for Q4FY26 at Rs. 3,786 Crore vs. Rs. 1,915 Crore, up 98 % YoY
- Scaled up Personal Loans disbursements through Big Tech Partnerships, contributing 38% to the total personal loan disbursements in Q4FY26 vs. 22% in Q4FY25 (38% in FY26 vs. 10% in FY25)

Housing Loans and Loan Against Property (LAP):

- Book size up 20% YoY to Rs. 30,009 Crore in Q4FY26 vs. Rs. 24,929 Crore in Q4FY25
- Annual disbursements for FY26 at Rs. 11,507 Crore vs. Rs. 9,582 Crore, up 20 % YoY
- Quarterly disbursements for Q4FY26 at Rs. 3,134 Crore vs. Rs. 2,332 Crore, up 34 % YoY

SME Finance:

- Book size up 30% YoY to Rs. 8,507 Crore in Q4FY26 vs. Rs. 6,524 Crore in Q4FY25
- Annual disbursements for FY26 at Rs. 6,130 Crore vs. Rs. 5,000 Crore, up 23% YoY
- Quarterly disbursements for Q4FY26 at Rs. 1,838 Crore vs. Rs. 1,528 Crore, up 20% YoY

Gold Finance:

- Book size reached Rs. 2,845 Crore in Q4FY26
- Annual Disbursements at Rs. 6,700 Crore in FY26
- Gained momentum in Gold Finance branches expansion, exiting Q4FY26 with 330 branches addition of 200 new branches since acquisition of the business in June 2025

Lakshya 2031: Accelerating Transformation, Delivering Sustainable Results

LTF's vision is to become a Risk-first, Tech-first, multi-product retail financier of choice. The plan has been formulated through bottom-up granular business build, peer benchmarking, and LTF strengths:

- Position L&T finance as the premier AI-enabled BFSI institution in India by accelerating innovation velocity
- Building a well-diversified resilient portfolio with right secured and unsecured mix
- Build and maintain cycle-proof portfolios with predictable risk amplitude variation through credit cycles
- Build and Leverage cross-sell momentum through AI-enabled cross-sell & service platform
- Unlock opex and productivity gains by leveraging technology and operational streamlining

Through Lakshya 2031 Goals, the Company aims to balance resilient growth with consistent returns. The Company will be focusing on tech-enabled granular execution and work towards:

- Book Growth: 20%+
- Credit Cost: <2%
- Return on Assets (RoA): 3% - 3.2%
- Return on Equity (RoE): 16% - 18%

Developing digital finance delivery as a customer value proposition

The Company's customer-facing PLANET app, which has emerged as a powerful digital channel for customers, crossed more than 2.40 Crore downloads as of March 31, 2026, comprising more than 19.2 Lakh customers on the rural side. As of March 31, 2026, this channel has done collections of over Rs. 9,500 Crore while servicing over 12 Crore requests and has sourced loans of around Rs. 29,000 Crore.

Outcome of AI Implementations

- **Two-Wheeler 'Project Cyclops' portfolio performance:** The Two-Wheeler 'Project Cyclops' portfolio outperforms industry credit indicators by a wide margin. It has recorded a 2.8% delinquency rate (30+ Days Past Due) compared to the industry average of 7.1%.
- **Leveraging AI for collections across LTF's Urban Finance businesses:** The transition from Natural Language Processing bots to GenAI bots facilitated over 72 Lakh unique customer interactions across 10 Indic languages. Proactive AI BOT interventions led to over Rs. 4,000 Crore in collections in FY26. AI BOT cost for Pre Delinquency Management (PDM)* and Self Cure* stands at Rs. 10 per resolution in comparison to compared to Phygital Collection (Flow-Forward in 0-30 bucket) cost, which stands the range of 40-50x of AI BOT Cost. PDM success rates climbed to 82% in Q4FY26 from 69% in Q1FY26, while Self Cure went from 14% in Q1FY26 to 30% in Q4FY26 as AI Bot penetration increased.
- **In-house developed AI solutions driving operational efficiencies:** The implementation of 'Project Cyclops' and 'Project Helios' successfully slashed SME underwriting turnaround times (TAT) dropping from 21 hours to 14 hours for self-employed professionals and 37 hours to 25 hours for

self-employed non-professionals. There are 10 enterprise-wide AI Co-pilots – ‘Project Helios’ Co-pilot for SME, ‘Project Orion’ Co-pilot for ‘Project Nostradamus,’ Planet Voice Agent, ShighraM Mortgage Legal Process Automation, Mortgage Policy and Pricing Assistant, and Argus Co-pilot for fraud screening in SME.

- **Net Non-Starters (NNS)* % for Two-Wheeler Finance and Farm Equipment Finance:** AI interventions reflect better credit outcomes for Tractor and Two-Wheeler customers. Since the March 2024 baseline, indexed NNS rates for both Two-Wheeler and Farm Equipment finance have plummeted, reaching lows of 10% in (January 2026) and 24% (March 2026) respectively.

**PDM: Pre Delinquency Management refers to pre bounce collections initiatives*

**Self-Cure refers to post bounce early collections initiatives*

**NNS: Proportion of customers who bounced their 1st EMI*

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. In August 2025, S&P Global Ratings upgraded LTF long-term Issuer Credit Rating to “BBB/Stable” from “BBB-/Positive” and short-term issuer credit rating to “A-2” from “A-3”. Fitch Ratings has assigned 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, Multi-product Retail Financier of Choice as part of the Lakshya 2026 plan. The Company has over 2.8 Crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.

