

22nd July 2025

To,

BSE Limited (Scrip Code: 532720)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Ltd. (Symbol: M&MFIN)
Exchange Plaza, 5th Floor, Plot No. C/1, "G" Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051

Dear Sir/ Madam,

Sub: Press Release – Unaudited Standalone and Consolidated financial results of the Company for the first quarter ended 30th June 2025

Please find enclosed Press Release on the unaudited standalone and consolidated financial results of the Company for the first quarter ended 30th June 2025, which have been subjected to limited review by the Joint Statutory Auditors of the Company.

The meeting of the Board of Directors of the Company concluded at 2:20 p.m. (IST).

This intimation along with the press Release is also being uploaded on the Company's website:
<https://www.mahindrafinance.com/investor-relations/regulatory-filings>

Kindly take the same on record.

Thanking you,

For **Mahindra & Mahindra Financial Services Limited**

Brijbala Batwal
Company Secretary
FCS No.: 5220

PRESS RELEASE

Financial Results – Quarter 1 FY26, Standalone & Consolidated Results

Mumbai, July 22, 2025: The Board of Directors of Mahindra & Mahindra Financial Services Limited (Mahindra Finance / MMFSL), a leading provider of financial services in Emerging India, at its meeting held today, announced the unaudited financial results for the quarter ended June 30, 2025 (Q1 FY26).

Standalone:

Key Highlights:

MMFSL reported a 3% year-on-year (YoY) growth in Profit After Tax (PAT) for the quarter ended June 30, 2025. The Company's loan book grew by 15% YoY and disbursements grew at 1% YoY with underlying wheels business seeing a moderate growth in the current quarter. MMFSL's Asset quality remained within the guided range, with GS3 at 3.8% and GS2+GS3 at 9.7%. The credit cost for quarter ended June 30, 2025, was at 1.9%.

Q1FY26 Standalone Results:

Results (₹. Crores)	Q1 FY26	Q1 FY25	YoY %	Q4 FY25	QoQ %
Disbursements	12,808	12,741	1%	15,530	(18%)
Gross Loan Book (Closing)	1,22,008	1,06,339	15%	1,19,673	2%
Total Income (TI)	4,438	3,760	18%	4,245	5%
Net Interest Income (NII)*	2,285	1,932	18%	2,156	6%
NII Margin (as % of Avg. Total Assets)	6.7%	6.6%		6.5%	
Pre-Provisioning Operating Profit (PPOP)	1,353	1,135	19%	1,213	12%
Credit Costs	660	448	47%	457	44%
Credit Costs (as % of Avg. Total Assets)	1.9%	1.5%		1.4%	
Profit After Tax	530	513	3%	563	(6%)
ROA (as % of Avg. Total Assets)	1.6%	1.8%		1.7%	

*Including Dividend and Other Income

- Capital Adequacy healthy at 20.6%, Tier-1 Capital @17.9%. Provision coverage on Stage 3 loans prudent at 51.4 %. Total liquidity buffer comfortable at over ~ ₹10,100 crores.

Operations:

Mahindra Finance recorded disbursements of ₹12,808 crore, reflecting a 1% YoY growth. While the overall disbursement growth was relatively subdued, tractor disbursements grew 21% YoY. The company's business assets grew by ~15% YoY, reaching ₹1,22,008 crore as of June 30, 2025, demonstrating strength in the underlying portfolio. Collection efficiency marginally improved to 95%, up from 94% in Q1 FY25, indicating stability in customer repayments.

The company continued to maintain underwriting discipline and a proactive approach to early-stage delinquencies. Stage 3 assets stood at 3.8%, slightly higher than the 3.7% reported in March 2025, while Stage 2 assets were contained at 5.85%. As targeted, the Company has been able to maintain GS3+GS2 below 10%. Liquidity remained strong, with a liquidity chest of over ₹10,100 crore ensuring financial flexibility.

CORE

Wheels Business:

Mahindra Finance continues to maintain its leadership position in tractor financing and is ranked among the top five NBFCs for financing passenger vehicles (PVs), light commercial vehicles (LCVs), small commercial vehicles (SCVs), tractors, used PVs, and three-wheelers.

Building on the transformation journey initiated in FY25, the company is further strengthening its product-led collections strategy, with a sharper focus on reducing high-risk portfolios. Digitally enabled field operations, AI-driven early warning systems, and self-service platforms are playing a pivotal role in improving delinquency management and enhancing customer engagement.

To drive greater operational efficiency, Mahindra Finance has evolved its operating model to include migration to a new Cloud based Loan Management system (LMS), the establishment of 2 fully operational centralized processing centers, and a more streamlined retail branch structure, all of which are designed to deliver a more smooth and consistent customer experience.

NEW ENGINES

Diversification beyond vehicle finance remains a key strategic priority for Mahindra Finance. The company is steadily expanding its presence across SME lending, leasing through Quiklyz, and fee-based income through insurance and investment products by robust investments in technology, analytics, and channel development. The non-vehicle finance portfolio continues to grow by 30% YoY further diversifying its asset base.

SME:

The company recognizes the growth potential within the MSME sector in India, with specific focus on the micro and small enterprises segment. Asset book expanded by 28% on a YoY basis and was at ₹6,523 crore as of June 30, 2025. The growth is driven by secured offerings such as Loan Against Property (LAP), which now accounts for 44% of total SME assets as compared to 33% last year. Asset quality in this segment remains strong, with Stage 3 assets at 1.4% as of the quarter-end.

Leasing:

The leasing business continued to gain momentum, driven by strong growth in the B2B segment and a measured expansion in the B2C space. Mahindra Finance remained focused on enhancing customer engagement through digitized platforms, dedicated account managers, and deeper integration with ecosystem partners.

Insurance:

The company has partnered with ten leading insurance providers across life, non-life, and health categories with the objective of offering comprehensive insurance solutions to customers. The company witnessed encouraging adoption of its digital insurance portal launched in the previous quarter. Covering life, health, and general insurance categories, the portal now allows customers to generate quotes, submit proposals, and make digital payments seamlessly. Strengthening employee training on regulatory compliance and responsible insurance selling remains a key focus area.

Mahindra Finance is one of the few deposit taking NBFCs. The company's FDs are an attractive investment avenue, with a AAA Rating by CRISIL & India Ratings indicating highest safety standards.

Looking ahead, Mahindra Finance remains committed to sustaining growth in its core vehicle finance portfolio while accelerating its expansion across non-vehicle segments. With a focused push on MSME and LAP financing, continued digital transformation, and a strong emphasis on enhancing customer experience, the company is well-positioned to drive balanced and sustainable growth through FY26 and beyond.

Consolidated:

Q1FY26 Consolidated Results

Q1FY26 Results (₹ Crores)	Q1 FY26	Q1 FY25	YoY %
Total Income (TI)	5,013	4,355	15%
Profit After Tax	529	497	6%
Disbursements	13,623	13,380	2%

Subsidiaries:

Mahindra Rural Housing Finance Limited (MRHFL)

MMFSL holding 98.43%

Q1FY26 Results (in crores)	Q1 FY26	Q1 FY25	YoY %
Total Income	289.4	302.5	(4%)
Profit Before Tax	2.4	(75.0)	-
Profit After Tax	1.8	(56.7)	-
Loans & Advances (net)	6,961	6,912	1%
Gross Stage 3 %	8.3%	8.8%	

Mahindra Insurance Brokers Limited (MIBL)

MMFSL holding 100%

Q1FY26 Results (in crores)	Q1 FY26	Q1 FY25	YoY %
Total Income	319.3	286.5	11%
Profit Before Tax	28.9	30.1	(4%)
Profit After Tax	20.8	21.3	(3%)
Gross Premium	1,154	1,127	2%

Mahindra Manulife Investment Management Private Limited (MMIMPL)

MMFSL holding 51%

Q1FY26 Results (in crores)	Q1 FY26	Q1 FY25	YoY %
Total Income	28.6	19.2	49%
Profit After Tax	1.9	(5.0)	-
Average Overall AUM	29,590	22,565	31%
Average Equity AUM	27,024	19,965	35%

Mahindra Manulife Trustee Private Limited (MMTPL)

MMFSL holding 51%

Q1FY26 Results (in crores)	Q1 FY26	Q1 FY25	YoY %
Total Income	0.2	0.3	(39%)
Profit After Tax	0.03	0.11	(73%)

Mahindra Ideal Finance Ltd (MIFL)

MMFSL holding 58.2%

Q1FY26 Results (in LKR Mn)	Q1 FY26	Q1 FY25	YoY %
Total Income	854.5	591.4	44%
Profit Before Tax	209.4	39.6	-
Profit After Tax	89.7	(1.0)	-
Loans & Advances (net)	17,360	9,322	86%

(LKR Exchange Rate 1 LKR = 0.2858 INR)

Joint Venture / Associate:

Mahindra Finance USA, LLC (MFUSA)

MMFSL holding 49%

Q1FY26 Results (in USD Mn)	Q1 FY26	Q1 FY25	YoY %
Total Income	21.5	21.4	0.5%
Profit Before Tax	6.1	7.0	(13%)
Profit After Tax	4.6	5.3	(13%)

(USD Exchange Rate 1 USD = INR 85.3477)

About Mahindra & Mahindra Financial Services Limited

Mahindra & Mahindra Financial Services Limited (Mahindra Finance), part of the Mahindra Group, is one of India's leading non-banking finance companies. Focused on the rural and semi-urban sector, the Company has over 11 million customers. The Company is a leading vehicle and tractor financier, provides loans to SMEs and also offers fixed deposits. The Company has 1,352 offices and reaches out to customers spread over 5,16,000 villages and 8,000 towns across the country, transforming more than 1.1 crore lives.

Mahindra Rural Housing Finance Limited (MRHFL) a subsidiary of Mahindra Finance provides loans for purchase, renovation, construction of houses to individuals in the rural and semi-urban areas of the country.

Mahindra Insurance Brokers Limited (MIBL) a wholly owned subsidiary, is the Company's Insurance Broking subsidiary is a licensed Composite Broker providing Direct and Reinsurance broking services.

Mahindra Manulife Investment Management Private Limited acts as the Investment Manager of Mahindra Manulife Mutual Fund.

Mahindra Manulife Trustee Private Limited (MMTPL), acts as a Trustee to Mahindra Manulife Mutual Fund.

Mahindra Ideal Finance Limited (MIFL) is a subsidiary of the Company in Sri Lanka, in which the Company owns 58.2% stake. MIFL focuses on providing a diversified suite of financial services to the Sri Lankan market.

The Company has a Joint Venture in the US, Mahindra Finance USA LLC, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra vehicles in the US.

Learn more about Mahindra Finance on www.mahindrafinance.com / Twitter and Facebook: @MahindraFin

About Mahindra

Founded in 1945, the Mahindra Group is one of the largest and most admired multinational federation of companies with over 324K+ employees in over 100 countries. It enjoys a leadership position in farm equipment, utility vehicles, information technology and financial services in India and is the world's largest tractor company by volume. It has a strong presence in renewable energy, agriculture, aerospace, auto components, recycling, logistics, hospitality and real estate.

The Mahindra Group has a clear focus on leading Environment Social and Governance (ESG) globally, enabling rural prosperity and enhancing urban living, with a goal to drive positive change in the lives of communities and stakeholders to enable them to Rise.

Learn more about Mahindra on www.mahindra.com / Twitter and Facebook: @MahindraRise/ For updates subscribe to <https://www.mahindra.com/news-room>

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