Financial Results – Quarter 3 FY25, Standalone & Consolidated Results

Finance

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Mumbai, January 28, 2025: The Board of Directors of Mahindra & Mahindra Financial Services Limited (Mahindra Finance), a leading provider of financial services in Emerging India, at its meeting held today, announced the unaudited financial results for the quarter ended December 31, 2024 (Q3FY25).

Standalone:

Key Points:

- AUM (Business assets): ₹1,15,126 crores v/s ₹97,048 crores, YoY 19% ?
- Disbursement: ₹16,467 crores v/s ₹15,436 crores, YoY 7% ?; YoY 4% ? for 9M FY25
- Total Income: ₹4,144 crores v/s ₹3,490 crores, YoY 19% ?; YoY 20% ? for 9M FY25
- While Market Share in Tractors was stable there was stiff competition in Passenger Vehicle, CV and Used vehicle business

- Asset quality: GS2+GS3 @ 10.2%. Stage-3 @3.9%. Credit Cost: 0.0% v/s 1.2% (Q3FY24)
- Capital Adequacy healthy at 17.8%, Tier-1 Capital @ 15.1%. Provision coverage on Stage 3 loans prudent at 50.1%. Total liquidity buffer comfortable at ₹9,322 crores

FY 2025 Q3 Standalone Results:

Q3FY25 Results (₹. Crores)	Q3 FY25	Q3 FY24	YoY %	Q2 FY25	QoQ %	9M FY25
Total Income	4,144	3,490	19%	3,925	6%	11,83
(TI)	2,099	1,815	16%	1,991	5%	6,021
Net Interest Income (NII)						
NII Margin (as % of Avg. Total Assets)	6.6%	6.8%		6.5%		6.6%
Pre-Provisioning Operating Profit (PPOP)	1,222	1,062	15%	1,196	2%	3,552
	9	328	(97%)	703	(99%)	1,161
Credit Costs						

Q3FY25 Results (₹. Crores)	Q3 FY25	Q3 FY24	YoY %	Q2 FY25	QoQ %	9M FY25
Credit Costs (as % of Avg. Total Assets)	0.0%	1.2%		2.3%		1.3%
Profit After Tax	899	553	63%	369	143%	1,782
ROA (as % of Avg. Total Assets)	2.8%	2.1%		1.2%		2.0%
Disbursements Gross Loan Book (Closing)	16,467 1,15,126	15,436 97,048	7% 19%	13,162 1,12,454	25% 2%	42,37 1,15,1

Operations: Q3 FY25

The company leveraged the buoyancy of the festive season demand in Q3 with disbursements of Rs. 16,467 crore reflecting a YoY growth of 7%. The disbursement for the first nine months stands at approximately Rs. 42,370 crore, which is 4% over the previous year. The gross assets under management increased by 19% compared to the previous year, reaching Rs. 1,15,126 crore.

The collection efficiency remained stable at 95%, consistent with the same quarter of the previous year. With a continued focus on maintaining underwriting standards and addressing early-stage delinquencies, asset quality remained steady. Stage 3 assets stood at 3.9%, versus 4.0% as of December 31, 2023, while Stage 2 assets were at 6.3%, compared to 6.0% on the same date. The company continued to maintain a comfortable liquidity position on its balance sheet, with a liquidity chest of over Rs. 9,322 crore.

CORE

Wheels Business:

During the third quarter of the year, the Company saw 5% YoY growth in disbursements for Wheels, while business assets grew by 18% YoY. Tractor financing segment disbursements grew by 24% YoY in Q3FY25. Mahindra Finance continues to be a leader in the tractor- financing segment, and remains the top five NBFCs for financing three-wheelers, passenger vehicles (PVs), Used passenger vehicles, light commercial vehicles (LCVs), and small commercial vehicles (SCVs).

During the quarter, the company stabilized the operating model changes brought about in the previous quarter across the Centralized processing center (CPC), and the new retail branch structure. These changes will drive improvements on efficiency, standardization, controls, customer service, and cross-sell in the future.

NEW ENGINES

The company continues to expand into new categories beyond vehicle financing through a focus on SME lending, leasing, insurance, payments, and mortgages. The company is driving these new engines by broadening its product offering, improving its technology stack, strategic partnerships, data analytics, and equipping its workforce to meet customer requirements. The non-vehicle finance portfolio grew by 27% over the past year.

SME:

The company recognizes the growth potential within the MSME sector in India, with specific focus on the micro and small enterprises segment. During the quarter, this segment delivered a Disbursement growth of 60% YoY (9MFY25 YoY growth: 60%), which drove asset book expansion by 20% on a YoY basis and was at ₹ 5,464 crore as of December 31, 2024. The growth is driven through its secured product offering, Loan against property (LAP) which now accounts for 42% of the overall SME assets. Asset quality remains strong, with stage-3 assets at 1.10% as of December end.

Leasing:

Leasing disbursement grew 51% YoY in Q3FY25 & 36% YoY in FY25 YTD. The company is working to increase customer engagement through dedicated Account Managers, customized portal & cross-sell. The business is also focusing on augmenting B2C subscription business with increased dealer

& OEM tie-ups, and curated offerings for self-employed, professionals & salaried employees.

Insurance:

The company has increased its number of partners to nine leading insurance providers across life, non-life, and health categories with the objective of offering comprehensive insurance offering solutions to customers. The company continues to evaluate partnerships with Insurtech's to improve the customer onboarding experience. As part of its commitment to be a responsible financial services provider, the company is training its employees as per regulatory guidelines on insurance cover selling.

Mortgage:

The company is in investment mode, and is currently focused on recruitment, infrastructure build out, and technology setup towards building up its mortgage capabilities.

Partnerships, Payments, and Fixed Deposits (FD):

During the quarter, the company inked a co-branded credit card partnership with RBL bank and was granted a TPAP license that will allow it to offer payment solutions to its customers. Mahindra Finance is one of the few deposits taking NBFCs and the company's FDs are an attractive investment avenue, with an AAA rating from both CRISIL and India Ratings, reflecting the

highest safety standards. The company has increased the contribution of FDs in its total borrowings from 8.6% on September 2024, to 9.2% on December 2024.

Mahindra Finance is advancing its digital transformation capabilities and integrating these technologies into its operations to enhance customer experiences, streamline loan processing, and reduce turnaround times. New and upgraded tech & digital solutions across loan journeys are being adopted which aims to deliver superior and seamless experience to customers, channel partners and employees.

Recognitions

Mahindra Finance received multiple recognitions during the quarter. The company was named among the best workplaces in the categories of 'Top Rated Large Company' and 'Top Rated Financial Services Company' at the AmbitionBox Employee Choice Awards 2024. It also won the 'Best Learning & Development Program of the Year - NBFC/HFC/MFI' for its Transformational Leadership Development Program at the ETBFSI Exceller Awards 2024. Additionally, it was awarded 'Best NBFC in Talent & Workforce' at the Business Today Banking and Economy Summit 2025.

Consolidated:

FY 2025 Q3 Consolidated Results

Q3 FY25 Results (₹ Crores)	Q3 FY25	Q3 FY24	YoY %

Total Income (TI)	4,799	4,137	16%
Profit After Tax	918	623	47%
Disbursements	**17,168**	**16,094**	**7%**

9M FY25	9M FY24	YoY%
13,634	11,637	17%
1,805	1,272	42%
44,413	**42,473**	**5%**

Subsidiaries:

Key Points:

Mahindra Rural Housing Finance Limited (MRHFL)

Q3 FY25 Results (in crores)	Q3 FY25	Q3 FY24	YoY %
Total Income	297	311	(5%)
Profit Before Tax	(35)	19	-
Profit After Tax	(27)	13	-
Loans & Advances (net)	7,026	6,693	5%
Gross Stage 3 %	9.4%	11.6%	

MMFSL holding 98.43%

9M FY25	9M FY24	YoY%

901	984	(8%)
(101)	4	-
(76)	2	-
7,026	6,693	5%
9.4%	11.6%	

Mahindra Insurance Brokers Limited (MIBL)

Q3 FY25 Results (in crores)	Q3 FY25	Q3 FY24	YoY %
Total Income	349	331	6%
Profit Before Tax	38	59	(36%)
Profit After Tax	28	43	(36%)
Gross Premium	1,361	1,144	19%

MMFSL holding 100%

9M FY25	9M FY24	YoY%
897	784	14%
87	121	(28%)
62	89	(31%)

9M FY25	9M FY24	YoY%
3,371	3,157	7%

Mahindra Manulife Investment Management Private Limited (MMIMPL)

Q3 FY25 Results (in crores)	Q3 FY25	Q3 FY24	YoY %
Total Income	22	17	33%
Profit After Tax	(2)	(6)	(69%)
Average Overall AUM	29,050	15,321	90%
Average Equity AUM	26,508	13,554	96%

MMFSL holding 51%

9M FY25	9M FY24	YoY%
65	45	46%
(9)	(21)	(55%)
26,606	12,732	109%
24,145	11,157	116%

Mahindra Manulife Trustee Private Limited (MMTPL)

Q3 FY25 Results (in crores)	Q3 FY25	Q3 FY24	YoY %

Total Income	0.26	0.31	(16%)
Profit After Tax	0.09	0.13	(31%)

MMFSL holding 51%

9M FY25	9M FY24	YoY%
0.96	0.81	19%
0.42	0.27	56%

Mahindra Ideal Finance Ltd (MIFL)

Q3 FY25 Results (in LKR Mn)	Q3 FY25	Q3 FY24	YoY %
Total Income	710	569	25%
Profit Before Tax	99	77	28%
Profit After Tax	32	24	35%
Loans & Advances (net)	12,877	7,225	78%

MMFSL holding 58.2%

9M FY25	9M FY24	YoY%
1,966	1,719	14%
256	246	4%

9M FY25	9M FY24	YoY%
77	79	(3%)
12,877	7,225	78%

(LKR Exchange Rate 1 LKR = 0.2816 INR)

Joint Venture / Associate:

Mahindra Finance USA, LLC (MFUSA)

Q3 FY25 Results (in USD Mn)	Q3 FY25	Q3 FY24	YoY %
Total Income	21.3	20.6	3.4%
Profit Before Tax	5.5	5.1	7.8%
Profit After Tax	4.1	3.9	5.1%

MMFSL holding 49%

9M FY25	9M FY24	YoY%
(64.3)	(60.6)	6.1%
(17.5)	(16.7)	4.8%
(13.1)	(12.6)	4.0%

(USD Exchange Rate 1 USD = INR 83.9121)

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 10 million customers and has an AUM of over USD 13.7 Billion. The Company is a leading vehicle and tractor financier, provides loans to SMEs and also offers fixed deposits. The Company has 1,375 offices and reaches out to customers spread over 4,80,000 villages and 8,000 towns across the country, transforming more than 1 crore lives.

Mahindra Finance has been ranked 59th among India's Best Companies to Work 2023 by Great Place to Work Institute.

Mahindra Finance CSR Foundation is a wholly owned subsidiary company, under the provisions of section 8 of the Companies Act, 2013 for undertaking the CSR activities of the Company and its subsidiaries.

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 260,000 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, logistics, hospitality and real estate.

The Mahindra Group has a clear focus on leading 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.

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