



November 03, 2020

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001. BSE Scrip Code: 532636	The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5 Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. NSE Symbol: IIFL
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Sub: Press Release and presentation on Unaudited Financial Results for the quarter and half year ended September 30, 2020

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the press release and presentation to be made to the Investors/Analysts on the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2020, as follows:

1. Press Release – Annexure 1.
2. Presentation - Annexure 2.

The same has also been made available on the website of the Company, i.e. www.iifl.com.

Kindly take the same on record and oblige.

Thanking You,
Yours faithfully,

**For IIFL Finance Limited
(Formerly known as IIFL Holdings Limited)**


Rajesh Rajak
Chief Financial Officer
Email Id: csteam@iifl.com
Encl: as above



CC:
Singapore Exchange Securities Trading Limited
2, Shenton Way, #02-02, SGX Centre 1,
Singapore - 068 804

IIFL Finance Limited (formerly known as IIFL Holdings Limited)
CIN No.: L67100MH1995PLC093797

Corporate Office – 802, 8th Floor, Hub Town Solaris, N.S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai 400069
Tel: (91-22) 6788 1000 .Fax: (91-22) 6788 1010

Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604 Tel: (91-22) 41035000. Fax: (91-22) 25806654 E-mail: csteam@iifl.com Website: www.iifl.com

IIFL Finance Limited

Press Release

For immediate publication

Mumbai, India

November 3, 2020

Results update

-PPOP for Q2FY21 at Rs 563 Cr (up 42% q-o-q and 103% y-o-y)

-PAT for Q2FY21 at Rs 205 Cr (up 582% q-o-q and 178% y-o-y)

- Income for Q2FY21 at Rs 857 Cr (up 27% q-o-q and 45% y-o-y)

For the quarter and half year ended September 30, 2020 (Q2FY21, H1FY21), consolidated results as per IND AS are:

- Pre provision operating profit stood at Rs 563 Cr for the quarter, up 42% q-o-q and 103% y-o-y, and Rs 961 Cr. for the half year, up 69% y-o-y
- Profit after tax (TCI) stood at Rs 205 Cr for the quarter, up 582% q-o-q and 178% y-o-y, and Rs. 235 Cr. for the half year, down 8% y-o-y
- Consolidated income stood at Rs 857 Cr for the quarter, up 27% q-o-q and 45% y-o-y, and Rs. 1,530 Cr. for the half year, up 28% y-o-y
- Loan assets under management stood at Rs 40,843 Cr, up 7% q-o-q and 17% y-o-y

IIFL Finance Limited Consolidated Results – Q2FY21

Rs Crore	Quarter ended September 30, 2020	Quarter ended June 30, 2020	Q-O-Q	Quarter ended September 30, 2019	Y-O-Y
Income (Net)	856.9	672.5	27%	589.0	45%
PPOP	563.3	397.1	42%	277.8	103%
Profit after tax (TCI)	205.1	30.1	582%	73.8	178%

IIFL Finance Limited Consolidated Results – H1FY21

Rs Crore	Half year ended September 30, 2020	Half year ended September 30, 2019	Y-O-Y
Income (Net)	1,529.5	1,196.1	28%
PPOP	960.5	568.3	69%
Profit after tax (TCI)	235.2	254.8	(8%)

*Exceptional items in Q2FY21 and Q1FY21 comprise Rs 18 Cr MTM gain and Rs 70 Cr MTM loss on forex borrowings. As our forex loans are fully hedged, the accounting gain/loss will even out by maturity of the bonds. Last year, Q2FY20, exceptional item was one time impact of deferred tax reversal of Rs 99 Cr

Mr. Nirmal Jain, Chairman, IIFL Finance Ltd., commented on the financial results: “We had a good quarter with volume growth, falling cost of funds, improving liquidity and control over operating costs. We are working to widen and strengthen our partnerships with banks for co-lending and assignment of loans, as our core strategy. Besides, we have been partnering with several fintechs. The partnership model will help us achieve higher ROEs and lower volatility. The credit demand and improving collection efficiency show clear sign of recovery from Covid and the trend is likely to continue. Nonetheless, we have been conservative in making provisions and ensuring adequate liquidity.”

IIFL Finance had loan assets under management of Rs 40,843 Cr as at September 30, 2020, with the home loans segment constituting 32%, business loans 19%, gold 28% and microfinance 8% of the total AUM.

The company's annualized ROE and ROA for Q2FY21 stood at 17.1% and 2.4% respectively. The company recorded its highest ever pre-provision operating profit of Rs. 563 Cr. during the quarter, driven by higher off balance sheet asset income, volume growth and higher NIM. Average borrowing costs for the quarter decreased by 23 bps q-o-q to 9.1%.

89% of our loans are retail in nature and 42% are PSL compliant. The assigned loan book, currently at Rs 10,998 Cr, is 27% of AUM. There exists significant opportunity for further assignment, given our granular and retail book.

GNPA stood at 1.81% and NNPA stood at 0.77%, as at September 30, 2020. With implementation of Expected Credit Loss under IndAS, provision coverage on NPAs stands at 240% including standard asset coverage. Provision coverage excluding the additional general provision made for Covid impact stands at 114%

Total CAR stood at 18.7% including Tier I capital of 15.0% as at September 30, 2020, as against statutory requirement of 15% and 10% respectively.

The total presence of branches stood at 2,383 as at the end of quarter, spanning the length and breadth of the country.

Home Loans

At the end of the quarter, retail home loan assets stood at Rs 12,891 Cr. The primary focus in this segment is on affordable and non-metro housing loans. About 42,500 customers were benefitted with a subsidy of about Rs 1,000 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Gold Loans

As of September 30, 2020 the gold loans AUM grew to Rs 11,386 Cr, showing a strong growth of 65% y-o-y. Gold loans are provided through our widespread presence in 600+ cities across 25 states to salaried, self-employed and MSME customer segments.

Microfinance

The microfinance business continued its steady growth, with the loan AUM growing 28% y-o-y to Rs 3,460 Cr as at September 30, 2020. The microfinance customer base increased to over 15 lakh customers.

Credit Rating

IIFL's long term rating stands at AA as on date.

Liquidity Update

During the quarter, we raised Rs 1,402 Cr through term loans and refinance from banks. Loans of Rs 2,702 Cr were securitized/assigned during the quarter. Cash and cash equivalents and committed credit lines from banks and institutions of Rs 4,927 Cr were available as on September 30, 2020.

Gold Loan co-origination

IIFL Finance has partnered with CSB Bank for gold loan co-origination, for sourcing and managing retail gold loan assets. IIFL Finance, acting as Business Correspondent of the Bank, will source new business from markets where CSB Bank does not have adequate branch network. IIFL Finance, with its vast branch network, would help CSB Bank penetrate the lower strata of customers and rural areas, where the Bank currently does not have adequate reach. This arrangement would result in scaling up of the customer base.

Awards and Accolades:

- IIFL FINANCE receives recognition as one of the Economic Times Best Brands 2020
- IIFL Finance received the 'Golden Peacock National Training Award – 2020'
- IIFL Finance received the 'Most Admired Service Provider in Financial Sector' at the ET Now World BFSI Awards
- IIFL Finance featured in 'India's Best Workplaces in BFSI 2020' – Top 25 list
- The Economic Times recognizes our Chairman as one of the 'Most Promising Business Leaders of Asia' for demonstrating exemplary leadership qualities
- IIFL Home Finance won the 'Best Housing Finance Company' & the 'Best Affordable Housing Finance Company' of the Year by ET NOW
- IIFL Finance received the 'Golden Peacock Award for Risk Management' 2019 from the Institute of Directors at Singapore Global Convention on Board Leadership & Risk Management

About IIFL

IIFL Finance Limited (Erstwhile “IIFL Holdings Limited”) (Bloomberg Code: IIFL IN, NSE: IIFL, BSE: IIFL) is one of the leading players in the Indian financial services space. Prior to the Composite Scheme of Arrangement (effective May 2019), IIFL Finance Limited was engaged in the business of financing, asset and wealth management, retail and institutional broking, financial products distribution and investment banking through its various subsidiaries.

IIFL Finance Limited is a first generation venture which started as a research firm in 1995. IIFL Finance Limited was a pioneer in the retail equity broking industry with its launch of 5paisa trading platform which offered the lowest brokerage in the industry and freedom from traditional ways of transacting. IIFL’s evolution from an entrepreneurial start-up in 1995 to a full range diversified financial services group is a story of steady growth by adapting to the dynamic business environment, without losing focus on its core domain of financial services.

IIFL Finance, through its subsidiaries, offers a wide spectrum of products such as Home loan, Gold loan, Business loan, Microfinance, Capital Market finance and Developer & Construction finance to a vast customer base of about 30 lakh customers. IIFL Finance has widened its pan-India reach through extensive network of branches spread across the country and various digital channels.

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 and half year ended September 30, 2020, are available under the ‘[Investor Relations](#)’ section on our website www.iifl.com.

IIFL Group refers to IIFL Finance Ltd and its group companies.

Media Relations

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Quarterly Review

Quarter ended September 30, 2020 (Q2FY21)

IIFL Finance Limited

Bloomberg: IIFL IN



November 3, 2020

1

**Q2 FY21
Financial
performance**

2

**Review of
key business
segments**

3

**Strategy
update**

4

**Corporate &
ESG**

Key highlights for the quarter ended September 2020..

Loan AUM
₹40,843 Cr
Up 7% q-o-q

RoE / RoA
17.1% / 2.4%
Previous quarter 2.6% / 0.4%

Profit after tax
₹205 Cr
Up 582% q-o-q

Cost to Income
34%
Previous quarter 41%

Gross / Net NPAs
1.81% / 0.77%
Previous quarter 1.95% / 0.86%

Provision coverage ratio*
114%
Previous quarter 101%

Cash & undrawn lines
₹4,927Cr
Previous quarter ₹3745Cr

Net Debt : Equity Ratio
5.24x
Previous quarter 5.35x

Cost of Funds
9.1%
down 23 bps q-o-q

CRAR: NBFC/HFC/MFI (%)
18.7 / 24.3 / 23.9
Previous quarter 19.3/22.0/26.9

89% Retail loans
11% Wholesale loans

Employees / Branches
17,334 / 2383

* On GNPA, excluding Covid related general provision

IIFL Finance – Consolidated results (as per IND AS)

Quarter and half-year ended September 30, 2020 (NBFC, HFC and MFI)



₹ Cr	Q2FY21	Q1FY21	Q-o-Q	Q2FY20	Y-o-Y	H1FY21	H1FY20	Y-o-Y
Loan book	29,845	28,350	5%	24,907	20%	29,845	24,907	20%
Assigned assets	10,998	9,985	10%	10,100	9%	10,998	10,100	9%
Assets under management	40,843	38,335	7%	35,007	17%	40,843	35,007	17%
Interest income	1,186.3	1,095.1	8%	932.8	27%	2,281.4	1,974.2	16%
Interest expense	(640.9)	(622.5)	3%	(581.7)	10%	(1,263.3)	(1,199.7)	5%
Net interest income	545.4	472.6	15%	351.1	55%	1,018.1	774.5	31%
Income from assigned assets	214.9	178.4	20%	199.1	8%	393.2	354.3	11%
Other income	96.6	21.5	349%	38.8	149%	118.2	67.3	76%
Total income	856.9	672.5	27%	589.0	45%	1,529.5	1,196.1	28%
Operating expense	(293.6)	(275.4)	7%	(311.2)	(6%)	(569.0)	(627.8)	(9%)
Pre Provision Operating Profit	563.3	397.1	42%	277.8	103%	960.5	568.3	69%
Loan losses & provision	(81.6)	(75.0)	9%	(59.6)	37%	(156.7)	(93.3)	68%
General Provision - Covid related	(220.5)	(194.4)	-	0.0	-	(414.9)	0.0	-
Profit before tax and exceptional items	261.2	127.7	104%	218.2	20%	388.9	475.0	(18%)
Exceptional items*	17.5	(70.4)	-	(99.3)	-	(52.9)	(99.3)	-
Profit before tax	278.7	57.3	386%	118.9	134%	336.0	375.7	(11%)
Profit after tax (TCI)	205.1	30.1	582%	73.8	178%	235.2	254.8	(8%)
Book value per share (₹)	129.8	124.3	4%	120.0	8%	129.8	120.0	8%
Earnings per share (₹ not annualized)	5.6	0.8	574%	2.3	147%	6.5	6.9	(6%)

*Exceptional items in Q2FY21 and Q1FY21 comprise ₹18 Cr MTM gain and ₹70 Cr MTM loss on forex borrowings. As our forex loans are fully hedged, the accounting gain/loss will even out by maturity of the bonds. Last year, Q2FY20, exceptional item was deferred tax reversal of ₹ 99 Cr

Income analysis (Consolidated as per IND AS)

Quarter and half-year ended September 30, 2020 (NBFC, HFC and MFI)

₹ Cr	Q2FY21	Q1FY21	Q-o-Q	Q2FY20	Y-o-Y	H1FY21	H1FY20	Y-o-Y
Interest income	1,186.3	1,095.1	8%	932.8	27%	2,281.4	1,974.2	16%
Interest expense	(640.9)	(622.5)	3%	(581.7)	10%	(1,263.3)	(1,199.7)	5%
Net interest income - Fund based income (A)	545.4	472.6	15%	351.1	55%	1,018.1	774.5	31%
Income from assigned assets	214.9	178.4	20%	199.1	8%	393.2	354.3	11%
Other Income (Fee and commission income)	54.7	16.1	240%	31.2	76%	70.8	74.4	(5%)
Non-fund based income (B)	269.6	194.5	39%	230.3	17%	464.0	428.7	8%
Net gain/loss on fair value changes (C)	41.9	5.4	673%	7.6	449%	47.4	(7.1)	(771%)
Total Income (A)+(B)+(C)	856.9	672.5	27%	589.0	45%	1,529.5	1,196.1	28%
Fund Based: Non fund based ratio (%)								
Fund based income	67%	71%		60%		69%	64%	
Non-fund based income	33%	29%		40%		31%	36%	

IIFL Finance – Consolidated Balance sheet

Unaudited as at September 30, 2020 (NBFC, HFC and MFI)

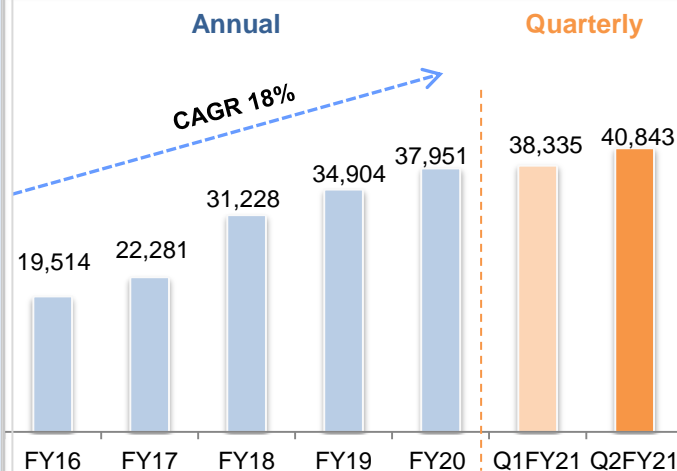


ASSETS		₹ Cr	LIABILITIES AND EQUITY		₹ Cr
1 Financial Assets			1 Financial Liabilities		
(a)	Cash and Bank Balances	3,944	(a)	Payables	131
(b)	Receivables	26	(b)	Borrowings	
(c)	Loan Assets	29,539	-	NCDs	12,314
(d)	Investments	135	-	Others	16,006
(e)	Other Financial assets	446	(c)	Other financial Liabilities	1,534
2 Non-Financial Assets			2 Non-Financial Liabilities		329
(a)	Current & Deferred tax assets (Net)	519			
(b)	Property, Plant, Equipment etc.	576	3 Equity & Reserves		5,000
(d)	Other non-financial assets	129			
Total Assets		35,314	Total Liabilities and Equity		35,314

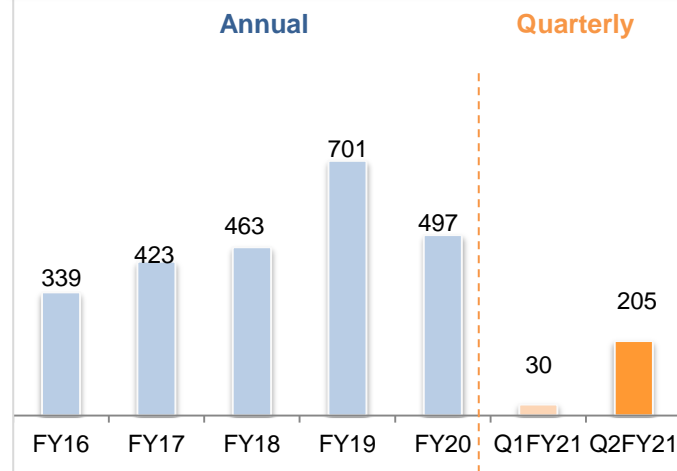
Consistent financial performance and growth over years IIFL FINANCE

- Average cost of borrowing declined 36 bps y-o-y and 23 bps q-o-q
- NIM on Balance Sheet assets for Q2FY21 has risen by 70 bps as loan growth was majorly driven by high yield Gold loan assets
- PPOP is all time high driven by higher off balance sheet asset income, volume growth and higher NIM.

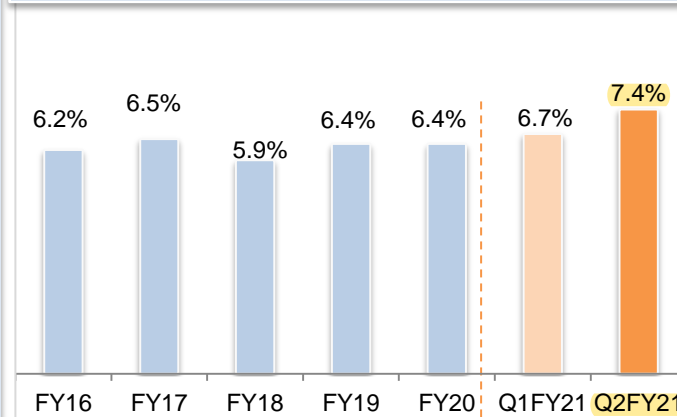
Loan AUM (₹ Cr)



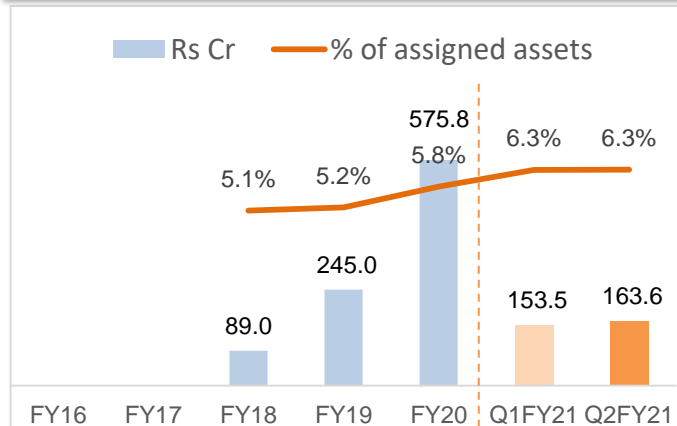
Total comprehensive income (₹ Cr)



NIM on Balance Sheet assets (%)



Spread on assigned assets

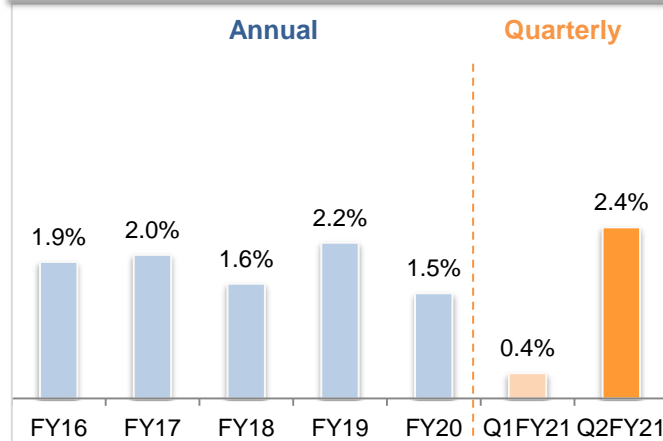


• Note: FY18 onwards numbers are as per IND AS. Prior years' numbers are as per IGAAP

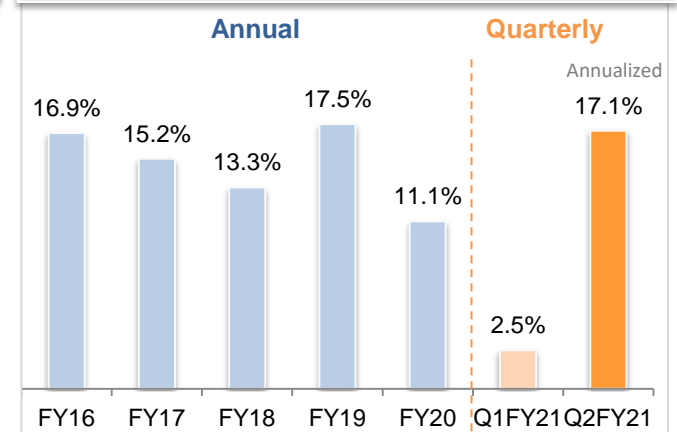
Robust and improving financial position

- ROE annualized has bounced back to nearly FY19 level at 17.1%, driven by ROA of 2.4%
- Capital Adequacy Ratio (CAR) stands at 18.7% for IIFL Finance Standalone, and for subsidiaries IIFL Home Finance and Samasta Microfinance, the same is at 24.3% and 23.9% respectively

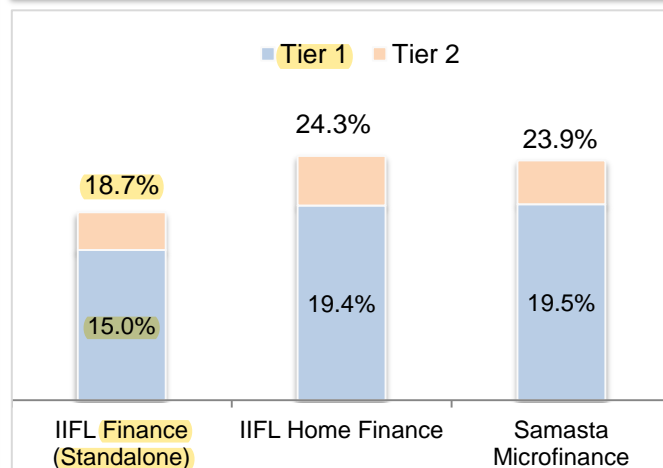
Return on assets (%)



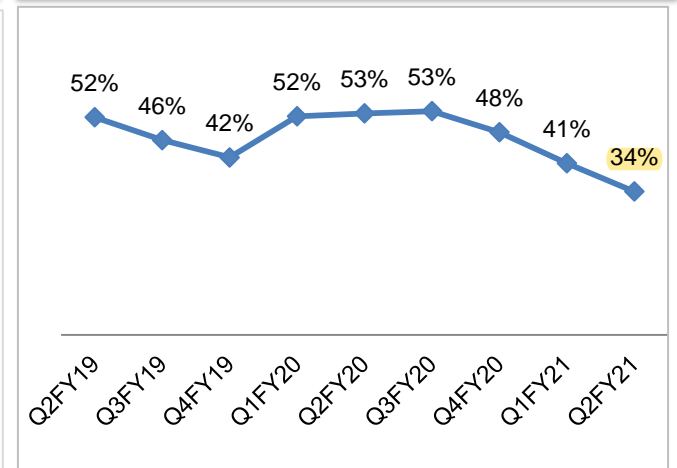
Return on equity (%)



Capital adequacy ratio (%)#



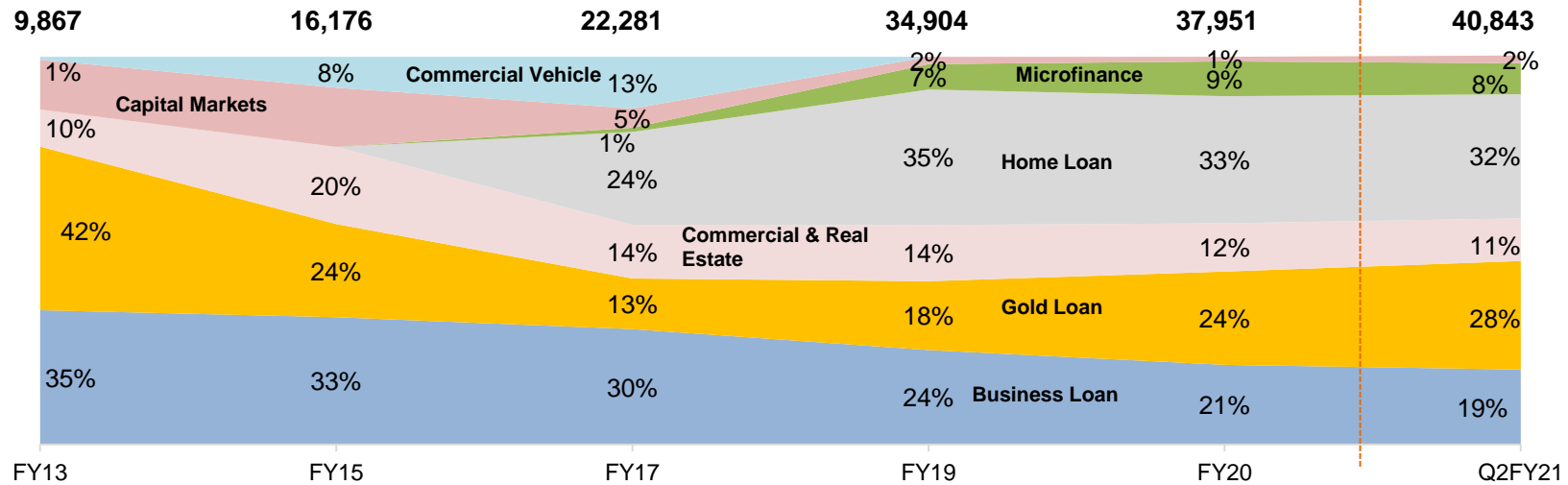
Cost to income (%)



- Note: FY18 onwards numbers are as per IND AS. Prior years' numbers are as per IGAAP
- #IIFL Home Finance CAR is as per IGAAP, IIFL Finance and Samasta Microfinance CAR is as per IndAS

Diversified and granular asset portfolio

Diversified AUM portfolio disperses exposure and balances cyclical vagaries (₹ Cr)



Loan AUM (₹ Cr)	Q2FY21	Q-o-Q	Y-o-Y
Home Loans	12,891	2%	5%
Gold Loans	11,386	20%	65%
Business Loans	7,899	0%	(3%)
→ Secured	5,289	2%	1%
→ Unsecured	2,610	(2%)	(12%)
Microfinance	3,460	7%	28%
Core Segments (A)	35,636	7%	19%
Capital Market Finance	724	41%	150%
Construction & Real Estate	4,483	(3%)	(5%)
Non-core Segments (B)	5,207	1%	4%
Loan AUM (A+B)	40,843	7%	17%

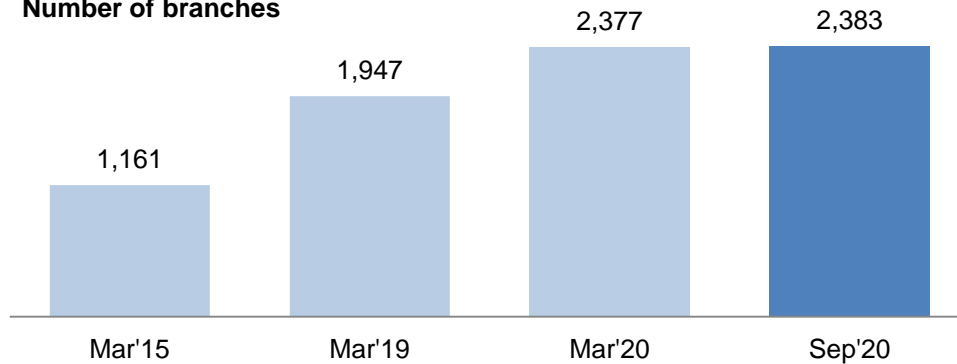
- Small ticket retail loans accounted for 89% of total loan AUM.
- Loan assets growth y-o-y driven by small ticket gold loans, and microfinance loans.
- Home loan disbursements have picked up later in the quarter.
- On the other hand, construction & real estate Finance has declined both on y-o-y and q-o-q basis

Loans sourced through own network ..

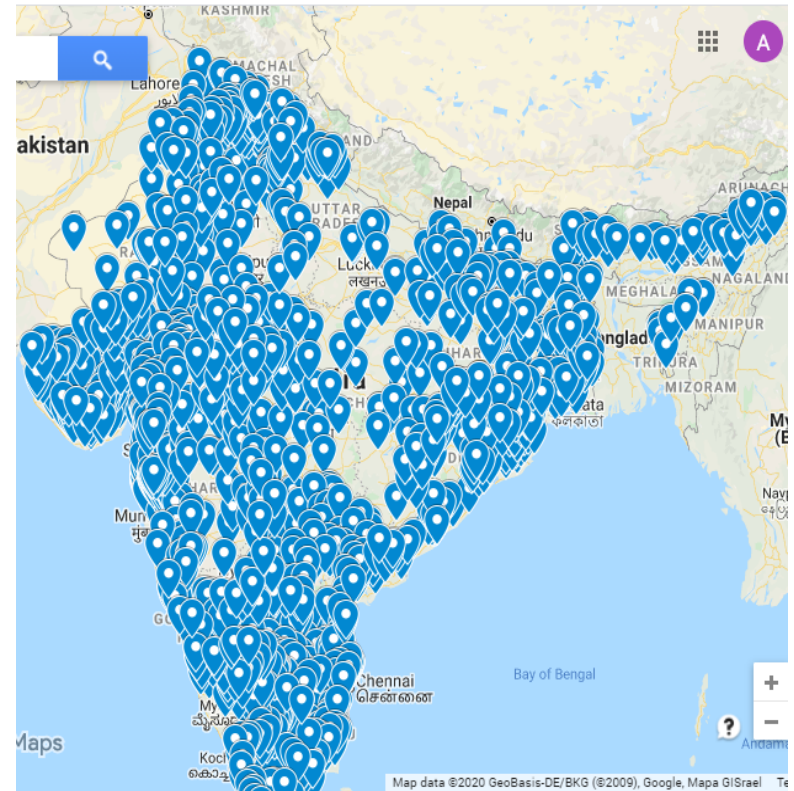
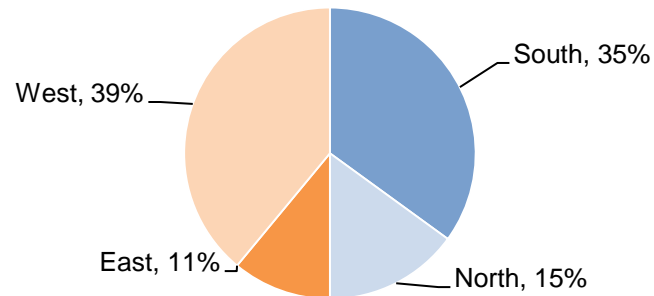
85% of branches are in Tier 2 and Tier 3 locations

Wide spread network across 25 states and over 600 locations, with over 17000 employees

Number of branches



Regional split of branches



- Branches are strategically located in business districts in small towns/cities offering a significant opportunity for IIFL Finance to capture the credit market in these locations

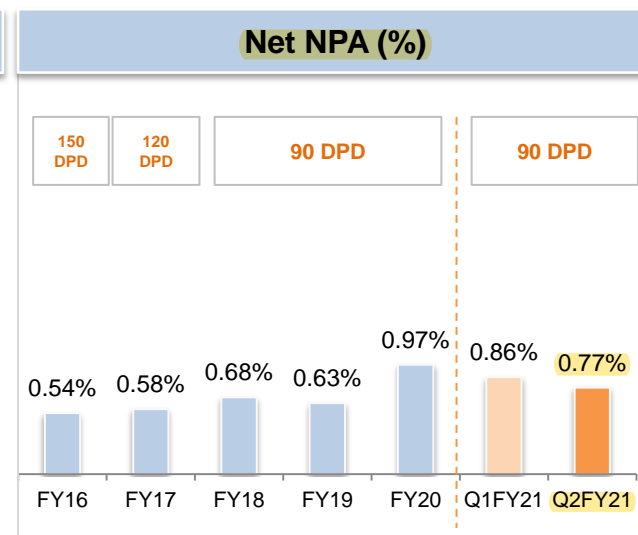
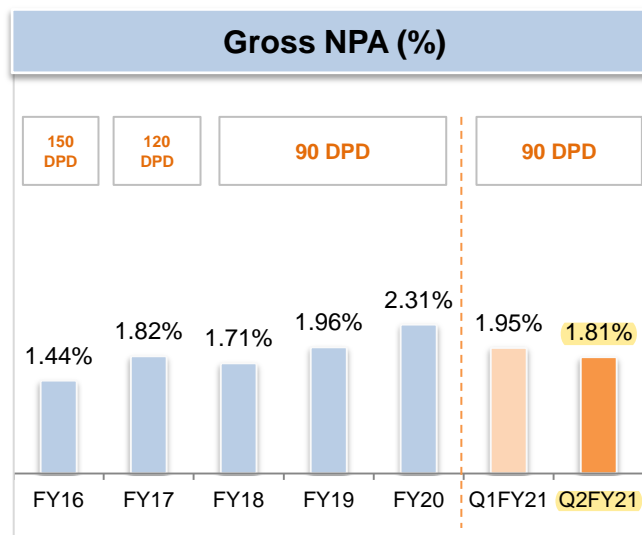
Superior asset quality maintained through cycles....

- GNPA as at Q2FY21, was 1.81% and NNPA was 0.77%

- Under IndAS, provision coverage (incl. standard assets provision) on NPAs was 240% (114% excluding Covid provision)

- 89% of our loans are retail in nature; 65% of home loans, 47% of business loans and 89% of microfinance loans qualify as priority sector for banks

- LTV is conservative at 71% for home loans, 68% for gold loans, 48% for business loans and 47% for construction and real estate finance



Q2FY21	% Portfolio Share	GNPA %	NNPA%	Portfolio Yield %	Portfolio average Ticket Size (₹ Lakhs)	Portfolio LTV %
Home Loans	32%	1.4%	1.1%	10.3%	18.3	71%
Construction & Real Estate	11%	2.6%	0.6%	15.5%	3965.6	47%
Gold Loans	28%	0.1%	0.0%	19.1%	0.6	68%
Capital Market Finance	2%	0.0%	0.0%	13.2%	104.5	33%
Business Loans	19%	4.1%	1.8%	15.7%	12.8	48%
Microfinance	8%	1.8%	0.0%	20.3%	0.2	-
Total	100%	1.8%	0.8%	15.3%		

Note: FY18 onwards numbers are as per IND AS. Prior years' numbers are as per IGAAP

Excluding discontinued HCF business - Overall GNPA stands at 1.6% and NNPA at 0.7%, Business Loans GNPA stands at 3.2% and NNPA at 1.3%

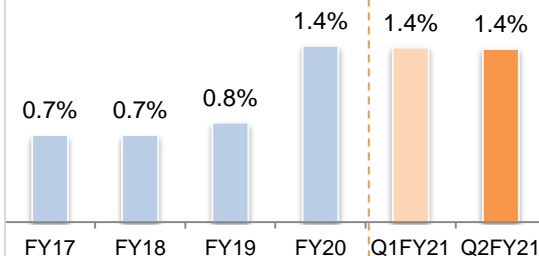
Asset quality standards maintained in all business segments

Credit quality has been steady across key product segments

Core growth segments

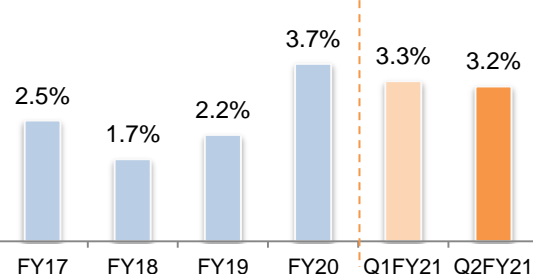
Home loans

Gross NPAs (%)



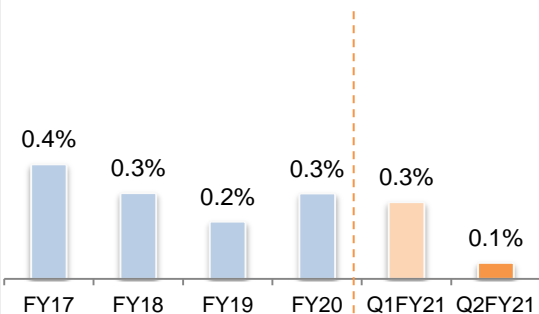
Business loans

Gross NPAs (%)



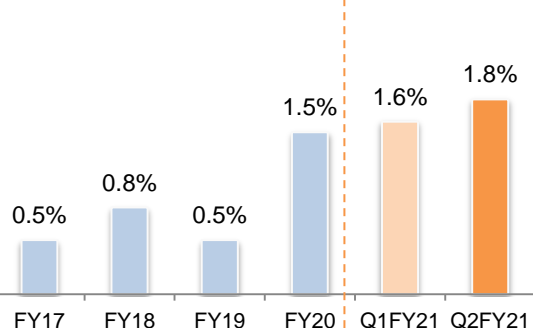
Gold loans

Gross NPAs (%)



Microfinance

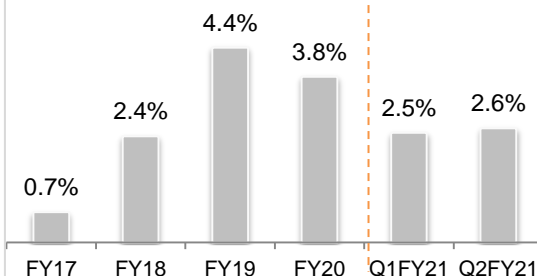
Gross NPAs (%)



Synergistic segments

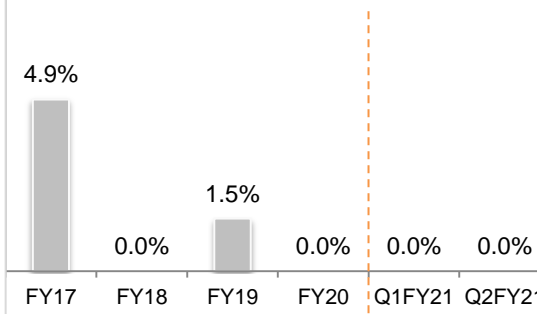
Construction & Real Estate finance

Gross NPAs (%)



Capital markets finance

Gross NPAs (%)



Note:

(i) Gross NPAs for FY18 onwards are as per IndAS (include securitized assets); other numbers are as per IGAAP

(ii) Business Loans excludes discontinued HCF business

Conservative provisioning across all segments ..

As at September 30, 2020 (NBFC, HFC and MFI)

Business	Loan Book				Provision %			Total Provision
	Stage 1	Stage 2	GNPA	Total	Stage 1	Stage 2	GNPA	
Home Loans	7,790.8	108.3	111.6	8,010.7	1.1%	13.3%	20.0%	124.9
Business Loans	5,633.3	397.3	200.6	6,231.1	3.0%	21.6%	58.7%	370.2
- Secured	3,511.8	284.8	89.3	3,885.9	2.4%	19.2%	28.0%	162.5
- Unsecured	2,121.5	112.4	111.3	2,345.2	4.0%	27.6%	83.4%	207.8
Gold Loans	6,998.6	646.2	4.3	7,649.2	0.4%	1.7%	74.2%	40.4
Microfinance	2,556.3	18.7	46.7	2,621.6	2.2%	3.2%	100.0%	102.4
Construction & Real Estate	3,818.3	550.1	115.0	4,483.4	8.7%	29.7%	78.0%	584.2
Capital Market Finance	724.0	0.2	0.0	724.2	5.5%	10.0%	0.0%	39.7
Total	27,521.3	1,720.8	478.2	29,720.3	2.6%	16.0%	58.5%	1,261.7

Note:

1. Excluding discontinued Healthcare business

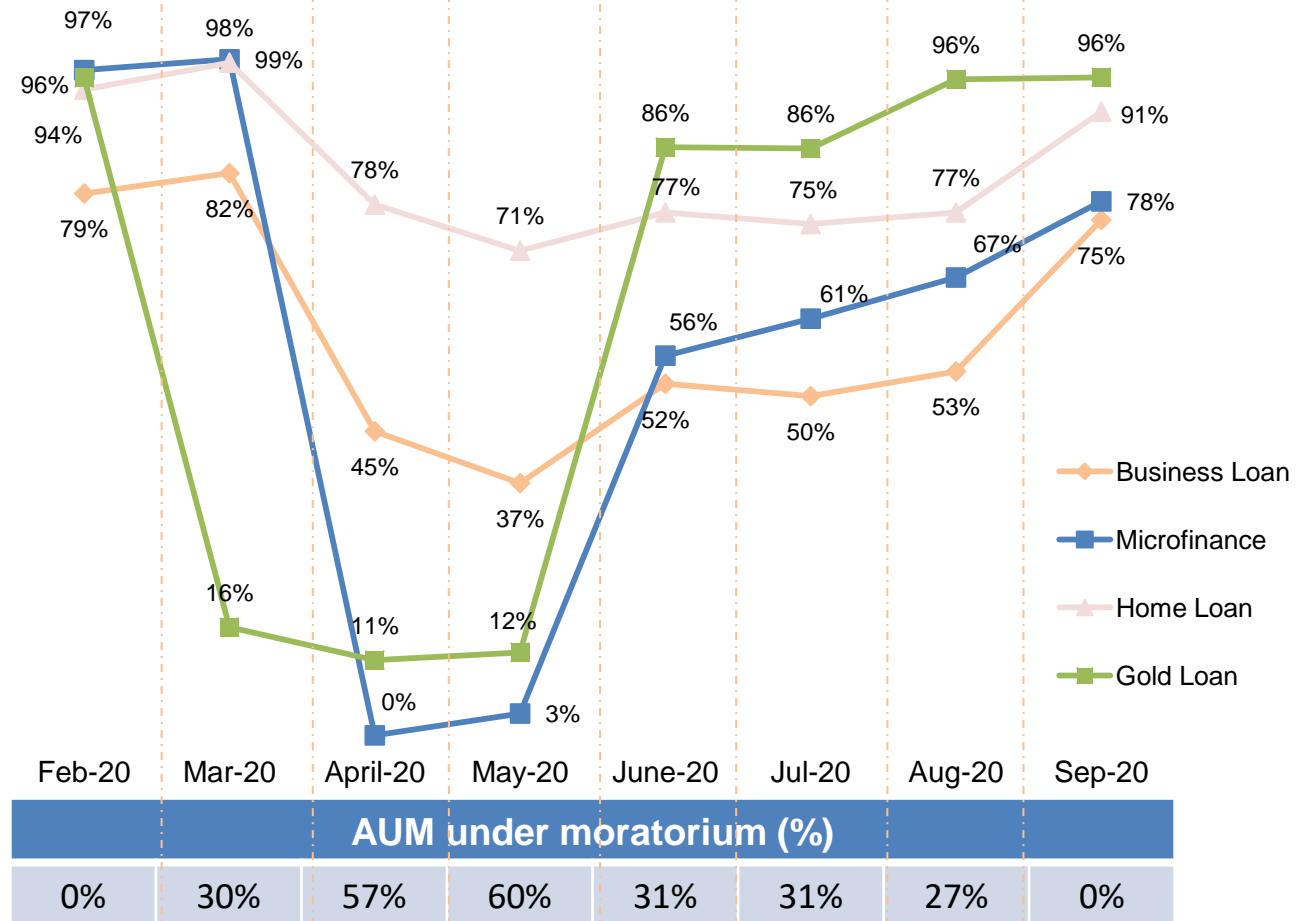
2. Based on Hon'ble Supreme Court's interim order of not classifying customers as NPA after August 31, 2020, GNPA and NNPA stood at 1.81% and 0.77% respectively. Not considering effect of Hon'ble Supreme Court interim order, proforma GNPA and proforma NNPA stood at 2.77% and 1.29% respectively

Collection efficiency is close to pre-Covid levels..

Quarter ended September 30, 2020 (NBFC, HFC and MFI)

- With the moratorium over in September 2020, collection efficiency for Gold 7 Home loans is back to 90-100% of pre-Covid levels
- Collection efficiency in Business Loans & Micro finance is moving up steadily and was 70-80% of pre Covid levels

IIFL Finance core product collection efficiency numbers (%)*



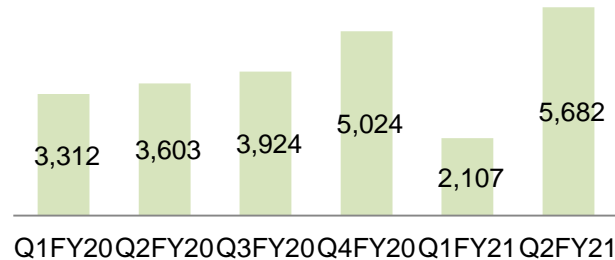
*Does not include pre-payments received; billing includes billing from moratorium book also

Loan disbursements across segments have bounced back to nearly pre Covid levels

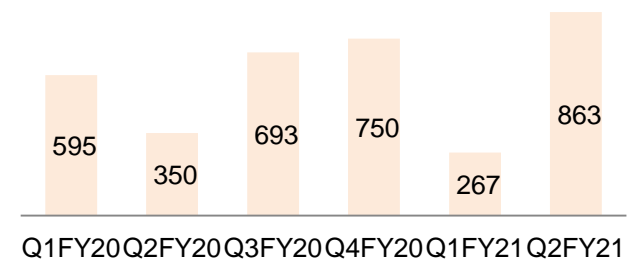
- Our Disbursements volumes for Home Loan and Gold Loan for Q2FY21 are higher than pre Covid levels
- For Business Loan and Microfinance Loan, loan disbursements are at around 70% pre-Covid levels

Disbursement trends (₹ In Crs)

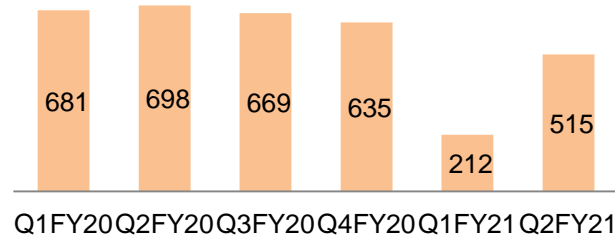
Gold Loan



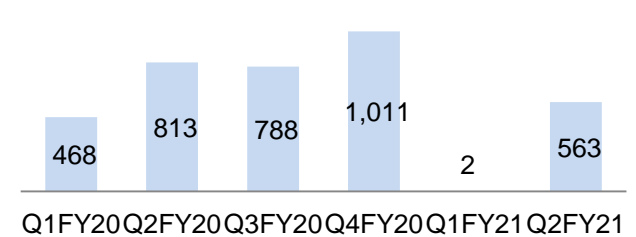
Home Loan



Business Loans



MicroFinance

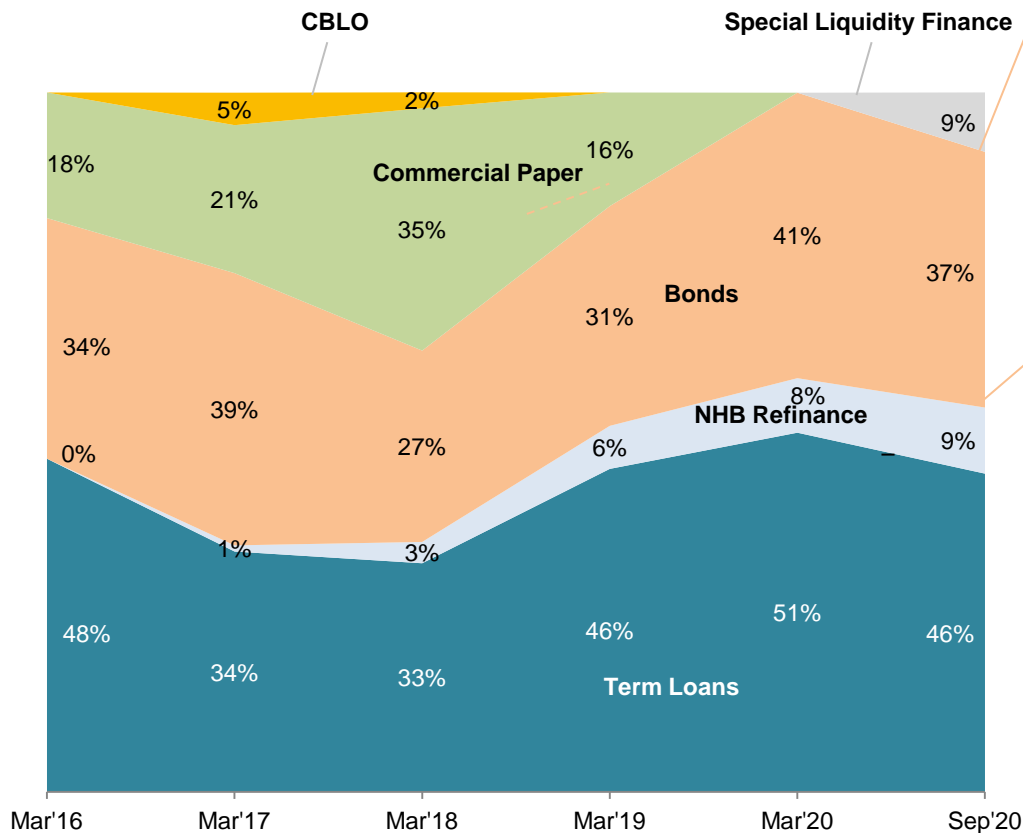


Well diversified liability profile..

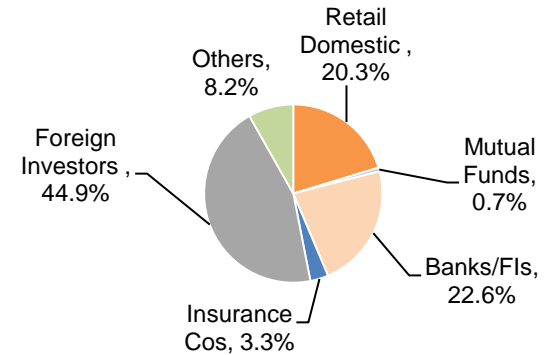
Resource profile is well diversified, with increasing share of bank loans

Outstanding borrowing (₹ Crs)

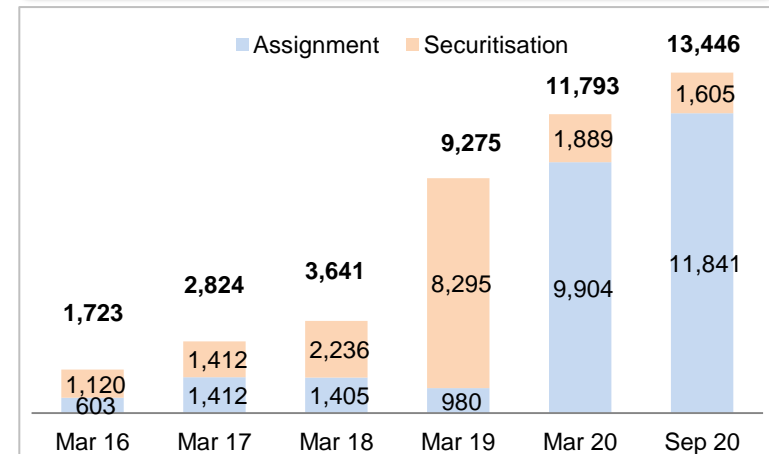
15,395	17,982	24,539	25,727	24,995	26,170
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Bonds/ NCDs investors split (%)



Outstanding assignment/securitisation (₹ Cr)



Structural Liquidity- Surplus across all buckets

₹ in Crores

Surplus/ (Deficit) as a % of outflow (cumulative)

301%

114%

50%

55%

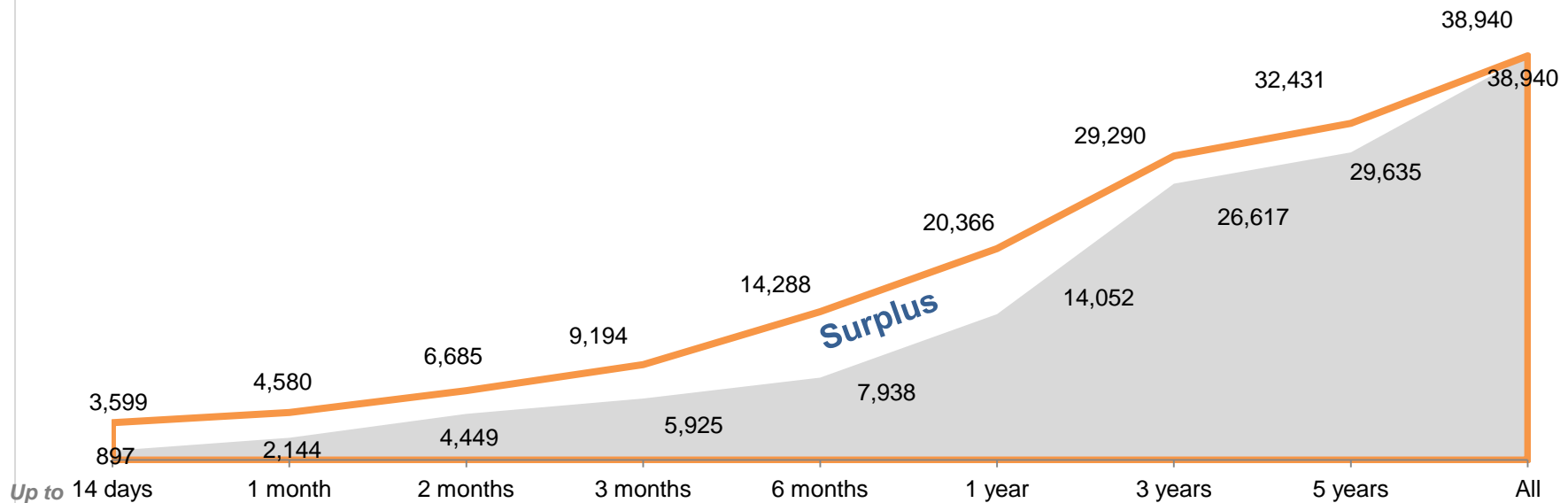
80%

45%

10%

9%

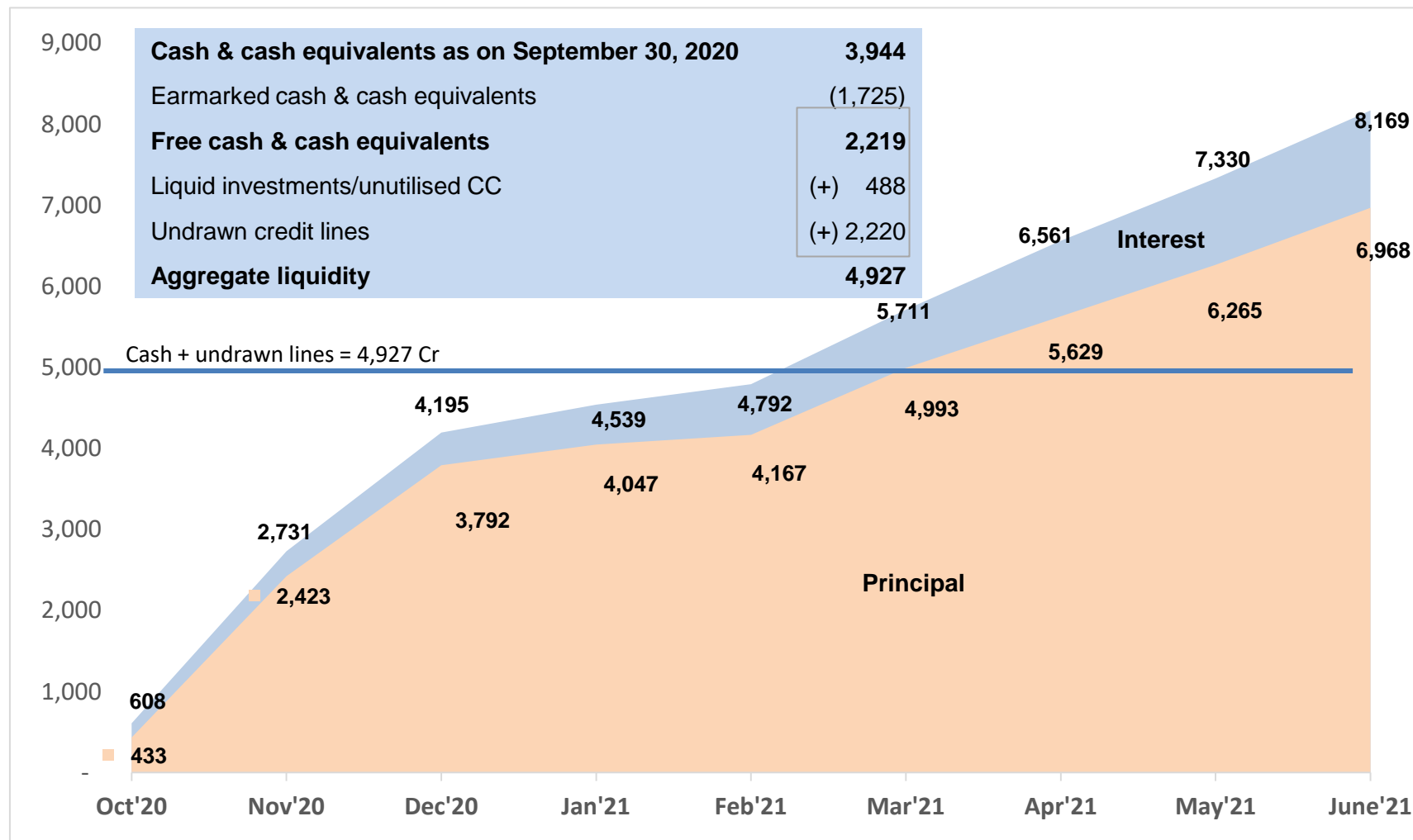
0%



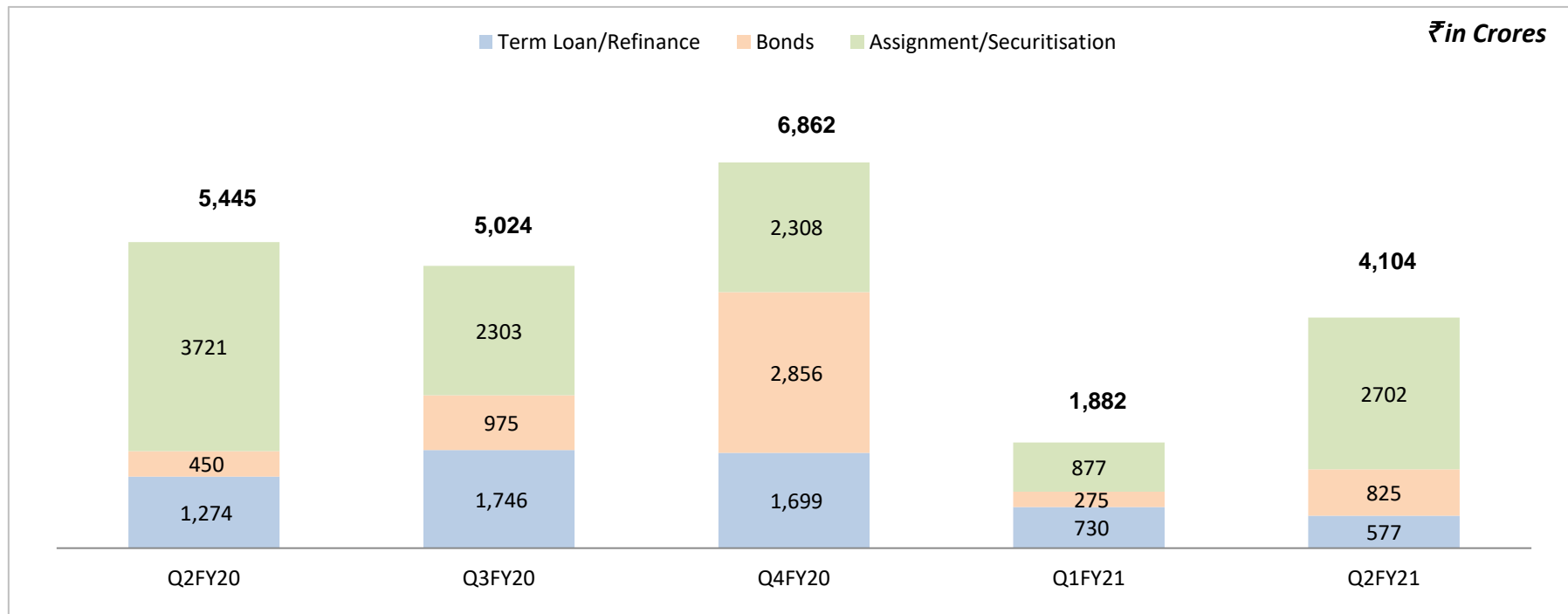
This ALM chart shows structural liquidity at consolidated level for IIFL Finance & its subsidiaries. This is prepared broadly based on RBI format, assuming static balance sheet position, not taking into account fresh disbursements. The inflows consider collection of only standard assets, excluding assigned assets as per IndAS, basis behavioral pattern applied conservatively. It takes only encumbrance free bank FDs and for outflows, operating expenses and liabilities.

Debt repayment obligation schedule, well covered

₹ in Crores



Quarterly resource raising trend



During the quarter:

- Raised ₹ 1,402 Cr through term loans and refinance from banks
- IIFL's long term credit rating from CRISIL is AA as on date
- Besides, IIFL securitized/ assigned loans of ₹ 2,702 Cr in Q2FY21

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Our product portfolio

As on September 30, 2020

Strategic focus on segments that are core strengths and have *inter se* synergies

		AUM (₹ Cr)	Target customers	Unique features
CORE GROWTH SEGMENTS	 HOME	12,891	<ul style="list-style-type: none"> Salaried / Self-employed individuals 	<ul style="list-style-type: none"> Focused on affordable and non-metro housing segments Leverages underwriting skills developed over time
	 BUSINESS	7,899	<ul style="list-style-type: none"> Medium, Small and Micro Enterprises 	<ul style="list-style-type: none"> Predominantly lending to business owners backed by cash flows and collateral
	 GOLD	11,386	<ul style="list-style-type: none"> Individuals 	<ul style="list-style-type: none"> Small-ticket loans with very low delinquencies Competitive advantage over peers given the vast branch network and segment experience
	 MICROFINANCE	3,460	<ul style="list-style-type: none"> Rural self-employed women 	<ul style="list-style-type: none"> High-yielding granular portfolio dominated by Self Help Groups (SHGs) of women for income generating activities Presence across 17 states
NON-CORE SEGMENTS	 CONSTRUCTION & REAL ESTATE	4,483	<ul style="list-style-type: none"> Developers 	<ul style="list-style-type: none"> Lending to residential projects and developers with a focus on affordable housing
	 CAPITAL MARKETS	724	<ul style="list-style-type: none"> Individuals / HNIs 	<ul style="list-style-type: none"> Lending to HNIs, corporates, private trusts, etc. looking to monetize their investments to raise capital

Core growth segments account for around 87% of assets under management

Home loans – product overview

Product offering

- Affordable home loan
- Non-metro housing loan
- For home purchase, home renovation, home construction and plot purchase

Customer segments

- Affordable home loan: Salaried and self employed segment wherein household income is below ₹75k pm and are buying properties in the range of ₹ 30 to 50 Lakh
- Non-metro housing loan: Salaried (mostly blue collar jobs) and self employed who have a micro business. Here household income is below ₹ 40k pm and buying properties in the range of ₹ 10 to 30 Lakh

AUM
₹ 12,891 Crore

Gross /Net NPA
1.4% / 1.1%

Onboarding Average Ticket Size
₹ 15 Lakhs

LTV
71%

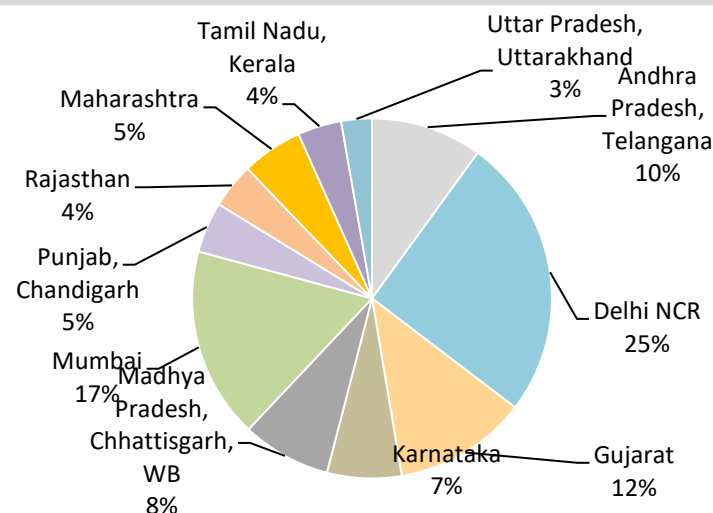
Tenor
19 years

91% Collection Efficiency (Sep'20)

Key differentiators and controls

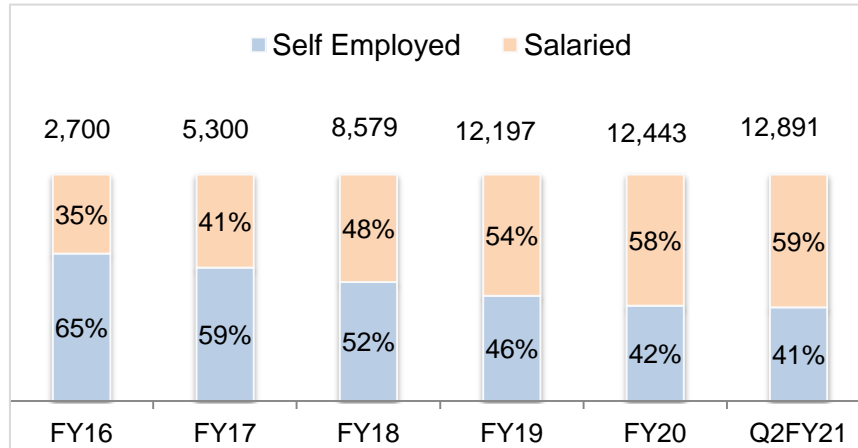
- ✓ Primary focus on affordable and non-metro housing finance to customer segments across Tier-1 suburbs, Tier- II and Tier- III cities
- ✓ Business strategy aligned with government mission of “Housing for All “ through CLSS subsidy
- ✓ ₹ 1,000+ Cr of subsidy received under Credit-linked Subsidy Scheme, which has benefitted over 42,500+ customers

Distribution of AUM as at September 30, 2020

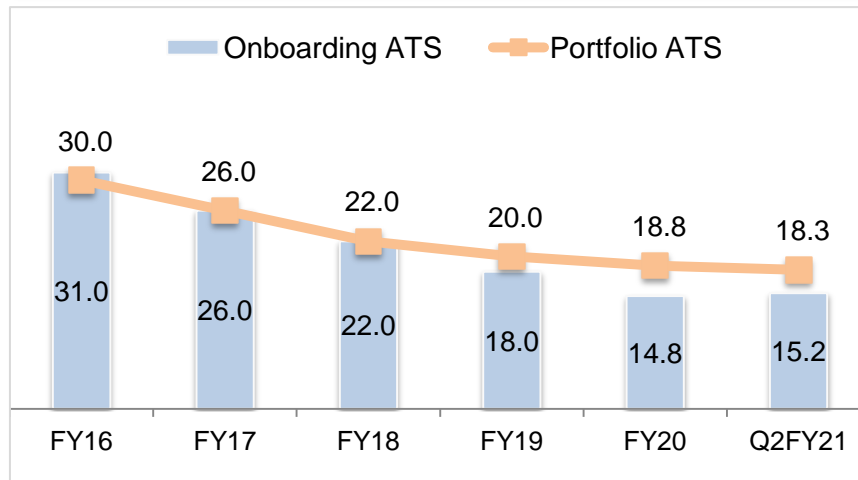


Home loans – financial overview

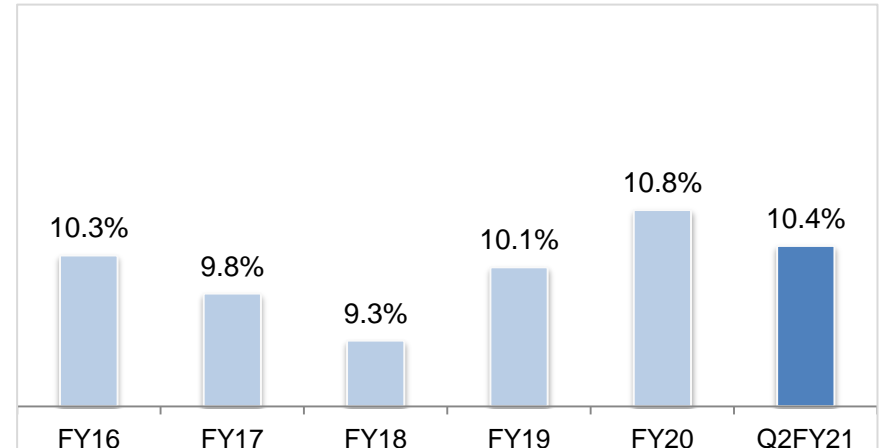
Assets Under Management (₹ Crore)



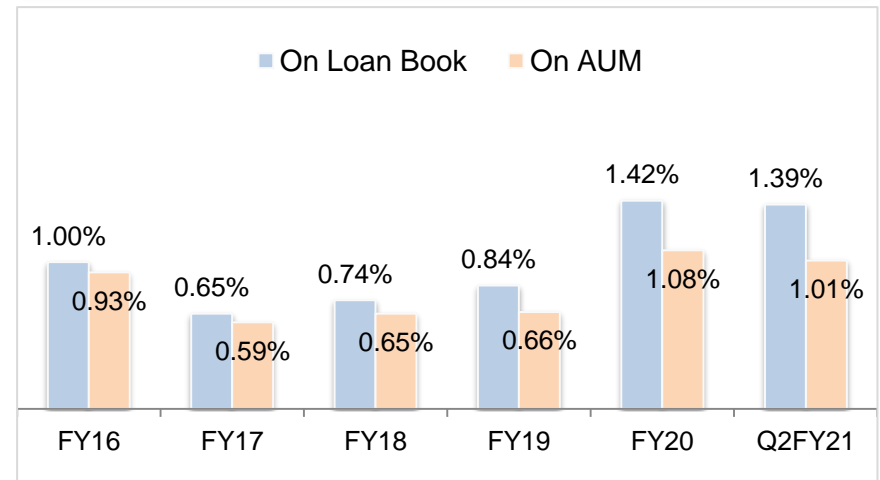
Average Ticket Size (₹ Lakhs)



Boarding Yield (%)



Gross NPAs (%)



Business loans – product overview

Product offering

- For business loans backed by cash flows
- Collateral must for loans of more than ₹ 50 Lakh; LTV up to 70%

Customer segments

- MSME customers having established business performance
- Lending to manufacturing, trading and service sectors for working capital and business expansion
- 69% of unsecured portfolio covered through CGTMSE guarantee scheme

AUM
₹ 7,899 Crore

Gross/Net NPA*
3.2% / 1.3%

**On boarding
Average Ticket Size**
₹ 6 Lakh

Tenor
Upto 12 years

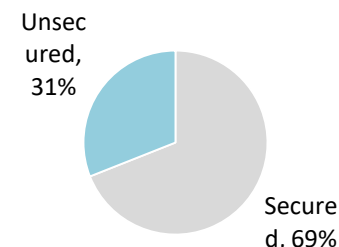
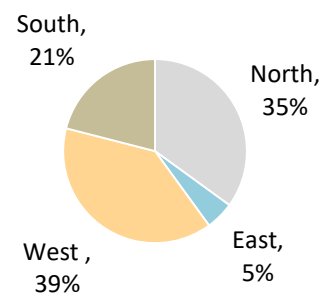
**75% Collection
Efficiency
(Sep'20)**

Key differentiators and controls

- ✓ Varied products – small ticket Insta loans, cash flow backed business loans and Loans against Property
- ✓ Focus on balancing prudent credit underwriting with instant in-principal decisioning and automated disbursements based on analytical scorecards
- ✓ Strong collections and portfolio monitoring based on risk events and triggers

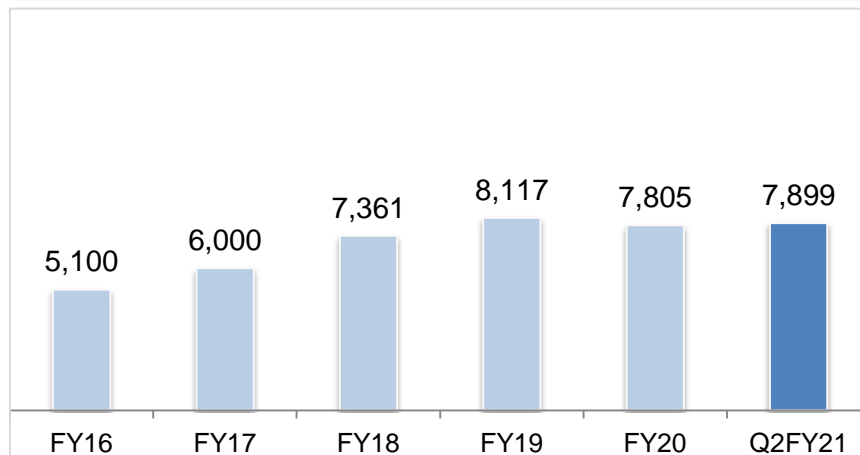
Distribution of AUM as at September 30, 2020

Region-wise distribution

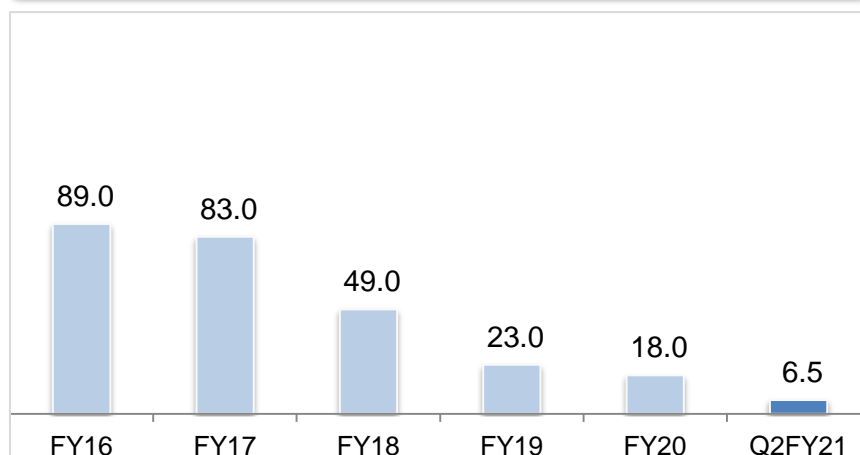


Business loans – financial overview

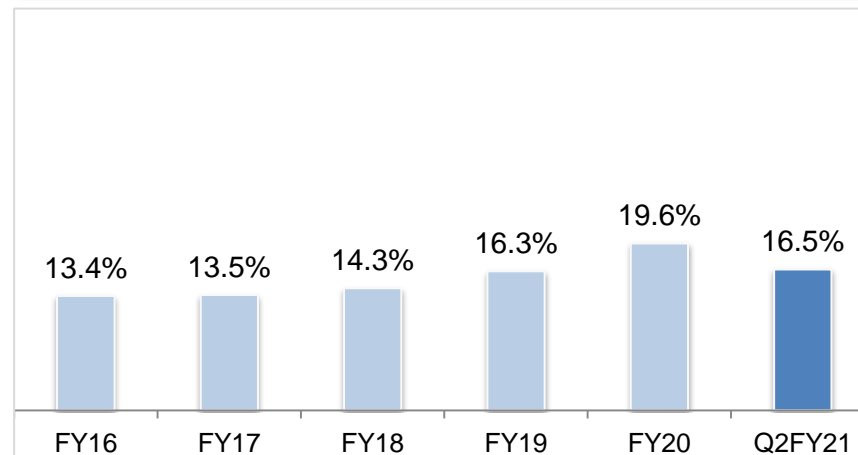
Assets Under Management (₹ Crore)



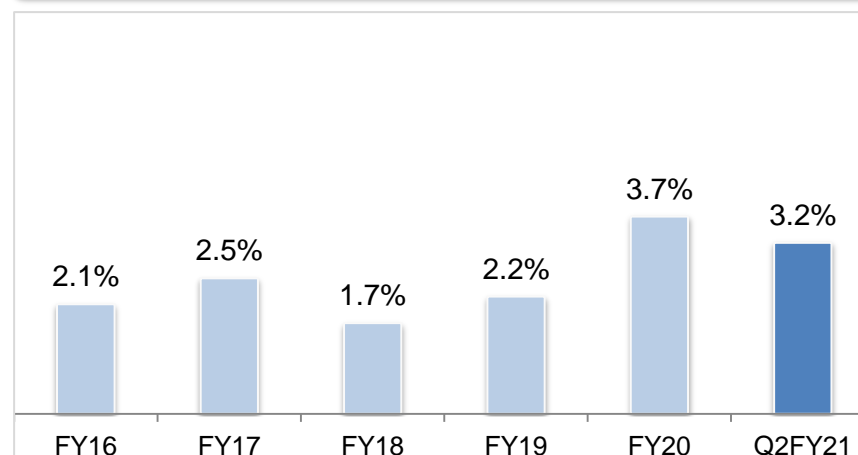
Onboarding Average Ticket Size (₹ Lakhs)



Boarding Yield (%)



Gross NPAs (%)



Gold loans – product overview

Product offering

- Loan against jewellery provided for personal & business use;
- On-boarding LTV < 70%

Customer segments

- Salaried, self-employed and MSME businesses
- 70% are repeat customers

AUM
₹ 11,386 Crore

Gross/Net NPA
0.1% / 0.0%

**Onboarding
Average Ticket Size**
₹ 0.5 Lakhs

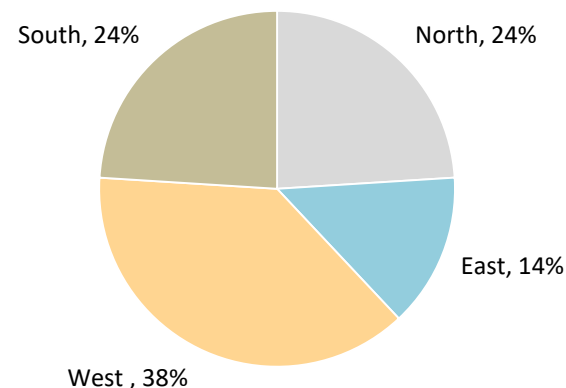
Tenor
~1 year

96% Collection Efficiency
(Sep'20)

Key differentiators and controls

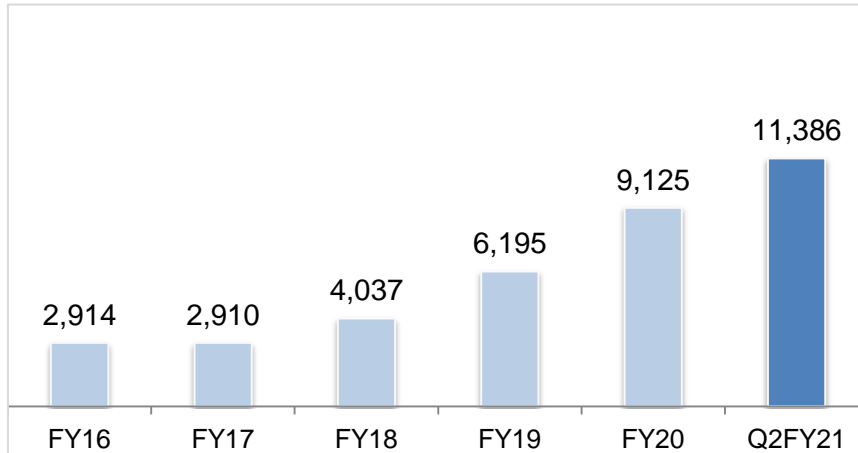
- ✓ Sourcing through sales executives in 600+ cities across 25 states
- ✓ In-house loan origination tablet application equipped to screen customers for earlier defaults, frauds and negative customer lists
- ✓ Strong emphasis on collections and resolution resulting in negligible losses
- ✓ Launched digital gold loan – for top-up and online renewal of gold loans
- ✓ Low auction to book ratio of 0.04%

Distribution of AUM as at September 30, 2020

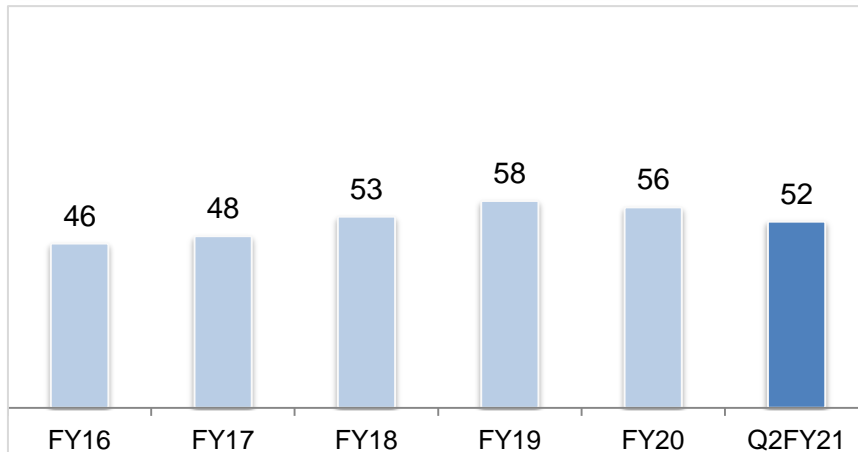


Gold loans – financial overview

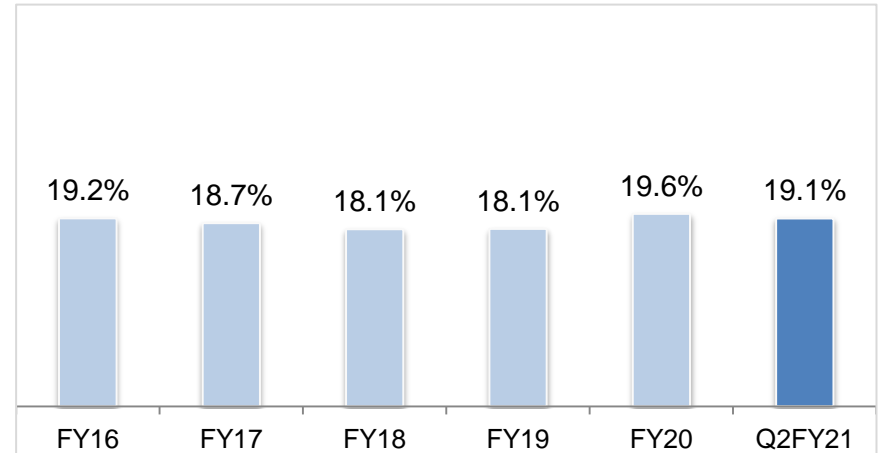
Assets Under Management (₹ Crore)



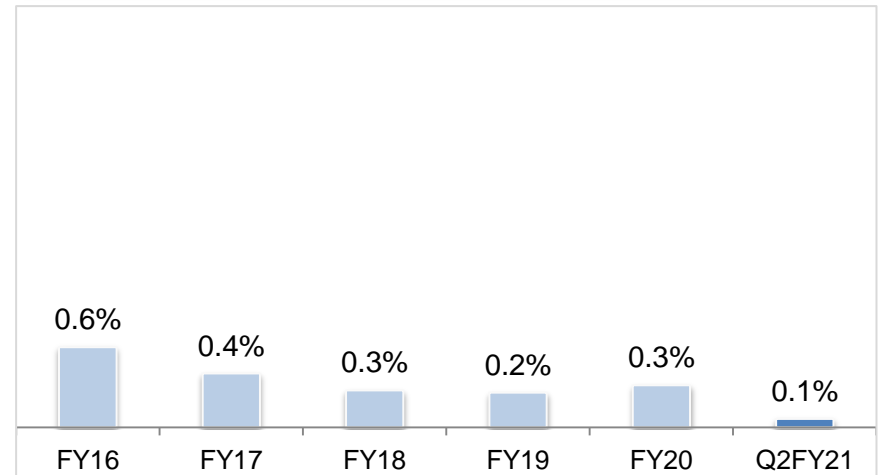
Onboarding Average Ticket Size (₹ '000s)



Boarding Yield (%)



Gross NPAs (%)



Microfinance – product overview

Product offering

- Small-ticket loans for purpose of income generation activities

Customer segments

- Target segment is rural and semi-urban self-employed women formed into joint liability groups

AUM
₹ 3,460 Crore

Gross/Net NPAs
1.8% / 0.0%

States
17

Total Customers
15 Lakh

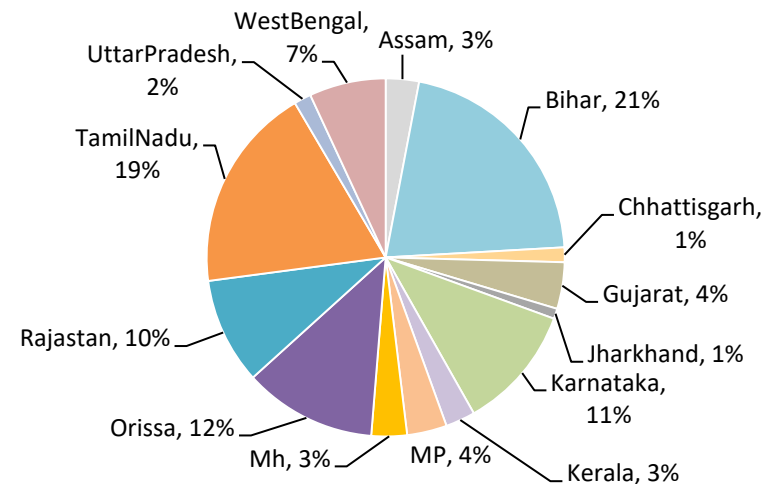
Tenor
~2 years

78% Collection Efficiency (Sep'20)

Key differentiators and controls

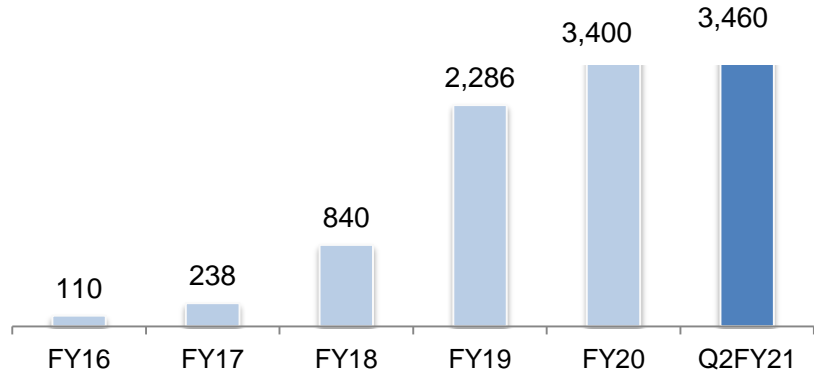
- ✓ Extensive presence in 17 states, 232 districts
- ✓ Strong emphasis on training and awareness of all customers detailing end use of funds, timely repayment and emphasis on joint liability
- ✓ Customer base likely to graduate to larger ticket-sized loans, like gold loans and affordable housing loans
- ✓ 100% credit-linked insurance coverage

Distribution of AUM as at September 30, 2020

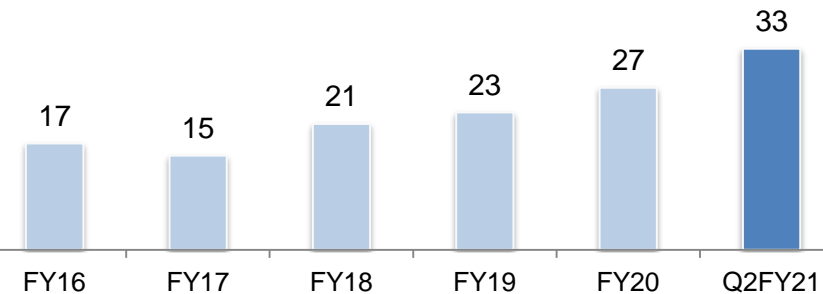


Microfinance – financial overview

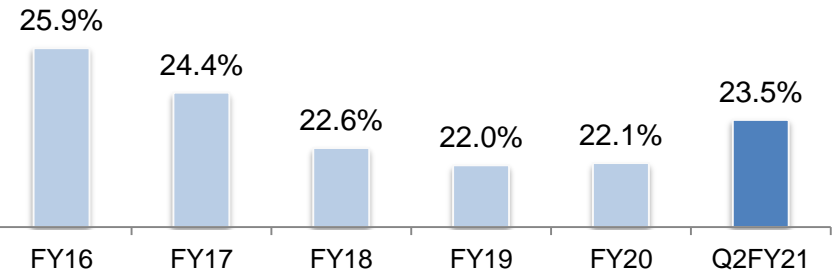
Assets Under Management (₹ Crore)



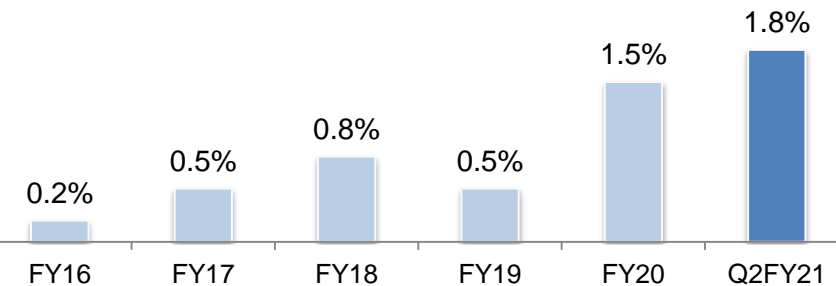
Onboarding Average Ticket Size (₹ '000s)



Boarding Yield (%)



Gross NPAs (%)



50 projects, with total principal outstanding of ₹4,023 Cr as at Q2FY21, accounting for 91% of IIFL CRE loans have been analyzed in detail. The balance 9% of CRE book is represented by very small projects.

The analysis is based on stage of project completion, target income segment of end users, geographical distribution of funded projects and developer track record.

Progress during the quarter:

- The Mumbai MMR project at Bandra and another project in Delhi have moved from **land stage** to **early stage** as construction activities have commenced
- Three other projects in Mumbai MMR have moved from **approval pending** to **intermediate stage** as they have received commencement certificate for construction.
- Three Delhi & Gurgaon projects have moved from **RERA approved** to **early stage**, as construction has commenced.
- Two projects at **intermediate** stage have **closed early with full payment** from sales.

93% of finance is for residential projects, and 73% of projects are in advanced stages of completion

Stage	No. of projects	POS as at 30 Sep	% to total
Residential	47	3,740	93%
Land stage	1	76	2%
Approval pending	1	115	3%
RERA Approved (Construction to start soon)	3	109	3%
Construction in progress	34	3,139	78%
<i>Early stage (Upto 25%)</i>	6	447	11%
<i>Intermediate stage (25-75%)</i>	18	2,112	52%
<i>Near completion (> 75%)</i>	10	580	14%
Completed	8	301	7%
Commercial / Logistics	3	283	7%
Total	50	4,023	100%

Note: Classification in residential and commercial / logistics is basis predominant usage

Stages of construction

- 73% of funded projects are in advanced stages of completion or are already completed
- 11% of funded projects have commenced construction activities
- 3% of funded projects are approved by RERA and construction should commence soon
- 3% of funded projects are in approval submission stage wherein approvals should be obtained on reopening of relevant authorities.
- 2% of funded projects are at land stage
- Only 7% exposure to commercial / logistics sector
- No exposure to Lease Rental Discounting (LRD)

Affordable residential projects contribute 77%

Project mix

Figs in Cr	No. of projects	POS as at 30 Sep	% to total
Residential	47	3,740	93%
<i>Affordable</i>	38	3,084	77%
<i>Mid Income</i>	5	403	10%
<i>Premium</i>	4	252	6%
Commercial	3	283	7%
Total	50	4,023	100%

What is the definition of Affordable Residential?

- Projects where unit sales realisation is less than 2 Cr in Mumbai, less than 1 Cr in Delhi, Bengaluru, Kolkata and 0.5 Cr in other non-metro cities
- Similarly Mid Income comprise projects where sales realisation are between 2 – 5 Cr in Mumbai, 1 – 3 Cr in metros and 0.5 Cr to 2 Cr in other cities.

Micro market prices psf

Price psf	No. of projects	POS as at 30 Sep	% to total
<4000	17	548	14%
4 - 10k	15	722	18%
10 - 16k	1	318	8%
16 - 22k	10	1,864	46%
22 - 28k	2	218	5%
>28k	5	352	9%
Total	50	4,023	100%

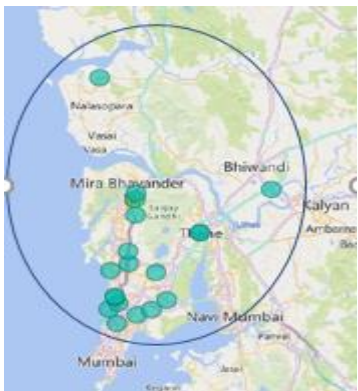
Key elements of the IIFL RE Corporate Loan Book

- Affordable residential projects contribute 77% of POS
- Mid Income projects contribute 10%
- Premium projects comprise 6% of POS. These projects are in the western suburbs of Mumbai where apartments are compact and prices are in the affordable range

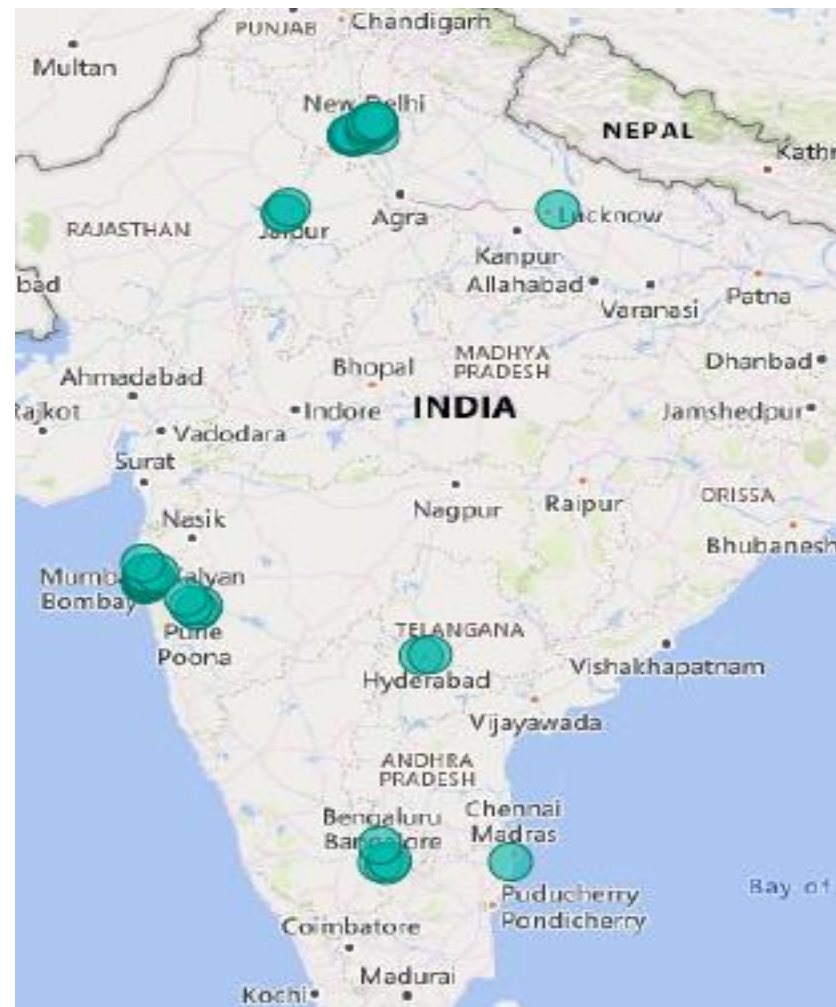
High velocity suburbs of Mumbai and Gurgaon have 61% of funded projects

Geography mix

Figs in Cr	No. of projects	POS as at 30 Sep	% to total
Mumbai	16	2,097	52%
Gurgaon	9	381	9%
Noida	2	370	9%
Delhi	2	351	9%
Pune	5	223	6%
Banglore	3	199	5%
Hyderabad	2	120	3%
Jaipur	3	93	2%
Bhiwandi, Thane	1	79	2%
Ghaziabad	2	37	1%
Chennai	1	26	1%
Greater Noida	1	22	1%
Lucknow	2	20	0.5%
Faridabad	1	5	0.1%
Total	50	4,023	100%



- Mumbai and Gurgaon contribute to 61% of funded projects
- Projects in Mumbai MMR are mainly north of Andheri and hence in affordable residential segment and not high income segment



93% of funded developers have more than 10 years of successful track record

RE Experience of Developers

No. of years	No. of projects	POS as at 30 Sep	No. of Developers
5-9 yrs	5	284	5
10-14 yrs	10	684	5
15-19 yrs	6	505	7
20-24 yrs	9	1,062	9
25-30 yrs	7	822	9
>30 yrs	13	666	4
Total	50	4,023	39

Relationship with IIFL

No. of years	No. of projects	POS as at 30 Sep	No. of Developers
1-3 yrs	7	255	6
4-6 yrs	26	2,509	21
7-9 yrs	17	1,259	12
Total	50	4,023	39

Sft sold by Developer Group

Sft sold by Group	No. of projects	POS as at 30 Sep	No. of Developers
0-5 lacs	8	872	7
5-10 lacs	9	962	8
10-15 lacs	5	249	5
15-20 lacs	7	1,103	6
>20 lacs	21	836	13
Total	50	4,023	39

Track record of Developers

- 93% of POS is funded to developers who have a successful track record of more than 10 years
- 78% of POS is funded to developers who have historically sold more than 5 lac sft
- 94% of POS is funded to developers who have been in touch with IIFL for more than 4 years

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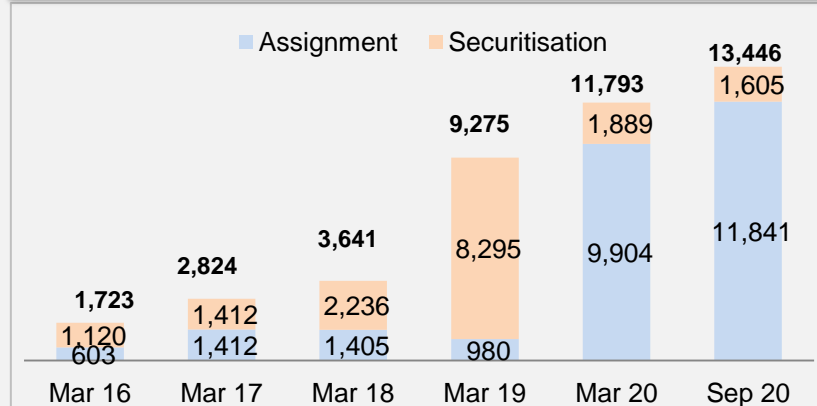
Lending Institution to Lending Platform transformation envisages a new business model which is Capital Optimized Value Innovation Driven (COVID)

While banks have capital and risk appetite, we have access to customers and specialized niche underwriting skills. Working together, banks profitably expand their retail and priority loan assets and we can leverage our capital more efficiently.

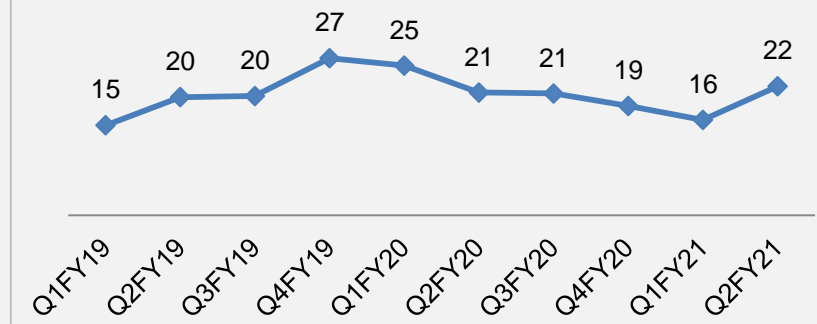
The key metric to assess our progress on strategy will be 'income without use of risk capital' (non fund based income) comprising primarily of income from assignment and cross sell.

Several fintech players have partnered with us to get access to lending platform for their innovative models to source and underwrite.

Loan assets assigned/ securitized (₹ Cr)



Cross Sell Income - 4 quarter moving average (₹ Cr.)



IIFL is uniquely placed for win win partnerships

IIFL is uniquely placed due to its

- ✓ Vast branch network to source, service & collect
- ✓ Strong online presence and proprietary technology
- ✓ Large base of existing customers
- ✓ Culture of innovation

Win-Win proposition

- ❑ **Banks** acquire quality retail loans, accelerate financial inclusion by delivering credit to under- served segments.
- ❑ **Fintech partners** developing new technologies integrate to get access to funds and established processes.
- ❑ **IIFL** can pursue faster growth, higher ROE as significant part of assets and risk get off its balance sheet

IIFL Finance has recently signed up with **CSB Bank** for co-origination of gold loans assets

IIFL Finance current partners

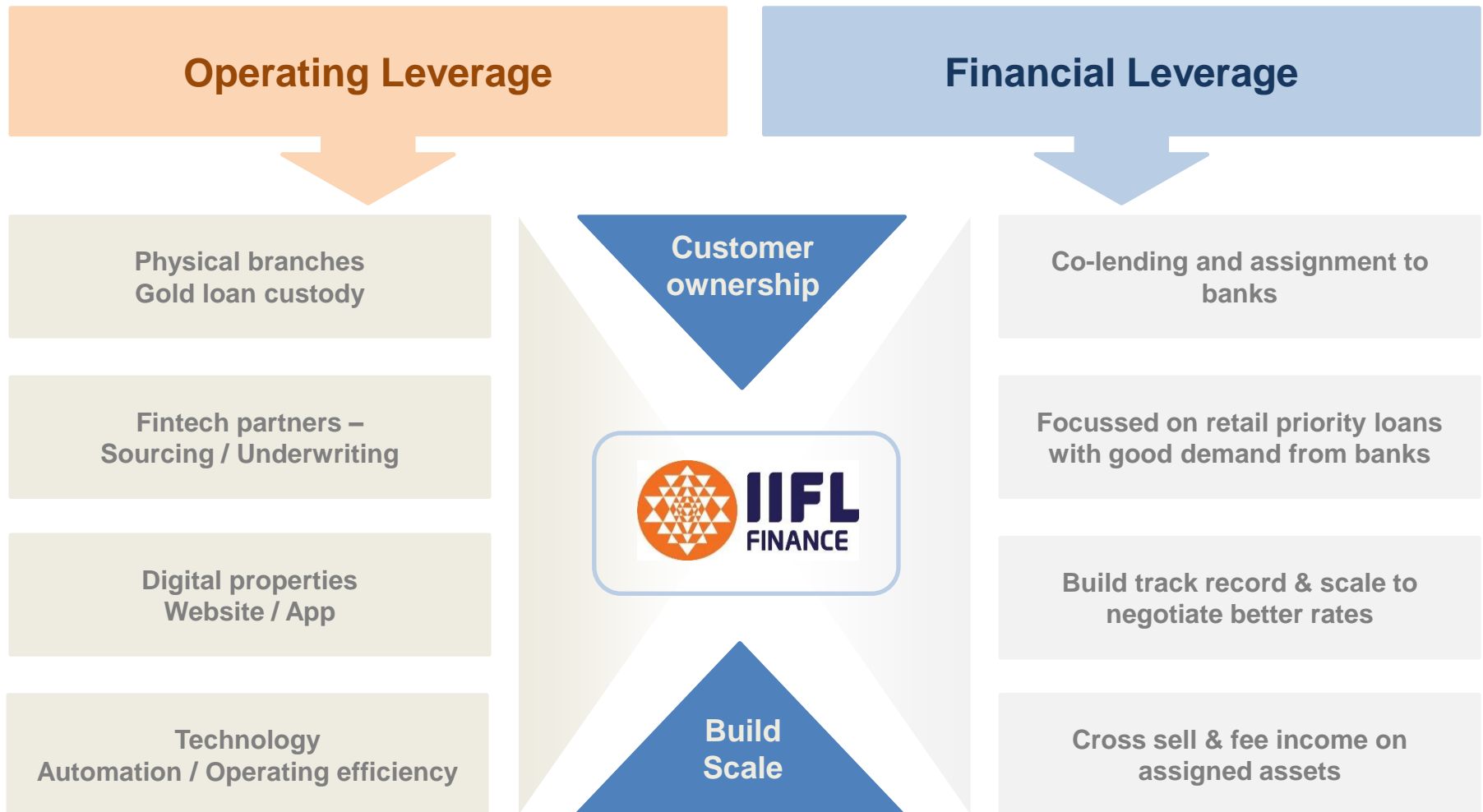
Banks:



Fintechs:



Strategy for the emerging business model



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Distinguished Board of Directors

IIFL Finance – Board of Directors



Nirmal Jain, Chairman & Whole-time Director

- MBA from IIM Ahmedabad, rank-holder CA and Cost Accountant. Worked with Unilever for 5 years
- Founded and led IIFL since 1995



R Venkataraman, Managing Director

- MBA from IIM Bangalore, B-Tech from IIT Kharagpur
- Worked with ICICI Bank, Barclays, GE Capital
- Co-founder of IIFL



Chandran R, Non-Executive Director

- Managing Director, Hamblin Watsa Investment Counsel Ltd.
- Director & CEO, Fairfax India Holdings Corp.
- MBA from University of Toronto, B. E from IIT Madras



Nagarajan Srinivasan, Non-Executive Director

- Head of South Asia, CDC Advisers
- More than 30 years of investing and financial services experience



V. K. Chopra, Independent Director

- Chartered Accountant and Former Whole-Time Member, SEBI
- Former Chairman & MD - Corporation Bank and SIDBI



A K Purwar, Independent Director

- Chairman of Tadas Wind Energy Private Limited & Eroute Technologies Private Limited
- Former Chairman, State Bank of India



Nilesh Vikamsey, Independent Director

- Senior Partner at Khimji Kunverji & Co
- Past President of The Institute of Chartered Accountants of India



Geeta Mathur, Independent Director

- Co-chair for the India Chapter of Women Corporate Directors Foundation
- Chartered Accountant with over 20 years of experience as a Finance professional

Management team with rich domain experience

IIFL Finance

Chief Financial Officer	Rajesh Rajak
Chief Risk Officer	Sanjeev Shrivastav
Compliance Officer	Sneha Patwardhan
Chief Strategy Officer	Anujeet Kudva

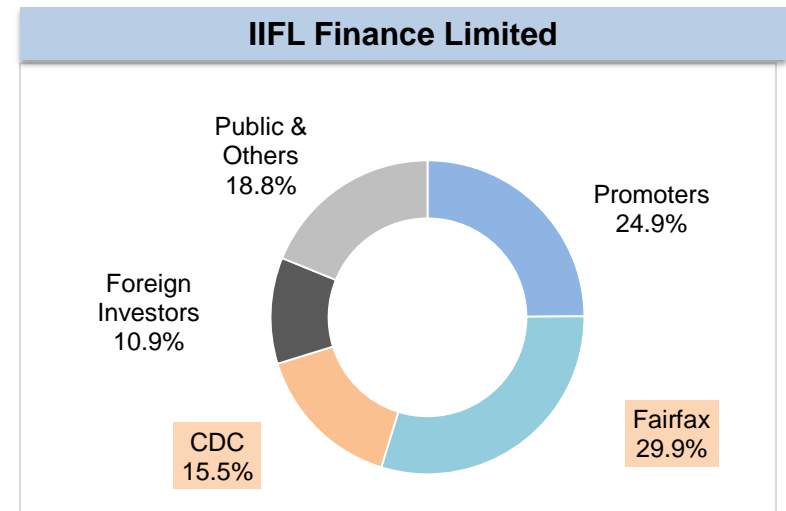
IIFL Home Finance

Chief Executive Officer	Monu Ratra
Chief Financial Officer	Amit Gupta
Chief Risk Officer	Abhishikta Munjal
Treasurer	Govind Modani

Samasta Microfinance

Chief Executive Officer	N. Venkatesh
Chief Financial Officer	Anantha Kumar
Chief Risk Officer	Sabari Krishna

Marquee investors



Note: Shareholding pattern as at September 30, 2020

Key digital initiatives during the quarter..

IIFL Finance is now launched on India's leading payment platforms - Paytm, PhonePe, Bhim & Mobikwik to enable customers to pay their dues handily..

Home Loan

- ❑ During the quarter, we have integrated our Sales Mobile Application with **real time ITR validation, document e-sign** and e-Nach registration facilities as a part of customer on boarding process ,leading to faster and contactless disbursements.

Unsecured Business Loan

- ❑ Enabled **e-agreements** and e-Nach for disbursing loans under the government enabled credit linked scheme

Gold Loan

- ❑ Amid the Covid-19 crisis, **digital gold loan** launched for customers to avail gold loan and perform other loan related transactions in the confines of their home.
- ❑ The whole process is **100% online** and gets completed in a few minutes.
- ❑ Digital Gold Loan feature launched on both IIFL Loans Mobile app and on Web Portal



Environment, Social and Governance (ESG) Initiatives

- As a responsible corporate, IIFL Finance aims to deliver sustainable growth through financial products and services that help satisfy unmet societal needs, enable a thriving society, conserve environment and create long-term value for all
- The Company has a dedicated ESG committee which meets quarterly to discuss a range of ESG issues that aim to drive the Company's values and impact
- Marquee investors CDC have representation at the ESG committee and they continue to guide us with their rich, global experience in driving ESG initiatives.

E

- KUTUMB – Green housing
- Digital process for loans

S

- CSR activities
- Financial Inclusion – support to self employed women under MFI vertical
- First House- Housing for All
- Affordable Housing
- Women Empowerment
- Diversity at Work Place
- Employees Health and Safety

G

- Prevention of Sexual Harassment (POSH)
- Ethics & Integrity
- Anti corruption policy
- Customer satisfaction
- Independent Board and Audit Committee Structure
- Whistleblower Mechanism

ESG – Key environment initiatives

- Pioneered Green Building concept in partnership with housing developers through "Kutumb" platform
- It provides industry experts and housing developers, a platform to promote sustainable infrastructure. The benefits of Green buildings are - with usage of sustainable raw materials, green buildings help protect biodiversity and ecosystem. It further allows reduced carbon footprint, cost efficient structures and better health of residents.

Potential Electricity Saving in MWh/Year	Potential Water Saving in KL/Year	CO2 Offset in tCO2/Year
1,596	92,203	1,309

Total numbers of Green projects –

170+

Number of units funded –

2,300+



'Kutumb' is a platform where we bring together industry experts and housing developers to create a sustainable infrastructure and a know-how model of Green Buildings in Affordable Housing Segment.

Our Partners



ESG – Key Social Initiatives

Sakhiyon ki Badi (Rajasthan)

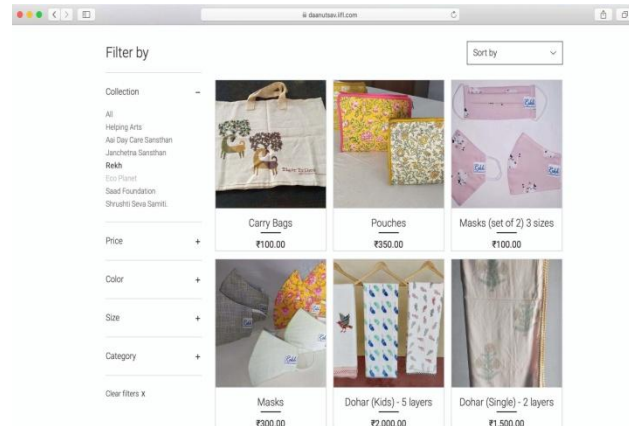
IIFL Foundation's Sakhiyon ki Badi are community based learning centers operating across 11 districts of Rajasthan, aiming towards eradication of Female Illiteracy. This flagship initiative of IIFL Foundation regained its operation during the unlock phase from June 2020. The team members followed safety guidelines issued by the Government and continued their engagement with the communities.

Centres	Districts	#Girls	#Boys
986	11	35,819	3,030



ë mela (Daan Utsav)

IIFL Foundation launched an unique online platform to support artisans, craftsmen and small scale producers across the country, to resurrect their livelihood in the post-lockdown phase. An online website - daanutsav.iifl.com, offering a platform for NGOs, Self Help groups and community based groups to showcase and sell their products directly to customers across india. The services of the platform were offered 'free of cost' to the participants.



Covid-19 relief

To help battle the Covid-19 crisis for patients residing at higher altitudes, such as inhabitants of Kashmir, IIFL Foundation has donated **24 oxygen concentrators** to the community, to help patient's during their home quarantine period.



Chauras

Chauras is a learning centre cum crèche for children of migrant construction site workers. The centre is slowly regaining its operation in former momentum, as the lockdown opens up and the labourers return to the sites.

Chauras	Location
2	Greater Noida & Kamshet

IIFL's brand and credibility recognized at various forums IIFL FINANCE

IIFL Finance receives recognition as one of the 'Economic Times Best Brands 2020'



The Economic Times recognized our Chairman as one of the 'Most Promising Business Leaders of Asia' for demonstrating exemplary leadership qualities



IIFL Finance Limited' has been awarded the 'Golden Peacock Award for Risk Management' for 2019



IIFL Finance won the "Best Fintech NBFC of the Year Award" at the India NBFC Excellence Awards 2019 presented by INDIA NBFC SUMMIT & AWARDS 2019



IIFL Finance received the 'Golden Peacock National Training Award-2020'



IIFL Finance is now The Economic Times most Promising Brand in BFSI segment



IIFL Finance featured in 'India's Best Workplaces in BFSI 2020' – Top 25

Ace cricketer Rohit Sharma is IIFL Finance's Brand Ambassador



#SeedhiBaat

The language of money is at its elegant best when done the 'SeedhiBaat' way :

By keeping our loan products simple; and the process transparent.

By valuing the customer above all else; and displaying an un-wavering commitment to the relationship.

Because a loan makes sense only when you get what you need in the most uncomplicated way.



Seedhi baat



HOME LOAN

- ▶ Loan from ₹ 6 - 30 Lakhs
- ▶ Limited income Document



BUSINESS LOAN

- ▶ Loan in 24 hours
- ▶ Flexible terms



GOLD LOAN

- ▶ Low Interest Rate
- ▶ Loan in 5 minutes

The language of money is at its elegant best when done the 'Seedhi Baat' way. By keeping our loan products simple. And the process transparent. By valuing the customer above all else. And displaying an unwavering commitment to the relationship.

Because a loan makes sense only when you get what you need in the most uncomplicated way.

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Thank you

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DISCLAIMER: IIFL Finance Limited (Formerly known as IIFL Holdings Limited), subject to market conditions and other considerations is proposing a public issue of secured and/or unsecured, redeemable non-convertible debentures and has filed the Draft Shelf Prospectus dated June 30, 2020 (“Draft Shelf Prospectus”) with BSE Limited, National Stock Exchange of India Limited, and SEBI. The Draft Shelf Prospectus is available on our website www.iifl.com, on the website of the stock exchanges www.nseindia.com, www.bseindia.com, on the website of SEBI - www.sebi.gov.in and the respective websites of the lead managers at www.edelweissfin.com, www.iiflcap.com and www.equirus.com. Investors proposing to participate in the Issue, should invest only on the basis of the information contained in the Draft Shelf Prospectus. The unsecured, redeemable, non-convertible debentures shall be eligible for Tier II capital. Investors should note that investment in NCDs involves a high degree of risks and for details relating to the same, please refer to Draft Shelf Prospectus including the section on “Risk Factors” beginning on Page 22 of the Draft Shelf Prospectus.