



November 21, 2023

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. BSE Scrip Code: 532636	The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. NSE Symbol: IIFL
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Sub: Disclosure pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015)

Dear Sir/Madam,

In furtherance of our intimation dated November 16, 2023 with respect to IIFL Finance Analyst Day 2023 scheduled to be held on November 21 and 22, 2023, we are enclosing herewith the presentation to be presented to the participants.

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,

For IIFL Finance Limited

Rupal Jain
Company Secretary & Compliance Officer
Place: Mumbai

IIFL Finance 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, Thane Industrial Area, Wagle Estate, Thane – 400604

Tel: (91-22)41035000. Fax: (91-22) 25806654 E-mail: csteam@iifl.com Website: www.iifl.com



Analyst Day 2023

Bloomberg: IIFL IN
November 21, 2023

(As on Sep 30, 2023)

Shareholding

Promoters

24.8%

Institutional Investors

56.0%

Public & Others

19.2%

Loan AUM

₹73,066 Cr

Customers

8 million+

ROA (H1FY24)

3.7%

PAT (H1FY24)

₹998 Cr

Networth¹

₹9,640 Cr

ROE (H1FY24)

19.5%

**IIFL Finance
(Listed)**

80%

IIFL Home Finance

99%

IIFL Samasta Finance

51%

IIFL Open Fintech

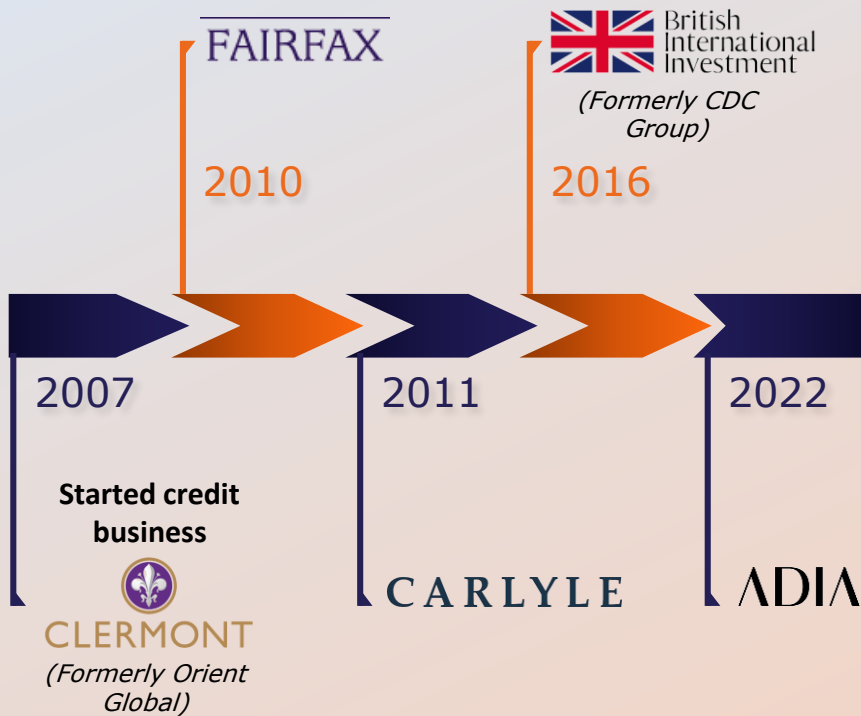
Total AUM (Stand)	Gold Loan	LAP	Digital Loan	Real Estate Finance	Capital Market Finance
₹29,775 Cr	₹23,690 Cr	₹102 Cr	₹3,539 Cr	₹1,944 Cr	₹501 Cr

Total AUM	Home Loan	LAP	Construction Finance
₹31,094 Cr	₹24,009 Cr	₹6,204 Cr	₹881 Cr

Total AUM	MFI	LAP
₹12,196 Cr	₹11,307 Cr	₹889 Cr

Neobank for micro enterprises offering billing, banking and accounting software

Since inception, marquee global investors have reposed faith in our business & management



Shareholding Pattern	% holding
Promoters	24.8
Institutional Investors	56.0
Fairfax	20.9
Capital Group	7.9
DSP MF	3.5
Bank Muscat India Fund	3.3
Vanguard	2.9
Nomura	1.7
Abakkus	1.5
Bavaria Industries AG	1.5
Ward Ferry	1.4
Morgan Stanley	1.0
Public & Others	19.2

As on 30th September, 2023



Nirmal Jain
Managing Director



R Venkataraman
Joint Managing Director

Business Leaders



Monu Ratra
Chief Executive Officer
IIFL Home Finance

Experience of 25+ years
HDFC, ICICI Bank, Indiabulls Housing



Saurabh Kumar
Business Head
Gold Loans

Experience of 20+ years
Muthoot Finance, ICICI Bank



Kapish Jain
Group Chief Financial
Officer

Experience of 25+ years
PNB Housing, AU, ICICI Pru Life,
Deutsche Bank



Abhiram Bhattacharjee
Chief of Staff

Experience of 29+ years
Kotak Group, Morgan Stanley, E&Y,
ICICI Securities



N Venkatesh
Chief Executive Officer
IIFL Samasta Finance

Experience of 20+ years
Entrepreneur



Bharat Aggarwal
Business Head
Digital Loans

Experience of 15+ years
Poonawalla Fincorp, Bajaj Finserv



Pranav Dholakia
Chief Risk Officer

Experience of 25+ years
Edelweiss Financial Services

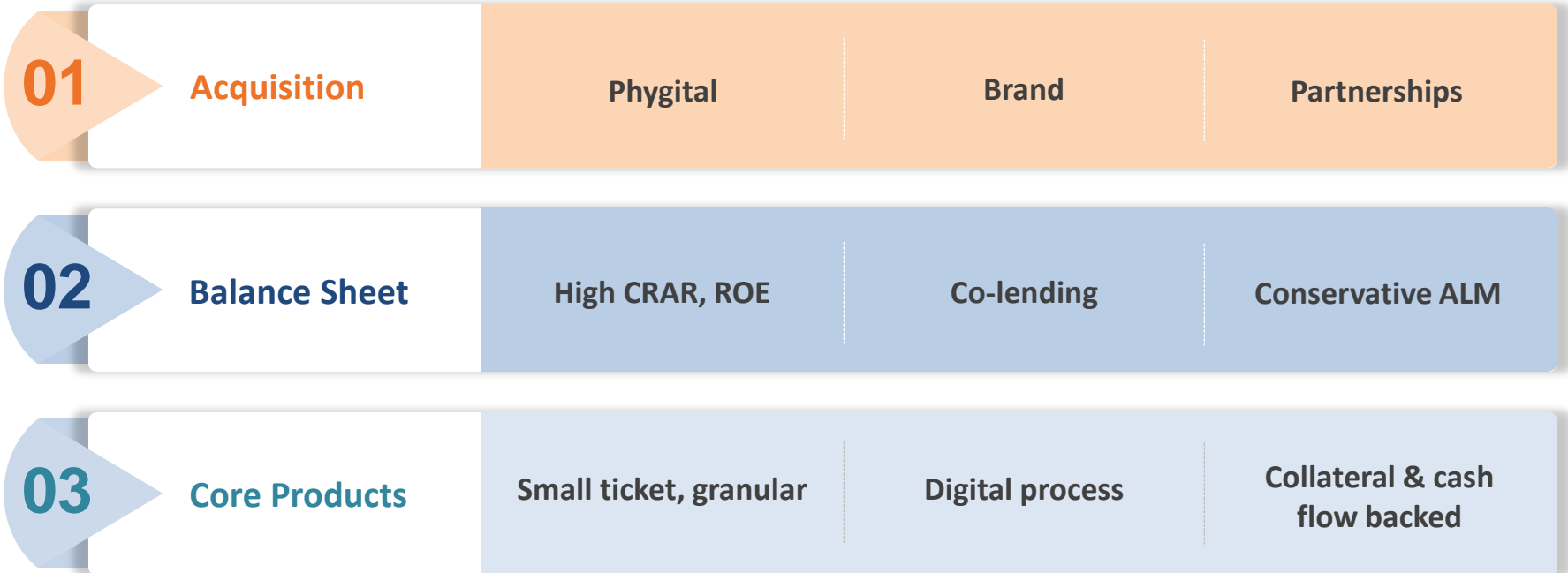
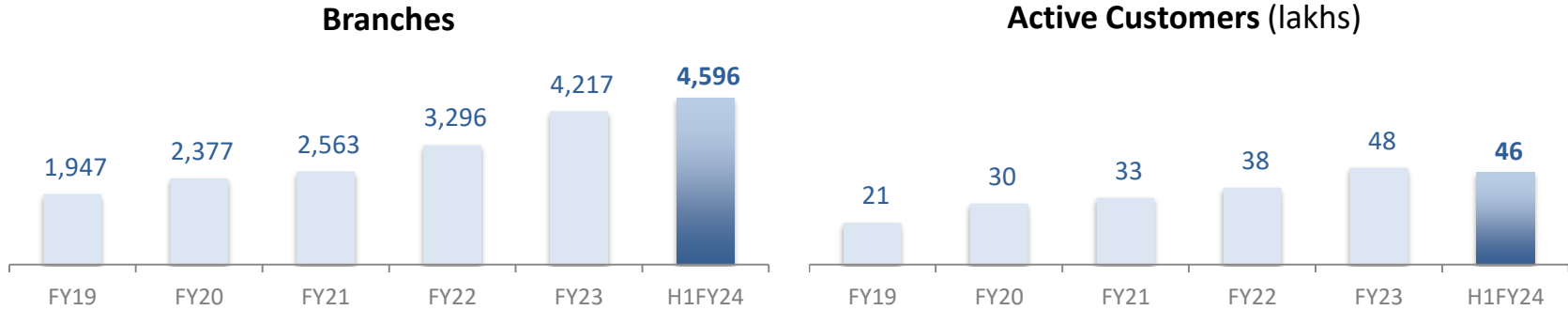


Gaurav Sharma
Chief Technology Officer

Experience of 25+ years
Poonawalla Fincorp, L&T Finance

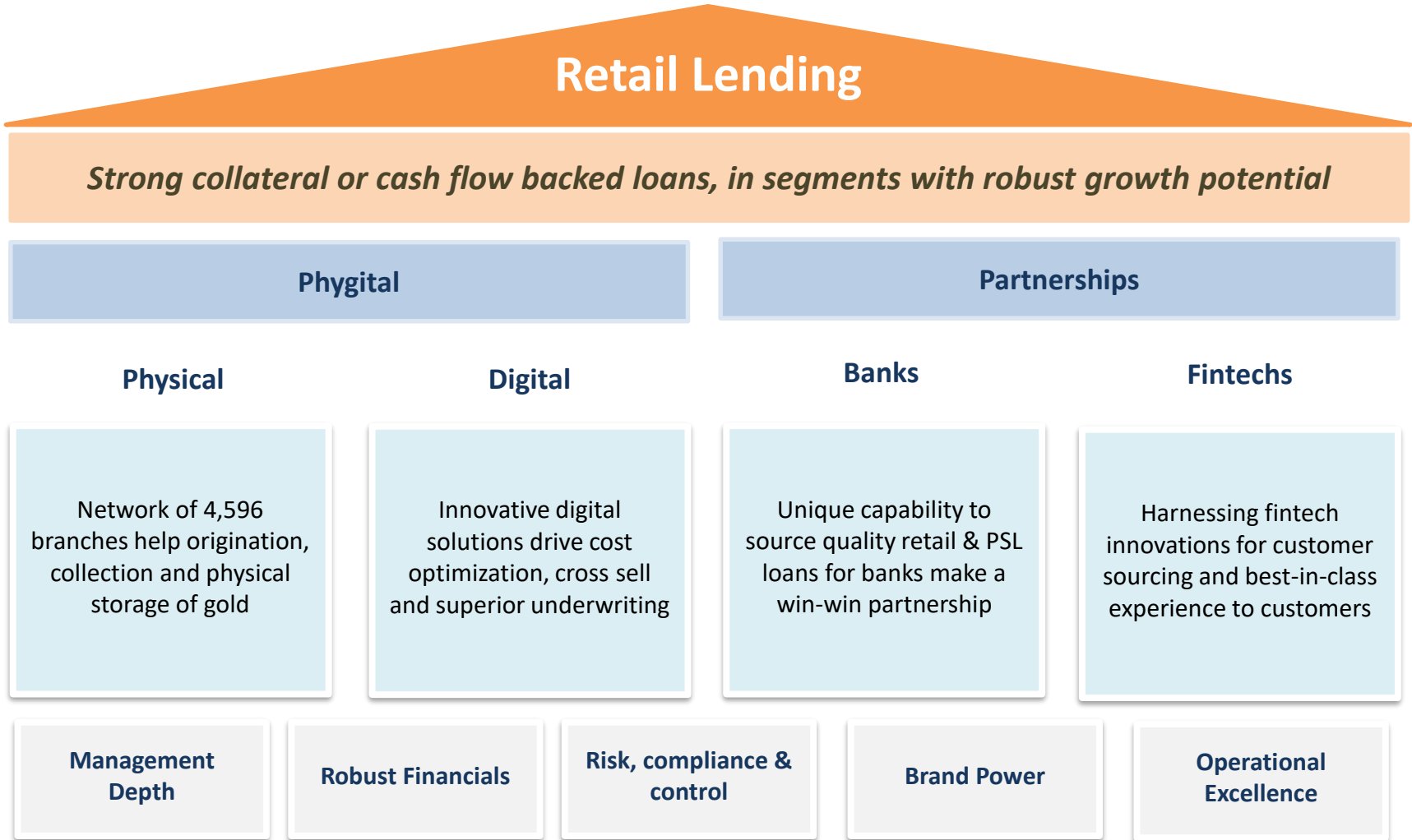
Support Leaders

Key Strategy shifts over the last 5 years



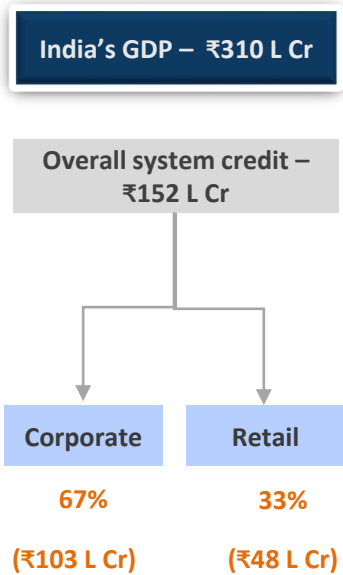
Uniquely placed to dominate non banking retail lending

Our business is built on Phygital and Partnership model



India Credit Opportunity

Our target customer falls in the growing yet underpenetrated income segments



Per capita income (₹ p.a.)

Retail credit exposure (₹42Tn)

₹2.63L & above

36mn (12%)

₹29.4L Cr (70%)

₹90k to 2.63L

59mn (21%)

₹8.4L Cr (20%)

Up to ₹90k

194mn (67%)

₹4.2L Cr (10%)

Number of households (289mn)

Total Addressable Market

(As on Mar, 2023)

	Home Loan	Loan Against Property	Microfinance	Business Loan	Gold Loan
	< 25 lakh ATS Credit	NBFC-LAP Credit	NBFC-MFI Credit	MSME Credit	Gold tonnage
Industry	~₹11,000 Bn	~₹3,300 Bn	₹1,383 Bn	~₹27,700 Bn	~28,000
YoY Growth	~₹2,200 Bn	~₹300 Bn	₹379 Bn	~₹4,400 Bn	~800
IIFL AUM	₹218 Bn	₹67 Bn	₹98 Bn	₹25 Bn	59 (Gold in stock)

Core Product Portfolio

Retail, Secured and focused on providing credit to Small Businesses and Homes

Home Loan

- Serving 1.8 lakh customers across 410 housing finance branches

Portfolio Yield %

11.0%

Onboarding ATS

₹14 lakhs

Loan to Value

72%

Tenor

up to 25 years

Loan Against Property

- Serving 0.8 lakh customers

Portfolio Yield %

18.6%

Onboarding ATS

₹7.7 lakhs

Loan to Value

52%

Tenor

up to 12 years

Microfinance

- Serving 27.1 lakh customers across 1,485 dedicated microfinance branches

Portfolio Yield %

24.4%

Onboarding ATS

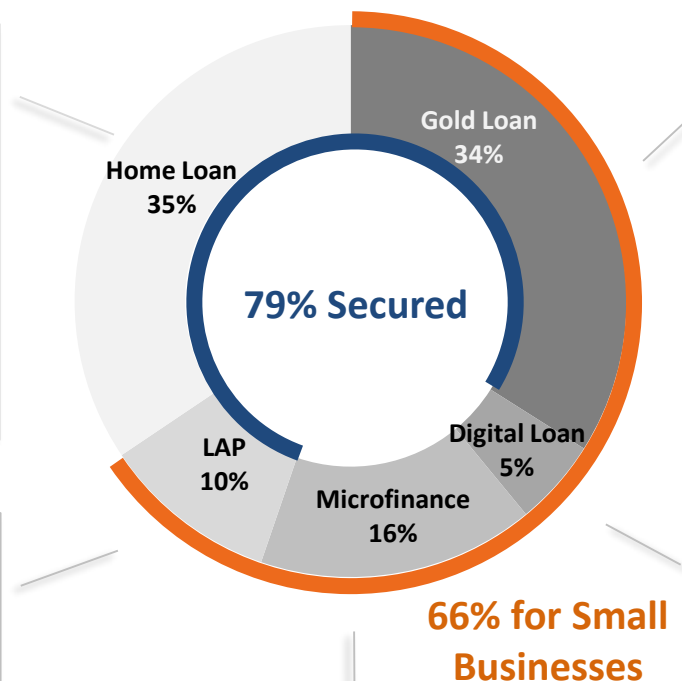
₹42 thousand

Credit - Term cover

100%

Tenor

up to 2 years



Gold Loan

- Serving 18.3 lakh customers across 2,706 dedicated gold loan branches

Portfolio Yield %

18.5%

Onboarding ATS

₹74 thousand

Loan to Value

73%

Tenor

up to 2 years

Digital Loan

- Serving 3.9 lakh customers through end to end digital platforms

Portfolio Yield %

22.4%

Onboarding ATS

₹0.7 lakhs

Personal Loan

40% of AUM

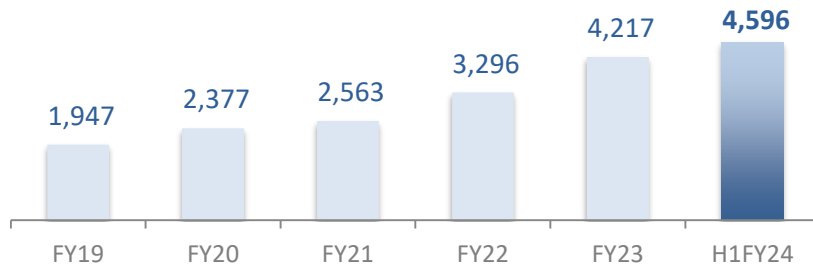
Tenor

up to 5 years

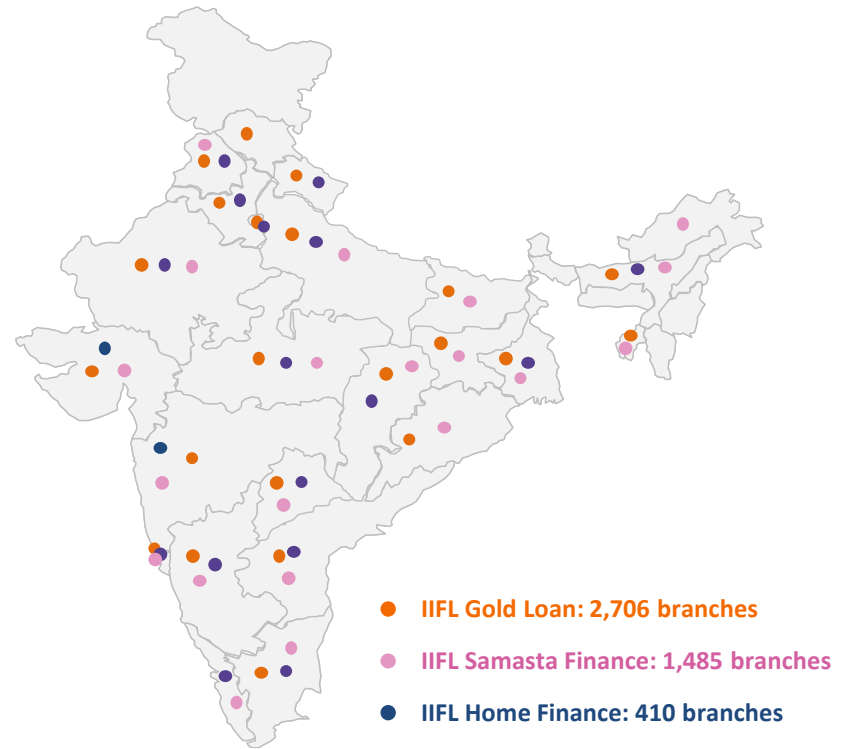
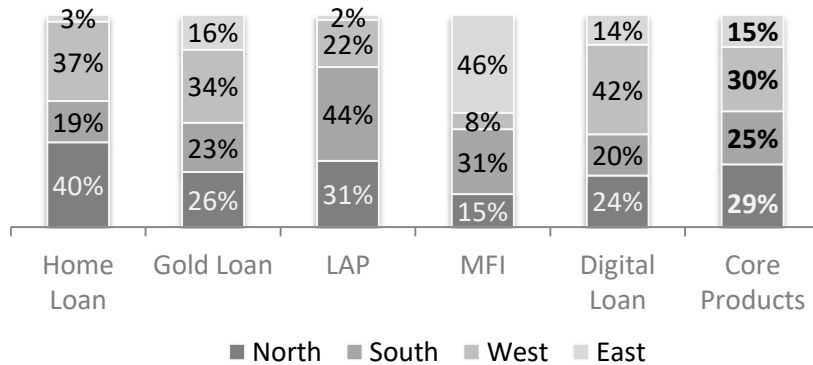
Branch Network

Well diversified geographic presence across all products

Branches



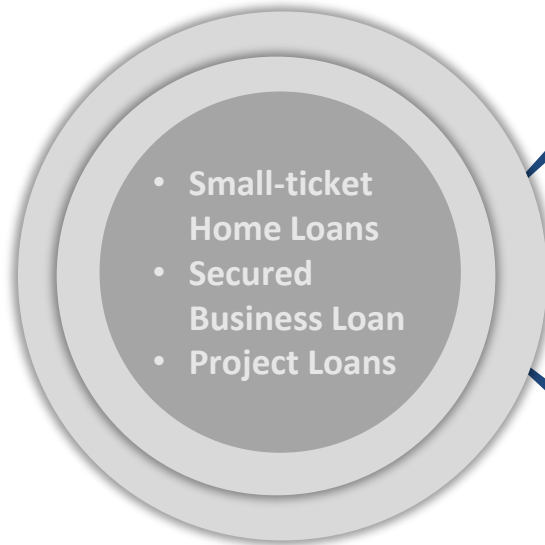
% AUM



HOUSING FINANCE



Product Portfolio tailor-made for diverse financial needs



Business Model

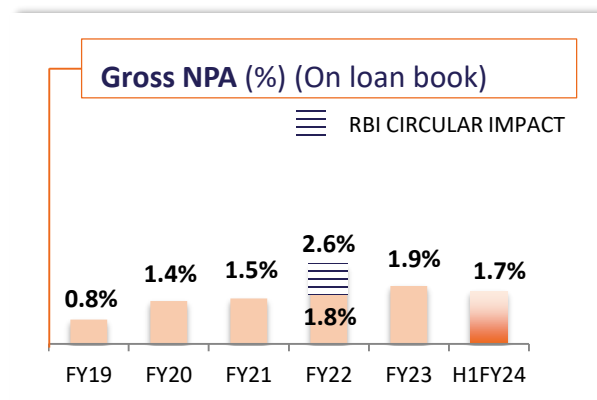
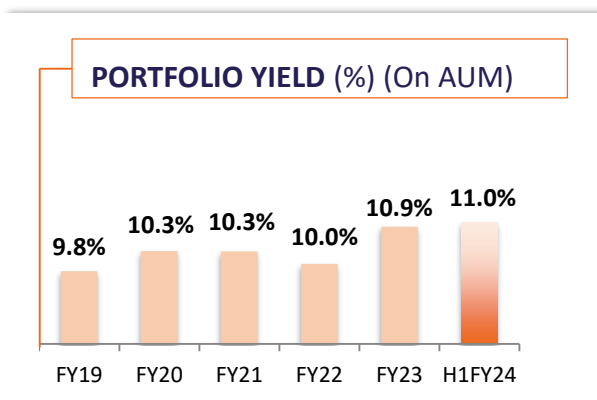
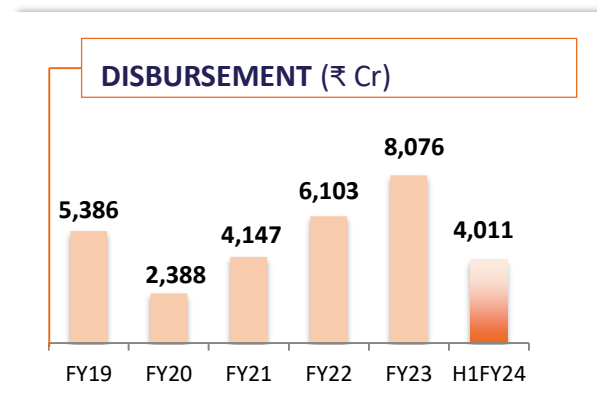
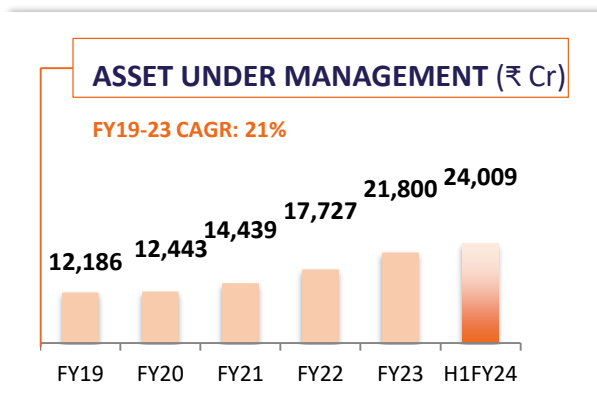
Customer Profile
Liability Management

Operating Model

Distribution Strategy
Cost Framework

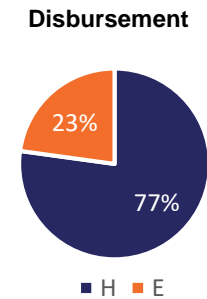
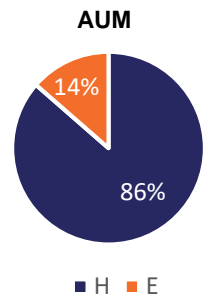
Technology Model

Native Technology Stack



Target Segment & Loan Features

- Tier 1 & 2 cities (H)
 - Yield %: **9.6%**
 - Average ticket size: **₹22 lakhs**
- Tier 3 & 4 towns (E)
 - Yield %: **12.5%**
 - Average ticket size: **₹6-7 lakhs**



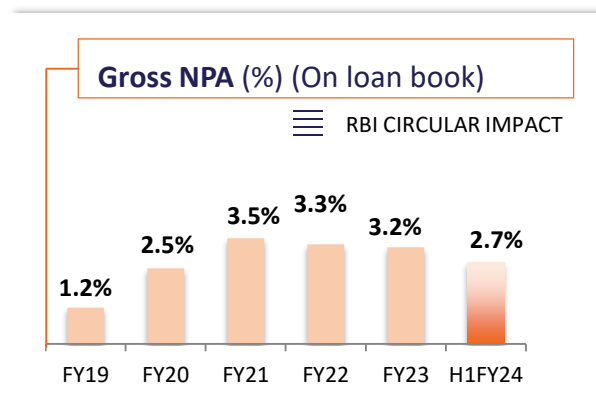
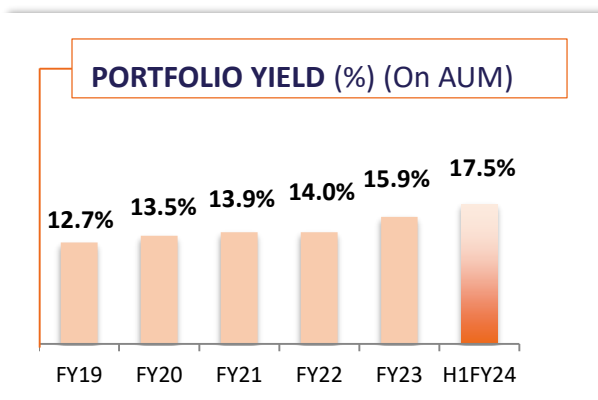
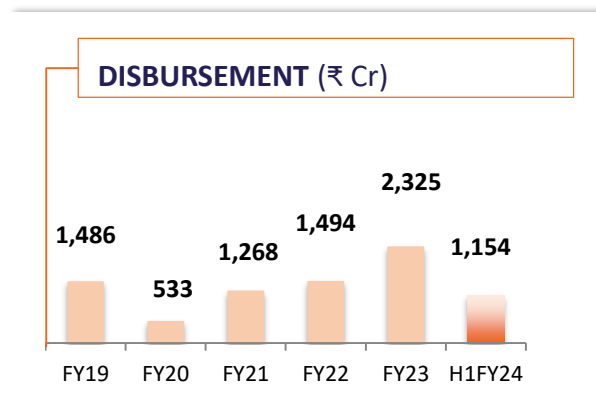
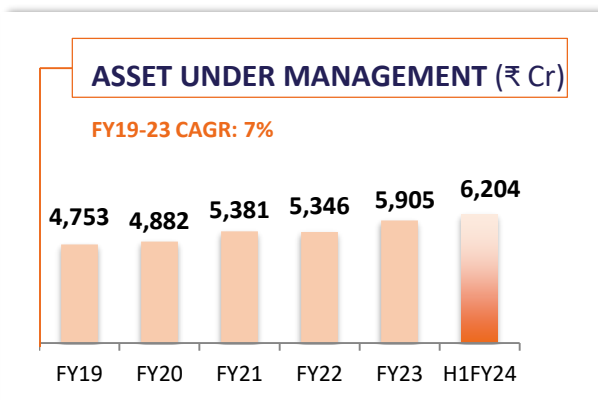
Average age: **37 years**

Women borrowers: **58%**

Priority Sector Lending: **73%**

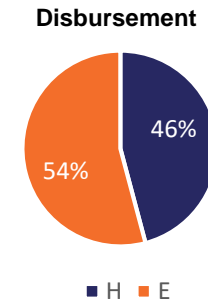
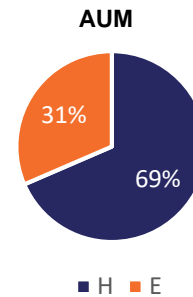
New to Credit: **14%**





Target Segment & Loan Features

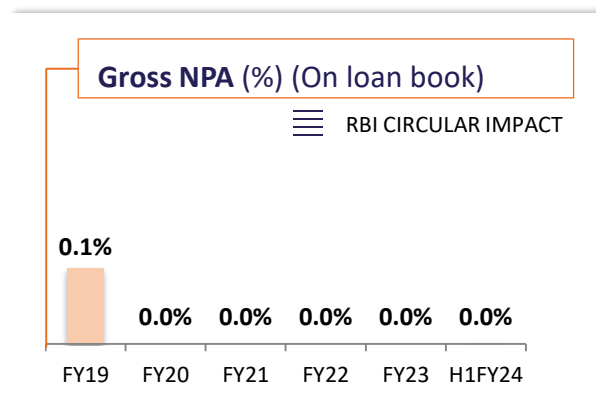
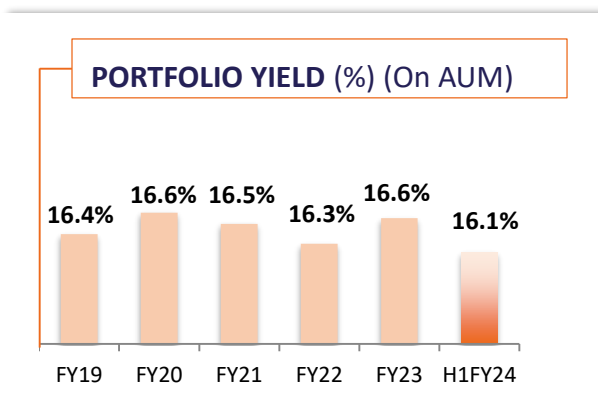
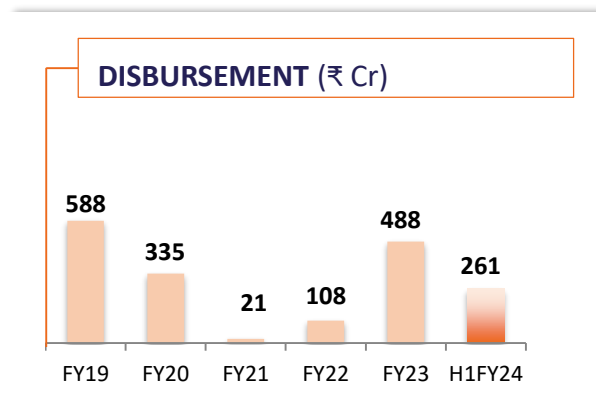
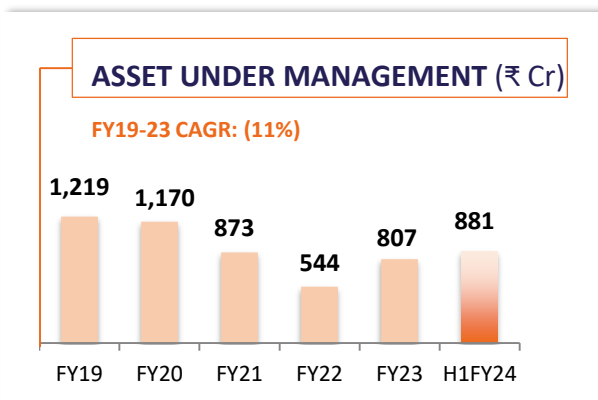
- Tier 1 & 2 cities (H)
 - Yield %: **15%**
 - Average ticket size: **₹15 lakhs**
- Tier 3 & 4 towns (E)
 - Yield %: **24%**
 - Average ticket size: **₹5 lakhs**



Average age: **40 years**

Priority Sector Lending: **53%**

New to Credit: **9%**



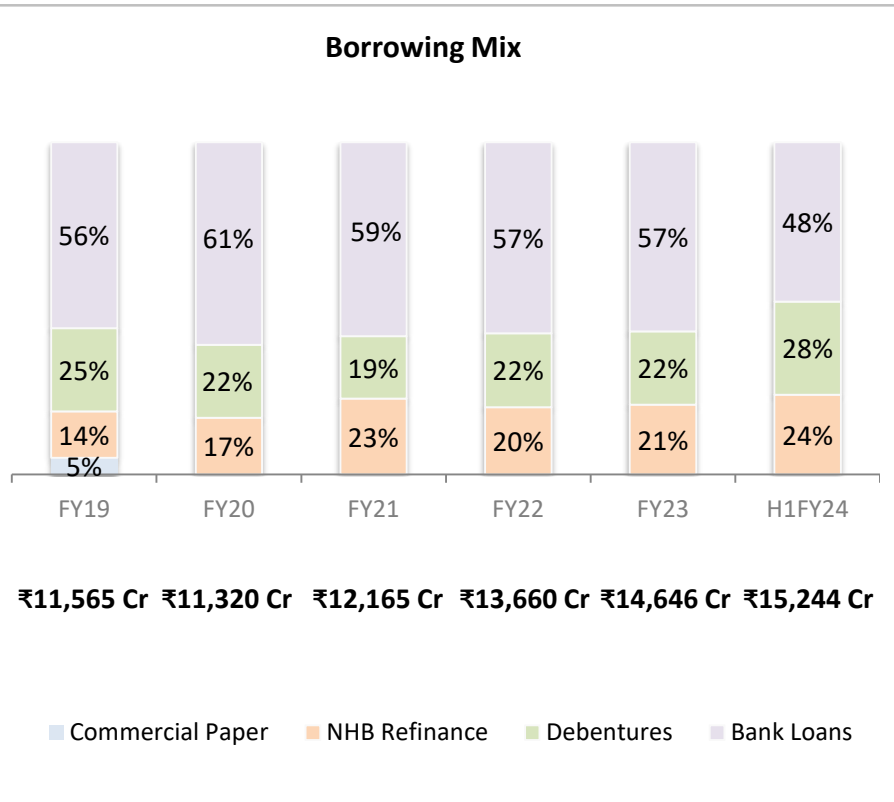
Target Segment & Loan Features

- **Target Segment**
Residential affordable housing projects
- **Loan Amount**
< = ₹ 100 Cr per group
- **Processing Fees**
1% to 1.5%
- **Yield**
13%-16%
- **Promoter Level Criteria**
Reputed Developers with proven track and CIBIL score of not less than 700

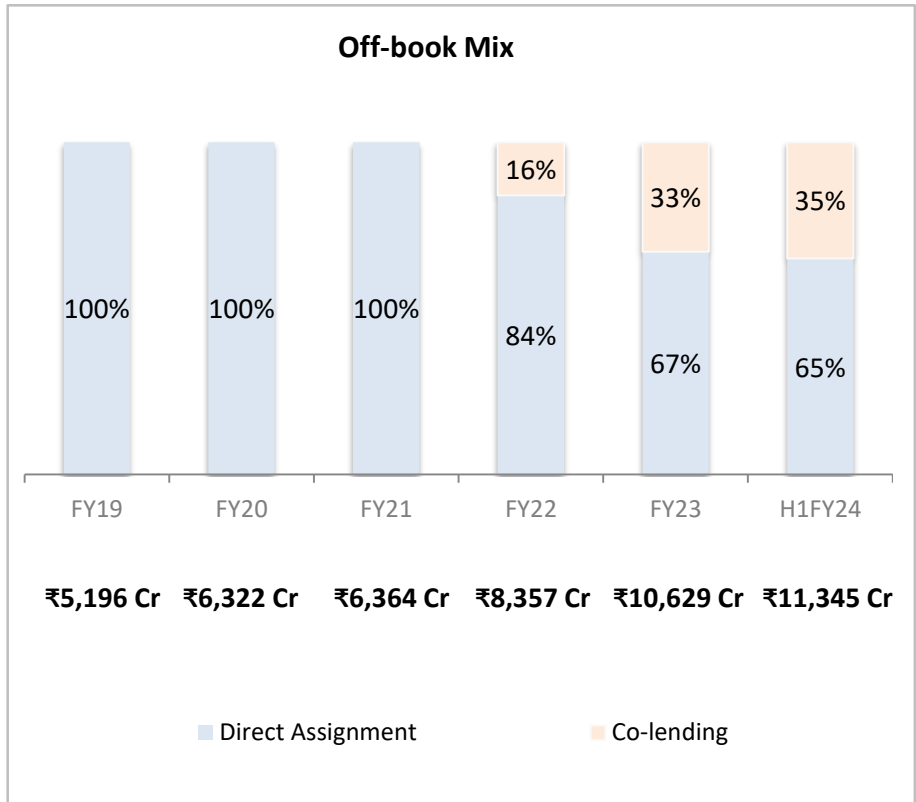
Projects

- 75% of the inventory to be of ₹ 1 Cr or less in Tier 1 cities and less than ₹50 lakhs in Tier 2 cities
- 60% of the project finances to be rated for green building from IGBC/ GRIHA/ EDGE
- Statutory approvals in place
- Projects or groups with retail business opportunity

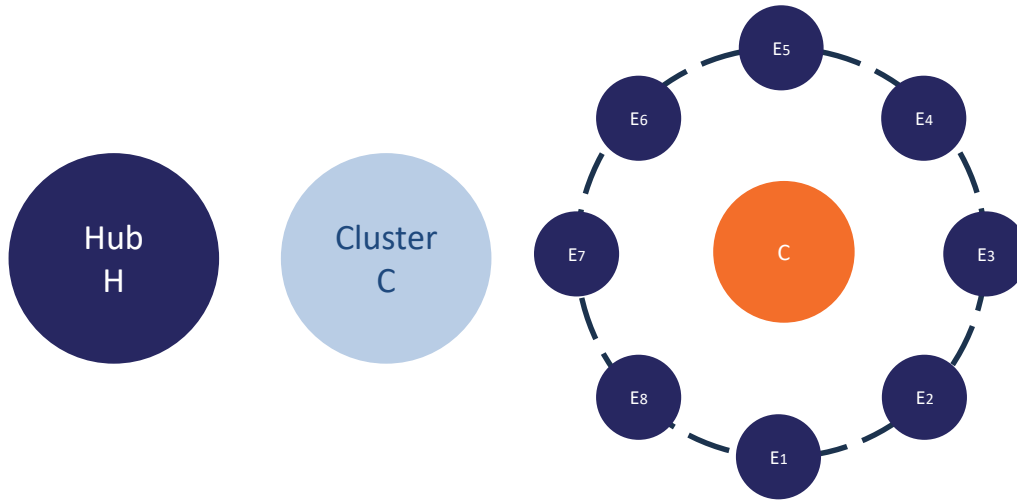
Borrowing Mix



Off-book Mix



Hub and Spoke Model



Hub Location (H)



69

Branch Locations in **Tier 1 & 2 cities**

Sales, Credit and Field Collection Teams are based out of these locations

Cluster (C)

Clusters created to expand into Tier 3 & 4 cities

Credit Team for the cluster is based out of these locations

Expansion Location (E)



341

Branch Locations in **Tier 3 & Tier 4 cities**

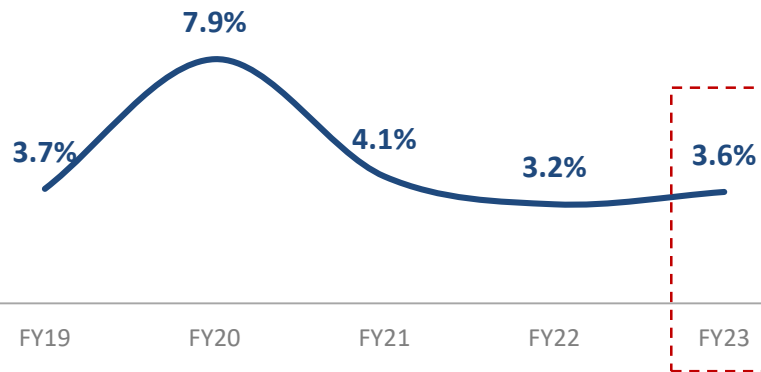
Only Sales Team & Field Collection Teams are based out of these locations



Branch count

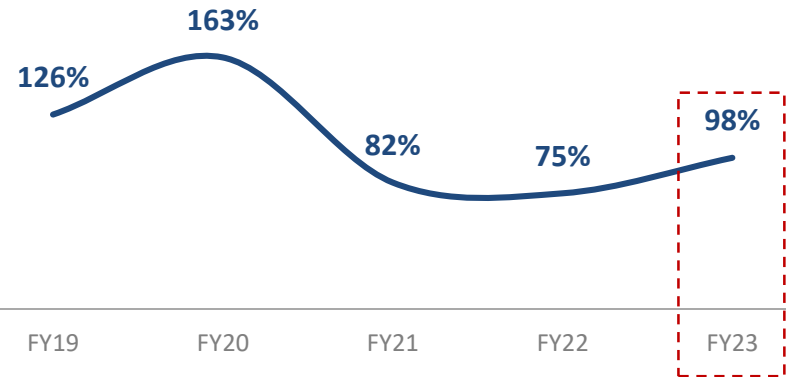
Building business coupled with controlled cost

Operating expenses as a % of Disbursement

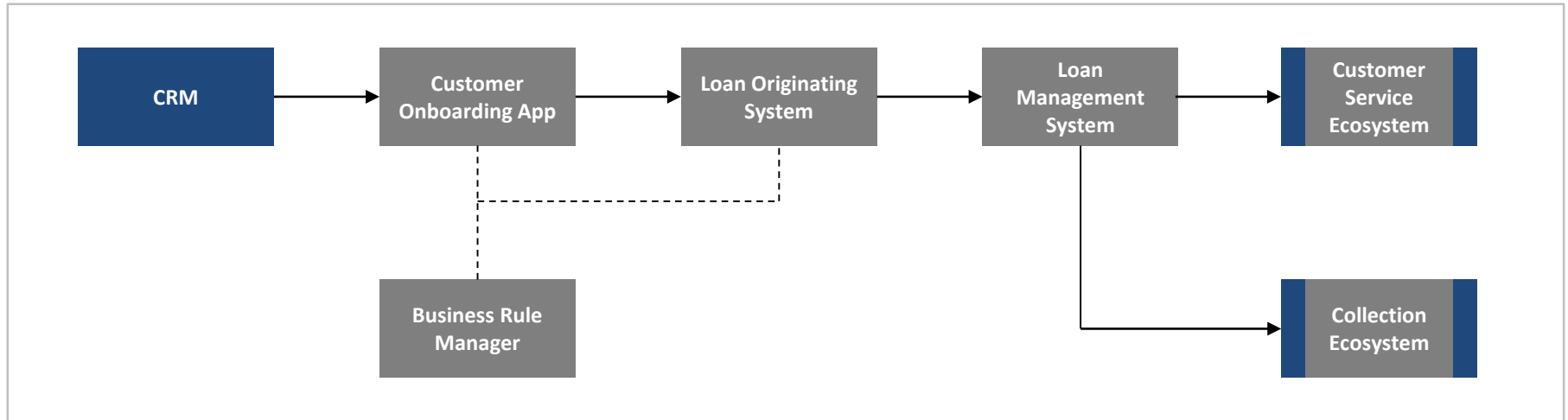


Managing operating expenses to minimize utilization of NII

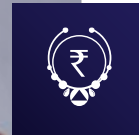
Operating expenses to Fee Income



Investments being made towards future proofing - Branch expansion and additional manpower



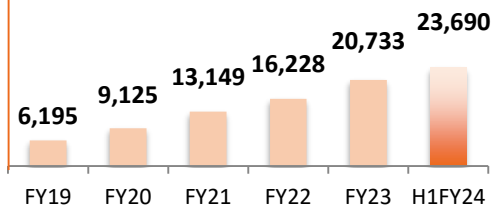
- ~100% digital customer onboarding helps us to provide a seamless customer experience and reduce TAT significantly
- End-to-end digital processes enhance our internal productivity, help us to scale efficiently and reduce operating cost significantly
- Developing systems 'in-house' allows us to have better control on application development process and enables us to achieve a faster go-to-market – further shortening the feedback loop for learning and consequence management
- Our technology stack allows us to customize & bring continuous innovation in the application systems which enables us to offer varied products in the market
- Most importantly, in-house systems enable effective data management for the organization and ensure data security



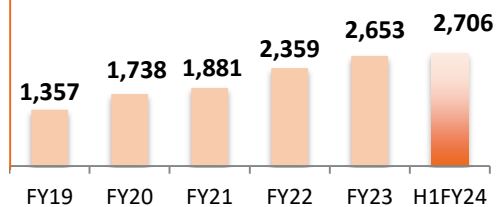
GOLD LOANS

ASSET UNDER MANAGEMENT (₹ Cr)

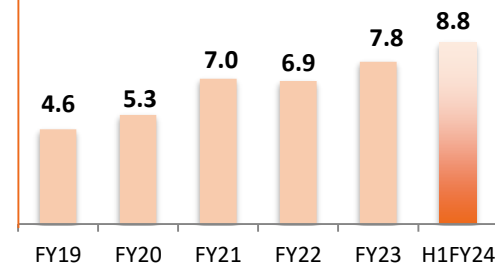
FY19-23 CAGR: 39%



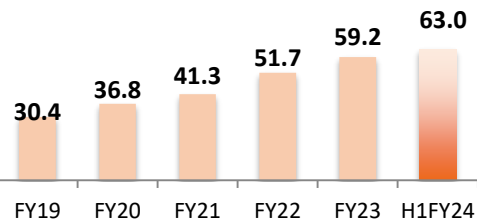
GOLD LOAN BRANCHES



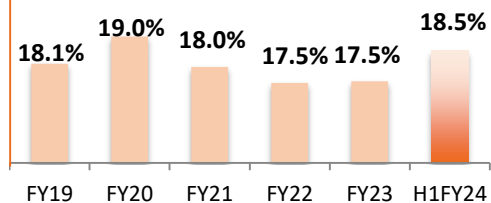
AUM PER BRANCH (₹ Cr)



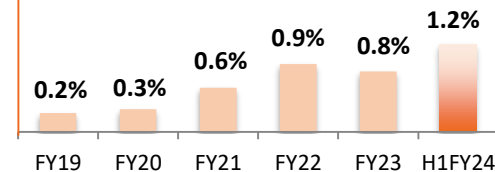
TONNAGE



PORTFOLIO YIELD (%)



Gross NPA (%)





OWN NETWORK AND PEOPLE

- Over 2,706 dedicated gold loan branches spread across 25 states/UT, manned by ~15,000 own employees
- Expansion in tier 3 & 4
- Gold loan at home in more than 35 cities



DIGITAL TECHNOLOGY

- Industry first proprietary tablet based fully digitized processes for paperless on-boarding & servicing
- Loans app for customer convenience



STRONG VISIBILITY AND BRAND RECALL

- Aggressive investment in brand awareness, visibility and customer connect program
- Programs & Policies in line with positioning of Seedhi Baat i.e. honest & transparent businesses practices



SECURITY & CONTROLS

- Innovative security controls for physical security
- Strong audit, vigilance and control systems and processes to minimize fraud risks



CUSTOMER CENTRICITY

- Customer centric
- Offer Grace period, 24 months scheme and No foreclosure charges
- Customers serviced – 18.3 lakhs
- MSME/Farmers key segment
- 70% repeat customer base
- Loyalty program for customers

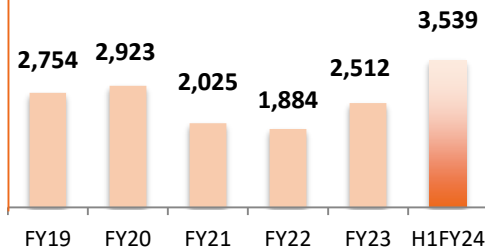


- Expand branch network in Tier IV and under-penetrated markets
- Focus on scaling up recently set up branches
- Focus on SME cross-sell to supplement core business along with insurance
- Build on co-lending partnerships
- Grow customer base with partnerships (Airtel, GPay), innovative products and hyperlocal marketing
- Take digital technology edge to next level to drive productivity & cost efficiencies

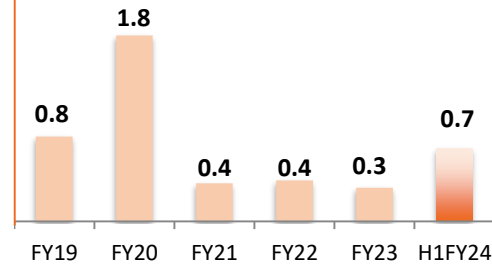


DIGITAL LOANS

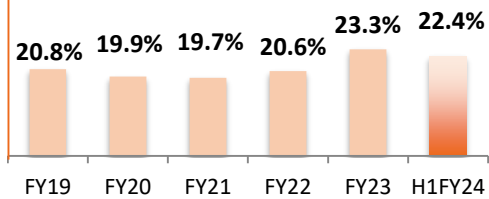
ASSET UNDER MANAGEMENT (₹ Cr)



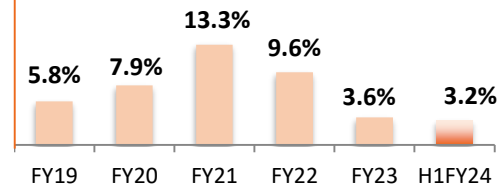
ONBOARDING ATS (₹ lacs)



PORTFOLIO YIELD (%)



Gross NPA (%)



Business Loan

Supply Chain Finance

Nature of Loan

- | | |
|---|--|
| <ul style="list-style-type: none"> • Small Ticket BL: up to ₹15 lakhs • High Ticket BL: up to ₹50 lakhs • Tenure: up to 60 months • For business growth | <ul style="list-style-type: none"> • Vendor financing • Distributor/Dealer financing • For short duration working capital – Up to 90 days |
|---|--|

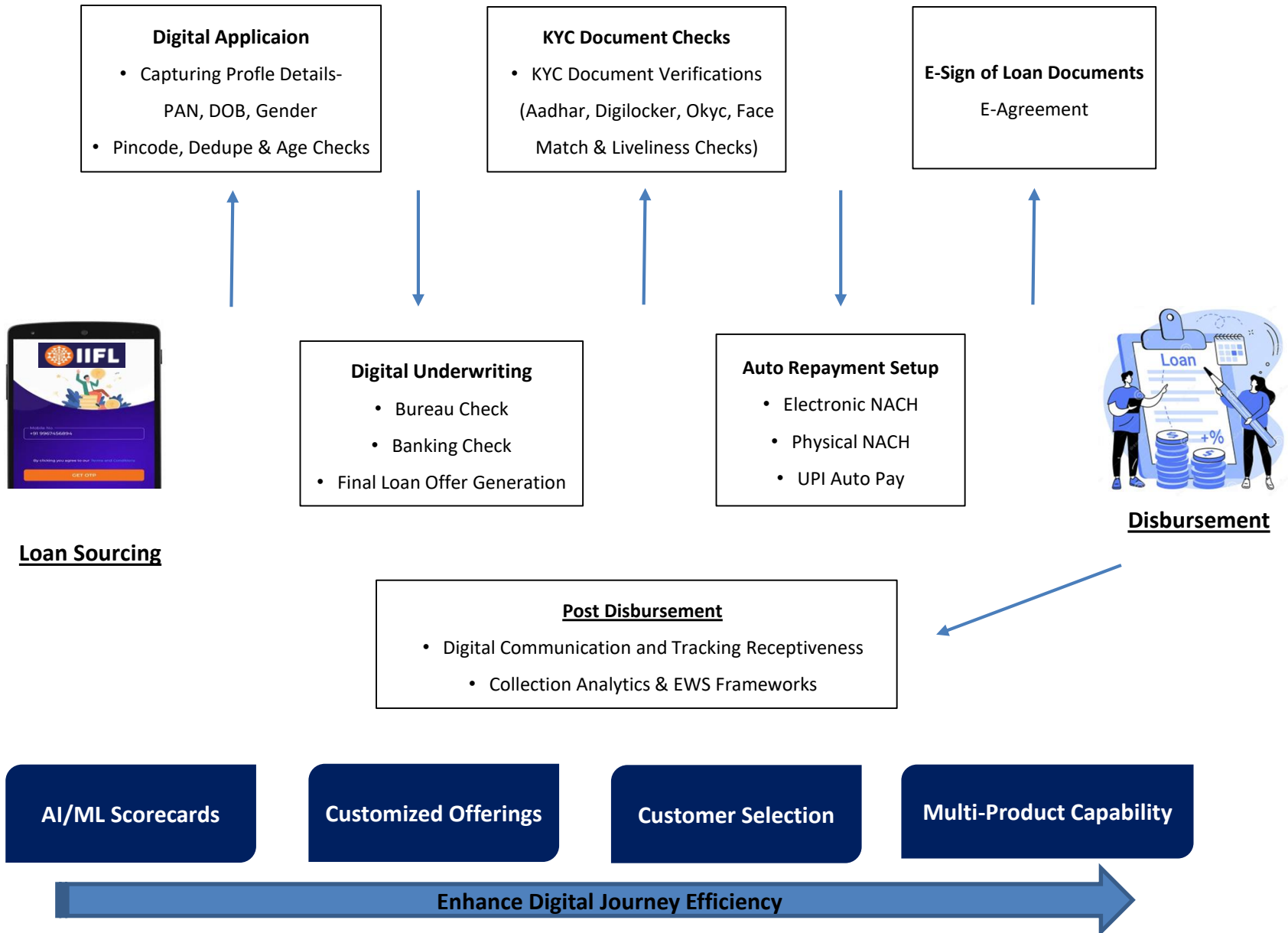
Customer Profile

- | | |
|--|---|
| <ul style="list-style-type: none"> • Self Employed • Business vintage: 2+ years • Turnover: ₹5 lakhs to ₹250 Cr • Significant banking transactions with existing loan/credit card being serviced | <ul style="list-style-type: none"> • Established Anchors with strong credit rating and ₹250 Cr+ turnover for Vendor Financing • Funds available at lower cost due to short duration borrowing and pay per use |
|--|---|

Underwriting

- | | |
|---|--|
| <ul style="list-style-type: none"> • Digital Rule Engine Checks • Digital KYC verification through VKYC and Digilocker • GST, Bureau & Banking Validations through API integration | <ul style="list-style-type: none"> • GST, Banking & Financials verification through API integrations • E-Validations of Invoices • Digital KYC verification |
|---|--|

Personal loan is extended as a cross-sell to existing customers with good track record



Maximize Customer Engagement

Improve Customer Retention

1

- Enhance Customer Lifetime Value (CLTV)** by digitally offering a diverse range of Secured & Unsecured Products.
- Increase **Product per Customer Index to 2+** Products/Customer

Improve Funnel Performance

2

- Loan Against Securities**
 - Collateral Backed Loans at Lower Interest Rates
 - Improved funnel performance by offering secured product to segments not catered in unsecured lending

Increase Fee Income

3

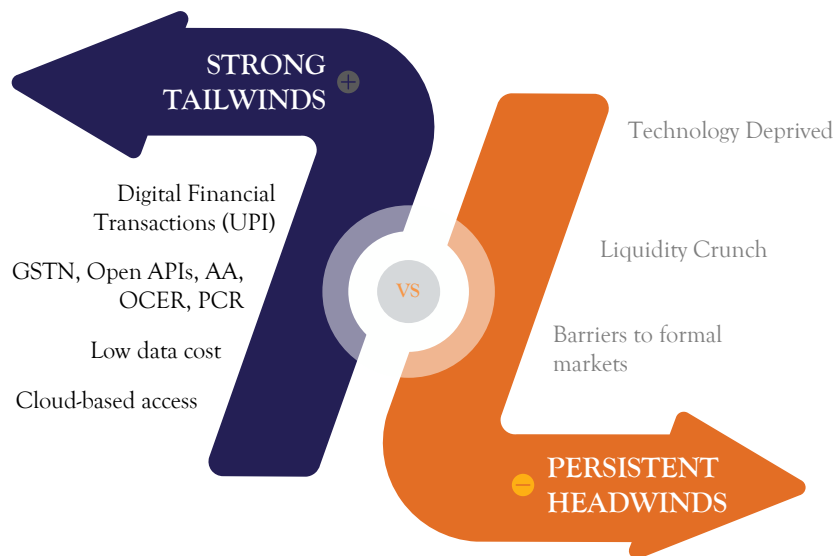
- Cross Sell**
 - Improved Fee Income

Drive Repeat Sales

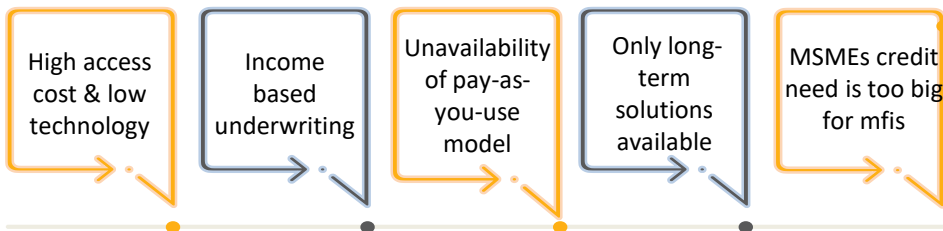
4

- Top Up Loans**
 - Repeat Loans for Customers with Proven Track with Quick Processing, Lower Interest Rates & Low Acquisition Cost

DIGITISATION FOR SMALL BUSINESS OWNER IS AN ECONOMIC GROWTH IMPERATIVE



THE BOTTLENECKS -



Market Opportunity

6 million + **8 million** = **14 million****

Shopkeepers in metro cities Shopkeepers in small towns Potential shopkeepers

SMB Size* – 100T * 0.90 = 90 Trillion
 Average annualized sale per retailer* – 90Tn/14M = ₹6 million

Potential Opportunity: 2 Months of working capital of 12K for 14M

Potential market size **₹13.9 trillion**

Plan: Cater to Supply Chain Finance market by building best-in-class processes, digital invoice verification capability and easy access to both upstream and downstream players

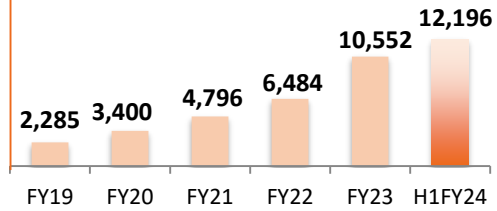
*Ispirit Foundation
 ** India Brand Equity Report 2018

SAMASTA MICROFINANCE

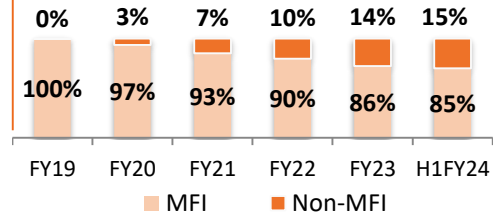


ASSET UNDER MANAGEMENT (₹ Cr)

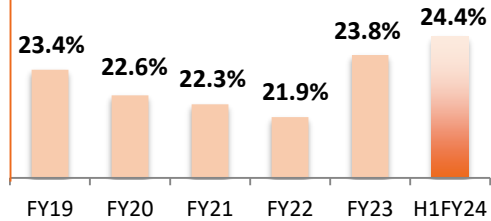
FY19-23 CAGR: 68%



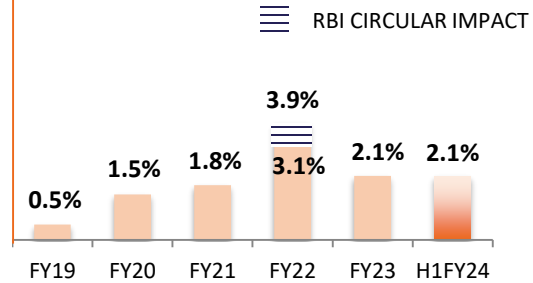
AUM MIX (%)



PORTFOLIO YIELD (%)*



Gross NPA (%)*



* For MFI portfolio

Growing Microfinance Portfolio with balanced mix of Non-MFI

Non-MFI portfolio (15%)



Strong Technology Focus

Extensive focus on implementing technology across processes and decision making.
Cashless disbursements.



IIFL Samasta



Execution Excellence in MFI built over 15 years of experience

Deep Understanding of underlying asset & customer segment

Best-in-Class Asset Quality

Industry leading asset quality across the key states of presence; Underwriting practices backed by 15 years of experience



Wide Spread Geographic Reach; Contiguous Expansion Strategy

Pan-India presence across 22 states; Well laid branch identification criteria

Microfinance

Secured MSME Loan

Unsecured MSME Loan

Dairy Cattle Loan

Customer Profile

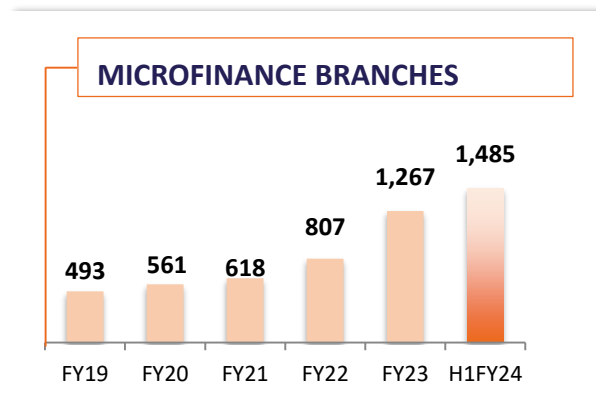
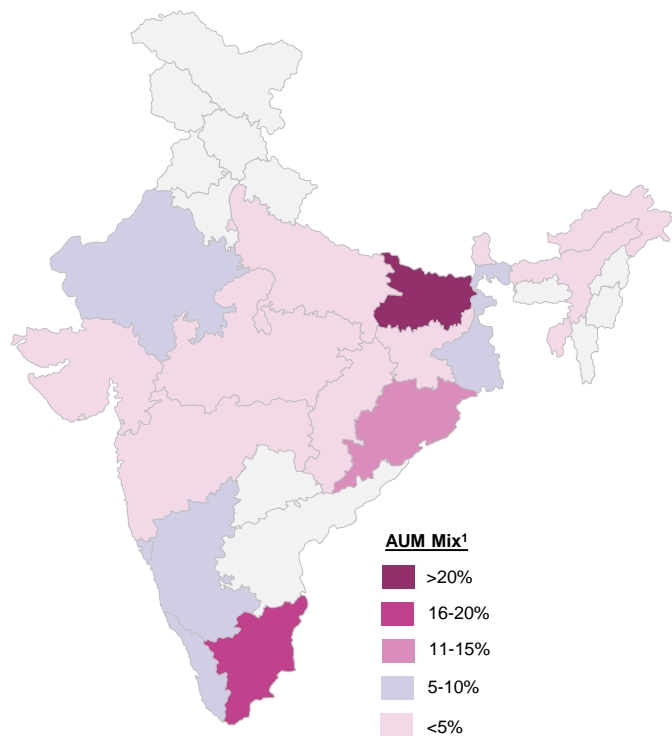
- | | | | |
|--|--|--|--|
| <ul style="list-style-type: none"> Rural and semi-urban self-employed women in JLGs | <ul style="list-style-type: none"> Individual Women as borrower or co-borrower | <ul style="list-style-type: none"> Individual Women as borrower or co-borrower | <ul style="list-style-type: none"> Individual Women as borrower or co-borrower |
|--|--|--|--|

Loan features

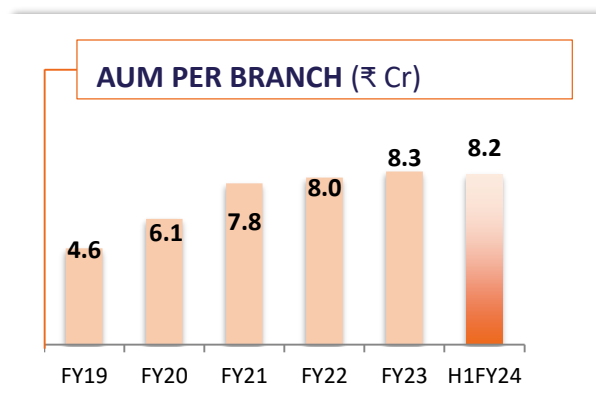
- | | | | |
|--|--|---|--|
| <ul style="list-style-type: none"> Business Loan ROI: 24.8% Tenure: 12 to 36 months Average ticket size: ~ ₹42,000 | <ul style="list-style-type: none"> Business Loan ROI: 17 to 25% Tenure: 24 to 120 months Average ticket size: ₹4.6 lakhs | <ul style="list-style-type: none"> Business Loan ROI: 22 to 28% Tenure: 12 to 48 months Average ticket size: ₹2.0 lakhs | <ul style="list-style-type: none"> Business Loan ROI: 24% Tenure: 24 months Average ticket size: ~ ₹64,000 |
|--|--|---|--|

Continuously diversifying product portfolio: Non-MFI mix to grow

Diversified from 3 states in FY17 to 18 states in FY23



Focus to expand deeper in existing states



- Increase in productivity per branch
- Bigger branches split for risk mitigation



Separate vertical to focus on collections

- Hard bucket to be tracked by a separate vertical to improve both collection and sales efficiencies

Drive Productivity from existing branches

- Achieve scale in new branches
- Increase in center size and customer per Loan Officer

Retail products for MFI customers moving up the pyramid

- Income assessment backed higher ticket size of loan for eligible customers

Target new potential markets

- Focus on under penetrated market with tremendous potential
- Selection of geography for expansion to be jointly validated by business, risk and credit



FINANCIALS & RATIOS



FY25 GUIDANCE*

Loan AUM CAGR

25%

NET PROFIT (₹ bn)

25

CAPITAL ADEQUACY

25%

* Internal targets, may not be achieved

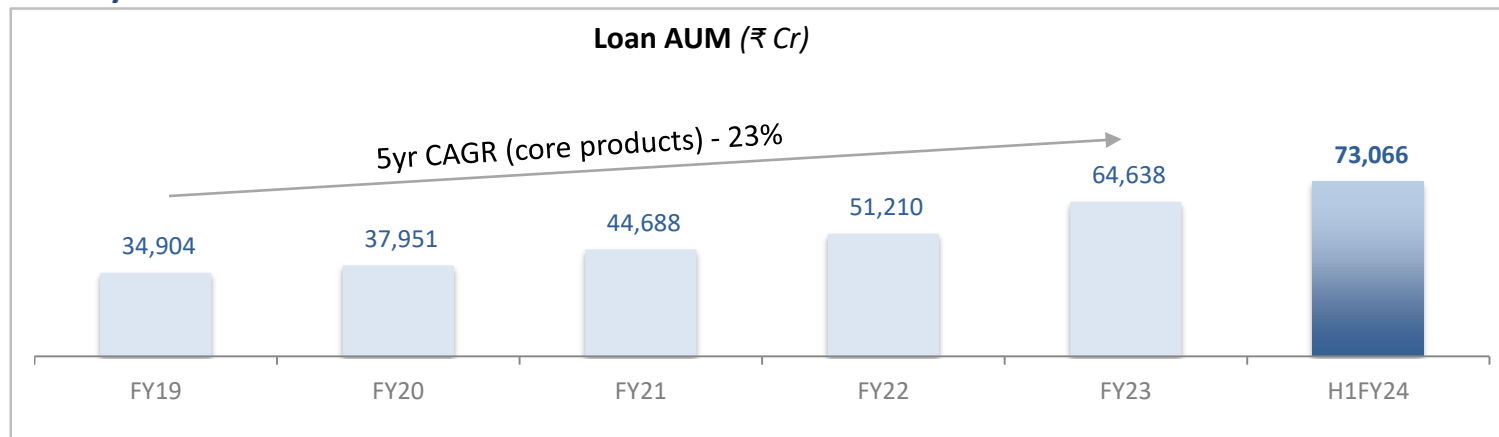
FY25 Guidance – Loan AUM growth | Update

In line with guidance of 25% CAGR for FY23-FY25

Loan AUM (₹ Cr)	Mix %	H1FY24	5yr-CAGR (FY19-23)	FY23 Growth %	FY24 Growth %*
Home Loan	33%	24,009	21%	23%	20%
Gold Loan	32%	23,690	39%	28%	29%
Loan against property	10%	7,196	3%	18%	16%
Digital Loan	5%	3,539	0%	33%	82%
Microfinance	15%	11,307	63%	59%	31%
Core Business	95%	69,740	23%	29%	27%
CRE & others	4%	2,824	(9%)	(75)	10%
Capital Market	1%	501	(16%)	(31%)	27%
Total		73,066	16%	26%	26%

*Annualized

Last 5 years



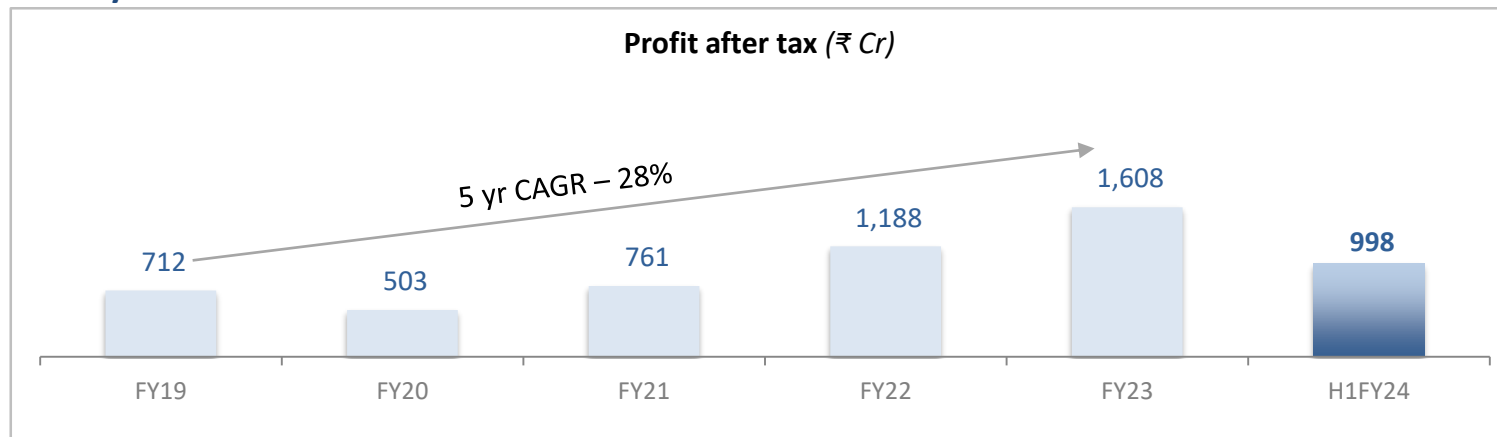
FY25 Guidance – Profitability | Update

In line with guidance of achieving ₹25bn Profit after tax (Pre-NCI) by FY25

Profitability (₹ Cr)	H1FY24	5yr-CAGR (FY19-23)	FY23 Growth %	FY24 Growth %*
Total Income	3,024.5	23%	31%	19%
Profit before tax	1,301.9	25%	38%	23%
Profit after tax (Pre-NCI)	998.4	28%	35%	24%

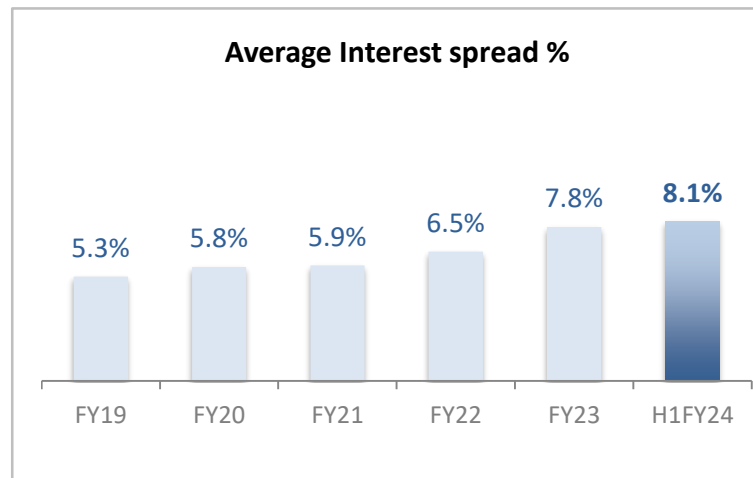
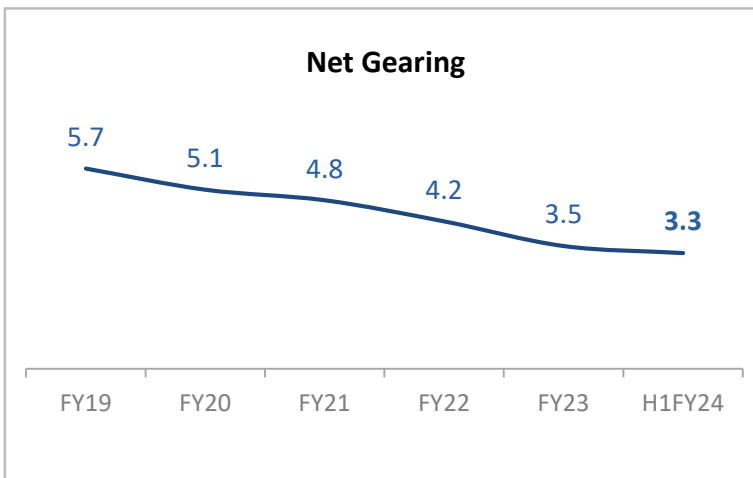
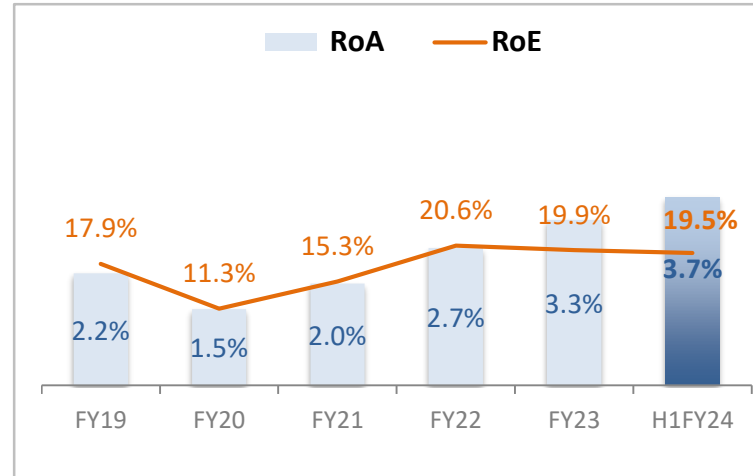
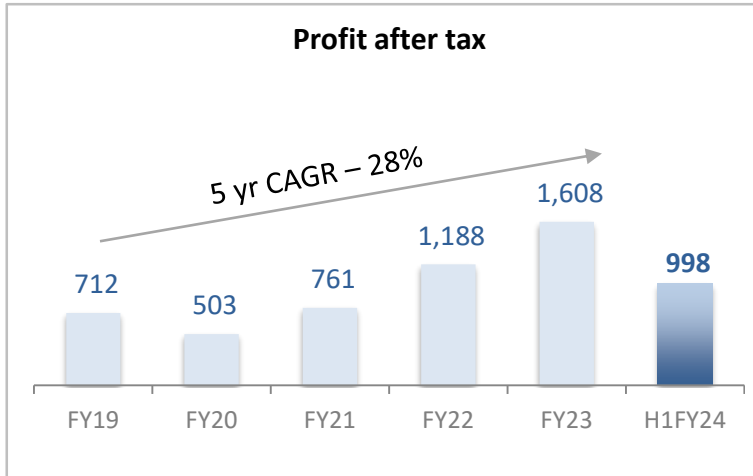
*Annualized

Last 5 years



FY25 Guidance – Capital Adequacy | Update

Increased internal accruals, reduced gearing & asset light model to aid in achieving CRAR of 25%



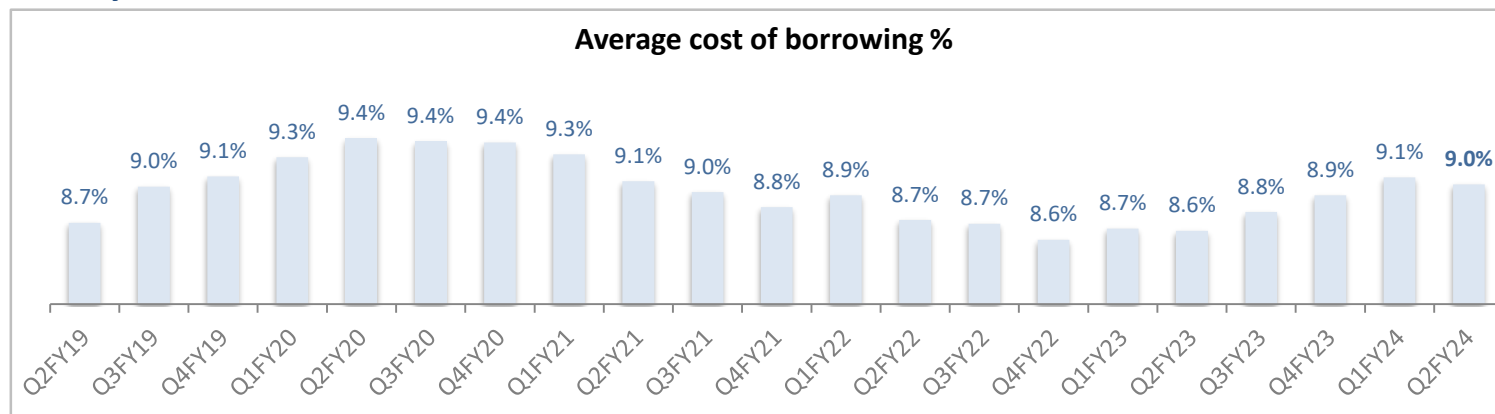
Note:

1. Excluding fair value changes. Previous period/year figures have been regrouped/ reclassified to make them comparable with those of current period.
2. Abbreviations used –PPOP: Pre-provision operating profit, NCI: non-controlling interest, ROA: Return on Asset
3. FY19 profits included ₹105 cr non- recurring gain on sale of CV business ; FY20 profits were impacted by Covid provisions

Cost of borrowing

Outlook upgraded to Positive from Stable by Crisil on 20th Nov, 2023. Rating re-affirmed to AA

Last 5 years



Cost of borrowing %	Q2FY24	Q2FY23	YoY	Q1FY24	QoQ
IIFL Finance (Consol)	9.03%	8.63%	0.40%	9.09%	(0.06%)
- IIFL Finance Standalone	8.99%	8.88%	0.11%	9.10%	(0.11%)
- IIFL Home Finance	8.27%	8.10%	0.17%	8.75%	(0.49%)
- IIFL Samasta Finance	10.49%	9.86%	0.63%	10.45%	0.04%

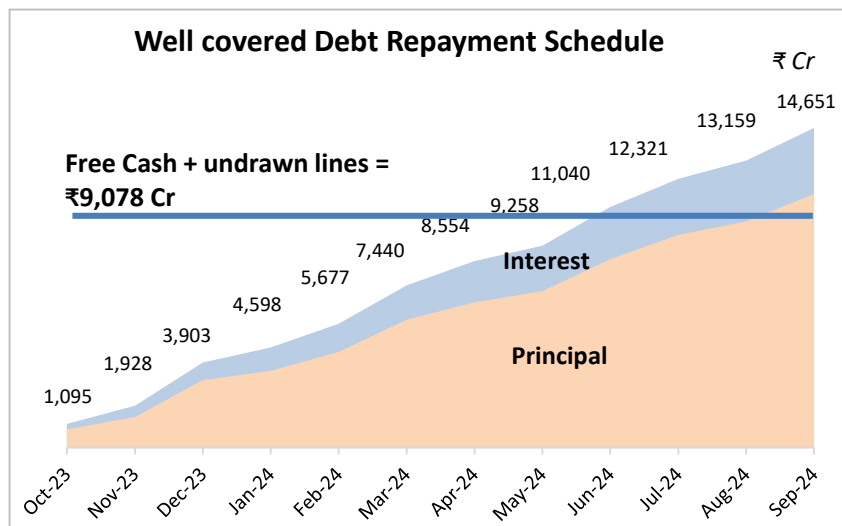
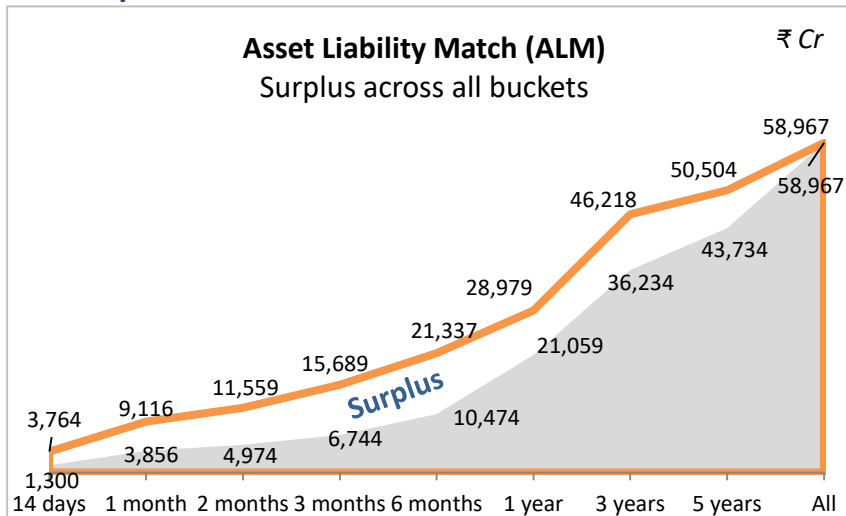
Borrowings (₹ Cr)	Q2FY24	Q2FY23	YoY %	Q1FY24	QoQ %
IIFL Finance (Consol)	40,375	35,531	14%	38,486	5%
- IIFL Finance Standalone	16,684	15,273	9%	16,822	-1%
- IIFL Home Finance	15,566	14,578	7%	14,387	8%
- IIFL Samasta Finance	8,125	5,681	43%	7,278	12%

- IIFL Finance: **AA/Positive** by CRISIL, **AA/Stable** by ICRA, CARE and **A1+/Positive** by CRISIL, **A1+/Stable** ICRA
- IIFL Home Finance: **AA/Positive** by CRISIL, **AA/Stable** by ICRA, CARE and **A1+/Positive** by CRISIL, **A1+/Stable** ICRA
- IIFL Samasta Finance: **AA-/Positive** by CRISIL and **A1+/Positive** by CRISIL, **A1+/Stable** ICRA

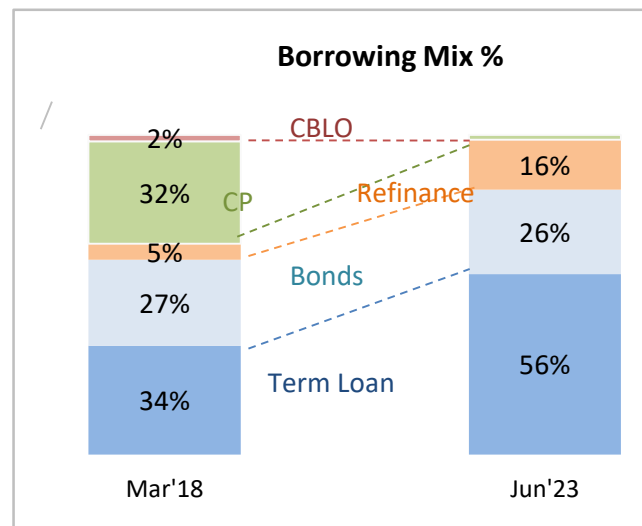
Liquidity

Well covered to not only meet obligations but sustain growth as well

Latest quarter



Last 5 years

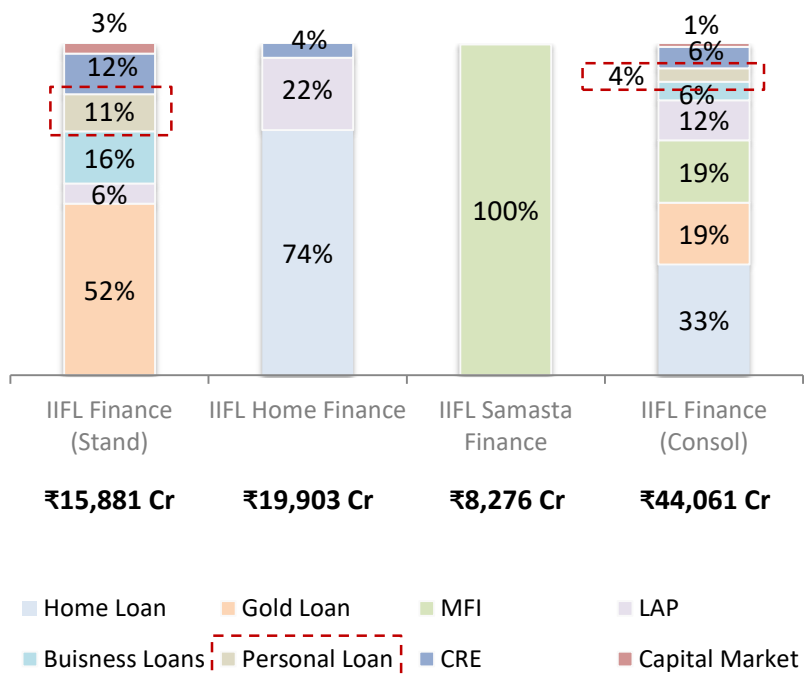


Extract from RBI Circular on “Regulatory measures towards consumer credit and bank credit to NBFCs”

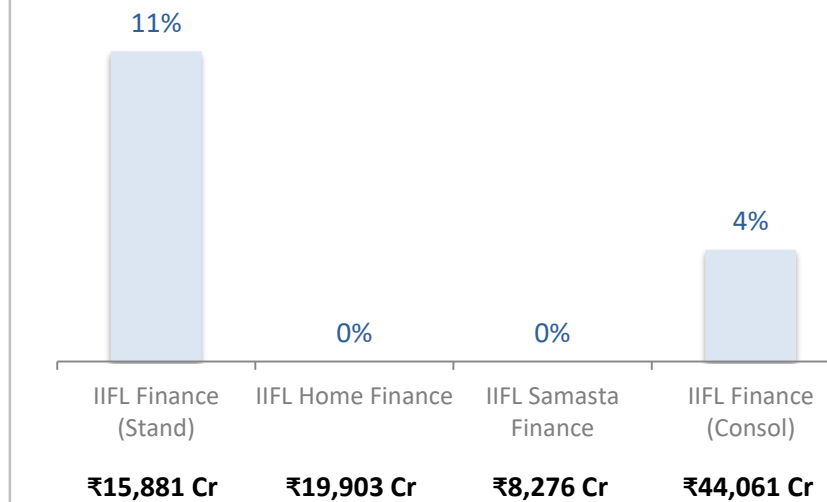
“Consumer credit exposure of NBFCs (outstanding as well as new) categorised as retail loans, excluding housing loans, educational loans, vehicle loans, loans against gold jewellery and microfinance/SHG loans, shall attract a risk weight of 125%.”

Impact on IIFL Finance Asset Portfolio

Loan book Mix



Impacted Loan book assets

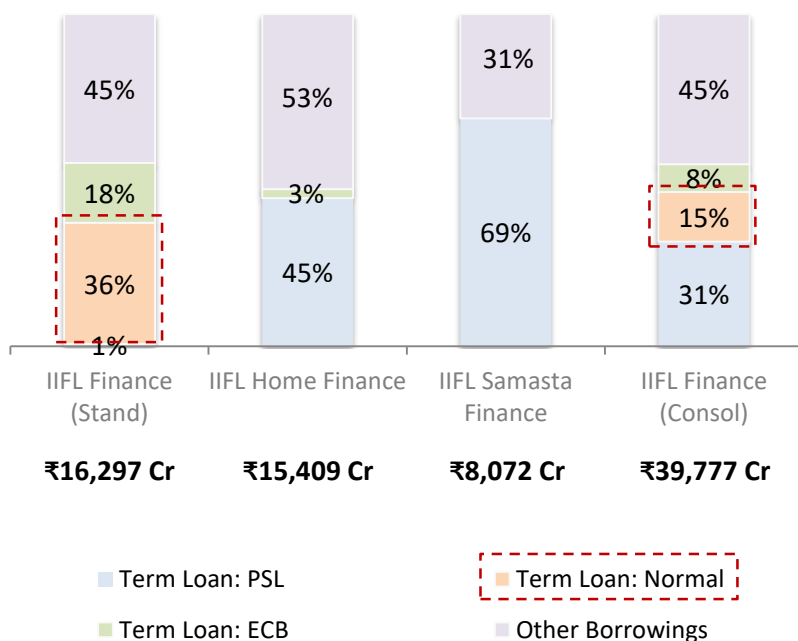


Extract from RBI Circular on “Regulatory measures towards consumer credit and bank credit to NBFCs”

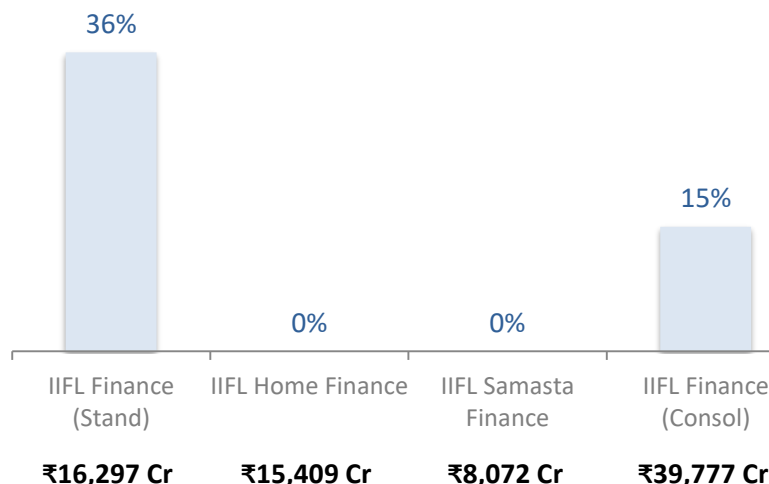
Bank credit to NBFCs: “On a review, it has been decided to increase the risk weights on such exposures of SCBs by 25 percentage points (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector in terms of the extant instructions shall be excluded.”

Impact on IIFL Finance Liability Portfolio

Borrowing Mix



Impacted Borrowings



FY25 Business Goals – Capital Adequacy | Update (3/3)

Guidance 25% Capital Adequacy by FY25

CRAR %	As on Sep-23	With Impact	Change
IIFL Finance (Standalone)	20.5%	20.1%	(0.4%)
- Tier 1	13.1%	12.9%	(0.2%)
- Tier 2	7.4%	7.3%	(0.1%)
IIFL Home Finance	47.6%	47.6%	-
- Tier 1	40.3%	40.3%	-
- Tier 2	7.2%	7.2%	-
IIFL Samasta Finance	21.0%	21.0%	-
- Tier 1	15.1%	15.1%	-
- Tier 2	5.9%	5.9%	-

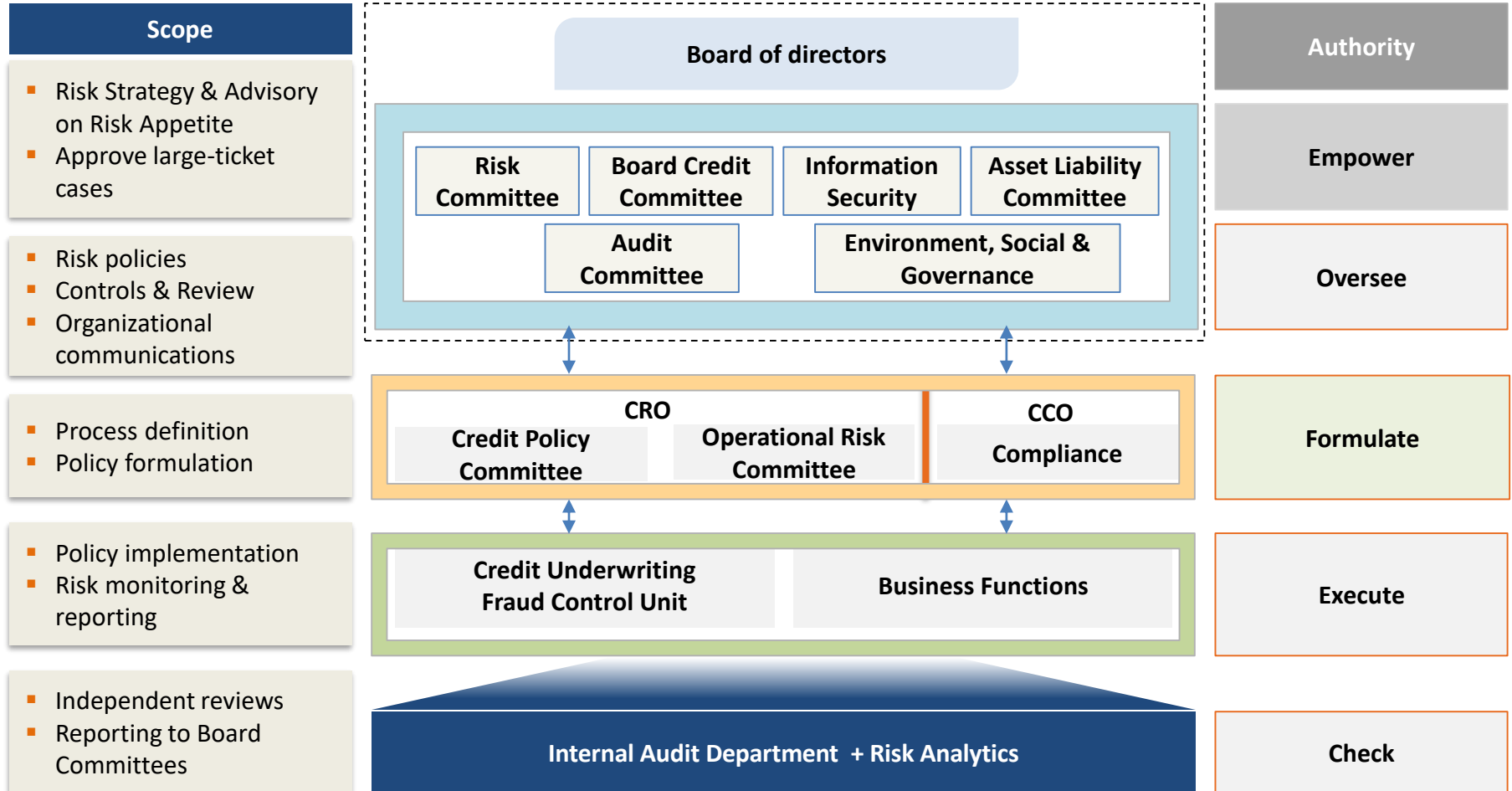


RISK

Risk management framework

Multi-level risk governance for efficient monitoring and control of product and entity level risks

IIFL has been awarded the 'Golden Peacock Award for Risk Management' in Financial Services category for 2019 and 2021 by Institute of Directors, India ("IOD")



Risk Moats

Multi-pronged strategy to mitigate risks

Enterprise Risk Management Framework

- Contemporary & Dynamic Risk management
- Risk universe covering 14 types Risks
- Holistic approach covering non-Financial risks

Operational Excellence

- Strong Internal controls with in-built Maker checker process.
- Risk based Internal audit to provide risk assurance.
- Promoting Risk Culture & awareness.
- Agile & nimble in quickly plugging in the learnings.



Governance & Compliance

- Independent & marquee Board and highly experienced senior management
- Board driven strategic plans, risk philosophy
- Analysis of a change in company strategy, considering the opportunities in diverse industries

Business Model

- Strong Retail Franchise
- Phygital Ecosystem
- Strategic Co-lending & Partnerships with Banks & Fintechs.
- Diversified and granular product mix
- Wide geographical penetration

Pillars Of EWS

Identification Mechanism

- Based on **Contactability** through SMS/IVR
- **Default prediction** basis repayment behaviors, bureau history.
- Monitoring of **customer's bureau** to observe his/her performance outside IIFL.
- **Impact Analysis** for change in Macro economic factors & economic conditions.
- **External Information** received from industry peers, public forums in relation to our third party vendors.
- Customer's are then **Categorized** as Low, Medium & High Risk.

Monitoring Mechanism

- **Alerts** are being sent to respective stakeholders like Collection, Business & Risk/Credit team.
- **Early Communication actions** on cases identified as high risk by model and close monitoring of Medium risk customers.
- **Internal Reporting mechanism:** MIS/dashboard for maintenance of EWS alerts
- **System of monitoring at various levels:** procedure for monitoring and decision making at BH / zonal levels
- **Closures of EWS alerts:** process involved at closing of EWS alerts, involvement of risk team, SOP for closures at each level

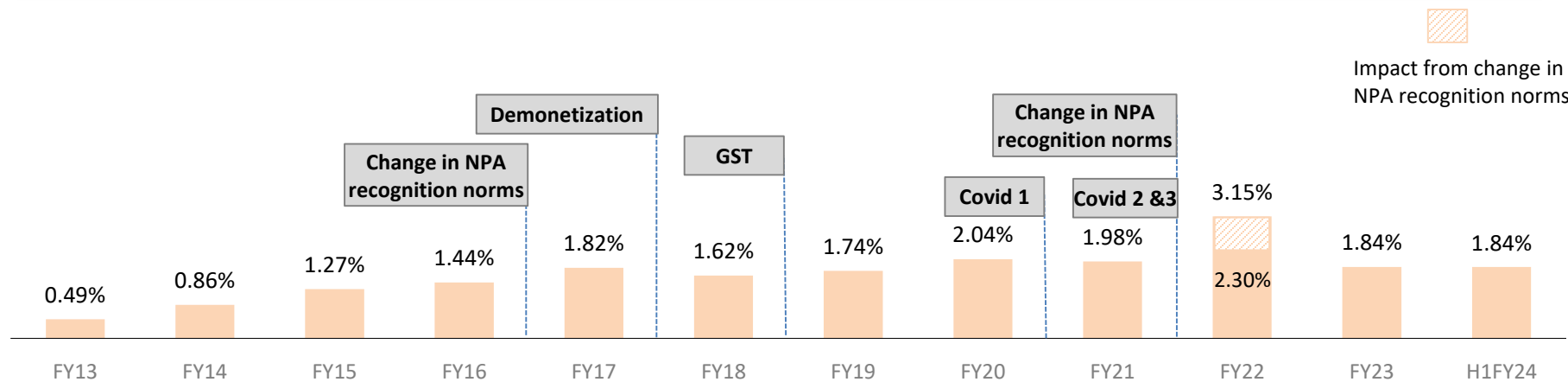
Process Integrations

- **Credit appraisal:** Incorporation of learnings from EWS model in the credit policies.
- **Third party solutions** like Trust checker, hunter to identify frauds and creation of score-card.
- **Trigger levels/Tolerance level** are set for various programs, channels, products for monitoring.
- **Review mechanism:** Internal tracking mechanism for evaluating effectiveness of EWS alerts raised by model
- **Auditing of process:** Internal/external audit/review coverage of processes involved in EWS

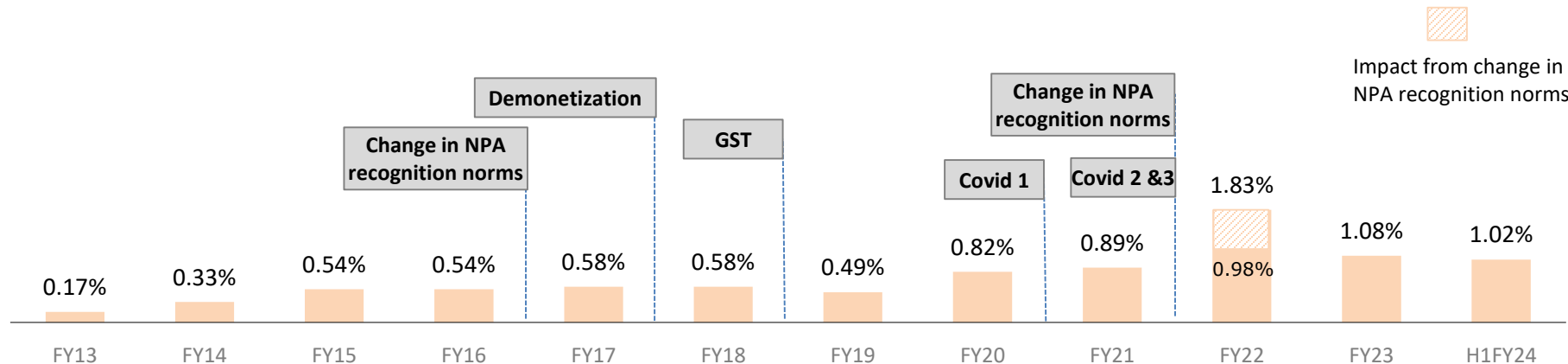
Asset quality

Non performing assets have consistently been low through the cycles

Gross NPAs



Net NPAs



IIFL Finance – Board of Directors



Nirmal Jain

Managing Director
*MBA, IIM Ahmedabad;
Rank holder CA & Cost accountant*

Founded and led IIFL since 1995
Worked with Unilever for 5 years



R Venkataraman

Joint Managing Director
*MBA, IIM Bangalore;
B-Tech, IIT Kharagpur*

Co-founder of IIFL
Worked with ICICI Bank, Barclays,
GE Capital



A K Purwar

Chairman and Independent
Director
M Com., Allahabad University

Former Chairman, SBI



Chandran Ratnaswami

Non-Executive Director
*MBA, University of Toronto
BE, IIT Madras*

Managing Director, Hamblin Watsa Investment Counsel
Ltd.
Director & CEO, Fairfax India Holdings



V. K. Chopra

Independent Director
Chartered Accountant

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



Nilesh Vikamsey

Independent Director
Chartered Accountant

Senior Partner at KKC & Associates LLP; Past
President of The Institute of Chartered
Accountants of India



Geeta Mathur

Independent Director
Chartered Accountant

Co-chair for the India Chapter of Women Corporate
Directors Foundation



Ramakrishnan Subramanian

Independent Director
Chartered Accountant

Sr. Advisor, Operating Partner, Consultant with
PE, VC, FIs and Fintech in India

TECHNOLOGY



Tech Strategy



Tech strategy to be aligned with business strategy



Build **inhouse capability** in technologies core to lending business



Partner with **Fintech ecosystem** to leverage **best of breed tech**



Have **first mover** advantage in **emerging technologies**



Stable and Secure Tech Infrastructure

1



Loan Origination, Collections & Colending are **core**, done inhouse on propriety stack

2



Key **Partnerships** with Fintech & Innovative companies

3



Generative AI as a emerging technology is strategic, start adoption in key areas

4



Stable **Cloud** Infrastructure with **Zero tolerance stance on Cybersecurity**

1 Loan Origination, Management & Colending as core



Inhouse **Loan origination** journey in Gold Loan, Home Loan and Business Loans.



Inhouse **Credit Engine** for Gold Loan, Home Loan & Microfinance



Inhouse **Loan Management & Colending** Engine



Inhouse systems for **Audit Management** for Gold Loan & Microfinance



Gold Loan Origination App

Comprehensive Tablet based App for Loan Onboarding, supported by Mobile app for monitoring.



Home Loan & LAP Origination App

Jhatpat application provides quick loan disbursal within 20 minutes to normal HL as well as Swaraj customers.



Business Loan Origination App

IDOL is a comprehensive tool for IIFL finance channel partners and DSAs to onboard loans.



IIFL Loans App

A best in class user experience for IIFL customers and prospects. Helps with Loan onboarding and servicing.



Credit Engine

Credit rules for Gold Loan, Home Loan and Microfinance



Loan Management

Comprehensive Loan Management System for Gold Loan, Home Loan & Business Loan.



Co-lending System

Inhouse Colending system for Gold Loan, Home Loan business.



Audit Tracking system

Rule based categorization to decide audit frequency and Analytical reports basis audit feedback

2 Key Partnerships with Fintech & innovative companies



Leverage **established** business applications for solved problems



Partner with **Fintech** players for new business models



Leverage **best of breed** applications for support functions



Build **mutually beneficial** partnerships



BR.net for Microfinance

IIFL Samasta leverages BR.net stack for loan onboarding and management



OPEN

IIFL OPEN Fintech is a JV which provides Neobanking and Lending services to MSME



Finbox

IIFL works with Finbox for Credit Underwriting Engine for Business Loans



XtraCap

IIFL partners with XtraCap for Supply Chain Financing. The stack enables loan onboarding, collections and administration.



ZOHO CRM

CRM App live with GL notifications, Pilot stage for CRM App & Leader App, CRM migration in progress.



Workplace by Meta

Workplace by Meta is a very useful tool which is used throughout the organization for Town Halls and collaboration-



Leegality

IIFL partners with Leegality for eSign and Document workflow management, for Home Loan and LAP



Credgenics

Credgenics provides collections software for all the group companies. This is leveraged largely across Home Loan & LAP

3 GenAI as emerging technology, needs faster adoption



Generative AI to help with user experience, hence customer servicing and employee servicing



Leverage Image recognition capabilities to intelligently interpret documents like Udayam etc



Analyse Gold Jewellery images for Audit and valuation purpose



Build a new age Credit Engine which improves with more decisions



Co-pilot

Reduced code errors, Decreased development cycle times, Increased deployment successes



Loan on-boarding Bot

Increased loan management interactions, Decreased customer queries, Improved loan completion rates



Employee Servicing

Reduced response times, Increased ticket resolutions, Increased customer satisfaction scores



NLP Analytics Engine

Reduced query response times, Increased data-driven decisions, Improved operational efficiencies



Contact Centre Conversational Bot

Reduced customer wait times, Increased first-call resolutions, Increased customer feedback scores



Udhayam OCR

Decreased loan document processing times, Increased SME loan approvals, Reduced manual interventions



GL Image Audit

Increased accurate gold evaluations, Reduced gold loan discrepancies, Improved gold loan approval rates



Credit Engine

Leverage GenAI to create a new age Credit Engine, which intelligently improves itself with more decisions

4 Stable **Cloud** Infra with Zero Tolerance on **Cybersecurity**



Microsoft Azure **Cloud** based Infrastructure for High Availability



Defense in Depth Approach for **Cybersecurity**



Robust Failover, Backups, **Disaster Recovery Plan**



ISO 27001:2013 and ISO 22301 BCMS Certified



Robust Security

Comprehensive antivirus protection, enhanced DNS security, & robust firewall with IPS shield system against malware.



Digital Fortification

Regular VAPT, WAF for public apps, SSL certificates, and risk assessments are used to enhance security.



Access Control

Role-based access, biannual reviews, and PIM ensure tight control over application permissions



Change Management

A robust change management process with mandatory security clearances prevents unauthorized system alterations.



DDoS Defense

Anti-DDoS measures on Azure cloud and WAF-backed protection secure applications from downtime



Email Safeguard

Monthly awareness, phishing simulations, and robust email gateway security with DMARC counteract phishing risks



Compliance Assurance

Biannual checks by auditors and ISO 27001:2013, 22301 BCMS certifications ensure regulatory adherence



Data Leakage Mitigation

Endpoint Hardening, EPM, mobile device management, and dark web monitoring fortify data security

Thank you

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