

IIFL Finance Limited

Roadshow Presentation

Bloomberg: IIFL IN

Public Issue of Secured Redeemable NCDs



September-October 2021

I: About IIFL Finance Limited

II: Financial Performance

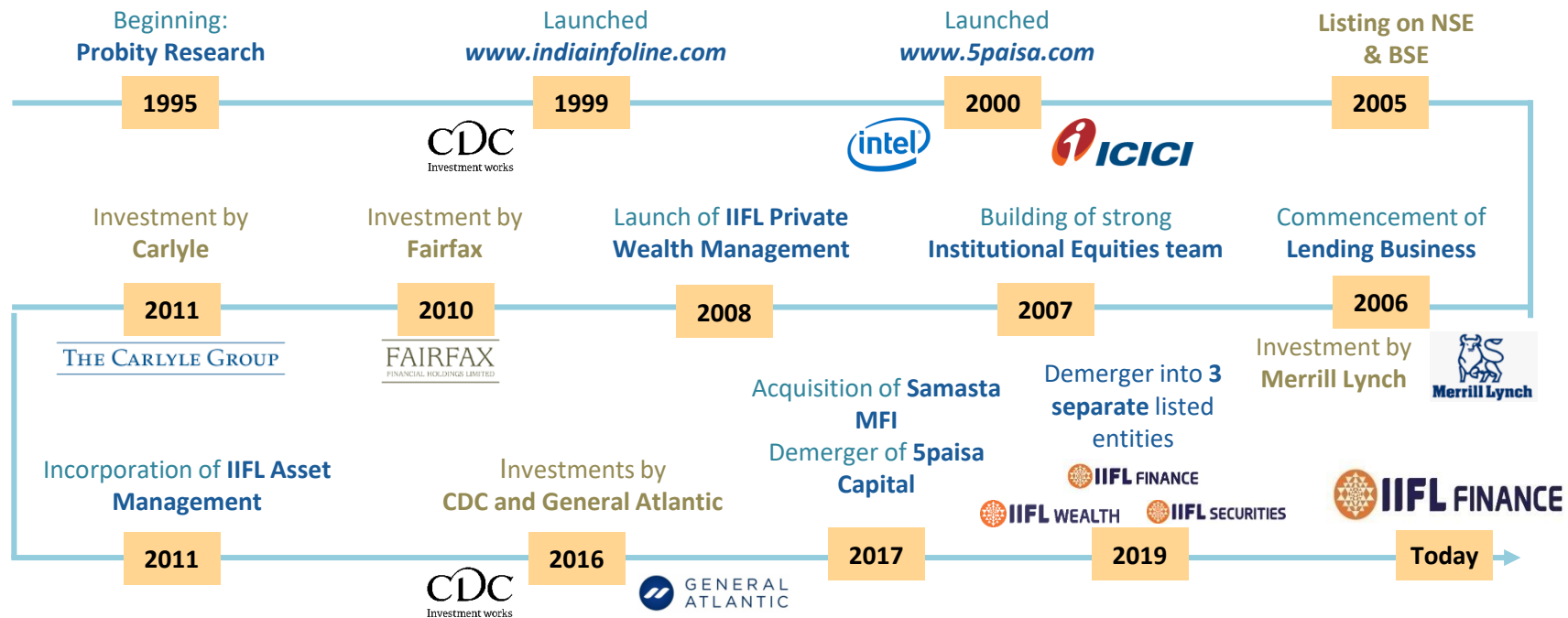
III: Issue Structure

IV: Annexures

IIFL - India's leading financial services group



IIFL's journey - Building an integrated platform around "retail" customers over two decades



Company snapshot

For the quarter ended June 30, 2021 (Consolidated)

Loan AUM
₹ 43,160 Cr
Up 13% y-o-y

Profit after Tax
₹ 266 Cr
Up 735% y-o-y

Return on- Equity / Asset¹
19.7% / 2.6%
Previous year Q1 2.7% / 0.4%

Total Equity
₹ 5,645 Cr
Up 18% y-o-y

Capital Adequacy
25.6%
Previous year Q1 19.3%

Net Interest Income
₹ 735 Cr
Up 32% y-o-y

Gross / Net NPAs
2.2% / 1.0%
Previous year Q1 1.7% / 0.8%

Provision Coverage
180%
Previous year Q1 183%

Retail loans 93%
Wholesale loans 7%
Previous year Q1 88% / 12%

Cost of Funds
9.0%
down 33 bps y-o-y







Cost to Income 38%
Previous year Q1 46%

Employees / Branches
21,012 / 2,682
Previous year Q1 17,889 / 2,372

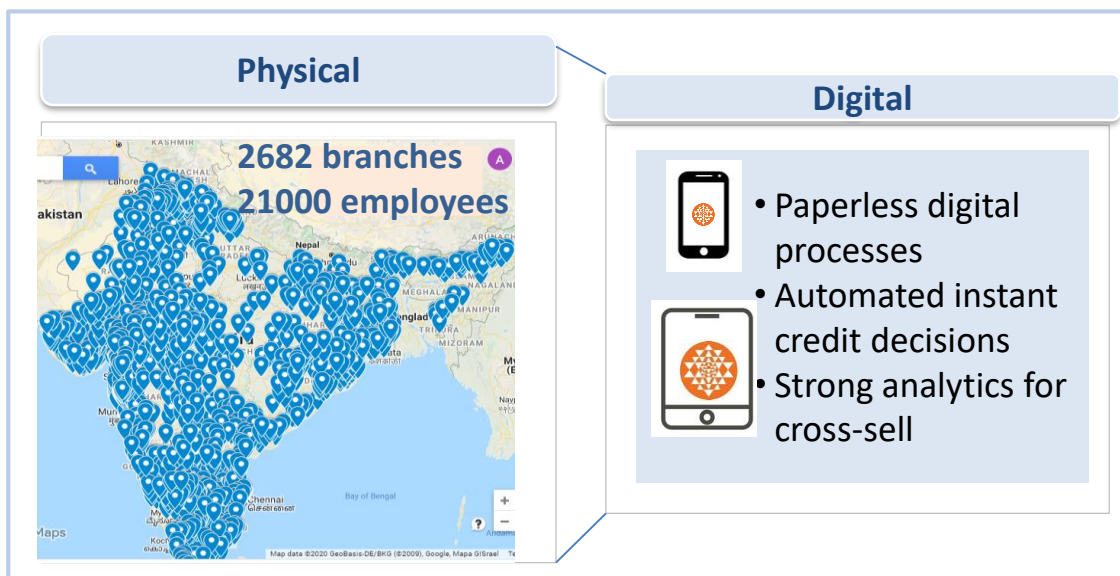
¹Return on Equity and Return on Asset quarterly numbers are annualized

Business and strategy snapshot

As on June 30, 2021

Subsidiaries	IIFL Finance Listed Company (NBFC)	
	IIFL Home Finance Housing Finance	
	IIFL Samasta Microfinance	
	Core products	Mix (%)
	 Gold loan	31%
	 Business loan	16%
	 Home loan	34%
	 Microfinance	10%
	Non - core products	
	 CRE	7%
	 Capital market	2%

- IIFL is focused on **retail loans**, distributed through its website, App & branches. 91% of its loan portfolio comprises Gold/ Micro finance loans of ticket size ~ ₹25-50,000 & Home/ Business loans of ~₹1-2 million.
- IIFL has been at the **forefront of digital technology**, improving efficiency & experience both.
- IIFL's capability to originate at scale, small loans meeting banks' PSL and credit standards, makes it a **preferred partner for banks**.



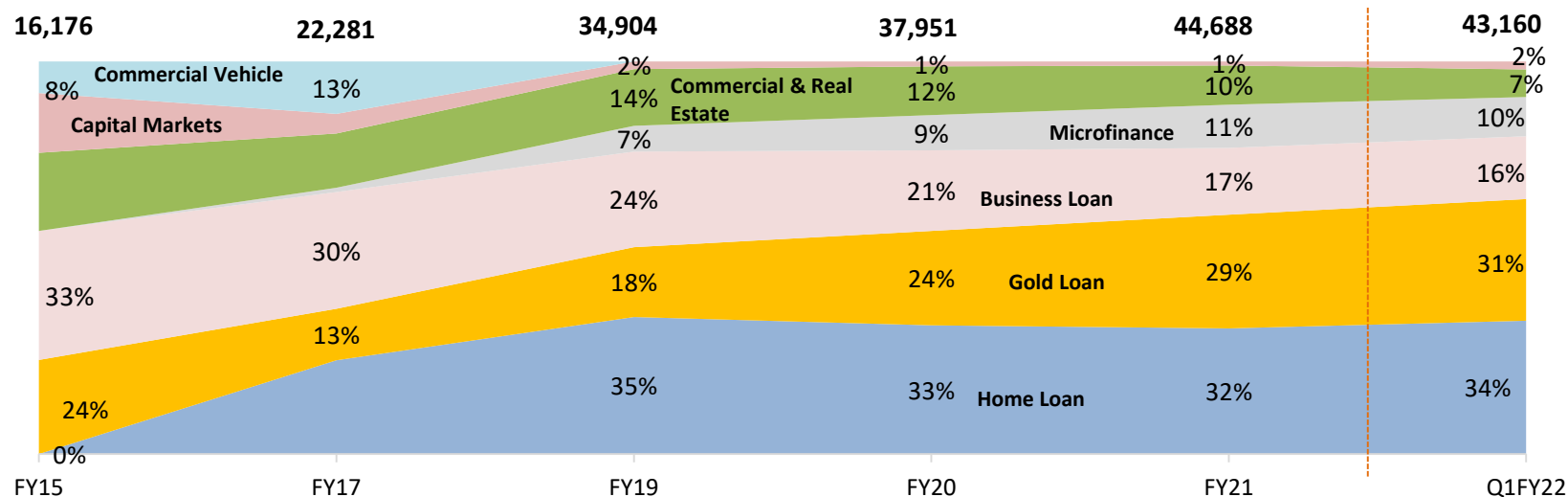
Win-win partnership with banks



IIFL's unique capability to source quality retail & PSL loans, which are banks' preferred asset class, make a winning partnership. IIFL has also partnered with few banks for co lending of loans.

Loans are predominantly retail and granular

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



Q1FY22	% AUM Share	AUM (₹ Cr)	Y-o-Y Growth (%)	GNPA%	NNPA%
Home Loans	34%	14,747	17%	1.6%	1.0%
Gold Loans	31%	13,262	40%	0.9%	0.7%
Business Loans	16%	7,114	(10%)	6.0%	2.4%
Microfinance	10%	4,386	36%	2.0%	0.0%
Construction & Real Estate	7%	2,808	(39%)	1.5%	1.1%
Capital Market Finance	2%	842	63%	0.0%	0.0%
Total	100%	43,160	13%	2.2%	1.0%

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

A K Purwar, Independent Director



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

V. K. Chopra, Independent Director



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

Nilesh Vikamsey, Independent Director



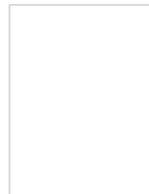
- Senior Partner at Khimji Kunverji & Co
- Past President of The Institute of Chartered Accountants of India

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

Ramakrishnan Subramanian, Additional Director (Independent Director)



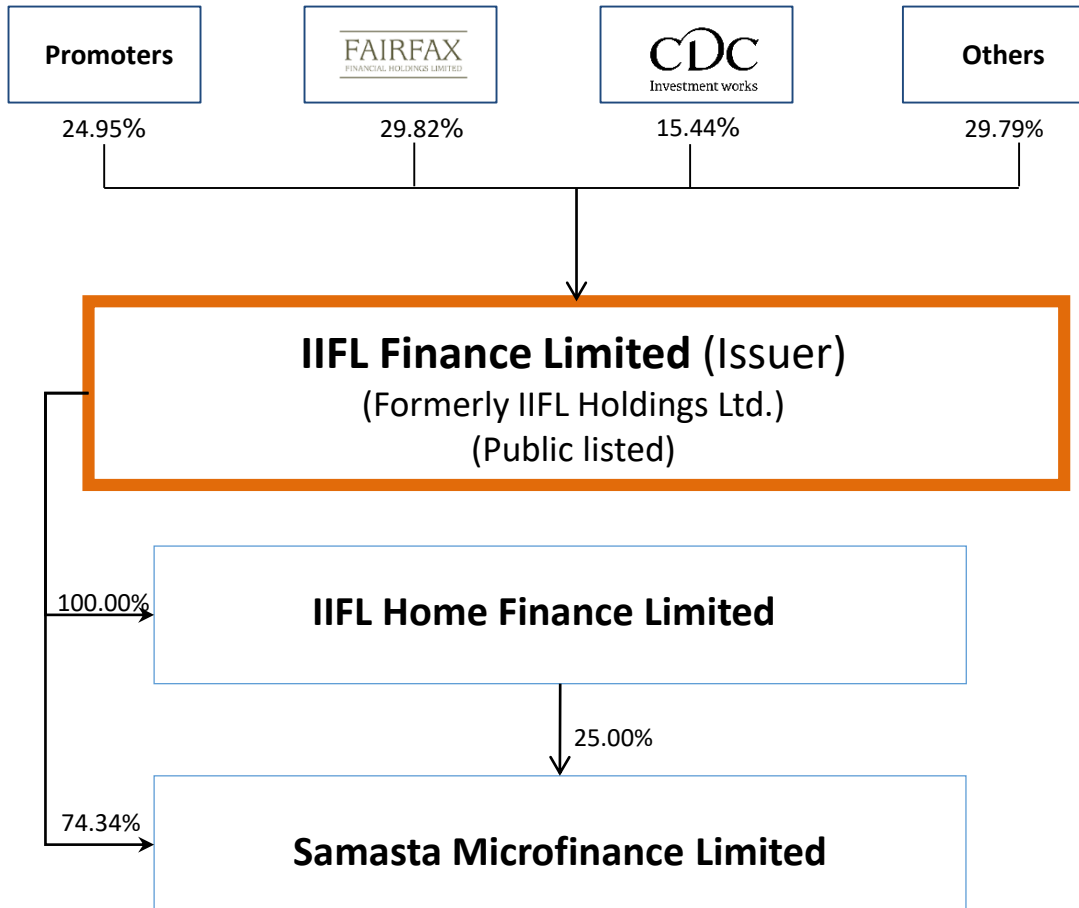
- Sr. Advisor, Operating Partner, Consultant with PE, VC, FIs and Fintech in India
- Chartered Accountant with over 30 years of leadership roles and experience

Vibhore Sharma, Independent Director



- Engineering & product leader with over 20 years of experience
- Amongst the earliest members of InfoEdge India

Backing of marquee investors - supported by highly experienced senior management.



Nirmal Jain (Chairman)

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



Rajesh Rajak (CFO)

- 22+ years of work experience
- Prior to this, he was SVP-heading Business Finance function with HDFC Bank Ltd., where he has been for the past 14 years



Sanjeev Srivastava (CRO)

- Chartered Accountant
- Industry veteran with 20 years of experience within financial services

I: About IIFL Finance Limited

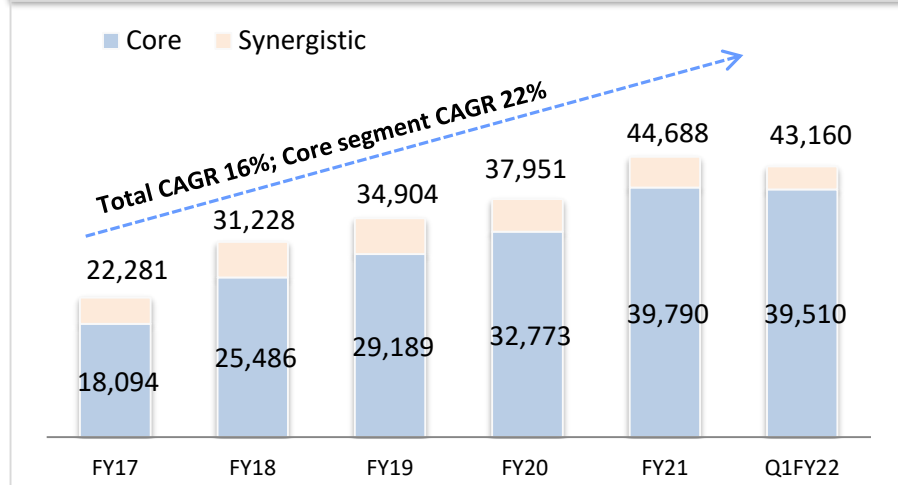
II: Financial Performance

III: Issue Structure

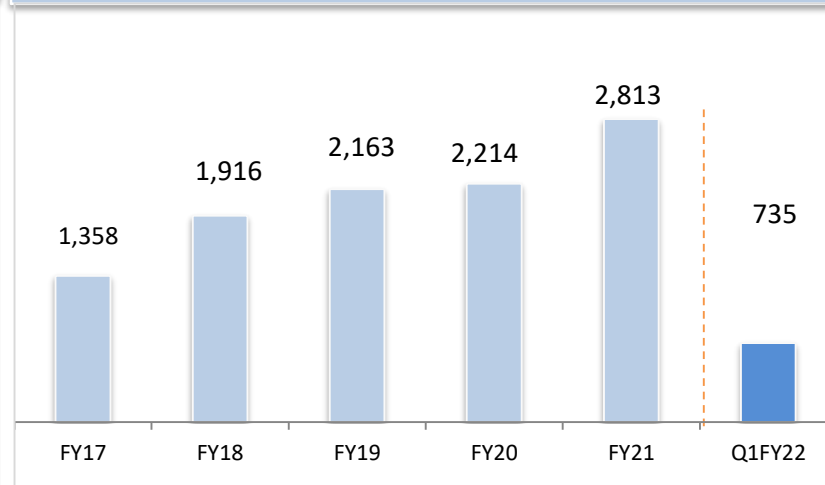
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Consistent financial performance and growth over years

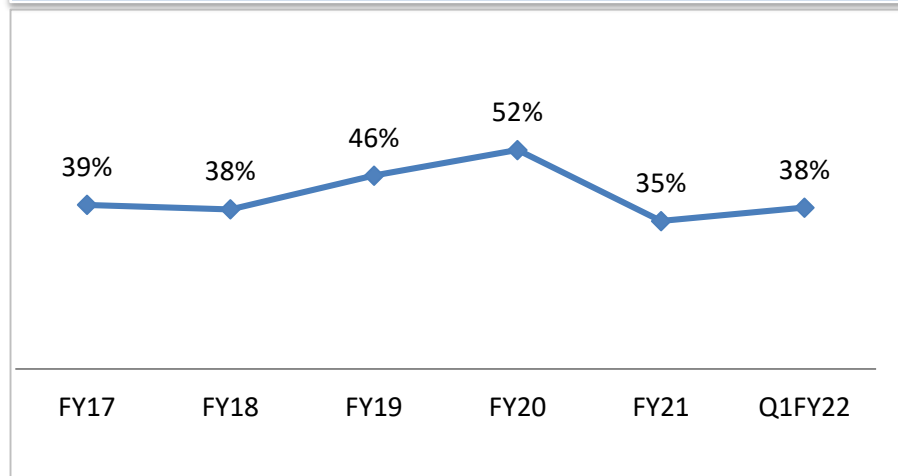
Loan AUM (₹ Cr)



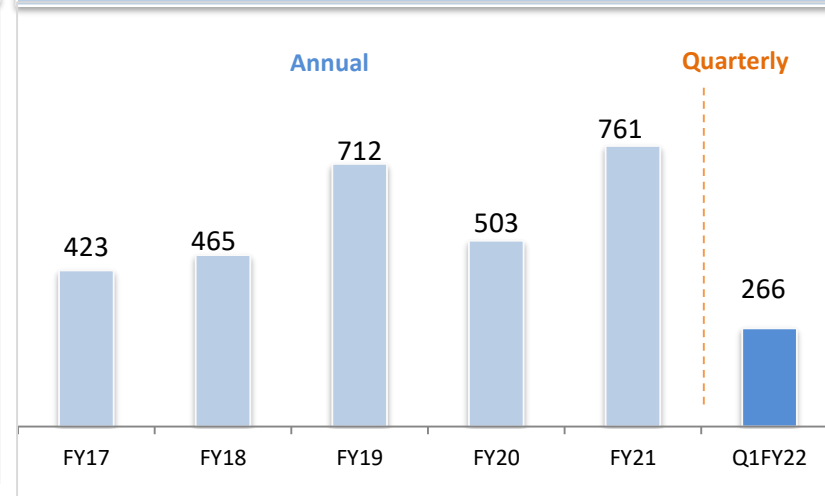
Net Interest Income (₹ Cr)



Cost to income (%)

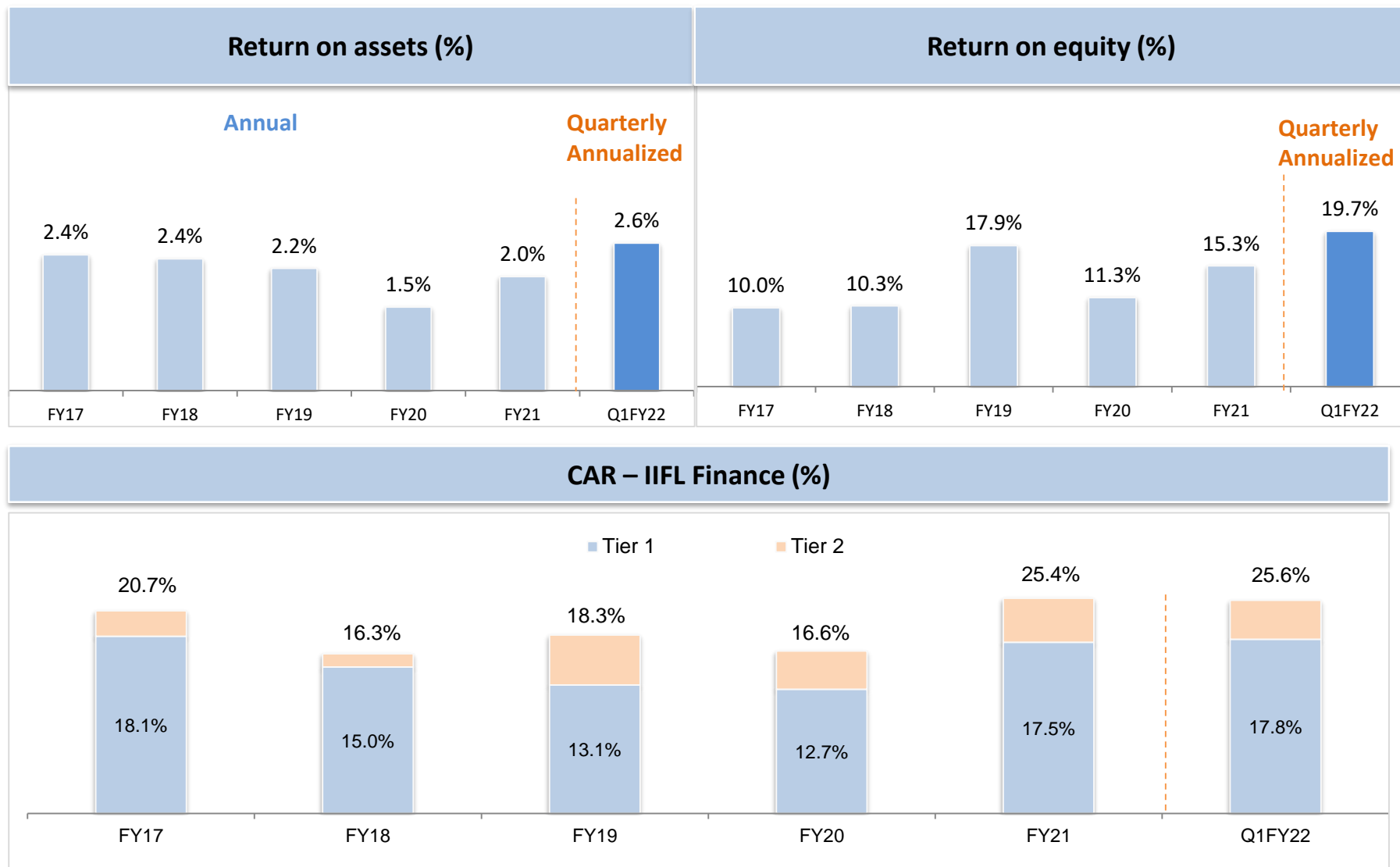


Profit after tax (PAT) (₹ Cr)



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

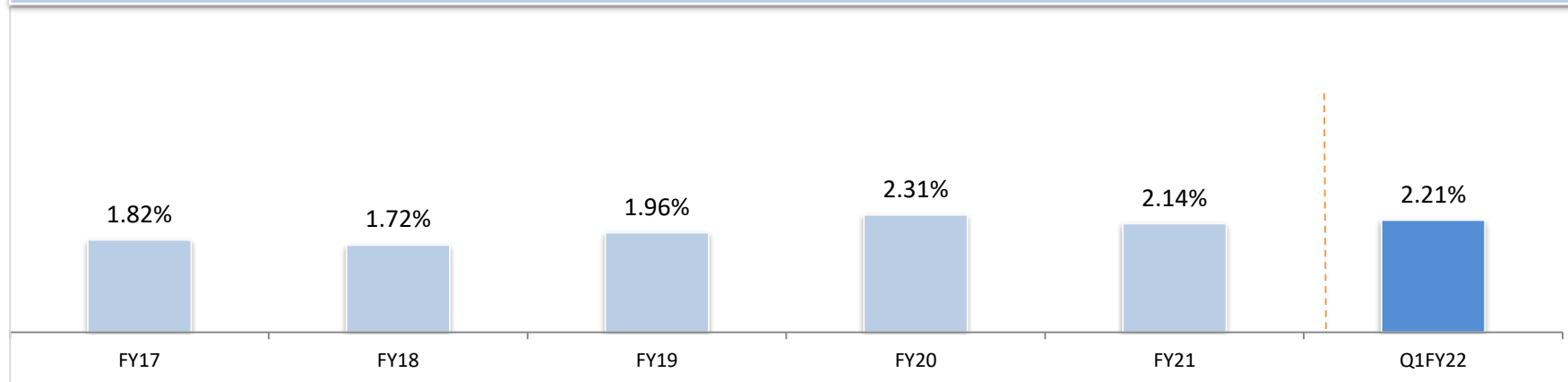
Robust and improving financial position



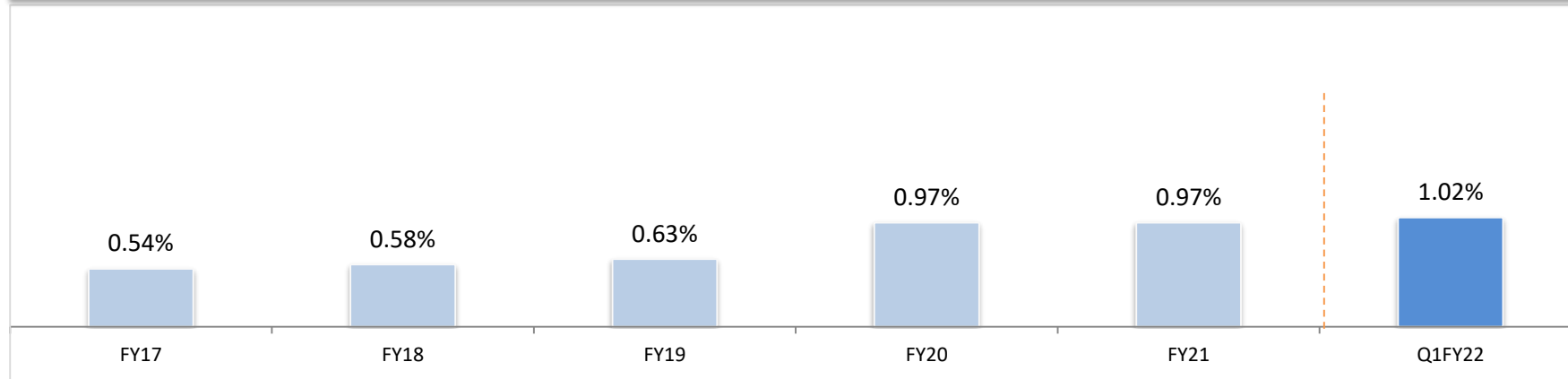
• Note: FY18 onwards numbers are as per IND AS. Prior years' numbers are as per IGAAP

Superior asset quality maintained through cycles...

Gross NPA (%)



Net NPA (%)



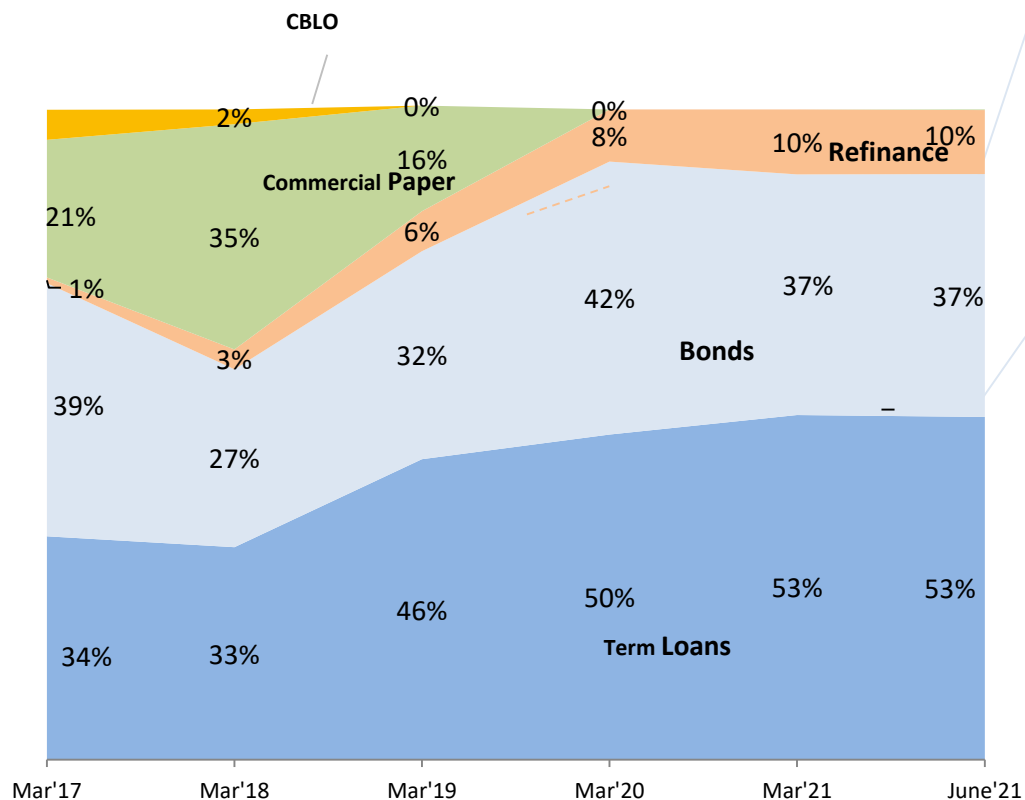
Note: FY18 onwards numbers are as per IND AS. Prior years' numbers are as per IGAAP

Well diversified sources of funding..

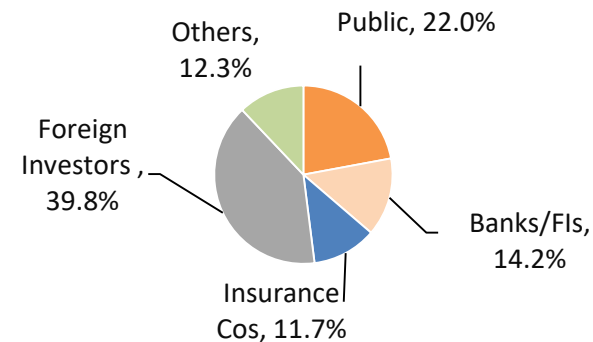
Resource profile is well diversified, with increasing share of bank loans

Outstanding borrowing (₹ Crs)

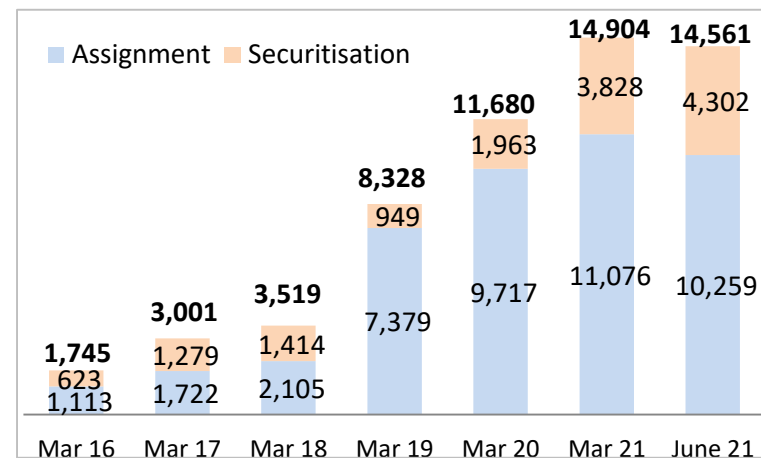
17,982	24,539	26,141	25,734	28,426	27,831
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Bonds/ NCDs investors split (%)



Outstanding assignment/securitisation (₹ Cr)



BRICKWORK



Long Term:
BWR AA+
Outlook: Negative

-

CRISIL



Long Term:
CRISIL AA
Outlook: Stable

Short Term:
CRISIL A1+

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Issuer

IIFL Finance Limited (“Company” or “Issuer”)

**Instrument &
Issue Size**

Public Issue of Secured Redeemable Non-Convertible Debentures of face value of Rs.1,000/- each for an amount of Rs. 100 Crores (Base Issue Size) with an option to retain oversubscription up to Rs. 900 Crores aggregating up to Rs. 1,000 Crores.

Credit Rating

CRISIL AA/Stable | Brickwork AA+/Negative

Instruments with such ratings are considered to have a high degree of safety regarding timely servicing of financial obligations and carry very low credit risk

Use of Proceeds

- For the purpose of onward lending, financing and for repayment/prepayment of interest and principal of existing borrowings – At least 75% of the Net Proceeds of the Issue.
- For General Corporate Purposes – up to 25% of the Net Proceeds of the Issue.

Issue Period

Issue Opens: September 27, 2021
Issue Closes: October 18, 2021

**Listing &
Depositories**

- Proposed to be listed on BSE and NSE
- NSDL and CDSL

Specific terms & conditions of the issue

Series	I	II	III	IV	V	VI	VII
Frequency of Interest Payment	Annual	Cumulative	Annual	Cumulative	Monthly	Annual	Cumulative
Minimum Application	₹ 10,000 (10 NCDs) across all Series						
Face Value/ Issue Price (Rs/NCD)	₹ 1,000/-						
Tenor	24 months	24 months	36 months	36 months	60 Months	60 months	60 months
Coupon (% per annum) for all Category of Investors	8.25%	NA	8.50%	NA	8.42%	8.75%	NA
Effective Yield (% per annum) for all Category of Investors	8.25%	8.25%	8.49%	8.50%	8.75%	8.75%	8.75%
Amount (Rs/Per NCD) on Maturity for all Category of Investors	₹1,000	₹1,171.80	₹1,000	₹1,277.60	₹1,000	₹1,000	₹1,521.41
Nature of Indebtedness	Secured Redeemable Non-Convertible Debentures						
Mode of Interest Payment	Through various modes available						

Note: Our Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series. All categories of Investors can subscribe to all Series of NCDs

Additional Incentive on Coupon*

*All Category of Investors in the proposed Issue who are also holders of-

1. NCD(s)/Bond(s) previously issued by our Company i.e. IIFL Finance Limited and /or Our group company, IIFL Home Finance Limited, as the case may be and/or
 2. Equity shareholder(s) of IIFL Finance Limited, as the case may be, on the Deemed Date of Allotment
- Applying in Series I, Series III, Series V and/or Series VI shall be eligible for **additional incentive of 0.25% p.a.** provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for payment of respective coupons, in respect of Series I, Series III, Series V and/or Series VI.
 - Applying in Series II, Series IV and/or VII, the maturity amount at redemption along with the additional yield would be ₹ 1,177.30 per NCD, ₹ 1,286.45 per NCD and/or ₹ 1,539.00 per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series II, Series IV and/or Series VII.

The additional incentive will be maximum of 0.25% p.a. for all Category of Investors in the proposed Issue, who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, IIFL Home Finance Limited as the case may be, and/or are equity shareholder(s) of IIFL Finance Limited as the case may be, on the Deemed Date of Allotment.

Post Incentive							
Series	I	II	III	IV	V	VI	VII
Frequency of Interest Payment	Annual	Cumulative	Annual	Cumulative	Monthly	Annual	Cumulative
Coupon (% per annum)*	8.50%	NA	8.75%	NA	8.67%	9.00%	NA
Amount (Rs/Per NCD) on Maturity	₹1,000	₹ 1,177.30	₹1,000	₹ 1,286.45	₹1,000	₹1,000	₹ 1,539.00

Allocation ratio

Category	Investor type	Allocation
Category I	Institutional Portion	10% of the Tranche II Issue Size
Category II	Non-Institutional Portion	10% of the Tranche II Issue Size
Category III	High Net Worth Individual Investors Portion	40% of the Tranche II Issue Size
Category IV	Retail Individual Investors Portion	40% of the Tranche II Issue Size

Issue team



Lead Managers



Banker to the Issue



Registrar



Debenture Trustee



Stock Exchanges



* IIFL Securities Limited shall be involved only in the marketing of the issue

Return, Tenor and Frequency

- Options with maturity of 24 months , 36 months and 60 months with yield of 8.25%, 8.50% and 8.75% annually with monthly, annually and cumulative payments. Additional incentive of 0.25%*. For further details refer to Tranche II Prospectus.

Liquidity

- Proposed to be listed on BSE Ltd and NSE. (BSE shall be the designated Stock Exchange)
- Trading will be in dematerialized form only

Taxation

- No TDS since the holding will be in demat mode

Safety

- NCDs rated CRISIL AA/Stable & BWR AA+/Negative instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk

Allotment on first come first serve basis

- The allotment in the Issue shall be made on the basis of date of upload of each application into the electronic book of the stock exchanges. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis

Ease of investment

- UPI mechanism added for retail investors (application amount of upto Rs. 2 lacs)

DISCLAIMER:

IIFL Finance Limited, subject to market conditions and other considerations is proposing a public issue of unsecured subordinate redeemable non-convertible debentures (“NCDs”) and has filed the Shelf Prospectus dated February 24, 2021 and the Tranche II Prospectus dated September 22, 2021 (“**Prospectus**”) with the Registrar of Companies, Maharashtra at Mumbai, National Stock Exchange of India Limited, BSE Limited and SEBI. The Prospectus is available on our website at www.iifl.com, on the website of the stock exchanges at www.nseindia.com, www.bseindia.com, on the website of SEBI at 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 Prospectus. Investors should note that investment in NCDs involves a high degree of risk and for details relating to the same, please refer to Prospectus, including the section on “*Risk Factors*” beginning on page 34 of the Tranche II Prospectus.

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IIFL Finance – Consolidated results (as per IND AS)

Quarter ended June 30, 2021 (NBFC, HFC and MFI)



₹ Mn	Q1FY22	Q1FY21	Y-o-Y	FY21	FY20	Y-o-Y
Interest income	12,450	10,951	14%	47,097	40,431	16%
Interest expense	(7,009)	(6,930)	1%	(26,083)	(24,051)	8%
Net interest income	5,441	4,021	35%	21,014	16,380	28%
Income from assigned assets	2,409	1,784	35%	8,528	7,082	20%
Fee & other income	458	217	111%	4,094	1,129	263%
Total income	8,308	6,022	38%	33,636	24,591	37%
Operating expense	(3,152)	(2,754)	14%	(11,902)	(12,677)	(6%)
Pre provision operating profit	5,155	3,267	58%	21,734	11,914	82%
Loan losses & provision	(1,650)	(2,694)	(39%)	(11,686)	(4,662)	151%
Profit before tax	3,505	573	512%	10,048	7252	39%
Profit after tax	2,658	318	735%	7,608	5,035	51%
Total Comprehensive Income(TCI)	2,497	301	730%	7,365	4,968	48%
Book value per share (₹)	1,456	1,243		1,388	1,232	13%
Earnings per share (₹ not annualized)	70	8		201	133	
Return on equity (annualized)	19.7%	2.7%		14.8%	11.1%	

IIFL Finance – Consolidated Balance sheet

Unaudited as at June 30, 2021 (NBFC, HFC and MFI)



ASSETS		₹ Mn	LIABILITIES AND EQUITY		₹ Mn
1	Financial Assets		1	Financial Liabilities	
(a)	Cash and Bank Balances	39,719	(a)	Payables	916
(b)	Receivables	1,079	(b)	Borrowings	
(c)	Loan Assets	328,191		- NCDs	104,100
(d)	Investments	9,828		- Others	217,158
(e)	Other financial assets	6,583	(c)	Other financial liabilities	20,258
	Total Financial Assets (A)	385,399		Total Financial Liabilities (A)	342,433
2	Non-Financial Assets		2	Non-Financial Liabilities (B)	3,116
(a)	Current & Deferred tax assets (Net)	5,711			
(b)	Property, Plant and Equipment etc.	7,251	3	Equity & Reserves (C)	56,450
(c)	Other non-financial assets	3,637			
	Total Non-Finance Assets (B)	16,600			
	Total Assets (A)+(B)	401,999		Total Liabilities and Equity (A)+(B)+(C)	401,999

Thank you

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