**IIFL Finance Limited**
**Press Release**
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**Mumbai, India**

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## IIFL Finance Q4FY25 Results update

### Strong Recovery Momentum: PAT at Rs. 251Cr, up 208% q-o-q; Gold loans up 40% q-o-q

For the quarter ended March 31, 2025, IIFL Finance reported a consolidated profit after tax of ₹251 Cr (pre non-controlling interest) up 208% q-o-q, signaling a strong rebound after regulatory challenges earlier in the year. The company's AUM rose 10% q-o-q to ₹78,341 Cr, reflecting steady growth across key segments despite a 1% y-o-y dip.

### Key Financial Highlights

| ₹ Cr | Quarter ended Mar 31, 2025 | Quarter ended Mar 31, 2024 | Y-o-Y | Quarter ended Dec 31, 2024 | Q-o-Q |
|---|---|---|---|---|---|
| Loan AUM | 78,341 | 78,960 | (1%) | 71,410 | 10% |
| Pre-provision operating profit[1] | 651.2 | 1,001.3 | (35%) | 534.3 | 22% |
| Profit before tax (pre-exceptional items) | 309.5 | 553.7 | (44%) | 101.0 | 206% |
| Profit after tax (pre-NCI[2]) | 251.4 | 430.6 | (42%) | 81.7 | 208% |
| Return on assets | 1.6% | 2.8% | (1.2%) | 0.6% | 1.0% |
| Return on equity | 7.0% | 14.5% | (7.5%) | 1.4% | 5.6% |
| GNPA | 2.2% | 2.3% | (10bps) | 2.4% | (19bps) |
| NNPA | 1.0% | 1.2% | (15bps) | 1.0% | 4 bps |

[1]excluding net gain/(loss) on fair value changes
[2]NCI is Non-controlling interest

### Business Segment Performance

- Home Loans: AUM grew 15% YoY and 4% QoQ to ₹31,588 Cr, reinforcing leadership in affordable housing
- Gold Loans: AUM surged 40% QoQ to ₹21,022 Cr, demonstrating a strong recovery post-RBI embargo; down 10% YoY
- MSME Loans: AUM rose 18% YoY and 2% QoQ to ₹14,185 Cr, reflecting a continued focus on small business lending
- Microfinance: AUM stood at ₹9,859 Cr, down 25% YoY and 5% QoQ, impacted by sector trends in microfinance

## Management Commentary

Mr. Nirmal Jain, Managing Director, said: *"Q4 marks a decisive turnaround with consistent growth across key performance indicators. Gold loans have rebounded strongly post-embargo, and MSME lending continues its steady expansion. Asset quality has improved, with GNPA declining to 2.2%. Backed by a focused digital strategy, the potential to recapture lost business, and a favorable credit environment, we are confident of sustaining and accelerating momentum into FY26. We remain firmly committed to ensuring that our governance is anchored in rigorous risk monitoring, transparent disclosures, and a zero-tolerance approach to non-compliance - striving not just to meet but to stay ahead of evolving regulatory standards."*

## Robust Capital & Liquidity

The consolidated capital adequacy ratio (CRAR) (computed) stood at 29.0%, whereas the same for housing finance stood at 47.2% ; microfinance stood at 32.4% and standalone NBFC stood at 18.5% as of March 31, 2025, comfortably above the regulatory minimum of 15% across the group. Provision coverage remains at comfortable 100% post-implementation of Expected Credit Loss under Ind AS. A liquidity buffer of ₹5,216 Cr was maintained as on March 31,2025.

## Robust Resource Mobilization and Strong Funding Pipeline

During the quarter, we successfully raised $425 million (₹3,650 Cr) through an MTN dollar bond and ₹500 Cr via NHB refinance. Domestically, we further strengthened our capital base by raising ₹1,500 Cr through local NCD issues and fresh term loans of about ₹2,800 Cr from Banks. We also secured final approval for $100 million (~₹830 Cr) from AIIB, with disbursement expected in June. Additional funding initiatives are underway, including $50–75 million from NDB, $300 million from ADB amongst others.

## Strengthened Compliance Framework

IIFL Finance has reinforced its compliance framework to align fully with RBI’s Scale-Based Regulation (SBR) for Upper Layer NBFCs. Key initiatives include independent board committees for audit, risk, and governance; quarterly stress testing; and a dedicated Chief Compliance Officer. The company is advancing significant automation of compliance processes across its 4,900+ branches, ensuring proactive monitoring and swift corrective action—further strengthening its position as a trusted financial institution.

## Digital Transformation & Phygital Expansion

The company’s digital transformation strategy remains central to its growth ambitions, blending its extensive physical branch network with robust digital platforms. Ongoing projects include advanced AI-driven credit underwriting, automated collections, and enhanced customer engagement tools, which have accelerated loan disbursals and boosted operational efficiency. This “phygital” approach ensures seamless customer experiences and cost-effective scaling, with over 4,900 branches now digitally integrated.

## About IIFL Finance

IIFL Finance Limited, along with its subsidiaries IIFL Home Finance and IIFL Samasta Finance, is a leading retail-focused NBFC offering diversified loan products, including home, gold, MSME, microfinance, and capital market finance. With a network of 4,906 branches and a customer base of over 8 million, IIFL leverages a robust phygital model to serve underserved segments across India.

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 year ended March 31, 2025, are available under the 'Financials' section on our website www.iifl.com.

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