

June 30, 2026

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	The Manager, Listing Department, India International Exchange (IFSC) Limited 1st Floor, Unit No. 101, The Signature Building No. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat – 382050 India INX Symbol: 500058	The Manager, Listing Department, NSE IFSC Limited Unit-1201, 12th Floor, Brigade International Financial Centre, Block- 14, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat – 382355
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Subject: Assignment of Credit Rating by Moody's Ratings

Dear Sir/ Madam,

Pursuant to the provisions of Regulations 30 and 51 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, we hereby inform you that Moody's Ratings ("**Moody's**"), the credit rating agency, has assigned the following credit rating to IIFL Finance Limited ("**the Company/ Issuer**") and the existing Global Medium Term Note Programme ("GMTN Programme") of the Company.

Rating Type	Rating
Corporate Family Rating/Company Rating	Ba3
Existing GMTN Programme (USD 1 Billion)	(P)Ba3

The rating issued by Moody's for the Company is enclosed herewith as **Annexure**.

Kindly take the same on record and oblige.

Thanking you,

For **IIFL Finance Limited**

Samrat Sanyal
Company Secretary & Compliance Officer
ACS-13863
Email Id: csteam@iifl.com
Place: Mumbai

IIFL Finance Limited

CIN No.: L67100MH1995PLC093797

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MOODY'S RATINGS

Rating Action: Moody's Ratings assigns Ba3 corporate family rating and (P)Ba3 GMTN program rating to IIFL Finance Limited; outlook stable

30 Jun 2026

Singapore, June 30, 2026 -- Moody's Ratings (Moody's) assigns a Ba3 long-term corporate family rating (CFR) to IIFL Finance Limited (IIFL Finance). At the same time, we have assigned (P)Ba3 long-term foreign-currency senior secured rating to IIFL Finance's USD1 billion Global Medium Term Note (GMTN) program.

The rating outlook is stable.

RATINGS RATIONALE

IIFL Finance's Ba3 rating reflects its well-established retail lending franchise in India, which supports strong pre-provisioning profitability. Its asset-light business model and increasing shift towards secured lending support its capitalisation and long-term loss performance. These strengths are somewhat balanced by higher earnings volatility and asset risks from its exposure to subprime borrowers. The rating also considers its reliance on wholesale funding similar to industry peers, although this risk is mitigated by the company's well diversified borrowing sources and consistent refinancing track record. The stable outlook reflects our expectation that its credit profile will remain stable over the next 12–18 months.

IIFL Finance has over two decades experience in retail lending in India. Its robust digital infrastructure and wide distribution network underpin customer acquisition, underwriting and collections. The business model has evolved towards more capital-efficient growth, with increasing use of co-lending and direct assignment. The loan mix also continues to shift towards secured lending, with growth led by gold finance (46% of on balance sheet loans), home loans (29%) and secured small business loans (9%) supporting more stable loss performance over time.

Asset quality has improved in recent years, although it remains exposed to volatility given the company's focus on subprime borrowers. The problem loans ratio declined to 1.5% as of March 2026 from 2.2% in March 2025, partly driven by the sale of problem loans to asset reconstruction companies. That said, in line with industry peers, asset risk has increased in small-ticket home loans, small business loans, microfinance and unsecured segments over the past two years.

Profitability has also improved and is supported by strong pre-provisioning profits, although reported earnings are more volatile. Net income to average managed assets increased to 2.3% in fiscal 2026 from 1.6% in fiscal 2025, driven by higher income from off balance sheet sale transactions, which offset margin compression from higher funding costs. However, these gains introduce earnings volatility because they depend on forward-looking assumptions and may reverse if actual cash flows differ from expectations.

We expect IIFL Finance to maintain steady capitalization by raising new equity capital as strong loan growth outpaces internal capital generation. Its consolidated tangible common equity to tangible managed assets ratio declined to around 15.6% as of March 2026 from 18.4% a year earlier, reflecting the pace of balance sheet expansion. The company's increasing use of off-balance sheet structures supports capital-efficient growth. However, capital flexibility is constrained by limited fungibility across group entities, which may restrict the ability to deploy capital efficiently.

The company's reliance on wholesale funding and modest on-balance sheet liquidity exposes it to

refinancing risk. However, this risk is mitigated by its diversified funding profile, which includes domestic and international banks, capital markets, securitization, and co-lending channels, supported by a consistent execution track record. In addition, its gold loan portfolio comprises highly liquid assets with predictable cash flows, which supports liquidity.

The (P)Ba3 senior secured rating on the GMTN program is in line with the company's Ba3 CFR given that secured debt forms the predominant portion of the company's borrowings.

The notes issued under the program constitute the issuer's direct, general and unconditional obligations and will be secured by, among other things, a first-ranking pari-passu charge over all receivables/assets, including the issuer's accounts, operating cashflows, current assets, book debts, loans and advances and receivables, both present and future, but excluding assets that are charged exclusively to National Bank for Agriculture and Rural Development (NABARD), National Housing Bank (NHB), Small Industries Development Bank of India (SIDBI) or any other governmental authority, in relation to the facilities extended by each of the respective agencies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

The rating incorporates IIFL Finance's ESG considerations, as per our General Principles for Assessing Environmental, Social and Governance Risks methodology. The company faces moderate social and governance risks, and low environmental risks.

The Governance Issuer Profile Score (IPS) of G-3 reflects risk management framework broadly aligned with its risk appetite and industry practices, though tempered by its relatively fast asset growth, lending focus on segments vulnerable to economic cycles and modest on-balance-sheet liquidity. It also captures risks relating to compliance & reporting practices, which we expect to improve over time. Overall, the Credit Impact Score (CIS) of CIS-3 indicates that ESG Considerations have limited impact on the current credit rating with potential for greater negative impact over time.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

We could upgrade IIFL Finance's ratings if the company improves its TCE/TMA ratio to above 20% and maintains its net income to average managed assets above 2.5% on a sustained basis, while maintaining steady asset quality.

We will downgrade IIFL Finance's rating if its capitalization deteriorates, such that its TCE/TMA ratio declines below 12% without clear visibility into a capital raising plan. We could also downgrade the rating if there is a significant deterioration in its asset quality, leading to lower profitability, or if its funding and liquidity deteriorates.

The principal methodology used in these ratings was Finance Companies published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425167>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

IIFL Finance is headquartered in Mumbai and reported total assets of INR 700.1 billion as of 31 March 2026.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to

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Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website <https://ratings.moodys.com>.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1462204.

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