



Performance review
Quarter ended June, 2023
(Q1FY24)

Bloomberg: IIFL IN
July 27, 2023

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Q1FY24 Results Snapshot (Consolidated)

Q1FY24 net profit ₹473 Cr - up 43% yoy; RoE at 19.1%

(₹ Cr)	Q1FY24	Q1FY23	YoY%	Q4FY23	QoQ %
Loan AUM	68,178	52,761	29%	64,638	5%
PPOP ¹	786.8	654.8	20%	766.1	3%
PAT (pre NCI ²)	472.9	329.7	43%	457.6	3%
PAT (post NCI ²)	425.4	329.7	29%	412.7	3%
Gross NPA %	1.8%	2.6%	↓ 73 bps	1.8%	-
Net NPA %	1.1%	1.5%	↓ 42 bps	1.1%	-

Return on Equity³
19.1%

Return on Assets
3.6%

Capital Adequacy
NBFC | HFC
20.6% | **51.2%**

MFI
20.0%

Net gearing⁴
3.3x

Liquidity
₹6,510 Cr

Earnings per share
(basic, not annualized)
₹11.2

Book value per share
(₹2 paid up per share)
₹240.0

Note:

1. PPOP: Pre-provision Operating Profit
2. NCI: Non-Controlling Interest
3. Return on Equity is calculated on Profit after tax post Non-Controlling Interest
4. Net gearing is calculated after reducing free cash/ liquid assets and securitized assets from the gross debt as per Ind AS accounting

Quarterly Results Q1FY24 (Consolidated)

Income ₹1,420 Cr - up 21% yoy, 3% qoq; PBT ₹618 Cr- up 43% yoy, 4% qoq

₹ Cr	Q1FY24	Q1FY23	Y-o-Y	Q4FY23	Q-o-Q
Interest income	1,825.8	1,413.0	29%	1,720.7	6%
Interest expense	(887.8)	(776.0)	14%	(860.6)	3%
Net interest income	938.0	637.0	47%	860.1	9%
Non-fund based income	482.1	532.7	(10%)	519.1	(7%)
Total income	1,420.0	1,169.8	21%	1,379.2	3%
Operating expense	(633.2)	(515.0)	23%	(613.1)	3%
Pre provision operating profit	786.8	654.8	20%	766.1	3%
Loan losses & provision	(190.1)	(248.7)	(24%)	(208.3)	(9%)
Net Gain/(Loss) on Fair Value Changes	21.6	27.9	(22%)	36.2	(40%)
Profit before tax	618.4	433.9	43%	594.0	4%
Profit after tax (pre NCI)	472.9	329.7	43%	457.6	3%
Minority Interest	(47.5)	(0.0)		(44.8)	6%
Profit after tax (post NCI)	425.4	329.7	29%	412.7	3%
Total Comprehensive Income (post NCI)	407.6	331.6	23%	417.7	(2%)
Book value per share (₹)	240.0	174.2	38%	231.1	4%
Earnings per share (₹ basic, not annualized)	11.2	8.7	29%	10.9	3%

Note: Previous period/year figures have been regrouped/ reclassified to make them comparable with those of current period.

Quarterly Q1FY24 Income Analysis (Consolidated)

Non fund income - 34% of total income

₹ Cr	Q1FY24	Q1FY23	Y-o-Y	Q4FY23	Q-o-Q
Loan Book (Ind AS Balance sheet)	41,515	34,343	21%	40,102	4%
Assigned assets	17,700	14,577	21%	16,979	4%
Co-lending book	8,963	3,842	133%	7,557	19%
Loan Assets under management	68,178	52,761	29%	64,638	5%
₹ Cr	Q1FY24	Q1FY23	Y-o-Y	Q4FY23	Q-o-Q
Interest income	1,825.8	1,413.0	29%	1,720.7	6%
Interest expense	(887.8)	(776.0)	14%	(860.6)	3%
NII at IndAS balance sheet loan book (A)	938.0	637.0	47%	860.1	9%
Income from assigned assets	226.7	427.8	(47%)	283.4	(20%)
Net Interest Income from co-lending assets	120.0	21.4	460%	63.7	88%
Other Income (Fee and commission income)	135.3	83.5	62%	172.1	(21%)
Non-fund based income (B)	482.1	532.7	(10%)	519.1	(7%)
Total Income (A)+(B)	1,420.0	1,169.8	21%	1,379.2	3%
Fund Based: Non fund based ratio (%)					
Fund based income	66%	54%		62%	
Non-fund based income	34%	46%		38%	

Note: Co-lending includes Business Correspondence and Co-origination
 Previous period/year figures have been regrouped/ reclassified to make them comparable with those of current period.

Consolidated Balance Sheet as at June 30, 2023

Total Equity at ₹10,665 Cr

ASSETS (₹ Cr)		
1	Financial Assets	
(a)	Cash and Bank Balances	5,350
(b)	Receivables	154
(c)	Loan Assets	41,847
(d)	Investments	2,509
(e)	Other financial assets	1,653
	Total Financial Assets (A)	51,513
2	Non-Financial Assets	
(a)	Current & Deferred tax assets (Net)	242
(b)	Property, Plant and Equipment etc.	898
(c)	Other non-financial assets	252
	Total Non-Finance Assets (B)	1,392
Total Assets (A)+(B)		52,905

LIABILITIES AND EQUITY (₹ Cr)		
1	Financial Liabilities	
(a)	Payables	179
(b)	Borrowings	
	- NCDs	9,815
	- Bank Borrowings	21,785
	- Others	6,886
(c)	Other financial liabilities	3,115
	Total Financial Liabilities (A)	41,780
2	Non-Financial Liabilities (B)	460
3	Equity	10,665
(a)	Equity share capital	76
(b)	Other Equity	9,332
	Shareholder's Equity (C)	9,408
	Non Controlling Interest (D)	1,257
Total Liabilities and Equity (A)+(B)+(C)+(D)		52,905

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Key business metric - Loan AUM growth

Core loan products AUM has grown at 23% CAGR over last 5 years

Latest quarter

Loan AUM (₹ Cr)	Mix %	Q1FY24	Q1FY23	YoY %	Q4FY23	QoQ %
Home Loan	33%	22,838	18,618	23%	21,800	5%
Gold Loan	32%	22,142	17,130	29%	20,733	7%
Loan against property	10%	6,836	5,760	19%	6,671	2%
Digital Loan	4%	2,899	1,884	54%	2,512	15%
Microfinance	15%	10,255	6,276	63%	9,786	5%
Core Business	95%	64,970	49,668	31%	61,502	6%
CRE & others	4%	2,732	2,487	10%	2,694	1%
Capital Market	1%	477	607	(21%)	442	8%
Total		68,178	52,761	29%	64,638	5%

Key business metrics

Loan AUM growth

Portfolio Yield

Cost of borrowing

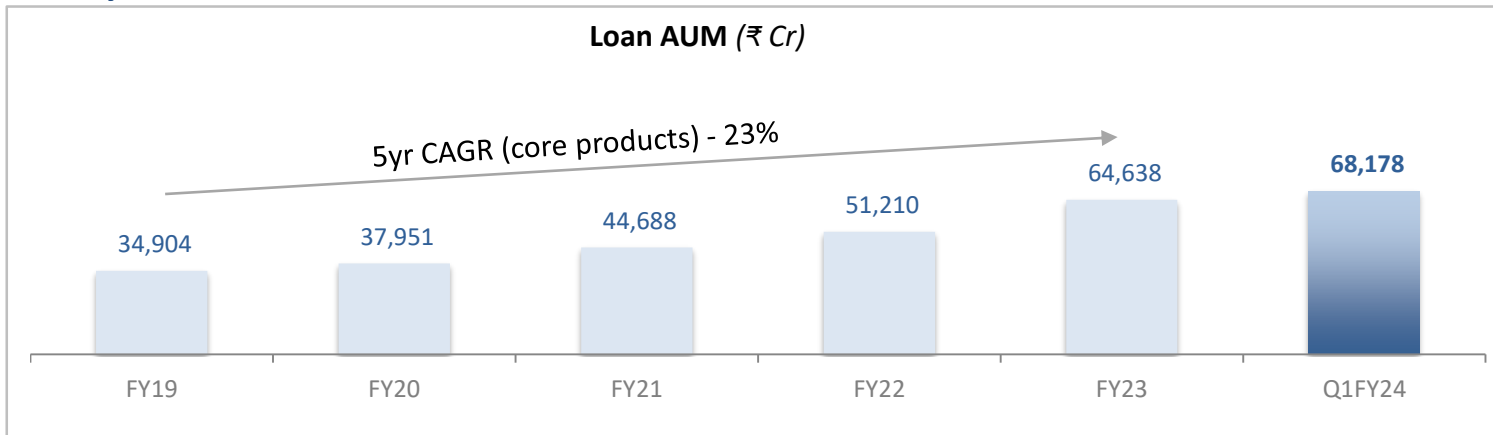
Asset quality

Profitability

Capital & gearing

Liquidity

Last 5 years



Key business metric – Portfolio yield

Yield is improving with focus on small ticket granular loans

Latest quarter

Portfolio yield %	Q1FY24	Q1FY23	YoY %	Q4FY23	QoQ %
Home Loan	11.2%	10.4%	0.8%	10.9%	0.2%
Gold Loan	17.5%	17.2%	0.3%	17.5%	0.0%
Loan against property	18.3%	16.0%	2.3%	17.9%	0.4%
Digital Loan	23.3%	19.3%	3.9%	23.3%	(0.1%)
Microfinance	24.2%	22.2%	2.0%	23.8%	0.3%
Core Business	16.7%	15.3%	1.4%	16.5%	0.2%
CRE & others	15.6%	15.1%	0.5%	15.2%	0.3%
Capital Market	12.7%	12.2%	0.5%	12.5%	0.2%
Total	16.6%	15.3%	1.3%	16.4%	0.2%

Key business metrics

Loan AUM growth

Portfolio yield

Cost of borrowing

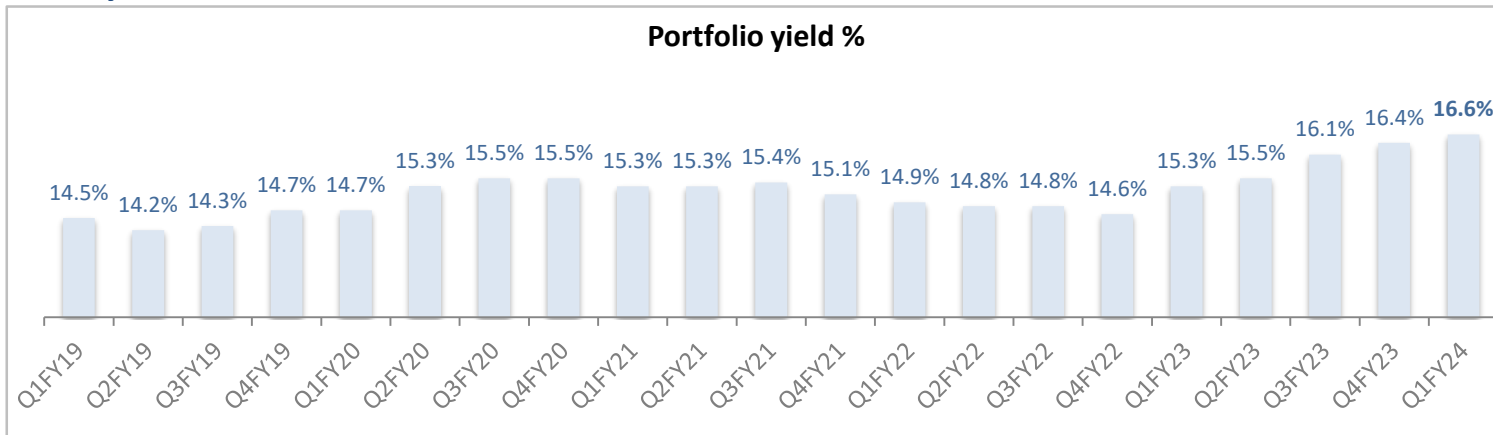
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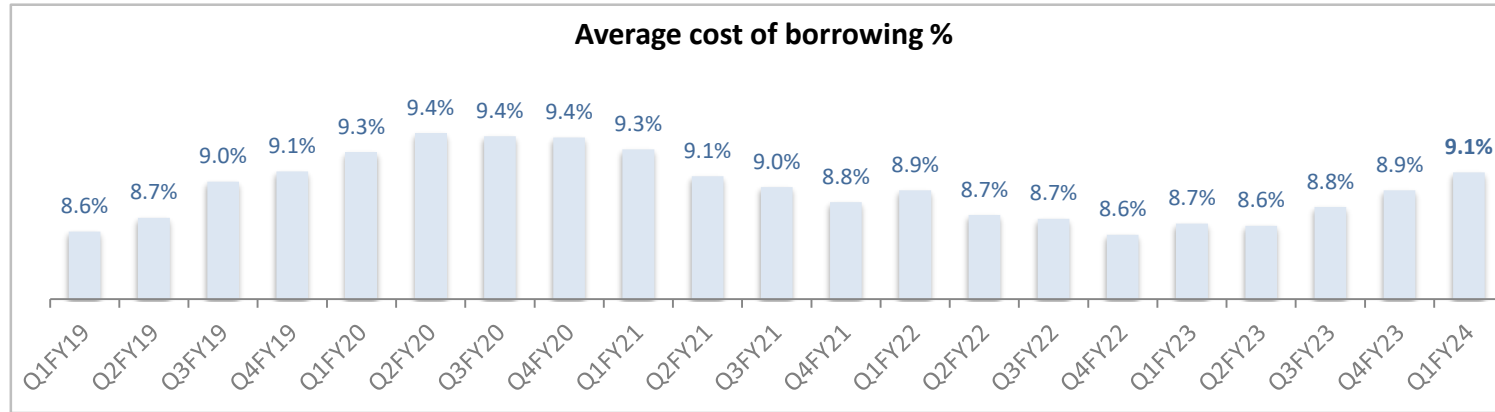
Last 5 years



Key business metric – Cost of borrowing

Successfully raised long term funds through secured retail public bonds and via ECB route

Last 5 years



Cost of borrowing %	Q1FY24	Q1FY23	YoY %	Q4FY23	QoQ %
IIFL Finance (Consol)	9.09%	8.65%	0.44%	8.93%	0.15%
- IIFL Finance Standalone	9.10%	9.05%	0.05%	9.21%	(0.11%)
- IIFL Home Finance	8.75%	8.00%	0.75%	8.30%	0.45%
- IIFL Samasta Finance	10.45%	9.71%	0.74%	10.26%	0.19%

Borrowings (₹ Cr)	Q1FY24	Q1FY23	YoY %	Q4FY23	QoQ %
IIFL Finance (Consol)	38,486	34,765	11%	39,604	(3%)
- IIFL Finance Standalone	16,822	15,351	10%	17,380	(3%)
- IIFL Home Finance	14,387	14,347	0%	14,953	(4%)
- IIFL Samasta Finance	7,277	5,067	44%	7,271	0%

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

Key business metrics

Loan AUM growth

Portfolio yield

Cost of borrowing

Asset quality

Profitability

Capital & gearing

Liquidity

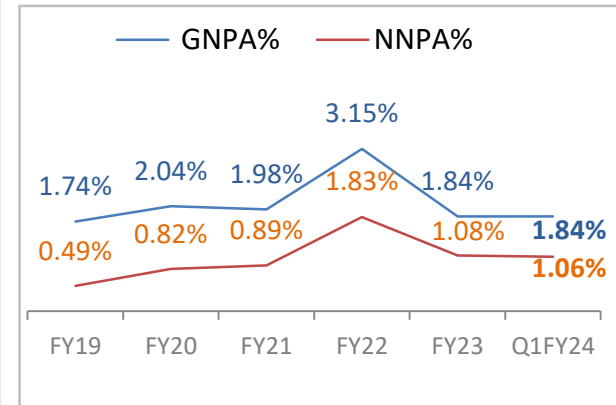
Key business metric – Asset quality

Non performing assets have consistently been lower than the peer group through cycles

Latest quarter

GNPA %	Q1FY24	Q1FY23	YoY %	Q4FY23	QoQ %
Home Loan	1.95%	2.41%	(0.46%)	1.92%	0.03%
Gold Loan	0.82%	0.88%	(0.06%)	0.80%	0.02%
Loan against property	2.72%	4.97%	(2.25%)	2.90%	(0.18%)
Digital Loan	3.38%	5.56%	(2.18%)	3.63%	(0.24%)
Microfinance	2.11%	3.66%	(1.55%)	2.12%	(0.02%)
Core Business	1.97%	2.81%	(0.83%)	1.97%	0.00%
CRE	0.38%	0.20%	0.18%	0.39%	(0.01%)
Capital Market	0.00%	0.00%	-	0.00%	-
Total	1.84%	2.58%	(0.73%)	1.84%	0.00%

Last 5 years



➤ Provision coverage at **159%**

Key business metrics

Loan AUM growth

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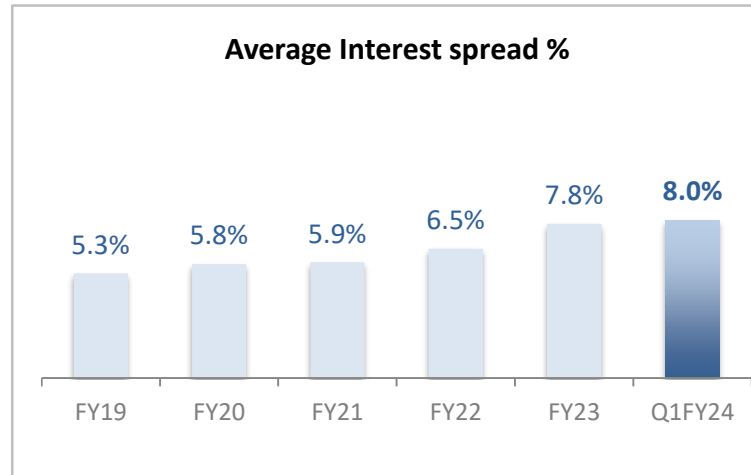
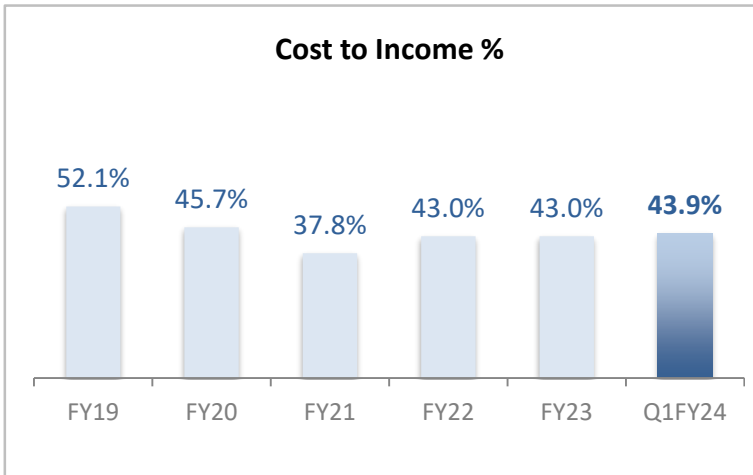
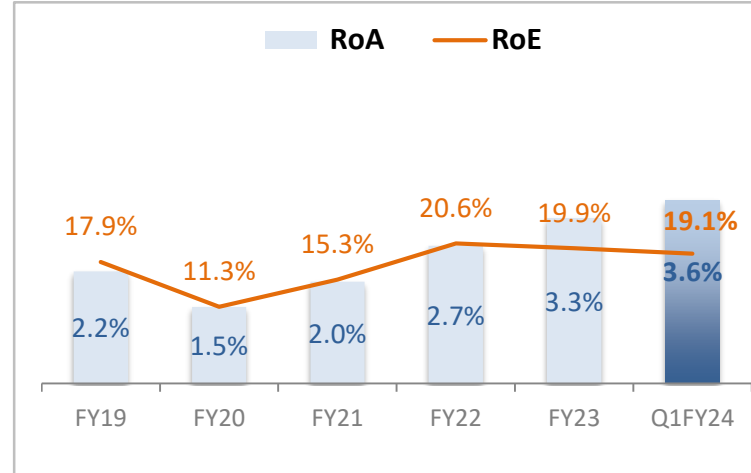
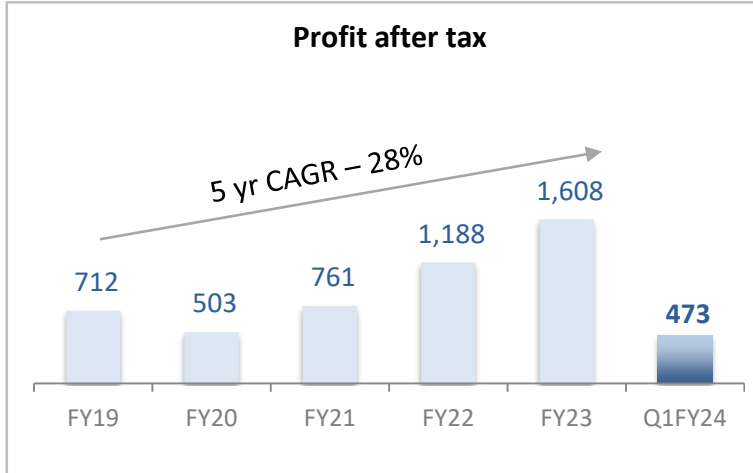
Stage-wise break up

Loan book (₹ Cr)	0 dpd	1-30 dpd	31-90 dpd	90+ dpd	Total	Provision %			Provision	
	Stage 1		Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	As per RBI	As per ECL
Home Loans	89.9%	4.2%	4.0%	2.0%	13,738	1.0%	9.5%	28.8%	107	264
Gold Loans	87.4%	5.8%	6.0%	0.8%	7,991	0.7%	0.8%	15.8%	44	68
Loan agst. Property	80.1%	8.0%	9.1%	2.7%	5,197	1.3%	12.5%	23.1%	57	151
Digital Loan	90.5%	2.9%	3.1%	3.4%	3,182	4.7%	16.5%	69.3%	29	231
Microfinance	95.9%	0.7%	1.3%	2.1%	8,199	1.6%	4.4%	71.1%	114	255
CRE	94.8%	0.0%	4.8%	0.4%	2,732	8.5%	13.8%	67.7%	41	246
Capital Market	90.5%	9.1%	0.4%	0.0%	477	0.4%	1.9%	0.0%	2	2
Total	89.7%	4.0%	4.4%	1.8%	41,515	1.9%	8.4%	42.4%	395	1,217

Key business metric – Profitability

Net profit has grown at CAGR of 28%, despite covid & liquidity squeeze periods

Last 5 years



Key business metrics

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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

Key business metric – Capital & gearing

Robust financials with capital adequacy at over 20% and net gearing at 3.3x

Latest quarter

(₹ Cr)	Q1FY24	Q1FY23	YoY %	Q4FY23	QoQ %
Networth (Excl. Minority)	9,134	6,616	38%	8,790	4%
CRAR %					
IIFL Finance (Standalone)	20.6%	22.8%	(2.1%)	20.4%	0.3%
- Tier 1	13.0%	15.2%	(2.1%)	12.8%	0.3%
- Tier 2	7.6%	7.6%	0.1%	7.5%	0.1%
IIFL Home Finance	51.2%	30.6%	20.6%	47.3%	4.0%
- Tier 1	42.9%	21.5%	21.4%	39.2%	3.8%
- Tier 2	8.3%	9.1%	(0.8%)	8.1%	0.2%
IIFL Samasta Finance	20.0%	17.6%	2.4%	17.1%	2.5%
- Tier 1	14.0%	16.0%	(2.0%)	13.5%	0.5%
- Tier 2	6.0%	1.6%	4.4%	3.6%	2.3%

Key business metrics

Loan AUM growth

Portfolio yield

Cost of borrowing

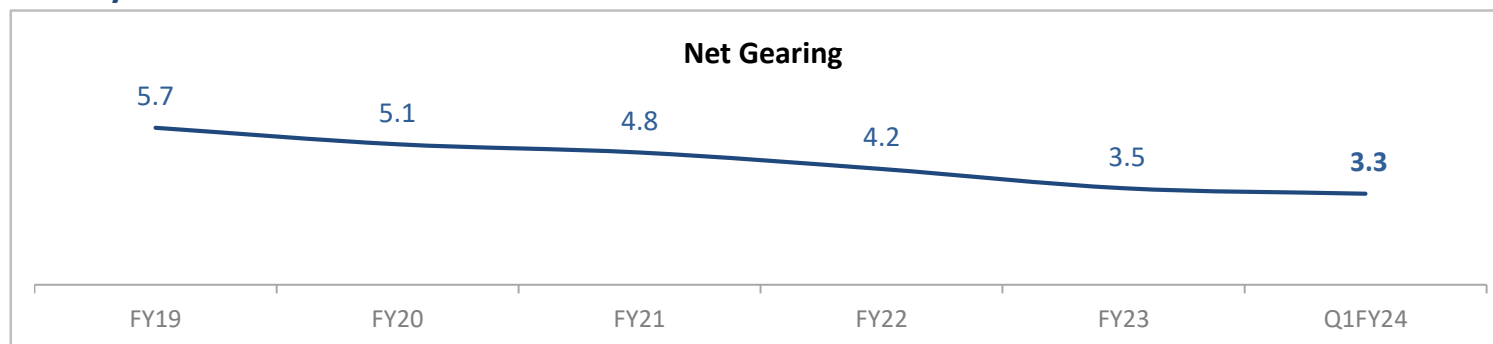
Asset quality

Profitability

Capital & gearing

Liquidity

Last 5 years

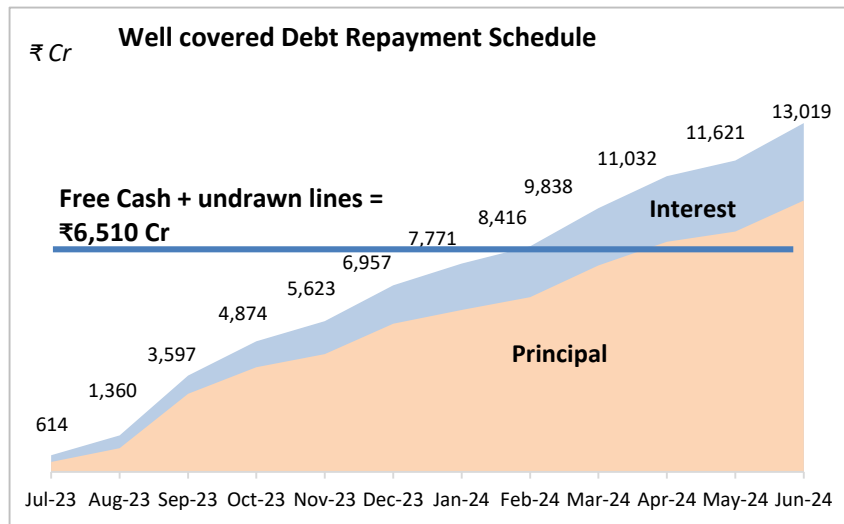
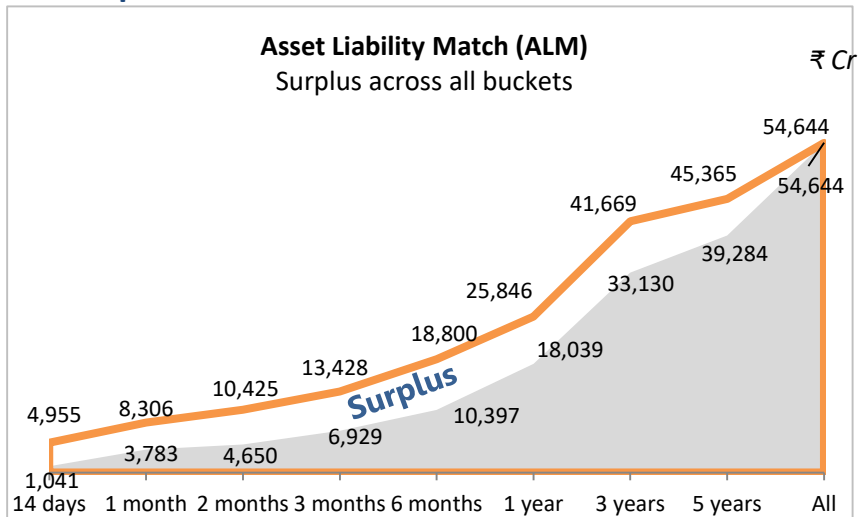


Note: Net gearing is calculated after reducing free cash/ liquid assets and securitized assets from the gross debt as per Ind AS accounting

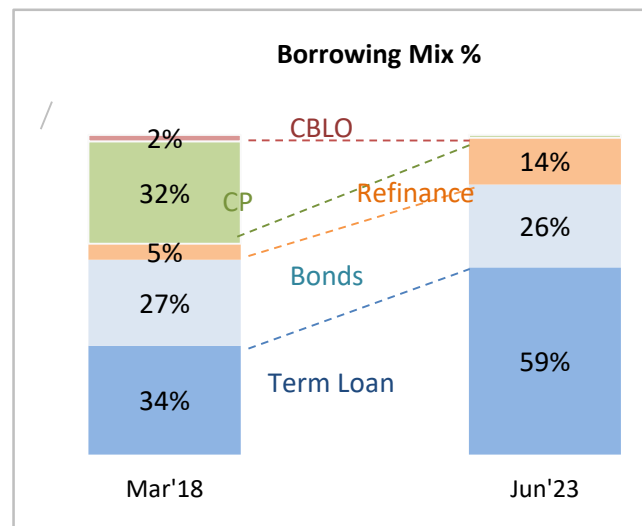
Key business metric – Liquidity

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

Latest quarter



Last 5 years



Key business metrics

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INDUSTRY OVERVIEW

- Housing shortage (EWS/LIG): 9.5 Cr units
- EWS/LIG account for 95% of potential demand in the housing space
- Low mortgage penetration
- Growing migration to urban centres
- Rise of nuclear households
- Affordability at all time high



TOTAL ADDRESSABLE MARKET & DEMAND DRIVERS

Current market: ₹21Tn
Potential market: ₹23.7Tn

IIFL's RIGHT TO WIN

LEADING HFC IN AFFORDABLE HOUSING SPACE

- Strong player in the sub ₹20L loan ticket size category
- Network of 397 home loan branches to focus on expansion in tier 2/3/4 towns
- 100% PSL retail book builds ever increasing demand for asset buying from banks



OPERATING MODEL

- Manpower intensive and small tickets makes operating cost high
- Risk of credit cost since profile is new to credit and untested for credit behaviour
- Challenges to scale due to regional variations and lack of formal data sources

AFFORDABLE LENDING EXPERTISE COMBINED WITH STRONG PHYGITAL INFRASTRUCTURE

- Technology led phygital infrastructure in place
- Cost efficiencies emanates from lean org construct & centralized operations
- Decisioning through analytics
- Controls through in-house sales and support teams



SOCIAL & SUSTAINABLE HOUSING

- Refinancing at competitive interest rate, as part of the SUNREF - Affordable Green Housing India programme by NHB – refinanced ₹344 Cr in FY22
- Financial assistance at concessional rates from SIDBI for green rating buildings
- Lower likelihood of default among green home buyers due to energy savings of 20-30%

LEADING THROUGH INDUSTRY FIRST INITIATIVES TRANSLATING INTO LOWER COST OF BORROWING

- **Green Value Partner:** Project life-cycle assistance to developers in obtaining green building certification
- **Kutumb:** Knowledge platform, bringing together all stakeholders to promote green affordable housing
- **Green Home Loans:** Discounted rates for homes certified by either IGBC or GRIHA
- Secured \$50 Mn funding from DFC, USA

Home loan – Product overview

Small loans for affordable homes, in small towns and suburbs of metros

- ✓ Primary focus on **affordable** and non-metro customers
- ✓ **85%** of home loans under **Priority Sector Lending** category
- ✓ Focus is on first time home buyers
- ✓ **99% home loans** are on-boarded and decisioned through **digital platform**

Onboarding Average Ticket Size (Q1FY24)

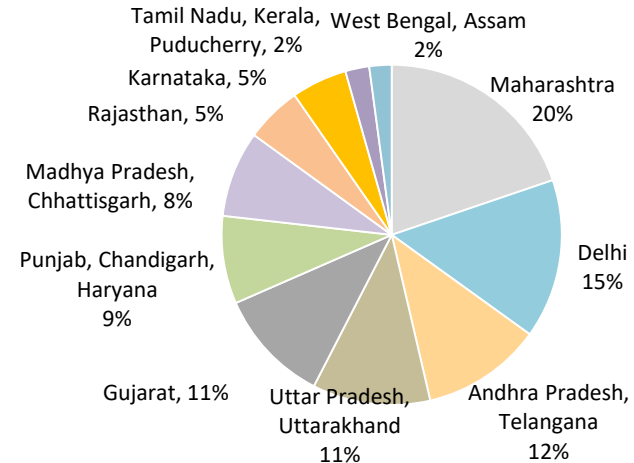
₹14 Lakhs

Tenor up to 20 years

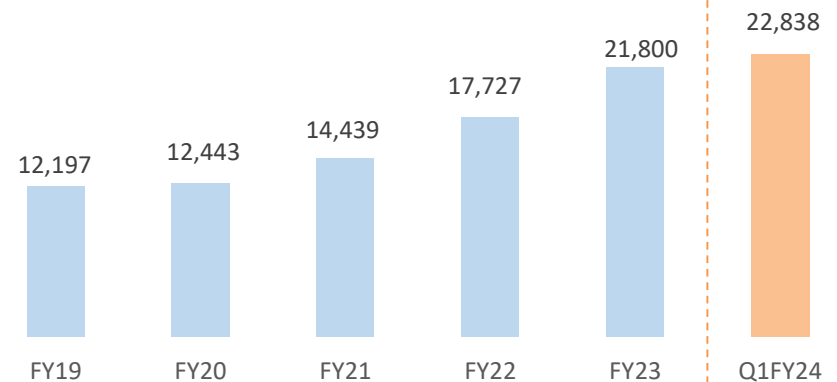
Loan to Value 72%

Salaried / Self employed 65% / 35%

Distribution of AUM as at June 30,2023 (₹ Cr)

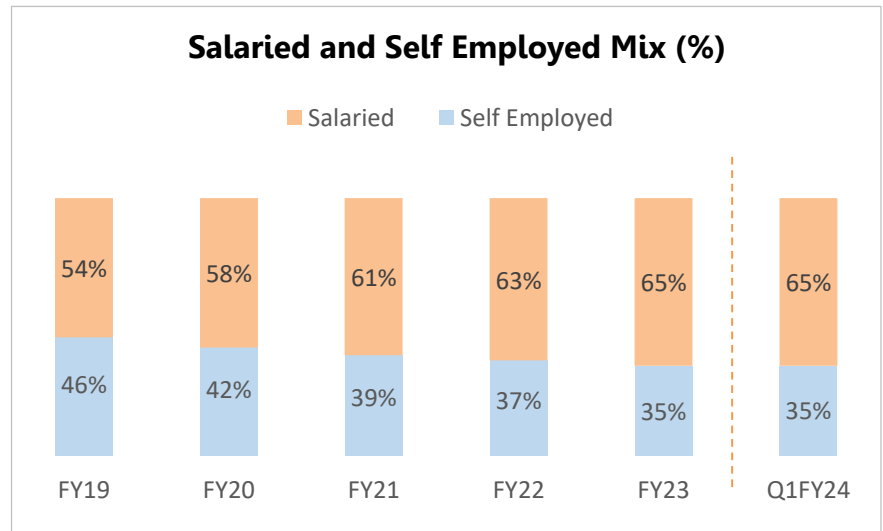
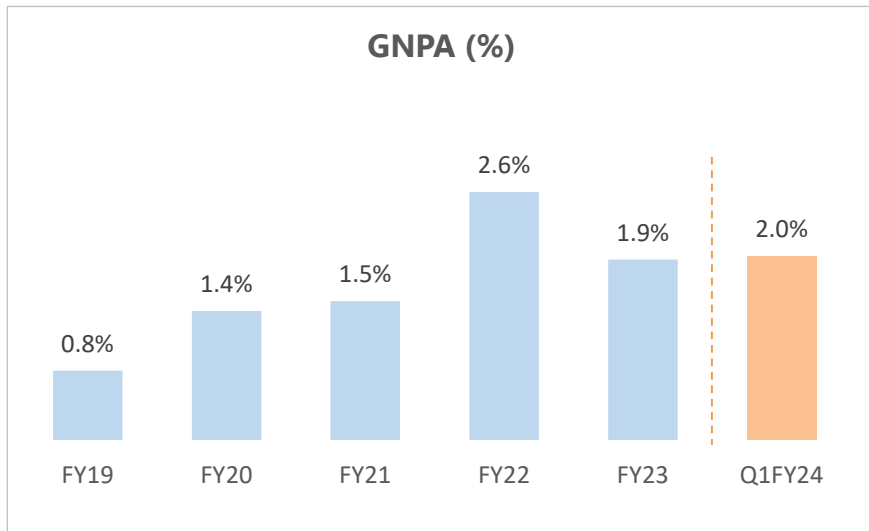
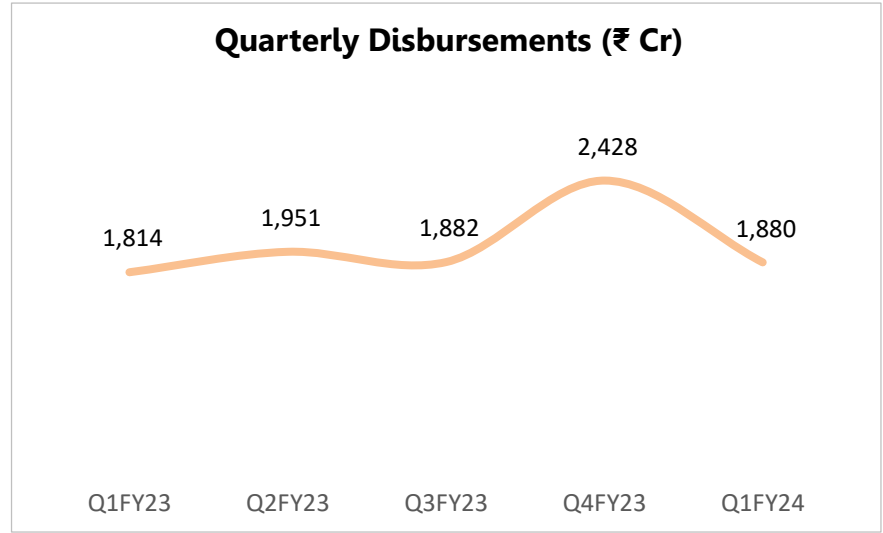
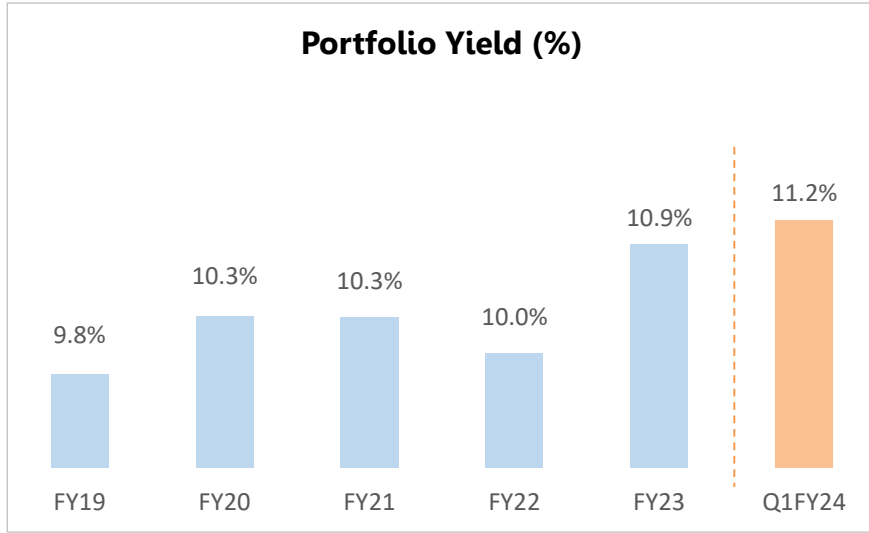


Asset Under Management (₹ Cr)



Home loan – financial overview

Improving yields and stable asset quality



INDUSTRY OVERVIEW

IIFL's RIGHT TO WIN

- 64 Mn MSMEs in India with only 14% having access to credit
- 40% have been denied credit due to lack of collateral
- Self employed pucca households: 4.4 Cr units



TOTAL ADDRESSABLE MARKET

Current market size
₹2.8Tn

LEADING PLAYER WITH A WELL ESTABLISHED NETWORK

- Leading player in the sub ₹30L secured loan ticket size category
- Network of 397 branches to focus on expansion in tier 2/3/4 towns

- Low contribution of formal funding: Of the total MSME credit demand of 69.3Tn, only 30% demand is met with less than 15% are met through formal sources of fund
- Government support to MSME sector to enhance exports and increase localization



DEMAND DRIVERS

Potential market size
₹3.1Tn

SMALL BUSINESS LENDING EXPERTISE COMBINED WITH STRONG PHYGITAL INFRASTRUCTURE

- Technology led phygital infrastructure in place
- Controls through in-house sales and support teams

- Manpower intensive and small tickets makes operating cost high
- Risk of credit cost since profile is new to credit and untested for credit behaviour
- Challenges to scale due to regional variations and lack of formal data sources



OPERATING MODEL

SCALABLE COST EFFICIENT BUSINESS MODEL

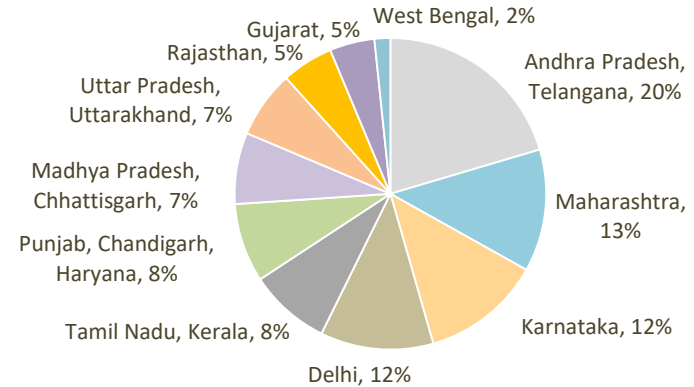
- With already expanded foot print, group synergies can be leveraged
- Low cost to income driven by technology & hub spoke operating model
- Strong in-house data analytics capability

Loan Against Property (LAP) – product overview

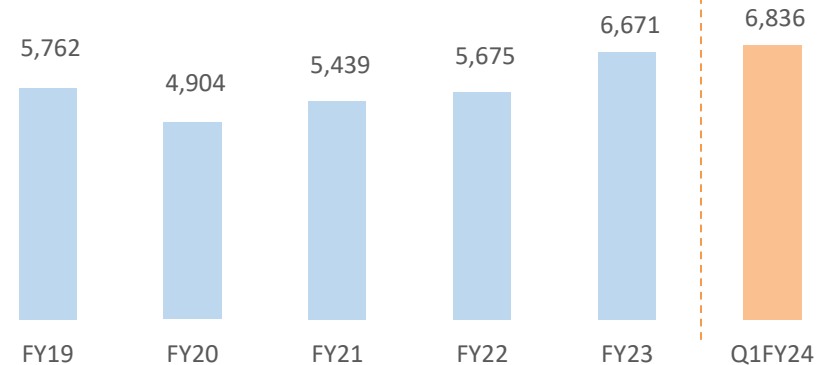
Focus on digital lending to MSME sector and individuals

- ✓ For secured business loans **against residential, commercial and industrial property**
- ✓ End use is for business expansion or personal needs
- ✓ Focus on balancing prudent credit underwriting with instant in-principle decision
- ✓ Customer segment with informal source of income or informal property type

Distribution of AUM as at June 30,2023 (₹ Cr)



Asset Under Management (₹ in Cr)



Active Customer Count
0.8 Lakhs

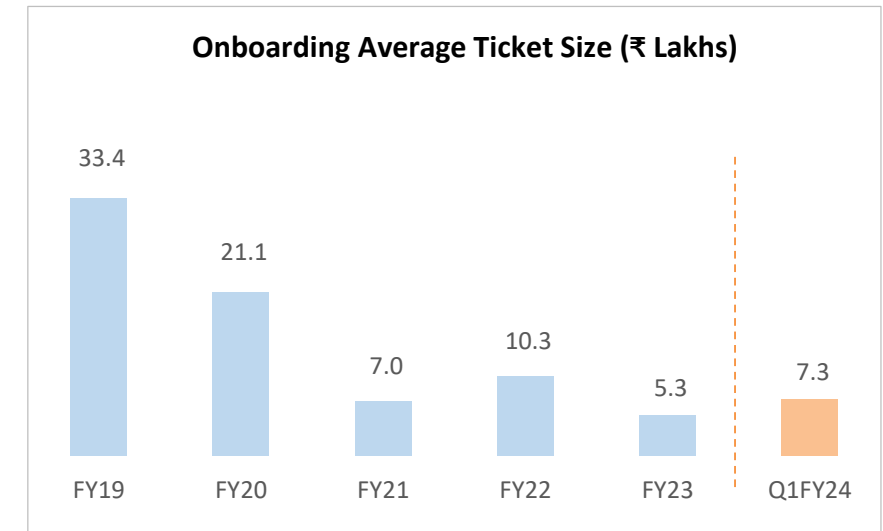
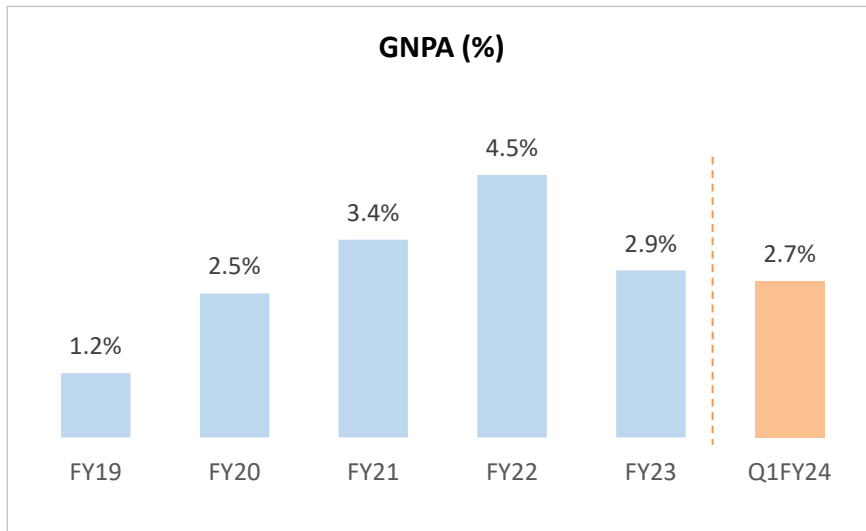
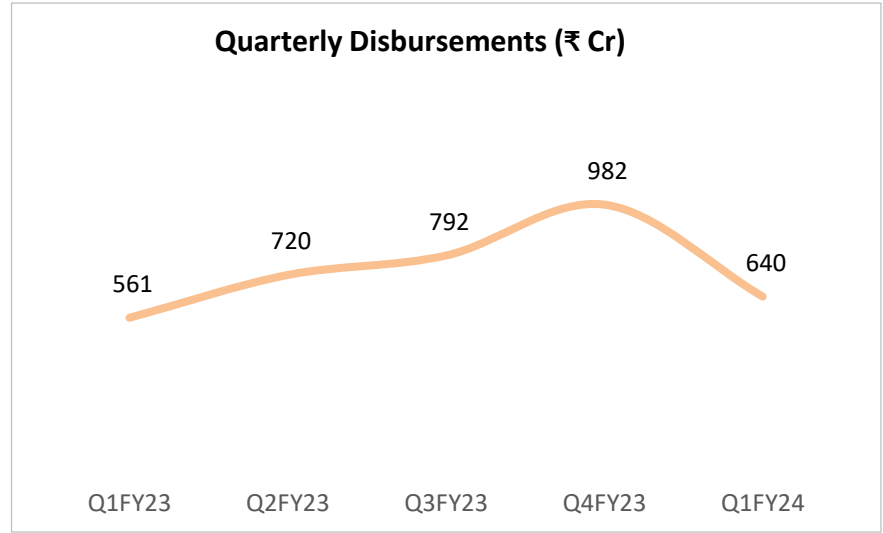
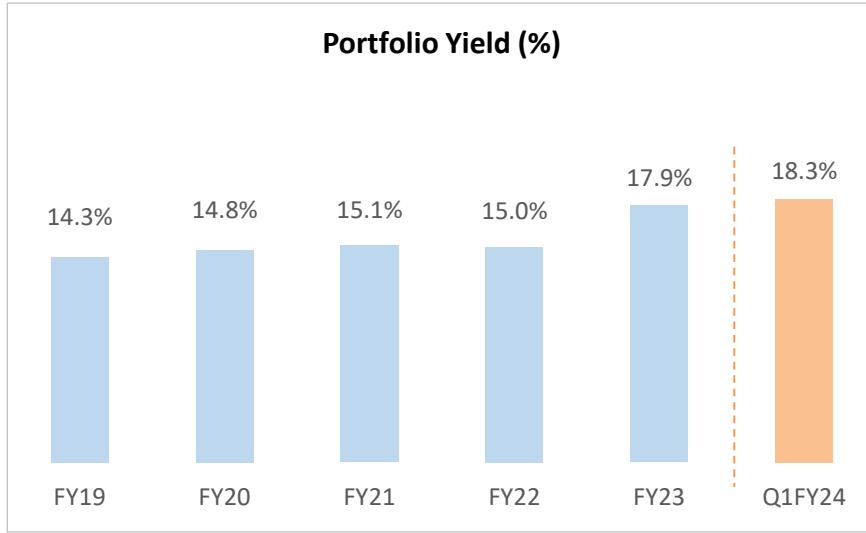
Tenor
up to 12 years

Customer Addition (Q1FY24)
0.09 Lakhs

Onboarding Average Ticket Size (Q1FY24)
₹7.3 Lakhs

Loan Against Property (LAP) – financial overview

Improving yields and asset quality; disbursements turning granular



INDUSTRY OVERVIEW

IIFL's RIGHT TO WIN

- Of the 64 Mn MSMEs, only 14% have access to credit
- MSME credit as of Q2 FY23 was ₹22.9 Tn
- Micro loans to small businesses (< ₹10L) contributes to 5% of credit to the MSMEs growing the highest at 20% YoY



TOTAL ADDRESSABLE MARKET

FY23E Industry AUM
₹1.2Tn

EXPANDING REACH DIGITALLY

- 100% digital journey enabled through Account Aggregator, o-KYC, e-KYC & c-KYC, OCR checks to limit the need of physical in-hand document
- First to launch an end-to-end loan to disbursement journey on Whatsapp with digital fraud checks and verification

- 50% new originations in micro segment (< ₹1Cr) contributed by NTC borrowers emphasizing the importance of alternate data sources for effective lending
- Formalization of MSMEs and adoption of platform based lending services
- Credit guarantee funds (CGTMFU, CGTMSE) aimed at increasing access to credit to micro units



DEMAND DRIVERS

Potential market size
₹1.4Tn by FY24

PARTNERSHIP LED MODEL TO GROW AND SERVE CUSTOMERS EFFICIENTLY

- Partnership with multiple technology, fintech and large ecosystem players to ensure strategic fitment for scale and best-in-class experience to customers
- Alternate data based scorecard and fraud detection engines in place

- Slew of measures by RBI intended towards fortifying the digital ecosystem
- India Stack (Aadhaar, UPI, Account Aggregator, OCEN) form the biggest enabler
- 1.1bn accounts linked on the Account Aggregator network; Twelve banks live
- OCEN network will enable flow of credit between borrowers, distributors and lenders



EVOLVING LANDSCAPE

AT THE FOREFRONT OF INNOVATION

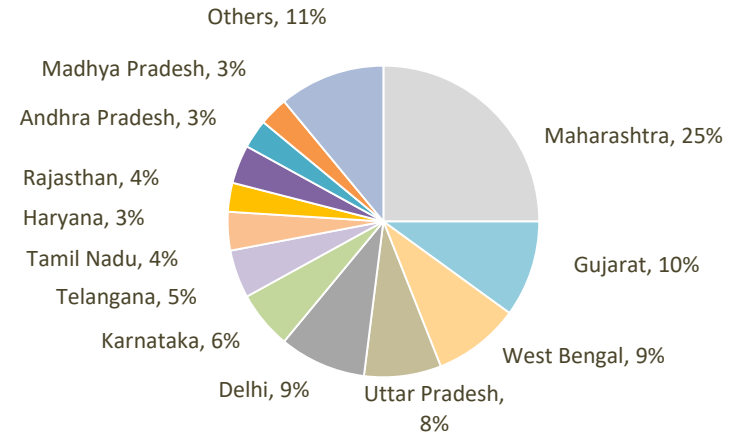
- Huge investments in technology to quickly align with new regulatory frameworks and public digital infrastructure

Digital loan – product overview

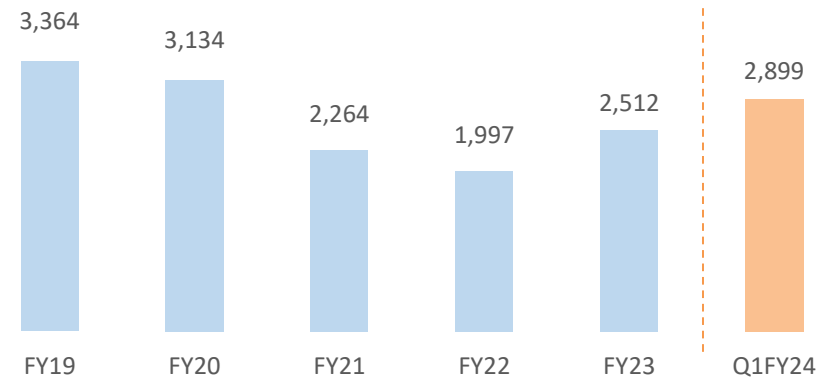
Focus on digital lending to MSME sector and individuals

- ✓ For business loans **backed by cash flows**
- ✓ Focus on balancing prudent credit underwriting with instant in-principle decision and **automated disbursements** based on analytical scorecards
- ✓ **Partnerships with leading fintechs** for sourcing leads

Distribution of AUM as at June 30, 2023 (₹ Cr)



Asset Under Management (₹ in Cr)



Active Customer Count
3.9 lakhs

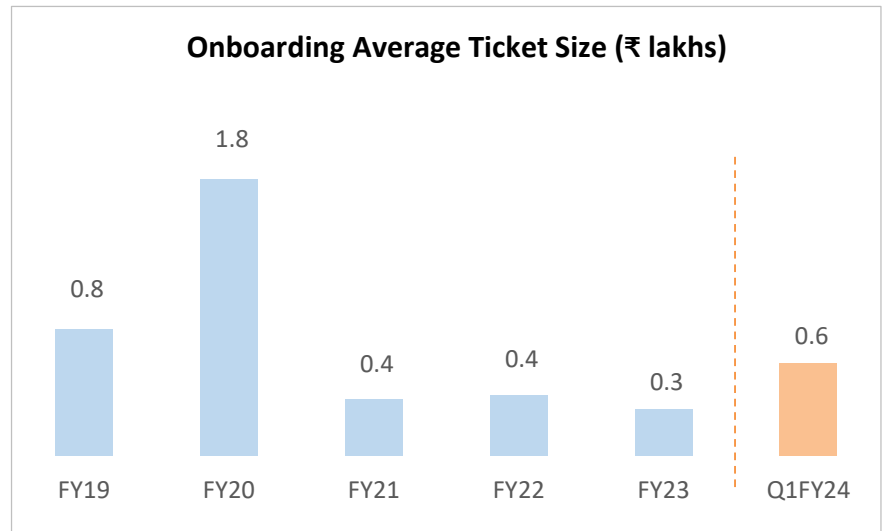
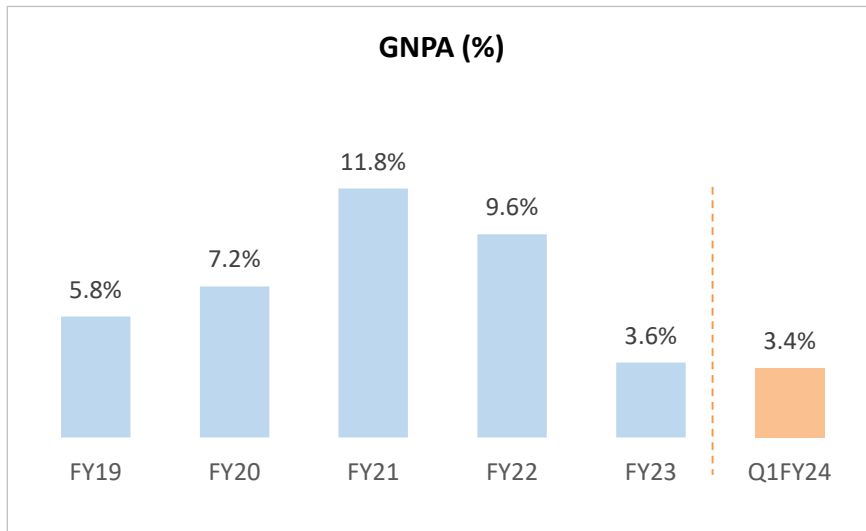
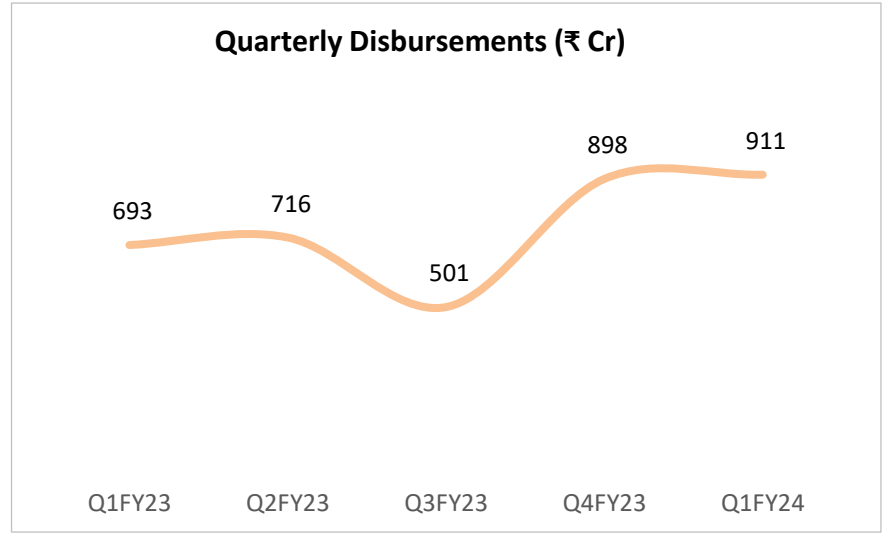
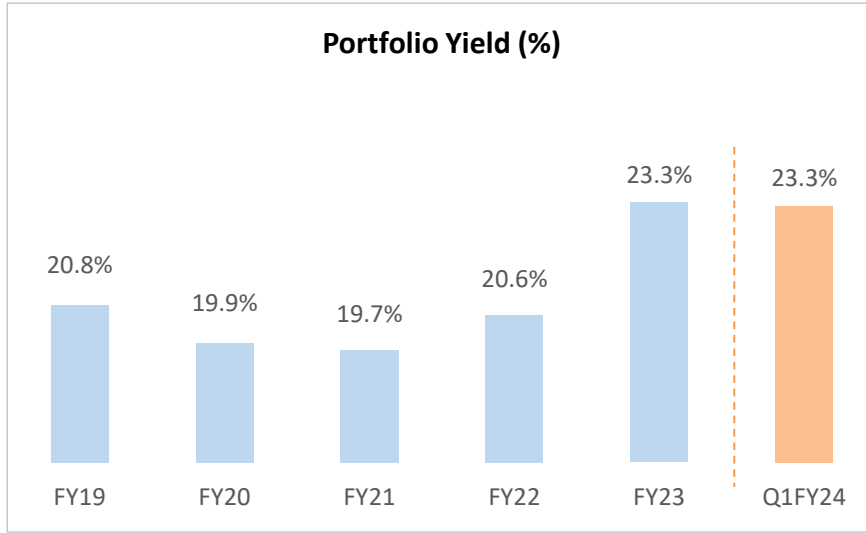
Tenor
up to 5 years

Customer Addition (Q1FY24)
1.2 lakhs

Onboarding Average Ticket Size (Q1FY24)
₹0.6 lakhs




Digital Loan – financial overview

Improving yields and asset quality and disbursals



INDUSTRY OVERVIEW

IIFL's RIGHT TO WIN

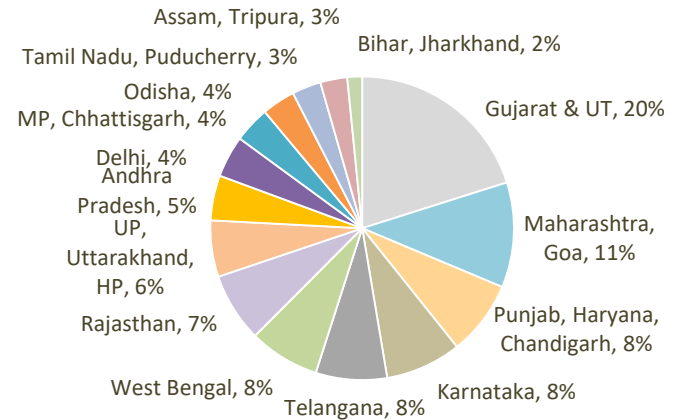
<ul style="list-style-type: none"> Gold holdings in India: 28,000 tonnes % holdings in form of jewellery: 65% Organized market: 35% 	 <p>TOTAL ADDRESSABLE MARKET</p> <p>FY23E Industry AUM ₹5.7Tn (NBFC – 25%)</p>	<p>LARGE BRANCH NETWORK BUILT ON CUSTOMER FOCUS</p> <ul style="list-style-type: none"> Among top 2 NBFCs in the country in gold loans segment, having grown at a CAGR of 39% over FY19-FY23 Over 2,690 dedicated gold loan branches spread across 25 states/UT, manned by ~15,000 own employees Innovations in product, security, audit and risk controls
<ul style="list-style-type: none"> Gold prices expected to rise by 2-3% in FY24 Increase in demand with MSMEs constituting major customer share Shift from unorganized to organized players Zero risk weight asset for banks 	 <p>DEMAND DRIVERS</p> <p>Potential market size ₹6.2Tn by FY24</p>	<p>IMPROVEMENTS IN CUSTOMER SERVICE, PRODUCTIVITY AND VISIBILITY</p> <ul style="list-style-type: none"> Asset light model enables growth via internal accruals Continued focus on enriching customer experience through digital initiatives Achieving scale for new branches and driving productivity improvements of older branches Aggressive investments in brand visibility and recall
<ul style="list-style-type: none"> Gold loan NBFCs are primarily single product branches focused on TAT and customer experience to drive business 	 <p>RETAIL FRANCHISE POTENTIAL</p>	<p>ABILITY TO LEVERAGE WIDESPREAD RETAIL NETWORK FOR CROSS-SELL</p> <ul style="list-style-type: none"> Large customer base of over 56L and with ~70% repeat customers, connect with the customer is high Digital innovations for other products within the group provides ability to drive cross-sell without putting much strain on the retail branch network

Gold loans – product overview

Secured low-risk short term loans to neighborhood customers

- ✓ In-house loan origination through **growing network of branches** and increasing use of digital technology
- ✓ Strong **emphasis on collections** and resolution resulting in negligible losses

Distribution of AUM as at June 30,2023 (₹ Cr)



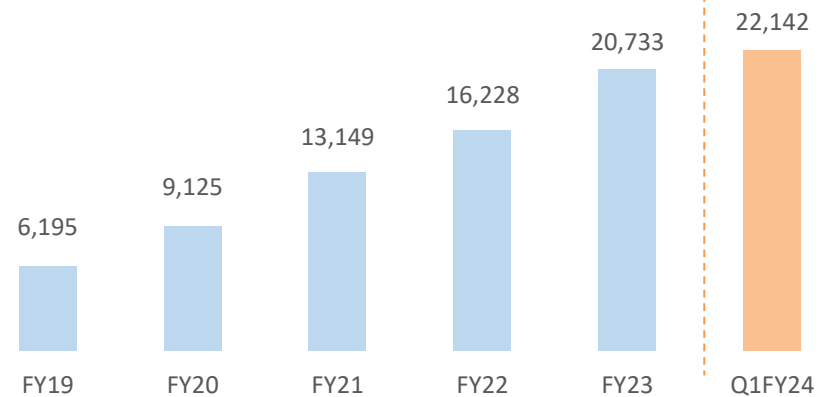
Tenor
~2 years

Footprint
1,474 towns/cities

Onboarding Average Ticket Size (Q1FY24)
₹69 thousand

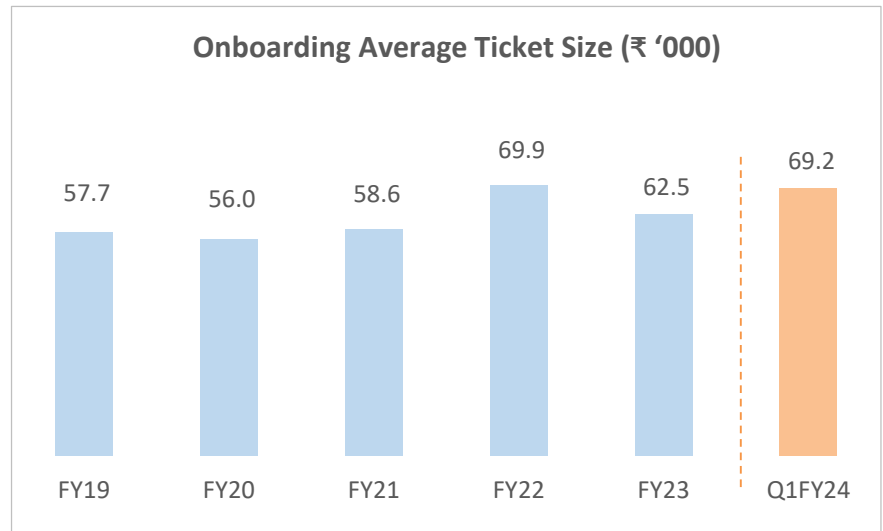
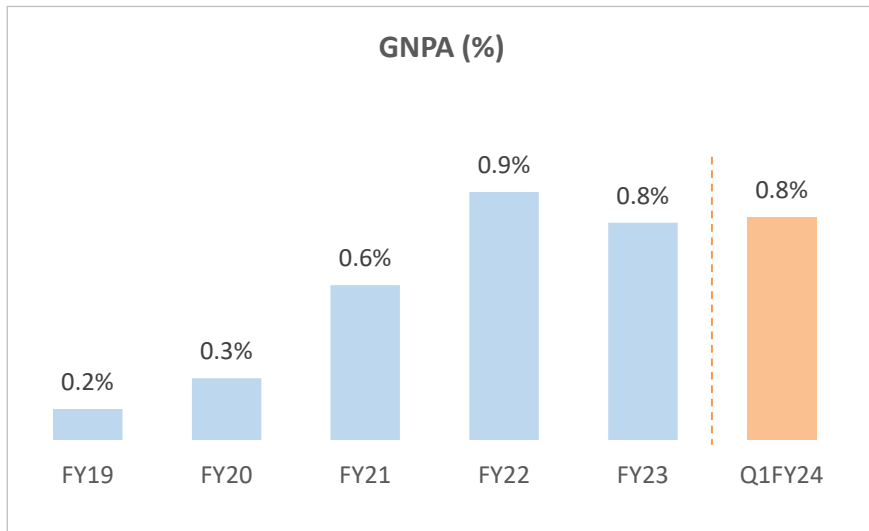
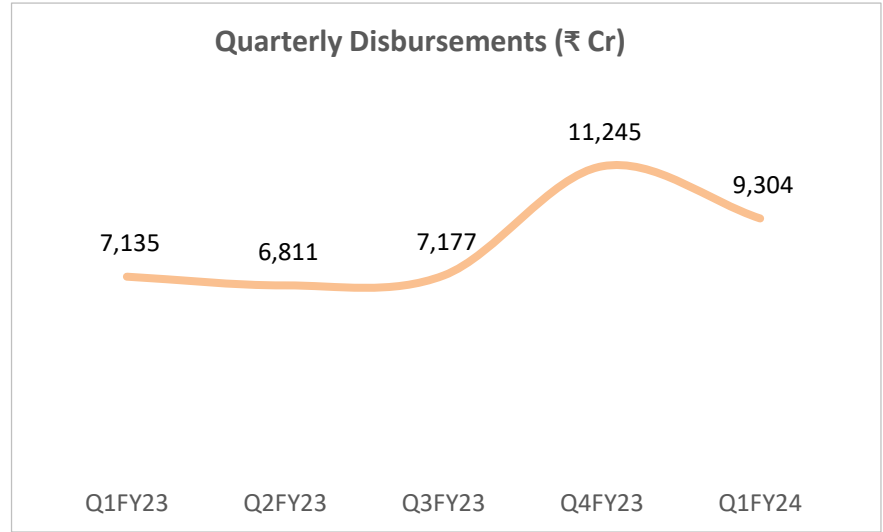
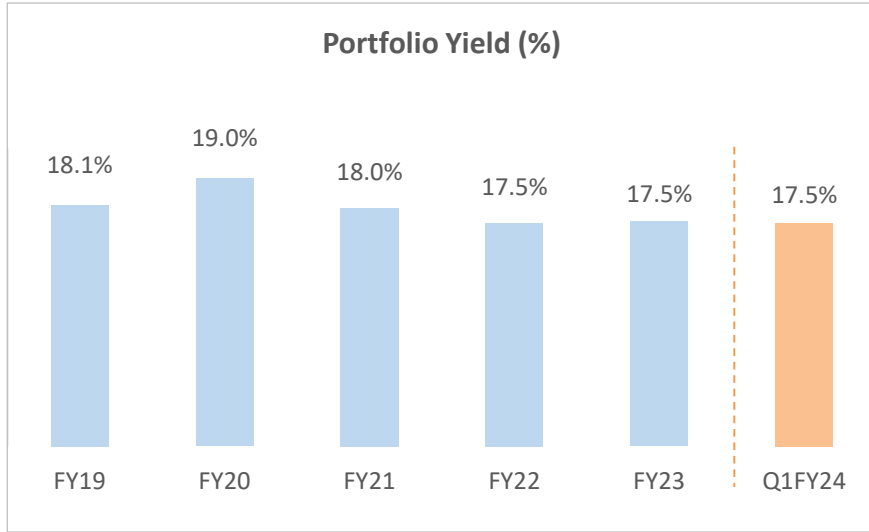
Onboarding LTV% (Q1FY24)
~67%

Asset Under Management (₹ Cr)



Gold loans – financial overview

Stable yields and asset quality



INDUSTRY OVERVIEW

- Potential Households in eligible income category (HHs): 20.32 mn
- MFI Outreach: 28.5%
- Average loan o/s per borrower (ATS): ~₹49k
- Districts covered by MFIs: 633

(As of Mar'22)



TOTAL ADDRESSABLE MARKET

Current Industry AUM
₹2.85Tn

IIFL's RIGHT TO WIN

ESTABLISHED BASE AND CONSISTENT TRACK RECORD

- Major microfinance player with diversified geo presence
- Among top 2 NBFC-MFIs in the country
- Stable asset quality maintained through multiple cycles in the last 15 years
- Profitable and dividend paying

FY26 Estimate	Conservative	Optimistic
Potential HHs	20.48 mn	20.48 mn
Increase in ATS	10.7%	20%
Demand	₹17 Tn	₹24.6 Tn
MFI Outreach	32%	50%
MFI industry o/s	₹5.4 Tn	₹12.3 Tn

- Conservative estimate assumes growth at last 3 year CAGR that includes muted Covid period
- Avg ticket size to increase with borrower vintage and inflation



DEMAND DRIVERS

Potential MFI market
₹5.4 to 12.3Tn
(by FY26)

WIDESPREAD REACH & STRONG DIGITAL CAPABILITIES

- 1,352 branches in 363 districts (> 50% of overall microfinance presence) across 21 states and union territories
- Grown at a 5 year CAGR of 66% built over a robust digital infrastructure for customer selection, field monitoring, tracking and controls to ensure scale and asset quality

- MFI Industry currently focuses on micro-credit to borrowers
- Extending other financial services apart from credit to play a major role in boosting economy and creating a lasting social impact
- MFIs, with their reach in deep rural pockets, are ideal vehicles for facilitating such services



MICROFINANCE POTENTIAL ROLES

ABILITY TO LEVERAGE GROUP EXPERTISE FOR CROSS-SELL

- 15% of IIFL Samasta's AUM constitutes non-MFI credit
- Ability to serve entire financial needs of customers by leveraging the group's expertise and bouquet of products

Microfinance loans – product overview

Focus on self employed, low income women groups for micro business

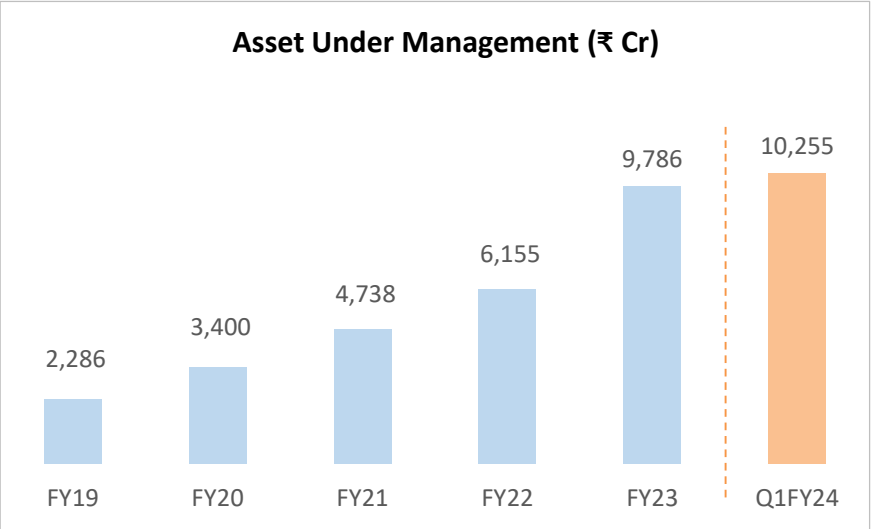
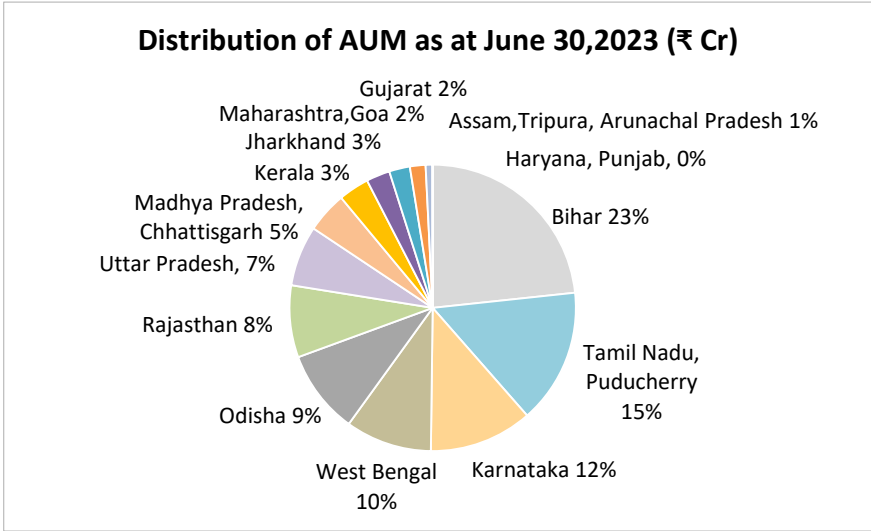
- ✓ **Small-ticket loans** for purpose of income generation activities
- ✓ Target segment is **rural** and **semi-urban self-employed women** in joint liability groups
- ✓ Strong emphasis on **training and awareness of all customers** detailing end use of funds, timely repayment and emphasis on joint liability

Active Customers
24.1 Lakhs

Tenor
~2 years

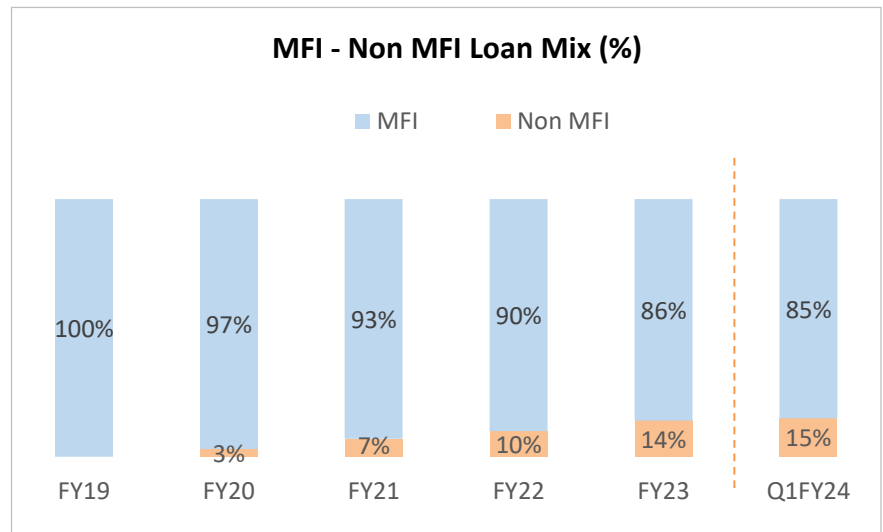
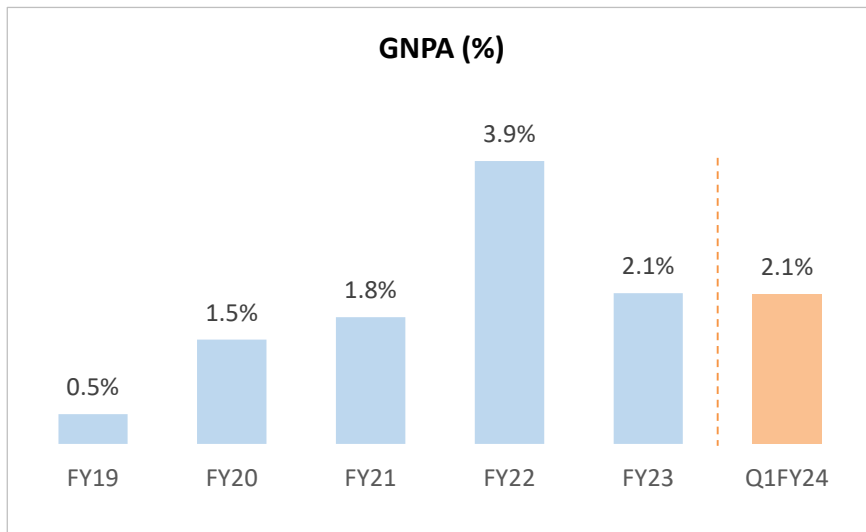
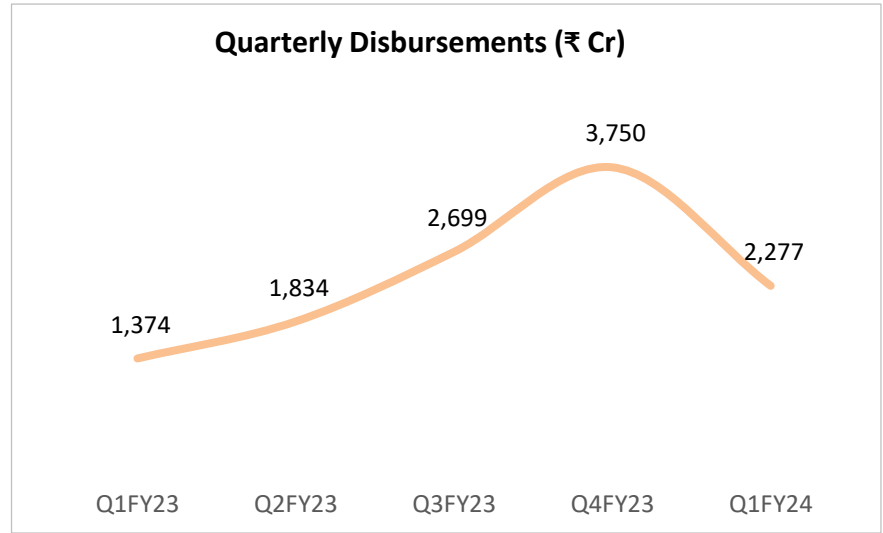
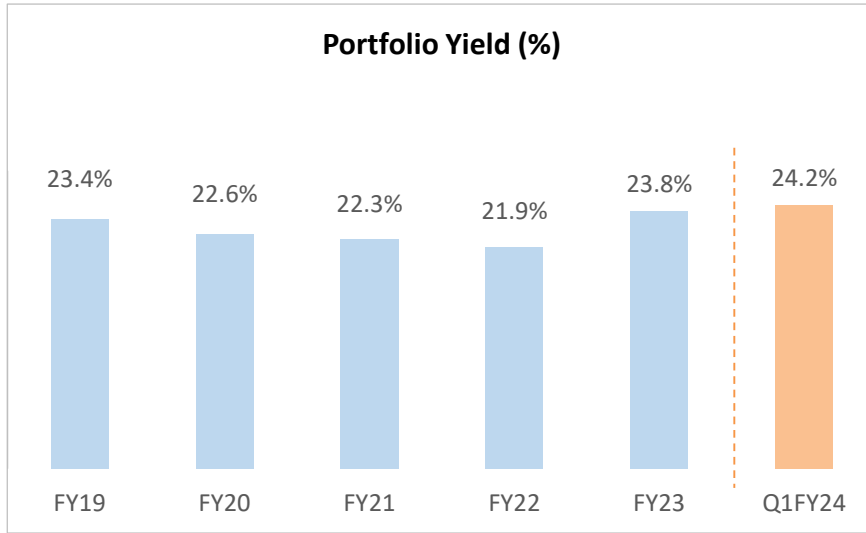
100%
Credit linked insurance

States & UT / Districts
21 / 363



Microfinance loans – financial overview

Improving yields and asset quality; disbursals picking up

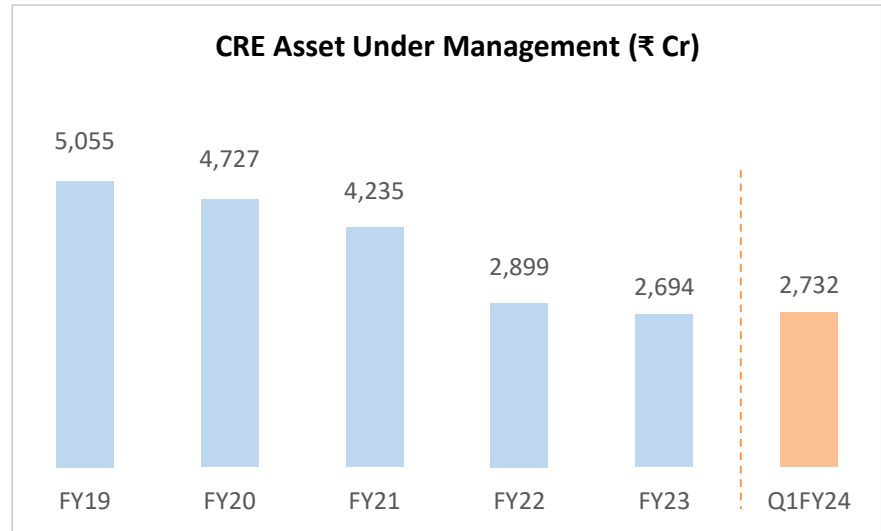


Construction Real Estate (CRE) & Capital Market

Not core but businesses synergistic to Group's core businesses

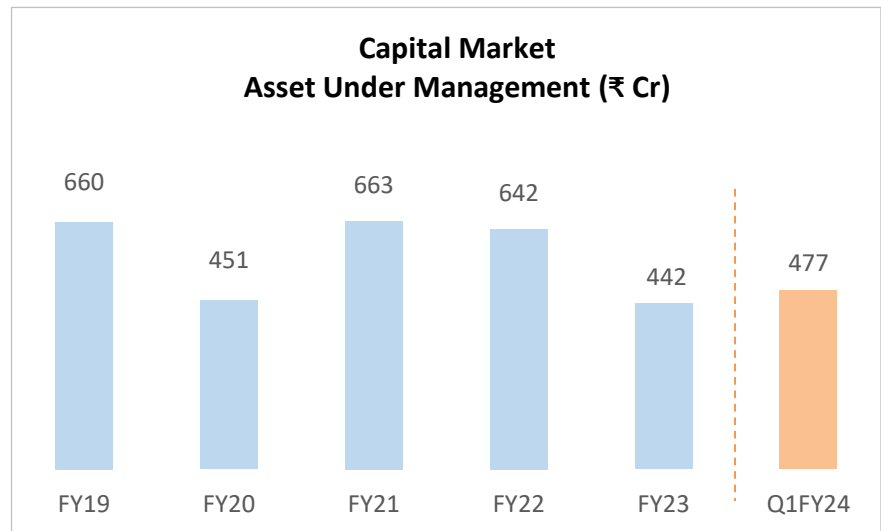
Construction and Real Estate (CRE)

- IIFL Finance will continue to provide funding for completion of its already funded projects, with appropriate internal approvals and in compliance with RBI guidelines
- IIFL Finance subsidiary HFC provides funding for LAP (Loan against Property) and CF (Construction Finance) the way large established HFCs also do.



Capital market

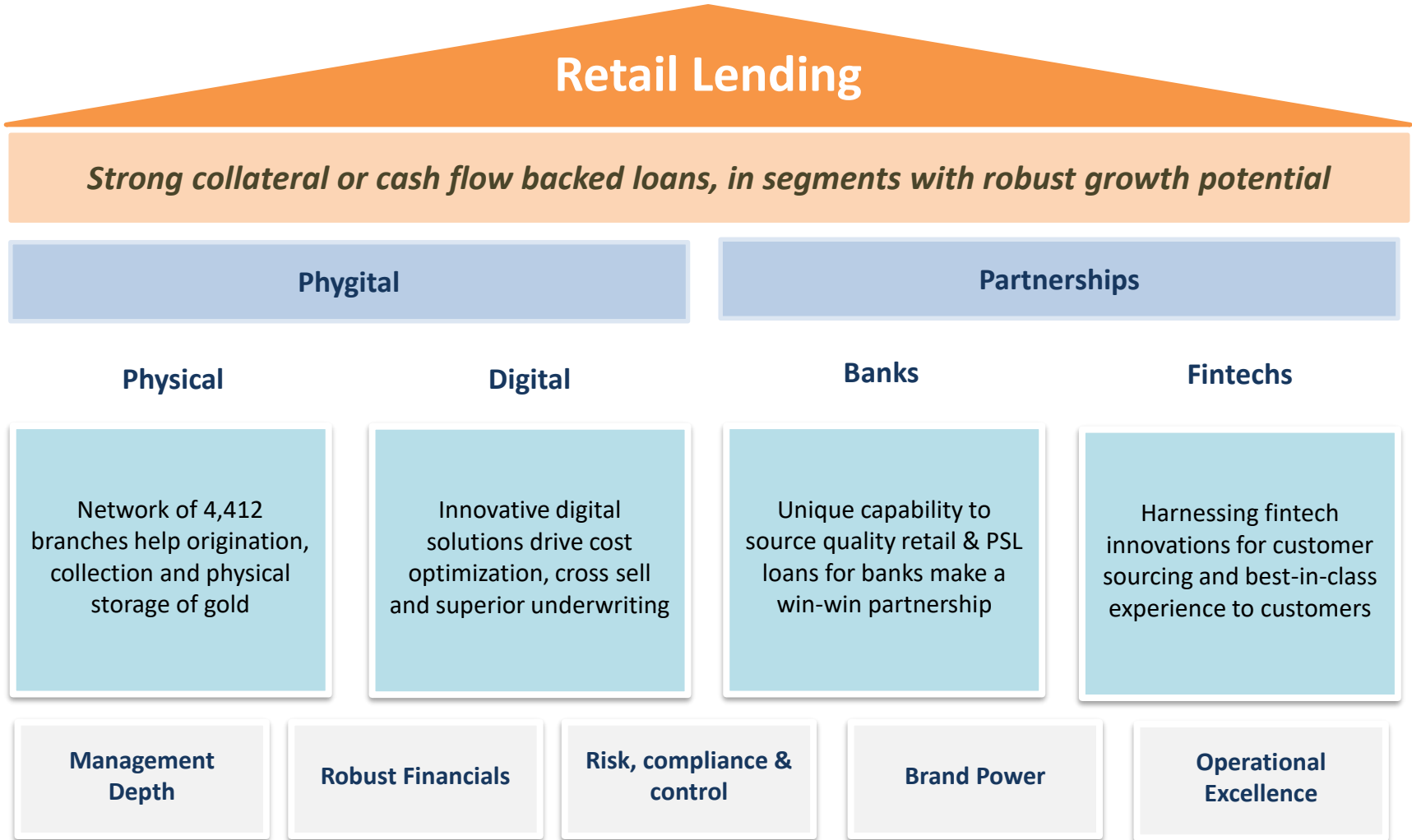
- The Loan Against Shares and capital market portfolio is not core focus for growth but synergistic with group businesses. The strategy is to restrict to clients of group companies, thereby minimising operating cost and with strict risk control of the lending portfolio.



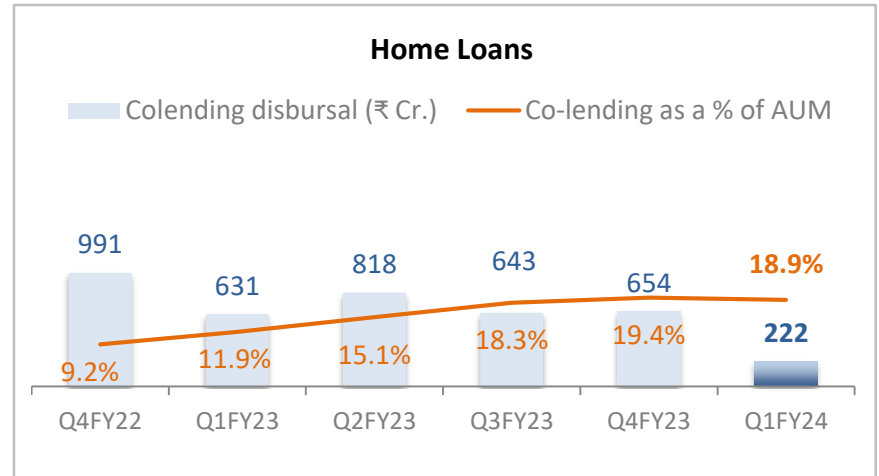
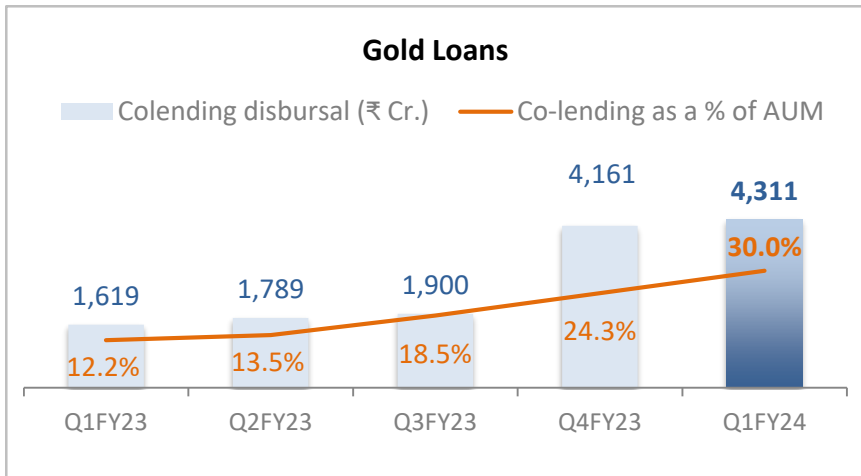
Financial Performance Q1FY24	3 – 6
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Uniquely placed to dominate non banking retail lending

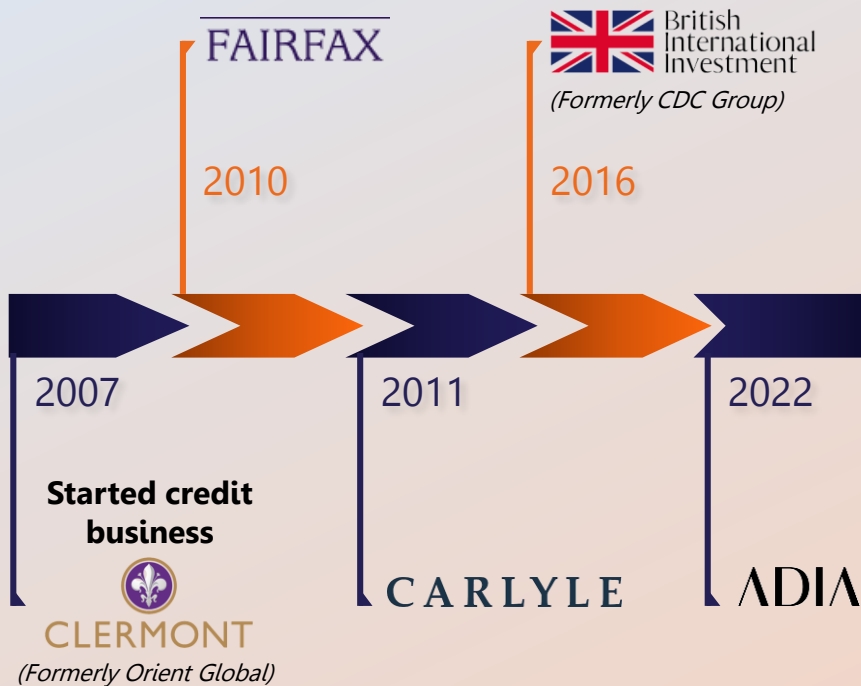
Our business is built on Phygital and Partnership model



Our partnerships with banks for co-lending, co-origination and business correspondence..



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



Shareholding Pattern	% holding
Promoters	24.8
Institutional Investors	54.6
Fairfax	20.9
Capital Group	8.0
Bank Muscat India Fund	3.3
Vanguard	2.9
Ward Ferry	2.0
Max Life Insurance	1.6
Nomura	1.6
Bavaria Industries Group	1.5
DSP MF	1.4
Abakkus	1.4
Public & Others	20.6

As on 30th June, 2023

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 Khimji Kunverji & Co; 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

Experienced senior management team

IIFL Finance



Kapish Jain

Group Chief Financial Officer
Chartered Accountant

Over two decades of experience in the BFSI sector across all areas of Finance, Strategy, Treasury, IR, FP&A and Accounts.

IIFL Home Finance



Monu Ratra

Chief Executive Officer
Qualified architect and MBA

20+ years of experience with HDFC, ICICI Bank and Indiabulls Housing in mortgages.

IIFL Samasta Finance



N Venkatesh

Chief Executive Officer
Strategic leadership Program in microfinance at Harvard

20 years of experience in the financial services sector



Sanjeev Srivastava

Chief Risk Officer
Chartered Accountant

Over 20 years of experience in financial services



Amit Gupta

Chief Financial Officer
Chartered Accountant

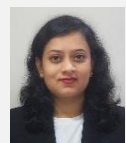
20+ years of experience in financial services in accounting, finance, audit & compliance



Anantha Kumar T

Chief Financial Officer
Chartered Accountant

15+ years of varied experience across industries such as financial services, steel, garments and IT



Rupal Jain

Company Secretary & Compliance Officer

10 years of experience in the field of Secretarial, Compliance, Legal.



Abhishikta Munjal

Chief Risk Officer
Chartered Accountant

19 years of work experience with 17+ years experience in mortgages and housing finance



Manish Agarwal

Chief Risk Officer
Bachelors in Commerce & MBA

Over two decades of experience in Risk Management, Credit Rating, Treasury, Structured Finance, Strategy & Planning and Risk analytics.

Adopting environmentally conscious solutions in our business initiatives as well



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.



IIFL has signed a **US\$ 68 million** loan with Asian Development Bank (ADB) to improve **funding to affordable green housing for lower-income groups** in India. **80%** will be earmarked for **women borrowers** and **20%** for **green-certified homes**.



Received **Gold Level LEED Certification** for our owned office in Gurugram.

Adopted renewable energy in our Hubtown office, Mumbai through Tata Green Tariff scheme (since January 2023).

Installed solar panels in our Gurugram office.



Installed rainwater harvesting system in our Registered office building during the year.

Started recycling waste water as flush water & in watering plants in this office

Installed sensors in taps to regulate water consumption in restrooms



Adopted access-based printing, default printing on both sides of the paper across all our offices and branches.

Installed paper shredder machines across large offices and also engaged with vendors for safe disposal of waste paper.



We measure our waste generation and aim to strengthen our waste management initiatives. **Dry and wet waste** is picked up by local municipal bodies. **E-waste** is given to authorized vendors for **recycling**.

Promoting financial inclusion

IIFL is firmly committed to support economic activity and financial inclusion through its loan offerings while adapting to changes in the external environment.



GOLD LOAN

- **64%** of gold loan disbursed are of less than ₹ 50,000 value
- **43%** of loans given till date are to small businesses
- **84%** of the branches are located in non-metros, semi-urban and rural areas



BUSINESS LOAN

- **89%** of the Unsecured MSME digital loans given are of less than ₹ 1 Million



HOME LOAN

- **73,000+** families benefitted under CLSS and 1750+ Cr. subsidy provided till date
- **1,05,877+** loans given to the informal segment
- **59%** loans given to female owners/co-owners
- **2,32,100+** first time home buyers



MICRO-FINANCE

- Small-ticket loans for purpose of income generation activities
- **24.9 lakhs+** families benefitted in **21** states & UT with financial intervention
- **19,300+** dairy farmers supported through **25** cattle health centers in **3** States.

CSR projects continue with creative use of technology

Smart Shaala – Rajasthan (3 Districts)

- IIFL Foundation, has implemented the biggest TV based learning programme (Smart Shaala) along with dissemination of the Math Kits in three districts of Rajasthan - Bikaner, Jaipur and Jodhpur.
- This project shall help to reduce the dropping out of students from Govt. Schools, especially among girls.



District	Schools	Students (Beneficiaries)	Teachers (Beneficiaries)
Bikaner, Jodhpur, Jaipur	1,526	1.03 lacs	3,052

Sakhion ki Baadi (Rajasthan)

- Sakhion ki Baadi** is an initiative aimed at eradication of female illiteracy from Rajasthan by building **Foundational literacy and Numeracy (FLN)** among girls in the age group of 4 to 14 yrs. old
- The centres are located in the areas dominated by native Scheduled Tribe communities, where girls often dropout of school or are never enrolled at one.

Number of learning centres	Girls Enrolled in the programme
386	11,580



Annual Medical Camp – Pandharpur (Solapur) Maharashtra

- Medical Camp was held in pandharpur during last week of June '23.
- About 315 volunteers including Doctors & Para-medical staff offered services to the pilgrims at the camp



IPD / Hospitalization , Pharmacy & Medicine support	1500 patients
Food distribution	15,000+ patients & pilgrims

Glocalbodh Mobile App

- IIFL Foundation has supported development of India's First Mobile App for Social Sector updates – GlocalBodh App.
- 50 NGOs across have been onboarded for capacity Building through Virtual Mentoring sessions, to be conducted over next 6 months



Conducting our business with integrity

Establishing vision, mission and values and determining, reviewing the goals and policies of the Company from time to time

Promote **sound corporate governance** practices, ethical standards, and compliance with the laws of the land.

Disclose our strategy, key targets and goals to all **key stakeholder groups** (internal and external) and report our progress annually.

Incorporate ESG aspects into our **policies and practices**, assess our performance through a robust internal ESG governance structure

Corporate governance and **ethical business** conduct are one of the fundamental pillars of a successful business. We strive to maintain the **highest standards of business ethics**.

Corporate policies and guidelines: Board Diversity Policy, Whistle Blower Policy, CSR Policy, Interest Rate Policy, Grievance Redressal Policy, etc.

Business ethics and compliance: Anti-Corruption Policy, Vigilance Policy & Code of Conduct.

For quarter end June 30, 2023, we reported **zero cases of non-compliance** with financial, environmental, and socio-economic regulations.



IIFL Finance awarded for **'Enabling access to short-term credit for MSMEs'** at Sahamati hosted 'SamvAAd 2023'



IIFL Finance received **'Customer Services Excellence Award'** at the Asia Awards for Excellence in BFSI Award



IIFL Finance received **'Marketing Campaign of the Year'** Award at Global Brand Excellence Awards



IIFL Finance received the **'Most Trusted CSR Foundation'** award for girl child education at APJ Abdul Kalam Inspiration Awards 2023



Mrs. Madhu Jain received the **'Most Inspiring Woman Leader of the Year'** award at APJ Abdul Kalam Inspiration Awards 2023



IIFL Finance received **'Best Leading Tech of the Year'** Award at World BFSI Congress & Awards



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Loan AUM split across Group entity

IIFL Finance is listed holding NBFC with 2 major subsidiaries for housing & Micro-finance

As on Q1FY24 (₹ Cr)	IIFL Finance Standalone	IIFL Home Finance	IIFL Samasta Finance	IIFL Finance Consolidated
Home Loans	-	22,838	-	22,838
Gold Loans	22,142	-	-	22,142
Loan Against Property	61	5,958	817	6,836
Digital Lending	2,899			2,899
Microfinance	-	-	10,255	10,255
Core Products (A)	25,102	28,796	11,072	64,970
Construction & Real Estate	1,933	799	-	2,732
Capital Market Finance	477	-	-	477
Synergistic Products (B)	2,409	799	-	3,209
Total (A+B)	27,511	29,595	11,072	68,178

Product	Entity
Home Loans	IIFL Home Finance
Gold Loans	IIFL Finance
Loan Against Property	LAP is primarily done by IIFL Home Finance Micro LAP is done through IIFL Home Finance and IIFL Samasta Finance
Digital Loans	IIFL Finance
Microfinance	IIFL Samasta Finance
Construction & Real Estate	Old Real Estate Loans, including against collateral of land, reside in IIFL Finance Incremental Construction finance loans for green and affordable projects are done through IIFL Home Finance
Capital Market Finance	IIFL Finance

Reconciliation of reported consolidated results with Group entities

Year end results for the period ended June 30, 2023

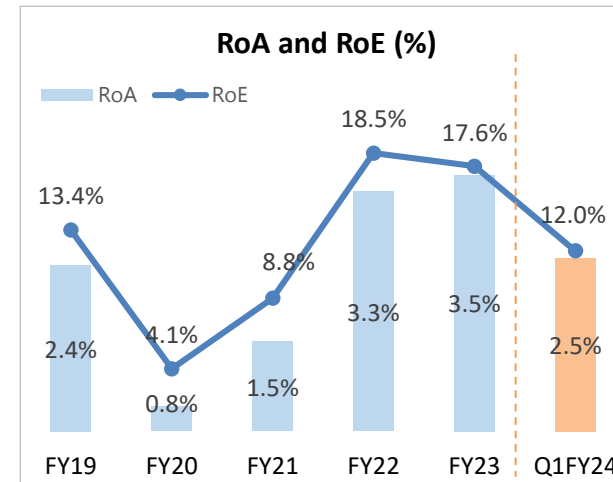
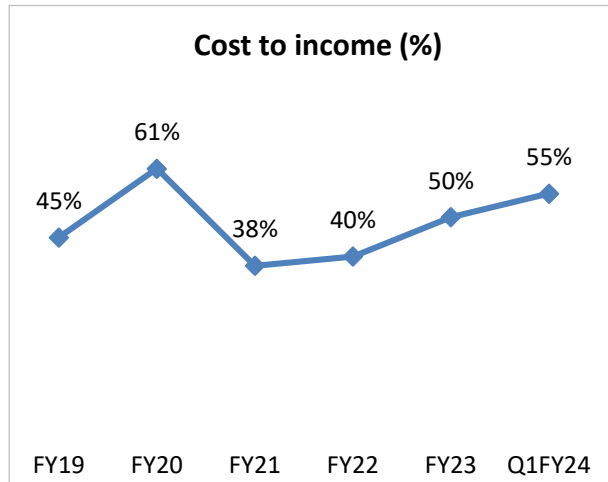
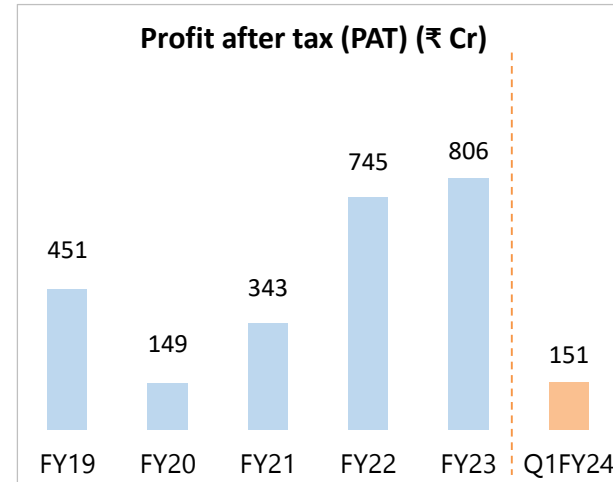
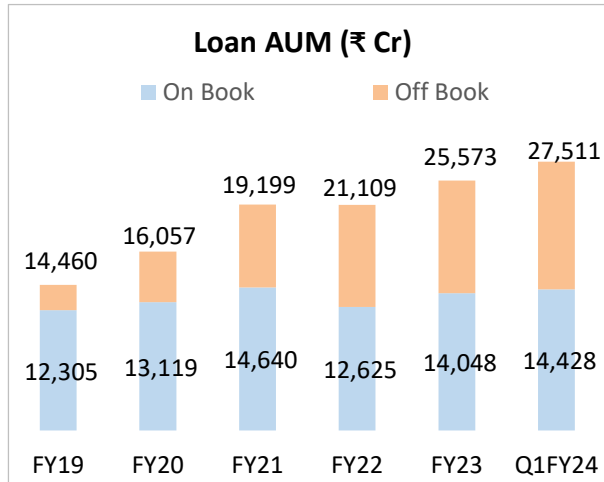
₹ Cr	IIFL Finance Standalone	IIFL Home Finance*	IIFL Samasta Finance	Intergroup adjustments	IIFL Finance Consolidated
Interest income	714.8	615.4	487.5	8.1	1,825.8
Interest expense	(387.8)	(321.6)	(198.8)	20.4	(887.8)
Net interest income	327.0	293.8	288.7	28.5	938.0
Non-fund based income	267.6	147.0	94.6	(27.1)	482.1
Total income	594.6	440.8	383.2	1.4	1,420.0
Operating expense	(335.6)	(117.4)	(178.3)	(1.9)	(633.2)
Pre provision operating profit	259.0	323.4	205.0	(0.5)	786.8
Loan losses & provision	(73.0)	(27.0)	(90.1)	-	(190.1)
Core Profit before tax	186.0	296.3	114.9	(0.5)	596.7
Net Gain/(Loss) on Fair Value Changes	14.8	2.2	3.6	1.0	21.6
Profit before tax	200.8	298.6	118.5	0.5	618.4
Profit after tax (pre NCI)	151.4	229.5	91.6	0.4	472.9

*for Consolidated entity

Note: Intergroup adjustments includes IIFL Open Fintech Private Limited

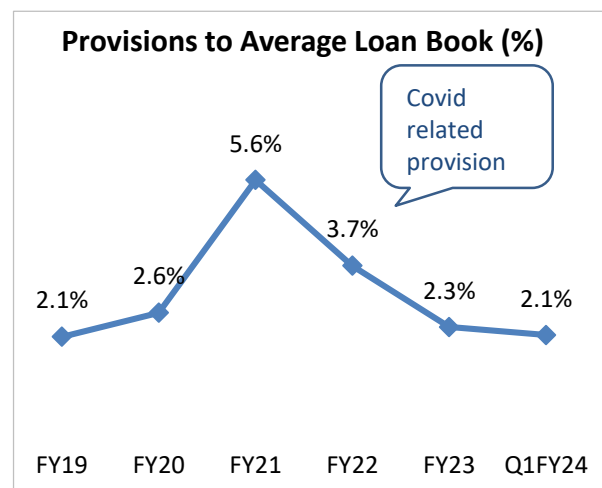
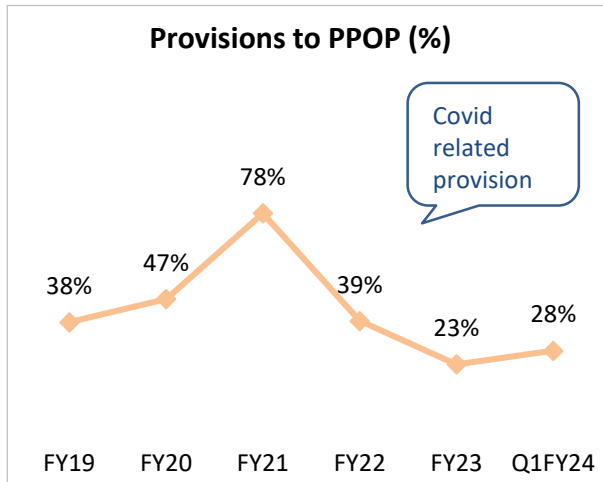
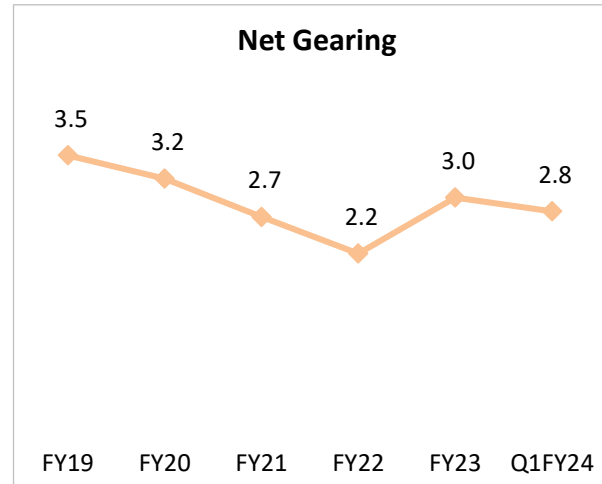
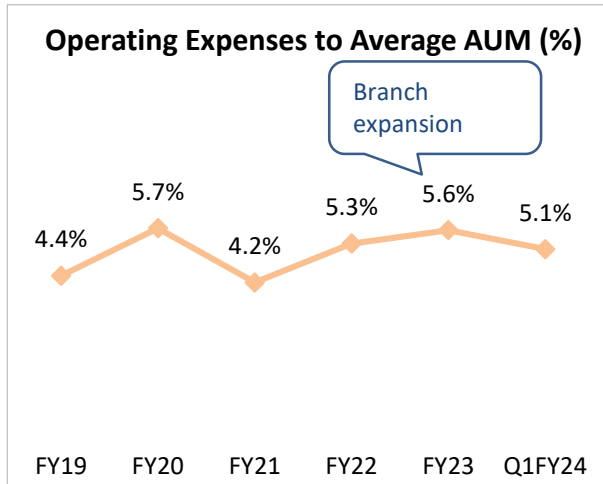
₹ Cr	Q1FY24	Q1FY23	Y-o-Y	Q4FY23	Q-o-Q
Interest income	714.8	652.2	10%	671.0	7%
Interest expense	(387.8)	(367.9)	5%	(369.6)	5%
Net interest income	327.0	284.2	15%	301.4	8%
Non-fund based income	267.6	295.0	(9%)	400.0	(33%)
Total income	594.6	579.3	3%	701.4	(15%)
Operating expense	(335.6)	(313.6)	7%	(333.6)	1%
Pre provision operating profit	259.0	265.7	(3%)	367.8	(30%)
Loan losses & provision	(73.0)	(77.2)	(5%)	(61.8)	18%
Net Gain/(Loss) on Fair Value Changes	14.8	21.8	(32%)	21.0	(30%)
Profit before tax	200.8	210.4	(5%)	327.0	(39%)
Profit after tax (pre NCI)*	151.4	156.9	(3%)	269.1	(44%)

1. Q4FY23 income includes dividend from subsidiary of ₹83.87 crores, which gets eliminated in consolidated results
2. Q4FY23 non-fund based income includes ₹20.05 crores of interest on income tax refund, which is non-recurring
3. Drop in non-fund based income is due to gradual shift from direct assignment to co-lending, as part of strategy



IIFL Finance (Standalone): Key ratios trends

Income, return, asset & leverage ratios

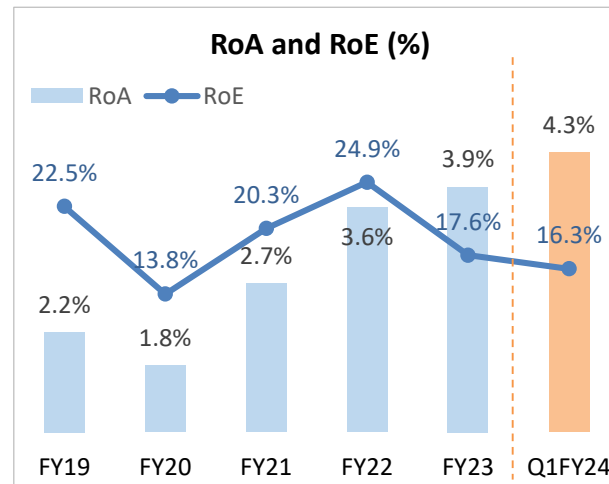
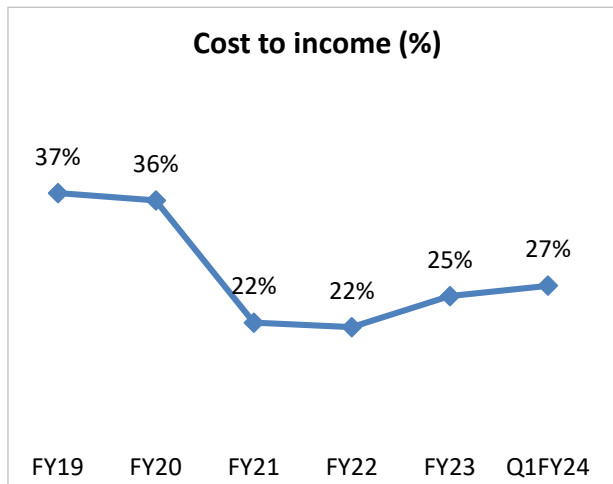
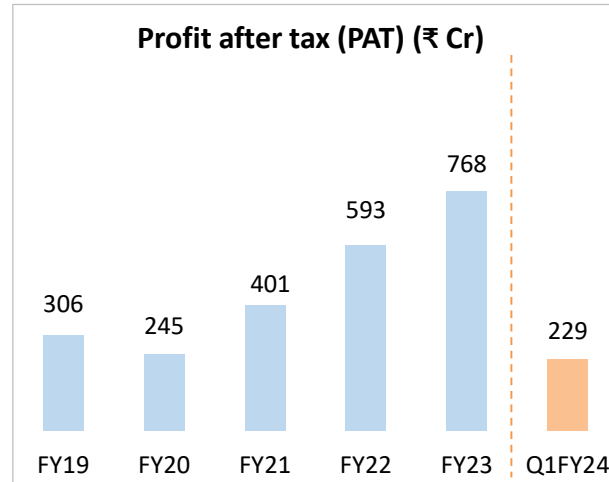
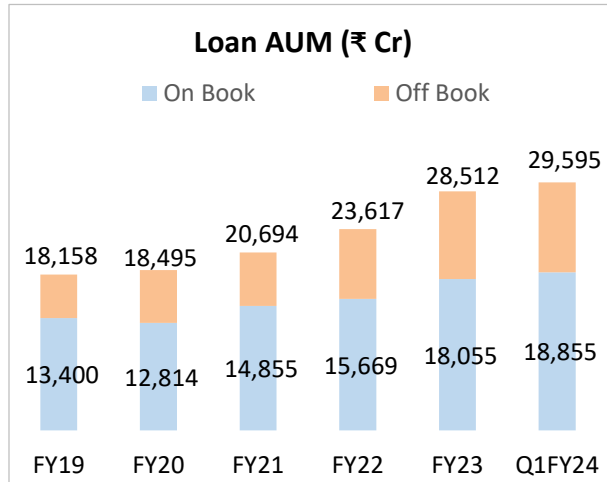


1. Net gearing is calculated after reducing free cash/ liquid assets and securitized assets from the gross debt as per Ind AS accounting

₹ Cr	Q1FY24	Q1FY23	Y-o-Y	Q4FY23	Q-o-Q
Interest income	615.4	449.9	37%	574.5	7%
Interest expense	(321.6)	(280.1)	15%	(318.0)	1%
Net interest income	293.8	169.8	73%	256.5	15%
Non-fund based income	147.0	186.3	(21%)	131.3	12%
Total income	440.8	356.1	24%	387.8	14%
Operating expense	(117.4)	(83.5)	41%	(117.3)	0%
Pre provision operating profit	323.4	272.7	19%	270.5	20%
Loan losses & provision	(27.0)	(59.8)	(55%)	(7.0)	284%
Net Gain/(Loss) on Fair Value Changes	2.2	4.5	(50%)	12.5	(82%)
Profit before tax	298.6	217.4	37%	276.0	8%
Profit after tax (Pre NCI)	229.5	167.7	37%	210.8	9%

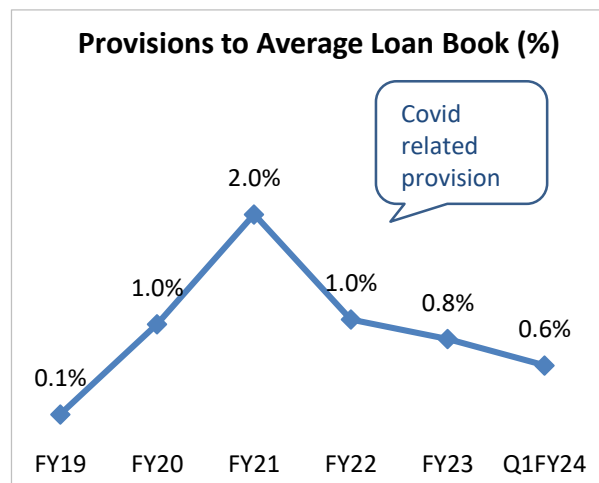
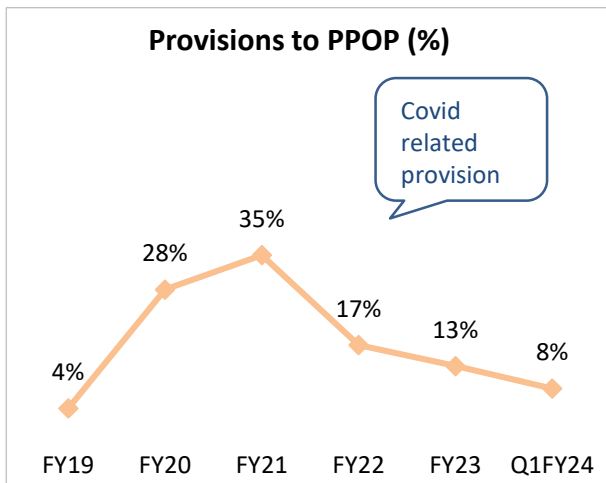
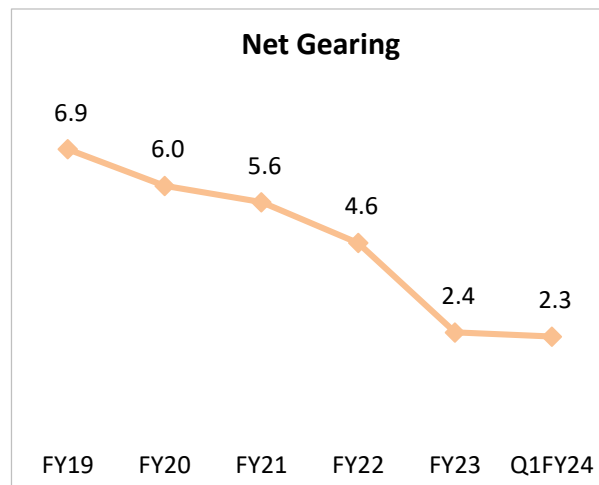
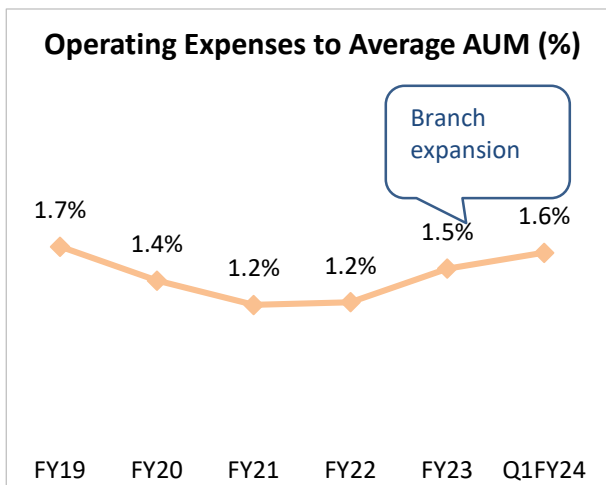
IIFL Home Finance (Consolidated): Financial trends

Robust financial performance and growth



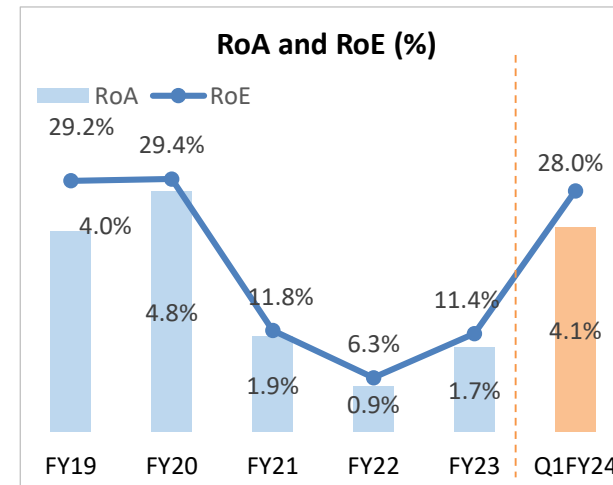
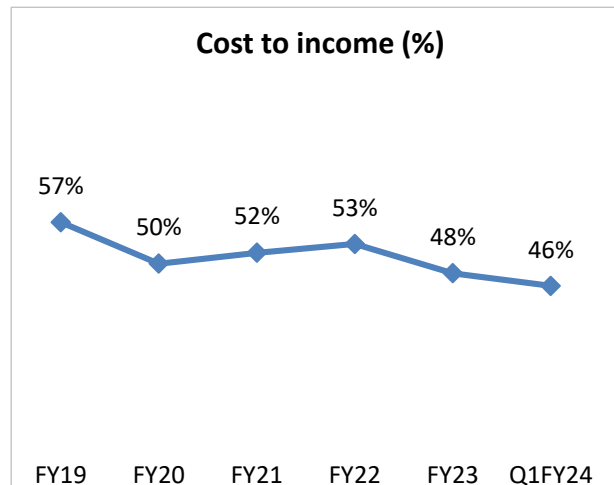
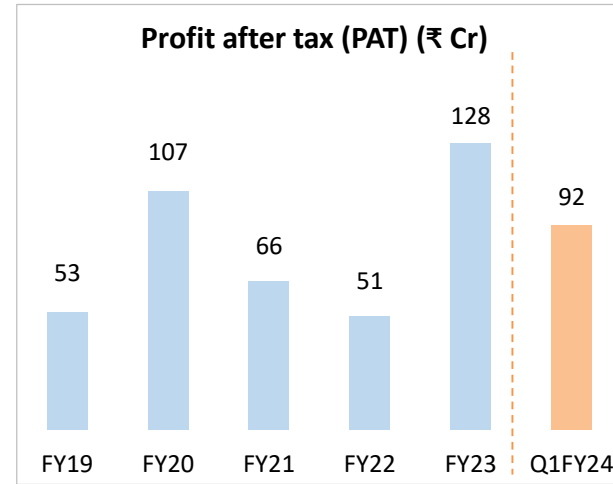
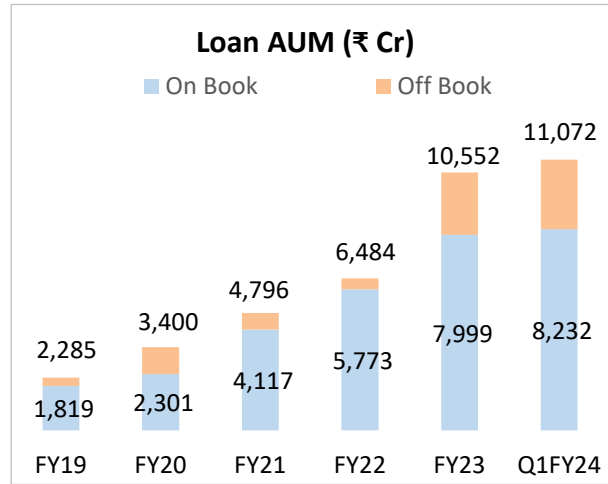
IIFL Home Finance (Consolidated): Key ratios trends

Income, return, asset & leverage ratios



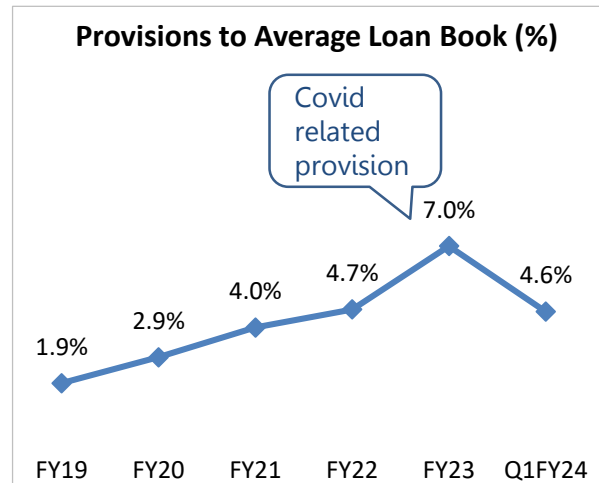
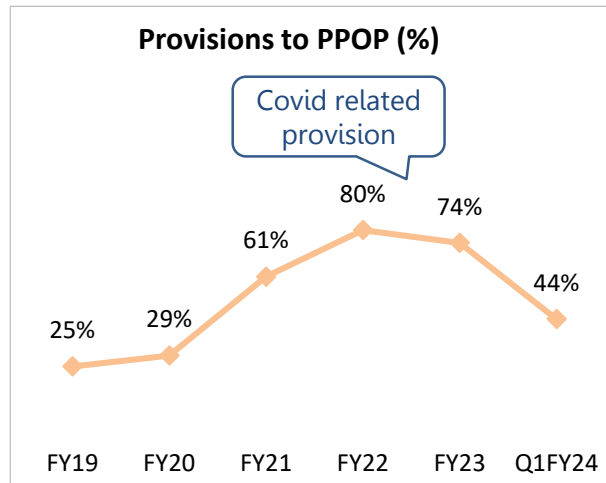
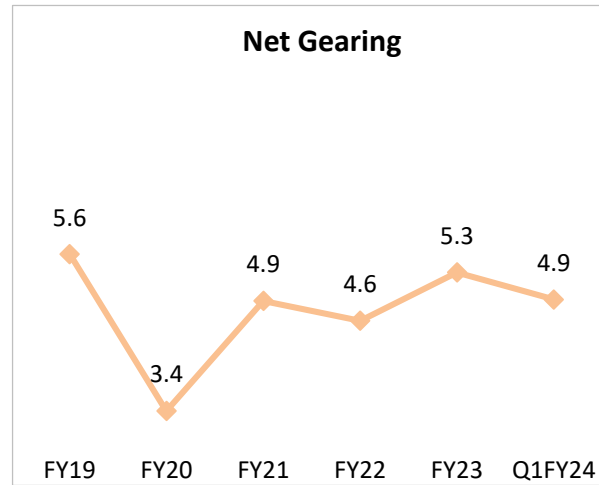
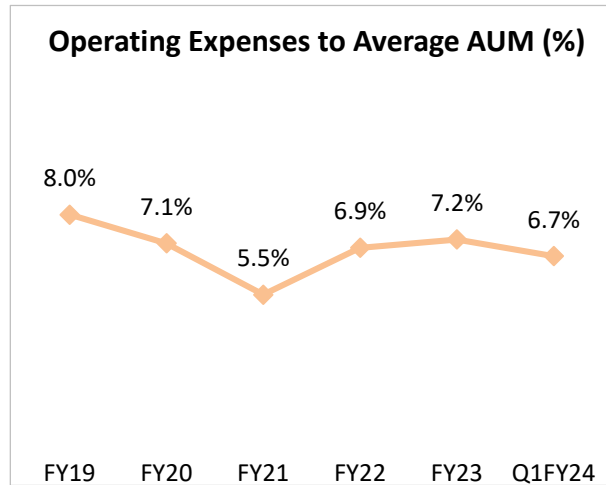
1. Net gearing is calculated after reducing free cash/ liquid assets and securitized assets from the gross debt as per Ind AS accounting

₹ Cr	Q1FY24	Q1FY23	Y-o-Y	Q4FY23	Q-o-Q
Interest income	487.5	310.9	57%	455.3	7%
Interest expense	(198.8)	(128.0)	55%	(175.2)	13%
Net interest income	288.7	182.9	58%	280.1	3%
Non-fund based income	94.6	53.1	78%	92.3	2%
Total income	383.2	236.0	62%	372.3	3%
Operating expense	(178.3)	(117.8)	51%	(161.8)	10%
Pre provision operating profit	205.0	118.1	74%	210.5	(3%)
Loan losses & provision	(90.1)	(111.8)	(19%)	(139.4)	(35%)
Net Gain/(Loss) on Fair Value Changes	3.6	1.6	133%	1.7	114%
Profit before tax	118.5	7.9	1392%	72.8	63%
Profit after tax (Pre NCI)	91.6	6.9	1225%	59.9	53%



IIFL Samasta Finance : Key ratios trends

Income, return, asset & leverage ratios



1. Net gearing is calculated after reducing free cash/ liquid assets and securitized assets from the gross debt as per Ind AS accounting

Data reported across previous quarters is now continued to be reported in a Data Book, maintained in an excel format on our website. The Link for the data book is hosted below.

[Click here to download excel](#)

Thank you

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