



Performance review

Quarter ended December, 2023
(Q3FY24 & 9MFY24)

Bloomberg: IIFL IN
January 17, 2024

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Q3FY24 Results snapshot (Consolidated)

Q3FY24 net profit ₹545.2 Cr - up 29% yoy; RoE at 19.7%

(₹ Cr)	9MFY24	9MFY23	YoY%	Q3FY24	Q3FY23	YoY%	Q2FY24	QoQ %
Loan AUM	77,444	57,941	34%	77,444	57,941	34%	73,066	6%
PPOP ¹	2,674.4	2,057.4	30%	960.3	751.7	28%	922.1	4%
PAT (pre NCI ²)	1,543.6	1,150.0	34%	545.2	423.2	29%	525.5	4%
PAT (post NCI ²)	1,390.1	1,087.5	28%	490.4	378.3	30%	474.3	3%
Gross NPA %	1.7%	2.1%	↓ 36 bps	1.7%	2.1%	↓ 36 bps	1.8%	↓ 12 bps
Net NPA %	0.9%	1.1%	↓ 20 bps	0.9%	1.1%	↓ 20 bps	1.0%	↓ 16 bps

ROE³
19.7%

ROA
3.8%

Net gearing⁴
3.3x

Liquidity
₹10,081Cr

EPS
(not annualized)
₹12.9

BVPS
(₹2 paid up)
₹266.6

Note:

1. PPOP: Pre-provision Operating Profit, excluding gain/(loss) on fair value changes
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
5. Other abbreviations used: ROE: Return on Equity, ROA: Return on Assets, EPS: Earnings per share, BVPS: Book value per share
6. All figures are for Q3FY24 unless specified

Nine monthly results 9MFY24 (Consolidated)

Income ₹4,712 Cr - up 28% yoy; PBT at ₹2,018 Cr - up 33% yoy

₹ Cr	9MFY24	9MFY23	Y-o-Y
Interest income	5,841.6	4,507.3	30%
Interest expense	(2,808.5)	(2,361.3)	19%
Net interest income	3,033.1	2,146.0	41%
Non-fund based income	1,678.9	1,544.0	9%
Total income	4,712.0	3,690.0	28%
Operating expense	(2,037.6)	(1,632.6)	25%
Pre provision operating profit	2,674.4	2,057.4	30%
Loan losses & provision	(675.7)	(657.9)	3%
Net Gain/(Loss) on Fair Value Changes	19.5	118.9	(84%)
Profit before tax	2,018.2	1,518.5	33%
Profit after tax (pre NCI)	1,543.6	1,150.0	34%
Minority Interest	(153.5)	(62.4)	146%
Profit after tax (post NCI)	1,390.1	1,087.5	28%
Total Comprehensive Income (post NCI)	1,380.1	1,116.3	24%
Book value per share (₹)	266.6	225.6	18%
Earnings per share (₹)	36.6	28.6	28%

Note:

1. NCI: Non-Controlling Interest
2. Previous period/year figures have been regrouped/ reclassified to make them comparable with those of current period.

Nine monthly results 9MFY24 (Consolidated)

Non fund income - 36% of total income

₹ Cr	9MFY24	9MFY23	Y-o-Y
Loan Book (Ind AS Balance sheet)	47,210	36,286	30%
Assigned assets	18,648	15,939	17%
Co-lending book	11,586	5,716	103%
Loan Assets under management	77,444	57,941	34%
₹ Cr	9MFY24	9MFY23	Y-o-Y
Interest income	5,841.6	4,507.3	30%
Interest expense	(2,808.5)	(2,361.3)	19%
NII at IndAS balance sheet loan book (A)	3,033.1	2,146.0	41%
Income from Assigned Assets	780.0	1,220.7	(36%)
Income from Co lending Assets	480.0	109.2	340%
Other Income (Fee and commission income)	418.9	214.1	96%
Non-fund based income (B)	1,678.9	1,544.0	9%
Total Income (A)+(B)	4,712.0	3,690.0	28%
Fund Based: Non fund based ratio (%)			
Fund based income	64%	58%	
Non-fund based income	36%	42%	

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.

Quarterly results Q3FY24 (Consolidated)

Income ₹1,687.5 Cr - up 28% yoy, 6% qoq; PBT at ₹716.3 Cr - up 29% yoy, 5% qoq

₹ Cr	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q
Interest income	2,083.1	1,597.5	30%	1,933.2	8%
Interest expense	(988.5)	(809.4)	22%	(932.2)	6%
Net interest income	1,094.6	788.1	39%	1,001.1	9%
Non-fund based income	592.8	530.3	12%	598.3	(1%)
Total income	1,687.5	1,318.4	28%	1,599.3	6%
Operating expense	(727.2)	(566.7)	28%	(677.2)	7%
Pre provision operating profit	960.3	751.7	28%	922.1	4%
Loan losses & provision	(243.0)	(213.1)	14%	(242.6)	0%
Net Gain/(Loss) on Fair Value Changes	(1.0)	16.6	(106%)	4.0	(124%)
Profit before tax	716.3	555.1	29%	683.5	5%
Profit after tax (pre NCI)	545.2	423.2	29%	525.5	4%
Minority Interest	(54.7)	(44.9)	22%	(51.3)	7%
Profit after tax (post NCI)	490.4	378.3	30%	474.3	3%
Total Comprehensive Income (post NCI)	485.7	379.6	28%	486.8	0%
Book value per share (₹)	266.6	225.6	18%	252.8	5%
Earnings per share (₹ basic, not annualized)	12.9	10.0	29%	12.5	3%

Note:

1. NCI: Non-Controlling Interest
2. Previous period/year figures have been regrouped/ reclassified to make them comparable with those of current period.

Quarterly income analysis Q3FY24 (Consolidated)

Non fund income - 35% of total income

₹ Cr	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q
Loan Book (Ind AS Balance sheet)	47,210	36,286	30%	44,061	7%
Assigned assets	18,648	15,939	17%	18,429	1%
Co-lending book	11,586	5,716	103%	10,576	10%
Loan Assets under management	77,444	57,941	34%	73,066	6%
₹ Cr	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q
Interest income	2,083.1	1,597.5	30%	1,933.2	8%
Interest expense	(988.5)	(809.4)	22%	(932.2)	6%
NII at IndAS balance sheet loan book (A)	1,094.6	788.1	39%	1,001.1	9%
Income from Assigned Assets	273.5	408.6	(33%)	279.8	(2%)
Income from Co lending Assets	186.2	49.1	279%	173.7	7%
Other Income (Fee and commission income)	133.2	72.6	83%	144.7	(8%)
Non-fund based income (B)	592.8	530.3	12%	598.3	(1%)
Total Income (A)+(B)	1,687.5	1,318.4	28%	1,599.3	6%
Fund Based: Non fund based ratio (%)					
Fund based income	65%	60%		63%	
Non-fund based income	35%	40%		37%	

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 December 31, 2023

Total Equity at ₹11,787 Cr

ASSETS (₹ Cr)		
1	Financial Assets	
(a)	Cash and Bank Balances	4,223
(b)	Receivables	654
(c)	Loan Assets	47,724
(d)	Investments	3,385
(e)	Other financial assets	1,612
	Total Financial Assets (A)	57,598
2	Non-Financial Assets	
(a)	Current & Deferred tax assets (Net)	307
(b)	Property, Plant and Equipment etc.	861
(c)	Other non-financial assets	252
	Total Non-Finance Assets (B)	1,420
Total Assets (A)+(B)		59,018

LIABILITIES AND EQUITY (₹ Cr)		
1	Financial Liabilities	
(a)	Payables	224
(b)	Borrowings	
	- NCDs	10,651
	- Bank Borrowings	26,764
	- Others	5,558
(c)	Other financial liabilities	3,733
	Total Financial Liabilities (A)	46,931
2	Non-Financial Liabilities (B)	300
3	Equity	11,787
(a)	Equity share capital	76
(b)	Other Equity	10,347
	Shareholder's Equity (C)	10,424
	Non Controlling Interest (D)	1,363
Total Liabilities and Equity (A)+(B)+(C)+(D)		59,018

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Key business metric - Loan AUM growth

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

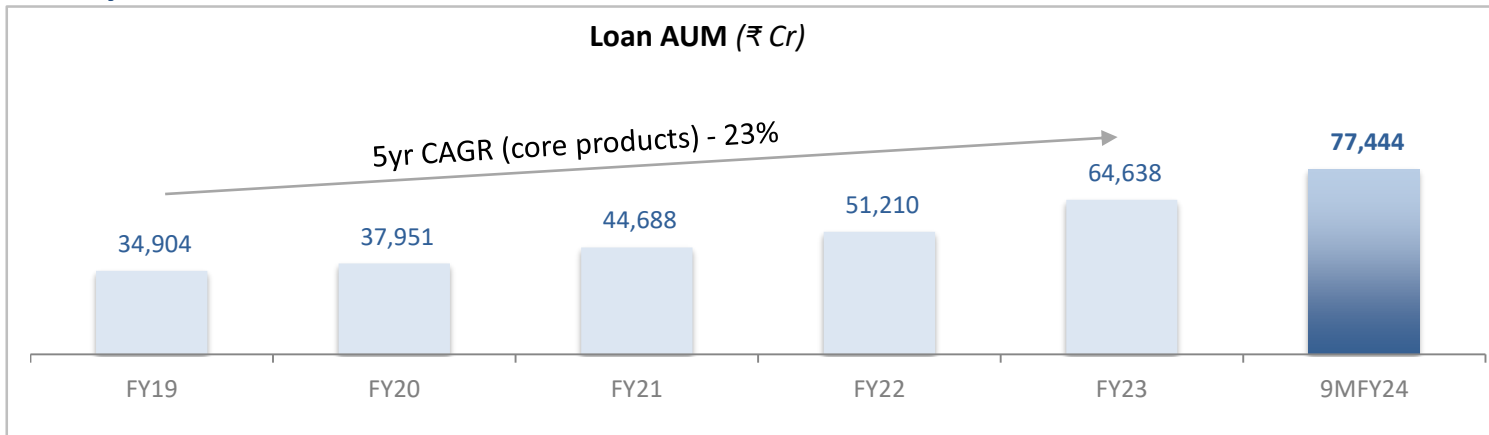
Latest quarter

Loan AUM (₹ Cr)	Mix %	Q3FY24	Q3FY23	YoY %	Q2FY24	QoQ %
Home Loan	33%	25,519	20,389	25%	24,009	6%
Gold Loan	32%	24,692	18,284	35%	23,690	4%
Loan against property	10%	7,862	6,186	27%	7,196	9%
Digital Loan	5%	3,905	1,996	96%	3,539	10%
Microfinance	16%	12,090	7,834	54%	11,307	7%
Core Business	96%	74,068	54,689	35%	69,740	6%
CRE & others	4%	2,889	2,705	7%	2,824	2%
Capital Market	1%	487	546	(11%)	501	(3%)
Total		77,444	57,941	34%	73,066	6%

Key business metrics

- Loan AUM growth**
- Portfolio Yield
- Cost of borrowing
- Asset quality
- Profitability
- Capital & gearing
- Liquidity

Last 5 years



Personal loan accounts for 1.5% of total loan AUM

Key business metric – Portfolio yield

Yield is improving with focus on small ticket granular loans

Latest quarter

Portfolio %	Q3FY24	Q3FY23	YoY	Q2FY24	QoQ
Home Loan	11.1%	10.9%	0.1%	11.0%	0.0%
Gold Loan	19.0%	17.8%	1.2%	18.5%	0.5%
Loan against property	18.7%	17.5%	1.2%	18.6%	0.2%
Digital Loan	21.8%	22.7%	(0.9%)	22.4%	(0.6%)
Microfinance	24.5%	23.2%	1.3%	24.4%	0.1%
Core Business	17.3%	16.1%	1.2%	17.1%	0.2%
CRE & others	15.2%	15.5%	(0.3%)	14.9%	0.3%
Capital Market	12.3%	12.4%	(0.1%)	12.4%	(0.1%)
Total	17.2%	16.1%	1.1%	17.0%	0.2%

Key business metrics

Loan AUM growth

Portfolio yield

Cost of borrowing

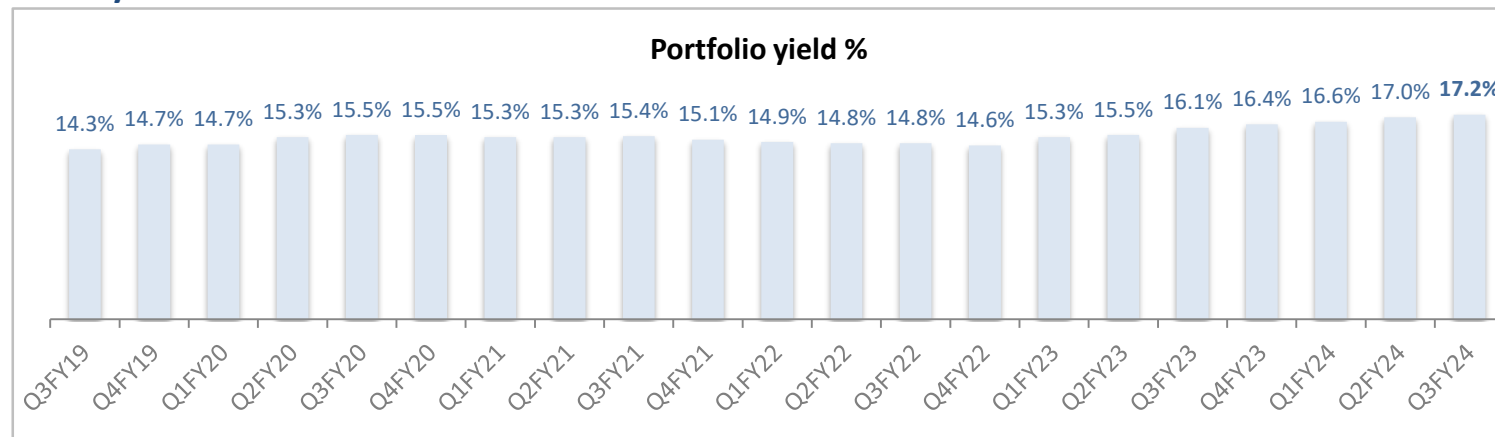
Asset quality

Profitability

Capital & gearing

Liquidity

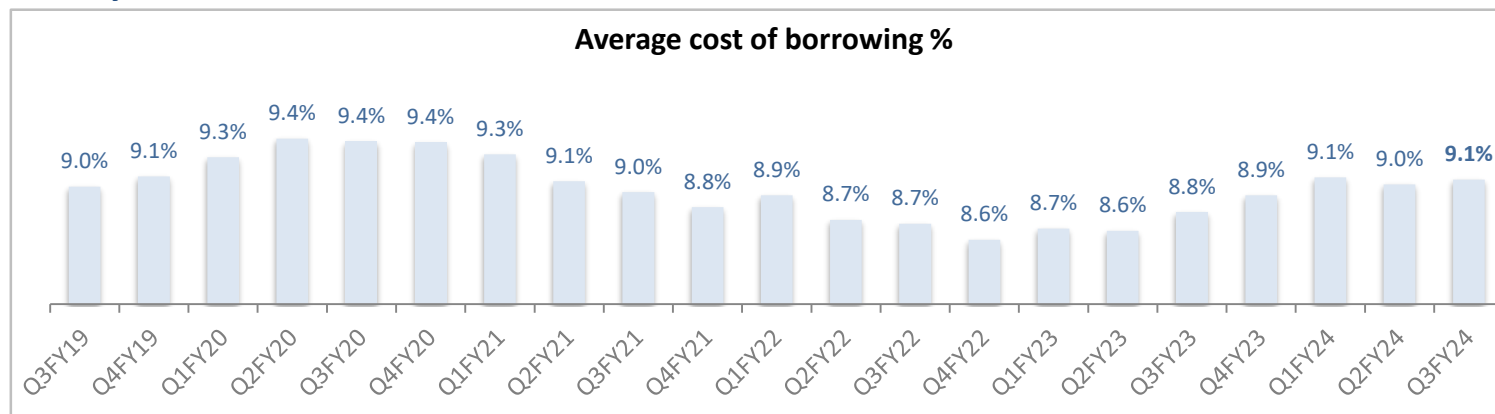
Last 5 years



Key business metric – Cost of borrowing

Successfully raised long term funds through multiple Development Financial Institutions

Last 5 years



Cost of borrowing %	Q3FY24	Q3FY23	YoY	Q2FY24	QoQ
IIFL Finance (Consol)	9.07%	8.79%	0.28%	9.03%	0.04%
- IIFL Finance Standalone	9.11%	8.99%	0.12%	8.99%	0.12%
- IIFL Home Finance	8.25%	8.24%	0.01%	8.27%	(0.02%)
- IIFL Samasta Finance	10.60%	10.03%	0.57%	10.49%	0.11%

Borrowings (₹ Cr)	Q3FY24	Q3FY23	YoY %	Q2FY24	QoQ %
IIFL Finance (Consol)	42,973	36,001	19%	40,375	6%
- IIFL Finance Standalone	18,100	15,015	21%	16,684	8%
- IIFL Home Finance	16,522	14,965	10%	15,566	6%
- IIFL Samasta Finance	8,352	5,796	44%	8,125	3%

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

Key business metrics

Loan AUM growth

Portfolio yield

Cost of borrowing

Asset quality

Profitability

Capital & gearing

Liquidity

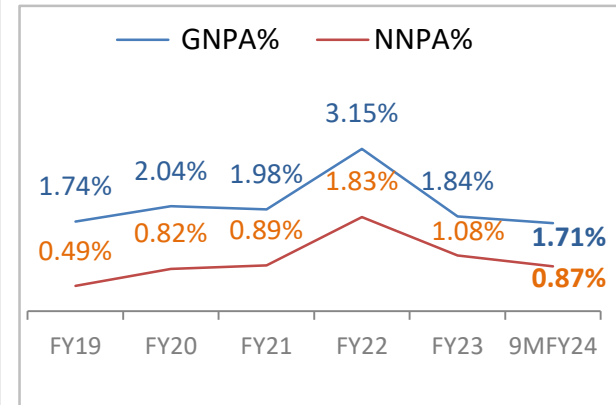
Key business metric – Asset quality

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

Latest quarter

GNPA %	Q3FY24	Q3FY23	YoY	Q2FY24	QoQ
Home Loan	1.60%	2.16%	(0.56%)	1.74%	(0.14%)
Gold Loan	0.80%	0.84%	(0.04%)	1.16%	(0.36%)
Loan against property	2.66%	3.48%	(0.82%)	2.58%	0.12%
Digital Loan	2.83%	4.18%	(1.35%)	3.22%	(0.39%)
Microfinance	2.08%	2.65%	(0.57%)	2.10%	(0.02%)
Core Business	1.82%	2.25%	(0.43%)	1.96%	(0.14%)
CRE	0.36%	0.39%	(0.03%)	0.37%	(0.02%)
Capital Market	0.00%	0.00%	-	0.00%	-
Total	1.71%	2.08%	(0.36%)	1.84%	(0.12%)

Last 5 years



➤ Provision coverage at **151%**

Key business metrics

Loan AUM growth

Portfolio yield

Cost of borrowing

Asset quality

Profitability

Capital & gearing

Liquidity

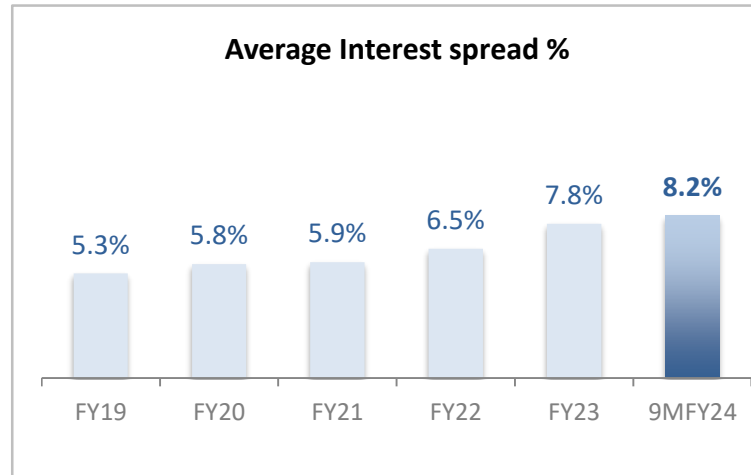
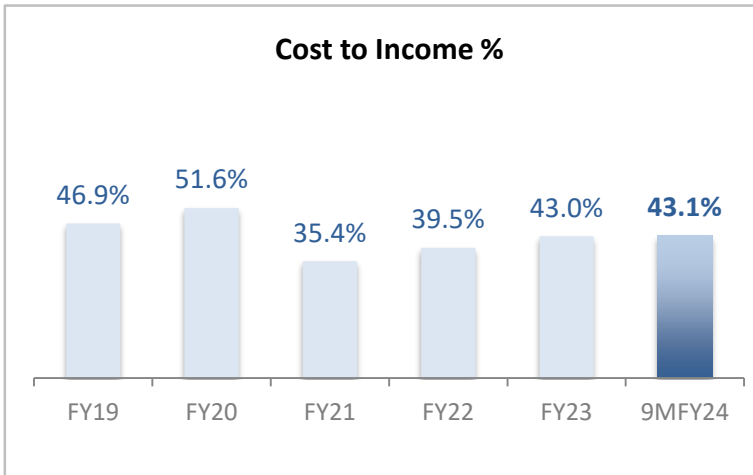
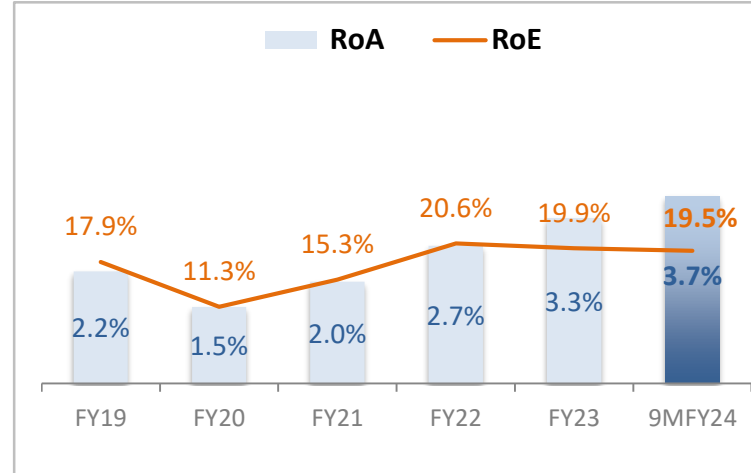
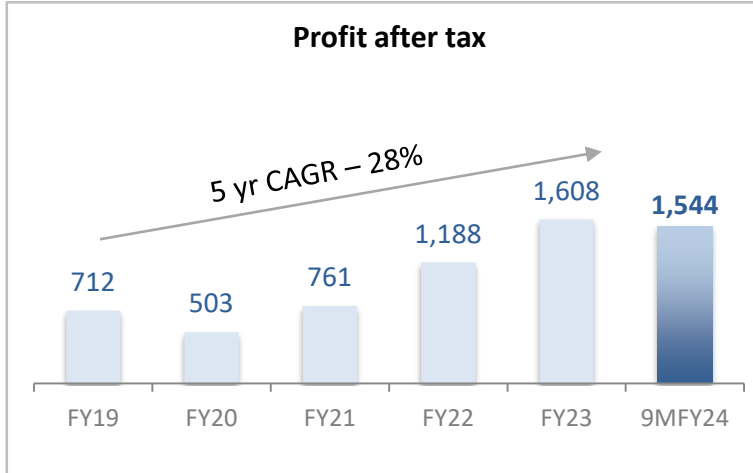
Stage-wise break up

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	91.2%	3.6%	3.5%	1.6%	15,797	0.6%	13.4%	31.5%	113	237
Gold Loans	85.2%	5.4%	8.7%	0.8%	8,577	0.8%	1.4%	19.5%	49	88
Loan agst. Property	83.3%	6.7%	7.4%	2.7%	5,682	0.5%	11.5%	28.7%	59	118
Digital Loan	92.9%	2.3%	2.0%	2.8%	5,294	2.5%	19.7%	73.1%	41	257
Microfinance	96.3%	0.6%	1.0%	2.1%	8,484	1.5%	4.4%	84.6%	118	279
CRE	97.9%	0.0%	1.7%	0.4%	2,889	8.1%	6.3%	67.7%	27	240
Capital Market	89.8%	7.3%	2.9%	0.0%	487	0.4%	2.0%	0.0%	2	2
Total	90.7%	3.4%	4.2%	1.7%	47,210	1.5%	8.2%	49.6%	410	1,221

Key business metric – Profitability

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

Last 5 years



Key business metrics

- Loan AUM growth
- Portfolio yield
- Cost of borrowing
- Asset quality
- Profitability**
- Capital & gearing
- Liquidity

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

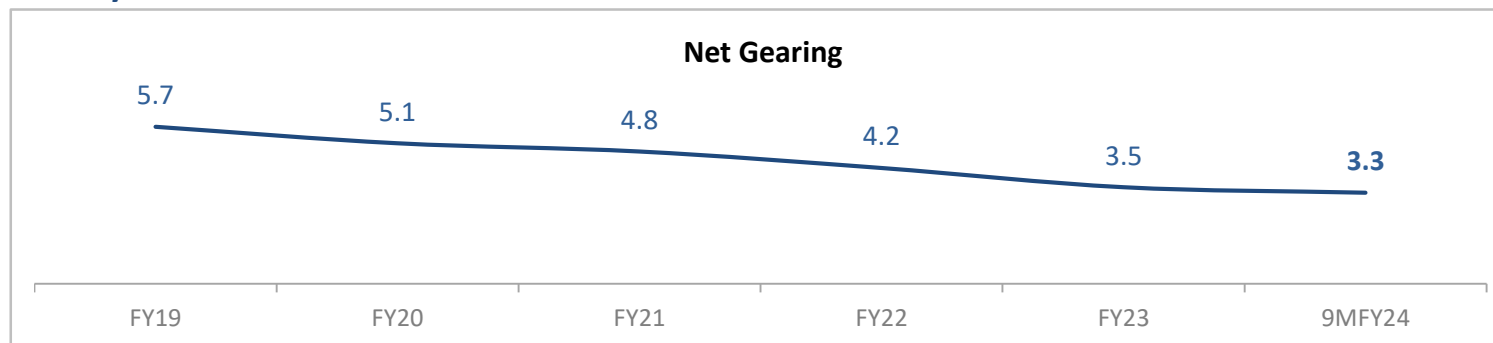
Key business metric – Capital & gearing

Robust financials, high capital adequacy with net gearing coming down

Latest quarter

(₹ Cr)	Q3FY24	Q3FY23	YoY %	Q2FY24	QoQ %
Networth (Excl. Minority)	10,165	8,571	19%	9,640	5%
CRAR %					
IIFL Finance (Standalone)	19.6%	21.5%	(1.9%)	20.5%	(0.9%)
- Tier 1	12.5%	13.8%	(1.3%)	13.1%	(0.6%)
- Tier 2	7.1%	7.7%	(0.6%)	7.4%	(0.3%)
IIFL Home Finance	45.8%	49.3%	(3.5%)	47.6%	(1.8%)
- Tier 1	40.1%	40.7%	(0.6%)	40.3%	(0.2%)
- Tier 2	5.8%	8.5%	(2.7%)	7.2%	(1.4%)
IIFL Samasta Finance	24.3%	17.5%	6.8%	21.0%	3.3%
- Tier 1	18.5%	13.6%	4.9%	15.1%	3.4%
- Tier 2	5.8%	3.9%	1.9%	5.9%	(0.1%)

Last 5 years



Key business metrics

Loan AUM growth

Portfolio yield

Cost of borrowing

Asset quality

Profitability

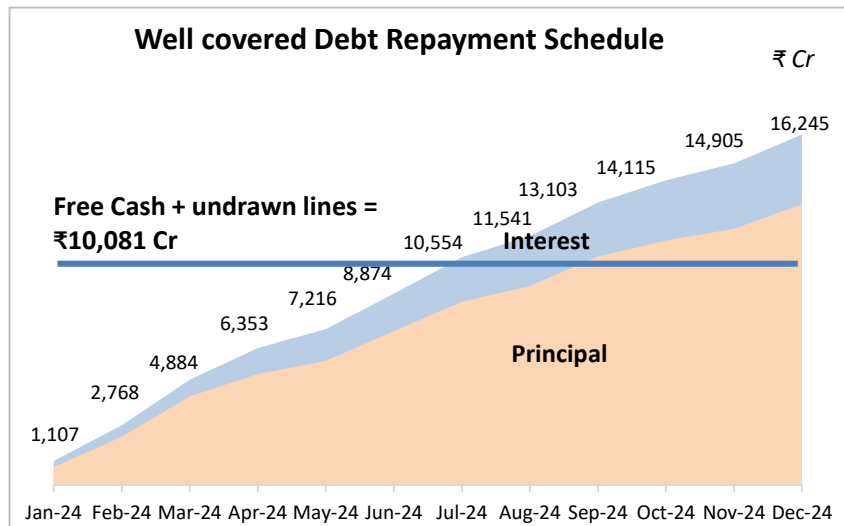
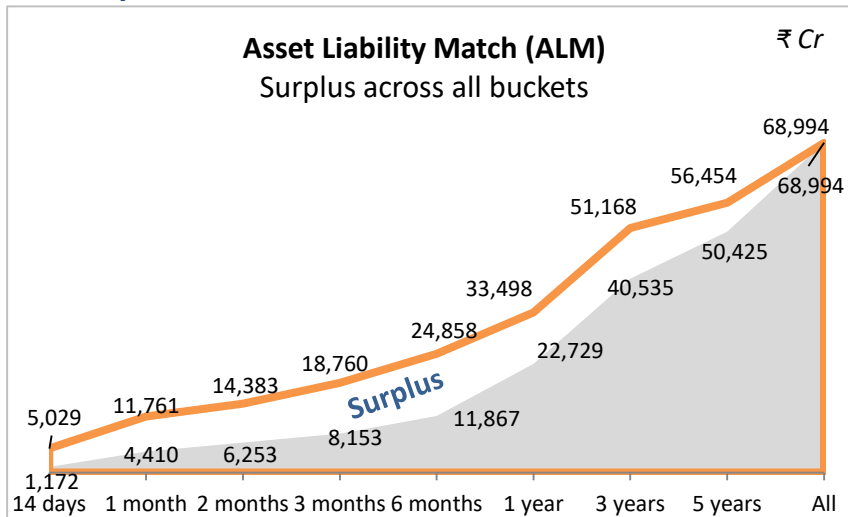
Capital & gearing

Liquidity

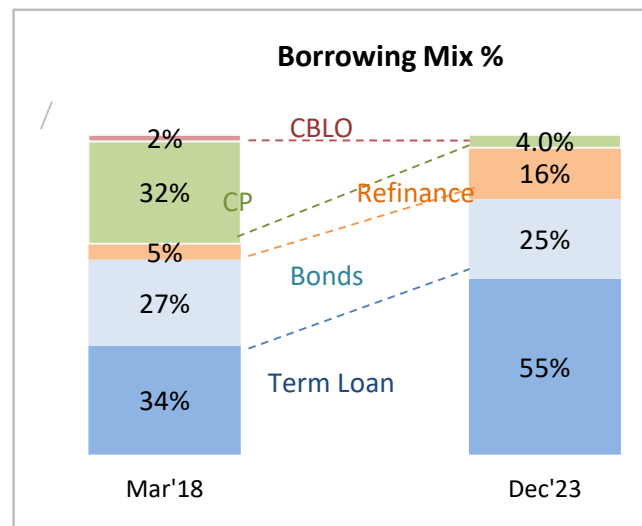
Key business metric – Liquidity

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

Market Size:

Current: ₹21 lakh Cr
Potential: ₹23.7 lakh Cr

IIFL’S COMPETITIVE EDGE

LEADING HFC IN AFFORDABLE HOUSING SPACE

- Strong player in the sub ₹20L loan ticket size category
- Network of 386 home loan branches to focus on expansion in tier 2/3/4 towns
- Incremental 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

- 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%



SOCIAL & SUSTAINABLE HOUSING

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
- ✓ **88%** of home loans under **Priority Sector Lending** category
- ✓ Focus is on first time home buyers
- ✓ **96% home loans** are on-boarded and decisioned through **digital platform**

Onboarding Average Ticket Size (9MFY24)

₹16 Lakhs

Tenor

up to 25 years

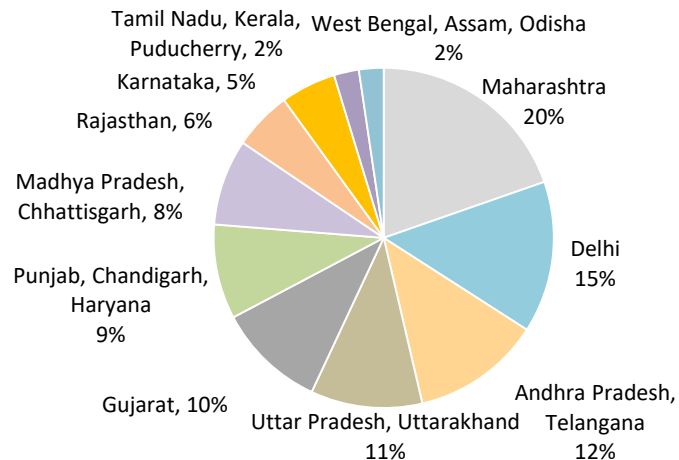
Loan to Value

72%

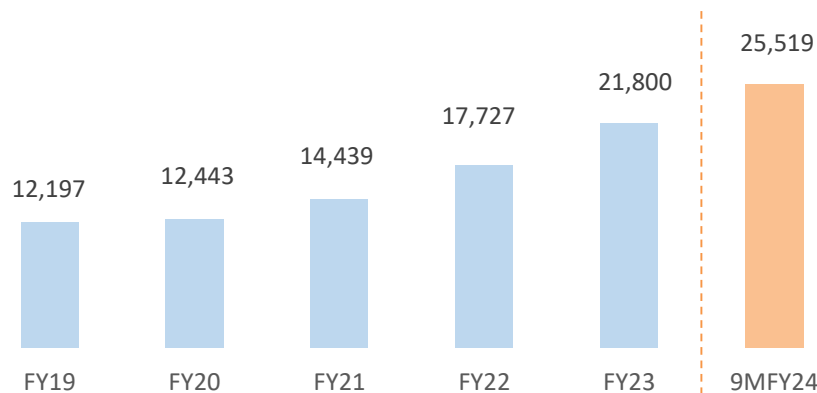
Salaried / Self employed

65% / 35%

Distribution of AUM as at December 31, 2023 (₹ Cr)

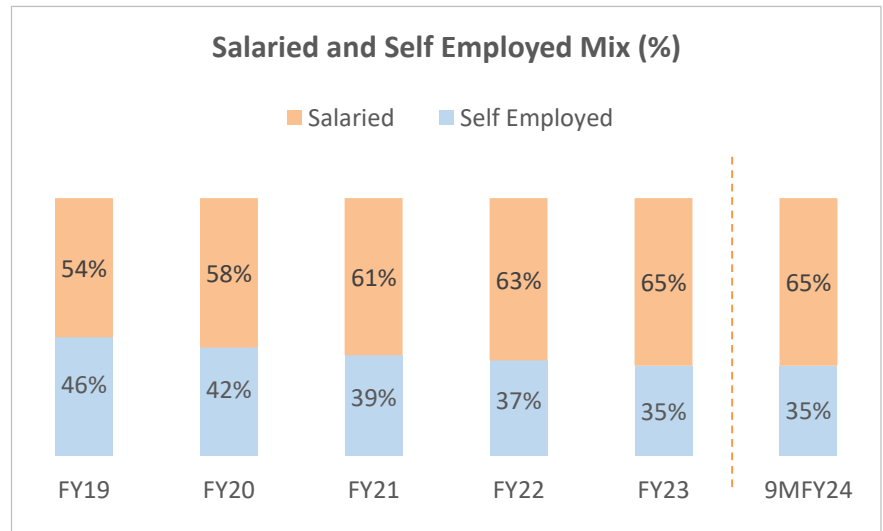
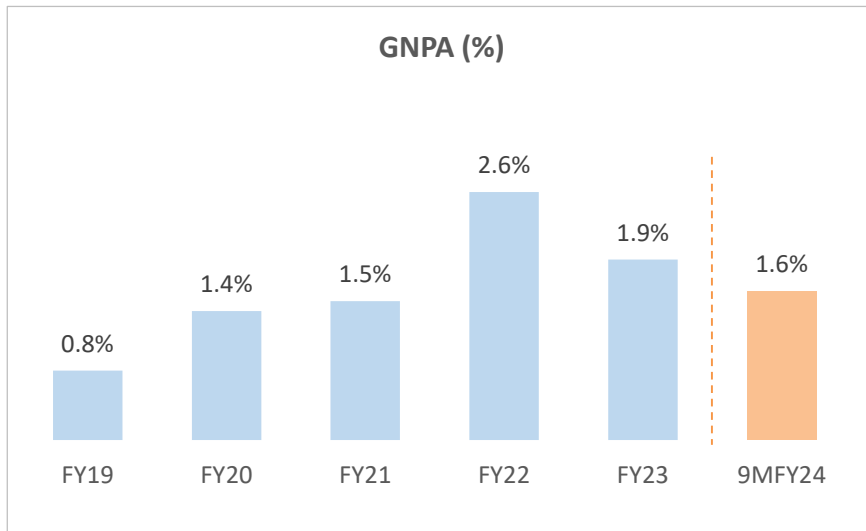
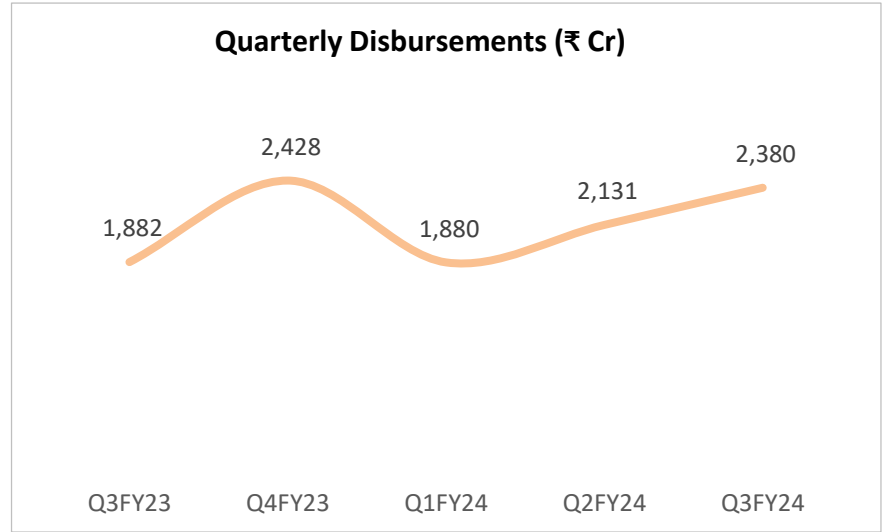
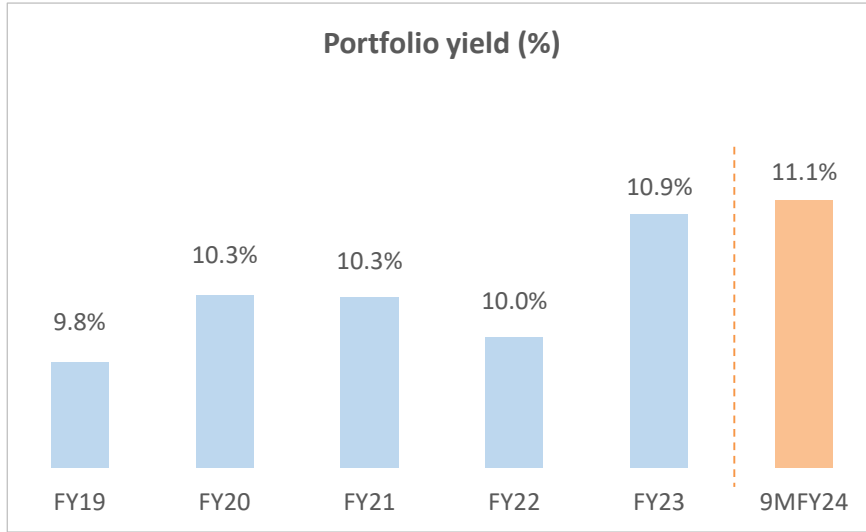


Asset Under Management (₹ Cr)



Home loan – Financial overview

Improving yields and stable asset quality



INDUSTRY OVERVIEW

IIFL’S COMPETITIVE EDGE

- 6.4 Cr 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
₹2.8 lakh Cr

LEADING PLAYER WITH A WELL ESTABLISHED NETWORK

- Leading player in the sub ₹30L secured loan ticket size category
- Network of 386 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
₹3.1 lakh Cr

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

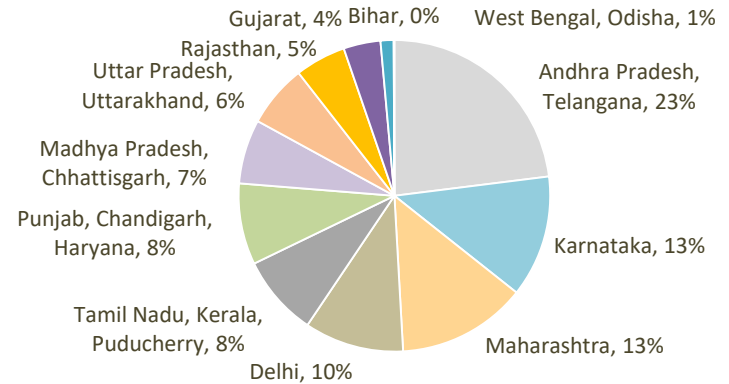
- With already expanded foot print, group synergies can be leveraged
- Low cost to income driven by technology & hub spoke operating model
- Strong in-house data analytics capability

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 December 31,2023 (₹ Cr)



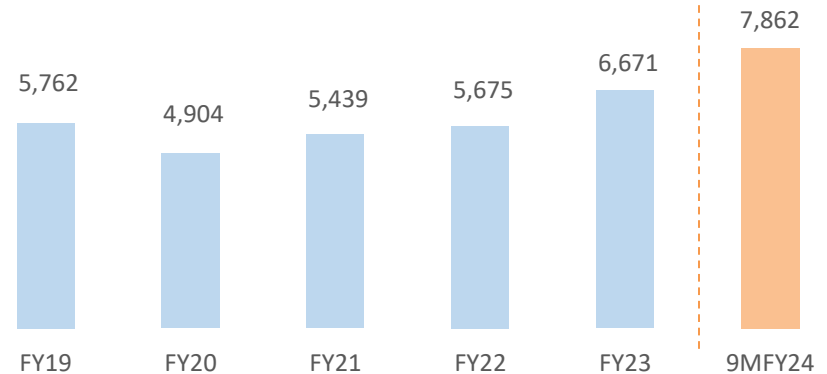
Active Customer Count
1.0 Lakh

Tenor
up to 12 years

Customer Addition (9MFY24)
0.35 Lakhs

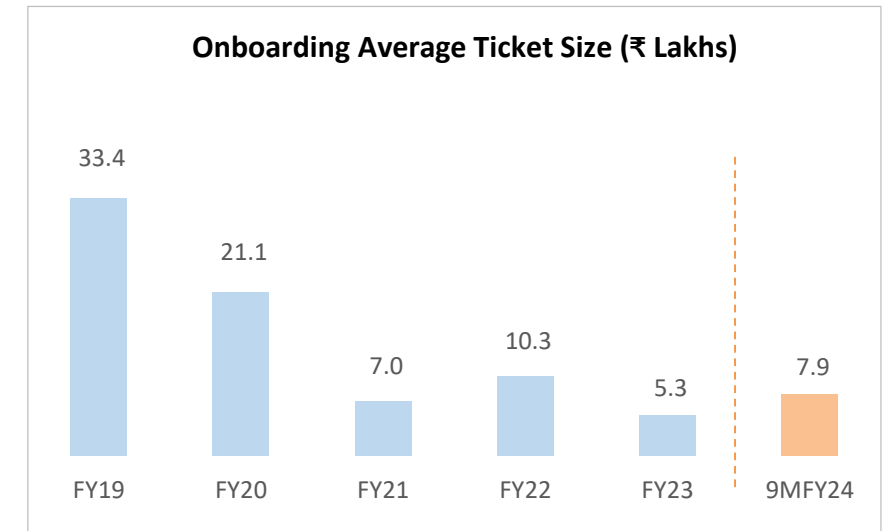
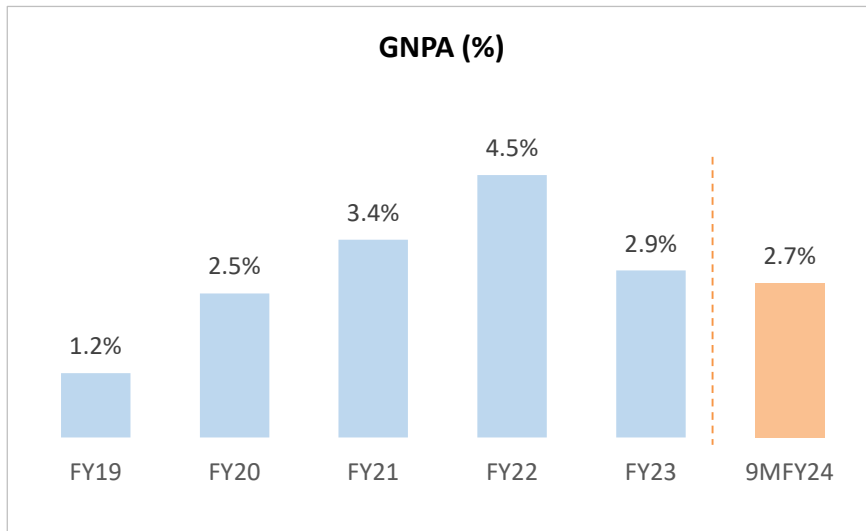
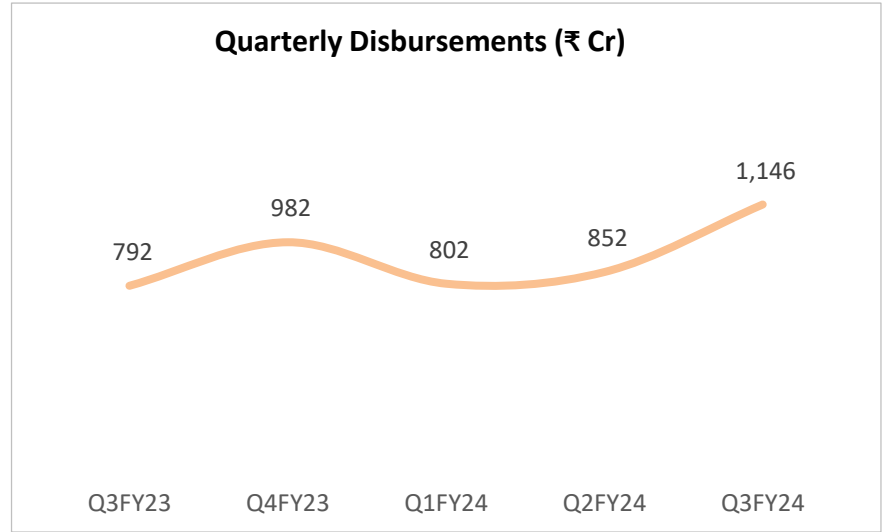
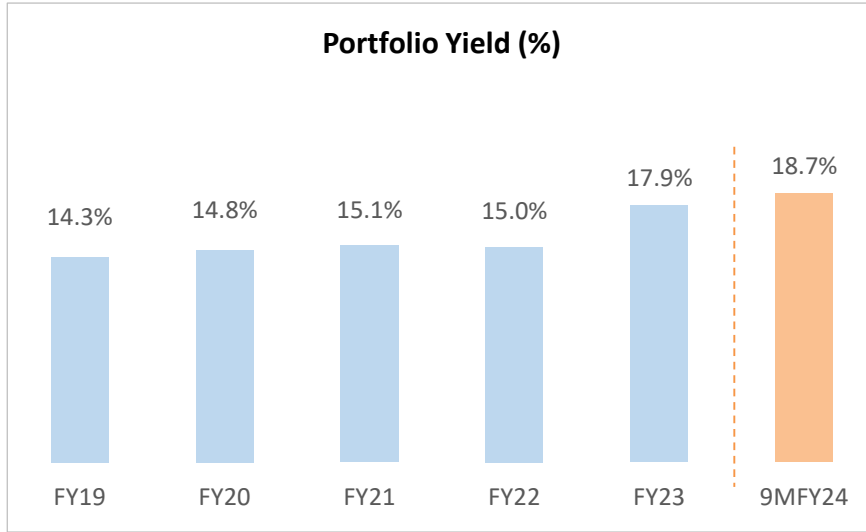
Onboarding Average Ticket Size (9MFY24)
₹7.9 Lakhs

Asset Under Management (₹ in Cr)



Loan Against Property (LAP) – Financial overview

Improving yields and asset quality; disbursements turning granular



INDUSTRY OVERVIEW

IIFL’S COMPETITIVE EDGE

- Of the 6.4 Cr MSMEs, only 14% have access to credit
- MSME credit as of Q2 FY23 was ₹22.9 lakh Cr
- 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
₹1.2 lakh Cr

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
₹1.4 lakh Cr 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
- Over 110 Cr 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

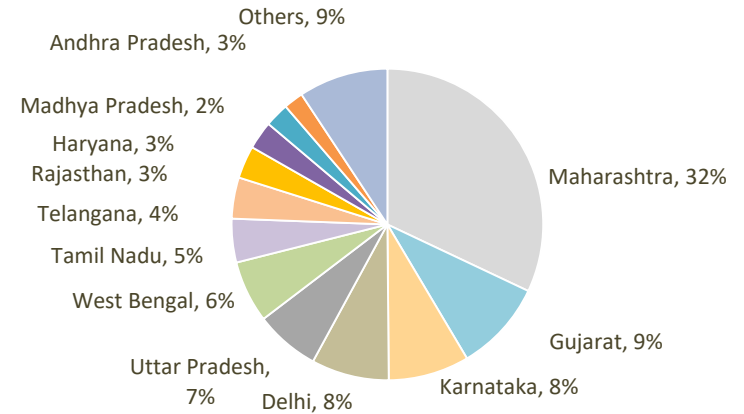
- Huge investments in technology to quickly align with new regulatory frameworks and public digital infrastructure

Digital loan – Product overview

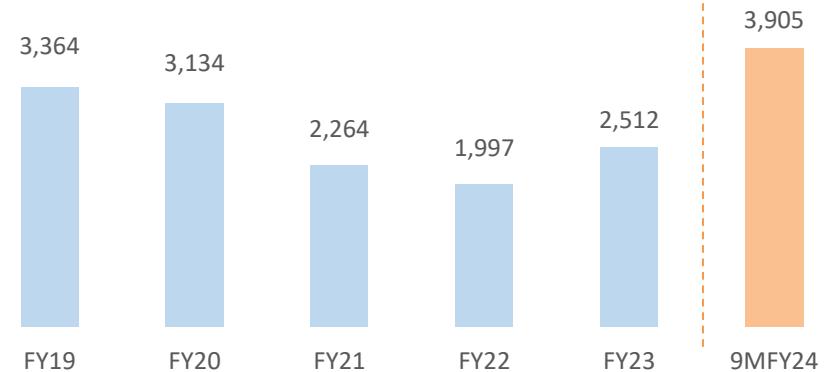
Focus on digital lending to MSME sector and individuals

- ✓ 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 December 31, 2023 (₹ Cr)



Asset Under Management (₹ in Cr)



Active Customer Count
4.3 lakhs

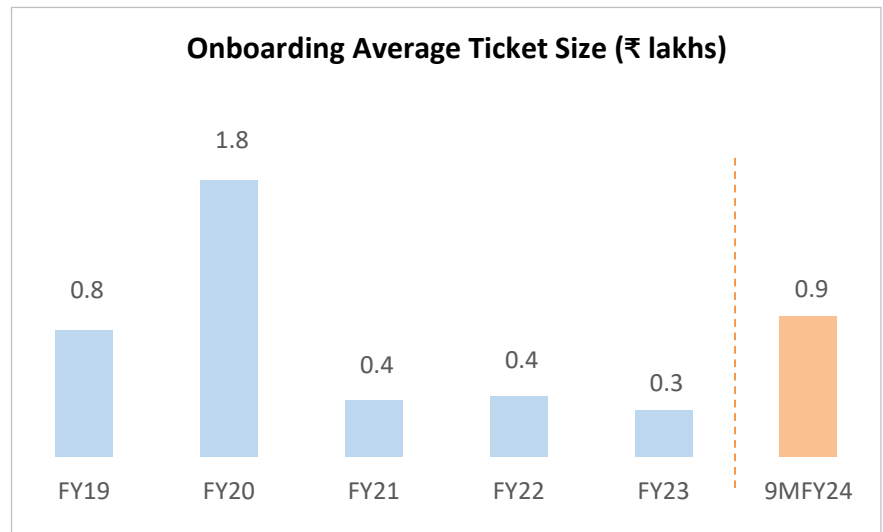
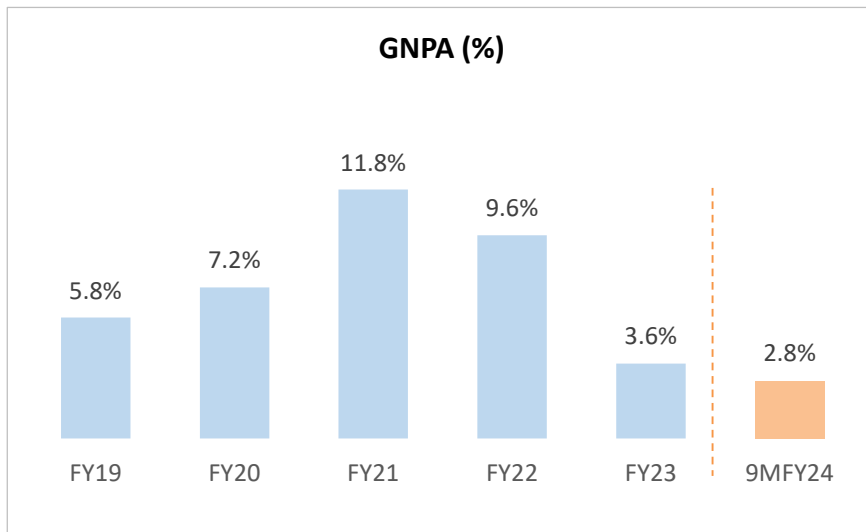
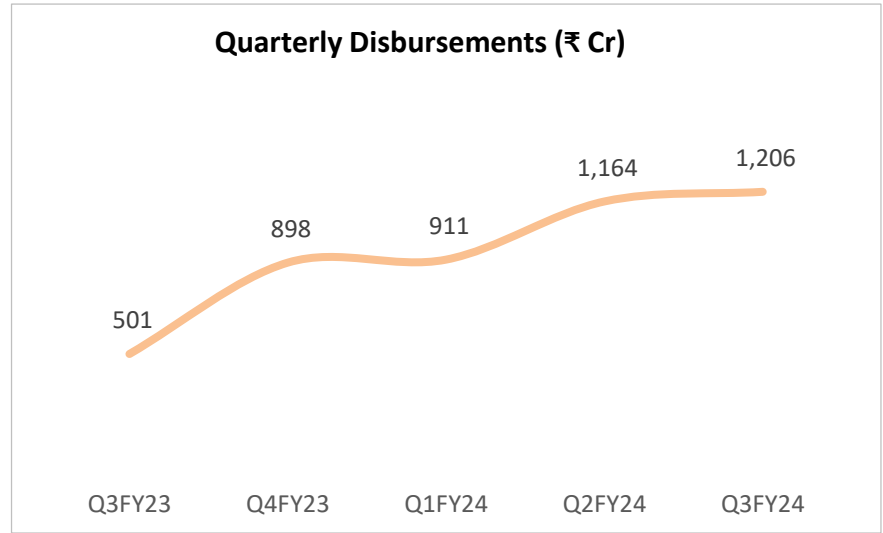
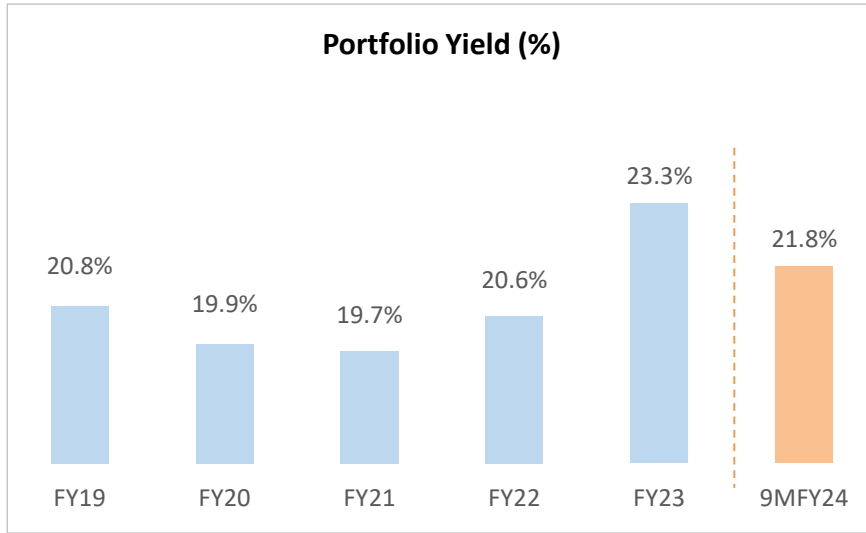
Tenor
up to 5 years

Customer Addition (Q3FY24)
3.6 lakhs

Onboarding Average Ticket Size (Q3FY24)
₹0.9 lakhs

Digital Loan – Financial overview

Improving yields and asset quality and disbursals



INDUSTRY OVERVIEW

- Gold holdings in India: **28,000 tonnes**
- % holdings in form of jewellery: **65%**
- Organized market: **35%**



TOTAL ADDRESSABLE MARKET

FY23E Industry AUM
₹5.7 lakh Cr (NBFC 25%)

IIFL’S COMPETITIVE EDGE

LARGE BRANCH NETWORK BUILT ON CUSTOMER FOCUS

- Among top two NBFCs in the country in gold loans segment, having grown at a 5yr-CAGR of 39% over FY19-FY23
- Over 2,721 dedicated gold loan branches spread across 25 states/UT, manned by ~15,000 own employees
- Innovations in product, security, audit and risk controls

- 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



DEMAND DRIVERS

Potential market size
₹6.2 lakh Cr by FY24

IMPROVEMENTS IN CUSTOMER SERVICE, PRODUCTIVITY AND VISIBILITY

- 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

- Gold loan NBFCs are primarily single product branches focused on TAT and customer experience to drive business



RETAIL FRANCHISE POTENTIAL

ABILITY TO LEVERAGE WIDESPREAD RETAIL NETWORK FOR CROSS-SELL

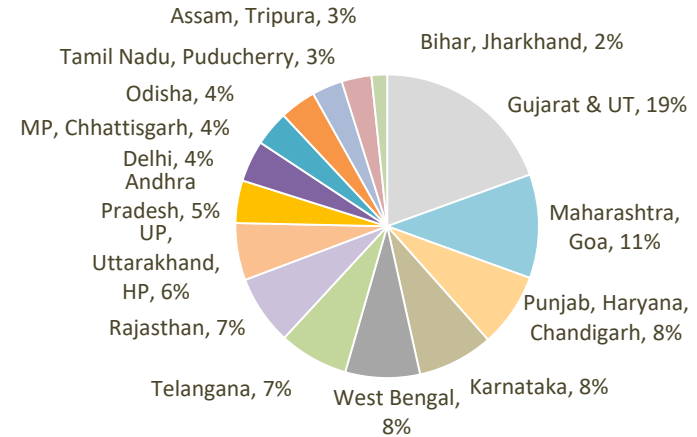
- Large customer base of over 56L and with ~70% repeat customers, connect with the customer is high
- Digital innovations for other products within the group provides ability to drive cross-sell without putting much strain on the retail branch network

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
- ✓ Footprint - 1492 towns/cities

Distribution of AUM as at December 31, 2023 (₹ Cr)



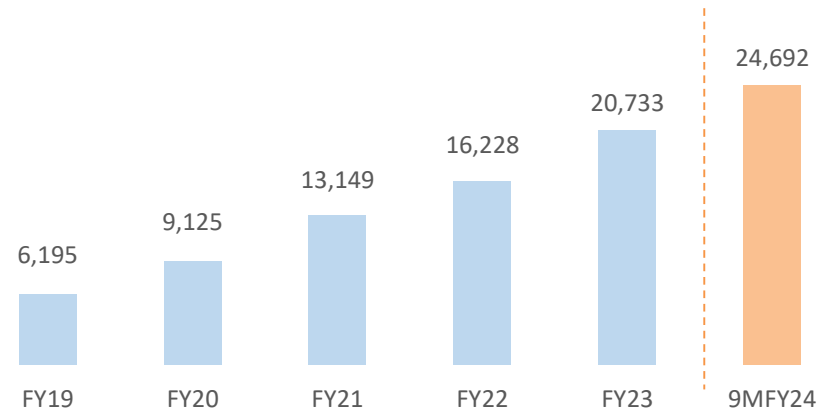
Tenor
~2 years

Active Customer Count
19 lakhs

New Customer Addition (Q3FY24)
2.6 lakhs

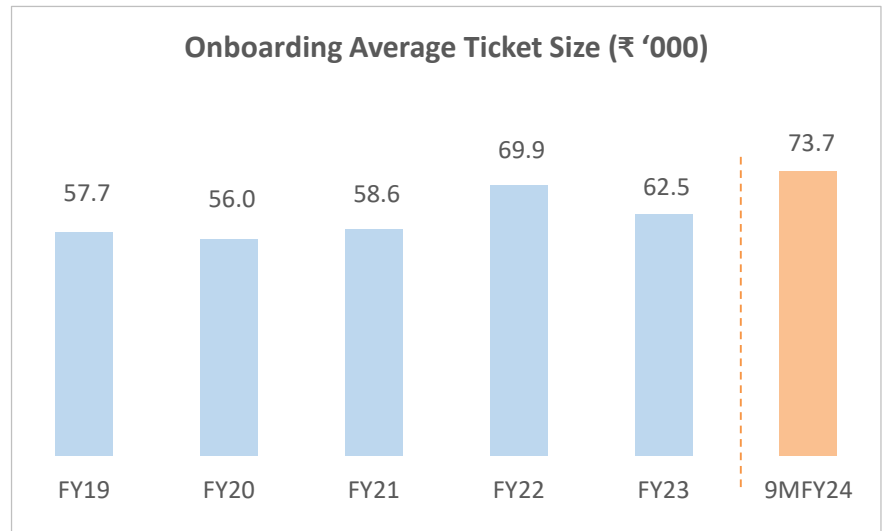
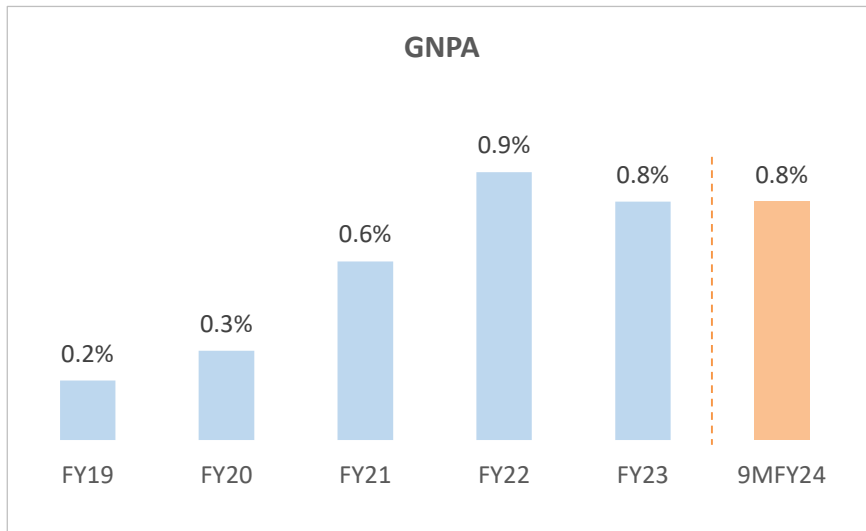
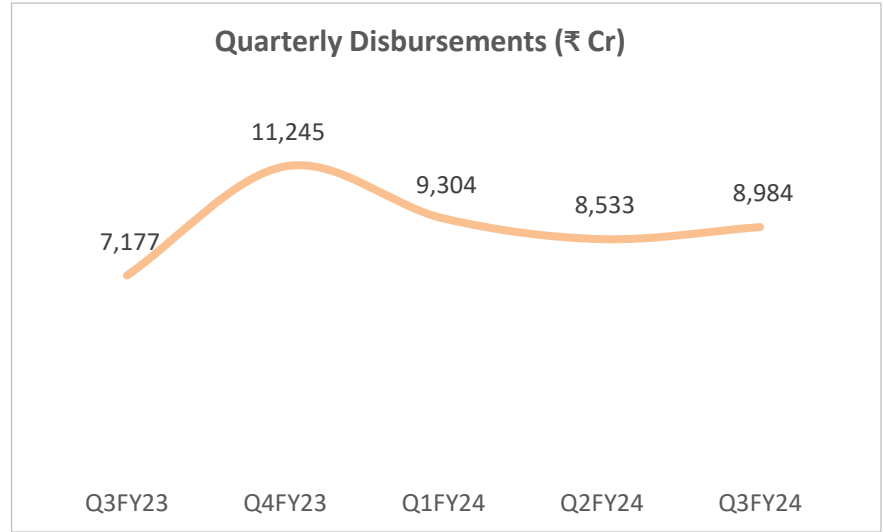
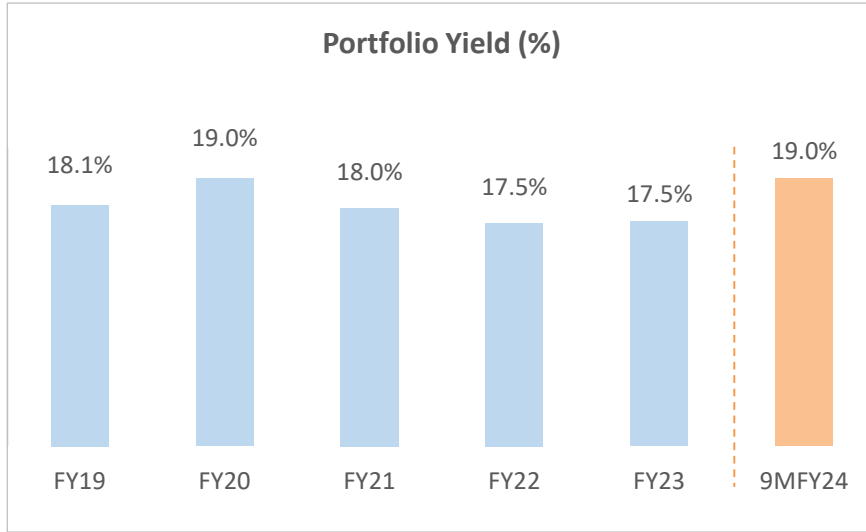
Onboarding Average Ticket Size (Q3FY24)
₹ 78 thousand

Asset Under Management (₹ Cr)



Gold loans – Financial overview

Stable yields and asset quality



INDUSTRY OVERVIEW

- Potential Households in eligible income category (HHs): 2.03 Cr
- 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
₹2.85 lakh Cr

IIFL’S COMPETITIVE EDGE

ESTABLISHED BASE AND CONSISTENT TRACK RECORD

- Major microfinance player with diversified geo presence
- Among top two 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	2.05 Cr	2.05 Cr
Increase in ATS	10.7%	20%
Demand	₹17 lakh Cr	₹24.6 lakh Cr
MFI Outreach	32%	50%
MFI industry o/s	₹5.4 lakh Cr	₹12.3 lakh Cr



DEMAND DRIVERS

Potential MFI market
₹5.4 to 12.3 lakh Cr
(by FY26)

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

WIDESPREAD REACH & STRONG DIGITAL CAPABILITIES

- 1,572 branches in 406 districts (> 50% of overall microfinance presence) across 22 states and union territories
- Grown at a 5 year CAGR of 66% over FY19-FY23; on the back of 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

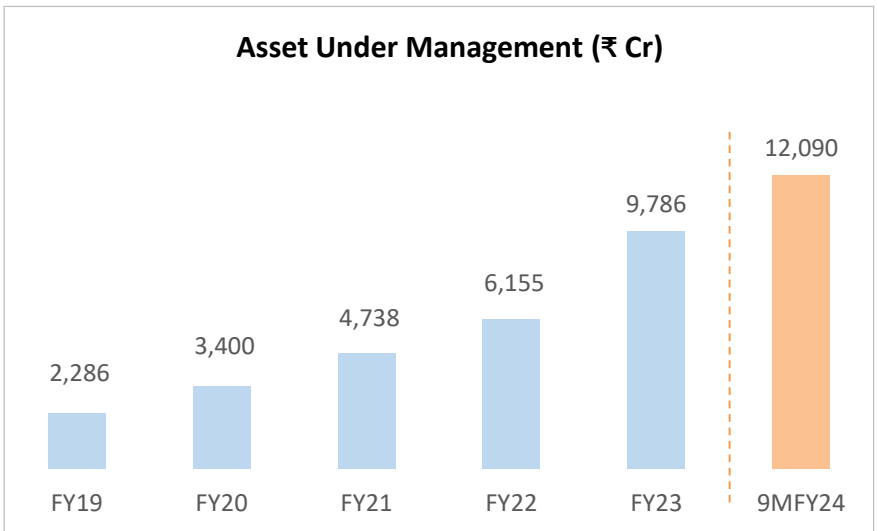
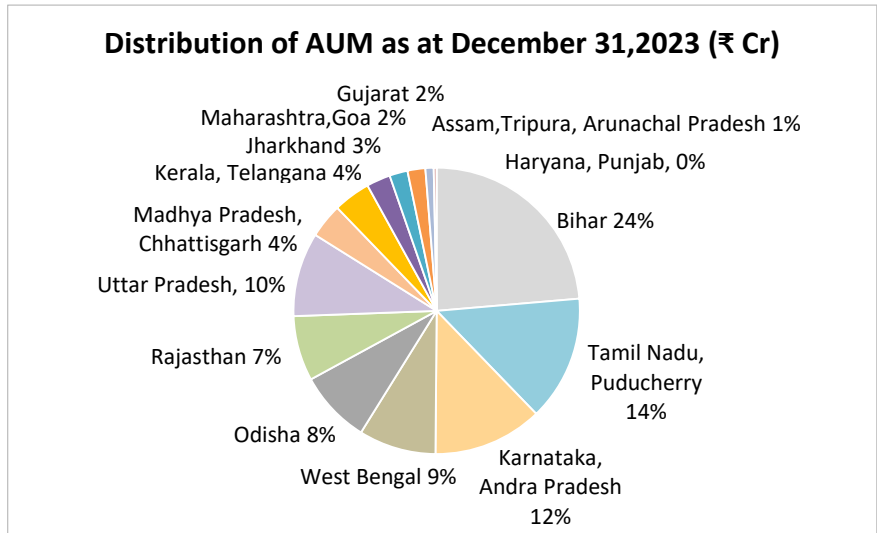
- 15% of IIFL Samasta’s AUM constitutes non-MFI credit
- Ability to serve entire financial needs of customers by leveraging the group’s expertise and bouquet of products

Microfinance loans – Product overview

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

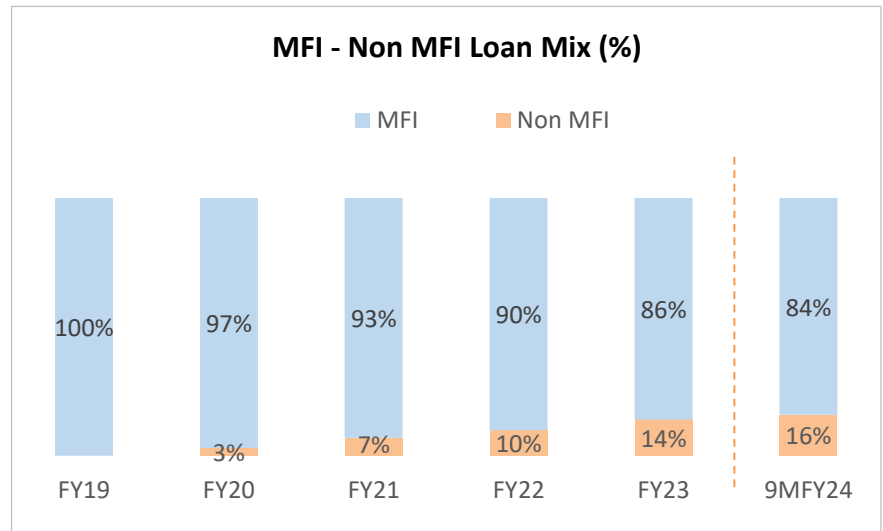
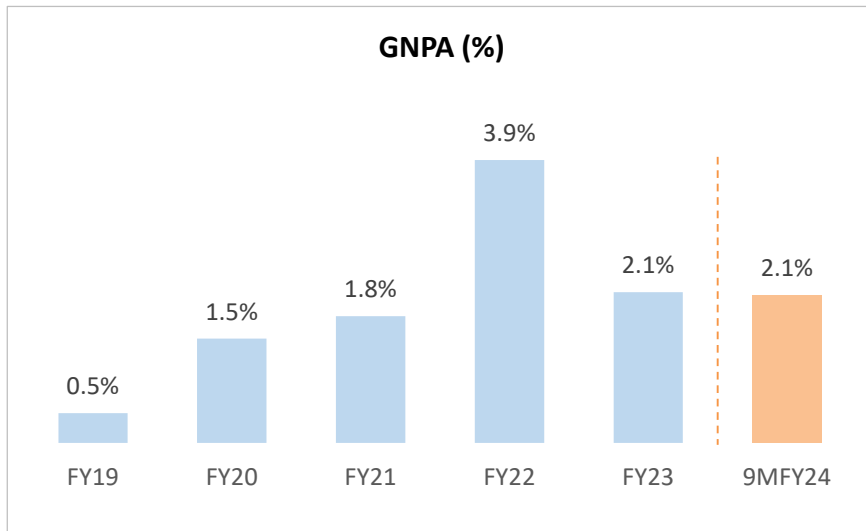
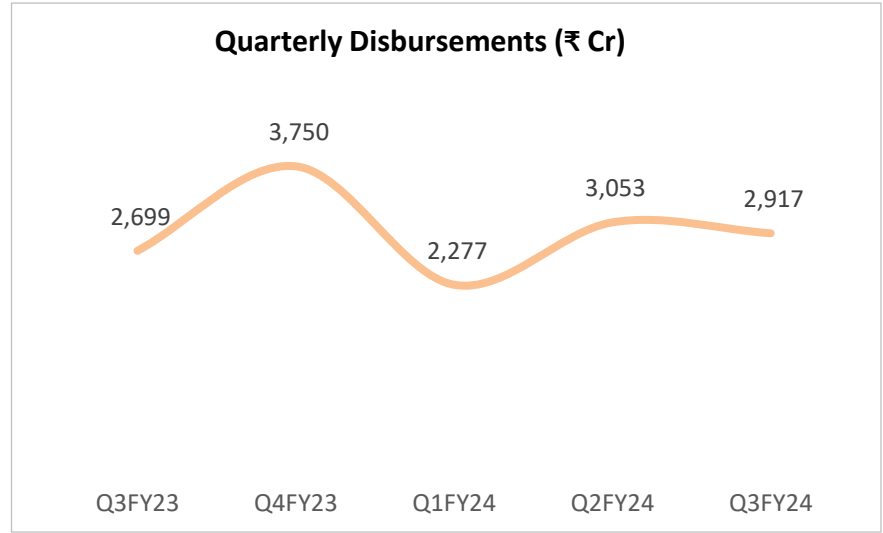
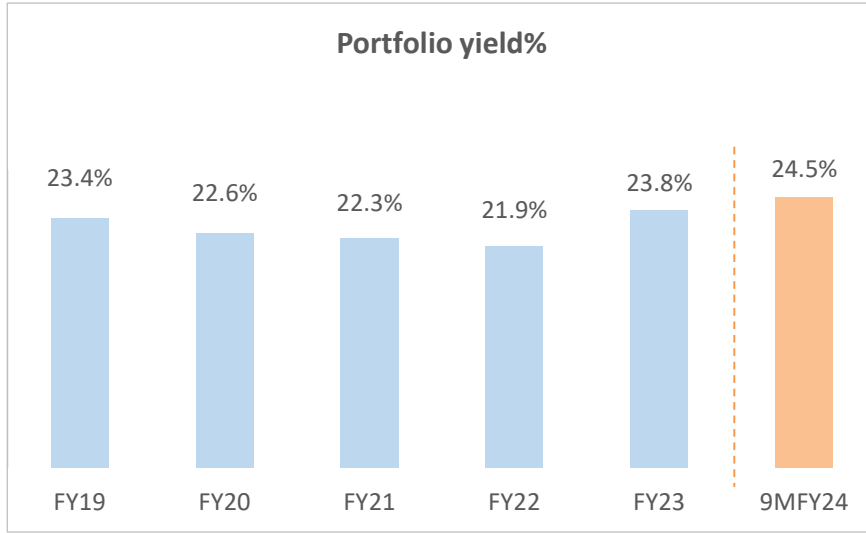
- ✓ **Small-ticket loans** for purpose of income generation activities
- ✓ Target segment is **rural** and **semi-urban self-employed women** in joint liability groups
- ✓ Strong emphasis on **training and awareness of all customers** detailing end use of funds, timely repayment and emphasis on joint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

Active Customers 28.6 Lakhs	Tenor ~2 years
100% Credit linked insurance	States & UT / Districts 22 / 406



Microfinance loans – Financial overview

Improving yields and asset quality; disbursals picking up

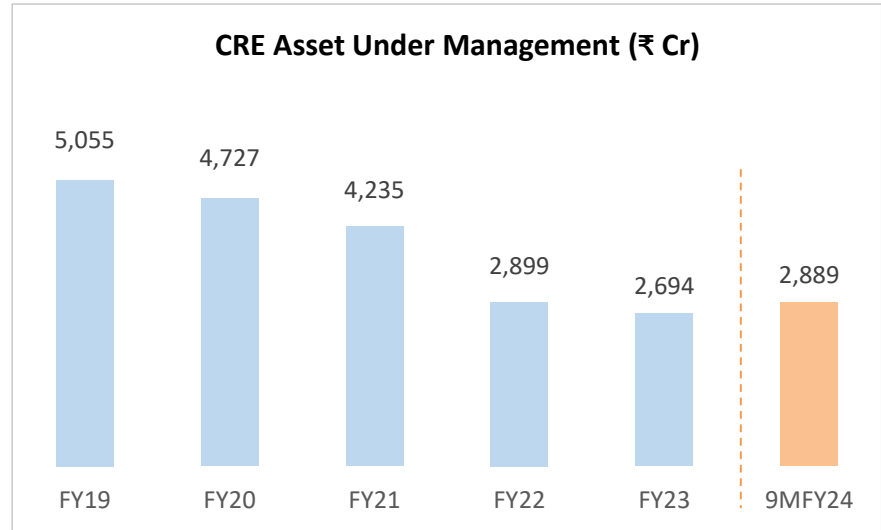


Construction Real Estate (CRE) & Capital Market

Not core but businesses synergistic to Group's core businesses

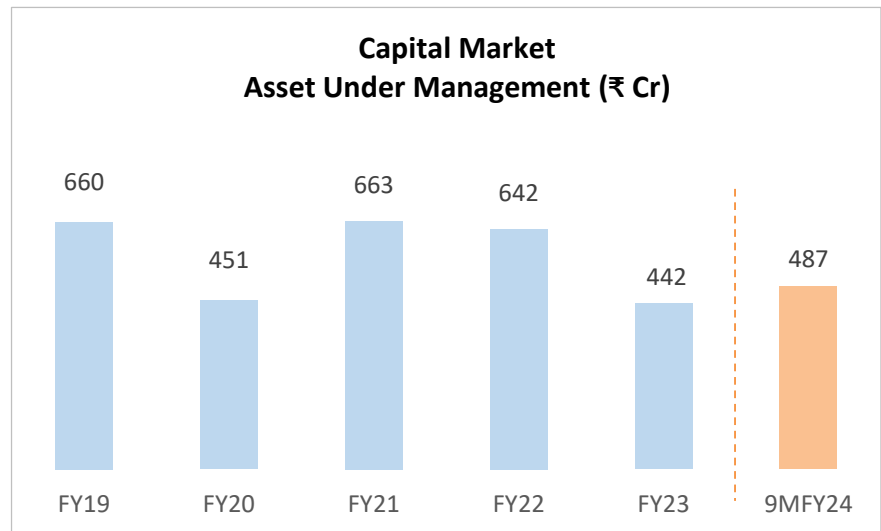
Construction and Real Estate (CRE)

- IIFL Finance continues to provide funding for completion of its already funded projects, with appropriate internal approvals and in compliance with RBI guidelines
- IIFL Finance's HFC subsidiary provides funding for construction of affordable housing, after all approvals and in compliance with regulatory guidelines



Capital market

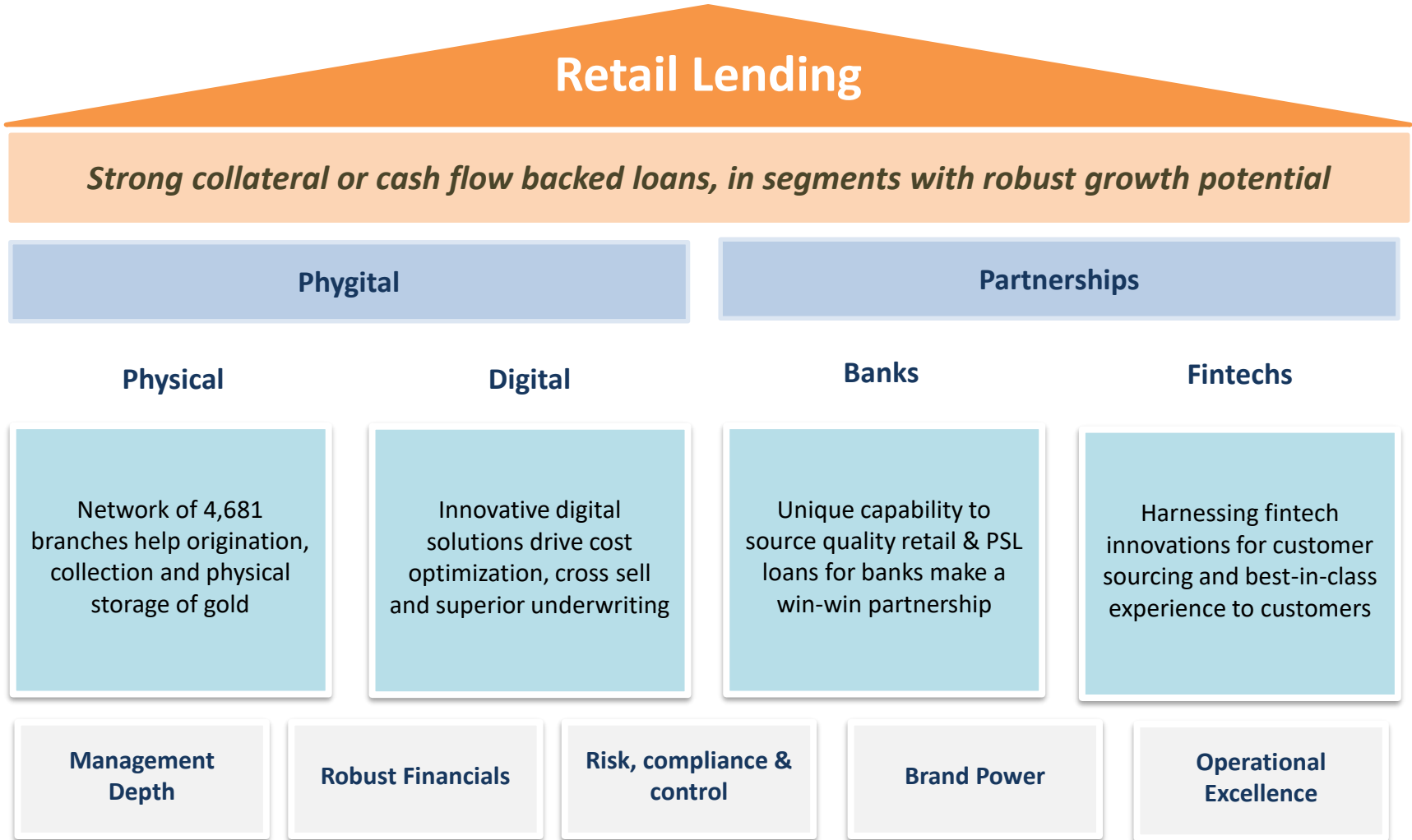
- The Loan Against Shares and capital market portfolio is not core focus for growth but synergistic with group businesses. The strategy is to restrict to clients of group companies, thereby minimising operating cost and with strict risk control of the lending portfolio.



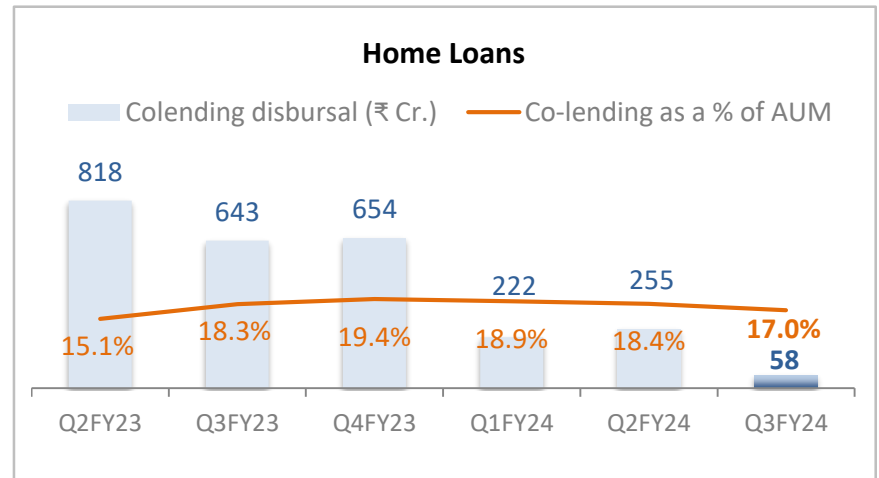
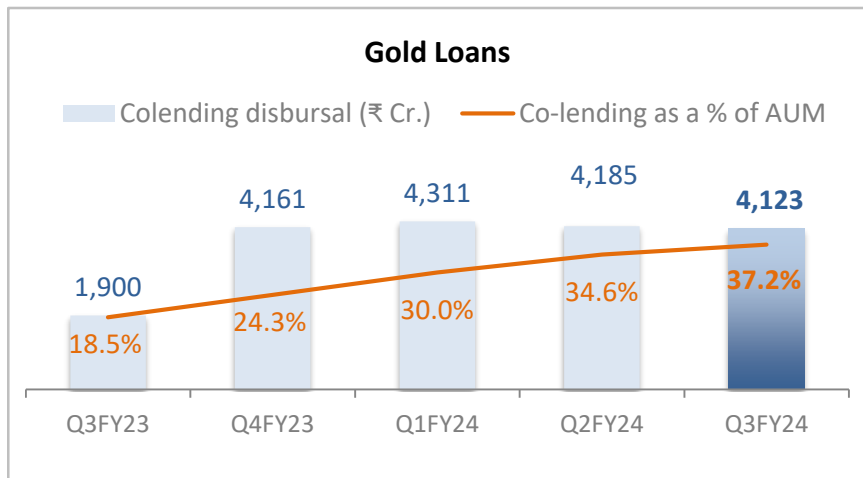
Financial Performance Q3FY24	3 – 8
Key Business Metrics	10 – 16
Business Segments Overview	18 – 33
Corporate, Strategy and Others	35 – 45
Financials of the Subsidiaries	47 – 57
Link to download databook	58

Uniquely placed to dominate non banking retail lending

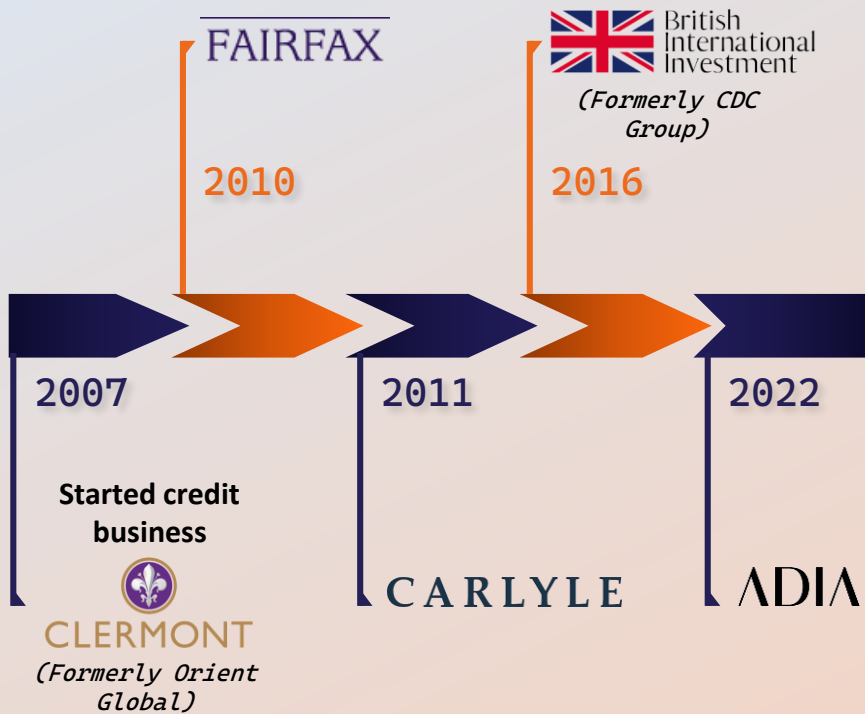
Our business is built on Phygital and Partnership model



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	54.0
Fairfax	15.1
Capital Group	7.9
DSP MF	3.8
Bank Muscat India Fund	3.3
Nomura	3.0
Vanguard	2.8
Bavaria Industries AG	1.6
Abakkus	1.5
HSBC MF	1.4
Ward Ferry	1.3
Public & Others	21.2

As on 31st December, 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 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



T S Ramakrishnan

Non-Executive Nominee Director
*B.COM (HONS), PGDIM, Fellow of
Insurance Institute of India, Diploma
in Health Insurance*

Former Managing Director & CEO, LIC Mutual
Funds; Former Director, Association of Mutual
Funds 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.



Pranav Dholakia

Chief Risk Officer
Chartered Accountant and MBA

Over 25+ years of experience in asset management, credit underwriting & AIF fund raising.



Gaurav Seth

Chief Financial Officer
Chartered Accountant

24+ years of experience with Airtel Payments Bank, Canara HSBC Life Insurance Company and Aviva Life Insurance Company, among others.



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 and Compliance Officer (under SEBI, MCA)

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**.

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

- **60.3%** of gold loan disbursed are of less than ₹ 50,000 value
- **84%** of the branches are located in non-metros, semi-urban and rural areas



BUSINESS LOAN

- **99%** 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
- **1,26,300+** loans given to the informal segment
- **59%** loans given to female owners/co-owners
- **2,42,000+** first time home buyers



MICRO-FINANCE

- Small-ticket loans for purpose of income generation activities
- **27.1 lakhs+** families benefitted in **22** states & UT with financial intervention
- **30,918+** 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

Sakhiyon ki Baadi (Rajasthan)

- Sakhiyon 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



Home Stay Training for 160 Youths – Tezu, Arunachal Pradesh

- comprehensive training in home stay hospitality** for youths
- Equipping the youth with skills to develop Tezu as a tourist destination
- Programme implemented with support of **National Cadet Corps (NCC), Ministry of Defence, Ministry of Development of North Eastern Region (MDoNER)**



Digital Shaala - Rajasthan

- Through IIFL Foundation's e-shiksha initiative we have installed 50 smart TVs at 25 Government Schools across Udaipur district (Rural).
- The sets are equipped with Educational material (Videos) based on the curriculum, enabling students to explore and study subjects digitally.



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 December 31, 2023, we reported **zero cases of non-compliance** with financial, environmental, and socio-economic regulations.





ENVIRONMENT

37 pre-certified green projects under Green Value Partnership®

SAVINGS UNDER IGBC PRELIMINARY CERTIFIED PROJECTS UNDER MANAGEMENT

192 ML | Water Savings

3,323 MWH Energy Savings

3,057 TCO_{2e} GHG Emission Offset*

Received **Gold Level LEED** Certification for Our Office in Gurugram



SOCIAL

₹ 21.35 Crore CSR Expenditure

33,910 Total Workforce

22 Average Training Hours per Employee

7,30,067 Total Training Hours

2,13,700+ Loans to First-time Home Buyers

8,57,544 Total Beneficiaries from CSR Projects



GOVERNANCE

62.5% Independent Board Members

Zero Data Breaches

No Cases of Conflict of Interest

Zero Penalty/Fine for Non-Compliance

Zero Cases of Anti-Corruption/Bribery

34.5 Years Average Experience of the Board

Chairman of the Company is an Independent Director



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IIFL Finance – Group structure

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



Core Product Non-core product

1. Abbreviations: LAP – Loan Against Property, MFI – Microfinance
2. 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

Reconciliation of reported consolidated results with group entities

Nine monthly results for the period ended December 31, 2023

₹ Cr	IIFL Finance Standalone	IIFL Home Finance*	IIFL Samasta Finance	Intergroup adjustments	IIFL Finance Consolidated
Interest income	2,223.3	1,920.1	1,599.2	98.5	5,841.1
Interest expense	(1,232.9)	(969.1)	(639.2)	32.8	(2,808.5)
Net interest income	990.4	950.9	960.0	131.3	3,032.6
Non-fund based income	932.4	474.1	400.1	(127.2)	1,679.4
Total income	1,922.8	1,425.1	1,360.0	4.1	4,712.0
Operating expense	(1,070.1)	(386.8)	(575.5)	(5.3)	(2,037.6)
Pre provision operating profit	852.7	1,038.3	784.5	(1.2)	2,674.4
Loan losses & provision	(270.6)	(100.7)	(304.4)	-	(675.7)
Core Profit before tax	582.1	937.6	480.2	(1.2)	1,998.7
Net Gain/(Loss) on Fair Value Changes	(24.1)	20.9	19.7	3.1	19.5
Profit before tax	558.0	958.5	499.8	1.9	2,018.2
Profit after tax (pre NCI)	419.7	739.6	382.8	1.9	1,544.0

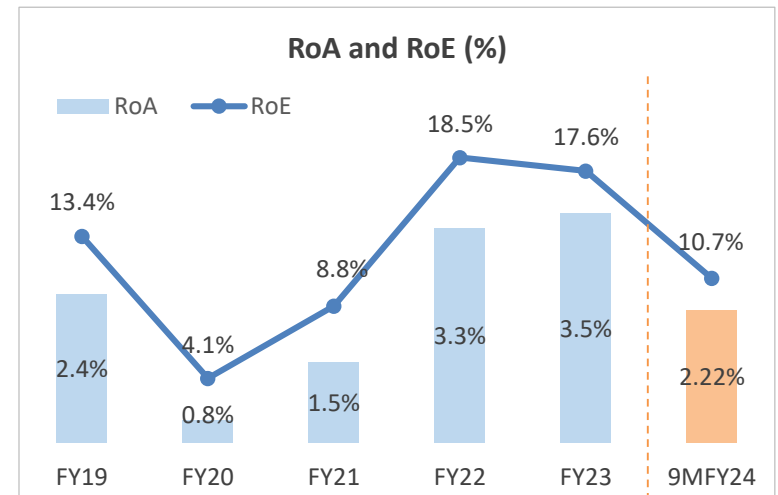
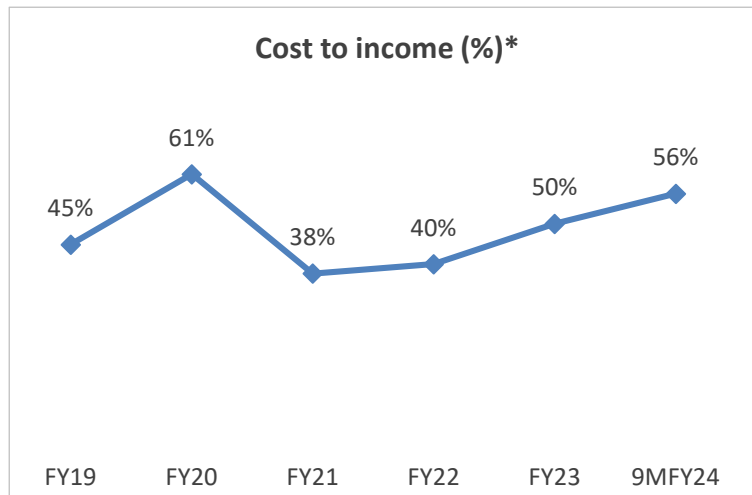
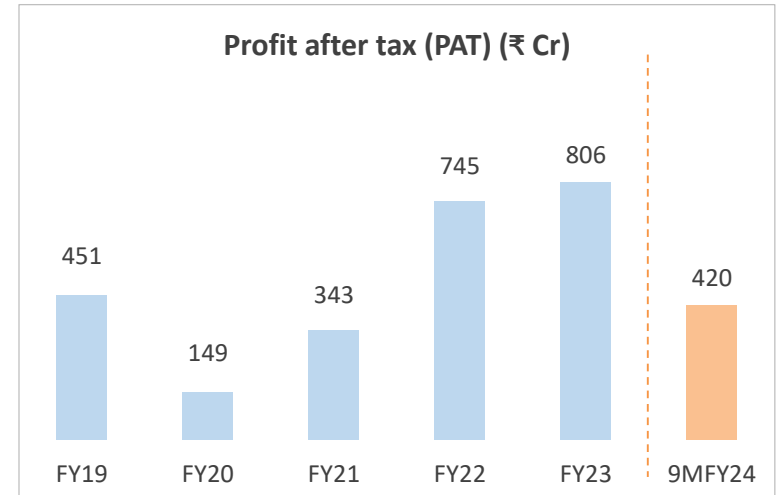
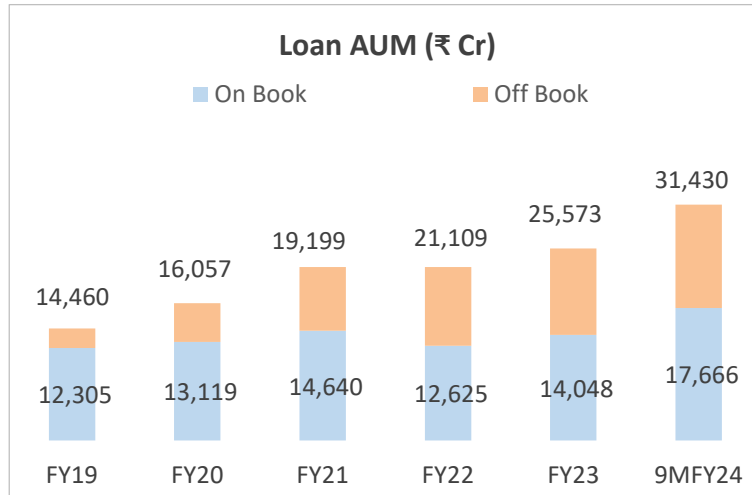
*for Consolidated entity

Note: Intergroup adjustments includes IIFL Open Fintech Private Limited

₹ Cr	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q
Interest income	788.4	675.2	17%	720.1	9%
Interest expense	(437.6)	(365.0)	20%	(407.5)	7%
Net interest income	350.9	310.2	13%	312.6	12%
Non-fund based income	327.6	310.5	6%	331.5	(1%)
Total income	678.5	620.7	9%	644.0	5%
Operating expense	(378.6)	(329.4)	15%	(355.9)	6%
Pre provision operating profit	299.9	291.3	3%	288.1	4%
Loan losses & provision	(94.7)	(79.5)	19%	(102.9)	(8%)
Net Gain/(Loss) on Fair Value Changes	(28.5)	0.6	(4678%)	(4.6)	514%
Profit before tax	176.7	212.5	(17%)	180.6	(2%)
Profit after tax	131.6	159.0	(17%)	136.7	(4%)

IIFL Finance (Standalone): Financial trends

Robust financial performance and growth

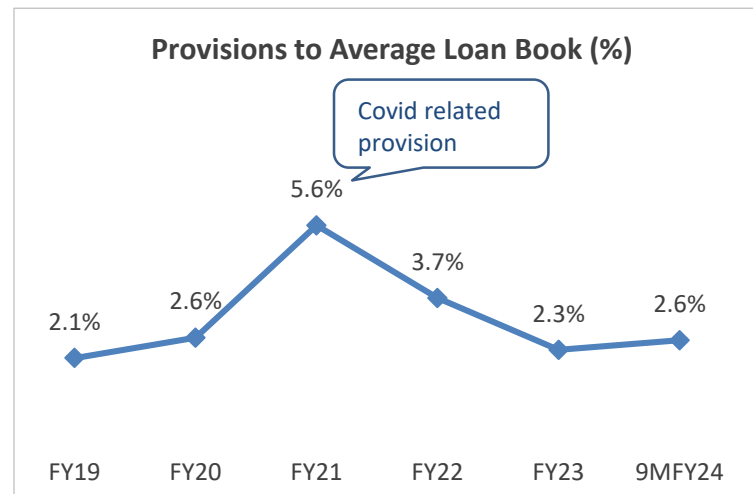
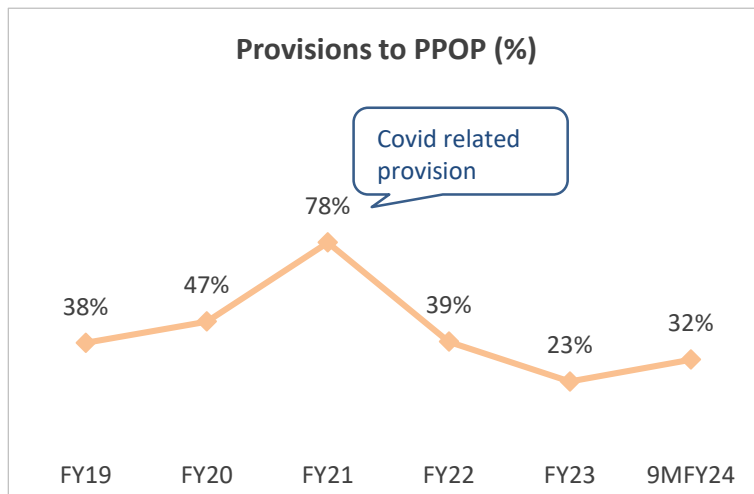
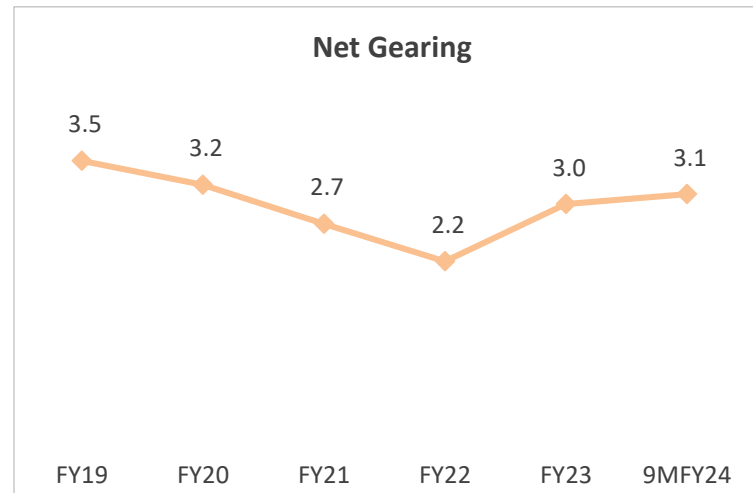
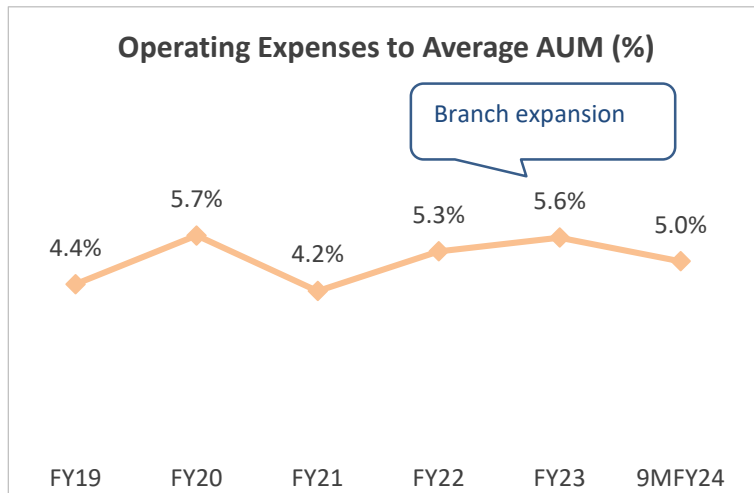


Note:

* Includes Net gain/(loss) on Fair value changes

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

IIFL Home Finance (Consolidated): Quarterly results



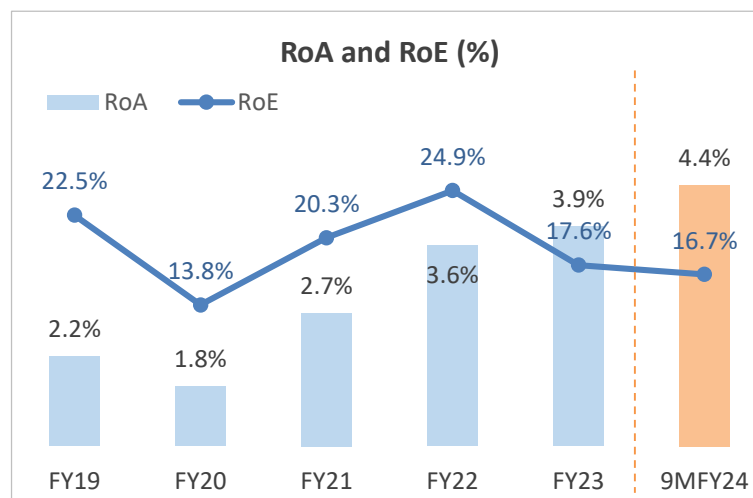
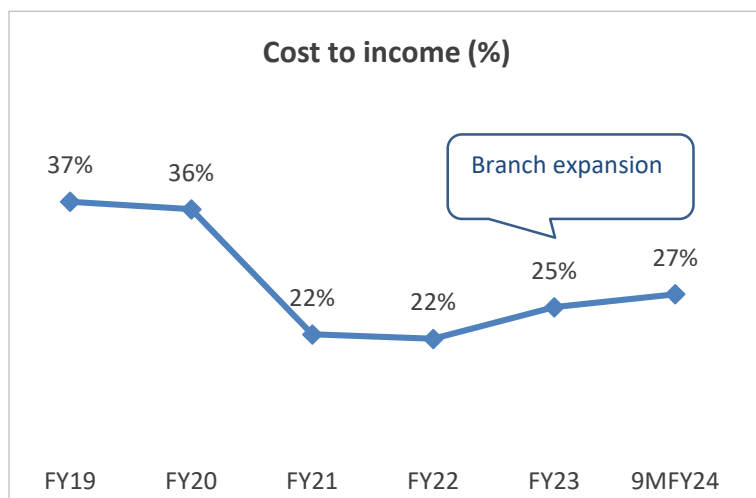
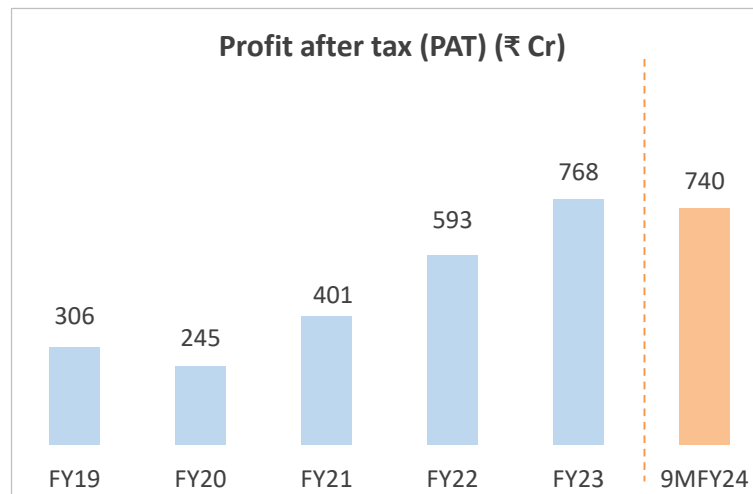
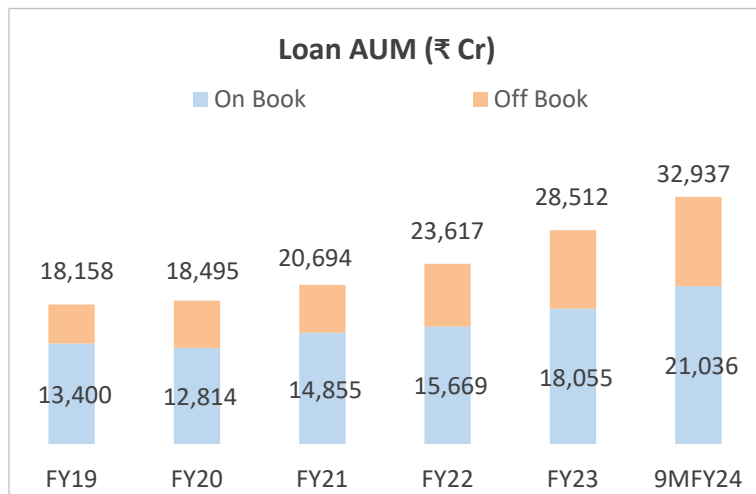
₹ Cr	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q
Interest income	669.2	543.0	23%	636.0	5%
Interest expense	(327.3)	(294.8)	11%	(320.3)	2%
Net interest income	342.0	248.2	38%	315.7	8%
Non-fund based income	169.5	146.6	16%	157.6	8%
Total income	511.5	394.8	30%	473.3	8%
Operating expense	(143.5)	(94.7)	52%	(125.9)	14%
Pre provision operating profit	368.0	300.1	23%	347.4	6%
Loan losses & provision	(39.3)	(31.8)	24%	(34.3)	15%
Net Gain/(Loss) on Fair Value Changes	13.5	13.0	4%	4.6	194%
Profit before tax	342.2	281.3	22%	317.7	8%
Profit after tax (Pre NCI)	262.9	216.1	22%	247.3	6%

Figures have been regrouped as per IIFL Finance Consol Financials

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

IIFL Home Finance (Consolidated): Financial trends

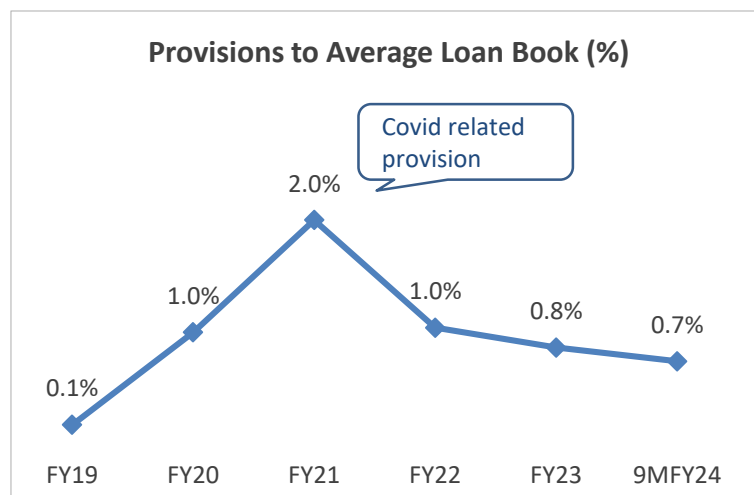
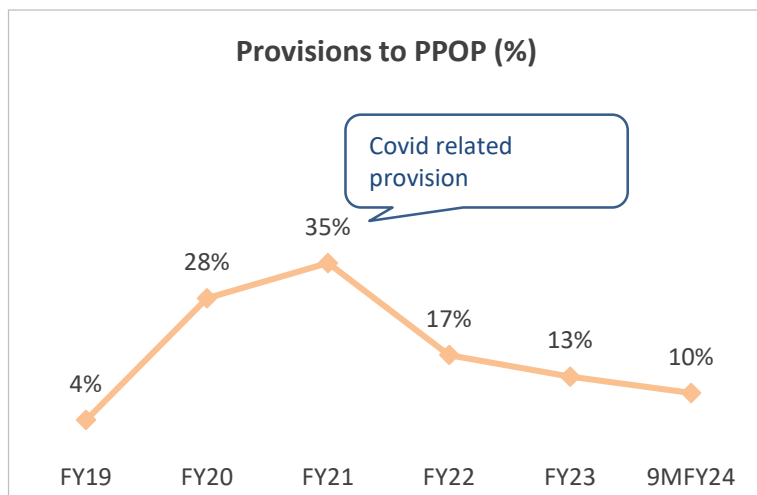
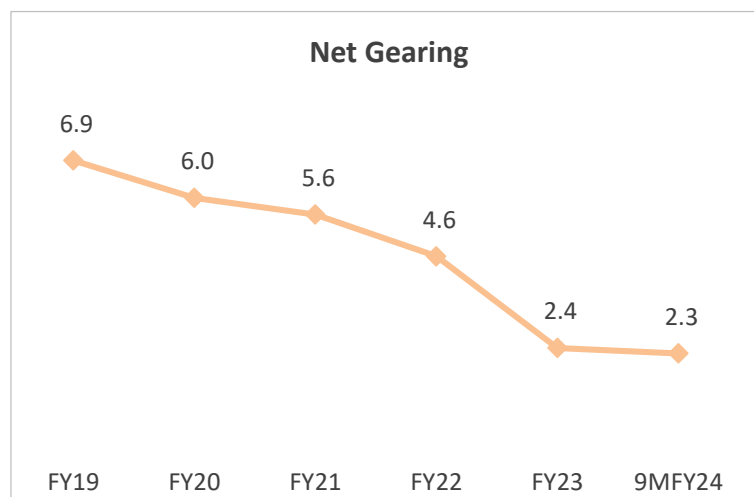
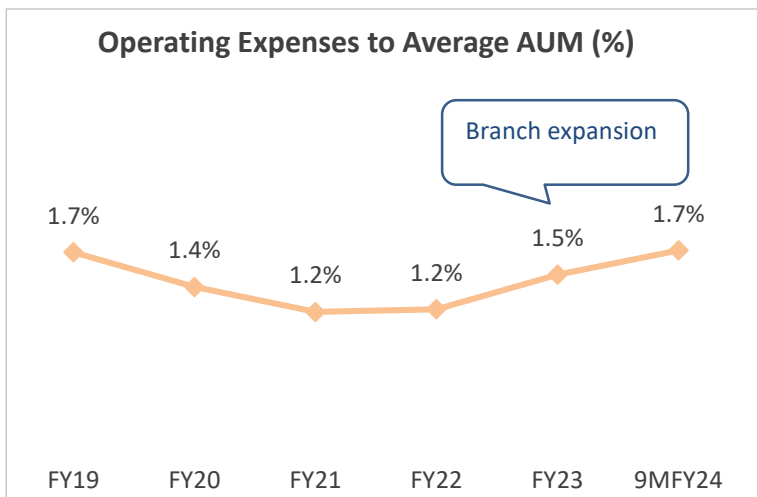
Robust financial performance and growth



Note:
* Includes Net gain/(loss) on Fair value changes

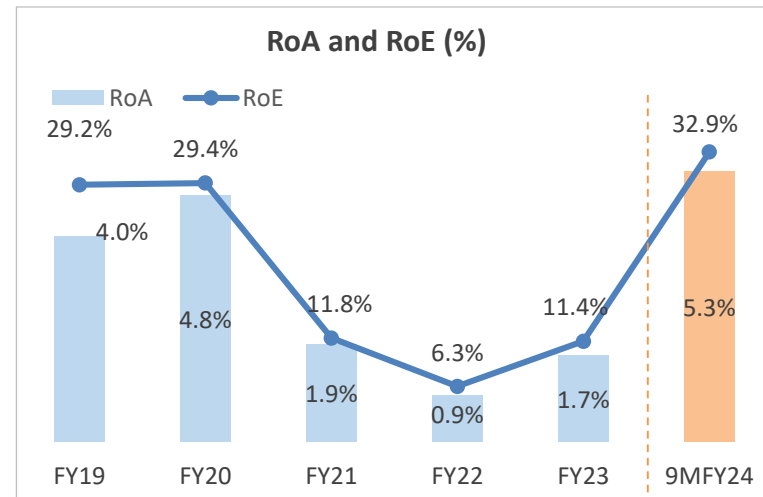
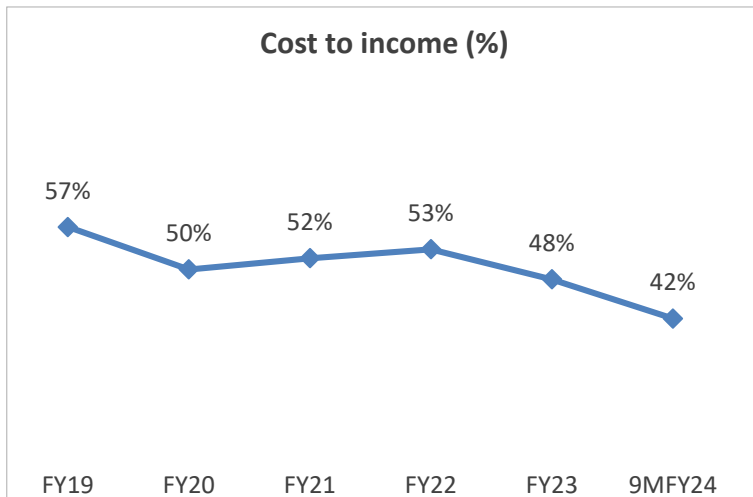
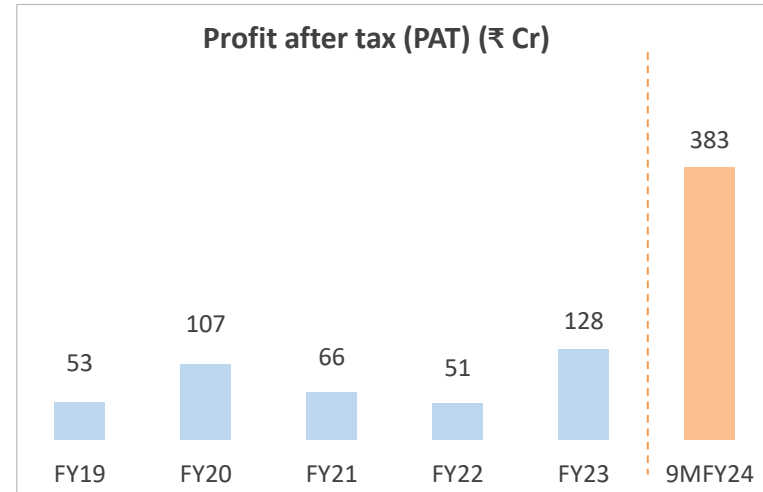
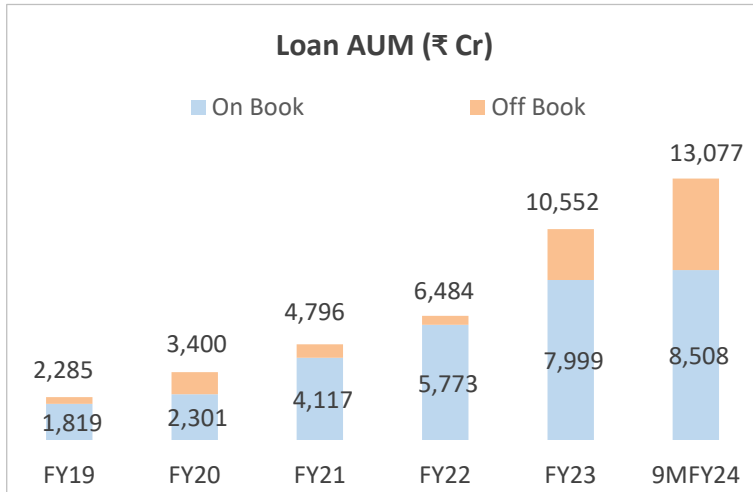
IIFL Home Finance (Consolidated): Key ratios trends

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	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q
Interest income	564.7	363.0	56%	547.0	3%
Interest expense	(226.5)	(151.2)	50%	(214.0)	6%
Net interest income	338.3	211.8	60%	333.0	2%
Non-fund based income	157.9	90.3	75%	147.6	7%
Total income	496.2	302.1	64%	480.6	3%
Operating expense	(204.0)	(142.4)	43%	(193.3)	6%
Pre provision operating profit	292.2	159.7	83%	287.3	2%
Loan losses & provision	(108.9)	(101.9)	7%	(105.4)	3%
Net Gain/(Loss) on Fair Value Changes	13.0	2.1	505%	3.0	325%
Profit before tax	196.2	59.9	227%	185.0	6%
Profit after tax (Pre NCI)	149.8	47.2	218%	141.4	6%

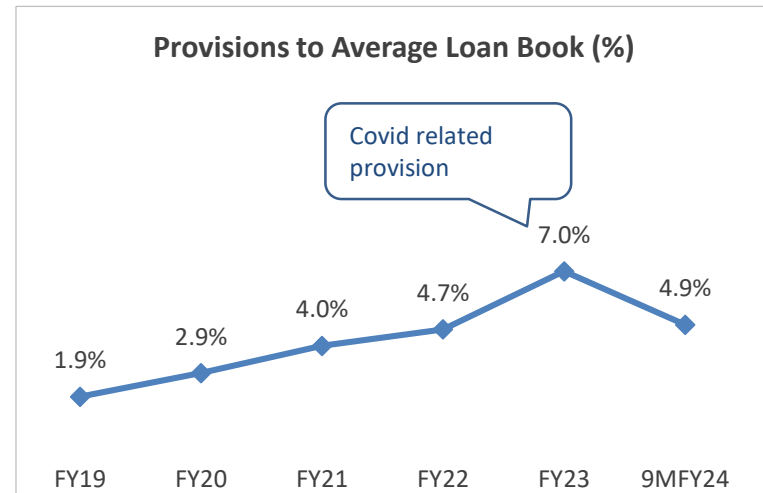
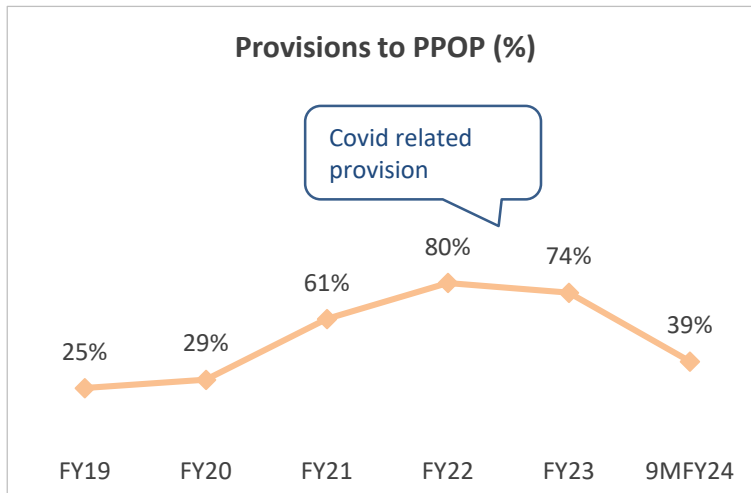
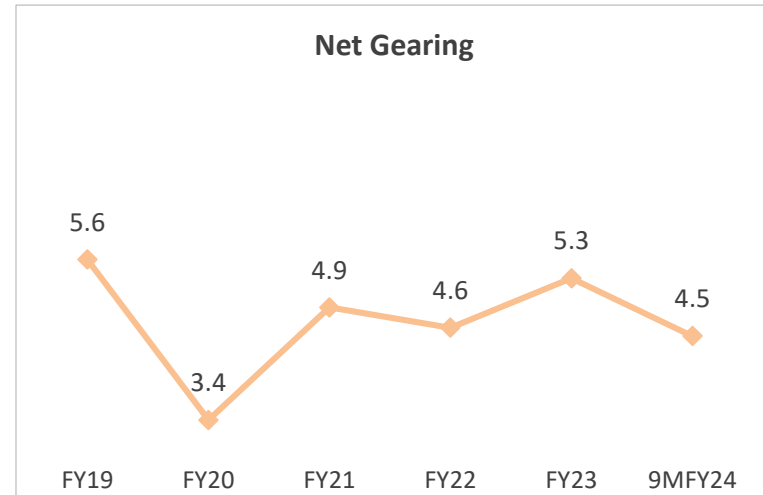
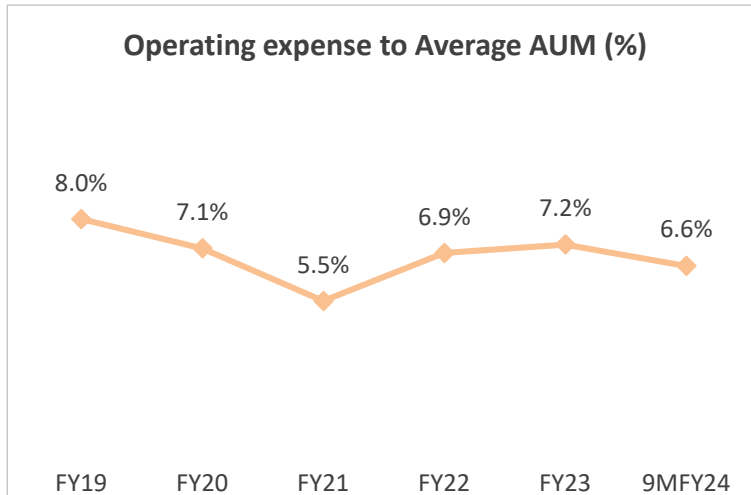


Note:

* Includes Net gain/(loss) on Fair value changes

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 databook](#)

Thank you

Published in October 2023

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