

IIFL Finance Limited

Press Release

For immediate publication

Mumbai, India

27th January 2022

IIFL Finance Quarterly Results update

IIFL Finance Q3 profits at ₹310 crores, up 15% y-o-y and 9M profit ₹867 crores, up 69% y-o-y,

Highlights of performance

Profit growth momentum- 9MFY22 up 69% y-o-y; Q3FY22- up 15% y-o-y

Net profit grew 69% y-o-y in 9MFY22 to Rs 867 Cr. The quarterly net profit was Rs 310 Cr, up 15% y-o-y and 6% q-o-q

Loan AUM grows to Rs 46,780 Cr, up 11% y-o-y and up 6% q-o-q

IIFL loan assets under management grew 11% yoy, driven by sustained growth in home loan and gold loan businesses.

Liquidity comfort at all-time high at Rs 9,145 Cr

As at December 2021, Free cash, equivalent and undrawn lines were Rs 9,145 Cr, adequate to meet not only all near term liabilities but also to fund the growth momentum

Digital transformation gaining traction

Branchless channel for Gold Loan and DIY MSME loans are getting significant traction.

Disbursements of DIY loans grew four- fold qoq whereas Gold Loan @ home grew 31% qoq.

Maintaining ROE above 20% p.a., whilst funding growth

Our annualized ROE remained above 20% and ROA above 2.5%. With ongoing expansion, operating cost grew 9% q-o-q

IIFL Finance Limited Consolidated Results -9MFY22

Rs Crore	Nine months ended December 31, 2021	Nine months ended December 31, 2020	Y-O-Y
Total Income (Net)	2,870.8	2,395.5	20%
Pre-provision operating profit	1,747.5	1,522.9	15%
Profit before tax	1,116.4	684.2	63%
Profit after tax	867.3	513.0	69%
TCI (Pre-minority)	859.2	466.7	84%
Earnings per share (EPS)	22.9	13.5	69%
Loan AUM	46,780	42,264	11%

IIFL Finance Limited Consolidated Results Quarterly – Q3FY22

Rs Crore	Quarter ended December 31, 2021	Quarter ended December 31, 2020	Y-O-Y	Quarter ended September 30, 2021	Q-O-Q
Total Income (Net)	1,070.8	919.3	16%	969.3	10%
Pre-provision operating profit	650.2	615.4	6%	581.7	12%
Profit before tax	394.3	348.2	13%	371.5	6%
Profit after tax	309.9	268.5	15%	291.6	6%
TCI (Pre-minority)	320.1	231.4	38%	289.4	11%
Earnings per share (EPS)	8.2	7.1	15%	7.7	6%
Loan AUM	46,780	42,264	11%	44,249	6%

Mr Nirmal Jain, Chairman, IIFL Finance Ltd., commented on the financial results: *“We continue to invest in capacity expansion through digital initiatives, partnership, new branches and channels for growth in the core businesses. Our liquidity situation has improved considerably and cash & equivalent on our balance sheet is at all-time high. The loan disbursements through new digital initiatives had great traction last quarter and we look forward to further acceleration in the year ahead. We are pleased to report sustained profit growth and ROE above 20% p.a.”*

Financial performance review

IIFL Finance had loan assets under management (loan AUM) of Rs 46,780 Cr as at December 31, 2021, with the home loans segment constituting 35%, gold loans 31%, business loans 15% and microfinance loans 11% of the total AUM.

The company’s annualized ROE and ROA for Q3FY22 stood at 20.7% and 2.9% respectively. Pre-provision operating profit stood at Rs. 650 Cr. during the quarter. Average borrowing costs for the quarter declined 3 bps q-o-q and 27 bps y-o-y to 8.7%.

94% of our loans are retail in nature and 67% of our retail loans (excluding gold loans which are not classified as PSL loans) are PSL compliant. The assigned loan book, currently at Rs 13,209 Cr, is 28% of AUM. Besides, there are securitized assets of Rs 3,191 Cr. There exists significant opportunity for further assignment and securitization, given our granular and retail book.

GNPA stood at 2.8% and NNPA stood at 1.5%, as at December 31, 2021. This includes the impact of RBI notification dated 12th November, 2021. With implementation of Expected Credit Loss under Ind AS, provision coverage on NPAs stands at 133%.

Total CAR stood at 25.4% including Tier I capital of 18.0% as at December 31, 2021, as against minimum regulatory requirement of 15% and 10% respectively

The total presence of branches grew to 3,119 as at the end of quarter from 2,914 branches as at previous quarter, spanning the length and breadth of the country.

Business segment review

Home Loans: At the end of the quarter, retail home loan assets grew by 23% y-o-y and 5% q-o-q to Rs 16,495 Cr. The primary focus in this segment is on affordable and non-metro housing loans. Over 49,500 customers were benefitted with a subsidy of more than Rs 1,184 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Gold Loans: As of December 31, 2021 the gold loans AUM grew to Rs. 14,606 Cr, showing a strong growth of 20% y-o-y and 7% q-o-q. Gold loans are provided through our widespread presence in 1170+ cities across 25 states to salaried, self-employed and MSME customer segments.

Microfinance: The microfinance loan AUM stood at Rs. 5,178 Cr., up 32% y-o-y and 14% q-o-q, as at December 31, 2021. The microfinance customer base stood at 16.4 lakh customers.

Business loans: Secured business loans de-grew by 2% y-o-y to Rs. 5,299 Cr. whereas unsecured business loans de-grew by 28% y-o-y to Rs. 1,715 Cr.

Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 9,145 Cr were available as on December 31, 2021. During the quarter, we raised Rs 4,299 Cr through term loans, bonds and refinance. Loans of Rs 3,600 Cr were securitized and assigned during the quarter. Additionally, during the quarter, IIFL Finance successfully raised Rs. 1,110 Cr. via refinancing, out of which Rs. 850 was from National Housing Bank (NHB).

IIFL Finance appoints Deloitte to assist in Risk & Internal Audit.

IIFL Finance appoints Deloitte Touché Tohmatsu Limited to assist in its risk and internal audit process. The appointment was approved by the Board of Directors of the company in their meeting held on January 27, 2022 and will be effective from April 1, 2022.

IIFL Finance appoints former SBI Chairman Mr. Arun Kumar Purwar as Chairman

IIFL Finance appoints Mr. Arun Kumar Purwar as Chairman with effect from April 1, 2022. Mr Purwar is a former Chairman of State Bank of India (SBI), the country's largest bank. This appointment was approved by the Board of Directors of the company in their meeting held on January 27, 2022.

Mr. Purwar has had an illustrious career spanning nearly four decades at SBI, where he was the Chairman from November 2002 to May 2006. At SBI he furthered its core banking initiatives. He initiated business process re-engineering at SBI and also stepped up the bank's focus on the retail segment. He played an important role in starting SBI Life Insurance Company. He has also held prominent leadership positions in several companies, including State Bank of Patiala, Indian Bank Association, among others. He is currently the Chairman of Tadas Wind Energy Private Limited and Eroute Technologies Private Limited. He also works as an independent director in leading companies across diverse sectors – Power including Solar, Wind, Thermal & Gas based power projects, Steel, Pharmaceuticals, Telefilms, Engineering Consultancy, Financial Services as well as Fintechs.

Awards and Accolades:

- IIFL Finance received “The Most Preferred Brand Award 2021 for Sustained Brilliance in Brand Building” at Marksmen Daily Awards.
- IIFL Finance received The Economic Times Iconic Brand Award 2021
- IIFL Foundation was recognized as ‘Champion of Change’ by ET Now for bringing over 36,000 out-of-school girl children into education fold
- IIFL Foundation received India’s Greatest CSR Brand recognition by Asia One
- IIFL Foundation received “Best Sustainability Education Program” at Global Sustainability Leadership Awards
- IIFL Foundation received “Sustainable Carbon Management Award” at Global Sustainability Leadership Award

About IIFL

IIFL Group is one of the leading players in the Indian financial services space. Prior to the Composite Scheme of Arrangement (effective May 2019), IIFL Finance Limited (Erstwhile “IIFL Holdings Limited”) (Bloomberg Code: IIFL IN, NSE: IIFL, BSE: IIFL) was engaged in the business of financing, asset and wealth management, retail and institutional broking, financial products distribution and investment banking through its various subsidiaries.

IIFL Finance Ltd is one of the leading retail focused diversified NBFC in India, engaged in the business of loans and mortgages along with its subsidiaries - IIFL Home Finance Limited and IIFL Samasta Finance Limited. IIFL Finance, through its subsidiaries, offers a wide spectrum of products such as Home loan, Gold loan, Business loan, Microfinance, Capital Market finance and Developer & Construction finance to a vast customer base of over 6.5 million customers. IIFL Finance has widened its pan-India reach through extensive network of branches spread across the country and various digital channels.

IIFL Securities Limited is one of the largest independent full-service retail and institutional broking house along with being a leading investment advisory firm in India providing diversified financial services and products to corporate, institutional investors, foreign portfolio investors, mutual funds, insurance companies, alternative investment funds, trusts, high net worth individuals and retail clients.

IIFL Wealth is one of the fastest growing private wealth management firms in India with an AUM greater than USD 21 billion (as on March 2021). They serve the highly specialized and sophisticated needs of high net worth and ultra-high net worth individuals, affluent families, family offices and institutional clients through a comprehensive range of tailored wealth management solutions.

This document may contain certain forward looking statements based on management expectations. Actual results may vary significantly from these forward looking statements. This document does not constitute an offer to buy or sell IIFL products, services or securities. The press release, results and presentation for analysts/press for the quarter and nine months ended December 31, 2021, are available under the ‘[Financials](#)’ section on our website www.iifl.com.

IIFL Group refers to IIFL Finance Ltd and its group companies.

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