



## **Performance review**

**Quarter ended September 30, 2021 (Q2FY22)**

**Bloomberg: IIFL IN**

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**IIFL Finance Limited**

**October 27, 2021**

## 1. H1 & Q2 FY22 Financial performance

i. Key highlights

ii. Financial performance

iii. Asset quality

iv. Liquidity position

## 2. Business segments review

i. Home loan

ii. Business loan

iii. Gold loan

iv. Microfinance

## 3. Corporate, Digital strategy & ESG updates

## Key highlights (H1 and Q2 FY22)



### **Profit growth momentum- H1FY22 up 128% y-o-y; Q2FY22- up 37% y-o-y**

Net profit grew 128% y-o-y in H1FY22 (6 months) to ₹557 Cr. The quarterly net profit was ₹292 Cr, up 37% y-o-y and 10% q-o-q

### **Liquidity comfort at all time high at ₹6,379 Cr**

As at September 2021, free cash, equivalent and undrawn lines were ₹6,379 Cr, adequate to meet not only all near term liabilities but also to fund the growth momentum

### **Betting on growth- Added 4000 employees in H1FY22**

We added 4000 employees in H1FY22, including 2700 in Q2FY22 itself. Commenced 230 new branches in Q2FY22. Also aggressive investment in technology and branding continues, betting on growth in next 2/3 years.

### **Maintaining RoE above 20% p.a., whilst funding growth**

Notwithstanding large investment in growth causing spike in operating costs, our RoE remained above 20.0% and RoA above 2.5%. With ongoing expansion, operating cost grew 23% q-o-q

### **Industry leading fintech innovations- digital loans disbursement grew 39% q-o-q**

Receiving great response to industry-first digital innovations- e.g. WhatsApp loans gets more than 60,000 organic leads in first 10 days. Digital loan disbursement grew 39% q-o-q.

### **Unswerving risk mitigation**

Stringent credit, collection processes get a fillip from digital technology. Wave 2 flow into 90 days led to spike in GNPA of MFI loans, but asset quality and capital adequacy remain amongst best in the industry.

## Key metrics (H1 and Q2 FY22)



**Loan AUM**  
**₹44,249 Cr**  
*Up 8% y-o-y*

**Return on- Equity / Asset<sup>1</sup>**  
**20.5% / 2.8%**  
*Previous year Q2 17.7% / 2.5%*

**Net Profit**  
**₹292 Cr**  
*Up 37% y-o-y*

**Cost of Funds**  
**8.7%**  
*Down 33 bps y-o-y*

**Gross / Net NPAs**  
**2.3% / 1.1%**  
*Previous year Q2<sup>2</sup> 2.8% / 1.3%*

**Pre Provision  
Operating Profit**  
**₹582 Cr**  
*Flat y-o-y*

**Cash/ Undrawn Lines**  
**₹6,379 Cr**  
*Previous year Q2 ₹4,927 Cr*

**Employees / Branches**  
**23,775 / 2,914**  
*Previous year Q2 17,334 / 2,383*

**Cost to Income**  
**40%**  
*Previous year Q2 34%*

**Capital Adequacy**  
**25.9%**  
*Previous year Q2 18.7%*

**Retail loans/ Wholesale loans**  
**94%/6%**  
*Previous year Q2 89%/ 11%*

**Provision Coverage**  
**175%**  
*Previous year Q2<sup>2</sup> 155%*

<sup>1</sup>Return on Equity and Return on Asset quarterly numbers are annualized

<sup>2</sup> Based on proforma GNPA/ NNPA (without considering Hon'ble Supreme Court order)

# Business model overview



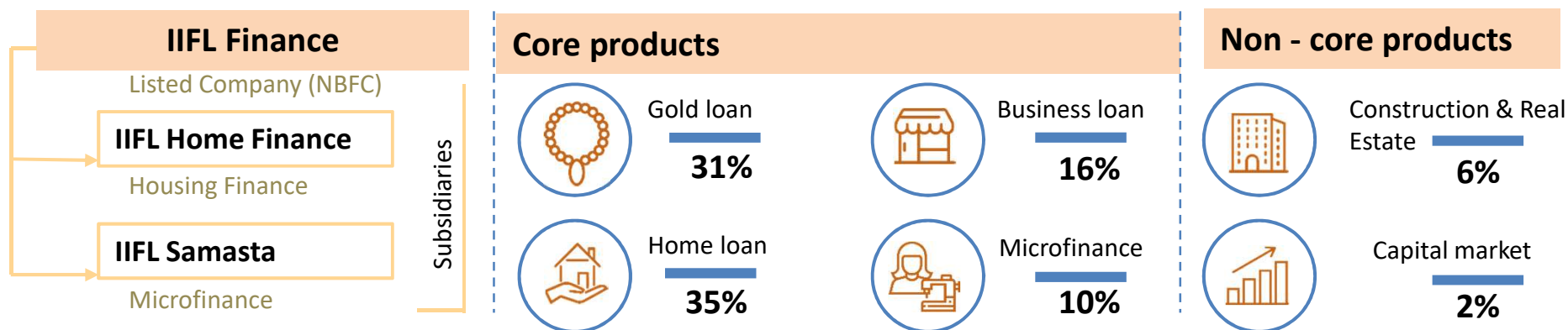
## Focussed on small ticket retail loans

IIFL Finance's sweet spot in NBFC sector is in delivering credit to underserved segments of the society and in the under penetrated geographical areas in India. IIFL is uniquely placed to grow with bank partnerships as

**Banks'** appetite for such retail loan assets is much more than their own originating capacity, for superior risk- return profile while fulfilling social objectives of financial inclusion.



**IIFL Finance** has vast and growing network of branches, proprietary technology edge, experienced manpower and time tested systems and processes.



**94%** of our loan portfolio comprises retail assets, Gold/ Micro finance loans of ticket size ~ ₹25-50k & Home/ Business loans of ~₹1-2 million, loan against shares distributed via its branches, app and website.

# Strategy overview



## Business Strategy



- **Branches and technology** are two pillars of our business strategy focussed on affordable home loans, gold loan, micro finance and small business loans.
- Branches facilitate storage of gold, customer servicing in co-lending with banks, superior collection and cross sell processes



## Financial Strategy



- Banks are keen to buy retail loan portfolio or build the same by co-lending. IIFL has unique strengths in scaling up co-lending with banks.
- Bank partnership is helping in achieving superior return on capital and grow faster without liquidity stress.



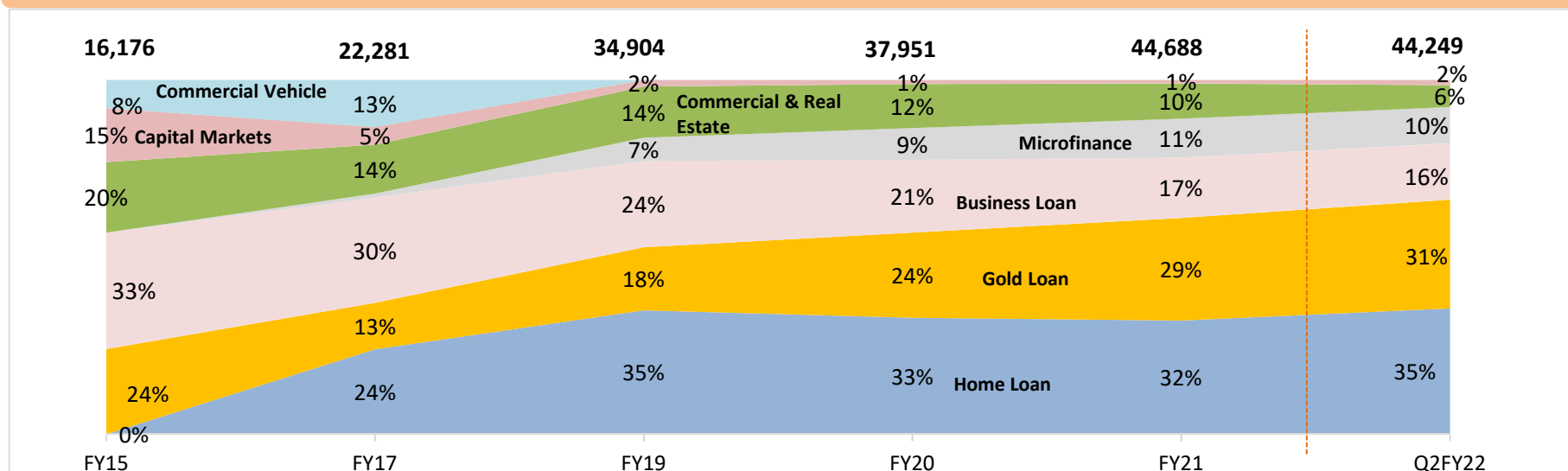
## Risk mitigation Strategy



- Strategy to grow small ticket retail loans with diversified collaterals disperses risk.
- 85% of loans are secured. We have robust systems, processes & data analytics to minimise frauds, lower cost and optimise cross sell.

## Loans are predominantly retail and granular

### Loan AUM (₹Cr): Diversified portfolio mitigates risk of asset concentration and cyclical gyration



Q2FY22	% AUM Share	AUM (₹ Cr)	Y-o-Y Growth (%)	Q-o-Q Growth (%)	GNPA%	NNPA%	Portfolio Yield%	Portfolio average Ticket Size (₹ Lakhs)
Home Loans	35%	15,698	22%	6%	1.8%	1.1%	10.1%	17.0
Gold Loans	31%	13,600	19%	3%	1.0%	0.8%	17.3%	0.7
Business Loans	16%	7,019	(11%)	(1%)	6.1%	2.5%	15.4%	10.8
Microfinance	10%	4,534	31%	3%	2.4%	0.0%	22.3%	0.2
Construction & Real Estate	6%	2,722	(39%)	(3%)	1.6%	1.1%	16.2%	3,641.4
Capital Market Finance	2%	676	(7%)	(20%)	0.0%	0.0%	11.9%	142.8
<b>Total</b>	<b>100%</b>	<b>44,249</b>	<b>8%</b>	<b>3%</b>	<b>2.3%</b>	<b>1.1%</b>	<b>14.8%</b>	

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# IIFL Finance – Consolidated results Quarterly

Quarter ended September 30, 2021 (Ind AS -NBFC, HFC and MFI)



₹ Cr	Q2FY22	Q2FY21	Y-o-Y	Q1FY22	Q-o-Q
Interest income	1,342.3	1,186.3	13%	1,245.0	8%
Interest expense	(744.1)	(623.4)	19%	(700.9)	6%
<b>Net interest income</b>	<b>598.2</b>	<b>562.9</b>	<b>6%</b>	<b>544.1</b>	<b>10%</b>
Income from assigned assets	265.6	214.6	24%	240.9	10%
Fee & other income	105.6	97.0	9%	45.7	131%
<b>Total income</b>	<b>969.3</b>	<b>874.5</b>	<b>11%</b>	<b>830.7</b>	<b>17%</b>
Operating expense	(387.6)	(293.7)	32%	(315.1)	23%
<b>Pre provision operating profit</b>	<b>581.7</b>	<b>580.8</b>	<b>0%</b>	<b>515.5</b>	<b>13%</b>
Loan losses & provision	(210.2)	(302.2)	(30%)	(165.0)	27%
Profit before tax	371.5	278.7	33%	350.5	6%
<b>Profit after tax</b>	<b>291.6</b>	<b>212.7</b>	<b>37%</b>	<b>265.8</b>	<b>10%</b>
Total Comprehensive Income(TCI)	289.4	205.1	41%	249.7	16%
Book value per share (₹)	152.5	129.8		145.6	
Earnings per share (₹ not annualized)	7.7	5.6		7.0	
RoE (annualized)	20.5%	17.7%		19.7%	

# IIFL Finance – Consolidated results Half yearly

Half-year ended September 30, 2021 (NBFC, HFC and MFI)



₹ Cr	H1FY22	H1FY21	Y-o-Y	FY21
Interest income	2,587.3	2,281.4	13%	4,719.2
Interest expense	(1,445.0)	(1,316.4)	10%	(2,608.3)
<b>Net interest income</b>	<b>1,142.3</b>	<b>965.0</b>	<b>18%</b>	<b>2,110.9</b>
Income from assigned assets	506.5	393.0	29%	852.8
Fee & other income	151.2	118.6	27%	399.9
<b>Total income</b>	<b>1,800.0</b>	<b>1,476.6</b>	<b>22%</b>	<b>3,363.6</b>
Operating expense	(702.7)	(569.1)	23%	(1,190.2)
<b>Pre provision operating profit</b>	<b>1,097.3</b>	<b>907.6</b>	<b>21%</b>	<b>2,173.4</b>
Loan losses & provision	(375.2)	(571.6)	(34%)	(1,168.6)
Profit before tax	722.1	336.0	115%	1,004.8
<b>Profit after tax</b>	<b>557.4</b>	<b>244.5</b>	<b>128%</b>	<b>760.8</b>
Total Comprehensive Income(TCI)	539.1	235.2	129%	736.5
Book value per share (₹)	152.5	129.8		138.7
Earnings per share (₹ not annualized)	14.7	6.5		20.1
RoE (annualized)	20.1%	10.2%		15.3%

# Income analysis Quarterly

Quarter ended September 30, 2021 (NBFC, HFC and MFI)



₹ Cr	Q2FY22	Q2FY21	Y-o-Y	Q1FY22	Q-o-Q
Loan book using risk capital	28,874	28,311	2%	28,599	1%
Securitized book <sup>1</sup>	3,987	1,534	160%	4,303	(7%)
<b>Loan Book (Ind AS Balance sheet)</b>	<b>32,861</b>	<b>29,845</b>	<b>10%</b>	<b>32,902</b>	<b>0%</b>
Assigned assets	11,388	10,998	4%	10,259	11%
<b>Assets under management</b>	<b>44,249</b>	<b>40,843</b>	<b>8%</b>	<b>43,160</b>	<b>3%</b>

₹ Cr	Q2FY22	Q2FY21	Y-o-Y	Q1FY22	Q-o-Q
Interest income	1,342.3	1,186.3	13%	1,245.0	8%
Interest expense	(744.1)	(623.4)	19%	(700.9)	6%
<b>NII at IndAS balance sheet loan book (A)</b>	<b>598.2</b>	<b>562.9</b>	<b>6%</b>	<b>544.1</b>	<b>10%</b>
Income from assigned assets	265.6	214.6	24%	240.9	10%
Other Income (Fee and commission income)	79.6	55.0	45%	39.4	102%
<b>Non-fund based income (B)</b>	<b>345.2</b>	<b>269.6</b>	<b>28%</b>	<b>280.3</b>	<b>23%</b>
Net gain/loss on fair value changes (C)	26.0	42.0	(38%)	6.2	317%
<b>Total Income (A)+(B)+(C)</b>	<b>969.3</b>	<b>874.5</b>	<b>11%</b>	<b>830.7</b>	<b>17%</b>

<b>Fund Based: Non fund based ratio (%)</b>					
Fund based income	63%	68%		66%	
Non-fund based income	37%	32%		34%	

<sup>1</sup> In securitised book, our risk is limited to the value of cash collateral provided as credit enhancement (typically ~7%). As per RBI guidelines, 50% of the credit enhancement is reduced from tier 1 capital and the balance is reduced from tier 2 capital while computing capital adequacy ratio.

# Income analysis Half Yearly

Half-year ended September 30, 2021 (NBFC, HFC and MFI)



₹ Cr	H1FY22	H1FY21	Y-o-Y	FY21
Loan book using risk capital	28,874	28,311	2%	29,784
Securitized book <sup>1</sup>	3,987	1,534	160%	3,829
<b>Loan Book (Ind AS Balance sheet)</b>	<b>32,861</b>	<b>29,845</b>	<b>10%</b>	<b>33,612</b>
Assigned assets	11,388	10,998	4%	11,076
<b>Assets under management</b>	<b>44,249</b>	<b>40,843</b>	<b>8%</b>	<b>44,688</b>

₹ Cr	H1FY22	H1FY21	Y-o-Y	FY21
Interest income	2,587.3	2,281.4	13%	4,719.2
Interest expense	(1,445.0)	(1,316.4)	10%	(2,608.3)
<b>NII at IndAS balance sheet loan book (A)</b>	<b>1,142.3</b>	<b>965.0</b>	<b>18%</b>	<b>2,110.9</b>
Income from assigned assets	506.5	393.0	29%	852.8
Other Income (Fee and commission income)	119.0	71.1	67%	228.2
<b>Non-fund based income (B)</b>	<b>625.5</b>	<b>464.1</b>	<b>35%</b>	<b>1,081.1</b>
Net gain/loss on fair value changes (C)	32.2	47.5	(32%)	171.6
<b>Total Income (A)+(B)+(C)</b>	<b>1,800.0</b>	<b>1,476.6</b>	<b>22%</b>	<b>3,363.6</b>

<b>Fund Based: Non fund based ratio (%)</b>				
Fund based income	65%	68%		66%
Non-fund based income	35%	32%		34%

<sup>1</sup> In securitised book, our risk is limited to the value of cash collateral provided as credit enhancement (typically ~7%). As per RBI guidelines, 50% of the credit enhancement is reduced from tier 1 capital and the balance is reduced from tier 2 capital while computing capital adequacy ratio.

# IIFL Finance – Consolidated Balance sheet

Unaudited as at September 30, 2021 (NBFC, HFC and MFI)



ASSETS		₹ Cr	LIABILITIES AND EQUITY		₹ Cr
<b>1</b>	<b>Financial Assets</b>		<b>1</b>	<b>Financial Liabilities</b>	
(a)	Cash and Bank Balances	5,774	(a)	Payables	107
(b)	Receivables	125	(b)	Borrowings	
(c)	Loan Assets	32,774	-	NCDs	10,621
(d)	Investments	1,036	-	Others	22,626
(e)	Other financial assets	699	(c)	Other financial liabilities	2,526
	<b>Total Financial Assets (A)</b>	<b>40,408</b>		<b>Total Financial Liabilities (A)</b>	<b>35,880</b>
<b>2</b>	<b>Non-Financial Assets</b>		<b>2</b>	<b>Non-Financial Liabilities (B)</b>	<b>260</b>
(a)	Current & Deferred tax assets (Net)	572			
(b)	Property, Plant and Equipment etc.	739	<b>3</b>	<b>Equity &amp; Reserves (C)</b>	<b>5,938</b>
(c)	Other non-financial assets	359			
	<b>Total Non-Finance Assets (B)</b>	<b>1,670</b>			
	<b>Total Assets (A)+(B)</b>	<b>42,078</b>		<b>Total Liabilities and Equity (A)+(B)+(C)</b>	<b>42,078</b>

## IIFL Finance – Key Ratios



Particulars	Q2FY22	Q2FY21	Q1FY22	H1FY22	H1FY21
NIM on Balance Sheet Assets	7.0%	7.6%	6.6%	6.7%	6.6%
NIM on Assigned Assets	6.6%	6.3%	6.7%	6.5%	6.3%
Cost-to-income	40.0%	33.6%	37.9%	39.0%	38.5%
Core PPOP/ Average AUM	5.0%	5.4%	4.6%	4.9%	4.4%
Provisions/ Core PPOP	37.8%	56.1%	32.4%	35.2%	66.5%
Provisions/ Average Loan Book	2.5%	4.1%	2.0%	2.2%	3.9%
Return on assets	2.8%	2.5%	2.6%	2.7%	1.4%
Return on equity	20.5%	17.7%	19.7%	20.1%	10.2%
Debt Equity Ratio	5.6	5.7	5.7	5.6	5.7
Earnings Per Share (₹)	30.8	22.5	28.1	29.4	12.9
Book Value Per Share (₹)	152.5	129.8	145.6	152.5	129.8

The figures are annualised wherever applicable

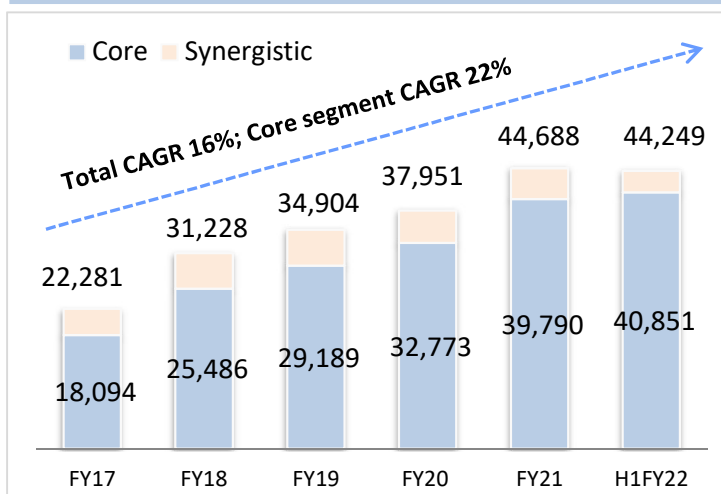
Core PPOP : Pre Provision Operating Profit excluding fair value gain/loss

# Consistent financial performance and growth over years

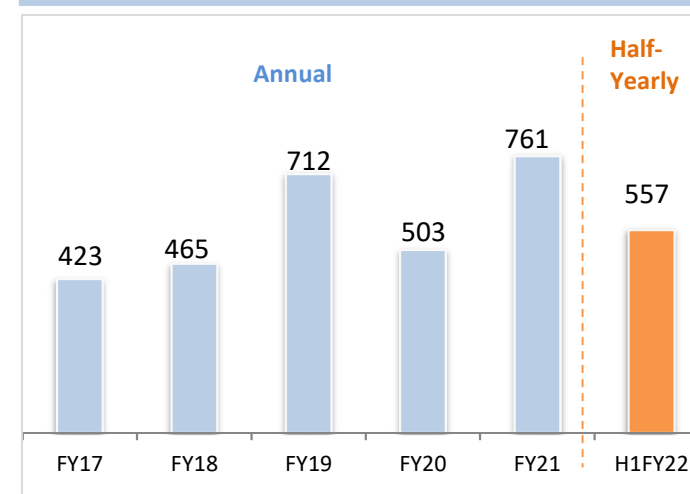


- In Q2FY22, loan AUM has grown for core products at 3% qoq but for H1FY22, there is marginal decline in loan AUM on yoy, due to reduction of CRE portfolio.
- PAT grew by 37% y-o-y, driven by volume growth and lower credit costs.
- NIMs and spread on assignment assets are maintained ~6.5% p.a.

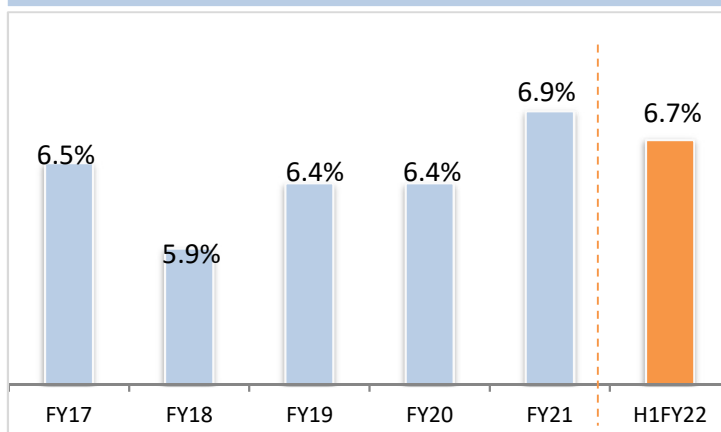
## Loan AUM (₹ Cr)



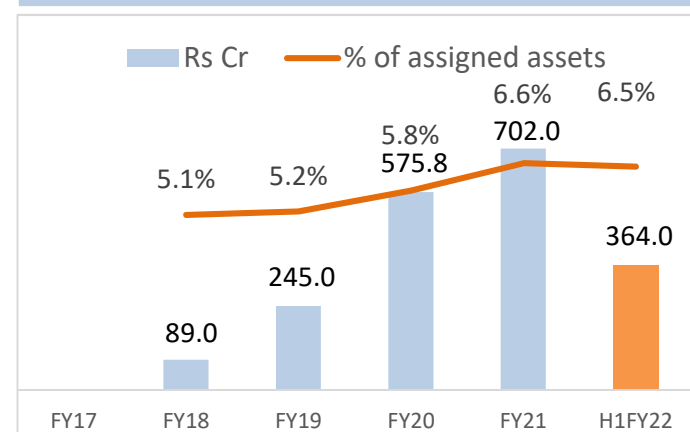
## Profit after tax (PAT) (₹ Cr)



## NIM on Balance Sheet assets (%)



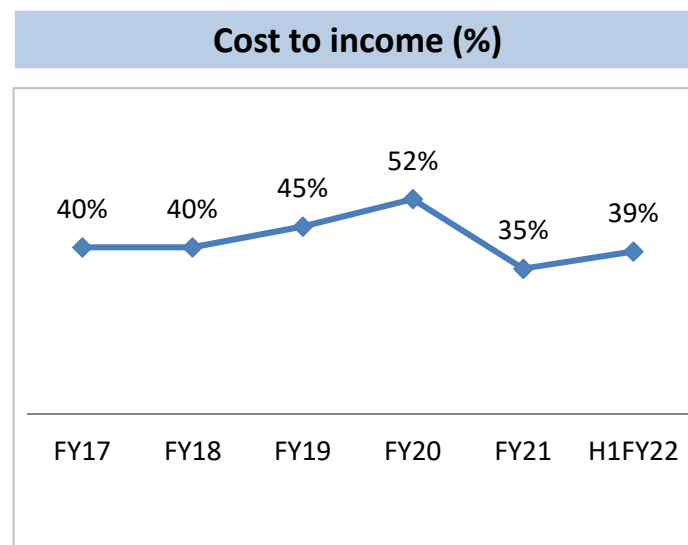
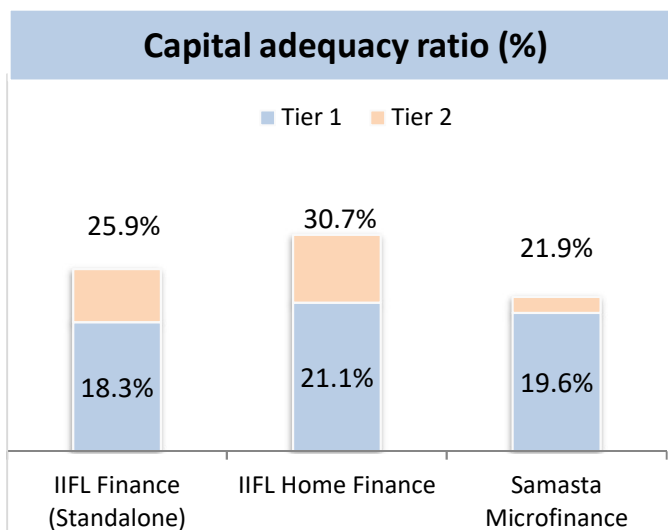
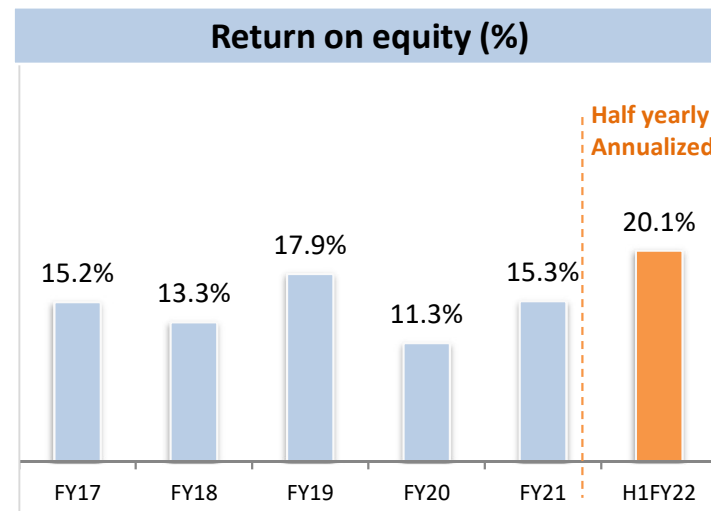
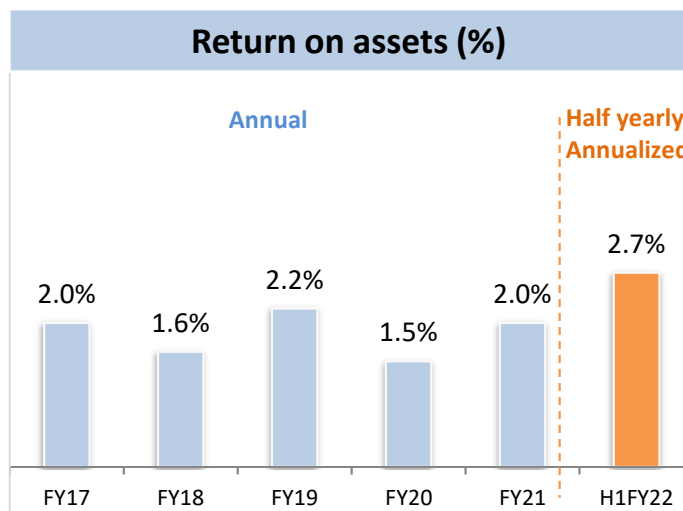
## Spread on assigned assets



• Note: FY18 onwards numbers are as per IND AS. Prior years' numbers are as per IGAAP

# Robust and improving financial position

- Annualised ROE for H1FY22 stood at 20.1%, driven by annualised ROA of 2.7%
- Cost to income ratio rose marginally to 39% due to expansion in our physical and digital footprint. During H1FY22 we added over 350 branches and nearly 4,000 employees
- Capital Adequacy Ratio (CAR) was 25.9% and Tier 1 stood at 18.3%. CAR of Home Finance & Micro finance subsidiaries were 30.7% and 21.9% respectively. All CAR are well above the statutory thresholds.



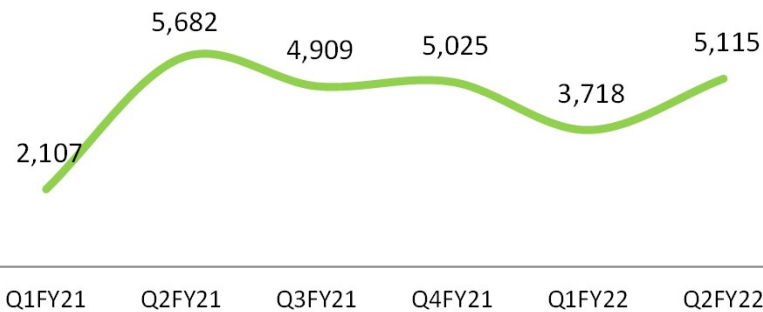
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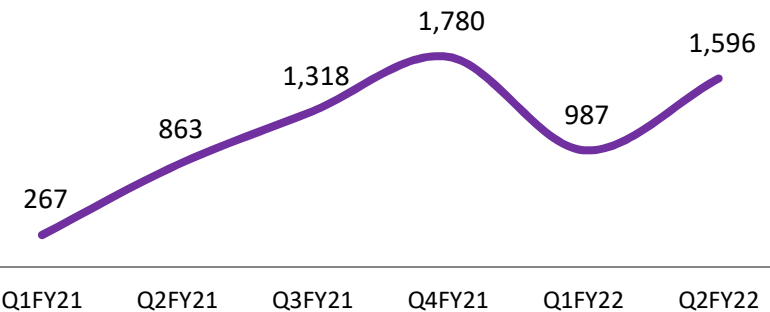
## Disbursements moving back to pre-Covid levels with recovery in the economic activity..

### Disbursement trends (₹ In Crs)

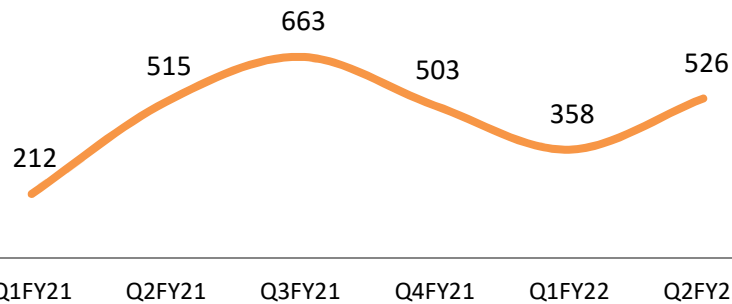
#### Gold Loan



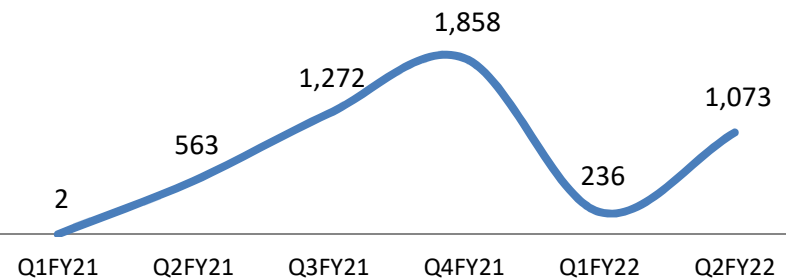
#### Home Loan



#### Business Loans



#### Microfinance



Cumulatively we have disbursed ₹ 392 Cr. amount under Emergency Credit Line Guarantee Scheme (ECLGS), included in business loans

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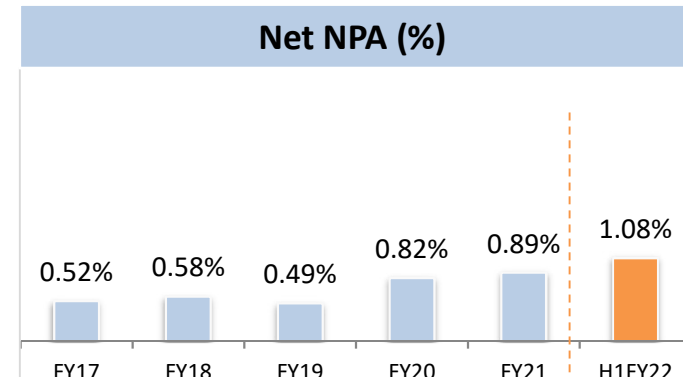
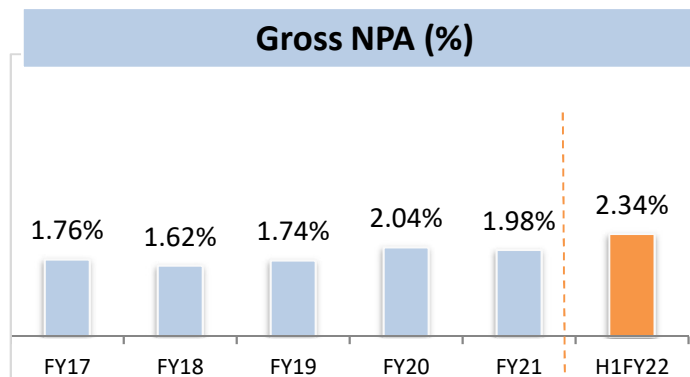
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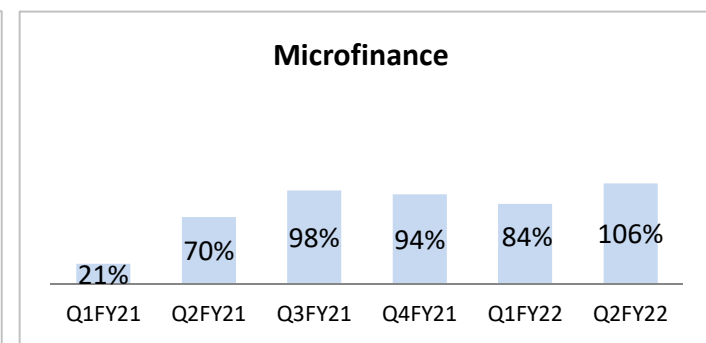
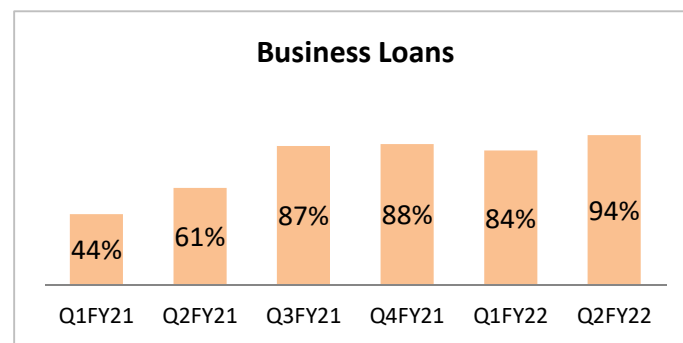
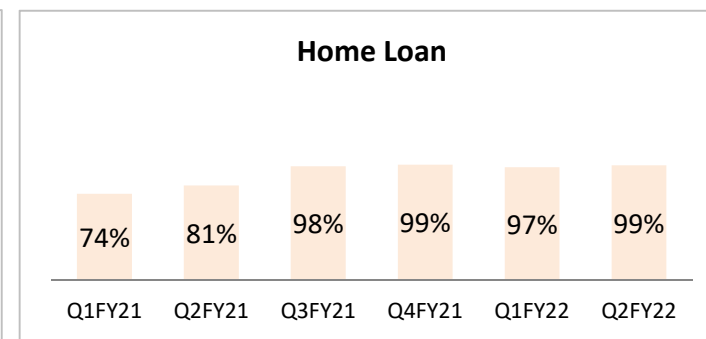
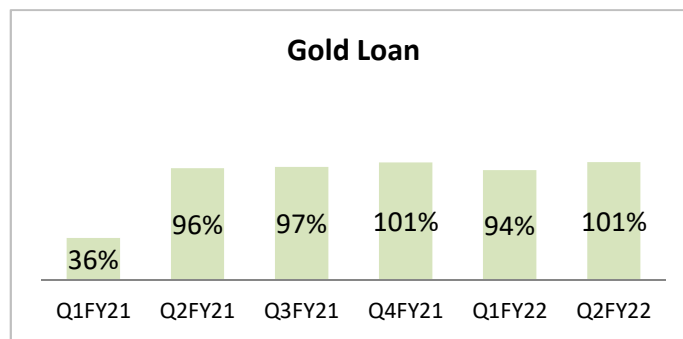
## 3. Corporate, Digital strategy & ESG updates

## Superior asset quality maintained through cycles...

- GNPA stands at 2.3% and NNPA at 1.1%, slightly higher than previous quarter, with 90 day lag impact of Covid Wave2, especially on MFI loan and Business loan
- As per IndAS accounting, provision coverage of NPAs was 175%.
- Collection efficiency has improved. Impact of the second wave has been much milder as compared to the same in first wave.



### Collection Efficiency trends<sup>1</sup> (%) – moratorium period from Mar-Aug 2020



Note: FY18 onwards numbers are as per IND AS. Prior years' numbers are as per IGAAP

<sup>1</sup>Including arrears but excluding prepayments

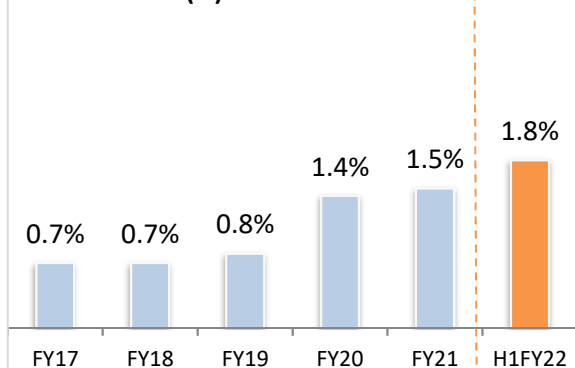
# Covid second wave has marginal impact on asset quality

Asset quality has been comparable to best-in-industry in all business segments

## Core growth segments

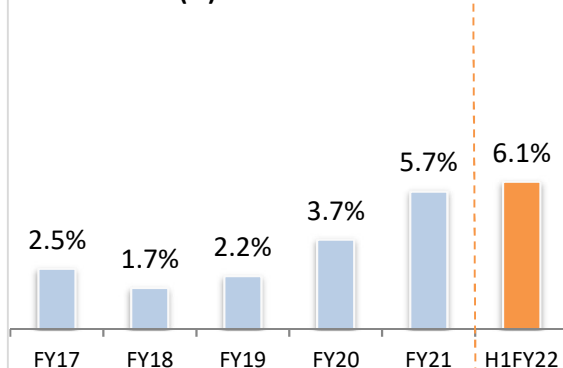
### Home loans

Gross NPAs (%)



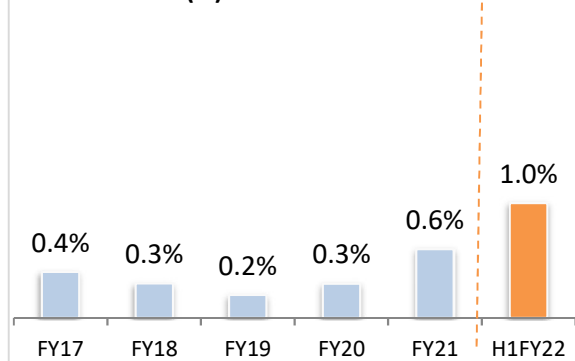
### Business loans

Gross NPAs (%)



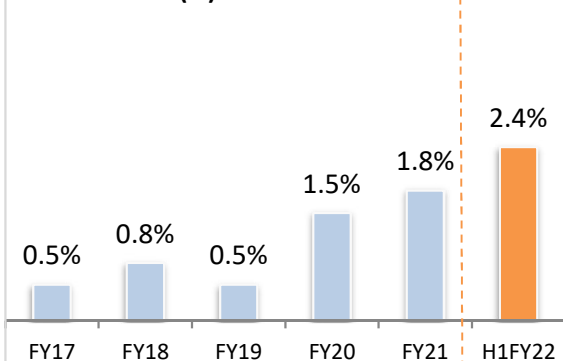
### Gold loans

Gross NPAs (%)



### Microfinance

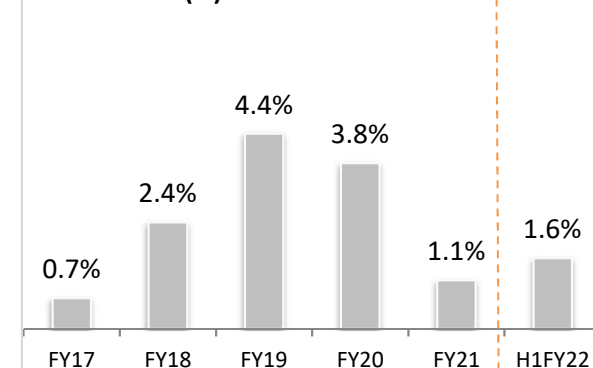
Gross NPAs (%)



## Synergistic segments

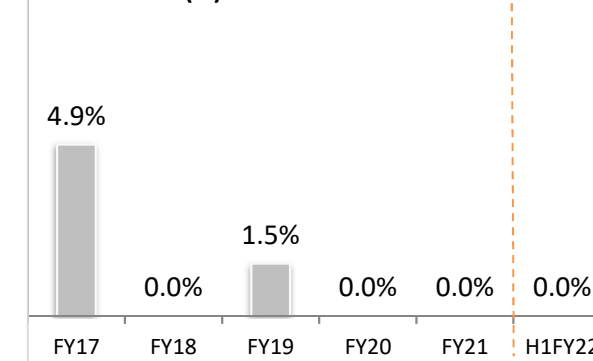
### Construction & Real Estate finance

Gross NPAs (%)



### Capital markets finance

Gross NPAs (%)



Note:

(i) Gross NPAs for FY18 onwards are as per IndAS (include securitized assets); other numbers are as per IGAAP

## Conservative provisioning across all segments

As at September 30, 2021 (NBFC, HFC and MFI)



₹ Cr

Business loan book	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Provision	
	0-30 dpd	31-90 dpd	90+ dpd		Provision %			As per RBI	As per ECL
Home Loans	9,946.5	548.2	187.0	10,681.8	1.4%	5.2%	40.0%	100.6	242.2
Business Loans	4,304.5	1,152.0	352.6	5,809.2	2.3%	9.3%	59.1%	131.3	410.3
Gold Loans	7,132.9	1,543.8	85.8	8,762.5	0.7%	1.8%	20.1%	48.6	92.3
Microfinance	3,729.2	380.3	100.1	4,209.5	3.7%	5.2%	100.0%	58.9	257.4
Construction & Real Estate	2,591.0	87.6	43.0	2,721.6	10.6%	42.6%^	29.2%	212.3	324.2
Capital Market Finance	526.0	150.6	0.0	676.6	0.1%	13.3%	0.0%	17.8	20.5
<b>Total</b>	<b>28,230.1</b>	<b>3,862.4</b>	<b>768.5</b>	<b>32,861.0</b>	<b>2.5%</b>	<b>6.2%</b>	<b>53.7%</b>	<b>569.6</b>	<b>1,347.0</b>

Dpd: Days past due

ECL: Expected credit loss

SICR: Significant increase in credit risk

^Includes accelerated provisioning on account of SICR cases

# Restructuring & ECL Provision Movement

As at September 30, 2021 (NBFC, HFC and MFI)



₹ Cr

Business	Restructuring		Loan Loss Provisions			
	Q2 FY22	Cumulative Q2FY22	Opening Provision (A)	Net Addition (B)	Net Release (C)	Closing Provision (A+B+C)
Home Loans	55.5	297.9	248.8	(3.4)	(3.3)	242.2
Business Loans	42.1	439.5	358.5	75.9	(24.1)	410.4
Gold Loans	0.0	0.0	88.2	5.3	(1.2)	92.3
Microfinance	176.4	376.0	205.3	47.9	4.2	257.4
Capital Market Finance	0.0	0.0	19.8	0.8	0.0	20.5
Construction & Real Estate / Others	0.0	179.0	389.5	83.7	(149.0)	324.2
<b>Total</b>	<b>273.9</b>	<b>1292.4</b>	<b>1310.1</b>	<b>210.2</b>	<b>(173.3)</b>	<b>1347.0</b>

## 1. H1 & Q2 FY22 Financial performance

i. Key highlights

ii. Financial performance

iii. Asset quality

iv. Liquidity position

## 2. Business segments review

i. Home loan

ii. Business loan

iii. Gold loan

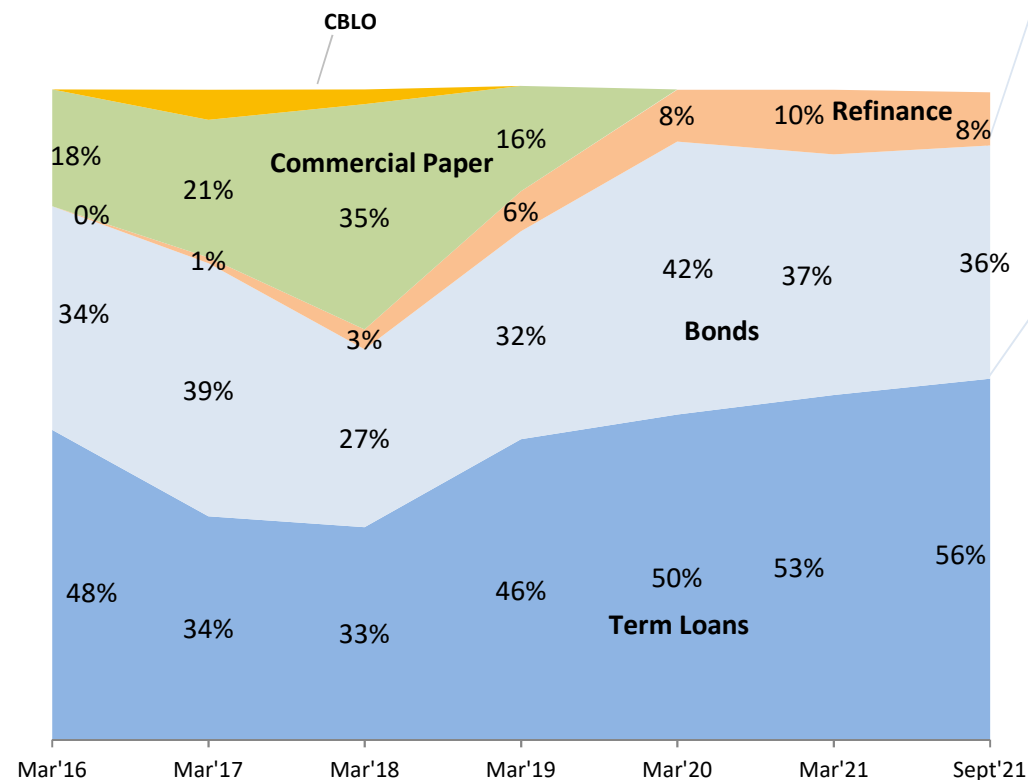
iv. Microfinance

## 3. Corporate, Digital strategy & ESG updates

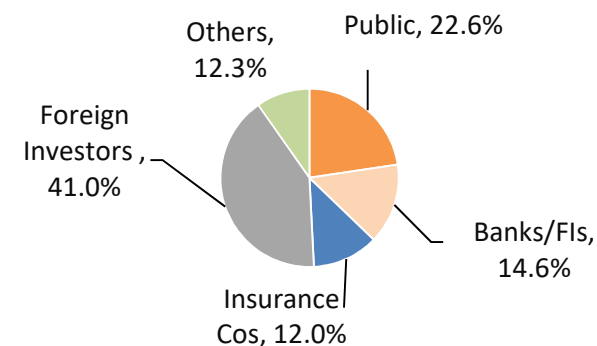
# Well diversified sources of funding..

Resource profile is well diversified, with increasing share of bank loans

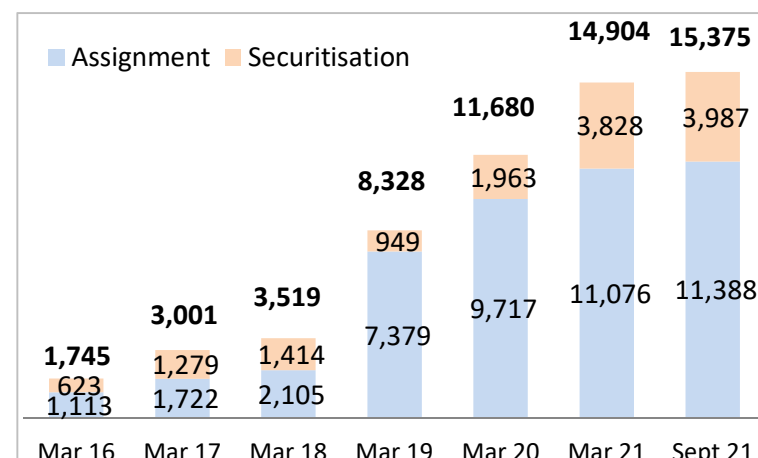
Outstanding borrowing (₹ Cr)						
15,395	17,982	24,539	26,141	25,734	28,426	29,270



## Bonds/ NCDs investors split (%)

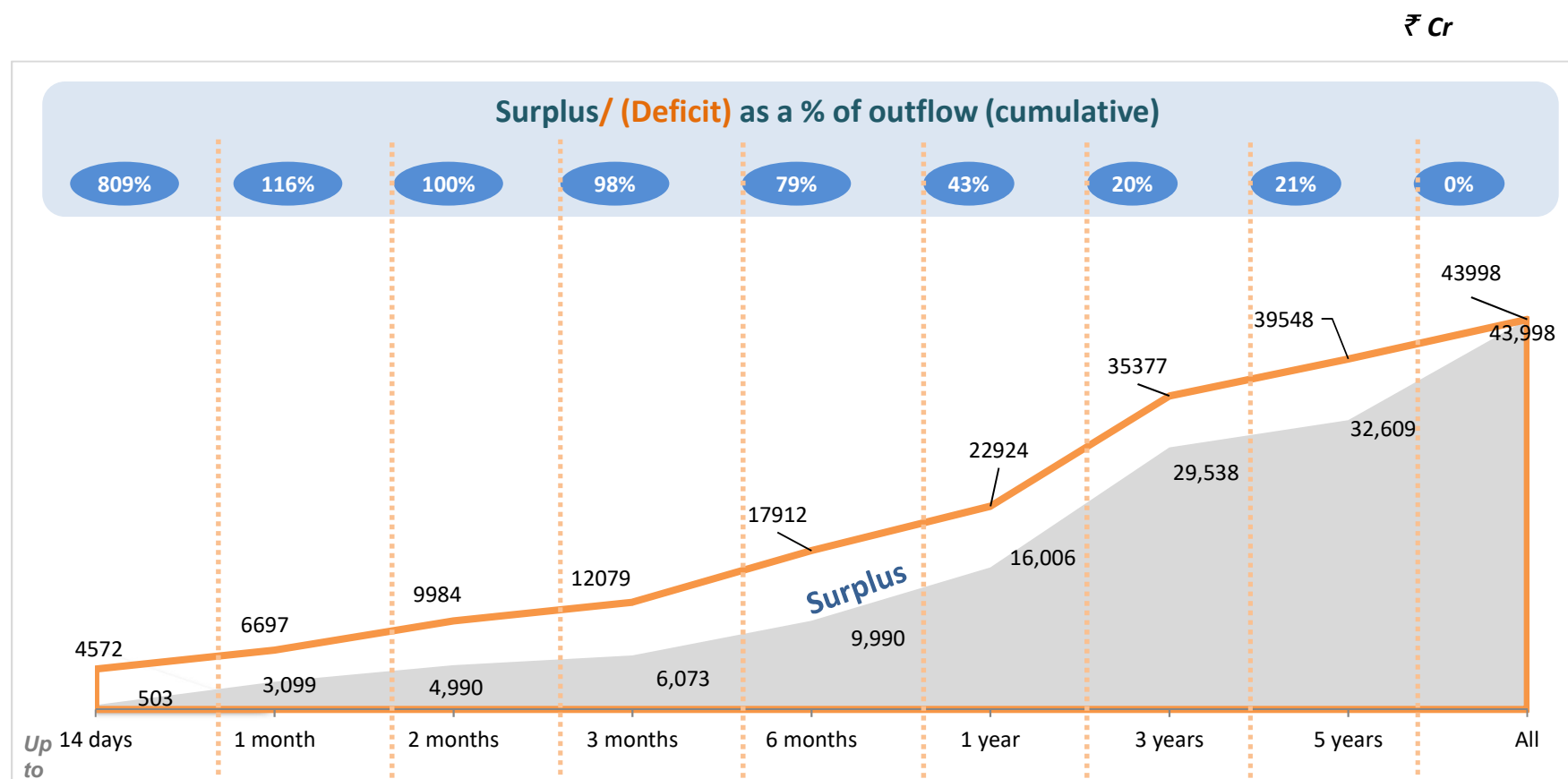


## Outstanding assignment/securitisation (₹ Cr)



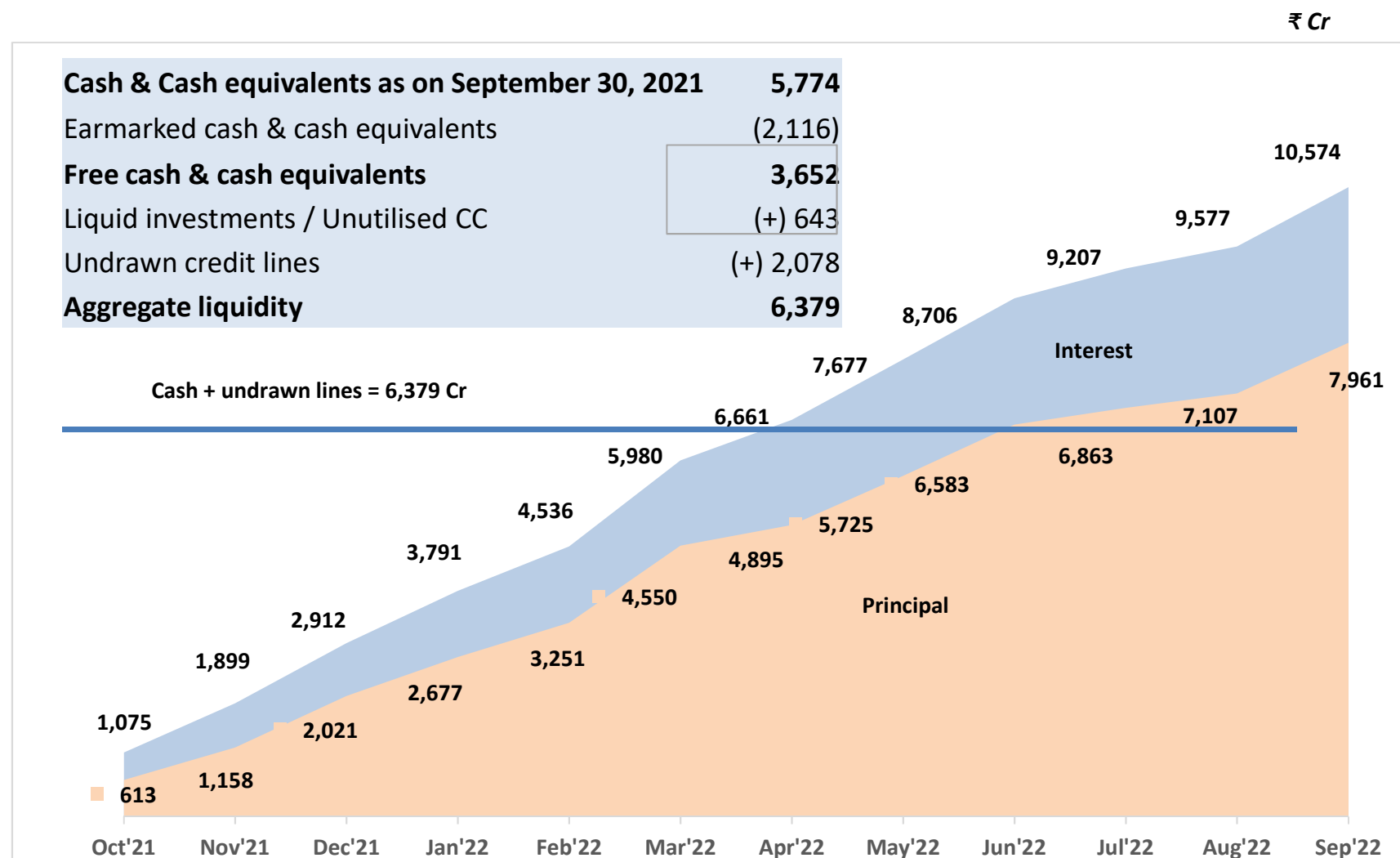


## Structural Liquidity- Surplus across all buckets

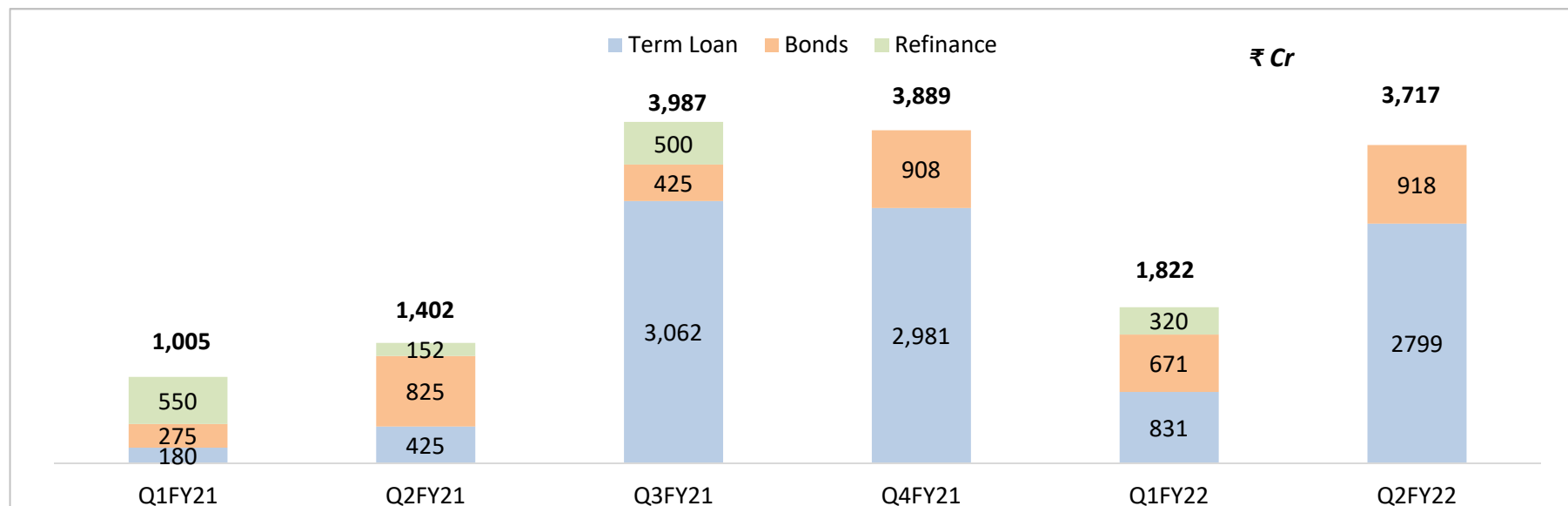


This ALM chart shows structural liquidity at consolidated level for IIFL Finance & its subsidiaries. This is prepared broadly based on RBI format, assuming static balance sheet position, not taking into account fresh disbursements. The inflows consider collection of only standard assets, excluding assigned assets as per IndAS, basis behavioral pattern applied conservatively. It takes only encumbrance free bank FDs and for outflows, operating expenses and liabilities.

## Debt repayment obligation schedule, well covered



## Debt resource raising trend



### CRISIL long term rating at AA (Stable)

CRISIL maintains rating at AA (Stable) for IIFL Finance Ltd as well as IIFL Home Finance

### IIFL Bonds garner ₹ 843 Cr

IIFL Finance public issue of secured bonds raised ₹ 843 Cr in October 2021

### CRISIL upgrades IIFL Samasta rating

CRISIL upgraded IIFL MFI's long-term credit rating from CRISIL A+ Stable to AA(-) Stable.

### Raised ₹ 2,800 Cr from banks

During the quarter, IIFL successfully tapped long term funds from banks ~₹2,800 crores

## 1. H1 & Q2 FY22 Financial performance

i. Key highlights

ii. Financial performance

iii. Asset quality

iv. Liquidity position

## 2. Business segments review

i. Home loan

ii. Business loan

iii. Gold loan

iv. Microfinance

## 3. Corporate, Digital strategy & ESG updates

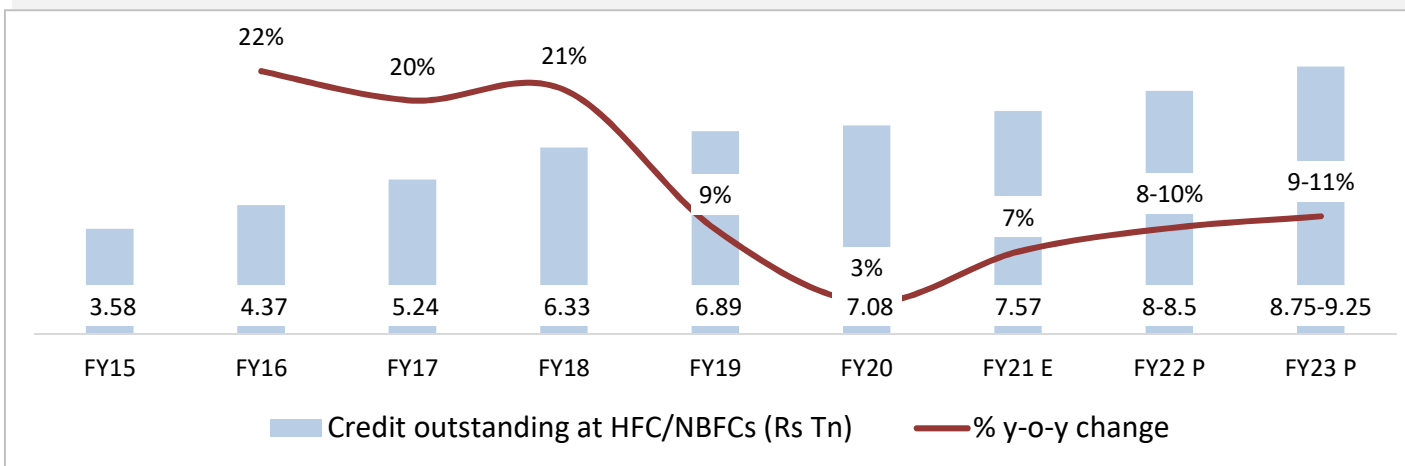
# Home loans – industry overview



- Rising demand for housing in tier-II-III cities is expected to result into surge in construction which will increase the focus of financiers on urban areas.
- Rise in GDP per capita ('000), from 72 in FY12 to 152 in FY20, majorly contributed by private final consumption expenditure indicates growth in housing affordability of the people

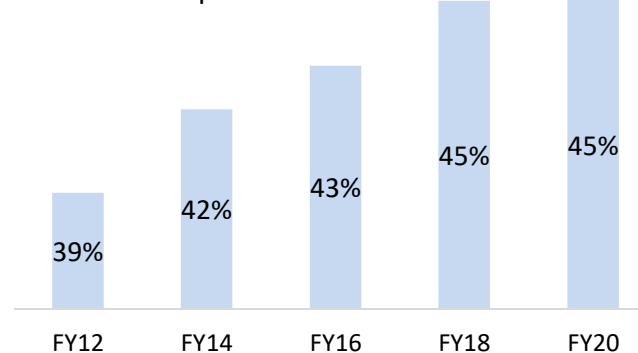
## Housing loans outstanding at HFCs/NBFCs to grow by 8-10% in fiscal 2022

### Home loans outstanding logged 16% CAGR over fiscals 2015-2020

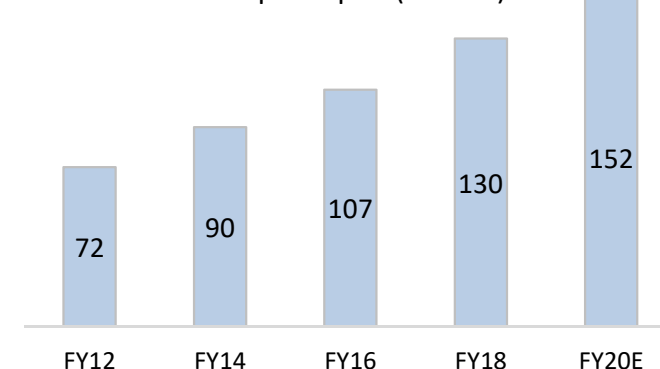


## Growth drivers

### Rise in finance penetration in India



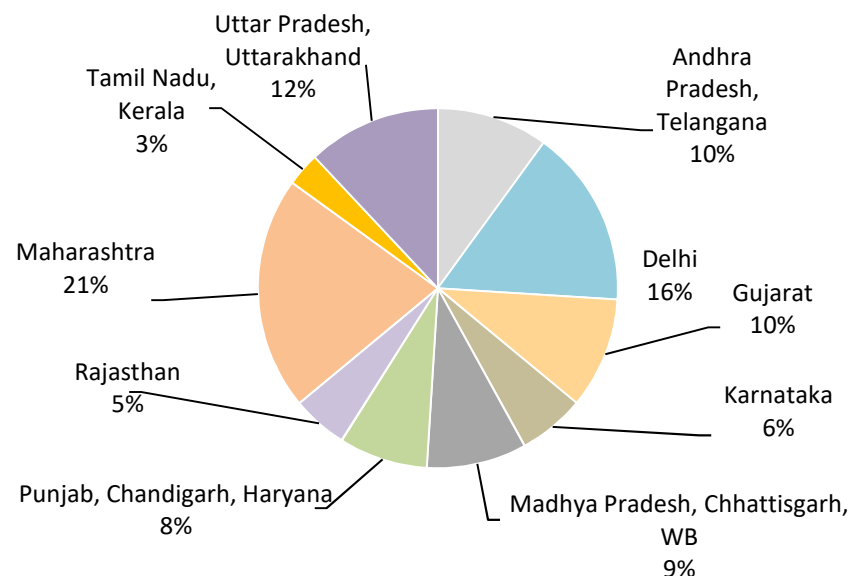
### Rise in GDP per capita (Rs.'000)



## Home loans – product overview

- ✓ Primary focus on **affordable** and non-metro customers. 90% of home loans were disbursed to customers under PSL category
- ✓ Target segment is salaried and self –employed profile with focus is on first time home buyers
- ✓ Business strategy aligned with government mission of “Housing for All “ through **CLSS subsidy**. Benefit of ₹ 1,184+ Cr has been given to over 49,500+ customers
- ✓ **100% home loans** are on-boarded and decisioned through **digital platform** thereby reducing operating cost and credit cost,

Distribution of AUM as at September 30, 2021



**AUM**  
₹ 15,698 Cr

**Gross /Net NPA<sup>1</sup>**  
1.8% / 1.1%

**Onboarding Average Ticket Size**  
₹ 17 Lakhs

**LTV**  
72%

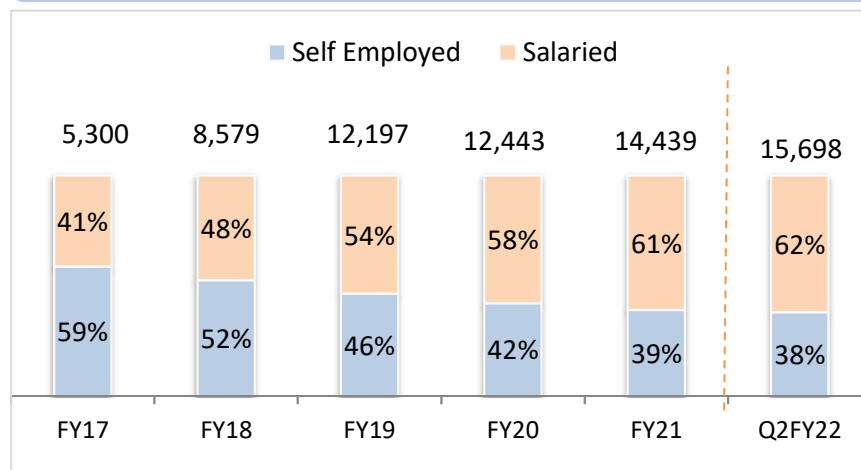
**Tenor up to 20 years**

**99% Collection Efficiency (Sep 21)**

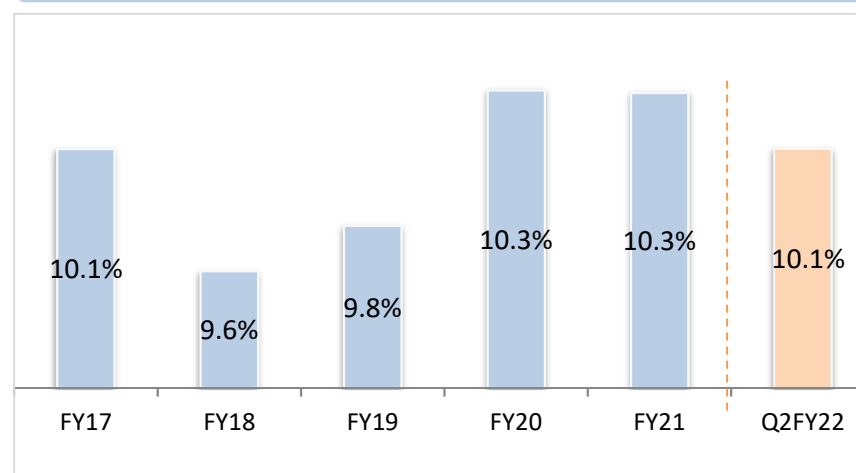
<sup>1</sup> Gross and net NPA are given on loan book. On AUM basis it is 1.5% / 1.0%

# Home loans – financial overview

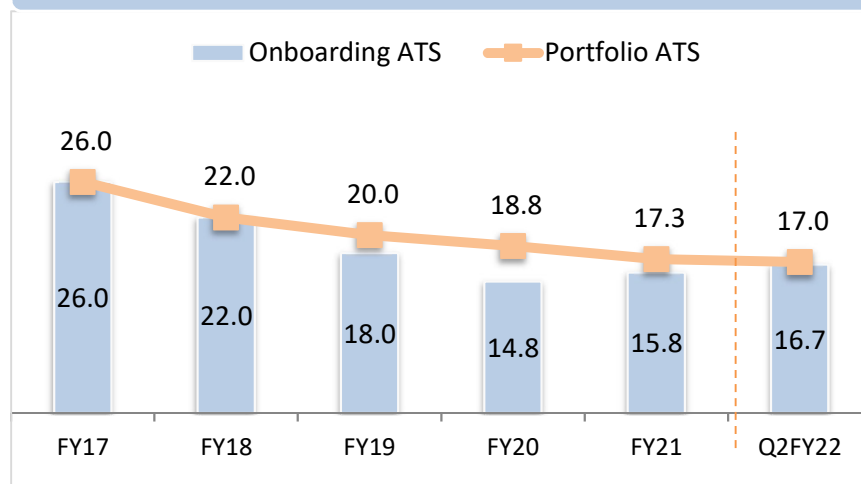
## Assets Under Management (₹ Cr)



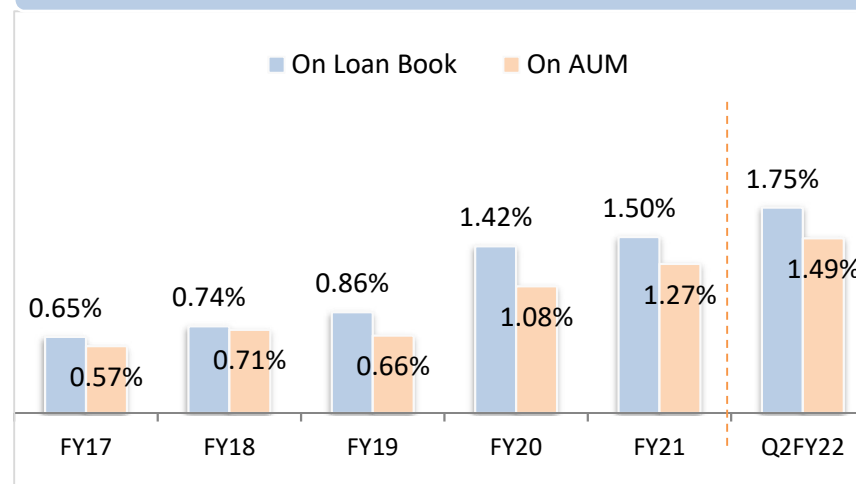
## Portfolio Yield (%)



## Average Ticket Size (₹ Lakhs)



## Gross NPAs (%)



## 1. H1 & Q2 FY22 Financial performance

i. Key highlights

ii. Financial performance

iii. Asset quality

iv. Liquidity position

## 2. Business segments review

i. Home loan

ii. Business loan

iii. Gold loan

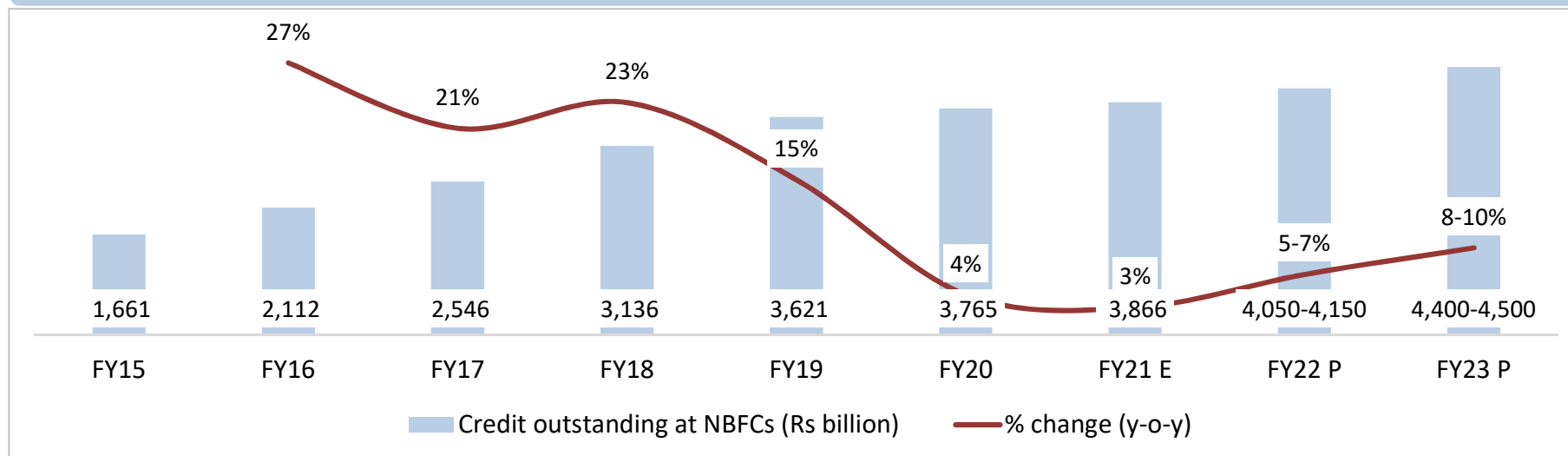
iv. Microfinance

## 3. Corporate, Digital strategy & ESG updates

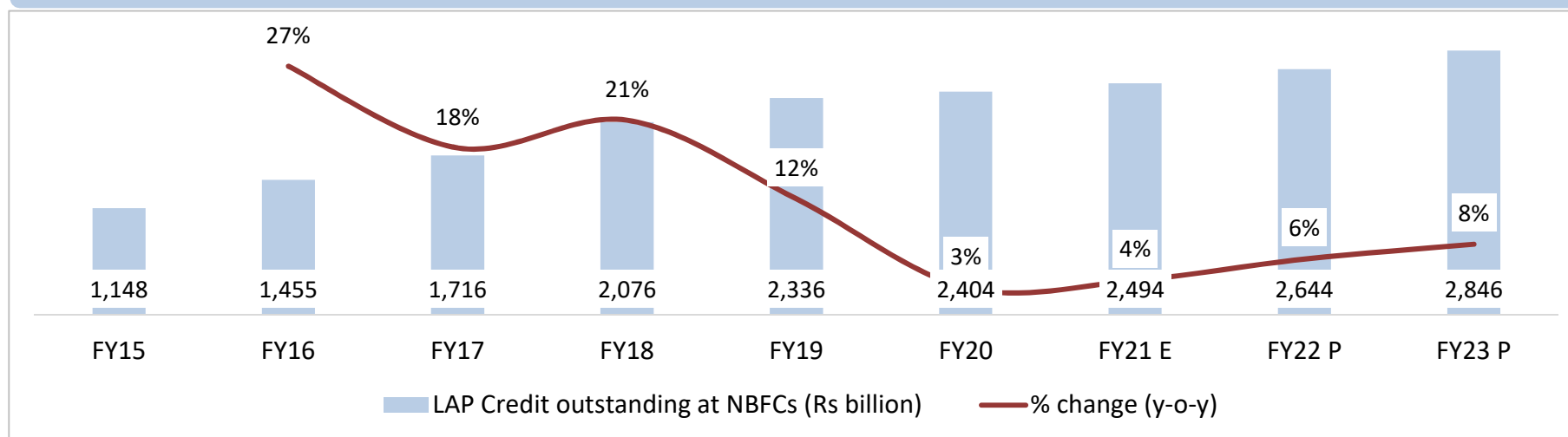


## Business loans – industry overview

### Non-bank MSME credit to pick up gradually as the economy revives



### Non-bank LAP to grow by 8% in fiscal 2023

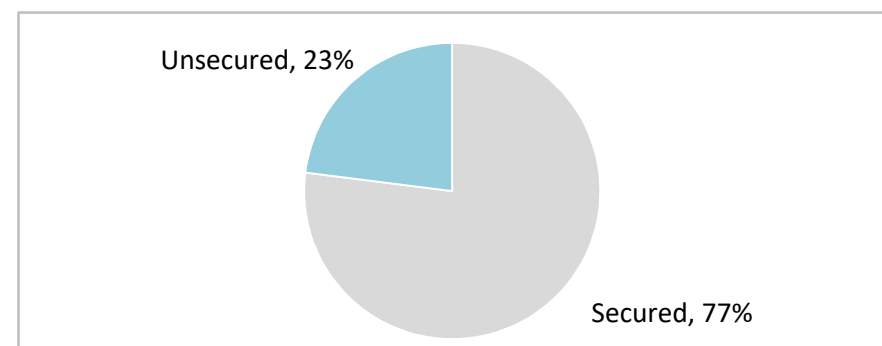
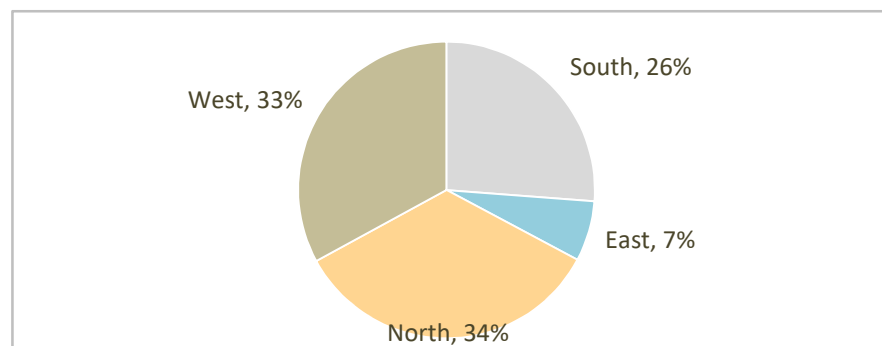


## Business loans – product overview



- ✓ For business loans backed by cash flows
- ✓ 34% of unsecured unsecured MSME portfolio covered through CGTMSE guarantee scheme
- ✓ Focus on balancing prudent credit underwriting with instant in-principle decision and automated disbursements based on analytical scorecards
- ✓ Partnerships with leading fintech lenders focusing on both business and personal loans with appropriate risk sharing arrangements
- ✓ Average security cover of over 2x for secured loans. More than three fourths of Business Loan portfolio is secured.

**Distribution of AUM as at September 30, 2021**



**AUM**  
₹ 7,019 Cr

**Gross/Net NPA**  
6.1% / 2.5%

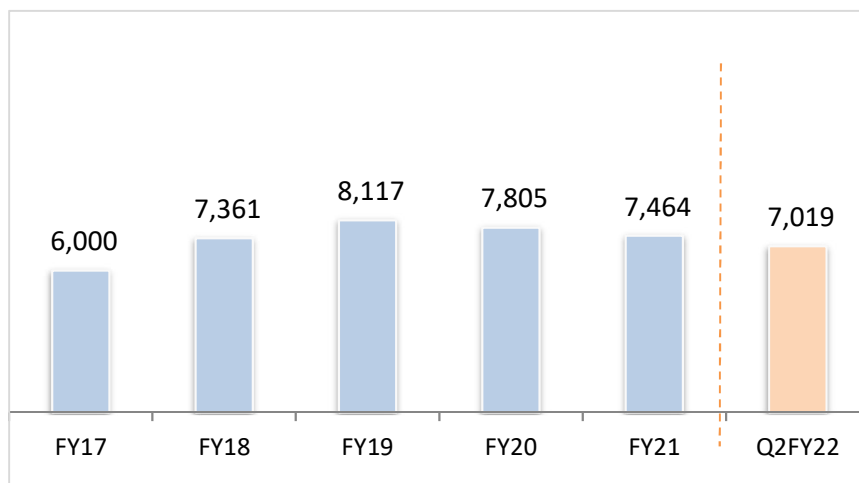
**On boarding ATS**  
₹ 13.7 Lakhs

**Tenor**  
Secured / Unsecured  
Upto 12 years/ 3 years

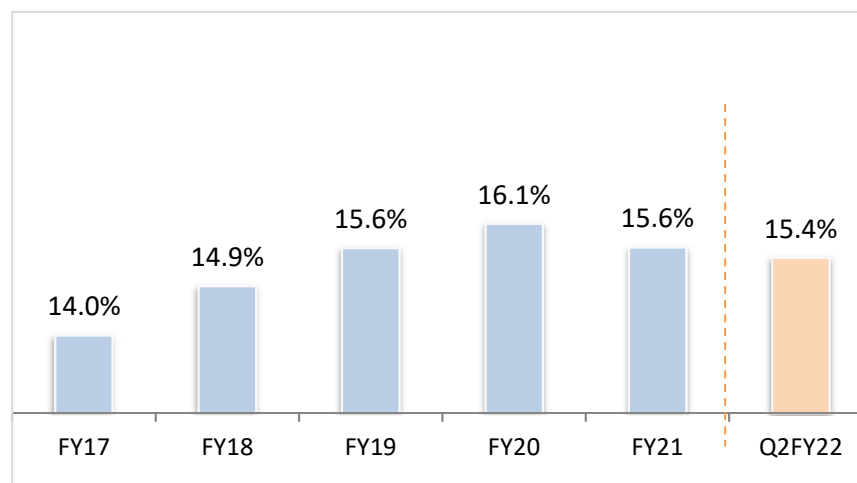
**94% Collection Efficiency**  
(Sep 21)

## Business loans – financial overview

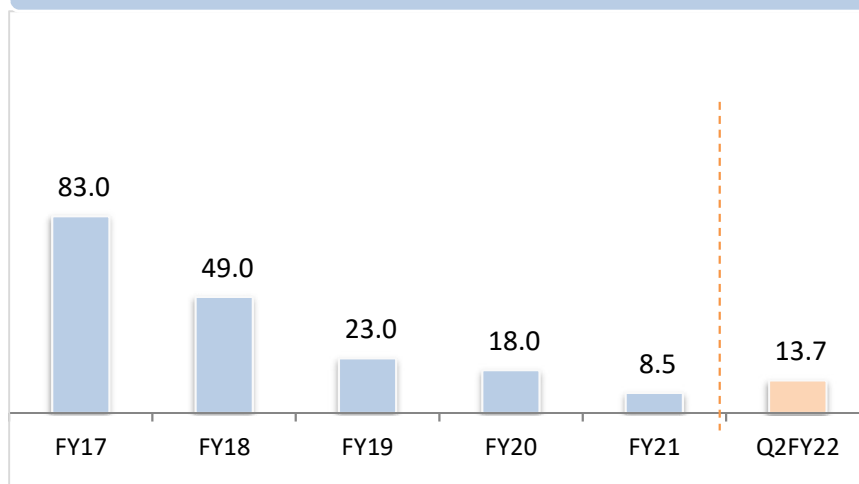
**Assets Under Management (₹ Cr)**



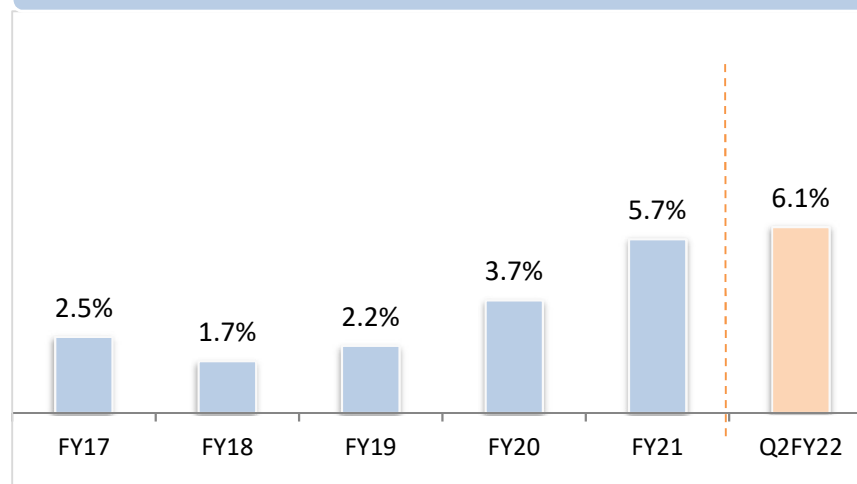
**Portfolio Yield (%)**



**Onboarding Average Ticket Size (₹ Lakhs)**



**Gross NPAs (%)**



## 1. H1 & Q2 FY22 Financial performance

i. Key highlights

ii. Financial performance

iii. Asset quality

iv. Liquidity position

## 2. Business segments review

i. Home loan

ii. Business loan

iii. Gold loan

iv. Microfinance

## 3. Corporate, Digital strategy & ESG updates

# Gold loans – industry overview



**25,000 tonnes**  
of gold is held by Indian  
Households  
(**65% in Rural India**)



**47%**  
of total gold globally is in the  
form of Jewellery

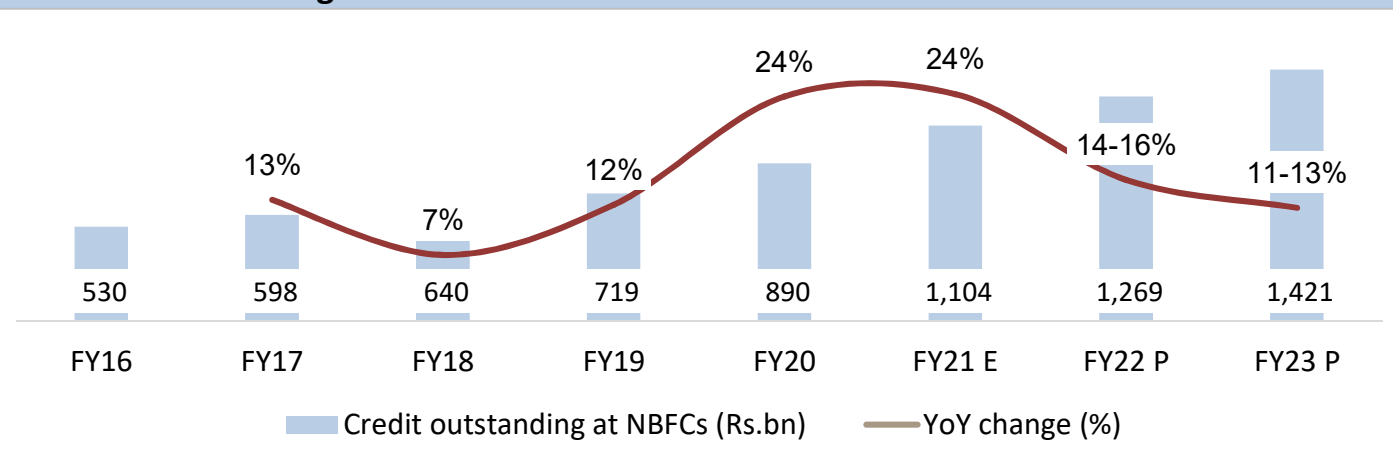


**1,97,576 tonnes**  
of gold mined world over  
since the beginning of  
civilisation (2019 estimate)

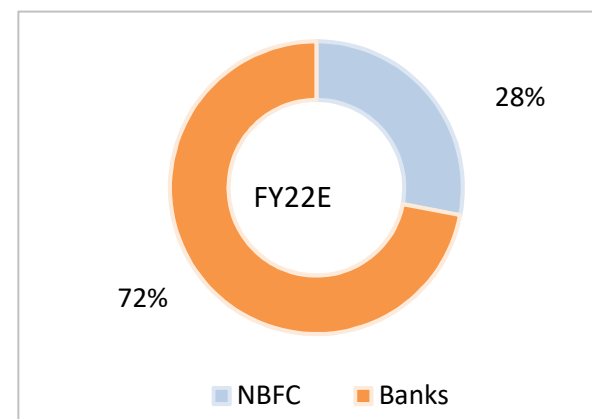
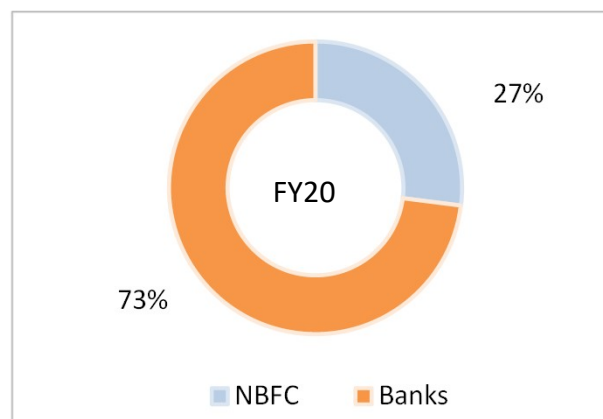


**35%**  
of gold lending is done by the  
formal sector (up from 25%-  
30% a decade ago)<sup>1</sup>

## Gold loan NBFCs to grow 14-16% this fiscal<sup>1</sup>



## NBFC Market Share in Gold Loans is expected to increase<sup>2</sup>

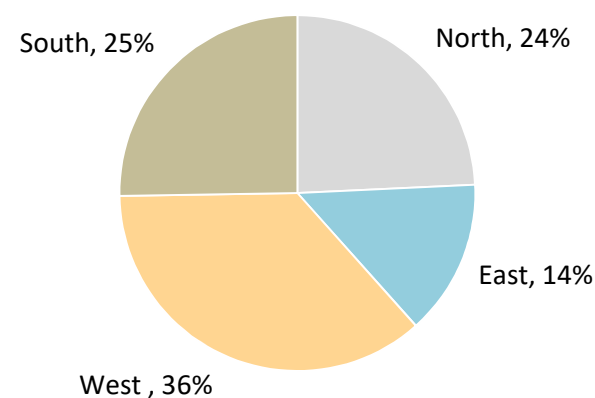


<sup>1</sup>Source: Asia Pacific Tactical Research, BofA Securities | 30 June 2021 <sup>2</sup>Source: World Gold Council, Crisil NBFC Report 2021

## Gold loans – product overview

- ✓ Branches in more than 1150 towns/ cities
- ✓ Loan against gold ornaments for personal & business use with on-boarding LTV ~75%
- ✓ In-house loan origination tablet application equipped to screen customers for earlier defaults, frauds and negative customer lists
- ✓ Strong emphasis on collections and resolution resulting in negligible losses
- ✓ Launched digital gold loan – for top-up and online renewal of gold loans

**Distribution of AUM as at September 30, 2021**



**AUM**  
₹ 13,600 Cr

**Gross/Net NPA**  
1.0% / 0.8%

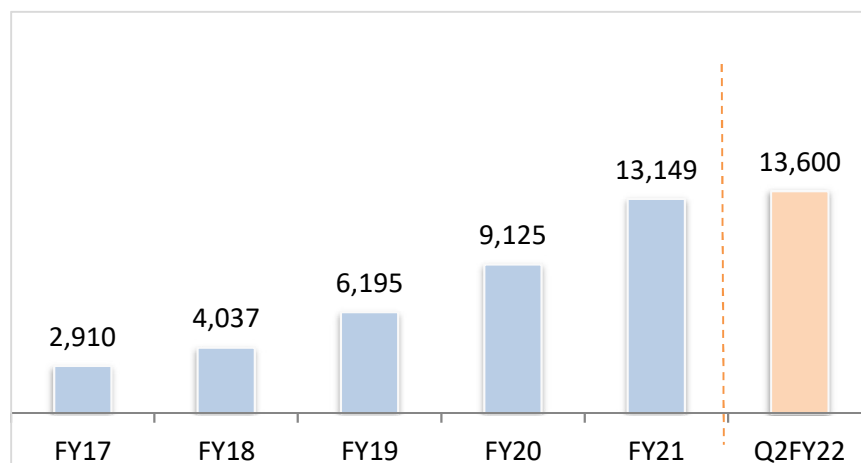
**Onboarding  
Average Ticket Size**  
₹ 0.7 Lakhs

**Tenor**  
upto 2 years

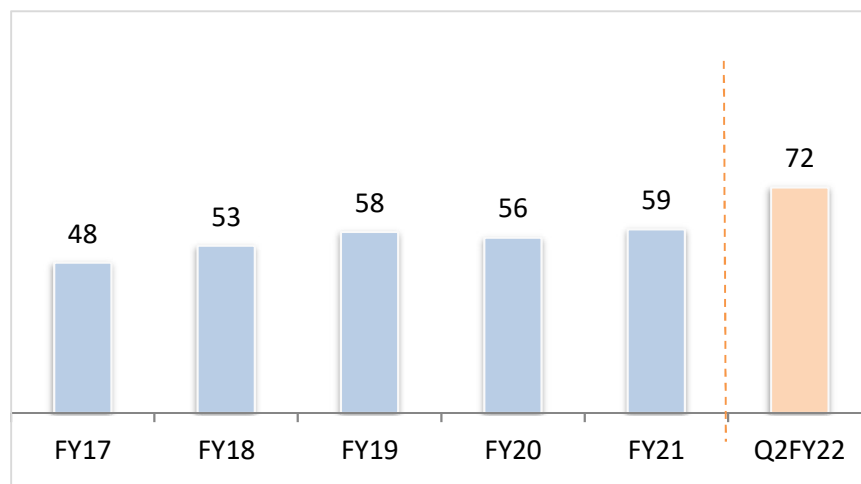
**105% Collection Efficiency**  
(Sep 21)

## Gold loans – financial overview

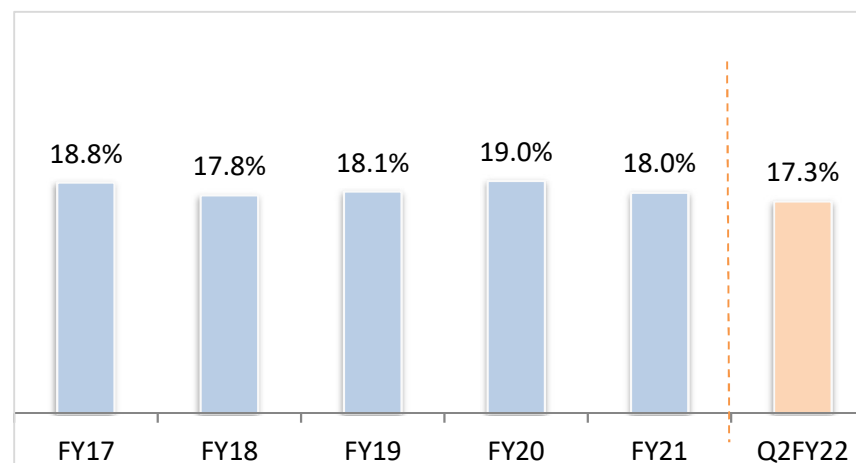
**Assets Under Management (₹ Cr)**



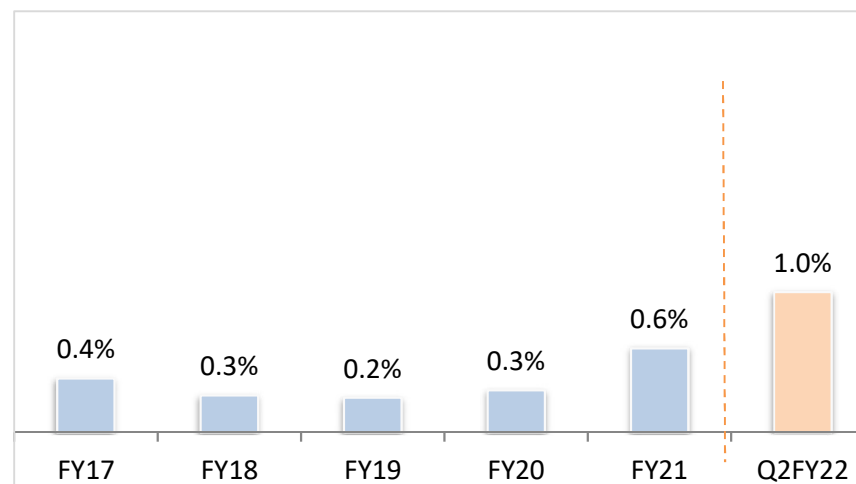
**Onboarding Average Ticket Size (₹ '000s)**



**Portfolio Yield (%)**



**Gross NPAs (%)**



## 1. Q2FY22 Financial performance

i. Key highlights

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## 2. Business segments review

i. Home loan

ii. Business loan

iii. Gold loan

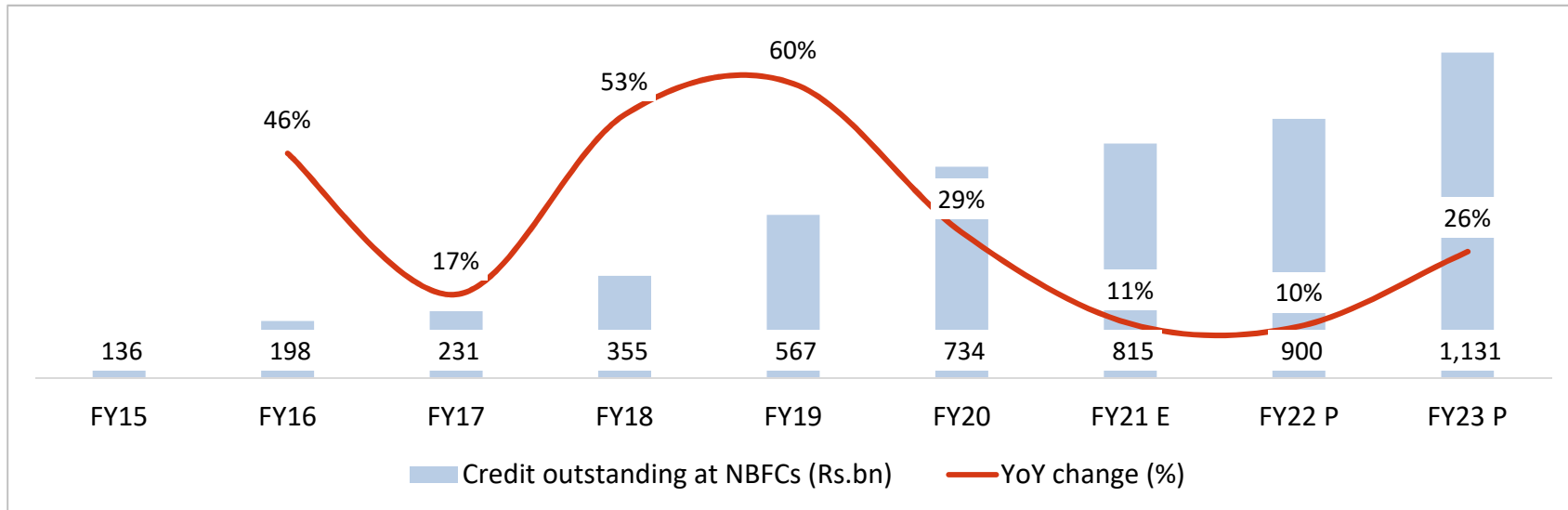
iv. Microfinance

## 3. Corporate, Digital strategy & ESG updates



## Microfinance – industry overview

Overall MFI to grow by 25-26% in FY22

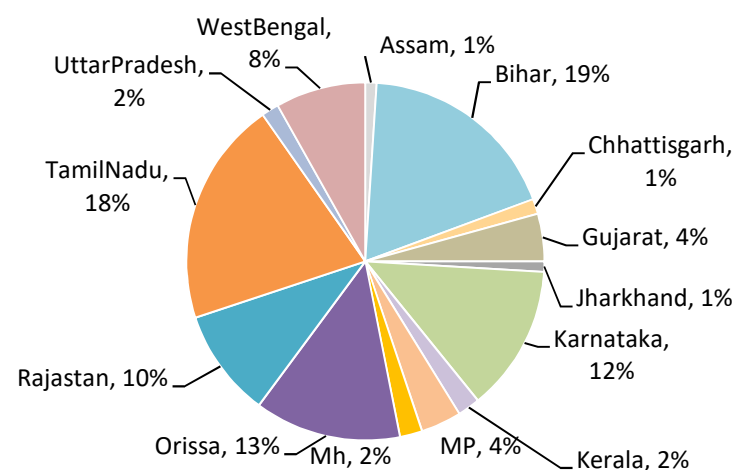


1. Growth for the FY23 is projected at 26-28%
2. Microfinance borrowers highly depend on the source of credit for their daily livelihood, they have started making payment thus increasing the overall collection efficiency.
3. Better collection efficiency to spur NBFC-MFI growth

## Microfinance – product overview

- ✓ Small-ticket loans for purpose of income generation activities
- ✓ Target segment is rural and semi-urban self-employed women in joint liability groups
- ✓ Extensive presence in 17 states, 278 districts
- ✓ Strong emphasis on training and awareness of all customers detailing end use of funds, timely repayment and emphasis on joint liability

Distribution of AUM as at September 30, 2021



**AUM**  
₹ 4,534 Cr

**Gross/Net NPAs**  
2.4% / 0.0%

**States**  
17

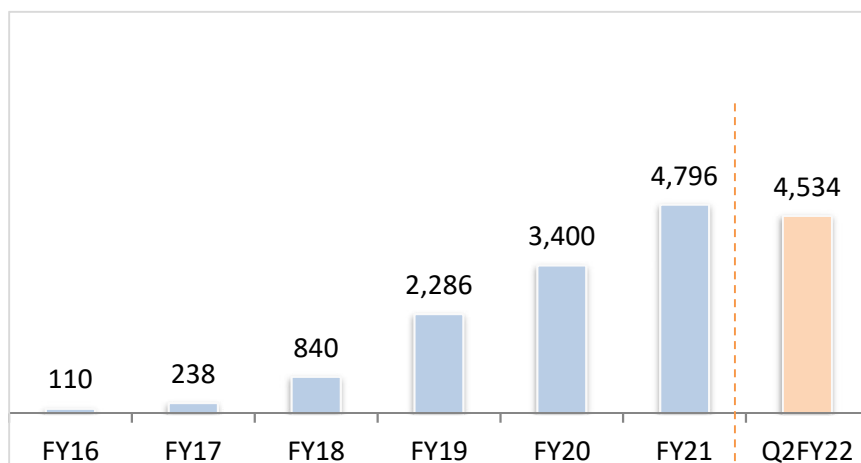
**Total Customers**  
15.8 Lakh

**Tenor**  
~2 years

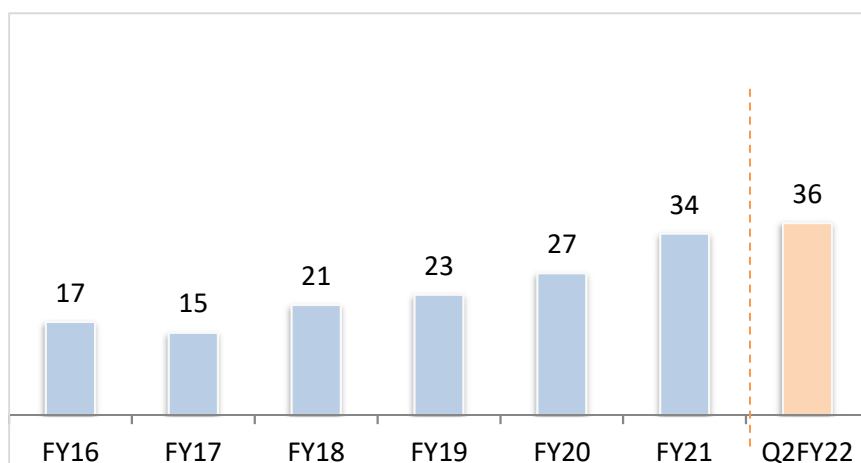
**120% Collection Efficiency**  
(Sep 21)

## Microfinance – financial overview

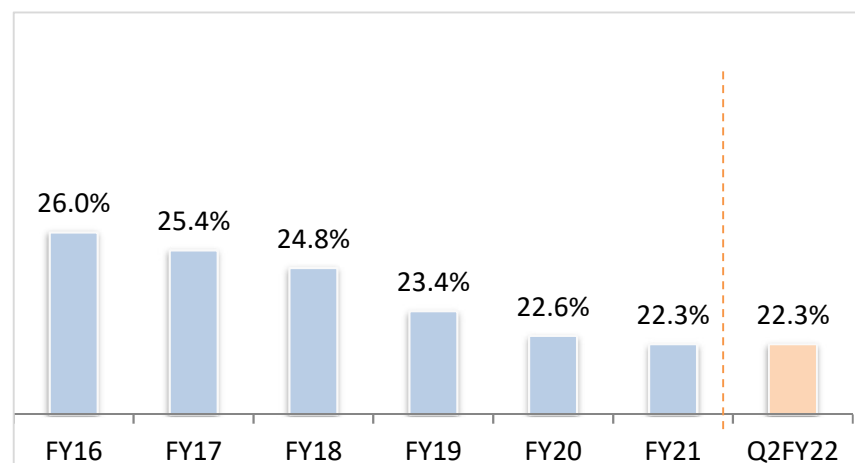
**Assets Under Management (₹ Cr)**



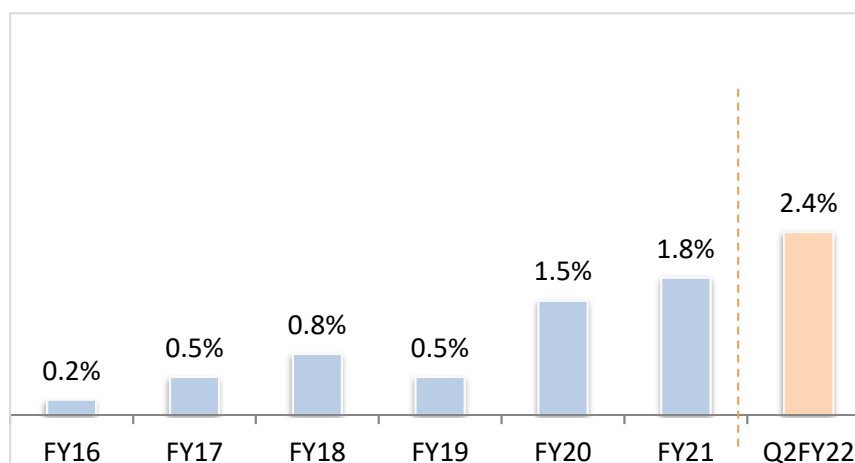
**Onboarding Average Ticket Size (₹ '000s)**



**Portfolio Yield (%)**



**Gross NPAs (%)**



## 1. H1 & Q2 FY22 Financial performance

i. Key highlights

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## 2. Business segments review

i. Home loan

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iii. Gold loan

iv. Microfinance

## 3. Corporate, Digital strategy & ESG updates

## Strategic & Digital updates during the quarter



### Gold Loan



Launched Co-branded **Prepaid Card** with ICICI Bank for Gold Loan Customers



Tied-up with **GooglePay** for lead generation

### Home Loan



Integrated with **WhatsApp** for better customer engagement on post disbursal **customer queries**



Online pre-qualification lead filtration form-approve loans by collecting just three data points

### Business Loan



Went live on **account aggregator** to help customers and securely better underwrite small enterprises



**Rs. 315 Cr.** top-up loans disbursed **under secured business loans** till date in a **paperless** manner without any human intervention



**Rs. 43 Cr.** of **unsecured business loans** disbursed via **MyMoney app** till date

# Instant business loan on Whatsapp



**First NBFC in the country to launch instant business loan end to end journey on WhatsApp**

*- 60000+ leads generated in 10 days of launch. Loan worth Rs.4.5 crs disbursed.*

The screenshot shows a WhatsApp chat interface for IIFL Finance. The top message is a congratulatory message stating the user is eligible for loans up to ₹10,00,000. It lists offers starting at 14.75% Reducing interest rate, ₹40,833 EMI, and 60 months repayment. Below this are two credit score gauges for Experian (Very Good) and CIBIL (Excellent). A disclaimer states that the actual loan amount will be based on income verification. The bottom message asks the user how much loan they want to apply for, with an example: 'Reply 100000 if you want to apply for ₹ 1 lakh loan'.

## Onboarding Journey

- Ease of chat has been brought to the complex loan journey
- Whatsapp's 450Mn+ users across India can avail a 24x7 loan facility to get a loan under ten minutes
- Account aggregator embedded in the journey to reduce the bank statement drop-offs



## Data Analytics

- API Integration with fintech vendors
- Machine learning models to assist underwriting
- E-KYC & E-Signature









## Powered by AI Bot

- Powerful AI-bot matches the users' inputs to the loan offer, and facilitates the application through KYC, Bank Account Verification (BAV) and mandate setup.
- Users will be able to avail loan upto Rs.10 lakh with minimum documentation and approval in 5 mins. .

## Fraud Checks

- Fraud checks integrated within the journey itself
- New age fintech solution giving fraud score of users deployed.

## Our recent partnerships with banks..

Bank Name				
Product	 Gold Loan	 Gold Loan	 Home Loan and MSME LAP	 Home Loan and MSME LAP
Nature of agreement	Sourcing Servicing arrangement	Co-lending arrangement	Co-lending arrangement	Co-lending arrangement
Funding by Partnering bank	100%	80%	80%	80%
Credit Policy	Mutually accepted policy	Mutually accepted policy	Mutually accepted policy	Mutually accepted policy

The above agreements are a win-win partnership for both IIFL Finance as well as the banks:

- Banks will be able to improve their reach to Tier 2 / Tier 3 cities by leveraging existing network of NBFCs
- NBFCs can increase their customer base without the need for regular fundraising
- Informal segment borrower will get access to cheaper source of funds

## Home loan: Aiming for inclusive growth



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

**132,000+** loans to **first-time** home buyers

**49,500+** families benefitted under **CLSS**

**1180+ Cr.** **subsidy** provided till date

**39,900+** loans given to the **informal segment**

**61%** loans given to **female** owners/co-owners



## Gold loan: Supporting small ticket borrowers



Gold loans are essentially small-ticket business loans

**65%** of gold loan are of **less than**  
₹ 50,000 value

**81%** of the branches are located  
in **tier II, III cities and rural areas**

**63%** of loans given to **small**  
**businesses**

**6%** of loans is for **agricultural**  
**purposes**

**Digital top-up, renewal and**  
**doorstep facility** for convenience of  
borrowers

**Instant hassle free loans** ensure  
easy access to credit for  
underserved segments

## Microfinance: Aiming for financial inclusion



Microfinance loans are for income generating activities

**86%** of these benefited  
customers stay in the **rural area**  
of the country

**15.8 lakhs+** families  
benefited in **17 states** with  
financial intervention

**7,205+** dairy farmers supported  
through 9 cattle health centres in 4  
States

Supports **self-employed women**  
in under-served rural areas

# Distinguished Board of Directors

## IIFL Finance – Board of Directors



**Nirmal Jain**, Chairman & Whole-time Director

- MBA from IIM Ahmedabad, rank-holder CA and Cost Accountant. Worked with Unilever for 5 years
- Founded and led IIFL since 1995



**R Venkataraman**, Managing Director

- MBA from IIM Bangalore, B-Tech from IIT Kharagpur
- Worked with ICICI Bank, Barclays, GE Capital
- Co-founder of IIFL



**Chandran R**, Non-Executive Director

- Managing Director, Hamblin Watsa Investment Counsel Ltd.
- Director & CEO, Fairfax India Holdings Corp.
- MBA from University of Toronto, B. E from IIT Madras



**A K Purwar**, Independent Director

- Chairman of Tadas Wind Energy Private Limited & Eroute Technologies Private Limited
- Former Chairman, State Bank of India



**V. K. Chopra**, Independent Director

- Chartered Accountant and Former Whole-Time Member, SEBI
- Former Chairman & MD - Corporation Bank and SIDBI



**Nilesh Vikamsey**, Independent Director

- Senior Partner at Khimji Kunverji & Co
- Past President of The Institute of Chartered Accountants of India



**Geeta Mathur**, Independent Director

- Co-chair for the India Chapter of Women Corporate Directors Foundation
- Chartered Accountant with over 20 years of experience as a Finance professional



**Ramakrishnan Subramanian**, Additional Director (Independent Director)

- Sr. Advisor, Operating Partner, Consultant with PE, VC, FIs and Fintech in India
- Chartered Accountant with over 30 years of leadership roles and experience



**Vibhore Sharma**, Independent Director

- Engineering & product leader with over 20 years of experience
- Amongst the earliest members of InfoEdge India

# Experienced senior management team



## IIFL Finance



**Rajesh Rajak**  
(Chief Financial Officer)

- 22+ years of work experience
- Prior to this, he was SVP-heading Business Finance function with HDFC Bank Ltd., where he has been for the past 14 years



**Sanjeev Srivastava**  
(Chief Risk Officer)

- Chartered Accountant
- Industry veteran with 20 years of experience within financial services



**Sneha Patwardhan**  
(Compliance Officer)

- 13 years of experience in the field of Secretarial, Compliance, Legal, Corporate Advisory, Corporate Governance and Mergers & Acquisitions.

## IIFL Home Finance



**Monu Ratra**  
(Chief Executive Officer)

- Qualified architect and MBA
- Over two decades of mortgage experience having worked with HDFC, ICICI Bank and Indiabulls Housing



**Amit Gupta**  
(Chief Financial Officer)

- 20+ years of varied experience in financial services viz. accounting, finance, audit and compliance



**Abhishikta Munjal**  
(Chief Risk Officer)

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

## IIFL Samasta



**N Venkatesh**  
(Chief Executive Officer)

- 20 years of experience in the financial services sector
- Completed program for strategic leadership in microfinance at Harvard Business School



**Anantha Kumar T**  
(Chief Financial Officer)

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



**Sabari Krishna**  
(Chief Risk Officer)

- ACS, CAIIB
- 13+ years of experience in Risk Management, Operational Risk, Risk Assessment, Compliance and Capital Raising

# IIFL's brand and credibility recognized at various forums IIFL FINANCE

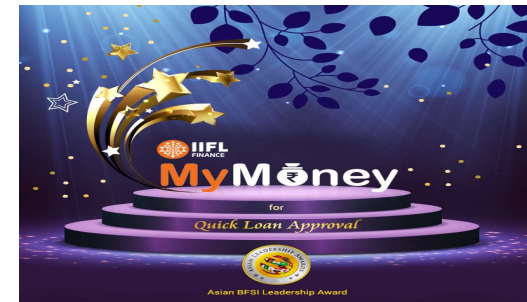
IIFL Finance was listed as an **"Iconic Brand"** by the **Economic Times**



IIFL Finance received **'India Most Admired Financial Services Provider'** Award at **Asian BFSI Leadership Awards**



IIFL Finance's **MyMoney App** as **"Best Finance App"** at **National Awards for Excellence in Digital Marketing**



IIFL Finance received the award for the **"Best Financial Inclusion Initiative"** at **National Awards for Excellence in BFSI**



IIFL Finance's **#UmeedwaliSeedhiBaat** received the **Impact Digital Influencer Award**

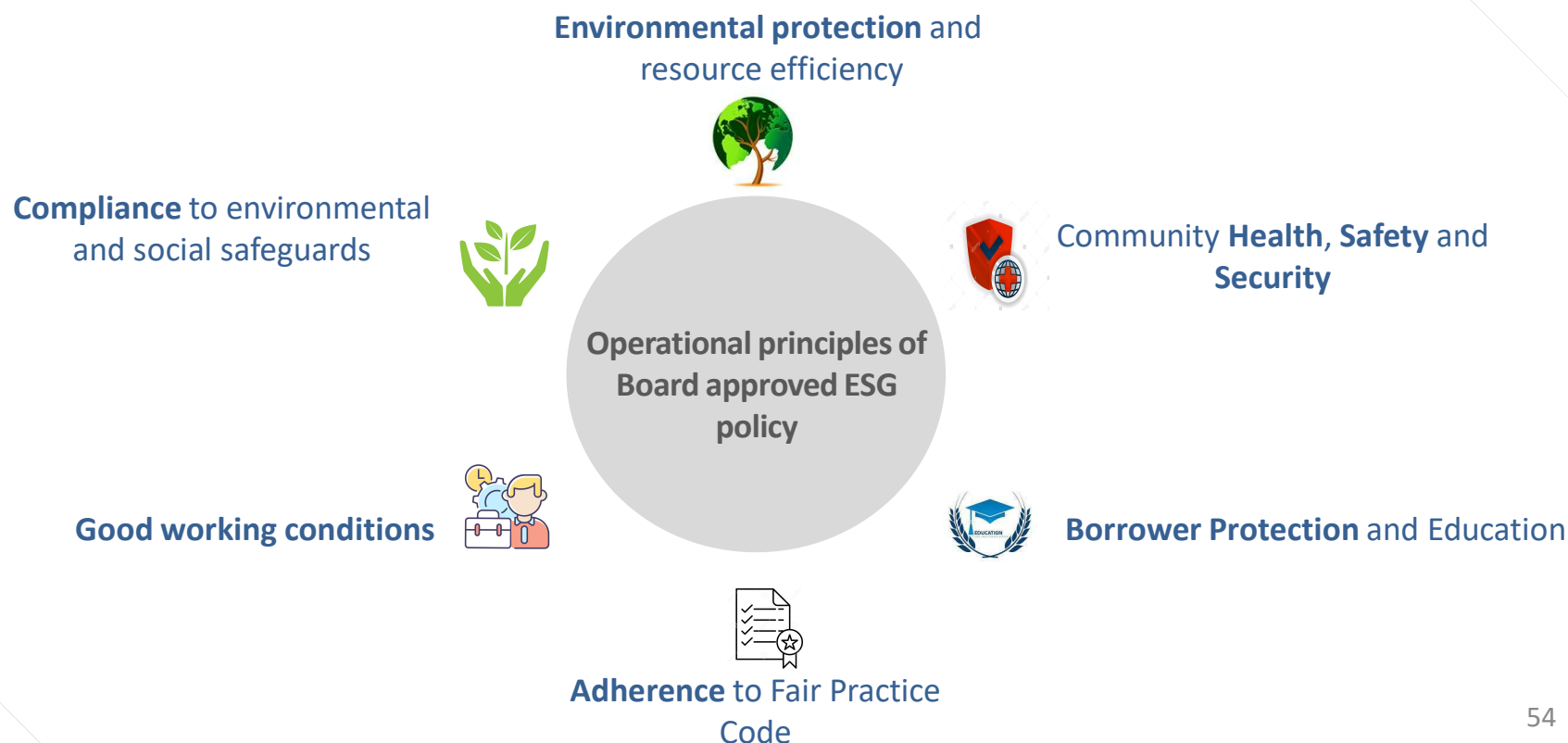


Accorded as the **'Great Place to Work'** for the **third consecutive year in FY21**



## Environment, Social and Governance (ESG) Initiatives

- As a responsible corporate, IIFL Finance aims to deliver sustainable growth through financial products and services that help satisfy unmet societal needs, enable a thriving society, conserve environment and create long-term value for all
- The Company has a dedicated ESG committee which meets quarterly to discuss a range of ESG issues that aim to drive the Company's values and impact
- Marquee investors CDC have representation at the ESG committee and they continue to guide us with their rich, global experience in driving ESG initiatives.





## IIFL HFL contribution to Environment Sustainability- Green affordable housing impact by green value partners



- 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. The benefits of Green buildings are - with usage of sustainable raw materials, green buildings help protect biodiversity and ecosystem. It further allows reduced carbon footprint, cost efficient structures and better health of residents.

IGBC preliminary certified / certified projects under management – 13,736 units

31

Projects registered with IGBC and GRIHA Green Certification Agencies

1

Project received final certification

16

Projects preliminary certified

12

Projects under Pre-Registration

9,374

MWH p.a.



ENERGY SAVINGS

5,41,473

KL p.a.



WATER SAVINGS

8,624

Tonnes p.a.



EMISSION SAVINGS

Total number of units funded by IIFL Home Loans (IGBC & GRIHA certified)

4,900+

Target Impact Through Kutumb (March 2023):

200

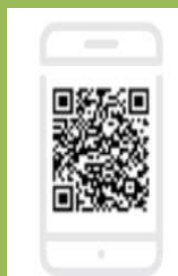
~54,00,000

60,000

RESIDENTIAL PROJECTS SQUARE METERS UNITS CERTIFIED



Scan to Download:



Launched IIFL Home Finance Sustainability Report Scan to Download:

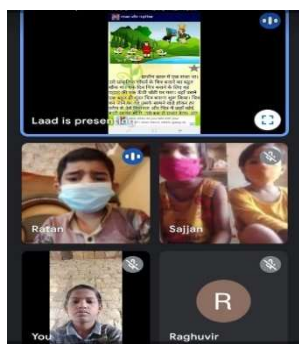


# CSR projects continue amid covid with creative use of technology



## Sakhiyon ki Badi (Rajasthan)

- **Sakhiyon ki Baadi** is an initiative aimed at eradication of female illiteracy from Rajasthan
- Learning centres has been set up for girls in the age group of 4 yrs. 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.



Total Number of Centres	Districts	Total Number of Students	Children connected over online sessions
1164	11	35,964	5217



## Maa Bari Centres

IIFL Foundation has taken a lead to collaborate with the Government of Rajasthan (TAD department) for transforming Maa Bari centers as a 'Child Friendly Model Maa Bari Centre'

### The initiative aims to

- Enhance the academic learning of the students through introduction of 'Digital Tools' (TV & Android Tablet)
- Access to healthy sanitation facility
- Development of play area and upgrading Maa Bari as a 'Green Structure' through installation of solar panels.



## Employment and Livelihood Generation Programme

A skill development training through a specialized certification course - Chartered Financial Expert (CFX).

Over completion of course the participants shall grow as Financial Entrepreneurs, who are prepared to enter Banking, Financial Services, and Insurance Industry.

A batch of **53** students is in progress



**Thank you**

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