

IIFL Finance Limited

Press Release

For immediate publication

Mumbai, India

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IIFL Finance Results update

IIFL Finance reports half yearly profit of Rs557 crores, up 128% yoy, quarterly profits at Rs292 crores, up 37% yoy

Highlights of performance

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

Net profit grew 128% y-o-y in H1FY22 (6 months) to Rs557 Cr. The quarterly net profit was Rs292 Cr, up 37% y-o-y and 10% q-o-q

Loan AUM grows to Rs44,249 Cr, up 8% yoy and up 3% qoq

IIFL loan assets under management grew 8% yoy, driven by sustained growth in home loan and gold loan businesses.

Liquidity comfort at all-time high at Rs6,379 Cr

As at September 2021, Free cash, equivalent and undrawn lines were Rs6,379 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

IIFL 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

IIFL Finance Limited Consolidated Results Half Yearly– H1FY22

Rs Crore	Half year ended September 30, 2021	Half year ended September 30, 2020	Y-O-Y
Total Income (Net)	1,800.0	1,476.6	22%
Pre-provision operating profit	1,097.3	907.6	21%
Profit before tax	722.1	336.0	115%
Profit after tax	557.4	244.5	128%
TCI (Pre-minority)	539.1	235.2	129%
Earnings per share (EPS)	14.7	6.5	128%
Loan AUM	44,249	40,843	8%

IIFL Finance Limited Consolidated Results Quarterly – Q2FY22

Rs Crore	Quarter ended September 30, 2021	Quarter ended September 30, 2020	Y-O-Y	Quarter ended June 31, 2021	Q-O-Q
Total Income (Net)	969.3	874.5	11%	830.7	17%
Pre-provision operating profit	581.7	580.8	0%	515.5	13%
Profit before tax	371.5	278.7	33%	350.5	6%
Profit after tax	291.6	212.7	37%	265.8	10%
TCI (Pre-minority)	289.4	205.1	41%	249.7	16%
Earnings per share (EPS)	7.7	5.6	37%	7.0	10%
Loan AUM	44,249	40,843	8%	43,160	3%

Mr Nirmal Jain, Chairman, IIFL Finance Ltd., commented on the financial results: *“We have made aggressive bet on growth, with almost 15% net increase in manpower strength in the last quarter itself. Besides, we have accelerated investment in technology and branding. Our co-lending proposition is getting very positive response from banks. Our strategy of focusing on small ticket retail loan assets with extensive use of digital technology and partnering with banks for co-lending, is vindicated by robust profit growth.”*

Financial performance review

IIFL Finance had loan assets under management (loan AUM) of Rs 44,249 Cr as at September 30, 2021, with the home loans segment constituting 35%, gold loans 31%, business loans 16% and microfinance loans 10% of the total AUM. During the quarter, disbursements were back to pre-covid levels with heightened economic activity.

The company’s annualized ROE and ROA for Q2FY22 stood at 20.5% and 2.8% respectively. Pre-provision operating profit stood at Rs. 582 Cr. during the quarter. Average borrowing costs for the quarter declined by 33 bps y-o-y to 8.7%.

94% of our loans are retail in nature and 69% of our retail loans (excluding gold loans which are not classified as PSL loans) are PSL compliant. The assigned loan book, currently at Rs 11,388 Cr, is 26% of AUM. Besides, there are securitized assets of Rs. 3,987 Cr. There exists significant opportunity for further assignment and securitization, given our granular and retail book.

GNPA stood at 2.3% and NNPA stood at 1.1%, as at September 30, 2021. With implementation of Expected Credit Loss under Ind AS, provision coverage on NPAs stands at 175%.

Total CAR stood at 25.9% including Tier I capital of 18.3% as at September 30, 2021, as against statutory requirement of 15% and 10% respectively.

IIFL Finance’s long term credit rating from both ICRA and CARE were upgraded from AA (Outlook: Negative) to AA (Outlook: Stable).

IIFL Home Finance’s long term credit rating also got upgraded from AA (Outlook: Negative) to AA (Outlook: Stable) from both CARE and ICRA

IIFL Samasta Finance Limited long term credit rating also got upgraded from CRISIL A+ (Outlook: Stable) to AA- (Outlook: Stable) and from ICRA A (Outlook: Stable) to A+ (Outlook: Stable)

The total presence of branches grew to 2,914 as at the end of quarter from 2,682 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 22% y-o-y and 6% q-o-q to Rs 15,698 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 September 30, 2021 the gold loans AUM grew to Rs. 13,600 Cr, showing a strong growth of 19% y-o-y and 3% q-o-q. Gold loans are provided through our widespread presence in 1150+ cities across 25 states to salaried, self-employed and MSME customer segments.

Microfinance: The microfinance loan AUM stood at Rs. 4,534 Cr., up 31% y-o-y and 3% q-o-q, as at September 30, 2021. The microfinance customer base stood at 15.8 lakh customers.

Business loans: Secured business loans grew by 2% y-o-y to Rs. 5,371 Cr. whereas unsecured business loans continued to decline both on y-o-y and q-o-q basis. Under the Emergency Credit Line scheme, we have disbursed Rs. 392 Cr. from inception till September 30, 2021.

Update on transfer of real estate credit assets to an Alternate Investment Fund (AIF)

A significant part of the CRE asset portfolio had been sold to an AIF during the quarter ended June 30, 2021. We are planning more such transactions in the coming months. The capital released by such transactions, will strengthen the Company's balance sheet and help it focus sharply on retail lending, in line with its strategy. The Company believes that its CRE portfolio is of superior quality with adequate collateral and is for affordable houses.

Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 6,379 Cr were available as on September 30, 2021. During the quarter, we raised Rs 3,717 Cr through term loans, bonds and refinance from banks. Loans of Rs 3,655 Cr were securitized and assigned during the quarter. Additionally, we raised Rs. 843 Cr by way of public issue of long term secured bonds in the month of October 2021.

Awards and Accolades:

- IIFL Finance 's MyMoney App received 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 Silver in the Impact Digital Influencer Award (Best BFSI Campaign in Small Budget Campaign category)
- IIFL Finance's MyMoney app was awarded for Quick Loan Approval at Asian BFSI Leadership Awards
- IIFL Finance received 'India Most Admired Financial Services Provider' Award at Asian BFSI Leadership Awards
- IIFL Finance received 'Iconic Brand' recognition from The Economic Times
- IIFL Foundation received Award for 'Best Use of CSR Practices in Banking & Finance Industry' at Asian CSR Leadership Awards
- Sakhiyon Ki Baadi' project received the award for 'Innovation in CSR Practices' at Asian CSR Leadership Awards
- Ms Madhu Jain, Director, IIFL Foundation received 'Social Entrepreneur of the Year Award' at Asian CSR Leadership Awards
- IIFL Foundation received Award for 'Best Covid-19 Training Solution' at Asian CSR 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 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 corporates, 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 year ended September 30, 2021, are available under the ‘[Investor Relations](#)’ section on our website www.iifl.com.

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

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