

IIFL Finance Limited

Press Release

For immediate publication

Mumbai, India

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IIFL Finance Results update

IIFL Finance Limited consolidated results for the quarter ended December, 2020 (Q3FY21)

Total income -	Rs 919 Cr	(Up 7% q-o-q and 58% y-o-y)
Pre-provision operating profit (PPOP) -	Rs 615 Cr	(Up 9% q-o-q and 127% y-o-y)
Profit before tax -	Rs 348 Cr	(Up 25% q-o-q and 48% y-o-y)
Profit after tax -	Rs 268 Cr	(Up 26% q-o-q and 47% y-o-y)
Loan AUM -	Rs 42,264 Cr	(Up 3% q-o-q and 17% y-o-y)
Interim dividend -	Rs 3 per share	(150% of par value)

IIFL Finance Limited Consolidated Results – Q3FY21

Rs Crore	Quarter ended December 31, 2020	Quarter ended September 30, 2020	Q-O-Q	Quarter ended December 31, 2019	Y-O-Y
Income (Net)	919.3	856.9	7%	580.7	58%
PPOP	615.4	563.3	9%	270.7	127%
Profit before tax	348.2	278.7	25%	235.6	48%
Profit after tax	268.3	212.6	26%	182.5	47%
Total Comprehensive Income	231.3	205.0	13%	186.8	24%

IIFL Finance Limited Consolidated Results – 9MFY21

Rs Crore	Nine months ended December 31, 2020	Nine months ended December 31, 2019	Y-O-Y
Income (Net)	2,448.5	1,776.8	38%
PPOP	1,575.9	838.9	88%
Profit before tax	684.2	611.3	12%
Profit after tax	512.5	443.1	16%
Total Comprehensive Income	466.2	440.5	6%

Mr. Nirmal Jain, Chairman, IIFL Finance Ltd., commented on the financial results: “The Company’s business model is being transformed by two-pronged strategy- Rapidly digitizing/ automating all business processes and forging win- win partnerships with banks. It places us in a unique sweet spot to deliver financial inclusion to masses and superior return on capital to all the stakeholders. The Company continues to make substantial contribution to the society, environment and sustainability. The highest ever profit, not considering exceptional items, is all but a milestone in the continuing journey of the company. We are excited about the opportunities arising from V shaped recovery in the economy with low credit penetration.”

Financial performance review

IIFL Finance had loan assets under management of Rs 42,264 Cr as at December 31, 2020, with the home loans segment constituting 32%, gold loans 29%, business loans 18% and microfinance loans 9% of the total AUM.

The company's annualized ROE and ROA for Q3FY21 stood at 18.4% and 2.6% respectively. The company recorded its highest ever pre-provision operating profit of Rs. 615.4 Cr. during the quarter, driven by mainly volume growth and reduction in cost of funds. Average borrowing costs for the quarter decreased by 10 bps q-o-q to 9.0%.

90% of our loans are retail in nature and 43% are PSL compliant. The assigned loan book, currently at Rs 11,371 Cr, is 27% of AUM (previous quarter Rs. 10,998 Cr.). Besides, there are securitized assets of Rs. 3,201 Cr. There exists significant opportunity for further assignment and securitization, given our granular and retail book.

GNPA stood at 1.61% and NNPA stood at 0.77%, as at December 31, 2020. With implementation of Expected Credit Loss under IndAS, provision coverage on NPAs stands at 170% excluding standard asset coverage.

Total CAR stood at 21.4% including Tier I capital of 18.0% as at December 31, 2020, as against statutory requirement of 15% and 10% respectively.

The total presence of branches grew to 2,439 as at the end of quarter from 2,366 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 9% y-o-y and 4% q-o-q to Rs 13,445 Cr. The primary focus in this segment is on affordable and non-metro housing loans. About 43,000 customers were benefitted with a subsidy of over Rs 1,000 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Gold Loans: As of December 31, 2020 the gold loans AUM grew to Rs 12,212 Cr, showing a strong growth of 61% y-o-y and 7% q-o-q. Gold loans are provided through our widespread presence in 600+ cities across 25 states to salaried, self-employed and MSME customer segments.

Microfinance: The microfinance business continued its steady growth, with the loan AUM growing 33% y-o-y and 13% q-o-q to Rs 3,920 Cr as at December 31, 2020. The microfinance customer base increased to over 15 lakh customers.

Business loans: Secured business loans grew by 7% y-o-y and 2% q-o-q to Rs. 5,411 Cr., whereas unsecured business loans continued to decline on both y-o-y and q-o-q basis. Under the Emergency Credit Line scheme, we have disbursed Rs. 298 Cr. till December, 2020.

Construction & real estate

IIFL Asset Management Limited (IIFL AMC) has executed a binding term sheet with a renowned global alternate investment manager (Investor) for 33.3% contribution by the Investor in the AIF, subject due diligence to the satisfaction of the Investor. The AIF will have sponsor's contribution of around 33.3% from IIFL Finance Ltd. The balance contribution in the AIF is expected from other investors. The AIF will have target size of ₹3600 crores for secondary purchase of NCDs of real estate projects and providing additional liquidity for completion of the same.

Liquidity position

During the quarter, we raised Rs 3,987 Cr through term loans and refinance from banks. Loans of Rs 4,461 Cr were securitized/assigned during the quarter. Cash and cash equivalents and committed credit lines from banks and institutions of Rs 5,149 Cr were available as on December 31, 2020.

Co-origination/co-lending tie-up with banks

IIFL Finance and its subsidiaries has partnered with three banks for sourcing and co-lending:

- **Standard Chartered Bank:** IIFL Home Finance and Standard Chartered Bank have entered into a co-lending arrangement for extending secured MSME loans. Under this partnership, IIFL Home Finance and Standard Chartered Bank will originate these loans and IIFL Home Finance will service the customers through the entire loan life-cycle including sourcing, documentation, collection and loan servicing
- **ICICI Bank:** IIFL Home Finance partnered with ICICI Bank to provide affordable housing and secured MSME loans as a sourcing partner. Under this partnership, IIFL Home Finance will originate and service the customers through the entire loan life-cycle including sourcing, documentation, collection and loan servicing and in turn ICICI Bank will provide funding to these customers.
- **CSB Bank:** IIFL Finance, acting as Business Correspondent of CSB Bank, has commenced sourcing of gold loans during the quarter. It is a win-win partnership wherein IIFL Finance, with its vast branch network, helps CSB Bank penetrate the lower strata of customers and rural areas, where the Bank currently does not have adequate reach. IIFL Finance can scale up its customer base.

Awards and Accolades:

- IIFL Finance received recognition as one of the Economic Times Best Brands 2020
- IIFL Finance received the 'Golden Peacock National Training Award – 2020'
- IIFL Finance's #SeedhiBaat campaign received the 'Best PR Campaign Award' at the Global Marketing Excellence Awards
- IIFL Finance's TVC with Rohit Sharma received the 'Best Marketing Campaign Award' at the National Awards for Marketing Excellence

- IIFL Finance received the award for 'Most Admired Service Provider in Financial Sector' at the ET Now World BFSI Awards
- IIFL Finance featured in 'India's Best Workplaces in BFSI 2020' – Top 25 list
- The Economic Times recognized our Chairman as one of the 'Most Promising Business Leaders of Asia' for demonstrating exemplary leadership qualities
- Ms Madhu Jain, Director, IIFL Foundation received the CSR Leadership Award at Golden Globe Tigers International Awards 2020
- IIFL Foundation's flagship girl child education initiative 'Sakhiyon Ki Baadi' received the 'Best CSR Impact Initiative Award' at National Award for CSR Excellence

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 Samasta Microfinance 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 4 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 2020). 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 period ended December 31, 2020, 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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