

IIFL Finance Limited
Press Release
For immediate publication
Mumbai, India
April 28, 2022
IIFL Finance Results update
IIFL Finance FY22 profits at Rs.1,188 crores, up 56% y-o-y, and Q4FY22 profits at Rs. 321 crores, up 30% y-o-y
Highlights of performance

Healthy rise in net profit for FY22 at Rs 1,188 Cr, up 56% y-o-y; and for Q4FY22 at ₹321 Cr, up 30% y-o-y

Strong loan asset growth of 15% y-o-y to ₹51,210 Cr, despite Covid interruptions during the year, was contributed by core products of home loan, gold loan and microfinance loan.

Liquidity (free cash, equivalent and undrawn lines) at Rs 9,499 Cr, is adequate to meet near term obligations as well as planned growth in loan book.

Digital initiative gained impressive traction with DIY loan disbursement doubling QoQ for MSME loans to Rs 265 Cr and **100%** of home loan processing becoming paperless.

RoE stood at 20.6% p.a for FY22, despite huge investment in expansion, driven by improved productivity of operating and financial assets.

IIFL Finance Limited Consolidated Results – FY22

Rs Crore	Year ended March 31, 2022	Year ended March 31, 2021	Y-O-Y
Total Income (Net)*	3,938.2	3190.8	23%
Pre-provision operating profit*	2,346.4	2001.8	17%
Profit before tax	1,536.0	1004.8	53%
Profit after tax	1,188.2	760.8	56%
TCI (Pre-minority)	1,197.5	736.5	63%
Earnings per share (EPS)	31.4	20.1	56%
Loan AUM	51,210	44,688	15%

IIFL Finance Limited Consolidated Results Quarterly – Q4FY22

Rs Crore	Quarter ended March 31, 2022	Quarter ended March 31, 2021	Y-O-Y	Quarter ended December 31, 2021	Q-O-Q
Total Income (Net)*	1,138.4	904.3	26%	1,032.0	10%
Pre-provision operating profit*	670.0	586.7	14%	611.3	10%
Profit before tax	419.6	320.6	31%	394.3	6%
Profit after tax	321.0	247.8	30%	309.9	4%
TCI (Pre-minority)	338.2	269.8	25%	320.1	6%
Earnings per share (EPS)	8.5	6.5	29%	8.2	4%
Loan AUM	51,210	44,688	15%	46,780	9%

*excluding Fair value changes

Mr Nirmal Jain, Managing Director, IIFL Finance Ltd., commented on the financial results: “FY22 was a watershed year for us as we made big strides in our physical branch network as well as in expansion of digital footprint. We are pleased to report sustained healthy profit growth. Our return on equity of above 20% p.a. is amongst the best in the industry. We are looking at major digital transformation with focus on digital DIY loans. We have invested aggressively in branch network, people and technology in FY22, paving the way for accelerated growth in next 2-3 years.”

Financial performance review

IIFL Finance had loan assets under management (loan AUM) of Rs 51,210 Cr as at March 31, 2022, with the home loans segment constituting 35%, gold loans 32%, business loans 15% and microfinance loans 12% of the total AUM.

The company’s annualized ROE and ROA for Q4FY22 stood at 21.1% and 2.9% respectively. Core pre-provision operating profit stood at Rs. 670.0 Cr. during the quarter. Average borrowing costs for the quarter declined 14 bps q-o-q and 28 bps y-o-y to 8.6%.

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 14,298 Cr, is 28% of AUM. Besides, there are securitized assets of Rs 2,397 Cr. Apart from securitization and assignment, we have colending book of Rs 2,845 Cr. There exists significant opportunity for further assignment, securitization and colending, given our granular and retail book.

GNPA stood at 3.2% and NNPA stood at 1.8%, as at March 31, 2022. 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 123%.

Total CAR stood at 23.9% including Tier I capital of 16.0% as at March 31, 2022, as against minimum regulatory requirement of 15% and 10% respectively

The total presence of branches stood at 3,296 as at the end of 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 7% q-o-q to Rs 17,727 Cr. The primary focus in this segment is on affordable and non-metro housing loans. Over 55,700 customers were benefitted with a subsidy of more than Rs 1,300 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Gold Loans: As of March 31, 2022 the gold loans AUM grew to Rs. 16,228 Cr, showing a strong growth of 23% y-o-y and 11% q-o-q. Gold loans are provided through our widespread presence in 1,260+ cities across 22 states to salaried, self-employed and MSME customer segments.

Microfinance: The microfinance loan AUM stood at Rs. 6,155 Cr, up 30% y-o-y and 22% q-o-q, as at March 31, 2022. The microfinance customer base stood at 17.5 lakh customers.

Business loans: Secured business loans grew by 4% y-o-y to Rs. 5,675 Cr. whereas unsecured business loans de-grew by 7% y-o-y to Rs. 1,884 Cr.

Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 9,499 Cr were available as on March 31, 2022. During the quarter, we raised Rs 5,954 Cr through term loans, bonds and refinance. Loans of Rs 4,284 Cr were securitized and assigned during the quarter. Additionally, during the quarter, IIFL Finance successfully raised Rs. 1,464 Cr via refinancing, out of which Rs. 1,200 Cr was from NABARD.

IIFL Finance bought back US\$50 million overseas bonds

During the quarter, the company bought back US\$50 million worth of bonds. The Company had raised US\$400 million through its maiden overseas bonds issue in February 2020 at an effective issue price of \$998.75 per \$1000 of face value, to fund its business growth. Bonds of \$376 million were outstanding as on March 31, 2021. During FY22 the Company had bought back bonds of US\$52.3 million including \$50 million at par through an open tender offer in March 21, 2022. The buyback was funded by corresponding ECB loan of maturity not less than the maturity of the bonds bought back, in line with RBI regulations. This will reduce cost of funds by approximately 225 basis points on this transaction. After these buybacks, bonds of US\$323.7 million remain outstanding as on March 31, 2022.

Raised US\$ 68 Million from Asian Development Bank

IIFL Home Finance Limited has raised US\$68 million by issue of NCDs to 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.

Awards and Accolades:

- IIFL Finance received 'The Most Preferred Brand Award for Sustained Brilliance in Brand Building' at Marksmen Daily Awards.
- IIFL Finance's 'Gold Loan at Home' product received 'Customer Services Excellence Award' at the World BFSI Congress
- IIFL Finance's 'WhatsApp Loan' product received 'Best Use of Mobile Technology in Financial Services' award at the World BFSI Congress
- IIFL Finance was certified as 'Great Place to Work' for the fourth year in a row

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 8 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 30 billion (as on December 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 March 31, 2022, 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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