

IIFL Finance Limited

Press Release

For immediate publication

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IIFL Finance Q1FY25 Results update
IIFL Finance Q1FY25 profit after tax¹ at Rs. 338 Crore, down 28% y-o-y

For the quarter ended June 30, 2024, the Company reported net profit after tax of Rs. 338 Cr (before non-controlling interest) down 28% y-o-y. Profit before tax (PBT) for the quarter was Rs. 436 Cr down 29% y-o-y. Among core products, home loans and loan against property AUM grew by 23%. Microfinance grew by 17% while digital loans grew by 59% y-o-y. gold loans de-grew by 33% y-o-y. Overall loan AUM grew by 2% y-o-y to Rs 69,610 Cr.

IIFL Finance Limited Consolidated Results Quarterly – Q1FY25

Rs Crore	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Y-O-Y	Quarter ended March 31, 2024	Q-O-Q
Loan growth					
Loan AUM	69,610	68,178	2%	78,960	(12%)
On-book assets	45,470	41,515	10%	50,833	(11%)
Off-book assets	24,140	26,663	(9%)	28,126	(14%)
Profitability					
Total Income (Net)*	1,393.4	1,425.2	(2%)	1,758.8	(21%)
Pre-provision operating profit*	647.4	792.0	(18%)	989.7	(35%)
Profit before tax	436.2	618.4	(29%)	553.7	(21%)
Profit after tax (pre-NCI ¹)	338.2	472.9	(28%)	430.6	(21%)
Profit after tax (post-NCI ¹)	288.1	425.4	(32%)	373.4	(23%)
Return ratios					
Return on assets	2.3%	3.6%		2.9%	
Return on equity	10.3%	19.1%		14.6%	
Per share					
Earnings per share (EPS)	7.2	11.2	(35%)	9.8	(26%)
Book value per share (BVPS)	282.3	240.0	18%	271.5	4%
Asset quality					
Gross NPA	2.2%	1.8%		2.3%	
Net NPA	1.1%	1.1%		1.2%	

*excluding net gain/(loss) on fair value changes

¹NCI is Non-controlling interest

Mr. Nirmal Jain, Managing Director, IIFL Finance Ltd., commented on the results: “The recent RBI embargo on gold loans has impacted our financial performance during the quarter. However, we have diligently followed all RBI guidelines and are committed to full compliance. We have taken significant steps to strengthen our system, process management, and compliance risk and audit teams.

Our gold loan assets, being short tenure products, have demonstrated resilience under this trial by fire. Over a million customers have successfully closed their accounts and retrieved their jewellery, and we have repaid banks over ₹13,500 crore from asset liquidation, without any issues, showcasing the robustness of our asset quality and operations.”

Mr. Kapish Jain, President & Group Chief Financial Officer, IIFL Finance Ltd., commented on the results: “Our financial performance for current quarter is hugely impacted by the ongoing embargo on our gold loan business with AUM in the gold business dropping by near 37% QoQ. During this period both the material subsidiaries have reported healthy performance both in terms of growth and profitability.”

Financial performance review

The company’s annualized ROE and ROA for Q1FY25 stood at 10.3% and 2.3% respectively. Pre-provision operating profit stood at Rs.647 Cr. for the quarter down 18% y-o-y. Average borrowing costs for the quarter decreased 2 bps y-o-y and 2 bps q-o-q to 9.11%.

98% of our loans are retail in nature and 66% of our retail loans (excluding gold loans which are not classified as PSL loans but are still zero risk weights for the banks on a net exposure basis) are PSL compliant. The assigned loan book, is currently at Rs 14,609 Cr. Besides the co-lending book* is at Rs 9,532 Cr.

GNPA stood at 2.2% up by 40 bps y-o-y and NNPA stood at 1.1% up 4 bps y-o-y, as at June 30, 2024. With implementation of Expected Credit Loss under Ind AS, provision coverage on NPAs stands at 128%.

Total CRAR² stood at 27.8% as at June 30, 2024, as against minimum regulatory requirement of 15% supported by the capital raised during the quarter. The total presence of branches stood at 4,774 as at the end of Q1FY25 compared to 4,801 branches last quarter, spanning the length and breadth of the country.

²CRAR is Capital adequacy ratio

*Co-lending includes Business Correspondence and Co-origination

Business segment review

Home Loans: At the end of the quarter, retail home loan assets grew by 23% y-o-y and 2% q-o-q to Rs 28,089 Cr. The primary focus in this segment is on affordable and non-metro housing loans. We operate out of 390 dedicated home loan branches PAN India. IIFL Home finance is also India's No 1 housing finance company in the sub 20 lakhs ticket size.

Gold Loans: As of June 30, 2024, the gold loan AUM was Rs. 14,727 Cr, down 33% y-o-y and down 37% q-o-q. Gold loans are provided through our widespread presence in 2,775 branches across 25 states and 4 Union territories to salaried, self-employed and MSME customer segments.

Microfinance: The microfinance loan AUM stood at Rs. 12,011 Cr, up 17% y-o-y and down 8% q-o-q, as at June 30, 2024. The microfinance customer base stood at 29.8 lakh customers operating out of 1,645 dedicated microfinance branches across India.

Loan against property: Loan against property AUM grew by 23% y-o-y and was down 2% q-o-q to Rs. 8,415 as at June 30, 2024.

Digital loans: Digital loans AUM grew by 59% y-o-y and 7% q-o-q to Rs. 4,610 as at June 30, 2024.

Construction and Real Estate: Construction and real estate AUM stood at Rs. 1,464 Cr, as at June 30, 2024.

Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 6,853 Cr were available as on June 30, 2024. During the quarter, we raised Rs 2,886 Cr through term loans, bonds and refinance. Additionally, Rs 1,769 Cr was raised through direct assignment of loans.

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.

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 ended June 30, 2024, 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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