

## IIFL Finance Limited

Press Release

For immediate publication

Mumbai, India

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### IIFL Finance Q2FY24 Results update

## **IIFL Finance Q2FY24 profit after tax<sup>1</sup> at Rs. 526 Crore, up 32% y-o-y**

For the quarter ended September 30, 2023, the Company reported net profit after tax of Rs. 526 Cr (before non-controlling interest) up 32% y-o-y. Profit before tax (PBT) for the quarter was Rs. 684 up 29% y-o-y. Loan growth in core products was robust – Gold loans and Home loans AUM grew by 33% and 22% y-o-y respectively. Microfinance grew by 67% while Digital loans and Loan against property grew by 77% and 21% y-o-y respectively. Overall core loan portfolio grew by 34% y-o-y.

### **IIFL Finance Limited Consolidated Results Quarterly – Q2FY24**

Rs Crore	Quarter ended September 30, 2023	Quarter ended September 30, 2022	Y-O-Y	Quarter ended June 30, 2023	Q-O- Q
<b>Loan growth</b>					
Loan AUM	73,066	55,303	32%	68,178	7%
On-book assets	44,061	35,162	25%	41,515	6%
Off-book assets	29,005	20,141	44%	26,663	9%
<b>Profitability</b>					
Total Income (Net)*	1,599.3	1,205.2	33%	1,425.2	12%
Pre-provision operating profit*	922.1	654.4	41%	792.0	16%
Profit before tax	683.5	529.4	29%	618.4	11%
Profit after tax (pre-NCI <sup>1</sup> )	525.5	397.1	32%	472.9	11%
Profit after tax (post-NCI <sup>1</sup> )	474.3	379.6	25%	425.4	11%
Total Comprehensive Income (pre-NCI <sup>1</sup> )	537.9	421.8	28%	454.1	18%
<b>Return ratios</b>					
Return on assets	3.9%	3.4%		3.6%	
Return on equity	20.1%	20.4%		19.1%	
<b>Per share</b>					
Earnings per share (EPS)	12.5	10.0	25%	11.2	11%
Book value per share (BVPS)	252.9	215.2	18%	240.0	5%
<b>Asset quality</b>					
Gross NPA	1.8%	2.4%		1.8%	
Net NPA	1.0%	1.2%		1.1%	

\*excluding Fair value changes

<sup>1</sup>NCI is Non-controlling interest

**Mr. Nirmal Jain, Founder, IIFL Finance Ltd.,** remarked on the financial results: *“The financial results for the quarter vindicate our strategy focused on retail loans to relatively under-banked customer segments and in credit under-penetrated geographies. We have been at the forefront of digital technology and are very excited to see the unprecedented opportunities emerging from digital infrastructure our country has put in place and advancements in machine learning and artificial intelligence. We are at the cusp of revolutionary changes in the lending ecosystem. We are making the requisite investments in human and technology resources to tap the potential of retail lending in India.”*

**Mr. Kapish Jain, President & Group Chief Financial Officer, IIFL Finance Ltd.,** commented on the financial results: *“With increasing market share we are firmly positioning ourselves as a dominant player in most of the core retail segments we operate in. With growth, we continue to gain benefits of scale both in our sales team and business operations thus reducing our operating expense to average AUM.”*

### Financial performance review

The company’s annualized ROE and ROA for Q2FY24 stood at 20.1% and 3.9% respectively. Pre-provision operating profit stood at Rs. 922 Cr. for the quarter up 41% y-o-y. Average borrowing costs for the quarter increased 40 bps y-o-y and is down by 6 bps q-o-q to 9.0%.

96% of our loans are retail in nature and 67% of our retail loans (excluding gold loans which are not classified as PSL loans) are PSL compliant. The assigned loan book, is currently at Rs 18,429 Cr. Besides, there are securitized assets of Rs 667 Cr. Besides the co-lending book\* is at Rs 10,576 Cr.

GNPA stood at 1.8% down by 58 bps y-o-y and NNPA stood at 1.0% down 20 bps y-o-y, as at September 30, 2023. With implementation of Expected Credit Loss under Ind AS, provision coverage on NPAs stands at 159%.

Total CRAR<sup>2</sup> stood at 20.5% as at September 30, 2023, as against minimum regulatory requirement of 15%. The total presence of branches stood at 4,596 as at the end of Q2FY24 compared to 4,412 branches last 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 5% q-o-q to Rs 24,009 Cr. The primary focus in this segment is on affordable and non-metro housing loans. We operate out of 410 dedicated home loan branches PAN India. With this, our subsidiary, IIFL Home Finance, is already meeting the Principal Business Criteria of NHB before the committed timelines of March 2024.

**Gold Loans:** As of September 30, 2023 the gold loan AUM grew to Rs. 23,690 Cr, showing a strong growth of 33% y-o-y and 7% q-o-q. Gold loans are provided through our widespread presence in 1,486 towns/cities across 25 states and 4 Union Territories to salaried, self-employed and MSME customer

segments. Our branch led growth model is helping us expand in lesser competitive rural and semi urban branches enabling improved yield. On a q-o-q basis the portfolio yield jumped by near 1%.

<sup>2</sup>CRAR is Capital adequacy ratio

\*Co-lending includes Business Correspondence and Co-origination

**Microfinance:** The microfinance loan AUM stood at Rs. 11,307 Cr, up 67% y-o-y and 10% q-o-q, as at September 30, 2023. The microfinance customer base stood at 27.1 lakh customers operating out of 1,485 dedicated microfinance branches across India. The company successfully transitioned to a risk based pricing model for new customers and improved its portfolio yield by 200 bps y-o-y.

**Loan against property:** Loan against property AUM grew by 21% y-o-y and 5% q-o-q to Rs. 7,196 as at September 30, 2023.

**Digital loans:** Digital loans AUM grew by 77% y-o-y to Rs. 3,539 as at September 30, 2023.

**Construction and Real Estate:** Construction and real estate AUM stood at Rs. 2,824 Cr, as at September 30, 2023.

### Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 9,078 Cr were available as on September 30, 2023. During the quarter, we raised Rs 5,502 Cr through term loans, bonds and refinance. Additionally, Rs 4,288 Cr was raised through direct assignment of loans.

### Secured USD 50 mn loan from U.S. International Development Finance Corporation (DFC) for financing affordable home loans

In July 2023, IIFL Home Finance Limited, IIFL Finance's subsidiary, secured a loan worth USD 50 mn from U.S. International Development Finance Corporation, an agency of the United States of America. The proceeds of the loan will be used to finance affordable home loans with a special focus on sustainable housing.

### Partnership with IFC to Boost Women's Access to Affordable Housing Finance, Promote Green Homes in India

New funding of up to \$100 mn from IFC in IIFL Home Finance Limited, IIFL Finance's subsidiary, aims to catalyze India's affordable housing space, promote green construction, and support India's climate goals. Under the partnership, 50% of funding is earmarked to promote housing finance for women borrowers, with the remaining 50% dedicated to financing green housing for buyers in this underserved segment.

### Awards and Accolades

- IIFL Finance is recognized as 'Iconic Brand' by The Economic Times
- IIFL Finance received 'Best NBFC of the Year Award' at NBFC Leadership Awards 2023

- IIFL Finance received award for 'Best Customer Experience Strategy' at NBFC Leadership Awards 2023
- IIFL Samasta Microfinance received 'Best Microfinance Company of the Year Award' at NBFC Leadership Awards 2023
- IIFL Finance received award for 'Best Financial Inclusion Initiative' at the National Awards for Excellence
- Mrs. Madhu Jain, Director, IIFL Foundation was listed among 'Asia's 100 Women Power Leaders 2023' by White Page

## 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, 2023, are available under the '[Financials](#)' section on our website [www.iifl.com](http://www.iifl.com).

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

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