

IIFL Finance Limited

Press Release

For immediate publication

Mumbai, India

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IIFL Finance Q3FY23 Results update
IIFL Finance Q3FY23 profits at Rs. 423 Crore, up 37% y-o-y, Declares interim dividend of ₹4 per share.

For the quarter ended December 31, 2022, the Company reported net profit after tax of Rs. 423 Cr (before non-controlling interest) up 37% y-o-y. Pre-provision operating profit (PPOP) was Rs. 773 Cr up 26% y-o-y. Loan growth in core products was robust – Gold loans and Home loans AUM grew by 25% and 24% y-o-y respectively. Microfinance grew by 55% while Loan against property and Digital loans grew by 14% and 3% y-o-y respectively. Overall core loan portfolio grew by 26% y-o-y and non-core (primarily Construction & real estate finance) portfolio shrunk by 7%.

IIFL Finance Limited Consolidated Results Quarterly – Q3FY23

Rs Crore	Quarter ended December 31, 2022	Quarter ended December 31, 2021	Y-O-Y	Quarter ended September 30, 2022	Q-O-Q
Loan growth					
Loan AUM	57,941	46,780	24%	55,302	5%
Core loan AUM	54,689	43,293	26%	52,221	5%
Non-core loan AUM	3,252	3,487	(7%)	3,081	6%
Profitability					
Total Income (Net)*	1,339.4	1,032.0	30%	1,239.7	8%
Pre-provision operating profit*	772.7	611.3	26%	688.8	12%
Profit before tax	551.1	394.3	41%	529.4	5%
Profit after tax (pre-NCI ¹)	423.2	309.9	37%	397.1	7%
TCI (pre-NCI ¹)	424.7	320.1	33%	421.8	1%
Return ratios					
Return on assets	3.4%	2.9%		3.4%	
Return on equity	17.9%	20.7%		20.4%	
Per share					
Earnings per share (EPS)	10.0	8.2	22%	10.0	0%
Book value per share (BVPS)	225.6	160.5	41%	215.2	5%
Asset quality					
Gross NPA	2.1%	2.8%		2.4%	
Net NPA	1.1%	1.5%		1.2%	
Balance sheet					
Off-book to AUM	39%	35%		39%	

*excluding Fair value changes

¹NCI is Non-controlling interest

Mr. Nirmal Jain, Managing Director, IIFL Finance Ltd., remarked on the financial results: "We are delighted to present our financial results delivering consistent and healthy growth. Our strategy remains focused on digital technologies complemented by our branch network, to deliver credit to under-banked customers across the country. Regardless of the turbulent global economic and geo-political environment, Indian economy is in a sweet spot, witnessing rapid growth. This makes prospects for our retail lending business very encouraging."

Financial performance review

IIFL Finance had loan assets under management (loan AUM) of Rs 57,941 Cr as at December 31, 2022, with the Home Loans segment constituting 35%, Gold Loans 32%, Loan Against Property 11%, Digital Loans 3% and Microfinance Loans 14% of the total AUM.

The company's annualized ROE and ROA for Q3FY23 stood at 17.9% and 3.4% respectively. Core pre-provision operating profit stood at Rs. 773 Cr. for the quarter up 26% y-o-y. Average borrowing costs for the quarter increased 16 bps q-o-q and 10 bps y-o-y to 8.8%.

The Company declared an interim dividend of 200% i.e. ₹4 per share (₹2 paid up).

95% 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, currently at Rs 15,939 Cr. Besides, there are securitized assets of Rs 1,049 Cr. Apart from securitization and assignment, co-lending book is at Rs 5,716 Cr.

GNPA stood at 2.1% down from 2.4% q-o-q and NNPA stood at 1.1% down from 1.2% q-o-q, as at December 31, 2022. With implementation of Expected Credit Loss under Ind AS, provision coverage on NPAs stands at 164%.

Total CRAR² stood at 21.5% as at December 31, 2022, as against minimum regulatory requirement of 15%.

The total presence of branches stood at 3,965 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 24% y-o-y and 4% q-o-q to Rs 20,389 Cr. The primary focus in this segment is on affordable and non-metro housing loans. Over 68,500 customers were benefitted with a subsidy of more than Rs 1,600 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Gold Loans: As of December 31, 2022 the gold loan AUM grew to Rs. 18,284 Cr, showing a strong growth of 25% y-o-y and 3% q-o-q. Gold loans are provided through our widespread presence in 1,386+ cities across 21 states and 4 Union Territories to salaried, self-employed and MSME customer segments.

²CRAR is Capital adequacy ratio

Microfinance: The microfinance loan AUM stood at Rs. 7,834 Cr, up 55% y-o-y and 17% q-o-q, as at December 31, 2022. The microfinance customer base stood at 20.7 lakh customers.

Loan against property: Loan against property AUM grew by 14% y-o-y and 3% q-o-q to Rs. 6,186 as at December 31, 2022.

Digital loans: Digital loans AUM grew by 3% y-o-y to Rs. 1,996 as at December 31, 2022.

Construction and Real Estate: Construction and real estate AUM stood at Rs. 2,705 Cr, down 3 % y-o-y as at December 31, 2022.

Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 8,562 Cr were available as on December 31, 2022. During the quarter, we raised Rs 4,390 Cr through term loans, bonds and refinance. Additionally, Rs 3,715 Cr was raised through direct assignment of loans.

IIFL Finance Signs Top Pan-Indian Actor Tamannaah Bhatia as Brand Ambassador

IIFL Finance has signed top Indian actor Ms. Tamannaah Bhatia as its brand ambassador as it aims to bolster its Pan-India brand presence.

Speaking on the new brand ambassador appointment, Manav Verma, Chief Marketing Officer, IIFL said, “We want to be the loans destination of choice fulfilling dreams and goals of millions of Indians who don’t have easy access to credit. Tamannaah is a top actor in India since the last fifteen years and has a deep connect with our customer segments.” Tamannaah Bhatia said, “I am delighted to be associated with IIFL. Being a dreamer, I can identify with dreams of millions of Indians and respect the role IIFL plays by providing credit across India. IIFL Finance’s brand philosophy – “SeedhiBaat” – reflects in their simple, straight forward product offerings and seamless processes, which also resonates with my professional philosophy.”

Awards and Accolades

- IIFL Finance received 'Most innovative Fintech Product Award' for at National Fintech Leadership and Excellence Awards
- IIFL Finance received 'Customer Services Excellence Award' at the Asia Awards for Excellence in BFSI Award
- IIFL Foundation received the 'Best Innovative CSR Project Award' for its drone initiative at the Corporate Social Responsibility Summit & Awards
- IIFL Foundation received the 'CSR Leadership Award' at Asia’s Best CSR Practices Awards
- IIFL Finance received 'Best Social Media Campaign' Award for 'Anmol Kisse' campaign at World Marketing Congress
- IIFL Finance received 'Best leading tech of the Year' Award at the Asia Awards for Excellence in BFSI 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 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.

360 ONE WAM LIMITED is one of the fastest growing private wealth management firms in India with an AUM including custody over USD 42 billion (as on December 2022). 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 ended December 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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