

**IIFL Finance Limited**

Press Release

For immediate publication

Mumbai, India

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**IIFL Finance Q4FY23 and FY23 Results update**
**IIFL Finance FY23 profit after tax at Rs. 1,608 Crore, up 35% y-o-y**

For the year ended March 31, 2023, the Company reported net profit after tax of Rs. 1,608 Cr (before non-controlling interest) up 35% y-o-y and Rs 458 Cr (before non-controlling interest) for the quarter ended March 31, 2023, up 43% y-o-y. Profit before tax (PBT) for the year was Rs. 2,113 up 38% y-o-y and Rs. 594 Cr for the quarter, up 42% y-o-y. Loan growth in core products was robust – Gold loans and Home loans AUM grew by 28% and 23% y-o-y respectively. Microfinance grew by 59% while Digital loans and Loan against property grew by 33% and 18% y-o-y respectively. Overall core loan portfolio grew by 29% y-o-y and non-core (primarily Construction & real estate finance) portfolio shrunk by 11% y-o-y.

**IIFL Finance Limited Consolidated Results Quarterly – Q4FY23**

Rs Crore	Quarter ended March 31, 2023	Quarter ended March 31, 2022	Y-O-Y	Quarter ended December 31, 2022	Q-O-Q
<b>Loan growth</b>					
Loan AUM	64,638	51,210	26%	57,941	12%
Core loan AUM	61,502	47,669	29%	54,689	12%
Non-core loan AUM	3,136	3,541	(11%)	3,252	(4%)
<b>Profitability</b>					
Total Income (Net)*	1,379.2	1,124.9	23%	1,318.4	5%
Pre-provision operating profit*	766.1	656.4	17%	751.7	2%
Profit before tax	594.0	419.6	42%	555.1	7%
Profit after tax (pre-NCI <sup>1</sup> )	457.6	321.0	43%	423.2	8%
TCI (pre-NCI <sup>1</sup> )	417.7	338.2	23%	379.6	10%
<b>Return ratios</b>					
Return on assets	3.6%	2.9%		3.4%	
Return on equity	19.3%	21.1%		17.9%	
<b>Per share</b>					
Earnings per share (EPS)	10.9	8.5	28%	10.0	9%
Book value per share (BVPS)	231.1	165.3	40%	225.6	2%
<b>Asset quality</b>					
Gross NPA	1.8%	3.2%		2.1%	
Net NPA	1.1%	1.8%		1.1%	
<b>Balance sheet</b>					
Off book and securitized assets to AUM	39%	38%		39%	

\*excluding Fair value changes

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

*Mr. Nirmal Jain, Managing Director, IIFL Finance Ltd., remarked on the financial results: "We are pleased to report a robust performance across all core loan products. We ended the year with loan AUM of over ₹64,000 crores and net profit (pre NCI) of over ₹1,600 crores. The demand for affordable home loans and MSME loans is expected to accelerate with revival in the business sentiment. We have expanded the branch network and invested aggressively in technology over the last two years. Having done the hard work, we expect to reap rewards of the investment from the current year."*

*Mr. Kapish Jain, Group Chief Financial Officer, IIFL Finance Ltd., commented on the financial results: "The consistency in our financial performance confirms the robustness of our business model and our asset light strategy driven in partnership with banks and financial institutions."*

### Financial performance review

The company's annualized ROE and ROA for Q4FY23 stood at 19.3% and 3.6% respectively. Pre-provision operating profit stood at Rs. 766 Cr. for the quarter up 17% y-o-y. Average borrowing costs for the quarter increased 38 bps y-o-y and 14 bps q-o-q to 8.9%.

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 16,979 Cr. Besides, there are securitized assets of Rs 736 Cr. Apart from securitization and assignment, co-lending book is at Rs 7,557 Cr.

GNPA stood at 1.8% down from 2.1% q-o-q and NNPA stood at 1.1% steady q-o-q, as at March 31, 2023. With implementation of Expected Credit Loss under Ind AS, provision coverage on NPAs stands at 167%.

Total CRAR<sup>2</sup> stood at 20.4% as at March 31, 2023, as against minimum regulatory requirement of 15%.

The total presence of branches stood at 4,267 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 21,800 Cr. The primary focus in this segment is on affordable and non-metro housing loans. Over 73,000 customers were benefitted with a subsidy of more than Rs 1,750 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

**Gold Loans:** As of March 31, 2023 the gold loan AUM grew to Rs. 20,733 Cr, showing a strong growth of 28% y-o-y and 13% q-o-q. Gold loans are provided through our widespread presence in 1,439 cities across 22 states and 4 Union Territories to salaried, self-employed and MSME customer segments.

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

**Microfinance:** The microfinance loan AUM stood at Rs. 9,786 Cr, up 59% y-o-y and 25% q-o-q, as at March 31, 2023. The microfinance customer base stood at 23.5 lakh customers.

**Loan against property:** Loan against property AUM grew by 18% y-o-y and 8% q-o-q to Rs. 6,671 as at March 31, 2023.

**Digital loans:** Digital loans AUM grew by 33% y-o-y to Rs. 2,512 as at March 31, 2023.

**Construction and Real Estate:** Construction and real estate AUM stood at Rs. 2,694 Cr, down 7% y-o-y as at March 31, 2023.

### Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 9,356 Cr were available as on March 31, 2023. During the quarter, we raised Rs 5,880 Cr through term loans, bonds and refinance. Additionally, Rs 3,981 Cr was raised through direct assignment of loans.

### International credit rating upgrade by Moody's

On April 6, Moody's upgraded IIFL Finance's credit rating from B2 to B1, retaining 'stable' outlook on the company which also includes the MTNs. Moody's said the upgrade has been driven by factors such as higher share of off-balance sheet loans; further fortifying its asset-light business model and improvement in the company's key metrics of funding, profitability.

### Fully repaid maiden dollar bonds

IIFL Finance fully repaid its maiden dollar bonds issue due April 2023 along with interest upon maturity. IIFL Finance, which is one of India's largest retail-focused NBFCs had raised \$400 million through a medium-term note (MTN) program in February 2020. This is a demonstration of strong treasury management capabilities and financial strength of IIFL Finance group. This has also established a strong track record for the company in international bond market.

### Secured \$100 million in long-term funding jointly from EDC and Deutsche Bank

IIFL Finance secured \$100 million in long-term funding, jointly, from Export Development Canada (EDC) and Deutsche Bank. IIFL Finance secured \$50 million from EDC and \$50 million from Deutsche Bank, respectively. The deal was structured under the aegis of Deutsche Bank as mandated lead arranger, book runner and co-financier. This would also be IIFL's second loan from EDC. It had previously secured funding of \$100 million from EDC in 2019.

### Appointment of Mr. Bharat Aggarwal as Business Head – Unsecured Lending

- Mr. Bharat Aggarwal has joined us as Business Head - Unsecured Lending. He is a post-graduate from IIM Lucknow with engineering from IIT Delhi. He comes with 15+ years of experience in FinTech, NBFC & Banking Industry. Prior to joining us, he was associated with Poonawalla Fincorp, handling Unsecured lending, partnerships & digital lending. Also, he has worked with brands like Lendingkart, Bajaj Finserv & HSBC

### Awards and Accolades

- IIFL Finance was received 'Most innovative Fintech Product Award' at National Awards for Excellence in BFSI Award
- IIFL Finance received 'Customer Services Excellence Award' at the Asia Awards for Excellence in BFSI Award
- IIFL Finance received 'Marketing Campaign of the Year' Award at Global Brand Excellence Awards
- IIFL Finance received the 'Best Sustainability Initiative Award' for at World BFSI Congress & Awards
- IIFL Foundation received the 'CSR Leadership Award' at Asia's Best CSR Practices Awards
- IIFL Finance received 'Best Leading Tech of the Year' Award at World BFSI Congress & Awards

## 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 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 March 31, 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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