



July 27, 2022

<b>The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. BSE Scrip Code: 532636</b>	<b>The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5<sup>th</sup> Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. NSE Symbol: IIFL</b>
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**Sub: Press Release and presentation on Unaudited Financial Results for the quarter ended June 30, 2022**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the press release and presentation to be made to the Investors/Analysts on the Unaudited Financial Results of the Company for the quarter ended June 30, 2022, as follows:

1. Press Release – Annexure 1.
2. Presentation – Annexure 2.

The same has also been made available on the website of the Company, i.e. [www.iifl.com](http://www.iifl.com).

Kindly take above on record and oblige.

Thanking You,  
Yours faithfully,

For IIFL Finance Limited

  
**Sneha Patwardhan**  
**Company Secretary**  
Email ID: [csteam@iifl.com](mailto:csteam@iifl.com)  
Encl: as above



**CC:**

Singapore Exchange Securities Trading Limited  
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**IIFL Finance Limited**

**CIN No.: L67100MH1995PLC093797**

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**IIFL Finance Limited**

Press Release

For immediate publication

Mumbai, India

July 27, 2022

**IIFL Finance Q1FY23 Results update**
**IIFL Finance Q1FY23 profits at Rs. 330 Crore, up 24% y-o-y.**

For the quarter ended June 30, 2022, the Company reported Total comprehensive income (TCI) of Rs. 332 Cr up 33% y-o-y and net profit after tax of Rs. 330 Cr up 24% y-o-y. Pre-provision operating profit (PPOP) was Rs. 674 Cr. Loan growth in core products was robust – Gold loans and Home loans AUM grew by 29% and 26% y-o-y respectively. Microfinance and Business loans grew by 43% and 7% y-o-y respectively. The non-core (primarily Construction & real estate finance) portfolio shrank by 15% y-o-y. The Company has been on an aggressive expansion spree, adding over 200 branches and about 2,000 manpower. For many loan products, the first quarter of the financial year is seasonally slack, we expect the growth pace to accelerate. While Q1 was impacted by higher provisions for microfinance and other loans, intense competitive pressure on gold yield seems to be easing and demand for home and business loans is seeing positive traction.

**IIFL Finance Limited Consolidated Results Quarterly – Q1FY23**

Rs Crore	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Y-O-Y	Quarter ended March 31, 2022	Q-O-Q
<b>Loan growth</b>					
Loan AUM	52,761	43,160	22%	51,210	3%
Core loan AUM	49,667	39,509	26%	47,669	4%
Non-core loan AUM	3,094	3,651	(15%)	3,541	(13%)
<b>Profitability</b>					
Total Income (Net)*	1,189.0	824.5	44%	1,138.4	4%
Pre-provision operating profit*	674.0	509.3	32%	670.0	1%
Profit before tax	433.9	350.5	24%	419.6	3%
Profit after tax	329.7	265.8	24%	321.0	3%
TCI (Pre-minority)	331.6	249.7	33%	338.2	(2%)
<b>Return ratios</b>					
Return on assets	2.9%	2.6%		2.9%	
Return on equity	20.5%	19.7%		21.1%	
<b>Per share</b>					
Earnings per share (EPS)	8.7	7.0	24%	8.5	2%
Book value per share (BVPS)	174.2	145.6	20%	165.3	5%
<b>Asset quality</b>					
Gross NPA	2.6%	2.2%		3.2%	
Net NPA	1.5%	1.0%		1.8%	
<b>Balance sheet</b>					
Off-book to AUM	39%	34%		38%	

\*excluding Fair value changes

*Mr. Nirmal Jain, Managing Director, IIFL Finance Ltd., remarked on the financial results: “FY23 has begun well. Credit demand for retail loan products is picking up. Hike in interest rate till now, has not had any significant impact on credit demand or performance. India’s macro economy has been responding positively to the interventions by government and central bank. While good monsoon and downward trend in the commodity prices, augur well for the Indian economy, risk factors for growth continue to be inflation leading to interest rate hikes and adverse global geopolitical developments. We are excited about ADIA’s equity investment to bolster our housing finance business. Our long- term strategy of expansion of physical network and attaining digital domain depth remain on track. We are optimistic about outlook for the NBFC sector and the company’s robust competitive position in the sector.”*

### Financial performance review

IIFL Finance had loan assets under management (loan AUM) of Rs 52,761 Cr as at June 30, 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 Q1FY23 stood at 20.5% and 2.9% respectively. Core pre-provision operating profit stood at Rs. 674 Cr. for the quarter up 32% y-o-y. Average borrowing costs for the quarter declined 9 bps q-o-q and 48 bps y-o-y to 8.5%.

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 stood at Rs 14,577 Cr. Besides, there are securitized assets of Rs 1,957 Cr. Apart from securitization and assignment, we have co-lending book of Rs 3,842 Cr.

GNPA stood at 2.6% down from 3.2% q-o-q and NNPA stood at 1.5% down from 1.8% q-o-q, as at June 30, 2022. With implementation of Expected Credit Loss under Ind AS, provision coverage on NPAs stands at 137%.

Total CAR stood at 22.8% including Tier I capital of 15.3% as at June 30, 2022, as against minimum regulatory requirement of 15% and 10% respectively

The total presence of branches stood at 3,595 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 26% y-o-y and 5% q-o-q to Rs 18,618 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 June 30, 2022 the gold loan AUM grew to Rs. 17,130 Cr, showing a strong growth of 29% y-o-y and 6% q-o-q. Gold loans are provided through our widespread presence in 1,313+ cities across 22 states to salaried, self-employed and MSME customer segments.

**Microfinance:** The microfinance loan AUM stood at Rs. 6,276 Cr, up 43% y-o-y and 2% q-o-q, as at June 30, 2022. The microfinance customer base stood at 17.9 lakh customers.

**Business loans:** Secured business loan AUM grew by 6% y-o-y to Rs. 5,760 Cr. whereas unsecured business loan AUM grew by 12% y-o-y to Rs. 1,884 Cr.

**Construction and Real Estate:** Construction and real estate AUM stood at Rs. 2,487 Cr, down 11% y-o-y and 14% q-o-q as at June 30, 2022.

### Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 5,520 Cr were available as on June 30, 2022. During the quarter, we raised Rs 1,345 Cr through term loans, bonds and refinance. Additionally, loans of Rs 3,210 Cr were securitized and assigned.

### IIFL OPEN Fintech Private Limited joint venture

IIFL Finance has entered into a joint venture with OPEN, which is the 100th unicorn of India and the largest SMB (Small and Mid-sized Business) Neo-bank. OPEN has integrated with 17 large banks and has an existing customer base of 2 million+ merchants. IIFL Finance's existing lending book and infrastructure will be used by Open to offer innovative lending solutions to these merchants on their platform. This Joint venture will also give access to user's business transaction leading to better insights for underwriting decisions and it will lead to growth in IIFL Finance's lending book by offering credit solutions to Open's existing 2 million merchant base. The joint venture's neo banking product for IIFL and digital loan products for Open customers are under *beta* testing and are expected to be launched in the current quarter (Q2FY23)

### ADIA subsidiary investment in IIFL Home Finance approved by the Board of Directors

During the quarter, the Board of Directors of IIFL Home Finance Limited approved transaction involving investment by wholly owned subsidiary of Abu Dhabi Investment Authority (ADIA) of Rs. 2,200 Crore for a 20% stake in IIFL Home Finance. IIFL Home Finance Limited is one of India's largest affordable housing finance companies with assets under management of ₹24,553 Cr as of June 30, 2022. Upon completion of preconditions as specified in the preliminary documents and on completion of the transaction, the investor will hold 20% in IIFL Home Finance. The deal consummation is expected soon after receiving approval from Competition Commission of India (CCI).

### Appointment of Mr. Gaurav Sharma as Chief Technology Officer



IIFL Finance has appointed technology sector veteran Mr Gaurav Sharma as Chief Technology Officer. In his overall experience of 27 years, he was the Chief Technology Officer at Poonawalla Fincorp and L&T Financial Services previously. He was also associated with TCS and Max Life Insurance Company. Mr Sharma is a mechanical engineer from Indian Institute of Technology, Roorkee.

## Appointment of Mr. Mohit Kapoor as Head of Legal



IIFL Finance has appointed Mr. Mohit Kapoor as Head of Legal. In his overall experience of 29 years, he was working as a Group Executive Vice President and Head Legal with RBL Bank Ltd. He was also associated with Religare Finvest, Hewitt, Max Life Insurance Company and City Bank. Mr Kapoor is a graduate in law from Campus Law Centre, Delhi University.

### Awards and Accolades:

- IIFL Finance received Golden Peacock Award for Risk Management
- IIFL Finance received Brand of the Year Award at The Great Indian BFSI Awards
- IIFL Finance was recognized as Brand of the Year by India Today and Team Marksmen

## 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 8.5 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 ended June 30, 2022, 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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## **Performance review**

**Quarter ended June 30, 2022 (Q1FY23)**

**Bloomberg: IIFL IN**

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**IIFL Finance Limited**

**July 27, 2022**

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## Financial Performance Q1FY23

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# Q1FY23 Performance snapshot

## Q1FY23 PAT ₹ 330 Crore (up 24% yoy); RoE at 20.5%



### Profit growth

PPOP<sup>1</sup> at ₹ 674 Cr; up 32% yoy  
Profit after tax at ₹ 330 Cr.; up 24% yoy  
TCI<sup>2</sup> at ₹ 332 Cr.; up 33% yoy

<sup>1</sup> Pre-provision operating profit  
<sup>2</sup> Total comprehensive Income

### Loan growth

Loan AUM at ₹ 52,761 Cr; up 22% yoy  
Core Loan AUM ₹ 49,667 Cr; up 26% yoy  
Non-Core Loan AUM ₹ 3,094 Cr; down 15% yoy

Core loan products are Gold, Home, Business & Microfinance loans. Non core loan products are CRE (Construction & Real Estate) and Capital Market

### Asset quality

GNPA<sup>1</sup> at 2.6%; down from 3.2% in FY22  
NNPA<sup>2</sup> at 1.5%; down from 1.8% in FY22  
PCR<sup>3</sup> at 137%; up from 123% in FY22

<sup>1</sup>GNPA- Gross NPA. <sup>2</sup>NNPA-Net NPA  
<sup>3</sup>Provision Coverage Ratio

### Balance sheet

Gearing (Net Debt to Equity) at 4.4  
CRAR<sup>1</sup> at 22.8%; a shade lower 23.9% FY22  
Free cash & liquid assets ₹ 5,520 Cr.

<sup>1</sup>Capital adequacy ratio  
Net debt equity is calculated after reducing free cash/ liquid asset and deemed debt as per Ind AS accounting from the gross debt

### Return ratios

RoE<sup>1</sup> at 20.5%; up from 19.7% yoy  
RoA<sup>2</sup> stable at 2.9%; up from 2.6% yoy







<sup>1</sup>Return on Equity  
<sup>2</sup>Return on Asset

### Per Share

EPS<sup>1</sup> at ₹ 8.7; up from ₹ 8.5 in Q4FY22  
BVPS<sup>2</sup> at ₹ 174.2; up from ₹ 165.3 in Q4FY22

<sup>1</sup>Earnings per share  
<sup>2</sup>Book value per share

## Q1FY23 Key highlights

 <p><b>Profit Growth &amp; ROE</b></p>	<p>Pre provision operating profit grew by a healthy 32%, but with higher provisions, PAT growth was 24%. Total Comprehensive Income (TCI) was up 33%. RoE for the quarter, annualized was 20.5%.</p>
 <p><b>Loan asset growth</b></p>	<p>Q1 of the financial year is seasonally slack for some core products, but robust growth in gold loan and home loan, drove core products loan assets by 26% yoy. In line with our strategy, non- core portfolio has shrunk by 15% yoy.</p>
 <p><b>Interest margin</b></p>	<p>Net interest margin remained at healthy level a little above 7.5%. The income from assigned and securitized assets also remain at similar levels. For most of our products, we are in a position to pass on interest rate hikes to the customers.</p>
 <p><b>Operating cost</b></p>	<p>Operating cost rise is due to commissioning of 200 new branches, addition of 2000 manpower and annual salary hike, during the quarter. We expect cost to income to plateau for next 2 quarters and then start declining.</p>
 <p><b>Asset quality</b></p>	<p>Gross NPA came down to 2.6%. Higher-than-expected provision was for loans coming out of restructuring time, specially micro-finance loans. With restructured time over for almost all loans, the provision is likely to begin tapering in 2-3 quarters</p>
 <p><b>Liquidity &amp; gearing</b></p>	<p>Liquidity (free cash, equivalent and undrawn lines) at ₹5,520 Cr, is adequate to meet near term obligations as well as planned growth in loan book. Net gearing was at a comfortable 4.4x and capital adequacy was at a safe 22.8%.</p>

## Q1FY23 Results (Consolidated)

*Net profit up 24% yoy, income up 44% yoy*



₹ Cr	Q1FY23	Q1FY22	Y-o-Y	Q4FY22	Q-o-Q
Interest income	1,451.3	1,245.0	17%	1,423.4	2%
Interest expense	(776.0)	(700.9)	11%	(773.2)	0%
<b>Net interest income</b>	<b>675.3</b>	<b>544.1</b>	<b>24%</b>	<b>650.2</b>	<b>4%</b>
Non-fund based income	513.7	280.4	83%	488.3	5%
<b>Total income</b>	<b>1,189.0</b>	<b>824.5</b>	<b>44%</b>	<b>1,138.4</b>	<b>4%</b>
Operating expense	(515.0)	(315.2)	63%	(468.5)	10%
<b>Pre provision operating profit</b>	<b>674.0</b>	<b>509.3</b>	<b>32%</b>	<b>670.0</b>	<b>1%</b>
Loan losses & provision	(248.7)	(165.0)	51%	(256.4)	(3%)
<b>Core Profit before tax</b>	<b>425.3</b>	<b>344.3</b>	<b>24%</b>	<b>413.6</b>	<b>3%</b>
Net Gain/(Loss) on Fair Value Changes	8.6	6.2	38%	6.0	44%
<b>Profit before tax</b>	<b>433.9</b>	<b>350.5</b>	<b>24%</b>	<b>419.6</b>	<b>3%</b>
<b>Profit after tax</b>	<b>329.7</b>	<b>265.8</b>	<b>24%</b>	<b>321.0</b>	<b>3%</b>
<b>Total Comprehensive Income(TCI)</b>	<b>331.6</b>	<b>249.7</b>	<b>33%</b>	<b>338.2</b>	<b>(2%)</b>
Book value per share (₹)	174.2	145.6		165.3	
Earnings per share (₹ not annualized)	8.7	7.0		8.5	

## Income Analysis (Consolidated)

*Non fund income covers almost entire operating cost*



₹ Cr	Q1FY23	Q1FY22	Y-o-Y	Q4FY22	Q-o-Q
Loan book using risk capital	32,386	28,599	13%	31,670	2%
Securitized book	1,957	4,303	(55%)	2,397	(18%)
<b>Loan Book (Ind AS Balance sheet)</b>	<b>34,343</b>	<b>32,902</b>	<b>4%</b>	<b>34,067</b>	<b>1%</b>
Assigned assets	14,577	10,195	43%	14,298	2%
Co-lending book	3,842	64	5941%	2,845	35%
<b>Assets under management</b>	<b>52,761</b>	<b>43,160</b>	<b>22%</b>	<b>51,210</b>	<b>3%</b>
₹ Cr	Q1FY23	Q1FY22	Y-o-Y	Q4FY22	Q-o-Q
Interest income	1,451.3	1,245.0	17%	1,423.4	2%
Interest expense	(776.0)	(700.9)	11%	(773.2)	0%
<b>NII at IndAS balance sheet loan book (A)</b>	<b>675.3</b>	<b>544.1</b>	<b>24%</b>	<b>650.2</b>	<b>4%</b>
Income from assigned assets	427.8	240.9	78%	377.7	13%
Other Income (Fee and commission income)	85.9	39.5	118%	110.6	(22%)
<b>Non-fund based income (B)</b>	<b>513.7</b>	<b>280.4</b>	<b>83%</b>	<b>488.3</b>	<b>5%</b>
<b>Total Income (A)+(B)</b>	<b>1,189.0</b>	<b>824.5</b>	<b>44%</b>	<b>1,138.4</b>	<b>4%</b>
<b>Fund Based: Non fund based ratio (%)</b>					
Fund based income	57%	66%		57%	
Non-fund based income	43%	34%		43%	

# Consolidated Balance Sheet as at June 30, 2022

Net Worth at ₹ 6,880 Cr



ASSETS		₹ Cr	LIABILITIES AND EQUITY		₹ Cr
<b>1</b>	<b>Financial Assets</b>		<b>1</b>	<b>Financial Liabilities</b>	
(a)	Cash and Bank Balances	4,576	(a)	Payables	185
(b)	Receivables	157	(b)	Borrowings	
(c)	Loan Assets	34,143	-	NCDs	9,983
(d)	Investments	2,378	-	Others	24,782
(e)	Other financial assets	1,273	(c)	Other financial liabilities	1,971
	<b>Total Financial Assets (A)</b>	<b>42,527</b>		<b>Total Financial Liabilities (A)</b>	<b>36,921</b>
<b>2</b>	<b>Non-Financial Assets</b>		<b>2</b>	<b>Non-Financial Liabilities (B)</b>	<b>329</b>
(a)	Current & Deferred tax assets (Net)	477	<b>3</b>	<b>Net Worth</b>	
(b)	Property, Plant and Equipment etc.	781	(a)	Equity	76
(c)	Other non-financial assets	345	(b)	Reserves	6,804
	<b>Total Non-Finance Assets (B)</b>	<b>1,603</b>		<b>Net Worth (C)</b>	<b>6,880</b>
	<b>Total Assets (A)+(B)</b>	<b>44,130</b>		<b>Total Liabilities and Equity (A)+(B)+(C)</b>	<b>44,130</b>

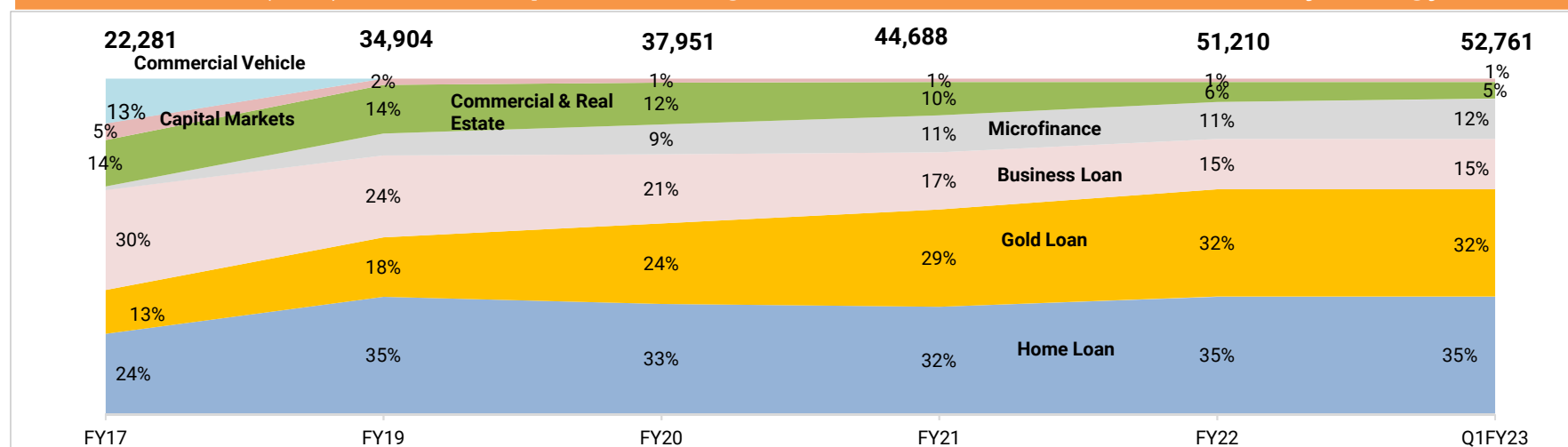
# Gold loan & home loan account for two thirds of Loan AUM

95% of loan portfolio is small ticket retail



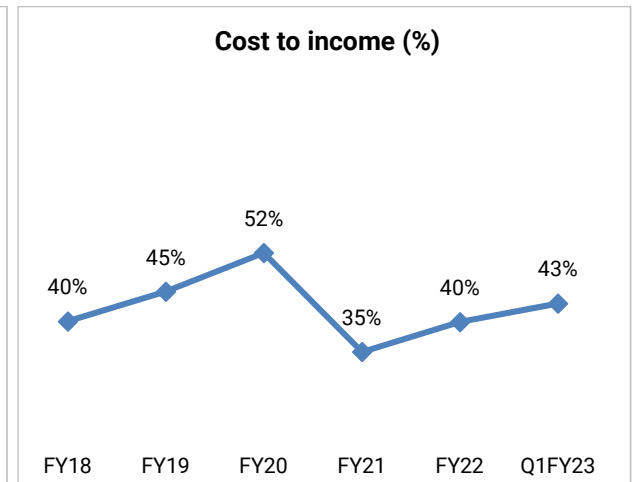
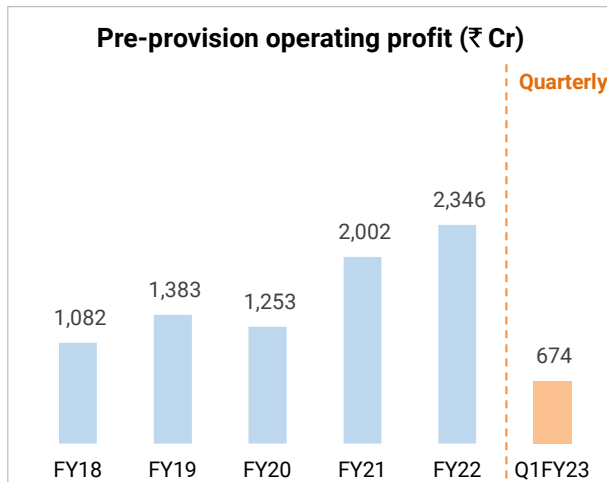
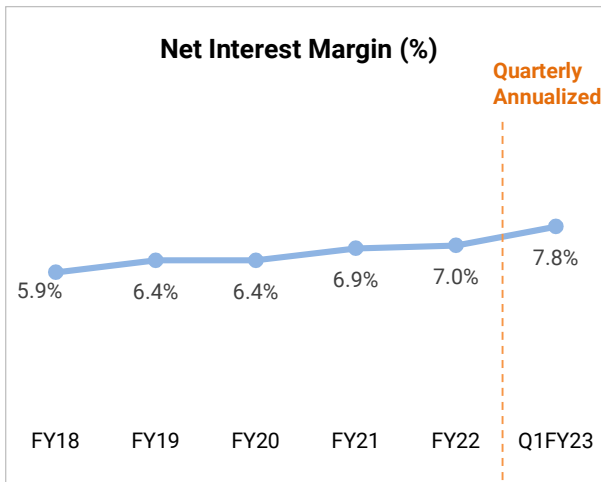
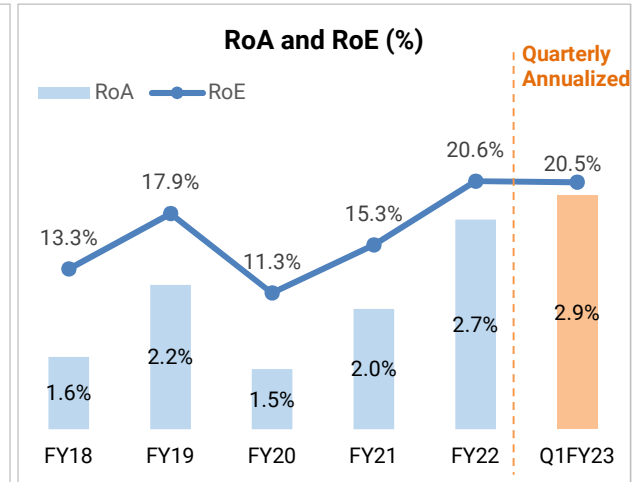
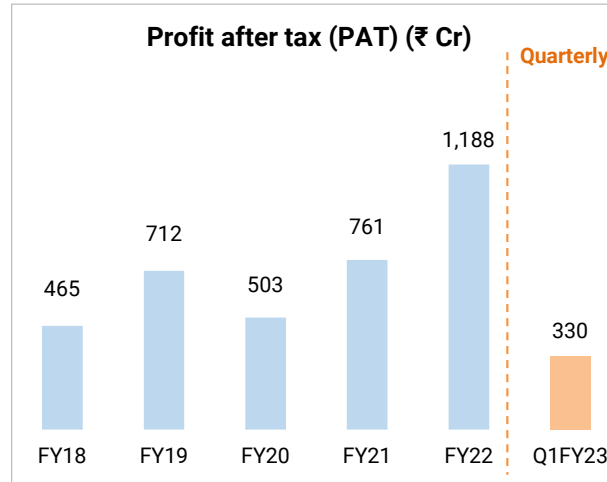
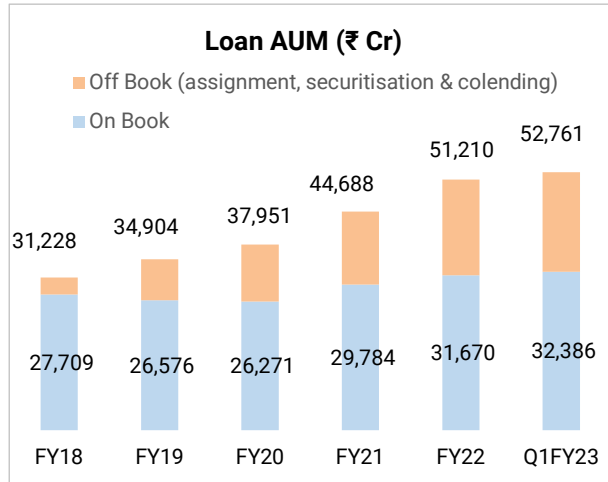
Q1FY23	% AUM Share	AUM (₹ Cr)	Y-o-Y Growth (%)	Q-o-Q Growth (%)	GNPA%	NNPA%	Portfolio Yield%	Portfolio average ticket size (₹ Lakhs)
Home Loans	35%	18,618	26%	5%	2.4%	1.6%	10.4%	16.4
Gold Loans	32%	17,130	29%	6%	0.9%	0.7%	17.2%	0.7
Business Loans	15%	7,643	7%	1%	5.3%	3.1%	16.7%	9.5
Microfinance	12%	6,276	43%	2%	3.7%	1.2%	22.2%	0.3
<b>Core Products (A)</b>	<b>94%</b>	<b>49,667</b>	<b>26%</b>	<b>4%</b>				
Construction & Real Estate	5%	2,487	(11%)	(14%)	0.2%	0.1%	15.1%	2,702.5
Capital Market Finance	1%	607	(28%)	(6%)	0.0%	0.0%	12.2%	129.2
<b>Synergistic Products (B)</b>	<b>6%</b>	<b>3,094</b>	<b>(15%)</b>	<b>(13%)</b>				
<b>Total (A+B)</b>	<b>100%</b>	<b>52,761</b>	<b>22%</b>	<b>3%</b>	<b>2.6%</b>	<b>1.5%</b>	<b>15.3%</b>	

## Loan AUM (₹ Cr): Diversified portfolio mitigates risk of asset concentration and cyclical gyration



# Long term financial trends for the last 5 years

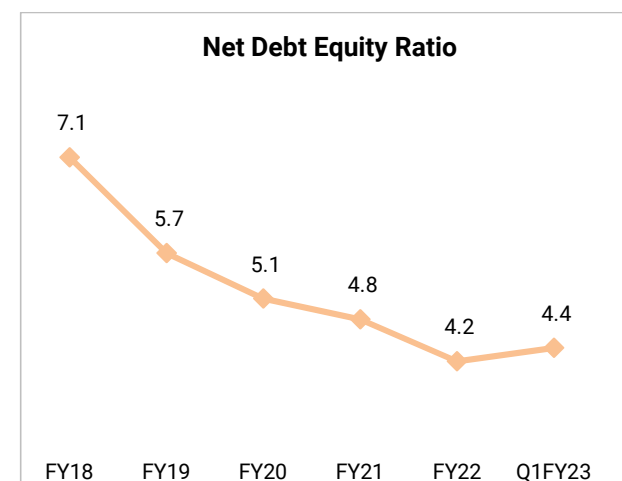
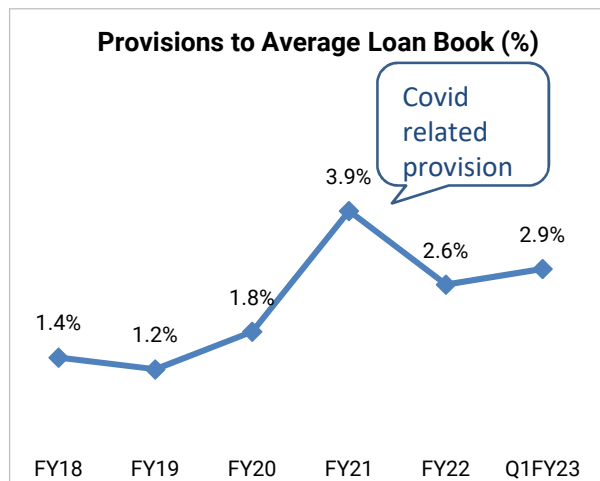
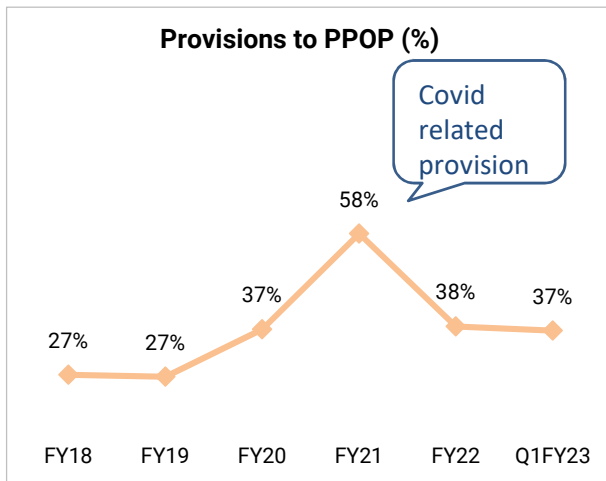
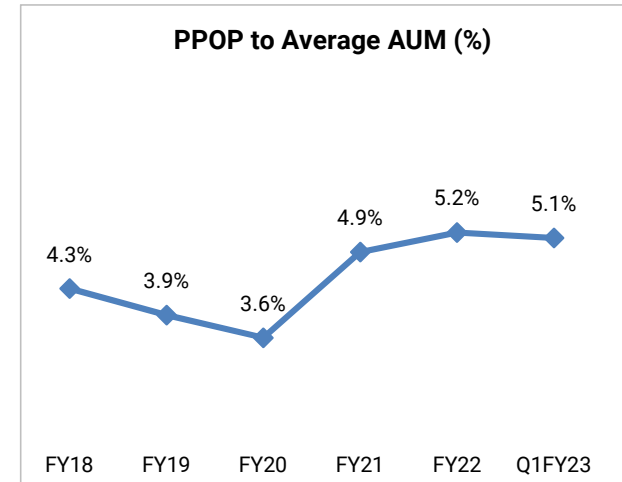
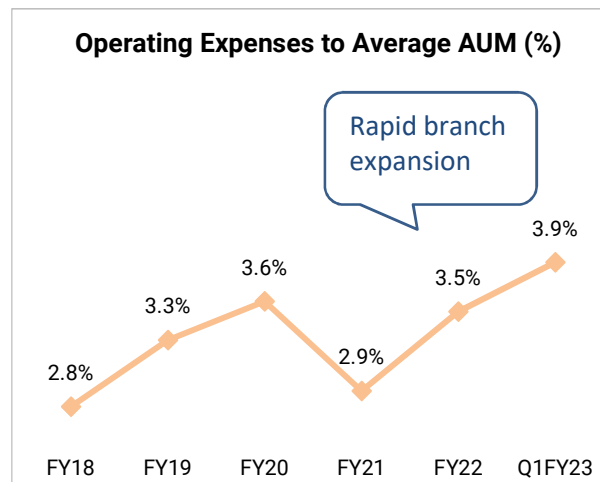
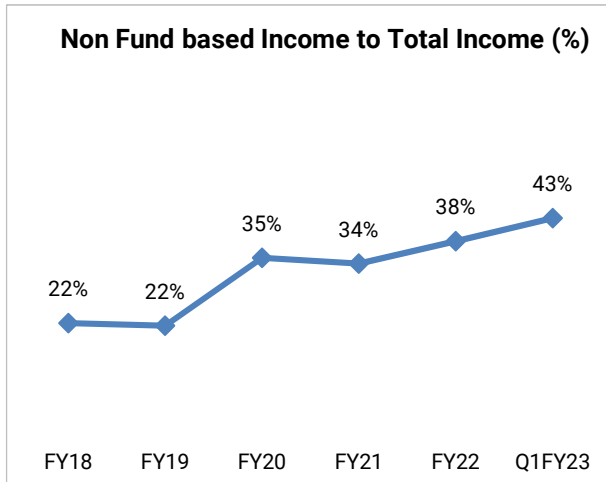
## Robust financial performance and growth



• Colending includes Business Correspondence and Co-origination

# Key ratios trends for the last 5 years

## Income, return, asset & leverage ratios

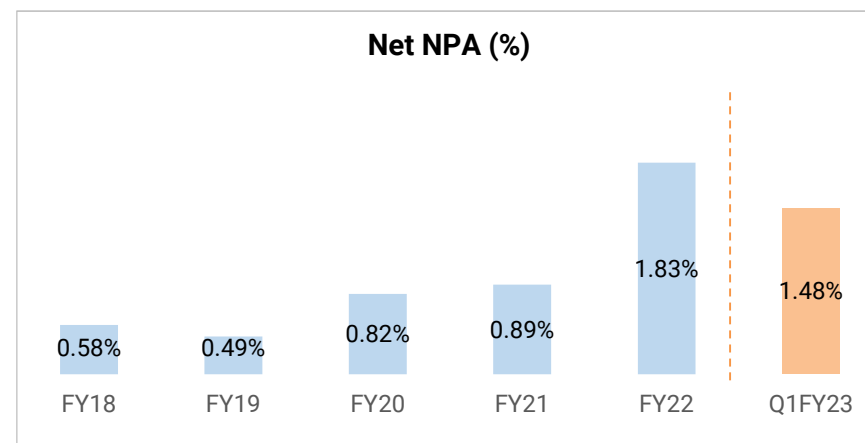
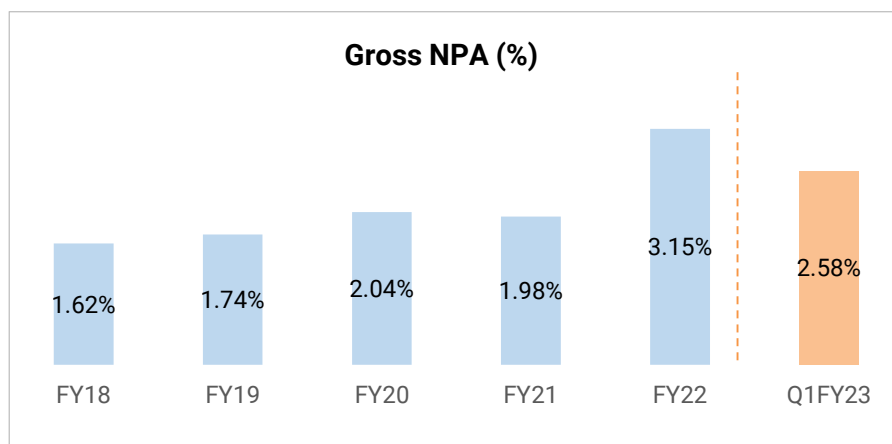


Note: Q1FY23 numbers are annualized wherever applicable



# Long term asset quality trends

## GNPA maintained at best in industry level through cycles



### Details of Provision:

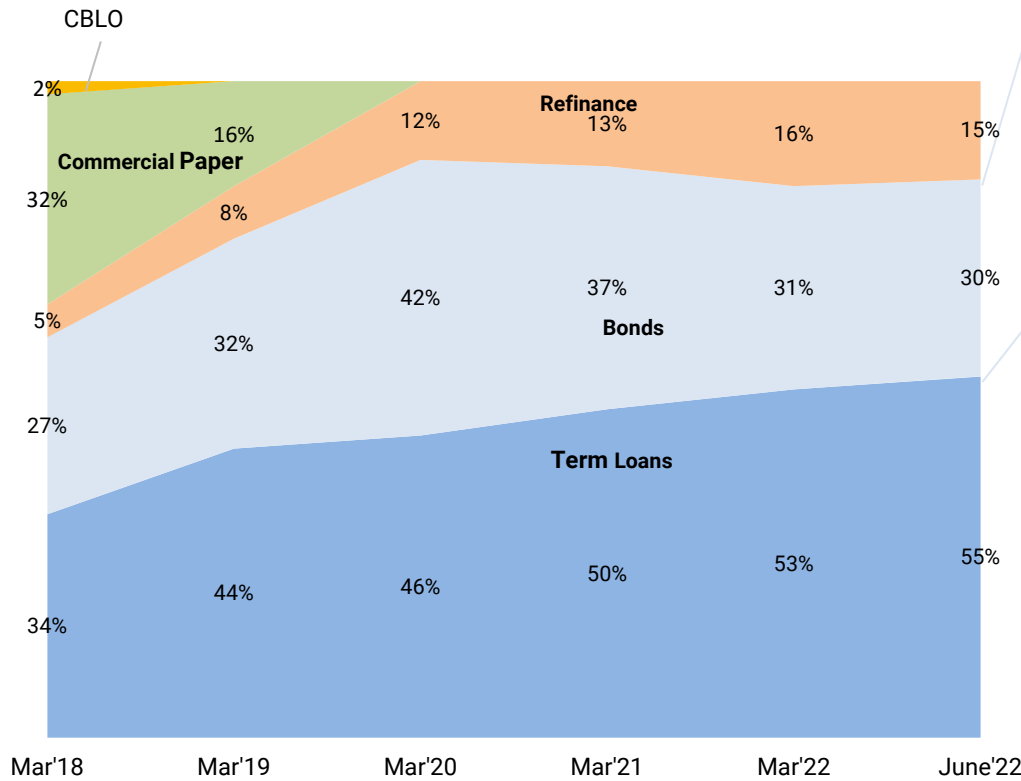
Business	0-30 dpd (Stage 1)	31-90 dpd (Stage 2)	90+ dpd (Stage 3)	Total loan book	Provision %			Provision (₹ in Cr)	
					Stage 1	Stage 2	Stage 3	As per RBI	As per ECL
Home Loans	10,659	415	273	11,347	1.7%	9.7%	32.6%	119	316
Business Loans	5,396	608	334	6,338	2.2%	14.8%	40.9%	119	343
Gold Loans	7,304	662	71	8,036	0.8%	1.1%	17.0%	44	81
Microfinance	4,930	395	202	5,528	2.2%	6.9%	66.7%	123	271
Construction & Real Estate	2,468	14	5	2,487	8.0%	6.4%	50.0%	44	202
Capital Market Finance	604	3	0	607	0.4%	0.4%	0.0%	2	3
<b>Total</b>	<b>31,361</b>	<b>2,097</b>	<b>885</b>	<b>34,343</b>	<b>2.1%</b>	<b>7.9%</b>	<b>42.4%</b>	<b>450</b>	<b>1,215</b>

# Well diversified sources of funding

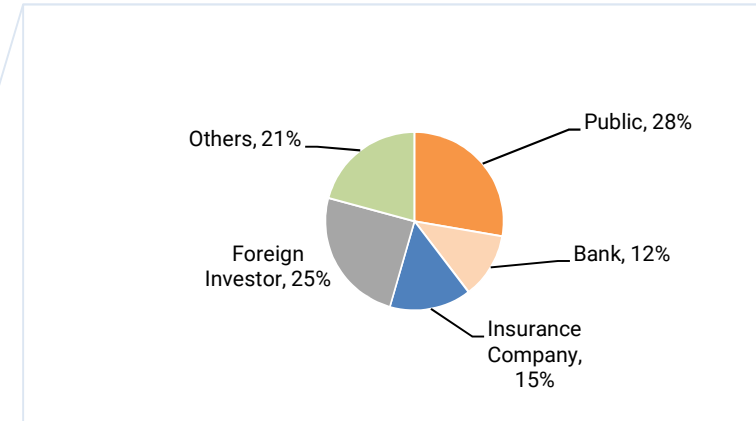
Resource profile is well diversified, with increasing share of bank loans



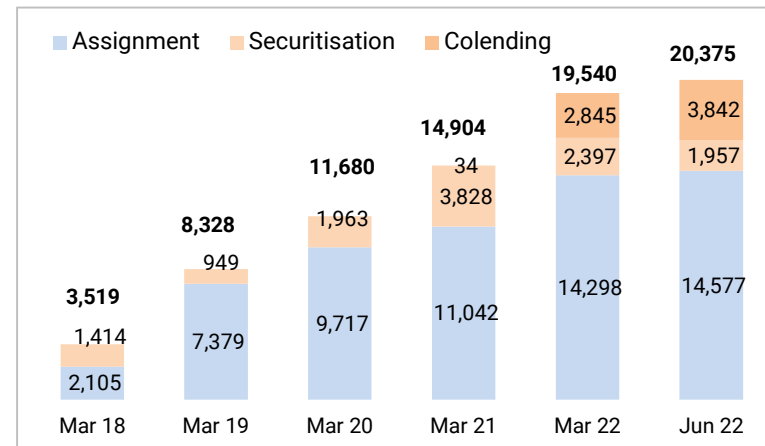
Outstanding borrowing (₹ Cr)					
24,539	26,141	25,734	28,426	33,340	32,819



Bonds/NCDs investors split (%)



Outstanding assignment/securitization/colending (₹ Cr)



# Our conservative ALM & well covered debt repayment schedule



*Provide resilience during crisis to not only meet obligations but sustain growth as well*

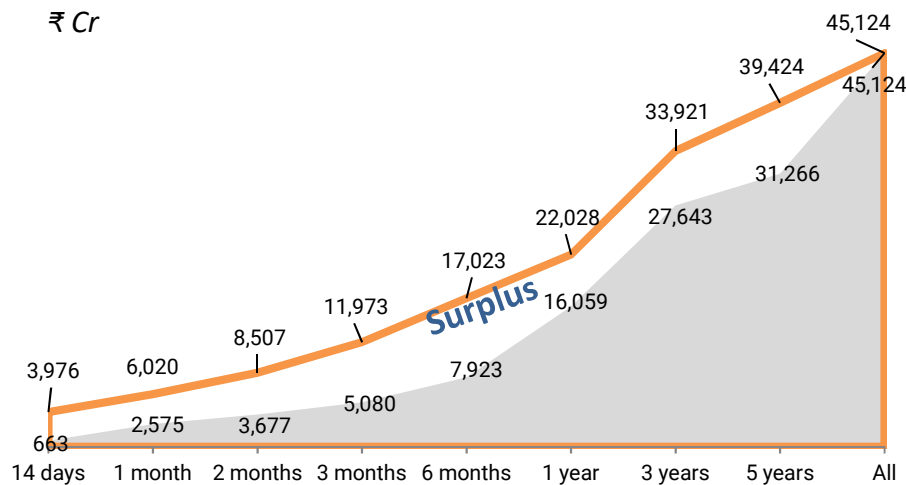
## Fund raising

During the quarter we have raised ₹ 1,511 Cr of debt including ₹ 1,345 Cr via **Term Loans**. During the quarter we also raised ₹ 3,210 Cr through **securitized/ assigned loans**.

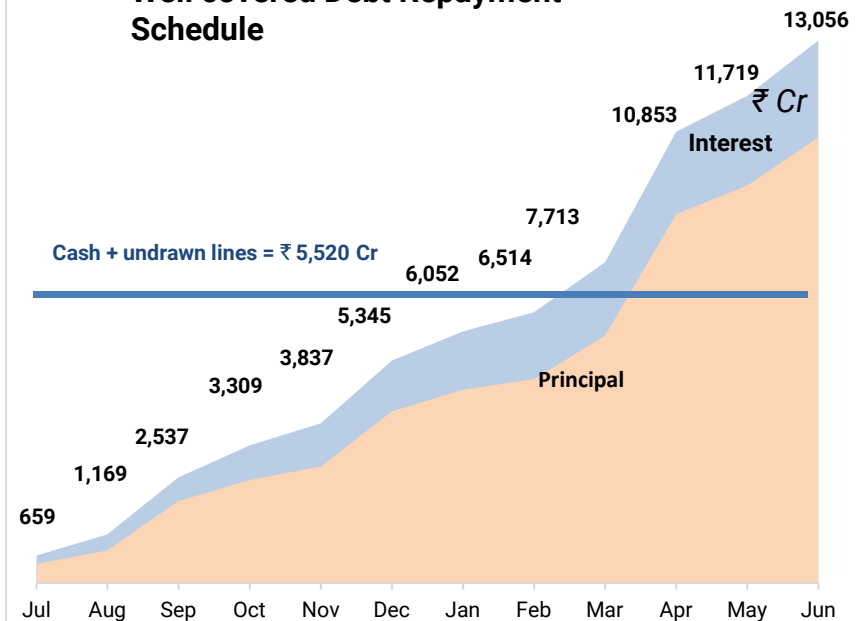
## Credit Rating

CRISIL maintains rating at **AA (Stable)** for IIFL Finance as well as IIFL Home Finance.

### Asset Liability Match (ALM) – Surplus across all buckets



### Well covered Debt Repayment Schedule



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Financial Performance Q1FY23

3-13

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**Business Segment Overview**

**15-23**

- Home Loan

15-16

- Business Loan

17-18

- Gold Loan

19-20

- Microfinance Loan

21-22

- Construction Real Estate and Capital Markets

23

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Corporate, Strategy and Others

25-35

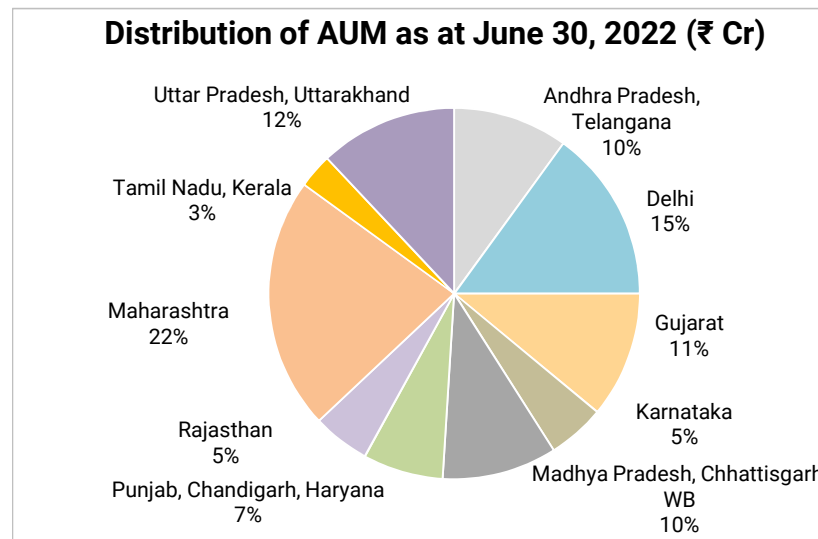
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# Home loans – product overview

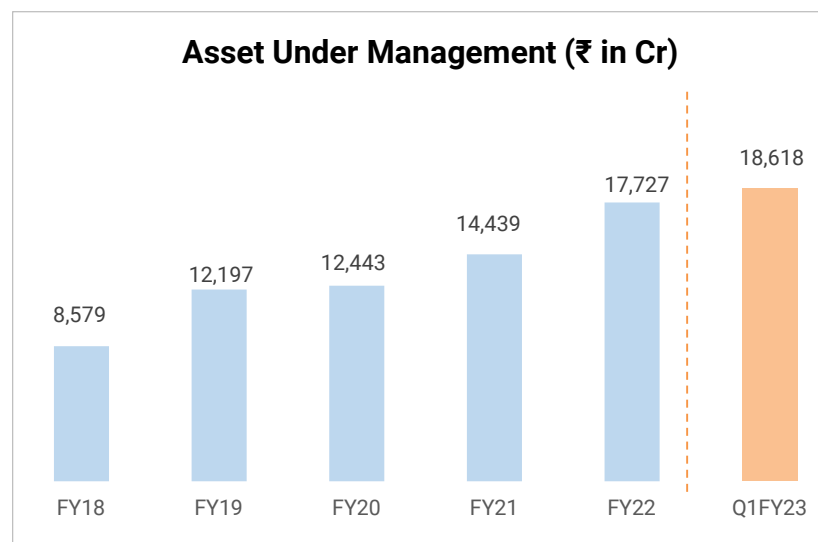
*Small loans for affordable homes, in small towns and suburbs of metros*



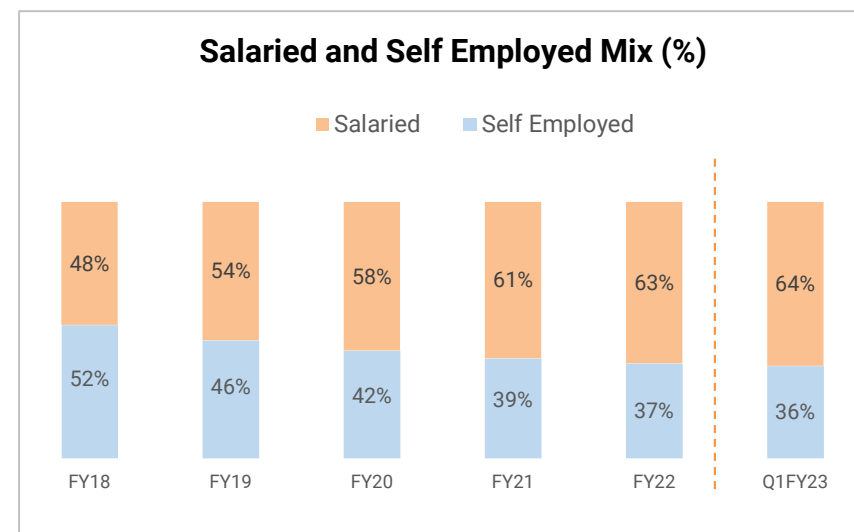
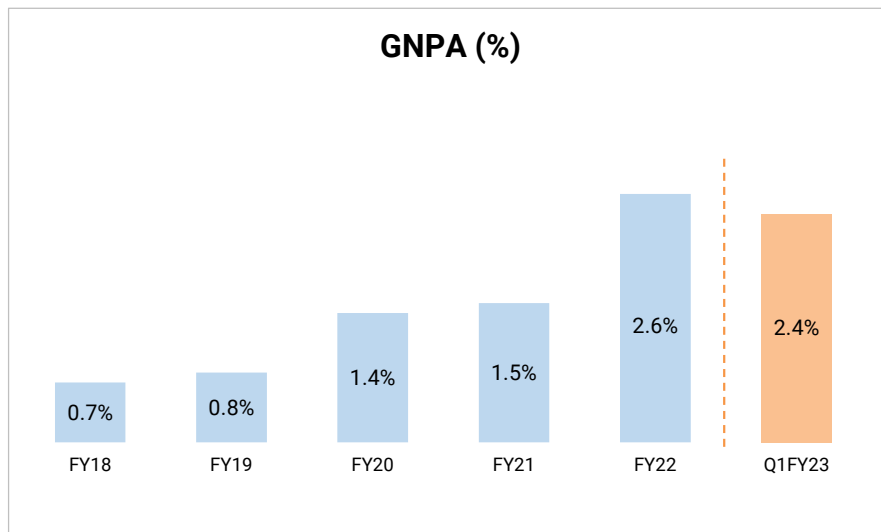
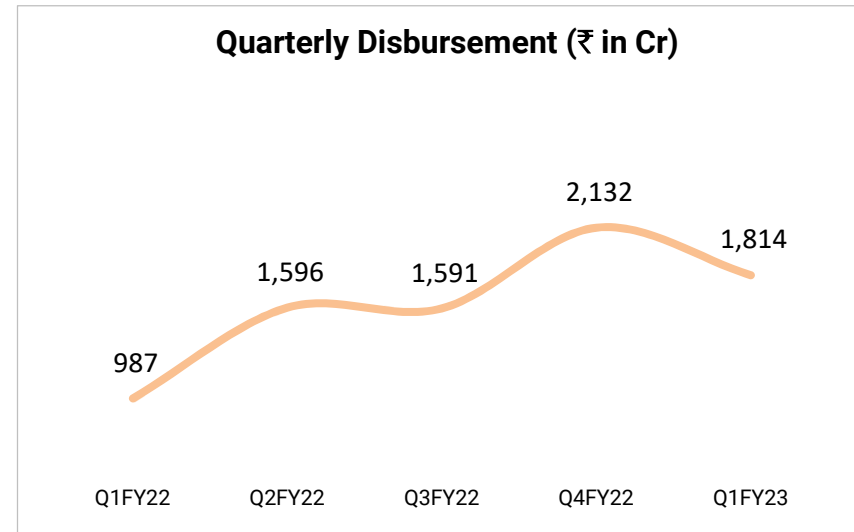
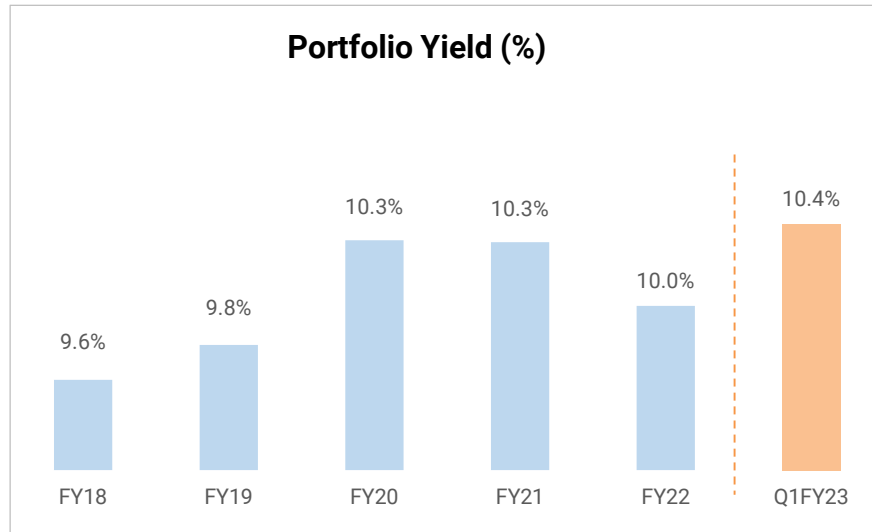
- ✓ Primary focus on **affordable** and non-metro customers.
- ✓ **74%** of home loans under **Priority Sector Lending category**.
- ✓ Focus is on first time home buyers.
- ✓ **96% home loans** are on-boarded and decided through **digital platform**
- ✓ **Market Opportunity:** Affordable housing market to touch **₹13 trillion** by **FY25** from the current ₹ 9 trillion. Also, by 2030, **41%** of India's population is expected to **reside in urban areas**



<b>Onboarding Average Ticket Size</b> ₹ 15.6 Lakhs	<b>Tenor</b> up to 20 years
<b>Loan to Value</b> 72%	<b>Salaried / Self employed</b> 64% / 36%



# Home loans – financial overview



GNPA on AUM stood at 1.87% as on June 30, 2022

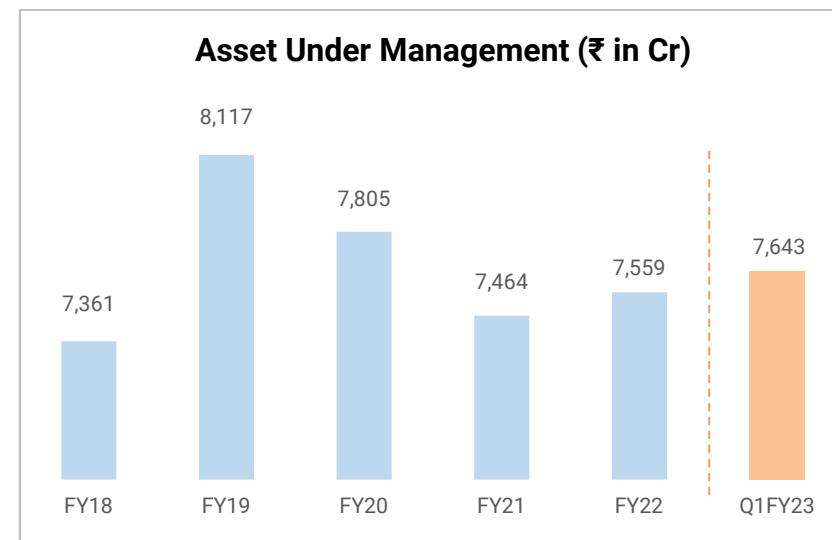
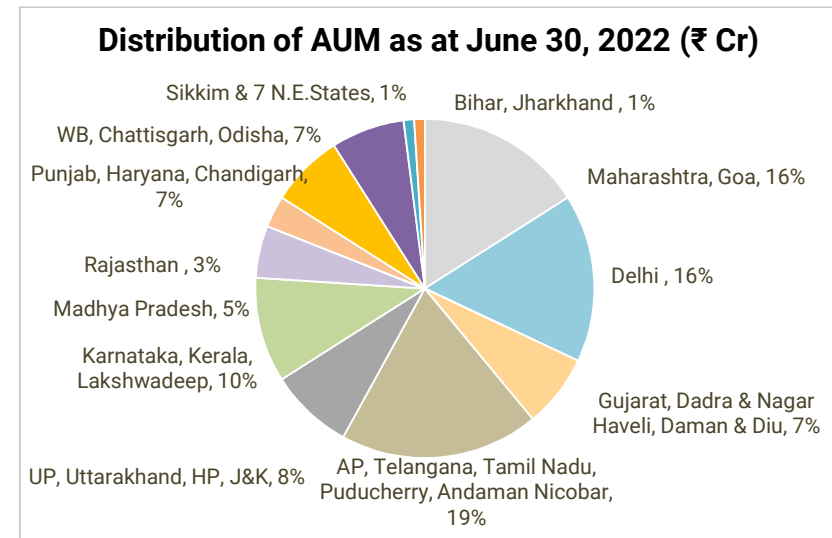
# Business loans – product overview

## Focus on small ticket MSME loans

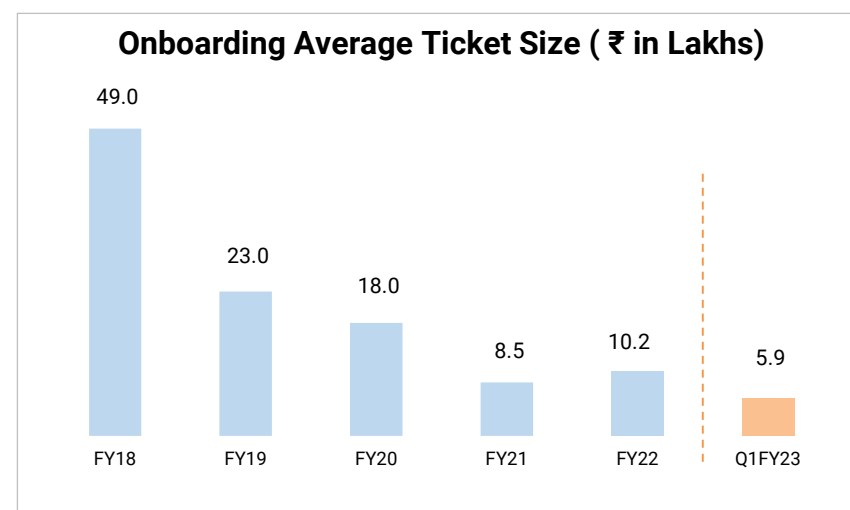
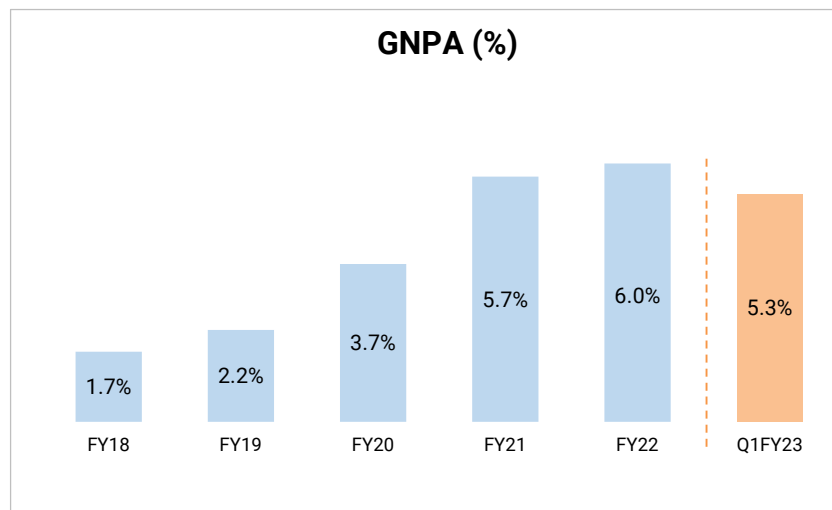
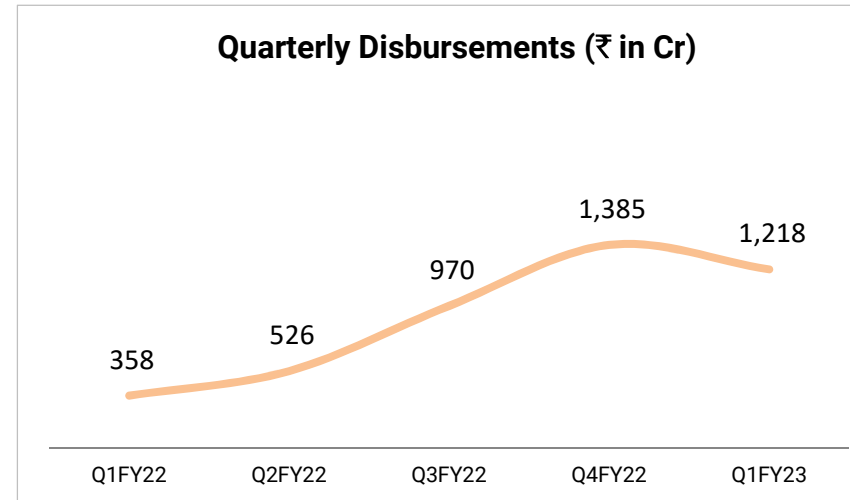
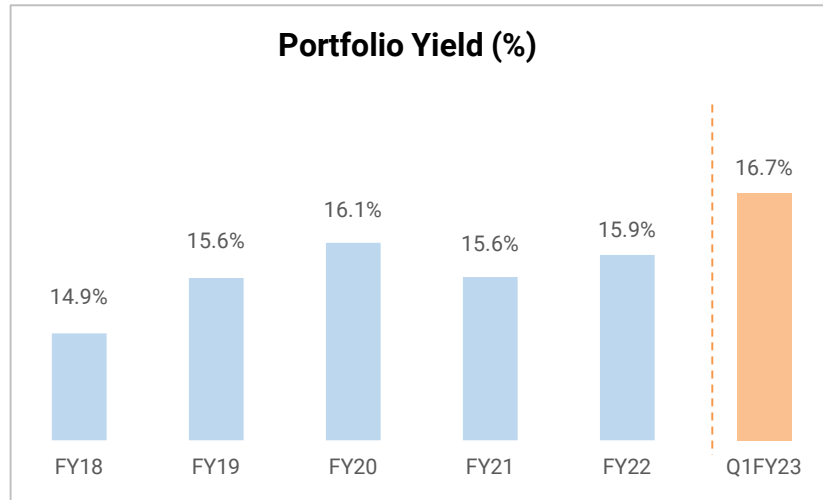


- ✓ For business loans backed by cash flows
- ✓ Focus on balancing prudent credit underwriting with instant in-principle decision and automated disbursements based on analytical scorecards
- ✓ **Partnerships with leading fintechs** with appropriate risk sharing arrangements
- ✓ Average security cover of over **2x** for secured loans
- ✓ **Market Opportunity:** Overall credit gap in the MSME sector is ~ **₹20-25 trillion** according to a RBI 2019 report. Only **16% MSMEs** received financing from formal institutions

Onboarding Average Ticket Size ₹ 5.9 Lakhs	Tenor up to 12 years
Secured / Unsecured 75% / 25%	CGTMSE Coverage (Unsecured) 13%



# Business loans – financial overview





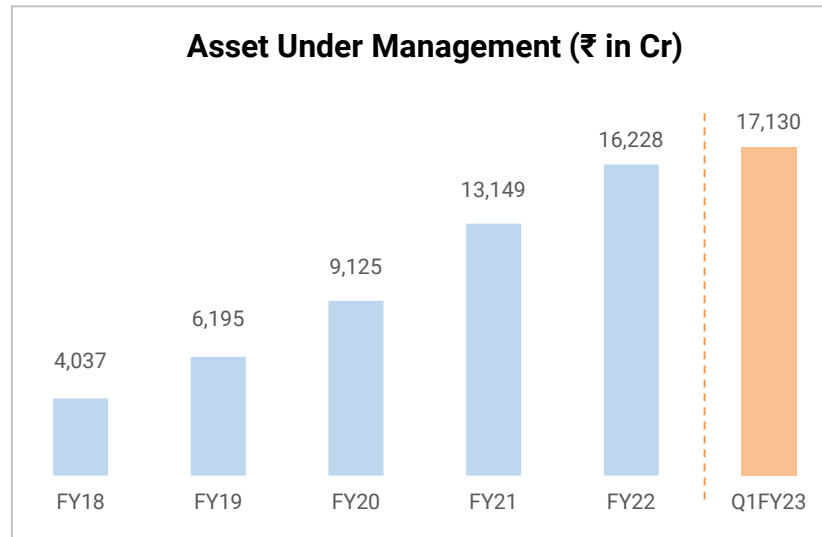
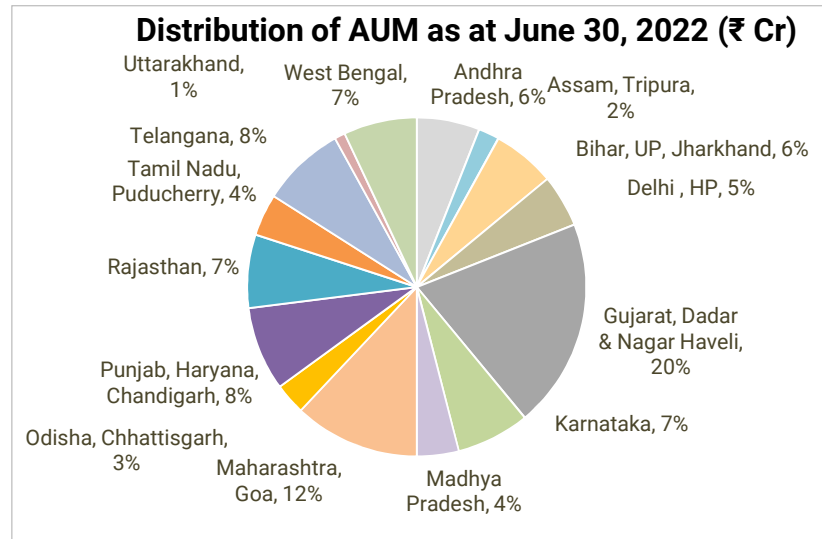
# Gold loans – product overview

## Secured low-risk short term loans

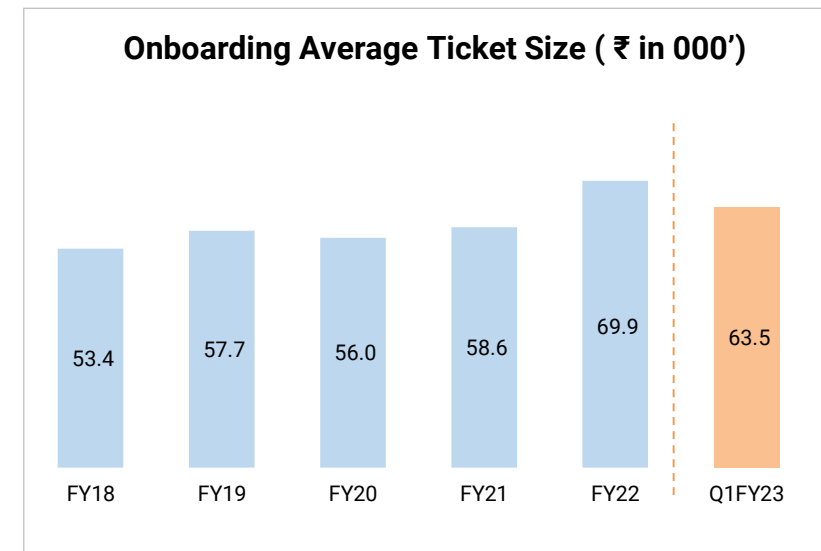
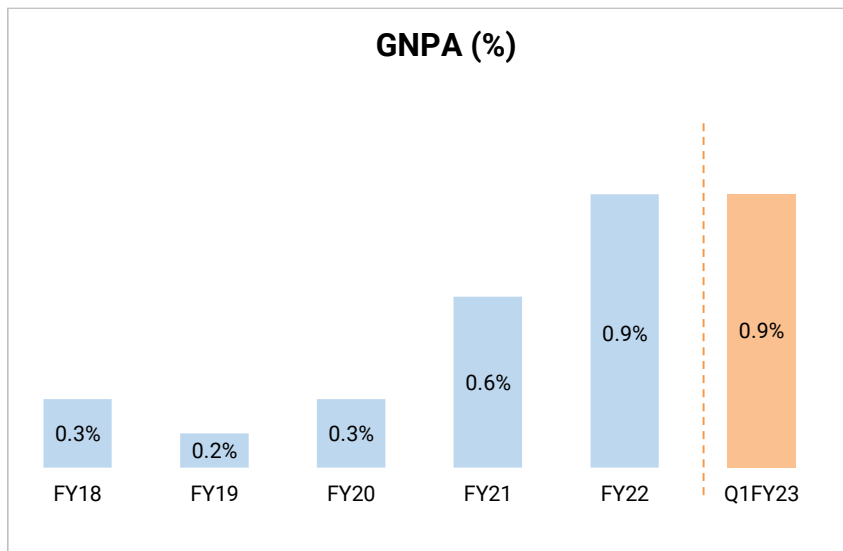
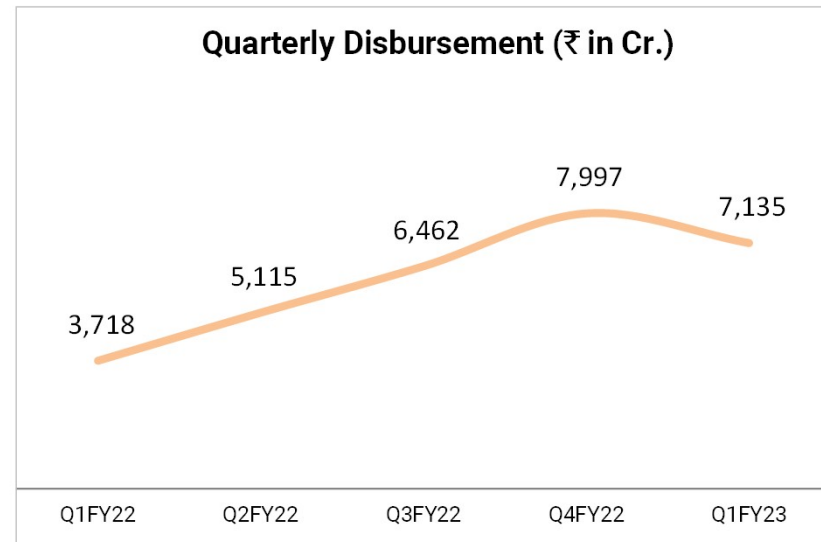
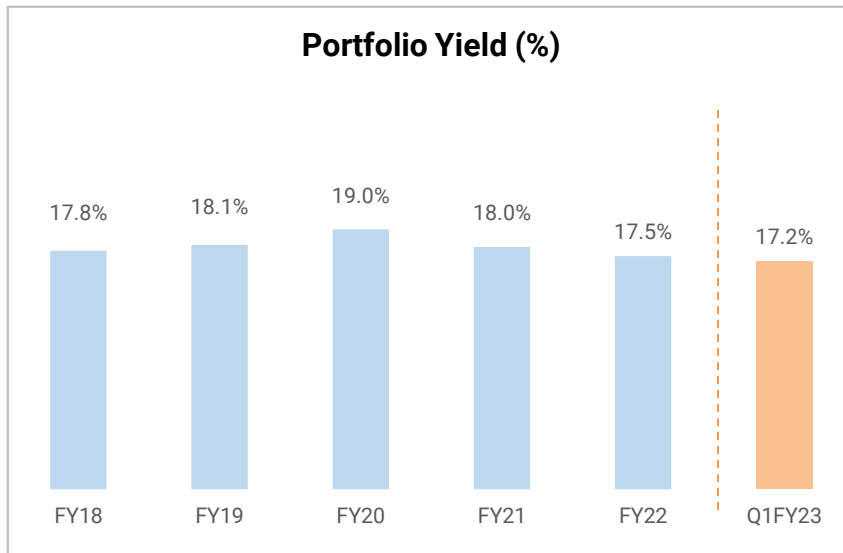


- ✓ In-house loan origination tablet application equipped to screen customers for earlier defaults, frauds and negative customer lists
- ✓ Strong emphasis on collections and resolution resulting in negligible losses
- ✓ Launched digital gold loan – for top-up and online renewal of gold loans
- ✓ **Market Opportunity:** ₹12.3 trillion is the overall gold loan market in India. Only 35% of the gold loan lending in India is done by the **formal** segment, rest 65% is still served by the informal segment

<b>Tenor</b> ~2 years	<b>Footprint</b> 1,313 towns/cities
<b>Onboarding Average Ticket Size</b> ₹ 0.63 Lakh	<b>Onboarding LTV%</b> ~71%



# Gold loans – financial overview



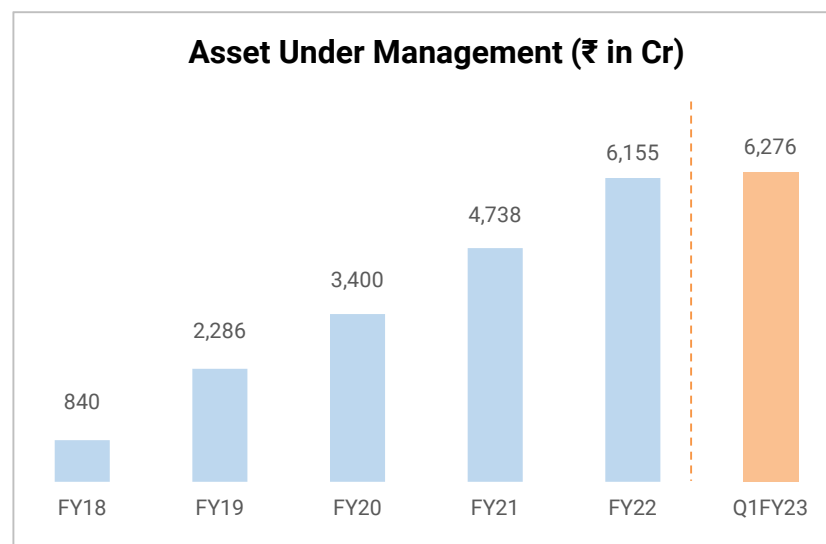
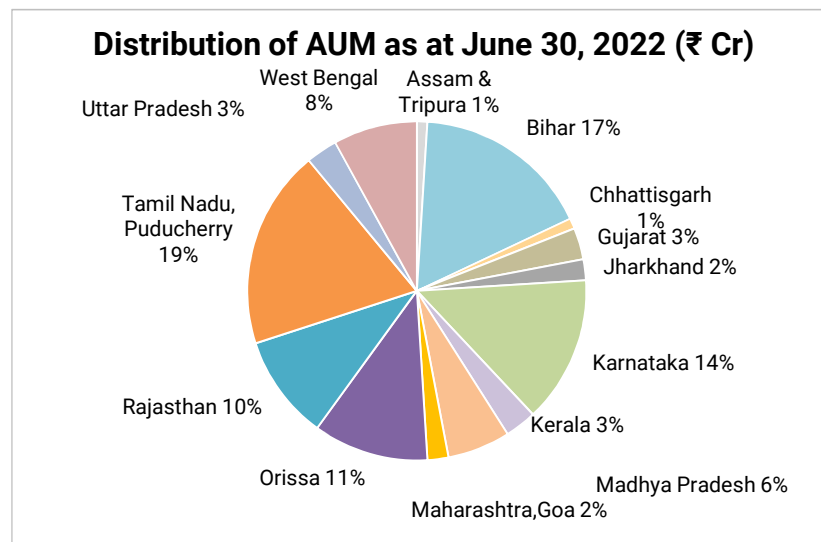
# Microfinance loans – product overview

Focus on self employed, low income women groups for micro business

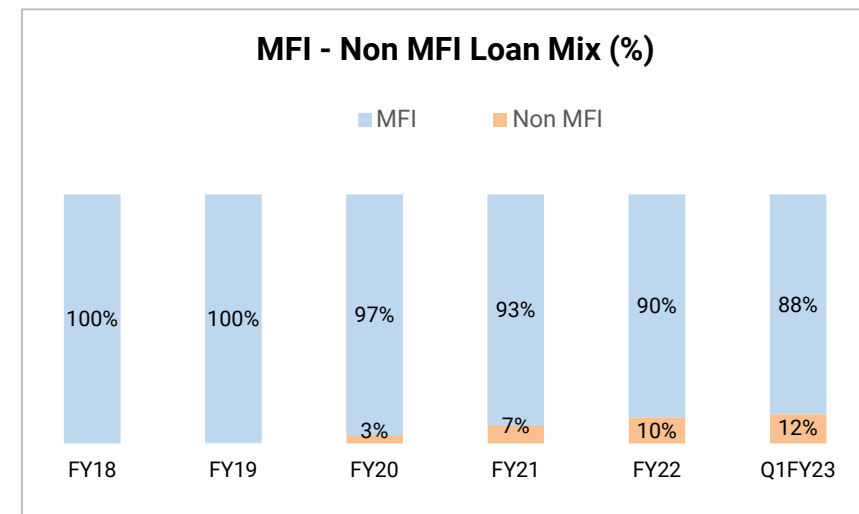
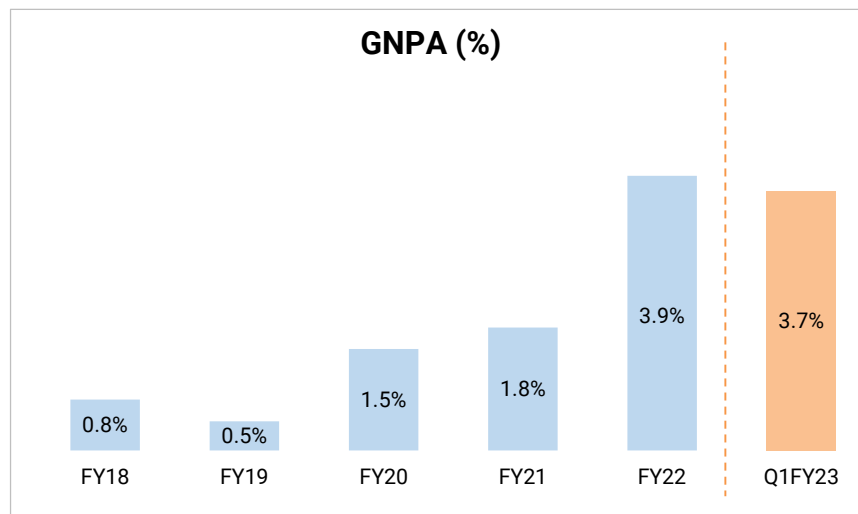
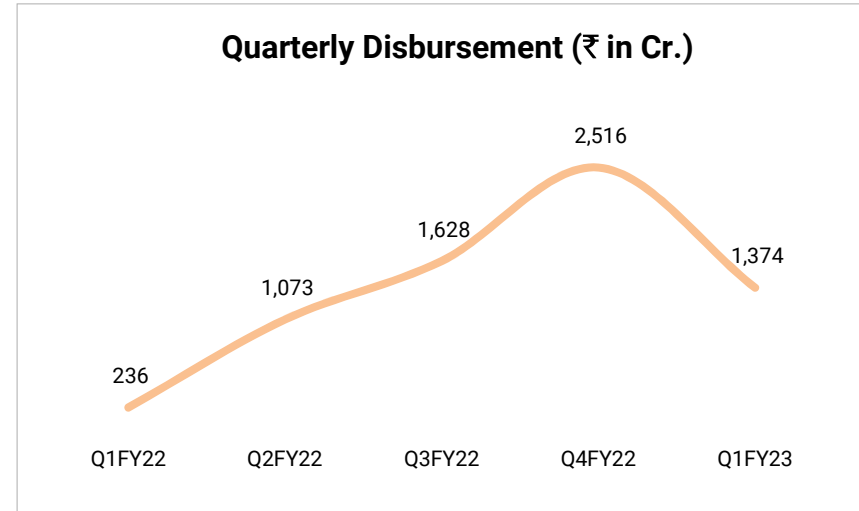
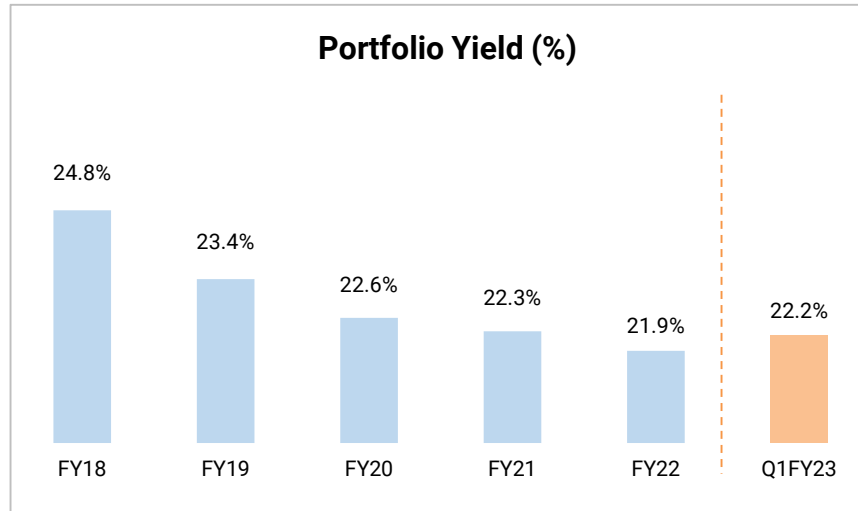


- ✓ **Small-ticket loans** for purpose of income generation activities
- ✓ Target segment is **rural** and **semi-urban self-employed women** in joint liability groups
- ✓ Strong emphasis on training and awareness of all customers detailing end use of funds, timely repayment and emphasis on joint liability
- ✓ **Market Opportunity:** Current MFI market in India is ₹2.6 trillion (FY21). Indian MFI Market is anticipated to **grow at a CAGR** of more than **40%** through **2025**, driven by women oriented MSMEs

<b>Active Customers</b> 17.9 Lakhs	<b>Tenor</b> ~2 years
<b>100%</b> Credit linked insurance	<b>States / Districts</b> 17 / 303



# Microfinance loans – financial overview



# Construction Real Estate (CRE) & Capital Market

*Not core but businesses synergistic to Group's core businesses*

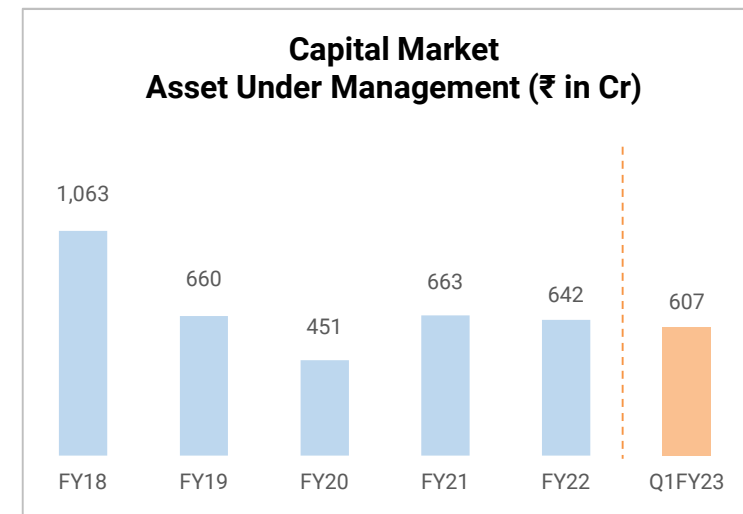
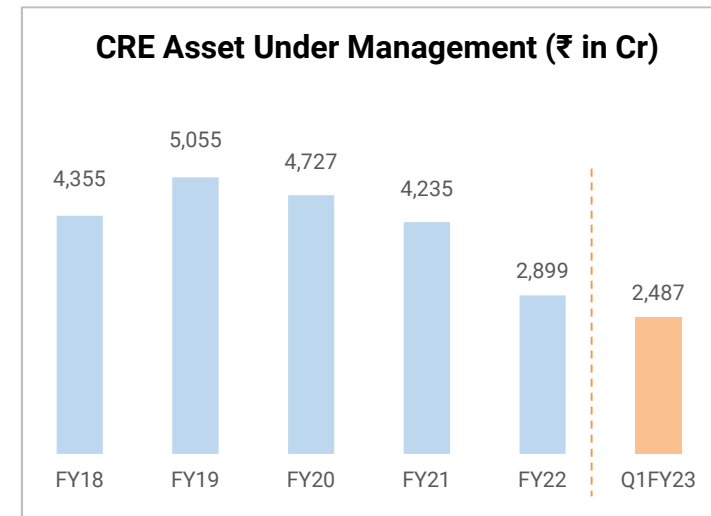


## Construction and Real Estate (CRE)

- IIFL Finance will continue to provide funding for completion of its already funded projects, with appropriate internal approvals and in compliance with RBI guidelines
- IIFL Finance subsidiary HFC provides funding for LAP (Loan against Property) and CF (Construction Finance) the way large established HFCs also do.

## Capital market

- The Loan Against Shares and capital market portfolio is not core focus for growth but synergistic with group businesses. The strategy is to restrict to clients of group companies, thereby minimising operating cost and with strict risk control of the lending portfolio.



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Financial Performance Q1FY23

3-13

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Business Segment Overview

15-23

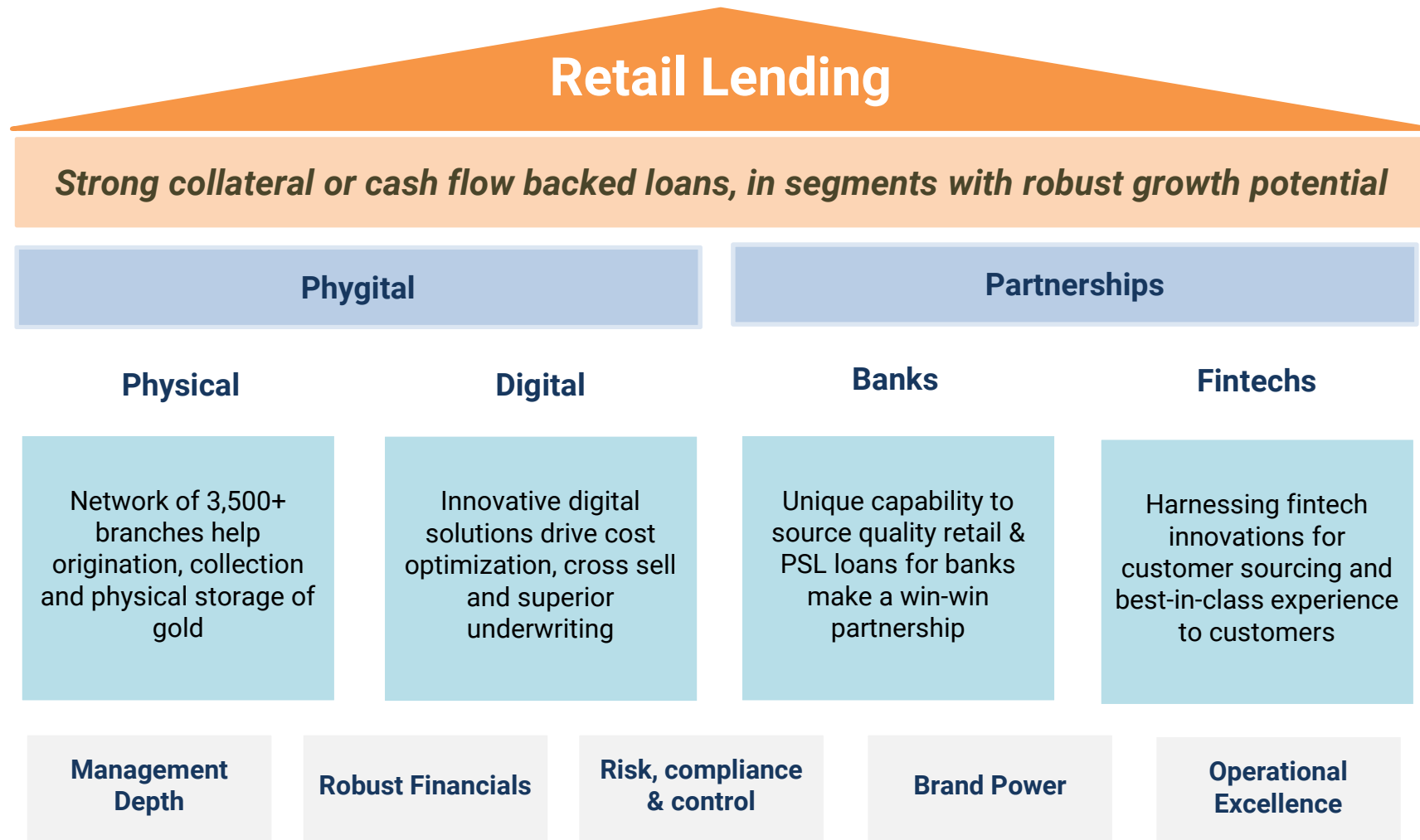
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**Corporate, Strategy and Others**

**25-35**

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**We are uniquely placed to dominate non banking retail lending**  
*Our business is built on Phygital and Partnership model*

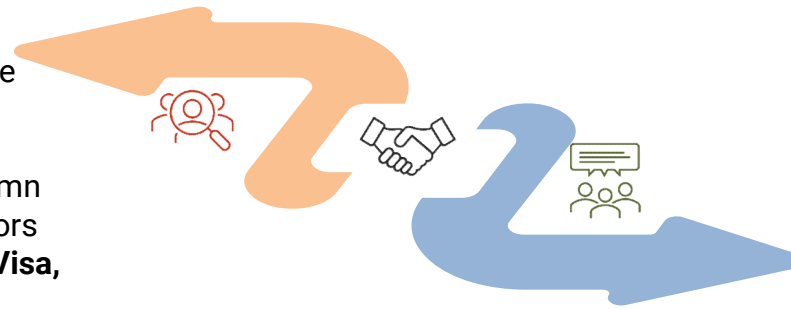


# IIFL OPEN Fintech Private Limited (51:49) JV



## Open

- **100<sup>th</sup> unicorn of India** and the largest SMB neobank.
- Total funding raised of \$185mn and backed by strong investors like **Tiger Global, Temasek, Visa, Beenext, Google.**
- Integrated with **17 large banks** with existing customer base of **2mn+ merchants**



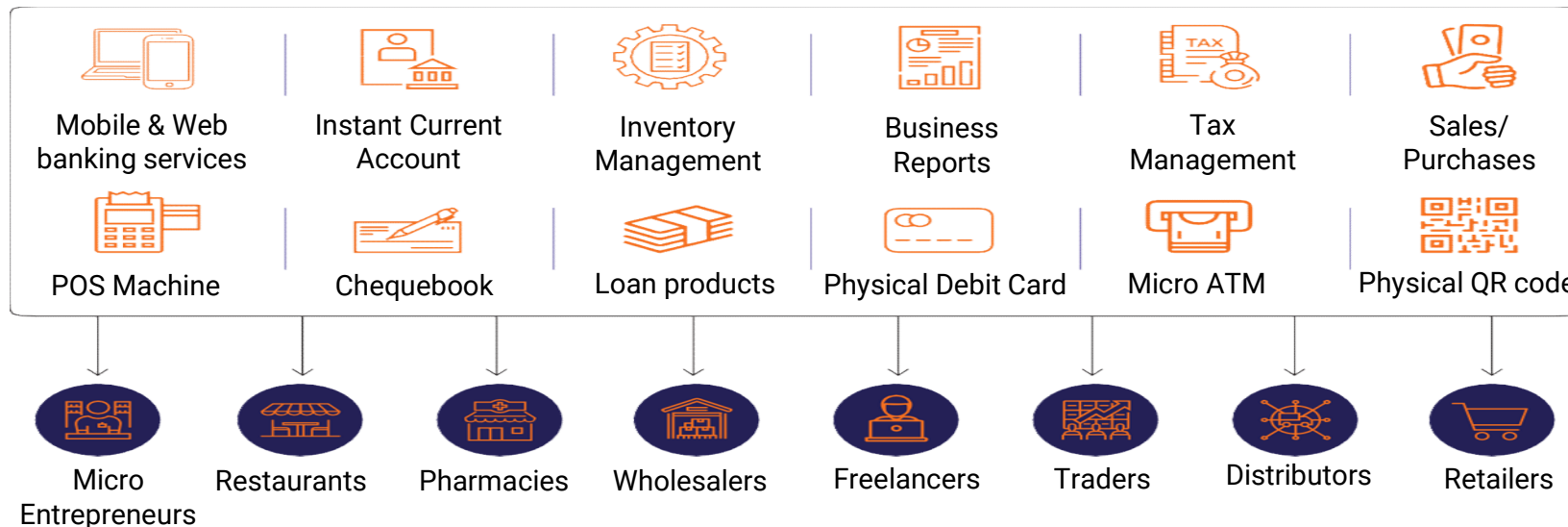
## IIFL Open Fintech Pvt Limited

- **Neobank for micro enterprises of India offering** billing, banking and accounting software
- Revenue potential from **lending services & transaction revenue** from payment, cards

## IIFL Finance

- **IIFL Finance's existing lending book and infrastructure** to be used by Open to offer innovative lending solutions to these merchants on their platform.
- Access to insights into user's **business transaction** leading to better underwriting decisions.
- Growth in lending book by offering **credit solutions to Open's existing 2mn merchant base**

### Various product offering and key target personas





# Our recent partnerships with banks for co-lending, co-origination and business correspondence..



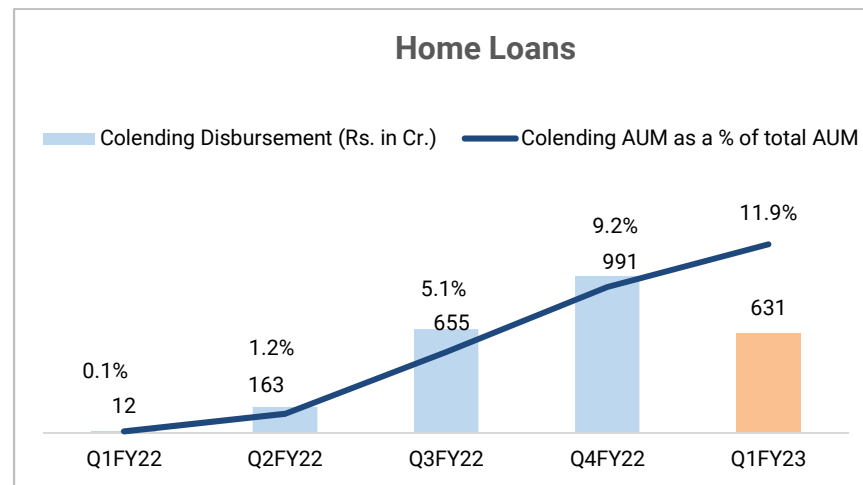
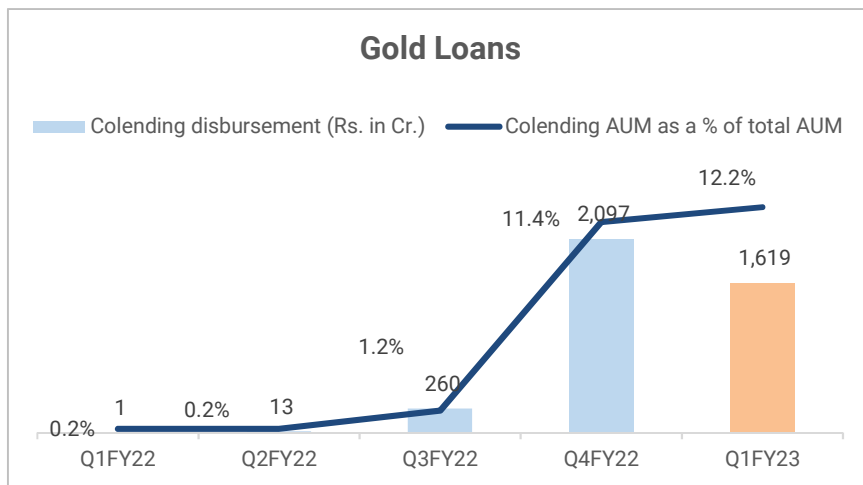
## Existing Tie-ups

## New Tie-up (Q1FY23)

   Gold Loan Home Loan	  Gold Loan	  Gold Loan	  Business Loan	  Gold Loan
   Home Loan and MSME LAP	   Home Loan and MSME LAP	  Home Loan	  Gold Loan	  Home Loan

  
  
 Gold Loan  
  
 Microfinance

**Co-Lending/ Co-Origination/ Business Correspondence disbursement picking up**



# Our recent new initiatives continues to perform well



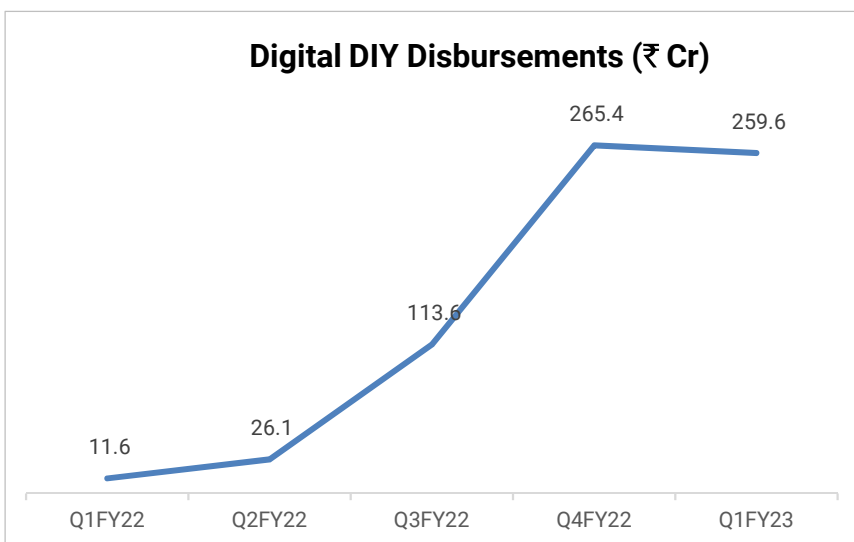
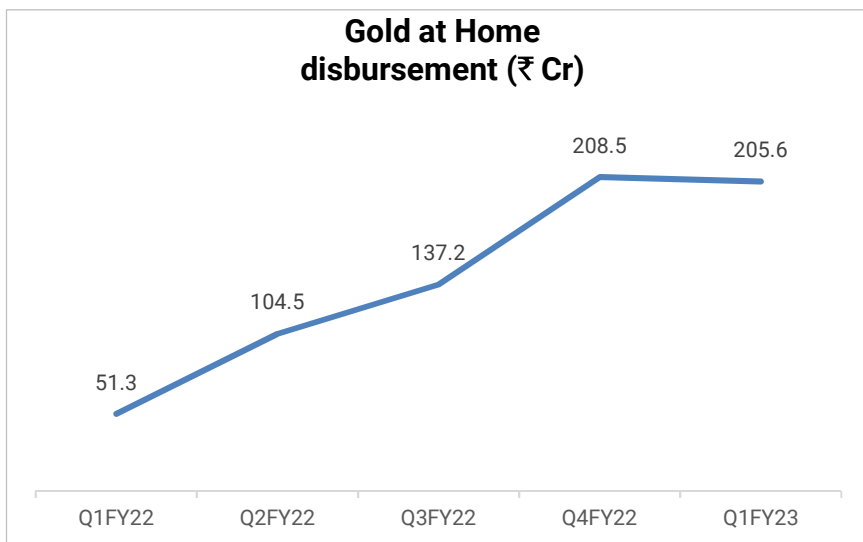
## ➤ Gold Loan at Home

- a. Gold loan at customer's doorstep initiative targets branchless expansion of Gold Loan business.
- b. The initiative started a year ago, saw significant traction with disbursements.
- c. We have proprietary technology to provide high level of security, paperless and frictionless experience to the customer.
- d. We are currently operating in 35 cities which we plan to expand to ~50 cities by the end of this financial year.

## ➤ My Money app, website and Whatsapp loans:

- a. 100% online loan application process.
- b. Loans ranging from ₹ 50,000 to ₹ 10 lakhs for Business Loans and from ₹ 5,000 to ₹2 lakhs for Personal Loans
- c. API Integration with fintech vendors

**More than 45,000 customers on boarded till date through MyMoney and WhatsApp.**



# Distinguished Board of Directors



## IIFL Finance – Board of Directors



### **Nirmal Jain**

Managing Director  
MBA, IIM Ahmedabad;  
Rank holder CA & Cost accountant

Founded and led IIFL since 1995  
Worked with Unilever for 5 years



### **R Venkataraman**

Joint Managing Director  
MBA, IIM Bangalore;  
B-Tech, IIT Kharagpur

Co-founder of IIFL  
Worked with ICICI Bank, Barclays,  
GE Capital



### **A K Purwar**

Chairman and Independent  
Director  
M Com., Allahabad University

Chairman of Tadas Wind Energy Private  
Limited & Eroute Technologies Private  
Limited; Former Chairman, SBI



### **Chandran Ratnaswami**

Non-Executive Director  
MBA, University of Toronto  
BE, IIT Madras

Managing Director, Hamblin Watsa Investment  
Counsel Ltd.  
Director & CEO, Fairfax India Holdings



### **V. K. Chopra**

Independent Director  
Chartered Accountant

Former Whole-Time Member, SEBI  
Former Chairman & MD - Corporation Bank  
and SIDBI



### **Nilesh Vikamsey**

Independent Director  
Chartered Accountant

Senior Partner at Khimji Kunverji & Co; Past  
President of The Institute of Chartered  
Accountants of India



### **Geeta Mathur**

Independent Director  
Chartered Accountant

Co-chair for the India Chapter of Women  
Corporate Directors Foundation



### **Ramakrishnan Subramanian**

Independent Director  
Chartered Accountant

Sr. Advisor, Operating Partner, Consultant  
with PE, VC, FIs and Fintech in India



### **Vibhore Sharma**

Independent Director  
Engineer

Engineering & product leader with over 20  
years of experience  
Earliest members of InfoEdge India

# Experienced senior management team



## IIFL Finance



### Rajesh Rajak

Chief Financial Officer  
Chartered Accountant

SVP- heading Business Finance function with HDFC Bank Ltd for 14 years.

## IIFL Home Finance



### Monu Ratra

Chief Executive Officer  
Qualified architect and MBA

20+ years of experience with HDFC, ICICI Bank and Indiabulls Housing in mortgages.

## IIFL Samasta



### N Venkatesh

Chief Executive Officer  
Strategic leadership  
Program in microfinance at Harvard

20 years of experience in the financial services sector



### Sanjeev Srivastava

Chief Risk Officer  
Chartered Accountant

Over 20 years of experience in financial services



### Amit Gupta

Chief Financial Officer  
Chartered Accountant

20+ years of experience in financial services in accounting, finance, audit & compliance



### Anantha Kumar T

Chief Financial Officer  
Chartered Accountant

10+ years of varied experience across industries such as financial services, steel, garments and IT



### Sneha Patwardhan

Compliance Officer  
Company Secretary

13 years of experience in the field of Secretarial, Compliance, Legal.



### Abhishikta Munjal

Chief Risk Officer  
Chartered Accountant

19 years of work experience with 17+ years experience in mortgages and housing finance



### Sabari Krishna

Chief Risk Officer  
ACS, CAIIB

13+ years of experience in Risk Management, Operational Risk, Risk Assessment, Compliance

# Environment, Social & Governance (ESG)

Supporting a sustainable economy through focus on environment..



## Adopting environmentally conscious solutions in our business initiatives as well



Pioneered **Green Building** concept in partnership with housing developers through "**Kutumb**" platform. It provides industry experts and housing developers, a platform to promote sustainable infrastructure.



IIFL has signed a **US\$ 68 million** loan with 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**.



**Reduced the paper consumption by 3.9 tons** in FY21 by digitalizing and automating processes for loan application (approximately 7.8 lakh sheets of paper).



**Consistently reducing our energy consumption** by using energy efficient lighting at our branches. We replaced **4,207** incandescent lights with **light-emitting diode (LED) panels across 15 branches**, which is an ongoing process



We also **recycle excess water** from RO water purifier for use in toilets and urinals. During FY21, we **recycled 16.3 kl of water**. We have also installed sensors in washrooms that control water consumption



We measure our waste generation and aim to strengthen our waste management initiatives. **Dry and wet waste** is picked up by local municipal bodies. **E-waste** and paper waste is given to authorized vendors for **recycling**.

IIFL is firmly committed to support economic activity and financial inclusion through its loan offerings while adapting to changes in the external environment.



GOLD

- **67%** of gold loan disbursed are of less than ₹ 50,000 value
- **57%** of loans given till date are to small businesses
- **83%** of the branches are located in tier II, III cities and rural areas



BUSINESS LOAN

- **76%** of the Unsecured MSME loans given are of less than ₹ 1 Million
- **49%** of unsecured loans are to borrowers who are new to credit



HOME LOAN

- **55,700+** families benefitted under CLSS and 1300+ Cr. subsidy provided till date
- **69,900+** loans given to the informal segment
- **61%** loans given to female owners/co-owners
- **161,500+** loans to first time home buyers



MICRO-FINANCE

- Small-ticket loans for purpose of income generation activities
- **17.9 lakhs+** families benefitted in **17** states with financial intervention
- **10,500+** dairy farmers supported through **10** cattle health centers in **4** States.

# ESG: CSR projects continue amid covid with creative use of technology

## Agri-Drone to promote tech-based farming – Rajasthan

IIFL Foundation launched Rajasthan's first agriculture drone. The custom made Drone is built exclusively for Research in advancement of agriculture and thus donated to Maharana Pratap University of Agriculture & Technology (MPUAT), Udaipur, Rajasthan, handing to Dr. Narendra Singh Rathore, Vice-Chancellor, MPUAT.



आईआईएफएल फाउंडेशन ने राजस्थान का पहला कृषि ड्रोन लॉन्च किया

आईआईएफएल फाउंडेशन ने राजस्थान का पहला कृषि ड्रोन लॉन्च किया। यह ड्रोन 15 लीटर की क्षमता के साथ 25 किलोमीटर की त्रिज्या में उड़ सकता है। इसे महाराणा प्रताप विश्वविद्यालय, उदुपूर, राजस्थान के सहयोग से विकसित किया गया है।

The custom made drone is designed and built by **bluelINFINITY Innovation Labs**, Mumbai., who previously also built a Drone for Covid-19 vaccine delivery via drone in Maharashtra, having a capacity to fly in a radius of 25 kms.

Speed	Load Carrying Capacity	All up weight (AUW)
3 Min/1 Acre	15 Ltr	25 kg

## Development of Botanical Garden (Medicinal) – The Institute of Science Mumbai

The Botanical Garden of the Institute of Science, Mumbai is spread over 0.8 hectare (approx.. 2 acre) area and is meant for teaching and research needs. It has many important and rare plants which are economically and medicinally important..



With IIFL Foundation's support, The Institute of Science (Mumbai) is developing a botanical garden spread across 6,000 sq. ft., helping conserve species of medicinal plants and herbs for purpose of conservation, research and development of medical importance.

Plantation	Total Area
1000 Medical trees	6000 Sq ft

## Sakhion ki Baadi (Rajasthan)



- **Sakhion ki Baadi** is an initiative aimed at eradication of female illiteracy from Rajasthan
- Learning centres has been set up for children in the age group of 4 yrs. to 14 yrs. old
- The centres are located in the areas dominated by native Scheduled Tribe communities, where girls often dropout of school or are never enrolled at one.



Total Number of Districts	Girls Enrolled till date	Boys Enrolled till date
13	32,264	3,495



# Governance

*conducting our business with integrity*

## Establishing vision, mission and values and determining, reviewing the goals and policies of the Company from time to time

Promote **sound corporate governance** practices, ethical standards, and compliance with the laws of the land.

Disclose our strategy, key targets and goals to all **key stakeholder groups** (internal and external), and report our progress annually.

**Incorporate ESG** aspects into our **policies and practices**, assess our performance through a robust internal ESG governance structure

**Corporate governance** and **ethical business** conduct are one of the fundamental pillars of a successful business. We strive to maintain the **highest standards of business ethics**.

**Corporate policies and guidelines:** Board Diversity Policy, Whistle Blower Policy, CSR Policy, Interest Rate Policy, Grievance Redressal Policy, etc.

**Business ethics and compliance:** Anti-Corruption Policy, Vigilance Policy & Code of Conduct.

In FY 21-22, we reported **zero cases of non-compliance** with financial, environmental, and socio-economic regulations.





# IIFL's brand and credibility recognized at various forums



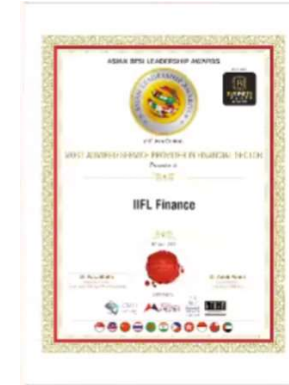
IIFL Finance received **'Golden Peacock'** Award for Risk Management



IIFL Finance received **'Brand of the year Award'** at the **Great Indian BFSI Award**



IIFL Finance was recognized as **'Brand of the year Award'** by **India Today and Team Marksment**



IIFL Finance received **'The Economic Times Iconic Brand Award'**



IIFL Finance received **'Financial Inclusion Initiative of the year award'** at the **World BFSI Congress**



IIFL Finance was certified as **'Great Place to Work'** for the fourth year in a row



**Thank you**

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