

July 27, 2021

<b>The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, 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 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, 2021**

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, 2021, 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  
(Formerly known as IIFL Holdings Limited)

  
Sneha Patwardhan  
Company Secretary



Encl: as above

CC:  
Singapore Exchange Securities Trading Limited  
2, Shenton Way, #02-02, SGX Centre 1,  
Singapore - 068 804

IIFL Finance Limited (formerly known as IIFL Holdings Limited)  
CIN No.: L67100MH1995PLC093797

Corporate Office – 802, 8<sup>th</sup> Floor, Hub Town Solaris, N.S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai 400069

Tel: (91-22) 6788 1000 .Fax: (91-22) 6788 1010

Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604 Tel: (91-22) 41035000. Fax: (91-22) 25806654 E-mail: [csteam@iifl.com](mailto:csteam@iifl.com) Website: [www.iifl.com](http://www.iifl.com)

**IIFL Finance Limited**

Press Release

For immediate publication

Mumbai, India

July 27, 2021

**IIFL Finance Results update**
**IIFL Finance reports quarterly profit of Rs.266 crores, up 8x y-o-y and 7% q-o-q; driven by retail and digital focus**
**IIFL Finance Limited Consolidated Results – Q1FY22**

Rs Crore	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Y-O-Y	Year ended March 31, 2021
Total Income (Net)	830.8	602.2	38%	3,363.6
Operating Cost	(315.2)	(275.4)	14%	(1,190.2)
Pre-provision operating profit	515.5	326.7	58%	2,173.4
Provision	(165.0)	(269.4)	(39%)	(1,168.6)
Profit before tax	350.5	57.3	512%	1,004.8
Profit after tax	265.8	31.8	735%	760.8
TCl (Pre-minority)	249.7	30.1	730%	736.5
Earnings per share (EPS)	7.0	0.8	775%	20.1
Loan AUM	43,160	38,335	13%	44,688

**Mr Nirmal Jain, Chairman, IIFL Finance Ltd.**, commented on the financial results: “Covid19 second wave has caused significant head winds for business growth as well as asset quality. Our focused strategy and resilient business model have helped us continue the momentum of profit growth. We do look forward to normal times and resumption of economic activity to pre-Covid level if not higher. We continue to invest in digital technology, preparing for the opportunity in post Covid times.”

## Financial performance review

IIFL Finance had loan assets under management (loan AUM) of Rs 43,160 Cr as at June 30, 2021, with the home loans segment constituting 34%, gold loans 31%, business loans 16% and microfinance loans 10% of the total AUM. During the quarter, the Company took a cautious approach to fresh loan disbursements due to the second wave of Covid.

The company's annualized ROE and ROA for Q1FY22 stood at 19.7% and 2.6% respectively. Pre-provision operating profit stood at Rs. 516 Cr. during the quarter. Average borrowing costs for the quarter declined by 33 bps y-o-y to 9.0%.

93% of our loans are retail in nature and 65% of our retail loans (excluding gold loans which are not classified as PSL loans) are PSL compliant. The assigned loan book, currently at Rs 10,259 Cr, is 24% of AUM. Besides, there are securitized assets of Rs. 4,302 Cr. There exists significant opportunity for further assignment and securitization, given our granular and retail book.

GNPA stood at 2.2% and NNPA stood at 1.0%, as at June 30, 2021. With implementation of Expected Credit Loss under Ind AS, provision coverage on NPAs stands at 180%.

Total CAR stood at 25.6% including Tier I capital of 17.8% as at June 30, 2021, as against statutory requirement of 15% and 10% respectively.

The total presence of branches grew to 2,682 as at the end of quarter from 2,563 branches as at previous 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 17% y-o-y and 2% q-o-q to Rs 14,747 Cr. The primary focus in this segment is on affordable and non-metro housing loans. Over 43,900 customers were benefitted with a subsidy of more than Rs 1,047 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

**Gold Loans:** As of June 30, 2021 the gold loans AUM grew to Rs. 13,262 Cr, showing a strong growth of 40% y-o-y and 1% q-o-q. Gold loans are provided through our widespread presence in 1000+ cities across 25 states to salaried, self-employed and MSME customer segments.

**Microfinance:** The microfinance loan AUM stood at Rs. 4,386 Cr., up 36% y-o-y and down by 7% q-o-q, as at June 30, 2021. The microfinance customer base stood at 16.1 lakh customers.

**Business loans:** Secured business loans grew by 5% y-o-y to Rs. 5,435 Cr. whereas unsecured business loans continued to decline both on y-o-y and q-o-q basis. Under the Emergency Credit Line scheme, we have disbursed Rs. 370 Cr. from inception till June 30, 2021.

## Update on transfer of real estate credit assets to an Alternate Investment Fund (AIF)

A significant part of the CRE asset portfolio has been sold to an AIF during the quarter ended June 30, 2021. Some more assets are likely to be sold in the current quarter. The AIF has signed a Contribution Agreement with Credit Opportunities III PTE. Ltd, a fund managed by Ares SSG Capital Management, committing a contribution of upto Rs. 1,200 Cr towards units in the AIF. The AIF has a target fund size of Rs. 3600 Cr. The capital released by the above transaction, will strengthen the Company's balance sheet and help it focus sharply on retail lending, in line with its strategy. The Company believes that its CRE portfolio (including the part transferred) is of superior quality with adequate collateral and is for affordable houses.

## Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 4,494 Cr were available as on June 30, 2021. During the quarter, we raised Rs 1,822 Cr through term loans, bonds and refinance from banks. Loans of Rs 1,804 Cr were securitized and assigned during the quarter.

## Awards and Accolades:

- IIFL Finance's MyMoney app was awarded for Quick Loan Approval at Asian BFSI Leadership Awards
- IIFL Finance received 'India Most Admired Financial Services Provider' Award at Asian BFSI Leadership Awards
- IIFL Finance received 'Iconic Brand' recognition from The Economic Times
- IIFL Foundation received Award for 'Best Use of CSR Practices in Banking & Finance Industry' at Asian CSR Leadership Awards
- Sakhiyon Ki Baadi' project received the award for 'Innovation in CSR Practices' at Asian CSR Leadership Awards
- Ms Madhu Jain, Director, IIFL Foundation received 'Social Entrepreneur of the Year Award' at Asian CSR Leadership Awards
- IIFL Foundation received Award for 'Best Covid-19 Training Solution' at Asian CSR Leadership 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 Samasta Microfinance 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 6 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 corporates, 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 21 billion (as on March 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, 2021, are available under the ‘Investor Relations’ section on our website [www.iifl.com](http://www.iifl.com).

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

### **Media Relations**

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## **Performance review**

**Quarter ended June 30, 2021 (Q1FY22)**

**Bloomberg: IIFL IN**

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**IIFL Finance Limited**

**July 27, 2021**

## 1. Q1FY22 Financial performance

i. Key highlights

ii. Financial performance

iii. Asset quality

iv. Liquidity position

## 2. Business segments review

i. Home loan

ii. Business loan

iii. Gold loan







iv. Microfinance

v. Non-core (CRE & Capital market)

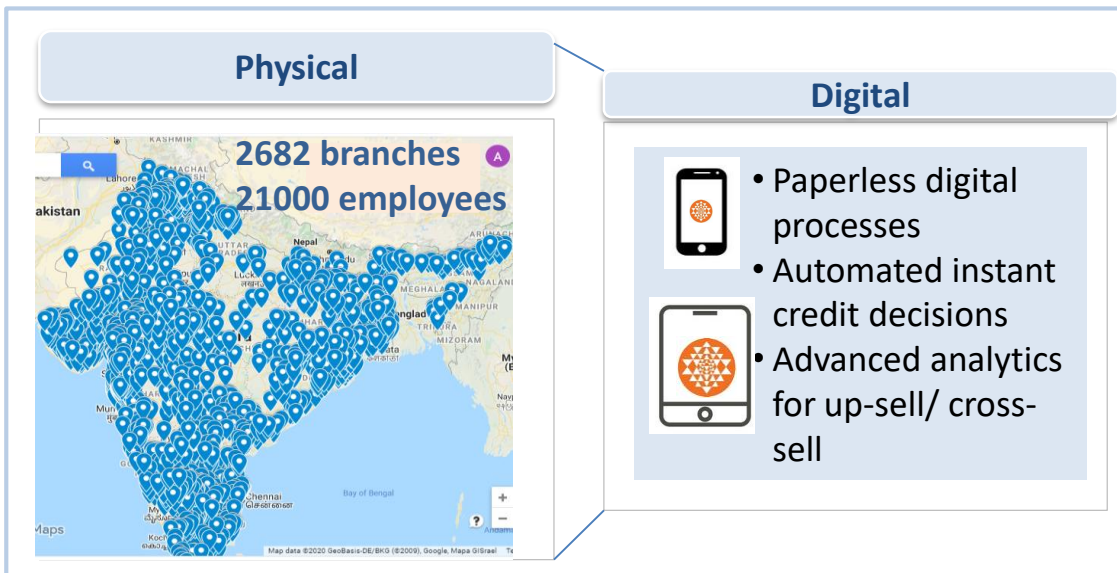
## 3. Corporate, Digital strategy & ESG updates

# Business and strategy snapshot

As on June 30, 2021

Subsidiaries	<b>IIFL Finance</b> Listed Company (NBFC)	
	<b>IIFL Home Finance</b> Housing Finance	
	<b>IIFL Samasta</b> Microfinance	
	<b>Core products</b>	<b>Mix (%)</b>
	 Gold loan	31%
	 Business loan	16%
	 Home loan	34%
 Microfinance	10%	
<b>Non - core products</b>		
 CRE	7%	
 Capital market	2%	

- IIFL is focused on **retail loans**, distributed through its website, App & branches. 91% of its loan portfolio comprises Gold/ Micro finance loans of ticket size ~ ₹25-50,000 & Home/ Business loans of ~₹1-2 million.
- IIFL has been at the **forefront of digital technology**, improving efficiency & experience both.
- IIFL's capability to originate at scale, small loans meeting banks' PSL and credit standards, makes it a **preferred partner for banks**.



## Win-win partnership with banks



IIFL's unique capability to source quality retail & PSL loans, which are banks' preferred asset class, make a winning partnership.



# Key highlights (consolidated)

**Loan AUM ₹43,160 Cr**

*Up 13% y-o-y*

**Return on- Equity / Asset<sup>1</sup>**

**19.7% / 2.6%**

*Previous year Q1 2.7% / 0.4%*

**Net Profit**

**₹ 266 Cr**

*Up 735% y-o-y*

**Cost of Funds**

**9.0%**

*down 33 bps y-o-y*

**Gross / Net NPAs**

**2.2% / 1.0%**

*Previous year Q1 1.7% / 0.8%*

**Pre Provision  
Operating Profit**

**₹ 516 Cr**

*Up 58% y-o-y*

**Cash/ Undrawn Lines**

**₹4,494 Cr**

*Previous year Q1 ₹ 3,745 Cr*

**Employees / Branches**

**21,012 / 2,682**

*Previous year Q1 17,889 / 2,372*

**Cost to Income 38%**

*Previous year Q1 46%*

**Capital Adequacy 25.6%**

*Previous year Q1 19.3%*

**Retail loans 93%**

**Wholesale loans 7%**

*Previous year Q1 88%/ 12%*

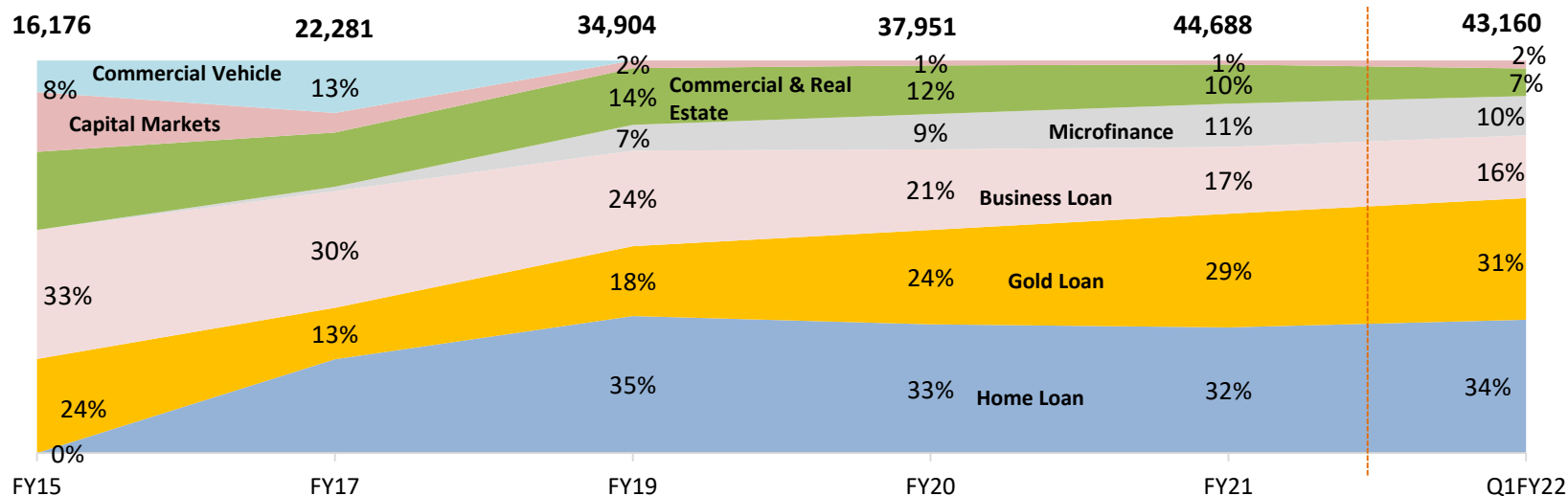
**Provision Coverage 180%**

*Previous year Q1 183%*

<sup>1</sup>Return on Equity and Return on Asset quarterly numbers are annualized

# Loans are predominantly retail and granular

## Diversified AUM portfolio disperses exposure and balances cyclical vagaries (₹ Cr)



Q1FY22	% AUM Share	AUM (₹ Cr)	Y-o-Y Growth (%)	Q-o-Q Growth (%)	GNPA%	NNPA%	Portfolio Yield %	Portfolio average Ticket Size (₹ Lakhs)
Home Loans	34%	14,747	17%	2%	1.6%	1.0%	10.2%	17.2
Gold Loans	31%	13,262	40%	1%	0.9%	0.7%	17.9%	0.6
Business Loans	16%	7,114	(10%)	(5%)	6.0%	2.4%	15.4%	11.3
Microfinance	10%	4,386	36%	(7%)	2.0%	0.0%	20.2%	0.2
Construction & Real Estate	7%	2,808	(39%)	(34%)	1.5%	1.1%	16.1%	3,785.9
Capital Market Finance	2%	842	63%	27%	0.0%	0.0%	11.9%	140.6
<b>Total</b>	<b>100%</b>	<b>43,160</b>	<b>13%</b>	<b>(3%)</b>	<b>2.2%</b>	<b>1.0%</b>	<b>14.9%</b>	

## 1. Q1FY22 Financial performance

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i. Home loan

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v. Non-core (CRE & Capital market)

## 3. Corporate, Digital strategy & ESG updates

# IIFL Finance – Consolidated results (as per IND AS)

Quarter ended June 30, 2021 (NBFC, HFC and MFI)



₹ Cr	Q1FY22	Q1FY21	Y-o-Y	Q4FY21	Q-o-Q
Interest income	1,245.0	1,095.1	14%	1,264.4	(2%)
Interest expense	(700.9)	(693.0)	1%	(680.6)	3%
<b>Net interest income</b>	<b>544.1</b>	<b>402.1</b>	<b>35%</b>	<b>583.8</b>	<b>(7%)</b>
Income from assigned assets	240.9	178.4	35%	240.8	0%
Fee & other income	45.8	21.7	111%	143.4	(68%)
<b>Total income</b>	<b>830.8</b>	<b>602.2</b>	<b>38%</b>	<b>968.0</b>	<b>(14%)</b>
Operating expense	(315.2)	(275.4)	14%	(317.6)	(1%)
<b>Pre provision operating profit</b>	<b>515.5</b>	<b>326.7</b>	<b>58%</b>	<b>650.5</b>	<b>(21%)</b>
Loan losses & provision	(165.0)	(269.4)	(39%)	(329.9)	(50%)
Profit before tax	350.5	57.3	512%	320.6	9%
<b>Profit after tax</b>	<b>265.8</b>	<b>31.8</b>	<b>735%</b>	<b>247.8</b>	<b>7%</b>
Total Comprehensive Income(TCI)	249.7	30.1	730%	269.8	(7%)
Book value per share (₹)	145.6	124.3		138.8	
Earnings per share (₹ not annualized)	7.0	0.8		6.5	
Return on equity (annualized)	19.7%	2.7%		19.1%	

# Income analysis (Consolidated as per IND AS)

Quarter ended June 30, 2021 (NBFC, HFC and MFI)



₹ Cr	Q1FY22	Q1FY21	Y-o-Y	Q4FY21	Q-o-Q
Loan book using risk capital	28,599	26,413	8%	29,784	(4%)
Securitized book <sup>1</sup>	4,302	1,936	122%	3,828	12%
<b>Loan Book (Ind AS Balance sheet)</b>	<b>32,901</b>	<b>28,350</b>	<b>16%</b>	<b>33,612</b>	<b>(2%)</b>
Assigned assets	10,259	9,985	3%	11,076	(7%)
<b>Assets under management</b>	<b>43,160</b>	<b>38,335</b>	<b>13%</b>	<b>44,688</b>	<b>(3%)</b>

₹ Cr	Q1FY22	Q1FY21	Y-o-Y	Q4FY21	Q-o-Q
Interest income	1,245.0	1,095.1	14%	1,264.4	(2%)
Interest expense	(700.9)	(693.0)	1%	(680.6)	3%
<b>NII at IndAS balance sheet loan book (A)</b>	<b>544.1</b>	<b>402.1</b>	<b>35%</b>	<b>583.8</b>	<b>(7%)</b>
Income from assigned assets	240.9	178.4	35%	240.8	0%
Other Income (Fee and commission income)	39.5	16.1	146%	79.7	(50%)
<b>Non-fund based income (B)</b>	<b>280.4</b>	<b>194.5</b>	<b>44%</b>	<b>320.5</b>	<b>(12%)</b>
Net gain/loss on fair value changes (C)	6.2	5.6		63.8	
<b>Total Income (A)+(B)+(C)</b>	<b>830.8</b>	<b>602.2</b>	<b>38%</b>	<b>968.0</b>	<b>(14%)</b>

<b>Fund Based: Non fund based ratio (%)</b>					
Fund based income	66%	67%		65%	
Non-fund based income	34%	33%		35%	

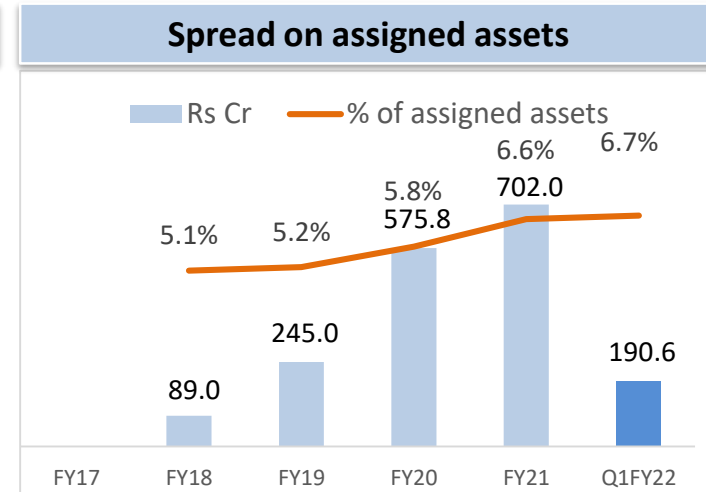
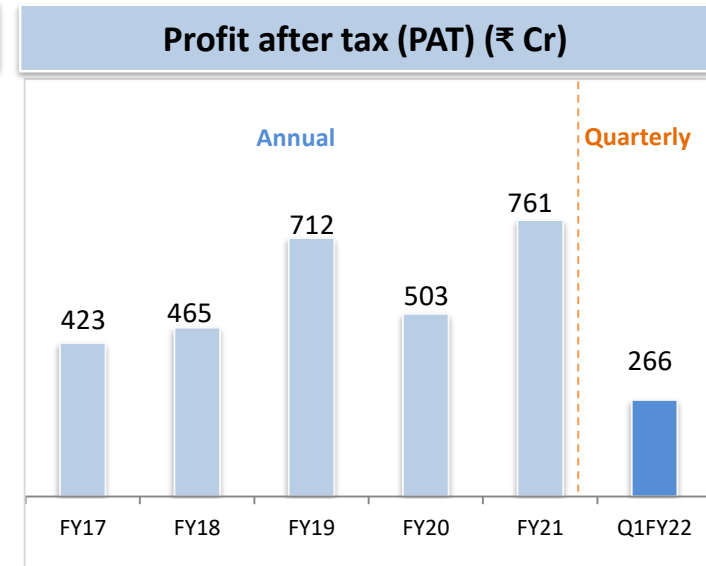
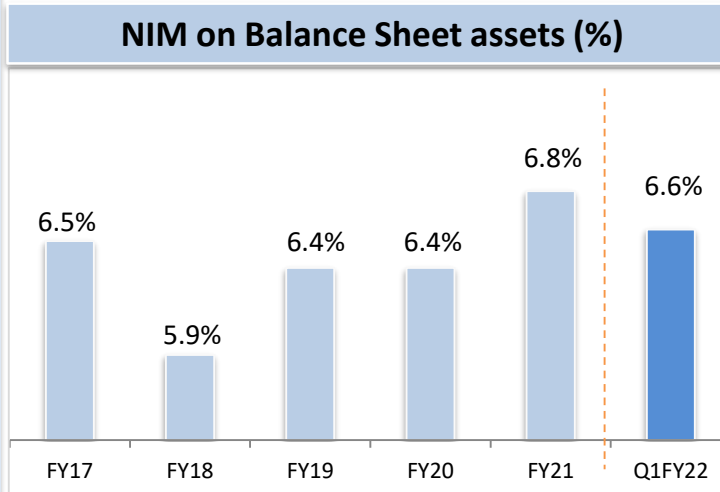
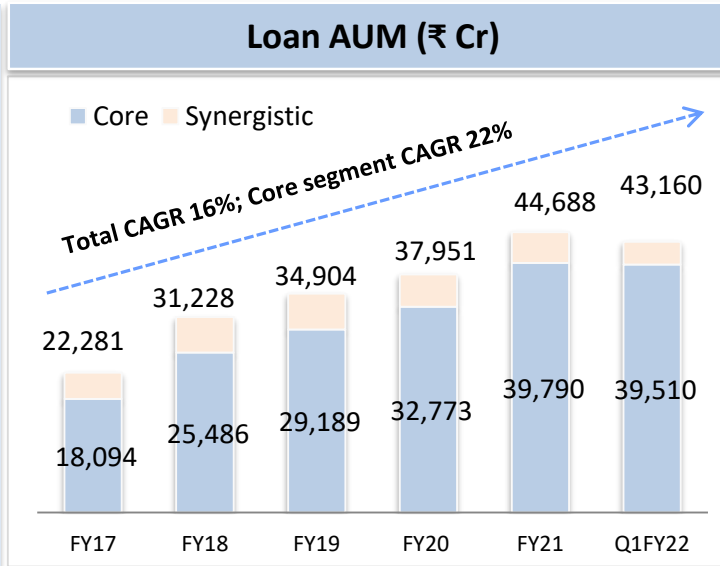
<sup>1</sup> In securitised book, our risk is limited to the value of cash collateral provided as credit enhancement (typically ~7%). As per RBI guidelines, 50% of the credit enhancement is reduced from tier 1 capital and the balance is reduced from tier 2 capital while computing capital adequacy ratio.

# IIFL Finance – Consolidated Balance sheet

Unaudited as at June 30, 2021 (NBFC, HFC and MFI)

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	3,972	(a)	Payables	92
(b)	Receivables	108	(b)	Borrowings	
(c)	Loan Assets	32,819		- NCDs	10,410
(d)	Investments	983		- Others	21,716
(e)	Other financial assets	658	(c)	Other financial liabilities	2,026
	<b>Total Financial Assets (A)</b>	<b>38,540</b>		<b>Total Financial Liabilities (A)</b>	<b>34,244</b>
<b>2</b>	<b>Non-Financial Assets</b>		<b>2</b>	<b>Non-Financial Liabilities (B)</b>	<b>311</b>
(a)	Current & Deferred tax assets (Net)	571			
(b)	Property, Plant and Equipment etc.	725	<b>3</b>	<b>Equity &amp; Reserves (C)</b>	<b>5,645</b>
(c)	Other non-financial assets	364			
	<b>Total Non-Finance Assets (B)</b>	<b>1,660</b>			
	<b>Total Assets (A)+(B)</b>	<b>40,200</b>		<b>Total Liabilities and Equity (A)+(B)+(C)</b>	<b>40,200</b>

- In Q1FY22, loan AUM had a marginal de-growth as part of CRE portfolio was sold and Covid wave 2 slowed new disbursements
- PAT grew by 735% yoy on depressed base of Covid affected quarter last year. Covid wave 2 caused PPOP decline by 21% but lower provision helped 7% qoq PAT growth.
- NIM on balance sheet assets fell a tad, with higher interest reversal and spread on assigned assets remained at similar level

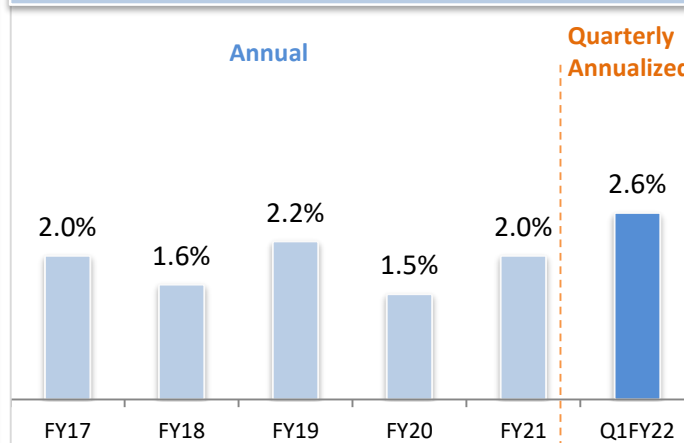


• Note: FY18 onwards numbers are as per IND AS. Prior years' numbers are as per IGAAP

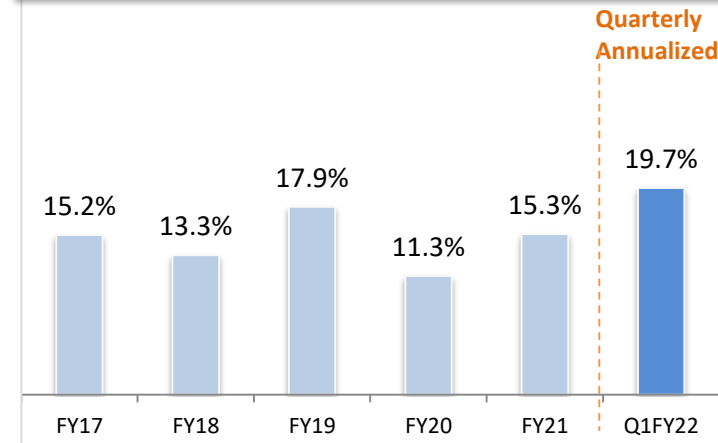
# Robust and improving financial position

- Annualised ROA reached highest ever level of 2.6%, whereas annualised ROE stood at 19.7% for Q1FY22.
- Cost to income ratio rose marginally to 38%, due to lower loan AUM.
- Capital Adequacy Ratio (CAR) was 25.6% and Tier 1 stood at 17.8%. CAR of Housing Finance & Micro- finance subsidiaries were 24.1% and 23.7% respectively. All CAR are well above the statutory thresholds.

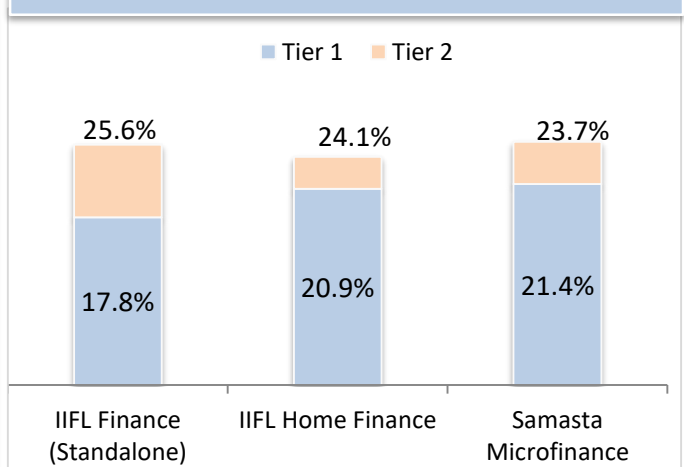
### Return on assets (%)



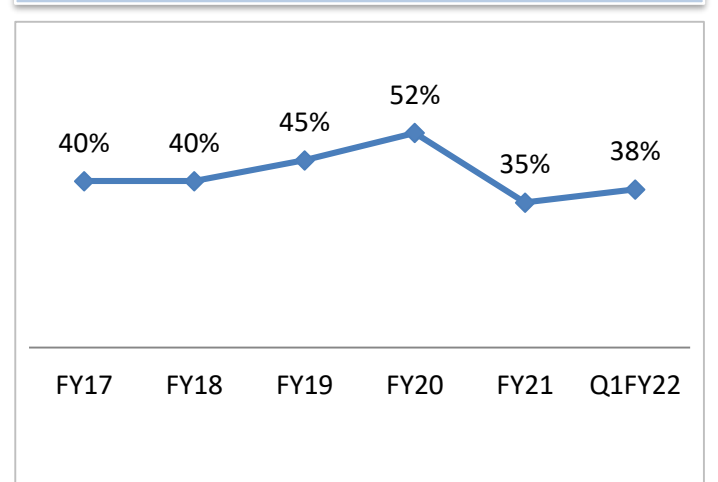
### Return on equity (%)



### Capital adequacy ratio (%)



### Cost to income (%)



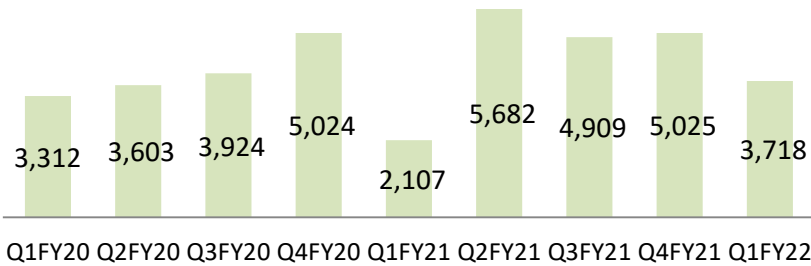
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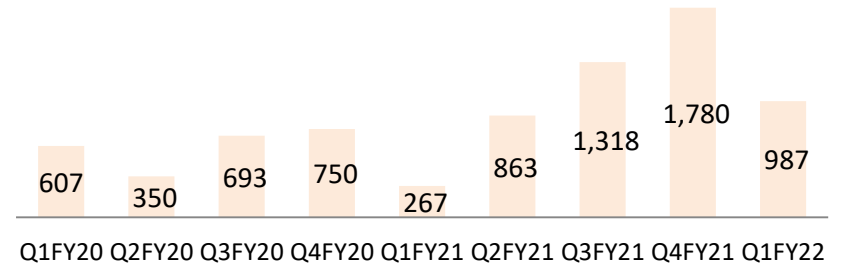
# Fall in loan disbursements due to Covid second wave..

## Disbursement trends (₹ In Crs)

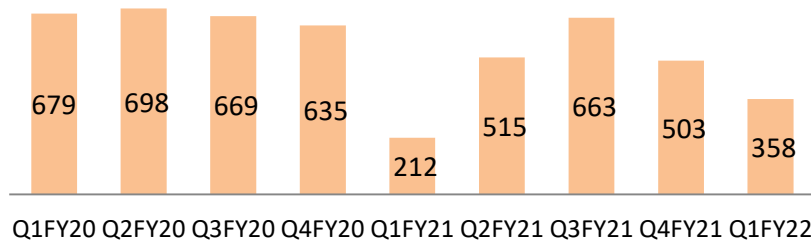
### Gold Loan



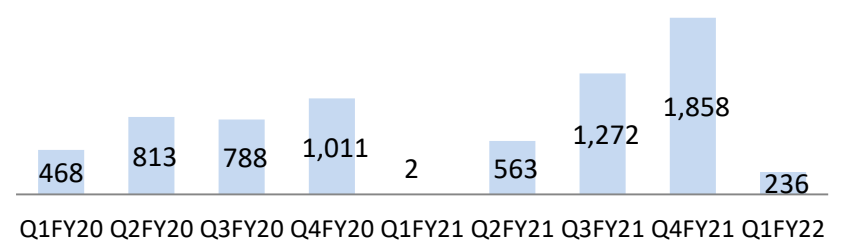
### Home Loan



### Business Loans



### Microfinance



Cumulatively we have disbursed ₹ 370 Cr. amount under Emergency Credit Line Guarantee Scheme (ECLGS), included in business loans

## 1. Q1FY22 Financial performance

i. Key highlights

ii. Financial performance

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iv. Liquidity position

## 2. Business segments review

i. Home loan

ii. Business loan

iii. Gold loan

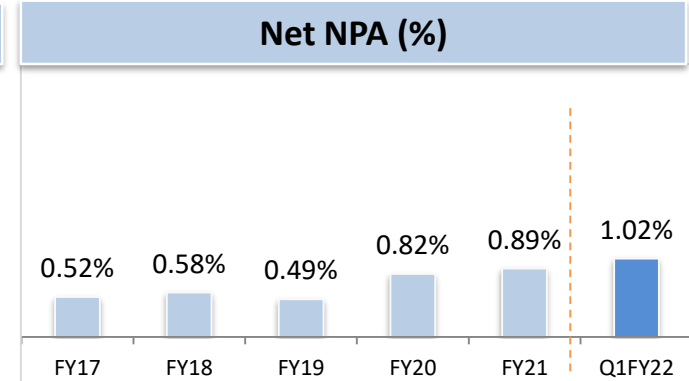
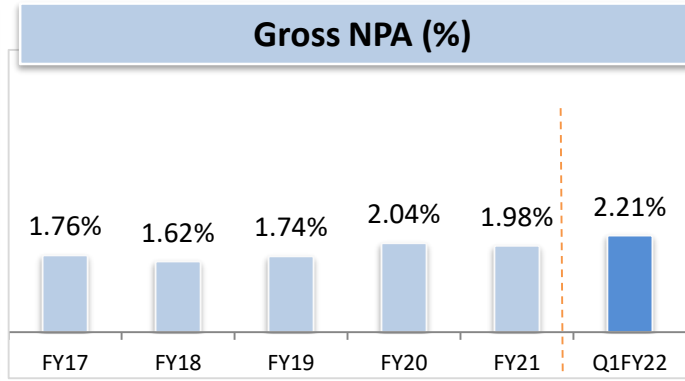
iv. Microfinance

v. Non-core (CRE & Capital market)

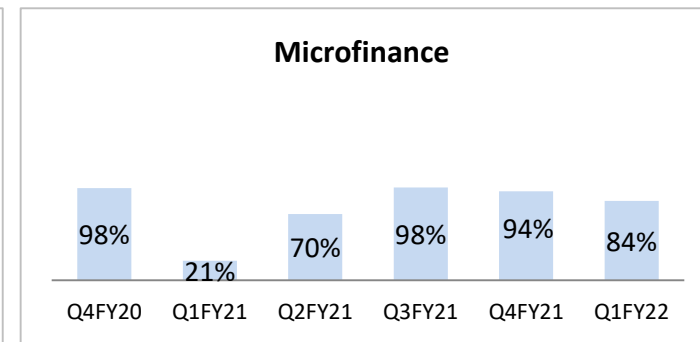
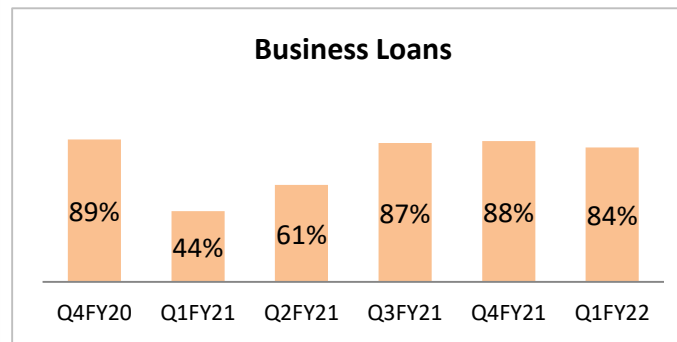
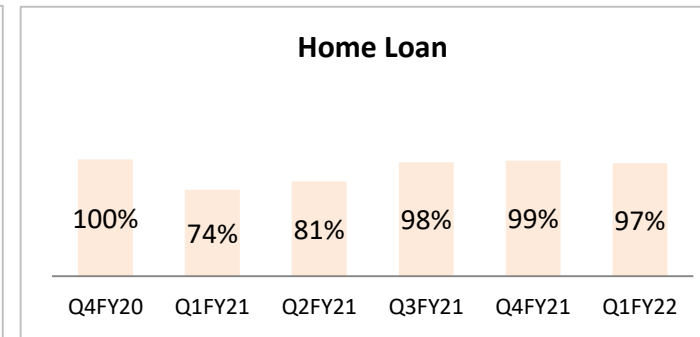
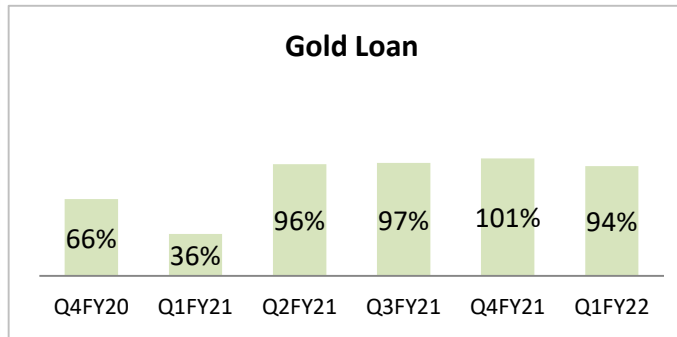
## 3. Corporate, Digital strategy & ESG updates

# Superior asset quality maintained through cycles...

- GNPA stands at 2.21% and NNPA at 1.02%, slightly higher than previous quarter, despite conservative practice of write offs, due to Covid impact on collections.
- As per IndAS accounting, provision coverage of NPAs was 180%, compared to 186% in the previous quarter
- Collection efficiency was adversely affected across businesses due to Covid second wave. However, the impact was much lesser as compared to the first wave last year.



## Collection Efficiency trends<sup>1</sup> (%) – moratorium period from Mar-Aug 2020



Note: FY18 onwards numbers are as per IND AS. Prior years' numbers are as per IGAAP

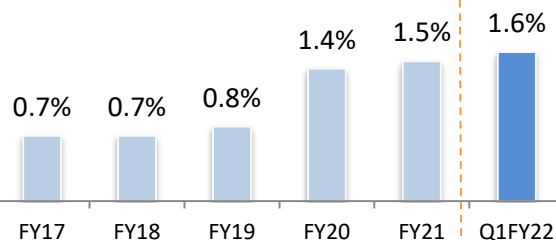
<sup>1</sup>Including arrears but excluding prepayments

## Credit quality has been steady across key product segments

### Core growth segments

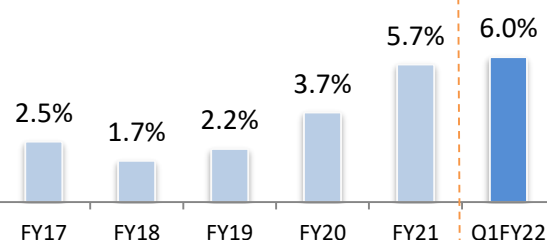
#### Home loans

Gross NPAs (%)



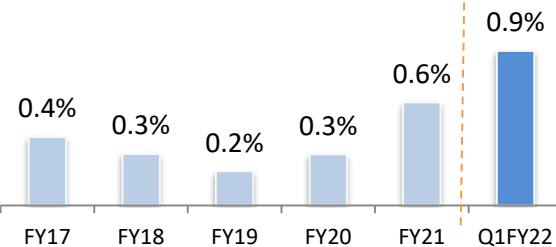
#### Business loans

Gross NPAs (%)



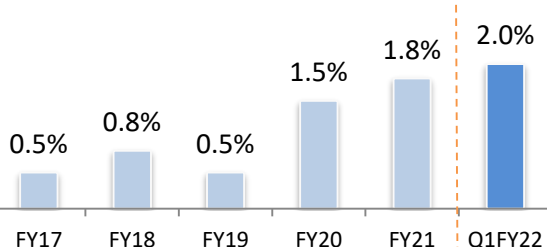
#### Gold loans

Gross NPAs (%)



#### Microfinance

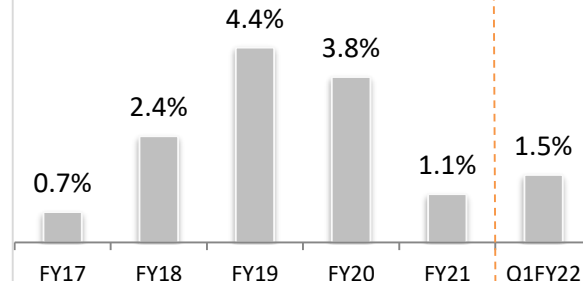
Gross NPAs (%)



### Synergistic segments

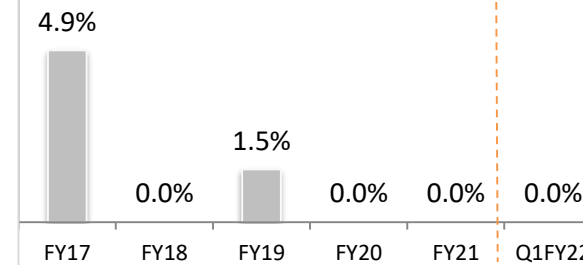
#### Construction & Real Estate finance

Gross NPAs (%)



#### Capital markets finance

Gross NPAs (%)



Note:

(i) Gross NPAs for FY18 onwards are as per IndAS (include securitized assets); other numbers are as per IGAAP

# Conservative provisioning across all segments

As at June 30, 2021 (NBFC, HFC and MFI)

₹ in Crores

Business loan book <sup>1</sup>	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Provision	
	0-30 dpd	30-90 dpd	90+ dpd		Provision %			As per RBI	As per ECL
Home Loans	9,544.3	496.1	164.9	10,205.3	1.7%	3.6%	41.0%	111.7	248.8
Business Loans	4,454.8	1,059.2	351.8	5,865.8	1.7%	5.8%	60.4%	284.2	350.7
Gold Loans	7,113.4	2,087.5	87.5	9,288.3	0.6%	1.4%	21.1%	53.5	88.2
Microfinance	3,474.4	305.7	76.4	3,856.4	3.1%	7.2%	100.0%	54.0	205.3
Construction & Real Estate	2,575.7	189.7	43.0	2,808.4	10.0%	62.3% <sup>2</sup>	29.2%	181.5	389.5
Capital Market Finance	691.3	150.7	0.0	842.1	0.2%	12.1%	0.0%	18.4	19.8
<b>Total</b>	<b>27,853.9</b>	<b>4,288.9</b>	<b>723.6</b>	<b>32,866.4</b>	<b>2.3%</b>	<b>6.2%</b>	<b>53.6%</b>	<b>703.4</b>	<b>1,302.3</b>

<sup>1</sup>Excluding discontinued Healthcare business

<sup>2</sup>Includes accelerated provision for SICR cases

Dpd: Days past due

ECL: Expected credit loss

SICR: Significant increase in credit risk

# Restructuring & ECL Provision Movement

As at June 30, 2021 (NBFC, HFC and MFI)

₹ in Crores

Business <sup>1</sup>	Restructuring		Provision Movement			
	Q1 FY22	Cumulative Q1FY22	Opening Provision	Addition during the quarter	Net release during the quarter <sup>2</sup>	Closing Provision
Home Loans	109.7	241.0	186.1	64.0	(1.2)	248.8
Business Loans	104.6	379.1	399.9	35.6	(84.8)	350.7
Gold Loans	0.0	0.0	66.9	21.2	(0.0)	88.2
Microfinance	200.6	200.6	154.2	51.1	(0.0)	205.3
Construction & Real Estate	23.6	178.5	476.6	55.1	(142.2)	389.5
Capital Market Finance	0.0	0.0	20.5	0.0	(0.8)	19.8
<b>Total</b>	<b>438.6</b>	<b>999.3</b>	<b>1,304.4</b>	<b>227.0</b>	<b>(229.0)</b>	<b>1,302.3</b>

<sup>1</sup>Excluding discontinued Healthcare business

<sup>2</sup>Includes on account of write-offs and recoveries

## 1. Q1FY22 Financial performance

i. Key highlights

ii. Financial performance

iii. Asset quality

iv. Liquidity position

## 2. Business segments review

i. Home loan

ii. Business loan

iii. Gold loan

iv. Microfinance

v. Non-core (CRE & Capital market)

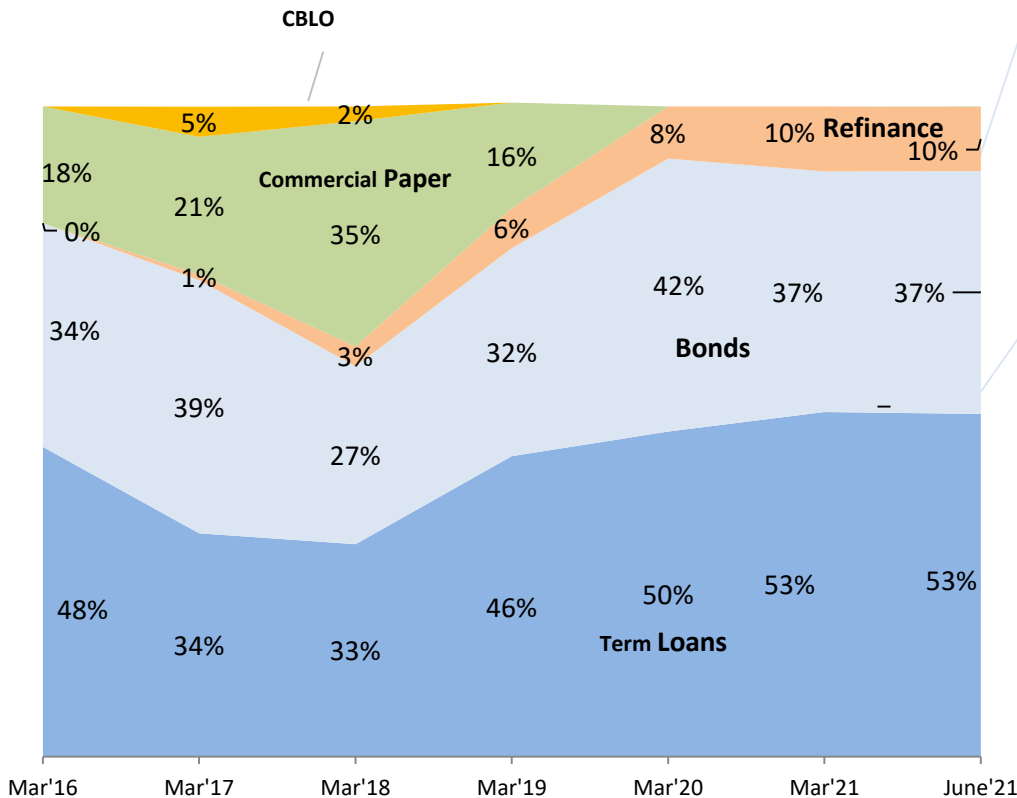
## 3. Corporate, Digital strategy & ESG updates

# Well diversified sources of funding..

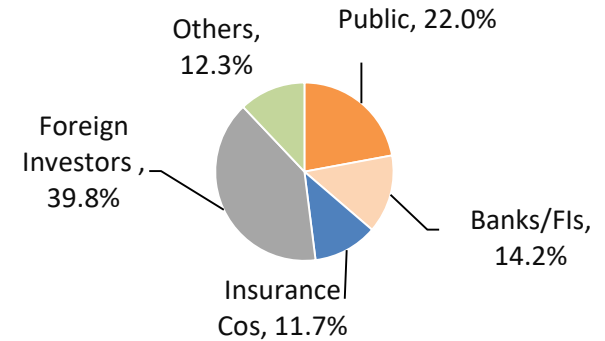
Resource profile is well diversified, with increasing share of bank loans

Outstanding borrowing (₹ Crs)

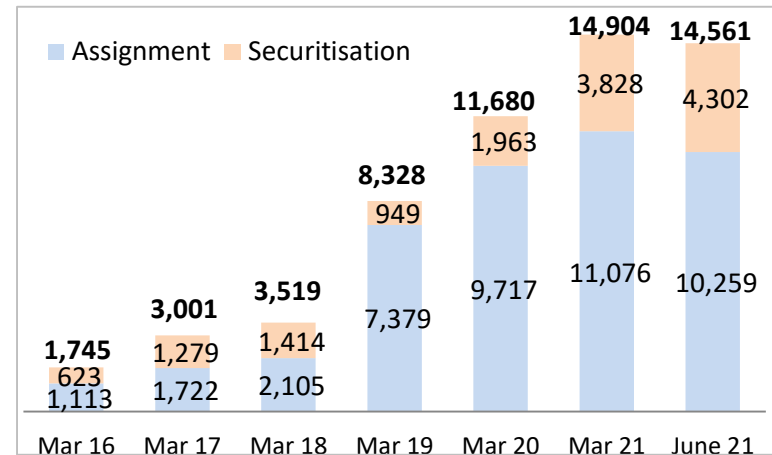
15,395	17,982	24,539	26,141	25,734	28,426	27,831
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Bonds/ NCDs investors split (%)



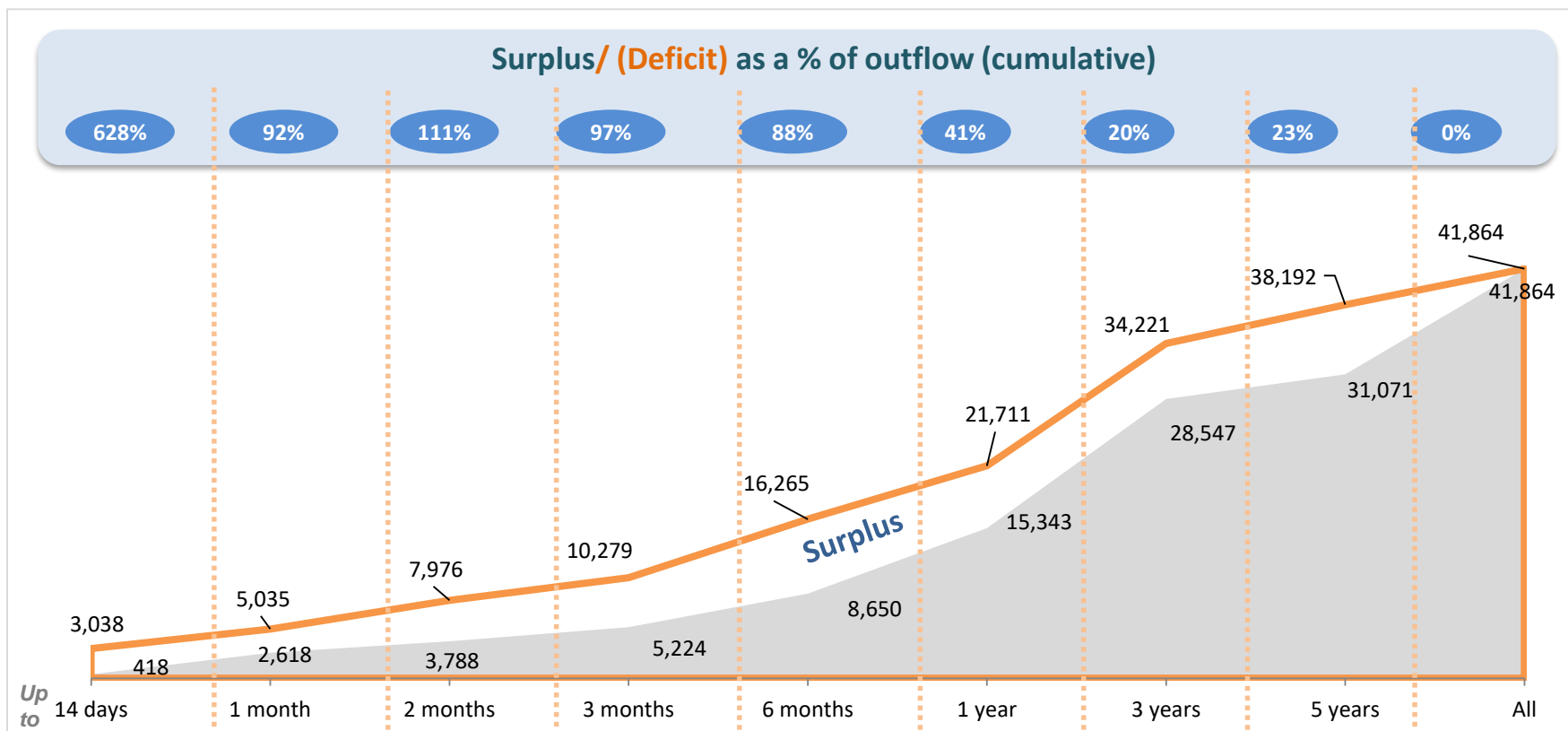
Outstanding assignment/securitisation (₹ Cr)





# Structural Liquidity- Surplus across all buckets

₹ in Crores

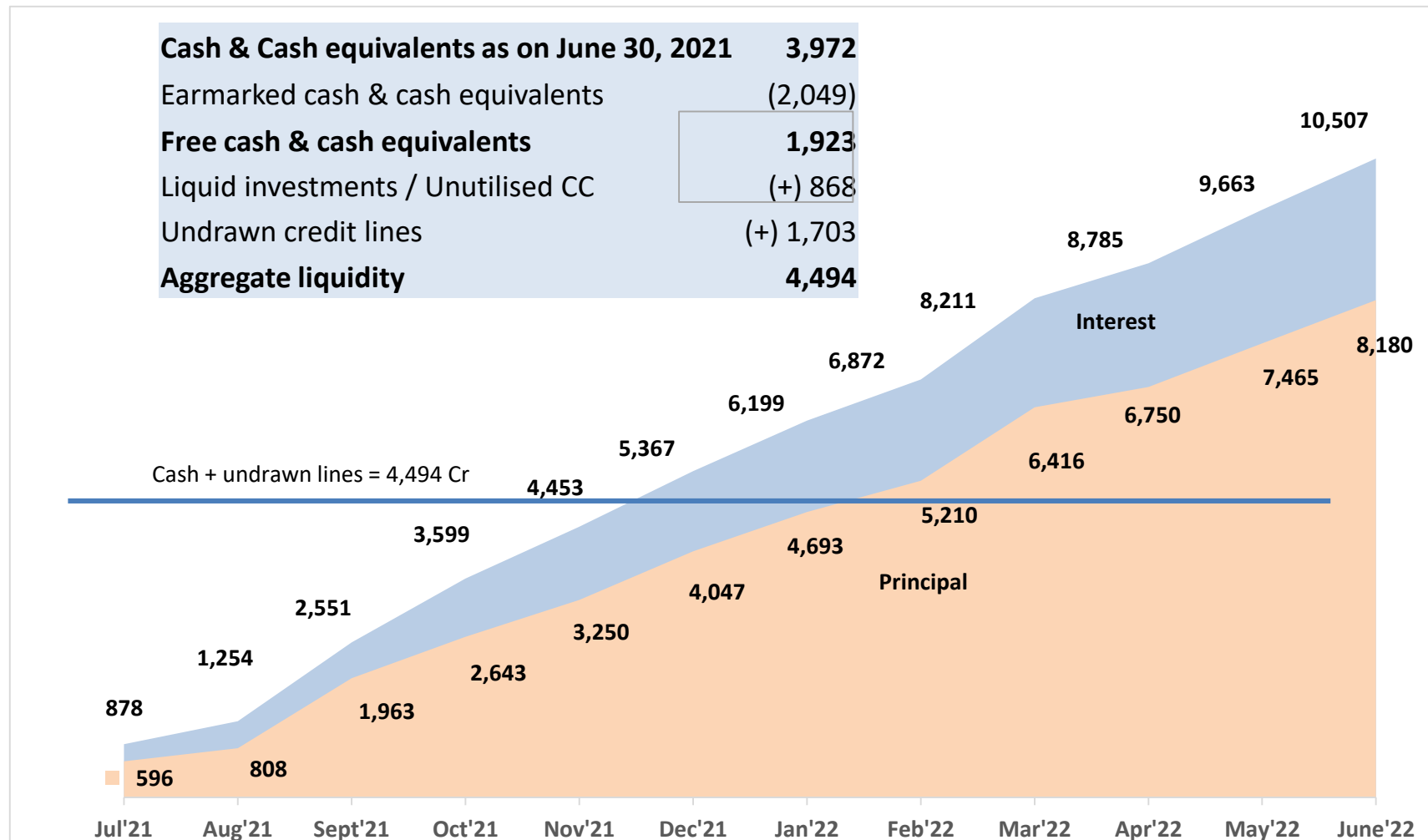


This ALM chart shows structural liquidity at consolidated level for IIFL Finance & its subsidiaries. This is prepared broadly based on RBI format, assuming static balance sheet position, not taking into account fresh disbursements. The inflows consider collection of only standard assets, excluding assigned assets as per IndAS, basis behavioral pattern applied conservatively. It takes only encumbrance free bank FDs and for outflows, operating expenses and liabilities.

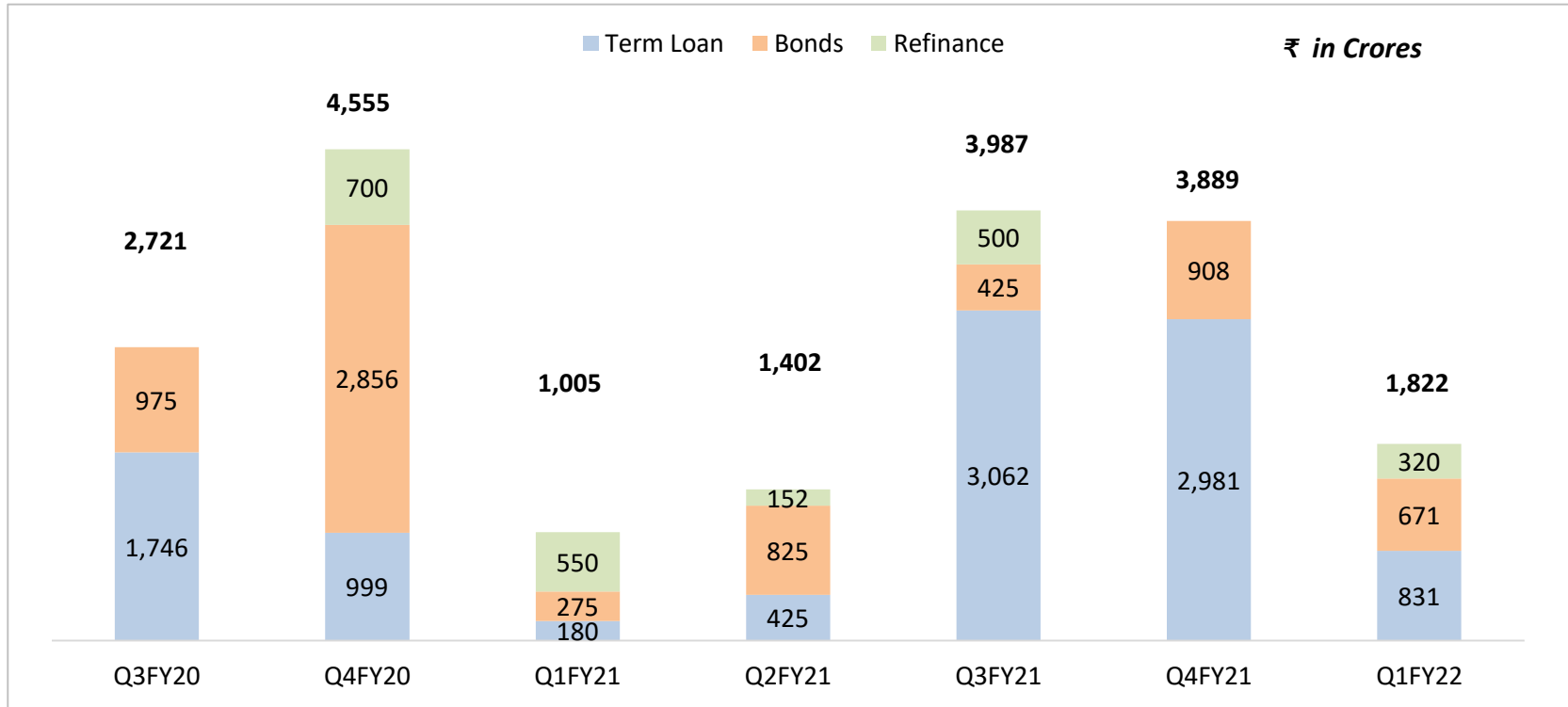
# Debt repayment obligation schedule, well covered

₹ in Crores

<b>Cash &amp; Cash equivalents as on June 30, 2021</b>	<b>3,972</b>
Earmarked cash & cash equivalents	(2,049)
<b>Free cash &amp; cash equivalents</b>	<b>1,923</b>
Liquid investments / Unutilised CC	(+) 868
Undrawn credit lines	(+) 1,703
<b>Aggregate liquidity</b>	<b>4,494</b>



# Debt resource raising trend



## During the quarter:

- IIFL's long term credit rating from CRISIL **AA** (Outlook: Stable).
- IIFL raised ₹671 crores by way of long term secured bonds. Besides, the company raised ₹ 831 Cr through term loans and securitized/ assigned loans of ₹ 1,804 Cr in Q1FY22

## 1. Q1FY22 Financial performance

i. Key highlights

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v. Non-core (CRE & Capital market)

## 3. Corporate, Digital strategy & ESG updates



- Rising demand for housing in tier-II-III cities is expected to result into surge in construction which will increase the focus of financiers on urban areas.

- Rise in GDP per capita ('000), from 72 in FY12 to 152 in FY20, majorly contributed by private final consumption expenditure indicates growth in housing affordability of the people

Indian Mortgage market is expected to be INR 36.9 Trillion by Mar 2023<sup>1</sup>



Mortgage Market In India (Dec 20)

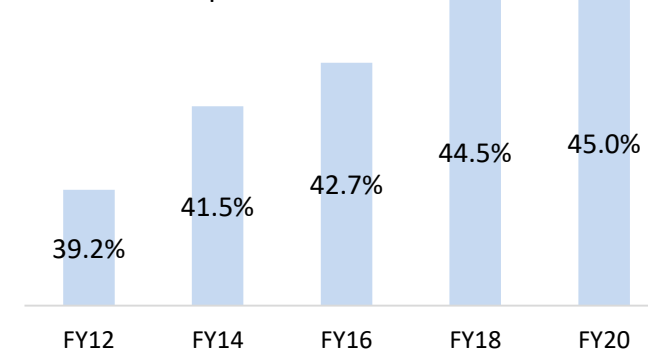


Total Loans of HFCs (Dec 20)

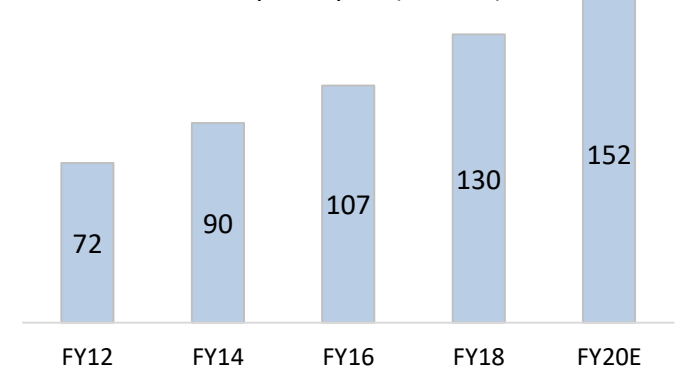
Affordable HFC Growth - 8% (From March 20 till Dec 20)

## Growth drivers<sup>2</sup>

Rise in finance penetration in urban areas



Rise in GDP per capita (Rs.'000)

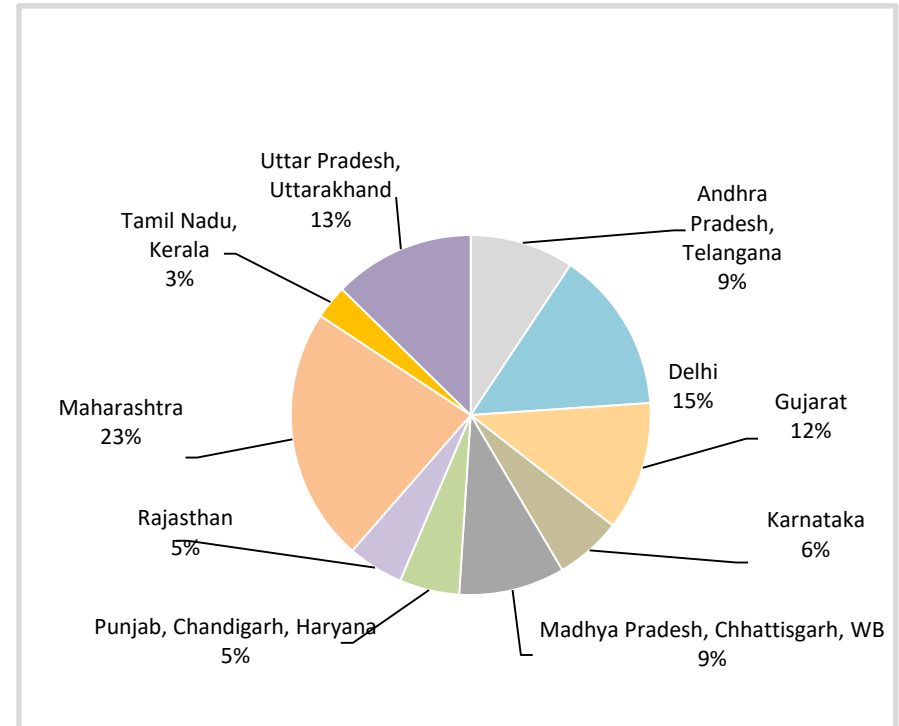


<sup>1</sup>Source : ICRA Indian Mortgage Finance Market update for Aug 20 and for March 21

<sup>2</sup>Source: CRISIL NBFC Report 2020 24

# Home loans – product overview

## Distribution of AUM as at June 30, 2021



- ✓ Primary focus on **affordable** and non-metro customers. 92% of home loans were disbursed to customers under PSL category
- ✓ Target segment is salaried and self-employed profile with focus is on first time home buyers
- ✓ Business strategy aligned with government mission of “Housing for All “ through **CLSS subsidy**. Benefit of ₹ 1,047+ Cr has been given to over 43,900+ customers
- ✓ **100% home loans** are on-boarded and decisioned through **digital platform** thereby reducing operating cost and credit cost,

**AUM**  
₹ 14,747 Crore

**Gross /Net NPA<sup>1</sup>**  
1.6% / 1.0%

**Onboarding Average Ticket Size**  
₹ 17 Lakhs

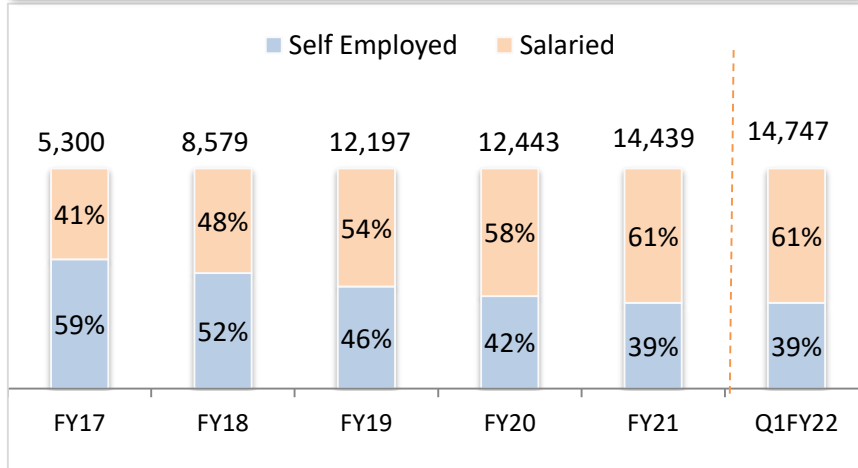
**LTV**  
72%

**Tenor up to 20 years**

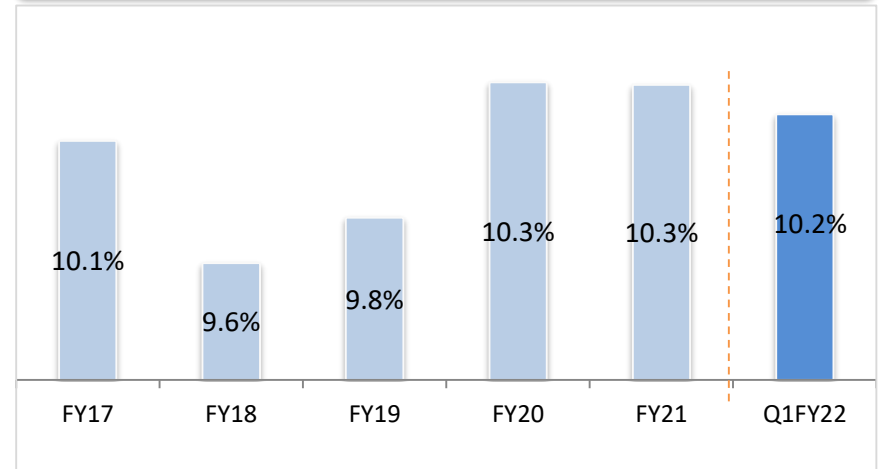
**99% Collection Efficiency (Jun 21)**

<sup>1</sup> Gross and net NPA are given on loan book. On AUM basis it is 1.4% / 0.9%

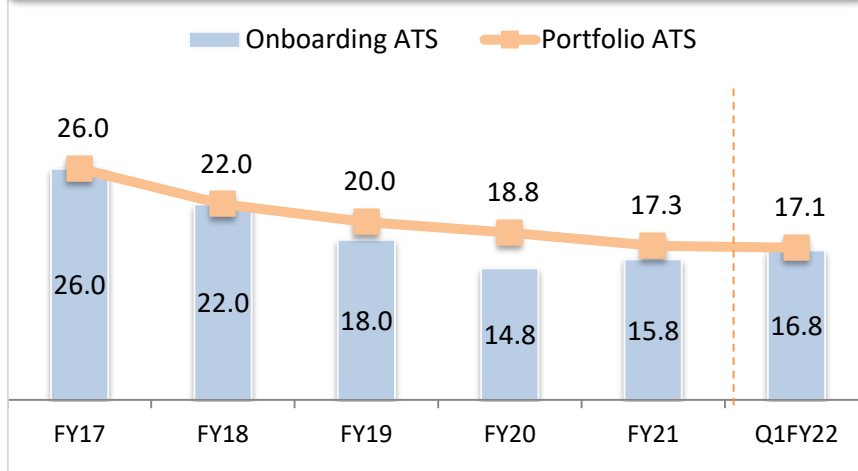
## Assets Under Management (₹ Crore)



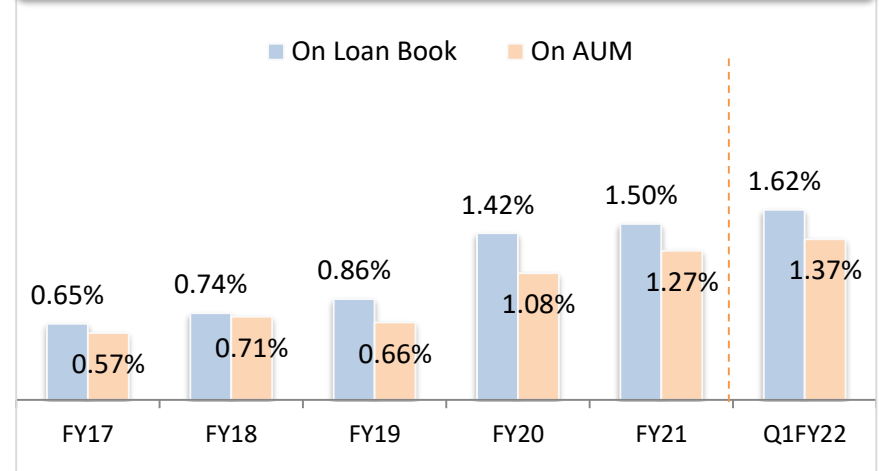
## Portfolio Yield (%)



## Average Ticket Size (₹ Lakhs)



## Gross NPAs (%)



## 1. Q1FY22 Financial performance

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## 2. Business segments review

i. Home loan

ii. Business loan

iii. Gold loan

iv. Microfinance

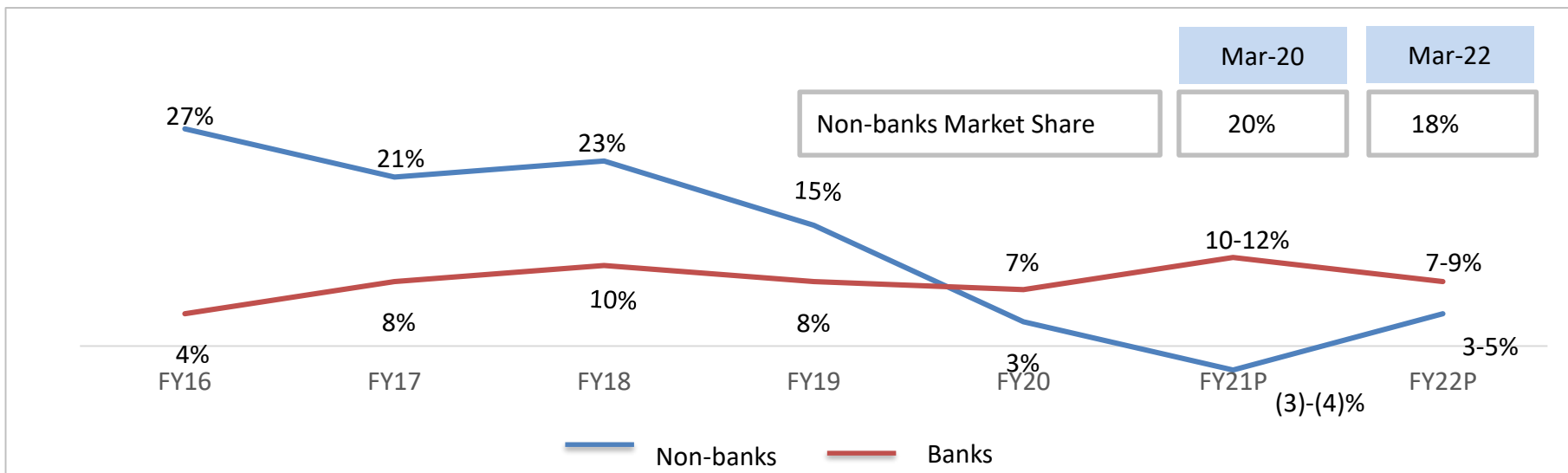
v. Non-core (CRE & Capital market)

## 3. Corporate, Digital strategy & ESG updates

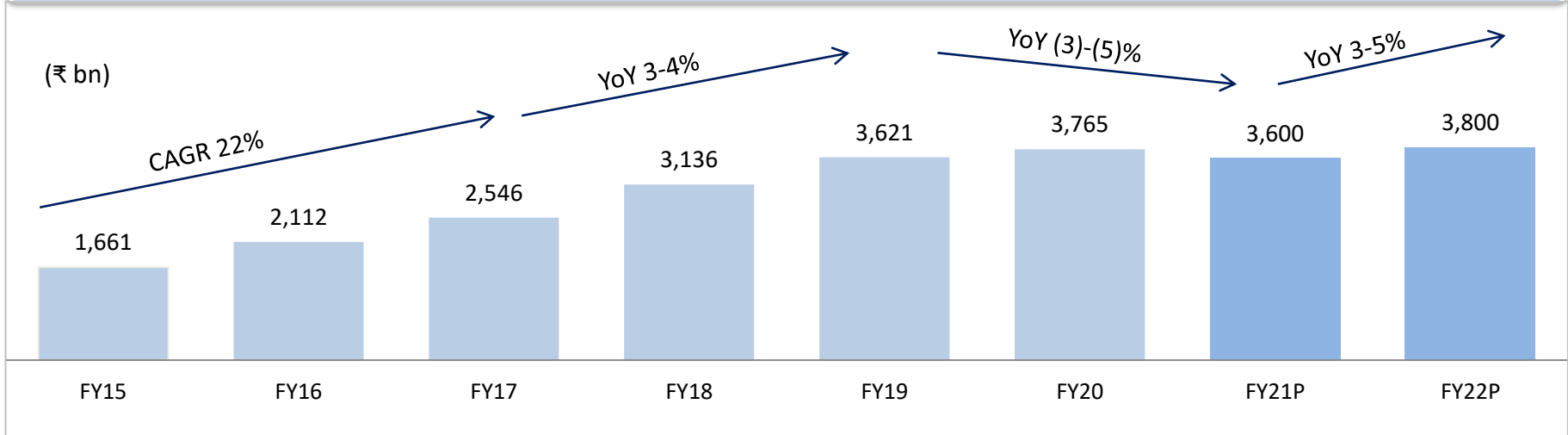


# Business loans – industry overview

Micro segment: Biggest beneficiary of fresh disburseals supported by ECLGS



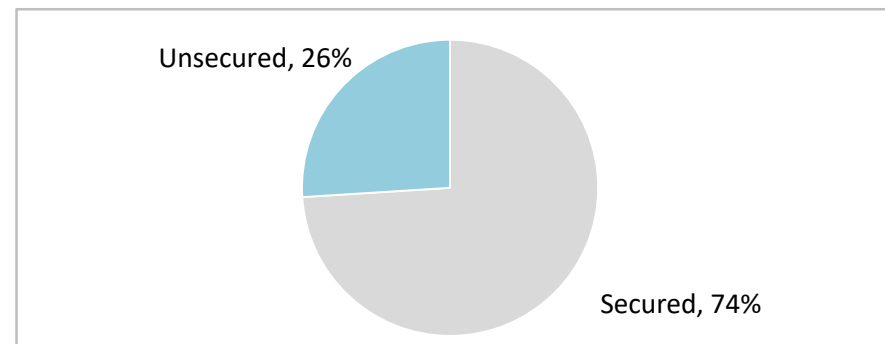
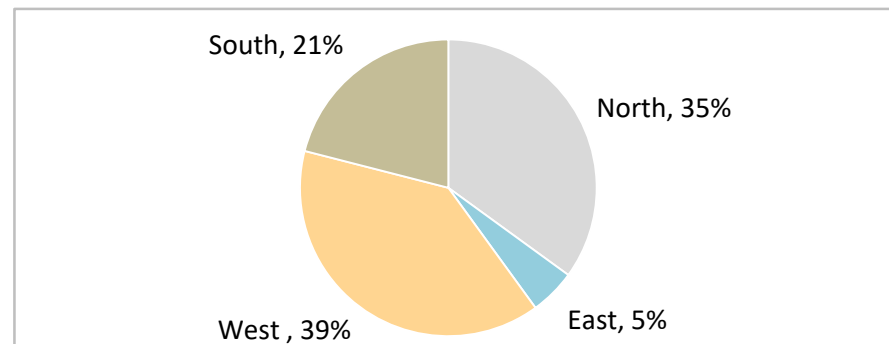
## Non-bank MSME credit to pick up gradually as the economy revives



# Business loans – product overview

- ✓ For business loans backed by cash flows
- ✓ 40% of unsecured unsecured MSME portfolio covered through CGTMSE guarantee scheme
- ✓ Focus on balancing prudent credit underwriting with instant in-principle decision and automated disbursements based on analytical scorecards
- ✓ Partnerships with leading fintech lenders focusing on both business and personal loans with appropriate risk sharing arrangements
- ✓ Average security cover of over 2x for secured loans. Nearly three fourths of Business Loan portfolio is secured.

## Distribution of AUM as at June 30, 2021



**AUM**  
₹ 7,114 Crore

**Gross/Net NPA**  
6.0% / 2.4%

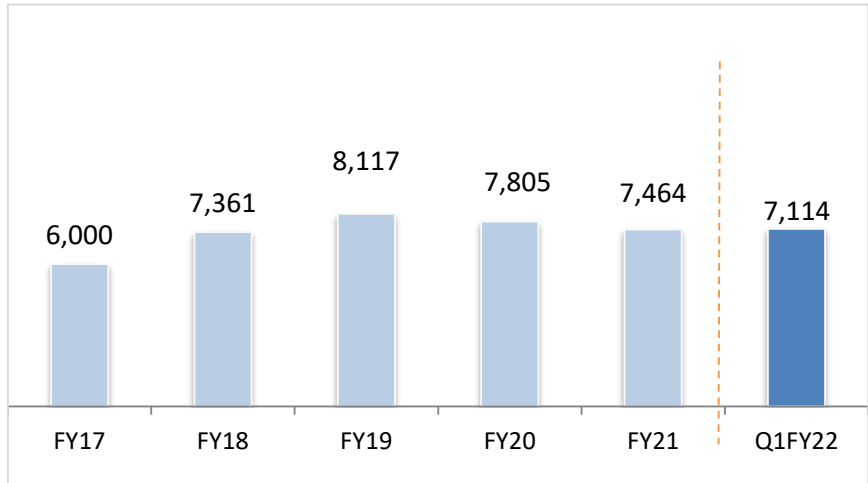
**On boarding ATS**  
Secured / Unsecured  
₹ 14 Lakh / ₹ 3 Lakhs

**Tenor**  
Secured / Unsecured  
Upto 12 years/ 3 years

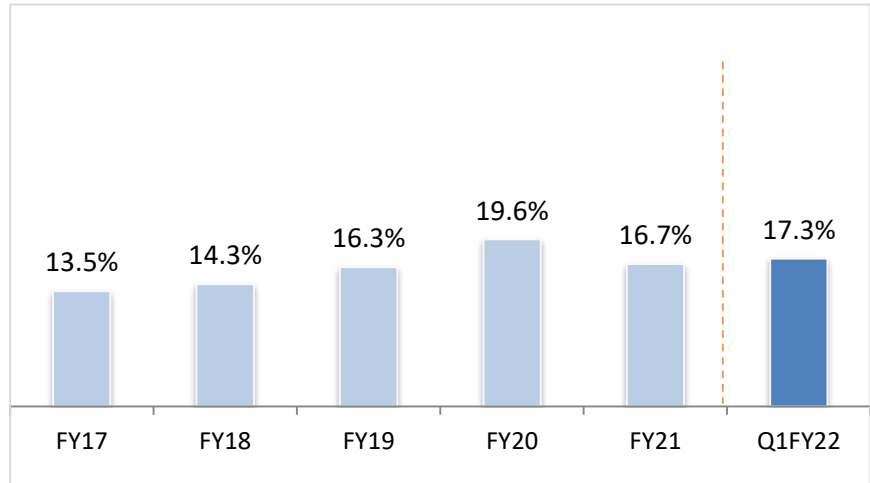
**89% Collection Efficiency**  
(Jun 21)

# Business loans – financial overview

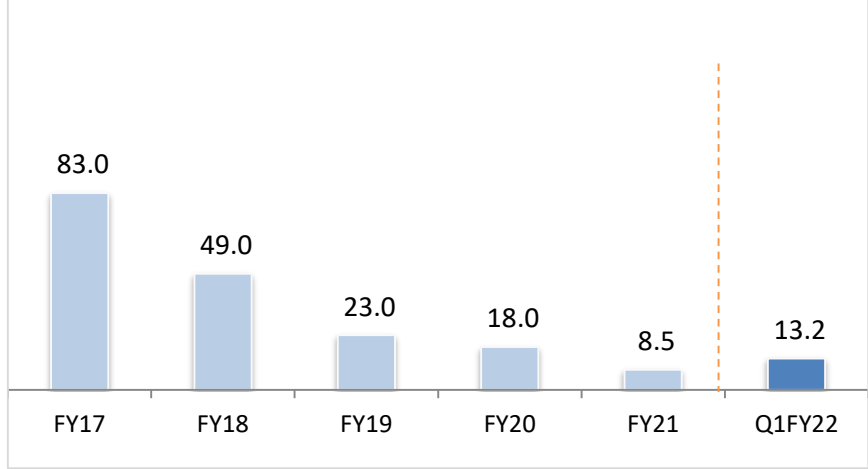
### Assets Under Management (₹ Crore)



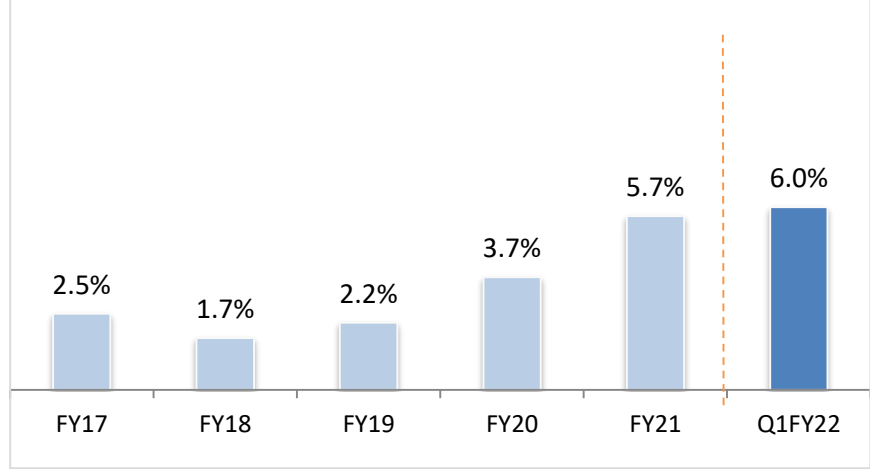
### Boarding Yield (%)



### Onboarding Average Ticket Size (₹ Lakhs)



### Gross NPAs (%)



## 1. Q1FY22 Financial performance

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i. Home loan

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iv. Microfinance

v. Non-core (CRE & Capital market)

## 3. Corporate, Digital strategy & ESG updates



**25,000 tonnes**  
of gold is held by Indian  
Households  
(**65% in Rural India**)



**47%**

of total gold globally is in the  
form of Jewellery



**1,97,576 tonnes**  
of gold mined world over  
since the beginning of  
civilisation (2019 estimate)

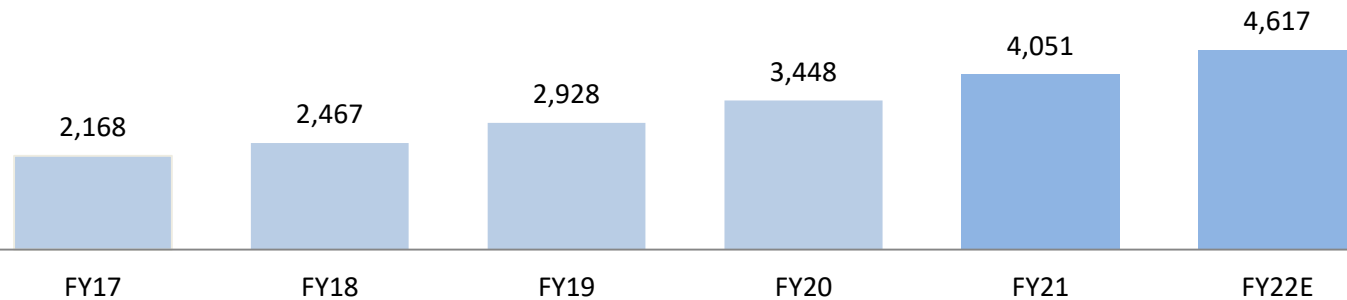


**35%**

of gold lending is done by the  
formal sector (up from 25%-  
30% a decade ago)<sup>1</sup>

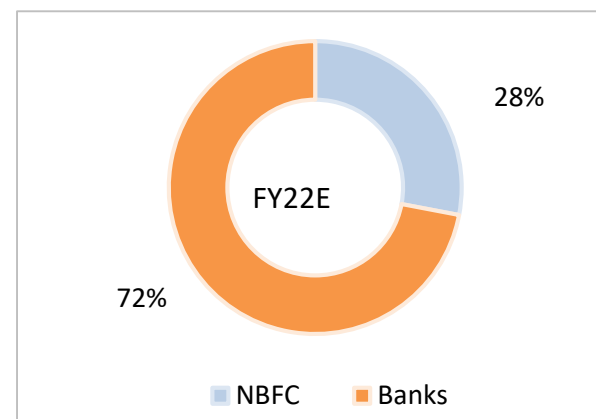
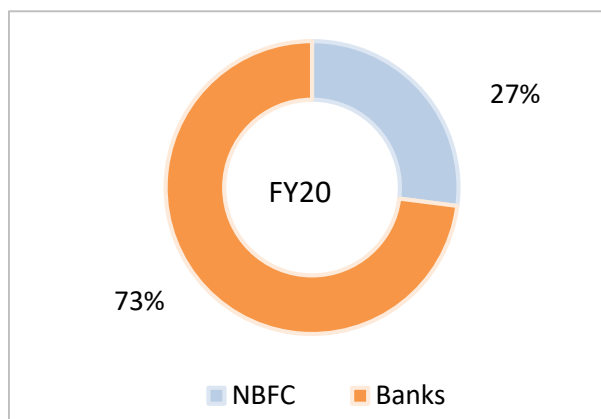
## Industry Gold Loans – Organized Market<sup>1</sup>

(₹ bn)



- Gold loans expected to growth at a higher rate amongst all asset classes

## NBFC Market Share in Gold Loans is expected to increase<sup>2</sup>

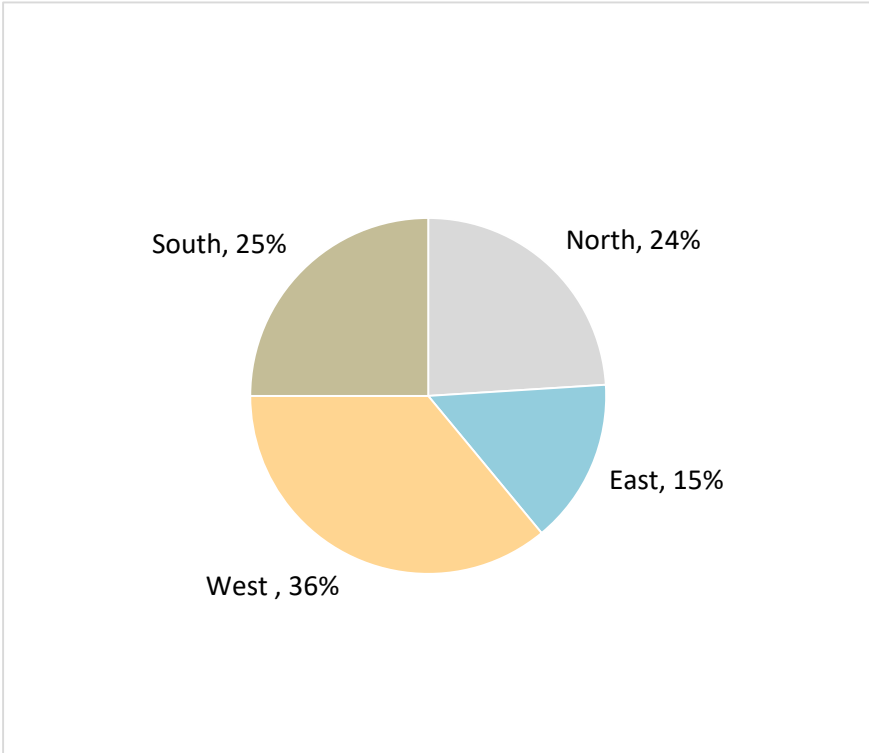


<sup>1</sup>Source: Asia Pacific Tactical Research, BofA Securities | 30 June 2021

<sup>2</sup>Source: World Gold Council, Crisil NBFC Report 2020

# Gold loans – product overview

Distribution of AUM as at June 30, 2021



- ✓ Branches in. more than 1000 towns/ cities
- ✓ Loan against gold ornaments for personal & business use with on-boarding LTV ~70%
- ✓ 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

**AUM**  
₹ 13,262 Crore

**Gross/Net NPA**  
0.9% / 0.7%

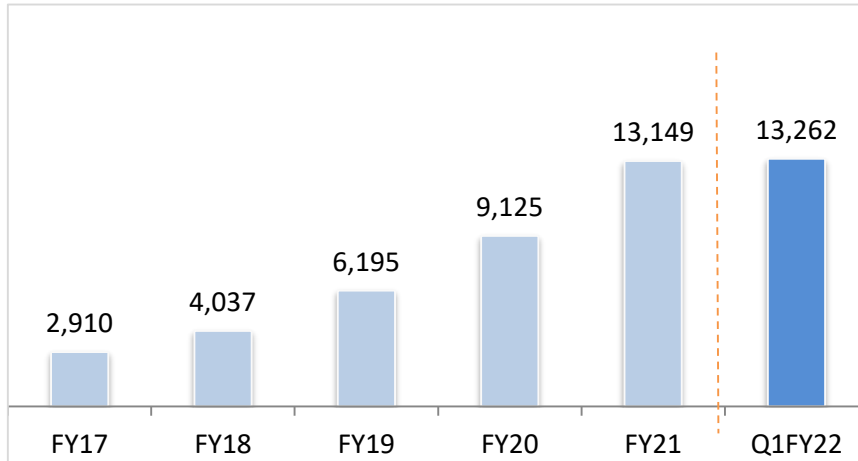
**Onboarding  
Average Ticket Size**  
₹ 0.6 Lakhs

**Tenor**  
upto 2 years

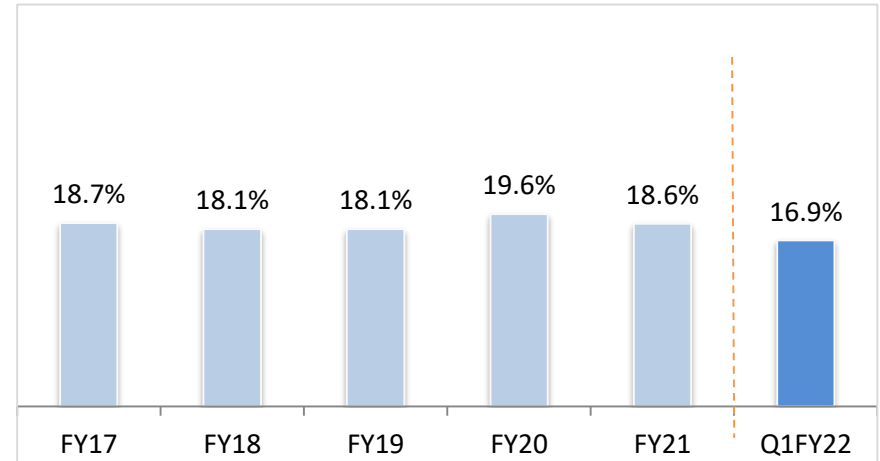
**110% Collection Efficiency**  
(Jun 21)

# Gold loans – financial overview

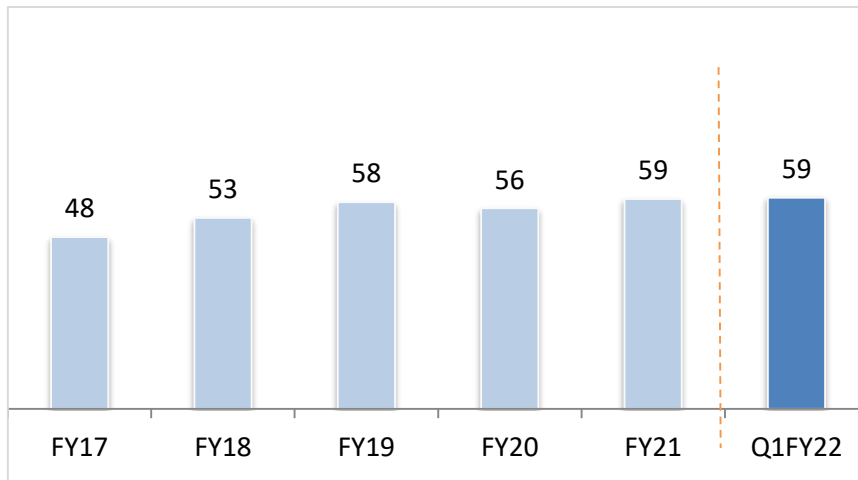
### Assets Under Management (₹ Crore)



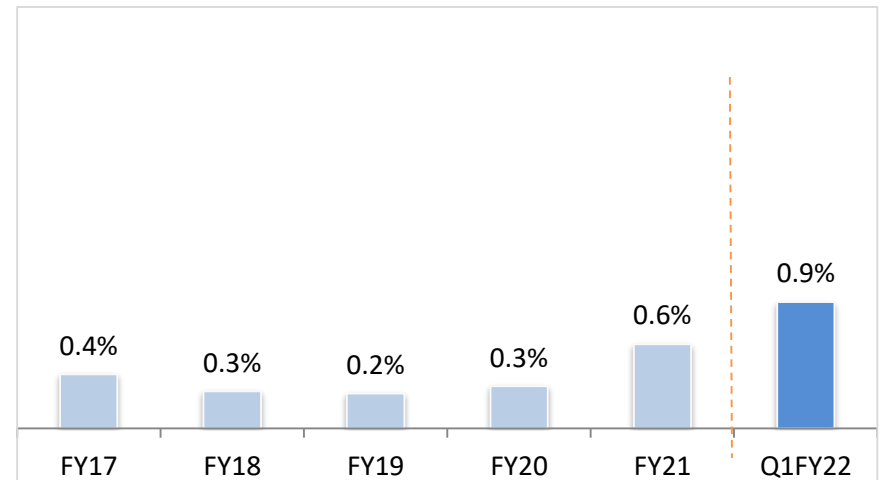
### Boarding Yield (%)



### Onboarding Average Ticket Size (₹ '000s)



### Gross NPAs (%)



## 1. Q1FY22 Financial performance

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## 2. Business segments review

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iv. Microfinance

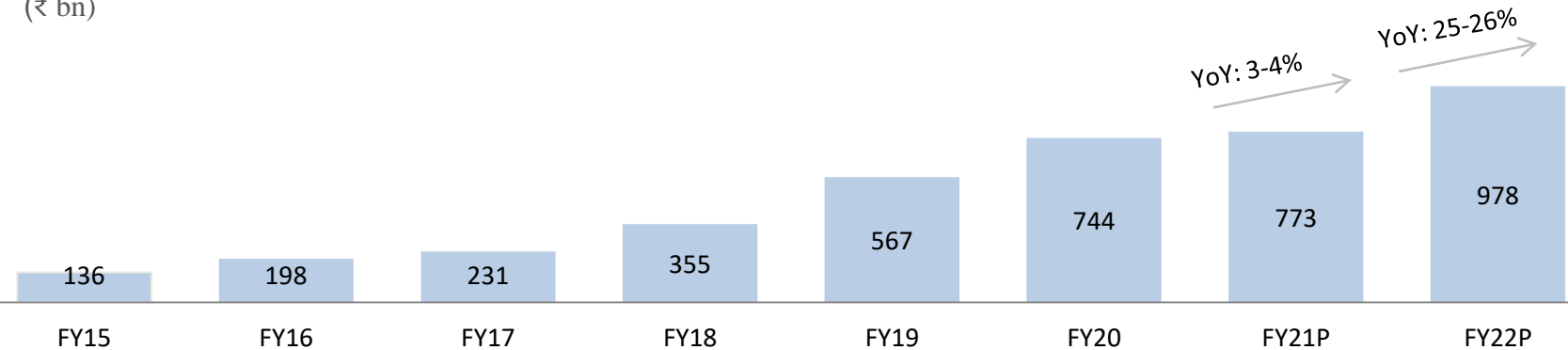
v. Non-core (CRE & Capital market)

## 3. Corporate, Digital strategy & ESG updates



## Overall MFI to grow by 25-26% in FY22

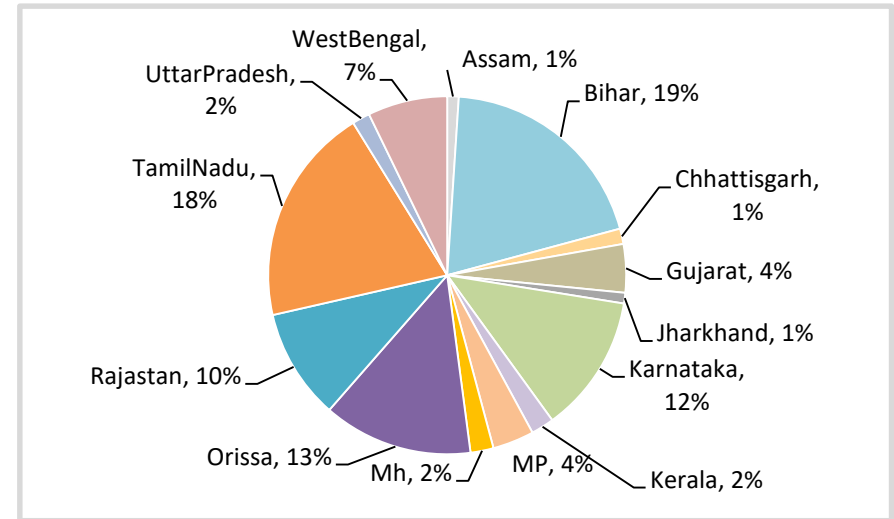
(₹ bn)



1. Growth for the FY22 is projected at 25-26%
2. Microfinance borrowers highly depend on the source of credit for their daily livelihood, they have started making payment thus increasing the overall collection efficiency.
3. Collection efficiency post December 2020 is expected to be > 90%

# Microfinance – product overview

## Distribution of AUM as at June 30, 2021



- ✓ Small-ticket loans for purpose of income generation activities
- ✓ Target segment is rural and semi-urban self-employed women in joint liability groups
- ✓ Extensive presence in 17 states, 259 districts
- ✓ Strong emphasis on training and awareness of all customers detailing end use of funds, timely repayment and emphasis on joint liability

### AUM

₹ 4,386 Crore

### Gross/Net NPAs

2.0% / 0.0%

### States

17

### Total Customers

16.1 Lakh

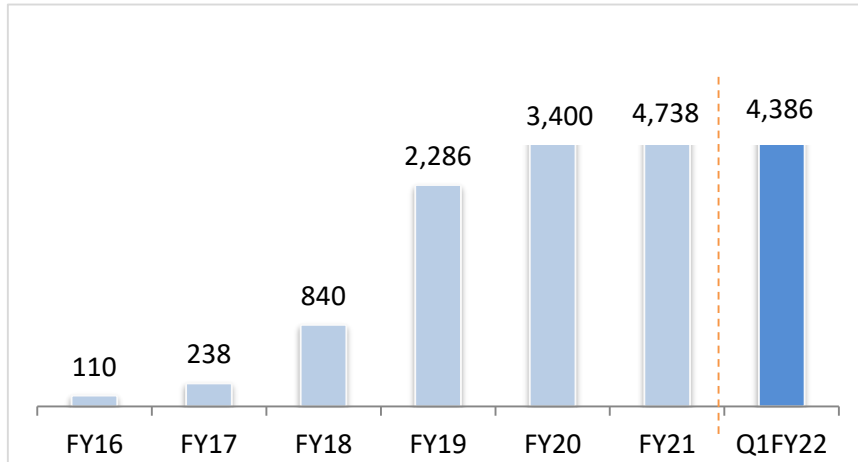
### Tenor

~2 years

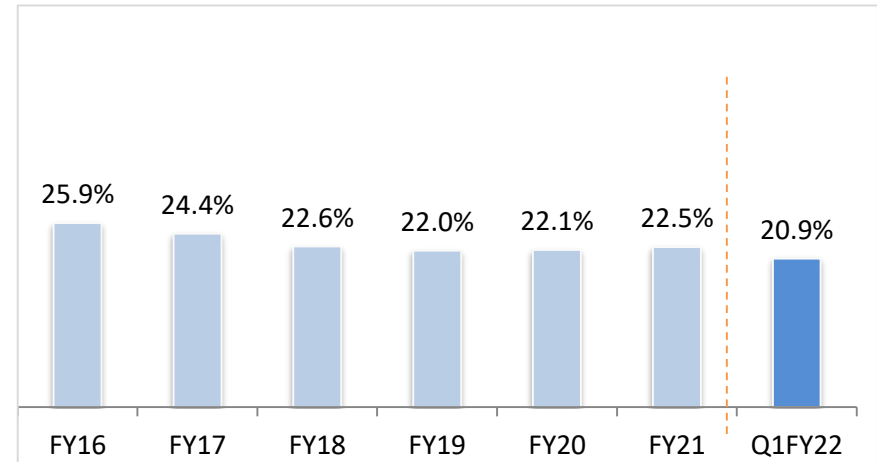
80% Collection Efficiency  
(Jun 21)

# Microfinance – financial overview

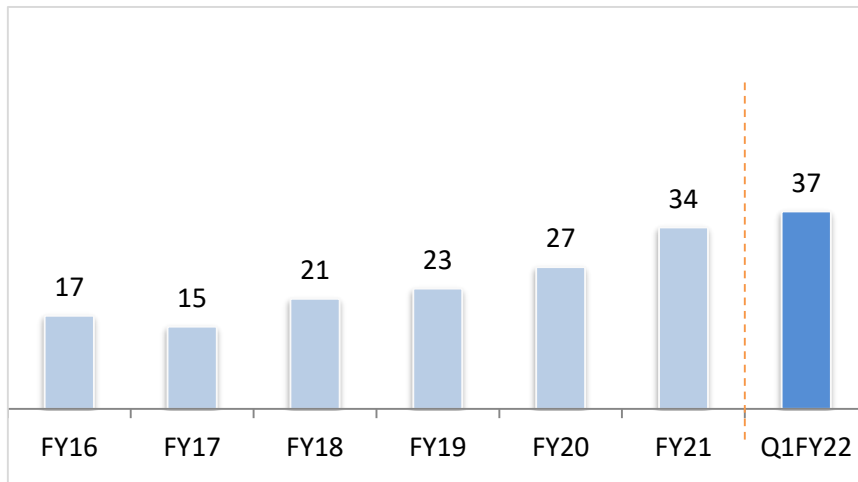
**Assets Under Management (₹ Crore)**



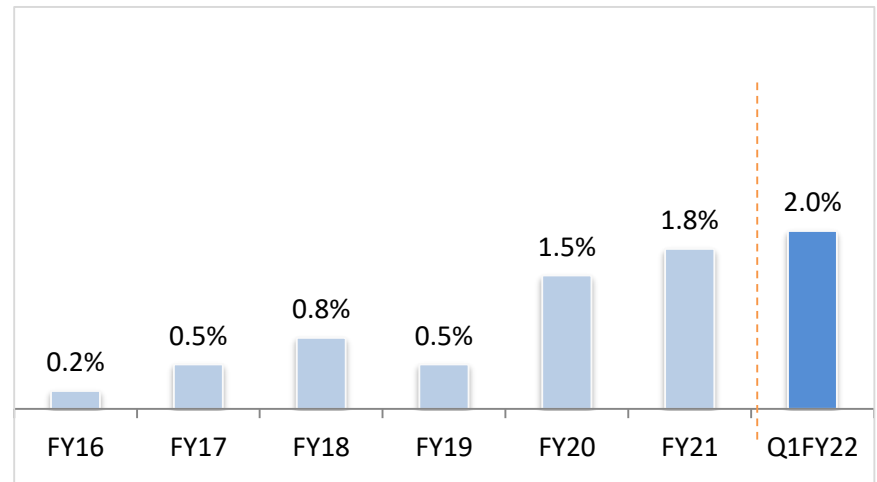
**Boarding Yield (%)**



**Onboarding Average Ticket Size (₹ '000s)**



**Gross NPAs (%)**



## 1. Q1FY22 Financial performance

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## 3. Corporate, Digital strategy & ESG updates

# Non- core synergistic products

## Construction & real estate financing; Capital market

- The Company's growth thrust is on small ticket retail lending products- suitable for partnering with banks. The two non core products are not pursued to leverage group synergies.

### 1. Construction & real estate (CRE)

- Financing developers for construction is of wholesale nature but is synergistic to our home loan business as it can help us get preferential access to home buyers looking for loans.
- While historically company built a varied real estate portfolio including high risk high yield assets, it has incrementally discontinued indiscriminate real estate finance. The future focus for this product will be only for construction of affordable or green residences, which dovetail into home loans to end users.
- A significant part of the CRE asset portfolio has been sold to an AIF in the last quarter. Some more assets are likely to be sold in the current quarter.

### 2. Capital market

- This product leverages customer base of the group company engaged in securities broking. While the portfolio is retail in nature but is considered non core as it is not suitable for bank partnership.

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## 3. Corporate, Digital strategy & ESG updates

## Customer On-Boarding Process

### Home Loan Application

Sales



Jhatpat Loans

Digital Business Partners

KYC

Income

Property Data

Fintech Integrations – Real Time Validated Data + Digital Document



Accurate Financial Eligibility Proposal

### Credit Underwriting

KYC + Income Checks

Field Investigations

Fraud Checks

Personal Discussions

Fintech Integrations

Property Checks

Legal

Technical



Sanction Decision

### Disbursal

Request for Disbursal

Digital Docket E-Sign

ENACH

Original Security Docs

Fintech Integrations

Disbursement Process

Non Discrepancy Checks

Ops Final Authorization

Loan Disbursed

## Customer Servicing Process

### Customer Applications



Mobile App



Web Portal



IVR System



Call Centre



Ticketing System

Automated resolution for high volume customer query categories.

### Collections

Collection Manager

Digital Receipts

Third Party tie ups for Collection Centres

Third Party Tie Ups for Collection payment channels

Real-time reconciliation of payments



Loan Origination System

Loan Origination System

# Secured business loans: Digital up selling for quality customer retention

A complete paperless journey with no human touch points

## Pool Selection

Identification of eligible pool through data analytics

## Digital Interface

Customer details fetched from Parent loan

₹282 Cr disbursed till June 2021

Launch Date  
01.01.2021

## Customer communication

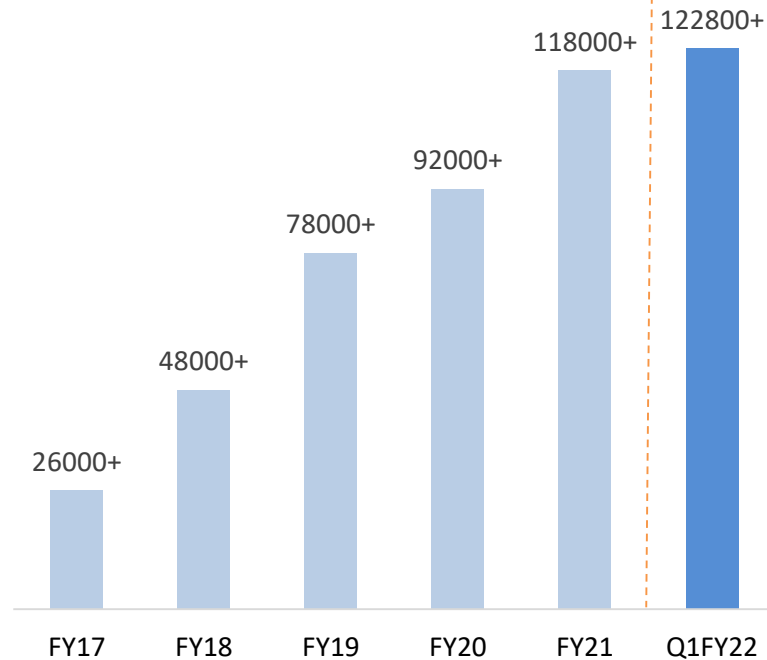
Link sent to eligible customers through SMS.  
Customer to click the link and accept the Sanction letter and E-agreement

## Auto Disbursal

Auto Disbursal with no manual intervention



## First time home buyers (Since inception)



Families benefitted under CLSS Subsidy provided (₹ Crore)

13150+

29800+

38300+

43000+

43900+

₹300+

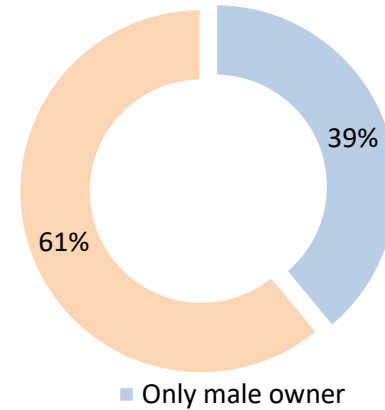
₹ 690+

₹ 900+

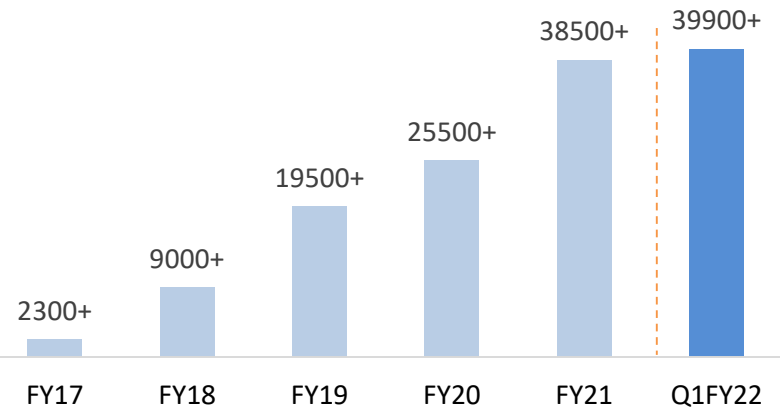
₹ 1026+

₹ 1047+

## Gender Equality



## Financial Inclusion (Loans given to informal segment)



Gold loans are essentially small-ticket business loans

**65%** of gold loan are of **less than ₹ 50,000 value**

**82%** of the branches are located in **tier II, III cities and rural areas**

**62%** of loans given to **small businesses**

**7%** of loans is for **agricultural purposes**

**Digital top-up, renewal and doorstep facility for convenience of borrowers**

**Instant hassle free loans ensure easy access to credit for underserved segments**

Microfinance loans are for income generating activities

**88%** of these benefited customers stay in the **rural area** of the country

**16.1 lakhs+** families benefited in **17 states** with financial intervention

**5,500+** dairy farmers supported through 9 cattle health centres in 4 States

Supports **self-employed women** in under-served rural areas

# Distinguished Board of Directors

## IIFL Finance – Board of Directors



**Nirmal Jain**, Chairman & Whole-time Director

- MBA from IIM Ahmedabad, rank-holder CA and ICWA.
- Worked with HUL for 5 years
- Founded and led IIFL since 1995



**R Venkataraman**, Managing Director

- MBA from IIM Bangalore, B-Tech from IIT Kharagpur
- Worked with ICICI Bank, Barclays, GE Capital
- Co-founder of IIFL



**Chandran R**, Non-Executive Director

- Managing Director, Hamblin Watsa Investment Counsel Ltd.
- Director & CEO, Fairfax India Holdings Corp.
- MBA from University of Toronto, B. E from IIT Madras



**V. K. Chopra**, Independent Director

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



**Nilesh Vikamsey**, Independent Director

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



**A K Purwar**, Independent Director

- Chairman of Tadas Wind Energy Private Limited & Eroute Technologies Private Limited
- Former Chairman, State Bank of India



**Geeta Mathur**, Independent Director

- Co-chair for the India Chapter of Women Corporate Directors Foundation
- Chartered Accountant with over 20 years of experience as a Finance professional



**Vibhore Sharma**, Independent Director

- Engineering & product leader with over 20 years of experience
- Amongst the earliest members of InfoEdge India

..supported by highly experienced senior management

**IIFL Finance**



**Rajesh Rajak**  
(Chief Financial Officer)



**Sanjeev Srivastava**  
(Chief Risk Officer)



**Sneha Patwardhan**  
(Compliance Officer)

**IIFL Home Finance**



**Monu Ratra**  
(Chief Executive Officer)



**Amit Gupta**  
(Chief Financial Officer)



**Abhishikta Munjal**  
(Chief Risk Officer)

**IIFL Samasta**



**N Venkatesh**  
(Chief Executive Officer)



**Anantha Kumar T**  
(Chief Financial Officer)



**Sabari Krishna**  
(Chief Risk Officer)

# Environment, Social and Governance (ESG) Initiatives

- As a responsible corporate, IIFL Finance aims to deliver sustainable growth through financial products and services that help satisfy unmet societal needs, enable a thriving society, conserve environment and create long-term value for all
- The Company has a dedicated ESG committee which meets quarterly to discuss a range of ESG issues that aim to drive the Company's values and impact
- Marquee investors CDC have representation at the ESG committee and they continue to guide us with their rich, global experience in driving ESG initiatives.

**Environmental protection and resource efficiency**



**Compliance to environmental and social safeguards**



**Community Health, Safety and Security**



**Operational principles of Board approved ESG policy**

**Good working conditions**



**Borrower Protection and Education**



**Adherence to Fair Practice Code**

# IIFL HFL contribution to Environment Sustainability- Green affordable housing impact by green value partners

- 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. The benefits of Green buildings are - with usage of sustainable raw materials, green buildings help protect biodiversity and ecosystem. It further allows reduced carbon footprint, cost efficient structures and better health of residents.



Total number of units funded by IIFL Home Loans (IGBC & GRIHA certified)

**4,600+**

**Target Impact Through Kutumb (March 2023):**

<b>200</b>	<b>~54,00,000</b>	<b>60,000</b>
RESIDENTIAL PROJECTS	SQUARE METERS	UNITS CERTIFIED

# Our continued support to employees and customers during COVID



Vaccinated employees for free/ reimbursed costs



Tie-ups with hospitals for employee vaccinations



COVID casualties' families taken care for health, education & living expenses



Used Corporate buffer in Group mediclaim to pay for claims, overshooting eligible limits



Paid leave for employees testing COVID positive for the entire duration



Rolled out Healthify Me App, 4 week Go-Fit challenge with Yoga & Fitness coaches.



# CSR projects continue amid covid with creative use of technology

## Sakhion ki Badi (Rajasthan)



- **Sakhion ki Baadi** is an initiative aimed at eradication of female illiteracy from Rajasthan
- Learning centres has been set up for girls 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 Centres	Centres conducting online sessions	Children connected over online sessions
1164	483	5217

Since 2016, **32,971** children have been benefitted through this initiative



## Seva Kutirs – Mid Day Meal

- Conducted Mid Day Meal programme to serve Nutritional meal to children who were affected due to COVID pandemic
- Supported provision for healthy meals, both Lunch and Dinner to children, at 5 such villages in Madhya Pradesh.



## Android Tablets to promote Digital Learning

**150** Android based tablets donated by IIFL Foundation to students of class 9th to 12th in Govt schools of rural areas of Rajasthan .

The android based tablets are equipped with the 'Diksha App', offering learning material developed by Ministry of Education (Govt. of India) that can be accessed offline as well. The devices shall be used by students as a shared resource.

**Thank you**

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