



April 28, 2022

<p>The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001. BSE Scrip Code: 532636</p>	<p>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</p>
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**Sub: Press Release and presentation on Audited Financial Results for the quarter and year ended March 31, 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 Audited Financial Results of the Company for the quarter and year ended March 31, 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 the same 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  
2, Shenton Way, #02-02, SGX Centre 1,  
Singapore - 068 804

IIFL Finance Limited

CIN No.: L67100MH1995PLC093797

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**IIFL Finance Limited**
**Press Release**
**For immediate publication**
**Mumbai, India**
**April 28, 2022**
**IIFL Finance Results update**
**IIFL Finance FY22 profits at Rs.1,188 crores, up 56% y-o-y, and Q4FY22 profits at Rs. 321 crores, up 30% y-o-y**
**Highlights of performance**

**Healthy rise in net profit** for FY22 at Rs 1,188 Cr, up 56% y-o-y; and for Q4FY22 at ₹321 Cr, up 30% y-o-y

**Strong loan asset growth** of 15% y-o-y to ₹51,210 Cr, despite Covid interruptions during the year, was contributed by core products of home loan, gold loan and microfinance loan.

**Liquidity** (free cash, equivalent and undrawn lines) at Rs 9,499 Cr, is adequate to meet near term obligations as well as planned growth in loan book.

**Digital initiative** gained impressive traction with DIY loan disbursement doubling QoQ for MSME loans to Rs 265 Cr and **100%** of home loan processing becoming paperless.

**RoE stood at 20.6% p.a** for FY22, despite huge investment in expansion, driven by improved productivity of operating and financial assets.

**IIFL Finance Limited Consolidated Results – FY22**

Rs Crore	Year ended March 31, 2022	Year ended March 31, 2021	Y-O-Y
Total Income (Net)*	3,938.2	3190.8	23%
Pre-provision operating profit*	2,346.4	2001.8	17%
Profit before tax	1,536.0	1004.8	53%
Profit after tax	1,188.2	760.8	56%
TCI (Pre-minority)	1,197.5	736.5	63%
Earnings per share (EPS)	31.4	20.1	56%
Loan AUM	51,210	44,688	15%

## IIFL Finance Limited Consolidated Results Quarterly – Q4FY22

Rs Crore	Quarter ended March 31, 2022	Quarter ended March 31, 2021	Y-O-Y	Quarter ended December 31, 2021	Q-O-Q
Total Income (Net)*	1,138.4	904.3	26%	1,032.0	10%
Pre-provision operating profit*	670.0	586.7	14%	611.3	10%
Profit before tax	419.6	320.6	31%	394.3	6%
Profit after tax	321.0	247.8	30%	309.9	4%
TCI (Pre-minority)	338.2	269.8	25%	320.1	6%
Earnings per share (EPS)	8.5	6.5	29%	8.2	4%
Loan AUM	51,210	44,688	15%	46,780	9%

\*excluding Fair value changes

**Mr Nirmal Jain, Managing Director, IIFL Finance Ltd.**, commented on the financial results: “FY22 was a watershed year for us as we made big strides in our physical branch network as well as in expansion of digital footprint. We are pleased to report sustained healthy profit growth. Our return on equity of above 20% p.a. is amongst the best in the industry. We are looking at major digital transformation with focus on digital DIY loans. We have invested aggressively in branch network, people and technology in FY22, paving the way for accelerated growth in next 2-3 years.”

### Financial performance review

IIFL Finance had loan assets under management (loan AUM) of Rs 51,210 Cr as at March 31, 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 Q4FY22 stood at 21.1% and 2.9% respectively. Core pre-provision operating profit stood at Rs. 670.0 Cr. during the quarter. Average borrowing costs for the quarter declined 14 bps q-o-q and 28 bps y-o-y to 8.6%.

94% of our loans are retail in nature and 69% of our retail loans (excluding gold loans which are not classified as PSL loans) are PSL compliant. The assigned loan book, currently at Rs 14,298 Cr, is 28% of AUM. Besides, there are securitized assets of Rs 2,397 Cr. Apart from securitization and assignment, we have colending book of Rs 2,845 Cr. There exists significant opportunity for further assignment, securitization and colending, given our granular and retail book.

GNPA stood at 3.2% and NNPA stood at 1.8%, as at March 31, 2022. This includes the impact of RBI notification dated 12<sup>th</sup> November, 2021. With implementation of Expected Credit Loss under Ind AS, provision coverage on NPAs stands at 123%.

Total CAR stood at 23.9% including Tier I capital of 16.0% as at March 31, 2022, as against minimum regulatory requirement of 15% and 10% respectively

The total presence of branches stood at 3,296 as at the end of quarter, spanning the length and breadth of the country.

## Business segment review

**Home Loans:** At the end of the quarter, retail home loan assets grew by 23% y-o-y and 7% q-o-q to Rs 17,727 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 March 31, 2022 the gold loans AUM grew to Rs. 16,228 Cr, showing a strong growth of 23% y-o-y and 11% q-o-q. Gold loans are provided through our widespread presence in 1,260+ cities across 22 states to salaried, self-employed and MSME customer segments.

**Microfinance:** The microfinance loan AUM stood at Rs. 6,155 Cr, up 30% y-o-y and 22% q-o-q, as at March 31, 2022. The microfinance customer base stood at 17.5 lakh customers.

**Business loans:** Secured business loans grew by 4% y-o-y to Rs. 5,675 Cr. whereas unsecured business loans de-grew by 7% y-o-y to Rs. 1,884 Cr.

## Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 9,499 Cr were available as on March 31, 2022. During the quarter, we raised Rs 5,954 Cr through term loans, bonds and refinance. Loans of Rs 4,284 Cr were securitized and assigned during the quarter. Additionally, during the quarter, IIFL Finance successfully raised Rs. 1,464 Cr via refinancing, out of which Rs. 1,200 Cr was from NABARD.

## IIFL Finance bought back US\$50 million overseas bonds

During the quarter, the company bought back US\$50 million worth of bonds. The Company had raised US\$400 million through its maiden overseas bonds issue in February 2020 at an effective issue price of \$998.75 per \$1000 of face value, to fund its business growth. Bonds of \$376 million were outstanding as on March 31, 2021. During FY22 the Company had bought back bonds of US\$52.3 million including \$50 million at par through an open tender offer in March 21, 2022. The buyback was funded by corresponding ECB loan of maturity not less than the maturity of the bonds bought back, in line with RBI regulations. This will reduce cost of funds by approximately 225 basis points on this transaction. After these buybacks, bonds of US\$323.7 million remain outstanding as on March 31, 2022.

## Raised US\$ 68 Million from Asian Development Bank

IIFL Home Finance Limited has raised US\$68 million by issue of NCDs to 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.

## Awards and Accolades:

- IIFL Finance received 'The Most Preferred Brand Award for Sustained Brilliance in Brand Building' at Marksmen Daily Awards.
- IIFL Finance's 'Gold Loan at Home' product received 'Customer Services Excellence Award' at the World BFSI Congress
- IIFL Finance's 'WhatsApp Loan' product received 'Best Use of Mobile Technology in Financial Services' award at the World BFSI Congress
- IIFL Finance was certified as 'Great Place to Work' for the fourth year in a row

## About IIFL

IIFL Group is one of the leading players in the Indian financial services space. Prior to the Composite Scheme of Arrangement (effective May 2019), IIFL Finance Limited (Erstwhile “IIFL Holdings Limited”) (Bloomberg Code: IIFL IN, NSE: IIFL, BSE: IIFL) was engaged in the business of financing, asset and wealth management, retail and institutional broking, financial products distribution and investment banking through its various subsidiaries.

IIFL Finance Ltd is one of the leading retail focused diversified NBFC in India, engaged in the business of loans and mortgages along with its subsidiaries - IIFL Home Finance Limited and IIFL Samasta Finance Limited. IIFL Finance, through its subsidiaries, offers a wide spectrum of products such as Home loan, Gold loan, Business loan, Microfinance, Capital Market finance and Developer & Construction finance to a vast customer base of over 8 million customers. IIFL Finance has widened its pan-India reach through extensive network of branches spread across the country and various digital channels.

IIFL Securities Limited is one of the largest independent full-service retail and institutional broking house along with being a leading investment advisory firm in India providing diversified financial services and products to corporate, institutional investors, foreign portfolio investors, mutual funds, insurance companies, alternative investment funds, trusts, high net worth individuals and retail clients.

IIFL Wealth is one of the fastest growing private wealth management firms in India with an AUM 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 and year ended March 31, 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 and year ended March 31, 2022 (Q4FY22 & FY22)**

**Bloomberg: IIFL IN**

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**IIFL Finance Limited**

**April 28, 2022**

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## Key highlights of FY22 and Q4FY22 performance

**FY22 PAT ₹1,188 Crore (up 56% yoy); RoE at 20.6%**



### Phygital (physical + digital) strategy to the fore

**Physical network** in FY22 grew by over 40%, with 731 new branches & 8500 more people, causing QoQ operating cost rise of ~₹50 Cr, but paving the way for accelerated growth in future.

**Digital initiatives** gained impressive traction with DIY loan disbursement doubling QoQ for MSME loans to ₹265 Cr and 100% of home loan processing becoming paperless.

**Healthy rise in net profit** for FY22 by 56% y-o-y to ₹1,188 Cr; despite investment in capacity expansion. RoE for the year was above 20%.

**Strong loan asset growth** of 15% y-o-y to ₹51,210 Cr., despite Covid interruptions during the year, was contributed by core products of home loan, gold loan and microfinance loan.

**Liquidity** (free cash, equivalent and undrawn lines) at ₹9,499 Cr, is adequate to meet near term obligations as well as planned growth in loan book.

**Asset quality** has improved QoQ but with impact of RBI circular November 12, 2021; reported GNPA and NNPA stood at 3.2% & 1.8%.

Loan AUM: ₹51,210 Cr

ROE: 20.6%

ROA: 2.7%

Net Profit: ₹1,188 Cr

Cost of funds: 8.6%

Pre-provision profit:  
₹2,346 Cr

Cost to Income: 40%

Capital Adequacy: 23.9%

Provision Coverage: 123%



## Q4FY22 and full year FY22 Results (Consolidated)

*FY22 net profit up 56% yoy, income up 23% yoy*



₹ Cr	Q4FY22	Q4FY21	Y-o-Y	Q3FY22	Q-o-Q	FY22	FY21	Y-o-Y
Interest income	1,423.4	1,264.4	13%	1,412.0	1%	5,422.7	4,719.2	15%
Interest expense	(773.2)	(680.6)	14%	(772.8)	0%	(2,991.0)	(2,608.3)	15%
<b>Net interest income</b>	<b>650.2</b>	<b>583.8</b>	<b>11%</b>	<b>639.2</b>	<b>2%</b>	<b>2,431.7</b>	<b>2,110.9</b>	<b>15%</b>
Non-fund based income	488.3	320.5	52%	392.7	24%	1,506.5	1,079.9	40%
<b>Total income</b>	<b>1,138.4</b>	<b>904.3</b>	<b>26%</b>	<b>1,032.0</b>	<b>10%</b>	<b>3,938.2</b>	<b>3,190.8</b>	<b>23%</b>
Operating expense	(468.5)	(317.6)	48%	(420.7)	11%	(1,591.8)	(1,189.0)	34%
<b>Pre provision operating profit</b>	<b>670.0</b>	<b>586.7</b>	<b>14%</b>	<b>611.3</b>	<b>10%</b>	<b>2,346.4</b>	<b>2,001.8</b>	<b>17%</b>
Loan losses & provision	(256.4)	(329.9)	(22%)	(255.9)	0%	(887.5)	(1,168.6)	(24%)
<b>Core Profit before tax</b>	<b>413.6</b>	<b>256.8</b>	<b>61%</b>	<b>355.4</b>	<b>16%</b>	<b>1,458.9</b>	<b>833.2</b>	<b>75%</b>
Fair Value Changes	6.0	63.8	(91%)	38.9	(85%)	77.1	171.6	(55%)
<b>Profit before tax</b>	<b>419.6</b>	<b>320.6</b>	<b>31%</b>	<b>394.3</b>	<b>6%</b>	<b>1,536.0</b>	<b>1,004.8</b>	<b>53%</b>
<b>Profit after tax</b>	<b>321.0</b>	<b>247.8</b>	<b>30%</b>	<b>309.9</b>	<b>4%</b>	<b>1,188.2</b>	<b>760.8</b>	<b>56%</b>
<b>Total Comprehensive Income(TCI)</b>	<b>338.2</b>	<b>269.8</b>	<b>25%</b>	<b>320.1</b>	<b>6%</b>	<b>1,197.5</b>	<b>736.5</b>	<b>63%</b>
Book value per share (₹)	165.3	138.8		160.5		165.3	138.8	
Earnings per share (₹ not annualized)	8.5	6.5		8.2		31.4	20.1	

# Income Analysis (Consolidated)

*Non fund income covers almost entire operating cost*



₹ Cr	Q4FY22	Q4FY21	Y-o-Y	Q3FY22	Q-o-Q	FY22	FY21	Y-o-Y
Loan book using risk capital	31,670	29,784	6%	30,379	4%	31,670	29,784	6%
Securitized book	2,397	3,829	(37%)	3,191	(25%)	2,397	3,829	(37%)
<b>Loan Book (Ind AS Balance sheet)</b>	<b>34,067</b>	<b>33,612</b>	<b>1%</b>	<b>33,571</b>	<b>1%</b>	<b>34,067</b>	<b>33,612</b>	<b>1%</b>
Assigned assets	14,298	11,042	29%	12,365	16%	14,298	11,042	29%
Co-lending book	2,845	34	8170%	845	237%	2,845	34	8170%
<b>Assets under management</b>	<b>51,210</b>	<b>44,688</b>	<b>15%</b>	<b>46,780</b>	<b>9%</b>	<b>51,210</b>	<b>44,688</b>	<b>15%</b>
₹ Cr	Q4FY22	Q4FY21	Y-o-Y	Q3FY22	Q-o-Q	FY22	FY21	Y-o-Y
Interest income	1,423.4	1,264.4	13%	1,412.0	1%	5,422.7	4,719.2	15%
Interest expense	(773.2)	(680.6)	14%	(772.8)	0%	(2,991.0)	(2,608.3)	15%
<b>NII at IndAS balance sheet loan book (A)</b>	<b>650.2</b>	<b>583.8</b>	<b>11%</b>	<b>639.2</b>	<b>2%</b>	<b>2,431.7</b>	<b>2,110.9</b>	<b>15%</b>
Income from assigned assets	377.7	240.8	57%	310.2	22%	1,194.3	852.8	40%
Fee and commission income	110.6	79.7	39%	82.5	34%	312.2	227.1	37%
<b>Non-fund based income (B)</b>	<b>488.3</b>	<b>320.5</b>	<b>52%</b>	<b>392.7</b>	<b>24%</b>	<b>1,506.5</b>	<b>1,079.9</b>	<b>40%</b>
<b>Total Income (A)+(B)</b>	<b>1,138.4</b>	<b>904.3</b>	<b>26%</b>	<b>1,032.0</b>	<b>10%</b>	<b>3,938.2</b>	<b>3,190.8</b>	<b>23%</b>
<b>Fund Based: Non fund based ratio (%)</b>								
Fund based income	57%	65%		62%		62%	66%	
Non-fund based income	43%	35%		38%		38%	34%	

# Consolidated Balance Sheet as at March 31, 2022

Net Worth at ₹ 6,470 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	8,157	(a)	Payables	152
(b)	Receivables	199	(b)	Borrowings	
(c)	Loan Assets	33,693		- NCDs	10,407
(d)	Investments	1,192		- Others	25,319
(e)	Other financial assets	998	(c)	Other financial liabilities	3,346
	<b>Total Financial Assets (A)</b>	<b>44,239</b>		<b>Total Financial Liabilities (A)</b>	<b>39,294</b>
<b>2</b>	<b>Non-Financial Assets</b>		<b>2</b>	<b>Non-Financial Liabilities (B)</b>	<b>216</b>
(a)	Current & Deferred tax assets (Net)	520	<b>3</b>	<b>Net Worth</b>	
(b)	Property, Plant and Equipment etc.	781	(a)	Equity	76
(c)	Other non-financial assets	370	(b)	Reserves	6,394
	<b>Total Non-Finance Assets (B)</b>	<b>1,671</b>		<b>Net Worth (C)</b>	<b>6,470</b>
	<b>Total Assets (A)+(B)</b>	<b>45,910</b>		<b>Total Liabilities and Equity (A)+(B)+(C)</b>	<b>45,910</b>

## Key Ratios for FY22 and Q4 FY22

### *Income, return, asset & leverage ratios*

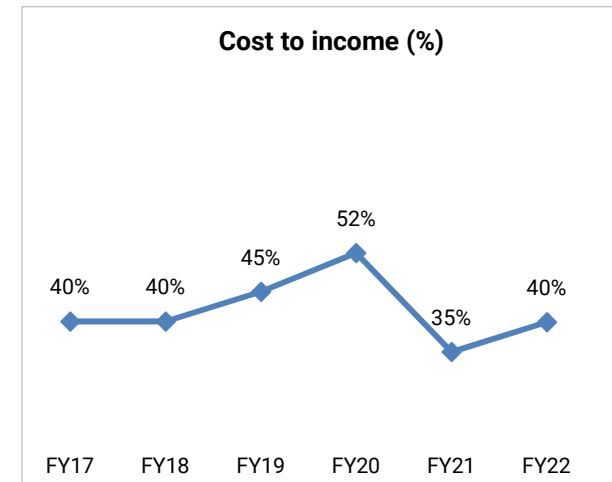
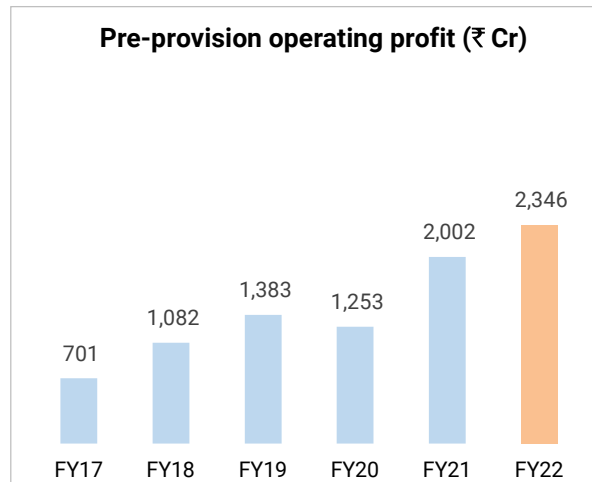
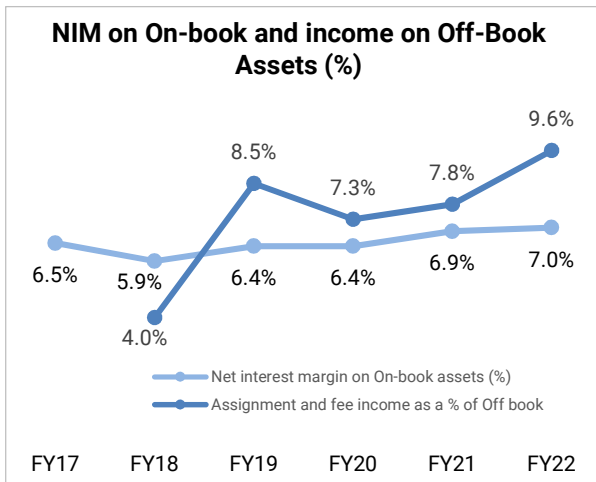
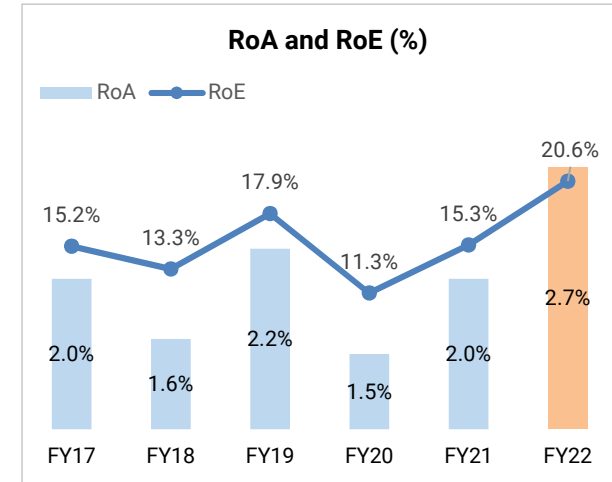
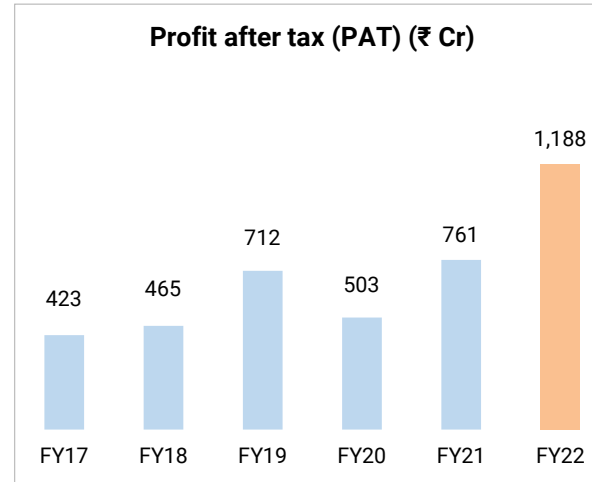
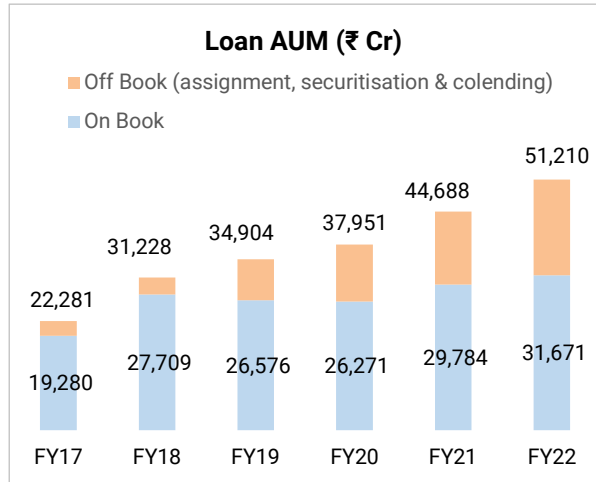


Particulars	Q4FY22	Q4FY21	Q3FY22	FY22	FY21
NIM on On-book Assets	7.7%	7.2%	7.3%	7.0%	6.9%
Non Fund based income/ Total Income	42.9%	35.4%	38.1%	38.3%	33.8%
Cost-to-income	40.9%	32.8%	39.3%	39.6%	35.4%
Operating Expenses/ Average AUM	3.8%	2.9%	3.7%	3.5%	2.9%
PPOP/ Average AUM	5.5%	5.4%	5.4%	5.2%	4.9%
Provisions/ PPOP	38.3%	56.2%	41.9%	37.8%	58.4%
Provisions/ Average Loan Book	3.0%	4.1%	3.1%	2.6%	3.9%
Return on assets	2.9%	2.5%	2.9%	2.7%	2.0%
Return on equity	21.1%	19.1%	20.7%	20.6%	15.3%
Debt Equity Ratio	5.5	6.0	5.4	5.5	6.0

The figures are annualised wherever applicable

# Long term financial trends for the last 6 years

## Robust financial performance and growth



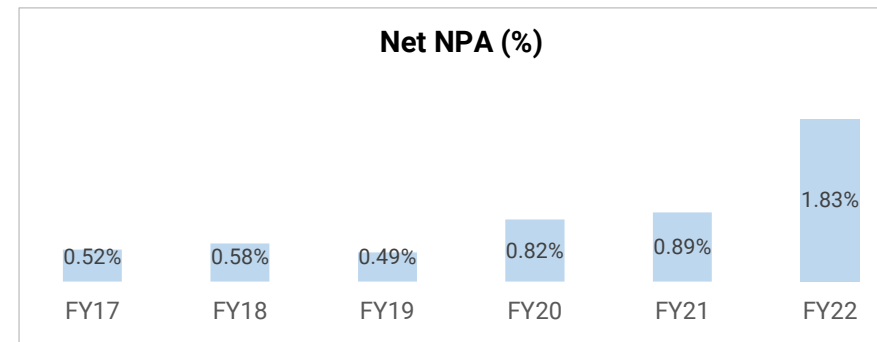
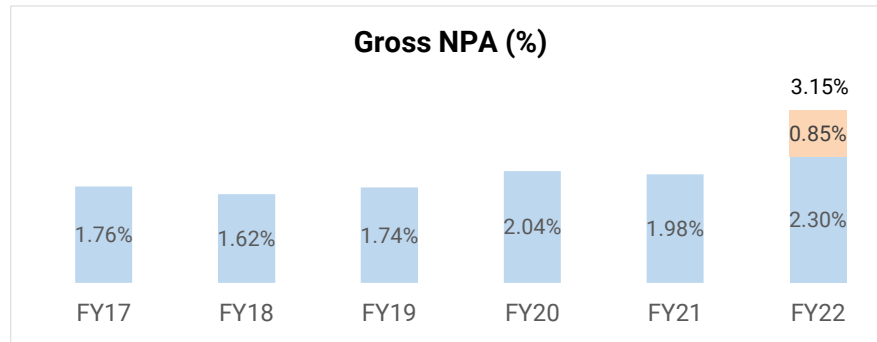
- Note: FY18 onwards numbers are as per IND AS. Prior years' numbers are as per IGAAP
- Colending includes Business Correspondence and Co-origination

# Long term asset quality trends for the last 6 years

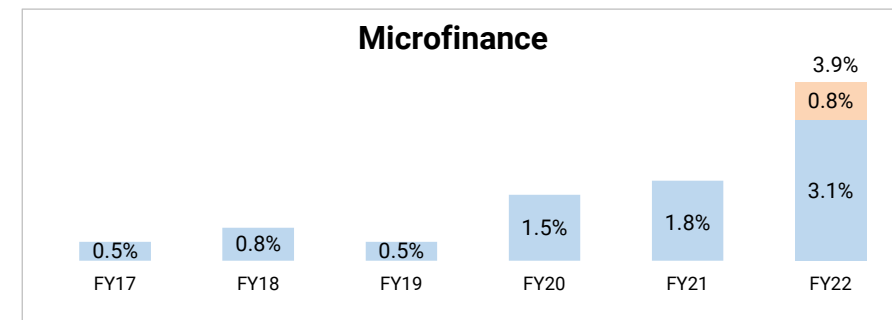
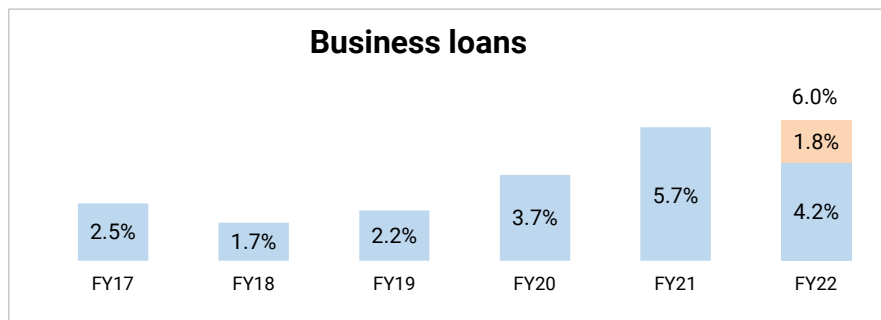
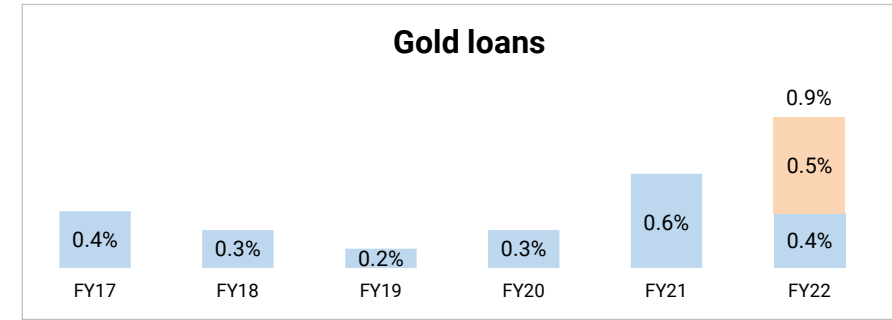
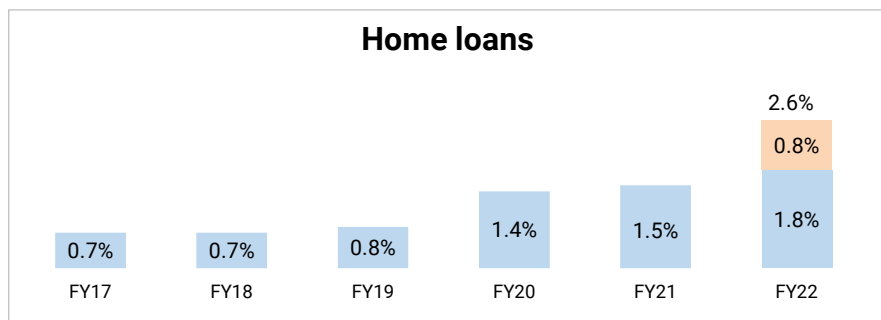
## GNPA maintained at best in industry level through cycles



■ Additional impact on GNPA of RBI circular dated 12<sup>th</sup> Nov'21
 ■ GNPA as computed prior to RBI circular dated 12<sup>th</sup> Nov'21



### CORE SEGMENTS GNPA%



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

## Return on asset and return on equity table



*High financial efficiency resulting into consistent improvement in RoA and RoE*

Focus on improving RoA and RoE by improving NIM, optimising cost via operational efficiency + digitisation & maintaining best in class asset quality

RoA Tree on Avg AUM	FY20	FY21	FY22
Closing AUM (₹ Cr)	37,951	44,688	51,210
Average AUM (₹ Cr)	35,261	41,031	45,271
NIM	6.65%	7.22%	8.01%
Other Income	0.50%	0.55%	0.69%
<b>Total Income</b>	<b>7.15%</b>	<b>7.78%</b>	<b>8.70%</b>
Operating cost	(3.60%)	(2.90%)	(3.52%)
<b>PPOP</b>	<b>3.55%</b>	<b>4.88%</b>	<b>5.18%</b>
Provision	(1.32%)	(2.85%)	(1.96%)
<b>Core PBT</b>	<b>2.23%</b>	<b>2.03%</b>	<b>3.22%</b>
Fair value changes	(0.18%)	0.42%	0.17%
<b>Profit before tax</b>	<b>2.06%</b>	<b>2.45%</b>	<b>3.39%</b>
<b>Profit after tax</b>	<b>1.43%</b>	<b>1.85%</b>	<b>2.62%</b>
<i>Return on asset</i>	<i>1.49%</i>	<i>2.03%</i>	<i>2.74%</i>
<i>Return on Equity</i>	<i>11.25%</i>	<i>15.34%</i>	<i>20.60%</i>

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**Our business model focuses predominantly on small retail loans**  
*Backed by mortgages, gold or cash-flow to customers under-served by banks*



**Home Loan**

*Catering to low/ middle income customers in small towns/ metro suburbs*



**Gold Loan**

*Short term loans for MSME working capital, individual exigencies, etc.*



**Business Loan**

*Credit to MSMEs backed by cash flows/ property collateral*



**Microfinance**

*Self employed, low income women groups for micro business*

Q4FY22	% AUM Share	AUM (₹ Cr)	Y-o-Y Growth (%)	Q-o-Q Growth (%)	GNPA%	NNPA%	Portfolio Yield%	Portfolio average Ticket Size (₹ Lakhs)
Home Loans	35%	17,727	23%	7%	2.6%	1.8%	10.0%	16.6
Gold Loans	32%	16,228	23%	11%	0.9%	0.7%	16.3%	0.7
Business Loans	15%	7,559	1%	6%	6.0%	3.4%	15.9%	10.3
Microfinance	12%	6,155	30%	22%	3.9%	1.5%	21.9%	0.3
<b>Core Products (A)</b>	<b>93%</b>	<b>47,669</b>	<b>20%</b>	<b>10%</b>				
Construction & Real Estate	6%	2,899	(32%)	4%	4.2%	2.5%	14.7%	2,812.6
Capital Market Finance	1%	642	(3%)	(9%)	0.0%	0.0%	11.8%	121.5
<b>Synergistic Products (B)</b>	<b>7%</b>	<b>3,541</b>	<b>(28%)</b>	<b>2%</b>				
<b>Total (A+B)</b>	<b>100%</b>	<b>51,210</b>	<b>15%</b>	<b>9%</b>	<b>3.2%</b>	<b>1.8%</b>	<b>14.6%</b>	

# Opportunity to grow in market under-served by banks

*Total addressable market is many times larger than currently tapped*



GOLD

**₹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



BUSINESS LOAN

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



HOME LOAN

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**



MICRO-FINANCE

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

# New RBI regulatory changes will bolster microfinance industry

*Removing cap on interest rate and other relaxations will help balance sheet*



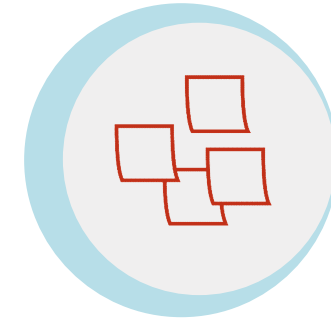
## Qualifying Asset: 75%

- Microfinance companies can now increase their **secured loans** share upto **25%**.
- IIFL Samasta Finance currently has only ~7% retail portfolio which can be expanded further in future



## Income Criteria: Up to ₹3 lakh

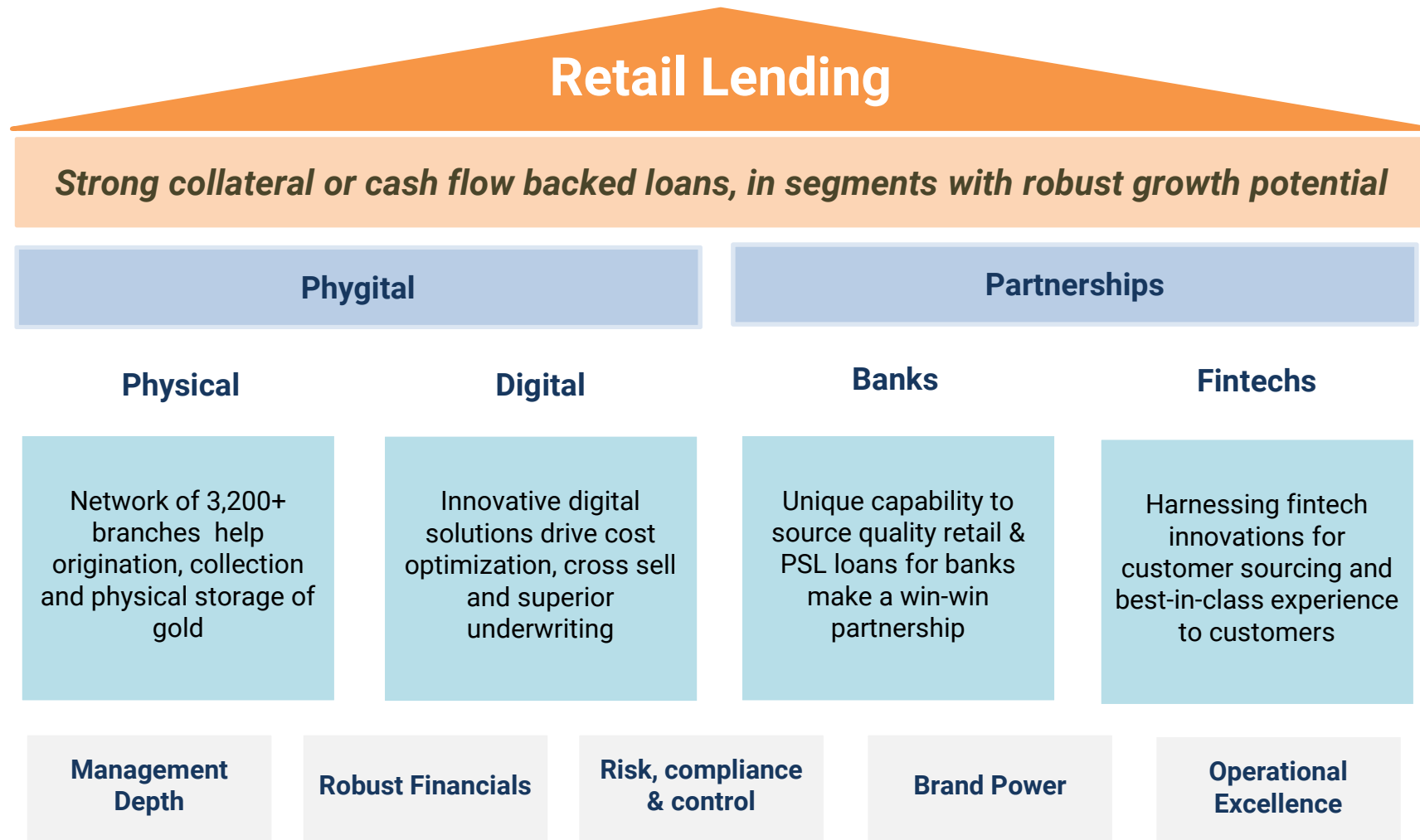
- Increase in household income criteria has created an opportunity to broaden customer segment for MFI.
- **Also, no limit of lenders** will create an opportunity to attract customers from **financially stable/good credit background** category.



## Cashflow Analysis

- Since cashflow analysis of customer is mandatory, it will help in getting better customers and create strong portfolio.
- Also, it will create scope for **higher ticket size** and **longer tenure loans**.

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



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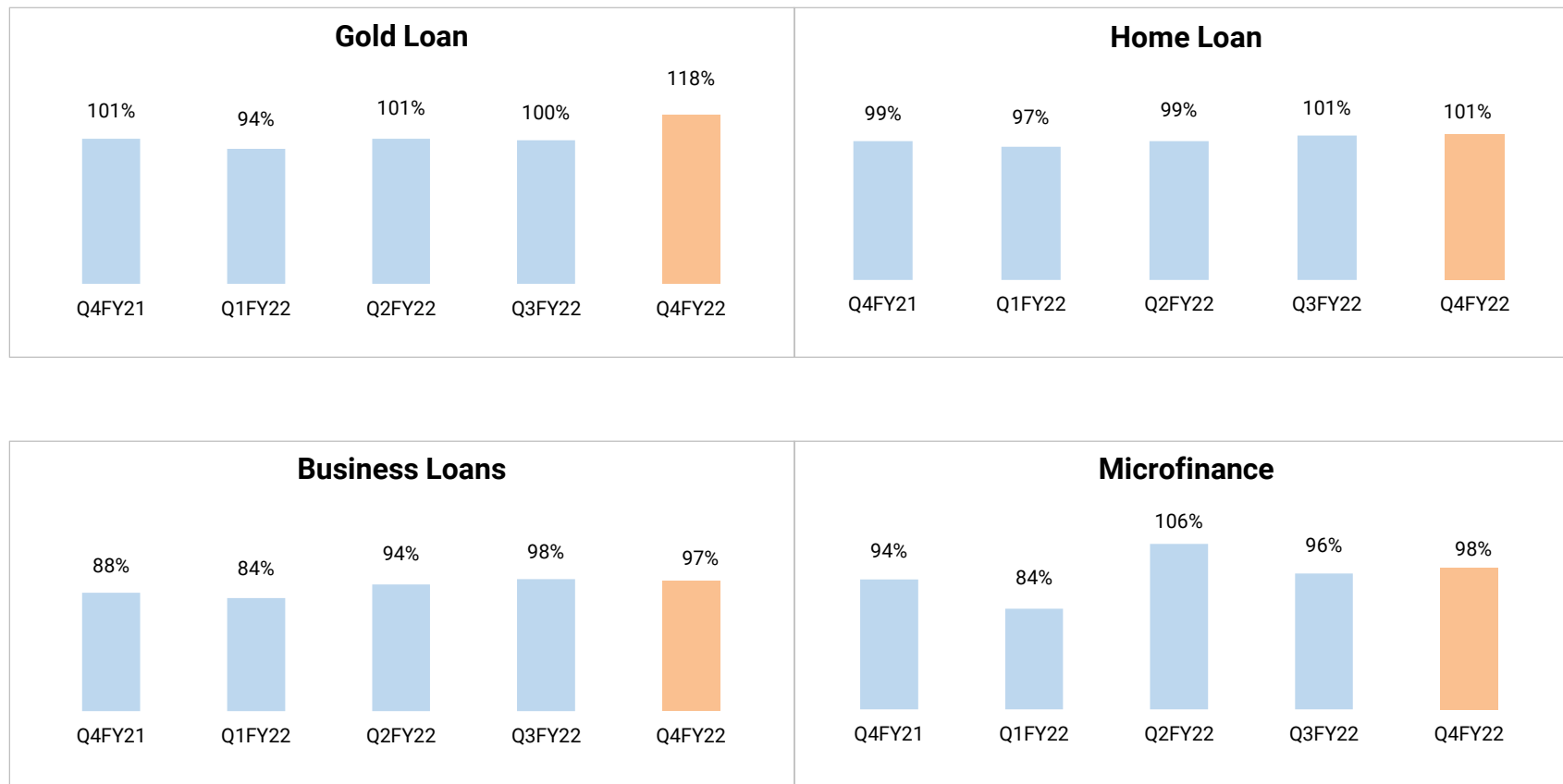
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# Quarterly trends - Collection efficiency<sup>1</sup>

*Collection efficiency back to pre-covid levels*



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

## Detailed breakup of provisions as at March 31, 2022

*Provision coverage levels are significantly higher than RBI requirements*



₹ Cr

Loan book	0-30 dpd	31-90 dpd	90+ dpd		Total	Provision %				Provision	
	Stage 1	Stage 2	Normal Stage 3	Stage 3 Including Deemed NPA		Stage 1	Stage 2	Normal Stage 3	Stage 3 Including Deemed NPA	As per RBI norms	As per ECL model
Home Loans	10,358	359	194	286	11,003	1.5%	6.5%	38.0%	31.5%	126	270
Business Loans	5,204	691	261	376	6,271	2.5%	16.0%	52.9%	43.5%	134	402
Gold Loans	7,109	368	30	68	7,545	0.8%	1.6%	33.2%	20.8%	43	78
Microfinance	5,170	316	175	221	5,707	2.0%	4.5%	73.3%	60.9%	126	252
Construction & Real Estate	2,652	124	123	123	2,899	9.1%	18.5%	40.4%	40.4%	69	314
Capital Market Finance	641	1	0	0	642	0.4%	0.4%	0.0%	0.0%	2	3
<b>Total</b>	<b>31,134</b>	<b>1,859</b>	<b>783</b>	<b>1,074</b>	<b>34,067</b>	<b>2.2%</b>	<b>9.5%</b>	<b>51.1%</b>	<b>42.1%</b>	<b>500</b>	<b>1319</b>

Dpd: Days past due  
ECL: Expected credit loss

## Restructuring and ECL provision reconciliation as at March 31, 2022

### ECL Provision Movement:

₹ Cr

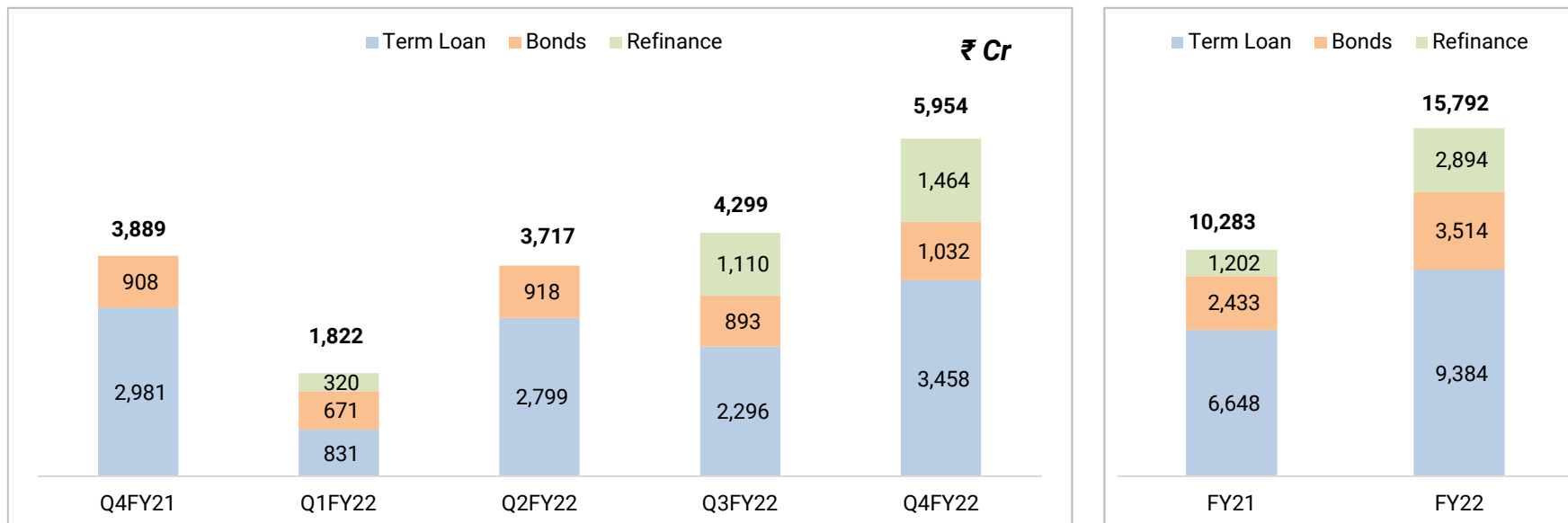
Business	Loan Loss Provisions			
	Opening Provision (A)	Addition (B)	Release (C)	Closing Provision (A+B-C)
Home Loans	254	23	7	270
Business Loans	384	52	34	402
Gold Loans	87	8	16	78
Microfinance	285	11	43	252
Capital Market Finance	23	1	21	3
Construction & Real Estate / Others	213	126	27	314
<b>Total</b>	<b>1,246</b>	<b>221</b>	<b>148</b>	<b>1,319</b>

### Restructured Book Movement:

Business	Active Restructured Book Movement Q4FY22			
	As on 31st Dec 2021 (A)	Addition during the quarter (B)	Out of Restructuring /Repayment (C)	As on 31st Mar 2022 (A+B-C)
Home Loans	200	-	61	139
Business Loans	266	-	131	135
Gold Loans	-	-	-	-
Microfinance	300	-	300	-
Capital Market Finance	-	-	-	-
Construction & Real Estate / Others	172	80	150	102
<b>Total</b>	<b>938</b>	<b>80</b>	<b>642</b>	<b>376</b>



# Quarterly trends - Fund raising



## Bought back US\$50 million overseas bonds

Bought back US\$50 million worth of overseas bonds at par, funded by a corresponding ECB loan of maturity not less than the maturity of the bonds bought back, in line with RBI regulations. This will reduce its cost of funds by approximately 225 basis points on this transaction.

## Raised refinance of ₹1,464 Cr

During the quarter raised refinance of ₹1,464 Cr., out of which ₹1,200 Cr was from NABARD.

## Raised ₹4,284 Cr from assignment/ securitisation

During the quarter we raised ₹4,284 Cr through securitized/ assigned loans.

## Raised US\$ 68 Million From Asian Development Bank

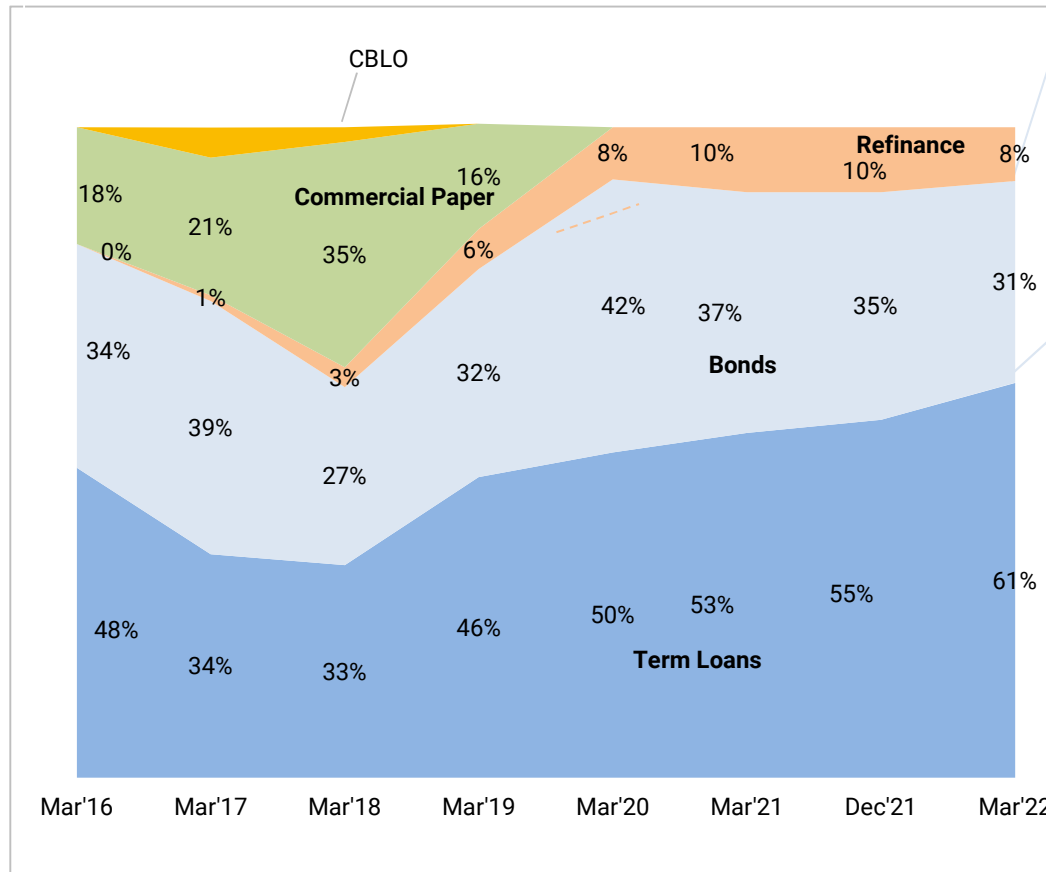
Successfully raised long term funds of US\$ 68 Million from ADB to improve financial access to affordable green housing & lower-income women borrowers.

# Well diversified sources of funding

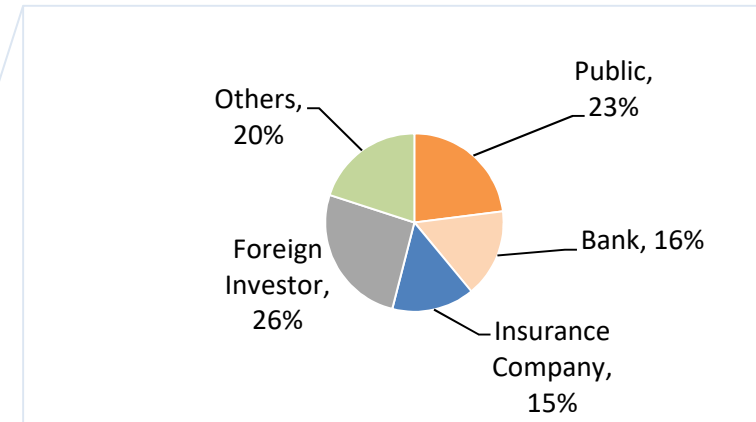


Resource profile is well diversified, with increasing share of bank loans

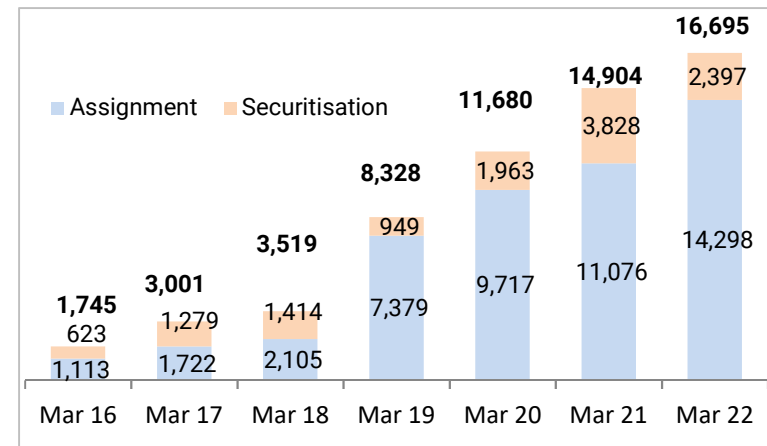
Outstanding borrowing (₹ Cr)						
15,395	17,982	24,539	26,141	25,734	28,426	33,340



Bonds/NCDs investors split (%)



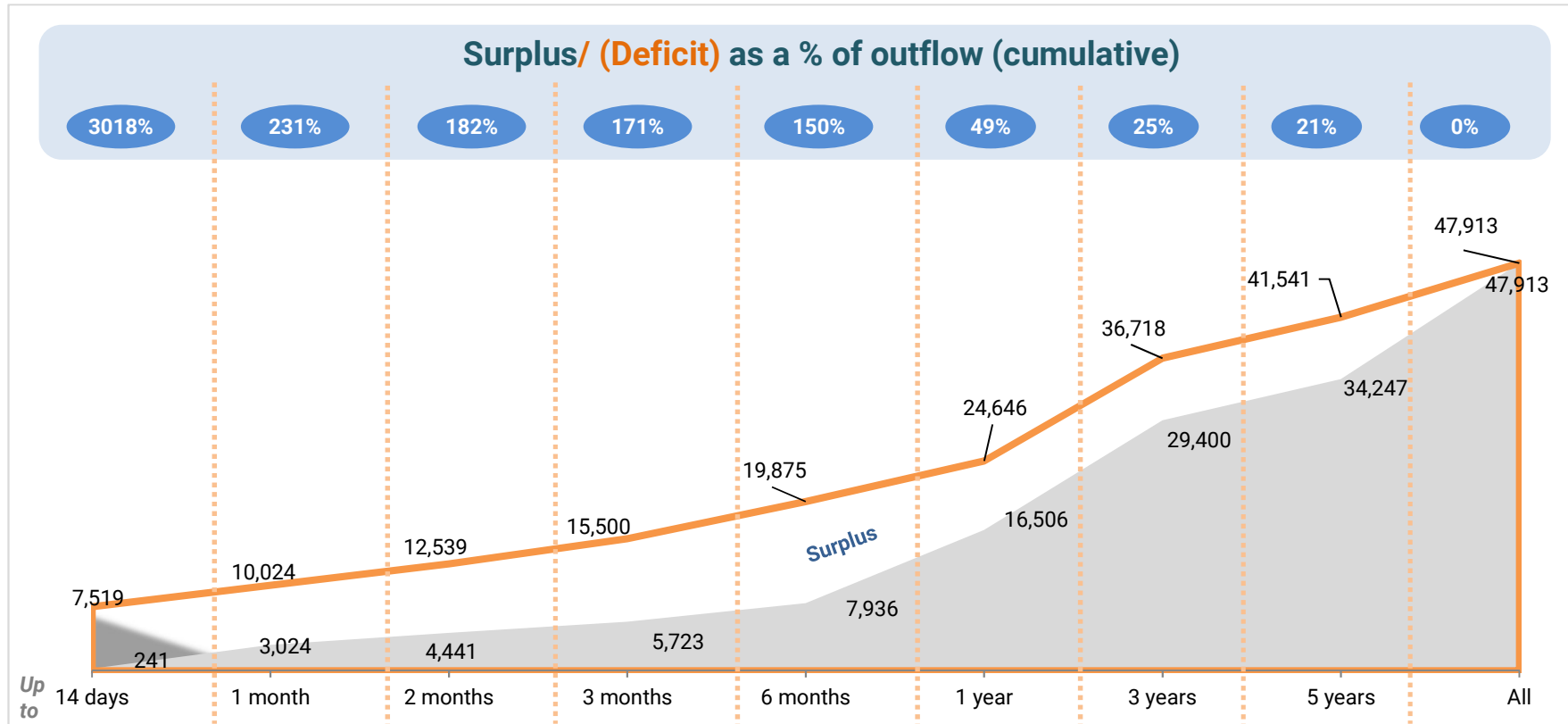
Outstanding assignment/securitisation (₹ Cr)



# Asset Liability Match (ALM)

## Surplus across all buckets

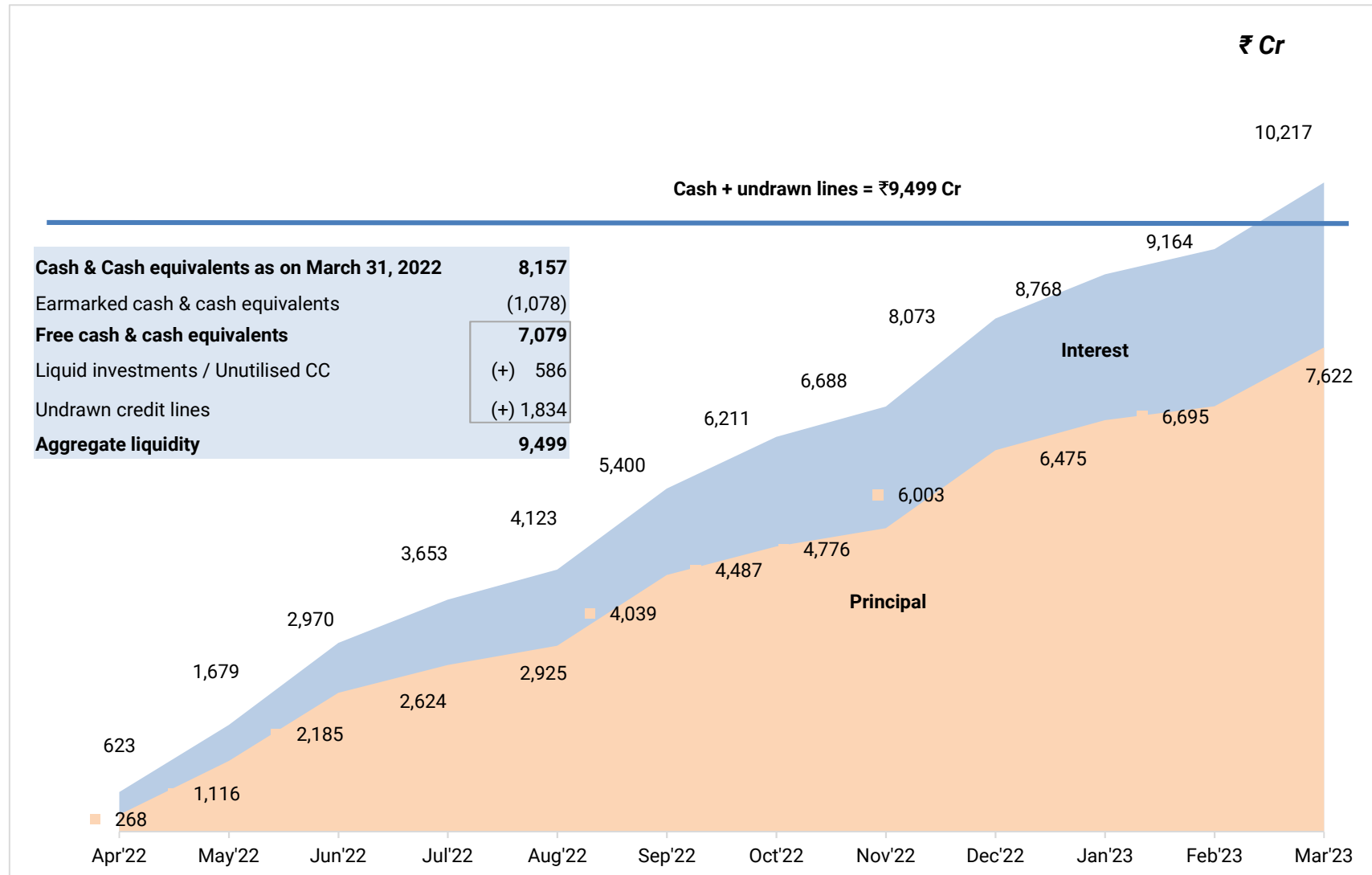
₹ Cr



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 does not consider collection of assigned assets, basis behavioral pattern applied conservatively.

# Debt Repayment Schedule

*Well covered*

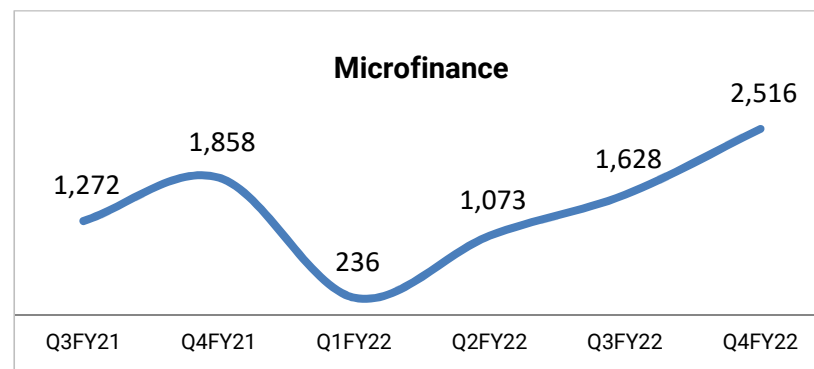
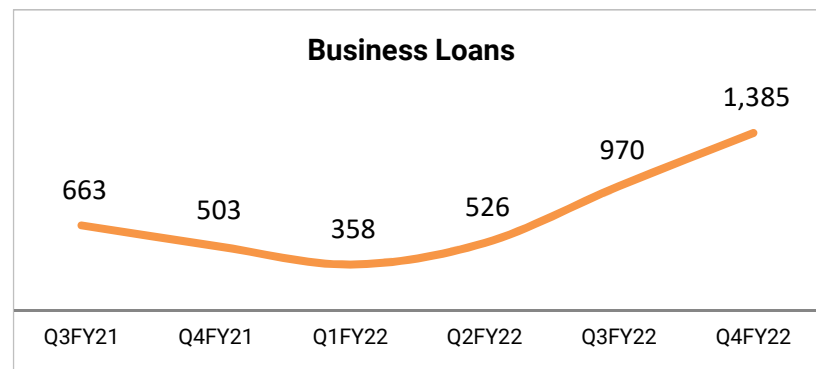
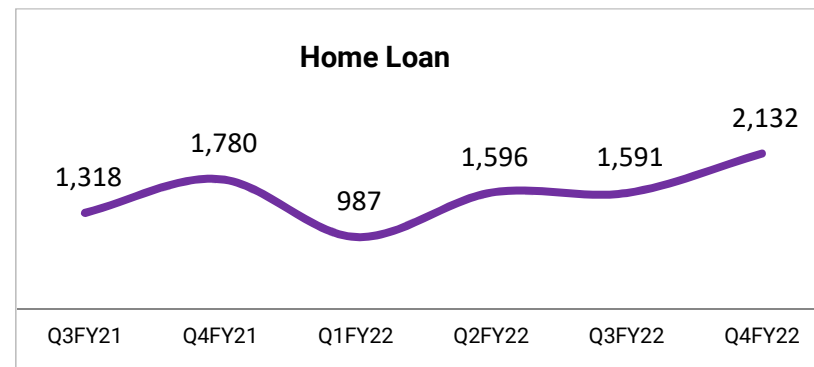
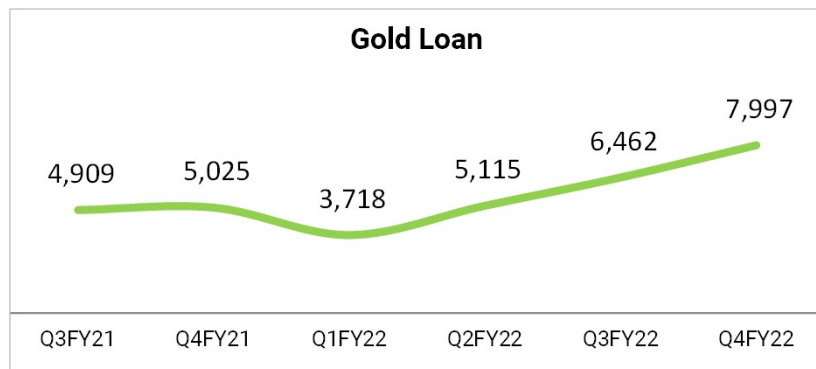


# Quarterly trends - Loan disbursements

*Disbursements have surpassed pre-Covid levels*



₹ Cr



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# Home loans – product and financial overview

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

- ✓ Primary focus on **affordable** and non-metro customers.
- ✓ **86%** of home loans under **PSL category**.
- ✓ Focus is on first time home buyers.
- ✓ Benefit of **₹ 1,300+ Cr** under **CLSS Subsidy** has been given to over **55,700+** customers.
- ✓ **100% home loans** are on-boarded and decisioned through **digital platform**
- ✓ Well diversified portfolio across more than **20 leading states**

**Gross / Net NPA**  
2.6% / 1.8%

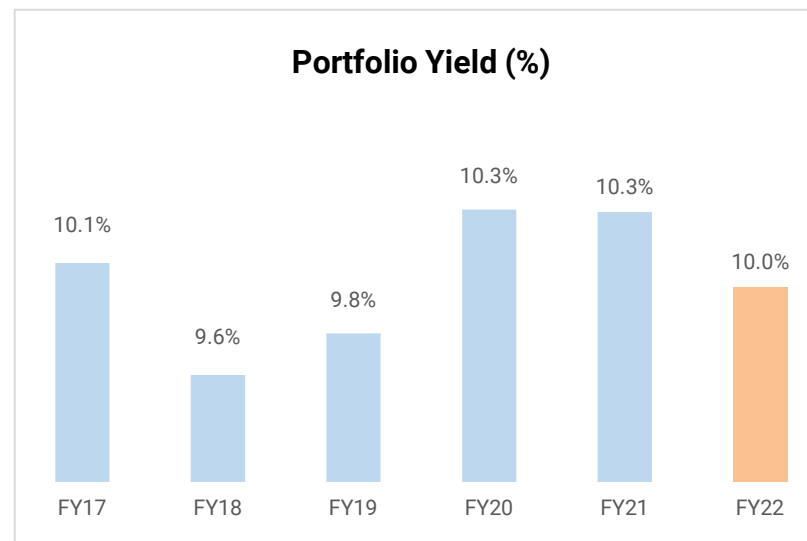
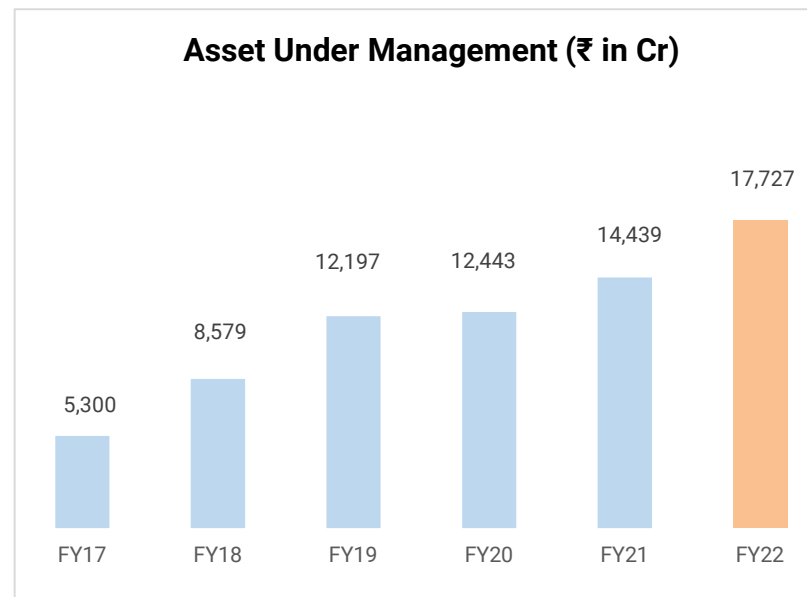
**Tenor**  
up to 20 years

**Onboarding Average Ticket Size**  
₹ 16.4 Lakhs

**101% Collection Efficiency**  
(Q4FY22)

**Loan to Value**  
72%

**Salaried / Self employed**  
63% / 37%



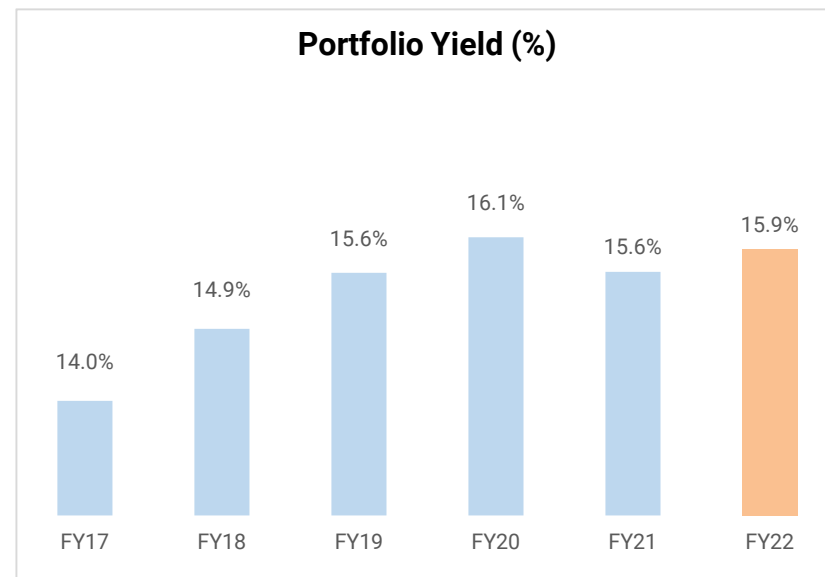
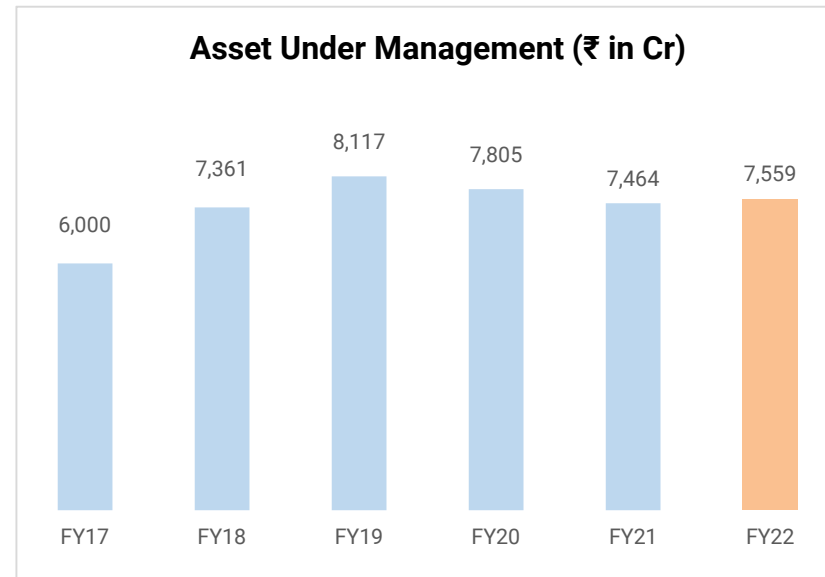
# Business loans – product and financial overview

## 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

<b>Gross / Net NPA</b> 6.0% / 3.4%	<b>Tenor</b> up to 12 years
<b>Onboarding Average Ticket Size</b> ₹ 10.2 Lakhs	<b>97% Collection Efficiency</b> (Q4FY22)
<b>Secured / Unsecured</b> 75% / 25%	<b>CGTMSE Coverage (Unsecured)</b> 22%





# Gold loans – product and financial overview

## Secured low-risk short term loans



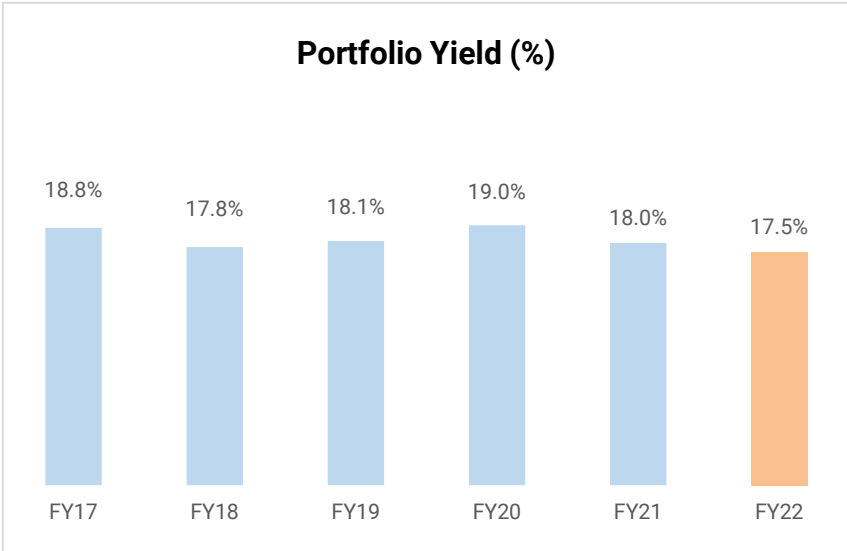
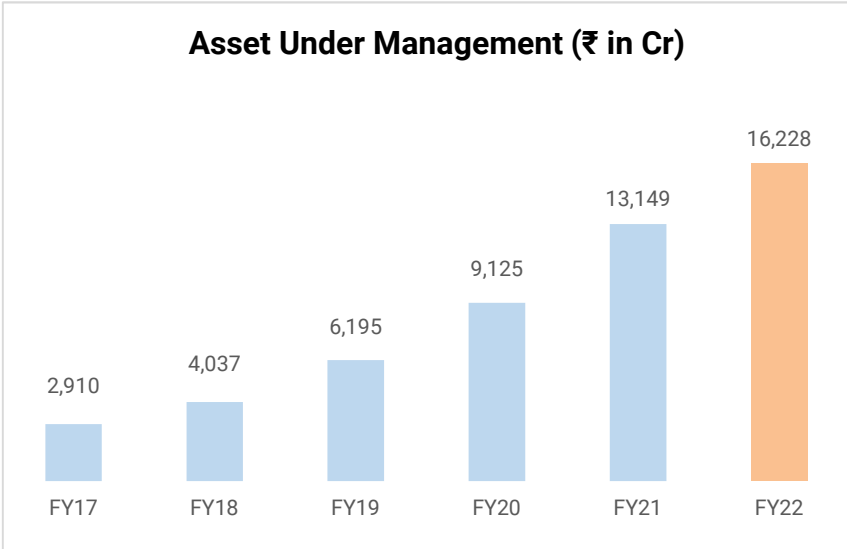
- ✓ Branches in more than **1,260 towns/ cities**
- ✓ On-boarding LTV **~70%**
- ✓ In-house loan origination tablet application equipped to screen customers for earlier defaults, frauds and negative customer lists
- ✓ Strong emphasis on collections and resolution resulting in negligible losses
- ✓ **Launched digital gold loan** – for top-up and online renewal of gold loans

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

**Tenor**  
~2 years

**Onboarding Average Ticket Size**  
₹ 0.70 Lakh

**118% Collection Efficiency**  
(Q4FY22)

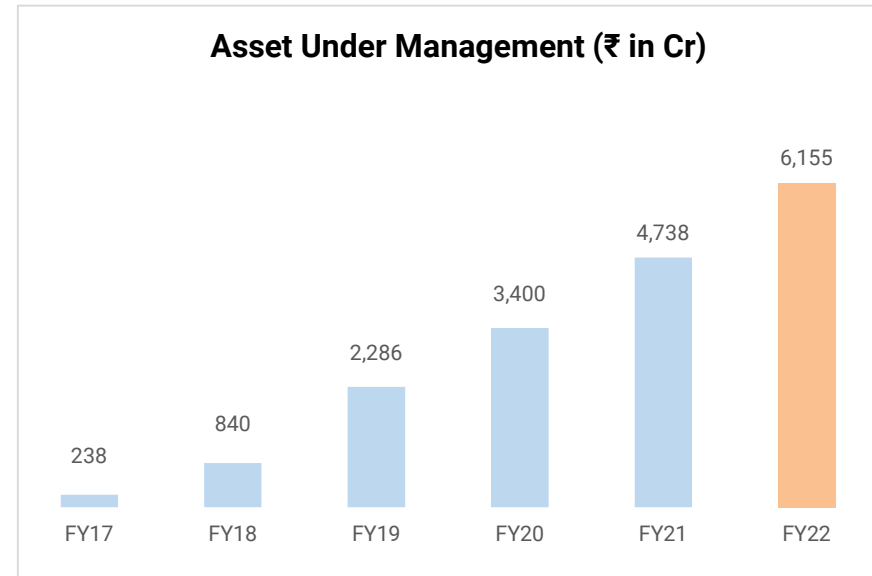


# Microfinance loans – product and financial overview

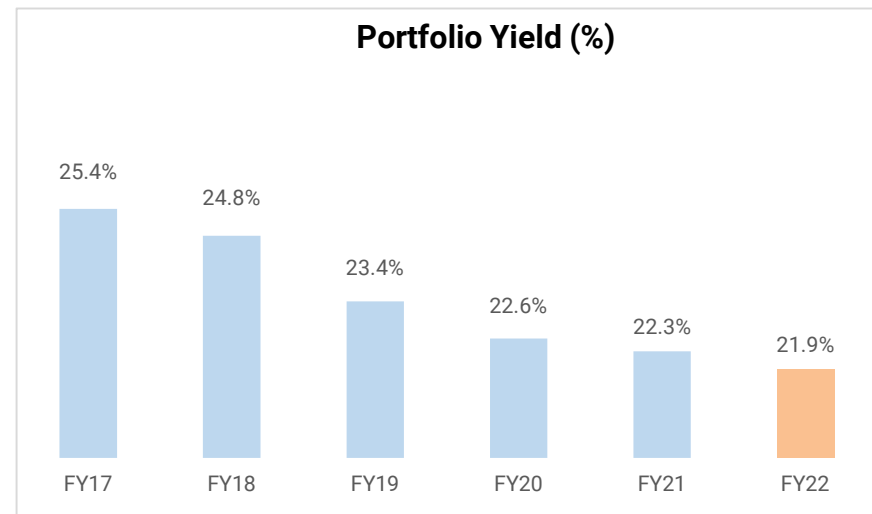
*Focus on self employed, low income women groups for micro business*



- ✓ **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



<b>Gross / Net NPA</b> 3.9% / 1.5%	<b>Tenor</b> ~2 years
<b>Active Customers</b> 17.5 Lakhs	<b>States / Districts</b> 17 / 288
<b>98% Collection Efficiency (Q4FY22)</b>	



# Construction Real Estate (CRE) & Capital Market

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



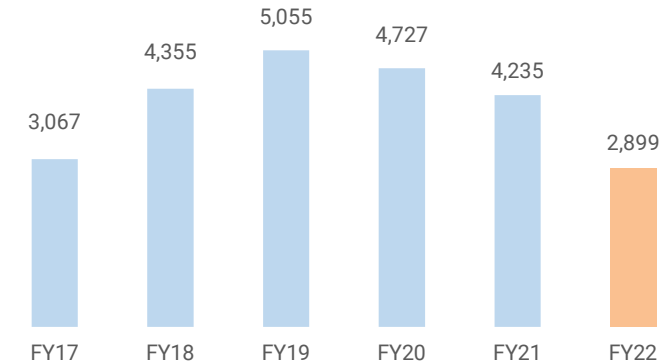
## Construction and Real Estate (CRE)

- 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.

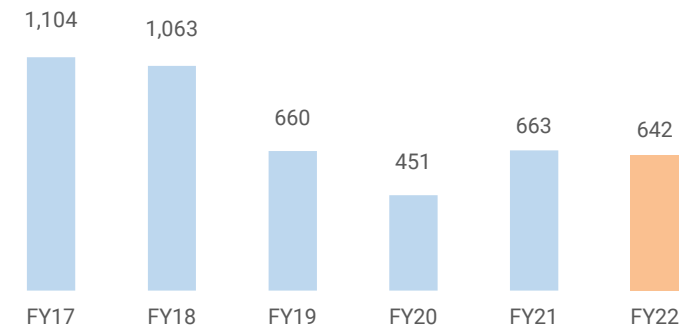
## Capital market

- 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.

**CRE Asset Under Management (₹ in Cr)**



**Capital Market Asset Under Management (₹ in Cr)**



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



## Existing Tie-ups



Home Loan



Gold Loan



Gold Loan



Business Loan



Gold Loan



Home Loan and MSME LAP



Home Loan and MSME LAP



Home Loan



Gold Loan

## New Tie-ups (Q4FY22)

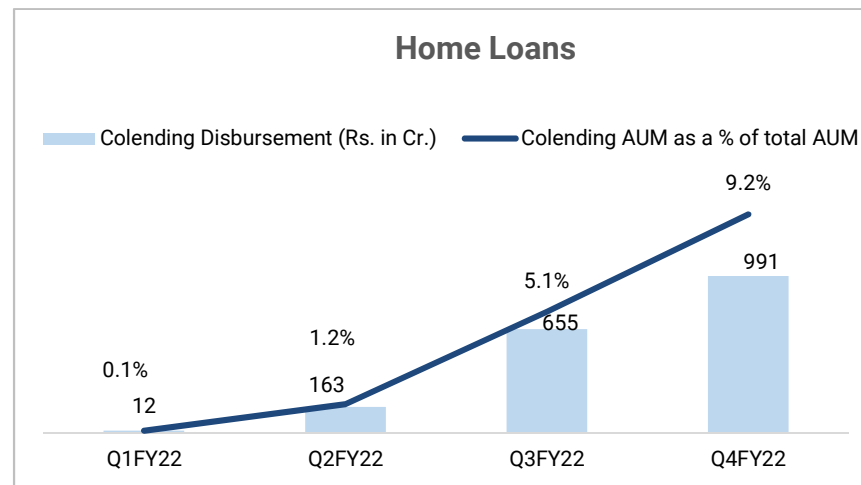
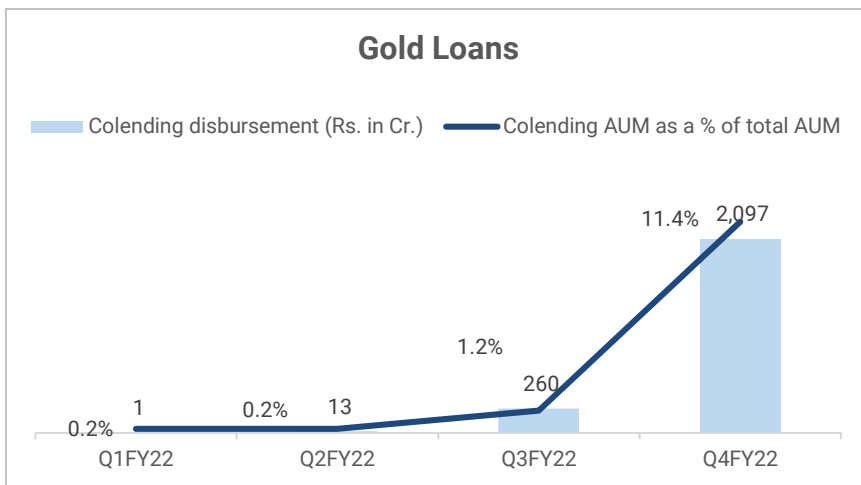


Home Loan



Gold Loan

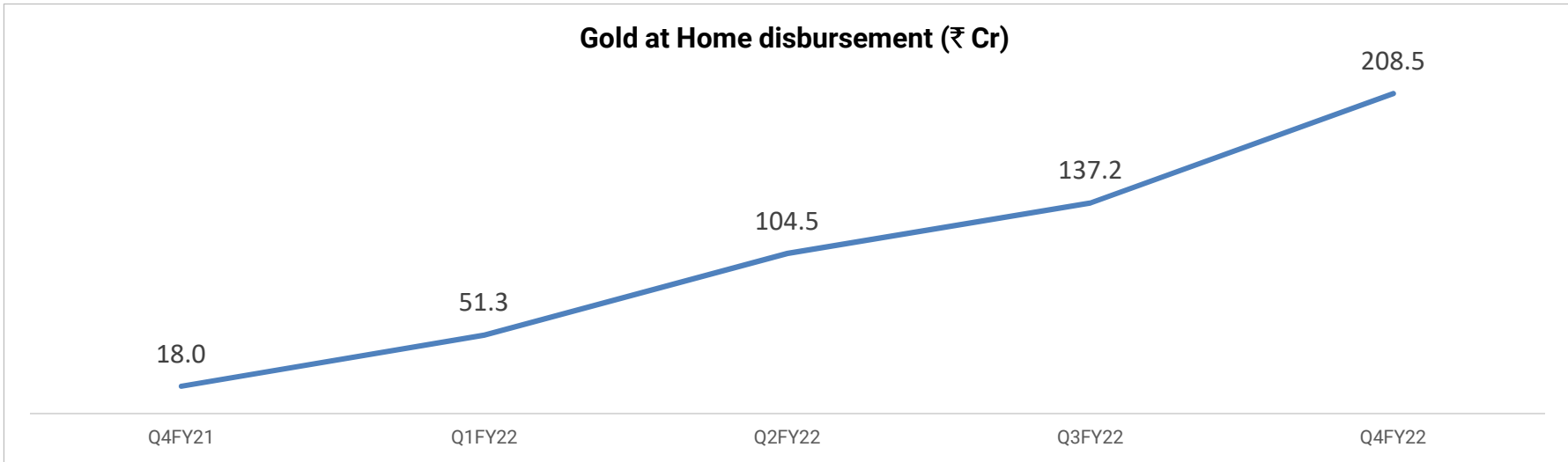
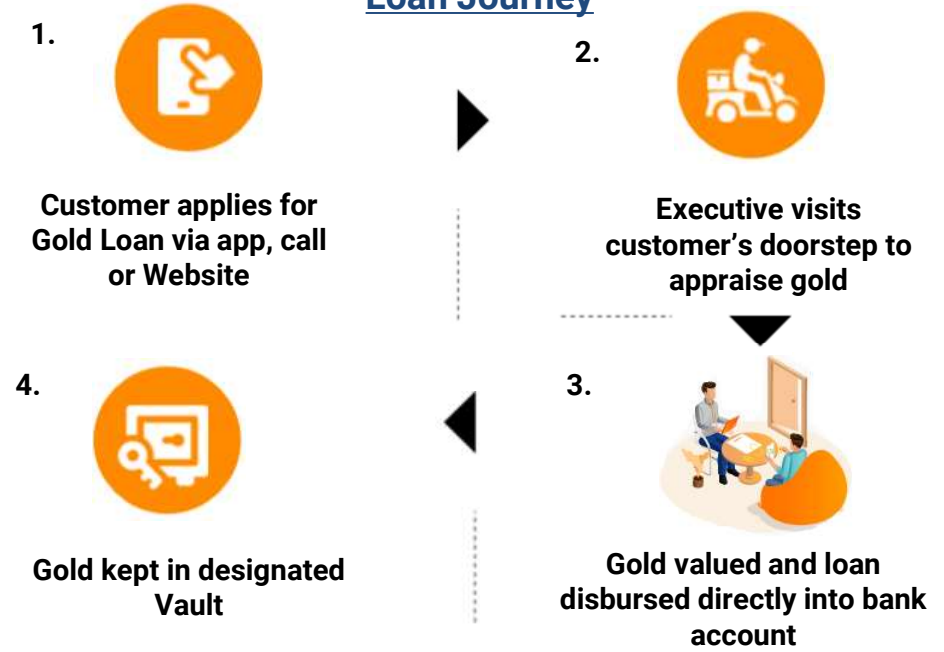
Co-Lending/ Co-Origination/ Business Correspondence disbursement picking up



# Gold loan home delivered – gaining traction

- Gold loan at customer’s doorstep initiative targets branchless expansion of Gold Loan business.
- The initiative started a year ago, saw significant traction with disbursements rising 52% qoq to ₹209 Cr in Q4FY22.
- We have proprietary technology to provide high level of security, paperless and frictionless experience to the customer.
- We are currently operating in 19 cities which we plan to expand to ~50 cities.

## Loan Journey



# Our Digital DIY channels..



my money



### My Money app and website:

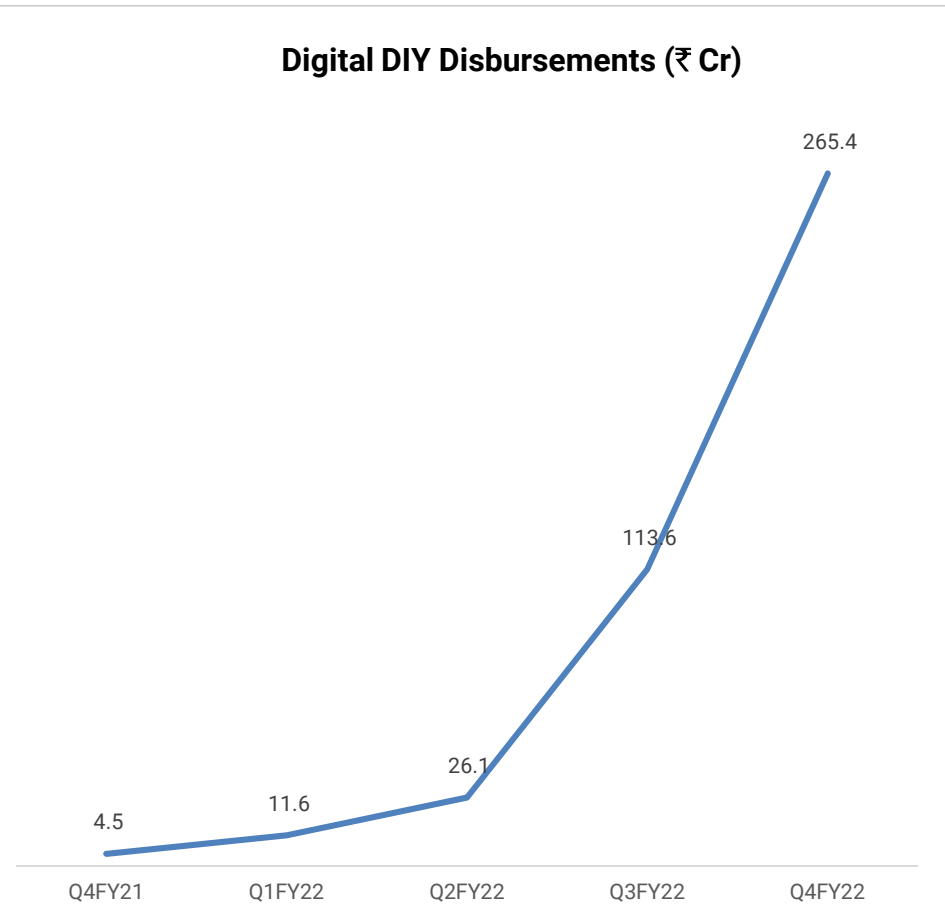
- a. 100% online loan application process.
- b. Loans ranging from ₹ 50,000 to ₹10 lakhs for Business Loans and from ₹ 5,000 to ₹2 lakhs for Personal Loans

### WhatsApp loans:

- a. Ease of chat has been brought to the complex loan journey
- b. Loan up to ₹ 10 lakhs with minimum documentation and approval in 5 mins.
- c. API Integration with fintech vendors

More than 27,000 customers on boarded till date under above initiatives. The disbursement in Q4FY22 was more than double at ₹265 crores, as compared to the previous quarter.

Digital DIY Disbursements (₹ Cr)



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# 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

- **64%** of gold loan are of less than ₹ 50,000 value
- **60%** of loans given to small businesses
- **83%** of the branches are located in tier II, III cities and rural areas



BUSINESS LOAN

- **72%** of the Unsecured MSME loans given are of less than ₹ 1 Million
- **47%** 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
- **63,400+** loans given to the informal segment
- **61%** loans given to female owners/co-owners
- **151,000+** loans to first time home buyers



MICRO-FINANCE

- Small-ticket loans for purpose of income generation activities
- **17.5 lakhs+** families benefitted in **17** states with financial intervention
- **9,300+** dairy farmers supported through **9** cattle health centers in **4** States.

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

## Seva Kutirs (Madhya Pradesh)

Because of COVID-19 pandemic government schools remained shut which led to interruption in Mid-Day Meal programme. IIFL Foundation supported provision for nutritional and healthy meals, both Lunch and Dinner to students of government schools in 5 such villages in Madhya Pradesh by establishing Seva Kutirs. The learning centres were paid a visit by International Cricket Legend Sachin Tendulkar.



Age Group (Children)	Total Beneficiaries	No. of Centers	Location
4 to 15 years	2,207	21	District- Khandwa, MP

## Education for the under privileged (Maharashtra)

Since 2018, IIFL Foundation has been supporting education of the children from the Financially weaker section of the community residing at Janupada Vaibhav Nagar locality (slum settlement) located at Kandivali (E), Mumbai. Almost 90% of the parents earn their livelihood through menial occupations and find it difficult to meet financial demands to offer their children quality education .



Through IIFL foundation these children are offered education without charging any fees

Standards	Total Beneficiaries	Staff Supported
1 to 10th	353	6

## Sakhiyon ki Baadi (Rajasthan)



- **Sakhiyon 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 20-21, 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 **'The Most Preferred Brand'** Award for Sustained Brilliance in Brand Building at **Marksmen Daily Awards**



IIFL Finance's 'Gold Loan at Home' product received **'Customer Services Excellence Award'** at the **World BFSI Congress**



IIFL Finance's 'WhatsApp Loan' product received **'Best Use of Mobile Technology in Financial Services'** award at the **World BFSI Congress**



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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