

IIFL Finance Limited

Press Release

For immediate publication

Mumbai, India

November 3, 2020

Results update

- PPOP for Q2FY21 at Rs 563 Cr (up 42% q-o-q and 103% y-o-y)
- PAT for Q2FY21 at Rs 205 Cr (up 582% q-o-q and 178% y-o-y)
- Income for Q2FY21 at Rs 857 Cr (up 27% q-o-q and 45% y-o-y)

For the quarter and half year ended September 30, 2020 (Q2FY21, H1FY21), consolidated results as per IND AS are:

- Pre provision operating profit stood at Rs 563 Cr for the quarter, up 42% q-o-q and 103% y-o-y, and Rs 961 Cr. for the half year, up 69% y-o-y
- Profit after tax (TCI) stood at Rs 205 Cr for the quarter, up 582% q-o-q and 178% y-o-y, and Rs. 235 Cr. for the half year, down 8% y-o-y
- Consolidated income stood at Rs 857 Cr for the quarter, up 27% q-o-q and 45% y-o-y, and Rs. 1,530 Cr. for the half year, up 28% y-o-y
- Loan assets under management stood at Rs 40,843 Cr, up 7% q-o-q and 17% y-o-y

IIFL Finance Limited Consolidated Results – Q2FY21

Rs Crore	Quarter ended September 30, 2020	Quarter ended June 30, 2020	Q-O-Q	Quarter ended September 30, 2019	Y-O-Y
Income (Net)	856.9	672.5	27%	589.0	45%
PPOP	563.3	397.1	42%	277.8	103%
Profit after tax (TCI)	205.1	30.1	582%	73.8	178%

IIFL Finance Limited Consolidated Results – H1FY21

Rs Crore	Half year ended September 30, 2020	Half year ended September 30, 2019	Y-O-Y
Income (Net)	1,529.5	1,196.1	28%
PPOP	960.5	568.3	69%
Profit after tax (TCI)	235.2	254.8	(8%)

*Exceptional items in Q2FY21 and Q1FY21 comprise Rs 18 Cr MTM gain and Rs 70 Cr MTM loss on forex borrowings. As our forex loans are fully hedged, the accounting gain/loss will even out by maturity of the bonds. Last year, Q2FY20, exceptional item was one time impact of deferred tax reversal of Rs 99 Cr

Mr. Nirmal Jain, Chairman, IIFL Finance Ltd., commented on the financial results: “We had a good quarter with volume growth, falling cost of funds, improving liquidity and control over operating costs. We are working to widen and strengthen our partnerships with banks for co-lending and assignment of loans, as our core strategy. Besides, we have been partnering with several fintechs. The partnership model will help us achieve higher ROEs and lower volatility. The credit demand and improving collection efficiency show clear sign of recovery from Covid and the trend is likely to continue. Nonetheless, we have been conservative in making provisions and ensuring adequate liquidity.”

IIFL Finance had loan assets under management of Rs 40,843 Cr as at September 30, 2020, with the home loans segment constituting 32%, business loans 19%, gold 28% and microfinance 8% of the total AUM.

The company's annualized ROE and ROA for Q2FY21 stood at 17.1% and 2.4% respectively. The company recorded its highest ever pre-provision operating profit of Rs. 563 Cr. during the quarter, driven by higher off balance sheet asset income, volume growth and higher NIM. Average borrowing costs for the quarter decreased by 23 bps q-o-q to 9.1%.

89% of our loans are retail in nature and 42% are PSL compliant. The assigned loan book, currently at Rs 10,998 Cr, is 27% of AUM. There exists significant opportunity for further assignment, given our granular and retail book.

GNPA stood at 1.81% and NNPA stood at 0.77%, as at September 30, 2020. With implementation of Expected Credit Loss under IndAS, provision coverage on NPAs stands at 240% including standard asset coverage. Provision coverage excluding the additional general provision made for Covid impact stands at 114%

Total CAR stood at 18.7% including Tier I capital of 15.0% as at September 30, 2020, as against statutory requirement of 15% and 10% respectively.

The total presence of branches stood at 2,383 as at the end of quarter, spanning the length and breadth of the country.

Home Loans

At the end of the quarter, retail home loan assets stood at Rs 12,891 Cr. The primary focus in this segment is on affordable and non-metro housing loans. About 42,500 customers were benefitted with a subsidy of about Rs 1,000 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Gold Loans

As of September 30, 2020 the gold loans AUM grew to Rs 11,386 Cr, showing a strong growth of 65% y-o-y. Gold loans are provided through our widespread presence in 600+ cities across 25 states to salaried, self-employed and MSME customer segments.

Microfinance

The microfinance business continued its steady growth, with the loan AUM growing 28% y-o-y to Rs 3,460 Cr as at September 30, 2020. The microfinance customer base increased to over 15 lakh customers.

Credit Rating

IIFL's long term rating stands at AA as on date.

Liquidity Update

During the quarter, we raised Rs 1,402 Cr through term loans and refinance from banks. Loans of Rs 2,702 Cr were securitized/assigned during the quarter. Cash and cash equivalents and committed credit lines from banks and institutions of Rs 4,927 Cr were available as on September 30, 2020.

Gold Loan co-origination

IIFL Finance has partnered with CSB Bank for gold loan co-origination, for sourcing and managing retail gold loan assets. IIFL Finance, acting as Business Correspondent of the Bank, will source new business from markets where CSB Bank does not have adequate branch network. IIFL Finance, with its vast branch network, would help CSB Bank penetrate the lower strata of customers and rural areas, where the Bank currently does not have adequate reach. This arrangement would result in scaling up of the customer base.

Awards and Accolades:

- IIFL FINANCE receives recognition as one of the Economic Times Best Brands 2020
- IIFL Finance received the 'Golden Peacock National Training Award – 2020'
- IIFL Finance received the 'Most Admired Service Provider in Financial Sector' at the ET Now World BFSI Awards
- IIFL Finance featured in 'India's Best Workplaces in BFSI 2020' – Top 25 list
- The Economic Times recognizes our Chairman as one of the 'Most Promising Business Leaders of Asia' for demonstrating exemplary leadership qualities
- IIFL Home Finance won the 'Best Housing Finance Company' & the 'Best Affordable Housing Finance Company' of the Year by ET NOW
- IIFL Finance received the 'Golden Peacock Award for Risk Management' 2019 from the Institute of Directors at Singapore Global Convention on Board Leadership & Risk Management

About IIFL

IIFL Finance Limited (Erstwhile “IIFL Holdings Limited”) (Bloomberg Code: IIFL IN, NSE: IIFL, BSE: IIFL) 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 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 Limited is a first generation venture which started as a research firm in 1995. IIFL Finance Limited was a pioneer in the retail equity broking industry with its launch of 5paisa trading platform which offered the lowest brokerage in the industry and freedom from traditional ways of transacting. IIFL’s evolution from an entrepreneurial start-up in 1995 to a full range diversified financial services group is a story of steady growth by adapting to the dynamic business environment, without losing focus on its core domain of financial services.

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 about 30 lakh customers. IIFL Finance has widened its pan-India reach through extensive network of branches spread across the country and various digital channels.

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 half year ended September 30, 2020, are available under the ‘[Investor Relations](#)’ section on our website www.iifl.com.

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

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