

## CEO's Message



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### Dear Stakeholders,

**It makes me immensely happy to state that during FY24, we witnessed steady growth across our product portfolio. However, before I delve deeper into the details of our performance, I must mention that the trust and confidence of all our stakeholders in our vision and capabilities have helped us empower individuals and families across India to achieve their dream of home-ownership.**

This past year, the Indian economy continued to demonstrate remarkable resilience, registering a growth of over 7.6% in FY24—uplifting Millions of people from poverty, sheltering their lives and bringing them back to the economic mainstream. Rapid urbanisation, massive infrastructural development, a consistent focus on sustainability and an aspirational young population with rising income levels, are acting as tailwinds for the housing finance sector.

Stabilising interest rates and the government's commitment to 'Housing for All' also augur well for the sector as

a whole. Housing finance companies are capitalising on this opportunity by offering innovative products and services, user-friendly digital solutions and undertaking targeted marketing campaigns designed to resonate with the young demographic, potential first-time home buyers across major states in India.

IIFL Home Finance Ltd. has established a proven track record of empowering first-time home buyers while emphasising affordable housing for the economically weaker sections (EWS) and lower income groups (LIGs). Over the past five years, the Company's Assets Under Management (AUM) have grown at a 14% CAGR, reaching ₹ 35,499 Crore in FY24. Most of our borrowers are women, reflecting our commitment to women's empowerment, financial inclusion and social responsibility. At present, we are the leading affordable housing finance company in the sub ₹ 25 Lakh loan segment, with an average ticket size of ₹ 14.26 Lakh, among the housing finance companies in India.

We continue to expand our presence in the category of affordable home loans, particularly in sustainable and green

housing solutions. As an inclusive financial institution, we strive to cater to a diverse range of customers with an extensive reach and an effective post-disbursal loan journey.

In addition to our continuous efforts towards ensuring 'Housing For All', as a responsible corporate entity, our commitment to societal impact extends beyond sustainable housing initiatives. We are one of the leading contributors to the Credit Linked Subsidy Scheme (CLSS) and have facilitated a subsidy of over ₹ 1,750 Crore to over 73,000 households. This demonstrates our dedication to making home-ownership a reality for low- and middle-income families. We have also successfully catered to over 26,500 Beneficiary-led Construction (BLC) with the disbursement of close to ₹ 700 Crores and Affordable Housing households under Pradhan Mantri Awas Yojana (PMAY).

### Powering The Home Finance Ecosystem

A significant milestone for IIFL Home Finance in FY24 was the crucial role we played in establishing the Residential Mortgage-Backed Securities (RMBS)

Development Company Limited (RDCL) consortium with a 5% shareholding. This collaborative effort, which includes leading financial institutions, represents a paradigm shift towards a bond market-driven approach to housing finance, mirroring successful models in developed economies.

The consortium's collective investment of ₹ 500 Crore also reflects a shared commitment to revitalising the Residential Mortgage-Backed Securities market (RMBS) and unlocking its potential for financing affordable housing. The RMBS Development Company Limited (RDCL) platform, established under the aegis of the National Housing Bank (NHB), promises to provide the much-needed diversification of liabilities and improved cost of funds for all mortgage players, ultimately benefiting homebuyers.

### **Staying Ahead In The Technology Curve**

The Indian stack of digital public infrastructure, which comprises digital identification, payments and data management, is the most impactful resolution to have happened in India post-independence.

Now the onus is on us as an organisation to seize this opportunity to enable financial inclusion, better risk management and efficient operations to deliver on stakeholder expectations.

With our customer onboarding app 'Jhatpat', our collection App, 'm-Collect,' and our customer 'Loans App', we continuously aim to evolve our platforms and offerings to offer our clients best-in-class solutions. These offerings, along with our robust financial performance, have made us the largest affordable housing finance company in India today. For the years ahead, we are evaluating emerging technologies for potential applications in the home loan sector, ensuring that we remain at the forefront of digital transformation in the housing finance industry.

Our state-of-the-art IT infrastructure streamlines the loan application process, resulting in a faster turnaround time from application to loan closure. Additionally, our asset-light model, enabled by co-lending arrangements, helps us drive deeper market penetration into remote markets across India.

Additionally, we have achieved validation of our business and social model from DFIs such as the International Finance Corporation (IFC) and the US International Development Finance Corporation (DFC), who have lent us \$100 Million and \$50 Million, respectively, along with continued support from our regulator, the National Housing Bank (NHB). With continuous support from our new shareholder, Abu Dhabi Investment Authority (ADIA), we feel more confident about reaching our objective of a Million homes much earlier than expected.

### **Empowering Every Citizen**

Our dedication to social impact extends far beyond sustainable housing initiatives. As of now, we at IIFL HFL have established an impressive customer base, with an active customer base of 2,80,000 and over 4,17,000 customers whom we have served across the country. We are especially proud of the high number of women borrowers and co-borrowers (over 2,15,000) and first-time homebuyers (2,59,000) who have entrusted us with their dreams.

Additionally, our asset-light model, enabled by co-lending arrangements, enables us to extend our reach to remote markets across India, ensuring we serve a wider section of the population.

We are happy to report that we have achieved encouraging growth in revenue and net interest income (NII), which stood at ₹ 3,317 Crore and [₹ 1592 Crore], respectively. Our profit after tax (PAT) stood at ₹ 1,017 Crore,

recording a growth of 32% YoY. Our return on equity (ROE) was 16.9% and our return on assets (ROA) was 4.4%. This strong performance emphasises the effectiveness of our management and our operations.

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### **Supporting Aspirations, Growing Sustainably**

We are a purpose-driven organisation deeply committed to shaping a sustainable and inclusive future for affordable housing in India. Our dedication to financial inclusion, technological innovation and environmental responsibility positions us as a key player in the housing sector.

We are grateful to our esteemed customers, committed employees, partners, the Board of Directors and stakeholders for their continued trust and support. Together, we are supporting aspirations and growing sustainably. As the Indian economy continues on its remarkable growth trajectory, we are poised to play a pivotal role in this exciting journey. We look forward to the opportunities and challenges that lie ahead, and we remain confident in our ability to deliver exceptional value to all stakeholders.

Best,

#### **Monu Ratra**

Executive Director (ED) & Chief Executive Officer (CEO)