



IIFL Holdings Limited

Press Release

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IIFL Consolidated¹ Q3FY17 Net Profit at ₹222 Cr, up 62% y-o-y; Income at ₹746 Cr, up 34% y-o-y; ROE at 19.6%

For the quarter ended December 31, 2016 (Q3FY17)

- Net Profit was ₹222 Cr, up 62% year-on-year (y-o-y); consolidated income stood at ₹746 Cr, up 34% y-o-y and ROE was 19.6%
- Loan assets under management in NBFC business at ₹21,090 Cr, up 15% y-o-y
- Wealth assets grew 22% y-o-y to ₹106,999 Cr
- Declared an interim dividend of **₹4.50 per share** (225% of face value)
- For the nine-month period ended December 31, 2016, Net Profit at ₹588 Cr, up 45% y-o-y; consolidated income at ₹1,989 Cr, up 22% y-o-y

Summary: Consolidated – Q3FY17

₹ Crores	Quarter ended Dec 31, 2016	Quarter ended Dec 31, 2015	Y-O-Y	Quarter ended Sep 30, 2016	Q-O-Q
Income	745.8	555.6	34%	666.8	12%
Profit Before Tax	328.9	199.2	65%	297.4	11%
Net Profit	222.3	137.2	62%	207.2	7%

Summary: Consolidated – 9MFY17

₹ Crores	Nine-month ended Dec 31, 2016	Nine-month ended Dec 31, 2015	Y-O-Y	Financial Year ended Mar 31, 2016
Income	1,989.2	1,633.0	22%	2,282.3
Profit Before Tax	860.9	603.3	43%	842.3
Net Profit	587.6	404.8	45%	554.5

¹ Note - Income is net of interest expense. Net profit is pre-minority. ROE is annualized.

Mr Nirmal Jain, Chairman, IIFL Holdings Ltd., commented on the financial results, “We are happy to report accelerated profit growth on y-o-y basis, on the back of continued strong performance of our NBFC and Wealth businesses and tailwinds in Capital Market business. We look forward to growth and reform oriented budget and policy changes to give impetus to economic activity and thereby financial services sector.”

NBFC operations

Q3FY17 PAT was ₹112 Cr, up 25% y-o-y, while total income was ₹351 Cr, up 22% y-o-y. NBFC’s ROE² for Q3FY17 stood at 17.8% and ROA was 2.1%. NIM has improved to 6.4% on the back of superior asset mix at lower yield, decline in funding costs and infusion of equity capital. Availability and cost of funding have significantly improved during the quarter. The cost of fund has fallen 30 bps from 9.6% in Q2FY17 to 9.3% during the quarter.

Loan assets under management (AUM), predominantly retail, showed a steady increase of 15% y-o-y to ₹21,090 Cr. Home loans along with commercial vehicle finance and MSME loans were the key growth drivers for the business. At the end of the quarter, low risk retail mortgage loan assets stood at ₹10,938 Cr, up 53% y-o-y and constitute a dominant 52% of total loan AUM. Commercial vehicle finance AUM grew 43% y-o-y to ₹2,790 Cr.

Asset quality: Gross NPAs and Net NPA ratios have fallen to 1.80% and 0.65% respectively as on December 31, 2016 versus 1.87% and 0.83% in the previous quarter. Against gross NPA of ₹340 Cr, specific provisions stand at ₹218 Cr, giving provision coverage of 64%.

Besides this, provision of ₹82 Cr has been made for standard assets as per statutory requirements. Total provision coverage (including standard asset provision) stands at 88% of Gross NPAs.

IIFL Finance has long-term credit rating by CRISIL AA/Stable, [ICRA] AA (Stable), CARE AA, Brickworks AA+/Stable and short-term rating by [ICRA] A1+

Capital adequacy: Total CAR stood at 23.5% including Tier I capital of 20.5% as at December 31, 2016.

² Figures are annualized.

Wealth operations

IIFL Wealth is one of the fastest growing wealth management companies in India offering advisory, wealth structuring solutions, asset management, credit solutions and distribution services. IIFL Wealth Management offers comprehensive suite of products and services to over 10,000+ high net-worth families in India. An in-house asset management business allows the company to launch innovative products; IIFL Wealth is the first and largest manufacturer and distributor of AIFs in India.

To the rising number of discerning high net-worth families in India, IIFL Wealth has positioned itself to participate in a larger share of wallet by offering family office, estate planning and offshore advisory services, enabling a stronger penetration into this market.

Total assets under management, distribution and advice witnessed 22% y-o-y growth to reach ₹106,999 Cr in Q3FY17. The Q3FY17 PAT at ₹65 Cr, up 45% y-o-y and 9MFY17 PAT was ₹175 Cr, up 42% y-o-y.

IIFL Wealth Finance, a wholly-owned NBFC subsidiary of IIFL Wealth, commenced operations in Q4FY16. IIFL Wealth Finance is focused on providing loan against securities to HNI clients. The loan book grew from ₹2,240 Cr in Q2FY17 to ₹2,931 Cr in Q3FY17.

Capital market activities

The capital markets were volatile in the last quarter. Despite this, the investment banking team won 3 IPO mandates across consumer discretionary, healthcare and financial services sectors. In this fiscal year, the team has completed 16 investment banking transactions including 5 IPOs. IIFL is among the top 5 banks in terms of number of equity IPOs completed in the current fiscal year. The team continues to invest in people and processes given a strong pipeline and we expect the deal momentum to continue.

During the quarter, the average daily equity market turnover for the broking business was ₹8,749 Cr, up 60% y-o-y with the cash market turnover at ₹972 Cr, up 26% y-o-y. Our stock trading app, 'IIFL Markets' continues to be the highest rated on Android and IOS amongst peers (4.4) with over 800,000 downloads. There has been steady increase in number of clients trading through the mobile platform; during the quarter, over 30% of retail customers have traded through the app.

Interim Dividend

The Board of Directors of the Company has declared an interim dividend of ₹4.50 per equity shares of the face value of ₹2 each for the financial year 2016-17. The Company has fixed February 03, 2017 as the record date for this purpose.

Acquisition of Micro-Finance Institution

Further to our earlier intimation dated November 17, 2016 with regard to the proposed acquisition of the management and control of Samasta Microfinance Limited [Samasta] a Bangalore based Non banking Finance Company - Micro Finance Institution [NBFC-MFI] registered with RBI by the Company's NBFC subsidiary namely India Infoline Finance limited ("IIFL"), we would like to update that pursuant to the necessary regulatory and other approvals, IIFL has acquired 31,68,111 equity shares i.e., about 28% of the equity capital of Samasta.

IIFL Merchant Banking division acted as the Advisor for the transaction.

Demerger of Real Estate Advisory services from IIFL Facilities Services

The Board of Directors of IIFL Holdings Limited ("IHL") considered and noted the proposed draft Scheme of Arrangement envisaging the demerger of Real Estate Advisory services undertaking from IIFL Facilities Services Limited ("IFSL"), a wholly-owned-subsiary of the Company into another wholly-owned-subsiary in terms of the provisions of Companies Act, 2013. The above proposal does not envisage any change in the capital structure of IIFL Holdings Limited or its interest in the aforesaid Subsidiaries. The appointed date of the proposed Scheme of Arrangement is April 01, 2017. The aforesaid scheme is subject to necessary regulatory approvals including National Company Law Tribunal (NCLT).

Pursuant to the said demerger, IFSL's primary income will be from rentals of commercial real estate assets owned by it. The proposed restructuring is being done to facilitate transfer of IFSL as an SPV to a REIT, subject to required Board, Shareholders and regulatory approvals.

Awards and Accolades received during the quarter:



- India Infoline Ltd received the NSDL Star Performer "Leader in Go Green Initiative -1st Position" Award. This award was given to us in recognition of DP participant executing maximum no of digital transactions with NSDL
- IIFL Markets mobile app won Silicon Valley Business Awards 2016 for Best Overall App
- IIFL Markets mobile app won Silicon Valley Business Awards 2016 for Best Finance and Management
- Best Private Banking Services - Overall by Euro-money Private Banking and Wealth Management Survey, 2017
- Best Wealth Manager - India Domestic by Asian Private Banker Awards of Distinction, 2016
- Best Private Bank, India by Global Finance Best Private Bank Awards 2017
- IIFL Foundation received Skoch Blue Economy Order of Merit Award. IIFL Foundation's



projects were also adjudged as Top 100 projects in India

- Golden Peacock Award for Corporate Social Responsibility – 2016
- Finance Asia -- Deal of the Year for India Awards – for ICICI Prudential Life Insurance's \$912 million IPO

Corporate Social Responsibility – Activities undertaken during Q3FY17:



Education

Activities in Rajasthan

- Smart class room and additional infrastructure supported by IIFL for a rural school in Gogunda, Udaipur inaugurated by HH Governor of Rajasthan, Shri Kalyan Singh
- Kadechawas in Gogunda in Udaipur, Rajasthan is a tribal village with one school up to class 10 but has only 4 classrooms and 4 teachers. IIFL Foundation decided to adopt the school and is not only building additional classrooms so that children can have a good ambience to study but has also provided a smart board to compensate for lack of teachers.

Gram Vardhan Yojana

Activities in Jawhar

- Vocational Training for Tribal Boys - Over 450 tribal boys received vocational training this quarter in two- and three-wheeler vehicle repair, retail sales and as electrician and were successfully placed in various companies.
- IIFL Foundation undertook the noble task of distributing food grains to tribals with malnourished children just before Diwali. Food kits (each kit had rice, dal, jaggery, peanuts and chana packets) were collected by IIFL employees during Daan Utsav.

Financial Literacy and Demonetisation awareness drive in Mumbai schools

- Over 5,000 school children underwent lessons in financial literacy in Q3FY17
- IIFL Foundation also conducted over 50 awareness sessions on demonetisation for women, students, others in Mumbai



About IIFL

IIFL Holdings Ltd (NSE: IIFL, BSE: 532636) is a leading player in the Indian financial services space. IIFL is engaged in the business of financing, asset and wealth management, capital markets and financial products distribution, investment banking, institutional equities and realty services through its various subsidiaries.

IIFL Holdings Ltd with a consolidated net-worth of ₹4,352 Cr as on December 31, 2016, is headquartered in Mumbai with overseas offices in London, New York, Geneva, Hong Kong, Dubai, Singapore and Mauritius. Started as a research firm in 1995, IIFL is a first generation venture. Today, IIFL is a diversified financial services group offering gamut of services to more than 3.5 million customers across various business segments and is continuously building on its strengths to deliver excellent service to its expanding customer base.

IIFL was recognised as '**India's Most Trusted Financial Service Brand (Non-Bank)**' by the Brand Trust Report India Study, 2016. IIFL received '**Best Technological Innovation**' Award in capital markets space at the Zee Business Market Excellence Awards 2016 for IIFL Markets Application. IIFL won '**The Best Private Banking Services Overall, India**' award at Euromoney Private Banking and Wealth Management Survey, 2017. IIFL Group bagged '**Best Customer Service in Financial Sector**' by World Quality Congress - service quality awards in 2015. IIFL received '**India's Most Promising Brand** 2014 award at WCRC Global India Excellence Summit in London.

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 December 31, 2016, are available under the 'Investor Relations' section on our website www.indiainfoline.com.

IIFL/ India Infoline refer to IIFL Holdings Ltd and its group companies.

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