

IIFL Holdings Limited

Press Release

For immediate publication

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**IIFL Consolidated Net Profit pre-minority for FY17 at ₹822 Cr (up 48% y-o-y)
and post-minority at ₹686 Cr (up 34% y-o-y)**

Income FY17 ₹2,833 Cr (up 24% y-o-y) and; ROE at 17.7%

For the quarter ended March 31, 2017 (Q4FY17)

- Net Profit was ₹235 Cr, up 57% year-on-year (y-o-y); consolidated income stood at ₹843 Cr, up 30% y-o-y
- Loan assets under management in NBFC business at ₹22,281 Cr, up 14% y-o-y
- Wealth assets grew 51% y-o-y to ₹120,101 Cr

For the year ended March 31, 2017 FY17

- For the year ended March 31, 2017, Net Profit at ₹822 Cr, up 48% y-o-y; consolidated income at ₹2,833Cr, up 24% y-o-y and ROE was 17.7%

Summary: Consolidated – Q4FY17

₹ Crores	Quarter ended March 31, 2017	Quarter ended March 31, 2016	Y-O-Y	Quarter ended Dec 31, 2016	Q-O-Q
Income	843.3	649.3	30%	745.8	13%
Profit Before Tax	363.1	239.1	52%	328.9	10%
Net Profit (Pre-Minority)	234.5	149.7	57%	222.3	6%
Net Profit (Post-Minority)	186.4	136.5	37%	179.1	4%

Summary: Consolidated – FY17

₹ Crores	Year ended March 31, 2017	Year ended March 31, 2016	Y-O-Y
Income	2832.6	2282.3	24%
Profit Before Tax	1224.0	842.3	45%
Net Profit (Pre-Minority)	822.2	554.5	48%
Net Profit (Post-Minority)	686.1	511.2	34%

Note - Income is net of interest expense

Mr Nirmal Jain, Chairman, IIFL Holdings Ltd., commented on the financial results “We had all round robust growth in our core businesses, with net profits touching a new peak. As India is poised to be the fastest growing economy in next ten years, our strategy is to de-risk the business model for durable long term growth. All our core businesses have strong foundation and impeccable franchise to capitalise upon the opportunity.”

NBFC operations

Q4FY17 PAT was ₹121 Cr, up 27% y-o-y, while total income was ₹404 Cr, up 37% y-o-y. NBFC's ROE¹ for Q4FY17 stood at 14% and ROA was 2.1%. NIM has improved to 6.8% 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 borrowing mix is well diversified including from banks, mutual funds, insurance companies and public. The cost of fund has fallen 50 bps from 9.3% in Q3FY17 to 8.8% in Q4FY17.

Loan assets under management (AUM), predominantly retail, showed a steady increase of 14% y-o-y to ₹22,281 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 ₹10,963 Cr, up 42% y-o-y and constitute a dominant 49% of total loan AUM. Commercial vehicle finance AUM grew 30% y-o-y to ₹2,974 Cr.

Asset quality: Gross NPAs and Net NPA ratios have remained steady at 1.82% and 0.58% respectively as on March 31, 2017 versus 1.80% and 0.65% in the previous quarter. Against gross NPA of ₹352 Cr, specific provisions stand at ₹241 Cr, giving provision coverage of 68%.

Besides this, provision of ₹84 Cr has been made for standard assets as per statutory requirements. Total provision coverage (including standard asset provision) stands at 92% 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 20.7% including Tier I capital of 18.1% as at March 31, 2017.

¹ Figures are annualized.

Wealth operations

IIFL Wealth is one of the leading 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 51% y-o-y growth to reach ₹120,101 Cr in Q4FY17. The Q4FY17 PAT at ₹75 Cr, up 63% y-o-y and FY17 PAT was ₹250 Cr, up 48% 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 and properties to HNI clients. The loan book grew to ₹3,615 Cr in its maiden year of operation.

Under Wealth Management, a separate AIF with a separate in-house AMC was launched this year for providing customized AIFs with due approval of SEBI.

Capital Market activities

IIFL is a key player in both retail and institutional segments of the capital market with over 1,200 service locations comprising a wide branch and sub-broker network and providing unparalleled research coverage on 500+ companies. At the back of strong domestic inflows, the business has recorded a robust performance despite high volatility in the market. Moreover, the financial year ended on an optimistic note as the total market volumes recorded in the last quarter of FY16-17 were the highest of the last 4 quarters.

During the quarter, the average daily equity market turnover for the broking business was ₹10,324 Cr, up 44% y-o-y with the cash market turnover at ₹1,126 Cr, up 22% y-o-y. Our stock trading app, 'IIFL Markets' continues to be the highest rated on Android and IOS amongst peers (4.4) with nearly 10,00,000 downloads. There has been a steady increase in number of clients trading through the mobile platform; during the quarter, over 30% of retail customers have traded through the app. The number of SIPs from our retail customers increased to 40,000 with a monthly SIP book of over ₹10 crores.

The Investment banking team completed 4 transactions including 2 QIPs during Q4FY17. FY2017 has been a landmark year – 21 investment banking transactions were completed including 5 IPOs, the largest number of IB deals in a year. IIFL is ranked #2 in terms of amount raised through QIPs in FY2017. There is a robust pipeline of IB transactions across sectors in different stages of execution. Clients value IIFL's focus and commitment and consider us as their trusted advisor.

Micro-Finance Business

During the quarter, the company has completed the acquisition of shareholdings and control of Samasta Microfinance Ltd – a Micro Finance Institution (MFI) based in Bengaluru. The company further invested ₹50 cr towards Tier I capital of Samasta to grow its business and develop its infrastructure and operations. This would help fund its growth phase in the coming quarters. IIFL expects MFI as a new and promising opportunity for growing its business into this niche segment of providing loans and further to develop its cross sell opportunities.

5 Paisa

With a view to giving a segregated focus on the digital way of doing trading and distribution services, which is emerging as a new segment and possesses the potential to grow exponentially in the coming years, especially with the spread of internet and mobile penetration, 3G/4G data services across the country under the DIY (do-it-yourself) model; The Board of Directors of the Company and 5paisa Capital Limited, a wholly owned subsidiary of the Company, approved a draft Scheme of Arrangement under Section 391-394 of the Companies Act, 1956 ("the Scheme") between IIFL Holdings Limited and 5paisa Capital Limited and their respective shareholders to demerge 5paisa digital undertaking of the Company into 5paisa Capital Limited. As per the proposed Scheme, the shareholders of IIFL Holdings Limited will get 1 (One) equity share of Rs. 10/- each fully paid up of 5Paisa Capital Limited for every 25 (Twenty Five) equity shares of IIFL Holdings Limited held by the shareholders. The Company has received "no objection" from SEBI, BSE and NSE on the draft Scheme of Arrangement and has filed a petition with the National Company Law Tribunal ("NCLT"). Pursuant to NCLT's order, a meeting of the shareholders of the Company has been scheduled on May 11, 2017 for approving the Scheme of Arrangement. The necessary notice to shareholders has been sent. Pending final approval of the proposed scheme, the above financial results of IIFL Holdings Limited is without considering the effect of the proposed demerger.

Awards and Accolades received during the year :

- The prestigious Economic Times Awards for Corporate Excellence shortlisted IIFL in the Emerging Company of The Year Award category
- BSE Skoch Order of Merit Award for Innovative Deployment of Technology Within Investing Services Space
- Finance Asia -- Deal of the Year for India Awards – for ICICI Prudential Life Insurance’s \$912 million IPO
- IIFL Markets mobile app won Silicon Valley Business Awards 2016 for Best Overall App
- Golden Peacock Award for Corporate Social Responsibility – 2016
- 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
- BSE Skoch Awards for Innovation and Meritorious CSR
- Best Private Banking Services - Overall by Euro-money Private Banking and Wealth Management Survey, 2017
- Gold Loan Digital Transformation was chosen as the Best Top 20 Project in 5th BFSI Innovation and Technology Summit - 2016.
- Best Wealth Management Firm, India at APAC Insider Investment Awards



Corporate Social Responsibility – Activities undertaken during Q4FY17:

Education

Activities in Rajasthan

- The Community school program was scaled up significantly this quarter with 160 more schools started in Khamnor, Rajsamand and FoolwalokiNaal, taking the total number of community schools to 260, which has brought back over 8,000 girls back into the fold of education.

The initiative involves creating awareness for education for girls and freeing them for some time during the day from the numerous household chores. The response has been overwhelming.

Financial Literacy drives

- A unique Financial Literacy Program for Tribal women was conducted in Jawhar.
- Financial Literacy Programs in West Bengal and Mumbai were also scaled up to cover 10,000 women from different SHGs and 15,000 men from the unorganized sector, and 3,000 children from municipal schools respectively.



Women's Day Celebrations

- On women's day IIFL Mumbai collected new beautiful sarees for tribal women from Jawhar. Over 100 sarees were collected & distributed.





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 ₹4,384 Cr as on March 31, 2017, 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 4.0 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 March 31, 2017, are available under the 'Investor Relations' section on our website www.iifl.com.

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

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