

IIFL Finance Limited

Press Release

For immediate publication

Mumbai, India

July 21, 2020

Results update

-Profit after tax for Q1FY21 at Rs 228 Cr* (up 26% y-o-y and 5% q-o-q)

-Income for Q1FY21 at Rs 673 Cr (up 10% y-o-y and down 1% q-o-q)

For the quarter ended June 30, 2020 (Q1FY21), consolidated results as per IND AS are:

- Profit before tax (excluding Covid related provision and other exceptional items*) stood at Rs 322 Cr for the quarter, up 25% y-o-y and 9% q-o-q
- Profit after tax (TCI) (excluding Covid related provision and other exceptional items*) stood at Rs 228 Cr for the quarter, up 26% y-o-y and 5% q-o-q
- Consolidated income stood at Rs 673 Cr for the quarter, up 10% y-o-y and down 1% q-o-q
- Loan assets under management stood at Rs 38,335 Cr, up 10% y-o-y and 1% q-o-q

IIFL Finance Limited Consolidated Results – Q1FY21

Rs Crore	Quarter ended June 30, 2020	Quarter ended June 30, 2019	Y-O-Y	Quarter ended March 31, 2020	Q-O-Q
Income (Net)	672.6	610.7	10%	682.9	(1%)
Prior to Covid provision and other exceptional items:					
Profit before tax	322.1	256.8	25%	296.6	9%
Profit after tax (TCI)	228.2	180.9	26%	216.5	5%
Post Covid provision and other exceptional items:					
Profit before tax	57.3	256.8	(78%)	14.6	293%
Profit after tax (TCI)	30.1	180.9	(83%)	54.8	(45%)

*Q1FY21 exceptional items comprise COVID-19 provision of Rs. 194 Cr and Rs. 70 Cr MTM loss on forex borrowings and hedge. As our forex loans are fully hedged, the accounting gain/loss will even out by maturity of the bonds. Q4FY20 consists of COVID-19 provision of Rs. 282 Cr. Besides, in Q4FY20, provision for tax includes reinstatement of deferred tax reversal of Rs. 49 Cr post merger

Mr. Nirmal Jain, Chairman, IIFL Finance Ltd., commented on the financial results: *“Amidst uncertainty and work from home being imperative, IIFL Finance has delivered satisfactory results. We are really proud of our employees, who despite Covid related challenges have not missed a beat in servicing the customers. The Company’s core strategy hinges upon its steadfast focus on retail lending and digitization of end to end processes, to minimize cost and maximize employee productivity and customer experience. Liquidity is improving. Work and life are slowly getting back to normalcy. The proportion of customers under moratorium is falling. In this backdrop, we look at steady improvement in business environment for NBFCs. Our business plan this year is to focus on productivity and asset quality to fortify the foundation for future growth.”*

IIFL Finance had loan assets under management of Rs 38,335 Cr as at June 30, 2020, with the home loans segment constituting 33%, business loans 21%, gold 25% and microfinance 8% of the total AUM.

The company's annualized ROE and ROA for Q1FY21 stood at 19.5% and 2.7% respectively (excluding exceptional items). Average borrowing costs for the quarter decreased by 10 bps q-o-q to 9.3%.

88% of our loans are retail in nature and 43% are PSL compliant. The assigned loan book, currently at Rs 9,985 Cr, is 26% of AUM. There exists significant opportunity for further assignment, given our granular and retail book.

GNPA stood at 1.95% and NNPA stood at 0.86%, as at June 30, 2020. With implementation of Expected Credit Loss under IndAS, provision coverage on NPAs stands at 183% including standard asset coverage. Provision coverage excluding the additional provision made for Covid impact stands at 101%

Loans under moratorium have fallen from 60% as at end of May 2020 to 31% as at end June 2020. The Company has offered second moratorium to all its customers on an opt-in basis.

Total CAR stood at 19.3% including Tier I capital of 15.3% as at June 30, 2020, as against statutory requirement of 15% and 10% respectively.

The total presence of branches stood at 2,372 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 12,618 Cr. The primary focus in this segment is on affordable and non-metro housing loans. About 38,300 customers were benefitted with a subsidy of about Rs 900 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Gold Loans

As of June 30, 2020 the gold loans AUM grew to Rs 9,490 Cr, showing a strong growth of 44% 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 37% y-o-y to Rs 3,222 Cr as at June 30, 2020. The microfinance customer base increased to over 15 lakh customers.

Credit Rating

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

Liquidity Update

During the quarter, we raised Rs 1,005 Cr through term loans and refinance from banks. Loans of Rs 877 Cr were securitized/assigned during the quarter. Cash and cash equivalents and committed credit lines from banks and institutions of Rs 3,745 Cr were available as on June 30, 2020.

Awards and Accolades:

- 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 ended June 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.

Investor Relations

IIFL Finance Limited

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