

IIFL Holdings Limited

Press Release
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Results update

IIFL Consolidated

-Profit after tax* for 9MFY19 at ₹869 Cr (up 18% y-o-y)
-Income# for 9MFY19 at ₹3,052 Cr (up 10% y-o-y)

For the quarter and nine months ended December 31, 2018 (Q3FY19, 9MFY19), Consolidated results as per IND AS are:

- Profit after tax stood at ₹220 Cr for the quarter, down 12% y-o-y, and ₹869 Cr for the nine month period, up 18% y-o-y
- Consolidated income stood at ₹990 Cr for the quarter, down 2% y-o-y and ₹3,052 Cr for the nine month period, up 10% y-o-y
- Loan assets under management in the NBFC business stood at ₹36,400 Cr, up 33% y-o-y
- Wealth assets stood at ₹1,60,573 Cr, up 25% y-o-y
- Interim dividend declared of ₹5 per equity share, 250% of the face value of ₹2 per equity share

Summary: Consolidated – Q3FY19

₹Crore	Quarter ended December 31, 2018	Quarter ended December 31, 2017	Y-O-Y
Income [#]	989.6	1,013.6	(2%)
Profit Before Tax	322.5	352.0	(8%)
Profit After Tax (Pre-Minority)	219.7	250.1	(12%)
Profit After Tax (Post-Minority)	165.3	189.2	(13%)

Summary: Consolidated – 9MFY19

₹Crore	Nine months ended December 31, 2018	Nine months ended December 31, 2017	Y-O-Y
Income [#]	3,051.8	2,766.8	10%
Profit Before Tax	1,290.6	1,048.6	23%
Profit After Tax (Pre-Minority)	868.7	735.7	18%
Profit After Tax (Post-Minority)	664.0	562.3	18%

* Profit after tax is pre-minority

Income is net of interest expenses

Mr. Nirmal Jain, Chairman, IIFL Holdings Ltd., commented on the financial results: *“The last quarter has been challenging but in many ways a defining quarter for Indian NBFCs and capital market. Although our risk and liquidity management practices have been vindicated in last few months, we incessantly endeavor to improve our controls and efficiency. I do not see any threat to the long term potential or prospects of all our businesses. We see even bigger opportunity with continuing formalization of credit. IIFL Wealth is making decisive strides towards advisory business model.”*

Loans and Mortgages

The Loans and Mortgages business is carried out by a non-banking finance company and its two subsidiaries, housing finance company and micro finance company; conducted through 1,862 branches spanning the length and breadth of the country.

The profit after tax for Q3FY19 was ₹108 Cr, up 6% y-o-y, while total income was ₹602 Cr, up 12% y-o-y. NBFC's ROE¹ for Q3FY19 stood at 11.1% and ROA¹ was 1.3%. Average borrowing costs increased by 56 bps y-o-y to 9.0%. Net Interest Margin was at 7.1%.

Loan assets under management (AUM), predominantly retail, showed a strong growth of 33% y-o-y to ₹36,400 Cr, mainly driven by small-ticket home loans, Gold loans, SME loans and microfinance loans.

At the end of the quarter, retail home loan assets grew to ₹11,208 Cr, up 49% y-o-y.

The microfinance business continued its steady growth, with the loan AUM growing 205% y-o-y to ₹1,753 Cr as at December 31, 2018. The MFI customer base increased to over 8,00,000 customers and branch network grew to 492 branches.

85% of our loans are retail in nature and 47% are PSL compliant. The securitized loan book, currently at ₹9,058 Cr, is 25% of AUM. There exists significant opportunity for securitization, which will positively impact profitability and CAR.

GNPA stood at 3.7% and NNPA stood at 1.5%, as at December 31, 2018. With implementation of Expected Credit Loss under IndAS, specific provision coverage on NPAs stands at 60%.

IIFL Finance has long-term credit rating by CRISIL AA/Stable, ICRA-AA (Stable), CARE AA (Positive).

Capital adequacy: Total CAR stood at 20.7% including Tier I capital of 17.4% as at December 31, 2018, as against statutory requirement of 15% and 10% respectively.

Issue of Public NCDs of ₹2,000 Cr

IIFL Finance launched an issue for secured and unsecured redeemable non-convertible debentures (NCDs), aggregating to ₹250 Cr, with a green-shoe option to retain over-subscription up to ₹1,750 Cr (aggregating to a total of ₹2,000 Cr) on January 22, 2019. The instruments are rated CRISIL AA/Stable by CRISIL, [ICRA] AA (Stable) by ICRA, and BWR AA+/Stable by Brickworks.

The Company has received bids worth over ₹1,000 Cr till date, which is over 4 times the base issue size of ₹250 Cr. Investors included a number of marquee institutional investors and HNIs.

¹Figures are annualized.

Wealth and Asset Management

IIFL Wealth Management is the leading wealth management company in India. The company has catapulted itself to become the largest private wealth management firm in India in a decade since its inception. Headquartered in Mumbai, IIFL Wealth has over 900 employees and presence in 9 major global financial hubs spread across 26 locations in India and around the world.

The company's total assets under management, distribution and advice witnessed 25% y-o-y growth to reach ₹1,60,573 Cr in Q3FY19. The assets of the asset management business was ₹22,955 Cr. as at December 31, 2018. The profit after tax for the quarter was at ₹79 Cr.

The company has completed the acquisition of Altiore Advisors and Wealth Advisors India during the quarter, both are now wholly owned subsidiaries of the company.

Capital Market and others

IIFL is a key player in both retail and institutional segments of the capital market and category I merchant banker. We have over 1,400 service locations comprising a wide branch and sub-broker network and providing unparalleled research coverage on over 500 companies.

IIFL Capital Markets net profits for the quarter showed a de-growth of 18% y-o-y to ₹33.5 Cr and showed a growth of 5% y-o-y to ₹133.1 Cr for the nine months period. During the quarter, the average daily market turnover (including F&O) for the broking business was ₹16,370 Cr, up 10% y-o-y and market share stands at 3.5% of average daily market cash turnover.

Our mobile trading app, 'IIFL Markets' continues to be the highest rated amongst peers (4.3) with over 23 lakh downloads. Mobile brokerage constituted about 38% of the total. IIFL's Mutual Fund App crossed 4.3 lakh downloads with a 4.3 star rating, and is steadily building on its customer base.

IIFL Investment Banking has completed 12 transactions across various products in the year to date and has a number of transactions in various stages of execution.

Group reorganization

The Board of Directors of the Company at its meeting held on 31 January 2018, had approved the Composite Scheme of Arrangement amongst the Company, India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("Formerly India Infoline Limited"), IIFL Wealth Management Limited ("IIFL Wealth"), India Infoline Finance Limited ("IIFL Finance"), IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013.

Equity shareholders of the Company at the NCLT convened meeting held on December 12, 2018 have approved the Scheme. Petition for final approval of the Scheme has been filed with NCLT, and the order is awaited.

Interim Dividend

The Board of Directors of the Company has declared an interim dividend of ₹5.0 per equity share, constituting 250% of the face value of ₹2 per equity share, for the financial year 2018-19. The Company has fixed February 07, 2019 as the record date for this purpose.

Awards and Accolades received in Q3FY19:

- IIFL Securities Ltd has bagged the "Best IPO Bidding Member -- Retail" award at the NSE Market Achievers Awards, 2018. IIFL had previously bagged the same award in 2017 also
- IIFL Securities Ltd won two awards at BSE Annual Felicitation ceremony, for being the top volume performer in:
 - a) "Primary Market Segment (Equity - IPO / FPO Bids - Members for FY 17-18) "
 - b) "Primary Market Segment (Debt Public Issue Bids - Members for FY 17-18)"
- IIFL Finance won the "Best Affordable Housing Finance Company of the Year Award" at ABP News BFSI Awards, 2018
- IIFL Finance received award for "Best On-Boarding Solution" at People Matters Learning & Development Conference, 2018
- IIFL received three awards at the third annual "Drivers of Digital Awards 2018" for:
 - a) Best use of digital media/platform in the share trading category
 - b) Best online engagement & loyalty scheme
 - c) Best online payments solution (merchant)
- IIFL Securities was honoured for 'Go Green Initiative for Executing Maximum Digital Transactions' by NSDL at its Star Performer Awards 2018
- IIFL Group was recognized by ET Now and Broadcast One as "Disruptors in Financial Services space" for sustained innovation through technological intervention in non-banking finance, wealth management and broking space



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 loans and mortgages, asset and wealth management, retail and institutional broking, investment banking and realty services through its various subsidiaries.

IIFL Holdings Ltd is headquartered in Mumbai with overseas offices in London, New York, Toronto, 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 with a consolidated net-worth of ₹5,768 Cr as on December 31, 2018, offering a gamut of services to more than 40 lakh customers across various business segments and is continuously building on its strengths to deliver excellent service to its expanding customer base.

IIFL is featured in the prestigious **Forbes list of 'India's Super 50 Companies'** in 2017, a benchmark to identify Indian companies that exhibit high growth in profitability, sales and shareholder returns. IIFL is also among the **'Outlook Business Outperformers'** - a prestigious list of eight companies which have beaten the Sensex over a five-year period. IIFL is ranked as the **#1 Investment Banker** in Equity Issuances for CY2016 and CY2017 YTD (January 2016-December 2017) by PRIME Database. IIFL won **'The Best Private Banking Services Overall, India'** award at Euromoney Private Banking and Wealth Management Survey, 2017. IIFL was recognized as **'India's Most Trusted Financial Service Brand (Non-Bank)'** by the Brand Trust Report India Study, 2016. IIFL Group bagged **'Best Customer Service in the 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, in 2014.

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, 2018, 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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