

IIFL Holdings Limited

Press Release

For immediate publication

Mumbai, India

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Results update

IIFL Consolidated

-Profit after tax* for Q4FY18 at ₹318Cr (up 36% y-o-y) and FY18 at ₹1,162Cr (up 41% y-o-y)

-Income# for Q4FY18 at ₹1,091 Cr (up 31% y-o-y) and FY18 at ₹3,864Cr (up 37% y-o-y)

For the quarter and year ended March 31, 2018 (Q4FY18, FY18)

- Profit after tax* stood at ₹318 Cr for the quarter, up 36% y-o-y, and ₹1,162 Cr for the full year, up 41% y-o-y
- Consolidated income# stood at ₹1,091 Cr for the quarter, up 31% y-o-y, and ₹3,864 Cr for the full year, up 37% y-o-y
- Loan assets under management in NBFC business at ₹31,134 Cr, up 40% y-o-y
- Wealth assets at ₹1,31,762 Cr, up 39% y-o-y

Summary: Consolidated – Q4FY18

₹ Cr	Income#	Y-o-Y (%)	Profit after tax*	Y-o-Y (%)
IIFL Finance	521.3	29%	160.2	33%
IIFL Wealth	287.0	16%	103.2	37%
IIFL Securities	282.3	56%	54.6	41%
IIFL Consolidated	1,090.6	31%	318.0	36%
Minority Interest	-	-	69.7	45%
IIFL Consolidated (post minority)	1,090.6	31%	248.3	33%

Summary: Consolidated – FY18

₹ Cr	Income#	Y-o-Y (%)	Profit after tax*	Y-o-Y (%)
IIFL Finance	1,893.3	37%	554.3	31%
IIFL Wealth	1,074.9	36%	385.3	54%
IIFL Securities	895.5	39%	222.5	50%
IIFL Consolidated	3,863.7	37%	1,162.1	41%
Minority Interest	-	-	250.8	84%
IIFL Consolidated (post minority)	3,863.7	37%	911.3	33%

*Profit after tax is pre-minority

#Income is net of interest expense

Mr. Nirmal Jain, Chairman, IIFL Holdings Ltd., commented on the financial results “We are delighted to note that all the core businesses recorded strong growth during the year ended March 31, 2018. Our sustained growth is testimony to superior products and services provided to customers, delivered by exceptionally dedicated and motivated employees. The group’s proposed reorganisation will result in separate listed companies for each of the core businesses; namely IIFL Finance (loans and mortgages), IIFL Wealth (wealth and asset management) and IIFL Securities (equities, investment banking, commodities). We believe that they will be better placed to attract talent to grow faster and compete more effectively. The new financial year looks promising for all the businesses.”

IIFL Finance

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 1,378 branches spanning the length and breadth of the country.

The profit after tax* for Q4FY18 was ₹160 Cr, up 33% y-o-y, while total income was ₹521 Cr, up 29% y-o-y. NBFC’s ROE¹ for Q4FY18 stood at 16.5% and ROA was 2.2%. Average borrowing costs declined 7bps q-o-q and 44bps y-o-y to 8.4%. Net Interest Margin was up 23bps q-o-q to 7.13%.

Loan assets under management (AUM), predominantly retail, showed a strong growth of 40% y-o-y to ₹31,134Cr, mainly driven by small-ticket home loans, MSME loans and micro-finance loans. At the end of the quarter, retail home loan assets grew to ₹8,579 Cr, up 61% y-o-y. CV and Gold were other drivers.

85% of our loans are retail in nature and 40% are PSL compliant. The securitized loan book currently at ₹3,518 Cr is 11% of AUM. There exists significant opportunity for securitization, which will positively impact profitability and CAR.

Asset quality remains sound with GNPA of 1.7% and NNPA of 0.8% as on March 31, 2018. Against gross NPA of ₹473 Cr, specific provisions stand at ₹256 Cr, giving provision coverage of 54%.

Besides this, provision of ₹120 Cr has been made for standard assets as per statutory requirements. Total provision coverage (including standard asset provision) stands at 80% of gross NPAs.

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

Capital adequacy: Total CAR stood at 16.2% including Tier I capital of 14.8% as at March 31, 2018.

IIFL contribution in PMAY-CLSS: Over 13,000 customers were benefitted with a subsidy of more than ₹300 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Micro-Finance Business: During the quarter, Samasta Microfinance, has continued its steady growth, with additional expansion in the eastern regions of the country. The loan assets as at March 31, 2018 stood at ₹841 Cr, up 47% q-o-q and MFI base increased to over 5,00,000 customers.

* Profit after tax is pre-minority
¹ Figures are annualized

IIFL Wealth

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 less than a decade since its inception. Today, it actively manages assets of more than 10,000 High Net Worth Individuals (HNI) and Ultra HNI families in India and abroad. Headquartered in Mumbai, IIFL Wealth has more than 800 employees and a presence in 9 major global financial hubs across 23 locations in India and around the world.

The company's total assets under management, distribution and advice witnessed 39% y-o-y growth to reach ₹1,31,762Cr in Q4FY18. The profit after tax for Q4FY18 was at ₹103 Cr, up 37% y-o-y. IIFL Wealth Finance, a wholly-owned NBFC subsidiary of IIFL Wealth focused on providing loan against securities to wealth clients had a loan book of ₹6,701 Cr as at March 2018, up 85% y-o-y.

IIFL Securities

IIFL is a key player in both retail and institutional segments of the capital market, and category I merchant banker. We have close to 1,200 service locations comprising a wide branch and sub-broker network and providing unparalleled research coverage on over 500 companies. The business has recorded a robust performance despite volatility in the market. During the quarter, the average daily market turnover for the broking business was ₹17,455 Cr, up 69% y-o-y with the cash market turnover at ₹1,563 Cr, up 39% y-o-y.

Our mobile trading app, 'IIFL Markets' continues to be the highest rated (4.3) on Android amongst peers with over 15 lakh downloads. There has been a steady increase in number of clients trading through the mobile platform; during the quarter 41% of retail customers have traded through the app. IIFL's Mutual Fund App crossed 2.7 lakh downloads with a 4 star rating on Android, and is steadily building on its customer base.

Investment Banking: During the year, IIFL has completed 27 transactions including 11 IPOs and 8 follow-on transactions involving listed companies; and continues to have a substantial pipeline of transactions which are at various stages of execution.

IIFL has been ranked #1 in equity issuances for private companies for the financial year 2017-2018, (Source: Prime database²)

Integration of commodities broking with equity broking business

With a view to integrate the equity and commodities broking within IIFL group and to ensure smooth operations and servicing of these clients, the commodity broking business of MCX and NCDEX carried on by India Infoline Commodities Limited is transferred to IIFL Securities Limited in accordance with the SEBI circular on integration of equity and commodity broking. The transfer is as per the valuation certificate received from an independent Chartered Accountant, for a cash consideration of ₹7.69 Crores. The integration is expected to be implemented by July 2018.

² Issue type : – Equity IPOs, Equity FPOs, InvIT IPOs and Equity QIPs. Rankings are from April 1, 2017 to March 31, 2018 on full credit basis based on amount raised.
¹ Profit after tax is pre-minority

Group reorganization

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

During the quarter ended March 31, 2018, the draft scheme has been filed with the exchanges/SEBI and approval of the same is awaited.

Awards and accolades received in Q4FY18:

- IIFL's Investment Banking team won the 'Best India Deal' award at the Finance Asia Achievement Awards 2017
- The Investment Banking division also bagged the 'Best IPO Lead Manager for FY18' award by Capital Finance International
- IIFL Wealth reaped accolades with the 'Best Wealth Manager - India Domestic' award at the Asian Private Banker Awards for Distinction 2017, the 'Best Private Bank in India' award by Global Finance Best Private Bank Awards, 2018, the 'Best Family Office Services, India' and 'Best Succession Planning Advice and Trusts, India' by Euromoney Private Banking and Wealth Management Survey, 2018, and the 'BFSI Best Brands, 2018' recognition by The Economic Times
- IIFL was recognized for its customer service through the 'Customer Services Excellence in Financial Services' award by the ET Now: Making of Developed India (MODI) Awards, the 'Best Customer Experience Award of the Year: Non-Banking' by Zendesk, and by Banking Frontiers: Finnoviti 2018 Awards for the innovative voice mail feature
- IIFL won the 'Best Employee Engagement in Non-Banking Sector' and the 'Best-in-Class Talent Management Award' at the Employee Engagement Leadership Awards 2018
- IIFL was also nominated for the prestigious 'most promising company' award by CNBC TV18 's IBLA Awards 2018



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 ₹5,066 Cr as on March 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 FY18 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 March 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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