

IIFL Finance Limited (formerly “IIFL Holdings Limited”)

Press Release

For immediate publication

Mumbai, India

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Results update

India Infoline Finance reported a consolidated profit after tax on continuing business of Rs 181 Cr, up 43% q-o-q and 2% y-o-y; and a total income on continuing business of Rs 611 Cr, down 8% q-o-q and up 19% y-o-y. Commercial Vehicle Finance business was divested in Q4FY19, results below are given on continuing business for a like-to-like comparison.

India Infoline Finance Limited - Financial Results for continuing business (Ex-CV)

Rs Crore	Quarter ended June 30, 2019	Q-O-Q	Y-O-Y
Income [#]	610.7	(8%)	19%
Profit Before Tax	257.0	25%	(6%)
Profit After Tax	181.2	43%	2%

IIFL Finance Limited – Financial Results as reported

Rs Crore	Quarter ended June 30, 2019	Q-O-Q	Y-O-Y
Income [#]	1,209.1	(17%)	3%
Profit Before Tax	255.9	(37%)	(15%)
Profit After Tax (Pre-Minority)	180.1	(42%)	(8%)
Profit After Tax (Post-Minority)	151.7	(44%)	(8%)

Mr. Nirmal Jain, Chairman, IIFL Finance Ltd., commented on the financial results: “In Q1FY20, we have been able to weather the liquidity storm faced by the NBFC sector, due to the quality and character of our loan assets. Our loan assets, predominantly retail, have ready buyers in banks. We have assiduously built capability to originate retail assets over the last decade through investment in own branches, people, technology and brand. During the last year alone, we added more than 400 branches and 4000 people to our network. We are confident of maintaining margins and growth of IIFL Finance.”

#Income is net of interest expenses

India Infoline Finance had loan assets under management of Rs 34,920 Cr as at June 30, 2019, up 19%* y-o-y. The loan book growth has been positive in home loans, small ticket business loans, gold loans and microfinance.

The company had a widespread presence of 2,110 branches as at June 30, 2019, spanning the length and breadth of the country.

The company's ROE for Q1FY20 stood at 17.3% and ROA was 2.3%. Average borrowing costs increased by 68 bps y-o-y to 9.3% for the year and Net Interest Margin was at 8.3%.

85% of our loans are retail in nature and 43% are PSL compliant. The assigned loan book, currently at Rs9,128 Cr, is 26% of AUM. There exists significant opportunity for further assignment, given our granular and retail book.

GNPA stood at 2.0% and NNPA stood at 0.8%, as at June 30, 2019. With implementation of Expected Credit Loss under IndAS, provision coverage on NPAs stands at 131% including standard asset coverage.

Capital adequacy: Total CAR stood at 22.1% including Tier I capital of 18.4% as at June 30, 2019, as against statutory requirement of 15% and 10% respectively.

Home Loans

At the end of the quarter, retail home loan assets grew to Rs12,380 Cr, up 33% y-o-y. The primary focus in this segment is on affordable and non-metro housing loans. About 30,000 customers were benefitted with a subsidy of more than Rs 700 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Gold Loans

As of June 30, 2019 the gold loans AUM grew to Rs 6,583 Cr, showing a strong growth of 46% 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 112% y-o-y to Rs2,358 Cr as at June 30, 2019. The MFI customer base increased to over one million customers.

Credit Rating

The company has maintained its long-term credit rating of AA (Stable) from CRISIL and ICRA

*NBFC AUM growth excludes CV business that was divested in Q4FY19

Comfortable liquidity position

The Company opened a public issue of secured and unsecured redeemable non-convertible debentures (NCDs) on August 06, 2019, aggregating to Rs100 Cr, with a green-shoe option to retain over-subscription up to Rs900 Cr (aggregating to a total of Rs1,000 Cr). CRISIL has rated the instrument as AA/Stable, which indicates that the instruments are considered to have a high degree of safety for timely servicing of financial obligations and carry very low credit risk. Also, the company raised USD 100 million (LIBOR+180bps) 5-year External Commercial Borrowing through Export Development Canada (EDC) in July 2019.

Mr. Sumit Bali, CEO, India Infoline Finance Ltd., commented on the financial results: “During the quarter, although loan AUM is flat, mix has changed favourably with faster growth in core retail assets. Our developer and construction finance (DCF) book’s relative share in total loan assets has been falling. Also our DCF does not have exposure to projects in high priced central Mumbai region with excess supply, therefore has been performing well, even under the circumstances. We shall continue to fortify our core competency in retail lending and digital delivery by leveraging our large physical infrastructure of branches and continue to strengthen our competitive position in the sector.”

Group reorganization

Further to all regulatory and NCLT approvals, the re-organization of IIFL Group has been effected from May 13, 2019, except the merger of India Infoline Finance Limited with the Company. Pursuant to this, the subsidiaries -IIFL Wealth and IIFL Securities, have been demerged from the Company and will be listed on the stock exchanges soon.

Awards and Accolades received in Q1FY20:

- IIFL Finance received 'Best ATL Campaign' Award at mCube Awards for 'IIFL Bonds Campaign'
- IIFL Finance received the award for “Leadership in Customer Service in Financial Services Sector” at The 7th Edition of World Quality Congress & Awards
- IIFL Finance has been awarded “Great Place to Work” certification for the year 2019 -2020
- IIFL Home Finance won best Green Initiative in Affordable Housing segment at ET Now Green Future Leadership Awards 2019
- IIFL Home Finance ‘Jhatpat Loans’ won ‘Technology Initiative of the Year’ Award at ET NOW BFSI Awards



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.

IIFL Group has 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 Group is also among the 'Outlook Business Outperformers' - a prestigious list of eight companies which have beaten the Sensex over a five-year period. IIFL Group 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 Group 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 June 30, 2019, are available under the ‘[Investor Relations](#)’ section on our website www.iifl.com.

IIFL Group refers to IIFL Finance Ltd and its group companies.

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