

IIFL Finance Limited (formerly “IIFL Holdings Limited”)

Press Release

For immediate publication

Mumbai, India

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Results update

-Profit before tax for Q4FY20 at Rs 296 Cr (up 26% q-o-q) and FY20 at Rs 1,006 Cr (down 2% y-o-y)

-Income for Q4FY20 at Rs 705 Cr (up 21% q-o-q) and FY20 at Rs 2,487 Cr (down 3% y-o-y)

For the quarter and year ended March 31, 2020 (Q4FY20, FY20), Consolidated results as per IND AS are:

- Profit before tax (excluding exceptional Covid related provision) stood at Rs 296 Cr for the quarter, up 26% q-o-q and down 1% y-o-y and for the year at 1,006 Cr, down 2% y-o-y
- Profit after tax (TCI) (excluding exceptional Covid related provision) stood at Rs 216 Cr for the quarter, up 16% q-o-q and flat y-o-y, and for the year at Rs 756 Cr, up 8% y-o-y
- Consolidated income stood at Rs 705 Cr for the quarter, up 21% q-o-q and down 13% y-o-y, and Rs 2,487 Cr for the year, down 3% y-o-y
- Loan assets under management stood at Rs 37,951 Cr, up 5% q-o-q and 9% y-o-y

IIFL Finance Limited Results: Consolidated – Q4FY20 and FY20

Rs Crore	Quarter ended Mar 31, 2020	Quarter ended Dec 31, 2019	Q-O-Q	Quarter ended Mar 31, 2019	Y-O-Y	Year ended Mar 31, 2020	Year ended Mar 31, 2019	Y-O-Y
Income (Net)	705.4	581.6	21%	813.2	(13%)	2,487.2	2,568.0	(3%)
Prior to Covid provision:								
Profit before tax	296.4	235.2	26%	300.3	(1%)	1,005.6	1,024.1	(2%)
Profit after tax (TCI)	216.3	186.8	16%	215.3	0%	756.1	700.9	8%
Post Covid provision:								
Profit before tax	14.4	235.2	(94%)	404.9	(96%)	723.6	1,128.7	(36%)
Profit after tax (TCI)	54.6	186.8	(71%)	299.0	(82%)	495.2	784.6	(37%)

Mr. Nirmal Jain, Chairman, IIFL Finance Ltd., commented on the financial results: “The pandemic has changed the world, with the future uncertain as never before. NBFCs in India have an added challenge of uncertain flow of liquidity. Every crisis though throws unexpected opportunities as well. The Company has inherent strengths, good base of happy customers, large network of 2,377 branches, diversified product offering, committed team and best in class digital capability. These will be leveraged to adopt a radically new business model as Covid crisis fades. If we exclude Covid related provision, the quarter reported good performance with 26% q-o-q PBT growth. We are agile in monitoring developments and ready to adapt and advance as environment reverses to normalcy.”

IIFL Finance had loan assets under management of Rs 37,951 Cr as at March 31, 2020, with the home loans segment constituting 33%, business loans 21%, gold 24% and microfinance 9% of the total AUM.

The company's ROE and ROA for FY20 stood at 16.9% and 2.2% respectively (excluding exceptional items). Average borrowing costs for the year increased by 43 bps y-o-y to 9.3%.

88% of our loans are retail in nature and 43% are PSL compliant. The assigned loan book, currently at Rs 9,721 Cr, is 26% of AUM. There exists significant opportunity for further assignment, given our granular and retail book.

GNPA stood at 2.31% and NNPA stood at 0.97%, as at March 31, 2020. With implementation of Expected Credit Loss under IndAS, provision coverage on NPAs stands at 128% including standard asset coverage. Provision coverage excluding the additional provision made for Covid impact stands at 88%

The Company has offered moratorium to all its customers by default, on an opt-out basis. Accordingly, 29% of the total AUM in March 2020 and 58% of the total AUM in May 2020 were under moratorium.

Total CAR stood at 18.2% including Tier I capital of 13.6% as at March 31, 2020, as against statutory requirement of 15% and 10% respectively.

The company added 430 branches during the year, taking the total presence to 2,377 branches spanning the length and breadth of the country.

Home Loans

At the end of the quarter, retail home loan assets stood at Rs 12,443 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 March 31, 2020 the gold loans AUM grew to Rs 9,125 Cr, showing a strong growth of 47% 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 49% y-o-y to Rs 3,400 Cr as at March 31, 2020. The MFI customer base increased to over 15 lakh customers.

Credit Rating

CRISIL reaffirmed IIFL's long term rating of AA (Stable) on April 20, 2020

Liquidity update

During the quarter, we raised Rs 1,699 Cr through term loans and refinance from banks. We also raised Rs 2,855 Cr (USD 400Mn) through our maiden medium term note (MTN) issue, as part of our USD 1 Bn MTN programme listed on the Singapore Stock Exchange. Loans of Rs 2,308 Cr were securitized/assigned during the quarter. Committed credit lines from banks and institutions of Rs 3,500 Cr were available as on March 31, 2020.

Group Re-organization

The re-organization of IIFL Group was effected from May 13, 2019. Pursuant to the same, IIFL Wealth Management Limited and IIFL Securities Limited were demerged from IIFL Finance Limited (earlier known as IIFL Holdings Ltd). Consequent to IIFL Finance Limited receiving registration as a Non-Banking Financial Company from the Reserve Bank of India (RBI), India Infoline Finance Limited, subsidiary of the Company, was merged with IIFL Finance Limited with effect from March 30, 2020.

Awards and Accolades received in Q4FY20:

- 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

Brand Ambassador Rohit Sharma launches #SeedhiBaat

IIFL Finance has signed up India's superstar cricketer Rohit Sharma as its first ever Brand Ambassador. IIFL Finance endeavours to stand out for talking straight and being honest with its customers. This first-ever campaign by IIFL Finance with Rohit Sharma is not a product promotion campaign but a public service message advising people to safety guidelines and follow the rules in lockdown. In the 30-second message titled "Rohit Sharma Ki Seedhi Baat", Rohit in straight words urges people to stay at home, for the time to hit centuries and sixes will come later. This is a unique initiative which is very relevant considering the current situation.

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 and year ended March 31, 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.

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