

India Infoline Finance Limited (material subsidiary of IIFL Finance Limited)

Press Release

For immediate publication

Mumbai, India

January 27, 2020

Results update
India Infoline Finance Limited Results
-Profit after tax for Q3FY20 at `193 Cr (up 78% y-o-y) and 9MFY20 at `547 Cr (up 18% y-o-y)
-Income[#] for Q3FY20 at `583 Cr (down 2% y-o-y) and 9MFY20 at `1,790 Cr (up 3% y-o-y)
For the quarter and nine months ended December 31, 2019 (Q3FY20, 9MFY20), Consolidated results as per IND AS are:

- Profit after tax stood at `193 Cr for the quarter, up 78% y-o-y, and `547 Cr for the nine-month period, up 18% y-o-y
- Consolidated income stood at `583 Cr for the quarter, down 2% y-o-y and `1,790 Cr for the nine-month period, up 3% y-o-y
- Loan assets under management in the NBFC business stood at `36,015 Cr, up 11%[^] y-o-y

India Infoline Finance Limited Results: Consolidated – Q3FY20 and 9MFY20

`Crore	Quarter ended December 31, 2019	Quarter ended December 31, 2018	Y-O-Y	Nine months ended December 31, 2019	Nine months ended December 31, 2018	Y-O-Y
Income [#]	582.6	593.4	(2%)	1,790.2	1,732.3	3%
Profit Before Tax	243.1	168.6	44%	718.3	703.4	2%
Profit after tax (TCI)	192.5	108.4	78%	448.4	464.9	(4%)
Profit after tax (TCI) excluding one off items*	192.5	108.4	78%	546.7	464.9	18%

[#] Income is net of interest expenses

^{*} One off item is one time reversal of deferred tax asset

[^] On ex- CV basis

Mr. Nirmal Jain, Chairman, IIFL Finance Ltd., commented on the financial results: “Although economic growth and macro headline numbers are yet to show a perceptible improvement, credit demand and liquidity show green shoots. IIFL Finance’s performance in the quarter under review indicates all-round improvement in the operating environment. IIFL also benefits from softening of competitive intensity in core segments. In the quarter ended December 31, 2019, there was a marked uptick in credit growth as well as long term borrowings.”

India Infoline Finance had loan assets under management of `36,015 Cr as at December 31, 2019, with the home loans segment constituting 34%, business loans 23%, gold 21% and microfinance 8% of the total AUM.

The company had a widespread presence of 2,366 branches as at the end of the quarter, spanning the length and breadth of the country.

The company's ROE¹ for 9MFY20 stood at 16.3% and ROA¹ was 2.3%. Average borrowing costs decreased by 9 bps q-o-q and increased by 39 bps y-o-y to 9.4% and Net Interest Margin was at 8.2% for the nine-month period.

87% of our loans are retail in nature and 44% are PSL compliant. The assigned loan book, currently at `10,114 Cr, is 28% of AUM. There exists significant opportunity for further assignment, given our granular and retail book.

GNPA stood at 2.27% and NNPA stood at 0.98%, as at December 31, 2019. With implementation of Expected Credit Loss under IndAS, provision coverage on NPAs stands at 95% including standard asset coverage.

Total CAR stood at 21.4% including Tier I capital of 17.9% as at December 31, 2019, as against statutory requirement of 15% and 10% respectively.

Home Loans

At the end of the quarter, retail home loan assets stood at `12,354 Cr. The primary focus in this segment is on affordable and non-metro housing loans. About 34,000 customers were benefitted with a subsidy of about `796 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Gold Loans

As of December 31, 2019 the gold loans AUM grew to `7,576 Cr, showing a strong growth of 41% 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 70% y-o-y to `2,973 Cr as at December 31, 2019. The MFI customer base increased to over 13 lakh customers.

Credit Rating

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

¹Excluding exceptional items

Comfortable liquidity position

Raised ₹2,721 Cr through term loans and NCDs from banks, development institutions, insurance companies etc. Loans of ₹2,381 Cr were securitized/assigned. Outstanding NHB refinance of ₹960 Cr was repriced downward by around 2%. Committed credit lines from banks and institutions of ₹3,058 Cr were available as on December 31, 2019.

Mr. Sumit Bali, CEO, India Infoline Finance Ltd., commented on the financial results: “We continue to make progress on our strategy to grow core assets. Asset quality continues to be satisfactory in an environment of slowing growth in the economy. We have seen improvement in the liquidity flow to us and expect this trend to continue.”

Awards and Accolades received in Q3FY20:

- 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
- The Economic Times recognizes our Chairman as one of the 'Most Promising Business Leaders of Asia' for demonstrating exemplary leadership qualities
- IIFL Finance won the ‘Economic Times most Promising Brand in BFSI segment’ in 2019
- IIFL Finance has been awarded ‘Great Place to Work’ certification for the year 2019 -2020
- IIFL Finance legal team has been included in The Legal 500’s GC Powerlist: India Teams 2019
- IIFL Foundation won Best CSR Impact Award for ‘Wadhona Nullah recharge in Maharashtra’, which is likely to impact lives of about 10,000 people across 10 villages in Arvi block of Wardha district

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 nine months ended December 31, 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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