

IIFL Holdings Limited

Press Release
 For immediate publication
 Mumbai, India
 November 1, 2018

Results update

IIFL Holdings Ltd Consolidated Results

- Profit after tax* for Q2FY19 at ₹301 Cr (up 29% y-o-y) and H1FY19 at ₹649 Cr (up 34% y-o-y)
- Income[#] for Q2FY19 at ₹1,056Cr (up 11% y-o-y) and H1FY19 at ₹2107Cr (up 17% y-o-y)

For the quarter and half-year ended September 30, 2018 (Q2FY19, H1FY19), Consolidated results as per IND AS are:

- Profit after tax stood at ₹301 Cr for the quarter, up 29% y-o-y, and ₹649 Cr for half-year, up 34% y-o-y
- Consolidated income stood at ₹1,056 Cr for the quarter, up 11% y-o-y and ₹2,107 Cr for half-year, up 17% y-o-y
- Loan assets under management in NBFC business at ₹36,373 Cr, up 40% y-o-y
- Wealth assets at ₹1,44,864 Cr, up 23% y-o-y

Summary: Consolidated – Q2FY19

₹Crore	Quarter ended September 30, 2018	Quarter ended September 30, 2017	Y-O-Y
Income [#]	1,056.0	949.9	11%
Profit Before Tax	455.3	321.9	41%
Profit After Tax (Pre-Minority)	301.3	233.6	29%
Profit After Tax (Post-Minority)	229.5	176.3	30%

Summary: Consolidated – H1FY19

₹Crore	Half-year ended September 30, 2018	Half-year ended September 30, 2017	Y-O-Y
Income [#]	2,107.1	1,794.8	17%
Profit Before Tax	968.1	696.7	39%
Profit After Tax (Pre-Minority)	649.1	485.6	34%
Profit After Tax (Post-Minority)	498.6	373.1	34%

*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 performance has been good on the whole. Yet, the recent liquidity scare, market volatility and forthcoming elections can cause short term head winds. We remain confident of the Indian economy and its financial sector's long term potential. Therefore, we shall continue to invest in widening and deepening our infrastructure, talent pool, and risk and compliance systems.*”

Loans and Mortgages

The Loans and Mortgages business is carried out by India Infoline Finance Limited and its two subsidiaries, IIFL Home Finance Limited and Samasta Microfinance Limited through 1,755 branches spanning across the length and breadth of the country.

The profit after tax for Q2FY19 was ₹161 Cr, up 70% y-o-y, while total income was ₹577 Cr, up 24% y-o-y. NBFC's ROE¹ for Q2FY19 stood at 16.7% and ROA¹ was 1.9%. Average borrowing costs increased by 20 bps y-o-y to 8.7%. Net Interest Margin was at 6.8%.

Loan assets under management (AUM), predominantly retail, showed a strong growth of 40% y-o-y to ₹36,373 Cr, mainly driven by small-ticket home loans, SME loans and microfinance loans.

At the end of the quarter, retail home loan assets grew to ₹10,603 Cr, up 59% y-o-y.

The microfinance business continued its steady growth, with a loan AUM stood at ₹1,448 Cr at the end of the quarter, showing a growth of 30% q-o-q. The MFI customer base increased to over 6,00,000 customers and branch network grew to 394 branches.

Commercial vehicle loans and Gold loans recorded strong growth as well.

85% of our loans are retail in nature and 46% are PSL compliant. The securitized loan book, currently at ₹5,495 Cr, is 15% of AUM. There exists significant opportunity for securitization, which will positively impact profitability and CAR.

Asset quality remains sound with GNPA of 2.2% and NNPA of 1.0% as on September 30, 2018. With implementation of Expected Credit Loss under IndAS, specific provision coverage on NPAs stands at 53%.

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

Capital adequacy: Total CAR stood at 18.7% including Tier I capital of 15.5% as at September 30, 2018, as against statutory requirement of 15% and 10% respectively.

IIFL Home Finance raised funding from NHB and SBI

IIFL Home Finance availed a refinancing facility from the NHB for ₹1,000 Cr. Also, State Bank of India extended ₹1200 Cr through term loans and ₹368 Cr through the automated route external commercial borrowing. The NHB credit has to be repaid in the next seven to fifteen years, while the SBI loans have to be repaid in five years. The money will be deployed majorly into the affordable housing schemes, as the segment has a huge potential for growth.

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 less than a decade since its inception. Headquartered in Mumbai, IIFL Wealth has nearly 900 employees and presence in 9 major global financial hubs spread across 24 locations in India and around the world.

The company's total assets under management, distribution and advice witnessed 23% y-o-y growth to reach ₹1,44,864 Cr in Q2FY19. The PBT has shown a healthy growth for Q2FY19 to ₹155 Cr, up 23% y-o-y, whereas PAT for Q2FY19 was at ₹100 Cr versus ₹101 Cr in Q2FY18, mainly on account of increased tax cost.

Acquisition of Wealth Advisors India and Altiore Advisors

IIFL Wealth has initiated the acquisition of Wealth Advisors (India) Pvt. Ltd., a Chennai based wealth management firm, for a total consideration of ₹235 Cr. Post acquisition, Wealth Advisors will become a wholly owned subsidiary of the company. IIFL Wealth has also proposed to acquire Altiore Advisors Private Limited, a Bengaluru-based fintech company. Both the acquisitions are progressing as per schedule.

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 close to 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 grew by 23% y-o-y to Rs 46 Cr. During the quarter, the average daily market turnover (including F&O) for the broking business was ₹21,070 Cr, up 66% y-o-y with the average daily cash market turnover at ₹1,334 Cr, up 19% y-o-y.

Our mobile trading app, 'IIFL Markets' continues to be the highest rated amongst peers (4.3) with over 21 lakh downloads. Mobile brokerage constituted about 44% 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.

Investment Banking: During the quarter, IIFL Investment Banking continued to record a strong performance and has completed 4 transactions across various products.

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.

The scheme has been filed with the NCLT for their approval. NCLT has passed an order for convening meeting of equity shareholders of the Company on December 12, 2018 for approving the Scheme.

Awards and Accolades received in Q2FY19:

- IIFL Securities Limited has bagged the 'Best Financial Advisory services for NRIs' award at UAE-India Economic Forum 2018, in recognition of its investment services for NRIs.
- IIFL Wealth won three awards at The Great Manager Awards presented by People Business and Economic Times.
 - a) Companies with Great Managers in India: IIFL Wealth
 - b) Team Effectiveness Award: Shaji Kumar Devakar
 - c) Great Manager - Overall: Sandeep Jethwani
- IIFL Wealth received an award for 'Innovation in Video Statement' at The Economic Times FSI Innovation Awards & Summit Tribe Awards.
- IIFL Wealth received 'The Asset Triple A Award' - Best Private Bank India 2018. This is the 8th time in a row.
- IIFL Wealth won four awards at International Wealth Management of India's inaugural India Wealth Awards 2018 (IWA).
Categories:
 - a) Best Wealth Management Company
 - b) Wealth Management Thought Leader
 - c) Best Alternative Investment Fund
 - d) Outstanding Initiative for our CSR



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 ₹5,639 Cr as on September 30, 2018, offering a gamut of services to more than 50 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 September 30, 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.

Media Relations

IIFL Holdings Ltd

Sourav Mishra

Mobile: +91 992028-5887

Email:sourav.mishra@iifl.com

Investor Relations

IIFL Holdings Ltd

Pooja Kashyap

Mobile: +91 829122-1546

Email:ir@iifl.com