



# IIFL Holdings Limited

Press Release

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## **IIFL Consolidated<sup>1</sup> Q2FY17 Net Profit at ₹207 Cr, up 39% y-o-y; Income at ₹667 Cr, up 16% y-o-y; ROE at 20.9%**

- For the quarter ended September 30, 2016 (Q2FY17), the consolidated income stood at ₹667 Cr, up 16% year-on-year (y-o-y) and Net Profit was ₹207 Cr, up 39% y-o-y. ROE on a consolidated basis stood at 20.9%.
- For the half year ended September 30, 2016 (H1FY17), the consolidated income stood at ₹1,243 Cr, up 15% y-o-y and Net Profit at ₹365 Cr, up 37% y-o-y.
- Loan assets under management in NBFC operations were at ₹20,474 Cr, up 22% y-o-y.
- Total wealth assets grew 29% y-o-y to ₹100,396 Cr.

### **Summary: Consolidated – Q2FY17**

₹ Crores	Quarter ended Sep 30, 2016	Quarter ended Sep 30, 2015	Y-O-Y	Quarter ended Jun 30, 2016	Q-O-Q
Income	666.8	574.0	16%	576.6	16%
Profit Before Tax	297.4	216.3	37%	234.6	27%
Net Profit	207.2	148.7	39%	158.2	31%

### **Summary: Consolidated – H1FY17**

₹ Crores	Half year ended Sep 30, 2016	Half year ended Sep 30, 2015	Y-O-Y	Financial Year ended Mar 31, 2016
Income	1,243.4	1,077.5	15%	2,282.3
Profit Before Tax	532.0	404.0	32%	842.3
Net Profit	365.4	267.6	37%	554.5

<sup>1</sup> Note - Income is net of interest expense. Net profit is pre-minority. ROE is annualized.



**Mr Nirmal Jain, Chairman, IIFL Holdings Ltd.**, commented on the financial results, “We are pleased to report an all round healthy profit growth in core businesses, with return on equity close to 21%. Retail lending, the dominant business continues to witness robust growth and strategic focus is on progressive digital delivery of loans. Wealth management and Capital market businesses are on long term growth trajectory and focus is customer centricity.”

## **NBFC operations**

Q2FY17 PAT was ₹102 Cr, up 25% y-o-y, while total income was ₹333 Cr, up 19% y-o-y. NBFC's ROE<sup>2</sup> for Q2FY17 stood at 18.6% and ROA was 2.0%. NIM has improved to 6.3% at the back of stable portfolio mix and decline in funding costs. The cost of fund has fallen to 9.6% in Q2FY17 from 10.0% in Q1FY17. The rating upgrade to CRISIL AA/Stable in Q2FY17 will lead to a further decline in funding costs.

**Loan assets under management (AUM)**, predominantly retail, showed a steady increase of 22% y-o-y to ₹20,474 Cr. This growth was driven by increase in low risk retail mortgage loans, which stood at ₹10,337 Cr, up 65% y-o-y and constitutes a dominant 51% of total loan AUM as at Q2FY17. Commercial vehicle finance AUM grew to ₹2,678 Cr, up 57% y-o-y on the back of sustained growth in the heavy commercial vehicle (HCV) segment. On the other hand, there was a decline in large mortgages, which form 9% of the loan AUM in Q2FY17 as against 14% in Q2FY16. Home loans along with commercial vehicle finance and small ticket SME financing will be key growth drivers for the business.

**Asset quality:** Gross NPAs and Net NPA ratios have fallen to 1.87% and 0.83% respectively as on September 30, 2016 versus 1.97% and 0.91% in the previous quarter. Against gross NPA of ₹345 Cr, specific provisions stand at ₹192 Cr. Besides this, provision of ₹78 Cr has been made for standard assets as per statutory requirements. Total provision coverage (including standard asset provision) stands at 78% of Gross NPAs.

**Capital adequacy:** Total CAR of 22.7% including Tier I capital of 19.7%.

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<sup>2</sup> Figures are annualized.



## **Wealth operations**

IIFL Wealth is one of the fastest growing wealth management companies in India offering advisory, wealth structuring solutions, asset management and distribution services. Total assets under management, distribution and advice witnessed 29% y-o-y growth to reach ₹100,396 Cr in Q2FY17 with PAT at ₹57 Cr, up 39% y-o-y.

IIFL Wealth Finance, a wholly-owned NBFC subsidiary of IIFL Wealth, commenced operations in Q4FY16. IIFL Wealth Finance is focused entirely on lending capital market related loans to HNI clients. The loan book grew from ₹1,465 Cr in Q1FY17 to ₹2,240 Cr in Q2FY17.

## **Capital market activities**

During the quarter, the equity markets remained range bound with an upward bias. The average daily equity market turnover for the business was ₹9,023 Cr, up 29% y-o-y. During the same period, the exchanges' average daily equity market turnover was up 26% y-o-y.

'IIFL Markets' stock trading continues to be the highest rated on Android and IOS amongst peers. Since February 2015, the app has seen over 700,000 downloads and over 17,000 users on Google Play Store have accorded it a rating of 4.4 out of 5, best amongst the peer group.

During the quarter, the investment banking team gained further traction with the closure of 10 transactions across Equity Capital Markets, Debt Capital Markets and Advisory Transactions. This comprised 3 IPOs, 1QIP, 2 advisory and 4 debt placement transactions. Overall, IIFL has completed 18 investment banking transactions (including 7 IPOs) and ranks #2 in terms of number of IPOs completed and amount raised over the first nine months of calendar year 2016.

## **Demerger of 5Paisa Digital Undertaking from IIFL Holdings Ltd (IIFL)**

5paisa has been incubated as a distinct brand catering to the new emerging DIY (Do-it-yourself) customer segment that prefers least cost for various financial products. The service providers in DIY segment operate with cutting-edge technology with minimal physical infrastructure and manpower. Furthermore, such organizations require a different structure and culture. 5paisa Capital Ltd, currently wholly owned subsidiary of IIFL is capitalised with ₹100 Cr, to meet funds requirement for technology and customer acquisition to get to a viable scale.



The Board of Directors of IIFL had decided in its meeting held on September 30, 2016 to demerge and approved a draft Scheme of Arrangement under Section 391-394 of the Companies Act, 1956 (“the Scheme”) between IIFL and 5paisa Capital Ltd and their respective shareholders to demerge 5paisa digital undertaking of IIFL into 5paisa Capital Ltd. As per the proposed Scheme the shareholders of IIFL will get 1 (One) equity share of ₹10 each fully paid up of 5Paisa capital Ltd for every 25 (Twenty Five) equity shares of IIFL held by the shareholders. The Scheme would be effective upon receipt of all requisite approvals including from shareholders, creditors, NSE, BSE, SEBI, Honourable High Court and filing of the certified copies of the order with the Registrar of Companies of the respective companies. The draft of the scheme is available on the [www.indiainfoline.com](http://www.indiainfoline.com) and NSE, BSE websites.

### **Update on investment by CDC Group plc in IIFL Finance and appointment of CDC nominee director**

During the quarter, CDC Group completed its investment of ₹1,005 crores in our wholly-owned NBFC subsidiary, India Infoline Finance Ltd i.e., IIFL Finance. Pursuant to this, CDC shall hold a stake of 15.45% of the total outstanding equity share capital of IIFL Finance on a Fully Diluted Basis.

Further, the Board of Directors of IIFL Finance appointed Mr. N. Srinivasan, a nominee of CDC, as a Non-Executive Director of IIFL Finance. Mr. Srinivasan serves as the Head of South Asia at CDC Group based in Bangalore. He is responsible for overseeing and advising CDC on its investments in the region focussing on Direct Equity investments and Debt/Structured Finance.

## Awards and Accolades received during the quarter:



- 'Best Technological Innovation' Award in capital markets space at the Zee Business Market Excellence Awards 2016 for IIFL Markets mobile application.
- IIFL Markets was the recipient of Drivers of Digital Awards 2016 - Special Mention by Jury Award in Financial Services/Banking category
- Gold Loan Digital Transformation was chosen as the Best Top 20 Project in 5th BFSI Innovation and Technology Summit – 2016
- Gold Loan Digital Transformation was also awarded with Digital Innovation Champion Award at CIO Crown 2016 organised by Sify Technologies
- IIFL Wealth bagged Best Private Bank, India by The Asset Triple A Digital Enterprise
- Prayesh Jain of IIFL Wealth Management won 'Best Auto Analyst' Award at Zee Business Market Excellence Awards 2016.
- Bhavesh Gandhi of IIFL Wealth Management won 'Best Pharma Analyst' Award at Zee Business Market Excellence Awards 2016.
- Dr Sarika Kulkarni won the 'CSR Leadership Award' at National CSR Leadership Congress & Awards

## **Corporate Social Responsibility – Activities undertaken during Q2FY17:**



### **Women Empowerment Programme**

#### **Activities in Rajasthan**

- 100 schools started in tribal blocks of Railmagra and Kumbhalgarh in Rajsamand District of Rajasthan for out of school girls.
- The schools have been started in far flung areas with very limited opportunities. The female literacy rate in these areas is dismal and many girls continue to be out of school.
- This initiative would not only make over 3,000 girls literate but importantly connect many of them to schools and formal learning system.

**IIFL Group has adopted 32 tribal locations in three villages (Walvanda, Shiroshi and Kasatwadi) of Jawhar Taluka in Palghar district, Maharashtra under IIFL's flagship programme 'Gram Vardhan Yojana'.**

#### **Activities in Jawhar**

- Water conservation and Sustainable livelihood - 16 check dams built by IIFL Foundation in May are full of water bringing over 3,500 farmers into full-time agriculture and addressing the drinking water problem of tribal women.
- Vocational Training for Tribal Boys in Jawhar - Over 650 boys got trained in vocational skills such as electrician, two wheel and four wheeler repair, welding etc. and got placed in various companies with an average salary of ₹6,000 – ₹8,500 per month.





## 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 financing, asset and wealth management, capital markets and financial products distribution, investment banking, institutional equities and realty services through its various subsidiaries.

IIFL Holdings Ltd with a consolidated net-worth of ₹4,172 Cr as on September 30, 2016, is headquartered in Mumbai with overseas offices in London, New York, 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 offering gamut of services to more than 3.5 million customers across various business segments and is continuously building on its strengths to deliver excellent service to its expanding customer base.

IIFL was recognised as '**India's Most Trusted Financial Service Brand (Non-Bank)**' by the Brand Trust Report India Study, 2016. IIFL received '**Best Technological Innovation**' Award in capital markets space at the Zee Business Market Excellence Awards 2016 for IIFL Markets Application. IIFL won '**The Best Private Banking Services Overall, India**' award at Euromoney Private Banking and Wealth Management Survey, 2016. IIFL Group bagged **Best Customer Service in 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.

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, 2016, are available under the 'Investor Relations' section on our website [www.indiainfoline.com](http://www.indiainfoline.com).

*IIFL/ India Infoline refer to IIFL Holdings Ltd and its group companies.*

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