

IIFL Finance Limited (formerly "IIFL Holdings Limited")

Press Release

For immediate publication

Mumbai, India

October 23, 2019

Results update

India Infoline Finance Limited Results

-Profit after tax for Q2FY20 at ₹173 Cr (up 8% y-o-y) and H1FY20 at ₹354 Cr (down 1% y-o-y)

-Income[#] for Q2FY20 at ₹590 Cr (up 10% y-o-y) and H1FY20 at ₹1,201 Cr (up 8% y-o-y)

For the quarter and half year ended September 30, 2019 (Q2FY20, H1FY20), Consolidated results as per IND AS are:

- Profit after tax stood at ₹173 Cr for the quarter, up 8% y-o-y, and ₹354 Cr for the half year, down 1% y-o-y
- Consolidated income stood at ₹590 Cr for the quarter, up 10% y-o-y and ₹1,201 Cr for the half year, up 8% y-o-y
- Loan assets under management in the NBFC business stood at ₹35,007 Cr, up 9%** y-o-y

India Infoline Finance Limited Results: Consolidated – Q2FY20 and H1FY20

₹Crore	Quarter ended September 30, 2019	Quarter ended September 30, 2018	Y-O-Y	Half Year ended September 30, 2019	Half Year ended September 30, 2018	Y-O-Y
Income [#]	589.9	538.6	10%	1,200.6	1,114.8	8%
Profit Before Tax	218.1	234.8	(7%)	475.1	534.8	(11%)
Total Comprehensive income	74.7	160.8	(54%)	255.9	356.5	(28%)
TCI excluding one off item*	173.0	160.8	8%	354.2	356.5	(1%)

IIFL Finance Limited Results as reported: Consolidated – Q2FY20

₹Crore	Quarter ended September 30, 2019	Quarter ended September 30, 2018	Y-O-Y
Income [#]	552.8	543.5	2%
Profit Before Tax	218.2	234.2	(7%)
Total Comprehensive Income (Post-Minority)	61.6	135.1	(54%)
TCI (Post-Minority) excluding one off item*	144.7	135.1	7%

#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: "Our strategy of 'Retail Lending Digital Delivery' has worked well in the recent turbulent times. Notwithstanding transient slowdown in the economy and liquidity squeeze for the sector, we are sanguine about the long term future of our business. Therefore, we continue to invest in expanding the network of branches. We have maintained robust growth in our core products."

India Infoline Finance had loan assets under management of Rs 35,007 Cr as at September 30, 2019, with the home loans segment constituting 35%, business loans 23%, gold 20% and microfinance 8% of the total AUM.

The company had a widespread presence of 2,309 branches as at the end of the quarter, spanning the length and breadth of the country.

The company's ROE for Q2FY20 stood at 15.5% and ROA was 2.3%. Average borrowing costs increased by 72 bps y-o-y to 9.4% and Net Interest Margin was at 8.1% for the quarter.

87% of our loans are retail in nature and 44% are PSL compliant. The assigned loan book, currently at Rs10,100 Cr, is 29% of AUM. There exists significant opportunity for further assignment, given our granular and retail book.

GNPA stood at 2.5% and NNPA stood at 1.5%, as at September 30, 2019. With implementation of Expected Credit Loss under IndAS, provision coverage on NPAs stands at 94% including standard asset coverage.

Capital adequacy: Total CAR stood at 21.9% including Tier I capital of 18.2% as at September 30, 2019, as against statutory requirement of 15% and 10% respectively.

Home Loans

At the end of the quarter, retail home loan assets stood at Rs 12,256 Cr. The primary focus in this segment is on affordable and non-metro housing loans. About 33,000 customers were benefitted with a subsidy of about Rs 737 Cr under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme.

Gold Loans

As of September 30, 2019 the gold loans AUM grew to Rs 6,887 Cr, showing a strong growth of 38% 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 87% y-o-y to Rs. 2,709 Cr as at September 30, 2019. The MFI customer base increased to over 12 lakh customers.

Credit Rating

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

Comfortable liquidity position

During the quarter, Rs. 300 Cr. was raised through the on-lending route with banks. The Company successfully raised Rs. 244 Cr. from tranche 2 of public issue of bonds. 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: “We are monitoring asset quality very carefully. Economic slowdown has contributed to slight slippage in delinquent assets, we are confident of getting the same under control in the second half of the current financial year. For core products, NPA on AUM are at similar levels as compared to previous quarters, but securitized assets have lower NPA. We expect liquidity to improve and cost of funds to head southward in the next two quarters.”

Group reorganization

Further to all regulatory and NCLT approvals, the re-organization of IIFL Group have 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 were listed on Stock Exchanges on 18th and 19th September 2019, respectively.

Awards and Accolades received in Q2FY20:

- IIFL Finance won the “Best Fintech NBFC of the Year Award” at the India NBFC Excellence Awards 2019 presented by INDIA NBFC SUMMIT & AWARDS 2019
- IIFL Finance received Tata Institute of Social Sciences and LeapVault Award for 'Best on the Job Training Program' at Chief Learning Officers Summit in Mumbai
- Insights Success magazine ranked IIFL Finance as India's most trusted Non-Banking Financial Company (NBFC) in a select list of top 10 NBFCs to watch in 2019
- 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

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 ended September 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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