



IIFL Holdings Limited

Performance Review
April - June 2015 (Q1FY16)

July 29, 2015

I: IIFL Group Performance review

II: Business review

NBFC operations

Wealth management operations

Capital market & other activities

Annexure I: Corporate overview

Annexure II: Industry update



IIFL Group Performance Summary

Quarter ended June 2015 – Income and Profit after Tax rises 22% y-o-y*

Consolidated quarterly performance

- Profit after Tax* at ₹118.9 Cr, rises 22% year-on-year (y-o-y)
- Income at ₹963.9 Cr, up 22% y-o-y; Profit before tax at ₹187.7 Cr, up 30%
- On a y-o-y basis, the quarter witnessed sustained growth in financial products distribution, mortgages and commercial vehicle financing; but a decline in gold loan book and flattish capital market revenue

Fund based activities

- Income at ₹729.1 Cr, up 25% y-o-y
- Gross and Net NPAs were 1.6% and 0.8% respectively based on new 150 days norms

Financial products distribution

- Income at ₹126.0 Cr, up 27% y-o-y
- Total assets under advice, distribution and management were ₹75,521 Cr, up 12% y-o-y

Capital market activities

- Income at ₹106.0 Cr, marginally down by 1% y-o-y
- *IIFL Markets*, IIFL's proprietary mobile trading platform has received overwhelming response

**Pre-minority interest*

IIFL Group Consolidated Results

Quarter ended June 2015

₹ Cr	Quarter ended June 2015				
	Q1FY16	Q1FY15	Y-o-Y	Q4FY15	Q-o-Q
Fund Based activities	729.1	583.1	25%	711.0	3%
Financial Products distribution	126.0	99.2	27%	208.7	(40)%
Capital Market activities	106.0	107.3	(1)%	129.7	(17)%
Other income	2.8	1.6	75%	7.3	(62)%
Total Income	963.9	791.2	22%	1056.7	(9)%
A. Operating cost	101.2	76.9	32%	146.8	(31)%
B. Employee cost	158.8	135.6	17%	155.3	2%
C. Other expenses	95.2	93.2	2%	127.8	(25)%
EBITDA	608.7	485.5	25%	626.8	(3)%
Interest	404.6	326.1	24%	384.7	5%
Depreciation and amortization	16.4	14.9	10%	15.8	4%
Profit / (Loss) before tax	187.7	144.5	30%	226.3	(17)%
Provision for taxation	68.8	47.1	46%	84.1	(18)%
Profit/(Loss) after tax before minority	118.9	97.4	22%	142.2	(16)%
Minority interest {includes Share of profit / (loss) of associates}	11.2	3.6	206%	10.5	7%
Profit/(Loss) after tax	107.7	93.8	15%	131.7	(18)%

Segmental Breakup

Quarter ended June 2015

Segment Result (Revenue) ₹ Cr	Q1FY16	Q1FY15	Y-o-Y	Q4FY15	Q-o-Q
Fund Based activities	729.1	583.1	25%	711.0	3%
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Segment Result (Profit Before Tax) ₹ Cr	Q1FY16	Q1FY15	Y-o-Y	Q4FY15	Q-o-Q
Fund Based activities	127.6	99.5	28%	125.2	2%
Financial Products distribution	22.2	9.6	131%	49.8	(55)%
Capital Market activities	37.7	35.0	7%	48.3	(22)%
Other income	0.2	0.4	(50)%	3.0	(93)%
Total PBT	187.7	144.5	30%	226.3	(17)%

- Fund based activities comprises, predominantly, operating income of NBFC. This, however, excludes non operating income of NBFC and includes treasury income of other companies in the Group
- Financial products distribution comprises significant part of Wealth Management income, besides income from distribution of insurance and mutual fund products, online marketing activity, realty and property advisory services
- Capital market activities comprises mainly income from broking in equity, derivative, commodity, currency segments and related activity

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NBFC Performance Highlights

Quarter ended June 2015 - Income up 26% y-o-y; Profit after Tax up 7% y-o-y

Consolidated quarterly performance

- PAT at ₹73.2 Cr, up 7% y-o-y; Income at ₹702 Cr, up 26% y-o-y
- PBT at ₹112.5 Cr, up 11% y-o-y
- Gross and Net NPAs were 1.62% and 0.81% as of Q1FY16 (as per 150 day NPA recognition norm) versus 1.27% and 0.54% in the previous quarter (as per earlier 180 day NPA recognition norm)
- Total provision coverage (including standard asset provision) as a % of Gross NPA was at 76.5%
- Capital adequacy was at 17.7% including Tier I capital of 10.9%
- Networth stood at ₹2,294 Cr for NBFC consolidated with its HFC subsidiary
- Cost of fund has gone down further this quarter from 10.6% in Q4FY15 to 10.5% in Q1FY16

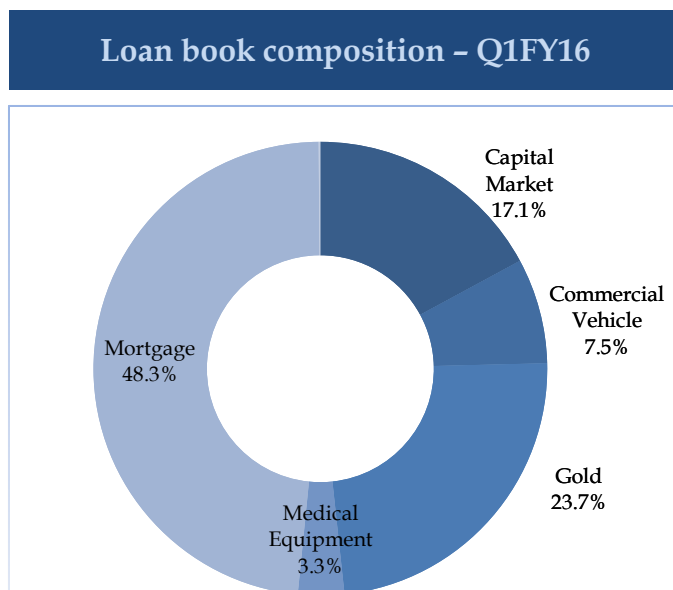
	Q1FY16	Q1FY15	Q4FY15
NIM (%)	6.9	7.3	7.4
Spread (%)	6.7	6.7	6.8
Cost to Income (%)	40.5	45.5	36.4
Cost of Fund (%)	10.5	11.6	10.6
Yield (%)	17.2	18.3	17.5
CRAR (%)	17.7	16.3	18.0

NBFC Performance Highlights

Quarter ended June 2015

Overall loan book

- Aggregate loan book stood at ₹ 14,679 Cr, up 18% y-o-y
- Gold loan share in the loan book at 24%, down 15% y-o-y, as a result of strategic portfolio rebalancing
- Mortgage loans at ₹ 7,092 Cr, up 23% y-o-y and commercial vehicle loans at ₹1,101 Cr, up 90% y-o-y
- Thrust for growth is on home loans through HFC subsidiary (refer next slide)



Financial Assets (₹ Cr) - Q1FY16

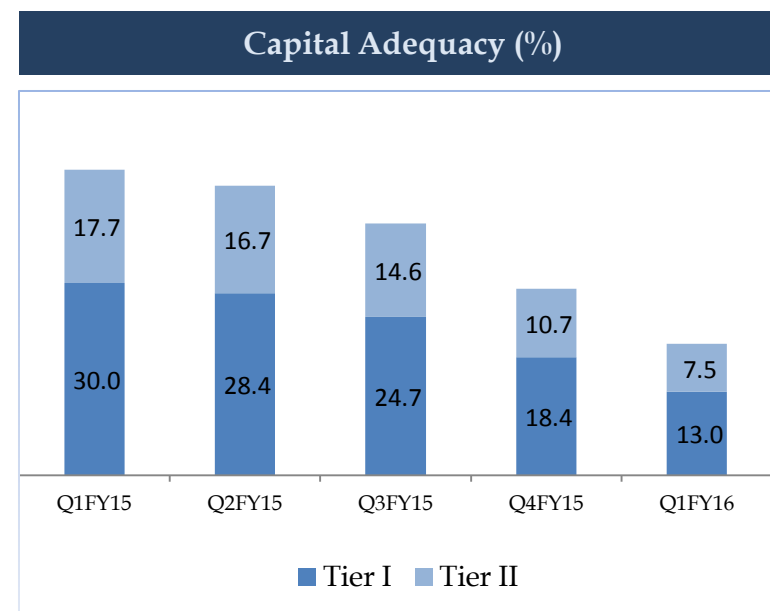
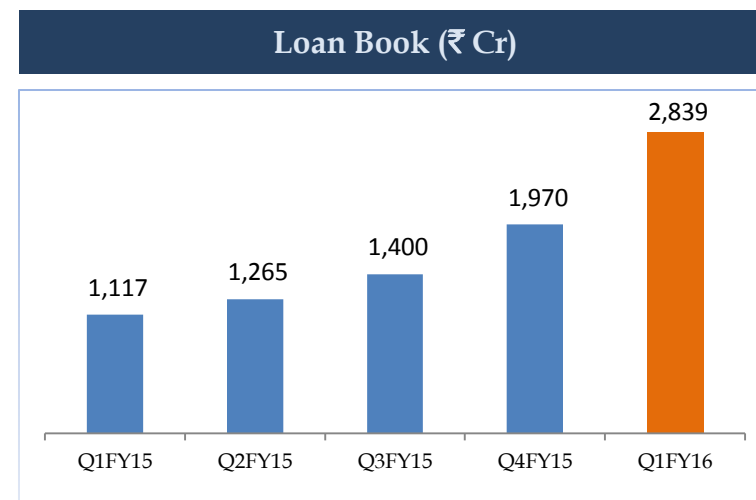
A	Loan Book	14,679.1
B	Securitised / assigned portfolio	1,336.2
C	Other Financial Assets	3,289.6
D	AUM (A+B)	16,015.3
E	Total Financial Assets (A+C)	17,968.7

India Infoline Housing Finance (HFC subsidiary)

Quarter ended June 2015

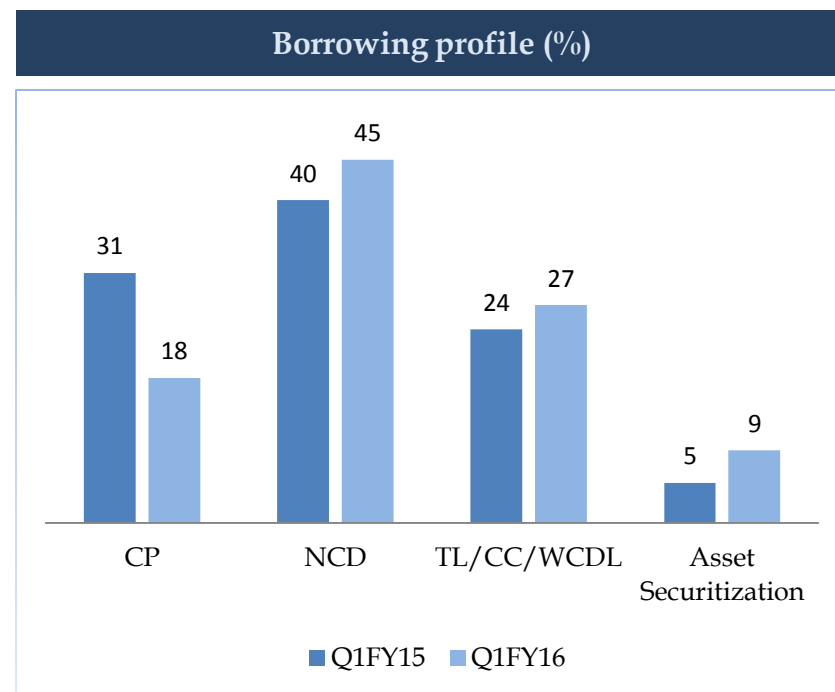
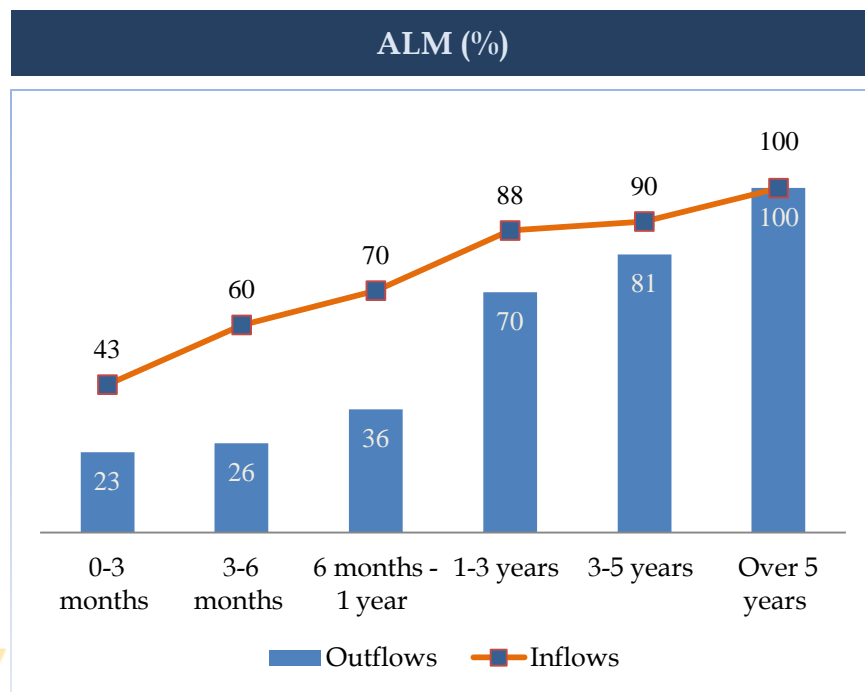
- Loan book at ₹2,839 Cr, up 44% q-o-q and 154% y-o-y
- Income for the quarter at ₹93.8 Cr, up 94% y-o-y
- Profit after tax at ₹12.5 Cr, up 12% y-o-y
- Capital Adequacy Ratio at 20.5%
- Return on Asset (annualised) : 2.0%

₹ Cr	Q1FY16	Q1FY15	Y-o-Y	Q4FY15	Q-o-Q
Total interest income	82.7	44.4	86%	63.2	31%
Interest expense	52.0	23.6	121%	36.1	44%
Net Interest Income	30.7	20.8	48%	27.1	13%
Other income	11.1	4.1	175%	10.5	6%
Operating expense	16.3	4.0	303%	12.0	36%
Loan losses & Provision	6.3	3.1	104%	2.4	159%
Profit before tax	19.2	17.7	9%	23.2	(17)%
Profit after tax	12.5	11.2	12%	15.4	(19)%



Asset liability profile for NBFC*

- A Board level Asset Liability Committee meets periodically to review asset liability management (ALM)
- During the quarter, assets and liabilities are optimally matched and are within the prudential norms
- Borrowing sources are a diversified mix including banks, mutual funds, insurance companies and public



* Standalone

India Infoline Finance – Consolidated Performance

Quarter ended June 2015

₹ Cr	Quarter ended June 2015				
	Q1FY16	Q1FY15	Y-o-Y	Q4FY15	Q-o-Q
Loan book	14,679.1	12,438.8	18%	14,668.0	0%
Securitised assets	1,336.2	572.3	133%	1,507.7	(11)%
Assets under management	16,015.3	13,011.2	23%	16,175.7	(1)%
Total interest income	633.2	524.3	21%	636.0	0%
Interest expense	386.5	316.5	22%	369.7	5%
Net Interest Income	246.7	207.8	19%	266.3	(7)%
Other income	68.8	33.4	106%	60.3	14%
Operating expense	177.5	123.0	44%	162.7	9%
Loan losses & Provision	25.5	16.9	50%	41.3	(38)%
Profit before tax	112.5	101.3	11%	122.6	(8)%
Profit after tax	73.2	68.2	7%	80.2	(9)%

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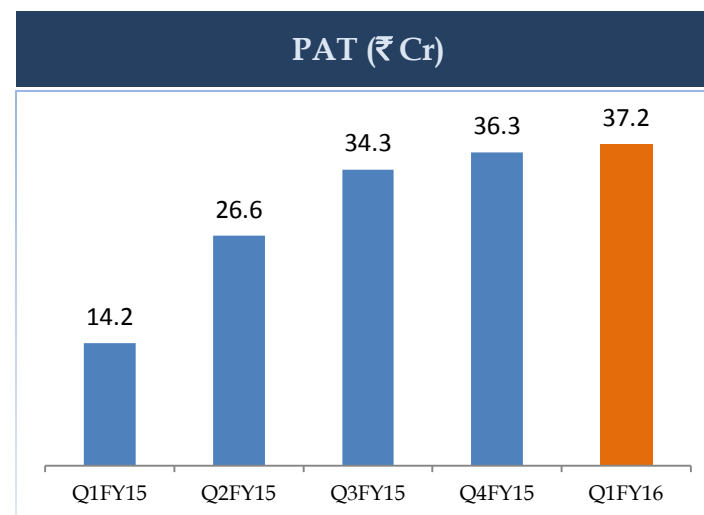
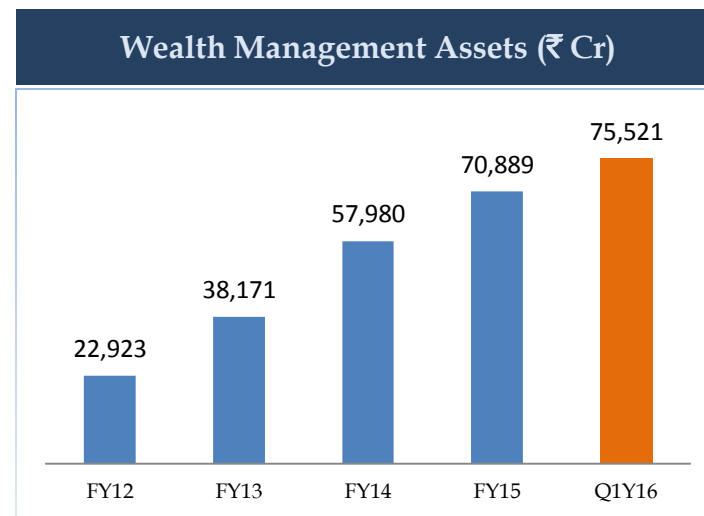
Annexure II: Industry update



Wealth Management – Key Highlights

Quarter ended June 2015 – Income up 45% y-o-y, Net profit up 162%, y-o-y

- PAT at ₹37.2 Cr, up 162% y-o-y; Income at ₹ 105.8 Cr, up 45% y-o-y
- IIFL Wealth has ₹755 billion of assets under advice, distribution and management
- IIFL is amongst the top 4 MF distributors in the country
- Winner of many prestigious awards including:
 - Best Domestic Private Bank in India - Overall by Asiamoney Private Banking Poll, 2015
 - Best Domestic Private Bank in India >\$25 million by Asiamoney Private Banking Poll, 2015



GlobalCapital | ASIAMONEY



IIFL Wealth – Consolidated Results

Quarter ended June 2015

₹ Cr	Quarter ended June 2015				
	Q1FY16	Q1FY15	Y-o-Y	Q4FY15	Q-o-Q
Income from operations	102.1	72.1	42%	155.8	(34)%
Other income	3.7	1.0	282%	1.6	135%
Total Income	105.8	73.1	45%	157.4	(33)%
Employee cost	27.3	27.2	0%	40.2	(32)%
Admin expenses and other expenses	17.4	25.2	(31)%	60.8	(71)%
EBITDA	61.1	20.7	194%	56.4	8%
Interest	5.9	0.5	1133%	3.4	76%
Depreciation and amortization	0.7	0.2	203%	0.5	40%
Profit / (Loss) before tax	54.5	20.0	172%	52.5	4%
Provision for taxation	17.3	5.8	198%	16.2	7%
Profit/(Loss) after tax	37.2	14.2	162%	36.3	3%

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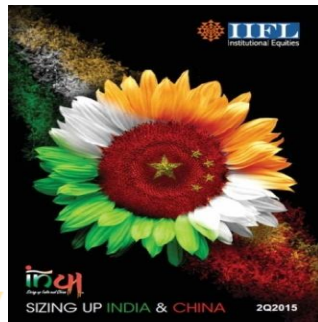
Annexure II: Industry update



Capital Market – Potential for growth

Quarter ended June 2015

- Income for the quarter was ₹106.0 Cr, down 1% y-o-y
- Average daily equity turnover for the quarter was at ₹ 7,707 Cr, up 27% y-o-y
- Average daily commodity turnover was at ₹566 Cr
- Average daily currency turnover was at ₹4,664 Cr
- IIFL Markets, a proprietary mobile trading platform, has received overwhelming response
- IIFL Research produced the sixth addition of sizing up India and China (INCH) report, which is widely acclaimed by investors

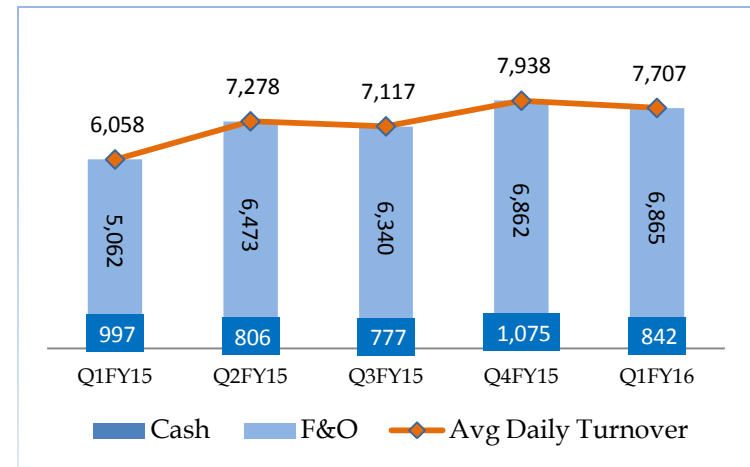


A comprehensive comparison of two major Asian economies

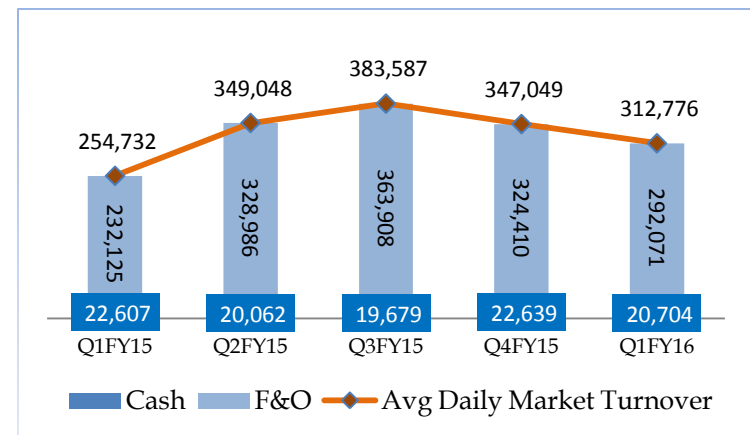


The report shows that US opportunity remains the best growth bet for Indian pharma companies

IIFL Avg Daily Turnover - Equity (₹ Cr)



Exchange Avg Daily Turnover - Equity (₹ Cr)




Investment Banking – deal pipeline is healthy

Quarter ended June 2015

₹ 945 Cr
(April 2015)

Glenmark
Pharmaceuticals



A new way for a new world


Preferential Placement




Sole Advisor

₹ 400 Cr
(Jun 2015)

Manpasand Beverages



Initial Public Offering



Book Running
Lead Manager

₹ 107.5 Cr
(Jun 2015)

Talwalkars Better Value




Talwalkars
spreading fitness

Qualified Institutions
Placement




Book Running
Lead Manager

- During the quarter, IIFL added 13 new institutional clients and 159 clients were active
- IIFL did a few large placements in mid-cap companies like




PI Industries Ltd

₹364 Cr
(4% of equity)




ZEE TV

₹770 Cr
(3% of equity)



MCX
METAL & ENERGY
Trade with Trust

₹84 Cr
(1% of equity)



DCB BANK

₹65 Cr
(2% of equity)

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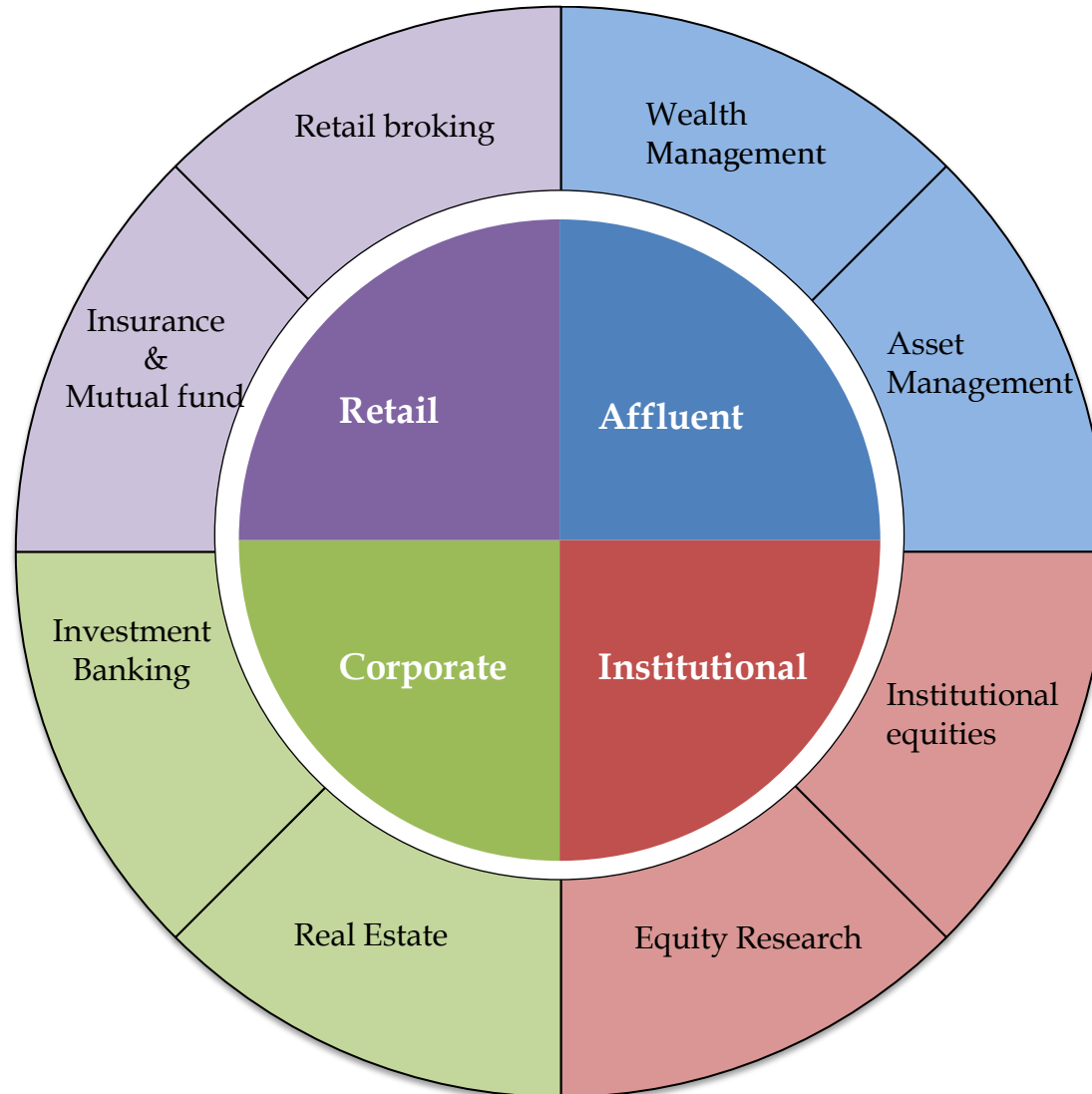
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Our service offerings are across customer segments!



Vision

“To become the Most Respected Company in the financial services space”

1

Business Strategy

- Continuously assimilate, analyse and apply knowledge to power superior financial decisions
- Focus on core competence in financial services
- Ensure de-risked business through multiple products and diverse revenue streams

2

Customer Strategy

- Drive stickiness through high quality research & service
- Maintain cutting-edge proprietary technology
- Wide, multi-modal network serving as one-stop shop to customers

3

People Strategy

- Attract exceptionally talented and driven people
- Ensure conducive meritorious environment
- Liberal ownership-sharing

IIFL Group's Advisory Board comprises stalwarts to provide independent and informed perspective and oversight



Ashok Jha
IAS (Retd), Former Finance Secretary, Government of India



Keki Dadiseth
Former Chairman of Hindustan Unilever Limited & former Director Unilever Plc.



Keki Mistry
Vice Chairman and Chief Executive Officer of HDFC



S Sundaresan
An eminent Corporate Lawyer, Partner, M/s J Sagar Associates



Sat Pal Khattar
Singapore based eminent Lawyer and Investor



S Venkatachalam
Non Executive Chairman Oracle Financial Services and Director on Central Board of SBI



IIFL Holdings – Board of Directors

Attracted luminaries from the Indian financial world to guide the management



Nirmal Jain

Executive Chairman

- MBA from IIM Ahmedabad, rank-holder CA and Cost Accountant
- Founded and led IIFL since 1995



R Venkataraman

Managing Director

- MBA from IIM Bangalore, B-Tech from IIT Kharagpur
- Co-promoted IIFL in 1999



A K Purwar

Independent Director

- M-Com and Diploma in Business Administration
- Former Chairman, State Bank of India



Nilesh Vikamsey

Independent Director

- CA and DISA
- Senior Partner at Khimji Kunverji & Co



Sunil Kaul

Non-executive director

- MBA from IIM Bangalore, B-Tech from IIT Bombay
- MD of Carlyle's Asia Buyout fund



C Ratnaswami

Non-Executive Director

- MBA from University of Toronto
- MD of Hamblin Watsa, subsidiary of Fairfax



S Narayan

Independent Director

- MSc, MBM, M Phil, PhD, IAS
- Former finance secretary, former economic advisor to Prime Minister



Kranti Sinha

Independent Director

- MA
- Former CEO of LIC Housing Finance



Geeta Mathur

Independent Director

- CA
- CFO of Helpage India

IIFL Group's promoters have built the business from scratch

All business leaders have equity ownership and led banks & NBFCs in the past

- Team with impeccable academic and professional credentials
- Average experience of 15-20 yrs in banks, NBFCs
- Liberal employee ownership
- Open door, transparent and performance oriented culture
- Significant management depth at tier 2, 3 level

Management Team

Chairman	Nirmal Jain	Managing Director	R. Venkataraman
International Operations	Bharat Parajia	Strategy	Aniruddha Dange
Institutional Equities	H. Nemkumar	Compliance	R. Mohan
Wealth Management	Karan Bhagat	Finance	Parag Shah*/ Amit Mehendale^
Offshore Asset Management	Amit Shah	Internal Audit & Risk	Narendra Jain
Investment Banking	Nipun Goel	Human Resources	Pallab Mukherji
Financing	Rajashree Nambiar	Technology	Sushil Tolani
Housing Finance	Monu Ratra	Marketing	Arun Malkani
PMS & Retail Broking	Prasanth Prabhakaran	Treasury	B.S Amarnath
Realty Services	Balaji Raghavan	Research	Prabodh Agarwal

* CFO - IIFL Holdings, ^CFO - India Infoline Finance Ltd

IIFL enjoys competitive advantage because of its management depth and distribution reach

Governance & managerial depth

- All businesses headed by qualified professionals with years of relevant experience
- Organization wide culture of compliance and audit

Distribution reach

- 2,500 business locations across 850+ cities and towns in India, global footprint in major financial centers
- Customer base of 2.9+ million and growing

Cutting edge proprietary technology

- In-house team has developed key applications for all businesses
- Prudent mix of in-house and outsourced products and services

Diversified and de-risked model

- Multiple revenue stream from diversified businesses, good mix of fee and funding income
- Caters to all customer segments from retail to affluent, corporate and institutional clients

IIFL's brand and credibility are substantiated by multiple awards in all lines of business



Nirmal Jain, Chairman, IIFL receiving the 'Best Broker' award at Zee Business Award, 2014



Nirmal Jain, Chairman and R Venkataraman, MD, IIFL receiving the 'India's Most Promising' brand 2014 from Lord Swaraj Paul held at London



India's top securities trading firm - Fortune's list of 500 largest corporations Dec 14



India's Most Promising Brand - 2014 in Integrated Financial Services



No. 1 in Financial Services category as per "Brand Trust Report 2015"



Best Private Banking for HNIs by Euromoney Private Banking Survey 2015



Best Wealth Management Specialist - Asia (past 4 years)



Best Domestic Private Bank - Overall by Asiamoney Private Banking Poll, 2015



Best Use of Technology for Recruiting And Best HR Strategy in Line With Business - 2014-15



Best internal magazine for Buzz - 2015



Best Market Analyst - 2013, 2012 & 2009

Driving social responsibility



Support for infrastructure development at IIM Ahmedabad



Tree plantation drive in Jawhar

J&K Relief: IIFL is supporting re-construction of schools ravaged due to floods in J&K and building of pediatric ward in hospitals in Srinagar.



Mukteshwar Marathon to support rural schools in Himalayas
Winner of Institutional Participation Award



Cycle Distribution: In Khadaki Pada, the school drop out rate is very high and kids have to travel 5 kms to study between class 5 - 7 and about 7 kms to study beyond class 7. IIFL distributed 45 cycles to all the kids from kalamvihira.

CSR Focus Areas

- Education
- Health
- Economic Empowerment of Women
- Sustainable Livelihood



Building of Check Dams: Two Check Dams were built in Umbervaingan and Sadakpada in Jawhar under IIFL Village Adoption and Holistic Development Project.

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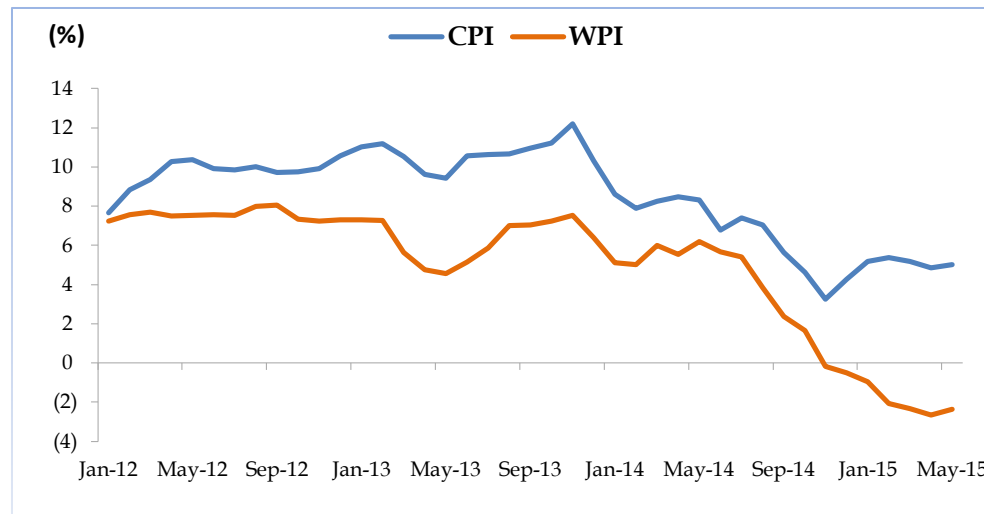
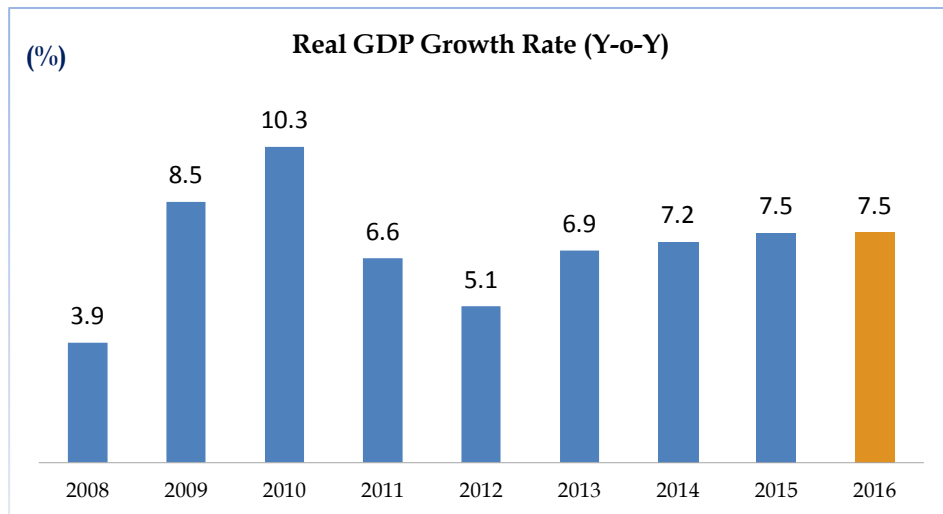
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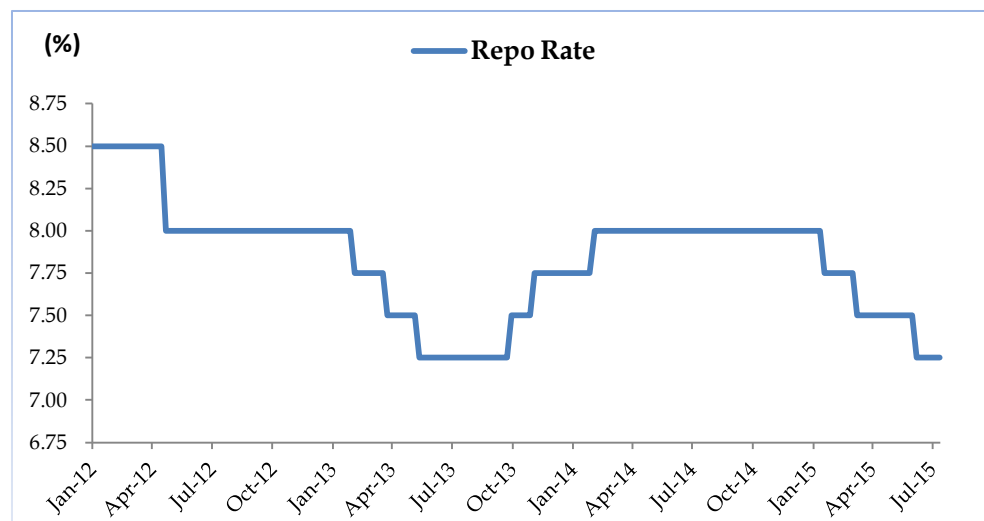
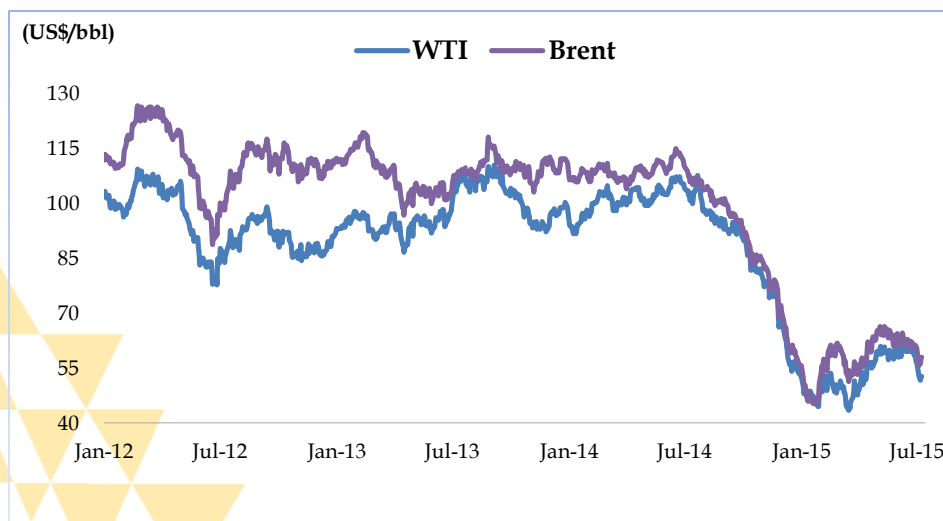


Macro-economic environment

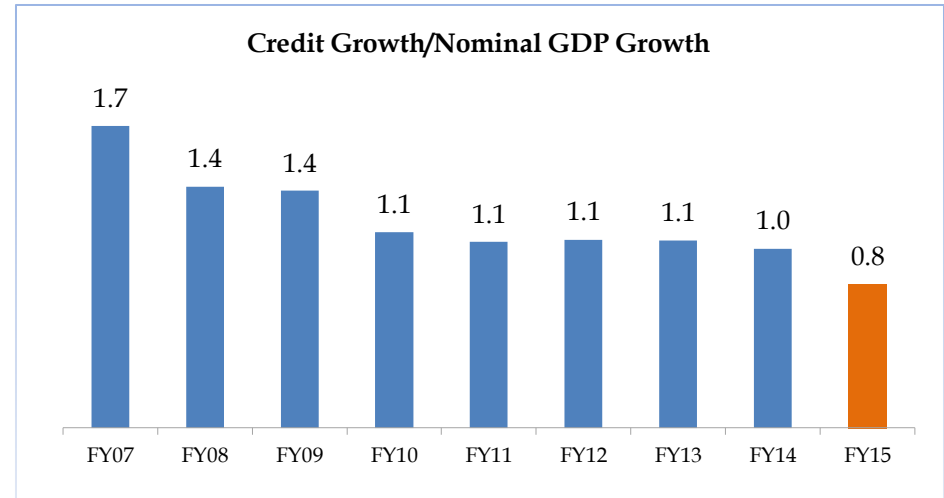
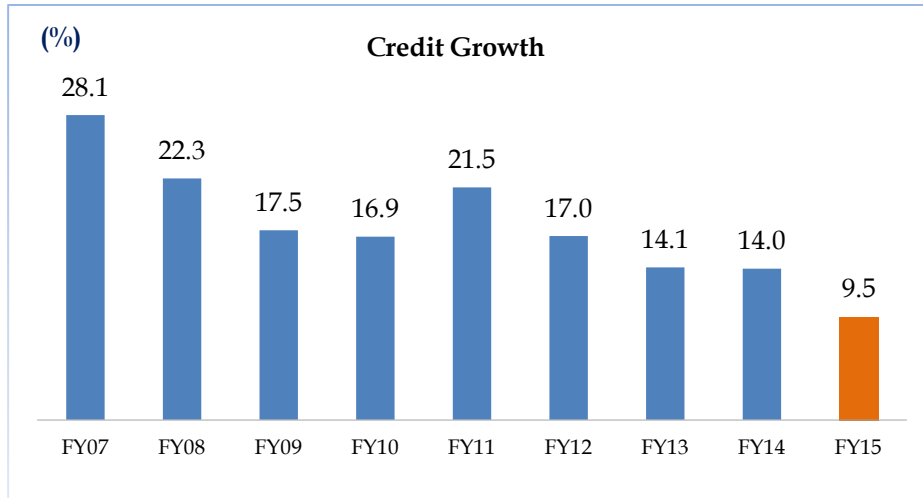
➤ Inflation and policy rates on a decline



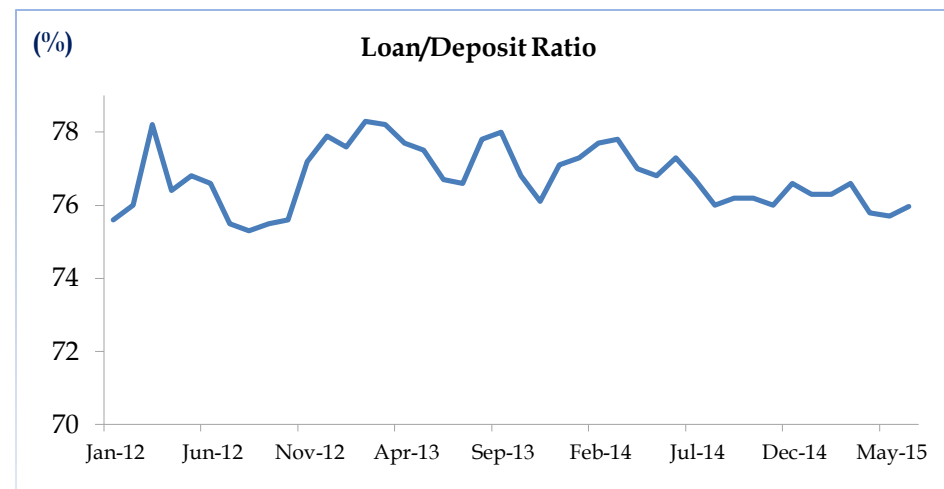
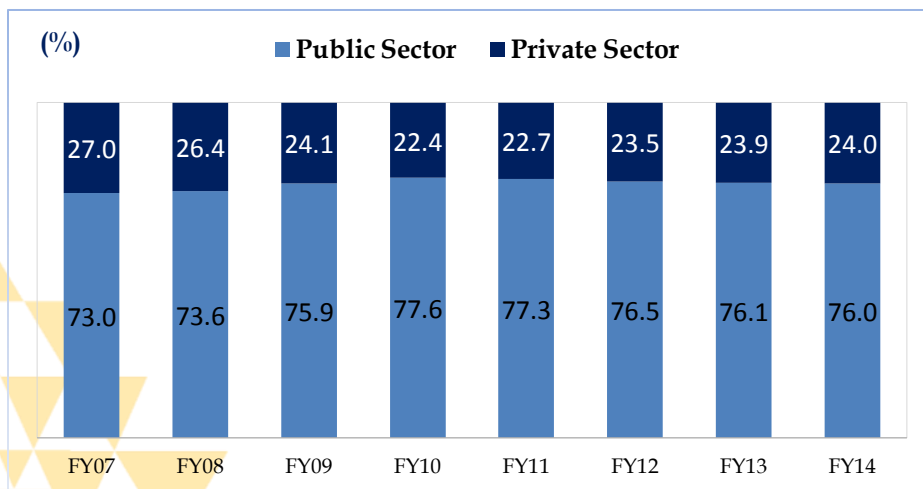
*Data based on IMF estimates. Source – IIFL Research, IMF



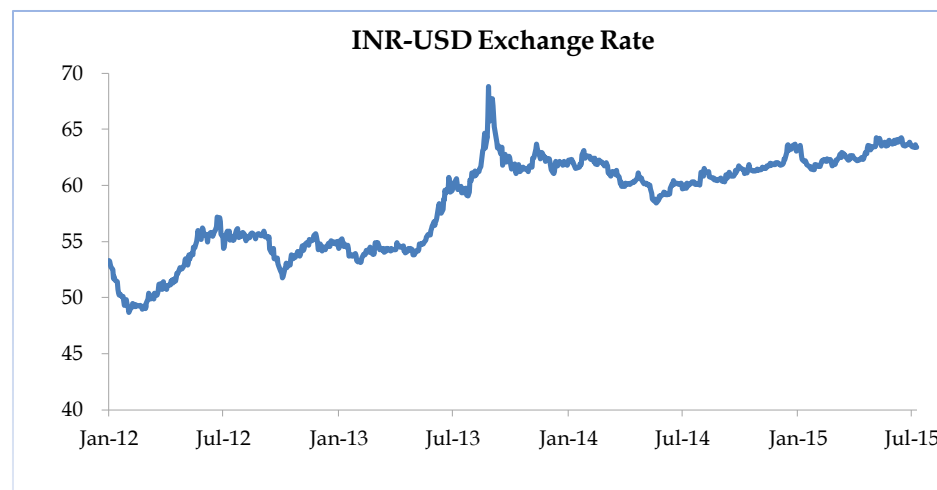
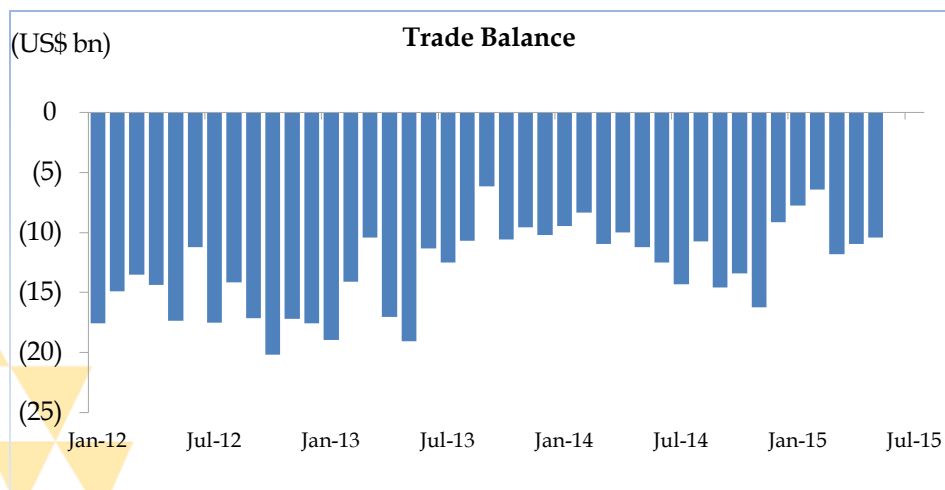
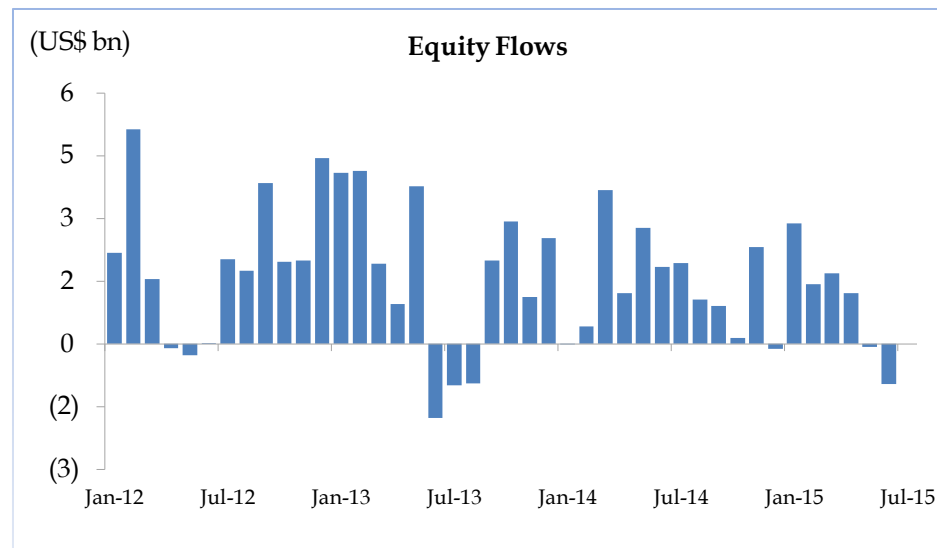
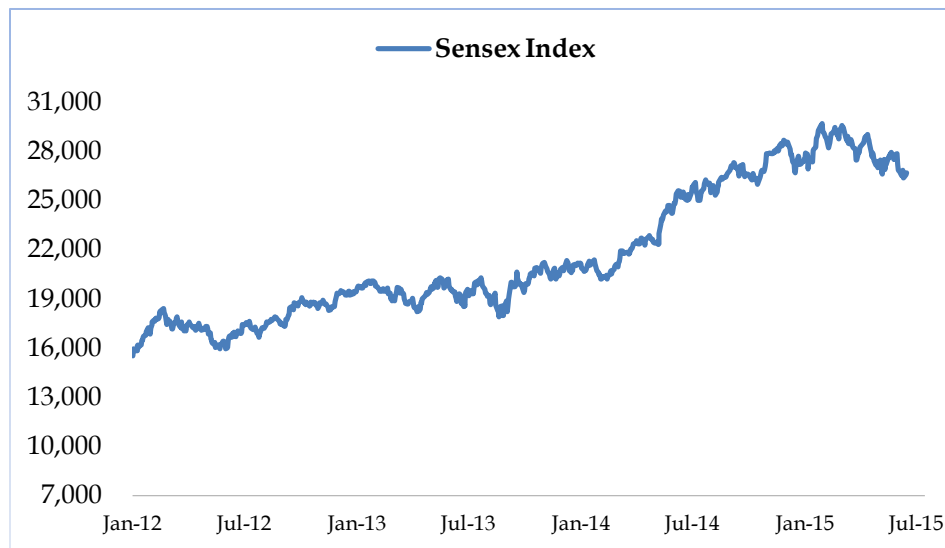
➤ Credit offtake has slowed



Source: CSO, IIFL Research



➤ Long term trend for equities positive



Thank you

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