



Results Oct-Dec 2014 (Q3FY15)

January, 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 Q3FY15 performance summary

Consolidated quarterly performance

- Q3FY15 Net Profit at ₹112.3Cr, up 67.4% yoy; Income at ₹924.5 Cr, up 34% yoy
- 9MFY15 PAT at ₹315.6 Cr, up 60.5% yoy; income at ₹2609.6 Cr, up 27.3% yoy
- ROE (annualized) is 19.2% based on Q3FY15 performance

Fund based activities

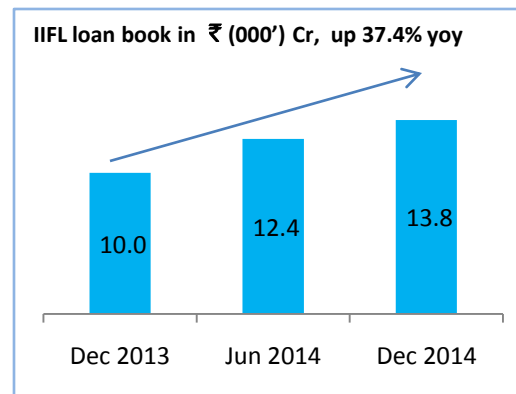
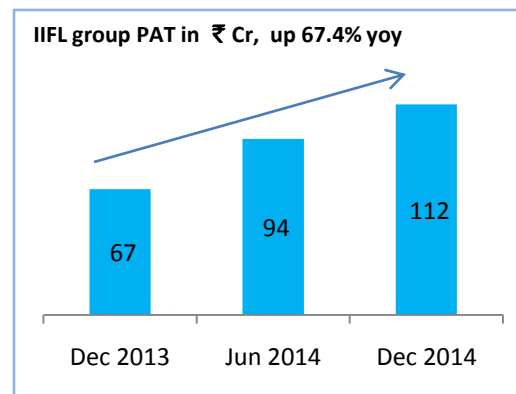
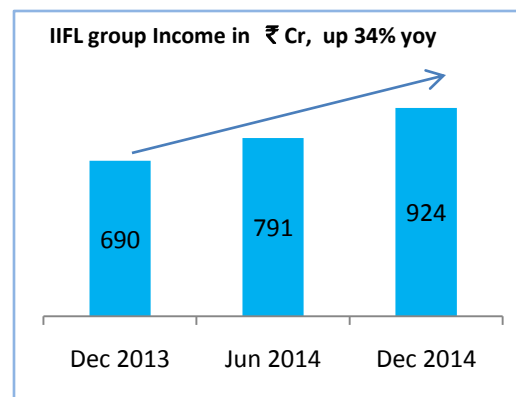
- NBFC's Q3FY15 loan book at ₹13,795 Cr, up 37.4% yoy
- Gross and Net NPAs were 1.11% and 0.41% in the quarter

Financial products distribution

- Q3FY15 income at ₹143.5 Cr, up 48.4% yoy and 9MFY15 income at ₹374 Cr, up 35.5% yoy
- Total assets under advice, distribution and management were ₹67,500 Cr

Capital market activities

- Q3FY15 income at ₹98.8 Cr, up 21.2% yoy and 9MFY15 income at ₹317.9 Cr, up 17.0% yoy



IIFL Group consolidated results

Quarter ended Dec'14

₹ Cr	Q3FY15	Q3FY14	YoY	Q2FY15	QoQ
Fund Based activities	680.2	509.3	33.6%	649.2	4.8%
Financial Products distribution	143.5	96.7	48.4%	131.3	9.2%
Capital Market activities	98.8	81.5	21.2%	111.7	(11.6%)
Other income	2.0	2.2	(9.7%)	1.7	22.3%
Total Income	924.5	689.7	34.0%	893.9	3.4%
A. Operating cost	103.3	63.8	62.0%	93.0	11.1%
B. Employee cost	152.8	117.3	30.3%	161.2	(5.2%)
C. Other expenses	101.6	91.1	11.6%	101.9	(0.2%)
EBITDA	566.6	417.5	35.7%	537.8	5.4%
Interest	373.8	299.8	24.7%	349.2	7.1%
Depreciation and amortization	13.7	16.6	(17.7%)	14.8	(7.6%)
Profit / (Loss) before tax	179.1	101.1	77.2%	173.8	3.0%
Provision for taxation	58.5	30.4	92.1%	57.7	1.3%
Profit/(Loss) after tax before minority	120.6	70.6	70.8%	116.1	3.9%
Minority Interest	8.31	3.5	135.0%	6.6	25.7%
Profit/(Loss) after tax	112.3	67.1	67.4%	109.5	2.6%

IIFL Group consolidated results

Nine months ended Dec'14

₹ Cr	9MFY15	9MFY14	YoY
Fund Based activities	1,912.4	1,493.6	28.0%
Financial Products distribution	374.0	276.1	35.5%
Capital Market activities	317.9	271.6	17.0%
Other income	5.3	8.1	(34.6%)
Total Income	2,609.6	2,049.6	27.3%
A. Operating cost	273.2	226.6	20.6%
B. Employee cost	449.6	364.1	23.5%
C. Other expenses	296.7	263.1	12.8%
EBITDA	1,590.0	1,195.7	33.0%
Interest	1,049.1	848.9	23.6%
Depreciation and amortization	43.4	52.3	(16.9%)
Profit / (Loss) before tax	497.5	294.6	68.9%
Provision for taxation	163.4	90.2	81.2%
Profit/(Loss) after tax before minority	334.1	204.4	63.5%
Minority Interest	18.5	7.68	140.7%
Profit/(Loss) after tax	315.6	196.7	60.5%

Segmental breakup

Segment Result (Revenue) ₹ Cr	Q3FY15	Q3FY14	YoY	Q2FY15	QoQ
Fund based activities	680.2	509.3	33.6%	649.2	4.8%
Financial products distribution	143.5	96.7	48.4%	131.3	9.2%
Capital market activities	98.8	81.5	21.2%	111.7	(11.6%)
Other income	2.0	2.2	(9.7%)	1.7	22.3%
Total	924.4	689.7	34.0%	893.9	3.4%

Segment Result (Profit before Tax) ₹ Cr	Q3FY15	Q3FY14	YoY	Q2FY15	QoQ
Fund based activities	119.1	79.4	50.0%	111.8	6.5%
Financial products distribution	28.6	13.1	118.4%	24.2	18.4%
Capital market activities	31.1	6.4	387.3%	37.8	(17.8%)
Other income	0.4	2.2	(83.6%)	0.1	188.8%
Total	179.1	101.1	77.2%	173.9	3.0%

- 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 and online marketing activity
- Capital market activities comprises mainly of income from broking of equity, derivative, commodity and currency

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NBFC's performance highlights

Quarter ended Dec'14 – Income up 30.1% yoy; PAT up 39.6% yoy

NBFC consolidated quarterly performance

- Q3FY15 PAT at ₹ 77.6 Cr, up 39.6% yoy; Income at ₹ 647.0 Cr, up 30.1% yoy
- 9MFY15 PAT at ₹ 220.9 Cr, up 47.8% yoy; Income at ₹ 1817.5 Cr, up 25.8% yoy
- ROE (annualized) is 16.3% based on Q3FY15 performance

Overall loan book

- Overall loan book was ₹13,795 Cr, up 37.4% yoy
- Loan book comprised 44% of mortgages up 15.3% yoy
- Gold loans comprised 28% up 22.1% yoy

NPAs - Gross and Net NPAs were 1.11% and 0.41% in the quarter

Margins - NIM and spread were 7.6% and 6.6% respectively

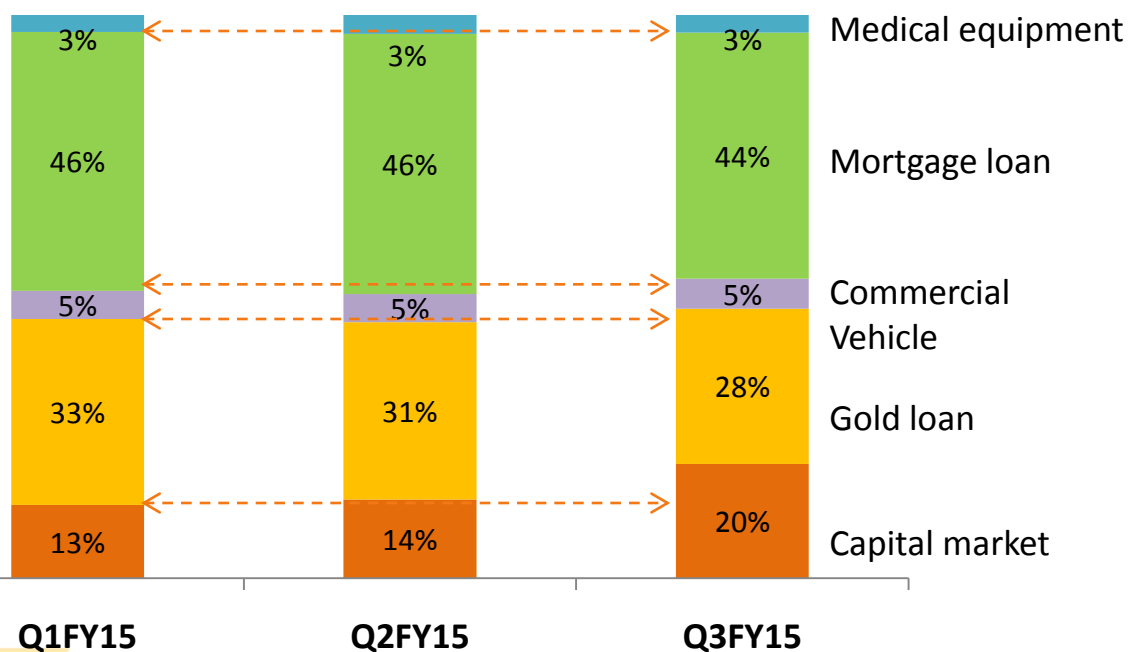
Capital adequacy – 16.8% as at quarter end including Tier I capital of 11.6%



Loan book growing steadily

- Loan portfolio in Q3FY15 steadily increased to ₹13,795 Cr as against ₹12,993 Cr in Q2FY15
- Entire loan book is secured against tangible collaterals
- Mortgage accounted for 44% of loan book, down from 46% in Q2FY15
- Gold loan constituted 28% of loan book, down from 31% in Q2FY15

Changing mix of loan book



Financial assets as on Dec 31, 2014

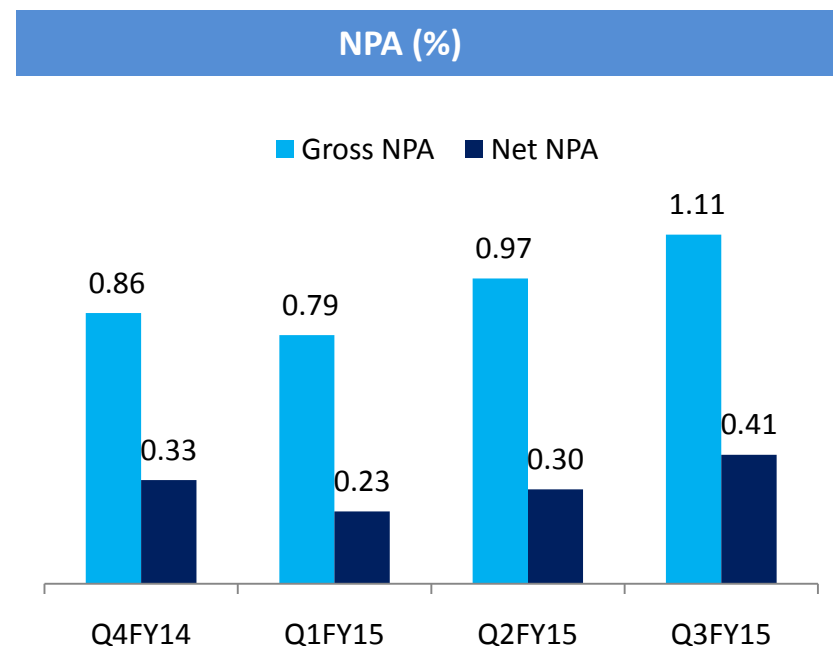
₹ Cr		
A	Loan Book	13,795
B	Securitised /assigned portfolio	998
C	Other Financial Assets	1,651
D	AUM (A+B)	14,793
E	Total Financial Assets (A+C)	15,446

Other financial assets comprise cash, bank, fixed deposits, bonds, mutual funds investments etc

IIFL's high asset quality is reflected in low NPAs

- NPA's have increased marginally from last quarter. Gross and Net NPA are at 1.11% and 0.41% respectively.
- We are taking steps against delinquent cases and have adequate collaterals for the same
- Total provision coverage (including standard asset provision) as a percentage of Gross NPA was 91.5%

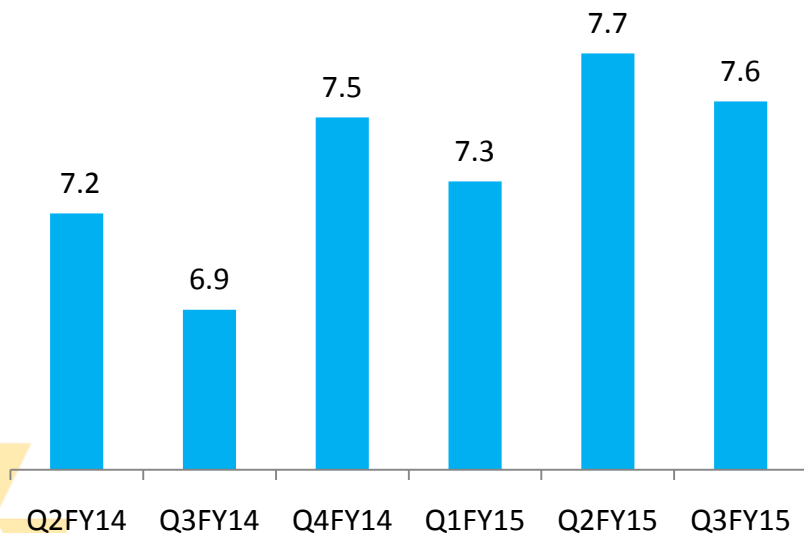
NPA and Provision		₹ Cr	%
A	Gross NPA	153	1.11%
B	Non Standard Asset Provision	96	0.70%
C	Net NPA (A-B)	57	0.41%
D	Standard Asset Provision	44	0.32%
E	Total Provision (B+D)	140	



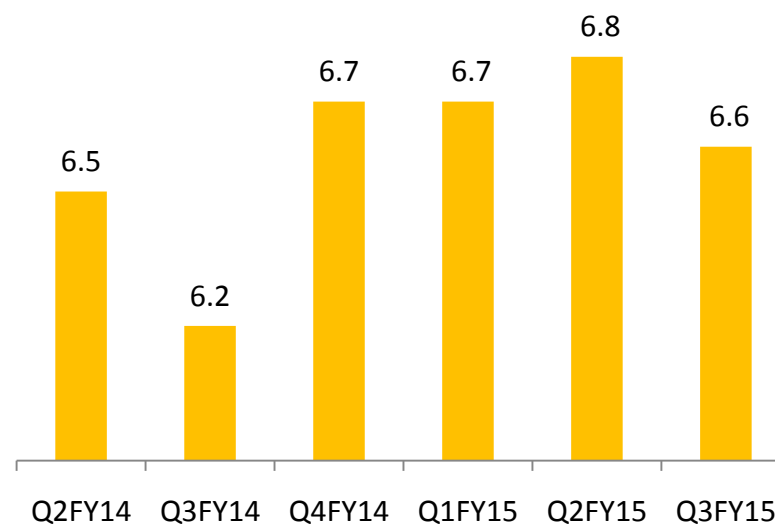
NIM and spread stable

- NIM and spread at 7.6% and 6.6% respectively
- Margins have stabilised over the last few quarters
- During the quarter, spread has stabilized with lower cost of funds

NIM (%)



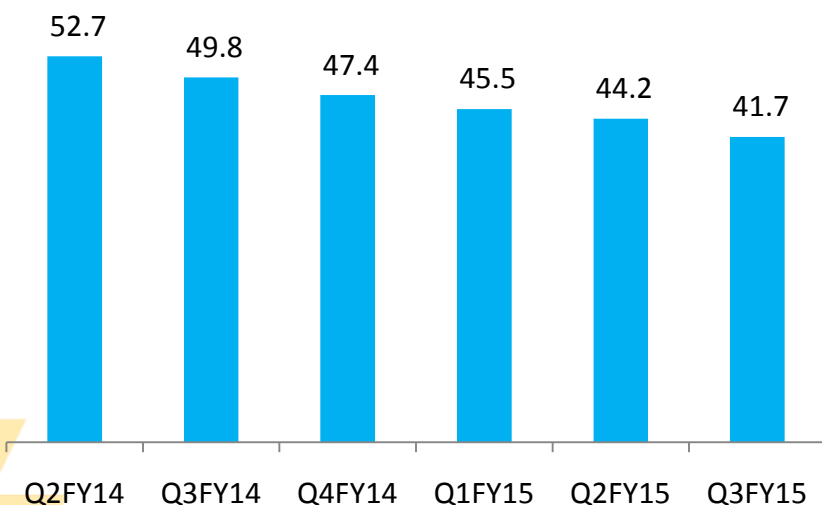
Spread (%)



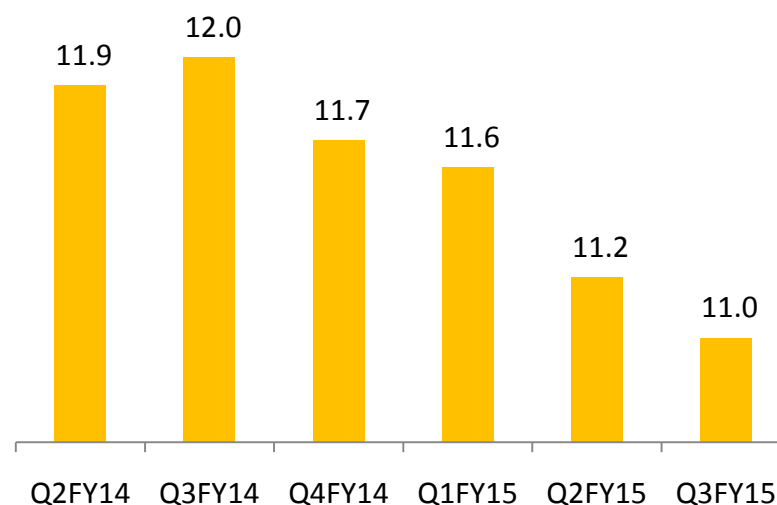
Cost of funds and cost to income on decline

- Cost to income and cost of fund trending down; expected to fall further
- Long term rating of **ICRA AA /stable outlook** and **CARE AA / stable outlook** and short term rating of CRISIL A1+ and ICRA(A1+), indicating a high degree of safety regarding timely servicing of financial obligations
- Falling cost to income ratio as branch network gets optimally utilized

Cost to Income (%)



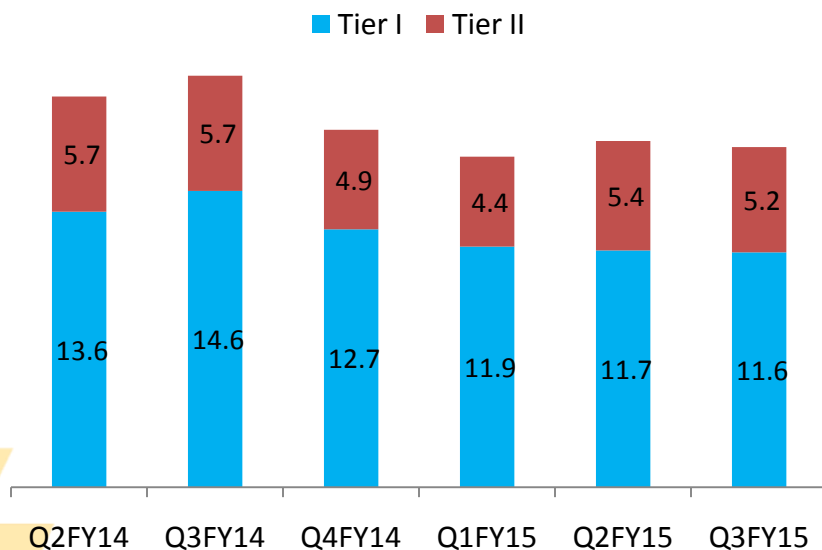
Cost of Fund (%)



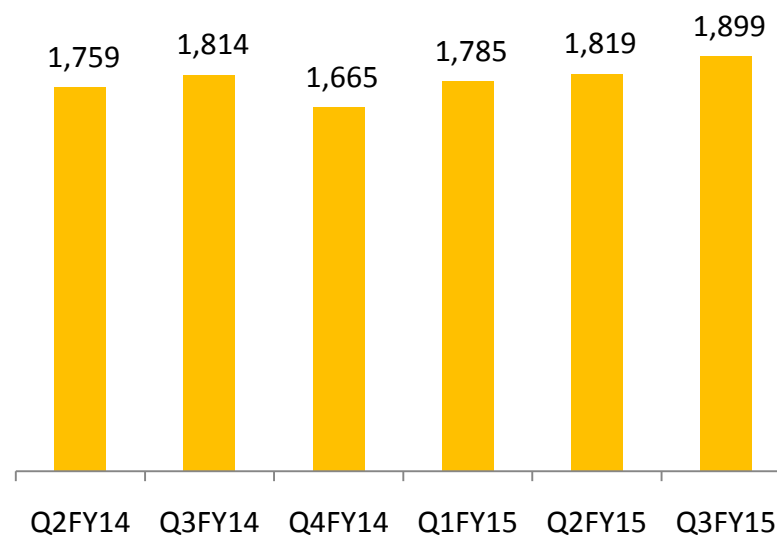
Robust network

- Well capitalized with a network of ₹1,899 Cr (NBFC and its HFC subsidiary consolidated)
- During the quarter return on asset was 2.06% (annualized)
- Consistently maintained capital adequacy level higher than statutory requirement of 15%
- Significant margin of safety in Tier I at 11.6% and total capital adequacy at 16.8%

Capital Adequacy (%)



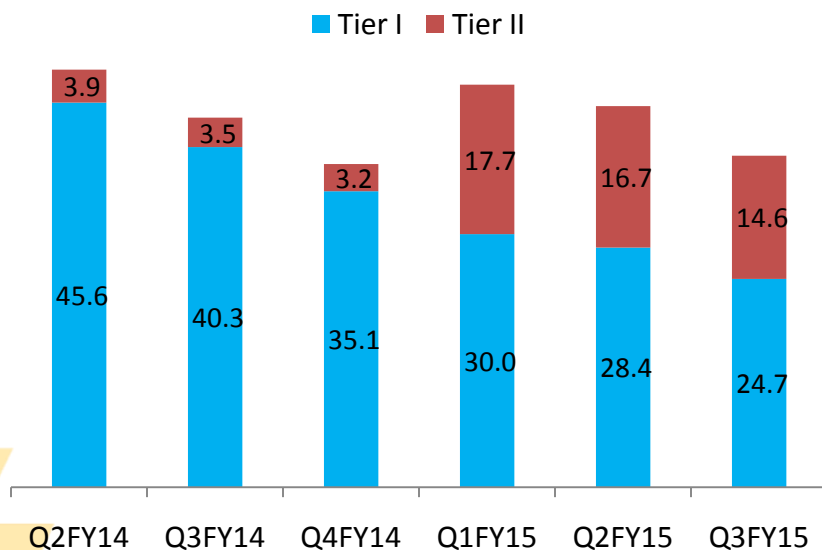
Network (₹ Cr)



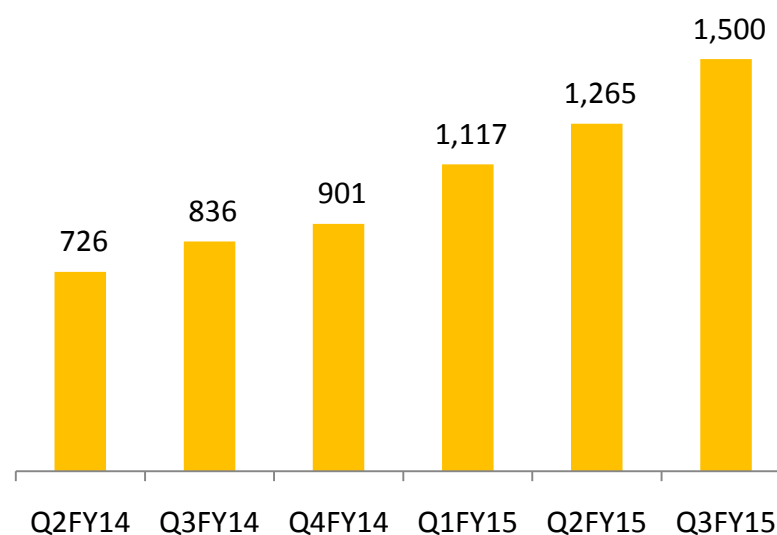
Healthy growth of mortgage loan book in HFC

- Loan book of ₹1,500 Cr in the housing finance company at Q3FY15
- Income for the quarter ₹58.6 Cr up 73% yoy
- Profit after tax for the quarter ₹13.3 Cr up 98% yoy
- Capital adequacy at 39.3%, adequate room for growth

Capital Adequacy (%)

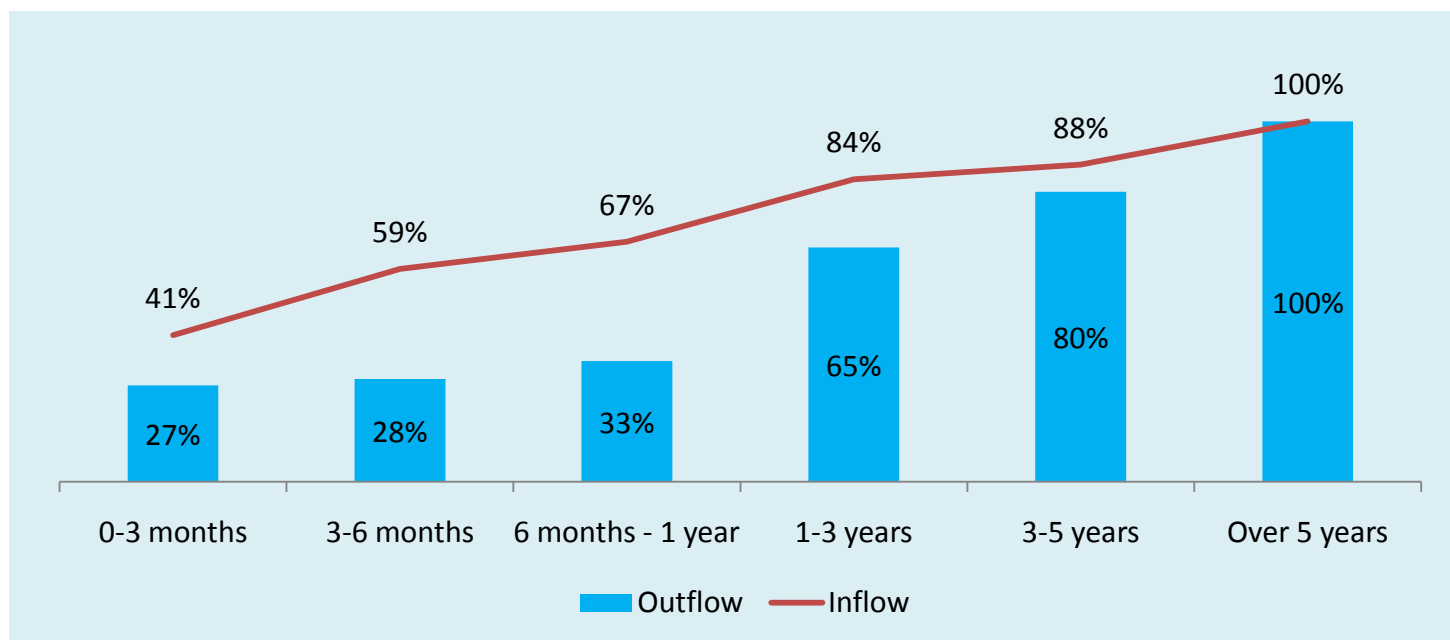


Loan Book (₹ Cr)



Asset liability profile for IIFL Finance*

- Asset-Liability maturity review is done regularly by Board level committee
- Committee ensures asset liability maturity is always comfortable
- Long term resources have been added during the quarter yielding to a comfortable ALM position
- Assets and liabilities are optimally matched, with adequate margin of safety



* Stand alone

IIFL Finance consolidated results

Quarter ended Dec'14

₹ Cr	Q3FY15	Q3FY14	YoY	Q2FY15	QoQ
Loan book	13,795.2	10,042.2	37.4%	12,993.5	6.2%
Securitised assets	997.5	368.8	170.5%	748.9	33.2%
Assets under management	14,792.7	10,411.0	42.1%	13,742.5	7.6%
Total interest income	619.7	460.0	34.7%	582.3	6.4%
Interest expense	361.2	289.4	24.8%	338.2	6.8%
Net Interest Income	258.5	170.6	51.5%	244.1	5.9%
Other income	27.3	37.2	(26.5%)	30.4	(10.3%)
Operating expense	147.2	115.4	27.5%	138.9	6.0%
Loan losses & Provision	21.4	13.0	65.0%	25.3	(15.3%)
Profit before tax	117.1	79.3	47.6%	110.4	6.1%
Profit after tax	77.4	55.6	39.6%	75.3	3.1%



IIFL Finance consolidated results

9 months ended Dec'14

₹ Cr	9MFY15	9MFY14	YoY
Loan book	13,795.2	10,042.2	37.4%
Securitized assets	997.5	368.8	170.5%
Assets under management	14,792.7	10,411.0	42.1%
Total interest income	1,726.3	1,330.2	29.8%
Interest expense	1,015.9	822.0	23.6%
Net Interest Income	710.4	508.2	39.8%
Other Income	91.2	114.9	(20.7%)
Operating Expense	409.1	383.6	6.7%
Loan losses & Provision	63.7	22.5	183.3%
Profit before tax	328.8	217.1	51.5%
Profit after tax	221.0	149.5	47.8%



IIFL Finance key business indicators

Key indicators	9MFY15	FY14	FY13	FY12
Loan book (₹ Cr)	13,795	10,890	9,375	6,745
Cost to Income (%)	43.7%	50.7%	52.5%	64.7%
RoE (%) (annualized)	15.5%	12.4%	12.1%	7.3%
RoA (%) (annualized)	2.0%	1.7%	2.0%	1.7%
Gross NPA (%)	1.11%	0.86%	0.49%	0.56%
Net NPA (%)	0.41%	0.33%	0.17%	0.40%
NIM (%)	7.5%	7.2%	9.5%	7.4%
Spread (%)	6.7%	6.3%	8.2%	4.9%
Yield (%)	17.9%	18.3%	20.2%	16.2%
Cost of Fund (%)	11.2%	12.0%	12.0%	11.3%
CRAR (%)	16.8%	17.6%	21.6%	17.9%



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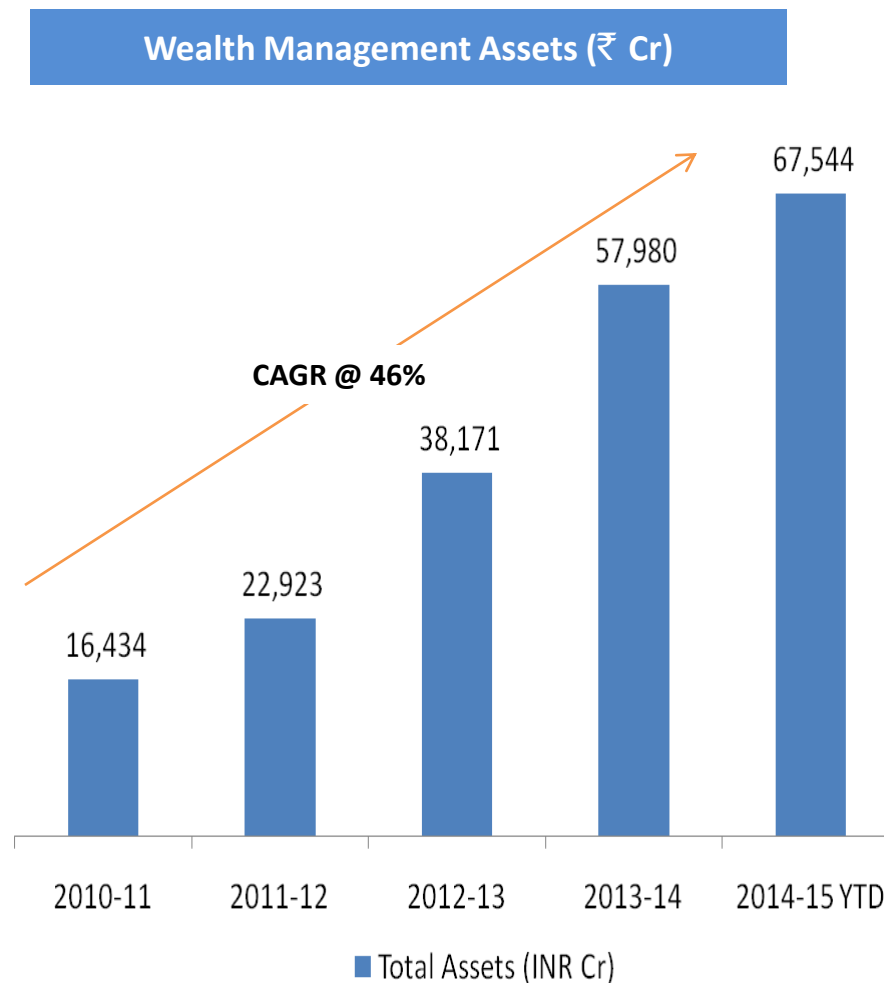
Annexure I: Corporate overview

Annexure II: Industry update



Wealth management continues to show strong growth

- IIFL Wealth has ₹675 Bn of assets under advice, distribution and management
- IIFL is amongst the top 4 MF distributors in the country
- Bagged the award of "Best Private Bank For Innovation In Technology" in Asia - Euromoney Innovations in Wealth Management Technology Awards, 2014



IIFL Wealth consolidated results

Quarter ended Dec'14

₹ Cr	Q3FY15	Q3FY14	YoY	Q2FY15	QoQ
Income from operations	119.5	57.4	108.2%	104.3	14.6%
Other income	1.3	0.1	1200.0%	1.7	(23.5%)
Total Income	120.8	57.6	109.7%	106.0	14.0%
Employee cost	30.2	18.1	66.9%	30.1	0.3%
Admin expenses and other expenses	36.4	20.2	80.2%	31.9	14.1%
EBITDA	54.1	19.3	180.3%	44.0	23.0%
Interest	3.3	1.0	230.0%	2.6	26.9%
Depreciation and amortization	0.3	0.3	0.0%	0.2	50.0%
Profit / (Loss) before tax	50.4	18.0	180.0%	41.2	22.3%
Provision for taxation	16.1	6.8	136.8%	14.6	10.3%
Profit/(Loss) after tax	34.3	11.3	203.5%	26.6	28.9%

IIFL Wealth consolidated results

9 Months ended Dec '14

₹ Cr	9MFY15	9MFY14	YoY
Income from operations	296.0	151.0	96.0%
Other income	3.9	0.2	1850.0%
Total Income	299.9	151.3	98.2%
Employee cost	85.5	53.5	59.8%
Admin expenses and other expenses	95.4	48.6	96.3%
EBITDA	118.9	49.1	142.2%
Interest	6.4	3.4	88.2%
Depreciation and amortization	0.8	0.6	33.3%
Profit / (Loss) before tax	111.7	45.0	148.2%
Provision for taxation	36.5	15.7	132.5%
Profit/(Loss) after tax	75.2	29.2	157.5%

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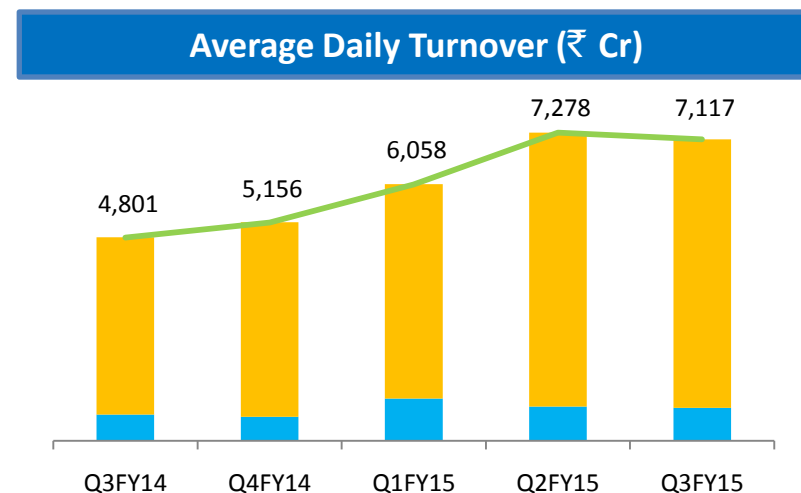
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Capital market – potential for growth

- Income for the quarter was ₹98.8 Cr, up 21% yoy
- IIFL's average daily equities turnover was at ₹ 7117 Cr in Q3FY15 up 48% yoy
- IIFL's average daily commodities turnover was at ₹731 Cr in Q3FY15
- Investment banking pipeline grew during the quarter. IIFL completed the Rs200 cr QIP of Tree House.



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Vision and Strategy

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

Management Team

- Team with impeccable academic and professional credentials
- Open door, transparent and performance oriented culture
- Liberal employee ownership

Management Team

Chairman	Nirmal Jain	Managing Director	R. Venkataraman
Wealth Management	Karan Bhagat	Finance	Amit Mehendale
International Operations	Bharat Parajia	Compliance	R. Mohan
Offshore Asset Management	Amit Shah	Operations & customer Service	Narendra Jain
Institutional Equities	H. Nemkumar	Audit	Upendra Jaiswal
Investment Banking	Nipun Goel	Risk	Kaushik Chatterjee
Consumer Finance	Rajashree Nambiar	Technology	Sushil Tolani
Housing Finance	Monu Ratra	Infrastructure	Tejas Mehta
PMS & Retail Broking	Prasanth Prabhakaran	Human Resources	Pallab Mukherji
Financial Products Distribution	Mukesh Singh	Treasury	B.S Amarnath

Verticals

Corporate Functions

IIFL Holdings- Board members

IIFL Group Board members (other than IIFL Holdings)



Nirmal Jain
Executive Director
Chairman, IIFL
Holdings Ltd



R Venkataraman
Executive Director
Managing
Director, IIFL Holdings
Ltd



Nilesh Vikamsey
Independent Director
Partner of M/s Khimji
Kunverji & Co.



A K Purwar
Independent Director
Former
Chairman, State
Bank of India



Geeta Mathur
Independent Director
CFO, Helpage India



Sunil Kaul
Non Executive Director
Operating
Partner, Carlyle
Group



Dr S Narayan
Independent Director
IAS (Retd), Former
Finance Secretary



Kranti Sinha
Independent Director
Former CEO of LIC
Housing Finance



C Ratnaswami
Non Executive Director
MD, Hamblin Watsa
(Fairfax
Group, Canada)



V K Chopra
Chairman, IIFL Finance
Former Chairman
& Managing
Director of
Corporation Bank



S Sridhar
Chairman, IIFL HFC
Former Chairman
& MD of National
Housing Bank



A K Shukla
Independent Director
Former Chairman
of LIC



M N Singh
Independent Director
IPS (Retd), Former
Commissioner of
Police, Mumbai



J H Mehta
Independent Director
Management
Consultant, former
Executive Director
of Hindustan Lever



P Pattanayak
Independent Director
Former Managing
Director of State
Bank of Mysore



R S Loona
Independent Director
Former Executive
Director (Law) of
SEBI



Homai Daruwala
Independent Director
Former Chairperson
& Managing Director
of Central Bank of
India

IIFL's Advisory Board

Comprises stalwarts to guide the management



Ashok Jha

IAS (Retd), Former Finance Secretary



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

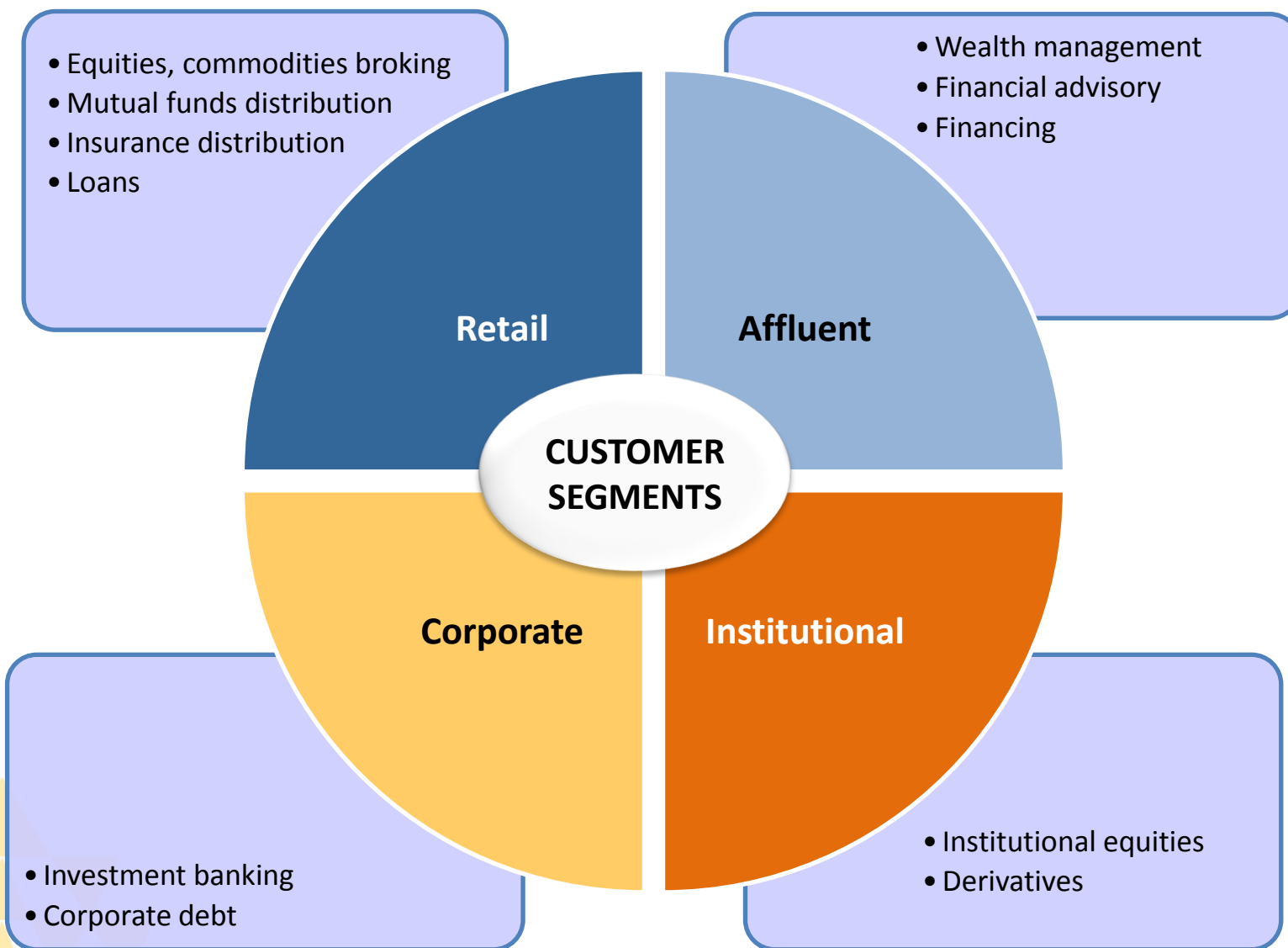
Singapore based eminent Lawyer and Investor



S Venkatachalam

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

Business model



Our service offerings



How we differentiate ourselves

Managerial depth

- Promoted by first generation professional entrepreneurs
- Highly qualified and experienced Management team

Well-capitalized

- Group network of ₹2,411 Cr
- Significant unutilized capacity to leverage

Distribution reach

- Present at almost 2,700 business locations across India
- Global footprint covers Dubai, New York, Mauritius, Singapore, Hong Kong, London and Geneva

Owner-mindset

- The top management is driven by pride and reward of ownership
- To think and work like an owner is part of organization's DNA

Technology edge

- Uniquely placed with proprietary front, mid and back office software
- Effectively harnessed technology to provide superior customer experience

De-risked

- De-risked and diversified business model across multiple revenue streams
- Multiple products across all segments of financial services

Awards and accolades received by IIFL



IIFL is India's top securities trading firm as per Fortune's list of 500 largest corporations in India - Dec 14' edition



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



India's Best private bank for innovation in technology – Asia 2014



Best Private Banking Services Overall – India 2014



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



Best Equity Portfolio Management - 2013



Best Wealth Management House – India 2014, 2013, 2012 & 2011



Best Performing Individual Financial Advisor - 2013



Best Wealth Management Company In India (>50 Employees) - 2013



Best Customer Service in Financial Markets - 2013



Best Market Analyst –2013, 2012 & 2009

IIFL Foundation – to drive social responsibilities



Diwali Dhamaka Sale by Women from Slums of Mumbai at IIFL office. Children's Day Fund Raiser for Indian Association for Promotion of Adoption which works with abandoned street children



- Cancer Awareness and Treatment Initiative
- Rehabilitation of Militancy Affected Girls by providing shelter and livelihood skills
- Swachhta Abiyan by students of TIMSR



Livelihood Project in the Tribal Area of Jawhar/ Mokhada with 500 marginalised women. In this year long project these women would be trained in the nuances of micro business creation



- Over 1 lakh school students from more than 390 schools have participated in our financial literacy drive.
- Pre livelihood training and counselling program with 3000 tribal kids studying in Ashram Shalas in Jawhar/ Mokhada

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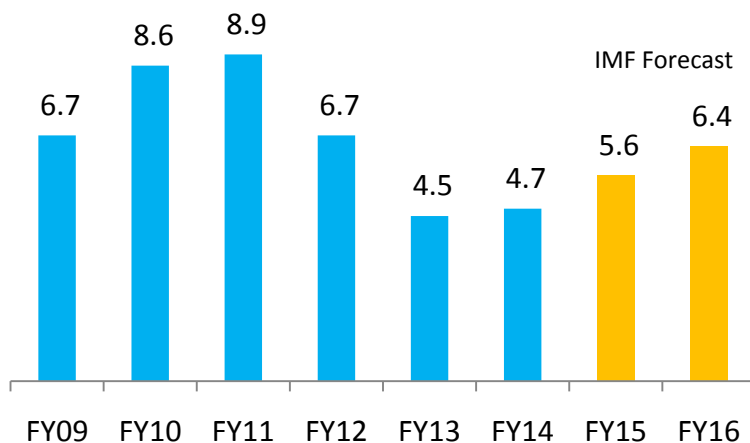
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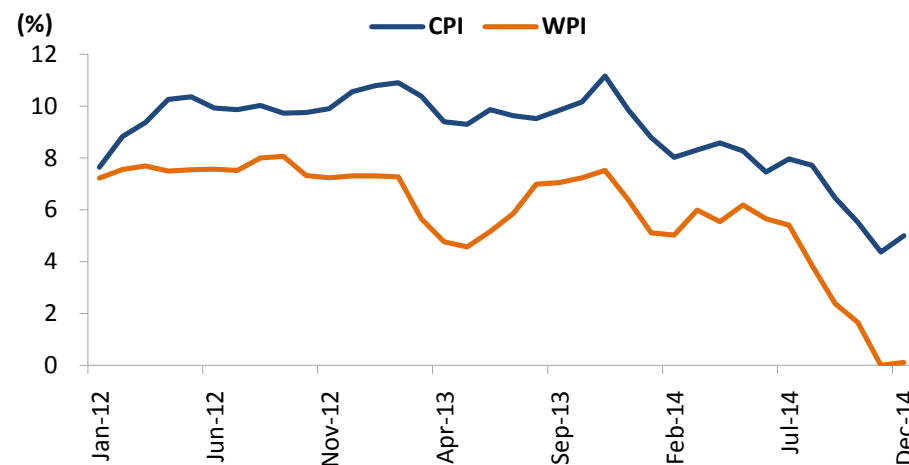
Macro economy

Positive growth outlook

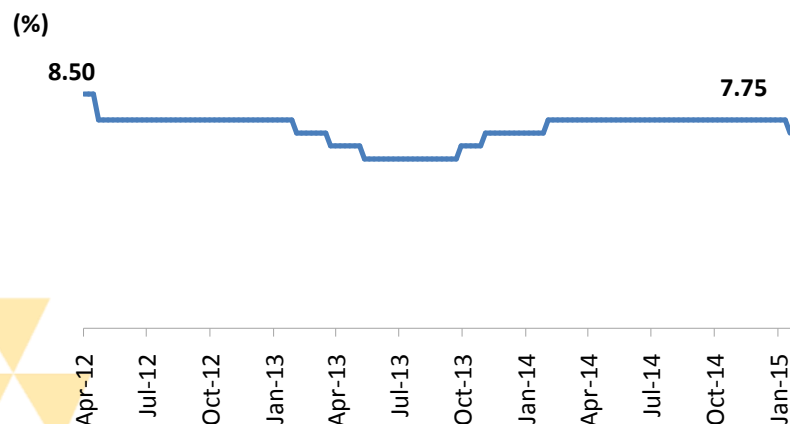


Source: CMIE, IIFL Research, IMF

Declining inflation

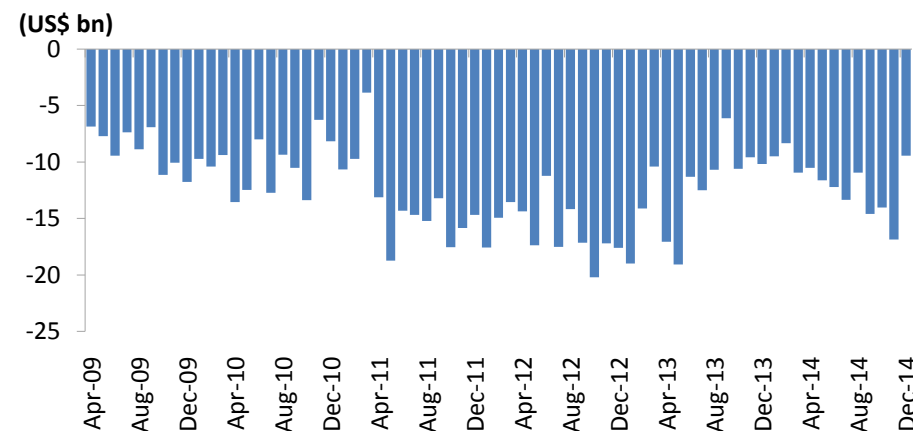


Policy rate near peak



Source: Bloomberg, IIFL Research

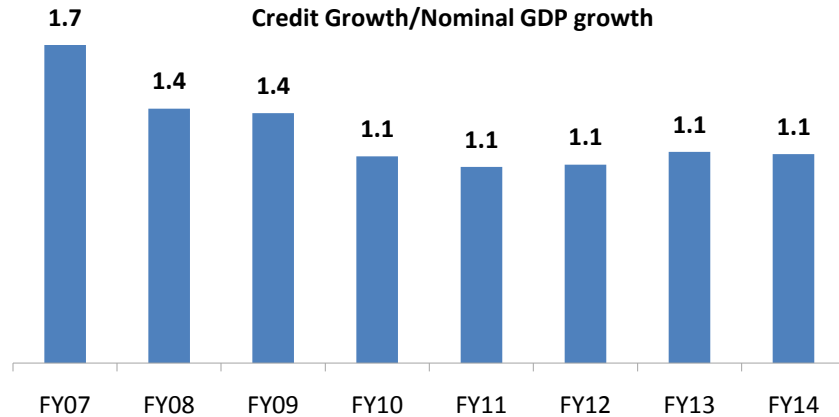
Trade deficit narrowed in recent months



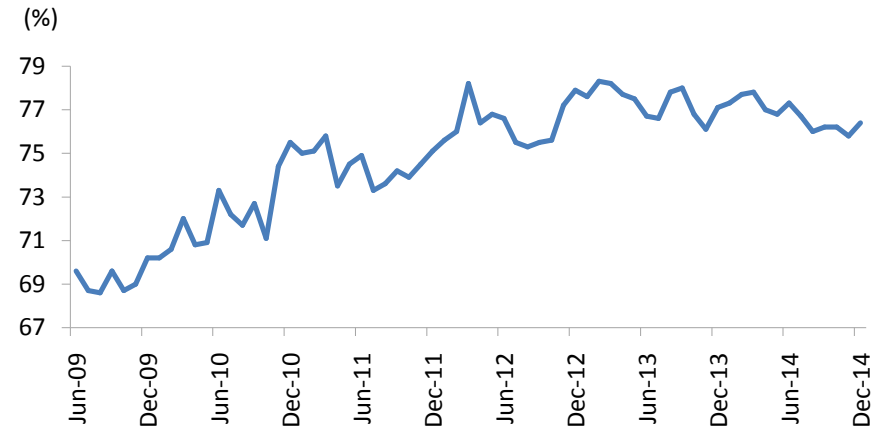
Source: CMIE, FAO, Govt of India, NDDB, IMD, IIFL Research

Credit and Finance

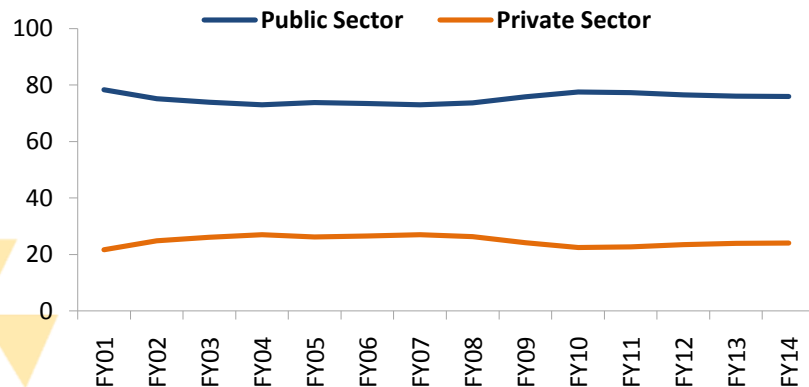
Credit growth/Nominal GDP growth stands at modest level



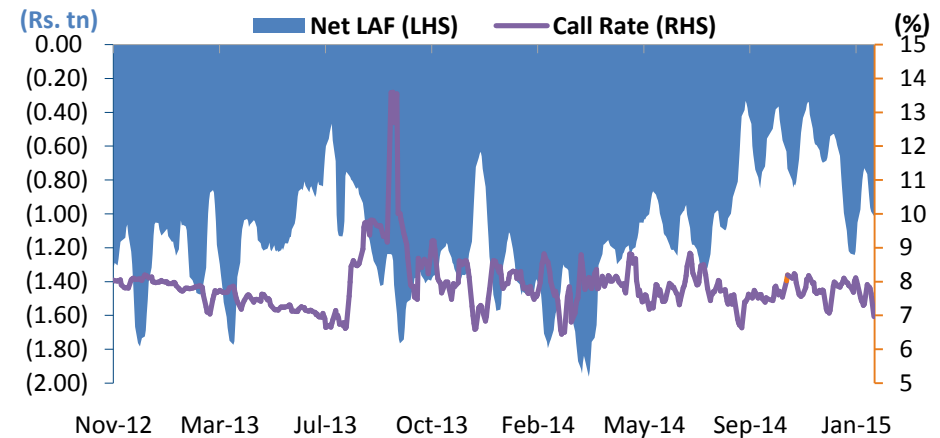
Loan/Deposit ratio growing at steady rate



PSU Banks steadily losing market share to Private Banks



Banking system liquidity eased considerably

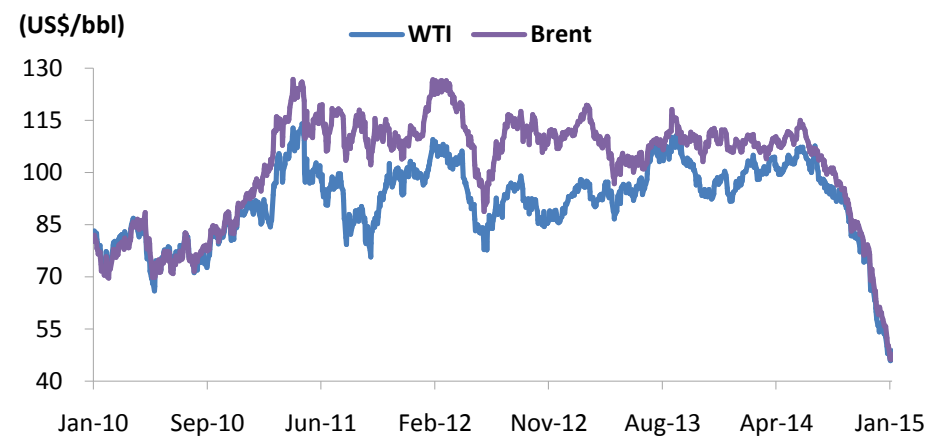


Capital raising and fund flows

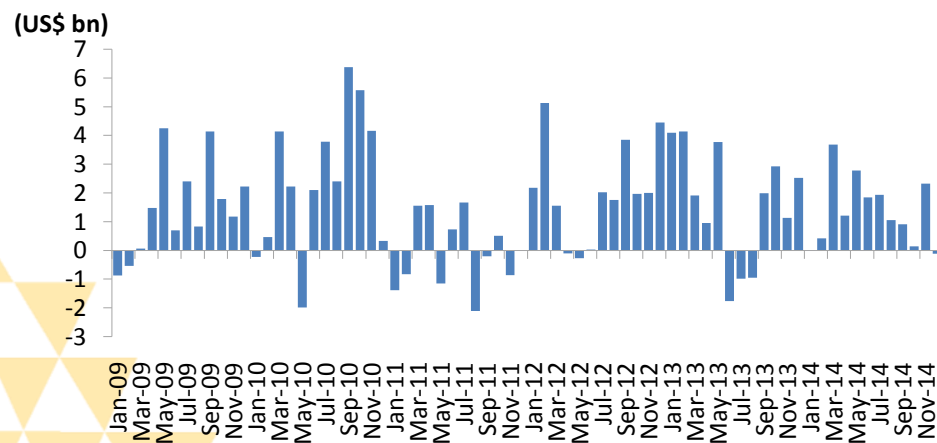
Rupee range bound at 61-63



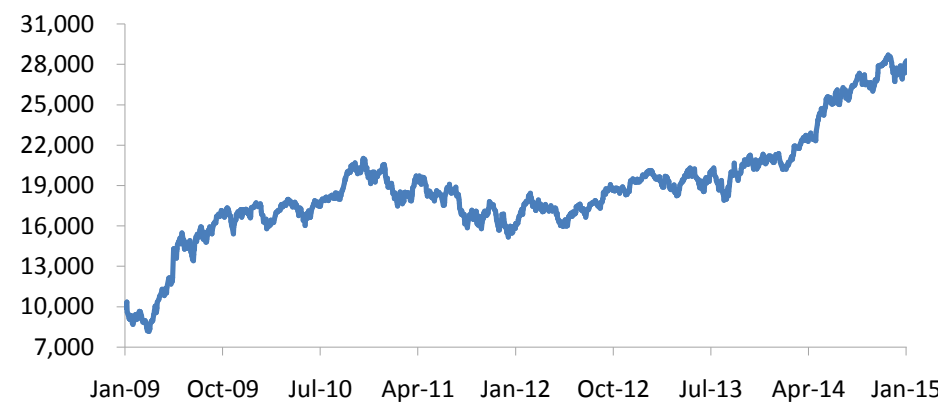
Crude prices crashed steeply



Global inflows negative in Dec



Sensex surges on hopes of better FY15



Thank you

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