



IIFL Holdings Limited

Performance Review

October - December 2015 (Q3FY16)

January 29, 2016

I: IIFL Group Performance review

II: Business review

NBFC operations

Wealth management operations

Capital market & other activities

III: Corporate Social Responsibility

Annexure I: Corporate overview

Annexure II: Industry update



IIFL Group Performance Summary

Quarter ended December 2015 - Income up 14% y-o-y, PAT up 13% y-o-y

Consolidated nine-month performance

- Income at ₹2,883.6 Cr, up 18% y-o-y; Profit before tax at ₹603.3 Cr, up 21% y-o-y
- Profit after Tax at ₹374.7 Cr, up 19% y-o-y

Consolidated quarterly performance

- Income at ₹994.0 Cr, up 14% y-o-y
- Profit after Tax at ₹126.7 Cr, up 13% y-o-y
- ROE (annualised) 17.6%

Fund based activities – Q3FY16

- Income at ₹704.7 Cr, up 12% y-o-y
- Aggregate loan book stood at ₹17,266 Cr, up 25% y-o-y

Financial products distribution – Q3FY16

- Income at ₹197.7 Cr, up 38% y-o-y
- Total assets under advice, distribution and management stood at ₹86,704 Cr, up 28% y-o-y

Capital market activities – Q3FY16

- Income at ₹88.8 Cr, down 10% y-o-y

IIFL Group Consolidated Results

Quarter ended December 2015

	Nine-month Trend		
₹ Cr	9MFY16	9MFY15	Y-o-Y
Fund Based activities	2,093.8	1,754.5	19%
Financial Products distribution	475.6	374.0	27%
Capital Market activities	305.5	317.8	(4%)
Other income	8.7	5.3	64%
Total Income	2,883.6	2,451.6	18%
Less: Operating cost	191.5	115.3	66%
Less: Employee cost	511.0	449.6	14%
Less: Other expenses	298.6	296.7	1%
EBITDA	1,882.5	1,590.0	18%
Less: Interest	1,229.4	1,049.1	17%
Less: Depreciation and amortization	49.8	43.4	15%
Profit before tax	603.3	497.5	21%
Less: Provision for taxation	198.5	163.4	21%
Profit after tax before minority	404.8	334.1	21%
Less: Minority Interest {includes profit / (loss) of associates}	30.1	18.5	63%
Profit after tax	374.7	315.6	19%

IIFL Group Consolidated Results

Quarter ended December 2015

	Quarterly Trend				
₹ Cr	Q3FY16	Q3FY15	Y-o-Y	Q2FY16	Q-o-Q
Fund Based activities	704.7	628.5	12%	710.7	(1%)
Financial Products distribution	197.7	143.5	38%	151.8	30%
Capital Market activities	88.8	98.8	(10%)	110.7	(20%)
Other income	2.8	2.0	40%	3.1	(10%)
Total Income	994.0	872.8	14%	976.3	2%
Less: Operating cost	74.3	51.7	44%	66.7	11%
Less: Employee cost	175.2	152.8	15%	176.9	(1%)
Less: Other expenses	99.5	101.7	(2%)	104.1	(4%)
EBITDA	645.0	566.6	14%	628.6	3%
Less: Interest	429.0	373.8	15%	395.7	8%
Less: Depreciation and amortization	16.8	13.7	23%	16.6	1%
Profit before tax	199.2	179.1	11%	216.3	(8%)
Less: Provision for taxation	62.0	58.5	6%	67.6	(8%)
Profit after tax before minority	137.2	120.6	14%	148.7	(8%)
Less: Minority Interest {includes profit / (loss) of associates}	10.5	8.3	27%	8.3	27%
Profit after tax	126.7	112.3	13%	140.4	(10%)

Segmental Breakup

Quarter ended December 2015

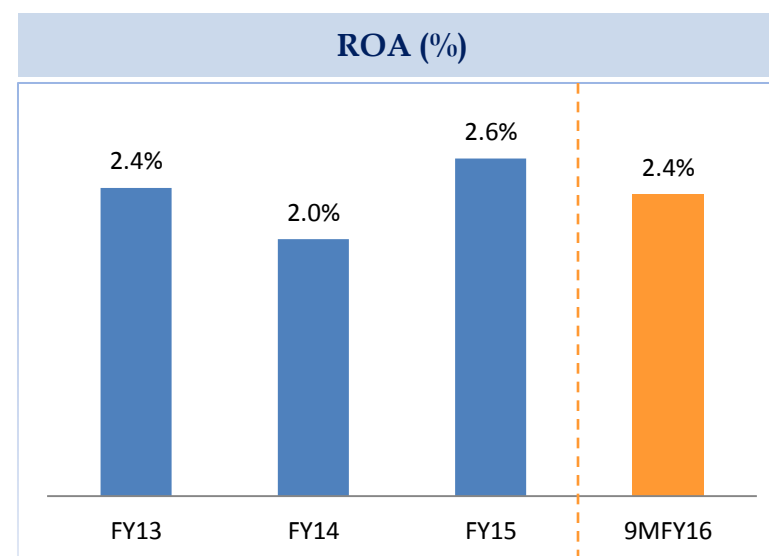
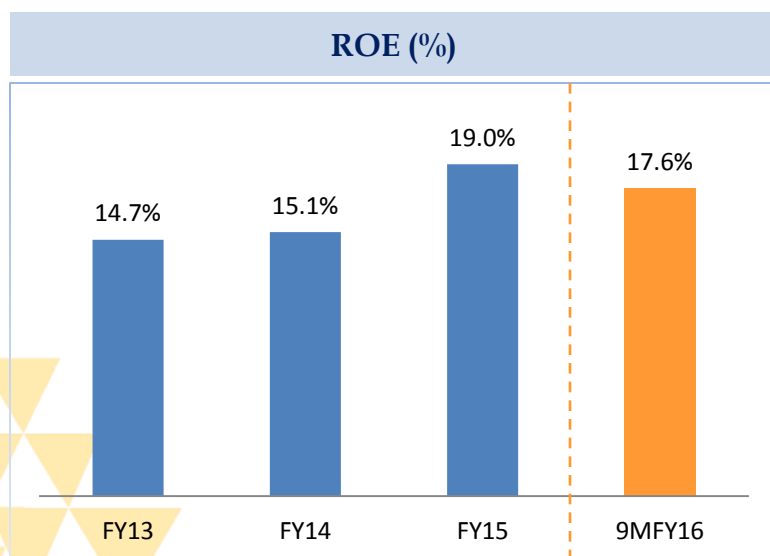
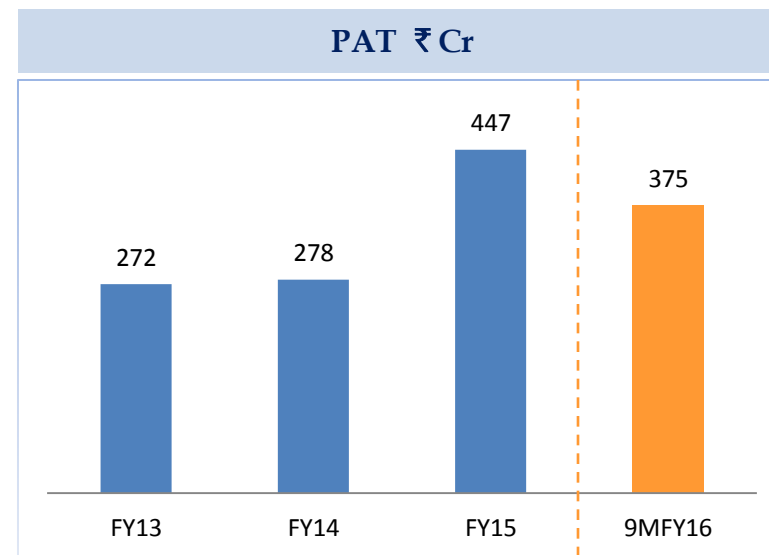
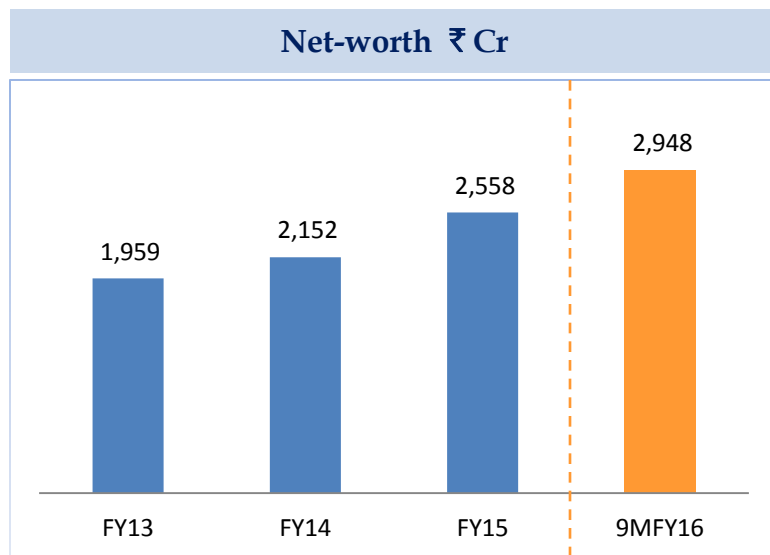
Segment Result (Revenue) ₹ Cr	Q3FY16	Q3FY15	Y-o-Y	Q2FY16	Q-o-Q
Fund Based activities	704.7	628.5	12%	710.7	(1%)
Financial Products distribution	197.7	143.5	38%	151.8	30%
Capital Market activities	88.8	98.8	(10%)	110.7	(20%)
Other income	2.8	2.0	40%	3.1	(10%)
Total	994.0	872.8	14%	976.3	2%

Segment Result (Profit Before Tax) ₹ Cr	Q3FY16	Q3FY15	Y-o-Y	Q2FY16	Q-o-Q
Fund Based activities	130.9	119.1	10%	137.3	(5%)
Financial Products distribution	44.2	28.7	54%	43.7	1%
Capital Market activities	23.8	31.1	(23%)	35.0	(32%)
Other income	0.3	0.2	50%	0.3	0%
Total	199.2	179.1	11%	216.3	(8%)

- 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

IIFL Group Consolidated Results – Annual Trend

Quarter ended December 2015



I: IIFL Group Performance review

II: Business review

NBFC operations

Wealth management operations

Capital market & other activities

III: Corporate Social Responsibility

Annexure I: Corporate overview

Annexure II: Industry update



India Infoline Finance – Consolidated Performance

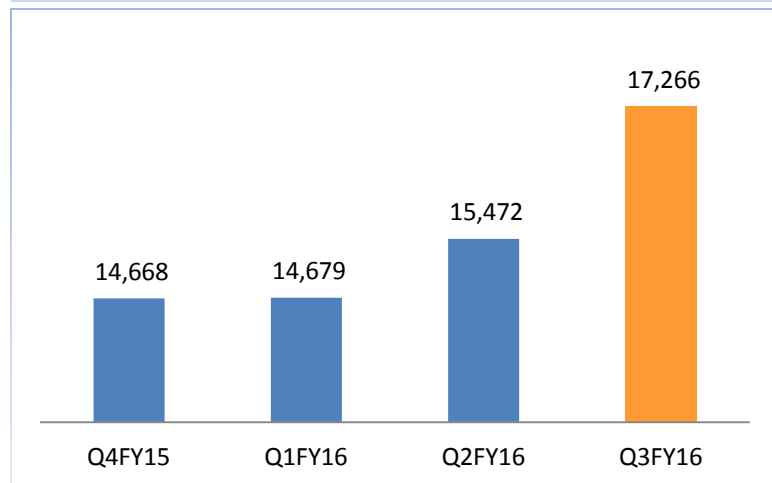
Quarter ended December 2015

	Nine-month Trend				Quarterly Trend				
₹ Cr	9MFY16	9MFY15	Y-o-Y		Q3FY16	Q3FY15	Y-o-Y	Q2FY16	Q-o-Q
Loan book	17,266.4	13,795.2	25%		17,266.4	13,795.2	25%	15,472.4	12%
Securitised assets	1,132.2	997.5	14%		1,132.2	997.5	14%	1,370.4	-17%
Assets under management	18,398.6	14,792.7	24%		18,398.6	14,792.7	24%	16,842.7	9%
Total interest income	1,900.4	1,708.2	11%		663.5	603.7	10%	618.7	7%
Less: Interest expense	1,176.0	1,015.9	16%		409.4	361.2	13%	380.1	8%
Net Interest Income	724.4	692.4	5%		254.1	242.5	5%	238.5	7%
Other income	124.4	50.4	147%		43.7	15.1	189%	47.0	-7%
Total income	848.8	742.8	14%		297.8	257.7	16%	285.5	4%
Less: Operating expense	392.5	350.3	12%		131.7	119.1	11%	133.3	-1%
Less: Loan losses & Provision	82.8	63.7	30%		29.6	21.4	38%	27.7	7%
Profit before tax	373.5	328.8	14%		136.5	117.1	17%	124.5	10%
Profit after tax	243.7	221.0	10%		89.1	77.6	15%	81.4	9%

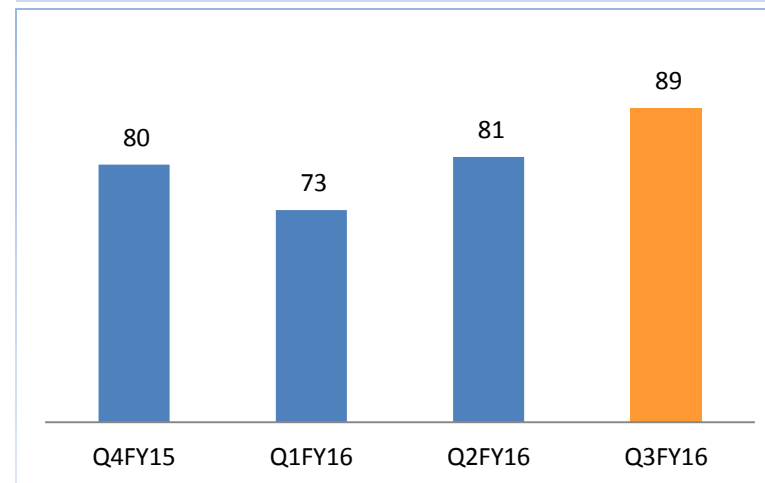
India Infoline Finance – Quarterly Trend

Quarter ended December 2015

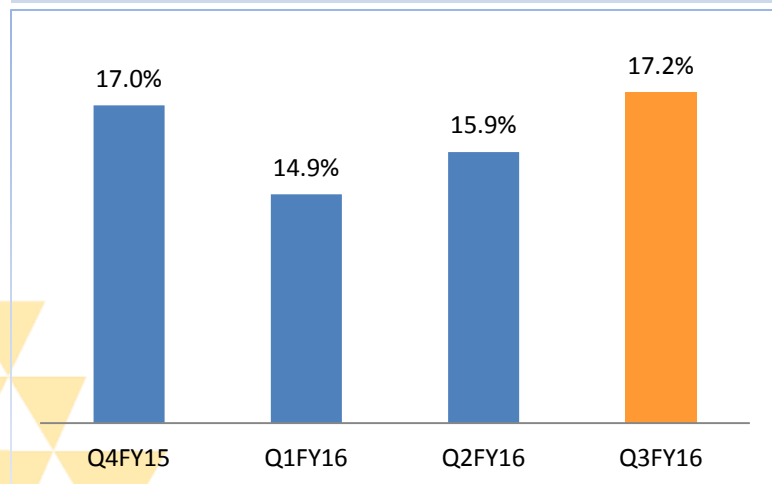
Loan book ₹ Cr



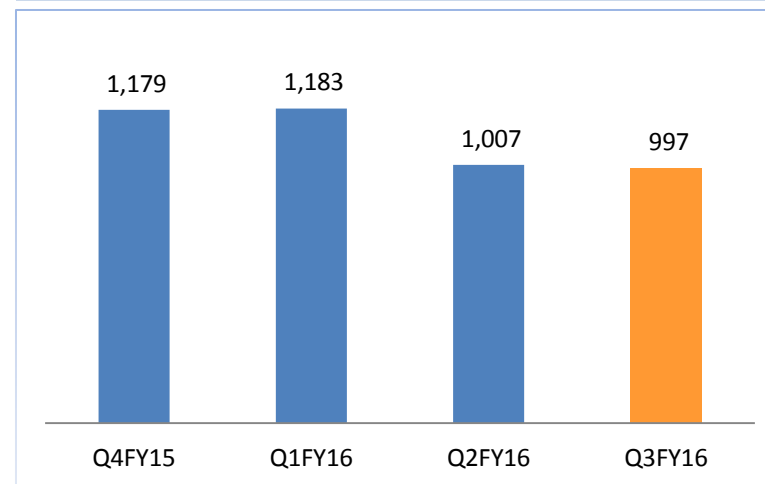
PAT ₹ Cr



ROE* (%)



No. of branches



*Excluding preference share capital

NBFC Performance Highlights

Quarter ended December 2015 - Income up 16% y-o-y; Profit after tax up 15% y-o-y

Consolidated quarterly performance

- Total income at ₹297.8 Cr, up 16% y-o-y and 4% q-o-q
- PAT at ₹89.1 Cr, up 15% y-o-y and 9% q-o-q
- Net-worth stood at ₹2,391 Cr for NBFC consolidated with its HFC subsidiary

Operating parameters	Q3FY15	Q2FY16	Q3FY16
Yield on assets (%)	16.8	15.4	15.3
Cost of funds (%)	11.0	10.4	10.0
NIM (%)	6.7	5.9	5.7
Cost to Income (%)	46.2	46.7	44.2
GNPA (%)	1.1	1.4	1.6
NNPA (%)	0.4	0.5	0.6
Provision coverage (including standard asset provision)	91.5	94.0	85.3
CRAR^ (%)	16.8	19.7	18.0
Tier I^ (%)	11.6	13.3	11.9
ROE* (%)	17.0	15.9	17.2
ROA (%)	2.1	1.8	1.9

^NBFC standalone

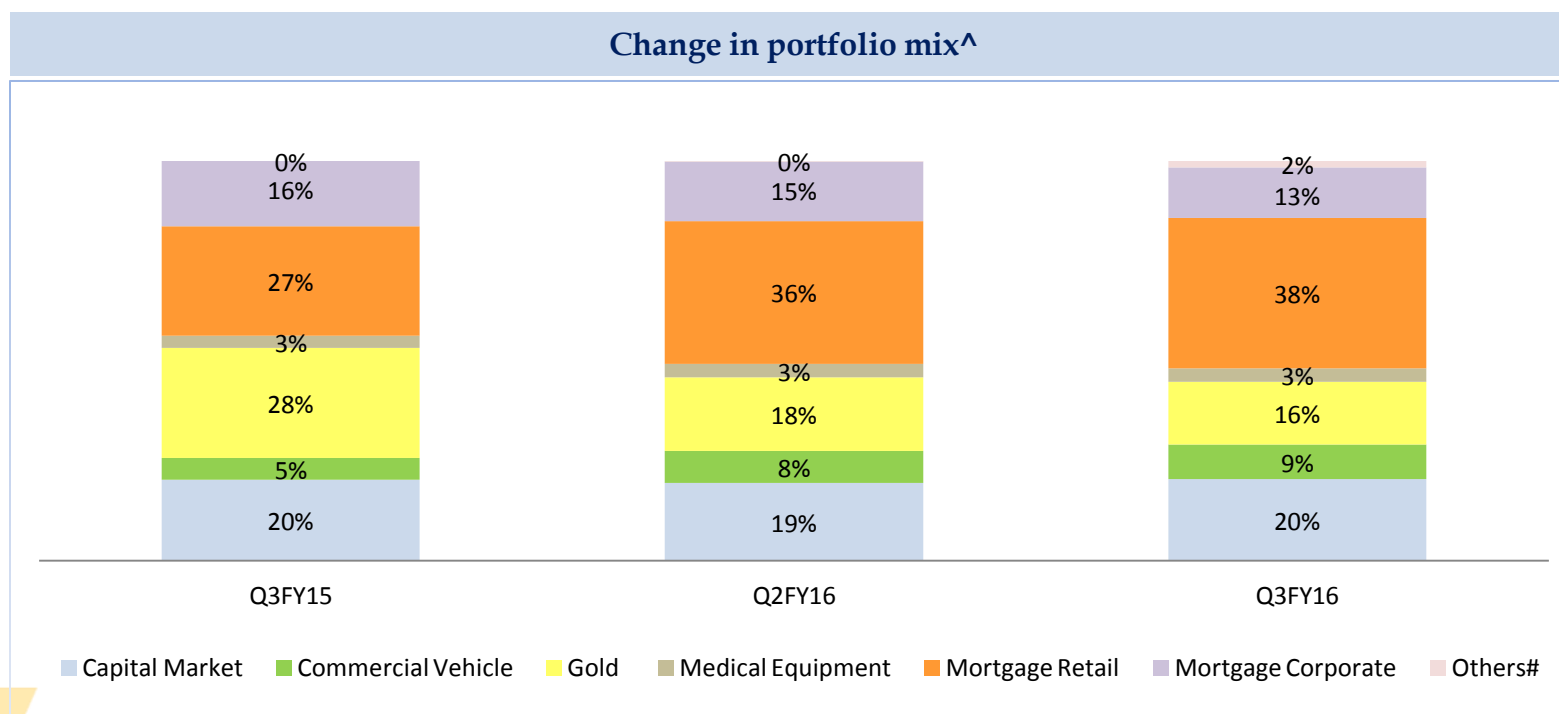
*Excluding preference share capital

NBFC* Performance Highlights

Quarter ended December 2015

Overall loan book

- Aggregate loan book stood at ₹17,266 Cr, up 25% y-o-y and 12% q-o-q
- Mortgage financing has a dominant share at ₹8,675 Cr, up 44% y-o-y and 11% q-o-q
- Share of retail mortgage loans has increased to 38% in Q3FY16 from 27% in Q3FY15



*Consolidated

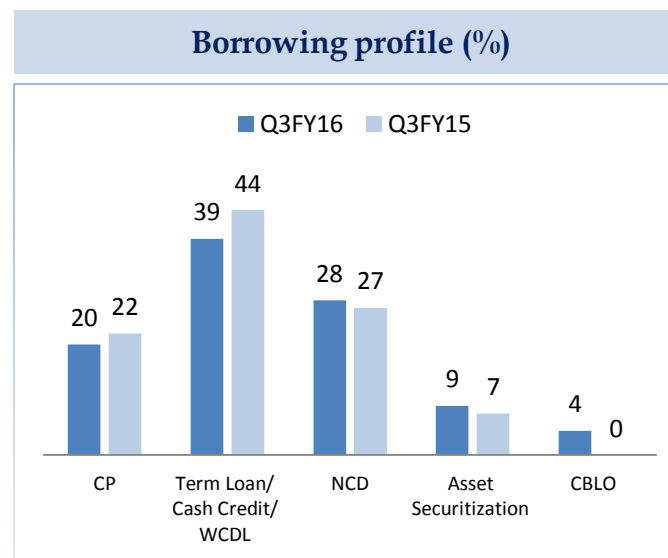
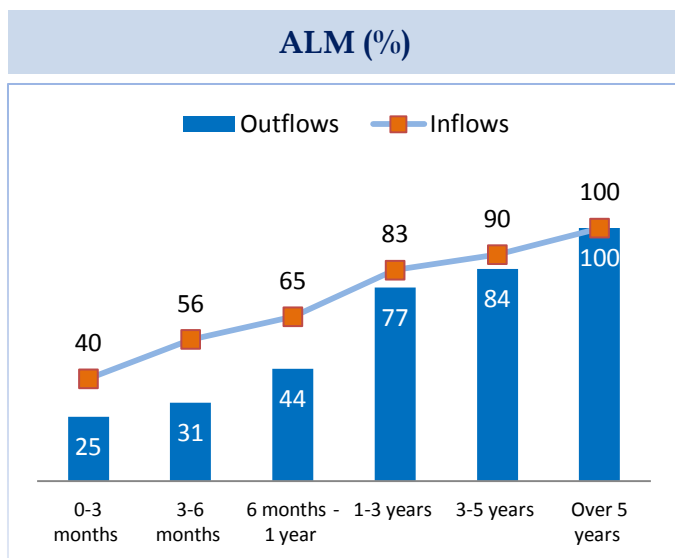
[^]Excluding securitized assets

[#]Others include corporate loans, SME loans and unsecured loans

Asset Liability profile for NBFC*

Quarter ended December 2015

- Borrowing sources are a diversified mix including banks, mutual funds, insurance companies and public
- A Board level Asset Liability Committee meets periodically to review asset liability management (ALM)
- The committee ensures asset liability maturity is always comfortable
- Resources have been added during the quarter yielding to a comfortable ALM position



I: IIFL Group Performance review

II: Business review

NBFC operations

Wealth management operations

Capital market & other activities

III: Corporate Social Responsibility

Annexure I: Corporate overview

Annexure II: Industry update



IIFL Wealth – Consolidated Results

Quarter ended December 2015

	Nine-month Trend		
₹ Cr	9MFY16	9MFY15	Y-o-Y
Income from operations	385.8	296	30%
Other income	29.9	3.9	667%
Total Income	415.7	299.9	39%
Less: Employee cost	117.6	85.5	38%
Less: Admin and other expenses	111.1	95.5	16%
EBITDA	187	118.9	57%
Less: Interest	17.2	6.4	169%
Less: Depreciation and amortization	2.2	0.8	175%
Profit before tax	167.6	111.7	50%
Less: Provision for taxation	44.4	36.5	22%
Profit after tax	123.2	75.2	64%

Quarterly Trend				
Q3FY16	Q3FY15	Y-o-Y	Q2FY16	Q-o-Q
145.8	119.5	22%	137.9	6%
14.0	1.3	977%	12.3	14%
159.8	120.8	32%	150.2	6%
44.8	30.3	48%	45.5	(2%)
53.2	36.4	46%	40.5	31%
61.8	54.1	14%	64.2	(4%)
4.3	3.3	30%	6.9	(38%)
0.8	0.3	167%	0.8	0%
56.7	50.5	12%	56.5	0%
11.8	16.1	(27%)	15.4	(23%)
44.9	34.4	31%	41.1	9%

Wealth Management – Key Highlights

Quarter ended December 2015 – Income up 32% y-o-y, Profit after Tax up 31%, y-o-y

Consolidated quarterly performance

- Income at ₹ 159.8 Cr, up 32% y-o-y and 6% q-o-q
- PAT at ₹44.9 Cr, up 31% y-o-y, 9% q-o-q
- IIFL is amongst the top 6 MF distributors in the country

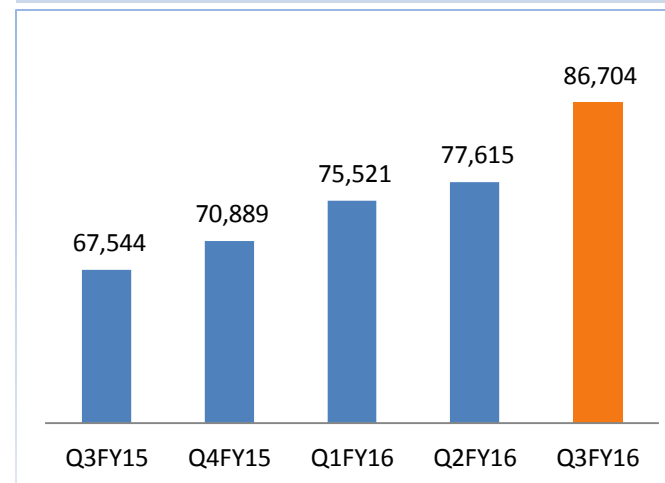
Consolidated nine month performance

- PAT at ₹123.2 Cr, up 64% y-o-y
- Income at ₹415.7 Cr, up 39% y-o-y

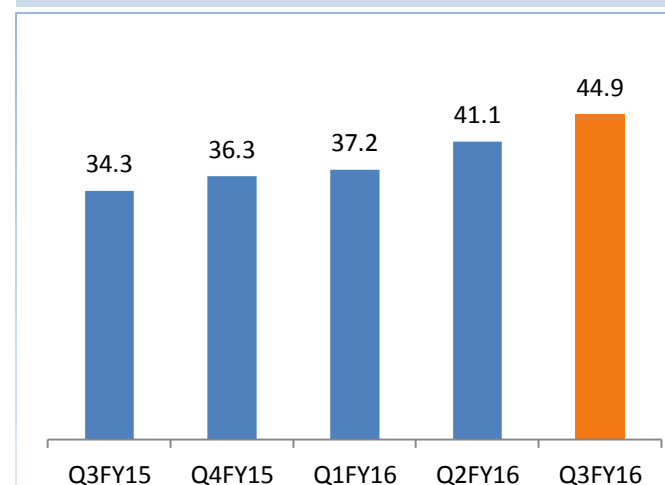


Best Private Bank-India by The Asset Triple A Private Banking, Wealth Management and Investment Awards, 2015, for five consecutive years

Wealth Management Assets (₹ Cr)



PAT (₹ Cr)



I: IIFL Group Performance review

II: Business review

NBFC operations

Wealth management operations

Capital market & other activities

III: Corporate Social Responsibility

Annexure I: Corporate overview

Annexure II: Industry update



India Infoline Ltd* – Performance Review

Quarter ended December 2015

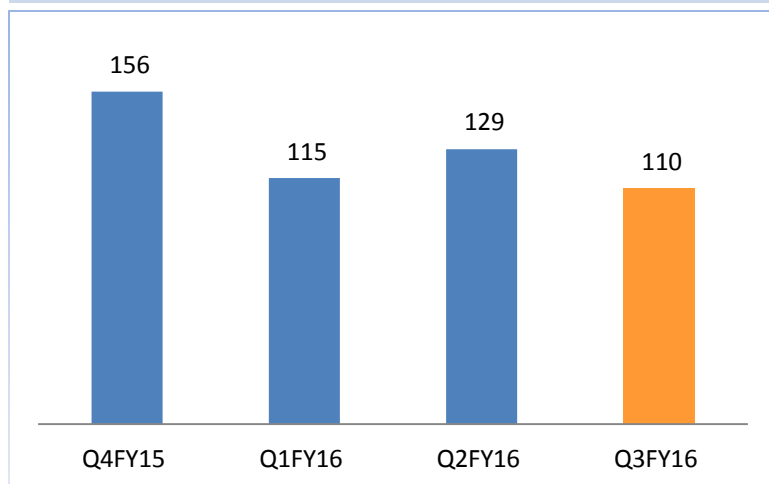
	Nine-month Trend			Quarterly Trend				
₹ Cr	9MFY16	9MFY15	Y-o-Y	Q3FY16	Q3FY15	Y-o-Y	Q2FY16	Q-o-Q
Income from operations	354.5	389.6	(9%)	110.4	119.9	(8%)	128.8	(14%)
Other income	0.3	0.5	(34%)	0.1	0.2	(72%)	0.2	(65%)
Total Income	354.8	390.0	(9%)	110.4	120.1	(8%)	129.0	(14%)
Less: Operating cost	81.2	82.8	(2%)	27.2	30.6	(11%)	28.5	(4%)
Less: Employee cost	132.7	140.2	(5%)	42.6	41.3	3%	47.3	(10%)
Less: Other expenses	76.4	83.5	(9%)	27.7	27.4	1%	26.0	7%
EBITDA	64.4	83.5	(23%)	12.8	20.8	(38%)	27.2	(53%)
Less: Interest	1.2	2.1	(42%)	0.3	1.0	(70%)	0.3	(5%)
Less: Depreciation and amortization	8.6	7.1	22%	3.0	2.5	24%	2.9	5%
Profit before tax	54.6	74.3	(27%)	9.5	17.4	(45%)	24.0	(60%)
Less: Provision for taxation	18.1	23.7	(23%)	3.3	5.8	(43%)	7.2	(54%)
Profit after tax	36.4	50.6	(28%)	6.2	11.6	(47%)	16.8	(63%)

*India Infoline Ltd (IIL) encompasses the Group's businesses of Institutional Equities brokerage, Retail Equities brokerage, Mutual Fund & IPO brokerage and Depository Participant services.

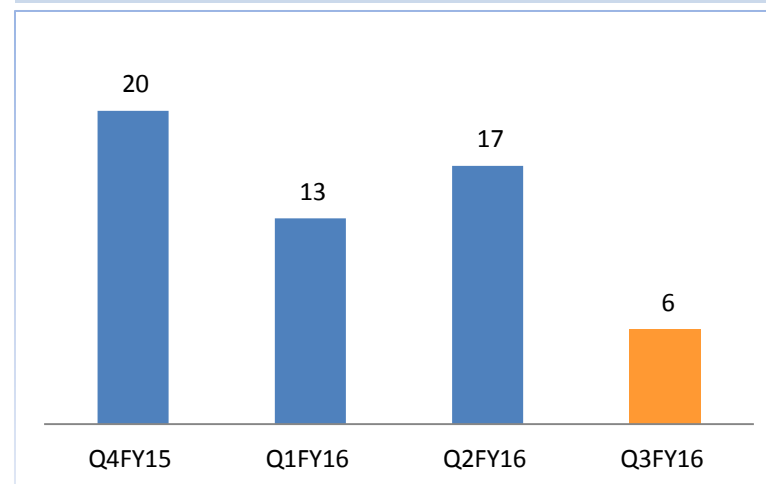
India Infoline Ltd – Quarterly Trend

Quarter ended December 2015

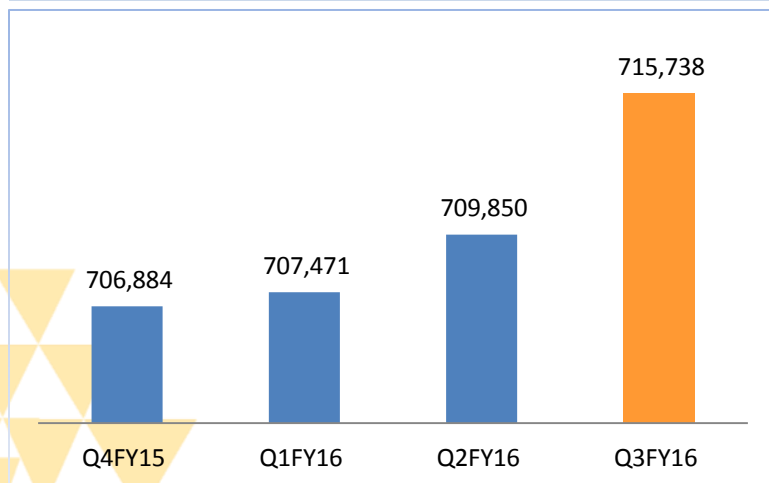
Total income (₹ Cr)



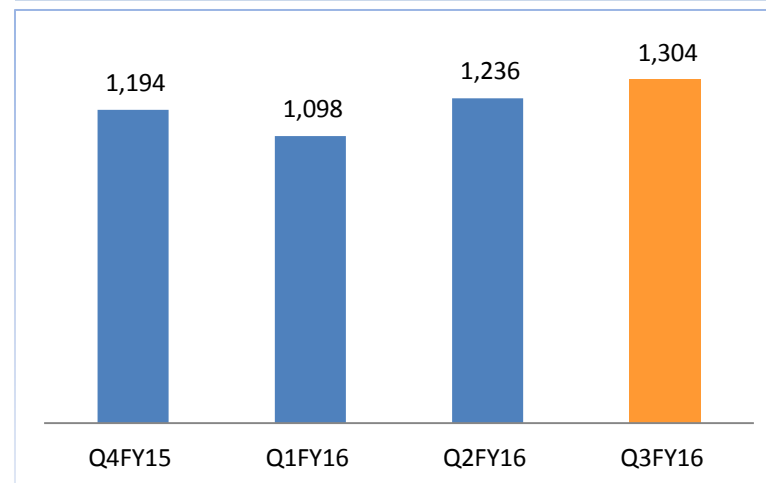
PAT (₹ Cr)



No. of equity broking customers



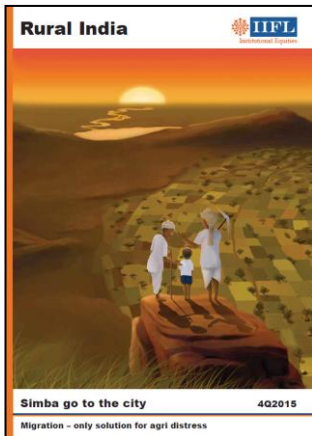
No. of business locations



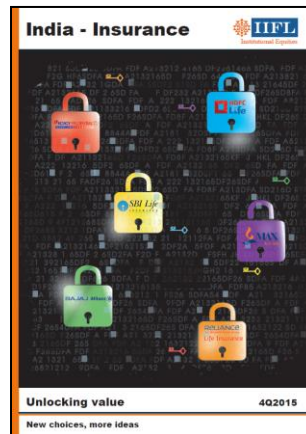
Capital Market – Key Highlights

Quarter ended December 2015

- IIFL Markets, mobile trading app - Over 400,000 downloads since February 2015. Over 8,500 users on Google Play Store have accorded it a rating of 4.3 out of 5, the best in the peer group.
- Average daily equity turnover was at ₹5,457 Cr, down 23% y-o-y while exchange turnover was down 35% y-o-y
- Average daily commodity turnover was at ₹1,043 Cr, up 43% y-o-y, while exchange turnover was down 2% y-o-y
- Average daily currency turnover was at ₹51 Cr, down 26% y-o-y, while exchange turnover was up 39% y-o-y
- IIFL Research produced two insightful reports during the quarter

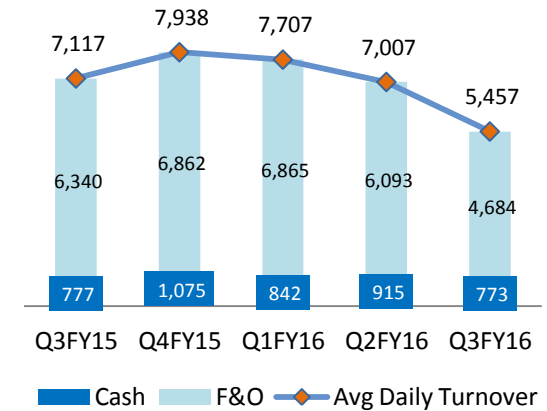


A deep dive into rural economy: why migration away from agriculture is the only solution

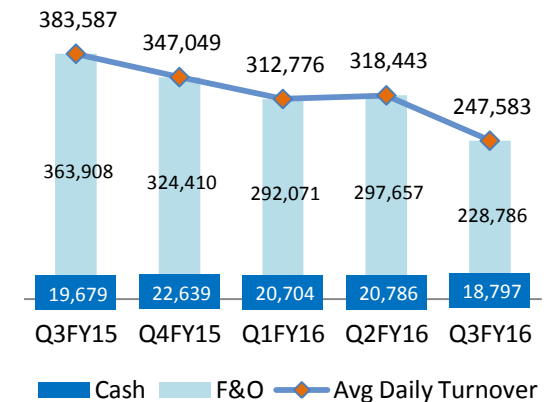


The report discusses life insurers which are likely to create value for their parent entities

IIL Turnover - Equity (₹ Cr)



Exchange Turnover - Equity (₹ Cr)



I: IIFL Group Performance review

II: Business review

NBFC operations

Wealth management operations

Capital market & other activities

III: Corporate Social Responsibility

Annexure I: Corporate overview

Annexure II: Industry update





Driving social responsibility



School of Nursing for under privileged girls at Sneha Mandir in Goa. Inauguration by Mr. Venkataraman, MD, IIFL Holdings Ltd and Deputy CM of Goa, Mr. Francis D' Souza



Jhadol, Rajasthan: 8 tailoring centres where over 200 women would be taught nuances of stitching. In 2nd phase, income generation activities would be initiated



Jawhar: In drought affected Maharashtra, two check dams built by IIFL Foundation are full of water. About 30 farmers have started Mogra plantation; for first time 2nd crop has been planted



CSR Focus Areas

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



Career counseling for 2,600 school kids in 7th - 9th class to arrest drop out rates in Jawhar



Training for 1,000 tribal boys in Jawhar, Maharashtra: Almost all the boys have received secure jobs

I: IIFL Group Performance review

II: Business review

NBFC operations

Wealth management operations

Capital market & other activities

III: Corporate Social Responsibility

Annexure I: Corporate overview

Annexure II: Industry update



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



Nilesh Vikamsey

Independent Director

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



A K Purwar

Independent Director

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



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
Financing	Rajashree Nambiar	Finance	Prabodh Agrawal
Housing Finance	Monu Ratra	Compliance	R. Mohan
Wealth Management	Karan Bhagat	Risk	Rakesh Mital
Offshore Asset Management	Amit Shah	Strategy	Aniruddha Dange
Institutional Equities	H. Nemkumar	Technology	Sushil Tolani
Investment Banking	Nipun Goel	Human Capital	Anand Mathur
PMS & Retail Broking	Prasanth Prabhakaran	Treasury	B.S. Amarnath
Realty Services	Balaji Raghavan	Internal Audit	Narendra Jain
International Operations	Bharat Parajia	Marketing	Arun Malkani

Competitive advantage due to management depth and distribution reach

Governance & managerial depth



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

Distribution reach



- 2,500 business locations across India, global footprint in 8 major financial centers
- Customer base of over 3 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
Group**

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



Ranked 286 in
FORTUNE 500 India
List - 2015, up from
2014 rank of 338



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 Private Bank- India
by The Asset Triple A
Private Banking, 2015



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



Winner at the IPRCCA
2015 for the 'Most
Innovative use of social
media' category



www.indiainfo.com
won Best Website in
the Banking &
Investment category



Outstanding Private
Bank - South Asia
2015 (Highly
Commended), by PBI
Global Wealth Awards

I: IIFL Group Performance review

II: Business review

NBFC operations

Wealth management operations

Capital market & other activities

III: Corporate Social Responsibility

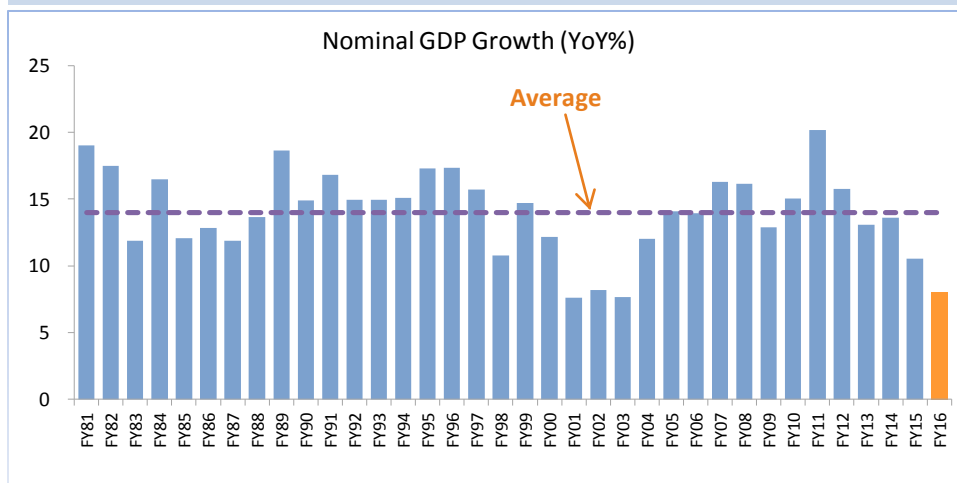
Annexure I: Corporate overview

Annexure II: Industry update



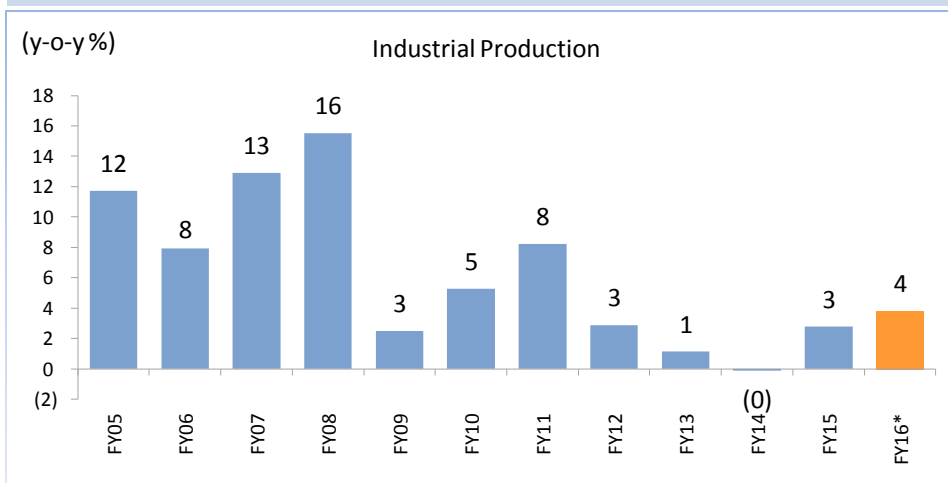
Macro-economic environment

India's nominal GDP growth has declined to three and half decades low



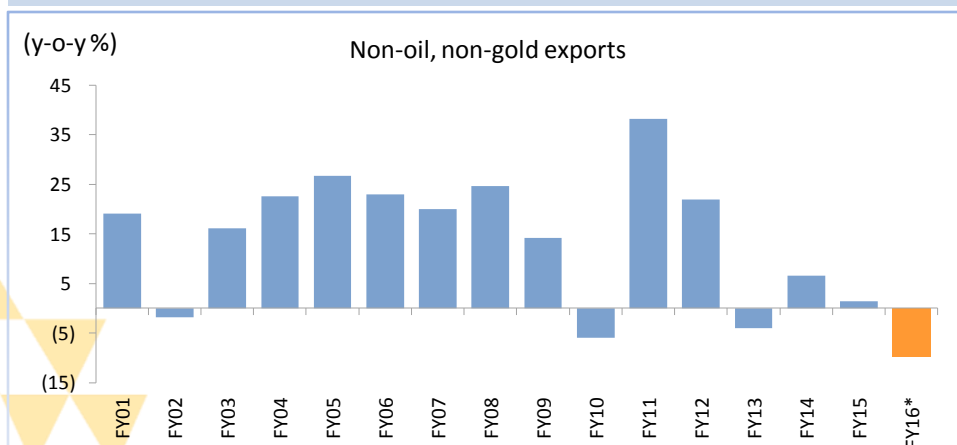
Source: CEIC, IIFL Research. FY12-FY16 data based on new GDP data series

Moderate pick-up in IIP growth



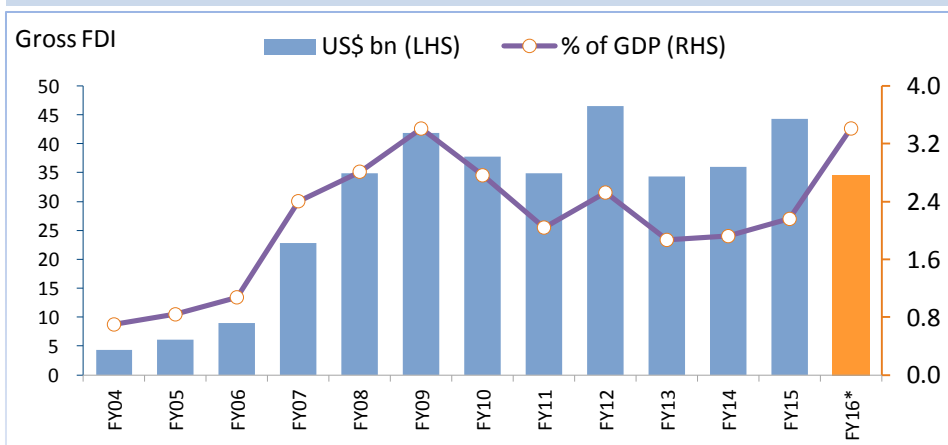
Source: CEIC, IIFL Research. FY16 growth based on data for the period of Apr-Nov

Non-oil, non-gold exports have collapsed to a 15-year low



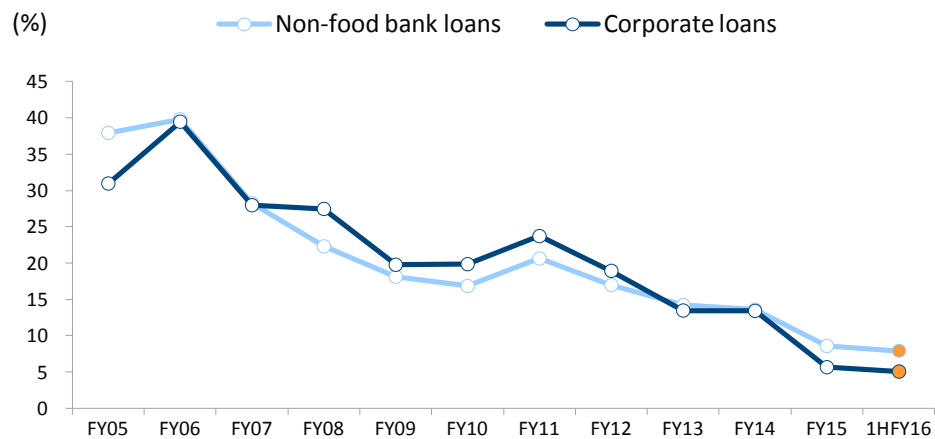
Source: RBI, IIFL Research. FY16 growth based on data for the period of Apr-Dec

Gross FDI inflows into India



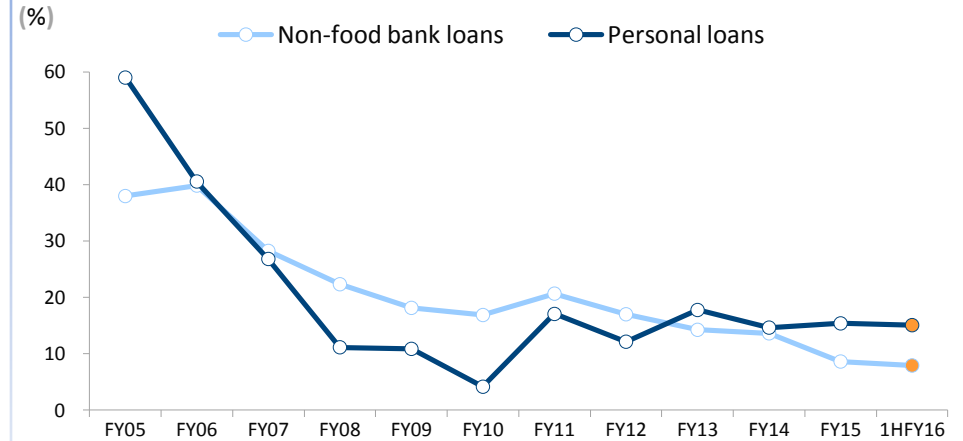
Source: CMIE, Bloomberg, IIFL Research. FY16 data is for Apr-Nov period

Bank loan growth is at multi-year low; corporate loan growth is even weaker



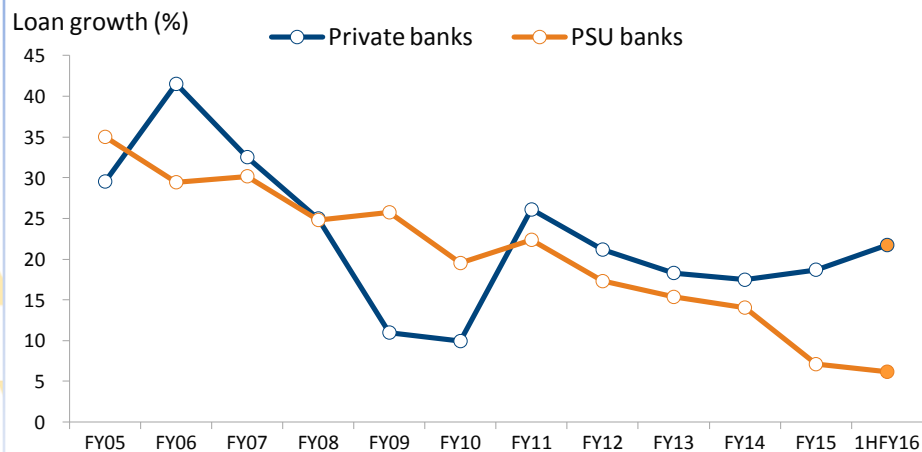
Source: RBI, IIFL Research

Growth in personal loans has been higher than total bank loan growth for past four years



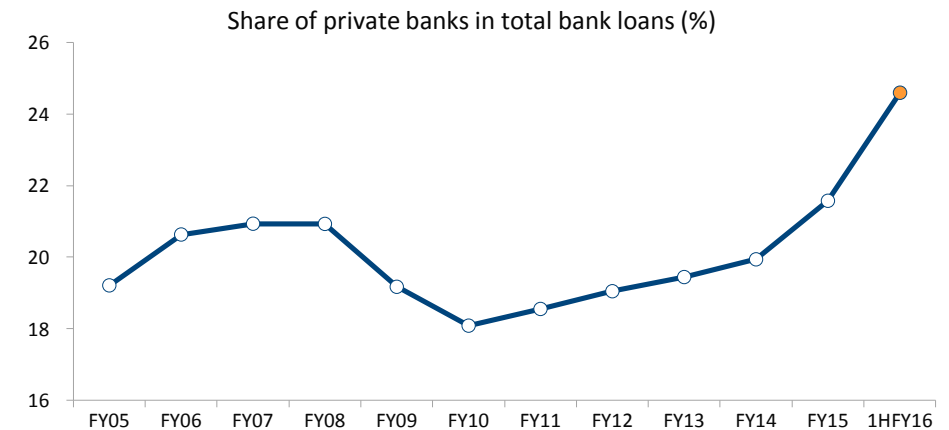
Source: RBI, IIFL Research

Loan growth for private and PSU banks - huge divergence



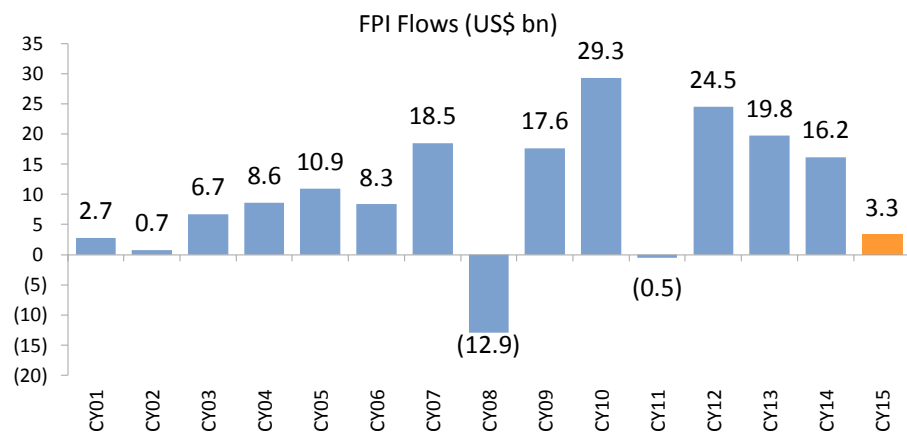
Source: RBI, IIFL Research. 1HFY16 growth calculated on y-o-y basis

Significant market share gain for private banks, especially in last two yrs



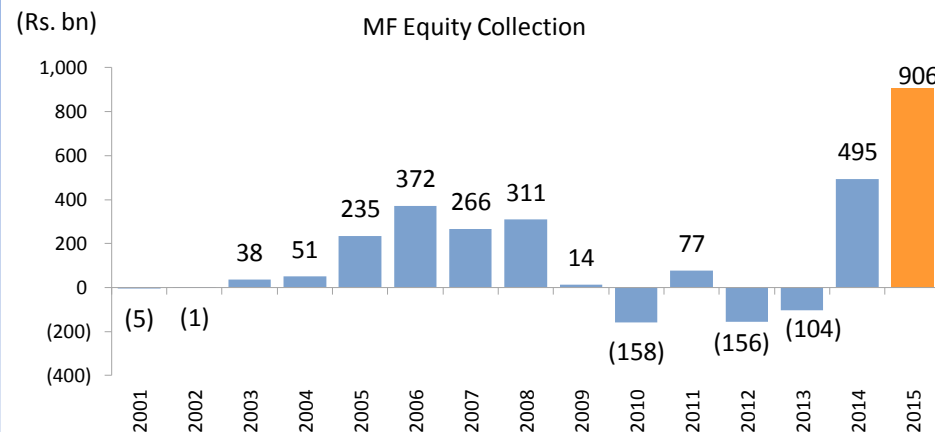
Source: RBI, IIFL Research

FPI inflows saw a major trend reversal since June 2015



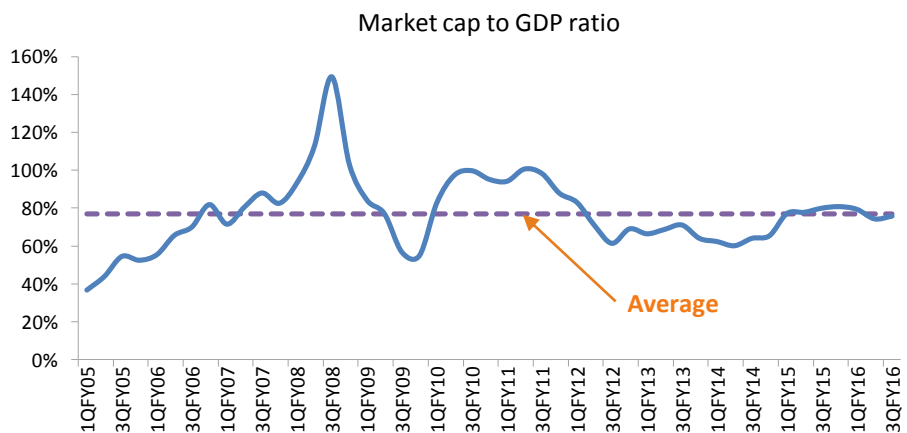
Source: Bloomberg, IIFL Research

Record net inflows into domestic equity MFs



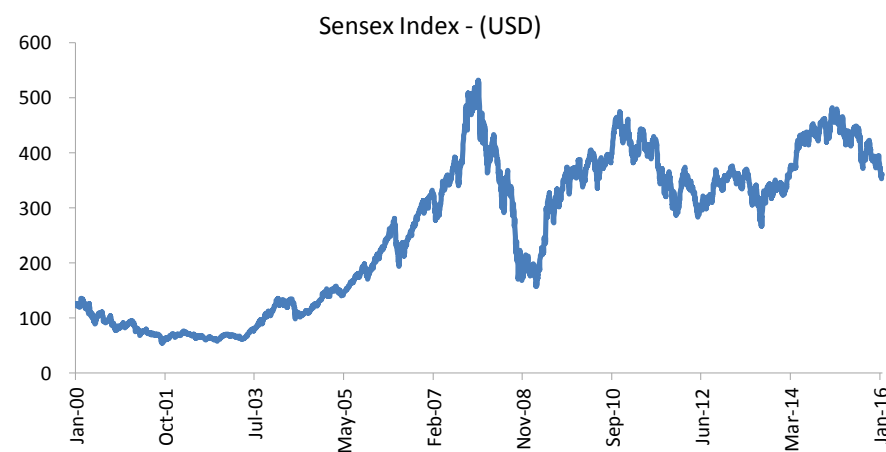
Source: AMFI, IIFL Research

India's market cap to GDP ratio at long-term average



Source: Bloomberg, IIFL Research

BSE Sensex in USD terms - currently at the same level as June 2007



Source: Bloomberg

Thank you

Published in January 2016 © IIFL Holdings Ltd 2015-16.

IIFL Holdings Ltd. All rights reserved. Regd. Off: IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane – 400604.
Tel.: +(91 22)4007 7000 Fax: 2685 0451.

This report is for information purposes only and does not construe to be any investment, legal or taxation advice. It is not intended as an offer or solicitation for the purchase and sale of any financial instrument. Any action taken by you on the basis of the information contained herein is your responsibility alone and IIFL Holdings Ltd (hereinafter referred as IHL) and its subsidiaries or its employees or directors, associates will not be liable in any manner for the consequences of such action taken by you. We have exercised due diligence in checking the correctness and authenticity of the information contained herein, but do not represent that it is accurate or complete. IHL or any of its subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this publication. The recipients of this report should rely on their own investigations. IHL and/or its subsidiaries and/or directors, employees or associates may have interests or positions, financial or otherwise in the securities mentioned in this report.