



Results Apr-Jun 2014 (Q1FY15)

July 30, 2014



I: IIFL Group Performance review

II: Business review

Fund based activities

Financial products distribution

Capital market activities

Annexure I: Corporate overview

Annexure II: Industry update



IIFL Q1FY15 performance summary

Consolidated quarterly performance

- Income for the quarter at ₹791 Cr, up 17% yoy and marginally up qoq
- Profit after Tax at ₹94 Cr, up 48% yoy and 15% qoq

Fund based activities

- NBFC's diversified, predominantly retail loan book at ₹12,439 Cr in Q1FY15 up 31% yoy
- Gross and Net NPAs at less than 1%

Financial products distribution

- Income at ₹99 Cr for the quarter, up 9% yoy and down 42% qoq
- Wealth management assets crossed ₹66,000 Cr

Capital market activities

- Income rose to ₹107 Cr for the quarter, up 3% yoy and 44% qoq
- The growth is primarily driven by surge in equity market volumes



IIFL Group consolidated quarterly results for Jun'14 compared qoq and yoy

₹ Cr	Q1FY15	Q1FY14	YoY	Q4FY14	QoQ
Fund Based activities	583.1	477.4	22.1%	533.6	9.3%
Financial Products distribution	99.2	91.3	8.7%	172.3	(42.4%)
Capital Market activities	107.3	104.6	2.6%	74.6	43.8%
Other income	1.6	3.1	(47.7%)	7.3	(77.5%)
Total Income	791.3	676.4	17.0%	787.7	0.5%
A. Operating cost	76.9	89.6	(14.2%)	98.5	(21.9%)
B. Employee cost	135.6	124.3	9.1%	129.7	4.6%
C. Other expenses	93.2	86.4	8.0%	114.3	(18.5%)
EBITDA	485.6	376.1	29.1%	445.2	9.1%
Interest	326.1	266.1	22.6%	304.4	7.2%
Depreciation and amortization	14.9	17.5	(15.0%)	15.6	(4.7%)
Profit / (Loss) before tax	144.5	92.5	56.3%	125.2	15.4%
Provision for taxation	47.1	27.7	70.4%	38.3	23.2%
Profit/(Loss) after tax before minority	97.4	64.8	50.3%	87.0	11.9%
Minority Interest	3.6	1.6	124.5%	5.6	(36.6%)
Profit/(Loss) after tax	93.8	63.2	48.4%	81.4	15.3%

Segmental breakup

Segment Revenue ₹ Cr	Q1FY15	Q4FY14	Q1FY14
Fund Based activities	583.1	533.6	477.4
Financial Products distribution	99.2	172.3	91.3
Capital Market activities	107.3	74.6	104.6
Other Income	1.6	7.3	3.1
Total	791.3	787.7	676.4

Segment Result (Profit before Tax) ₹ Cr	Q1FY15	Q4FY14	Q1FY14
Fund Based activities	99.6	80.2	56.3
Financial Products distribution	9.6	34.9	7.4
Capital Market activities	35.0	3.7	25.8
Other Income	0.4	6.4	3.0
Total	144.5	125.2	92.5



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NBFC's performance highlights: Income up 19% yoy; PAT up 53% yoy for quarter ended Jun'14

NBFC consolidated quarterly performance

- Income for the quarter at ₹558 Cr, up 19% yoy and up 6% qoq
- Profit after Tax at ₹68 Cr, up 53% yoy and up 12% qoq

Overall loan book

- Overall loan book was ₹12,439 Cr, up 31% yoy
- Loan book comprised 46% of mortgages and 33% of gold loans

NPAs

- Gross and Net NPAs were 0.79% and 0.23% in the quarter
- NPAs compare very favorably with the industry, indicating superior asset quality

Margins

- NIM and spread were 7.3% and 6.7% respectively

Capital adequacy

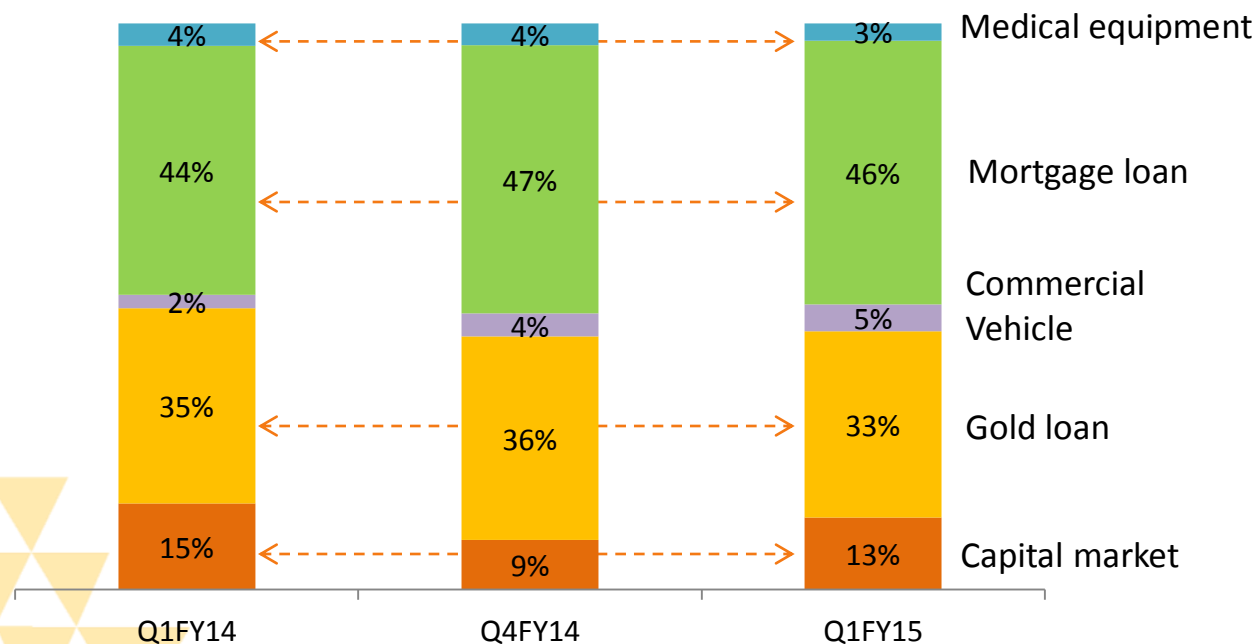
- Capital adequacy was at 16.3% as at quarter end
- Tier I capital was 11.9%, as against minimum requirement of 7.5%



Loan book growing steadily

- Loan portfolio in Q1FY15 steadily increased to ₹12,439 Cr as against ₹ 10,890 Cr in Q4FY14
- Entire loan book is secured against tangible collaterals
- Mortgage accounted for 46% of loan book, up from 44% in Q1FY14
- Gold loan constituted 33% of loan book, down from 35% in Q1FY14

Changing mix of loan book



Financial assets as on Jun 30, 2014

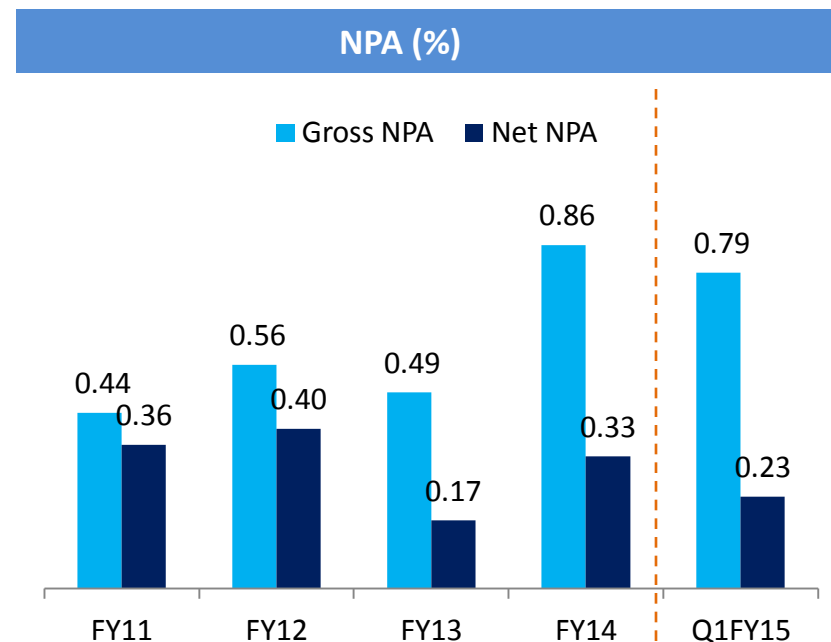
Rs Cr		
A	Loan Book	12,439
B	Securitised /assigned portfolio	572
C	Other Financial Assets	1,318
D	AUM (A+B)	13,011
E	Total Financial Assets (A+C)	13,757

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

IIFL's high asset quality is reflected in low NPAs

- Superior credit selection process and robust collections process reflected in low Gross and Net NPA at 0.79% and 0.23%, comparing favourably to peer group
- Continue to provide in excess of statutory requirements
- Total provision coverage (including standard asset provision) as a percentage of Gross NPA was 108%

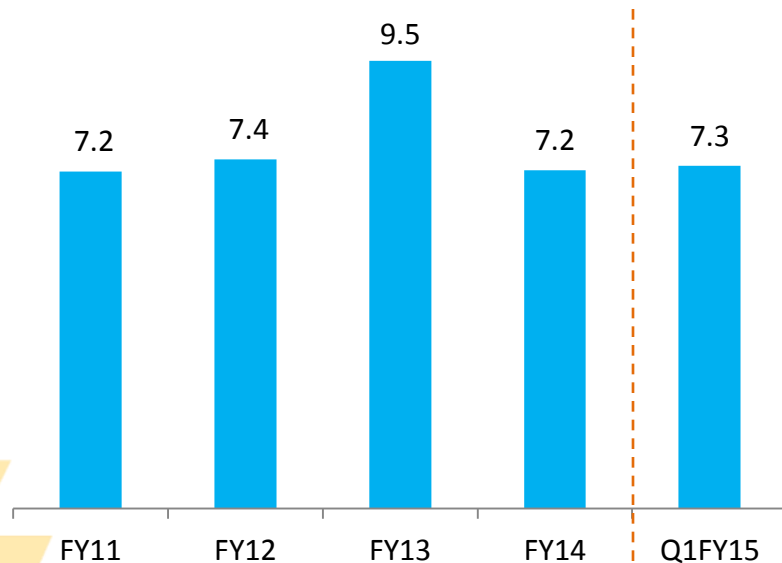
NPA and Provision		₹ Cr	%
A	Gross NPA	98.8	0.79%
B	Non Standard Asset Provision	70.8	0.57%
C	Net NPA (A-B)	28.0	0.23%
D	Standard Asset Provision	35.5	0.29%
E	Total Provision (B+D)	106.3	



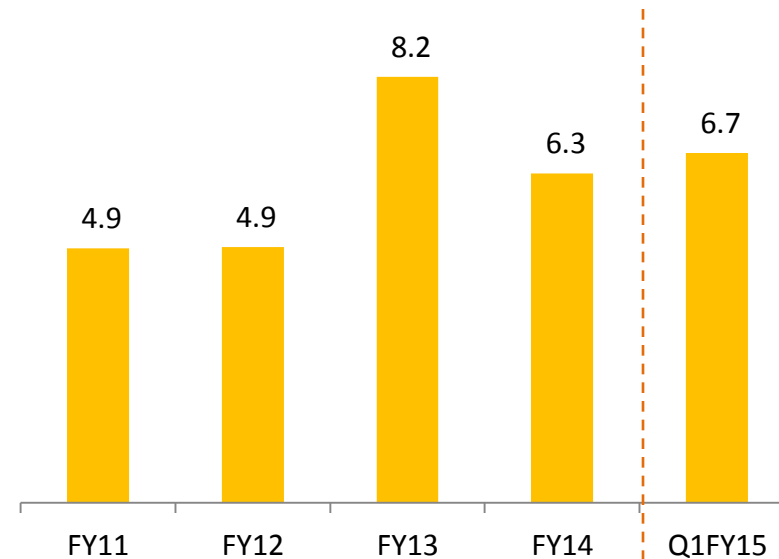
NIM and spread stable

- NIM and spread at 7.3% and 6.7% respectively
- Margins have stabilised over the last few quarters
- During the quarter, spread improved with lower cost of funds

NIM (%)

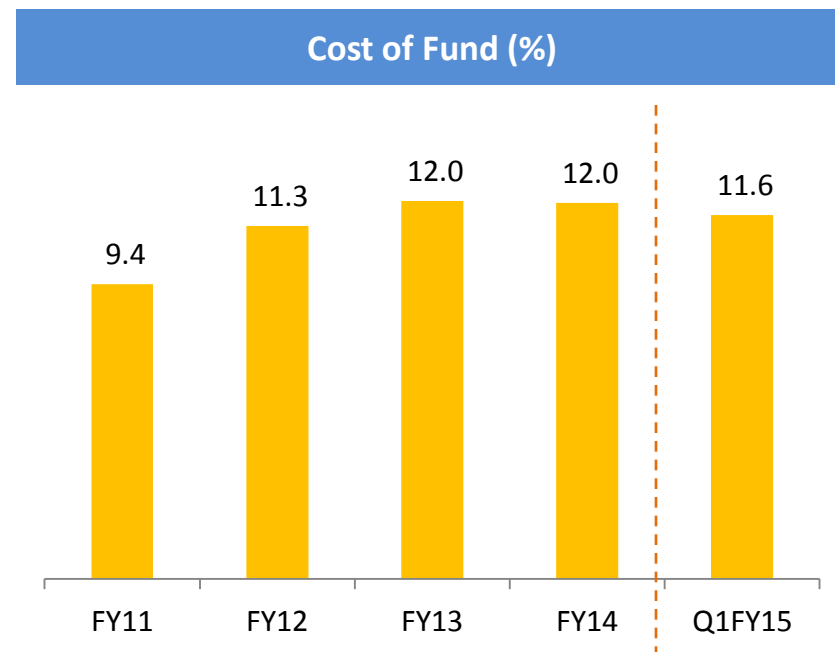
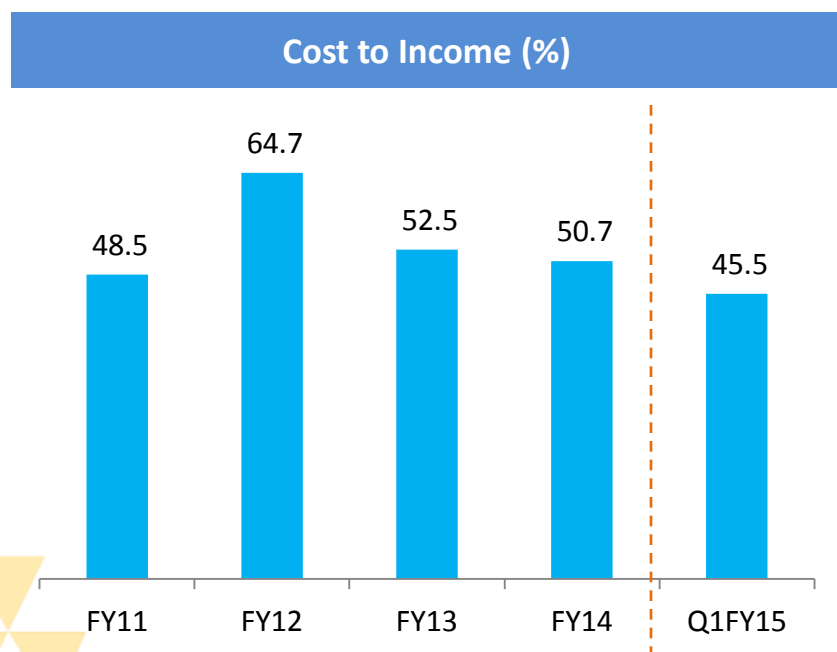


Spread (%)



Cost of funds and cost to income on decline

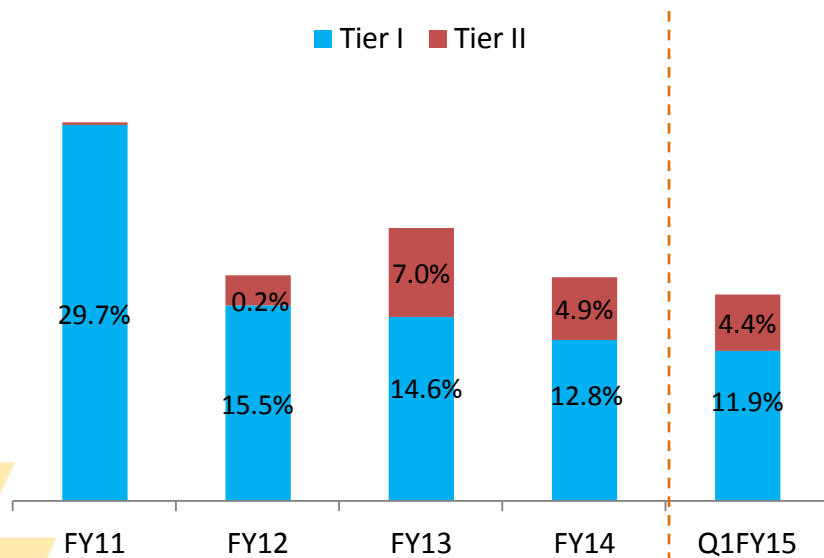
- Cost to income and cost of fund trending down; expected to fall further
- ICRA upgraded long term rating to [ICRA] AA during the quarter. CARE rating for long term debt is also CARE AA
- Short term rating from all agencies at highest level at A1+, indicating a very strong degree of safety regarding timely payment of financial obligations
- Falling cost to income ratio as branch network gets optimally utilised



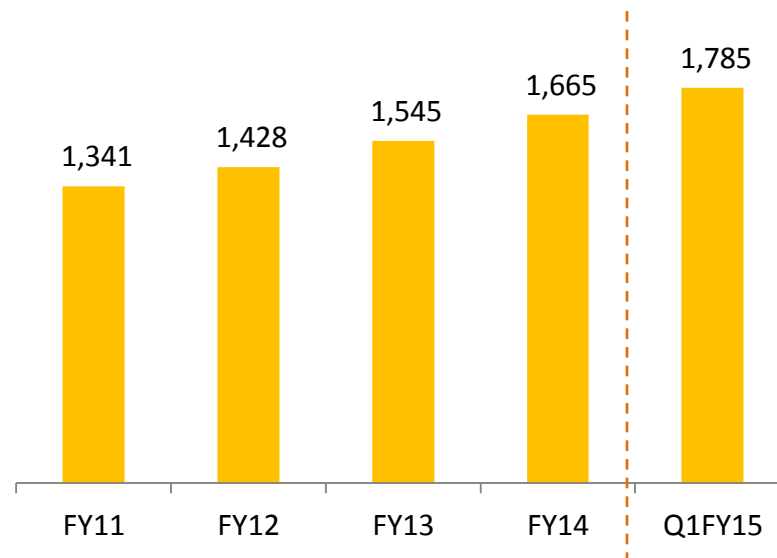
Robust network backed by healthy capital adequacy

- Consistently maintained capital adequacy level higher than statutory requirement of 15%
- Well capitalised with a network of ₹1,785 Cr (NBFC and its HFC subsidiary consolidated)
- Significant margin of safety in Tier I at 11.9% and total capital adequacy at 16.3%
- During the quarter return on asset was 2.0% (annualised)

Capital Adequacy (%)



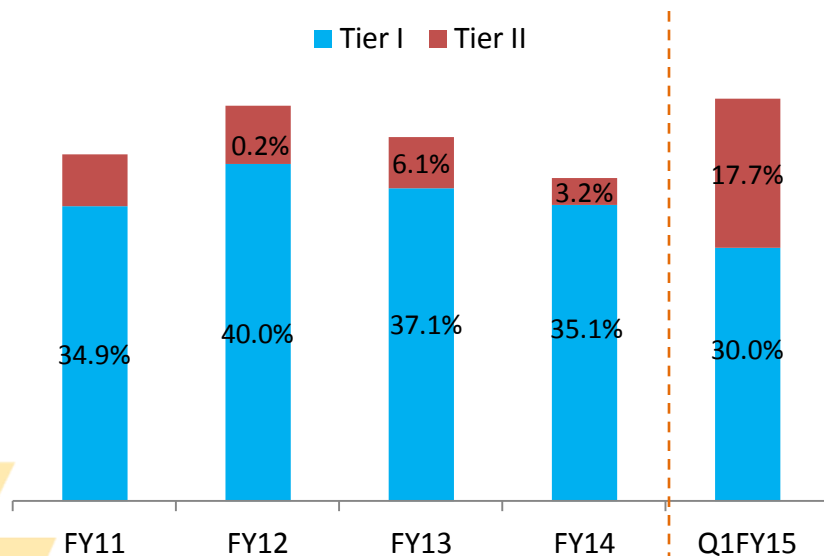
Network (₹ Cr)



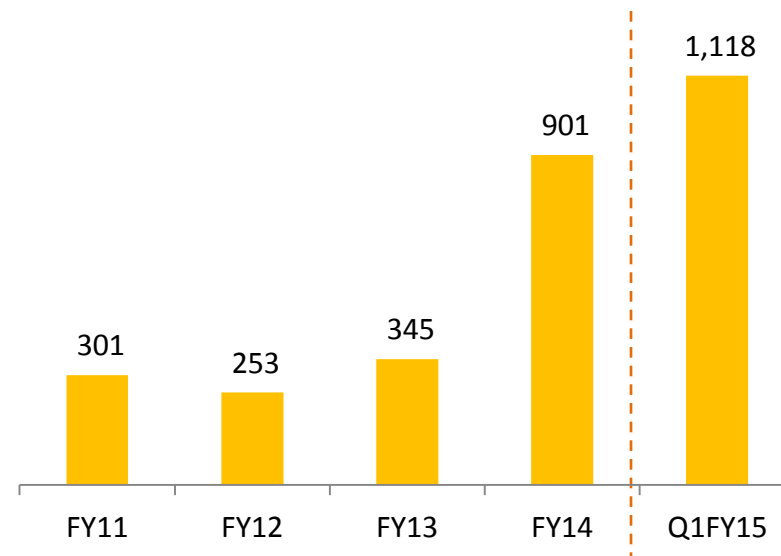
Healthy growth of mortgage loan book in HFC

- Loan book of ₹1,118 Cr in the housing finance company at Q1FY15
- Income for the quarter ₹48 Cr up 197% yoy
- Profit after tax for the quarter ₹11 Cr up 108% yoy
- Capital adequacy at 47.7%, adequate room for growth

Capital Adequacy (%)

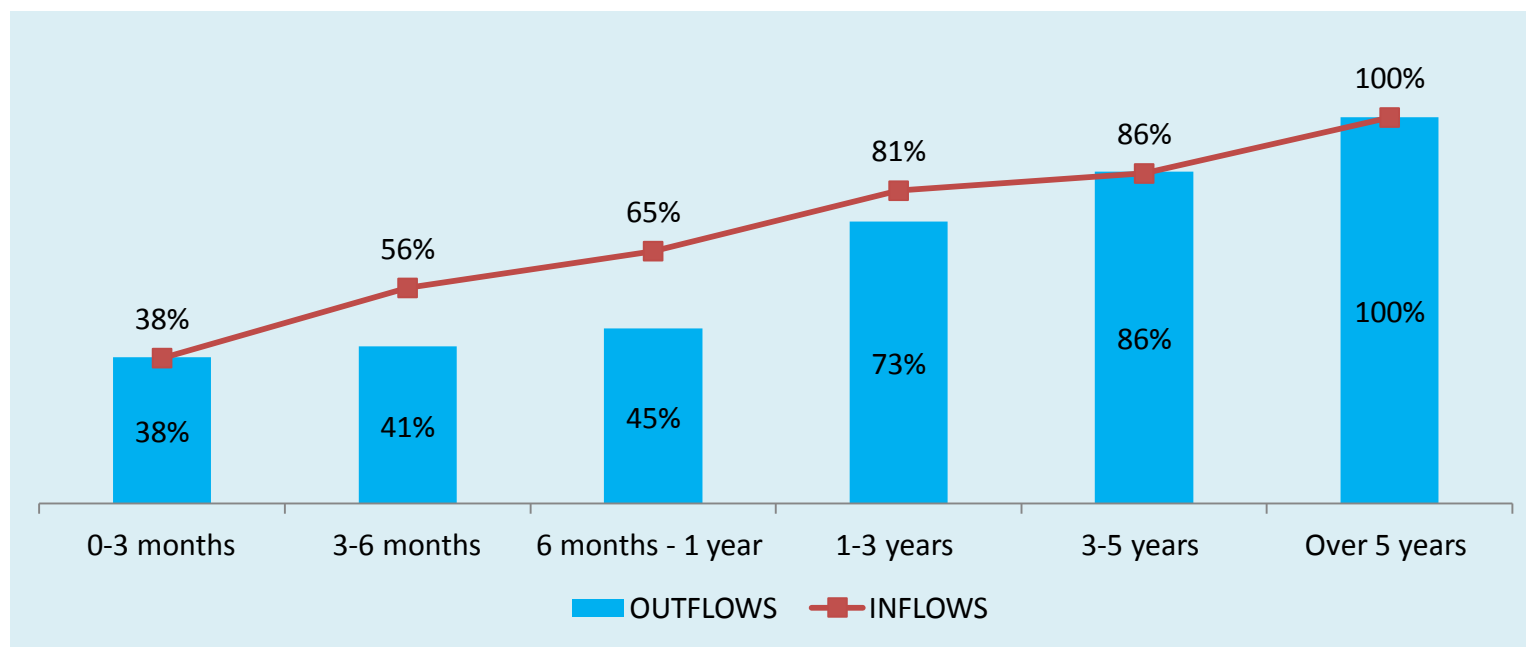


Loan Book (₹ Cr)



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
- Have added long term resources 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 for quarter ended Jun'14

₹ Cr	Q1FY15	Q1FY14	YoY	Q4FY14	QoQ
Income from operations	533.5	433.7	23.0%	490.3	8.8%
Other income	24.2	34.9	(30.6%)	35.0	(30.8%)
Total Income	557.7	468.6	19.0%	525.3	6.2%
A. Operating cost	38.9	44.0	(11.7%)	46.5	(16.4%)
B. Employee cost	49.1	41.3	19.0%	44.1	11.3%
C. Other expenses	42.8	48.3	(11.2%)	42.7	0.4%
EBITDA	426.9	335.0	27.4%	391.9	8.9%
Interest	316.5	262.0	20.8%	288.9	9.5%
Depreciation and amortization	9.1	9.9	(8.9%)	8.9	1.5%
Profit / (Loss) before tax	101.3	63.0	60.8%	94.1	7.7%
Provision for taxation	33.1	18.5	79.3%	33.2	(0.1%)
Profit/(Loss) after tax	68.2	44.5	53.1%	60.9	11.9%

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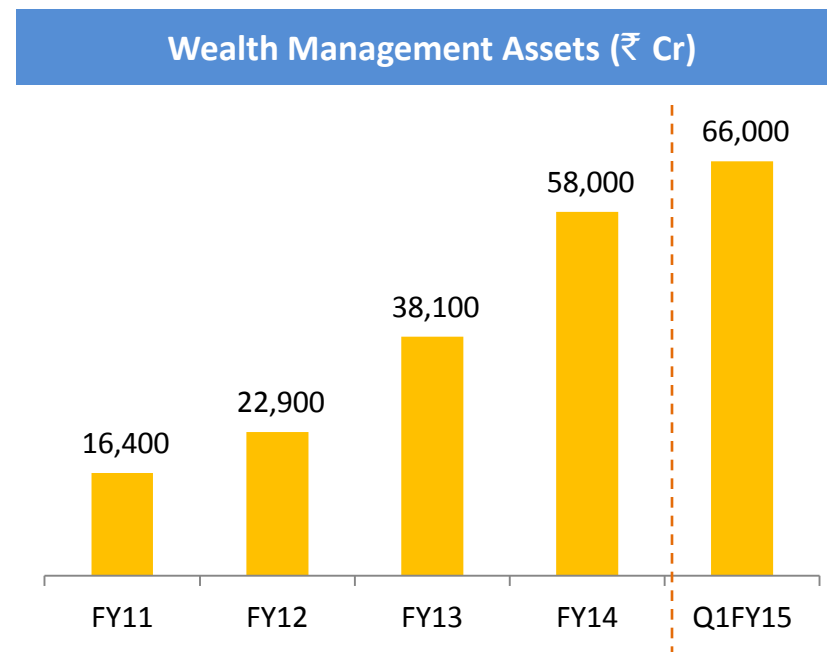
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Financial product distribution and wealth management register steady growth

- Assets under custody, distribution and advice cross ₹66,000 Cr on June 30, 2014
- Assets under management under AIF over ₹2,000 Cr
- Garnered commitments of over ₹540 Cr of client capital in the Cat III closed ended National Development Agenda Fund, based on the SEBI AIF platform
- Launching proprietary system 'Caliber' for better client management and interaction



IIFL Wealth consolidated results for quarter ended Jun'14

₹ Cr	Q1FY15	Q1FY14	YoY	Q4FY14	QoQ
Income from operations	72.8	38.2	90.6%	90.8	(19.8%)
Other income	0.4	0.0	-	0.2	100.0%
Total Income	73.1	38.2	91.4%	91.0	(19.7%)
Employee cost	27.0	17.1	57.9%	27.6	(2.2%)
Admin expenses and other expenses	25.4	12.0	111.7%	32.1	(20.9%)
EBITDA	20.8	9.1	128.6%	31.4	(33.8%)
Interest	0.5	0.0	-	1.8	(72.2%)
Depreciation and amortization	0.2	0.2	0.0%	0.2	0.0%
Profit / (Loss) before tax	20.1	8.9	125.8%	29.3	(31.4%)
Provision for taxation	5.8	2.8	107.1%	7.4	(21.6%)
Profit/(Loss) after tax before minority	14.3	6.1	134.4%	22.0	(35.0%)
Minority Interest	(0.8)	-	-	-	-
Profit/(Loss) after tax	15.0	6.1	145.9%	22.0	(31.8%)

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Capital market – potential for growth

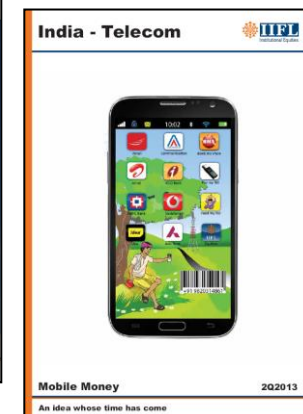
- Income for the quarter was ₹107 Cr, up 44% qoq and 3% yoy
- IIFL's average daily equities turnover was at ₹6,058 Cr in Q1FY15 up 18% qoq
- IIFL's average daily commodities turnover was at ₹1,173 Cr in Q1FY15, up 12% qoq
- Potential for growth in this segment as market volumes have been picking up since late March

The report argues that a cyclical upturn in growth in the Indian economy will sharply improve corporate profitability

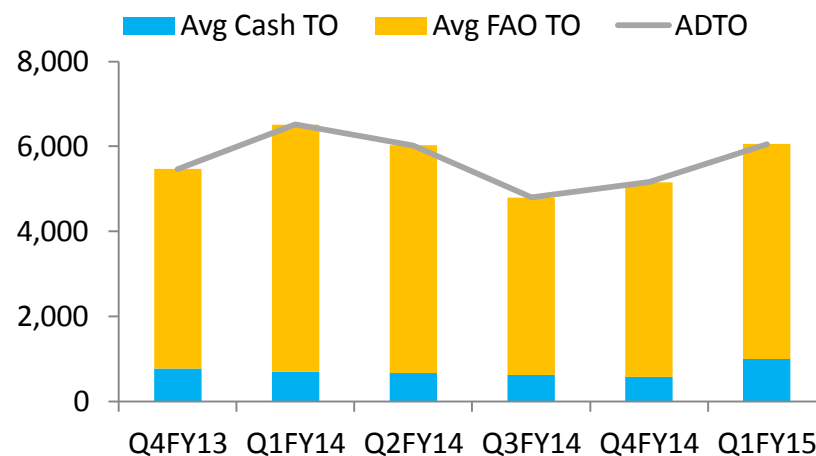
Assesses the potential of mobile money and quantifies the possible upside to telcos in the next 3-5 years



The report '*Modi Inc – All the King's Jewels*' lists key reform expectations for the 16 PSUs covered



Average Daily Turnover (₹ Cr)



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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 merit 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
Institutional Equities	H. Nemkumar	Finance	Amit Mehendale
Investment Banking	Nipun Goel	Compliance	R. Mohan
Consumer Finance	Rajashree Nambiar	Operations	Narendra Jain
PMS & Retail Broking	Prasanth Prabhakaran	Audit	Upendra Jaiswal
Wealth Management	Karan Bhagat	Risk	Priya Kashyap
International Operations	Bharat Parajia	Human Resources	Pallab Mukherji
Offshore Asset Management	Amit Shah	Technology	Tejas Mehta
Insurance Distribution	Mukesh Singh	Customer Service	Loveena Khatwani
Housing Finance	R. Venkataraman	Treasury	B.S Amarnath

IIFL Holdings- Board members



Nirmal Jain
Executive Director
Chairman, India
Infoline Group



R Venkataraman
Executive Director
Managing Director,
India Infoline Group



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



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



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)

IIFL Group Board members (other than IIFL Holdings)



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



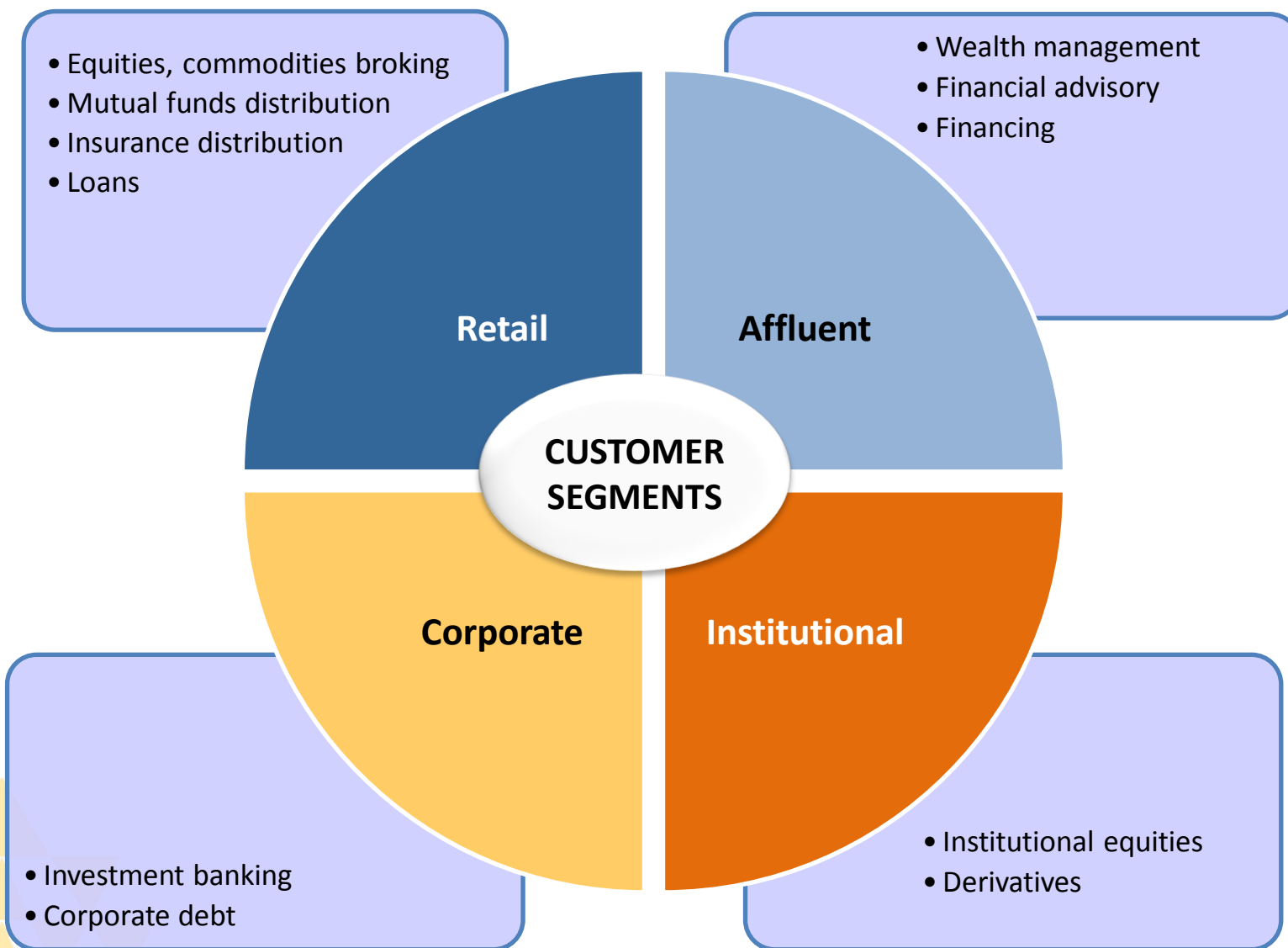
Sat Pal Khattar
Singapore based eminent Lawyer
and Investor



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 networth of ₹2,272 Cr
- Significant unutilized capacity to leverage

Distribution reach

- Present at over 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 Wealth receiving Best Performing National Financial Advisor Wealth Distributor' at CNBC TV 18 Financial Advisor Awards



Avi Mehta of IIFL wins Overall Stock Pickers award at 2014 StarMine Analyst Awards – India



Best Private Banking
Services Overall – India
2014



Best Equity Portfolio
Management - 2013



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



Best Wealth
Management House –
India 2011, 2012 &
2013



Best Performing
Individual Financial
Advisor - 2013



Best Market Analyst –
2013, 2012 & 2009



Best Customer Service
in Financial Markets -
2013



Top Performer – Equity
– FI Category - 2012



Best Broking House
with Global Presence –
2011 & 2012

FLAME (IIFL's Financial Literacy Campaign) update

Over 1 lakh school students from more than 390 schools have actively participated in our financial literacy drive



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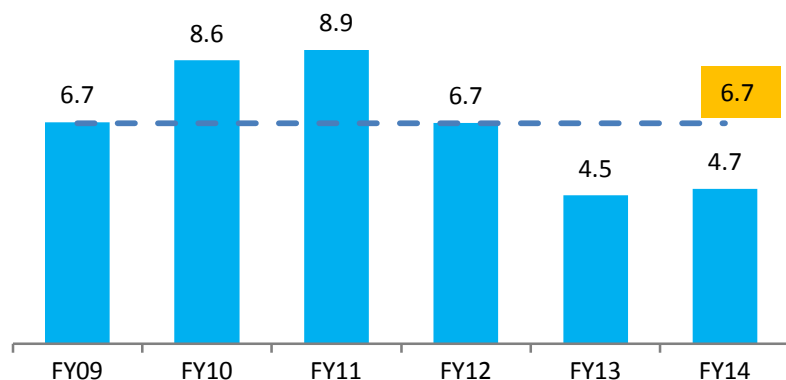
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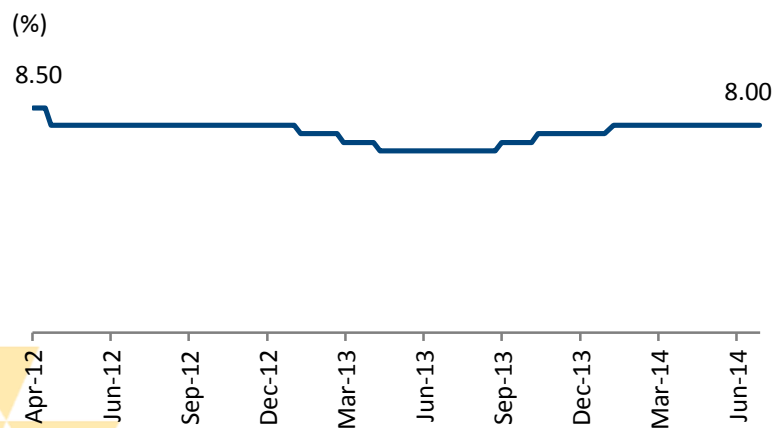
Macro economy

Growth may remain below trend



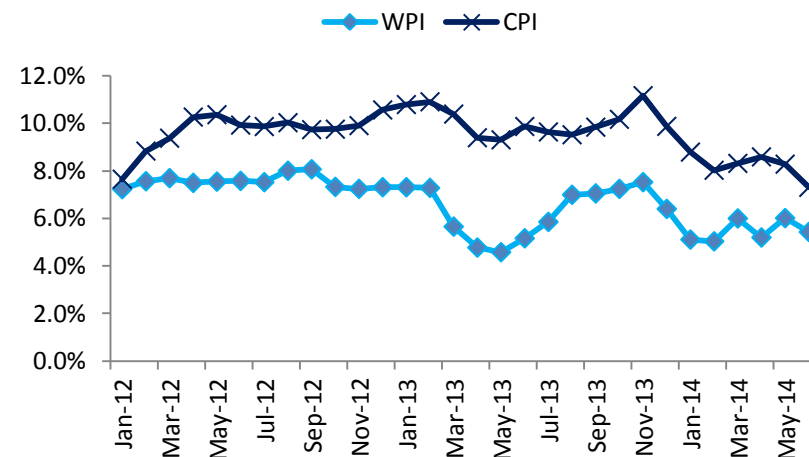
Source: CMIE, IIFL Research, FY13 GDP data is Advance Estimate

Policy rate near peak

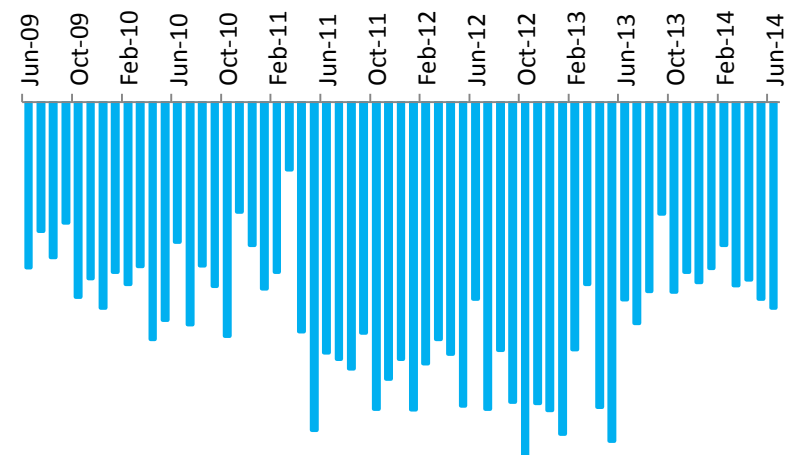


Source: Bloomberg, IIFL Research

Inflation to moderate from hereon



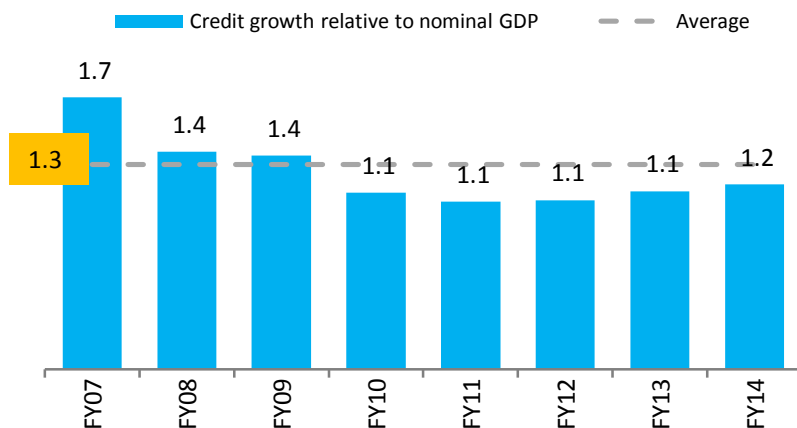
Trade deficit has narrowed in recent months



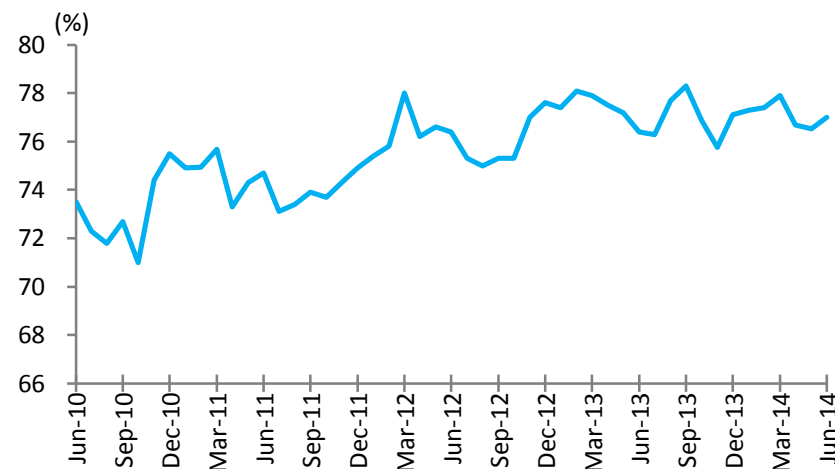
Source: CMIE, FAO, Govt of India, NDDB, IMD, IIFL Research

Credit and Finance

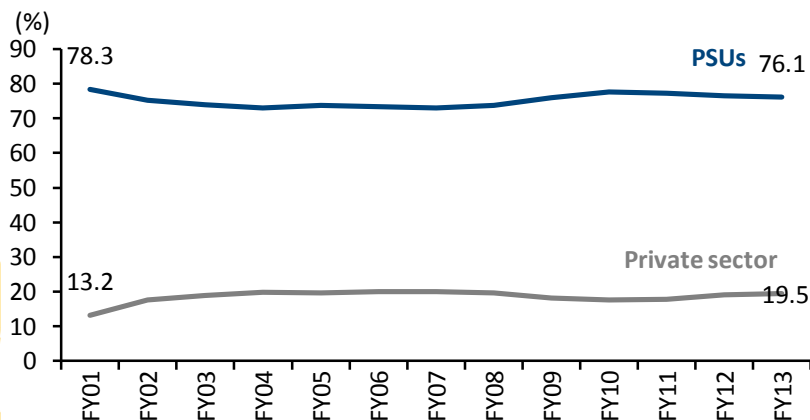
Credit growth/Nominal GDP growth stands at modest level



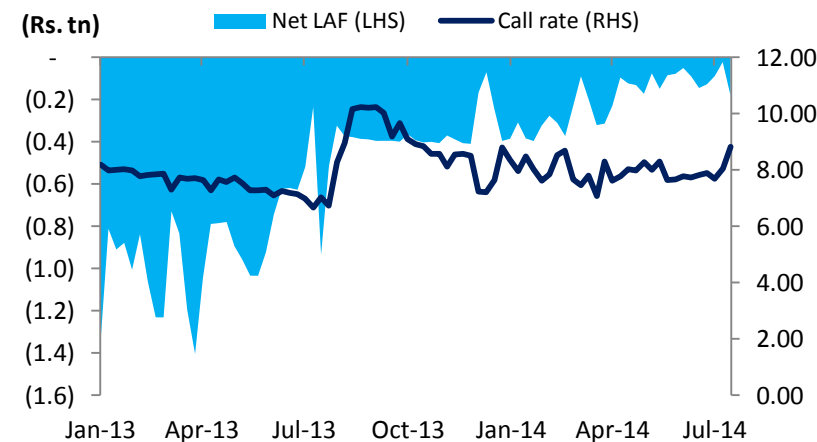
Loan/Deposit ratio has structurally moved up



PSU Banks steadily losing market share to Private Banks

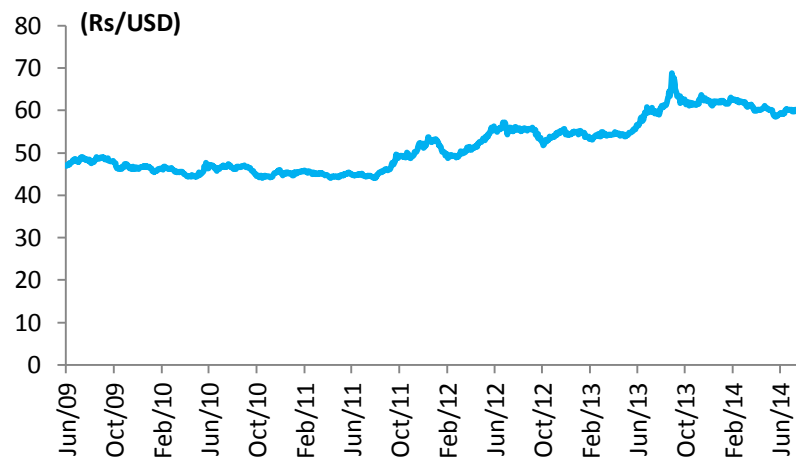


Banking system liquidity has eased considerably

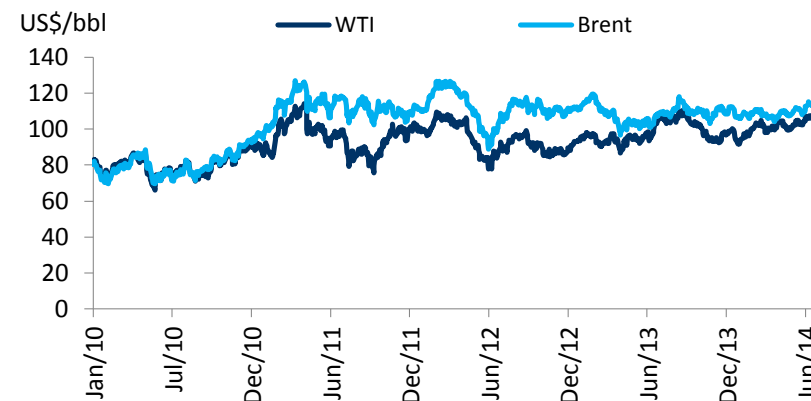


Capital raising and fund flows

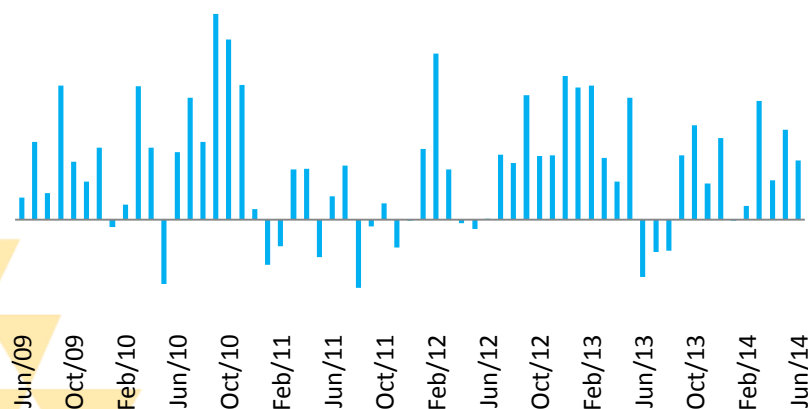
Rupee stabilizes at 61-62



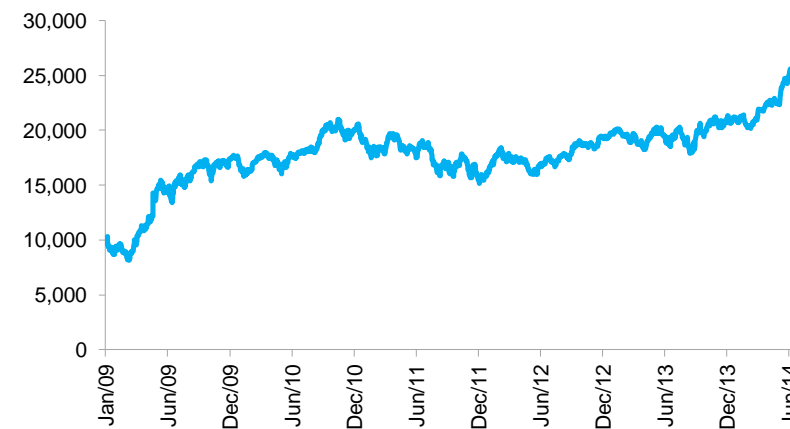
Crude prices have been stable



Benign global liquidity driving sustained portfolio inflows



Sensex surges on hopes of better FY15



Thank you

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