

Q2FY18-19 RESULTS

IIFL WEALTH - CONSOLIDATED RESULTS (AS PER IND AS)

Quarter ended September 2018

Rs Cr	Q2FY19	Q2FY18	Y-o-Y	H1FY19	H1FY18	Y-o-Y
Assets under advice, management and distribution	1,44,864	1,17,527	23%	1,44,864	1,17,527	23%
Fee based income	232.8	237.0	(2%)	487.1	429.3	13%
Less: Direct Cost	20.5	26.5	(23%)	36.0	40.7	(12%)
Net Commission / Fee Income	212.3	210.5	1%	451.1	388.6	16%
Fund based income	202.1	197.4	2%	375.2	368.8	2%
Less: Interest expense	116.4	142.2	(18%)	239.2	245.0	(2%)
Net fund based income	85.7	55.2	55%	136.0	123.8	10%
Total income	298.0	265.7	12%	587.1	512.4	15%
Employee cost	94.3	96.5	(2%)	198.4	178.9	11%
Other operating expense	46.0	44.1	4%	84.3	78.5	7%
Provision	2.6	(0.6)	n.m.	(1.8)	4.1	n.m.
Total expenses	142.9	140.0	2%	280.9	261.5	7%
Profit before tax	155.1	125.7	23%	306.2	250.9	22%
Provision for taxation	54.5	24.0	127%	96.0	61.8	55%
Profit after tax	100.6	101.7	(1%)	210.2	189.1	11%
Other comprehensive income	(0.8)	(1.1)		0.2	(0.6)	
Deferred tax expense on OCI	(0.3)	(0.4)		0.1	(0.2)	
Total comprehensive income (after tax)	100.1	101.0	(1%)	210.3	188.7	11%

- Effective tax rate (ETR) for Q2FY19 is 35.1% vs 27.5% for Q1FY19 & 19.1% for Q2FY18 due to additional tax on dividend from offshore subsidiary in Q2FY19 & lower weightage of off-shore subsidiaries in total PBT. ETR is higher YoY as marginal tax rate applicable to IIFL Wealth Finance has increased to 34.9% in FY19 compared to 28.8% in FY18.
- Fee income includes carry income of Rs2.2 Cr in Q2FY19, Rs23.9 Cr in Q1FY19 and Rs22.1 Cr in Q2FY18. Adjusted for the same, fee income has grown 11.5% YoY and declined by 2.2% QoQ
- Interest expenses for Q2FY19 are lower by Rs12 Cr versus Q1FY19 due to the effect of capital infusion (in June & Aug '18) of Rs.746 Cr. In addition, interest expense for Q2FY18 was higher by Rs15 Cr on account of MTM effect on structured liability, which subsequently reversed in Q3FY18

IIFL WEALTH - CONSOLIDATED BALANCE SHEET

Quarter ended September 2018

ASSETS		As at Sep 30 2018
		Unaudited
1	Financial Assets	
(a)	Cash and cash equivalents	243
(b)	Bank Balance other than (a) above	219
(c)	Derivative financial instruments	1
(d)	Receivables	325
(e)	Loans	6,505
(f)	Investments	1,271
(g)	Other Financial assets (to be specified)	55
2	Non-Financial Assets	
(b)	Current tax assets (Net)	20
(c)	Deferred tax Assets (Net)	17
(f)	Property, Plant and Equipment	45
(g)	Capital work-in-progress	10
(j)	Other Intangible assets	3
(k)	Other non-financial assets (to be specified)	27
3	Assets classified as held for sale	1
	Total Assets	8,742

LIABILITIES AND EQUITY		Rs Crore As at Sep 30 2018
		Unaudited
1	Financial Liabilities	
(a)	Derivative financial instruments	1
(b)	Payables	66
(c)	Debt Securities	2,360
(d)	Borrowings (Other than Debt Securities)	2,703
(f)	Subordinated Liabilities	420
(g)	Other financial liabilities(to be specified)	334
2	Non-Financial Liabilities	
(a)	Current tax liabilities (Net)	26
(b)	Provisions	8
3	Equity	
(a)	Equity Share capital	17
(b)	Other Equity	2,807
	Total Liabilities and Equity	8,742

IIFL WEALTH - IGAAP TO IND AS RECONCILIATION

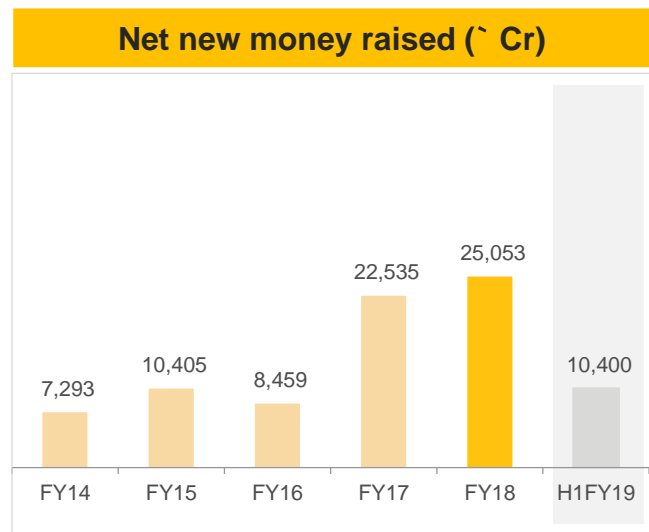
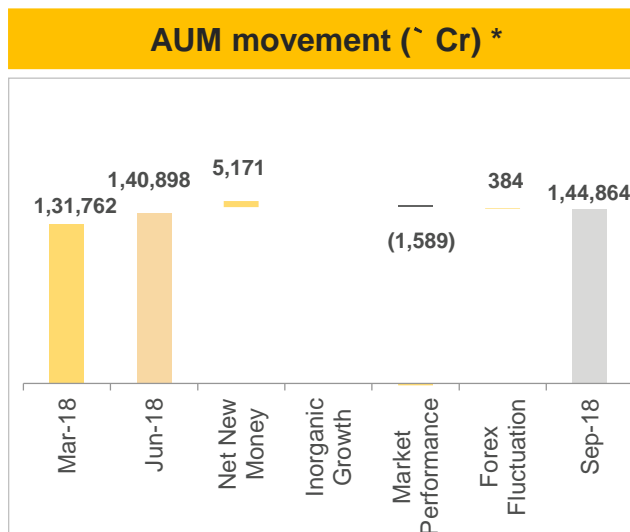
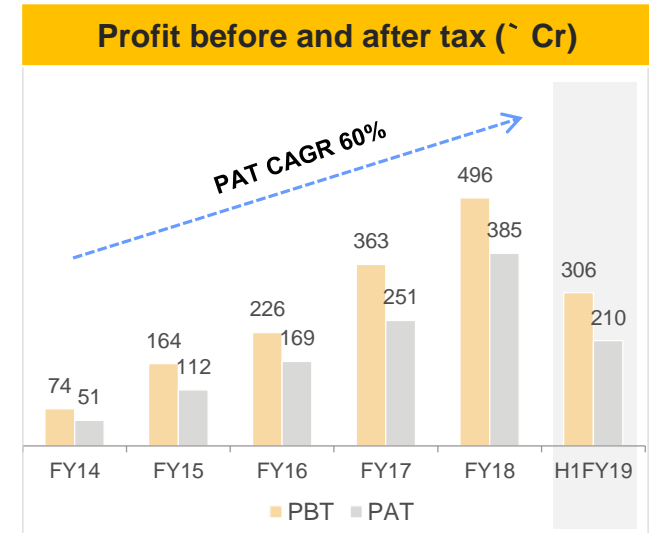
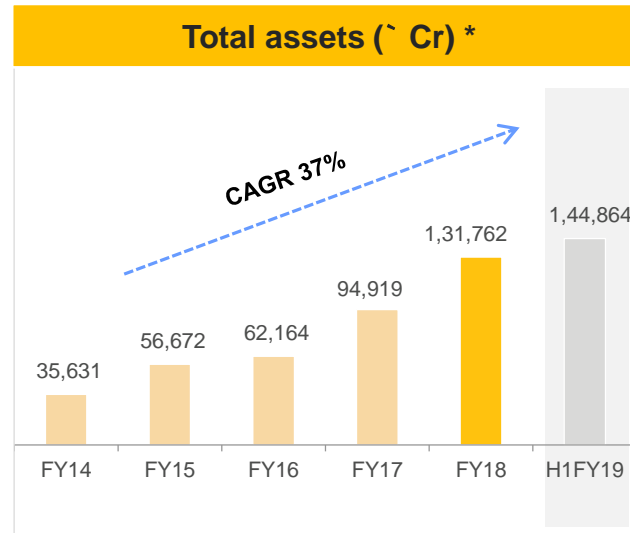
Quarter ended September 2018

Particulars	Q2FY18	H1FY18	Remarks
Profit after tax as per IGAAP	95.5	182.0	
Add/ (Less)			
Fair valuation of Investments	4.6	9.2	MTM gain on investments recognised in P&L
Effective interest rate on financial liabilities	-	(2.0)	Amortisation of cost incurred on borrowings
Expected credit loss	0.6	(4.1)	
Reclassification of actuarial gains/losses on post-employment benefits to OCI	1.1	0.6	Gain/(loss) on actuarial valuation of retiral benefits to employees
Others			
- ESOPs compensation cost	(0.8)	(1.9)	
- Consolidation of Employee Benefit trust	-	-	
- Standard Asset provision reversal	2.3	7.0	
Deferred tax impact on above adjustments	(1.4)	(1.6)	
Profit after tax as per Ind AS	101.7	189.1	
Other comprehensive income			
Actuarial Gain/ (loss) on employee defined benefit plans	(1.1)	(0.6)	Gain/(loss) on actuarial valuation of retiral benefits to employees
Tax on above transaction	0.4	0.2	
Total comprehensive income	101.0	188.7	

LEADING WEALTH MANAGER IN INDIA

Quarter ended September 2018

- IIFL Wealth offers a broad range of product and services to participate in a larger share of the client wallet, including financial products distribution, advisory, brokerage, asset management, credit solutions and estate planning.
- AuM growth remains robust at 23% y-o-y
- IIFL Wealth has presence in 24 locations across 9 geographies
- Largest fund manager of AIFs. AUM grew 53% y-o-y to Rs. 13,676Cr



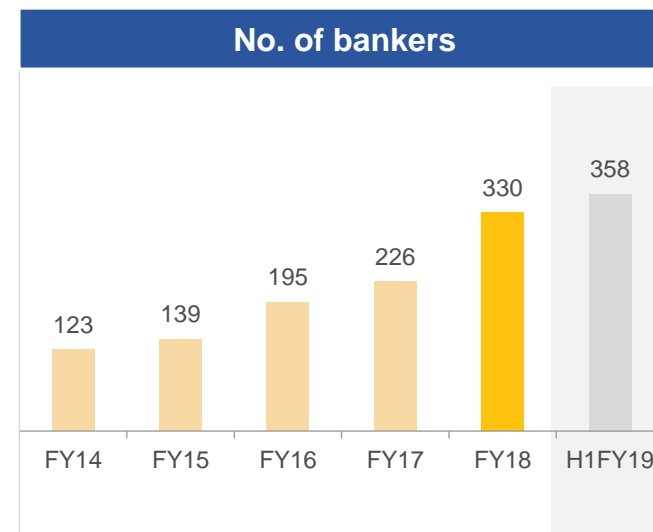
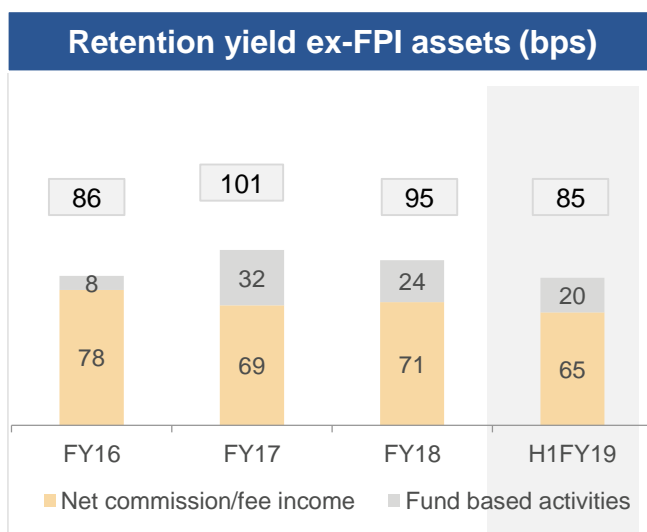
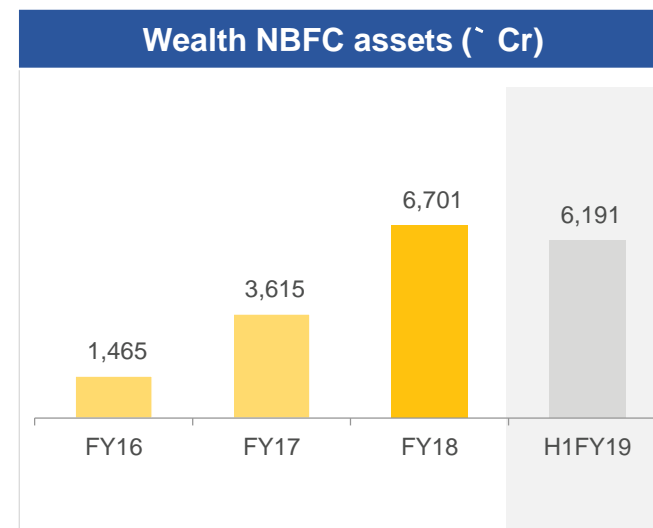
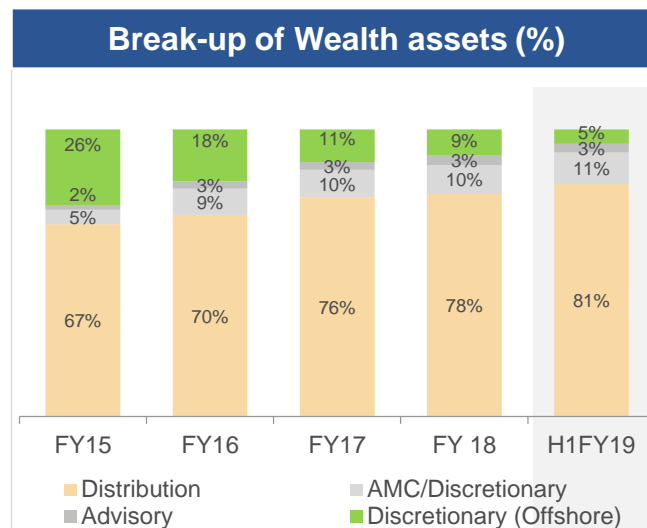
*Offshore FPI advisory assets have been excluded from total assets

Note : Q2FY18 and Q2FY19 numbers are as per IND AS. Previous years' numbers are as per IGAAP

BROADENING ADVISORY AND ASSET MANAGEMENT SERVICES

Quarter ended September 2018

- Wealth NBFC, which mainly offers loans against securities, grew its loan book 28% y-o-y to Rs 6,191Cr
- Hired 10 bankers during Q2FY19, taking the total number to 358, to further drive the growth momentum
- For the quarter ended September 30, 2018, the retention yield stands at 83 bps
- During the quarter, IIFL Wealth has initiated the acquisition of Wealth Advisors India, a Chennai based wealth management firm for a consideration of Rs. 235 Cr



THANK YOU.

