

## Results Update - Q4 FY 20

IIFL Wealth Management Ltd reported a consolidated PAT for the year at Rs 206 Crs, which is down 46% YoY. Operating Revenues for the quarter are at Rs 256 Crs up 16% QoQ and Operating PBT for the quarter stands at Rs 94 Crs, up 22% QoQ

Quarterly Trend					
Rs in Crs.	Q4 FY 20	Q3 FY 20	Q-o-Q %	Q4 FY 19	Y-o-Y %
<b>Revenue from Operations</b>	<b>256</b>	<b>221</b>	<b>16%</b>	<b>245</b>	<b>4%</b>
<i>Annual Recurring Revenue</i>	142	139	2%	125	14%
<i>Transactional / Brokerage Income</i>	115	82	40%	119	-3%
<b>Total Expenses</b>	<b>163</b>	<b>144</b>	<b>13%</b>	<b>118</b>	<b>38%</b>
<b>Operating Profit Before Tax (OPBT)</b>	<b>94</b>	<b>77</b>	<b>22%</b>	<b>127</b>	<b>-26%</b>
<i>Other Income</i>	-79	23	-	1	-
<b>Profit before Tax</b>	14	100	-86%	128	-89%
<b>Profit After Tax including OCI (PAT)</b>	<b>0</b>	<b>76</b>	<b>-</b>	<b>84</b>	<b>-</b>

### Mr. Karan Bhagat, MD & CEO, IIFL Wealth & Asset Management:

- The risk averse sentiment during the quarter resulted in clients preferring short-term high-quality liquid instruments or longer-term sovereign / quasi sovereign papers
- Our IIFL-One proposition showed increased traction with 103.3% YoY increase in assets to Rs. 17,720 Crs. This validation gives us further confidence to increase investments in people, platform and technology to service our IIFL-One clients
- ARR Assets increased 7.4% YoY to Rs. 62,595 Crs and ARR Revenues increased 20.4% YoY to 535 Crs. Operating profits are up 22% QoQ at Rs 94 Crs and down 27.9% YoY to Rs 356 Crs, which is in line with expectations given the change in revenue model
- The industry last year has witnessed a squeeze in margins driven by a confluence of factors including highly volatile markets, financial crises, challenging credit markets and regulatory changes
- As a firm, we have anticipated regulatory changes and realigned our business model early to lead the change. In the medium term, we expect this to benefit us positively and lead to a healthy consolidation and consequent gain in market share
- For over a decade, we have found the right investments for our clients. We remain extremely confident of the growth potential of our Wealth and Asset Management businesses in India and look to further consolidate our leadership position

For further information, please contact:

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# IIFL WEALTH & ASSET MANAGEMENT

Quarterly Performance Review Q4 FY 20

#1 Wealth Manager in India

#1 Manager of Alternates in India



# AGENDA

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**BUSINESS HIGHLIGHTS**



**FINANCIAL SUMMARY**



**OUR DIFFERENTIATORS**



**SEGMENT DEEP DIVE**



**AWARDS, KEY PERSONNEL &  
SHAREHOLDERS**

# BUSINESS HIGHLIGHTS

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# A LEADER IN WEALTH MANAGEMENT & ALTERNATES

## #1 Wealth Manager in India

### WEALTH MANAGEMENT

- Discretionary
- Non-Discretionary
- Broking and Distribution Services
- Corporate Advisory & Custody Services

**AUM: Rs. 1,31,422 Cr.**



**FY 20  
OPBT<sup>1</sup>  
356 Crs**



**FY 20  
PBT 286 Crs  
PAT 206 Crs**



**FY 20 Q4  
OPBT 94 Crs  
PBT 14 Crs**



**CONSOLIDATED AUM  
INCL CUSTODY ASSETS  
RS. 1,60,034 CR.**

## #1 Manager of Alternates in India

### ASSET MANAGEMENT

- Alternate Investment Funds
- Discretionary Portfolio Management
- Mutual Funds
- Global Asset Management

**AUM: Rs. 21,940 Cr.**



**5,300+  
RELEVANT  
FAMILIES<sup>3</sup>**



**64  
TEAM LEADERS  
WITH 210+ RMS**

# IIFLW COVID 19 RESPONSE

## CLIENTS

- Intensified engagements with clients, supported by RMs, Research, Solutions & Servicing teams
- Multiple outreach channels established with dedicated servicing desks
- Lined up marquee Global Industry stalwarts for client centric Webinars
- Increased communications between clients and Senior Management
- Periodic market and Business updates sent to clients

## SOCIETY

- INR 35 million contributed to Global and Local Relief Funds
- Promoting significant Client, Employee and Management Contribution to PM Cares and NGOs assisting frontline workers
- IIFLW a part of the Give India Steering Committee; Covid Relief Fund
- Leveraging Client Partner networks to provide on ground assistance



## EMPLOYEES

- Work from Home seamlessly Implemented
- Successfully implementation of BCP with enhanced Tech infrastructure for seamless connectivity
- Engaged in additional healthcare tie ups for employees and their families
- Focus on extensive communications with Senior management - weekly Webinars with Employees
- Dedicated LMS launched with Business & Learning Courses

## MARKET ENVIRONMENT & ECONOMIC UPDATE

Country/ region	Real GDP growth rate (YoY)			Stimulus* (% of GDP)
	3 year average (2017-19)	2020\$	2021\$	
United States of America	2.5	-6.1	4.0	13.0
Euro area	1.9	-9.1	4.5	33.2
Japan	1.1	-6.1	2.5	41.8
China	6.5	1.0	6.9	9.5
India	5.8	-3.2	3.1	9.4
Brazil	1.2	-8.0	2.2	10.0
<b>World</b>	<b>2.9</b>	<b>-5.2</b>	<b>4.2</b>	<b>20.1</b>

- **COVID – economic impact:** Global economic growth is likely to fall to multi-decade lows as a result of the economic disruptions due to the COVID pandemic, likely to rebound in 2021
- **Coordinated policy response:** Policymakers have responded promptly by announcing record monetary and fiscal stimulus packages. This has resulted in abundant supply of liquidity, supporting asset prices and keeping interest rates low
- **Corporates shift focus to liquidity:** Indian corporates have raised more than \$22bn during the year (yearly average - \$ 10 bn) through fresh issuances to strengthen balance sheets and build liquidity. Higher availability of capital to market leaders will provide them opportunities to consolidate their positions further
- **Savings effect:** Lower wage growth and higher unemployment should lead to lower discretionary consumption and higher savings – leading to opportunities for the wealth and asset management industry

Source: World Bank, IMF and Haver Analytics. Aggregate growth rates calculated using GDP weights at 2010 prices and market exchange rates. For India, annual GDP is on fiscal year basis, as per reporting practice in the country. Data as on 4<sup>th</sup> June 2020; \* Includes monetary and fiscal stimulus; \$forecasted value

## STRATEGY UPDATE

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- Client appetite sharply moved to risk off during the quarter. High net worth Clients showed high inclination towards short term high quality liquid instruments and for the longer term only sovereign / quasi sovereign and bank deposits and funds. This has seen some bit of reversal in the current quarter but safety of capital remains the highest priority
- Asset Managers have had to work hard to mitigate risk in credit specially in open ended strategies. Within our Wealth Management Business we have been largely immune to this, however within the Alternate Assets Management our Real Estate funds is where greater focus and stress testing will be needed in these times
- IIFL One continues to gain traction and that gives us confidence in further enhancing the proposition. We continue to invest heavily around people, platform and technology in this segment. Though the current quarter has been challenging because of documentation related issues we are confident that conversions pick up again from Q2 of FY 21.
- Overall the industry last year has seen squeeze on margins driven by regulatory pressures ; market impact; portfolio being skewed towards debt as well as compensation pressures for senior bankers. While in the short term this has resulted in us relooking at our business models and driving change we believe in the medium term it will lead to healthy consolidation and a gain in market share



## L&T WEALTH ACQUISITION - UPDATE

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### **Business Snapshot**

- AUM on 31<sup>st</sup> March 2020: **Rs. 10,807 Crs**
  - ARR Assets: **Rs. 6,093 Crs**
  - TBR Assets: **Rs. 4,714 Crs**
- No of Relevant Clients: **900+**
- No of Employees: **59**

- Statutory Approval for the L&T merger received on 22<sup>nd</sup> of April 2020
- Team onboarded and effectively integrated at each location (during the lockdown period)
- Seamless client transition – extensive communication, multiple touch points

**L&T Numbers will be integrated into our reported numbers from Q1 FY 21 onwards  
w.e.f. 22 April 2020**

# FINANCIAL SUMMARY

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# BUSINESS SUMMARY (1/2)

INR Cr	FY 20	FY 20 Q4	FY 20 Q3	FY 20 Q2	FY 20 Q1	FY 19	FY 19 Q4	QoQ growth %; Q4 vs Q3 FY 20	YoY growth % FY 20 vs FY 19
<b>Closing AUM</b>									
Recurring Revenue Assets	62,595	62,595	70,434	64,016	63,530	58,270	58,270	-11.1%	7.42%
Transactional / Brokerage Assets	94,302	94,302	101,703	99,276	97,930	97,220	97,220	-7.3%	-3.00%
<b>Total AUM</b>	<b>156,897</b>	<b>156,897</b>	<b>172,137</b>	<b>163,292</b>	<b>161,460</b>	<b>155,490</b>	<b>155,490</b>	<b>-8.9%</b>	<b>0.91%</b>
Less: Double counted Assets	18,106	18,106	21,375	19,436	19,149	18,889	18,889	-15.3%	-4.15%
<b>Net Total AUM</b>	<b>138,792</b>	<b>138,792</b>	<b>150,762</b>	<b>143,856</b>	<b>142,312</b>	<b>136,601</b>	<b>136,601</b>	<b>-7.9%</b>	<b>1.60%</b>
<b>Revenue from Operations</b>	<b>920</b>	<b>256</b>	<b>221</b>	<b>232</b>	<b>211</b>	<b>1,023</b>	<b>245</b>	<b>16.0%</b>	<b>-10.1%</b>
Recurring Revenues	535	142	139	125	129	444	125	1.9%	20.5%
Transactional / Brokerage Income	385	115	82	107	82	579	120	40.0%	-33.5%
<b>Retention on Revenue from Operations</b>	<b>0.67%</b>	<b>0.71%</b>	<b>0.60%</b>	<b>0.65%</b>	<b>0.61%</b>	<b>0.82%</b>	<b>0.73%</b>		
Recurring Revenues	0.88%	0.85%	0.83%	0.78%	0.84%	0.86%	0.90%		
Transactional / Brokerage Income	0.49%	0.47%	0.46%	0.56%	0.49%	0.76%	0.62%		
Other Income	-69	-79	23	-19	6	44	1		
<b>Total Revenue</b>	<b>851</b>	<b>177</b>	<b>244</b>	<b>212</b>	<b>217</b>	<b>1,067</b>	<b>245</b>	<b>-27.6%</b>	<b>-20.2%</b>
<b>Costs</b>	<b>564</b>	<b>163</b>	<b>144</b>	<b>130</b>	<b>127</b>	<b>530</b>	<b>118</b>	<b>12.8%</b>	<b>6.6%</b>
Employee Costs	385	123	99	83	81	337	60	24.5%	14.2%
Fixed Employee Costs	300	71	74	77	78	307	85	-3.8%	-2.3%
Variable Employee Costs	63	38	17	6	2	30	-25	123.5%	110.1%
Employee ESOP Costs	22	14	8	0	0	0	0	87.9%	
Admin and Other Expenses	180	40	46	47	46	193	58	-12.4%	-6.8%
<b>Profit Metrics</b>									
Operating Profit before Taxes (OPBT)	356	94	77	101	84	493	127	22.1%	-27.9%
Profit before Taxes (PBT)	286	14	100	82	90	537	128	-85.8%	-46.7%
Profit After Tax (PAT) including OCI and FCTR	206	0	76	70	61	384	84	-100.0%	-46.2%
Effective Tax Rates	28%	100%	24%	15%	33%	30%	34%		
<b>Cost to Income Ratio</b>	<b>66%</b>	<b>92%</b>	<b>59%</b>	<b>61%</b>	<b>58%</b>	<b>50%</b>	<b>48%</b>		
<b>Cost to Operating Income Ratio</b>	<b>61%</b>	<b>63%</b>	<b>65%</b>	<b>56%</b>	<b>60%</b>	<b>52%</b>	<b>48%</b>		
<b>ROE</b>	<b>7%</b>	<b>0%</b>	<b>10%</b>	<b>9%</b>	<b>8%</b>	<b>16%</b>	<b>12%</b>		
<b>Operating ROE</b>	<b>13%</b>	<b>14%</b>	<b>11%</b>	<b>14%</b>	<b>11%</b>	<b>19%</b>	<b>16%</b>		

## BUSINESS SUMMARY (2/2)

Rs in Crs.

Particulars	FY 20		FY 19	
	Avg AUM	Amount	Avg AUM	Amount
<b>ARR Revenue (A)</b>	<b>60,432</b>	<b>535</b>	<b>51,350</b>	<b>444</b>
Fees on PMS - Discretionary / Non Discretionary & Advisory	13,217	35	5,190	15
Management Fees on Funds Managed By IIFL AMC	21,356	146	17,084	80
Trail Commission on Third Party Managed Funds	21,692	119	23,531	127
Net Interest Margin on Loans	4,167	234	5,546	222
<b>Transaction Revenue (B)</b>		<b>385</b>		<b>579</b>
<b>Revenue from Operations</b>		<b>920</b>		<b>1,023</b>
<b>Costs</b>		<b>564</b>		<b>530</b>
Employee Cost		385		337
Other Costs		180		193
<b>Operating Profit Before Tax (OPBT)</b>		<b>356</b>		<b>493</b>
<b>Other Income on Investments (C)</b>		<b>(69)</b>		<b>44</b>
<b>Profit Before Tax (PBT)</b>		<b>286</b>		<b>537</b>
<b>Profit After Tax (PAT)</b>		<b>206</b>		<b>384</b>
<b>Operating ROE</b>		<b>12.5%</b>		<b>18.9%</b>
<b>ROE</b>		<b>7.0%</b>		<b>16.2%</b>

## KEY FINANCIAL HIGHLIGHTS

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### AUM & Net Flows

- Continued focus on ARR assets – increase of 7.4% YoY to Rs 62,595 Crs
- Net flows remained strong at Rs 12,434 Crs for FY20 and Rs 3,527 Crs for Q4
- Significant momentum in IIFL One – continues to be biggest focus area for Wealth. Assets increased 103.3% YoY and 10.2% QoQ to Rs 17,720 Crs; Net flows is Rs 2,821 Crs for Q4

### Revenues

- Revenue from Operations decreased 10.1% to 920 Crs for FY20, in line with the change in revenue model from upfront to annuity
- ARR increased 20.4% to 535 Crs for FY20; 1.9% increase to Rs 142 Crs for Q4

### Cost

- Rationalization of costs and increase in productivity remains key business priority
  - Fixed Employee Costs reduced 2.3% for FY20 with significantly lower run-rate for FY21
  - Administration costs decreased by 6.8% for FY20 and 12.3% for Q4; Expect these costs to further reduce as a part of comprehensive cost reduction program underway

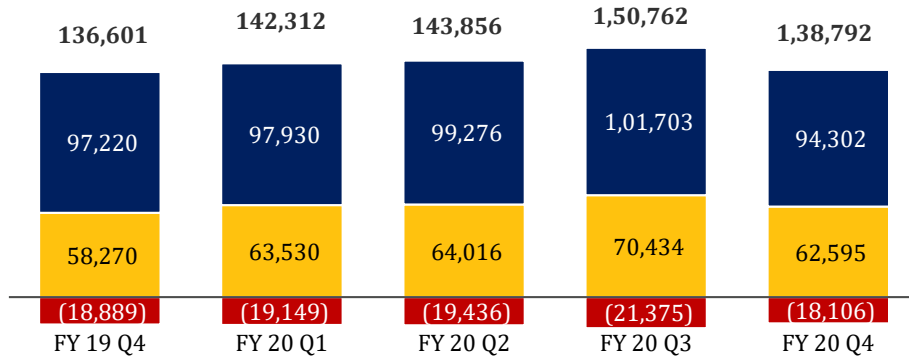
### Profitability

- Operating PBT is down 27.9% to Rs 356 Crs for FY20 (basis change in revenue model); On QoQ basis, Operating PBT increased by 22.1% to Rs 94 Crs for Q4
- Reduction in PAT driven by impact of MTM losses on AIF holdings

# KEY BUSINESS HIGHLIGHTS - AUM AND NET FLOW

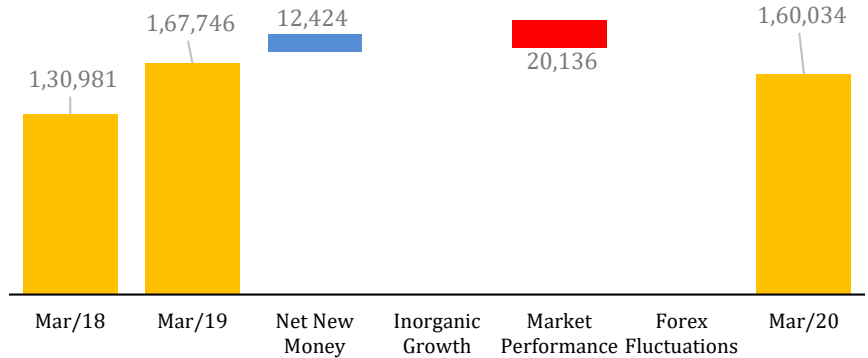
## Assets Under Management (Rs. Cr.) Excluding Custody

- Annual Recurring Revenue Assets
- Transactional / Brokerage Assets
- Less: Double counted assets



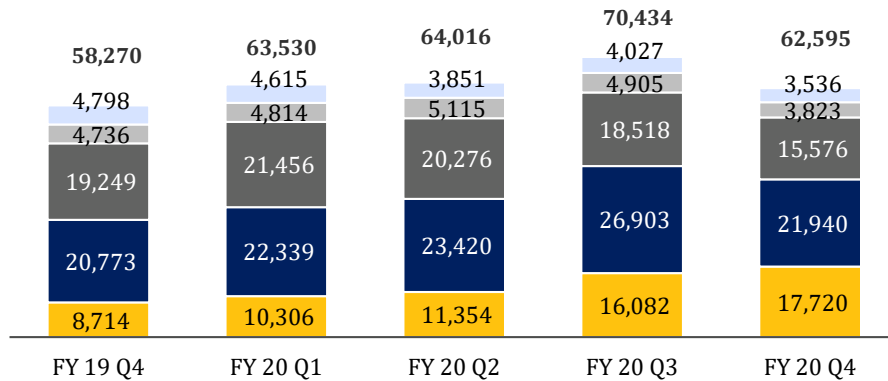
## Net Flows including Custody

- AUM (In Crs.)
- Negative
- Positive



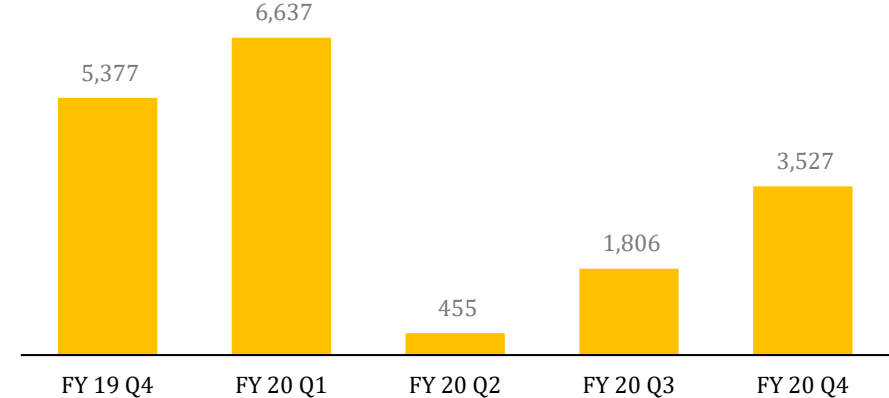
## Recurring Revenue Assets (Rs. Cr.)

- PMS - Discretionary / Non-Discretionary / Advisory
- Mutual Funds Distributed
- Managed Accounts Distributed
- Loans
- Funds Managed by IIFL AMC



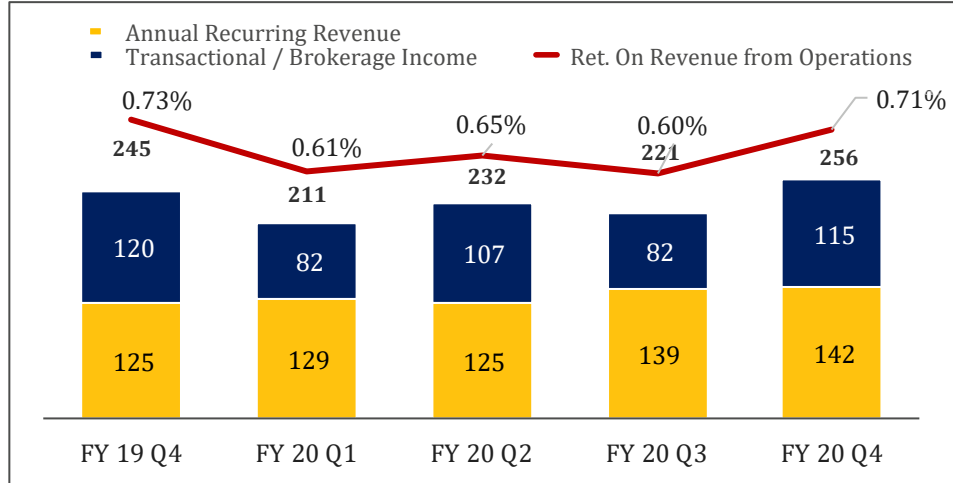
## Net Flows including Custody QoQ

- Net New Money

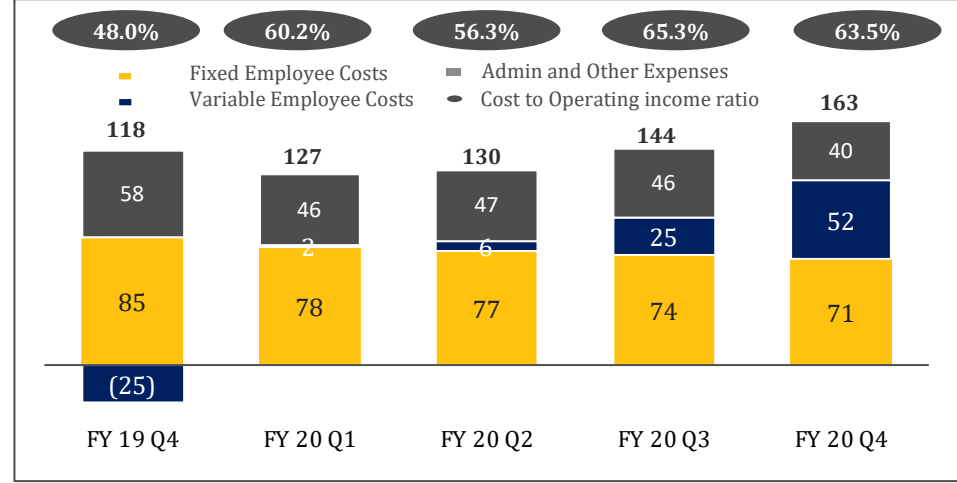


# KEY BUSINESS HIGHLIGHTS - REVENUE, COST AND PROFITABILITY

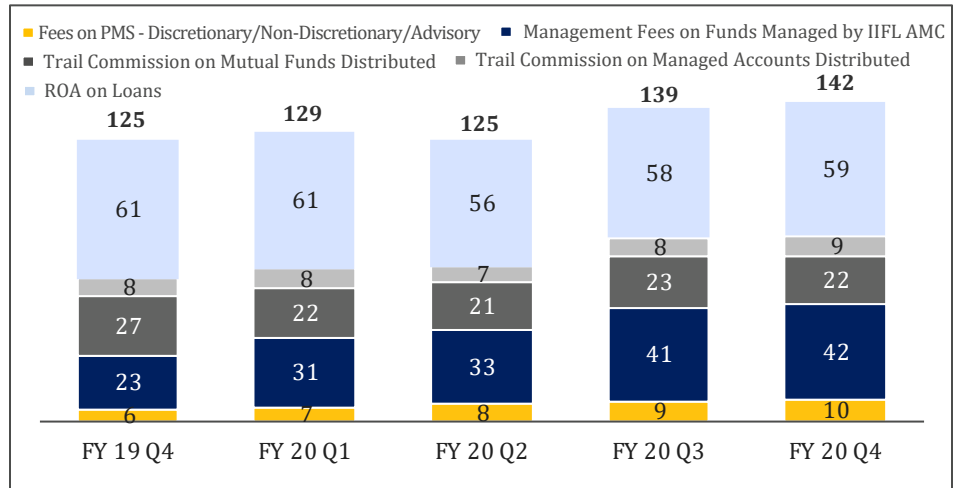
## Revenues from Operations (Rs. Cr.) & Yields (%) QoQ



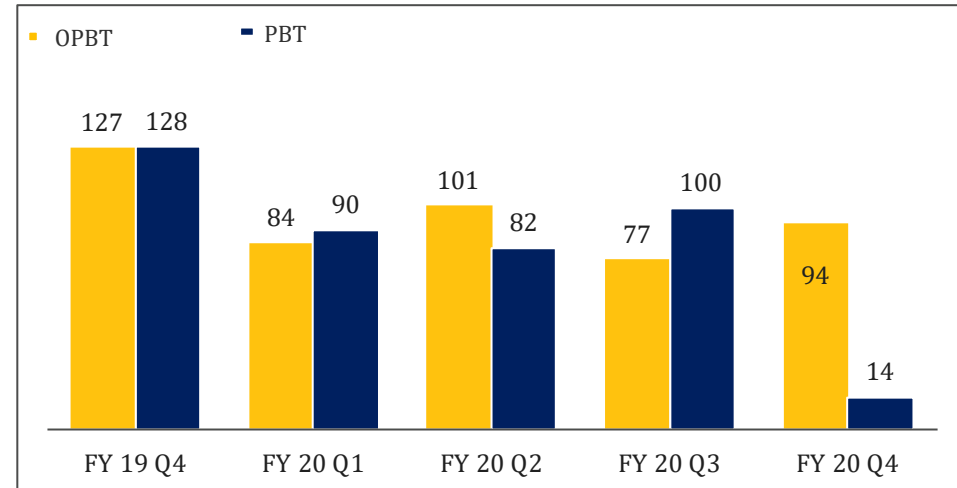
## Cost Mix (Rs. Cr.)



## Recurring Revenues (Rs. Cr.)



## Operating PBT and Reported PBT



# CONSOLIDATED BALANCE SHEET

Rs in Crs.

ASSETS		As at 31-Mar-20	As at 31-Dec-19
<b>1</b>	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	936	242
(b)	Bank Balance other than (a) above	242	96
(c)	Derivative financial instruments	132	115
(d)	Receivables		
	(I) Trade Receivables	242	265
	(II) Other Receivables	118	65
(e)	Loans	3632	4,114
(f)	Investments	6512	5,849
(g)	Other Financial assets	438	70
<b>2</b>	<b>Non-Financial Assets</b>		
(a)	Inventories	0	0
(b)	Current tax assets (Net)	73	53
(c)	Deferred tax Assets (Net)	5	16
(d)	Investment Property	0	0
(e)	Property, Plant and Equipment	299	296
(f)	Capital work-in-progress	1	4
(g)	Intangible assets under development	0	0
(h)	Goodwill	188	188
(i)	Other Intangible assets	88	89
	Right to Use assets	34	41
	Other non-financial assets	80	67
	<b>Total Assets</b>	<b>13,021</b>	<b>11,570</b>

LIABILITIES AND EQUITY		As at 31-Mar-20	As at 31-Dec-19
<b>1</b>	<b>Financial Liabilities</b>		
(a)	Derivative financial instruments	249	266
(b)	Payables	304	199
(c)	Debt Securities	5426	3,994
(d)	Borrowings (Other than Debt Securities)	2850	2,925
(e)	Subordinated Liabilities	562	570
(f)	Other financial liabilities	512	400
	Finance Lease Obligation	35	42
<b>2</b>	<b>Non-Financial Liabilities</b>		
(a)	Current tax liabilities (Net)	17	34
(b)	Provisions	9	8
(c)	Deferred tax liabilities (Net)	32	26
(d)	Other non-financial liabilities	32	44
<b>3</b>	<b>Equity</b>	<b>0</b>	<b>0</b>
(a)	Equity Share capital	17	17
(b)	Other Equity	2974	3045
(c)	Non-controlling interest	0	
	<b>Total Liabilities and Equity</b>	<b>13,021</b>	<b>11,570</b>



## BREAKDOWN OF INVESTMENTS

	Mar 31, 2020	Dec 31, 2019
<b>Investments</b>	<b>6,654</b>	<b>5,964</b>
Derivative financial instruments [1c]	132	115
Investments [1f]	6,512	5,849
<b>Investments split as</b>	<b>6,654</b>	<b>5,964</b>
Hedged Investments*	4,417	4,362
Liquid Investments	1241	770
In-transit Investments ( <i>Available for Sale</i> )	205	63
Investment in AIF		
<i>Sponsor</i>	258	323
<i>Non-Sponsor</i>	523	445



	Mar 31, 2020	Dec 31, 2019
<b>Borrowings</b>	<b>8,862</b>	<b>7,755</b>
Derivative Financial Instruments [1a]	249	266
Debt Securities [1c]	5,193	3,994
Borrowings (Other than Debt Securities) [1d]	2,850	2,925
Subordinated debt [1e]	570	570
<b>Borrowings split as</b>	<b>8,862</b>	<b>7,755</b>
Hedged Borrowing	4,417	4,362
Net Borrowings for business	4,445	3,392

\* Hedged Investments consist of products structured for clients on

1. Government of India Securities (Gsec) – 73%
2. Perpetual Bonds issued by Nationalized & Private Banks – 19%
3. Debentures – 8% (*Includes Derivative financial instruments – 132 Crs*)

Total Capital used for Hedged Investments: 77 Crs.

## BREAK DOWN OF INVESTMENTS

Investment Type	Category	Description	Value as on 31 <sup>st</sup> Mar 20 (in Cr)	Value as on 31 <sup>st</sup> Dec 19 (in Cr)	% of Total Investment
Hedged Investments	Govt Securities	Govt Securities	3,216	3,205	48%
	Perpetuals	Various	839	1044	19%
	Debentures	Various	362	115	8%
Hedged Investments			4,417	4,362	66%
Liquid Investments	Mutual Funds	Liquid Fund	1065	633	16%
		Other Debt Funds	166	135	2%
		IIFL Growth Fund	9	2	0%
Liquid Investments			1241	770	19%
AIF	AIF	Sponsor	258	323	4%
AIF	AIF	Non Sponsor	523	445	8%
AIF			781	768	12%
In Transit Investments	High Quality Bonds		205	63	3%
<b>Total Investment</b>			<b>6,644</b>	<b>5,964</b>	<b>100%</b>

## CONSOLIDATED FINANCIALS - RE CLASSIFIED RESULT TABLE

Particulars	Quarter Ended			Year Ended	
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
<b>Fee based Income (A)</b>	<b>197</b>	<b>163</b>	<b>184</b>	<b>686</b>	<b>801</b>
1. (iii) Fees and commission Income	218	158	173	678	806
1. (iv) Net gain on fair value changes (Reclassified)	0	37	42	85	81
2. (iii) Net loss on fair value changes (Reclassified)	10	0	0	30	0
2. (ii) Fees and commission expense	-25	-26	-23	-90	-66
2. (ix) Others expenses (Reclassified)	-7	-6	-8	-16	-20
<b>Fund based Income (B)</b>	<b>-21</b>	<b>81</b>	<b>61</b>	<b>164</b>	<b>268</b>
1. (i) Interest Income	206	198	149	780	654
1. (ii) Dividend & Distribution income on investments	1	2	2	5	29
1. (iv) Net gain on fair value changes	0	-3	-1	-19	-20
1. (v) Sale of products	7	15	0	41	0
1. (II) Other Income	1	9	4	24	28
<b>Total of Fund based Income</b>	<b>215</b>	<b>220</b>	<b>153</b>	<b>831</b>	<b>692</b>
2. (i) Finance Costs	-144	-123	-92	-502	-431
2. (iii) Net loss on fair value changes	-86	0	0	-129	0
2. (v) Impairment on financial instruments	1	-1	0	5	8
2. (vii) Purchases of Stock-in-trade	-7	-15	-21	-22	-21
2. (viii) Changes in Inventories of finished goods, stock-in-trade and wip	0	0	20	-20	20
<b>Total of Fund based Expenses</b>	<b>-236</b>	<b>-139</b>	<b>-93</b>	<b>-667</b>	<b>-424</b>
<b>3. Net Revenue (A+B)</b>	<b>176</b>	<b>244</b>	<b>244</b>	<b>851</b>	<b>1069</b>
<b>4. Expenses (Indirect Cost)</b>	<b>162</b>	<b>144</b>	<b>117</b>	<b>564</b>	<b>531</b>
(vii) Employee Benefits Expenses	119	95	59	373	331
(viii) Depreciation, amortization and impairment	10	10	8	41	22
(ix) Others expenses	32	39	51	149	178
<b>5. Profit before tax (3-4)</b>	<b>14</b>	<b>100</b>	<b>127</b>	<b>286</b>	<b>538</b>
<b>5. Profit After Tax</b>	<b>0</b>	<b>76</b>	<b>84</b>	<b>206</b>	<b>384</b>
<b>(XIII) Earnings per equity share</b>					
Basic (In Rs.) *	-0.34	8.54	9.54	23.82	34.91
Diluted (In Rs.) *	-0.34	8.39	9.28	23.41	33.95

## BREAKDOWN OF NET FUND BASED INCOMES (YoY)

Rs in Crs.

FY 20	Income	Expense	Net	Average Capital Deployed	Remarks
<b>Fund Based Income</b>	<b>831</b>	<b>-667</b>	<b>164</b>	<b>2,736</b>	Average Capital Allocation Excluding Goodwill & Intangibles
ROA on Loans	465	-233	232	1,906	NIM earned on Average Loans outstanding for the period
Hedged Investments	270	-270	-	85	These are Incomes and expenses including MTM on our hedged instruments which have no impact on our financials and are completely pass through
Investment & Treasury Incomes	96	-164	-68	745	Includes Average investments of 665 Crs in AIF's as sponsor / Distributer

FY 19	Income	Expense	Net	Average Capital Deployed	Remarks
<b>Fund Based Income</b>	<b>692</b>	<b>-424</b>	<b>268</b>	<b>2,237</b>	Average Capital Allocation Excluding Goodwill & Intangibles
ROA on Loans	591	-369	222	1,613	NIM earned on Average Loans outstanding for the period
Hedged Investments	22	-22	-	72	These are Incomes and expenses including MTM on our hedged instruments which have no impact on our financials and are completely pass through
Investment & Treasury Incomes	79	-34	46	552	Includes Average investments of 414 Crs in AIF's as sponsor / Distributer

## BREAKDOWN OF NET FUND BASED INCOMES (QoQ)

Rs in Crs.

Q4 FY 20	Income	Expense	Net	Average Capital Deployed	Remarks
<b>Total Fund Based</b>	<b>215</b>	<b>-236</b>	<b>-21</b>	<b>2,751</b>	Average Capital Allocation Excluding Goodwill & Intangibles
NIM on Loans	112	-53	59	1,887	NIM earned on Average Loans outstanding for the period
Hedged Investments	78	-78	-	77	These are Incomes and expenses including MTM on our hedged instruments which have no impact on our financials and are completely pass through
Investment & Treasury Incomes	24	-105	-79	786	Includes Average investments of 774 Crs in AIF's as sponsor / Distributer





Q3 FY 20	Income	Expense	Net	Average Capital Deployed	Remarks
<b>Total Fund Based</b>	<b>220</b>	<b>-139</b>	<b>81</b>	<b>2,783</b>	Average Capital Allocation Excluding Goodwill & Intangibles
NIM on Loans	114	-56	58	1,886	NIM earned on Average Loans outstanding for the period
Hedged Investments	77	-77	-	85	These are Incomes and expenses including MTM on our hedged instruments which have no impact on our financials and are completely pass through
Investment & Treasury Incomes	30	-7	23	812	Includes Average investments of 709 Crs in AIF's as sponsor / Distributer

## OUR DIFFERENTIATORS

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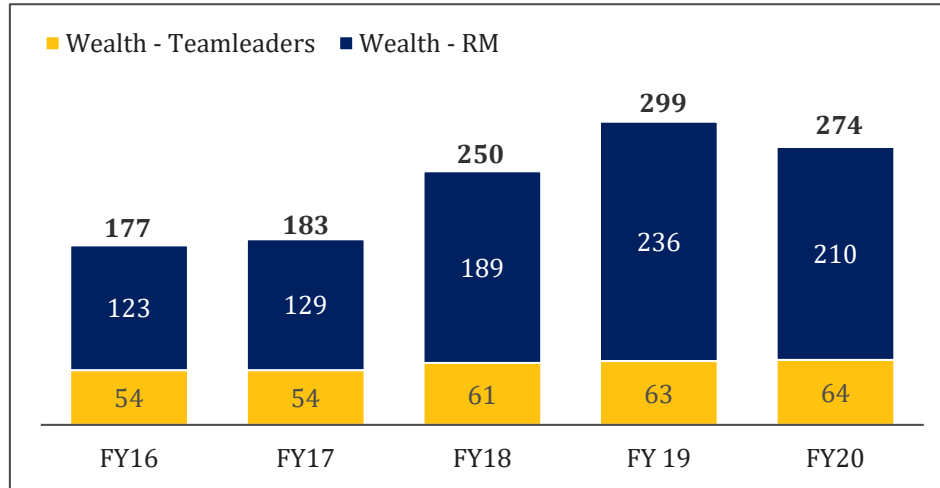


# IIFL WEALTH BEST POSITIONED TO WIN

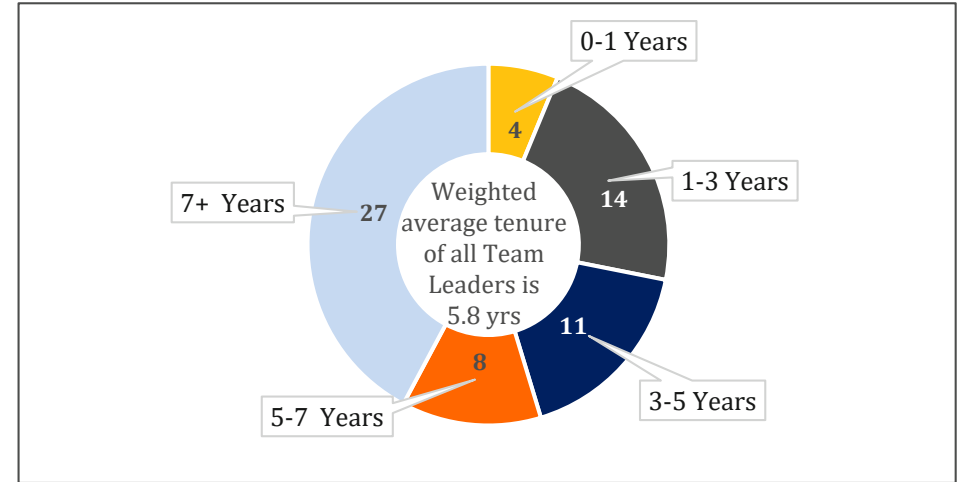
<p><b>PEOPLE</b> </p> <p>Wealth management is a high personal interface driven business</p>	<p><b>TALENT ACQUISITION</b></p> <p>Strong platform has attracted quality talent. Over 250 RM's, mostly from varied competing firms.</p>	<p><b>TALENT DEVELOPMENT</b></p> <p>Continuous learning through ongoing one-on-one mentorships and group engagements</p>	<p><b>TALENT RETENTION</b></p> <p>Employee equity ownership, strong internal culture has led to probably the lowest attrition rates in the industry for Teamleaders</p>
<p><b>PROPOSITION</b> </p> <p>Ability to offer full scale wealth management services</p>	<p><b>OPEN ARCHTECTURE</b></p> <p>Multi Manager Platform and rigorous and unbiased manufacturer selection</p>	<p><b>MULTIPLE ENGAGEMENT LEVELS</b></p> <p>Clients can segregate and manage their portfolios through various modes of engagement simultaneously.</p>	<p><b>DIVERSIFICATION ACROSS ASSET CLASSES</b></p> <p>Ability to generate steady state returns above inflation with the least volatility and risk</p>
<p><b>PLATFORM</b> </p> <p>Comprehensive suite of products and services</p>	<p><b>STRONG SUPPORT TEAMS</b></p> <p>Large Investment and Product teams provide innovation &amp; high quality support.</p>	<p><b>CUTTING EDGE TECHNOLOGY</b></p> <ul style="list-style-type: none"> <li>• Client Portfolio Reporting                             <ul style="list-style-type: none"> <li>• In Depth Analysis</li> <li>• Data Aggregation</li> </ul> </li> </ul>	<p><b>ENABLERS</b></p> <ul style="list-style-type: none"> <li>• Credit solutions</li> <li>• Trust advisory</li> <li>• Corporate Finance</li> </ul>
<p><b>PROCESS</b> </p> <p>Stringent standardized control mechanisms</p>	<p><b>PORTFOLIO MANAGEMENT APPROACH</b></p> <p>Portfolios are managed in line with defined Investment Policy Statements and are constantly monitored</p>	<p><b>STRONG BUSINESS INTELLIGENCE &amp; TRACKING</b></p> <p>Constant review and tracking of liquidity events lead to 67% conversion ratios</p>	<p><b>AUTOMATION</b></p> <p>Strong technology and internal processes to ensure seamless and efficient execution</p>
<p><b>PRICING</b> </p> <p>Transparency and alignment of interest</p>	<p><b>PIONEER IN ADVISORY LED MODELS</b></p> <p>First to market with a pure fee for advice model: IIFL-ONE</p>	<p><b>COMBINED PLATFORM ALLOWS ALL-IN FEE MODEL</b></p> <p>In-house brokerage and allied services allow for All-In Fee models</p>	<p><b>ECONOMIES OF SCALE</b></p> <p>Scale enables attractive pricing of products from a client perspective</p>

# HIGH EMPLOYEE RETENTION

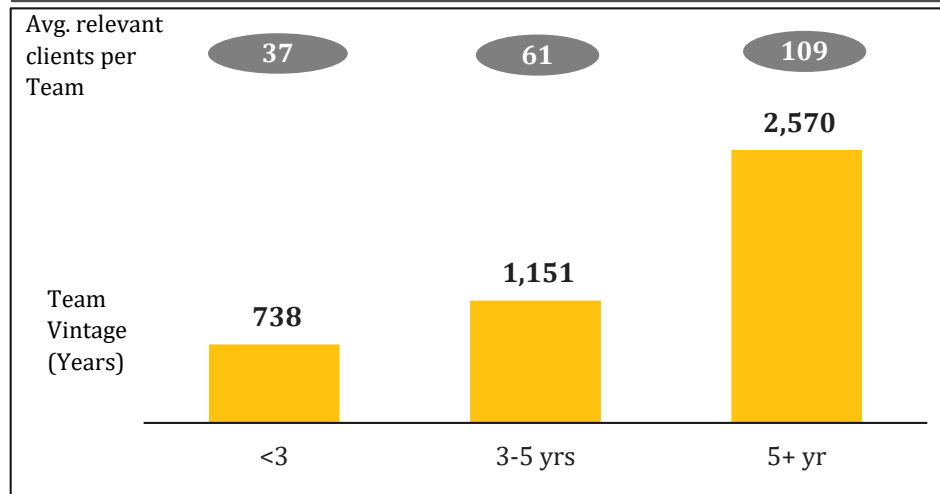
## RM Buildup



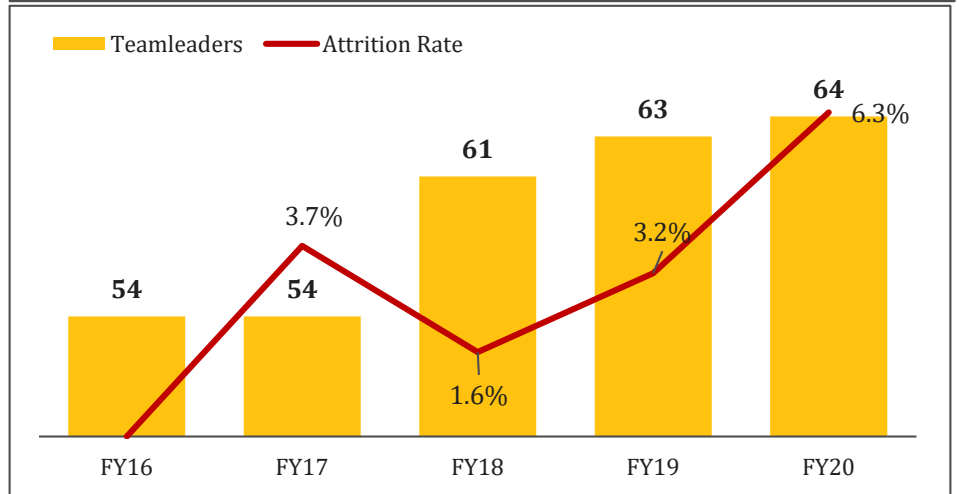
## 50% of Team Leaders have more than 5 year vintage in IIFL Wealth



## Avg. AUM per Team by Vintage (Rs Crs.)

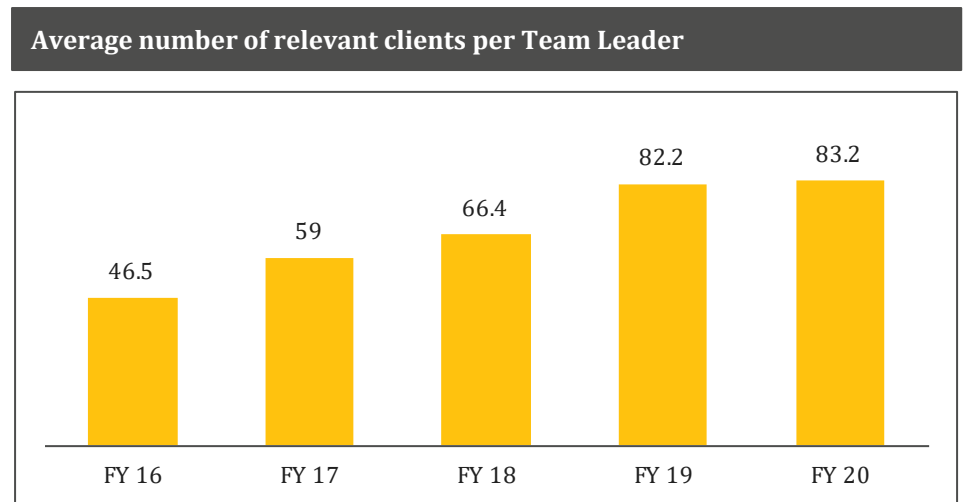
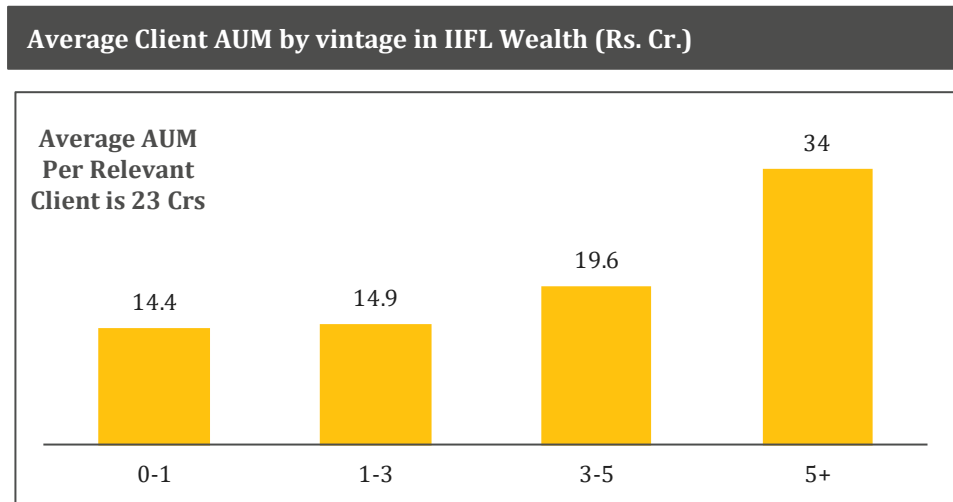
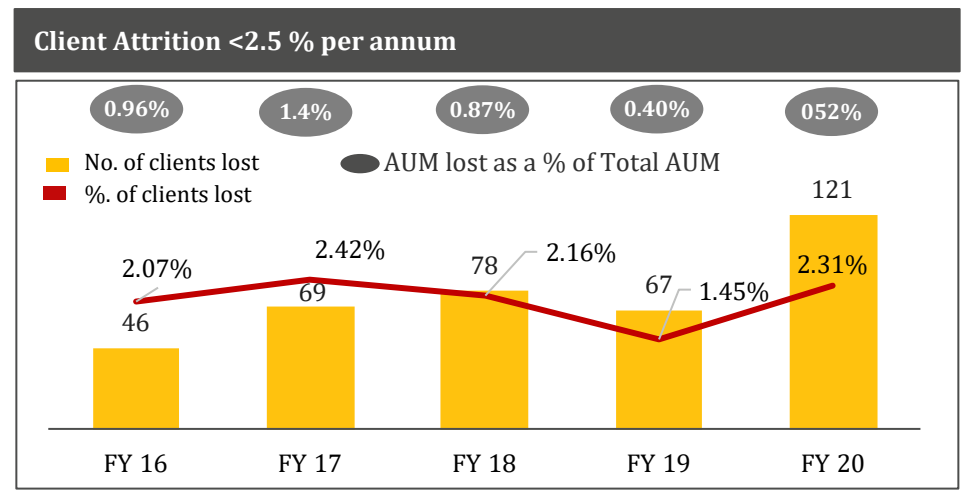
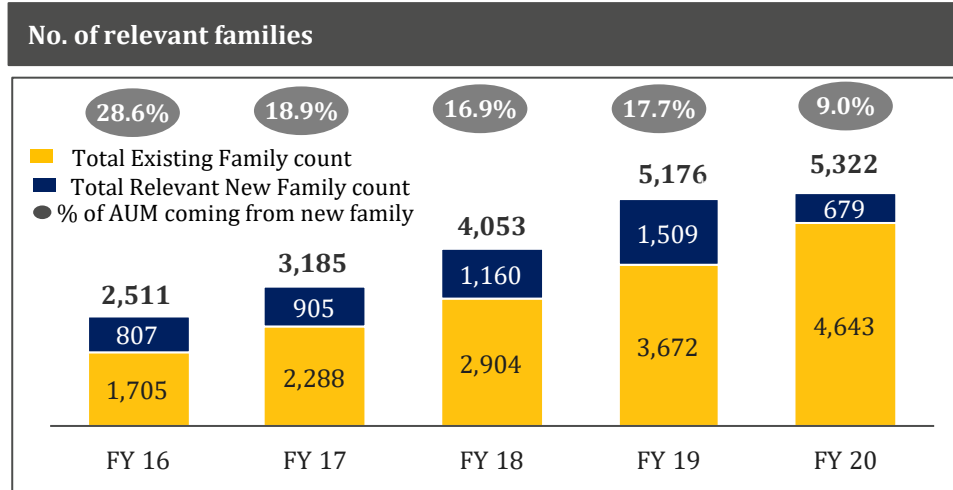


## Team Leader attrition





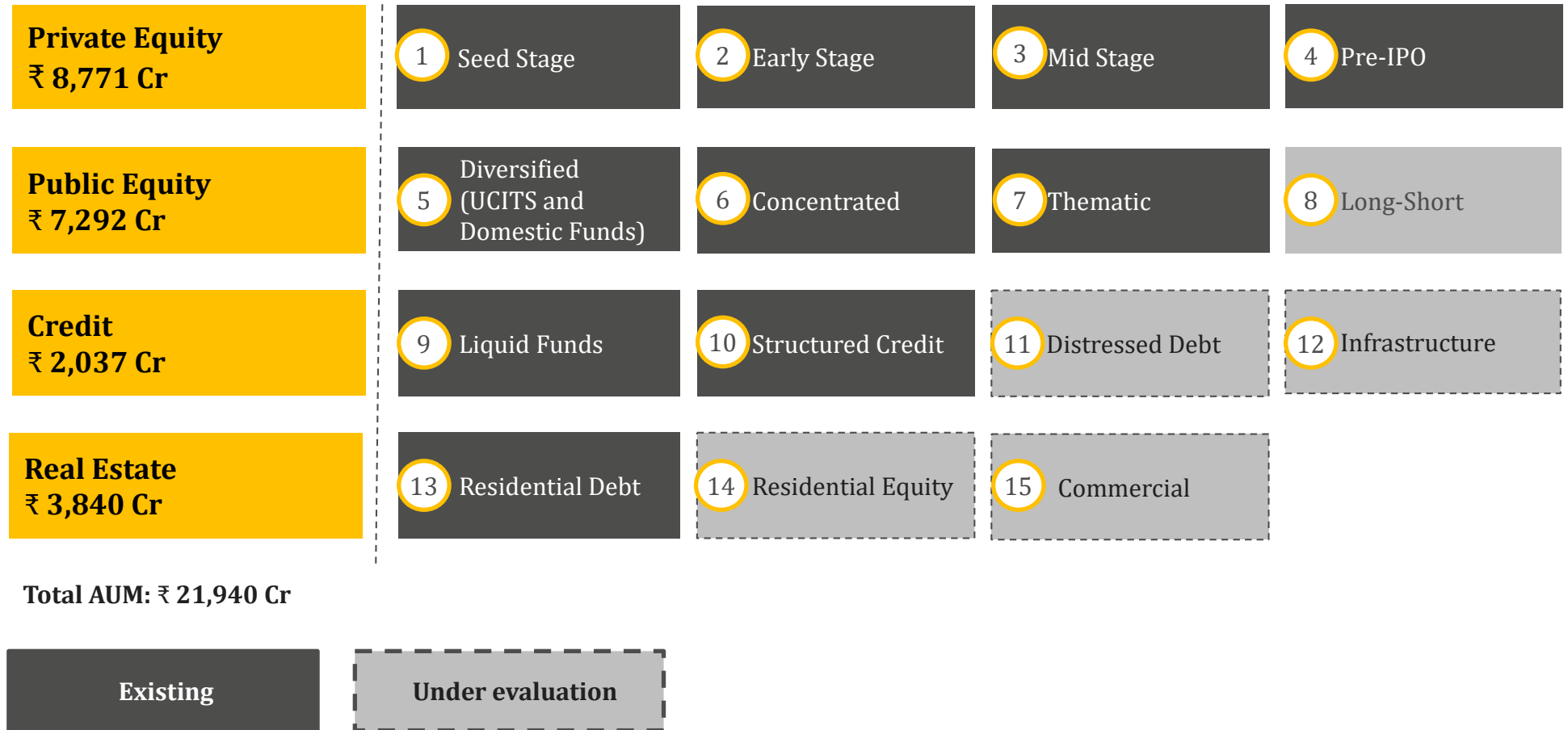
# LEADS TO LOW CLIENT ATTRITION AND HIGH PRODUCTIVITY



1. Client Attrition Ratio: Basis % of the number of relevant families who have with drawn their complete AUM over the last 5 years
2. AUM of Clients Lost: Basis the percentage of the AUM lost to the total AUM of all relevant families within the respective year
3. Relevant Families : are all families with AUM (excluding custody Assets) greater than Rs 1 Cr on the last day of the respective period.
4. The number of relevant families acquired from WAI acquisition is 445 families in FY 19

# UNIQUE POSITIONING IN ALTERNATES

## Leading player in the alternate segment



Source: IIFL Asset Management. Data as on 31st March 2020. \*After Mar 2019

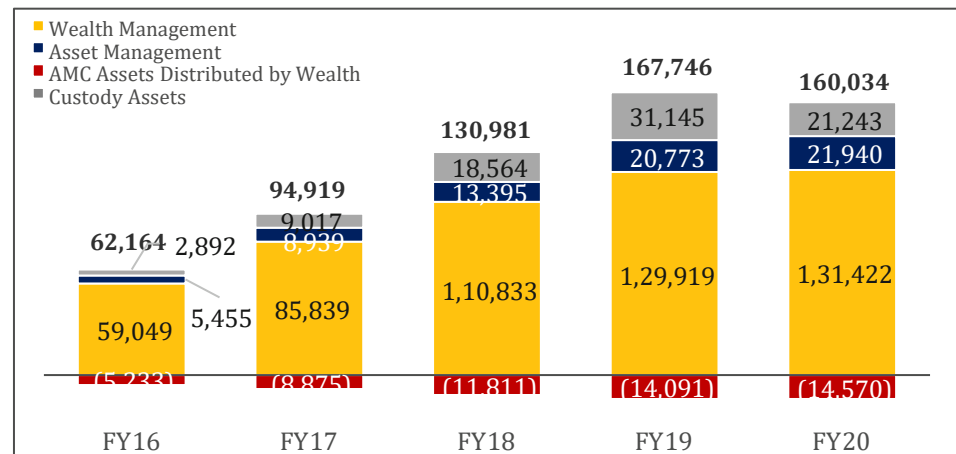
# SEGMENT DEEP DIVE

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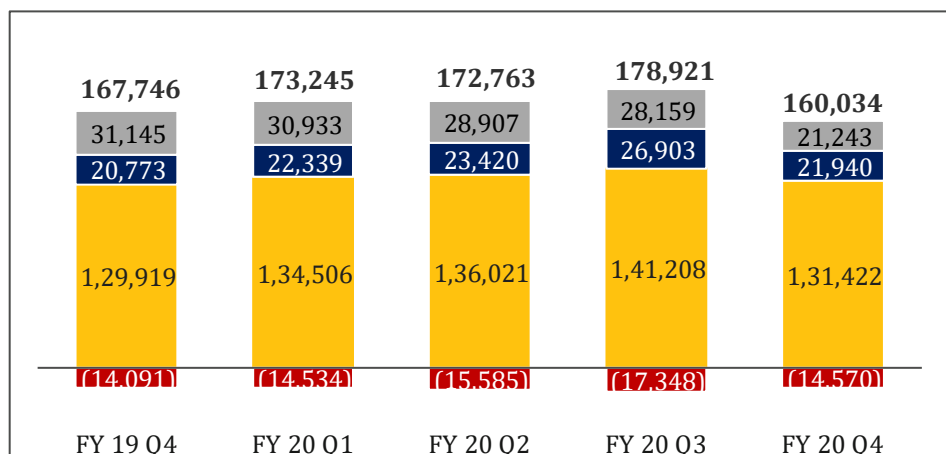


# CONSOLIDATED METRICS BY BUSINESS SEGMENT

## Assets Under Management - YoY (Rs. Cr.)

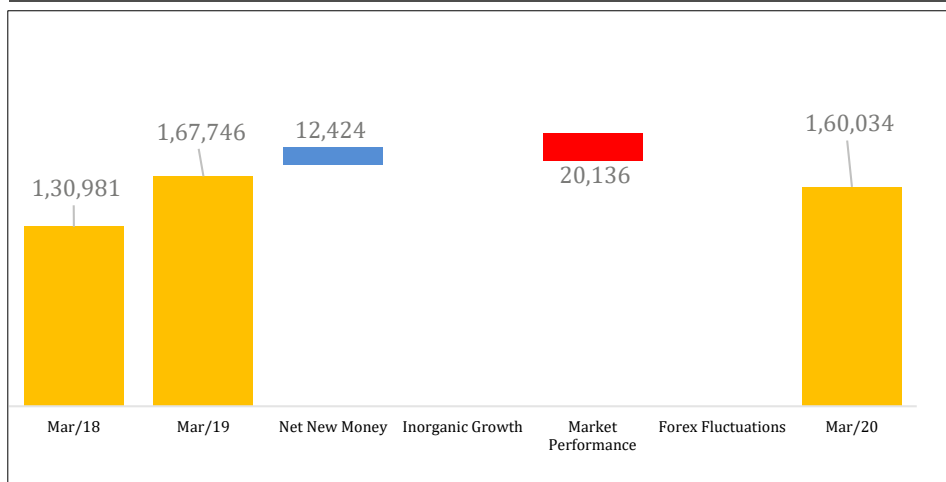


## Assets Under Management - QoQ (Rs. Cr.)



Profitability	FY16	FY17	FY18	FY19	FY20
<b>Wealth Management</b>					
Revenues	406	651	952	896	774
Costs	147	206	284	231	253
Operating Profit before Taxes	166	313	478	469	331
<b>Asset Management</b>					
Revenues	58	57	77	127	146
Costs	43	63	92	103	121
Operating Profit before Taxes	15	-6	-15	25	25

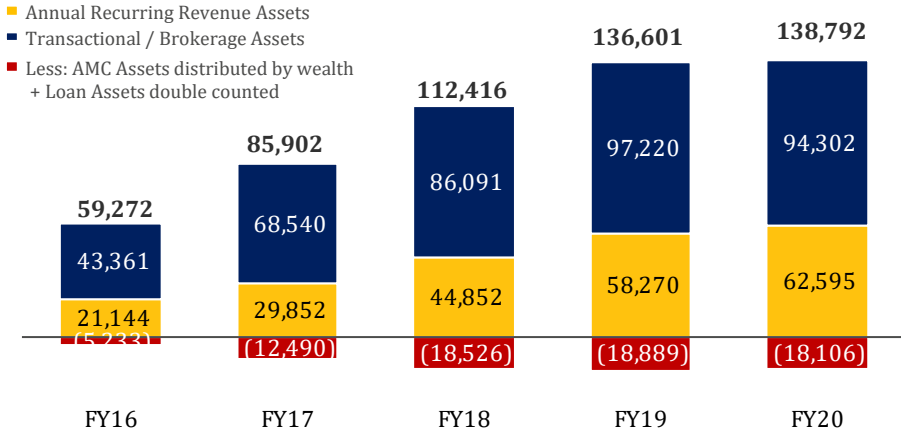
## Net Flows including Custody



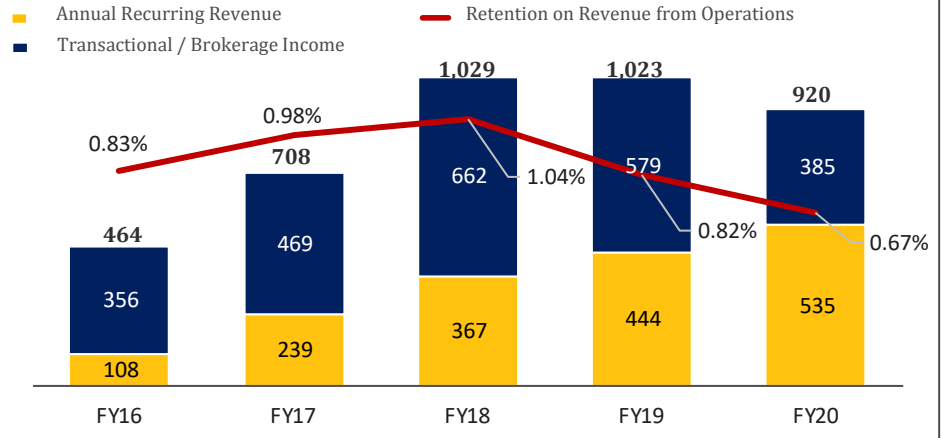
1. Costs include allocated costs that have been split between the Wealth and Asset Management verticals basis of a formula that gives 50% weightage to Net Revenues & 50% weightage to Employee Costs  
 2. AUM split for Q4 FY 20: Debt 64%, Equity 36%,

# CONSOLIDATED METRICS YoY

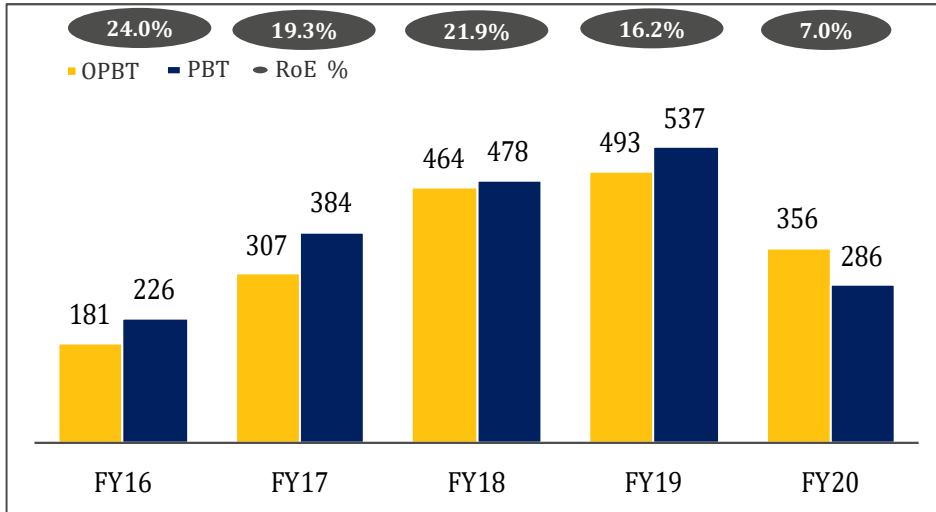
## Assets Under Management (Rs. Cr.) Excluding Custody



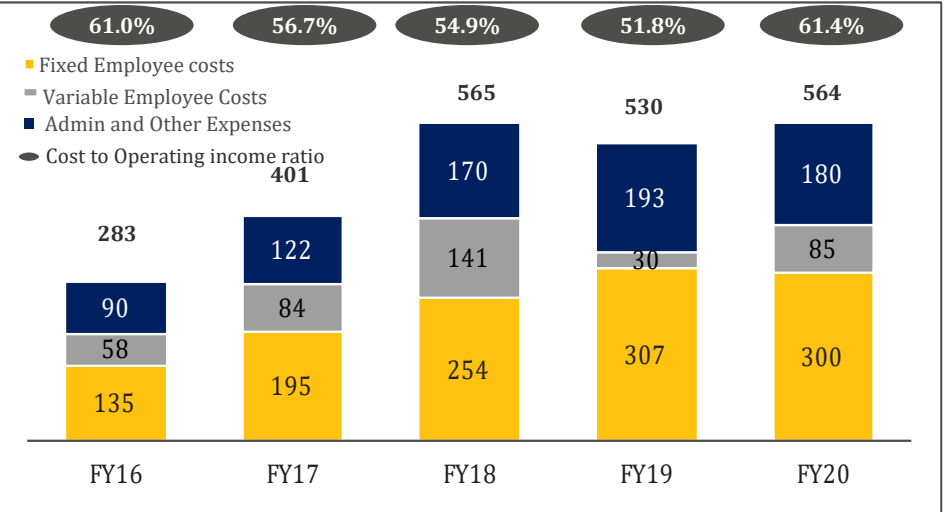
## Revenues from Operations (Rs. Cr.) & Yields (%)



## Profitability (Rs. Cr.)



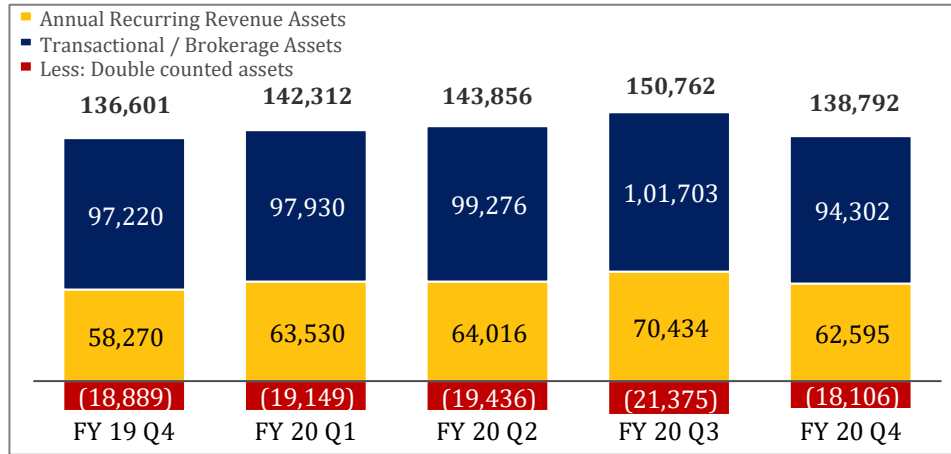
## Cost Mix (Rs. Cr.)



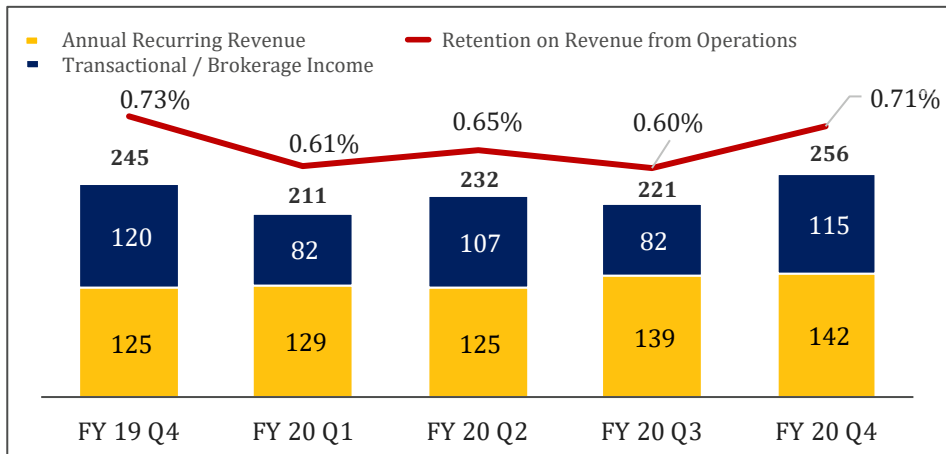
1. Net Revenues are calculated after setting of all direct operating and financing costs  
 2. Cost to income ratios have been calculated basis Net Revenues  
 3. Yield = Current year Net Revenue / Avg. of current year Assets and Previous year assets ( Excluding custody Assets)

# CONSOLIDATED METRICS QoQ

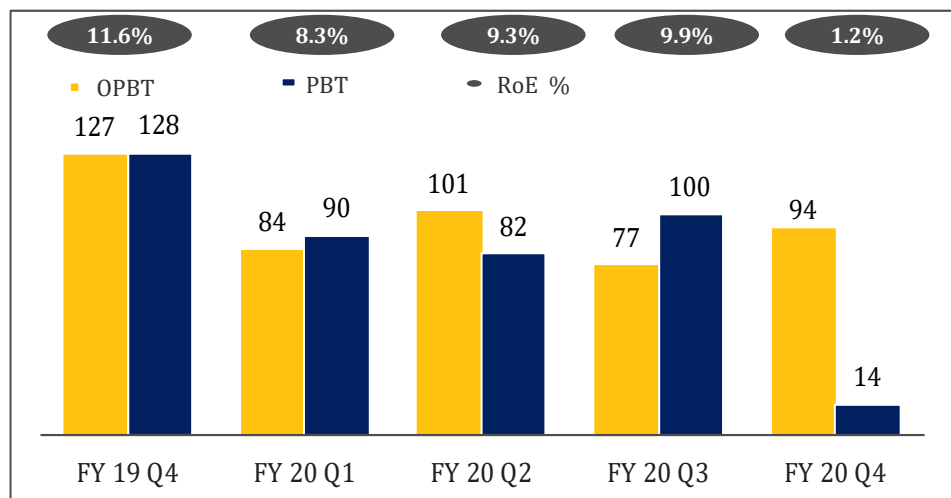
## Assets Under Management (Rs. Cr.) Excluding Custody



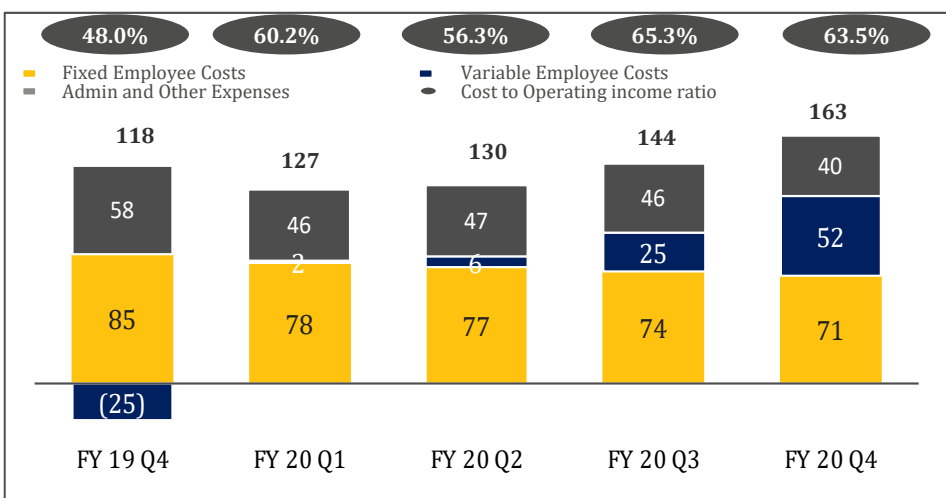
## Revenues from Operations (Rs. Cr.) & Yields (%)



## Profitability (Rs. Cr.)



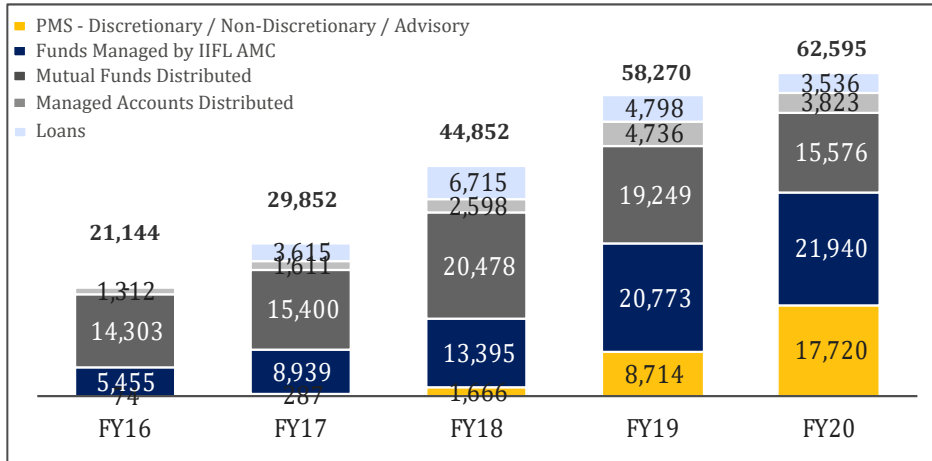
## Cost Mix (Rs. Cr.)



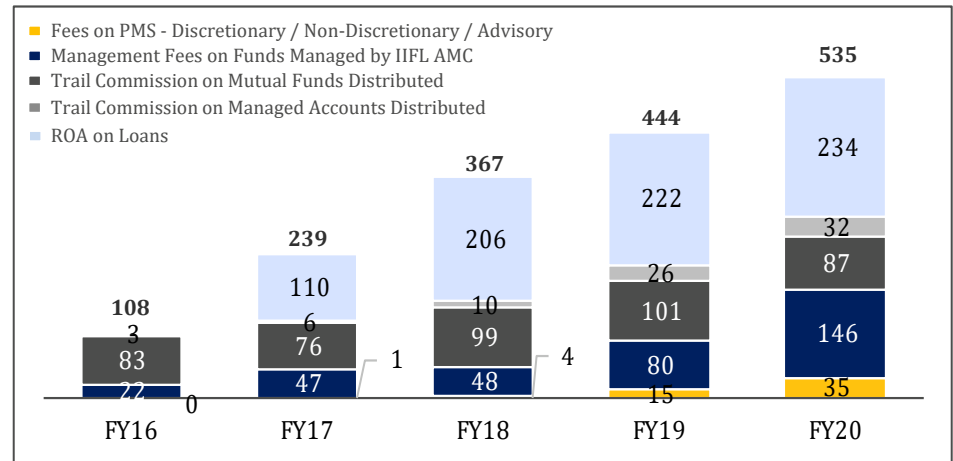
1. Net Revenues are calculated after setting of all direct operating and financing costs  
 2. Cost to income ratios have been calculated basis Net Revenues  
 3. Yield = Current year Net Revenue /Avg. of current year Assets and Previous year assets (Excluding custody Assets)

# CONSOLIDATED METRICS YoY

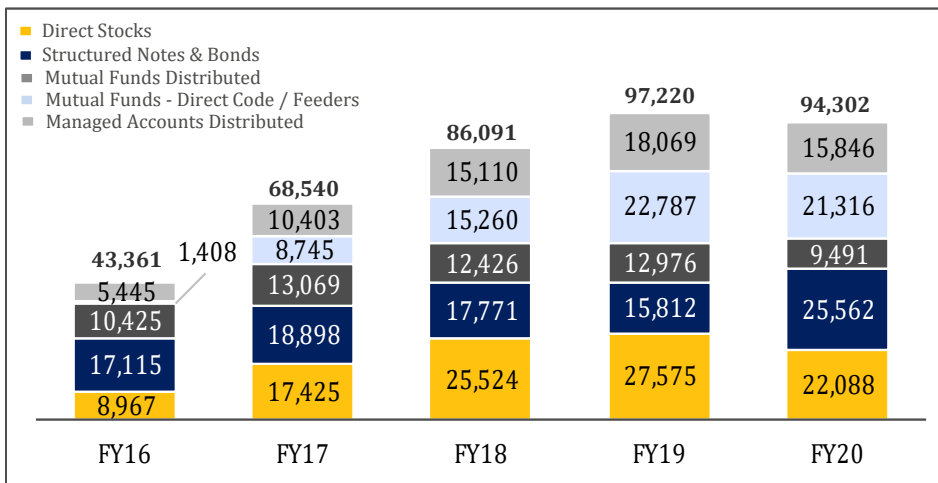
## Recurring Revenue Assets (Rs. Cr.)



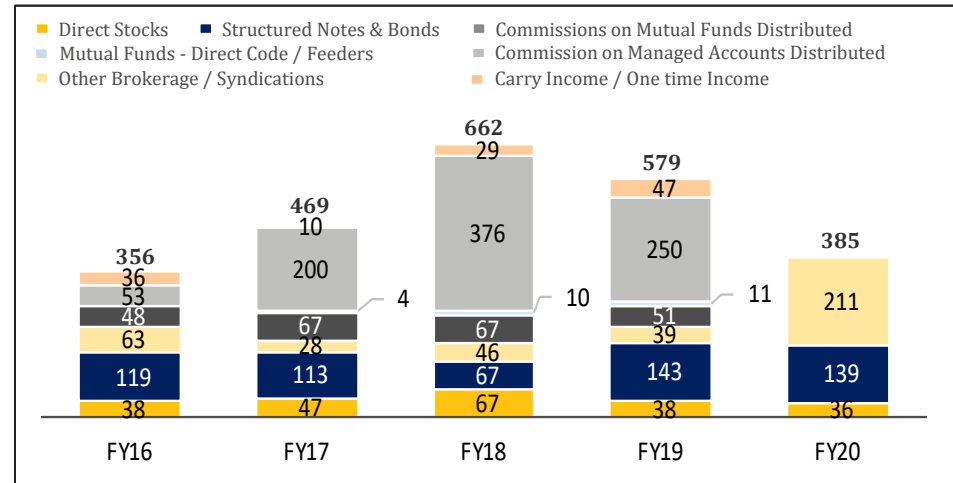
## Recurring Revenues (Rs. Cr.)



## Transactional / Brokerage Assets (Rs. Cr.)



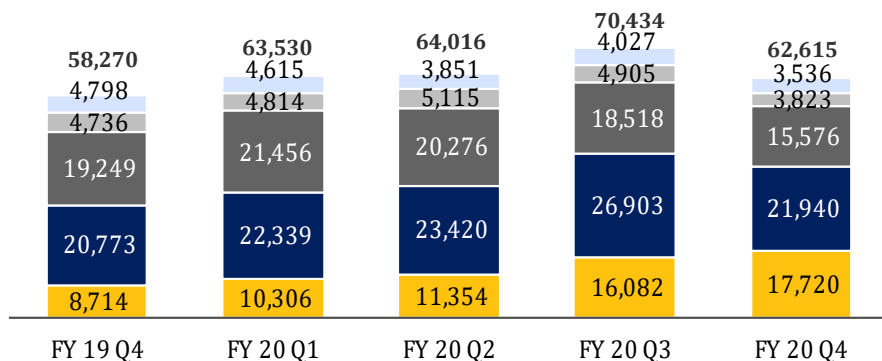
## Transactional / Brokerage Revenues (Rs. Cr.)



# CONSOLIDATED METRICS QoQ

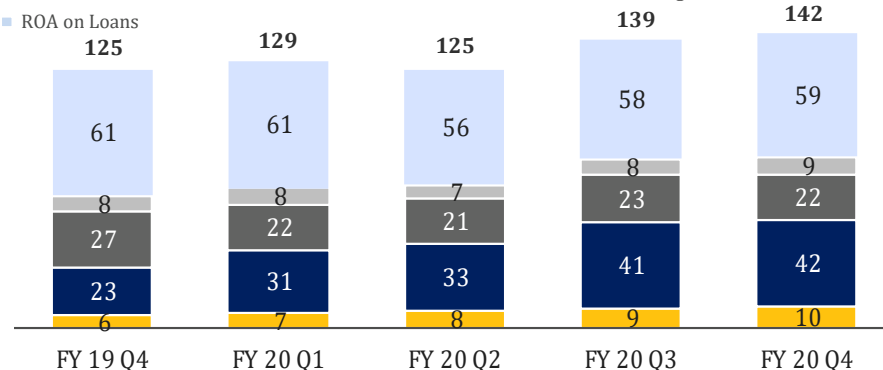
## Recurring Revenue Assets (Rs. Cr.)

■ PMS - Discretionary / Non-Discretionary / Advisory 
 ■ Funds Managed by IIFL AMC  
■ Mutual Funds Distributed 
 ■ Managed Accounts Distributed 
 ■ Loans



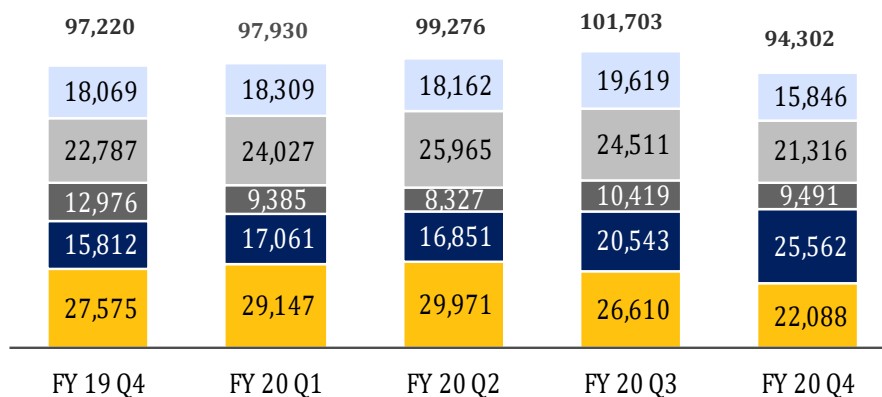
## Recurring Revenues (Rs. Cr.)

■ Fees on PMS - Discretionary/Non-Discretionary/Advisory 
 ■ Management Fees on Funds Managed by IIFL AMC  
■ Trail Commission on Mutual Funds Distributed 
 ■ Trail Commission on Managed Accounts Distributed  
■ ROA on Loans



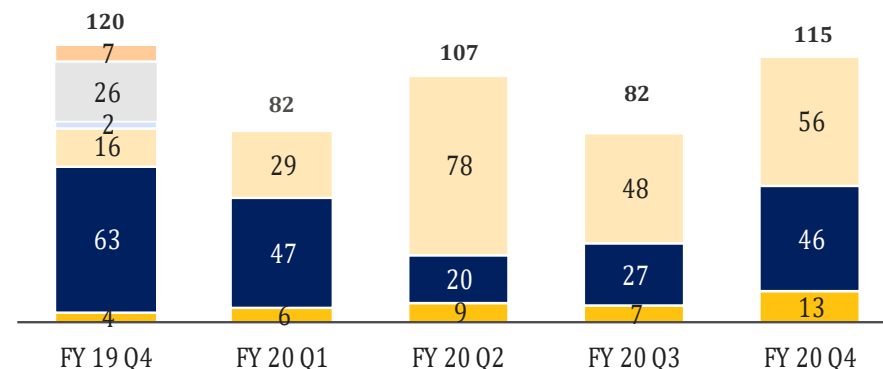
## Transactional / Brokerage Assets (Rs. Cr.)

■ Direct Stocks 
 ■ Structured Notes & Bonds 
 ■ Mutual Funds Distributed  
■ Mutual Funds - Direct Code / Feeders 
 ■ Managed Accounts Distributed



## Transactional / Brokerage Revenues

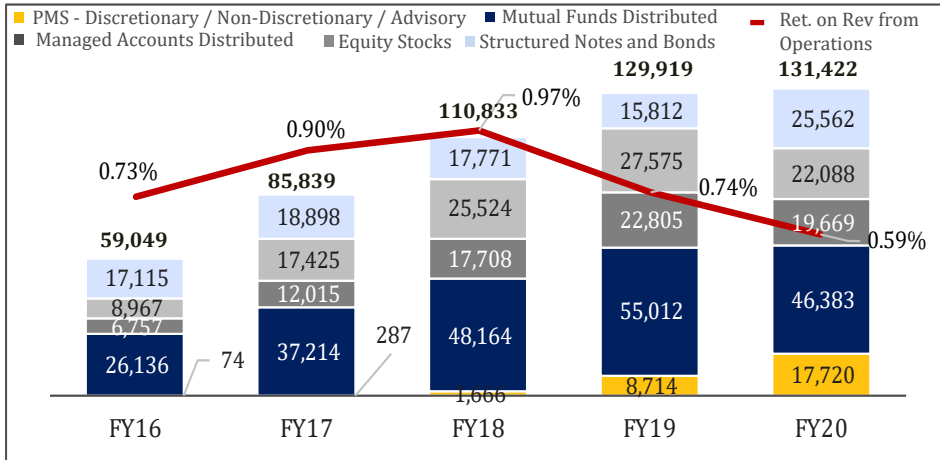
■ Direct Stocks 
 ■ Structured Notes & Bonds 
 ■ Commission on Mutual Funds Distributed  
■ Commission on Managed Accounts Distributed 
 ■ Other Brokerage / Syndications  
■ Carry Income / One time Income



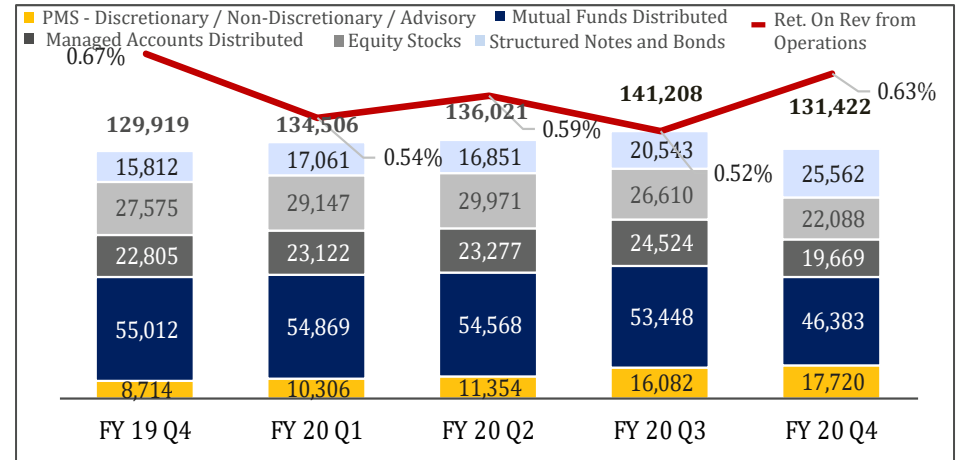


# WEALTH MANAGEMENT

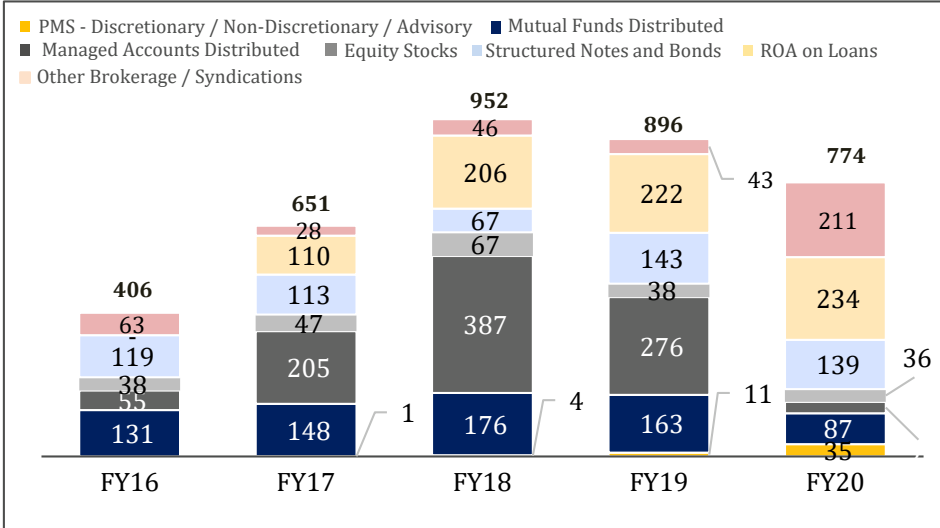
## AUM by Products YoY (Rs. Cr.)



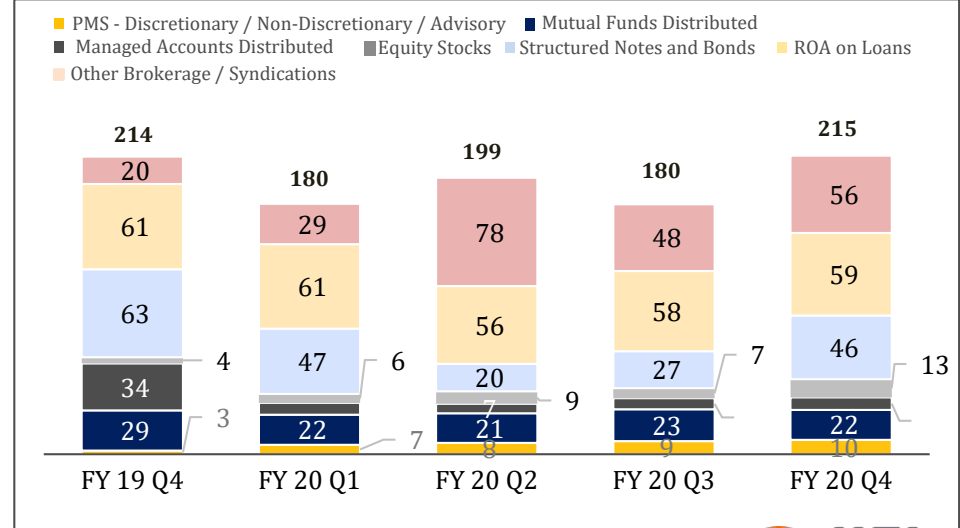
## AUM by Products QoQ (Rs. Cr.)



## Net Revenues by Products YoY (Rs. Cr.)

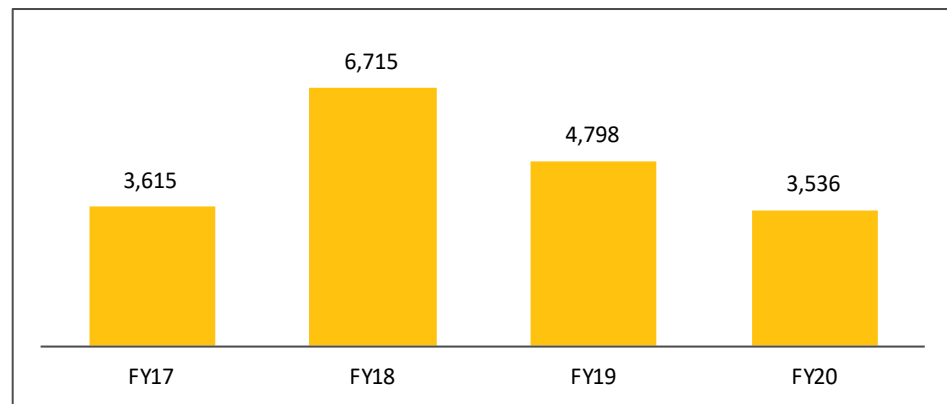


## Net Revenues by Products QoQ (Rs. Cr.)

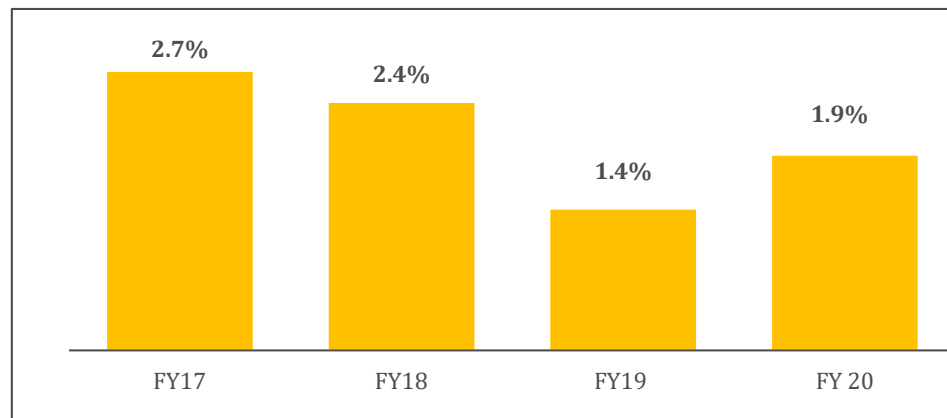


# BREAK DOWN OF LOAN BOOK

## Loan Book



## Loan Spread

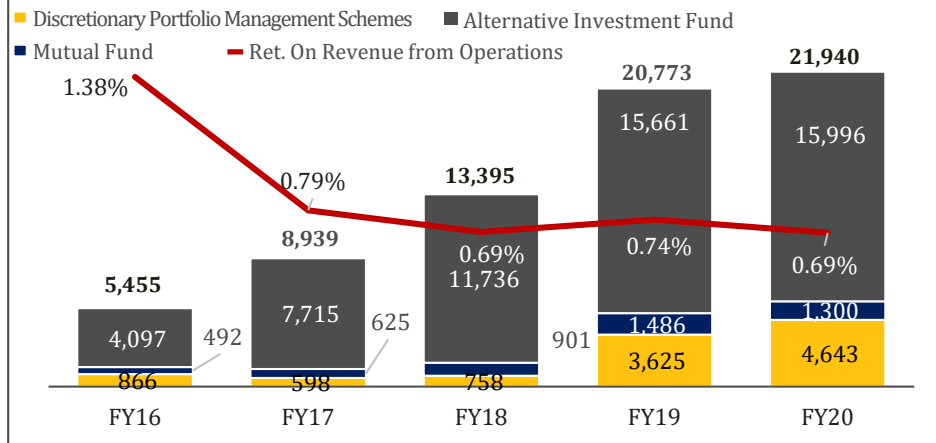


- Loan book ~12% lower QoQ, average book remained steady on QoQ basis
- Spreads improved by ~50 bps YoY, driven by increased yields
- Borrowing book (~80%+ on average) remains in the form of market linked, long dated liabilities – median cost and stable source of money
- Navigated through unprecedented volatility in the capital markets over Q4 FY20 with zero incidence of default
- Robust framework to keep the business running smoothly during lockdown with full operational efficiency
- The book continues to have zero credit losses since inception

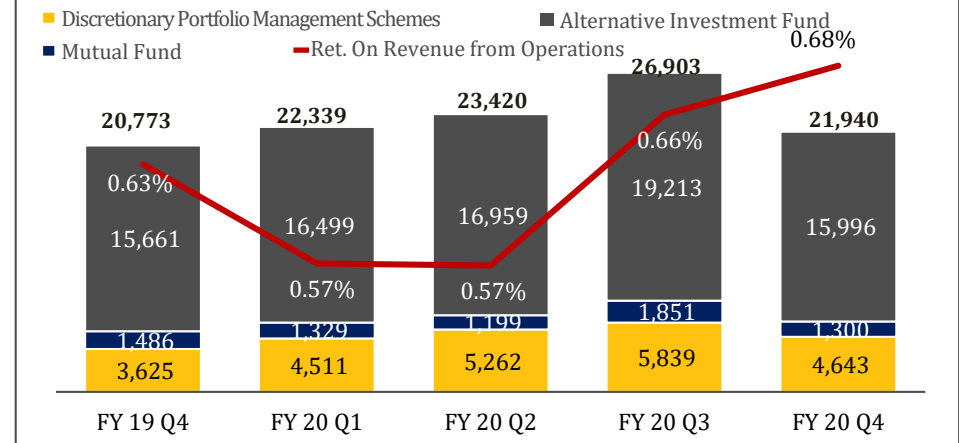
	Q1 FY 20	Q2 FY 20	Q3 FY 20	Q4 FY 20	FY 20
Loans Disbursed	1,786	1,876	1,830	2,503	7,995
Loans Repaid	2,425	2,185	1,654	2,995	9,259
Net Movement	(639)	(308)	176	(492)	(1,264)

# ASSET MANAGEMENT

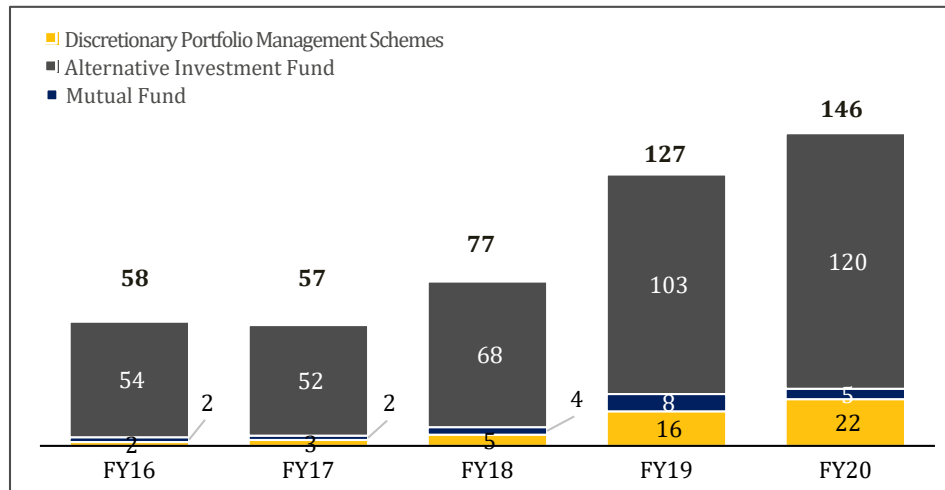
### AUM by Products YoY (Rs. Cr.) and Yield %



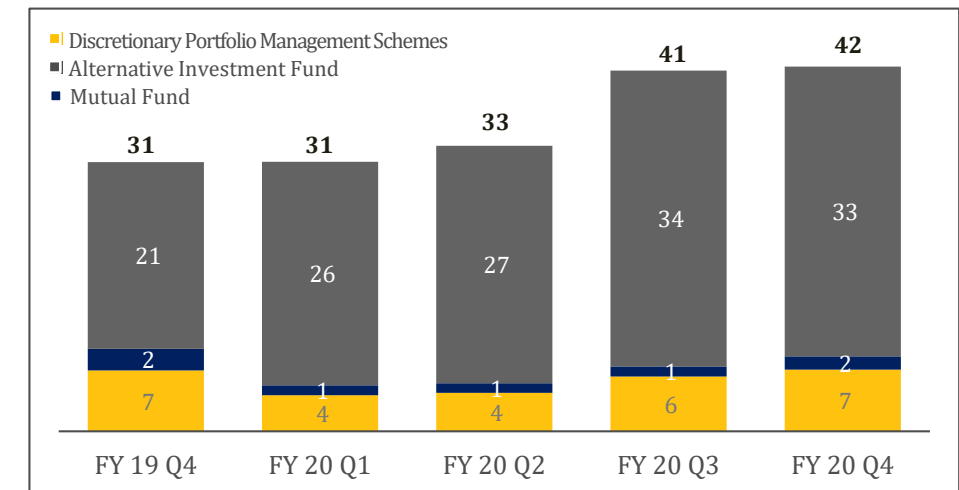
### AUM by Products QoQ (Rs. Cr.) and Yield %



### Net Revenues by Products YoY (Rs. Cr.)



### Net Revenues by Products QoQ (Rs. Cr.)



- 1. Carry Income:** Revenue earned as performance fees at the maturity of a fund, or at the end of a defined period as agreed with clients / investors.
- 2. Yield =** Current year Revenue / Avg AUM. (Current year AUM / Previous year AUM)

## AWARDS, KEY PERSONNEL & SHAREHOLDERS

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# EUROMONEY AWARDS – CLEAN SWEEP; MULTIPLE AWARDS & ACCOLADES

## 16 TROPHIES 1 NAME IIFL WEALTH



We have won all **16 awards** including **Best Private Banking Services Overall - India** at the **2020 Euromoney Private Banking and Wealth Management Survey**.

Thank you to our peers, clients, investors, and team for helping us once again become the best wealth and asset management company in India.

The awards are based on peer ratings.

- |  |  |  |  |   |                                   |   |                      |                              |
|--|--|--|--|---|-----------------------------------|---|----------------------|------------------------------|
| ①<br>Best Private Banking Services Overall | ②<br>Mega High Net Worth Clients (US\$ 250mn+) | ③<br>Ultra High Net Worth Clients (US\$ 30mn - US\$ 250mn) | ④<br>High Net Worth Clients (US\$ 5mn - US\$ 30mn) | ⑤<br>Super Affluent Clients (US\$ 1mn - US\$ 5mn) | ⑥<br>Family Office Services       | ⑦<br>Investment Management                      | ⑧<br>Next Generation | ⑨<br>Serving Business Owners |
| ⑩<br>Research and Asset Allocation Advice  | ⑪<br>Capital Markets and Advisory              | ⑫<br>International Clients                                 | ⑬<br>Philanthropic Advice                          | ⑭<br>ESG/Impact Investing                         | ⑮<br>Data Management and Security | ⑯<br>Innovative or Emerging Technology Adoption |                      |                              |

REGISTERED OFFICE: IIFL WEALTH MANAGEMENT LTD. | IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013, India  
TEL (91-22) 4876 5600 | FAX (91-22) 4646 4706 | communication@iiflw.com | www.iiflwealth.com | CIN - U7410MH2008PLC177884



Proud Recipient of

106

Awards till date



# EXPERIENCED MANAGEMENT TEAM WITH DEEP DOMAIN EXPERTISE



**Karan Bhagat**  
20+ years of experience



## WEALTH

**Yatin Shah**  
16+ years of experience

**Anirudha Taparia**  
20+ years of experience

**Manoj Shenoy**  
20+ years of experience

**Vinay Ahuja**  
19+ years of experience

**Pramod Kumar**  
15+ years of experience

**Shaji Kumar Devakar**  
17+ years of experience

**Umang Papneja**  
CIO  
18+ years of experience

**Girish Venkataraman**  
Trust Advisory  
20+ years of experience

**Himanshu Jain**  
NBFC  
17+ years of experience

**Sandeep Jethwani**  
Client Advisory  
15+ years of experience

## AMC

**Anup Maheshwari**  
24+ years of experience

**Prashasta Seth**  
Unlisted Equity  
18+ years of experience

**Shashi Singh**  
Sales  
20+ years of experience

**Vivek Mishra**  
Real Estate  
19+ years of experience

**Mehul Jani**  
Listed Equity  
15+ years of experience

**Mayur Patel**  
Listed Equity  
14+ years of experience

**Pranob Gupta**  
Structured Debt  
16+ years of experience

**Amit Garg**  
Global Products  
15+ years of experience

**Himadri Chatterjee**  
Sales  
15+ years of experience

## CORPORATE FUNCTIONS

**Anshuman Maheshwary**  
COO  
20+ years of experience

**Mihir Nanavati**  
CFO  
27+ years of experience

**Abhishek Chandra**  
Technology  
20+ years of experience

**Anirban Banerjee**  
HR  
15+ years of experience

**Pavan Manghnani**  
Strategy & IR  
20+ years of experience







**Ashutosh Naik**  
Compliance  
20+ years of experience

**Niraj Murarka**  
Credit  
20+ years of experience

**Raghuvir Mukherji**  
Risk  
24+ years of experience

**Ronak Sheth**  
Events  
18+ years of experience






















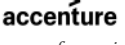




# MARQUEE INSTITUTIONAL SHAREHOLDING AND EXPERIENCED BOARD

Shareholding Split			
	21.36%		0.40%
	18.52%		0.34%
<b>RIMCO</b>	4.35%	<b>Promoters</b>	22.93%
	3.59%	<b>Employees</b>	6.00%
	1.25%	<b>Others</b>	21.26%

Lock in / Liquidity as on 31st March 2020		
	No Lock In	Lock In (1 Yr)
Promoters	14.07%	8.86%*
General Atlantic	-	21.36%
Fairfax	18.52%	-
Other Institutions	12.99%	5.84%
Public	12.36%	3.54%
Employees	0.27%	5.73%
	<b>54.67%</b>	<b>45.33%</b>

**Non Promoter 1 year Lock in Release : Sep 2020**

## Board of Directors

Name & Designation	Previous Experience	Name & Designation	Previous Experience
 <b>Nirmal Jain</b> Non-Executive Director & Promoter	 30+ years of experience	 <b>Shantanu Rastogi</b> Nominee Director	 <b>Apax</b>  15+ years of experience
 <b>R. Venkataraman</b> Non-Executive Director & Promoter	  20+ years of experience	 <b>Nilesh Vikamsey</b> Independent Director, Chairman	 <b>Khimji Kunverji &amp; Co</b> Chartered Accountants 30+ years of experience
 <b>Karan Bhagat</b> Managing Director & Promoter	 20+ years of experience	 <b>Geeta Mathur</b> Independent Director	  25+ years of experience
 <b>Yatin Shah</b> Non-Executive Director & Promoter	 16+ years of experience	 <b>S Narayanan</b> Independent Director	Former Fin. Secy, Former Economic Advisor to PM
 <b>Sandeep Naik</b> Nominee Director	 <b>Apax</b> 20+ years of experience	 <b>Mr. Pankaj Vaish</b> Independent Director	 34+ years of experience
		 <b>Mr. G Soundarajan</b> Non-Executive Director	  <b>ICICI Lombard</b> 

- Share holding Pattern is represented as on the record date – 31st March 2020
- \* Promoters lock in is 3 years against 1 year for others

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