

IIFL WEALTH & ASSET MANAGEMENT

Q4 and Full Year FY21
Performance Update



CONSOLIDATED BUSINESS SUMMARY

KEY FINANCIAL HIGHLIGHTS

AUM

- Total AUM¹ is up 32.0% for FY21 and up 3.3% QoQ to Rs 2,07,044 Crs
- Continued focus on ARR assets – Increase of 12.7 % QoQ to Rs 1,01,969 Crs
- Net flows remained strong at Rs 14,176² crs for FY21 and Rs 5,809 crs for Q4

Revenues

- Total Revenues are up 23.7% for FY21 at Rs 1,053 Crs and up 2.6% QoQ to Rs 287 Crs
- Revenue from Operations increased 11.0% QoQ to Rs 266 Crs;
- ARR Revenues increased 4.3% QoQ to 161 Crs; up 13.4% YoY from 142 Crs

Cost

- Total Cost remained flat at Rs 152 Crs QoQ; and Rs 568 Crs for FY21
- Total Employee Costs increased 2.8% QoQ to Rs 112 Crs
- Administrative Cost reduced 6.2% to Rs 40 Crs
- Cost to income Ratio decreased to 53% from 54.3% QoQ and was at 53.9% for FY21

Profitability

- Operating Profits (OPBT) increased 29.8% QoQ to Rs 113 Crs
- PAT increased 5.3% QoQ to Rs 103 Crs and was up 78.9% for FY21 at 369 Crs
- RoE³ for Q4 FY21 is at 17.3% and 15.0% for the full year FY21

1. Excluding Custody

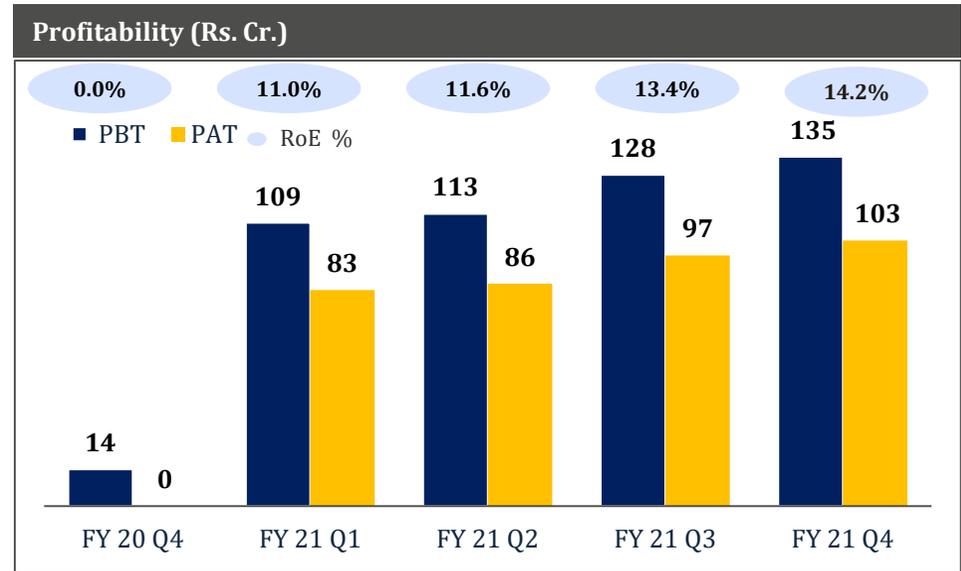
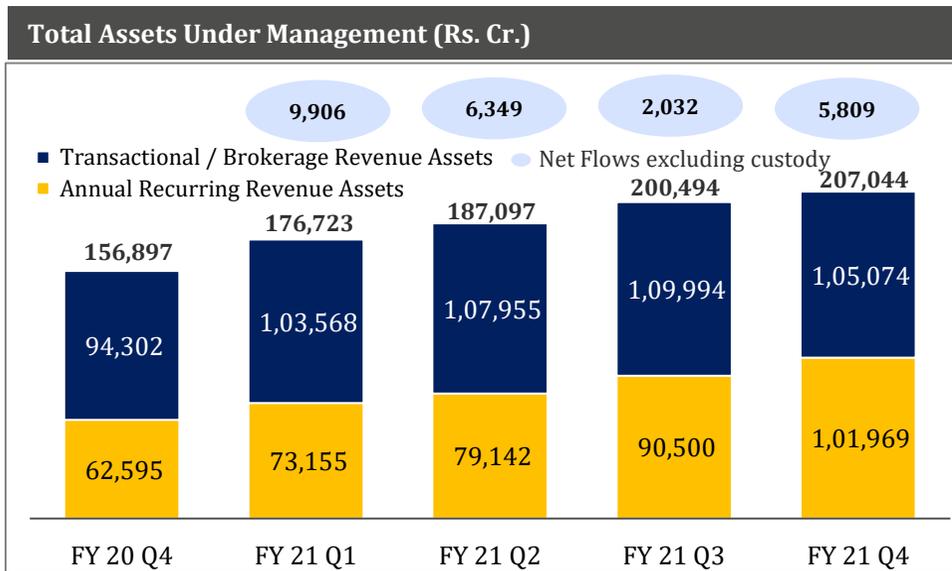
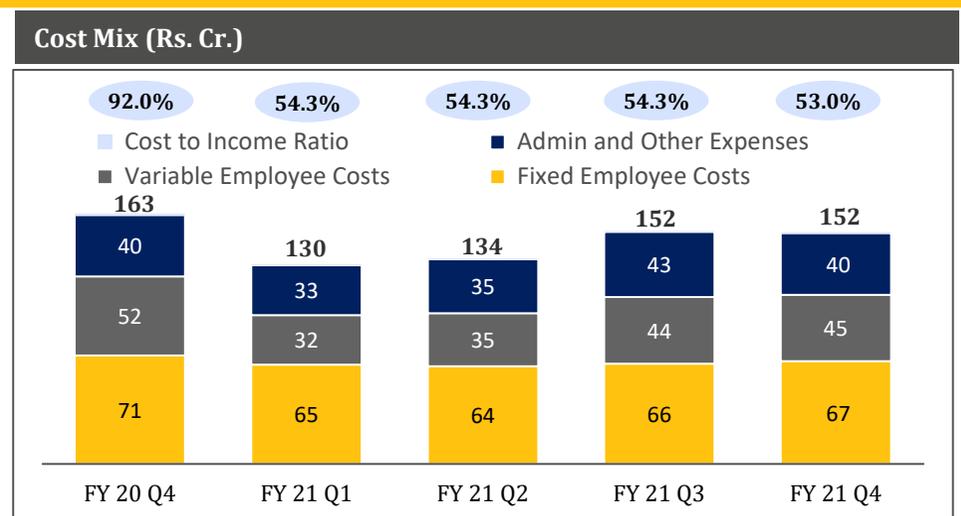
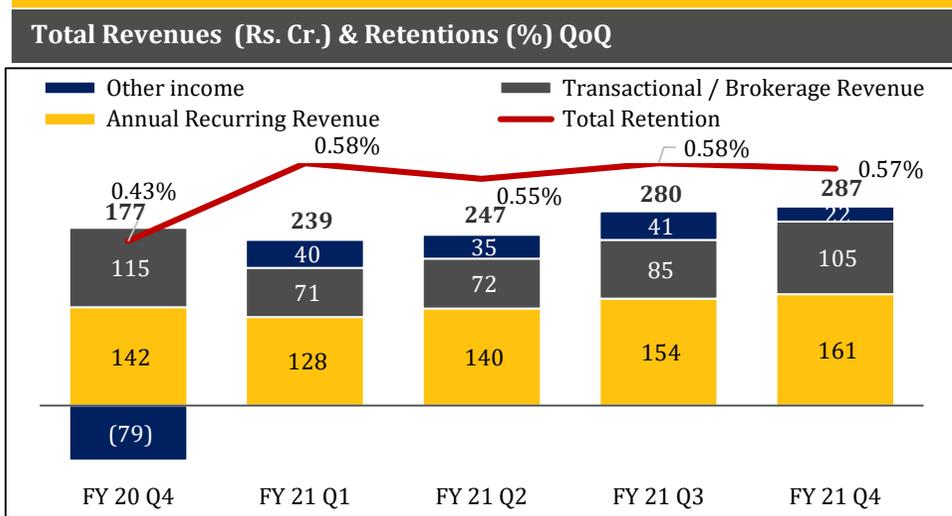
2. Excludes in-organic acquisition of L&T Capital Markets which added Rs 9,919 Crs to Net Flows & AUM

3. RoE ex Goodwill & Intangible

CONSOLIDATED BUSINESS SUMMARY (1/2)

INR Cr	FY 21 Q4	FY 21 Q3	QoQ	FY 20 Q4	YoY	FY 21	FY 20	FY 21 vs FY 20
Closing AUM								
<i>Annual Recurring Revenue Assets</i>	1,01,969	90,500	12.7%	62,595	62.9%	1,01,969	62,595	62.9%
<i>Transactional / Brokerage Revenue Assets</i>	1,05,074	1,09,994	-4.5%	94,302	11.4%	1,05,074	94,302	11.4%
Total AUM	2,07,044	2,00,494	3.3%	1,56,897	32.0%	2,07,044	1,56,897	32.0%
Revenues & Retention								
<i>Annual Recurring Revenues</i>	161	154	4.3%	142	13.4%	583	535	9.1%
<i>Transactional / Brokerage Revenue</i>	105	85	23.4%	115	-8.6%	333	385	-13.7%
Revenue from Operations	266	239	11.0%	256	3.6%	915	920	-0.5%
<i>Other Income</i>	22	41	-47.0%	-79	-	137	-69	-
Total Revenue	287	280	2.6%	177	62.2%	1,053	851	23.7%
<i>Average Annual Recurring Assets</i>	95,745	84,095	13.9%	66,515	43.9%	79,792	60,432	32.0%
<i>Total Average Assets</i>	2,01,510	1,93,069	4.4%	1,64,517	22.5%	1,84,650	1,56,193	18.2%
<i>Retention on ARR Assets</i>	0.67%	0.73%		0.85%		0.73%	0.88%	
<i>Overall Retention</i>	0.57%	0.58%		0.43%		0.57%	0.54%	
Costs	152	152	0.3%	163	-6.5%	568	564	0.6%
<i>Employee Costs</i>	112	109	2.8%	123	-8.5%	417	385	8.5%
<i>Fixed Employee Costs</i>	67	66	2.0%	71	-5.8%	261	300	-12.8%
<i>Variable Employee Costs</i>	39	33	18.0%	37	4.6%	111	63	75.6%
<i>Employee ESOP Costs</i>	6	11	-40.1%	14	-56.1%	45	22	105.5%
<i>Admin and Other Expenses</i>	40	43	-6.2%	40	-0.2%	150	180	-16.3%
Profit Metrics								
<i>Operating Profit before Taxes (OPBT)</i>	113	87	29.8%	94	21.0%	348	356	-2.2%
<i>Profit before Taxes (PBT)</i>	135	128	5.4%	14	851.4%	485	286	69.3%
<i>Profit After Tax (PAT) including OCI and FCTR</i>	103	97	5.3%	0		369	206	78.9%
<i>Effective Tax Rates</i>	24%	24%		100%		24%	28%	
<i>Cost to Income Ratio</i>	53.0%	54.0%		92.0%		53.9%	61.4%	
<i>ROE</i>	14.2%	13.4%		0.0%		12.5%	7.0%	
<i>ROE Ex Goodwill & Intangibles</i>	17.3%	16.4%		0.0%		15.0%	7.7%	

CONSOLIDATED BUSINESS SUMMARY (2/2)



SEGMENTAL BUSINESS SUMMARY

SEGMENTAL BUSINESS SNAPSHOT

Particulars	AUM		NET FLOWS			REVENUE			RETENTION		
	Q3 FY 21	Q4 FY 21	Q3 FY 21	Q4 FY 21	FY 21	Q3 FY 21	Q4 FY 21	FY 21	Q3 FY 21	Q4 FY 21	FY 21
Wealth Management	1,68,199	1,69,672	-663	1,060	15,138 ¹	182	207	718	0.45%	0.49%	0.46%
Asset Management	32,295	37,372	2,695	4,748	8,957	57	59	198	0.75%	0.69%	0.70%
Totals	2,00,494	2,07,044	2,032	5,809	24,096	239	266	915	0.50%	0.53%	0.50%
Custody : Promoter Holding	32,859	39,039				-	-	-			
Grand Total	2,33,354	2,46,083				239	266	915			

WEALTH MANAGEMENT	Q3 FY21	Q4 FY21	FY 21	FY20
Revenue from Operations	182	207	718	774
Other Income	34	18	115	(59)
Cost	122	117	447	443
Profit before tax	94	108	386	272

ASSET MANAGEMENT	Q3 FY21	Q4 FY21	FY21	FY20
Revenue from Operations	57	59	198	146
Other Income	7	3	22	(10)
Cost	30	36	121	121
Profit before tax	34	26	99	15

SEGMENTAL SNAPSHOT - WEALTH MANAGEMENT

WEALTH MANAGEMENT	AUM		NET FLOWS ²			REVENUE			RETENTION		
	Q3 FY 21	Q4 FY 21	Q3 FY 21	Q4 FY 21	FY 21	Q3 FY 21	Q4 FY 21	FY 21	Q3 FY 21	Q4 FY 21	FY 21
TOTAL	1,68,199	1,69,672	-663	1,060	15,138	182	207	718	0.45%	0.49%	0.46%
IIFL One	25,948	27,940	2,071	2,190	6,773	16	17	55	0.29%	0.28%	0.28%
<i>Discretionary PMS</i>	9,113	8,753				8	9	26	0.38%	0.39%	0.43%
<i>Non Discretionary PMS</i>	12,115	13,391				7	8	26	0.33%	0.34%	0.33%
<i>Advisory</i>	4,720	5,795				1	0	2	0.08%	0.00%	0.04%
Distribution Assets Earning Trail Fees	29,238	33,038	8	3,548	10,678	37	43	139	0.50%	0.49%	0.48%
<i>Mutual Funds</i>	23,496	26,435				25	26	93	0.42%	0.37%	0.40%
<i>Managed Accounts</i>	5,742	6,603				11	16	45	0.81%	1.06%	0.83%
Net Interest Margin on Loans¹	3,019	3,620	-	-	-	45	43	191	5.68%	4.71%	5.79%
Brokerage Income	57,706	60,260	1,144	2,765	7,761	85	105	333	0.29%	0.30%	0.27%
<i>Direct Stocks</i>	31,502	32,956				19	14	59	0.25%	0.18%	0.21%
<i>Debt Instruments & Bonds</i>	26,204	27,304				22	30	90	0.33%	0.45%	0.34%
<i>IB/ Syndication Income/Carry Income as a distributor</i>	-	-				44	60	183	-	-	-
Distribution Assets Not Earning Trail Fees	52,288	44,815	-3,885	-7,444	-10,073	-	-	-	-	-	-
<i>Mutual Fund where upfront fees received earlier</i>	6,451	2,503				-	-	-	-	-	-
<i>Managed Accounts where upfront fees received earlier</i>	20,869	20,149				-	-	-	-	-	-
<i>Mutual Funds Direct</i>	24,968	22,162				-	-	-	-	-	-

SEGMENTAL SNAPSHOT - ASSET MANAGEMENT

ASSET MANAGEMENT	AUM		NET FLOWS			REVENUE			RETENTION		
	Q3 FY 21	Q4 FY 21	Q3 FY 21	Q4 FY 21	FY 21	Q3 FY 21	Q4 FY 21	FY 21	Q3 FY 21	Q4 FY 21	FY 21
TOTAL	32,295	37,372	2,695	4,748	8,957	57	59	198	0.75%	0.69%	0.70%
Portfolio Manager	6,934	11,196	481	3,976	4,697	11	15	39	0.63%	0.63%	0.60%
<i>Discretionary Standardized Strategies</i>	3,748	4,013				7	10	25	0.74%	0.95%	0.74%
<i>Discretionary - Institutional Mandates</i>	3,186	7,183				4	5	14	0.51%	0.38%	0.45%
Alternate Investment Manager	23,134	23,700	1,870	600	3,677	44	40	149	0.82%	0.72%	0.74%
<i>Listed Equity</i>	4,335	3,455				9	10	27	0.86%	1.08%	0.82%
<i>Private Equity</i>	12,248	13,616				25	23	88	0.85%	0.75%	0.80%
<i>Credit & Real Estate Strategies</i>	4,972	5,076				7	5	27	0.63%	0.43%	0.56%
<i>Long Short Strategies¹</i>	1,580	1,553				3	2	7	1.20%	0.61%	0.71%
Mutual Fund Manager	2,227	2476	344	173	583	2	4	10	0.49%	0.66%	0.51%
<i>Listed Equity</i>	1,353	1623				2	3	7	0.57%	0.85%	0.67%
<i>Debt</i>	707	731				1	1	2	0.40%	0.37%	0.41%
<i>Liquid Funds</i>	167	122				0	0	0	0.10%	0.07%	0.09%

CAPITAL ALLOCATION, DIVIDEND AND ROE

Approx. Net Worth Split

2,830 Crs

**Wealth Management
500 Crs**

NBFC 1,130 Crs

**Asset Management
390 Crs**

Goodwill 370 Crs

Intangibles 150 Crs

Fixed Assets 290 Crs

Dividend History

Date	INR per share
October 2019	10
January 2020	10
August 2020 (Special Dividend)	40
February 2021	30

**~73% of FY 21 PAT paid
out as Dividend**

**Total Dividend issued post
listing: Rs. 90**

Focus on ROE

- Increase in ROE (ex-goodwill & intangibles) to 17.3% for Q4 and 15% for FY21 – continues to be a key focus area
- Initiatives underway for total capital deployment and allocation across businesses
- Dividend payout policy to remain aggressive at 60-80%

**Absolute ROE of 19%-20%
targeted for FY23**

CLIENT AND EMPLOYEE SNAPSHOT - CONTINUED LOW ATTRITION

Wealth Client Attrition Snapshot	FY 20	FY 21
No of Clients Lost	115	230
% Clients Lost	2.16%	3.43%
AUM Lost	565	1,750
% AUM Lost	0.47%	1.03%

AMC Folios Snapshot	FY 20	FY 21
No. of Folios	53,772	84,009

Senior Management Personnel - Classified as Partner level & above	FY 20	FY 21
Closing Count		
Wealth Management	47	75
Asset Management	4	10
Corporate Functions	12	12
Exits during the year		
Wealth Management	2	5
Asset Management	1	1
Corporate Functions	2	2

MEIDUM TERM EXPECTATIONS



OUR IMPRESSIONS – STRONG TAIL WINDS IN THE FACE OF UNCERTAINTY

- **Confidence on strength of the economy** – however, uncertainties need to be kept in mind
 - Strong economic bounce-back after Q1 FY21 ; investment sentiment remains buoyant on the back of excess Liquidity and savings
 - However, uncertainty on duration of lockdowns and increased concerns on potential wave 3 could be a dampener
- **Strong tail winds across the Wealth Management and Asset Management businesses:**
 - Sustained growth in HNI / UHNI clients driven by large number of monetization events and continued growth in next tier locations
 - Strong traction on institutional mandates in the Asset Management business; Unlisted Differentiated strategies showing strong momentum.
 - Opportunities to increase loan book – however, focus on quality and yields to remain
- **Product innovation remains core and a key differentiator**
 - We continue to invest in building a high-quality team and imbibe a culture which encourages innovation and strong orientation towards knowledge-based service
- **Investments in strengthening key organizational areas of Digital, Compliance and Risk:**
 - Digital becoming integral to everything we do – interventions focus on improving client engagement, embedding intelligence across activities and increasing internal efficiency

GUIDANCE FY 22-23

Rs. In Crs	Guidance		Actuals	Guidance	Actuals
	FY23	FY22 ¹	FY 21	FY 21	FY 20
Closing AUM	2,85,000	2,45,000	2,07,044	2,07,000	1,56,897
Average AUM	2,65,000	2,25,000	1,84,650	1,84,000	1,56,193
Net Flows excluding Inorganic growth	25,000	20,000	14,176 ²	15,000	12,583
Retention	0.52%	0.54%	0.57%	0.55%	0.54%
Revenue	1,380	1,220	1,053	1,021	851
Expenses	680	620	568	557	564
Profit Before Tax	700	600	485	465	286
Profit After Tax	525	450	369	348	206
Cost to Income	49%	51%	54%	55%	66%
Average Net Worth	2,750	2,800	2,955	2,900	3,009
Average Net Worth ex. Gdw & Intangibles	2,250	2,300	2,445	2,380	2,731
RoE	19%	16%	12%	12%	7%
RoE (ex Goodwill & Intangibles)	23%	20%	15%	15%	8%

1. Revised Guidance of FY 22 basis strong performance of FY 21
2. Excludes in-organic acquisition of L&T Capital Markets which added Rs 9,919 Crs to Net Flows & AUM

CSR, GOVERNANCE AND MANAGEMENT TEAM

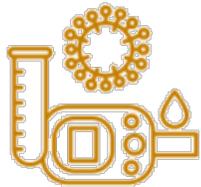


OVERVIEW OF CSR ACTIVITIES IN FY 21

IIFLW CSR Foundation has been set up as a CSR implementation agency for the IIFL Wealth & Asset Management

In FY 21, the Foundation supported impactful projects across India in the following thematic areas

COVID Relief



Healthcare



Education



Tribal Development



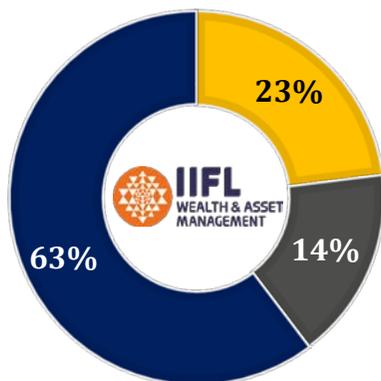
Key projects supported

- Support towards COVID relief activities including support to the India COVID Response Fund
- Quality and affordable primary healthcare services for underprivileged communities
- Provision of medical equipment for treatment of underprivileged patients
- Quality STEM education for underprivileged children
- Improving learning outcomes of students from Govt. schools
- Provision of digital learning devices to underprivileged students
- Provision of scholarship to meritorious school and college students
- Redevelopment of Maa Baadi centers in tribal areas through digital leaning tools, extensive learning resource and access to hygienic water & sanitation facility.

MARQUEE INSTITUTIONAL SHAREHOLDING AND EXPERIENCED BOARD

Shareholding Split¹

- Promoters
- Public
- Institutions

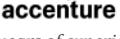


Details of Key Shareholders

Promoters ²	22.9%
Public Shareholding	13.8%
Institutional Shareholding ³	63.3%
<i>General Atlantic</i>	21.2%
<i>Fairfax</i>	18.4%
<i>Others</i>	23.7%

Board of Directors

Name & Designation	Previous Experience
 Nilesh Vikamsey Independent Director, Chairman	 Khimji Kunverji & Co Chartered Accountants 30+ years of experience
 Nirmal Jain Non-Executive Director & Promoter	 Mundeston Univeror Limited 30+ years of experience
 R. Venkataraman Non-Executive Director & Promoter	  ICICI Bank GE Capital 20+ years of experience
 Karan Bhagat Managing Director & Promoter	 IIFL WEALTH & ASSET MANAGEMENT 20+ years of experience
 Yatin Shah Non-Executive Director & Promoter	 IIFL WEALTH & ASSET MANAGEMENT 16+ years of experience

Name & Designation	Previous Experience
 Sandeep Naik Nominee Director	  GENERAL ATLANTIC Apax PARTNERS 20+ years of experience
 Shantanu Rastogi Nominee Director	   GENERAL ATLANTIC Apax McKinsey & Company 15+ years of experience
 Geeta Mathur Independent Director	  ICICI Bank IIFL 25+ years of experience
 S Narayanan Independent Director	Former Fin. Secy, Former Economic Advisor to PM
 Mr. Pankaj Vaish Independent Director	 accenture 34+ years of experience
 Mr. G Soundarajan Non-Executive Director	 Hamblin Watsa Investment Counsel Ltd.  ICICI Lombard Nibhaye Vaade

- Share holding Pattern is represented as on the record date – 31st March 2021
- Promoters have 8.79% shares in lock till September 2022
- Institutions Holding less than 1 lakh shares are classified under Public

EXPERIENCED MANAGEMENT TEAM WITH DEEP DOMAIN EXPERTISE



Karan Bhagat
25+ years of experience



WEALTH



Yatin Shah
Joint CEO



20+ years of experience



Anirudha Taparia
Joint CEO



20+ years of experience



Umang Papneja
CIO



18+ years of experience



Vinay Ahuja
Executive Director



19+ years of experience



Shaji Kumar Devakar
Executive Director



17+ years of experience



Pramod Kumar
CIO



15+ years of experience



Himanshu Jain
NBFC



17+ years of experience



Girish Venkataraman
Estate Planning & Trust Services



20+ years of experience



Himadri Chatterjee
Client Strategy



17+ years of experience

AMC



Manoj Shenoy
CEO



20+ years of experience



Anup Maheshwari
CIO



25+ years of experience



Navin Amarnani
Long Short



18+ years of experience



Shashi Singh
Sales



20+ years of experience



Amar Mirani
Real Estate



20+ 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

CORPORATE FUNCTIONS



Anshuman Maheshwary
COO



20+ years of experience



Pavan Manghnani
Strategy & IR



25+ years of experience



Abhishek Chandra
Technology



20+ years of experience



Anirban Banerjee
HR



15+ years of experience



Mihir Nanavati
CFO



27+ years of experience



Sandeep Joshi
Legal



20+ years of experience



Niraj Murarka
Credit



20+ years of experience



Raghuvir Mukherjee
Risk



24+ years of experience



Ronak Sheth
Marketing & Client Experience



18+ years of experience



Japhia Walker
Client Services



15+ years of experience

DATA BOOK



LINK TO DOWNLOAD DATA BOOK

Data reported across previous quarters is now continued to be reported in a Data Book, maintained in an excel format on our website . The Link for the data book is hosted below.

Contents of the Data Book:

1. Re-classified Result Table
2. Consolidated Data
3. Segmental – Wealth Management
4. Segmental – Asset Management
5. Balance Sheet
6. PPT Data Tables

Link for the Data Book: <https://www.iiflwealth.com/Investor-Relations>

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