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Name of Announcer *	IFS CAPITAL LIMITED
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IFS Capital Limited

Analysts Briefing

27 February 2009



IFS Capital Limited

Full Year Unaudited 2008 Results

Presentation





Contents

- Highlights
- Business Model
- Results Overview
- Regional Operations
- ECICS
- 2009 & Beyond

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"\$" means Singapore dollars unless otherwise indicated.

IFS Capital Limited (Reg. No. 198700827C)



Highlights

- Group full year 2008 NPAT down 38% to \$8.0 million. Net Asset Value per share 97.3c vs 99.7c.
- Regional operations strong performance, especially Thailand.
- High liquidity. Leverage ratio reduced to 2.0 times from 2.7 times as at 31 Dec 2007. Gearing ratio reduced to 1.7 times from 2.1 times as at 31 Dec 2007.
- Proposed final dividend of 1c per share. Including interim dividend paid of 1c, total declared for 2008 is 2c (2007 : 6.25c).
- Proposed 1 for 10 Bonus Share issue.



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Business Model

- Commercial Finance;
- Structured Finance;
- Alternative Finance; and
- Credit Insurance & Guarantees.
- Regional Operations - Thailand, Indonesia and Malaysia



Group Income Statement

(\$'000)

	Full Year 2008	Full Year 2007	Change (%)
Net Interest Income	11,076	13,235	(16.3)
Net Earned Premium Revenue	3,818	6,362	(40.0)
Fee and Commission Income	6,412	7,652	(16.2)
Investment & Other Income	4,872	7,968	(38.9)
Income before Operating Expenses	26,178	35,217	(25.7)
Net Claims Reversal/(Incurred)	1,147	(2,081)	(155.1)
Operating Expenses	(15,136)	(15,705)	(3.6)
Operating Profit before Allowances	12,189	17,431	(30.1)
Allowances for Loan Losses & Impairment of Investments	(6,226)	(6,123)	1.7
Operating Profit after Allowances	5,963	11,308	(47.3)
Share of After-tax Results of Associates	1,894	1,369	38.3
Profit before Tax	7,857	12,677	(38.0)
Tax Credit	158	179	(11.7)
Group Profit after Tax	8,015	12,856	(37.7)



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Impairment on A Non-Performing Factoring Client

As at 31 Dec 2008, the Group has provided fully its exposure to a non-performing factoring client: EC-Asia International Limited amounting to US\$6.23 million (approx S\$8.99 million). The additional impairment has no material impact on the Group's results for 2008.

For further information, please refer to the Company's announcements dated 4 Nov 2008 and 9 Oct 2008.



Group Operating Expenses

<i>(\$'000)</i>	Full Year 2008	Change (%)	Full Year 2007	Change (%)
Commission	968	6.4	992	6.3
Business Development	959	6.3	890	5.7
Staff Costs	8,378	55.4	8,877	56.5
General & Administration	4,831	31.9	4,946	31.5
Total	15,136	100.0	15,705	100.0



Group Ratios

	Full Year 2008	Full Year 2007	Change (%)
Return on Equity - After Tax (%)	6.5	10.7	(39.3)
Cost Income Ratio (%)	55.6	42.5	30.8
Net Interest Margin (%)	3.5	3.2	9.4
Earnings per Share (cts)	6.4	10.8	(40.7)
Net Asset Value per Share (cts)	97.3	99.7	(2.4)
Leverage (times)	2.0	2.7	(25.8)
Gearing (times)	1.7	2.1	(18.9)



Group Business Segments

(\$'000)	Gross Operating Inc			Profit Before Tax			Segment Assets		
	2008	2007	+/(-) %	2008	2007	+/(-) %	2008	2007	+/(-) %
Commercial Finance									
- IFS and Subsidiaries	25,219	28,985		2,042	2,292		275,284	332,360	
- Associates	-	-		1,894	1,369		11,546	11,718	
	<u>25,219</u>	<u>28,985</u>	(13.0)	<u>3,936</u>	<u>3,661</u>	7.5	<u>286,830</u>	<u>344,078</u>	(16.6)
Insurance	6,022	12,578	(52.1)	2,679	5,752	(53.4)	87,949	92,284	(4.7)
Private Equity, VC & Others	3,029	3,905	(22.4)	1,242	3,264	(61.9)	16,209	43,013	(62.3)
	<u>34,270</u>	<u>45,468</u>	(24.6)	<u>7,857</u>	<u>12,677</u>	(38.0)	<u>390,988</u>	<u>479,375</u>	(18.4)
Unallocated Assets	-	-		-	-		2,449	1,669	
Total	<u><u>34,270</u></u>	<u><u>45,468</u></u>	(24.6)	<u><u>7,857</u></u>	<u><u>12,677</u></u>	(38.0)	<u><u>393,437</u></u>	<u><u>481,044</u></u>	(18.2)



Group Geographical Segments

<i>(\$'000)</i>		South East Asia	Rest of Asia	US and others	Total
2008	Singapore				
Total Operating Income	27,515	5,331	620	804	34,270
Segment Assets	327,118	43,151	9,687	1,935	381,891
Associates	-	11,546	-	-	11,546
Total Assets	327,118	54,697	9,687	1,935	393,437
2007					
Total Operating Income	36,851	2,197	4,133	2,287	45,468
Segment Assets	399,563	40,849	27,096	1,818	469,326
Associates	-	11,718	-	-	11,718
Total Assets	399,563	52,567	27,096	1,818	481,044



Contribution by Company

<i>(\$'000)</i>	Full Year 2008	Contr (%)	Full Year 2007	Contr (%)
<u>Singapore</u>				
IFS' Contribution	2,842	35.5	6,533	50.8
ECICS' Contribution	2,871	35.8	5,143	40.0
<u>Overseas</u>				
Indonesia, M'sia & Thailand	2,302	28.7	1,180	9.2
Group Profit after Tax	8,015	100.0	12,856	100.0



ECICS Limited: Income Statement

(\$'000)

	Full Year 2008	Full Year 2007	Change (%)
Net Earned Premium Revenue	3,818	6,362	(40.0)
Other Revenue	2,240	6,299	(64.4)
Claims Reversal/(Incurred)	1,147	(2,081)	(155.1)
Operating Expenses	(3,787)	(4,779)	(20.8)
Operating Profit before Allowances	3,418	5,801	(41.1)
Allowances for Insurance Receivables	(109)	404	(127.0)
Profit before Tax	3,309	6,205	(46.7)
Tax Expense	(438)	(1,062)	(58.8)
Net Profit after Tax	2,871	5,143	(44.2)



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ECICS Limited

- Well capitalized. CAR ratio as at 31 Dec 2008 above 500%, which was substantially above the regulatory requirement of 120%.
- Loss ratios for credit insurance remained unchanged whilst that of guarantee business was up 21% as compared to 2007.



Regional Operations Overseas Subsidiaries – Indonesia & Malaysia

<i>(\$'000)</i>	Full year 2008	Full Year 2007	Change (%)
Net Interest Income	1,679	842	99.4
Non-Interest Income	778	833	(6.6)
Operating Expenses	(1,739)	(1,618)	7.5
Operating Profit before Allowances	718	57	NM
Allowances for Loan Losses	(342)	(238)	43.7
Profit/(Loss) before Tax	376	(181)	(307.7)
Tax Credit / (Expense)	31	(7)	(542.9)
Net Profit/(Loss) after Tax	407	(188)	(316.5)



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Regional Operations Associates – Thailand

- Operating profit after tax up 41% from THB50.5m (S\$2.4m) to record THB71.1m (S\$3.0m).
- Strong growth business volume; Factoring volume increased by 20% to THB17.4b (S\$744m).



2009 & Beyond

- Cost cutting measures implemented. Cut back on discretionary spending. Freeze headcount. Freeze salaries for senior staff.
- Emphasis on capital management and prudential standards.
 - * Review and tighten credit controls, procedures and standards. E.g. factoring products to be tightened.
 - * Some products to be faced out.
 - * Increased pricing, higher credit margin and higher expected investment returns to reflect market conditions.



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Q & A