

 [Print this page](#)

### Miscellaneous

\* Asterisks denote mandatory information

Name of Announcer *	IFS CAPITAL LIMITED
Company Registration No.	198700827C
Announcement submitted on behalf of	IFS CAPITAL LIMITED
Announcement is submitted with respect to *	IFS CAPITAL LIMITED
Announcement is submitted by *	Chionh Yi Chian
Designation *	Company Secretary
Date & Time of Broadcast	04-Nov-2008 18:54:54
Announcement No.	00148


### >> Announcement Details

The details of the announcement start here ...

Announcement Title \*

Description

#### Attachments

 [IFS\\_Presentation\\_Slides\\_Q32008.pdf](#)  
 Total size = **141K**  
 (2048K size limit recommended)

[Close Window](#)

# IFS Capital Limited

Analysts Briefing

5 November 2008



# IFS Capital Limited

## Nine Months 2008 Results Presentation





## Contents

- Highlights
- Business Model
- Results Overview
- Regional Operations
- ECICS
- Managing Uncertainty

### Disclaimer

The following presentation may contain forward looking statements by the management of IFS Capital Limited ("IFS") relating to events and financial trends or performance for future period. Such forward looking statements are based on current views of management and a number of estimates and assumptions including, but not limited to, prevailing economic and market conditions, which are subject to uncertainties as these may change over time. In many cases these are outside the control of IFS and thus no assurance can be given that these events or financial trends or performance will happen. In particular, such statements are not, and should not be construed, as a representation as to or a forecast or projection of the future performance of IFS. It should be noted that the actual performance of IFS may vary significantly from such statements.

This presentation is not and does not constitute or form part of any offer, invitation, advice or recommendation to sell, purchase or subscribe for any securities and no part of it shall form the basis or be relied upon in connection with any contract, commitment or investment decision in relation thereto. This presentation may not be used or relied upon by any third party, or for any other purposes, and may not be reproduced, disseminated or quoted without the prior written consent of IFS.



## Highlights

- **Group 9 months 08 NPAT up 1% to \$8.4 million. NTA per share 99.2 cts vs 94.8 cts.**
- **Regional operations strong performance, especially Thailand. First time all regional operations were profitable.**
- **Leverage ratio reduced to 2.4 times from 2.7 times as at 31 December 2007. Leverage ratio expected to fall further by end-December 2008.**
- **ECICS continued profitability led by higher net earned premium revenue and low loss ratios.**



## Business Model

- **Commercial Finance;**
- **Structured Finance;**
- **Alternative Finance; and**
- **Credit Insurance & Guarantees.**
- **Regional Operations - Indonesia, Malaysia, Thailand and Hong Kong (start-up)**



## Group Income Statement

<i>(\$'000)</i>	9 months 2008	9 months 2007	Change (%)
Net Interest Income	8,239	9,043	(8.9)
Net Earned Premium Revenue	4,564	4,471	2.1
Fee and Commission Income	4,922	5,927	(17.0)
Investment & Others Income	3,084	5,167	(40.3)
<b>Income before Operating Expenses</b>	<b>20,809</b>	<b>24,608</b>	<b>(15.4)</b>
Net Claims Reversal/(Incurred)	962	(1,511)	(163.7)
Operating Expenses	(11,929)	(11,685)	2.1
<b>Operating Profit before Allowances</b>	<b>9,842</b>	<b>11,412</b>	<b>(13.8)</b>
Allowances for Loan Losses & Impairm of Investments	(1,950)	(3,836)	(49.2)
<b>Operating Profit after Allowances</b>	<b>7,892</b>	<b>7,576</b>	<b>4.2</b>
Associates	1,763	1,029	71.3
<b>Profit before Tax</b>	<b>9,655</b>	<b>8,605</b>	<b>12.2</b>
Tax Expense	(1,290)	(343)	276.1
<b>Group Profit after Tax</b>	<b>8,365</b>	<b>8,262</b>	<b>1.2</b>



## Group Operating Expenses

<i>(\$'000)</i>	9 months 2008	(%)	9 months 2007	Change (%)
Business Development	759	6.4	616	23.2
Commission	681	5.7	681	0.0
Staff Costs	6,768	56.7	6,646	1.8
General & Administration	3,721	31.2	3,742	(0.6)
<b>Total</b>	<b>11,929</b>	<b>100.0</b>	<b>11,685</b>	<b>2.1</b>



## Contribution by Company

<b>(\$'000)</b>	<b>9 months 2008</b>	<b>Contr (%)</b>	<b>9 months 2007</b>	<b>Contr (%)</b>
<u>Singapore</u>				
IFS	3,359	40.1	2,715	32.9
ECICS	3,067	36.7	5,007	60.6
<u>Overseas</u>				
Indonesia, M'sia & Thailand	1,939	23.2	540	6.5
<b>Group Profit after Tax</b>	<b>8,365</b>	<b>100.0</b>	<b>8,262</b>	<b>100.0</b>



## Group Ratios

<i>(\$'000)</i>	<b>9 months 2008</b>	<b>9 months 2007</b>
<b>Return on Equity - After Tax (%)</b>		
- Sep YTD	<b>6.7</b>	7.1
<b>Cost Income Ratio (%)</b>	<b>55.4</b>	45.6
<b>Return on Total Assets (%)</b>	<b>1.9</b>	1.8
<b>Earnings per Share (cts)</b>	<b>6.7</b>	7.0
<b>Net Asset Value per Share (cts)</b>	<b>99.7</b>	95.1
<b>Leverage (Times)</b>	<b>2.4</b>	2.7
<b>Gearing (Times)</b>	<b>2.1</b>	2.2



## Group Borrowings – Maturity Profile

<i>(\$'000)</i>	Due within 1 yr	Due 1 to 2 yrs	Due 2 to 5 yrs	Total
Short term borrowings	191,896	-	-	191,896
Long term borrowings	-	12,601	49,876	62,477
	<b>191,896</b>	<b>12,601</b>	<b>49,876</b>	<b>254,373</b>



## Regional Operations Results – Jan to Sep

	Overseas						Singapore	
	Malaysia		Indonesia		Thailand		ECICS	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>(\$'000)</b>								
Profit/(Loss) before Tax	129	(216)	88	(248)	3,824	2,373	3,711	6,160
Tax Expense	(48)	(28)	7	4	(1,511)	(1,035)	(688)	(1,193)
<b>Profit after Tax</b>	<b>81</b>	<b>(244)</b>	<b>95</b>	<b>(244)</b>	<b>2,313</b>	<b>1,338</b>	<b>3,023</b>	<b>4,967</b>



## Singapore Operations

	<u>2008</u>	<u>2007</u>		
<u>Singapore</u>	S\$'million	S\$'million		
Factoring volume	547.7	562.1	↓	3%
Loans & receivables, net	328.0	374.9	↓	13%



## Regional Operations

	<u>2008</u>	<u>2007</u>		
<b><u>Malaysia</u></b>	RM'million	RM'million		
Factoring volume	39.9	14.1	↑	183%
Loans & receivables, net	32.2	27.0	↑	19%
<b><u>Indonesia</u></b>	RP'billion	RP'billion		
Factoring volume	708.9	30.3	>	100%
Loans & receivables, net	400.3	74.8	>	100%
<b><u>Thailand</u></b>	THB'billion	THB'billion		
Factoring volume	13.2	10.3	↑	28%
Loans & receivables, net	2.8	2.3	↑	22%



## ECICS Limited

- Well capitalized. CAR ratio as at 30 September 2008 above 600%. Surplus underwriting capacity.
- Loss ratios for credit insurance and guarantee business insignificant for 9 months 2008.



## **Managing Uncertainty**

- **Managing clients expectations**
  - **100% visits of all clients to ascertain impact.**
  - **Review investment plans of clients.**
  - **In Singapore, focus on existing clients only.**
  - **Regional operations, selective growth area.**
- **Financial Strength of IFS Group**
  - **Leverage manageable. Leverage continues to decrease.**
  - **Strong assets. Suntec office property held at \$1,263 p.s.f.**
  - **Strong and profitable subsidiaries – ECICS, IFS (Thailand).**
  - **Malaysia and Indonesia have turned around.**
- **Pricing increased across the board in late September. Effects will be felt in 4Q onwards. ROA expected to increase but at expense of lower volume.**



## Office Premise @ Suntec Tower One #10-01

### Leasehold Land and Building

	\$'000
Net book value @ 30/09/08	18,157
Estimated market valuation*	<u>28,762</u>
Estimated market valuation > NBV	<u><b>10,605</b></u>

\* S\$2,000 p.s.f.



**IFS Capital Limited**



# **Q & A**