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### 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    |
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### >> Announcement Details

The details of the announcement start here ...

Announcement Title \*

Description

#### Attachments

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# **IFS Capital Limited**

**Third Quarter 2009 Results**

**Presentation**

**13 November 2009**





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"\$" means Singapore dollars unless otherwise indicated.

IFS Capital Limited (Reg. No. 198700827C)



## Highlights

- **Consolidation of Thailand operations as subsidiaries w.e.f. 1 April 2009. Prior to 1 April 2009, the results of Thailand operations were equity accounted for as associated companies.**

- **Leverage & Gearing Ratios**

|                 | <b>* 30 Sept 2009</b> | <b>31 Dec 2008</b> | <b>** 30 Sept 2009</b> |
|-----------------|-----------------------|--------------------|------------------------|
| <b>Leverage</b> | <b>1.8 x</b>          | <b>2.0 x</b>       | <b>1.4 x ↓0.4 x</b>    |
| <b>Gearing</b>  | <b>1.5 x</b>          | <b>1.7 x</b>       | <b>1.1 x ↓0.4x</b>     |

\* Include Consolidation of Thailand Subsidiaries

\*\* Exclude Consolidation of Thailand Subsidiaries

- **Net asset value per share 91.8c vs. 88.5c (31 Dec 08) after adjusting for the effects of Bonus Share on 6 May 09 (1 for 10 existing shares held).**



## Highlights

- The Group continued to generate strong cash flows from operating activities of \$87.3 million for 9 months 2009.

### 3Q 2009 vs 2Q 2009

- QoQ basis, 3Q 2009's Group profit down 18% to \$1.7 million compared to \$2.1 million in 2Q 2009.
- 2Q 2009 included one-off negative goodwill of \$850k on additional acquisition of Thailand operations. Excluding this, 3Q2009 profit up 38%.



## Highlights

### 3Q 2009 vs 3Q 2008

- **Group income before operating expenses increased 9% due to higher net interest income and fees and commission income contributed mainly by Thailand subsidiary, partly offset by lower net earned premium.**
- **After operating expenses, provision for insurance claims and net claims paid, Group profit before allowances for loan losses and impairment of investments improved by 9% to \$2.6 million.**
- **However, due to additional impairment on investments of \$792k, Group profit after tax declined 26% to \$1.7 million.**



## Highlights

### 9 months 2009 vs 9 months 2008

- Lower net profit of \$4.6 million, declined 45% as compared to 9 months 2008, mainly attributable to higher claims incurred and impairment of investments.
- Total comprehensive income increased 9% to \$5.8 million due to improvement in fair value reserve of investments and foreign currency translation differences of regional subsidiaries.
- Group income before operating expenses fell slightly by 3% to \$20.2 million as compared to 9 months 2008 mainly due to lower investment income. The decline was, however, mitigated by higher net interest income (“NII”).



## Highlights

- **Increase in NII by 13% due to consolidation of 6 months' contribution from Thailand operations and higher net interest margin (“NIM”).**
- **Average NIM rose from 3.9% in 2008 to 5.1% in 2009 due to lower funding costs and higher pricing charged out.**
- **Non-interest income declined 16% to \$6.8 million mainly due to lower investment income. 9 months 2008 included non-recurring gains from disposal of investments.**



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## Highlights

- **Group operating expenses decreased 8% to \$11.0 million as compared to \$11.9 million in 9 months 2008. Excluding Thailand subsidiaries, operating expenses showed a higher decline of 20% to \$9.6 million.**
- **Higher impairment for loan losses, investments and insurance claims of \$4.9 million set aside for 9 months 2009.**



## Group Income Statement

(\$'000)

|   | 9 months<br>2009 | 9 months<br>2008 | + / (-)<br>%  |
|---|------------------|------------------|---------------|
| Net Interest Income   | 9,339            | 8,239            | 13.4          |
| Net Earned Premium Revenue  | 4,137            | 4,564            | (9.4)         |
| Fee and Commission Income   | 4,717            | 4,922            | (4.2)         |
| Investment & Other Income   | 2,047            | 3,084            | (33.6)        |
| <b>Total Income</b>   | <b>20,240</b>    | <b>20,809</b>    | <b>(2.7)</b>  |
| Operating Expenses  | (10,961)         | (11,929)         | (8.1)         |
| <b>Operating Profit before Net Claims<br/>Incurred &amp; Allowances</b> | <b>9,279</b>     | <b>8,880</b>     | <b>4.5</b>    |
| Net Claims (Incurred)/Reversal  | (810)            | 962              | (184.2)       |
| Allowances for Loan Losses & Impairment<br>of Investments               | (4,137)          | (1,950)          | 112.2         |
| <b>Operating Profit after Allowances</b>                                | <b>4,332</b>     | <b>7,892</b>     | <b>(45.1)</b> |
| Negative Goodwill on Acq of a Subsidiary                                | 850              | -                | NA            |
| Share of after-tax Results of Associates                                | 474              | 1,763            | (73.1)        |
| <b>Profit before Tax</b>  | <b>5,656</b>     | <b>9,655</b>     | <b>(41.4)</b> |
| Tax   | (1,021)          | (1,290)          | (20.9)        |
| <b>Profit after Tax</b>   | <b>4,635</b>     | <b>8,365</b>     | <b>(44.6)</b> |



## Group Operating Expenses

|                             | 9 months      |              | 9 months      |              | + / (-)      |
|-----------------------------|---------------|--------------|---------------|--------------|--------------|
| (\$'000)                    | 2009          | %            | 2008          | %            | %            |
| Commission                  | 251           | 2.3          | 681           | 5.7          | (63.1)       |
| Business Development        | 503           | 4.6          | 759           | 6.4          | (33.7)       |
| Staff Costs                 | 6,336         | 57.8         | 6,768         | 56.7         | (6.4)        |
| General & Administration    | 3,871         | 35.3         | 3,721         | 31.2         | 4.0          |
| <b>Total</b>                | <b>10,961</b> | <b>100.0</b> | <b>11,929</b> | <b>100.0</b> | <b>(8.1)</b> |
| <b>Cost-to-Income Ratio</b> | <b>52.9%</b>  |              | <b>55.4%</b>  |              | <b>(4.5)</b> |



## Key Financial Ratios

|                                  | 9 months<br>2009 | 9 months<br>2008 | + / (-)<br>% |
|----------------------------------|------------------|------------------|--------------|
| Return on Equity - After Tax (%) | 3.7              | 6.7              | (44.8)       |
| Net Interest Margin (%)          | 5.1              | 3.9              | 30.8         |
| Cost Income Ratio (%)            |                  |                  |              |
| - Including IFST                 | 52.9             | 55.4             | (4.5)        |
| - Excluding IFST                 | 55.7             | 55.4             | 0.5          |
| Return on Total Assets (%)       | 1.3              | 2.0              | (35.0)       |
| Earnings per Share (cts)*        | 3.4              | 6.1              | (44.3)       |
| Net Asset Value per Share (cts)* | 91.8             | 90.7             | 1.2          |
| Leverage (times)                 |                  |                  |              |
| - Including IFST                 | 1.8              | 2.4              | (25.0)       |
| - Excluding IFST                 | 1.4              | 2.4              | (41.7)       |
| Gearing (times)                  |                  |                  |              |
| - Including IFST                 | 1.5              | 2.1              | (28.6)       |
| - Excluding IFST                 | 1.1              | 2.1              | (47.6)       |

\* Adjusted BI 1 for 10 on 6 May 2009



## Regional Operations – Indonesia, Malaysia & Thailand (Group's share)

(\$'000)

|                                     | 9 months*<br>2009 | 9 months<br>2008 | + / (-)<br>% |
|-------------------------------------|-------------------|------------------|--------------|
| Net Interest Income                 | 3,790             | 1,139            | 232.7        |
| Non-Interest Income                 | 1,619             | 637              | 154.2        |
| Operating Expenses                  | (2,769)           | (1,275)          | 117.2        |
| Operating Profit before Allowances  | 2,640             | 501              | 426.9        |
| Allowances for Loan Losses          | 8                 | (285)            | (102.8)      |
| Profit before Tax                   | 2,648             | 216              | NM           |
| Share of after-tax Results of Assoc | 474               | 1,763            | (73.1)       |
| Tax                                 | (844)             | (40)             | NM           |
| Minority Interest                   | (35)              | -                | -            |
| Profit after Tax                    | 2,243             | 1,939            | 15.7         |

NM : Not meaningful

\* Included the consolidation of the Thailand subsidiaries' results from 1 April 2009



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## **Regional Operations (cont'd)**

### **- Indonesia, Malaysia & Thailand**

#### **Indonesia**

- **Posted better 9 months 2009 results as compared to the corresponding period last year.**
- **Factoring business expected to grow in line with market acceptance & wider market penetration, primarily in serving the SME's growing portfolio.**

#### **Malaysia**

- **9 months 2009 result was a loss.**
- **Business outlook remains competitive and challenging.**



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## **Regional Operations (cont'd)**

### **- Indonesia, Malaysia & Thailand**

#### **Thailand**

- **W.e.f. April 2009, Thailand operations were consolidated as subsidiaries.**
- **Performance for 9 months 2009 was satisfactory despite the drop in business volume due to the global economic meltdown.**
- **Thailand operations are expected to continue to perform well.**



## ECICS Limited

(\$'000)

**Net Earned Premium Revenue**  
**Fee and Investment Income**  
**Claims (Incurred) / Reversal**  
**Operating Expenses**  
**Operating Profit before Allowances**  
**Allowances for Ins. Receivables**  
**Profit before Tax**  
**Tax**  
**Profit after Tax**

| <b>9 months<br/>2009</b> | <b>9 months<br/>2008</b> | <b>+ / (-)<br/>%</b> |
|--------------------------|--------------------------|----------------------|
| <b>4,137</b>             | 4,564                    | (9.4)                |
| <b>2,323</b>             | 1,564                    | 48.5                 |
| <b>(810)</b>             | 962                      | (184.2)              |
| <b>(2,309)</b>           | (3,054)                  | (24.4)               |
| <b>3,341</b>             | 4,036                    | (17.2)               |
| <b>11</b>                | (325)                    | (103.4)              |
| <b>3,352</b>             | 3,711                    | (9.7)                |
| <b>(538)</b>             | (688)                    | (21.8)               |
| <b>2,814</b>             | 3,023                    | (6.9)                |



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## **ECICS Limited**

- **Well capitalized. CAR ratio above the regulatory requirement of 120%.**
- **Loss ratio for ECICS remained well below industry comparables.**



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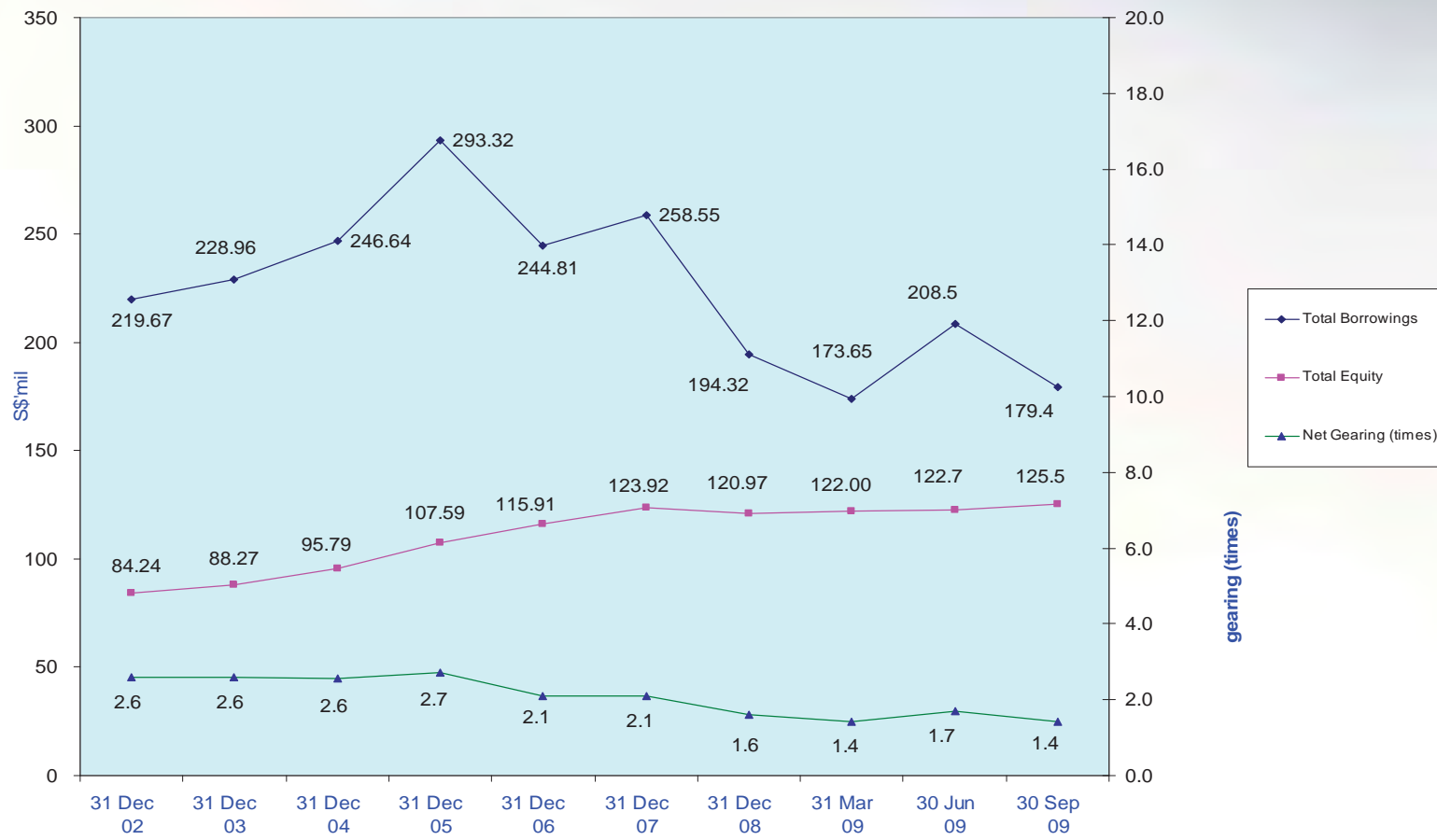


## Prospects

- **Group will continue to be cautious in expanding its commercial and insurance business.**
- **Pursue business initiatives under Alternative or Structured Finance operations as market recovers.**

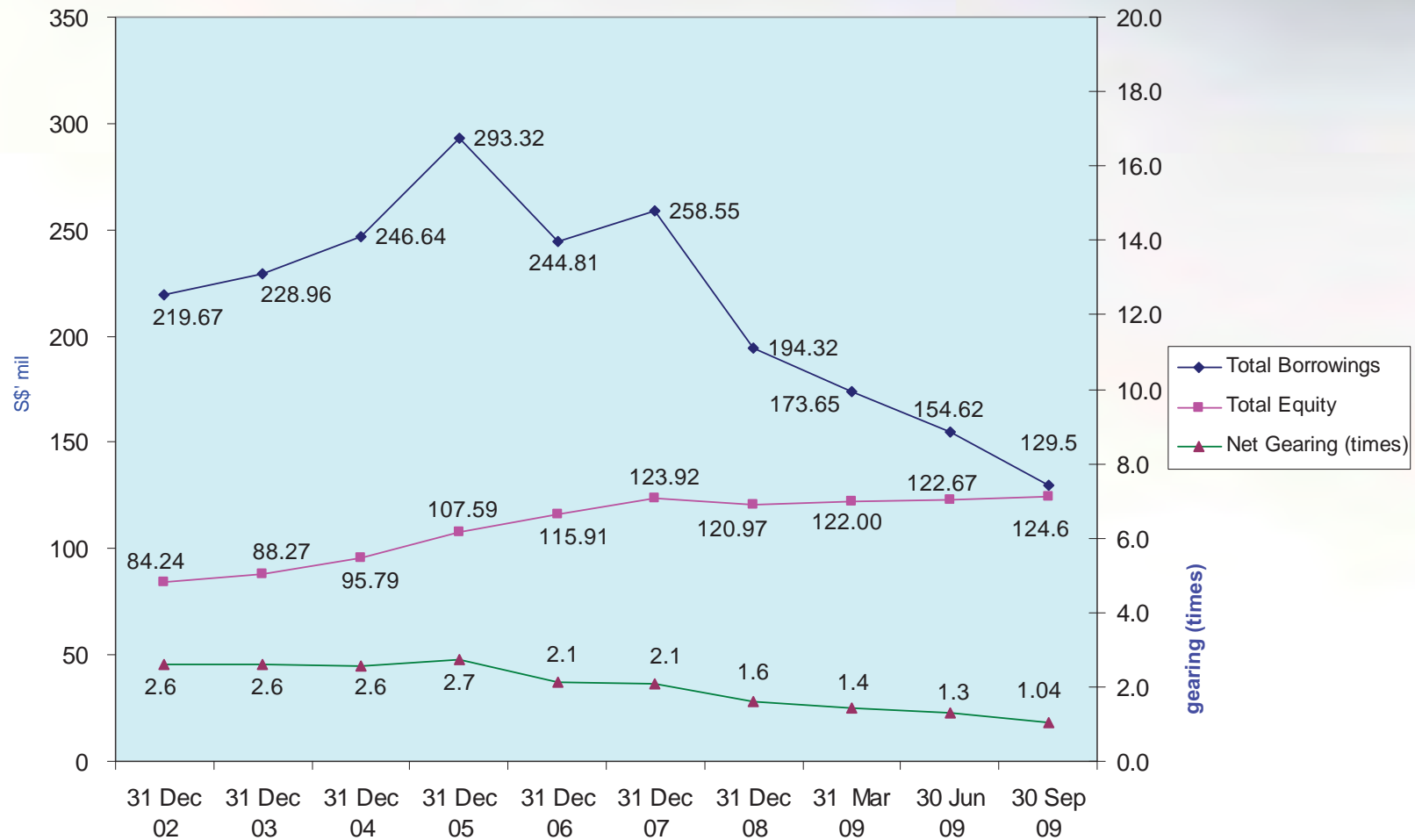


## IFS Group Borrowings, Equity and Gearing [Incl. IFST as at 30 Sept 09] (net of cash held for IFS excl. ECICS)





### IFS Group Borrowings, Equity and Gearing [Excl. IFST as at 30 Sept 09] (net of cash held for IFS excl. ECICS)





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## Q & A