



IDFC

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Investor Presentation (Q3 FY 2008)

January 14 2008



Snapshot

Financials

Concentration and product analysis

Borrowing Analysis

Shareholding

Consolidated highlights (9M FY 2008 vs 9M FY 2007)

Consolidated Balance Sheet

- ◆ Consolidated balance sheet increased by 59% from Rs. 16,314 crore to Rs.25,903 crore
- ◆ Outstanding Borrowings increased by 52% from Rs. 13,386 crore to Rs. 20,392 crore
- ◆ Net NPAs 0%
- ◆ Networth – Rs. 5,511 crore

Consolidated Income Statement

- ◆ Operating income increased by 81% from Rs. 553 crore to Rs. 999 crore
- ◆ NII increased by 54% from Rs. 329 crore to Rs. 507 crore
- ◆ Non-interest income increased by 134% from Rs. 208 crore to Rs. 487 crore
- ◆ Operating expenses increased by 220% from Rs. 53 crore to Rs. 168 crore
- ◆ PBT increased by 60% from Rs. 500 crore to Rs. 801 crore
- ◆ PAT increased by 44% from Rs. 411 crore to Rs. 593 crore
- ◆ EPS (diluted) increased by 32% from Rs. 3.63 to Rs. 4.79

Shareholding

- ◆ IDFC stock price moved from 141.05 on September 28 to Rs. 228.56 on December 31
- ◆ Foreign holding (FII + FDI) as on December 31, 2007 - 49% (September 30, 2007 – 54%)

Consolidated highlights (9M FY 2008 vs 9M FY 2007)

Project Finance

- ◆ Loan book increased by 43% from Rs. 13,483 crore to Rs. 19,242 crore
- ◆ NII infrastructure increased by 35% from Rs. 295 crore to Rs. 399 crore
- ◆ Exposure increased by 50% from Rs. 21,268 crore to Rs. 31,869 crore
- ◆ Gross Approvals increased by 60% from Rs. 9,255 crore to Rs. 14,853 crore
- ◆ Gross Disbursements increased by 53% from Rs. 5,505 crore to Rs. 8,401 crore

Treasury

- ◆ NII treasury increased 3 times from Rs. 35 crore to Rs. 108 crore
- ◆ Treasury assets increased 2 times (Rs. 2,148 crore to Rs. 4,462 crore)

Principal investments

- ◆ Equity book increased by 127% from Rs. 507 crore to Rs. 1,149 crore (of these warehoused assets were Rs. 213 crore)
- ◆ Capital gains and dividend increased by 57% from Rs. 128 crore to Rs. 200 crore

Asset Management

- ◆ Management fees - Rs. 40 crore
- ◆ AUM - USD 680 million

IDFC-SSKI

- ◆ IDFC-SSKI Income - Rs. 124 crore

Advisory and other fees

- ◆ Advisory and other fees : Rs. 123 crore

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(Rs. Crore)

Particulars	9M			Q3			FY 2007
	FY 2007	FY 2008	% Growth	FY 2007	FY 2008	% Growth	
Net Interest Income	329	507	54%	117	178	53%	428
<i>Infrastructure*</i>	295	399	35%	104	150	44%	392
<i>Treasury</i>	35	108	209%	13	29	124%	37
Non Interest Income	208	487	134%	55	194	250%	267
<i>Principal Investment</i>	128	200	57%	29	73	152%	133
<i>Asset management</i>	41	40		13	13		53
<i>IDFC-SSKI</i>	0	124		0	56		0
<i>Advisory & other fees</i>	40	123	209%	13	51	286%	82
Miscellaneous income	16	5		0	3		20
OPERATING INCOME	553	999	81%	172	375	118%	716
OPERATING EXPENSE	53	168	220%	19	68	254%	82
Pre-Provisioning Profits	501	831	66%	153	306	101%	634
Provisions & Losses	1	30		3	7		17
PBT	500	801	60%	150	299	100%	616
Tax, Minority interest	97	209	115%	27	82	205%	124
Share of Associate Company	8	0		2	0		12
PAT	411	593	44%	125	217	74%	504

* Nil Infrastructure for FY 2007 after adjusting for one time income of Rs. 15 crore in Q1 FY 2007

RoA Tree (9M FY 2008 vis-à-vis 9M FY 2007)

Particulars	9M FY 2007	9M FY 2008	FY 2007
	Contribution to RoA@	Contribution to RoA@	Contribution to RoA@
Net Interest Income	3.0%	3.0%	2.8%
<i>Infrastructure*</i>	2.7%	2.4%	2.6%
<i>Treasury</i>	0.3%	0.6%	0.2%
Non Interest Income	1.9%	2.9%	1.7%
<i>Principal Investment</i>	1.2%	1.2%	0.9%
<i>Asset management</i>	0.4%	0.2%	0.3%
<i>IDFC-SSKI</i>	0.0%	0.7%	0.0%
<i>Advisory & other fees</i>	0.4%	0.7%	0.5%
Miscellaneous income	0.1%	0.0%	0.1%
OPERATING INCOME	5.1%	6.0%	4.7%
OPERATING EXPENSE	0.5%	1.0%	0.5%
Pre-Provisioning Profits	4.6%	5.0%	4.1%
Provisions & Losses	0.0%	0.2%	0.1%
PBT	4.6%	4.8%	4.0%
Tax, Minority interest	0.9%	1.3%	0.8%
Share of Associate Company	0.1%	0.0%	0.1%
PAT	3.8%	3.6%	3.3%

* Nil Infrastructure for FY 2007 after adjusting for one time income of Rs. 15 crore in Q1 FY 2007

@ % of daily average total assets

Financials RoA Tree (Rolling 12 months)

Particular	FY 2006	FY 2007	Jul 06 - Jun 07	Oct 06 - Sep 07	Jan 07 - Dec 07
Net Interest Income *	3.0%	2.8%	2.7%	2.9%	2.9%
Infrastructure*	2.9%	2.6%	2.4%	2.4%	2.3%
Treasury	0.1%	0.2%	0.4%	0.5%	0.5%
Non Interest Income	2.2%	1.7%	2.2%	2.2%	2.6%
Principal Investment	1.3%	0.9%	1.0%	0.9%	1.0%
Asset Management	0.3%	0.3%	0.4%	0.3%	0.2%
IDFC-SSKI	0.0%	0.0%	0.2%	0.4%	0.6%
Advisory & other fees	0.7%	0.5%	0.6%	0.7%	0.8%
Miscellaneous income	0.0%	0.1%	0.0%	0.0%	0.0%
OPERATING INCOME	5.2%	4.7%	5.0%	5.1%	5.5%
OPERATING EXPENSE	0.5%	0.5%	0.7%	0.8%	0.9%
Pre-Provisioning Profits	4.7%	4.1%	4.3%	4.3%	4.6%
Provisions & Losses	0.4%	0.1%	0.1%	0.2%	0.2%
PBT	4.3%	4.0%	4.1%	4.1%	4.3%
Tax, Minority interest	0.5%	0.8%	0.9%	1.0%	1.1%
Share of Associate Company	0.0%	0.1%	0.1%	0.0%	0.0%
PAT	3.8%	3.3%	3.3%	3.1%	3.2%

* Ratios for FY 2007 after adjusting for one time income of Rs. 150mn in Q1 FY 2007
% of daily average total assets

Key Indicators (Rolling 12 months)

Ratios	FY 2006	FY 2007	Jul 06 - Jun 07	Oct 06 - Sep 07	Jan 07 - Dec 07
Overall Spread	1.8%	1.9%	1.9%	2.0%	2.0%
Cost to Income#	10.2%	11.5%	14.1%	15.5%	17.0%
Effective tax Rate	11.7%	20.1%	22.4%	23.6%	25.7%
Loan Loss Reserve Ratio	2.3%	1.6%	1.6%	1.5%	1.4%
Leverage	4.7x	6.2x	6.7x	4.2x	4.7x
RoE	17.0%	17.7%	18.8%	16.4%	16.6%

* Ratios for FY 2007 after adjusting for one time income of Rs. 150mn in Q1 FY 2007

#Cost to income : Operating cost / Operating income

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Concentration analysis (December 07 vis-à-vis December 06)

Exposure

Sector	December 31 2006		March 31 2007		December 31 2007	
	Rs. Crore	%	Rs. Crore	%	Rs. Crore	%
Energy	8,527	40.1%	8,497	38.2%	10,971	34.4%
Transportation	5,842	27.5%	5,947	26.7%	8,791	27.6%
Telecommunication & IT	3,756	17.7%	3,809	17.1%	5,325	16.7%
Industrial & Commercial	1,167	5.5%	1,940	8.7%	3,071	9.6%
Tourism	1,203	5.7%	1,227	5.5%	1,721	5.4%
Cement & Steel	0	0.0%	0	0.0%	402	1.3%
Others	773	3.6%	844	3.8%	1,589	5.0%
Total	21,268		22,264		31,869	

Growth (YoY)

49.8%

Outstanding Disbursements

Sector	December 31 2006		March 31 2007		December 31 2007	
	Rs. Crore	%	Rs. Crore	%	Rs. Crore	%
Energy	6,467	43.6%	6,634	42.4%	7,905	36.9%
Transportation	4,108	27.7%	4,272	27.3%	6,139	28.7%
Telecommunication & IT	2,194	14.8%	1,899	12.1%	3,008	14.1%
Industrial & Commercial	892	6.0%	1,517	9.7%	2,425	11.3%
Tourism	615	4.2%	748	4.8%	891	4.2%
Cement & Steel	0	0.0%	0	0.0%	180	0.8%
Others	550	3.7%	566	3.6%	854	4.0%
Total	14,826		15,636		21,401	

Growth (YoY)

44.3%

Product analysis

(December 07 vis-à-vis December 06)

Exposure

Product	December 31 2006		March 31 2007		December 31 2007	
	Rs. Crore	%	Rs. Crore	%	Rs. Crore	%
Loans / Debentures	19,398	91.2%	19,930	89.5%	27,217	85.4%
Project Loans	12,482	58.7%	12,242	55.0%	14,954	46.9%
Corporate Loans	6,085	28.6%	6,762	30.4%	9,146	28.7%
Loan Against Shares	831	3.9%	926	4.2%	3,118	9.8%
Mezzanine Products	251	1.2%	784	3.5%	855	2.7%
Sub-debt	227	1.1%	260	1.2%	265	0.8%
Preference Shares	25	0.1%	525	2.4%	590	1.9%
Equity / Pref Shares	715	3.4%	832	3.7%	2,334	7.3%
JVs, etc	0	0.0%	0	0.0%	0	0.0%
Financial	224	1.1%	224	1.0%	398	1.2%
Infrastructure	279	1.3%	396	1.8%	1,348	4.2%
Venture Capital Units	213	1.0%	213	1.0%	588	1.8%
Non-Funded	904	4.2%	718	3.2%	1,463	4.6%
Total	21,268		22,264		31,869	

Outstanding Disbursements

Product	December 31 2006		March 31 2007		December 31 2007	
	Rs. Crore	%	Rs. Crore	%	Rs. Crore	%
Loans Products	13,459	90.8%	14,117	90.3%	19,180	89.6%
Project Loans	8,249	55.6%	8,095	51.8%	9,009	42.1%
Corporate Loans	4,380	29.5%	5,289	33.8%	7,710	36.0%
Loan Against Shares	830	5.6%	733	4.7%	2,461	11.5%
Mezzanine Products	41	0.3%	58	0.4%	652	3.0%
Sub-debt	16	0.1%	33	0.2%	62	0.3%
Preference Shares	25	0.2%	25	0.2%	590	2.8%
Equity / Pref Shares	507	3.4%	591	3.8%	1,149	5.4%
Financial	224	1.1%	224	1.0%	313	1.5%
Infrastructure	201	0.9%	271	1.2%	717	3.3%
Venture Capital Units	81	0.4%	95	0.4%	119	0.6%
Non-Funded	820	5.5%	871	5.6%	420	2.0%
Total	14,826		15,636		21,401	

Top exposures & outstanding disbursements (December 31, 2007)

❑ Top Exposures -

- Top 20 company exposures constitute 32% of the total Exposure
 - December 31, 2006 - 41%
- Top 20 industrial group exposures constitute 54% of the total Exposure
 - December 31, 2006 - 62%

❑ Top Outstanding Disbursements

- Top 20 company outstanding disbursements constitute 42% of the total outstanding disbursements
 - December 31, 2006 - 47%
- Top 20 industrial group outstanding disbursements constitute 61% of the total outstanding disbursements
 - December 31, 2006 - 68%

Snapshot

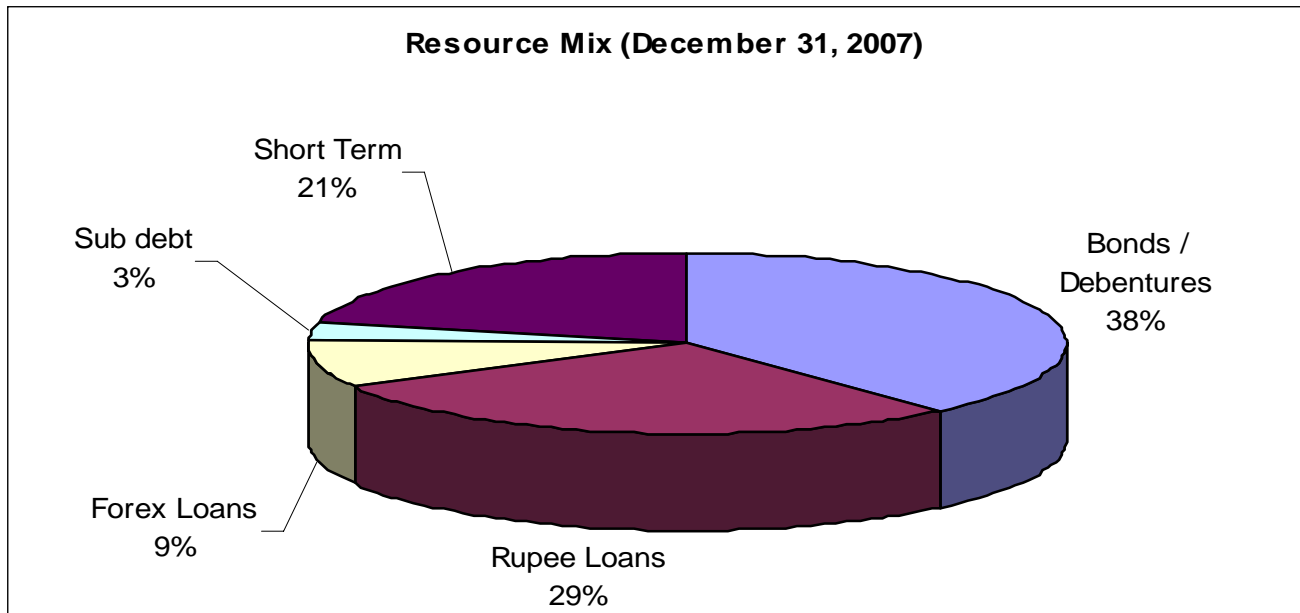
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Borrowing Analysis (December 31 2007)



Product	December 30 2006		March 31 2007		December 31 2007	
	Amount (Rs. Cr)	% of Total	Amount (Rs. Cr)	% of Total	Amount (Rs. Cr)	% of Total
Long Term	10,960	81.9%	12,946	86.9%	16,064	78.8%
Bonds / Debentures	5,410	40.4%	6,781	45.5%	7,833	38.4%
Rupee Loans	4,095	30.6%	4,378	29.4%	5,821	28.5%
Forex Loans	804	6.0%	1,136	7.6%	1,761	8.6%
Sub debt	650	4.9%	650	4.4%	650	3.2%
Short Term	2,426	18.1%	1,943	13.1%	4,327	21.2%
Total	13,386		14,889		20,392	

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Shareholding Pattern

(Dec 31 2007 vis-à-vis Dec 31 2006)

