



IDFC

***IDFC – Investor
Presentation (Q1FY2012)***

July 27, 2011



-
1. Snapshot
 2. Balance Sheet & Financials
 3. Concentration and product analysis
 4. Borrowings
 5. Shareholding
 6. Highlights

Summary Highlights (Q1FY12)

- Balance Sheet as on June 30, 2011, crosses the ₹ 50k crore mark due to increase in treasury book
- Net Infrastructure Loans decline sequentially – reflective of a challenging lending environment – Y-o-Y net infrastructure loans increased by 30%
 - ❑ Gross Approvals and Gross Disbursements decline by over 50% Y-o-Y
- Capital Adequacy robust at 24.01% as on June 30, 2011 (of which Tier I was 21.46%)
- PAT decreased by 6% from ₹ 335 crore in Q1FY11 to ₹ 314 crore in Q1FY12
 - ❑ PAT excluding principal investments increased by 43% from ₹ 220 crore in Q1FY11 to ₹ 315 crore in Q1FY12
- Operating Income decreased by 1% from ₹ 613 crore in Q1FY11 to ₹ 604 crore in Q1FY12 due to 59% decline in Non Interest Income
- NII increased by 43% from ₹ 337 crore in Q1FY11 to ₹ 483 crore in Q1FY12.
 - ❑ On a rolling 12 month basis overall spreads were flat at 2.2%
- Operating Expenses decreased by 9% from ₹ 124 crore in Q1FY11 to ₹ 114 crore in Q1FY12
 - ❑ Cost to Income declined from 20.9% for FY11 to 20.6% for the 12 month period July '10 to June '11
- Provisions decreased by 10% from ₹ 45 crore in Q1FY11 to ₹ 40 crore in Q1FY12

Business Highlights (Q1FY12)

➤ CORPORATE AND INVESTMENT BANK

❑ PROJECT FINANCE

- ✓ NII Infrastructure increased by 41% from ₹ 304 crore in Q1FY11 to ₹ 428 crore in Q1FY12. Sequentially the NII Infrastructure increased by 1% from ₹ 426 crore in Q4FY11.
- ✓ Energy and Transportation constitute 70% of total exposure and 68% of outstanding disbursements as on June 30, 2011
- ✓ Loan Related & Other Fees decreased by 30% from ₹ 44 crore in Q1FY11 to ₹ 31 crore in Q1FY12

❑ FIXED INCOME AND TREASURY

- ✓ NII Treasury increased by 65% from ₹ 33 crore in Q1FY11 to ₹ 55 crore in Q1FY12. Sequentially the NII Treasury increased by 5% from ₹ 52 crore in Q4FY11.

❑ INVESTMENT BANKING AND INSTITUTIONAL BROKING

- ✓ Investment Banking and Institutional Broking income decreased by 47% from ₹ 36 crore in Q1FY11 to ₹ 19 crore in Q1FY12

❑ PRINCIPAL INVESTMENTS

- ✓ Equity Book (excluding strategic investments) increased by 12% from ₹ 1,741 crore as on June 30, 2010 to ₹ 1,943 crore as on June 30, 2011
- ✓ Income from principal investments in Q1FY12 was ₹(2) crore as against ₹ 120 crore in Q1FY11

Business Highlights (Q1FY12)

➤ ASSET MANAGEMENT

❑ OVERALL

- ✓ Asset Management Revenues decreased by 5% from ₹ 65 crore in Q1FY11 to ₹ 62 crore in Q1FY12
 - Closing AUM as on June 30, 2011 at ₹ 38,830 crore

❑ PUBLIC MARKETS

- ✓ Closing AUM increased to ₹ 30,537 crore
- ✓ Market share increased to 3.75% as on June 30, 2011 from 3.0% as on March 31, 2011
- ✓ FIPB and SEBI approvals for 25% IDFC stake sale in AMC to Natixis received

❑ ALTERNATIVES

- ✓ AUM ₹ 8,293 crore

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Balance Sheet

Balance Sheet					
<i>(Amounts in ₹ crore)</i>					
Particular	Actuals As on			% Growth	
	30-Jun-10	31-Mar-11	30-Jun-11	Y-o-Y	Q-o-Q
Shareholders' Funds	7,321	11,248	11,551	57.8%	2.7%
Borrowings	31,284	36,304	38,669	23.6%	6.5%
TOTAL LIABILITIES	38,612	47,554	50,221	30.1%	5.6%
Net Infra Loans	28,901	37,652	37,527	29.8%	-0.3%
Treasury	6,092	6,446	8,665	42.2%	34.4%
Equity	1,741	1,918	1,943	11.6%	1.3%
Goodwill	1,160	1,164	1,164	0.4%	0.0%
Others	718	374	922	28.4%	146.6%
TOTAL ASSETS	38,612	47,554	50,221	30.1%	5.6%

Consol Financials (P&L)

(Amounts in ₹ crore)

Details	Q1 FY11	Q4FY 11**	Q1 FY12	% Growth	
				Y-o-Y	Q-o-Q
Operating Income	613	667	604	-1%	-9%
Net Interest Income	337	478	483	43%	1%
<i>Infrastructure</i>	304	426	428	41%	1%
<i>Treasury</i>	33	52	55	65%	5%
Non-Interest Income	266	183	110	-59%	-40%
Principal Inv	120	29	-2	-102%	-108%
Asset Management	65	89	62	-5%	-30%
<i>AMC</i>	28	34	33	19%	-4%
<i>Alternatives</i>	38	30	29	-22%	-3%
<i>Capital Gains & Carry</i>	0	24	0	na	-100%
Investment Banking & Broking	36	38	19	-47%	-49%
<i>Investment Banking</i>	22	28	8	-64%	-72%
<i>Broking</i>	14	10	11	-19%	18%
Loan Related & Other Fees	44	27	31	-30%	13%
Other Income	10	7	12	12%	73%
Operating Expenses	124	163	114	-9%	-30%
HR	59	96	65	11%	-32%
Non HR	65	67	49	-26%	-27%
Provisions	45	90	40	-10%	-56%
PBT	445	415	451	1%	9%
Tax, Minority Interest, etc.,	110	126	137	25%	9%
PAT	335	288	314	-6%	9%

** Adjusted for foundation

- Adjusted for foundation effect in Q1FY2011,
 - Loan related fees – Reduction of 15% from ₹ 37 cr to ₹ 31 cr
 - Operating expenses - Reduction of 3% from ₹ 117 cr to ₹ 114 cr

RoA Tree (rolling 12 months)

(% of daily avg total assets)

<i>Particulars</i>	<i>FY 2010</i>	<i>Jul09 - Jun10</i>	<i>Oct09 - Sep10</i>	<i>Jan10 - Dec10</i>	<i>FY 2011</i>	<i>Jul10 - Jun11</i>
Net Interest Income	3.6%	3.7%	3.6%	3.8%	3.8%	3.9%
Infrastructure	3.3%	3.3%	3.4%	3.5%	3.5%	3.5%
Treasury	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%
Non-Interest Income	3.0%	3.0%	2.9%	2.5%	2.0%	1.6%
Principal Investment	0.8%	0.9%	0.7%	0.5%	0.4%	0.1%
Asset management	1.2%	1.1%	1.0%	0.9%	0.7%	0.6%
Investment Banking & Broking	0.6%	0.5%	0.5%	0.5%	0.5%	0.4%
Loan related & other fees	0.5%	0.5%	0.6%	0.6%	0.5%	0.4%
Other Income	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
OPERATING INCOME	6.7%	6.8%	6.6%	6.4%	5.9%	5.5%
OPERATING EXPENSES	1.8%	1.7%	1.6%	1.6%	1.2%	1.1%
HR	1.0%	1.0%	0.9%	0.9%	0.7%	0.7%
Other than HR	0.8%	0.8%	0.7%	0.7%	0.6%	0.5%
PRE-PROVISIONING PROFITS	5.0%	5.1%	5.0%	4.8%	4.7%	4.4%
Provisions	0.4%	0.5%	0.6%	0.5%	0.5%	0.5%
PBT	4.6%	4.5%	4.4%	4.3%	4.1%	3.9%
Less : Provision for Tax, Profit in associate co, Minority interest, etc	1.2%	1.1%	1.2%	1.1%	1.2%	1.1%
PAT	3.4%	3.4%	3.3%	3.1%	3.0%	2.8%

Ratios (rolling 12 months)

Particulars	FY 2010	Jul09 - Jun10	Oct09 - Sep10	Jan10 - Dec10	FY 2011	Jul10 - Jun11
NII / Operating Income	53.0%	53.8%	55.0%	59.1%	64.6%	70.6%
Non-Interest Income / Op Income	47.0%	46.2%	45.0%	40.9%	35.4%	29.4%
HR / Operating Income	14.6%	14.1%	13.7%	13.9%	11.6%	11.9%
Cost / Income	26.0%	25.3%	24.5%	25.4%	20.9%	20.6%
RoE	15.8%	16.2%	14.9%	13.7%	12.9%	11.5%
Leverage (Closing)	4.8 x	5.3 x	4.2 x	4.2 x	4.2 x	4.3 x
Average Spreads	2.7%	2.7%	2.4%	2.4%	2.2%	2.2%
Effective tax rate	25.6%	25.1%	26.2%	26.7%	28.0%	29.4%
Loan Loss Reserve	1.8%	1.7%	1.6%	1.7%	1.6%	1.7%
Gross NPAs (Closing)	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%
Net NPAs (Closing)	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%

Cost / Income : Operating cost / Operating income

Loan Loss Reserve : Standard Assets provision / Standard Assets

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Concentration Analysis

Exposure

(Amounts in ₹ crore)

Sector	30-Jun-10	31-Mar-11	30-Jun-11	% of Total		
				30-Jun-10	31-Mar-11	30-Jun-11
Energy	22,234	26,707	26,797	43.6%	45.8%	43.5%
Transportation	10,553	16,717	16,244	20.7%	28.7%	26.3%
Telecom	11,285	9,222	12,910	22.1%	15.8%	20.9%
Others	6,903	5,626	5,718	13.5%	9.7%	9.3%
TOTAL	50,976	58,273	61,669	100.0%	100.0%	100.0%

• Top Exposures

- Top 20 Company : 39.4% of total

(June 30, 2010 : 36.7%)

- Top 20 Industrial Group : 62.5% of total

(June 30, 2010 : 64.3%)

(Amounts in ₹ crore)

Sector	30-Jun-10	31-Mar-11	30-Jun-11	% of Total		
				30-Jun-10	31-Mar-11	30-Jun-11
Energy	12,684	17,401	18,752	39.4%	41.6%	44.1%
Transportation	5,734	10,537	10,080	17.8%	25.2%	23.7%
Telecom	8,222	9,097	8,950	25.6%	21.8%	21.0%
Others	5,529	4,788	4,787	17.2%	11.4%	11.2%
TOTAL	32,169	41,823	42,569	100.0%	100.0%	100.0%

• Top Outstanding Disbursements

- Top 20 Company : 42.7% of total

(June 30, 2010 : 42.1%)

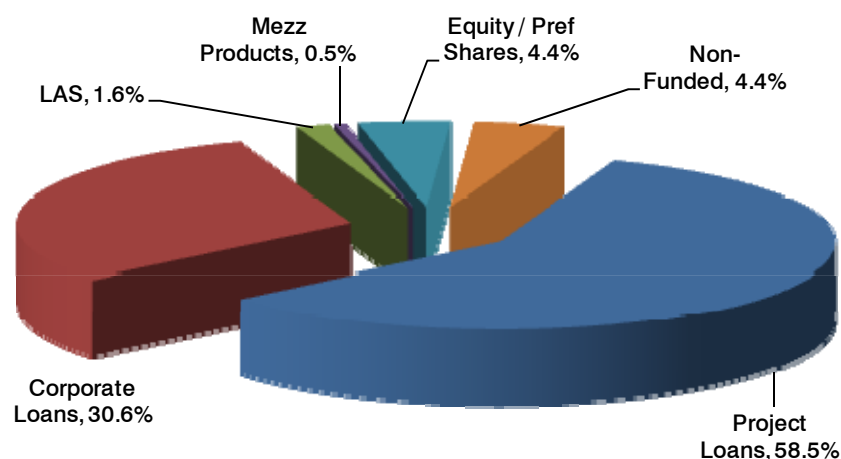
- Top 20 Industrial Group : 66.1% of total

(June 30, 2010 : 64.2%)

Includes Non-funded OS disb. As on June 30 NF OS disb are ₹2,387 cr (5.6% of total)

Product Analysis

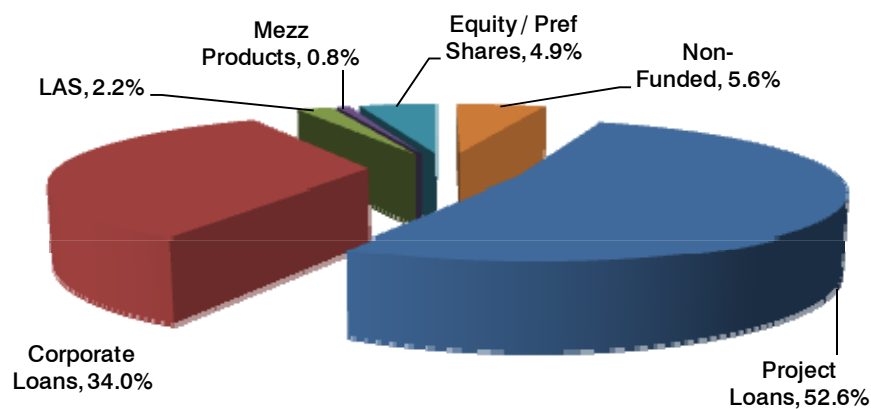
Exposures - Product wise composition



(Amounts in ₹ crore)

Product	Exposures			% of Total		
	30-Jun-10	31-Mar-11	30-Jun-11	30-Jun-10	31-Mar-11	30-Jun-11
Loans / Debentures	46,489	53,428	55,896	91.2%	91.7%	90.6%
Project Loans	31,396	36,007	36,079	61.6%	61.8%	58.5%
Corporate Loans	13,554	16,753	18,842	26.6%	28.7%	30.6%
LAS	1,540	667	975	3.0%	1.1%	1.6%
Mezz Products	423	330	328	0.8%	0.6%	0.5%
Equity / Pref Shares	2,969	2,720	2,728	5.8%	4.7%	4.4%
Non-Funded	1,095	1,796	2,718	2.1%	3.1%	4.4%
TOTAL	50,976	58,273	61,669	100.0%	100.0%	100.0%

Outstanding Disbursements - Product wise



(Amounts in ₹ crore)

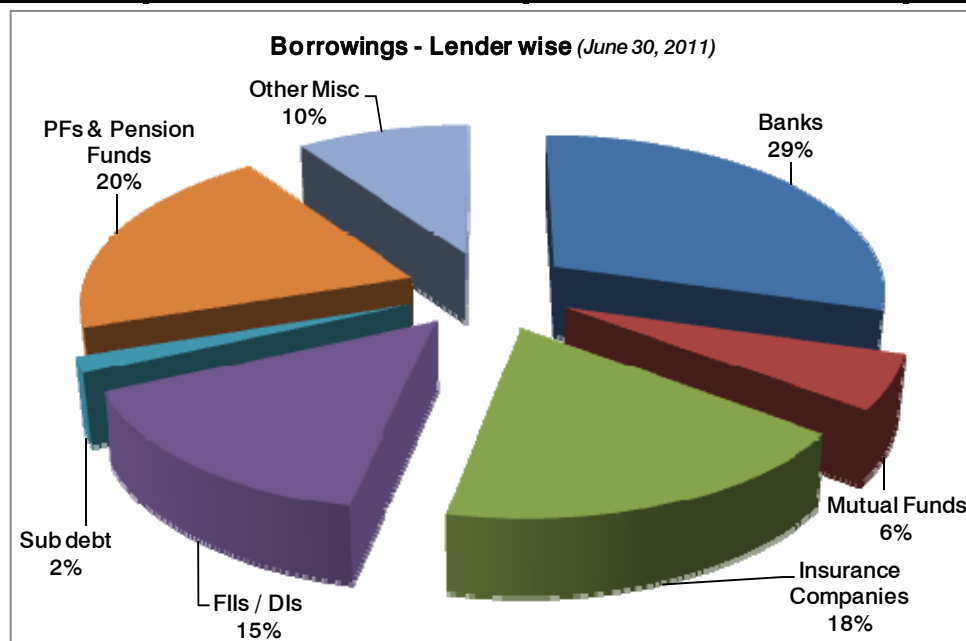
Product	Outstanding Disbursements			% of Total		
	30-Jun-10	31-Mar-11	30-Jun-11	30-Jun-10	31-Mar-11	30-Jun-11
Loans / Debentures	29,095	37,888	37,787	90.4%	90.6%	88.8%
Project Loans	14,642	22,313	22,382	45.5%	53.4%	52.6%
Corporate Loans	12,918	14,907	14,480	40.2%	35.6%	34.0%
LAS	1,535	667	925	4.8%	1.6%	2.2%
Mezz Products	349	327	325	1.1%	0.8%	0.8%
Equity / Pref Shares	1,799	2,042	2,070	5.6%	4.9%	4.9%
Non-Funded	926	1,566	2,387	2.9%	3.7%	5.6%
TOTAL	32,169	41,823	42,569	100.0%	100.0%	100.0%

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Borrowing Analysis

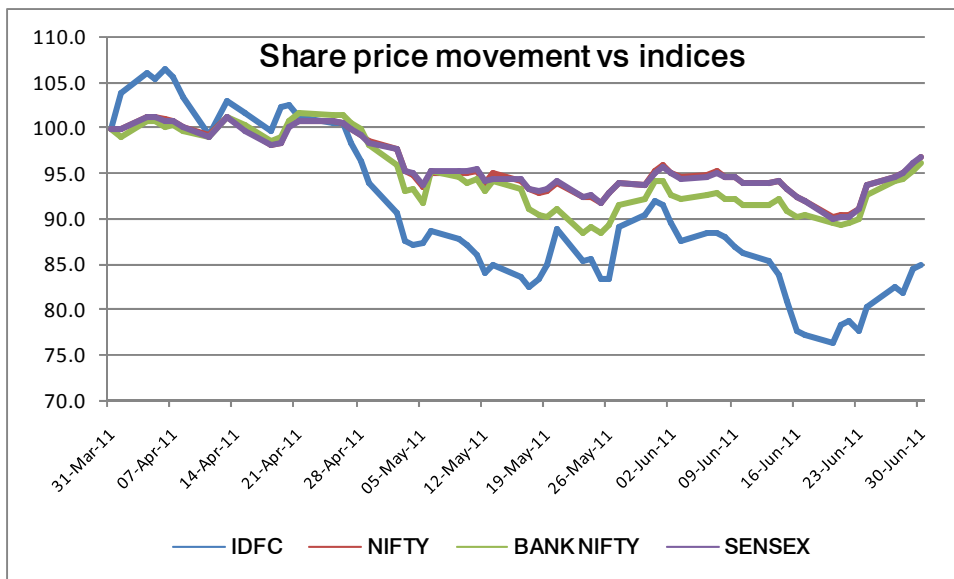
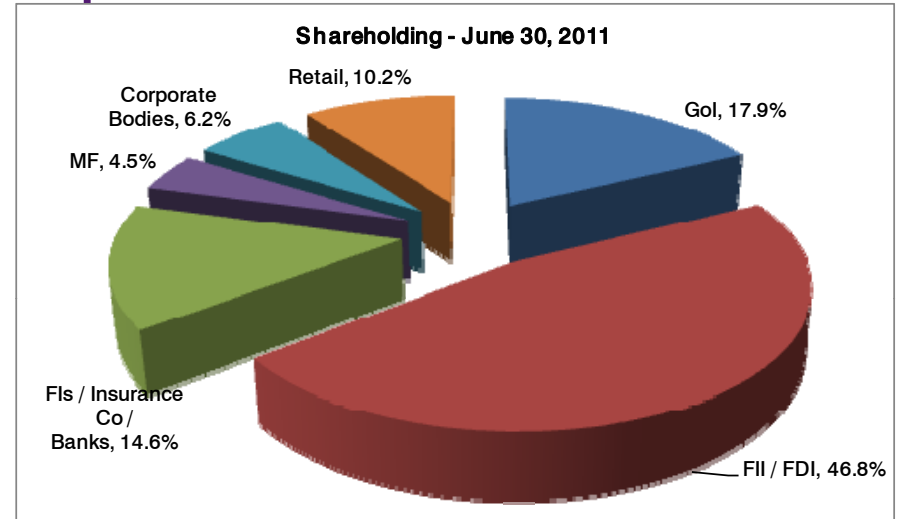
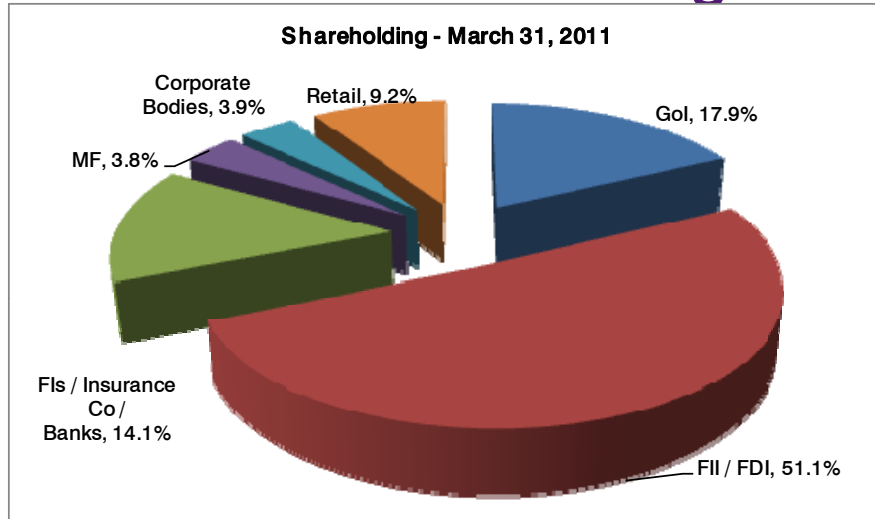
(Amounts in ₹ crore)

Products	Amount (Rs cr) as on			% of Total			% Growth	
	30-Jun-10	31-Mar-11	30-Jun-11	30-Jun-10	31-Mar-11	30-Jun-11	Y-o-Y	Q-o-Q
LT Rupee Loans	4,365	6,669	6,917	14.0%	18.4%	17.9%	58.5%	3.7%
LT Bonds / Debentures	18,912	24,501	24,273	60.5%	67.5%	62.8%	28.3%	-0.9%
Sub Debt	650	650	650	2.1%	1.8%	1.7%	0.0%	0.0%
Foreign Currency Loans	2,137	2,790	3,095	6.8%	7.7%	8.0%	44.8%	11.0%
Short Term	5,198	1,687	3,723	16.6%	4.6%	9.6%	-28.4%	120.7%
TOTAL	31,263	36,297	38,658	100.0%	100.0%	100.0%	23.7%	6.5%



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Shareholding & Share price movement



Top 10 shareholders as on June 30, 2011

Sr. No.	Name	% of total	Investor Category
1	Government of India	17.9%	Sponsor
2	Life Insurance Corporation of India	9.7%	FI
3	Sipadan Investments (Mauritius)	8.9%	FII
4	JP Morgan Asset Management	3.7%	FII
5	Fidelity Funds	3.0%	FII
6	Emerging Markets Funds	2.2%	FII
7	State Bank of India	1.5%	BNK
8	Vanguard	1.5%	FII
9	Abu Dhabi Investment Authority	1.5%	FII
10	HDFC	1.4%	FI
	TOTAL	51.3%	

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Other Highlights

- Duration
 - Assets – 2.00 years (March 31, 2011 – 2.21 years)
 - Liabilities – 2.55 years (March 31, 2011 – 2.74 years)

•Assets Under Management

Fund Name	AUM	
	₹ Crore	USD* (bn)
IDFC Private Equity**	4,457	1.0
Fund I	285	0.1
Fund II	1,269	0.3
Fund III	2,903	0.6
IDFC Project Equity Fund**	3,837	0.9
IDFC Mutual Fund	30,537	6.8
Investment Advisor	682	0.2
Equity	5,506	1.2
Debt	24,349	5.4
Total	38,830	8.7

**Exchange rate: Pvt & Proj Eq - rate prevailing at the time of Fund Close;
Others 1 USD = ₹ 44.72 as on June 30, 2011.



Thank you