



IDFC

IDFC – Investor Presentation (Q1FY2013)

August 14, 2012



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

Summary Highlights

- Balance Sheet as on June 30, 2012 at ₹ 65,017 crore – a 25% YoY growth (Q-o-Q growth – 7%)
- Gross Loan book at ₹ 50,892 crore – a 34% YoY growth (Q-o-Q growth – 4%)
 - ❑ Gross Approvals doubled from ₹ 5,799 crore in Q1FY12 to ₹ 11,744 crore in Q1FY13
 - ❑ Gross Disbursements increased by 55% from ₹ 2,904 crore in Q1FY12 to ₹ 4,502 crore in Q1FY13
 - ❑ Cumulative Outstanding Approvals as on June 30, 2012 were ₹ 76,412 crore
- Capital Adequacy robust at 21.8% as on June 31, 2012 (of which Tier I – 19.5 %) vs 20.8% as on March 31, 2012
 - ❑ Based on revised guidelines CRAR as of March 31, 2012 is 22.4% (of which Tier I – 20%)
- PAT increased by 21% from ₹ 314 crore in Q1FY12 to ₹ 380 crore in Q1FY13
- Operating Income increased by 28% from ₹ 604 crore in Q1FY12 to ₹ 772 crore in Q1FY13 on account of NII and Loan related & other fees, notwithstanding significant decline in Investment Banking & Broking income
- NII increased by 30% from ₹ 483 crore in Q1FY12 to ₹ 629 crore in Q1FY13.
 - ❑ Overall rolling 12 months spreads increased from 2.41% in FY12 to 2.52% in 12 months ending Jun 12.
 - ❑ NII Loan Book increased by 30% from ₹ 428 crore in Q1FY12 to ₹ 555 crore in Q1FY13
 - ✓ Sequentially NII Loan Book increased by 3% from ₹ 540 crore in Q4FY12 to ₹ 555 crore in Q1FY13
 - ✓ Energy, Transportation & Telecom constitute ~90% of total Cumulative OS Approvals and outstanding disbursements as on June 30, 2012

Summary Highlights

- ❑ NII Treasury increased by 35% from ₹ 55 crore in Q1FY12 to ₹ 74 crore in Q1FY13
 - ✓ Sequentially NII Treasury increased by 63% from ₹ 46 crore in Q4FY12 to ₹ 74 crore in Q1FY13
- ❑ Principal gains was ₹ 2 crore in Q1FY13
- ❑ Asset management income including carry & gains decreased by 3% from ₹ 62 crore in Q1FY12 to ₹ 64 crore in Q1FY13
 - ✓ Public Markets
 - Y-o-Y, Average AUM increased by 7% from ₹ 26,419 crore for Q1FY12 to ₹ 28,300 crore for Q1FY13, on account of focused sales and marketing initiatives
 - Asset Management Fees increased by 7% from ₹ 33 crore in Q1FY12 to ₹ 35 crore in Q1FY13
 - Market share increased from 3.83% as on March 31, 2012 to 3.92% as on June 30, 2012
 - ✓ Alternatives
 - Asset Management Fees stable at ₹ 29 crore in Q1FY13
- ❑ IB & Institutional Broking income decreased by 38% from ₹ 15 crore in Q1FY12 to ₹ 9 crore in Q1FY13
 - ✓ Investment Banking income decreased by 10% to ₹ 3 crore
 - ✓ Institutional Broking income decreased by 48% from ₹ 11 crore in Q1FY12 to ₹ 6 crore in Q1FY13
- ❑ Loan related & other fees increased by 78% from ₹ 35 crore in Q1FY12 to ₹ 62 crore in Q1FY13

Business Highlights

- Operating Expenses increased by 3% from ₹ 114 crore in Q1FY12 to ₹ 117 crore in Q1FY13
 - ❑ Cost to Income on a rolling 12 months basis declined from 17.5% in FY12 to 16.7% in June 12
 - ❑ HR expenses were stable at ₹ 66 crore
 - ❑ Non-HR expenses increased by 4% from ₹ 49 crore in Q1FY12 to ₹ 51 crore in Q1FY13
- Provisions increased 2.5 times from ₹ 40 crore in Q1FY12 to ₹ 103 crore in Q1FY13 due to higher provisions on the investment portfolio
 - ❑ Provisions on Loans increased by 26% from ₹ 31 crore in Q1FY12 to ₹ 39 crore in Q1FY13
 - ❑ Provisions on Investments increased from ₹ 10 crore in Q1FY12 to ₹ 64 crore in Q1FY13
- Asset Quality
 - ❑ Gross NPAs – 0.30%, Net NPAs – 0.14%
 - ❑ Loan Loss Reserve Ratio as on March 31, 2012 – 1.6%

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Balance Sheet

(Amounts in ₹ crore)

Particular	30-Jun-12	31-Mar-12	30-Jun-11	% Growth	
				Y-o-Y	Q-o-Q
Shareholders' Funds	12,683	12,285	11,549	10%	3%
Borrowings	50,012	46,435	38,669	29%	8%
Current Liabilities	2,321	2,259	1,680	38%	3%
TOTAL LIABILITIES	65,017	60,979	51,898	25%	7%
Net Loan Book	50,157	48,184	37,523	34%	4%
<i>Gross Loan Book</i>	<i>50,892</i>	<i>48,888</i>	<i>38,108</i>	<i>34%</i>	<i>4%</i>
<i>Less Provision</i>	<i>734</i>	<i>705</i>	<i>585</i>	<i>26%</i>	<i>4%</i>
Treasury ¹	8,240	6,605	8,665	-5%	25%
Consol Equity ^{1,2}	3,051	3,098	3,161	-3%	-2%
Current Assets	3,568	3,092	2,549	40%	15%
TOTAL ASSETS	65,017	60,979	51,898	25%	7%

¹ Net of provision

² Goodwill on consolidation as of June 30, 2012 - ₹957 crore

Consol Financials (P&L)

(Amounts in ₹ crore)

Particular	Q1FY13	Q1FY12	% Growth	Q4FY12	% Growth
Net Interest Income	629	483	30%	586	7%
Loans	555	428	30%	540	3%
Treasury	74	55	35%	46	63%
Non-Interest Income	137	110	24%	134	2%
Principal Investments	2	-2	na	29	-95%
Asset Management	64	62	3%	60	6%
<i>Mutual Fund</i>	35	33	7%	29	21%
<i>Alternatives</i>	29	29	-1%	31	-8%
<i>Fees</i>	29	29	-1%	29	-2%
<i>Cap Gain & Carry</i>	0	0	na	2	na
Investment Banking & Broking	9	15	-38%	15	-35%
<i>Investment Banking</i>	3	4	-10%	4	-15%
<i>Institutional Broking</i>	6	11	-48%	10	-43%
Loan Related & Other Fees	62	35	78%	31	102%
Other Income	7	12	-43%	6	14%
OPERATING INCOME	772	604	28%	725	6%
OPERATING EXPENSES	117	114	3%	150	-22%
HR	66	65	1%	90	-27%
Non-HR	51	49	4%	60	-16%
Provisions	103	40	155%	84	22%
<i>Loans</i>	39	31	26%	76	-49%
<i>Investments</i>	64	10	562%	8	677%
PBT	553	451	23%	491	13%
Tax, Minority int, etc	173	137	26%	156	11%
PAT	380	314	21%	335	13%

RoA Tree (rolling 12 months)

(% of avg total assets)

Particular	Jul11 - Jun12	FY12	Jul 10 - Jun 11	FY11
Net Interest Income	4.0%	3.9%	4.0%	3.8%
Loans	3.5%	3.5%	3.7%	3.5%
Treasury	0.4%	0.4%	0.4%	0.3%
Non-Interest Income	1.5%	1.6%	1.6%	2.0%
Principal Investments	0.6%	0.7%	0.2%	0.4%
Asset Management	0.5%	0.5%	0.7%	0.7%
Investment Banking & Broking	0.1%	0.1%	0.4%	0.5%
Loan Related & Other Fees	0.3%	0.3%	0.4%	0.5%
Other Income	0.0%	0.0%	0.1%	0.1%
OPERATING INCOME	5.6%	5.6%	5.7%	5.9%
OPERATING EXPENSES	0.9%	1.0%	1.2%	1.2%
HR	0.5%	0.6%	0.7%	0.7%
Non-HR	0.4%	0.4%	0.5%	0.6%
Provisions	0.6%	0.5%	0.5%	0.5%
PBT	4.0%	4.1%	4.0%	4.1%
Tax, Minority int, etc	1.2%	1.2%	1.2%	1.2%
PAT	2.9%	2.9%	2.8%	3.0%

Ratios (rolling 12 months)

Particular	Jul11 - Jun12	FY12	Jul 10 - Jun 11	FY11
NII / Operating Income	72%	71%	71%	65%
Non-int income / Operating Income	28%	28%	29%	34%
HR / Operating Income	9.7%	10.2%	11.9%	11.6%
Cost / Income	16.7%	17.5%	20.6%	20.9%
Effective tax rate	28.8%	28.5%	29.4%	27.9%
RoE	13.2%	13.0%	11.9%	12.9%
Leverage (<i>Closing</i>)	5.1 x	5.0 x	4.5 x	4.4 x
Loan Loss Reserve (<i>Closing</i>)	1.6%	1.5%	1.7%	1.6%
Gross NPA	0.30%	0.30%	0.20%	0.21%
Net NPA	0.14%	0.15%	0.10%	0.10%
Average Spreads	2.5%	2.4%	2.2%	2.2%
NIMs	4.4%	4.3%	4.2%	4.2%

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Concentration Analysis (June'12 vis-à-vis June '11)

(Amounts in ₹ crore)

Particular	Jun-12	% of Total	Mar-12	% of Total	Jun-11	% of Total
Energy	31,388	41%	28,560	41%	26,797	43%
Transportation	18,119	24%	19,210	28%	16,244	26%
Telecom	17,696	23%	14,850	21%	12,910	21%
Others	9,209	12%	7,098	10%	5,718	9%
TOTAL	76,412	100%	69,718	100%	61,669	100%

➤ **Top Cumulative OS Approvals**

- ❑ **Top 20 Company : 36% of total**

✓ (March 31, 2012 : 36%)

- ❑ **Top 20 Industrial Group : 56% of total**

✓ (March 31, 2012 : 61%)

(Amounts in ₹ crore)

Particular	Jun-12	% of Total	Mar-12	% of Total	Jun-11	% of Total
Energy	24,105	43%	22,765	43%	18,752	44%
Transportation	13,049	24%	12,611	24%	10,080	24%
Telecom	12,136	22%	12,263	23%	8,950	21%
Others	6,124	11%	5,883	11%	4,787	11%
TOTAL	55,414	100%	53,522	100%	42,569	100%

➤ **Top OS Disbursements**

- ❑ **Top 20 Company : 41% of total**

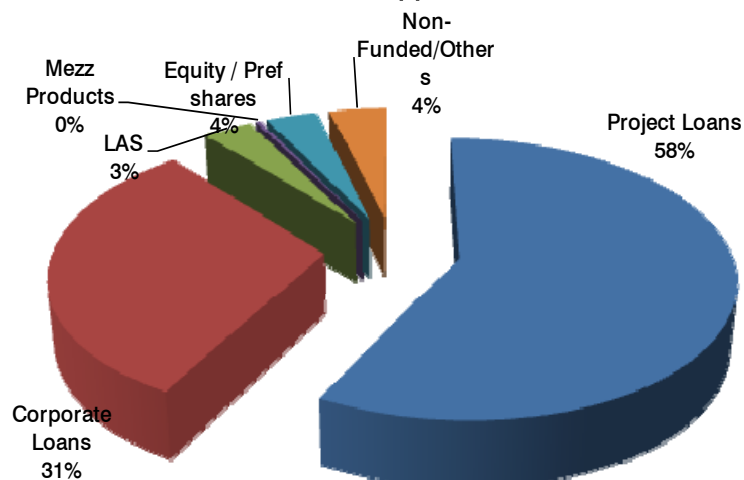
✓ (March 31, 2012 : 40%)

- ❑ **Top 20 Industrial Group : 63% of total**

✓ (March 31, 2012 : 64%)

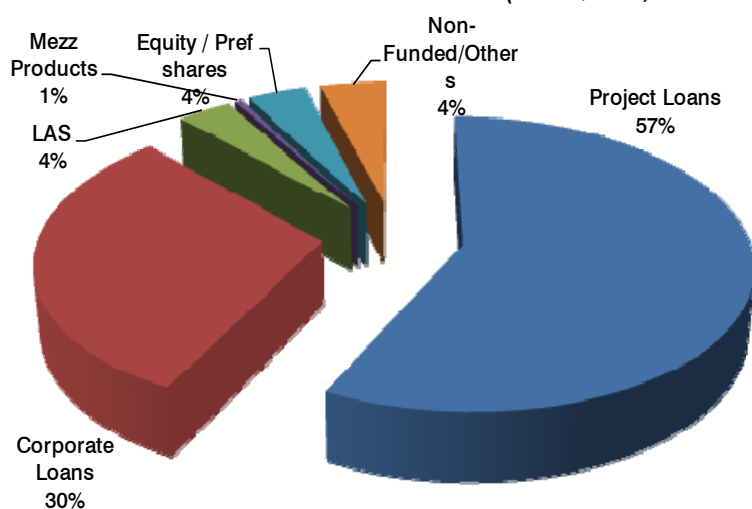
Product wise concentration analysis

Product wise Cum OS Approvals (Jun 30, 2012)



Product type	Amount in ₹crore			% of total		
	Jun-12	Mar-12	Jun-11	Jun-12	Mar-12	Jun-11
Loans / Debentures	70,703	64,099	56,223	92.5%	91.9%	91.2%
Project Loans	44,180	41,186	36,079	57.8%	59.1%	58.5%
Corporate Loans	23,683	19,705	18,442	31.0%	28.3%	30.6%
LAS	2,587	2,945	975	3.4%	4.2%	1.6%
Mezz Products	253	263	328	0.3%	0.4%	0.5%
Equity / Pref shares	2,716	2,708	2,728	3.6%	3.9%	4.4%
Non-Funded/Others	2,993	2,912	2,718	3.9%	4.2%	4.4%
TOTAL	76,412	69,718	61,669	100.0%	100.0%	100.0%

Product wise OS Disbursements (Jun 30, 2012)



Product type	Amount in ₹crore			% of total		
	Jun-12	Mar-12	Jun-11	Jun-12	Mar-12	Jun-11
Loans / Debentures	50,892	48,888	38,103	91.8%	91.3%	89.5%
Project Loans	31,819	29,579	22,541	57.4%	55.3%	53.0%
Corporate Loans	16,859	16,695	14,312	30.4%	31.2%	33.6%
LAS	1,962	2,352	925	3.5%	4.4%	2.2%
Mezz Products	251	261	326	0.5%	0.5%	0.8%
Equity / Pref shares	2,165	2,150	2,070	3.9%	4.0%	4.9%
Non-Funded/Others	2,357	2,485	2,396	4.3%	4.6%	5.6%
TOTAL	55,414	53,522	42,569	100.0%	100.0%	100.0%

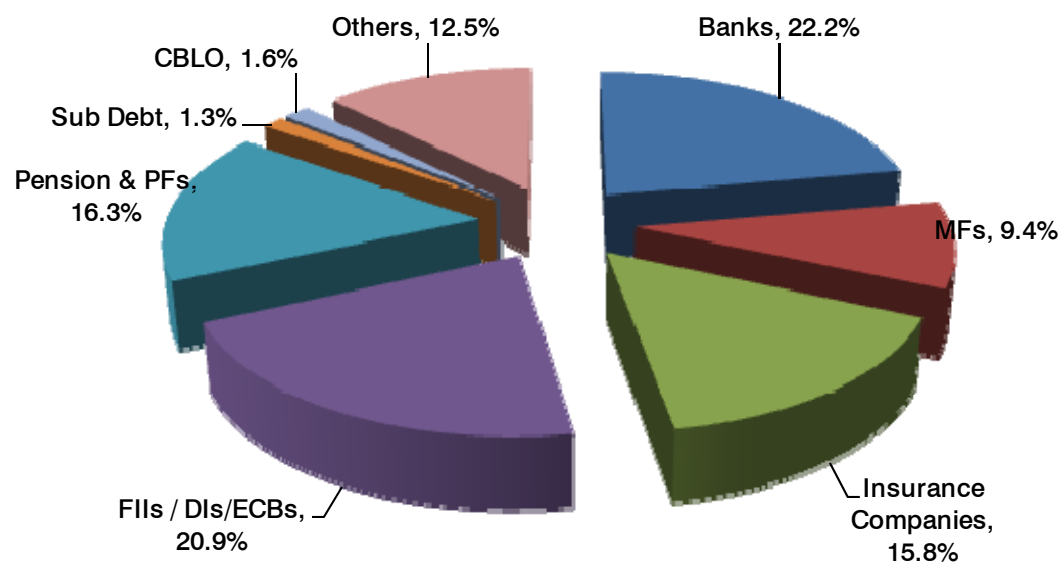
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Borrowing Analysis

(Amounts in ₹ crore)

Particular	Amount			% of total			% Growth	
	30-Jun-12	31-Mar-12	30-Jun-11	30-Jun-12	31-Mar-12	30-Jun-11	Y-o-Y	Q-o-Q
LT Rupee Loans	4,246	3,342	6,917	8%	7%	18%	-39%	27%
LT Bonds / Debentures	32,908	30,940	24,280	66%	67%	63%	36%	6%
Sub Debt	650	650	650	1%	1%	2%	0%	0%
Foreign Currency Loans	4,027	4,153	3,095	8%	9%	8%	30%	-3%
Short Term	8,182	7,351	3,727	16%	16%	10%	120%	11%
TOTAL	50,012	46,435	38,669	100%	100%	100%	29%	8%

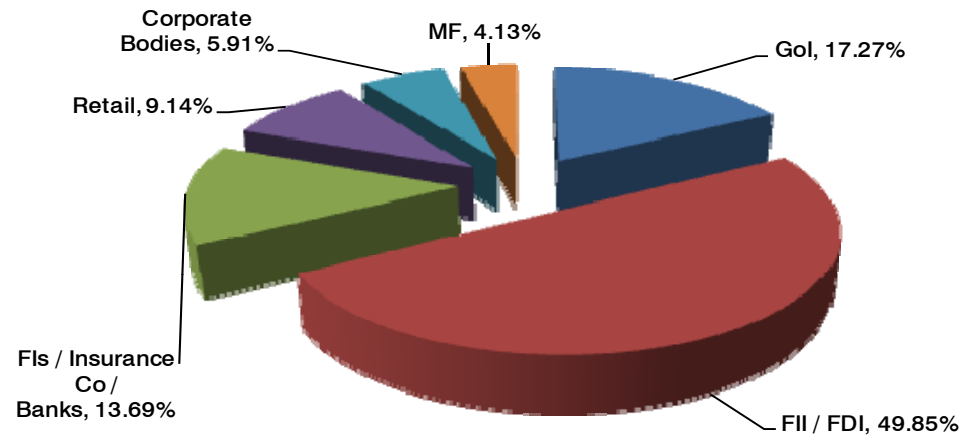
Borrowings - Lender wise (Jun 30, 2012)



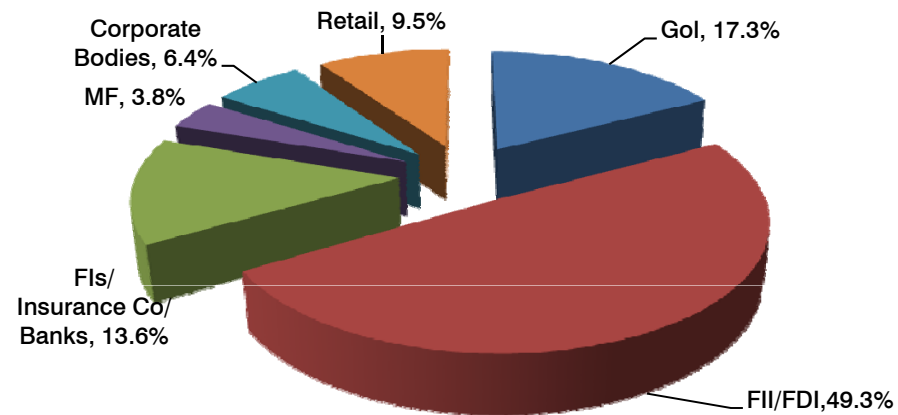
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Shareholding

Shareholding (June,30,2012)



Shareholding (March 31, 2012)



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Other Highlights

- Adjusted Duration
 - Assets – 1.54 years (March 31, 2012 – 1.64 years)
 - Liabilities – 1.86 years (March 31, 2012 – 1.92 years)

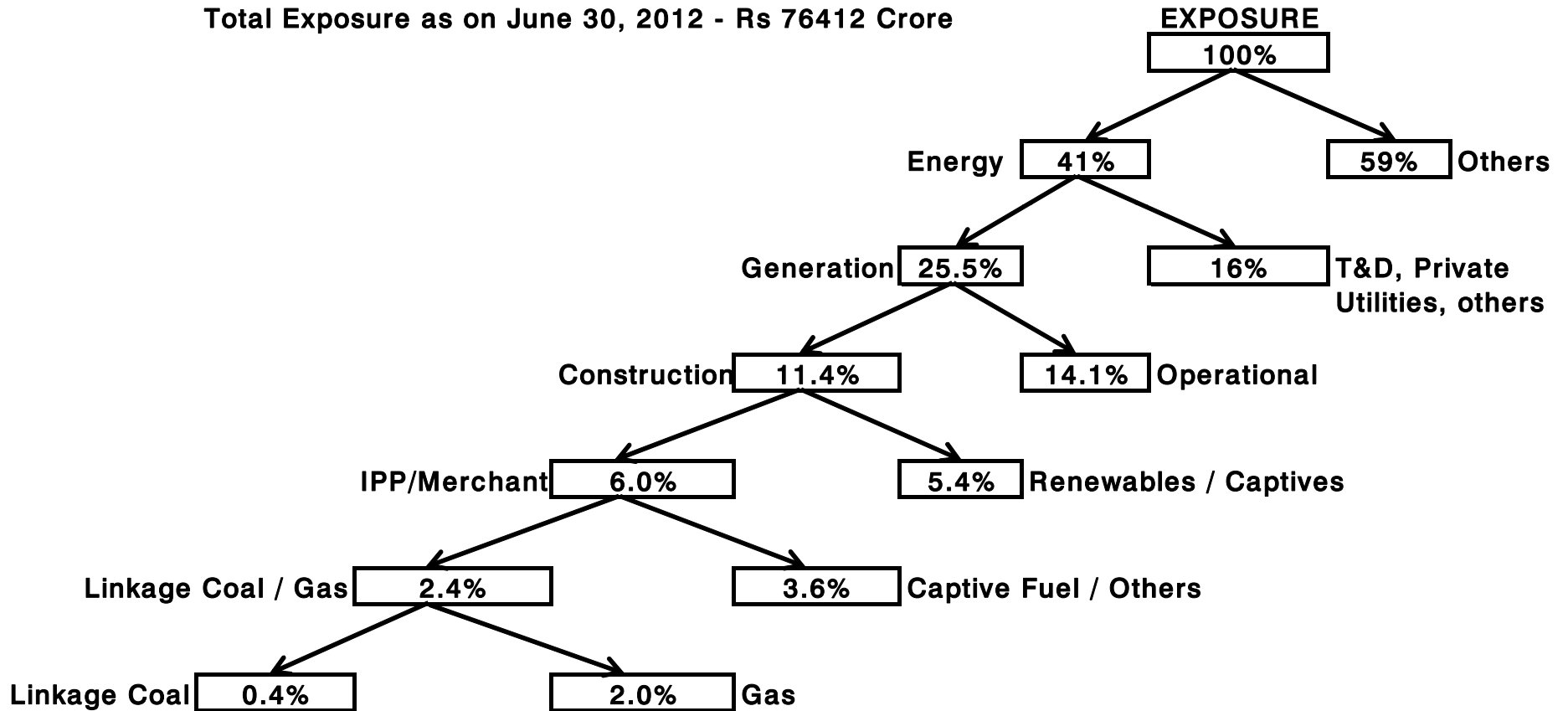
- Assets Under Management

Fund Name	AUM (June 30, 2012)	
	₹ Crore	USD* (bn)
IDFC Private Equity**	4,335	1.0
Fund I	204	0.0
Fund II	1,228	0.3
Fund III	2,903	0.6
IDFC Project Equity Fund**	3,837	0.9
IDFC Mutual Fund	28,300	5.0
Equity	6,217	1.1
Debt	22,083	3.9
Total	36,472	6.9

***Exchange rate: Pvt & Proj Eq - rate prevailing at the time of Fund Close; Others 1 USD = ₹ 56.31 as on June 30, 2012.*

Energy Exposure Tree

Total Exposure as on June 30, 2012 - Rs 76412 Crore



Thank You !!!!