



IDFC

IDFC : Investor Presentation (9MFY2013)

February 01, 2013



1. Snapshot

2. Balance Sheet & Financials

3. Concentration and product analysis

4. Borrowings

5. Shareholding

6. Highlights

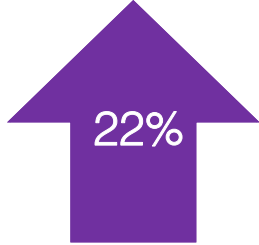
Balance Sheet

₹68,923 crore



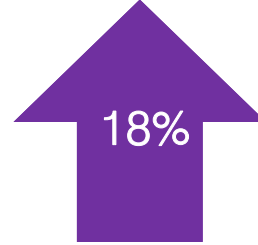
Gross Loans

₹54,104 crore



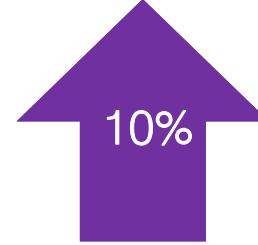
Borrowings

₹51,634 crore



Networth

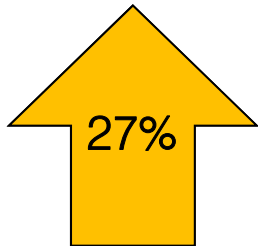
₹13,614 crore



Y-o-Y

NII

₹1,921 crore



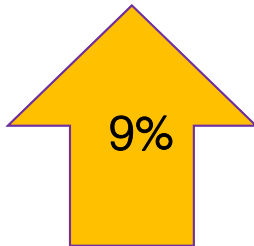
Non-Int Income

₹519 crore



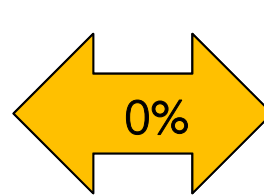
Op. Income

₹2,459 crore



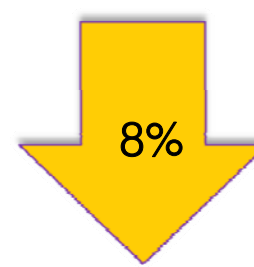
Op. Expenses

₹374 crore



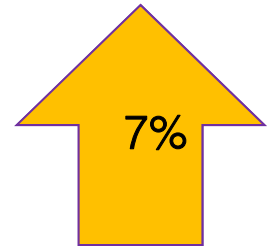
Provisions

₹185 crore

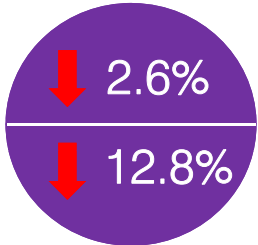


PAT

₹1,310 crore

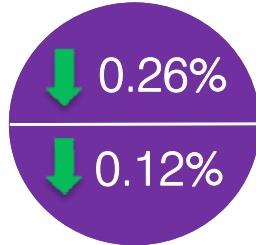


RoA

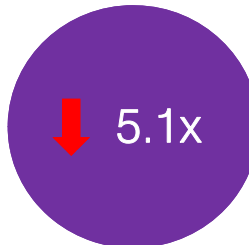


RoE

Gross NPA

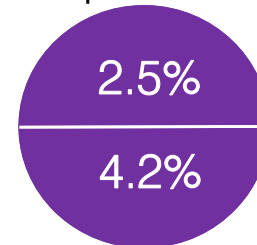


Net NPA



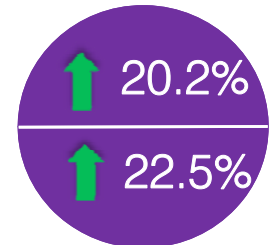
Leverage

Spreads



NIMs

Tier I



Cap Adeq

Rolling
12
months

Business Highlights

Project Finance

- Approvals : ₹18,838 crore (13% YoY decrease – 9MFY12 : ₹21,666 crore)
- Disbursements : ₹13,071 crore (5% YoY increase – 9MFY12 : ₹12,503 crore)
- Cumulative OS Approvals : ₹74,012 crore (12% YoY increase)
- NII Loan Book : ₹1,762 crore (31% YoY increase)
 - Q3FY13 : ₹611 crore (2% sequential growth)
- Loan Related Fees : ₹141 crore (49% YoY increase)
- Provisions : ₹100 crore (9% YoY decrease)
- Loan Loss Reserve Ratio : 1.6%

Fixed Income & Treasury

- NII Treasury (*excluding Trading profit*): ₹159 crore (7% YoY decrease)
- Fixed Income : ₹62 crore (35% YoY decrease)
- Treasury Assets : ₹8,265 crore (24% increase)

- Overall Spreads (*excluding treasury trading gains*) : 2.5% (FY12 : 2.3%)
- Capital Adequacy : 22.5% (of which Tier I : 20.2%) vs 20.8% as on Mar'12

Resources :

- IDFC is the 2nd highest private issuer of domestic debt (FM's address in Global Road show) & 5th highest overall.
- First AUD denominated Loan (AUD 50mn) – First in India
- Borrowings outstanding : ₹51,634 crore (18% increase)

Business Highlights

Investment Banking & Broking

- Institutional Broking income : ₹22 crore (29% YoY decrease)
- Investment Banking income : ₹17 crore (31% YoY increase)

Alternatives

- Average AUM : ₹8,074 crore
 - Private Equity : ₹4,237 crore
 - Project Equity : ₹3,837 crore
- Asset management fees from alternatives : ₹87 crore (4% YoY decrease)
- Capital Gains & Carry : ₹13 crore (66% YoY decrease)

Public Market AMC

- Average AUM 9MFY13 : ₹29,795 crore (Debt : Equity – 80:20)
- Highest growth in AAUM during Q3FY13 amongst top 10 AMCs
- 10th Rank AMC
- Market Share : 3.8% (9MFY12: 3.9%)
- Asset management Fees from AMC : ₹120 crore (29% YoY increase)

- Principal Gains (excluding cap gains and carry) : ₹58 crore (82% YoY decrease)

Operating Expenses :

- HR expenses : ₹214 crore (Flat on YoY)
- Non HR expenses : ₹160 crore (2% YoY increase)
- Headcount : 559 (vs 575 in Mar'12)
- Cost / Income (Rolling 12 months) : 16.5% (FY12 : 17.5%)

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6. Highlights

Consol Financials : Balance Sheet

(Amounts in ₹ crore)

| Particular | 31-Dec-12 | 30-Sep-12 | 31-Mar-12 | 31-Dec-11 | % Growth | |
|------------------------------|---------------|---------------|---------------|---------------|------------|------------|
| | | | | | Y-o-Y | Q-o-Q |
| Networth | 13,614 | 13,152 | 12,285 | 12,430 | 10% | 4% |
| Borrowings | 51,634 | 53,680 | 46,435 | 43,729 | 18% | -4% |
| Current Liabilities | 3,675 | 2,998 | 2,259 | 1,858 | 98% | 23% |
| TOTAL LIABILITIES | 68,923 | 69,831 | 60,979 | 58,016 | 19% | -1% |
| Net Loan Book | 53,325 | 53,381 | 48,185 | 43,826 | 22% | 0% |
| <i>Gross Loan Book</i> | <i>54,104</i> | <i>54,137</i> | <i>48,888</i> | <i>44,476</i> | <i>22%</i> | <i>0%</i> |
| <i>Less Provision</i> | <i>779</i> | <i>756</i> | <i>704</i> | <i>651</i> | <i>20%</i> | <i>3%</i> |
| Treasury ¹ | 8,265 | 9,014 | 6,612 | 6,661 | 24% | -8% |
| Consol Equity ^{1,2} | 3,029 | 2,999 | 2,993 | 2,999 | 1% | 1% |
| Current Assets | 4,304 | 4,436 | 3,189 | 4,530 | -5% | -3% |
| TOTAL ASSETS | 68,923 | 69,831 | 60,979 | 58,016 | 19% | -1% |

¹ Net of provision

² Goodwill on consolidation as of Dec 31, 2012 - ₹957 crore

Consol Financials : Profit & Loss Account

(Amounts in ₹ crore)

| Particular | 9MFY13 | 9MFY12 | % Growth | Q3FY13 | Q2FY13 | Q3FY12 | % Growth | |
|-------------------------------------|--------|--------|----------|--------|--------|--------|----------|----------|
| | | | | | | | Q3 Vs Q3 | Q3 Vs Q2 |
| Net Interest Income | 1,921 | 1,511 | 27% | 656 | 643 | 536 | 22% | 2% |
| Loans | 1,762 | 1,340 | 31% | 611 | 596 | 473 | 29% | 2% |
| Treasury | 159 | 171 | -7% | 45 | 47 | 63 | -28% | -4% |
| Non-Interest Income | 519 | 726 | -28% | 171 | 203 | 222 | -23% | -15% |
| Principal Gains | 58 | 321 | -82% | 7 | 49 | 91 | -92% | -85% |
| Asset Management | 220 | 221 | 0% | 87 | 69 | 68 | 28% | 27% |
| <i>Mutual Fund</i> | 120 | 93 | 29% | 45 | 40 | 35 | 28% | 13% |
| <i>Alternatives</i> | 100 | 127 | -22% | 42 | 29 | 33 | 28% | 45% |
| <i>Fees</i> | 87 | 90 | -4% | 29 | 29 | 22 | 36% | 1% |
| <i>VC Gain & Carry</i> | 13 | 37 | -66% | 13 | 0 | 11 | 14% | na |
| Investment Banking & Broking | 39 | 44 | -12% | 8 | 21 | 9 | -12% | -61% |
| <i>Investment Banking</i> | 17 | 13 | 31% | 1 | 13 | 2 | -31% | -89% |
| <i>Institutional Broking</i> | 22 | 31 | -29% | 7 | 8 | 7 | -7% | -13% |
| Fixed Income* | 62 | 46 | 35% | 30 | 19 | 22 | 37% | 53% |
| Loan Book Related fees | 141 | 95 | 49% | 39 | 44 | 32 | 21% | -12% |
| Other Income | 18 | 18 | 2% | 7 | 5 | 3 | 164% | 56% |
| OPERATING INCOME | 2,459 | 2,255 | 9% | 834 | 850 | 760 | 10% | -2% |
| OPERATING EXPENSES | 374 | 372 | 0% | 134 | 124 | 127 | 5% | 8% |
| HR | 214 | 215 | 0% | 80 | 68 | 73 | 10% | 17% |
| Non-HR | 160 | 158 | 2% | 54 | 55 | 55 | -1% | -2% |
| Provisions | 185 | 201 | -8% | 52 | 30 | 98 | -47% | 73% |
| <i>Loans</i> | 100 | 110 | -9% | 34 | 27 | 57 | -40% | 25% |
| <i>Investments</i> | 85 | 90 | -6% | 18 | 3 | 41 | -56% | 535% |
| PBT | 1,900 | 1,682 | 13% | 648 | 697 | 535 | 21% | -7% |
| Tax, Minority int, etc | 590 | 463 | 27% | 196 | 220 | 154 | 27% | -11% |
| PAT | 1,310 | 1,219 | 7% | 452 | 477 | 381 | 19% | -5% |
| PAT (net of principal gains) | 1,253 | 945 | 33% | 445 | 428 | 294 | 51% | 4% |

* Includes Fees & Treasury trading gains

Consol Financials : RoA Tree

(% of avg total assets)

| Particular | Jan12 - Dec12 | Oct11 - Sep12 | Jul11 - Jun12 | FY12 | Jan11 - Dec11 |
|------------------------------|---------------|---------------|---------------|-------------|---------------|
| Net Interest Income | 3.9% | 3.9% | 3.9% | 3.9% | 3.9% |
| Loans | 3.6% | 3.6% | 3.5% | 3.5% | 3.5% |
| Treasury | 0.3% | 0.3% | 0.4% | 0.4% | 0.4% |
| Non-Interest Income | 1.0% | 1.2% | 1.6% | 1.6% | 1.8% |
| Principal Investments | 0.2% | 0.3% | 0.7% | 0.7% | 0.8% |
| Asset Management | 0.4% | 0.4% | 0.4% | 0.5% | 0.5% |
| Investment Banking & Broking | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| Fixed Income | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| Loan Related & Other Fees | 0.3% | 0.3% | 0.3% | 0.2% | 0.3% |
| Other Income | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| OPERATING INCOME | 5.0% | 5.1% | 5.6% | 5.6% | 5.8% |
| OPERATING EXPENSES | 0.8% | 0.9% | 0.9% | 1.0% | 1.1% |
| HR | 0.5% | 0.5% | 0.5% | 0.6% | 0.6% |
| Non-HR | 0.3% | 0.4% | 0.4% | 0.4% | 0.4% |
| Provisions | 0.4% | 0.5% | 0.6% | 0.5% | 0.6% |
| PBT | 3.7% | 3.8% | 4.0% | 4.1% | 4.1% |
| Tax, Minority int, etc | 1.2% | 1.2% | 1.2% | 1.2% | 1.2% |
| PAT | 2.6% | 2.6% | 2.9% | 2.9% | 3.0% |

Consol Financials : Ratios

| Particular | Jan12 - Dec12 | Oct11 - Sep12 | Jul11 - Jun12 | FY12 | Jan11 - Dec11 |
|--------------------------------------|---------------|---------------|---------------|--------------|---------------|
| NII / Operating Income | 78% | 76% | 71% | 70% | 68% |
| Non-Int income / Operating Income | 21% | 23% | 29% | 29% | 31% |
| HR / Operating Income | 10% | 10% | 10% | 10% | 11% |
| Cost / Income | 16.5% | 16.7% | 16.7% | 17.5% | 18.3% |
| RoA | 2.6% | 2.6% | 2.9% | 2.9% | 3.0% |
| RoE | 12.8% | 12.5% | 13.2% | 13.0% | 12.9% |
| Leverage (<i>Closing</i>) | 5.1 x | 5.3 x | 5.1 x | 5.0 x | 4.7 x |
| Loan Loss Reserve (<i>Closing</i>) | 1.6% | 1.5% | 1.6% | 1.5% | 1.6% |
| Gross NPA | 0.26% | 0.28% | 0.30% | 0.30% | 0.22% |
| Net NPA | 0.12% | 0.13% | 0.14% | 0.15% | 0.11% |
| Average Spreads* | 2.5% | 2.5% | 2.5% | 2.3% | 2.3% |
| NIMs | 4.2% | 4.3% | 4.3% | 4.3% | 4.3% |

*Average Spreads for earlier periods recasted as treasury trading gains have now been excluded. There is no change in the calculation of loan book spreads.

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Concentration Analysis (Sector)

Cumulative OS Approvals

(Amounts in ₹ crore)

| Particular | Dec-12 | % of Total | Sep-12 | % of Total | Mar-12 | % of Total |
|----------------|---------------|-------------|---------------|-------------|---------------|-------------|
| Energy | 28,533 | 39% | 29,031 | 40% | 28,560 | 41% |
| Transportation | 17,137 | 23% | 16,804 | 23% | 19,210 | 28% |
| Telecom | 18,414 | 25% | 17,510 | 24% | 14,850 | 21% |
| Others | 9,928 | 13% | 9,097 | 13% | 7,098 | 10% |
| TOTAL | 74,012 | 100% | 72,441 | 100% | 69,718 | 100% |

- Top 20 Companies : 38% of total (Sep'12 : 38%)
- Top 20 Industrial Group : 57% of total (Sep'12 : 58%)

Outstanding Disbursement

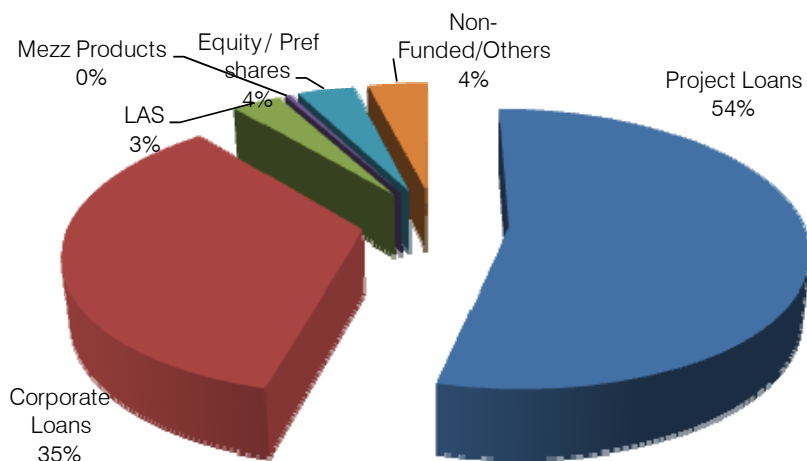
(Amounts in ₹ crore)

| Particular | Dec-12 | % of Total | Sep-12 | % of Total | Mar-12 | % of Total |
|----------------|---------------|-------------|---------------|-------------|---------------|-------------|
| Energy | 24,516 | 42% | 25,076 | 42% | 22,765 | 43% |
| Transportation | 13,420 | 23% | 13,318 | 23% | 12,611 | 24% |
| Telecom | 13,578 | 23% | 14,092 | 24% | 12,263 | 23% |
| Others | 7,258 | 12% | 6,596 | 11% | 5,883 | 11% |
| TOTAL | 58,771 | 100% | 59,083 | 100% | 53,522 | 100% |

- Top 20 Companies : 41% of total (Sep'12 : 41%)
- Top 20 Industrial Group : 59% of total (Sep'12 : 60%)

Concentration Analysis (Product)

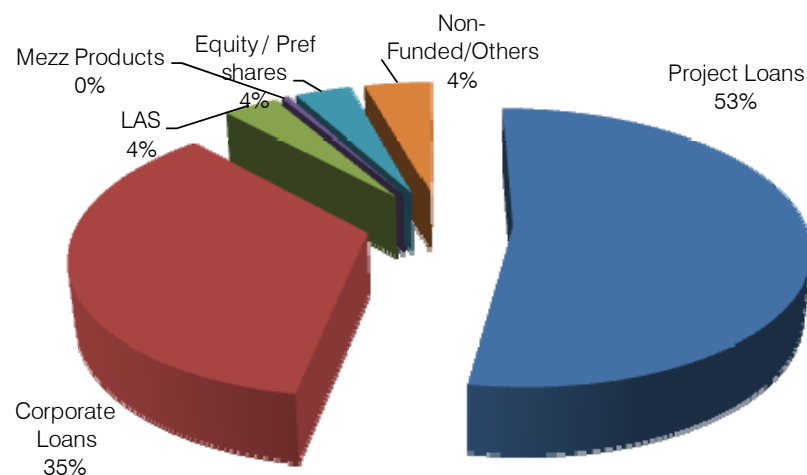
Product wise Cum OS Approvals (Dec 31, 2012)



(Amounts in ₹ crore)

| Product type | Amount in ₹ crore | | | % of total | | |
|----------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| | Dec-12 | Mar-12 | Dec-11 | Dec-12 | Mar-12 | Dec-11 |
| Loans / Debentures | 68,373 | 64,099 | 60,780 | 92.4% | 91.9% | 92.1% |
| Project Loans | 39,918 | 41,186 | 40,067 | 53.9% | 59.1% | 60.7% |
| Corporate Loans | 25,870 | 19,705 | 18,485 | 35.0% | 28.3% | 28.0% |
| LAS | 2,305 | 2,945 | 1,956 | 3.1% | 4.2% | 3.0% |
| Mezz Products | 281 | 263 | 271 | 0.4% | 0.4% | 0.4% |
| Equity / Pref shares | 2,743 | 2,708 | 2,776 | 3.7% | 3.9% | 4.2% |
| Non-Funded/Others | 2,896 | 2,912 | 2,459 | 3.9% | 4.2% | 3.7% |
| TOTAL | 74,012 | 69,718 | 66,015 | 100.0% | 100.0% | 100.0% |

Product wise OS Disbursements (Dec 31, 2012)

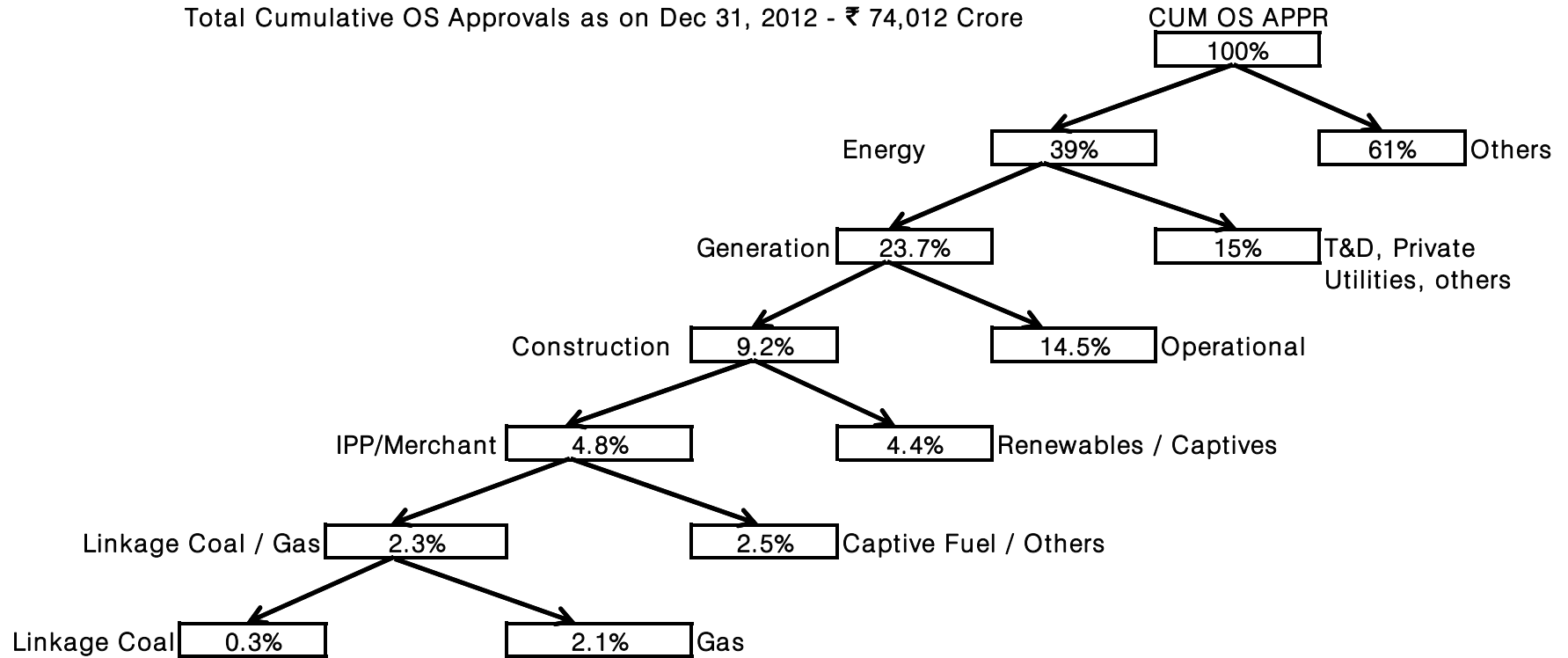


(Amounts in ₹ crore)

| Product type | Amount in ₹ crore | | | % of total | | |
|----------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| | Dec-12 | Mar-12 | Dec-11 | Dec-12 | Mar-12 | Dec-11 |
| Loans / Debentures | 54,104 | 48,888 | 44,476 | 92.1% | 91.3% | 90.9% |
| Project Loans | 30,980 | 29,579 | 26,879 | 52.7% | 55.3% | 55.0% |
| Corporate Loans | 20,759 | 16,695 | 15,482 | 35.3% | 31.2% | 31.7% |
| LAS | 2,087 | 2,352 | 1,845 | 3.6% | 4.4% | 3.8% |
| Mezz Products | 278 | 261 | 270 | 0.5% | 0.5% | 0.6% |
| Equity / Pref shares | 2,138 | 2,150 | 2,067 | 3.6% | 4.0% | 4.2% |
| Non-Funded/Others | 2,529 | 2,485 | 2,363 | 4.3% | 4.6% | 4.8% |
| TOTAL | 58,771 | 53,522 | 48,905 | 100.0% | 100.0% | 100.0% |

Energy Cum OS Approvals Tree

Total Cumulative OS Approvals as on Dec 31, 2012 - ₹ 74,012 Crore



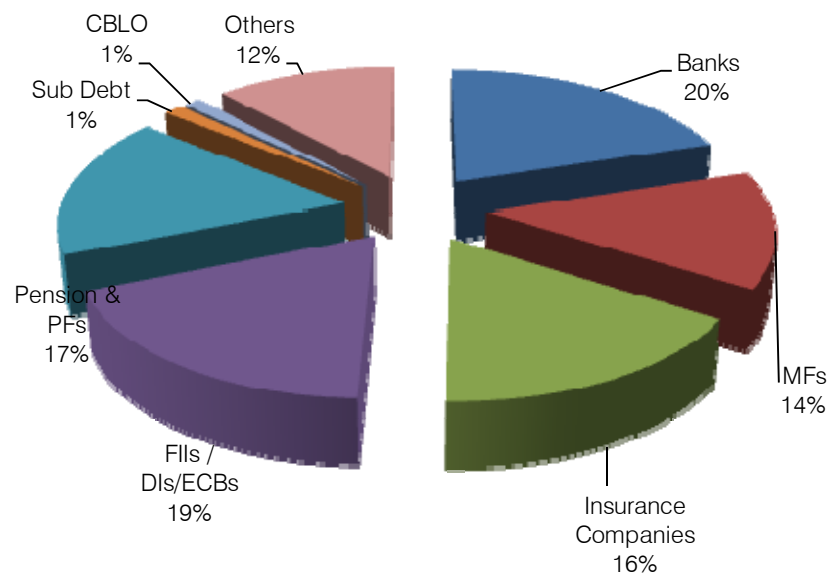
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Borrowings Analysis

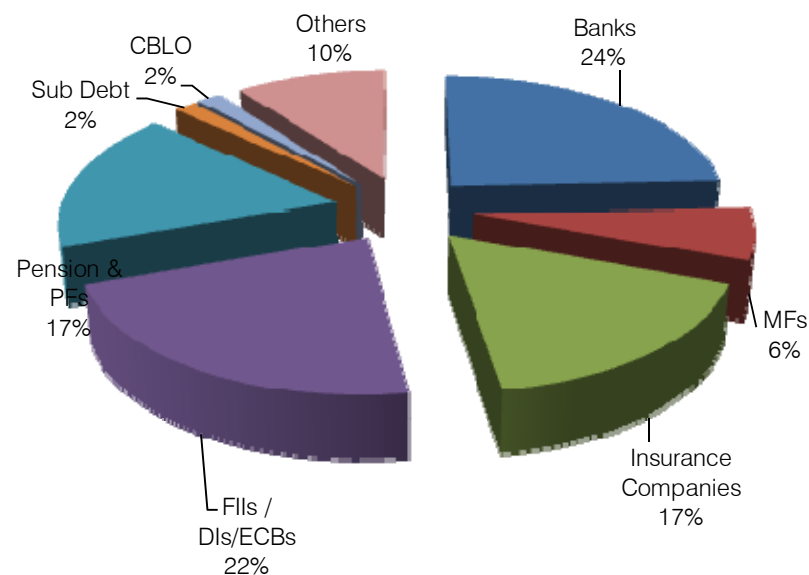
(Amounts in ₹ crore)

| Particular | Amount | | | % of total | | | % Growth | |
|------------------------|---------------|---------------|---------------|-------------|-------------|-------------|------------|------------|
| | 31-Dec-12 | 31-Mar-12 | 31-Dec-11 | 31-Dec-12 | 31-Mar-12 | 31-Dec-11 | Y-o-Y | YTD |
| LT Rupee Loans | 3,848 | 3,342 | 3,834 | 7% | 7% | 9% | 0% | 15% |
| LT Bonds / Debentures | 37,575 | 30,940 | 28,588 | 73% | 67% | 65% | 31% | 21% |
| Sub Debt | 650 | 650 | 650 | 1% | 1% | 1% | 0% | 0% |
| Foreign Currency Loans | 3,374 | 4,153 | 4,994 | 7% | 9% | 11% | -32% | -19% |
| Short Term | 6,187 | 7,351 | 5,663 | 12% | 16% | 13% | 9% | -16% |
| TOTAL | 51,634 | 46,435 | 43,729 | 100% | 100% | 100% | 18% | 11% |

Borrowings - Lender wise (Dec 31, 2012)



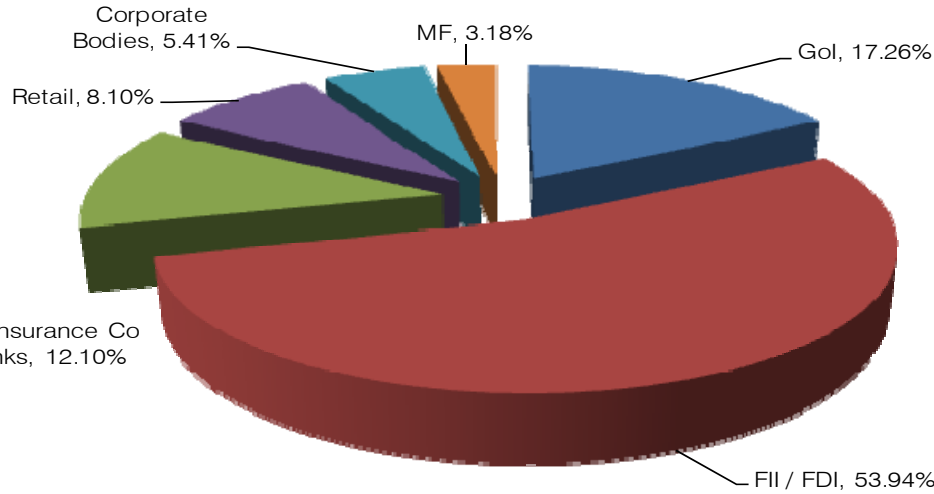
Borrowings - Lender wise (Dec 31, 2011)



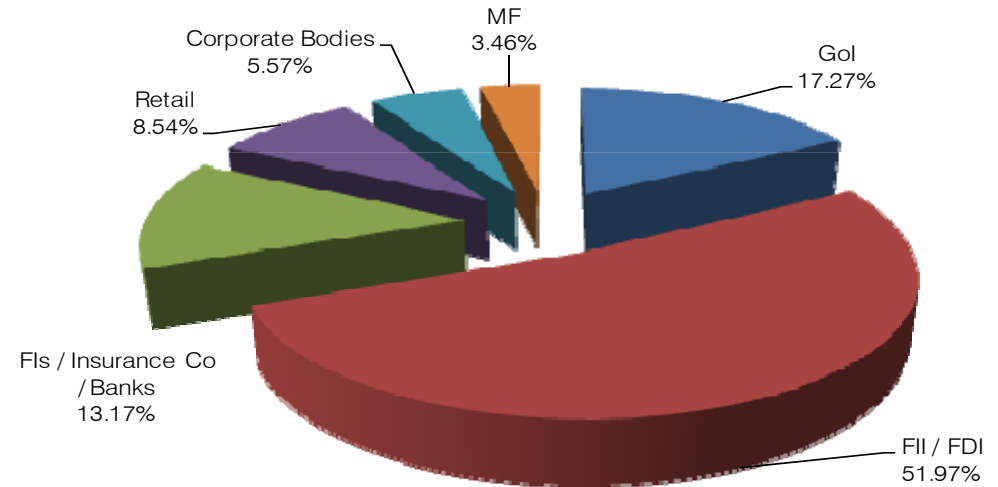
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Shareholding

Shareholding (Dec 31, 2012)



Shareholding (Sep 30, 2012)



% of Top 10 shareholders

| Sr No | Name | Category | Dec-12 | Sep-12 |
|-------|--|----------|--------|--------|
| 1 | Government of India | Promoter | 17.3% | 17.3% |
| 2 | Sipadan Investments (Mauritius) Ltd. | FII | 10.0% | 10.0% |
| 3 | Life Insurance Corporation of India | FI | 9.4% | 10.4% |
| 4 | J.P. Morgan Asset Management | FII | 3.0% | 2.9% |
| 6 | The Royal Bank of Scotland | FII | 2.9% | 2.6% |
| 5 | Abu Dhabi Investment Authority | FII | 2.4% | 2.2% |
| 7 | Actis Hawk Ltd | FII | 2.0% | 2.0% |
| 8 | Vanguard | FII | 1.9% | 1.9% |
| 9 | Flagship Indian Investment Company (Mauritius) Ltd | FII | 1.8% | 1.7% |
| 10 | Government of Singapore | FII | 1.7% | 2.0% |

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Other Highlights

- Adjusted Duration :
 - Assets : 2.0 years (Sept 30, 2012 : 1.8 years)
 - Liabilities : 1.6 years (Sept 30, 2012 : 1.9 years)

- Assets Under Management :

| Fund Name | AUM (December 31, 2012) | |
|----------------------------|-------------------------|------------|
| | ₹Crore | USD* (bn) |
| IDFC Private Equity** | 4,237 | 0.9 |
| Fund I | 160 | 0.0 |
| Fund II | 1,174 | 0.3 |
| Fund III | 2,903 | 0.6 |
| IDFC Project Equity Fund** | 3,837 | 0.9 |
| IDFC Mutual Fund | 29,795 | 5.4 |
| Equity | 6,847 | 1.3 |
| Debt | 22,948 | 4.2 |
| Total | 37,868 | 7.3 |

**Exchange rate: Pvt & Proj Eq - rate prevailing at the time of Fund Close; Others 1 USD = ₹54.78 as on Dec 31, 2012.