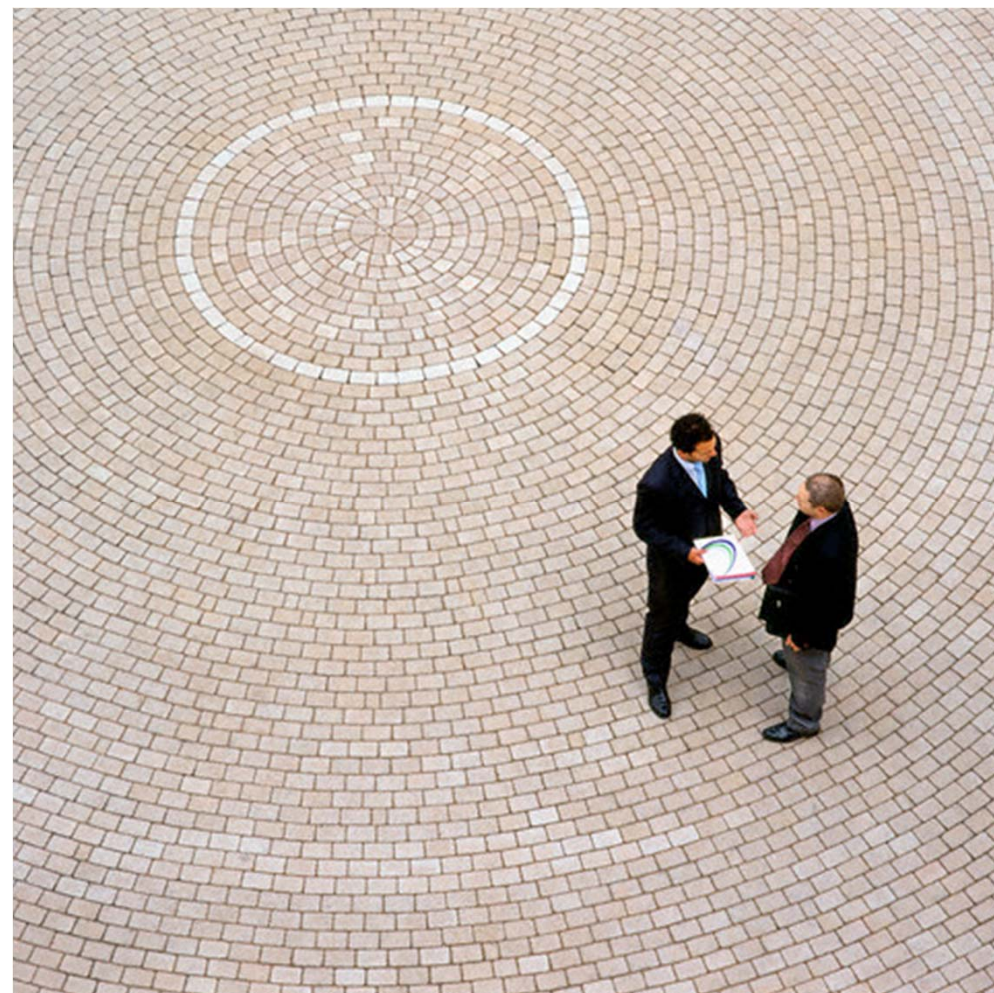




IDFC

IDFC : Investor Presentation (H1FY2014)

October 31, 2013



1. Snapshot

2. Balance Sheet & Financials

3. Concentration and product analysis

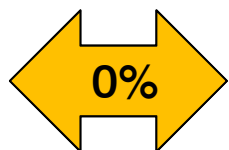
4. Borrowings

5. Shareholding

6. Highlights

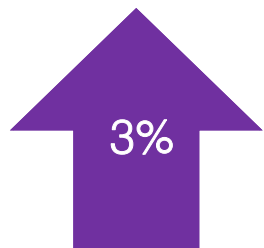
Balance Sheet

₹69,961 cr



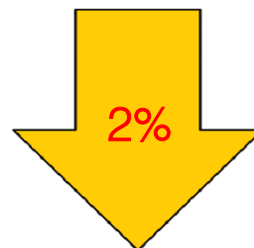
Loan Book

₹55,957 cr



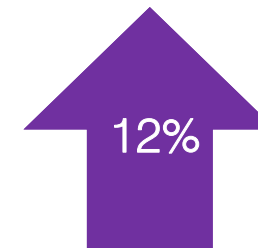
Borrowings

₹52,670 cr



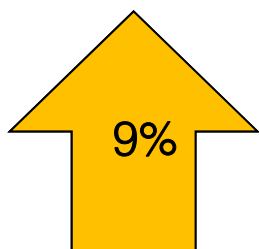
Networth

₹14,752 cr



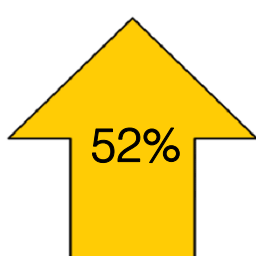
NII

₹1,371 cr



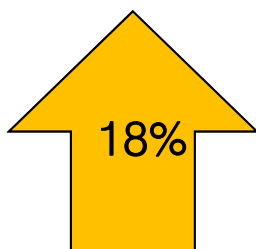
Non-Int Income

₹531 cr



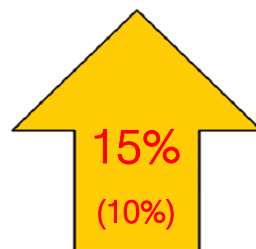
Op. Income

₹1,911 cr



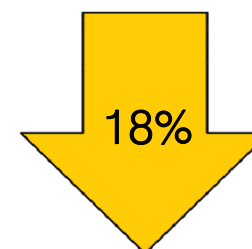
Op. Expenses [^]

₹277 cr



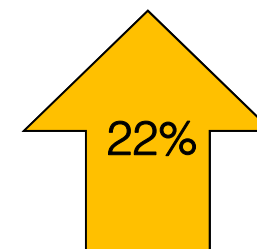
Provisions

₹109 cr



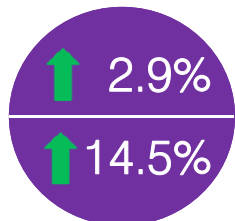
PAT

₹1,044 cr

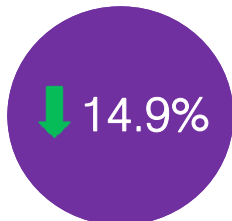


[^] Adjusted Opex increased by 10% to ₹265 cr

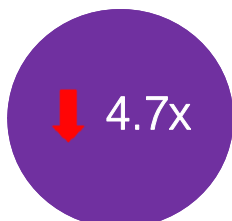
RoA*



RoE*

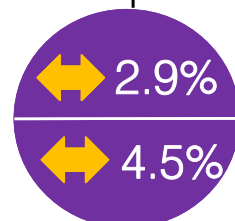


Cost / Income*



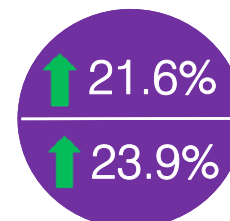
Leverage

Loan Spreads*



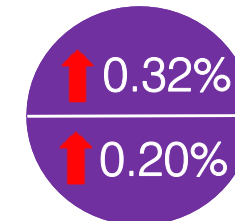
Loan NIMs*

Tier I



Cap Adeq

Gross NPL



Net NPL

*Rolling 12 months Oct'12-Sep'13 vs FY13

Business Highlights

Project Finance

- Approvals : ₹14,976 cr (3% YoY increase – H1FY13 : ₹14,527 cr)
- Disbursements : ₹5,650 cr (46% YoY decrease –H1FY13 : ₹10,487 cr)
- Cumulative OS Approvals : ₹79,358 crore (10% YoY increase)
- Loan Book : ₹55,957 crore (3% YoY increase , 3% Q-o-Q decrease)
- NII Loan Book : ₹1,273 crore (11% YoY increase, 2% Q-o-Q increase)
- Loan Related Fees : ₹33 crore (68% YoY decrease)
- Loan Provisions : ₹92 crore (40% YoY increase)
- Loan Loss Provision Ratio : 1.95%

Fixed Income & Treasury

- NII Treasury : ₹99 cr (11% YoY decrease)
- Fixed Income : ₹121 cr (H1FY13 - ₹32 crore)
- Treasury Assets : ₹7,388 cr (17% decrease)

- Overall Spreads for rolling 12 months ending Sept'13 : 2.4% (FY13 : 2.5%)
- Capital Adequacy : 23.9% (of which Tier I : 21.6%) vs 22.1% as on Mar'13

Resources :

- India Rating reaffirmed its “AAA” rating to IDFC
- Borrowings outstanding : ₹52,670 cr (2% YoY decrease)

Business Highlights

Investment Banking & Broking

- Institutional Broking income : ₹14 cr (6% YoY decrease)
- Investment Banking income : ₹7 cr (55% YoY decrease)

Alternatives

- Average AUM : ₹7,806 cr
 - Private Equity : ₹3,969 cr
 - Project Equity : ₹3,837cr
- Asset management fees from alternatives : ₹55 cr (5% YoY decrease)
- Capital Gains & Carry : ₹11 cr

Public Market AMC

- Average AUM H1FY14 : ₹40,773 crore (Debt : Equity – 82:18)
- 8th Rank AMC
- Market Share (Q2FY14) : 4.9%
- Asset management Fees from AMC : ₹131 crore (75% YoY increase)

- Principal Gains (excluding cap gains and carry) : ₹159 crore (H1FY13 : ₹51 crore)

Operating Expenses :

- HR expenses : ₹147 crore (10% YoY increase)
- Non HR expenses : ₹130 crore (22% YoY increase). Adjusted for Fungibility Non HR Expenses increased by 12%
- Cost / Income (rolling 12 months ending Sept' 13): 14.9% (FY13 : 15.1%). Adjusted for Fungibility Cost / Income ratio 14.6% vs FY13 15.0%

1. Snapshot

2. Balance Sheet & Financials

3. Concentration and product analysis

4. Borrowings

5. Shareholding

6. Highlights

Consol Financials : Balance Sheet

(₹ crore)

Particular	30-Sep-13	30-Sep-12	% Growth	31-Mar-13	% Growth
Networth	14,752	13,152	12%	13,683	8%
Borrowings	52,670	53,680	-2%	54,227	-3%
Current Liabilities	2,539	3,011	-16%	3,149	-19%
TOTAL LIABILITIES	69,961	69,843	0%	71,059	-2%
Net Loan Book	54,985	53,381	3%	55,736	-1%
<i>Gross Loan Book</i>	55,957	54,137	3%	56,595	-1%
<i>Less Provision</i>	972	756	29%	858	13%
Treasury ¹	7,388	8,889	-17%	9,094	-19%
Consol Equity ^{1,2}	3,171	3,023	5%	3,124	2%
Current Assets	4,417	4,549	-3%	3,105	42%
TOTAL ASSETS	69,961	69,843	0%	71,059	-2%

1 Net of provision

2 Goodwill on consolidation as of Sept 30, 2013 - ₹957 crore

Consol Financials : Profit & Loss Account

(₹ crore)

Particular	H1FY14	H1FY13	% Growth	Q2FY14	Q2FY13	% Growth	Q1FY14	% Growth
Net Interest Income	1,371	1,262	9%	685	642	7%	686	0%
Loans	1,273	1,151	11%	642	596	8%	631	2%
Treasury	99	111	-11%	44	46	-5%	55	-21%
Non-Interest Income	531	348	52%	200	203	-1%	331	-40%
Principal Gains	159	51	214%	96	49	96%	63	52%
Asset Management	197	133	48%	104	69	51%	93	12%
<i>Mutual Fund</i>	131	75	75%	66	40	66%	65	1%
<i>Alternatives</i>	66	58	14%	38	29	32%	27	39%
Fees	55	58	-5%	27	29	-6%	27	1%
VC Gain & Carry	11	0	na	11	0	na	0	na
Investment Banking & Broking	21	31	-31%	8	21	-62%	13	-38%
<i>Investment Banking</i>	7	16	-55%	2	13	-83%	5	-53%
<i>Institutional Broking</i>	14	15	-6%	6	8	-24%	8	-30%
Fixed Income	121	32	279%	-18	19	na	139	na
Loan Book Related fees	33	103	-68%	10	44	-77%	23	-55%
Other Income	8	11	-26%	4	5	-16%	4	-12%
OPERATING INCOME	1,911	1,622	18%	889	849	5%	1,021	-13%
OPERATING EXPENSES	277	240	15%	138	124	11%	139	-1%
HR	147	134	10%	78	68	15%	69	14%
Non-HR	130	106	22%	59	55	7%	71	-16%
Provisions	109	133	-18%	50	30	67%	59	-15%
Loans	92	66	40%	21	30	-29%	71	-70%
Investments	17	67	na	29	0	na	-12	na
PBT	1,525	1,249	22%	701	696	1%	823	-15%
Tax, Minority int, etc	480	393	22%	214	220	-3%	266	-19%
PAT	1,044	855	22%	487	476	2%	557	-13%
PAT (net of principal gains)	907	805	13%	404	427	-5%	504	-20%

Consol Financials : RoA Tree

(% of avg total assets)

Particular	Oct12 - Sep13	Jul12 - Jun13	FY13	Jan12 - Dec12	Oct11 - Sep12
Net Interest Income	3.7%	3.8%	3.8%	3.9%	3.9%
Loans	3.5%	3.5%	3.5%	3.6%	3.6%
Treasury	0.3%	0.3%	0.3%	0.3%	0.3%
Non-Interest Income	1.5%	1.5%	1.3%	1.0%	1.2%
Principal Investments	0.4%	0.4%	0.3%	0.2%	0.3%
Asset Management	0.5%	0.5%	0.5%	0.4%	0.4%
Investment Banking & Broking	0.1%	0.1%	0.1%	0.1%	0.1%
Fixed Income	0.3%	0.4%	0.2%	0.1%	0.1%
Loan Related & Other Fees	0.2%	0.2%	0.3%	0.3%	0.3%
Other Income	0.0%	0.0%	0.0%	0.0%	0.0%
OPERATING INCOME	5.2%	5.3%	5.2%	5.0%	5.1%
OPERATING EXPENSES	0.8%	0.8%	0.8%	0.8%	0.9%
HR	0.4%	0.4%	0.4%	0.5%	0.5%
Non-HR	0.3%	0.4%	0.3%	0.3%	0.4%
Provisions	0.5%	0.4%	0.5%	0.4%	0.5%
PBT	4.0%	4.1%	3.9%	3.7%	3.8%
Tax, Minority int, etc	1.2%	1.2%	1.1%	1.2%	1.2%
PAT	2.8%	2.9%	2.8%	2.6%	2.6%

Consol Financials : Ratios

Particular	Oct12 - Sep13	Jul12 - Jun13	FY13	Jan12 - Dec12	Oct11 - Sep12
NII / Operating Income	71%	71%	74%	78%	76%
Non-int income / Op Income	29%	29%	26%	22%	24%
HR / Operating Income	8.3%	8.1%	8.6%	9.5%	9.6%
Cost / Income*	14.9%	14.7%	15.1%	16.5%	16.7%
RoA	2.9%	2.9%	2.8%	2.6%	2.6%
RoE	14.5%	14.9%	14.0%	12.8%	12.5%
Leverage (<i>Closing</i>)	4.7 x	5.0 x	5.2 x	5.1 x	5.3 x
Loan Loss Provision Ratio#	2.0%	1.9%	1.8%	1.8%	1.7%
Gross NPL	0.3%	0.3%	0.2%	0.3%	0.3%
Net NPL	0.2%	0.2%	0.1%	0.1%	0.1%
Average Spreads	2.4%	2.4%	2.5%	2.5%	2.5%
NIMs	4.1%	4.1%	4.1%	4.2%	4.3%

* Adjusted for Fungibility Expenses Cost / Income ratio : Oct-Sep'13 : 14.6%, Jul-Jun'13 : 14.5%, FY13 : 15.0%

Total Provision / Total Loans

1. Snapshot
2. Balance Sheet & Financials
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5. Shareholding
6. Highlights

Concentration Analysis (Sector)

Cumulative OS Approvals

(Amounts in ₹ crore)

Particular	Sep-13	% of Total	Mar-13	% of Total	Sep-12	% of Total
Energy	27,136	34%	29,234	40%	29,031	40%
Transportation	19,478	25%	18,210	25%	16,804	23%
Telecom	20,550	26%	14,927	21%	17,510	24%
Others	12,194	15%	10,226	14%	9,097	13%
TOTAL	79,358	100%	72,597	100%	72,441	100%

- Top 20 Companies : 41% of total (Jun'13 : 39%)
- Top 20 Industrial Groups : 62% of total (Jun'13 : 62%)

Outstanding Disbursement

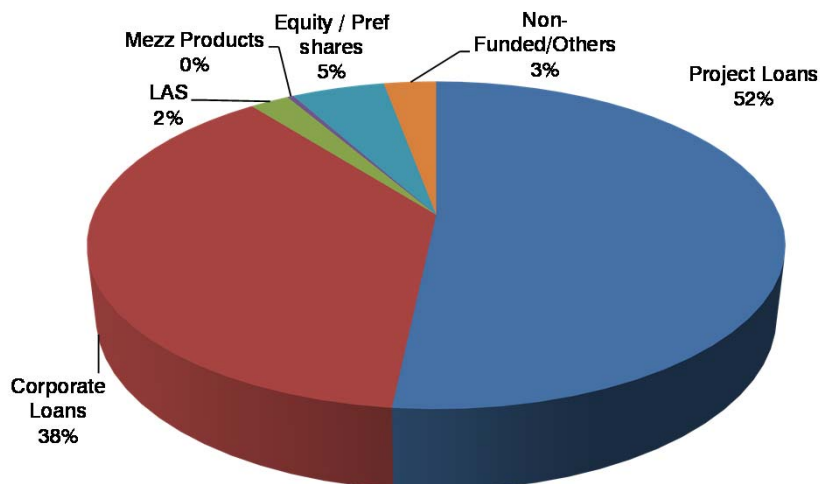
(Amounts in ₹ crore)

Particular	Sep-13	% of Total	Mar-13	% of Total	Sep-12	% of Total
Energy	24,420	41%	25,212	41%	25,076	42%
Transportation	15,501	26%	14,365	24%	13,318	23%
Telecom	12,013	20%	13,772	23%	14,092	24%
Others	8,207	14%	7,433	12%	6,596	11%
TOTAL	60,142	100%	60,782	100%	59,083	100%

- Top 20 Companies : 39% of total (Jun'13 : 41%)
- Top 20 Industrial Groups : 61% of total (Jun'13 : 63%)

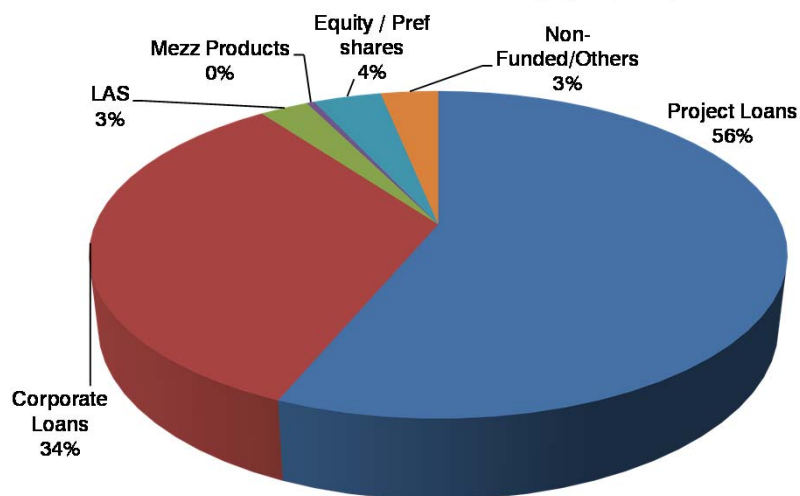
Concentration Analysis (Product)

Product wise Cum OS Approvals (Sep 30, 2013)



Product type	Amount in ₹ crore			% of total		
	Sep-13	Mar-13	Sep-12	Sep-13	Mar-13	Sep-12
Loans / Debentures	72,956	67,711	66,691	91.9%	93.3%	92.1%
Project Loans	41,009	41,103	39,403	51.7%	56.6%	54.4%
Corporate Loans	29,961	24,465	24,482	37.8%	33.7%	33.8%
LAS	1,730	1,870	2,515	2.2%	2.6%	3.5%
Mezz Products	257	272	292	0.3%	0.4%	0.4%
Equity / Pref shares	4,100	2,661	2,569	5.2%	3.7%	3.5%
Non-Funded/Others	2,302	2,226	3,181	2.9%	3.1%	4.4%
TOTAL	79,358	72,597	72,441	100.0%	100.0%	100.0%

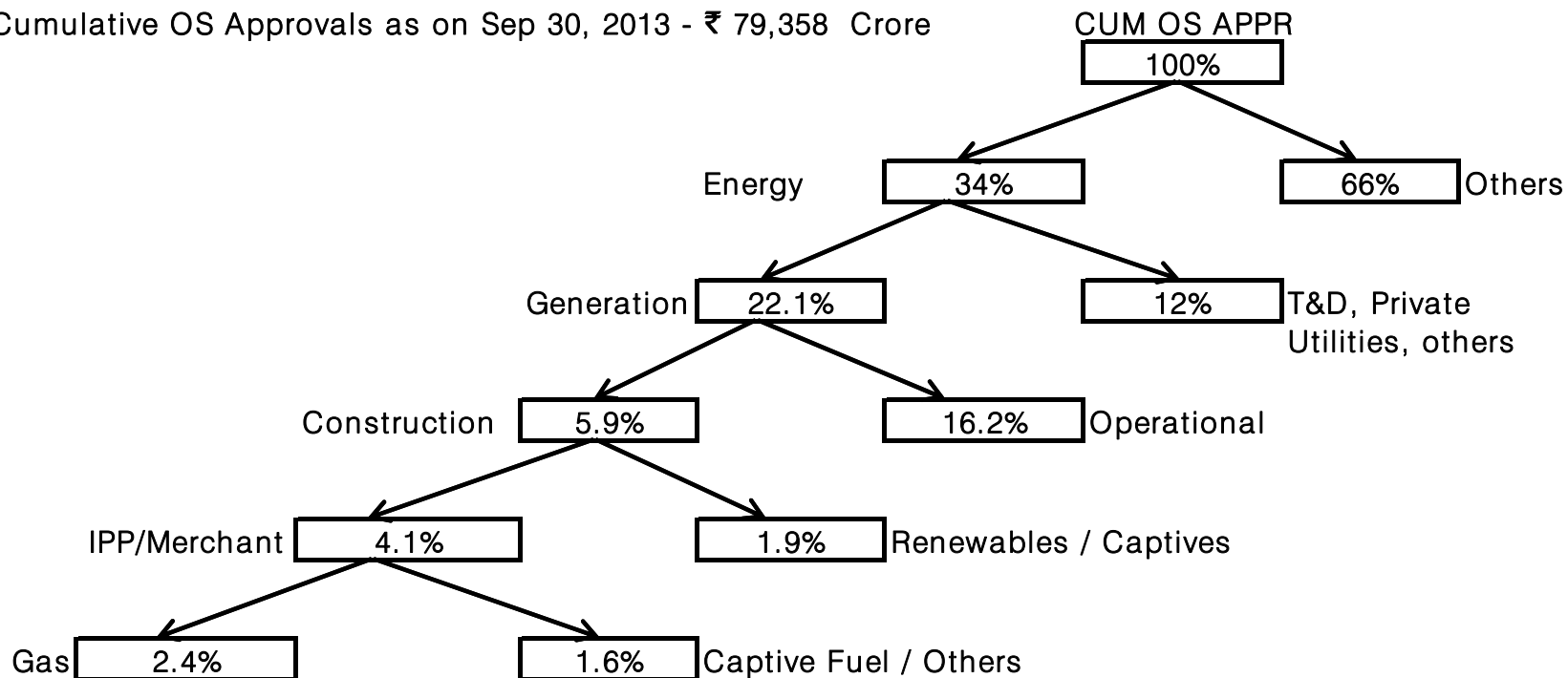
Product wise OS Disbursements (Sep 30, 2013)



Product type	Amount in ₹ crore			% of total		
	Sep-13	Mar-13	Sep-12	Sep-13	Mar-13	Sep-12
Loans / Debentures	55,957	56,595	54,137	93.0%	93.1%	91.6%
Project Loans	33,871	32,766	31,048	56.3%	53.9%	52.6%
Corporate Loans	20,206	21,769	20,608	33.6%	35.8%	34.9%
LAS	1,628	1,790	2,231	2.7%	2.9%	3.8%
Mezz Products	252	269	250	0.4%	0.4%	0.4%
Equity / Pref shares	2,268	2,264	2,127	3.8%	3.7%	3.6%
Non-Funded/Others	1,917	1,923	2,818	3.2%	3.2%	4.8%
TOTAL	60,142	60,782	59,083	100.0%	100.0%	100.0%

Energy Cum OS Approvals Tree

Total Cumulative OS Approvals as on Sep 30, 2013 - ₹ 79,358 Crore



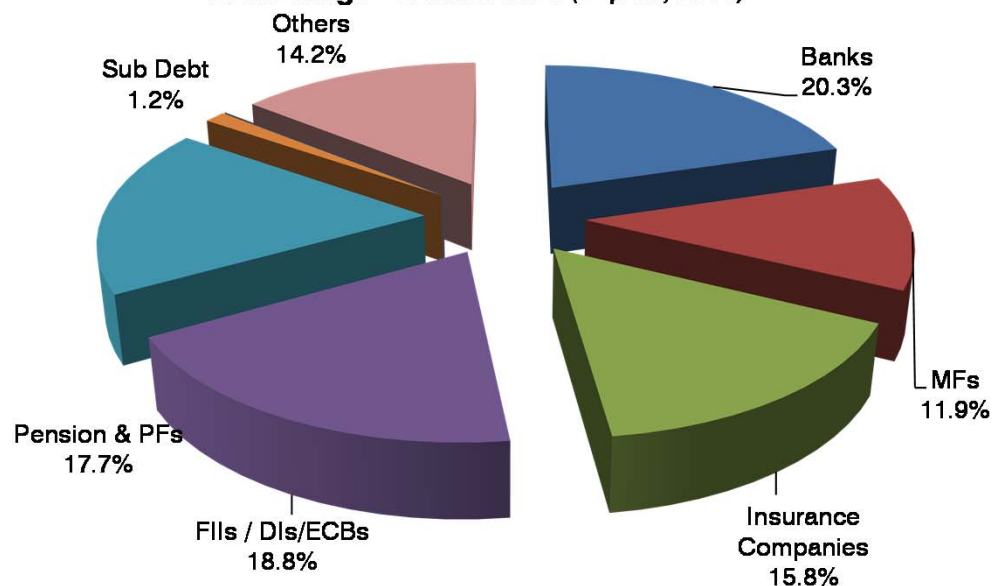
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Borrowings Analysis

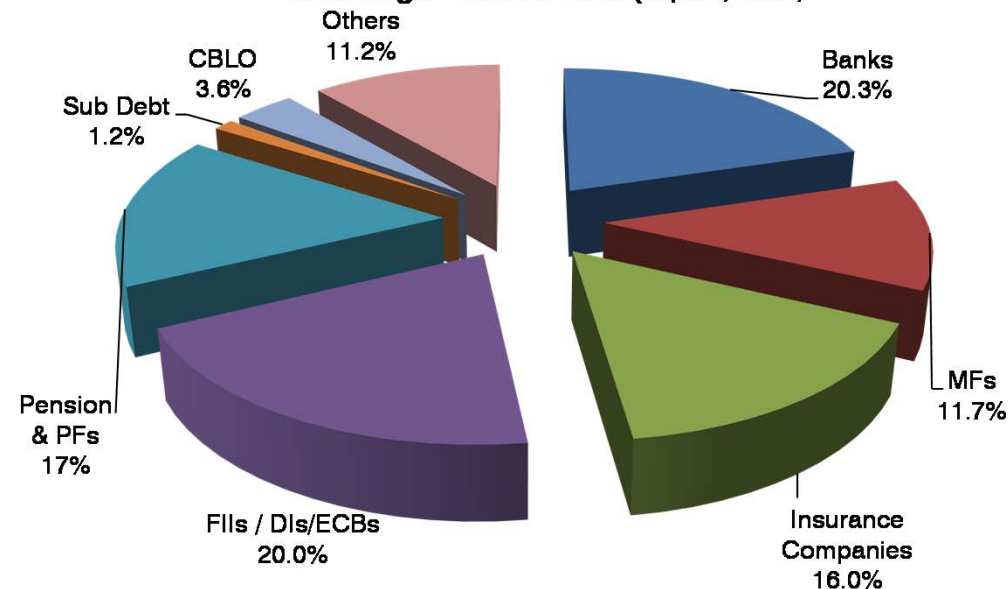
(Amounts in ₹ crore)

Particular	Amount			% of total			% Growth	
	30-Sep-13	31-Mar-13	30-Sep-12	30-Sep-13	31-Mar-13	30-Sep-12	Y-o-Y	YTD
LT Rupee Loans	6,014	4,527	3,519	11%	8%	7%	71%	33%
LT Bonds / Debentures	34,473	38,821	36,852	65%	72%	69%	-6%	-11%
Sub Debt	650	650	650	1%	1%	1%	0%	0%
Foreign Currency Loans	6,687	6,160	3,282	13%	11%	6%	104%	9%
Short Term	4,847	4,069	9,378	9%	8%	17%	-48%	19%
TOTAL	52,670	54,227	53,680	100%	100%	100%	-2%	-3%

Borrowings - Lender wise (Sep 30, 2013)



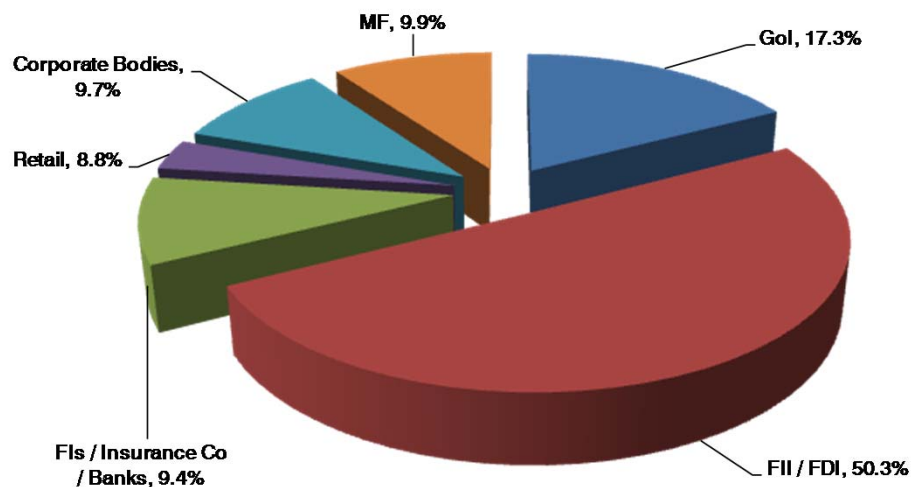
Borrowings - Lender wise (Sep 30, 2012)



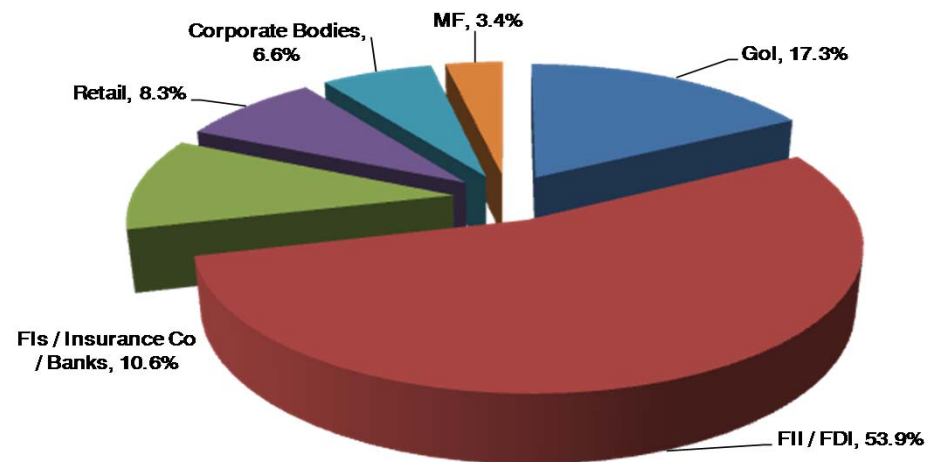
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Shareholding

Shareholding (September 30 2013)



Shareholding (Mar 31, 2013)



% of Top 10 shareholders

Sr No	Name	Category	30-Sep-13	31-Mar-13
1	Gol	Gol	17.2%	17.3%
2	Sipadan Investments (Mauritius)	FII	10.0%	10.0%
3	LIC	FI	6.8%	7.9%
4	The Royal Bank Of Scotland	FII	6.6%	2.9%
6	J.P. Morgan	FII	2.9%	3.4%
5	ICICI Prudential Life Insurance Company Ltd	FII	2.6%	1.3%
7	Actis Hawk Limited	FII	2.4%	2.0%
8	Platinum Investment Management	FII	2.3%	0.9%
9	Bajaj Allianz Life Insurance Company Ltd.	FII	2.2%	0.9%
10	JP Morgan SICAV Investment Company (Mauritius) Limited	FII	1.9%	2.0%

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Other Highlights

- **Adjusted Duration :**
 - Assets : 1.4 years (Jun 30, 2013 : 1.5 years)
 - Liabilities : 1.6 years (Jun 30, 2013 : 1.8 years)

- **Assets Under Management :**

Fund Name	AUM (Sep 30, 2013)	
	₹Crore	USD* (bn)
IDFC Private Equity**	3,969	0.8
Fund I	47	0.0
Fund II	1,478	0.3
Fund III	2,445	0.5
IDFC Project Equity Fund**	3,837	0.8
IDFC Mutual Fund	40,773	6.5
Equity	7,430	1.2
Debt	33,343	5.3
Total	48,579	8.1

***Exchange rate: Pvt & Proj Eq - rate prevailing at the time of Fund Close; Others 1 USD = ₹62.78 as on Sep 30, 2013..*