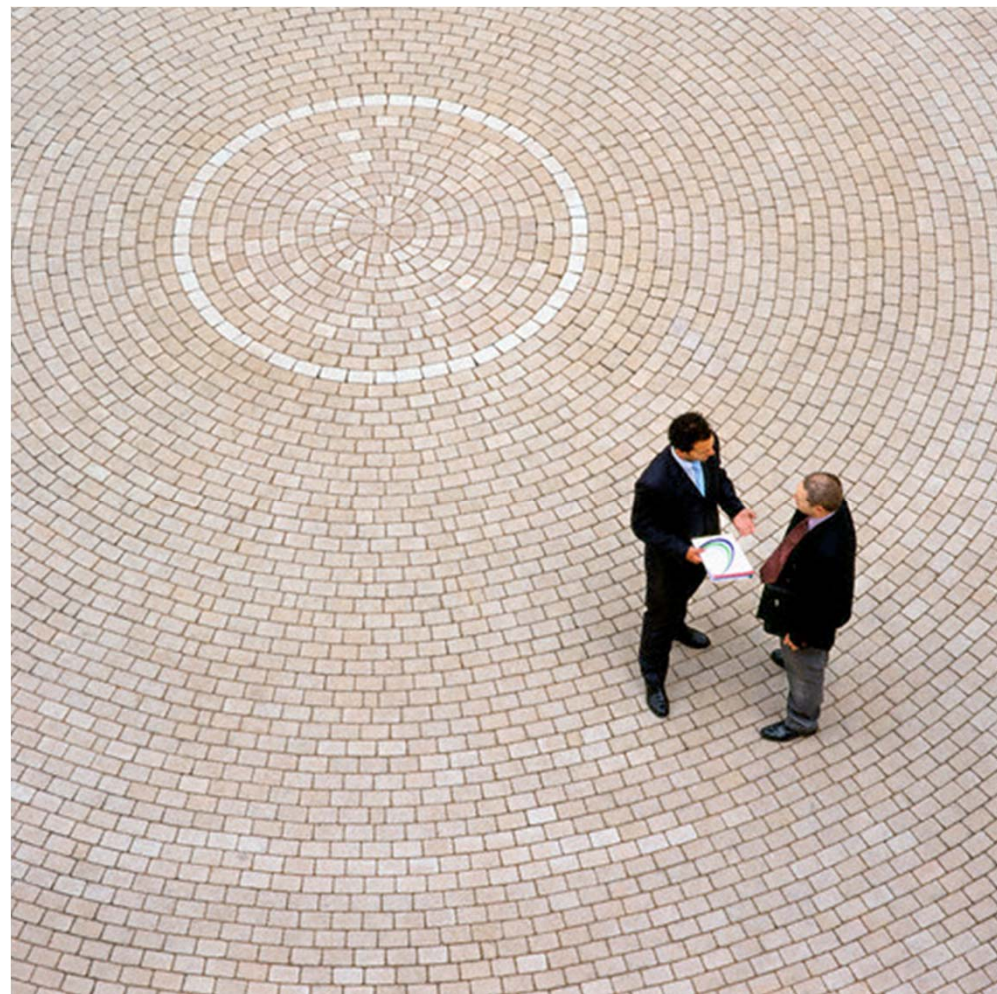




IDFC

IDFC : Investor Presentation (9MFY15)

January 29, 2015



1. Snapshot

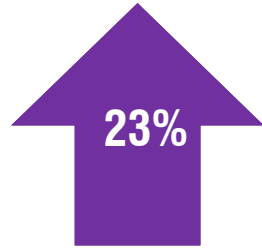
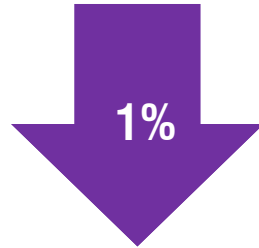
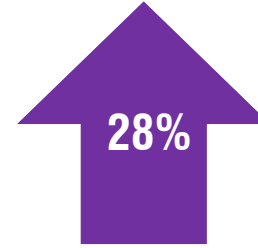
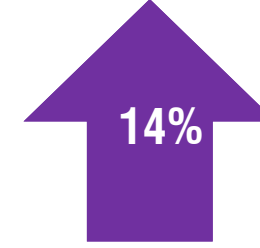
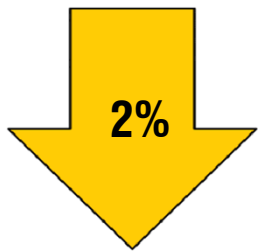
2. Balance Sheet & Financials

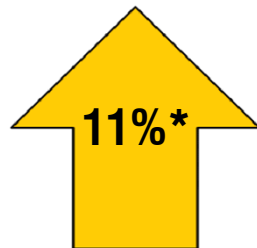
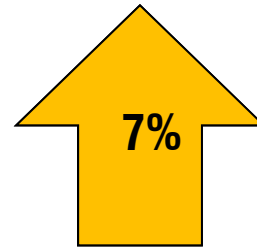
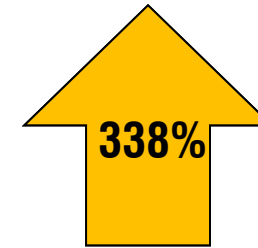
3. Concentration and product analysis

4. Borrowings

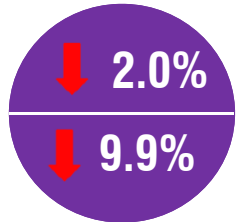
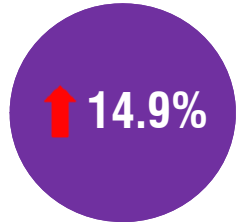
5. Shareholding

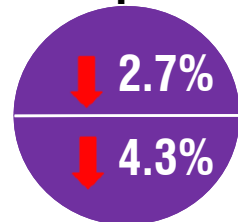
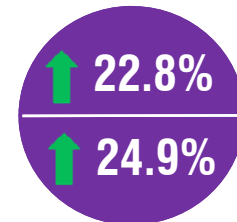
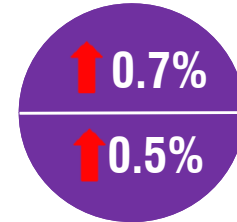
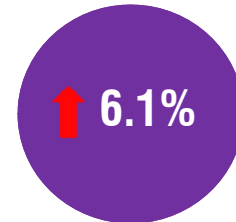
6. Highlights

Balance Sheet
₹ 86,388 cr

Loan Book
₹ 54,004 cr

Borrowings
₹ 65,974 cr

Networth
₹ 17,380 cr

NII
₹ 1,992 cr

Non-Int Income
₹ 900 cr

Op. Expenses
₹ 450 cr

Pre-Prov Op Profit
₹ 2,520 cr

Provisions
₹ 638 cr

PAT
₹ 1,325 cr


* Adj for Dep write back & Bank related exp, Opex increased by 15% to ₹458 cr

RoA*

RoE
Cost / Income#

Cost / Income#
Leverage (Closing)

Leverage (Closing)
Loan Spreads*

Loan NIMs*
Tier I

Cap Adeq
Gross NPL

Net NPL
NRL ^


^ Net Restructured Loans

*Rolling 12 months Jan'14-Dec'14 #Adjusted Cost / Income : 15.2%

Business Highlights

Project Finance

- Approvals : ₹ 15,359 crore (25% YoY decrease – 9MFY14 : ₹ 20,410 crore)
- Disbursements : ₹ 8,843 crore (16% YoY increase – 9MFY14 : ₹ 7,639 crore)
- Cumulative OS Approvals : ₹ 74,882 crore (8% YoY decrease)
- Loan Book : ₹ 54,004 crore (1% YoY decrease , 2% Q-o-Q decrease)
- NII Loan Book : ₹ 1,740 crore (8% YoY decrease, 1% Q-o-Q increase)
- Loan Related Fees : ₹ 38 crore (29% YoY decrease)
- Loan Provisions : ₹ 698 crore (394% YoY increase)
- Total Provisions / Loans Ratio : 3.9%

Fixed Income & Treasury

- NII Treasury : ₹ 252 crore (65% YoY increase)
- Fixed Income : ₹ 154 crore (9MFY14 – ₹ 91 crore)
- Treasury Assets : ₹ 25,462 crore (Dec 13 : ₹ 9,007 crore)

- Overall Spreads Rolling 12M ending Dec'14 : 2.0% (FY14 : 2.3%)
- Capital Adequacy : 24.9% (of which Tier I : 22.8%) vs 24.6% as on Dec'13

Resources :

- India Ratings reaffirmed IDFC's domestic rating at "Ind AAA"
- S&P reaffirmed IDFC's international rating at "BBB-" with stable outlook

Business Highlights

Investment Banking & Broking

- Institutional Broking and Investment Banking income : ₹ 53 crore (33% YoY increase)

Alternatives

- Average AUM : ₹ 13,746 crore
 - Private Equity : ₹ 3,820 crore
 - Project Equity : ₹ 9,176 crore
 - Real Estate: ₹ 749 crore

Public Market AMC

- Average AUM 9MFY15 : ₹ 47,328 crore (Debt : Equity – 76:24)
- 8th Rank AMC
- Market Share (Q3FY15) : 4.3%
- Asset management Fees from AMC : ₹ 212 crore (9% YoY increase)

Operating Expenses :

- HR expenses : ₹ 272 crore (22% YoY increase)
- Non HR expenses : ₹ 178 crore (2% YoY decrease)
- Adjusted for depreciation write back and Bank related expenses, Operating Expenses increased by 15% to ₹ 458 crore.
- Cost / Income for rolling 12 M ending Dec14 : 14.9%. Adjusted for depreciation write back and Bank related expenses Cost / Income ratio: 15.2%

1. Snapshot

2. Balance Sheet & Financials

3. Concentration and product analysis

4. Borrowings

5. Shareholding

6. Highlights

Consol Financials : Balance Sheet

₹ crore

Particular	Dec-14	Dec-13	% Growth	Mar-14	% Growth
Shareholders' Funds	17,380	15,250	14%	15,040	16%
Borrowings	65,974	51,630	28%	56,565	17%
Current Liabilities	3,034	3,192	-5%	3,557	-15%
TOTAL LIABILITIES	86,388	70,073	23%	75,163	15%
Net Loans	52,006	53,565	-3%	58,546	-11%
Gross Loans	54,004	54,552	-1%	59,829	-10%
Less Provisions	1,997	987	102%	1,284	56%
Treasury ¹	25,462	9,007	183%	9,181	177%
Equity ^{1, 2}	3,862	2,978	30%	3,222	20%
Other Assets	5,057	4,523	12%	4,215	20%
TOTAL ASSETS	86,388	70,073	23%	75,163	15%

¹ Net of provision

² Goodwill of Subsidiaries on account of consolidation as of Dec 31, 2014 - 957 crore

Consol Financials : Profit & Loss Account

₹ crore

Particular	9MFY15	9MFY14	% Growth (Y-o-Y)	Q3FY15	Q3FY14	% Growth (Q3-o- Q3)	Q2FY15	% Growth (Q3 vs Q2)
OPERATING INCOME	2,969	2,763	7%	982	852	15%	1,101	-11%
NII	1,992	2,036	-2%	661	664	0%	648	2%
Loans	1,740	1,883	-8%	567	610	-7%	559	1%
Treasury	252	153	65%	95	54	75%	90	6%
NON-INTEREST INCOME	900	718	25%	317	187	70%	449	-29%
Principal Gains & Carry	334	260	29%	57	89	-36%	286	-80%
Asset Management Fees	320	273	17%	115	87	31%	107	7%
IB & Broking	53	40	33%	13	19	-30%	24	-45%
Fixed Income	154	91	69%	128	-29	na	5	na
Loan Related Fees	38	54	-29%	4	21	-81%	27	-86%
Other Income	78	9	na	4	1	197%	4	2%
OPERATING EXPENSES*	450	406	11%	198	129	54%	197	1%
HR	272	224	22%	98	77	27%	96	1%
Non-HR	178	182	-2%	101	52	94%	100	0%
PRE-PROV OP PROFIT (PPOP)	2,520	2,357	7%	783	723	8%	904	-13%
Provisions	638	146	338%	153	37	319%	281	-46%
Loans	698	141	394%	182	47	286%	268	-32%
Investments, Others	-60	5	na	-29	-11	na	13	na
PBT	1,881	2,211	-15%	630	687	-8%	623	1%
Tax, Minority Int, Asso co PAT	557	667	-17%	209	186	12%	201	4%
PAT	1,325	1,545	-14%	422	501	-16%	421	0%

* Opex (adjusted for depreciation write back and Bank related expenses) increased by 15% to ₹ 458 cr

Consol Financials : RoA Tree

% of Avg Total Assets

Particular	Jan 14 - Dec 14	Oct 13 - Sep 14	Jul 13 - Jun 14	FY14	Jan13 - Dec13	Oct12 - Sep13	Jul12 - Jun13	FY13
OPERATING INCOME	5.0%	5.0%	4.9%	5.1%	5.2%	5.3%	5.3%	5.2%
NII	3.4%	3.5%	3.7%	3.7%	3.7%	3.8%	3.8%	3.8%
Loans	3.0%	3.1%	3.3%	3.4%	3.4%	3.5%	3.5%	3.5%
Treasury	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
NON-INTEREST INCOME	1.5%	1.4%	1.1%	1.4%	1.5%	1.5%	1.5%	1.3%
Principal Gains & Carry	0.5%	0.6%	0.3%	0.4%	0.5%	0.5%	0.4%	0.3%
Asset Management Fees	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%
IB & Broking	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Fixed Income	0.2%	0.0%	0.0%	0.1%	0.2%	0.3%	0.4%	0.2%
Loan Related Fees	0.1%	0.2%	0.1%	0.2%	0.1%	0.2%	0.2%	0.3%
Other Income	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
OPERATING EXPENSES	0.7%	0.7%	0.6%	0.7%	0.8%	0.8%	0.8%	0.8%
PRE-PROV OP PROFIT (PPOP)	4.2%	4.3%	4.2%	4.4%	4.5%	4.5%	4.6%	4.4%
Provisions	1.4%	1.3%	1.0%	0.9%	0.4%	0.5%	0.4%	0.5%
PBT	2.8%	3.0%	3.2%	3.5%	4.0%	4.0%	4.1%	3.9%
Tax, Minority Int, Asso co PAT	0.8%	0.8%	0.8%	1.0%	1.2%	1.2%	1.2%	1.1%
PAT	2.0%	2.2%	2.3%	2.5%	2.9%	2.9%	2.9%	2.8%

Consol Financials : Ratios

Particular	Jan 14 - Dec 14	Oct13 - Sep14	Jul13 - Jun14	FY14	Jan13 - Dec13	Oct12 - Sep13	Jul12 - Jun13	FY13
RoA	2.0%	2.2%	2.3%	2.5%	2.9%	2.9%	2.9%	2.8%
RoE	9.9%	10.8%	11.5%	12.2%	14.4%	14.5%	14.9%	13.9%
EPS (₹)	9.9	10.4	11.4	11.9	13.7	13.4	13.3	12.1
Leverage (Closing)	5.0 x	4.7 x	4.9 x	5.0 x	4.6 x	4.7 x	5.0 x	5.2 x
Book Value (₹)	109.2	106.6	102.4	99.2	100.6	97.3	94.1	90.3
Cost / Income*	14.9%	13.6%	13.2%	14.6%	14.8%	15.0%	14.7%	15.1%
HR / Operating Income	8.5%	8.3%	8.3%	7.7%	7.9%	8.1%	7.9%	8.4%
Gross NPL (% of Loans)	0.7%	0.6%	0.6%	0.6%	0.6%	0.3%	0.3%	0.2%
Net NPL (%)	0.5%	0.4%	0.4%	0.4%	0.5%	0.2%	0.2%	0.1%
Total Loans Prov (% of Loans)	3.9%	3.6%	3.1%	2.4%	2.0%	2.0%	1.9%	1.8%
Average Spreads	2.0%	2.1%	2.3%	2.3%	2.3%	2.4%	2.4%	2.5%
<i>of which Loan spreads</i>	2.7%	2.7%	2.8%	2.8%	2.8%	2.9%	2.8%	2.9%
NIMs	3.7%	3.8%	4.0%	4.0%	4.0%	4.1%	4.1%	4.1%
<i>of which Loan NIMs</i>	4.3%	4.4%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

* Adjusted for depreciation write back and Bank related expenses Cost / Income for rolling 12M ending Dec 14 : 15.2%

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Concentration Analysis (Sector)

Cumulative OS Approvals

(Amounts in ₹ crore)

Particular	Dec-14	% of Total	Mar-14	% of Total	Dec-13	% of Total
Energy	27,721	37%	28,602	37%	27,127	33%
Transportation	16,261	22%	17,194	22%	18,823	23%
Telecom	18,162	24%	22,075	28%	22,718	28%
Others	12,738	17%	9,765	13%	12,396	15%
TOTAL	74,882	100%	77,636	100%	81,064	100%

- Top 20 Companies : 44% of total (Mar'14: 41%, Dec'13: 42 %)
- Top 20 Industrial Groups : 72% of total (Mar'14: 65%, Dec'13: 64%)

Outstanding Disbursement

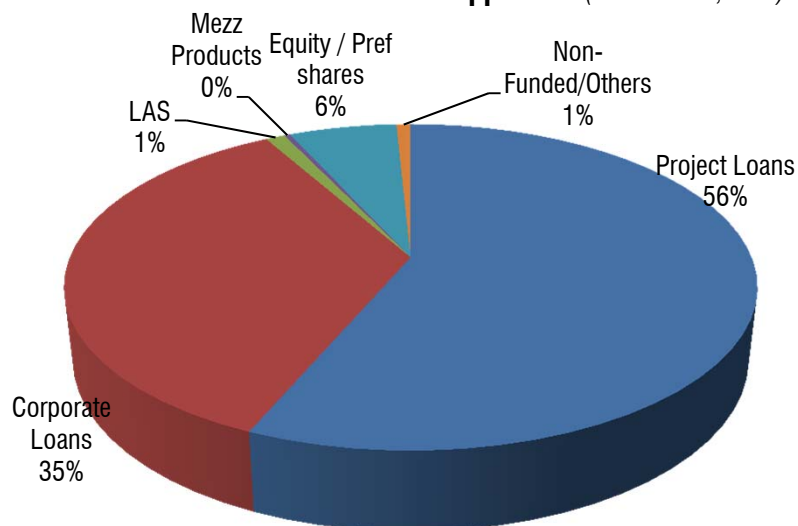
(Amounts in ₹ crore)

Particular	Dec-14	% of Total	Mar-14	% of Total	Dec-13	% of Total
Energy	23,779	41%	25,206	40%	24,089	41%
Transportation	13,366	23%	13,715	22%	14,341	24%
Telecom	12,312	21%	16,882	26%	11,768	20%
Others	7,948	14%	7,938	12%	8,351	14%
TOTAL	57,405	100%	63,741	100%	58,549	100%

- Top 20 Companies : 44% of total (Mar'14: 44%, Dec'13: 41%)
- Top 20 Industrial Groups : 71% of total (Mar'14: 65%, Dec'13: 62%)

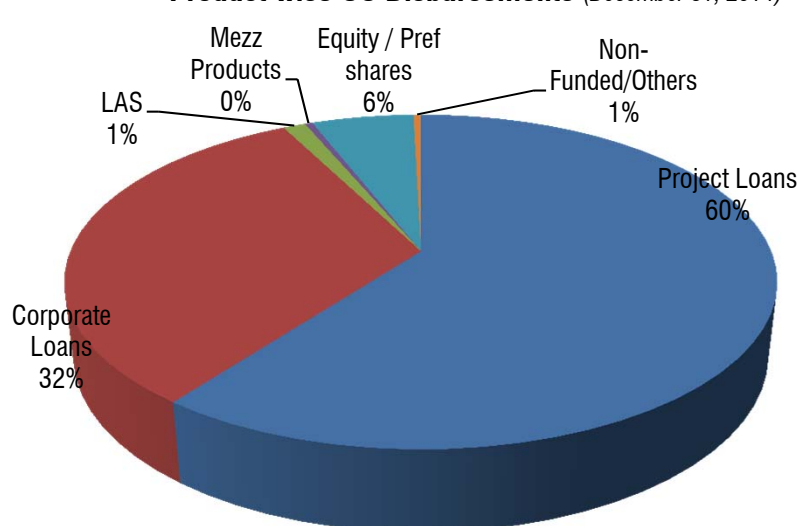
Concentration Analysis (Product)

Product wise Cum OS Approvals (December 31, 2014)



Product type	Amount in ₹ crore			% of total		
	Dec-14	Mar-14	Dec-13	Dec-14	Mar-14	Dec-13
Loans / Debentures	69,800	72,439	74,749	93.2%	93.3%	92.2%
Project Loans	42,265	38,093	39,523	56.4%	49.1%	48.8%
Corporate Loans	26,483	32,596	33,377	35.4%	42.0%	41.2%
LAS	809	1,505	1,601	1.1%	1.9%	2.0%
Mezz Products	243	246	248	0.3%	0.3%	0.3%
Equity / Pref shares	4,491	3,516	4,008	6.0%	4.5%	4.9%
Non-Funded/Others	591	1,680	2,306	0.8%	2.2%	2.8%
TOTAL	74,882	77,636	81,064	100.0%	100.0%	100.0%

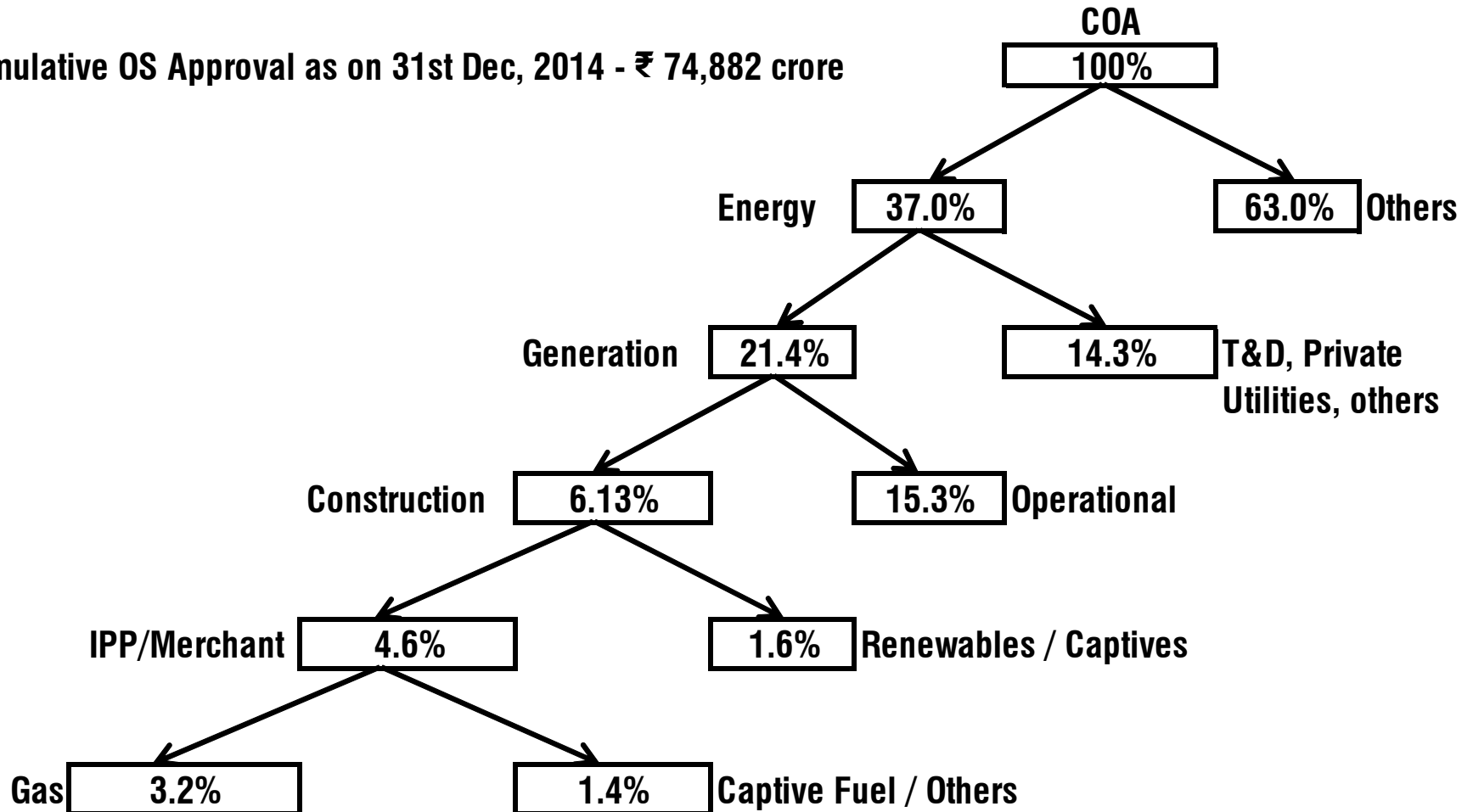
Product wise OS Disbursements (December 31, 2014)



Product type	Amount in ₹ crore			% of total		
	Dec-14	Mar-14	Dec-13	Dec-14	Mar-14	Dec-13
Loans / Debentures	54,004	59,829	54,552	94.1%	93.9%	93.2%
Project Loans	34,619	32,219	31,981	60.3%	50.5%	54.6%
Corporate Loans	18,453	26,009	20,853	32.1%	40.8%	35.6%
LAS	697	1,363	1,477	1.2%	2.1%	2.5%
Mezz Products	234	239	240	0.4%	0.4%	0.4%
Equity / Pref shares	3,165	2,513	2,294	5.5%	3.9%	3.9%
Non-Funded/Others	237	1,399	1,704	0.4%	2.2%	2.9%
TOTAL	57,405	63,741	58,549	100.0%	100.0%	100.0%

Energy Sector Cumulative OS Approvals

Total Cumulative OS Approval as on 31st Dec, 2014 - ₹ 74,882 crore



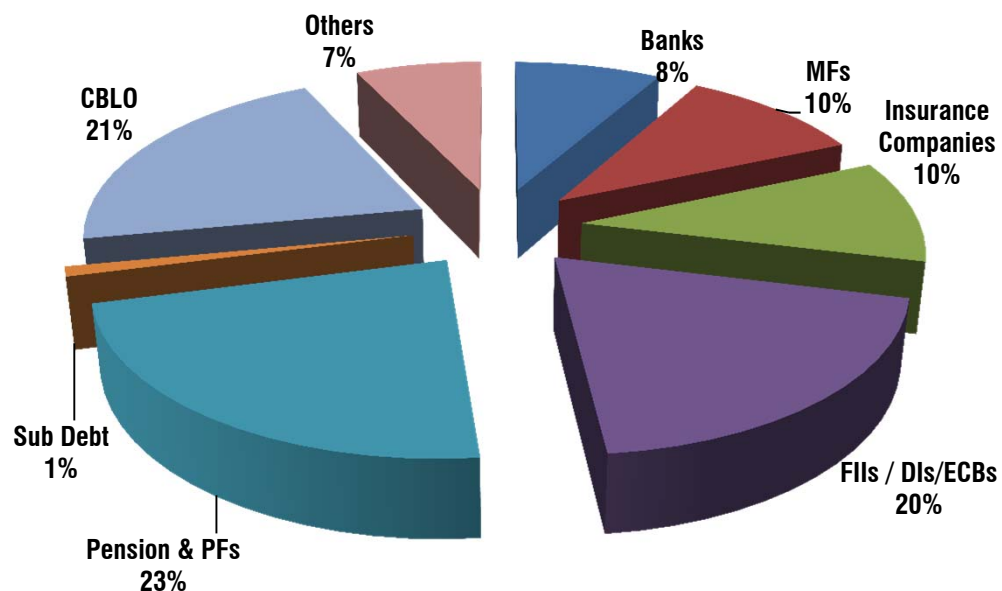
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Borrowings Analysis

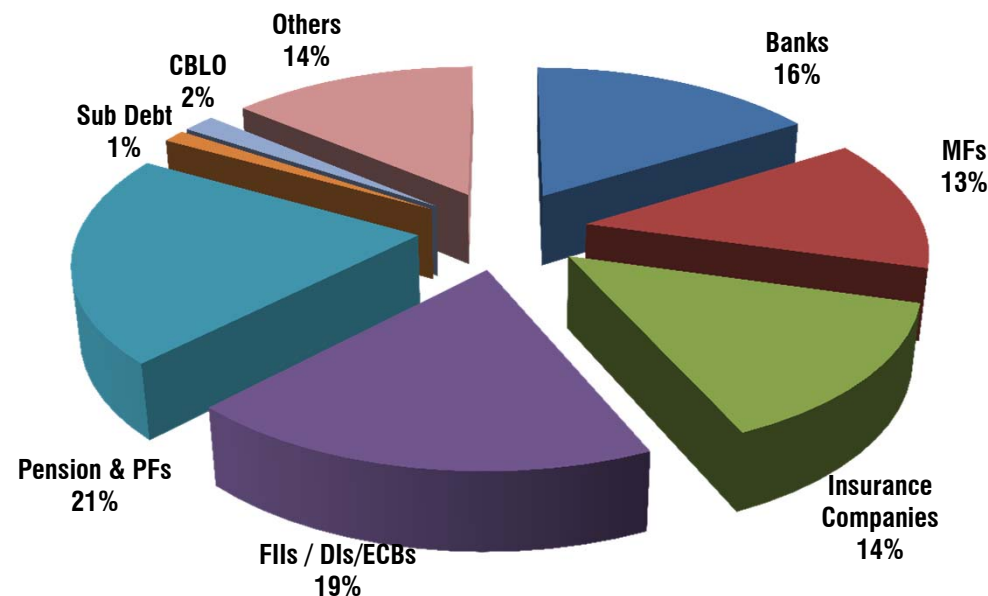
(Amounts in ₹ crore)

Particular	Amount			% of total			% Growth	
	31-Dec-14	31-Mar-14	31-Dec-13	31-Dec-14	31-Mar-14	31-Dec-13	Y-o-Y	YTD
LT Rupee Loans	3,959	6,336	5,404	6%	11%	11%	-27%	-38%
LT Bonds / Debentures	36,351	34,552	34,163	55%	61%	66%	6%	5%
Sub Debt	650	650	650	1%	1%	1%	0%	0%
Foreign Currency Loans	8,992	7,201	7,158	14%	13%	14%	26%	25%
Short Term	16,022	7,826	4,254	24%	14%	8%	277%	105%
TOTAL	65,974	56,565	51,630	100%	100%	100%	28%	17%

Borrowings - Lender wise (Dec 31, 2014)



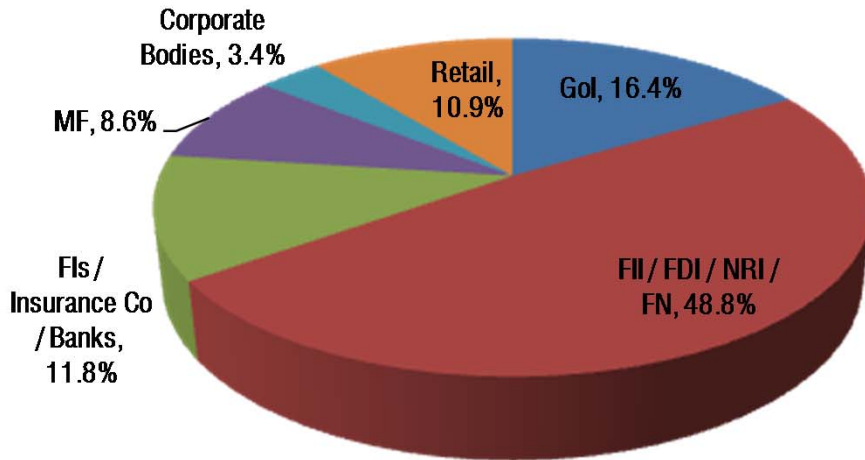
Borrowings - Lender wise (Dec 31, 2013)



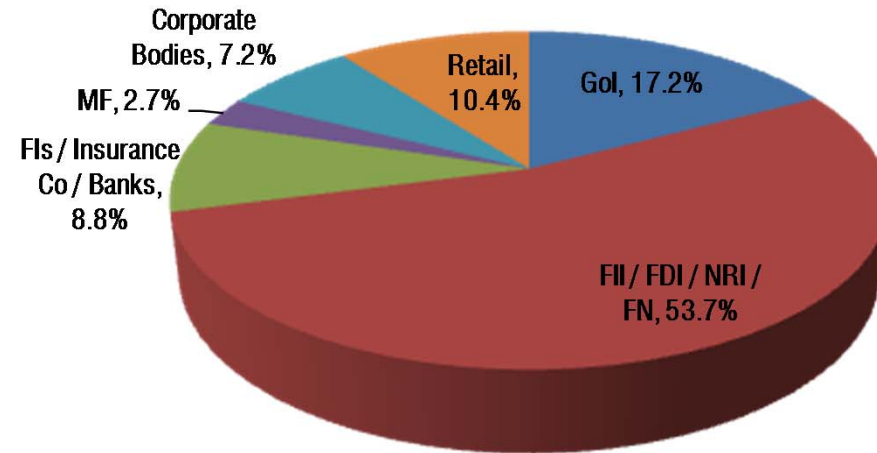
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Shareholding

Shareholding : 31-December-14



Shareholding : 31-March-14



% of Top 10 shareholders

Sr No	Name	Category	31-Dec-14	31-Mar-14
1	Government Of India	Gol	16.4%	17.2%
2	Sipadan Investments (Mauritius)	FII	9.5%	10.0%
3	The Royal Bank Of Scotland	FII	4.6%	6.8%
4	Life Insurance Corporation Of India	IFI	4.3%	6.8%
5	Platinum Investment Management	FII	3.1%	2.4%
6	Prudential ICICI Trust Ltd.	MF	2.7%	0.1%
7	Actis Hawk Limited	FII	2.3%	2.4%
8	Orbis Sicav - Asia Ex-Japan Equity Fund	FII	2.0%	2.1%
9	JP Morgan	FII	1.5%	2.3%
10	Vanguard	FII	1.3%	1.4%

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Other Highlights

▪ Adjusted Duration :

- Assets : 1.9 years (Sep 30, 2014 : 1.6 years)
- Liabilities : 1.6 years (Sep 30, 2014 : 1.5 years)

▪ Assets Under Management :

Fund Name	AUM (December 31, 2014)	
	₹ Crore	USD* (bn)
IDFC Private Equity*	3,820	0.8
<i>Fund II</i>	1,376	0.3
<i>Fund III</i>	2,445	0.5
IDFC Project Equity Fund*	9,176	1.8
<i>India Infrastructure Fund</i>	3,676	0.9
<i>India Infrastructure Fund II</i>	5,500	0.9
IDFC Real Estate Yield Fund	749	0.1
IDFC Mutual Fund (AAUM)	47,328	7.5
<i>Equity</i>	12,470	2.0
<i>Debt</i>	34,857	5.5
Total	61,073	10.2

*Exchange rate: Pvt & Proj Eq - rate prevailing at the time of Fund Close; Others 1 USD = ₹ 63.33 as on Dec 31, 2014 .