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Think Infrastructure.
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Investor Presentation (Q1 FY 2009)

July 18 2008





Snapshot

Balance Sheet & Financials

Concentration and product analysis

Borrowings

Shareholding

Highlights

Consolidated highlights (Q1 2009 vs Q1 2008)

Consolidated Balance Sheet

- ◆ Consolidated balance sheet increased by 43% from Rs. 20,593 crore to Rs. 29,510 crore
- ◆ Outstanding Borrowings increased by 36% from Rs. 17,538 crore to Rs. 23,845 crore
- ◆ Net NPAs 0%
- ◆ Networth – Rs. 5,664 crore

Consolidated Income Statement

- ◆ Operating income increased by 28% from Rs. 299 crore to Rs. 382 crore
- ◆ NII increased by 60% from Rs. 133 crore to Rs. 214 crore
- ◆ Non-interest income flat at Rs. 162 crore
- ◆ Operating expenses increased 58% from Rs. 50 crore to Rs. 78 crore
- ◆ PBT increased by 18% from Rs. 242 crore to Rs. 287 crore
- ◆ PAT increased by 20% from Rs. 181 crore to Rs. 217 crore
- ◆ EPS (diluted) increased by 4% from Rs. 1.6 to Rs. 1.67

Shareholding

- ◆ IDFC stock price moved from 151 on March 31 to Rs. 103.55 on June 30.
- ◆ Foreign holding (FII + FDI) as on June 30, 2008 – 43.9% (March 31, 2008 – 46.6%)

Consolidated highlights (Q1 2009 vs Q1 2008)

Project Finance

- ◆ Loan book increased by 42% from Rs. 15,108 crore to Rs. 21,489 crore
- ◆ NII infrastructure increased by 71% from Rs. 104 crore to Rs. 177 crore
- ◆ Exposure increased by 48% from Rs. 24,588 crore to Rs. 36,307 crore
- ◆ Gross Approvals increased by 5% from Rs. 4,286 crore to Rs. 4,486 crore
- ◆ Gross Disbursements increased by 12% from Rs. 2,444 crore to Rs. 2,735 crore

Treasury

- ◆ NII treasury increased by 22% from Rs. 30 crore to Rs. 36 crore

Principal investments

- ◆ Equity book increased 2.7 times from Rs. 983 crore to Rs. 2,688 crore (of these warehoused assets were Rs. 192 Crore and investment in AMC was Rs. 834 crore)
- ◆ Principal Investments Income decreased by 19% from Rs. 78 crore to Rs. 64 crore

Asset Management

- ◆ Management fees increased by 29% from Rs. 13 crore to Rs. 17 crore
- ◆ AUM - USD 3.84 billion

Investment Banking

- ◆ Investment Banking Income decreased by 29% from Rs. 50 crore to Rs. 36 crore

Loan related & other fees

- ◆ Loan related & other fees doubled from Rs. 23 crore to Rs. 46 crore



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Balance Sheet

(Rs. crore)

Particulars	Q1 FY 08	Q1 FY 09	Growth (Q-O-Q)	FY 2008
Sources of Funds				
Shareholders' Funds	3,055	5,664	85%	5,593
Capital	1,129	1,295	15%	1,294
Reserves & Surplus	1,926	4,369	127%	4,299
Subordinated Debt	650	650	0%	650
Loan Funds	16,888	23,195	37%	21,678
Total Sources of Funds	20,593	29,510	43%	27,921
Application of Funds				
Fixed Assets	103	357	249%	385
Infrastructure Loans	15,108	21,489	42%	20,495
Gross Loans	15,349	21,753	42%	20,743
Less provisions	241	264	10%	248
Investments	5,352	7,678	43%	7,058
Treasury	4,369	4,990	14%	5,260
Equity	685	1,453	112%	1,376
Strategic, Sub, JVs	297	1,234	315%	422
Deferred Tax Asset	83	90	8%	97
Net Current Assets	-52	-104	100%	-114
Total Applications of Funds	20,593	29,510	43%	27,921

Financials

(Rs. crore)

Particulars	Q1 FY 08	Q1 FY 09	Growth (Q-O-Q)	FY 2008
NII	133	214	60%	694
Infrastructure	104	177	71%	565
Treasury	30	36	22%	129
Non-Interest Income	165	162	-2%	618
Principal Investment	78	64	-19%	216
Asset management	13	17	29%	56
Investment Banking	50	36	-29%	219
Loan related & other fees	23	46	99%	127
Other Income	0	6		12
OPERATING INCOME	299	382	28%	1,324
OPERATING EXPENSES	50	78	58%	254
PRE-PROVISIONING PROFITS	249	303	22%	1,071
Provisions	6	16	158%	70
PBT	242	287	18%	1,001
Less : Provision for Tax	58	68	18%	248
Add : Profit in Associate Company	0	0	84%	5
Less : Minority Interest	3	2	-36%	15
PAT	181	217	20%	742

RoA Tree (rolling 12 months)

(% of avg total assets)

Particular	FY 2007	Jul 06 - Jun 07	Oct 06 - Sep 07	Jan 07 - Dec 07	FY 2008	July 07 - June 08
Net Interest Income *	2.8%	2.7%	2.9%	2.9%	2.9%	2.9%
Infrastructure*	2.6%	2.4%	2.4%	2.3%	2.4%	2.4%
Treasury	0.2%	0.4%	0.5%	0.5%	0.5%	0.5%
Non Interest Income	1.7%	2.2%	2.2%	2.6%	2.6%	2.3%
Principal Investment	0.9%	1.0%	0.9%	1.0%	0.9%	0.8%
Asset Management	0.3%	0.4%	0.3%	0.2%	0.2%	0.2%
Investment Banking	0.0%	0.2%	0.4%	0.6%	0.8%	0.7%
Advisory & other fees	0.5%	0.6%	0.7%	0.8%	0.7%	0.6%
Miscellaneous income	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%
OPERATING INCOME	4.7%	5.0%	5.1%	5.5%	5.6%	5.3%
OPERATING EXPENSE	0.5%	0.7%	0.8%	0.9%	1.1%	1.1%
Pre-Provisioning Profits	4.1%	4.3%	4.3%	4.6%	4.5%	4.3%
Provisions & Losses	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%
PBT	4.0%	4.1%	4.1%	4.3%	4.2%	4.0%
Tax, Minority interest	0.8%	0.9%	1.0%	1.1%	1.1%	1.0%
Share of Associate Company	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
PAT	3.3%	3.3%	3.1%	3.2%	3.1%	2.9%

Key Indicators

Ratios	FY 2007	Jul 06 - Jun 07	Oct 06 - Sep 07	Jan 07 - Dec 07	FY 2008	July 07 - June 08
Overall Spread	1.9%	1.9%	2.0%	2.0%	2.1%	2.2%
Cost to Income#	11.5%	14.1%	15.5%	17.0%	19.2%	20.0%
Effective tax Rate	20.1%	22.4%	23.6%	25.7%	26.3%	26.0%
Loan Loss Reserve Ratio	1.64%	1.63%	1.49%	1.35%	1.06%	1.11%
Leverage	6.2x	6.7x	4.2x	4.7x	5.0x	5.2x
RoE	17.7%	18.8%	16.4%	16.6%	15.6%	14.3%

* Ratios for FY 2007 after adjusting for one time income of Rs. 150mn in Q1 FY 2007

#Cost to income : Operating cost / Operating income



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Concentration and product analysis

Borrowings

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Highlights

Concentration analysis (June 08 vis-à-vis June 07)

Exposure

Sector	June 30 2007		June 30 2008	
	Rs. Crore	%	Rs. Crore	%
Energy	9,118	37.1%	12,967	35.7%
Transportation	6,985	28.4%	8,065	22.2%
Telecom	3,856	15.7%	6,828	18.8%
Industrial & Commercial	2,564	10.4%	4,280	11.8%
Tourism	1,516	6.2%	1,674	4.6%
Cement & Steel	205	0.8%	755	2.1%
Other Misc	343	1.4%	1,737	4.8%
Total	24,588		36,307	

Growth (Q-o-Q)

47.7%

Outstanding Disbursements

Sector	June 30 2007		June 30 2008	
	Rs. Crore	%	Rs. Crore	%
Energy	6,758	40.0%	8,500	34.7%
Transportation	4,932	29.2%	5,812	23.7%
Telecom	2,230	13.2%	4,683	19.1%
Industrial & Commercial	1,699	10.1%	3,596	14.7%
Tourism	891	5.3%	1,038	4.2%
Cement & Steel	15	0.1%	218	0.9%
Others	361	2.1%	645	2.6%
Total	16,887		24,492	

Growth (YoY)

45.0%

Excludes investments in subsidiaries, JVs, Associates and Treasury assets

Product analysis (June 08 vis-à-vis June 07)

Exposure

Product	June 30 2007		June 30 2008	
	Rs. Crore	%	Rs. Crore	%
Loans / Debentures	22,038	89.6%	31,371	86.4%
Project Loans	12,970	52.7%	17,339	47.8%
Corporate Loans	6,848	27.9%	10,575	29.1%
Loan Against Shares	2,220	9.0%	3,457	9.5%
Mezzanine Products	859	3.5%	633	1.7%
Sub-debt	265	1.1%	265	0.7%
Preference Shares	594	2.4%	368	1.0%
Equity / Pref Shares	763	3.1%	2,827	7.8%
Non-Funded	928	3.8%	1,476	4.1%
Total	24,588		36,307	

Outstanding Disbursements

Product	June 30 2007		June 30 2008	
	Rs. Crore	%	Rs. Crore	%
Loans Products	14,722	87.2%	21,288	86.9%
Project Loans	8,193	48.5%	9,375	38.3%
Corporate Loans	4,970	29.4%	9,552	39.0%
Loan Against Shares	1,559	9.2%	2,360	9.6%
Mezzanine Products	627	3.7%	466	1.9%
Sub-debt	37	0.2%	98	0.4%
Preference Shares	590	3.5%	368	1.5%
Equity / Pref Shares	685	4.1%	1,453	5.9%
Non-Funded	853	5.0%	1,285	5.2%
Total	16,887		24,492	

Concentration analysis

❑ Top Exposures

- Top 20 company exposures constitute 30% of total exposure
 - March 31, 2008 : 33%
- Top 20 industrial group exposures constitute 54% of total exposure
 - March 31, 2008 : 56%

❑ Top Outstanding Disbursements

- Top 20 company outstanding disbursements constitute 33% of total exposure
 - March 31, 2008 : 37%
- Top 20 industrial group outstanding disbursements constitute 58% of total exposure
 - March 31, 2008 : 58%



Snapshot

Balance Sheet & Financials

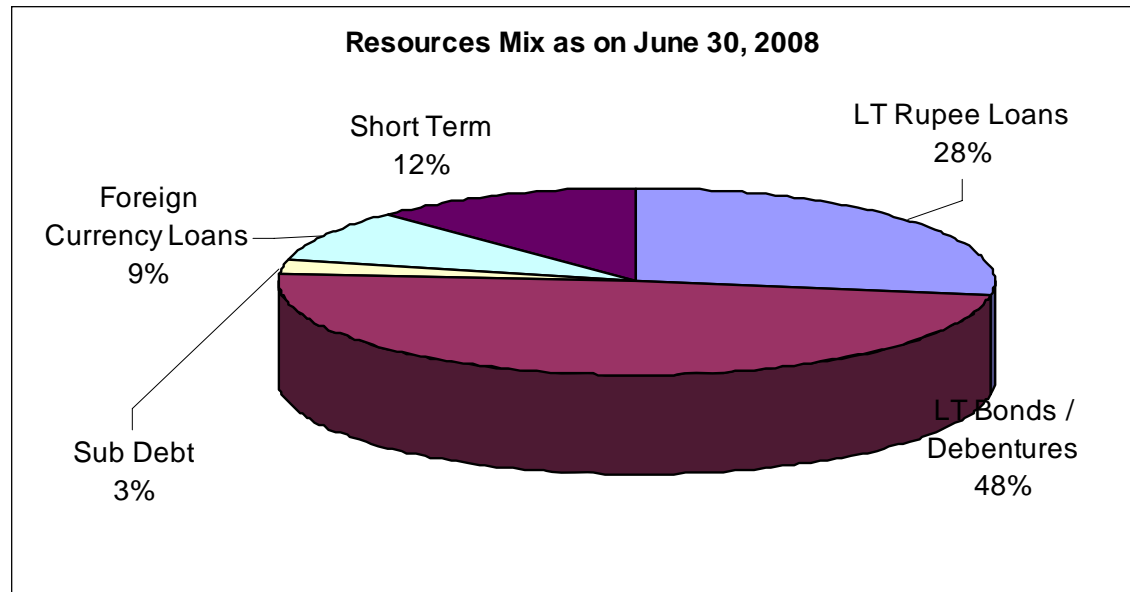
Concentration and product analysis

Borrowings

Shareholding

Highlights

Borrowing Analysis (June 30, 2008)



Product	June 30 2007		June 30 2008	
	Amount (Rs. Cr)	% of Total	Amount (Rs. Cr)	% of Total
Long Term	13,596	77.5%	20,900	87.6%
Bonds / Debentures	7,124	40.6%	11,555	48.5%
Rupee Loans	4,600	26.2%	6,568	27.5%
Forex Loans	1,222	7.0%	2,126	8.9%
Sub debt	650	3.7%	650	2.7%
Short Term	3,942	22.5%	2,946	12.4%
Total	17,538		23,845	

Growth Q-o-Q

36%



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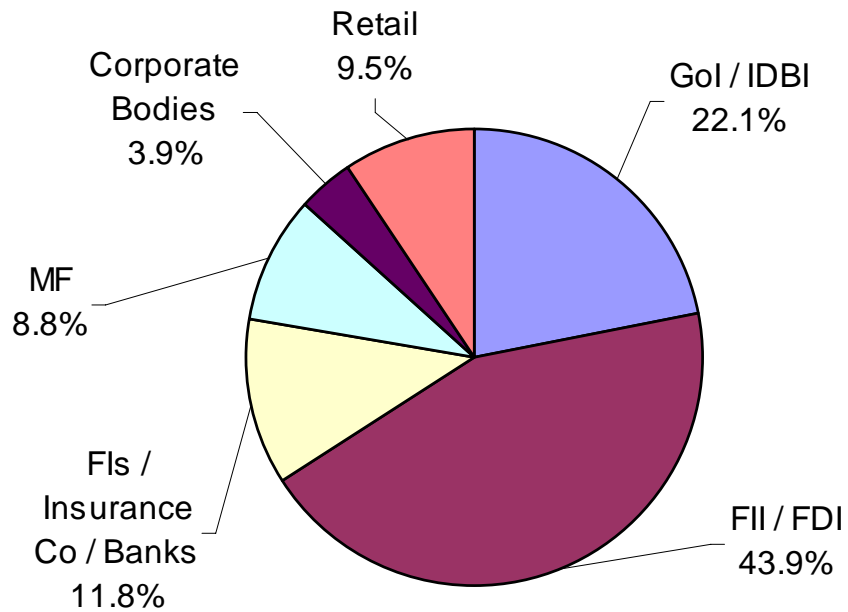
Borrowings

Shareholding

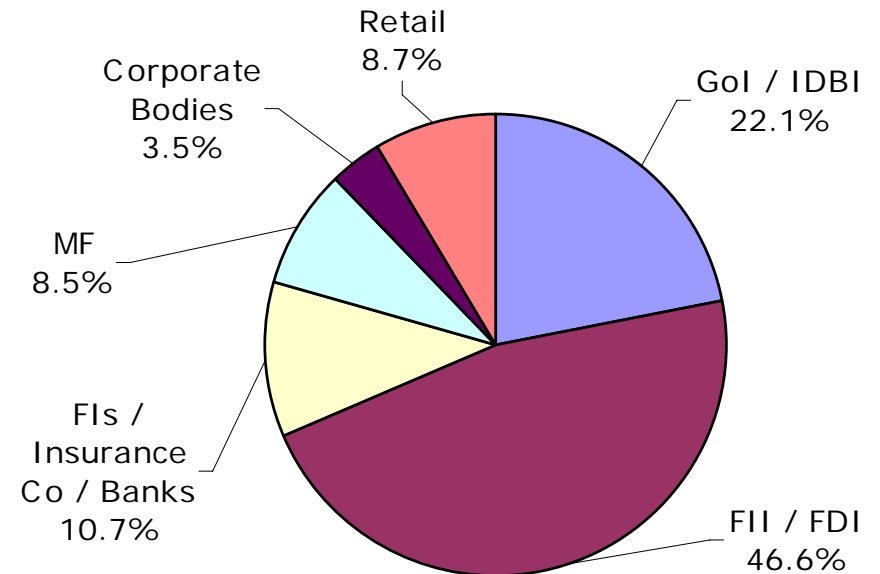
Highlights

Shareholding Pattern (June 30 2008 vis-à-vis March 31 2008)

Shareholding Pattern (June 30, 2008)



Shareholding Pattern (March 31, 2008)





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Concentration and product analysis

Borrowings

Shareholding

Highlights

Other Highlights

❑ Capital Adequacy – 20.41% (March 31, 2008 – 22.15%)

➤ Tier I – 17.73% (March 31, 2008 – 19.49%)

➤ Tier II – 2.68% (March 31, 2008 – 2.66%)

❑ Duration

➤ Assets – 1.68 years (March 31, 2008 – 1.76 years)

➤ Liabilities – 1.62 years (March 31, 2008 – 1.73 years)

❑ Assets under management :

Particulars	AUM (USD mn)	AUM (Rs cr)
IDFC Private Equity	630	2,709
Fund I	190	817
Fund II	440	1,892
IDFC Project Equity	523	2,247
IDFC AMC	2,651	11,400
Debt	1,814	7,800
Equity	837	3,600
IDFC Investment Advisor	33	143
TOTAL	3,837	16,499