



IDFC

Think Infrastructure.
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Investor Presentation (9M FY 2009)

January 29, 2009





Snapshot

Balance Sheet & Financials

Concentration and product analysis

Borrowings

Shareholding

Highlights

Consolidated highlights (9M 2009 vs. 9M 2008)

Consolidated Balance Sheet

- ◆ Balance sheet increased by 15% from Rs. 26,051 crore to Rs. 30,036 crore
- ◆ Outstanding Borrowings increased by 16% from Rs. 20,406 crore to Rs. 23,769 crore
- ◆ Net NPAs - 0%
- ◆ Net worth - Rs. 6,240 crore
- ◆ Capital Adequacy Ratio - 22.11% (Tier I - 18.92%)

Consolidated Income Statement

- ◆ Operating income increased by 14% from Rs. 999 crore to Rs. 1,142 crore
- ◆ NII increased by 32% from Rs. 507 crore to Rs. 669 crore
- ◆ Non-interest income decreased by 6% from Rs. 487 crore to Rs. 456 crore
- ◆ Operating expenses increased by 40% from Rs. 168 crore to Rs. 235 crore
- ◆ PBT increased by 8% from Rs. 801 crore to Rs. 869 crore
- ◆ PAT increased by 7% from Rs. 593 crore to Rs. 634 crore
- ◆ EPS (diluted) increased by 2% from Rs. 4.79 to Rs. 4.88

Shareholding

- ◆ IDFC stock price moved from Rs.151 on March 31, 2008 to Rs.66.8 as on Dec 31, 2008.
- ◆ Foreign holding (FII + FDI) as on December 31, 2008 - 41.6% (March 31, 2008 - 46.6%)

Consolidated highlights (9M 2009 vs. 9M 2008)

Project Finance

- ◆ Loan book increased by 7% from Rs. 19,836 crore to Rs. 21,304 crore
- ◆ NII infrastructure increased by 41% from Rs. 399 crore to Rs. 563 crore
- ◆ Exposure increased by 4% from Rs. 31,869 crore to Rs. 33,105 crore
- ◆ Gross Approvals decreased by 42% from Rs. 14,854 crore to Rs. 8,654 crore
- ◆ Gross Disbursements decreased by 34% from Rs. 8,414 crore to Rs. 5,518 crore

Treasury

- ◆ NII treasury stable at Rs. 107 crore

Principal investments

- ◆ Equity book increased 18% from Rs. 1,149 crore to Rs. 1,357 crore (excluding strategic investments)
- ◆ Principal Investments Income decreased by 23% from Rs. 201 crore to Rs. 154 crore

Asset Management

- ◆ Management fees increased 3.1 times from Rs. 40 crore to Rs. 125 crore
- ◆ AUM - Rs. 19,457 crore

Investment Banking & Broking

- ◆ Investment Banking & Broking Income decreased by 44% from Rs. 155 crore to Rs. 86 crore

Loan related & other fees

- ◆ Loan related & other fees remain stable at Rs. 90 crore



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Balance Sheet

(Rs. crore)

Particulars	9M FY 08	9M FY 09	Growth (Y-o-Y)	FY 2008
Sources of Funds				
Shareholders' Funds	5,624	6,240	11%	5,593
Capital	1,294	1,295	0%	1,294
Reserves & Surplus	4,330	4,944	14%	4,299
Subordinated Debt	650	650	0%	650
Loan Funds	19,756	23,119	17%	21,654
Minority Interest	21	27	31%	24
Total Sources of Funds	26,051	30,036	15%	27,921
Application of Funds				
Goodwill	293	1,077	267%	294
Fixed Assets	312	406	30%	385
Infrastructure Loans	19,576	21,022	7%	19,905
Investments	5,796	7,327	26%	6,920
Treasury	4,619	5,940	29%	5,544
Equity	1,177	1,387	18%	1,376
Deferred Tax Asset	83	112	34%	97
Net Current Assets	-10	92		320
Total Applications of Funds	26,051	30,036	15%	27,921

Financials

(Rs. crore)

Particulars	9M FY 08	9M FY 09	Growth (Y-o-Y)	FY 2008
NII	507	669	32%	694
Infrastructure	399	563	41%	565
Treasury	108	107	-1%	129
Non-Interest Income	487	456	-6%	618
Principal Investment	201	154	-23%	216
Asset management	40	125	215%	56
Investment Banking	155	86	-44%	219
Loan related & other fees	92	90	-2%	127
Other Income	5	16		12
OPERATING INCOME	999	1,142	14%	1,324
OPERATING EXPENSES	168	235	40%	254
PRE-PROVISIONING PROFITS	831	907	9%	1,071
Provisions	30	38	27%	70
PBT	801	869	8%	1,001
Less : Provision for Tax, Profit in associate co, Minority interest	209	235	13%	258
PAT	593	634	7%	742

RoA Tree (rolling 12 months)

(% of avg total assets)

Particular	FY 2007	Jan 07 - Dec 07	FY 2008	July 07 - June 08	Oct 07 - Sep 08	Jan 08 - Dec 08
Net Interest Income *	2.8%	2.9%	2.9%	2.9%	2.7%	2.9%
Infrastructure*	2.6%	2.3%	2.4%	2.4%	2.3%	2.4%
Treasury	0.2%	0.5%	0.5%	0.5%	0.4%	0.4%
Non Interest Income	1.7%	2.6%	2.6%	2.3%	2.5%	2.0%
Principal Investment	0.9%	1.0%	0.9%	0.8%	0.8%	0.6%
Asset Management	0.3%	0.2%	0.2%	0.2%	0.4%	0.5%
Investment Banking & Broking	0.0%	0.6%	0.8%	0.7%	0.7%	0.5%
Loan related & other fees	0.5%	0.8%	0.7%	0.6%	0.6%	0.4%
Miscellaneous income	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%
OPERATING INCOME	4.7%	5.5%	5.6%	5.3%	5.3%	4.9%
OPERATING EXPENSE	0.5%	0.9%	1.1%	1.1%	1.1%	1.1%
Pre-Provisioning Profits	4.1%	4.6%	4.5%	4.3%	4.1%	3.8%
Provisions & Losses	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%
PBT	4.0%	4.3%	4.2%	4.0%	3.8%	3.6%
Tax, Minority interest	0.8%	1.1%	1.1%	1.0%	1.0%	1.0%
Share of Associate Company	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
PAT	3.3%	3.2%	3.1%	2.9%	2.8%	2.6%

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

Key Indicators

Ratios	FY 2007	Jan 07 - Dec 07	FY 2008	July 07 - June 08	Oct 07 - Sep 08	Jan 08 - Dec 08
Overall Spread	1.9%	2.0%	2.1%	2.2%	2.1%	2.3%
Cost to Income#	11.5%	17.0%	19.2%	20.0%	21.5%	21.9%
Effective tax Rate	20.1%	25.7%	26.3%	26.0%	26.4%	27.1%
Loan Loss Reserve Ratio	1.6%	1.4%	1.1%	1.1%	1.2%	1.2%
Leverage	6.2x	4.7x	5.0x	5.2x	4.9x	4.8x
RoE	17.7%	16.6%	15.6%	14.3%	14.4%	13.4%

* 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 analysis (December 08 vis-à-vis December 07)

Exposure

Sector	December 31 2007		December 31 2008	
	Rs. Crore	%	Rs. Crore	%
Energy	10,971	34.4%	12,824	38.7%
Transportation	8,791	27.6%	7,829	23.6%
Telecom	5,325	16.7%	3,476	10.5%
Industrial & Commercial	3,594	11.3%	4,091	12.4%
Tourism	1,721	5.4%	1,685	5.1%
Cement & Steel	402	1.3%	846	2.6%
Other Misc	1,066	3.3%	2,355	7.1%
Total	31,869		33,105	

Growth (Y-o-Y)

3.9%

Outstanding Disbursements

Sector	December 31 2007		December 31 2008	
	Rs. Crore	%	Rs. Crore	%
Energy	7,905	36.9%	8,590	37.1%
Transportation	6,139	28.7%	5,807	25.0%
Telecom	3,008	14.1%	2,742	11.8%
Industrial & Commercial	2,767	12.9%	3,259	14.1%
Tourism	891	4.2%	1,150	5.0%
Cement & Steel	180	0.8%	416	1.8%
Others	512	2.4%	1,220	5.3%
Total	21,401		23,183	

Growth (Y-o-Y)

8.3%

Excludes investments in subsidiaries, JVs, Associates and Treasury assets

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

Exposure

Product	December 31 2007		December 31 2008	
	Rs. Crore	%	Rs. Crore	%
Loans / Debentures	27,217	85.4%	29,315	88.6%
Project Loans	14,954	46.9%	17,742	53.6%
Corporate Loans	9,146	28.7%	9,357	28.3%
Loan Against Shares	3,118	9.8%	2,216	6.7%
Mezzanine Products	855	2.7%	632	1.9%
Equity / Pref Shares	2,334	7.3%	2,557	7.7%
Non-Funded	1,463	4.6%	602	1.8%
Total	31,869		33,105	

Outstanding Disbursements

Product	December 31 2007		December 31 2008	
	Rs. Crore	%	Rs. Crore	%
Loans / Debentures	19,180	89.6%	20,753	89.5%
Project Loans	9,009	42.1%	9,894	42.7%
Corporate Loans	7,710	36.0%	8,660	37.4%
Loan Against Shares	2,461	11.5%	2,200	9.5%
Mezzanine Products	652	3.0%	551	2.4%
Equity / Pref Shares	1,149	5.4%	1,357	5.9%
Non-Funded	420	2.0%	522	2.3%
Total	21,401		23,183	

Concentration analysis

❑ Top Exposures

- Top 20 company exposures constitute 35% of total exposure
 - March 31, 2008 : 33%
- Top 20 industrial group exposures constitute 57% of total exposure
 - March 31, 2008 : 56%

❑ Top Outstanding Disbursements

- Top 20 company outstanding disbursements constitute 37% of total exposure
 - March 31, 2008 : 37%
- Top 20 industrial group outstanding disbursements constitute 59% of total exposure
 - March 31, 2008 : 58%



Snapshot

Balance Sheet & Financials

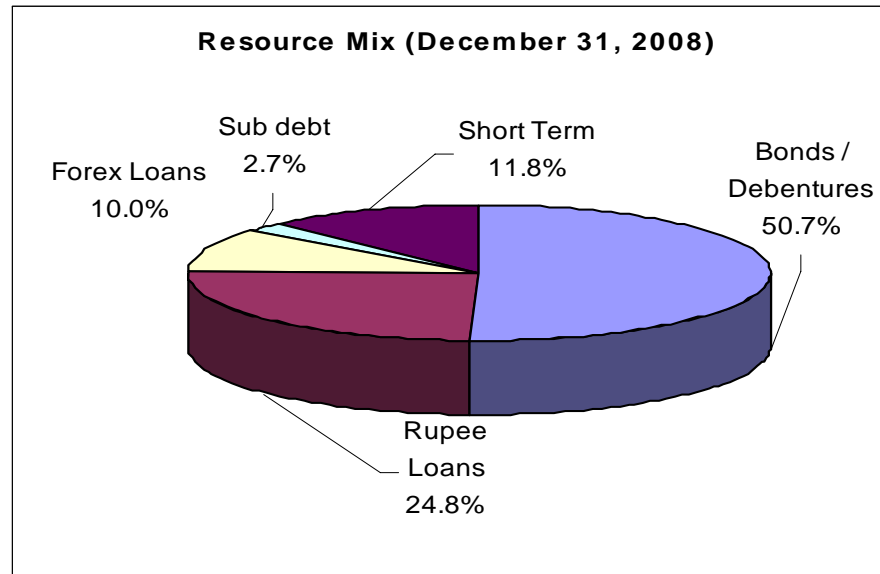
Concentration and product analysis

Borrowings

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Highlights

Borrowing Analysis (December 31, 2008)



Product	December 31 2007		December 31 2008	
	Amount (Rs. Cr)	% of Total	Amount (Rs. Cr)	% of Total
Long Term	16,079	78.8%	20,958	88.2%
Bonds / Debentures	7,833	38.4%	12,039	50.7%
Rupee Loans	5,835	28.6%	5,896	24.8%
Forex Loans	1,761	8.6%	2,373	10.0%
Sub debt	650	3.2%	650	2.7%
Short Term	4,327	21.2%	2,811	11.8%
Total	20,406		23,769	

Growth Y-o-Y

16%



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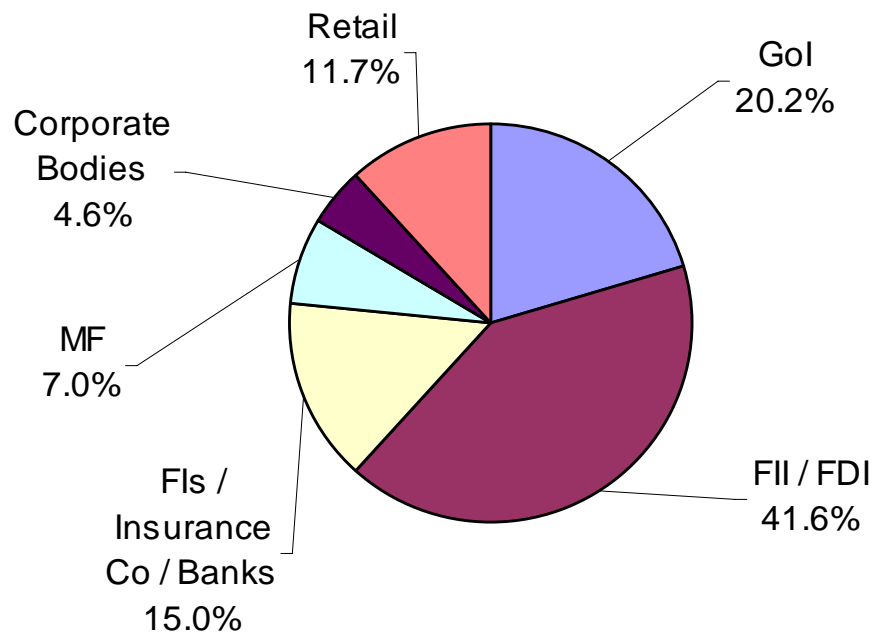
Borrowings

Shareholding

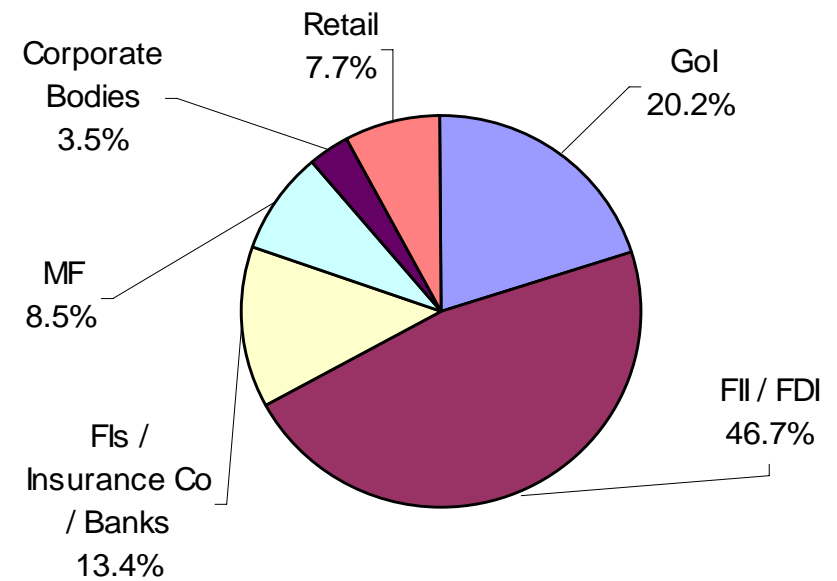
Highlights

Shareholding Pattern (December 31 2008 vis-à-vis March 31 2008)

Shareholding - December 31, 2008



Shareholding - March 31, 2008





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Other Highlights

❑ Duration

- Assets – 1.68 years (March 31, 2008 – 1.76 years)
- Liabilities – 1.63 years (March 31, 2008 – 1.73 years)

❑ Assets under management :

Fund Name	AUM
	(Rs. Crore)
IDFC Private Equity	5,992
Fund I	844
Fund II	1,988
Fund III	3,160
IDFC Project Equity Fund	3,589
IDFC Investment Advisors	93
IDFC Mutual Fund	9,782
Total	19,457