



IDFC

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Investor Presentation (FY 2009)

April 28, 2009



Snapshot

Balance Sheet & Financials

Concentration and product analysis

Borrowings

Shareholding

Highlights

Consolidated highlights (FY 2009 vs. FY 2008)

Consolidated Balance Sheet

- ◆ Balance sheet increased by 7% from Rs. 27,921 crore to Rs. 29,809 crore
- ◆ Outstanding Borrowings increased by 6% from Rs. 22,304 crore to Rs. 23,605 crore
- ◆ Net NPAs - 0.2%
- ◆ Net worth - Rs. 6,176 crore
- ◆ Capital Adequacy Ratio - 23.75% (Tier I - 20.04%)

Consolidated Income Statement

- ◆ Operating income increased by 17% from Rs. 1,324 crore to Rs. 1,556 crore
- ◆ NII increased by 33% from Rs. 694 crore to Rs. 922 crore
- ◆ Non-interest income decreased by 1% from Rs. 618 crore to Rs. 613 crore
- ◆ Operating expenses increased by 45% from Rs. 254 crore to Rs. 367 crore
- ◆ PBT increased by 4% from Rs. 1,000 crore to Rs. 1,036 crore
- ◆ PAT increased by 1% from Rs. 742 crore to Rs. 750 crore
- ◆ EPS (diluted) decreased by 3% from Rs. 5.93 to Rs. 5.78

Shareholding

- ◆ IDFC stock price moved from Rs.151 on March 31, 2008 to Rs. 54.1 as on March 31, 2009.
- ◆ Foreign holding (FII + FDI) as on as on March 31, 2009 - 39.5% (March 31, 2008 - 46.7%)

Consolidated highlights (FY 2009 vs. FY 2008)

Project Finance

- ◆ Loan book increased by 2% from Rs. 20,495 crore to Rs. 20,963 crore
- ◆ NII infrastructure increased by 34% from Rs. 565 crore to Rs. 758 crore
- ◆ Exposure decreased by 10% from Rs. 34,000 crore to Rs. 30,764 crore
- ◆ Gross Approvals decreased by 49% from Rs. 20,364 crore to Rs. 10,317 crore
- ◆ Gross Disbursements decreased by 33% from Rs. 12,006 crore to Rs. 8,085 crore

Treasury

- ◆ NII treasury increased by 27% from Rs. 129 crore to Rs. 164 crore

Principal investments

- ◆ Equity book decreased by 1% from Rs.1,376 crore to Rs. 1,357 crore (excluding strategic investments)
- ◆ Principal Investments Income decreased by 15% from Rs. 216 crore to Rs. 184 crore

Asset Management

- ◆ Management fees increased 4 times from Rs. 49 crore to Rs. 203 crore
- ◆ AUM - Rs. 24,018 crore (USD 4.7 billion)

Investment Banking & Broking

- ◆ Investment Banking & Broking Income decreased by 49% from Rs. 225 crore to Rs. 115 crore

Loan related & other fees

- ◆ Loan related & other fees decreased by 13% from Rs. 127 crore to Rs. 110 crore

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Balance Sheet

(Rs. crore)

Particulars	FY 2008	FY 2009	% Growth (Y-o-Y)
Sources of Funds			
Shareholders' Funds	5,593	6,176	10%
Capital	1,294	1,295	0%
Reserves & Surplus	4,299	4,881	14%
Subordinated Debt	650	650	0%
Loan Funds	21,654	22,955	6%
Minority Interest	24	28	17%
Total Sources of Funds	27,921	29,809	7%
Application of Funds			
Goodwill	294	1,079	267%
Fixed Assets	385	454	18%
Infrastructure Loans	20,495	20,963	2%
Investments	6,784	6,994	3%
Treasury	5,408	5,637	4%
Equity	1,376	1,357	-1%
Deferred Tax Asset	97	143	47%
Net Current Assets	-135	176	
Total Applications of Funds	27,921	29,809	7%

Financials

(Rs. crore)

Particulars	FY2008	FY2009	% Growth (Y-o-Y)
NII	694	922	33%
Infrastructure	565	758	34%
Treasury	129	164	27%
Non-Interest Income	618	613	-1%
Principal Investment	216	184	-15%
Asset management	49	203	314%
Investment Banking	225	115	-49%
Loan related & other fees	127	110	-13%
Other Income	12	20	
OPERATING INCOME	1,324	1,556	17%
OPERATING EXPENSES	254	367	45%
PRE-PROVISIONING PROFITS	1,070	1,189	11%
Provisions	70	153	119%
PBT	1,000	1,036	4%
Less : Provision for Tax, Profit in associate co, Minority interest, etc	258	286	11%
PAT	742	750	1%

RoA Tree (rolling 12 months)

(% of daily avg total assets)

Particular	FY 2007	FY 2008	July 07 - June 08	Oct 07 - Sep 08	Jan 08 - Dec 08	FY 2009
Net Interest Income *	2.8%	2.9%	2.9%	2.7%	2.9%	3.1%
Infrastructure*	2.6%	2.4%	2.4%	2.3%	2.4%	2.6%
Treasury	0.2%	0.5%	0.5%	0.4%	0.4%	0.6%
Non Interest Income	1.7%	2.6%	2.3%	2.5%	2.0%	2.1%
Principal Investment	0.9%	0.9%	0.8%	0.8%	0.6%	0.6%
Asset Management	0.3%	0.2%	0.2%	0.4%	0.5%	0.7%
Investment Banking & Broking	0.0%	0.9%	0.7%	0.7%	0.5%	0.4%
Loan related & other fees	0.5%	0.5%	0.6%	0.6%	0.4%	0.4%
Miscellaneous income	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
OPERATING INCOME	4.7%	5.6%	5.3%	5.3%	4.9%	5.2%
OPERATING EXPENSE	0.5%	1.1%	1.1%	1.1%	1.1%	1.2%
Pre-Provisioning Profits	4.1%	4.5%	4.3%	4.1%	3.8%	4.0%
Provisions & Losses	0.1%	0.3%	0.3%	0.3%	0.3%	0.5%
PBT	4.0%	4.2%	4.0%	3.8%	3.6%	3.5%
Tax, Minority interest	0.7%	1.1%	1.0%	1.0%	1.0%	1.0%
PAT	3.3%	3.1%	2.9%	2.8%	2.6%	2.5%

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

Key Indicators

Ratios	FY 2007	FY 2008	July 07 - June 08	Oct 07 - Sep 08	Jan 08 - Dec 08	FY 2009
Overall Spread	1.9%	2.1%	2.2%	2.1%	2.3%	2.3%
Cost to Income#	11.5%	19.2%	20.0%	21.5%	21.9%	23.6%
Effective tax Rate	18.2%	25.8%	25.6%	26.0%	26.7%	27.6%
Loan Loss Reserve Ratio	1.6%	1.1%	1.1%	1.2%	1.2%	1.8%
Leverage	6.2x	5.0x	5.2x	4.9x	4.8x	4.8x
RoE	17.7%	15.6%	14.3%	14.4%	13.4%	12.5%

* 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 (March 09 vis-à-vis March 08)

Exposure

Sector	March 31 2008		March 31 2009	
	Rs. Crore	%	Rs. Crore	%
Energy	12,532	36.9%	12,499	40.6%
Transportation	7,915	23.3%	7,307	23.8%
Telecom	5,356	15.8%	3,344	10.9%
Industrial & Commercial	3,811	11.2%	3,390	11.0%
Tourism	2,102	6.2%	1,672	5.4%
Cement & Steel	897	2.6%	523	1.7%
Other Misc	1,386	4.1%	2,029	6.6%
Total	34,000		30,764	

Growth (Y-o-Y)

-9.5%

Outstanding Disbursements

Sector	March 31 2008		March 31 2009	
	Rs. Crore	%	Rs. Crore	%
Energy	8,020	34.3%	8,217	35.6%
Transportation	5,661	24.2%	5,793	25.1%
Telecom	4,475	19.1%	3,252	14.1%
Industrial & Commercial	3,404	14.6%	2,977	12.9%
Tourism	987	4.2%	1,217	5.3%
Cement & Steel	209	0.9%	402	1.7%
Others	634	2.7%	1,251	5.4%
Total	23,392		23,109	

Growth (Y-o-Y)

-1.2%

Excludes investments in subsidiaries, JVs, Associates and Treasury assets

Product analysis (March 09 vis-à-vis March 08)

Exposure

Product	March 31 2008		March 31 2009	
	Rs. Crore	%	Rs. Crore	%
Loans / Debentures	29,396	86.5%	27,291	88.7%
Project Loans	17,836	52.5%	16,672	54.2%
Corporate Loans	8,988	26.4%	8,742	28.4%
Loan Against Shares	2,571	7.6%	1,877	6.1%
Mezzanine Products	855	2.5%	632	2.1%
Equity / Pref Shares	2,271	6.7%	2,267	7.4%
Non-Funded	1,479	4.3%	575	1.9%
Total	34,000		30,764	

Outstanding Disbursements

Product	March 31 2008		March 31 2009	
	Rs. Crore	%	Rs. Crore	%
Loans Products	20,066	85.8%	20,786	89.9%
Project Loans	9,621	41.1%	10,879	47.1%
Corporate Loans	7,984	34.1%	8,094	35.0%
Loan Against Shares	2,462	10.5%	1,813	7.8%
Mezzanine Products	676	2.9%	575	2.5%
Equity / Pref Shares	1,350	5.8%	1,357	5.9%
Non-Funded	1,299	5.6%	390	1.7%
Total	23,392		23,109	

Concentration analysis

❑ Top Exposures

- Top 20 company exposures constitute 36% of total exposure
 - March 31, 2008 : 33%
- Top 20 industrial group exposures constitute 59% of total exposure
 - March 31, 2008 : 56%

❑ Top Outstanding Disbursements

- Top 20 company outstanding disbursements constitute 38% of total exposure
 - March 31, 2008 : 37%
- Top 20 industrial group outstanding disbursements constitute 60% of total exposure
 - March 31, 2008 : 58%

Snapshot

Balance Sheet & Financials

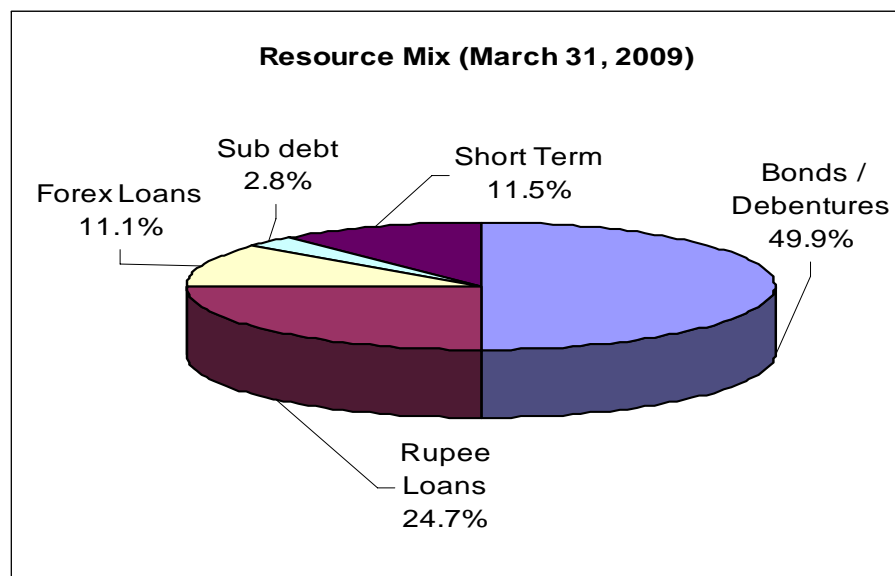
Concentration and product analysis

Borrowings

Shareholding

Highlights

Consolidated Borrowing Analysis (March 31, 2009)



Product	March 31 2008		March 31 2009	
	Amount (Rs. Cr)	% of Total	Amount (Rs. Cr)	% of Total
Long Term	19,449	87.2%	20,889	88.5%
Bonds / Debentures	11,122	49.9%	11,789	49.9%
Rupee Loans	5,870	26.3%	5,822	24.7%
Forex Loans	1,806	8.1%	2,628	11.1%
Sub debt	650	2.9%	650	2.8%
Short Term	2,855	12.8%	2,716	11.5%
Total	22,304		23,605	

Growth Y-o-Y

6%

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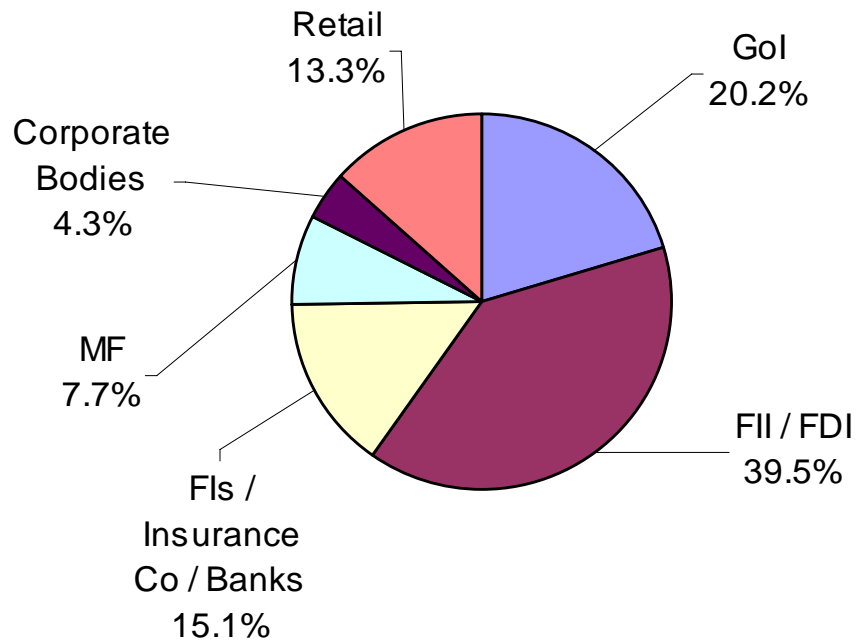
Borrowings

Shareholding

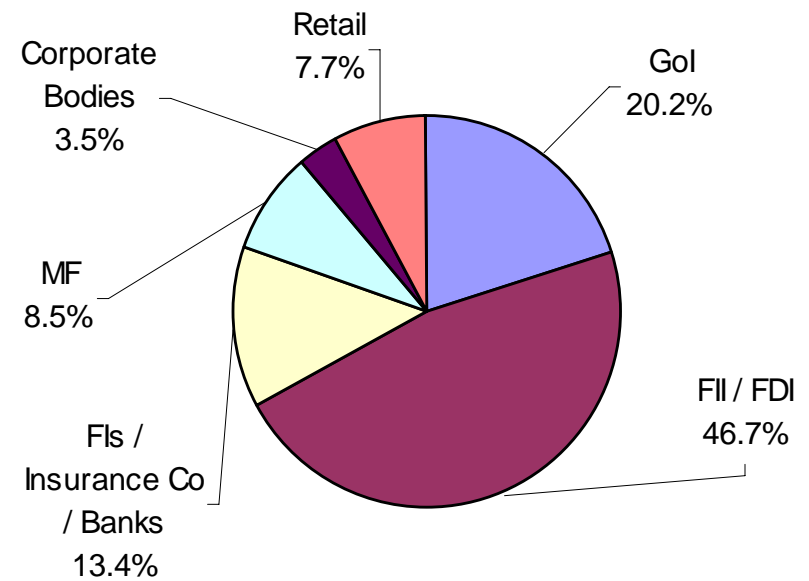
Highlights

Shareholding Pattern (March 31 2009 vis-à-vis March 31 2008)

Shareholding - March 31, 2009



Shareholding - March 31, 2008



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Other Highlights

❑ Duration

- Assets – 1.65 years (March 31, 2008 – 1.76 years)
- Liabilities – 1.56 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	74
IDFC Mutual Fund	14,362
Total	24,018