



IDFC

Think Infrastructure.
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Investor Presentation (Q1 FY 2010)

July 20, 2009



Snapshot

Balance Sheet & Financials

Concentration and product analysis

Borrowings

Shareholding

Highlights

Consolidated highlights (Q1 FY10 vs. Q1 FY09)

Consolidated Balance Sheet

- ◆ Balance sheet increased by 4% from Rs. 29,703 crore to Rs. 30,753 crore
- ◆ Outstanding Borrowings increased by 2% from Rs. 23,860 crore to Rs. 24,302 crore
- ◆ Net NPAs - 0.21%
- ◆ Net worth - Rs. 6,450 crore

Consolidated Income Statement

- ◆ Operating income increased by 22% from Rs. 385 crore to Rs. 468 crore
- ◆ Net Interest Income increased by 12% from Rs. 217 crore to Rs. 244 crore
- ◆ Non-interest income increased by 32% from Rs. 165 crore to Rs. 217 crore
- ◆ Operating expenses increased by 31% from Rs. 78 crore to Rs. 103 crore
- ◆ PBT increased by 30% from Rs. 287 crore to Rs. 372 crore
- ◆ PAT increased by 26% from Rs. 217 crore to Rs. 272 crore
- ◆ EPS (diluted) increased by 25% from Rs. 1.67 to Rs. 2.09

Shareholding

- ◆ IDFC stock price moved from Rs.54.1 on March 31, 2009 to Rs. 135.75 as on June 30, 2009.
- ◆ Foreign holding (FII + FDI) as on as on June 30, 2009 - 45.7% (March 31, 2009 - 39.5%)

Consolidated highlights (Q1 FY10 vs. Q1 FY09)

Project Finance

- ◆ Loan book decreased by 2% from Rs. 21,492 crore to Rs. 21,114 crore
- ◆ NII infrastructure increased by 24% from Rs. 177 crore to Rs. 219 crore
- ◆ Exposure decreased by 10% from Rs. 36,307 crore to Rs. 32,816 crore
- ◆ Gross Approvals decreased by 3% from Rs. 4,477 crore to Rs. 4,361 crore
- ◆ Gross Disbursements decreased by 44% from Rs. 2,735 crore to Rs. 1,542 crore

Treasury

- ◆ NII treasury decreased by 38% from Rs. 40 crore to Rs. 25 crore

Principal investments

- ◆ Equity book decreased by 9% from Rs.1,389 crore to Rs. 1,268 crore (excluding strategic investments)
- ◆ Principal Investments Income increased by 6% from Rs. 64 crore to Rs. 68 crore

Asset Management

- ◆ Management fees increased 4 times from Rs. 18 crore to Rs. 72 crore
- ◆ AUM - Rs. 31,814 crore (USD 6.6 billion)

Investment Banking & Broking

- ◆ Investment Banking & Broking Income was stable at Rs. 35 crore

Loan related & other fees

- ◆ Loan related & other fees decreased by 9% from Rs. 47 crore to Rs. 43 crore

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Balance Sheet

(Rs. crore)

Particulars	Q1 FY09	Q1 FY10	% Growth (Y-o-Y)	FY 2009
Sources of Funds				
Shareholders' Funds	5,817	6,450	11%	6,176
Capital	1,295	1,295	0%	1,295
Reserves & Surplus	4,522	5,155	14%	4,881
Loan Funds	23,860	24,302	2%	23,605
Minority Interest	26	1	-98%	28
Total Sources of Funds	29,703	30,753	4%	29,809
Application of Funds				
Goodwill	1,077	1,160	8%	1,079
Fixed Assets	409	452	11%	454
Infrastructure Loans	21,492	21,114	-2%	20,964
Investments	6,312	7,987	27%	6,994
Treasury	4,923	6,719	36%	5,672
Equity	1,389	1,268	-9%	1,322
Deferred Tax Asset	92	139	51%	143
Net Current Assets	321	-99		175
Total Applications of Funds	29,703	30,753	4%	29,809

Financials

(Rs. crore)

Particulars	Q1 FY09	Q1 FY10	% Growth (Y-o-Y)	FY2009
Net Interest Income	217	244	12%	922
Infrastructure	177	219	24%	758
Treasury	40	25	-38%	164
Non-Interest Income	165	217	32%	613
Principal Investment	64	68	6%	184
Asset management	18	72	310%	203
Investment Banking	37	35	-5%	115
Loan related & other fees	47	43	-9%	110
Other Income	4	7	99%	20
OPERATING INCOME	385	468	22%	1,556
OPERATING EXPENSES	78	103	31%	367
PRE-PROVISIONING PROFITS	307	366	19%	1,189
Provisions	20	-6	-132%	153
PBT	287	372	30%	1,036
Less : Provision for Tax, Profit in associate co, Minority interest, etc	70	100	42%	286
PAT	217	272	26%	750

RoA Tree (rolling 12 months)

(% of avg total asset)

Particular	FY 2007	FY 2008	July 07 - June 08	Oct 07 - Sep 08	Jan 08 - Dec 08	FY 2009	July 08 - June 09
Net Interest Income *	2.8%	2.9%	2.9%	2.7%	2.9%	3.1%	3.2%
Infrastructure*	2.6%	2.4%	2.4%	2.3%	2.4%	2.6%	2.7%
Treasury	0.2%	0.5%	0.5%	0.4%	0.4%	0.6%	0.5%
Non Interest Income	1.7%	2.6%	2.3%	2.5%	2.0%	2.1%	2.2%
Principal Investment	0.9%	0.9%	0.8%	0.8%	0.6%	0.6%	0.6%
Asset Management	0.3%	0.2%	0.2%	0.4%	0.5%	0.7%	0.9%
Investment Banking & Broking	0.0%	0.8%	0.7%	0.7%	0.5%	0.4%	0.3%
Loan Related & Other fees	0.5%	0.7%	0.6%	0.6%	0.4%	0.4%	0.4%
Miscellaneous income	0.1%	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%	5.5%
OPERATING EXPENSE	0.5%	1.1%	1.1%	1.1%	1.1%	1.2%	1.3%
Pre-Provisioning Profits	4.1%	4.5%	4.3%	4.1%	3.8%	4.0%	4.2%
Provisions & Losses	0.1%	0.3%	0.3%	0.3%	0.3%	0.5%	0.4%
PBT	4.0%	4.2%	4.0%	3.8%	3.6%	3.5%	3.8%
Tax, Minority interest, Share of associate co, etc	0.7%	1.1%	1.0%	1.0%	1.0%	1.0%	1.1%
PAT	3.3%	3.1%	2.9%	2.8%	2.6%	2.5%	2.7%

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

Key Indicators

Ratios	FY 2007	FY 2008	Jul 07 - Jun 08	Oct 07 - Sep 08	Jan 08 - Dec 08	FY 2009	Jul 08 - Jun 09
Overall Spread	1.9%	2.1%	2.2%	2.1%	2.3%	2.3%	2.4%
Cost to Income#	11.5%	19.2%	20.0%	21.5%	21.9%	23.6%	23.8%
Effective tax Rate	20.1%	26.3%	26.0%	26.4%	27.1%	27.7%	28.1%
Loan Loss Reserve Ratio	1.6%	1.1%	1.1%	1.2%	1.2%	1.8%	1.8%
Leverage	6.2x	5.0x	5.2x	4.9x	4.8x	4.8x	4.8x
RoE	17.7%	15.6%	14.3%	14.4%	13.4%	12.4%	13.0%

#Cost to income : Operating cost / Operating income

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Concentration analysis (June '09 vis-à-vis June '08)

Exposure

Sector	June 30 2008		June 30 2009	
	Rs. Crore	%	Rs. Crore	%
Energy	12,967	35.7%	12,719	38.8%
Transportation	8,065	22.2%	7,054	21.5%
Telecom	6,828	18.8%	5,035	15.3%
Industrial & Commercial	4,280	11.8%	3,236	9.9%
Tourism	1,674	4.6%	1,703	5.2%
Cement & Steel	755	2.1%	999	3.0%
Other Misc	1,737	4.8%	2,070	6.3%
Total	36,307		32,816	

Growth (Q-o-Q)

-9.6%

Outstanding Disbursements

Sector	June 30 2008		June 30 2009	
	Rs. Crore	%	Rs. Crore	%
Energy	8,500	34.7%	8,549	36.9%
Transportation	5,812	23.7%	5,457	23.6%
Telecom	4,683	19.1%	3,185	13.8%
Industrial & Commercial	3,596	14.7%	2,816	12.2%
Tourism	1,038	4.2%	1,243	5.4%
Cement & Steel	218	0.9%	716	3.1%
Others	645	2.6%	1,192	5.1%
Total	24,492		23,158	

Growth (Q-o-Q)

-5.4%

Excludes investments in subsidiaries, JVs, Associates and Treasury assets

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

Exposure					Outstanding Disbursements				
Product	June 30 2008		June 30 2009		Product	June 30 2008		June 30 2009	
	Rs. Crore	%	Rs. Crore	%		Rs. Crore	%	Rs. Crore	%
Loans / Debentures	31,371	86.4%	29,697	90.5%	Loans Products	21,288	86.9%	21,053	90.9%
Project Loans	17,339	47.8%	16,445	50.1%	Project Loans	9,375	38.3%	11,141	48.1%
Corporate Loans	10,575	29.1%	11,354	34.6%	Corporate Loans	9,552	39.0%	8,381	36.2%
Loan Against Shares	3,457	9.5%	1,898	5.8%	Loan Against Shares	2,360	9.6%	1,531	6.6%
Mezzanine Products	633	1.7%	539	1.6%	Mezzanine Products	466	1.9%	472	2.0%
Equity / Pref Shares	2,827	7.8%	2,065	6.3%	Equity / Pref Shares	1,453	5.9%	1,279	5.5%
Non-Funded	1,476	4.1%	514	1.6%	Non-Funded	1,285	5.2%	354	1.5%
Total	36,307		32,816		Total	24,492		23,158	

Concentration analysis

❑ Top Exposures

- Top 20 company exposures constitute 36% of total exposure
 - June 30, 2008 : 30%
- Top 20 industrial group exposures constitute 52% of total exposure
 - June 30, 2008 : 54%

❑ Top Outstanding Disbursements

- Top 20 company outstanding disbursements constitute 37% of total outstanding disbursements
 - June 30, 2008 : 33%
- Top 20 industrial group outstanding disbursements constitute 58% of total outstanding disbursements
 - June 30, 2008 : 58%

Snapshot

Balance Sheet & Financials

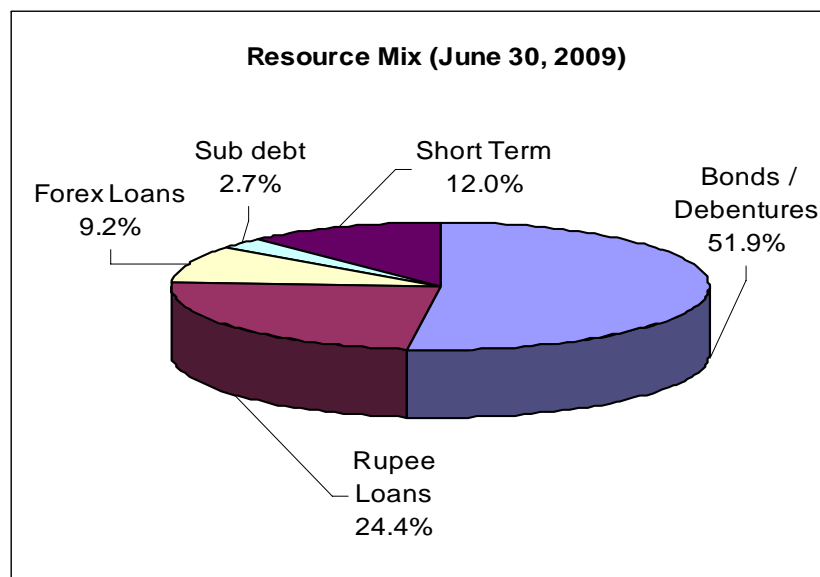
Concentration and product analysis

Borrowings

Shareholding

Highlights

Consolidated Borrowing Analysis (June 30, 2009)



Product	June 30 2008		June 30 2009	
	Amount (Rs. Cr)	% of Total	Amount (Rs. Cr)	% of Total
Long Term	20,914	87.7%	21,398	88.0%
Bonds / Debentures	11,555	48.4%	12,602	51.9%
Rupee Loans	6,583	27.6%	5,919	24.4%
Forex Loans	2,126	8.9%	2,227	9.2%
Sub debt	650	2.7%	650	2.7%
Short Term	2,946	12.3%	2,905	12.0%
Total	23,860		24,302	

Growth Q-o-Q

2%

Snapshot

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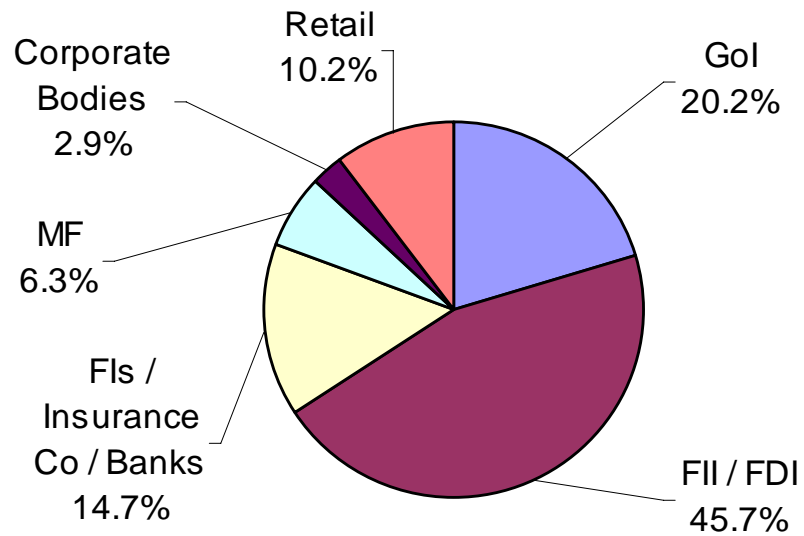
Borrowings

Shareholding

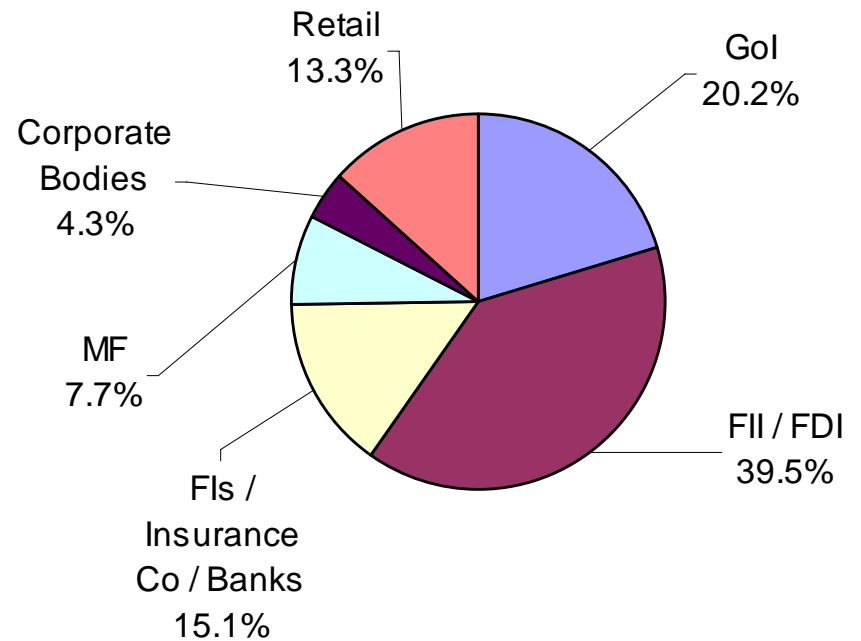
Highlights

Shareholding Pattern (June 30, 2009 vis-à-vis March 31, 2009)

Shareholding - June 30, 2009



Shareholding - March 31, 2009



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Shareholding

Highlights

Other Highlights

❑ Duration

- Assets – 1.56 years (June 30, 2008 – 1.68 years)
- Liabilities – 1.52 years (June 30, 2008 – 1.62 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	3,837
IDFC Investment Advisors	297
IDFC Mutual Fund	21,689
Total	31,814