



Investor Presentation – H1 FY 2010

October 23, 2009

Snapshot

Balance Sheet & Financials

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Highlights

Consolidated highlights (H1 FY 2010 vs. H1 FY 2009)

Consolidated Balance Sheet

- ◆ Balance sheet increased by 10% from Rs. 28,970 crore to Rs. 31,982 crore
- ◆ Outstanding Borrowings increased by 10% from Rs. 22,891 crore to Rs. 25,238 crore
- ◆ Net NPAs – 0.2%
- ◆ Net worth – Rs. 6,744 crore

Consolidated Income Statement

- ◆ Operating income increased by 23% from Rs. 807 crore to Rs. 990 crore
- ◆ Net Interest Income increased by 27% from Rs. 410 crore to Rs. 521 crore
- ◆ Non-interest income increased by 16% from Rs. 381 crore to Rs. 444 crore
- ◆ Operating expenses increased by 26% from Rs. 169 crore to Rs. 212 crore
- ◆ PBT increased by 26% from Rs. 604 crore to Rs. 760 crore
- ◆ PAT increased by 26% from Rs. 449 crore to Rs. 564 crore
- ◆ EPS (diluted) increased by 25% from Rs. 3.46 to Rs. 4.32

Shareholding

- ◆ IDFC stock price moved from Rs.54.1 on March 31, 2009 to Rs. 145.9 as on September 30, 2009.
- ◆ Foreign holding (FII + FDI) as on as on September 30, 2009 – 46.7% (March 31, 2009 – 39.5%)

Consolidated highlights (H1 FY10 vs. H1 FY09)

<p>Project Finance</p>	<ul style="list-style-type: none"> ◆ Loan book increased by 3% from Rs. 21,393 crore to Rs. 22,045 crore ◆ NII infrastructure increased by 32% from Rs. 356 crore to Rs. 471 crore ◆ Gross Approvals increased by 34% from Rs. 7,411 crore to Rs. 9,903 crore ◆ Gross Disbursements increased by 5% from Rs. 4,677 crore to Rs. 4,907 crore
<p>Treasury</p>	<ul style="list-style-type: none"> ◆ NII treasury decreased by 7% from Rs. 54 crore to Rs. 50 crore
<p>Principal Investments</p>	<ul style="list-style-type: none"> ◆ Equity book increased marginally from Rs.1,242 crore to Rs. 1,288 crore (excluding strategic investments) ◆ Principal Investments Income decreased by 15% from Rs. 153 crore to Rs. 129 crore
<p>Asset Management</p>	<ul style="list-style-type: none"> ◆ Management fees increased 1.8 times from Rs. 77 crore to Rs. 141 crore ◆ AUM – Rs. 34,213 crore (USD 7.1 billion)
<p>Investment Banking & Broking</p>	<ul style="list-style-type: none"> ◆ Investment Banking & Broking Income increased by 36% from Rs. 72 crore to Rs 98 crore
<p>Loan related & other fees</p>	<ul style="list-style-type: none"> ◆ Loan related & other fees decreased by 5% from Rs. 79 crore to Rs 75 crore

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Balance Sheet

(Rs. crore)

Particulars	H1 FY 09	H1 FY 10	% Growth (Y-o-Y)	FY 2009
Sources of Funds				
Shareholders' Funds	6,052	6,744	11%	6,176
Capital	1,295	1,295	0%	1,295
Reserves & Surplus	4,756	5,448	15%	4,881
Loan Funds	22,891	25,238	10%	23,605
Minority Interest	28	1	-97%	28
Total Sources of Funds	28,970	31,982	10%	29,809
Application of Funds				
Goodwill	1,077	1,160	8%	1,079
Fixed Assets	405	445	10%	454
Infrastructure Loans	21,393	22,045	3%	20,964
Gross Loans	21,671	22,487	4%	21,367
Less provisions	277	442	59%	403
Investments	5,867	8,318	42%	6,994
Treasury	4,625	7,030	52%	5,672
Equity	1,242	1,288	4%	1,322
Deferred Tax Asset	113	149	32%	143
Net Current Assets	116	-135	-216%	175
Total Applications of Funds	28,970	31,982	10%	29,809

Financials

(Rs. crore)

Particulars	H1 FY 09	H1 FY 10	% Growth (Y-o-Y)	FY 2009
Net Interest Income	410	521	27%	922
Infrastructure	356	471	32%	758
Treasury	54	50	-7%	164
Non-Interest Income	381	444	16%	613
Principal Investment	153	129	-15%	184
Asset management	77	141	82%	203
Investment Banking	72	98	36%	115
Loan related & other fees	79	75	-5%	110
Other Income	16	25	54%	20
OPERATING INCOME	807	990	23%	1,556
OPERATING EXPENSES	169	212	26%	367
PRE-PROVISIONING PROFITS	639	778	22%	1,189
Provisions	35	18	-49%	153
PBT	604	760	26%	1,036
Less : Provision for Tax, Profit in associate co, Minority interest, etc	155	196	26%	286
PAT	449	564	26%	750

RoA Tree (rolling 12 months)

(% of avg total assets)

Particulars	FY 2007	FY 2008	Oct 07 - Sep 08	Jan 08 - Dec 08	FY 2009	Jul 08 - Jun 09	Oct 08 - Sep 09
Net Interest Income	2.8%	2.9%	2.7%	2.9%	3.1%	3.2%	3.5%
Infrastructure	2.6%	2.4%	2.3%	2.4%	2.6%	2.7%	2.9%
Treasury	0.2%	0.5%	0.4%	0.4%	0.6%	0.5%	0.5%
Non-Interest Income	1.7%	2.6%	2.5%	2.0%	2.1%	2.2%	2.3%
Principal Investment	0.9%	0.9%	0.8%	0.6%	0.6%	0.6%	0.5%
Asset management	0.3%	0.2%	0.4%	0.5%	0.7%	0.9%	0.9%
Investment Banking	0.0%	0.8%	0.7%	0.5%	0.4%	0.3%	0.4%
Loan related & other fees	0.5%	0.7%	0.6%	0.4%	0.4%	0.4%	0.4%
Other Income	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
OPERATING INCOME	4.7%	5.6%	5.3%	4.9%	5.2%	5.5%	5.8%
OPERATING EXPENSES	0.5%	1.1%	1.1%	1.1%	1.2%	1.3%	1.4%
PRE-PROVISIONING PROFITS	4.1%	4.5%	4.1%	3.8%	4.0%	4.2%	4.5%
Provisions	0.1%	0.3%	0.3%	0.3%	0.5%	0.4%	0.5%
PBT	4.0%	4.2%	3.8%	3.6%	3.5%	3.8%	4.0%
Less : Provision for Tax, Profit in associate co, Minority interest, etc	0.7%	1.1%	1.0%	1.0%	1.0%	1.1%	1.1%
PAT	3.3%	3.1%	2.8%	2.6%	2.5%	2.7%	2.9%

■ Key Indicators (rolling 12 months)

Particulars	FY 2007	FY 2008	Oct 07 - Sep 08	Jan 08 - Dec 08	FY 2009	Jul 08 - Jun 09	Oct 08 - Sep 09
Overall Spread	1.9%	2.1%	2.1%	2.3%	2.3%	2.4%	2.6%
Cost to Income #	11.5%	19.2%	21.5%	21.9%	23.6%	23.8%	23.5%
Effective Tax Rate	20.1%	26.3%	26.4%	27.1%	27.7%	28.1%	27.5%
Loan Loss Reserve Ratio	1.6%	1.1%	1.2%	1.2%	1.8%	1.8%	1.8%
Leverage (Closing)	6.2 x	5.0 x	4.9 x	4.8 x	4.8 x	4.8 x	4.7 x
RoE	17.7%	15.6%	14.4%	13.4%	12.4%	13.0%	13.7%

Cost to Income : Operating Cost / Operating Income

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

Exposure					Outstanding Disbursements				
Sector	September 30, 2008		September 30, 2009		Sector	September 30, 2008		September 30, 2009	
	Rs crore	%	Rs crore	%		Rs crore	%	Rs crore	%
Energy	13,098	37%	12,397	38%	Energy	8,623	37%	9,118	38%
Transportation	8,183	23%	7,170	22%	Transportation	5,853	25%	4,965	21%
Telecom	4,401	13%	5,159	16%	Telecom	3,008	13%	3,961	16%
Industrial & Commercial	4,038	12%	2,937	9%	Industrial & Commercial	3,325	14%	2,581	11%
Tourism	2,174	6%	1,711	5%	Tourism	1,118	5%	1,365	6%
Other misc	3,135	9%	3,064	9%	Other misc	1,507	6%	2,087	9%
Total	35,030		32,438		Total	23,434		24,079	
Growth (Y-o-Y)			-7%		Growth (Y-o-Y)			3%	

■ Concentration analysis (Sept '09 vis-à-vis Sept '08)

- ◆ Top Exposures
 - Top 20 company exposures constitute 36% of total exposure
 - September 30, 2008 : 33%
 - Top 20 industrial group exposures constitute 54% of total exposure
 - September 30, 2008 : 56%

- ◆ Top Outstanding Disbursements
 - Top 20 company outstanding disbursements constitute 37% of total outstanding disbursements
 - September 30, 2008 : 36%
 - Top 20 industrial group outstanding disbursements constitute 55% of total outstanding disbursements
 - September 30, 2008 : 58%

Product analysis (Sept '09 vis-à-vis Sept '08)

Exposure				
Sector	September 30, 2008		September 30, 2009	
	Rs crore	%	Rs crore	%
Loans / Debentures	31,075	89%	29,182	90%
Project Loans	17,826	51%	15,862	49%
Corporate Loans	9,514	27%	11,091	34%
Loan Against Shares	3,734	11%	2,228	7%
Mezzanine Products	633	2%	719	2%
Equity / Pref Shares	2,708	8%	2,103	6%
Non-Funded	614	2%	435	
Total	35,030		32,438	

Outstanding Disbursements				
Sector	September 30, 2008		September 30, 2009	
	Rs crore	%	Rs crore	%
Loans / Debentures	21,193	90%	21,874	91%
Project Loans	9,920	42%	11,521	48%
Corporate Loans	8,510	36%	8,639	36%
Loan Against Shares	2,763	12%	1,714	7%
Mezzanine Products	474	2%	609	3%
Equity / Pref Shares	1,295	6%	1,300	5%
Non-Funded	471	2%	296	
Total	23,434		24,079	

Snapshot

Balance Sheet & Financials

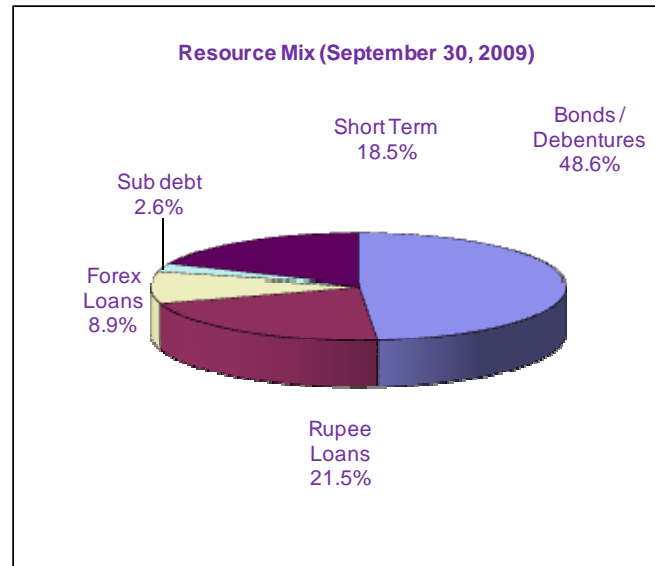
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Consolidated Borrowing Analysis (Sept 30, 2009)



Sector	September 30, 2008		September 30, 2009	
	Rs crore	%	Rs crore	%
Long Term	20,914	88%	20,569	82%
Bonds / Debentures	11,555	48%	12,264	49%
Rupee Loans	6,583	28%	5,419	21%
Forex Loans	2,126	9%	2,236	9%
Sub debt	650	3%	650	3%
Short Term	2,946	12%	4,669	18%
Total	23,860		25,238	
Growth (Y-o-Y)			6%	

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Balance Sheet & Financials

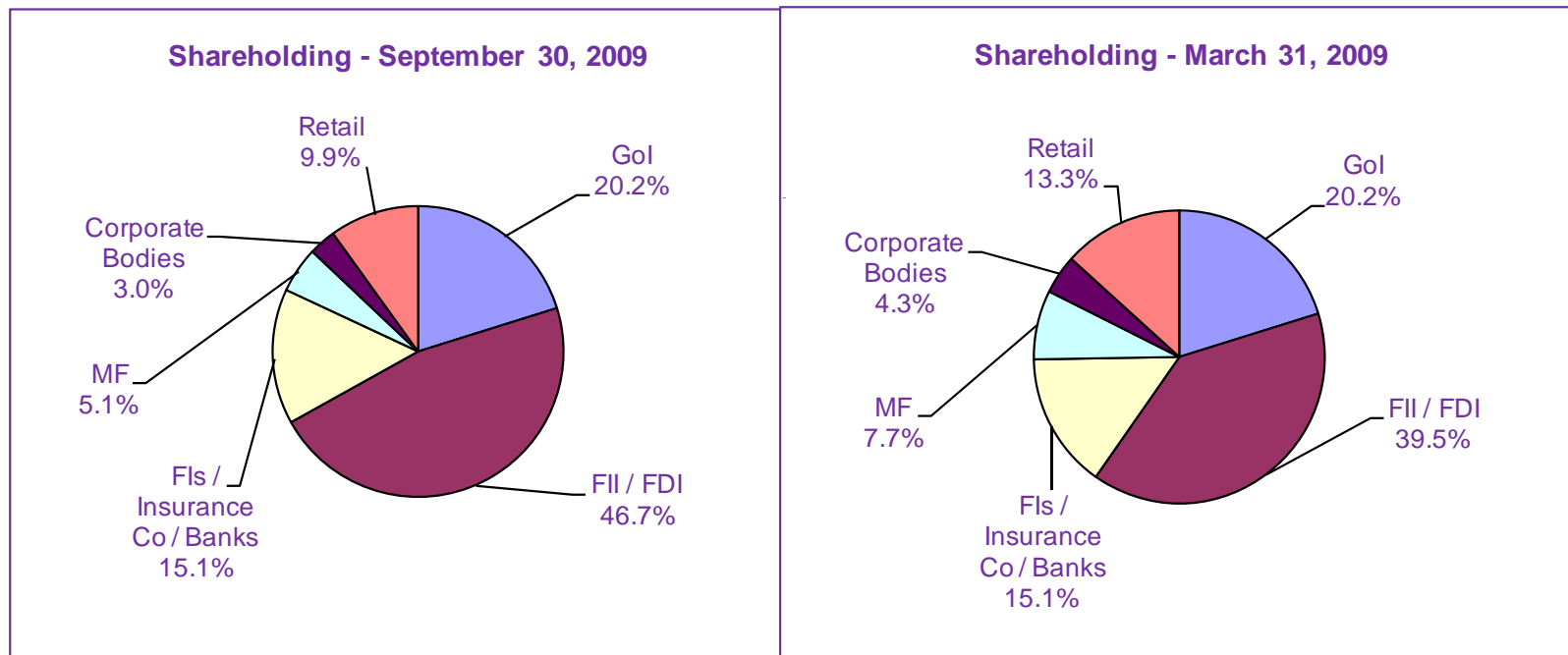
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Shareholding Pattern (Sept 30, 2009 vis-à-vis March 31, 2009)



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Other Highlights

- ◆ Duration
 - Assets – 1.56 years (September 30, 2008 – 1.79 years)
 - Liabilities – 1.59 years (September 30, 2008 – 1.65 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	3,837
IDFC Mutual Fund	24,385
Total	34,213



Thank You

- **Project Finance**

- **Principal Investment**

- Treasury
- Equity

- **Asset Management**

- Alternative Asset Management
- Private Equity
- Project Equity
- Fund – of – Funds
- Mutual Fund

- **Investment Banking**

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