



IDFC

IDFC – Investor Presentation (6M FY2011)

November 08, 2010



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1. Snapshot
 2. Balance Sheet & Financials
 3. Concentration and product analysis
 4. Borrowings
 5. Shareholding
 6. Highlights

Consolidated Highlights (6M FY11 vs. 6M FY10)

Consolidated Balance Sheet

- Balance sheet increased by 45% from ₹ 31,982 cr to ₹ 46,423 cr
- Loan book increased by 58% from ₹ 21,785 cr to ₹ 34,397 cr
- Borrowed Funds increased by 40% from ₹ 25,238 cr to ₹ 35,300 cr
- Net NPAs – 0.1%
- Net worth - ₹ 11,117 cr

Consolidated Income Statement

- Operating income increased by 27% from ₹ 990 cr to ₹ 1,259 cr
- Net interest income increased by 37% from ₹ 521 cr to ₹ 711 cr
- Non interest income increased by 20% from ₹ 444 cr to ₹ 533 cr
- Operating expenses increased by 16% from ₹ 212 cr to ₹ 245 cr
- Provisions increased 5.3 times from ₹ 18 cr to ₹ 94 cr
- PBT increased by 21% from ₹ 760 cr to ₹ 919 cr
- PAT income increased by 19% from ₹ 564 cr to ₹ 674 cr

Shareholding

- IDFC stock price moved from ₹ 179.2 (June 30) to ₹ 202.7 (Sept 30)
- Foreign holding (FII+FDI) - 52.2% (Sept 30), 45.5% (June 30)

Consolidated Highlights (6M FY11 vs. 6M FY10)

Project Finance

- Loan book increased by 58% from ₹ 21,785 cr to ₹ 34,397 cr
- NII Infrastructure increased by 41% from ₹ 471 cr to ₹ 663 cr
- Gross Approvals increased 3.3 times from ₹ 9,903 cr to ₹ 32,765 cr
- Gross Disbursements increased 3.5 times from ₹ 4,907 cr to ₹ 17,369 cr

Treasury

- NII Treasury decreased by 4% from ₹ 50 cr to ₹ 48 cr

Principal Investments

- Equity book increased by 35% from ₹ 1,548 cr to ₹ 2,092 cr (*excl strategic inv*)
- Principal investments income increased by 2% from ₹ 129 cr to ₹ 132 cr

Asset Management

- Income from Asset Management constant at ~ ₹ 140 cr
- AUM - ₹ 28,601 cr (USD 6.4 bn)

IB & Broking

- Investment Banking & Institutional Broking income increased by 12% from ₹ 98 cr to ₹ 110 cr

Loan related & other fees

- Loan related & other fees doubled from ₹ 75 cr to ₹ 151 cr

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Balance Sheet

₹ Crore

Particulars	H1 FY 10	H1 FY 11	FY 2010	% Growth (Y-o-Y)
Sources of Funds				
Shareholders' Funds	6,744	11,117	7,010	65%
Capital*	1,295	2,301	1,301	78%
Reserves & Surplus	5,448	8,816	5,709	62%
Loan Funds	25,238	35,300	26,544	40%
Minority Interest	1	7	7	
Sources of Funds	31,982	46,423	33,562	45%
Application of Funds				
Goodwill	1,160	1,160	1,160	0%
Fixed Assets	445	447	442	0%
Infrastructure Loans	21,785	34,397	25,031	58%
Gross Loans	22,227	34,994	25,539	57%
Less provisions	442	597	508	35%
Investments	8,578	10,287	7,043	20%
Treasury	7,030	8,195	5,043	17%
Equity	1,548	2,092	2,000	35%
Deferred Tax Asset	149	210	177	41%
Net Current Assets	-135	-78	-290	
Applications of Funds	31,982	46,423	33,562	45%

* Includes CCCPS of ₹ 840 cr

Financials

₹ Crore

Particulars	H1 FY 10	H1 FY 11	FY 2010	% Growth (Y-o-Y)
Net Interest Income	521	711	1,117	37%
Infrastructure	471	663	1,021	41%
Treasury	50	48	96	-4%
Non-Interest Income	444	533	950	20%
Principal Investment	129	132	261	2%
Infrastructure	121	123	206	2%
Financial	9	9	55	7%
Asset management	141	140	362	-1%
Management Fees	141	121	290	-14%
<i>Mutual Fund</i>	60	45	132	-25%
<i>Alternatives</i>	80	75	157	-6%
Capital Gains & Carry	0	19	72	na
Investment Banking & Broking	98	110	183	12%
Investment Banking	65	81	111	24%
Institutional Broking	33	29	72	-11%
Loan related & other fees	75	151	144	100%
Other Income	25	15	40	-42%
OPERATING INCOME	990	1,259	2,107	27%
OPERATING EXPENSES	212	245	549	16%
HR	107	124	308	16%
Other than HR	105	122	241	16%
PRE-PROVISIONING PROFITS	778	1,013	1,559	30%
Provisions	18	94	130	433%
PBT	760	919	1,429	21%
Less : Provision for Tax, Profit in associate co, Minority interest, etc	196	246	366	25%
PAT	564	674	1,062	19%

RoA Tree (rolling 12 months)

(% of daily avg total assets)

Particulars	FY 2008	FY 2009	Oct 08 - Sep 09	Jan 09 - Dec 09	FY 2010	Jul 09 - Jun 10	Oct 09 - Sep 10
Net Interest Income	2.9%	3.1%	3.5%	3.5%	3.6%	3.7%	3.6%
Infrastructure	2.3%	2.6%	3.0%	3.2%	3.3%	3.3%	3.4%
Treasury	0.6%	0.5%	0.5%	0.3%	0.3%	0.3%	0.3%
Non-Interest Income	2.6%	2.1%	2.3%	2.8%	3.0%	3.0%	2.9%
Principal Investment	0.6%	0.6%	0.5%	0.9%	0.8%	0.9%	0.7%
Infrastructure	0.6%	0.6%	0.5%	0.7%	0.7%	0.8%	0.6%
Financial	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%
Asset management	0.6%	0.7%	0.9%	1.0%	1.2%	1.1%	1.0%
Management Fees	0.2%	0.7%	0.9%	1.0%	0.9%	0.9%	0.8%
<i>Mutual Fund</i>	0.0%	0.2%	0.4%	0.4%	0.4%	0.4%	0.3%
<i>Alternatives</i>	0.2%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%
Capital Gains & Carry	0.3%	0.0%	0.0%	0.0%	0.2%	0.2%	0.3%
Investment Banking & Broking	0.9%	0.4%	0.4%	0.5%	0.6%	0.5%	0.5%
Investment Banking	0.5%	0.2%	0.2%	0.3%	0.4%	0.3%	0.4%
Institutional Broking	0.4%	0.2%	0.3%	0.2%	0.2%	0.2%	0.1%
Loan related & other fees	0.5%	0.4%	0.4%	0.4%	0.5%	0.5%	0.6%
Other Income	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
OPERATING INCOME	5.6%	5.3%	5.9%	6.4%	6.7%	6.8%	6.6%
OPERATING EXPENSES	1.1%	1.2%	1.4%	1.5%	1.8%	1.7%	1.6%
PRE-PROVISIONING PROFITS	4.5%	4.0%	4.5%	4.9%	5.0%	5.1%	5.0%
Provisions	0.3%	0.5%	0.5%	0.6%	0.4%	0.5%	0.6%
PBT	4.2%	3.5%	4.0%	4.3%	4.6%	4.5%	4.4%
Less : Provision for Tax, Profit in associate co, Minority interest,	1.1%	1.0%	1.1%	1.2%	1.2%	1.1%	1.2%
PAT	3.1%	2.6%	2.9%	3.2%	3.4%	3.4%	3.3%

Key Indicators (rolling 12 months)

Particulars	FY 2008	FY 2009	Oct 08 - Sep 09	Jan 09 - Dec 09	FY 2010	Jul 09 - Jun 10	Oct 09 - Sep 10
Overall Spreads	2.1%	2.4%	2.7%	2.6%	2.7%	2.7%	2.4%
Cost / Income	19.2%	23.6%	23.6%	23.4%	26.0%	25.3%	24.5%
Effective tax rate	25.8%	27.6%	27.4%	26.6%	25.6%	25.1%	26.2%
Loan Loss Reserve	1.1%	1.8%	1.8%	1.8%	1.8%	1.7%	1.6%
Leverage (Closing)	5.0 x	4.8 x	4.7 x	4.5 x	4.8 x	5.3 x	4.2 x
RoE	15.7%	12.5%	13.7%	14.6%	15.8%	16.2%	14.9%

Cost / Income : Operating cost / Operating income

Loan Loss Reserve : Standard Assets provision / Standard Assets

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Concentration Analysis (September '10 vis-à-vis September '09)

Exposure

Sector	Sept 30, 2009		Sept 30, 2010	
	₹ Crore	%	₹ Crore	%
Energy	12,397	38%	26,381	42%
Transportation	7,170	22%	17,365	28%
Telecom	5,159	16%	12,062	19%
Others	7,713	24%	6,356	10%
Total	32,438		62,165	

Growth (Y-o-Y)

92%

Outstanding Disbursements

Sector	Sept 30, 2009		Sept 30, 2010	
	₹ Crore	%	₹ Crore	%
Energy	9,118	38%	15,270	40%
Transportation	4,965	21%	8,400	22%
Telecom	3,961	16%	9,783	25%
Others	6,034	25%	5,062	13%
Total	24,079		38,515	

Growth (Y-o-Y)

60%

Concentration Analysis (September '10 vis-à-vis September '09)

- **Top Exposures**
 - Top 20 Company exposures constitute 39% of total
 - September 30, 2009 : 36%
 - Top 20 Industrial Group exposures constitute 68% of total
 - September 30, 2009 : 54%

- **Top Outstanding Disbursements**
 - Top 20 Company outstanding disbursements constitute 45% of total
 - September 30, 2009 : 49%
 - Top 20 Industrial Group outstanding disbursements constitute 68% of total
 - September 30, 2009 : 55%

Product Analysis (September '10 vis-à-vis September '09)

Exposure

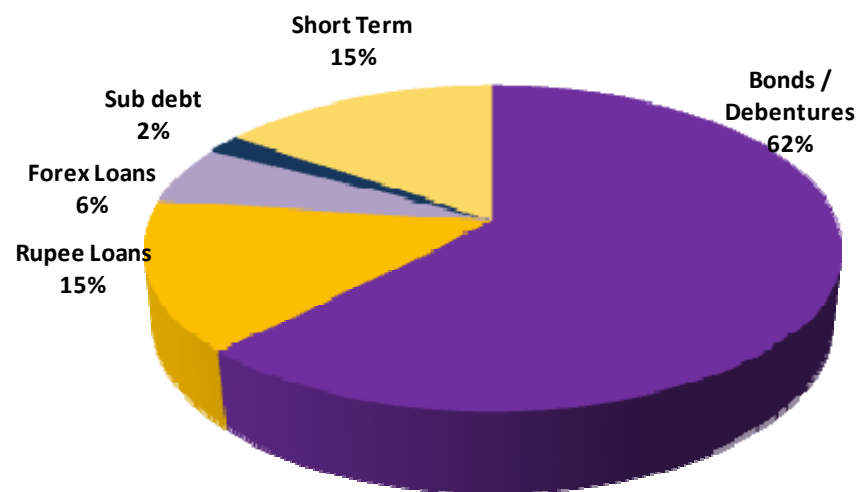
Sector	Sept 30, 2009		Sept 30, 2010	
	₹ Crore	%	₹ Crore	%
Loans / Debentures	29,182	90%	57,109	92%
Project Loans	15,862	49%	44,236	71%
Corporate Loans	11,091	34%	12,118	19%
Loan Against Shares	2,228	7%	755	1%
Mezzanine Products	459	1%	368	1%
Equity / Pref Shares	2,363	7%	3,169	5%
Non-Funded	435	1%	1,519	2%
Total	32,438		62,165	

Outstanding Disbursements

Sector	Sept 30, 2009		Sept 30, 2010	
	₹ Crore	%	₹ Crore	%
Loans / Debentures	21,874	91%	34,641	90%
Project Loans	11,521	48%	19,067	50%
Corporate Loans	8,639	36%	14,819	38%
Loan Against Shares	1,714	7%	755	2%
Mezzanine Products	349	1%	350	1%
Equity / Pref Shares	1,560	6%	2,148	6%
Non-Funded	296	1%	1,376	4%
Total	24,079		38,515	

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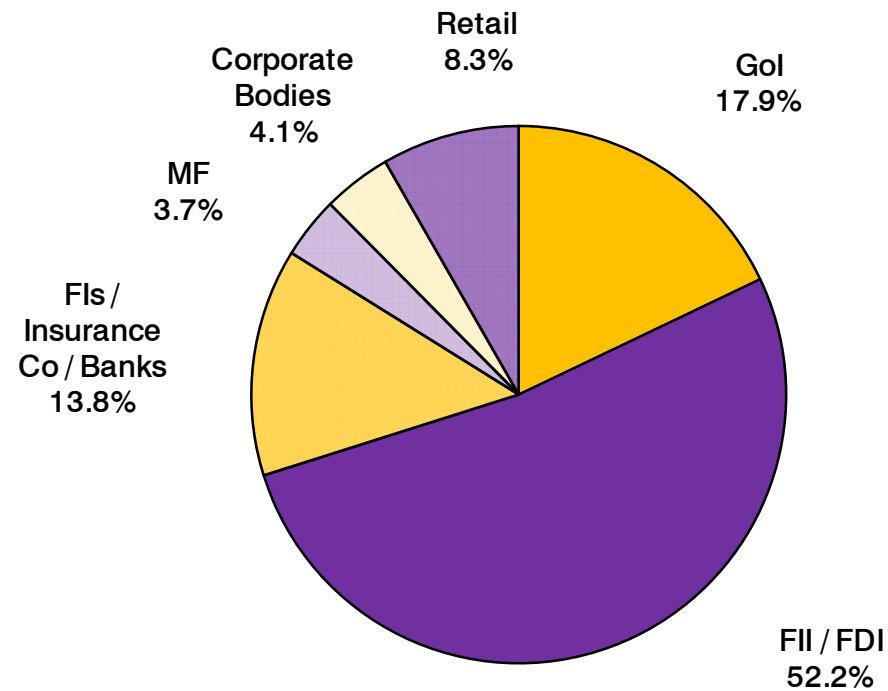
Borrowing Analysis (September 30, 2010)



Sector	Sept 30, 2009		Sept 30, 2010	
	₹ Crore	%	₹ Crore	%
Long Term	20,469	81%	29,866	85%
Bonds / Debentures	12,164	48%	21,968	62%
Rupee Loans	5,419	21%	5,202	15%
Forex Loans	2,236	9%	2,045	6%
Sub debt	650	3%	650	2%
Short Term	4,769	19%	5,434	15%
Total	25,238	100%	35,300	100%
Growth (Y-o-Y)			40%	

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Shareholding Pattern (September 30, 2010)



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Other Highlights

- Duration
 - Assets – 2.11 years (June 30, 2010 – 2.18 years)
 - Liabilities – 2.36 years (June 30, 2010 – 2.19 years)

•Assets Under Management

Fund Name	AUM	
	₹ <i>Cr</i> o	USD* (bn)
IDFC Private Equity	4,816	1.07
Fund I	335	0.1
Fund II	1,341	0.3
Fund III	3,141	0.7
IDFC Project Equity Fund	3,837	0.9
IDFC Mutual Fund	19,948	4.4
Investment Advisor	876	0.2
Equity	5,352	1.2
Debt	13,720	3.1
Total	28,601	6.4

*Exchange rate: 1 USD = ₹ 44.96 as on Sept 30, 2010.



Thank you