



**IDFC**

## **IDFC – Investor Presentation (FY2012)**

May 08, 2012



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

## Summary Highlights

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- Balance Sheet as on Mar 31, 2012 at ₹60,979 crore – a 24% YoY growth (Q-o-Q growth – 5%)
- Loan book at ₹48,888 crore – a 28% YoY growth (Q-o-Q growth – 10%)
  - ❑ Gross Approvals declined by 25% from ₹42,716 crore in FY11 to ₹31,868 crore in FY12
  - ❑ Gross Disbursements declined by 31% from ₹26,702 crore to ₹18,404 crore in FY12, reflective of challenges surrounding infrastructure and the macro context
  - ❑ Cumulative Outstanding Approvals as on March 31, 2012 were ₹69,718 crore
- Capital Adequacy robust at 20.8% as on Mar 31, 2012 (of which Tier I – 18.5%) vs 24.5% as on Mar 31, 2011
- PAT increased by 21% from ₹1,282 crore in FY11 to ₹1,554 crore in FY12
- EPS increased by 17% from ₹8.71 per share in FY11 to ₹10.20 per share in FY12
- Operating Income increased by 17% from ₹2,547 crore in FY11 to ₹2,980 crore in FY12 on account of NII and Principal Gains & Carry, notwithstanding significant decline in Investment Banking & Broking income and Loan Related & Other Fees
  - ❑ NII increased by 28% from ₹1,645 crore in FY11 to ₹2,113 crore in FY12.
    - ✓ Overall spreads increased from 2.24% in FY11 to 2.41% in FY12.
  - ❑ Principal gains increased by 83%
  - ❑ Asset management income including carry & gains decreased by 4% ,IB & broking declined by 62% and loan related & other fees declined by 28%

## Summary Highlights

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- Operating Expenses declined by 2% from ₹533 crore in FY11 to ₹523 crore in FY12
  - ❑ Cost to Income declined from 20.9% in FY11 to 17.5% in FY12
  - ❑ HR expenses increased by 3% from ₹296 crore to ₹305 crore
  - ❑ Non-HR expenses decreased by 8% from ₹238 crore to ₹218 crore
- Provisions increased by 21% from ₹235 crore in FY11 to ₹285 crore in FY12 due to higher provisions on the equity portfolio

### ➤ CORPORATE AND INVESTMENT BANK

#### ❑ PROJECT FINANCE

- ✓ NII Loan Book increased by 25% from ₹ 1,501 crore in FY11 to ₹ 1,880 crore in FY12. Sequentially the NII Infrastructure increased by 14% from ₹ 473 crore in Q3FY12 to ₹ 540 crore in Q4FY12.
- ✓ Energy, Transportation & Telecom constitute ~90% of total Cumulative OS Approvals and outstanding disbursements as on March 31, 2012
- ✓ Loan Related Fees decreased by 28% from ₹ 194 crore in FY11 to ₹ 139 crore in FY12.

#### ❑ INVESTMENT BANKING AND INSTITUTIONAL BROKING

- ✓ Investment Banking and Institutional Broking income at ₹ 75 crore in FY12
  - Institutional broking reduced from ₹53 crore in FY11 to ₹ 41 crore in FY12
  - Investment banking revenues at ₹ 34 crore in FY12 on account of weak/ range bound public markets and bearish sentiment surrounding infrastructure.

#### ❑ FIXED INCOME AND TREASURY

- ✓ NII Treasury increased by 62% from ₹ 144 crore in FY11 to ₹ 233 crore in FY12. Sequentially the NII Treasury decreased by 38% from ₹ 73 crore in Q3FY12 to ₹ 46 crore in Q4FY12.

#### ❑ PRINCIPAL INVESTMENTS

- ✓ Income from principal investments (*excluding capital gains & carry from alternatives*) increased by 83% from ₹ 191 crore in FY11 to ₹ 350 crore in FY12

#### ❑ ASSET QUALITY

- ✓ Gross NPAs – 0.30%, Net NPAs – 0.15%
- ✓ Loan Loss Reserve Ratio as on March 31, 2012 – 1.5%

### ➤ ASSET MANAGEMENT

#### ❑ OVERALL

- ✓ Asset Management Revenues decreased by 4% from ₹ 292 crore in FY11 to ₹ 280 crore in FY12
  - Average AUM as on March 31, 2012 at ₹ 36,211 crore

#### ❑ PUBLIC MARKETS

- ✓ Y-o-Y, Average AUM increased by 33 % to ₹ 28,307 crore for FY12, on account of focused sales and marketing initiatives and favorable interest rate environment
- ✓ Asset Management Fees increased by 11% from ₹ 110 crore in FY11 to ₹ 122 crore in FY12
- ✓ Market share was at 3.83% as on March 31, 2012

#### ❑ ALTERNATIVES

- ✓ AUM ₹ 8,174 crore
- ✓ Asset Management Fees decreased by 14% from ₹ 139 crore in FY11 to ₹ 120 crore in FY12
- ✓ Capital Gains & Carry decreased from ₹ 43 crore to ₹ 39 crore

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## Balance Sheet

(Amounts in ₹ crore)

Particular	31-Mar-11	30-Jun-11	30-Sep-11	31-Dec-11	31-Mar-12	% Growth	
						FY12 vs FY11	Mar12 vs Dec11
Shareholders' Funds	11,248	11,551	12,073	12,430	12,285	9%	-1%
Borrowings	36,304	38,669	39,576	43,729	46,435	28%	6%
Current Liabilities	1,795	1,521	1,333	1,874	2,259	26%	21%
<b>TOTAL LIABILITIES</b>	<b>49,347</b>	<b>51,741</b>	<b>52,981</b>	<b>58,032</b>	<b>60,979</b>	<b>24%</b>	<b>5%</b>
Net Loan Book	37,652	37,527	39,313	43,897	48,184	28%	10%
<i>Gross Loan Book</i>	38,215	38,112	39,927	44,547	48,888	28%	10%
<i>Less Provision</i>	563	585	614	651	705	25%	8%
Treasury <sup>1</sup>	6,446	8,665	7,111	6,654	6,605	2%	-1%
Consol Equity <sup>1,2</sup>	3,082	3,107	3,090	3,112	3,098	1%	0%
Current Assets	2,167	2,441	3,467	4,370	3,092	43%	-29%
<b>TOTAL ASSETS</b>	<b>49,347</b>	<b>51,741</b>	<b>52,981</b>	<b>58,032</b>	<b>60,979</b>	<b>24%</b>	<b>5%</b>

<sup>1</sup> Net of provision

<sup>2</sup> Goodwill on consolidation as of March 31, 2012 - ₹967 crore

## Consol Financials (P&L)

(Amounts in ₹ crore)

Particular	FY11	FY12	% Growth	Q4FY11*	Q4FY12	% Growth	Q3FY12	% Growth
<b>Net Interest Income</b>	<b>1,645</b>	<b>2,113</b>	<b>28%</b>	<b>478</b>	<b>586</b>	<b>23%</b>	<b>546</b>	<b>7%</b>
Loans	1,501	1,880	25%	426	540	27%	473	14%
Treasury	144	233	62%	52	46	-12%	73	-38%
<b>Non-Interest Income</b>	<b>875</b>	<b>844</b>	<b>-4%</b>	<b>182</b>	<b>133</b>	<b>-27%</b>	<b>212</b>	<b>-37%</b>
Principal Investments	191	350	83%	29	29	-1%	91	-69%
Asset Management	292	280	-4%	88	60	-33%	68	-12%
<i>Mutual Fund</i>	<i>110</i>	<i>122</i>	<i>11%</i>	<i>34</i>	<i>29</i>	<i>-16%</i>	<i>27</i>	<i>6%</i>
<i>Alternates</i>	<i>182</i>	<i>159</i>	<i>-13%</i>	<i>55</i>	<i>31</i>	<i>-43%</i>	<i>41</i>	<i>-24%</i>
<i>Fees</i>	<i>139</i>	<i>120</i>	<i>-14%</i>	<i>30</i>	<i>29</i>	<i>-2%</i>	<i>30</i>	<i>-2%</i>
<i>Cap Gain &amp; Carry</i>	<i>43</i>	<i>39</i>	<i>-10%</i>	<i>24</i>	<i>2</i>	<i>-93%</i>	<i>11</i>	<i>-85%</i>
Investment Banking & Broking	199	75	-62%	38	15	-62%	23	-38%
<i>Investment Banking</i>	<i>146</i>	<i>34</i>	<i>-77%</i>	<i>28</i>	<i>4</i>	<i>-86%</i>	<i>16</i>	<i>-74%</i>
<i>Institutional Broking</i>	<i>53</i>	<i>41</i>	<i>-23%</i>	<i>10</i>	<i>10</i>	<i>7%</i>	<i>8</i>	<i>38%</i>
Loan Related & Other Fees	194	139	-28%	27	31	14%	30	4%
Other Income	26	23	-11%	7	6	-16%	2	139%
<b>OPERATING INCOME</b>	<b>2,547</b>	<b>2,980</b>	<b>17%</b>	<b>667</b>	<b>725</b>	<b>9%</b>	<b>760</b>	<b>-5%</b>
<b>OPERATING EXPENSES</b>	<b>533</b>	<b>523</b>	<b>-2%</b>	<b>163</b>	<b>150</b>	<b>-8%</b>	<b>127</b>	<b>18%</b>
HR	296	305	3%	96	90	-6%	73	24%
Non-HR	238	218	-8%	67	60	-10%	55	10%
Provisions	235	285	21%	90	84	-7%	98	-14%
PBT	1,779	2,173	22%	415	491	18%	535	-8%
Tax, Minority int, etc	497	619	24%	126	156	24%	154	1%
<b>PAT</b>	<b>1,282</b>	<b>1,554</b>	<b>21%</b>	<b>289</b>	<b>335</b>	<b>16%</b>	<b>381</b>	<b>-12%</b>

\* adjusted for foundation

## RoA Tree (rolling 12 months)

(% of avg total assets)

Particular	FY11	Jul 10 - Jun 11	Oct 10 - Sep 11	Jan 10 - Dec 11	FY12
<b>Net Interest Income</b>	<b>3.8%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>3.9%</b>
Loans	3.5%	3.7%	3.6%	3.5%	3.5%
Treasury	0.3%	0.4%	0.4%	0.5%	0.4%
<b>Non-Interest Income</b>	<b>2.0%</b>	<b>1.6%</b>	<b>1.8%</b>	<b>1.7%</b>	<b>1.6%</b>
Principal Investments	0.4%	0.2%	0.6%	0.7%	0.7%
Asset Management	0.7%	0.7%	0.6%	0.6%	0.5%
Investment Banking & Broking	0.5%	0.4%	0.3%	0.2%	0.1%
Loan Related & Other Fees	0.5%	0.4%	0.3%	0.2%	0.3%
Other Income	0.1%	0.1%	0.1%	0.0%	0.0%
<b>OPERATING INCOME</b>	<b>5.9%</b>	<b>5.7%</b>	<b>5.9%</b>	<b>5.7%</b>	<b>5.6%</b>
<b>OPERATING EXPENSES</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.1%</b>	<b>1.0%</b>	<b>1.0%</b>
HR	0.7%	0.7%	0.7%	0.6%	0.6%
Non-HR	0.6%	0.5%	0.5%	0.4%	0.4%
Provisions	0.5%	0.5%	0.5%	0.6%	0.5%
PBT	4.1%	4.0%	4.2%	4.2%	4.1%
Tax, Minority int, etc	1.2%	1.2%	1.2%	1.2%	1.2%
<b>PAT</b>	<b>3.0%</b>	<b>2.8%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>2.9%</b>

## Ratios (rolling 12 months)

Particular	FY11	Jul 10 - Jun 11	Oct 10 - Sep 11	Jan 10 - Dec 11	FY12
NII / Operating Income	65%	71%	69%	69%	71%
Non-int income / Operating Income	34.4%	29.4%	31.2%	30.6%	28.3%
HR / Operating Income	11.6%	11.9%	11.3%	10.4%	10.2%
<b>Cost / Income</b>	<b>20.9%</b>	<b>20.6%</b>	<b>19.2%</b>	<b>17.3%</b>	<b>17.5%</b>
Effective tax rate	27.9%	29.4%	27.9%	28.1%	28.5%
<b>RoE</b>	<b>12.9%</b>	<b>11.9%</b>	<b>12.8%</b>	<b>13.0%</b>	<b>13.0%</b>
Leverage ( <i>Closing</i> )	4.2 x	4.3 x	4.3 x	4.5 x	5.0 x
Loan Loss Reserve ( <i>Closing</i> )	1.6%	1.7%	1.7%	1.6%	1.5%
Gross NPA	0.21%	0.20%	0.19%	0.33%	0.30%
Net NPA	0.10%	0.10%	0.09%	0.22%	0.15%
<b>Average Spreads</b>	<b>2.2%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>2.4%</b>	<b>2.4%</b>
<b>NIMs</b>	<b>4.2%</b>	<b>4.2%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>4.3%</b>

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## Concentration Analysis (Mar '12 vis-à-vis Mar '11)

Sector	Amount in ₹crore		% of total	
	Mar-11	Mar-12	Mar-11	Mar-12
Energy	26,707	28,560	46%	41%
Transportation	16,717	19,210	29%	28%
Telecom	9,222	14,850	16%	21%
Others	5,626	7,098	10%	10%
<b>TOTAL</b>	<b>58,273</b>	<b>69,718</b>	<b>100%</b>	<b>100%</b>

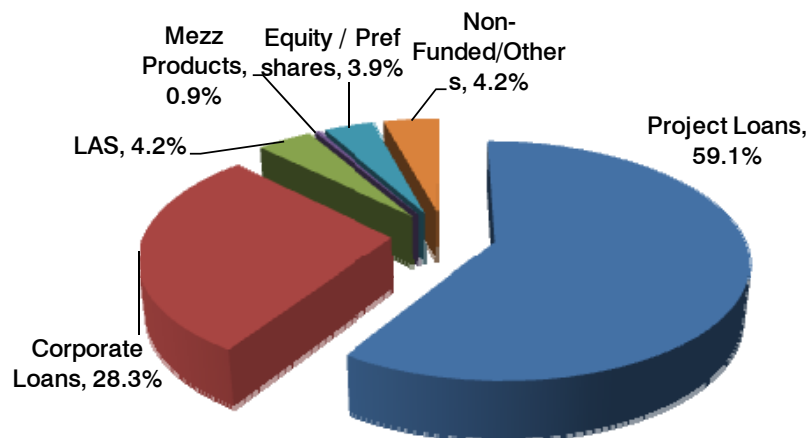
- Top Cumulative OS Approvals
  - ❑ Top 20 Company : 36% of total  
✓ (March 31, 2011 : 37%)
  - ❑ Top 20 Industrial Group : 61% of total  
✓ (March 31, 2011 : 64%)

Sector	Amount in ₹crore		% of total	
	Mar-11	Mar-12	Mar-11	Mar-12
Energy	17,401	22,765	42%	43%
Transportation	10,537	12,611	25%	24%
Telecom	9,097	12,263	22%	23%
Others	4,788	5,883	11%	11%
<b>TOTAL</b>	<b>41,823</b>	<b>53,522</b>	<b>100%</b>	<b>100%</b>

- Top Outstanding Disbursements
  - ❑ Top 20 Company : 40% of total  
✓ (March 31, 2011 : 44%)
  - ❑ Top 20 Industrial Group : 64% of total  
✓ (March 31, 2011 : 66%)

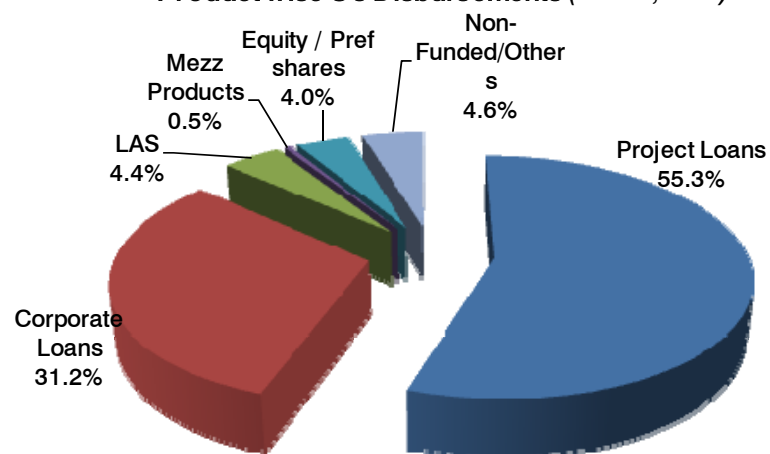
## Product wise concentration analysis

Product wise Exposure (Mar 31, 2012)



Product type	Amount in ₹crore		% of total	
	Mar-11	Mar-12	Mar-11	Mar-12
Loans / Debentures	53,758	64,099	92.3%	91.9%
<i>Project Loans</i>	36,007	41,186	61.8%	59.1%
<i>Corporate Loans</i>	16,753	19,705	28.7%	28.3%
LAS	667	2,945	1.1%	4.2%
Mezz Products	330	263	0.6%	0.4%
Equity / Pref shares	2,720	2,708	4.7%	3.9%
Non-Funded/Others	1,796	2,912	3.1%	4.2%
<b>TOTAL</b>	<b>58,273</b>	<b>69,718</b>	<b>100.0%</b>	<b>100.0%</b>

Product wise Os Disbursements (Mar 31, 2012)



Product type	Amount in ₹crore		% of total	
	Mar-11	Mar-12	Mar-11	Mar-12
Loans / Debentures	38,215	48,888	91.4%	91.3%
<i>Project Loans</i>	22,313	29,579	53.4%	55.3%
<i>Corporate Loans</i>	14,907	16,695	35.6%	31.2%
LAS	667	2,352	1.6%	4.4%
Mezz Products	327	261	0.8%	0.5%
Equity / Pref shares	2,042	2,150	4.9%	4.0%
Non-Funded/Others	1,566	2,485	3.7%	4.6%
<b>TOTAL</b>	<b>41,823</b>	<b>53,522</b>	<b>100.0%</b>	<b>100.0%</b>

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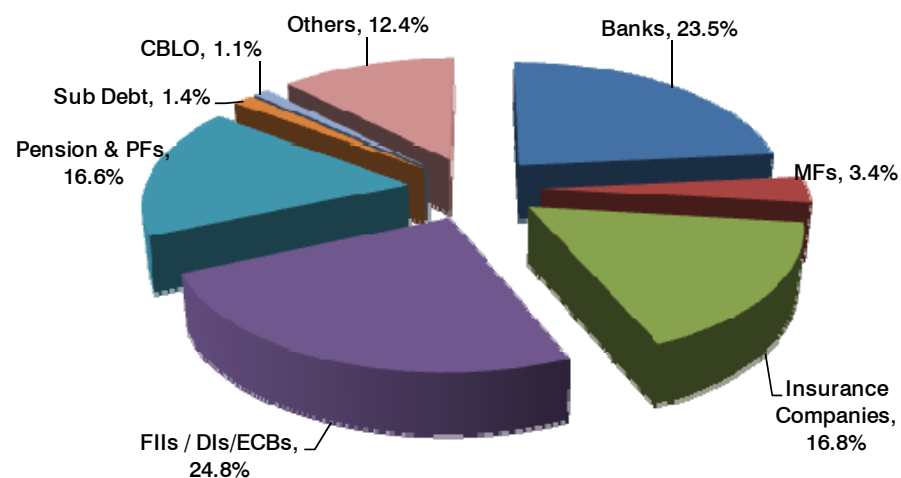


## Borrowing Analysis

(Amounts in ₹ crore)

Particular	Amount		% of total		% Growth	
	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	Y-o-Y	Q-o-Q
LT Rupee Loans	6,669	3,342	18%	7%	-50%	-20%
LT Bonds / Debentures	24,508	30,940	68%	67%	26%	8%
Sub Debt	650	650	2%	1%	0%	0%
Foreign Currency Loans	2,790	4,153	8%	9%	49%	-17%
Short Term	1,687	7,351	5%	16%	336%	39%
<b>TOTAL</b>	<b>36,304</b>	<b>46,435</b>	<b>100%</b>	<b>100%</b>	<b>28%</b>	<b>6%</b>

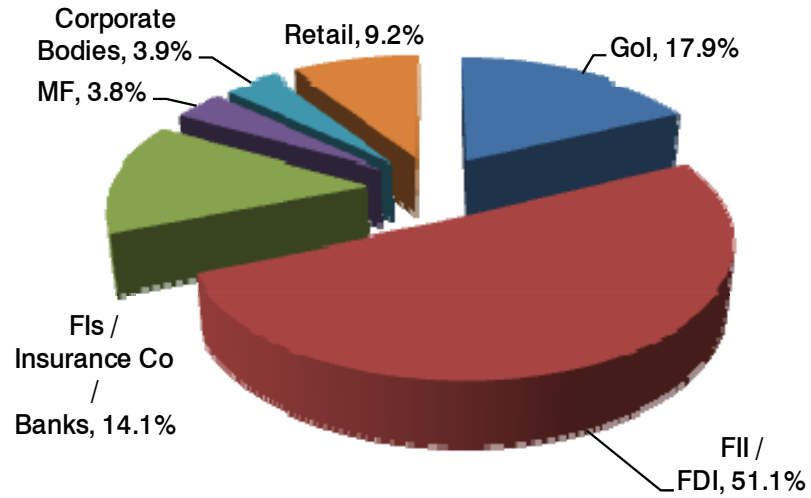
Borrowings - Lender wise (Mar 31, 2012)



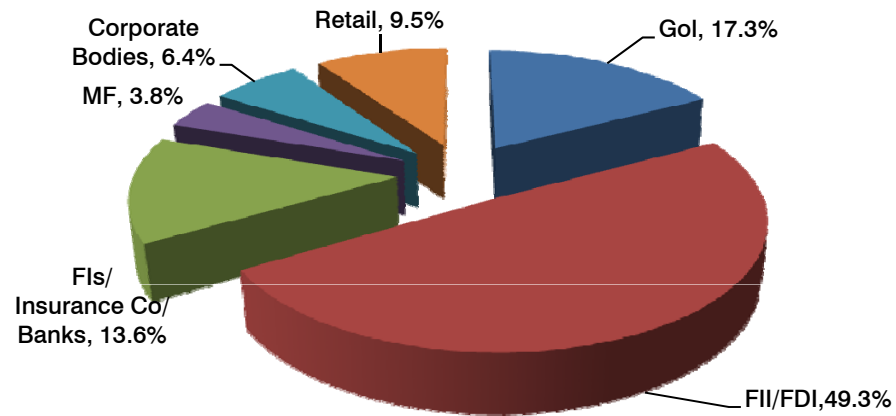
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# Shareholding

**Shareholding (March 31, 2011)**



**Shareholding (March 31, 2012)**



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## Other Highlights

- Adjusted Duration
  - Assets – 1.64 years (Dec 31, 2011 – 1.74 years)
  - Liabilities – 1.92 years (Dec 31, 2011 – 1.90 years)

### •Assets Under Management

Fund Name	AUM (Mar 31, 2012)	
	₹ Crore	USD* (bn)
IDFC Private Equity**	4,337	1.0
Fund I	206	0.0
Fund II	1,228	0.3
Fund III	2,903	0.6
IDFC Project Equity Fund**	3,837	0.9
IDFC Mutual Fund	28,037	5.5
Equity	5,668	1.1
Debt	22,369	4.4
<b>Total</b>	<b>36,211</b>	<b>7.4</b>

*\*\*Exchange rate: Pvt & Proj Eq - rate prevailing at the time of Fund Close; Others 1 USD = ₹ 51.16 as on Mar 31, 2012.*

*Thank You !!!!*