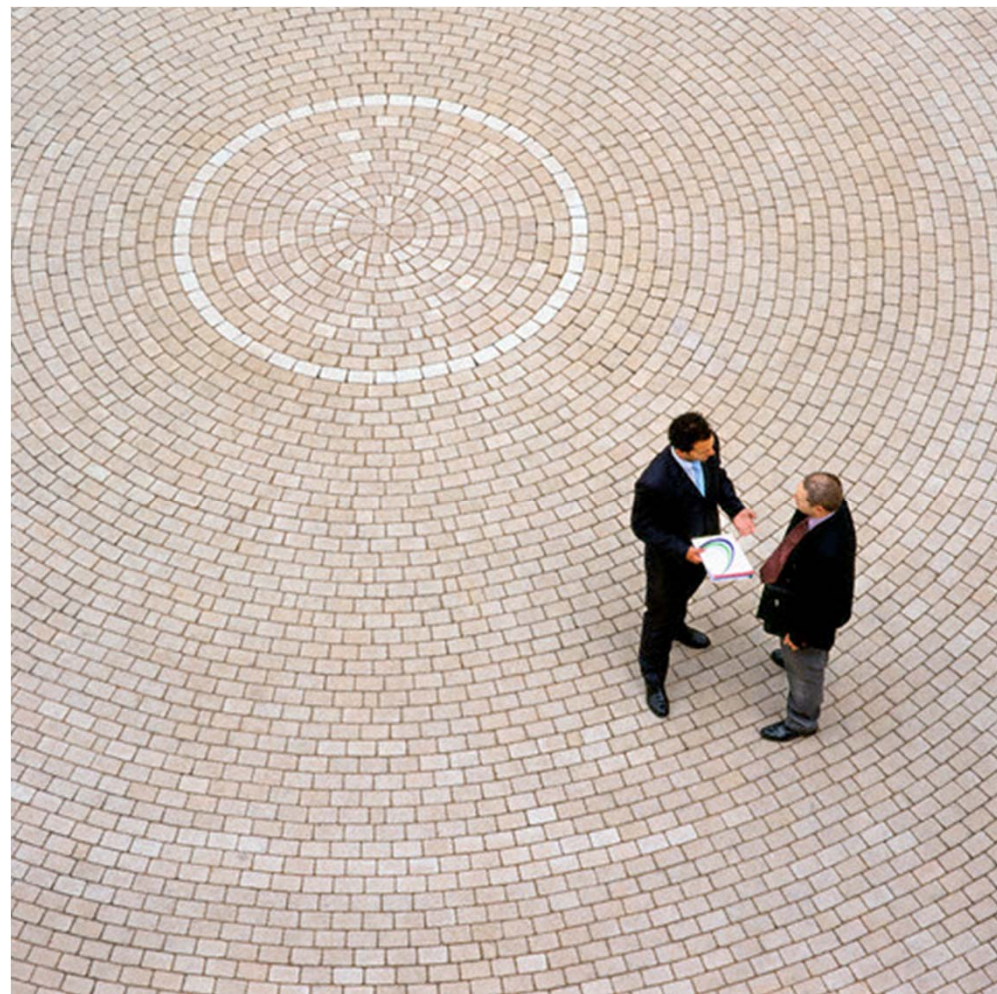




**IDFC**

## IDFC : Investor Presentation (9MFY2014)

January 31, 2014



**1. Snapshot**

**2. Balance Sheet & Financials**

**3. Concentration and product analysis**

**4. Borrowings**

**5. Shareholding**

**6. Highlights**

**Balance Sheet**

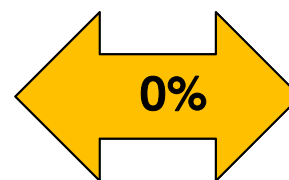
₹ 70,073 cr


**Loan Book**

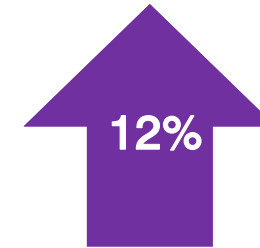
₹ 54,552 cr


**Borrowings**

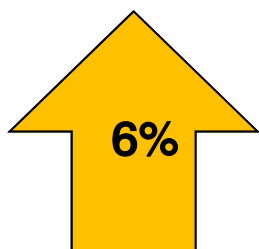
₹ 51,630 cr


**Networth**

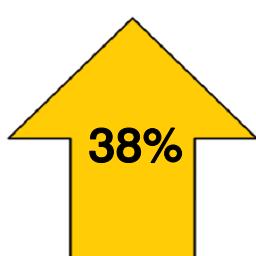
₹ 15,250 cr


**NII**

₹ 2,036 cr


**Non-Int Income**

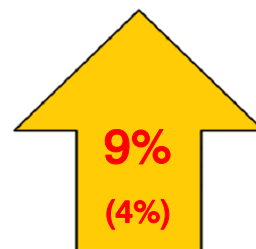
₹ 718 cr


**Op. Income**

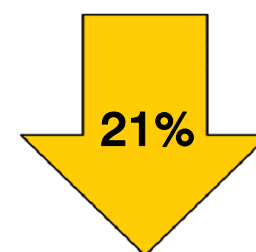
₹ 2,763 cr


**Op. Expenses ^**

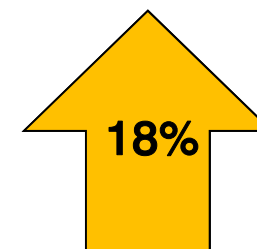
₹ 406 cr


**Provisions**

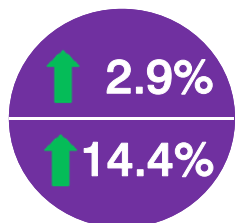
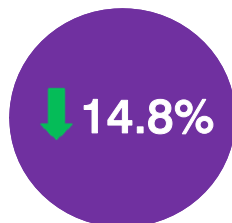
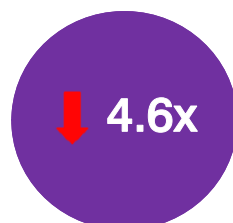
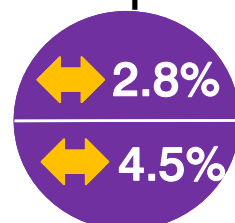
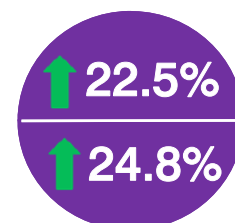
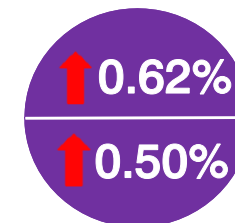
₹ 146 cr


**PAT**

₹ 1,545 cr



^ Adjusted Opex increased by 4% to ₹ 389 cr

**RoA\***

**RoE\***

**Cost / Income\***

**Leverage**
**Loan Spreads\***

**Loan NIMs\***
**Tier I**

**Cap Adeq**
**Gross NPL**

**Net NPL**

\*Rolling 12 months Jan'13-Dec'13 vs FY13

## Business Highlights

### Project Finance

- Approvals : ₹20,376 cr (8% YoY increase – 9MFY13 : ₹18,838 cr)
- Disbursements : ₹7,659 cr (41% YoY decrease – 9MFY13 : ₹13,070 cr)
- Cumulative OS Approvals : ₹81,064 crore (10% YoY increase)
- Loan Book : ₹54,552 crore (1% YoY increase , 3% Q-o-Q decrease)
- NII Loan Book : ₹1,883 crore (7% YoY increase, 5% Q-o-Q decrease)
- Loan Related Fees : ₹54 crore (62% YoY decrease)
- Loan Provisions : ₹141 crore (62% YoY increase)
- Loan Loss Provision Ratio : 2.03%

### Fixed Income & Treasury

- NII Treasury : ₹153 cr (4% YoY decrease)
- Fixed Income : ₹91 cr (9MFY13 - ₹62 crore)
- Treasury Assets : ₹9,015 cr (6% increase)

- Overall Spreads for rolling 12 months ending Dec'13 : 2.3% (FY13 : 2.5%)
- Capital Adequacy : 24.8% (of which Tier I : 22.5%) vs 22.1% as on Mar'13

#### Resources :

- IDFC inked the largest bond deal (₹ 2,000 crores) in its issuance history and more than 75% of the amount got placed with EPFO (India's largest Provident Fund Pool).
- IDFC contracted a 9.5 year GBP 36 million loan @ 2% with DFID (Developmental lending arm of UK Government), first of this kind by DFID to a private sector entity in India.

## Business Highlights

### Investment Banking & Broking

- Institutional Broking income : ₹22 cr (1% YoY decrease)
- Investment Banking income : ₹18 cr (9% YoY increase)

### Alternatives

- Average AUM : ₹11,581 cr
  - Private Equity : ₹3,878 cr
  - Project Equity : ₹7,703cr
- Asset management fees from alternatives : ₹78 cr (9% YoY decrease)
- Capital Gains & Carry : ₹25 cr

### Public Market AMC

- Average AUM 9MFY14 : ₹41,017 crore (Debt : Equity – 82:18)
- 8th Rank AMC
- Market Share (Q3FY14) : 4.7%
- Asset management Fees from AMC : ₹195 crore (61% YoY increase)

- Principal Gains (excluding cap gains and carry) : ₹235 crore (9MFY13 : ₹58 crore)

### Operating Expenses :

- HR expenses : ₹224 crore (4% YoY increase)
- Non HR expenses : ₹182 crore (15% YoY increase). Adjusted for Fungibility Non HR Expenses increased by 4%
- Cost / Income (rolling 12 months ending Dec' 13): 14.8% (FY13 : 15.1%). Adjusted for Fungibility Cost / Income ratio 14.3% vs FY13 15.0%

1. Snapshot

2. Balance Sheet & Financials

3. Concentration and product analysis

4. Borrowings

5. Shareholding

6. Highlights

## Consol Financials : Balance Sheet

( ₹ crore)

Particular	31-Dec-13	31-Dec-12	% Growth	31-Mar-13	% Growth
Networth	15,250	13,614	12%	13,683	11%
Borrowings	51,630	51,634	0%	54,227	-5%
Current Liabilities	3,192	3,682	-13%	3,149	1%
<b>TOTAL LIABILITIES</b>	<b>70,073</b>	<b>68,930</b>	<b>2%</b>	<b>71,059</b>	<b>-1%</b>
Net Loan Book	53,565	53,325	0%	55,736	-4%
<i>Gross Loan Book</i>	54,552	54,104	1%	56,595	-4%
<i>Less Provision</i>	987	779	27%	858	15%
Treasury <sup>1</sup>	9,015	8,544	6%	9,094	-1%
Consol Equity <sup>1,2</sup>	2,978	3,044	-2%	3,124	-5%
Current Assets	4,515	4,017	12%	3,105	45%
<b>TOTAL ASSETS</b>	<b>70,073</b>	<b>68,930</b>	<b>2%</b>	<b>71,059</b>	<b>-1%</b>

1 Net of provision

2 Goodwill on consolidation as of Dec 31, 2013 - ₹57 crore



## Consol Financials : Profit & Loss Account

( ₹ crore)

Particular	9MFY14	9MFY13	% Growth	Q3FY14	Q3FY13	% Growth	Q2FY14	% Growth
<b>Net Interest Income</b>	<b>2,036</b>	<b>1,921</b>	<b>6%</b>	<b>664</b>	<b>659</b>	<b>1%</b>	<b>685</b>	<b>-3%</b>
Loans	1,883	1,762	7%	610	611	0%	642	-5%
Treasury	153	159	-4%	54	48	12%	44	24%
<b>Non-Interest Income</b>	<b>718</b>	<b>519</b>	<b>38%</b>	<b>187</b>	<b>171</b>	<b>9%</b>	<b>200</b>	<b>-7%</b>
Principal Gains	235	58	306%	76	7	948%	96	-21%
Asset Management	298	220	36%	101	87	16%	104	-3%
<i>Mutual Fund</i>	195	121	61%	64	45	41%	66	-4%
<i>Alternatives</i>	103	99	5%	38	42	-11%	38	-1%
Fees	78	86	-9%	24	29	-19%	27	-13%
VC Gain & Carry	25	13	94%	14	13	7%	11	27%
Investment Banking & Broking	40	39	3%	19	8	129%	8	134%
<i>Investment Banking</i>	18	17	9%	11	1	na	2	na
<i>Institutional Broking</i>	22	22	-1%	8	7	15%	6	35%
Fixed Income	91	62	48%	-30	30	na	-18	na
Loan Book Related fees	54	141	-62%	21	39	-47%	10	99%
Other Income	9	18	-48%	1	7	-83%	4	-69%
<b>OPERATING INCOME</b>	<b>2,763</b>	<b>2,459</b>	<b>12%</b>	<b>852</b>	<b>837</b>	<b>2%</b>	<b>889</b>	<b>-4%</b>
<b>OPERATING EXPENSES</b>	<b>406</b>	<b>374</b>	<b>9%</b>	<b>129</b>	<b>134</b>	<b>-4%</b>	<b>138</b>	<b>-6%</b>
HR	224	216	4%	77	82	-6%	78	-2%
Non-HR	182	158	15%	52	52	0%	59	-12%
Provisions	146	185	-21%	37	52	-30%	50	-27%
Loans	141	87	62%	49	21	131%	21	130%
Investments, others	5	98	na	-12	31	na	29	na
PBT	2,211	1,900	16%	687	651	5%	701	-2%
Tax, Minority int, etc	667	590	13%	186	196	-5%	214	-13%
<b>PAT</b>	<b>1,545</b>	<b>1,310</b>	<b>18%</b>	<b>501</b>	<b>455</b>	<b>10%</b>	<b>487</b>	<b>3%</b>
<b>PAT (net of principal gains)</b>	<b>1,310</b>	<b>1,240</b>	<b>6%</b>	<b>404</b>	<b>435</b>	<b>-7%</b>	<b>380</b>	<b>6%</b>

## Consol Financials : RoA Tree

(% of avg total assets)

Particular	Jan13 - Dec13	Oct12 - Sep13	Jul12 - Jun13	FY13	Jan12 - Dec12
<b>Net Interest Income</b>	<b>3.7%</b>	<b>3.7%</b>	<b>3.8%</b>	<b>3.8%</b>	<b>3.9%</b>
Loans	3.4%	3.5%	3.5%	3.5%	3.6%
Treasury	0.3%	0.3%	0.3%	0.3%	0.3%
<b>Non-Interest Income</b>	<b>1.5%</b>	<b>1.5%</b>	<b>1.5%</b>	<b>1.3%</b>	<b>1.0%</b>
Principal Investments	0.5%	0.4%	0.4%	0.3%	0.2%
Asset Management	0.5%	0.5%	0.5%	0.5%	0.4%
Investment Banking & Broking	0.1%	0.1%	0.1%	0.1%	0.1%
Fixed Income	0.2%	0.3%	0.4%	0.2%	0.1%
Loan Related & Other Fees	0.1%	0.2%	0.2%	0.3%	0.3%
Other Income	0.0%	0.0%	0.0%	0.0%	0.0%
<b>OPERATING INCOME</b>	<b>5.2%</b>	<b>5.2%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>5.0%</b>
<b>OPERATING EXPENSES</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>
HR	0.4%	0.4%	0.4%	0.4%	0.5%
Non-HR	0.3%	0.3%	0.4%	0.3%	0.3%
Provisions	0.4%	0.5%	0.4%	0.5%	0.4%
PBT	4.0%	4.0%	4.1%	3.9%	3.7%
Tax, Minority int, etc	1.2%	1.2%	1.2%	1.1%	1.2%
<b>PAT</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.6%</b>

## Consol Financials : Ratios

Particular	Jan13 - Dec13	Oct12 - Sep13	Jul12 - Jun13	FY13	Jan12 - Dec12
NII / Operating Income	71%	71%	71%	74%	78%
Non-int income / Op Income	29%	29%	29%	26%	22%
HR / Operating Income	8.1%	8.3%	8.1%	8.6%	9.5%
<b>Cost / Income*</b>	<b>14.8%</b>	<b>15.0%</b>	<b>14.7%</b>	<b>15.1%</b>	<b>16.5%</b>
<b>RoA</b>	<b>2.9%</b>	<b>2.9%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.6%</b>
<b>RoE</b>	<b>14.4%</b>	<b>14.5%</b>	<b>14.9%</b>	<b>14.0%</b>	<b>12.8%</b>
Leverage ( <i>Closing</i> )	4.6 x	4.7 x	5.0 x	5.2 x	5.1 x
Loan Loss Provision Ratio#	2.0%	2.0%	1.9%	1.8%	1.8%
Gross NPL	0.6%	0.3%	0.3%	0.2%	0.3%
Net NPL	0.5%	0.2%	0.2%	0.1%	0.1%
<b>Average Spreads</b>	<b>2.3%</b>	<b>2.4%</b>	<b>2.4%</b>	<b>2.5%</b>	<b>2.5%</b>
<i>of which Loan spreads</i>	2.8%	2.9%	2.8%	2.9%	2.8%
<b>NIMs</b>	<b>4.0%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.2%</b>
<i>of which Loan NIMs</i>	4.5%	4.5%	4.5%	4.5%	4.6%

\* Adjusted for Fungibility Expenses Cost / Income ratio : Oct-Sep'13 : 14.6%, Jul-Jun'13 : 14.5%, FY13 : 15.0%

# Total Provision / Total Loans

1. Snapshot
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## Concentration Analysis (Sector)

### Cumulative OS Approvals

(Amounts in ₹ crore)

Particular	Dec-13	% of Total	Mar-13	% of Total	Dec-12	% of Total
Energy	27,127	33%	29,234	40%	28,533	39%
Transportation	18,823	23%	18,210	25%	17,137	23%
Telecom	22,718	28%	14,927	21%	18,414	25%
Others	12,396	15%	10,226	14%	9,928	13%
<b>TOTAL</b>	<b>81,064</b>	<b>100%</b>	<b>72,597</b>	<b>100%</b>	<b>74,012</b>	<b>100%</b>

- Top 20 Companies : 42% of total (Sep'13 : 41%)
- Top 20 Industrial Groups : 64% of total (Sep'13 : 62%)

### Outstanding Disbursement

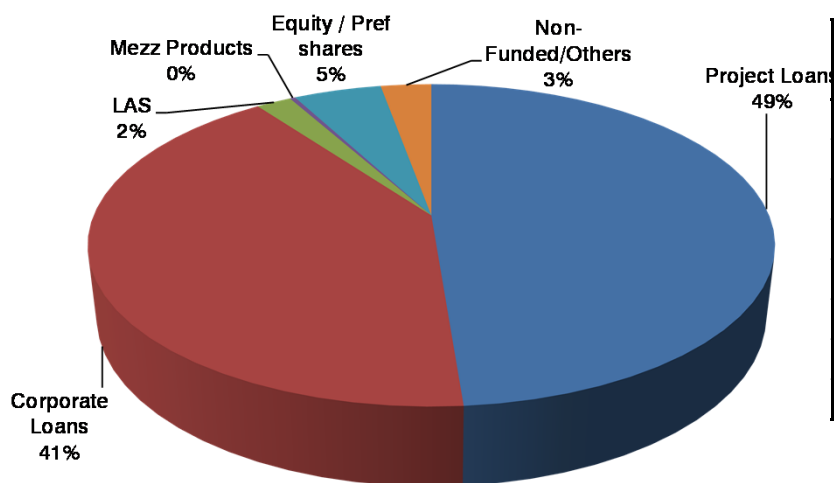
(Amounts in ₹ crore)

Particular	Dec-13	% of Total	Mar-13	% of Total	Dec-12	% of Total
Energy	24,089	41%	25,212	41%	24,516	42%
Transportation	14,341	24%	14,365	24%	13,420	23%
Telecom	11,768	20%	13,772	23%	13,578	23%
Others	8,351	14%	7,433	12%	7,258	12%
<b>TOTAL</b>	<b>58,549</b>	<b>100%</b>	<b>60,782</b>	<b>100%</b>	<b>58,771</b>	<b>100%</b>

- Top 20 Companies : 41% of total (Sep'13 : 39%)
- Top 20 Industrial Groups : 62% of total (Sep'13 : 61%)

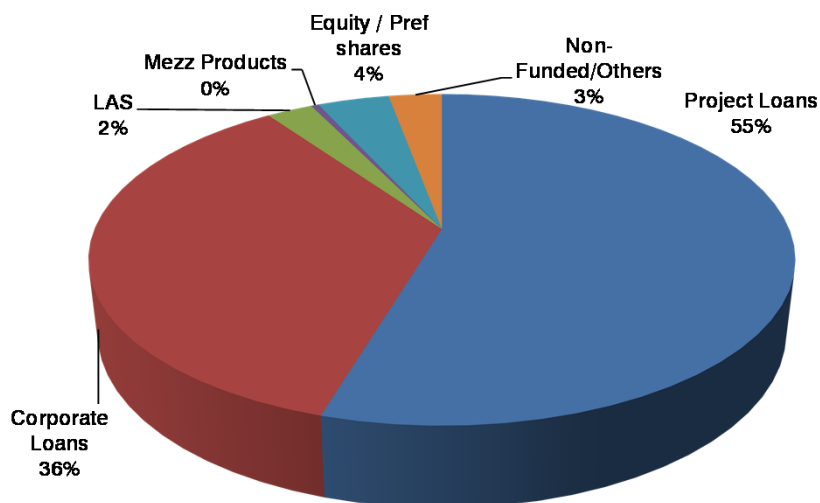
## Concentration Analysis (Product)

Product wise Cum OS Approvals (Dec 31, 2013)



Product type	Amount in ₹ crore			% of total		
	Dec-13	Mar-13	Dec-12	Dec-13	Mar-13	Dec-12
Loans / Debentures	74,749	67,711	68,373	92.2%	93.3%	92.4%
<i>Project Loans</i>	39,523	41,103	39,918	48.8%	56.6%	53.9%
<i>Corporate Loans</i>	33,377	24,465	25,870	41.2%	33.7%	35.0%
<i>LAS</i>	1,601	1,870	2,305	2.0%	2.6%	3.1%
<i>Mezz Products</i>	248	272	281	0.3%	0.4%	0.4%
Equity / Pref shares	4,008	2,661	2,743	4.9%	3.7%	3.7%
Non-Funded/Others	2,306	2,226	2,896	2.8%	3.1%	3.9%
<b>TOTAL</b>	<b>81,064</b>	<b>72,597</b>	<b>74,012</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

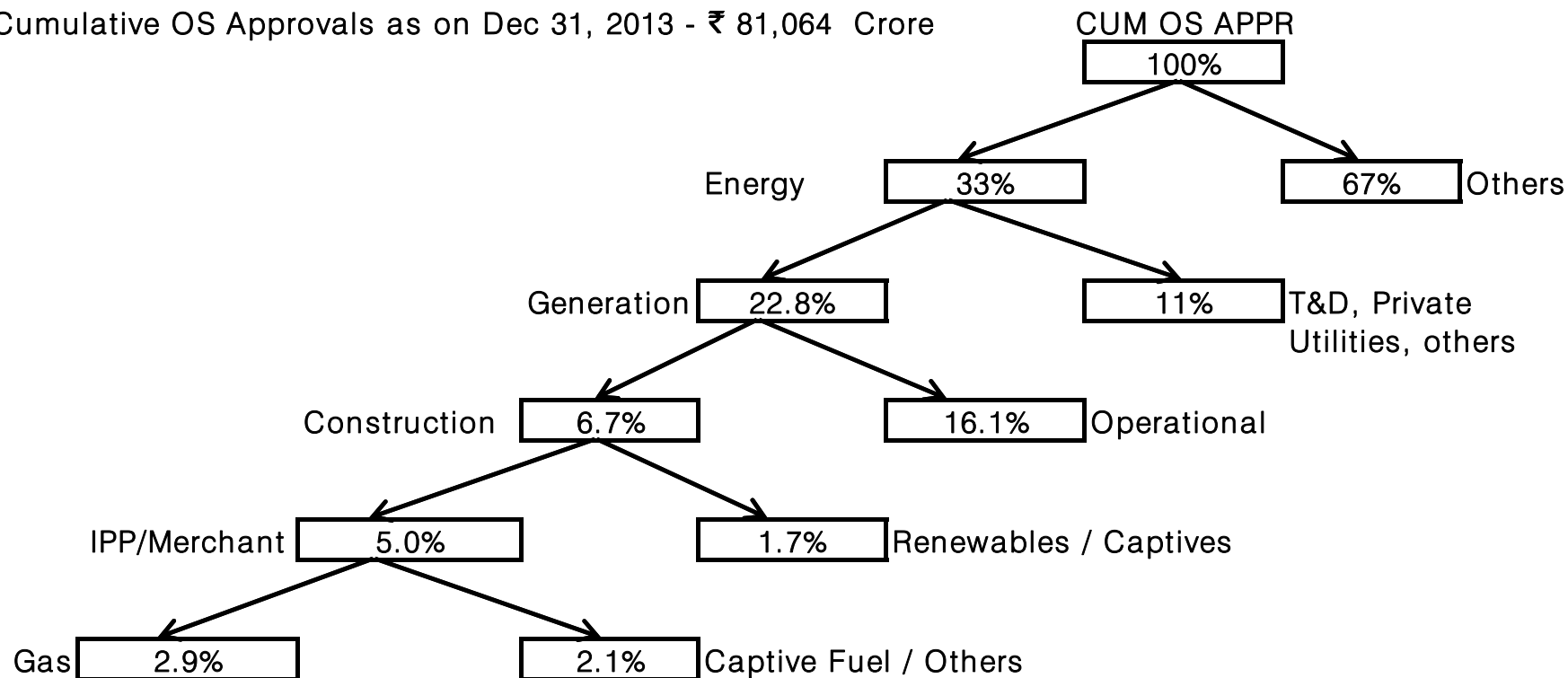
Product wise OS Disbursements (Dec 31, 2013)



Product type	Amount in ₹ crore			% of total		
	Dec-13	Mar-13	Dec-12	Dec-13	Mar-13	Dec-12
Loans / Debentures	54,552	56,595	54,104	93.2%	93.1%	92.1%
<i>Project Loans</i>	31,981	32,766	30,980	54.6%	53.9%	52.7%
<i>Corporate Loans</i>	20,853	21,769	20,759	35.6%	35.8%	35.3%
<i>LAS</i>	1,477	1,790	2,087	2.5%	2.9%	3.6%
<i>Mezz Products</i>	240	269	278	0.4%	0.4%	0.5%
Equity / Pref shares	2,294	2,264	2,138	3.9%	3.7%	3.6%
Non-Funded/Others	1,704	1,923	2,529	2.9%	3.2%	4.3%
<b>TOTAL</b>	<b>58,549</b>	<b>60,782</b>	<b>58,771</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Energy Cum OS Approvals Tree

Total Cumulative OS Approvals as on Dec 31, 2013 - ₹ 81,064 Crore



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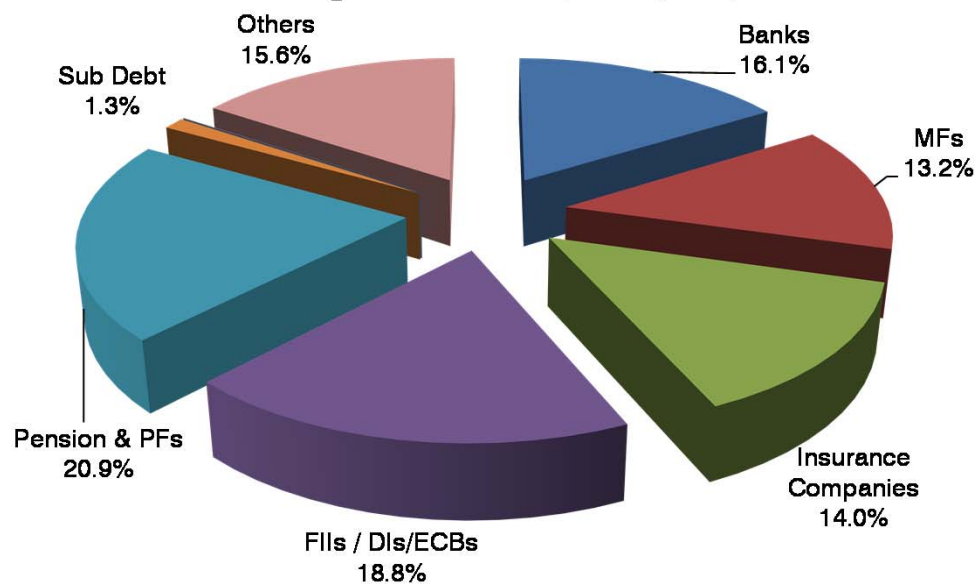


## Borrowings Analysis

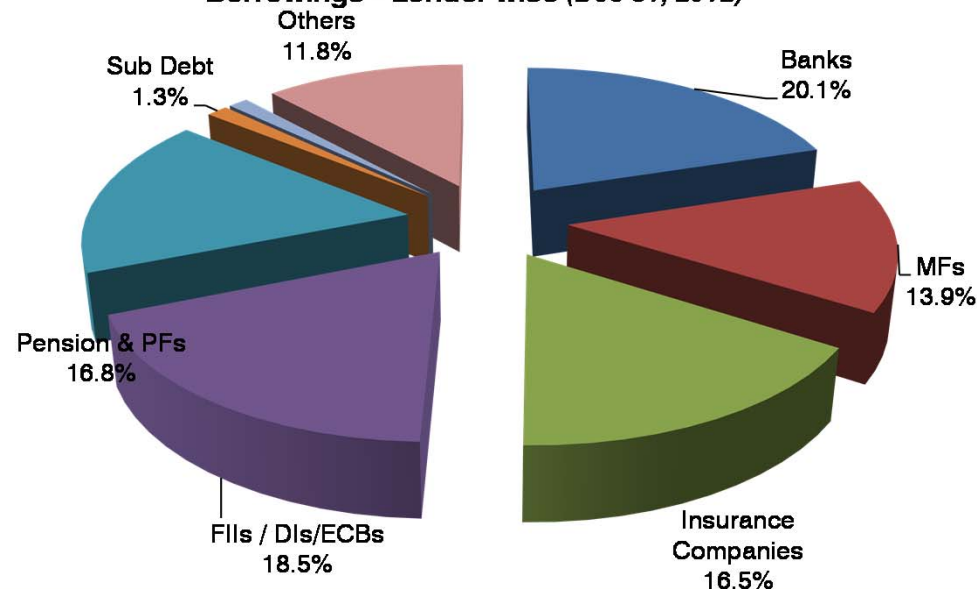
(Amounts in ₹ crore)

Particular	Amount			% of total			% Growth	
	31-Dec-13	31-Mar-13	31-Dec-12	31-Dec-13	31-Mar-13	31-Dec-12	Y-o-Y	YTD
LT Rupee Loans	5,404	4,527	3,848	10%	8%	7%	40%	19%
LT Bonds / Debentures	34,163	38,821	37,575	66%	72%	73%	-9%	-12%
Sub Debt	650	650	650	1%	1%	1%	0%	0%
Foreign Currency Loans	7,158	6,160	3,374	14%	11%	7%	112%	16%
Short Term	4,254	4,069	6,187	8%	8%	12%	-31%	5%
<b>TOTAL</b>	<b>51,630</b>	<b>54,227</b>	<b>51,634</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>-5%</b>

**Borrowings - Lender wise (Dec 31, 2013)**



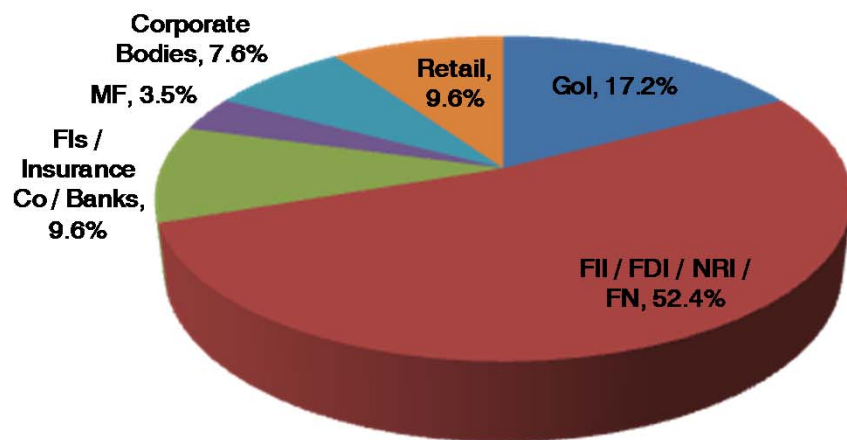
**Borrowings - Lender wise (Dec 31, 2012)**



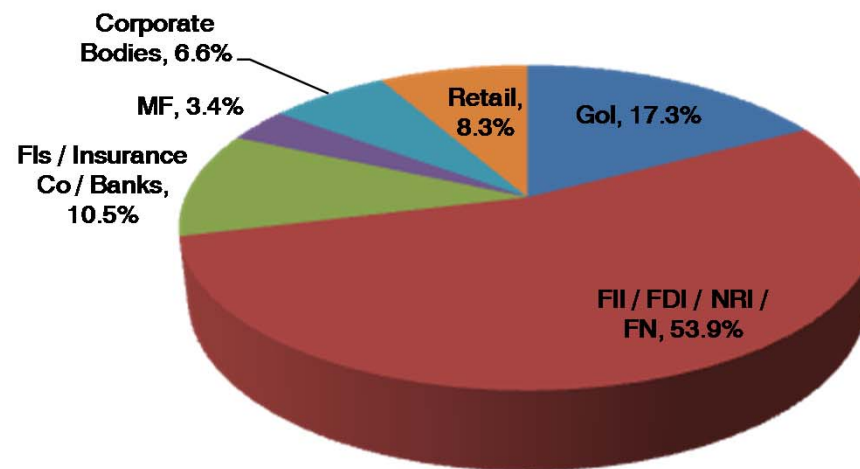
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## Shareholding

Shareholding : 31-Dec-13



Shareholding : 31-Mar-13



% of Top 10 shareholders

Sr No	Name	Category	31-Dec-13	31-Mar-13
1	Government Of India	Gol	17.2%	17.3%
2	Sipadan Investments (Mauritius)	FII	10.0%	10.0%
3	Life Insurance Corporation Of India	IFI	6.8%	7.9%
4	The Royal Bank Of Scotland	FII	6.4%	2.9%
5	Actis Hawk Limited	IFI	2.4%	2.0%
6	J.P. Morgan	FII	2.4%	3.4%
7	Platinum Investment Management	FII	2.3%	0.8%
8	ICICI Prudential Life Insurance Company Ltd	CB	1.9%	1.3%
9	HSBC Global Investment Funds	FII	1.8%	1.3%
10	Bajaj Allianz Life Insurance Company Ltd.	CB	1.7%	0.9%

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## Other Highlights

- **Adjusted Duration :**
  - Assets : 1.3 years (Sep 30, 2013 : 1.4 years)
  - Liabilities : 1.6 years (Sep 30, 2013 : 1.6 years)
  
- **Assets Under Management :**

Fund Name	AUM (Dec 31, 2013)	
	₹Crore	USD* (bn)
IDFC Private Equity**	3,878	0.8
<i>Fund II</i>	1,434	0.3
<i>Fund III</i>	2,445	0.5
IDFC Project Equity Fund**	7,703	1.4
<i>India Infrastructure Fund</i>	3,711	0.8
<i>India Infrastructure Fund II</i>	3,992	0.6
IDFC Mutual Fund	41,017	6.6
<i>Equity</i>	7,536	1.2
<i>Debt</i>	33,480	5.4
<b>Total</b>	<b>52,597</b>	<b>8.8</b>

\*\*Exchange rate: Pvt & Proj Eq - rate prevailing at the time of Fund Close;  
Others 1 USD = ₹62.39 as on Dec 31, 2013.