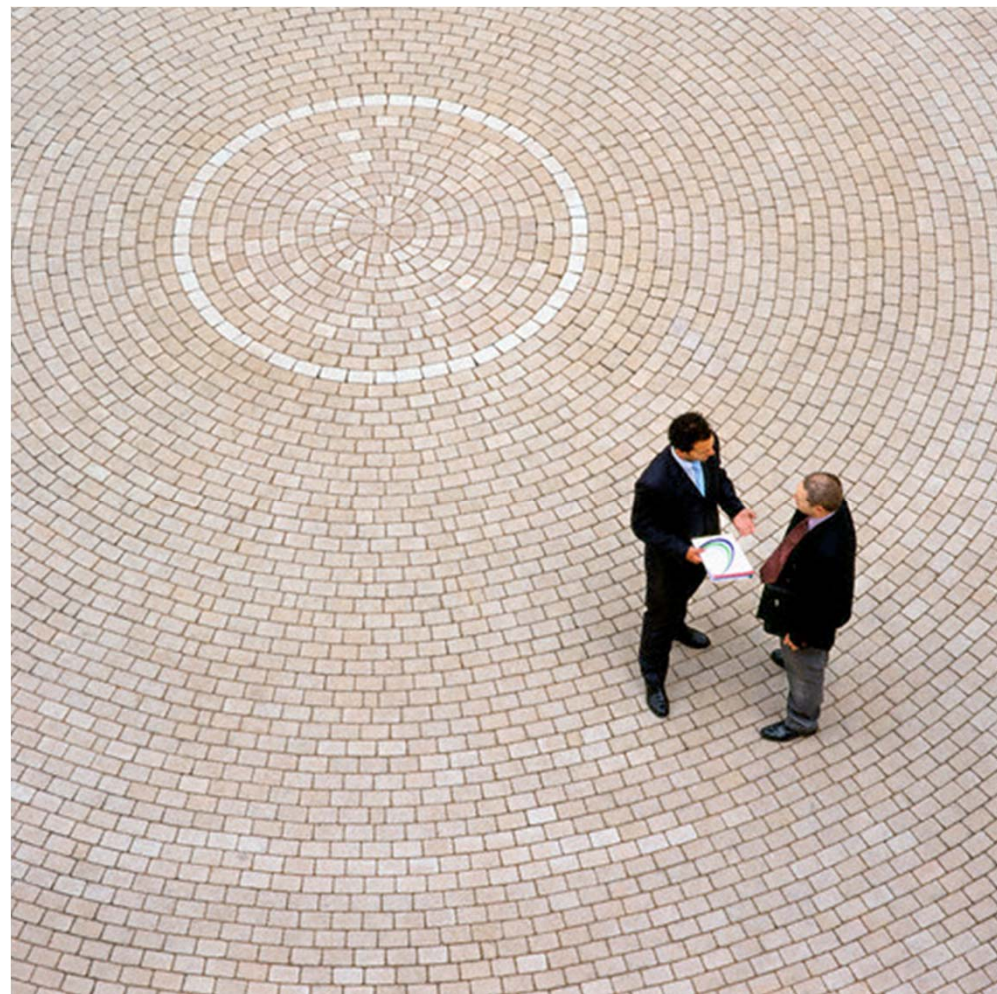




IDFC

IDFC : Investor Presentation (Q1FY15)

July 29, 2014



1. Snapshot

2. Balance Sheet & Financials

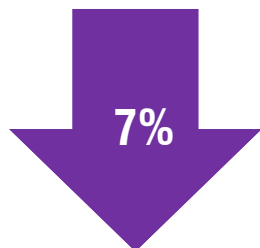
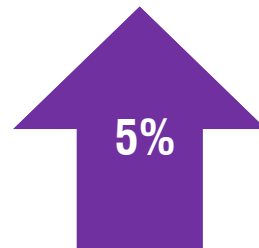
3. Concentration and product analysis

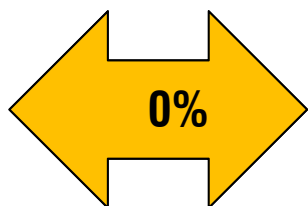
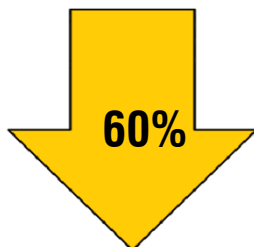
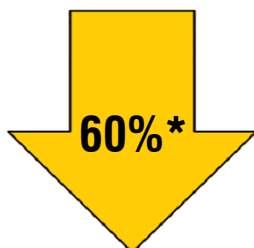
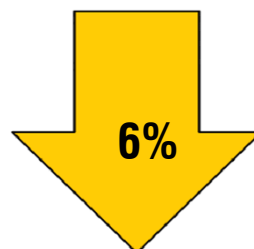
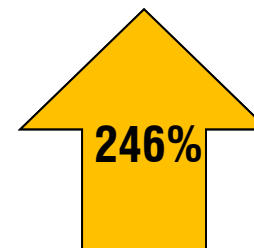
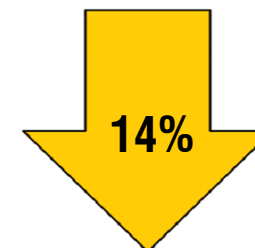
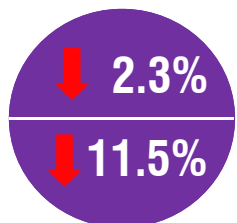
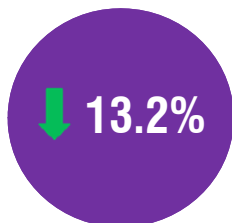
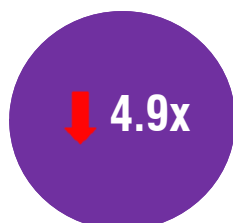
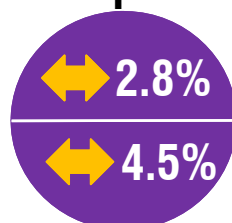
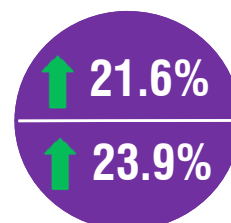
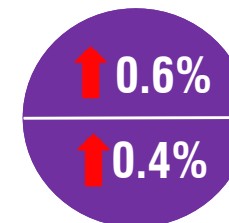
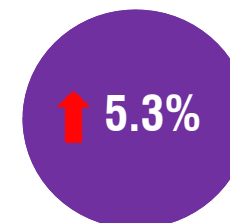
4. Borrowings

5. Shareholding

6. Highlights

Balance Sheet
₹ 75,655 cr

Loan Book
₹ 53,848 cr

Borrowings
₹ 56,814 cr

Networth
₹ 15,526 cr

NII
₹ 682 cr

Non-Int Income
₹ 134 cr

Op. Expenses
₹ 55 cr

** Adjusted Opex increased by 1% to ₹ 140 cr*
Pre-Prov Op Profit
₹ 832 cr

Provisions
₹ 204 cr

PAT
₹ 482 cr

RoA*

RoE
**Rolling 12 months Jul'13-Jun'14*
Cost / Income*

Cost / Income*
** Adjusted Cost / Income : 15.4%*
Leverage (Closing)

Leverage (Closing)
Loan Spreads*

Loan NIMs*
Tier I

Cap Adeq
Gross NPL

Net NPL
RL #

Restructured Loans

Business Highlights

Project Finance

- Approvals : ₹ 988 crore (68% YoY decrease – Q1FY14 : ₹ 3,115 crore)
- Disbursements : ₹ 2,463 crore (23% YoY decrease – Q1FY14 : ₹ 3,206 crore)
- Cumulative OS Approvals : ₹ 68,468 crore (6% YoY decrease)
- Loan Book : ₹ 53,848 crore (7% YoY decrease , 10% Q-o-Q decrease)
- NII Loan Book : ₹ 614 crore (3% YoY decrease, 1% Q-o-Q increase)
- Loan Related Fees : ₹ 8 crore (67% YoY decrease)
- Loan Provisions : ₹ 248 crore (191% YoY increase)
- Loan Loss Provision Ratio : 3.1%

Fixed Income & Treasury

- NII Treasury : ₹ 68 crore (28% YoY increase)
- Fixed Income : ₹ 21 crore (Q1FY14 – ₹ 141 crore)
- Treasury Assets : ₹ 14,662 crore (June 13 : ₹ 8,168 crore)

- Overall Spreads Rolling 12M ending June'14 : 2.3% (FY14 : 2.3%)
- Capital Adequacy : 23.9% (of which Tier I : 21.6%) vs 23.3% as on Jun'13

Resources :

- After the in-principle approval for banking operations by Reserve Bank of India, Rating agencies have reaffirmed (in-principle) IDFC's rating in light of the structural change which organisation will go through.
- IDFC borrowed ₹1,600 cr through long term structured bonds & ECB drawdown during Q1FY15 amounted to \$ 250 mn for 5 year tenor.

Business Highlights

Investment Banking & Broking

- Institutional Broking and Investment Banking income : ₹ 17 crore (28% YoY increase)

Alternatives

- Average AUM : ₹ 12,941 crore
 - Private Equity : ₹ 3,837 crore
 - Project Equity : ₹ 8,356 crore
 - Real Estate: ₹ 749 crore

Public Market AMC

- Average AUM Q1FY15 : ₹ 44,962 crore (Debt : Equity – 80:20)
- 8th Rank AMC
- Market Share (Q1FY15) : 4.4%
- Asset management Fees from AMC : ₹ 69 crore (5% YoY increase)

Operating Expenses :

- HR expenses : ₹ 78 crore (14% YoY increase)
- Non HR expenses : ₹ (23) cr. Adjusted for depreciation write back for prior years Non HR Expenses decreased by 12% to ₹ 62 cr.
- Cost / Income for rolling 12 M ending Jul14 : 13.2%. Adjusted for depreciation write back for prior years Cost / Income ratio 15.4%

1. Snapshot

2. Balance Sheet & Financials

3. Concentration and product analysis

4. Borrowings

5. Shareholding

6. Highlights

Consol Financials : Balance Sheet

₹ crore

Particular	Jun-14	Jun-13	% Growth	Mar-14	% Growth
Shareholders' Funds	15,526	14,253	9%	15,040	3%
Borrowings	56,814	54,076	5%	56,565	0%
Current Liabilities	3,315	3,326	0%	3,557	-7%
TOTAL LIABILITIES	75,655	71,655	6%	75,163	1%
Net Loans	52,300	56,653	-8%	58,546	-11%
Gross Loans	53,848	57,600	-7%	59,829	-10%
Less Provisions	1,548	947	63%	1,284	21%
Treasury ¹	14,662	8,168	80%	9,181	60%
Equity ^{1, 2}	4,336	3,151	38%	3,222	35%
Other Assets	4,357	3,684	18%	4,215	3%
TOTAL ASSETS	75,655	71,655	6%	75,163	1%

¹ Net of provision

² Goodwill of Subsidiaries on account of consolidation as of June 30, 2014 - 957 crore

Consol Financials : Profit & Loss Account

₹ crore

Particular	Q1FY15	Q1FY14	% Growth (Y o- Y)	Q4FY14	% Growth (Q1 vs Q4)
OPERATING INCOME	887	1,021	-13%	972	-9%
NII	682	684	0%	668	2%
Loans	614	631	-3%	605	1%
Treasury	68	53	28%	63	9%
NON-INTEREST INCOME	134	333	-60%	285	-53%
Principal Gains & Carry	-9	63	na	58	na
Asset Management Fees	98	92	6%	117	-16%
IB & Broking	17	13	28%	37	-55%
Fixed Income	21	141	-85%	11	86%
Loan Related Fees	8	23	-67%	61	-88%
Other Income	71	4	na	19	266%
OPERATING EXPENSES*	55	139	-60%	138	-60%
HR	78	69	14%	64	22%
Non-HR	-23	70	na	74	-131%
PRE-PROV OP PROFIT (PPOP)	832	882	-6%	834	0%
Provisions	204	59	246%	483	-58%
Loans	248	85	191%	452	-45%
Investments, Others	-44	-26	na	31	na
PBT	628	823	-24%	351	79%
Tax	146	266	-45%	93	57%
PAT	482	557	-14%	258	87%

* Opex (adjusted for depreciation write back for prior years) increased by 1% to ₹ 140 cr

Consol Financials : RoA Tree

% of Avg Total Assets

Particular	Jul13 - Jun14	FY14	Jan13 - Dec13	Oct12 - Sep13	Jul12 - Jun13	FY13
OPERATING INCOME	4.9%	5.1%	5.2%	5.3%	5.3%	5.2%
NII	3.7%	3.7%	3.7%	3.8%	3.8%	3.8%
Loans	3.3%	3.4%	3.4%	3.5%	3.5%	3.5%
Treasury	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
NON-INTEREST INCOME	1.1%	1.4%	1.5%	1.5%	1.5%	1.3%
Principal Gains & Carry	0.3%	0.4%	0.5%	0.5%	0.4%	0.3%
Asset Management Fees	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%
IB & Broking	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Fixed Income	0.0%	0.1%	0.2%	0.3%	0.4%	0.2%
Loan Related Fees	0.1%	0.2%	0.1%	0.2%	0.2%	0.3%
Other Income	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
OPERATING EXPENSES	0.6%	0.7%	0.8%	0.8%	0.8%	0.8%
PRE-PROV OP PROFIT (PPOP)	4.2%	4.4%	4.5%	4.5%	4.6%	4.4%
Provisions	1.0%	0.9%	0.4%	0.5%	0.4%	0.5%
PBT	3.2%	3.5%	4.0%	4.0%	4.1%	3.9%
Tax, Minority Int, Asso co PAT	0.8%	1.0%	1.2%	1.2%	1.2%	1.1%
PAT	2.3%	2.5%	2.9%	2.9%	2.9%	2.8%

Consol Financials : Ratios

Particular	Jul13 - Jun14	FY14	Jan13 - Dec13	Oct12 - Sep13	Jul12 - Jun13	FY13
RoA	2.3%	2.5%	2.9%	2.9%	2.9%	2.8%
RoE	11.5%	12.2%	14.4%	14.5%	14.9%	14.0%
EPS (₹)	11.4	11.9	13.7	13.4	13.3	12.1
Leverage (Closing)	4.9 x	5.0 x	4.6 x	4.7 x	5.0 x	5.2 x
Book Value (₹)	102.4	99.2	100.6	97.3	94.1	90.3
Cost / Income*	13.2%	14.6%	14.8%	15.0%	14.7%	15.1%
HR / Operating Income	8.3%	7.7%	7.9%	8.1%	7.9%	8.4%
Gross NPL (% of Loans)	0.6%	0.6%	0.6%	0.3%	0.3%	0.2%
Net NPL (%)	0.4%	0.4%	0.5%	0.2%	0.2%	0.1%
Total Loans Prov (% of Loans)	3.1%	2.4%	2.0%	2.0%	1.9%	1.8%
Average Spreads	2.3%	2.3%	2.3%	2.4%	2.4%	2.5%
<i>of which Loan spreads</i>	2.8%	2.8%	2.8%	2.9%	2.8%	2.9%
NIMs	4.0%	4.0%	4.0%	4.1%	4.1%	4.1%
<i>of which Loan NIMs</i>	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

* Adjusted for depreciation write back for prior years Cost / Income for rolling12M ending June 14 : 15.4%

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Concentration Analysis (Sector)

Cumulative OS Approvals

(Amounts in ₹ crore)

Particular	Jun-14	% of Total	Mar-14	% of Total	Jun-13	% of Total
Energy	27,837	41%	28,602	37%	28,168	39%
Transportation	15,358	22%	17,194	22%	18,388	25%
Telecom	15,050	22%	22,075	28%	15,126	21%
Others	10,223	15%	9,765	13%	11,029	15%
TOTAL	68,468	100%	77,636	100%	72,712	100%

- Top 20 Companies : 40% of total (Mar'14: 41%, Jun'13: 39%)
- Top 20 Industrial Groups : 66% of total (Mar'14: 65%, Jun'13: 62%)

Outstanding Disbursement

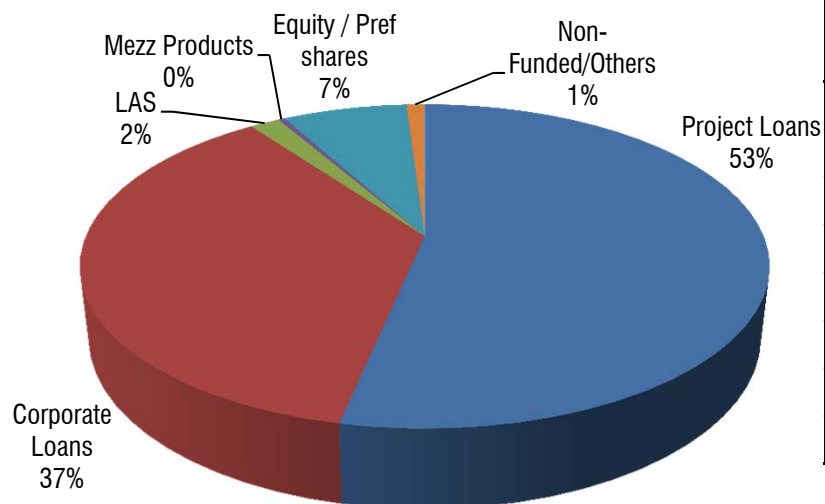
(Amounts in ₹ crore)

Particular	Jun-14	% of Total	Mar-14	% of Total	Jun-13	% of Total
Energy	25,796	44%	25,206	40%	24,664	40%
Transportation	13,122	23%	13,715	22%	15,580	25%
Telecom	10,565	18%	16,882	26%	13,589	22%
Others	8,547	15%	7,938	12%	7,944	13%
TOTAL	58,030	100%	63,741	100%	61,777	100%

- Top 20 Companies : 45% of total (Mar'14: 44%, Jun'13: 41%)
- Top 20 Industrial Groups : 66% of total (Mar'14: 65%, Jun'13: 63%)

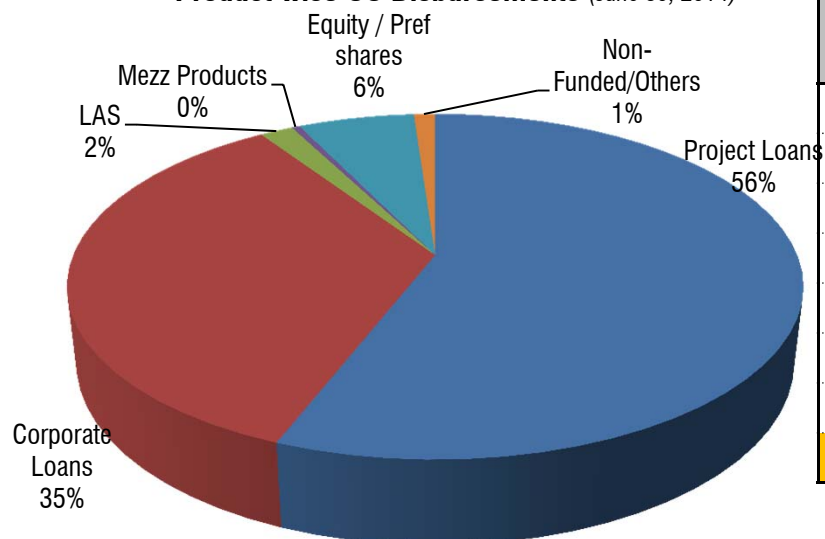
Concentration Analysis (Product)

Product wise Cum OS Approvals (June 30, 2014)



Product type	Amount in ₹ crore			% of total		
	Jun-14	Mar-14	Jun-13	Jun-14	Mar-14	Jun-13
Loans / Debentures	62,991	72,439	66,866	92.0%	93.3%	92.0%
Project Loans	36,502	38,093	40,830	53.3%	49.1%	56.2%
Corporate Loans	25,097	32,596	24,056	36.7%	42.0%	33.1%
LAS	1,146	1,505	1,722	1.7%	1.9%	2.4%
Mezz Products	246	246	258	0.4%	0.3%	0.4%
Equity / Pref shares	4,778	3,516	3,282	7.0%	4.5%	4.5%
Non-Funded/Others	700	1,680	2,564	1.0%	2.2%	3.5%
TOTAL	68,468	77,636	72,712	100.0%	100.0%	100.0%

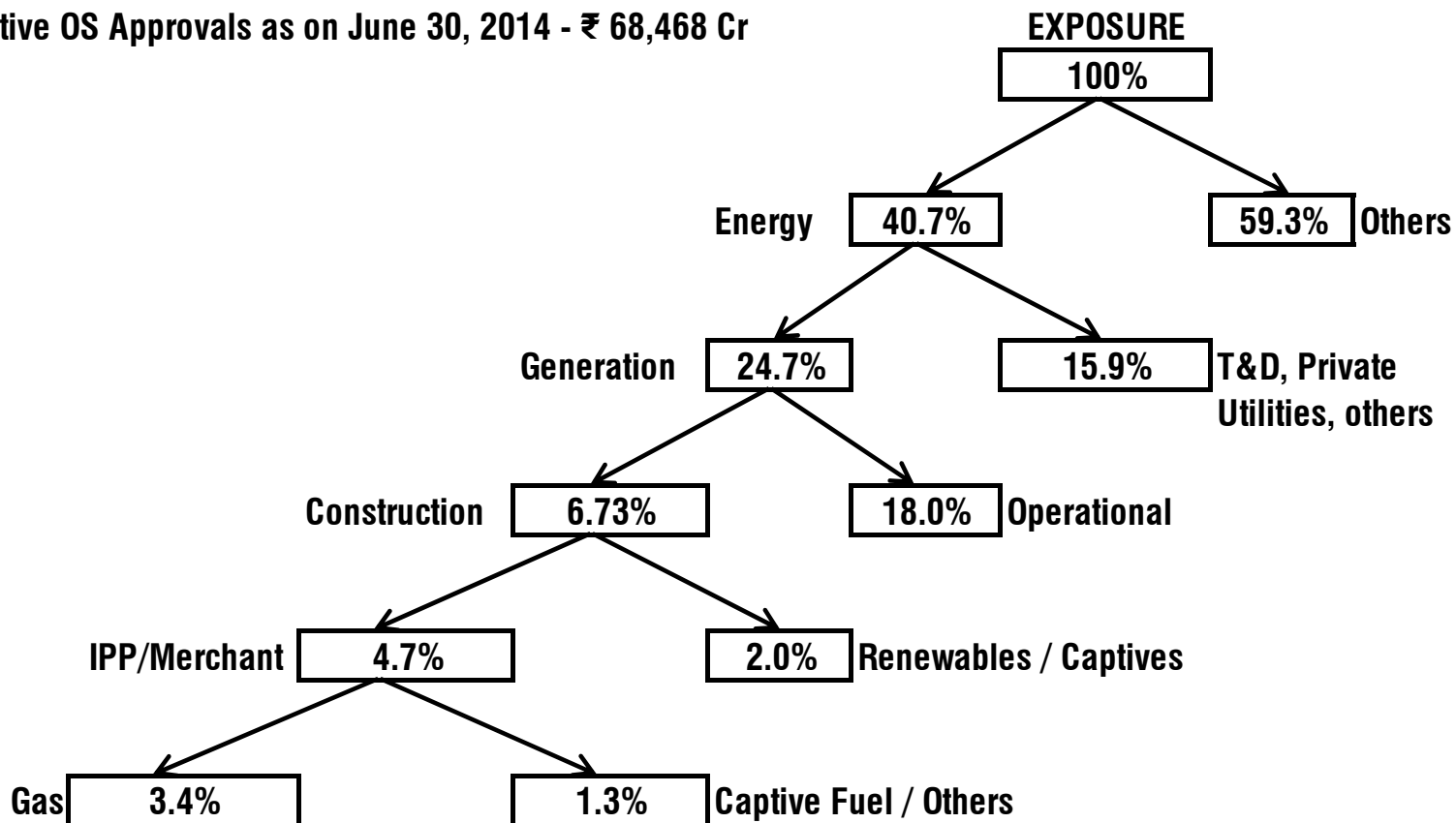
Product wise OS Disbursements (June 30, 2014)



Product type	Amount in ₹ crore			% of total		
	Jun-14	Mar-14	Jun-13	Jun-14	Mar-14	Jun-13
Loans / Debentures	53,848	59,829	57,600	92.8%	93.9%	93.2%
Project Loans	32,451	32,219	33,906	55.9%	50.5%	54.9%
Corporate Loans	20,149	26,009	21,799	34.7%	40.8%	35.3%
LAS	1,009	1,363	1,640	1.7%	2.1%	2.7%
Mezz Products	238	239	255	0.4%	0.4%	0.4%
Equity / Pref shares	3,535	2,513	2,260	6.1%	3.9%	3.7%
Non-Funded/Others	648	1,399	1,917	1.1%	2.2%	3.1%
TOTAL	58,030	63,741	61,777	100.0%	100.0%	100.0%

Energy Sector Cumulative OS Approvals

Cumulative OS Approvals as on June 30, 2014 - ₹ 68,468 Cr



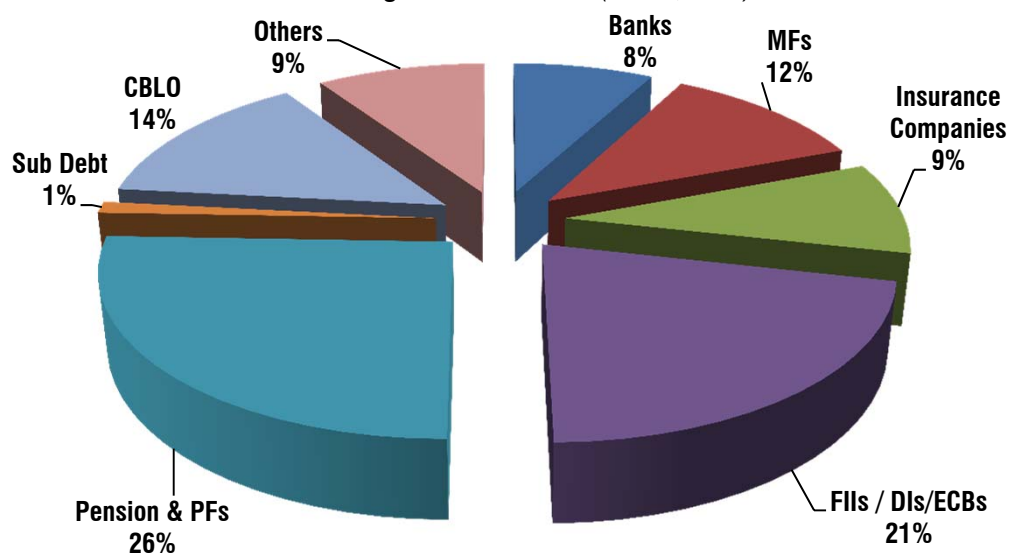
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Borrowings Analysis

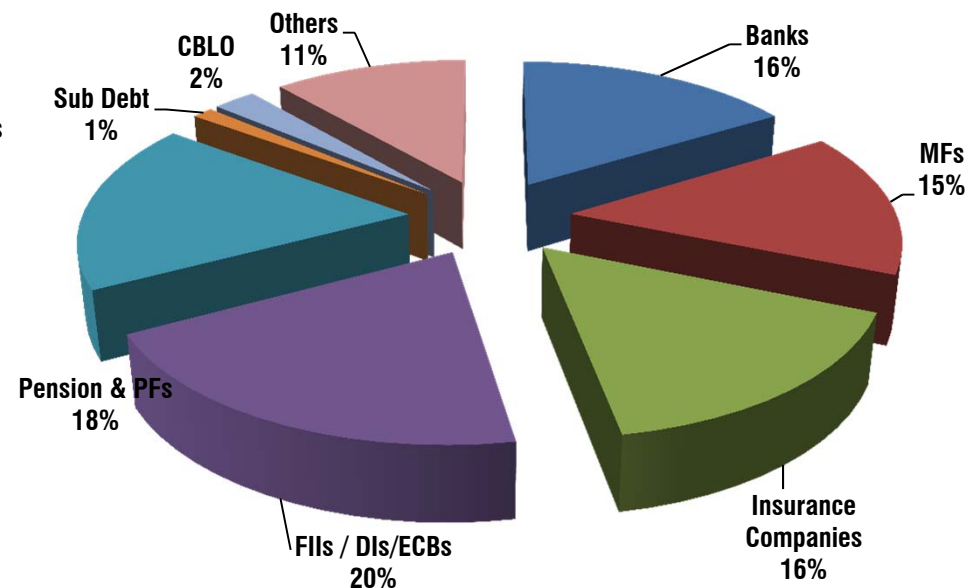
(Amounts in ₹ crore)

Particular	Amount			% of total			% Growth	
	30-Jun-14	31-Mar-14	30-Jun-13	30-Jun-14	31-Mar-14	30-Jun-13	Y-o-Y	Q-o-Q
LT Rupee Loans	3,062	6,336	4,721	5%	11%	8%	-35%	-52%
LT Bonds / Debentures	34,079	34,552	38,647	60%	61%	72%	-12%	-1%
Sub Debt	650	650	650	1%	1%	1%	0%	0%
Foreign Currency Loans	8,668	7,201	6,088	15%	13%	11%	42%	20%
Short Term	10,355	7,826	3,970	18%	14%	8%	161%	32%
TOTAL	56,814	56,565	54,076	100%	100%	100%	5%	0%

Borrowings - Lender wise (Jun 30, 2014)



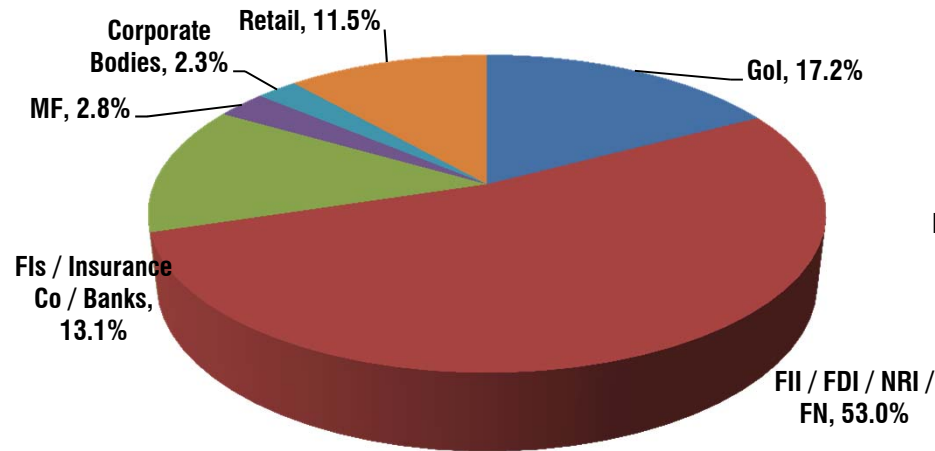
Borrowings - Lender wise (Jun 30, 2013)



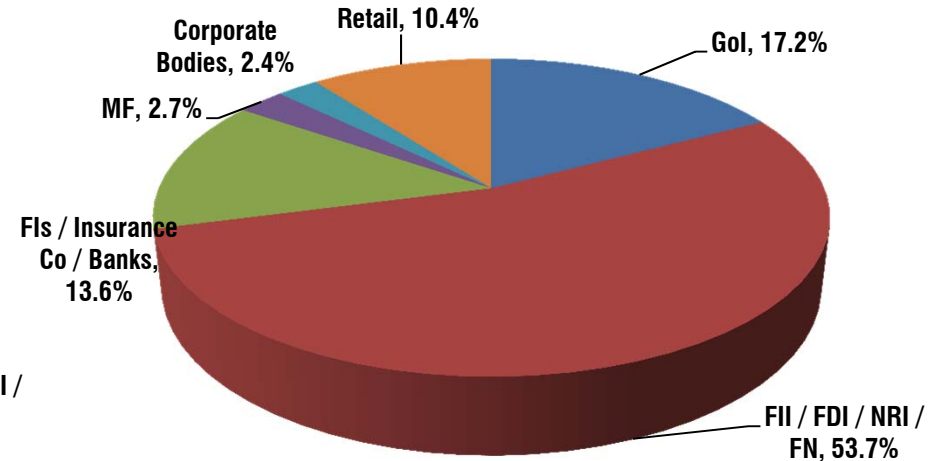
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Shareholding

Shareholding : 30-Jun-14



Shareholding : 31-Mar-14



% of Top 10 shareholders

Sr No	Name	Category	30-Jun-14	31-Mar-14
1	Government Of India	Gol	17.2%	17.2%
2	Sipadan Investments (Mauritius)	FII	10.0%	10.0%
3	Life Insurance Corporation Of India	IFI	6.9%	6.8%
4	The Royal Bank Of Scotland	FII	6.5%	6.8%
5	Platinum Investment Management	FII	2.5%	2.4%
6	Actis Hawk Limited	FII	2.4%	2.4%
7	Orbis Sicav - Asia Ex-Japan Equity Fund	FII	2.1%	2.1%
8	HSBC Global Investment Funds	FII	1.5%	1.7%
9	J.P. Morgan	FII	1.5%	2.3%
10	Vanguard	FII	1.4%	1.4%

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Other Highlights

▪ Adjusted Duration :

- Assets : 1.5 years (March 31, 2014 : 1.3 years)
- Liabilities : 1.6 years (March 31, 2014 : 1.6 years)

▪ Assets Under Management :

Fund Name	AUM (June 30, 2014)	
	₹ Crore	USD* (bn)
IDFC Private Equity*	3,837	0.8
<i>Fund II</i>	1,392	0.3
<i>Fund III</i>	2,445	0.5
IDFC Project Equity Fund*	8,356	1.6
<i>India Infrastructure Fund</i>	3,676	0.9
<i>India Infrastructure Fund II</i>	4,680	0.8
IDFC Real Estate Yield Fund	749	0.1
IDFC Mutual Fund (AAUM)	44,962	7.5
<i>Equity</i>	10,156	1.7
<i>Debt</i>	34,806	5.8
Total	57,903	10.1

**Exchange rate: Pvt & Proj Eq - rate prevailing at the time of Fund Close; Others 1 USD = ₹ 60.09 as on Jun 30, 2014