

IDFC BANK

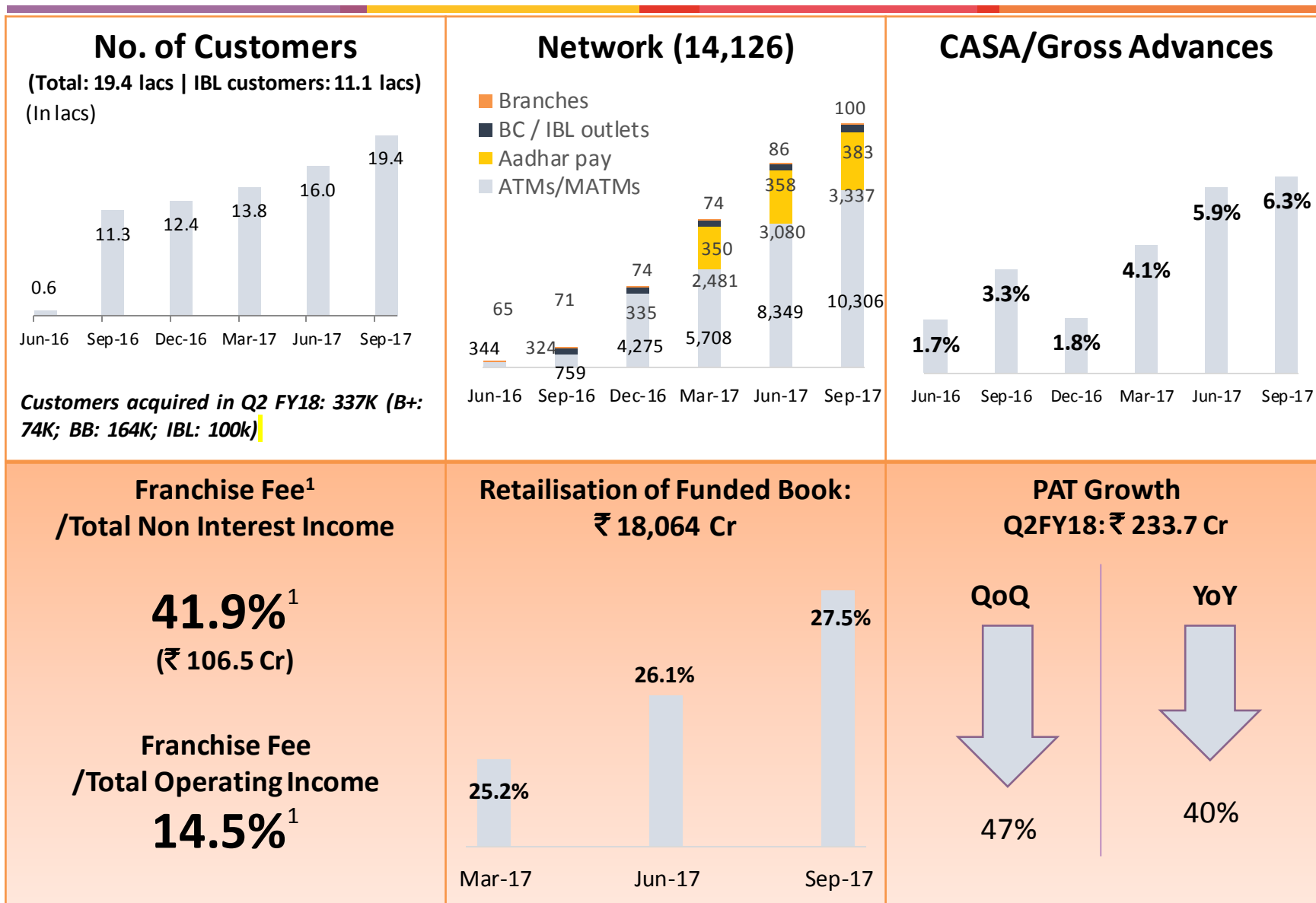


H1FY18 FINANCIALS

OCTOBER 25, 2017

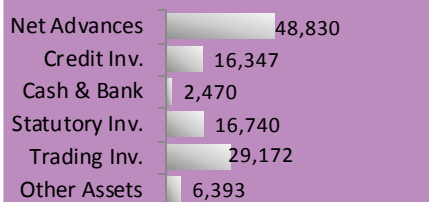
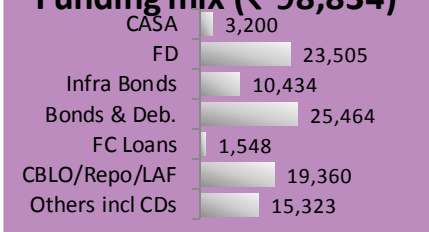


Key Highlights: Q2 FY18 (1 of 2)



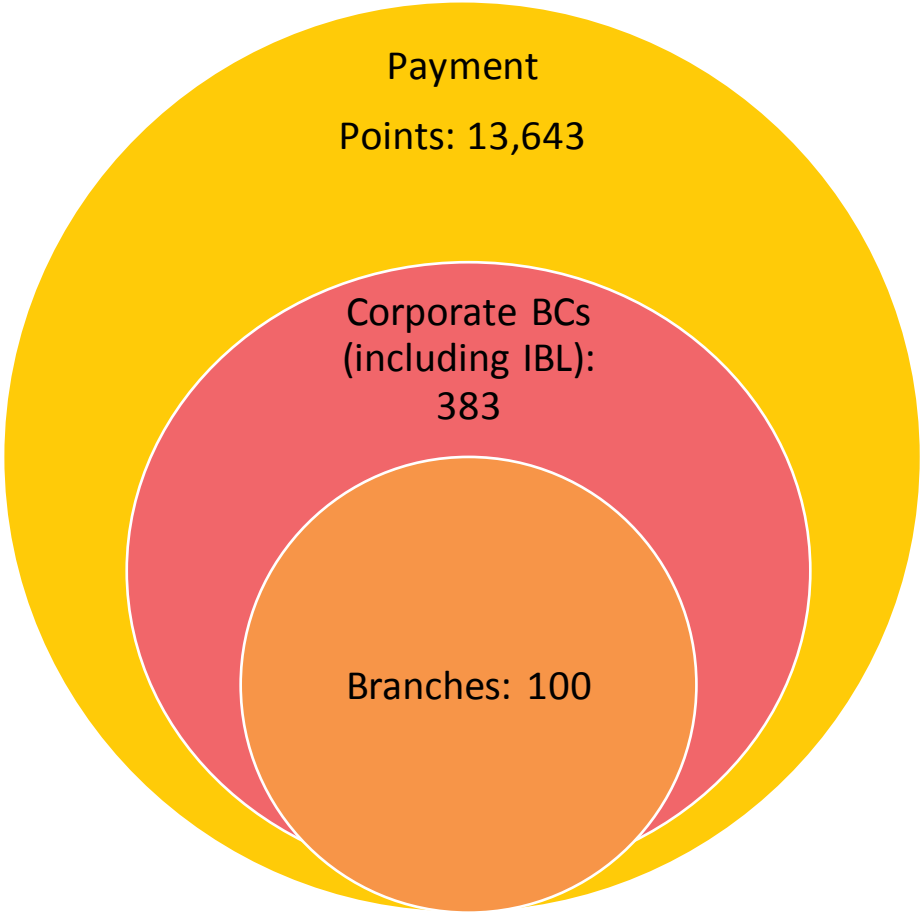
1. Including loss on sale of equity: 83.7% AND 17.5%, respectively
Note: Grama Vidiyal (GV) is now renamed as IDFC Bharat Ltd (IBL)

Key Highlights: Q2 FY18 (2 of 2)

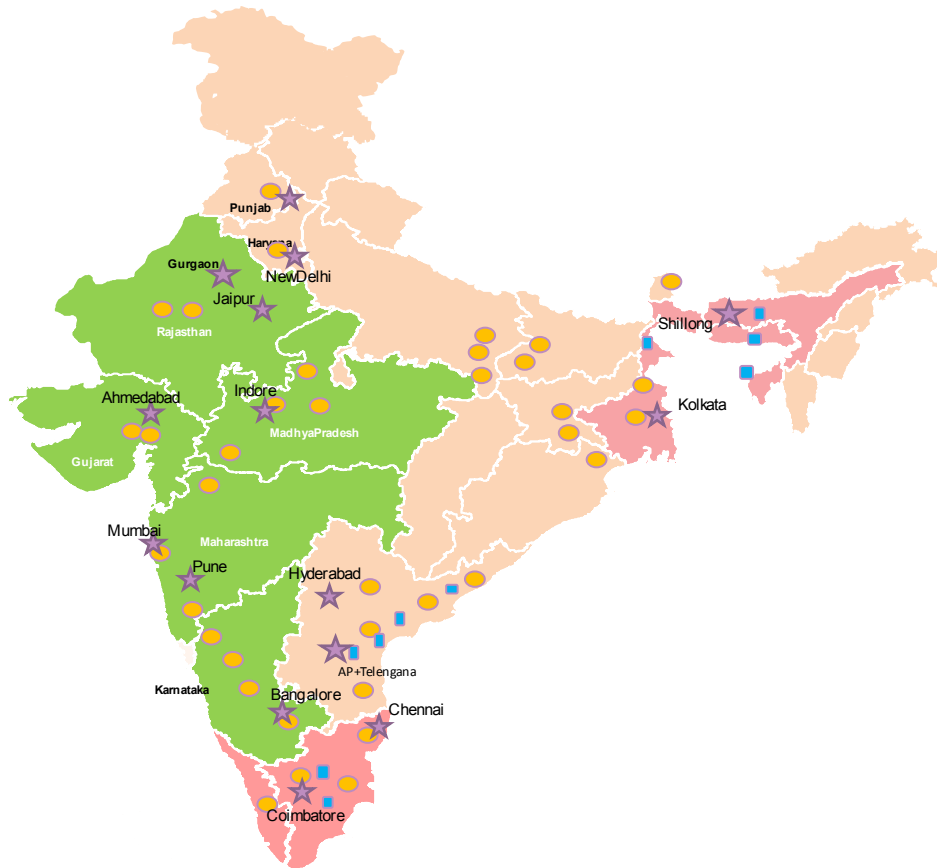
<p>Credit Outstanding¹</p> <p>₹ 90,598 Cr</p> <p>↑ 34% YoY</p> <p>Net Adv: ₹ 48,830 Cr Credit Inv: ₹ 16,347 Cr LC/BG/LuT: ₹ 25,421 Cr</p>	<p>PAT</p> <p>₹ 233.7 Cr</p> <p>Q1 FY18: ₹ 437.5 Cr</p>	<p>RoA RoE</p> <p>0.8% 6.1%</p>	<p>Network & Customers</p> <p>Network: 14,126 Branches: 100 ATMs: 48 Aadhar pay: 3,337 Micro ATMs: 10,258⁶ BC & IBL: 383</p> <p>Customers Total: 19 lacs IBL: 11 lacs</p>
<p>Asset mix (₹ 1,19,952)</p> 	<p>Operating Income</p> <p>₹ 734 Cr</p> <p>NII: ₹ 480 Cr Non Int*: ₹ 254 Cr</p> <p>65% NII/Total *Excluding loss on sale of equity</p>	<p>NIM</p> <p>1.8%</p> <p>Loan NIM: 2.9%</p>	<p>EPS (Q2) Book value per share</p> <p>0.7 44.3</p>
<p>Funding mix (₹ 98,834)</p> 	<p>Expenses</p> <p>₹ 362.3 Cr</p> <p>HR: ₹ 163 Cr Non-HR: ₹ 200 Cr</p> <p>45% HR/Total</p>	<p>Cost/Income Ratio</p> <p>49.4%</p> <p>Including loss on sale of equity: 59.7%</p>	<p>Headcount*</p> <p>8,377 (Ex-IBL: 4,677)</p> <p>Q1'18: 7,867 (+6.5%) *including IBL</p>
<p>CASA Ratio²</p> <p>8.2% (Q1:6.8%)</p> <p>CASA: ₹ 3200 Cr (₹ 2,850 Cr)</p> <ul style="list-style-type: none"> • Bharat: ₹ 125 Cr (₹ 138 Cr) • Bharat Plus: ₹ 685 Cr (₹ 565 Cr) • Wholesale: ₹ 2389 Cr (₹ 2147 Cr) 	<p>Asset Quality</p> <p>GNPL: 3.9% Q1: 4.1%</p> <p>NNPL: 1.6% Q1: 1.7%</p> <p>Net RSA: 1.0%</p> <p>Net SR: 3.2%</p>	<p>Capital Adequacy⁴</p> <p>19.3%</p> <p>Tier 1: 19.0%</p>	<p>IDFC Bank vs. Bankex³</p> <p>↑ 11%</p> <p>↓ -5%</p>

1. Credit Outstanding (FB+ NFB) grew 9% to ₹90,598 Cr as of 30th Sep'17 from ₹83,157 Cr as of 30th Jun'17. Funded Credit Outstanding grew 4% from ₹62,675 Cr as of 30th Jun'17 to ₹65,177 Cr as of 30th Sep'17. 2. CASA Ratio = CASA/(CASA+FD+CD) 3. 1st April 17 to 30th Sep 17 4. Increase in capital adequacy due to change in risk-weights for certain category of assets due to RBI clarification received 5. Average SA balance per account: Bharat plus= Rs. 19,617; Bharat=Rs. 2,102 6. Including 537 MATMs deployed for Bharat plus liability acquisition

Customer Outreach: 14,126 Points of Presence



Building a National Footprint



- Priority states for Bharat branch network**
 - Madhya Pradesh
 - Karnataka
 - Rajasthan
 - Gujarat
 - Maharashtra
- MicroATM, EPDS & Aadhar Pay Network**
 - Rural & Urban centres across India
 - Receiving end of remittance corridors & DBT
 - MicroATM Network around branches and in select districts
- Light Branches in District HQ-Andhra Pradesh, Meghalaya, Tripura, West Bengal, Tamil Nadu
- BC & IDFC Bharat Ltd. Partnerships**: Micro loans & Small Savings through 383 branches
- Branch network

1. Including 537 MATMs deployed for Bharat plus liability acquisition

Balance sheet: increases 10% YoY

In INR Cr.	Sep-16	Mar-17	Jun-17	Sep-17	% Growth (QoQ)	% Growth (YoY)
Shareholders' Funds	14,291	14,678	15,125	15,056	0%	5%
Deposits	22,911	40,208	41,959	38,890	-7%	70%
CASA	1,791	2,094	2,850	3,200	12%	79%
Fixed Deposits	11,733	17,970	24,822	23,505	-5%	100%
Certificate of Deposits	9,387	20,144	14,288	12,186	-15%	30%
Borrowings	66,926	50,262	56,250	59,944	7%	-10%
Other liabilities and provisions	5,100	7,011	5,911	6,062	3%	19%
Total Liabilities	109,228	112,160	119,245	119,952	1%	10%
Cash and Bank Balances	6,784	2,202	2,101	2,470	18%	-64%
Net Retail and Corporate Assets	57,138	66,567	62,675	65,177	4%	14%
Net Advances	50,180	49,402	46,205	48,830	6%	-3%
Credit Investments	6,958	17,165	16,470	16,347	-1%	135%
Statutory Investments	14,740	19,264	17,467	16,740	-4%	14%
CRR	2,184	2,900	2,630	2,604	-1%	19%
SLR	12,556	16,364	14,837	14,136	-5%	13%
Trading Investments	24,824	16,942	30,981	29,172	-6%	18%
Fixed and Other Assets	5,742	7,184	6,021	6,393	6%	11%
Total Assets	109,228	112,160	119,245	119,952	1%	10%

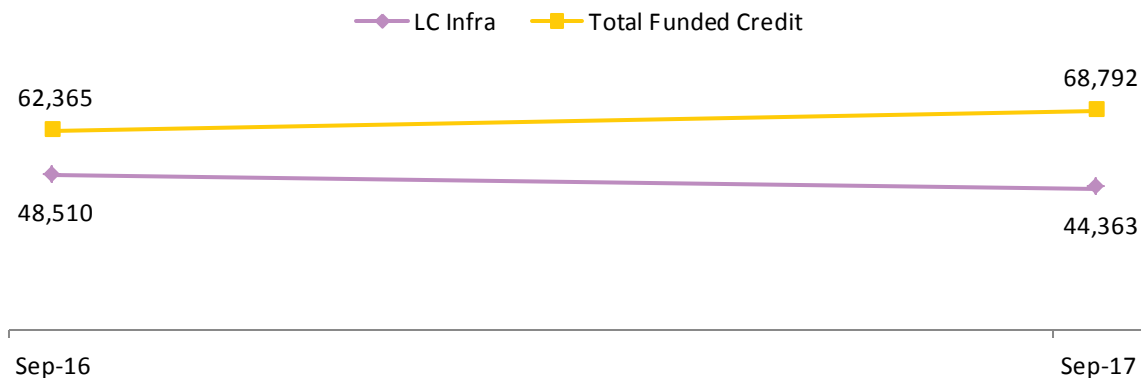
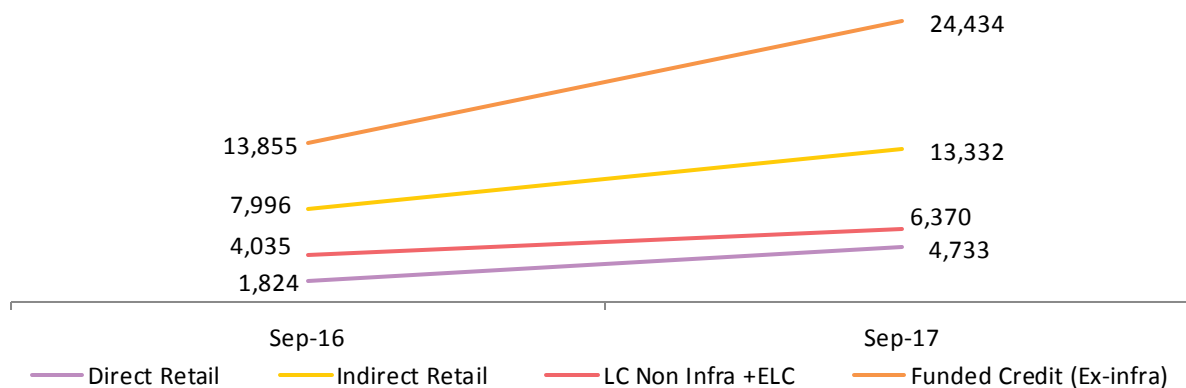
Note: Figures for the previous periods have been reclassified for consistency with the current period.

NII improves 10% on sequential basis (QoQ)

In INR Cr.	H1 FY17	H1 FY18	% Growth FYH1 vs FYH1	Q2 FY17	Q1 FY18	Q2 FY18	% Growth (QoQ)	% Growth (YoY)
Operating Income	1,617.1	1,783.5	10%	905.4	1,049.5	734.0	(30%)	(19%)
Net Interest Income	1,025.1	917.3	(11%)	509.9	437.5	479.8	10%	(6%)
Non Interest Income ¹	591.8	866.2	46%	395.5	612.0	254.2	(58%)	(36%)
Fee and Commission	183.5	249.2	36%	111.9	142.7	106.5	(25%)	(5%)
Trading Gains (Debt & Equity)	401.8	615.3	53%	279.9	468.9	146.4	(69%)	(48%)
Other Income	6.5	1.7	(74%)	3.7	0.4	1.3	242%	(65%)
Operating Expenses	599.9	751.7	25%	323.4	389.4	362.3	(7%)	12%
HR	294.3	332.0	13%	158.1	169.4	162.6	(4%)	3%
Non HR	305.6	419.7	37%	165.4	220.0	199.7	(9%)	21%
Pre-Prov Op Profit (Ppop)	1,017.2	1,031.8	1%	582.0	660.1	371.7	(44%)	(36%)
Provisions & Contingencies	45.9	24.6	(46%)	22.3	(1.9)	26.5	NM	NM
Profit Before Tax	971.3	1,007.2	4%	559.7	662.0	345.2	(48%)	(38%)
Tax	318.7	336.0	5%	172.2	224.5	111.5	(50%)	(35%)
Profit After Tax	652.5	671.2	3%	387.4	437.5	233.7	(47%)	(40%)

1. Including loss on sale of equity, Non interest income increased by 23% from Rs. 592 Cr to Rs. 727 Cr in H1 and Non Interest Income for Q2 FY18 is 127 Cr

1.76x increase in Funded Credit (ex-infra) [15% QoQ, 76% YoY]



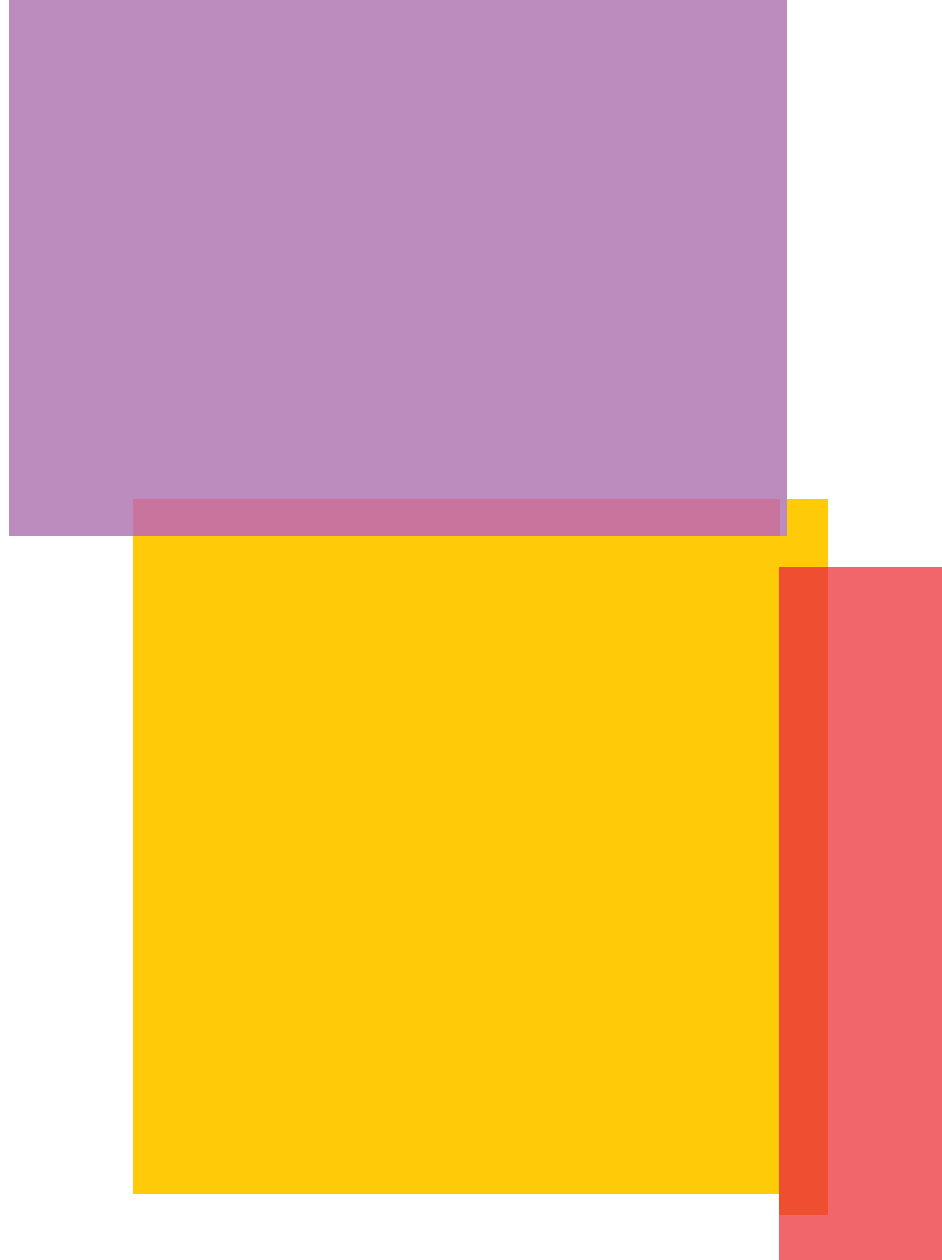
All numbers on a gross basis

Financials: Key ratios

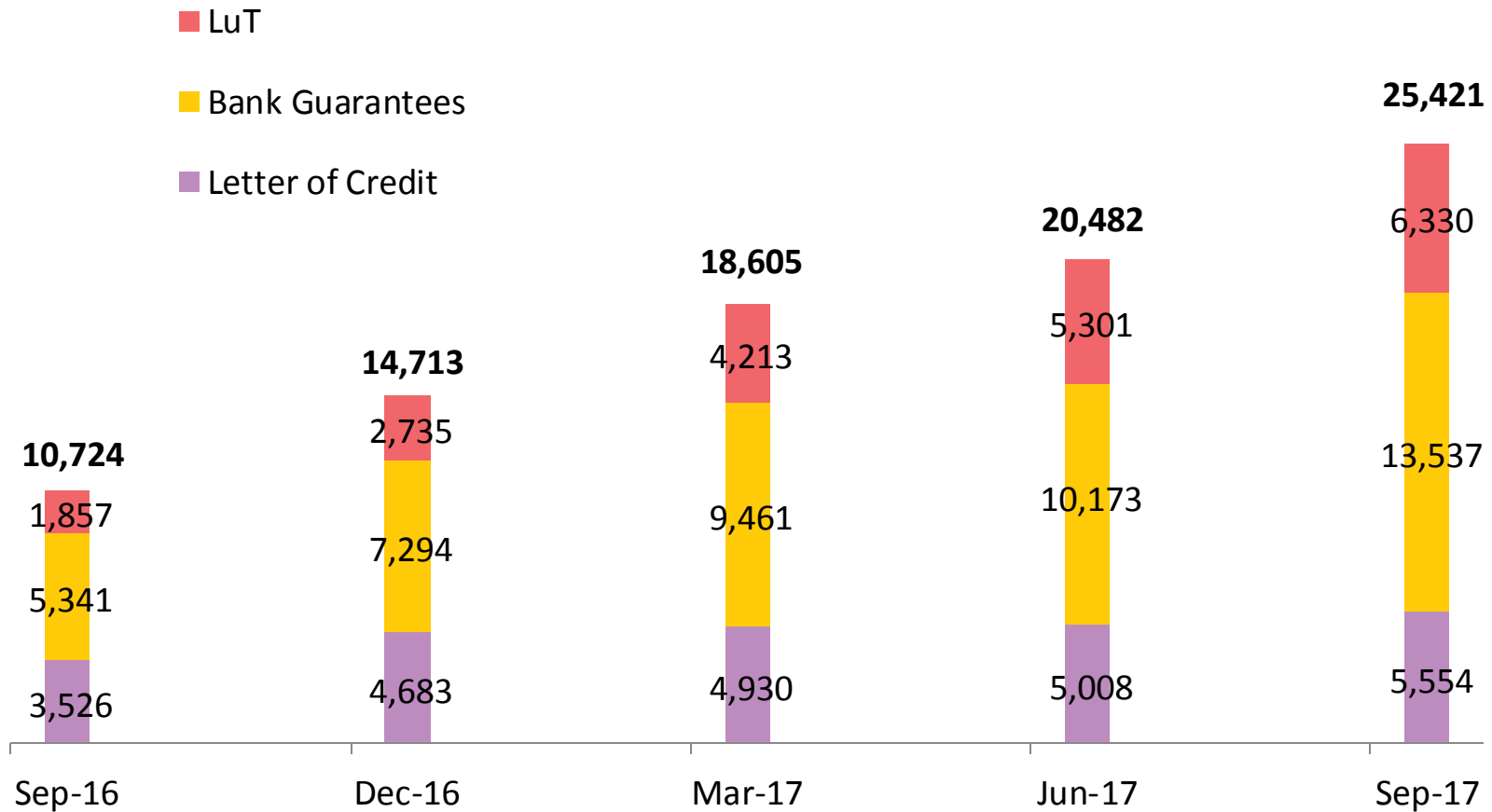
Particular	Q2 FY17	Q1 FY18	Q2 FY18	H1 FY18
Return on Assets	1.5%	1.5%	0.8%	1.2%
Return on Equity	10.9%	11.8%	6.1%	9.0%
EPS (Rs.)	1.1	1.3	0.7	2.0
Book Value Per Share (Rs.)	42.1	44.5	44.3	44.3
NIMs	2.2%	1.7%	1.8%	1.7%
<i>Of which Loan NIMs</i>	<i>2.9%</i>	<i>2.4%</i>	<i>2.9%</i>	<i>2.7%</i>
Cost/Income ¹	35.7%	37.1%	49.4%	42.1%
HR Cost/ Income	17.5%	16.1%	22.2%	18.6%
Capital Adequacy Ratio	19.2%	18.6%	19.3%	19.3%
<i>Of which Tier I</i>	<i>18.7%</i>	<i>18.3%</i>	<i>19.0%</i>	<i>19.0%</i>
Gross NPL (% of Loans)	6.0%	4.1%	3.9%	3.9%
Net NPL (%)	2.4%	1.7%	1.6%	1.6%
CASA/Gross Advances	3.3%	5.9%	6.3%	6.3%
CASA/Total Deposits	7.8%	6.8%	8.2%	8.2%

1. Including loss on sale of equity: Cost/Income: Q2 FY18: 59.7%; H1 FY18: 45.7%

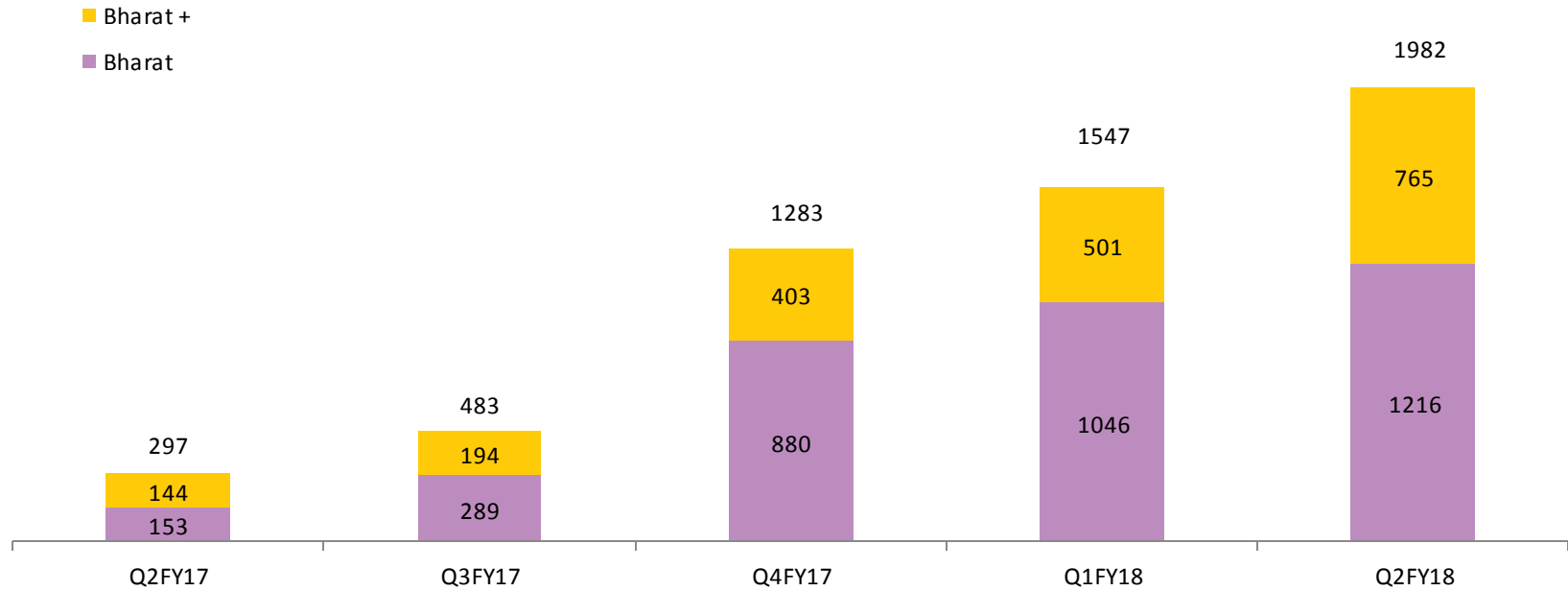
BUSINESS HIGHLIGHTS



2.4x increase in Non-funded exposure YoY



Gross retail disbursement rate ~ Rs. 2000 Cr / quarter & rising



Monthly net run-rates¹

Segment	(in Rs. Crores)
Bharat	237
Bharat Plus	194
Total	431

1. Run rate defined as monthly average in last 3 months

CASA increased 1.8x to INR 3,200 Cr YoY

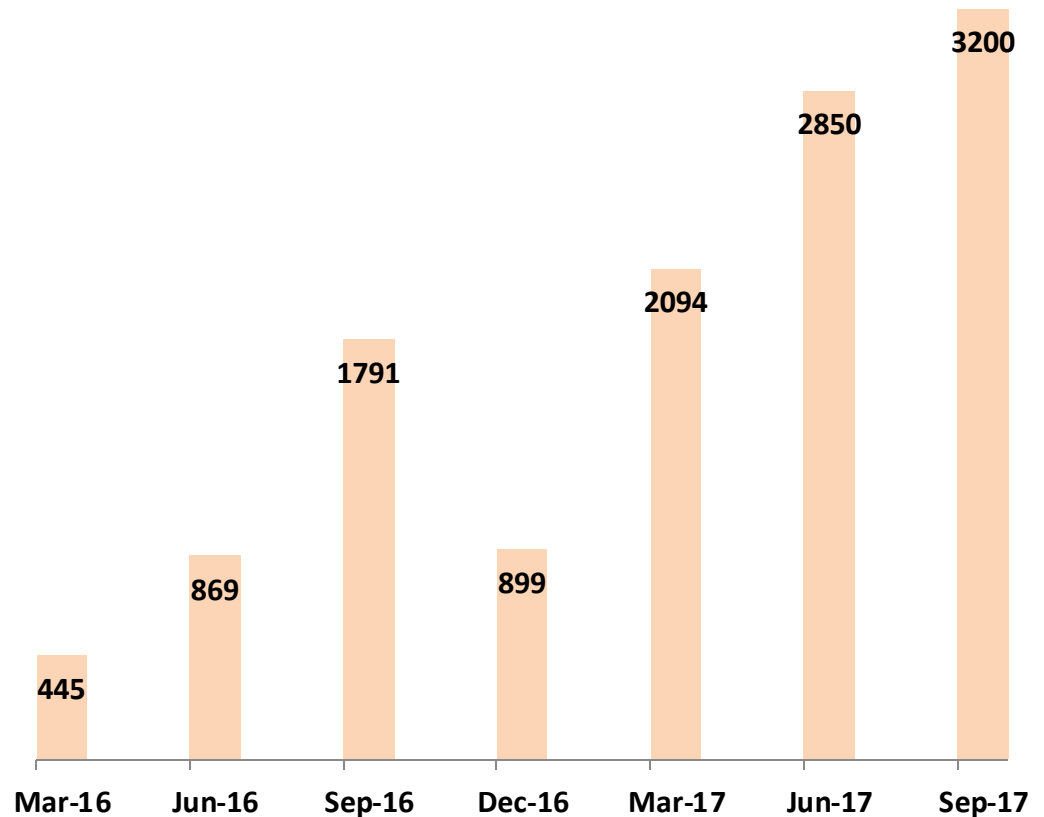
All figures in Rs Cr

Wholesale Bank: INR 2,389 crore
B+: INR 685 crore
B: INR 125 crore

Avg. SA per account
B+: Rs. 19,617
Bharat: Rs. 2,102

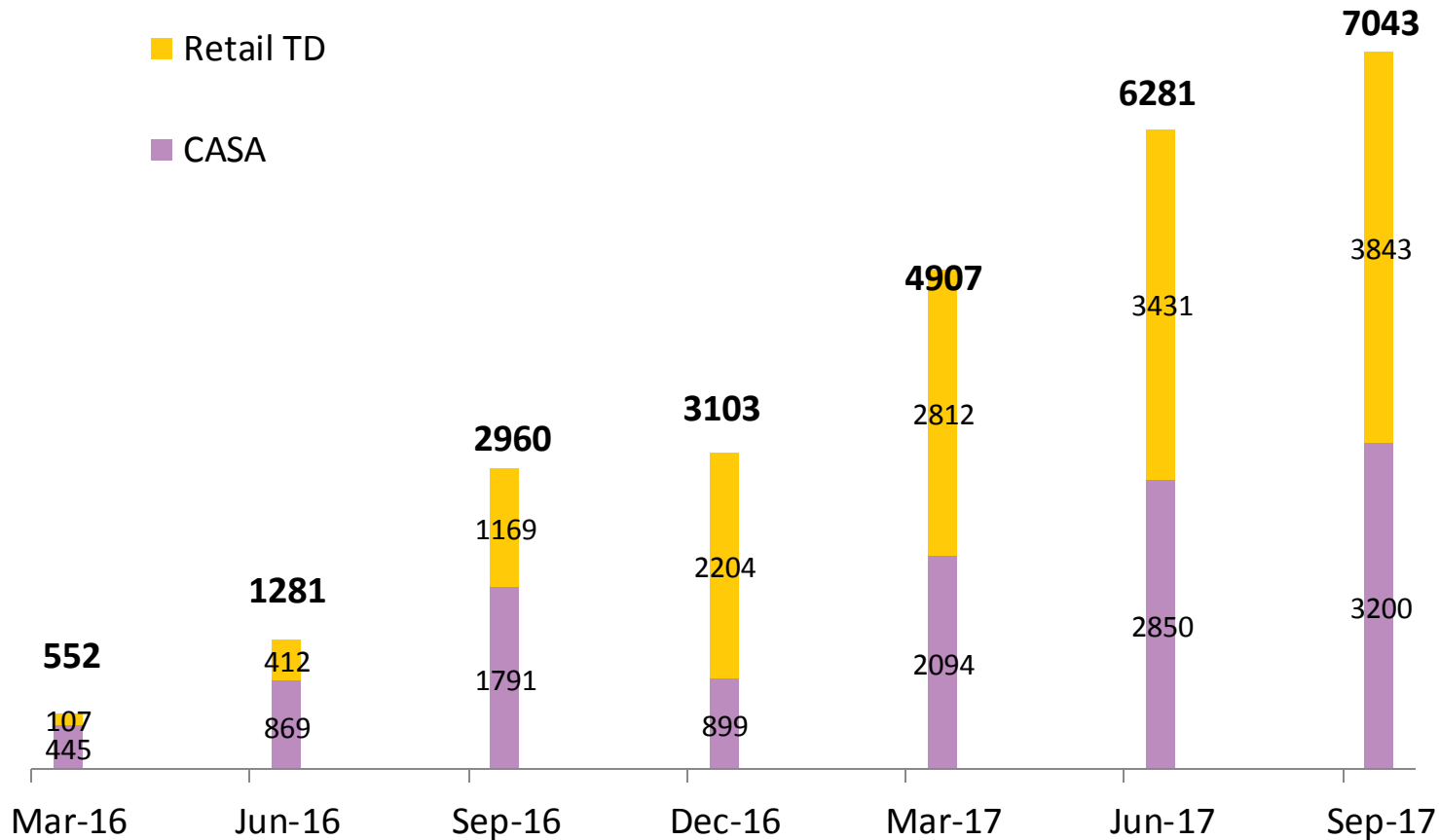
CASA for Q2
B+: Increased by INR 120 crore to INR 685 crore (per branch CASA increased ~7 Cr to ~40 Cr)
B: Decreased by INR 13 crore to INR 125 crore

CASA



140% increase in core deposits (CASA + Retail TD) YoY & 12% QoQ

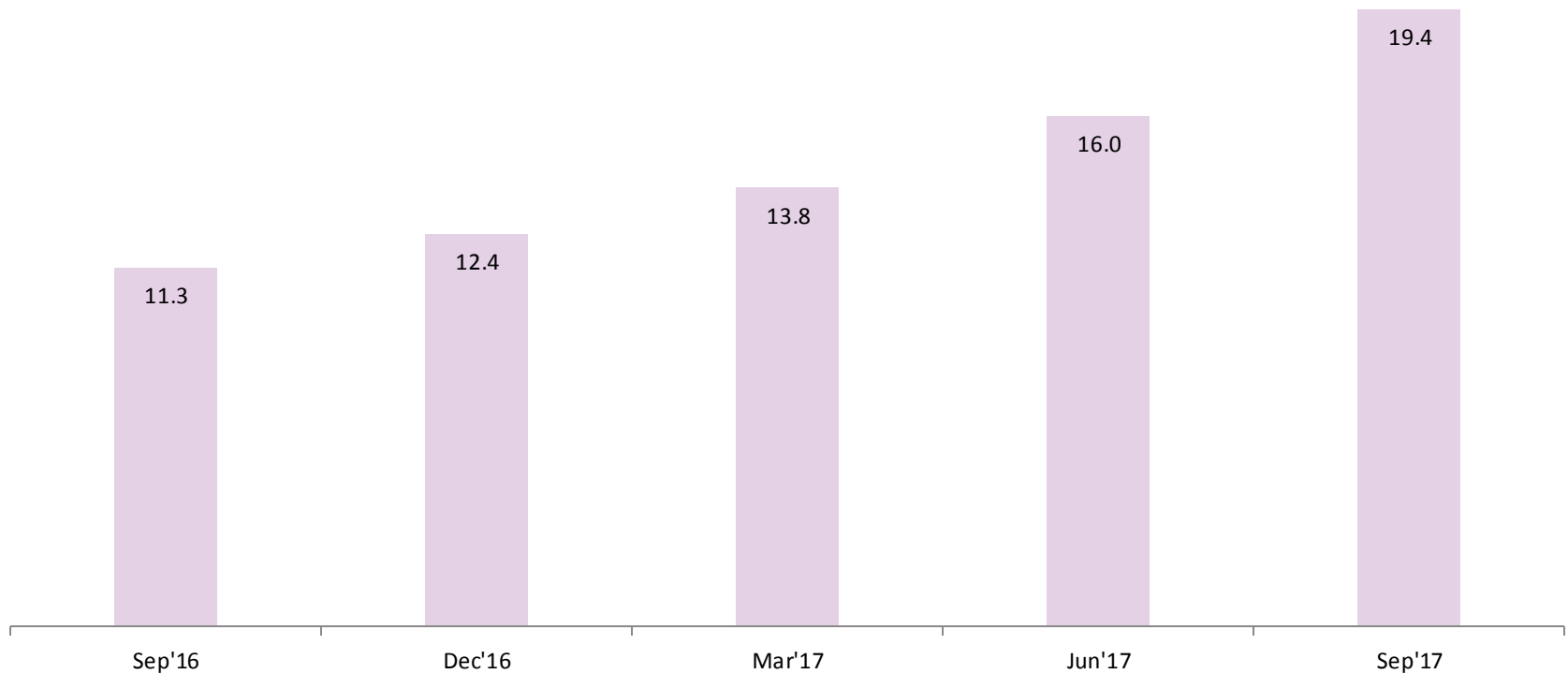
All figures in Rs Cr



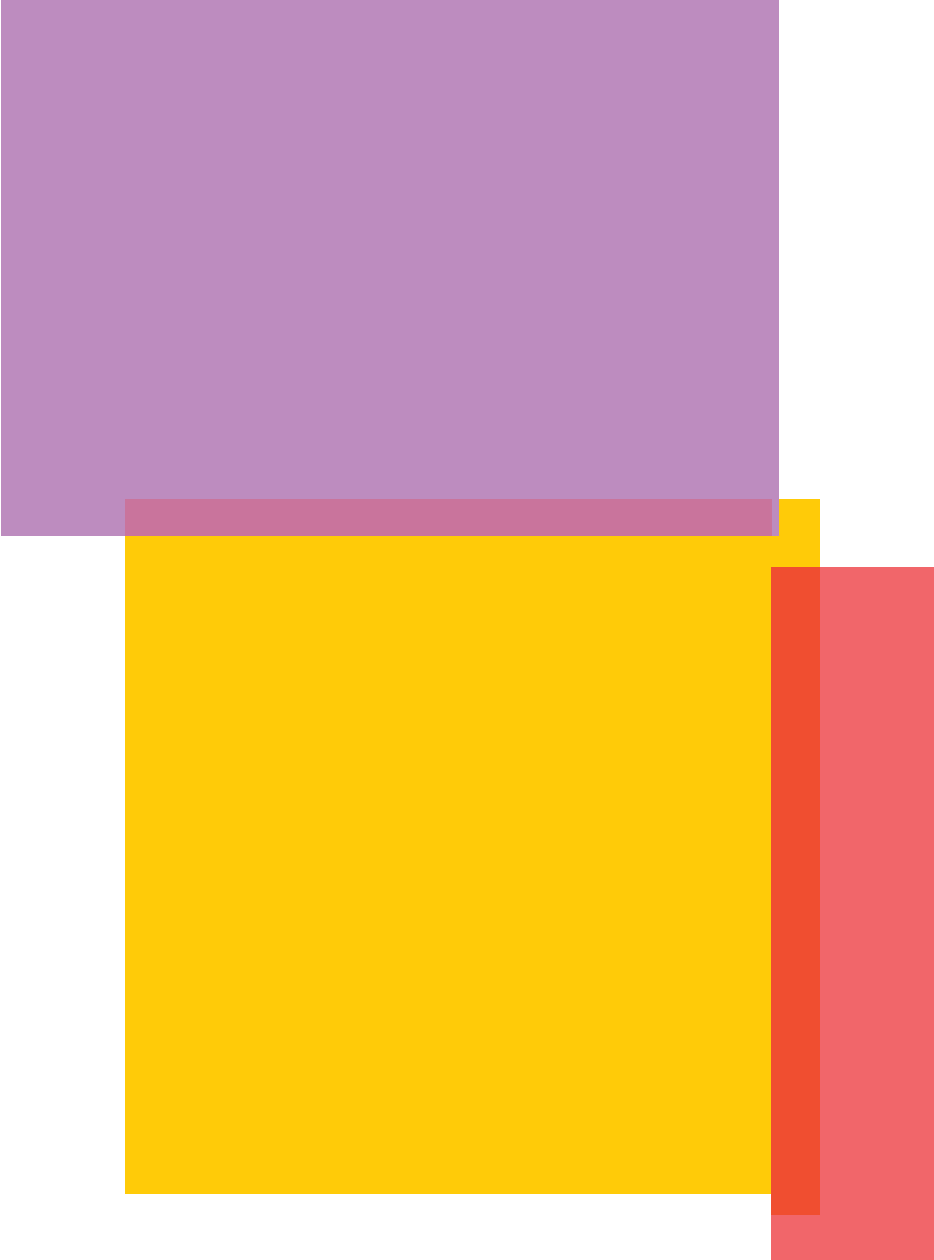
>19 lac customers; acquisition run-rate accelerated to 113k/ month

Total Customers

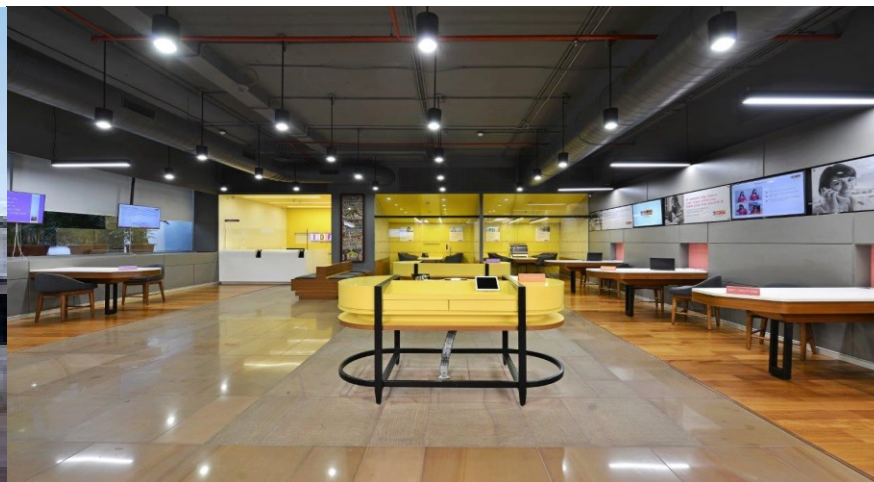
In Lacs



BUSINESS HIGHLIGHTS



Bharat Plus Snapshot



Branch Network

17 Branches

- Presence across 8 cities in India
- Mumbai, Delhi, Bangalore, Chennai, Pune, Hyderabad, Kolkata & Ahmedabad.

Assets (Sep'17)

- Total funded advances Rs. 1,732 Cr¹
- Wealth AUM is Rs. 540 Cr

- Breakup of total funded advances:
 - Home loans – Rs. 970 Cr
 - Loan against property – Rs. 308 Cr
 - Working Capital- Funded book of Rs. 200 Cr
 - Personal loan – Rs. 184 Cr
 - Alliances – Rs. 69 Cr

➤ Non funded book as on 30 Sep is Rs. 58 Cr

Liabilities

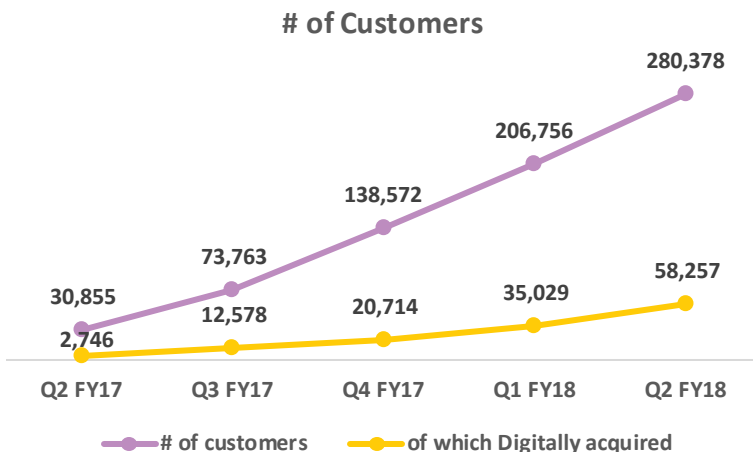
- ~ 2.8L customers
- ~ 2.7L CASA accounts

- Rs. 4,099 Cr deposit book as on 30 Sep 2017 comprising of:
 - Rs. 685² Cr of Current & Savings Account Deposits
 - Rs. 3,438 Cr of Fixed Deposits

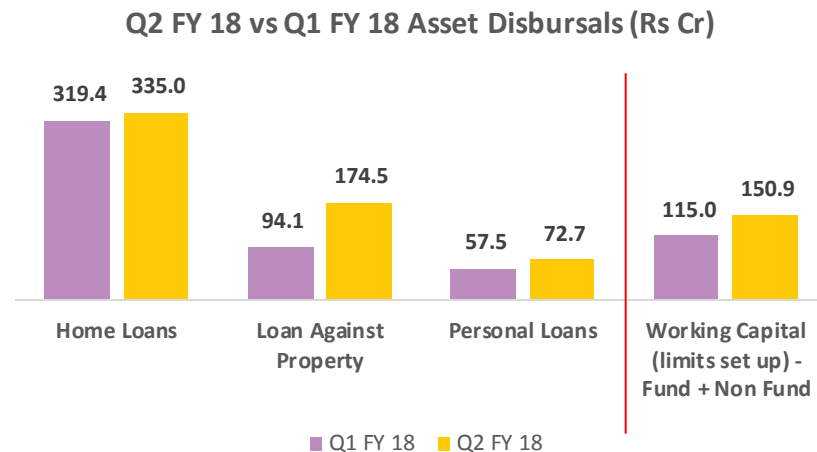
1. Excluding CV & SME
2. Including SME

Bharat Plus Snapshot

Strong ramp up in customer acquisition in Q2



Sustained momentum on asset disbursement continues in Q2



Funded SME assets

Quarter ending in	Outstanding (INR Cr)
Sep-17	477
Jun-17	294
Mar-17	314

Commercial Vehicle Portfolio

Quarter ending in	Outstanding (INR Cr)
Sep-17	163
Jun-17	121
Mar-17	96

Bharat: ~16.6 Lacs customers acquired and serviced through branches and Micro ATMs



Customer Touchpoints

- 13,550 Customer Points
- 335 IBL locations
- 48 Partnership BC locations



Customer Network

- 16.6 lacs unique customers (11.1 Lacs of IBL)
- 4.0 lacs Liability & 2.1 lacs asset customers sourced through Branches & MATM



Assets & Liabilities

- Rs 2,356 Cr of advances¹ (1,864 Crs of IBL)
- Rs. 379 Cr of deposit balances
- Rs. 2,263 Cr disbursed in H1FY18

- 83 Branches across MP, Karnataka, AP, Gujarat, Rajasthan, Tamilnadu, Tripura & Meghalaya

- 9,721 MATMs

- 3,337 Aadhar Pay (Merchant Points)

- 28 ATMs

- More than 5.5 lacs customers acquired through branches and MATMs

- No. of loan accounts crossed 13 lacs

- Branch Based advances: Rs. 367 Cr

- Assets¹: MSME assets are at Rs. 49 Cr; JLG BC are at Rs. 76 Cr; IBL are at Rs. 1,864

1.Excludes SME and onlending

Wholesale bank

Transaction Highlights

IB Transactions

- Main banker to one of the most successful IPOs in India by a manufacturing company. The stock was listed with the issue recording a one of the highest ever IPO subscriptions at 118 times.
- Acted as the exclusive sell side advisor in the largest ever M&A in the road transportation sector.
- Provided advisory services to sell stake in a major NBFC. The transaction was completed in record time and at a 30% market premium over the last three month average price

Bankers to Issue

- Bankers to Issue for Institutional Placement of USD 600 Million for a leading airline
- Deal resulted in large float and substantial FX remittances
- In addition, we also managed the dividend payout of 1,250 crore via 50,000 payments for FY17

BG Issuance

- Successful issuance of ₹ 1000 crore Bank Guarantee to one of the biggest sports associations in the country on behalf of its media partner
- We are the only bank outside the consortium of global banks in this transaction with a share of 23%

Corporate Linked Finance through BXP

- Gone live on BXP for a CLF client via completely straight through processing of invoices without any manual intervention.

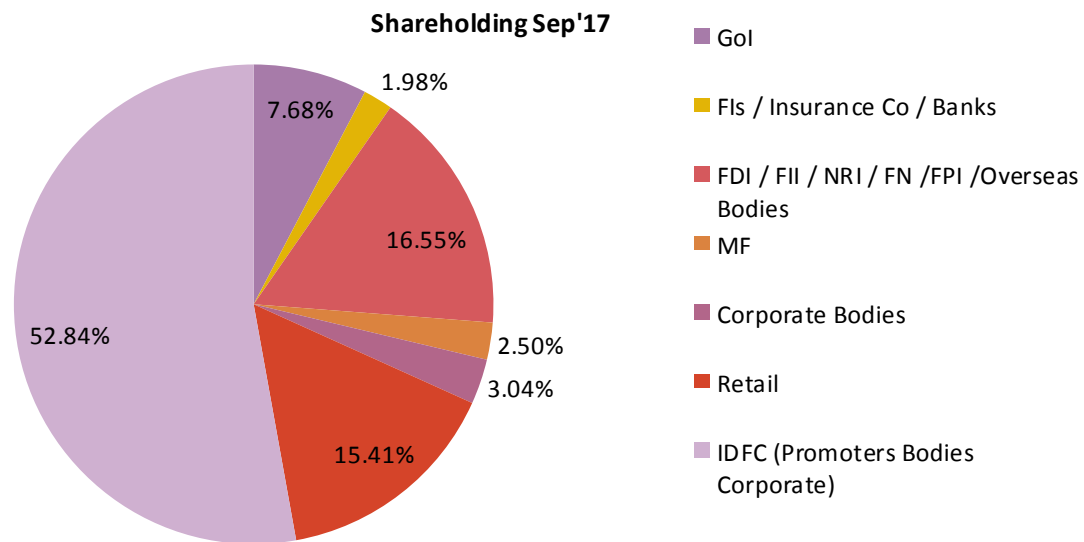
DCM

- Executed a 300 crore secured, taxable, listed NCD mandate for an energy company with maturity of 15 years
- Executed a 760 crore NCD mandate for an energy company with 5, 10 and 15 year maturities

Shareholding pattern

% of Top 10 shareholders

Sr. no	Shareholder Name	Category	30.09.17
1	Gol	Gol	7.7%
2	Blackrock Fund	FII / FDI	1.8%
3	Platinum Investment Management	FII / FDI	1.4%
4	Vanguard	FII / FDI	1.4%
5	Emerging Markets Funds	FII / FDI	1.1%
6	Capital Group Inc	FII / FDI	1.0%
7	LIC	FIs / Insurance Co / Banks	0.9%
8	Kotak	MF	0.6%
9	Wellington Trust Company National Association	FII / FDI	0.6%
10	Reliance Capital	MF	0.5%





THANK YOU