

# IDFC BANK

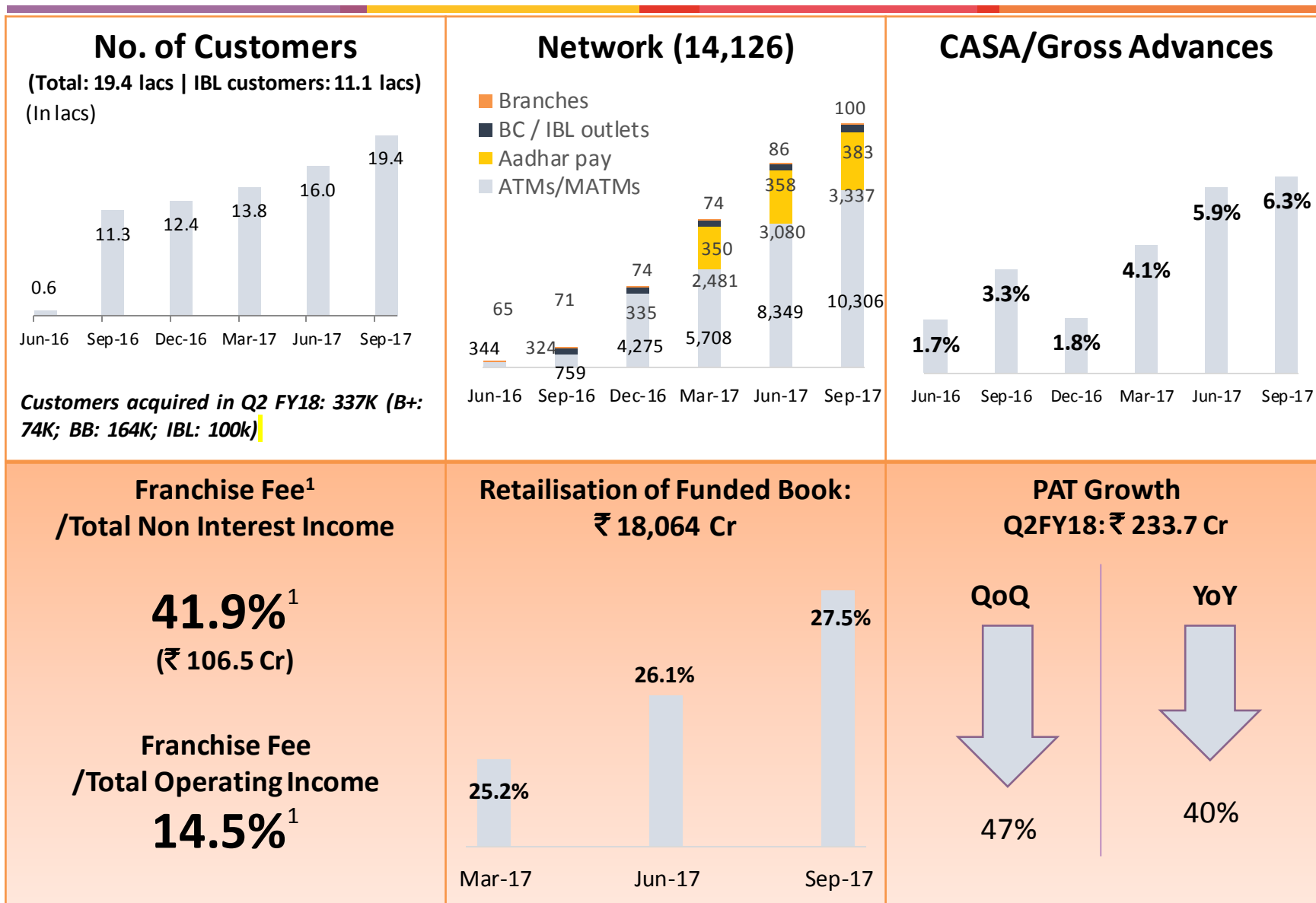


# H1FY18 FINANCIALS

OCTOBER 25, 2017

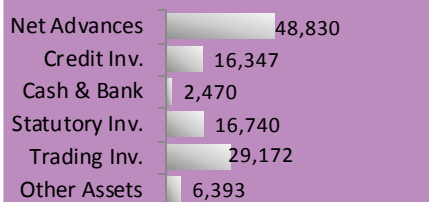
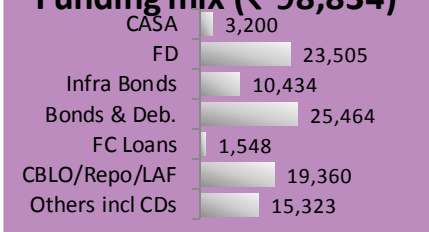


# Key Highlights: Q2 FY18 (1 of 2)



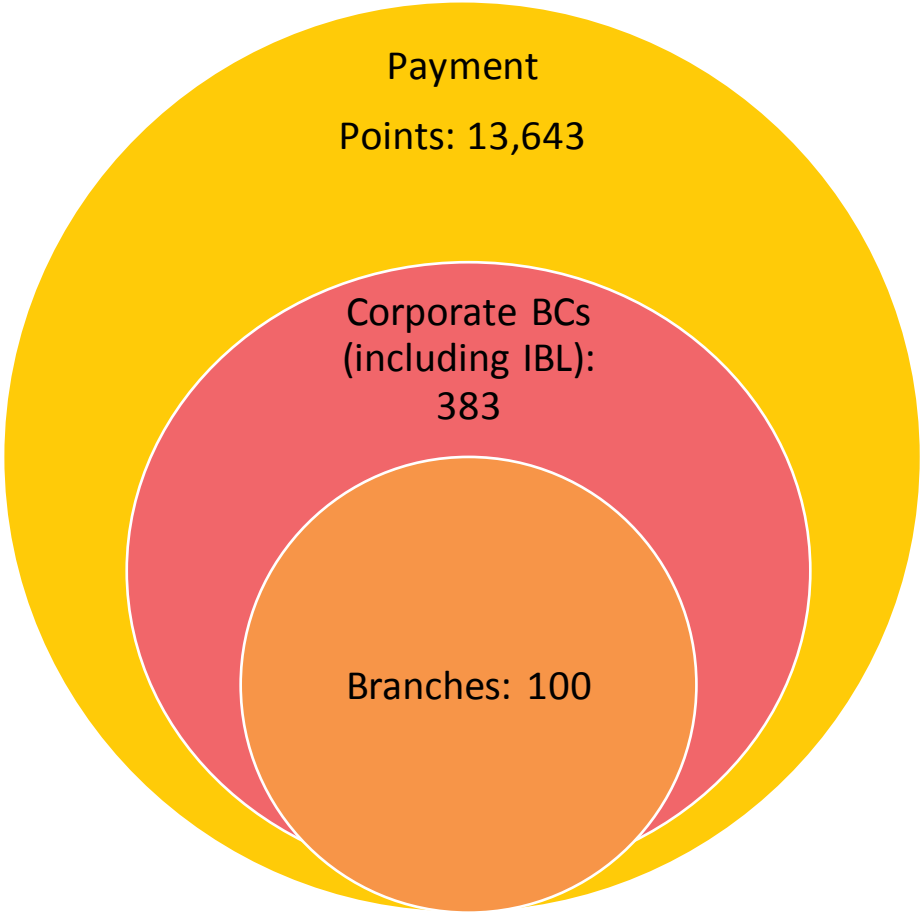
1. Including loss on sale of equity: 83.7% AND 17.5%, respectively  
Note: Grama Vidiyal (GV) is now renamed as IDFC Bharat Ltd (IBL)

# Key Highlights: Q2 FY18 (2 of 2)

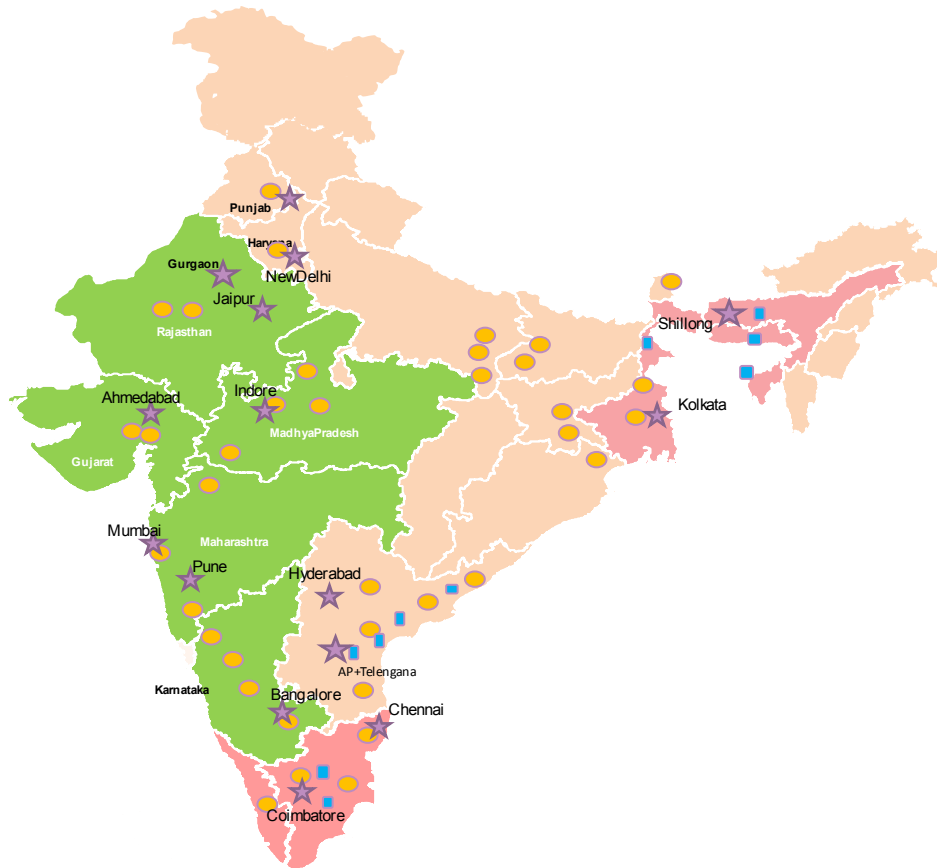
<p><b>Credit Outstanding<sup>1</sup></b></p> <p><b>₹ 90,598 Cr</b></p> <p>↑ 34% YoY</p> <p>Net Adv: ₹ 48,830 Cr Credit Inv: ₹ 16,347 Cr LC/BG/LuT: ₹ 25,421 Cr</p>	<p><b>PAT</b></p> <p><b>₹ 233.7 Cr</b></p> <p>Q1 FY18: ₹ 437.5 Cr</p>	<p><b>RoA   RoE</b></p> <p><b>0.8%   6.1%</b></p>	<p><b>Network &amp; Customers</b></p> <p><b>Network: 14,126</b> Branches: 100 ATMs: 48 Aadhar pay: 3,337 Micro ATMs: 10,258<sup>6</sup> BC &amp; IBL: 383</p> <p><b>Customers</b> Total: 19 lacs IBL: 11 lacs</p>
<p><b>Asset mix (₹ 1,19,952)</b></p> 	<p><b>Operating Income</b></p> <p><b>₹ 734 Cr</b></p> <p>NII: ₹ 480 Cr Non Int*: ₹ 254 Cr</p> <p>65% NII/Total *Excluding loss on sale of equity</p>	<p><b>NIM</b></p> <p><b>1.8%</b></p> <p>Loan NIM: 2.9%</p>	<p><b>EPS (Q2)   Book value per share</b></p> <p><b>0.7   44.3</b></p>
<p><b>Funding mix (₹ 98,834)</b></p> 	<p><b>Expenses</b></p> <p><b>₹ 362.3 Cr</b></p> <p>HR: ₹ 163 Cr Non-HR: ₹ 200 Cr</p> <p>45% HR/Total</p>	<p><b>Cost/Income Ratio</b></p> <p><b>49.4%</b></p> <p>Including loss on sale of equity: 59.7%</p>	<p><b>Headcount*</b></p> <p><b>8,377</b> (Ex-IBL: 4,677)</p> <p>Q1'18: 7,867 (+6.5%) *including IBL</p>
<p><b>CASA Ratio<sup>2</sup></b></p> <p><b>8.2% (Q1:6.8%)</b></p> <p>CASA: ₹ 3200 Cr (₹ 2,850 Cr)</p> <ul style="list-style-type: none"> <li>• Bharat: ₹ 125 Cr (₹ 138 Cr)</li> <li>• Bharat Plus: ₹ 685 Cr (₹ 565 Cr)</li> <li>• Wholesale: ₹ 2389 Cr (₹ 2147 Cr)</li> </ul>	<p><b>Asset Quality</b></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><b>Capital Adequacy<sup>4</sup></b></p> <p><b>19.3%</b></p> <p>Tier 1: 19.0%</p>	<p><b>IDFC Bank vs. Bankex<sup>3</sup></b></p> <p>↓ -5%      ↑ 11%</p>

1. Credit Outstanding (FB+ NFB) grew 9% to ₹90,598 Cr as of 30<sup>th</sup> Sep'17 from ₹83,157 Cr as of 30<sup>th</sup> Jun'17. Funded Credit Outstanding grew 4% from ₹62,675 Cr as of 30<sup>th</sup> Jun'17 to ₹65,177 Cr as of 30<sup>th</sup> Sep'17. 2. CASA Ratio = CASA/(CASA+FD+CD) 3. 1<sup>st</sup> April 17 to 30<sup>th</sup> 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%
<b>Total Liabilities</b>	<b>109,228</b>	<b>112,160</b>	<b>119,245</b>	<b>119,952</b>	<b>1%</b>	<b>10%</b>
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%
<b>Total Assets</b>	<b>109,228</b>	<b>112,160</b>	<b>119,245</b>	<b>119,952</b>	<b>1%</b>	<b>10%</b>

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

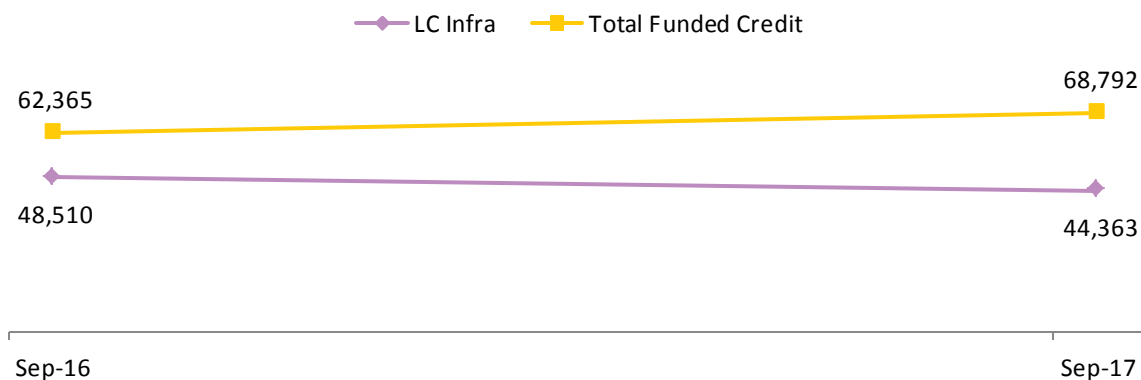
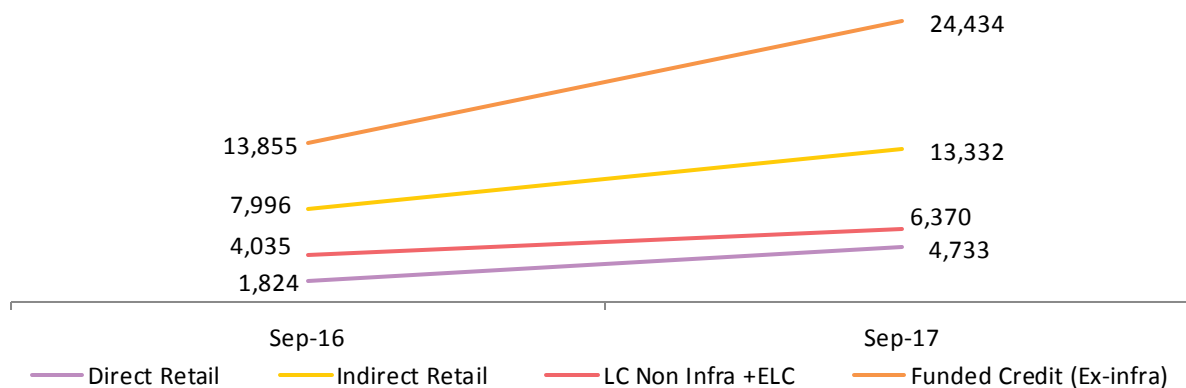
## NII improves 10% on sequential basis (QoQ)

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 <sup>1</sup>	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%)
<b>Profit After Tax</b>	<b>652.5</b>	<b>671.2</b>	<b>3%</b>	<b>387.4</b>	<b>437.5</b>	<b>233.7</b>	<b>(47%)</b>	<b>(40%)</b>

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]



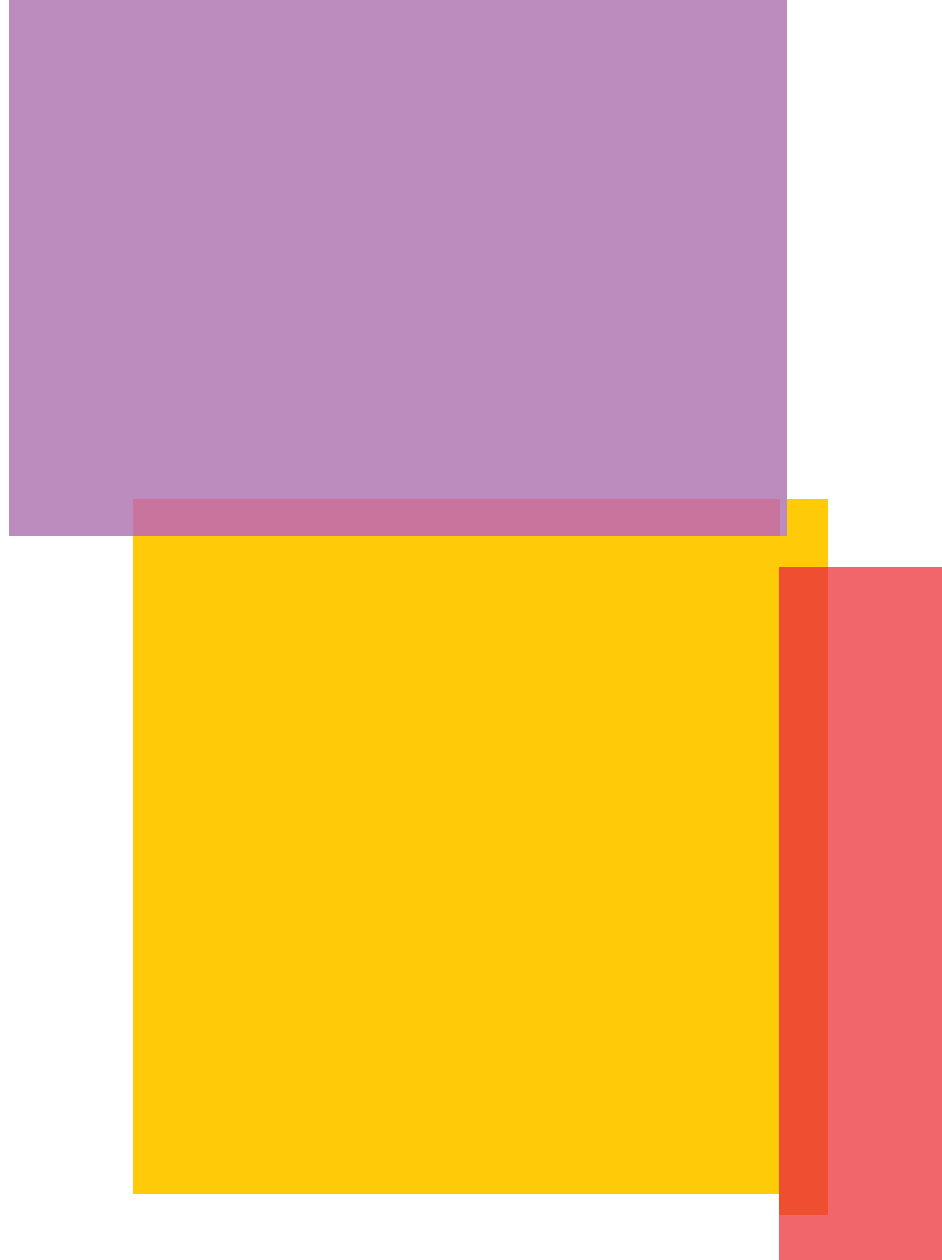
All numbers on a gross basis

## Financials: Key ratios

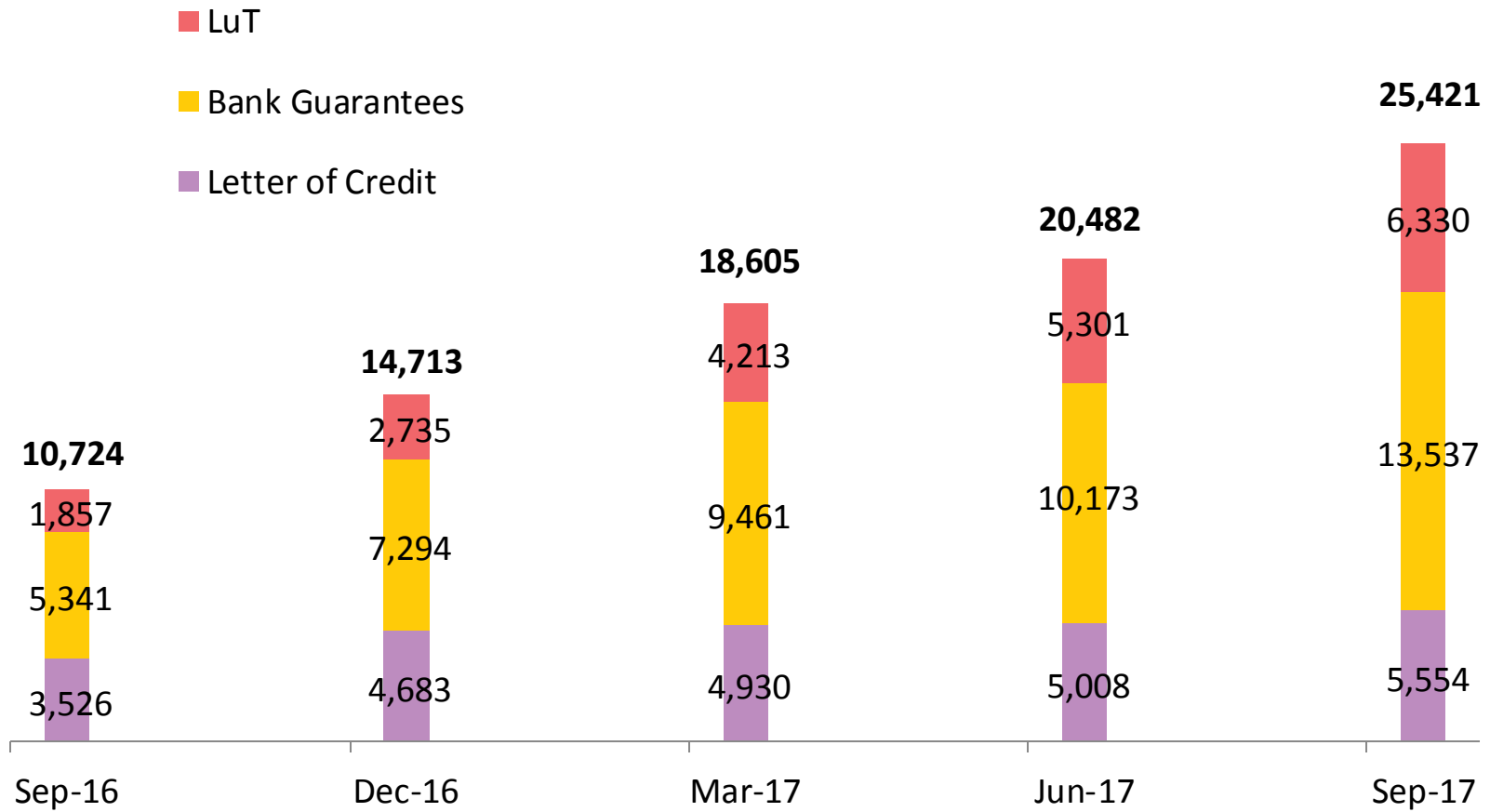
Particular	Q2 FY17	Q1 FY18	Q2 FY18	H1 FY18
Return on Assets	1.5%	1.5%	0.8%	1.2%
Return on Equity	10.9%	11.8%	6.1%	9.0%
EPS (Rs.)	1.1	1.3	0.7	2.0
Book Value Per Share (Rs.)	42.1	44.5	44.3	44.3
NIMs	2.2%	1.7%	1.8%	1.7%
<i>Of which Loan NIMs</i>	<i>2.9%</i>	<i>2.4%</i>	<i>2.9%</i>	<i>2.7%</i>
Cost/Income <sup>1</sup>	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%

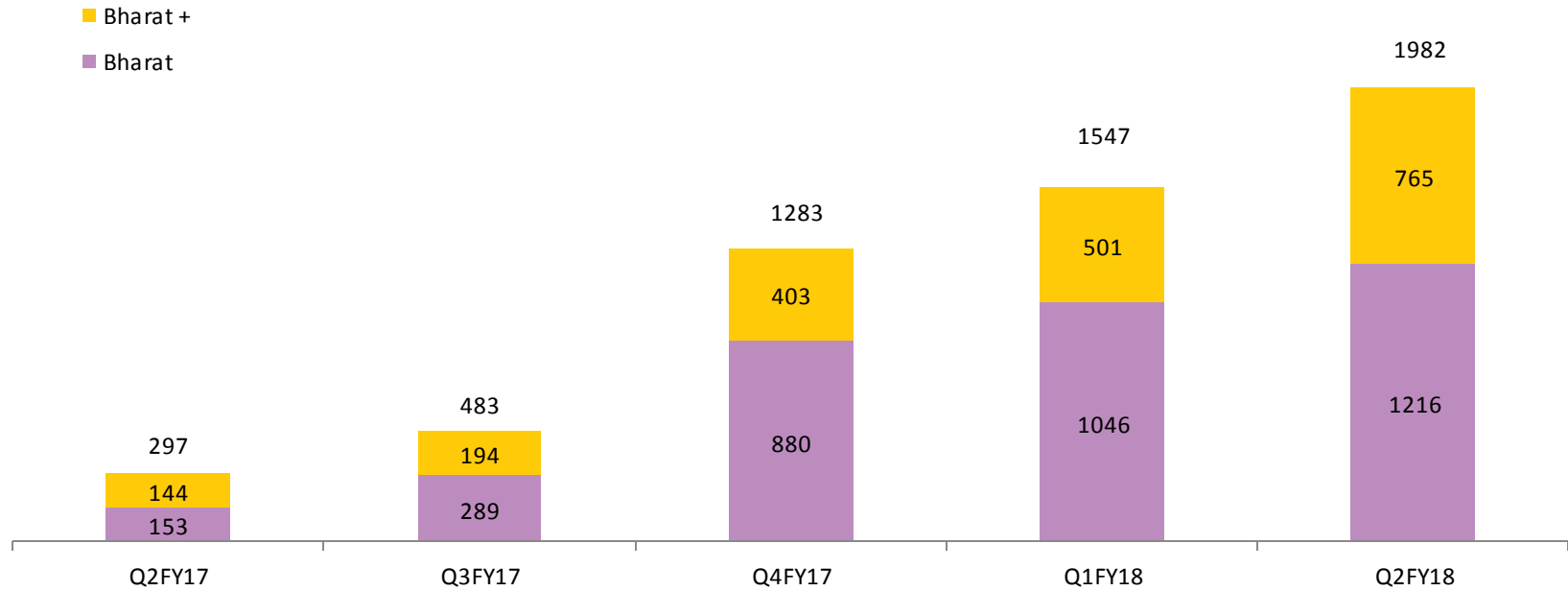
# BUSINESS HIGHLIGHTS



## 2.4x increase in Non-funded exposure YoY



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



## Monthly net run-rates<sup>1</sup>

Segment	(in Rs. Crores)
Bharat	237
Bharat Plus	194
<b>Total</b>	<b>431</b>

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

# CASA increased 1.8x to INR 3,200 Cr YoY

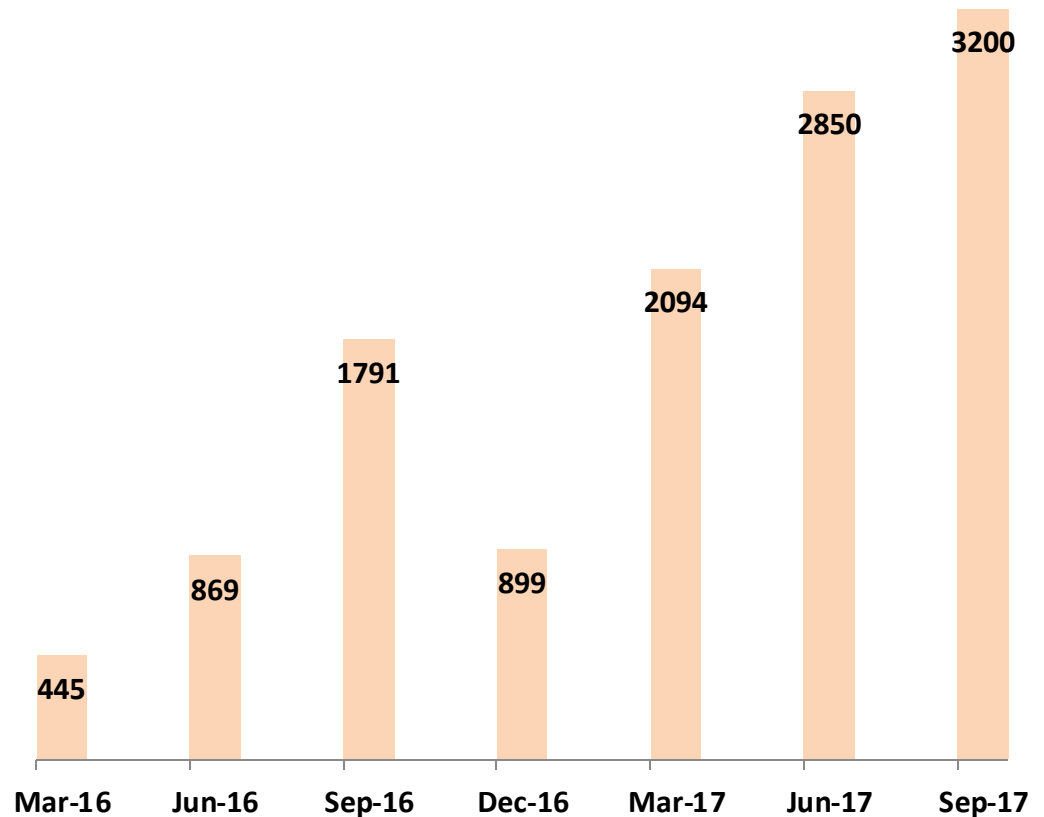
All figures in Rs Cr

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

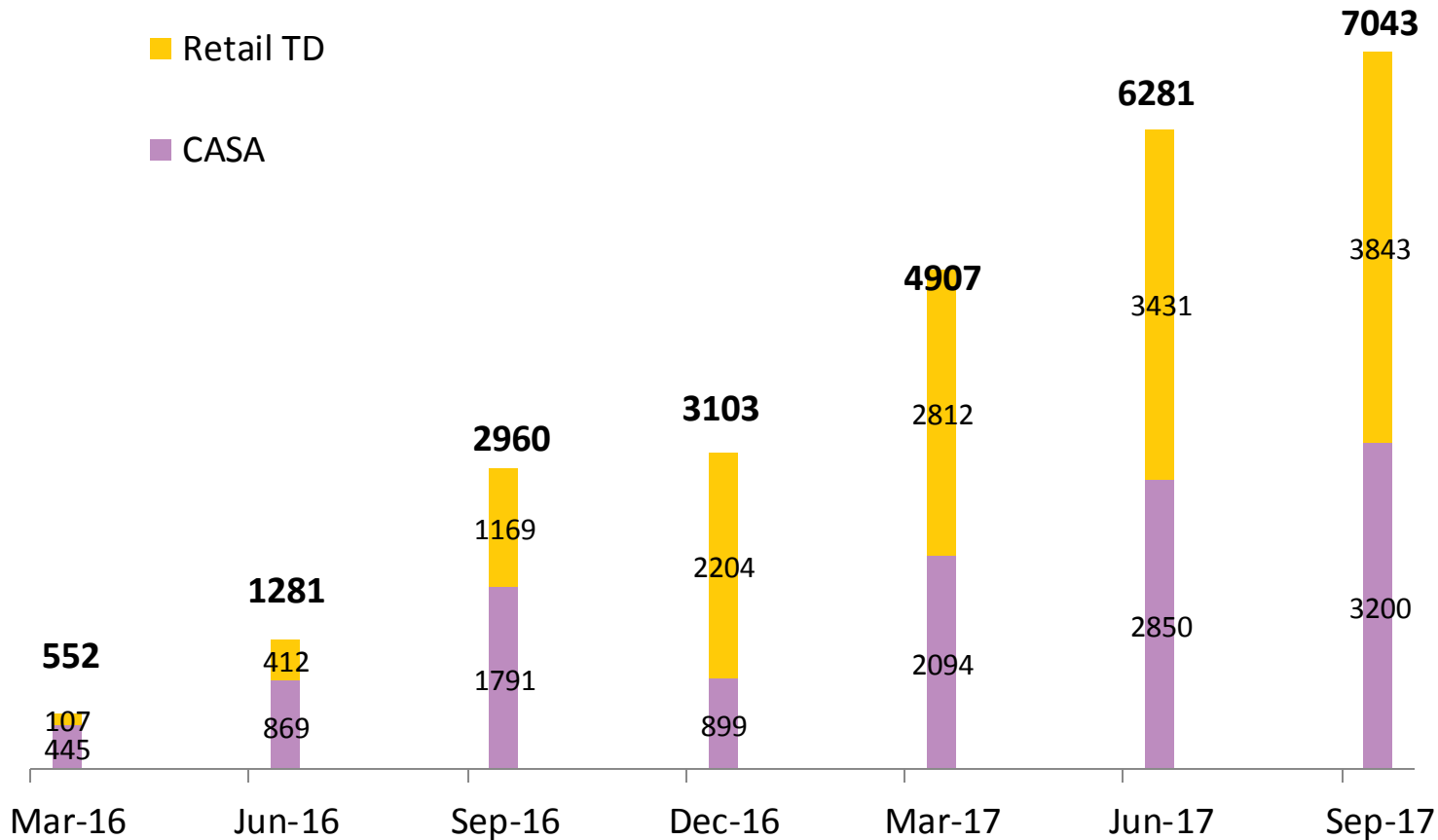
CASA for Q2  
B+: Increased by INR 120 crore to INR 685 crore (per branch CASA increased ~7 Cr to ~40 Cr)  
B: Decreased by INR 13 crore to INR 125 crore

## CASA



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

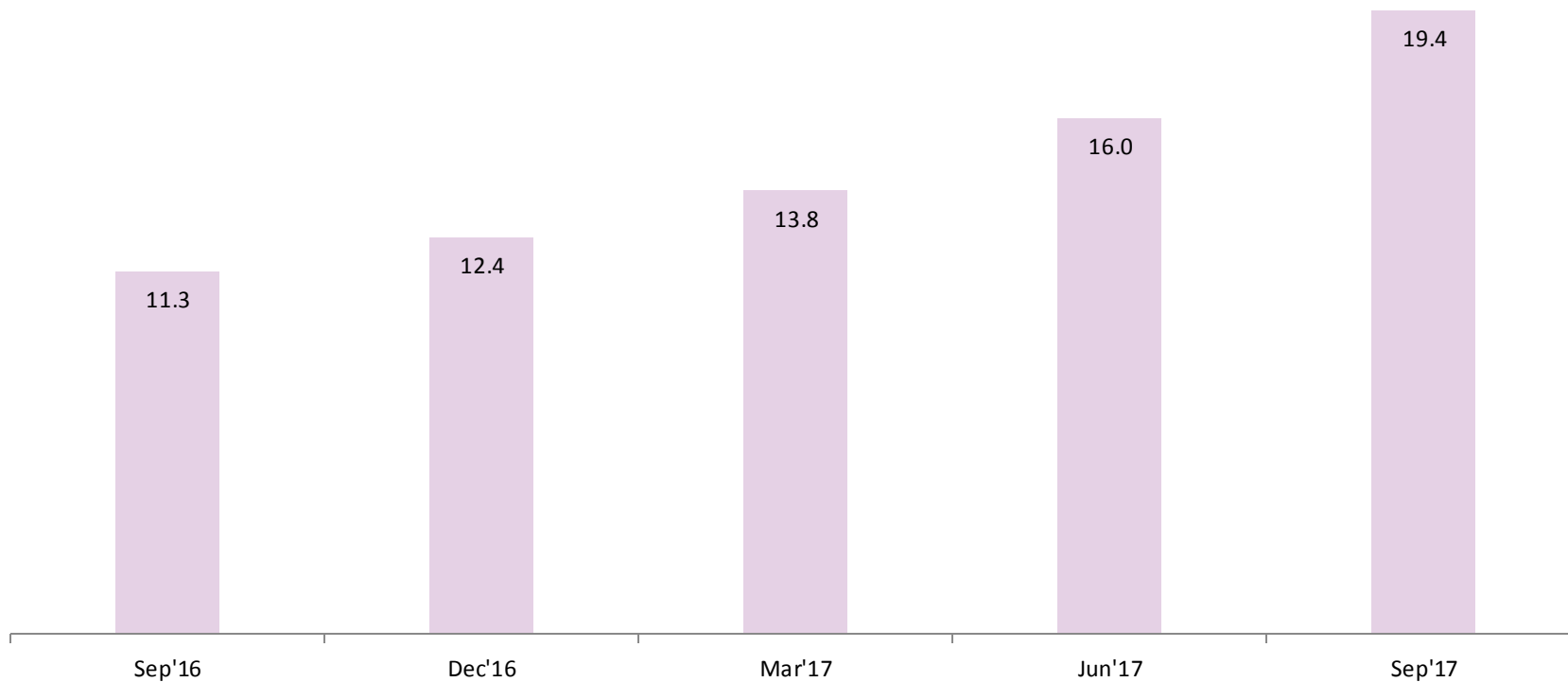
All figures in Rs Cr



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

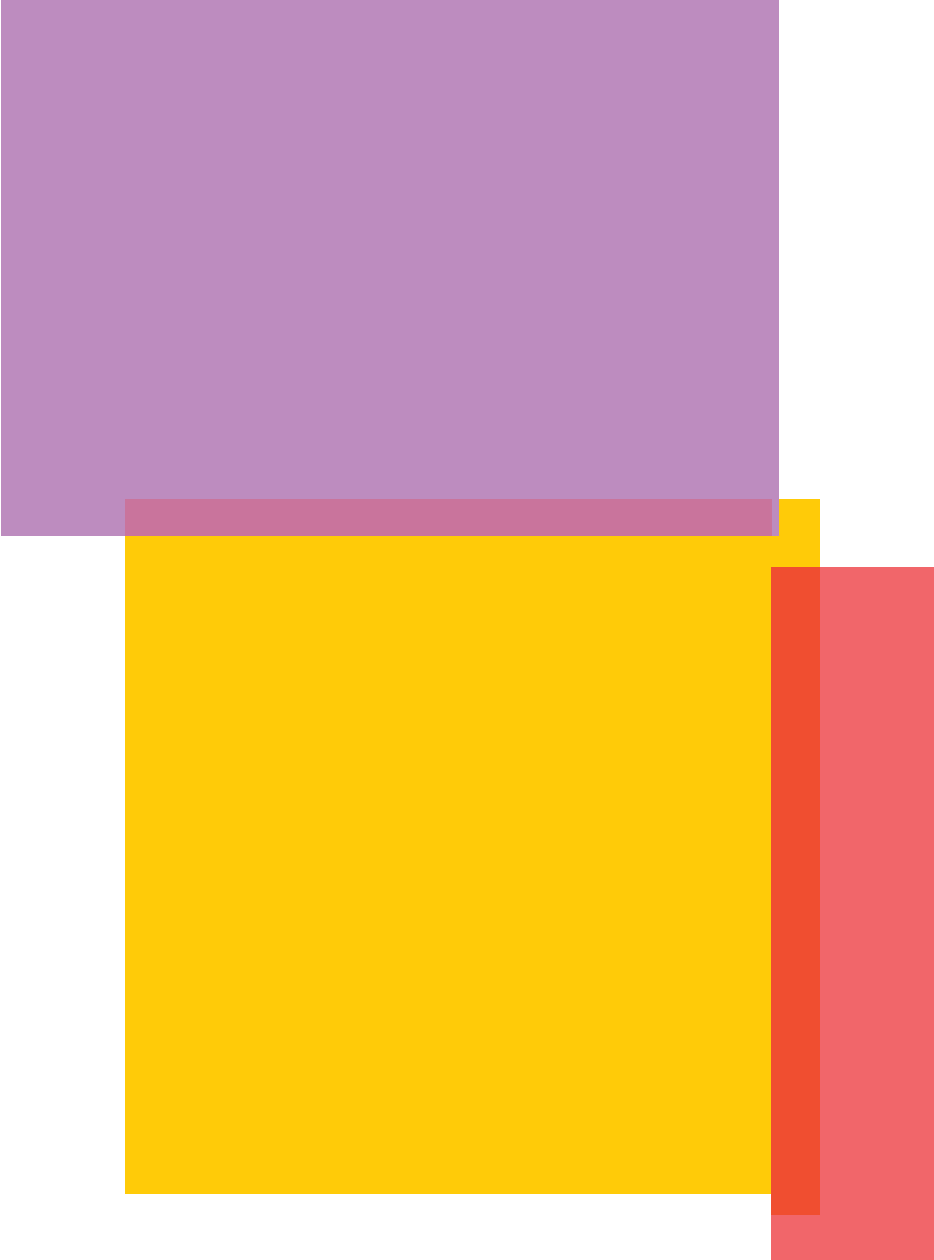
## Total Customers

In Lacs

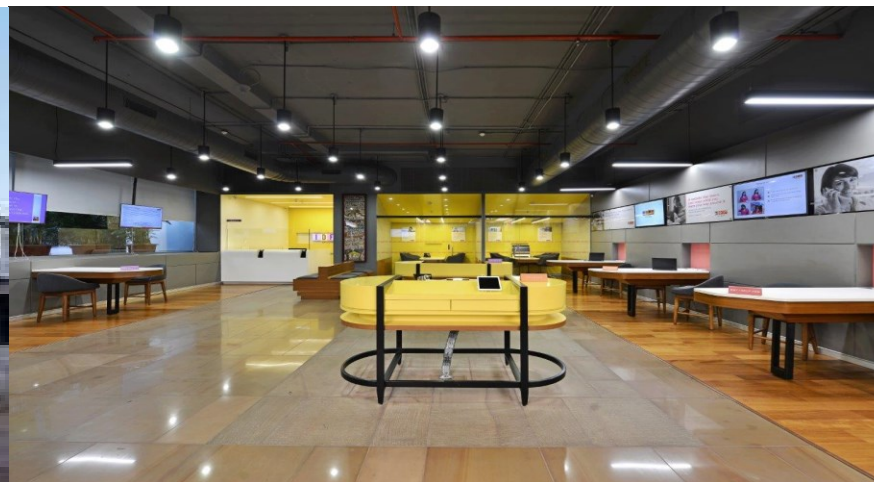




# BUSINESS HIGHLIGHTS



# Bharat Plus Snapshot



## Branch Network

17 Branches

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

1. Excluding CV & SME
2. Including SME

## Assets (Sep'17)

- Total funded advances Rs. 1,732 Cr<sup>1</sup>
- 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

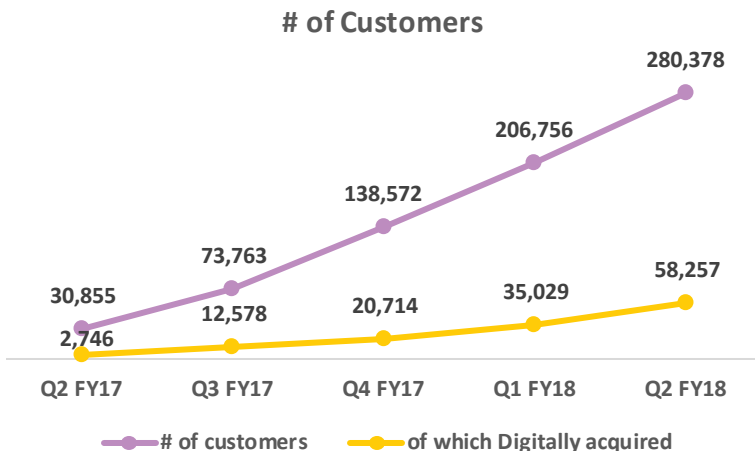
## Liabilities

- ~ 2.8L customers
- ~ 2.7L CASA accounts

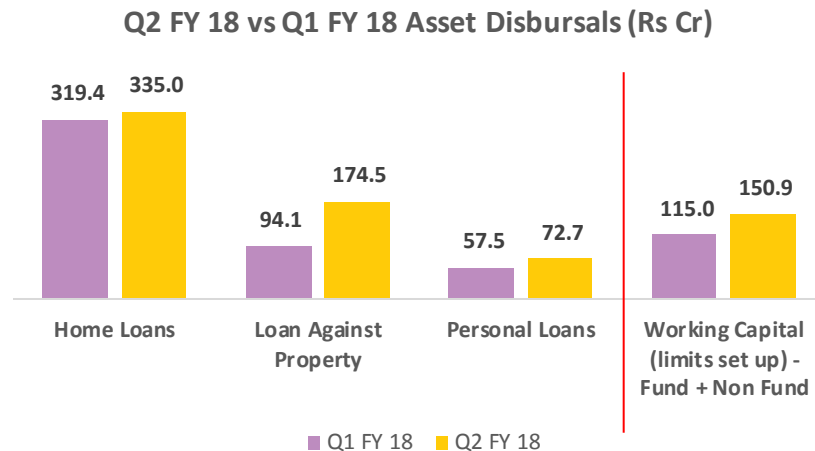
- Rs. 4,099 Cr deposit book as on 30 Sep 2017 comprising of:
  - Rs. 685<sup>2</sup> Cr of Current & Savings Account Deposits
  - Rs. 3,438 Cr of Fixed Deposits

# 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 advances<sup>1</sup> (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

- Assets<sup>1</sup>: 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.

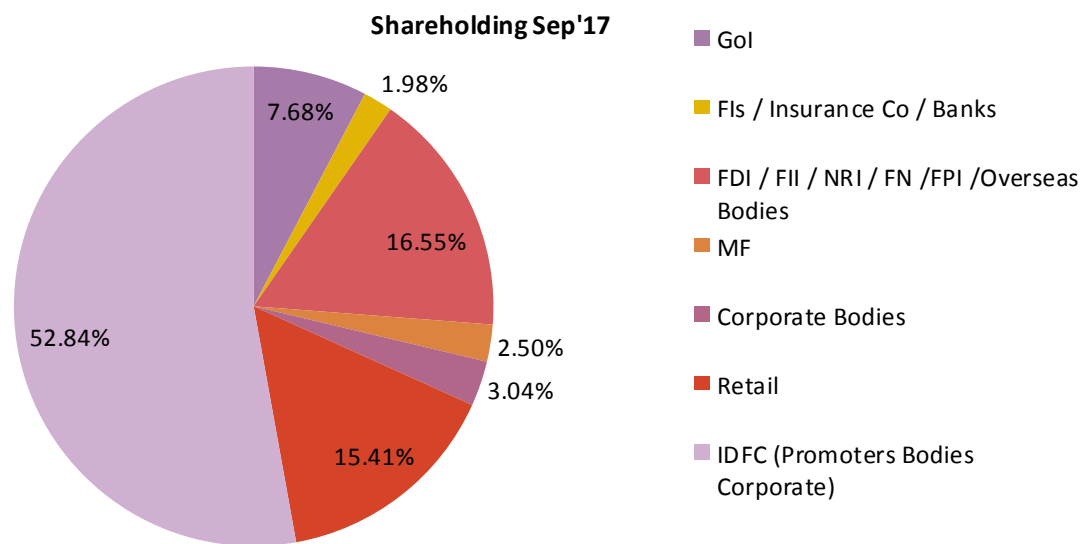
### DCM

- 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