

**July 30, 2015**

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**Highlights of Q1FY16**

- Balance sheet size as on June 30, 2015– ₹ 90,367 crore (19% Y-o-Y increase)
  - Gross Loan book as on June 30, 2015– ₹ 53,359 crore (1% Y-o-Y decrease)
  - Net Interest Income for Q1FY16 at ₹ 627 crore
    - NII Loans for Q1FY16 – ₹ 506 crore (18% Y-o-Y decrease)
  - Non-Interest Income for Q1FY16 – ₹ 80 crore (40% Y-o-Y decrease)
  - Operating Income for Q1FY16 – ₹ 711 crore (20% Y-o-Y decrease)
  - PAT for Q1FY16 – ₹ 254 crore (47% Y-o-Y decrease)
  - Average spreads for rolling 12 month period ending Jun-15 – 1.5% (FY15 – 1.8%)
  - NIMs for rolling 12 month ending Jun-15 – 3.2% (FY15 – 3.4%)
  - Capital Adequacy at 23.8% as on June 30, 2015 (of which Tier I at 22.6%)
  - Gross NPLs at 1.5% and Net NPLs at 1.0% of outstanding loans.
  - Average Assets under management – ₹ 69,271 crore
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At its 107<sup>th</sup> Board Meeting held on July 30, 2015, the Board of Directors of IDFC Limited approved financial results for the period April 1, 2015 to June 30, 2015.

**BALANCE SHEET**

- The balance sheet increased by 19% from ₹ 75,655 crore to ₹ 90,367 crore as on June 30, 2015.
- Gross Loan book decreased by 1% from ₹ 53,848 crore as on June 30, 2014 to ₹ 53,359 crore as on June 30, 2015.
- Gross Approvals increased by 26% from ₹ 1,339 crore in Q1FY15 to ₹ 1,692 crore in Q1FY16.
- Gross Disbursements increased by 26% from ₹ 2,463 crore in Q1FY15 to ₹ 3,104 crore in Q1FY16.
- Cumulative Outstanding Approvals was ₹ 72,027 crore as on June 30, 2015.
- Net Restructured Loans as on June 30, 2015– 7.0% of loans.

**INCOME**

- Operating Income decreased by 20% from ₹ 887 crore in Q1FY15 to ₹ 711 crore in Q1FY16.
- Net Interest Income (NII) decreased by 8% from ₹ 682 in Q1FY15 to ₹ 627 crore in Q1FY16.
  - NII from loans decreased by 18% from ₹ 614 crore in Q1FY15 to ₹ 506 crore in Q1FY16.
  - NII from treasury operations increased by 77% from ₹ 68 crore in Q1FY15 to ₹ 121 crore in Q1FY16.
  - Average spreads for rolling 12 month period ending Jun-15 were at 1.5%.
  - NIMs for rolling 12 month period ending Jun-15 were at 3.2%.
- Non-Interest Income decreased by 40% from ₹ 134 crore in Q1FY15 to ₹ 80 crore in Q1FY16.
  - Income from principal gains were at ₹ (32) crore in Q1FY16 (₹ (9) crore in Q1FY15).
  - Asset management Income increased by 14% from ₹ 99 crore in Q1FY15 to ₹ 114 crore in Q1FY16.
  - Investment banking and Institutional broking income increased by 36% from ₹ 14 crore in Q1FY15 to ₹ 19 crore in Q1FY16.
  - Income from Fixed Income Treasury were at ₹ (42) crore in Q1FY16 (₹ 22 crore in Q1FY15).
  - Loan related and other fees increased by 166% from ₹ 8 crore in Q1FY15 to ₹ 21 crore in Q1FY16.



### **OPERATING EXPENSES**

- Operating Expenses increased by 345% from ₹ 55 crore in Q1FY15 to ₹ 246 crore in Q1FY16.
  - HR Expenses were at ₹ 127 crore in Q1FY16.
  - Non-HR Expenses were at ₹ 119 crore in Q1FY16.

### **PROVISIONS**

- Provisions were ₹ 62 crore in Q1FY16. (₹ 204 crore in Q1FY15)

### **PROFITS**

- Profit Before Tax decreased by 36% from ₹ 628 crore in Q1FY15 to ₹ 403 crore in Q1FY16.
- After accounting for minority interest, tax and share of profit in associate company, PAT decreased by 47% from ₹ 482 crore in Q1FY15 to ₹ 254 crore in Q1FY16. Adjusted for depreciation reversal, interest on tax refund & reversal of tax provision for earlier years in Q1FY15, PAT decreased by 21% from ₹ 321 crore in Q1FY15 to ₹ 254 crore in Q1FY16.
- EPS (diluted) decreased from ₹ 3.17 per share in Q1FY15 to ₹ 1.59 per share in Q1FY16.

Enclosed Annex 'A' provides details on Balance Sheet, Profit & Loss and key ratios.

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**Annex A**
**1. Balance Sheet**

₹ crore

Particular	Jun-15	Jun-14	% Growth	Mar-15	% Growth
Shareholders' Funds	17,536	15,526	13%	17,275	2%
Borrowings	69,104	56,814	22%	66,252	4%
Current Liabilities	3,726	3,315	12%	3,542	5%
<b>TOTAL LIABILITIES</b>	<b>90,367</b>	<b>75,655</b>	<b>19%</b>	<b>87,068</b>	<b>4%</b>
Net Loans	50,972	52,300	-3%	52,427	-3%
Gross Loans	53,359	53,848	-1%	54,745	-3%
Less Provisions	2,387	1,548	54%	2,319	3%
Treasury <sup>1</sup>	28,955	14,662	97%	27,651	5%
Equity <sup>1,2</sup>	3,132	4,284	-27%	3,141	0%
Other Assets	7,308	4,409	66%	3,849	90%
<b>TOTAL ASSETS</b>	<b>90,367</b>	<b>75,655</b>	<b>19%</b>	<b>87,068</b>	<b>4%</b>

<sup>1</sup> Net of provision

<sup>2</sup> Goodwill of Subsidiaries on account of consolidation as of June 30, 2015 - ₹ 957 crore

**2. Profit & Loss**

₹ crore

Particular	Q1FY16	Q1FY15	% Growth (Y-o-Y)	Q4FY15	% Growth (Q1-vs- Q4)
<b>OPERATING INCOME</b>	<b>711</b>	<b>887</b>	<b>-20%</b>	<b>1,094</b>	<b>-35%</b>
<b>Nil</b>	<b>627</b>	<b>682</b>	<b>-8%</b>	<b>642</b>	<b>-2%</b>
Loans	506	614	-18%	551	-8%
Treasury	121	68	77%	90	34%
<b>NON-INTEREST INCOME</b>	<b>80</b>	<b>134</b>	<b>-40%</b>	<b>423</b>	<b>-81%</b>
Principal Gains & Carry	-32	-9	na	222	na
Asset Management Fees	114	99	14%	120	-5%
IB & Broking	19	14	36%	26	-27%
Fixed Income	-42	22	na	25	na
Loan Related Fees	21	8	166%	29	-26%
Other Income	4	71	-94%	30	-86%
<b>OPERATING EXPENSES</b>	<b>246</b>	<b>55</b>	<b>345%</b>	<b>254</b>	<b>-3%</b>
HR	127	78	62%	116	9%
Non-HR	119	-23	na	138	na
<b>PRE-PROV OP PROFIT (PPOP)</b>	<b>465</b>	<b>832</b>	<b>-44%</b>	<b>840</b>	<b>-45%</b>
<b>Provisions</b>	<b>62</b>	<b>204</b>	<b>-69%</b>	<b>375</b>	<b>-83%</b>
Loans	134	248	-46%	357	-62%
Investments, Others	-71	-44	na	18	na
<b>PBT</b>	<b>403</b>	<b>628</b>	<b>-36%</b>	<b>465</b>	<b>-13%</b>
Tax, Minority Int, Asso co PAT	148	146	1%	83	79%
<b>PAT*</b>	<b>254</b>	<b>482</b>	<b>-47%</b>	<b>382</b>	<b>-34%</b>

\* Q1FY15 PAT adjusted for depreciation reversal, interest on tax refund &amp; reversal of tax provision for earlier years was ₹ 321 crore.

YoY decline in PAT based on adjusted Q1FY15 PAT was 21%

### 3. Ratios (rolling 12 months)

Particular	Jul 14 - Jun 15	FY15	Jan 14 - Dec 14	Oct 13 - Sep 14	Jul 13 - Jun 14	FY14
<b>RoA</b>	<b>1.7%</b>	<b>2.1%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>2.5%</b>
<b>RoE</b>	<b>8.7%</b>	<b>10.3%</b>	<b>9.9%</b>	<b>10.8%</b>	<b>11.5%</b>	<b>12.2%</b>
EPS (₹)	9.3	10.7	9.9	10.4	11.4	11.9
Leverage (Closing)	5.2 x	5.0 x	5.0 x	4.7 x	4.9 x	5.0 x
Book Value (₹)	110	108	109	107	102	99
<b>Cost / Income*</b>	<b>22.6%</b>	<b>17.3%</b>	<b>14.9%</b>	<b>13.6%</b>	<b>13.2%</b>	<b>14.6%</b>
HR / Operating Income	11.2%	9.6%	8.5%	8.3%	8.3%	7.7%
<b>Gross NPL (% of Loans)</b>	<b>1.5%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>
Net NPL (%)	1.0%	0.2%	0.5%	0.4%	0.4%	0.4%
Total Loans Prov (% of Loans)**	4.9%	4.5%	3.9%	3.6%	3.1%	2.4%
<b>Average Spreads</b>	<b>1.5%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>2.3%</b>	<b>2.3%</b>
<b>NIMs</b>	<b>3.2%</b>	<b>3.4%</b>	<b>3.7%</b>	<b>3.8%</b>	<b>4.0%</b>	<b>4.0%</b>

\*Cost/Income (excluding) depreciation write back & Bank related expenses adjt for rolling 12M ending Jun 15: 16.9%, Mar 15: 15.8%

\*\* Of which available for appropriation towards stressed assets : Jun'15 : 3.7%, Mar'15 : 3.6%