

October 31, 2015

### Highlights

#### IDFC Bank

- Launched on October 01, 2015 and formally inaugurated by the Hon'ble Prime Minister, Shri Narendra Modi, on October 19, 2015 in New Delhi.
- Starting Balance sheet of ₹ 73,447 crore, Networth of ₹ 13,322 crore and Book value on Demerger of ₹ 39.11 per share.
- Shares are expected to list and trade on November 6, 2015.
- Starts operations with 23 branches.

#### IDFC Limited (Financials for H1FY16)

- Balance sheet size as on September 30, 2015 - ₹ 76,715 crore (3% Y-o-Y decrease)
- Gross Loan book as on September 30, 2015 - ₹ 46,889 crore (15% Y-o-Y decrease)
- Operating Income for H1FY16 – ₹ 1,768 crore (8% Y-o-Y decrease)
- Net Interest Income for H1FY16 at ₹ 1,241 crore
  - NII Loans for H1FY16 – ₹ 938 crore (20% Y-o-Y decrease)
- Non-Interest Income for H1FY16 – ₹ 519 crore (11% Y-o-Y decrease)
- (Loss) for H1FY16 – ₹ (1,215) crore. Adjusted for exceptional items in H1FY16 PAT is ₹ 511 crore
- Average spreads for rolling 12 month period ending Sep-15 –1.3% (FY15 – 1.8%)
- NIMs for rolling 12 month ending Sep-15 – 3.1% (FY15 – 3.4%)
- Gross NPLs at 3.2% and Net NPLs at 1.0% of outstanding loans.
- Average Assets under management – ₹ 70,223 crore

#### IDFC Bank

IDFC Bank was launched on October 1, 2015 and was formally inaugurated by the Hon'ble Prime Minister, Shri Narendra Modi, on October 19, 2015. At the formal inauguration in New Delhi the Hon'ble Finance Minister, Shri Arun Jaitley, and the Hon'ble Minister of State for Finance, Shri Jayant Sinha, were present too.

Key metrics with respect to IDFC Bank:

- Balance sheet size of ₹ 73,447 crore
- Networth of ₹ 13,322 crore
- Book value on Demerger of ₹ 39.11 per share
- 23 branches launched of these 15 are rural branches in Hoshangabad, Khandwa and Harda districts of Madhya Pradesh. The 8 urban branches are in 4 metros and Pune, Ahmedabad, Hyderabad and Bengaluru.

#### IDFC Limited

As per the scheme of demerger, approved by the Hon'ble Chennai High Court, the Shareholders of IDFC as on the record date i.e. October 5, 2015, have received an equivalent number of IDFC Bank shares free of cost. IDFC shares are now trading ex-bank and IDFC Bank shares are expected to list and trade on November 6, 2015.

At its 108<sup>th</sup> Board Meeting held on October 31, 2015, the Board of Directors of IDFC Limited approved financial results for the period April 1, 2015 to September 30, 2015.

Key metrics with respect to IDFC Limited H1FY16 Financials:

- The balance sheet decreased by 3% from ₹ 79,259 crore to ₹ 76,715 crore as on September 30, 2015.

- Gross Loan book decreased by 15% from ₹ 54,851 crore as on September 30, 2014 to ₹ 46,889 crore as on September 30, 2015.
- Gross Approvals decreased by 5% from ₹ 10,351 crore in H1FY15 to ₹ 9,807 crore in H1FY16.
- Gross Disbursements decreased by 20% from ₹ 6,678 crore in H1FY15 to ₹ 5,353 crore in H1FY16.
- Operating Income decreased by 8% from ₹ 1,921 crore in H1FY15 to ₹ 1,768 crore in H1FY16.
- Net Interest Income (NII) decreased by 7% from ₹ 1,331 in H1FY15 to ₹ 1,241 crore in H1FY16.
- Non-Interest Income decreased by 11% from ₹ 583 crore in H1FY15 to ₹ 519 crore in H1FY16.
- Operating Expenses excluding bank related expenses were flat at ₹ 299 crore in H1FY16.
  - Bank expenses were at ₹ 244 crore in H1FY16. (₹ 38 crore in H1FY15)
- Provisions were ₹ 2,963 crore in H1FY16.
  - One time provision of ₹ 2,500 crore by utilizing non-distributable statutory reserves.
  - ₹ 138 crore towards reversal of unrealized income for stressed assets.
  - Regular provisions were at ₹ 325 crore in H1FY16. (₹ 485 crore in H1FY15)
- Profit/(Loss) Before Tax were at ₹ (1,738) crore in H1FY16 (₹ 1,251 crore in H1FY15).
- After accounting for minority interest, tax and share of profit in associate company, Loss were at ₹ (1,215) crore in H1FY16. Adjusted for exceptional items in H1FY16 PAT is ₹ 511 crore as against ₹ 741 crore in H1FY15.
- EPS (diluted) were at ₹ (7.60) per share in H1FY16 (₹ 5.92 per share in H1FY15).
- Asset Quality
  - Gross NPLs were at 3.2% of loans as on September 30, 2015
  - Net NPLs were at 1.0% of loans as on September 30, 2015
  - Net Restructured Loans were at 3.7% of loans as on September 30, 2015

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

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Annex A

1. Balance Sheet

₹ crore

Particular	Sep-15	Sep-14	% Growth	Mar-15	% Growth
Shareholders' Funds	16,080	16,945	-5%	17,275	-7%
Borrowings	56,871	59,564	-5%	66,252	-14%
Current Liabilities	3,765	2,751	37%	3,542	6%
<b>TOTAL LIABILITIES</b>	<b>76,715</b>	<b>79,259</b>	<b>-3%</b>	<b>87,068</b>	<b>-12%</b>
<b>Net Loans</b>	<b>42,371</b>	<b>53,038</b>	<b>-20%</b>	<b>52,427</b>	<b>-19%</b>
Gross Loans	46,889	54,851	-15%	54,745	-14%
Less Provisions	4,518	1,813	149%	2,319	95%
Treasury <sup>1</sup>	25,115	17,890	40%	27,651	-9%
Equity <sup>1,2</sup>	2,534	3,998	-37%	3,141	-19%
Other Assets	6,694	4,334	54%	3,849	74%
<b>TOTAL ASSETS</b>	<b>76,715</b>	<b>79,259</b>	<b>-3%</b>	<b>87,068</b>	<b>-12%</b>

1 Net of provision

2 Goodwill of Subsidiaries on account of consolidation as of Sep 30, 2015 - 957 crore

2. Profit & Loss

₹ crore

Particular	H1FY16	H1FY15	% growth	Q2FY16	Q1FY16	% growth
<b>OPERATING INCOME</b>	<b>1,768</b>	<b>1,921</b>	<b>-8%</b>	<b>1,057</b>	<b>711</b>	<b>49%</b>
<b>NII</b>	<b>1,241</b>	<b>1,331</b>	<b>-7%</b>	<b>615</b>	<b>627</b>	<b>-2%</b>
Loans	938	1,173	-20%	432	506	-15%
Treasury	304	158	93%	183	121	51%
<b>NON-INTEREST INCOME</b>	<b>519</b>	<b>583</b>	<b>-11%</b>	<b>439</b>	<b>80</b>	<b>447%</b>
Principal Gains	255	277	-8%	288	-32	na
Asset Management Fees	227	205	11%	113	114	0%
IB & Broking	37	40	-8%	18	19	-9%
Fixed Income	-35	26	na	7	-42	na
Loan Related Fees	35	35	1%	13	21	-38%
Other Income*	8	8	1%	4	4	-7%
<b>OPERATING EXPENSES (Excl Banking Exp)</b>	<b>299</b>	<b>299</b>	<b>0%</b>	<b>136</b>	<b>162</b>	<b>-16%</b>
HR	141	150	-6%	58	83	-31%
Non-HR*	158	149	6%	79	79	0%
<b>PRE-PROV OP PROFIT (PPOP)</b>	<b>1,470</b>	<b>1,622</b>	<b>-9%</b>	<b>921</b>	<b>549</b>	<b>68%</b>
<b>Provisions</b>	<b>325</b>	<b>485</b>	<b>-33%</b>	<b>262</b>	<b>62</b>	<b>320%</b>
Loan Book related	252	516	-51%	118	134	-12%
Investments, Others	73	-31	na	144	-71	na
<b>PBT</b>	<b>1,145</b>	<b>1,137</b>	<b>1%</b>	<b>659</b>	<b>486</b>	<b>35%</b>
<b>Other adjustments</b>	<b>-2,883</b>	<b>114</b>	<b>na</b>	<b>-2,799</b>	<b>-84</b>	<b>na</b>
Int on IT Refund	0	67	na	0	0	na
Depreciation Reversal	0	85	na	0	0	na
Banking Expenses	-244	-38	na	-160	-84	na
Provisions*	-2,639	0	na	-2,639	0	na
<b>PBT post adjustment</b>	<b>-1,738</b>	<b>1,251</b>	<b>na</b>	<b>-2,140</b>	<b>403</b>	<b>na</b>
Tax	-566	325	na	-695	129	na
Minority Int	-43	-23	na	-24	-19	na
<b>PAT</b>	<b>-1,215</b>	<b>903</b>	<b>na</b>	<b>-1,469</b>	<b>254</b>	<b>na</b>

\* Adjusted for Interest on IT refund, Depreciation reversal in H1FY15

\* 45 IC provision and provision for unrealised interest on stressed assets

3. Ratios (rolling 12 months)

Particular	Oct 14 - Sep 15	Jul14 - Jun 15	FY15	Jan 14 - Dec 14	Oct 13 - Sep 14	Jul13 - Jun 14	FY14
RoA	-0.5%	1.7%	2.1%	2.0%	2.2%	2.3%	2.5%
RoE	-2.4%	8.7%	10.3%	9.9%	10.8%	11.5%	12.2%
EPS (₹)	-2.6	9.3	10.7	9.9	10.4	11.4	11.9
Leverage (Closing)	4.8 x	5.2 x	5.0 x	5.0 x	4.7 x	4.9 x	5.0 x
Book Value (₹)	100.9	110.0	108.5	109.2	106.6	102.4	99.2
<b>Cost / Income</b>	<b>25.9%</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	13.2%	11.2%	9.6%	8.5%	8.3%	8.3%	7.7%
<b>Gross NPL (% of Loans)</b>	<b>3.2%</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%	1.0%	0.2%	0.5%	0.4%	0.4%	0.4%
<b>Total Loans Prov (% of Loans)</b>	<b>10.2%</b>	<b>4.9%</b>	<b>4.5%</b>	<b>3.9%</b>	<b>3.6%</b>	<b>3.1%</b>	<b>2.4%</b>
<b>Average Spreads</b>	<b>1.3%</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>3.1%</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>