

July 29, 2014

Highlights of Q1FY15

- Balance sheet size as on June 30, 2014 – ₹ 75,655 crore (6% Y-o-Y increase)
- Gross Loan book as on June 30, 2014 – ₹ 53,848 crore (7% Y-o-Y decrease)
- Net Interest Income for Q1FY15 Stable at ₹ 682 crore
 - Nil Loans for Q1FY15 – ₹ 614 crore (3% Y-o-Y decrease)
- Operating Income for Q1FY15 – ₹ 887 crore (13% Y-o-Y decrease)
- PAT for Q1FY15 – ₹ 482 crore (14% Y-o-Y decrease)
- Average spreads on a rolling 12 month period ending Jun-14 for Q1FY15 - 2.3% (FY14 – 2.3%)
- NIMs for rolling 12 month ending Jun-14 – 4.0% (FY14 - 4.0%)
- Capital Adequacy at 23.9% as on June 30, 2014 (of which Tier I at 21.6%)
- Gross NPLs at 0.6% and Net NPLs at 0.4% of outstanding loans.
- Average Assets under management – ₹ 57,903 crore

At its 102nd Board Meeting held on July 29, 2014, the Board of Directors of IDFC Limited approved financial results for the period April 1, 2014 to June 30, 2014.

BALANCE SHEET

- The balance sheet increased by 6% from ₹ 71,655 crore to ₹ 75,655 crore as on June 30, 2014.
- Gross Loan book decreased by 7% from ₹ 57,600 crore as on June 30, 2013 to ₹ 53,848 crore as on June 30, 2014.
- Gross Approvals decreased by 68% from ₹ 3,115 crore in Q1FY14 to ₹ 988 crore in Q1FY15.
- Gross Disbursements decreased by 23% from ₹ 3,206 crore in Q1FY14 to ₹ 2,463 crore in Q1FY15.
- Cumulative Outstanding Approvals was ₹ 68,468 crore as on June 30, 2014.
- Restructured Loans as on June 30, 2014 – 5.3% of gross loans.

INCOME

- Operating Income decreased by 13% from ₹ 1,021 crore in Q1FY14 to ₹ 887 crore in Q1FY15.
- Net Interest Income (NII) was stable at ₹ 682 crore in Q1FY15.
 - NII from loans decreased by 3% from ₹ 631 crore in Q1FY14 to ₹ 614 crore in Q1FY15.
 - NII from treasury operations increased by 28% from ₹ 53 crore in Q1FY14 to ₹ 68 crore in Q1FY15.
 - Average spreads remained stable at 2.3% for rolling 12 months period ending Jun-14.
 - NIMs too remained stable at 4.0% for rolling 12 months period ending June-14.
- Non-Interest Income decreased by 60% from ₹ 333 crore in Q1FY14 to ₹ 134 crore in Q1FY15.
 - Income from principal gains were at ₹ (9) crore in Q1FY15 (₹ 63 crore in Q1FY14).
 - Asset management Income increased by 6% from ₹ 92 crore in Q1FY14 to ₹ 98 crore in Q1FY15.
 - Investment banking and Institutional broking income increased by 28% from ₹ 13 crore in Q1FY14 to ₹ 17 crore in Q1FY15.
 - Income from Fixed Income Treasury were at ₹ 21 crore in Q1FY15 (₹ 141 crore in Q1FY14).
 - Loan related and other fees decreased by 67% from ₹ 23 crore in Q1FY14 to ₹ 8 crore in Q1FY15.

OPERATING EXPENSES

- Operating Expenses decreased by 60% from ₹ 139 crore in Q1FY14 to ₹ 55 crore in Q1FY15.
 - HR Expenses were at ₹ 78 crore in Q1FY15.
 - Non-HR Expenses were at ₹ (23) crore in Q1FY15. Due to change in method of depreciation, total impact on depreciation is ₹ 88 crore (of which Write back of prior years: ₹ 85 crore) Adjusted for depreciation write back of prior years, Non-HR Expenses decreased by 12% to ₹ 62 crore in Q1FY15.

PROVISIONS

- Provisions increased from ₹ 59 crore in Q1FY14 to ₹ 204 crore in Q1FY15.

PROFITS

- Profit Before Tax decreased by 24% from ₹ 823 crore in Q1FY14 to ₹ 628 crore in Q1FY15.
- After accounting for minority interest, tax and share of profit in associate company, PAT decreased by 14% from ₹ 557 crore in Q1FY14 to ₹ 482 crore in Q1FY15.
- EPS (diluted) decreased from ₹ 3.66 per share in Q1FY14 to ₹ 3.17 per share in Q1FY15.

Enclosed Annex 'A' provides details on Balance Sheet, Profit & Loss and key ratios on a Y-o-Y and Q-o-Q basis.

For further details, please contact:

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Annex A

1. 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

2. Statement of Profit & Loss

₹ 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	-114%	58	-116%
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	-133%	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	68%	31	-245%
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

Ratios (rolling 12 months)

Particular	Jul13 - Jun14	FY14	Jan13 - Dec13	Oct12 - Sep13	Jul12 - Jun13	FY13
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)	4.9x	5.0x	4.6x	4.7x	5.0x	5.2x
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%
NIMs	4.0%	4.0%	4.0%	4.1%	4.1%	4.1%

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