

October 30, 2014

Highlights of H1FY15

- Balance sheet size as on September 30, 2014 – ₹ 79,259 crore (13% Y-o-Y increase)
 - Gross Loan book as on September 30, 2014 – ₹ 54,851 crore (2% Y-o-Y decrease)
 - Net Interest Income for H1FY15 at ₹ 1,331 crore
 - NII Loans for H1FY15 – ₹ 1,173 crore (8% Y-o-Y decrease)
 - Operating Income for H1FY15 – ₹ 1,988 crore (4% Y-o-Y increase)
 - PAT for H1FY15 – ₹ 903 crore (14% Y-o-Y decrease)
 - Average spreads on a rolling 12 month period ending Sep-14 – 2.1% (FY14 – 2.3%)
 - NIMs for rolling 12 month ending Sep-14 – 3.8% (FY14 - 4.0%)
 - Capital Adequacy at 25.9% as on September 30, 2014 (of which Tier I at 23.7%)
 - Raised ₹1,000 cr from domestic investors through QIP in Sep-14
 - Gross NPLs at 0.6% and Net NPLs at 0.4% of outstanding loans.
 - Average Assets under management – ₹ 59,117 crore
 - The Board approves scheme of arrangement for demerger
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At its 103rd Board Meeting held on October 30, 2014, the Board of Directors of IDFC Limited approved financial results for the period April 1, 2014 to September 30, 2014 and scheme of arrangement for demerger.

BALANCE SHEET

- The balance sheet increased by 13% from ₹ 69,961 crore to ₹ 79,259 crore as on September 30, 2014.
- Raised ₹ 1,000 crore in Sep-14, from domestic investors through QIP issue of 7.3 crore equity shares at ₹ 137/share.
- Gross Loan book decreased by 2% from ₹ 55,957 crore as on September 30, 2013 to ₹ 54,851 crore as on September 30, 2014.
- Gross Approvals decreased by 33% from ₹ 15,251 crore in H1FY14 to ₹ 10,213 crore in H1FY15.
- Gross Disbursements increased by 20% from ₹ 5,714 crore in H1FY14 to ₹ 6,854 crore in H1FY15.
- Cumulative Outstanding Approvals was ₹ 73,793 crore as on September 30, 2014.
- Net Restructured Loans as on September 30, 2014 – 6.1% of gross loans.

INCOME

- Operating Income increased by 4% from ₹ 1,911 crore in H1FY14 to ₹ 1,988 crore in H1FY15.
- Net Interest Income (NII) decreased by 3% from ₹ 1,371 in H1FY14 to ₹ 1,331 crore in H1FY15.
 - NII from loans decreased by 8% from ₹ 1,273 crore in H1FY14 to ₹ 1,173 crore in H1FY15.
 - NII from treasury operations increased by 59% from ₹ 99 crore in H1FY14 to ₹ 158 crore in H1FY15.
 - Average spreads were at 2.1% for rolling 12 months period ending Sep-14.
 - NIMs were at 3.8% for rolling 12 months period ending Sep-14.
- Non-Interest Income increased by 10% from ₹ 531 crore in H1FY14 to ₹ 583 crore in H1FY15.
 - Income from principal gains were at ₹ 277 crore in H1FY15 (₹ 170 crore in H1FY14).
 - Asset management Income increased by 11% from ₹ 186 crore in H1FY14 to ₹ 205 crore in H1FY15.
 - Investment banking and Institutional broking income increased by 90% from ₹ 21 crore in H1FY14 to ₹ 40 crore in H1FY15.
 - Income from Fixed Income Treasury were at ₹ 26 crore in H1FY15 (₹ 121 crore in H1FY14).
 - Loan related and other fees increased by 4% from ₹ 33 crore in H1FY14 to ₹ 35 crore in H1FY15.



OPERATING EXPENSES

- Operating Expenses decreased by 9% from ₹ 277 crore in H1FY14 to ₹ 252 crore in H1FY15.
 - HR Expenses were at ₹ 175 crore in H1FY15.
 - Non-HR Expenses were at ₹ 77 crore in H1FY15.
 - Adjusted for depreciation write back of prior years, Operating Expenses increased by 22% to ₹ 337 crore in H1FY15.

PROVISIONS

- Provisions increased from ₹ 109 crore in H1FY14 to ₹ 485 crore in H1FY15.

PROFITS

- Profit Before Tax decreased by 18% from ₹ 1,525 crore in H1FY14 to ₹ 1,251 crore in H1FY15.
- After accounting for minority interest, tax and share of profit in associate company, PAT decreased by 14% from ₹ 1,044 crore in H1FY14 to ₹ 903 crore in H1FY15.
- EPS (diluted) decreased from ₹ 6.87 per share in H1FY14 to ₹ 5.92 per share in H1FY15.

DEMERGER OF FINANCING UNDERTAKING OF IDFC LIMITED INTO IDFC BANK LIMITED

The Board approved a proposal to demerge its financing undertaking into its wholly owned step down subsidiary IDFC Bank Limited pursuant to a Scheme of Arrangement under Sections 391-394 of the Companies Act, 1956. IDFC Bank Limited will issue one equity share of Rs. 10 each for every one equity share of Rs. 10 each held in IDFC Limited. The shareholders of IDFC Limited will continue to hold their shares in IDFC Limited. On completion of demerger, equity share capital of IDFC Bank will be held ~ 53% by IDFC Financial Holding Company Limited, a 100% subsidiary of IDFC Limited, and ~ 47% by the shareholders of IDFC Limited. The Scheme would be effective upon receipt of all requisite approvals including approval from shareholders, creditors, SEBI, Stock Exchange(s), RBI, Madras High Court and filing the certified copies of the order of the Madras High Court with the Registrar of Companies, Tamil Nadu at Chennai and RBI granting Final Banking License.

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

For further details, please contact:

Mr. Arun Raste

IDFC Limited

Tel: + 91 22 4222 2019

Email: arun.raste@idfc.com

Annex A

1. Balance Sheet

₹ crore

Particular	Sep-14	Sep-13	% Growth	Mar-14	% Growth
Shareholders' Funds	16,945	14,752	15%	15,040	13%
Borrowings	59,564	52,670	13%	56,565	5%
Current Liabilities	2,751	2,539	8%	3,557	-23%
TOTAL LIABILITIES	79,259	69,961	13%	75,163	5%
Net Loans	53,038	54,985	-4%	58,546	-9%
Gross Loans	54,851	55,957	-2%	59,829	-8%
Less Provisions	1,813	972	87%	1,284	41%
Treasury ¹	17,885	7,518	138%	9,181	95%
Equity ^{1, 2}	4,162	3,171	31%	3,222	29%
Other Assets	4,174	4,287	-3%	4,215	-1%
TOTAL ASSETS	79,259	69,961	13%	75,163	5%

¹ Net of provision

² Goodwill of Subsidiaries on account of consolidation as of Sep 30, 2014 - 957 crore

2. Statement of Profit & Loss

₹ crore

Particular	H1FY15	H1FY14	% Growth (Y-o-Y)	Q2FY15	Q2FY14	% Growth (Q2-o-Q2)	Q1FY15	% Growth (Q2 vs Q1)
OPERATING INCOME	1,988	1,911	4%	1,101	889	24%	887	24%
NII	1,331	1,371	-3%	648	687	-6%	682	-5%
Loans	1,173	1,273	-8%	559	642	-13%	614	-9%
Treasury	158	99	59%	90	46	96%	68	31%
NON-INTEREST INCOME	583	531	10%	449	198	127%	134	234%
Principal Gains & Carry	277	170	63%	286	107	168%	-9	na
Asset Management Fees	205	186	11%	107	93	15%	98	9%
IB & Broking	40	21	90%	24	8	190%	17	40%
Fixed Income	26	121	-79%	5	-20	na	21	-76%
Loan Related Fees	35	33	4%	27	10	163%	8	254%
Other Income	74	8	na	4	4	-9%	71	-95%
OPERATING EXPENSES*	252	277	-9%	197	138	43%	55	256%
HR	175	147	19%	96	78	23%	78	23%
Non-HR	77	130	-41%	100	59	69%	-23	na
PRE-PROV OP PROFIT (PPOP)	1,736	1,634	6%	904	751	20%	832	9%
Provisions	485	109	344%	281	50	459%	204	38%
Loans	516	105	393%	268	19	na	248	8%
Investments, Others	-31	4	na	13	31	-57%	-44	na
PBT	1,251	1,525	-18%	623	701	-11%	628	-1%
Tax, Minority Int, Asso co PAT	348	480	-28%	201	214	-6%	146	38%
PAT	903	1,044	-14%	421	487	-14%	482	-13%

* Opex (adjusted for depreciation write back for prior years) increased by 22% to ₹ 337 cr

Ratios (rolling 12 months)

Particular	Oct13 - Sep14	Jul13 - Jun14	FY14	Jan13 - Dec13	Oct12 - Sep13	Jul12 - Jun13	FY13
RoE	10.8%	11.5%	12.2%	14.4%	14.5%	14.9%	13.9%
EPS (₹)	10.4	11.4	11.9	13.7	13.4	13.3	12.1
Leverage (Closing)	4.7 x	4.9 x	5.0 x	4.6 x	4.7 x	5.0 x	5.2 x
Book Value (₹)	106.6	102.4	99.2	100.6	97.3	94.1	90.3
Cost / Income*	13.6%	13.2%	14.6%	14.8%	15.0%	14.7%	15.1%
HR / Operating Income	8.3%	8.3%	7.7%	7.9%	8.1%	7.9%	8.4%
Gross NPL (% of Loans)	0.6%	0.6%	0.6%	0.6%	0.3%	0.3%	0.2%
Net NPL (%)	0.4%	0.4%	0.4%	0.5%	0.2%	0.2%	0.1%
Total Loans Prov (% of Loans)	3.6%	3.1%	2.4%	2.0%	2.0%	1.9%	1.8%
Average Spreads	2.1%	2.3%	2.3%	2.3%	2.4%	2.4%	2.5%
NIMs	3.8%	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 Sep 14 : 15.8%