

July 26, 2016

The Manager – Listing Department
National Stock Exchange of India Limited
Bandra-Kurla-Complex, Bandra (East)
Mumbai - 400 051
NSE Scrip Code: IDFCBANK

The Manager – Listing Department
BSE Limited
1st Floor, P.J. Towers, Dalal Street,
Mumbai - 400 001
BSE Scrip Code: 539437

Dear Sirs,

Sub: Outcome of 17th Board Meeting of IDFC Bank Limited

Please find enclosed a copy of the Unaudited Financial Results (subjected to limited review by Statutory Auditors) of IDFC Bank Limited for the quarter ended June 30, 2016 reviewed by the Audit Committee and approved by the Board of Directors on July 26, 2016 together with a certified true copy of the Limited Review Report issued by the Auditors of the Bank, M/s Deloitte Haskins & Sells, Chartered Accountants on the aforesaid Unaudited Financial Results.

The Board Meeting commenced at 12.30 p.m. and concluded at 2.00 p.m.

Kindly take note of the same.

Thanking you,

Yours faithfully,

For IDFC Bank Limited


Mahendra N. Shah
Company Secretary

Encl: As above

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF IDFC BANK LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **IDFC BANK LIMITED** ("the Bank") for the Quarter ended June 30, 2016 ("the Statement"), being prepared and submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the matters set out in paragraph 5 below. This Statement which is the responsibility of the Bank's Management and approved by the Bank's Board of Directors, has been prepared in accordance with the accounting principles generally accepted in India along with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder in so far as they apply to the banks and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards along with the other accounting principles generally accepted in India in so far as they apply to banks, and circulars and guidelines issued by the RBI from time to time, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that the financial results for the Quarter ended June 30, 2016 contains any material misstatement or have not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters.
4. As referred to in Note 2 to the Statement, the Bank commenced its banking operations and business effective October 1, 2015. The financial results for the year ended March 31, 2016 include the financial performance of IDFC Bank Limited as a bank for the period of six months (October 1, 2015 to March 31, 2016). Accordingly, the financial results for the quarter ended June 30, 2016 are not comparable with financial result for the quarter ended June 30, 2015.

Our Conclusion is not modified in respect of this matter.



5. The "Pillar 3 disclosures, the leverage ratio and the liquidity coverage ratio under Basel III Capital Regulation" as set out in Note 7 of the accompanying Statement have not been subjected to our review.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 117365W)



Kalpesh J. Mehta
Partner
(Membership No. 48791)

CHENNAI, 26 July, 2016
KJM/PG/PPA



IDFC Bank Limited

Registered Office: KRM Towers, 8th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu

CIN : U65110TN2014PLC097792

Statement of Unaudited Financial Results for the quarter ended June 30, 2016

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 30.06.2016	Quarter ended 31.03.2016 (refer note 3)	Quarter ended 30.06.2015 (refer note 2)	Year ended 31.03.2016 (refer note 2)
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Interest Earned (a) + (b) + (c) + (d)	197545.31	181554.16	-	364883.24
	(a) Interest/discount on advances/bills	126222.54	119303.30	-	235141.36
	(b) Income on investments	68778.17	58563.10	-	123428.18
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	805.11	448.25	-	729.94
	(d) Others	1739.49	3239.51	-	5583.76
2	Other Income (refer note 4)	21282.70	13766.00	-	40319.74
3	TOTAL INCOME (1+2)	218828.01	195320.16	-	405202.98
4	Interest Expended	147657.48	139871.67	-	280150.25
5	Operating Expenses (i) + (ii) + (iii) + (iv) + (v)	27683.47	29465.40	1.21	51058.16
	(i) Employees cost	13157.98	13615.42	-	25662.75
	(ii) Rent, taxes and lighting	2866.37	3341.59	-	5619.23
	(iii) Professional fees	3159.07	3462.21	-	6190.30
	(iv) Depreciation on bank's property	2776.98	2654.00	-	4074.53
	(v) Other operating expenses	5723.07	6392.18	1.21	9511.35
6	TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	175340.95	169337.07	1.21	331208.41
7	Operating Profit (3-6) (Profit Before Provisions and Contingencies)	43487.06	25983.09	(1.21)	73994.57
8	Provisions (other than tax) and Contingencies (Net)	2360.81	1189.02	-	2418.26
9	Exceptional Items	-	-	-	-
10	Profit / (Loss) from Ordinary Activities before tax (7-8-9)	41126.25	24794.07	(1.21)	71576.31
11	Tax Expense	14650.00	8287.97	-	24890.97
12	Net Profit / (Loss) from Ordinary Activities after tax (10-11)	26476.25	16506.10	(1.21)	46685.34
13	Extraordinary Items (Net of tax expense)	-	-	-	-
14	Net Profit / (Loss) for the period (12-13)	26476.25	16506.10	(1.21)	46685.34
15	Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 5)	339484.70	339262.33	5.00	339262.33
16	Reserves excluding Revaluation Reserves	-	-	-	1023992.89
17	Analytical Ratios (refer note 2)				
	(i) Percentage of shares held by Government of India	7.70%	7.70%	-	7.70%
	(ii) Capital adequacy ratio (Basel III)	20.39%	22.04%	-	22.04%
	(iii) Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 5)				
	- Basic (₹)	0.78	0.49	(2.42)	2.34
	- Diluted (₹)	0.78	0.49	(2.42)	2.34
	(iv) NPA ratios (refer note 6)				
	(a) Amount of gross NPAs	302987.18	305830.21	-	305830.21
	(b) Amount of net NPAs	111061.40	113904.43	-	113904.43
	(c) % of gross NPAs to gross advances	6.09%	6.16%	-	6.16%
	(d) % of net NPAs to net advances	2.32%	2.39%	-	2.39%
	(v) Return on assets (annualized)	1.15%	0.78%	-	1.04%



Segment Information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the bank is as under :

(₹ in lakhs)

Particulars		Quarter ended 30.06.2016	Quarter ended 31.03.2016 (refer note 3)	Quarter ended 30.06.2015 (refer note 2)	Year ended 31.03.2016 (refer note 2)
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue				
	a Treasury	159794.92	153274.48	-	314737.11
	b Wholesale Banking	130383.82	123185.50	-	241082.81
	c Retail Banking	1703.88	1025.34	-	1039.05
	d Other Banking Business	-	-	-	-
	e Unallocated	234.90	1571.92	-	2442.44
	Total Segment Revenue	292117.52	279057.24	-	559301.41
	Add/(Less) : Inter Segment Revenue	(73289.51)	(83737.08)	-	(154098.43)
	Income from Operations	218828.01	195320.16	-	405202.98
2	Segment Results After Provisions & Before Tax				
	a Treasury	18887.19	14210.31	-	35468.08
	b Wholesale Banking	38870.68	26111.07	-	64532.57
	c Retail Banking	(7678.76)	(7500.78)	-	(11834.75)
	d Other Banking Business	-	-	-	-
	e Unallocated	(8952.86)	(8026.53)	(1.21)	(16589.59)
	Total Profit Before Tax	41126.25	24794.07	(1.21)	71576.31
3	Segment Assets				
	a Treasury	5147963.78	3312652.57	-	3312652.57
	b Wholesale Banking	4636917.50	4670411.29	-	4670411.29
	c Retail Banking	126105.49	79135.28	-	79135.28
	d Other Banking Business	-	-	-	-
	e Unallocated	258379.06	259387.91	3505.08	259387.91
	Total Segment Assets	10169365.83	8321587.05	3505.08	8321587.05
4	Segment Liabilities				
	a Treasury	4465233.23	2731073.86	-	2731073.86
	b Wholesale Banking	4188683.09	4143192.20	-	4143192.20
	c Retail Banking	107303.22	64423.35	-	64423.35
	d Other Banking Business	-	-	-	-
	e Unallocated	17893.05	19642.42	3759.78	19642.42
	Total Segment Liabilities	8779112.59	6958331.83	3759.78	6958331.83
5	Capital Employed (Segment Assets - Segment Liabilities)				
	a Treasury	682730.55	581578.71	-	581578.71
	b Wholesale Banking	448234.41	527219.09	-	527219.09
	c Retail Banking	18802.27	14711.93	-	14711.93
	d Other Banking Business	-	-	-	-
	e Unallocated	240486.01	239745.49	(254.70)	239745.49
	Total Capital Employed	1390253.24	1363255.22	(254.70)	1363255.22

Business segments have been identified and reported taking into account the target customer profile, the nature of products, the organisation structure, internal business reporting system and the guidelines prescribed by the Reserve Bank of India (the RBI).



Notes:

- 1 The above results for the quarter ended June 30, 2016 were reviewed by the Audit Committee and approved by the Board of Directors on July 26, 2016 and have been subjected to a "Limited Review" by the Statutory Auditors. The financial results of the Bank for the quarter ended June 30, 2016 have been prepared in accordance with the provisions of the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, including Accounting Standards as specified under Section 133 of the Companies Act, 2013, Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to banks, and the guidelines issued by the RBI. In addition, the Bank has automated its key operations with the key applications largely integrated with the core banking solutions and general ledger system. Accordingly, branch returns are not required to be submitted.
- 2 The Bank commenced its banking operations on October 1, 2015. The financial results for the year ended March 31, 2016 include the financial performance of IDFC Bank Limited as a bank for the period of six months (October 1, 2015 to March 31, 2016). The financial results for the quarter ended June 30, 2016 are not comparable with the financial results for the quarter ended June 30, 2015 and hence certain analytical ratios are not disclosed for the quarter ended June 30, 2015. Return on Assets for the year ended March 31, 2016 has been computed based on performance of the Bank for the period October 1, 2015 to March 31, 2016.
- 3 The figures of quarter ended March 31, 2016 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the relevant financial year which was subject to limited review.
- 4 "Other Income" includes non-fund based income such as commission, fees, earnings from foreign exchange and derivative transactions and profit / loss from sale of investments.
- 5 During the quarter ended June 30, 2016, the Bank has issued 2223674 equity shares of face value of ₹10 each pursuant to the exercise of options under the employee stock option scheme.
- 6 The disclosures for NPA referred to in point 17 (iv) above correspond to non performing advances.
- 7 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC.80/21/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : <http://www.idfcbank.com/regulatory-disclosures.html>. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.
- 8 The figures for the previous quarter / period have been regrouped wherever necessary, in order to make them comparable.

In terms of our report attached,

For Deloitte Haskins & Sells
Chartered Accountants



Kalpesh J. Mehta
Partner

Date: July 26, 2016
Place: Chennai

For and behalf of the Board
of IDFC Bank Limited



Rajiv B. Lall
Founder Managing Director & CEO