

IDFCBANK/SD/SE/63/2018-19

July 30, 2018

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: IDFC Bank Limited - Outcome of Board Meeting

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, 2018, reviewed by the Audit Committee and approved by the Board of Directors on July 30, 2018, together with a copy of the Limited Review Report issued by the Statutory Auditors of the Bank, Deloitte Haskins & Sells, Chartered Accountants on the aforesaid Unaudited Financial Results.

The Board Meeting commenced at 1:45 p.m. and concluded at 5:00 p.m.

Kindly take note of the same.

Thanking you,

Yours faithfully,

For IDFC Bank Limited



Mahendra N. Shah
Group Company Secretary &
Group Chief Compliance Officer

Encl.: As above

INDEPENDENT AUDITORS' 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 Standalone Unaudited Financial Results of **IDFC BANK LIMITED** (the "Bank") for the Quarter ended 30 June 2018 (the "Statement"), being 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 in Note 9 to the Statement.
2. This Statement, which is the responsibility of the Bank's Management and approved by the 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 25 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 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.
3. 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.
4. 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 Standard, 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 it 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.

For DELOITTE HASKINS & SELLS

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

Kalpesh J. Mehta

Partner
(Membership No. 48791)

CHENNAI, 30 July, 2018



IDFC Bank Limited

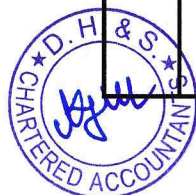
Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu

CIN : L65110TN2014PLC097792

Statement of Unaudited Financial Results for the quarter ended June 30, 2018 (Standalone)

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 30.06.2018	Quarter ended 31.03.2018 (refer note 10)	Quarter ended 30.06.2017	Year ended 31.03.2018
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Interest Earned (a) + (b) + (c) + (d)	232114.89	228130.18	214514.57	893000.46
	(a) Interest / discount on advances / bills	125033.23	114018.17	114868.50	472294.52
	(b) Income on investments	99874.72	106782.44	97221.71	404130.69
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	481.06	344.22	124.78	827.41
	(d) Others	6725.88	6985.35	2299.58	15747.84
2	Other Income (refer note 4)	19872.18	9304.63	64883.41	111789.27
3	TOTAL INCOME (1+2)	251987.07	237434.81	279397.98	1004789.73
4	Interest Expended	183131.34	182806.93	175712.64	713190.74
5	Operating Expenses (i) + (ii) + (iii)	44643.78	48988.83	38936.11	165259.43
	(i) Employees cost	20155.73	18114.40	16541.08	67597.49
	(ii) Depreciation on bank's property	4545.09	4351.57	3917.57	16348.49
	(iii) Other operating expenses	19942.96	26522.86	18477.46	81313.45
6	TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	227775.12	231795.76	214648.75	878450.17
7	Operating Profit (3-6) (Profit Before Provisions and Contingencies)	24211.95	5639.05	64749.23	126339.56
8	Provisions (other than tax) and Contingencies (Net) (refer note 5)	3399.31	24245.98	(1459.94)	23609.57
9	Exceptional Items	-	-	-	-
10	Profit / (Loss) from Ordinary Activities before tax (7-8-9)	20812.64	(18606.93)	66209.17	102729.99
11	Tax Expense (refer note 6)	2657.84	(22800.34)	22450.00	16799.66
12	Net Profit / (Loss) from Ordinary Activities after tax (10-11)	18154.80	4193.41	43759.17	85930.33
13	Extraordinary Items (Net of tax expense)	-	-	-	-
14	Net Profit / (Loss) for the period (12-13)	18154.80	4193.41	43759.17	85930.33
15	Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 7)	340410.71	340407.49	340099.89	340407.49
16	Reserves excluding Revaluation Reserves				1185246.35
17	Analytical Ratios				
	(i) Percentage of shares held by Government of India	7.68%	7.68%	7.69%	7.68%
	(ii) Capital adequacy ratio (Basel III)	19.25%	18.00%	18.60%	18.00%
	(iii) Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 7)				
	- Basic (₹)	0.53	0.12	1.29	2.53
	- Diluted (₹)	0.53	0.12	1.28	2.52
	(iv) NPA ratios (refer note 8)				
	(a) Amount of gross NPAs	177447.20	177906.20	200406.04	177906.20
	(b) Amount of net NPAs	88108.43	89115.77	80371.85	89115.77
	(c) % of gross NPAs to gross advances	3.24%	3.31%	4.13%	3.31%
	(d) % of net NPAs to net advances	1.63%	1.69%	1.70%	1.69%
	(v) Return on assets (annualized)	0.58%	0.14%	1.52%	0.72%





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)

Sr. No.	Particulars	Quarter ended 30.06.2018	Quarter ended 31.03.2018 (refer note 10)	Quarter ended 30.06.2017	Year ended 31.03.2018
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment Revenue				
	a Treasury	154161.43	147732.37	196943.78	648677.46
	b Wholesale Banking	105810.79	94219.50	114348.14	435858.18
	c Retail Banking	29374.00	28459.47	13559.05	78846.04
	d Other Banking Business	273.53	318.69	157.51	803.63
	e Unallocated	3120.61	4036.11	47.23	4117.58
	Total Segment Revenue	292740.36	274766.14	325055.71	1168302.89
	Add/(Less) : Inter Segment Revenue	(40753.29)	(37331.33)	(45657.73)	(163513.16)
	Income from Operations	251987.07	237434.81	279397.98	1004789.73
2	Segment Results After Provisions & Before Tax				
	a Treasury	16893.77	18629.50	57394.23	104881.81
	b Wholesale Banking	21330.31	(12249.45)	29902.60	83475.94
	c Retail Banking	(8266.08)	(11326.03)	(7984.46)	(33569.31)
	d Other Banking Business	(43.46)	49.34	(79.12)	(211.36)
	e Unallocated	(9101.90)	(13710.29)	(13024.08)	(51847.09)
	Total Profit Before Tax	20812.64	(18606.93)	66209.17	102729.99
3	Segment Assets				
	a Treasury	6507945.28	6947360.77	6888879.11	6947360.77
	b Wholesale Banking	4485943.93	4532599.05	4328750.77	4532599.05
	c Retail Banking	1058480.73	913955.02	479108.07	913955.02
	d Other Banking Business	766.09	709.11	115.18	709.11
	e Unallocated	248932.92	257393.93	227641.02	257393.93
	Total Segment Assets	12302068.95	12652017.88	11924494.15	12652017.88
4	Segment Liabilities				
	a Treasury	5433230.98	5891889.51	5897238.88	5891889.51
	b Wholesale Banking	4301909.77	4345150.20	4068861.81	4345150.20
	c Retail Banking	1010591.48	876006.93	435417.09	876006.93
	d Other Banking Business	254.82	211.36	79.12	211.36
	e Unallocated	12258.21	13106.04	10386.01	13106.04
	Total Segment Liabilities	10758245.26	11126364.04	10411982.91	11126364.04
5	Capital Employed (Segment Assets - Segment Liabilities)	1543823.69	1525653.84	1512511.24	1525653.84

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 financial results for the quarter ended June 30, 2018 were reviewed by the Audit Committee and approved by the Board of Directors on July 30, 2018 and have been subjected to a "Limited Review" by the Statutory Auditors.
- 2 The above financial results of the Bank 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.
- 3 On January 13, 2018, the Board of Directors of the Bank approved a merger of Capital First Limited and its wholly owned subsidiaries, Capital First Home Finance Limited & Capital First Securities Limited with the Bank in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI) / Stock Exchanges, the respective Shareholders and Creditors of each entities and the National Company Law Tribunal (NCLT). The appointed date for the transaction is proposed to be April 1, 2018 or mutually agreed date and the effective date shall be based on the receipt of the aforesaid approvals. In view of the pending approvals from NCLT, Shareholders & Creditors of each entities, the proposed transaction however does not have any impact on the current financial results or the financial position of the Bank as at June 30, 2018.
- 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. Other income for the quarter ended June 30, 2017 includes profit on sale of Government Securities held in the Held to Maturity (HTM) category of ₹ 283.93 crore.
- 5 In accordance with RBI circular DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018, the Bank has exercised the option to spread MTM loss on investment in Available For Sale (AFS) and Held For Trading (HFT) portfolio equally over four quarters. Accordingly, for the quarter ended June 30, 2018, the Bank has provided for MTM loss of ₹ 19.80 crore and ₹ 59.40 crore will be spread over remaining three quarters of the current financial year.
- 6 During the quarter ended June 30, 2018, the Bank received income tax orders relating to matter under appeal resulting in write-back of tax provision for earlier years of ₹ 12.42 crore. For the quarter ended March 31, 2018, there was a write back of ₹ 140.00 crore, including ₹ 77.43 crore on account of remeasurement of deferred tax asset at applicable tax rates.
- 7 During the quarter June 30, 2018, the Bank has issued 32167 equity shares of face value of ₹10 each pursuant to the exercise of options under the Employee Stock Option Scheme.
- 8 The disclosures for NPA referred to in point 17(iv) above correspond to non performing advances.
- 9 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.
- 10 The figures for the quarter ended March 31, 2018 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 the third quarter of the relevant financial year which was subject to limited review.





- 11 The Bank has followed the same significant accounting policies in the preparation of these financial results as those followed in the annual financial statements for the year ended March 31, 2018.
- 12 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

A blue ink signature of Kalpesh J. Mehta.

Kalpesh J. Mehta
Partner

Date: July 30, 2018
Place: Chennai

For and behalf of the Board
of IDFC Bank Limited

A blue ink signature of Rajiv B. Lall.

Rajiv B. Lall
Founder Managing Director & CEO