

January 25, 2017

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 the 20th 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 and nine months ended December 31, 2016 reviewed by the Audit Committee and approved by the Board of Directors of the Bank on January 25, 2017 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 2.00 p.m. and concluded at 4.15 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 and Nine Months ended December 31, 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 Pillar 3 disclosures referred to 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 of the results for Quarter and Nine Months ended December 31, 2016 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 the financial results for the quarter and nine months ended December 31, 2016 contain any material misstatement or that it has 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 Half year (October 1, 2015 to March 31, 2016). Accordingly, the financial results for the Nine Months ended December 31, 2016 are not comparable with financial results for the Nine Months ended December 31, 2015.

Our Conclusion is not modified in respect of this matter.



5. The "Pillar 3 disclosures including the leverage ratio and the liquidity coverage ratio under Basel III Capital Regulation" as set out in Note 8 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)

MUMBAI, 25 January, 2017
KJM/PG/PPA





IDFC Bank Limited

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

CIN : L65110TN2014PLC097792

Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2016

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.12.2016	Quarter ended 30.09.2016	Quarter ended 31.12.2015	Nine months ended 31.12.2016	Nine months ended 31.12.2015 (refer note 2)	Year ended 31.03.2016 (refer note 2)
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Interest Earned (a) + (b) + (c) + (d)	225088.02	208300.38	178909.10	630933.71	183329.08	364883.24
	(a) Interest/discount on advances/bills (refer note 4)	128845.92	126421.80	115838.06	381490.26	115838.06	235141.36
	(b) Income on investments	91030.27	78461.81	60445.10	238270.25	64865.08	123428.18
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	1950.31	774.15	281.69	3529.57	281.69	729.94
	(d) Others	3261.52	2642.62	2344.25	7643.63	2344.25	5583.76
2	Other Income (refer note 5)	33502.65	41012.91	21793.08	95798.26	26553.74	40319.74
3	TOTAL INCOME (1+2)	258590.67	249313.29	200702.18	726731.97	209882.82	405202.98
4	Interest Expended	173011.36	158740.64	140278.58	479409.48	140278.58	280150.25
5	Operating Expenses (i) + (ii) + (iii) + (iv) + (v)	37977.25	32340.56	21532.48	98001.28	21592.77	51058.16
	(i) Employees cost	19749.81	14974.28	12047.33	47882.07	12047.33	25662.75
	(ii) Rent, taxes and lighting	2852.63	2862.38	2277.64	8581.38	2277.64	5619.23
	(iii) Depreciation on bank's property	3754.77	3237.97	1420.54	9769.72	1420.54	4074.53
	(iv) Professional fees	3480.58	3951.77	2727.98	10591.42	2728.09	6190.30
	(v) Other operating expenses	8139.46	7314.16	3058.99	21176.69	3119.17	9511.35
6	TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	210988.61	191081.20	161811.06	577410.76	161871.35	331208.41
7	Operating Profit (3-6) (Profit Before Provisions and Contingencies)	47602.06	58232.09	38891.12	149321.21	48011.47	73994.57
8	Provisions (other than tax) and Contingencies (Net)	23175.88	2234.03	1229.24	27770.72	1229.24	2418.26
9	Exceptional Items	-	-	-	-	-	-
10	Profit / (Loss) from Ordinary Activities before tax (7-8-9)	24426.18	55998.06	37661.88	121550.49	46782.23	71576.31
11	Tax Expense	5300.00	17221.77	13445.05	37171.77	16603.00	24890.97
12	Net Profit / (Loss) from Ordinary Activities after tax (10-11)	19126.18	38776.29	24216.83	84378.72	30179.23	46685.34
13	Extraordinary Items (Net of tax expense)	-	-	-	-	-	-
14	Net Profit / (Loss) for the period (12-13)	19126.18	38776.29	24216.83	84378.72	30179.23	46685.34
15	Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 6)	339588.29	339502.23	339262.33	339588.29	339262.33	339262.33
16	Reserves excluding Revaluation Reserves	-	-	-	-	-	1023992.89
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
	(ii) Capital adequacy ratio (Basel III)	18.39%	19.17%	20.30%	18.39%	20.30%	22.04%
	(iii) Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 6)						
	- Basic (₹)	0.56	1.14	0.71	2.49	1.98	2.34
	- Diluted (₹)	0.56	1.14	0.71	2.47	1.97	2.34
	(iv) NPA ratios (refer note 7)						
	(a) Amount of gross NPAs	358670.27	321968.46	146225.73	358670.27	146225.73	305830.21
	(b) Amount of net NPAs	124967.00	127142.83	45341.29	124967.00	45341.29	113904.43
	(c) % of gross NPAs to gross advances	7.03%	5.96%	3.09%	7.03%	3.09%	6.16%
	(d) % of net NPAs to net advances	2.57%	2.44%	0.98%	2.57%	0.98%	2.39%
	(v) Return on assets (annualized) (refer note 2)	0.68%	1.46%	1.20%	1.13%	-	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 31.12.2016	Quarter ended 30.09.2016	Quarter ended 31.12.2015	Nine months ended 31.12.2016	Nine months ended 31.12.2015 (refer note 2)	Year ended 31.03.2016 (refer note 2)
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
	a Treasury	179949.55	184492.60	152281.99	524237.07	161462.63	314737.11
	b Wholesale Banking	129823.02	131612.55	117897.31	391819.39	117897.31	241082.81
	c Retail Banking	8598.70	3777.71	13.71	14080.29	13.71	1039.05
	d Other Banking Business	19.58	9.08	-	28.66	-	-
	e Unallocated	(162.55)	309.01	870.53	381.36	870.53	2442.44
	Total Segment Revenue	318228.30	320200.95	271063.54	930546.77	280244.18	559301.41
	Add/(Less) : Inter Segment Revenue	(59637.63)	(70887.66)	(70361.36)	(203814.80)	(70361.36)	(154098.43)
	Income from Operations	258590.67	249313.29	200702.18	726731.97	209882.82	405202.98
2	Segment Results After Provisions & Before Tax						
	a Treasury	24174.44	41188.44	12077.11	84250.07	21257.76	35468.08
	b Wholesale Banking	21395.97	34524.72	38421.51	94791.37	38421.50	64532.57
	c Retail Banking	(8967.83)	(10272.66)	(4333.97)	(26919.25)	(4333.97)	(11834.75)
	d Other Banking Business	19.58	9.08	-	28.66	-	-
	e Unallocated	(12195.98)	(9451.52)	(8502.77)	(30600.36)	(8563.06)	(16589.59)
	Total Profit Before Tax	24426.18	55998.06	37661.88	121550.49	46782.23	71576.31
3	Segment Assets						
	a Treasury	6308370.04	5489550.67	3932368.27	6308370.04	3932368.27	3312652.57
	b Wholesale Banking	4706504.36	4882154.03	4442792.94	4706504.36	4442792.94	4670411.29
	c Retail Banking	296260.99	310458.02	4233.39	296260.99	4233.39	79135.28
	d Other Banking Business	-	-	-	-	-	-
	e Unallocated	246510.45	240652.61	283120.11	246510.45	283120.11	259387.91
	Total Segment Assets	11557645.84	10922815.33	8662514.71	11557645.84	8662514.71	8321587.05
4	Segment Liabilities						
	a Treasury	5590170.25	4870360.03	3738103.49	5590170.25	3738103.49	2731073.86
	b Wholesale Banking	4226383.30	4337657.70	3551736.33	4226383.30	3551736.33	4143192.20
	c Retail Banking	280437.05	276861.97	6495.03	280437.05	6495.03	64423.35
	d Other Banking Business	-	-	-	-	-	-
	e Unallocated	12012.48	8820.99	9216.93	12012.48	9216.93	19642.42
	Total Segment Liabilities	10109003.08	9493700.69	7305551.78	10109003.08	7305551.78	6958331.83
5	Capital Employed (Segment Assets - Segment Liabilities)						
	a Treasury	718199.79	619190.64	194264.78	718199.79	194264.78	581578.71
	b Wholesale Banking	480121.06	544496.33	891056.61	480121.06	891056.61	527219.09
	c Retail Banking	15823.94	33596.05	(2261.64)	15823.94	(2261.64)	14711.93
	d Other Banking Business	-	-	-	-	-	-
	e Unallocated	234497.97	231831.62	273903.18	234497.97	273903.18	239745.49
	Total Capital Employed	1448642.76	1429114.64	1356962.93	1448642.76	1356962.93	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 and nine months ended December 31, 2016 were reviewed by the Audit Committee and approved by the Board of Directors on January 25, 2017 and have been subjected to a "Limited Review" by the Statutory Auditors. The financial results of the Bank for the quarter and nine months ended December 31, 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 nine months ended December 31, 2016 are not comparable with the financial results for the nine months ended December 31, 2015 and hence certain analytical ratios since not applicable are not disclosed for the nine months ended December 31, 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 Bank has acquired 100% equity share capital of Grama Vidiyal Microfinance Limited, a non banking finance company - microfinance institution (NBFC-MFI). On receipt of final approval from RBI and satisfaction of all the conditions, Grama Vidiyal Microfinance Limited has become a wholly owned subsidiary of the Bank with effect from October 13, 2016.
- 4 Loan servicing fees directly linked to interest collections by the Business Correspondents (BCs) has been shown as a reduction from interest income on loans & advances.
- 5 "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.
- 6 During the quarter and nine months ended December 31, 2016, the Bank has issued 860622 and 3259589 equity shares of face value of ₹10 each respectively pursuant to the exercise of options under the employee stock option scheme.
- 7 The disclosures for NPA referred to in point 17(iv) above correspond to non performing advances.
- 8 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.
- 9 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: January 25, 2017
Place: Mumbai

For and behalf of the Board
of IDFC Bank Limited

Rajiv B. Lall
Founder Managing Director & CEO