

IDFCFIRSTBANK/SD/169/2022-23

October 22, 2022

**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C - 1, G - Block  
Bandra-Kurla Complex, Bandra (East)  
Mumbai 400 051.  
**NSE Symbol: IDFCFIRSTB**

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai 400 001.  
**BSE Scrip Code: 539437**

**Sub.: Outcome of the Board Meeting of IDFC FIRST Bank Limited ("Bank") held on October 22, 2022**

Dear Sir / Madam,

Pursuant to Regulations 33, 52 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), we enclose herewith the Unaudited Standalone and Consolidated Financial Results of the Bank for the quarter and half year ended September 30, 2022 ("**Financial Results**") duly approved by the Board of Directors of the Bank at their Meeting held today, along with the Limited Review Report issued by the Joint Statutory Auditors of the Bank in this regard.

In terms of the above, we are also enclosing herewith the Press Release on Financial Results of the Bank.

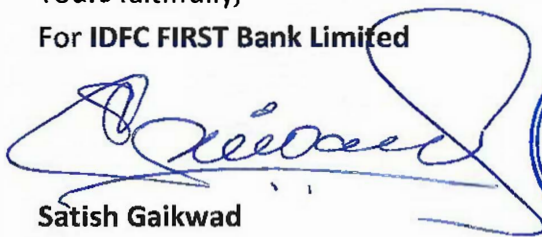
The above information is also being uploaded on the Bank's website at [www.idfcfirstbank.com](http://www.idfcfirstbank.com), in terms of the SEBI Listing Regulations.

The Board Meeting of the Bank commenced at 10:00 a.m. and concluded at 3:55 p.m.

Please take the above on record and acknowledge receipt of the same.

Thanking you,

Yours faithfully,  
For **IDFC FIRST Bank Limited**



**Satish Gaikwad**  
**Head – Legal & Company Secretary**



*Encl.: As Above*

**M S K A & Associates**  
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**Independent Auditor's Limited Review Report on Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2022 of IDFC FIRST Bank Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**The Board of Directors**  
**IDFC FIRST Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of IDFC First Bank Limited ('the Bank') for the quarter and half year ended September 30, 2022 (the 'Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation') except for the disclosures relating to Pillar 3 as at September 30, 2022, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Note 6 to the Statement and have not been reviewed by us.
2. 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 recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' ('AS 25') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time ('RBI Guidelines'), other recognized accounting principles generally accepted in India and in compliance with the Regulation. Our responsibility is to express a conclusion 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 consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in AS 25, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, RBI Guidelines and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed or that it contains 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 except for the



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disclosures relating to Pillar 3 disclosures as at September 30, 2022, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Note 6 to the Statement and have not been reviewed by us.

5. The review of Unaudited Standalone Financial Results of the Bank for the quarter ended June 30, 2022, quarter and half year ended September 30, 2021 and audit of annual standalone financial results of the Bank for the year ended March 31, 2022 were conducted by M S K A & Associates, Chartered Accountants and B S R & Co. LLP, Chartered Accountants, the joint statutory auditors of the Bank, whose reports dated July 30, 2022, October 30, 2021 and April 30, 2022 respectively, expressed an unmodified conclusion/ opinion, as the case may be, on those standalone financial results. Accordingly, Kalyaniwalla & Mistry LLP, Chartered Accountants, do not express any conclusion on the figures reported in unaudited standalone financial results for the quarter ended June 30, 2022 and quarter and half year ended September 30, 2021 and do not express any opinion on audit of annual standalone financial results of the Bank for the year ended March 31, 2022.

Our Conclusion is not modified in respect of the above matter.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No.105047W

For Kalyaniwalla & Mistry LLP  
Chartered Accountants  
ICAI Firm Registration No. 104607W/W100166

  
Swapnil Kale  
Partner  
Membership No.: 117812  
UDIN: 22107812BAQLRR7886

  
Roshni Marfatia  
Partner  
Membership No.: 106548  
UDIN: 22106548BARGPW4255

Mumbai  
October 22, 2022

Mumbai  
October 22, 2022



**IDFC FIRST 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 and half year ended September 30, 2022 (Standalone)**

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Half year ended	Half year ended	Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Interest Earned (a)+(b)+(c)+(d)	5,46,969	4,92,168	4,10,058	10,39,137	8,18,988	17,17,268
	(a) Interest/discount on advances/bills	4,60,343	4,16,975	3,40,817	8,77,318	6,74,934	14,17,401
	(b) Income on investments	80,176	65,299	59,538	1,45,475	1,30,478	2,61,537
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	2,431	6,527	3,629	8,958	4,533	24,124
	(d) Others	4,019	3,367	6,074	7,386	9,043	14,206
2	Other Income (Refer Note 5)	1,06,134	85,567	77,971	1,91,701	1,62,217	3,22,204
3	<b>TOTAL INCOME (1+2)</b>	<b>6,53,103</b>	<b>5,77,735</b>	<b>4,88,029</b>	<b>12,30,838</b>	<b>9,81,205</b>	<b>20,39,472</b>
4	Interest Expended	2,46,751	2,17,058	1,82,842	4,63,809	3,73,292	7,46,652
5	Operating Expenses (i)+(ii)	2,89,482	2,66,295	2,35,929	5,55,777	4,39,163	9,64,445
	(i) Employees cost	91,861	83,016	63,576	1,74,877	1,19,017	2,69,654
	(ii) Other operating expenses	1,97,621	1,83,279	1,72,353	3,80,900	3,20,146	6,94,791
6	<b>TOTAL EXPENDITURE (4+5)</b> (excluding provisions and contingencies)	<b>5,36,233</b>	<b>4,83,353</b>	<b>4,18,771</b>	<b>10,19,586</b>	<b>8,12,455</b>	<b>17,11,097</b>
7	<b>Operating Profit (3-6) (Profit before provisions and contingencies)</b>	<b>1,16,870</b>	<b>94,382</b>	<b>69,258</b>	<b>2,11,252</b>	<b>1,68,750</b>	<b>3,28,375</b>
8	Provisions (other than tax) and Contingencies (Net)	42,417	30,799	47,495	73,216	2,34,776	3,10,858
9	Exceptional Items	-	-	-	-	-	-
10	<b>Profit / (Loss) from Ordinary Activities before tax (7-8-9)</b>	<b>74,453</b>	<b>63,583</b>	<b>21,763</b>	<b>1,38,036</b>	<b>(65,976)</b>	<b>17,517</b>
11	Tax Expense	18,896	16,150	6,589	35,046	(18,146)	2,968
12	<b>Net Profit / (Loss) from Ordinary Activities after tax (10-11)</b>	<b>55,557</b>	<b>47,433</b>	<b>15,174</b>	<b>1,02,990</b>	<b>(47,830)</b>	<b>14,549</b>
13	Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14	<b>Net Profit / (Loss) for the period (12-13)</b>	<b>55,557</b>	<b>47,433</b>	<b>15,174</b>	<b>1,02,990</b>	<b>(47,830)</b>	<b>14,549</b>
15	<b>Paid-up Equity Share Capital (Face Value ₹ 10 per share)</b> (Refer Note 4)	<b>6,22,134</b>	<b>6,21,909</b>	<b>6,21,211</b>	<b>6,22,134</b>	<b>6,21,211</b>	<b>6,21,771</b>
16	Reserves excluding Revaluation Reserves	-	-	-	-	-	14,76,965
17	<b>Analytical Ratios</b>						
	(i) Percentage of shares held by Government of India (Refer Note 4)	4.20%	4.20%	4.21%	4.20%	4.21%	4.20%
	(ii) Capital adequacy ratio (Basel III)	14.63%	15.42%	15.60%	14.63%	15.60%	16.74%
	(iii) Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (Refer Note 4)						
	- Basic (₹)	0.89	0.76	0.24	1.66	(0.77)	0.23
	- Diluted (₹)	0.88	0.75	0.24	1.64	(0.77)	0.23
	(iv) NPA ratios (Refer Note 10)						
	(a) Amount of gross NPAs	4,39,619	4,35,475	4,48,553	4,39,619	4,48,553	4,46,913
	(b) Amount of net NPAs	1,47,997	1,65,382	2,15,034	1,47,997	2,15,034	1,80,807
	(c) % of gross NPAs to gross advances	3.18%	3.36%	4.27%	3.18%	4.27%	3.70%
	(d) % of net NPAs to net advances	1.09%	1.30%	2.09%	1.09%	2.09%	1.53%
	(v) Return on assets (annualized)	1.07%	0.97%	0.35%	1.02%	(0.57%)	0.08%
	(vi) Net worth <sup>#</sup>	20,41,171	19,72,321	18,21,572	20,41,171	18,21,572	19,08,061
	(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
	(viii) Capital redemption reserve	-	-	-	-	-	-
	(ix) Debt-equity ratio <sup>*</sup>	1.34	1.35	1.49	1.34	1.49	1.38
	(x) Total debts to total assets <sup>§</sup>	26.62%	27.77%	30.49%	26.62%	30.49%	27.85%

# Net worth is computed as per RBI Master Circular No. RBI/2015-16/70 DBR.No.Dir.BC.12/13.03.00/2015-16 on Exposure Norms dated July 1, 2015.

\* Debt represents borrowings with residual maturity of more than one year.

§ Total debts represents total borrowings of the Bank.



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

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Half year ended	Half year ended	(₹ in lakhs)
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	Year ended 31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Segment Revenue</b>						
	a Treasury	3,13,967	2,50,981	2,36,550	5,64,948	5,13,243	9,83,593
	b Wholesale Banking	1,59,199	1,42,223	1,30,223	3,01,422	2,65,638	5,32,132
	c Retail Banking	6,31,657	5,61,069	4,43,881	11,92,726	8,72,186	18,36,911
	d Other Banking Business	9,335	14,002	6,091	23,337	9,873	33,556
	e Unallocated	61	56	3,149	117	3,115	3,002
	<b>Total Segment Revenue</b>	<b>11,14,219</b>	<b>9,68,331</b>	<b>8,19,894</b>	<b>20,82,550</b>	<b>16,64,055</b>	<b>33,89,194</b>
	Add/(Less) : Inter Segment Revenue	(4,61,116)	(3,90,596)	(3,31,865)	(8,51,712)	(6,82,850)	(13,49,722)
	<b>Income from Operations</b>	<b>6,53,103</b>	<b>5,77,735</b>	<b>4,88,029</b>	<b>12,30,838</b>	<b>9,81,205</b>	<b>20,39,472</b>
<b>2</b>	<b>Segment Results After Provisions &amp; Before Tax</b>						
	a Treasury	27,421	(8,504)	21,429	18,917	83,308	1,24,027
	b Wholesale Banking	25,736	23,738	13,326	49,474	13,602	33,759
	c Retail Banking	28,575	50,370	(11,794)	78,945	(1,54,904)	(1,30,722)
	d Other Banking Business	3,727	7,775	1,450	11,502	1,657	14,602
	e Unallocated	(11,006)	(9,796)	(2,648)	(20,802)	(9,639)	(24,149)
	<b>Total Profit Before Tax</b>	<b>74,453</b>	<b>63,583</b>	<b>21,763</b>	<b>1,38,036</b>	<b>(65,976)</b>	<b>17,517</b>
<b>3</b>	<b>Segment Assets</b>						
	a Treasury	70,16,975	67,12,532	63,08,122	70,16,975	63,08,122	65,40,768
	b Wholesale Banking	29,58,616	28,77,794	28,15,692	29,58,616	28,15,692	29,11,574
	c Retail Banking	1,10,04,279	1,01,70,359	77,67,380	1,10,04,279	77,67,380	92,55,608
	d Other Banking Business	11,905	11,925	5,877	11,905	5,877	4,643
	e Unallocated	2,85,865	2,83,929	3,53,137	2,85,865	3,53,137	3,05,568
	<b>Total Segment Assets</b>	<b>2,12,77,640</b>	<b>2,00,56,539</b>	<b>1,72,50,208</b>	<b>2,12,77,640</b>	<b>1,72,50,208</b>	<b>1,90,18,161</b>
<b>4</b>	<b>Segment Liabilities</b>						
	a Treasury	49,60,577	52,03,387	45,17,502	49,60,577	45,17,502	51,81,657
	b Wholesale Banking	50,59,444	46,06,221	38,66,497	50,59,444	38,66,497	43,46,629
	c Retail Banking	89,88,014	80,19,645	67,87,095	89,88,014	67,87,095	72,67,285
	d Other Banking Business	4,486	2,593	1,753	4,486	1,753	3,146
	e Unallocated	59,931	76,235	42,389	59,931	42,389	1,19,096
	<b>Total Segment Liabilities</b>	<b>1,90,72,452</b>	<b>1,79,08,081</b>	<b>1,52,15,236</b>	<b>1,90,72,452</b>	<b>1,52,15,236</b>	<b>1,69,17,813</b>
<b>5</b>	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>	<b>22,05,188</b>	<b>21,48,458</b>	<b>20,34,972</b>	<b>22,05,188</b>	<b>20,34,972</b>	<b>21,00,348</b>

Business segments have been identified and reported taking into account the target customer segment, the nature of products, internal business reporting system, transfer pricing policy approved by Asset Liability Committee (ALCO), the guidelines prescribed by the Reserve Bank of India ('the RBI'), which has been relied upon by the auditors.

The RBI vide its circular dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment reporting, had prescribed for reporting of 'Digital Banking' as a sub-segment under Retail Banking. The Digital Banking Units (DBU) of the Bank have commenced its operations on October 16, 2022. However, having regard to the discussions of the DBU Working Group formed by Indian Banks' Association (IBA) (which included representatives of banks and RBI), reporting of Digital Banking as a separate sub-segment of Retail Banking Segment will be implemented by the Bank based on the decision of the DBU Working Group.

**Notes:**

- 1 Statement of Assets and Liabilities of the Bank as at September 30, 2022 is given below :

Particulars	(₹ in lakhs)		
	As at 30.09.2022	As at 30.09.2021	As at 31.03.2022
	(Unaudited)	(Unaudited)	(Audited)
<b>CAPITAL AND LIABILITIES</b>			
Capital (refer note 4)	6,22,134	6,21,211	6,21,771
Employees' stock options outstanding	2,517	744	1,612
Reserves and Surplus	15,80,537	14,13,017	14,76,965
Deposits	1,23,44,238	90,23,497	1,05,63,436
Borrowings	56,64,301	52,60,308	52,96,260
Other Liabilities and Provisions	10,63,913	9,31,431	10,58,117
<b>TOTAL</b>	<b>2,12,77,640</b>	<b>1,72,50,208</b>	<b>1,90,18,161</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	8,01,286	15,86,119	11,38,992
Balances with banks and money at call and short notice	6,83,425	1,15,812	4,36,799
Investments	50,58,652	41,83,581	46,14,484
Advances	1,34,76,187	1,02,25,521	1,17,85,780
Fixed Assets	1,61,534	1,32,869	1,36,122
Other Assets	10,96,556	10,06,306	9,05,984
<b>TOTAL</b>	<b>2,12,77,640</b>	<b>1,72,50,208</b>	<b>1,90,18,161</b>





- 2 The above financial results for the quarter and half ended September 30, 2022 were reviewed by the Audit Committee on October 21, 2022 and approved by the Board of Directors on October 22, 2022. These results have been subjected to a "Limited Review" by the Joint Statutory Auditors - M S K A & Associates, Chartered Accountants and Kalyaniwalla & Mistry LLP, Chartered Accountants and they have issued an unmodified review report thereon. The previous period financial results were reviewed/audited by B S R & Co. LLP, Chartered Accountants and M S K A & Associates, Chartered Accountants.
- 3 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 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in so far as they apply to banks, and the guidelines issued by the RBI.
- 4 During the quarter and half year ended September 30, 2022, the Bank has issued 22,51,055 and 36,29,177 equity shares respectively of face value of ₹ 10 pursuant to the exercise of options under the Employee Stock Option Scheme.
- 5 "Other Income" includes non-fund based income, fees, earnings from foreign exchange and derivative transactions, profit / loss from sale of investments, mark to market provisions on investments, dividend from subsidiaries / joint ventures etc.
- 6 In accordance with the RBI guidelines, banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and net stable funding ratio (NSFR) under the Basel III framework. The Bank has made these disclosures which are available on its website at the link: <http://www.idfcfirstbank.com/regulatory-disclosures.html>. These disclosures have not been subjected to audit or limited review by the Joint Statutory Auditors of the Bank.
- 7 India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. Currently, while the number of new COVID-19 cases have reduced significantly and the restrictions have been eased by the Government, the extent to which the COVID-19 pandemic, including the future subsequent waves, if any, may impact the Bank's operations and asset quality will depend on future developments. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank.
- 8 Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at September 30, 2022 are given below:

(₹ in crore except number of accounts)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year ^	Of (A) amount paid by the borrowers during the half-year *	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans	600.85	58.13	13.75	87.16	441.81
Corporate Loans**	543.74	352.80	-	-	190.94
Of which, MSMEs	-	-	-	-	-
Others	565.45	73.69	28.45	101.48	361.83
<b>Total</b>	<b>1,710.04</b>	<b>484.62</b>	<b>42.20</b>	<b>188.64</b>	<b>994.58</b>

\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

^ Represents debts that slipped into NPA and was subsequently written off during the half year ended September 30, 2022.

# This amount represents amount paid by the borrowers during the half year net of Interest capitalised/ FITL amounts.

\*\* Loans restructured under the above framework amounting to ₹ 11.74 crore, which were not standard as at March 31, 2022 & upgraded to Standard during the half year ended September 30, 2022 are not included.

- 9 Details of loans transferred / acquired during the quarter ended September 30, 2022 under the RBI Master Direction on "Transfer of Loan Exposures" dated September 24, 2021 are given below:

- (i) The Bank has not transferred any stressed loan (Non Performing Asset and Special Mention Account).  
(ii) Details of loans not in default transferred through assignment are given below:

Aggregate amount of loans transferred (₹ in crore)	333.39
Weighted average residual maturity (in years)	4.11
Weighted average holding period by originator (in years)	0.80
Retention of beneficial economic interest by the originator	10%
Tangible security coverage	0%

The loans transferred are not rated as these are to non-corporate borrowers.

- (iii) Details of loans not in default acquired through assignment are given below:

Aggregate amount of loans acquired (₹ in crore)	120.11
Weighted average residual maturity (in years)	1.60
Weighted average holding period by originator (in years)	0.35
Retention of beneficial economic interest by the originator	10%
Tangible security coverage	1%

The loans acquired are not rated as these are to non-corporate borrowers.

- (iv) The Bank has not acquired any stressed loan.  
(v) The Bank has not made any investment in Security Receipts (SRs).



- 10 The disclosures for NPA referred to in point 17(iv) above correspond to non performing advances.
- 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, 2022.
- 12 The figures for the previous quarter/period have been regrouped/reclassified wherever necessary in order to make them comparable.
- 13 Cash Flow Statement of the Bank for the half year ended September 30, 2022 is given below:

Particulars	(₹ in lakhs)		
	As at 30.09.2022	As at 30.09.2021	As at 31.03.2022
	(Unaudited)	(Unaudited)	(Audited)
<b>A Cash flow from operating activities</b>			
Profit before taxes	1,38,036	(65,976)	17,517
Adjustments for :			
Depreciation on fixed assets	19,312	18,236	37,326
Amortization of deferred employee compensation	905	735	1,602
Amortisation of premium on held to maturity investments	13,302	8,701	19,286
Write back of provision for depreciation in value of investments	(11,664)	(8,020)	(41,178)
Provision/(Write back of provision) on non performing advances	23,990	(8,455)	23,242
Provision/(Write back of provision) on restructured assets	(25,943)	40,470	37,816
Dividend from subsidiary	-	(5,043)	(5,043)
Provision/(Write back of provision) on identified standard advances	1,842	(17,690)	(32,520)
Provision/(Write back of provision) for standard assets	(133)	(21,502)	(18,108)
Bad debts including technical / prudential write off (net of recoveries)	89,205	2,43,392	3,55,932
Loss/(Profit) on sale of fixed assets (net)	(102)	23	532
Other provisions and contingencies	(4,080)	6,531	(14,325)
Adjustments for working capital changes:			
Decrease in investments (excluding held to maturity investment and investment in subsidiary)	1,68,655	3,03,722	1,94,733
Increase in advances	(18,04,559)	(3,86,954)	(20,77,215)
Increase in deposits	17,80,802	1,54,654	16,94,594
(Increase)/Decrease in other assets	(2,18,449)	22,473	97,551
Increase/ (Decrease) in other liabilities and provisions	31,155	(1,73,393)	(47,748)
Direct taxes (paid)/refund (net)	(3,255)	(9,482)	16,398
<b>Net cash flow from operating activities (A)</b>	<b>1,99,019</b>	<b>1,02,422</b>	<b>2,60,392</b>
<b>B Cash flow from investing activities</b>			
Purchase of fixed assets	(45,082)	(24,587)	(47,606)
Proceeds from sale of fixed assets	460	101	267
Increase/(Decrease) in held to maturity investments	(6,14,462)	53,189	(2,46,150)
Dividend from subsidiary	-	5,043	5,043
<b>Net cash flow from/ (used) in investing activities (B)</b>	<b>(6,59,084)</b>	<b>33,746</b>	<b>(2,88,446)</b>
<b>C Cash flow from financing activities</b>			
Proceeds from issue of Additional Tier II bonds	-	-	1,50,000
Net proceeds in other borrowings	3,68,041	6,81,699	5,67,651
Proceeds from issue of share capital (net of share issue expenses)	944	3,01,278	3,03,408
<b>Net cash flow from financing activities (C)</b>	<b>3,68,985</b>	<b>9,82,977</b>	<b>10,21,059</b>
<b>D Net increase in cash and cash equivalents (A+B+C)</b>	<b>(91,080)</b>	<b>11,19,145</b>	<b>9,93,005</b>
Cash and cash equivalents at the beginning of Year	15,75,791	5,82,786	5,82,786
<b>Cash and cash equivalents at the end of Year</b>	<b>14,84,711</b>	<b>17,01,931</b>	<b>15,75,791</b>

For and behalf of the Board of Directors  
of IDFC FIRST Bank Limited

  
V. Vaidyanathan  
Managing Director & Chief Executive Officer

Date: October 22, 2022  
Place: Mumbai







**M S K A & Associates**  
602, Floor 6, Raheja Titanium  
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**Independent Auditor's Limited Review Report on Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2022 of IDFC FIRST Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**The Board of Directors**  
**IDFC FIRST Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of IDFC FIRST Bank Limited (the 'Bank') and its subsidiary (together referred to as 'the Group'), and its share of the net loss after tax of its associate for the quarter and half year ended September 30, 2022 (the 'Statement'), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation') except for the disclosures relating to consolidated Pillar 3 as at September 30, 2022, including leverage ratio, liquidity coverage ratio and net stable funding ratio under the Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Note 4 to the Statement and have not been reviewed by us.
2. 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 recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ('AS 25'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time ('RBI Guidelines') and other accounting principles generally accepted in India and in compliance with the Regulation. Our responsibility is to express a conclusion 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 consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.





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4. The Statement includes the results of the Bank and the following entities:

Sr. No.	Name of the Entity	Relationship with the Bank
1	IDFC FIRST Bharat Limited	Subsidiary
2	Millenium City Expressways Private Limited	Associate

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor(s) referred to in paragraph 6 below and based on the financial information certified by the Management for the associate as stated in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, including the manner in which it is to be disclosed except for the disclosures relating to consolidated Pillar 3 disclosure as at September 30, 2022, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Note 4 to the Statement and have not been reviewed by us.

6. We did not review the interim financial results of one subsidiary included in the Statement, whose interim financial results reflect total assets of Rs. 29,784 lakhs as at September 30, 2022 and total revenues of Rs.18,951 lakhs and Rs. 36,377 lakhs, total net profit after tax of Rs.1,162 lakhs and Rs. 2,228 lakhs for the quarter and half year ended September 30, 2022 respectively, and cash flows of Rs. 11,141 lakhs for the half year ended September 30, 2022, as considered in the Statement. These interim financial results have been reviewed by other auditor whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of the above matter.

7. The Statement also includes the Group's share of net loss after tax of Rs. NIL for the quarter and half year ended September 30, 2022, as considered in the Statement, in respect of an associate, based on their interim financial result which have not been reviewed/audited. According to the information and explanations given to us by the Management, the interim financial results are not material to the Group.

Our conclusion is not modified in respect of the above matter.



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8. The review of Unaudited Consolidated Financial results of the Bank for the quarter ended June 30, 2022, quarter and half year ended September 30, 2021 and audit of annual consolidated financial results of the Bank for the year ended March 31, 2022 were conducted by M S K A & Associates, Chartered Accountants and B S R & Co. LLP, Chartered Accountants, the joint statutory auditors of the Bank, whose reports dated July 30, 2022, October 30, 2021 and April 30, 2022 respectively, expressed an unmodified conclusion/ opinion, as the case may be, on those standalone financial results. Accordingly, Kalyaniwalla & Mistry LLP, Chartered Accountants, do not express any conclusion on the figures reported in unaudited standalone financial results for the quarter ended June 30, 2022 and quarter and half year ended September 30, 2021 and do not express any opinion on audit of annual standalone financial results of the Bank for the year ended March 31, 2022.

Our conclusion is not modified in respect of the above matter.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No.105047W

For Kalyaniwalla & Mistry LLP  
Chartered Accountants  
ICAI Firm Registration No. 104607W/W100166

  
Swapnil Kale  
Partner  
Membership No.: 117812  
UDIN: 22117812BARLXNG457

  
Roshni Marfatia  
Partner  
Membership No.: 106548  
UDIN: 22106548BARHFZ8990

Mumbai  
October 22, 2022

Mumbai  
October 22, 2022



**IDFC FIRST 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 and half year ended September 30, 2022 (Consolidated)**

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Half year ended	Half year ended	Year ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1	<b>Interest Earned (a)+(b)+(c)+(d)</b>	5,46,976	4,92,174	4,10,058	10,39,150	8,18,988	17,17,268
	(a) Interest/discount on advances/bills	4,60,343	4,16,975	3,40,817	8,77,318	6,74,934	14,17,401
	(b) Income on investments	80,176	65,299	59,538	1,45,475	1,30,478	2,61,537
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	2,438	6,533	3,629	8,971	4,533	24,124
	(d) Others	4,019	3,367	6,074	7,386	9,043	14,206
2	<b>Other Income</b>	1,06,140	85,563	72,956	1,91,703	1,57,199	3,17,259
3	<b>TOTAL INCOME (1+2)</b>	6,53,116	5,77,737	4,83,014	12,30,853	9,76,187	20,34,527
4	Interest Expended	2,46,730	2,17,038	1,82,830	4,63,768	3,73,196	7,46,507
5	<b>Operating Expenses (i)+(ii)</b>	2,87,954	2,64,882	2,34,783	5,52,836	4,36,900	9,59,665
	(i) Employees cost	1,04,468	95,620	73,166	2,00,088	1,37,823	3,09,987
	(ii) Other operating expenses	1,83,486	1,69,262	1,61,617	3,52,748	2,99,077	6,49,678
6	<b>TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)</b>	5,34,684	4,81,920	4,17,613	10,16,604	8,10,096	17,06,172
7	<b>Operating Profit (3-6) (Profit before provisions and contingencies)</b>	1,18,432	95,817	65,401	2,14,249	1,66,091	3,28,355
8	Provisions (other than tax) and Contingencies (Net)	42,417	30,799	47,494	73,216	2,34,726	3,10,858
9	Exceptional Items	-	-	-	-	-	-
10	<b>Profit / (Loss) from Ordinary Activities before tax (7-8-9)</b>	76,015	65,018	17,907	1,41,033	(68,635)	17,497
11	Tax Expense	19,296	16,517	6,812	35,813	(17,614)	4,266
12	<b>Net Profit / (Loss) from Ordinary Activities after tax (10-11)</b>	56,719	48,501	11,095	1,05,220	(51,021)	13,231
13	Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14	<b>Net Profit / (Loss) for the period (12-13)</b>	56,719	48,501	11,095	1,05,220	(51,021)	13,231
15	Share in Profit / (loss) of Associate	-	-	-	-	-	-
16	<b>Consolidated Net Profit / (Loss) for the period (14+15)</b>	56,719	48,501	11,095	1,05,220	(51,021)	13,231
17	<b>Paid-up Equity Share Capital (Face Value ₹ 10 per share) (Refer Note 5)</b>	6,22,134	6,21,909	6,21,211	6,22,134	6,21,211	6,21,771
18	Reserves excluding Revaluation Reserves						14,84,829
19	<b>Analytical Ratios (Refer Note 7)</b>						
	Earnings per share (EPS) for the period/year (before and after extraordinary items) (not annualized) (Refer Note 5)						
	- Basic ( ₹ )	0.91	0.78	0.18	1.69	(0.82)	0.21
	- Diluted ( ₹ )	0.90	0.77	0.18	1.67	(0.82)	0.21



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

Sr. No.	Particulars	(₹ in lakhs)					
		Quarter ended 30.09.2022 (Unudited)	Quarter ended 30.06.2022 (Unudited)	Quarter ended 30.09.2021 (Unudited)	Half year ended 30.09.2022 (Unudited)	Half year ended 30.09.2021 (Unudited)	Year ended 31.03.2022 (Audited)
1	<b>Segment Revenue</b>						
	a Treasury	3,13,967	2,50,981	2,36,550	5,64,948	5,13,243	9,83,593
	b Wholesale Banking	1,59,199	1,42,223	1,30,223	3,01,422	2,65,638	5,32,133
	c Retail Banking	6,31,670	5,61,071	4,38,866	11,92,741	8,67,168	18,31,965
	d Other Banking Business	9,335	14,002	6,091	23,337	9,873	33,556
	e Unallocated	61	56	3,149	117	3,115	3,002
	<b>Total Segment Revenue</b>	<b>11,14,232</b>	<b>9,68,333</b>	<b>8,14,879</b>	<b>20,82,565</b>	<b>16,59,037</b>	<b>33,84,249</b>
	Add/(Less) : Inter Segment Revenue	(4,61,116)	(3,90,596)	(3,31,865)	(8,51,712)	(6,82,850)	(13,49,722)
	<b>Income from Operations</b>	<b>6,53,116</b>	<b>5,77,737</b>	<b>4,83,014</b>	<b>12,30,853</b>	<b>9,76,187</b>	<b>20,34,527</b>
2	<b>Segment Results After Provisions &amp; Before Tax</b>						
	a Treasury	27,421	(8,504)	21,429	18,917	83,308	1,24,028
	b Wholesale Banking	25,736	23,738	13,326	49,474	13,602	33,760
	c Retail Banking	30,137	51,805	(15,650)	81,942	(1,57,563)	(1,30,742)
	d Other Banking Business	3,727	7,775	1,450	11,502	1,657	14,601
	e Unallocated	(11,006)	(9,796)	(2,648)	(20,802)	(9,639)	(24,150)
	<b>Total Profit Before Tax and Earnings from Associates</b>	<b>76,015</b>	<b>65,018</b>	<b>17,907</b>	<b>1,41,033</b>	<b>(68,635)</b>	<b>17,497</b>
3	<b>Segment Assets</b>						
	a Treasury	69,95,947	66,91,504	62,87,095	69,95,947	62,87,095	65,19,741
	b Wholesale Banking	29,58,616	28,77,794	28,15,692	29,58,616	28,15,692	29,11,575
	c Retail Banking	1,10,24,722	1,01,90,483	77,85,110	1,10,24,722	77,85,110	92,68,171
	d Other Banking Business	11,905	11,925	5,877	11,905	5,877	4,643
	e Unallocated	2,90,485	2,88,043	3,56,008	2,90,485	3,56,008	3,10,443
	<b>Total Segment Assets</b>	<b>2,12,81,675</b>	<b>2,00,59,749</b>	<b>1,72,49,782</b>	<b>2,12,81,675</b>	<b>1,72,49,782</b>	<b>1,90,14,573</b>
4	<b>Segment Liabilities</b>						
	a Treasury	49,60,577	52,03,387	45,17,486	49,60,577	45,17,486	51,81,657
	b Wholesale Banking	50,59,444	46,06,221	38,66,088	50,59,444	38,66,088	43,46,629
	c Retail Banking	89,81,960	80,13,928	67,81,187	89,81,960	67,81,187	72,55,834
	d Other Banking Business	4,486	2,593	1,727	4,486	1,727	3,146
	e Unallocated	59,931	76,235	42,328	59,931	42,328	1,19,095
	<b>Total Segment Liabilities</b>	<b>1,90,66,398</b>	<b>1,79,02,364</b>	<b>1,52,08,816</b>	<b>1,90,66,398</b>	<b>1,52,08,816</b>	<b>1,69,06,361</b>
5	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>	<b>22,15,277</b>	<b>21,57,385</b>	<b>20,40,966</b>	<b>22,15,277</b>	<b>20,40,966</b>	<b>21,08,212</b>

Business segments have been identified and reported taking into account the target customer segment, the nature of products, internal business reporting system, transfer pricing policy approved by Asset Liability Committee (ALCO), the guidelines prescribed by the Reserve Bank of India ('the RBI'), which has been relied upon by the auditors.

The RBI vide its circular dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment reporting, had prescribed for reporting of 'Digital Banking' as a sub-segment under Retail Banking. The Digital Banking Units (DBU) of the Bank have commenced its operations on October 16, 2022. However, having regard to the discussions of the DBU Working Group formed by Indian Banks' Association (IBA) (which included representatives of banks and RBI), reporting of Digital Banking as a separate sub-segment of Retail Banking Segment will be implemented by the Bank based on the decision of the DBU Working Group.

**Notes:**

- 1 Statement of Assets and Liabilities of the Group as at September 30, 2022 is given below :

Particulars	(₹ in lakhs)		
	As at 30.09.2022 (Unudited)	As at 30.09.2021 (Unudited)	As at 31.03.2022 (Audited)
<b>CAPITAL AND LIABILITIES</b>			
Capital (Refer Note 5)	6,22,134	6,21,211	6,21,771
Employees' stock options outstanding	2,517	744	1,612
Reserves and surplus	15,90,626	14,19,011	14,84,829
Minority Interest	-	-	-
Deposits	1,23,41,412	90,18,719	1,05,53,963
Borrowings	56,64,301	52,60,308	52,96,260
Other liabilities and provisions	10,60,685	9,29,789	10,56,138
<b>TOTAL</b>	<b>2,12,81,675</b>	<b>1,72,49,782</b>	<b>1,90,14,573</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	7,95,168	15,79,233	11,28,125
Balances with banks and money at call and short notice	6,89,882	1,21,612	4,42,112
Investments	50,37,624	41,62,554	45,93,456
Advances	1,34,76,187	1,02,25,521	1,17,85,780
Fixed Assets	1,64,660	1,35,368	1,38,734
Other Assets	11,04,188	10,11,528	9,12,400
Goodwill on Consolidation	13,966	13,966	13,966
<b>TOTAL</b>	<b>2,12,81,675</b>	<b>1,72,49,782</b>	<b>1,90,14,573</b>

- 2 The above financial results represent the consolidated financial results for IDFC FIRST Bank Limited ('the Bank' or 'Holding company'), its subsidiary together constituting the 'Group' and share of profit/ loss of its associate. The above results for the quarter and half year ended September 30, 2022 were reviewed by the Audit Committee on October 21, 2022 and approved by the Board of Directors on October 22, 2022. These results have been subjected to a "Limited Review" by the Joint Statutory Auditors - M S K A & Associates, Chartered Accountants and Kalyaniwalla & Mistry LLP, Chartered Accountants and they have issued an unmodified review report thereon. The previous period financial results were reviewed / audited by B S R & Co. LLP, Chartered Accountants and M S K A & Associates, Chartered Accountants.





- 3 The consolidated financial results are 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 and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in so far as they apply to banks, and the guidelines issued by the RBI.
- 4 In accordance with RBI guidelines, banks are required to make consolidated Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and net stable funding ratio (NSFR) under the Basel III framework. The Bank has made these disclosures which are available on its website at the link: <http://www.idfcfirstbank.com/regulatory-disclosures.html>. These disclosures have not been subjected to audit or limited review by the Joint Statutory Auditors of the Bank.
- 5 During the quarter and half year ended September 30, 2022, the Bank has issued 22,51,055 and 36,29,177 equity shares of face Value of ₹ 10 per equity share pursuant to the exercise of options under the Employee Stock Option Scheme.
- 6 India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. Currently, while the number of new COVID-19 cases have reduced significantly and the restrictions have been eased by the Government, the extent to which the COVID-19 pandemic, including the future subsequent waves, if any, may impact the Bank's operations and asset quality will depend on future developments. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank.
- 7 Analytical ratios (including sector specific ratios) are part of standalone financial results available on the Bank's website ([www.idfcfirstbank.com](http://www.idfcfirstbank.com)) and on the Stock Exchange websites ([www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)).
- 8 The Group 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, 2022.
- 9 The figures for the previous quarter/period have been regrouped/reclassified wherever necessary in order to make them comparable.
- 10 Consolidated Cash Flow Statement of the Group for the half year ended September 30, 2022 is given below:

Sr No	Particular	(₹ in lakhs)		
		As at 30.09.2022 (Unaudited)	As at 30.09.2021 (Unaudited)	As at 31.03.2022 (Audited)
<b>A</b>	<b><u>Cash flow from operating activities</u></b>			
	Profit before taxes	1,41,033	(68,635)	17,497
	Adjustments for :			
	Depreciation on fixed assets	19,753	18,725	38,241
	Amortization of deferred employee compensation	905	735	1,602
	Amortisation of premium on held to maturity investments	13,302	8,701	19,286
	Write back of provision for depreciation in value of investments	(11,664)	(8,020)	(41,178)
	Provision / (Write back of provision) on non performing advances	23,990	(8,455)	23,242
	Provision / (Write back of provision) for restructured assets	(25,943)	40,470	37,816
	Provision / (Write back of provision) on identified standard advances	1,842	(17,690)	(32,520)
	Provision / (Write back of provision) on standard assets	(133)	(21,502)	(18,108)
	Loss / (Profit) on sale of fixed assets (net)	(106)	17	525
	Bad debts including technical/prudential write off (net of recoveries)	89,205	2,43,392	3,55,932
	Other provisions and contingencies	(4,080)	6,531	(14,325)
	Adjustments for working capital changes:			
	Decrease in investments (excluding held to maturity investment and investment in subsidiary)	1,68,655	3,03,722	1,94,733
	Increase in advances	(18,04,559)	(3,86,954)	(20,77,215)
	Increase in deposits	17,87,449	1,65,094	17,00,338
	(Increase) / Decrease in other assets	(2,18,695)	22,423	97,090
	Increase / (Decrease) in other liabilities and provisions	29,905	(1,73,836)	(48,525)
	Direct taxes (paid) / refund (net)	(4,987)	(10,846)	13,483
	<b>Net cash flow from operating activities (A)</b>	<b>2,05,872</b>	<b>1,13,872</b>	<b>2,67,914</b>
<b>B</b>	<b><u>Cash flow from investing activities</u></b>			
	Purchase of fixed assets	(46,069)	(24,625)	(48,183)
	Proceeds from sale of fixed assets	487	107	275
	Increase / (Decrease) in held to maturity investments	(6,14,462)	51,202	(2,48,138)
	<b>Net cash flow from / (used) in investing activities (B)</b>	<b>(6,60,044)</b>	<b>26,684</b>	<b>(2,96,046)</b>
<b>C</b>	<b><u>Cash flow from financing activities</u></b>			
	Proceeds from issue of Additional Tier II Bonds	-	-	1,50,000
	Net proceeds in other borrowings	3,68,041	6,81,699	5,67,651
	Proceeds from issue of share capital (net of share issue expenses)	944	3,01,278	3,03,407
	<b>Net cash flow from financing activities (C)</b>	<b>3,68,985</b>	<b>9,82,977</b>	<b>10,21,058</b>
<b>D</b>	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(85,187)</b>	<b>11,23,533</b>	<b>9,92,925</b>
	Cash and cash equivalents at the beginning of period	15,70,237	5,77,312	5,77,312
	<b>Cash and cash equivalents at the end of period</b>	<b>14,85,050</b>	<b>17,00,845</b>	<b>15,70,237</b>

For and behalf of the Board of Directors  
of IDFC FIRST Bank Limited

V. Vaidyanathan  
Managing Director & Chief Executive Officer

Date: October 22, 2022  
Place: Mumbai



## IDFC FIRST Bank Q2 FY23 Profit After Tax up 266% YoY at Rs. 556 crore

Mumbai, October 22, 2022:

### Financial results at a glance

The Board of Directors of IDFC FIRST Bank, in its meeting held today, approved the unaudited financial results for the quarter and the half year ended September 30, 2022.

#### Earnings

- **NII** grew by **32%** on YoY basis to **Rs. 3,002 crore** in Q2-FY23.
- **Net Interest Margin** improved by **15 bps** on YoY basis to **5.98%** in Q2-FY23.
- **Fee and Other Income** grew by **44%** YoY to **Rs. 945 crore** in Q2-FY23.
- **Core operating income** (excl. trading gains) grew by **35%** YoY to **Rs. 3,947 crore** in Q2-FY23
- **Core operating profit** (excl. trading gains) grew by **84%** YoY to **Rs. 1,052 crore** in Q2-FY23
- **Provisions** were lower by **11%** YoY basis at **Rs. 424 crore** in Q2-FY23 at **1.2%** (annualized) of average funded assets.
- **Net Profit** grew by **266%** on YoY basis to **Rs. 556 crore** in Q2-FY23.
- **ROA (annualized)** reached **1.07%** and **ROE (annualized)** reached **10.13%** in Q2-FY23

#### Deposits

- **Customer Deposits** grew by **36%** YoY to **Rs. 1,14,004 crore**.
- **CASA Deposits** grew by **37%** YoY to **Rs. 63,305 crore**.
- **CASA ratio** was at **51.28%** as of September 30, 2022.

#### Assets

- **Funded Assets** grew by **25%** YoY to **Rs. 1,45,362 crore**.
- **Retail Loan and Commercial loans** grew by **40%** YoY to **Rs. 1,09,669 crore**, of which **Home Loans** grew by **59%** YoY
- **Corporate Book (Non-Infrastructure)** grew by **20%** on YoY basis to **Rs. 24,883 crore**.
- **Infrastructure Financing** reduced by **41%** YoY to **Rs. 5,992 crore** (**4.1%** of funded assets)

#### Asset Quality

- **GNPA** and **NNPA** of the **Bank** was at **3.18%** and **1.09%** respectively, QoQ improvement by **18 bps** and **21 bps** respectively.
- **GNPA** and **NNPA** of the **Retail and Commercial Finance book** was at **2.03%** and **0.73%** respectively, QoQ improvement by **8 bps** and **20 bps** respectively.
- **Provision Coverage Ratio (PCR)** including technical write-off for the Bank is now increased to **83%** (excluding the run-down infrastructure book) as compared to **69%** at Sep-21.

#### Capital Adequacy & Liquidity

- **Capital Adequacy Ratio** (including profits for H1 FY23): Strong at **15.35%**.
- **Average Liquidity Coverage Ratio (LCR)**: Strong at **131%** for Q2-FY23



**DETAILED NOTE ON BUSINESS & FINANCIAL PERFORMANCE OF THE BANK****Earnings**

- **Profitability:** The net profit for Q2-FY23 grew to **Rs. 556 crore** from **Rs. 152 crore** in Q2-FY22 (up **266% YoY**) and from net profit of **Rs. 474 crore** in Q1-FY23 (up **17% QoQ**), driven by strong growth in core operating income. For H1-FY23, net profit grew to **Rs. 1,030 crore** as compared to net loss of **Rs. 478 crore** in H1 FY22.
- **Net Interest Income (NII):** NII grew by **32% YoY** to **Rs. 3,002 crore** in Q2-FY23, up from **Rs. 2,272 crore** in Q2-FY22. For H1-FY23, NII grew by **29% YoY** to **Rs. 5,753 crore** as compared to **Rs. 4,457 crore** in H1-FY22.
- **Net Interest Margin (NIM%):** NIM% (quarterly annualized) of the Bank was at **5.98%** for Q2-FY23 compared to **5.83%** in Q2-FY22 and **5.89%** in Q1-FY23.
- **Fee and Other Income** increased strongly by **44% YoY** to **Rs. 945 crore** in Q2-FY23 from **Rs. 658 crore** in Q2-FY22. For H1-FY23, it grew by **67% YoY** to **Rs. 1,844 crore** from **Rs. 1,107 crore** in H1-FY22.
- **Core operating income** (NII + fee and other income excluding trading gains) increased by **35% YoY** to **Rs. 3,947 crore** in Q2-FY23 from **Rs. 2,930 crore** in Q2-FY22 aided by strong NII and Fee income growth.
  - Fee Income growth was contributed primarily by the fees related to loan sourcing, higher transaction led fees, distribution and wealth management fees etc. **Retail fees** (including toll and credit card) constitutes **92%** of the overall fees for the quarter.
- **Operating Expense** grew **23% YoY** to **Rs. 2,895 crore** in Q2-FY23 from **Rs. 2,359 crore** in Q2-FY22. The increase on YoY basis was relatively higher on account of higher disbursements in Q2 FY23 and low base affect in Q2 FY22 due to impact of COVID-19 second wave.
- **Core Operating Profit** (excluding trading gains) grew by **84% YoY** basis to **Rs. 1,052 crore** for the quarter Q2-FY23 from **Rs. 571 crore** in Q2-FY22.
- **Provisions** were lower by **11%** on a YoY basis at **Rs. 424 crore** in Q2-FY23 as compared to **Rs. 475 crore** in Q2-FY22. The credit cost (quarterly annualized) as % of average funded assets for Q2-FY23 was **1.2%**. For H1-FY23, the same was at **1.1%**.
  - The Bank is well on track to meet the asset quality and credit cost guidance. Based on the improved portfolio performance indicators, the Bank is confident to achieve its FY23 credit cost guidance at lower than **1.5%** of the total average funded assets.

- **Profitability Ratio:**

- The RoA (quarterly annualized) of the Bank increased to **1.07%** in Q2-FY23 from **0.35%** in Q2-FY22 and **0.97%** in Q1-FY23.
- The RoE (annualized) of the Bank improved to **10.13%** in Q2-FY23 from **2.97%** in Q2-FY22 and **8.96%** in Q1-FY23.

## Deposits

The Bank continues to strengthen its liability franchise with consistent growth in Deposits.

- **CASA Deposits** grew by **37%** YoY to **Rs. 63,305 crore** as on September 30, 2022, as compared to **Rs. 46,269 crore** as on September 30, 2021. It was contributed by **55% YoY** growth in **Current Accounts** deposits and **34% YoY** growth in **Savings Accounts** deposits.
- **CASA Ratio** was at **51.28%** as on September 30, 2022, as compared to **50.04%** as on June 30, 2021 and as compared to **51.28%** as on September 30, 2021. **Average CASA Deposits** grew by **32%** YoY and by **13%** QoQ.
- **Customer Deposits** increased by **36%** to **Rs. 1,14,004 crores** as of September 30, 2022, as compared to **Rs. 83,889 crore** as of September 30, 2021.
- **Branch & ATM Network:** As on September 30, 2022, the Bank has **670** branches and **812** ATMs (including recyclers) across the country. The Bank has added **29** branches and **93** ATMs since March 31, 2022.

## Funded Assets (Net of IBPC)

- **Funded assets** increased by **25%** YoY to **Rs. 1,45,362 crore** as on September 30, 2022 from **Rs. 1,16,470 crore** as on September 30, 2021.

### **A. Retail Funded Assets:**

- ✓ Retail funded book is highly diversified over multiple lines of businesses. The Retail funded book increased **41%** YoY to **Rs. 96,496 crore** as on September 30, 2022 from **Rs. 68,385 crore** as on September 30, 2021.
- ✓ Housing loans book grew by **59%** YoY as of September 30, 2022.
- ✓ Mortgage backed businesses grew **29%** YoY as of September 30, 2022.
- ✓ Rural Financing segment has grown by **34%** YoY on the comparatively lower bases on the rural businesses which were impacted the most by COVID-19 second wave.

- Bank has over **1.2 Mn Credit Cards** issued since launch in Jan-21. The credit card portfolio outstanding as on September 30, 2022 stood at **Rs. 2,706 crore** which more than doubled from a low base on YOY basis. Most of our customers have been acquired by cross-selling to existing customers. Gross spends on Credit Card have increased by **23%** sequentially.
- Retail funded asset book constitutes **66%** of overall funded asset book at September 30, 2022.

#### **B. Commercial loans:**

- The Commercial loan Book of the Bank increased by **34% YoY** to **Rs. 13,173 crore** as on September 30, 2022 from **Rs. 9,865 crore** as on September 30, 2021.
- This book constitutes **9%** of funded assets as on September 30, 2022. Most of the products in this segment are growing from respective small bases.

**C. Corporate (non-Infra) funded book** increased by **20% YoY** to **Rs. 24,883 crore** as on September 30, 2022 from **Rs. 20,822 crore** as on September 30, 2021. It increased by **4%** on a sequential basis.

**D. Infrastructure Financing book** reduced by **41%** on a YoY basis to **Rs. 5,992 crore** as on September 30, 2022 from **Rs. 10,142 crore** as on September 30, 2021. This portfolio now constitutes only **4.1%** of total funded assets as on September 30, 2022 as compared to **8.7%** as on September 30, 2021. The Bank will continue to run down this legacy infrastructure financing book.

➤ **Other Corporate Funded Assets** (Security Receipts, Loans converted into Equity, PTC and RIDF) decreased by **34% YoY** to **Rs. 4,818 crore** as on September 30, 2022 from **Rs. 7,256 crore** as on September 30, 2021.

➤ **Top 10 Borrowers** concentration as % of total Funded Assets has reduced to **3.3%** as on September 30, 2022 from **5.5%** as on September 30, 2021.



### Asset Quality

The overall Asset Quality has improved during the year. The following is the segment-wise Gross and Net NPA:

Particulars	Sep-21	Jun-22	Sep-22	QoQ Change (in bps)	YoY Change (in bps)
<b><u>Retail &amp; Commercial Loans</u></b>					
GNPA	3.45%	2.12%	2.03%	(8)	(142)
NNPA	1.66%	0.93%	0.73%	(20)	(93)
<b><u>Corporate</u></b>					
GNPA	2.85%	3.67%	3.43%	(23)	58
NNPA	0.84%	0.20%	0.14%	(6)	(70)
<b><u>Infrastructure</u></b>					
GNPA	15.83%	21.74%	24.48%	274*	865
NNPA	9.89%	11.82%	13.40%	158*	351
<b><u>Total</u></b>					
<b>GNPA</b>	<b>4.27%</b>	<b>3.36%</b>	<b>3.18%</b>	<b>(18)</b>	<b>(108)</b>
<b>NNPA</b>	<b>2.09%</b>	<b>1.30%</b>	<b>1.09%</b>	<b>(21)</b>	<b>(100)</b>
<b>Provision Coverage Ratio (%) (Incl. Technical Write-offs)</b>	<b>63.00%</b>	<b>73.13%</b>	<b>76.49%</b>	<b>336</b>	<b>1,349</b>

\*No new case was added during the quarter. This is due to the book ramp-down.

- The Bank continues to improve on asset quality on overall basis. The NPA levels in the retail and commercial segment have improved and are around the long-term guidance provided earlier of GNPA 2% and NNPA of less than 1%.
- One infrastructure loan (Mumbai Toll Road account) which become NPA during Q1 FY22, continued to pay its dues partially and the principal outstanding reduced by **Rs. 21 crore** during the quarter to **Rs. 760 crore** as on September 30, 2022. While the account is NPA as of now, we expect to collect our dues and expect eventual losses on this account to be not material in due course.
- Excluding the NPA in the infrastructure financing book which will run down in due course, the Gross and Net NPA of the Bank would have been **2.27%** and **0.63%** and the PCR including technical write off would be **83.31%**.
- The standard restructured book stood at **1.0%** as on September 30, 2022 of the funded assets as against **1.3%** as on June 30, 2022.

### Capital and Liquidity Position

- **Capital Adequacy** of the Bank was strong at **15.35%** with CET-1 Ratio at **13.67%** as on September 30, 2022.
- **Average LCR** was strong at **131%** for the quarter ending on September 30, 2022.

### *Comments from Managing Director and CEO*

**Mr. V Vaidyanathan, Managing Director and CEO, IDFC FIRST Bank, said,** “We have built a strong foundation at the bank over the past three years. This includes a strong retail liabilities franchise with strong CASA ratio of 50% and great service standards. Our philosophy of ethical banking and high levels of corporate governance are also our pillars. I believe we can grow from here on in a stable manner.”

“Our profit after tax has grown consistently for the 5th consecutive quarter, reflecting the resilience of our franchise. I am happy to share that we have posted the highest-ever profit in the history of the Bank this quarter at Rs. 556 crore, driven by strong growth in core operating income. We are confident of sustaining this trend as the new lines of businesses launched, such as cash management, wealth management, FASTag, credit cards, are at the start of the journey and have immense potential going forward. “

“On the asset quality front, we have a long track record of 12 years of maintaining our retail gross NPA and net NPA at around 2% and 1% respectively through the economic slowdown in 2010-2014, Demonetisation in 2016, GST implementation in 2017, and ILFS crisis in 2018-19. I am happy to share that even after COVID, the retail asset quality has reverted to long term sustainable levels with GNPA of 2.03% and NNPA of 0.73% as of September 30, 2022.”

Going forward, we are optimistic about maintaining our growth momentum on the basis of strong foundations we have built at the Bank.”

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### *About IDFC FIRST Bank*

IDFC First Bank was formed by the merger of erstwhile IDFC Bank, promoted by renowned infrastructure financing institution IDFC Ltd. and leading technology NBFC, Capital First. The bank believes in making customer-first products, and was the first universal bank to offer monthly interest credit on savings accounts, first bank to issue life-time free credit cards with no minimum spend conditions, first bank to offer dynamic and low APR rates, evergreen rewards points, and many other such interesting products.

The Bank’s vision is to build a world class bank in India, guided by ethics, powered by technology, and to be a force for social good. Our mission is to touch the lives of millions of Indians in a positive way by providing them high-quality banking services.



IDFC FIRST Bank, has a balance sheet of **Rs. 2,12,776 crore**, and has provided over 30 million loans in its combined history and serves customers in over 60,000 villages, cities and towns across the length and breadth of the country.

In a short time, the Bank has expanded to 670 branches, 249 asset service centres, 812 ATMs and 606 rural business correspondent centres across the country, a next-generation net and mobile banking platform and 24/7 Customer Care services. IDFC FIRST Bank is committed to bring high-quality banking at affordable rates to India. The Bank also offers high quality technology-enabled corporate banking solutions, contemporary cash management solutions, fleet card and FASTag solutions and wealth management solutions.

#### **CAUTIONARY STATEMENT**

*“Statements made in this release may contain certain forward-looking statements based on various assumptions on the Bank’s present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Bank’s businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Bank does not undertake any obligation to update these statements. The Bank has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.”*