

IDFCFIRSTBANK/SD/34/2022-23

April 30, 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.: Board Meeting held on April 30, 2022 –Audited Financial Results of IDFC FIRST Bank Limited (“Bank”) for the Quarter and Financial Year ended March 31, 2022.

Dear Sir/ Madam,

Pursuant to Regulations 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”) and other applicable provisions, if any, we enclose the copy of Audited Standalone and Consolidated Financial Results of the Bank for the quarter and financial year ended March 31, 2022 (“**Financial Results**”) duly approved by the Board of Directors of the Bank at its Meeting held today, along with copies of the Audited Reports for the aforesaid period, issued by the Joint Statutory Auditors, viz. M/s. B S R & Co. LLP, Chartered Accountants and M/s. MSKA & Associates, Chartered Accountants.

The Joint Statutory Auditors of the Bank have issued the Audit Report on the Standalone and Consolidated financial results for the quarter and financial year ended March 31, 2022 with unmodified opinion.

We also submit a copy of Press Release on the financials for the quarter and financial year ended March 31, 2022.

The above information is also being uploaded on the Bank’s website at 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 04:05 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*

B S R & Co. LLP
Chartered Accountants
14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East),
Mumbai- 400063
Telephone +91 22 6257 1000

M S K A & Associates
Chartered Accountants
602 Floor 6, Raheja Titanium,
Western Express Highway, Geetanjali,
Railway Colony, Ram Nagar,
Goregaon (East),
Mumbai – 400063
Telephone +91 22 6831 1600

Independent Auditor's Report on Standalone Financial Results 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), 2015

To the Board of Directors of IDFC FIRST Bank Limited

Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying Standalone Financial Results of IDFC FIRST Bank Limited (“the Bank”) for the year ended 31 March 2022, (the “Statement”) , being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’), except for the disclosure relating to Pillar 3 disclosure as at 31 March 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 Standalone Financial Results and have not been audited by us.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- (i) is presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31 March 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 Standalone Financial Results and have not been audited by us; and
- (ii) gives a true and fair view, in conformity with the recognition and measurement principles laid down in applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Accounts) Rules, 2014, as amended, to the extent applicable, the relevant provisions of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India (“RBI”) from time to time (the “RBI Guidelines”), of the net profit and other financial information for the year ended 31 March 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Bank, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (continued)

IDFC FIRST Bank Limited

Management's and Board of Director's Responsibility for the Standalone Financial Results

These Standalone Financial Results, which is the responsibility of the Bank's Management and approved by the Board of Directors have been compiled from the Standalone financial statements. The Bank's Management and Board of Directors are responsible for the preparation of these Standalone Financial Results that give a true and fair view of the net profit and other financial information of the Bank in accordance with the recognition and measurement principles laid down in applicable accounting standards prescribed under Section 133 of the Act, the relevant provisions of the Banking Regulation Act, 1949, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Management and the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Bank are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



INDEPENDENT AUDITORS' REPORT *(continued)*

IDFC FIRST Bank Limited

Auditor's Responsibilities for the Audit of the Standalone Financial Results *(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

1. The audit of Standalone Financial Results of the Bank for the year ended 31 March 2021, were conducted by B S R & Co. LLP, Chartered Accountants, the statutory auditor of the Bank, whose report dated 08 May 2021, expressed an unmodified opinion on those Standalone Financial Results. Accordingly, M S K A & Associates, Chartered Accountants, do not express any opinion on the figures reported in the Standalone Financial Results for the year ended 31 March 2021.

af

INDEPENDENT AUDITORS' REPORT (continued)

IDFC FIRST Bank Limited

2. The Standalone Financial Results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion on the Statement is not modified in respect of the above matters.

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022



Ashwin Suvarna

Partner

Membership No: 109503

UDIN: 22109503A1D2ND9345

Mumbai
30 April 2022

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No: 105047W



Swapnil Kale

Partner

Membership No: 117812

UDIN: 22117812A1DWJD9359

Mumbai
30 April 2022

IDFC FIRST Bank Limited

Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu
CIN : L65110TN2014PLC097792

Statement of Audited Financial Results for the quarter and year ended March 31, 2022 (Standalone)

(₹ in lakhs)

| Sr. No. | Particulars | Quarter ended | Quarter ended | Quarter ended | Year ended | Year ended |
|---------|---|-------------------------------|---------------------------|-------------------------------|-------------------------|-------------------------|
| | | 31.03.2022 (Refer Note 18) | 31.12.2021 (Unaudited) | 31.03.2021 (Refer Note 18) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
| 1 | Interest Earned (a)+(b)+(c)+(d) | 4,55,364 | 4,42,916 | 3,99,287 | 17,17,268 | 15,96,786 |
| | (a) Interest/discount on advances/bills | 3,82,570 | 3,59,896 | 3,21,484 | 14,17,401 | 12,63,298 |
| | (b) Income on investments | 62,346 | 68,713 | 68,465 | 2,61,537 | 3,03,921 |
| | (c) Interest on balances with Reserve Bank of India and other inter- bank funds | 7,882 | 11,709 | 2,988 | 24,124 | 11,217 |
| | (d) Others | 2,566 | 2,598 | 6,350 | 14,206 | 18,350 |
| 2 | Other Income (refer note 6, 8 & 14) | 83,124 | 76,863 | 81,831 | 3,22,204 | 2,21,133 |
| 3 | TOTAL INCOME (1+2) | 5,38,488 | 5,19,779 | 4,81,118 | 20,39,472 | 18,17,919 |
| 4 | Interest Expended | 1,88,440 | 1,84,920 | 2,03,261 | 7,46,652 | 8,58,760 |
| 5 | Operating Expenses (i)+(ii) | 2,67,396 | 2,57,886 | 2,15,556 | 9,64,445 | 7,09,328 |
| | (i) Employees cost (refer note 9) | 78,463 | 72,174 | 51,959 | 2,69,654 | 1,97,697 |
| | (ii) Other operating expenses | 1,88,933 | 1,85,712 | 1,63,597 | 6,94,791 | 5,11,631 |
| 6 | TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies) | 4,55,836 | 4,42,806 | 4,18,817 | 17,11,097 | 15,68,088 |
| 7 | Operating Profit (3-6) (Profit before provisions and contingencies) | 82,652 | 76,973 | 62,301 | 3,28,375 | 2,49,831 |
| 8 | Provisions (other than tax) and Contingencies (Net) (refer note 8 & 14) | 36,947 | 39,185 | 57,990 | 3,10,858 | 2,02,253 |
| 9 | Exceptional Items | - | - | - | - | - |
| 10 | Profit / (Loss) from Ordinary Activities before tax (7-8-9) | 45,705 | 37,788 | 4,311 | 17,517 | 47,578 |
| 11 | Tax Expense | 11,432 | 9,682 | (8,470) | 2,968 | 2,350 |
| 12 | Net Profit / (Loss) from Ordinary Activities after tax (10-11) | 34,273 | 28,106 | 12,781 | 14,549 | 45,228 |
| 13 | Extraordinary Items (net of tax expense) | - | - | - | - | - |
| 14 | Net Profit / (Loss) for the period (12-13) | 34,273 | 28,106 | 12,781 | 14,549 | 45,228 |
| 15 | Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 4 & 5) | 6,21,771 | 6,21,524 | 5,67,585 | 6,21,771 | 5,67,585 |
| 16 | Reserves excluding Revaluation Reserves | - | - | - | 14,76,965 | 12,13,195 |
| 17 | Analytical Ratios | | | | | |
| | (i) Percentage of shares held by Government of India (refer note 4 & 5) | 4.20% | 4.21% | 4.61% | 4.20% | 4.61% |
| | (ii) Capital adequacy ratio (Basel III) | 16.74% | 15.38% | 13.77% | 16.74% | 13.77% |
| | (iii) Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 4 & 5) | | | | | |
| | - Basic (₹) | 0.55 | 0.45 | 0.23 | 0.23 | 0.82 |
| | - Diluted (₹) | 0.54 | 0.45 | 0.22 | 0.23 | 0.81 |
| | (iv) NPA ratios (refer note 15) | | | | | |
| | (a) Amount of gross NPAs | 4,46,913 | 4,45,694 | 4,30,301 | 4,46,913 | 4,30,301 |
| | (b) Amount of net NPAs | 1,80,807 | 1,91,400 | 1,88,328 | 1,80,807 | 1,88,328 |
| | (c) % of gross NPAs to gross advances | 3.70% | 3.96% | 4.15% | 3.70% | 4.15% |
| | (d) % of net NPAs to net advances | 1.53% | 1.74% | 1.86% | 1.53% | 1.86% |
| | (v) Return on assets (annualized) | 0.76% | 0.64% | 0.33% | 0.08% | 0.28% |
| | (vi) Net worth [#] | 19,08,061 | 18,61,163 | 15,80,844 | 19,08,061 | 15,80,844 |
| | (vii) Outstanding redeemable preference shares | - | - | - | - | - |
| | (viii) Capital redemption reserve | - | - | - | - | - |
| | (ix) Debt-equity ratio [*] | 1.38 | 1.39 | 1.85 | 1.38 | 1.85 |
| | (x) Total debts to total assets [§] | 27.85% | 29.15% | 28.06% | 27.85% | 28.06% |

[#] 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.



IDFC FIRST Bank Limited (formerly IDFC Bank Limited)

C-32 G Block, Naman Chambers, BKC, Bandra (East) Mumbai 40005, Maharashtra

Registered Office: KRM Towers, 7th Floor, No.1, Harrington Road, Chetpet, Chennai - 600 031. Tel: +91 44 4564 4000 Fax: +91 44 4564 4022

CIN : L65110TN2014PLC097792 bank.info@idfcfirstbank.com www.idfcfirstbank.com

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 | Quarter ended | Quarter ended | Year ended | Year ended |
|---------|--|-------------------------------|--------------------|-------------------------------|--------------------|--------------------|
| | | 31.03.2022 (Refer Note 18) | 31.12.2021 | 31.03.2021 (Refer Note 18) | 31.03.2022 | 31.03.2021 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1 | Segment Revenue | | | | | |
| | a Treasury | 2,30,286 | 2,40,064 | 2,52,474 | 9,83,593 | 10,73,118 |
| | b Wholesale Banking | 1,39,092 | 1,38,818 | 1,39,690 | 5,53,453 | 6,11,804 |
| | c Retail Banking | 4,89,889 | 4,63,420 | 4,19,272 | 18,15,590 | 15,01,076 |
| | d Other Banking Business | 14,354 | 9,329 | 6,167 | 33,556 | 15,267 |
| | e Unallocated | (168) | 55 | 5,019 | 3,002 | 5,061 |
| | Total Segment Revenue | 8,73,453 | 8,51,686 | 8,22,622 | 33,89,194 | 32,06,326 |
| | Add/(Less) : Inter Segment Revenue | (3,34,965) | (3,31,907) | (3,41,504) | (13,49,722) | (13,88,407) |
| | Income from Operations | 5,38,488 | 5,19,779 | 4,81,118 | 20,39,472 | 18,17,919 |
| 2 | Segment Results After Provisions & Before Tax | | | | | |
| | a Treasury | (7,445) | 48,164 | 66,997 | 1,24,027 | 2,59,494 |
| | b Wholesale Banking | 7,136 | 12,921 | 62,563 | 36,024 | 69,850 |
| | c Retail Banking | 43,032 | (18,751) | (1,25,746) | (1,32,987) | (2,59,472) |
| | d Other Banking Business | 9,269 | 3,676 | 1,683 | 14,602 | (1,724) |
| | e Unallocated | (6,287) | (8,222) | (1,186) | (24,149) | (20,570) |
| | Total Profit Before Tax | 45,705 | 37,788 | 4,311 | 17,517 | 47,578 |
| 3 | Segment Assets | | | | | |
| | a Treasury | 65,40,768 | 58,26,475 | 56,42,063 | 65,40,768 | 56,42,063 |
| | b Wholesale Banking | 29,11,720 | 28,11,080 | 29,16,789 | 29,11,720 | 29,16,789 |
| | c Retail Banking | 92,55,462 | 84,88,414 | 74,45,995 | 92,55,462 | 74,45,995 |
| | d Other Banking Business | 4,643 | 4,622 | 4,160 | 4,643 | 4,160 |
| | e Unallocated | 3,05,568 | 2,92,603 | 3,05,381 | 3,05,568 | 3,05,381 |
| | Total Segment Assets | 1,90,18,161 | 1,74,23,194 | 1,63,14,388 | 1,90,18,161 | 1,63,14,388 |
| 4 | Segment Liabilities | | | | | |
| | a Treasury | 51,81,657 | 44,61,892 | 40,84,393 | 51,81,657 | 40,84,393 |
| | b Wholesale Banking | 43,80,729 | 39,71,053 | 35,89,526 | 43,80,729 | 35,89,526 |
| | c Retail Banking | 72,33,185 | 68,43,044 | 67,46,652 | 72,33,185 | 67,46,652 |
| | d Other Banking Business | 3,146 | 2,419 | 2,797 | 3,146 | 2,797 |
| | e Unallocated | 1,19,096 | 79,906 | 1,10,231 | 1,19,096 | 1,10,231 |
| | Total Segment Liabilities | 1,69,17,813 | 1,53,58,314 | 1,45,33,599 | 1,69,17,813 | 1,45,33,599 |
| 5 | Capital Employed (Segment Assets - Segment Liabilities) | 21,00,348 | 20,64,880 | 17,80,789 | 21,00,348 | 17,80,789 |

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.

Notes:

- 1 Statement of Assets and Liabilities of the Bank as at March 31, 2022 is given below :

(₹ in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--|--------------------|--------------------|
| | (Audited) | (Audited) |
| CAPITAL AND LIABILITIES | | |
| Capital (refer note 4 & 5) | 6,21,771 | 5,67,585 |
| Employees' stock options outstanding | 1,612 | 10 |
| Reserves and Surplus | 14,76,965 | 12,13,195 |
| Deposits | 1,05,63,436 | 88,68,842 |
| Borrowings (refer note 11) | 52,96,260 | 45,78,608 |
| Other Liabilities and Provisions | 10,58,117 | 10,86,148 |
| TOTAL | 1,90,18,161 | 1,63,14,388 |
| ASSETS | | |
| Cash and balances with Reserve Bank of India | 5,77,292 | 4,74,593 |
| Balances with banks and money at call and short notice | 9,98,499 | 1,08,193 |
| Investments | 46,14,484 | 45,41,174 |
| Advances | 1,17,85,780 | 1,00,55,013 |
| Fixed Assets | 1,36,122 | 1,26,642 |
| Other Assets | 9,05,984 | 10,08,773 |
| TOTAL | 1,90,18,161 | 1,63,14,388 |



- 2 The above financial results for the quarter and year ended March 31, 2022 were reviewed by the Audit Committee on April 29, 2022 and approved by the Board of Directors on April 30, 2022. The Joint Statutory Auditors - B S R & Co. LLP, Chartered Accountants and M S K A & Associates, Chartered Accountants have issued an unmodified audit opinion on standalone financial statements for the year ended March 31, 2022. The information presented above is extracted from the audited standalone financial statements.
- 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 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 key applications largely integrated with core banking solution and general ledger system. Accordingly, branch returns are not required to be submitted.
- 4 During the year ended March 31, 2022, the Bank raised additional capital aggregating to ₹ 3,000 crore (rounded off) from qualified institutional buyers through issuance of 52,31,03,660 equity shares, fully paid-up, at the price of ₹ 57.35 per equity share (including a premium of ₹ 47.35 per equity share).
- 5 During the quarter and year ended March 31, 2022, the Bank has issued 24,66,685 and 1,87,54,795 equity shares respectively of face Value of ₹ 10 per equity share pursuant to the exercise of options under the Employee Stock Option Scheme.
- 6 "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.
- 7 In accordance with 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.
- 8 As per the Master Direction on Financial Statements - Presentation and Disclosures issued by the RBI dated August 30, 2021, provision / (write-back) of mark-to-market depreciation on investments in AFS and HFT categories (net) are classified under Other Income from quarter and half year ended September 30, 2021. Hitherto, the Bank was classifying such provisions / (write-back) under "Provisions and Contingencies". Further, the provision on Non- Performing Investments (NPIs) and Identified Investment continues to be shown under "Provisions and Contingencies". Previous period figures have been reclassified accordingly in line with this presentation. There is no impact of this change on net profit / loss.
- 9 RBI, vide its clarification dated August 30, 2021 on "Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff", advised that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted to the above category of employees after March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. As a result, 'Employees cost' for the quarter and year ended March 31, 2022 is higher by ₹ 3.52 crore and ₹ 14.50 crore respectively.
- 10 Outbreak of COVID-19 pandemic resulted into nation-wide lockdown in March 2020 which had substantially impacted the economic activities. Subsequently in financial year 2020-21, the national lockdown was lifted by the government, but regional lockdowns continued to be implemented in areas with significant number of COVID-19 cases. Further, in the current financial year, India witnessed two more waves of the COVID-19 pandemic which also led to the re-imposition of localised/regional lock-down measures in various parts of the country which were subsequently lifted.

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 during this period.

The Bank holds COVID-19 related contingency provision of ₹ 165.00 crore as at March 31, 2022.

- 11 During the quarter and year ended March 31, 2022, the Bank has raised Basel III compliant Additional Tier II bond amounting to ₹ 1500.00 crore.



- 12 (i) 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 March 31, 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 | 846.59 | 101.58 | 13.58 | 130.59 | 600.84 |
| Corporate Loans* | 937.76 | 214.74 | - | 187.42 | 535.60 |
| Of which, MSMEs | - | - | - | - | - |
| Others | 957.29 | 191.70 | 53.61 | 146.52 | 565.46 |
| Total | 2,741.64 | 508.02 | 67.19 | 464.53 | 1,701.90 |

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

§ Includes restructuring done in respect of requests received as of September 30, 2021 processed subsequently.

^ Represents debts that slipped into NPA and was subsequently written off during the half-year ended March 31, 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 ₹ 33.18 crore, which were not standard as at September 30, 2021 and upgraded to standard during the half year ended March 31, 2022 have not been included.

- 12 (ii) In accordance with the RBI Circular. No. DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework — 2.0: Resolution of Covid — 19 related stress of Individuals and Small Business", the number of borrower accounts where modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under :

| Particulars | As at 31.03.2022 |
|---|------------------|
| No. of accounts in which Resolution Period was extended | 3 |
| Amount Involved (Fund based outstanding) (₹ in crore) | 0.03 |

- 13 Details of loans transferred / acquired during the quarter ended March 31, 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) and loans not in default.

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

| | |
|---|--------|
| Aggregate amount of loans acquired (₹ in crore) | 137.72 |
| Weighted average residual maturity (in years) | 1.88 |
| Weighted average holding period by originator (in years) | 0.59 |
| Retention of beneficial economic interest by the originator | 10% |
| Tangible security coverage | 0% |

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

(iii) The Bank has not acquired any stressed loan.

(iv) The Bank has not made any investment in Security Receipts (SRs).

- 14 The provisions are net off provision write back of ₹ 486.60 crore for the year ended March 31, 2022 and ₹ 324.40 crore / ₹ 1,135.40 crore for the quarter / year ended March 31, 2021 respectively which was created on a large telecom exposure.

During the year ended March 31, 2021, the Bank sold bonds of a Non Banking Finance Company and a large Housing Finance Company resulting into realised loss of ₹ 573.48 crore accounted in "Other Income" and corresponding existing provision release of ₹ 572.92 crore accounted in "Provisions (other than tax) and Contingencies".

- 15 The disclosures for NPA referred to in point 17(iv) above correspond to non performing advances.

- 16 The figures for the previous quarter/year have been regrouped/reclassified wherever necessary in order to make them comparable.

- 17 The Bank did not declare any dividend for the financial year ended March 31, 2022 and March 31, 2021.

- 18 The figures for the quarter ended March 31, 2022 and March 31, 2021 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 were subject to limited review.



19 Cash Flow Statement of the Bank for the year ended March 31, 2022 is given below:

| Particulars | (₹ in lakhs) | |
|--|-------------------|-------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| | (Audited) | (Audited) |
| A Cash flow from operating activities | | |
| Profit before taxes | 17,517 | 47,578 |
| Adjustments for : | | |
| Depreciation on fixed assets | 37,326 | 32,938 |
| Amortization of deferred employee compensation | 1,602 | 10 |
| Amortisation of premium on held to maturity investments | 19,286 | 10,612 |
| Write back of provision for depreciation in value of investments | (41,178) | (86,276) |
| Provision on non performing advances | 23,242 | 94,508 |
| Provision on restructured assets | 37,816 | 9,932 |
| Dividend from subsidiary | (5,043) | - |
| Provision/(Write back of provision) on identified standard advances | (32,520) | 8,110 |
| Provision/(Write back of provision) for standard assets | (18,108) | 9,581 |
| Bad debts including technical / prudential write off (net of recoveries) | 3,55,932 | 2,38,702 |
| Loss/(Profit) on sale of fixed assets (net) | 532 | (1,566) |
| Write back of other provisions and contingencies | (14,325) | (72,304) |
| Adjustments for working capital changes: | | |
| Decrease in investments (excluding held to maturity investment and investment in | 1,94,733 | 3,03,328 |
| Increase in advances | (20,77,215) | (18,35,787) |
| Increase in deposits | 16,94,594 | 23,58,045 |
| Decrease in other assets | 97,551 | 3,04,593 |
| Decrease in other liabilities and provisions | (47,748) | (69,376) |
| Direct taxes refund (net) | 16,398 | 53,519 |
| Net cash flow from operating activities (A) | 2,60,392 | 14,06,147 |
| B Cash flow from investing activities | | |
| Purchase of fixed assets | (47,606) | (57,740) |
| Proceeds from sale of fixed assets | 267 | 3,498 |
| Increase in held to maturity investments | (2,46,150) | (2,28,380) |
| Dividend from subsidiary | 5,043 | - |
| Net cash flow used in investing activities (B) | (2,88,446) | (2,82,622) |
| C Cash flow from financing activities | | |
| Proceeds from issue of Additional Tier II bonds | 1,50,000 | - |
| Net proceeds / (repayments) in other borrowings | 5,67,651 | (11,61,110) |
| Proceeds from issue of share capital (net of share issue expenses) | 3,03,408 | 2,01,292 |
| Net cash flow from/ (used in) financing activities (C) | 10,21,059 | (9,59,818) |
| D Net increase in cash and cash equivalents (A+B+C) | 9,93,005 | 1,63,707 |
| Cash and cash equivalents at the beginning of Year | 5,82,786 | 4,19,079 |
| Cash and cash equivalents at the end of Year | 15,75,791 | 5,82,786 |

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



V. Vaidyanathan
Managing Director & Chief Executive Officer



Date: April 30, 2022
Place: Mumbai

B S R & Co. LLP
Chartered Accountants
14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East),
Mumbai- 400063
Telephone +91 22 6257 1000

M S K A & Associates
Chartered Accountants
602 Floor 6, Raheja Titanium,
Western Express Highway, Geetanjali,
Railway Colony, Ram Nagar,
Goregaon (East),
Mumbai – 400063
Telephone +91 22 6831 1600

Independent Auditor's Report on Consolidated Financial Results 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), 2015

To the Board of Directors of IDFC FIRST Bank Limited

Report on the Audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Consolidated Financial Results of IDFC FIRST Bank Limited (“the Bank”) and its subsidiary (the parent and its subsidiary together referred to as “the Group”) and its associate, for the year ended 31 March 2022 (“the Statement”), being submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’) except for the disclosures relating to consolidated Pillar 3 disclosure as at 31 March 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 Statement and have not been audited by us.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of another auditor on separate audited financial statements of one subsidiary and management certified accounts of one associate, the aforesaid Statement:

- (i) includes the results of the following entities:
 - IDFC FIRST Bank Limited
 - Subsidiary: IDFC FIRST Bharat Limited and
 - Associate: Millennium City Expressway Private Limited
- (ii) is presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations except for the disclosures relating to consolidated Pillar 3 disclosure as at 31 March 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 Statement and have not been audited by us; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act 2013 (the “Act”) read with Companies (Accounts) Rules, 2014 as amended to the extent applicable, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by Reserve Bank of India (‘RBI’) from time to time (the “RBI Guidelines”) and other accounting principles generally accepted in India of consolidated net profit and other financial information of the Group, including its associate for the year ended 31 March 2022.

INDEPENDENT AUDITORS' REPORT (continued)

IDFC FIRST Bank Limited

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and another auditor in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Directors' Responsibilities for the Consolidated Financial Results

These Consolidated Financial Results, which is the responsibility of the Bank's Management and approved by the Board of Directors have been compiled from the Consolidated financial statements. The Bank's Management and the Board of Directors are responsible for the preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net profit and other financial information of the Group including its associate in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Act, the relevant provisions of the Banking Regulation Act 1949, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. The respective Management and Board of Directors of the entities included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Results by the Management and the Directors of the Bank, as aforesaid.

In preparing the Consolidated Financial Results, the Management and the respective Board of Directors of the entities included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.



INDEPENDENT AUDITORS' REPORT (continued)

IDFC FIRST Bank Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern . If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/ financial information of the entities within the Group and its associate to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled "Other Matters" in this audit report.
- We communicate with those charged with governance of the Bank and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITORS' REPORT (continued)

IDFC FIRST Bank Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Results (Continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The Consolidated Financial Results include the audited financial information of one subsidiary whose Financial Results reflect Group's share of total assets (before consolidation adjustments) of Rs. 305 crore as at 31 March 2022, Group's share of total revenue (before consolidation adjustments) of Rs 574 crore and Group's share of total net profit after tax (before consolidation adjustments) of Rs. 37 crore for the year ended 31 March 2022 respectively, as considered in the Consolidated Financial Results, which have been audited by its respective independent auditor. The Independent auditor's report on financial statement of this entity have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

The Statement also includes the Group's share of total net loss of Rs. Nil for the year ended 31 March 2022, as considered in the Consolidated Financial Results of one associate whose financial statements have not been audited. The unaudited financial statement has been furnished to us by the Management and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management, the financial statements are not material to Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

The audit of Consolidated Financial Results of the Bank for the year ended 31 March 2021, were conducted by B S R & Co. LLP, Chartered Accountants, the statutory auditor of the Bank, whose report dated 08 May 2021 expressed an unmodified opinion on those Consolidated Financial Results. Accordingly, M S K A & Associates, Chartered Accountants, do not express any opinion on the figures reported in the Consolidated Financial Results for the year ended 31 March 2021.



INDEPENDENT AUDITORS' REPORT (continued)

IDFC FIRST Bank Limited

The Consolidated Financial Results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion on the Statement is not modified in respect of the above matters. .

For **B S R & Co. LLP**
Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022



Ashwin Suvarna
Partner

Membership No: 109503

UDIN: 22109503AIDZPL3351

For **M S K A & Associates**
Chartered Accountants

ICAI Firm Registration No: 105047W



Swapnil Kale
Partner

Membership No: 117812

UDIN: 22117812AIDWUI4029

Mumbai
30 April 2022

Mumbai
30 April 2022

IDFC FIRST Bank Limited

Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu
CIN : L65110TN2014PLC097792

Statement of Audited Financial Results for the quarter and year ended March 31, 2022 (Consolidated)

(₹ in lakhs)

| Sr. No. | Particulars | Quarter ended 31.03.2022 | Quarter ended 31.12.2021 | Quarter ended 31.03.2021 | Year ended 31.03.2022 | Year ended 31.03.2021 |
|---------|---|------------------------------|-----------------------------|------------------------------|--------------------------|--------------------------|
| | | (Refer Note 12) (Audited) | (Unaudited) | (Refer Note 12) (Audited) | (Audited) | (Audited) |
| 1 | Interest Earned (a)+(b)+(c)+(d) | 4,55,364 | 4,42,916 | 3,99,303 | 17,17,268 | 15,96,815 |
| | (a) Interest/discount on advances/bills | 3,82,570 | 3,59,896 | 3,21,484 | 14,17,401 | 12,63,298 |
| | (b) Income on investments | 62,346 | 68,713 | 68,465 | 2,61,537 | 3,03,921 |
| | (c) Interest on balances with Reserve Bank of India and other inter- bank funds | 7,882 | 11,709 | 3,003 | 24,124 | 11,231 |
| | (d) Others | 2,566 | 2,598 | 6,351 | 14,206 | 18,365 |
| 2 | Other Income (refer note 7) | 83,119 | 76,942 | 81,833 | 3,17,259 | 2,21,143 |
| 3 | TOTAL INCOME (1+2) | 5,38,483 | 5,19,858 | 4,81,136 | 20,34,527 | 18,17,958 |
| 4 | Interest Expended | 1,88,415 | 1,84,896 | 2,03,169 | 7,46,507 | 8,58,513 |
| 5 | Operating Expenses (i)+(ii) | 2,66,116 | 2,56,649 | 2,14,430 | 9,59,665 | 7,05,295 |
| | (i) Employees cost (refer note 8) | 89,735 | 82,429 | 61,066 | 3,09,987 | 2,30,152 |
| | (ii) Other operating expenses | 1,76,381 | 1,74,220 | 1,53,364 | 6,49,678 | 4,75,143 |
| 6 | TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies) | 4,54,531 | 4,41,545 | 4,17,599 | 17,06,172 | 15,63,808 |
| 7 | Operating Profit (3-6) (Profit before provisions and contingencies) | 83,952 | 78,313 | 63,537 | 3,28,355 | 2,54,150 |
| 8 | Provisions (other than tax) and Contingencies (Net) (refer note 7) | 36,947 | 39,186 | 57,990 | 3,10,858 | 2,02,252 |
| 9 | Exceptional Items | - | - | - | - | - |
| 10 | Profit / (Loss) from Ordinary Activities before tax (7-8-9) | 47,005 | 39,127 | 5,547 | 17,497 | 51,898 |
| 11 | Tax Expense | 11,774 | 10,106 | (8,145) | 4,266 | 3,580 |
| 12 | Net Profit / (Loss) from Ordinary Activities after tax (10-11) | 35,231 | 29,021 | 13,692 | 13,231 | 48,318 |
| 13 | Extraordinary Items (net of tax expense) | - | - | - | - | - |
| 14 | Net Profit / (Loss) for the period (12-13) | 35,231 | 29,021 | 13,692 | 13,231 | 48,318 |
| 15 | Share in Profit / (loss) of Associate | - | - | - | - | - |
| 16 | Consolidated Net Profit / (Loss) for the period (14+15) | 35,231 | 29,021 | 13,692 | 13,231 | 48,318 |
| 17 | Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 5 & 6) | 6,21,771 | 6,21,524 | 5,67,585 | 6,21,771 | 5,67,585 |
| 18 | Reserves excluding Revaluation Reserves | - | - | - | 14,84,829 | 12,22,377 |
| 19 | Analytical Ratios (refer note 11) | | | | | |
| | (i) Earnings per share (EPS) for the period/year (before and after extraordinary items) (not annualized) (refer note 5 & 6) | | | | | |
| | - Basic (₹) | 0.57 | 0.47 | 0.24 | 0.21 | 0.88 |
| | - Diluted (₹) | 0.56 | 0.46 | 0.24 | 0.21 | 0.87 |
| | (ii) Net worth [#] | 19,15,685 | 18,67,812 | 15,89,807 | 19,15,685 | 15,89,807 |
| | (iii) Outstanding redeemable Preference Shares | - | - | - | - | - |
| | (iv) Capital redemption reserve | - | - | - | - | - |
| | (v) Debt Equity Ratio * | 1.38 | 1.39 | 1.84 | 1.38 | 1.84 |
| | (vi) Total debts to total assets [§] | 27.85% | 29.16% | 28.08% | 27.85% | 28.08% |

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.



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

| | | (₹ in lakhs) | | | | |
|---------|--|--|-----------------------------|--|--------------------------|--------------------------|
| Sr. No. | Particulars | Quarter ended 31.03.2022 (Refer Note 12) | Quarter ended 31.12.2021 | Quarter ended 31.03.2021 (Refer Note 12) | Year ended 31.03.2022 | Year ended 31.03.2021 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1 | Segment Revenue | | | | | |
| | a Treasury | 2,30,286 | 2,40,064 | 2,52,474 | 9,83,593 | 10,73,118 |
| | b Wholesale Banking | 1,39,092 | 1,38,818 | 1,39,689 | 5,53,453 | 6,11,804 |
| | c Retail Banking | 4,89,884 | 4,63,499 | 4,19,291 | 18,10,645 | 15,01,115 |
| | d Other Banking Business | 14,354 | 9,329 | 6,167 | 33,556 | 15,267 |
| | e Unallocated | (168) | 55 | 5,019 | 3,002 | 5,061 |
| | Total Segment Revenue | 8,73,448 | 8,51,765 | 8,22,640 | 33,84,249 | 32,06,365 |
| | Add/(Less) : Inter Segment Revenue | (3,34,965) | (3,31,907) | (3,41,504) | (13,49,722) | (13,88,407) |
| | Income from Operations | 5,38,483 | 5,19,858 | 4,81,136 | 20,34,527 | 18,17,958 |
| 2 | Segment Results After Provisions & Before Tax | | | | | |
| | a Treasury | (7,444) | 48,164 | 66,997 | 1,24,028 | 2,59,493 |
| | b Wholesale Banking | 7,136 | 12,921 | 62,563 | 36,024 | 69,850 |
| | c Retail Banking | 44,334 | (17,412) | (1,24,510) | (1,33,006) | (2,55,151) |
| | d Other Banking Business | 9,268 | 3,676 | 1,683 | 14,601 | (1,724) |
| | e Unallocated | (6,289) | (8,222) | (1,186) | (24,150) | (20,570) |
| | Total Profit Before Tax and Earnings from Associates | 47,005 | 39,127 | 5,547 | 17,497 | 51,898 |
| 3 | Segment Assets | | | | | |
| | a Treasury | 65,19,741 | 58,05,447 | 56,19,047 | 65,19,741 | 56,19,046 |
| | b Wholesale Banking | 29,11,720 | 28,11,080 | 29,16,789 | 29,11,720 | 29,16,789 |
| | c Retail Banking | 92,68,026 | 85,04,307 | 74,59,736 | 92,68,026 | 74,59,736 |
| | d Other Banking Business | 4,643 | 4,622 | 4,161 | 4,643 | 4,161 |
| | e Unallocated | 3,10,443 | 2,95,712 | 3,07,419 | 3,10,443 | 3,07,420 |
| | Total Segment Assets | 1,90,14,573 | 1,74,21,168 | 1,63,07,152 | 1,90,14,573 | 1,63,07,152 |
| 4 | Segment Liabilities | | | | | |
| | a Treasury | 51,81,657 | 44,61,892 | 40,84,359 | 51,81,657 | 40,84,359 |
| | b Wholesale Banking | 43,80,729 | 39,70,604 | 35,89,091 | 43,80,729 | 35,89,091 |
| | c Retail Banking | 72,21,734 | 68,34,725 | 67,30,875 | 72,21,734 | 67,30,875 |
| | d Other Banking Business | 3,146 | 2,363 | 2,736 | 3,146 | 2,736 |
| | e Unallocated | 1,19,095 | 79,794 | 1,10,120 | 1,19,095 | 1,10,120 |
| | Total Segment Liabilities | 1,69,06,361 | 1,53,49,378 | 1,45,17,181 | 1,69,06,361 | 1,45,17,181 |
| 5 | Capital Employed (Segment Assets - Segment Liabilities) | 21,08,212 | 20,71,790 | 17,89,971 | 21,08,212 | 17,89,971 |

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 Joint Statutory Auditors.

Notes:

- 1 Statement of Assets and Liabilities of the Group as at March 31, 2022 is given below :

(₹ in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--|--------------------|--------------------|
| | (Audited) | (Audited) |
| CAPITAL AND LIABILITIES | | |
| Capital (refer note 5 & 6) | 6,21,771 | 5,67,585 |
| Employees' stock options outstanding | 1,612 | 10 |
| Reserves and surplus | 14,84,829 | 12,22,377 |
| Minority Interest | - | - |
| Deposits | 1,05,53,963 | 88,53,624 |
| Borrowings | 52,96,260 | 45,78,609 |
| Other liabilities and provisions | 10,56,138 | 10,84,947 |
| TOTAL | 1,90,14,573 | 1,63,07,152 |
| ASSETS | | |
| Cash and balances with Reserve Bank of India | 5,66,425 | 4,66,955 |
| Balances with banks and money at call and short notice | 10,03,812 | 1,10,358 |
| Investments | 45,93,456 | 45,18,159 |
| Advances | 1,17,85,780 | 1,00,55,012 |
| Fixed Assets | 1,38,734 | 1,29,593 |
| Other Assets | 9,12,400 | 10,13,109 |
| Goodwill on Consolidation | 13,966 | 13,966 |
| TOTAL | 1,90,14,573 | 1,63,07,152 |



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 year ended March 31, 2022 were reviewed by the Audit Committee on April 29, 2022 and approved by the Board of Directors on April 30, 2022. The Joint Statutory Auditors- B S R & Co. LLP, Chartered Accountants and M S K A & Associates, Chartered Accountants have issued an unmodified audit opinion on consolidated financial statements for the year ended March 31, 2022. The Information presented above is extracted from the audited consolidated financial statements.
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 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. 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 year ended March 31, 2022, the Bank raised additional capital aggregating to ₹ 3,000 crore (rounded off) from qualified institutional buyers through issuance of 52,31,03,660 equity shares, fully paid-up, at the price of ₹ 57.35 per equity share (including a premium of ₹ 47.35 per equity share).
6. During the quarter and year ended March 31, 2022, the Bank has issued 24,66,685 and 1,87,54,795 equity shares respectively of face Value of ₹ 10 per equity share pursuant to the exercise of options under the Employee Stock Option Scheme.
7. As per the Master Direction on Financial Statements - Presentation and Disclosures issued by the RBI dated August 30, 2021, provision / (write-back) of mark-to-market depreciation on investments in AFS and HFT categories (net) has been classified under Other income from quarter and half year ended September 30, 2021. Hitherto, the Bank was classifying such provisions / (write-back) under "Provisions and Contingencies". Further, the Provision on Non-Performing Investments (NPIs) and Identified Investments continues to be shown under "Provisions and Contingencies". Previous period figures have been reclassified accordingly in line with this presentation. There is no impact of this change on net profit / loss.
8. RBI, vide its clarification dated August 30, 2021 on "Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff", advised that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted to the above category of employees after March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. As a result, 'Employees cost' for the quarter and year ended March 31, 2022 is higher by ₹ 3.52 crore and ₹ 14.50 crore respectively.
9. Outbreak of COVID-19 pandemic resulted into nation-wide lockdown in March 2020 which had substantially impacted the economic activities. Subsequently in financial year 2020-21, the national lockdown was lifted by the government, but regional lockdowns continued to be implemented in areas with significant number of COVID-19 cases. Further, in the current financial year, India witnessed two more waves of the Covid-19 pandemic which also led to the re-imposition of localised/regional lockdown measures in various parts of the country which were subsequently lifted.

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 during this period.

The Bank continues to hold a COVID-19 related contingency provision of ₹ 165.00 crore as at March 31, 2022.



K4
[Handwritten signature]

10 Consolidated Cash Flow Statement of the Group for the year ended March 31, 2022 is given below:

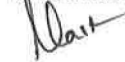
| Sr No | Particular | (₹ in lakhs) | |
|---|--|-------------------------------|-------------------------------|
| | | As at 31.03.2022 (Audited) | As at 31.03.2021 (Audited) |
| A | Cash flow from operating activities | | |
| | Profit before taxes | 17,497 | 51,898 |
| | Adjustments for : | | |
| | Depreciation on fixed assets | 38,241 | 34,251 |
| | Amortization of deferred employee compensation | 1,602 | 10 |
| | Amortisation of premium on held to maturity investments | 19,286 | 10,611 |
| | Write back of provision for depreciation in value of investments | (41,178) | (86,276) |
| | Provision on non performing advances | 23,242 | 94,508 |
| | Provision for restructured assets | 37,816 | 9,932 |
| | Provision/(Write back of provision) on identified standard advances | (32,520) | 8,110 |
| | Provision/(Write back of provision) on standard assets | (18,108) | 9,581 |
| | (Profit)/Loss on sale of fixed assets (net) | 525 | (1,576) |
| | Bad debts including technical/prudential write off (net of recoveries) | 3,55,932 | 2,38,702 |
| | Write back of other provisions and contingencies | (14,325) | (72,305) |
| | Adjustments for working capital changes: | | |
| | Decrease in investments (excluding held to maturity investment and investment in subsidiary) | 1,94,733 | 3,03,328 |
| | Increase in advances | (20,77,215) | (18,35,787) |
| Increase in deposits | 17,00,338 | 23,45,730 | |
| Decrease in other assets | 97,090 | 3,04,900 | |
| Decrease in other liabilities and provisions | (48,525) | (63,202) | |
| Direct taxes refund (net) | 13,483 | 51,756 | |
| Net cash flow from operating activities (A) | 2,67,914 | 14,04,171 | |
| B | Cash flow from investing activities | | |
| | Purchase of fixed assets | (48,183) | (58,597) |
| | Proceeds from sale of fixed assets | 275 | 3,652 |
| | Increase in held to maturity investments | (2,48,138) | (2,28,380) |
| Net cash flow used in investing activities (B) | (2,96,046) | (2,83,325) | |
| C | Cash flow from financing activities | | |
| | Proceeds from issue of additional Tier II Bonds | 15,000 | - |
| | Net proceeds / (repayments) in other borrowings | 7,02,651 | (11,61,110) |
| | Proceeds from issue of share capital (net of share issue expenses) | 3,03,407 | 2,01,292 |
| | Net cash flow from/(used in) financing activities (C) | 10,21,058 | (9,59,818) |
| D | Net increase in cash and cash equivalents (A+B+C) | 9,92,925 | 1,61,028 |
| | Cash and cash equivalents at the beginning of year | 5,77,312 | 4,16,284 |
| | Cash and cash equivalents at the end of year | 15,70,237 | 5,77,312 |

11 Analytical ratios (including sector specific ratios) are part of standalone financial results available on the Bank's website (www.idfcfirstbank.com) and on the Stock Exchange websites (www.nseindia.com and www.bseindia.com).

12 The figures for the quarter ended March 31, 2022 and March 31, 2021 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 were subject to limited review.

13 The figures for the previous quarter/year have been regrouped/reclassified wherever necessary in order to make them comparable.

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



V. Vaidyanathan
Managing Director & Chief Executive Officer



Date: April 30, 2022
Place: Mumbai

IDFC FIRST Bank Q4 FY22 Profit After Tax up 168% YoY at Rs. 343 crore

Mumbai, April 30, 2022:

Financial results at a glance

The Board of Directors of IDFC FIRST Bank, in its meeting held today, approved the audited financial results for the quarter and the year ended March 31, 2022.

Earnings

- **NII** grew by **36%** on a YoY basis to reach **Rs. 2,669 crore** in Q4-FY22.
- **Net Interest Margin** improved to **6.27%** in Q4-FY22.
- **Fee and Other Income** grew by **40%** YoY to reach **Rs. 841 crore** in Q4 FY22
- **Core operating income** (excl. trading gains) grew by **37%** YoY to **Rs. 3,510 crore** in Q4-FY22
- **Core operating profit** (excl. trading gains) grew by **106%** YoY to reach **Rs. 836 crore**
- **Provisions other than tax** were lower by **36%** YoY basis at **Rs. 369 crore** in Q4-FY22
- **Net Profit** grew by **168%** YoY basis to reach **Rs. 343 crore** in Q4-FY22

Deposits

- **Customer Deposits:** Grew by **13%** YoY to reach **Rs. 93,214 crore**
- **CASA ratio:** **48.44%** as of March 31, 2022. **Average CASA Ratio** for FY22 was **49.88%**.

Assets

- **Funded Assets:** Grew by **13%** YoY to reach **Rs. 1,31,951 crore**. **Retail Loan and Commercial loans** grew by **26%** YoY to reach **Rs. 95,377 crore**, primarily driven by growth in **Home Loans** which grew by **52%** YoY
- **Infrastructure Financing** reduced by **36%** YOY to reach **Rs. 6,891 crore** (reduced to **5.2%** of funded assets). All **spectrum related Bank Guarantees** issued by the Bank have been released.

Asset Quality

- **Asset quality at Bank Level: GNPA and NNPA** reduced by **45 bps** and **33 bps** YoY to reach **3.70%** and **1.53%** respectively.
 - **PCR** (including technical write-offs) increased from **63.57%** as at March 31, 2021 to **70.29%** at Mar 31, 2022 to further strengthen the balance sheet.
- **Gross and Net NPA of Retail and Commercial Finance** reduced to **2.63%** (reduction of **138 bps** YOY) and **1.15%** (reduction of **75 bps** YOY) respectively.
 - **Collection Efficiency:** Early bucket collection efficiency in Retail surpassed Pre-COVID levels for both urban and rural retail loans

Capital Adequacy & Liquidity

- **Capital Adequacy Ratio:** Strong at **16.74%**, CET-1 Ratio at **14.88%**, YoY growth of **297 bps**.
- **Average Liquidity Coverage Ratio (LCR):** Strong at **136%** for Q4-FY22.

Earnings

- **Net Interest Income (NII):** NII grew by **36% YoY** to **Rs. 2,669 crore** in Q4 FY22, up from **Rs. 1,960 crore** in Q4 FY21. The NII for FY22 grew by **32% YoY** to **Rs. 9,706 crore**, up from **Rs. 7,380 crore** in FY21.
- **Net Interest Margin (NIM%):** NIM (quarterly annualized) of the Bank improved to **6.27%** for Q4-FY22 from **5.17%** in Q4-FY21. NIM for FY22 stood improved to **5.96%** as compared to **5.03%** in FY21.
- **Fee and Other Income** increased strongly by **40% YoY** to **Rs. 841 crore** in Q4 FY22 from **Rs. 600 crore** in Q4 FY21. The increase was **13%** on a sequential basis. During FY22, the Fee and Other Income grew by **66% YoY** to **Rs. 2,691 crore** from **Rs. 1,622 crore** in FY21.
- **Core operating income** (NII + fee and other income excluding trading gains) increased by **37% YoY** to **Rs. 3,510 crore** in Q4-FY22 from **Rs. 2,561 crore** in Q4-FY21 aided by strong NII and Fee income growth. During FY22, the Core operating income grew by **38% YoY** to **Rs. 12,397 crore** from **Rs. 9,002 crore** for FY21.
 - 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** constitutes **84%** of the overall fees for the quarter.
- **Operating Expense** grew **24% YoY** at **Rs. 2,674 crore** for Q4-FY22 as compared to **Rs. 2,156 crore** for Q4-FY21 on account of increased business. For FY22, the operating expenses are up by **36%** at **Rs. 9,644 crore** as compared to **Rs. 7,093 crore** in FY21.
- **Core Operating Profit** (excluding trading gains) grew by **106% YoY** basis to **Rs. 836 crore** for the quarter Q4-FY22 from **Rs. 405 crore** in Q4-FY21. During FY22, the Core operating profit grew by **44% YoY** basis to **Rs. 2,753 crore** from **Rs. 1,909 crore** in FY21.
- **Provisions** were lower by **36%** and **6%** on a YoY and QoQ basis respectively at **Rs. 369 crore** in Q4-FY22 as compared to **Rs. 580 crore** in Q4-FY21 and **Rs. 392 crore** in Q3 FY22.

- The Bank has not utilised the **Covid provision** during the quarter and carries Covid provisions of **Rs. 165 crore** as of March 31, 2022.
- The Bank is broadly 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 credit cost guidance for FY 23 at ~**1.5%** on funded assets.
- **Profitability:** The net profit for Q4-FY22 grew by **168%** to **Rs. 343 crore** from **Rs. 128 crore** in Q4 FY21, driven by strong growth in core operating income and lower provisioning. The net profit for FY22 de-grew by **68%** YoY basis to **Rs. 145 crore** as compared to **Rs. 452 crore** in FY21, due to higher provisioning in Q1-FY22 to manage the COVID-19 second wave impact on its assets.

Deposits

The Bank has strengthened its liability franchise.

- **CASA Deposits** posted growth of **11%** YoY to reach **Rs. 51,170 crore** as on March 31, 2022, as compared to **Rs. 45,896 crore** as on March 31, 2021. Current Account Deposits now contributes to **18.29%** of total CASA as compared to **11.80%** as on March 31, 2021.
- **CASA Ratio** was at **48.44%** as on March 31, 2022, as compared to **51.75%** as on March 31, 2021. **Average CASA Ratio** for FY22 improved to **49.88%** as compared to **41.50%** for FY21.
- **Customer Deposits** increased by **13%** to **Rs. 93,214 crores** as of March 31, 2022, as compared to **Rs. 82,725 crore** as of March 31, 2021.
- **The Fixed Deposits** of the Bank have the highest rating “**FAAA/Stable** (pronounced F Triple A) by CRISIL.
- **Branch & ATM Network:** As of March 31, 2022, the Bank has **641** branches and **719** ATMs (including recyclers) across the country.

Funded Assets

- **Gross funded assets** increased by **13%** from **Rs. 1,17,127 crore** as on March 31, 2021 to **Rs. 1,31,951 crore** as on March 31, 2022

A. Retail Funded Assets:

- Retail funded book is highly diversified over multiple lines of businesses. The Retail funded book increased **28%** YoY to **Rs. 83,740 crore** as on March 31, 2022 from **Rs. 65,300 crore** as on March 31, 2021.
 - ✓ Housing loans book grew by **52%** YoY as of March 31, 2022. Mortgage backed businesses grew **25%** YoY as of March 31, 2022.
- Retail funded asset book constitutes **63%** of overall funded asset book at March 31, 2022.
- Bank has over **7 lakh Credit Cards** in force as on March 31, 2022 with portfolio outstanding of **Rs. 2,013 crore**. As of March 31, 2022, most of our customers have been acquired by cross-selling to existing customers.

B. Commercial loans:

- The Commercial loan Book of the Bank increased by **15%** YoY to **Rs. 11,637 crore** as on March 31, 2022 from **Rs. 10,104 crore** as on March 31, 2021.
- This book constitutes **9%** of funded assets as on March 31, 2022.

We have significant presence in the Retail lending market of the country and are confident of maintaining growth momentum going forward, **~25% YoY** growth from hereon for the foreseeable future.

C. Corporate (non-Infra) funded book increased by **5%** YoY to **Rs. 23,676 crore** as on March 31, 2022 from **Rs. 22,499 crore** as on March 31, 2021. However, it increased by **9%** on a sequential basis.

D. Infrastructure book reduced by **36%** on a YoY basis to **Rs. 6,891 crore** and now constitutes only **5.2%** of total funded assets as on March 31, 2022 as compared to **9.2%** as on March 31, 2021. The Bank will continue to run down this legacy infrastructure financing book.

E. Other Corporate Funded Assets (Security Receipts, Loans converted into Equity, PTC and RIDF) decreased by **29%** YoY to **Rs. 6,007 crore** as on March 31, 2022 from **Rs. 8,416 crore** as on March 31, 2021

- **Top 10 Borrowers** concentration as % of total Funded Assets has reduced to **3.7%** as on March 31, 2022 from **5.9%** as on March 31, 2021.

Asset Quality

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

| Particulars | Mar-21 | Dec-21 | Mar-22 | QoQ Change (in bps) | YoY Change (in bps) |
|--|---------------|---------------|---------------|------------------------|------------------------|
| <u>Retail & Commercial Loans</u> | | | | | |
| GNPA | 4.01% | 2.92% | 2.63% | (29) | (138) |
| NNPA | 1.90% | 1.28% | 1.15% | (13) | (75) |
| <u>Corporate</u> | | | | | |
| GNPA | 3.98% | 2.52% | 2.75% | 22 | (123) |
| NNPA | 1.92% | 0.39% | 0.31% | (8) | (161) |
| <u>Infrastructure</u> | | | | | |
| GNPA | 5.76% | 20.07% | 21.64% | 157 | 1,588 |
| NNPA | 1.35% | 11.58% | 11.76% | 19 | 1,042 |
| <u>Total</u> | | | | | |
| GNPA | 4.15% | 3.96% | 3.70% | (27) | (45) |
| NNPA | 1.86% | 1.74% | 1.53% | (21) | (33) |
| Provision Coverage Ratio (%) (Incl. Technical Write-offs) | 63.57% | 67.16% | 70.29% | 314 | 672 |

- We see that the impact of COVID second wave is gradually diminishing and this improvement is showing in the above improvement in asset quality.
- One infrastructure loan (Mumbai Toll Road account) which became NPA during Q1 FY22, continued to pay its dues partially and the principal outstanding reduced by **Rs. 25 crore** during the quarter to **Rs. 794 crore** as of March 31, 2022. Gradually the cash flows of this account are likely to regularize, as traffic volumes on the Mumbai road come back to normalcy. 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.
- On the overall Bank level, but for this one infrastructure account, which we hope to recover in due course without any economic loss, the GNPA and NNPA of the Bank would have been **3.04%** and **1.02%** respectively as on March 31, 2022 and the PCR of the Bank would have been **77%** including technical write-off.
- In the Retail Loan segment, the quality of incremental business originations continues to improve, based on data of the first EMI bounce rates. We continue to witness improved

collection efficiency. The collection efficiency on early buckets in Mar-22 are better than the collection efficiency on same buckets of Mar-21.

- The **early Bucket Collection Efficiency (urban retail)** in Mar-2022 was at **99.6%** (including the cheque clearances and collections on the bounce cheque cases within the same month). This has surpassed the pre COVID level (Feb-2020) of **98.9%**.
- The **early Bucket Collection Efficiency in Rural Retail segment** was impacted in Q1-FY22 but improved in Sep-21 to reach **99.2%** and to **99.5%** in Dec-21 and to **99.7%** in Mar-22 as compared to the Pre-COVID level (Feb-20) of **99.4%**.

Capital and Liquidity Position

- **Capital Adequacy** of the Bank was strong at **16.74%** with CET-1 Ratio at **14.88%** as of March 31, 2022 against regulatory requirement for the Capital Adequacy Ratio of 11.5% with Tier-I Ratio of 9.5%. The Capital Adequacy Ratio improved from **13.77%** with CET-1 Ratio at **13.27%** as of March 31, 2021.
- **Average LCR** was strong at **136%** for the quarter ending on March 31, 2022.

Comments from Managing Director and CEO

Mr. V Vaidyanathan, Managing Director and CEO, IDFC FIRST Bank, said, “We are happy to share that our core operating profit for Q4 22 has more than doubled (up 106%) to Rs. 836 crore as compared to Rs. 405 crore in Q4 FY 21. This shows the power of the business model we are building. Our PAT is up 168% YoY from Rs. 128 crore to Rs. 343 crore.

In the retail business, which is one of the key drivers of growth, NPA continues to reduce since the last 4 quarters. Our Retail Gross NPA sharply reduced from 4.01% in FY 21 to 2.63% in FY 22, and Net NPA reduced from 1.90% in FY 21 to 1.15% in FY 22. Based on internal analysis, we are comfortably on our way to reduce retail GNPA and NNPA to 2% and less than 1% respectively as guided earlier.

Whether savings accounts where we offer monthly credit of interest, or credit cards where we offer low APR and no annual or joining fees with easy redemption of rewards points, we have something special in our product offerings to customers. With this Customer First approach, coupled with our strong digital capabilities we are adding millions of new customers every year.

For the first three years after merger, we grew the retail deposits base (3 year CAGR of 72%), and slowed down the loan growth (3 year CAGR only 6%) to strengthen the foundation. Now that our CASA is ~50%, we can comfortably grow our loan book between 20- 25% compounded for the next three years. This will give us strong operating leverage and growth and profitability. Our capital adequacy is strong at 16.74%.”

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. IDFC FIRST Bank, has a balance sheet of Rs. 1,90,182 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. The bank believes in making customer-first products, and was the first universal bank to offer monthly interest credit on savings accounts, life time free credit cards with dynamic and low APR rates, 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.

In a short time, the Bank has expanded to 641 branches, 203 asset service centres, 719 ATMs and 601 rural business correspondent centres across the country, a next-generation net and mobile banking platform and 24/7 Customer Care services, and is incrementally growing digitally. 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.”