

IDFCFIRSTBANK/SD/278/2020-21

January 30, 2021

**The Manager-Listing Department**  
**National Stock Exchange of India Limited**  
Exchange Plaza  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051.  
**Tel No.:** 022 – 2659 8237/ 38  
**NSE - Symbol – IDFCFIRSTB**

**The Manager-Listing Department**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai – 400 001.  
**Tel No.:** 022 – 2272 2039/ 37/ 3121  
**BSE - Scrip Code – 539437**

**Sub.: Outcome of the Board Meeting held on January 30, 2021.**

**Ref.: Unaudited Financial Results of IDFC FIRST Bank Limited (the 'Bank') for the quarter and nine months ended December 31, 2020.**

Dear Sir / Madam,

Pursuant to Regulation 33 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 wish to inform that the Board of Directors ('the **Board**') of the Bank at its meeting held today i.e. Saturday, January 30, 2021, considered and approved the Unaudited Financial Results (Standalone and Consolidated) of the Bank for the quarter (Q3) and nine months ended December 31, 2020.

Accordingly, we hereby submit a copy of Unaudited Financial Results of the Bank for the quarter and nine month ended December 31, 2020 along with the Limited Review Report issued by the Statutory Auditors of the Bank, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W / W-100022), thereon. We also submit a copy of Press Release on the Unaudited Financial Results of the Bank.

The meeting of the Board of Directors of the Bank commenced at 02:00 p.m. and concluded at 07:55 p.m.

All the above-mentioned documents will be posted on the Bank's website at [www.idfcfirstbank.com](http://www.idfcfirstbank.com).

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*

**Limited review report on the unaudited quarterly standalone financial results and standalone year to date financial results of IDFC FIRST Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Board of Directors of  
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 ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020 (the 'Statement'), except for the disclosures relating to "Pillar 3 under Basel III Capital Regulations", and those relating to "Leverage Ratio", "Liquidity Coverage Ratio" under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the Note 8 to the Statement and have not been reviewed by us. This Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.



**Limited review report on the unaudited quarterly standalone financial results and standalone year to date financial results of IDFC FIRST Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**IDFC FIRST Bank Limited**

4. As described in Note 6 to the Statement, the Bank has recognized a 10 per cent provision on loans for which moratorium was granted and asset classification benefit has been taken at 31 December 2020 (days past due calculated considering the benefit of moratorium period) in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. Further no additional borrower accounts have been classified as non-performing assets which were not declared non-performing till 31 August 2020, in view of the Supreme Court order dated 3 September 2020. For the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020, the Bank has made an additional Covid-19 related provision of Rs. 390 crore and Rs. 2,165 crore respectively, which is more than the provision prescribed by the RBI's notification dated 17 April 2020.

Further, the extent to which the Covid-19 pandemic will have an impact on the Bank's financial performance is dependent on future developments, which are highly uncertain.

Our review report is not modified in respect of these matters.

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

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Manoj Kumar Vijai**

*Partner*

Membership No: 046882

UDIN: 21046882AAAAAA9922

Mumbai  
30 January 2021



## 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 quarter and nine months ended December 31, 2020 (Standalone)

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.12.2020	Quarter ended 30.09.2020	Quarter ended 31.12.2019	Nine Months ended 31.12.2020	Nine Months ended 31.12.2019	Year ended 31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Interest Earned (a)+(b)+(c)+(d)</b>	<b>395245.99</b>	<b>380067.91</b>	<b>410016.63</b>	<b>1158453.02</b>	<b>1191144.49</b>	<b>1586730.97</b>
	(a) Interest/discount on advances/bills	304001.92	298173.93	298359.11	902767.98	863359.83	1163454.48
	(b) Income on investments	84413.03	75997.92	102868.42	235456.14	305199.89	391728.49
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	3088.61	1631.97	605.96	8228.64	3514.22	8052.43
	(d) Others	3742.43	4264.09	8183.14	12000.26	19070.55	23495.57
<b>2</b>	<b>Other Income (refer note 5 &amp; 7)</b>	<b>75926.26</b>	<b>16844.30</b>	<b>57897.74</b>	<b>141255.86</b>	<b>123838.78</b>	<b>172215.77</b>
<b>3</b>	<b>TOTAL INCOME (1+2)</b>	<b>471172.25</b>	<b>396912.21</b>	<b>467914.37</b>	<b>1299708.88</b>	<b>1314983.27</b>	<b>1758946.74</b>
<b>4</b>	<b>Interest Expended</b>	<b>220854.87</b>	<b>214095.09</b>	<b>256589.18</b>	<b>655499.09</b>	<b>783963.23</b>	<b>1023199.89</b>
<b>5</b>	<b>Operating Expenses (i)+(ii)</b>	<b>184223.18</b>	<b>148591.39</b>	<b>143154.23</b>	<b>454726.58</b>	<b>389323.46</b>	<b>542073.26</b>
	(i) Employees cost	52553.76	48868.40	39856.79	145738.33	116402.62	152758.24
	(ii) Other operating expenses	131669.42	99722.99	103297.44	308988.25	272920.84	389315.02
<b>6</b>	<b>TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)</b>	<b>405078.05</b>	<b>362686.48</b>	<b>399743.41</b>	<b>1110225.67</b>	<b>1173286.69</b>	<b>1565273.15</b>
<b>7</b>	<b>Operating Profit (3-6) (Profit before provisions and contingencies)</b>	<b>66094.20</b>	<b>34225.73</b>	<b>68170.96</b>	<b>189483.21</b>	<b>141696.58</b>	<b>193673.59</b>
<b>8</b>	<b>Provisions (other than tax) and Contingencies (Net) (refer note 7)</b>	<b>48222.84</b>	<b>21584.66</b>	<b>230475.59</b>	<b>146216.28</b>	<b>390286.95</b>	<b>431525.34</b>
<b>9</b>	<b>Exceptional Items</b>	-	-	-	-	-	-
<b>10</b>	<b>Profit / (Loss) from Ordinary Activities before tax (7-8-9)</b>	<b>17871.36</b>	<b>12641.07</b>	<b>(162304.63)</b>	<b>43266.93</b>	<b>(248590.37)</b>	<b>(237851.75)</b>
<b>11</b>	<b>Tax Expense</b>	<b>4920.00</b>	<b>2500.00</b>	<b>1584.71</b>	<b>10820.00</b>	<b>44984.71</b>	<b>48569.29</b>
<b>12</b>	<b>Net Profit / (Loss) from Ordinary Activities after tax (10-11)</b>	<b>12951.36</b>	<b>10141.07</b>	<b>(163889.34)</b>	<b>32446.93</b>	<b>(293575.08)</b>	<b>(286421.04)</b>
<b>13</b>	<b>Extraordinary Items (net of tax expense)</b>	-	-	-	-	-	-
<b>14</b>	<b>Net Profit / (Loss) for the period (12-13)</b>	<b>12951.36</b>	<b>10141.07</b>	<b>(163889.34)</b>	<b>32446.93</b>	<b>(293575.08)</b>	<b>(286421.04)</b>
<b>15</b>	<b>Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 3 &amp; 4)</b>	<b>567291.00</b>	<b>567234.37</b>	<b>478945.80</b>	<b>567291.00</b>	<b>478945.80</b>	<b>480990.30</b>
<b>16</b>	<b>Reserves excluding Revaluation Reserves</b>	-	-	-	-	-	<b>1053269.74</b>
<b>17</b>	<b>Analytical Ratios</b>						
	(i) Percentage of shares held by Government of India (refer note 3 & 4)	4.61%	4.61%	5.46%	4.61%	5.46%	5.43%
	(ii) Capital adequacy ratio (Basel III)	14.33%	14.73%	13.29%	14.33%	13.29%	13.38%
	(iii) Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 3 & 4)						
	- Basic ( ₹ )	0.23	0.18	(3.43)	0.60	(6.14)	(5.98)
	- Diluted ( ₹ )	0.23	0.18	(3.38)	0.59	(6.05)	(5.91)
	(iv) NPA ratios (refer note 9)						
	(a) Amount of gross NPAs	128924.36	148611.36	251136.20	128924.36	251136.20	227956.44
	(b) Amount of net NPAs	32061.78	39095.13	107162.68	32061.78	107162.68	80857.45
	(c) % of gross NPAs to gross advances	1.33%	1.62%	2.83%	1.33%	2.83%	2.60%
	(d) % of net NPAs to net advances	0.33%	0.43%	1.23%	0.33%	1.23%	0.94%
	(v) Return on assets (annualized)	0.33%	0.26%	(4.02%)	0.28%	(2.38%)	(1.79%)



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 31.12.2020	Quarter ended 30.09.2020	Quarter ended 31.12.2019	Nine Months ended 31.12.2020	Nine Months ended 31.12.2019	Year ended 31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Segment Revenue</b>						
	a Treasury	272879.48	250681.09	331431.89	822597.74	998684.39	1286601.96
	b Wholesale Banking	151763.15	155401.67	198937.28	472114.84	613087.59	802832.92
	c Retail Banking	384788.25	341726.20	307670.51	1042757.85	814202.77	1133747.06
	d Other Banking Business	5153.50	2644.44	4988.92	9100.18	11818.88	15852.68
	e Unallocated	112.77	(10.79)	3987.98	41.28	3975.24	4349.09
	<b>Total Segment Revenue</b>	<b>814697.15</b>	<b>750442.61</b>	<b>847016.58</b>	<b>2346611.89</b>	<b>2441768.87</b>	<b>3243383.71</b>
	Add/(Less) : Inter Segment Revenue	(343524.90)	(353530.40)	(379102.21)	(1046903.01)	(1126785.60)	(1484436.97)
	<b>Income from Operations</b>	<b>471172.25</b>	<b>396912.21</b>	<b>467914.37</b>	<b>1299708.88</b>	<b>1314983.27</b>	<b>1758946.74</b>
<b>2</b>	<b>Segment Results After Provisions &amp; Before Tax</b>						
	a Treasury	52417.28	96517.76	(81998.73)	192496.37	(160096.33)	(124168.21)
	b Wholesale Banking	20550.44	(14981.92)	(55756.18)	7287.35	(5974.70)	(2560.72)
	c Retail Banking	(48479.58)	(64140.40)	(12905.01)	(133725.37)	(63068.20)	(91732.78)
	d Other Banking Business	(18.63)	(996.80)	(5305.13)	(3407.42)	324.07	(628.64)
	e Unallocated	(6598.15)	(3757.57)	(6339.58)	(19384.00)	(19775.21)	(18761.40)
	<b>Total Profit Before Tax</b>	<b>17871.36</b>	<b>12641.07</b>	<b>(162304.63)</b>	<b>43266.93</b>	<b>(248590.37)</b>	<b>(237851.75)</b>
<b>3</b>	<b>Segment Assets</b>						
	a Treasury	5461626.54	5682304.83	6838246.30	5461626.54	6838246.30	5772753.85
	b Wholesale Banking	2952374.84	3100670.82	3296404.25	2952374.84	3296404.25	3066045.37
	c Retail Banking	6837802.70	6166135.08	5581916.62	6837802.70	5581916.62	5733425.62
	d Other Banking Business	4282.68	24.05	6198.02	4282.68	6198.02	7636.90
	e Unallocated	311493.56	316962.04	345674.40	311493.56	345674.40	340178.12
	<b>Total Segment Assets</b>	<b>15567580.32</b>	<b>15266096.82</b>	<b>16068439.59</b>	<b>15567580.32</b>	<b>16068439.59</b>	<b>14920039.86</b>
<b>4</b>	<b>Segment Liabilities</b>						
	a Treasury	4477902.85	4914073.58	7335314.69	4477902.85	7335314.69	5829458.54
	b Wholesale Banking	2958390.83	3231312.68	4000422.06	2958390.83	4000422.06	3907267.83
	c Retail Banking	6328054.05	5344176.09	3165546.76	6328054.05	3165546.76	3623642.03
	d Other Banking Business	3249.54	2667.95	9957.46	3249.54	9957.46	7057.09
	e Unallocated	33185.44	20110.90	33199.26	33185.44	33199.26	18354.33
	<b>Total Segment Liabilities</b>	<b>13800782.71</b>	<b>13512341.20</b>	<b>14544440.23</b>	<b>13800782.71</b>	<b>14544440.23</b>	<b>13385779.82</b>
<b>5</b>	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>	<b>1766797.61</b>	<b>1753755.62</b>	<b>1523999.36</b>	<b>1766797.61</b>	<b>1523999.36</b>	<b>1534260.04</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.





**Notes:**

- 1 The above financial results for the quarter and nine months ended December 31, 2020 were reviewed by the Audit Committee and approved by the Board of Directors on January 30, 2021 and have been subjected to a "Limited Review" by the Statutory Auditors.
- 2 The above financial results of the Bank have been prepared in accordance with the provisions of the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, including Accounting Standards as specified under Section 133 of the Companies Act, 2013, Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to Banks, and the guidelines issued by the RBI. In addition, the Bank has automated its key operations with key applications largely integrated with core banking solution and general ledger system. Accordingly, branch returns are not required to be submitted.
- 3 During the quarter ended June 30, 2020 the Bank raised additional capital aggregating to ₹ 2,000 crore (rounded off) on a preferential basis through issuance of 862440704 equity shares, fully paid-up, at the price of ₹ 23.19/- per equity share (including premium).
- 4 During the quarter and nine months ended December 31, 2020, the Bank has issued 566280 equity shares pursuant to the exercise of options under the Employee Stock Option Scheme.
- 5 "Other Income" includes non-fund based income such as commission, fees, earnings from foreign exchange and derivative transactions, profit / loss from sale of investments.
- 6 The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activity, which may persist even after the restrictions related to the COVID-19 outbreak are being lifted. While the easing of restrictions has driven a revival in economic activity across sectors, the continued slowdown has impacted lending business, fee income generation from sale of third party products, collection efficiency etc. Further, there may be a rise in the number of customer defaults and consequently an increase in provisions. The extent to which the COVID-19 pandemic will continue to impact the Bank's operations and asset quality will depend on future developments, which are highly uncertain. The Bank's capital and liquidity position is strong and would continue to be the focus area for the bank during this period.

In accordance with the RBI guidelines on 'COVID-19 Regulatory Package' of March 27, 2020, April 17, 2020 and May 23, 2020, the Bank granted moratorium on repayment of instalments and/or interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. For all eligible accounts, where the moratorium was granted, the asset classification was under standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

In accordance with Resolution Framework for COVID-19 announced by the RBI on August 6, 2020, the Bank has implemented a one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard Restructured in accordance with this framework.

The Honourable Supreme Court of India, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated September 03, 2020 has directed that accounts which were not declared as NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank has not classified any account (whether granted moratorium or not) as NPA after August 31, 2020. Had there been no such interim order and consequently the Bank would have classified borrower accounts as NPA after August 31, 2020, the pro-forma gross NPA and pro-forma net NPA as at December 31, 2020 would have been 4.18% and 2.04% respectively. The reported gross NPA was 2.83% and net NPA was 1.23% as at December 31, 2019. As a prudent measure, the Bank has not recognized the unrealized interest on these pro-forma NPA accounts as income.

During the quarter and nine months ended December 31, 2020, the Bank has made an additional COVID-19 related provision amounting to ₹ 390 crores and ₹ 2165 crore respectively. The COVID-19 related provisions held by the Bank are in excess of the prescribed RBI norms.

- 7 During Q3FY21 the Bank has sold bonds of a Non Banking Finance company resulting into realised loss of ₹ 110 crore accounted in "Other Income" and corresponding existing provision release of ₹ 113 crore accounted in "Provisions (other than tax) and Contingencies"

The provisions made for the quarter ended September 30, 2020 are net off write back of provision, which includes ₹ 811 crore on a large telecom exposure in Q2FY21. Further, during the Q2FY21, the Bank had sold bonds of a large housing finance company resulting into realised loss of ₹ 463 crore accounted in "Other Income" and corresponding existing provision release of ₹ 460 crore accounted in "Provisions (other than tax) and Contingencies"



- 8 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC. 80/21/21.06.201/ 2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : <http://www.idfcfirstbank.com/regulatory-disclosures.html>. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.
- 9 The disclosures for NPA ratios referred to in point 17(iv) above correspond to non-performing advances.
- 10 The figures for the previous quarter/period have been regrouped wherever necessary in order to make them comparable.
- 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, 2020.

Date: January 30, 2021  
Place: Mumbai

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



**V. Vaidyanathan  
Managing Director & Chief Executive Officer**

**Independent Auditor's Review Report on consolidated unaudited quarterly and year to date financial results of IDFC FIRST Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of  
IDFC FIRST Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of IDFC FIRST Bank Limited (the 'Bank'/ the 'Parent') and its subsidiary (the Parent and its subsidiary together referred to as the 'Group'), and its share of the net profit after tax of its associate for the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020 (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, except for the disclosures relating to consolidated Pillar 3 disclosure as at 31 December 2020, including leverage ratio and liquidity coverage 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 3 to the Statement and have not been reviewed by us. Our responsibility is to issue a report on the Statement based on our review.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent'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, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India. 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. A review of interim financial information 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 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.





**Independent Auditor's Review Report on consolidated unaudited quarterly and year to date financial results of IDFC FIRST Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**IDFC FIRST Bank Limited**

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

Subsidiary: IDFC FIRST Bharat Limited; and

Associate: Millennium City Expressway Private Limited

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 referred to in paragraph 7 below and based on our assessment of the financial results/ financial information certified by the Board of Directors of the associate as stated in paragraph 8 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 the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at 31 December 2020, including leverage ratio and liquidity coverage 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 Note 3 in the Statement and have not been reviewed by us, or that it contains any material misstatement.

6. As described in Note 6 to the Statement, the Bank has recognized a 10 per cent provision on loans for which moratorium was granted and asset classification benefit has been taken at 31 December 2020 (days past due calculated considering the benefit of moratorium period) in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. Further no additional borrower accounts have been classified as non-performing assets which were not declared non-performing till 31 August 2020, in view of the Supreme Court order dated 3 September 2020. For the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020, the Bank has made an additional Covid-19 related provision of Rs. 390 crore and Rs. 2,165 crore respectively, which is more than the provision prescribed by the RBI's notification dated 17 April 2020.

Further, the extent to which the Covid-19 pandemic will have impact on the Bank's financial performance is dependent on future developments, which are highly uncertain.



Our review report is not modified in respect of these matters.

**Independent Auditor's Review Report on consolidated unaudited quarterly and year to date financial results of IDFC FIRST Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**IDFC FIRST Bank Limited**

7. We did not review the interim financial results of one subsidiary included in the Statement, whose interim financial results reflect total revenues of Rs. 124.91 crore and Rs. 334.87 crore and total net profit after tax of Rs. 7.63 crore and Rs. 21.77 crore for the quarter ended 31 December 2020 and for the year to date results for the period from 1 April 2020 to 31 December 2020, respectively, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by another auditor whose report has 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 report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our review report is not modified in respect of this matter.

8. The Statement also includes the Group's share of net profit/ (loss) after tax of Rs. Nil for the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020, as considered in the consolidated unaudited financial results, in respect of one associate based on their interim financial information which have not been reviewed/ audited. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

Our review report is not modified in respect of this matter.

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

Firm's Registration No: 101248W/W-100022



**Manoj Kumar Vijai**  
*Partner*

Membership No: 046882  
UDIN: 21046882AAAAAB9093

Mumbai  
30 January 2021



**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 nine months ended December 31, 2020 (Consolidated)**

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.12.2020	Quarter ended 30.09.2020	Quarter ended 31.12.2019	Nine months ended 31.12.2020	Nine months ended 31.12.2019	Year ended 31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Interest Earned (a)+(b)+(c)+(d)</b>	<b>407657.46</b>	<b>391289.01</b>	<b>419905.61</b>	<b>1191776.00</b>	<b>1217083.42</b>	<b>1624031.90</b>
	(a) Interest/discount on advances/bills	316411.26	309390.77	308238.70	936077.25	889269.92	1200716.74
	(b) Income on investments	84413.03	75997.92	102868.42	235456.14	305199.89	391728.49
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	3088.61	1631.97	605.96	8228.64	3514.22	8052.43
	(d) Others	3744.56	4268.35	8192.53	12013.97	19099.39	23534.24
<b>2</b>	<b>Other Income</b>	<b>75928.62</b>	<b>16844.84</b>	<b>57915.38</b>	<b>141263.69</b>	<b>123882.07</b>	<b>172240.87</b>
<b>3</b>	<b>TOTAL INCOME (1+2)</b>	<b>483586.08</b>	<b>408133.85</b>	<b>477820.99</b>	<b>1333039.69</b>	<b>1340965.49</b>	<b>1796272.77</b>
<b>4</b>	<b>Interest Expended</b>	<b>220778.52</b>	<b>214029.76</b>	<b>256513.69</b>	<b>655343.99</b>	<b>783653.52</b>	<b>1022826.95</b>
<b>5</b>	<b>Operating Expenses (i) + (ii)</b>	<b>195553.62</b>	<b>158842.54</b>	<b>152185.22</b>	<b>485128.63</b>	<b>413427.23</b>	<b>576479.58</b>
	(i) Employees cost	61128.02	56701.77	46865.75	169085.52	135520.56	179500.57
	(ii) Other operating expenses	134425.60	102140.77	105319.47	316043.11	277906.67	396979.01
<b>6</b>	<b>TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)</b>	<b>416332.14</b>	<b>372872.30</b>	<b>408698.91</b>	<b>1140472.62</b>	<b>1197080.75</b>	<b>1599306.53</b>
<b>7</b>	<b>Operating Profit (3-6) (Profit before provisions and contingencies)</b>	<b>67253.94</b>	<b>35261.55</b>	<b>69122.08</b>	<b>192567.07</b>	<b>143884.74</b>	<b>196966.24</b>
<b>8</b>	<b>Provisions (other than tax) and Contingencies (Net)</b>	<b>48222.84</b>	<b>21584.66</b>	<b>230475.60</b>	<b>146216.28</b>	<b>390287.37</b>	<b>431555.72</b>
<b>9</b>	<b>Exceptional Items</b>	-	-	-	-	-	-
<b>10</b>	<b>Profit / (Loss) from Ordinary Activities before tax (7-8-9)</b>	<b>19031.10</b>	<b>13676.89</b>	<b>(161353.52)</b>	<b>46350.79</b>	<b>(246402.63)</b>	<b>(234589.48)</b>
<b>11</b>	<b>Tax Expense</b>	<b>5315.96</b>	<b>2774.38</b>	<b>1806.16</b>	<b>11725.63</b>	<b>45572.86</b>	<b>49749.55</b>
<b>12</b>	<b>Net Profit / (Loss) from Ordinary Activities after tax (10-11)</b>	<b>13715.14</b>	<b>10902.51</b>	<b>(163159.68)</b>	<b>34625.16</b>	<b>(291975.49)</b>	<b>(284339.03)</b>
<b>13</b>	<b>Extraordinary Items (net of tax expense)</b>	-	-	-	-	-	-
<b>14</b>	<b>Net Profit / (Loss) for the period (12-13)</b>	<b>13715.14</b>	<b>10902.51</b>	<b>(163159.68)</b>	<b>34625.16</b>	<b>(291975.49)</b>	<b>(284339.03)</b>
<b>15</b>	<b>Share in loss of Associate</b>	-	-	-	-	-	-
<b>16</b>	<b>Consolidated Net Profit / (Loss) for the period (14+15)</b>	<b>13715.14</b>	<b>10902.51</b>	<b>(163159.68)</b>	<b>34625.16</b>	<b>(291975.49)</b>	<b>(284339.03)</b>
<b>17</b>	<b>Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 4 &amp; 5)</b>	<b>567291.00</b>	<b>567234.37</b>	<b>478945.80</b>	<b>567291.00</b>	<b>478945.80</b>	<b>480990.30</b>
<b>18</b>	<b>Reserves excluding Revaluation Reserves</b>	-	-	-	-	-	<b>1059361.99</b>
<b>19</b>	<b>Analytical Ratios (refer note 7)</b>						
	Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 4 & 5)						
	- Basic (₹)	0.24	0.19	(3.41)	0.64	(6.10)	(5.94)
	- Diluted (₹)	0.24	0.19	(3.36)	0.63	(6.02)	(5.86)



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

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.12.2020	Quarter ended 30.09.2020	Quarter ended 31.12.2019	Nine months ended 31.12.2020	Nine months ended 31.12.2019	Year ended 31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Segment Revenue</b>						
	a Treasury	272879.48	250681.09	331431.89	822597.74	998684.39	1286601.96
	b Wholesale Banking	151763.15	155401.67	198937.28	472114.84	613087.59	802832.92
	c Retail Banking	397202.08	352947.84	317577.13	1076088.66	840184.99	1171073.11
	d Other Banking Business	5153.50	2644.44	4988.92	9100.18	11818.88	15852.66
	e Unallocated	112.77	(10.79)	3987.98	41.28	3975.24	4349.09
	<b>Total Segment Revenue</b>	<b>827110.98</b>	<b>761664.25</b>	<b>856923.20</b>	<b>2379942.70</b>	<b>2467751.09</b>	<b>3280709.74</b>
	Add/(Less) : Inter Segment Revenue	(343524.90)	(353530.40)	(379102.21)	(1046903.01)	(1126785.60)	(1484436.97)
	<b>Income from Operations</b>	<b>483586.08</b>	<b>408133.85</b>	<b>477820.99</b>	<b>1333039.69</b>	<b>1340965.49</b>	<b>1796272.77</b>
<b>2</b>	<b>Segment Results After Provisions &amp; Before Tax</b>						
	a Treasury	52417.28	96517.76	(81998.73)	192496.37	(160096.33)	(124168.21)
	b Wholesale Banking	19950.43	(14981.92)	(55756.18)	7287.35	(5974.70)	(2560.72)
	c Retail Banking	(46719.83)	(63104.58)	(11953.90)	(130641.51)	(60880.46)	(88470.51)
	d Other Banking Business	(18.63)	(996.80)	(5305.13)	(3407.42)	324.07	(628.64)
	e Unallocated	(6598.15)	(3757.57)	(6339.58)	(19384.00)	(19775.21)	(18761.41)
	<b>Total Profit Before Tax and Earnings from Associates</b>	<b>19031.10</b>	<b>13676.89</b>	<b>(161353.52)</b>	<b>46350.79</b>	<b>(246402.63)</b>	<b>(234589.49)</b>
<b>3</b>	<b>Segment Assets</b>						
	a Treasury	5438610.91	5659289.21	6815230.68	5438610.91	6815230.68	5749738.22
	b Wholesale Banking	2952374.84	3100670.82	3296404.25	2952374.84	3296404.25	3066045.37
	c Retail Banking	6853128.47	6183088.14	5600227.89	6853128.47	5600227.89	5751048.34
	d Other Banking Business	4282.68	24.05	6198.02	4282.68	6198.02	7636.90
	e Unallocated	313335.55	318726.09	347094.21	313335.55	347094.21	341386.36
	<b>Total Segment Assets</b>	<b>15561732.45</b>	<b>15261798.31</b>	<b>16065155.05</b>	<b>15561732.45</b>	<b>16065155.05</b>	<b>14915855.19</b>
<b>4</b>	<b>Segment Liabilities</b>						
	a Treasury	4477818.85	4913946.47	7335217.93	4477818.85	7335217.93	5829304.85
	b Wholesale Banking	2957544.30	3230306.18	3999830.37	2957544.30	3999830.37	3906331.02
	c Retail Banking	6315237.26	5333881.23	3157732.79	6315237.26	3157732.79	3614909.80
	d Other Banking Business	3112.52	2549.49	9844.51	3112.52	9,844.51	6,878.93
	e Unallocated	32951.40	19852.58	32920.24	32951.40	32920.24	18078.30
	<b>Total Segment Liabilities</b>	<b>13786664.33</b>	<b>13500535.95</b>	<b>14535545.84</b>	<b>13786664.33</b>	<b>14535545.84</b>	<b>13375502.90</b>
<b>5</b>	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>	<b>1775068.12</b>	<b>1761262.36</b>	<b>1529609.21</b>	<b>1775068.12</b>	<b>1529609.21</b>	<b>1540352.29</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.





**Notes:**

- 1 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 nine months ended December 31, 2020 were reviewed by the Audit Committee and approved by the Board of Directors on January 30, 2021 and have been subjected to a "Limited Review" by the Statutory Auditors.
- 2 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 SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to banks, and the guidelines issued by the RBI.
- 3 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC.80/21/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : <http://www.idfcfirstbank.com/regulatory-disclosures.html>. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.
- 4 During the quarter ended June 30, 2020 the Holding company raised additional capital aggregating to ₹ 2,000 crore (rounded off) on a preferential basis through issuance of 862440704 equity shares, fully paid-up, at the price of ₹ 23.19/- per equity share (including premium).
- 5 During the quarter and nine months ended December 31, 2020, the Holding company has issued 566280 equity shares pursuant to the exercise of options under the Employee Stock Option Scheme.
- 6 The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activity, which may persist even after the restrictions related to the COVID-19 outbreak are being lifted. While the easing of restrictions has driven a revival in economic activity across sectors, the continued slowdown has impacted lending business, fee income generation from sale of third party products, collection efficiency etc. Further, there may be a rise in the number of customer defaults and consequently an increase in provisions. The extent to which the COVID-19 pandemic will continue to impact the Bank's operations and asset quality will depend on future developments, which are highly uncertain. The Bank's capital and liquidity position is strong and would continue to be the focus area for the bank during this period.

In accordance with the RBI guidelines on 'COVID-19 Regulatory Package' of March 27, 2020, April 17, 2020 and May 23, 2020, the Bank granted moratorium on repayment of instalments and/or interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. For all eligible accounts, where the moratorium was granted, the asset classification was under standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

In accordance with Resolution Framework for COVID-19 announced by the RBI on August 6, 2020, the Bank has implemented a one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard Restructured in accordance with this framework.

The Honourable Supreme Court of India, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated September 03, 2020 has directed that accounts which were not declared as NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank has not classified any account (whether granted moratorium or not) as NPA after August 31, 2020. Had there been no such interim order and consequently the Bank would have classified borrower accounts as NPA after August 31, 2020, the pro-forma gross NPA and pro-forma net NPA as at December 31, 2020 would have been 4.18% and 2.04% respectively. The reported gross NPA was 2.83% and net NPA was 1.23% as at December 31, 2019. As a prudent measure, the Bank has not recognized the unrealized interest on these pro-forma NPA accounts as income.

During the quarter and nine months ended December 31, 2020, the Bank has made an additional COVID-19 related provision amounting to ₹ 390 crores and ₹ 2165 crore respectively. The COVID-19 related provisions held by the Bank are in excess of the prescribed RBI norms.



- 7 Analytical 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, 2020.
- 9 The figures for the previous quarter/period have been regrouped wherever necessary in order to make them comparable.

Date: January 30, 2021  
Place: Mumbai

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



**V. Vaidyanathan**  
**Managing Director & Chief Executive Officer**



## IDFC FIRST Bank Q3 FY21 Profit after Tax at Rs. 130 crore

**CASA deposits grow 150% YoY; CASA% reaches 48.3%; Retail advances up 24%; NIM at 4.65%**

**Mumbai, January 30, 2021:**

### **Financial results at a glance**

The Board of Directors of IDFC FIRST Bank, in its meeting held today, approved the combined audited financial results for the quarter ended December 31, 2020.

#### **Summary of Results**

- **PAT:** Rs. 130 crore in Q3-FY21 as compared to loss of Rs. 1,639 crore in Q3-FY20
- **NII:** Grew by 14% YoY basis to reach Rs. 1,744 crore in Q3-FY21
- **NIM%:** 4.65% in Q3-FY21 as compared to 3.86% in Q3-FY20
- **Total Income** grew by 24% YoY basis to reach Rs. 2,616 crore in Q3 FY21
- **CASA ratio:** 48.31% as of 31-Dec-2020 as compared to 24.06% as of 31-Dec-2019
- **Average CASA ratio:** 44.66% as of 31-Dec-2020 as compared to 20.88% as of 31-Dec-19
- **CASA balance:** Grew by 150% YoY basis to reach Rs. 40,563 crore
- **Overall Customer Deposits:** Rs. 77,289 crore (grew by 41% YoY, 11% QoQ)
- **Overall Funded Asset:** Rs. 1,10,469 crore (grew by 1% YoY, 3% QoQ)
- **Retail Loan Assets:** Rs. 66,665 crore (grew by 24% YoY, 11% QoQ)
- **Asset quality:** GNPA and NNPA (reported) at 1.33% and 0.33% respectively (PCR at 75%).
- During the quarter, the Bank has made **additional COVID provisions** of Rs. 390 crore.
- **Restructured Book** (approved & implemented) of the Bank stood at **0.80%** of the overall funded assets.
- **Capital Adequacy Ratio:** Strong at 14.33% with tier-1 CAR at 13.82%
- **Average Liquidity Coverage Ratio (LCR):** Average at 132% for Q3-FY21.

## DETAILED NOTE ON BUSINESS & FINANCIAL PERFORMANCE OF THE BANK

### Earnings

- **Profit After Tax:** The Profit after Tax for Q3 FY21 is reported at Rs. 130 crore as compared to Loss of Rs. 1,639 crore for Q3 FY20. The Profit after Tax for the nine months ended December 31, 2020, is reported at Rs. 324 crore. Thus, the Bank reported four consecutive quarters of profitability.

In Rs Crore	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21
Profit After Tax	72	94	101	130

- **Net Interest Income (NII):** Net Interest Income (NII) grew by 14% Y-o-Y to Rs. 1,744 crore, up from Rs. 1,534 crore in Q3 FY20. Despite the COVID-19 pandemic impact, the sequential Q-o-Q NII grew by 5%. The NII for the quarter takes into account provision for interest reversal on proforma NPA cases at December 31, 2020.
- **Net Interest Margin (NIM%) (quarterly annualized):** NIM% rose to 4.65% in Q3 FY21 from 3.86% in Q3 FY20 and 4.57% in Q2 FY21.
- **Fee and Other Income** (without trading gains) increased 33% to Rs. 582 Crore in Q3 FY21 as compared to Rs. 437 crore in Q3-FY20. Similarly, the Fee Income has shown significant improvement, up by 100% sequentially QoQ, as the economic activities are coming back on track post the phased unlock throughout the country. The trading gain for Q3-FY21 was at Rs. 290 crore.
- **Total Income** (net of Interest Expense) grew by 24% at Rs. 2,616 crore for Q3-FY21 as compared to Rs. 2,113 crore for Q3-FY20.
- **Provisions:** The provision for Q3 FY21 was at Rs. 595 crore as compared to Rs. 2,305 crore for Q3 FY20 and as compared to Rs. 676 crore in Q2 FY21. This includes additional COVID provisions of Rs. 390 crore during Q3 FY21.

### Liabilities – Strong and Steady growth

- **CASA Deposits** posted strong growth, rising 150% YoY to Rs. 40,563 crore as on December 31, 2020 as compared to Rs. 16,204 crore as on December 31, 2019.

- **CASA Ratio** improved to 48.31% as on December 31, 2020 as compared to 24.06% as on December 31, 2019 and 40.37% at September 30, 2020.
- The **Average CASA Ratio** during the quarter also improved to 44.66% as on December 31, 2020 as compared to 20.88% as on December 31, 2019.
- **Core Deposits** (Retail CASA and Retail Term Deposits) increased 100% to Rs. 58,435 crore as on December 31, 2020 from Rs. 29,267 crore in December 31, 2019. This signifies the sticky and sustainable nature of the growing deposit balance.
- **The Fixed Deposits** of the Bank has the highest rating “FAAA/Stable” by CRISIL.
- As of December 31, 2020, the Bank has 576 branches and 541 ATMs across the country.

### **Loans and Advances – stable with growing retail %**

- **Total Funded Loan Assets** stood at Rs. 1,10,469 crore as on December 31, 2020, compared to Rs. 1,09,698 crore as on December 31, 2019, and as compared to Rs. 1,06,828 crore as on September 30, 2020. As per the stated strategy, the Bank focused on growing the retail loan book and decreased the wholesale loan book, primarily the infrastructure loans to reduce concentration risk on the portfolio.
- **Retail Loan Book**, out of the total book mentioned above, increased by 24% to Rs. 66,665 crore as on December 31, 2020, compared to Rs. 53,685 crore as on December 31, 2019.
- The Bank also has inorganic portfolio buyouts, primarily to cater to the PSL requirements where the underlying assets are retail loans. Retail loans including such inorganic portfolio constitute **65% of the overall loan assets**.
- **Wholesale Loan Book** reduced by 21% from Rs. 47,100 crore as of December 31, 2019, and from Rs. 39,286 crore at September 30, 2020, to Rs. 37,109 crore as of December 31, 2020 as per the stated objective.

The above includes Security Receipts of Rs. 1,127 crore (35% provided) and Loans against Equity of Rs. 1,173 crore (99% provided) as of December 31, 2020.

- Within the wholesale segment, as per the stated strategy the **Infrastructure loan book** reduced by 26% to Rs. 11,602 crore as on December 31, 2020 from Rs. 15,601 crore as on December 31, 2019 and reduced by 7% from Rs. 12,502 crore at September 30, 2020. The Bank is monitoring delinquencies on the wholesale and infrastructure side as a result of Covid 19 closely.

## Non-Performing Assets

- The **Gross NPA** of the Bank reduced to 1.33% as of December 31, 2020, as compared to 1.62% as of September 30, 2020. The **Net NPA** was 0.33% as of December 31, 2020, as compared to 0.43% as of September 30, 2020. The Gross NPA and Net NPA of the Bank was at 2.83% and 1.23% respectively as of December 31, 2019.

Particulars	Dec-19	Sep-20	Dec-20
<b>Gross NPA</b>	<b>2.83%</b>	<b>1.62%</b>	<b>1.33%</b>
<b>Net NPA</b>	<b>1.23%</b>	<b>0.43%</b>	<b>0.33%</b>

- This above is after the impact of the Supreme Court of India notification to stop fresh NPA classification post August 31, 2020, till further orders. Without this impact, the pro forma GNPA as on December 31, 2020 would have been 4.18% and the NNPA as on December 31, 2020 would have been 2.04%.
- The **Gross NPA % of the Retail Loan Book**, as of December 31, 2020, was at 0.27% as compared to 0.41% as of September 30, 2020 and **Net NPA % of the Retail Loan Book** of the Bank was at 0.13% as compared to 0.17% as of September 30, 2020.

Particulars	Dec-19	Sep-20	Dec-20
<b>Retail Book - GNPA</b>	<b>2.26%</b>	<b>0.41%</b>	<b>0.27%</b>
<b>Retail Book - NNPA</b>	<b>1.06%</b>	<b>0.17%</b>	<b>0.13%</b>

- Without considering the impact of Honorable Supreme Court's notification on classification of NPAs, the pro forma GNPA and NNPA of Retail Loan Book would have been 3.88% and 2.35% respectively. Management guidance is that the Gross NPA and the Net NPA will come down to the Pre-COVID levels of 2.3% and 1.2% within the next 2-3 quarters based on the strong collection efficiency witnessed recently on a monthly basis.

Particulars	Dec-19	Long Term* Pre-COVID Average (March 19-Dec-19)	Proforma Dec-20	Change because of COVID (bps) Dec-20
<b>Retail Book - GNPA</b>	<b>2.26%</b>	<b>2.27%</b>	<b>3.88%</b>	<b>161</b>
<b>Retail Book - NNPA</b>	<b>1.06%</b>	<b>1.14%</b>	<b>2.35%</b>	<b>121</b>

\* Long Term Average is average of 4 quarters pre-COVID pandemic (Mar-19, Jun-19, Sep-19 and Dec-19). The last three quarters including Q3 FY21 are not representative due to

moratorium/Standstill and thus we have compared the Proforma NPAs with the Long Term Average (Dec-19).

### **Provision Coverage Ratio**

- **The Provision coverage ratio** on reported NPA accounts improved to 75% at December 31, 2020 as compared to 57% at December 31, 2019 and 74% at September 30, 2020.
- **Provision Coverage** including the General Provision + COVID19 provision + Specific NPA Provision was **309%** on reported NPA and **99%** on proforma NPA as of 31 Dec 2020 (without the SC order impact). Thus, the Bank is adequately provided for Proforma NPA.

### **Restructured Book**

- The total **restructured (approved & implemented) book** including retail and wholesale loans stood at **0.80%** of the total funded assets. Considering the loans where restructuring has been invoked and awaiting approval / implementation, it may go up to 1.8% - 2.0% of the total funded assets by the end of next quarter.

### **Collection Efficiency**

- Collection efficiency continues to improve every month over the last 6 months. We are happy to share that for Dec-20, the collection efficiency has reached **98%** of the pre-covid levels (Jan and Feb 2020) as of 31 Dec 2020.

### **Operations & Product Launches during the last quarter**

- Throughout the last quarter the Bank prepared the platform for new product introduction and finally launched its Credit Cards with four variants targeting to different customer segments in January 2021. Existing customers will be eligible to apply for the Credit Card based on invitation initially and new customers would be issued cards in March.
- The Bank also launched new and revamped customer app for its customers in December 2020 which provides new features and faster access with customer friendly interfaces.

## Capital and Liquidity Position

- **Capital Adequacy** of the Bank was strong at 14.33% with CET-1 Ratio at 13.82% as of December 31, 2020, as compared to Capital Adequacy Ratio of 14.73% and CET-1 Ratio of 14.33% as of September 30, 2020 as compared to regulatory requirement for the Capital Adequacy Ratio of 10.875% and for CET-1 Ratio of 7.375%.
- **Average LCR** for the quarter was at 132% which is much higher than the mandated regulatory levels.

**Mr. V Vaidyanathan, Managing Director and CEO, IDFC FIRST Bank, said,** “During the last 7 quarters post-merger, the Bank restricted the growth in the loan book in order to first build the foundation on the deposit side. I am happy to say that with a strong deposit franchise with CASA of 48%, we will now begin to grow the loan book consistently from here on in a steady manner.”

“The bank is getting deposits beyond our own quarterly loan growth requirements and has excess liquidity as of today of Rs. 17,000 crores. Thus, the bank is reducing interest rates on savings accounts from 7% to 6% for deposits upto Rs. 1 crore. We are hoping to drain out certain excess liquidity during this quarter in order to save on negative drag on margins because of excess liquidity.”

“The collections are improving strongly every month since July 2020 and has already reached 98% of Pre COVID collections. Basis our experience in collections, a swiftly improving economy, and our provisioning policies we feel the Retail Gross and Net NPA will normalize soon and will revert to long term averages again of 2.3% and 1.2% respectively in retail loans within 2 to 3 quarters.”

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## About IDFC FIRST Bank

IDFC FIRST Bank was founded by the merger of IDFC Bank and Capital First in December 2018. The Bank provides a range of financial solutions to individuals, small businesses and corporates. The Bank offers savings and current accounts, NRI accounts, salary accounts, demat accounts, fixed and recurring deposits, home and personal loans, two-wheeler loans, consumer durable loans, small business loans, forex products, payment solutions and wealth management services. IDFC FIRST Bank has a nationwide presence and operates in the Retail Banking, Wholesale Banking and other Banking segments. Customers can choose where and how they want to Bank: 576 Bank liability branches, 134 asset branches, 541 ATMs and 655 rural business correspondent centres across the country, net Banking, mobile Banking and 24/7 toll free Banker-on-Call service.