



August 11, 2021

The Manager – Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra-Kurla-Complex, Bandra (East),
Mumbai - 400 051
NSE Scrip Code: IDFC

The Manager – Listing Department
BSE Limited
1st Floor, P.J. Towers,
Dalal Street,
Mumbai - 400 001
BSE Scrip Code: 532659

Sub: IDFC Limited – Presentation on Q1FY22 (Quarter ended June 30, 2021)

Dear Sirs,

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of the presentation on the financials for the quarter ended June 30, 2021.

This is for your information and records.

Thanking you,

Yours faithfully,
For IDFC Limited

Mahendra N. Shah
Company Secretary

Encl.: A/a



IDFC LIMITED

IDFC LIMITED – CONSOLIDATED

INVESTOR PRESENTATION – Q1 FY22

AUGUST 11, 2021



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1. IDFC CONSOLIDATED FINANCIALS

Applicability of Ind As

- ✓ Financials of IDFC Ltd & all its group companies (except IDFC FIRST Bank) have been prepared in accordance with the Companies (Indian Accounting Standards) Rules , 2015 (Ind As)
- ✓ IDFC FIRST Bank has submitted “Fit for consolidation” financials approved by the Audit Committee & reviewed by KPMG

Consolidated PAT

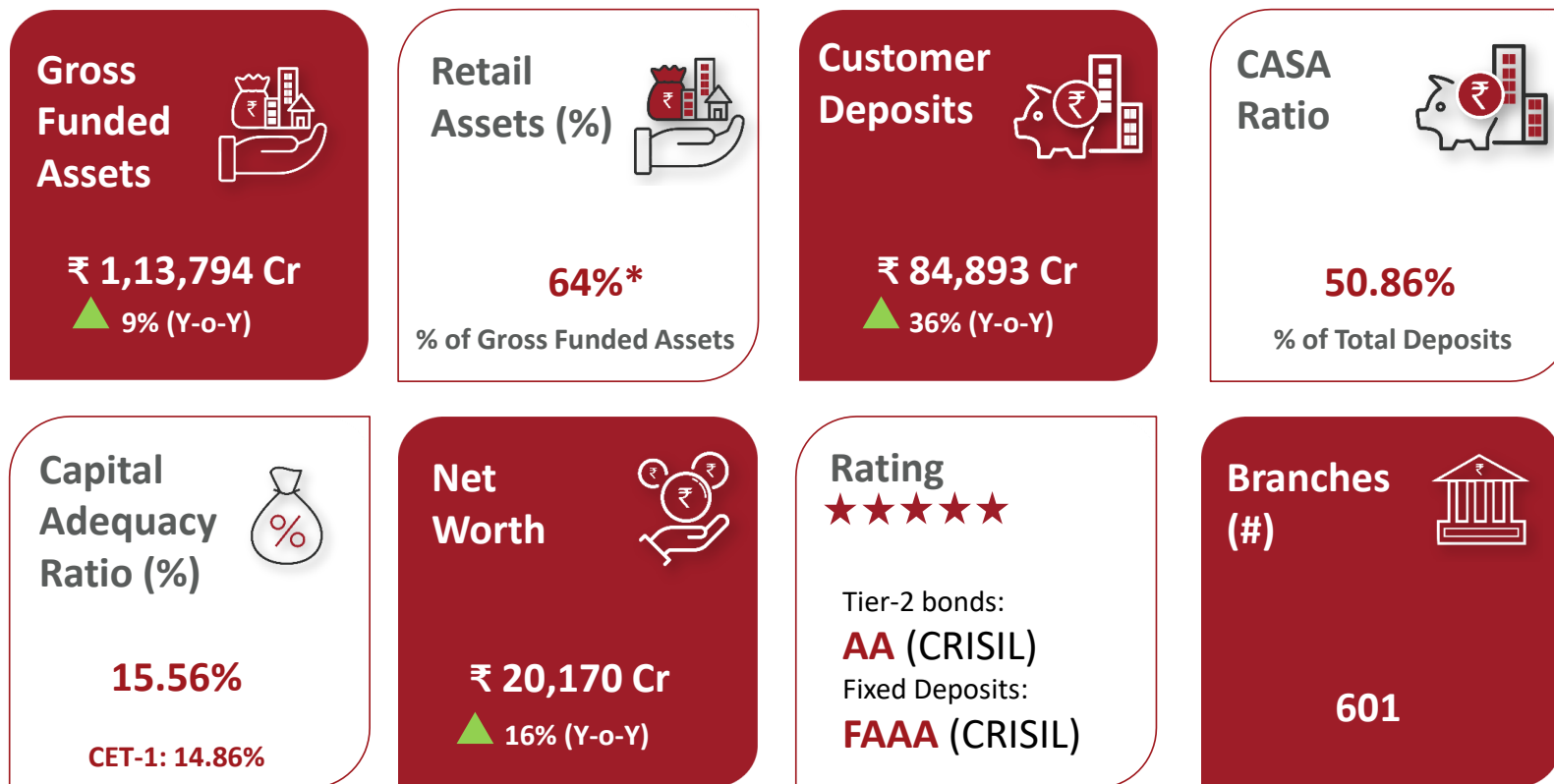
All Figures in INR Crore

| Particulars | Q1FY22 | Q1FY21 | FY21 |
|--|-----------------|--------------|-----------------|
| IDFC Standalone PAT | (4.04) | (10.27) | 8.87 |
| Add: profit of Subsidiaries | | | |
| <i>Profit of AMC</i> | 46.46 | 30.28 | 144.02 |
| <i>Profit of other subsidiaries</i> | 0.97 | 49.69 | 43.36 |
| Profit of subsidiaries | 47.43 | 79.97 | 187.38 |
| Add: Profit from associates, other adjustments | | | |
| <i>IDFC FIRST Bank*</i> | (426.56) | 25.08 | (240.98) |
| <i>Others/other adjustments</i> | (4.54) | (3.57) | (6.21) |
| Profit from associates | (431.10) | 21.51 | (247.19) |
| IDFC standalone PAT + Profit of subsidiaries + Profit from associates | (387.71) | 91.21 | (50.95) |
| Less: Dividend elimination | - | 61.62 | 61.62 |
| Consol PAT | (387.71) | 29.59 | (112.57) |

* Under Ind AS

2. IDFC FIRST BANK

Bank At a Glance (as of 30 June 2021)



*Retail Assets including Inorganic PSL Buyouts, where the underlying assets are retail, constitutes 68% of the Overall Funded Assets

Key Metrics and our progress vis-à-vis Guidance provided at the time of the merger in Dec 2018

| Particulars | Dec-18 (At Merger) | Mar-19 | Mar-20 | Mar-21 | Jun-21 | Guidance given at the time of merger for FY24-FY25 | Status |
|--|-----------------------|---------------|---------------|---------------|---------------|---|----------|
| Net-worth | Rs. 18,736 Cr | Rs. 18,159 Cr | Rs. 15,343 Cr | Rs. 17,808 Cr | Rs. 20,170 Cr | | |
| CET – 1 Ratio | 16.14% | 15.27% | 13.30% | 13.27% | 14.86% | >12.5 % * | On Track |
| Capital Adequacy (%) | 16.51% | 15.47% | 13.38% | 13.77% | 15.56% | >13.0 % * | On Track |
| CASA Deposits | Rs. 5,274 Cr | Rs. 7,893 Cr | Rs. 20,661 Cr | Rs. 45,896 Cr | Rs. 46,439 Cr | | |
| CASA as a % of Deposits (%) | 8.68% | 11.40% | 31.87% | 51.75% | 50.86% | 30% (FY24), 50% thereafter | Achieved |
| Average CASA Ratio (%) | 8.39% | 9.40% | 27.72% | 50.23% | 50.26% | | |
| Core Deposits as a % of Total Deposits & Borrowings | 8.04% | 9.49% | 27.76% | 47.51% | 47.10% | 50% | On Track |
| Branches (#) | 206 | 242 | 464 | 596 | 601 | 800-900 | On Track |
| Customer Deposits <=5 crore (% of Customer Deposits) | 31% | 37% | 59% | 82% | 82% | 80% | Achieved |
| Top 20 Depositors concentration (%) | 40% | 35% | 20% | 8% | 9% | ~5% | On Track |
| Certificate of Deposits | Rs. 22,312 Cr | Rs. 28,754 Cr | Rs. 7,111 Cr | Rs. 5,964 Cr | Rs. 6,419 Cr | <10% of liabilities* | On track |
| Quarterly Avg. LCR (%) | 123% | 120% | 111% | 153% | 166% | >110% * | Achieved |

“On Track” status represents that the Bank is progressing well on the parameter and is confident of achieving the guidance by the defined date

* Represents fresh guidance made post merger.

Key Metrics and our progress vis-à-vis Guidance provided at the time of the merger in Dec 2018

| Particulars | Dec-18 (At merger) | Mar-19 | Mar-20 | Mar-21 | Jun-21(YoY) | Guidance given at the time of merger for FY24-FY25 | Status |
|--|-----------------------|---------------|---------------|---------------|-----------------------------------|---|----------|
| Retail Funded Assets | Rs. 36,236 Cr | Rs. 40,812 Cr | Rs. 57,310 Cr | Rs. 73,673 Cr | Rs. 72,766 Cr (30% [^]) | Rs. 100,000 Cr | On Track |
| Retail as a % of Total Funded Assets | 35% | 37% | 54% | 63% | 64% | 70% | On Track |
| Wholesale Funded Assets | Rs. 56,809 Cr | Rs. 53,649 Cr | Rs. 39,388 Cr | Rs. 33,920 Cr | Rs. 32,148 Cr (-15%) | < Rs. 40,000 Cr | On Track |
| - of which Infrastructure loans | Rs. 22,710 Cr | Rs. 21,459 Cr | Rs. 14,840 Cr | Rs. 10,808 Cr | Rs. 10,346 Cr (-23%) | Nil in 5 years | On Track |
| Top 10 borrowers as % of Total Funded Assets (%) | 12.8% | 9.8% | 7.2% | 5.9% | 5.8% | < 5% | On Track |
| GNPA (%) | 1.97% | 2.43% | 2.60% | 4.15% | 4.61%* | 2-2.5% | On Track |
| NNPA (%) | 0.95% | 1.27% | 0.94% | 1.86% | 2.32%* | 1.1.2% | On Track |
| Provision Coverage Ratio (%) | 52% | 48% | 65% | 55% | 51%* | ~70% | On Track |
| Net Interest Margin (%) | 3.10% | 2.61% | 3.91% | 4.98% | 5.51% | 5-5.5% | Achieved |
| Cost to Income Ratio (%) | 81.56% | 82.74% | 76.86% | 78.79% | 77.16% | 55% | On Track |
| Return on Asset (%) | -3.70% | -1.33% | -1.75% | 0.29% | -1.51% [§] | 1.4-1.6% | On Track |
| Return on Equity (%) | -36.81% | -11.64% | -17.10% | 2.73% | -13.31% [§] | 13-15% | On Track |

**Due to COVID, a large infrastructure account (A Mumbai based toll road) of Rs. 854 crores has turned NPA during Q1 FY22; this was already a part of identified stressed list as SMA 2 account. Since the account is now classified as NPA, the identified stressed asset list stands reduced by such amount. We expect no economic loss on this account eventually as this is an performing and operating toll road, albeit delayed. Excluding this account, the GNPA would have been 3.77%, the NNPA would have been 1.61% and PCR% would have been 58.22%.*

§ The RoA and RoE in Q1 FY22 is not representative of the longer term ROA/ ROE because of COVID impact. The fundamental drivers of the business model is strong and the bank is on track to achieve the said target within the given timeline. ^ Including ECLGS portfolio of Rs. Rs. 1645 crores.

Q1 22 results: Sustainable Growth in Core Franchise

Strong Growth in Retail Assets:

- **Retail Book** increased **30%[^] YoY** to **Rs. 72,766 crore** as on June 30, 2021 from **Rs. 56,043 crore** as on June 30, 2020.
- **Retail** constitutes **68%** of funded loan assets as on June 30, 2021 including retail PSL buyouts.
- **Wholesale funded book** decreased by **15% YOY** to **Rs. 32,148 crore** as on June 30, 2021 from **Rs. 37,928 crore** as on June 30, 2020
- **Infrastructure loans** (part of wholesale) **decreased by 23% YOY** to **Rs. 10,346 crore** as on June 30, 2021 from **Rs. 13,416 crore** as on June 30, 2020.
- **Infrastructure loans** are only **9.09%** of total funded assets as on June 30, 2021 as compared to **12.89%** as on June 30, 2020 and **21.70%** as on December 31, 2018 (merger quarter)

Strong growth in Retail Liabilities

- **CASA Deposits** increased by **98% YOY** to **Rs. 46,439 crore** as on June 30, 2021 from **Rs. 23,491 crore** as on June 30, 2020 despite reduction of SA rate by 200 bps in the last 6 months.
- **CASA Ratio** improved to **50.86%** as on June 30, 2021 from **33.74%** as on June 30, 2020.
- **Daily Average CASA Ratio** improved to **50.3%** as on June 30, 2021 from **32.0%** as on June 30, 2020.
- **Total Customer Deposits** increased to **Rs. 84,893 crore** as on June 30, 2021 from **Rs. 62,409 crore** as on June 30, 2020, **Y-o-Y increase of 36%**.

Strong Capital Adequacy: **Capital Adequacy Ratio** of the Bank was strong at **15.56%** with **CET-1 Ratio at 14.86%**. During the quarter, equity capital of Rs. 3,000 crore was raised through QIP on April 6, 2021.

Franchise: The Branch Network now stands at **601** branches, **703** ATMs (including **94 recyclers**) across the country as on June 30, 2021.

Diversification:

- **Top 20 Depositors' concentration** as % to total customer deposits has reduced to **9.39%** as on June 30, 2021 from **16.86%** as on June 30, 2020.
- **Top 10 Borrowers concentration** as % of total Funded Assets has reduced to **5.8%** as on June 30, 2021 from **7.3%** as on June 30, 2020.

IDFC FIRST Bank has highest safety rating of FAAA by CRISIL for the Fixed Deposit program

IDFC FIRST Bank – balance sheet

| In Rs. Crore | Jun-20 | Mar-21 | Jun-21 | Growth (%) (Q-o-Q) | Growth (%) (Y-o-Y) |
|--------------------------------------|----------------|----------------|----------------|-----------------------|-----------------------|
| Shareholders' Funds | 17,436 | 17,808 | 20,170 | 13% | 16% |
| Deposits | 69,832 | 88,688 | 91,312 | 3% | 31% |
| - Retail Deposits | 39,872 | 63,894 | 65,811 | 3% | 65% |
| - Wholesale Deposits (including CD) | 29,959 | 24,795 | 25,501 | 3% | -15% |
| Borrowings | 52,397 | 45,786 | 48,430 | 6% | -8% |
| Other liabilities and provisions | 10,975 | 10,861 | 9,075 | -16% | -17% |
| Total Liabilities | 150,641 | 163,144 | 168,986 | 4% | 12% |
| Cash and Balances with Banks and RBI | 5,932 | 5,828 | 9,774 | 68% | 65% |
| Net Funded Assets | 97,940 | 111,758 | 108,628 | -3% | 11% |
| - Net Retail Funded Assets | 55,741 | 72,334 | 71,412 | -1% | 28% |
| - Net Wholesale Funded Assets* | 42,199 | 39,425 | 37,217 | -6% | -12% |
| Investments | 35,942 | 36,719 | 41,368 | 13% | 15% |
| Fixed Assets | 1,079 | 1,266 | 1,298 | 2% | 20% |
| Other Assets | 9,747 | 7,572 | 7,918 | 5% | -19% |
| Total Assets | 150,641 | 163,144 | 168,986 | 4% | 12% |

*includes credit investments (Non-Convertible Debentures, RIDF, PTC, SRs and Loan Converted into Equity)

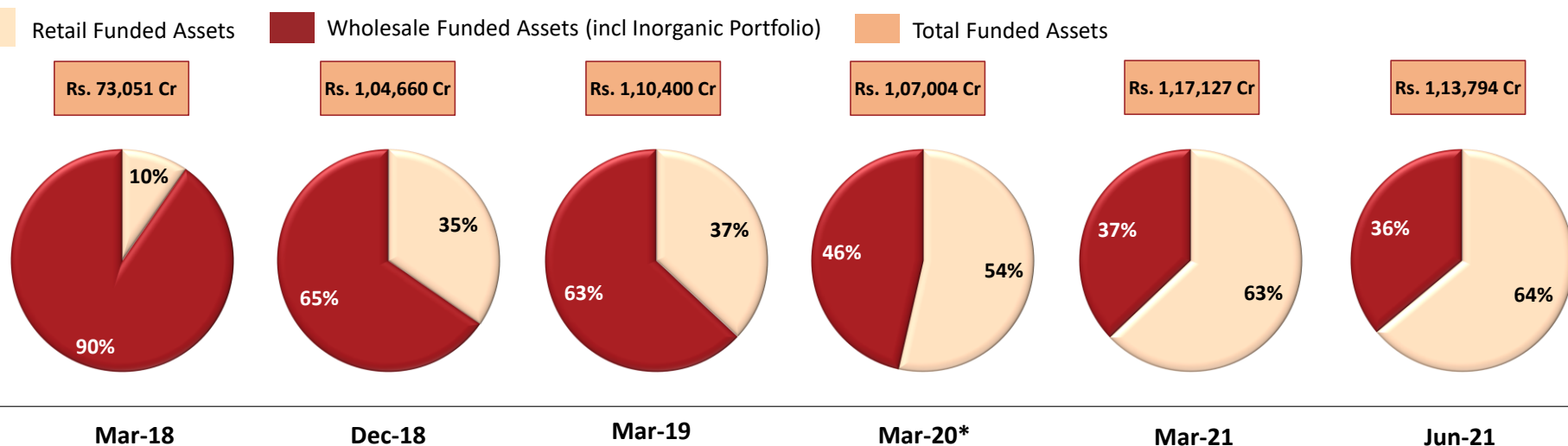
IDFC FIRST Bank – income statement

| In Rs. Crore | Q1 FY21 | Q4 FY21 | Q1 FY22 | Growth (%) Q-o-Q | Growth (%) Y-o-Y |
|--|--------------|-------------------|--------------------|---------------------|---------------------|
| Interest Income ¹ | 3,949 | 3,993 | 4,089 | 2% | 4% |
| Interest Expense | 2,205 | 2,033 | 1,905 | -6% | -14% |
| Net Interest Income | 1,744 | 1,960 | 2,185 | 11% | 25% |
| Fee & Other Income | 148 | 600 | 449 | -25% | 203% |
| Operating Income (Excl Trading Gain) | 1,892 | 2,561 | 2,634 | 3% | 39% |
| Trading Gain | 337 | 241 | 400 | 66% | 19% |
| Operating Income | 2,229 | 2,801 | 3,034 | 8% | 36% |
| Operating Expense | 1,337 | 2,156 | 2,032 | -6% | 52% |
| Pre-Provisioning Operating Profit (PPOP) | 892 | 646 | 1,001 | 55% | 12% |
| Core Pre-Provisioning Operating Profit (Ex. Trading gain) | 555 | 405 | 601 | 48% | 8% |
| Provisions | 764 | 603 | 1,879 ² | 212% | 146% |
| Profit Before Tax | 128 | 43 | (877) | - | - |
| Tax | 34 | (85) ³ | (247) | - | - |
| Profit After Tax | 94 | 128 | (630) | - | - |

1. Loan Servicing Fees paid to Business correspondents (incl IFBL) has been re-classified from interest income to operating expenses effective Q4 FY21, prior period numbers are also reclassified accordingly.
2. The Bank has made additional COVID provision of Rs. 350 crore in Q1 FY22 and now carries a cumulative COVID provision of Rs. 725 crore as on June 30, 2021.
3. Includes de-recognition of DTA on goodwill of Rs. 338 crores pursuant to recent changes in Finance Act. Includes DTA reassessment based on future projections.

IDFC FIRST Bank – strong and consistent growth in consumer financing over the last decade. This is our DNA. Disbursed millions of loans life to date, including new-to-credit and new-to-bank

- The Bank provides financing for prime home loans, affordable home loans, business banking, loan against property, car loans, consumer durables and other such products to salaried and self – employed individuals and entities which is a large opportunity in India.
- We have strong demonstrated capabilities on this front developed through greenfield efforts over the last 10 years and we have maintained high asset quality, and consistently rising profitability over the years.



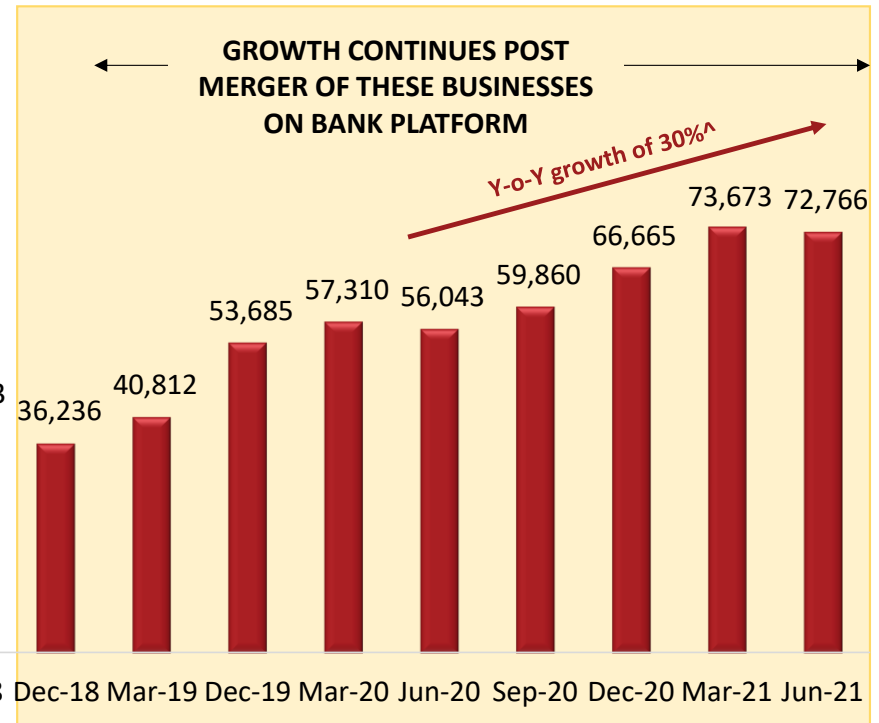
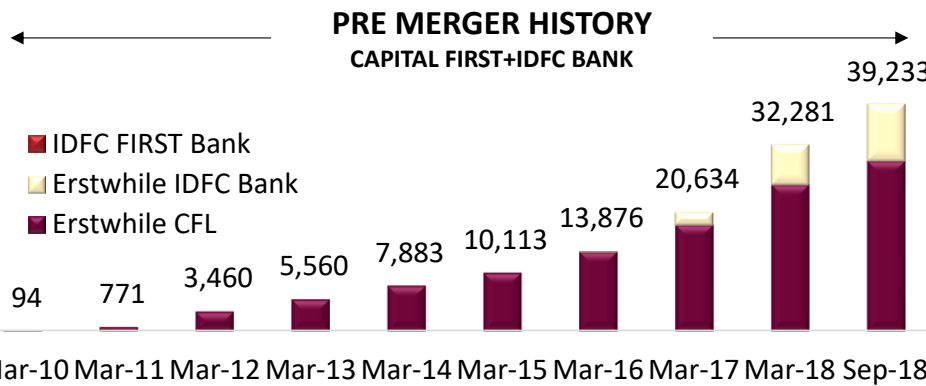
The Bank inorganically acquired portfolio as PSL retail loans. Including this as part of Retail Loan Book, the Retail contribution to the overall Loan Assets is 68% as of June 30, 2021.

**Gross of Inter-Bank Participant Certificate (IBPC) transactions.*

IDFC FIRST Bank – Strong and consistent growth in consumer financing over the last decade

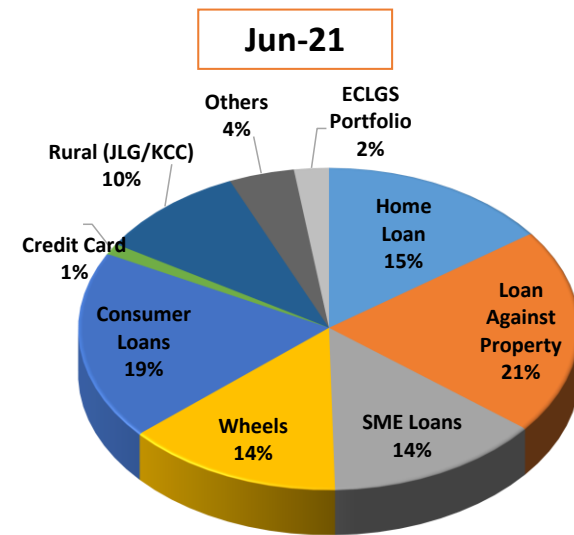
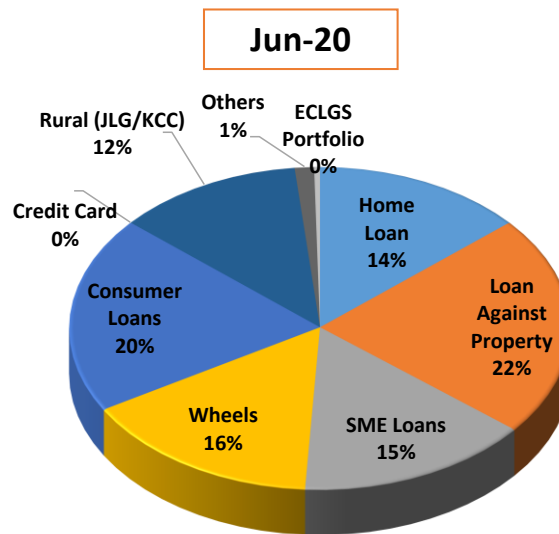
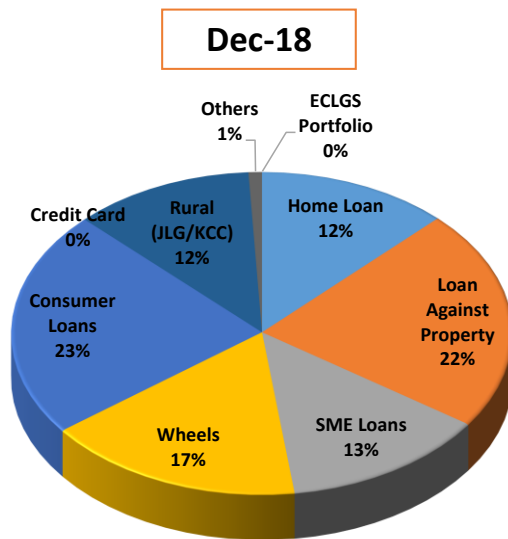
- The bank has a rich history of 10 years of growing the retail loans book. Rs. 94 crores to ~ Rs. 36,000 crores in 10 years, and to Rs. 72,766 crores today.
- We have maintained stable growth, strong margins, and high Asset quality of Gross and Net NPA of ~2% and 1% respectively for close to a decade, except during COVID. We expect to revert to pre COVID asset quality by end FY 22.

All amounts are in Rs. crore unless specified



^ Excluding ECLGS portfolio of Rs. 1,645 crore as of June 30, 2021, Retail loan book has grown by 27% on YoY basis

IDFC FIRST Bank – Retail Funded Assets Mix



Retail Funded Assets

Rs. 36,236 Cr

Rs. 56,043 Cr

Rs. 72,766 Cr

Retail Funded Assets
(% of Total Funded Assets)

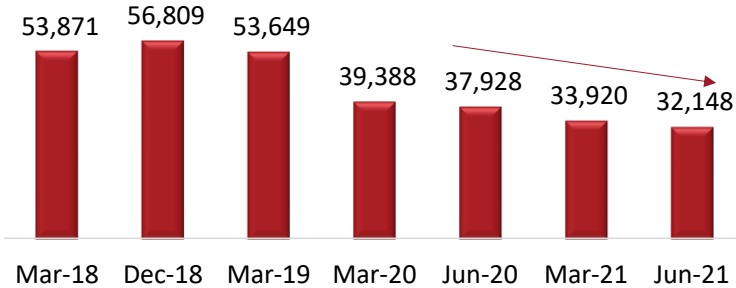
35%

54%

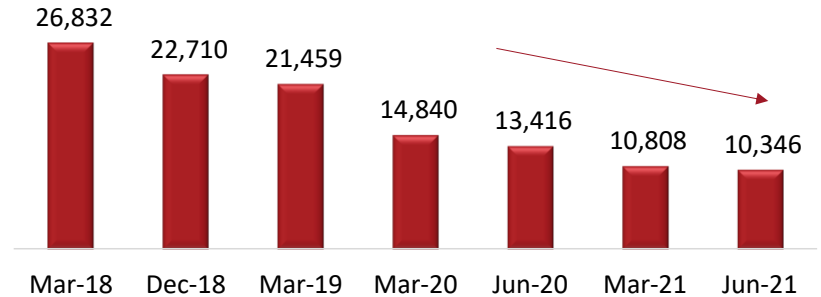
64%

IDFC FIRST Bank – the Bank reduced wholesale, infrastructure loan assets since merger; Top 10 borrowers’ concentration reduced

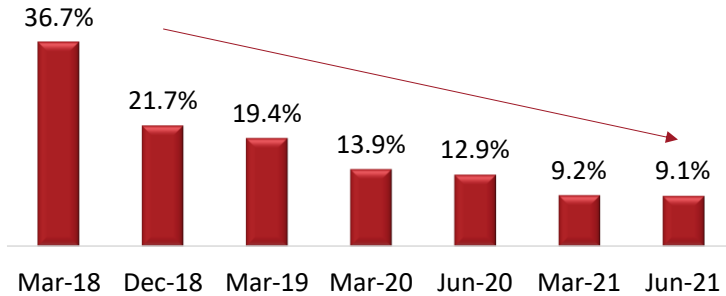
1 The Bank reduced the wholesale funded assets by 15% during the last year *in Rs. crore*



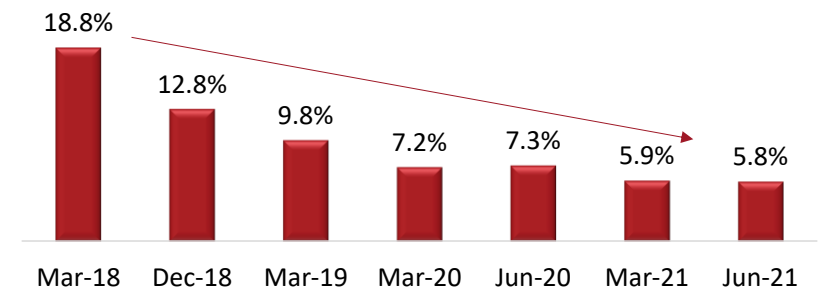
2 Out of this, infrastructure financing (Rs crore) has reduced by 23% in the last year *in Rs. crore*



3 The Bank reduced Infrastructure financing portfolio as % of total funded assets from 37% (Mar-18) to 9% (June-21)



4 The Bank also proactively reduced the concentration risk by improving top 10 borrowers’ concentration from 18.8% (Mar-18) to 5.8% (Jun-21)



IDFC FIRST Bank – Diversified Loan Book

| In Rs. Crore | June-20 | Mar-21 | Jun-21 | Growth% (YoY) | Growth% (QoQ) |
|---|----------------|----------------|----------------|---------------|---------------|
| Home Loans | 7,681 | 10,613 | 10,919 | 42% | 3% |
| Loan against Property | 12,445 | 15,320 | 15,087 | 21% | -2% |
| SME Loans | 8,427 | 10,812 | 10,100 | 20% | -7% |
| Wheels | 8,718 | 10,763 | 10,169 | 17% | -6% |
| Consumer Loans | 11,089 | 13,949 | 13,843 | 25% | -1% |
| Credit Card | - | 428 | 819 | - | 91% |
| Rural (JLG/KCC) | 6,769 | 7,658 | 7,093 | 5% | -7% |
| Others | 703 | 2,443 | 3,092 | 340% | 27% |
| Total Retail Funded Assets (Excl. ECLGS Portfolio) | 55,831 | 71,987 | 71,122 | 27% | -1% |
| ECLGS Portfolio | 212 | 1,687 | 1,645 | 676% | -2% |
| Total Retail Funded Assets (A) | 56,043 | 73,672 | 72,766 | 30% | -1% |
| Corporates | 24,512 | 23,112 | 21,802 | -11% | -6% |
| - Conglomerates | 1,354 | 1,345 | 1,403 | 4% | 4% |
| - Large Corporates | 1,832 | 1,898 | 2,206 | 20% | 16% |
| - Emerging Large Corporates | 6,411 | 7,115 | 7,173 | 12% | 1% |
| - Financial Institutional Group | 12,036 | 10,960 | 9,352 | -22% | -15% |
| - Others | 2,878 | 1,794 | 1,669 | -42% | -7% |
| Infrastructure | 13,416 | 10,808 | 10,346 | -23% | -4% |
| Total Wholesale Funded Assets (B) | 37,928 | 33,920 | 32,148 | -15% | -5% |
| PSL Inorganic (C) | 7,732 | 7,436 | 6,796 | -12% | -9% |
| SRs and Loan Converted into Equity (D) | 2,347 | 2,097 | 2,083 | -11% | -1% |
| Total Funded Assets (A)+(B)+(C)+(D) | 104,050 | 117,127 | 113,794 | 9% | -3% |

Note: The figures above are gross of Inter-Bank Participant Certificate (IBPC) transactions.

The SME Loans include Business Loans, Business Banking, Micro Credit. The Wheels include TW Loans, Car Loans and CV Loans. The Consumer Loans include Consumer Durable Loans, PL including cross-sell loans. Others includes portfolio buyout, trade finance, digital lending etc.

IDFC FIRST Bank – Built a strong retail Deposit Base from millions of customers

- The Bank quickly raised deposits from millions of customers because of our relentless focus on excellent service to our customers, our Customer First approach, our superior product propositions, and capability for contactless and video-KYC. We are a trusted brand for millions of our customers

Core Deposits (Retail CASA + Retail TD)

Other Deposits

Total Customer Deposits (Excl. CD)

Rs. 28,370 Cr

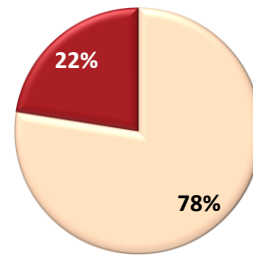
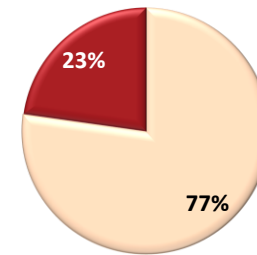
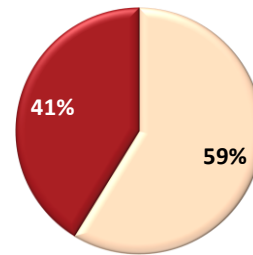
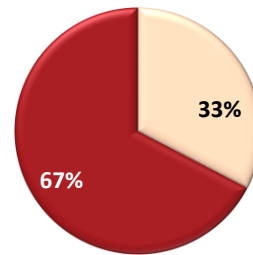
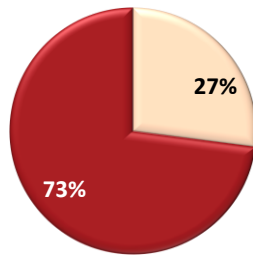
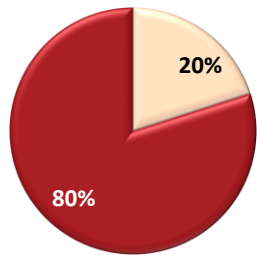
Rs. 38,455 Cr

Rs. 40,504 Cr

Rs. 57,719 Cr

Rs. 82,725 Cr

Rs. 84,893 Cr



Mar-18

Dec-18

Mar-19

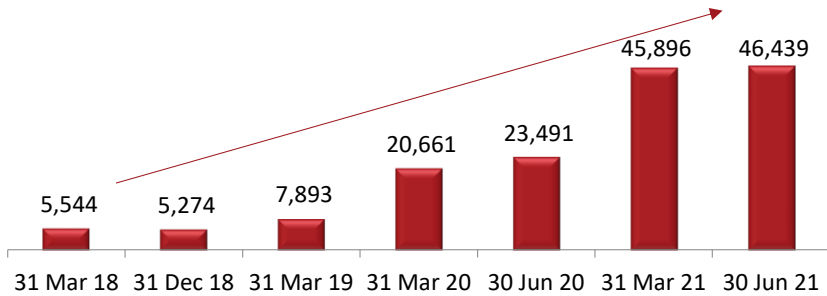
Mar-20

Mar-21

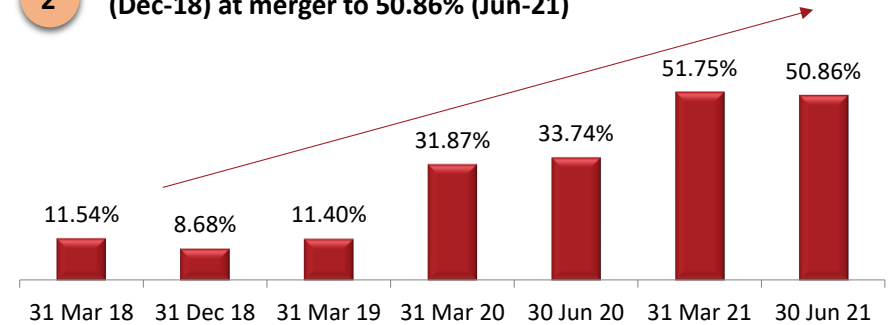
Jun-21

IDFC FIRST Bank – the Bank now has a strong and well diversified liability franchise

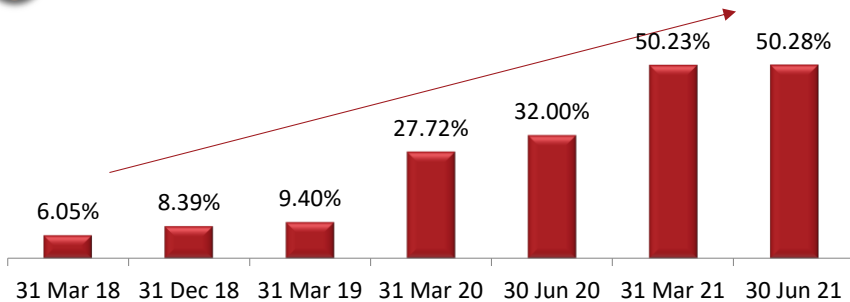
1 CASA Deposits has grown by Rs. 41,166 crore since merger with YoY growth of 98% *in Rs. crore*



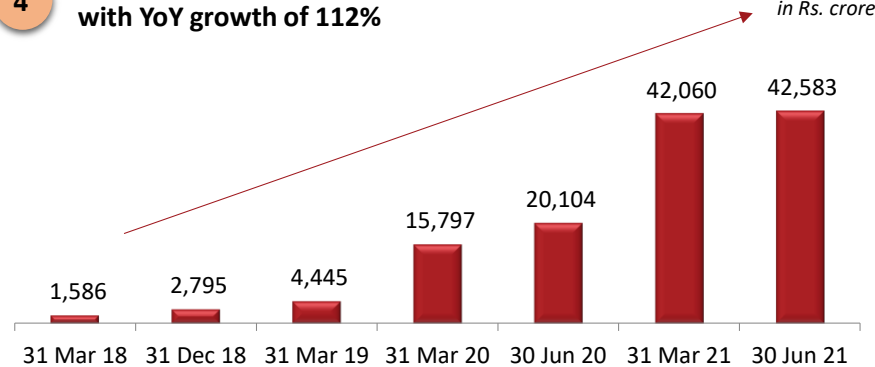
2 As a result, the CASA Ratio (%) of the Bank has grown from 8.68% (Dec-18) at merger to 50.86% (Jun-21)



3 Average CASA Ratio (on daily CASA balances for the quarter) (%) also shows strong improvement over the years

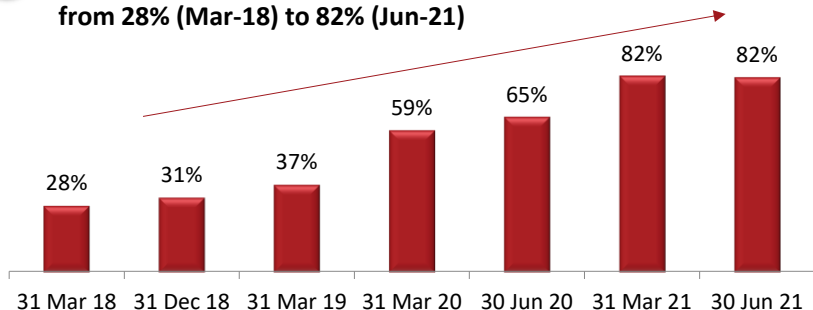


4 Retail CASA Deposits has grown by Rs. 39,788 crore since merger with YoY growth of 112% *in Rs. crore*

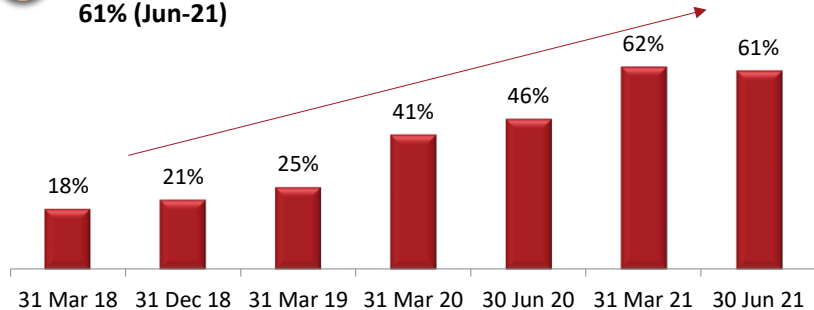


IDFC FIRST Bank – Granularization of the Customer Deposits through quality liability franchise

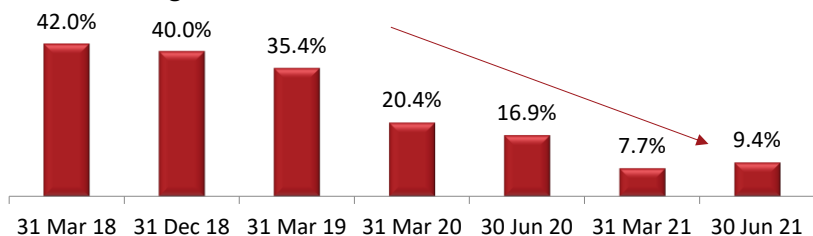
1 As part of the granularization, the Bank increased its Deposits with balance Rs. 5 crore and less, as % of total customer deposits, from 28% (Mar-18) to 82% (Jun-21)



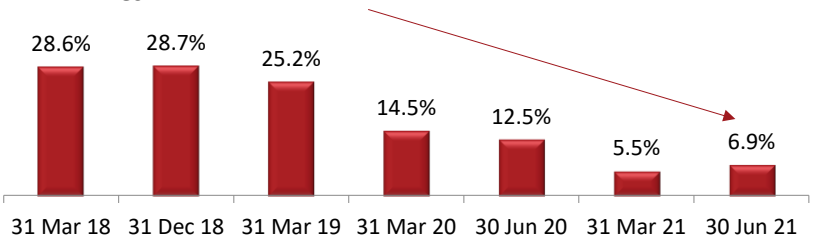
2 Similarly, the Bank increased Deposits with balance Rs. 1 crore and less, as % of total customer deposits, from 18% (Mar-18) to 61% (Jun-21)



3 The Bank reduced the top 20 depositors' concentration as % of customer deposits from 42.0% (Mar-18) 9.4% (Jun-21), thus curtailing the concentration risk



4 The Bank reduced the Top 10 depositors' concentration as % of customer deposits from 28.6% (Mar-18) to 6.9% (Jun-21) on similar lines



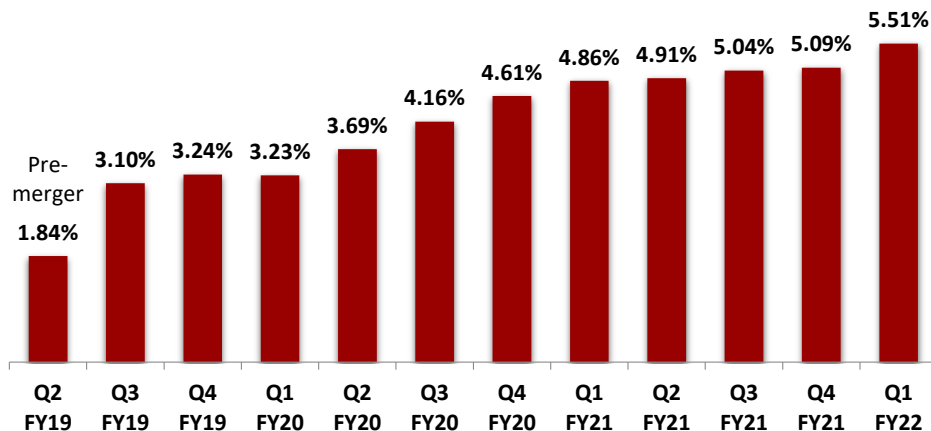
IDFC FIRST Bank – Strong growth in retail deposits has reduced the dependence on wholesale deposits and has provided greater stability

| In Rs. Crore | Jun-20 | Mar-21 | Jun-21 | YOY% |
|---|----------------|----------------|-----------------|-------------|
| Legacy Long Term Bonds | 10,638 | 7,892 | 7,645 | -28% |
| Legacy Infra Bonds | 10,166 | 9,508 | 9,487 | -7% |
| Refinance | 12,000 | 15,438 | 13,999 | 17% |
| Other borrowings | 12,471 | 7,618 | 7,131 | -43% |
| Total Borrowings (A) | 45,274 | 40,456 | 38,262 | -15% |
| CASA | 23,491 | 45,896 | 46,439 | 98% |
| Term Deposits* | 38,917 | 36,829 | 38,453 | -1% |
| Total Customer Deposits (B) | 62,409 | 82,725 | 84,893 | 36% |
| Certificate of Deposits (C) | 7,212 | 5,964 | 6,419 | -11% |
| Money Market Borrowings (D) | 7,123 | 5,330 | 10,168 | 43% |
| Borrowings + Deposits (A)+(B)+(C)+(D) | 122,018 | 134,475 | 1,39,741 | 15% |
| CASA % of Deposits | 33.74% | 51.75% | 50.86% | |
| Customer Deposits as % of Borrowings + Deposits | 51.15% | 61.52% | 60.75% | |

* Though the customer Term Deposits at Rs. 38,453 crores as of June 30, 2021 has not grown YOY, the underlying composition of Terms Deposits have improved substantially. Retail Term Deposits were up 18% over last year and Wholesale Term Deposits were reduced by 20% YOY.

IDFC FIRST Bank – Profitability – Highest ever Core Operating Profits posted in Q1 FY22, strong NIM improvement

Steady Improvement in NIM%



Highest ever Core Operating Profits in Q1-FY22

- Because of strong growth in Net Interest Margin of the bank, the core operating profit of the bank has reached an all-time high at Rs. 601 crores.
- Core PPOP has more than doubled from Rs. 276 crore in the first Quarter after merger with Capital First. (For context, pre-merger PPOP was Rs. 92 crores for H1-FY19).
- We are happy to share that this growth in core operating profits has been achieved despite that the bank has invested heavily in branches, network, technology, and people over the last two years.
- Therefore, as the provisions come down to normalized levels post second wave, the Profits of the bank will increase.

- The Bank has been reporting net profits continuously since March 2020 for 5 quarters in a row through COVID-19 first wave. During COVID-19 wave 2.0 there was strict lockdowns through April and May 2021, limiting our collection efforts.
- Based on portfolio ageing caused by the lockdown, the Bank has upfronted a reasonable portion of the estimated provision because of the COVID-19 second wave, because of which the Bank posted net loss of Rs. 630 crore in Q1-FY22. The Bank believe the full estimated impact of COVID wave 2 is now provided for in the books of the Bank.
- Therefore, with a strong and rising PPOP and expected lower provisions going forward, the Bank is expected to be profitable for the full year.

IDFC FIRST Bank – asset quality

| Particulars | Dec-19 (Pre-Covid) (A) | Mar-21 (Post Covid 1.0) (B) | Jun-21 (During Covid 2.0) (C) | Change from Pre-Covid Levels (C – A) (in bps) | PCR (%) As of 30 Jun 21 |
|-------------------------------------|--------------------------------|-------------------------------------|---------------------------------------|---|----------------------------|
| <u>Retail</u> | | | | | |
| GNPA% | 2.26% | 4.01% | 3.86% | 160 | 53.84% |
| NNPA% | 1.06% | 1.90% | 1.82% | 76 | |
| <u>Corporate (Non-Infra)</u> | | | | | |
| GNPA% | 3.08% | 3.98% | 2.91% | (17) | 57.60% |
| NNPA% | 1.58% | 1.92% | 1.25% | (33) | |
| <u>Infrastructure</u> | | | | | |
| GNPA% | 4.69% | 5.76% | 15.65% | 1,096 | 41.13% |
| NNPA% | 1.23% | 1.35% | 9.84% | 861 | |
| <u>Total</u> | | | | | |
| GNPA% | 2.83% | 4.15% | 4.61% | 178 | 50.86% |
| NNPA% | 1.23% | 1.86% | 2.32% | 109 | |

IDFC FIRST Bank – the Bank is confident of improving asset quality over coming quarters

- Due to COVID-19 second wave, there were strict lockdowns across the country in April and May 21, and in part of June-21 including in major states like Delhi, Maharashtra, West Bengal, Tamil Nadu, Karnataka. This impacted the operations of the Bank, especially in terms of disbursals and collections as the logistical challenges increased due to lockdowns. At the same time, there was no moratorium, leading to slippages during the quarter.
- The NPA% mentioned above includes one infrastructure loans (Mumbai Toll Road account) which became NPA during the quarter with Rs. 854 crore outstanding, due to the impact on toll collections following COVID-19 second wave.
- This toll road account continued to repay its dues, partially, even during this quarter which was affected by second wave (Q1-FY22), the principal outstanding has come down by Rs. 19 crore during Q1 FY22. The Bank carries Rs. 154 crore provision on this account. This account was already disclosed under the identified stressed asset list.
- The slippage of this account led to an increase in GNPA by Rs. 854 crores, and a corresponding reduction in the Identified Stress Asset List. Bank expects to collect our dues in due course from this entity as this is an operating toll road entity and does not expect any material economic loss on this account.
- Thus, excluding the impact of the said Mumbai based infra Toll road account, the GNPA and NNPA as of June 30, 2021 would have been 3.77% and 1.61% with PCR of 58.22%.
- With this account moving to NPA, the proactively identified Stress Assets pool of the Bank now stands reduced to Rs. 1,371 crore as on June 30, 2021 from Rs. 3,195 crore as on June 30, 2020, a reduction of 57%, for which the Bank holds provision cover of 67%.
- The Bank was sensitive to customers affected by COVID during this quarter. Standard restructured outstanding portfolio (under the COVID-19 relief package provided by the RBI) in retail loans was 1.81% of the overall Retail Loan Book as of June 30, 2021. Restructuring for the overall portfolio stood at 2.01% of the total Funded Assets.

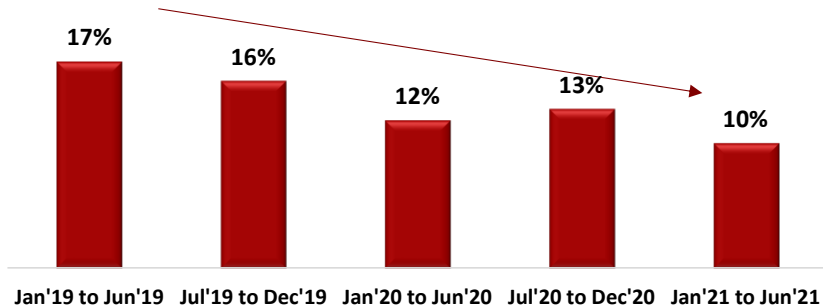
IDFC FIRST Bank – the Bank has made prudent provision for COVID 2nd wave, provisions likely to taper off in coming quarters

Provisions for the Quarter:

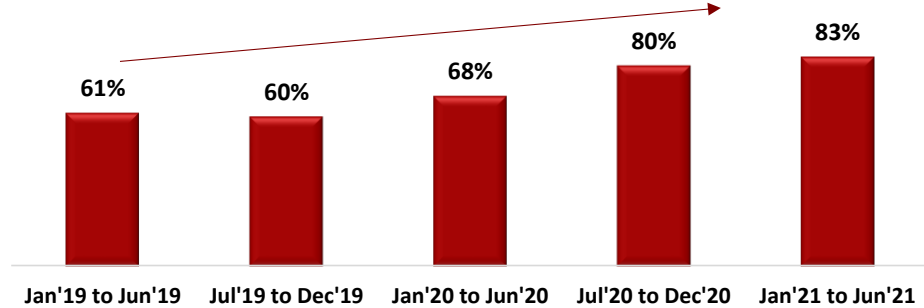
1. The Bank has created additional COVID-19 provisions of Rs. 350 crore during the quarter taking the total COVID-19 provision pool to Rs. 725 crores. The Bank believes that the full estimated impact of COVID wave 2 is now provided for in the books of the Bank. Including the COVID provision of Rs 725 crore as of June 30, 2021, the PCR would improve to 66.40% and without the effect of the Mumbai based road toll account where we expect to collect our dues in due course, it would be 77.23%.
2. The Bank has already taken provision of Rs. 1,879 crore during Q1 FY22. Based on the recent portfolio quality indicators (latest cheque bounce trends, collection efficiency, vintage analysis) we expect the provisions to taper off from here for the rest of the year (assuming no Covid third wave).
3. There was no moratorium provided to customers during COVID 2nd wave and thus there was ageing provisions that were required to be taken as per our conservative provisioning norms. The Bank believes that these provisions may not reflect actual economic loss but represent a delay in timing of repayments.
4. We believe cash flow of these customers have got affected due to lockdowns in Covid second wave in Q1-FY22. However, a reasonable proportion among them are likely to pay back their dues when economy normalizes.
5. Further, the Bank has seen improvement in key indicators, like (a) Improving customer profile for on-boarding (b) improving cheque bounce trends of portfolio (c) improving collection efficiencies and improved vintage analysis indicators. Based on the above portfolio analysis of these key indicators, the bank is confident of reducing Gross NPA and NPA to pre-COVID levels and expects to reduce annualized credit costs to less than 2% by Q4 FY22 for the retail loan book.

IDFC FIRST Bank – key quality Indicators showing improvement which points to lower delinquency and credit losses in future

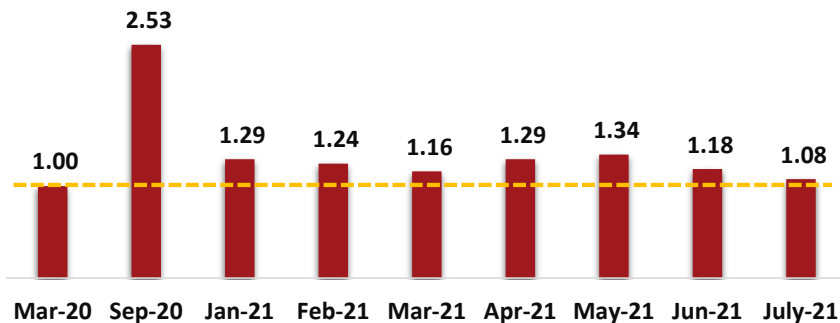
Improved quality of Sourcing: New to Credit customers as % incremental bookings have reduced sharply, indicating improved quality.



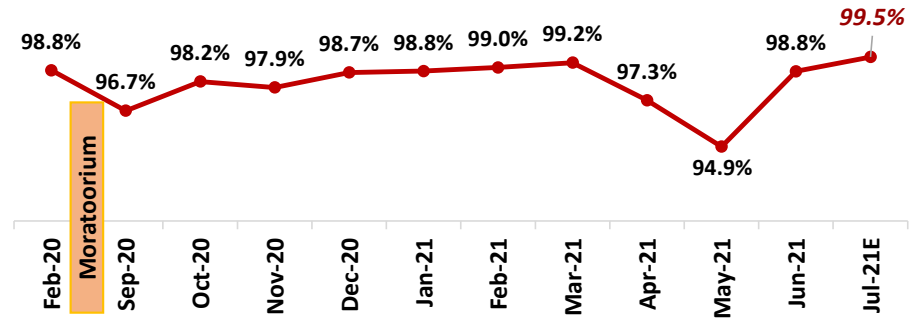
Improved quality of Sourcing: Customers having Bureau score > 700 has sharply improved from 61% to 83% over two years.



Early Bucket cheque Bounce Rates (on Principal Outstanding) is almost as good as Pre-Covid (Mar-20) Levels (x) for urban retail.



Early Bucket Collection Efficiency (urban retail) in July estimated to surpass pre COVID levels.



IDFC FIRST Bank – Capital Adequacy Ratio is at 15.56% with CET-1 Ratio at 14.86%

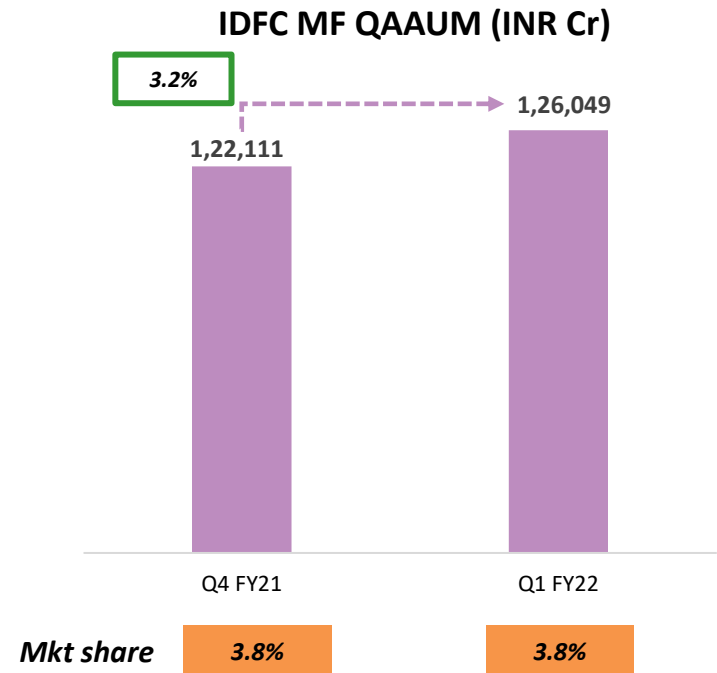
| In Rs. Crore | Jun-20 | Mar-21 | Jun-21 |
|----------------------------|----------------|-----------------|----------------|
| Common Equity | 17,065 | 16,974 | 19,460 |
| Tier 2 Capital Funds | 528 | 647 | 916 |
| Total Capital Funds | 17,593 | 17,622 | 20,376 |
| Total RWA | 117,077 | 1,27,943 | 130,946 |
| CET 1 Ratio (%) | 14.58% | 13.27% | 14.86% |
| Total CRAR (%) | 15.03% | 13.77% | 15.56% |

- The regulatory requirement for the Capital Adequacy Ratio is **10.875%** with CET-1 Ratio at **7.375%** and Tier I at **8.875%** as per the RBI Guidelines.

3. IDFC AMC

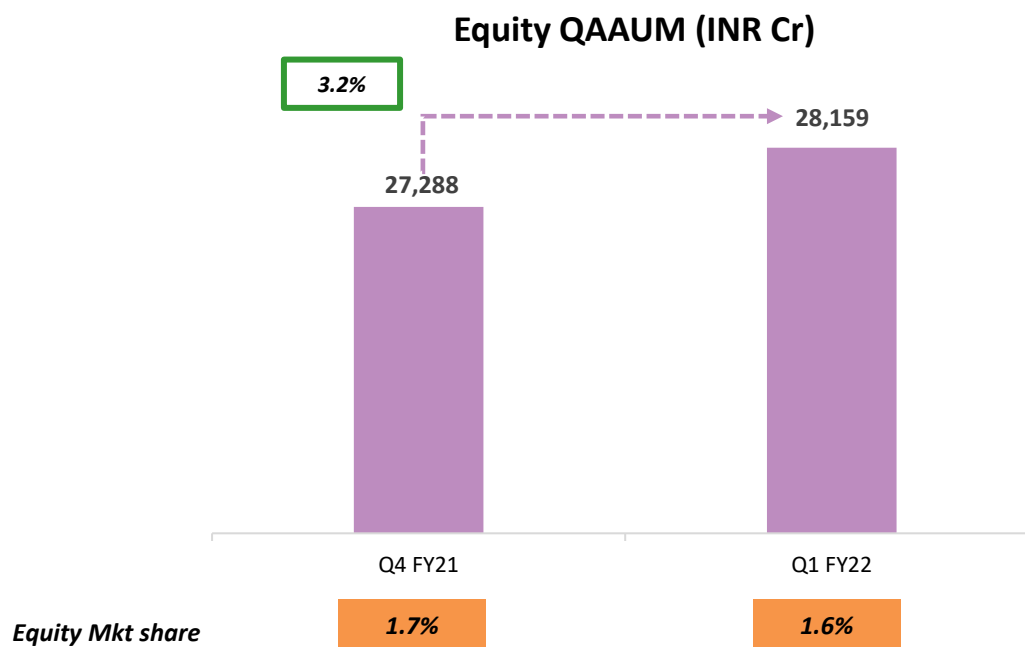
Performance Summary: Q1'22

- **IDFC AMC grew AUM and market share remained steady in Q1'22**
 - QAAUM increased to INR 1,26,049 Cr, growing 3.2% Vs Q4'21 (vs. industry growth of 3.3%) (yoy growth was 24%)
 - IDFC MF's market share remained steady at 3.8%
- **Strong Financial outcomes**
 - Q1'22 PAT of INR 46.5 Cr, representing an increase of ~17% vs. last quarter (sequentially), driven by 2.4% income growth, and well contained costs



1. QAAUM = Quarterly Average Assets Under Management
2. AUM data source: ICRA MFI Explorer

Equity AAUM crossed INR 28K Crores

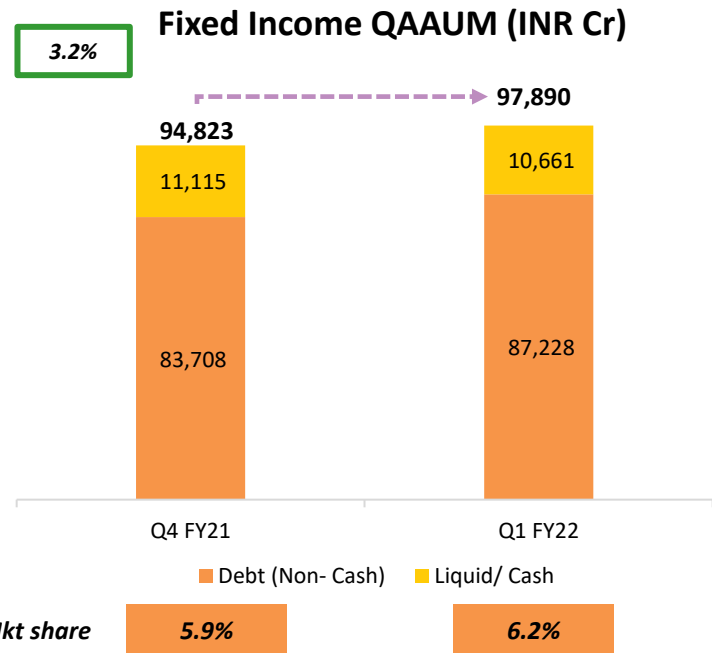
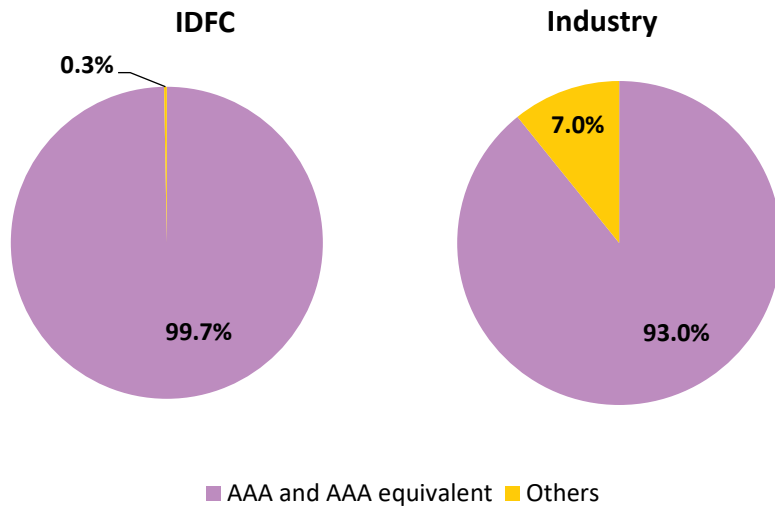


1. Equity AUM includes Equity and Hybrid schemes as per SEBI definition
2. AAUM: Average Assets Under Management

AUM gains in Fixed Income, Driven by Non-Cash Debt Category

Steady portfolio quality stance and proactive retail distribution expansion helped us grow AUM and Market share

Portfolio credit rating distribution¹



1. As of June 30, 2021
 Industry data includes top 15 AMCs excluding IDFC
 Source: ICRA MFI explorers

Strong Financial Performance | Q1'22 vs Q4'21

| In ` Cr | Q1'22 | Q4'21 | QoQ growth (%) |
|-------------------------------|----------------|----------------|----------------|
| AAUM (QAAUM) | 126,049 | 122,111 | 3.2% |
| Total Income | 106.0 | 103.6 | 2.4% |
| <i>Income from operations</i> | 97.5 | 96.9 | 0.6% |
| <i>Other Income</i> | 8.5 | 6.7 | |
| Costs | 45.1 | 51.7 | (12.6%) |
| PBT | 60.9 | 51.9 | 17.3% |
| PAT | 46.5 | 39.8 | 16.8% |
| <i>MF Margin (bps)</i> | 30.8 | 32.0 | |

- 3.2% AAUM growth QoQ, in-line with industry (3.3%)
- Revenue growth of 2.4%; Income from operations grew 0.6%
- Steady income growth, and well contained costs drove QoQ PAT growth of 16.8%; Q1FY'22 PAT at INR 46.5 Cr

Strong Financial Performance | Q1'22 vs Q1'21

| In ` Cr | Q1'22 | Q1'21 | YoY growth (%) |
|-------------------------------|----------------|----------------|----------------|
| AAUM (QAAUM) | 126,049 | 101,619 | 24.0% |
| Total Income | 106.0 | 80.9 | 31.2% |
| <i>Income from operations</i> | 97.5 | 73.6 | 32.5% |
| <i>Other Income</i> | 8.5 | 7.3 | |
| Costs | 45.1 | 40.3 | 12.1% |
| PBT | 60.9 | 40.6 | 50.0% |
| PAT | 46.5 | 30.3 | 53.4% |
| <i>MF Margin (bps)</i> | 30.8 | 28.8 | |

- 24% YoY QAAUM growth (vs. industry growth of 35%)
- Income from operations grew 32.5%
- Strong income growth, and operating leverage drove YoY PAT growth of 53.4%; Q1FY'22 PAT at INR 46.5 Cr



THANK YOU