IDFC FIRST Bank

Corporate Presentation – Q3 FY21

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Status of our progress vis-à-vis Guidance provided at the time of the merger

ASSETS

Particulars	Mar-18 (pre merger)	Sep-18 (pre merger)	Dec-18 (upon merger)	Guidance given at the time of merger for FY24-FY25	Dec-20 (actual)	Status
Retail Funded Assets	Rs. 7,038 Cr	**Rs. 9,916 Cr**	Rs. 36,236 Cr	**Rs. 100,000 Cr**	**Rs. 66,665 Cr**	**On Track**
Retail as a % of Total Funded Assets	10%	**13%**	35%	**70%**	**60%**	**On Track**
Wholesale Funded Assets	Rs. 53,871 Cr	**Rs. 54,084 Cr**	Rs. 56,809 Cr	**~Rs. 40,000 Cr**	**Rs. 34,809 Cr**	**On Track**
- of which Infrastructure loans	Rs. 26,832 Cr	**Rs. 23,637 Cr**	Rs. 22,710 Cr	**Nil in 5 years**	**Rs. 11,602 Cr**	**On Track**
Top 10 borrowers as % of Total Funded Assets (%)	18.75%	**17.97%**	12.8%	**< 5%**	**6.3%**	**On Track**
GNPA (%)	3.31%	**1.63%**	1.97%	**2-2.5%**	**1.33%***	**On Track**
NNPA (%)	1.69%	**0.59%**	0.95%	**1.1.2%**	**0.33%***	**On Track**
Provision Coverage Ratio (%)	50%	**64%**	52%	**~70%**	**75%**	**On Track**

These figures appear low because of the Supreme Court notification to stop NPA classification post August 31, 2020 till further orders. Without this impact the GNPA as on 31 December 2020 would have been* ***4.18%* *and the NNPA would have been* ***2.04%****.*

Status of our progress vis-à-vis Guidance provided at the time of the merger

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Particulars	Mar-18 (pre merger)	Sep-18 (pre merger)	Dec-18 (at merger)	Guidance given at the time of merger for FY24-FY25	Dec-20 (actual)	Status
CASA as a % of Deposits (%)	11.54%	12.98%	8.68%	30% (FY24), 50% thereafter	48.31%	Achieved
Retail CASA + Retail Term Deposits as a % of Total Deposits & Borrowings	5.41%	8.91%	8.04%	50% (FY24)	46.83%	On Track
Branches (#)	150	203	206	800-900	576	On Track
Additional agenda				**Guidance**		
Customer Deposits <=5 crore as a % of Total Customer Deposits (%)	28%	30%	31%	80%	78%	Achieved
Top 20 Depositors concentration (%)	42%	40%	40%	~5%	10%	On Track

IDFC FIRST Bank

Status of our achievements vis-à-vis Guidance provided at the time of the merger

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Particulars	Mar-18 (pre merger)	Sep-18 (pre merger)	Dec-18 (at merger)	Guidance given at the time of merger for FY24-FY25	Dec-20 (actual)	Status
Net Interest Margin %	1.58%	**1.56%**	2.89%	**5-5.5%**	**4.65%**	**On Track**
Cost to Income Ratio (%)*	90.35%	**94.47%**	80.55%	**55%**	**79.20%**	**On Track**
Return on Asset (%)	0.13%	**-1.15%**	0.37%	**1.4-1.6%**	**0.32%**	**On Track**
Return on Equity (%)	1.11%	**-9.71%**	3.66%	**13-15%**	**2.92%**	**On Track**

**excluding trading gains*

Results at a glance: IDFC FIRST Bank: Strong Strides across all the Strategic Priorities

We are happy to report that we are making strong progress on the guidance given at the time of merger.

1. Strong Growth in Retail Assets:

- **Retail Book** increased **24% YoY** to **Rs. 66,665 crore** as on Dec 31, 2020 from **Rs. 53,685 crore** as on Dec 31, 2019
- **Retail** constitutes **65%** of funded loan assets as on Dec 31, 2020 including Inorganic PSL buyouts, where underlying assets are retail loans as compared to **57%** as on Dec 31, 2019
- Wholesale funded book **decreased by 21%** to **Rs. 34,809 crore** as on Dec 31, 2020 from **Rs. 44,329 crore** as on Dec 31, 2019
- Infrastructure loans (part of wholesale) **decreased by 26%** to **Rs. 11,602** crore as on Dec 31 2020 from **Rs. 15,601 crore** as on Dec 31, 2019.

2. Strong growth in retail Liabilities

- CASA Deposits increased to **Rs. 40,563 crore** as on Dec 31, 2020 from **Rs. 16,204 crore** as on Dec 31, 2019, **Y-o-Y increase of 150%**
- CASA Ratio improved to **48.31%** as on Dec 31, 2020 from **24.06%** as on Dec 31, 2019. Average CASA Ratio also improved to **44.66%** as on December 31, 2020 from **20.88%** as on December 31, 2019.
- Core Deposits (Retail CASA and Retail Term Deposits) (A) increased **100% YOY to Rs. 58,435 crore** as on Dec 31, 2020 from **Rs. 29,267 crore** as on Dec 31, 2019.
- Wholesale deposit (wholesale CASA and Wholesale FD) (B) **reduced 26% YOY** to **Rs. 18,854 crore** (Dec 31, 2020) from **Rs. 25,364 crore** as of Dec 31, 2019 as per strategy to reduce bulk deposits.
- Thus, Total Customer Deposits (A + B) increased to **Rs. 77,289 crore** as on Dec 31, 2020 from **Rs. 54,631 crore** as on Dec 31, 2019, **Y-o-Y increase of 41%**. (IDFC First Bank Fixed Deposit program have the highest safety rating of **FAAA by CRISIL)**

Results at a glance: IDFC FIRST Bank: Strong Strides across all the Strategic Priorities

3. Strong growth in Core Earnings:

a. **Strong NII Growth:** NII grew by **14%** YOY to **Rs. 1,744 crore** in Q3 FY21 from **Rs. 1,534 crore** in Q3 FY20. It grew by **5%** QOQ from **Rs. 1,660 crore** in Q2 FY21. NII for the current quarter includes the impact of provision for interest reversal for proforma NPA cases.

b. **Strong NIM improvement:** NIM has improved to **4.65%** in Q3 FY21 as compared to **3.86%** in Q3 FY20 and **4.57%** in Q2 FY21.

c. **Strong growth in Total Income (NII + Fees and Other Income+ Trading Gain): Total income** grew **24%** YOY to **Rs. 2,616 crore** in Q3 FY21 from **Rs. 2,113 crore** in Q3 FY20. It grew by **14%** QOQ from **Rs. 2,288 crore** in Q2 FY21.

d. **Total Income (Excluding Trading Gain)** grew by **18%** YOY to **Rs. 2,326 crore** in Q3 FY21 from **Rs. 1,972 crore** in Q3 FY20. It grew by **19%** QOQ from **Rs. 1,951 crore** in Q2 FY21

e. **Growth in Pre-Provisioning Operating Profit:** PPOP including trading gains (Rs.290 crore) grew **13% YOY** to **Rs. 773 crore** in Q3 FY21 as compared to PPOP (including trading gains of Rs. 142 crore) of **Rs. 682 crore** in Q3 FY20. It de-grew by **4% QOQ from** PPOP (including trading gains of Rs. 337 crore) **Rs. 803 crore** in Q2 FY21.

f. **Provision:** The total provisions for Q3 FY21 was **Rs. 595 crore** as compared to **Rs. 2,305 crore (including provision of Rs. 1,622 crore on one telecom exposure)** in Q3 FY20 and as compared to **Rs. 676 crore** in Q2 FY21. This includes additional COVID provisions of Rs. 390 crore made during the quarter.

g. **Profit After Tax: The PAT for Q3 FY21 is reported at Rs. 130 crore as compared to Loss of Rs. 1,639 crore for Q3 FY20 and as compared to PAT of Rs. 101 crore in Q2 FY21.**

Results Update: IDFC FIRST Bank: Strong Strides across all the Strategic Priorities

4. Asset Quality of the Bank remains high

- Bank's Gross NPA reduced sequentially from **1.62%** as of Sept 30, 2020 to **1.33%** as of Dec 31, 2020.
- Bank Net NPA reduced sequentially from **0.43%** as of Sept 30, 2020 to **0.33%** as of Dec 31, 2020 .
- Provision Coverage Ratio (PCR) was **75.14%** as of Dec 31, 2020 as compared to **57.34%** as of Dec 31, 2019.
- The above figures include the impact of the Hon. Supreme Court notification to stop NPA classification post August 31 2020 till further orders. Without this impact, the Proforma GNPA as on Dec 31, 2020 would have been **4.18%** and the Proforma NNPA would have been **2.04%.** As compared to Long Term Avg. of 4 pre-COVID quarters, the proforma GNPA is higher by 155 bps.
- **Provision Coverage including the General Provision, COVID19 provision, Specific Provisions on NPAs was 309% on reported NPA and 99% on Proforma NPA as of 31 Dec 2020 (without the SC order impact).**

Asset Quality on Retail Loan Book:

- Retail Asset Gross NPA stood at **0.27%** as of Dec 31, 2020 as compared to **0.41%** as of Sept 30, 2020 and **2.26%** as of Dec 31, 2019.
- Retail Asset's Net NPA stood at **0.13%** as of Dec 31, 2020 as compared to **0.17%** as of Sept 30, 2020 and **1.06%** as of Dec 31, 2019.
- Without the impact of Hon. Supreme Court's order, the Proforma GNPA for retail as on Dec 31 2020 would have been **3.88%** and the Proforma NNPA would have been **2.35%.** As compared to Long Term Avg. of 4 pre-COVID quarters, the proforma GNPA is higher by 161 bps.
- The overall collection efficiency for standard loans stood at 98% of the pre-covid levels (Jan-20 and Feb-20) as of 31 Dec 2020.

**Long term Average mentioned above is Average of Bank's GNPAs for the 4 quarters prior to COVID pandemic. (i.e. Mar-19, Jun-19, Sept-19 and Dec-19)*

Results Update: IDFC FIRST Bank: Strong Strides across all the Strategic Priorities

5. Strong Capital Adequacy:

- Capital Adequacy Ratio is strong at **14.33%** with CET-1 Ratio at **13.82%** as of Dec 31, 2020.

6. Franchise:

- The Branch Network now stands at **576** branches and **541** ATMs across the country as on Dec 31, 2020.

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IDFC FIRST Bank

SECTION 1:
The Founding of IDFC FIRST Bank

- **Events Leading to Merger –**
  - ✓ Erstwhile IDFC Bank - Origin & History
  - ✓ Erstwhile Capital First - Origin & History
  - ✓ Merger between Erstwhile IDFC Bank and Erstwhile Capital First

Section 1: The Founding of IDFC FIRST Bank..

IDFC FIRST Bank was founded by the merger of Erstwhile IDFC Bank and Erstwhile Capital First on December 18, 2018.

Section 1: The Founding of IDFC FIRST Bank..

Erstwhile IDFC BANK

IDFC Limited was set up in 1997 to finance infrastructure focusing primarily on project finance and mobilization of capital for private sector infrastructure development. Whether it is financial intermediation for infrastructure projects and services, whether adding value through innovative products to the infrastructure value chain or asset maintenance of existing infrastructure projects, the company focused on supporting companies to get the best return on investments. The Company's ability to tap global as well as Indian financial resources made it the acknowledged experts in infrastructure finance.

Dr. Rajiv Lall joined the company in 2005 and successfully expanded the business to Asset Management, Institutional Broking and Infrastructure Debt Fund. He applied for a commercial banking license to the RBI in 2013. In 2014, the Reserve Bank of India (RBI) granted an in-principle approval to IDFC Limited to set up a new bank in the private sector.

Following this, the IDFC Limited divested its infrastructure finance assets and liabilities to a new entity - IDFC Bank- through demerger. Thus IDFC Bank was created by demerger of the infrastructure lending business of IDFC to IDFC Bank in 2015.

Contd..

Erstwhile CAPITAL FIRST LIMITED

Mr Vaidyanathan who had built ICICI Bank's Retail Banking business from 2000-2009 and was then the MD and CEO of ICICI Prudential Life Insurance Company in 2009-10, quit the group for an entrepreneurial foray to acquire a stake in an existing NBFC with the stated intent of converting the NBFC to a commercial bank financing small businesses.

During 2010-12, he acquired a significant stake in a real-estate financing NBFC through personal leverage, and launched businesses of financing small entrepreneurs and consumers. The NBFC wound down existing businesses and instead started businesses of financing such segments within consumer and micro-entrepreneurs that not financed by existing banks, by using alternative and advanced technology led models.

He built a prototype for such financing (Rs 12000-Rs. 30,000, ~$300-$500), built a loan book of Rs. 770 crore ($130m, March 2011) within a year, and presented the proof of concept to many global private equity players for a Leveraged Management Buyout.

In 2012, he concluded India's largest Leveraged Management Buyout, got fresh equity of Rs. 100 crore into the company and founded Capital First as a new entity with new shareholders, new Board, new business lines, and fresh equity infusion.

Contd..

Section 1: The Founding of IDFC FIRST Bank..

Erstwhile IDFC BANK

Continued from page 6

The bank was launched through this demerger from IDFC Limited in November 2015. During the subsequent three years, the bank developed a strong and robust framework including strong IT capabilities for scaling up the banking operations.

The Bank designed efficient treasury management system for its own proprietary trading, as well as for managing client operations. The bank started building Corporate banking businesses. Recognizing the change in the Indian landscape, emerging risk in infrastructure financing, and the low margins in corporate banking, the bank launched retail business for assets and liabilities and put together a strategy to retailize its loan book to diversify and to increase margins.

Since retail required specialized skills, seasoning, and scale, the Bank was looking for inorganic opportunities for merger with a retail lending partner who already had scale, profitability and specialized skills.

As part of its strategy to diversify its loan book from infrastructure, the bank was looking for a merger with a retail finance institution with adequate scale, profitability and specialized skills.

Erstwhile CAPITAL FIRST LIMITED

Continued from page 6

.. Between March 31, 2010 to March 31, 2018, the Company's Retail Assets under Management increased from Rs. 94 crore ($14m) to Rs. 29,625 crore ($4.3 b, Sep 2018). The company financed seven million customers for Rs. 60,000 crore ($8.5b) through new age technology models.

The company turned around from losses of Rs. 30 crore and Rs. 32 crore in FY 09 and FY 10 respectively, to PAT of Rs. 327 crore ($ 4.7b) by 2018, representing a 5 year CAGR increase of 56%. The loan assets grew at a 5 year CAGR of 29%.

The ROE steadily rose from losses in 2010 to 15% by 2018. The market capitalization of the company increased ten-fold from Rs. 780 crore on in March 2012 at the time of the MBO to over Rs. 8,282 crore in January 2018 at the time of announcement of the merger.

As per its stated strategy, the company was looking out for a banking license to convert to a bank.

Erstwhile Capital First, as part of its stated strategy, was on the lookout for a commercial banking license.

Section 1: The Founding of IDFC FIRST Bank..

In January 2018, Erstwhile IDFC Bank and Erstwhile Capital First announced a merger. Shareholders of Erstwhile Capital First were to be issued 13.9 shares of the merged entity for every 1 share of Erstwhile Capital First. Thus, IDFC FIRST Bank was founded as a new entity by the merger of Erstwhile IDFC Bank and Erstwhile Capital First on December 18 2018.

- Post the merger, during the last 2 years, the Bank invested in the people, processes, products, infrastructure and technology to put together all the necessary building blocks of a stronger foundation who is essential for a long term sustainable growth engine.
- The bank stopped growing the loan book in order to strengthen the liabilities franchise (CASA 8.7% at merger) first.
- Between 2018-2020 the Bank also accounted for Infrastructure and Corporate loan that turned bad during this period and thus the Book Value per share reduced from Rs. 38.4 as at December 31, 2018 to Rs. 31.90 as at March 31, 2020.
- While the consolidation was yet being executed, the bank faced the COVID 19 crisis in March - April 2020.
- The Bank navigated the COVID crisis successfully and raised fresh equity of Rs. 2000 crores to strengthen the balance sheet.
- The Bank now has a strong retail and CASA deposits franchise (CASA 48% as of December 2020), and looks forward for to steady growth from here on.
- We are proud about our heritage of transparent disclosures, high levels of corporate governance, and swift action on dealing with pressing strategic issues and for laying the foundation for future long term growth. We sincerely thank our shareholders for their faith and trust in us during this period.

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IDFC FIRST Bank

Section 2: Key excerpts from MD & CEO's Letter - Annual Report 2018-19

*Theme of inaugural Annual Report after merger AR 18-19: **"A New Beginning"***

Our founding philosophy:

"The founding years, which I call the next five years, are particularly important, as the DNA we establish now will be hard to correct later. We will make every effort to sell the right products to customers, avoid mis-selling, avoid selling such third-party products that make wonderful fees for us but at the cost of expensive products for the customer. If we make a mistake, we will apologise and correct it. After all, we do not want to take this Bank to great heights in profits and profitability while having earned any penny that truly does not belong to us."

Our Mission

We want to touch the lives of millions of Indians in a positive way by providing high-quality banking products and services to them, with particular focus on aspiring consumers and entrepreneurs of our new India, using contemporary technologies.

Strategy for the Bank:

" We plan to implant the erstwhile Capital First's tried and tested model of financing small entrepreneurs and consumers [a retail franchise, growing at 29% per annum and 5-year profit CAGR of 55%, (FY18 PAT grew by 37%)], on a bank platform, (IDFC Bank's strong branch network of 242 and growing, excellent technology stack, quality internet and mobile banking, and strong rural presence). "

V Vaidyanathan, MD & CEO, IDFC FIRST Bank

#alwaysyoufirst

When IDFC FIRST Bank was formed with the merger between erstwhile Capital First and erstwhile IDFC Bank, we deliberated a lot on what our founding theme should be and finalised on the theme 'Always You First' - where 'You' refers to our customer. This theme cuts across the entire organisation and binds the bank to a single theme.

Section 2: Key excerpts from MD & CEO's Letter - Annual Report 2019-20

*Theme of 2nd Annual Report after merger: AR 19-20: "**Building a Strong Foundation**"*

"The financial year 2019-20 was a year of building the foundation for the Bank. This was a year of non-stop, high octane action at our Bank; we completed the merger, integrated two systems, technology, processes and people, re-defined reporting hierarchies, energised the teams, went all out for retail liabilities (up 157%), grew retail loans (up 40%), changed the composition of the balance sheet, reduced dependence on institutional deposits, reduced Top-20 borrower exposure percentages, reduced Top-20 depositor percentages, dealt with unexpected hits on some wholesale banking accounts, appointed a brand ambassador, dealt with COVID-19 and lockdowns, raised ₹ 2,000 crore of equity capital in the midst of the lockdown, and are submitting this annual report to you from behind screens."

"Growth, you will agree, is not an issue in India. Mid-teens ROE can be built for sure, most good banks have achieved it. Our incremental margins are strong. Our business is highly scalable. We have a very high level of corporate governance. We focus on the customer. I believe it is inevitable that value will be created in this approach."

"Our Bank enjoys an excellent brand image. Q4 FY20 was, without doubt, the most trying period of our lifetime. Global indices crashed 20-25%, and NYSE shut down at lower circuit breakers, twice in March 2020. Our own stock exchanges were crashing by the day due to COVID-19. There was total panic in the markets. At the same time, news about one private sector bank was quite negative and that bank was put on moratorium by the regulatory authorities. You will be happy to note even in a quarter of such chaos, the Retail Deposits of our Bank grew by ₹ 4,658 crore in Q4 FY20 alone, representing a sequential QoQ growth of 16%. Such is the confidence our Bank enjoys in the market."

"Culture is not just about how things get done around here, it's a much longer list such as, about how people conduct themselves in office and in society, how committed they are to the mission, how to resolve conflicts, not using offensive or abusive words, imbibing the organisation's policy that the customer comes first and so on."

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IDFC FIRST Bank

Section 3: Loan offerings – IDFC FIRST Bank offers a bouquet of loan products..

.. across varied customer segments including Consumers and MSMEs in different parts of India

Loan Against Property: Long term loans to MSMEs after proper evaluation of cash flows; against residential or commercial property

Business Loans: Unsecured Loans to the self-employed individual or entity against business cashflows

Consumer Durable Loans: financing to individuals for purchasing of LCD/LED panels, Laptops, Air-conditioners etc

Two Wheeler Loans: To the salaried and self-employed customers for purchasing new two wheelers

Home Loans: To the salaried and self-employed customers for purchasing house property

Micro Enterprise Loans: Loan solutions to small business owner

Commercial Vehicle Loans: Term Loans for individuals and firms for purchasing new and pre-owned CVs

JLG Loan for Women: Sakhi Shakti loan is especially designed as the livelihood advancement for women, primarily in rural areas

New and Pre-owned Car Loan: To salaried and self-employed customers for purchasing a new car or a pre-owned car

Personal Loans: Unsecured Loans to the salaried and self-employed customers for fulfilling their financial needs

Apart from these products, IDFC FIRST Bank also offers Working Capital Loans, Corporate Loans for Business Banking and Corporate Customers in India

Section 3: Product Offering (Assets) – Credit Card launched in January 2021

INDUSTRY	*IDFC FIRST Bank Credit Cards customer friendly initiatives*
Multiple Fees (Annual/ Over Limit)	*Lifetime Free (No Annual Fees ever)*
Charges for spending over limit	*No Charges for spends upto 10%**
Static and high interest rates (36% to 48% APR) (since last 30 years)	*Dynamic Interest Rate (9% to 36% APR)$*
Often Complicated Reward Points with T&Cs and Rewards expiry date	*Simple scheme, upto 10X reward points. No expiry. Easy online redemption*
Interest on ATM cash withdrawal from Day 1 Entire outstanding deemed as revolver & charged interest	*Interest-Free Cash Withdrawal (up to next billing cycle or 48 days, whichever is earlier)*

A Credit Card, like no other

Customer friendly card launched by the Bank, keeping in line with the ethos of always customer first.

- Lifetime free Credit Card
- 10X Super Rewarding Program
- Super Saver Interest Rate (% APR Starting from 9%)
- Interest Free Cash Withdrawal (up to next billing cycle or 48 days, whichever is earlier)

*Spending over limit is usually inadvertent by customers. Hence as a customer friendly measure, the Bank will intimate the customers if their spends are going above limit to avoid any charges incurred by them. $Customer rates depending on algorithm, factoring in credentials, relationship with the bank and many other parameters

Section 3: Product Offerings – Liabilities, Payments and other Services

IDFC FIRST Bank provides wide range of Deposit facilities along with Savings Accounts, Deposit accounts, Wealth Management, Forex Services, Cash Management Services and Insurance services to its customers.

Deposit Accounts:
- ✓ *Savings Account*
- ✓ *Current Account*
- ✓ *Corporate Salary Account*
- ✓ *Fixed Deposit*
- ✓ *Recurring Deposit*

Wealth Management Services, Investments and Insurance Distribution:
- ✓ *Investment Solutions*
- ✓ *Personal Insurance Solutions*
- ✓ *Business Insurance Solutions*
- ✓ *Mutual Funds distribution*
- ✓ *Life, Health and General Insurance distribution*

Payments and Online Services:
- ✓ *Debit Cards & Prepaid Cards*
- ✓ *NACH & BHIM UPI*

Forex Services:
- ✓ *Import and Export Solutions*
- ✓ *Domestic Trade Finance*
- ✓ *Forex Solutions and Remittances*
- ✓ *Overseas Investments & Capital A/C Transactions*

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IDFC FIRST Bank

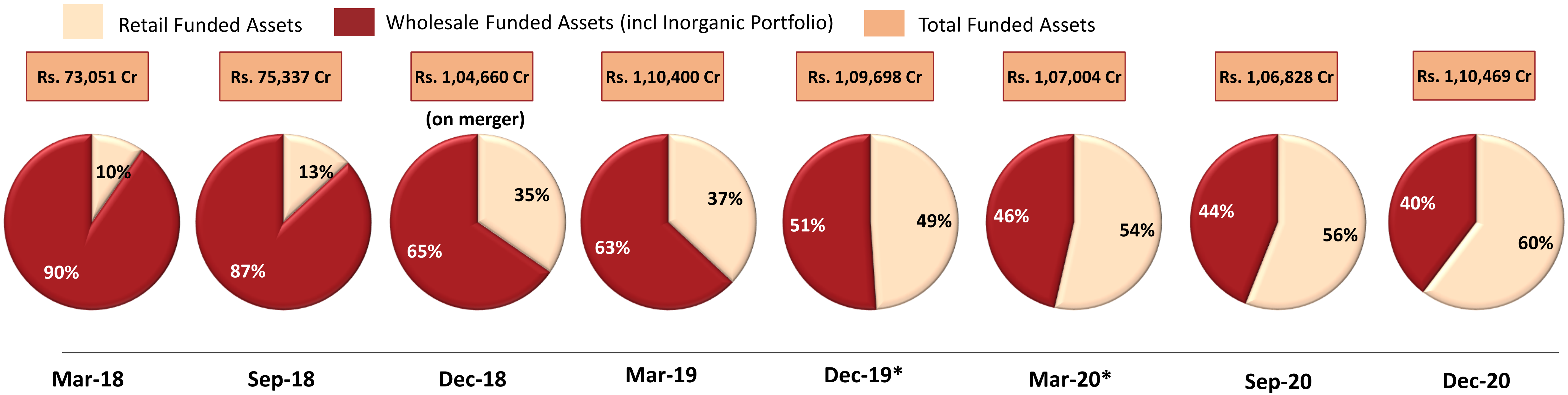
SECTION 4:

FINANCIAL PERFORMANCE OF THE BANK FOR Q3 FY21

- **Assets Update**
- Assets Quality
- Update on Liabilities
- Key Business & Financial Parameters
  - ✓ Income Statement
  - ✓ Balance Sheet
  - ✓ Net Interest Margin
  - ✓ Capital Adequacy

Section 4: Retail loans as a % of total loans has improved to 65% (including PSL buyouts).

- The Bank proposes to follow the strategy guided earlier – to provide financing to consumers, MSMEs, small businesses and other retail loans which is a large opportunity in India.
- This is a crying social need in India for credit for middle class and micro entrepreneurs, as large part of India is underserved. This is also in line with our mission statement.
- We have strong demonstrated capabilities on this front developed through greenfield efforts over the last 10 years.



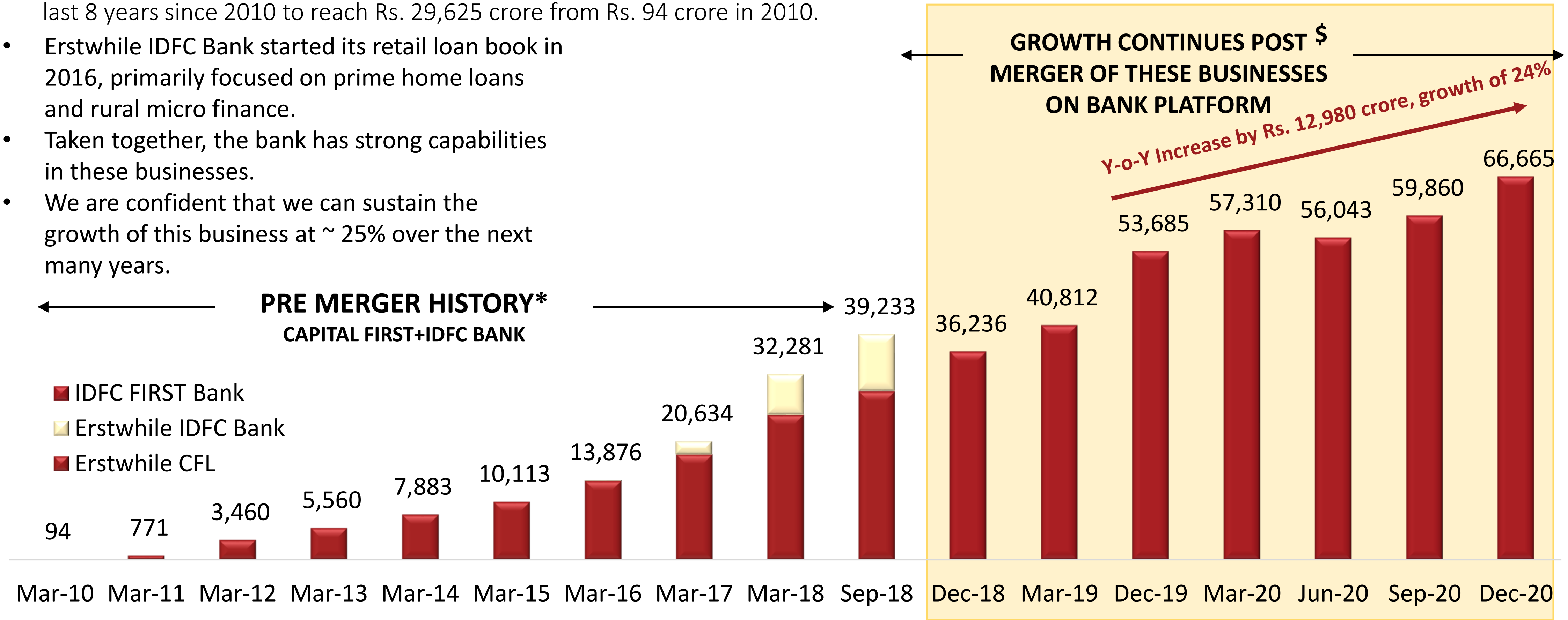
The inorganically acquired portfolio, through various modes like direct assignments, buyouts, PTC for mostly PSL purposes, has the underlying assets as retail loans. Including this as part of Retail Loan Book, the Retail contribution to the overall Loan Assets is 65% as of Dec 31.

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

Section 4: Together, the Consumer and SME business has a rich history of 10 years with stable growth and high Asset quality.

All amounts are in Rs. crore unless specified

- Capital First focused on growing the MSME Loans, Consumer Loans and affordable Housing Loans
- The retail loan book of erstwhile Capital First grew at CAGR of 35% over last 5 years and CAGR of 96% over last 8 years since 2010 to reach Rs. 29,625 crore from Rs. 94 crore in 2010.
- Erstwhile IDFC Bank started its retail loan book in 2016, primarily focused on prime home loans and rural micro finance.
- Taken together, the bank has strong capabilities in these businesses.
- We are confident that we can sustain the growth of this business at ~ 25% over the next many years.



*Gross of loans assignment

$Net of loan assignment

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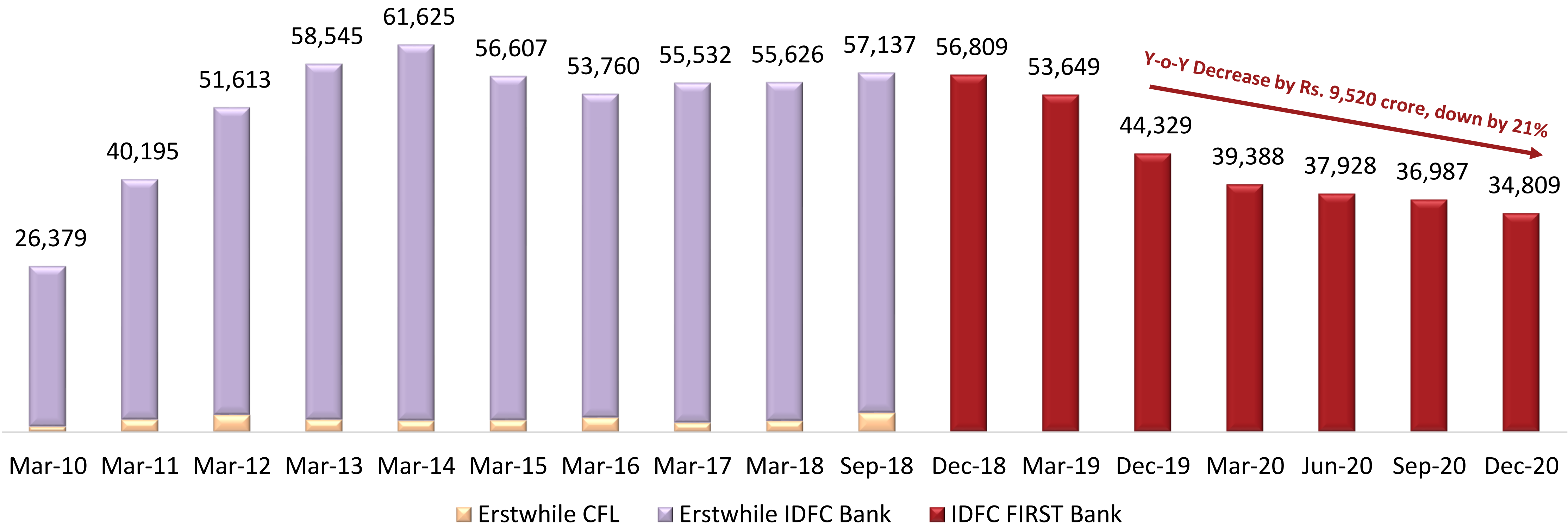
<u>Section 4</u>: Wholesale loan Assets have 10 years track record

- Wholesale loan Assets have steadily reduced over the last two years
- Post merger, the Bank has gradually reduced the overall Wholesale Funded Assets of the combined entity to reduce concentration risk. The bank began winding down the infrastructure financing (largely roads, ports, power) loans.

All amounts are in Rs. crore unless specified

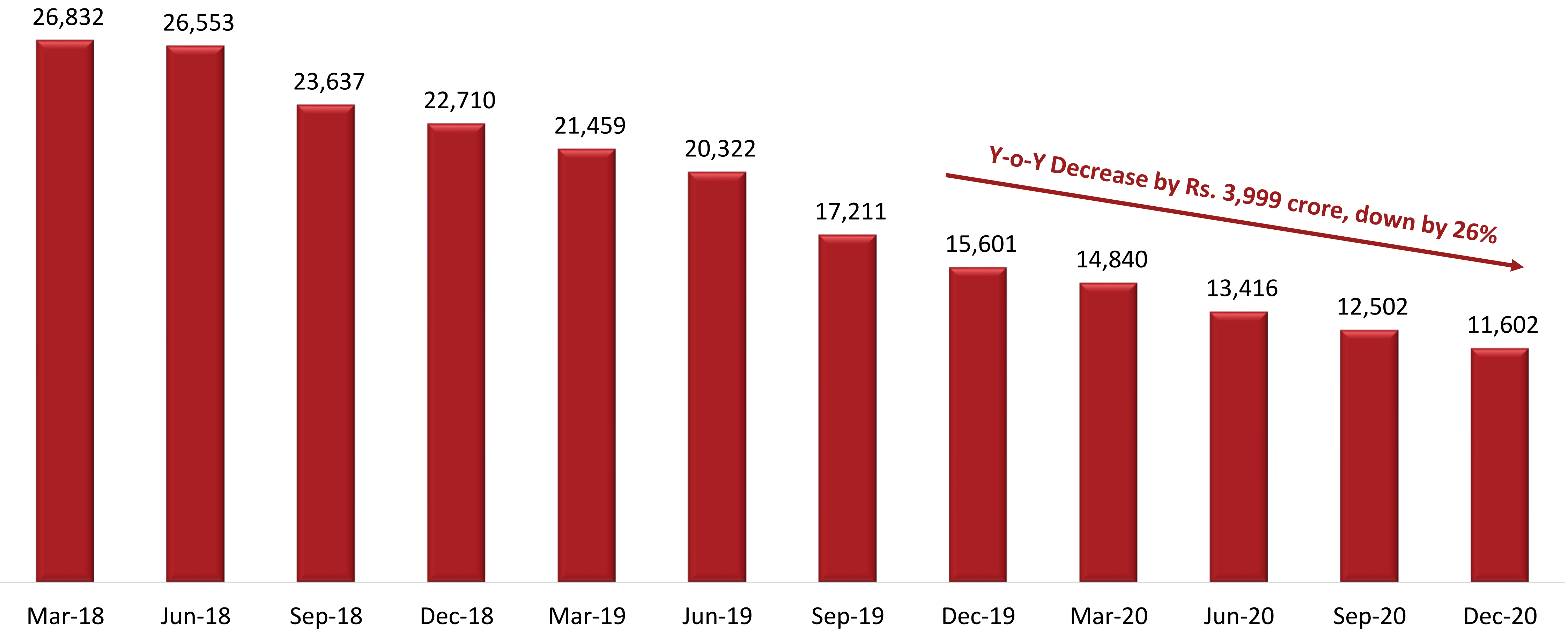


From FY10 to FY15, the erstwhile IDFC Bank book figures are Gross Advances of IDFC Limited.

Section 4: As per stated strategy at merger, the Infrastructure Loan Book has been reduced by 26% YOY.

The Infrastructure book reduced by 49% (Rs. 11,108 crore) since merger

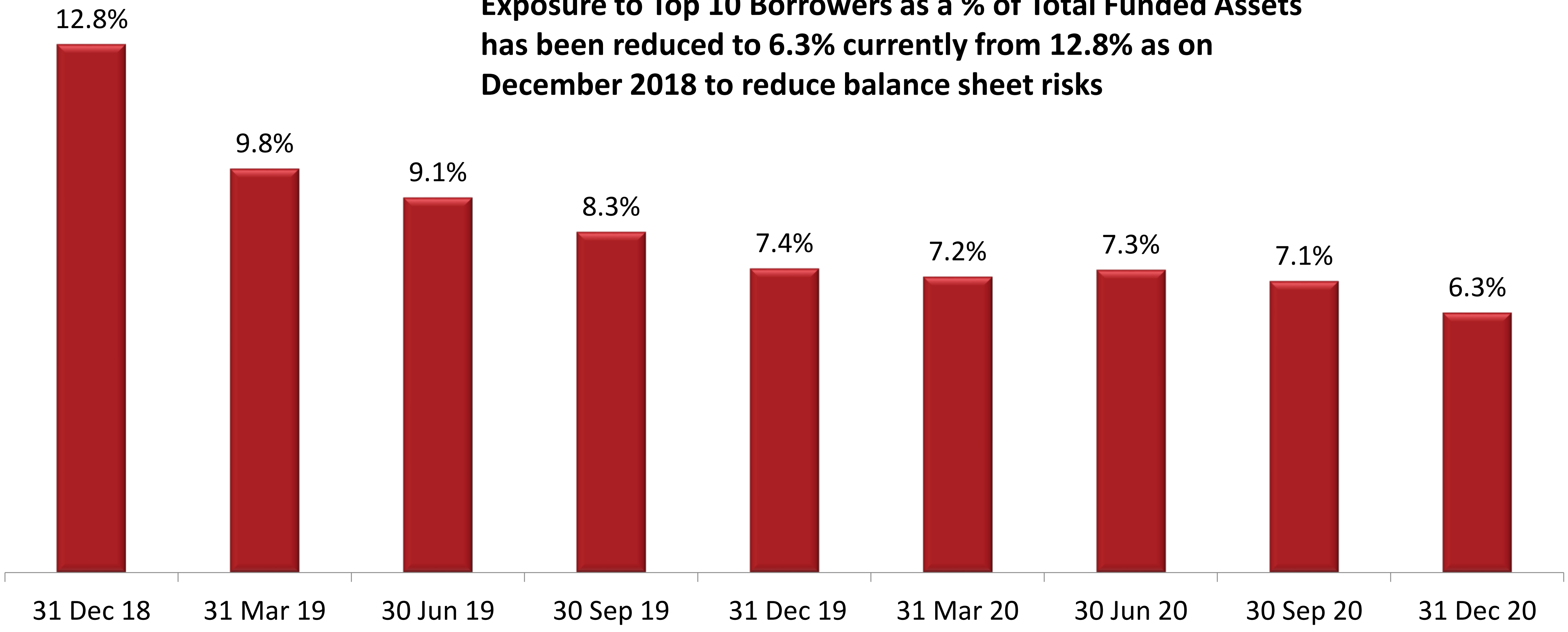
All amounts are in Rs. crore unless specified



Section 4: Total Funded Assets Breakup

In Rs. Crore	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Growth% (YoY)	Growth% (QoQ)
Mortgage Loans	19,023	20,314	20,288	22,034	24,379	28%	11%
Consumer Loans	19,152	19,971	19,211	20,205	23,431	22%	16%
MSME Loans	9,559	10,338	9,775	10,676	11,608	21%	9%
Rural Micro Finance and KCC	5,951	6,687	6,769	6,944	7,247	22%	4%
Total Retail Funded Assets (A)	**53,685**	**57,310**	**56,043**	**59,860**	**66,665**	**24%**	**11%**
Corporates	28,728	24,548	24,512	24,485	23,207	-19%	-5%
- *Conglomerates*	1,747	839	1,354	1,915	1,401	-20%	-27%
- *Large Corporates*	2,121	1,540	1,832	1,943	1,782	-16%	-8%
- *Emerging Large Corporates*	7,419	6,629	6,411	6,166	6,864	-7%	11%
- *Financial Institutional Group*	13,604	12,645	12,036	11,562	10,876	-20%	-6%
- *Others*	3,838	2,894	2,878	2,899	2,283	-40%	-21%
Infrastructure	15,601	14,840	13,416	12,502	11,602	-26%	-7%
Total Wholesale Funded Assets (B)	**44,329**	**39,388**	**37,928**	**36,987**	**34,809**	**-21%**	**-6%**
PSL Inorganic (C)	**8,913**	**7,954**	**7,732**	**7,682**	**6,694**	**-25%**	**-13%**
SRs and Loan Converted into Equity (D)	**2,770**	**2,351**	**2,347**	**2,300**	**2,300**	**-17%**	**0%**
Total Funded Assets (A)+(B)+(C)+(D)	**109,698**	**107,004**	**104,050**	**106,828**	**110,469**	**1%**	**3%**

Section 4: Initiative to reduce concentration risk on Assets



Exposure to Top 10 Borrowers as a % of Total Funded Assets has been reduced to 6.3% currently from 12.8% as on December 2018 to reduce balance sheet risks

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IDFC FIRST Bank

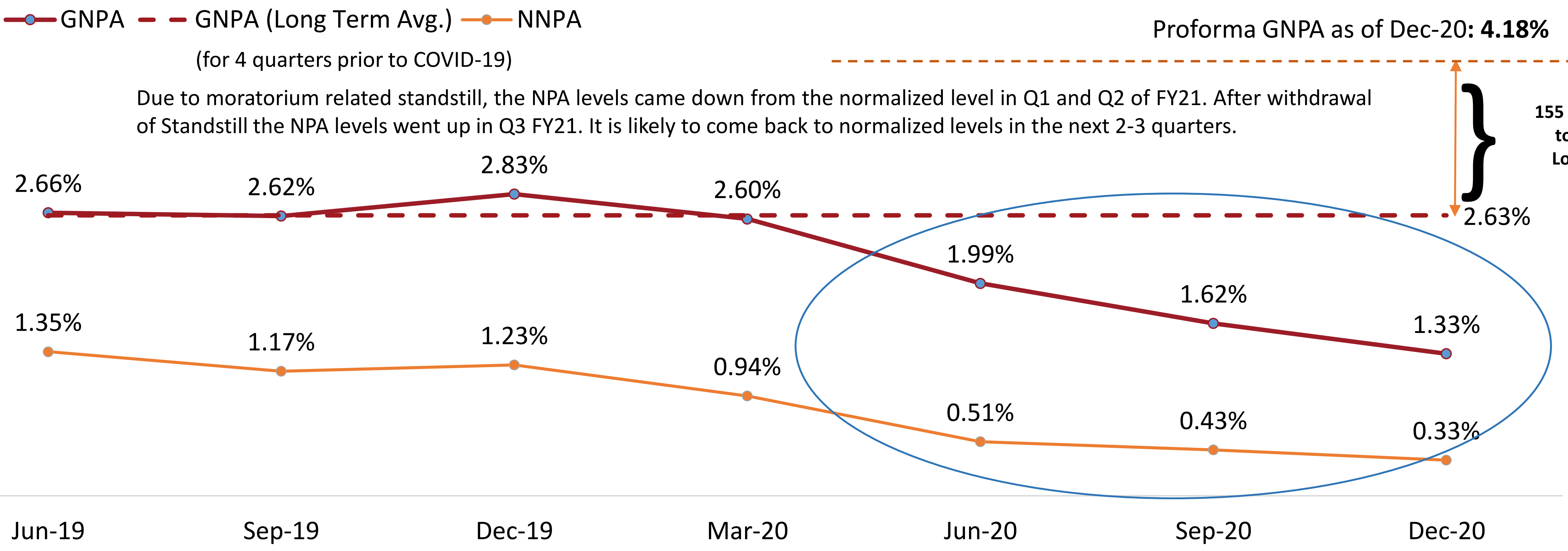
Section 4: Bank maintains strong overall Asset Quality, Retail Asset quality remains high

In Rs. Crore	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
GNPL	2,511	2,280	1,742	1,486	1,289
Provisions for GNPL	1,440	1,471	1,305	1,095	969
NNPL	1,071	809	437	391	321
GNPA (%)	2.83%	2.60%	1.99%	1.62%	1.33%
NNPA (%)	1.23%	0.94%	0.51%	0.43%	0.33%
Provision Coverage Ratio %	57.35%	64.53%	74.93%	73.69%	75.14%

- As of Dec 31, 2020, the **Gross NPA %** of the Retail Loan Book was at **0.27%** (as compared to **0.41%** as of Sept 30, 2020) and **Net NPA %** of the Retail Loan Book of the Bank was at **0.13%** (as compared to **0.17%** as of Sept 30, 2020).
- The above figures include the impact of the Supreme Court notification to stop NPA post August 31, 2020 till further orders. Without this impact the Proforma GNPA as on 31 December 2020 would have been **4.18%** and the NNPA would have been **2.04%**. For the retail loans, in the same way, Proforma GNPA and NNPA would be **3.88%** and **2.35%**.
- As of 31 Dec 2020, including retail and wholesale segment, the Bank's restructured pool (already approved and implemented) 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.
- Provision Coverage including the General Provision, COVID19 provision, Specific Provisions on NPAs 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 NPAs.

Section 4: Gross and Net NPA of the Bank have reduced over the last quarters.

These figures include the impact of the Supreme Court notification to stop NPA classification post August 31, 2020 till further orders. Without this impact the GNPA as on 31 December 2020 would have been **4.18%** and the NNPA would have been **2.04%**.



Though the NPAs appear low, they are not representative because of COVID-19 related moratorium and subsequent impact of Supreme Court order on non-declaration of NPA

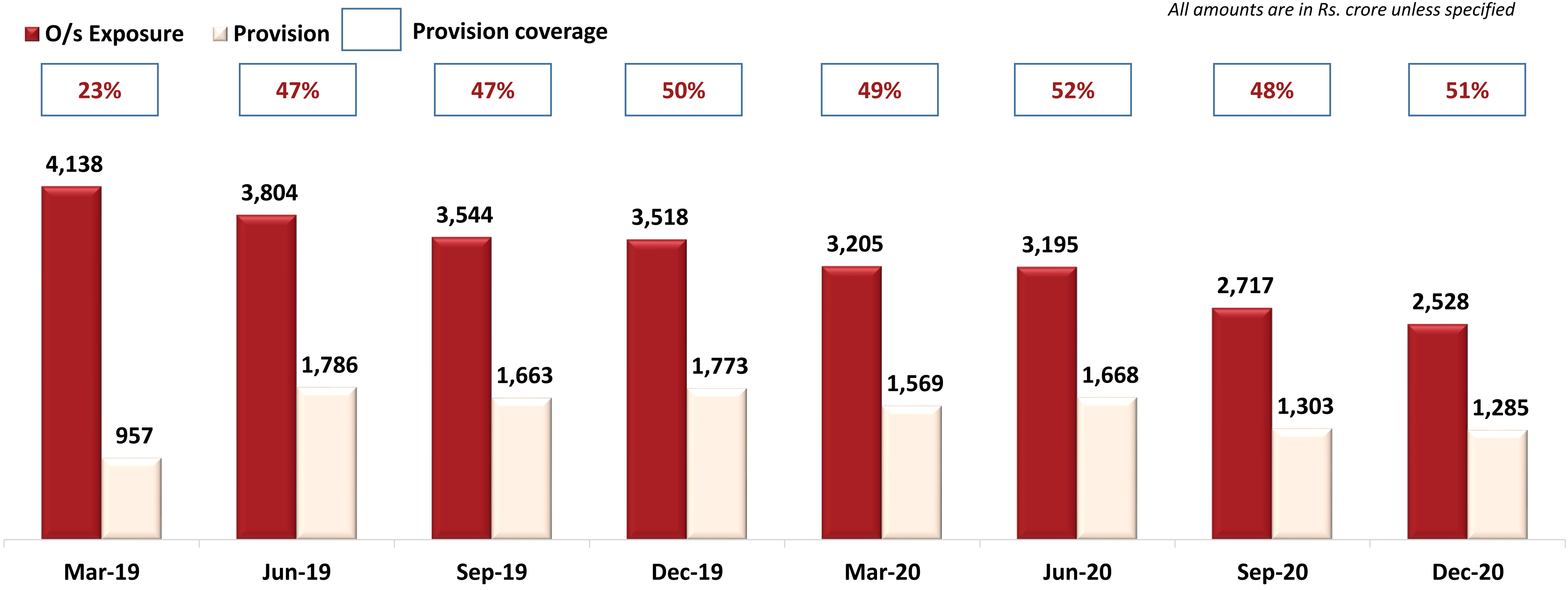
Section 4: In addition to declared NPA accounts in Wholesale Loan Assets, Bank has proactively identified the following wholesale accounts, which are standard on the books but are stressed or potential NPAs, and taken provisions for the same proactively.

Client Description (Rs. Crore)	O/S Exposure	Provision	PCR%	Comments
Toll Road Projects in MH	904	154	17%	The repayment has been consistently delayed (SMA2) but regular prior to the lockdown. The revenue from the tolls have been impacted but improving gradually.
Thermal Power Project in Orissa	545	545	100%	There have been delayed payment receipts from three discoms due to PPA related dispute.
Toll Road (BOT) project in MH	252	13	5%	Certain developments at the company have delayed the repayments. Account is being closely monitored.
Diversified Financial Conglomerate in Mumbai	215	215	100%	These companies have been in significant stress and have defaulted on repayments. We expect significant principal loss from these accounts against our exposure and adequate provisions have been made.
Wind Power Projects in AP, GJ, KN, RJ	161	92	57%	Repayments have been regular in the past. The company has experienced delay in repayment from certain discoms; repayment may be delayed.
Logistics Company in Karnataka	100	100	100%	The group has been under financial stress and company's activity levels have reduced significantly resulting in default on debt obligations. The Bank has initiated legal proceedings against the company.
Financial Institution in MH	89	89	100%	The company is facing financial stress due to COVID19 situation and is being monitored closely. This account has been identified as Proforma NPA.
Solar Projects in RJ	85	-	0%	Repayments have been regular in the past. Due to Operations and Maintenance issues , the generation of cash flows is under some stress lately.
Coal beneficiation & thermal power in Chattisgarh	82	16	20%	Post the COVID Pandemic the account has classified as Proforma NPA; This account has also been approved for restructuring by the lenders, implementation is awaited
Toll Road Projects in TN	42	10	23%	The account has been regular based on its repayment track record. It may require additional cash flows for maintenance which has been pending.
Wind Power Projects in KN and RJ	19	18	95%	Repayments were regular in the past. No delay in discom payments in Karnataka but there is delay in discom payments in Rajasthan;
Microfinance Institution in Orissa	19	19	100%	The account has been identified as stressed as financial fraud allegations have surfaced against the firm based in Orissa. This account has been identified as Proforma NPA.
Toll Road Project in Punjab	16	16	100%	The company has been servicing the lenders with delays as toll receipts have reduced due to alternate road; This account has been identified as Proforma NPA.
Total Stressed Pool Identified	**2,528**	**1,285**	**51%**	

The above table includes 4 accounts that are now identified as Proforma NPA. The O/s Exposure on such accounts is Rs. 206 crore against which there is a provision of Rs. 139 crores (PCR at 67%).

Section 4: Exposure to identified Stressed Assets mentioned in previous slide, has reduced by Rs. 1,611 crore since March 31, 2019, a reduction of 39%. PCR at 51%.

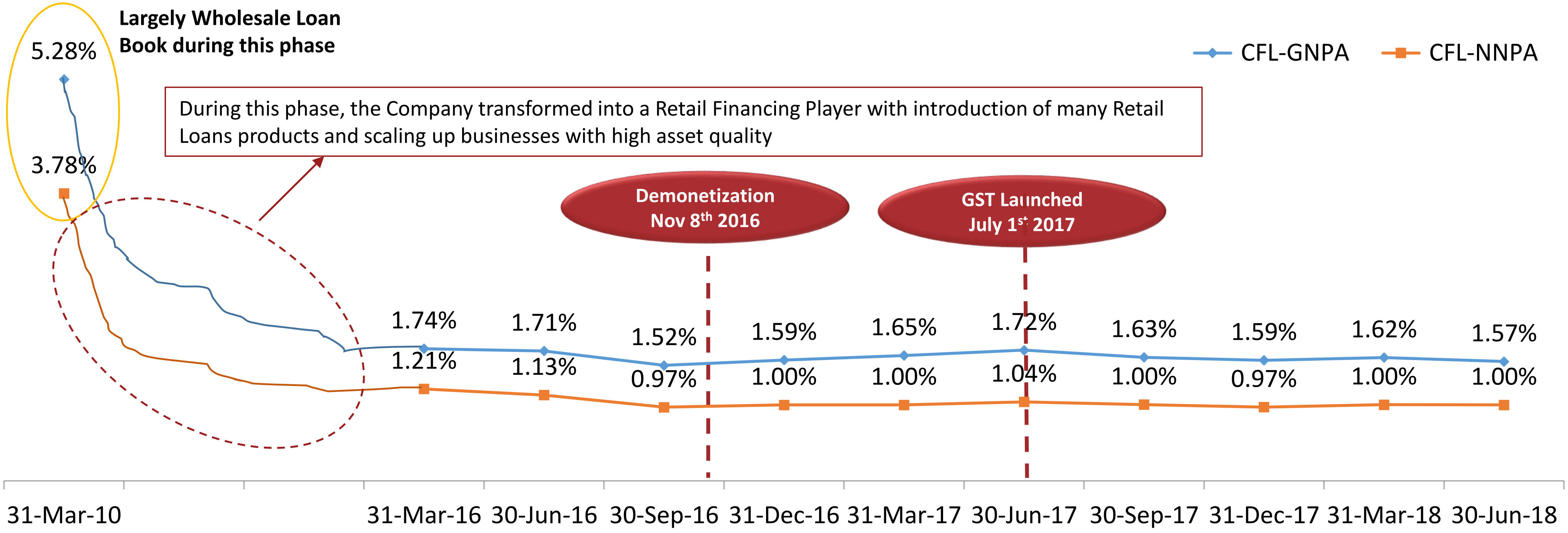
All amounts are in Rs. crore unless specified



Apart from the accounts mentioned above, the Bank had also marked one large telecom account as stressed and provisioned 25% against the total outstanding of Rs. 3,244 Cr (Funded – Rs. 2,000 crore and Non-Funded – Rs. 1,244 crore). The said account is current and has no overdues as of Dec 31 2020.

Section 4: Since Retail Loans model imported from Capital First is the key model for loans going forward, we present asset quality trends over the last 8 years at Capital First as below as a demonstration of our trend in asset quality and our capabilities in this space. The incipient retail loan of erstwhile IDFC bank is also demonstrating strong asset quality.

Since most of the loan book in the merged entity has been built and seasoned in Capital First prior the merger and the same model is being scaled up now, we present below the asset quality trends of the book in Capital First which have stayed steady over the years, i.e. Gross NPA ~2% and Net NPA ~1%. The portfolio remained stable even after being stress tested through economic slowdown in 2010-2014, demonetization (2016), GST implementation (2017) and economic slowdown in recent times. Hence gives us confidence to grow in future on this strong asset quality model.

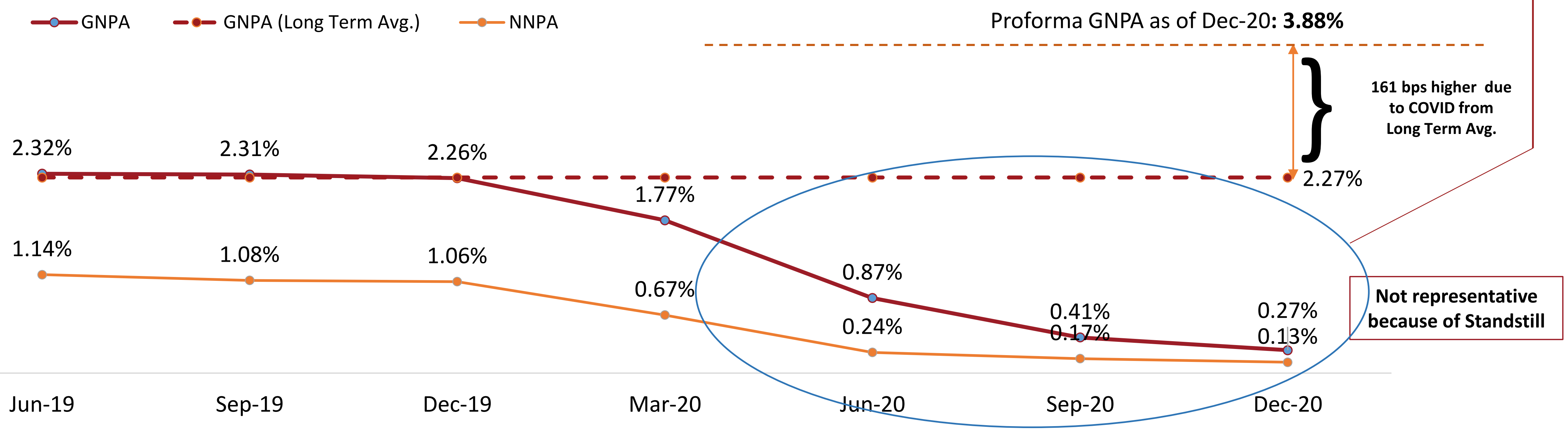


Note: NPA recognition norm migrated to 90 dpd effective from 01 April, 2017.

Section 4: Gross and Net NPA pertaining to Retail Loans have broadly remained steady, and showed a reducing trend over the last quarters on the banking platform.

These figures include the impact of the Supreme Court notification to stop NPA classification post August 31, 2020 till further orders. Without this impact the proforma GNPA as on 31 December 2020 would have been **3.88%** and the NNPA would have been **2.35%**.

We will like to share that the number are appearing low only because of Standstill by Honorable Supreme Court's order on NPA. We consider the proforma GNA and NNPA at 3.88% and 2.35% as the real NPA for all practical purposes. We expect GNPA and NNPA for the retail loan assets to stabilize again at long term pre-COVID rates of around 2.3% and 1.2% respectively within the next 2-3 quarters



Long term Average mentioned above is Average of Bank's GNPAs for the last 4 quarters Pre-COVID pandemic. (i.e. Mar-19, Jun-19, Sept-19 and Dec-19)

Section 4: Retail Loans - Gross and Net NPA

	Mar-19	Jun-19	Sep-19	Dec-19	Long term pre COVID Average	Proforma Dec-20	Change (bps) Dec-20
Gross NPA - Retail	2.19%	2.33%	2.31%	2.26%	2.27%	3.88%	161
Net NPA - Retail	1.25%	1.15%	1.08%	1.06%	1.14%	2.35%	121
Provision Coverage Ratio (%)	43%	51%	54%	54%	51%	41%	-

- For the analysis, we submit that the reported NPAs in the last 3 quarters including quarter ending December 31 , 2020 are lower than actual and are not representative of the real situation due to Supreme Court's order on not declaring accounts as NPAs due until further orders. Hence the bank would bring attention to the Pre-COVID NPA levels of the bank (March 2019 to December 2019), and are comparing the same with the proforma (effectively actual) NPA as of December 31, 2020 (Post COVID).
- Based on this analysis we submit that as a result of the COVID, the Gross NPA of the retail assets for the bank as of December 31, 2020 has increased by 161 bps as compared to Pre-COVID average. Similarly the Net NPA of the retail assets for the bank as of December 31, 2020 has increased by 121 bps.
- We expect that the Gross and Net NPA levels will stabilize at around to pre covid levels of 2.3% and 1.2% respectively within the next 3 quarters.

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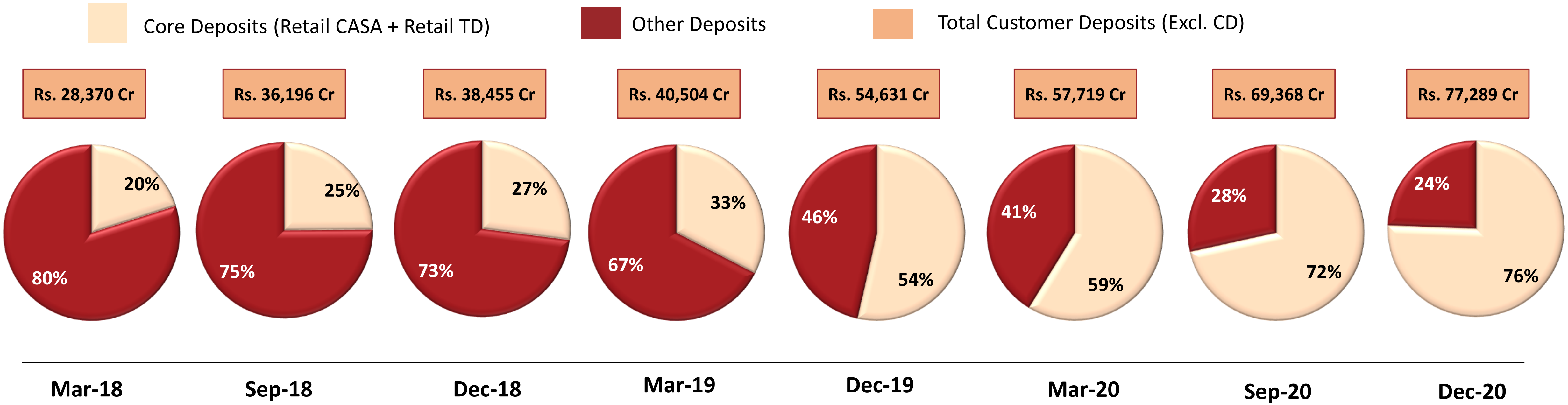
Section 4: The Bank has made rapid progress in retailization of Liabilities. Retail liabilities now comprise 76% of customer deposits, up from 27% at merger.

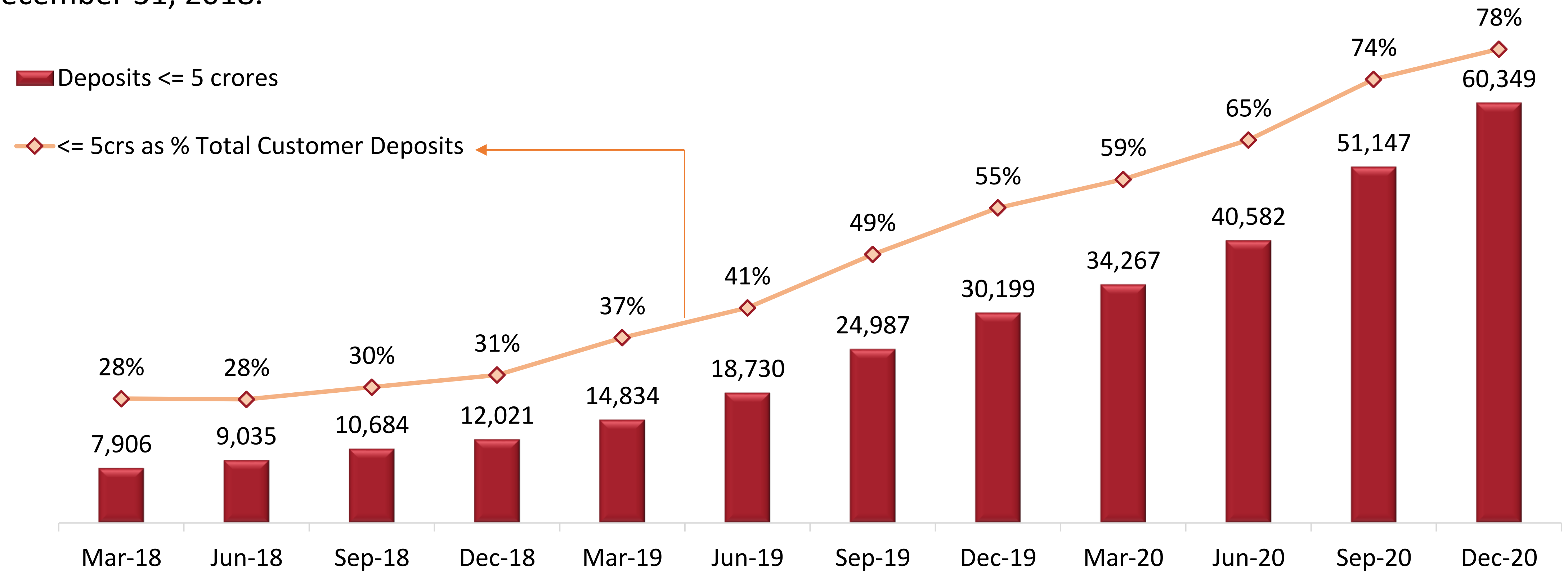
- The Bank recognises that large institutional deposits pose concentration risk to the Bank.
- Hence, the Bank is focused for retailization of the liabilities which is reflected in the growth in its Core Deposits.
- Such Deposits are sticky and sustainable in nature in comparison to institutional borrowings.
- We are happy to report that the Bank has increased the Core Deposits (Retail CASA + Retail Term Deposits) as a % of Total Customer Deposits of the Bank as on December 31, 2020 to **76%** as on December 31, 2020 from **27%** as on December 31, 2018 (merger quarter).



Section 4: Granularization / Diversification of Liabilities (Deposits <= Rs. 5 crore)

All figures are in Rs. crore unless specified.

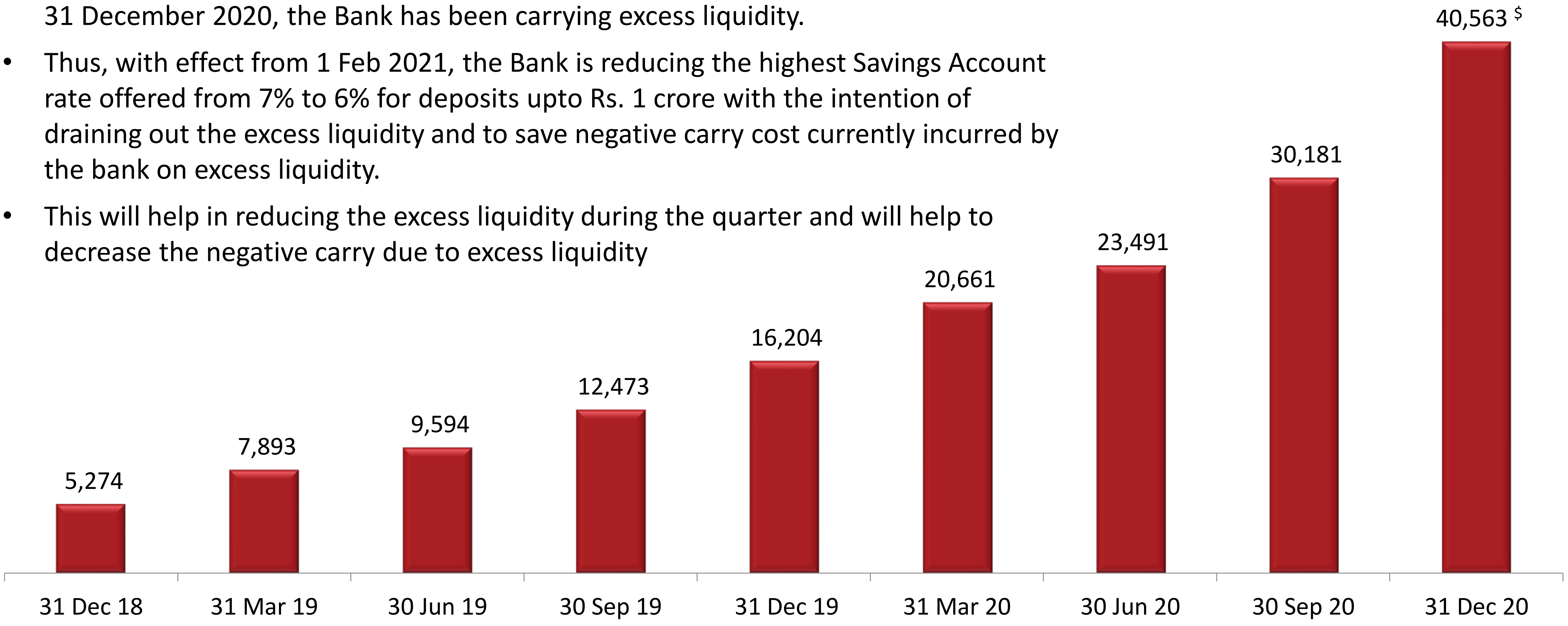
Customer Deposits have become more granular since merger. 78% of the total Customer Deposits have outstanding balances Rs. 5 crore or below as compared to 31% as on December 31, 2018.



Section 4: CASA deposits have registered a strong YOY growth of 150%

All figures are in Rs. crore unless specified.

- With the healthy growth of CASA deposits which translated to 48% CASA ratio as on 31 December 2020, the Bank has been carrying excess liquidity.
- Thus, with effect from 1 Feb 2021, the Bank is reducing the highest Savings Account rate offered from 7% to 6% for deposits upto Rs. 1 crore with the intention of draining out the excess liquidity and to save negative carry cost currently incurred by the bank on excess liquidity.
- This will help in reducing the excess liquidity during the quarter and will help to decrease the negative carry due to excess liquidity

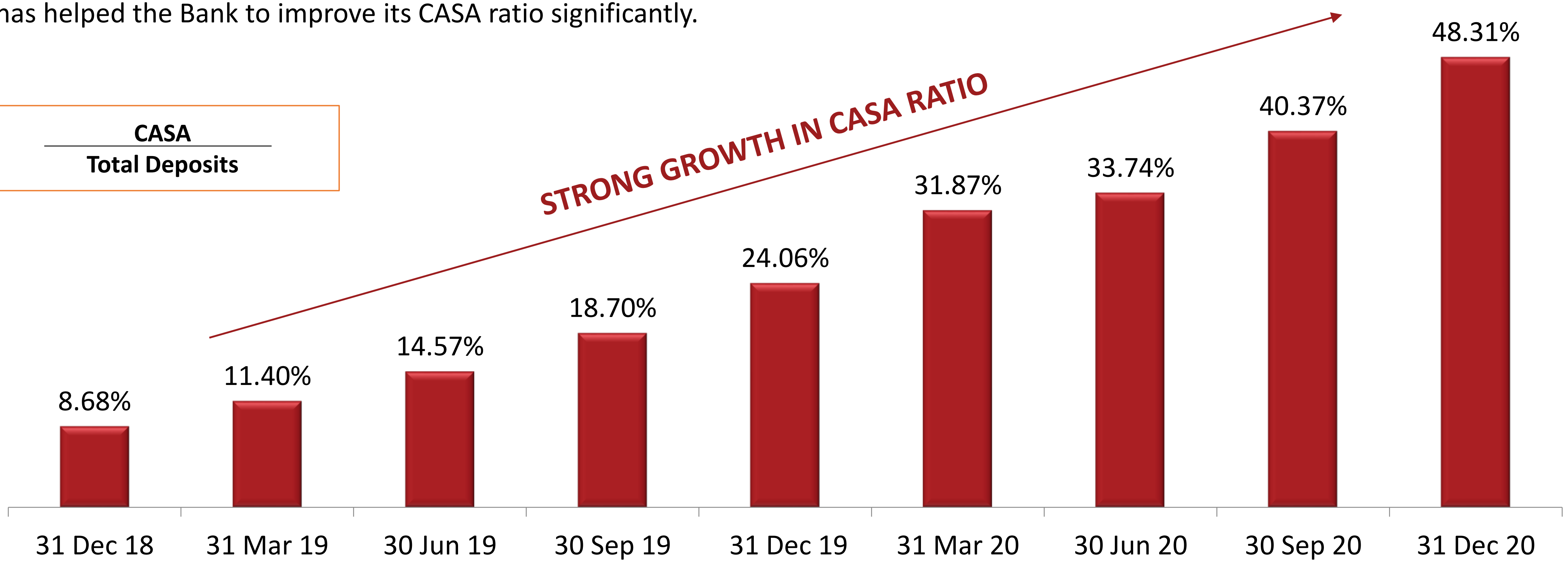


$Excluding deposits from NHB which are one-time/ temporary in nature and are considered as non-sustainable in nature with fluctuating balance. Otherwise the Total CASA balance as of Dec 31, 2020 would have been Rs.40,894 crore.

<u>Section 4</u>: CASA Ratio has improved rapidly over last quarters since merger to reach 48.31%

CASA Ratio is computed in terms of CASA as a percentage of Total deposits (CASA+ Certificate of Deposits+ Term Deposits). Consistent growth in CASA and decreasing dependency on Certificate of Deposits and Wholesale Term Deposit has helped the Bank to improve its CASA ratio significantly.

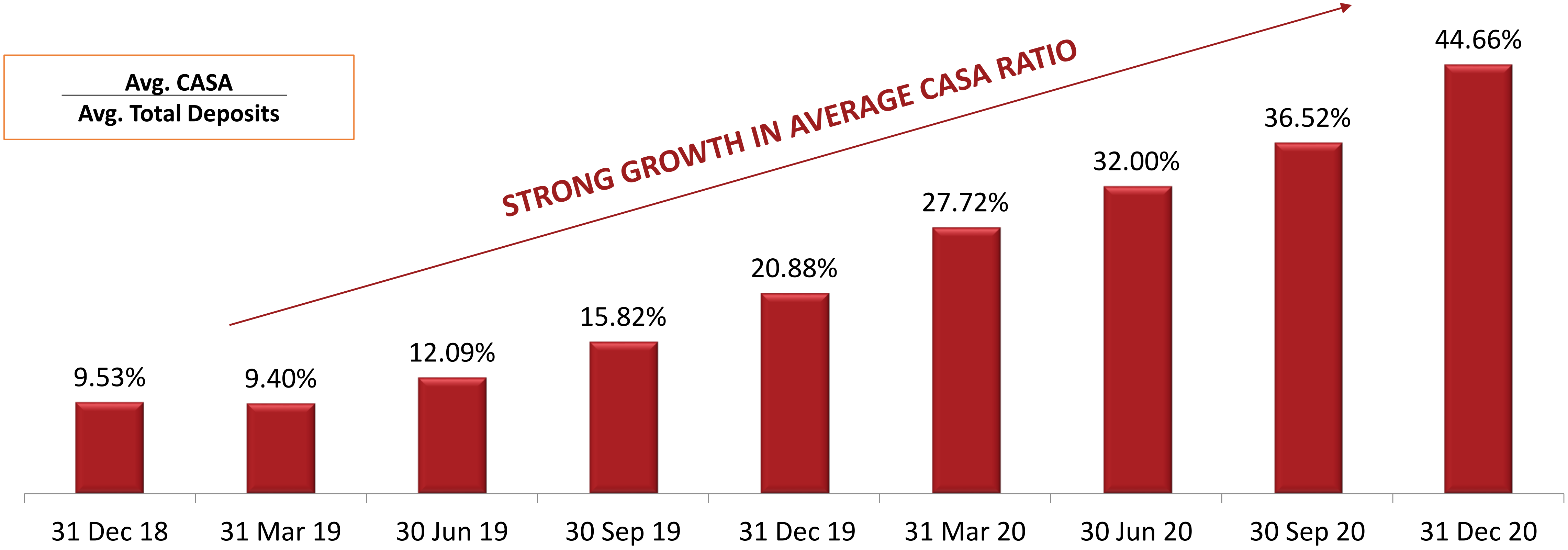
$$\frac{\textbf{CASA}}{\textbf{Total Deposits}}$$



Note: The figure as of 31 Dec 2020 is excluding CASA deposits of Rs. 332 crore from NHB which was raised under special high rate scheme. This has now been reduced at our standard rack rate. The Bank now has no special schemes for large ticket saving balance and in fact disincentivises such large deposits by keeping the interest offering low. Including this, the CASA to total deposits ratio would have been 48.51%.

Section 4: Average CASA Ratio has also improved rapidly over last quarters since merger to reach 44.66%

Average CASA Ratio is computed in terms of Average daily CASA as a percentage of Average Total deposits and removes skewed balances during month ends. Average CASA Ratio also reflected a sharp growth and is reported at **44.66%** as on Dec 31, 2020.



Section 4: The Bank continues to see strong growth in Retail Deposits. This has reduced the dependence on wholesale deposits and has provided greater stability.

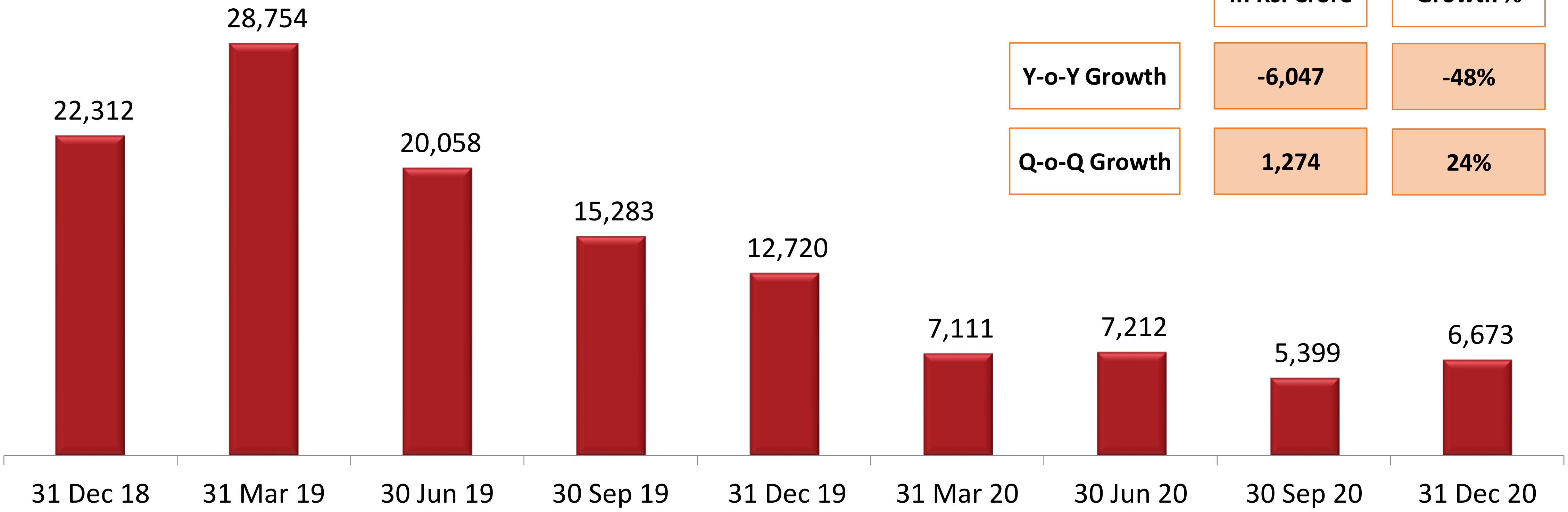
In Rs. Crore	Dec-19	Sep-20	Dec-20	QOQ %	YOY%
Legacy Long Term Bonds	12,705	10,331	9,460	-8%	-26%
Legacy Infra Bonds	10,434	9,522	9,514	0%	-9%
Refinance and other borrowings (New)	17,248	14,528	11,094	-24%	-36%
Refinance and other borrowings (Legacy)	11,426	7,347	6,200	-16%	-46%
Total Borrowings (A)	**51,812**	**41,729**	**36,267**	**-13%**	**-30%**
CASA	16,204	30,181	40,563	34%	150%
Term Deposits*	38,427	39,187	36,726	-6%	-4%
Total Customer Deposits (B)	**54,631**	**69,368**	**77,289**	**11%**	**41%**
Certificate of Deposits (C)	12,720	5,399	6,673	24%	-48%
Money Market Borrowings (D)	15,213	5,984	4,538	-24%	-70%
Borrowings + Deposits (A)+(B)+(C)+(D)	**134,377**	**122,479**	**124,768**	**2%**	**-7%**
CASA % of Deposits	24.06%	40.37%	48.31%		
Customer Deposits as % of Borrowings + Deposits	40.66%	56.64%	61.95%		

** Though the customer Term Deposits at Rs. 36,726 crores as of December 31 2020 has not grown much YOY, the underlying composition of Terms Deposits have improved substantially. Retail Term Deposits were up 27% over last year and Wholesale Term Deposits were reduced by 29% YOY.*

Section 4: The bank has reduced Certificate of Deposits as per the stated Strategy to reduce short term institutional borrowings to strengthen the balance sheet.

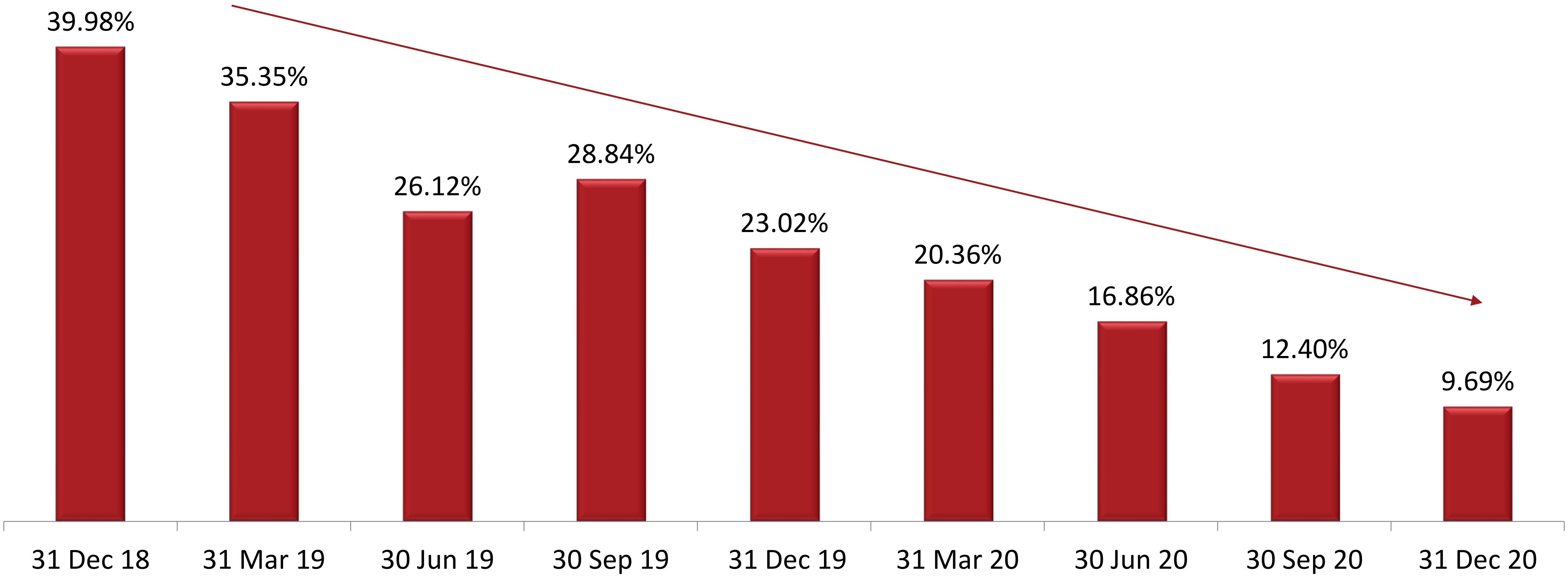
- In March 2019, we started the process to reduce our dependence on Certificate of Deposits and have consciously brought it down every quarter since then by repaying the same through Retail Deposits which is stable and long term by nature.
- The borrowing through Certificate of Deposits (CD) of the Bank has reduced by **48%** on YOY basis to **Rs. 6,673 crore** as on Dec 31, 2020 from **Rs. 12,720 crore** as of Dec 31, 2019.
- The Bank plans to maintain the Certificate of Deposits balance sustainably at around Rs. 10,000 crore.

	In Rs. Crore	Growth %
Y-o-Y Growth	-6,047	-48%
Q-o-Q Growth	1,274	24%



Section 4: The Bank has sharply reduced the concentration of Top 20 Depositors as a % of Total Customer Deposits and made the liabilities side more resilient.

Top 20 Depositors as a % of Total Customer Deposits has reduced from **39.98%** as on 31 December 2018 to **9.69%** as on 30 September 2020.



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Section 4: Income Statement – Nine months ending December 31, 2020

In Rs. Crore	9M FY20	9M FY21	Growth (%) Y-o-Y
Interest Income	11,911	11,585	-3%
Interest Expense	7,840	6,555	-16%
Net Interest Income	**4,072**	**5,030**	**24%**
Fee & Other Income	1,117	1,022	-9%
Operating Income (Excl Trading Gain)	**5,189**	**6,051**	**17%**
Trading Gain	293	964	229%
Operating Income	**5,482**	**7,015**	**28%**
Operating Expense[$]	3,893	4,547	17%
Pre-Provisioning Operating Profit (PPOP)	**1,589**	**2,468**	**55%**
Core Pre-Provisioning Operating Profit (Ex Trading Gain)	**1,296**	**1,504**	**16%**
Provisions	4,075	2,035*	-50%
Profit Before Tax	**(2,486)**	**433**	
Tax	450	108	-76%
Profit After Tax	**(2,936)**	**324**	

**During the nine months the Bank has created COVID provisions of Rs. 2,165 crores. Including this, as of December 31, 2020, the total COVID-19 provision was at Rs. 2,390 crore.*

Section 4: Quarterly Income Statement

In Rs. Crore	Q3 FY20	Q2 FY21	Q3 FY21	Growth (%) Y-o-Y	Growth (%) Q-o-Q
Interest Income	4,100[1]	3,801	3,952[2]	-4%	4%
Interest Expense	2,566	2,141	2,209	-14%	3%
Net Interest Income	**1,534**	**1,660**	**1,744**	**14%**	**5%**
Fee & Other Income	437	291	582	33%	100%
Operating Income (Excl. Trading Gain)	**1,972**	**1,951**	**2,326**	**18%**	**19%**
Trading Gain	142	337	290[3]	105%	-14%
Operating Income	**2,113**	**2,288**	**2,616**	**24%**	**14%**
Operating Expense	1,432	1,486	1,842	29%	24%
Pre-Provisioning Operating Profit (PPOP)	**682**	**803**	**773**	**13%**	**-4%**
Core Pre-Provisioning Operating Profit (Ex. Trading gain)	**540**	**465**	**484**	**-10%**	**4%**
Provisions	2,305	676	595[4]	-74%	-12%
Profit Before Tax	**(1,623)**	**126**	**179**	**-**	**41%**
Tax	**16**	**25**	**49**	**-**	**97%**
Profit After Tax	**(1,639)**	**101**	**130**	**-**	**28%**

1. *This included one time interest on Income tax refund of Rs. 38 crores in Q3-FY20, corresponding quarter last financial FY20.*
2. *Net of provision for interest reversal on Proforma NPA cases on Dec 31, 2020*
3. *The Bank sold its entire exposure in NCD of a stressed financial service company in secondary market, net of provision reversal held on this case (Gain of Rs. 2 crore)*
4. *During this quarter, the Bank has made additional provision of Rs. 390 crore for COVID provision to further strengthen its balance sheet.*

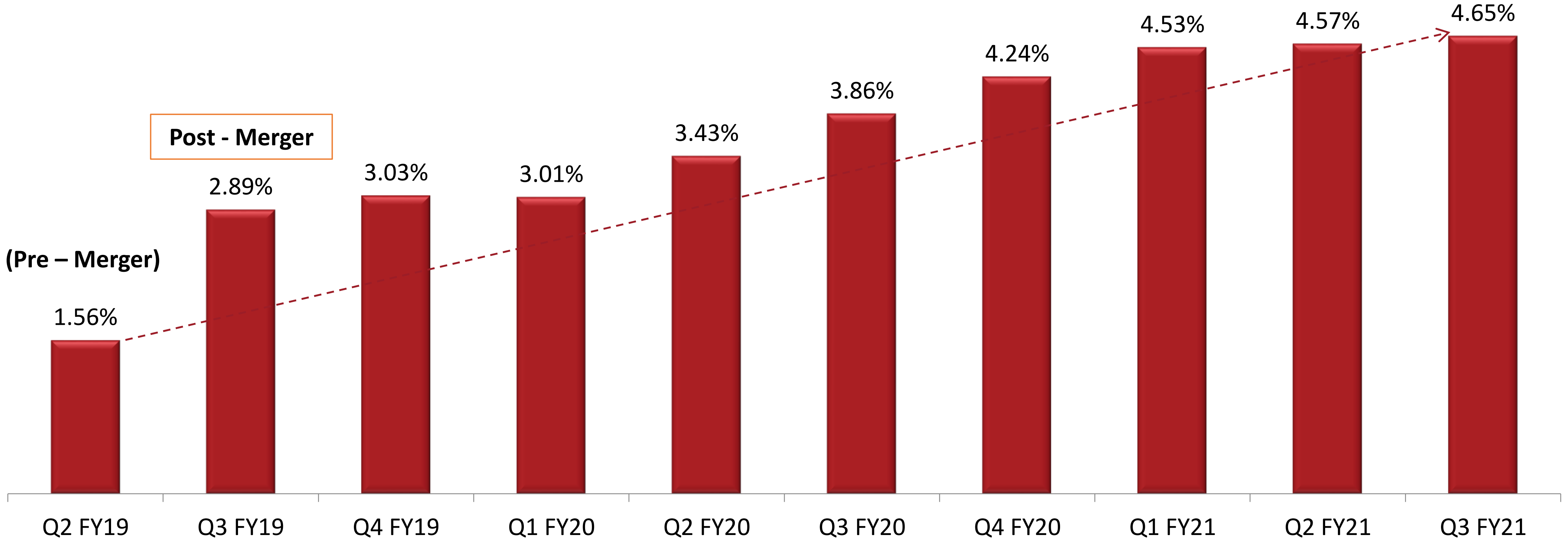
Section 4: Balance Sheet

In Rs. Crore	Dec-19	Sep-20	Dec-20	Growth (%) (Y-o-Y)	Growth (%) (Q-o-Q)
Shareholders' Funds	15,240	17,538	17,668	16%	1%
Deposits	68,697	75,800	84,294	23%	11%
- *Retail Deposits*	29,267	49,610	58,435	100%	18%
- *Wholesale Deposits (including CD)*	39,431	26,190	25,859	-34%	-1%
Borrowings	67,025	47,713	40,805	-39%	-14%
Other liabilities and provisions	9,722	11,611	12,909	33%	11%
Total Liabilities	**160,684**	**152,661**	**155,676**	**-3%**	**2%**
Cash and Balances with Banks and RBI	7,111	5,257	7,141	0%	36%
Net Funded Assets	100,418	102,534	106,263	6%	4%
- *Net Retail Funded Assets*	51,268	59,979	66,731	30%	11%
- *Net Wholesale Funded Assets**	49,150	42,556	39,532	-20%	-7%
Investments	44,244	35,600	33,037	-25%	-7%
Fixed Assets	1,029	1,131	1,233	20%	9%
Other Assets	7,882	8,139	8,003	2%	-2%
Total Assets	**160,684**	**152,661**	**155,676**	**-3%**	**2%**

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

Section 4: Gradual improvement in Net Interest Margins from 2.89% (merger quarter) to 4.65% in Q3 FY21.

- The NIM of the standalone Bank IDFC bank was 1.56% in September 2018, which was the last quarter prior to the merger in December 2018. On merger, the NIM increased to 2.89%. Since then, this gradually accelerated to **4.65%** (Q3-FY21). This includes the roll back of interest income on the proforma NPAs (without the impact of the SC order on NPA classification)
- NIMs have increased every quarter due to gradual shift towards retail banking businesses.
- As per our earlier guidance, we aspire to take it to 5-5.5% in the next 5 years. We are confident of getting there.



Section 4: Capital Adequacy Ratio is 14.33% with CET-1 Ratio at 13.82%

In Rs. Crore	Dec-19	Sep-20	Dec-20
Common Equity	14,638	17,146	17,287
Tier 2 Capital Funds	6	475	629
Total Capital Funds	**14,644**	**17,621**	**17,917**
Total RWA	**1,10,228**	**1,19,659**	**1,25,052**
CET 1 Ratio (%)	13.28%	14.33%	13.82%
Total CRAR (%)	**13.29%**	**14.73%**	**14.33%**

- 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.

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IDFC FIRST Bank

Section 5: Board of Directors

With over two decades in financial services in India, V. Vaidyanathan has seen India through many lens – first as a banker (1990-2010, Citibank), then as an entrepreneur (2010-2019, Capital First) and a professional banker again (2019- date, after merging Capital First with IDFC Bank). He worked with Citibank Consumer Banking from 1990-2000, then set up ICICI Group's retail banking from 2000-2009 since its inception, built ICICI Bank's branch network to 1411 branches and 28 million customers, built a large CASA and retail deposits franchise, and built the retail lending businesses including mortgages, auto loans, credit cards and personal credit businesses to Rs. 1.35 trillion ($30 bn). He was appointed at the Board of ICICI Bank in 2006 at age 38. In 2009, he became the MD and CEO of ICICI Prudential Life Insurance Company in India.

In 2010, he quit ICICI Group for an entrepreneurial opportunity to acquire an NBFC with an idea to convert it to a bank focused on consumer and MSME lending. On acquiring equity stake, he shut down all non-core businesses like broking and real estate financing, and instead used the NBFC platform to build MSME and Consumer Financing businesses, based on new technologies and algorithms. Between 2010 to 2018, he grew the loan book from start-up stage to Rs. 29,600 crores (US$4.05 bn), grew the equity capital from Rs. 691 crores (US$118 mn) to Rs. 3,993 crores (US$600 mn), reduced Gross NPA from 5.28% to 1.94%, reduced Net NPA from 3.6% to 1%, acquired 7 million customers, got the long-term credit rating upgraded from A+ to AAA, turned around the company from losses of US$5 mn (2010) to profit of US$50 mn (2018), increased ROE from -6% to +15%, and increased the market cap 10 times from Rs. 780 crores (US$120 mn) to Rs. 8,200 crores (US$1.2 bn) in 8 years. Capital First was growing at a 5-year CAGR of loan growth of 30%, and 55% in PAT between 2013-2018.

Then, in order to secure a commercial banking license, he agreed to merge Capital First with IDFC Bank in December 2018 and took over as the MD and CEO of the merged entity. Since then, between December 2018 to December 2020, he has increased retail loan book from 13.16% pre-merger to over 60.35% (Rs. 66,665 crores) of the total funded assets, increased Net Interest margin from 1.68% pre-merger to 4.65%, increased CASA from 8.68% to 48.31%, turned the bank into profitability, and is currently busy converting the bank into a world-class retail bank in India. The bank now has over 10 million customers and loan book of more than Rs. 1 lac crores (~US$14 bn). He believes India provides unlimited opportunity in financial services in India.

During his career, he and his organization have received a number of domestic and international awards including the prestigious CNBC Awaaz Entrepreneur of the year 2020, CNBC Asia's "Innovative company of the year" India Business Leader Awards-2017, "Most Inspirational Leveraged Management Buyout, India 2018" by CFI Awards, "Entrepreneur of the Year" Award at Asia Pacific Entrepreneurship Awards 2017, "Transformational Leader 2018" by CFI Awards UK, "Financial Services Company of the Year, 2018 - VC Circle", "Outstanding contribution to Financial Inclusion, India, 2017" from Capital Finance International, London, "Most Promising Business Leaders of Asia" 2016 by Economic Times, 'Outstanding Entrepreneur Award' in Asia Pacific Entrepreneurship Awards 2016, Greatest Corporate Leaders of India- 2014, Business Today - India's Most Valuable Companies 2016 & 2015, Economic Times 500 India's Future Ready Companies 2016, Fortune India's Next 500 Companies 2016, Dun & Bradstreet India's Top 500 Companies & Corporates 2016 & 2015. During his prior stint, awards included "Best Retail bank in Asia 2001", "Excellence in Retail Banking Award" 2002, "Best Retail Bank in India 2003, 2004, and 2005" from the Asian Banker, "Most Innovative Bank" 2007, "Leaders under 40" from Business Today in 2009, and was nominated "Retail Banker of the Year" by EFMA Europe for 2008.

He is an alumnus of Birla Institute of Technology and Harvard Business School. He has run 23 half-marathons and 8 full marathons.

Section 5: Board of Directors

DR. SANJAY KUMAR – NON-EXECUTIVE NON INDEPENDENT DIRECTOR (REPRESENTING THE GOVT. OF INDIA) (w.e.f June 22, 2020)

Dr. Sanjay Kumar joined Board of Directors of IDFC FIRST Bank w.e.f. June 22, 2020. He belongs to 2003 batch of Indian Post & Telecom accounts and Finance Service. He has joined Department of Financial Service as Director on September 21, 2017. Prior to joining this Department, He worked in Department of Telecommunication (DoT) and Department of Post (DoP). Dr. Kumar has been on the Board of Syndicate Bank, as a Government Nominee Director, from April 05, 2018 till March 31, 2020.

MR. SUNIL KAKAR - NON-EXECUTIVE NON INDEPENDENT DIRECTOR (REPRESENTING IDFC LIMITED)

Mr. Sunil Kakar is the Managing Director & CEO of IDFC Limited. He started his career at Bank of America where he worked in various roles, covering Business Planning & Financial Control, Branch Administration and Operations, Project Management and Internal Controls. After Bank of America, Mr. Kakar was the CFO at Max New York Life Insurance. He led numerous initiatives including Planning, Investments / Treasury, Finance and Accounting, Budgeting and MIS, Regulatory Reporting and Taxation.

MR. ANAND SINHA - INDEPENDENT DIRECTOR

Mr. Anand Sinha joined the Reserve Bank of India in July 1976 and rose to become Deputy Governor in January 2011. He was Adviser in RBI up to April 2014 after demitting the office of Deputy Governor in RBI on 18th January 2014. As Deputy Governor, he was in-charge of regulation of commercial banks, Non-Banking Financial Companies, Urban Cooperative Banks and Information Technology, among others.

MR. HEMANG RAJA - INDEPENDENT DIRECTOR

Mr. Hemang Raja, is an MBA from Abeline Christian University, Texas, with a major in finance. He has also done an Advance Management Program (AMP) from Oxford University, UK. He has vast experience in the areas of Private Equity, Fund Management and Capital Markets in companies like Credit Suisse and Asia Growth Capital Advisers in India as MD and Head - India. He has served on the executive committee of the board of the National Stock Exchange of India Limited; also served as a member of the Corporate Governance Committee of the BSE Limited.

MR. SANJEEB CHAUDHURI - INDEPENDENT DIRECTOR

Mr. Sanjeeb Chaudhuri is a Board member and Advisor to global organizations across Europe, the US and Asia. He has most recently been Regional Business Head for India and South Asia for Retail, Commercial and Private Banking and also Global Head of Brand and Chief Marketing Officer at Standard Chartered Bank. Prior to this, he was CEO for Retail and Commercial Banking for Citigroup, Europe, Middle East and Africa. He has an MBA in Marketing and has completed an Advanced Management Program.

Section 5: Board of Directors

DR.(MRS.) BRINDA JAGIRDAR - INDEPENDENT DIRECTOR

Dr. (Mrs.) Brinda Jagirdar, is an independent consulting economist with specialization in areas relating to the Indian economy and financial intermediation. She is on the Governing Council of Treasury Elite, a knowledge sharing platform for finance and treasury professionals. She retired as General Manager and Chief Economist, State Bank of India, based at its Corporate Office in Mumbai. She has a brilliant academic record, with a Ph.D. in Economics from the Department of Economics, University of Mumbai, M.S. in Economics from the University of California at Davis, USA, M.A. in Economics from Gokhale Institute of Politics and Economics, Pune and B.A. in Economics from Fergusson College, Pune. She has attended an Executive Programme at the Kennedy School of Government, Harvard University, USA and a leadership programme at IIM Lucknow.

MR. PRAVIR VOHRA - INDEPENDENT DIRECTOR

Mr. Pravir Vohra is a postgraduate in Economics from St. Stephen's College, University of Delhi & a Certified Associate of the Indian Institute of Bankers. He began his career in banking with State Bank of India where he worked for over 23 years. He held various senior level positions in business as well as technology within the bank, both in India & abroad. The late 1990s saw Mr. Vohra as Vice President in charge of the Corporate Services group at Times Bank Ltd. In January 2000, he moved to the ICICI Bank group where he headed a number of functions like the Retail Technology Group & Technology Management Group. From 2005 till 2012 he was the President and Group CTO at ICICI Bank.

MR. AASHISH KAMAT - INDEPENDENT DIRECTOR

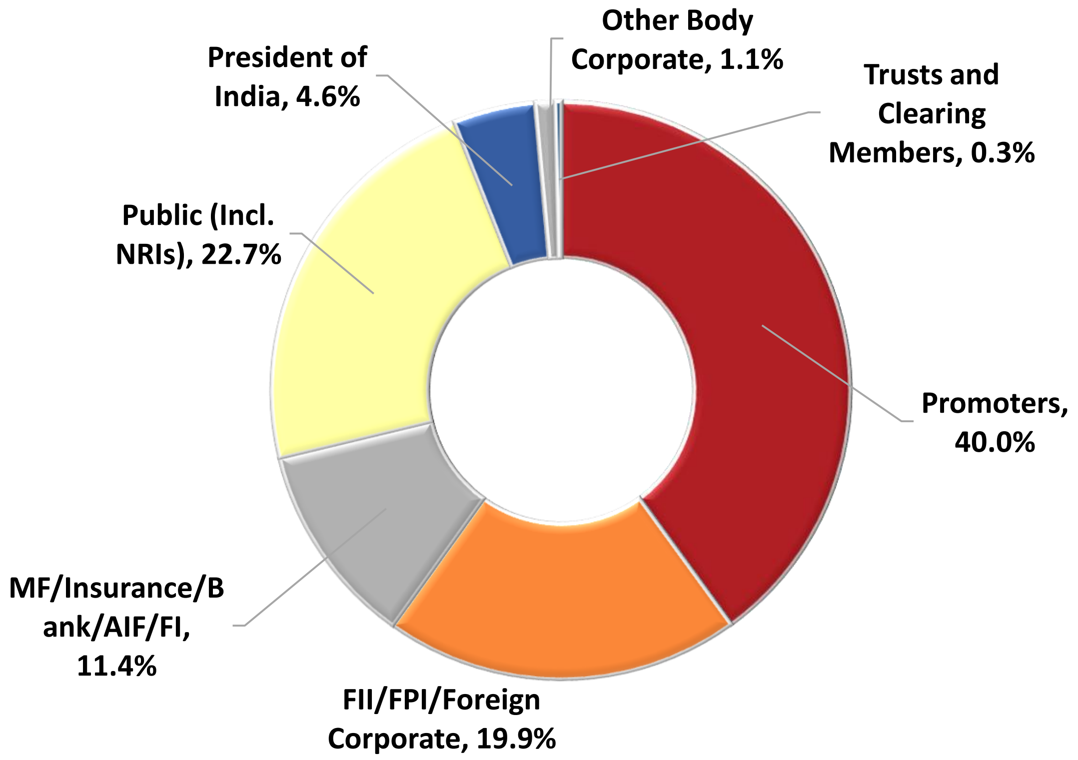
Mr. Aashish Kamat has over 30 years of experience in the corporate world, with 24 years being in banking & financial services & 6 years in public accounting. Mr. Kamat was the Country Head for UBS India, from 2012 until his retirement in January 2018. Prior to that he was the Regional COO/CFO for Asia Pacific at JP Morgan based out of Hong Kong. Before moving to Hong Kong, Mr. Kamat was in New York, where is was the Global Controller for the Investment Bank (IB) at JP Morgan in New York; & at Bank of America as the Global CFO for the IB, and, Consumer and Mortgage Products. Mr. Kamat started his career with Coopers & Lybrand, a public accounting firm, in 1988 before he joined JP Morgan in 1994.

MR. VISHAL MAHADEVIA – NON-EXECUTIVE NON INDEPENDENT DIRECTOR

Mr. Vishal Mahadevia joined Warburg Pincus in 2006 & is a member of the firm’s executive management group. Previously, he was a Principal at Greenbriar Equity Group, a fund focused on private equity investments in the transportation sector. Prior to that, Mr. Mahadevia worked at Three Cities Research, a New York-based PE fund, & as a consultant with McKinsey & Company. He received a B.S. in economics with a concentration in finance & B.S. in electrical engineering from the University of Pennsylvania

Section 5: Shareholding Pattern as of December 31, 2020

Scrip Name : IDFC FIRST Bank (BSE: 539437, NSE:IDFCFIRSTB)



Total # of shares as of Dec 31, 2020 : 567.24 Cr
Book Value per Share as of Dec 31, 2020: Rs. 31.15
Market Cap. as on Dec 31, 2020: Rs. 21,016 Crore

Key Shareholders *(through their respective various funds and affiliate companies wherever applicable)*	**% Holding**
IDFC Financial Holding Company Limited	40.00
Warburg Pincus through its affiliated entities	9.94
President of India	4.61
ICICI Prudential Life Insurance	4.56
Odyssey 44	4.03
Aditya Birla Asset Management	1.88
Bajaj Allianz Life Insurance	1.67
HDFC Life Insurance Company	1.53
Vanguard	1.50
Ishares	0.59
Wellington	0.58
V Vaidyanathan*	0.55

**On a fully diluted basis, including shares and options, Mr. Vaidyanathan holds 2.33% of the equity of the Bank including shares held in his social welfare trust.*

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IDFC FIRST Bank

SECTION 6:

STRATEGY GOING FORWARD FOR THE COMBINED ENTITY

- **Key Strategies for the combine entity –**
  - ✓ Asset Strategy
    - *Growth of Assets*
    - *Diversification of Assets*
    - *Gross Yield expansion*
  - ✓ Liability Strategy
    - *CASA Growth*
    - *Diversification of Liability*
    - *Branch Expansion*
  - ✓ Profitability
    - *Expand Net Interest Margin*
    - *Reduce Cost to Income Ratio*
    - *Improve RoA and RoE*

IDFC FIRST Bank

Section 6: Asset Strategy for IDFC FIRST Bank as guided at the time of merger in December 2018.

- **Growth of Assets:**
  - The Bank plans to grow retail loan assets from Rs. 36,236 crore (December 31, 2018) to over Rs. 100,000 crore in the next 5 years
  - The Bank plans to wind down loans to infrastructure to NIL within five years (Rs. 22,710 as of 31 December 2018).
  - The Bank plans to reduce the total Wholesale loan assets (including the Infrastructure Loans) from Rs. 56,809 crore (December 31, 2018) to Rs. 40,000 crore by March 2020 in order to rebalance and diversify the overall Loan Book. Thereafter, the Bank plans to maintain it at the similar levels for the next 5 years and would grow the business based on opportunities available at the marketplace.

- **Diversification of Assets:** We recognize that loan book of the bank needs to be well diversified across sectors and a large number of consumers. The Bank plans to increase the retail book composition from 34.62% to 70% within 5 years and set the target to take it to 80% thereon.

- **Gross Yield Expansion:** As a result of the growth of the retail loan (at a relatively higher yield compared to the wholesale loans), the gross yield of the Bank's Loan Book was initially guided to increase from 9.4% (as per Q2-FY19, pre-merger) to more than 12% in the next 5 years, however we now upgrade our guidance and project the yield to be at 13.5% in the next 5 years. The bank will expand Housing loan portfolio as one of its important product lines.

Section 6: Liability Strategy for IDFC FIRST Bank as guided at the time of merger in December 2018.

- **CASA Growth:** This is a key focus and growth area for the bank. We plan to increase the CASA Ratio from 8.68% as of December 31, 2018 on a continuous basis year on year and strive to reach 30% CASA ratio within 5 years, and increase it to 40-50% from there on. An array of digital savings & current accounts are planned to be offered to the customer base (more than 7 million customers) of Erstwhile Capital First.

- **Diversification of Liabilities:** We will focus on Retail CASA and Retail Term Deposits in order to diversify the liabilities of the bank. As a percentage of the total borrowings, the Retail Term Deposits and Retail CASA is proposed to increase from 8.04% as of December 31, 2018, to over 50% in the next 5 years and set up a trajectory to reach 75% thereafter.

- **Branch Expansion:** In order to grow Retail Deposits and CASA, the bank plans to set up 600-700 more bank branches in the next 5 years from the branch count of 206 (as of 31 Dec 2018). This would be suitably supported by the attractive product propositions and other associated services as well as cross selling opportunities.

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Section 6: Profitability

- **Net Interest Margin:** The bank plans to expand the NIM to about 5.0% - 5.5% in the next 5 years based on better cost of funds and carefully selecting the product segments where we have strong proven capabilities over the years.
- **Asset Quality:** Over 90% of the Retail Loan Book of the bank constitutes of loan book brought from erstwhile Capital First. The book is seasoned over 8 years across business and loan cycles and has had stable performance throughout, and has been adequately stress tested across significant events such as high interest rate cycle (2010-2014), high inflation rate cycle (2010-2014), Demonetization (2016, where over 86% of the cash of the country was withdrawn overnight), GST implementation (2017, which changed the business environment and methods for MSMEs) and yet asset quality remained high over the period.
- **Cost to Income:** The Bank plans to improve Cost to Income ratio to ~50-55% over the next 5 years, down from ~80% (post merger results, Quarter ended December 31, 2018)
- **ROA and ROE:** With the improvement in the NIM and cost to income ratio, the bank aims to reach the following benchmarks in the next 5-6 years.
  - ROA of 1.4%-1.6%
  - ROE of 13%-15%

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IDFC FIRST Bank

SECTION 7:

CAPITAL FIRST STRATEGY, LOAN GROWTH AND PROFITABILITY TRENDS FOR 8 YEARS (BEFORE MERGER WITH IDFC BANK)

- **History of Capital First Limited**
- **Transformation into Retail Franchise**
- **Business Areas of Focus**
- **Past Financial Performances**

IDFC FIRST Bank

Section 7: **Extract from Capital First investor Presentation of September 2018, which is the last quarter prior to merger. Presented here to demonstrate the capability of the core loan book and the track record of growth and profitability.**

Since the business model of Capital First is an important part of the business to be built in the merged bank, we present to you the business model, business lines, business and profitability trajectory, and financial trends of Capital First Limited. The following slides are essentially an extract of the last official investor presentation of Capital First just prior to the merger (Period ending September 30 2018) and are meant to give the reader a picture of what the merged bank could look like in the years to come.

Section 7: Successful Trajectory of Growth and Profits at Capital First

History of Capital First Limited

The Company was first listed on Stock Exchanges in January 2008. Between 2010 to 2012, Mr Vaidyanathan acquired a stake in the company and executed a Management Buyout (MBO) of the Company with equity backing of Rs. 810 crore from Warburg Pincus, and created a new brand and entity called Capital First. As part of the MBO, the company raised fresh equity, reconstituted a new Board and got new shareholders, including open offer to public. A brief history of the company is as follows:

2008-10	The Company was largely in the business of Wholesale Financing, PE, Asset Management, Foreign Exchange and Retail Equity Broking. The total AUM of the Company was Rs. 935 crore of which Retail AUM was 10%, Rs. 94 crore.
2010-11	Mr. V Vaidyanathan joined the Company and prepared the ground for executing a Management Buyout by taking significant corporate actions including divesting Forex JV to JV partner, merging a subsidiary NBFC with itself, by winding down other non core businesses and launching retail businesses in the Company. The Company launched technology driven financial businesses for the consumer and SME segments. The Retail loan book crossed Rs. 700 crore by March 2011. The Company presented this as proof of concept to many global private equity players for Buyout.
2011-12	The company continued to present the concept to prospective PE players throughout the year. The Company undertook additional corporate actions and further wound down non-core business subsidiaries and launched more retail financing businesses. The concept, model and volume of retail financing businesses gained traction and reached to Rs. 3,660 crore, 44% of the overall AUM.
2012-13	Mr. Vaidyanathan secured equity backing of Rs. 810 crore from Warburg Pincus for an MBO and thus Capital First was founded. As part of the transaction an open offer was launched, the Company raised Rs. 100 crore of fresh equity capital, a new Board was reconstituted and a new brand and entity “Capital First” was created.
2013-14	The Company further raised Rs. 178 crore as fresh equity at Rs. 153/ share. It acquired HFC license from NHB and launched housing finance business under its wholly owned subsidiary.
2014-15	Company’s Assets under Management reached Rs. ~12,000 crore and the number of customers financed since inception crossed 10 lacs. The Company raised Rs. 300 crore through QIP at Rs. 390 per share from marquee foreign and domestic investors.
2015-16	The Company received recognition as “Business Today – India’s most Valuable Companies 2015” and “Dun & Bradstreet – India’s top 500 Companies, 2015”. The Company scrip was included in S&P BSE 500 Index.
2016-17	Company’s Assets under Management reached ~ Rs. 20,000 crore and the number of customers financed since inception crossed 4.0 million. The Company raised fresh equity capital of Rs. 340 crore from GIC, Singapore through preferential allotment @ Rs. 712 per share. The Company received recognition as “CNBC Asia – Innovative Company of the Year, IBLA, 2017”, “Economic Times – 500 India’s Future Ready Companies 2016” and “Fortune India’s Next 500 Companies, 2016”.
2017-18	The Company’s Asset Under Management touch ~Rs. 27,000 crore and number of customers financed crossed 6.0 million. The Company received “Best BFSI Brand Award 2018” at The Economic Times Best BFSI Brand Awards 2018 and “Financial Services Company of the Year 2018” at VC Circle Awards 2018. In January 2018, the Company announced the merger with IDFC Bank subject to regulatory approvals.

Section 7: Successful Trajectory of Growth and Profits at Capital First.

This page is an extract from Capital First investor Presentation of September 2018, which is the last quarter prior to merger. Presented here to demonstrate the capability of the core loan book and the track record of growth and profitability.

From 31-March-2010 to 31-Mar-2018, the company has transformed across all key parameters including:

• The total Capital has grown	from Rs. 691 crore to Rs. 3,993 crore
• The Assets under Management increased	from Rs. 935 crore to Rs. 26,997 crore
• The Retail Assets Under Management increased	from Rs. 94 crore to Rs. 25,243 crore
• The long term credit rating has upgraded	from A+ to AAA
• The number of lenders increased	from 5 to 297
• The Gross NPA reduced	from 5.28% to 1.62%
• The Net NPA reduced	from 3.78% to 1.00%
• Cumulative customers financed reached	over 7 million
• The Net Profit/(Loss) increased	from loss of Rs. 32.2 crore in FY 09 to Profit of Rs. 327.4 crore (FY18)

	8-Yr CAGR%	%Growth – FY18
Total Capital	25%	17%
Total AUM	52%	36%
Retail AUM	101%	38%

The 5 year CAGR for key parameters are as follows:

- **Total Asset Under Management** has grown at a CAGR of **29%** from Rs. 7,510 crore (FY13) to Rs. 26,997 crore (FY18)
- **Total Income** has grown at a CAGR of **47%** from Rs. 357.5 crore (FY13) to Rs. 2429.6 crore (FY18)
- **Profit After Tax** has grown at a CAGR of **56%** from Rs. 35.1 crore (FY13) to Rs. 327.4 crore (FY18)
- **Earning Per Share** has grown at a CAGR of **46%** from Rs. 4.94 (FY13) to Rs. 33.04 (FY18)

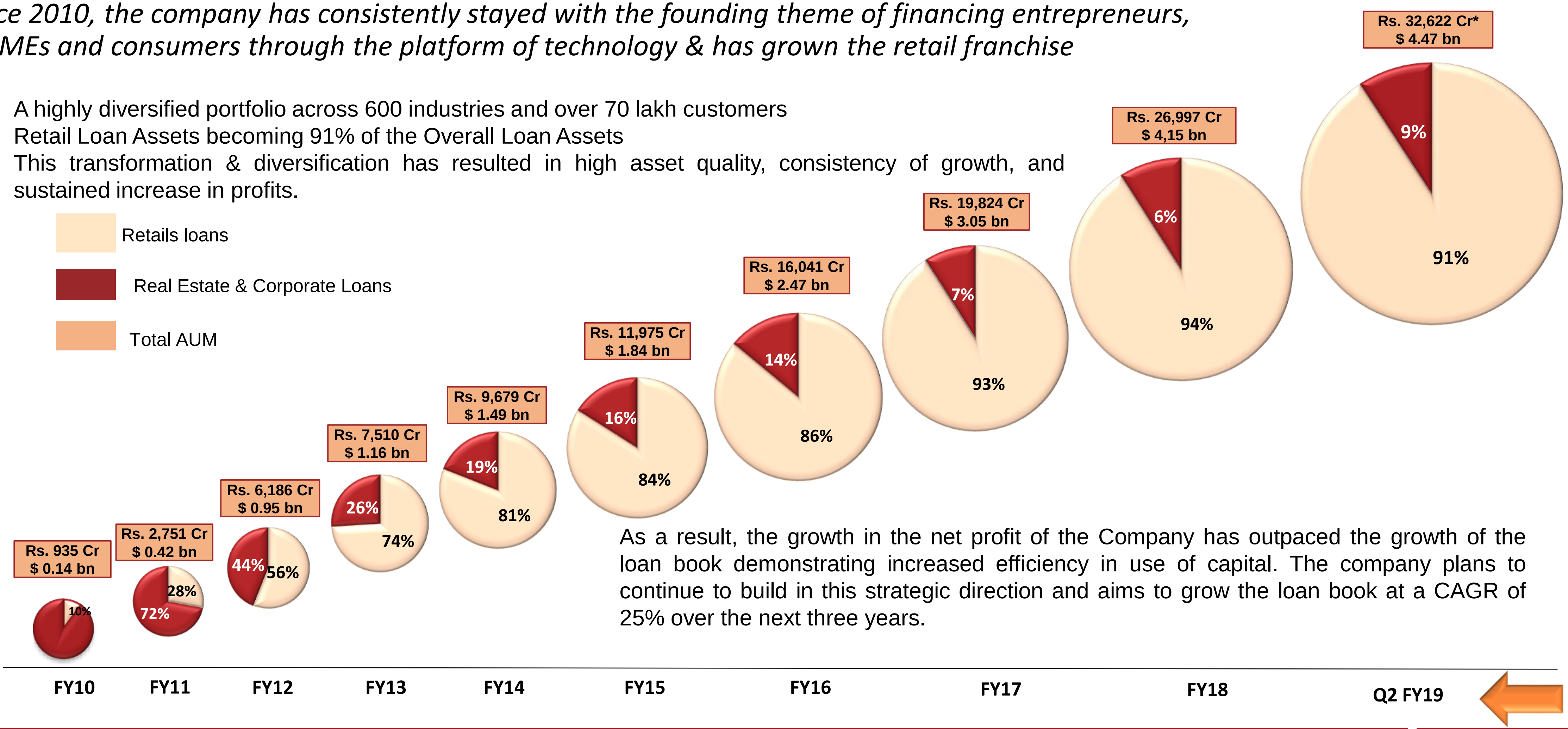
Section 7: Successful Trajectory of Growth and Profits at Capital First.

This page is an extract from Capital First investor Presentation of September 2018, which is the last quarter prior to merger. Presented here to demonstrate the capability of the core loan book and the track record of growth and profitability.

** As per Ind - AS*

Since 2010, the company has consistently stayed with the founding theme of financing entrepreneurs, MSMEs and consumers through the platform of technology & has grown the retail franchise

- A highly diversified portfolio across 600 industries and over 70 lakh customers
- Retail Loan Assets becoming 91% of the Overall Loan Assets
- This transformation & diversification has resulted in high asset quality, consistency of growth, and sustained increase in profits.

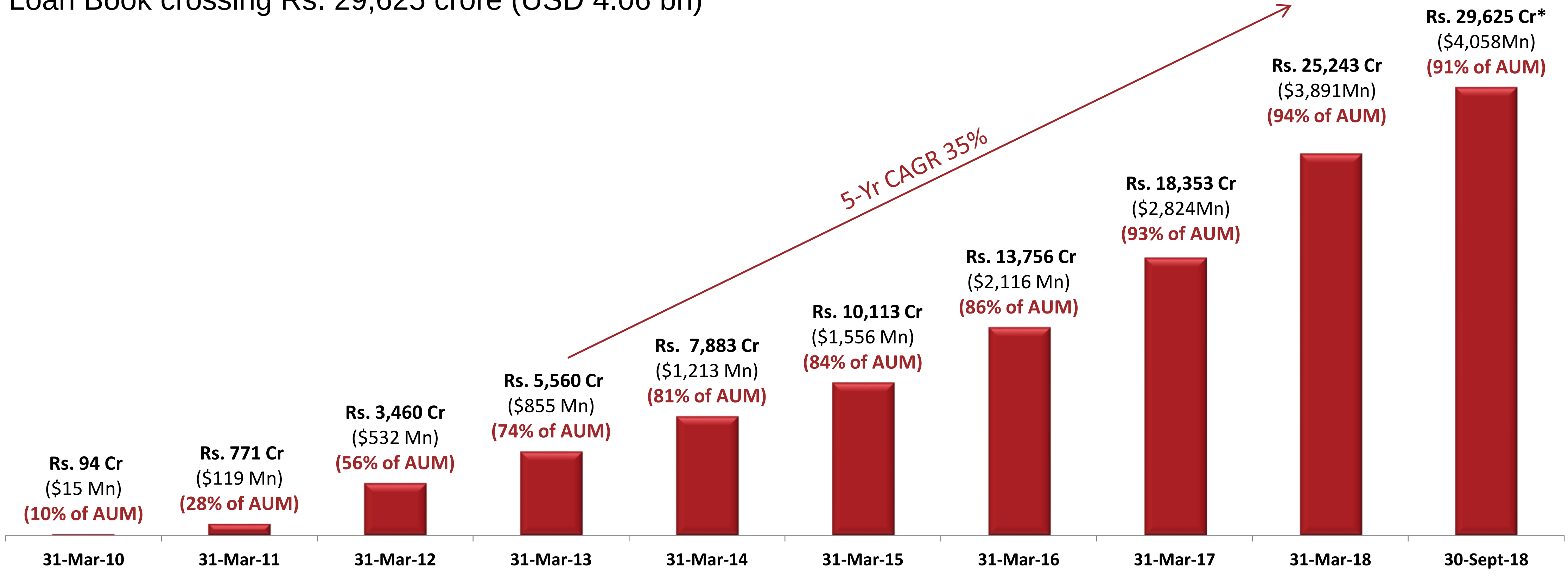


As a result, the growth in the net profit of the Company has outpaced the growth of the loan book demonstrating increased efficiency in use of capital. The company plans to continue to build in this strategic direction and aims to grow the loan book at a CAGR of 25% over the next three years.

Section 7: Successful Trajectory of Growth and Profits at Capital First

This page is an extract from Capital First investor Presentation of September 2018, which is the last quarter prior to merger. Presented here to demonstrate the capability of the core loan book and the track record of growth and profitability.

The company's product launches had been highly successful in the marketplace and the company had emerged as a significant player in Indian retail financial services within eight years of inception with the Retail Loan Book crossing Rs. 29,625 crore (USD 4.06 bn)



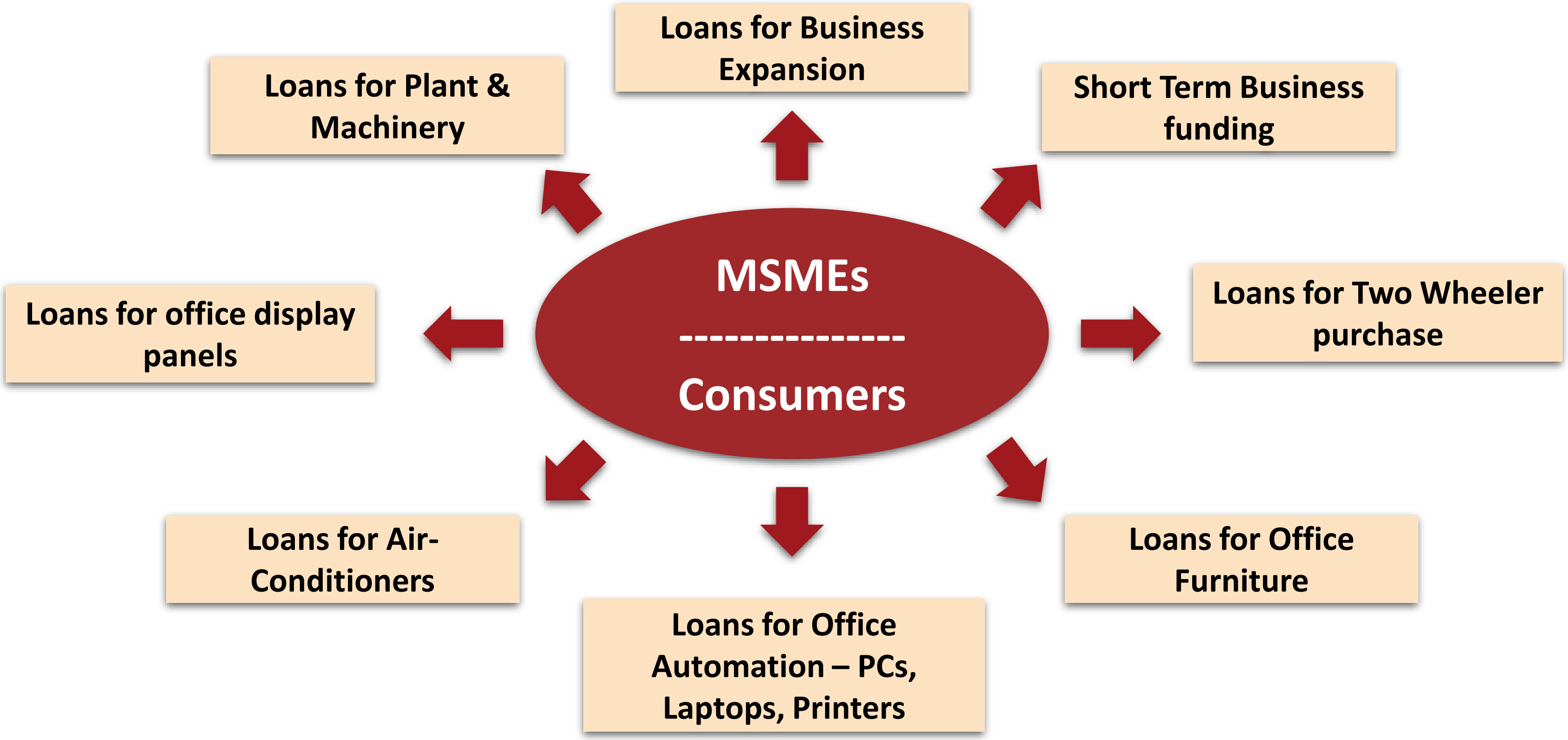
*Under Ind - AS

Section 7: Successful Trajectory of Growth and Profits at Capital First

This page is an extract from Capital First investor Presentation of September 2018, which is the last quarter prior to merger. Presented here to demonstrate the capability of the core loan book and the track record of growth and profitability.

LINES OF BUSINESS: *Capital First provided financing to select segments that are traditionally underserved by the existing financing system*

- By staying focused on a specific niche (small entrepreneurs and Indian consumers), the company avoided competing with traditional large players.
- Capital First provides financing to select segments that are traditionally underserved by the existing financing system.
- Traditionally these end uses are underserved by the financial system as ticket sizes are small, credit evaluation is difficult, collections is difficult, and business is often unviable owing to huge operating and credit costs.



Section 7: Successful Trajectory of Growth and Profits at Capital First

This page is an extract from Capital First investor Presentation of September 2018, which is the last quarter prior to merger. Presented here to demonstrate the capability of the core loan book and the track record of growth and profitability.

SPECIALITY: *MSME Financing – A key area of focus for Capital First*

Capital First has emerged as a Specialized Player in financing MSMEs by offering different products for their various financing needs

Typical Loan Ticket Size From CFL	Typical Customer Profile
Rs. 10 lacs - Rs. 2 crore	To Small and Medium Entrepreneurs financing based on customised cash flow analysis and references from the SME's customers, vendors, suppliers.
Rs. 1 lakh - Rs. 10 lacs	To Small Entrepreneurs/ partnership firms in need of immediate funds, for say, purchase of additional inventory for an unexpected large order.
Rs. 15k - Rs. 1 lakh	To Micro business owners and consumers for purchase of office PC, office furniture, Tablets, Two-Wheeler, etc.

This page is an extract from Capital First investor Presentation of September 2018, which is the last quarter prior to merger. Presented here to demonstrate the capability of the core loan book and the track record of growth and profitability.

Credit Framework

STRONG RISK MANAGEMENT PROCEDURES:

Capital First is structured with inherent checks and balances for effective risk management

Credit Policy (For defining Lending Norms) → Business Origination Team → Credit Underwriting Team → Loan Booking & Operations Team → Portfolio Monitoring & Collections

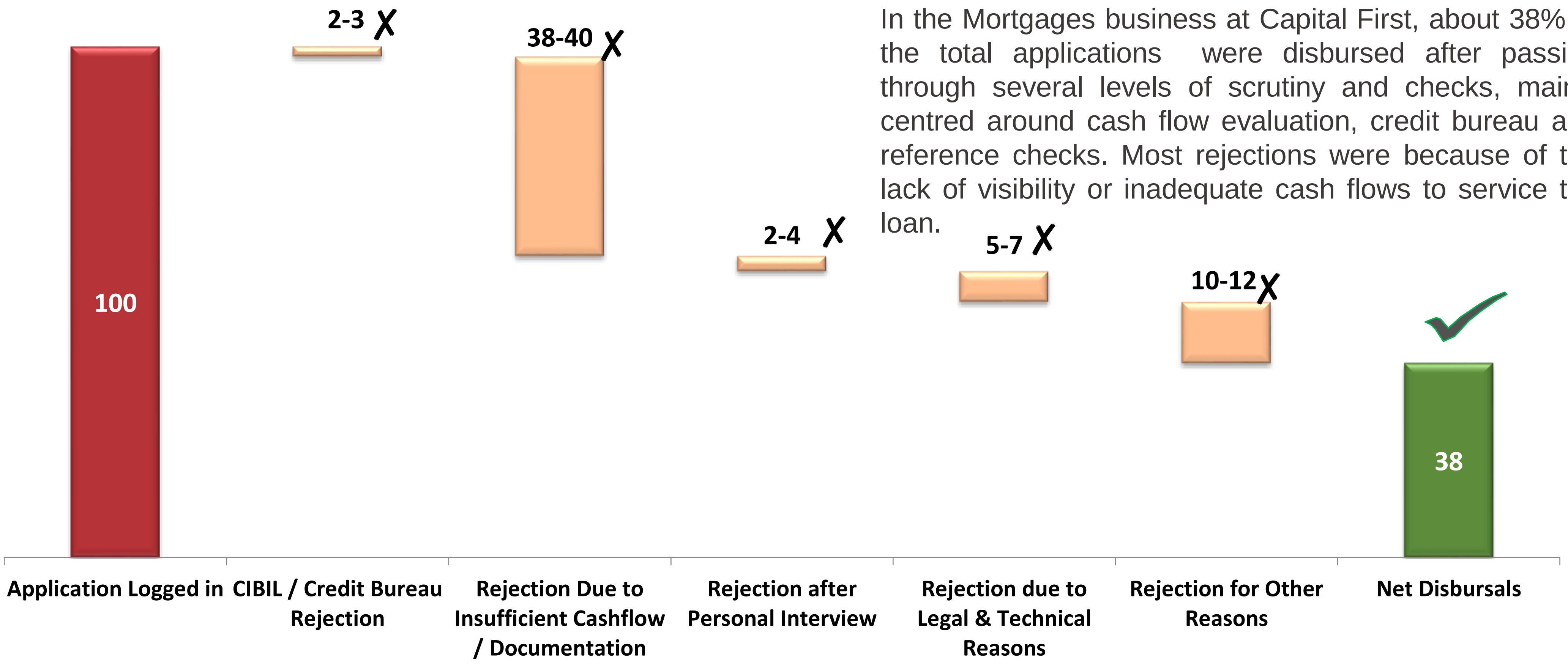
Sales, credit, operations and collections are independent of each other, with independent reporting lines for checks and balances in the system

Section 7: Successful Trajectory of Growth and Profits at Capital First

This page is an extract from Capital First investor Presentation of September 2018, which is the last quarter prior to merger. Presented here to demonstrate the capability of the core loan book and the track record of growth and profitability.

Rigorous Credit Underwriting Process helped in maintaining high asset quality

In the Mortgages business at Capital First, about 38% of the total applications were disbursed after passing through several levels of scrutiny and checks, mainly centred around cash flow evaluation, credit bureau and reference checks. Most rejections were because of the lack of visibility or inadequate cash flows to service the loan.

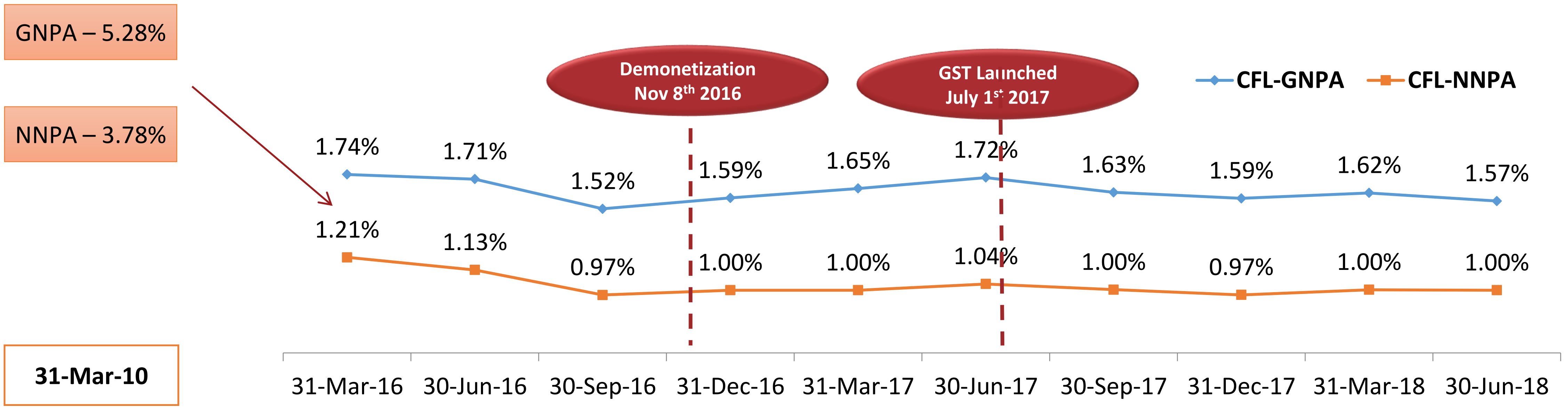


Section 7: Successful Trajectory of Growth and Profits at Capital First

This page is an extract from Capital First investor Presentation of September 2018, which is the last quarter prior to merger. Presented here to demonstrate the capability of the core loan book and the track record of growth and profitability.

STABLE ASSET QUALITY: The Company's asset quality consistently remained high consistently over 8 years.

Over 8 years, the GNPA was ~1.7% and NNPA was ~1.0% which came down from 5.28% and 3.78% respectively (31-March-10)



This is despite the fact that the company was providing finance in a less banked segment. Further the portfolio has been stress tested over three significant events since inception :

a) FY 2010-2014 where there was high inflation, elevated interest rates and sharp Rupee Depreciation,

b) Demonetization (FY16) where 86% of the country's currency was invalidated and

c) GST Implementation (FY17) which affected our target segment directly.

Note: NPA recognition norm migrated to 90 dpd effective from 01 April, 2017.

Section 7: Successful Trajectory of Growth and Profits at Capital First

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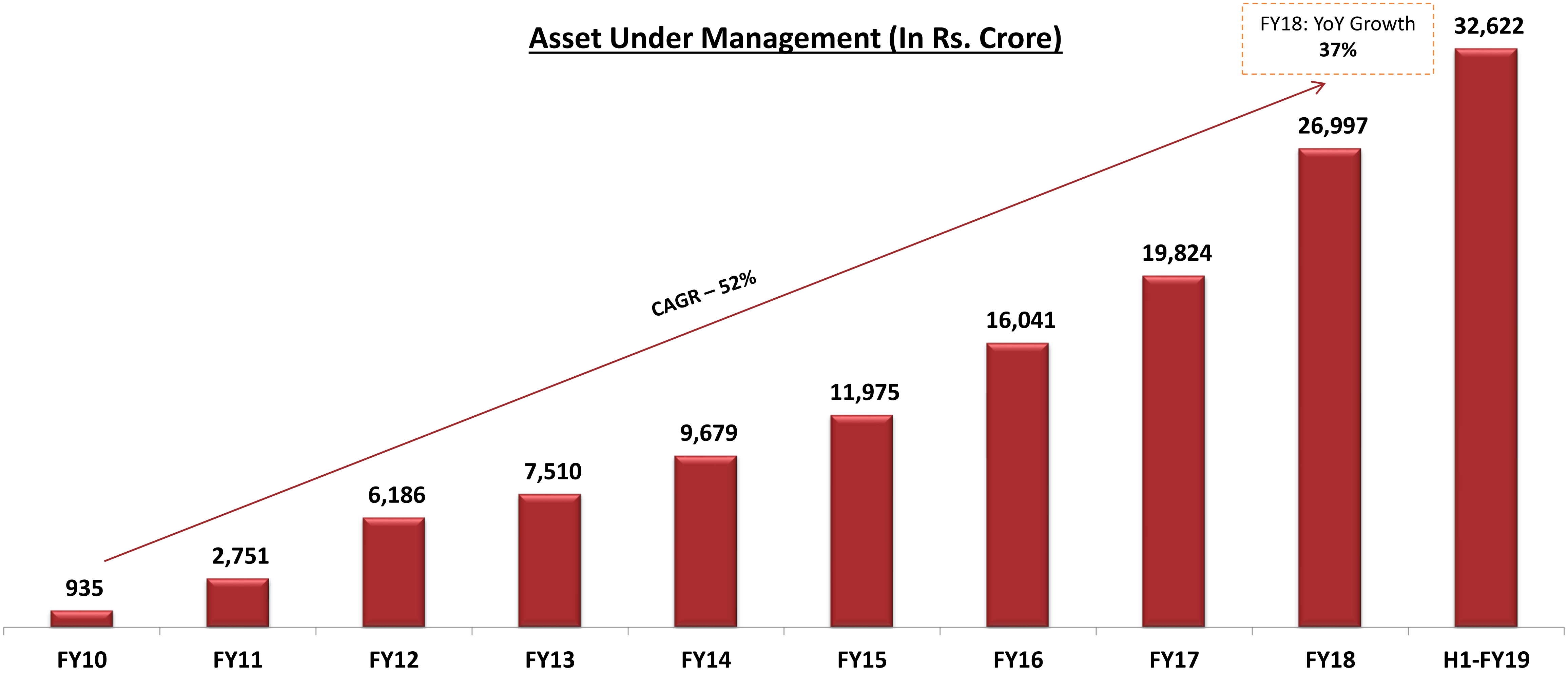

Section 7: Successful Trajectory of Growth and Profits at Capital First

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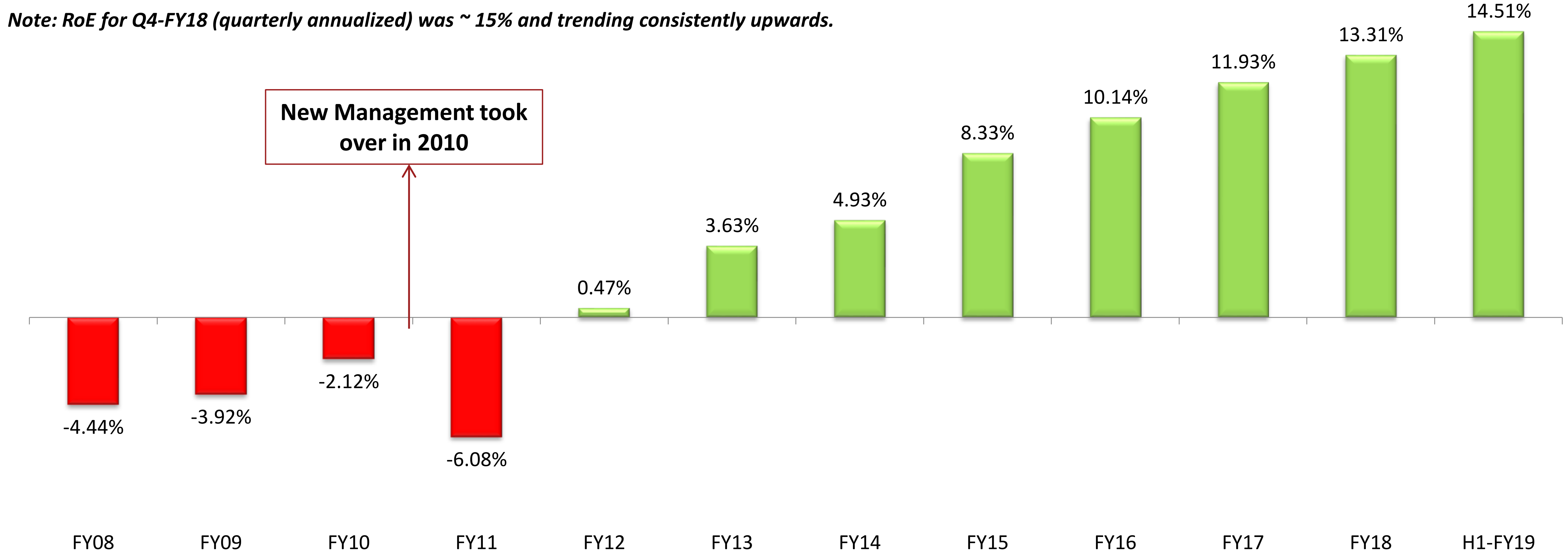
Yearly Return on Equity (%)



Note: FY13 onwards, the Company amortized securitization income. Prior periods are normalized for such items for consistency to arrive at normalized profitability

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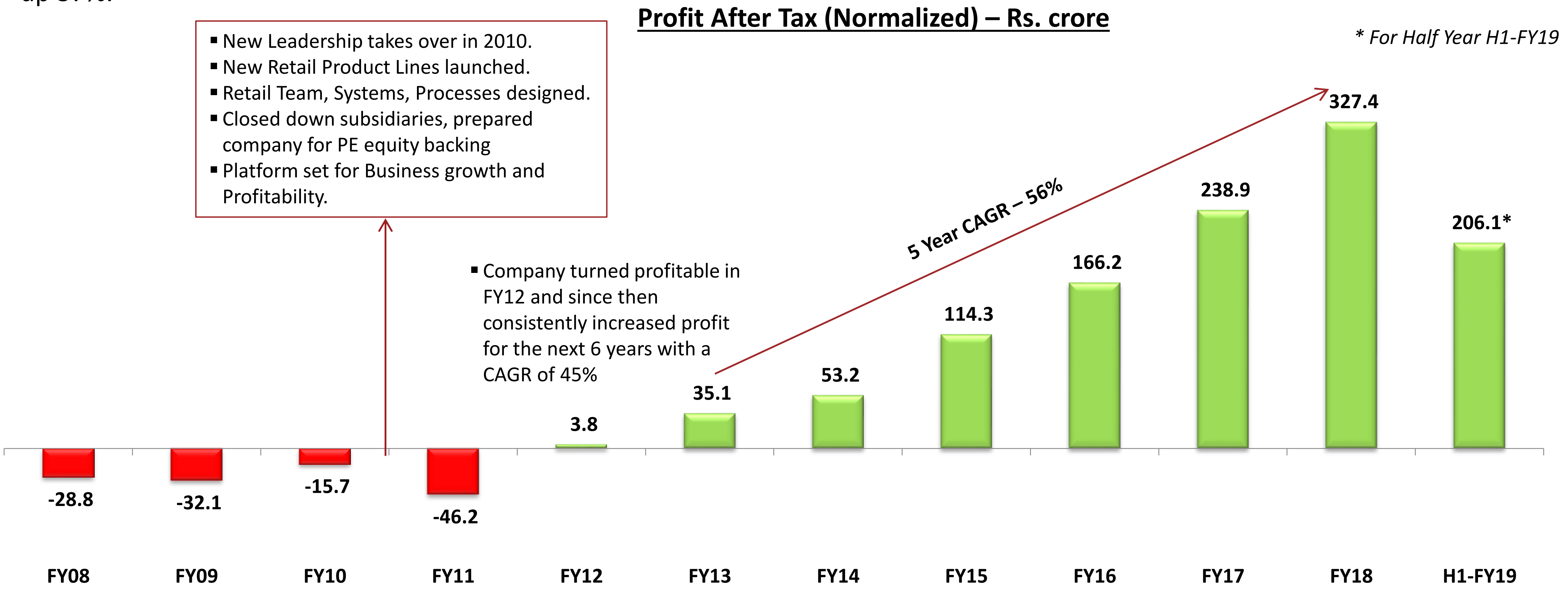
In FY 08 and 09, the Company had made losses. Even after the new leadership took over, for two years the company continued to post losses as the building blocks for new age retail lending were prepared. Once the company turned around and became profitable in FY 12, there was no looking back, Capital First posted a CAGR growth in profits of 56% for last 5 years, latest year profit up 37%.



IDFC FIRST Bank

Section 7: Successful Trajectory of Growth and Profits at Capital First

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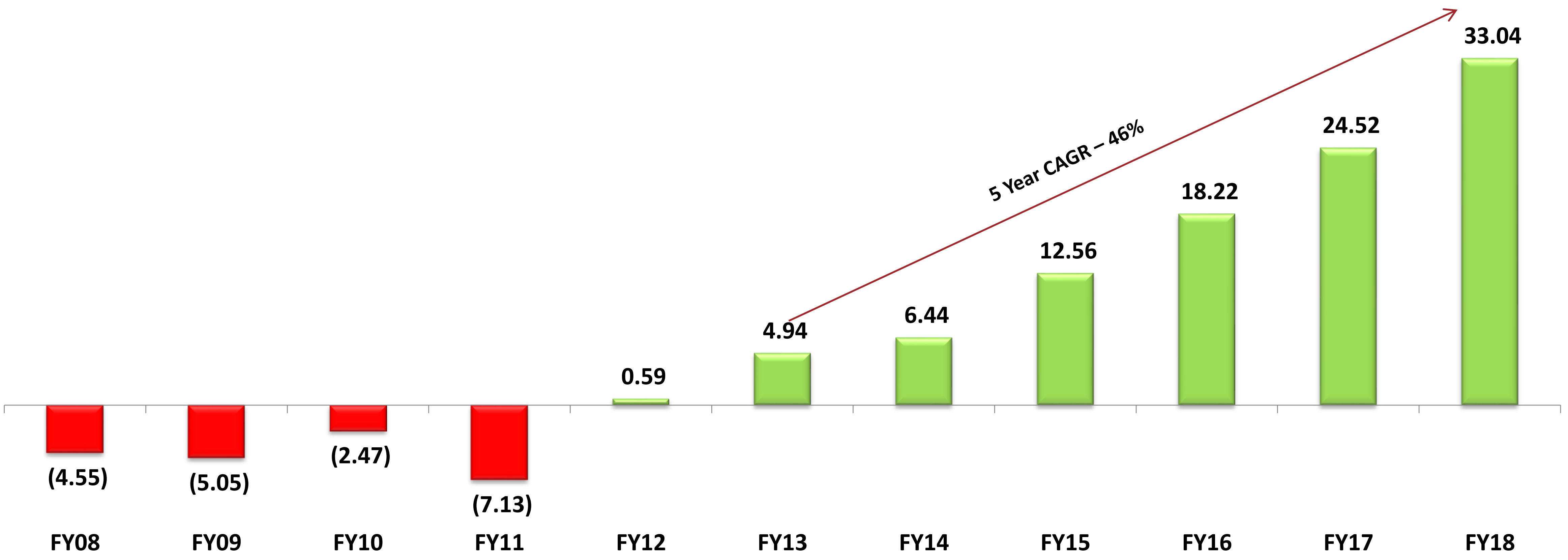
Earning per Share (EPS) has consistently grown at CAGR of 46% in the last 5 years, this created value for all shareholders.

Earning Per Share (Rs.)



Section 7: Successful Trajectory of Growth and Profits at Capital First

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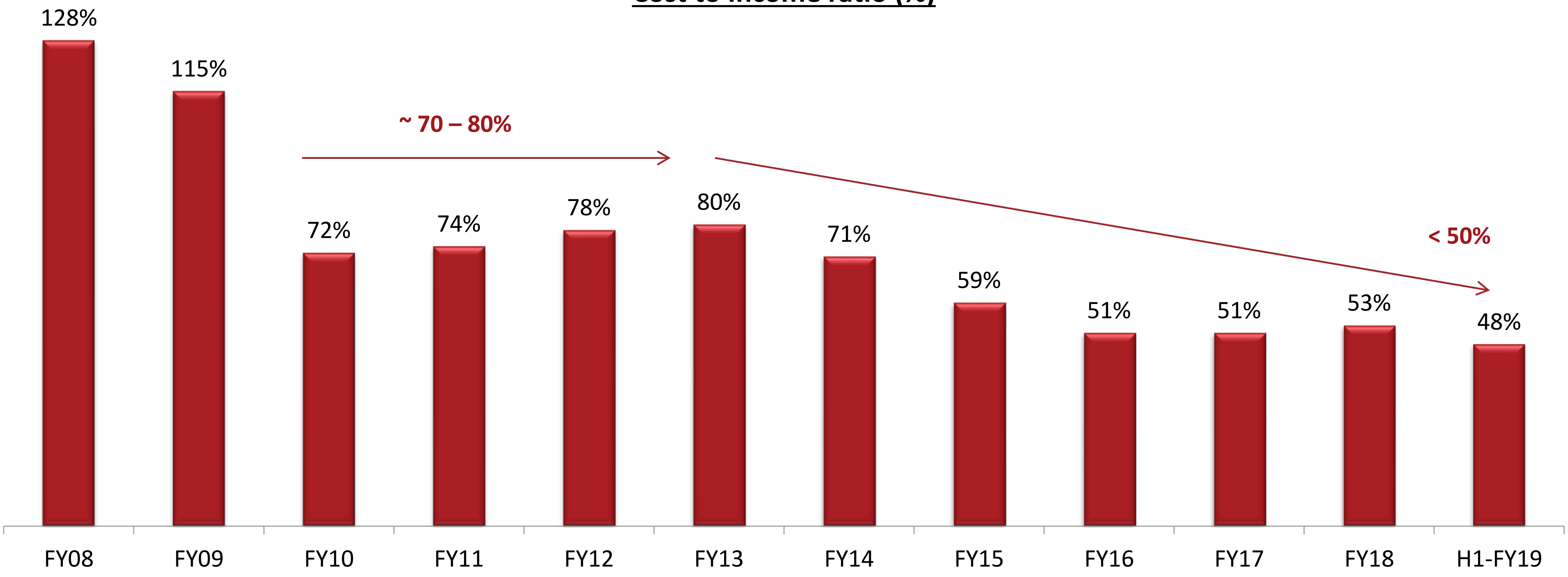
The Cost to Income ratio, which was high at ~130% in the early stages of the company, reduced to <50% once the business model stabilized over the years.

Cost to Income ratio (%)



Section 7: Successful Trajectory of Growth and Profits at Capital First

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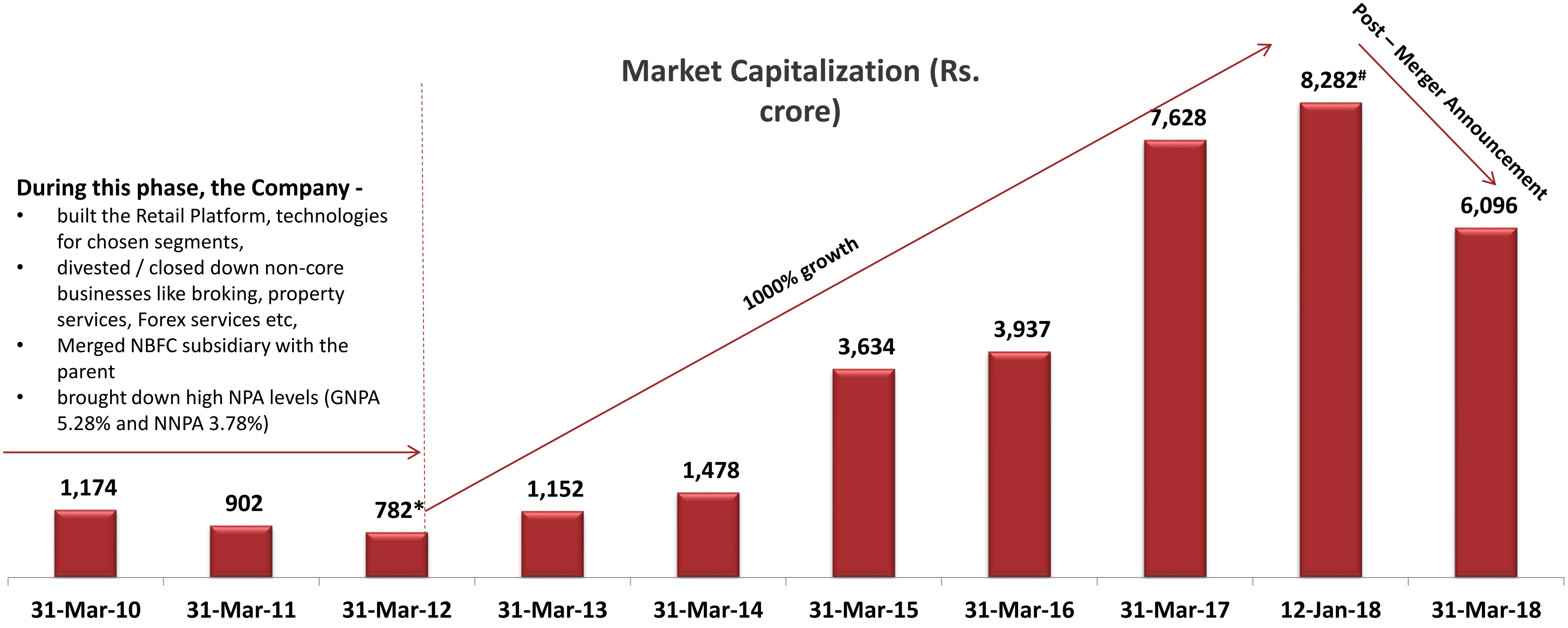
During this phase, the Company -

- built the Retail Platform, technologies for chosen segments,
- divested / closed down non-core businesses like broking, property services, Forex services etc,
- Merged NBFC subsidiary with the parent
- brought down high NPA levels (GNPA 5.28% and NNPA 3.78%)



** Market Cap as on 31-March-2012, the year of Management Buyout*

 # Market Cap on the day before the announcement of merger with IDFC Bank (Jan 13, 2018).

IDFC FIRST Bank

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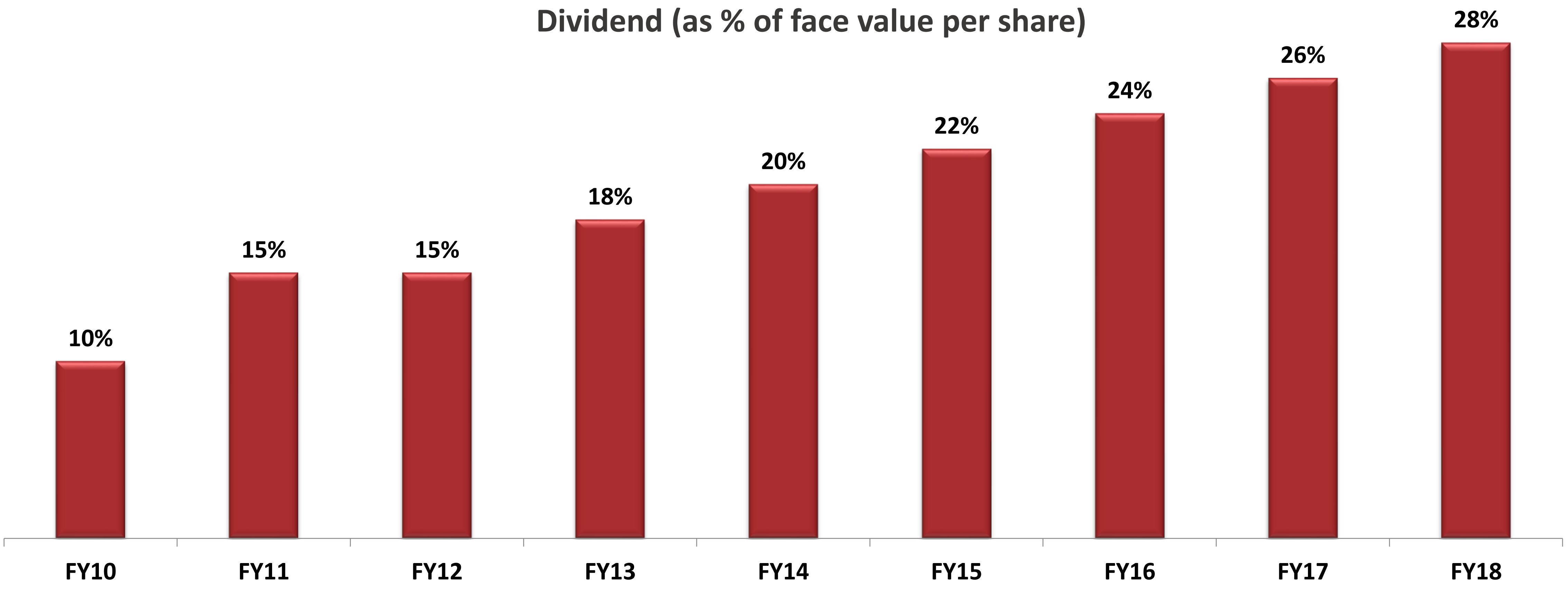
The Company has been steadily increasing dividend pay-out every year starting from 10% in FY10 to 28% in FY18.



In summary, under our stated strategy for the combined entity, **IDFC FIRST Bank**, the same successful model of **Capital First lending business** is now being built on a **Bank platform** from **IDFC Bank**, thus the business becomes more profitable, robust and sustaining because of availability of low cost and more abundant funding.

THANK YOU