



IDFC FIRST Bank | आई डी एफ सी फर्स्ट बैंक

BKC BRANCH

Investor Presentation – Q2 FY24

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## IDFC FIRST Bank Vision

*“To build a **world class** bank in India,  
guided by **ethics**,  
powered by **technology**  
and to be a force for **social good**.”*

# Culture @ IDFC FIRST Bank



"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."

*(Annual Report 2018-19)*



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

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*(Annual Report 2019-20)*



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.



*(Annual Report 2019-20)*

**We advise our product teams to design products in such a way that it is meant to be sold to our "near and dear" ones.**

- **Monthly credits:** We have started "monthly" credit of interest on savings accounts, against the industry practice of Quarterly credits. So, our customers

*(Annual Report 2019-20)*

return on equity, and enjoying international respect and admiration. We aspire to be on that list, and are passionate about building such a bank. We have already sown the seeds for such a bank.

**For a country as large and diverse as India, and a country set to be world's third largest economy by 2030, there are few "world-class" banks in India.**

*(Annual Report 2019-20)*

MD and CEO message to employees and shareholders



# Culture @ IDFC FIRST Bank

**After much debate, we settled in on three themes: Ethical Banking, Digital Banking and Social Good. This also goes well with our vision statement.**

**Coding the DNA:** By making this seal and sharing with employees, we are attempting to code the DNA of our employees. That's because we are an early stage bank and the DNA code we build will affect the long

(Annual Report 2020-21)

**Don't underestimate the power of the 50% CASA Bank with a powerful and tested lending machine attached to it.**

I express our sincere thanks to our regulator the Reserve Bank of India who have constantly guided us on our approach and supported us throughout. Our Board members are

(Annual Report 2020-21)

**We are a universal bank with highly diversified sources of income. Apart from lending, we have launched several other new businesses such as cash management, Trade Forex, Wealth management, toll and transit, credit card business, segmented current accounts, start-up banking, and distribution of insurance and investment products.**

online purchase through a payment gateway and not insist on our product catalogue. Thus we made our rewards

(Annual Report 2021-22)

**We know that we are on to a wonderful model, and I am confident that if we stay the course and play with a straight bat, we will meet all aspirations of investors and other stakeholders. Hence, no matter the pressure, we communicate our strategy to all stakeholders in simple terms, stick to the plan, and deliver on the stated strategy. I am confident that with this approach, results will follow, it's only a matter of time.**

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**GOVERNA**

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(Annual Report 2021-22)

**We will not dilute credit norms to get more business. We are very careful with our portfolio quality and we monitor indicators minutely. We rigorously subject the applications through 10 specific filters. We generally reject about 40-60% of the applications received by us based on product category as part of the above stringent filtration process.**

Now coming to business, let me answer some key questions that may be on your mind.

(Annual Report 2021-22)

**I have always maintained that we are building a world class bank for the longer run and are not rushing it. We tick all boxes except one. We currently don't make the cut on only one count net profits. I believe we will address this issue in FY23 comprehensively.**

working seriously on the same. The cost to income ratio is coming down every year since the merger and will continue to trend materially down from hereon.

(Annual Report 2021-22)


for focussed attention on this matter. She has written a note for us on the initiatives of the bank in this report.

**We believe we will have strong ROE, with the growth potential of a youthful-stage bank and strong technology orientation to leverage the future.**


(Annual Report 2021-22)

MD and CEO message to employees and shareholders


## Culture @ IDFC FIRST Bank

 There is a push from the regulator towards financial inclusion and they insist on high asset quality at the same time. It is more possible to address this paradox today than before because India has created a unique digital infrastructure, including credit bureaus, biometrics, e-KYC...


*(Annual Report 2022-23)*

 We share with our employees that income from customers enters our homes through salary, incentives, or stock appreciation, and hence should be ethically earned. Where we charge, the fee structure should be easy to understand. When explained this way, the rank and file become sensitive about how we design our products, terms & conditions, and how and what they sell.

*(Annual Report 2022-23)*

 We are building a solid foundation for the long run. I request you to be patient and stay with us in the journey of building this institution. If we hurry, we will make mistakes.

*(Annual Report 2022-23)*

 In summary, we are building a world class bank with high levels of corporate governance, good risk management practices, consistent growth of 20-25% with high asset quality, contemporary technology, customer friendliness, a positive work culture and can reach high teens ROE in a sustainable manner. We are making steady progress in this direction.

*(Annual Report 2022-23)*

MD and CEO message to employees and shareholders

## Section 2: Financial Highlights – Q2 FY24



# Bank At a Glance, as of September 2023

## Loans & Advances<sup>1</sup>

US\$ 22,077 Mn (26% YoY) ▲



## Customer Deposits

US\$ 19,847 Mn (44% YoY) ▲



## Diversification

Retail Deposits **77%** of customer deposits



## CASA Ratio

46.4%



## Asset Quality (Overall Bank level)

GNPA% : 2.11% | NNPA% : 0.68%

## Asset Quality (Retail, Rural & SME)

GNPA% : 1.53% | NNPA% : 0.52%



## Core Operating Income<sup>2</sup> (H1-FY24)

US\$ 1,254 Mn (37% YoY) ▲



## Core Operating Profit<sup>2</sup> (H1-FY24)

US\$ 347 Mn (41% YoY) ▲



## Profit After Tax (H1-FY24)

US\$ 183 Mn (47% YoY) ▲



## Return on Assets (H1-FY24)

1.20% (H1-FY23 - 1.02%)



## Return on Equity (H1-FY24)

11.36% (H1-FY23 - 9.54%)



## Capital Adequacy

18.06%<sup>3</sup>

<sup>1</sup> Note: Total Loans & Advances (including credit substitutes) are Net of IBPC; <sup>2</sup> Excluding Trading Gains;

<sup>3</sup> Includes the fresh equity capital raise of US\$ 361 Mn in first week of Oct 2023; excluding this, reported Capital Adequacy was 16.54% as of Sep 30, 2023

US\$ amounts are converted based on exchange rate of US\$ 1 = Rs. 83.00



## Key Financial Highlights of Q2 FY24

Area	Key Parameters	Q2 FY23	Q2 FY24	Growth (%/bps)
Assets	Loans & Advances <sup>1</sup>	US\$ 17,513 Mn	US\$ 22,077 Mn	26% ▲
Deposits	Customer Deposits	US\$ 13,735 Mn	US\$ 19,847 Mn	44% ▲
	CASA Ratio (%)	51.28%	46.41%	-487 bps ▼
Asset Quality	GNPA (%) – Bank level	3.18%	2.11%	-107 bps ▼
	NNPA (%) – Bank level	1.09%	0.68%	-41 bps ▼
	Provision Coverage Ratio - Bank	76.49%	84.09%	760 bps ▲
	GNPA (%) – Retail, Rural & SME	2.03%	1.53%	-51 bps ▼
	NNPA (%) – Retail, Rural & SME	0.73%	0.52%	-21 bps ▼
Profitability	Profit/(Loss) After Tax	US\$ 67 Mn	US\$ 90 Mn	35% ▲
	RoA%	1.07%	1.16%	10 bps ▲
	RoE%	10.13%	11.03%	90 bps ▲
Capital	Capital Adequacy Ratio (%)	15.35%	18.06% <sup>2</sup>	271 bps ▲

1. Note: Total Loans & Advances (including credit substitutes) are Net of IBPC;

2. Includes the fresh equity capital raise of US\$ 361 Mn in first week of Oct 2023; excluding this, reported Capital Adequacy was 16.54% as of Sep 30, 2023

US\$ amounts are converted based on exchange rate of US\$ 1 = Rs. 83.00

## **Section 3: Our approach to building IDFC FIRST Bank**



## Background

- IDFC Limited, a reputed Domestic Financial Institution, was awarded a commercial banking license and thus set up IDFC Bank. As part of this process, IDFC Limited transferred its corporate/infrastructure loan assets, infrastructure bonds, institutional borrowings and other liabilities to IDFC Bank.
- IDFC Bank looked out for a profitable retail franchise to merge with to diversify away from Infrastructure and Corporate Loans.
- Capital First Limited, was an NBFC that specialized in Retail & MSME financing based on new technologies. The company grew from US\$ 11.3 Mn in 2010 to US\$ 3,855 Mn in March 2018. It had a NIM of 8.0%. Capital First had grown the loan book at a 5 year CAGR of 29%, had maintained high asset quality of GNPA of 2% and NNPA 1%, and had grown profits at a 5 year CAGR of 56%. Capital First was looking for a commercial banking license.
- The two entities merged for their respective reasons and thus IDFC FIRST Bank was created in December 2018.
- On merger the Bank had the following issues. As per the financials of 31st December 2018:
  - a) *We had a low CASA at 8.68%.*
  - b) *Our total deposits & borrowings were US\$ 15,588 Mn, of which only US\$ 1,253 Mn (8.04%) were retail Deposits.*
  - c) *Our reported annualized NIM was low at 1.9% because of the Infrastructure DFI background.*
  - d) *The Bank had large and concentrated exposure in infrastructure and corporate Loans.*
- Between FY 19-FY 24, the bank has addressed almost all issues including (a) Troubled infrastructure assets (exposure reduced from US\$ 2,585 Mn to US\$ 404 Mn), CASA (grown to 46%), and profitability (FY 23 PAT of US\$ 294 Mn).
- With a strong foundation, the Bank now looks forward to sustained growth with profitability from here on.

## Our approach to building IDFC FIRST Bank (1/3)

### Safety First

In December 2018, when our Bank merged with Capital First, both institutions were asset focused firms with no retail liabilities, hence 91% of our liabilities were institutional.

To address this, we prudently slowed down the loan growth to CAGR of only 5.1% for 3 years, and instead focused on increasing our retail deposit base. This approach has been successful and retail deposits are now 77% of our customer deposits.

This approach of safety first helped strengthen the Bank's liability franchise and CASA ratio.

### Culture : Ethical

The Bank believes income earned unethically is not worth earning. The Bank prioritizes ethics in all its dealings and in its product design. Accordingly, it designs all products with a "Near and Dear" Test, so that the employees of the Bank serve only such products they'd want to serve to their own loved ones.

### Capital

The bank is well capitalized for growth with capital adequacy (including profits) of 16.54% (September 30, 2023). Bank raised US\$ 361 Mn of fresh equity Capital in October 2023. Including the same, the total capital adequacy ratio would be 18.06% with CET-1 ratio at 15.01%.



## Our approach to building IDFC FIRST Bank (2/3)

### High Asset Quality

In retail we have a track record of 12 years of maintaining our Gross NPA and Net NPA at around 2% and 1% respectively. During this period we have experienced multiple stress-tests, including economic slowdown (2010-2014), Demonetization (2016), GST implementation (2017), ILFS crisis (2018), Covid (2020-21) but our portfolio asset quality has remained high. Currently, our Gross NPA is 1.53% and Net NPA is 0.52% (September 30, 2023)

### Strong Profitability

Despite significant setup investments in our bank to address the issue of CASA and retail deposits, we've seen a strong rise in our PAT since the merger, increasing from near-zero to US\$ 294 Mn in FY23. In H1-FY24, the Bank has posted PAT of US\$ 183 Mn. This is largely due to our strong incremental profitability.

### Technology

The bank is committed to investing in a modern and adaptable technology architecture that will support its future growth. This investment includes developing advanced capabilities for all areas of the Universal Bank such as controls, deposits, assets, cash management services, wealth management, an advanced app etc.

## Our approach to building IDFC FIRST Bank (3/3)

### Corporate Governance

Our Bank has a distinguished Board of Directors comprising eminent, highly qualified, and extensively experienced individuals. All committees, with the exception of CSR, are led by independent directors.

We respect the independence of control functions including risk, compliance, audit and financial controls. We believe they play an important role in building the organization and they are not given any business responsibilities.

### ESG and CSR

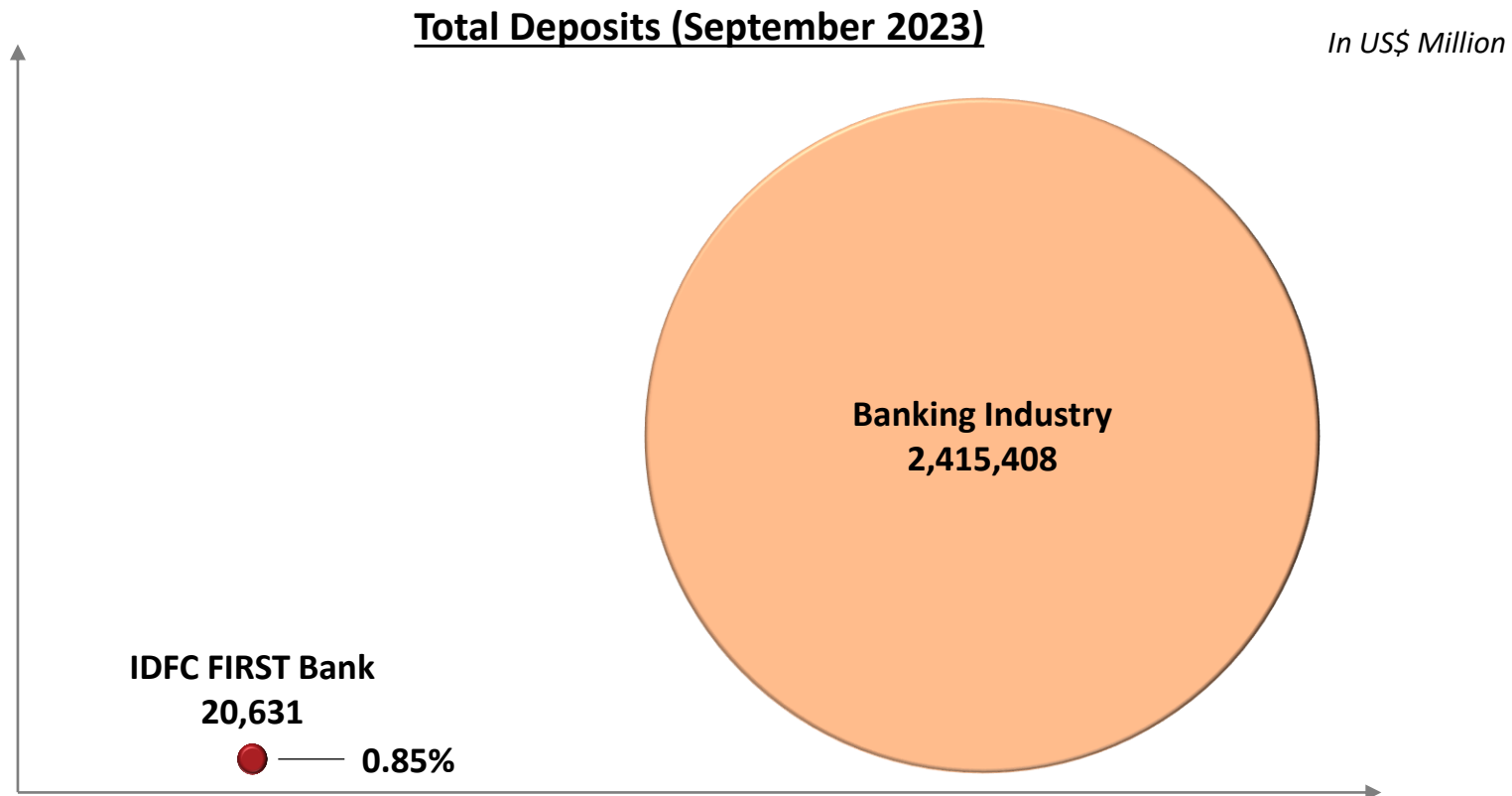
We are committed to the cause of ESG. Our businesses are naturally aligned towards social good. We maintain high levels of Corporate Governance. We are making specific efforts on the Environment front in terms of going paperless, investing in green branches and offices, rationalizing travel etc.

## Section 4: Market Opportunity



## Market Opportunity (Deposits)

- Total Deposit for all scheduled banks in India currently is US\$ 2,415 Billion which is growing at 13.3% YOY as per the RBI data (06-Oct-2023)
- IDFC FIRST Bank is 0.85% of the overall bank deposits and has significant room for growth going forward.

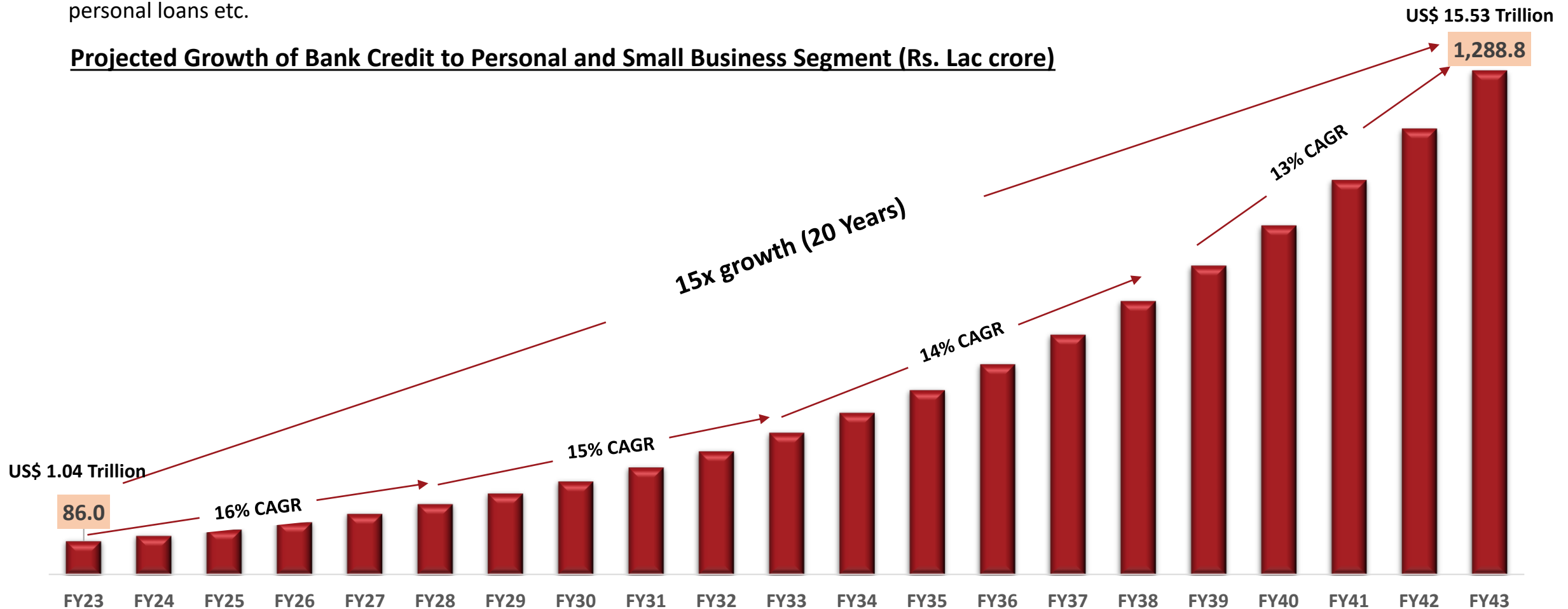




## Market Opportunity (Retail, Rural & SME Loans)

Personal credit in India has grown by 15-20% in the last 5 years. Personal Credit to GDP in India is only 19% which has significant room for growth going forward along with rural finance and small business credit. Retail credit refers to credit availed for personal use like home loans, vehicle loans, personal loans etc.

### Projected Growth of Bank Credit to Personal and Small Business Segment (Rs. Lac crore)

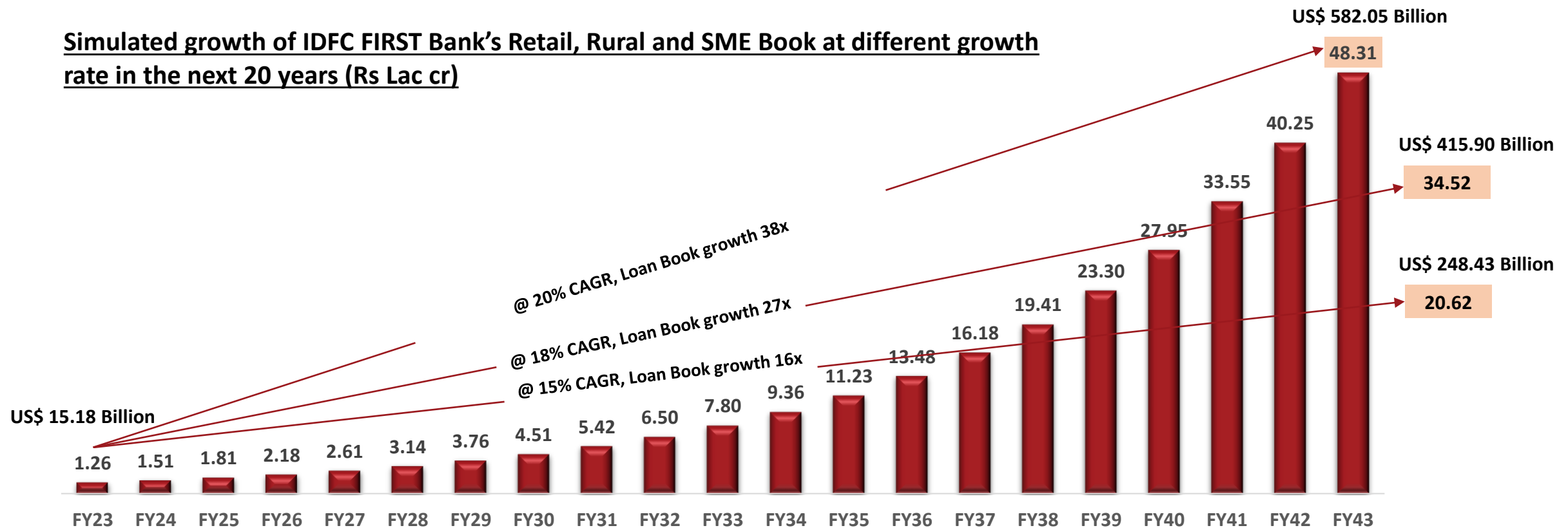


Source: RBI data on sectoral credit deployment, Internal Estimate, CIBIL Bureau data

## Retail, Rural & SME Loans: Growth Opportunity for IDFC FIRST Bank

IDFC FIRST Bank has built the requisite capabilities with continuous innovation going forward for capturing this large opportunity provide by the Indian Banking Credit for the Personal and SME business segments

### Simulated growth of IDFC FIRST Bank's Retail, Rural and SME Book at different growth rate in the next 20 years (Rs Lac cr)



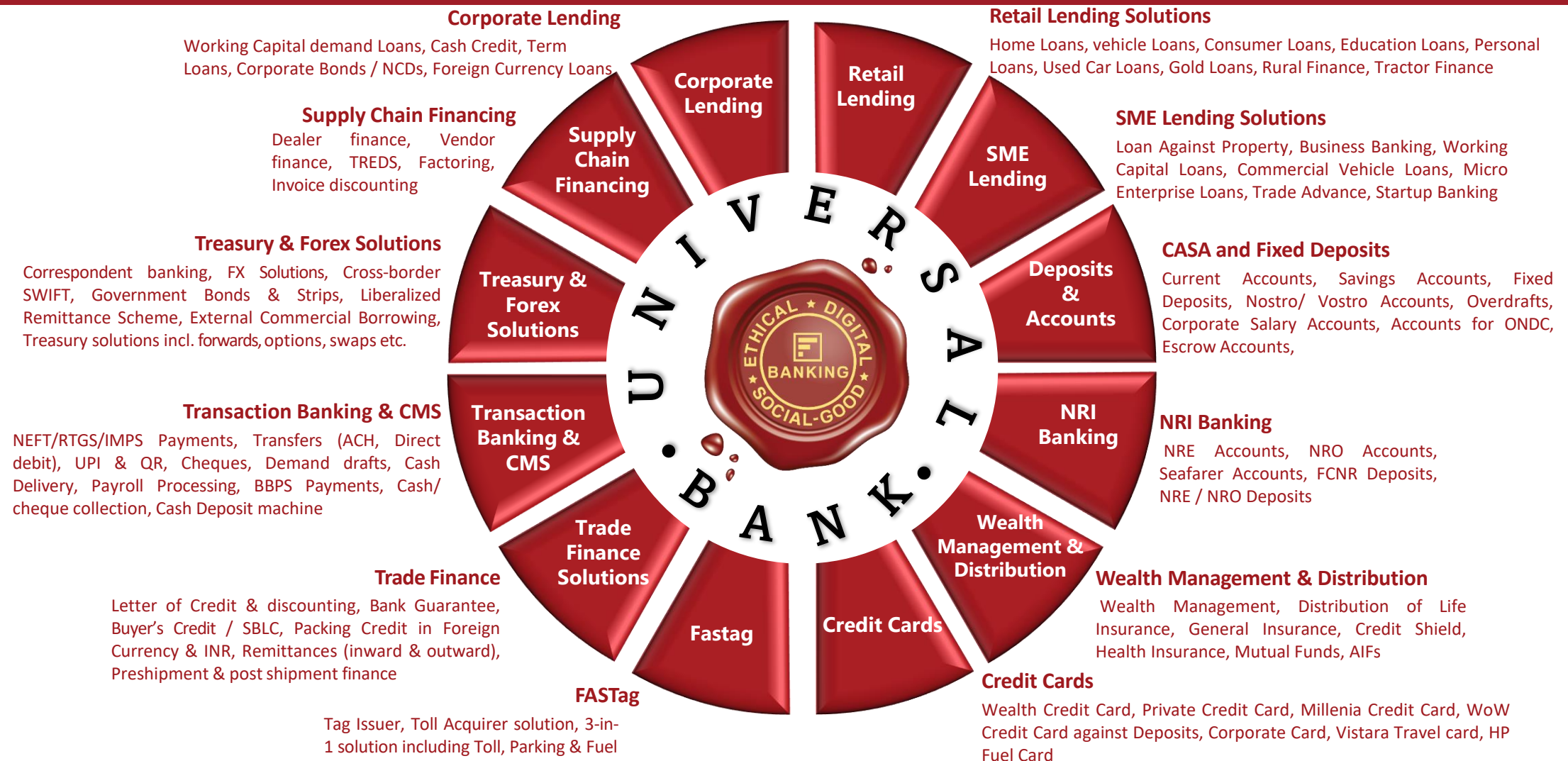
## Section 5: Products and Services

**Wide range of Fund and Non-Fund Based Products:**

*The Bank launched many new products and services in building a strong, sustainable, diversified deposit and asset franchise power by digital innovations*



# The Bank has developed a wide Product Suite of a Universal Bank





# The Bank has a wide bouquet of products for consumers, MSMEs and Corporates

**Retail Banking:** For salaried & self-employed individuals, the Bank provides various products to fulfill different financial needs across urban and rural India.

Prime Home Loans



Car Loans



Personal Loans



Consumer Durable Loans



Affordable Home Loans



Education Loans



Credit Cards



Two Wheeler Loans



JLG Loans - Microfinance



Gold Loans



Agri / Farmer Loans



Tractor Loans



**SME Banking:** The bank provides a wide range of solutions including working capital and business loans for businesses.

Loan against Property



Business Loans



Commercial Vehicle



Micro Business Loans



Professional Loans



Business Banking



**Corporate Banking:** Comprehensive funded and non-funded product solutions for Corporate customers

Working Capital Loans



Trade Finance, Forex & CMS Solutions



Term Loans



# The Bank has a wide range of Current and Savings Account Offerings



**FIRST Booster Current Account**

- Targeted for **SMEs and Entrepreneurs**
- **Auto - Sweep funds into a FD** above 2 lacs balance in the current account
- **No pre-mature breakage penalty** for breakage of FDs
- **Nil average monthly balance requirement;**
- Free VISA Platinum Debit Card with unlimited ATM transactions at IDFC FIRST Bank ATM; Free UPI QR and bulk payment; Complimentary doorstep banking; Zero transaction charges through NEFT/RTGS/IMPS



**Other Current Account Products**

- **Merchant Multiplier account** with specific proposition for merchants,
- **Startup Current Account** for new age startups,
- **TASC Institutional Account** for specific needs of Trusts, Associations, Societies, Clubs, Educational Institutions, Hospitals
- **World Business Accounts** for the corporates with domestic & internal trades etc,
- **Agri Multiplier Account** for needs of Agri-based commodity traders



**Savings Account Products**

- Savings accounts with attractive interest rates, **health benefits, doorstep banking, higher insurance** limits
- **Zero charges** for 28 services in its savings account customers with minimum balances as low as Rs. 10,000
- Savings account propositions for **Senior Citizens, Entrepreneurs, Defence Officials, Corporate Salary account holders**



**NRI Banking Products**

- Rupee denominated **NRE accounts, NRO Accounts** to its NRI customers; **Seafarer Accounts** for Marine Professionals with ease of use and contemporary banking app
- Fixed deposit offerings to its NRI customers like **NRE & NRO Deposits, FCNR Deposits** and **Max Returns FD (INR)**

# Our Digital Initiatives

*Significant traction on electronic platforms*



**RTGS & NEFT**  
payments through CMS  
solutions up by **11% YoY (vol.)**



**95%**  
Of the overall  
transactions are  
digital



**Ranked 3<sup>rd</sup>**  
**Bharat Bill Payment**  
**System (BBPS):** amongst  
30 biller operating units



**UPI value:** Growth of ~63%  
over the last year



- IDFC FIRST Bank has been chosen as one of the first 8 Bank to conduct pilot of **Central Bank Digital Current (CBDC)**.
- The Bank has already recorded many Retail & Wholesale transactions through **CBDC**.



**15.0 mn+**  
FASTag issued since  
launch



**Credit Card Spends**  
**(H1FY24):**  
Growth of 64% YoY



**1.9 mn+**  
Credit cards issued since  
launch in January 2021



**POS Transactions (Q2FY24):**  
**(Vol): 30% growth YoY**  
**(Value): 29% growth YoY**

# India's FIRST FASTAG with Triple Benefits – Toll, Fuel and Parking

## Largest Issuer bank

IDFC FIRST is the largest issuer among 38 Issuer banks in NETC with respect to FASTAG monthly activation numbers and value processed. IDFC FIRST Bank issuance business crossed 15.0 Million FASTAGS.

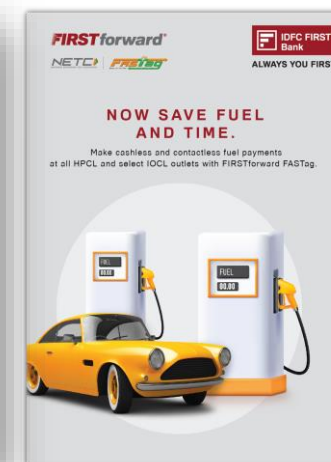
## Largest Acquirer Bank

Largest Acquirer Bank with 530+ Toll plaza and parking merchants.

## Issuance Value

Issuance value has reached Rs. ~58 crore per day in Sep 2023

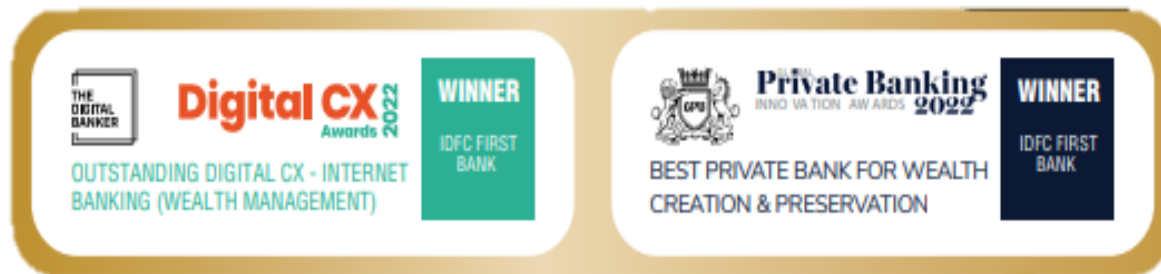
**IDFC FIRST Bank Credit Card** customers can now link their card with IDFC FIRST FASTAG and enjoy seamless **auto recharge**





## Wealth Management AUM up 47% YoY to US\$ 1,407 Million

- 1 **Assisted Transactions:** Digitally assisted transaction execution for Mutual Funds
- 2 **Investment Dashboard:** Assets managed by RM, including Product & Asset-Class split
- 3 **Held-away Portfolio** - to track client's non-IDFC First portfolio along with in-house portfolio
- 4 **Actionable insights:** FD/SIP maturity, customer cash-flows, birthday reminders, asset allocation, sectoral exposure
- 5 **Portfolio Analytics:** Customer portfolio drill down with Asset-class wise holdings & Capital Gain Reports
- 6 **Investment Ideas:** Risk adjusted curated portfolios, product discovery via collections & filters
- 7 **Goal Based Investing:** Goal creation, implementation and progress tracking
- 8 **Detailed Product Information:** scheme performance, risk profile suitability & minimum investment details
- 9 **Digital Bancassurance Platform (1<sup>st</sup> Bank in India):** Seamless assisted insurance digital journeys launched for Life Insurance products
- 10 **Digital Journeys for Government Insurance & Pension schemes:** Offering an end-to-end digital purchase experience for PMSBY, PMJJBY & APY



*Investment Workbench can now be accessed by RMs over the internet from their bank supported devices*

## **Section 6: Deposits and Borrowings**

- a. CASA Deposits**
- b. Customer Deposits**
- c. Total Customer Deposits**
- d. Summary of Deposits and Borrowings**
- e. Legacy High-Cost Borrowings**



## IDFC FIRST Bank – Drivers for Deposit Growth

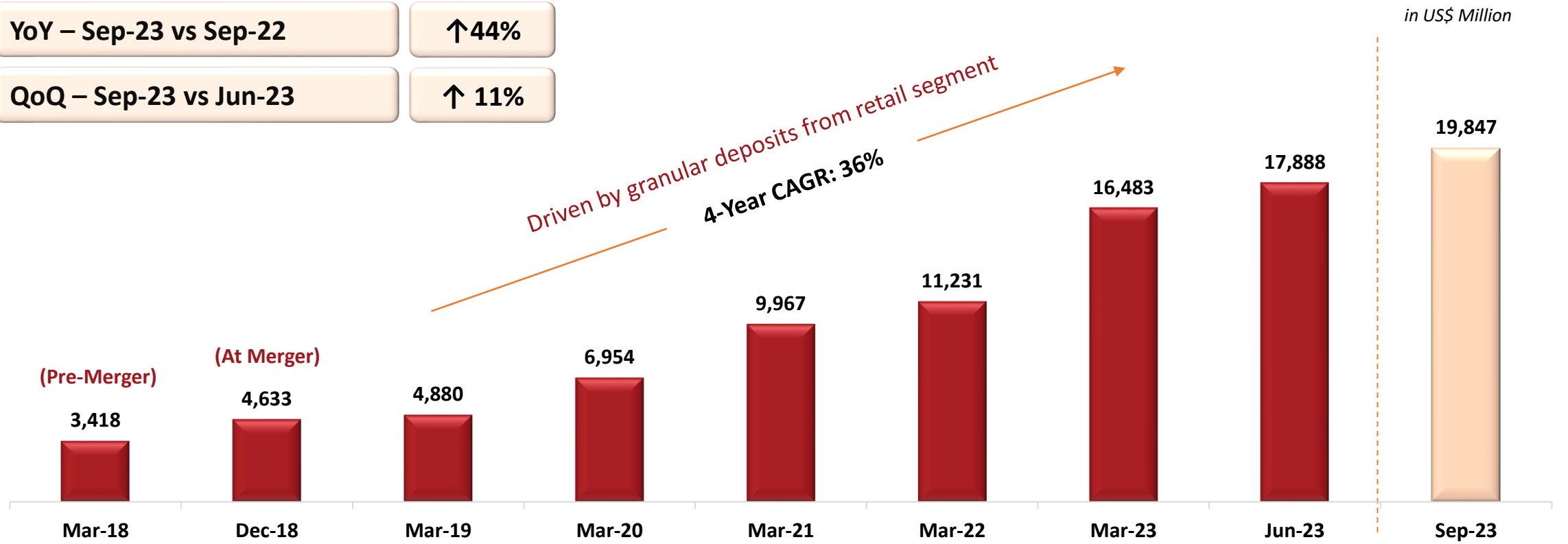
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The Bank has built strong capabilities to consistently grow its Deposit Franchisee. Some of the key factors are mentioned below -

- IDFC first bank is seen as an 'Institution'
- High focus on customer service
- Customer friendly and attractive product propositions
- Strong Digital capabilities
- Ethical Banking
- High level of corporate governance

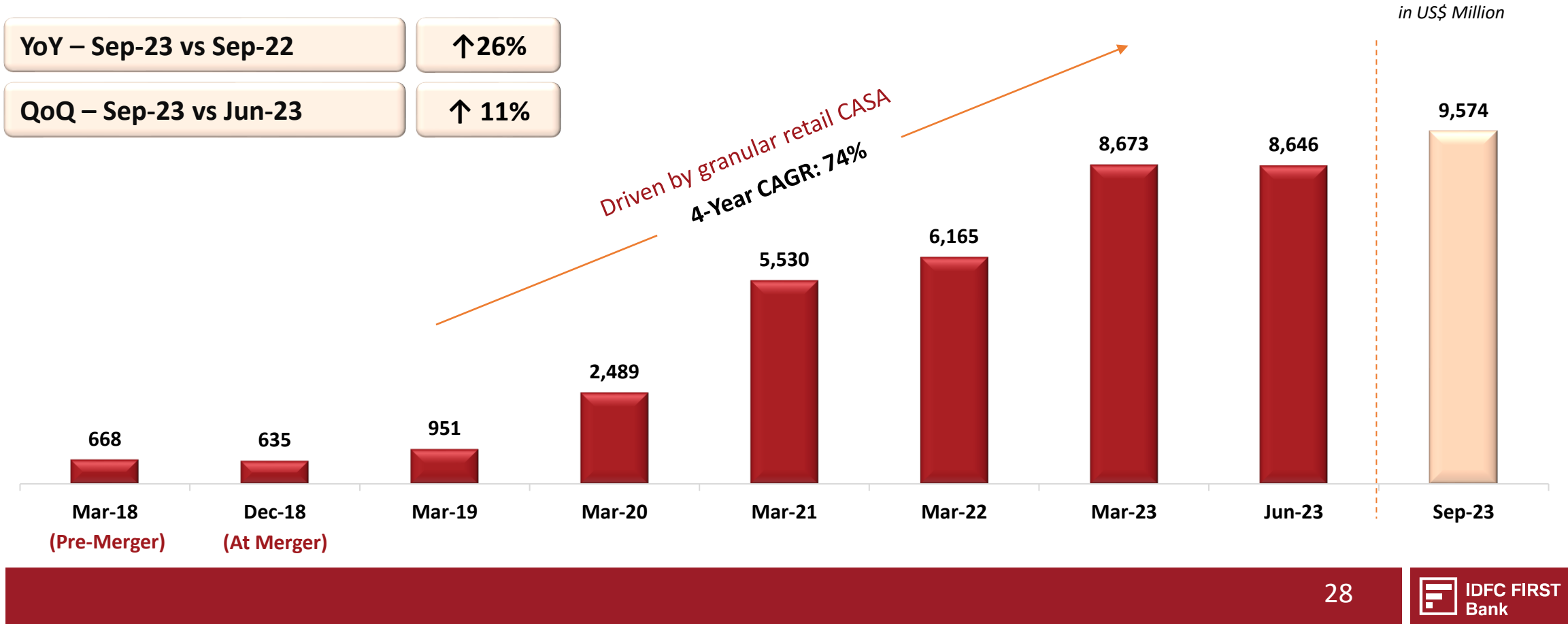
# Deposits: Strong growth in Total Customer Deposits

- Total Customer Deposits (Retail Deposits + Wholesale Deposits) has grown strongly by 4 Year CAGR (Mar-19 to Mar-23) of 36%.



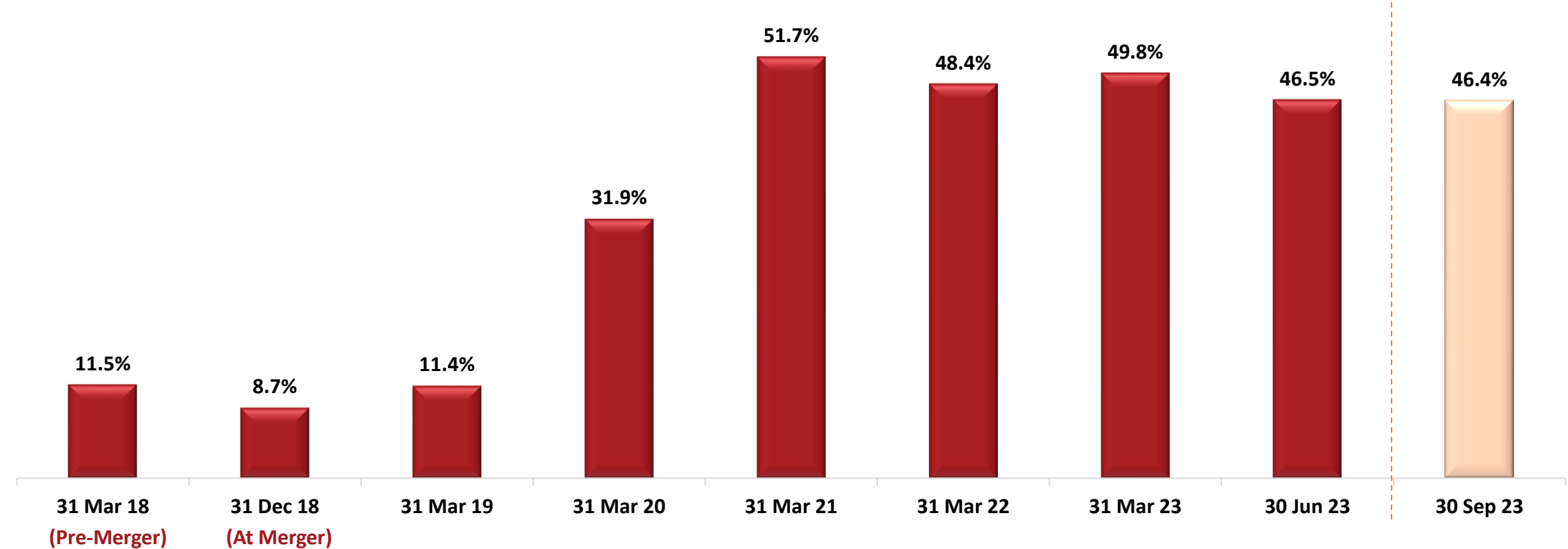
# CASA Deposits - Bank has a demonstrated capability to grow CASA deposits

- The bank has reduced interest rates on savings account to only 3% for balances upto Rs. 1 lac.
- The CASA deposit growth continues to be strong, growth of 26% YOY as of 30 September 2023.



# CASA Ratio at 46.4%

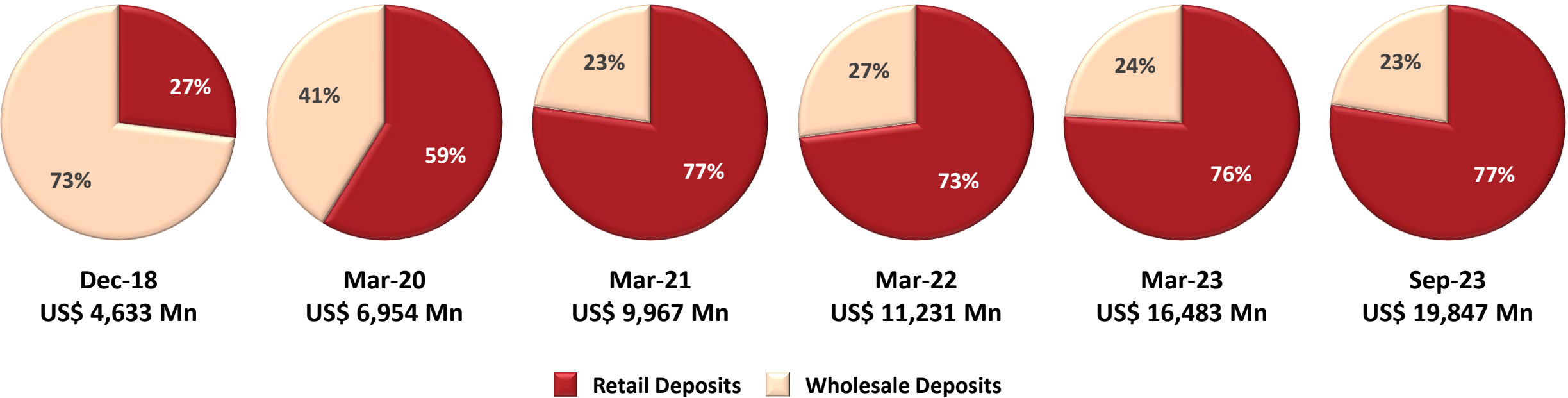
- CASA Ratio stable at 46.4% as of September 30, 2023.
- Average Daily Balance CASA Deposits for the bank grew by 27% YoY during the first half of the year.



# Bank has a highly Diversified liabilities base with 77% Retail Customer Deposits

- The Bank has transformed the liability profile in 4 years from wholesale to retail, in order to diversify the deposit base.
- The Retail wholesale Deposits mix has changed from **27 : 73** in Dec-18 to **77: 23** in Sep-23.
- Strong growth of 50% YoY in retail deposits has significantly reduced dependency of the Bank on the wholesale deposits.
- Certificate of Deposits (short term money) has come down from US\$ 3,464 Mn as of Mar 31, 2019 to US\$ 784 Mn as of Sep 30, 2023.

Overall Customer Deposits





## Deposits & Borrowings Details

The Bank has grown its deposits by 44% YOY driven by the retail deposits which was utilized for growth of assets and repayment of the legacy borrowings. Borrowings (excluding money market borrowings) reduced by 11% YOY.

Particulars (in US\$ Million)	Sep-22	Jun-23	Sep-23	YoY growth
Legacy Long Term Bonds	784	741	738	-6%
Legacy Infrastructure Bonds	933	831	712	-24%
Refinance	2,423	2,399	2,252	-7%
Other Borrowings	572	518	134	-77%
Tier II Bonds	181	542	542	200%
<b>Total Borrowings (A)</b>	<b>4,893</b>	<b>5,031</b>	<b>4,378</b>	<b>-11%</b>
CASA Deposits	7,627	8,646	9,574	26%
Term Deposits	6,108	9,242	10,272	68%
<b>Total Customer Deposits (B)</b>	<b>13,735</b>	<b>17,888</b>	<b>19,847</b>	<b>44%</b>
Certificate of Deposits (C)	1,137	717	784	-31%
Money Market Borrowings (D)	1,932	1,685	2,027	5%
<b>Borrowings &amp; Deposits (A) + (B) + (C) + (D)</b>	<b>21,697</b>	<b>25,321</b>	<b>27,036</b>	<b>25%</b>
<b>CASA Ratio (%)</b>	<b>51.3%</b>	<b>46.5%</b>	<b>46.4%</b>	<b>-487bps</b>
<b>Average CASA Ratio % (On Daily Average Balance for the Quarter)</b>	<b>49.2%</b>	<b>45.7%</b>	<b>45.0%</b>	<b>-420bps</b>

## Bank continues to successfully run down the legacy high cost long term borrowings

In US\$ Million	Balance						RoI (%)
	As on Sep-22	As on Sep-23	H2-FY24	FY25	FY26	Beyond FY26	
Infrastructure Bonds	933	712	0	611	101	0	8.94%
Long Term Legacy Bonds	784	738	158	148	433	0	9.11%
Other Bonds	288	133	42	15	36	40	8.95%
Refinance	459	224	112	112	0	0	8.25%
<b>Total</b>	<b>2,464</b>	<b>1,807</b>	<b>312</b>	<b>886</b>	<b>570</b>	<b>40</b>	<b>8.92%</b>

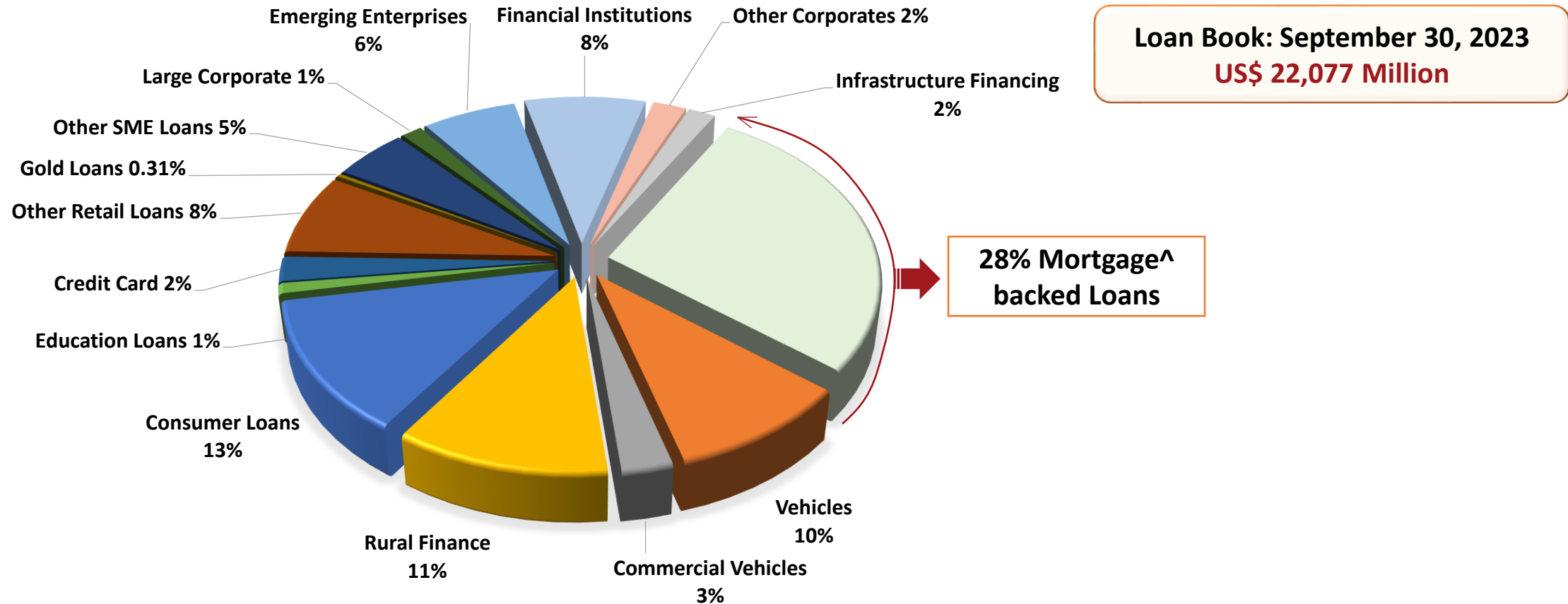
- Because we have a DFI background, the legacy borrowings are costing the bank 8.92%. The Bank plans to replace this with low-cost deposits.
- To simulate, if the Bank had replaced all high-cost legacy borrowings with the current cost of funds, the return on equity (annualized) for Q2-FY24 would be higher by ~100 bps.

## Section 7: Loans & Advances

**Bank has a well diversified Credit Portfolio**



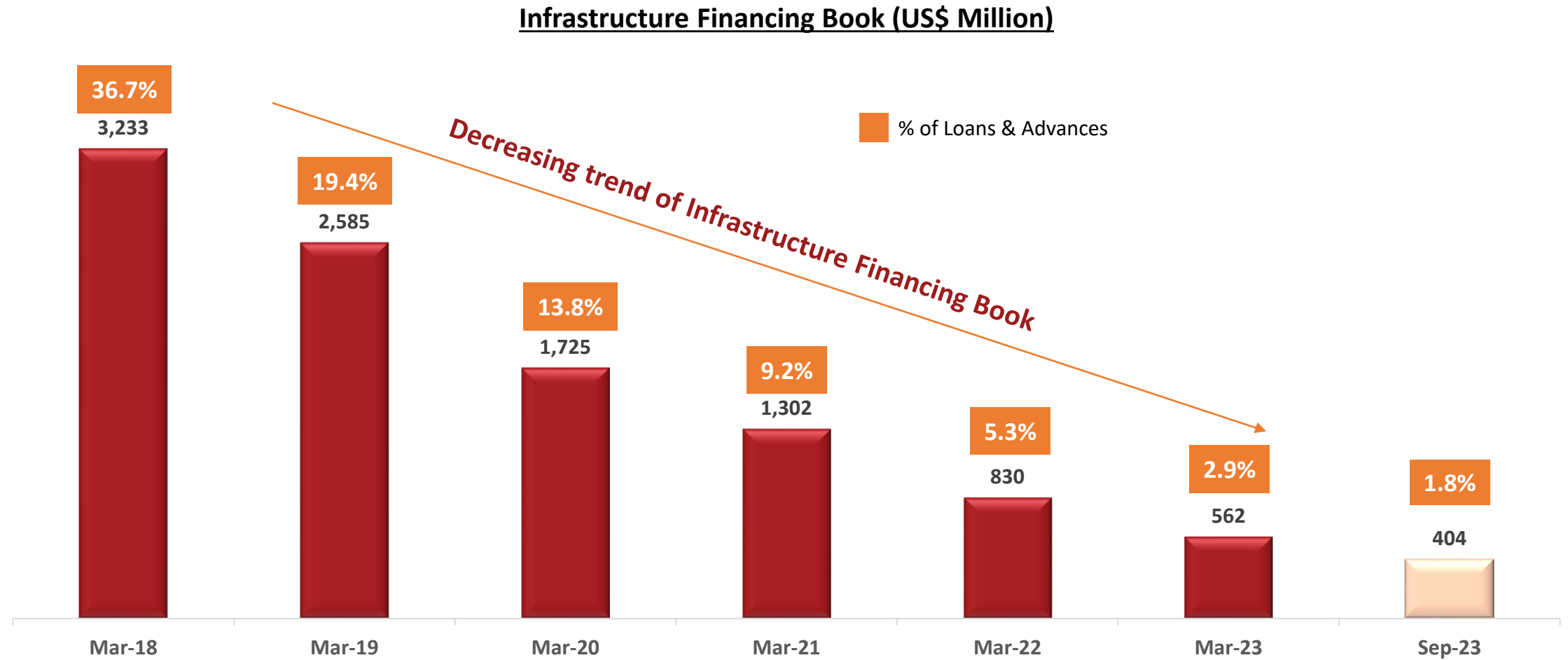
## The Bank has diversified its loan book across more than 20 business lines



<sup>^</sup> Mortgage constitutes 12% Home loans, 12% Loan Against Property, 3% Business Banking loans and 1% KCC.

- Other SME Loans consists of Loans to small business owners and entrepreneurs through products like business installment loans, micro business loans, trade advance etc with most loans < Rs. 5 crore.
- Loans & Advances are net of IBPC and include advances & credit substitutes; Consumer Loans include personal loans, and consumer durable loan.
- Other Retail Loans include digital lending, revolving credit, retail portfolio buyout etc.
- Commercial Vehicles Financing includes Construction Equipment

## Bank has run down Infrastructure Project financing Book to below 2% of funded assets



## Section 8: Risk Management & Asset Quality

### a. Break-down of NPA across Business Segments

#### b. Retail, Rural & SME Finance

*i) Risk Management Funnel*

*ii) Underwriting Processes*

*iii) Trend of Bounce rates*

*iv) Trend of collection efficiency*

*v) SMA (1+2)*

*vi) Trend of NPA Ratios*

*vii) Product wise NPA Ratios as of 30 September 2023*

#### c. Wholesale Banking

*i) Underwriting process*

*ii) Risk Management*

### d. Provision Coverage Ratio

### e. Net Stressed Assets

## The Bank has developed unique capabilities for Risk Management

### Cash Flow Assessment

(Bank statements, GST filings, Bureau Data etc.)



### Debit Instruction to Bank



### Asset Quality

- The Bank lends on the basis of cash flow assessment –
  - A. Where the cash flow of the borrower is assessed
  - B. This is coupled with right to debit the bank account of the customer for repayment of EMI.
- Our experience is that this combination of A+B put together practically works as an escrow.
- This is a key reason for the bank portfolio continues to do well through the credit cycles.
- The credit model has been tested for over 12 years.
- During this time, the asset quality of the credit book remained pristine with GNPA at less than 2% and NNPA at less than 1% (except the COVID impact)
- Post COVID impact, the GNPA and NNPA in the retail, rural and SME credit has improved to 1.53% and 0.52% respectively as of September 30, 2023.








Bank has utilized the new Indian digital Ecosystem for better controls in lending

Stage of Loan Processing	Earlier	New Ecosystem	Now	Benefit
KYC	<ul style="list-style-type: none"><li>Physical - copies of Passport, Ration Card, etc.</li></ul>	Identity is Biometric	<ul style="list-style-type: none"><li>Biometric KYC - eKYC, cKYC, Aadhaar OTP based KYC</li></ul>	High Quality Identity check
Risk Scorecards	<ul style="list-style-type: none"><li>Regression and Judgement based models</li></ul>	AI / ML	<ul style="list-style-type: none"><li>Advanced Scorecards based on Logistic Regression and Machine Learning algorithms</li></ul>	Better Risk management
Bureau	<ul style="list-style-type: none"><li>Low seasoning of Bureau</li><li>Lesser records (300m)</li><li>Low awareness of credit bureau</li></ul>	Bureau is evolved	<ul style="list-style-type: none"><li>High seasoning, better data quality</li><li>More records (600m)</li><li>High awareness and sensitivity among customers</li></ul>	Reduced credit risk
Fraud Control	<ul style="list-style-type: none"><li>Static Photo test</li><li>Traditional eyeballing method for Frauds</li><li>No Fraud database, Scorecard</li></ul>	Advanced real time fraud check mechanism	<ul style="list-style-type: none"><li>Live Facial recognition technology, latitude-longitude marker</li><li>Automated identification of fraudulent transactions</li><li>Availability of Fraud Database and Scorecards</li></ul>	Better fraud management
Cash Flow and Financial Analysis	<ul style="list-style-type: none"><li>Physical copies of financials, bank statements, salary slips, Income Tax Returns</li><li>No alternative data sources</li><li>Manual calculation of financial ratios basis photocopied document</li></ul>	Bank statements, GST records are electronic	<ul style="list-style-type: none"><li>Digitized .pdf bank statement, salary slips, tax returns</li><li>Digitized alternate data sources like GST, Telecom, etc.</li><li>Automated calculation of financial ratios and cash flow analysis</li></ul>	More accurate cash flow analysis
Repayment Mandate	<ul style="list-style-type: none"><li>PDCs/ SI/ NACH for repayment</li></ul>	NACH is electronic	<ul style="list-style-type: none"><li>Electronic mandate through- NACH</li></ul>	Better collections
Collections	<ul style="list-style-type: none"><li>Tele-calling, field collections</li></ul>	UPI, BOT	<ul style="list-style-type: none"><li>Collection through sending UPI link, calling using bots to customer</li></ul>	Frictionless, lesser use of tele-calling
Monitoring	<ul style="list-style-type: none"><li>Batch Mode, once a month</li></ul>	Analytics is real time	<ul style="list-style-type: none"><li>Real time monitoring of portfolio by various cuts</li></ul>	Better quality of portfolio

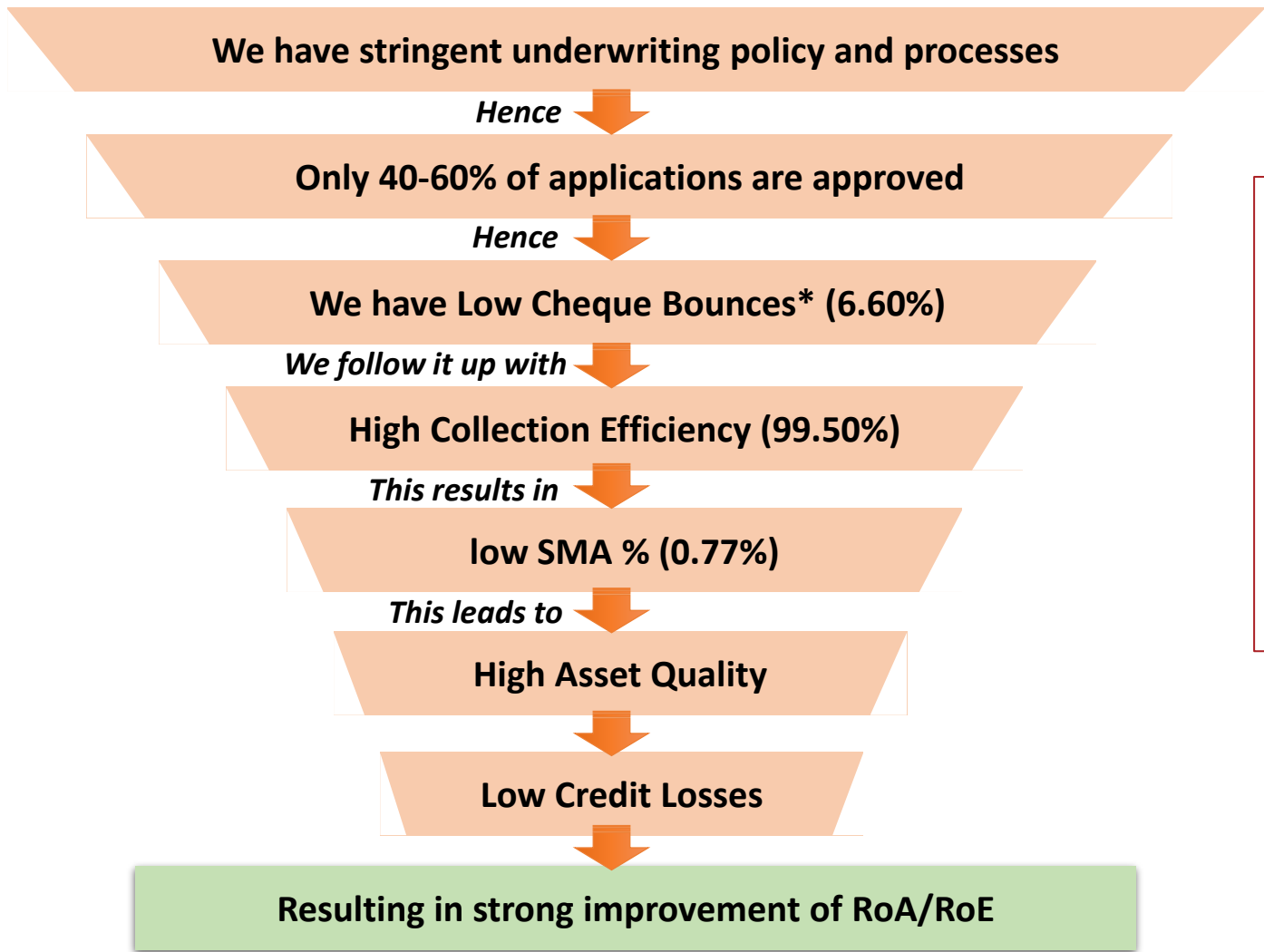
# Break- down of asset quality by business components.

*Retail has least Gross NPA and Net NPA for over a decade*

Segment	Gross Advances Breakup	Gross NPA	Net NPA	PCR%
Retail, Rural and SME Finance	 17,685	1.53%	0.52%	85.06%
Corporate (Non-Infrastructure)	 3,350	2.56%	0.11%	97.73%
Infrastructure Financing	 382	25.07%	14.58%	62.81%
Overall Bank Level	 21,416	2.11%	0.68%	84.09%
Bank (Excl Infra.)	 21,034	1.69%	0.46%	87.71%

- The significant and growing part of the book, i.e. the Retail, Rural and SME business financing business has low NPA levels because of high-quality underwriting, credit bureaus, technology, cash-flow based lending capabilities.
- Without this infrastructure financing portfolio, the Bank level PCR (excluding technical write-off) is at 73.34%.

# Risk Management Funnel for Retail, Rural & SME Loans



This slide explains the rigorous processes we follow to maintain low Gross NPA, low Net NPA and low credit costs for over a decade.

\* Cheque / ECS / NACH bounces on first EMI presentation

# The Bank has a 10 Step Stringent Underwriting Process (1/2)

1	No-Go Criteria	The Bank evaluates certain quick no-go criteria such as deduplication against existing records, bank validation and minimum credit parameter rules.
2	Credit Bureau Check	The Bank pings the Credit Bureaus to check the customer’s credit behavior history, number of credit inquiries, age in bureau, limit utilization, recency of inquiries, level of unsecured debt, etc.
3	Fraud Check	The Bank uses certain file screening techniques, banking transaction checks and industry fraud databases to weed out possible fraudulent applications. The bank also uses Fraud Scorecards and real-time video-based checks to identify fraudulent applications
4	Credit Scorecard	The application is then put through scorecards which have been developed based on experience with similar cohort of customers in the past. It includes criteria such as leverage, volatility of average balances, cheque bounces in bank account, profitability ratios, liquidity ratios and study of working capital, etc.
5	Field Verification	The Bank conducts field level verifications, including residence checks, office address checks, reference verification, lifestyle checks (to see if the product / quantum of loan correlates with lifestyle profile) and business activity checks.
6	Personal Discussion	Based on inputs received, from our processes, a personal discussion is conducted with the customer which includes establishment of business credentials, understanding financials, seeking clarifications on financials, queries on banking habits, queries on the credit bureau report, clarification on banking entries if any, and understanding the requirement and end use of funds.

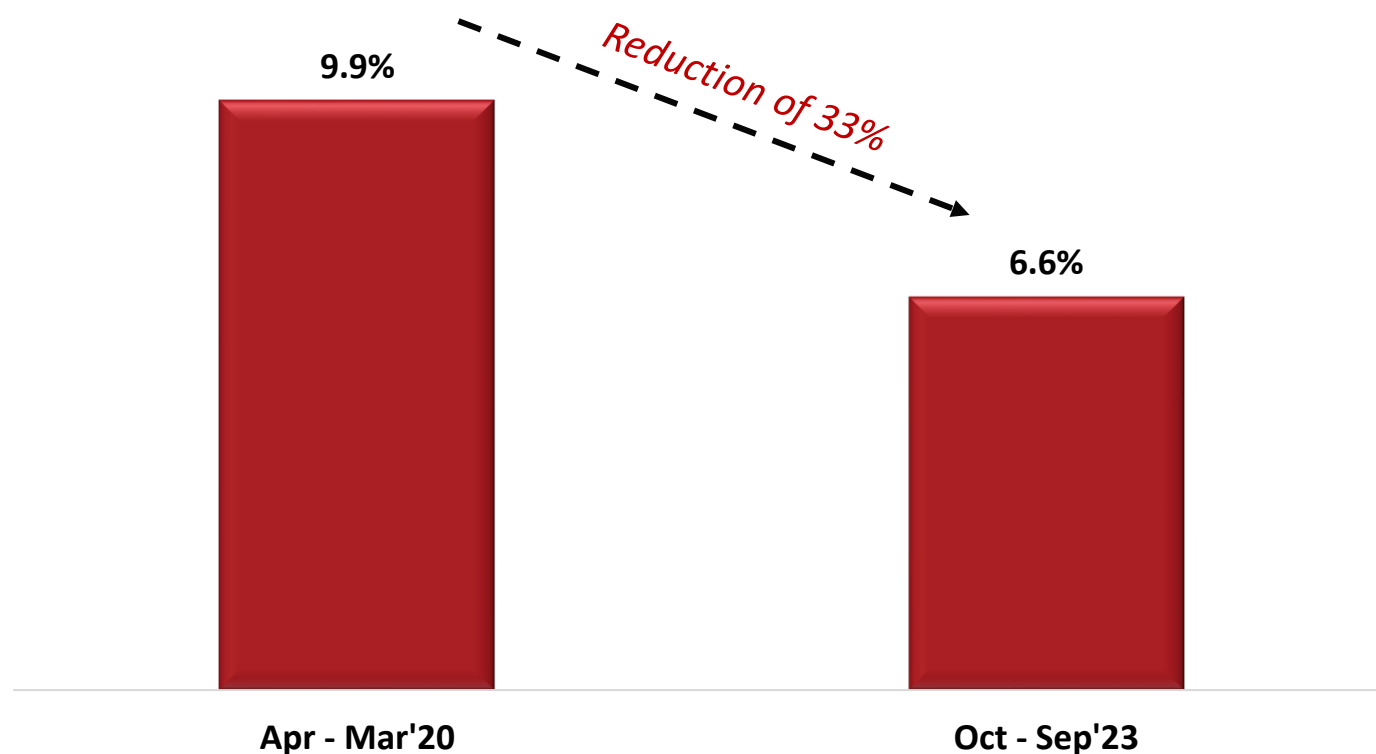
# The Bank has a 10 Step Stringent Underwriting Process (2/2)

7	Industry Check	The Bank checks for further credit history and industry level exposure by doing CRILC checks and checks by external entities, where required, to study financials, access to group companies whether legal cases have been filed against the company, disqualification of directors, etc.
8	Cash Flow Analysis	The bank statement of account is analyzed for business credits, transaction velocity, average balances at different periods of the month, EMI debits, account churning, interest servicing, etc. This helps us understand the cash flow on the basis of which we calculate the permissible EMI, loan amount, etc.
9	Ratio Analysis	Detailed financial analysis is performed covering, Ratio analysis, debt to net-worth, turnover, working capital cycle, leverage, etc.
10	Title Deeds Verification	Evaluation of title deeds of the property and collateral, legality validity, enforceability etc.,

*Repayment : Bank takes standing instructions to debit the bank account of the customers on a monthly basis and thus pulls the EMI from the customers naturally operated account. The cheque returns are low, but the returned cheques are subsequently followed up for collections.*

**Through this stringent underwriting process, the Bank rejects nearly 40% - 60% of the Loan Applications depending on the product category. For some key products, the rejection waterfalls are provided in the annexure**

## Bank has tightened underwriting norms which has resulted in low cheque bounces on presentation



- First EMI (FEMI) represents Cheque returns in the FIRST month after Booking. It is thus a direct indicator of the Quality of Booking.
- These returns are collected from customers in the remainder of the month (see next slide for collection efficiency).
- Our First EMI cheque Bounce has consistently remained low indicating high quality of bookings.

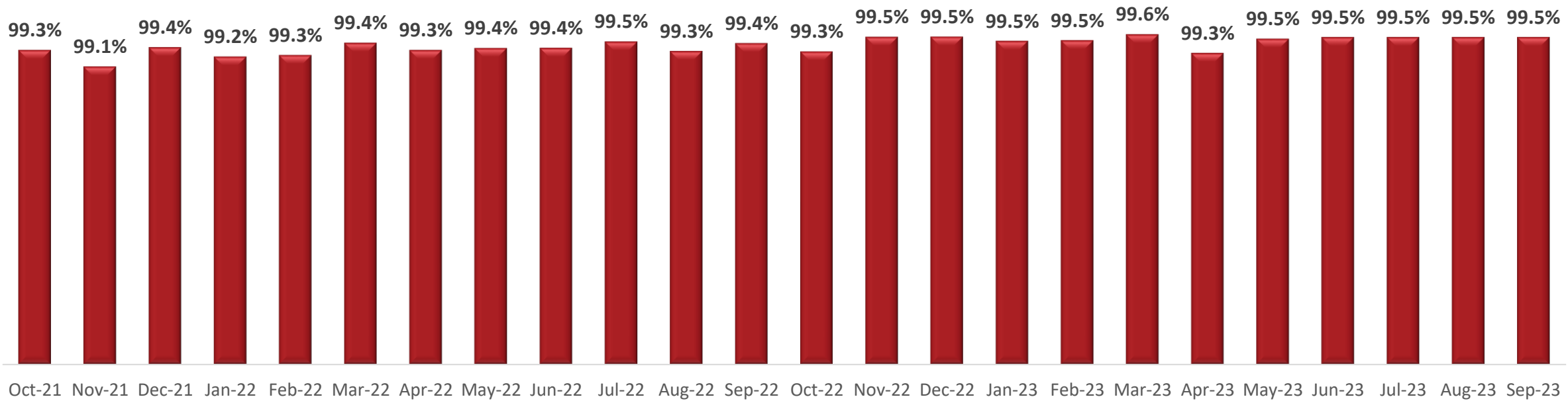
Note: Numbers pertain to urban retail portfolio on trailing 12 months basis



# Low cheque bounces is further supported by high collection efficiency at 99.5%

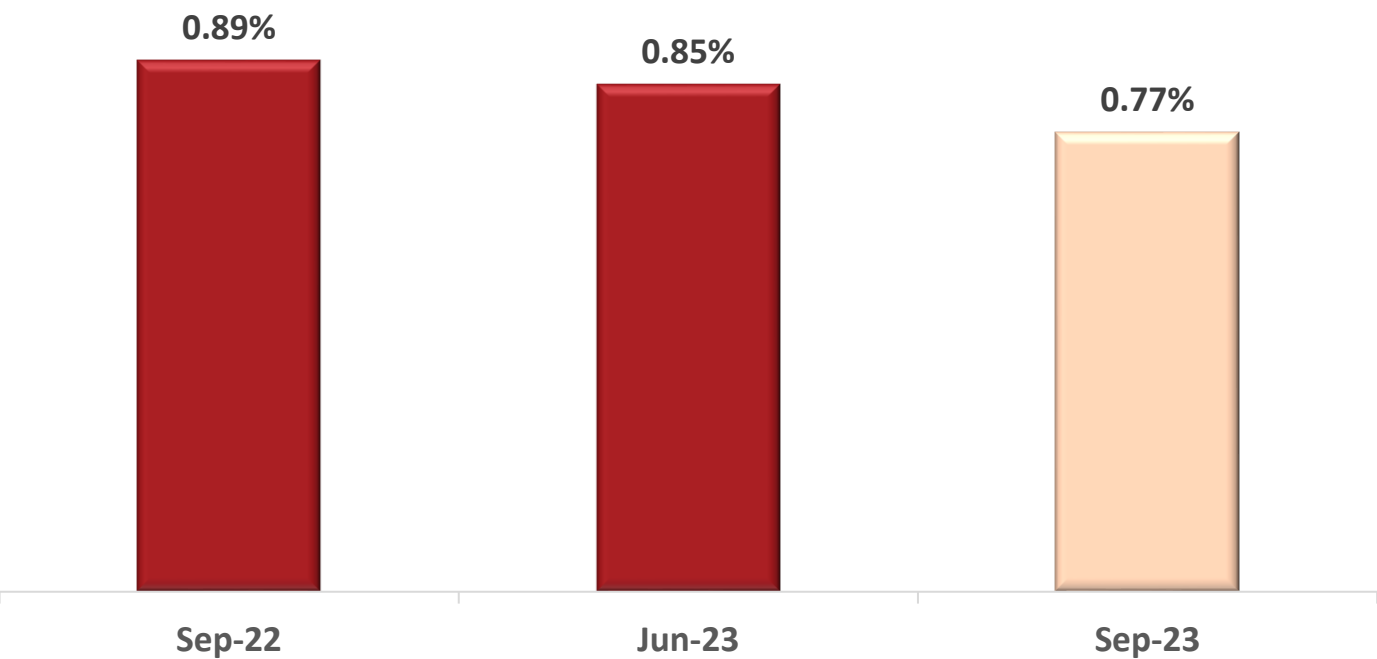
Definition: Collection Efficiency % = (EMI Collected for the Month)/ (EMI Due for the month)\* 100

Note: Total collections does not include any arrear collections, or prepayment collections in these calculations, and hence represents the true picture of collections efficiency.



# High collection efficiency leads to low SMA

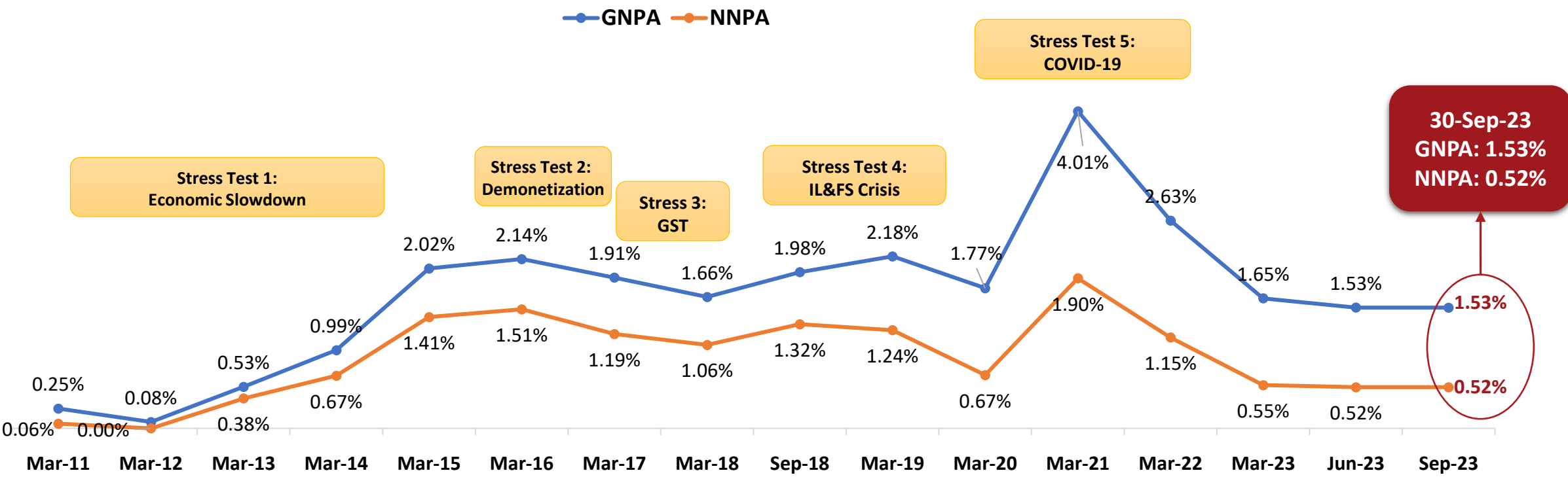
SMA-1 & SMA-2 portfolio as % of total Retail, Rural & SME Loan Book



- SMA 1 is the overdue portfolio in Bucket 31-60 days, and SMA 2 is the overdue portfolio in 61-90 days.
- SMA 1 (31-60 days overdue) and SMA 2 (61-90 days overdue), put together are around 0.77% of the Book in Retail, Rural & SME segment.
- Based on this, we expect a lower level of NPA formation in future.

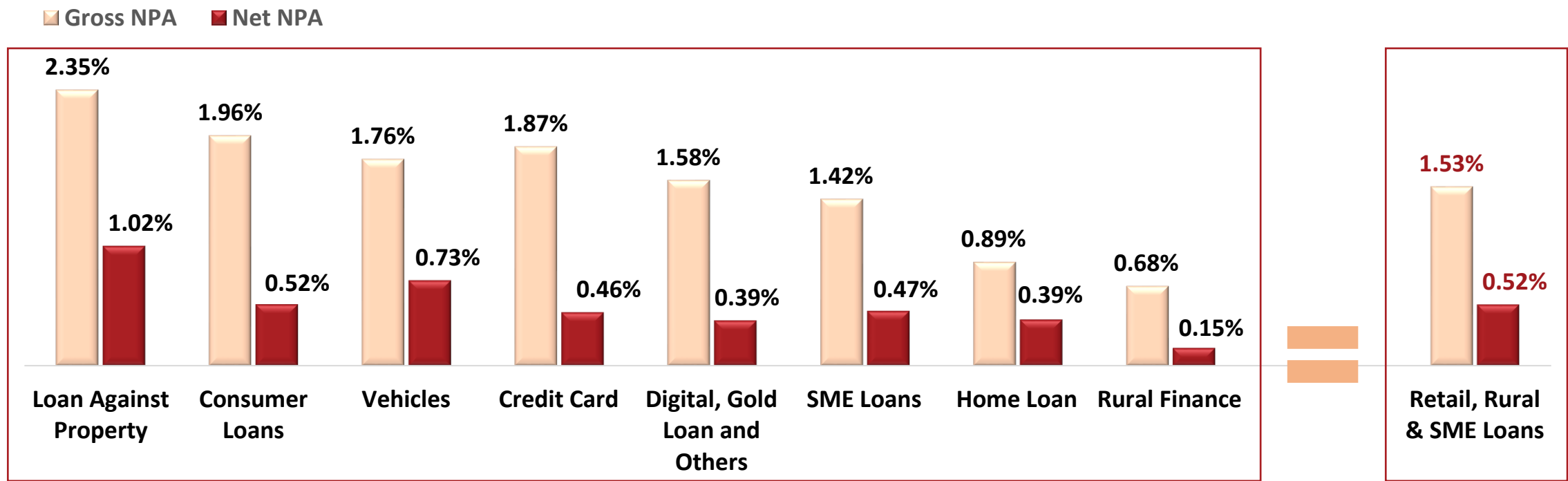
Bank has maintained High Retail asset quality GNPA of ~2% and NNPA ~1% for a decade across cycles

- In this segment, asset quality maintained through Economic slowdown, demonetization, GST, ILFS Crisis.
- In Retail, Rural & SME Finance portfolio, GNPA and NNPA have come down to 1.53% and 0.52% respectively



# All Product of the Bank have low Gross and Net NPA

Here we share the Gross and Net NPA of individual products in Retail, Rural & SME Loan book. Most of the products have GNPA ratio at less than 2% and NNPA ratio at less than 1%, a result of stringent underwriting and risk management funnel described earlier.



- Portfolio of unsecured Personal Loans with less than Rs. 50,000 (US\$ 602) ticket size stood at only US\$ 65.1 Mn as of September 30, 2023 which is only 0.29% of the overall funded assets of the Bank and 0.37% of the retail, rural and SME book.
- The Bank has maintained strong asset quality in this portfolio with GNPA at 1.4%.

## Stringent Underwriting Process in Wholesale Business

1

### Customer Selection

- All New-To-Bank potential borrowers (incl. promoter/ directors) are checked including CIBIL, Suit filed, CFR, CRILC, etc.
- Further, bank has also defined minimum internal rating thresholds for onboarding any borrower, which acts as a guiding factor for loan originations.

2

### Due Diligence with focus on Cash Flows

- The Bank follows a conservative underwriting approach wherein primary assessment of debt servicing ability is based on underlying cash flows of the borrower.
- The Bank conducts detailed due diligence of the borrower including objective financial assessment, assessment of borrower's business profile, industry, ownership & management, key risks and customer's past track record, which in turn helps determining the Bank's appetite for the exposure.

3

### Smell Check

- As part of underwriting process market feedback is obtained from borrower's peers, customers, suppliers, external rating agencies, banks, etc.

4

### Granular Exposure

- Focusing on granular small to medium ticket size credit exposures

5

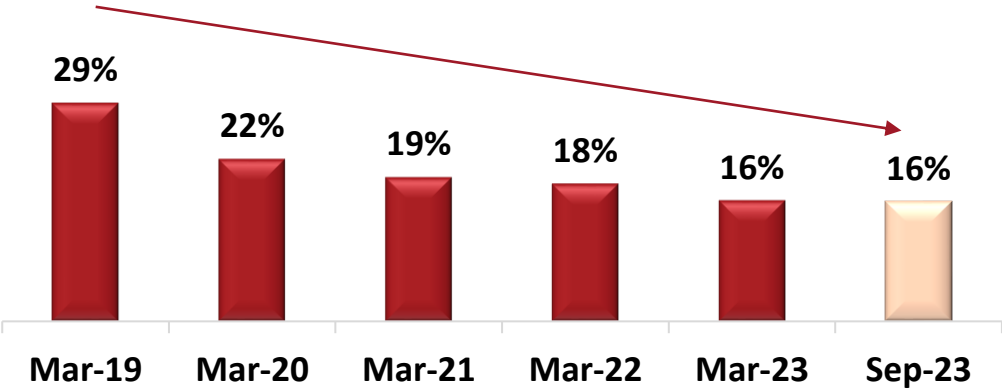
### Risk based approvals

- The Bank follows a 'risk-based' approach for credit sanctions wherein higher risk exposures (basis internal rating, quantum and tenure) require approval from higher approval authority.

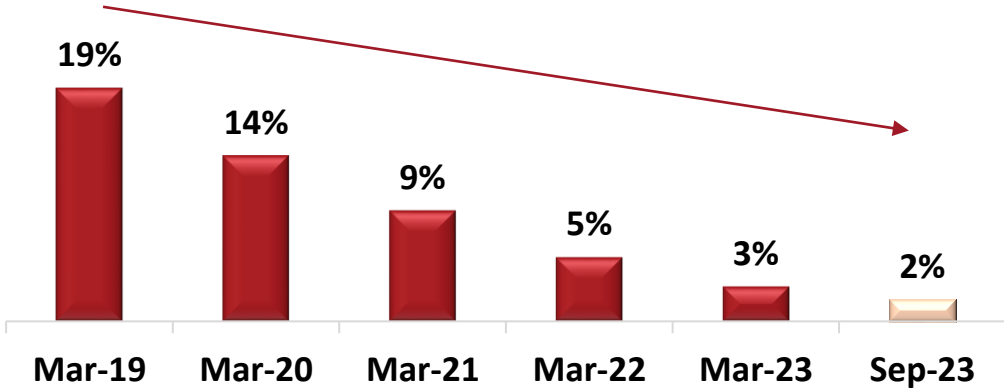
*Note: The underwriting process mentioned above, may change depending on product to product.*

# Bank has reduced concentration risk in Wholesale lending

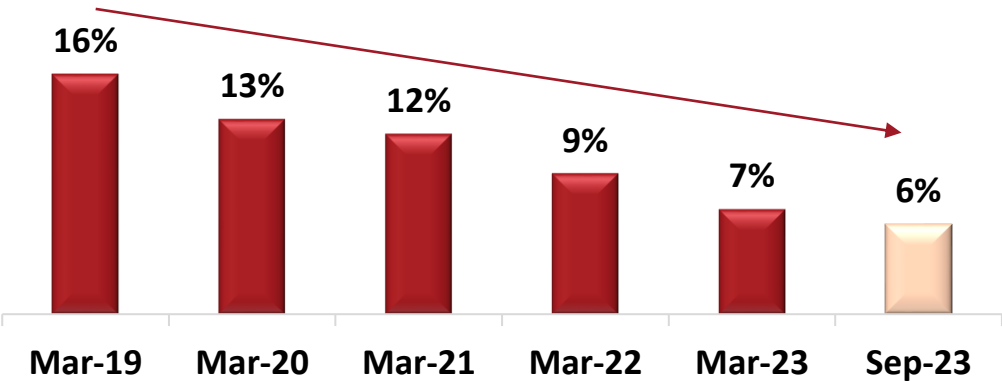
The Bank has reduced its corporate (non-infra) book from 29% in Mar-19 to 16% in Sep-23



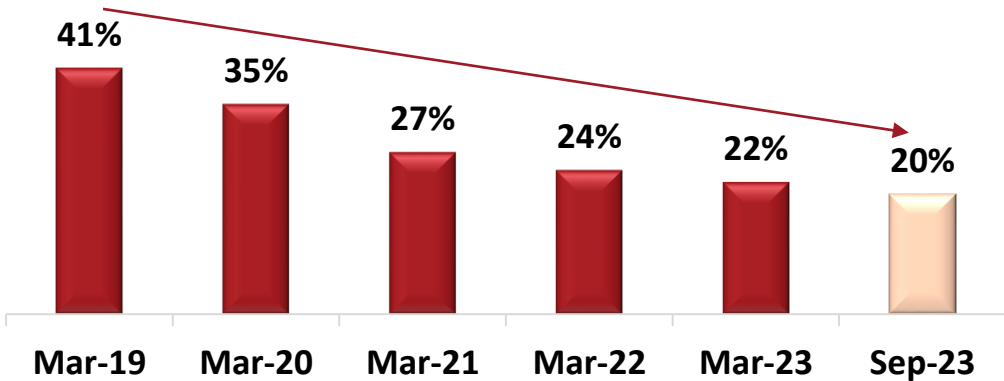
Similarly, the Bank has reduced its infrastructure financing portfolio from 19% in Mar-19 to 1.8% in Sep-23



Also, the exposure to top 20 single borrowers reduced from 16% in Mar-19 to 6% in Sep-23



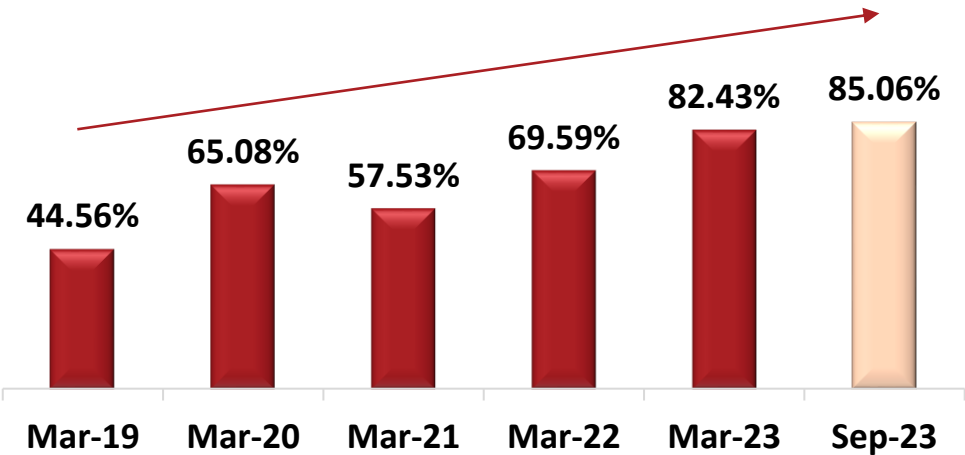
Further, the exposure to top 5 industries also reduced from 41% Mar-19 to 20% in Sep-23 which has further strengthened the balance sheet.



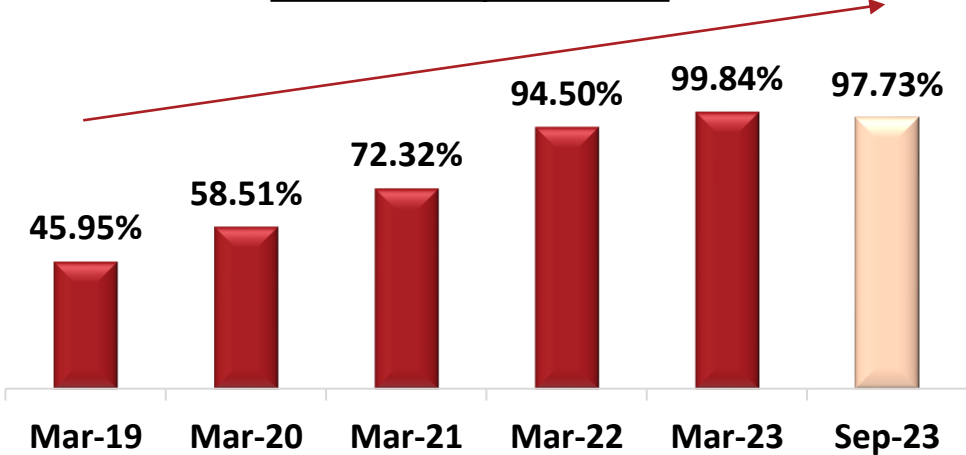


# Provision Coverage Ratio increased to 84.09% for the Bank

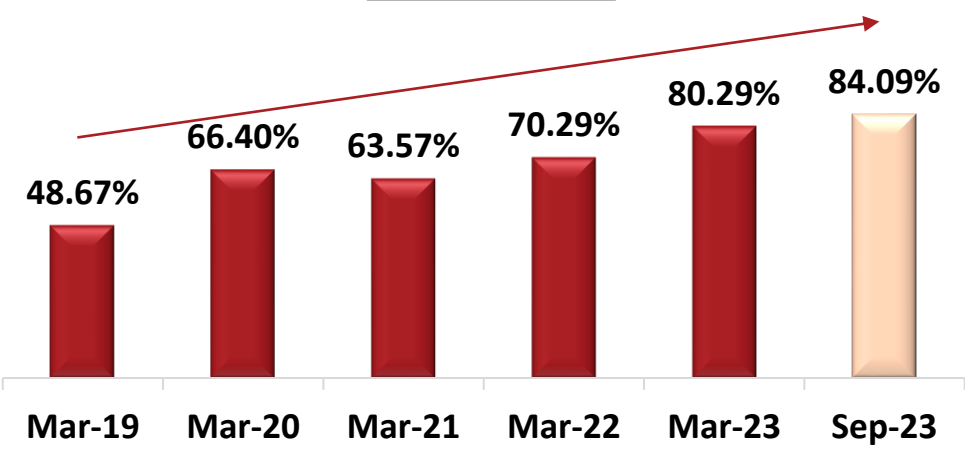
Retail, Rural & SME Finance



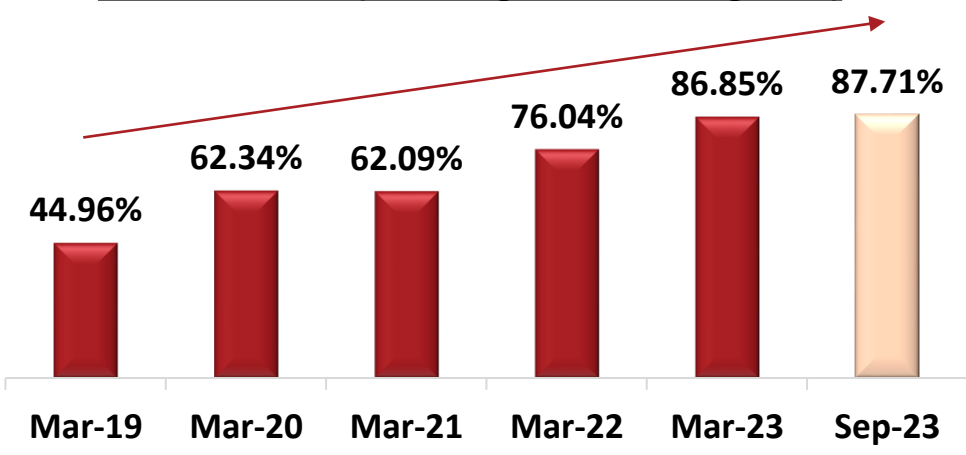
Non-Infra Corporate Book



Total Bank Level



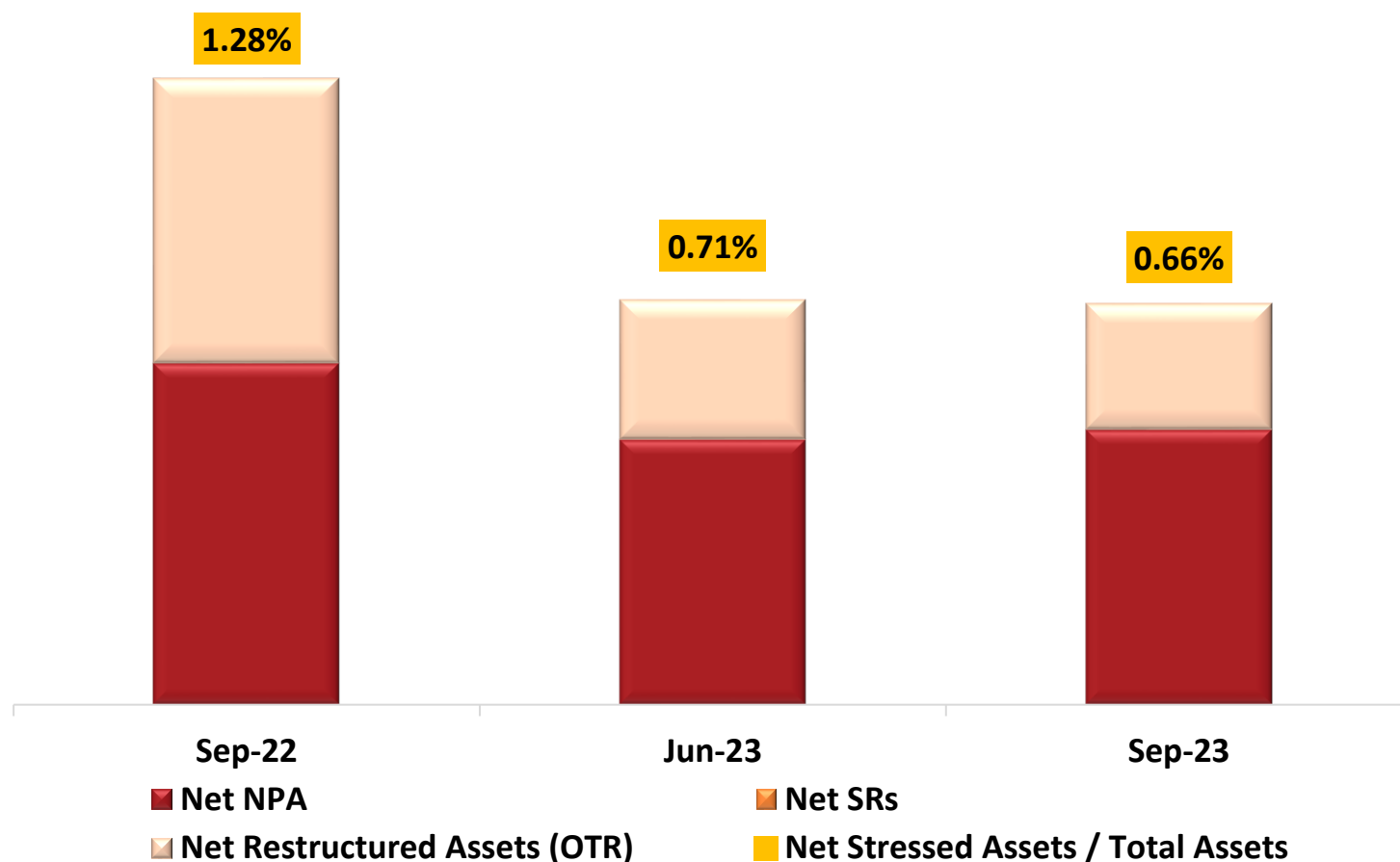
Total Bank Level (excluding Infra financing book)



Note: Provision Coverage Ratio as shown above are including technical write-offs

## Net Stressed Assets reduced significantly to only 0.66% of total Assets

Net stressed Assets = Net NPA + Net SRs + Net Restructured Assets (OTR)



- The Bank has reduced the net stressed assets, both in absolute value and as % of the total assets. This indicates lower NPA levels going forward.
- The restructured pool of the Bank has reduced by ~53% since September 30, 2022
- Standard restructured Book is 0.38% of the total funded assets as of September 30, 2023

## **Section 9: Profitability & Capital**

**a. Net Interest Income**

**b. Fee and Other Income**

**c. Composition of Fee and Other Income**

**d. Trend of Core Operating Profit**

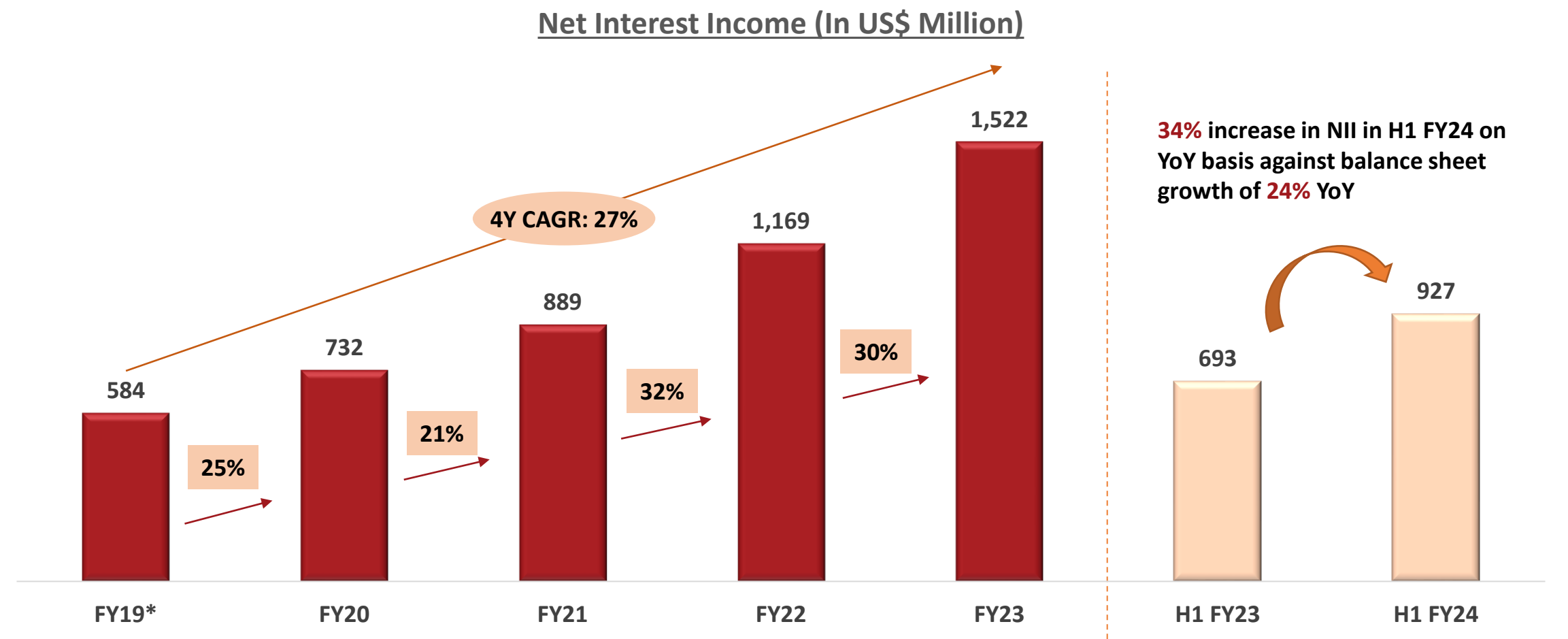
**e. Trend of Profitability and Return Ratios**

**f. Financial Statements**

**g. Capital Adequacy**

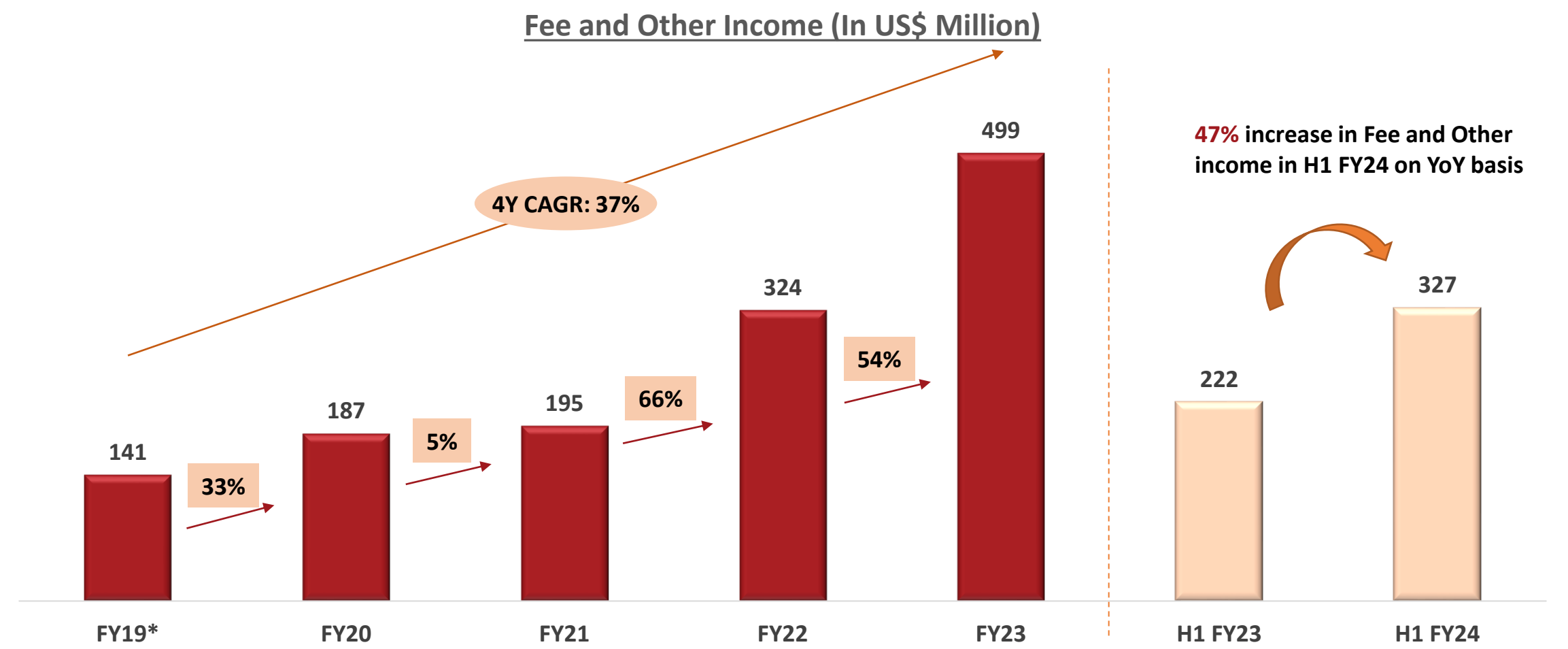


# 34% YoY growth in Net Interest Income during H1 FY24



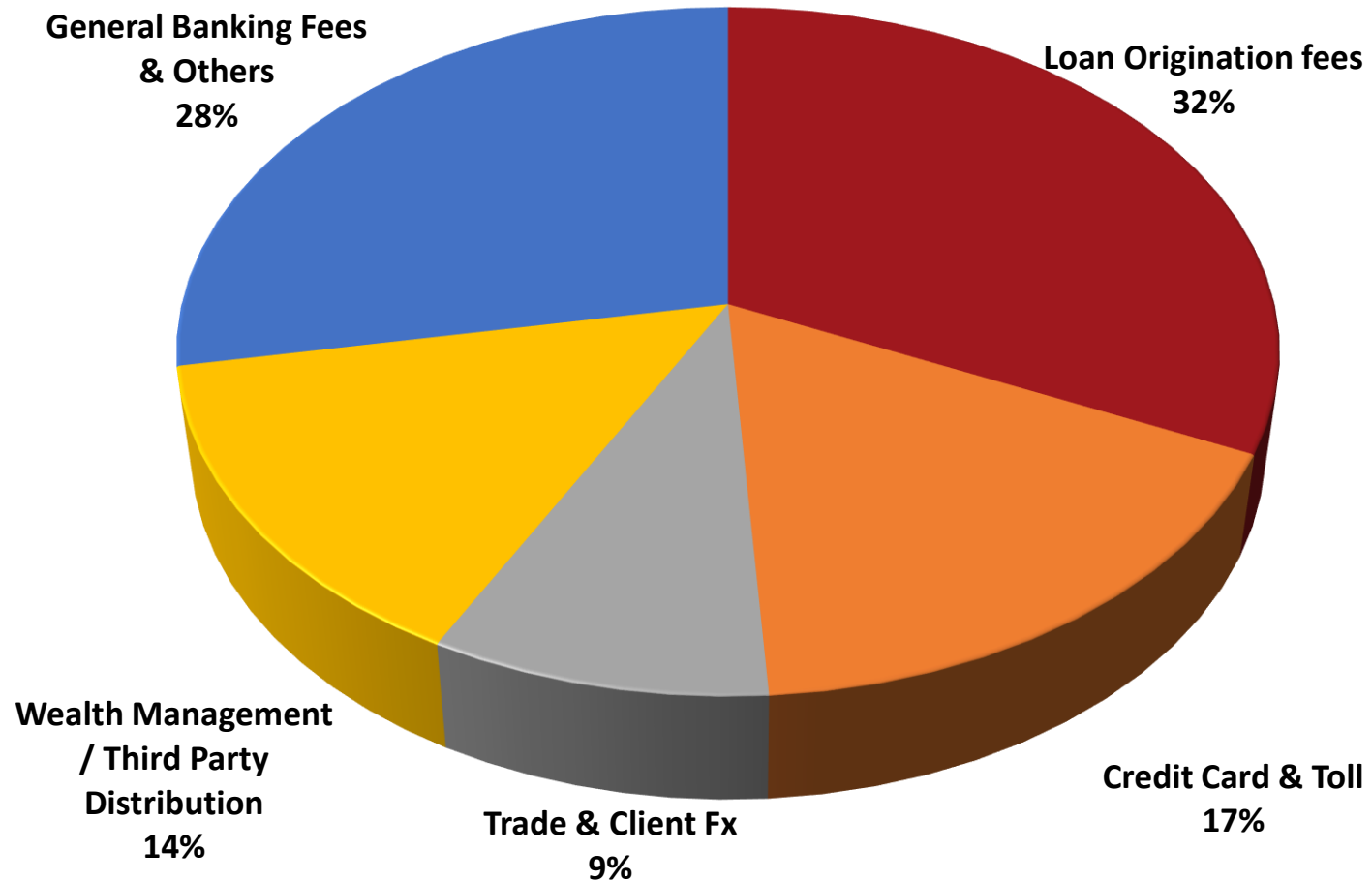
- Net Interest Margin (NIM) on AUM for Q2-FY24 was 6.32% as compared to 5.83% in Q2-FY23 and 6.33% in Q1-FY24.
- Net Interest Income (NII) for Q2-FY24 increased 32% YoY from US\$ 362 Mn to US\$ 476 Mn as on September 30, 2023.

# 47% YoY growth in Fee & Other Income during H1 FY24



- Fee and Other Income for Q2-FY24 increased 46% YoY from US\$ 114 Mn to US\$ 166 Mn as on September 30, 2023.

## Breakup of Fee & Other Income – H1 FY24

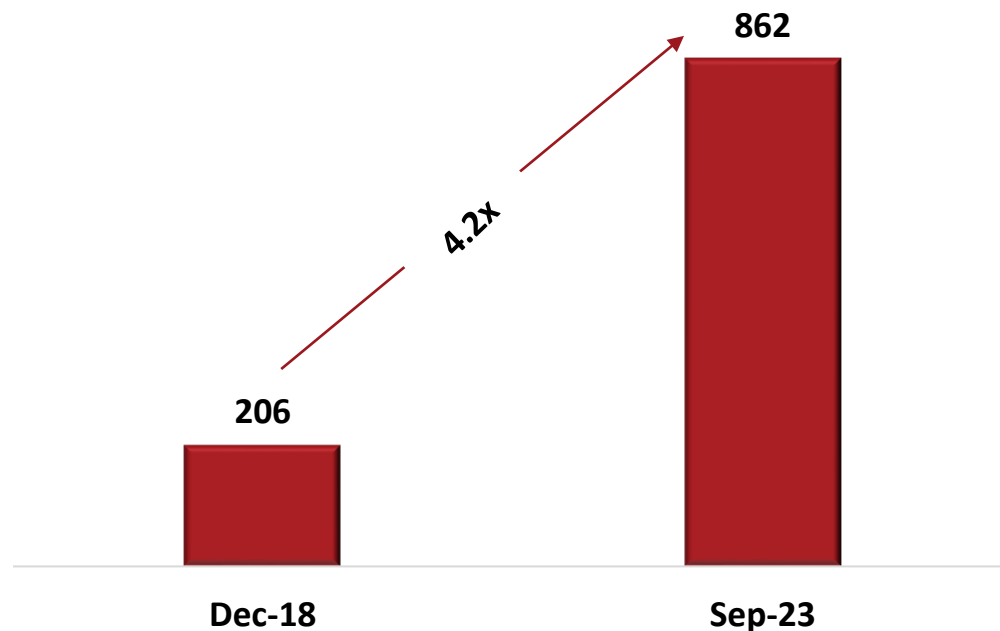


- The Bank has launched and scaled up many fee-based products in the last 4 years.
- Many of these products are in the early stage of their lifecycle and have the potential to grow significantly going forward.
- **92%** of the fee income & other income is from retail banking operations which is granular and sustainable.

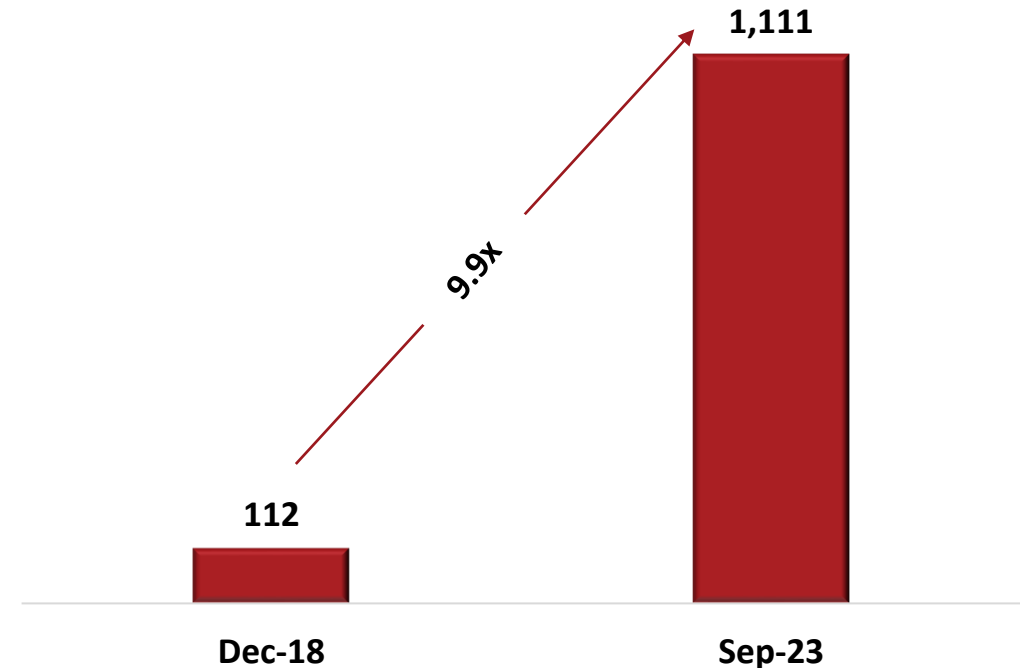
## Cost to Income ratio – Investment Requirements

- At merger, the Bank had a low CASA at 8.68%. Our total deposits & borrowings were US\$ 15,588 Mn, of which only US\$ 1,253 Mn (8.04%) were retail Deposits and US\$ 14,335 Mn (91.96%) were institutional borrowing and deposits.
- To address this issue and raise retail deposits, the Bank opened 656 branches and 999 ATMs since merger
- The Bank also had to incorporate the new technology wave in its business model

### Branches



### ATMs (Including Recyclers)



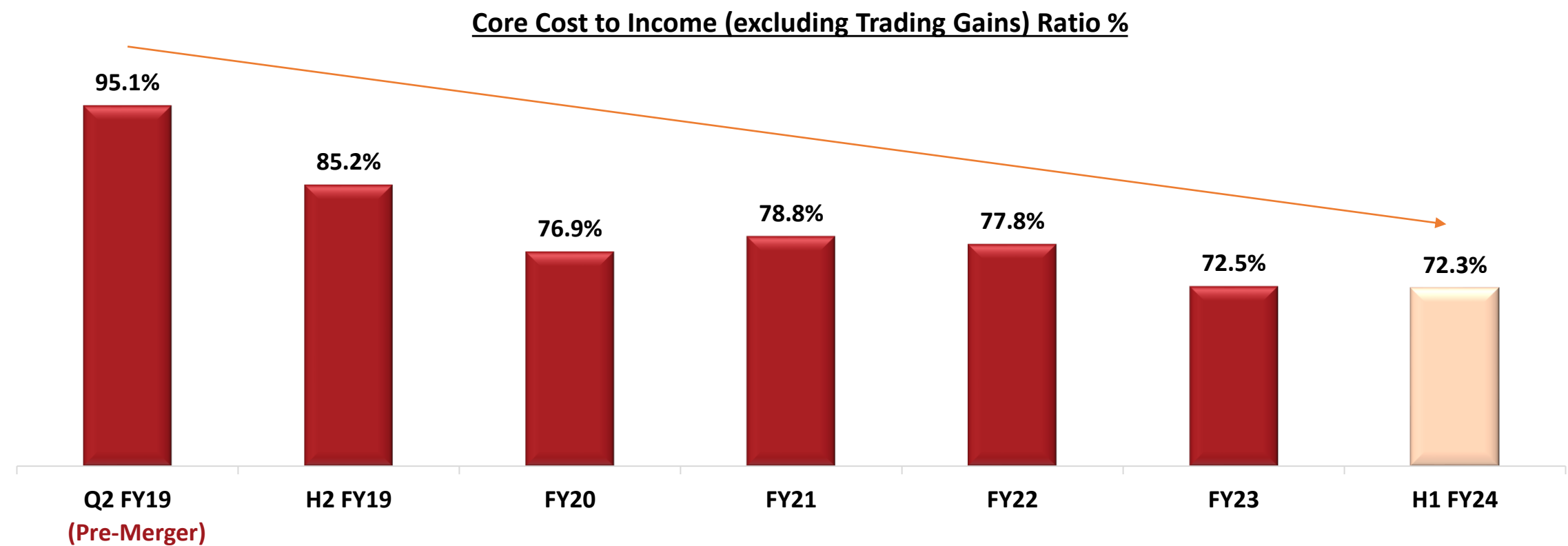
## Bank has launched and scaled up many new products in the last 2 years

Retail Assets	Commercial Credit & Wholesale Banking	Rural Products	Retail Fee Businesses
Prime Home Loans	Commercial Vehicle Loans	Gold Loans	Wealth Management
New Car Loans	Construction Equipment Loans	KCC	FASTag
Credit Card	Cash Management	Agri / Farmer Loans	Forex Card
Digital Loans	Trade Finance	Tractor Loans	
Education Loans	Forex Solutions		
	Transaction Banking		



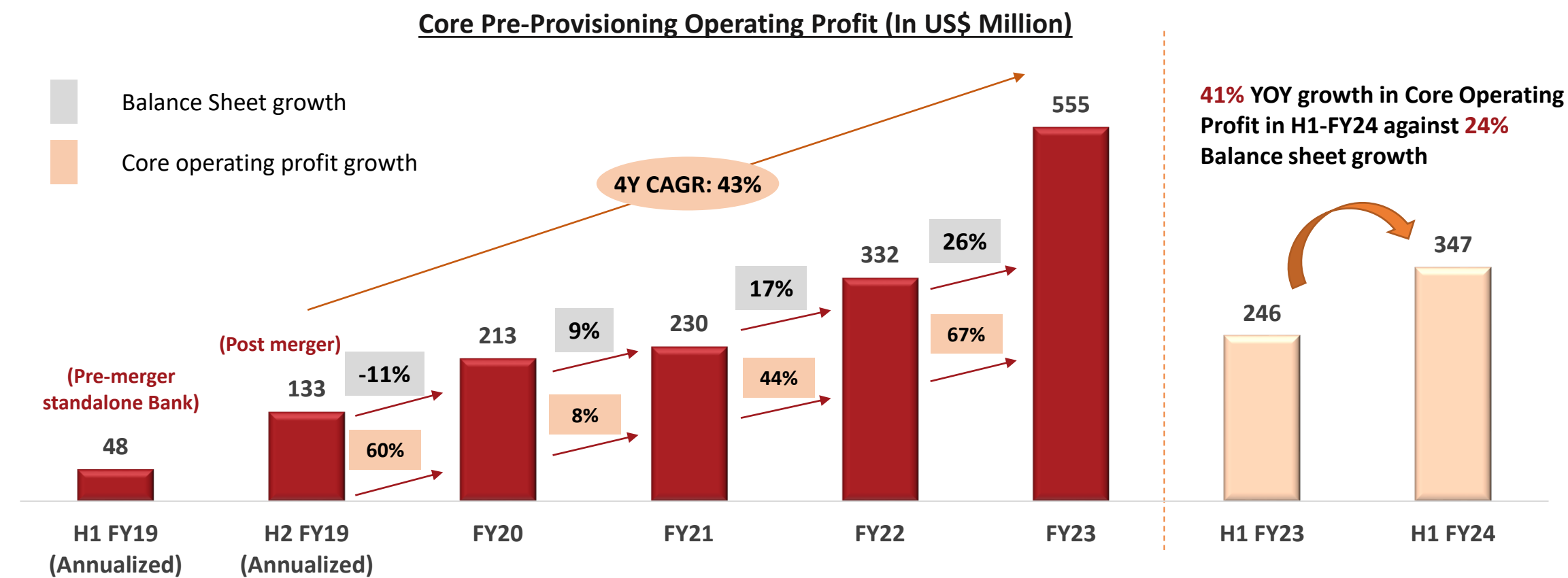
# Bank has reduced Cost to Income ratio from 95% to 72% in 4 years

- During the last three years the bank had to make significant investments in building liabilities and credit card franchise
- Despite this, the cost income ratio has come down from 95% to 72% because of the strong incremental unit economics at the bank which is allowing the bank to make the investments to build the Bank.
- Cost to income will further come down with scale



# 41% YoY growth in Core Operating Profit (excluding trading gains) during H1 FY24

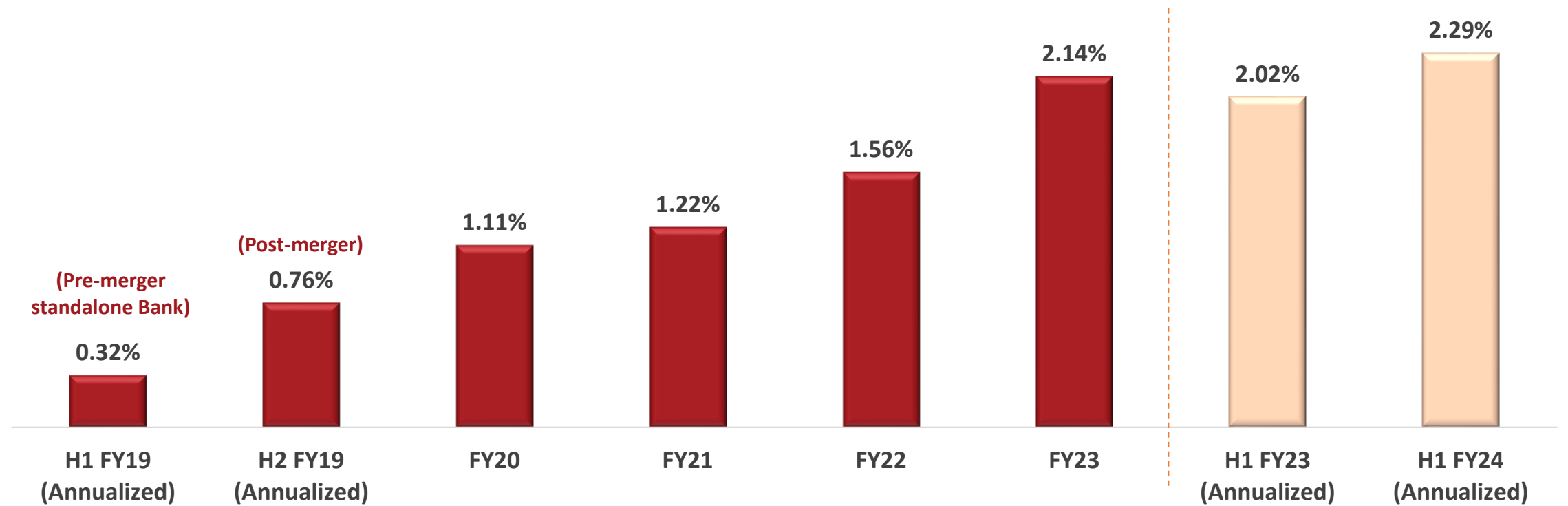
The core operating profit (excluding trading gains) of the Bank is growing higher than the overall balance sheet growth. This demonstrates the power of incremental profitability of the core business model.



- Core operating profit for Q2-FY24 increased 38% YoY from US\$ 127 Mn to US\$ 175 Mn as on September 30, 2023.

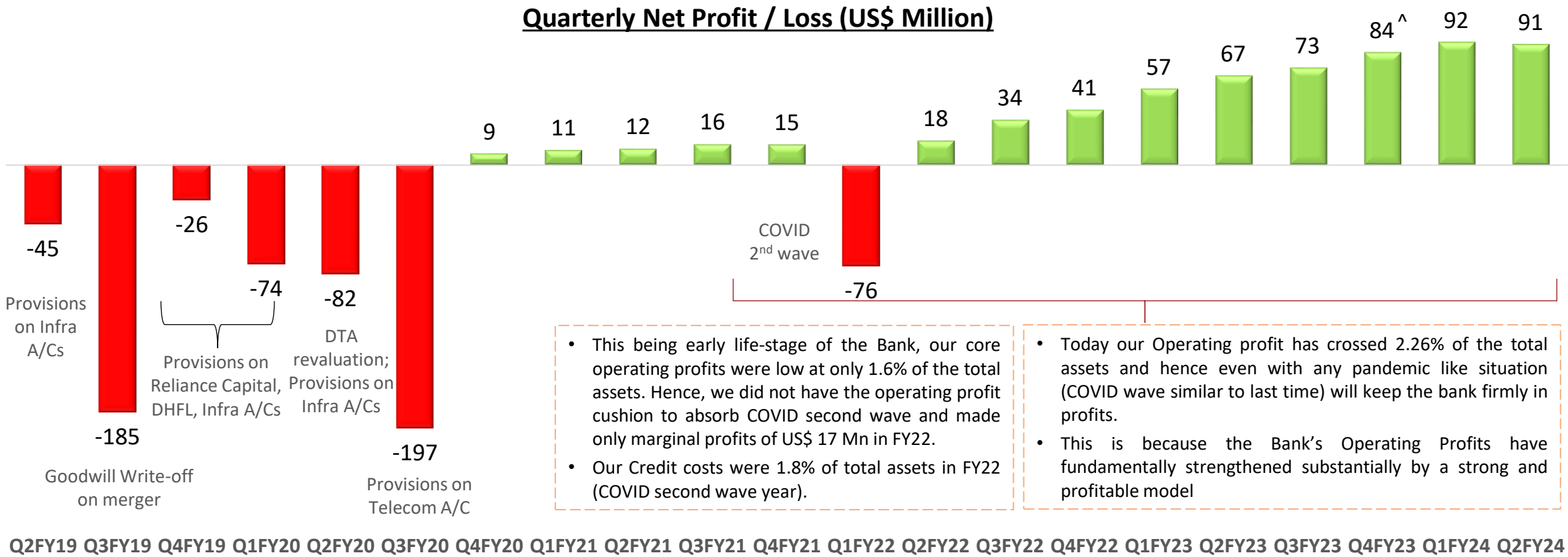
# Improving Operating Profit as % of total assets

Core Pre-Provisioning Operating Profit (PPOP) as a % of Average Total Assets



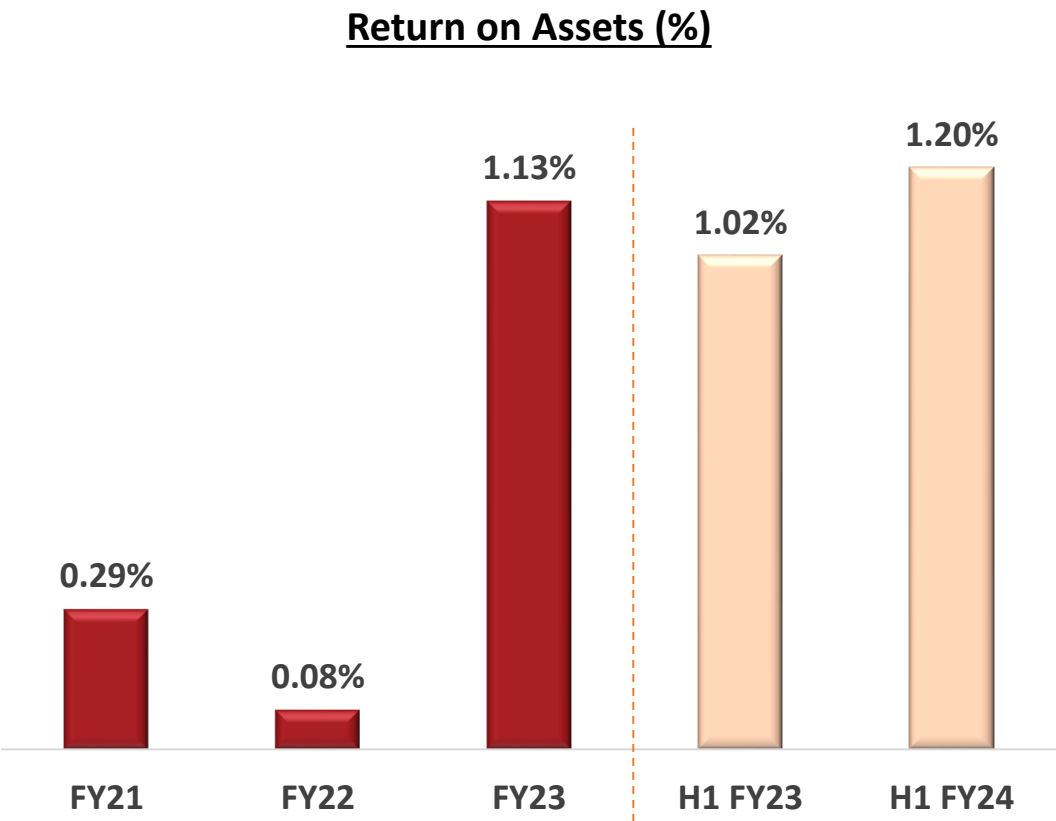
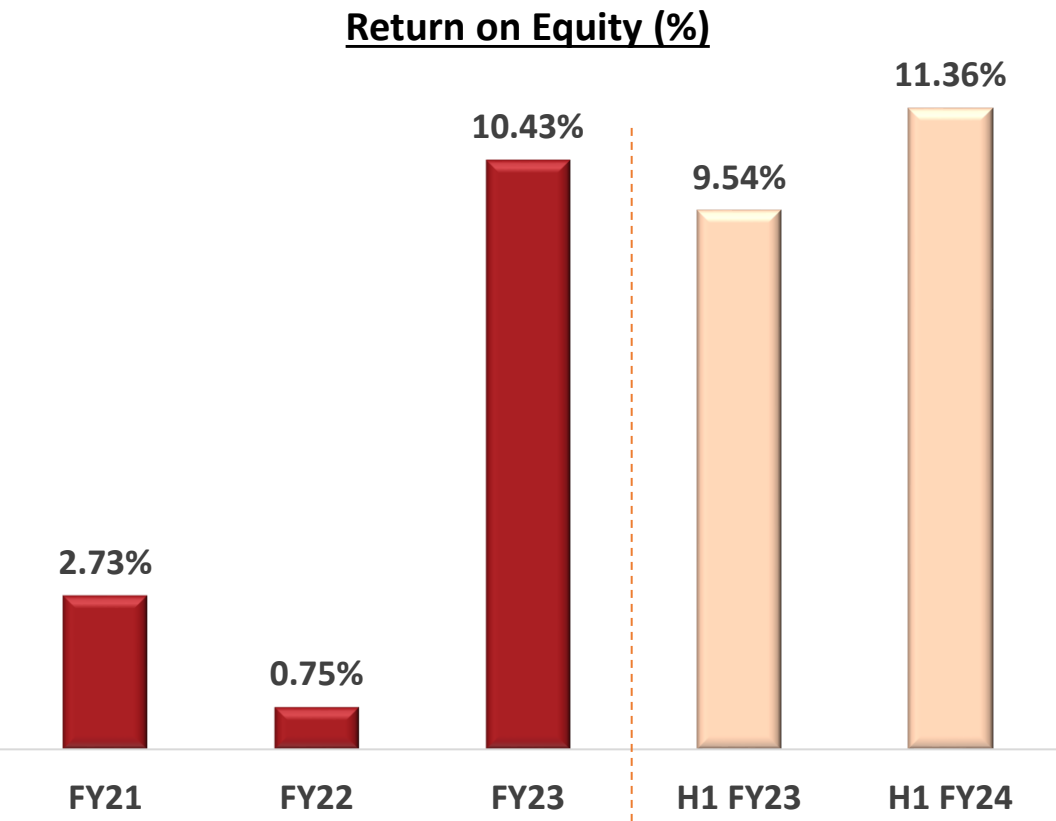
• The bank has improved the core pre-provisioning operating profit despite investment in growing the bank. This was made possible as the retail lending business is profitable with more than 20% incremental ROE.

Bank has turned profitable on sustained basis based on strong Operating Profits and low credit costs



<sup>^</sup> The Bank reported net profit of **US\$ 97 Mn for Q4 FY23**. The Bank has already called out in Q4-FY23 that the net profit of Q4-FY23 was **US\$ 84 Mn** adjusted for the one time items in the P&L.

# Consistent improvement in ROA and ROE



RoA(%) and RoE(%) are annualized for Half Year

# Quarterly Income Statement

In US\$ Million	Q2 FY23	Q1 FY24	Q2 FY24	Growth (%) YoY
Interest Income	659	827	886	34%
Interest Expense	297	376	410	38%
Net Interest Income	362	451	476	32%
Fee & Other Income	114	162	166	46%
Trading Gain	14	9	7	-53%
Operating Income	490	622	648	32%
Operating Income (Excl Trading Gain)	476	613	642	35%
Operating Expense	349	441	466	34%
Operating Profit (PPOP)	141	181	182	29%
Operating Profit (Ex. Trading gain)	127	172	175	38%
Provisions	51	57	64	25%
Profit Before Tax	90	123	118	32%
Tax	23	31	28	22%
Profit After Tax	67	92	90	35%

# Half Yearly Income Statement

In US\$ Million	H1 FY23	H1 FY24	Growth (%) YoY
Interest Income	1,252	1,714	37%
Interest Expense	559	787	41%
Net Interest Income	693	927	34%
Fee & Other Income	222	327	47%
Trading Gain	9	15	75%
Operating Income	924	1,270	37%
Operating Income (Excl Trading Gain)	915	1,254	37%
Operating Expense	670	907	35%
Operating Profit (PPOP)	255	363	43%
Operating Profit (Ex. Trading gain)	246	347	41%
Provisions	88	121	37%
Profit Before Tax	166	242	45%
Tax	42	59	40%
Profit After Tax	124	183	47%

## Balance Sheet

In US\$ Million	Sep-22	Jun-23	Sep-23	Growth (%) (YoY)
Shareholders' Funds	2,657	3,197	3,334	26%
Deposits	14,873	18,606	20,631	39%
- CASA Deposits	7,627	8,646	9,574	26%
- Term Deposits	7,246	9,959	11,056	53%
Borrowings	6,824	6,716	6,406	-6%
Other liabilities and provisions	1,282	1,476	1,523	19%
<b>Total Liabilities</b>	<b>25,636</b>	<b>29,994</b>	<b>31,894</b>	<b>24%</b>
Cash and Balances with Banks and RBI	1,789	1,591	1,579	-12%
Net Retail and Wholesale Loans & Advances*	16,896	20,166	21,587	28%
Investments	5,612	6,779	7,209	28%
Fixed Assets	195	275	297	53%
Other Assets	1,144	1,183	1,221	7%
<b>Total Assets</b>	<b>25,636</b>	<b>29,994</b>	<b>31,894</b>	<b>24%</b>

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



## Capital Adequacy Ratio is strong at 16.54% as on September 30, 2023

In US\$ Million	Sep-22	Jun-23	Sep-23
Common Equity	2,588	3,088	3,226
Tier 2 Capital Funds	318	736	729
<b>Total Capital Funds</b>	<b>2,906</b>	<b>3,824</b>	<b>3,955</b>
<b>Total Risk Weighted Assets</b>	<b>18,931</b>	<b>22,546</b>	<b>23,907</b>
CET-1 Ratio (%)	<b>13.67%</b>	<b>13.70%</b>	<b>13.49%</b>
<b>Total CRAR (%)</b>	<b>15.35%</b>	<b>16.96%</b>	<b>16.54%</b>

- Including the fresh equity capital of US\$ 361 Mn raised in 1<sup>st</sup> week of October 2023, total CRAR as on September 30, 2023 would be **18.06%** with CET-1 ratio at **15.01%**.
- The Bank is well capitalized for growth in future.

## Section 10: Credit Rating



## Bank's Long Term Credit Rating has been recently upgraded by CARE, CRISIL and ICRA

Rating Agency	Long Term Credit Rating	Month of Rating Review
CARE Ratings	AA (stable) to AA+ (stable)	October' 23
CRISIL	AA (stable) to AA+ (stable)	June '23
ICRA	AA (stable) to AA+ (stable)	May '23
India Ratings	AA+ (negative) to AA+ (stable)	December' 22

## Section 11: Board of Directors



## Board of Directors: MD & CEO Profile



Vaidyanathan aspires to create “a world-class Bank which offers high-quality affordable and ethical banking for India”.

He left a Board level position at ICICI group in 2010 and acquired stakes in of a small listed, loss making, real-estate financing NBFC with market cap of Rs. 780 crores (\$140m) with the idea of converting it to a Bank. He did so through a leveraged buyout which was funded by personal borrowing Rs. 78 crore (\$14m), which he raised by pledging the purchased stock and his home as collateral.

He then changed the business model to financing micro and small entrepreneurs by use of technology with ticket sizes of \$100-\$100K, demonstrated the proof of concept to investors and raised fresh PE backed equity of Rs. 810 crores.. He renamed the company Capital First and became its Chairman and CEO.

He turned the company around from losses of Rs. 30 crores (\$5m, 2010) to profit of Rs. 358 crore (\$ 50m, 2018). The share price of Capital First rose from Rs. 122 (2012) to Rs. 850 (2018) and the market cap increased >10 times from Rs. 780 crores (\$120 m, 2010) to Rs. 8200 crores (\$1.2 b, 2018). Per stock exchange filings, he bought the NBFC shares at Rs. 162 and sold part of his holdings at Rs. 688 in 2017 to close the loan availed to purchase the shares.

Capital First's retail loan grew from Rs. 94 crores (\$14m, 2010) to Rs. 29,600 crores (\$4 b, 2018) with 7 million customers. Having built Capital First to scale, he looked out for a commercial banking license to convert it to a Bank. In 2018, opportunity struck in the form of an offer for merger from IDFC Bank. He led the integration and took over as the MD and CEO of the merged bank, renamed to IDFC First Bank. Since then, he has increased retail and commercial finance book to Rs. 1,46,783 crores, increased CASA from 8.7% to ~45.0%, and turned the bank into profitability.

Earlier, Vaidyanathan worked with Citibank from 1990-2000. He joined ICICI Group in 2000 when the retail banking business was in its inception. He took the branch network to 1411, built a large CASA book, and built retail lending including mortgages, auto loans, and credit cards of Rs. 1.35 trillion (\$30 bn) by 2009. The retail banking business he built helped transform the institution from a wholesale DFI to a retail banking institution. He joined the Board of ICICI Bank in 2006 at age 38 and became MD and CEO of ICICI Prudential Life Insurance Company at 41.

He has received many domestic and international awards notably Ernst & Young “Entrepreneur of the Year – Financial Services, India, 2022”, ET Most inspiring CEO 2022, CNBC Awaaz "Entrepreneur of the Year" 2020, "Most Inspirational Leveraged Management Buyout, India 2018" by CFI Awards, London, CNBC Asia's "Most Innovative Company of the Year" 2017, "Entrepreneur of the Year" at Asia Pacific Entrepreneurship Award 2016 & 2017, "Most Promising Business Leaders of Asia" by Economic Times. in 2016, 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, "Outstanding contribution to Financial Inclusion, India, 2017" from Capital Finance, London, "Most Promising Business Leaders of Asia" 2016 by Economic Times. He is an alumnus of Birla Institute of Technology and Harvard Business School (Advanced Management Program). He has run 24 half-marathons and 8 full marathons.

## Board of Directors: COO Profile



### **MR. Madhivanan Balakrishnan - EXECUTIVE DIRECTOR**

Mr. Madhivanan Balakrishnan is the Chief Operating Officer (COO) of IDFC FIRST Bank. He is a customer focused and respected industry thought leader with a broad expertise across business development, operations, customer insights and technology. He brings a wealth of operational, technical and marketing experience across diverse industry segments such as banking, insurance, FMCG, durables and IT & ITES.

Mr. Madhivanan Balakrishnan has established a track record of building new businesses, driving sustainable growth and realizing value in diverse and dynamic market situations. He has also been involved in successful business turnarounds and delivered engaging and insightful transformation in organizations.

Prior to his role as COO at IDFC FIRST Bank, Mr. Madhivanan Balakrishnan was Chief Technology & Digital Officer (CTDO) at ICICI Bank. He has also served as a Managing Director and Global CEO of 3i Infotech Ltd., an IT product and services company with strong expertise in the ERP and BFSI segment. He was also Executive Director at ICICI Prudential Life Insurance Company.

Mr. Madhivanan Balakrishnan holds a Bachelor's degree in Chemistry from Mumbai University, and PGDM in Marketing from the Indian Institute of Management, Calcutta.

## Board of Directors



### **MR. SANJEEB CHAUDHURI – PART-TIME NON-EXECUTIVE CHAIRPERSON (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 is an MBA in Marketing and has completed an Advanced Management Program.



### **MR. AASHISH KAMAT - INDEPENDENT DIRECTOR**

Mr. Aashish Kamat has over 32 years of experience in the corporate world, with 24 years being in banking & financial services & 6 years in public accounting. He 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, he was in New York, where he 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.



### **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 is a member, Banking and Finance Committee, Indian Merchants Chamber and also nominated as member, Depositor Education and Awareness (DEA) Fund Committee by the RBI. She retired as General Manager and Chief Economist, SBI, 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.

## Board of Directors



### **MR. HEMANG RAJA - INDEPENDENT DIRECTOR**

Mr. Hemang Raja, is an MBA from Abilene Christian University, Texas, with a major in finance. He has also completed an Advanced Management Programme (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. 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 SBI 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. S GANESH KUMAR - INDEPENDENT DIRECTOR**

Mr. S Ganesh Kumar was the Executive Director of the Reserve Bank of India. He was with the Reserve Bank of India for more than three decades. His most recent responsibilities included the entire gamut of Payment and Settlement Systems, creation and development of strategic plans for the Bank and to take care of the external investments and manage the foreign exchange reserves with the central bank. Mr. Kumar is a post graduate in Management having experience in varied fields such as marketing, market research, banking, finance, law, and Information Technology.



## Board of Directors



### **Mr. Mahendra N. Shah – NON-EXECUTIVE NON INDEPENDENT DIRECTOR**

Mr. Mahendra N. Shah was the Group Company Secretary & Group Chief Compliance Officer of IDFC Bank Limited and had been the Group Head - Governance, Compliance & Secretarial and Senior Advisor- Taxation at IDFC Limited for more than two decades. In this role, Mr. Shah was responsible for Secretarial, Governance and Compliance functions for over 26 companies/entities of IDFC Group. Mr. Shah was the Company Secretary & Compliance Officer of IDFC Limited since May 24, 2019 and currently has been the Managing Director of IDFC Limited with effect from August 24, 2022. Prior to joining IDFC in 2001, Mr. Shah worked with International Paper Limited for a period of six years as Director Finance and Company Secretary. He has worked as Head of Taxation in SKF Bearings India Limited. He also worked for a short period with Pfizer Ltd as Finance Officer. He completed his articleship training for CA with M/s. Bansilal S. Mehta & Co, CA for 3 years. He is a qualified member of the Institute of Chartered Accountants of India (ICAI), the Institute of Cost & Management Accountants of India (ICMA) and the Institute of Company Secretaries of India (ICSI).



### **DR. JAIMINI BHAGWATI - NON-EXECUTIVE NON INDEPENDENT DIRECTOR**

Dr. Jaimini Bhagwati is a former IFS officer, economist and foreign policy expert. He received his PhD in Finance from Tufts University, USA. He did his Master's in Physics from St Stephen's College, Delhi and a Master's in Finance from the Massachusetts Institute of Technology, USA. He was the High Commissioner to the UK and Ambassador to the European Union, Belgium and Luxembourg. Dr. Bhagwati has served in senior positions in the Government of India, including in foreign affairs, finance and atomic energy. In his earlier role at the World Bank, he was a specialist in international bond and derivatives markets and was the RBI chair professor at ICRIER. He is currently a Distinguished Fellow at a Delhi based think-tank called the Centre for Social and Economic Progress (CSEP).



### **MR. VISHAL MAHADEVIA – NON-EXECUTIVE NON INDEPENDENT DIRECTOR**

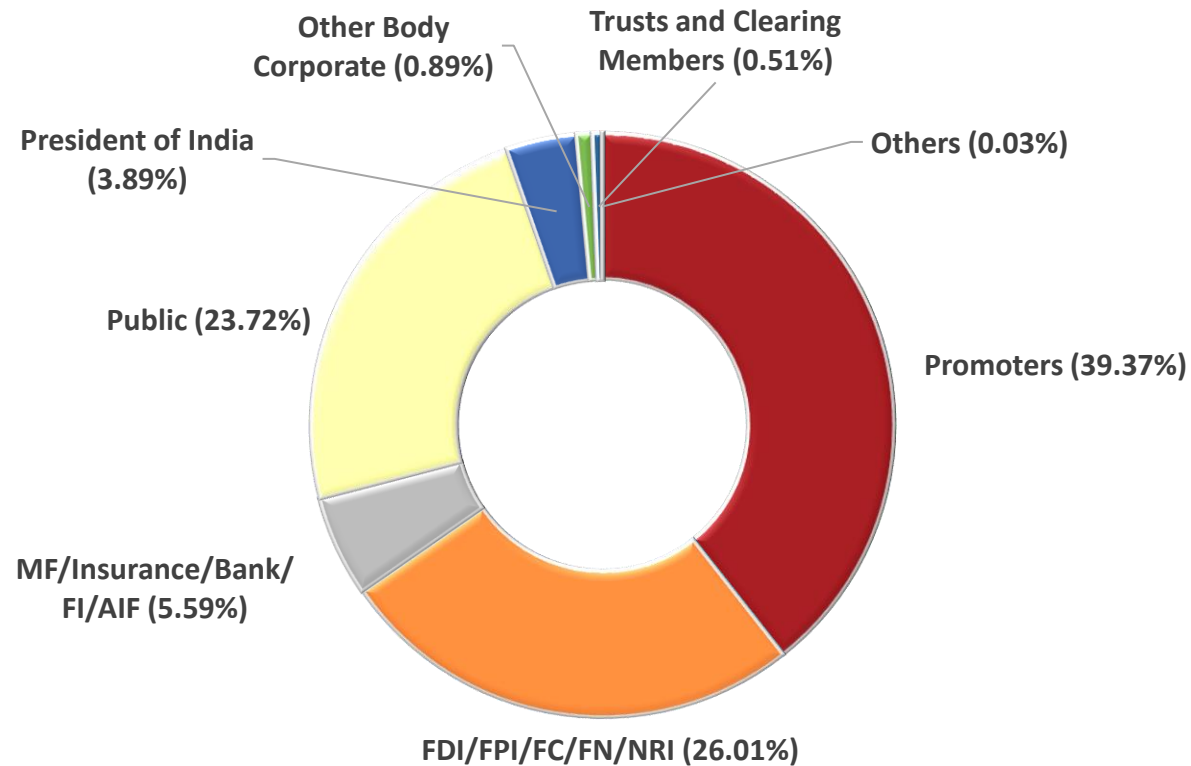
Mr. Vishal Mahadevia joined Warburg Pincus in 2006 and is Managing Director, Head of India and is a member of the firm's executive management group. Previously, he was a Principal at Greenbriar Equity Group, a fund focused on private equity investments in the transportation sector. Prior to that, Mr. 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 12: Shareholding



# Shareholding Pattern as of September 30, 2023

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



**Total # of shares as of Sep 30, 2023**

**6,722.4 Million**

**Basic EPS (Q2-FY24 annualized)**

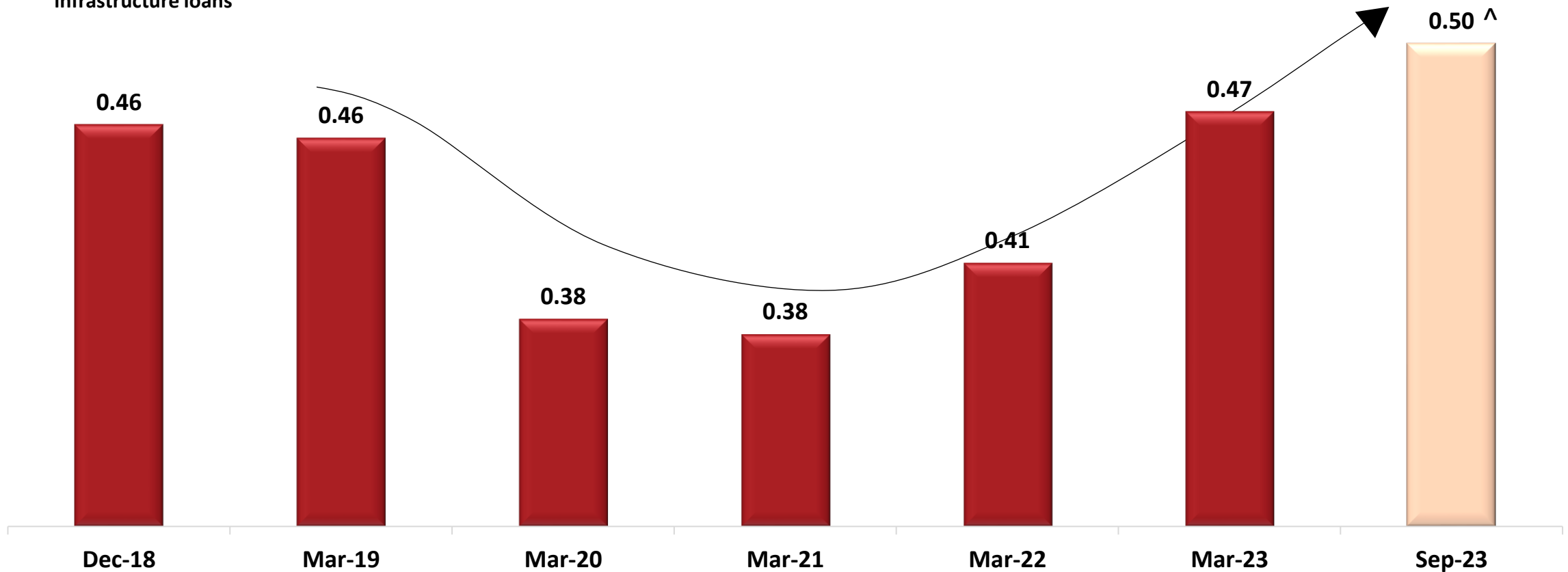
**Rs. 4.43  
(US\$ 0.05)**

- During the first week of October 2023, the Bank successfully raised US\$ 361 Mn from set of Marquee investors via qualified institutional placement (QIP) at an issue price of Rs. 90.25 (US\$ 1.09) per share.

## Growth in book value per share

Book Value Per Share reduced during the first few years after merger due to credit losses arising from legacy corporate and infrastructure loans

During the last 9 quarters, the BVPS increased by 28% with the increasing profitability from the core business model



^ The Bank raised fresh equity of US\$ 361 Mn in October 2023 via QIP. Including the same, BVPS would be Rs. 43.48 (US\$ 0.52) per share

## Section 13: Progress on ESG



## Our ESG Priorities Align with Our Corporate Vision

**Our Vision: To Build A World-Class Bank in India**

Guided by **Ethics**

powered by **Technology**

and be a force for **Social Good**



# ESG at IDFC FIRST Bank – Environmental and Green initiatives



Green infrastructure



EV charging infra for employees



Customer awareness



EV financing

## Green buildings

- IGBC & LEED certification for four of our large offices across Mumbai, Delhi and Hyderabad
- IDFC FIRST Bank Tower HO (The Square, BKC) has been recertified with highest rating of IGBC Platinum
- EV charging infrastructure for employees in three offices

## Green energy

- IDFC FIRST HO (The Square, BKC) is fully powered by Green Energy
- Adopted Motion Sensors for lights and introduced Internet of Things (IoT) in our AC systems in multiple offices

## Water efficiency

- Optimization of water usage in facilities in key offices, saving over 4,300 KL water every year

## E-waste management

- 8.67 tonnes e-waste processed responsibly in FY23

## EV financing

- 1.47 lakh EV two wheelers financed (live portfolio)
- 3400+ EV 3 wheelers financed in Rural areas for last mile connectivity
- Leading financier with maximum finance tie ups; introduced industry first end-to-end digital journeys

## Customer awareness

- Fully digitized customer journeys for multiple products to save paper
- In-store customer awareness for purchase of energy efficient appliances

## Environment focused CSR initiatives

- Beach cleanup programme – 1150 kg of waste collected in two sessions (one session in each quarter)
- 1,300+ saplings planted till date
- Swachh Worli Koliwada programme – Over 113 tonnes dry and wet waste processed in Q1 + Q2 FY24

# ESG at IDFC FIRST Bank – Social and Governance initiatives

## Social



Employee engagement



Community impact



Customer-first



Diverse leadership

## Governance



Strong governance



Information security

### Employee learning and engagement

- ~9.9 lakh learning hours in H1 FY24
- Holistic employee wellbeing programmes covering physical, mental and financial health

### Responsible and inclusive lending

- Consciously increasing lending to socially inclusive and environmentally responsible sectors
- ~60% of all rural borrowers are women

### CSR and community programmes\*

- 4492 volunteers activated in H1 FY24, positively impacting 11481 people
- Shwetdhara programme that helps create farmer livelihoods expands total footprint to 550 villages
- 23 children supported under Paediatric Cancer Care Program
- 694 scholars awarded MBA Scholarships
- 51 young adults with autism supported for special education
- 52 municipal school students provided with Social Emotional Learning sessions
- 10 female football players supported for sports scholarships
- 23 women with intellectual disabilities supported under stipend program
- 109 children with intellectual disability supported for early intervention program
- 9690 households serviced under waste management and sanitation program

\*Impact numbers cumulative for Q1 + Q2 FY 2024

### Growing geographical coverage for customer access

- Universal bank with 862 branches (and growing)

### Strong and experienced Board

- Independence: Independent Directors constitute 55% of the Board
- 11 Board Committees; majorly chaired and constituted by Independent Directors
- Management committees are mapped to respective Board Committees
- Diverse and relevant skill sets of Board members
- Highly competent Board with over 30 years of average experience
- Dynamic and engaged Board, with high frequency of Board meetings
- 100% average Board attendance

### Being customer first

- Unique customer-friendly services, including fee-free services for savings account customers

### Quality of portfolio

- Stringent Credit and Provisioning Policy
- Strong Capital Adequacy, LCR, PCR, Credit Rating

### Risk governance

- Strong Risk Management Framework
- Strong Vigilance Mechanism

### Information security

- IDFC FIRST Bank Certified with ISO 27001 (Information Security Management System)



# ESG Commitments, Ratings and Governance

## ESG Commitments

- FY 2023 annual disclosures published through the Bank's first **Integrated Report**, aligned with **Int'l IR framework, GRI and SASB**
- Official Participant of **United Nations Global Compact (UNGC)**
- One of the initial official supporters of **Task Force on Climate-Related Financial Disclosures (TCFD)** in the Indian Banking sector

## ★ ESG Ratings

★	Sustainalytics		★	MSCI	
2023	26.6 <small>Lower is better</small>	↑	2023	A	↑
2022	38.3		2021	BBB	

★	Refinitiv		★	CRISIL		★	DJSI	
2022	60 (B)	↑	2022	66 (B) <small>Started 2022</small>		2022	44	↑
2021	50 (B-)		2021	-		2021	19	



## ESG Governance Structure

### Board Level Committee

- Board Committee: Stakeholders Relationship, ESG and Customer Service Committee - Chaired by an Independent Board member

### Management Level Committee

- Chaired by MD & CEO
- Drives the strategic integration of sustainability within the Bank
- Constitutes executive members including heads of Group functions

### Steering Committee and Working Group

- Specific working groups with cross-functional composition and expertise responsible for delivering on the ESG agenda
- Facilitated by a dedicated ESG team

# Recognitions for ESG Efforts



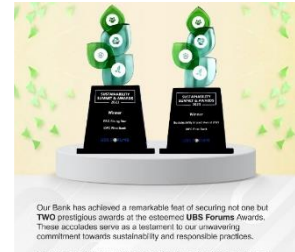
Institute of Directors India

Golden Peacock Award in ESG  
Sep 2023 (National)



CFI.co - Capital Finance International

Outstanding Commitment to ESG  
Performance in India Sep 2023



UBS Forums

ESG Rising Star & Sustainability  
Impact Award May 2023



Transformance Forums

Best Bank Leading the Way in  
ESG Apr 2023



Economic Times BFSI Excellence Awards

Best CSR Sustainability Award  
Feb 2023



Navabharat BFSI Award

Best Sustainable Bank Strategy  
Oct 2022



The European

Social Impact Bank of the Year  
Sep 2022



World Finance Organisation

Best Corporate Governance,  
India Jun 2022



Inclusive Finance India Awards

Breaking Ground in WASH  
Financing Dec 2021



Water.org & Sa-Dhan Awards

Excellence in Water and  
Sanitation Financing Oct 2021

## Section 14: Awards and Recognition



# Awards and Recognition



**Best Consumer Digital Bank in India, Sept 2021**  
- Received from Global Finance Magazine



**Best Corporate Governance 2023** -  
World Finance



**Best Corporate Governance 2023** - World Finance

**Best Digital Bank 2023** - Financial Express India's Best Banks Awards 2023

**Innovative Payment Solution of the Year for FIRSTAP 2023** - Gadgets Now

**Excellence in BFSI 2023** - by Fun & Joy at Work

**Dream company to work for HR 2023** - by Fun & Joy at Work

**Best Corporate Governance, India 2022** - World Finance Corporation

**Most Innovative Digital Transformation Bank 2022** - The European

**Most Promising Brand Awards 2022** - ET BFSI

**Social Impact Bank of the Year 2022** - The European

**Best Payments & Collections Solution Award 2021** - Asset Asian Awards

**Best Innovative Payment Solution** - Phi Commerce

**Best Consumer Digital Bank in India – 2021** - Global Finance Magazine

**Best Wealth management provider for Digital CX** - Digital CX

**Excellence in User Experience – Website** - Digital CX

**Asia Private Banking Award** - Asia Money

**Best BFSI Brands in Private Bank Category** - ET BFSI

**Most Trusted Brands of India 2021** - CNBC TV18

**Most Harmonious Merger Award** - The European

**Most Innovative Banks** - IFTA 2021

**Most Trusted Companies Awards 2021** - IBC

**Outstanding Digital CX - Internet Banking (WM)** - Digital CX

**ET Most Inspiring CEO Award** - by Economic Times

# IDFC FIRST Bank

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**We are building a world class bank with:**

- Highest levels of corporate governance
- Stable balance sheet growth of ~20-25%,
- Robust asset quality of GNPA less than 2% and net NPA of < 1%
- High teens ROE
- Contemporary technology and
- High levels of Customer Centricity.

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**Thank You**

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## **Annexure 1**

### **Performance of the Bank against the stated goals**



## The Bank is performing well on the guidance given for FY 25 at the time of the merger

	Particulars	Dec-18 (At Merger)	Guidance for FY24-FY25	Sep-23 Last quarter	Status
Capital	CET – 1 Ratio	16.14%	>12.5 %	13.49% <sup>1</sup>	On Track
	Capital Adequacy (%)	16.51%	>13.0 %	16.54% <sup>1</sup>	On Track
Liability	CASA as a % of Deposits (%)	8.7%	30% (FY24), 50% thereafter	46.4%	On Track
	Branches (#)	206	800-900	862	On Track
	CASA + Term Deposits<5 crore (% of Customer Deposits)	39%	85%	81%	On Track
	Certificate of Deposits of % of total deposits & borrowings	17%	<10% of liabilities	3%	Achieved
	Quarterly Avg. LCR (%)	123%	>110%	122%	On Track
Assets	Retail, Rural and SME Finance (Net of IBPC)	US\$ 4,449 Mn	US\$ 12,048 Mn	US\$ 17,685 Mn	Achieved
	Retail, Rural and SME Finance as a % of Total Loans & Advances	35%	70%	80%	Achieved
	Wholesale Loans & Advances <sup>2</sup>	US\$ 6,840 Mn	< US\$ 4,819 Mn	US\$ 3,937 Mn	Achieved
	- of which Infrastructure loans	US\$ 2,736 Mn	Nil in 5 years	US\$ 404 Mn	On Track

1. Including the equity from capital raised in 1st week of October 2023, CET-1 and total CRAR would be 15.01% and 18.06% respectively.
2. Excluding Security Receipts, Loan converted into Equity, RIDF and PTC.

Some new guidance has been included for greater clarity. No guidance given at the time of the merger has been amended  
 -- No guidance provided earlier for these parameters

## The Bank is performing well on the guidance given for FY 25 at the time of the merger

	Particulars	Dec-18 (At Merger)	Guidance for FY24-FY25	Sep-23 Last quarter	Status
Asset Quality	Top 10 borrowers as % of Total Loans & Advances (%)	12.8%	< 5%	2.5%	Achieved
	GNPA (%)	1.97%	2.0% - 2.5%	2.11%	On Track
	NNPA (%)	0.95%	1.0% - 1.2%	0.68%	On Track
	Provision Coverage Ratio <sup>3</sup> (%)	53%	~70%	84%	On Track
Profitability	Net Interest Margin (%)	3.10%	5.0% - 5.5%	6.32% <sup>1</sup>	Achieved
	Cost to Income Ratio <sup>2</sup> (%)	81.56%	65% ^	72.66%	Behind Schedule
	Return on Asset (%)	-3.70%	1.4-1.6%	1.16%	On Track
	Return on Equity (%)	-36.81%	13-15%	11.03%	On Track

1. Gross of IBPC & Sell-down

2. Excluding Trading Gains

3. Including technical write-offs.

Note: Earnings for Dec-18 are for the quarter, NIM, ROA, ROE are annualized for the corresponding quarter.

^ guidance for Q4-FY25

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## **Annexure 2**

### **Breakup of the loans & advances with YoY growth**

## Analysis of Loans & Advances by nature of business (Personal vs Business finance)

Gross Loans & Advances (In US\$ Million)	Sep-22	Jun-23	Sep-23	YoY (%)	QoQ (%)
<b>Retail Finance</b>	<b>9,802</b>	<b>11,726</b>	<b>12,603</b>	<b>29%</b>	<b>7%</b>
- Home Loan	2,039	2,426	2,561	26%	6%
- Loan Against Property	2,258	2,422	2,606	15%	8%
- Vehicle Loans	1,520	1,972	2,150	41%	9%
- Consumer Loans	2,289	2,690	2,799	22%	4%
- Education Loans	70	155	212	205%	37%
- Credit Card	326	469	516	58%	10%
- Gold Loan*	15	44	68	353%	55%
- Others	1,285	1,548	1,691	32%	9%
<b>Rural Finance</b>	<b>1,824</b>	<b>2,499</b>	<b>2,750</b>	<b>51%</b>	<b>10%</b>
<b>SME &amp; Corporate Finance</b>	<b>5,166</b>	<b>5,994</b>	<b>6,319</b>	<b>22%</b>	<b>5%</b>
- of which CV/CE Financing*	304	512	594	96%	16%
- of which Business Banking*	481	645	735	53%	14%
- of which Corporate Loans	2,998	3,333	3,533	18%	6%
<b>Infrastructure</b>	<b>722</b>	<b>453</b>	<b>404</b>	<b>-44%</b>	<b>-11%</b>
<b>Total Gross Loans &amp; Advances</b>	<b>17,513</b>	<b>20,672</b>	<b>22,077</b>	<b>26%</b>	<b>7%</b>

\* Rural Finance, CV/CE Financing, Business Banking, Gold Loans, Home Loans (< Rs. 30 Lacs) largely contribute to the PSL requirements of the Bank and hence are focus areas

1. The figures above are net of Inter-Bank Participant Certificate (IBPC) transactions & includes credit substitutes
2. Lending to commercial banking businesses and SMEs through working capital loans, business banking, commercial vehicle, trade advances, term loans, security receipts, loan converted to equity etc. have been combined with corporate banking as these are all pertaining to financing businesses.
3. Home Loans, vehicle finance, education loans, gold loans, credit cards, etc have been combined under Retail banking as this represents financing to individuals. Loan against property has been retained as part of retail banking as is the convention in the banking system reporting.
4. Others include digital lending, revolving credit, retail portfolio buyout etc.

## **Annexure 3**

### **Background of IDFC FIRST Bank – Merger of IDFC Bank and Capital FIRST**



## IDFC FIRST Bank was created by merger of IDFC Bank and Capital First

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- **IDFC FIRST Bank** was created by the merger of Erstwhile IDFC Bank and Erstwhile Capital First on December 18, 2018.
- **Erstwhile IDFC Bank** started its operation as a Bank after demerger from IDFC Ltd, a premier, successful infrastructure Financing Domestic Financial Institution since 1997. The loan assets and borrowings of IDFC limited were transferred to IDFC Bank at inception of IDFC Bank.
- **Erstwhile Capital First** was a successful consumer and MSME financing entity since 2012 with strong track record of growth, profits and asset quality.
- On merger, the Bank was renamed **IDFC FIRST Bank**.



On merger, 13.9 shares of IDFC Bank were issued for every share of Capital First as part of the merger scheme in December 2018

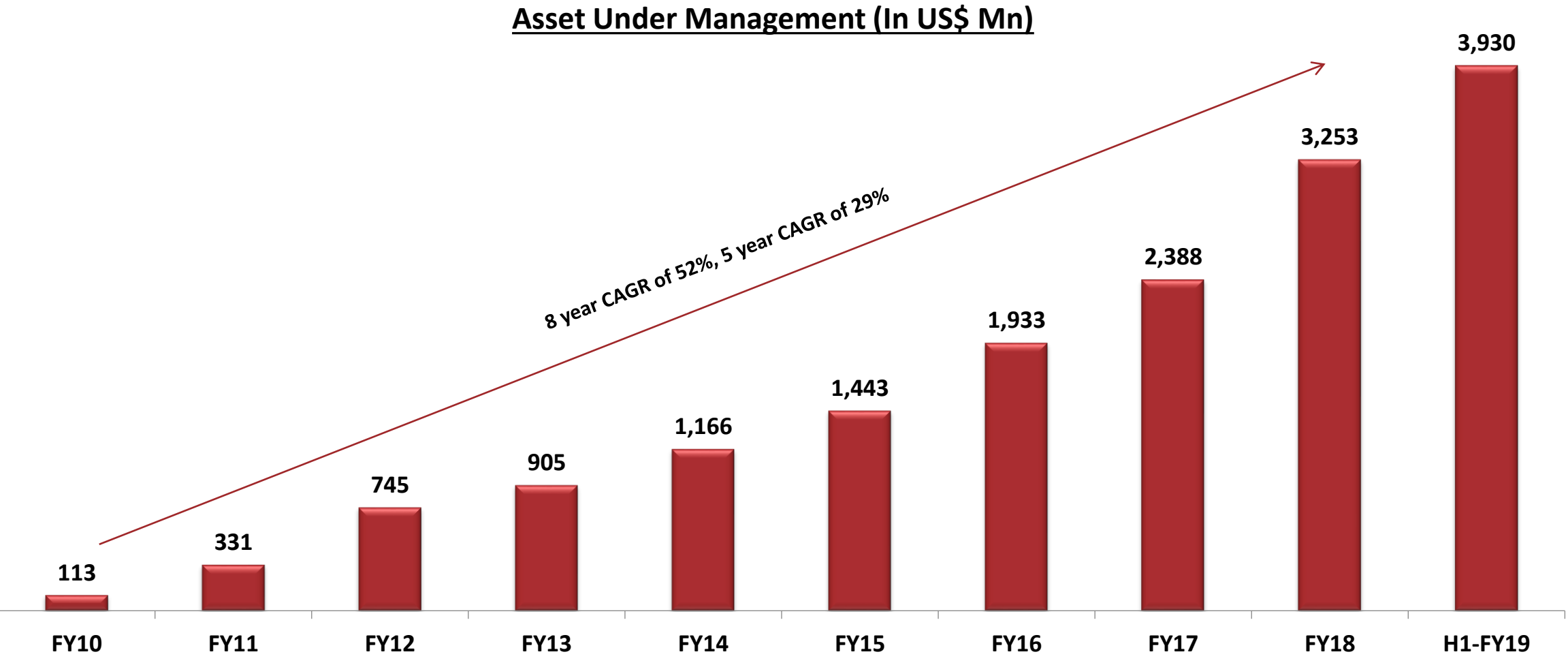
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## **Annexure 4**

**Since the business model of Capital First is an important part of the business being built in the merged bank, the brief history and the progress of Capital First is being provided for ready reference to investors.**

# Successful Trajectory of Growth and Profits at Capital First

Financial Performance: The Asset Under Management has consistently grown at 5-Year CAGR of 29%

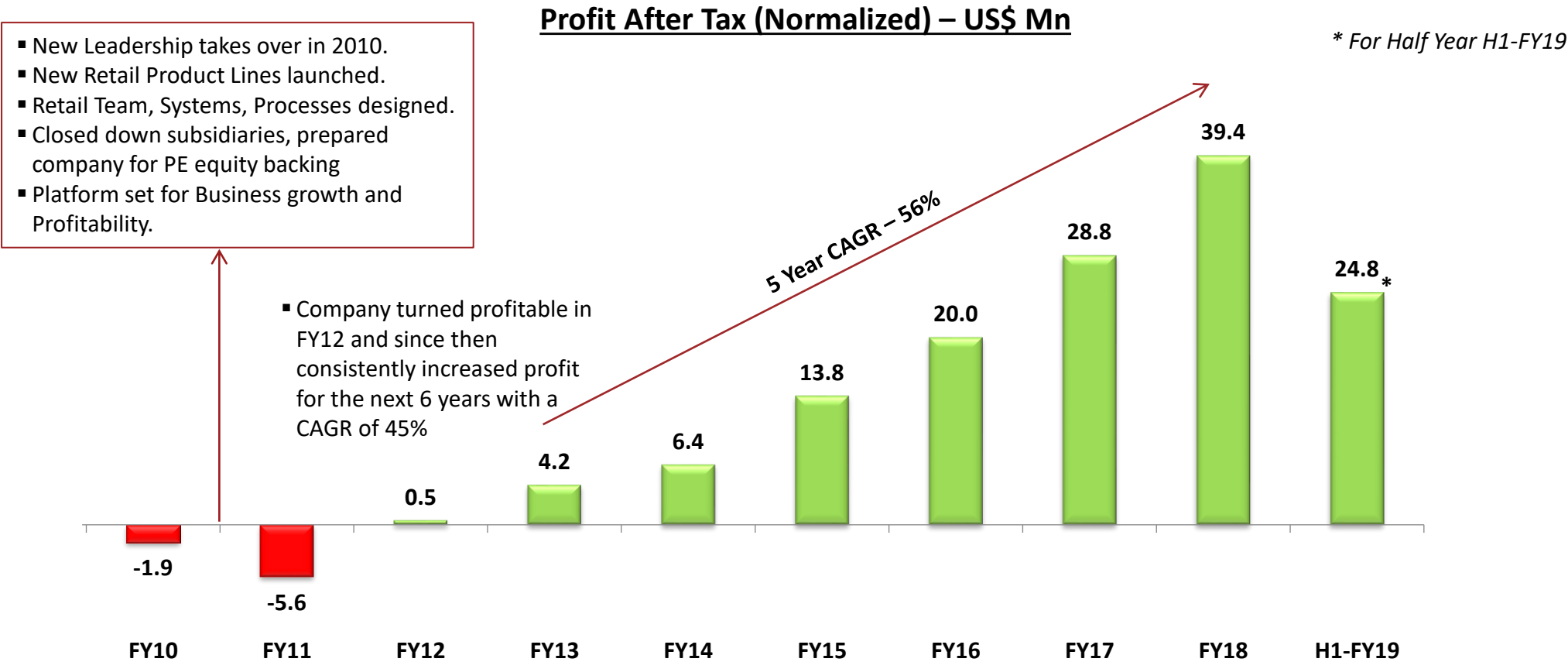




# Successful Trajectory of Growth and Profits at Capital First

## Financial Performance: Yearly Trend of Profit After Tax

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 got scale, Capital First posted a CAGR growth in profits of 56% for last 5 years.

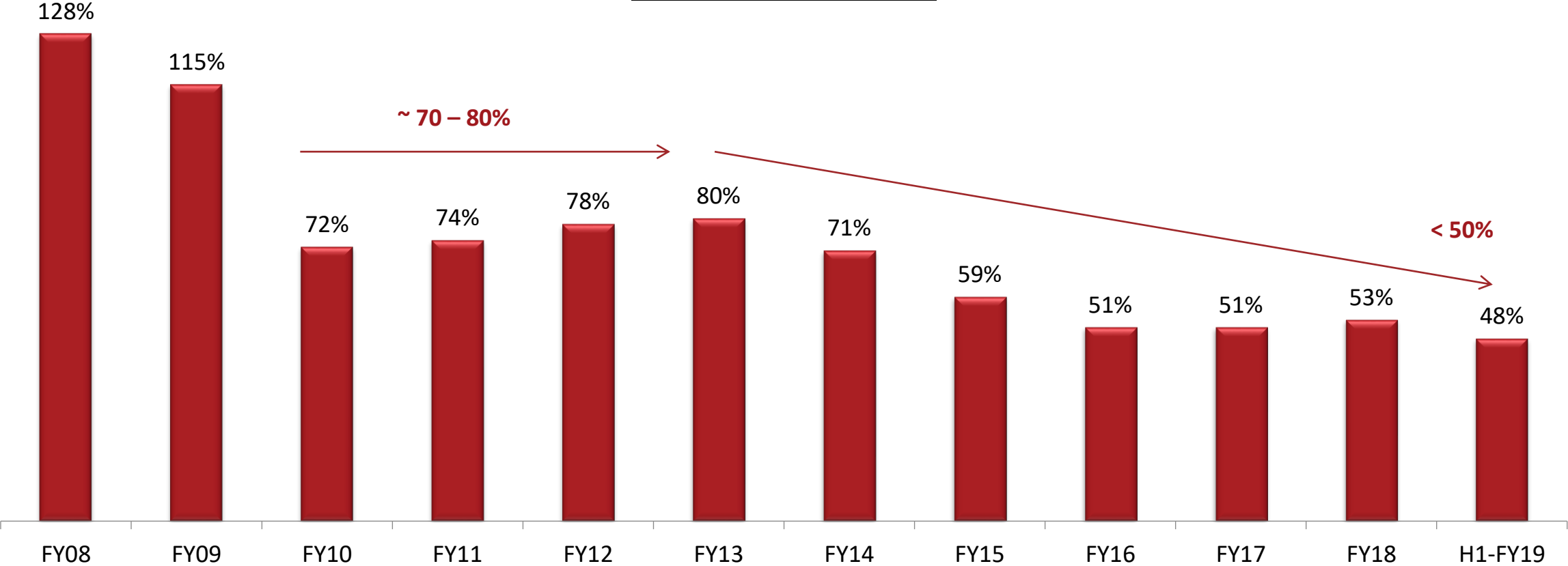


# Successful Trajectory of Growth and Profits at Capital First

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 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.

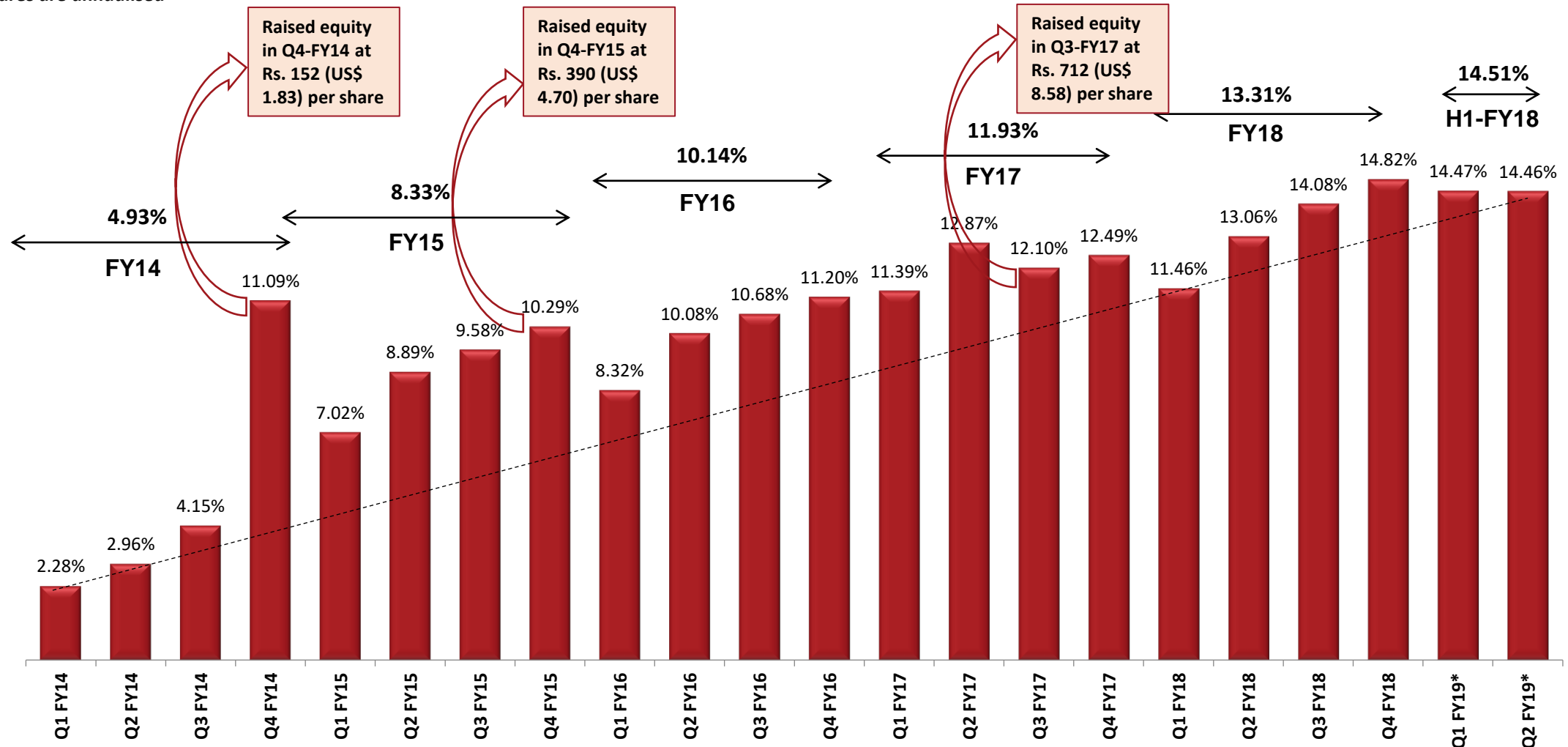
Cost to Income ratio (%)



# Capital First: the Return on Equity continuously improved over the quarters...

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.

All figures are annualised



\*Highlighted figures are based on Indian AS in comparison to quarterly figures for earlier periods based on Indian GAAP.

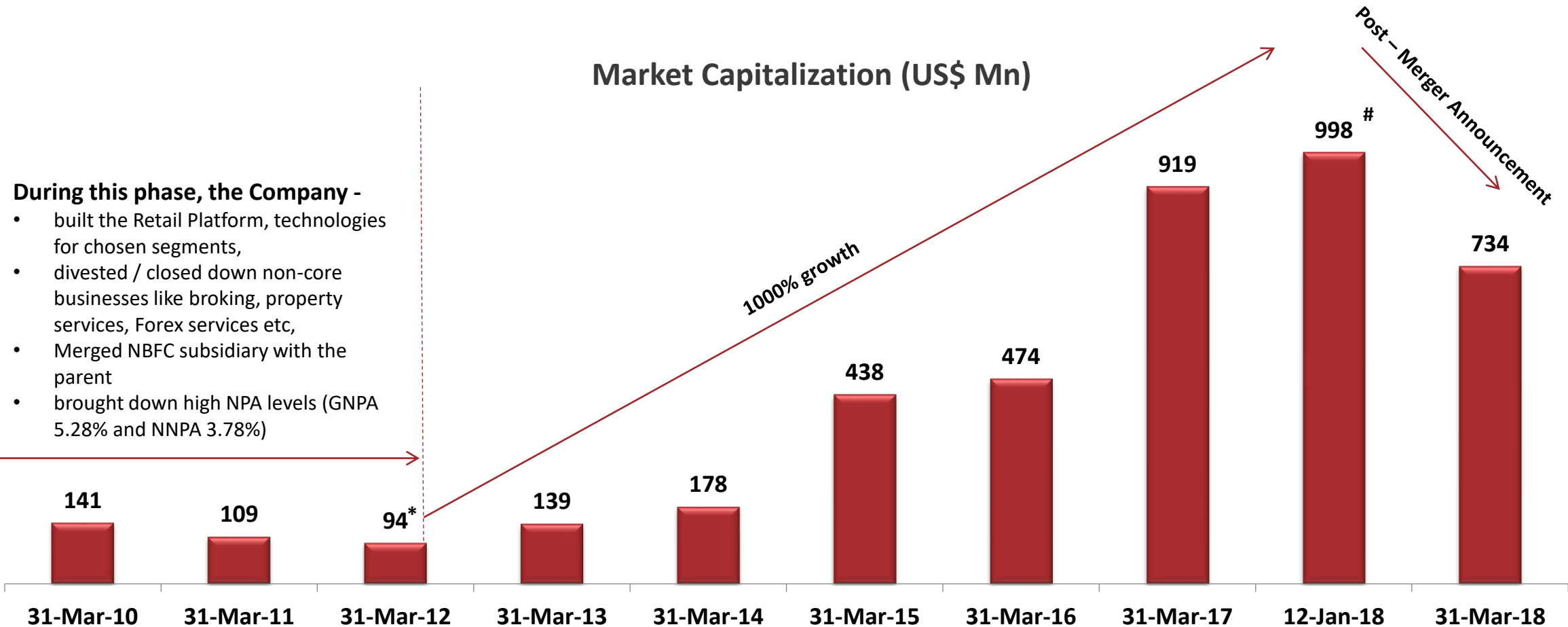
# Successful Trajectory of Growth and Profits at Capital First

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.

Market Capitalization (US\$ Mn)

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%)

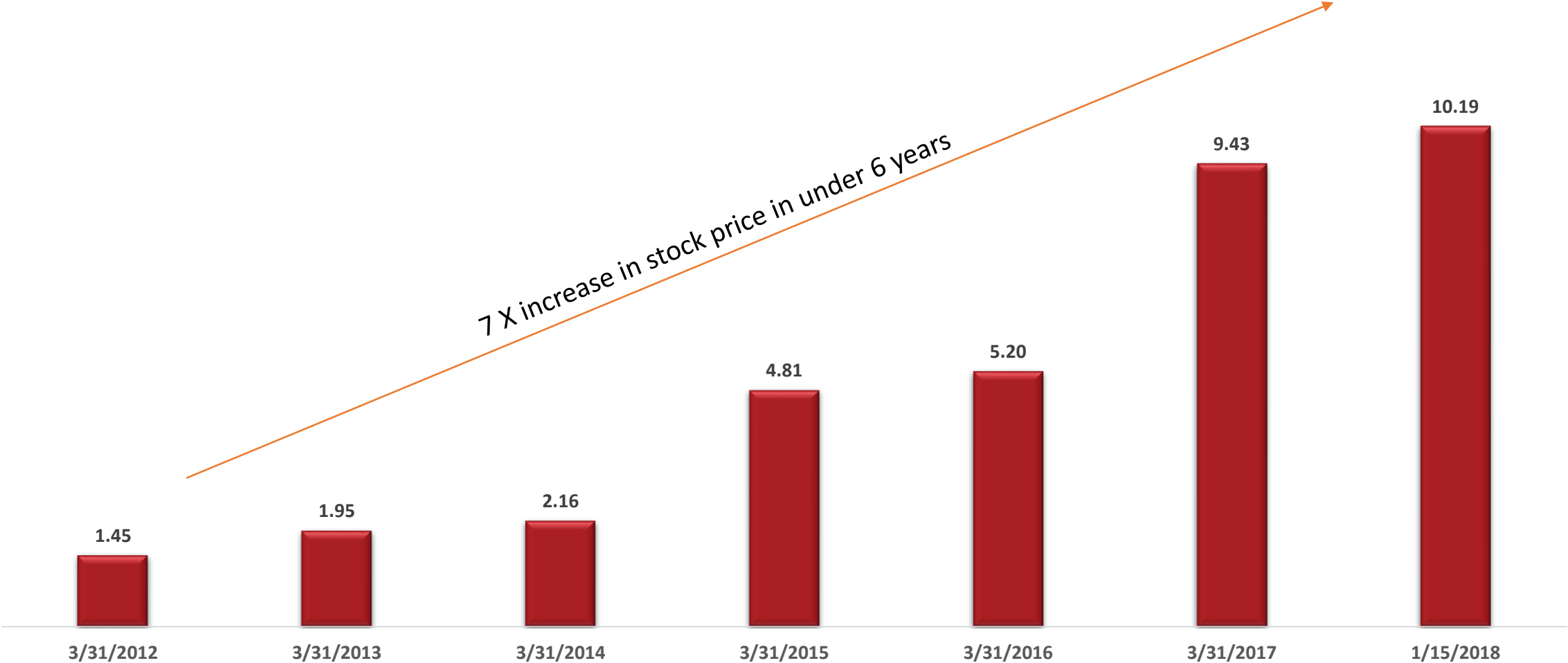


\* Market Cap as on 31-March-2012, the year of Management Buyout  
# Market Cap on the day before the announcement of merger with IDFC Bank (Jan 13, 2018).

# Successful Trajectory of Growth and Profits at Capital First

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Stock Price increased 7x from US\$ 1.45 to US\$ 10.19 in 6 years



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## **Annexure 5**

### **Proforma Financials before merger (H1-FY19)**

## Pre merger - Proforma Financials of IDFC Bank and Capital First – P&L (H1 FY19)

In US\$ Million	Erstwhile IDFC Bank (H1 FY 19)	Erstwhile Capital First (H1 FY 19)	Proforma Total (H1 FY 19)
Loans & Advances / AUM	9,076	3,930	13,007
Net-Worth	1,780	353	2,133
NII	110	138	248
Fees & Other Income	31	18	49
Treasury Income	4	0	4
Total Income	144	156	301
Opex	133	74	208
PPOP	11	82	93
Provisions	68	44	111
PBT	-57	38	(19)
<b>Key Ratios</b>			
NIM %	1.56%	8.20%	2.85%
RoA at PBT level %	(0.75%)	2.26%	(0.20%)
RoE % (at normalized level)	(4.18%)*	14.51%	(1.21%)
Cost to Income Ratio %	92.41%	47.52%	69.09%

Note: IDFC Bank and Capital First Limited (CFL) were in IGAAP and IND-AS respectively in H1-FY19