IDFC FIRST Bank

Investor Presentation – Q3 FY24

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Section 1: IDFC FIRST Bank Vision

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 in Annual Report FY19-20

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

(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.

(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 in Annual Report FY21-22

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 in Annual Report FY22-23

Section 2: Our approach to building IDFC FIRST Bank

Background

- **IDFC Limited**, a reputed Domestic Financial Institution, was awarded a commercial banking license and 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 in October 2015.
- **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$ 113 Million in 2010 to US$ 3,855 Million 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 to convert to a Scheduled Commercial Bank.
- **Merger**: The two entities merged for their respective reasons and thus IDFC FIRST Bank was created in December 2018.
- **Issues**: Because we were an early-stage bank that had recently been created from an infrastructure DFI background, on merger the Bank had certain issues. As per the financials of 31st December 2018,
  a) *The Bank had low CASA at 8.68%.*
  b) *The Bank had low NIM at 1.9% (H1 FY 19) and low Pre-Provisioning Operating Profits OP 0.32% (H1 FY 19)*
  c) *Most (91.96%) of the deposits & borrowings of US$ 15,588 Million was institutional. Only US$ 1,253 Million (8.04%) was retail Deposits.*
  d) *The Bank had large exposure in infrastructure and corporate Loans.*
- Between FY 19-FY 24, the bank has addressed almost all issues. Our Infrastructure exposure has reduced from US$ 2,585 Million to US$ 361 Million, CASA has grown to 46.83%, and profitability has increased to US$ 294 Million in FY 23.
- With a strong foundation, the Bank now looks forward to sustained growth with profitability from here on.

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

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

Safety First

In December 2018, when our Bank merged with Capital First, 92% of our liabilities were institutional. To address this, we prudently slowed down the loan growth to CAGR of only 5.1% for 3 years (2019-2022), and instead focused on increasing our retail deposits. Retail deposits are now 79% 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. 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 16.73% (December 31, 2023). Bank raised US$ 361 Million of fresh equity Capital in October 2023.

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

High Asset Quality	In retail we have a track record of nearly 14 years (estimated at March 31, 2014) of maintaining our GNPA 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 all through. The increase in NPA during COVID was temporary, and our Gross NPA is 1.45% and Net NPA is 0.51% as of December 31, 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 Operating Profit and PAT since the merger. PAT increased from loss making situation in FY 19 to US$ 294 Million in FY23. In 9M-FY24, the Bank has posted PAT of US$ 269 Million. This points to the strong profitability of the incremental business at the Bank.
Technology	The bank is investing in a modern and adaptable technology architecture that will support its future growth.

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 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 3: Guidance 2.0

Guidance 2.0 (FY24 - FY29): Background

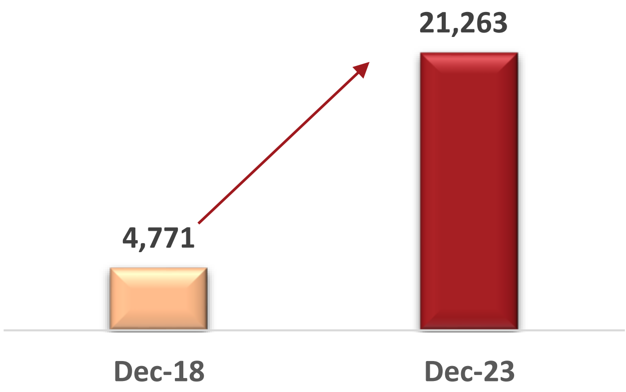
1. **5 Years:** As of 31/12/2023, IDFC FIRST Bank has completed exactly 5 years post the merger of IDFC Bank and Capital First.
2. **Guidance 1.0:** At the time of the merger, the Bank had put out certain guidance (Guidance 1.0) for FY 25.
3. **Limited Visibility:** When we announced the guidance, we did not have much visibility into what the next five years would entail. As it turned out, the Bank faced many unexpected headwinds upon merger, as follows:
   a. **2019-2020:** Many legacy wholesale loans like Dewan Housing Finance, Reliance Capital, Cox & Kings and infrastructure accounts where the Bank had to write-off significant amounts of around US$ 241 Million. This eroded net-worth, book value per share, and reduced income of about US$ 24 Million in annuity. Bank raised capital to recapitalize the Bank.
   b. **Losses:** Due to such unforeseen events, the Bank posted six quarters of losses consecutively from Q2 FY 19 to Q3 FY 20.
   c. **2020-2022:** The unprecedented COVID situation affected growth and earnings further during these two years.
   d. **News Flow:** Disturbed news flow due to outsized exposure of US$ 391 Million to Vodafone Idea (eventually paid Jan 22)
   e. **Low Core Pre-Provisioning Operating Profits (PPOP):** The Core PPOP of the Bank was only 1% of loans, leaving little room to absorb normal credit provisions.
4. **Met most guidance:** Under such difficult conditions and unprecedented events, the Bank has exceeded/met/ most likely to meet most targets as provided under Guidance 1.0. Please refer Guidance vs Performance of Guidance 1.0 in Annexure.
5. **Guidance 2.0 (FY 24-FY 29).** Based on the trends and momentum, we now have greater visibility into our future and profitability and plans, and provide Guidance 2.0

Guidance 2.0 (FY24 - FY29): Key Achievements during last 5 Years

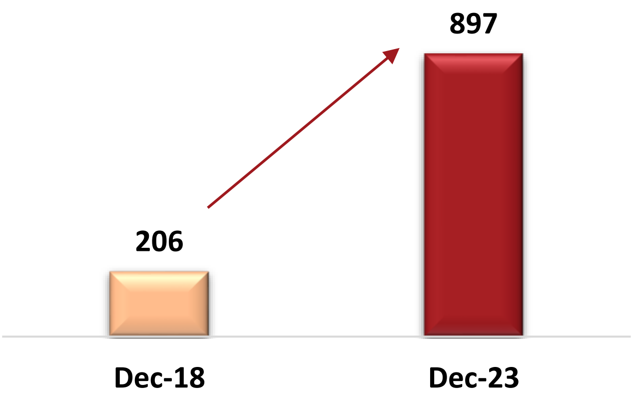
Between December 31, 2019 and December 31, 2023, the Bank has made strong progress in building the foundation, including investments in branches, ATMs, analytics, data, people, products and culture. We expect to leverage the same between FY 24-FY 29.

In US$ Million

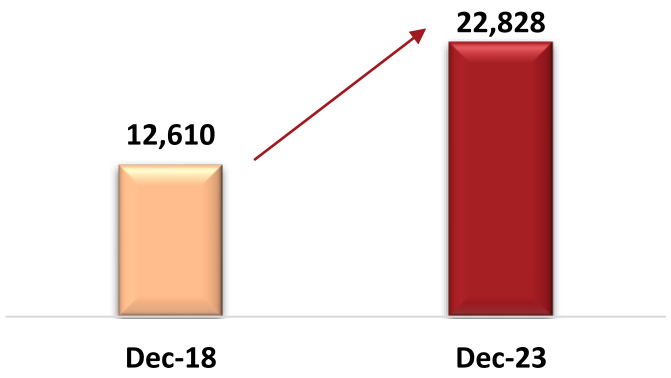
4.5x growth in Customer Deposits



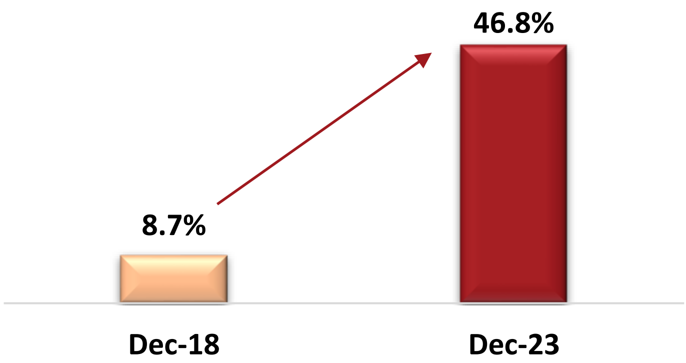
4.4x growth in branches



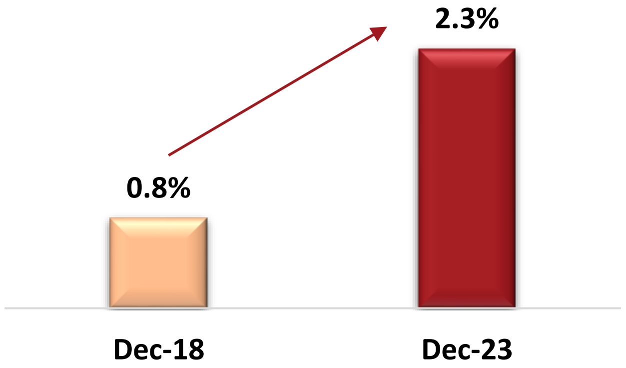
1.8x growth in Loan Assets $



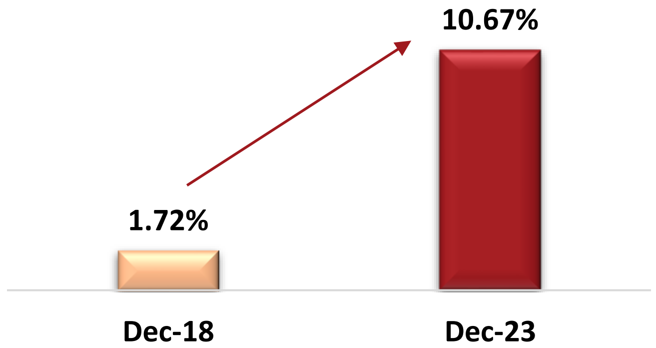
5x improvement in CASA Ratio



2.9x improvement in PPOP to Avg Assets



6.2x improvement in ROE (normalized)



$ During the first three years after merger, the Bank grew the loan book by only 5.1% CAGR in order to conserve resources and structurally improve the liabilities side. During this time, Bank successfully raised CASA & retail deposits and used the same to repay bulk corporate deposits and CD. Latest growth rate is at around 24.5%.

IDFC FIRST Bank

Dec-18 ROE has been calculated on PBT with normalized tax rate and without any one-off Tax adjustment

Guidance 2.0 (FY24 - FY29): Key Targets for FY29

- The Bank has exceeded, met or most likely to meet most targets as provided under Guidance 1.0.
- We have a strong proven business model that is incrementally very profitable. Basis this model, we could do necessary investments and expenses, and yet improve profitability during FY 19-24. We have far greater visibility while providing Guidance 2.0 as compared to visibility of at time of Guidance 1.0
- We are building a world class bank with highest levels of corporate governance, a consistent balance sheet growth of ~20%, with strong asset quality of GNPA < 1.5% and net NPA of < 0.4%, with ROE of 17-18%, with contemporary technology, unique business model, and high levels of Customer Centricity.

Particulars	31-Dec-2018	31-Dec-2023	31-Mar-2029	Assumptions
Deposits				
Branches (#)	206	897	1700-1800	Will open based on requirements to meet Deposit goals
Customer Deposits (US$ Mn.)	4,633	21,263	70,482	Guidance 2.0 at 5Y CAGR of 24.8% vs current YoY growth rate of 42.8%
- CASA Deposits (US$ Mn.)	635	10,300	34,337	Guidance 2.0 at 5Y CAGR of 24.5% vs current YoY growth rate of 28.6%
- Term Deposits (US$ Mn.)	3,998	10,963	36,145	Guidance 2.0 at 5Y CAGR of 25.2% vs current YoY growth rate of 59.4%
Assets				
Loans & Advances* (US$ Mn.)	12,610	22,828	60,241	Guidance 2.0 at 5Y CAGR of 20.3% vs current YoY growth rate of 24.5%
Total Assets (US$ Mn.)	18,906	32,619	84,337	Guidance 2.0 at 5Y CAGR of 19.8% vs current YoY growth rate of 22.3%
Asset quality				
GNPA %	1.97%	2.04%	1.5%	Currently, GNPA is 1.66% as of 31-Dec-23 excluding Infra loans
NNPA %	0.95%	0.68%	0.4%	Currently, NNPA is 0.47% as of 31-Dec-23 excluding infra loans
Profitability				
Profit (US$ Mn.)	-185^	269**	1,446 – 1,566	At about 1.9-2% of estimated ROA of FY29
ROA %	-	1.2%	1.9-2.0%	IDFC FIRST Business model naturally geared for 2% ROA
ROE %	-	10.7%	17-18%	IDFC FIRST Business model naturally geared for 18% ROE

Note: Current growth rate is the YOY growth for the period ending on 31 December 2023.

[1]*As per strategic plan, the Bank will exit Legacy Infrastructure Financing portfolio, hence the reference taken for guiding NPA excludes Infra financing portfolio.*

IDFC FIRST Bank

***** includes credit substitutes; ^ No. is for Q3-19; **For 9M-FY24,***

Section 4: Financial Highlights – Q3 FY24

Bank At a Glance, as of December 2023

Loans & Advances[1]
US$ 22,828 Mn (24.5% YoY) ▲

Customer Deposits
US$ 21,263 Mn (42.8% YoY) ▲

Diversification
Retail Deposits at 79% of customer deposits

CASA Ratio
46.8%

Asset Quality (Overall Bank level)
GNPA% : 2.04% | NNPA% : 0.68%

Asset Quality (Retail, Rural & SME)
GNPA% : 1.45% | NNPA% : 0.51%

Core Operating Income[2] (9M-FY24)
US$ 1,948 Mn (34.7% YoY) ▲

Core Operating Profit[2] (9M-FY24)
US$ 530 Mn (34.7% YoY) ▲

Profit After Tax (9M-FY24)
US$ 269 Mn (36.6% YoY) ▲

Return on Assets (9M-FY24)
1.16% (9M-FY23 - 1.05%)

Return on Equity (9M-FY24)
10.67% (9M-FY23 - 9.95%)

Capital Adequacy
16.73%

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

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

Key Financial Highlights of 9M FY24

Area	Key Parameters	9M FY23	9M FY24	Growth (%/bps)
Assets	Loans & Advances[1]	US$ 18,332 Mn	US$ 22,828 Mn	24.5% ▲
Deposits	Customer Deposits	US$ 14,889 Mn	US$ 21,263 Mn	42.8% ▲
	CASA Ratio (%)	49.98%	46.83%	-315 bps ▼
Asset Quality	GNPA (%) – Bank level	2.96%	2.04%	-92bps ▼
	NNPA (%) – Bank level	1.03%	0.68%	-35 bps ▼
	Provision Coverage Ratio - Bank	76.60%	84.68%	808 bps ▲
	GNPA (%) – Retail, Rural & SME	1.87%	1.45%	-42 bps ▼
	NNPA (%) – Retail, Rural & SME	0.70%	0.51%	-19 bps ▼
Profitability	Profit/(Loss) After Tax	US$ 197 Mn	US$ 269 Mn	36.6% ▲
	RoA%	1.05%	1.16%	11 bps ▲
	RoE%	9.95%	10.67%	72 bps ▲
Capital	Capital Adequacy Ratio (%)	16.06%	16.73%	67 bps ▲

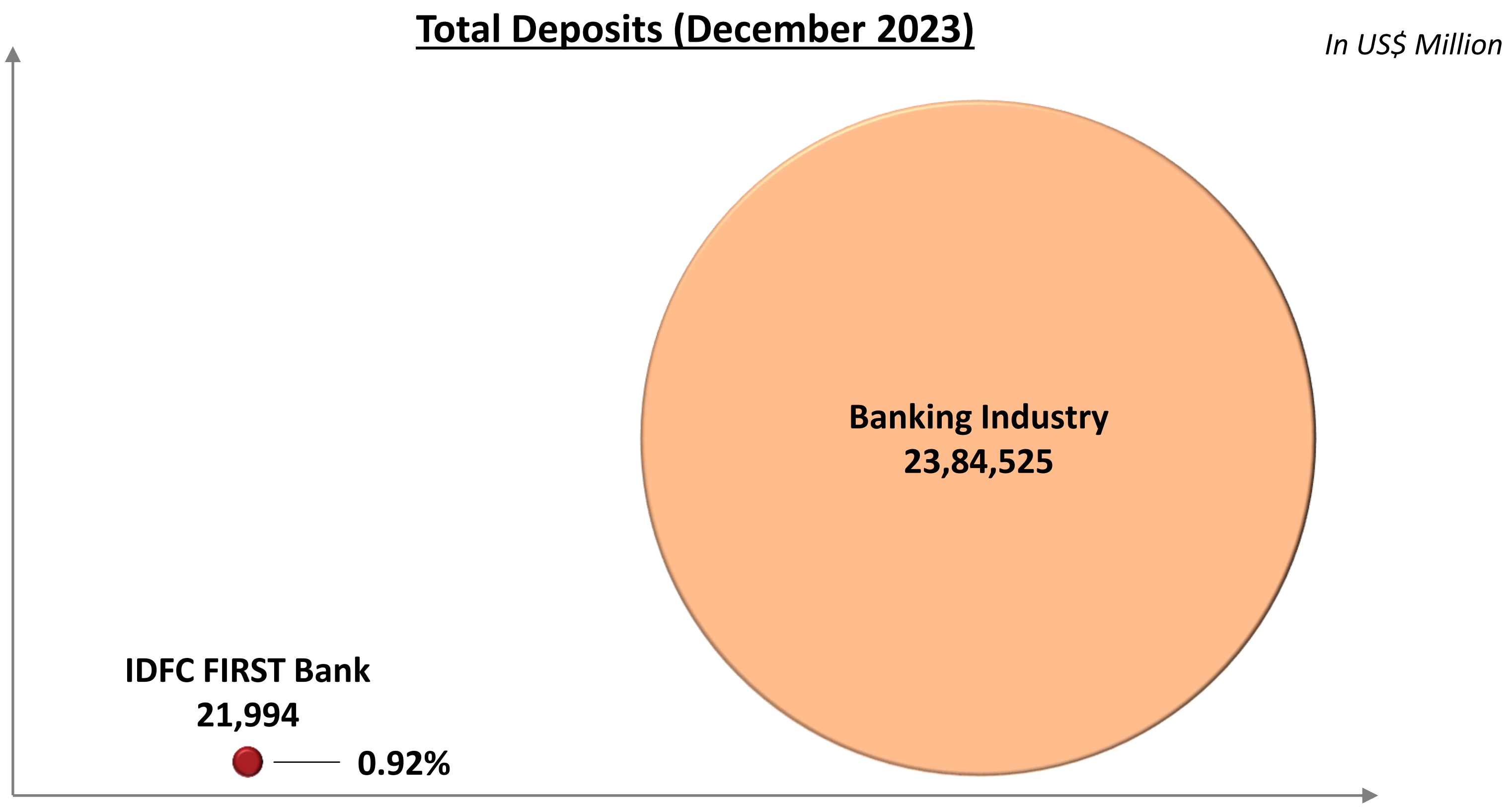
1. Note: Total Loans & Advances (including credit substitutes) are Net of IBPC

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

Section 5: Market Opportunity

Market Opportunity (Deposits)

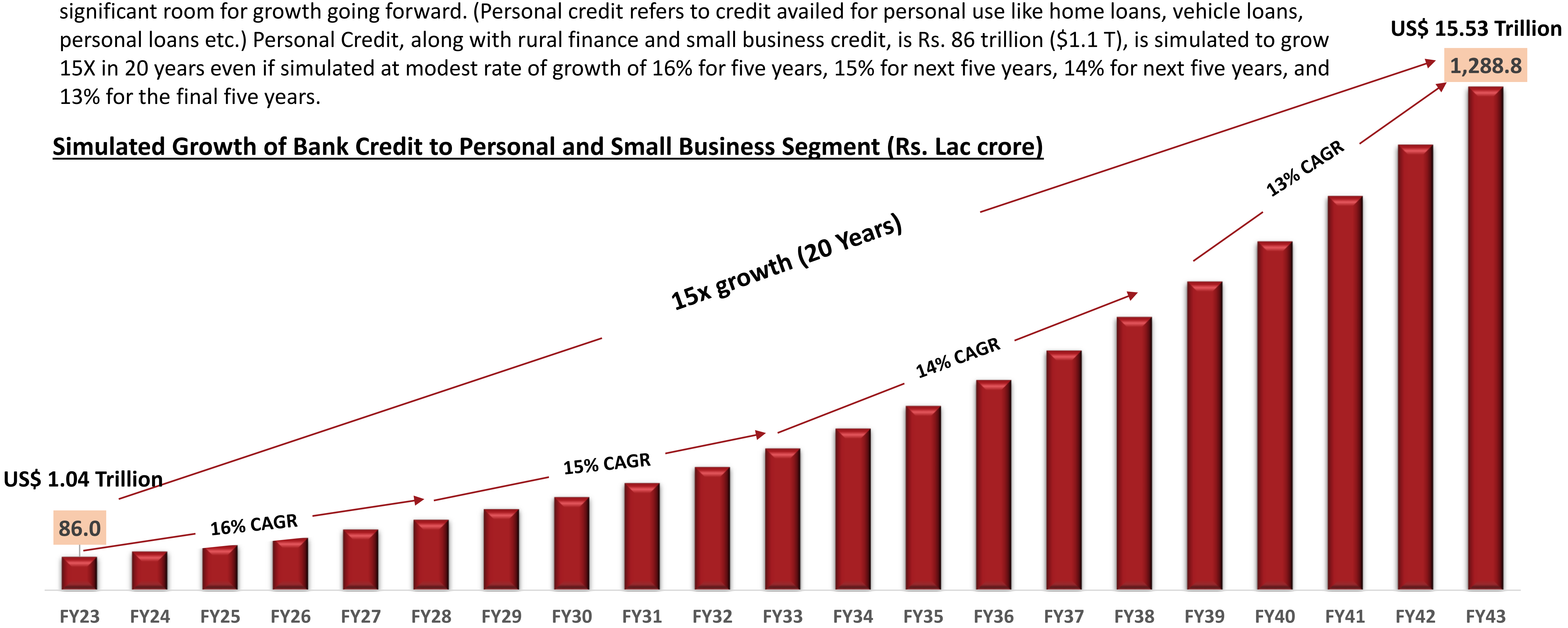
- Total Deposit for all scheduled banks in India currently is US$ 2,385 Billion which is growing at 14.0% YOY as per the RBI data (15-Dec-2023)
- IDFC FIRST Bank is 0.92% of the overall bank deposits and has significant room for growth going forward.



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% of GDP which has significant room for growth going forward. (Personal credit refers to credit availed for personal use like home loans, vehicle loans, personal loans etc.) Personal Credit, along with rural finance and small business credit, is Rs. 86 trillion ($1.1 T), is simulated to grow 15X in 20 years even if simulated at modest rate of growth of 16% for five years, 15% for next five years, 14% for next five years, and 13% for the final five years.

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

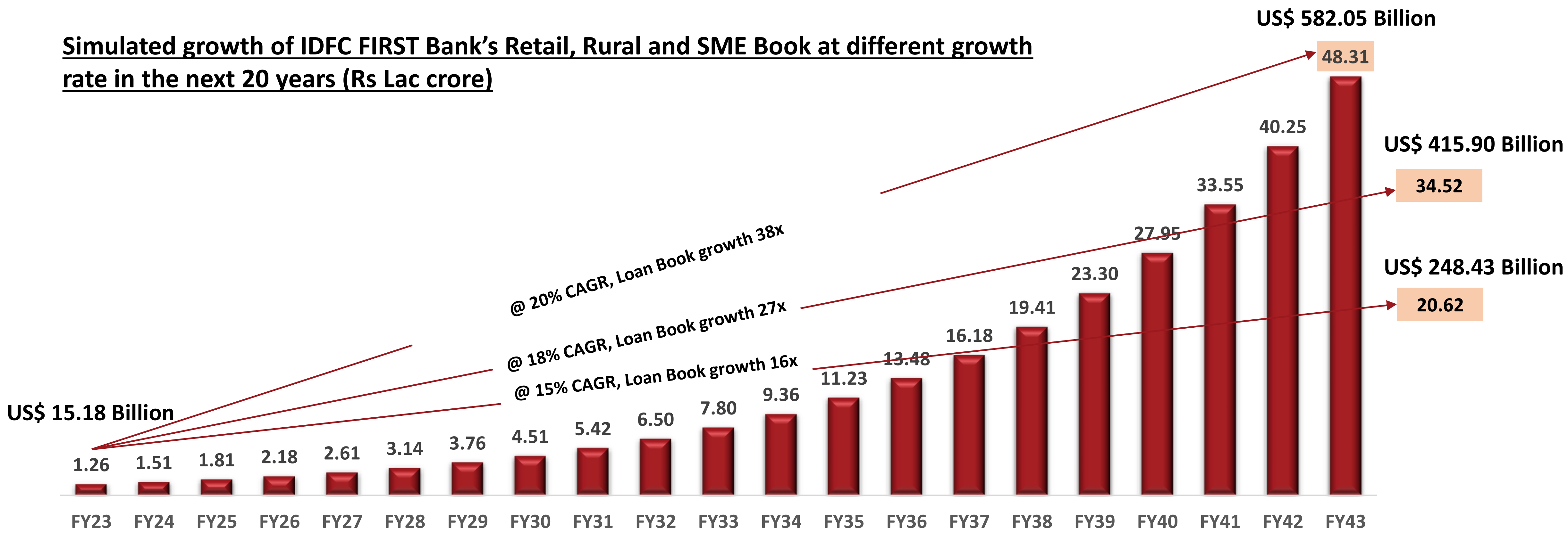


Source: RBI data on sectoral credit deployment, Internal Estimate, CIBIL Bureau data

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 provided by the Indian Banking Credit, esepcially 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 crore)



Section 6: 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

Corporate Lending

Working Capital demand Loans, Cash Credit, Term Loans, Corporate Bonds / NCDs, Foreign Currency Loans

Retail Lending Solutions

Home Loans, vehicle Loans, Consumer Loans, Education Loans, Personal Loans, Used Car Loans, Gold Loans, Rural Finance, Tractor Finance

Supply Chain Financing

Dealer finance, Vendor finance, TREDS, Factoring, Invoice discounting

SME Lending Solutions

Loan Against Property, Business Banking, Working Capital Loans, Commercial Vehicle Loans, Micro Enterprise Loans, Trade Advance, Startup Banking

Treasury & Forex Solutions

Correspondent banking, FX Solutions, Cross-border SWIFT, Government Bonds & Strips, Liberalized Remittance Scheme, External Commercial Borrowing, Treasury solutions incl. forwards, options, swaps etc.

CASA and Fixed Deposits

Current Accounts, Savings Accounts, Fixed Deposits, Nostro/ Vostro Accounts, Overdrafts, Corporate Salary Accounts, Accounts for ONDC, Escrow Accounts,

Transaction Banking & CMS

NEFT/RTGS/IMPS Payments, Transfers (ACH, Direct debit), UPI & QR, Cheques, Demand drafts, Cash Delivery, Payroll Processing, BBPS Payments, Cash/ cheque collection, Cash Deposit machine

NRI Banking

NRE Accounts, NRO Accounts, Seafarer Accounts, FCNR Deposits, NRE / NRO Deposits

Trade Finance

Letter of Credit & discounting, Bank Guarantee, Buyer's Credit / SBLC, Packing Credit in Foreign Currency & INR, Remittances (inward & outward), Preshipment & post shipment finance

Wealth Management & Distribution

Wealth Management, Distribution of Life Insurance, General Insurance, Credit Shield, Health Insurance, Mutual Funds, AIFs

FASTag

Tag Issuer, Toll Acquirer solution, 3-in-1 solution including Toll, Parking & Fuel

Credit Cards

Wealth Credit Card, Private Credit Card, Millenia Credit Card, WoW Credit Card against Deposits, Corporate Card, Vistara Travel card, HP Fuel Card

The Bank has built 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

Affordable Home Loans

JLG Loans - Microfinance

Car Loans

Education Loans

Gold Loans

Personal Loans

Credit Cards

Agri / Farmer Loans

Consumer Durable Loans

Two Wheeler Loans

Tractor Loans

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

Loan against Property

Micro Business Loans

Business Loans

Professional Loans

Commercial Vehicle

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 at **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 **19%** YoY (vol.)

95%
Of the overall transactions are digital

Ranked 3rd
Bharat Bill Payment System (BBPS): amongst 35 biller operating units

UPI value: Growth of ~68% for 9M FY24 over the last year

16.6 mn+
FASTag issued since launch

Credit Card Spends (9M FY24):
Growth of 61% YoY

2.2 mn+
Credit cards issued since launch in January 2021

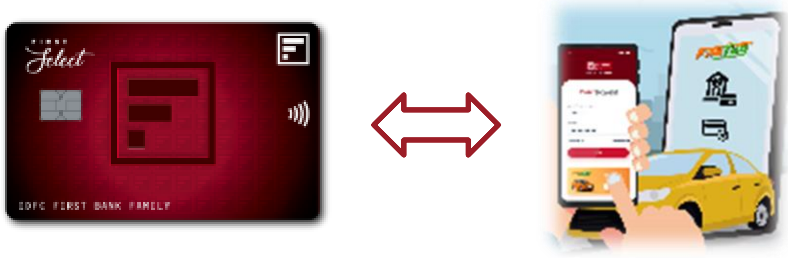
POS Transactions (Q3FY24):
(Vol): 33% growth YoY
(Value): 34% growth YoY

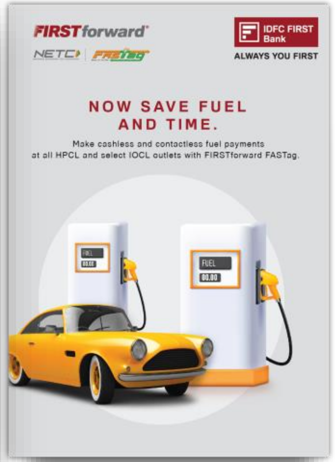
- IDFC FIRST Bank has been chosen as one of the first 8 Bank to conduct pilot of **Central Bank Digital Current (CBDC).**
- The Bank has already recorded many Retail & Wholesale transactions through **CBDC**.

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 16.6 Million FASTAGS.
Largest Acquirer Bank	Largest Acquirer Bank with 550+ Toll plaza and parking merchants.
Issuance Value	Issuance value has reached Rs. ~62 crore per day in December 2023

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





Source: NPCI website

Wealth Management AUM up 37% YoY to US$ 1,459 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 (1st 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 7: 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

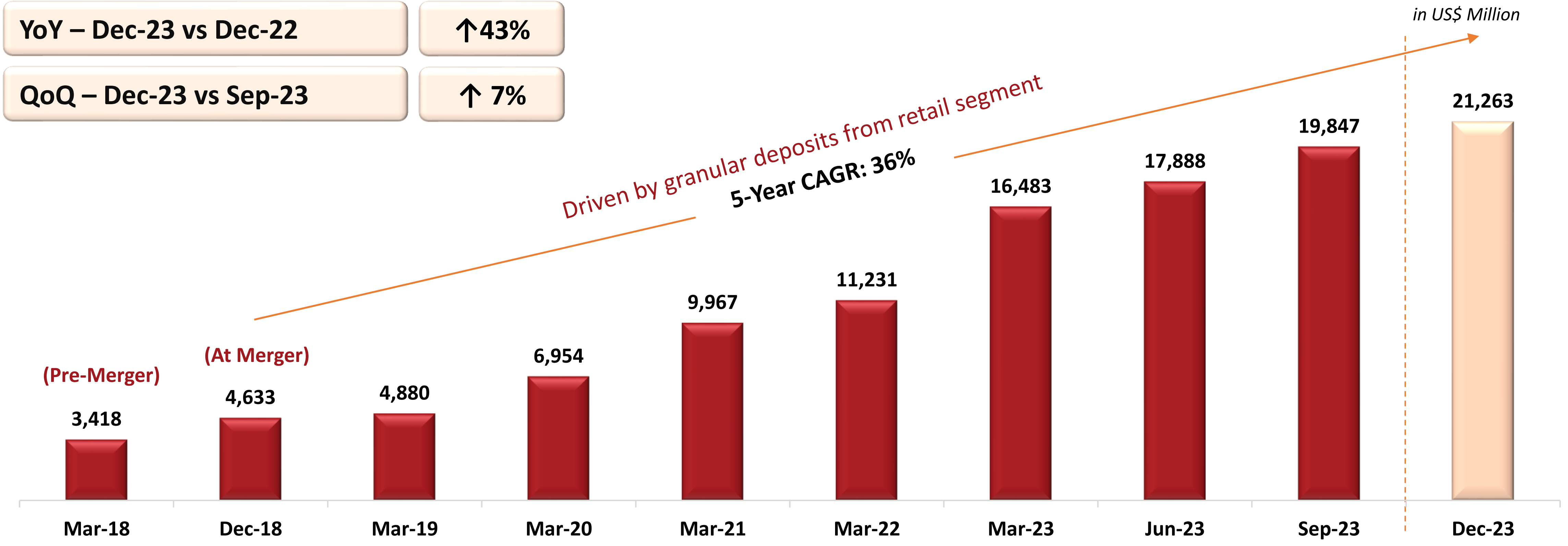
The Bank has built strong capabilities to consistently grow its Deposit Franchisee. Some of the key factors are mentioned below -

- 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 well at a 5 Year CAGR (Dec-18 to Dec-23) of 36%.
- Our core Retail deposits has risen strongly at a 5-Year CAGR of 68%.

YoY – Dec-23 vs Dec-22	**↑43%**
QoQ – Dec-23 vs Sep-23	**↑ 7%**



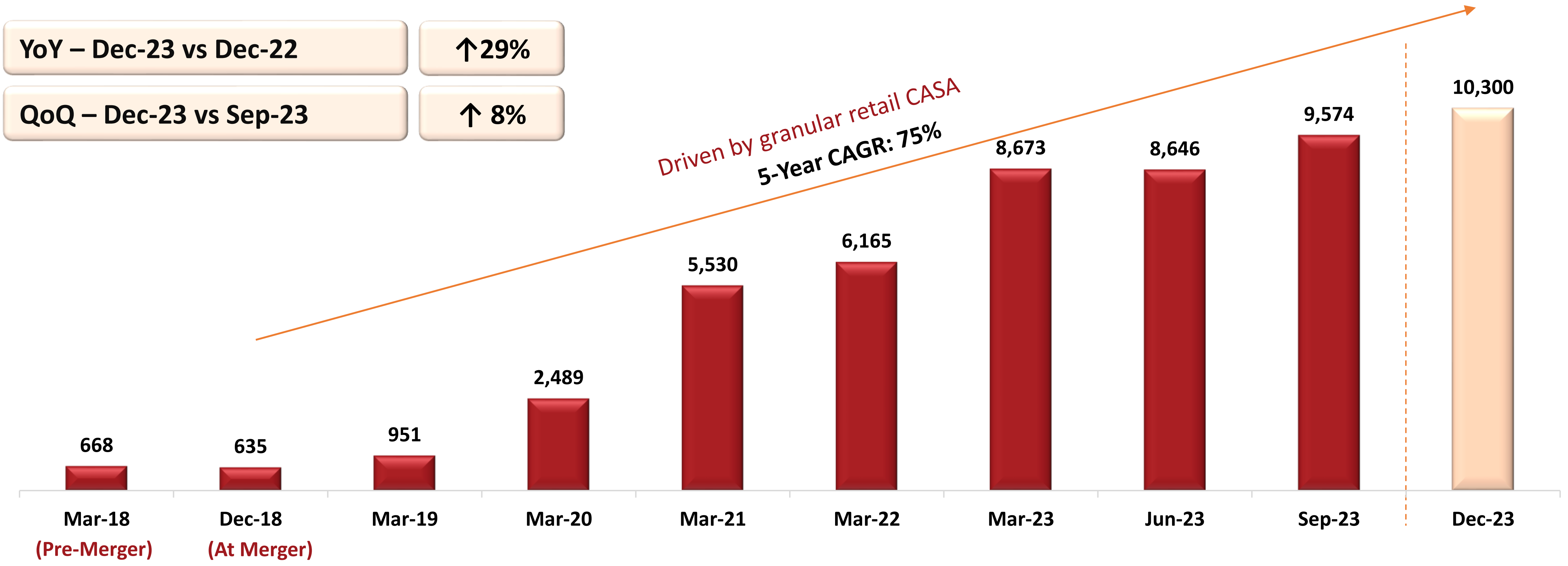
IDFC FIRST Bank

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 29% YOY as of December 31, 2023.

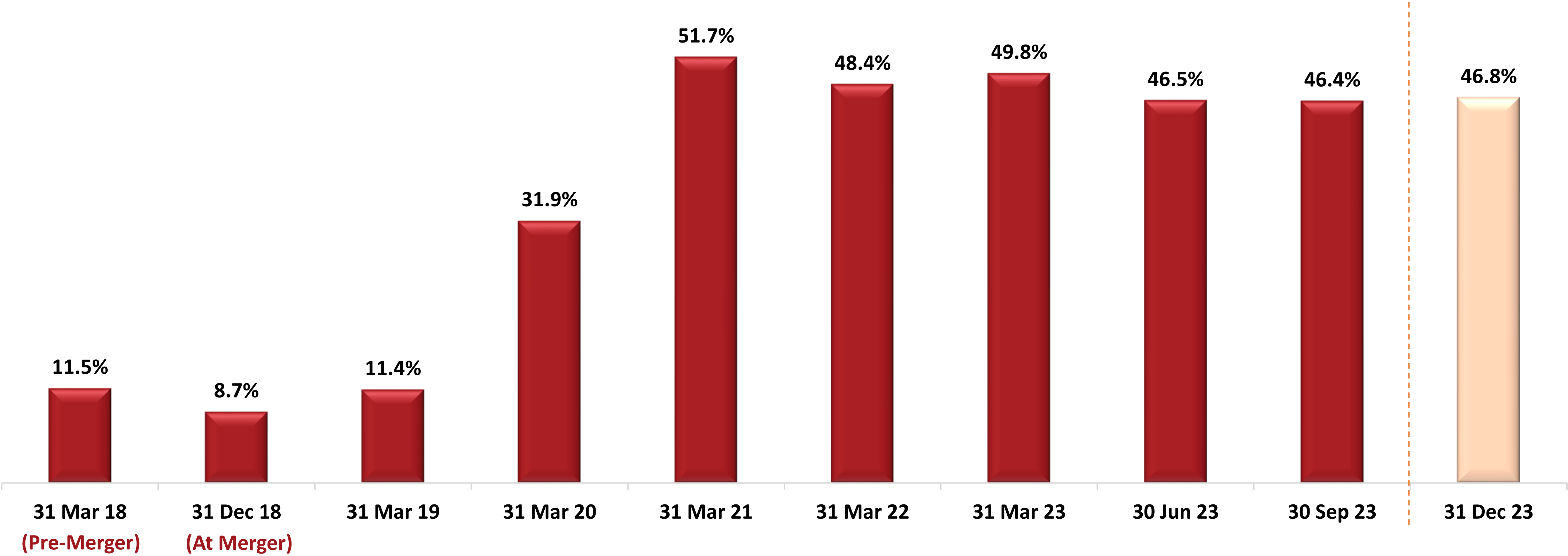
YoY – Dec-23 vs Dec-22	↑29%
QoQ – Dec-23 vs Sep-23	↑ 8%

in US$ Million



CASA Ratio at 46.8%

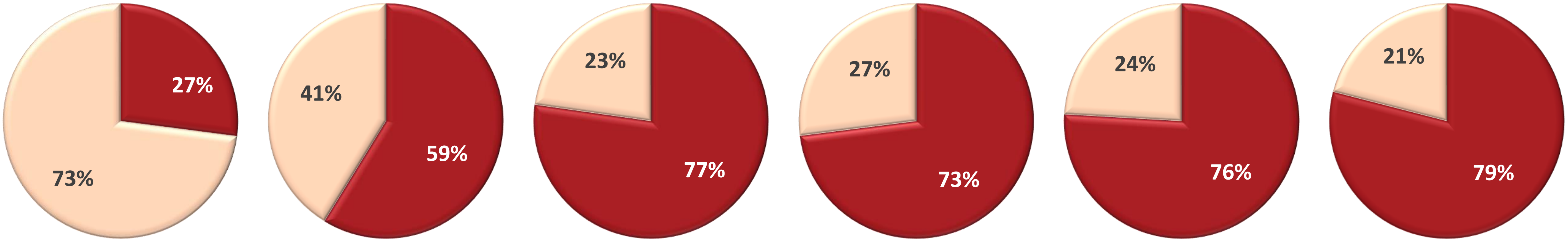
- CASA Ratio stable at 46.8% as of December 31, 2023.
- Average Daily Balance CASA Deposits for the bank grew by 27% YoY during the first nine months of the year.



Bank has a highly Diversified liabilities base with 79% Retail Customer Deposits

- It is a strategic priority of the Bank to diversify the liability in favour of retail deposits to stabilize and improve the sustainability of the balance sheet
- The Bank has transformed the liability profile in 5 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 **79: 21** in Dec-23.
- Strong growth of 47% 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 December 31, 2023.

Overall Customer Deposits



Dec-18	Mar-20	Mar-21	Mar-22	Mar-23	Dec-23
US$ 4,633 Mn	US$ 6,954 Mn	US$ 9,967 Mn	US$ 11,231 Mn	US$ 16,483 Mn	US$ 21,263 Mn

Retail Deposits   Wholesale Deposits

Deposits & Borrowings Details

The Bank has grown its deposits by 43% YOY driven by the retail deposits which was utilized for growth of assets and repayment of the legacy borrowings.

Particulars (in US$ Million)	Dec-22	Sep-23	Dec-23	YoY growth
Legacy Long Term Bonds	784	738	727	-7%
Legacy Infrastructure Bonds	909	712	711	-22%
Refinance	2,437	2,252	2,113	-13%
Other Borrowings	249	134	250	1%
Tier II Bonds	361	542	542	50%
Total Borrowings (A)	**4,740**	**4,378**	**4,342**	**-8%**
CASA Deposits	8,012	9,574	10,300	29%
Term Deposits	6,877	10,272	10,963	59%
Total Customer Deposits (B)	**14,889**	**19,847**	**21,263**	**43%**
Certificate of Deposits (C)	1,140	784	731	-36%
Money Market Borrowings (D)	1,815	2,027	1,092	-40%
Borrowings & Deposits (A) + (B) + (C) + (D)	**22,584**	**27,036**	**27,429**	**21%**
CASA Ratio (%)	**50.0%**	**46.4%**	**46.8%**	**-315**
Average CASA Ratio % (On Daily Average Balance for the Quarter)	**50.0%**	**45.0%**	**45.7%**	**-431**

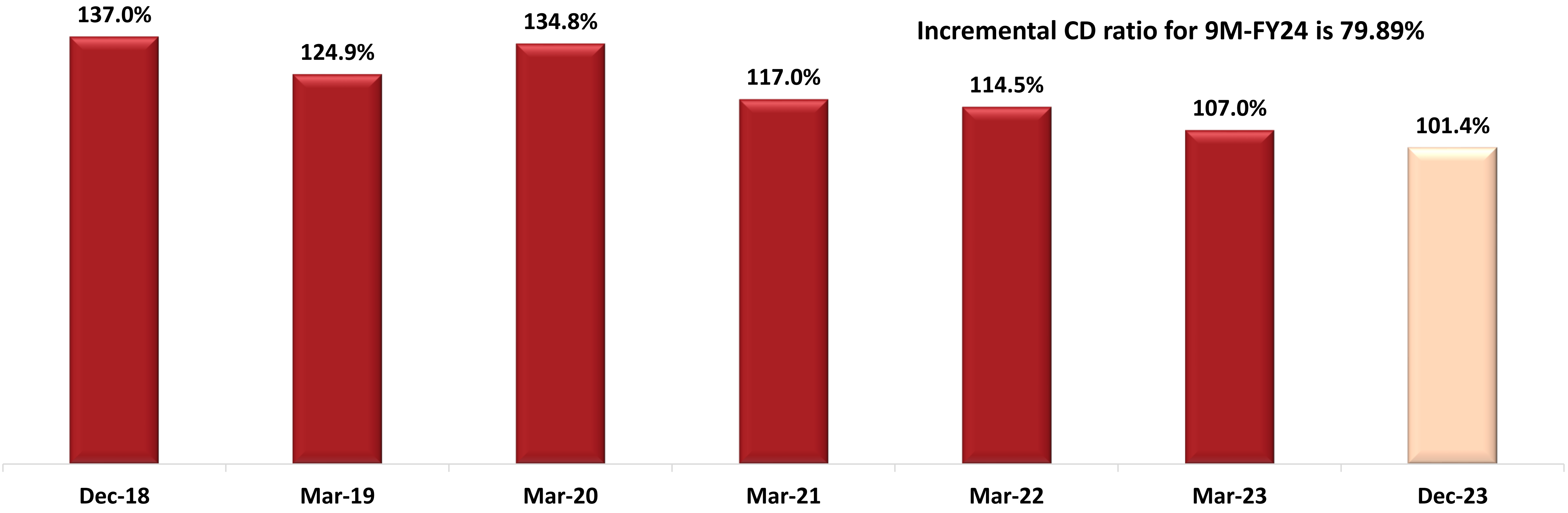
Bank continues to successfully run down the legacy high cost long term borrowings

In US$ Million	Balance		Run off Schedule				RoI (%)
	As on Dec-22	As on Dec-23	Q4-FY24	FY25	FY26	Beyond FY26	
Infrastructure Bonds	909	711	-	610	100	-	8.94%
Long Term Legacy Bonds	784	727	158	136	433	-	8.91%
Other Bonds	225	90	-	15	36	39	9.07%
Refinance	342	112	-	112	-	-	8.25%
Total	**2,260**	**1,639**	**158**	**873**	**570**	**39**	**8.89%**

- Because we have a DFI background, the legacy borrowings are costing the bank 8.89%. The Bank plans to replace this with low-cost deposits.
- To simulate, if the Bank were to replace all high-cost legacy borrowings with the current cost of funds, the return on equity (annualized) for Q3-FY24 would be higher by ~90 bps.

Credit-Deposit ratio

- At the time merger the bank had high Credit to Deposit ratio (CD ratio) because it was largely funded with bonds & borrowings.
- Bonds and borrowings are equally stable money as deposits, as they are repayable only on maturity dates.
- The bank has been continuously raising more deposits than loans disbursed on an incremental basis which is continuously reducing the CD ratio.

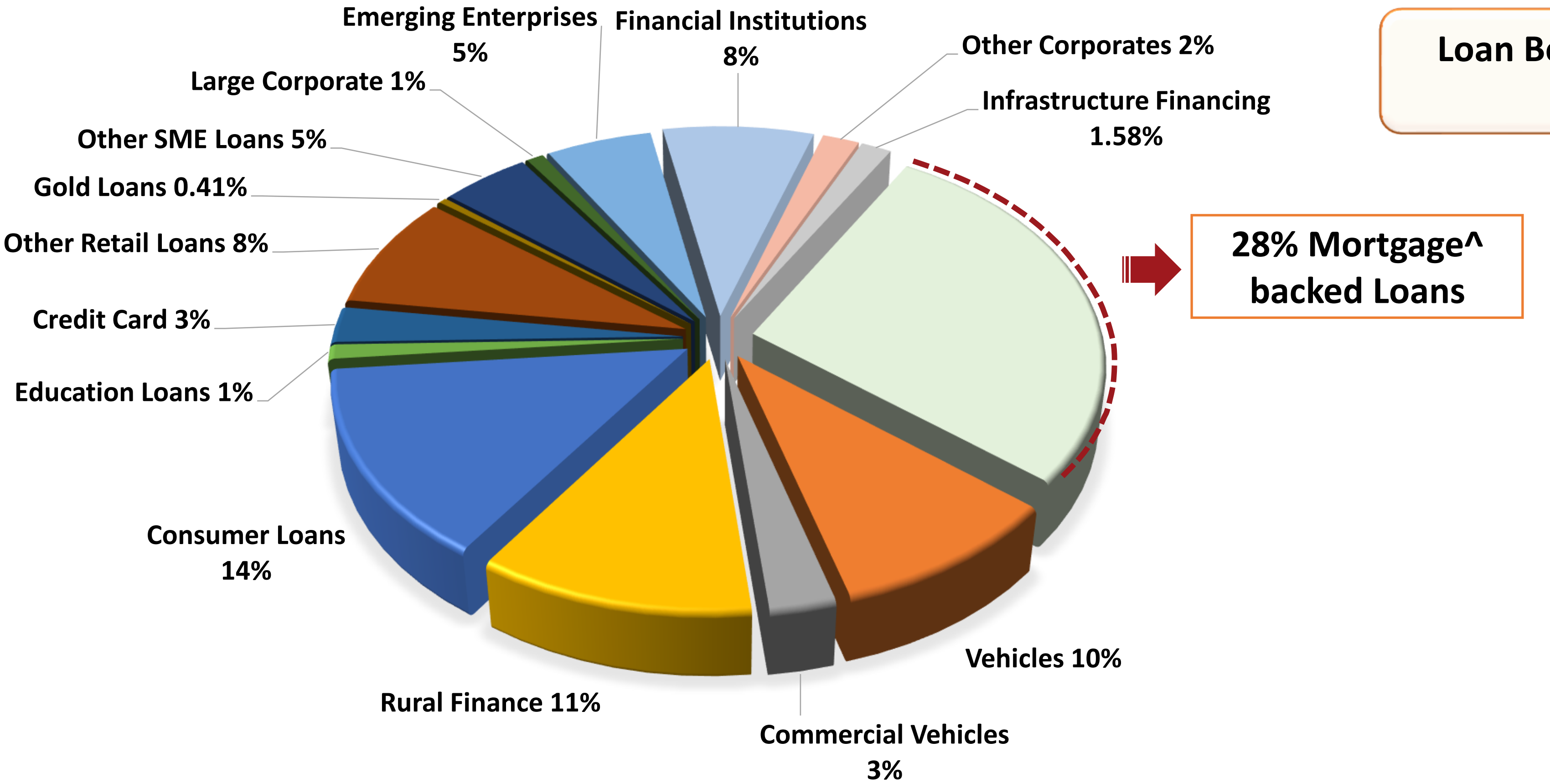


Section 8: Loans & Advances

Bank has a well diversified Credit Portfolio

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

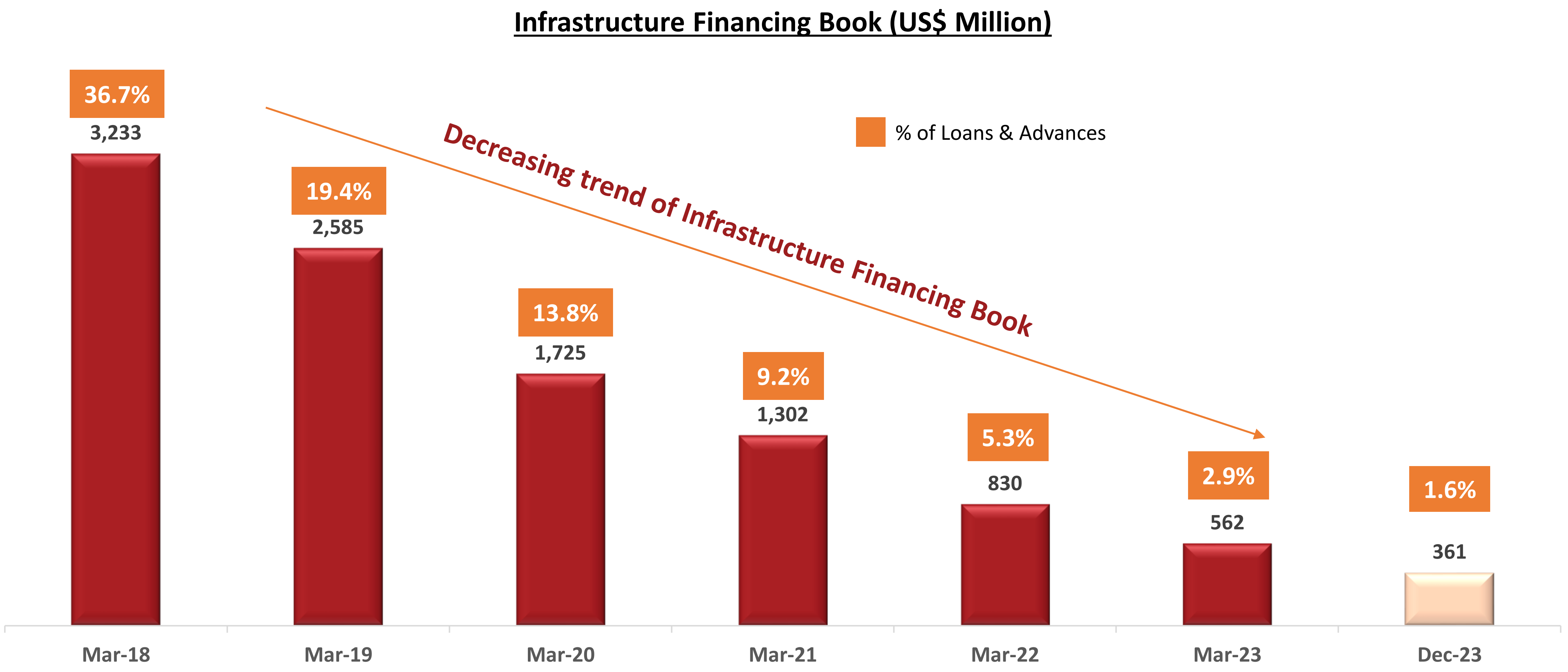
Loan Book: December 31, 2023
US$ 22,828 Mn



^ Mortgage constitutes 11% Home loans, 12% Loan Against Property, 4% 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 9: 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 31 December 2023
c.	Wholesale Banking	i) Underwriting process
		ii) Risk Management
d.	Provision Coverage Ratio	
e.	Net Stressed Assets	

The fundamental underwriting principle of the Bank explained

(This has helped the bank maintain high asset quality)

Cash Flow Assessment

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

+

Debit Instruction to Bank

=

High 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 1.45% and 0.51% respectively as of December 31, 2023.

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

Stage of Loan Processing	Earlier	New Ecosystem	Now	Benefit
KYC	• Physical - copies of Passport, Ration Card, etc.	Identity is Biometric	• Biometric KYC - eKYC, cKYC, Aadhaar OTP based KYC	High Quality Identity check
Risk Scorecards	• Regression and Judgement based models	AI / ML	• Advanced Scorecards based on Logistic Regression and Machine Learning algorithms	Better Risk management
Bureau	• Low seasoning of Bureau • Lesser records (300m) • Low awareness of credit bureau	Bureau is evolved	• High seasoning, better data quality • More records (600m) • High awareness and sensitivity among customers	Reduced credit risk
Fraud Control	• Static Photo test • Traditional eyeballing method for Frauds • No Fraud database, Scorecard	Advanced real time fraud check mechanism	• Live Facial recognition technology, latitude-longitude marker • Automated identification of fraudulent transactions • Availability of Fraud Database and Scorecards	Better fraud management
Cash Flow and Financial Analysis	• Physical copies of financials, bank statements, salary slips, Income Tax Returns • No alternative data sources • Manual calculation of financial ratios basis photocopied document	Bank statements, GST records are electronic	• Digitized .pdf bank statement, salary slips, tax returns • Digitized alternate data sources like GST, Telecom, etc. • Automated calculation of financial ratios and cash flow analysis	More accurate cash flow analysis
Repayment Mandate	• PDCs/ SI/ NACH for repayment	NACH is electronic	• Electronic mandate through- NACH	Better collections
Collections	• Tele-calling, field collections	UPI, BOT	• Collection through sending UPI link, calling using bots to customer	Frictionless, lesser use of tele-calling
Monitoring	• Batch Mode, once a month	Analytics is real time	• Real time monitoring of portfolio by various cuts	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 (In US$ Million)	Gross NPA	Net NPA	PCR%
Retail, Rural and SME Finance	18,785	1.45%	0.51%	86.36%
Corporate (Non-Infrastructure)	3,180	2.89%	0.27%	94.97%
Infrastructure Financing	338	26.66%	16.23%	61.77%
Overall Bank Level	22,303	2.04%	0.68%	84.68%
Bank (Excl Infra.)	21,965	1.66%	0.47%	88.04%

- 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 71.87%.

Provision coverage ratio is including technical write-offs.

IDFC FIRST Bank

Risk Management Funnel for Retail, Rural & SME Loans

We have stringent underwriting policy and processes

Hence

Only 40-60% of applications are approved

Hence

We have Low Cheque Bounces*

We follow it up with

High Collection Efficiency

This results in

low SMA %

This leads to

High Asset Quality

Low Credit Losses

Resulting in strong improvement of RoA/RoE

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)

Step	Criteria	Description
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.

Note: The underwriting process mentioned above, changes depending on product to product.

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

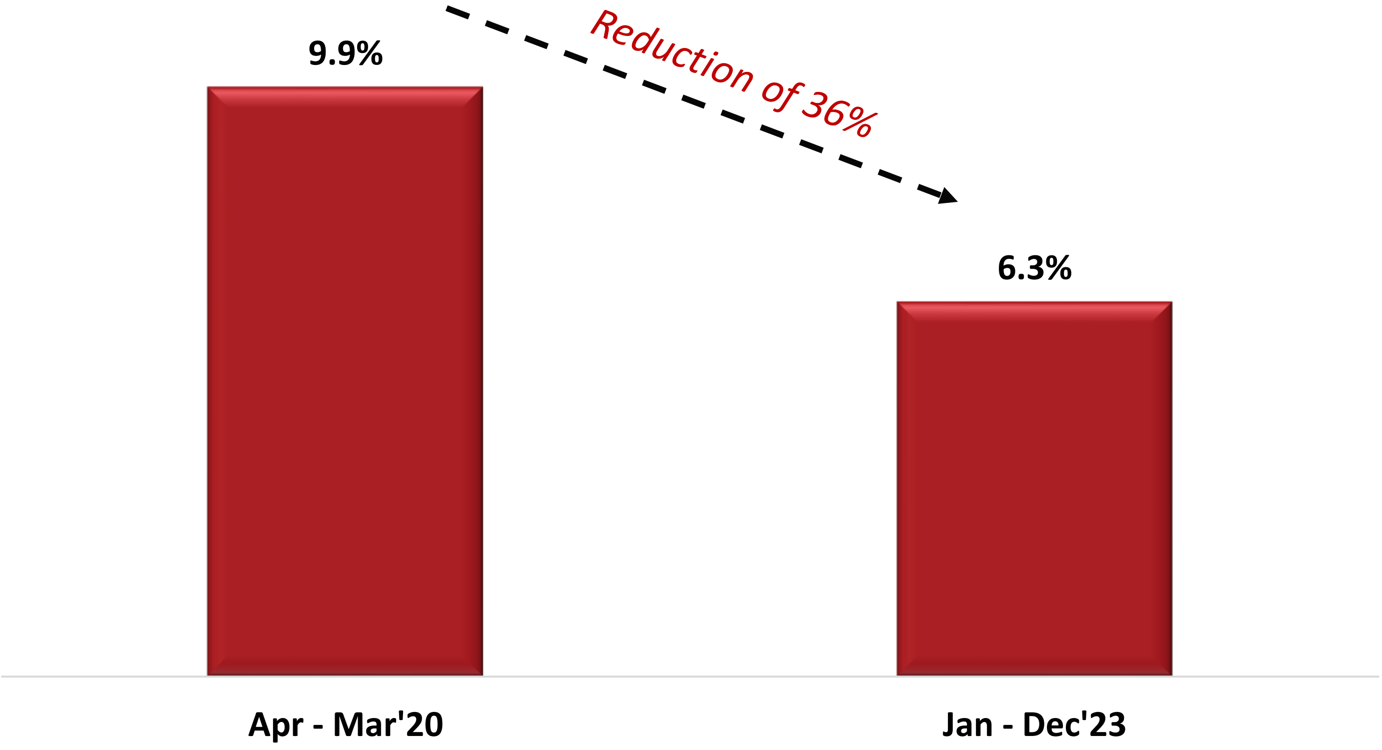
Step		
7	**Industry Check**	The Bank checks for further credit history and industry level exposure by doing CRILC checks and checks by external entities, where required, to study financials, access to group companies whether legal cases have been filed against the company, disqualification of directors, 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

Note: The underwriting process mentioned above, changes depending on product to product.

Bank has tightened underwriting norms across all products, 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.

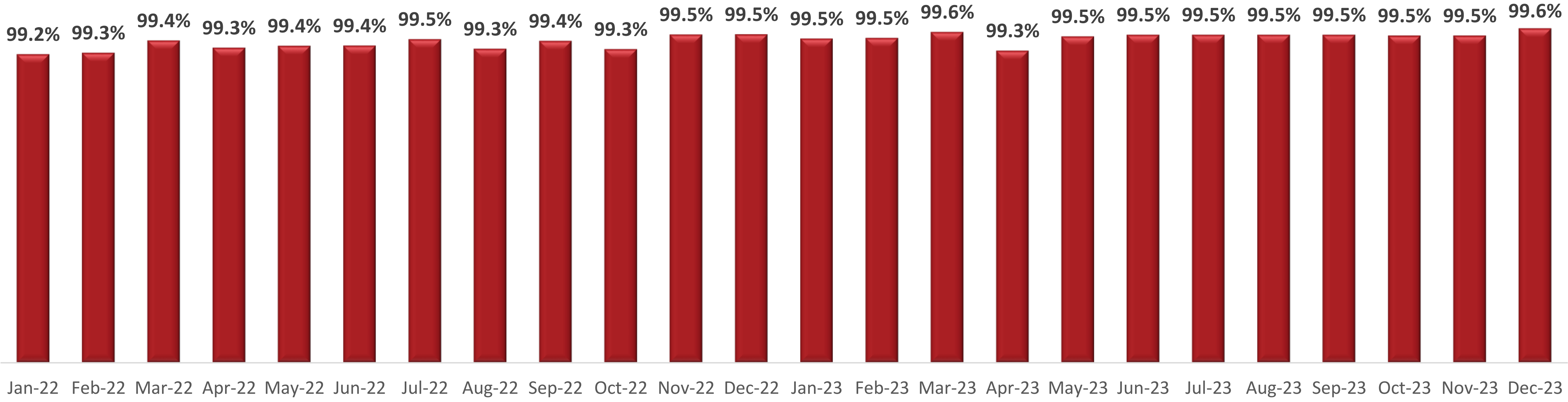
Note: Numbers pertain to urban retail portfolio on trailing 12 months basis

Low cheque bounces is further supported by high collection efficiency at 99.6%

Definition:

Collection Efficiency % = (Pos of EMI Collected for the Month)/(Pos of EMI Due for the month)* 100

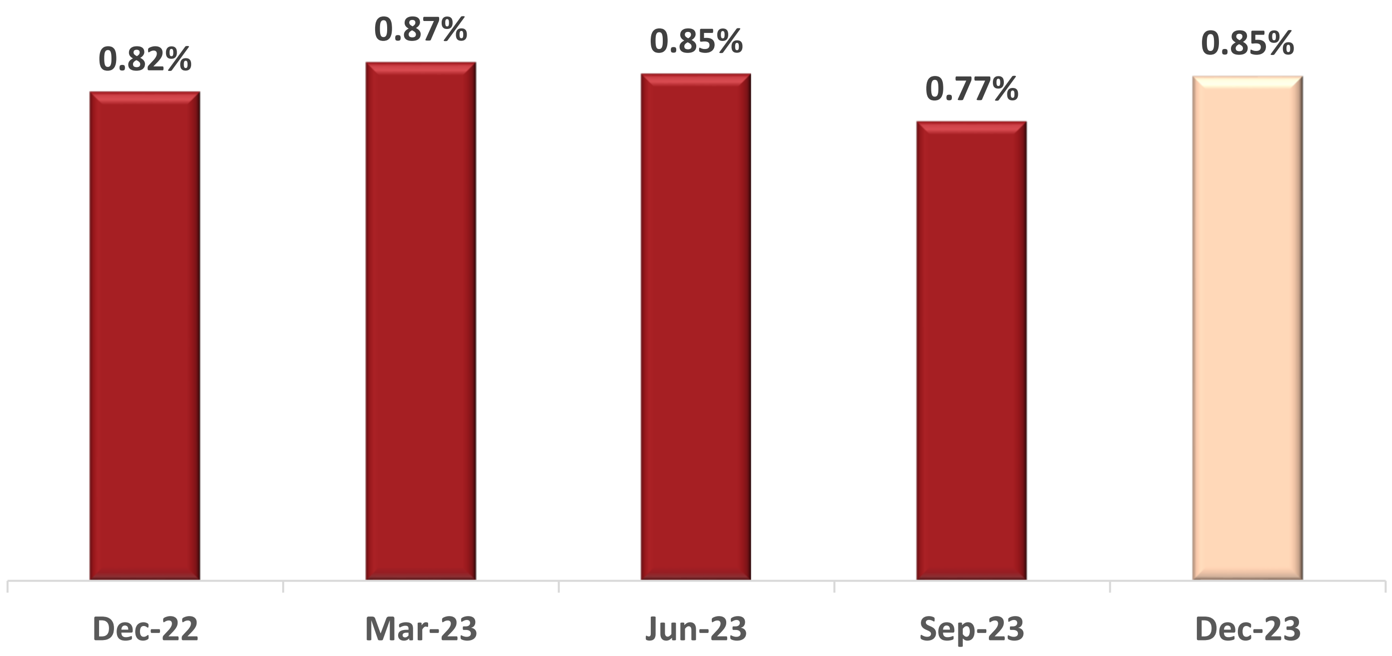
Note: Collections does not include any arrear collections, or prepayment collections in these calculations, and hence represents the true picture of collections efficiency.



Note: Above numbers pertain to Urban portfolio which is the majority of the Book. Similar experience of improvement is observed in the Rural financing also.

High collection efficiency leads to low SMA

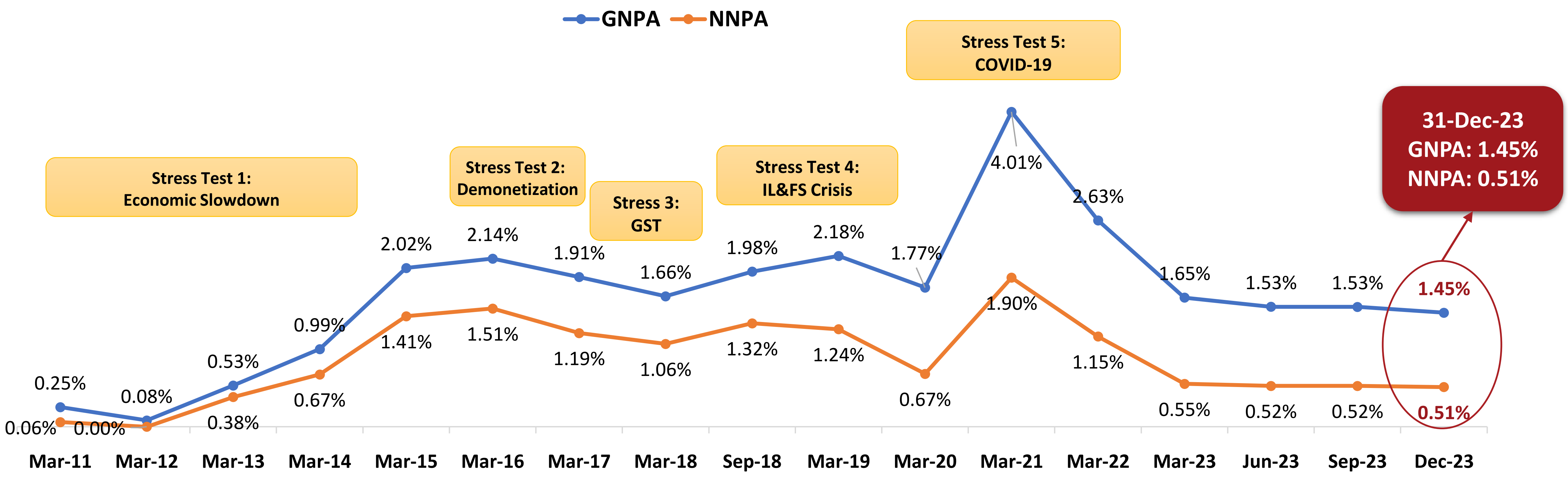
SMA-1 & SMA-2 portfolio as % of total Retail, Rural & SME Loan Book



- 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 0.85% of the Book in Retail, Rural & SME segment.
- The SMA is broadly stable.
- Based on low SMA, 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 1.45% and 0.51% respectively

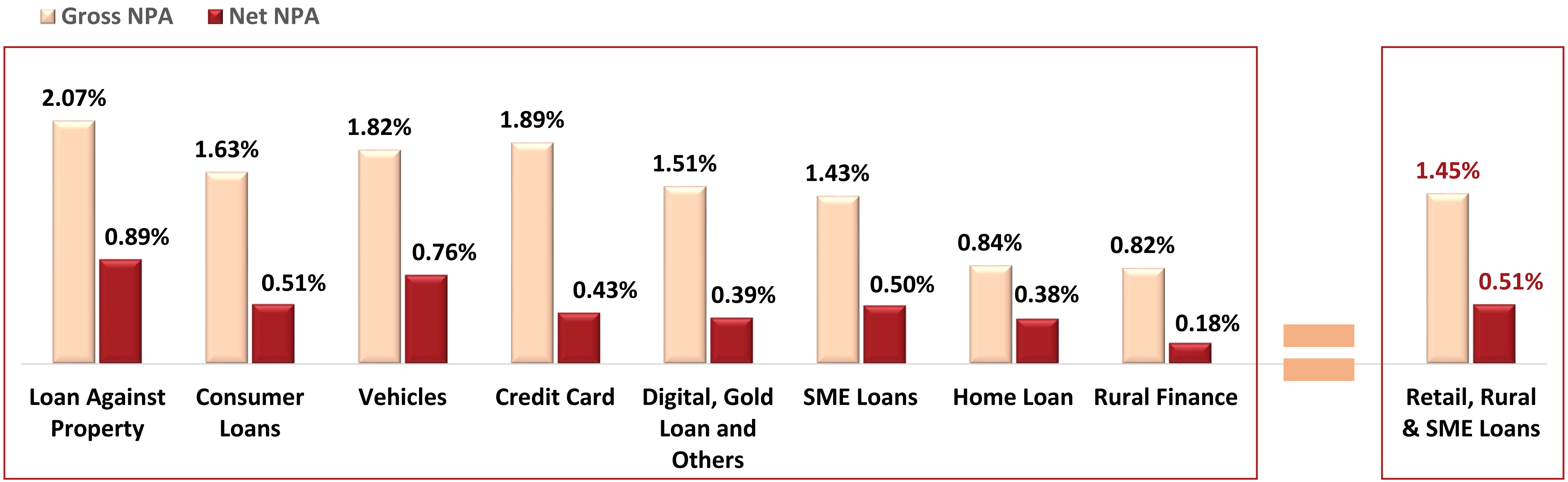


Note: "Bank" and "Decade" here pertains to combined history of both Capital First and IDFC Bank. The figures till Sep-18 pertains to the retail portfolio at Capital First Limited.

Product wise NPA

All products have low 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.



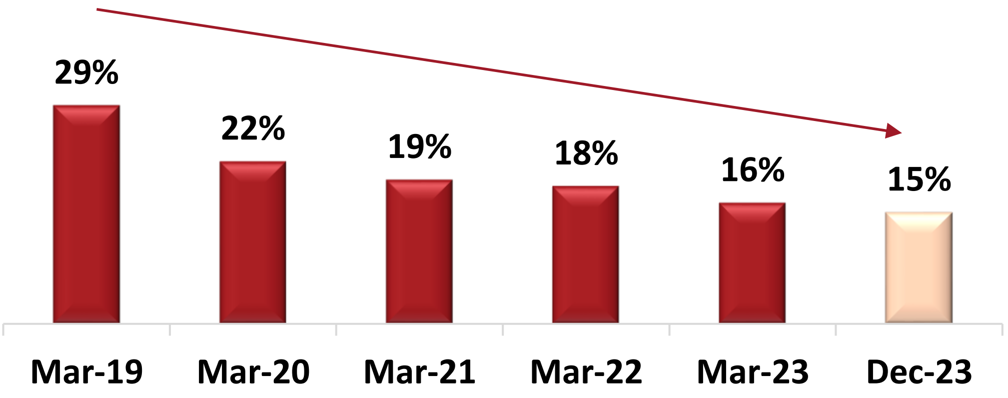
Stringent Underwriting Process in Wholesale Business

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.

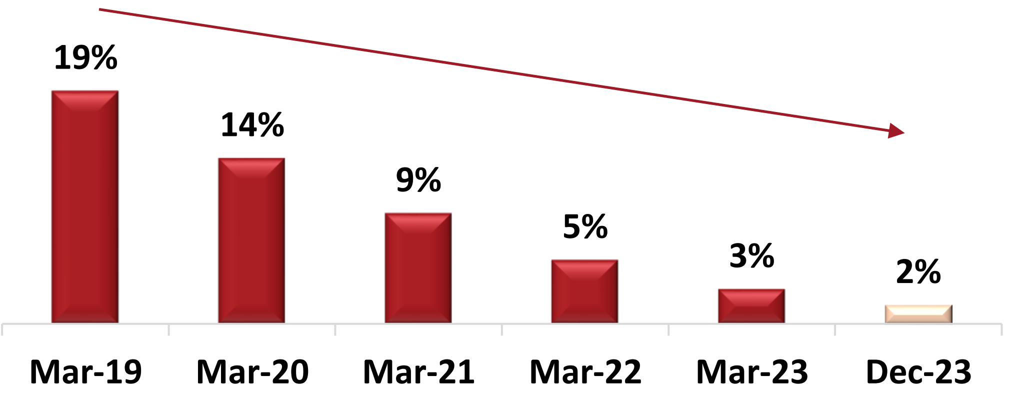
Note: The underwriting process mentioned above, may change depending on product to product.

Bank has reduced concentration risk in Wholesale lending

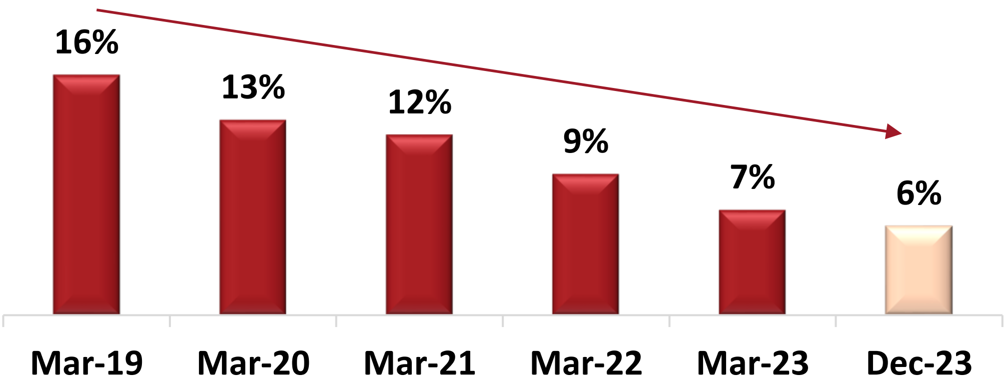
The Bank has reduced its corporate (non-infra) book from 29% in Mar-19 to 15% in Dec-23



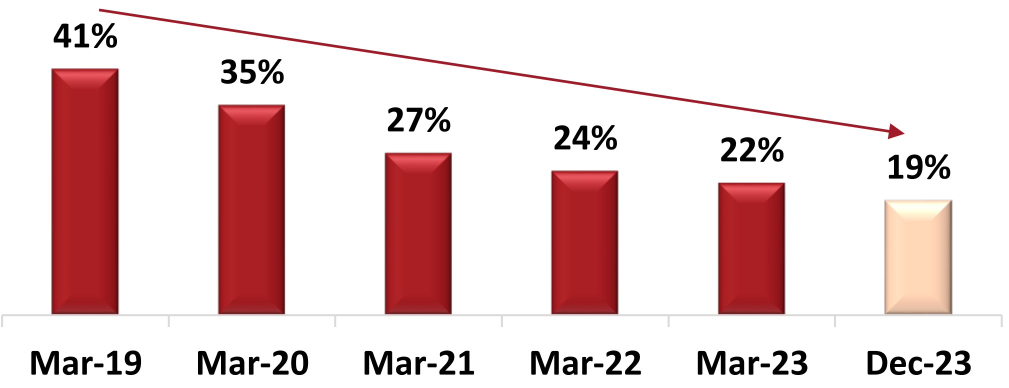
Similarly, the Bank has reduced its infrastructure financing portfolio from 19% in Mar-19 to 1.6% in Dec-23



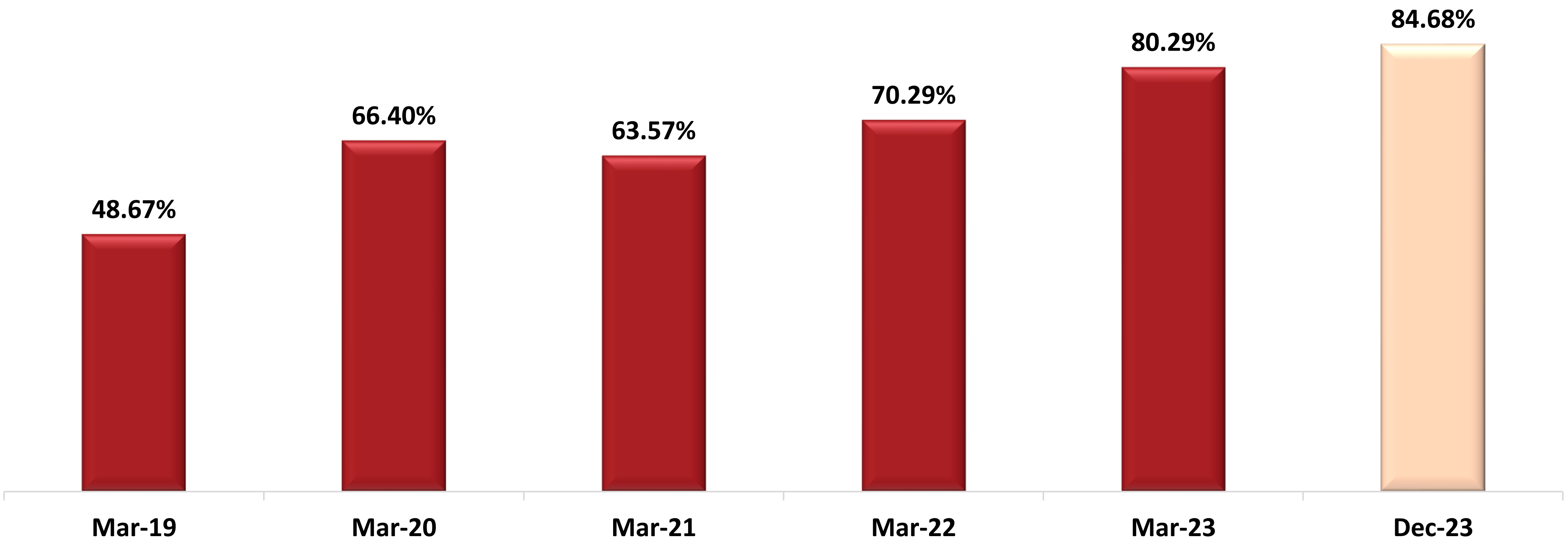
Also, the exposure to top 20 single borrowers reduced from 16% in Mar-19 to 6% in Dec-23



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



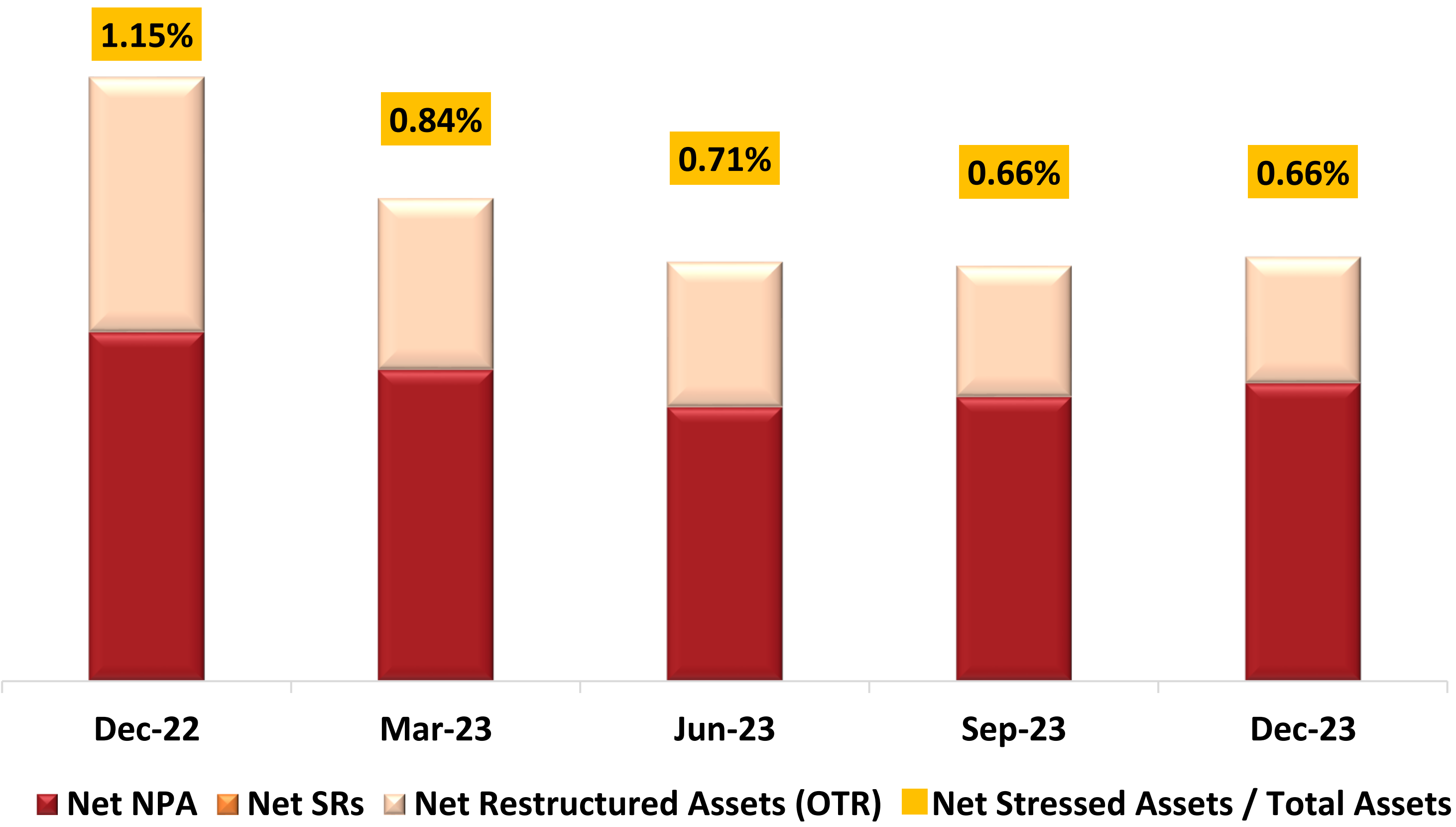
Provision Coverage Ratio increased to 84.68% for the Bank



Note: Provision Coverage Ratio as shown above are including technical write-offs, because bank continues to recover from written-off book

Net Stressed Assets reduced 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 ~51% since December 31, 2022.
- Standard restructured Book is 0.35% of the total funded assets as of December 31, 2023.

Section 10: Profitability & Capital

a. Net Interest Income

b. Fee and Other Income

c. Cost to Income

d. Trend of Core Operating Profit

e. Trend of Profitability and Return Ratios

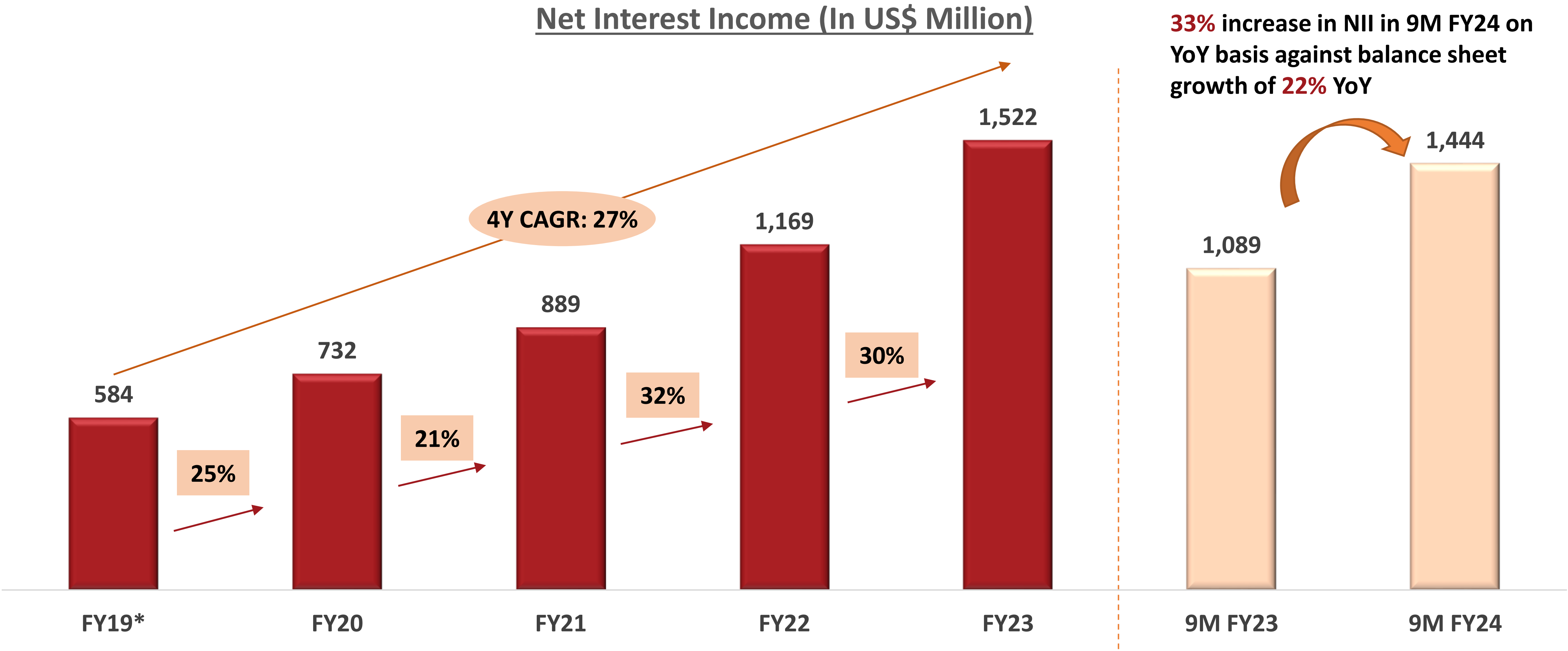
f. Financial Statements

g. Capital Adequacy

h. Liquidity Coverage Ratio

33% YoY growth in Net Interest Income during 9M FY24

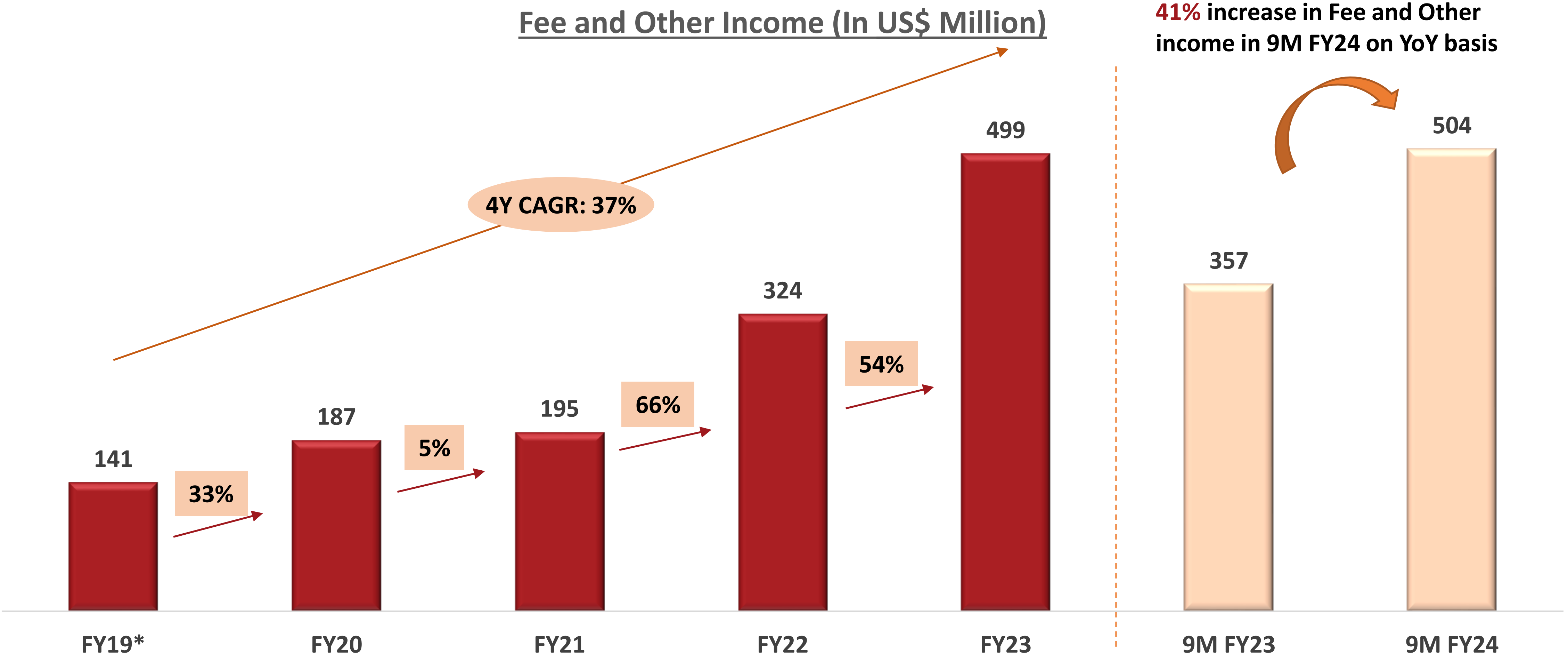
33% increase in NII in 9M FY24 on YoY basis against balance sheet growth of 22% YoY



- Net Interest Margin (NIM) on AUM for Q3-FY24 was 6.42% as compared to 6.13% in Q3-FY23 and 6.32% in Q2-FY24.

* H2-FY19 actual annualized

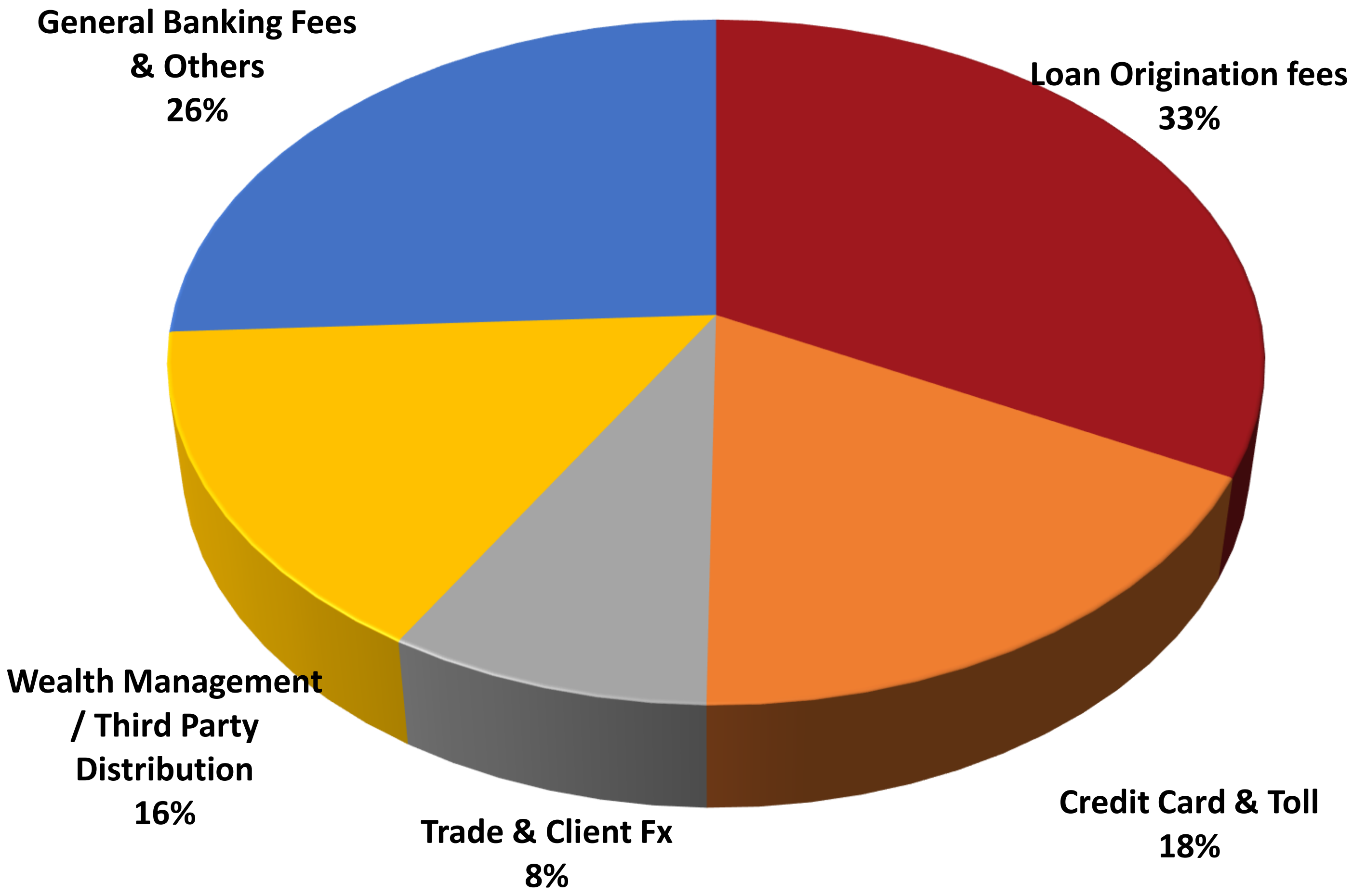
41% YoY growth in Fee & Other Income during 9M FY24



41% increase in Fee and Other income in 9M FY24 on YoY basis

** H2-FY19 actual annualized*

Breakup of Fee & Other Income – 9M FY24

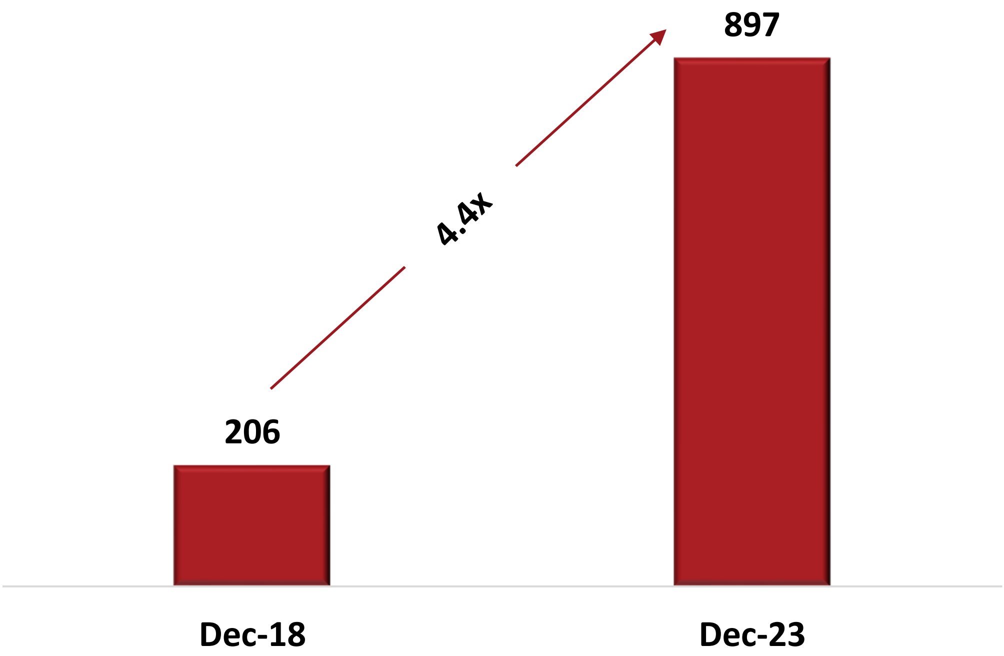


- The Bank has launched and scaled up many fee-based products in the last 5 years.
- Many of these products are in the early stage of their lifecycle and have the potential to grow significantly going forward.
- **93%** of the fee income & other income is from retail banking operations which is granular and sustainable.

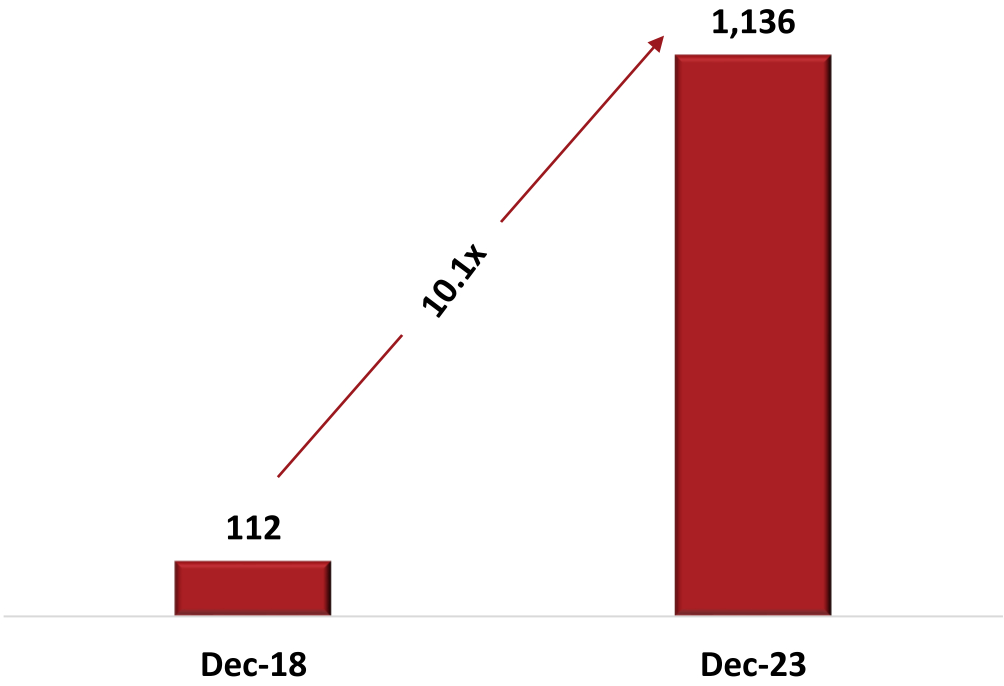
Cost to Income ratio – Investment Requirements

- At merger, the Bank had a low CASA at 8.68%. Our total deposits & borrowings were US$ 15,588 Million, of which only US$ 1,253 Million (8.04%) were retail Deposits and US$ 14,335 Million (91.96%) were institutional borrowing and deposits.
- To address this issue and raise retail deposits, the Bank opened 691 branches and 1024 ATMs since merger
- The Bank also had to incorporate the new technology wave in its business model

Branches



ATMs (Including Recyclers)



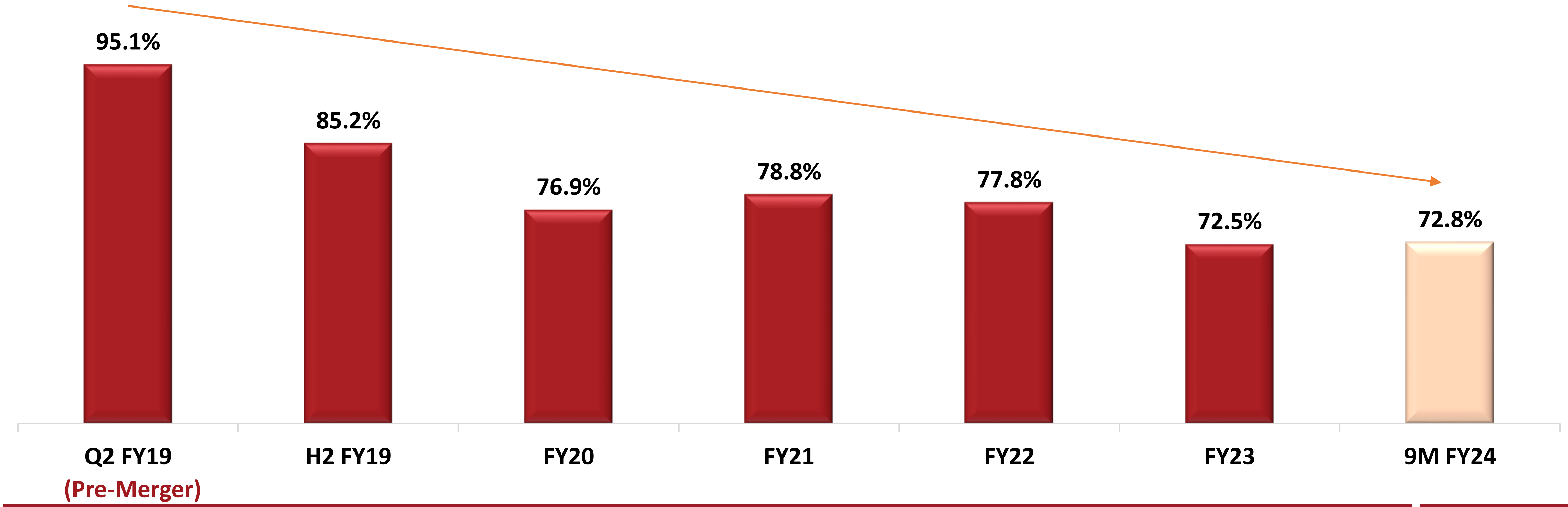
Bank has launched and scaled up many new products in the last 2 years

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 73% in 5 years

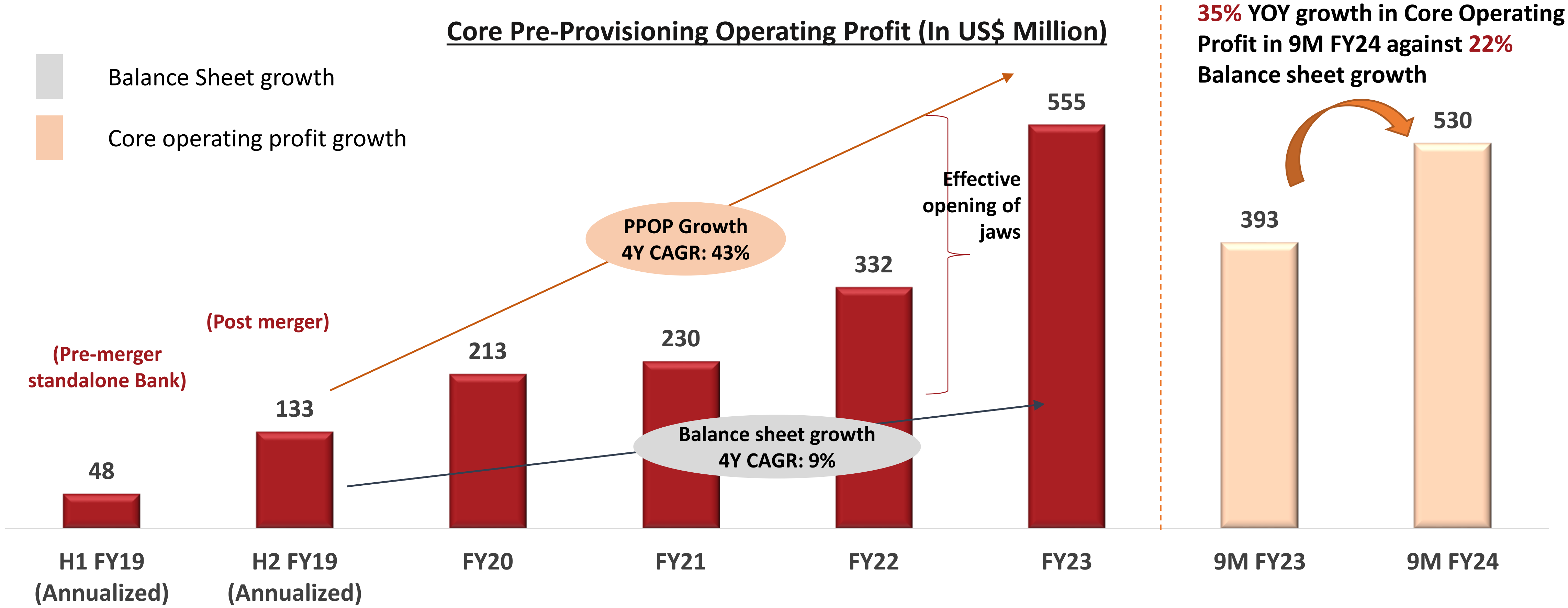
- During the last three years the bank had to make significant investments in building liabilities and credit card franchise
- Despite this, the cost income ratio has come down from 95% to 73% because of the strong incremental unit economics at the bank which is allowing the bank to make the investments to build the Bank.
- Cost to income will further come down with scale

Core Cost to Income (excluding Trading Gains) Ratio %



35% YoY growth in Core Operating Profit (excluding trading gains) during 9M FY24

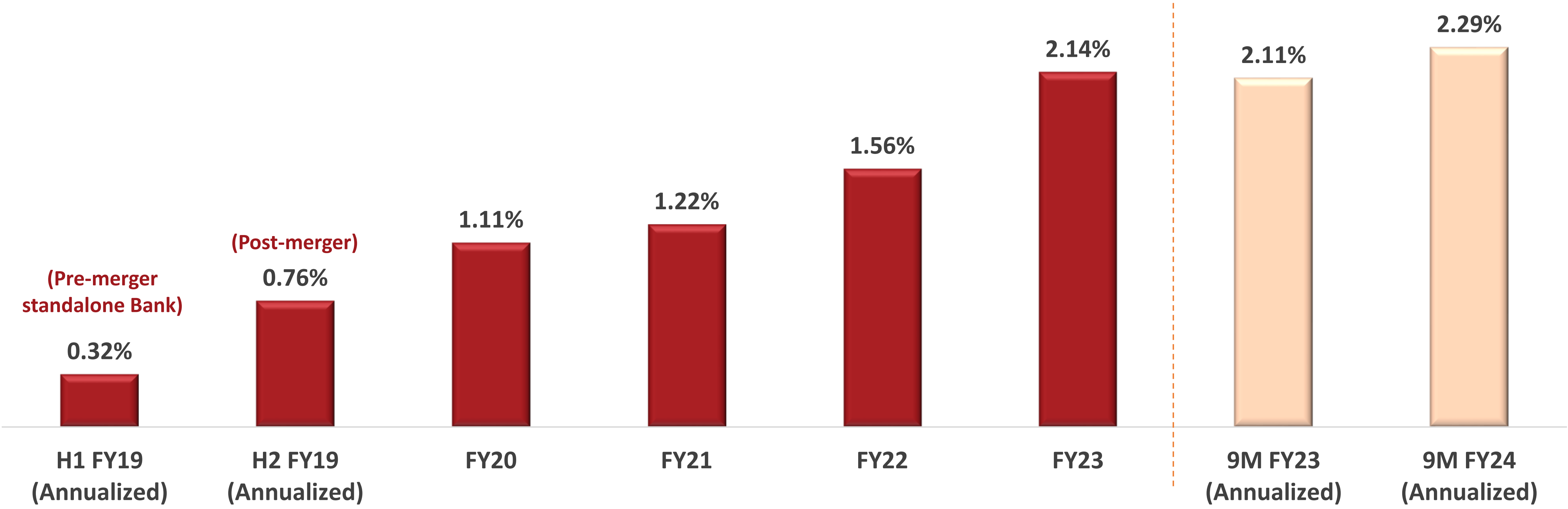
- The core operating profit (excluding trading gains) of the Bank is growing higher than the overall balance sheet growth. This demonstrates the power of incremental profitability of the core business model.
- Loan book has grown at a 4Year CAGR of 10% but against which the operating profit has grown at the 4Year CAGR of 43%



IDFC FIRST Bank

Improving Operating Profit as % of total assets

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

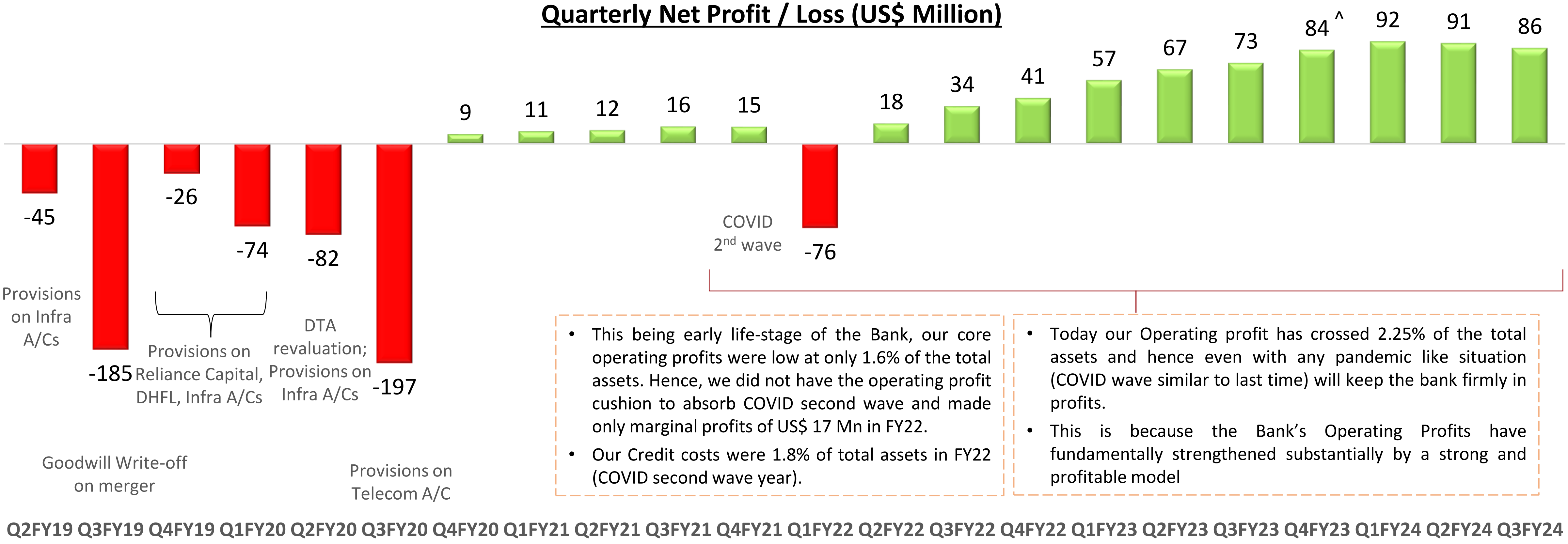


- The bank has improved the core pre-provisioning operating profit despite investment in growing the bank. This was made possible as the retail lending business is profitable with more than 20% incremental ROE.

** H2-FY19 actual annualized*

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

Quarterly Net Profit / Loss (US$ Million)



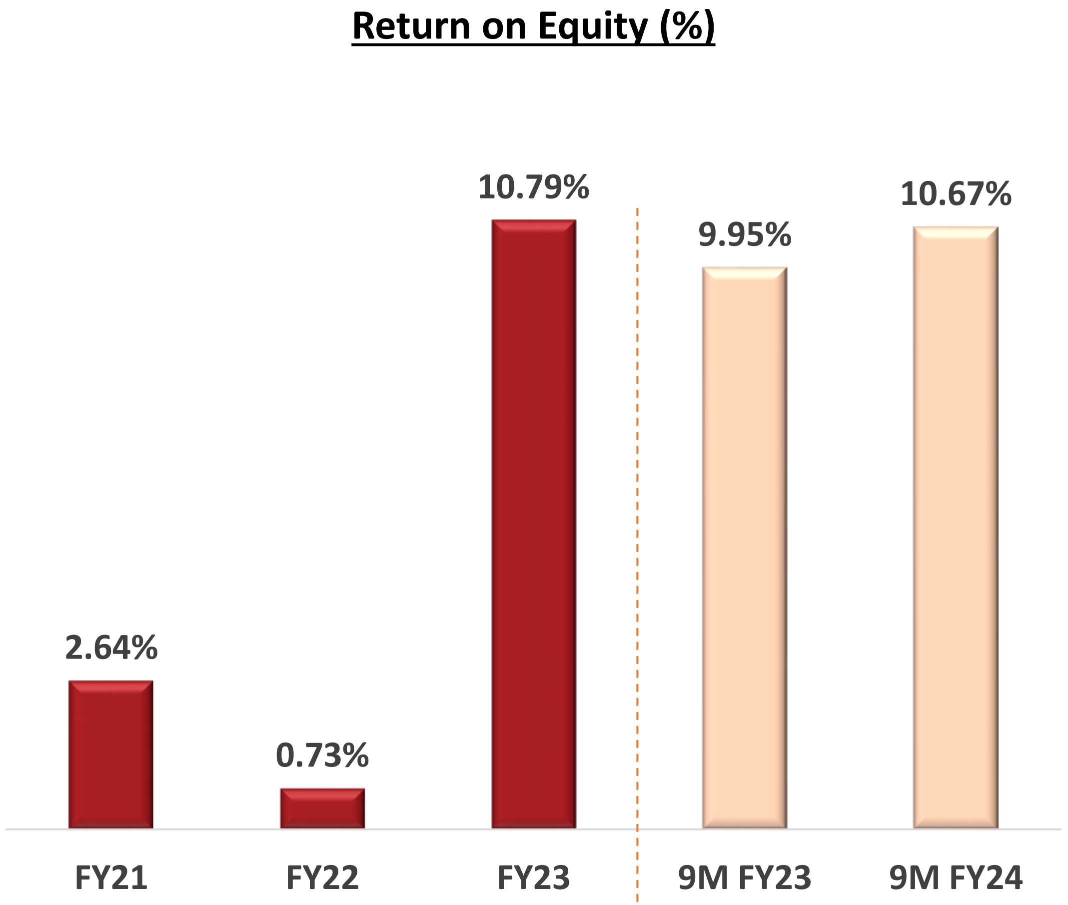
- This being early life-stage of the Bank, our core operating profits were low at only 1.6% of the total assets. Hence, we did not have the operating profit cushion to absorb COVID second wave and made only marginal profits of US$ 17 Mn in FY22.
- Our Credit costs were 1.8% of total assets in FY22 (COVID second wave year).

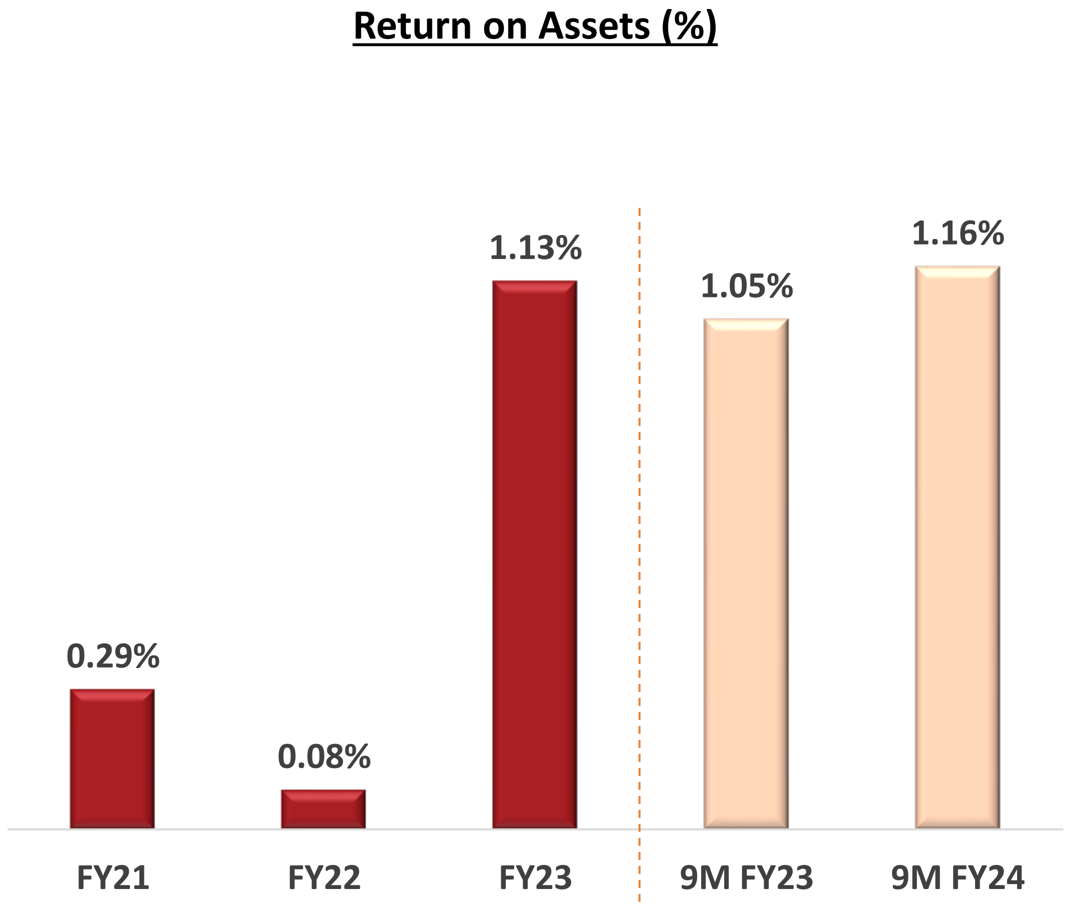
- Today our Operating profit has crossed 2.25% of the total assets and hence even with any pandemic like situation (COVID wave similar to last time) will keep the bank firmly in profits.
- This is because the Bank's Operating Profits have fundamentally strengthened substantially by a strong and profitable model

The Bank had low credit cost even during COVID which points to the strong fundamental underwriting capabilities at the bank

*^ 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 Nine Months

Balance Sheet

In US$ Million	Dec-22	Sep-23	Dec-23	Growth (%) (YoY)
Shareholders' Funds	2,735	3,334	3,789	38.6%
Deposits	16,029	20,631	21,994	37.2%
- *CASA Deposits*	8,012	9,574	10,300	28.6%
- *Term Deposits*	8,017	11,056	11,694	45.9%
Borrowings	6,555	6,406	5,435	-17.1%
Other liabilities and provisions	1,353	1,523	1,401	3.5%
Total Liabilities	**26,672**	**31,894**	**32,619**	**22.3%**
Cash and Balances with Banks and RBI	1,484	1,579	1,377	-7.2%
Net Retail and Wholesale Loans & Advances*	17,559	21,459	22,350	27.3%
Investments	6,147	7,209	7,277	18.4%
Fixed Assets	229	297	301	31.5%
Other Assets	1,253	1,349	1,314	4.9%
Total Assets	**26,672**	**31,894**	**32,619**	**22.3%**

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

Quarterly Income Statement

In US$ Million	Q3 FY23	Q2 FY24	Q3 FY24	Growth (%) YoY
Interest Income	712	886	949	33%
Interest Expense	317	410	433	37%
Net Interest Income	**396**	**476**	**517**	**30%**
Fee & Other Income	135	166	177	32%
Trading Gain	4	7	6	34%
Operating Income	**535**	**648**	**699**	**31%**
Operating Income (Excl Trading Gain)	**530**	**642**	**693**	**31%**
Operating Expense	383	466	511	33%
Operating Profit (PPOP)	**152**	**182**	**188**	**24%**
Operating Profit (Ex. Trading gain)	**148**	**175**	**183**	**24%**
Provisions	54	64	79	45%
Profit Before Tax	**98**	**118**	**109**	**12%**
Tax	25	28	23	-7%
Profit After Tax	**73**	**90**	**86**	**18%**

Nine months Income Statement

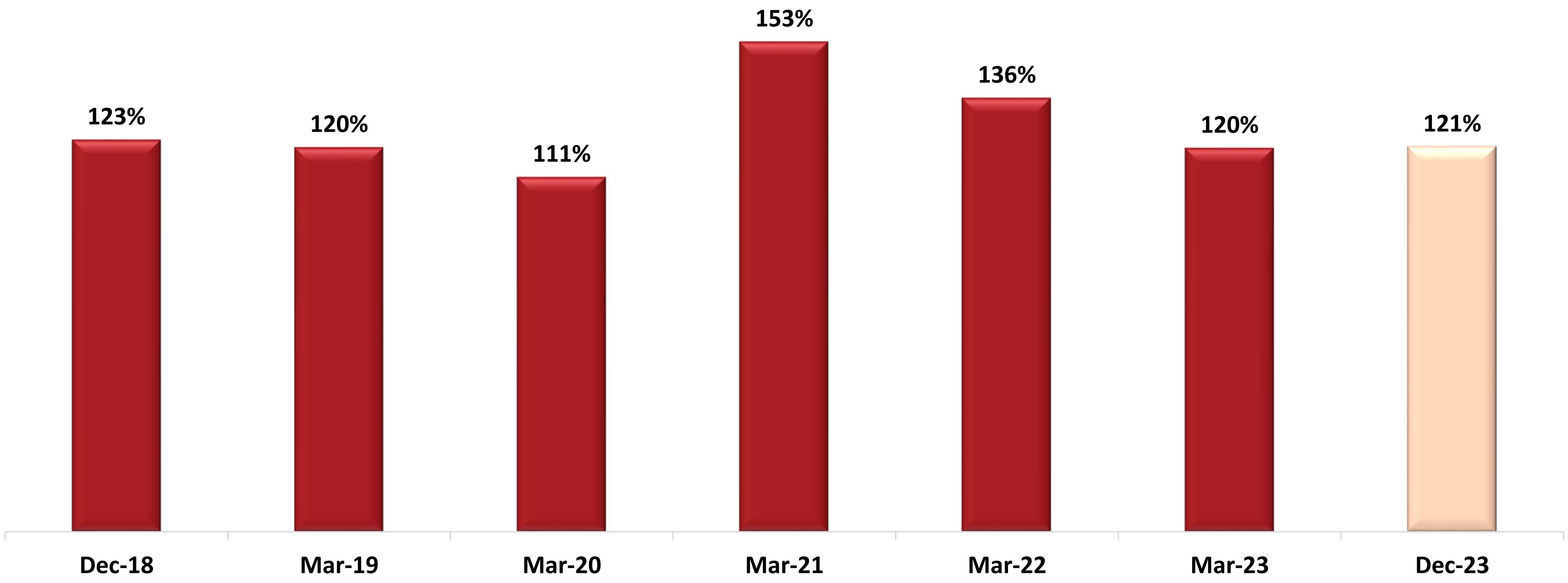
In US$ Million	9M FY23	9M FY24	Growth (%) YoY
Interest Income	1,964	2,663	36%
Interest Expense	875	1,219	39%
Net Interest Income	**1,089**	**1,444**	**33%**
Fee & Other Income	357	504	41%
Trading Gain	13	21	61%
Operating Income	**1,459**	**1,969**	**35%**
Operating Income (Excl Trading Gain)	**1,446**	**1,948**	**35%**
Operating Expense	1,052	1,418	35%
Operating Profit (PPOP)	**406**	**551**	**36%**
Operating Profit (Ex. Trading gain)	**393**	**530**	**35%**
Provisions	142	200	40%
Profit Before Tax	**264**	**351**	**33%**
Tax	67	82	22%
Profit After Tax	**197**	**269**	**37%**

Capital Adequacy Ratio is strong at 16.73% as on December 31, 2023

In US$ Million	Dec-22	Sep-23	Dec-23
Common Equity	2,667	3,226	3,674
Tier 2 Capital Funds	508	729	732
Total Capital Funds	**3,176**	**3,955**	**4,406**
Total Risk Weighted Assets	**19,770**	**23,907**	**26,338**
CET-1 Ratio (%)	**13.49%**	**13.49%**	**13.95%**
Total CRAR (%)	**16.06%**	**16.54%**	**16.73%**

- The Bank raised fresh equity capital of US$ 361 Million in 1st week of October 2023.

Average Quarterly Liquidity Coverage Ratio (LCR) remained strong



Section 11: 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 12: 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 and recapitalised the company. 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 6.9 X 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

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 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.

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. 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.

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. Bansi 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 (ICWA) and the Institute of Company Secretaries of India (ICSI)

Board of Directors

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.

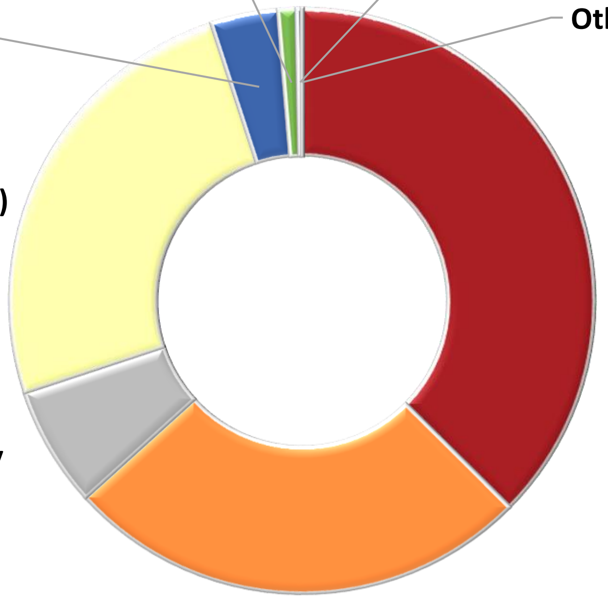
MS. MATANGI GOWRISHANKAR - INDEPENDENT DIRECTOR

Ms. Matangi Gowrishankar, a career business & human resources professional, has over four decades of experience in senior leadership roles in business and HR, both in India and overseas. She is an experienced Independent Director and has worked with large multinational corporations, in diverse sectors like Banking, IT, Financial services, Manufacturing, Sports & Fitness and Oil & Gas. As an Executive Coach, she had worked with a wide range of top leadership individuals and teams across several career stages and is actively involved in coaching and mentoring senior leaders across several organizations. She holds a BA in sociology and a post-graduate degree in Personnel Management and Industrial Relations from XLRI, Jamshedpur.

Section 13: Shareholding

Shareholding Pattern as of December 31, 2023

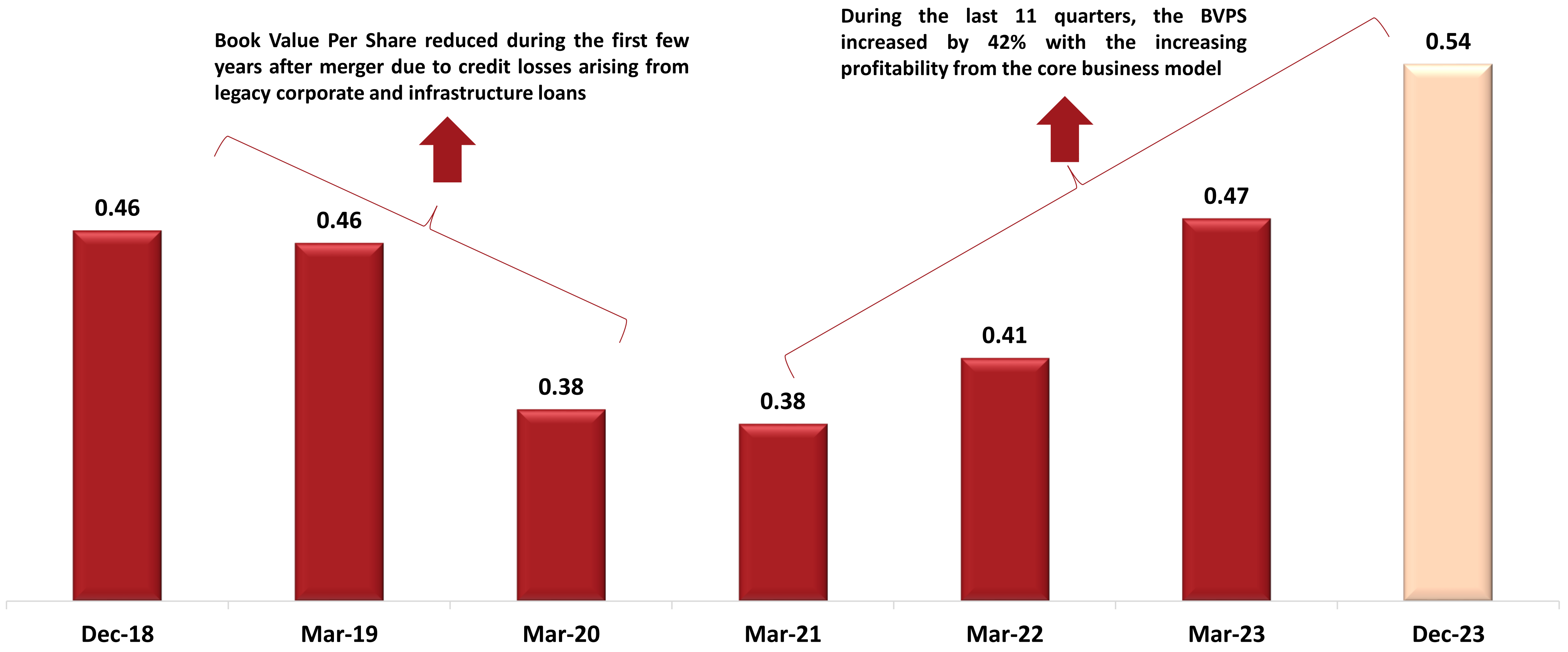
Scrip Name: IDFC FIRST Bank (BSE: 539437, NSE:IDFCFIRSTB)



Total # of shares as of Dec 31, 2023	***7,066.8 Million***
Basic EPS *(Q3-FY24 annualized)*	***Rs. 4.03 (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



Section 14: 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 @ IDFC FIRST Bank

FIRST ENSURE
Enabling Sustainability Responsibly

- High standards of corporate governance
- Dedicated ESG governance
- Globally aligned disclosures and commitments
- Reducing environmental footprint

- Creating social impact
- ESG-aligned business lines
- Progressively improving ESG ratings

ESG at IDFC FIRST Bank – Environmental and Green initiatives

Green infrastructure

EV charging infra for employees

Customer awareness

EV financing

Green buildings

- Five Large offices, including the Head Office successfully certified under ISO 14001 and 45001 certifications for safety, facilities and environment
- IGBC & LEED certification for five 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; encouraging EV adoption among employees

Green energy

- IDFC FIRST HO (The Square, BKC) is fully powered by Green Energy

Water efficiency

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

EV financing

- Over 1.9 lakh EV two wheelers financed (live portfolio)
- 4,500+ 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

Building a culture of sustainability

- Internal ESG Champions and Ambassadors programme to actively involve employees in the Bank's journey towards sustainability
- Dedicated training conducted on Climate Risk and Sustainable Financing for relevant departments
- E-waste collection drive to encourage employees to responsible dispose of their personal electronic waste

ESG at IDFC FIRST Bank – Social and Governance initiatives

Social


Employee engagement


Community impact


Customer-first

Governance


Diverse leadership


Strong governance


Information security

❑ Employee learning and engagement

- Over 16 lakh learning hours till Q3 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

- 8991 volunteers activated till Q3 FY24, positively impacting 34727 people
- Shwetdhara programme that helps create farmer livelihoods expands total footprint to 803 villages and registered 1061 shareholders
- 36 children supported under Paediatric Cancer Care Program
- 694 scholars awarded MBA Scholarships
- 53 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
- 134 children with intellectual disability supported for early intervention program
- 9690 households serviced under waste management and sanitation program

❑ Growing geographical coverage for customer access

- Universal bank with 897 branches (and growing)

❑ Strong and experienced Board

- Independence: Independent Directors constitute 50% 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

❑ 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)

❑ Governance around social responsibility

- Information on social parameters ISO 26000 certified in accordance with ISAE 3000 (revised)

ESG Commitments, Ratings and Governance

ESG Commitments

- 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)**
- Official supporter of **Task Force on Climate-Related Financial Disclosures (TCFD)** in the Indian Banking sector

★ ESG Ratings

★	CSA ESG score (DJSI)	
2023	47	↑
2022	44	

★	Sustainalytics	
2023	26.6 Lower is better	↑
2022	38.3	

★	MSCI	
2023	A	↑
2021	BBB	

★	CRISIL
2022	66 (B) Started 2022
2021	-

★	LSEG*	
2023	65	↑
2022	60	

* Previously Refinitiv

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

The European

Most ESG Responsible Banking Service – India Dec 2023

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

Section 15: 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 - National Awards for Excellence
Dream company to work for HR 2023 - National Awards for Excellence
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

We are building a world class bank with:

- Highest levels of corporate governance

- Stable balance sheet growth of ~20%,

- Robust asset quality of GNPA less than 2% and net NPA of < 1%

- High teens ROE

- Contemporary technology and

- High levels of Customer Centricity.

Disclaimer

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Thank You

IDFC FIRST Bank

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	Dec-23	Status
Capital	CET – 1 Ratio	16.14%	>12.5 %	13.95%	On Track
	Capital Adequacy (%)	16.51%	>13.0 %	16.73%	On Track
Liability	CASA as a % of Deposits (%)	8.7%	30% (FY24), 50% thereafter	46.8%	On Track
	Branches (#)	206	800-900	897	Achieved
	CASA + Term Deposits<5 crore (% of Customer Deposits)	39%	85%	82%	On Track
	Certificate of Deposits of % of total deposits & borrowings	17%	<10% of liabilities	3%	Achieved
	Quarterly Avg. LCR (%)	123%	>110%	121%	On Track
Assets	Retail, Rural and SME Finance (Net of IBPC)	US$ 4,449 Mn	US$ 12,048 Mn	US$ 18,786 Mn	Achieved
	Retail, Rural and SME Finance as a % of Total Loans & Advances	35%	70%	82%	Achieved
	Wholesale Loans & Advances[1]	US$ 6,840 Mn	< US$ 4,819 Mn	US$ 3,753 Mn	Achieved
	- of which Infrastructure loans	*US$ 2,736 Mn*	Nil in 5 years	*US$ 361 Mn*	On Track

1. *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

IDFC FIRST Bank

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	Dec-23	Status
Asset Quality	Top 10 borrowers as % of Total Loans & Advances (%)	12.8%	< 5%	2.10%	Achieved
	GNPA (%)	1.97%	2.0% - 2.5%	2.04%	On Track
	NNPA (%)	0.95%	1.0% - 1.2%	0.68%	On Track
	Provision Coverage Ratio[3] (%)	53%	~70%	85%	On Track
Profitability*	Net Interest Margin (%)	3.10%	5.0% - 5.5%	6.36%[1]	Achieved
	Cost to Income Ratio[2] (%)	81.56%	65% ^	72.80%	Behind Schedule
	Return on Asset (%)	-3.70%	1.4-1.6%	1.16%	On Track
	Return on Equity (%)	-36.81%	13-15%	10.67%	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, *Dec-23 profitability parameters are for 9M-FY24*

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)	Dec-22	Sep-23	Dec-23	YoY (%)
Retail Finance	**10,376**	**12,603**	**13,421**	**29.3%**
- Home Loan	2,143	2,561	2,545	18.8%
- Loan Against Property	2,371	2,606	2,631	11.0%
- Vehicle Loans	1,674	2,150	2,193	31.0%
- Consumer Loans	2,331	2,799	3,208	37.6%
- Education Loans	90	212	240	165.1%
- Credit Card	379	516	596	57.2%
*- Gold Loan**	20	68	93	379.0%
- Others	1,369	1,691	1,915	39.9%
Rural Finance*	**1,958**	**2,750**	**2,886**	**47.4%**
SME & Corporate Finance	**5,327**	**6,319**	**6,160**	**15.6%**
*- of which CV/CE Financing**	364	594	616	69.2%
*- of which Business Banking**	539	735	807	49.9%
- of which Corporate Loans	3,057	3,533	3,392	11.0%
Infrastructure	**671**	**404**	**361**	**-46.3%**
Total Gross Loans & Advances	**18,332**	**22,077**	**22,828**	**24.5%**

* 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

- **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.**

IDFC BANK + CAPITAL FIRST = IDFC FIRST Bank

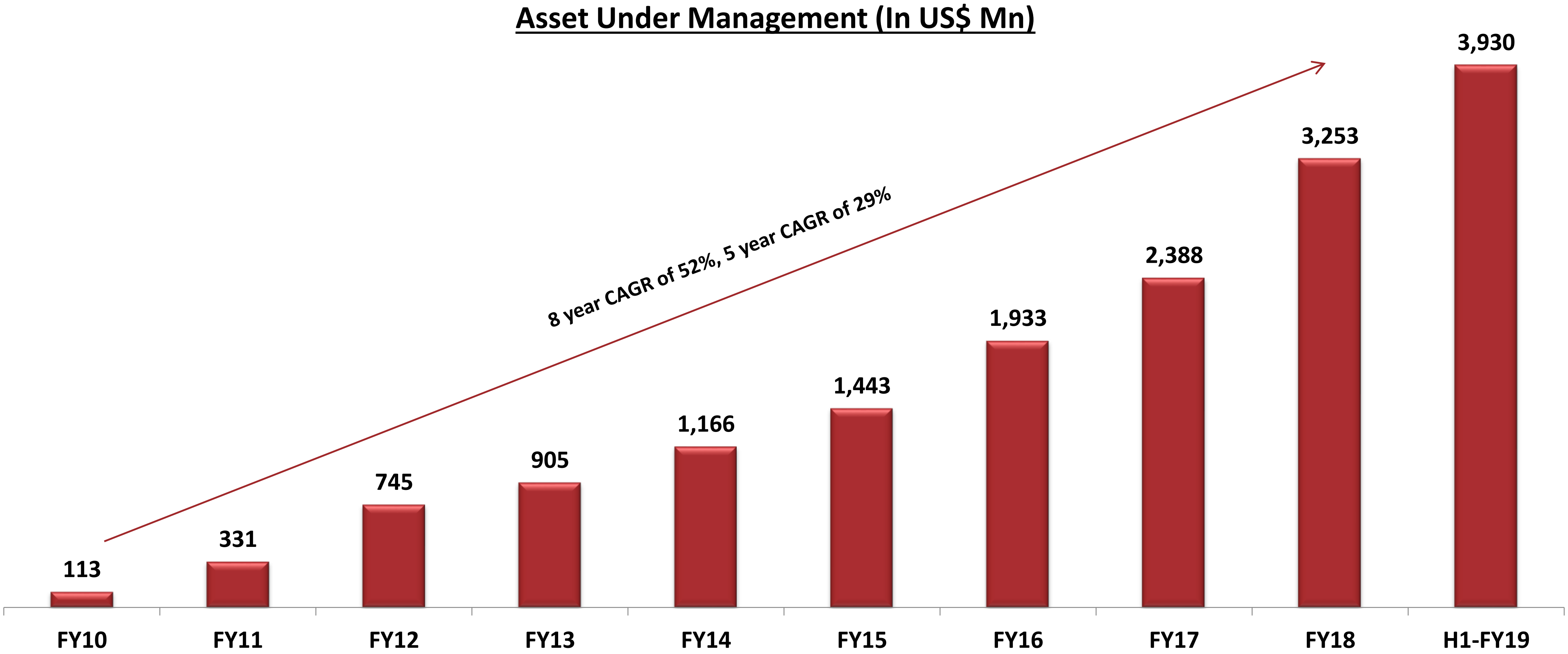
On merger, 13.9 shares of IDFC Bank were issued for every share of Capital First as part of the merger scheme in December 2018

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%



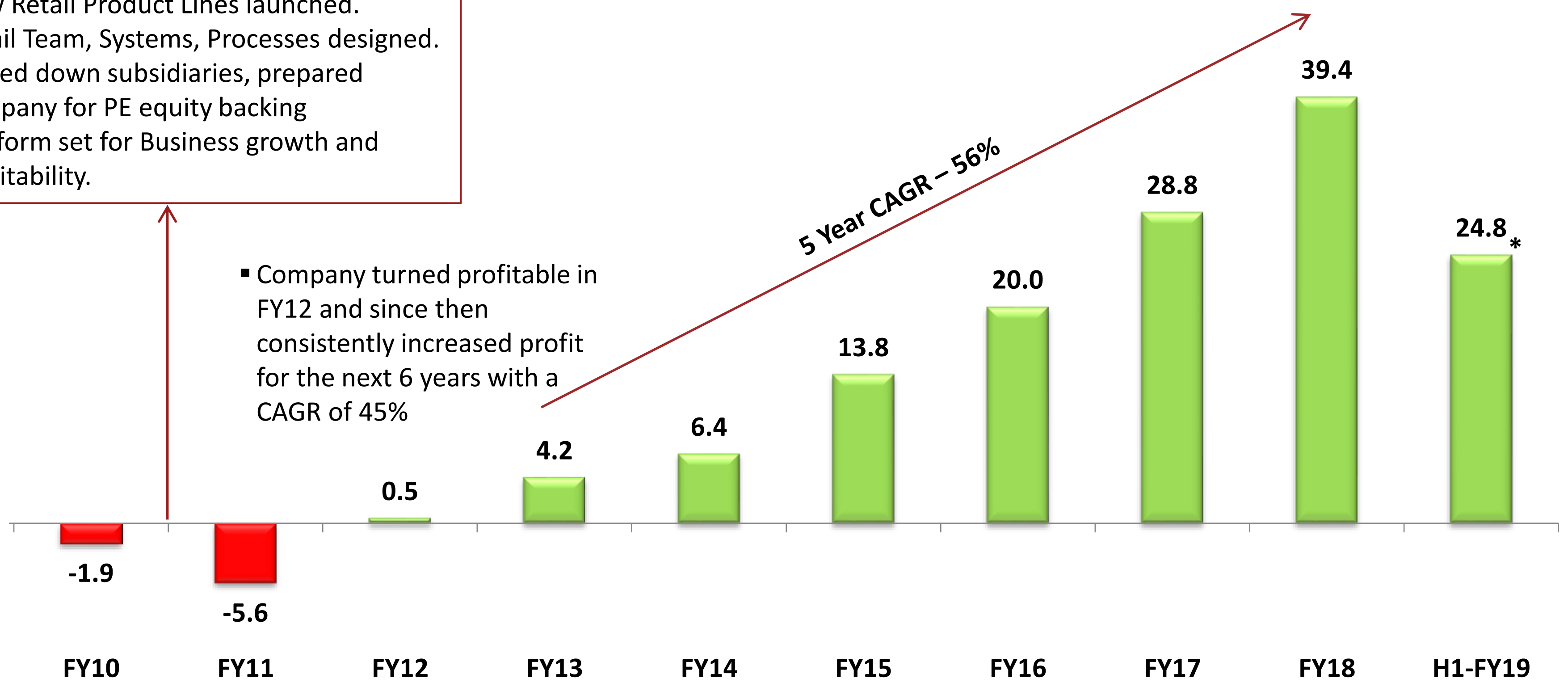
Successful Trajectory of Growth and Profits at Capital First

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.

- New Leadership takes over in 2010.
- New Retail Product Lines launched.
- Retail Team, Systems, Processes designed.
- Closed down subsidiaries, prepared company for PE equity backing
- Platform set for Business growth and Profitability.

Profit After Tax (Normalized) – US$ Mn



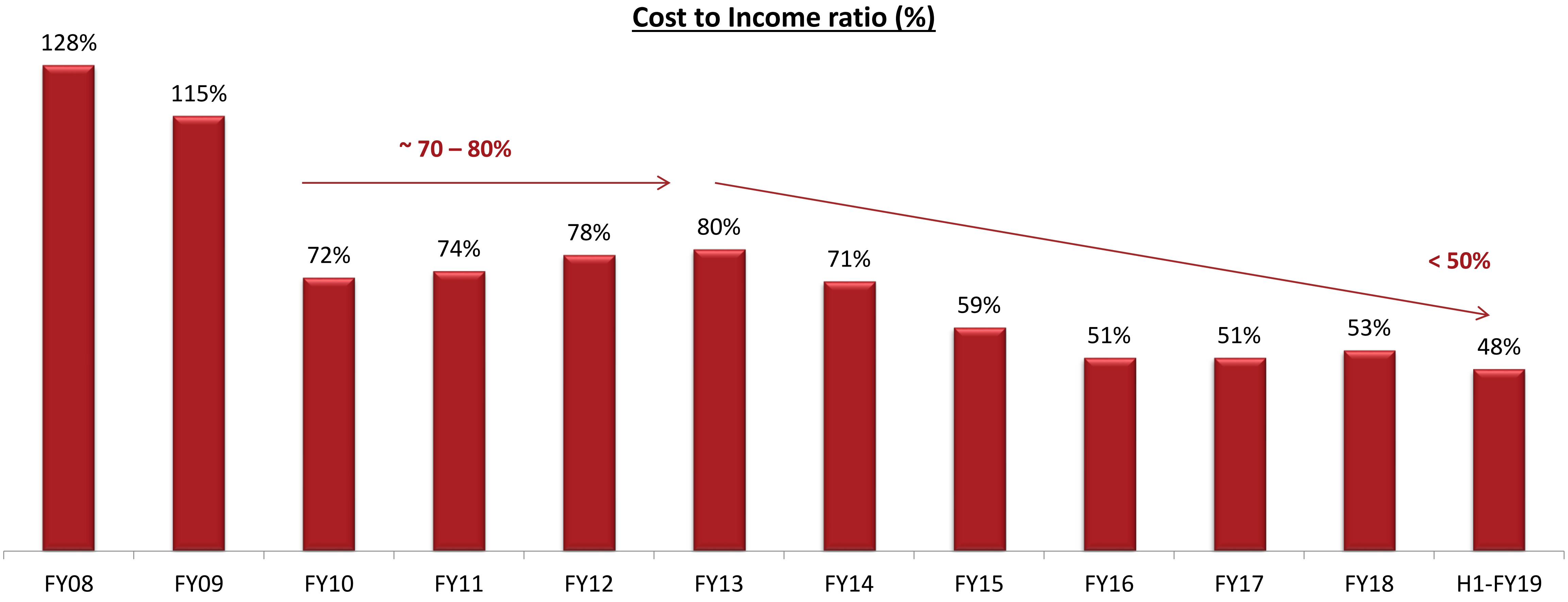
- Company turned profitable in FY12 and since then consistently increased profit for the next 6 years with a CAGR of 45%

** For Half Year H1-FY19*

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.

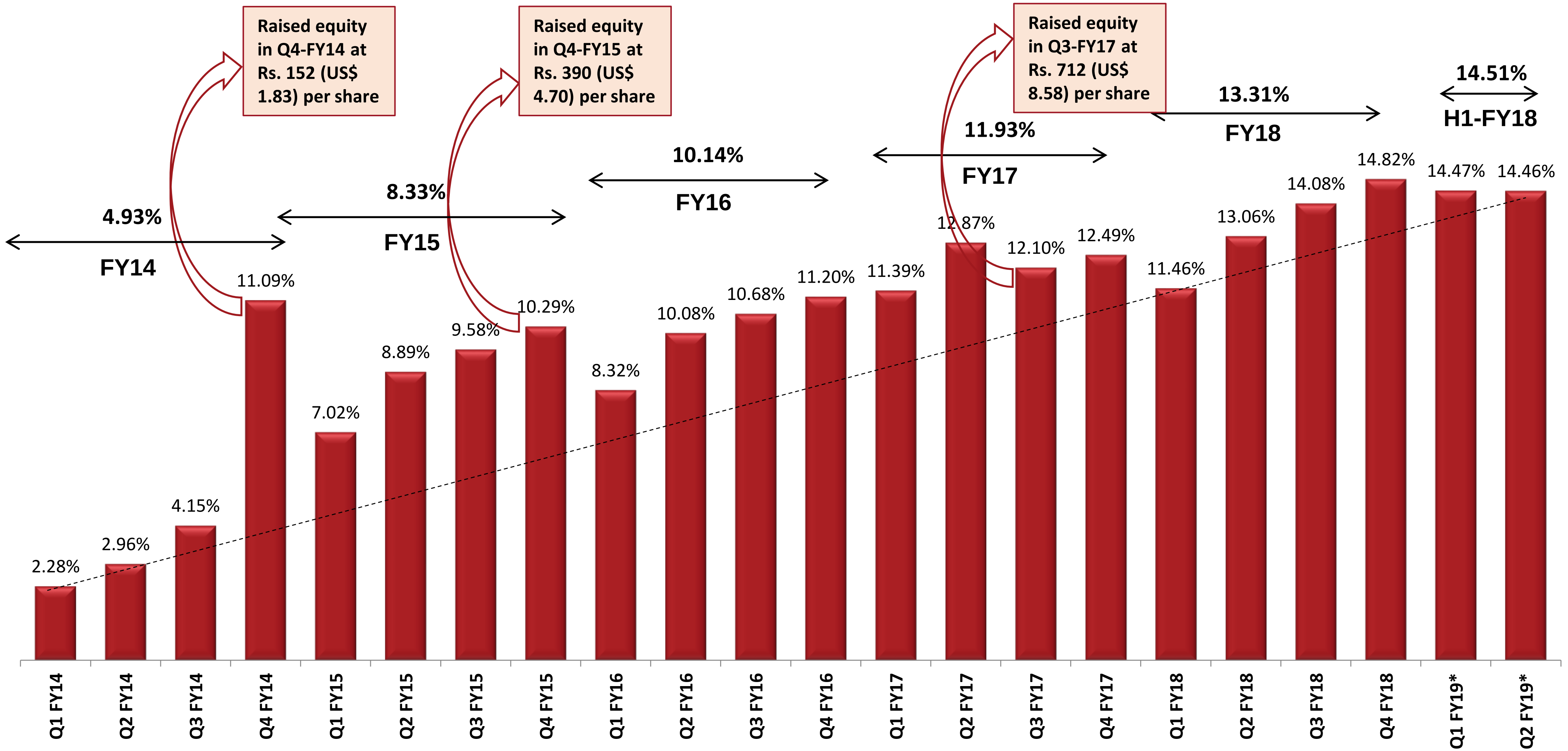
The Cost to Income ratio, which was high at ~130% in the early stages of the company, reduced to <50% once the business model stabilized over the years.



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



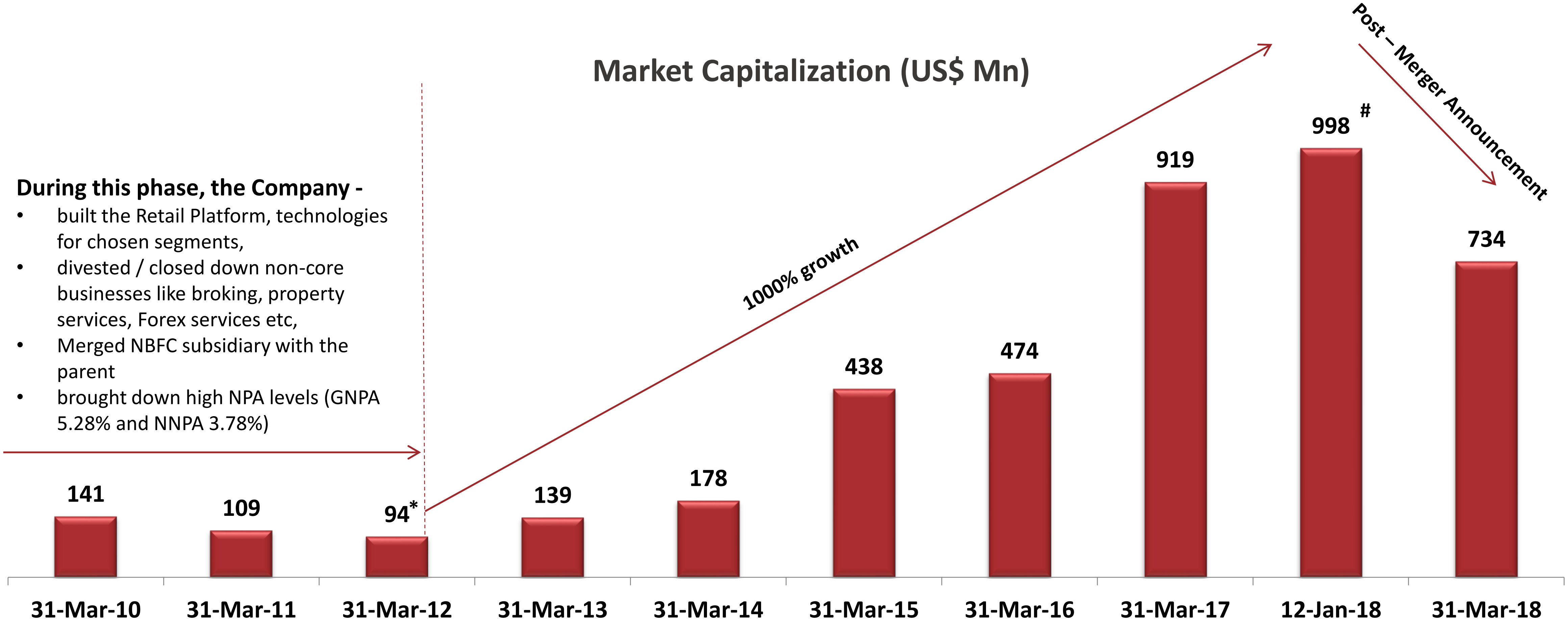
*Highlighted figures are based on Indian AS in comparison to quarterly figures for earlier periods based on Indian GAAP.

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.

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%)



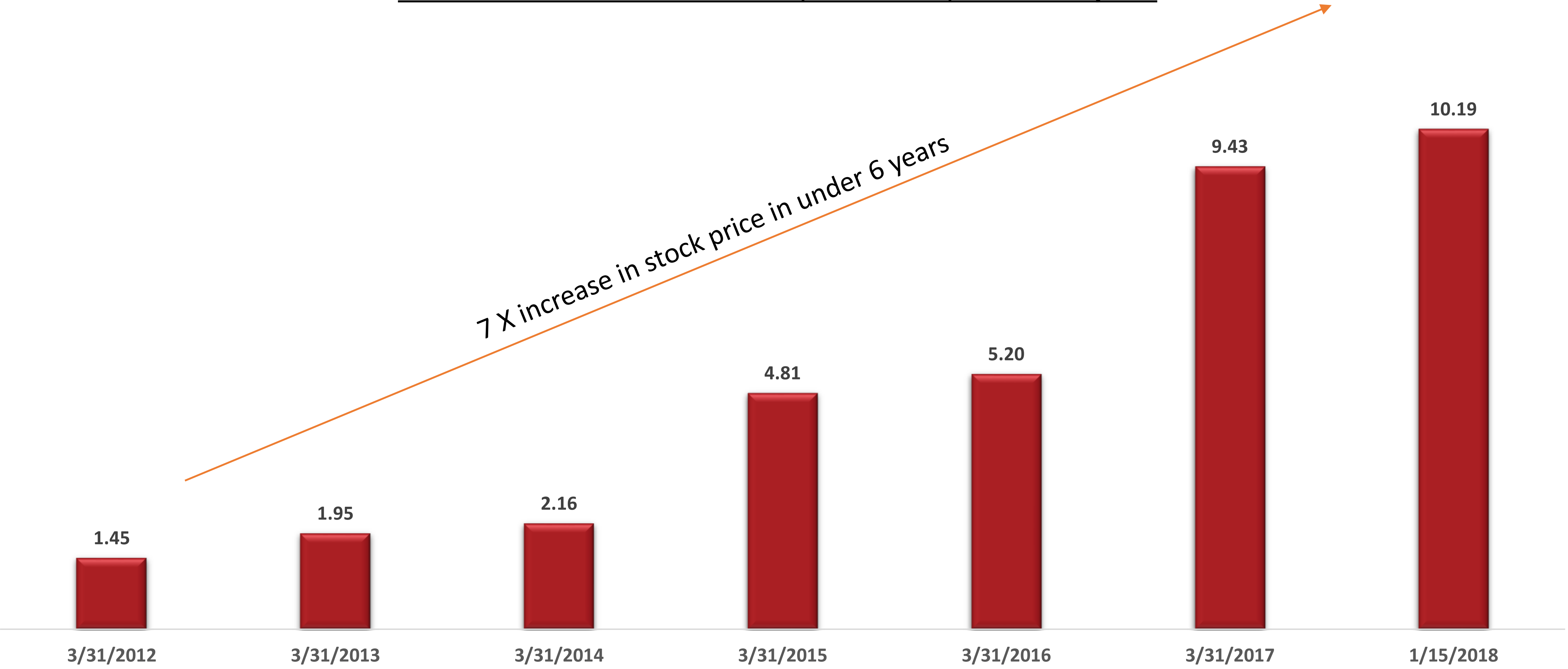
** Market Cap as on 31-March-2012, the year of Management Buyout*

 # 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

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.

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



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)**
Key Ratios			
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