IDFC FIRST Bank

Investor Presentation – FY24

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Building a world class Universal Bank

Strengths of the Bank

Universal Bank

Universal bank with pan- India presence & **wide range** of products including Retail, SME, Rural, Corporate, Trade, CMS, Wealth Management, NRI banking and Treasury solutions. **Total business crosses Rs. 4 lakh crore (USD 48 billion).**

Customer Friendly

Customer First Products - Zero Fee on all Savings Account services. Credit Cards with online Reward Point redemption, never expiring Reward Points and low APR

Positive Culture

High level of **Corporate Governance,** customer service digital capabilities and positive work culture

Granular Deposits

Strong **deposits franchise** growing at 39%, with healthy **CASA ratio of 47%.** Deposits cross **Rs. 2 lakh crore (USD 24 billion)**

Diversified Loan Book

Over 25 business lines.
No segment >15% of book.
Loan book crosses Rs. 2 lakh crore (USD 24 billion)

High Asset Quality

Consistently low GNPA and NNPA for 14 years. GNPA and NNPA of **1.88%** and **0.60%** respectively

Contemporary Technology

Bank built on **latest technology stack** that enables great UI UX resulting in excellent customer experience

Strong Profitability

FY24 Profit After Tax (PAT) at **US$ 356 Mn**, up 21% on FY23 PAT of US$ 294 Mn, based on strong fundamentals

ESG Commitment

Business inherently aligned with ESG goals. Significantly enhanced ESG ratings

All numbers pertaining to March 31, 2024; CMS = Cash Management Services, SME = Small and Medium Enterprise, UI UX = User Interface and User Experience
** 14 years mentioned above includes period prior to merger for both the merging institutions; loan book includes credit substitutes*

Section 1: Introduction to IDFC FIRST Bank

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

"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)

"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)

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)

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)

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 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)

History of creation of IDFC FIRST Bank

- **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 and infrastructure loans, infrastructure bonds and institutional borrowings to IDFC Bank in October 2015
- **IDFC Bank** was looking out for a profitable retail franchise to merge with to diversify away from Infrastructure and to gain profitability.
- **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 in December 2018 and thus IDFC FIRST Bank was created.
- **Issues**: Because IDFC Bank was created from an infrastructure DFI, the merged entity had certain issues. As of December 31, 2018,
  a) *The Bank had low CASA at 8.68%*
  b) *The Bank had low NIM at 1.9% (H1 FY 19) and low PPOP (Pre-Provisioning Operating Profits) of 0.32% (H1 FY 19)*
  c) *Only 8.04% (US$ 1,253 million) was retail Deposits and the rest was institutional deposits & borrowings.*
  d) *The Bank had large exposure in infrastructure and corporate Loans*
- **Issues Addressed:** Between FY 19-FY 24, the bank has addressed all the issues relating to infrastructure and corporate loans. Infrastructure exposure has reduced from US$ 2,585 million to US$ 341 million, CASA has grown to 47.25%, and profitability has increased to US$ 356 million in FY24
- **Future:** 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

Achievements of 5 Years since merger (December 31, 2018 to March 31, 2024)

Growing Deposits	Bank grew Retail deposits by 5-year CAGR of **63%. Total** Customer deposits grew by 5 years CAGR of **36%** since merger.	**Developed PSL origination capabilities**	Bank is growing its PSL book organically in a sustainable manner. PTC & RIDF subscription has gone down by **75%** from **US$ 955 Mn** at merger to **US$ 243 Mn**
Resolved Legacy Loans	Bank has successfully resolved or accounted for all legacy stress infrastructure financing portfolio	**Built essential Infrastructure**	Bank has invested in the essential infrastructure and has expanded its branch network to **944** branches and **1,164** ATMs across the country
Repaid Legacy Liabilities	Bank has already repaid high-cost legacy borrowings since merger of ~**US$ 3,494 Mn** and replaced with low-cost deposits	**Launched new Products**	The Bank has launched and scaled up several products across all segments, like retail, commercial and wholesale banking, rural products as well as fee-based products
Diversified the Loan Book	Retail, Rural and SME financing portfolio as a % to total loans and advances has grown from **35%** at merger to **83%** as on Mar-24	**Implemented contemporary Technology**	Bank is investing in modern tech and has built latest technology stack that enables great UI/UX, resulting in excellent customer experience
Diversified the Deposits Base	Similarly, Retail Deposits as % of total customer deposits increased from **27%** at merger to **78%**	**Built ethical Banking culture**	The Bank believes income earned unethically is not worth earning. Accordingly, it designs all products with no complicated jargon, and keeps customer interest in mind when designing products and services.

Guidance 2.0 (FY24 - FY29)

Particulars	31-Dec-2018	31-Dec-2023	5 Year CAGR (%)	31-Mar-2029
Deposits	**First 5 years since after merger**			
Branches (#)	206	897	34%	1700-1800
Customer Deposits (US$ Mn)	4,633	21,263	36%	70,482
- CASA Deposits (US$ Mn)	635	10,300	75%	34,337
- Term Deposits (US$ Mn)	3,998	10,963	22%	36,145
Assets				
Loans & Advances** (US$ Mn)	12,610	22,828	13%	60,241
Total Assets (US$ Mn)	18,906	32,619	12%	84,337
Asset quality				
GNPA %	1.97%	2.04%	-	1.5%
NNPA %	0.95%	0.68%	-	0.4%
Profitability				
Profit (US$ Mn)	-189	269*	-	1,446 – 1,566
ROA %	-	1.2%	-	1.9-2.0%
ROE %	-	10.7%	-	17-18%

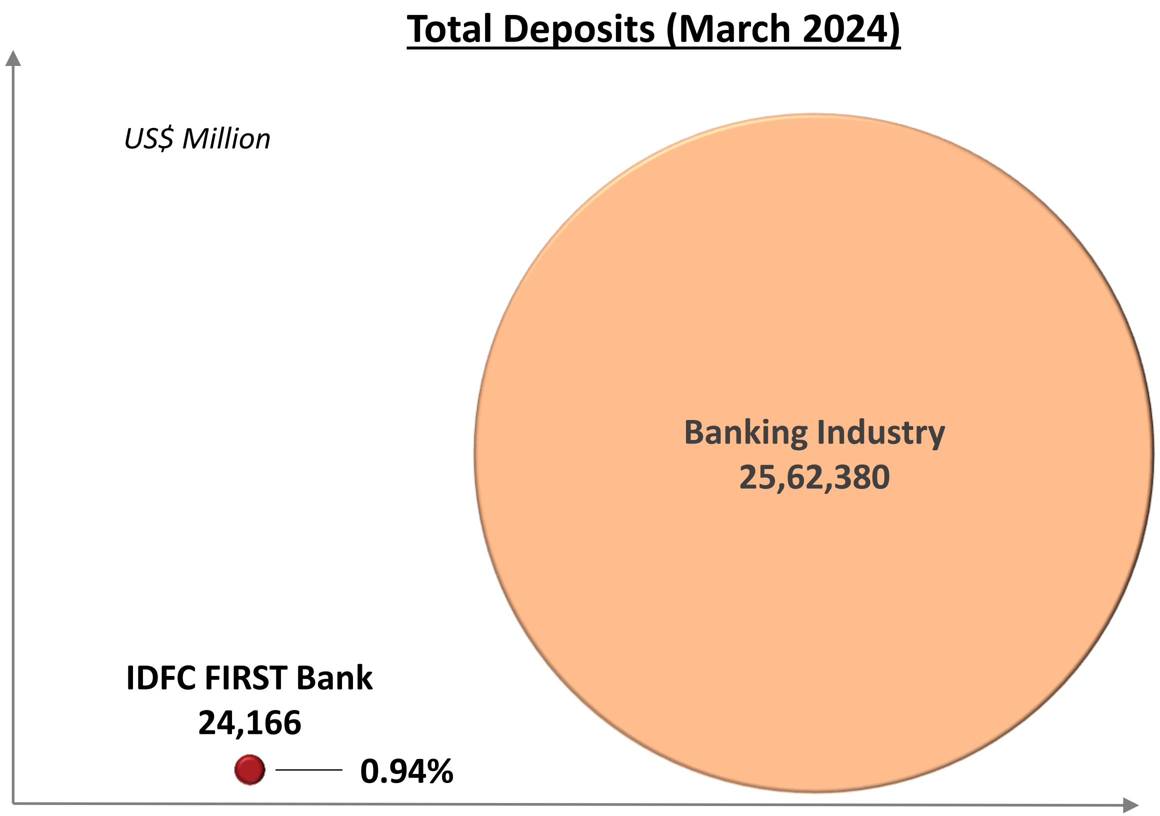
- The Bank has exceeded or met or most likely to meet most targets as provided under Guidance 1.0.
- We have a strong proven business model that is incrementally very profitable.
- We are building a world class bank with highest levels of corporate governance, a consistent balance sheet growth of ~20%, 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.

** For 9MFY24*
*** (including Credit Substitutes))*

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

Section 2: Market Opportunity

Market Opportunity (Deposits)



- The Bank has a small share in the overall bank deposits of the country and hence has a significant opportunity for growth.
- We realise that opportunity alone is not enough for growth. The Bank has built necessary capabilities to take advantage of this opportunity which include human capital, brand, distribution and digital innovation and hence is well placed to grow deposits comfortably from here on.
- The Bank has launched excellent customer friendly products and services for its customers

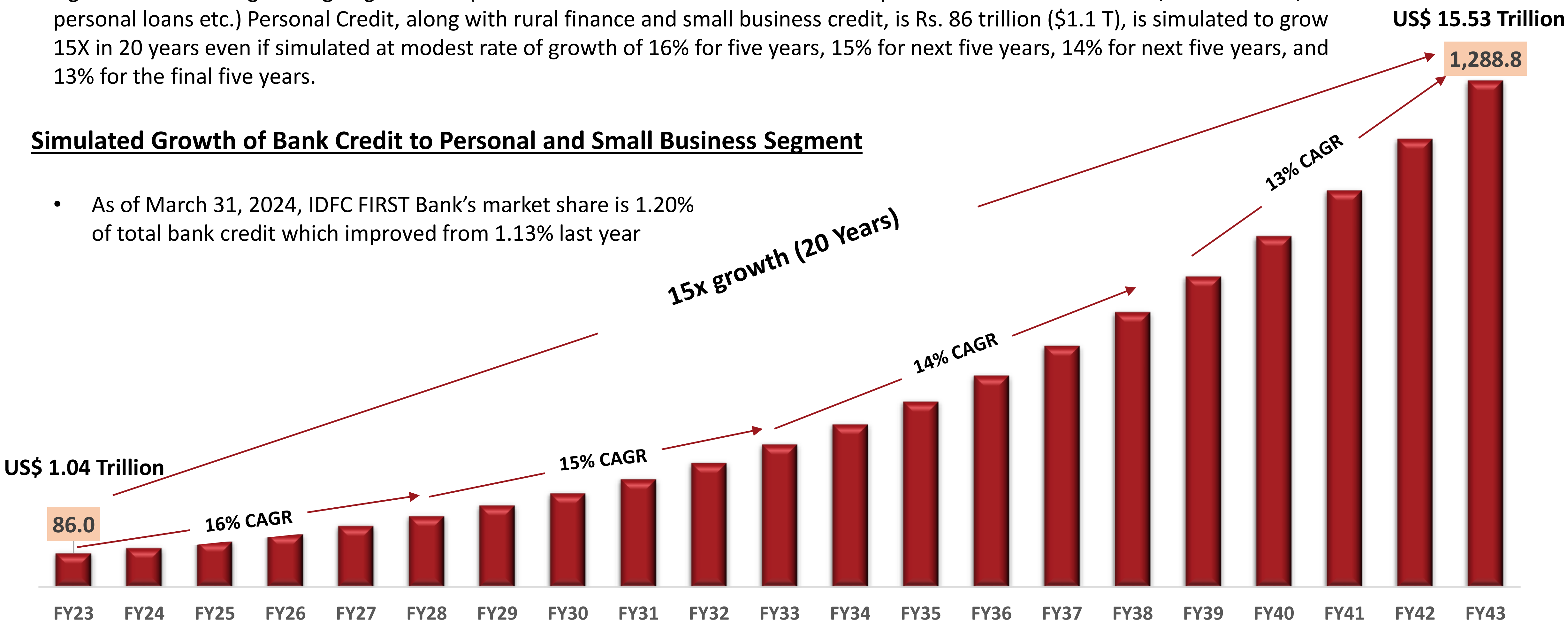
Source: RBI data, Internal Estimate

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

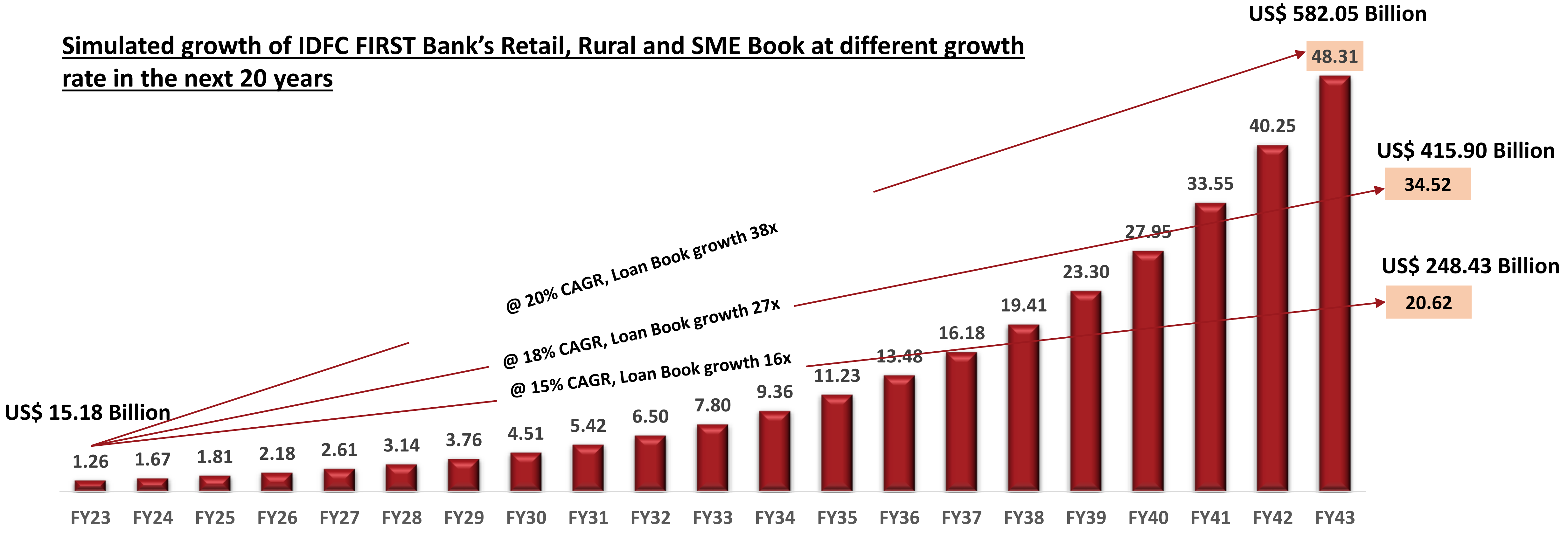
- As of March 31, 2024, IDFC FIRST Bank's market share is 1.20% of total bank credit which improved from 1.13% last year



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



Section 3: 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

Supply Chain Financing

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

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.

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

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

FASTag

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

Retail Lending Solutions

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

SME Lending Solutions

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

CASA and Fixed Deposits

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

NRI Banking

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

Wealth Management & Distribution

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

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.

Prime Home Loans

Affordable Home Loans

Car Loans

Education Loans

Personal Loans

Credit Cards

Consumer Durable Loans

Two Wheeler Loans

Rural Finance: Wide range of products to cater the needs of Rural India

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

Micro Business Loans

Business Loans

Professional Loans

Commercial Vehicle

Business Banking

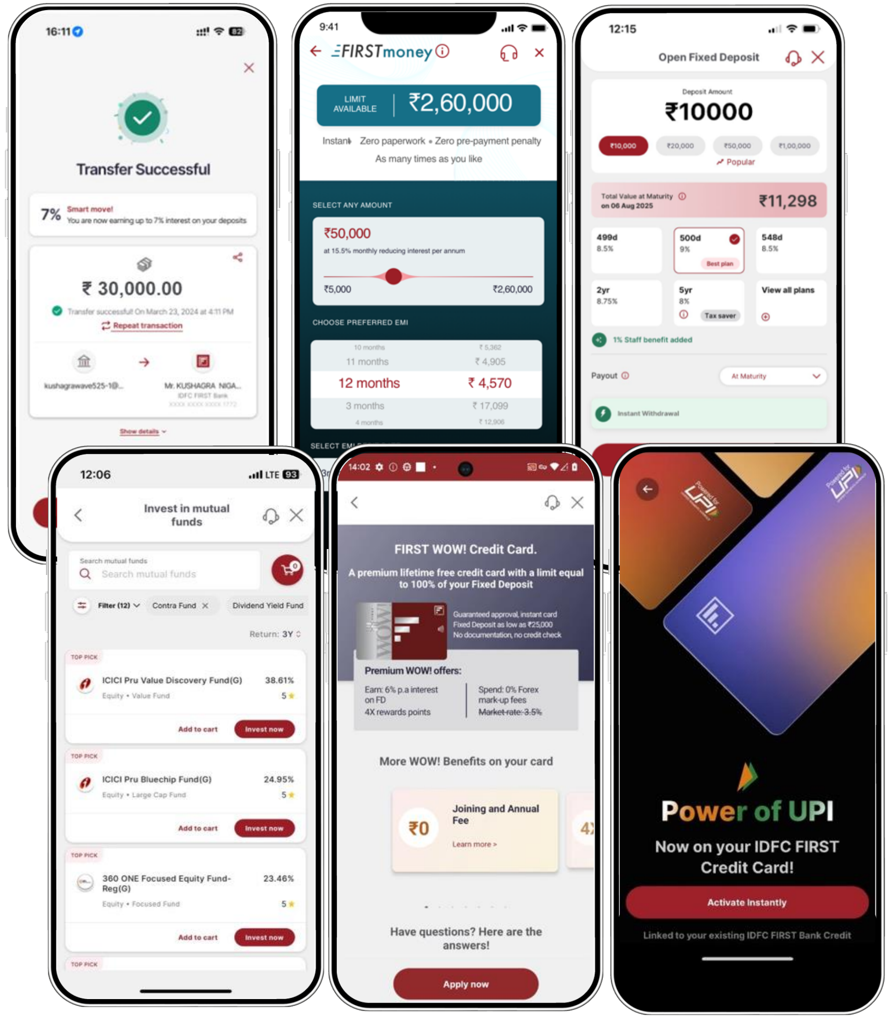
Corporate Banking: Comprehensive funded and non-funded product solutions for Corporate customers

Working Capital Loans

Trade Finance, Forex & CMS Solutions

Term Loans

Bank has built a unique best-in-class Mobile Banking App with latest design and embedded solutions



- CREATE FD in 2 CLICKS
- FIRSTMONEY PL – ETB/NTB
- INVEST in MF / IPO
- SMART STATEMENT
- RUPAY CC on UPI
- PAY ABROAD
- RECHARGE & BILL PAY
- ACCOUNT AGGREGATOR
- FINANCIAL PLANNING
- TARVEL & SHOP

 # 1

BANK APP IN INDIA

FORRESTER

Only Indian bank to feature in Global Top-20 Banking Apps

The Forrester Digital Functionality Review: Indian Mobile Banking Apps, Q3 2023 →

4.9 — GET IT ON Google Play

4.7 — Download on the App Store

12M+	5M+	1M+	10M+
USERS ON APP	MONTHLY ACTIVE	MONTHLY TRANSACTING	MONTHLY TRXNS

Our Digital Initiatives

Significant traction on electronic platforms

95%

Digital Transactions

95% of the overall transactions are digital

44%

POS Transactions

YoY growth of **44%** in volume and **40%** in value

62%

UPI Transactions (Value)

Growth of **~62%** for FY24 over the last year

17Mn+

FASTag

Over **17 Mn** FASTags issued till March 24

58%

Credit Cards Spends

58% YoY Growth during FY24

3rd

Bharat Bill Payment System

Ranked 3rd amongst 35 biller operating units

39%

Debit Card Spends

Spends grew **39% YoY** over last year

87%

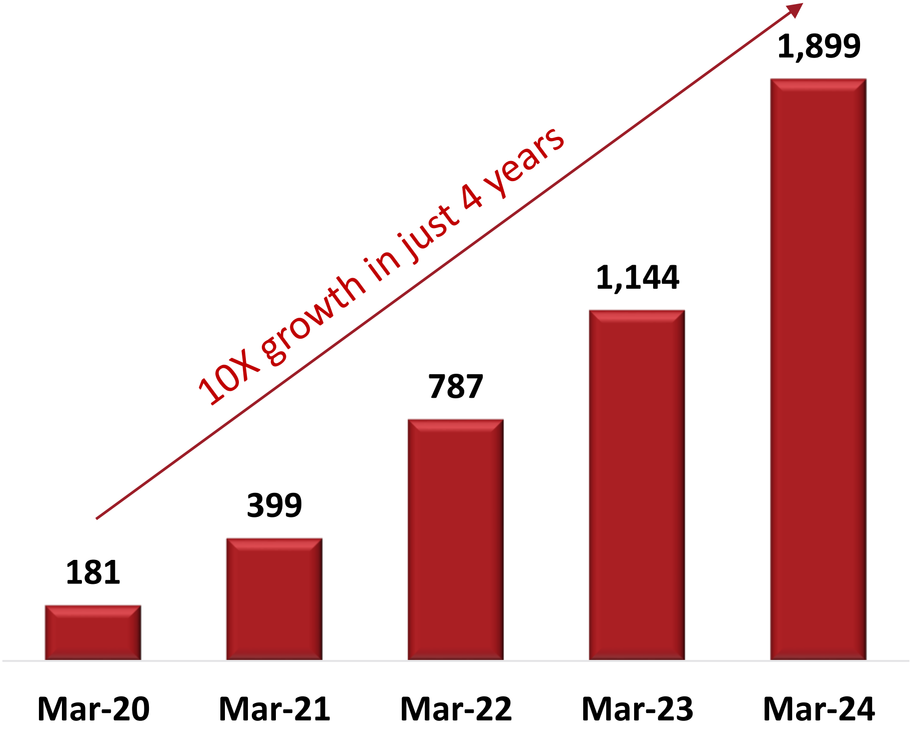
API Tech Integration for CMS

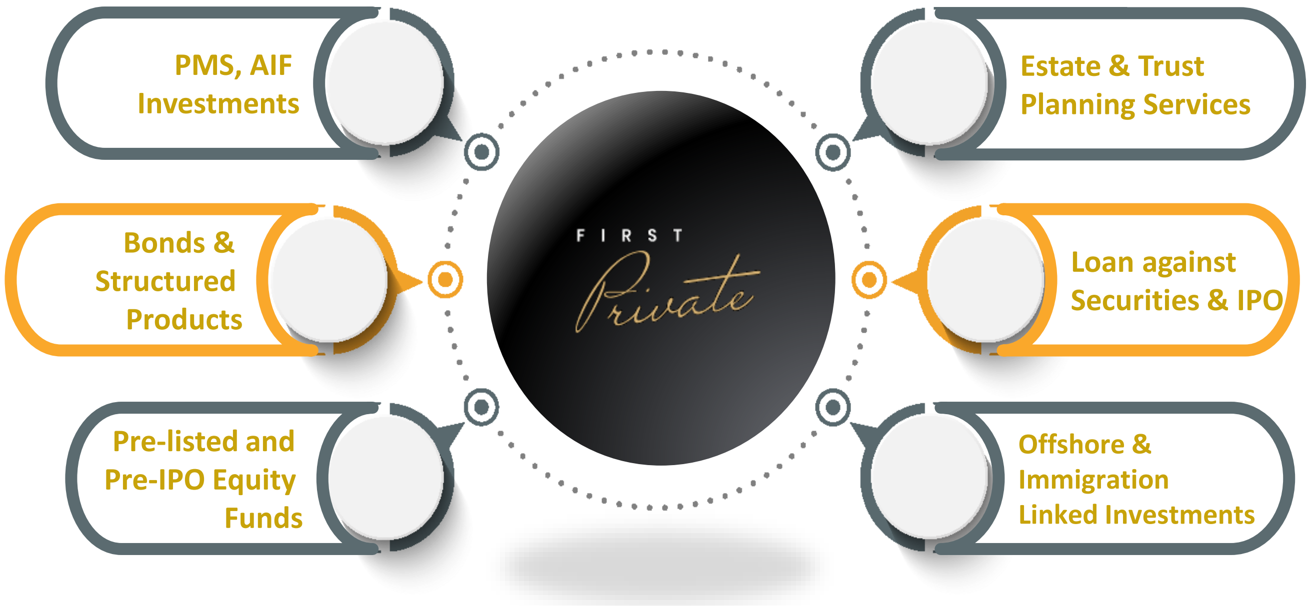
Growth of **87%** YoY

Highly successful launch of Wealth Management Business

- The Bank has created strong capabilities and wholistic customer propositions in Wealth Management and has grown the Wealth Management AUM from scratch to US$ 1,899 Million in the last 5 years after merger
- In FY24, the Wealth Management AUM grew by 66% YOY.

Wealth Management AUM (US$ Million)





Section 4: Financial Highlights – FY24

Bank At a Glance, as of March 2024

Loans & Advances[1]
US$ 24,213 Mn (25.1% YoY)

Customer Deposits
US$ 23,344 Mn (41.6% YoY)

Diversification
Retail Deposits at 78% of customer deposits

CASA Ratio
47.2%

Asset Quality (Overall Bank level)
GNPA% : 1.88% | NNPA% : 0.60%

Asset Quality (Retail, Rural & SME)
GNPA% : 1.38% | NNPA% : 0.44%

Core Operating Income[2] (FY24)
US$ 2,680 Mn (32.6% YoY)

Core Operating Profit[2] (FY24)
US$ 727 Mn (30.9% YoY)

Profit After Tax (FY24)
US$ 356 Mn (21.3% YoY)

Return on Assets (FY24)
1.10% (FY23 : 1.13%)

Return on Equity (FY24)
10.30% (FY23 : 10.79%)

Capital Adequacy
16.11%

1 Note: 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

Section 5: Deposits and Borrowings

a. Customer Deposits

b. CASA Deposits

c. Diversification of Deposits

d. Summary of Deposits and Borrowings

e. Legacy High-Cost Borrowings

f. Credit to Deposit Ratio

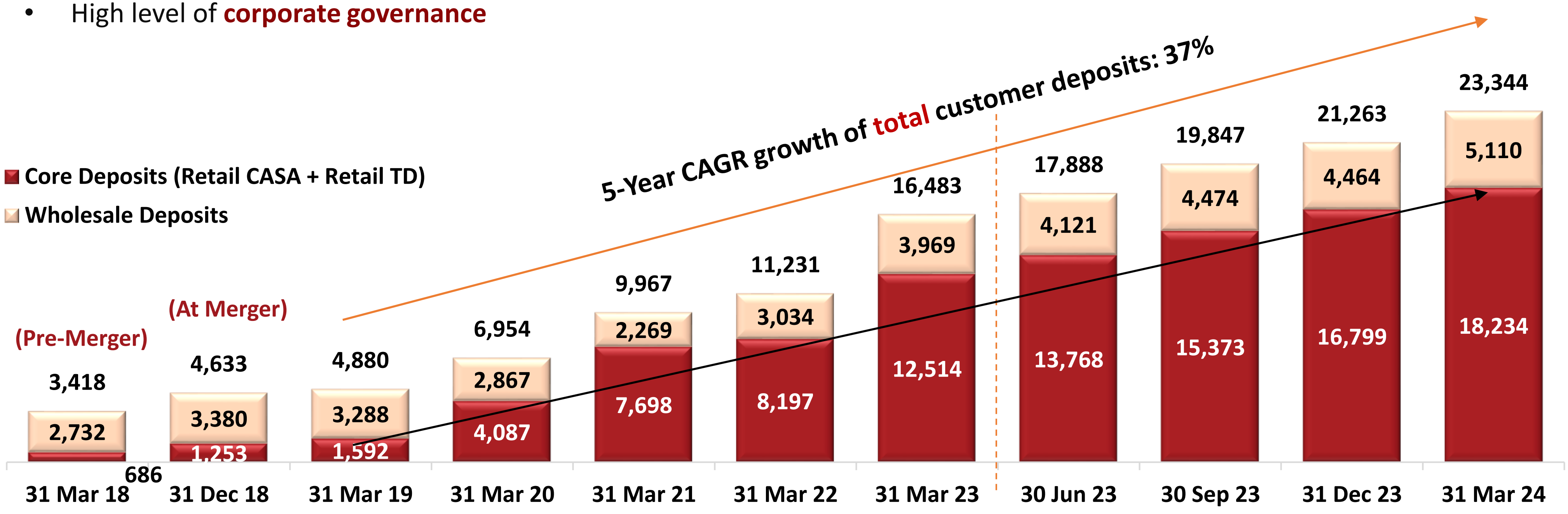
Deposits: Strong growth in Total Customer Deposits

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**

YoY – Mar-24 vs Mar-23	↑42%
QoQ – Mar-24 vs Dec-23	↑ 10%

in US$ Million



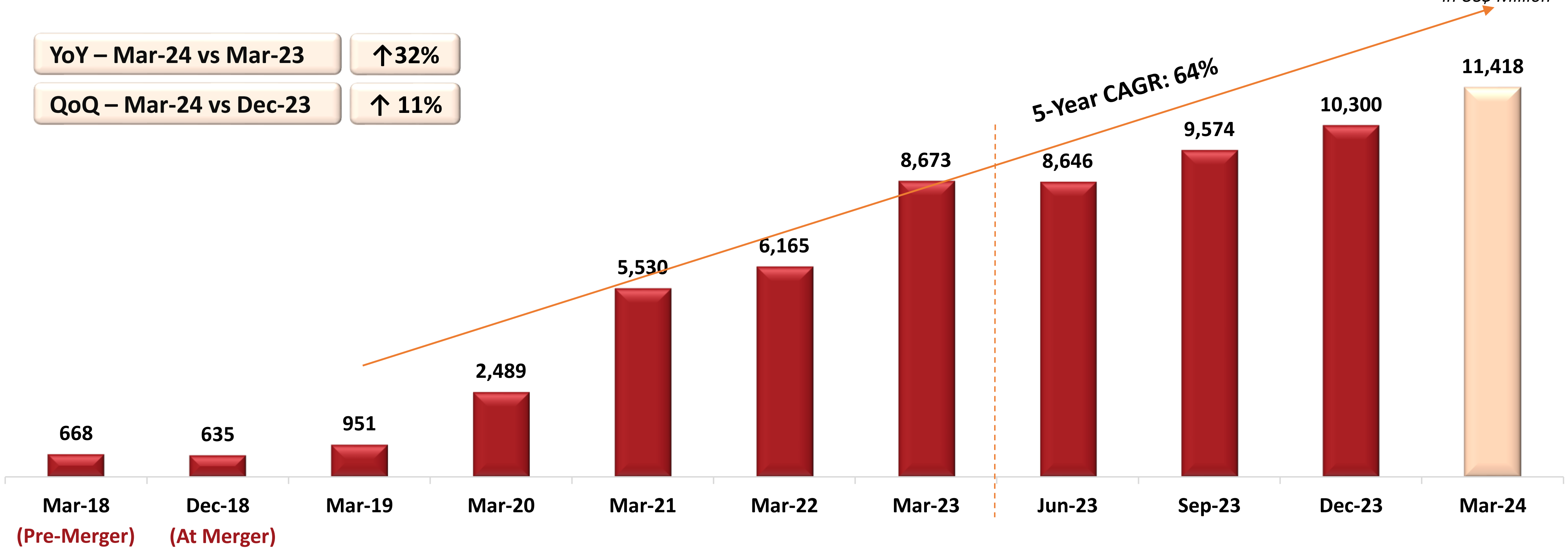
5-Year CAGR growth of **CORE** retail deposits: 63%

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 (US$ 1.2K).
- Yet, the CASA deposit continues to grow strongly by 32% YOY as of March 31, 2024, representing strength of the brand and services.
- Deposits of 31st March 2024 includes US$ 339 million (March-23 US$ 257 million) of Current Account Deposits received for short term from a large Government Banking client, excluding this CASA deposits grew 32% YoY.

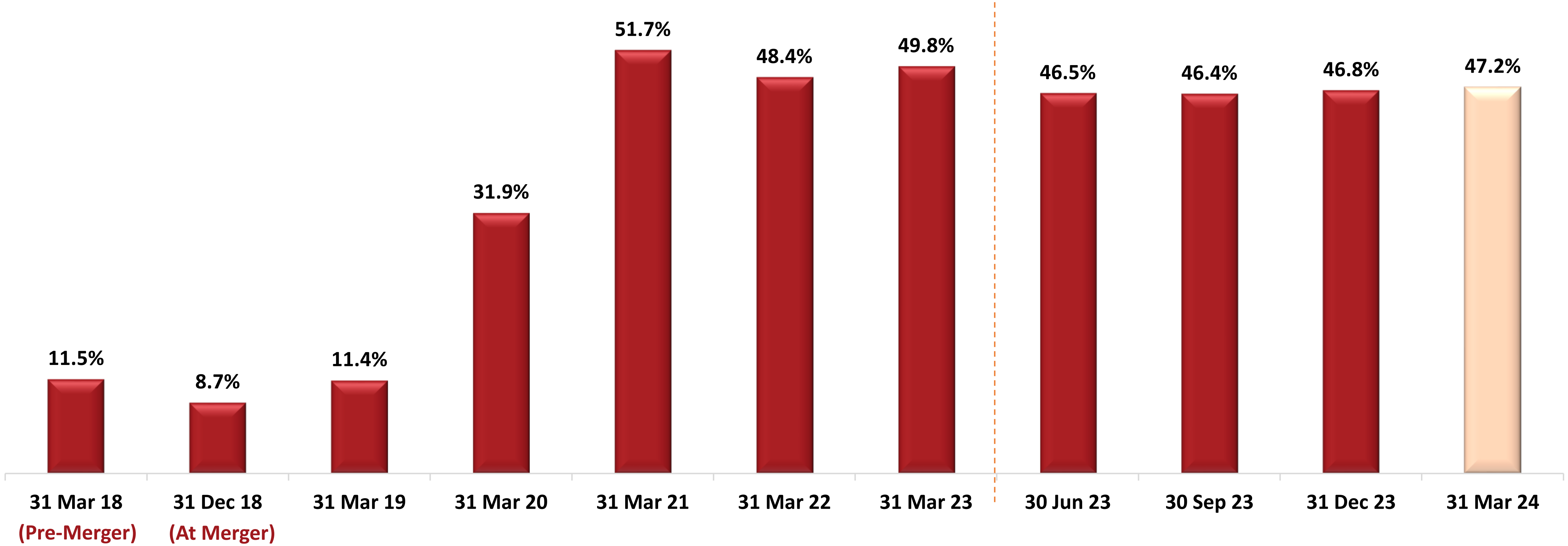
in US$ Million

YoY – Mar-24 vs Mar-23	↑32%
QoQ – Mar-24 vs Dec-23	↑ 11%



Healthy CASA Ratio at 47.2%

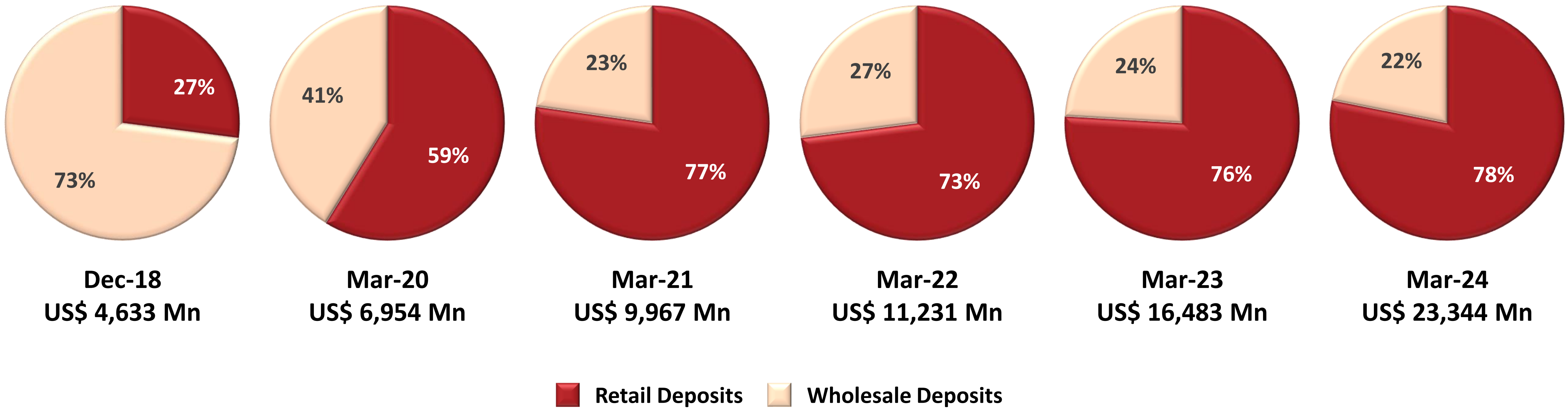
- Average Daily Balance CASA Deposits for the bank grew by **28%** YoY during the year.
- Excluding the one-time short-term flow from a government banking client, CASA ratio as on March 31, 2024, would be 46.5%. Excluding the same for March-23 the CASA ratio was 49.0%.



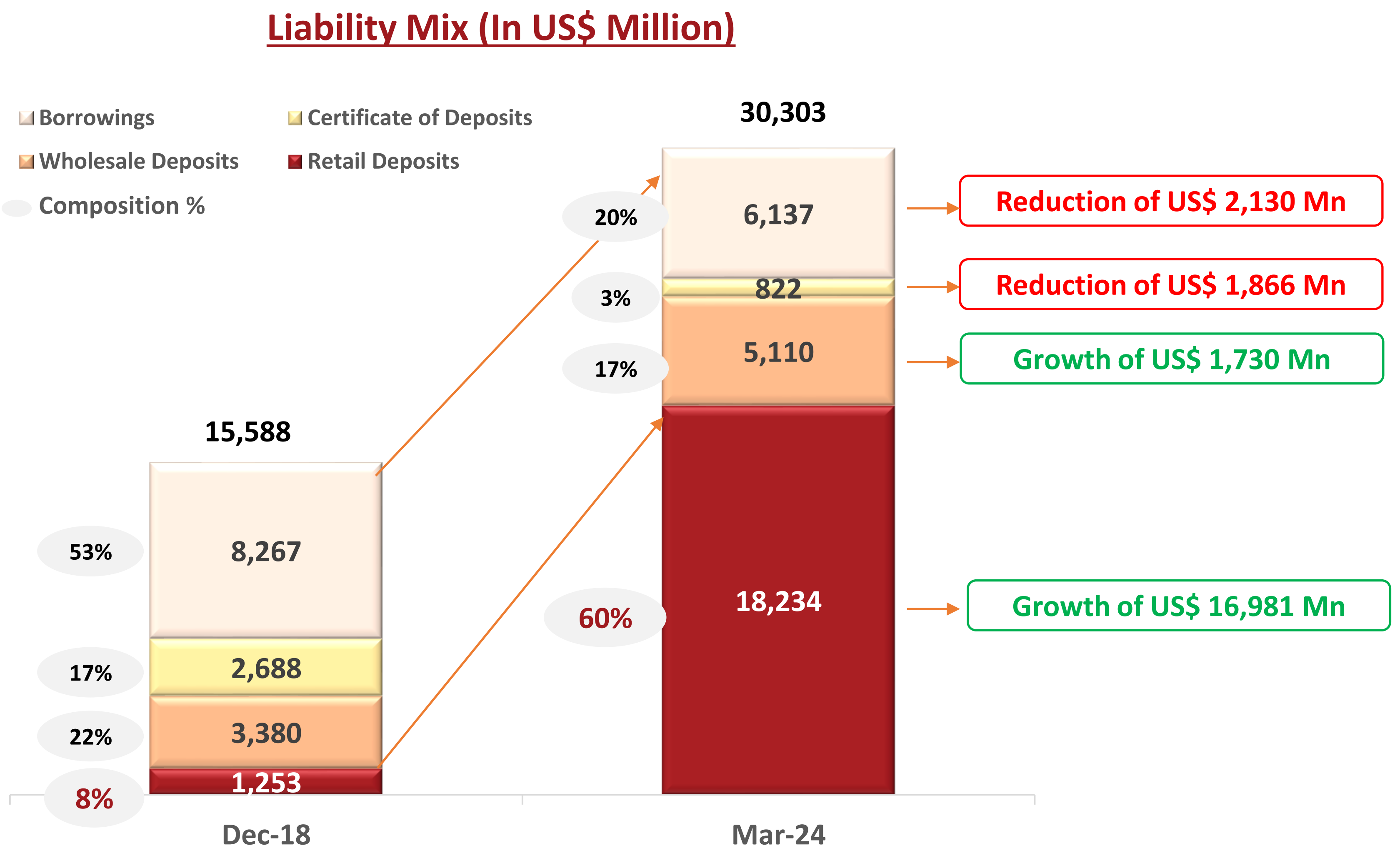
Bank has a highly Diversified liabilities base with 78% Retail Customer Deposits

- 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.
- Strong growth of **46% 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 million as of Mar 31, 2019 to US$ 822 million as of March 31, 2024.

Overall Customer Deposits



Bank raised sticky Retail Deposits and repaid short term or bulk deposits successfully



- Retail Deposits were only 8% of the total deposits & borrowings as of December 31, 2018.
- The Bank incrementally mobilized US$ 16,981 million of retail deposits in the last 5 years and reduced dependency on institutional deposits & borrowings.
- As a result, Retail Deposits as % of total deposits and borrowings now improved to 60% as of March 31, 2024

Deposits & Borrowings Details

The Bank has grown its customer deposits by 42% YOY driven by the retail deposits which was utilized for repayment of the legacy borrowings, certificate of deposits, and for the loan growth.

Particulars (in US$ Million)	Mar-23	Dec-23	Mar-24	YoY growth
Legacy Long Term Bonds	772	727	557	-28%
Legacy Infrastructure Bonds	833	711	664	-20%
Refinance	2,529	2,113	2,001	-21%
Other Borrowings	359	250	313	-13%
Tier II Bonds	361	542	542	50%
Total Borrowings (A)	**4,854**	**4,342**	**4,078**	**-16%**
CASA Deposits	8,673	10,300	11,418	32%
Term Deposits	7,811	10,963	11,926	53%
Total Customer Deposits (B)	**16,483**	**21,263**	**23,344**	**42%**
Certificate of Deposits (C)	943	731	822	-13%
Money Market Borrowings (D)	2,039	1,092	2,059	1%
Borrowings & Deposits (A) + (B) + (C) + (D)	**24,319**	**27,429**	**30,303**	**25%**
CASA Ratio (%)	**49.8%**	**46.8%**	**47.2%**	**-252 bps**
Average CASA Ratio % (On Daily Average Balance for the Quarter)	**47.7%**	**45.7%**	**45.9%**	**-176 bps**

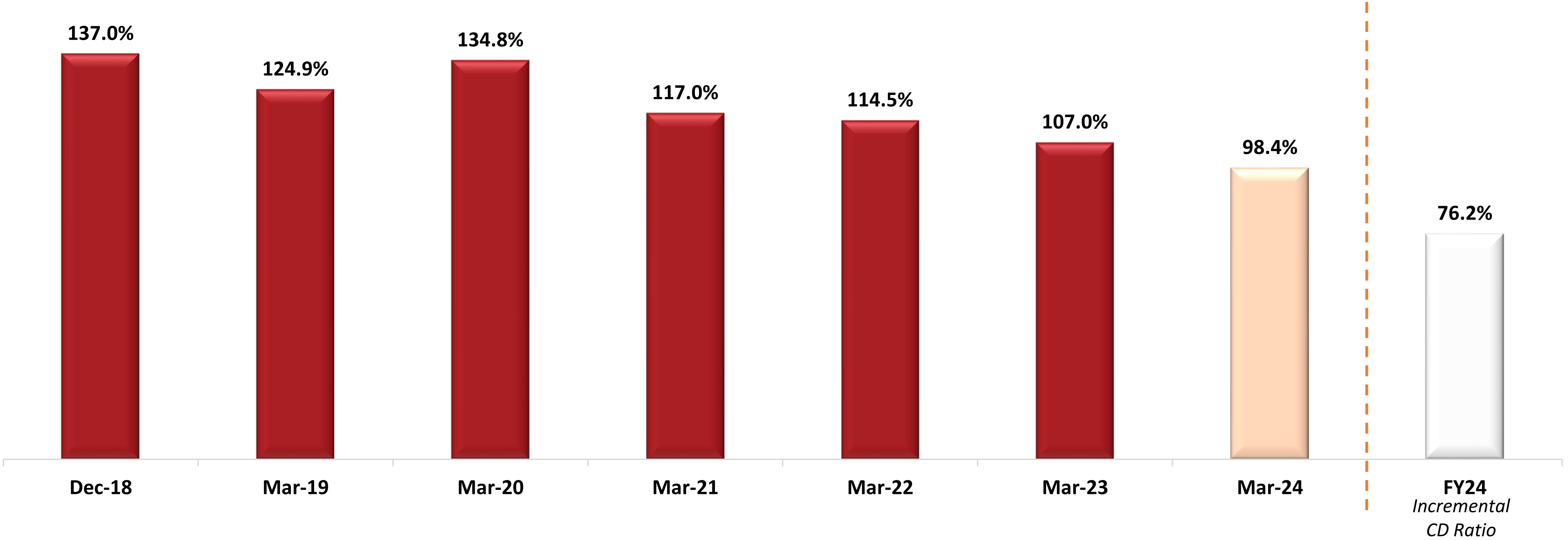
Bank continues to successfully run down the legacy high cost long term borrowings

In US$ Mn	Balance		Run off Schedule				RoI (%)
	As on Mar-23	As on Mar-24	H1-FY25	H2-FY25	FY26	Beyond FY26	
Infrastructure Bonds	833	664	238	327	99	-	8.94%
Long Term Legacy Bonds	772	557	88	47	421	-	8.95%
Other Bonds	185	90	15	-	36	39	9.07%
Refinance	339	112	112	-	-	-	8.25%
Total	**2,129**	**1,423**	**454**	**374**	**556**	**39**	**8.90%**

- Because we have a DFI background, the legacy borrowings are costing the bank 8.90%. The Bank plans to replace this with low-cost deposits.
- To simulate, if the Bank had replaced all high-cost legacy borrowings with the cost of funds, the return on equity for FY24 would be higher by ~95 bps.

Incremental CD ratio for FY24 is 76.2% for FY24

- Credit-Deposit ratio has improved consistently from 137% to 98.4% since merger and is likely to improve further going forward as the Bank continues to grow deposits
- 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.

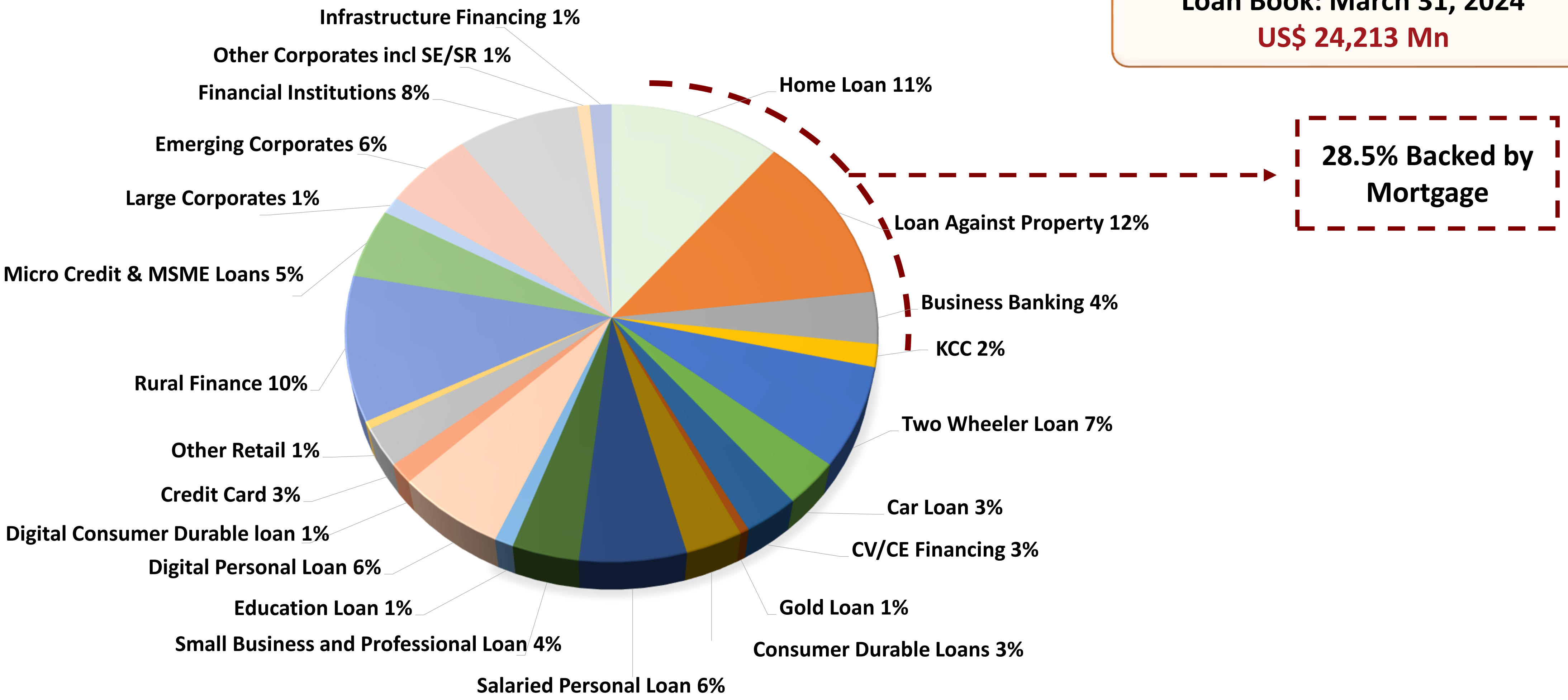


IDFC FIRST Bank

Section 6: Loans & Advances

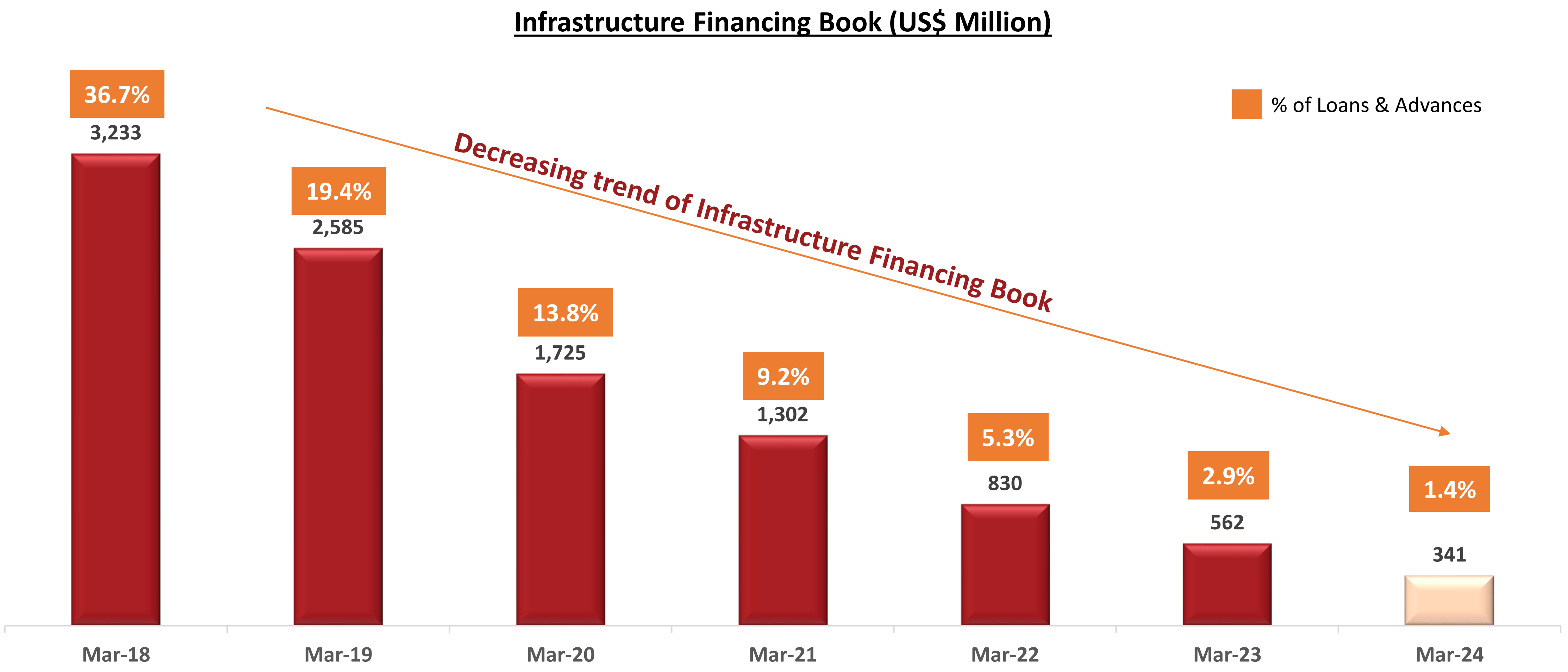
Bank has a well diversified Credit Portfolio

The Bank has diversified its loan book across more than 25 business lines



Loan Book: March 31, 2024
US$ 24,213 Mn

Infrastructure Project financing Book de-grew by 39% and is now below 1.5% of loans & advances



Section 7: Risk Management & Asset Quality

a. 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 March 2024

b. Break-down of NPA across Business Segments

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 1.38% and 0.44% respectively as of March 31, 2024.

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

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

Stringent Underwriting Process

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. Fraud Check
Certain file screening techniques, banking transaction checks, industry fraud databases, fraud scorecards and real-time video-based checks are used to identify fraudulent applications

3. Field Verification
The Bank conducts field level verifications, including residence checks, office address checks, reference verification, lifestyle checks and business activity checks.

4. Industry Check
CRILC checks and checks by external entities are conducted to study financials, access to group companies whether legal cases have been filed against the company, disqualification of directors, etc.

5. Ratio Analysis
Detailed financial analysis is performed covering, Ratio analysis, debt to net-worth, turnover, working capital cycle, leverage, etc.

6. Title Deed Verification
Evaluation of title deeds of the property and collateral, legality validity, enforceability etc.,

7. 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.

8. Personal Discussion
Personal discussion includes establishment of business credentials, clarifications on financials, queries on banking habits and bureau report, & understanding the requirement & end use of funds.

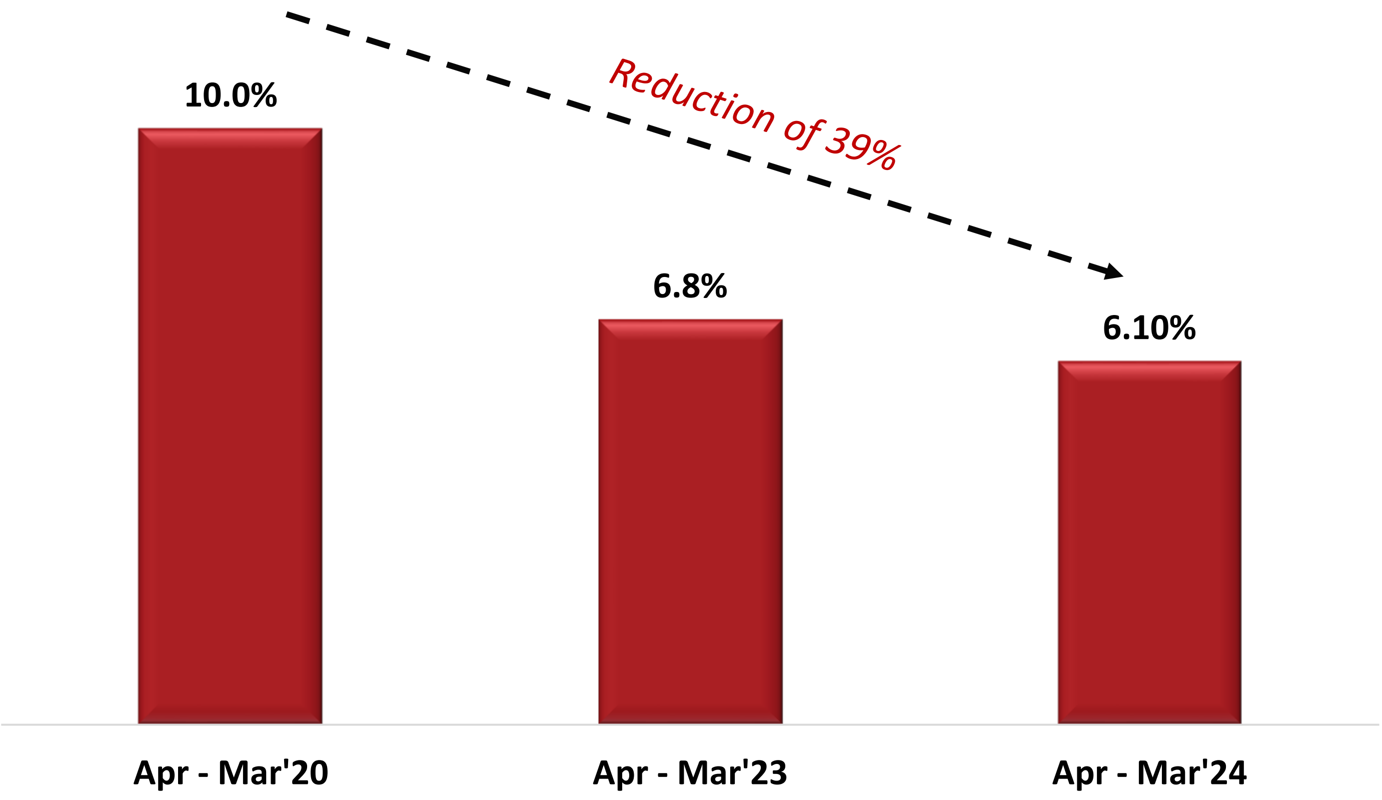
9. Credit Scorecard
The application is then put through scorecards that includes criteria such as leverage, volatility of avg. balances, cheque bounces, profitability and liquidity ratios and study of working capital, etc.

10. Credit Bureau Check
Checking the customer's credit behavior history, no. of credit inquiries, age in bureau, limit utilization, recency of inquiries, level of unsecured debt, etc.

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

Bank has tightened underwriting norms across all products, which resulted in improved quality of loans originated

First EMI Cheque / Mandate Bounce Rates of 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.

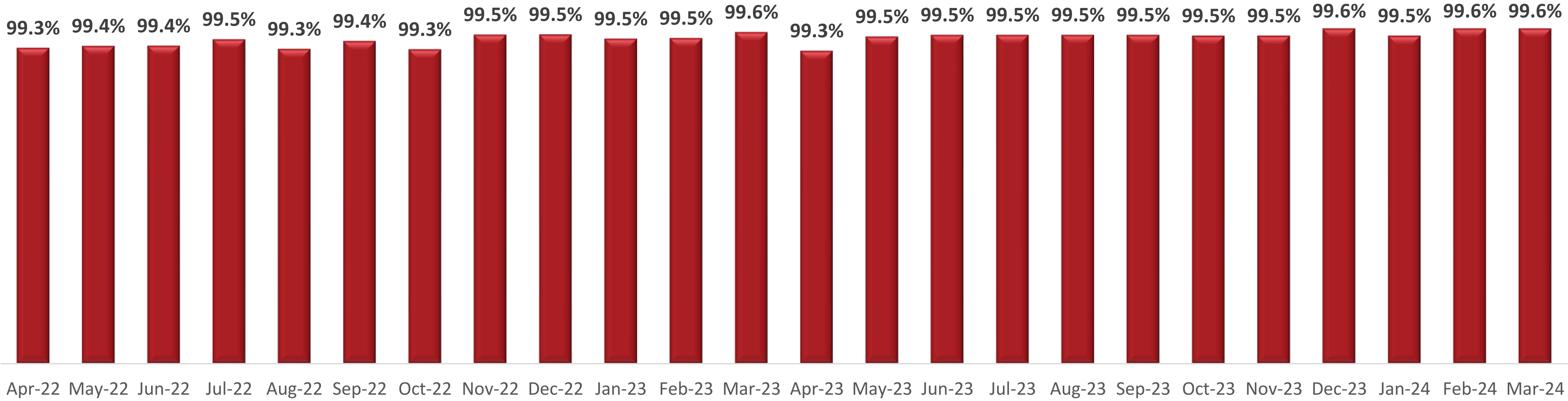
Note: Bounce figures are weighted average of trailing 12 month averages.

The Bank maintains high collection efficiency at 99.6%, steady for last 24 months

Definition:

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

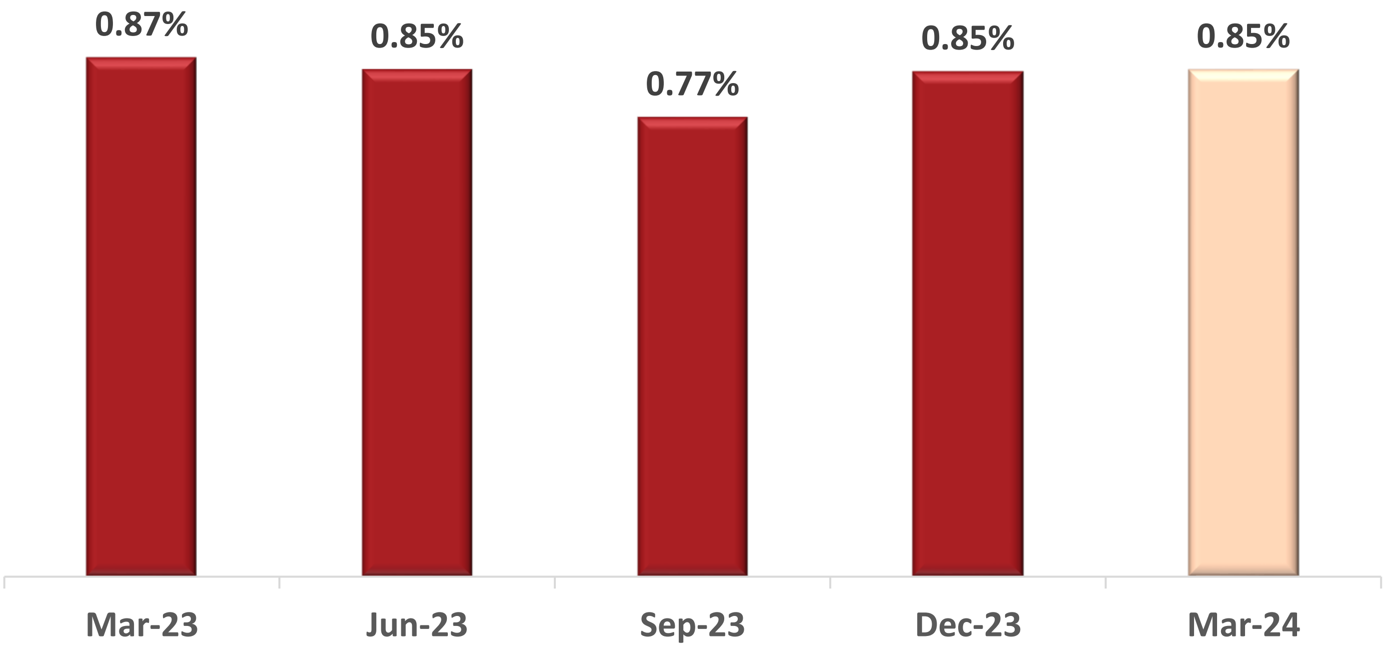
Note: Collections does not include any arrear collections, or prepayment collections in these calculations, and hence represents the true picture of collections efficiency.



Note: Above numbers pertain to collection efficiency (early-bucket) in Retail portfolio (excluding rural financing) which is the majority of the Book. Similar experience is observed in the Rural financing also.

SMA (pre-NPA) portfolio continues to remain low; hence we expect low NPA formation going forward

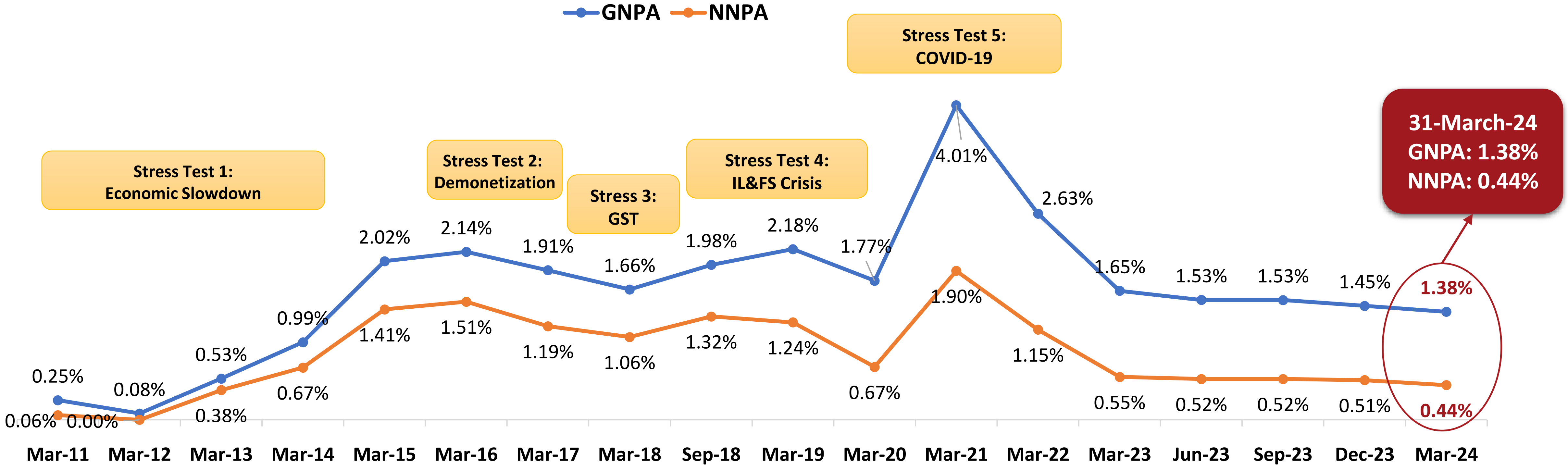
SMA-1 & SMA-2 portfolio as % of total Retail, Rural & SME Loan Book



- 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 1.38% and 0.44% 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.

All retail, rural and SME product segments continue to have low NPA ratios

Segment	Gross Advances Breakup (US$ Million)	Gross NPA	Net NPA
Home Loan	2,690	0.75%	0.33%
Loan Against Property	2,921	1.59%	0.67%
Vehicles	2,509	1.52%	0.59%
Consumer Loans	3,453	1.72%	0.52%
Rural Finance	2,877	1.01%	0.20%
Digital, Gold & Others	2,112	1.80%	0.41%
Credit Cards	668	1.76%	0.39%
SME Finance	2,842	1.20%	0.38%
Corporate (Non-Infra)	3,399	2.55%	0.26%
Infrastructure Finance	318	26.45%	15.55%
Overall Bank	23,790	1.88%	0.60%
Bank (Excluding Infra)	23,472	1.55%	0.42%

Retail, Rural & SME

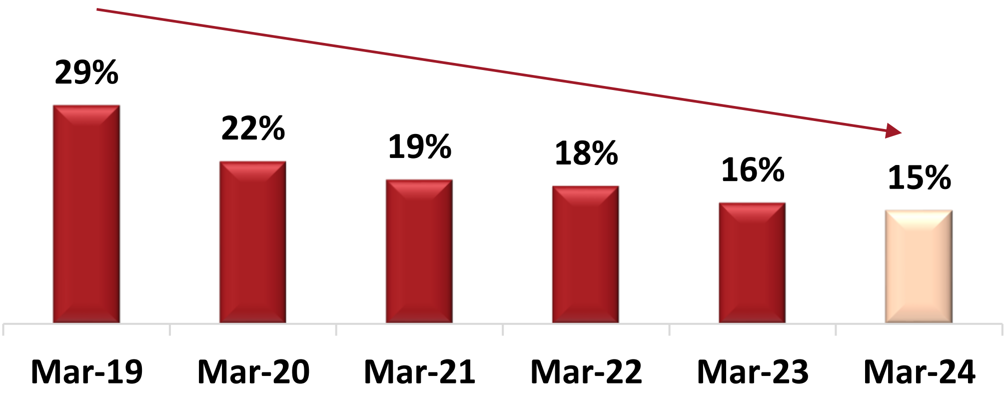
Gross NPA	Net NPA
1.38%	0.44%

- 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.

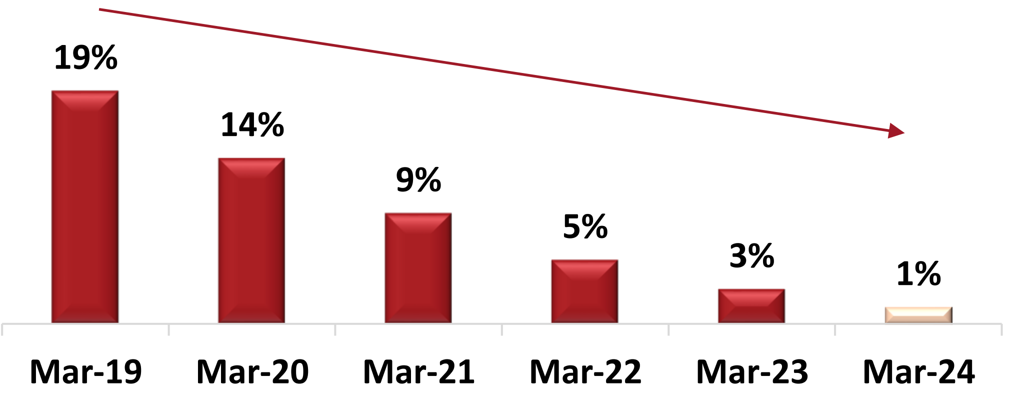
- *Gross Slippages for Q4-FY24 were US$ 162 million compared to US$ 171 million in Q3-FY24*
- *Net Slippages for Q4-FY24 were US$ 87 million compared to US$ 104 million in Q3-FY24*

Bank follows stringent underwriting process including customer selection, due diligence with focus on cash flows, smell check, granular exposure and risk-based approvals which has reduced concentration risk in Wholesale lending

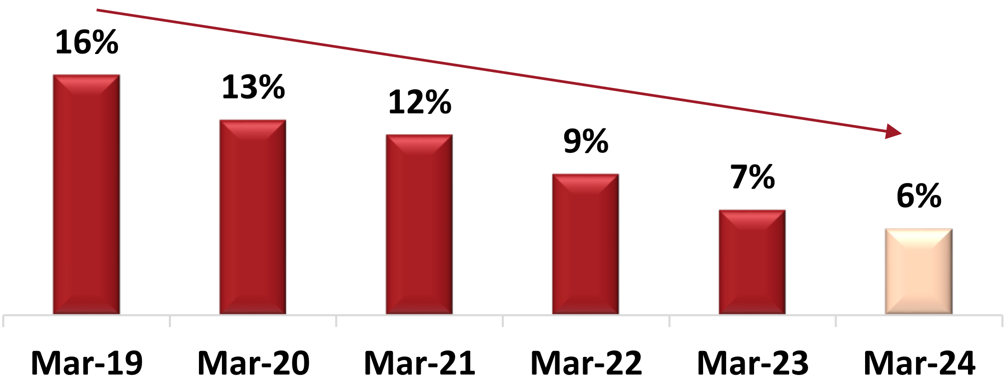
The Bank has reduced its corporate (non-infra) book from 29% in Mar-19 to 15% in Mar-24



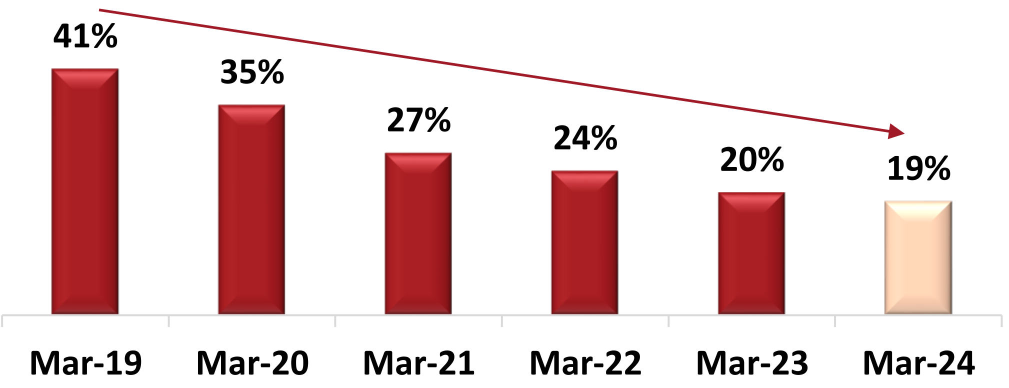
Similarly, the Bank has reduced its infrastructure financing portfolio from 19% in Mar-19 to 1.4% in Mar-24



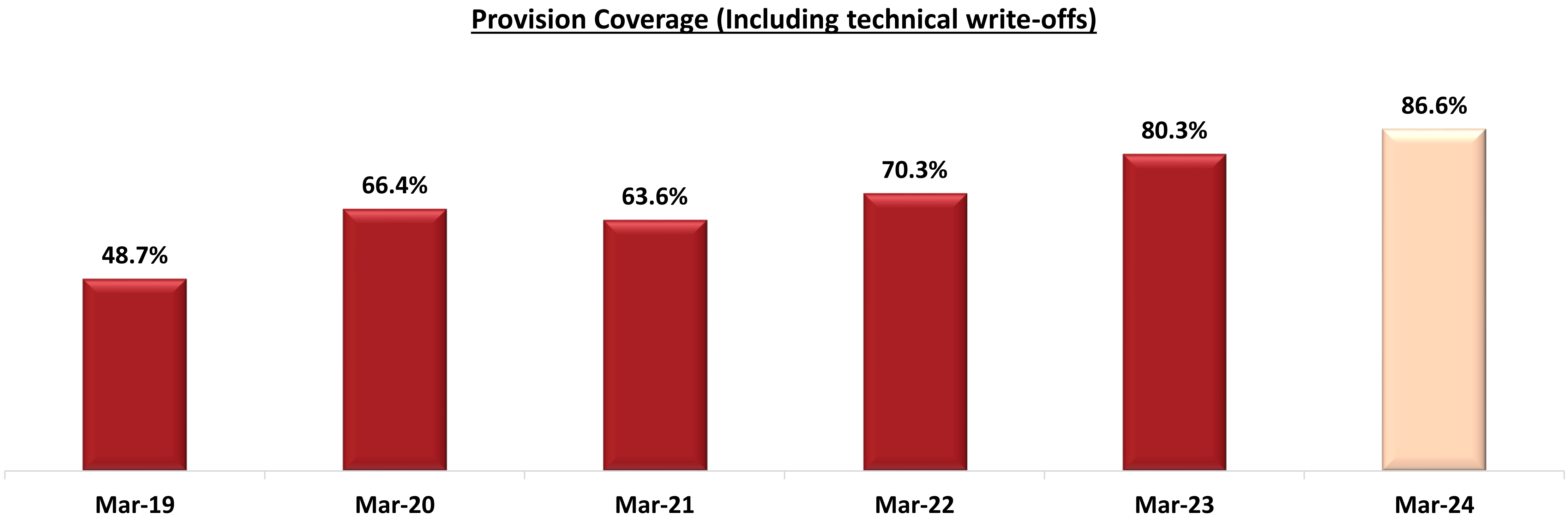
Also, the exposure to top 20 single borrowers reduced from 16% in Mar-19 to 6% in Mar-24



Further, the exposure to top 5 industries also reduced from 41% Mar-19 to 19% in Mar-24 which has further strengthened the balance sheet.



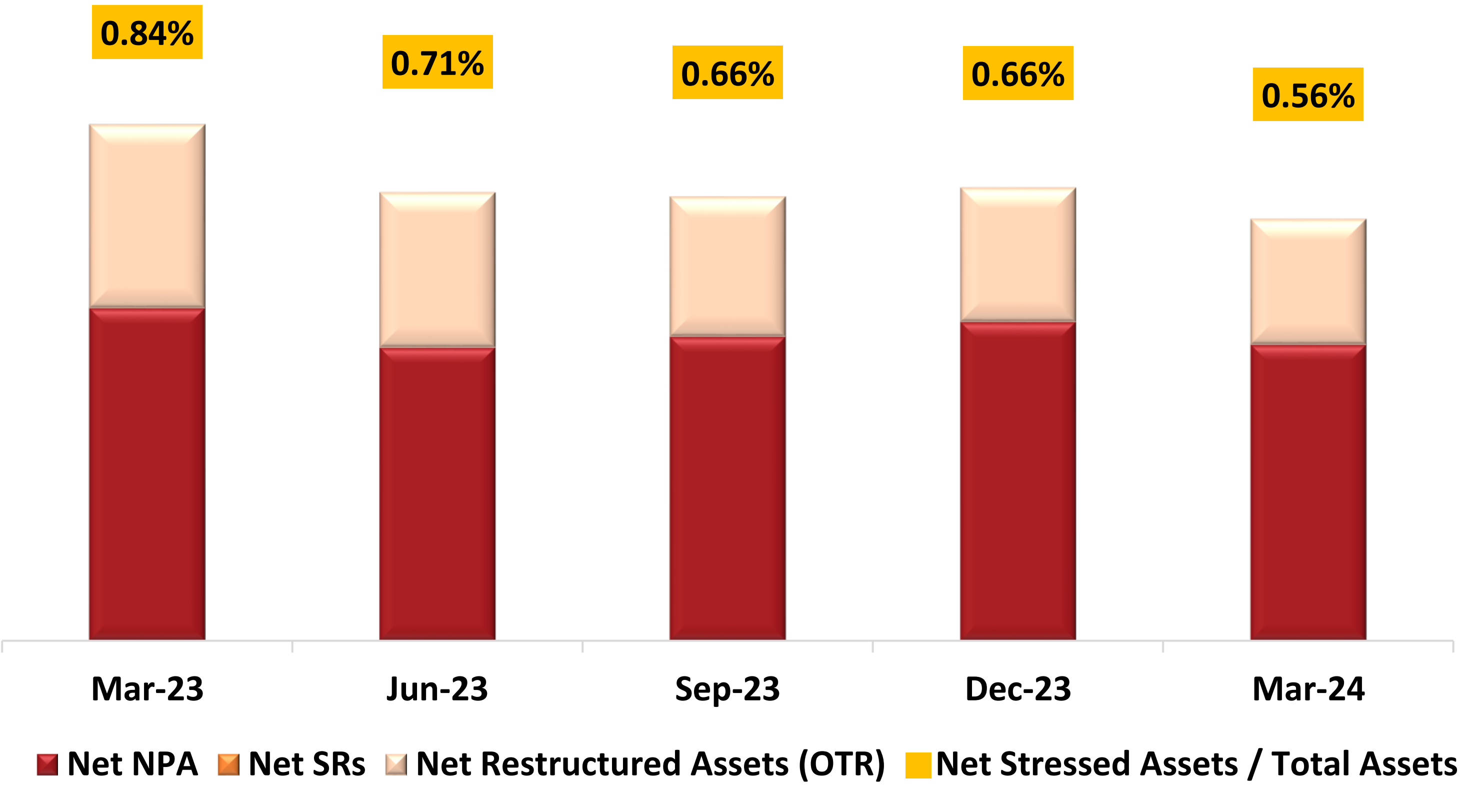
Provision Coverage Ratio increased to 86.6% for the Bank



- Provision Coverage Ratio (excluding technical write-offs) improved to 68.8% as on March 31, 2024 from 66.9% as on December 31, 2023; and compared to 66.4% as on March 31, 2023.
- **Provision Coverage Ratio as mentioned above after excluding infrastructure finance book was at 73.4% as on March 31, 2024**

Net Stressed Assets reduced to only 0.56% 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 36% since March 31, 2023.
- Standard restructured Book is 0.31% of the total funded assets as of March 31, 2024.

Section 8: Profitability & Capital

a. Net Interest Income

b. Fee and Other Income

c. Cost to Income

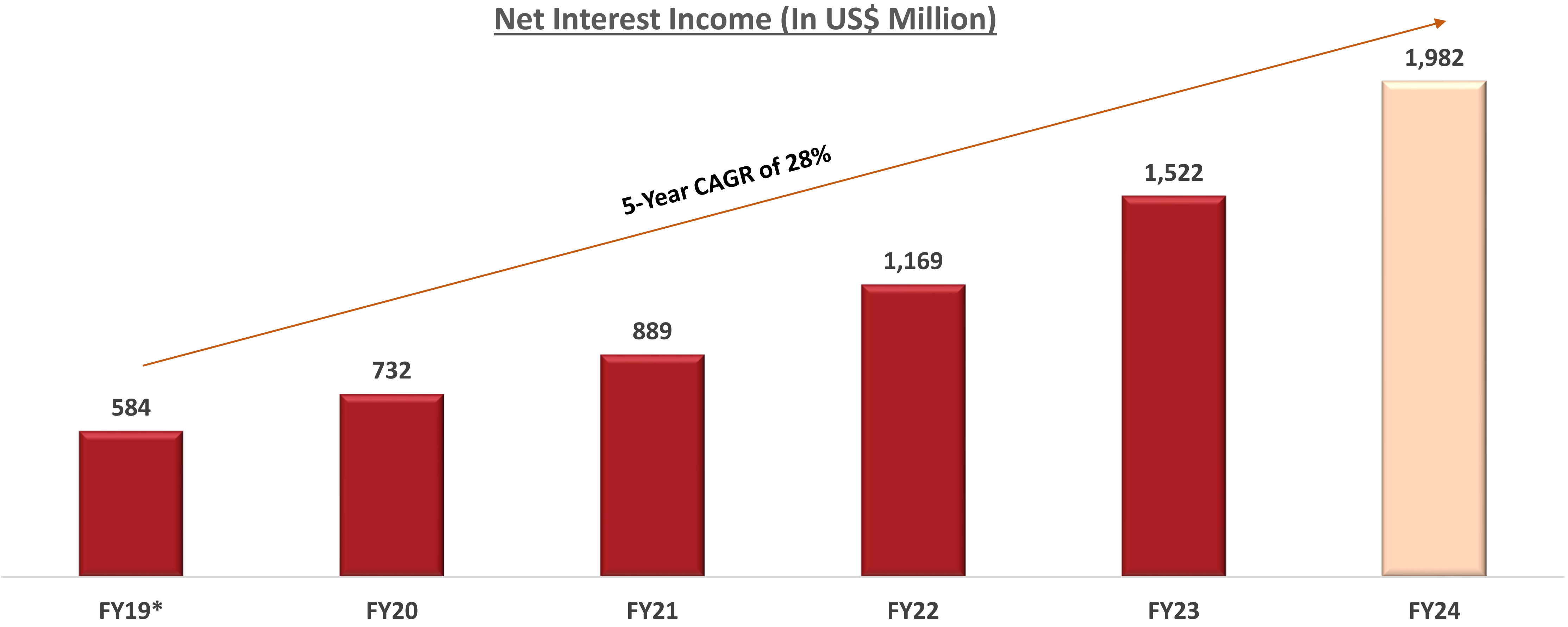
d. Trend of Core Operating Profit

e. Trend of Profitability and Return Ratios

f. Financial Statements

g. Capital Adequacy

30% YoY growth in Net Interest Income during FY24 against balance sheet growth of 23%

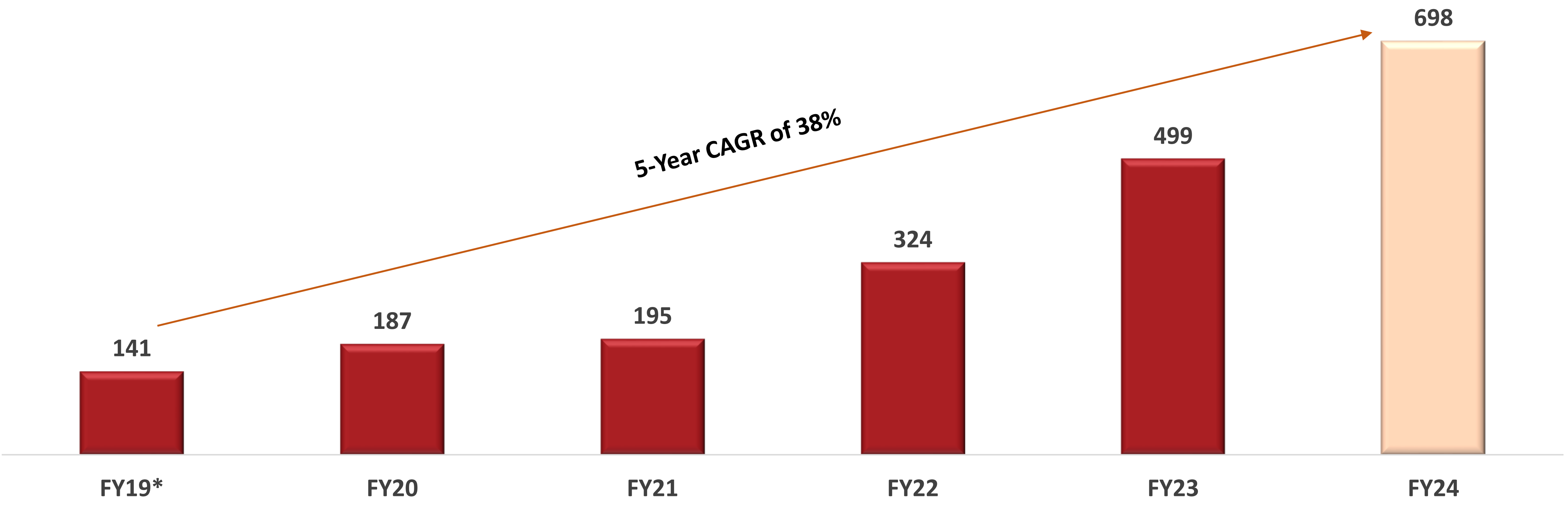


- Net Interest Margin (NIM) on AUM for FY24 was 6.36% as compared to 6.05% in FY23; for Q4-FY24 NIM stood at 6.35%
- Cost of Funds for Q4-FY24 was 6.43%, marginally improved from 6.44% in Q3-FY24
- Cost of Deposits for Q4-FY24 was at 6.27% as compared to 6.20% for Q3-FY24

** H2-FY19 actual annualized*

40% YoY growth in Fee & Other Income during FY24

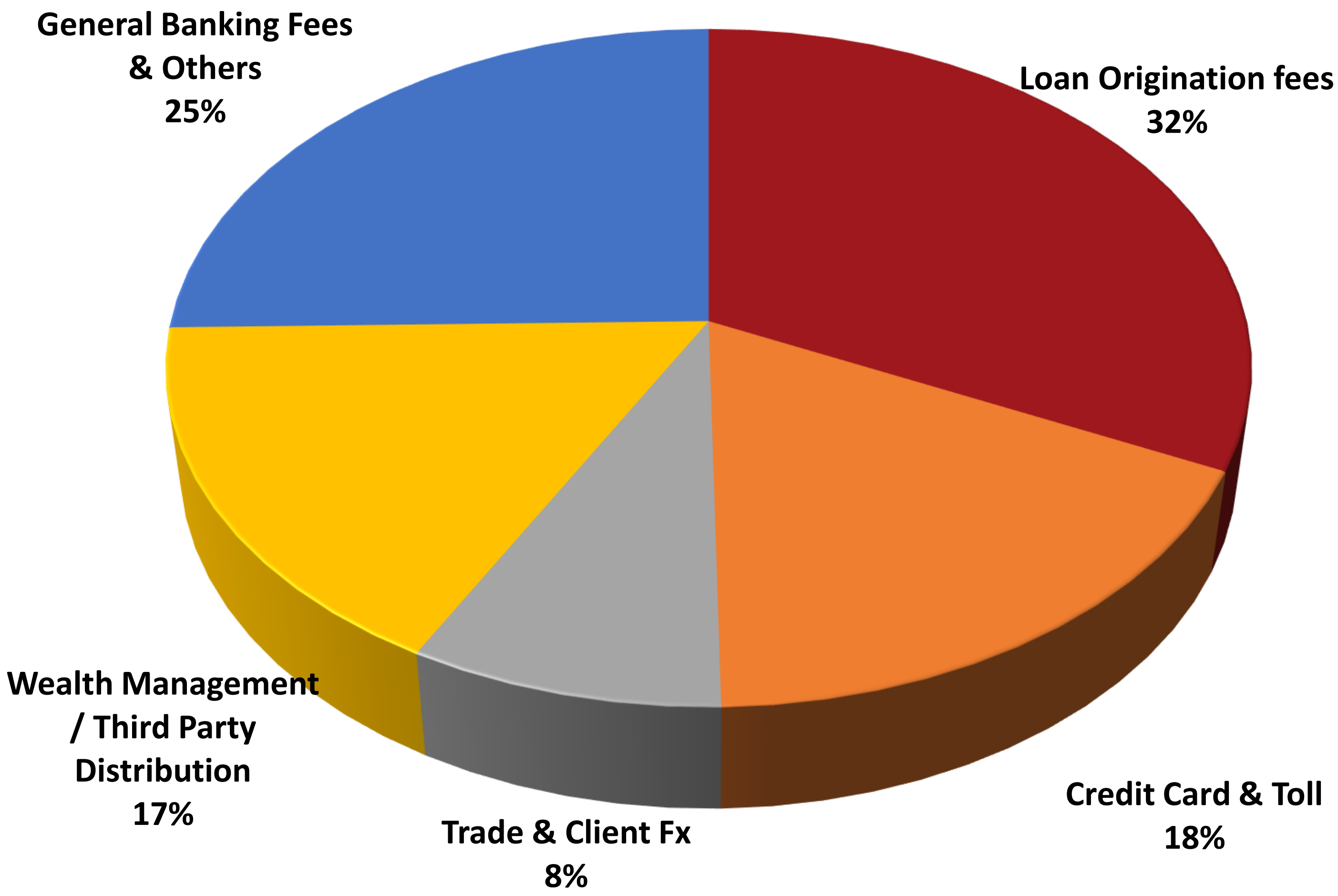
Fee and Other Income (In US$ Million)



- Fee and other income as a % of total average assets improved from 1.93% in FY23 to 2.16% in FY24

** H2-FY19 actual annualized*

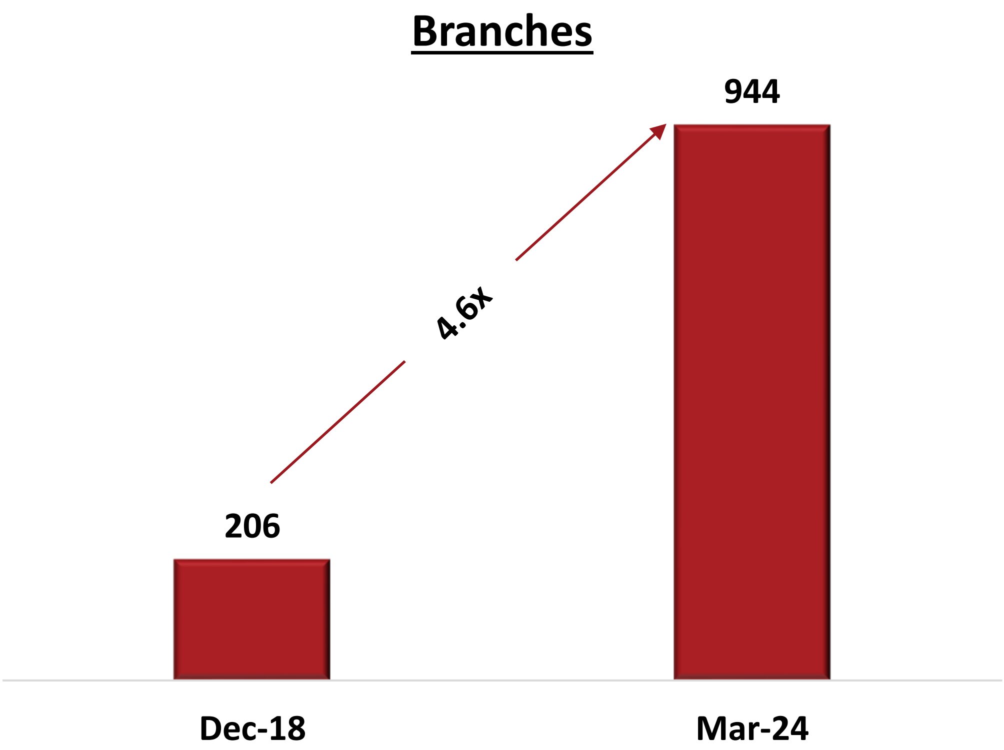
Breakup of Fee & Other Income – FY24

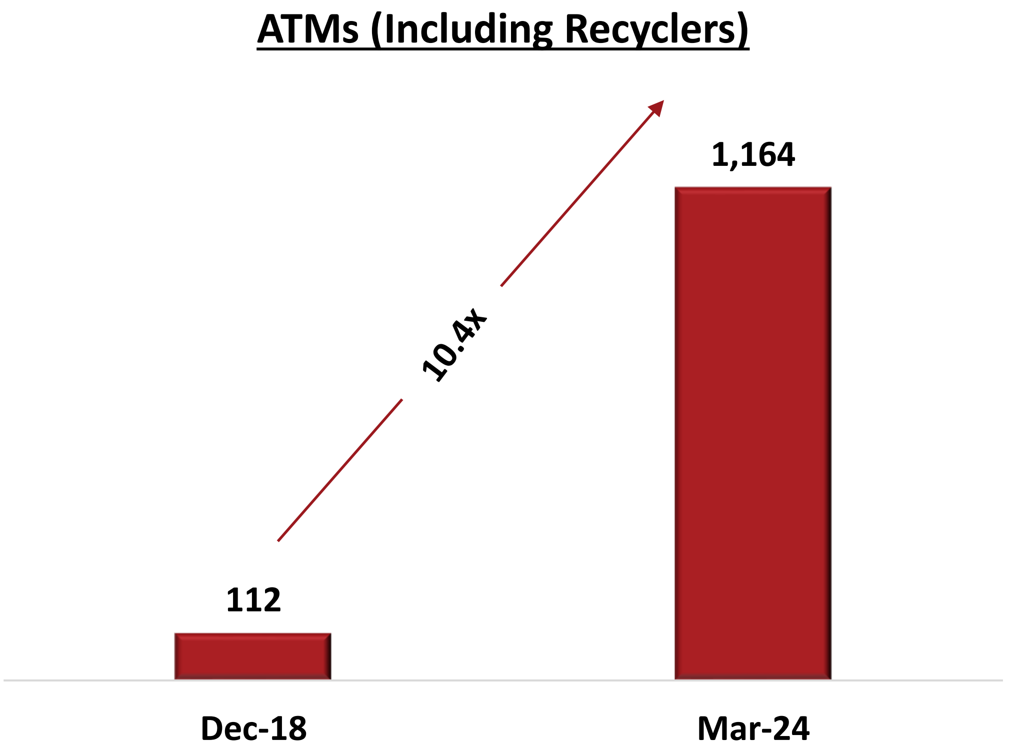


- The Bank has launched and scaled up many fee-based products in the last 5 years.
- Many of these products are in the early stage of their lifecycle and have the potential to grow significantly going forward.
- **93%** of the fee income & other income is from retail banking operations which is granular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

Cost to Income ratio is impacted by the investments required to build a strong foundation

- 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 738 branches and 1052 ATMs since merger
- The Bank also had to incorporate the new technology wave in its business model





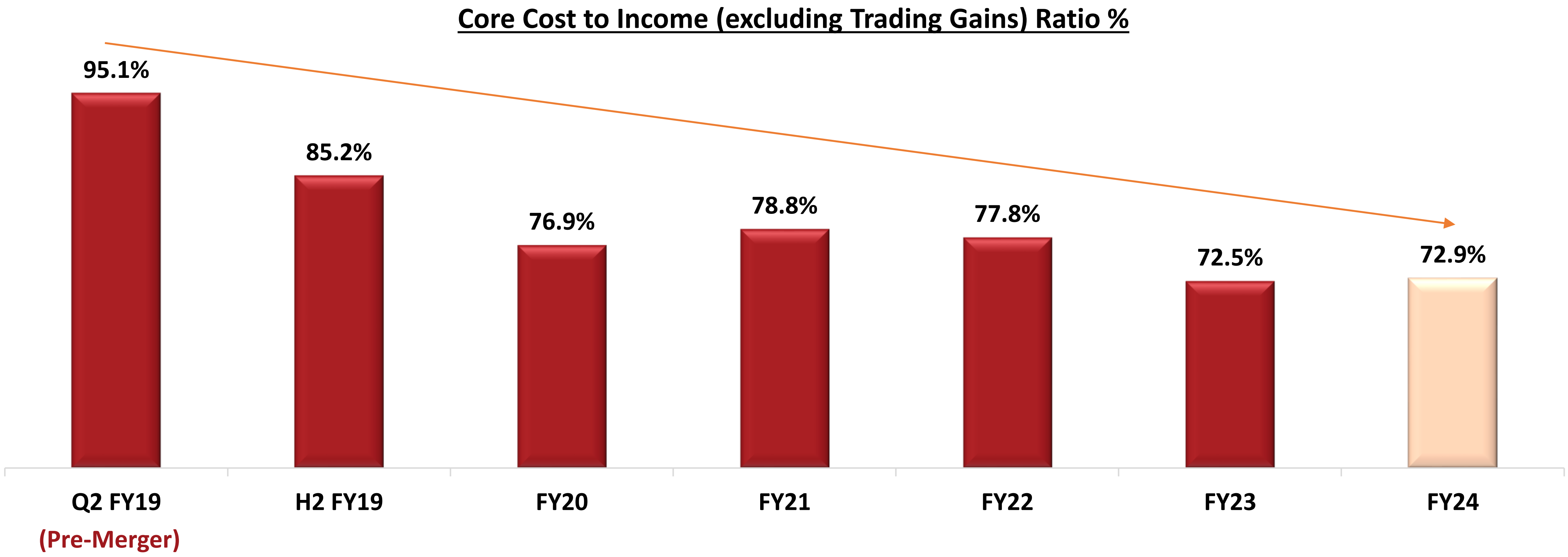
Bank has launched and scaled up many new products in the last 2 years

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		

- Most of above businesses are currently not profitable but launched in the interest of in the long-term interest, to build a comprehensive bank.
- Over next few years we expect all these businesses to turn profitable which will add to overall profitability of the bank in due course.

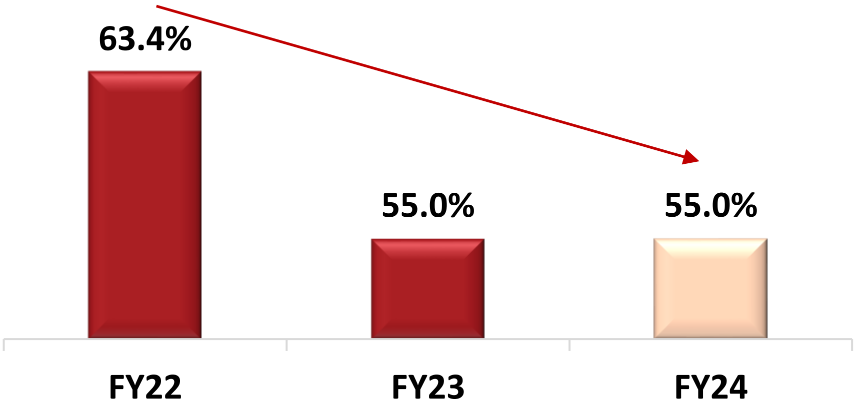
Bank has reduced Cost to Income ratio from 95.1% to 72.9% in 5 years, despite investments

- 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 95.1% to 72.9% 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 ratio for Q4 FY24 was at **73.2**% as compared to **73.7**% for Q3 FY24
- Cost to income will further come down with scale

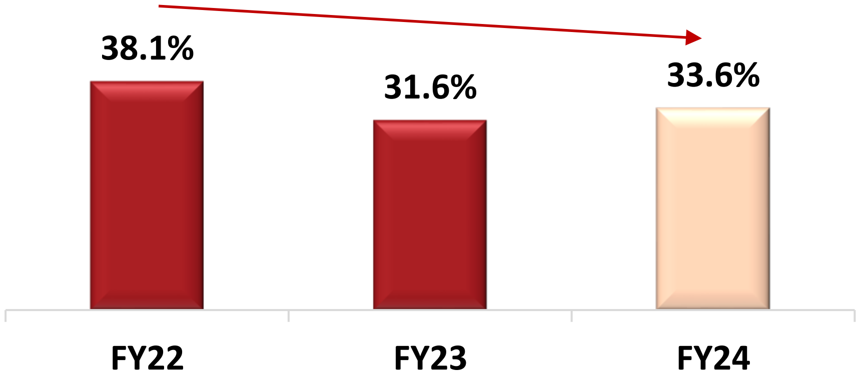


Cost to Income Ratio has been improving with scale

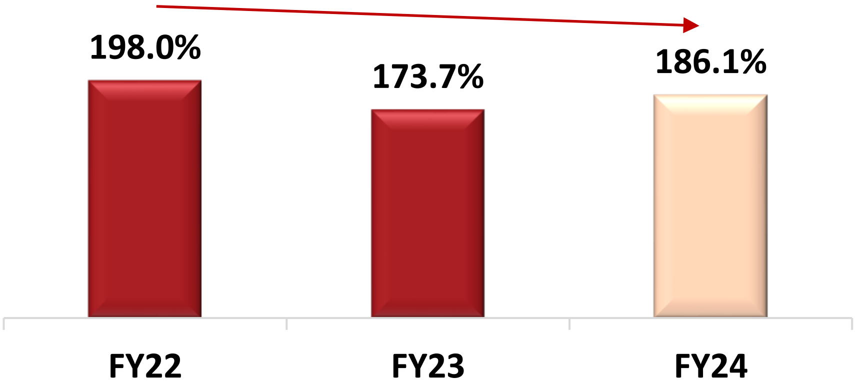
Retail, Rural & SME



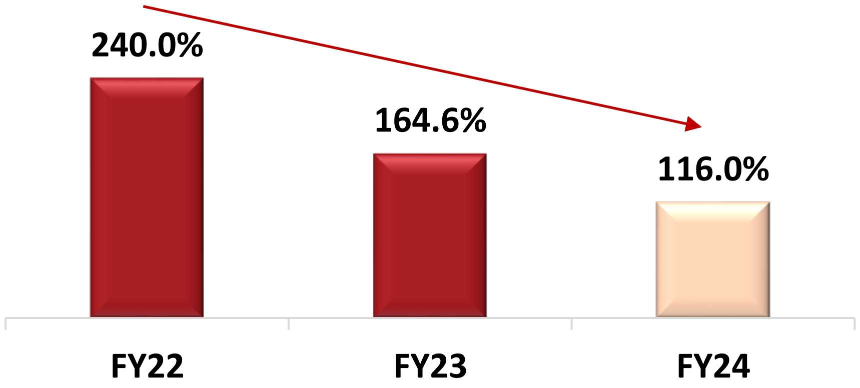
Wholesale Banking



Liabilities



Credit Cards

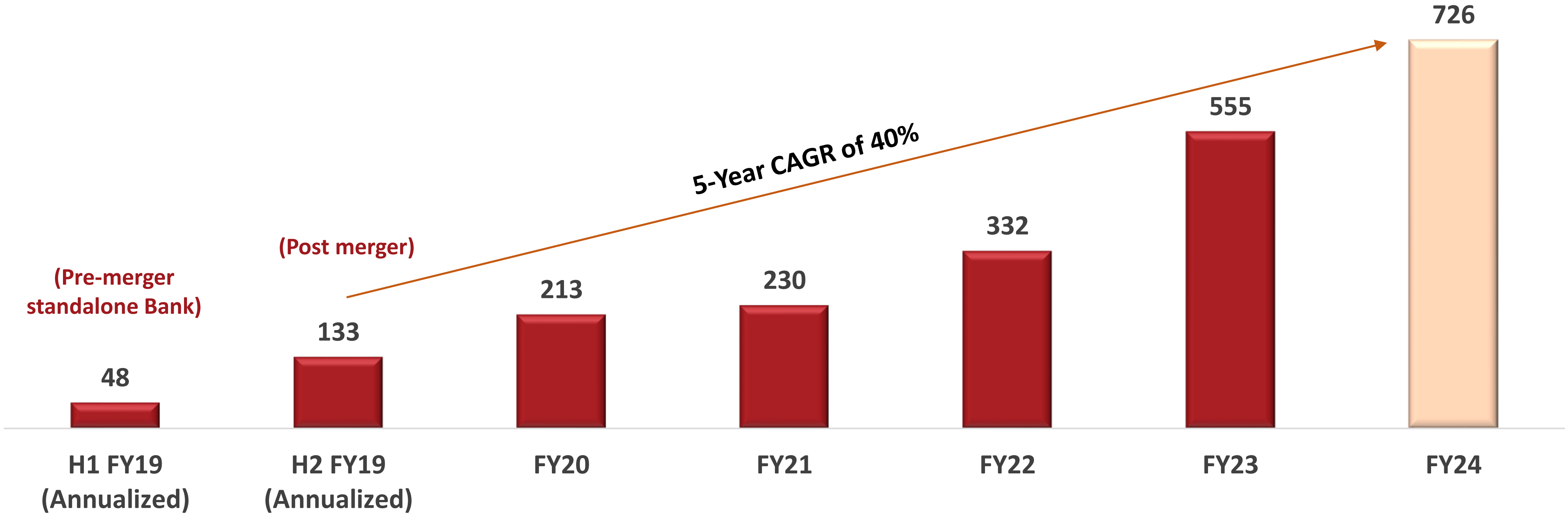


31% YoY growth in Core Operating Profit (excluding trading gains) during FY24

- 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.

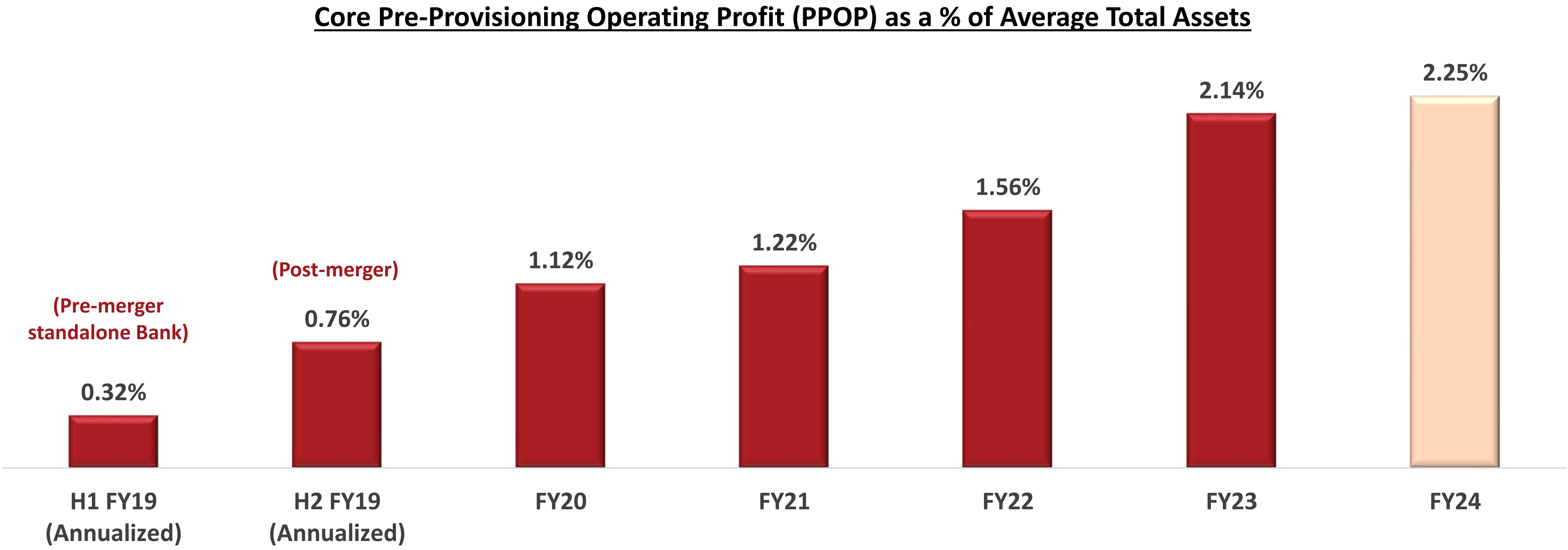
Core Pre-Provisioning Operating Profit (In US$ Million)

Loan book has grown at a 5-Year CAGR of 13% while the operating profit has grown at the 5-Year CAGR of 40%, this represents strong incremental unit economics



IDFC FIRST Bank

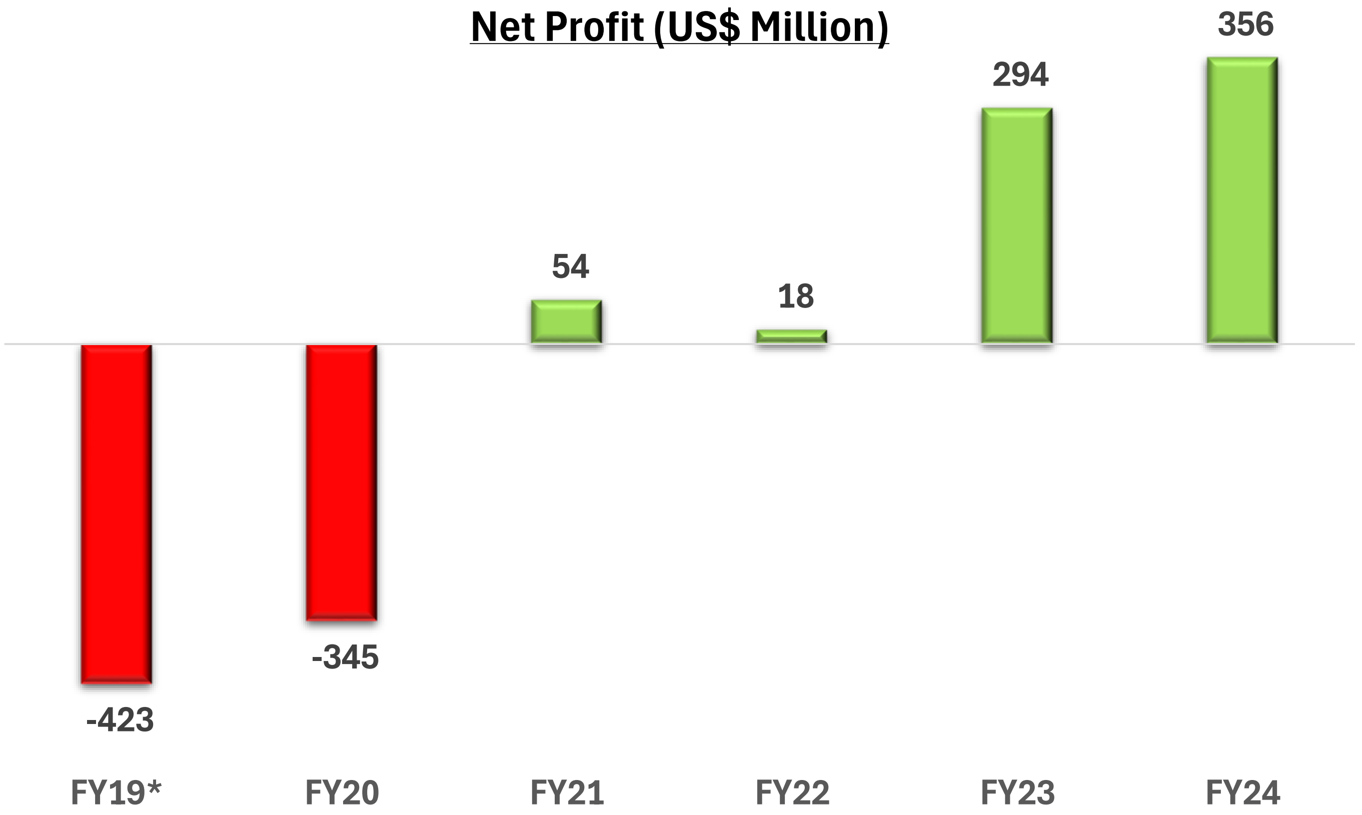
Operating Profit as % of total assets has improved meaningfully



- 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



- The Return on Average Total Asset of the Bank for FY24 was 1.10% as compared to 1.13% in FY23
- The Return on Average Equity of the Bank for FY24 was 10.30% as compared to 10.79% in FY23

- The Bank posted 6 quarters of losses consecutively in FY19 and FY20 due to provision on legacy infrastructure portfolio and large corporate loans as well as goodwill write-off on merger.
- In FY21 and early FY22, the Bank had to sustain the impact of the COVID wave while as an early stage bank, the core PPOP of the Bank was low and the Bank was building the necessary infrastructures and capabilities at that stage.
- As the foundations pillars were built and businesses scaled up driving retail deposits and asset growth, the Bank started posting sustainable levels of profitability starting from FY23 and continued the same in FY24.

** Net Profit for H2-FY19 annualized*

Balance Sheet

In US$ Million	Mar-23	Dec-23	Mar-24	Growth (%) (YoY)
Shareholders' Funds	3,099	3,789	3,875	25.0%
Deposits	17,426	21,994	24,166	38.7%
- *CASA Deposits*	8,673	10,300	11,418	31.7%
- *Term Deposits*	8,754	11,694	12,748	45.6%
Borrowings	6,893	5,435	6,137	-11.0%
Other liabilities and provisions	1,490	1,401	1,499	0.6%
Total Liabilities	**28,909**	**32,619**	**35,677**	**23.4%**
Cash and Balances with Banks and RBI	1,674	1,377	1,504	-10.2%
Net Retail and Wholesale Loans & Advances*	18,688	22,350	23,827	27.5%
Investments	6,965	7,277	8,619	23.8%
Fixed Assets	252	301	316	25.3%
Other Assets	1,330	1,314	1,411	6.1%
Total Assets	**28,909**	**32,619**	**35,677**	**23.4%**

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

Annual Income Statement

In US$ Million	FY23	FY24	Growth (%) YoY
Interest Income	2,738	3,653	33%
Interest Expense	1,216	1,671	37%
Net Interest Income	**1,522**	**1,982**	**30%**
Fee & Other Income	499	698	40%
Trading Gain	39	25	-36%
Operating Income	**2,060**	**2,705**	**31%**
Operating Income (Excl Trading Gain)	**2,021**	**2,680**	**33%**
Operating Expense	1,466	1,954	33%
Operating Profit (PPOP)	**594**	**751**	**26%**
Operating Profit (Ex. Trading gain)	**555**	**727**	**31%**
Provisions	201	287	43%
Profit Before Tax	**394**	**464**	**18%**
Tax	100	108	8%
Profit After Tax	**294**	**356**	**21%**

- **Excluding Trading gains, the net profit for FY24 grew 28% YOY**

Quarterly Income Statement

In US$ Million	Q4 FY23	Q3 FY24	Q4 FY24	Growth (%) YoY
Interest Income	774	949	990	28%
Interest Expense	341	433	452	33%
Net Interest Income	**433**	**517**	**538**	**24%**
Fee & Other Income	142	177	194	36%
Trading Gain	26	6	4	-85%
Operating Income	**602**	**699**	**736**	**22%**
Operating Income (Excl Trading Gain)	**576**	**693**	**732**	**27%**
Operating Expense	414	511	536	29%
Operating Profit (PPOP)	**188**	**188**	**200**	**7%**
Operating Profit (Ex. Trading gain)	**162**	**183**	**197**	**22%**
Provisions	58	79	87	50%
Profit Before Tax	**130**	**109**	**113**	**-13%**
Tax	33	23	26	-21%
Profit After Tax	**97**	**86**	**87**	**-10%**

- **Excluding Trading gains, the net profit for Q4 FY24 grew 9% YOY and by 3% QOQ**

Capital Adequacy Ratio is strong at 16.11% as on March 31, 2024

In US$ Million	Mar-23	Dec-23	Mar-24
Common Equity	2,990	3,674	3,728
Tier 2 Capital Funds	552	732	767
Total Capital Funds	**3,542**	**4,406**	**4,495**
Total Risk Weighted Assets	**21,056**	**26,338**	**27,901**
CET-1 Ratio (%)	**14.20%**	**13.95%**	**13.36%**
Total CRAR (%)	**16.82%**	**16.73%**	**16.11%**

- Recent RBI circular impact on exposure towards consumer retail credit, credit card outstanding and exposures to NBFCs (rated better than BBB) had an impact of ~100 bps on the capital buffers.
- Excluding the above the CET would have been about **~14.2%** and Overall CRAR would have been about **17.1%** at Mar-24

Section 9: 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 10: 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”.

Mr. V. Vaidyanathan took over as the Managing Director and CEO of IDFC FIRST Bank in December 2018 after the merger of Capital First and IDFC Bank.

He worked with Citibank from 1990-2000. He joined ICICI Bank in 2000 and set up its Retail Banking division. He was appointed to the Board of Directors of ICICI Bank in 2006 at age 38. He took the branch network to 1411, built a large CASA book, and built retail lending including mortgages, auto loans, and credit cards of ₹ 1.35 trillion ($30 bn) by 2009. He became the MD and CEO of ICICI Prudential Life insurance in 2009.

Chasing an entrepreneurial opportunity, he left the ICICI group in 2010 and acquired about 10% equity in a small, listed, real-estate financing NBFC with a market cap of ₹ 780 crores ($140m, 2012) with an idea to convert it to a commercial Bank. To raise the required funds of ₹ 78 crores ($14m), he pledged the purchased stock and his home as collateral.

He then discontinued the NBFC’s existing businesses of Real Estate financing, equity broking, and Forex Business and instead started financing Retail & MSME clients for ₹ 5000 to ₹ 1 crore($100-$200K), using tech-led algorithms.

He demonstrated the proof of concept of Retail and MSME financing to Private Equity players and raised fresh equity of ₹ 810 crores ($140m) in 2012, recapitalised the company, and became its Chairman and CEO. He then reconstituted the Board and renamed the company Capital First.

Capital First successfully lent to 7 million customers and grew the retail loan book from ₹ 94 crores ($14 m) in 2010 to ₹ 29,600 crores ($4 b) by 2018, with high asset quality of Gross and net NPA of around 2% and 1% respectively for over 8 years. Between 2010 and 2018, the Company turned around from losses of ₹ 30 crores ($5 m) to profit of ₹ 358 crores ($50 m). The share price increased 7X from ₹ 122 (2010) to ₹ 845 (2018), and the market cap increased 10X from ₹ 780 crores ($120 m) to ₹ 8200 crores ($1.2 b).

Since his ownership in the company was acquired by him through leverage, he sold 1.5% of Capital First in 2017 at ₹ 688 a share to partially close the loan taken to acquire the shares.

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 of the two institutions and took over as the MD and CEO of the merged bank, renamed to IDFC FIRST Bank.

Since merger in 2018, he has increased the loan book to ₹ 2,00,965 crores ($24b), of which retail, commercial and rural finance grew to ₹ 1,66,604 crore ($20b). Between December 2018 to March 2024, the customer deposits increased from ₹ 38,455 crore ($4.5b) to ₹ 1,93,793 crore ($23 b), CASA ratio increased from 8.7% to 47.2%, NIM increased from 2.9% to 6.4%, and the bank turned into profits (FY 24 PAT = ₹ 2957 crore, $355m).

He aspires to make IDFC FIRST Bank “a world-class bank Indian Bank, guided by ethics, powered by technology, and a force for Social Good".

He has received the EY "Entrepreneur of the Year" Award 2022 for Financial Services, "Entrepreneur of the Year" 2020 by CNBC Awaaz, "Most Inspirational Leveraged Management Buyout, India 2018" by CFI Awards, London, "Most Innovative Company of the Year" 2017 by CNBC Asia, "Entrepreneur of the Year 2016 and 2017" from Asia Pacific Entrepreneurship Award, "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.

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.

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.

Board of Directors

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.

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.

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.

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. 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)

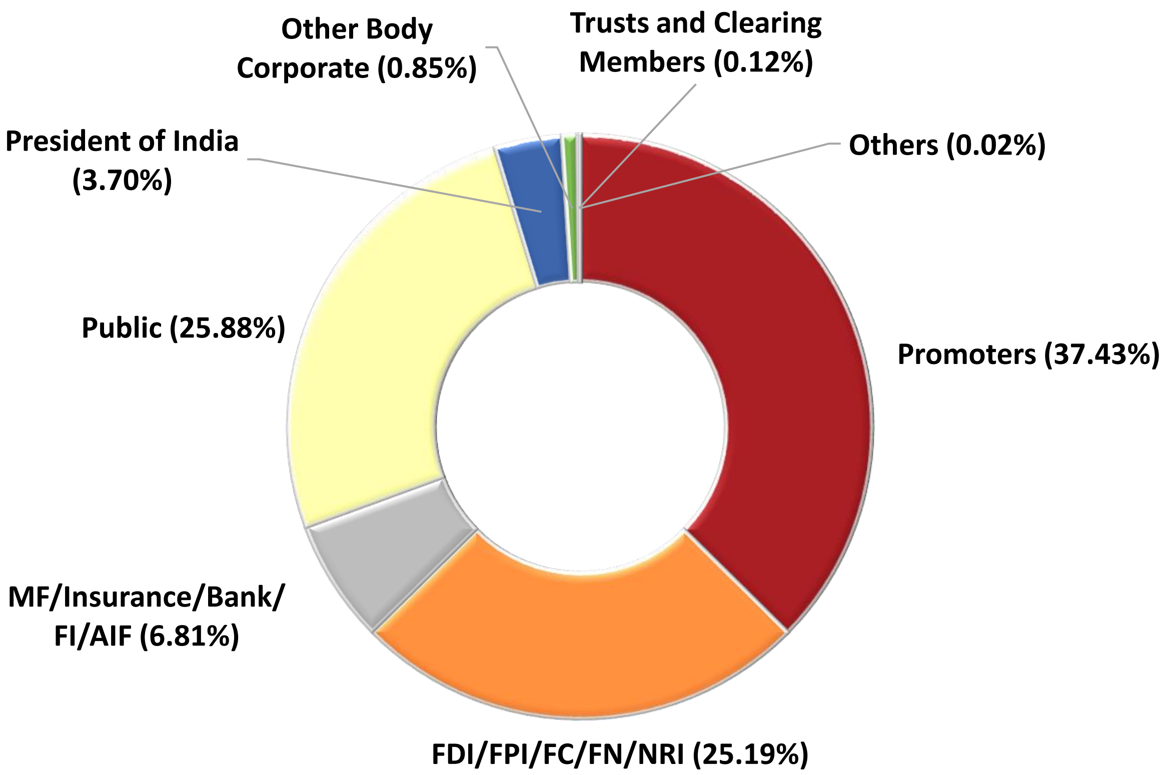
MR. VISHAL MAHADEVIA – NON-EXECUTIVE NON INDEPENDENT DIRECTOR

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 11: Shareholding

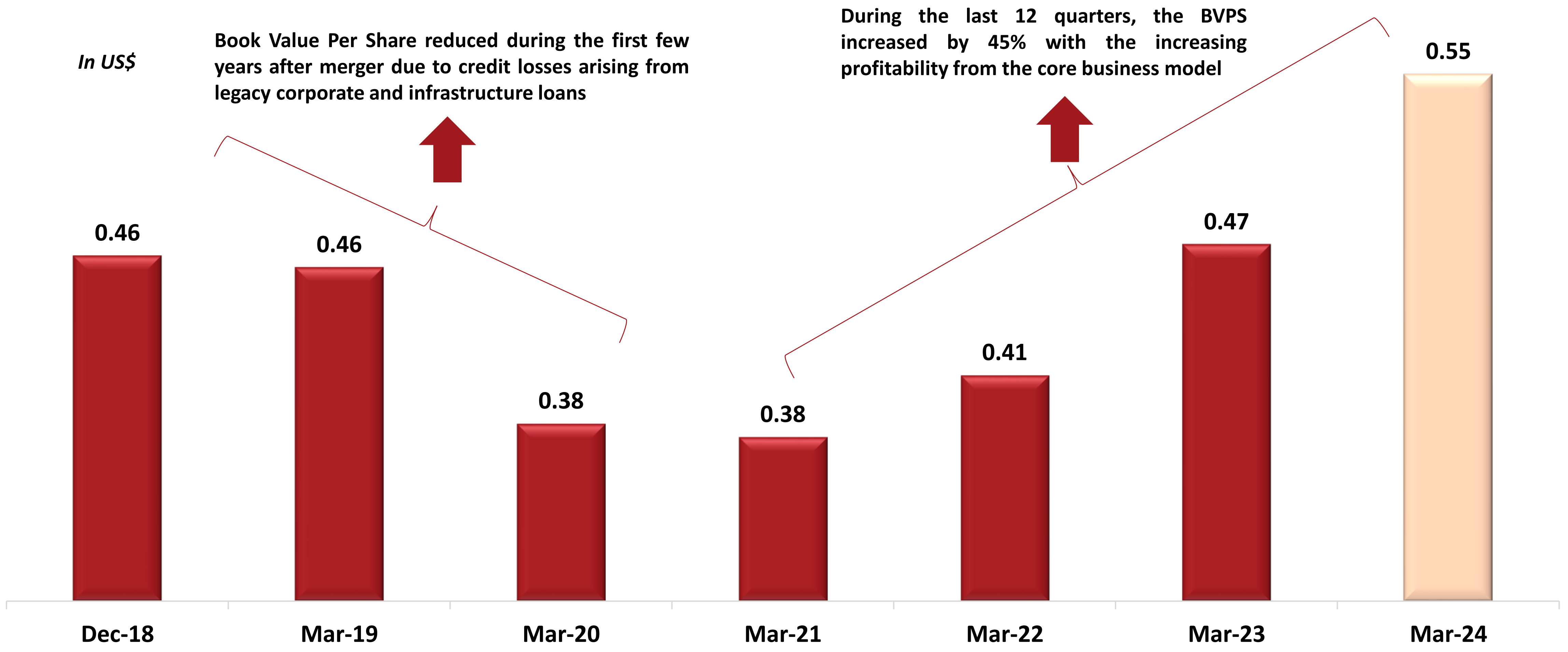
Shareholding Pattern as of March 31, 2024

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



Total # of shares as of Mar 31, 2024	*7,069.9 Million*
Book Value per Share (Mar 31, 2024)	*Rs. 45.49 (US$ 0.55)*
Basic EPS (FY24)	*Rs. 4.18 (US$ 0.05)*

Growth in book value per share



Section 12: 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

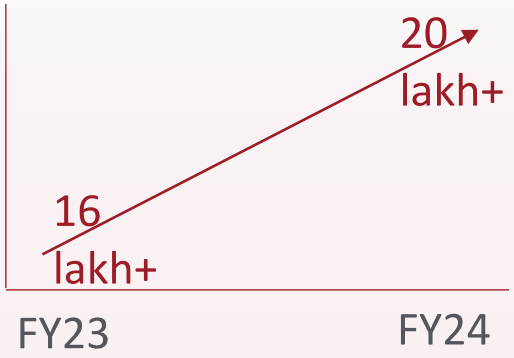
FIRST ENSURE
Enabling Sustainability Responsibly

- 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 Highlights – Q4 FY24

Employee learning hours (25% y-o-y growth)



One tree being planted for every new Home Loan

20% **Women** Directors on Board

14,000+ active users of **mental wellness** services

~55% **Rural borrowers are women**

60% Independent Directors on Board

Environmental and Awareness 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.
- IDFC FIRST HO (The Square, BKC) is fully powered by **Green Energy.**

Water efficiency

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

EV financing

- **Over 1.96 lakh EV two wheelers financed** (live portfolio).
- **5,100+ 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

- **Employees** actively involved in the Bank's journey towards sustainability, driving awareness.
- Awareness sessions and workshops for employees on carbon, waste and other environmental and social aspects.

Social and Governance initiatives

Social

Diversity

- Accelerating employee diversity through iBelong initiative.

Responsible lending

- Consciously increasing lending **to socially inclusive and environmentally responsible** sectors.

Customer access

- Universal bank with **944 branches.**

CSR and community programmes (FY24)

- Programmes spanning **entrepreneurship, sports, health, education, disaster management initiatives.**
- **350** scholars awarded with MBA Scholarships for higher education.
- **9,690** households covered under solid waste mgmt. services (Swachh Worli Koliwada Program).
- **20,000** families provided with disaster support kits as part of Sahayam Flood Relief.
- **29,264** dairy farmers supported with Shwetdhara Program.
- **48,536** individuals impacted via Lend A Shoulder employee volunteering.

Governance

Strong and experienced Board

- **11 Board Committees**; majorly chaired and constituted by Independent Directors.
- Highly competent Board with over 30 years of average experience.
- Dynamic and engaged Board, with high frequency of Board meetings.
- **100% average Board attendance.**
- Board **training conducted on ESG and Climate Action.**

Being customer first

- Unique customer-friendly services, including fee-free services for savings account customers; FIRST Money, a Smart Personal Loan variant, launched with zero foreclosure charges.

Quality of portfolio

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

Information security

- 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

- 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)** (now under IFRS Sustainability) in the Indian Banking sector

ESG Ratings

★	CSA ESG Score (DJSI)	
2023	48	↑
2022	44	

★		Sustainalytics		
2024		21.2 Lower is better		↑
2023	2022	26.6	38.8	

★	MSCI	
2023	A	↑
2021	BBB	

★	CRISIL ESG Score
2022	62 (Strong) Started 2022
2021	-

★	LSEG (Refinitiv)	
2023	64	↑
2022	60	

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

Dun & Bradstreet India

Leading Listed ESG Entity Mar 2024

The European

Most ESG Responsible Banking Service – India Dec 2023

Institute of Directors India

Golden Peacock Award in ESG Sep 2023 (National)

Capital Finance International

Outstanding Commitment to ESG Performance India Sep 2023

UBS Forums

ESG Rising Star & Sustainability Impact Award May 2023

Transformance Forums

Best Bank Leading the Way in ESG Apr 2023

ET BFSI Excellence Awards

Best CSR Sustainability Award Feb 2023

Navabharat BFSI Award

Best Sustainable Bank Strategy Oct 2022

The European

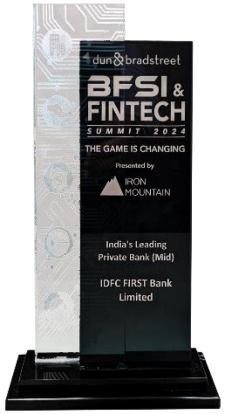
Social Impact Bank of the Year Sep 2022

World Finance Organisation

Best Corporate Governance, India Jun 2022

Section 13: Awards and Recognition

Awards and Recognition



Best Corporate Governance 2023 - World Finance
India's Leading Private Bank (Mid) – Dun & Bradstreet (BFSI & FinTech 2024)
Innovation In Banking - Aegis Graham Bell (14th edition – 2024)
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
Best BFSI Brands in Private Bank Category - ET BFSI
Most Trusted Brands of India 2021 - CNBC TV18
Most Harmonious Merger Award - The European
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 ~20-22%,

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

- High teens ROE

- Contemporary technology and

- High levels of Customer Centricity.

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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	FY24	Status
Capital	CET – 1 Ratio	16.14%	>12.5 %	13.36%	On Track
	Capital Adequacy (%)	16.51%	>13.0 %	16.11%	On Track
Liability	CASA as a % of Deposits (%)	8.7%	30% (FY24), 50% thereafter	47.2%	Achieved
	Branches (#)	206	800-900	944	Achieved
	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%	114%	Achieved
Assets	Retail, Rural and SME Finance (Net of IBPC)	US$ 4,449 Mn	US$ 12,048 Mn	US$ 20,073 Mn	Achieved
	Retail, Rural and SME Finance as a % of Total Loans & Advances	35%	70%	83%	Achieved
	Wholesale Loans & Advances[1]	US$ 6,840 Mn	< US$ 4,819 Mn	US$ 3,992 Mn	Achieved
	- of which Infrastructure loans	*US$ 2,736 Mn*	Nil in 5 years	*US$ 341 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	FY24	Status
Asset Quality	Top 10 borrowers as % of Total Loans & Advances (%)	12.8%	< 5%	2.00%	Achieved
	GNPA (%)	1.97%	2.0% - 2.5%	1.88%	Achieved
	NNPA (%)	0.95%	1.0% - 1.2%	0.60%	Achieved
	Provision Coverage Ratio[3] (%)	53%	~70%	87%	Achieved
Profitability	Net Interest Margin (%)	3.10%	5.0% - 5.5%	6.36%[1]	Achieved
	Cost to Income Ratio[2] (%)	81.56%	65% ^	72.89%	Behind Schedule
	Return on Asset (%)	-3.70%	1.4-1.6%	1.10%	On Track
	Return on Equity (%)	-36.81%	13-15%	10.30%	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,

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)	Mar-23	Dec-23	Mar-24	QoQ (%)	YoY (%)
Retail Finance	**10,967**	**13,421**	**14,353**	**6.9%**	**30.9%**
- Home Loan	2,356	2,545	2,690	5.7%	14.2%
- Loan Against Property	2,434	2,631	2,921	11.0%	20.0%
- Vehicle Loans	1,786	2,193	2,509	14.4%	40.5%
- Consumer Loans	2,396	3,208	3,193	-0.5%	33.3%
- Education Loans	112	240	260	8.6%	131.5%
- Credit Card	423	596	668	12.1%	58.0%
*- Gold Loan**	31	93	124	32.9%	301.3%
- Others	1,430	1,915	1,988	3.8%	39.0%
Rural Finance*	**2,311**	**2,886**	**2,877**	**-0.3%**	**24.5%**
SME & Corporate Finance	**5,509**	**6,160**	**6,641**	**7.8%**	**20.5%**
*- of which CV/CE Financing**	442	616	757	22.9%	71.3%
*- of which Business Banking**	611	807	892	10.5%	46.0%
- of which Corporate Loans	3,120	3,392	3,651	7.6%	17.0%
Infrastructure	**562**	**361**	**341**	**-5.5%**	**-39.3%**
Total Gross Loans & Advances	**19,349**	**22,828**	**24,213**	**6.1%**	**25.1%**

* Rural Finance, CV/CE Financing, Business Banking, Gold Loans, Home Loans (< Rs. 30 Lacs (US$ 36K)) 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. *Consumer loans include Salaried Personal Loans, Small Business & Professional Loans and Consumer Durable Loans*
5. *Others include digital personal loans, digital consumer durables loans, 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

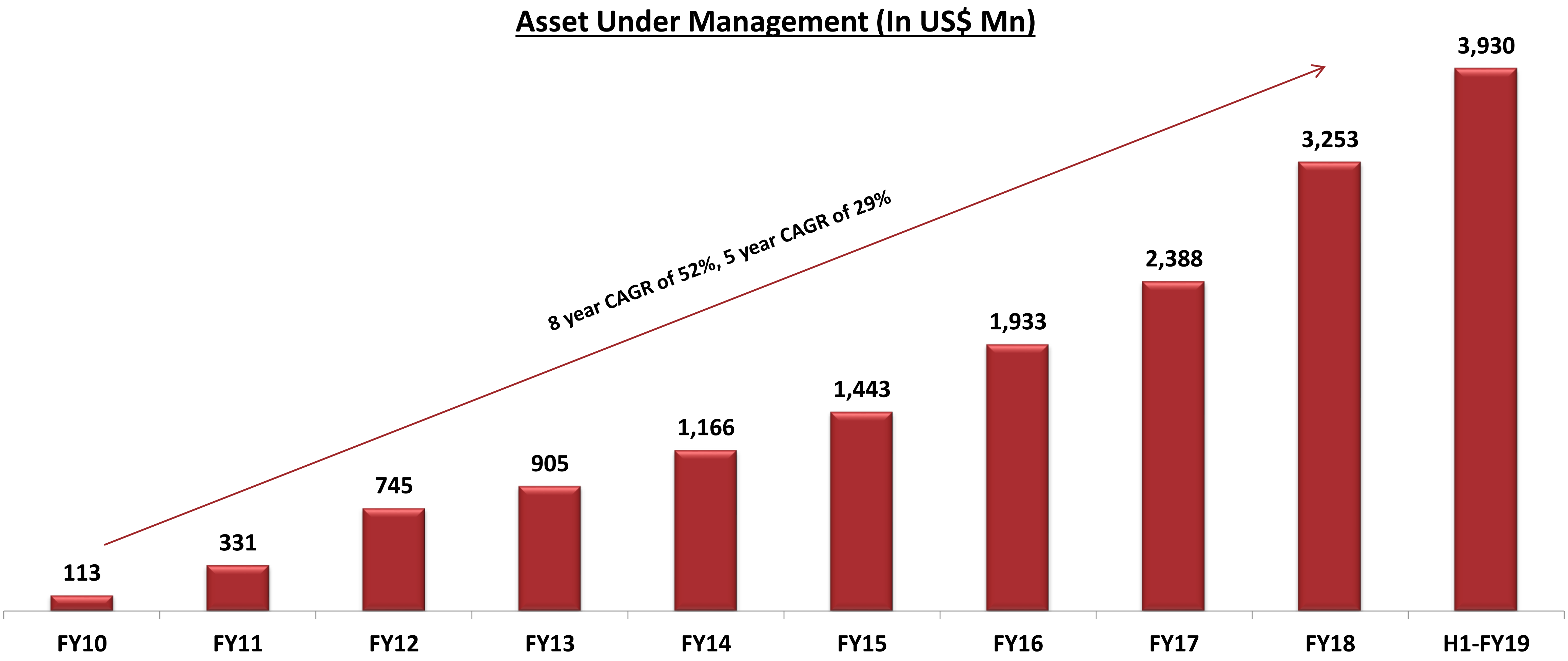
On merger, 13.9 shares of IDFC Bank were issued for every share of Capital First as part of the merger scheme in December 2018

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%



IDFC FIRST Bank

Successful Trajectory of Growth and Profits at Capital First

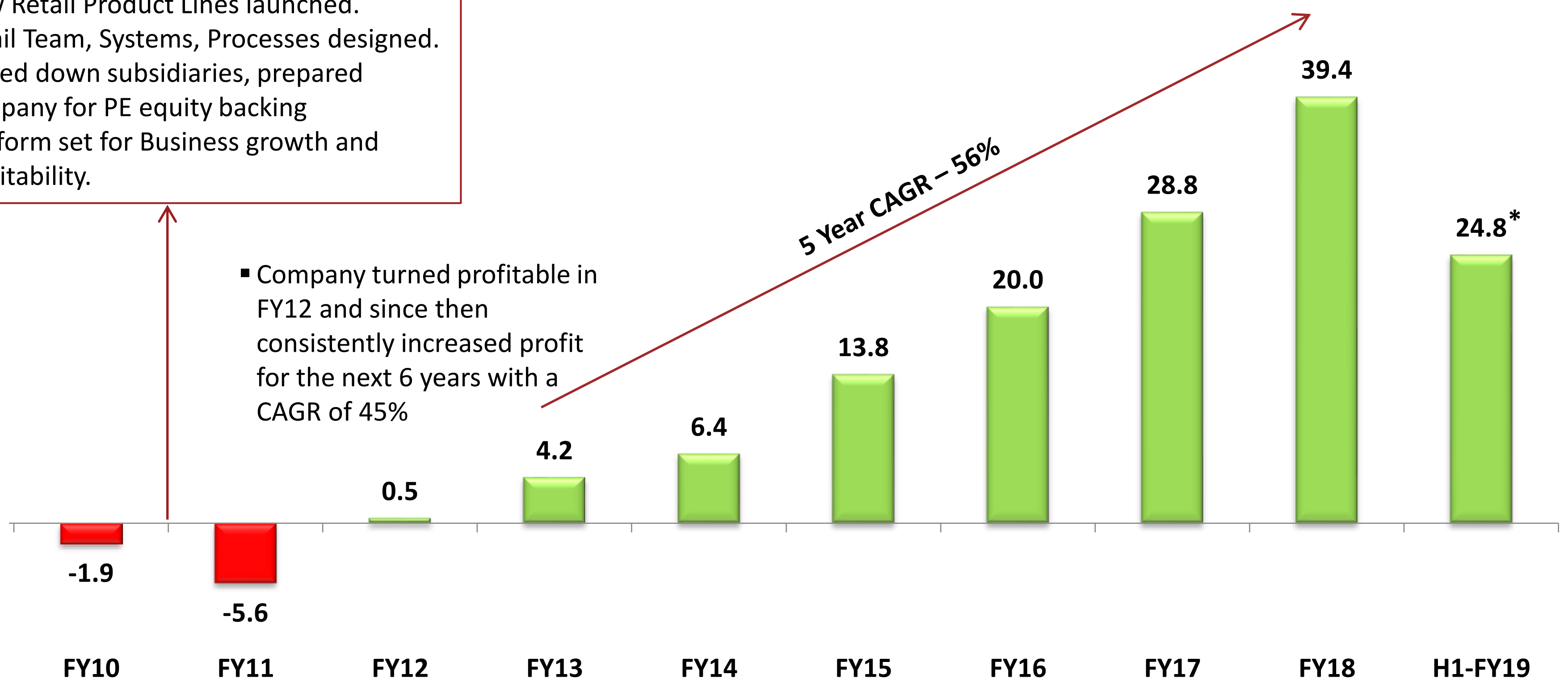
Financial Performance: Yearly Trend of Profit After Tax

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

** For Half Year H1-FY19*

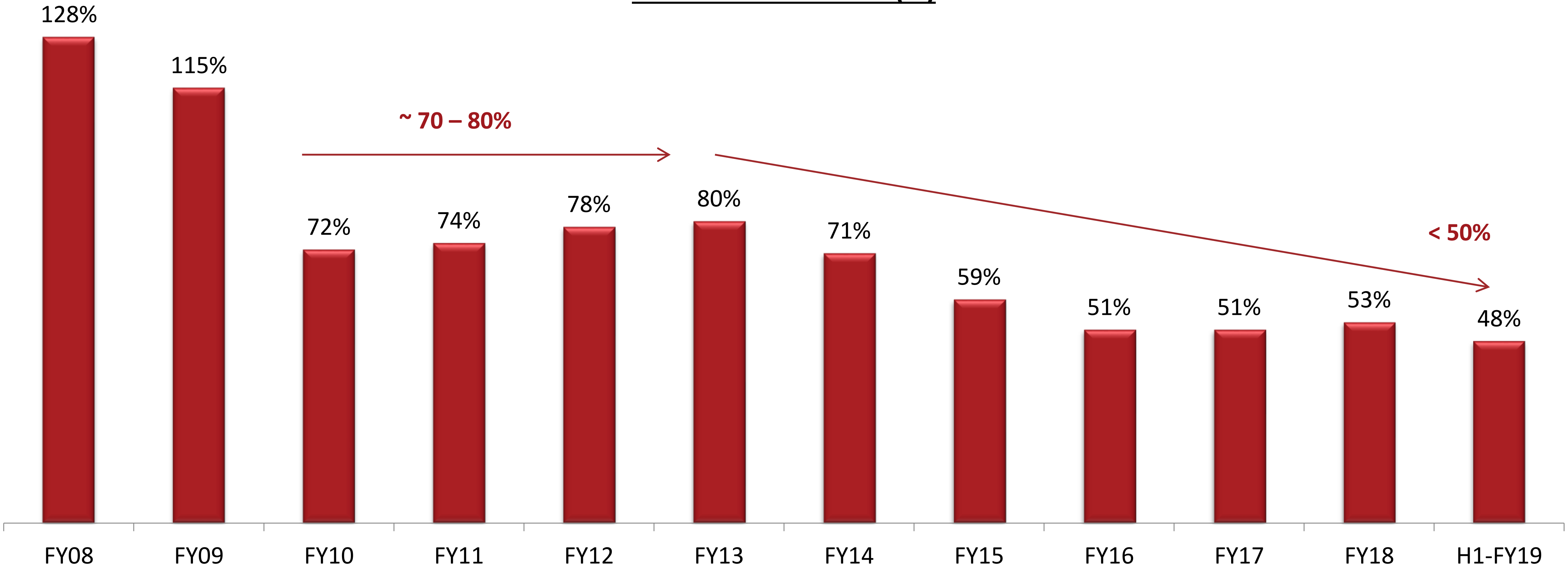


Successful Trajectory of Growth and Profits at Capital First

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.

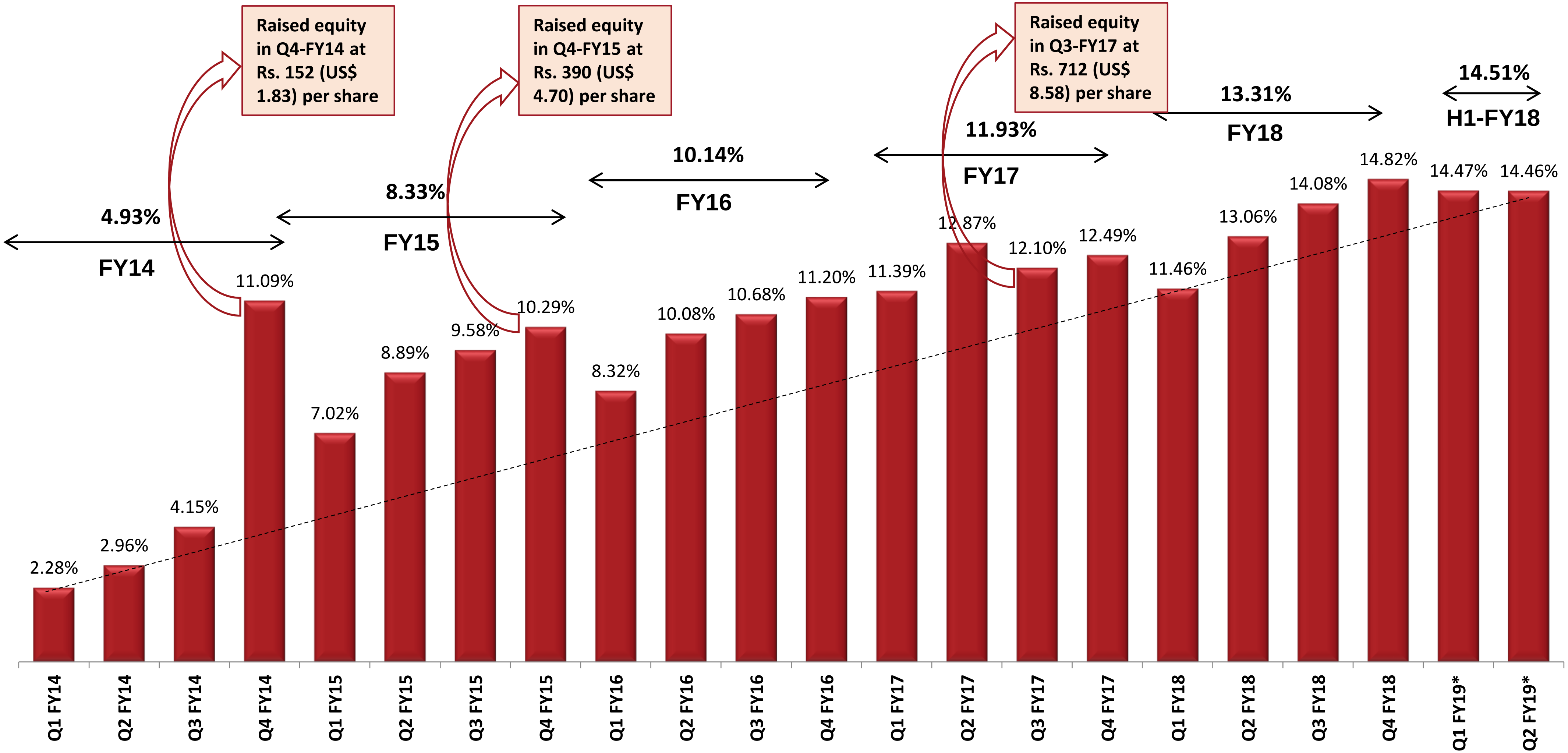
Cost to Income ratio (%)



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



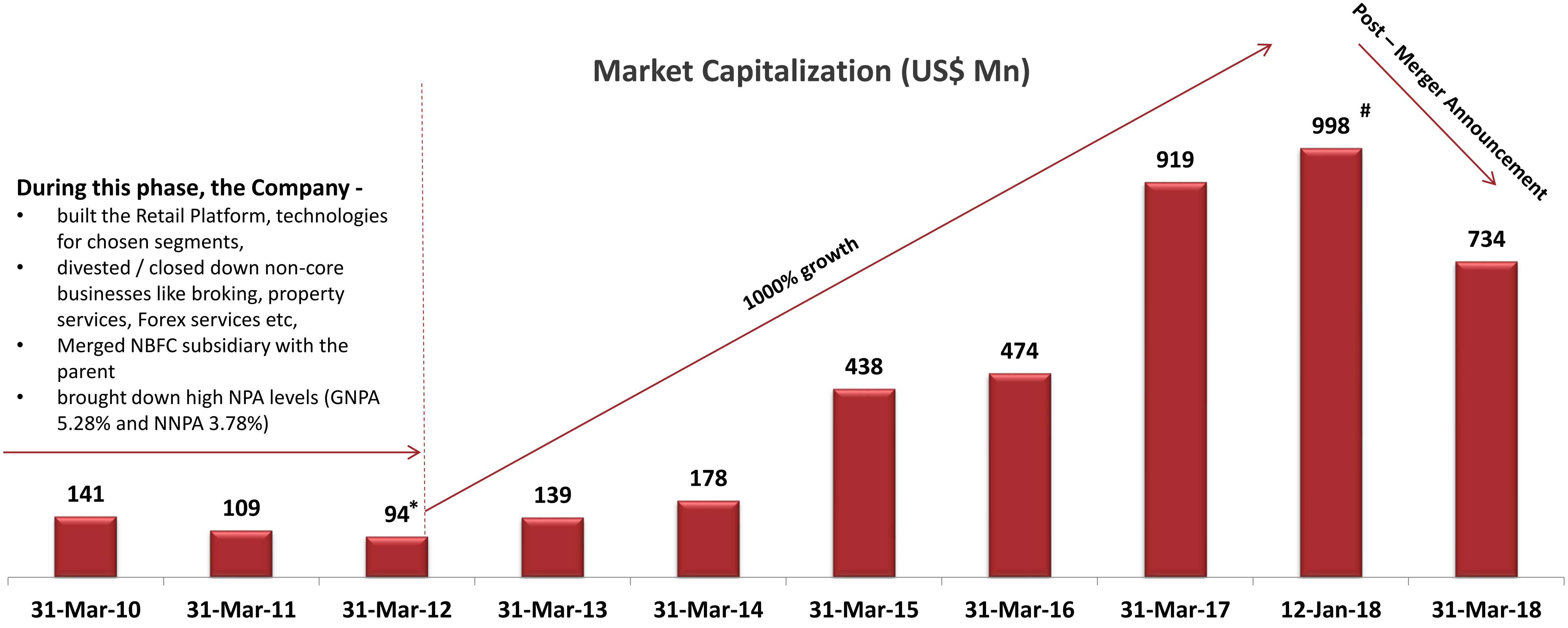
**Highlighted figures are based on Indian AS in comparison to quarterly figures for earlier periods based on Indian GAAP.*

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.

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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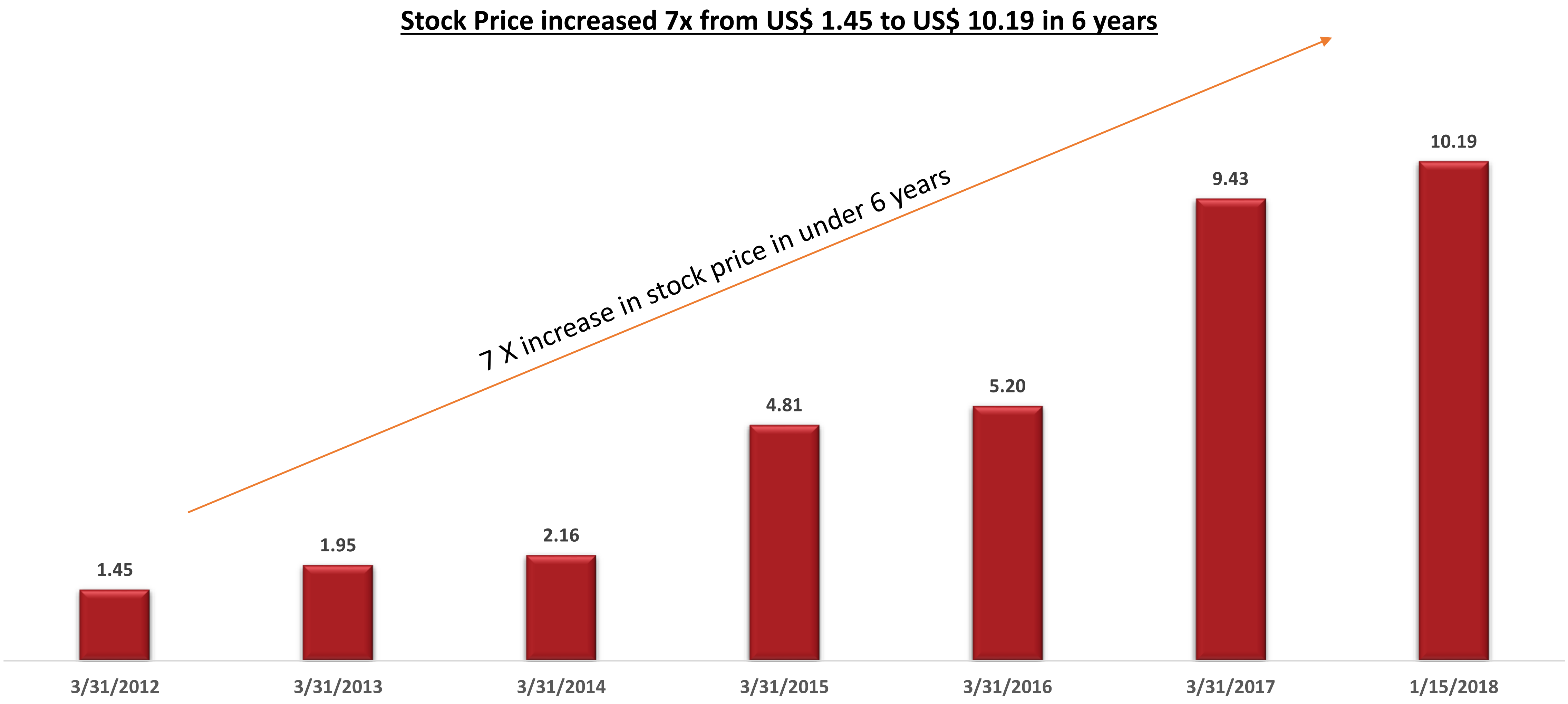


IDFC FIRST Bank

Annexure 5

Proforma Financials before merger (H1-FY19)

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

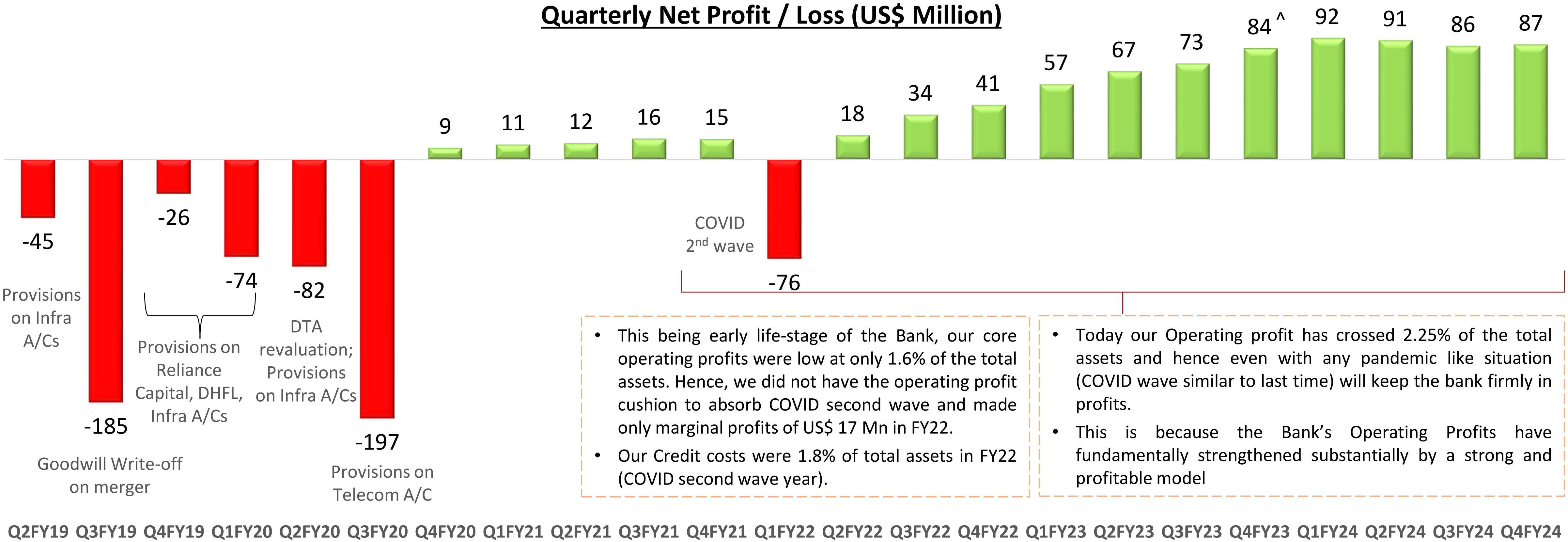
In US$ Million	Erstwhile IDFC Bank (H1 FY 19)	Erstwhile Capital First (H1 FY 19)	Proforma Total (H1 FY 19)
Loans & Advances / AUM	**9,076**	**3,930**	**13,007**
Net-Worth	**1,780**	**353**	**2,133**
NII	**110**	**138**	**248**
Fees & Other Income	31	18	49
Treasury Income	4	0	4
Total Income	**144**	**156**	**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

Annexure 6

Quarterly Trend of Profit after Tax

Quarterly trend of Profit after Tax : Bank has turned profitable on sustained basis based on strong Operating Profits and low credit costs



- 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 Million for Q4 FY23**. The Bank has already called out in Q4-FY23 that the net profit of Q4-FY23 was **US$ 84** Million adjusted for the one time items in the P&L.*