IDFC FIRST Bank

Investor Presentation – Q2 FY25

IDFC FIRST Bank

Our Vision

TO BUILD A WORLD CLASS BANK IN INDIA,

GUIDED BY **ETHICS**,

POWERED BY **TECHNOLOGY**,

AND

BE A FORCE FOR **SOCIAL GOOD**

Key Highlights of Q2 FY25

Deposits	• Strong growth of **32.4%** YoY in Customer Deposits, reaches US$ 25,955 Mn. • Strong growth of **37%** YoY in Retail Deposits, reaches US$ 20,869 Mn. • Strong growth of **37.5%** YoY in CASA deposits, reaches US$ 13,011 Mn. • High CASA Ratio at **48.9%** • Cost of funds, was stable at **6.46%;** Excluding legacy borrowings, cost of funds were **6.37%** in Q2-FY25 • Cost of deposits was stable at **6.38%**
Loans & Advances	• Healthy growth **of 21.5% YoY** in **Total Loan Book,** reaches US$ 26,502 Mn. • **Retail** Loan Book grew **25.1% YoY** • **Corporate** Loan (non-infra) Book grew **20.0% YoY** • Microfinance portfolio as % of overall loan book reduced from **6.3%** in June-2024 to **5.6%** in Sep-2024.
Asset Quality	• Gross NPA of the Bank marginally increased by 2 bps QoQ to **1.92%** • Net NPA of the Bank improved by 11 bps QoQ to **0.48%** • **Provision Coverage** ratio improved by 589 bps QoQ to **75.27%** • SMA 1+2 of Retail, Rural and MSME Book (excluding micro-finance) improved by 8 bps QoQ to **0.87%.** • Collection Efficiency (early bucket) in urban retail book is stable at **99.5%** • Collection Efficiency (early bucket) in micro-finance book deteriorated by 40 bps to **98.6%** • Since Jan 24, microfinance loans are insured by **CGFMU. 50%** of micro-finance book is insured by CGFMU currently, likely to go up to **75% by March 2025**.
Rating	• **CARE & CRISIL ratings** have **re-affirmed** the Long Term Credit Rating of **AA+ (Stable)** • Fixed Deposit Program has been rated “**AAA”** by **CRISIL Ratings** recently

US$ amounts are converted based on exchange rate of US$ 1 = Rs. 84.00

Key Highlights of Q2 FY25

Provisions	• Provisions for Q2 FY25 stood at US$ 206 Mn., primarily on account of prudent provisioning buffer of US$ 68 Mn. created for microfinance business (US$ 38 Mn.) and one legacy infrastructure toll road account — **micro-finance Business:** The Bank has made conservative **contingency provision of** US$ 38 Mn. against the **micro-finance** business, equivalent of ~ **99% of the SMA-1+2** portfolio and is **2.5% of the entire portfolio** in this business segment as of Sep-2024 — **Legacy infrastructure Toll Road Account:** Maharashtra Government withdrew toll charges at Mumbai Entry Point, which adversely affected our Infrastructure customer. Bank took 100% provision and made **additional provision of** US$ 30 Mn. on pro-active basis — Excluding the provision in microfinance portfolio and without the additional provision buffer created on the legacy toll account, the quarterly annualized credit cost for the loan book for Q2-FY25 was **1.8%**
Profitability	• Net Interest Income (NII) increased **21%** YoY; • Marginal reduction of 4 bps QoQ in Net Interest Margin on AUM to **6.18%** • Steady growth of **21% YOY** in Operating income • Operating expenses grew at a reduced pace of **18%** YoY • Core Operating Profit (excluding trading gains) up by **28%** YoY; Operating Profit (including trading gain) up by **30% YoY** • Profit after Tax of the Bank stood at US$ 24 Mn. Excluding the additional provision on toll account and prudent provision on micro-finance business, the Profit after Tax would be US$ 75 Mn.
Capital	• Including the profits for H1 FY25, the Capital adequacy ratio was strong at **16.36%** with CET-I ratio of **13.84%** • The merger of the Bank has been successfully completed in October 2024. As result of the merger, US$ 74 Mn. was added to the Bank's net worth. Considering the same and calculated on September 30, 2024 numbers, the total CRAR would be **16.60%** with CET-I ratio of **14.08%.** • Including the merger benefit, the book value of share (BVPS) was US$ 0.61.

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IDFC FIRST Bank was created by merger of IDFC Bank and Capital First in December 2018

- **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, an infrastructure Financing Domestic Financial Institution. The loan assets and borrowings of IDFC limited were transferred to IDFC Bank at inception of IDFC Bank in 2015.
- **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 FIRST Bank was created by merger of IDFC Bank and Capital First in December 2018

	Parameters	Erst. CAPITAL FIRST (30-Sep-2018)	Erst. IDFC Bank (30-Sep-2018)	IDFC FIRST Bank, (on merger) (31-Dec-2018)	IDFC FIRST Bank (now) (30-Sep-2024)	Change Since Merger
BALANCE SHEET	Loan Book	US$ 3214 Mn.*	US$ 8,968 Mn.	US$ 12,460 Mn.	US$ 26,502 Mn.	▲ 112%
	Customer Deposit	0	US$ 4,330 Mn.	US$ 4,578 Mn.	US$ 25,955 Mn.	▲ 5.6X
	Retail Deposit	0	US$ 1,072 Mn.	US$ 1,238 Mn.	US$ 20,869 Mn.	▲ 16.9X
	CASA Ratio	0	13.0%	8.7%	48.9%	▲ 40.2%
PROFITABILITY	NIM %	8.2%	1.6%	3.1%	6.2%	▲ 3.1%
	Core PPOP to Average Asset	5.0%	0.10%	0.78%	2.40%	▲ 1.62%
	Cost to Income	47.5%	92.4%	82.2%	70.0%	▼ -12.2%
	Branches	0	203	206	961	▲ 4.7X

Profitability numbers for Sep-18 are for H1 FY19, Dec-18 are of Q3 FY19; Sep-24 are of H1 FY25

**AUM of Capital First as on 30 September 2018 stood at US$ 3884 Mn. Funded book was US$ 3,214 Mn. As an NBFC Capital First did not have any deposits.*

Post merger, the Bank undertook key initiatives to address the challenges and create necessary building blocks for future growth over the last 5 years..

We are happy to share that IDFC FIRST Bank has made significant progress on all counts during the last 5 years including **Deposits, Loan, Capital, Assets** and **Leadership Team Building**. Some of the key building blocks are summarized below -

01. **Concluded Smooth Integration** of IDFC Bank and Capital First
02. **Defined the Vision of the Bank**
03. **Instilled Customer First Philosophy** in the Bank
04. **Built a strong Leadership Team**
05. **Created Robust Risk Management framework**
06. Built **Culture of Governance** and independence of **Control Functions**
07. Built as **Universal Bank** with complete products and services
08. Built a **Strong Brand** Image
09. Launched **New Products & Services** and scaled them up
10. Implemented **Contemporary Technology,** Digital innovation & analytics
11. **Upgraded Long Term Credit Rating** by top credit rating agencies
12. Strengthened **ESG** practices, improved ESG rating

Bank has launched and scaled up many new products to build comprehensive product suite of an Universal bank

New Product Launched by the Bank Post-Merger

Loans	Deposits and Wealth Management	Payment & Fee Based Products
Micro Credit	IDFC FIRST Power Savings Account	Forex Cards
Digital Loans	NRI Seafarer Account	FIRST Digital RuPay Credit Card
KCC	Green Fixed Deposit	WOW! Credit Card*
Agri / Farmer Loans	Digital Fixed Deposit	Credit Card
CV Loans	Startup Current Account	Forex Solutions
Gold Loan	FIRST Booster & FIRST Advantage Auto Sweep	FASTag
New Car Loan	World Business Account	Cash Management Service
Education Loan	Wealth Management	
Tractor Loans		
Prime Home Loans		
Construction Equipment Loan		

- The Bank has launched more than 20 product in the last 5 years since merger.
- Most of businesses are in the early stage of their lifecycle
- The Bank made investments in people, technology, marketing, distribution etc in the initial phase.
- In the longer run, these will provide stable profit streams as they scale up.
- The Bank also scaled up all the existing products including the ones added after the after merger

** Against Fixed Deposits*

The Bank now has built a full Suite of Universal Banking Products..

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

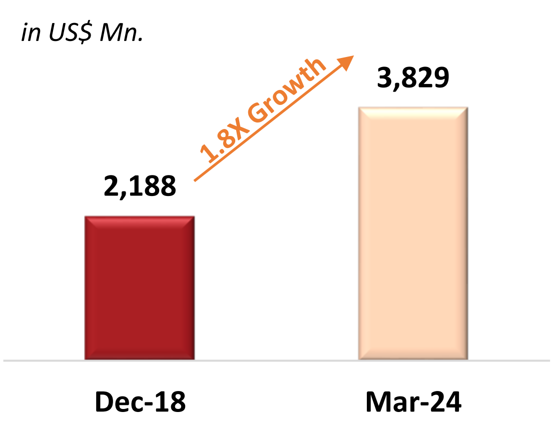
Wealth Management, Distribution of Life Insurance, General Insurance, Credit Shield, Health Insurance, Mutual Funds, AIFs

Credit Cards

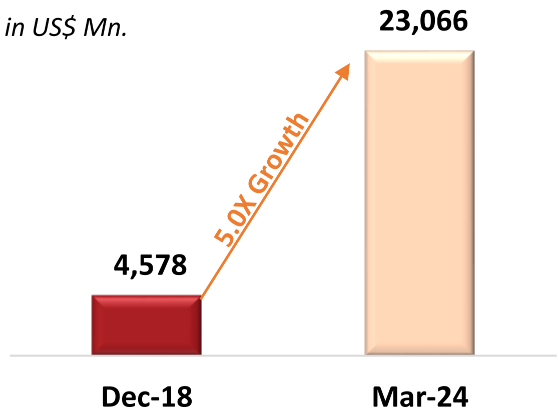
Wealth Credit Card, Private Credit Card, Millenia Credit Card, WoW Credit Card against Deposits, Corporate Card, Vistara Travel card, HP Fuel Card

Bank has made strong Progress in key financial & business parameters in the last 5 Years

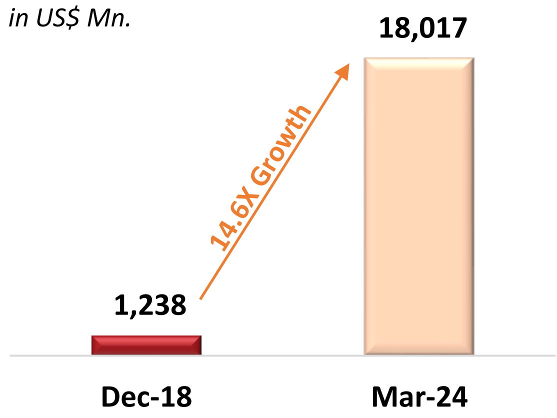
Net-worth



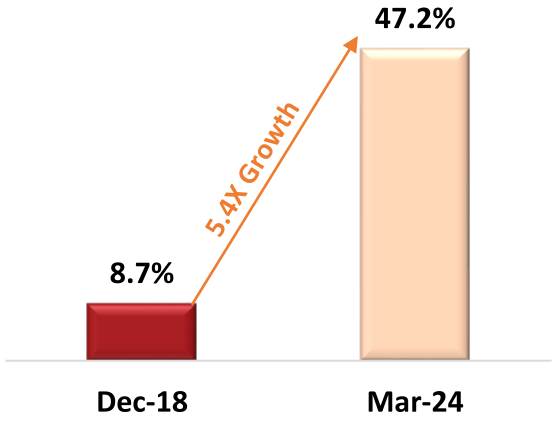
Customer Deposit



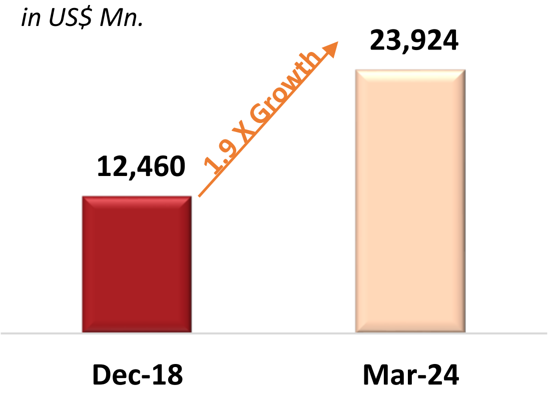
Retail Deposit



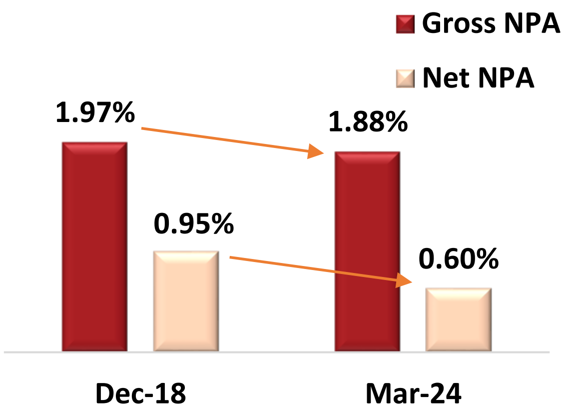
CASA Ratio



Loan Growth



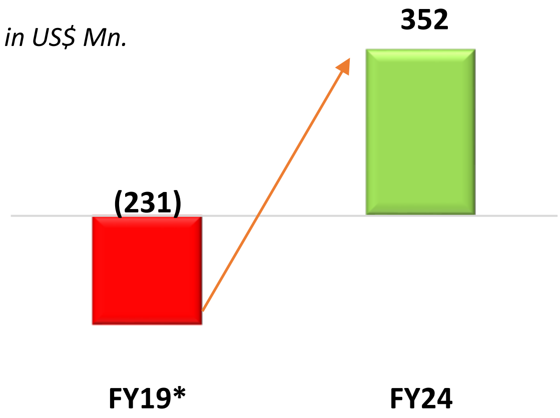
GNPA & NNPA



Asset Quality

- On merger, the Bank had large and concentrated exposure in infrastructure and corporate Loans.
- Bank has run-down the portfolio
- It is now currently 1.2% of the total funded book.

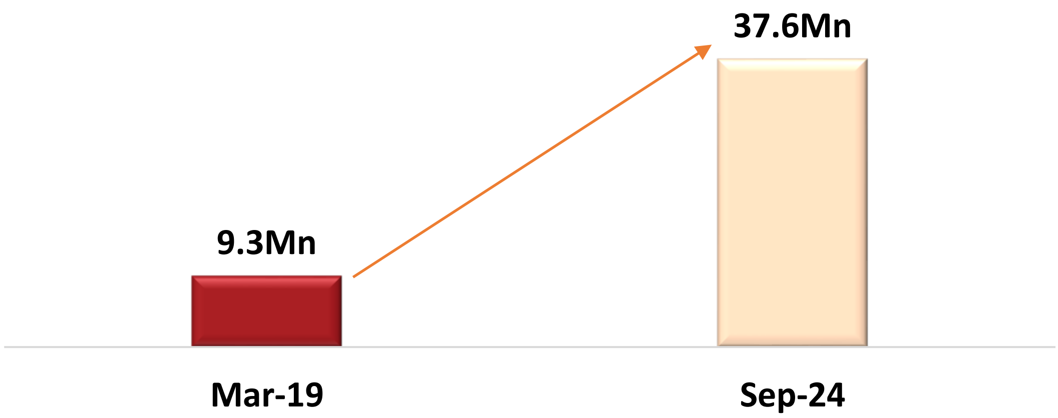
Profit After Tax



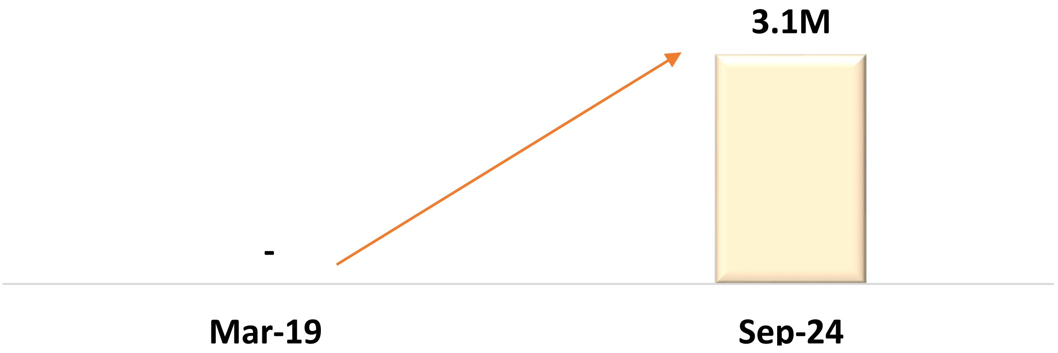
Loan book growth includes Credit Substitutes; *As per the reported financials for the period ended March 31, 2019. Net Loss of FY19 includes goodwill write-off, excluding the impact of goodwill write off, net loss would have been only US$ 30 Mn.

Bank has built a strong franchise of 38 m customers

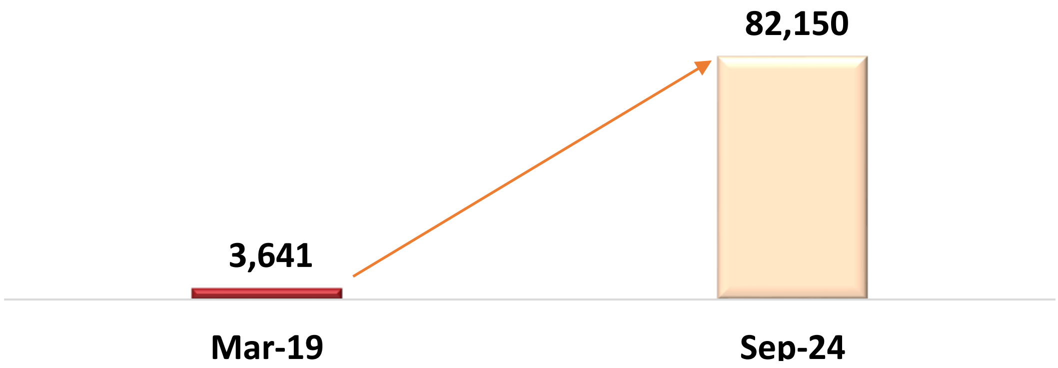
Total Unique Customers



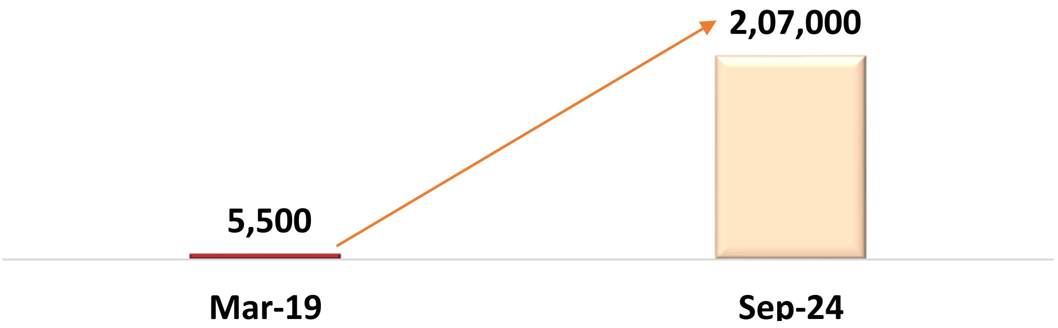
Credit Cards in Force



NRI Customers



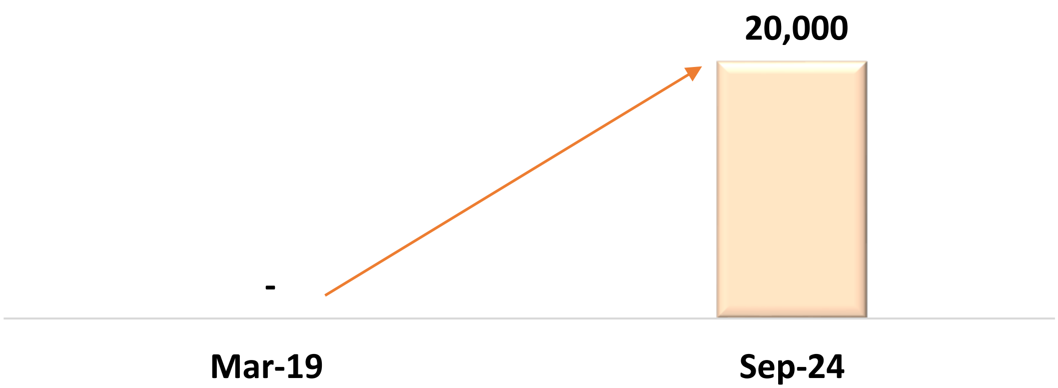
Wealth Management



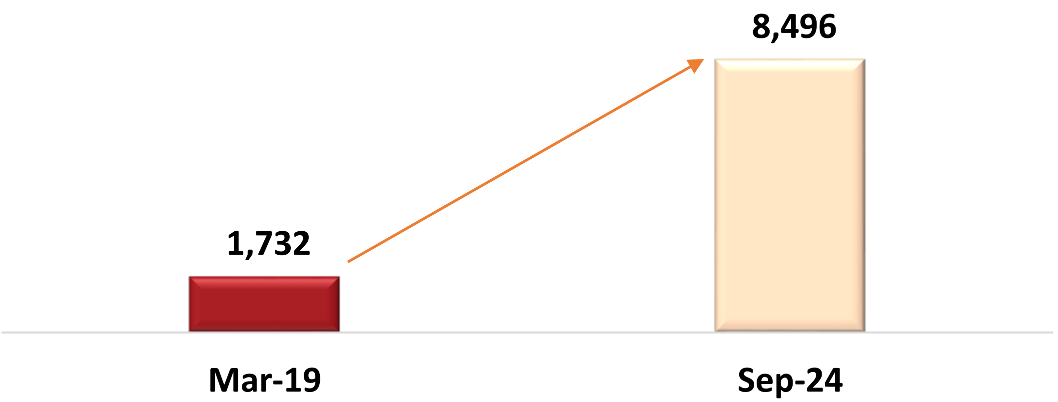
1. Credit Cards business commenced in 2021

Expanding customer franchise in SME & Corporate Banking

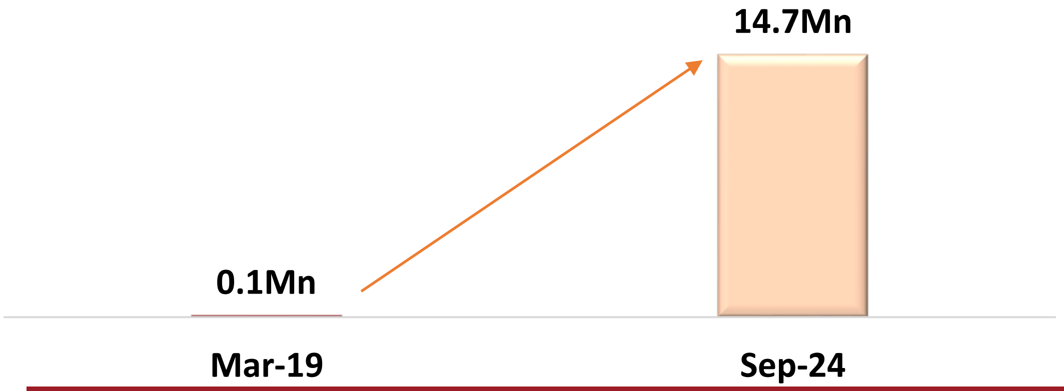
Start-up Banking



Business Banking



FASTag Customers



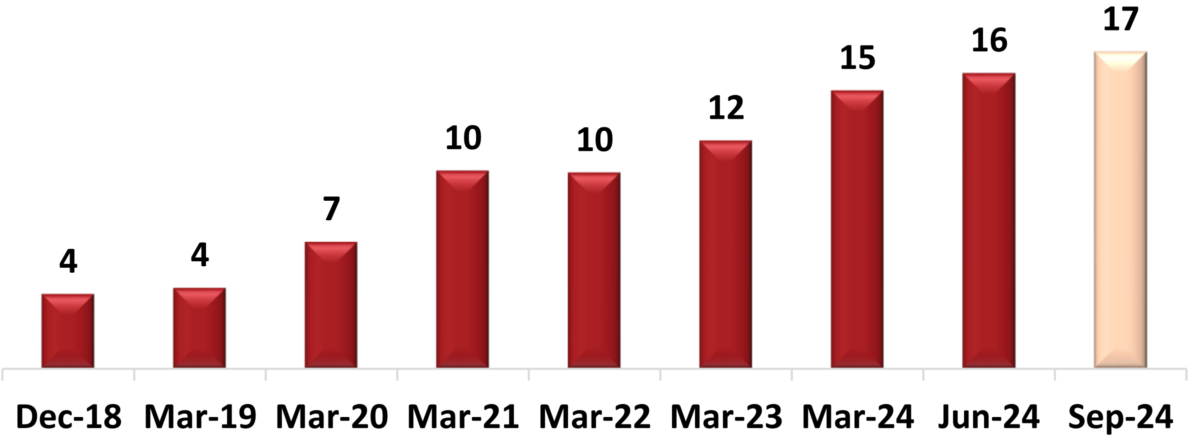
CMS Relationships

Bank has set-up 961 branches across India

High Retail Deposits (as per LCR Disclosures) per branch of US$ 17 Mn.

- Banks deposit growth has outperformed the branch growth.
- IDFC FIRST Bank Branches and ATMs are spacious, digitally equipped, and customer friendly staff.
- The Bank intends to grow the branch network by 10% each year in near term.
- Bank grew its branch network from 206 branches as on the date of merger to 961 branches as on September 30, 2024, addition of 755 new branches since merger.

Strong growth in Retail Deposits (LCR) per branch of US$ 17 Mn.



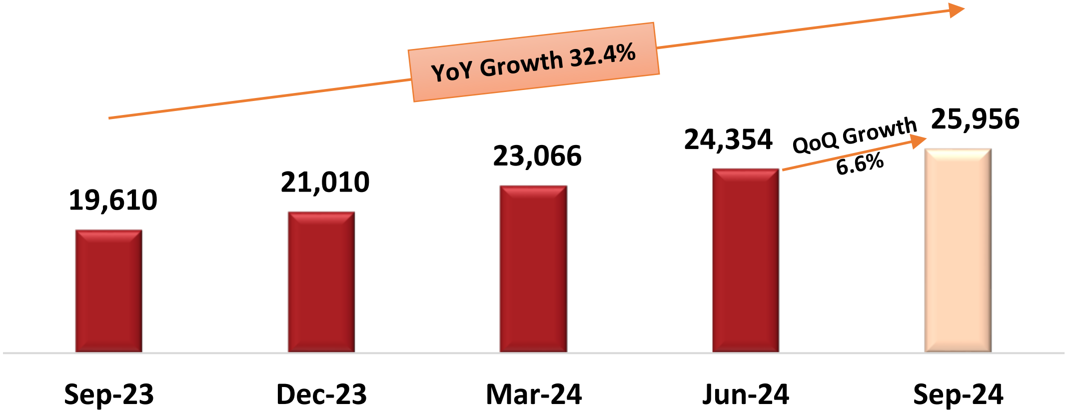
IDFC FIRST Bank

Section 2: Deposits and Borrowings

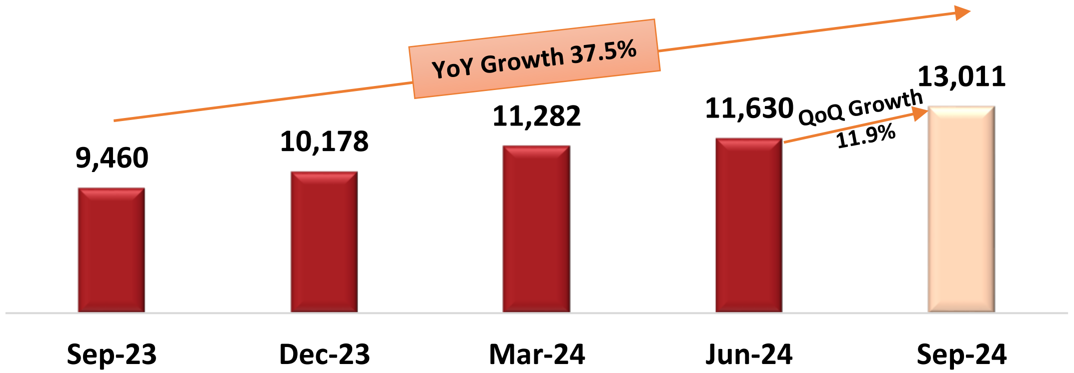
Strong growth in Deposits Franchise, Customer Deposits up 32% YoY

in US$ Mn.

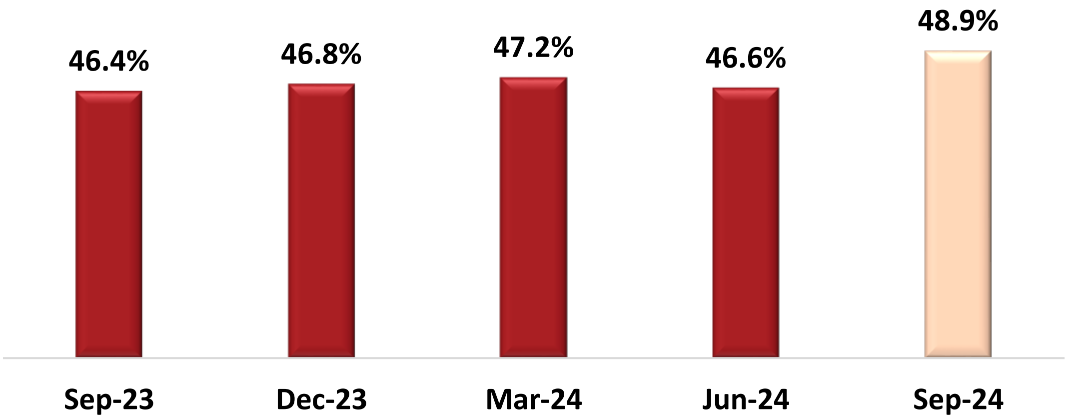
Customer Deposits



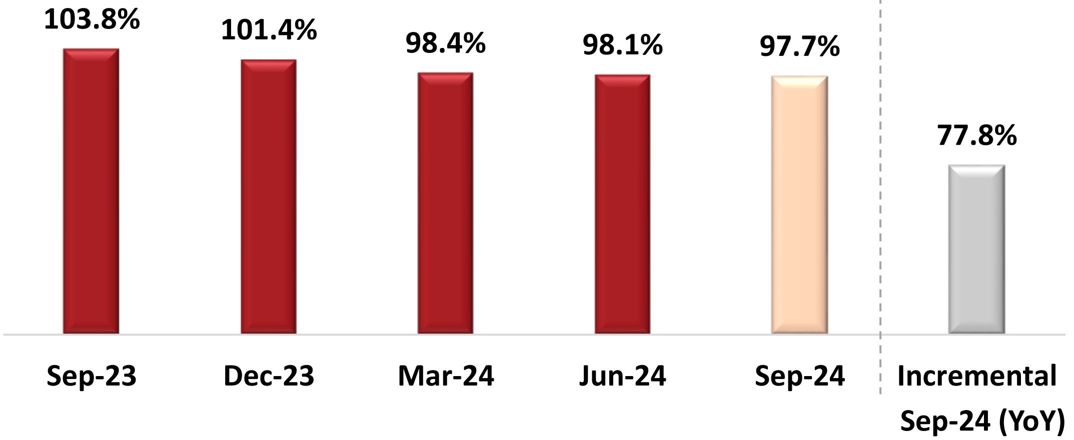
CASA Deposits



CASA Ratio



Credit Deposit Ratio

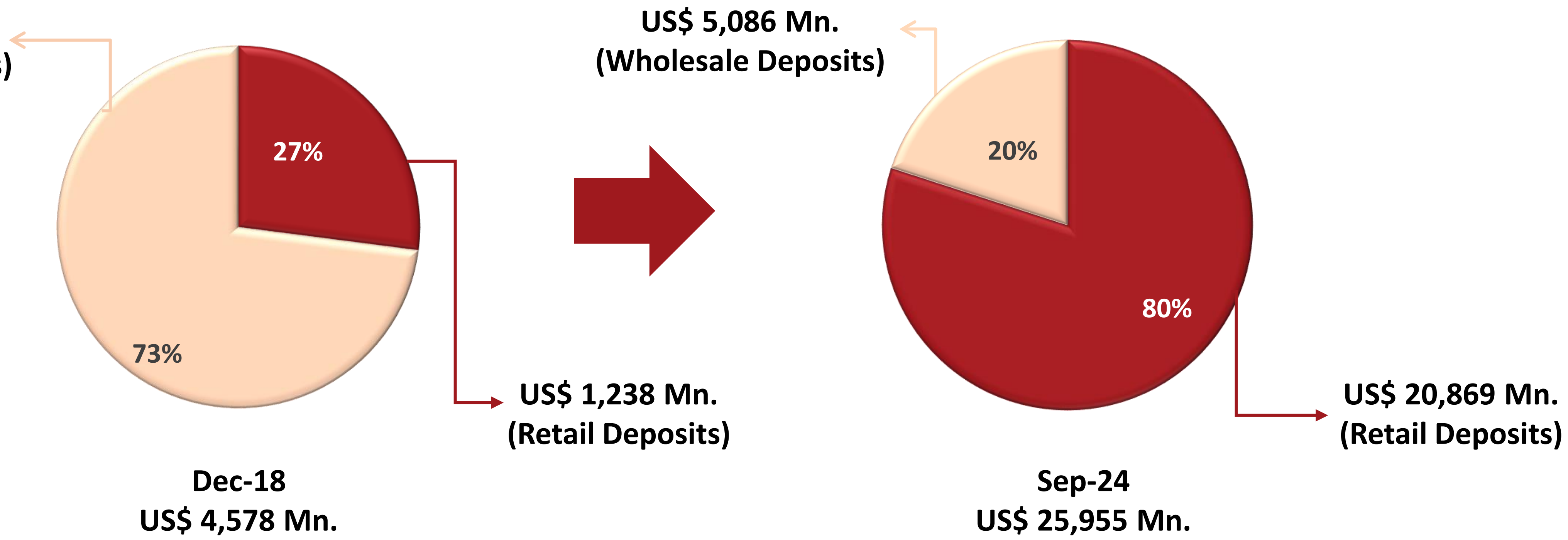


Excluding IPO proceeds of US$ 92 Mn. received during Q2-FY25 the QoQ growth in CASA Deposits will be 11.1% and 6.2% QoQ for the customer deposits

Bank has a highly diversified liabilities base with 80% Retail Customer Deposits

- It is a strategic priority of the Bank to diversify the deposits by raising retail deposits.
- Retail Deposit customers get used to transactions, id, passwords, RMs, branch services, auto debits, SI debit, EMI debits, MF investing etc. and hence is more stable than bulk deposits.
- Retail deposits have increased from 27% of deposits at merger to 80% currently which has significantly stabilized the deposits side.
- Certificate of Deposits (short term money) has come down from US$ 2656 Mn. as of Dec-18 to US$ 664 Mn. as of Sep-24.

Customer Deposits



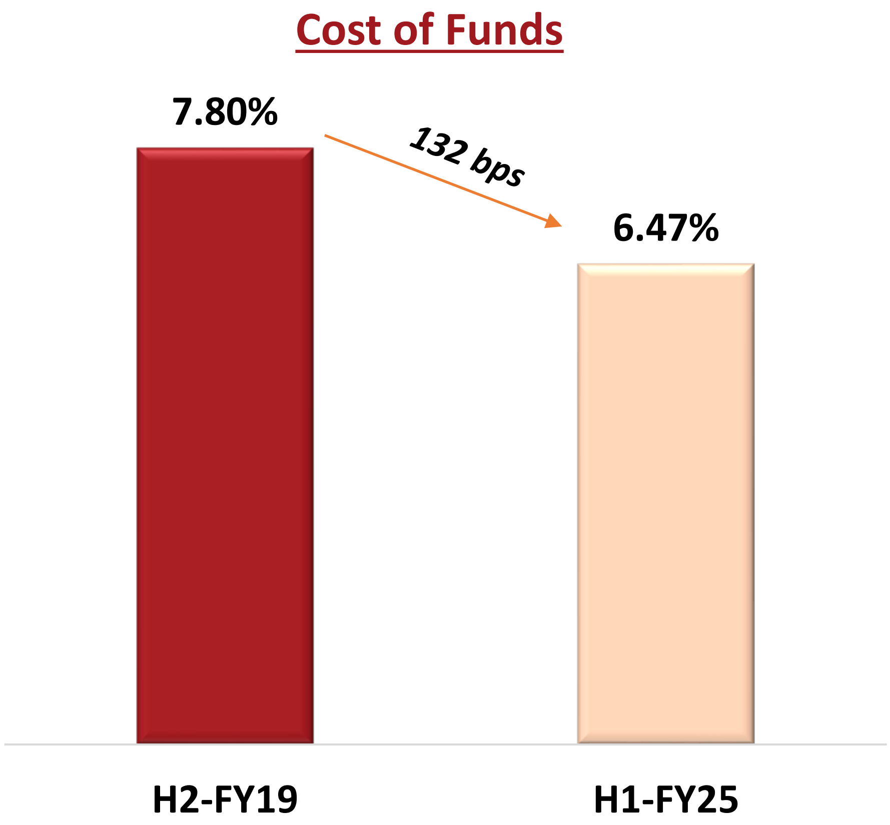
Deposits & Borrowings Details

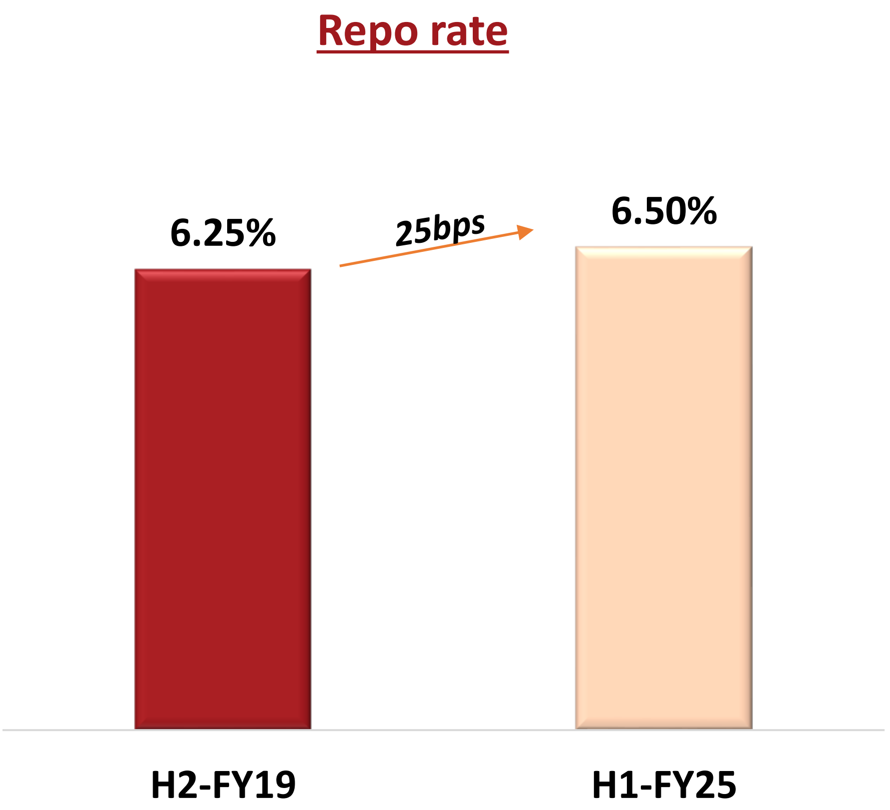
The Bank has grown its customer deposits by **32% YOY** which was utilized for repayment of the legacy borrowings and for the growth of assets.

Particulars (in US$ Mn.)	Sep-23	Jun-24	Sep-24	YoY Growth
Legacy Long Term & Infrastructure Bonds	1,433	1,123	843	-41%
Refinance & Other Borrowings	2,358	2,224	2,374	1%
Tier II Bonds	536	536	536	0%
Total Borrowings (A)	**4,326**	**3,883**	**3,753**	**-13%**
CASA Deposits	9,460	11,630	13,011	38%
Term Deposits	10,150	12,724	12,945	28%
Total Customer Deposits (B)	**19,610**	**24,354**	**25,955**	**32%**
Certificate of Deposits (C)	775	607	664	-14%
Money Market Borrowings (D)	2,003	2,292	1,765	-12%
Borrowings & Deposits (A) + (B) + (C) + (D)	**26,714**	**31,135**	**32,137**	**20%**
CASA Ratio (%)	**46.4%**	**46.6%**	**48.9%**	**247 bps**
Average CASA Ratio % (On Daily Average Balance for the Quarter)	**45.0%**	**44.5%**	**46.3%**	**126 bps**

Bank has reduced Cost of Funds by 132 bps yet grew deposits strongly

- Despite increase in Repo Rate by 25 bps between FY19 and H1-FY25, the Cost of Funds of the Bank has reduced to 6.47% from 7.8% at merger, a reduction of 132 bps which demonstrates the low-cost deposit raising capability of the bank.
- Cost of Deposits of the Bank was at 6.38% for Q2 FY25 (6.38% in Q1 FY25)





Bank continues to run down the Legacy high-cost long-term borrowings

- Because we have a DFI background, the legacy borrowings are costing the bank 8.83%. The Bank plans to replace this with low-cost deposits.

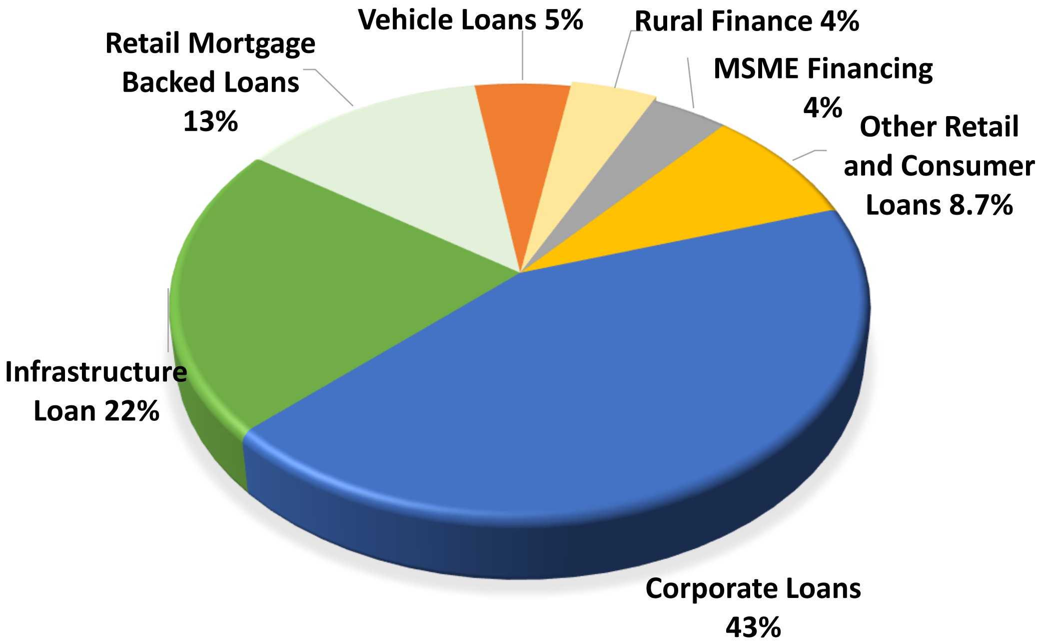
In US$ Mn.	Balance		Run off Schedule			RoI (%)
	As on Sep-23	As on Sep-24	H2 FY25	FY26	Beyond FY26	
Infrastructure Bonds	703	381	295	86		8.76%
Long Term Legacy Bonds	730	462	47	415		8.86%
Other Bonds	132	73		34	39	9.08%
Refinance	221					-
Total	**1,786**	**916**	**342**	**536**	**39**	**8.83%**

Section 3: Diversified Loan Portfolio

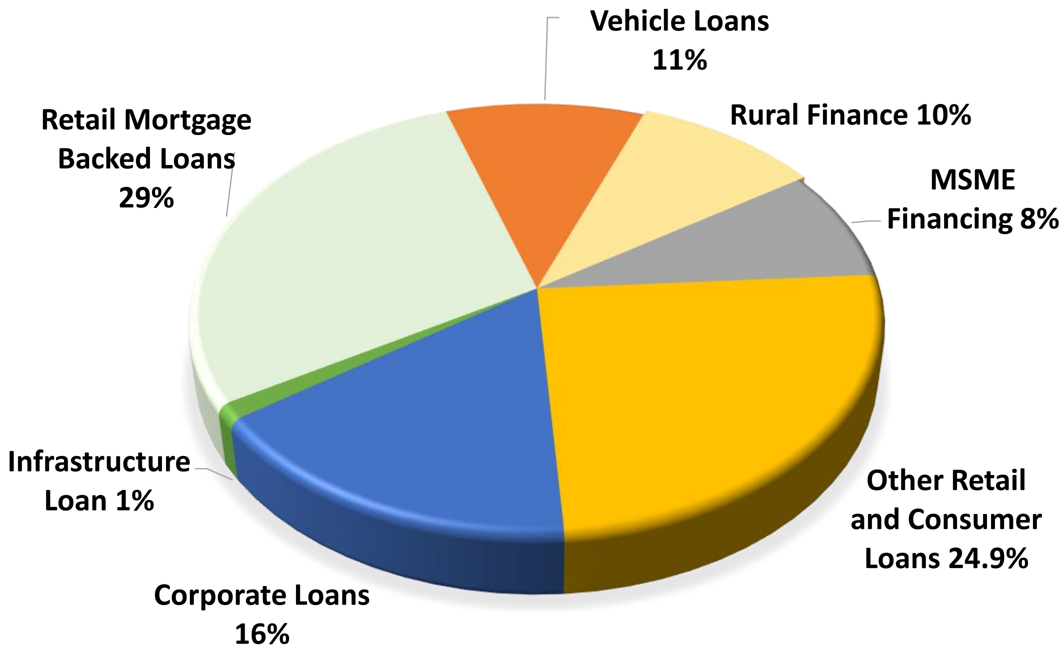
Diversified Loan Book

The Bank has transformed the loan book from a primarily wholesale credit book to a well diversified portfolio including retail, rural, MSME and corporate Banking

Loan Book: US$ 12,460 Million, December 31, 2018

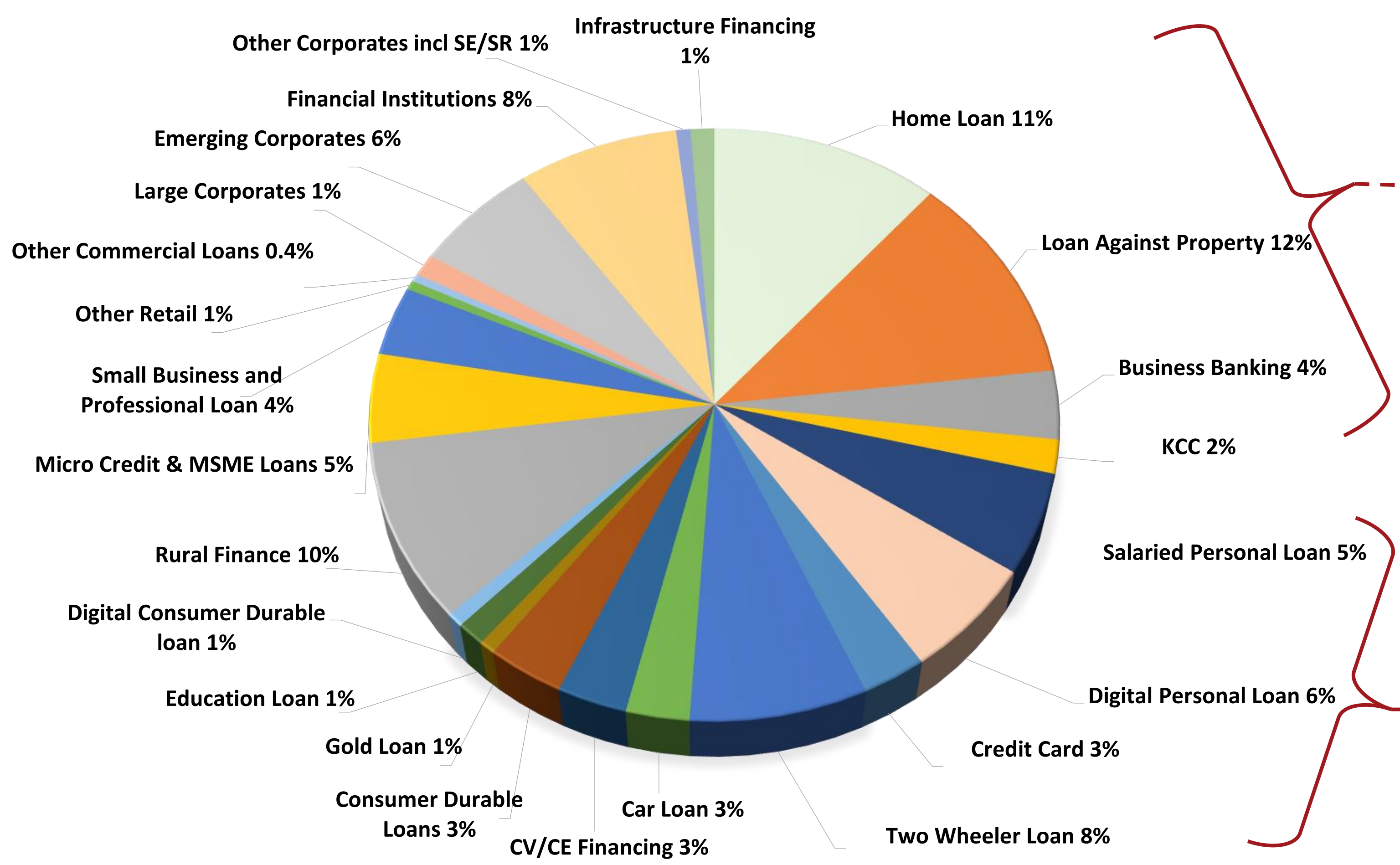


Loan Book: US$ 26,502 Million, September 30, 2024



- The Bank reduced the Infrastructure Loans of the total loan assets from 22% at merger to only 1.2% currently
- The Bank has improved the mortgage-backed loans % of the total loan assets from 13% at merger to 29% currently.
- The retail and consumer loans as % of the total loan assets from 9% at merger to 25% currently.

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



Loan Book: September 30, 2024
US$ 26,502 Million

29% of total loan book Backed by Mortgage

- **15% of total loan book is Unsecured Retail Credit**
- GNPA is at 2.08% and NNPA is at 0.61% as of Sep 30, 2024 for the consumer loan book including unsecured retail credit and Consumer durable loans, education loan, etc.

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

Gross Loans & Advances (In US$ Mn.)	Sep-23	Jun-24	Sep-24	YoY (%)	QoQ (%)
Retail Finance	**12,453**	**14,951**	**15,560**	**25.0%**	**4.1%**
- Home Loan	2,531	2,935	3,035	19.9%	3.4%
- Loan Against Property	2,575	2,944	3,098	20.3%	5.2%
- Vehicle Loans	2,124	2,598	2,816	32.6%	8.4%
- Consumer Loans	2,766	3,313	3,368	21.8%	1.7%
- Education Loans	210	284	335	59.7%	17.8%
- Credit Card	510	707	754	47.9%	6.6%
*- Gold Loan**	67	156	191	185.1%	22.1%
- Others	1,671	2,013	1,963	17.5%	-2.5%
Rural Finance*	**2,718**	**2,919**	**3,087**	**13.6%**	**5.8%**
Business Finance (MSME & Corporate)	**6,244**	**6,725**	**7,538**	**20.7%**	**12.1%**
*- of which CV/CE Financing**	587	795	821	39.8%	3.3%
*- of which Business Banking**	726	904	995	37.0%	10.1%
- of which Corporate Loans	3,491	3,751	4,189	20.0%	11.7%
Infrastructure	**400**	**329**	**316**	**-20.9%**	**-4.0%**
Total Gross Loans & Advances	**21,814**	**24,924**	**26,502**	**21.5%**	**6.3%**

** Rural Finance, CV/CE Financing, Business Banking, Gold Loans, Home Loans (US$ 3.57 Mn.) 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 MSMEs 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.*

4. Robust Risk Management Framework

a. Cash-flow based lending – fundamental basis of Bank’s lending

b. Trend in Bounce Rates

c. Trend in Collection Efficiency

d. Vintage Analysis

e. SMA and NPA Ratios in Retail, Rural, SME Book

f. Wholesale Credit Risk Management

The fundamental underwriting principle of the Bank explained

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.** Bank assesses the cash flow of the borrower through bank statement, GST, bureau EMI etc.
  - **B.** Bank takes debit instruction mandate for EMI.
- 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.
- Microfinance portfolio does not have debit instructions and the repayments are done through cash collections

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.

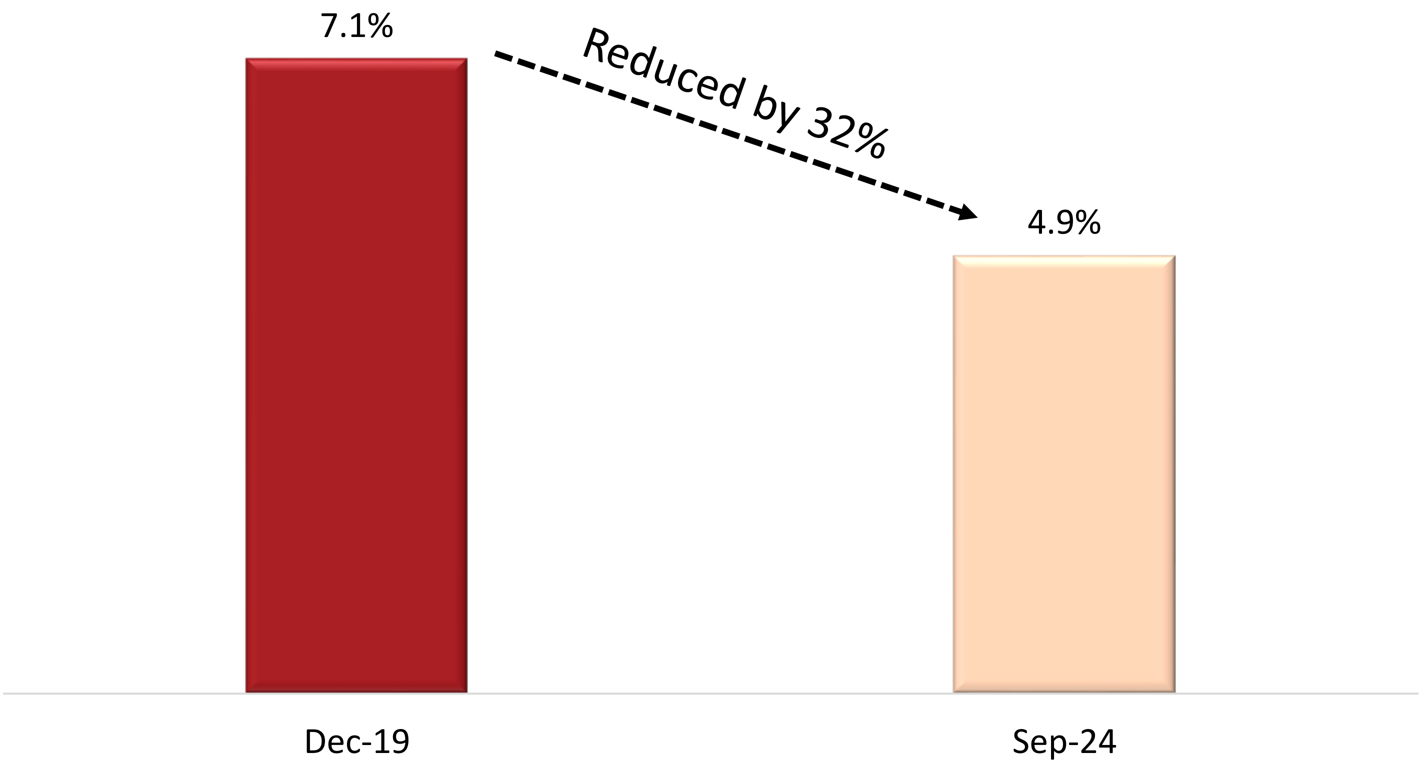
8 Personal Discussion
Personal discussion includes establishment of business credentials, clarifications on financials, queries on banking habits and bureau report, & understanding the requirement & end use of funds.

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.

First EMI returns for insufficient funds has reduced by 32% which indicates quality of underwriting has improved over the years



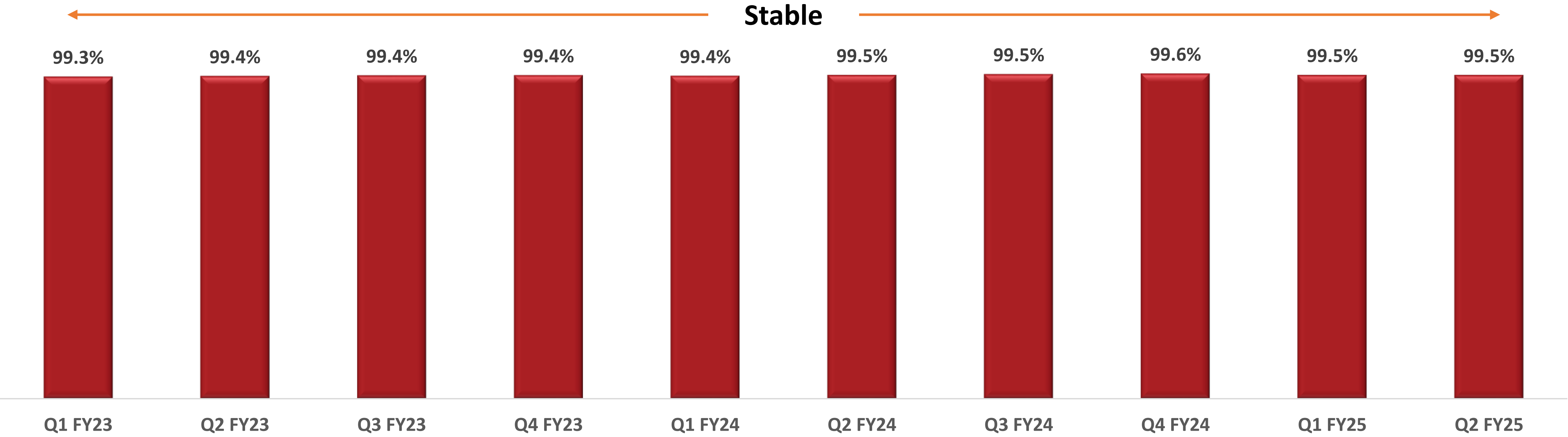
- First EMI (FEMI) represents Cheque returns in the FIRST month after Booking. It is thus a direct indicator of the Quality of Booking.
- First EMI Bounce Rate, including insufficient funds and technical bounce was at 5.7% as of Sep 2024
- % are on 12 month trailing basis, as a sustainable performance indicator

(EMI returns pertain to Month 1 EMI presentation for Month 0 Booking)

The Bank collection efficiency stable at 99.5% (Excluding micro-finance)

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

Collections % represented here do not include any arrear collections, or prepayment collections, and hence represents the true picture of collections efficiency.



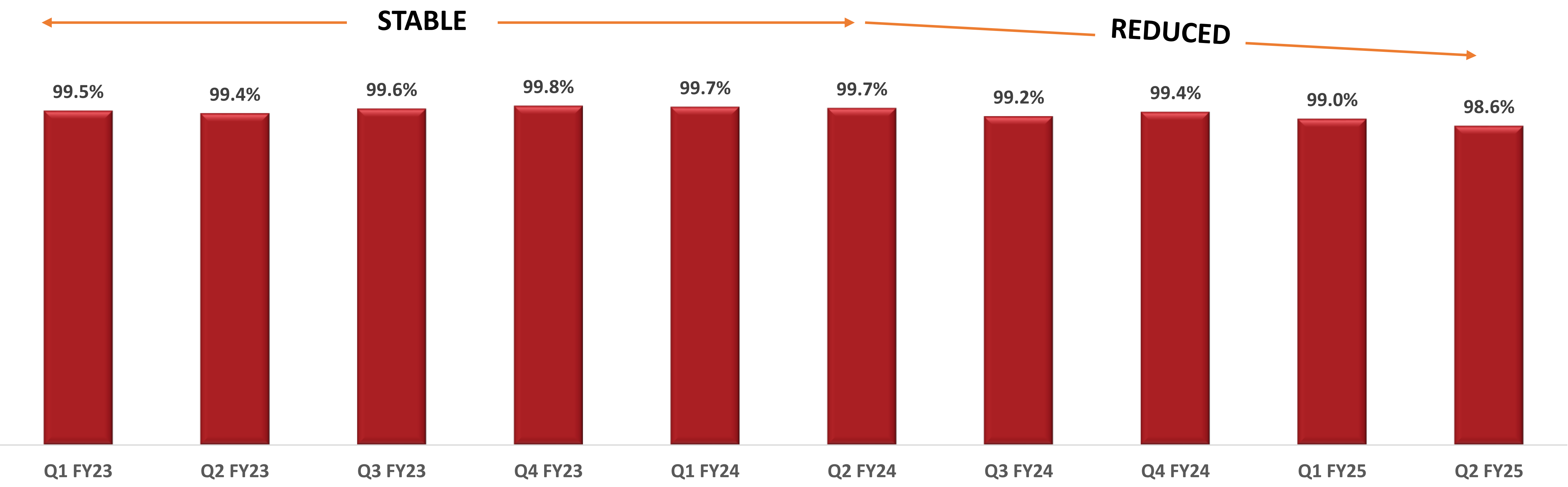
- Numbers pertain to collection efficiency in current bucket in Retail portfolio (excluding rural financing) which is the majority of the Book.
- Except the microfinance portfolio, the collection efficiency is stable for the other rural products

Note: The above figures are quarterly average of monthly collection efficiency.

Deterioration in collection % of Microfinance Business

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

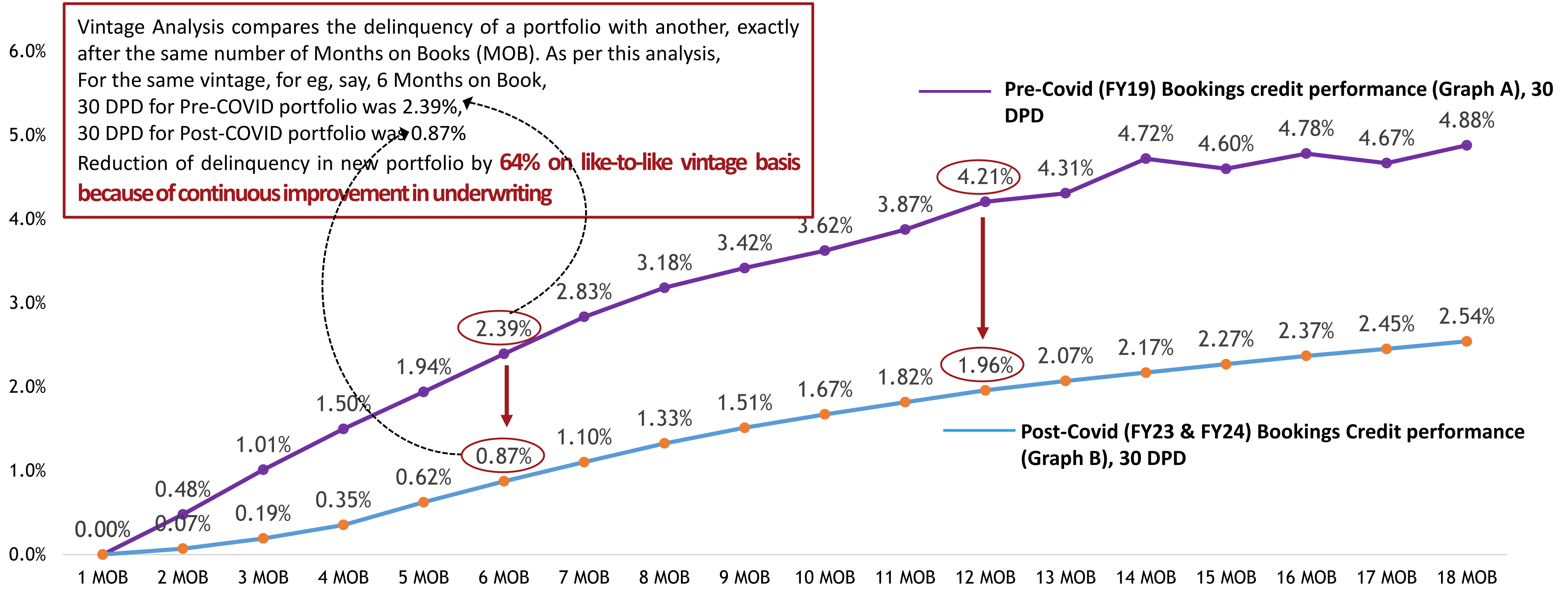
Note: Collections does not include any arrear collections, or prepayment collections in these calculations, and hence represents the true picture of collections efficiency.



Note: The above figures are quarterly average of monthly collection efficiency.

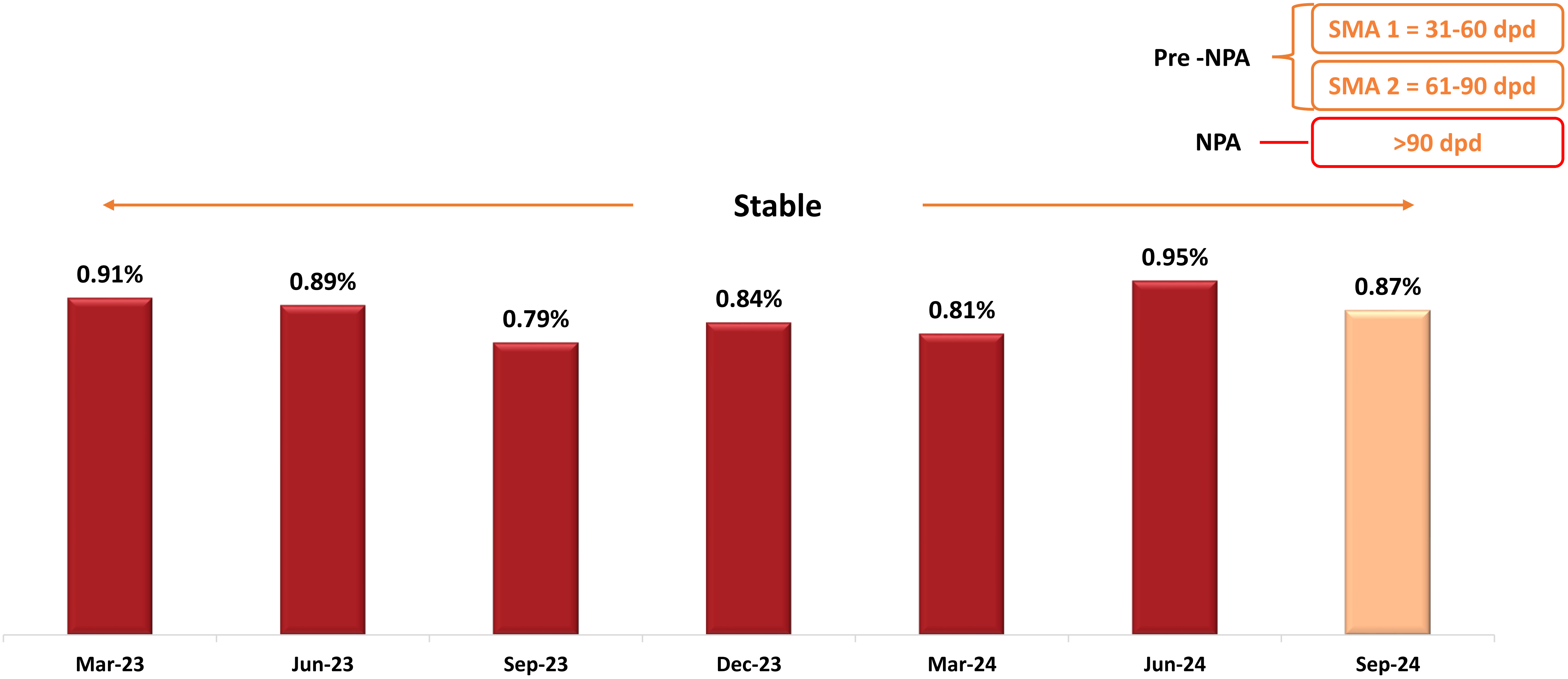
Vintage Analysis – showing quality of portfolio improvement over the year

(excluding microfinance business).



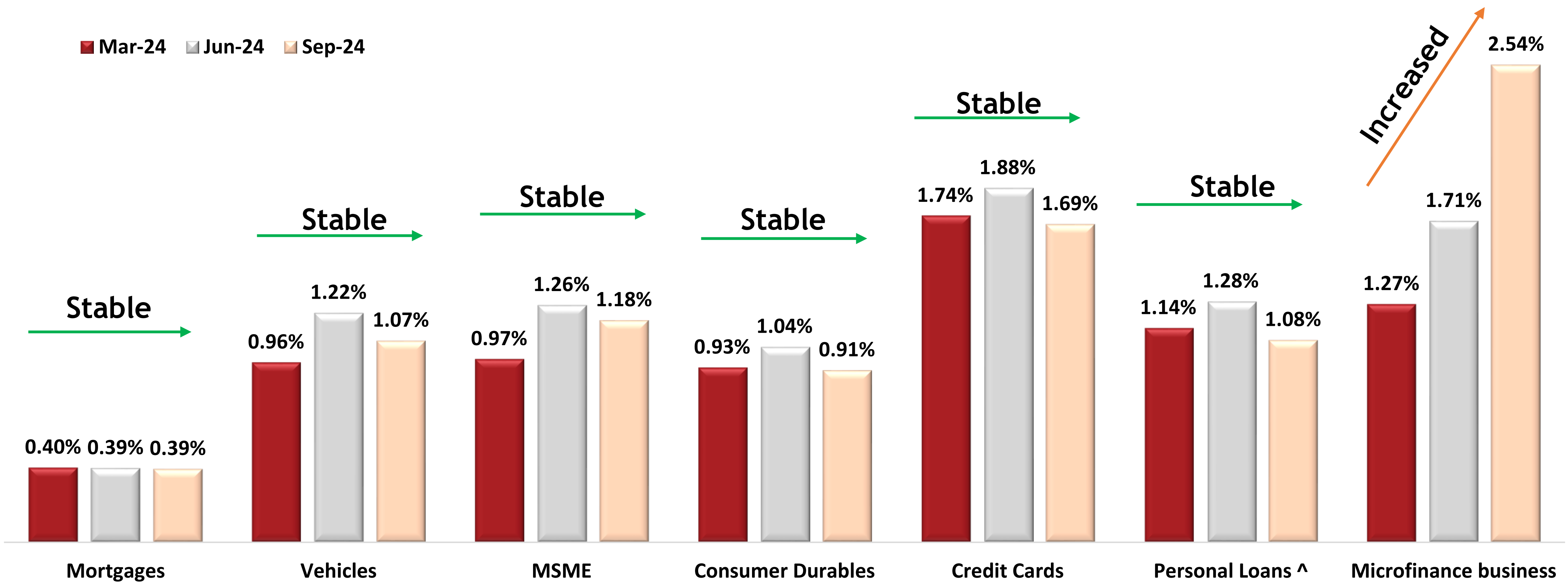
- <u>The Vintage analysis on this graph indicates the expected NPA over the next 3-5 years.</u> The delinquency for the new bookings of Post-COVID for like-to-like vintage is lesser than that booking of Pre-COVID. The past Pre- Covid bookings (Graph A) led to NPA of around 2% and Net NPA of around 1 %. Under the new bookings (Graph B), the NPA is expected to remain range bound around 1.5% and 0.5% based on the above vintage analysis.

SMA-1 & SMA-2 portfolio as % of Retail, Rural & MSME Loan Book (Excluding Microfinance business) is stable



- SMA-1 & 2 for overall Retail, Rural & MSME portfolio (including microfinance business) improved to **0.99%** as on Sep-24, from **1.01%** in Jun-24.

Product wise SMA Analysis – All product stable except Microfinance



^ including Digital loans

Micro-finance Loans – Product Features & Customer Profiles

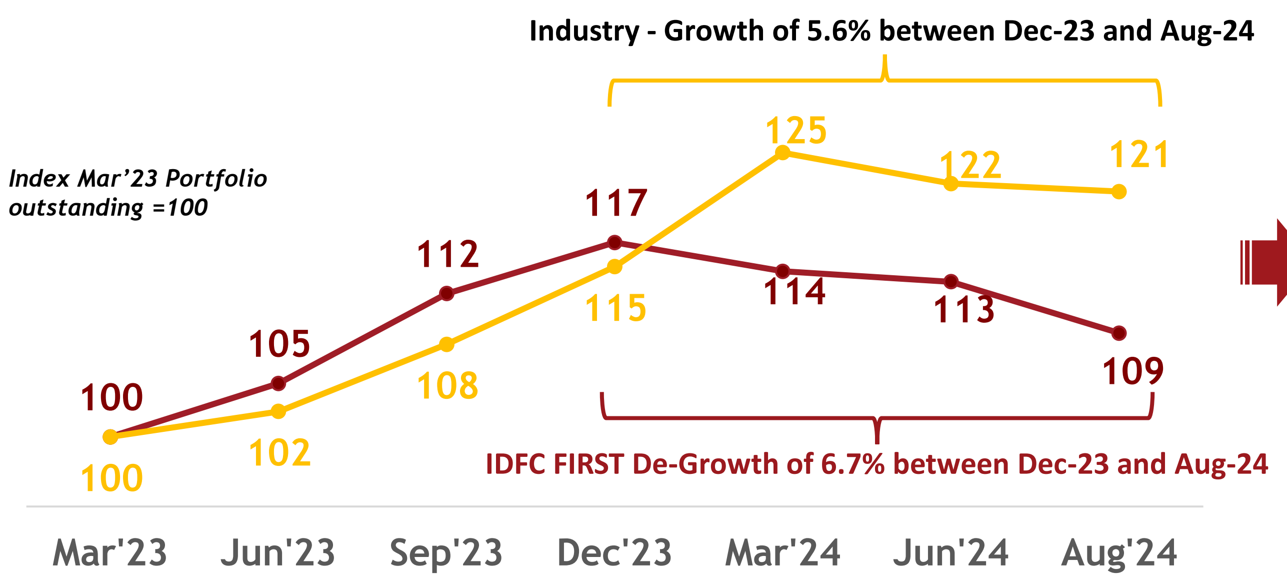
- Small ticket size loans offered to only women borrowers primarily in rural areas for their livelihood generation
- 4-6 members come together to form a group, who are provided collateral free loans with mutual guarantee among the members.
- Loans are of ticket size of US$ 357 to US$ 1190 with tenure of 2-3 years.
- Broader objective is driving financial inclusion by providing loans to women entrepreneurs
- ~98% of the portfolio are eligible for PSL under multiple categories of Agri, Small and Marginal Farmers, Weaker Sections

Micro-Finance business: Bank recognized the growing stress early in December 2023 & moderated disbursements

Micro-Finance Industry was adversely impacted due to increased leverage, general elections, heat wave, and reduction under the central meeting discipline.

The Bank recognized the stress in Micro-Finance early in December 2023 and took corrective action to slow down the disbursement

Industry Vs Bank - Portfolio growth comparison



Bank recognized the stress in Micro-Finance business in Dec'23 & started taking decisive corrective measures which include –

1. **Slowdown of Business**: Implemented Underwriting policy restrictions to slowdown the disbursal volume which resulted in the de-growth of the book
2. **CGFMU cover since Jan'24:** Incremental Bookings from Jan 2024 covered under the Credit Guarantee Scheme.
3. **Conservative Provisioning Policy:** The Bank makes early recognition and holds **~80%** on outstanding NPA book.
4. **Enhanced Collection Efforts:** Added more employees for collections in higher buckets. Ensured participation in Lok Adalats, started awareness campaigns & launched Call Centres.

Data source: MFIN Micrometer and CRIF.

IDFC FIRST Bank

IDFC FIRST Bank has a relatively better / similar delinquency than industry

Comparative performance of Industry and IDFC FIRST Bank across the Top 15 states

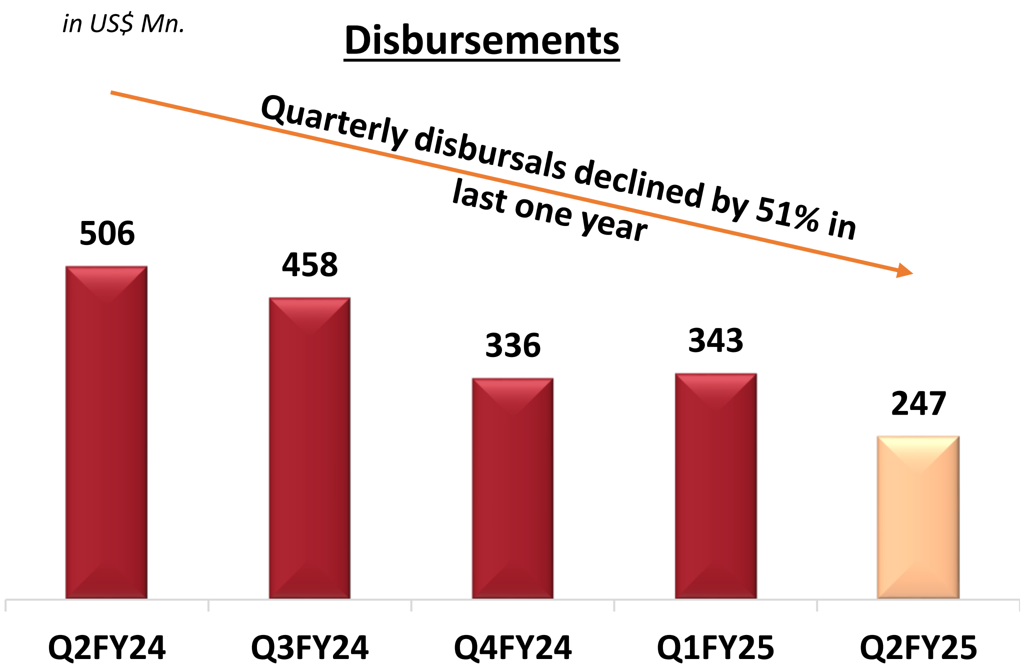
	IDFC FIRST Bank			Industry		
State	**IDFC POS (US$ Mn.)**	**% POS**	**PAR 30+**	**POS (US$ Mn.)**	**% POS**	**PAR 30+ %**
Tamil Nadu (TN)	912	60.8%	3.5%	6,670	13.0%	3.7%
Karnataka (KA)	145	9.6%	1.7%	4,958	10.0%	1.7%
Maharashtra (MH)	84	5.6%	3.1%	3,798	8.0%	4.9%
Kerala (KL)*	81	5.4%	9.8%	1,545	3.0%	7.1%
Bihar (BR)	54	3.6%	2.0%	7,547	15.0%	3.0%
Portfolio Contribution Top 5 States	**1,277**	**85.1%**	**3.6%**	**24,518**	**48.8%**	**3.5%**

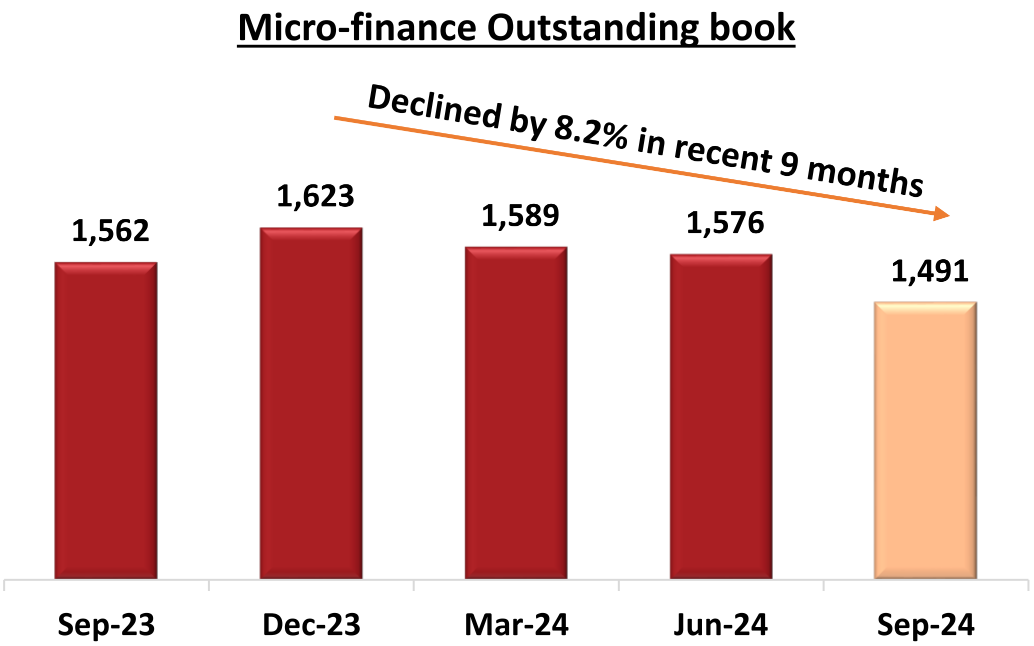
**The Bank has reduced its microfinance exposure in Kerala by 30% on YoY basis*

The Bank has been reducing the Micro-finance disbursals from December 2023

- Bank put restriction on new to bank customer in selected geographies and have been reducing geographic concentration
- The Bank implemented micro-finance scorecards for ETB and NTB segments in Q2FY25 to identify riskier customers
- Key additional parameters like lender count, overdue & leverage norms are reviewed for customer selection.

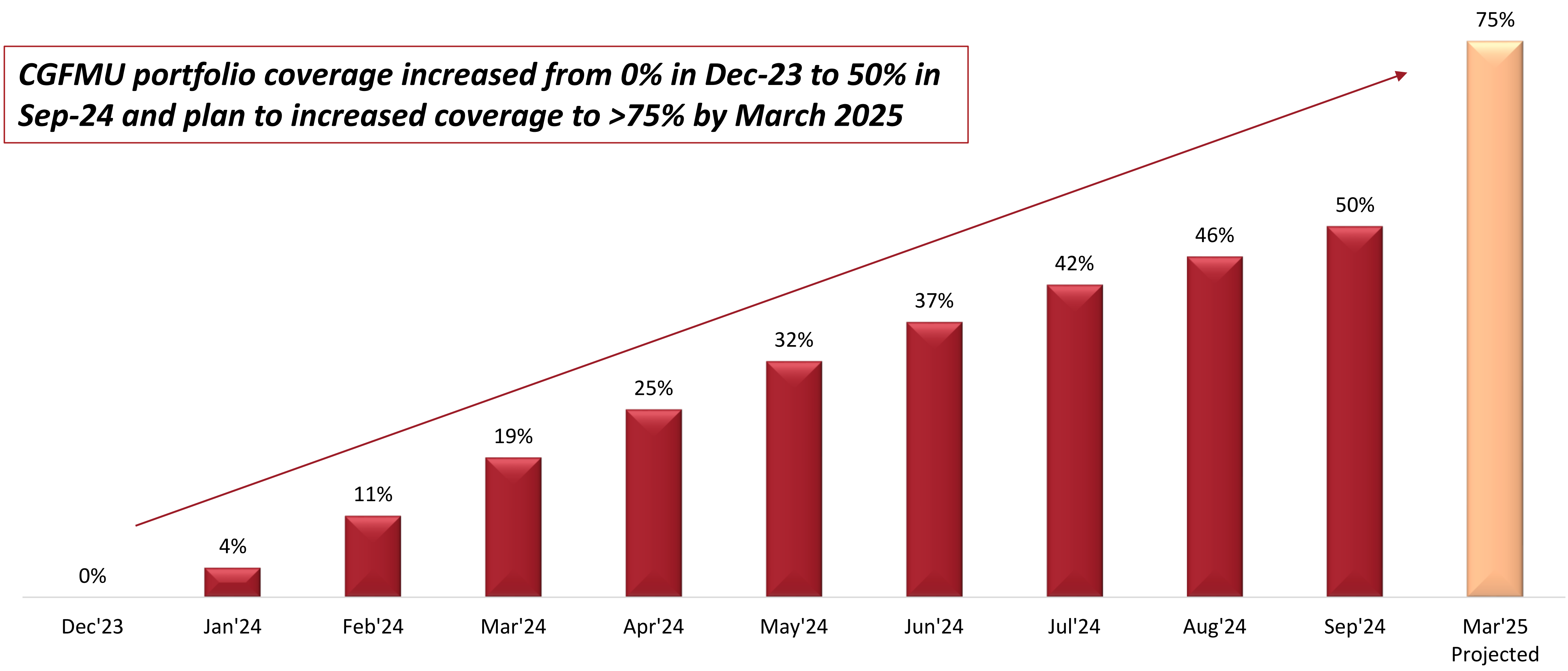
The pro-active tightening of the underwriting norms has resulted in slowing down disbursal



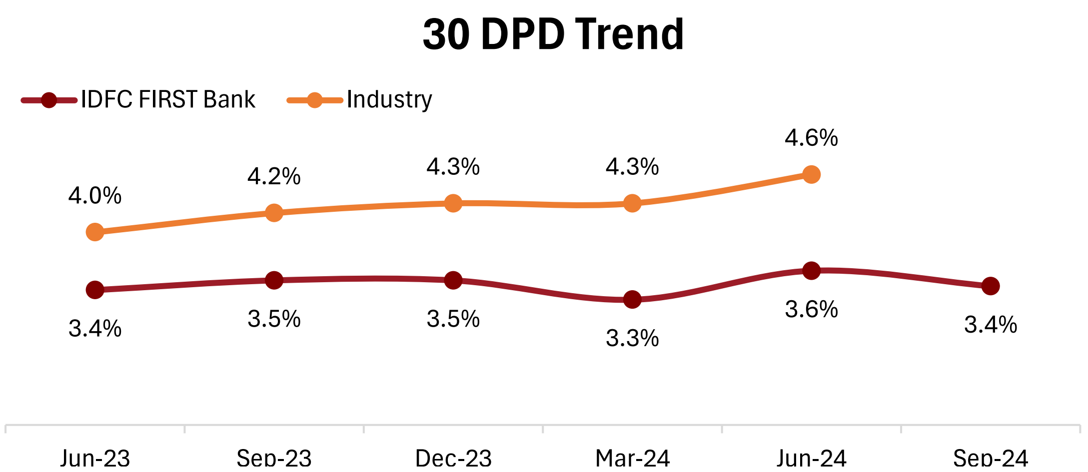


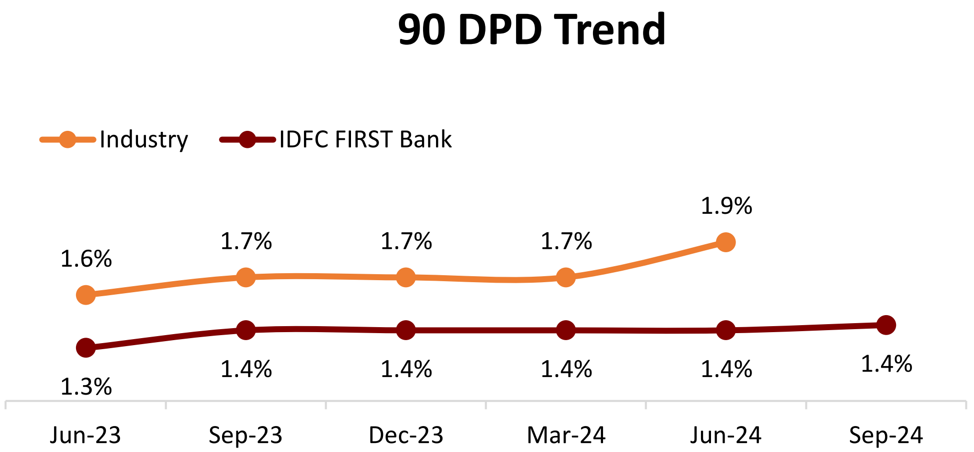
Micro-finance business: CGFMU cover increased gradually since January 2024

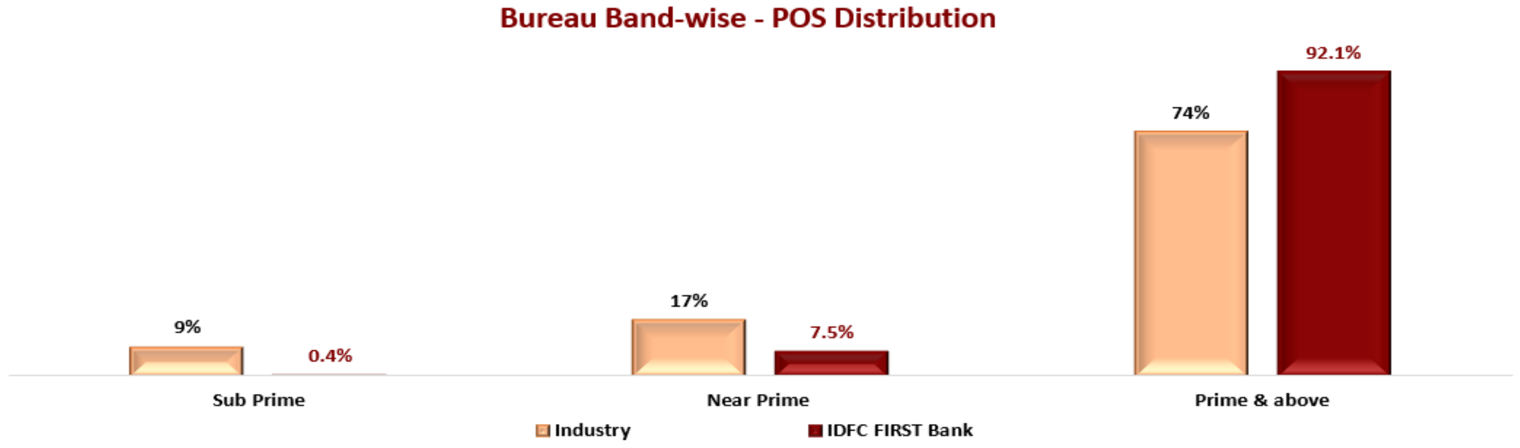
CGFMU portfolio coverage increased from 0% in Dec-23 to 50% in Sep-24 and plan to increased coverage to >75% by March 2025



Credit Card – Portfolio delinquencies trending better than Industry.





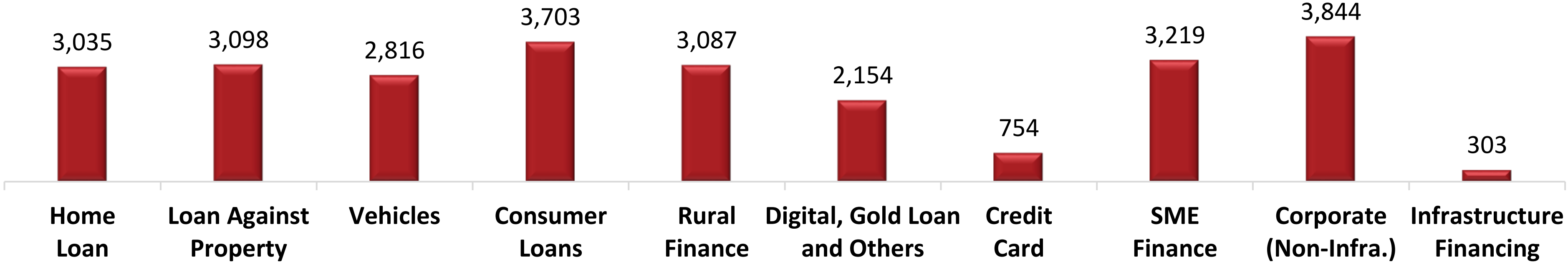


Basis the latest Bureau data as of Jun 2024
*TU CIBIL V3 Score Band definition :- Sub Prime – 300-680, Near Prime- 681 – 730, Prime & above >730

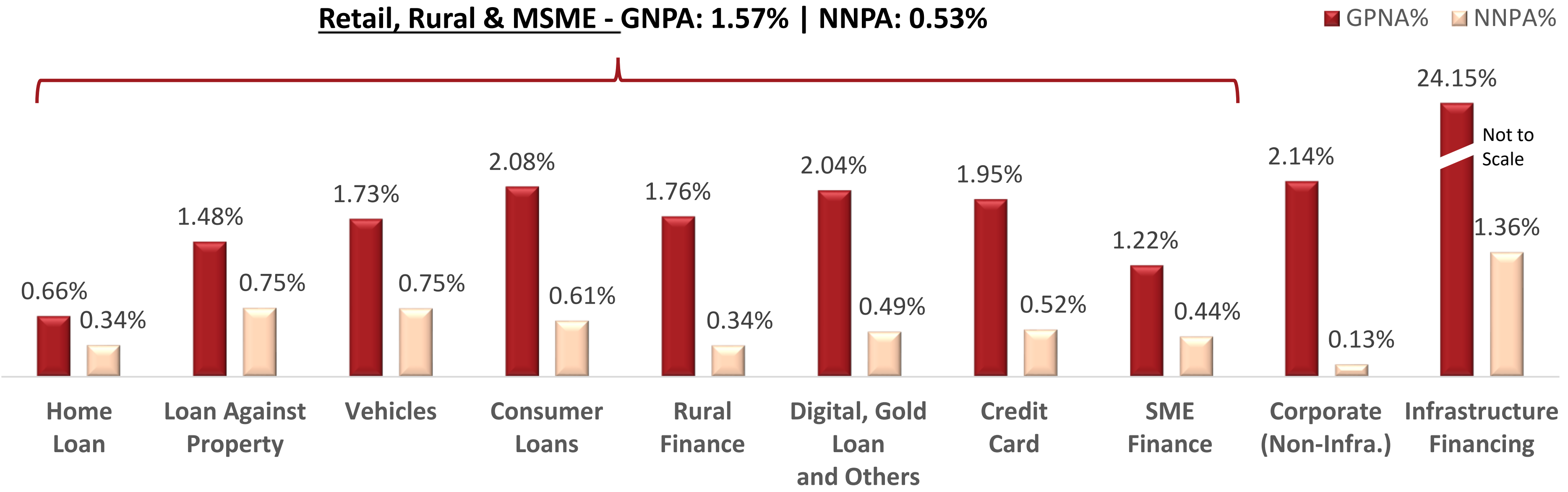
*TU CIBIL data as of Jun 2024. Balance between 31 – 180 DPD and 91 – 180 used for 30 DPD and 90 DPD comparison.

Retail, rural and MSME product segments continue to have low NPA ratios

Gross Advances Breakup (US$ Mn.)



Retail, Rural & MSME - GNPA: 1.57% | NNPA: 0.53%

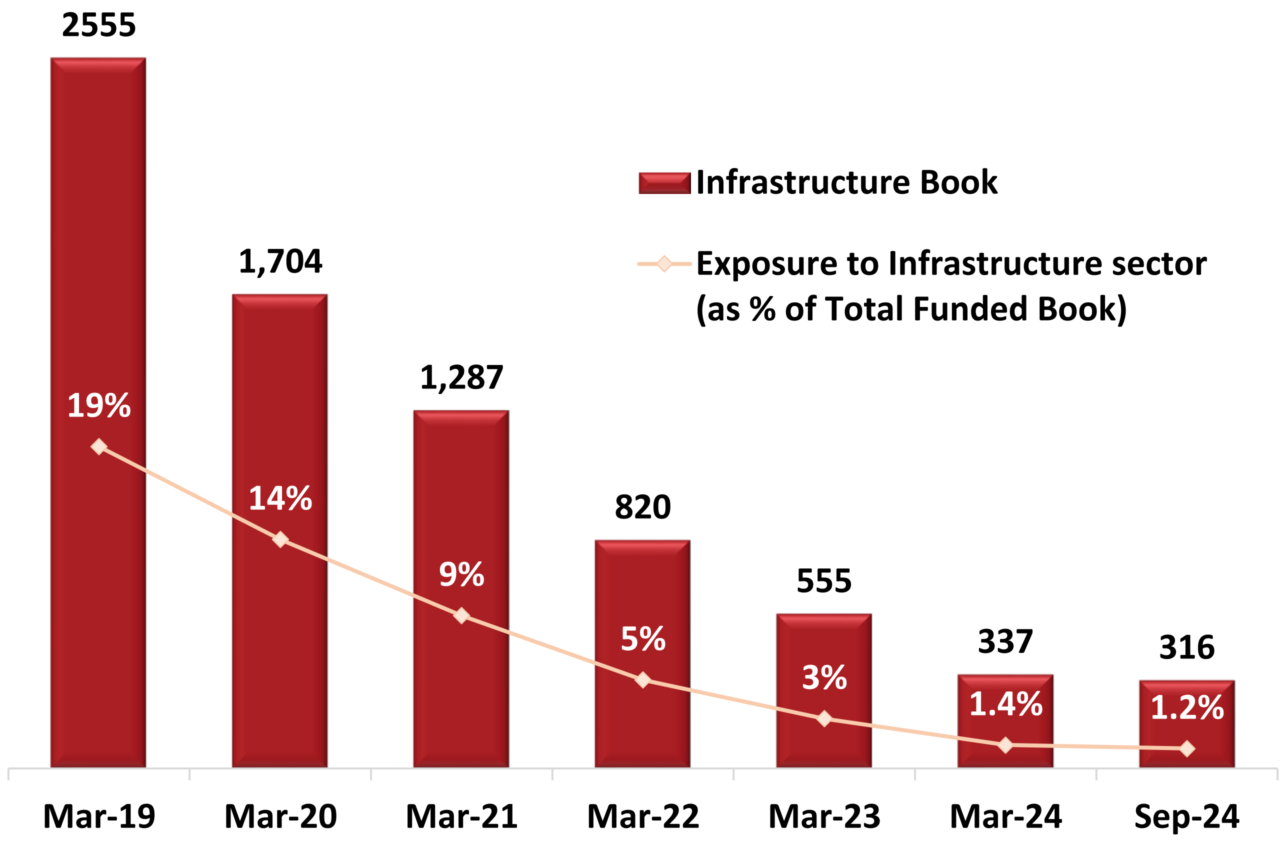


Gross Advances of the Bank stood at US$ 26,013 Mn.

Bank's GNPA was at 1.92% and NNPA at 0.48%

Provision coverage at bank level stood at 75.3%;

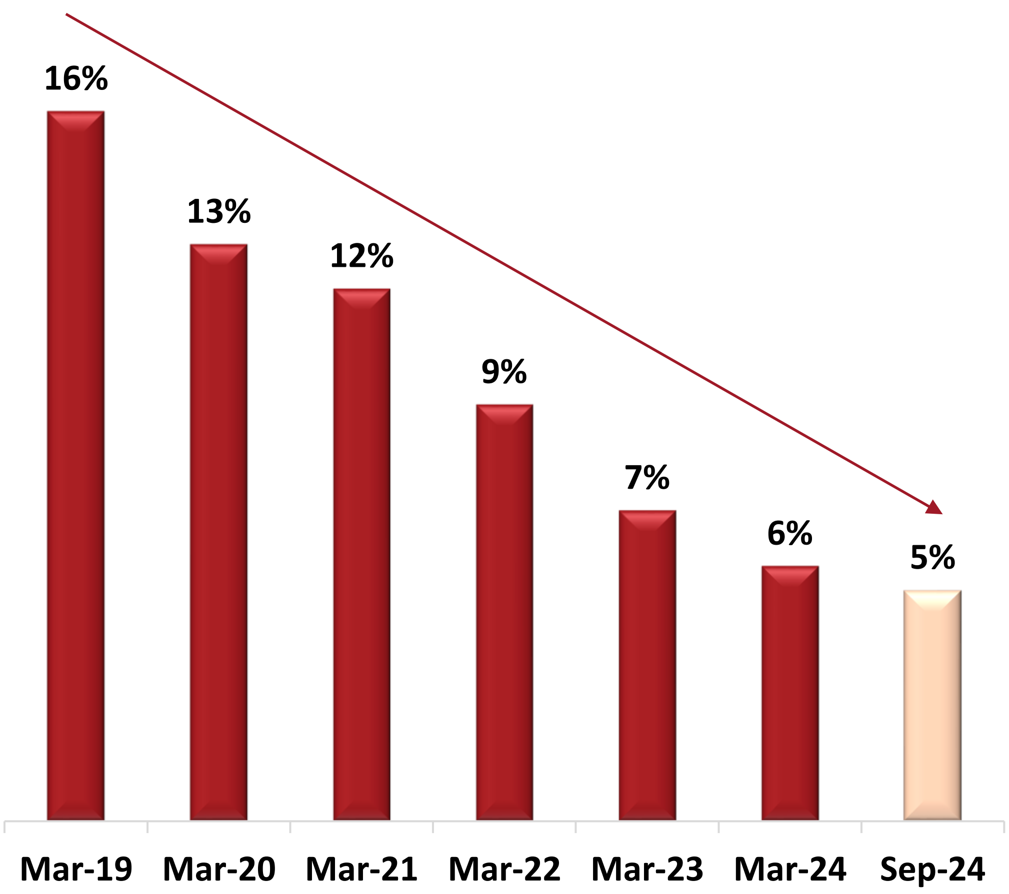
The Bank has reduced its infrastructure financing portfolio from 19% in Mar-19 to 1.2% of the total funded assets in Sep-24.



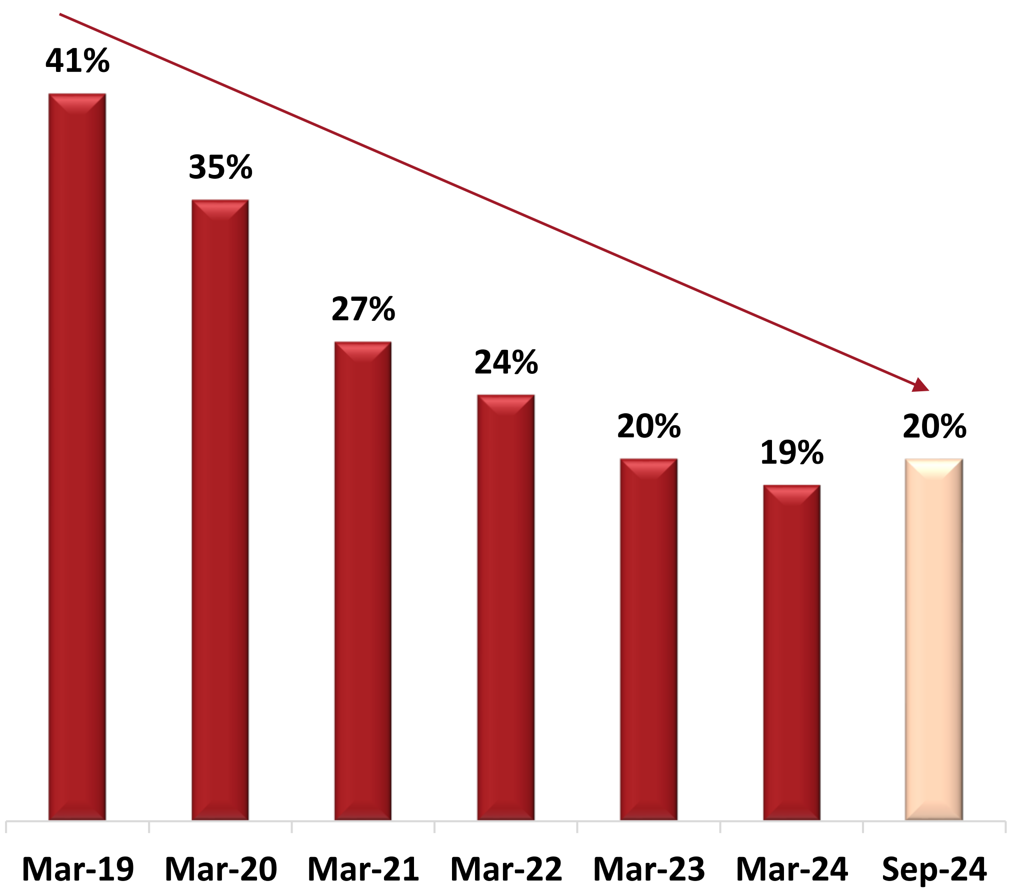
- The Bank had a total funded exposure of US$ 316 Mn. as of Sep 30, 2024.
- Out of this, the Bank has funded exposure of US$ 57 Mn. in a large Mumbai toll project account, where the Bank has reduced its exposure from US$ 130 Mn. as of March 31, 2018.
- The Bank has now provisioned 100% against the outstanding exposure in this account as on date, including US$ 30 Mn. additional provisions done in Q2-FY25.
- Bank does not expect any further provisioning requirements for the residual infrastructure loan portfolio

As a key risk measure, the Bank has reduced concentration risk in Wholesale lending

Also, the exposure to top 20 single borrowers reduced from 16% in Mar-19 to 5% in Sep-24

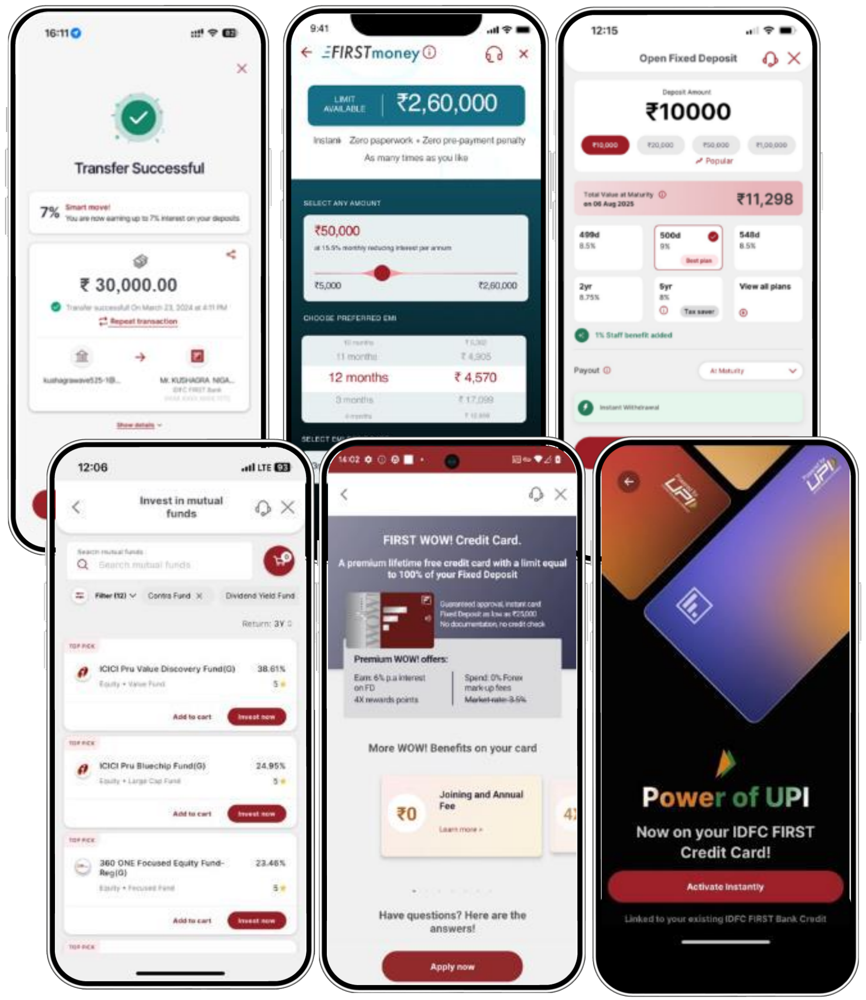


Further, the exposure to top 5 industries also reduced from 41% Mar-19 to 20% in Sep-24 which has further strengthened the balance sheet.



Section 5: Digital Capabilities

Bank successfully rolled out an advanced Mobile Banking App with top rating of 4.9 on Google Play and 4.8 on App Store



- CREATE FD in 2 CLICKS
- FIRSTMONEY PL – ETB/NTB
- ACE FUNDS/ IPO
- SMART STATEMENT
- RUPAY CC on UPI
- PAY ABROAD
- RECHARGE & BILL PAY
- ACCOUNT AGGREGATOR
- 1 CLICK SAVINGS ACCOUNT
- TARVEL & SHOP

The Forrester Digital Experience Review: Indian Mobile Banking Apps, Q3 2024 →

4.9 — Google Play

4.8 — App Store

16M+ USERS ON APP

6.5M+ MONTHLY ACTIVE

1.2M+ MONTHLY TRANSACTING

900k+ REVIEWS

Wealth Management: AUM growing at 60% CAGR and crossed US$ 2,400 Mn.

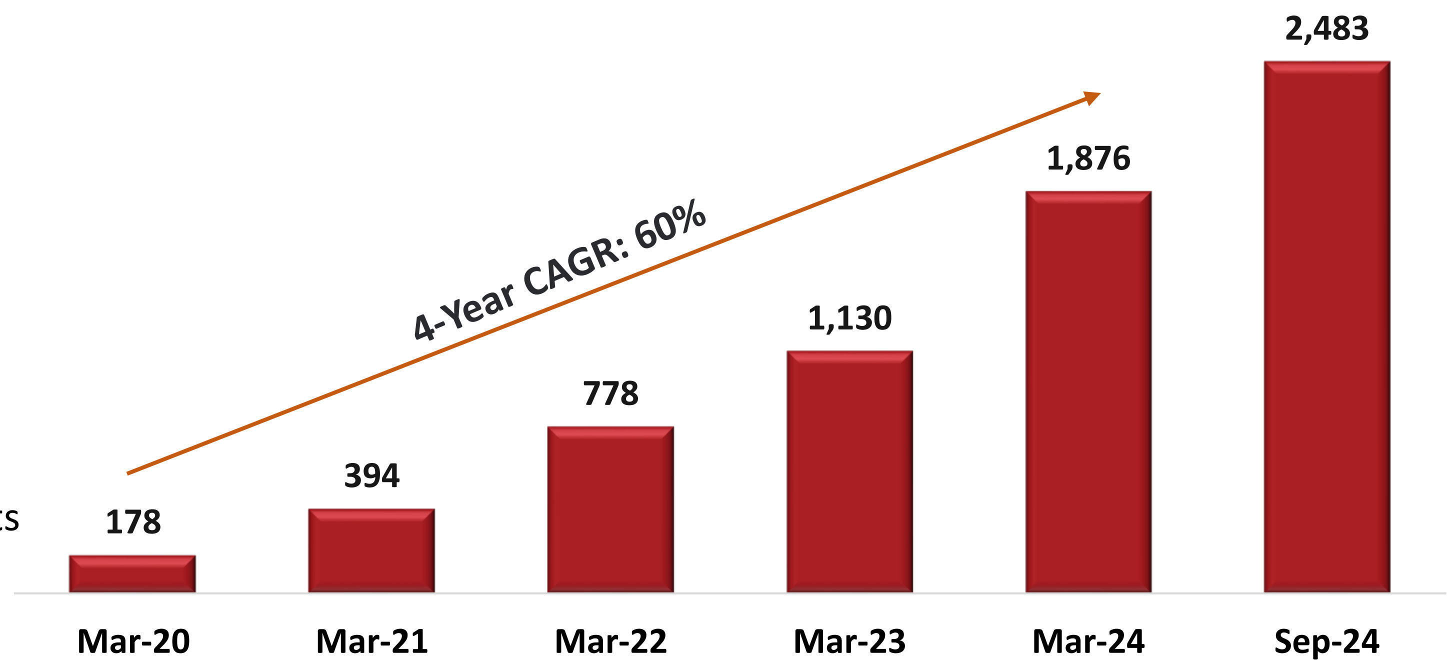
- The Bank has successfully launched Wealth Management
- Wealth Management AUM from scratch to US$ 2,483 Mn. in the last 5 years after merger
- In Q2-FY25, the Wealth Management AUM grew by **79%** YOY. Ambition to reach US$ 11,900 Mn.

FIRST Private

Our Offerings:

- PMS & Alternate Investment Funds
- Bonds & Structured Products
- Pre-listed and Pre-IPO Equity Funds
- Estate & Trust Planning Services
- Loan against Securities & IPO
- Offshore & Immigration Linked Investments

Wealth Management AUM (US$ Mn.)



Over 20 million FASTags issued

Largest Issuer bank

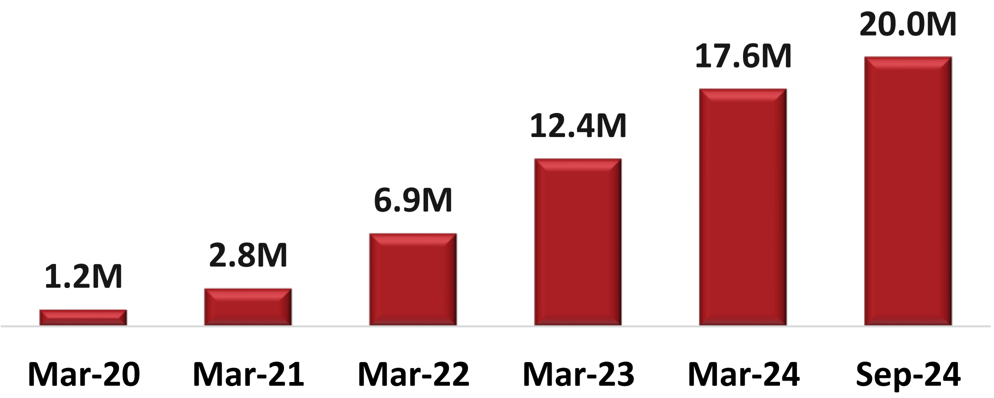
IDFC FIRST is the largest issuer among 38 Issuer banks in NETC with respect to FASTAG monthly activation numbers and value processed.

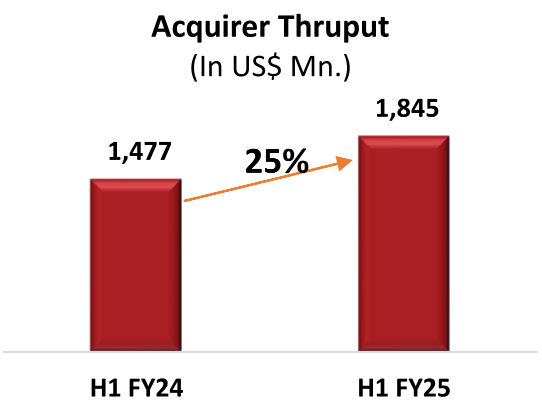
Largest Acquirer Bank

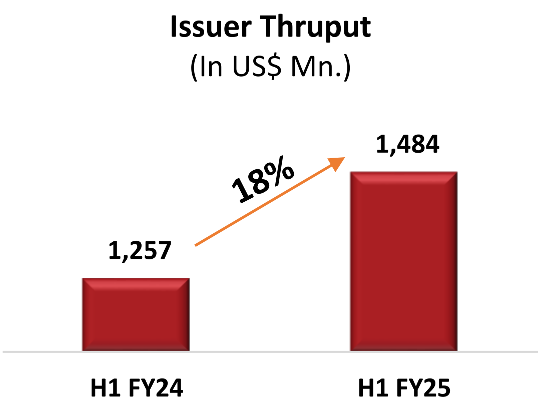
Largest Acquirer Bank with 765+ Toll plaza and parking merchants, with 45% market share.

Issuance Value

Issuance value has reached US$ 8 Mn. per day in H1-FY25, with 37% market share.

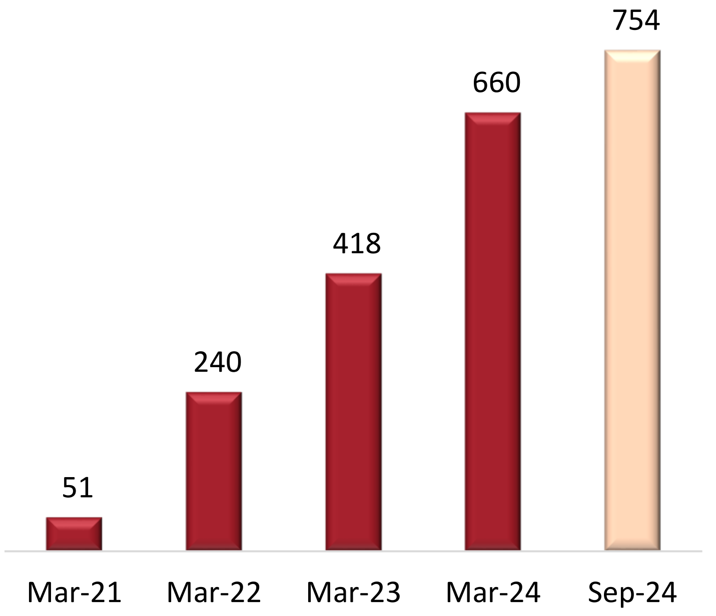




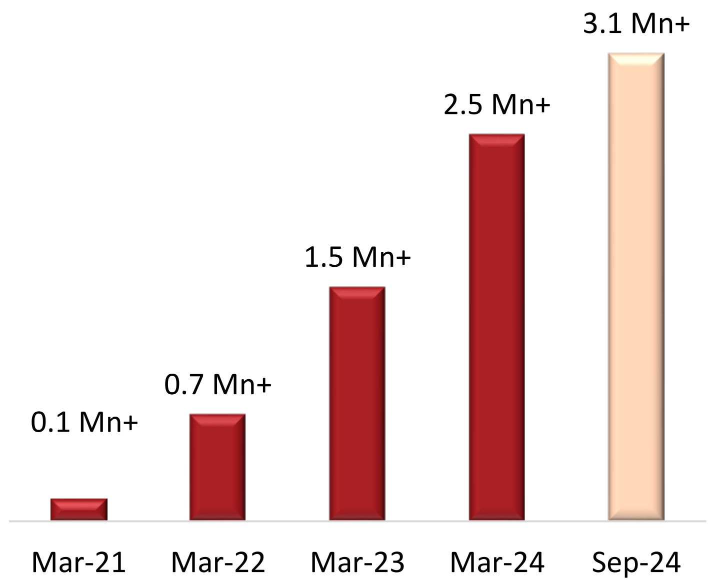


Credit Cards in force crosses 3 million mark

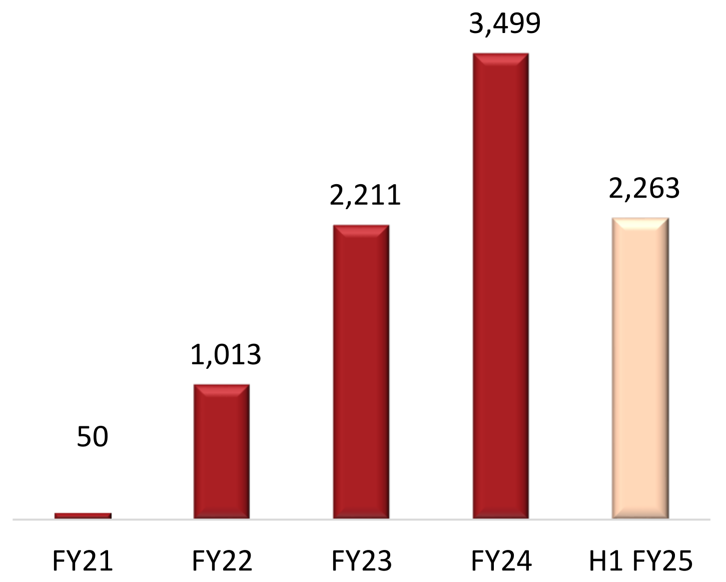
Credit Card Book (US$ Mn.)



Credit Cards in force



Credit Card Spends (US$ Mn.)



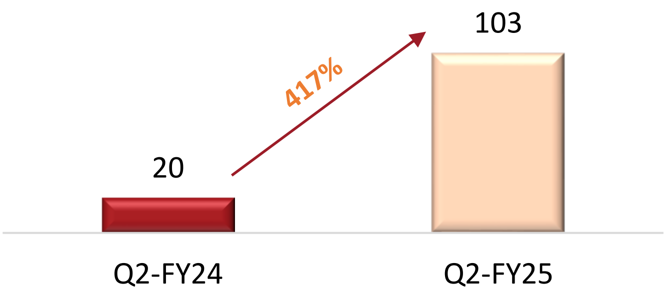
During H1FY25, the Bank has launched Metal Variants

Ashva & Mayura

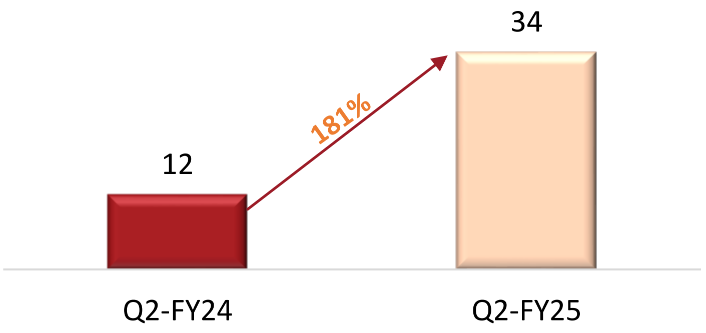
Strong growth in Business (Value) from recently launched App

In US$ Mn.

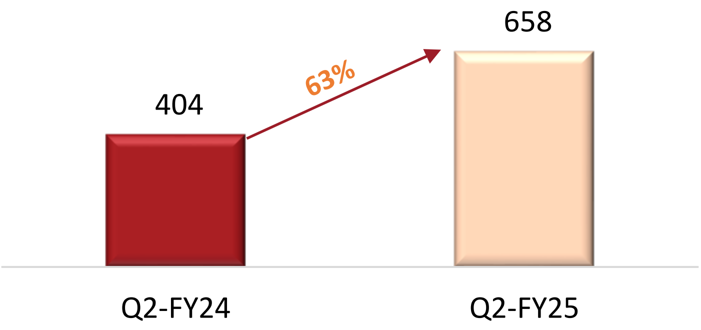
Mutual Funds (Investments)



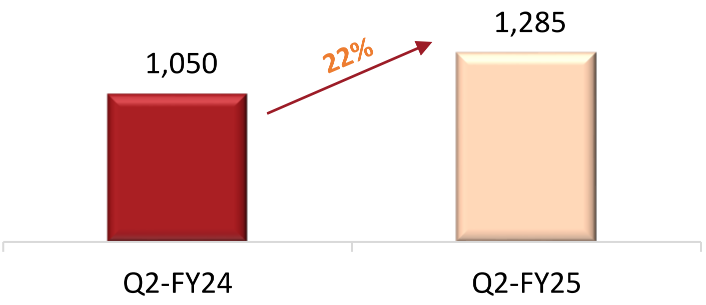
Foreign Payments



Payment through UPI

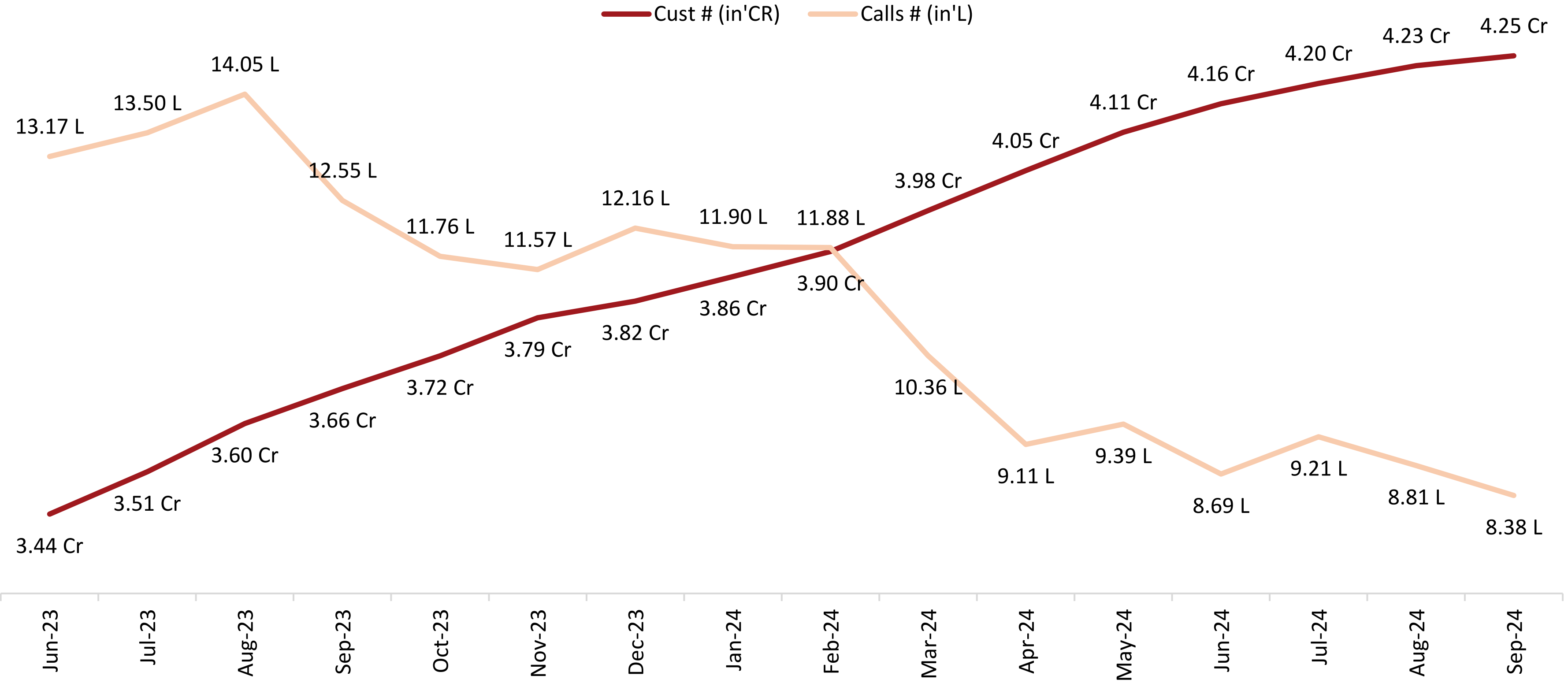


Fixed Deposits



Strong improvement in Customer Service due to Digital Capabilities

- Digitisation initiatives are improving efficiency and customer experience in customer service, disbursement, processing, collection, liabilities, and all divisions.
- For instance, in the last one year, the number of customers increased by 21% while the monthly customer calls at contact center reduced by 34%.



>90% calls answered within **1 sec** with 97% Service Level

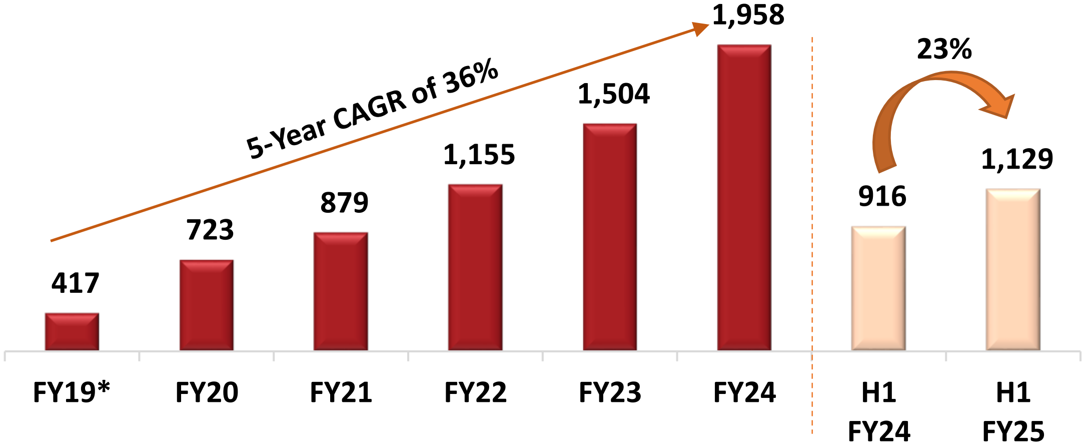
These are not unique customers. This is number of relationships with the bank. For eg, if a customer has a credit card and a savings account, it is treated as 2. Excludes BNPL.

Section 6: Profitability & Capital

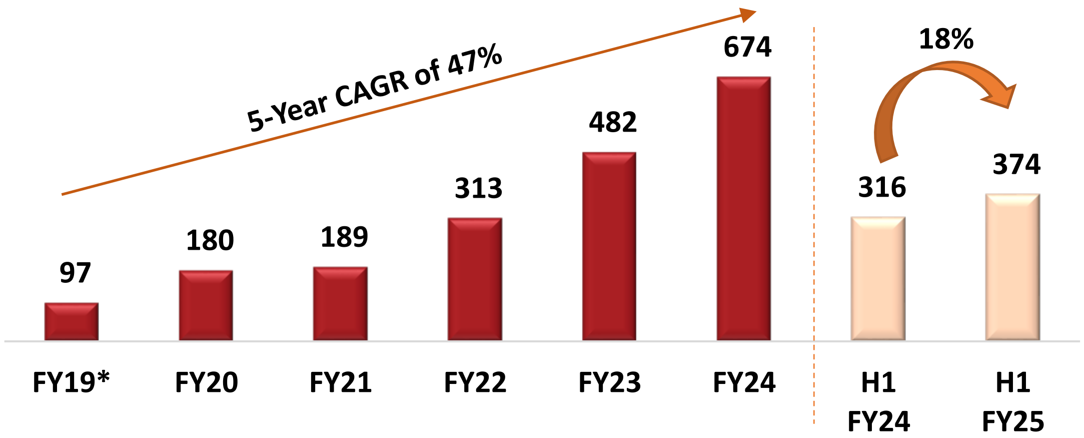
Strong rise in Profitability

In US$ Mn. unless specified otherwise

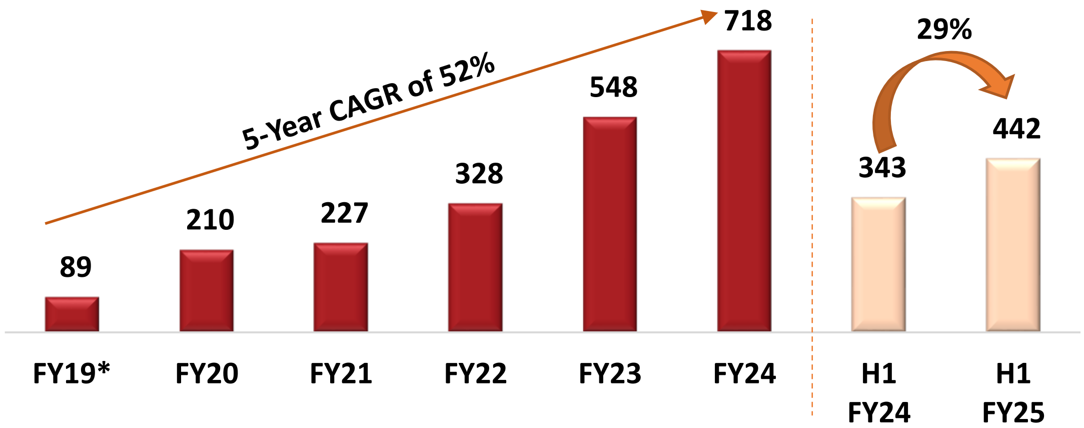
Net Interest Income



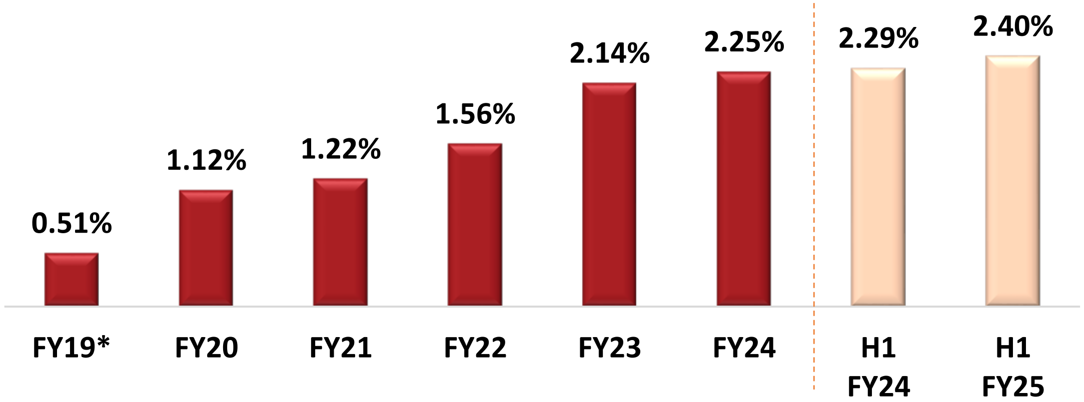
Fee and Other Income



Core Pre-provisioning Operating Profit ^



Core PPOP as a % of Average Total Assets ^

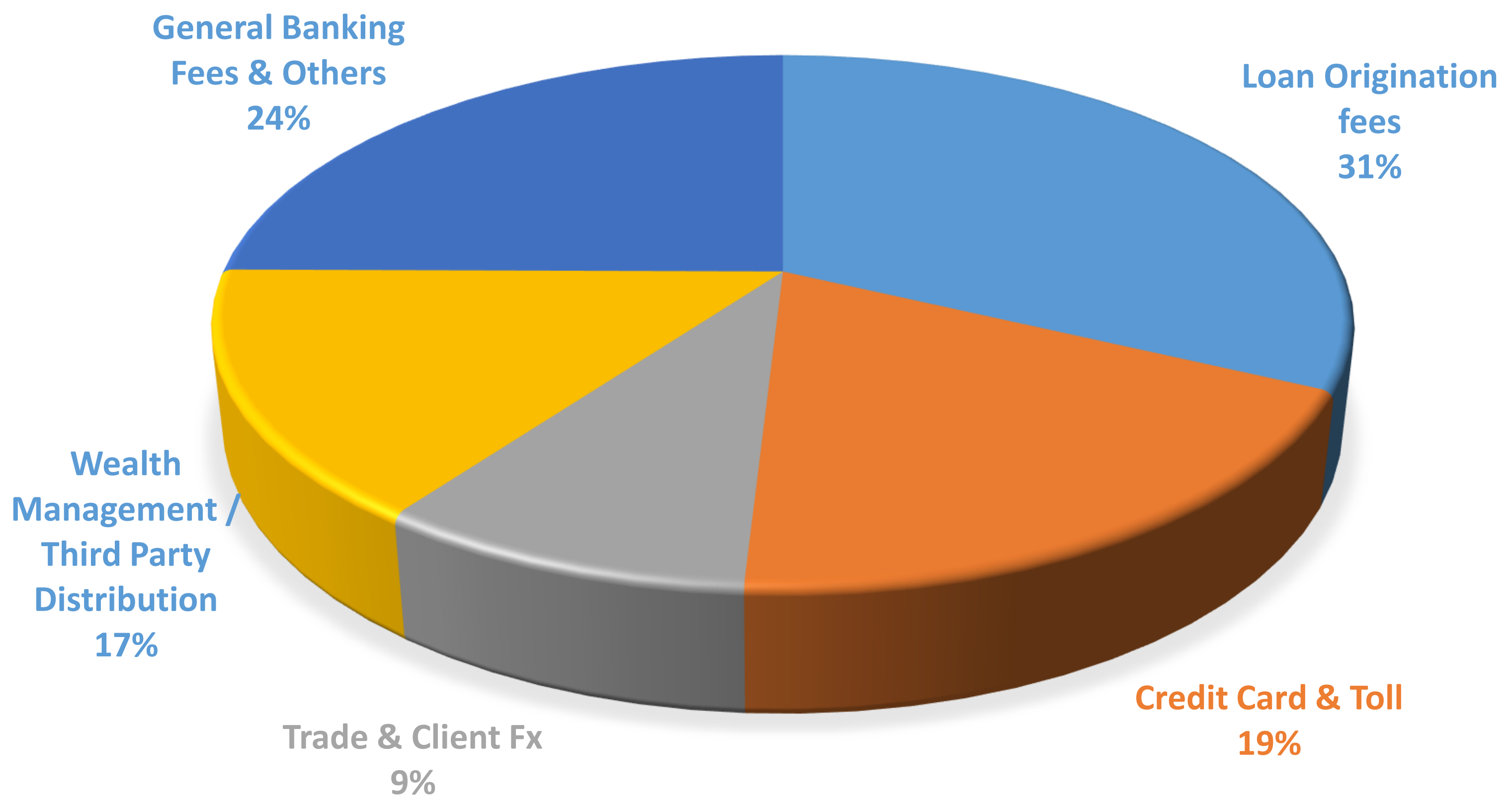


^ Excluding trading gains

** Reported Numbers are as per the reported results of respective Financial Years*

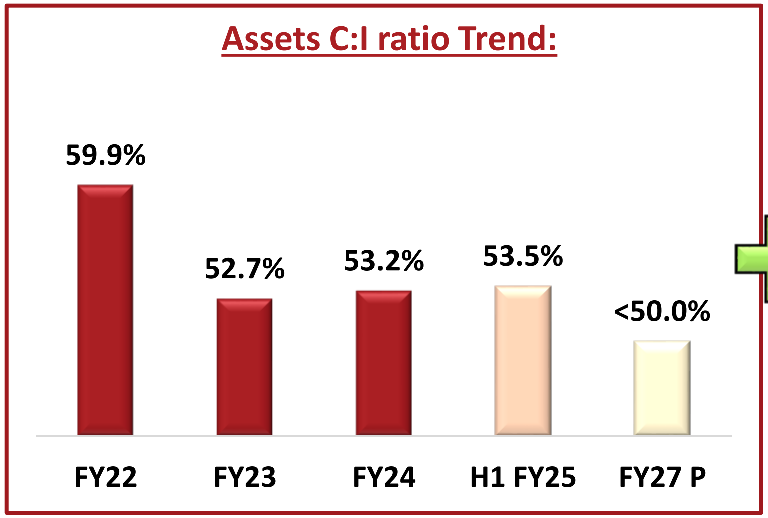
IDFC FIRST Bank

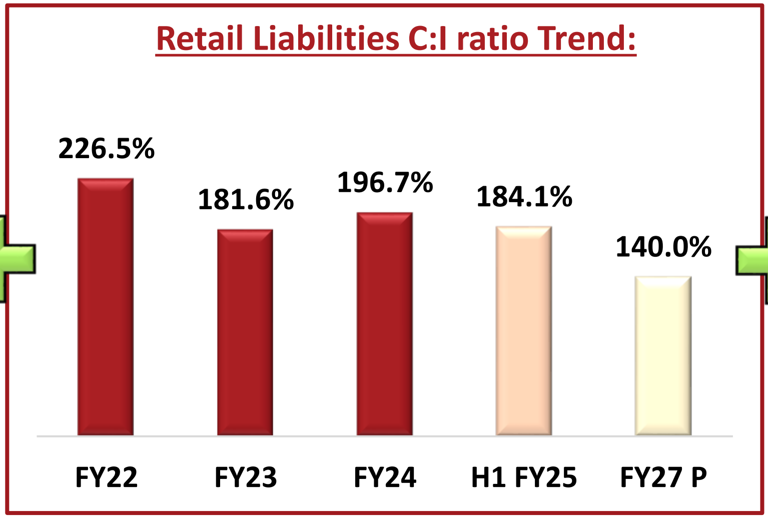
Breakup of Fee & Other Income – H1-FY25

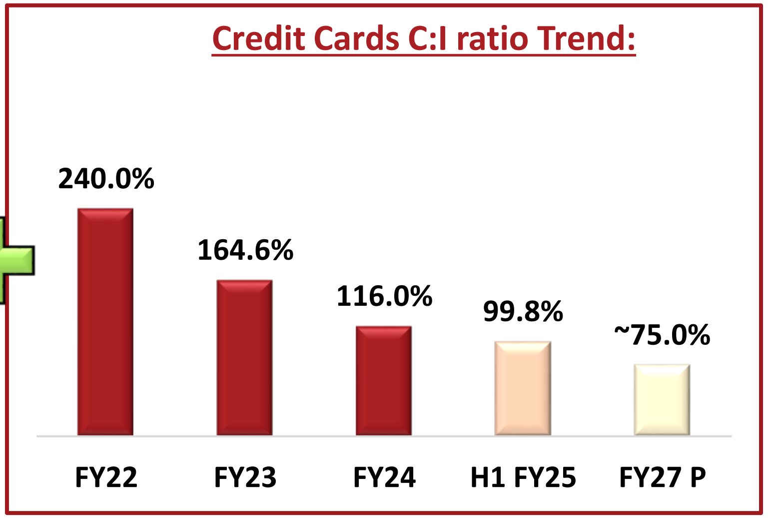


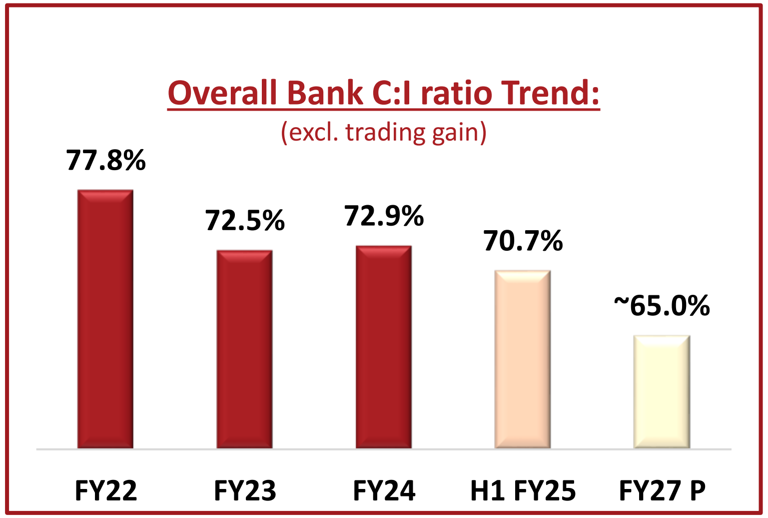
- The Bank has launched and scaled up many fee-based products in the last 5 years.
- Many of these products are in the early stage of their lifecycle and have the potential to grow significantly going forward.
- **92%** of the fee income & other income is from retail banking operations which is granular and sustainable.
- Fee to Average total assets stood at **2.08%** for H1-FY25

Targeting to bring down the Cost to Income Ratio over next 3 years







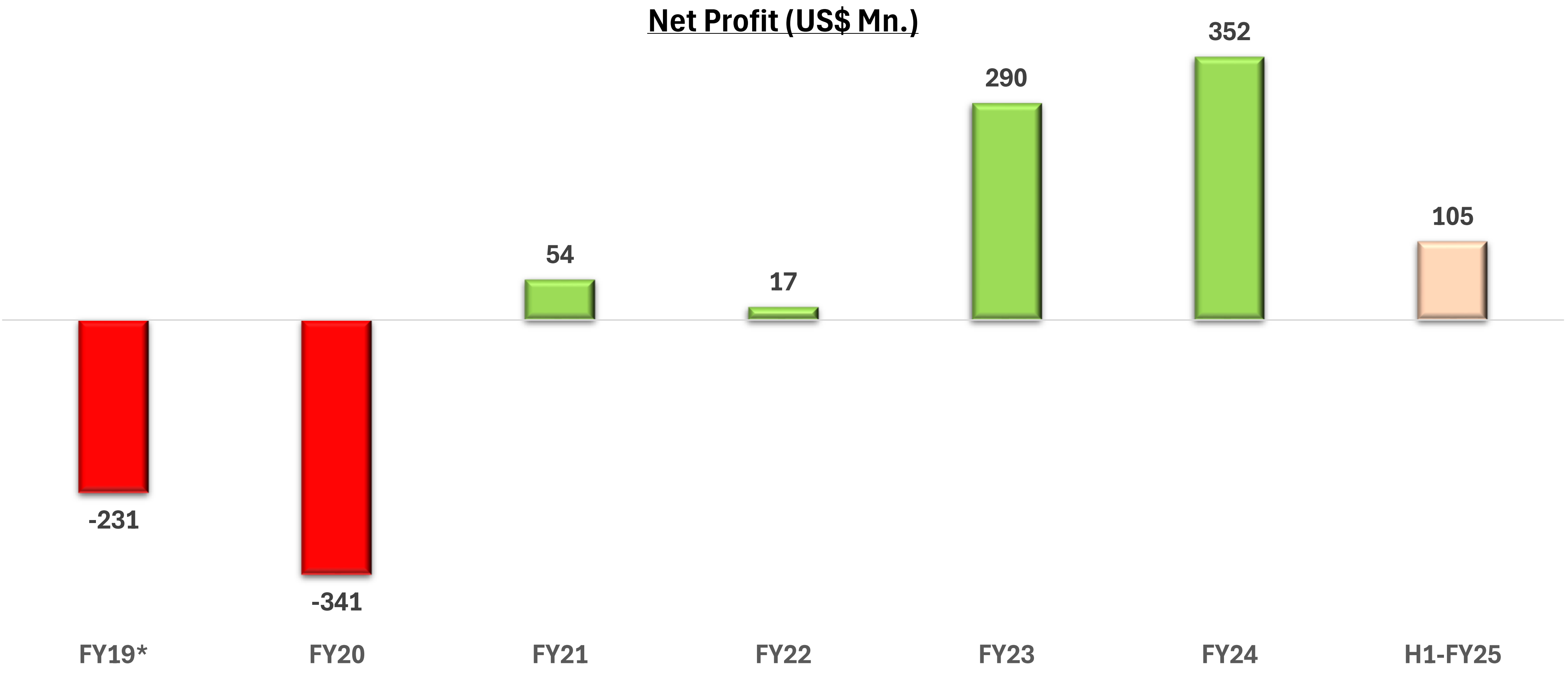


- **Economies of scale will lead to reduction in the cost to income ratio of Assets.**
- **Bank requires to grow branches only about 10% annually against estimated deposit growth of ~25%.**
- **Credit Cards C:I come down from 240% to <100%, will reduce to ~75% with scale by FY27.**
- **At a overall Bank level , the C:I to improve to ~65% by FY27.**

Disclaimer: *Kindly note that the aspirations mentioned above have been presented in good faith based on our internal estimates and current business environment. The Bank may or may not be able to achieve the same based on multiple factors such as interest rate movements, regulatory changes, macro-economic changes, geo-political factors, change in business model and any other factors unknown to us at this stage*

Notes. 1. Assets include Retail, Rural, MSME, Business Banking and Wholesale Banking 2. In Q4 FY24, Business Banking (working capital) was included as part of Liabilities business as these are run from branches. Since, by nature, it is a lending business, numbers of this division have been grouped with Assets.

Bank has turned profitable on sustained basis based on strong Operating Profits



**PAT is lower by US$ 51 Mn. on account of additional provisions in Q2 FY25 on a toll account and micro-finance book*

**Reported Profit After tax for FY19*

Balance Sheet

In US$ Mn.	Sep-23	Jun-24	Sep-24	Growth (%) (YoY)
Shareholders' Funds	3,295	3,981	4,392	33.3%
Deposits	20,385	24,960	26,620	30.6%
- *CASA Deposits*	9,460	11,630	13,011	37.5%
- *Term Deposits*	10,925	13,330	13,609	24.6%
Borrowings	6,329	6,175	5,517	-12.8%
Other liabilities and provisions	1,505	1,410	1,619	7.6%
Total Liabilities	**31,514**	**36,526**	**38,148**	**21.1%**
Cash and Balances with Banks and RBI	1,560	2,020	1,735	11.2%
Net Retail and Wholesale Loans & Advances*	21,204	24,527	26,054	22.9%
Investments	7,124	8,353	8,635	21.2%
Fixed Assets	294	324	328	11.7%
Other Assets	1,333	1,301	1,395	4.7%
Total Assets	**31,514**	**36,526**	**38,148**	**21.1%**

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

Quarterly Income Statement

In US$ Mn.	Q2 FY24	Q1 FY25	Q2 FY25	Growth (%) YoY
Interest Income	876	1,046	1,066	22%
Interest Expense	405	487	496	22%
Net Interest Income	**470**	**559**	**570**	**21%**
Fee & Other Income	164	190	193	18%
Trading Gain	6	3	13	94%
Operating Income	**640**	**752**	**776**	**21%**
Operating Expense	461	528	542	18%
Operating Profit (PPOP)	**180**	**224**	**234**	**30%**
Operating Profit (Ex. Trading gain)	**173**	**221**	**221**	**27.5%**
Provisions	63	118	206	228%
Profit Before Tax	**117**	**106**	**27**	**-77%**
Tax	28	25	3	-87%
Profit After Tax	**89**	**81**	**24**	**-73%**
PAT (adjusted for one-off provisions)*	**89**	**81**	**75**	**-17%**

- *Net Interest Margin for Q2 FY25 was at 6.18% as compared to 6.22% in Q1 FY25*
- *Cost to income ratio for Q2FY25 stood at 69.9% as compared to 70.2% in Q1 FY25*

** PAT is adjusted for one-off provisions taken prudently against one legacy Toll account and SMA book of microfinance portfolio*

Half-Yearly Income Statement

In US$ Mn.	H1 FY24	H1 FY25	Growth (%) YoY
Interest Income	1,693	2,113	25%
Interest Expense	777	984	27%
Net Interest Income	**916**	**1,129**	**23%**
Fee & Other Income	**323**	383	18%
Trading Gain	15	15	2%
Operating Income	**1,255**	**1,527**	**22%**
Operating Expense	896	1,070	19%
Operating Profit (PPOP)	**358**	**458**	**28%**
Operating Profit (Ex. Trading gain)	**343**	**442**	**29%**
Provisions	120	325	171%
Profit Before Tax	**239**	**133**	**-44%**
Tax	58	28	-52%
Profit After Tax	**180**	**105**	**-42%**
PAT (adjusted for one-off provisions)*	**180**	**155**	**-14%**

1. *Cost to income ratio for H1 FY25 stood at 70.0% as compared to 71.4% in H1 FY24*

* *Adjusted PAT is adjusted for one-off provisions taken prudently against one legacy Toll account and SMA book of microfinance portfolio*

Capital Adequacy Ratio

In US$ Mn.	Sep-23	Jun-24	Sep-24
Common Equity	3,188	3,814^	4,217^
Tier 2 Capital Funds	720	724	768
Total Capital Funds	**3,908**	**4,539**	**4,985**
Total Risk Weighted Assets	**23,622**	**28,590**	**30,477**
CET-1 Ratio (%)	**13.49%**	**13.34%**	**13.84%**
Total CRAR (%)	**16.54%**	**15.88%**	**16.36%** ***[16.60]****

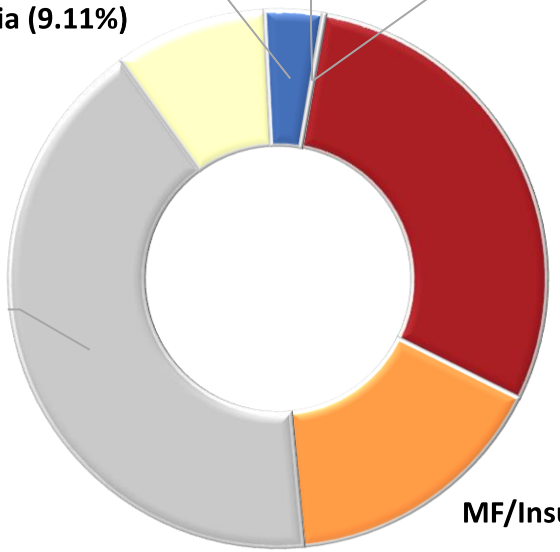
*Including profits for H1 and post the impact of merger, total CRAR as on September 30, 2024 would have been **16.60%** with CET-1 ratio of **14.08%**

^Including profits for respective periods

Shareholding Pattern

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

Shareholding Post-Merger

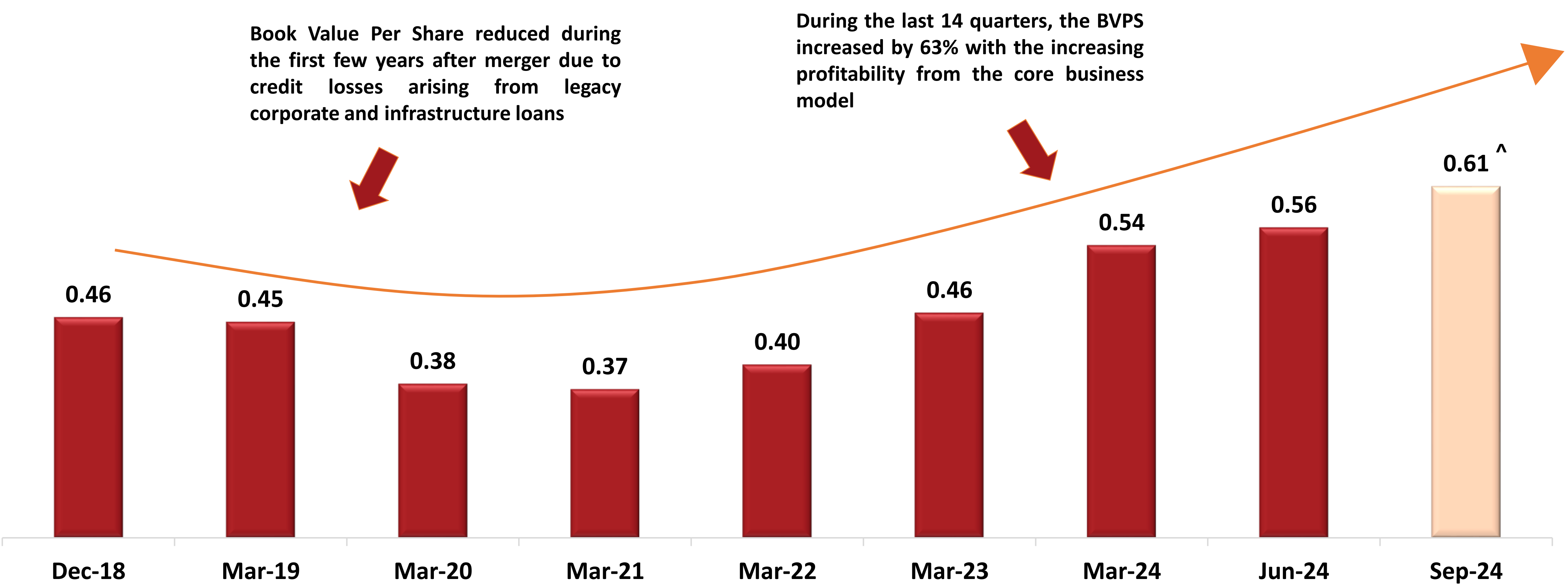


Total No. of shares after merger	*US$ 87.10 Mn.^*
Book Value per Share (Sep 30, 2024)	*Rs. 51.27* *US$ 0.61 **
Basic EPS *(H1-FY25 Annualized – Post-Merger)*	*Rs. 2.35* *US$ 0.028*

^ Equity shares outstanding as on 10th October 2024 and post considering cancellation of 16.6 Crore equity shares
** Including US$ 73.57 Mn. accretion to net-worth, arising out of merger*

IDFC FIRST Bank

BVPS has grew from US$ 0.46 to US$ 0.61



^ Including US$ 73.57 Mn. accretion to net-worth, arising out of merger, number of shares are considered post merger

IDFC FIRST Bank

Section 7: Credit Rating

Bank's Long Term Credit Rating

Rating Agency	Fixed Deposit
CRISIL	AAA
	Long Term Credit Rating
ICRA	AA+ (stable)
India Ratings	AA+ (stable)
CRISIL	AA+ (stable)
CARE Ratings	AA+ (stable)

- The Bank has received **AAA** rating by **CRISIL** for its **Fixed Deposit Program**
- Bank's **Long Term Credit rating** got **upgraded** from **AA (Stable)** to **AA+ (Stable)** from all major rating agencies in FY24

Section 8: Board of Directors

Board of Directors: MD & CEO Profile

Vaidyanathan aspires to create "a world-class Indian Bank, guided by ethics, powered by technology, and to be a force social good". He became the Managing Director and CEO of IDFC FIRST Bank in December 2018 following the merger of Capital First and IDFC Bank.

Previously, he worked with Citibank (1990-2000) and ICICI Bank (2000-2010), where he built a large retail banking division, expanding branches to 1,411, growing CASA and retail deposits to ₹ 1 trillion, and growing retail lending, including mortgages, auto loans, MSME and Rural banking to ₹1.35 trillion ($30bn). He was appointed to the Board of Directors of ICICI Bank in 2006 at age 38. He later served as MD and CEO of ICICI Prudential Life.

Chasing an entrepreneurial opportunity, he left ICICI in 2010 to acquire a stake in a small real-estate financing NBFC with a market cap of ₹780 crore ($140m), with an idea to convert it to a commercial Bank.

He pledged his stock and home to raise funds, renamed the NBFC as Capital First, and transformed it by exiting real-estate financing and focusing on retail & MSME lending using tech-driven algorithms. He demonstrated the Proof-of-Concept to PE firms, raised ₹810 crore ($140m) in equity by 2012, recapitalized the company, and became Chairman and CEO."

Capital First grew its retail loan book from ₹94 crore ($14m) in 2010 to ₹29,600 crore ($4b) by 2018, serving 7 million customers with high asset quality. The company turned around from losses of ₹30 crore ($5m) to profits of ₹358 crore ($50m) during this period. Its share price increased from ₹122 in 2010 to ₹845 in 2018, with market cap rising tenfold to ₹8,200 crore ($1.2b). In 2017, Vaidyanathan sold 1.5% of his personal stake in Capital First to repay a loan used to acquire his ownership. To secure a commercial banking license for Capital First, he merged it with IDFC Bank in 2018 and became the MD and CEO of the renamed IDFC FIRST Bank.

Post-merger, the loan book expanded to ₹2,22,613 crore ($27b) with significant growth in retail, rural, and MSME finance. Customer deposits increased from ₹38,455 crore ($4.6b) to ₹2,18,026 crore ($26b) between 2018 and 2024, while the CASA ratio rose from 8.7% to 48.9%, and NIM increased to 6.2%. The bank turned profitable with a FY24 PAT of ₹2,957 crore ($352m).

He has been recognized by numerous awards including "Banker of the Year 2023" by leading Indian publication Financial Express, Ernst and Young "Entrepreneur of the Year" 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
Chairman & Independent Director

- Advisor to global organizations across Europe, the US and Asia.
- Worked as Regional Business Head for India and South Asia for Retail, Commercial and Private Banking and **Global Head of Brand** and **Chief Marketing Officer** at **Standard Chartered Bank.**
- **Ex-CEO for Retail and Commercial Banking** for **Citigroup**, Europe, Middle East and Africa.

MR. AASHISH KAMAT
Independent Director

- Has over **32 years of experience** in corporate world, with 24 years being in banking & financial services.
- Was **Country Head for UBS India**, 2012-2018
- Previously, he was the **Regional COO/CFO** for **Asia Pacific at JP Morgan** in Hong Kong
- Worked with **Bank of America** as the Global CFO for IB, Consumer and Mortgage Products

MR. PRAVIR VOHRA
Independent Director

- Was President and **Group CTO at ICICI Bank** from 2005 to 2012.
- In ICICI Bank, he headed a number of functions including the Retail Technology Group & Technology Management Group
- **23 years of working experience with SBI** in business as well as technology.
- Ex-VP (Corporate Service Group) at Times Bank

MR. S GANESH KUMAR
Independent Director

- Worked **as Executive Director in RBI**
- Worked in **RBI for more than 30 years**
- His key areas of operations included Payment and Settlement Systems, External Investments, managing foreign exchange reserve etc.
- He had a key role in the establishment of NPCI, IFTAS, etc.

MR. UDAY BHANUSHALI
Independent Director

- Was **President - Financial Advisory for Deloitte** Touche Tohmatsu India LLP and a member of other entities in Deloitte from 2015 to 2024.
- Was **Executive Director** in **Kotak Mahindra Capital**
- Executive VP in General Electric Company.
- Over 20 years of experience in Arthur Andersen & Co at multiple positions.

MR. SUDHIR KAPADIA
Independent Director

- Has **over three decades of vast experience** in advising Indian and Global Multi-National Companies on their tax strategies and efficiencies
- Was the **Tax & Regulatory services Leader** and a Board member at **EY**, India and **KPMG**, India
- former President and a permanent invitee of the Board of Bombay Chamber of Commerce and Industry, is a member of the CII National Committee on MNCs

DR. (MRS.) BRINDA JAGIRDAR
Independent Director

- Independent consulting and business economist.
- Retired as **General Manager and Chief Economist from SBI**.
- Member of Governing Council of Treasury Elite and RBI Depositor Education and Awareness (DEA) Fund Committee, All India Bank Depositors Association of the Forum of Free Enterprise

MS. MATANGI GOWRISHANKAR
Independent Director

- **Experience business & human resources professional with over four decades of experience** in senior leadership roles in business and HR, both in India and overseas.
- Worked with large multinational corporations, in diverse sectors like Banking, IT, Financial services, Manufacturing etc.
- actively involved in coaching and mentoring senior leaders

MRS. PANKAJAM SRIDEVI
Independent Director

- **35 years of experience** in domains such as banking, manufacturing and technology.
- **MD of Commonwealth Bank of Australia** (India) from 2019 to 2024.
- Held various global positions for the ANZ Banking Services group.
- active leader in representing industry forums like CII, NASSCOM, BCIC, Anita Borg Institute and India Inclusion Forum in India

MR. PRADEEP NATARAJAN
Executive Director

- Has been in the leadership position since merger with Capital First in December 2018
- **Has over 25 years** of work **experience across Capital First, Standard Chartered Bank, Religare Mcquarie and Dell.**
- helped to set up retail business in Capital First since inception.
- Expertise in Business Development, Technology, Risk Analytics, Debt Management, Project Management, Customer Service, Marketing

Section 9: Progress on ESG

Our ESG journey

H1 FY23

- ESG formalised at a Board level
- **ESG Management and Steering Committees** set up
- ESG formed as a dedicated function

H2 FY23

- Improvement in S&P CSA ESG (DJSI) rating (44 from 19 in 2021
- Membership of UNGC
- Official supporter of TCFD

H1 FY24

- **First Integrated Report of the Bank published**, aligned to IR framework, GRI and SASB
- First BRSR of the Bank published
- Formal **ESG goals** announced
- **EV charging facilities** live for employees across three large offices
- Customer awareness campaigns towards energy efficiency
- Multiple external awards and recognition for ESG initiatives

H2 FY24

- The Bank wins the coveted **Golden Peacock Award for ESG** 2023 (National)
- **Improvement in S&P CSA ESG** (DJSI) rating (48 from 44 in 2022)
- Board-approved **GHG Emissions Management Policy**
- Identified glide path for **Net Zero**
- **Bicycle finance** launched
- **Tree plantation** project (one tree for every home loan) launched
- Completed baselining for financed emissions
- Head Office (BKC) recertified as **IGBC Platinum green building**

- Published the **second Integrated Report**
- **BRSR Core reasonable assurance** obtained
- Became constituent **of FTSE4Good Emerging Index, improved score**
- **Improved Sustainalytics ESG Risk Ratings to 20.1 from 26.6 in 2023***
- Became among the first few Banks in India to become a **PCAF signatory**
- Launched **Green Deposits**
- Mandatory ESG training launched for employees
- External assurance on sustainable finance categories

Key ESG highlights

ENVIRONMENT

- **21%** overall infrastructure **green building certified**
- Corporate HO in Mumbai **fully powered by green energy**
- **Board-approved GHG Emissions Management Policy**

SOCIAL

- **56,960 lives impacted** in H1 FY 25 under CSR
- Mandatory training module on ESG for employees
- **iBelong and iTalent initiatives** for employee diversity and growth

GOVERNANCE

- **80% Independent Directors** on Board
- **Climate risk** made part of annual ICAAP process
- **ISO 27001** Certified Information Security Management

SUSTAINABLE FINANCE

- **~2.2 lakh EV two wheelers financed***
- **1,900+ Bicycles financed***
- **3.7 lakh+** Water Sanitation and Hygiene (WASH) loans disbursed*
- **Green Deposits** launched

*live till date

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

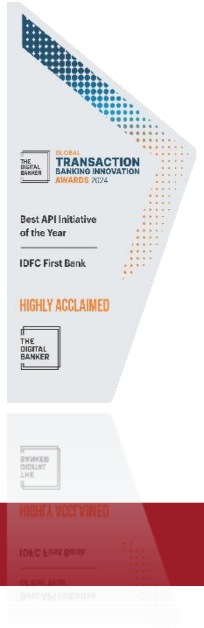
Social Impact Bank of the Year Sep 2022

World Finance Organisation

Best Corporate Governance, India Jun 2022

Section 10: Awards and Recognition

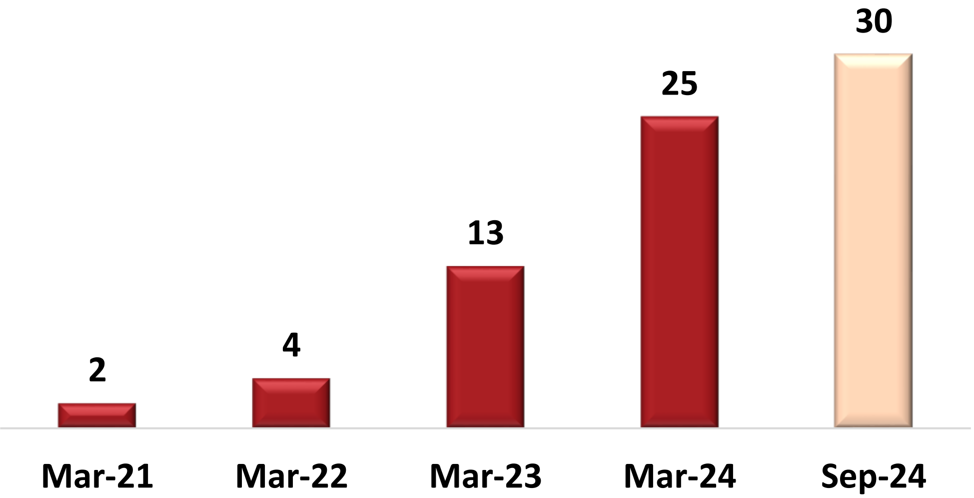
Awards and Recognition

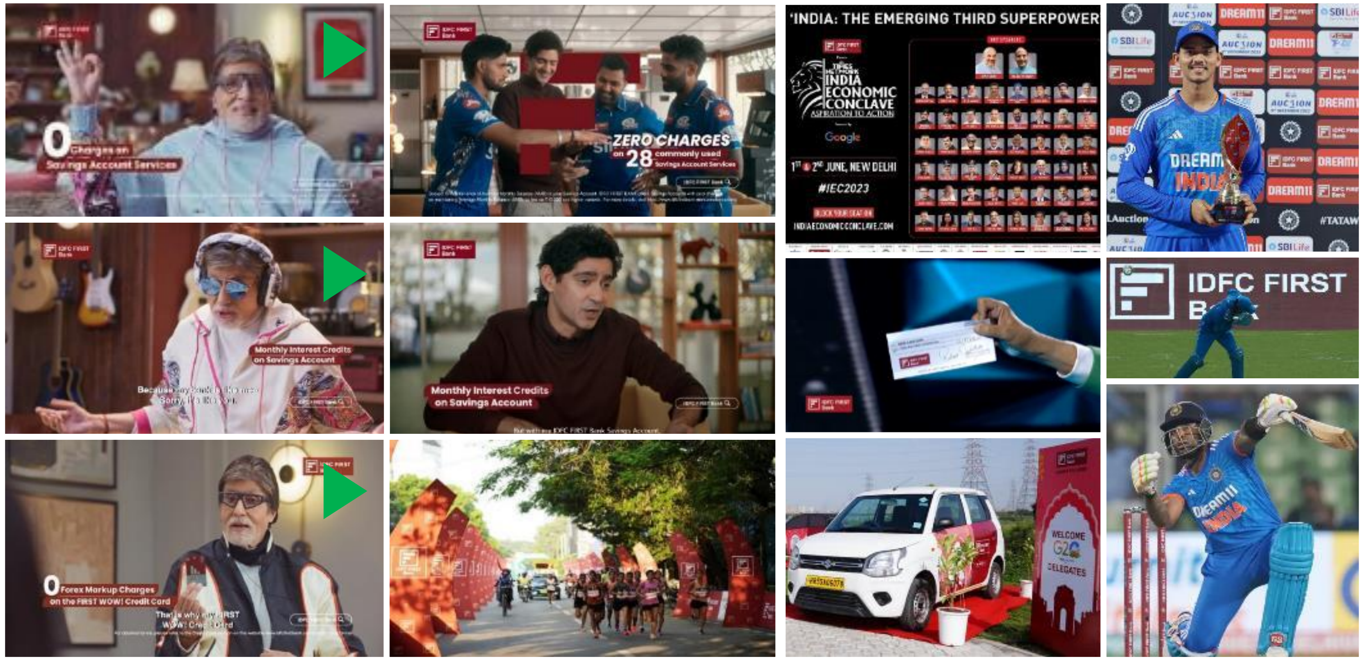


FE Best Banks Award for Best Savings Product 2024 – Financial Express
FE Best Banks Award for Banker Of The Year - 2024 - Financial Express
Global Transaction Banking Innovation Award for Outstanding Innovation in Corporate Payments - 2024– The Digital Banker
Global Transaction Banking Innovation Award for Best API Initiative of the Year - 2024 - The Digital Banker
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 has established its strong presence improving its TOMA score

Top Of Mind Awareness (TOMA) ^





- Over the years, the Bank has launched many campaigns and improved its brand recognition
- TOMA score represents the brand recall from the customers' perspective and it has improved from 2 in March-2021 to 30 as of Sep-2024.
- The Bank aspires to improve the TOMA score further going forward

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.

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Thank You

IDFC FIRST Bank

Annexure 1

- Performance of the Bank against the stated goals
- Guidance 2.0

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	H1-FY25	Status
Capital	CET – 1 Ratio	16.14%	>12.5 %	13.84%[1]	On Track
	Capital Adequacy (%)	16.51%	>13.0 %	16.36%[1]	On Track
Liability	CASA as a % of Deposits (%)	8.7%	30% (FY24), 50% thereafter	48.9%	Achieved
	Branches (#)	206	800-900	961	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	2%	Achieved
	Quarterly Avg. LCR (%)	123%	>110%	116%	Achieved
Assets	Retail, Rural and MSME Finance (Net of IBPC)	US$ 4,396 Mn.	US$ 11,905 Mn.	US$ 21,866 Mn	Achieved
	Retail, Rural and MSME Finance as a % of Total Loans & Advances	35%	70%	83%	Achieved
	Wholesale Loans & Advances[2]	US$ 6,758 Mn.	<US$ 4,762 Mn.	US$ 4,505 Mn.	Achieved
	- of which Infrastructure loans	US$ 2,704 Mn.	Nil in 5 years	*US$ 316 Mn.*	On Track

1. *Including profits for H1 FY25.*
2. *Excluding Security Receipts, Loan converted into Equity, RIDF and PTC.*

Some new guidance has been included for greater clarity. No guidance given at the time of the merger has been amended

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	H1-FY25	Status
Asset Quality	Top 10 borrowers as % of Total Loans & Advances (%)	12.8%	< 5%	1.84%	Achieved
	GNPA (%)	1.97%	2.0% - 2.5%	1.92%	Achieved
	NNPA (%)	0.95%	1.0% - 1.2%	0.48%	Achieved
	Provision Coverage Ratio (%)	53%	~70%	75.27%	Achieved
Profitability	Net Interest Margin (%)	3.10%	5.0% - 5.5%	6.2%[1]	Achieved
	Cost to Income Ratio[2] (%)	81.56%	65% ^	70.7%	Delayed
	Return on Asset (%)	-3.70%	1.4-1.6%	0.57%[3]	Delayed
	Return on Equity (%)	-36.81%	13-15%	5.15%[3]	Delayed

1. Gross of IBPC & Sell-down
2. Excluding Trading Gains
*3. Excluding the additional provisioning in Q2 FY25 on one legacy toll account and prudent provisioning on microfinance business, the RoA and RoE would by **0.85%** and **7.60%** respectively*
Note: Earnings for Dec-18 are for the quarter, NIM, ROA, ROE are annualized for the corresponding quarter.
^ guidance for Q4-FY25,

***Disclaimer:** Kindly note that the aspirations mentioned above have been presented in good faith based on our internal estimates and current business environment. The Bank may or may not be able to achieve the same based on multiple factors such as interest rate movements, regulatory changes, macro-economic changes, geo-political factors, change in business model and any other factors unknown to us at this stage*

Target 2.0 (FY24 - FY29) [Provided in January 2024]

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)	4,578	21,010	36%	69,643
- CASA Deposits (US$ Mn)	628	10,178	75%	33,929
- Term Deposits (US$ Mn)	3,950	10,832	22%	35,714
Assets				
Loans & Advances** (US$ Mn)	12,460	22,557	13%	59,524
Total Assets (US$ Mn)	18,680	32,231	12%	83,333
Asset quality				
GNPA %	1.97%	2.04%	-	1.5%
NNPA %	0.95%	0.68%	-	0.4%
Profitability				
Profit (US$ Mn)	-187	266*	-	1,429 – 1,548
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.

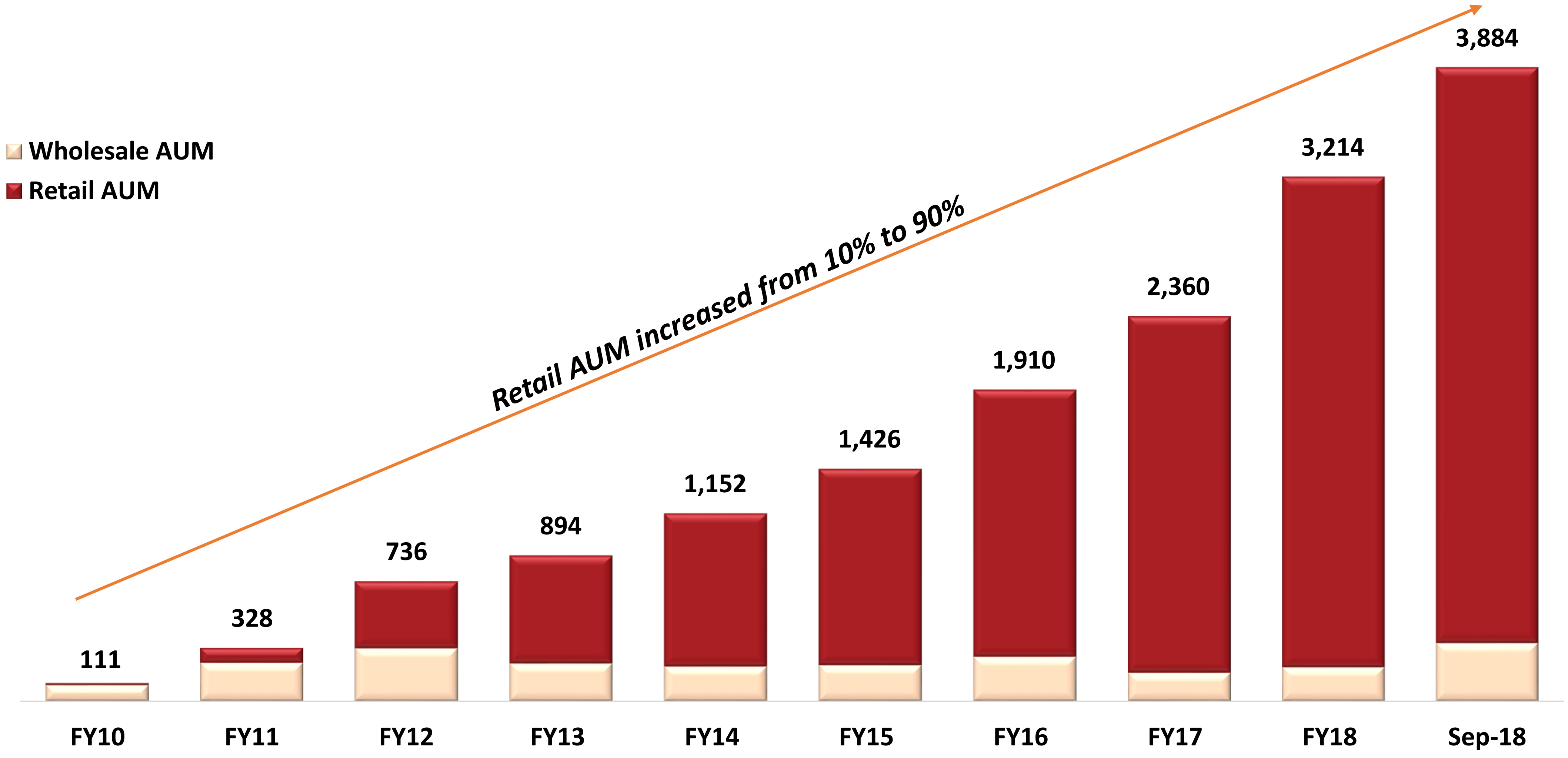
** For 9MFY24*
*** (including Credit Substitutes))*

Annexure 2

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

Successful Trajectory of Growth and Profits at Capital First

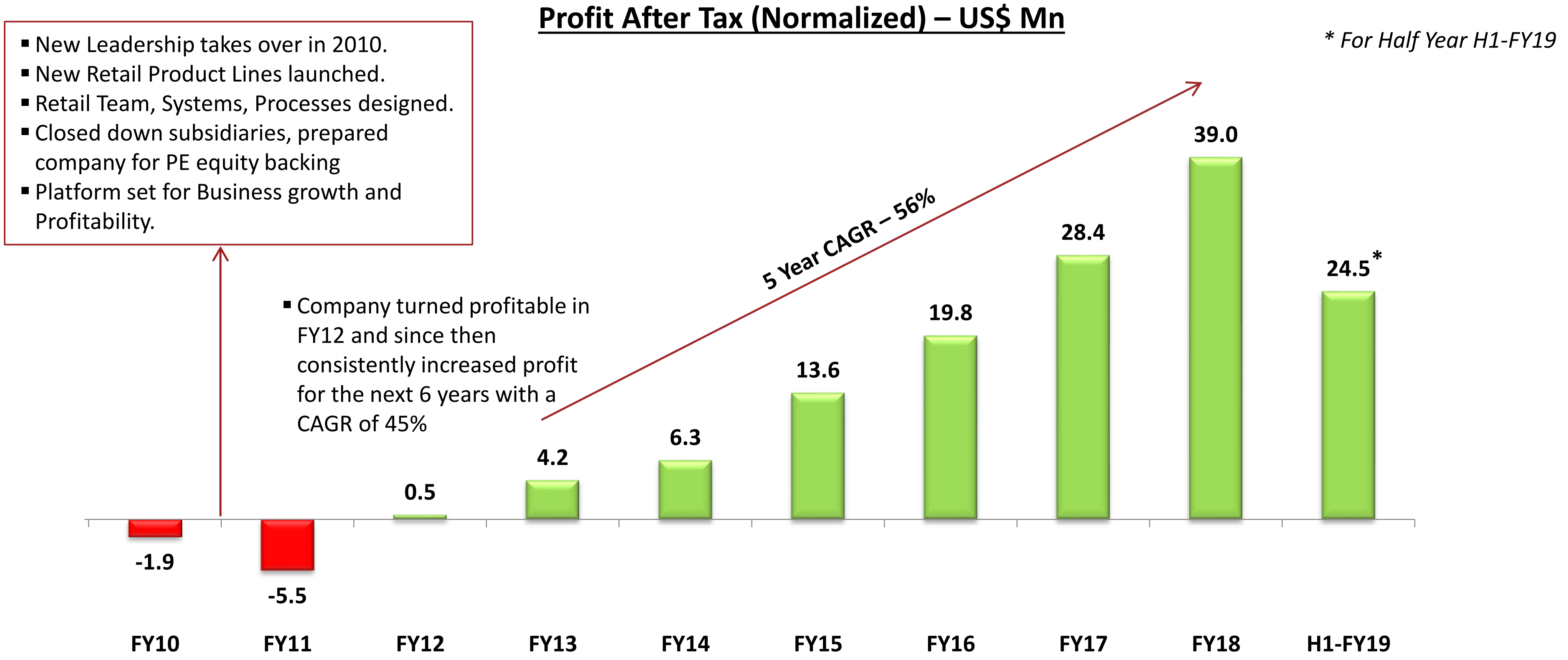
Financial Performance: The Asset Under Management has consistently grown at 5-Year CAGR of 29%



Successful Trajectory of Growth and Profits at Capital First

Financial Performance: Yearly Trend of Profit After Tax

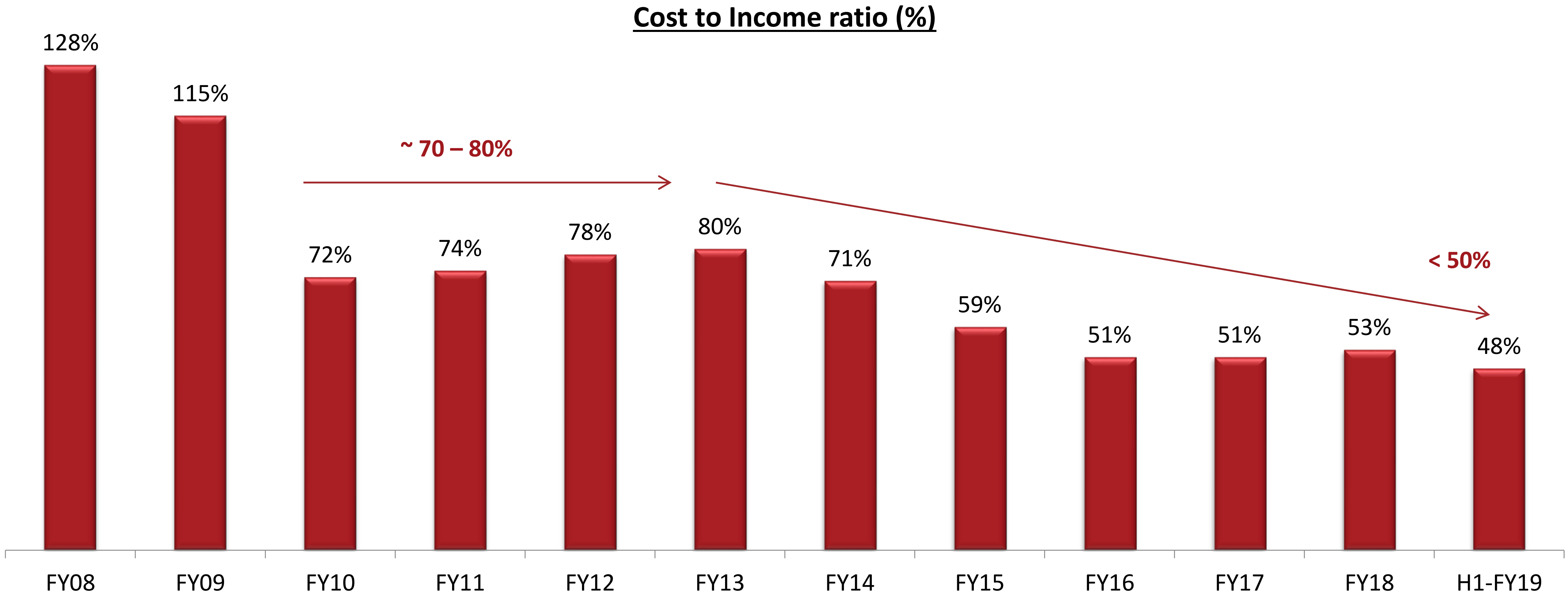
In FY 08 and 09, the Company had made losses. Even after the new leadership took over, for two years the company continued to post losses as the building blocks for new age retail lending were prepared. Once the company got scale, Capital First posted a CAGR growth in profits of 56% for last 5 years.



Successful Trajectory of Growth and Profits at Capital First

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

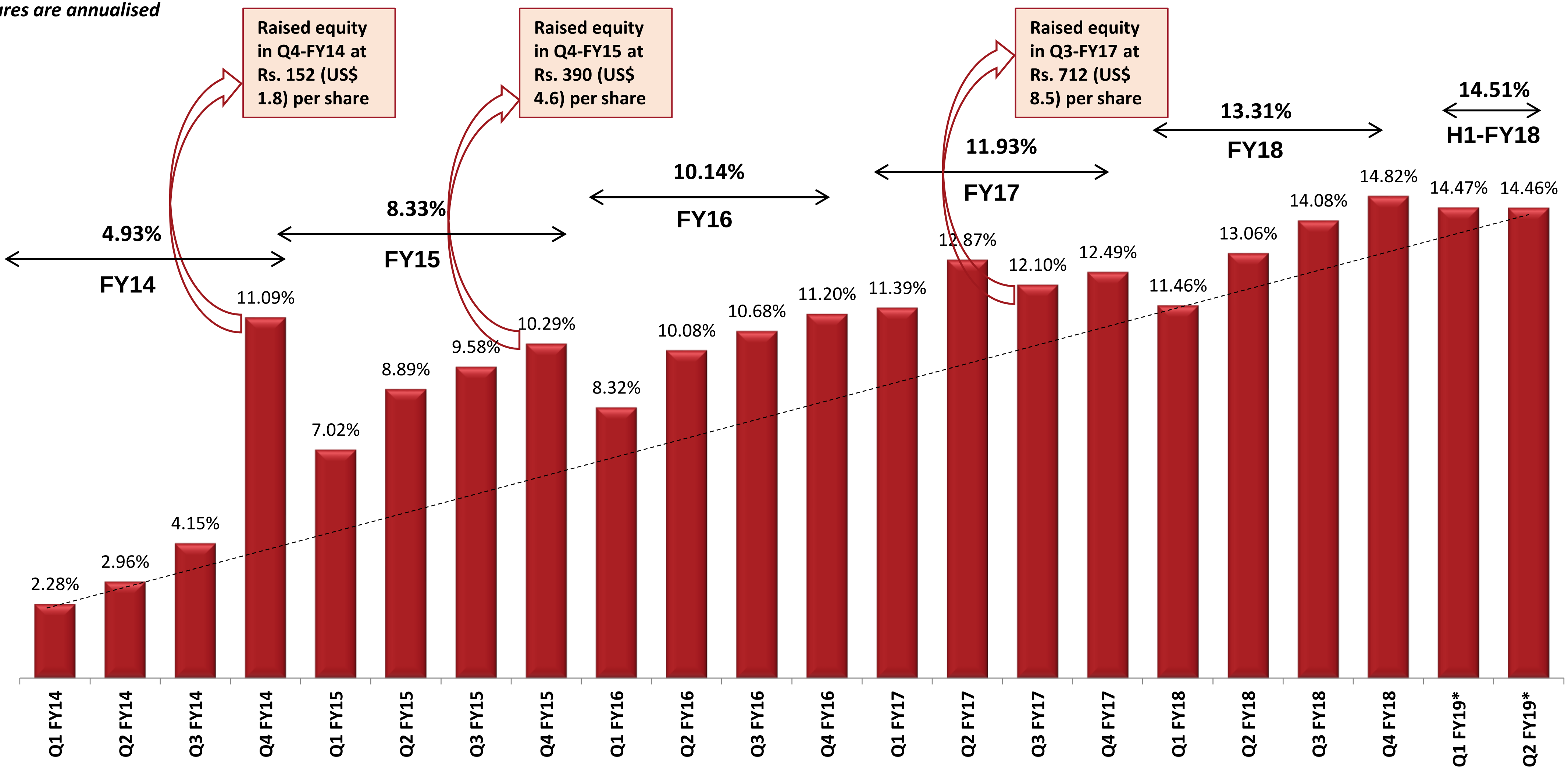
The Cost to Income ratio, which was high at ~130% in the early stages of the company, reduced to <50% once the business model stabilized over the years.



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

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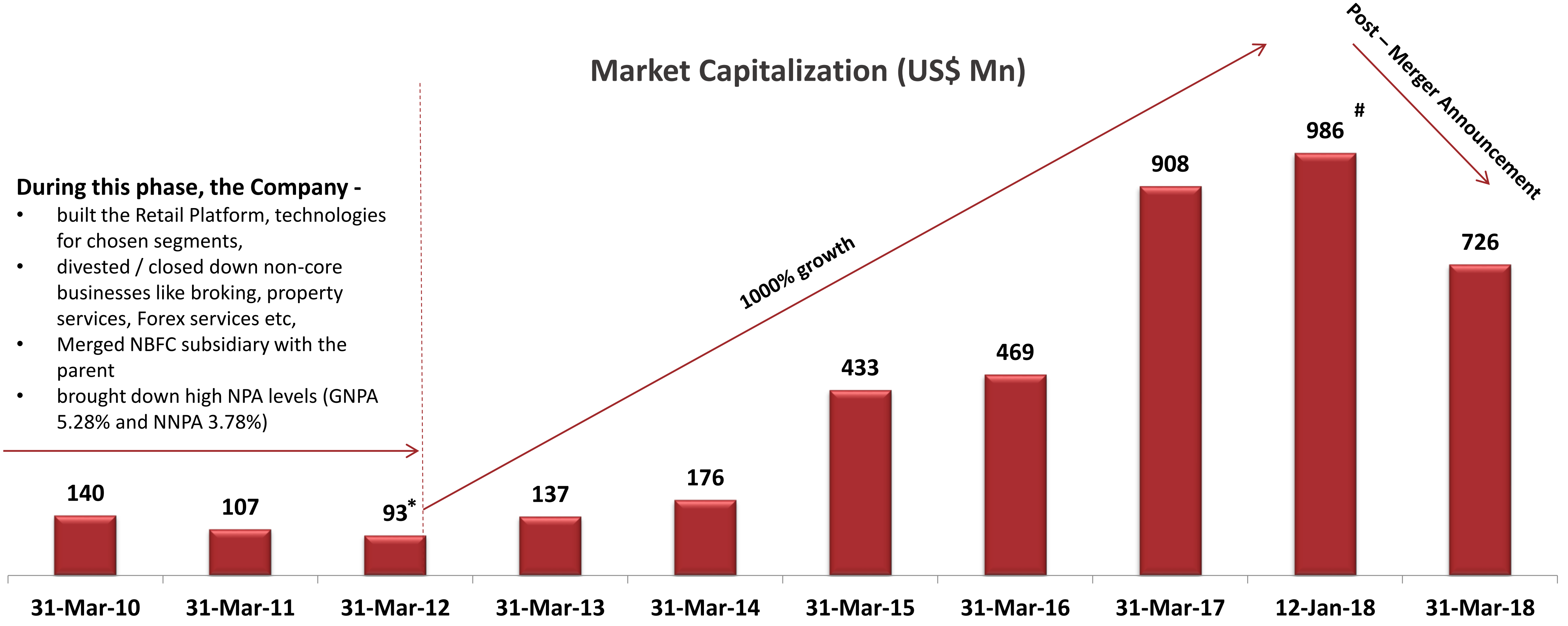

** Market Cap as on 31-March-2012, the year of Management Buyout*

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

Successful Trajectory of Growth and Profits at Capital First

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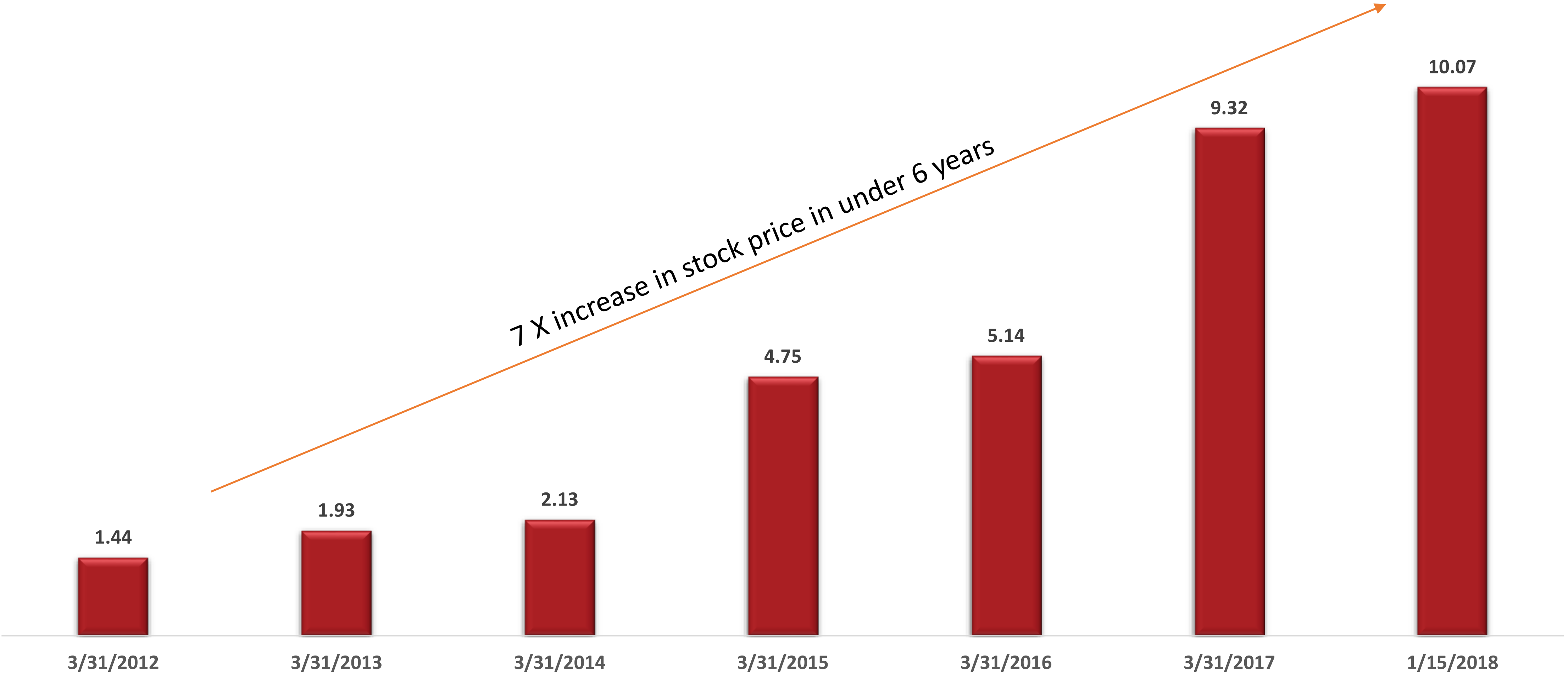
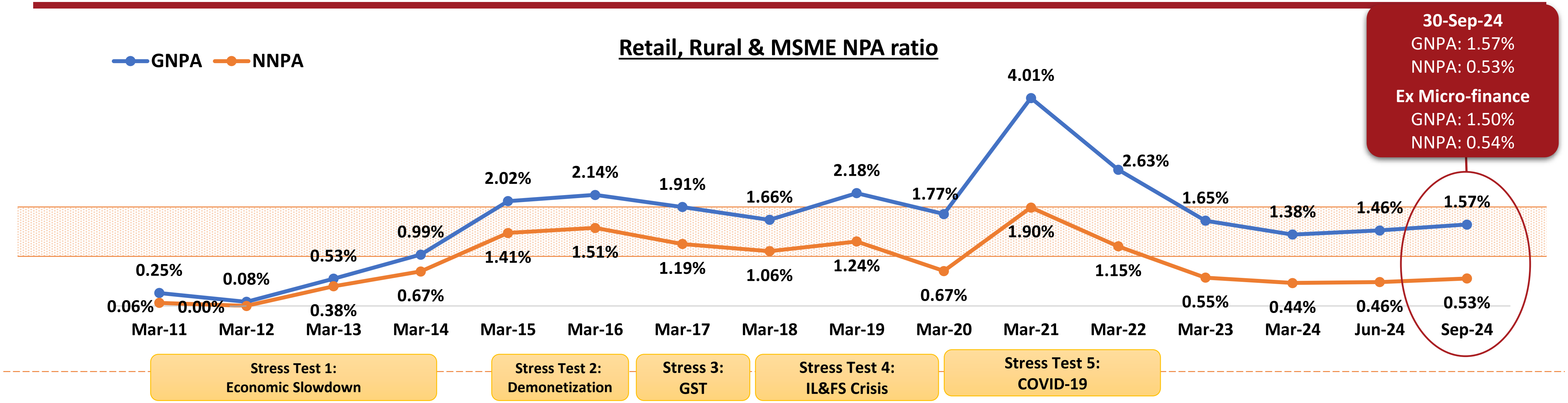
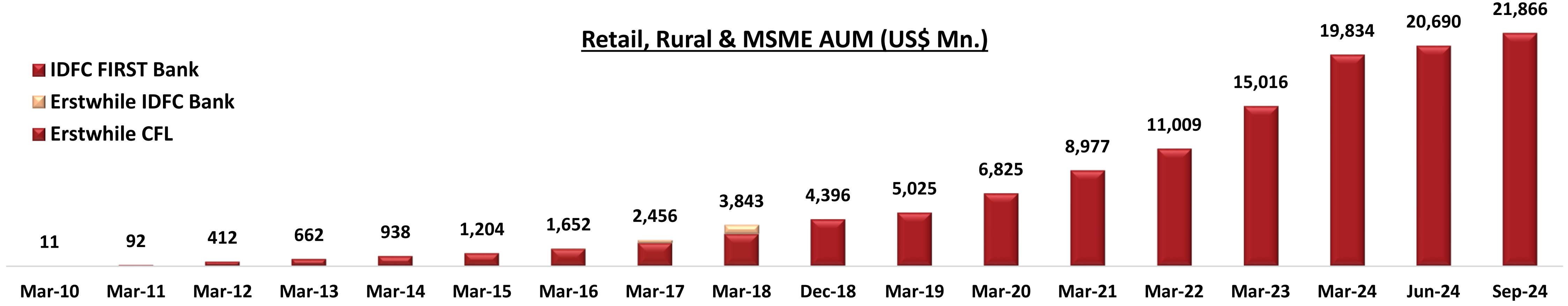
Stock Price increased 7x from US$ 1.45 to US$ 10.19 in 6 years



Bank has maintained High Retail asset quality GNPA of ~2% and NNPA ~1% for 14 years across cycles





IDFC FIRST Bank