IDFC FIRST Bank

Investor Presentation – Q3 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 Q3 FY25 - Commentary

Deposits

- Strong growth of **28.8%** YoY in Customer Deposits to reach US$ **26,432 Mn.**
- **29.6%** YoY growth in Retail Deposits to reach **US$ 21,018 Mn.**
- Strong growth of **32.3%** YoY in CASA deposits
- Savings accounts grow at **32.9%** and Current Accounts at **28.9%**
- Cost of deposits was stable on QoQ basis at **6.38%**

Loans & Advances

- Total Loan Book grew **22.0% YoY,** reaches **US$ 26,869 Mn.**
- Retail, Rural and MSME Loan Book grew **21.3% YoY** to reach **US$ 21,993 Mn.**
- Loan growth driven by steady growth Home Loans, Vehicle Loans, Gold Loans, Commercial vehicle Loans and Corporate loans.
- Bank continues to de-grow its Microfinance portfolio, which as % of overall loan book reduced from **5.6%** in Sep-2024 to **4.8%** in Dec-2024

Asset Quality

- Overall, excluding MFI business, the rest of the loan book of the Bank, including corporate, retail, MSME and rural are stable
- Gross NPA of the Bank marginally increased by 2 bps QoQ to **1.94%,** Net NPA of the Bank marginally increased by 4 bps QoQ to **0.52%**
- Excluding Microfinance Book**, GNPA** and **NNPA** stood at **1.81%** and **0.49%** in Q3 FY25 as compared to **1.88%** and **0.48%** in Q2FY25
- SMA 1+2 of Retail, Rural and MSME Book (excluding micro-finance) improved by 3 bps QoQ from **0.85%** to **0.82%**
- GNPA and NNPA of Retail, Rural and MSME Book (excluding micro-finance) stable at **1.46%** and **0.56%**
- The gross slippage for Q3-FY25 was stable at **US$ 255 Mn.** as compared to **US$ 236 Mn.** in Q2 FY 2025, an increase of **US$ 19 Mn**.
- Majority of the increase in slippage during Q3FY 25 was from the MFI business which constituted US$ 17 Mn. out of the said US$ 19 Mn..
- Gross slippage on the Retail, MSME, Agri and Corporate Loans, i.e the non-MFI business was stable.
- Provision Coverage ratio was stable at **73.6%**
- All the key product segments including mortgages, vehicle loans, personal loans, credit cards have stable SMA 1+2 portfolio

For the purpose of this Investor Presentation 1US$ = Rs.86

Key Highlights of Q3 FY25

Provisions	• Provisions for Q3 FY25 stood at **US$ 156 Mn.**, driven by the higher slippages in in the Micro-Finance book. Excluding MFI, the provisions were stable for the Non-MFI book. • **The Bank has not utilized any provision buffers in Q3-FY25 during the quarter on a prudent basis**. • Excluding the MFI portfolio, the quarterly annualized credit cost for the loan book for Q3-FY25 was stable at **1.8%.** • The annualized provision for Q3-FY25 including MFI stood at **2.31%** of the total funded assets.
Profitability	• Net Interest Income (NII) grew **14% YOY** from **US$ 498 Mn.** in Q3 FY24 to **US$ 570 Mn.** in Q3 FY25 • The Net Interest Margin (NIM) of the Bank was at **6.04%** for Q3-FY25 as compared to **6.18%** in Q2-FY25. NIM declined during the quarter largely due to decline in the MFI business and increase in composition of Wholesale Banking business. • Fee and Other Income grew by **20% YOY** from **US$ 171 Mn.** in Q3 FY24 to **US$ 204 Mn.** in Q3 FY25 • Operating income grew **15%** from **US$ 675 Mn.** in Q3 FY24 to **US$ 777 Mn.** in Q3 FY25. • Operating Expense grew by **16% YOY** from **US$ 493 Mn.** in Q3 FY24 to **US$ 572 Mn.** in Q3 FY25. • Core Operating Profit grew by **15% YOY** from **US$ 176 Mn** in Q3 FY24 to **US$ 202 Mn** for Q3 FY25, impacted by MFI business. • For context, **Core Operating Profit, excluding Microfinance** business grew **32% YOY** for 9M FY 25 • Net Profit de-grew by **53%** from **US$ 83 Mn** in Q3 FY24 to **US$ 39 Mn** in Q3 FY25, sequentially it grew by **69% QoQ** from **US$ 23 Mn** in Q2 FY25
Capital	• Including the profits for 9M FY25, the Capital adequacy ratio was strong at **16.11%** with CET-I ratio of **13.68%** • Including the merger benefit, the book value of share (BVPS) was **US$ 0.60.**
Rating	• CARE & CRISIL ratings have re-affirmed the Long Term Credit Rating of **AA+ (Stable)** • Fixed Deposit Program has highest rating of "**AAA**" by CRISIL Ratings

TABLE OF CONTENTS

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 BANK + CAPITAL FIRST = IDFC FIRST Bank

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

In US$ Mn.

	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) (31-Dec-2024)	Change Since Merger
BALANCE SHEET	Loan Book	3,139*	8,760	12,170	26,869	▲ 2.2X
	Customer Deposit	0	4,229	4,472	26,432	▲ 5.9X
	Retail Deposit	0	1,047	1,209	21,018	▲ 17.4X
	CASA Deposit	0	727	613	13,149	▲ 21.4X
	CASA Ratio	0	13.0%	8.7%	47.7%	▲ 5.5X
	Net Worth	340	1,718	2,137	4,395	▲ 2.1X
PROFITABILITY	NIM %	8.2%	1.6%	3.1%	6.1%	▲ 304bps
	Core PPOP to Average Asset	5.0%	0.10%	0.78%	2.29%	▲ 151bps
	Cost to Income	47.5%	92.4%	82.2%	71.3%	▼ -1090bps
	Branches	0	203	206	971	▲ 3.8X

Profitability numbers for Sep-18 are for H1 FY19, Dec-18 are of Q3 FY19; Dec-24 are of 9M FY25.
**AUM of Capital First as on 30 September 2018 stood at US$ 3,793 Mn. Funded book was US$ 3,139. 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 6 years..

We are happy to share that IDFC FIRST Bank has made significant progress on all counts during the last 6 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

From FY19 onwards, the Bank launched a number of products in the areas of loans, deposits, fee-based products and payment solutions to become a full service Universal Bank with diversified streams of income.

Liability Products

Fee-based Products

Loan Products

FY18
- Fixed Deposit
- Transaction Banking
- CV Loans
- Micro Finance
- Business Banking
- Corporate Banking

Some of the Key New Products Launched Post-Merger

FY19
- Current Account
- Savings Account
- Two-Wheeler
- Personal Loan
- Used Car Loan
- Loan Against Property
- Home Loan
- Consumer Durable

FY20
- Cash Management Service
- Wealth Management
- Fast Tag
- Digital Loans

FY21
- Credit Card
- Prime Home Loans
- New Car Loan

FY22
- Forex Solution
- Tractor Loans
- Education Loan
- Gold Loan

FY23 & FY24
- Current Accounts Variants
- Agri / Farmer Loans

- Most of businesses are in early stage of their lifecycle. The Bank has 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

IDFC FIRST Bank

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

Retail Lending Solutions

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

Supply Chain Financing

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

SME Lending Solutions

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

Treasury & Forex Solutions

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

CASA and Fixed Deposits

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

Transaction Banking & CMS

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

NRI Banking

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

Trade Finance

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

Wealth Management & Distribution

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

FASTag

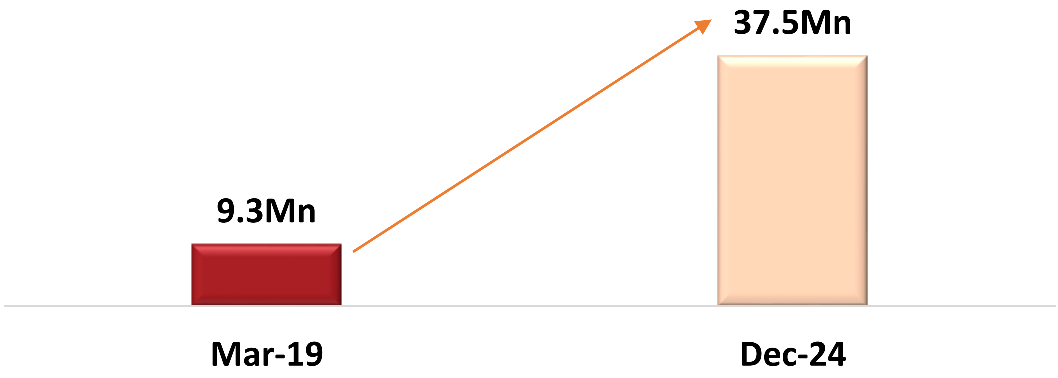
Tag Issuer, Toll Acquirer solution, 3-in-1 solution including Toll, Parking & Fuel

Credit Cards

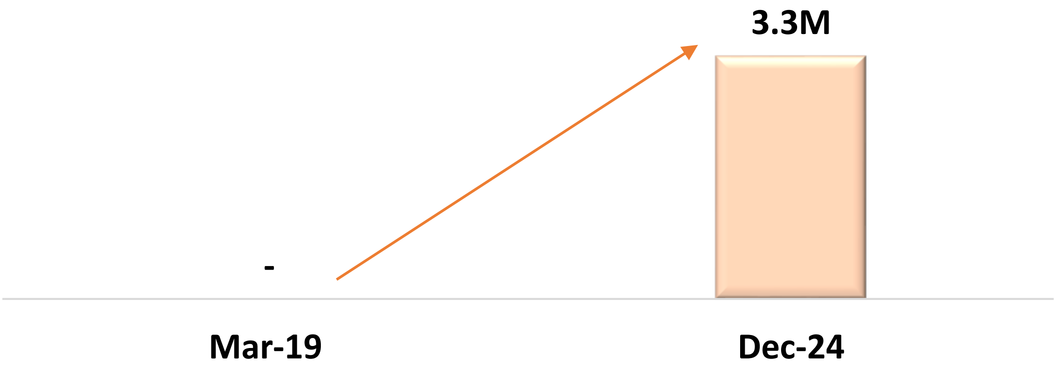
Wealth Credit Card, Private Credit Card, Millenia Credit Card, WoW Credit Card against Deposits, Corporate Card, Vistara Travel card, HP Fuel Card

Bank has built a strong franchise of 38 M customers

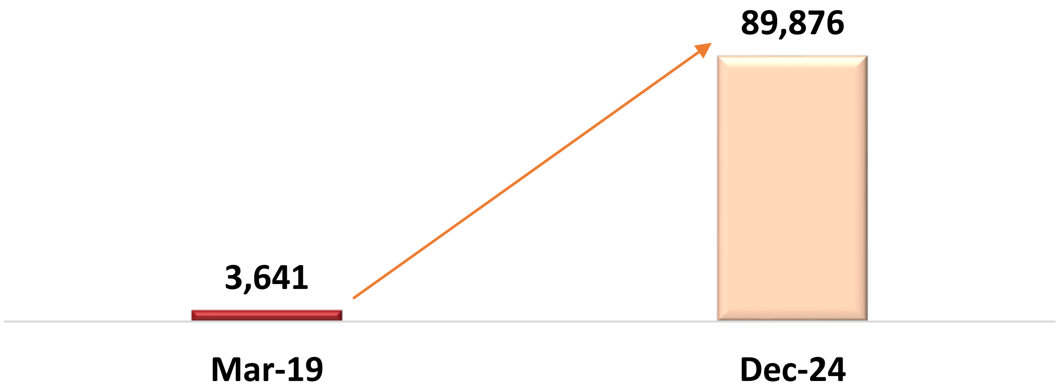
Total Unique Customers



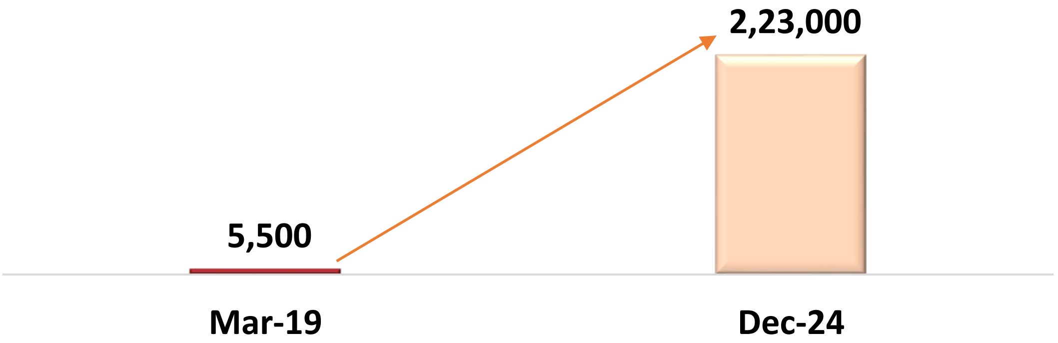
Credit Cards in Force



NRI Customers



Wealth Management Customers

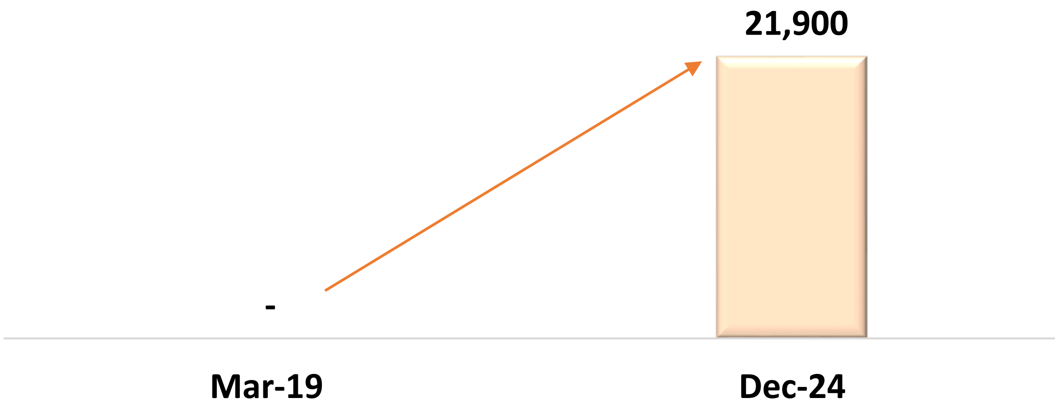


1. *Credit Cards business commenced in 2021*

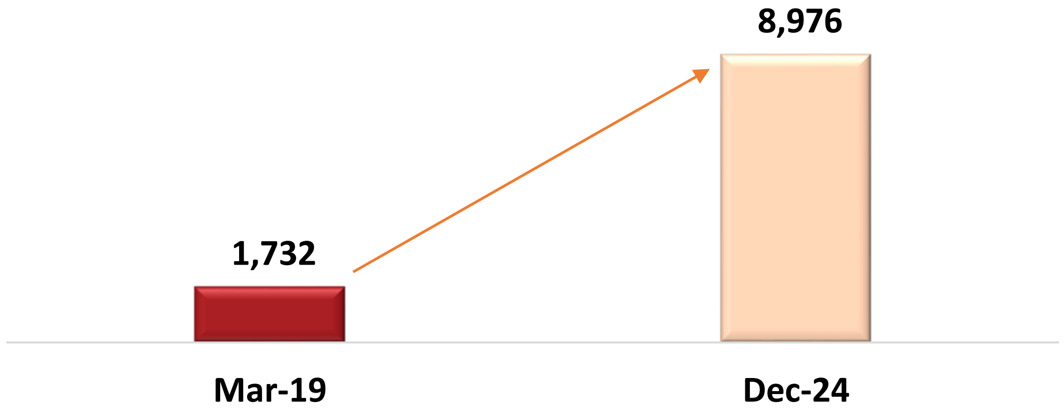
IDFC FIRST Bank

Expanding customer franchise in SME & Corporate Banking

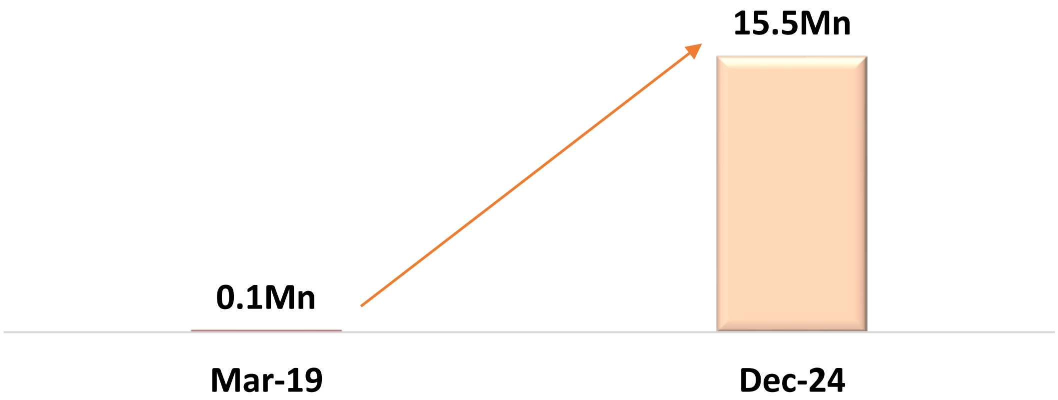
Start-up Banking Customers



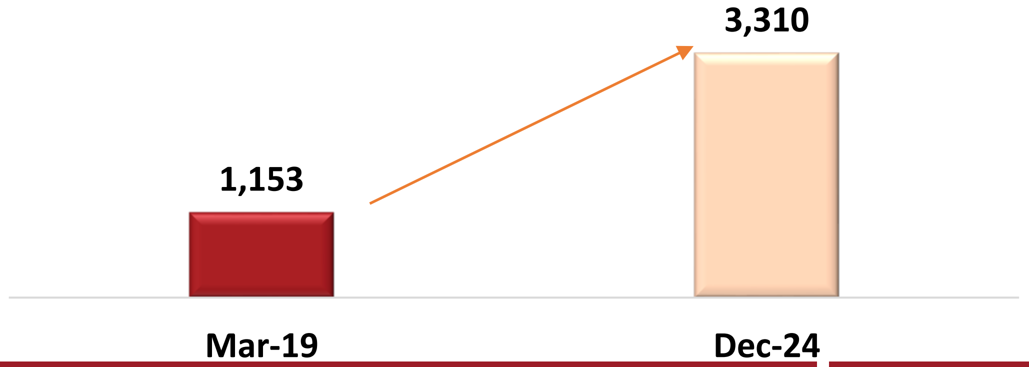
Business Banking Customers



FASTag Customers



CMS Relationships



Bank has set-up 971 branches across India

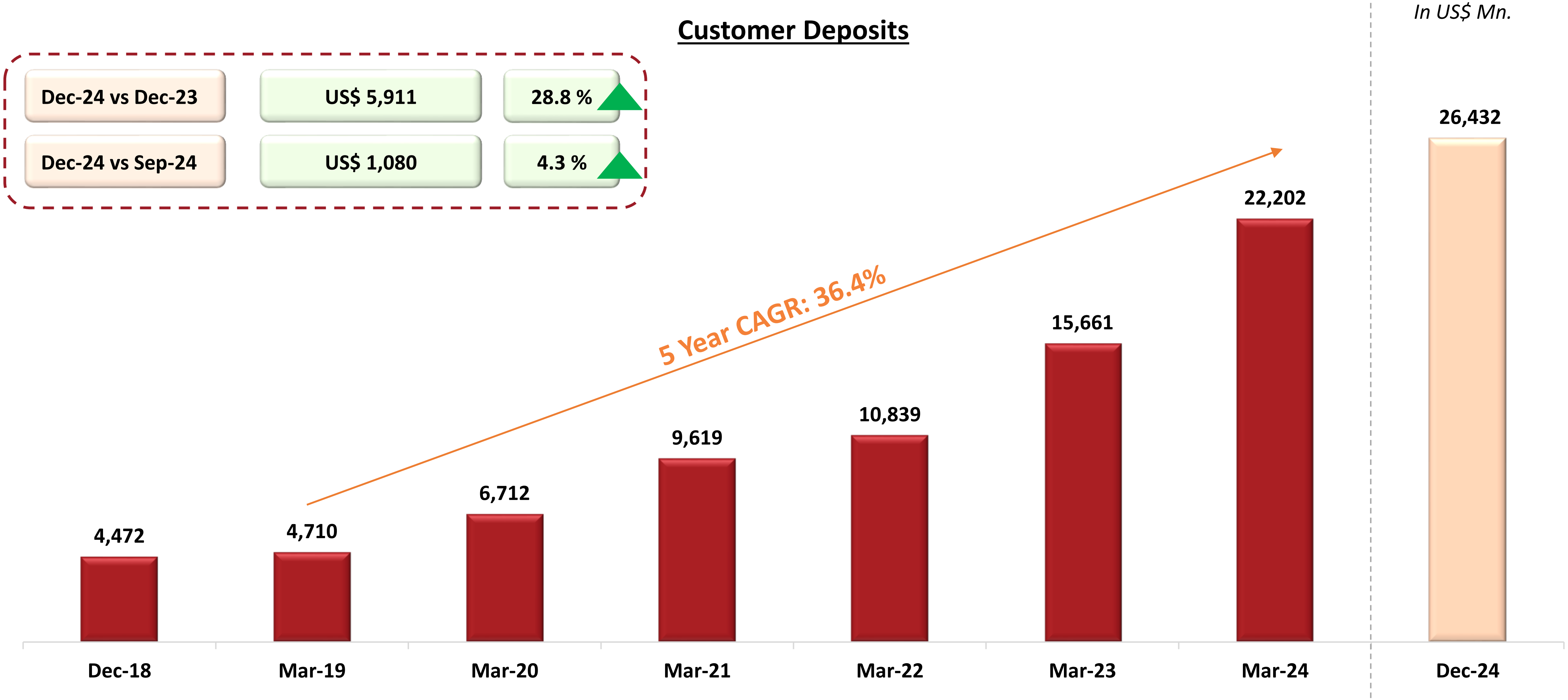
- IDFC FIRST Bank Branches and ATMs are spacious, digitally equipped, and customer friendly staff.
- The Bank intends to grow the branch network by 10% each year in near term.
- Bank grew its branch network from 206 branches as on the date of merger to 971 branches as on December 31, 2024, addition of 765 new branches since merger.



Section 2: Deposits and Borrowings

Strong growth in Customer Deposits, YoY growth of 28.8%

Dec-24 vs Dec-23	US$ 5,911	28.8 %
Dec-24 vs Sep-24	US$ 1,080	4.3 %

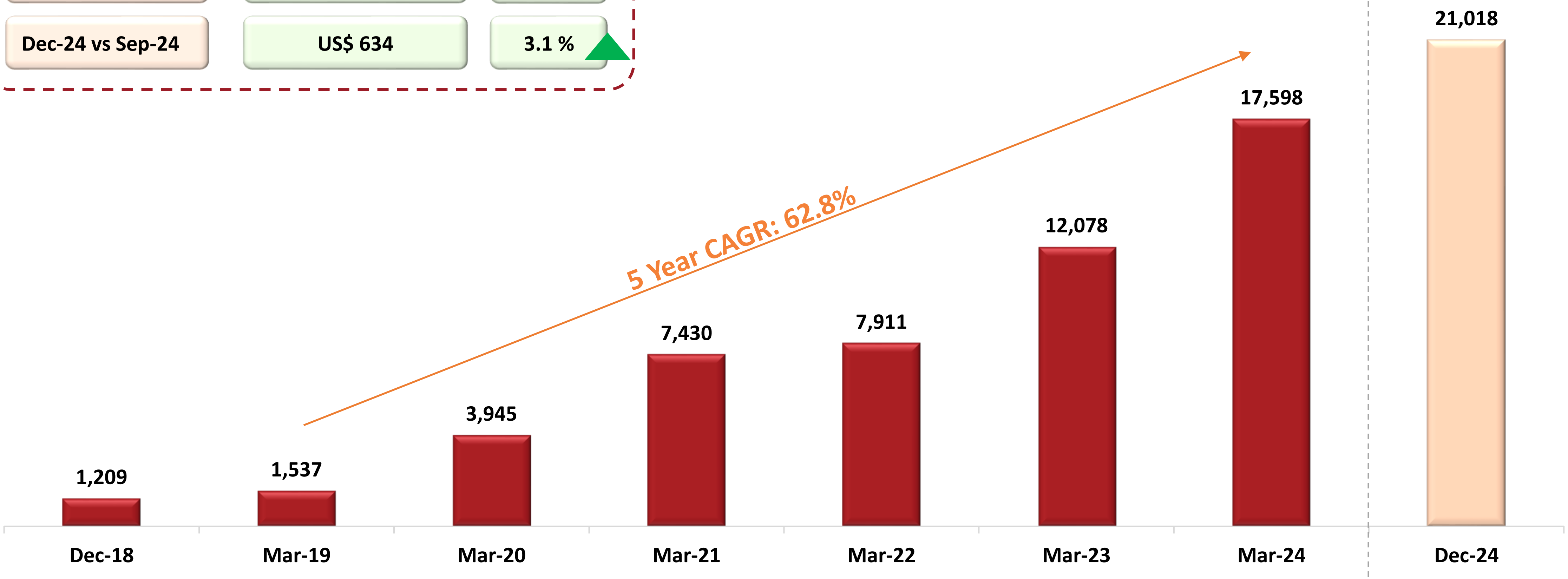


Strong growth in Retail Deposits, YoY growth of 29.6%

Retail Deposits

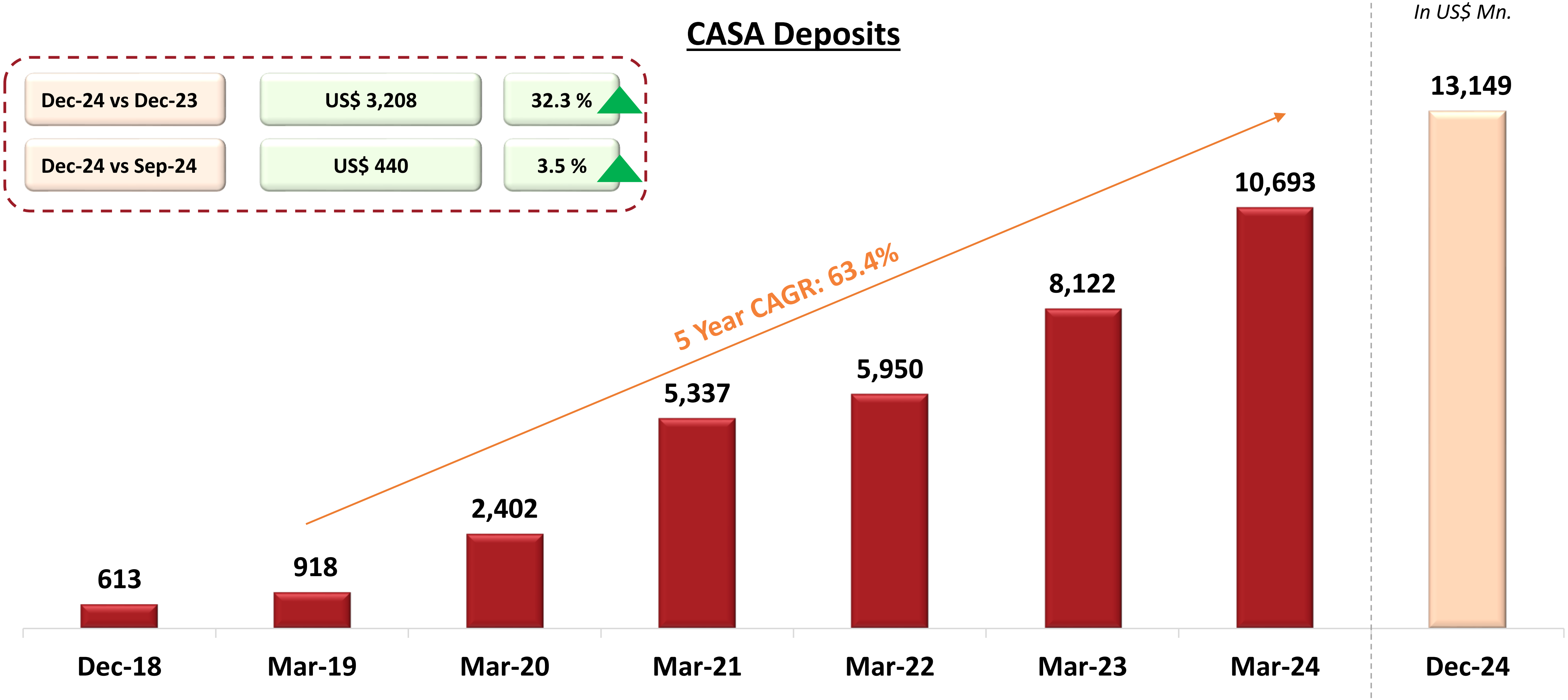
In US$ Mn.

Dec-24 vs Dec-23	US$ 4,805	29.6 % ▲
Dec-24 vs Sep-24	US$ 634	3.1 % ▲



Strong growth in CASA Deposits, YoY Growth of 32.3%

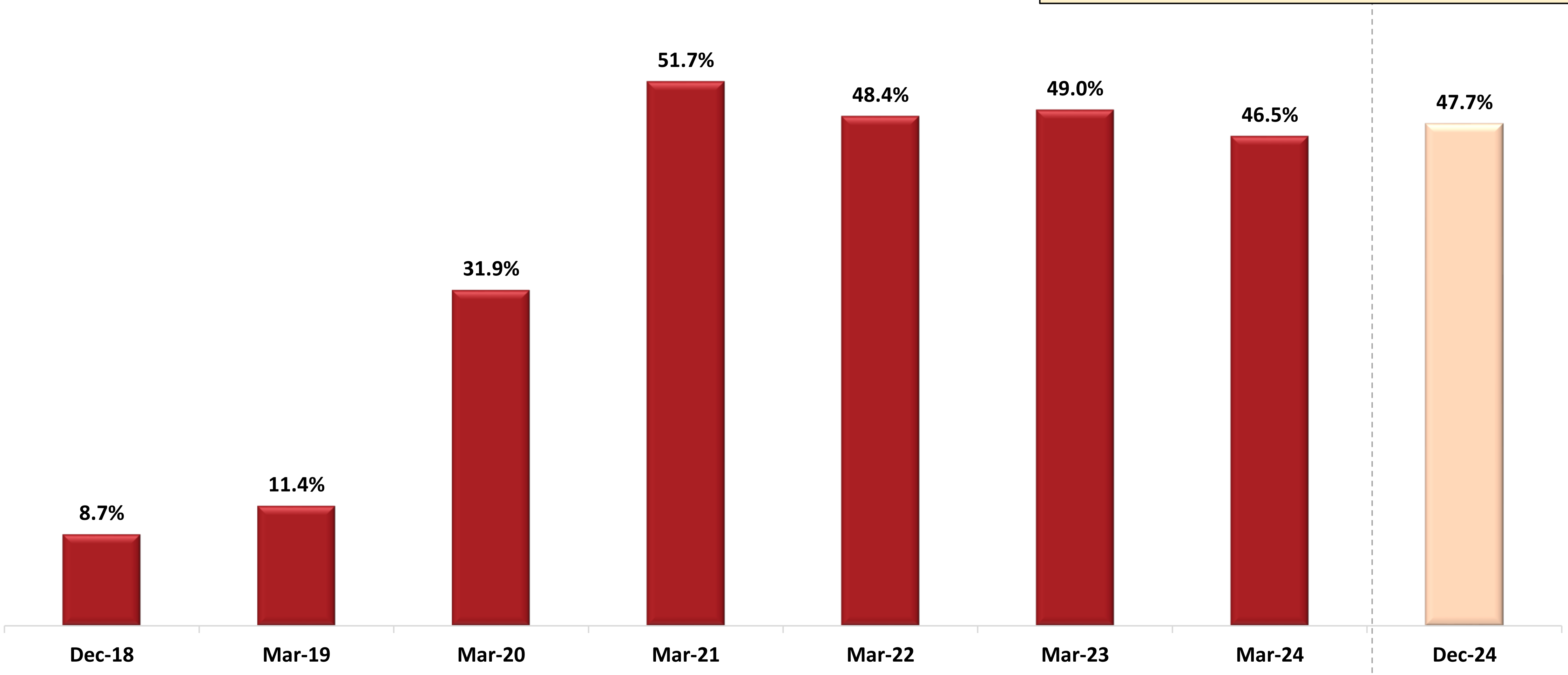
Dec-24 vs Dec-23	US$ 3,208	32.3 %
Dec-24 vs Sep-24	US$ 440	3.5 %



IDFC FIRST Bank

CASA Ratio Stable at 47.7%

CASA Ratio as of 30th September 2024 was 48.9%

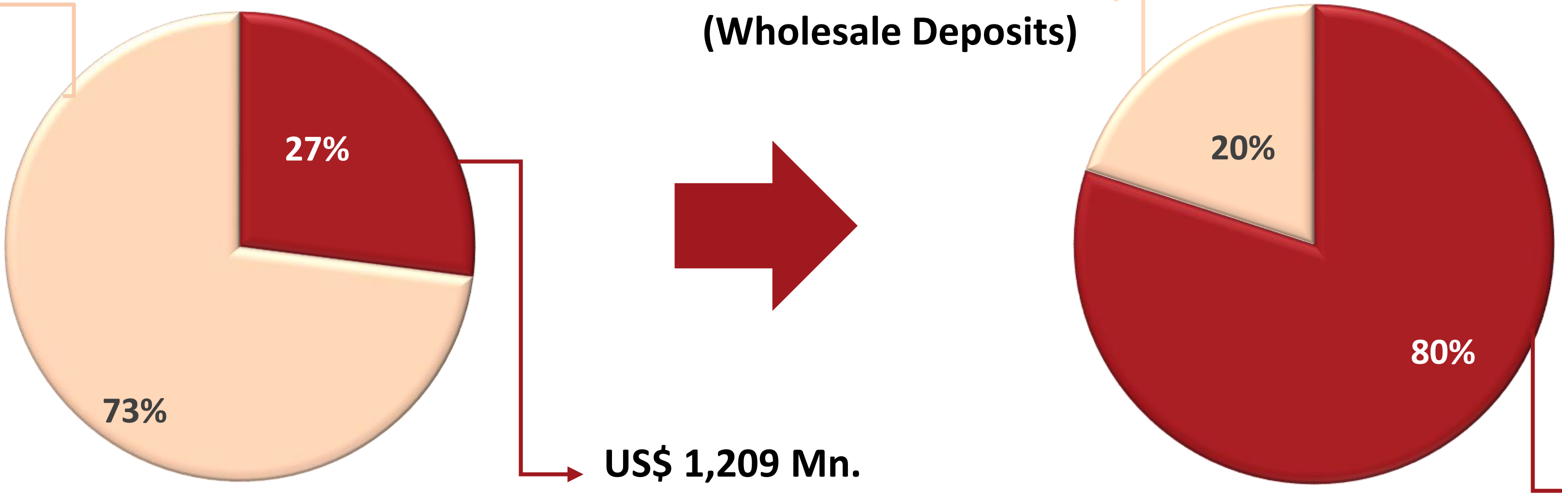


Bank has a highly diversified liabilities base with 80% Retail Customer Deposits

- 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 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$ 2,594 Mn. as of Dec-18 to US$ 1,112 Mn. as of Dec-24.

US$ 3,262 Mn.
(Wholesale Deposits)

US$ 5,414 Mn.
(Wholesale Deposits)



US$ 1,209 Mn.
(Retail Deposits)

US$ 21,018 Mn.
(Retail Deposits)

Customer Deposits

Dec-18
US$ 4,472 Mn.

Dec-24
US$ 26,432 Mn.

IDFC FIRST Bank

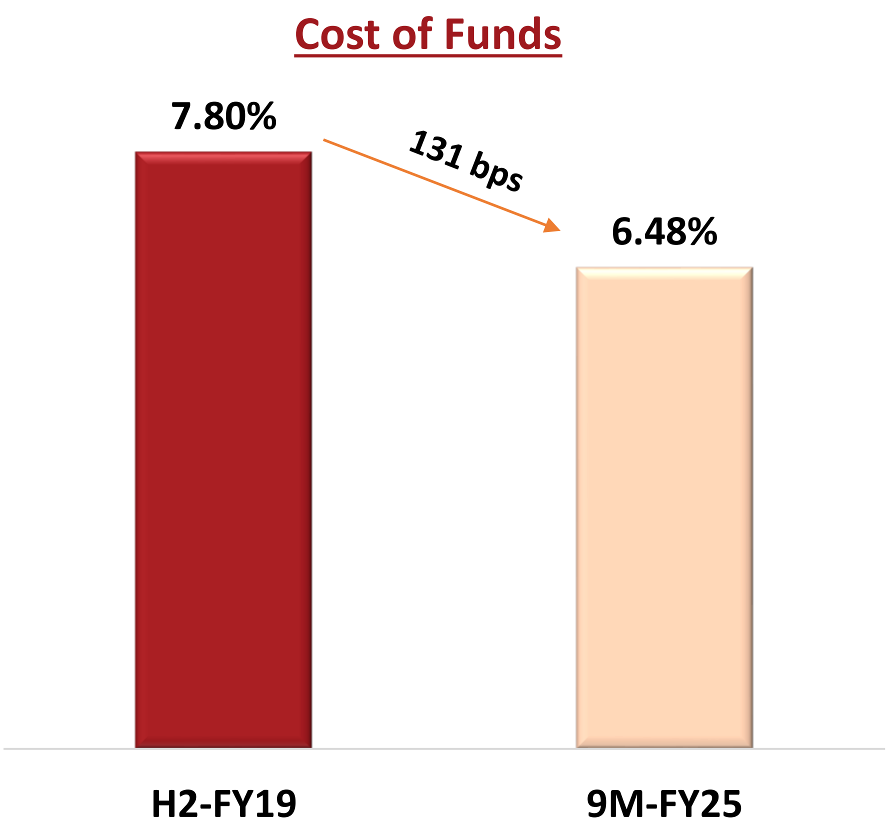
Deposits & Borrowings Details

The Bank has grown its customer deposits by **29% YOY** which was utilized for repayment of the legacy borrowings and for growth of assets.

Particulars (in US$ Mn.)	Dec-23	Sep-24	Dec-24	YoY Growth
Legacy Long Term & Infrastructure Bonds	1,387	823	706	-49%
Refinance & Other Borrowings	2,281	2,319	3,061	34%
Tier II Bonds	523	523	523	-
Total Borrowings (A)	**4,191**	**3,665**	**4,290**	**2%**
CASA Deposits	9,941	12,708	13,149	32%
Term Deposits	10,580	12,644	13,283	26%
Total Customer Deposits (B)	**20,521**	**25,352**	**26,432**	**29%**
Certificate of Deposits (C)	706	649	1,112	58%
Money Market Borrowings (D)	1,054	1,724	1,104	5%
Borrowings & Deposits (A) + (B) + (C) + (D)	**26,472**	**31,390**	**32,938**	**24%**
CASA Ratio (%)	**46.80%**	**48.90%**	**47.70%**	**90 bps**
Average CASA Ratio % (On Daily Average Balance for the Quarter)	**45.70%**	**46.30%**	**46.90%**	**127 bps**

Bank has reduced Cost of Funds by 131 bps since merger

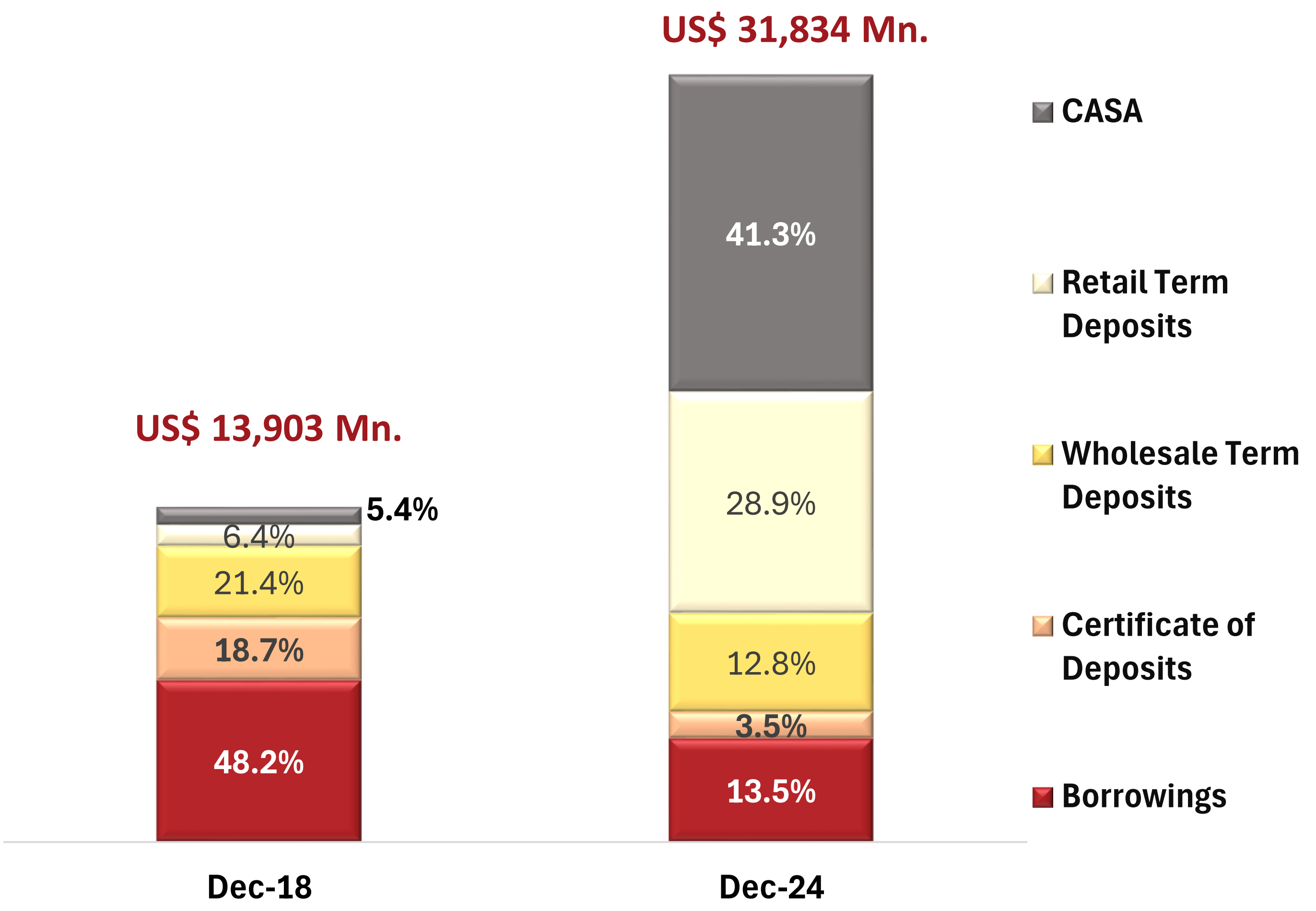
Even In environment of increasing interest rates



- The Repo Rate increased by 25 bps between FY19 and 9M-FY25, but the Cost of Funds of the Bank reduced from 7.8% at merger to 6.48%, a reduction of 131 bps which demonstrates the Bank's ability to raise low-cost deposit at scale.
- Cost of Funds for Q3 FY 25 was 6.49% against 6.46% in Q2 FY 25.
- Cost of Deposits of the Bank was at 6.38% for Q3 FY25 (6.38% in Q2 FY25)

The Bank has raised Retail Deposits and CASA to wind down Borrowings and Certificate of Deposits

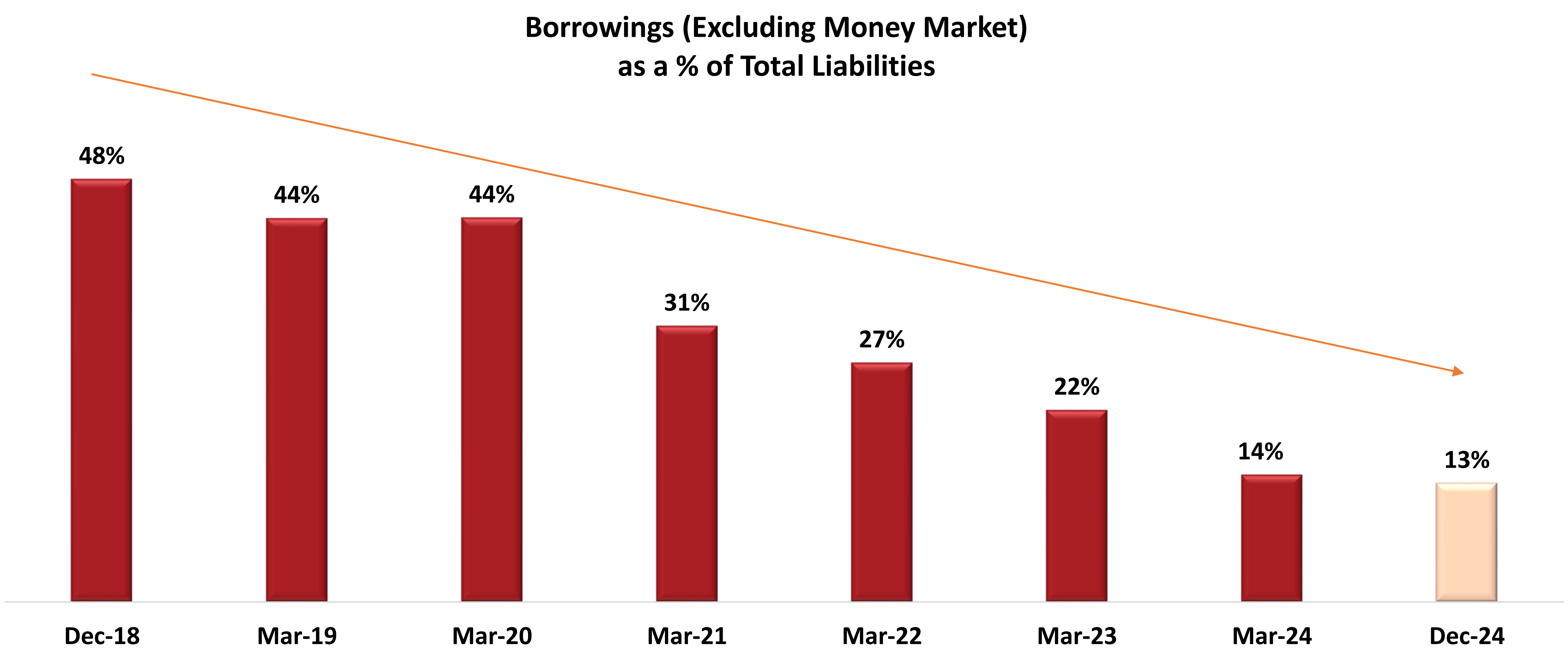
Composition of Total Deposits & Borrowings*



- Borrowing and Certificate of Deposits together as % of total deposits & Borrowings has reduced from 67% during merger to 16% currently
- At the same time, the contribution of granular retail term deposits and CASA has gone up from merely 11% during merger to 70% currently.

*Borrowings excludes Money market borrowings

Reliance on borrowings has declined meaningfully, completing the liability side transformation

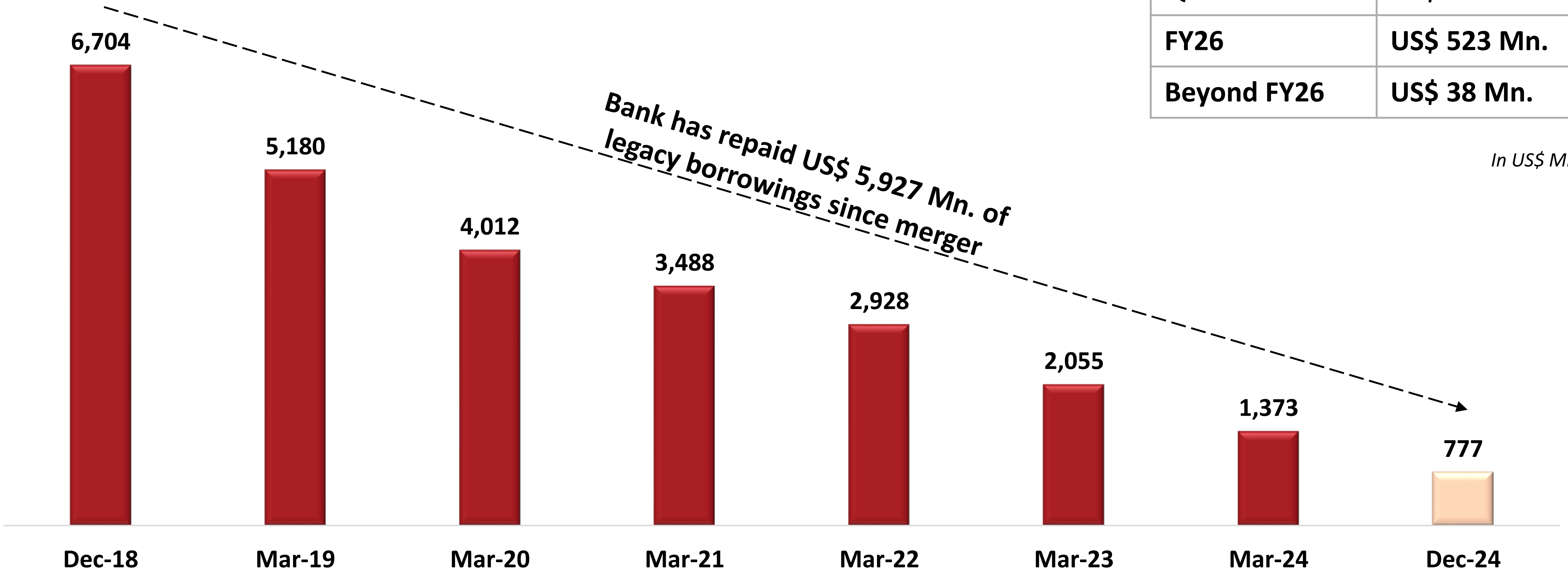


Bank continues to run down the Legacy high-cost long-term borrowings

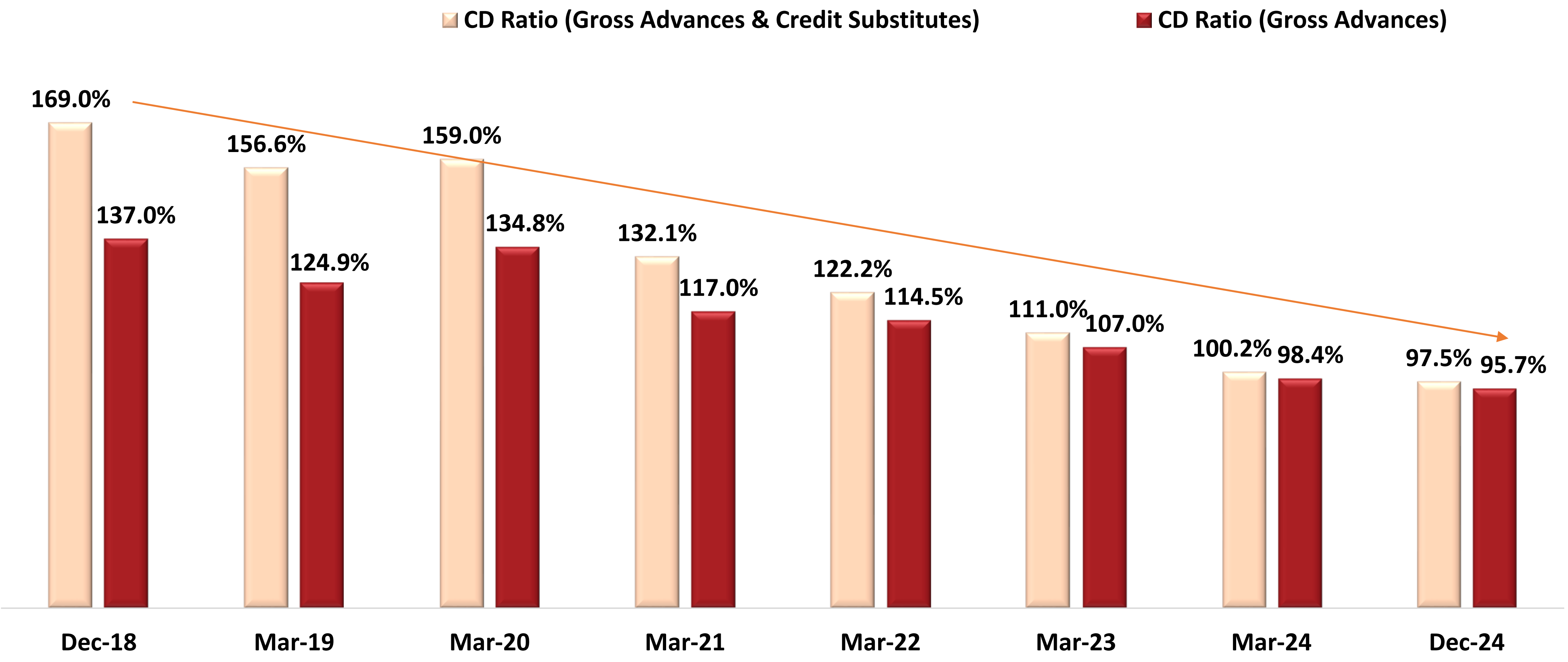
- Because we have a DFI background, the legacy borrowings are costing the bank **8.81%**. The Bank plans to replace this with low-cost deposits.

Maturity of Legacy Borrowings	
Q4 FY25	US$ 216 Mn.
FY26	US$ 523 Mn.
Beyond FY26	US$ 38 Mn.

In US$ Mn.



Credit Deposit Ratio has reduced from 137% to 95.7%



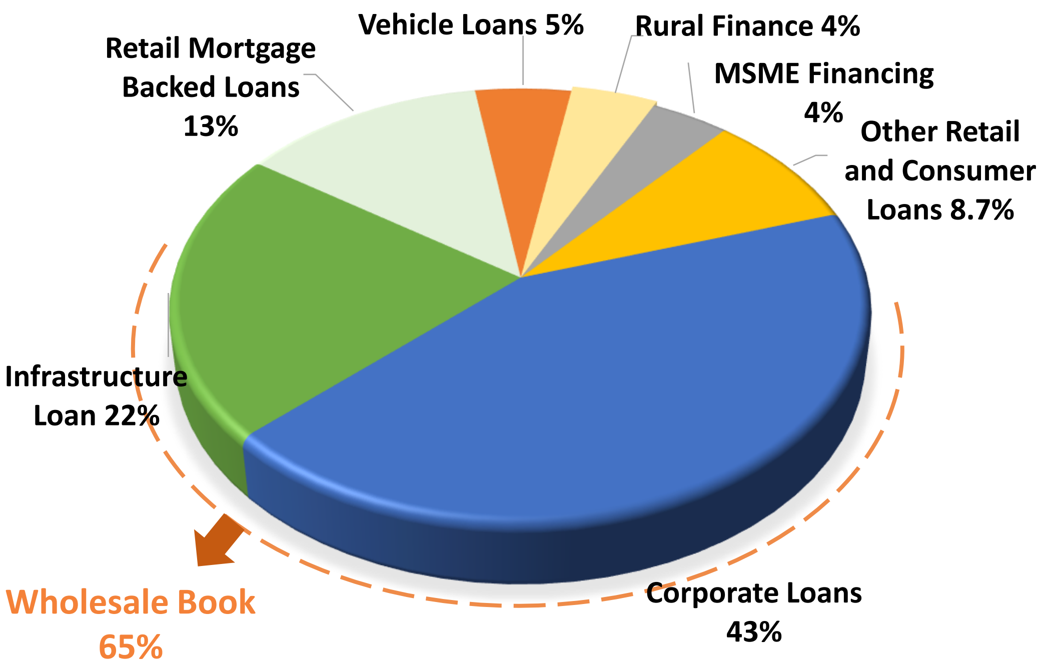
Incremental CD ratio (Gross Advances) on yearly basis (i.e. since December 2023) stood at 76.4%

Section 3: Diversified Loan Portfolio

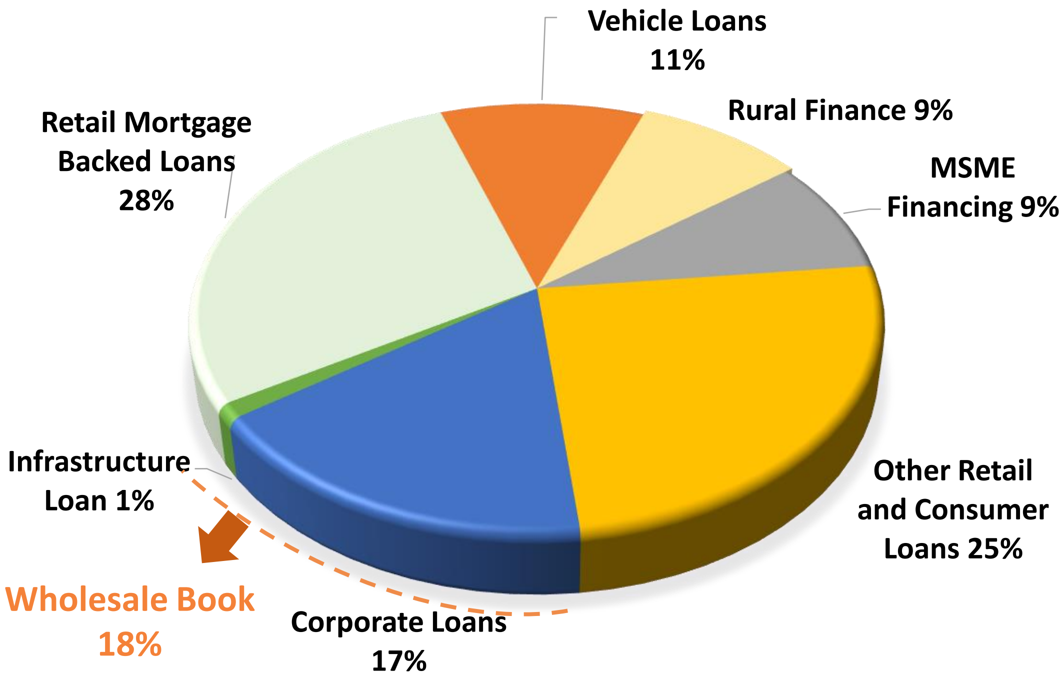
Diversified Loan Book

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$ 12,170 Mn. December 31, 2018

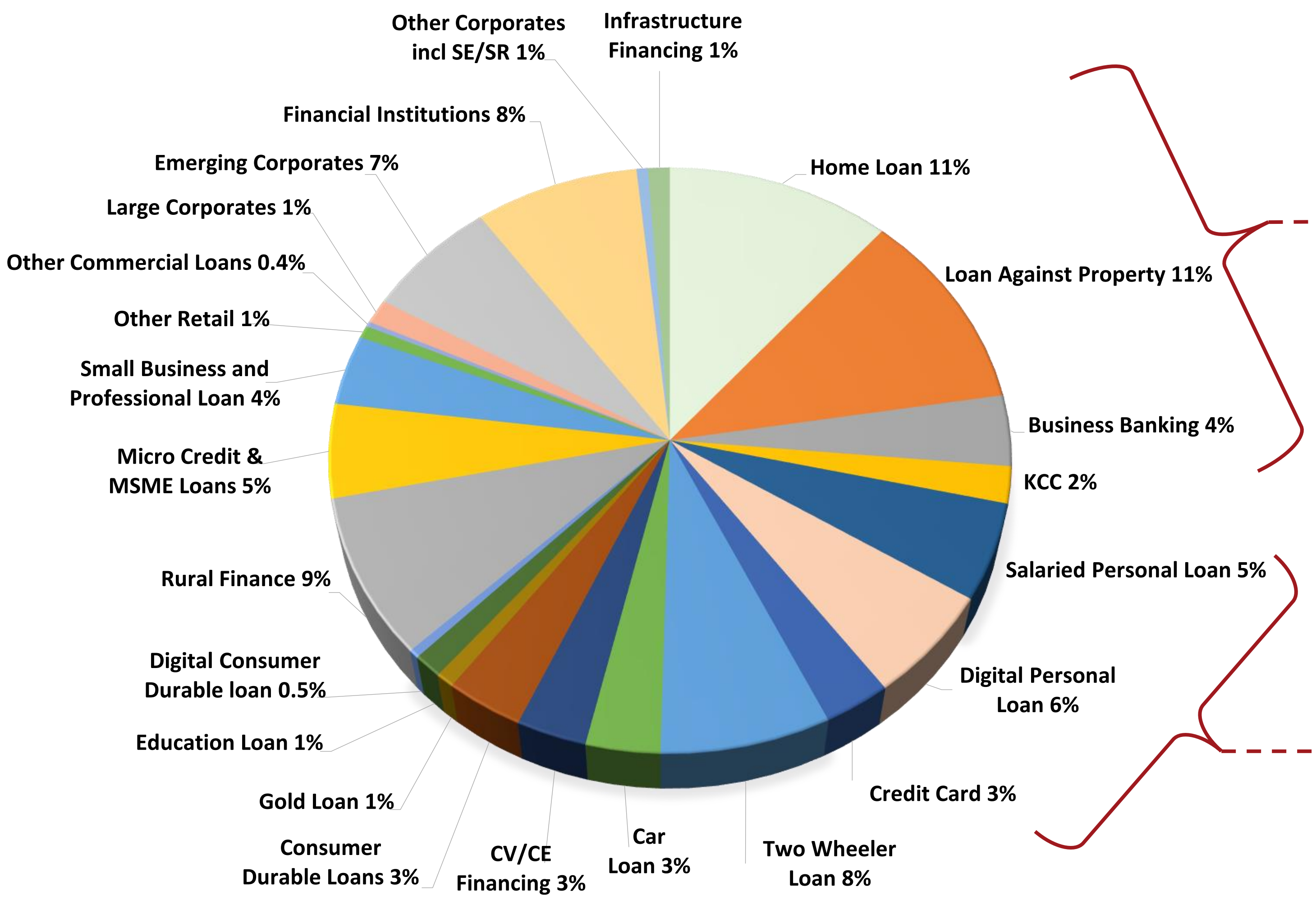


Loan Book: US$ 26,869 Mn. December 31, 2024



- The Bank has reduced infrastructure loan as a % of total loan assets from 22% at merger to only 1.1% currently.
- The Bank has improved the mortgage-backed loans % of the total loan assets from 13% at merger to 28% currently.
- Other 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: December 31, 2024
US$ 26,869 Mn.

28% of total loan book Backed by Mortgage

14% of total loan book is Unsecured Retail Credit

GNPA = 1.95%
NNPA = 0.63%

NPA Includes Consumer durable loans, education loans

IDFC FIRST Bank

Loan Growth driven by HL, LAP, Vehicle and MSME & Corporate Loans

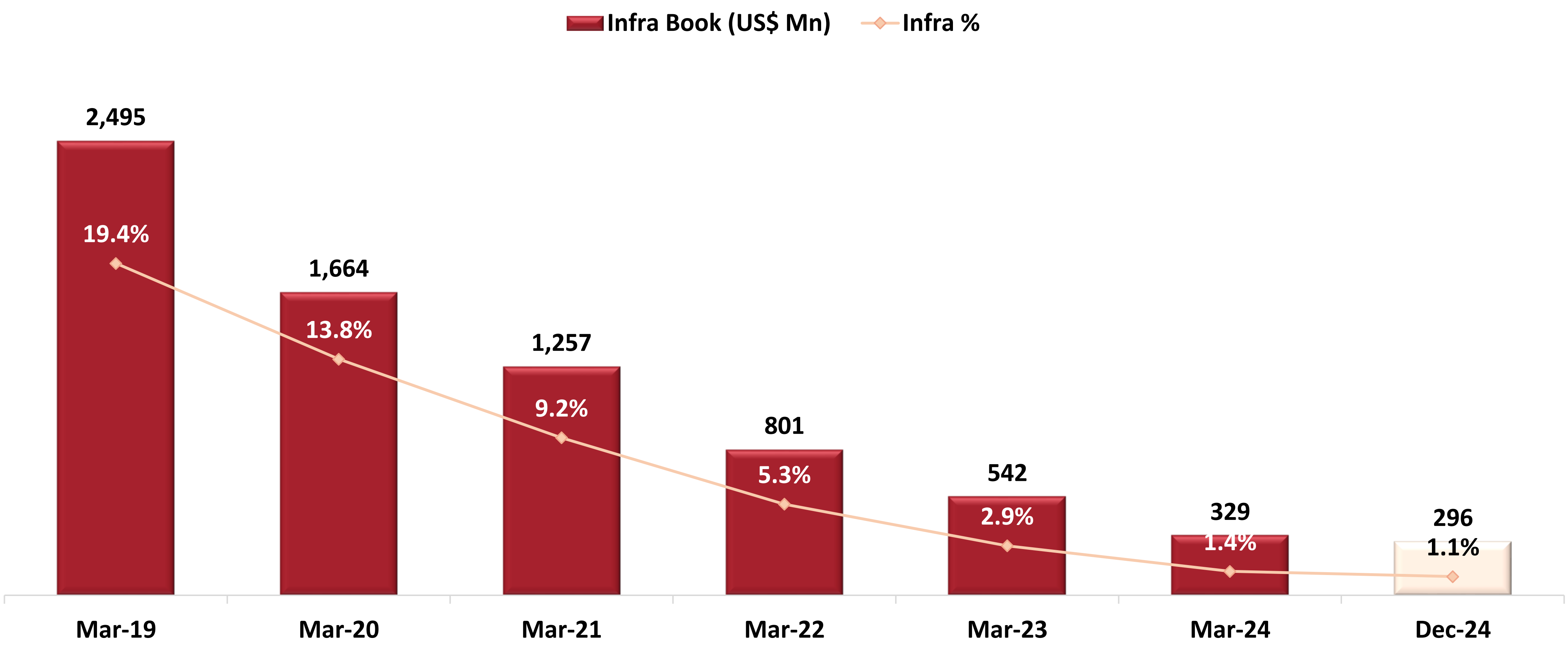
Gross Loans & Advances (In US$ Mn.)	Dec-23	Sep-24	Dec-24	YoY (%)	QoQ (%)
Retail Finance	**12,953**	**15,198**	**15,692**	**21.10%**	**3.20%**
- Home Loan	*2,457*	*2,964*	*3,058*	*24.50%*	*3.10%*
- Loan Against Property	*2,539*	*3,026*	*2,998*	*18.10%*	*-0.90%*
- Vehicle Loans	*2,117*	*2,751*	*2,931*	*38.50%*	*6.60%*
- Consumer Loans	*3,096*	*3,290*	*3,412*	*10.20%*	*3.70%*
- Education Loans	*231*	*327*	*348*	*50.50%*	*6.50%*
- Credit Card	*575*	*736*	*804*	*39.90%*	*9.20%*
*- Gold Loan**	*90*	*187*	*220*	*144.70%*	*18.20%*
- Others	*1,848*	*1,918*	*1,920*	*3.90%*	*0.10%*
Rural Finance*	**2,785**	**3,016**	**2,934**	**5.30%**	**-2.70%**
- Micro-Finance Loans	*1,585*	*1,456*	*1,279*	*-19.30%*	*-12.20%*
Business Finance (MSME & Corporate)	**5,945**	**7,363**	**7,947**	**33.70%**	**7.90%**
*- of which CV/CE Financing**	*595*	*802*	*845*	*42.10%*	*5.30%*
*- of which Business Banking**	*779*	*972*	*1,052*	*35.10%*	*8.30%*
- of which Corporate Loans ^	*3,554*	*4,219*	*4,580*	*28.90%*	*8.60%*
Infrastructure	**348**	**309**	**296**	**-15.00%**	**-4.10%**
Total Gross Loans & Advances	**22,032**	**25,885**	**26,869**	**22.00%**	**3.80%**

- *Rural Finance, CV/CE Financing, Business Banking, Gold Loans, Home Loans (< US$ 34.9K) largely contribute to the PSL requirements of the Bank and hence are focus areas.*

^ Corporate Loans include PTC, Equity investments & Security receipts amounting to US$ 107 Mn. as on 31st December, 2024.

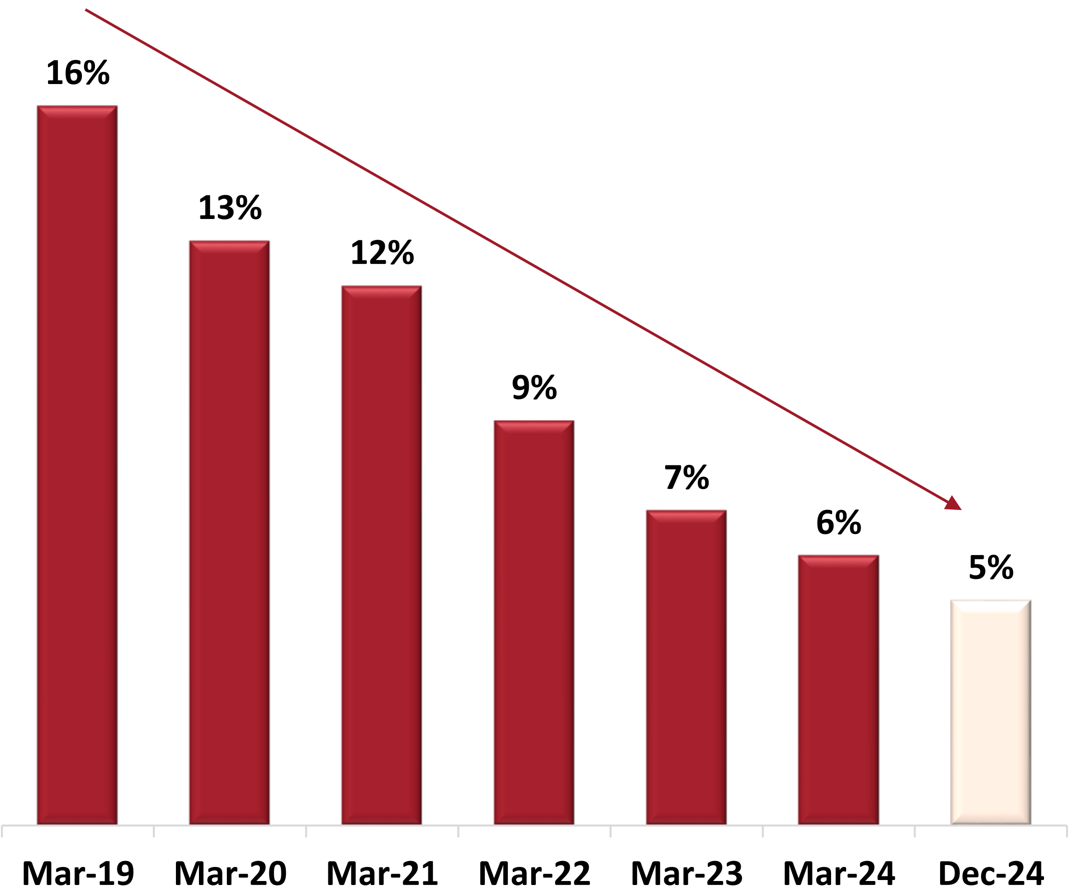
1. *The figures above are net of Inter-Bank Participant Certificate (IBPC) transactions & includes credit substitutes*
2. *Lending to commercial banking businesses and MSMEs through working capital loans, business banking, commercial vehicle, trade advances, term loans, security receipts, loan converted 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.*

The Bank has reduced its infrastructure financing portfolio from 19% in Mar-19 to 1.1% of the total funded assets in Dec-24.

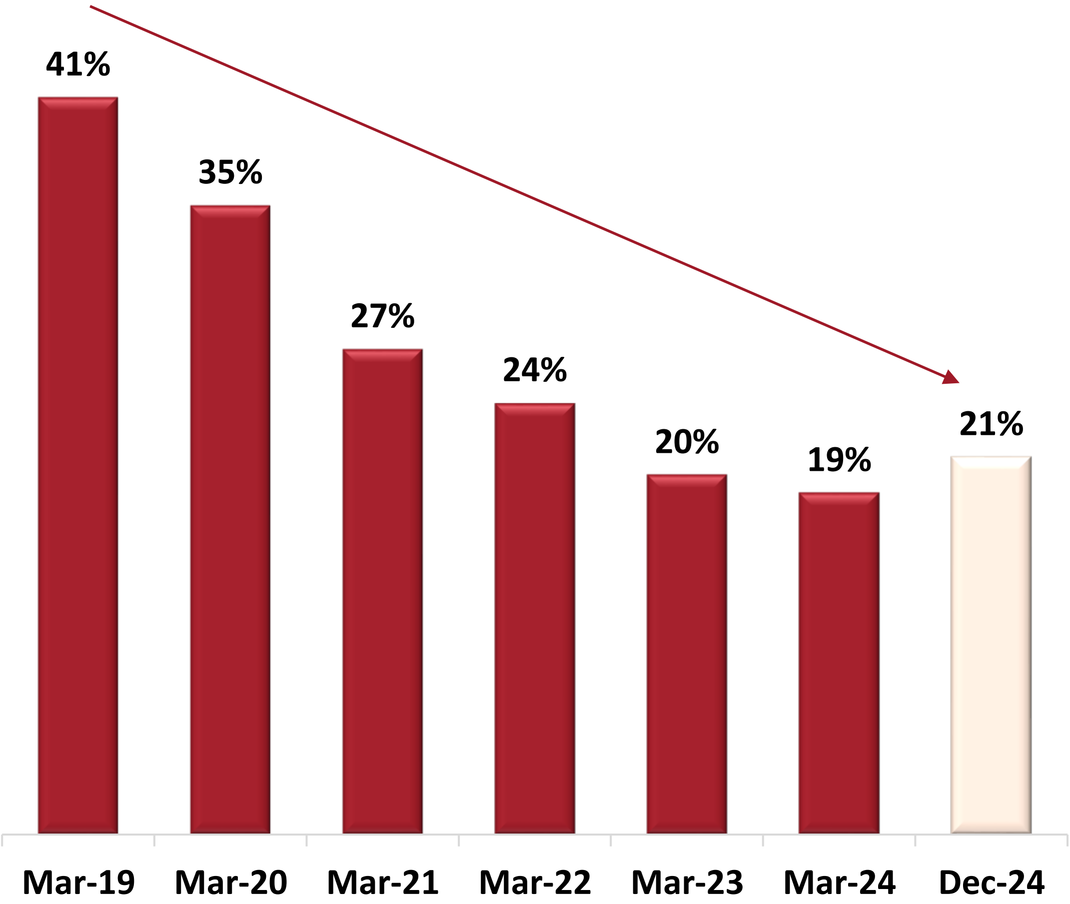


As a key risk measure, the Bank has reduced concentration risk in Wholesale lending

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



Further, the exposure to top 5 industries also reduced from 41% Mar-19 to 21% in Dec-24 which has further strengthened the balance sheet.



4. Robust Risk Management Framework

1. Cash-flow based lending – fundamental basis of Bank's lending
2. EMI / Cheque Bounce (early bucket) return Trend
3. Collection Efficiency Trend
4. SMA – 1+2 Trend
5. Product wise SMA -1+2 trend in Retail, Rural, MSME
7. Asset Quality Summary Separating MFI asset quality and rest of Book
8. NPA Trend in Retail, Rural, MSME Book for 15 years
9. NPA Movement
10. Vintage Analysis
11. Industry Comparison 30+ Performance for key products
12. Trend of Provision Coverage Ratio

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

No Go Criteria

The Bank evaluates certain quick no-go criteria such as deduplication against existing records, bank validation and minimum credit parameter rules.

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

Field Verification

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

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.

Ratio Analysis

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

Title Deed Verification

Evaluation of title deeds of the property and collateral, legality validity, enforceability etc.,

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.

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.

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.

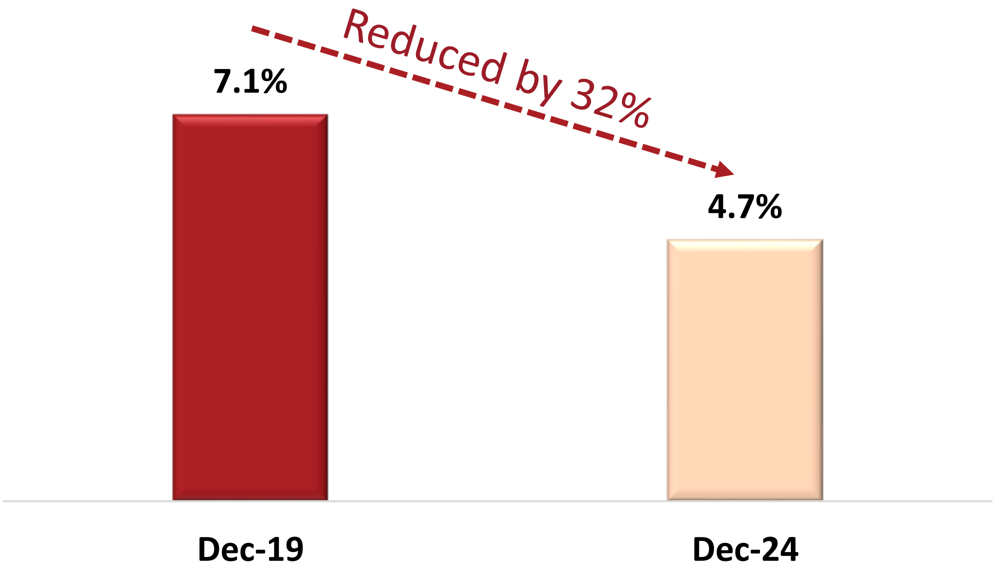
Credit Bureau Check

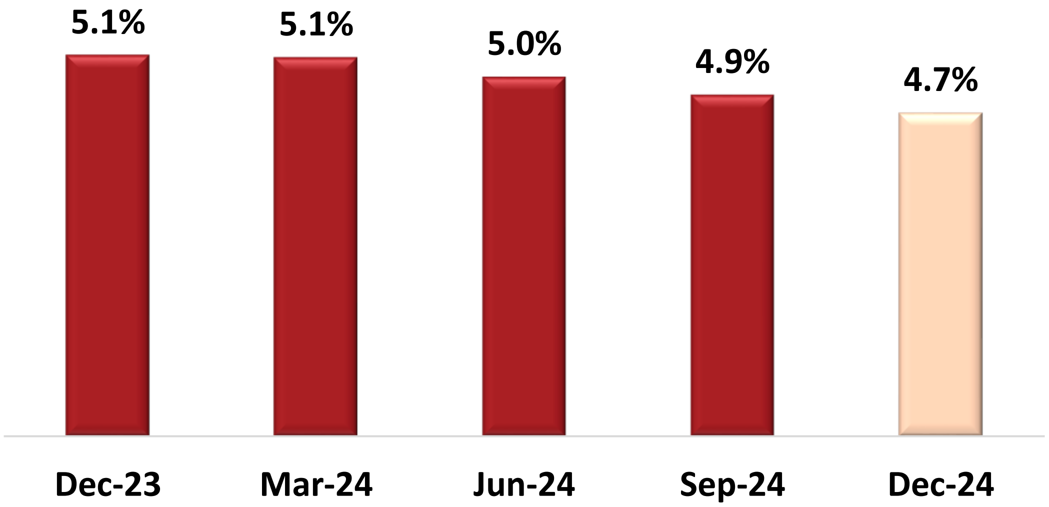
Checking the customer's credit behavior history, no. of credit inquiries, age in bureau, limit utilization, recency of inquiries, level of unsecured debt, etc.

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 Returns for insufficient funds





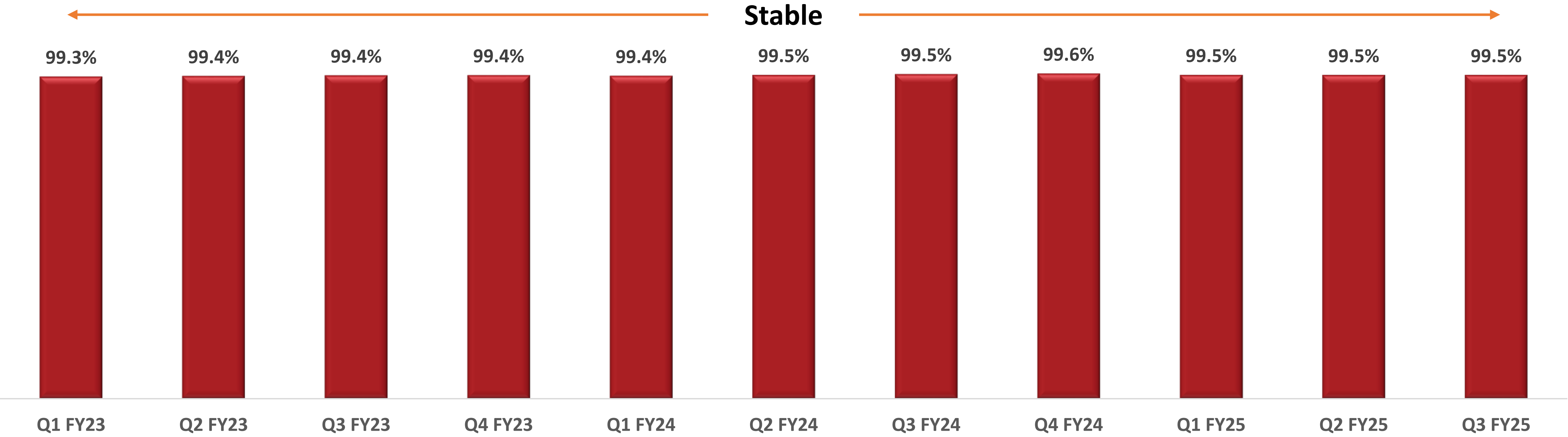
- First EMI (FEMI) represents Cheque returns in the FIRST month after Booking. It is thus a direct indicator of the Quality of Booking.
- First EMI Bounce Rate for insufficient funds has improved from 4.9% as of Sep-24 by 10 bps sequentially to 4.7% as of Dec-24.
- First EMI Bounce Rate, including insufficient funds and technical bounce, has improved from 5.7% as of Sep-24 by 20 bps to 5.5% as of Dec-24.
- Percentage are on a 12 month trailing basis, as a sustainable performance indicator.

(EMI returns pertain to Month 1 EMI presentation for Month 0 Booking); the above figures are for Urban Retail Portfolio

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) %

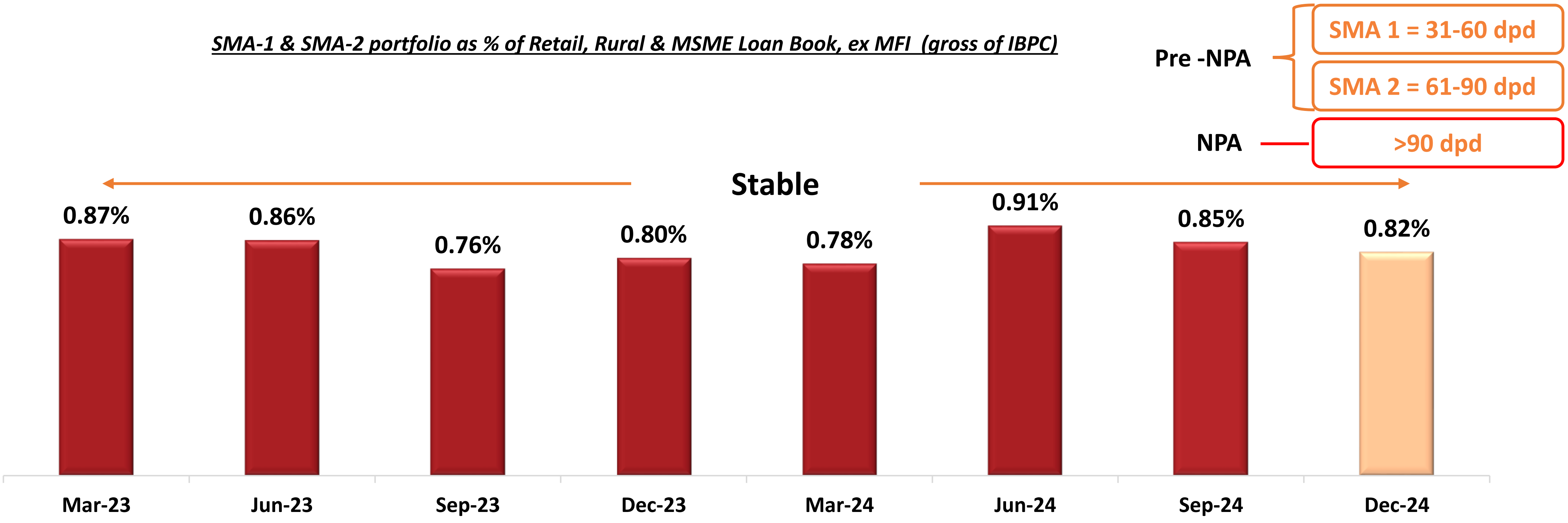
Collections % represented here do not include any arrear collections, or prepayment collections, and hence represents the true picture of collections efficiency.



- 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.

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

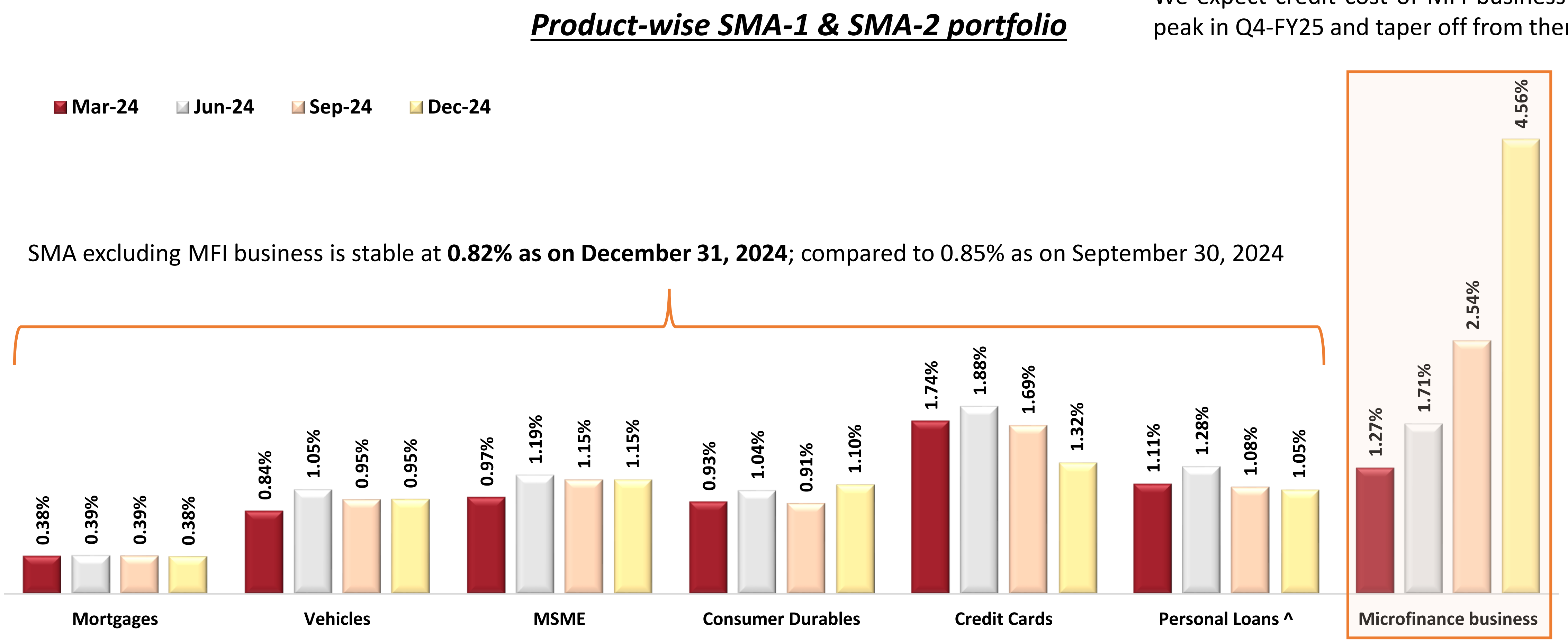


- SMA-1 & 2 for microfinance business increased from **2.54%** in Sep-24 to **4.56%** as on Dec-24
- SMA-1 & 2 for overall Retail, Rural & MSME portfolio (including microfinance business) increased from **0.97%** in Sep-24 to **1.03%** as on Dec-24

Above numbers are Gross of IBPC

Product wise SMA Analysis – All product stable except Microfinance

We expect credit cost of MFI business to peak in Q4-FY25 and taper off from there

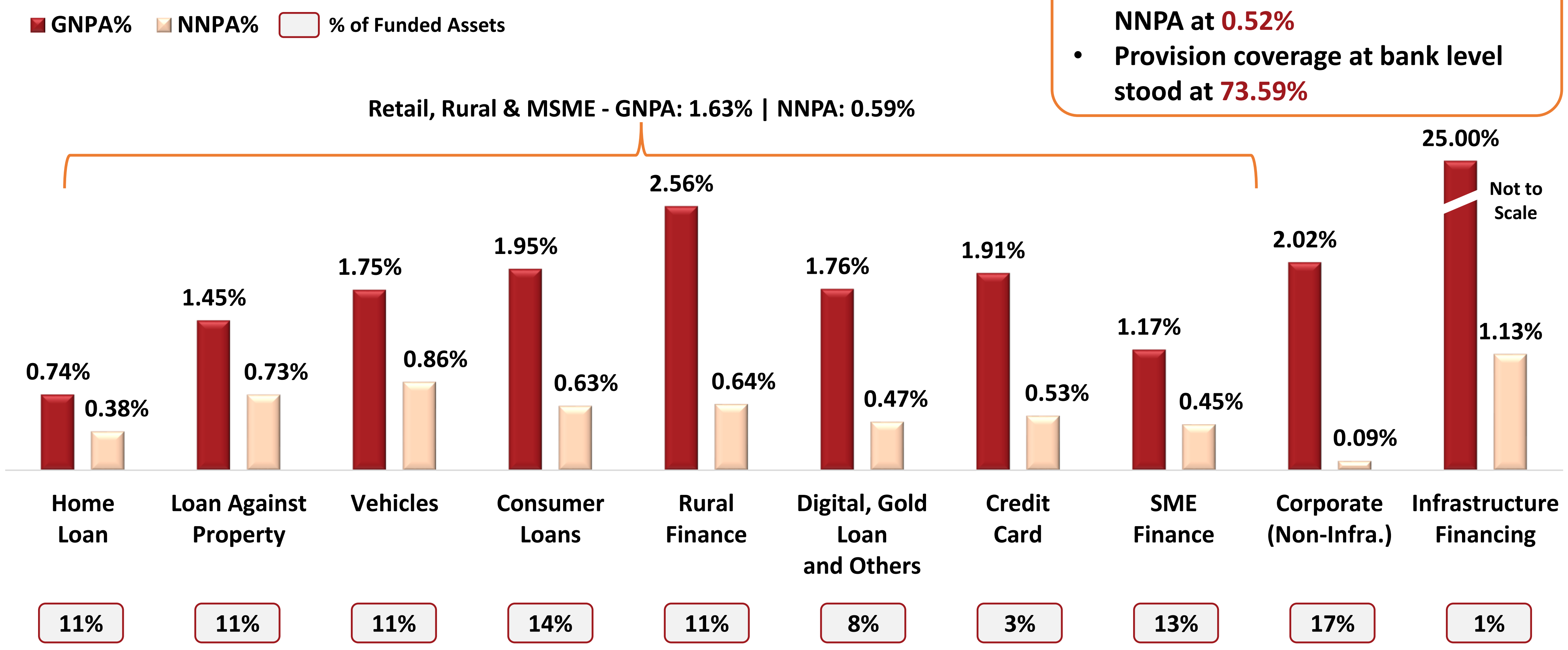


SMA-1 & 2 would have been 0.39%, 1.07%, 1.19% for mortgages, vehicles and MSME loan book as on December 2024, computed basis funded book net of IBPC.

Above numbers are Gross of IBPC
^ Personal Loans including Digital loans

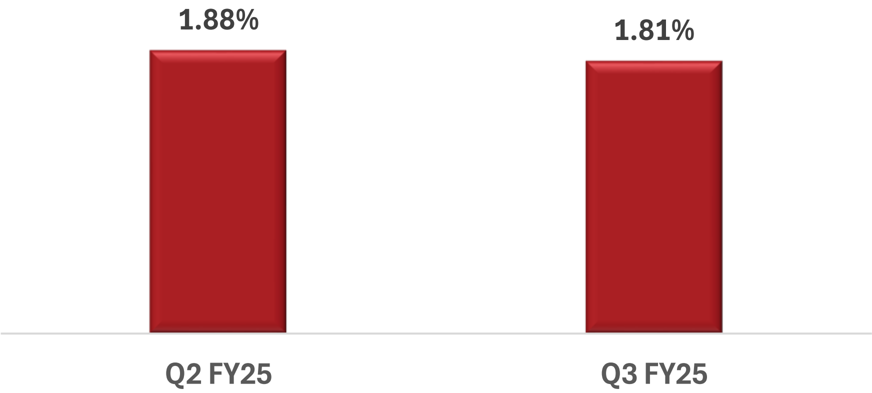
Retail, rural and MSME product segments continue to have low NPA ratios

- Bank's GNPA was at 1.94% and NNPA at 0.52%
- Provision coverage at bank level stood at 73.59%



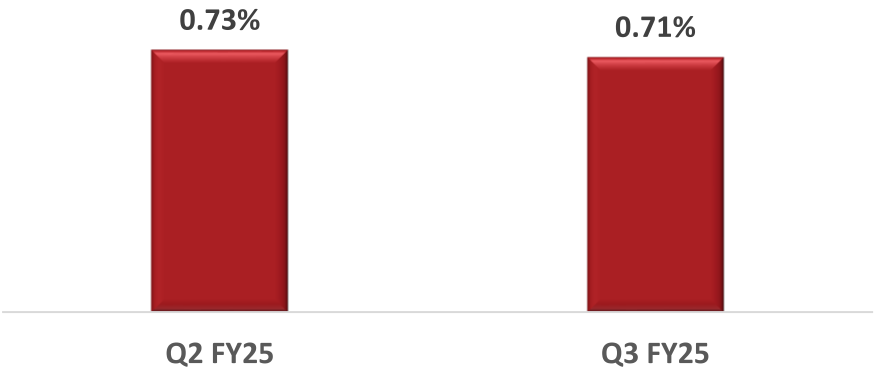
Asset Quality of the Bank excluding Microfinance business is stable

Gross NPA %

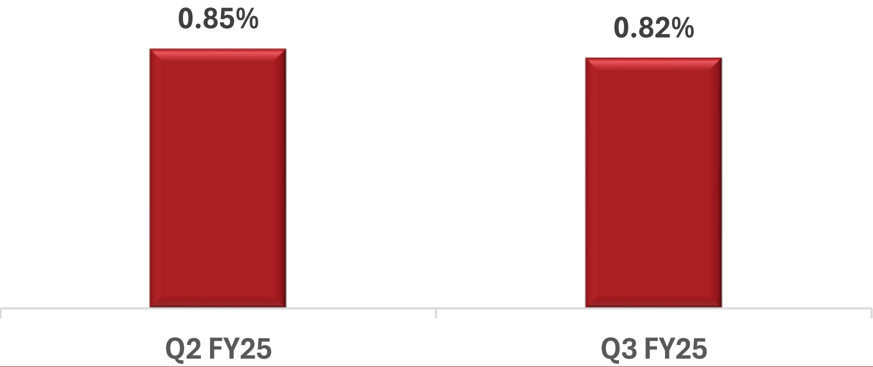


Net NPA %

SMA 1+2 (Bank Level)

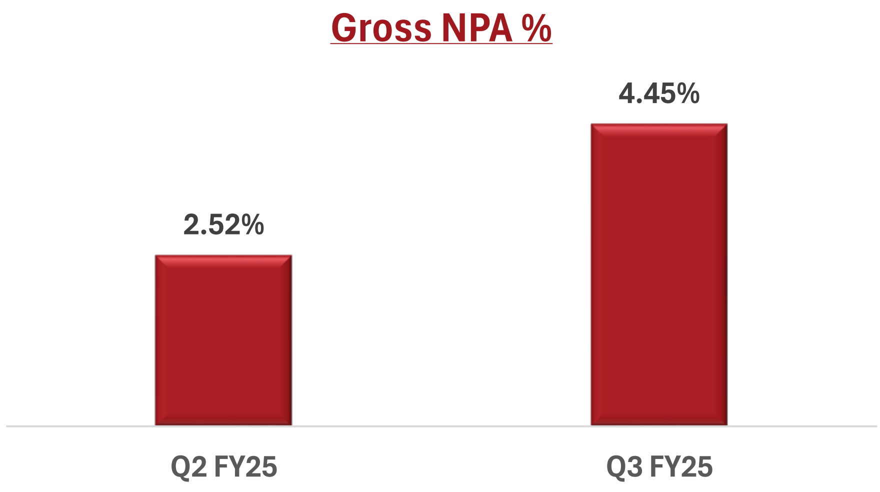


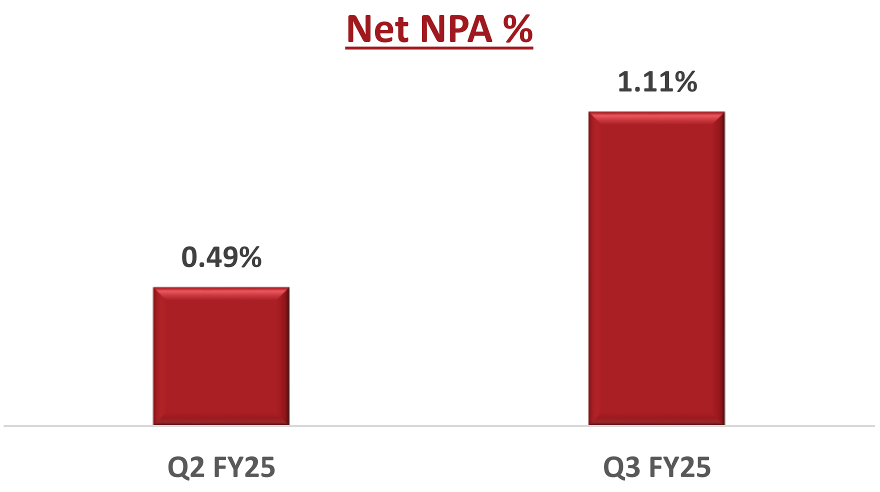
SMA 1+2 (Retail, Rural, MSME)

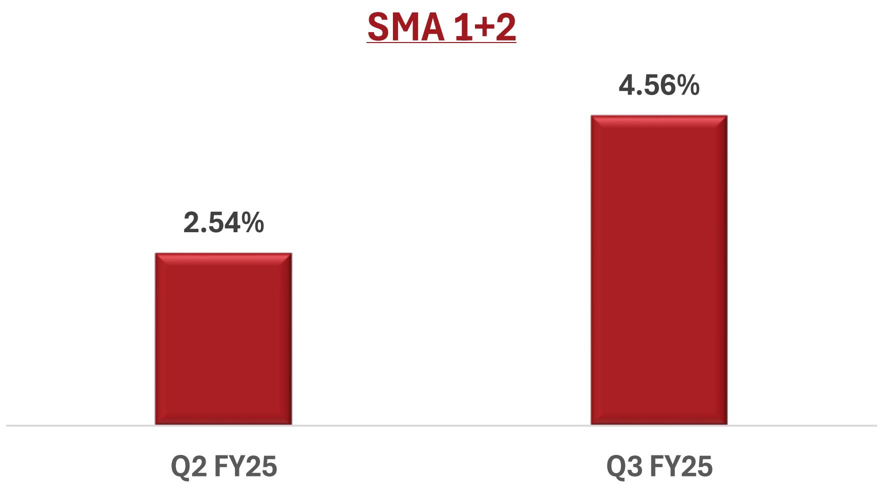


Credit cost of the Bank ex MFI and excluding one Mumbai entry point toll road account was **1.76%** for 9M FY25

Asset Quality of Microfinance book deteriorated during the quarter

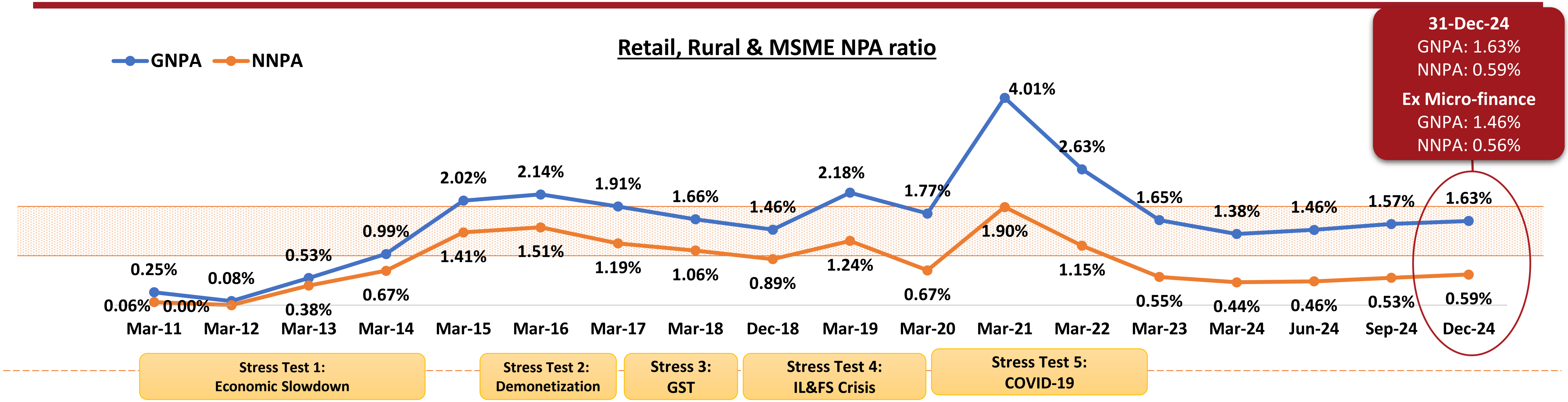


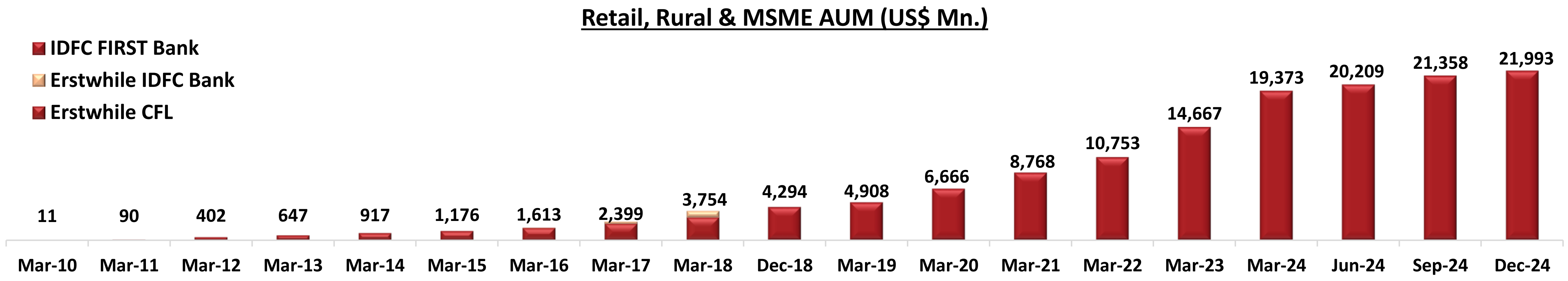




Credit cost of Microfinance business was **8%** for 9M FY25 excluding contingency buffer of US$ 37 Mn.

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





NPA Movement

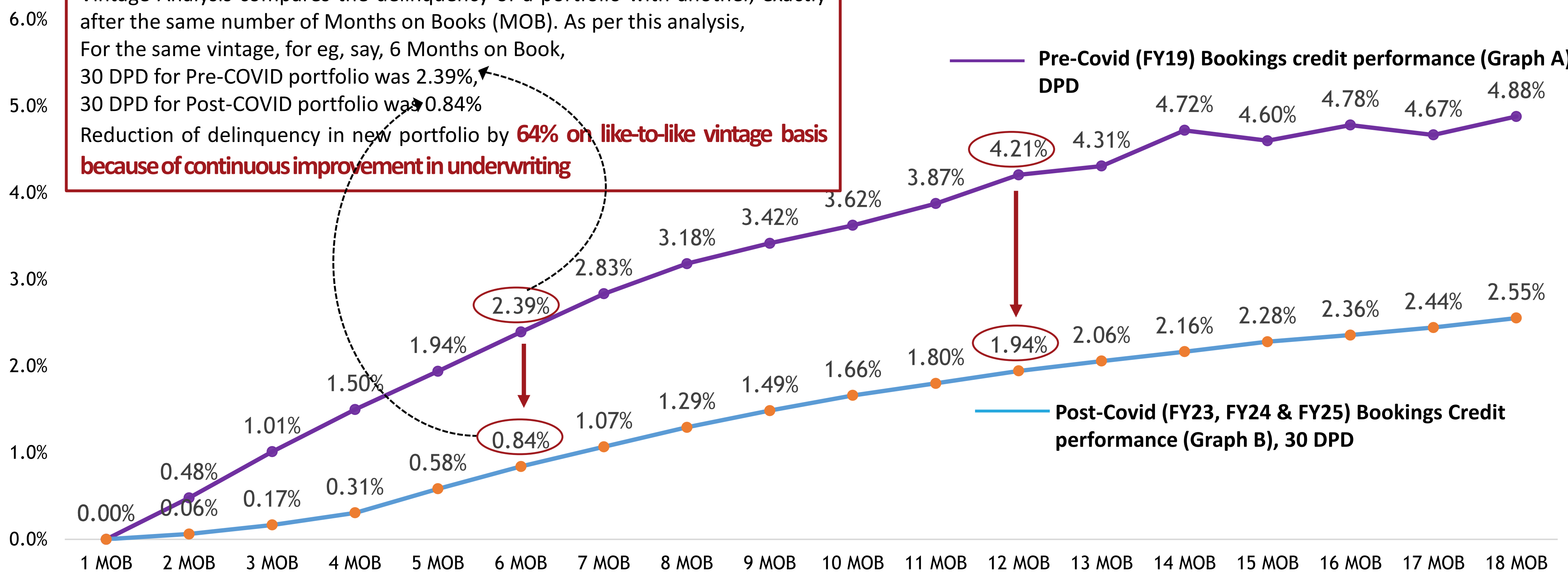
Description (US$ Mn.)	Q2 FY25	Q3 FY25
Opening NPAs	454	488
ADD: Gross additions (Fresh Slippages)	**236**	**255**
- Other than MFI	202	204
- MFI	34	51
LESS: Recoveries, Upgrades and others	-74	-76
Net Addition	**162**	**179**
LESS: Write-offs	-128	-155
Closing NPA	**488**	**512**

- **Incremental Slippage for Q3 FY25 is US$ 19 Mn. as compared to Q2 FY25, out of which US$ 17 Mn. is contributed by MFI business. Hence, except MFI, the slippages remained stable on QoQ basis.**

Vintage Analysis – showing quality of portfolio improvement over the year

(excluding microfinance business).

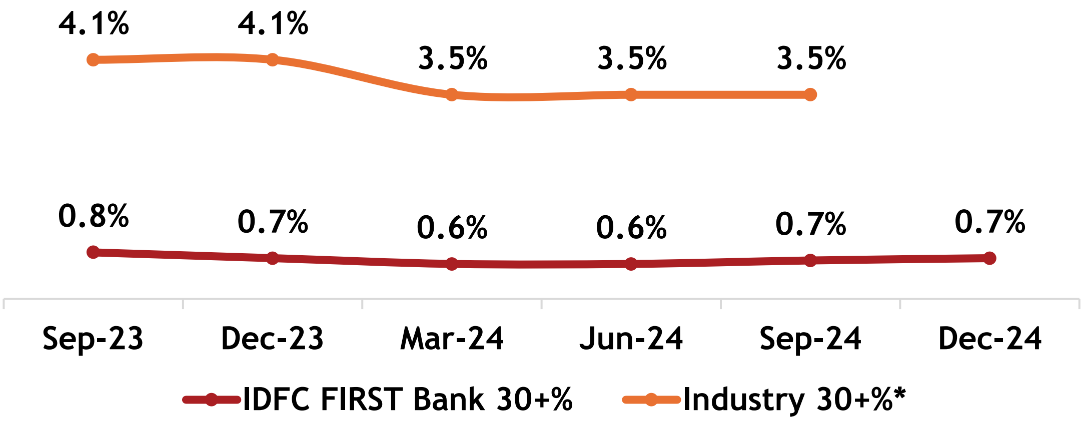
Vintage Analysis compares the delinquency of a portfolio with another, exactly after the same number of Months on Books (MOB). As per this analysis,
For the same vintage, for eg, say, 6 Months on Book,
30 DPD for Pre-COVID portfolio was 2.39%,
30 DPD for Post-COVID portfolio was 0.84%
Reduction of delinquency in new portfolio by **64% on like-to-like vintage basis because of continuous improvement in underwriting**



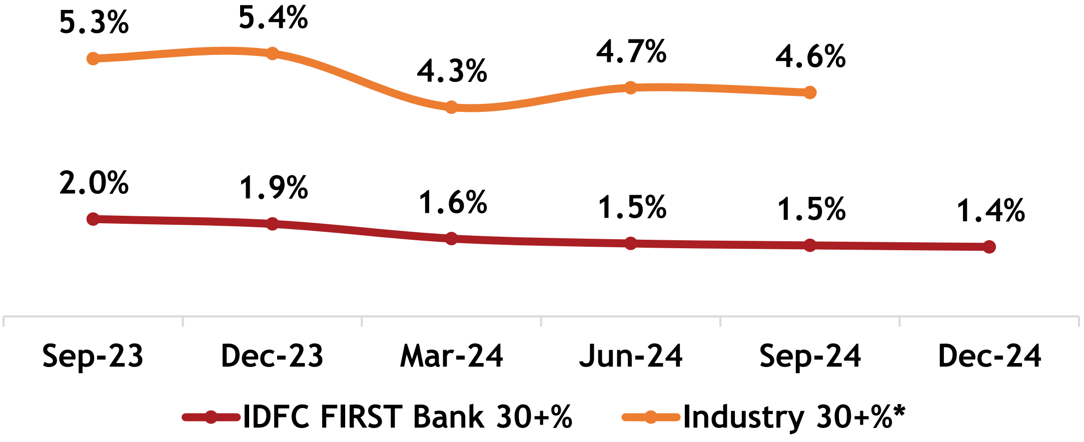
- <u>The Vintage analysis on this graph indicates the expected NPA over the next 3-5 years.</u> The delinquency for the new bookings of Post-COVID for like-to-like vintage is lesser than that booking of Pre-COVID. The past Pre- Covid bookings (Graph A) led to NPA of around 2% and Net NPA of around 1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

Coincidental (30+%) delinquency better than industry as per CIBIL records

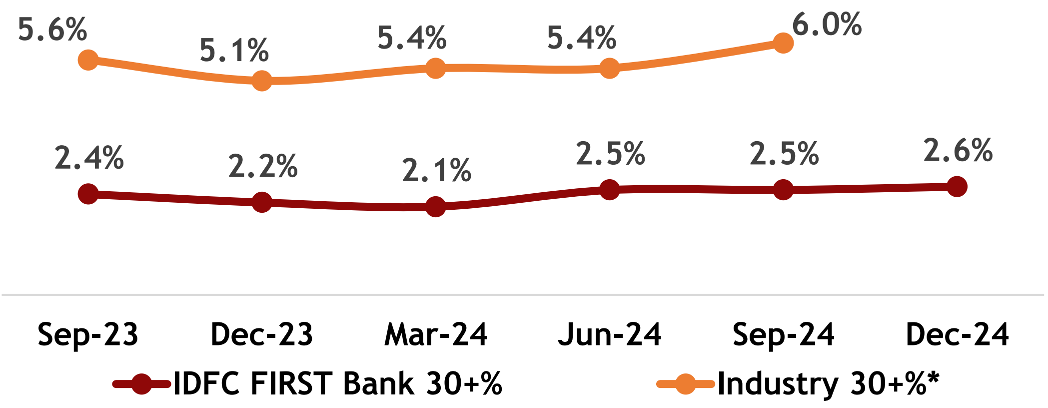
Home Loan



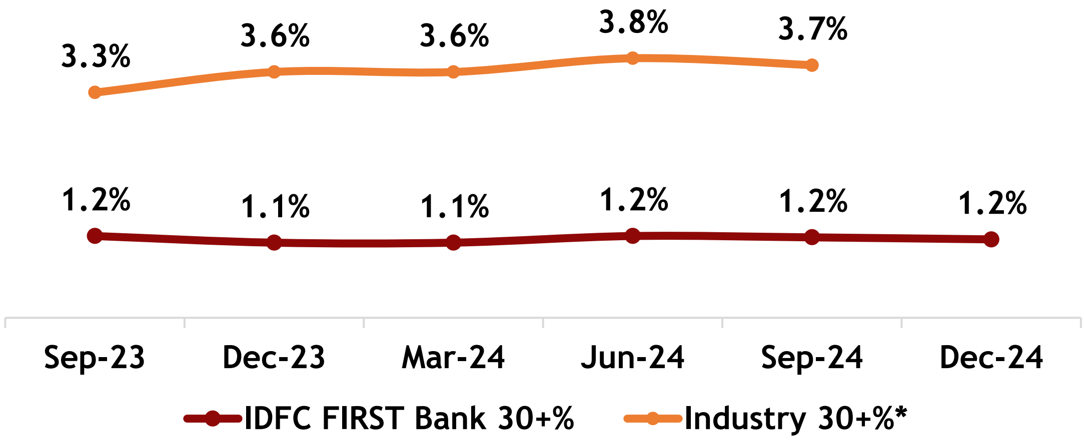
Loan Against Property



Two Wheeler Loans



Car Loan

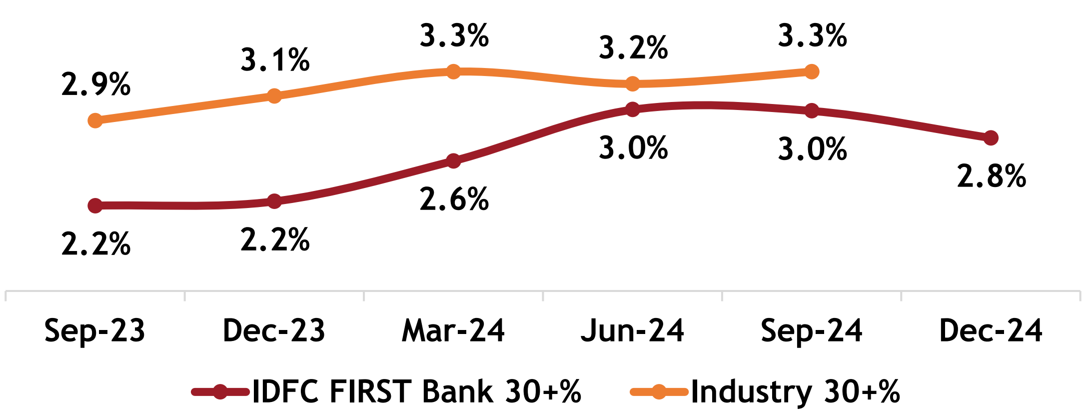


*Industry delinquency number is excluding ARC. Live portfolio is defined as 000-719 for HL and LAP products. 000-179 for all other products.
Bank delinquency number is Excluding write off and Gross of IBPC, Nos arrived based on account wise DPD status.

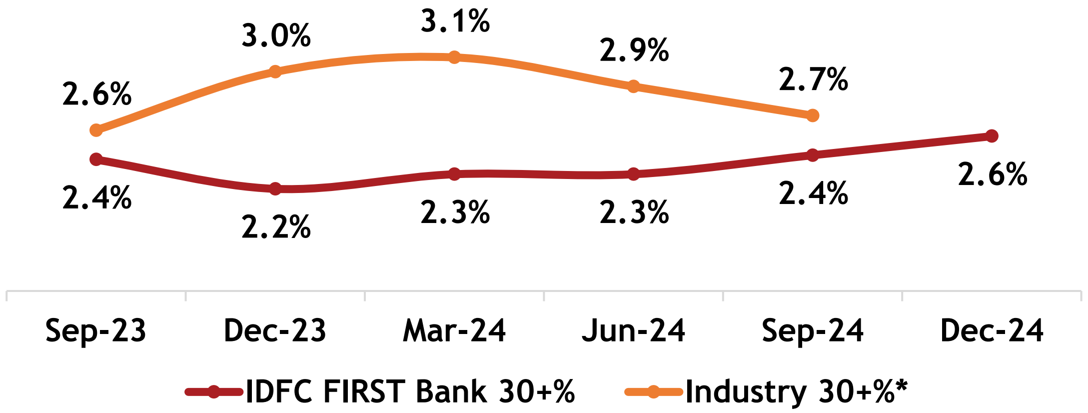
IDFC FIRST Bank

Coincidental (30+%) delinquency better than industry as per CIBIL records

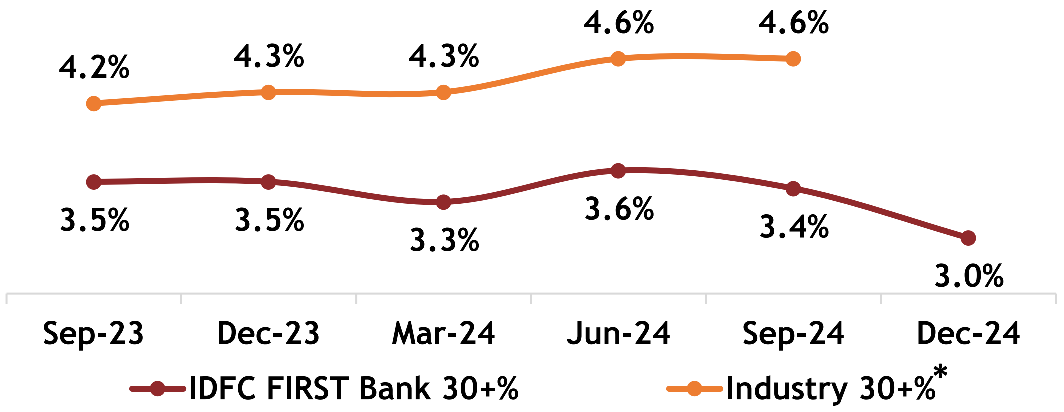
30+ DPD Trend (PL including Digital)



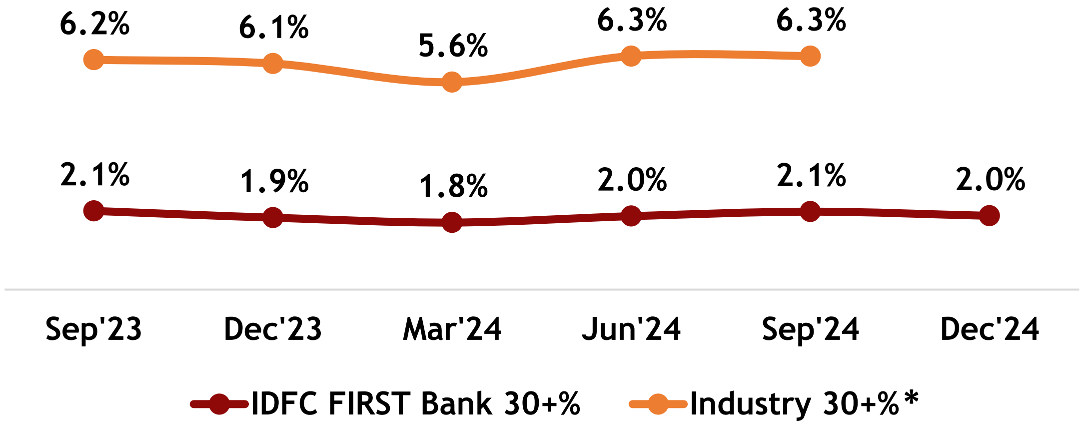
Consumer Durable



Credit Cards



Business Loans

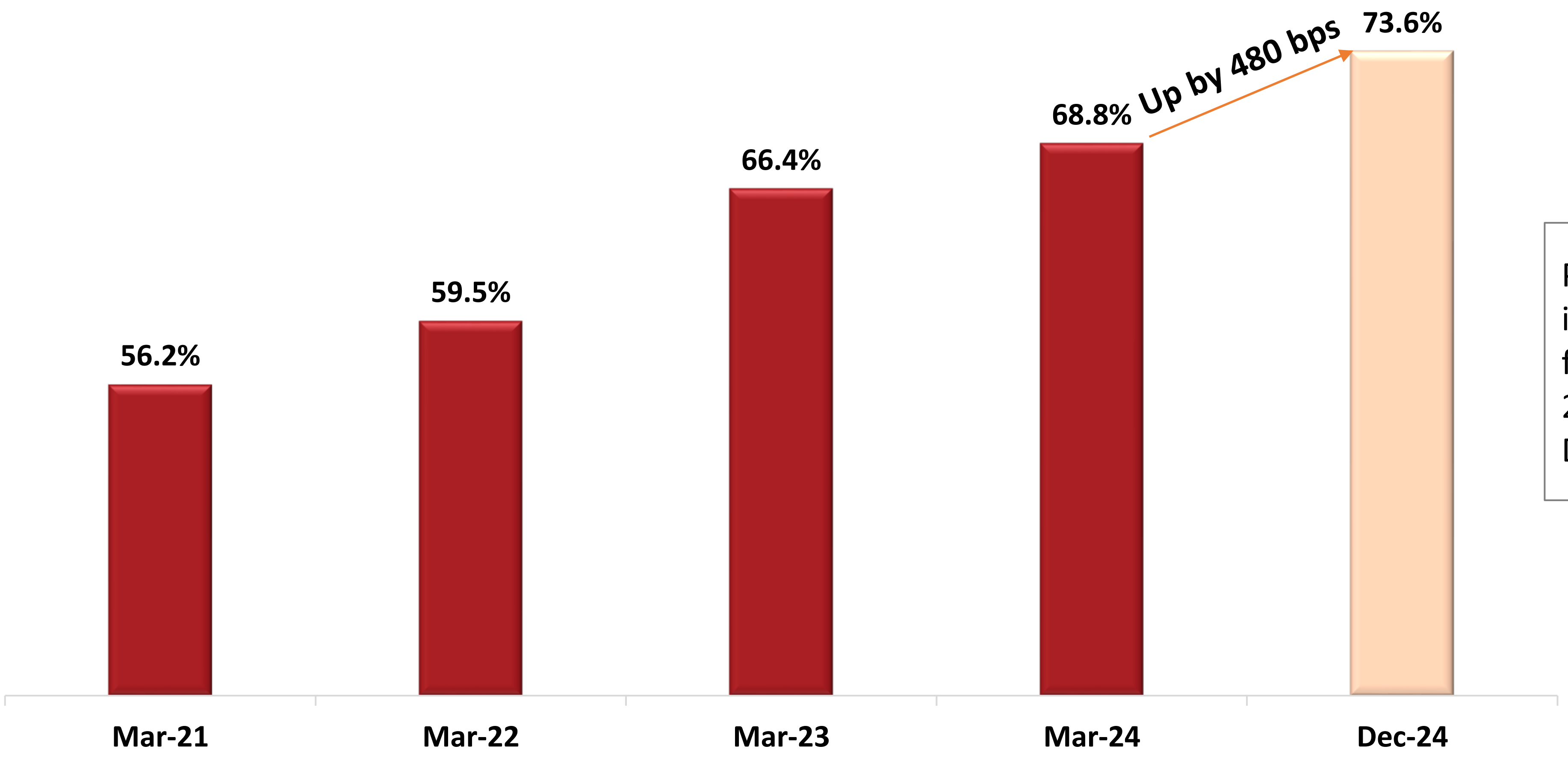


**Source Transunion CIBIL Bureau. #IDFC FIRST Bank 30+ includes total outstanding for Non-NPAs & principal outstanding for NPAs. Industry Includes all banks and NBFCs*

IDFC FIRST Bank

*Industry delinquency number is excluding ARC. Live portfolio is defined as 000-719 for HL and LAP products. 000-179 for all other products.
Bank delinquency number is Excluding write off and Gross of IBPC, Nos arrived based on account wise DPD status..

Provision Coverage Ratio increased to 73.6% for the Bank



Provision coverage improved by **671 bps** from 66.9% in December 2023 to 73.6% in December 2024

Provision Coverage (Excluding technical write-offs)

Section 5: Microfinance Business

Micro-finance Loans – Meets Agri and PSL Requirements

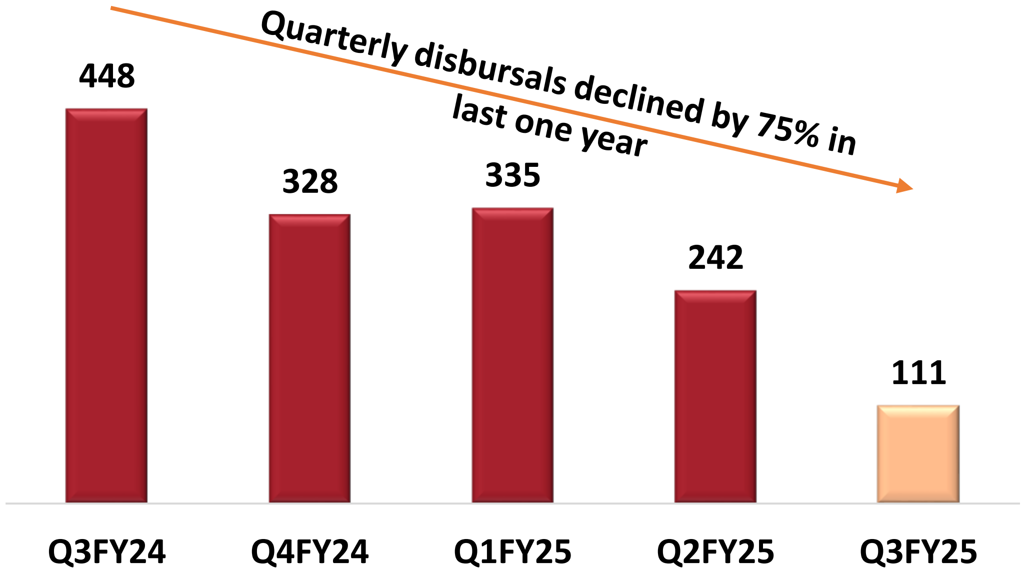
- Small ticket size loans offered to only women borrowers primarily in rural areas for their livelihood generation
- Usually, 10-20 members come together to form a group, who are provided collateral free loans with mutual guarantee among the members.
- **Most of the portfolio is eligible for PSL under multiple categories of Agri, Small and Marginal Farmers, Weaker Sections.**
- Loans are of ticket size of US$ 349 Mn. to US$ 1,163 Mn. with tenure of 2-3 years.

The Bank's Micro-Finance book has reduced to 4.8% of total funded assets as the conservative stance of Micro-Finance disbursals continues

- 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

The tightening of the underwriting norms has resulted in slowing down disbursal.

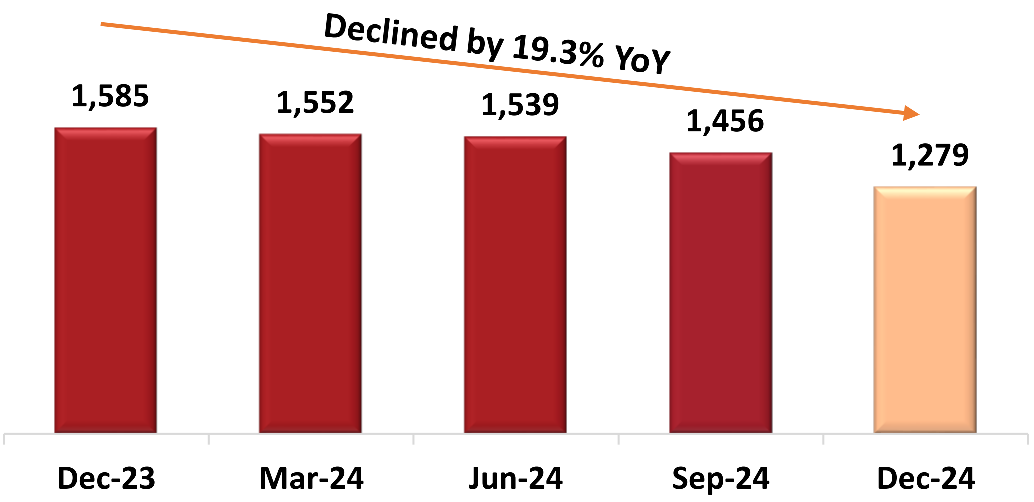
Disbursements (US$ Mn.)



Micro-finance Outstanding book (US$ Mn.)

Microfinance Book as a % of Funded Assets

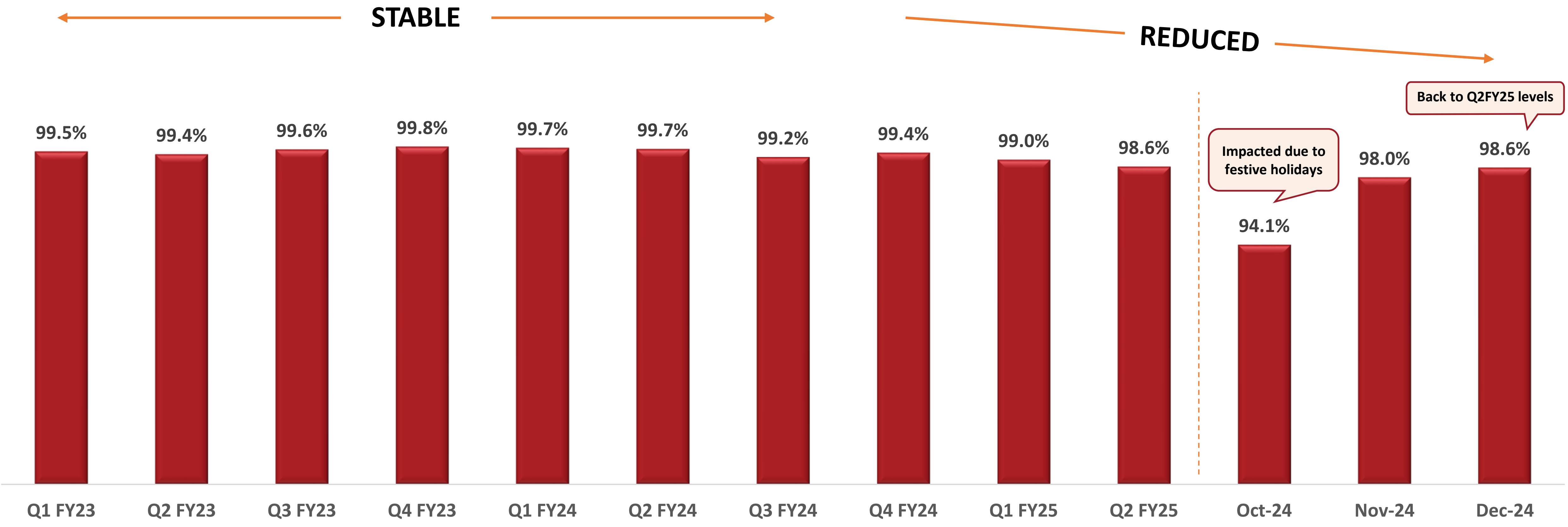
7.2%	6.6%	6.3%	5.6%	4.8%



Collection Efficiency reduced in October 2024, bounced back to 98.6% in Dec-24

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

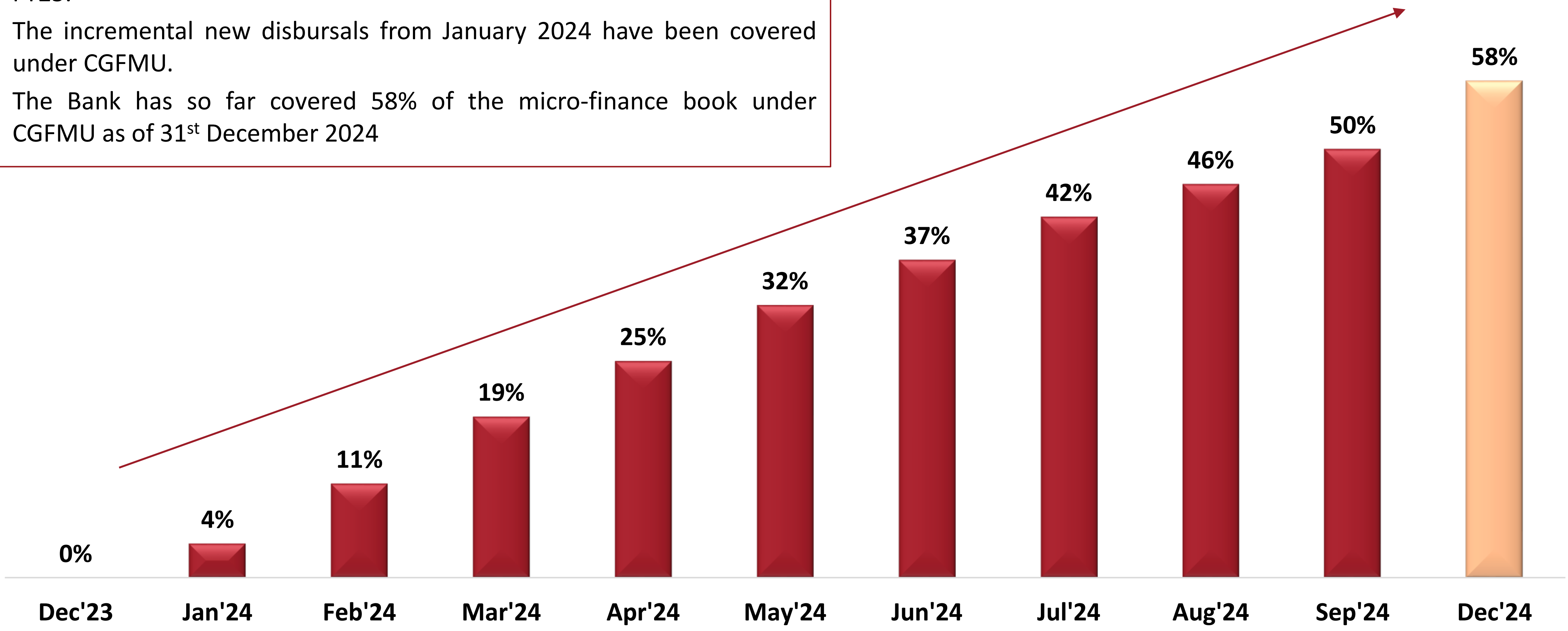
Note: Collections does not include any arrear collections, or prepayment collections in these calculations, and hence represents the true picture of collections efficiency.



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

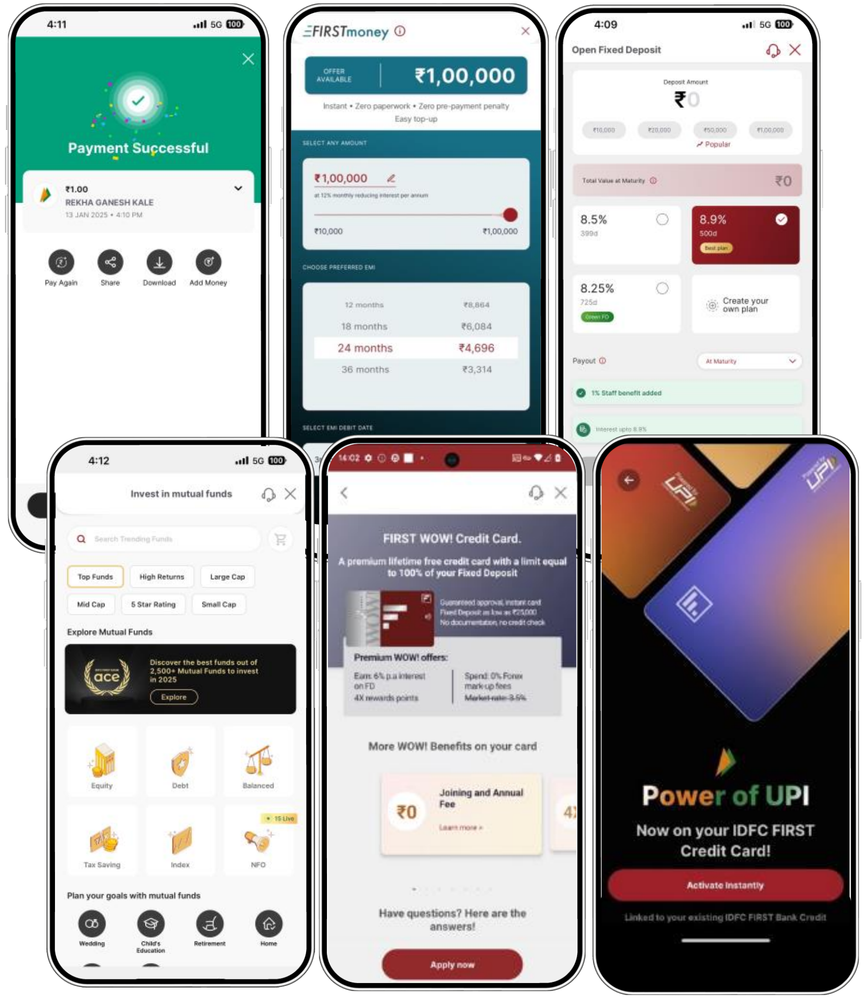
Micro-finance business: CGFMU cover increased gradually since January 2024

- The disbursals in micro-finance segment continued to remain tepid in Q3-FY25.
- The incremental new disbursals from January 2024 have been covered under CGFMU.
- The Bank has so far covered 58% of the micro-finance book under CGFMU as of 31st December 2024



Section 6: Digital Capabilities

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



- CREATE FD in 2 CLICKS
- FIRSTMONEY PL – ETB/NTB
- ACE FUNDS/ IPO
- SMART STATEMENT
- REVAMPED CREDIT CARD DASHBOARD
- PAY ABROAD
- RECHARGE & BILL PAY
- AA x EQUITY INTEGRATION
- 1 CLICK SAVINGS ACCOUNT
- TRAVEL & SHOP

Only Indian bank to feature in Global Top-15 Mobile Banking Apps

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

4.8 — Google Play

4.8 — App Store

18M+ USERS ON APP	**6.5M+** MONTHLY ACTIVE
1.3M+ MONTHLY TRANSACTING	**1.3M +** REVIEWS

Wealth Management: AUM growing at 89% CAGR and crossed US$ 4,900 Mn.

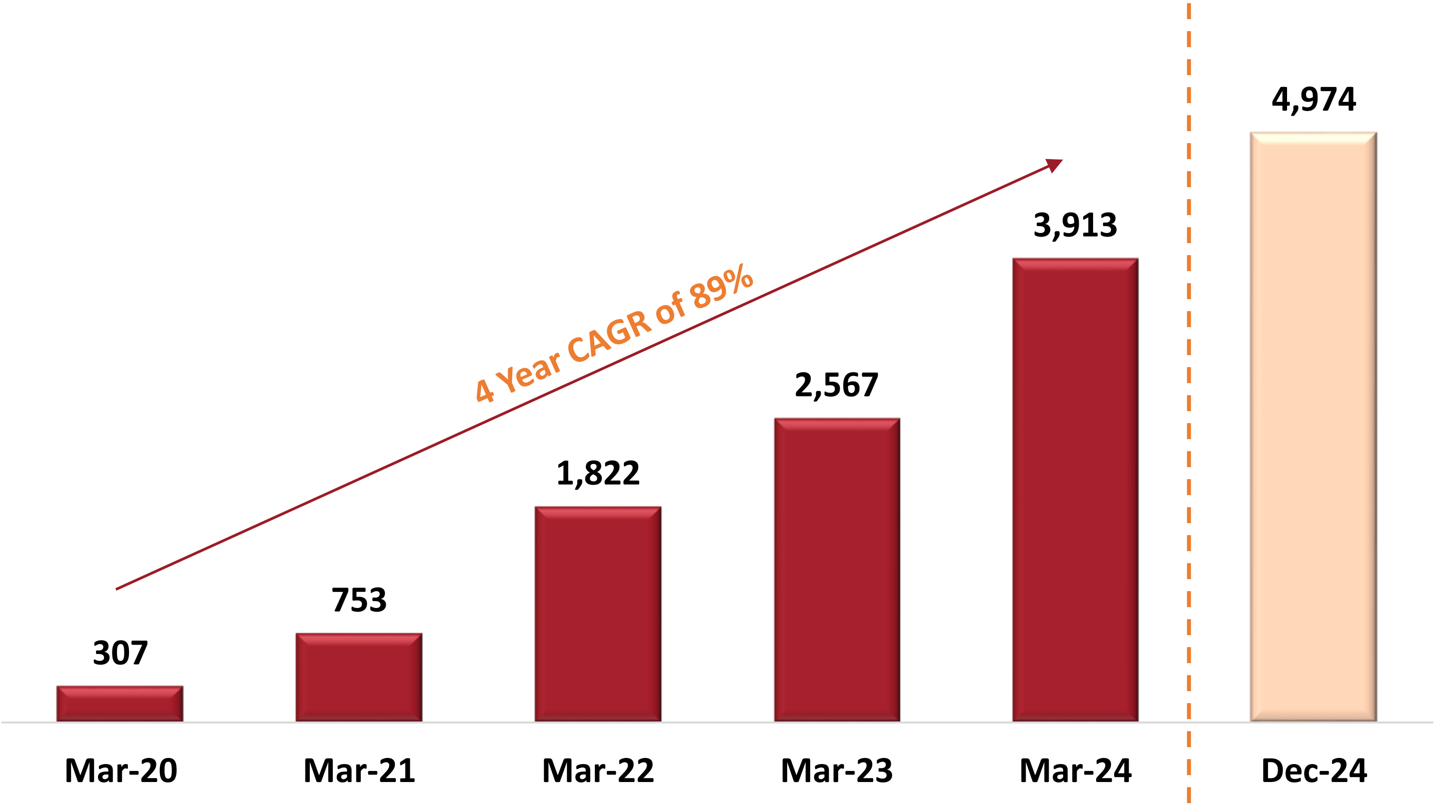
- The Bank is successfully creating a strong wealth franchise.
- Private Banking Book comprising of Wealth AUM & Deposits grew by 53% on a YoY basis to US$ 4,974 Mn.

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 Private AUM & Deposit (US$ Mn.)^



^Includes Deposits of Private Banking customers and Demat. Demat is US$ 430 Mn. as of December 2024.

Over 21.5 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.

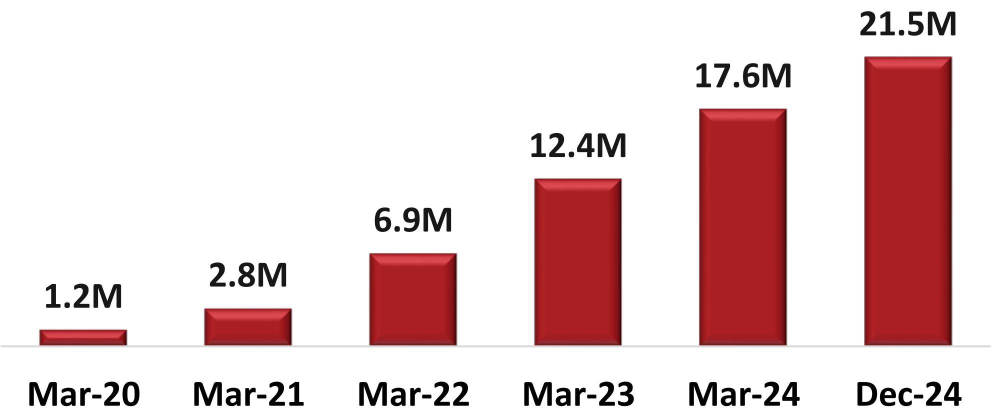
Largest Acquirer Bank

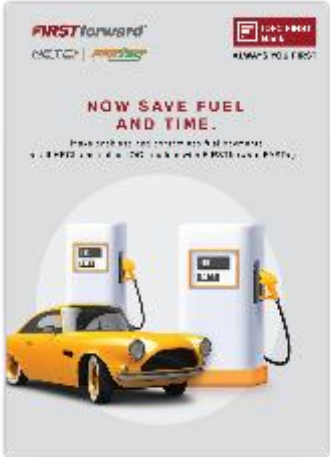
Largest Acquirer Bank with 761+ Toll plaza and parking merchants, with 45% market share.

Issuance Value

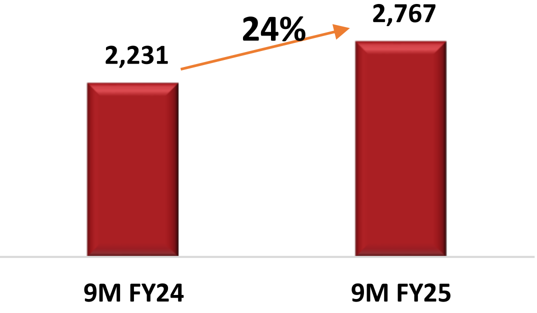
Issuance value has reached US$ 2,266 Mn. in 9M-FY25, with 37% market share.

FASTags issued

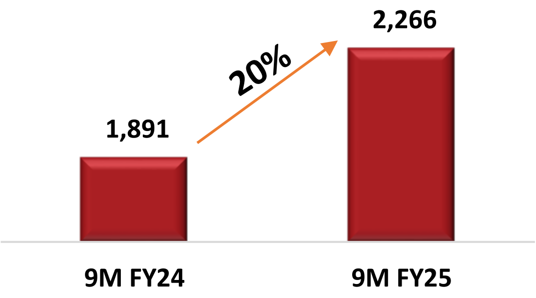




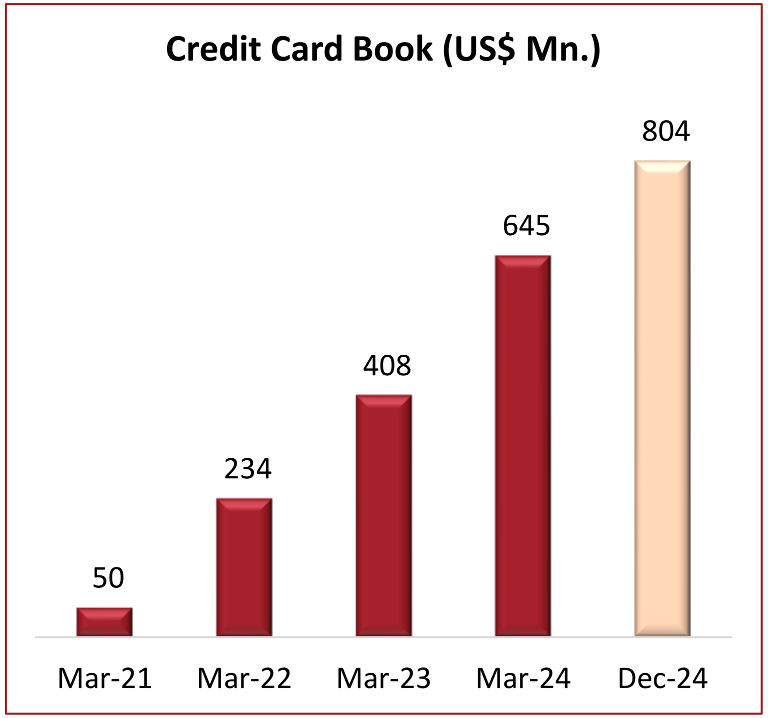
Acquirer Thruput
(In US$ Mn.)

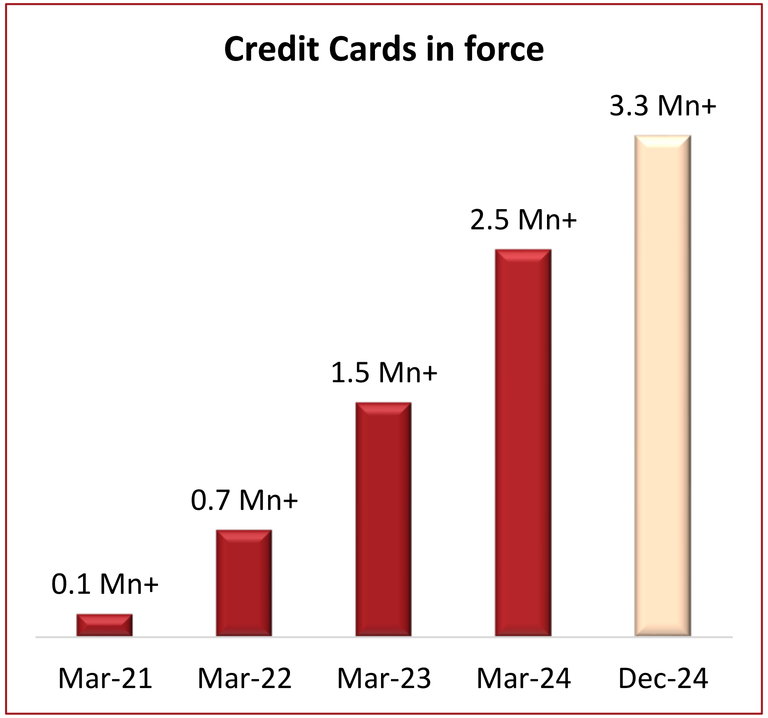


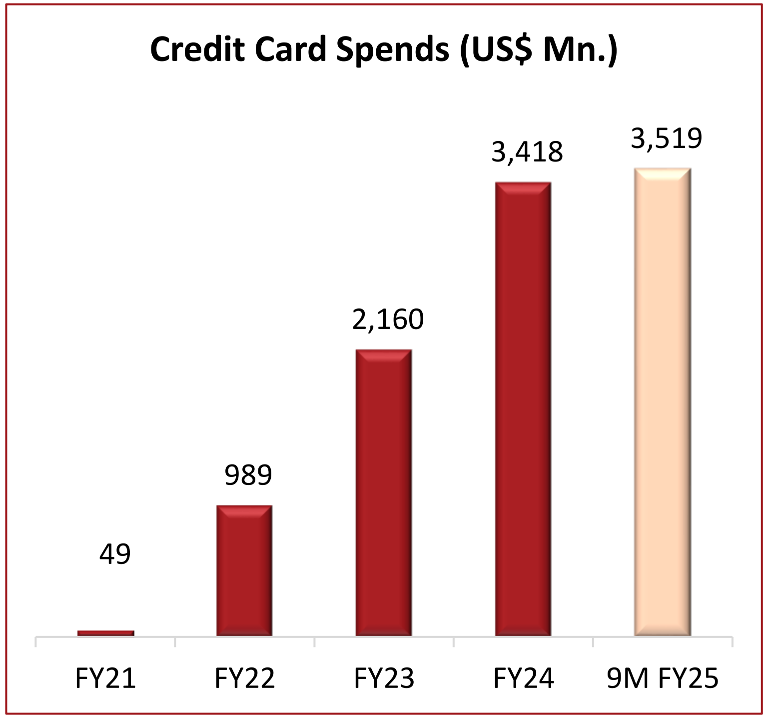
Issuer Thruput
(In US$ Mn.)



Credit Cards in force crosses 3 million mark

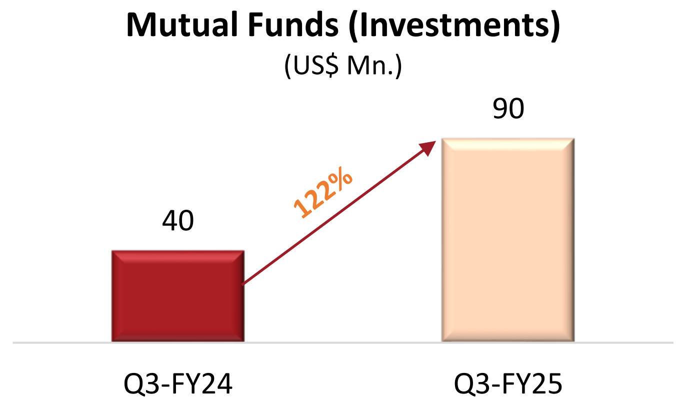


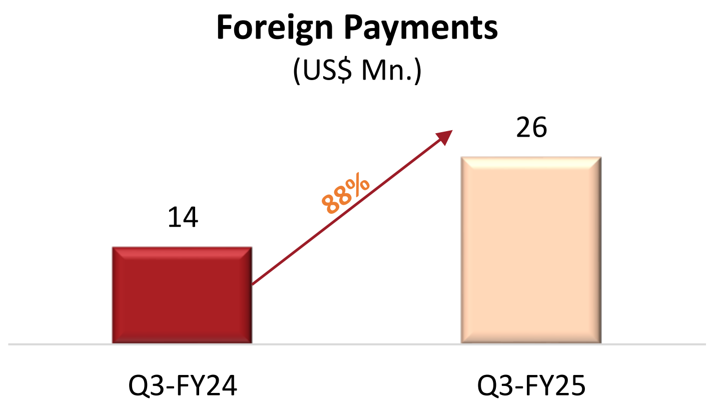


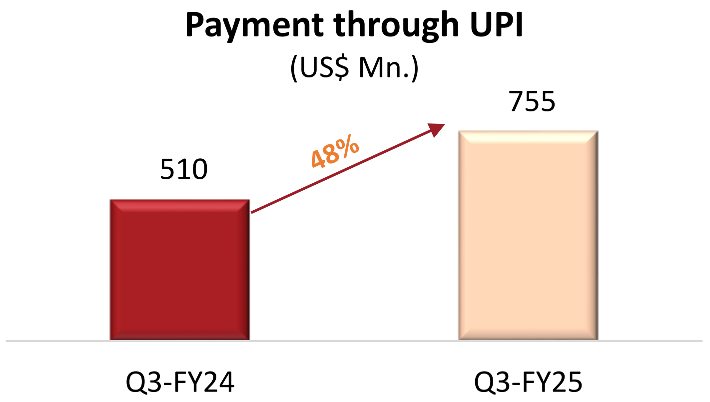


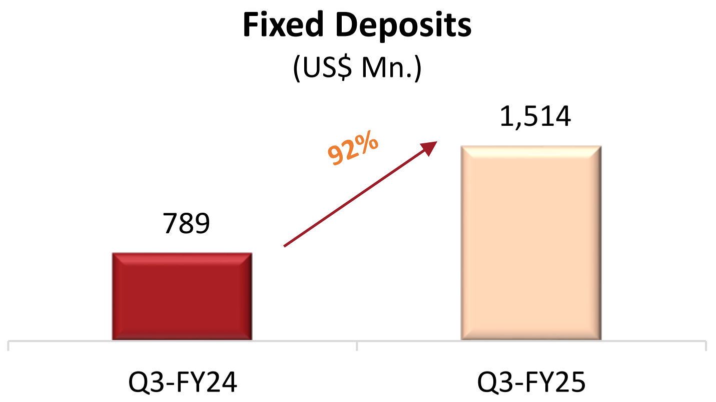
During FY25, the Bank has launched Metal Variants Ashva & Mayura

Strong growth in Business from recently launched Mobile App



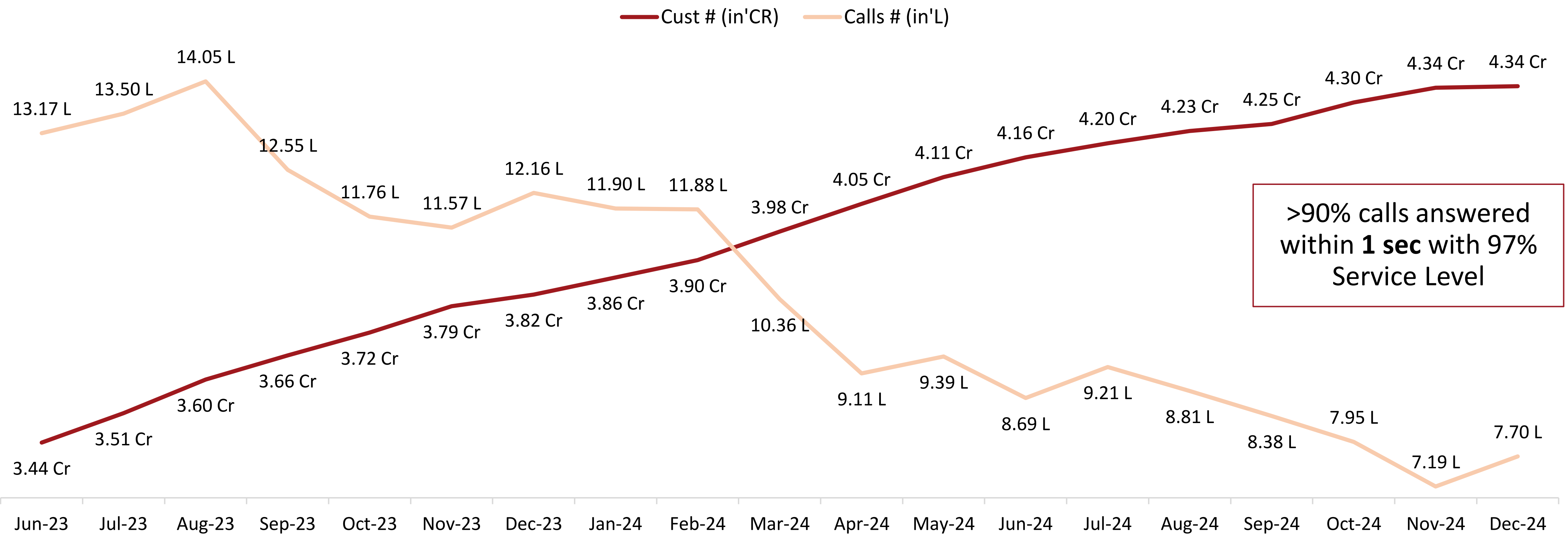






Strong improvement in Customer Service due to Digital Capabilities

- 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

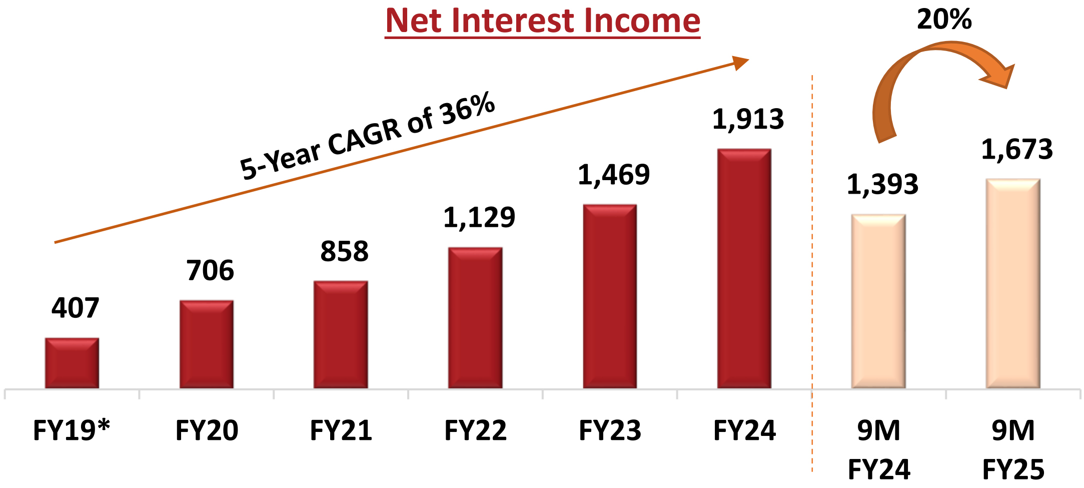
These are not unique customers. This is number of relationships with the bank. For eg, if a customer has a credit card and a savings account, it is treated as 2. Excludes BNPL.

Section 7: Profitability & Capital

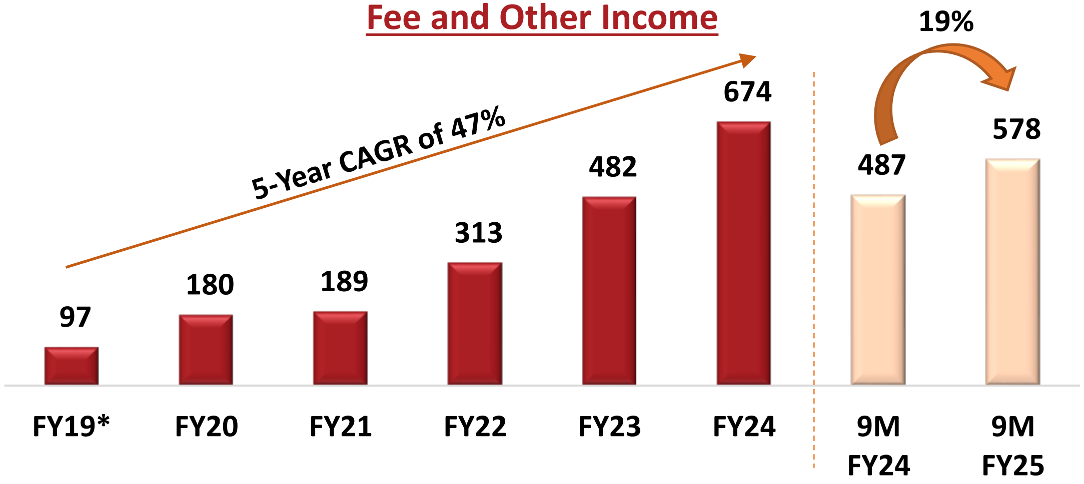
Strong rise in Profitability, Core PPOP grew 24% YoY in 9M FY25

In US$ Mn. unless specified otherwise

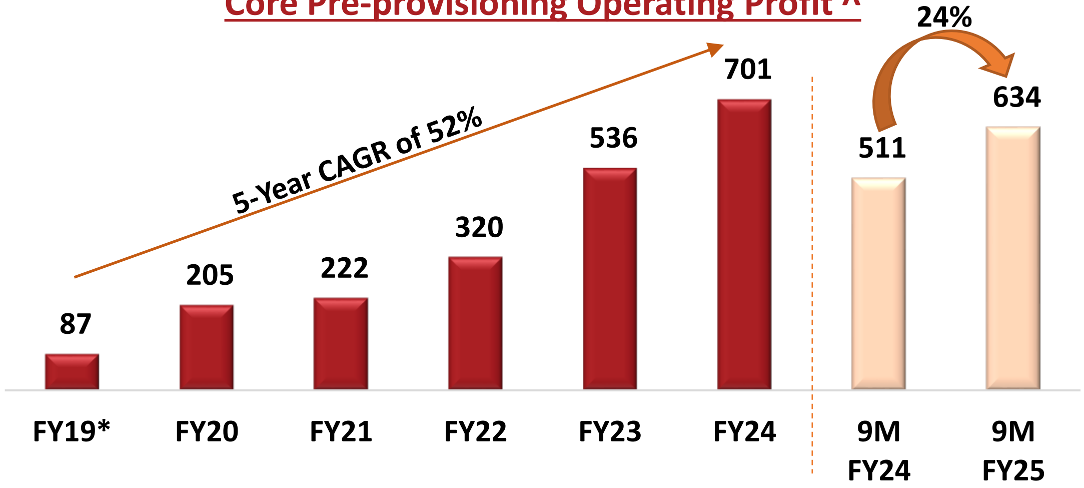
Net Interest Income



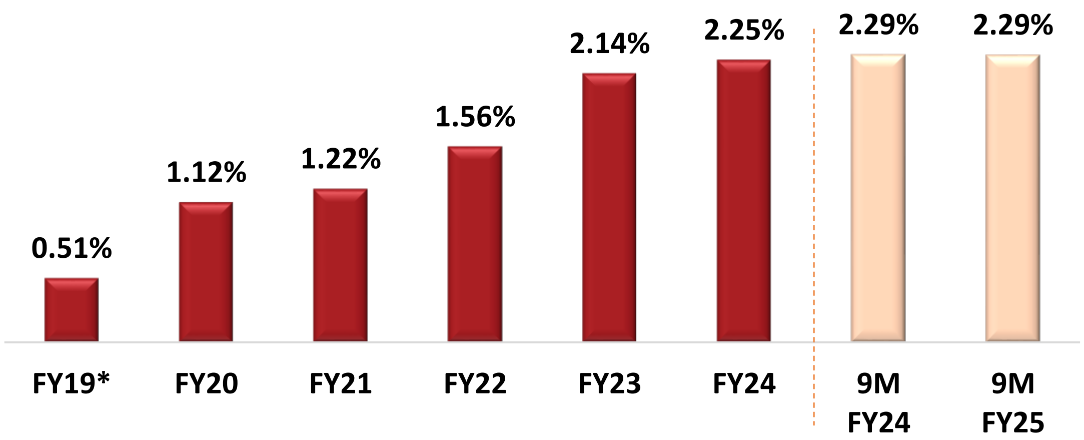
Fee and Other Income



Core Pre-provisioning Operating Profit ^

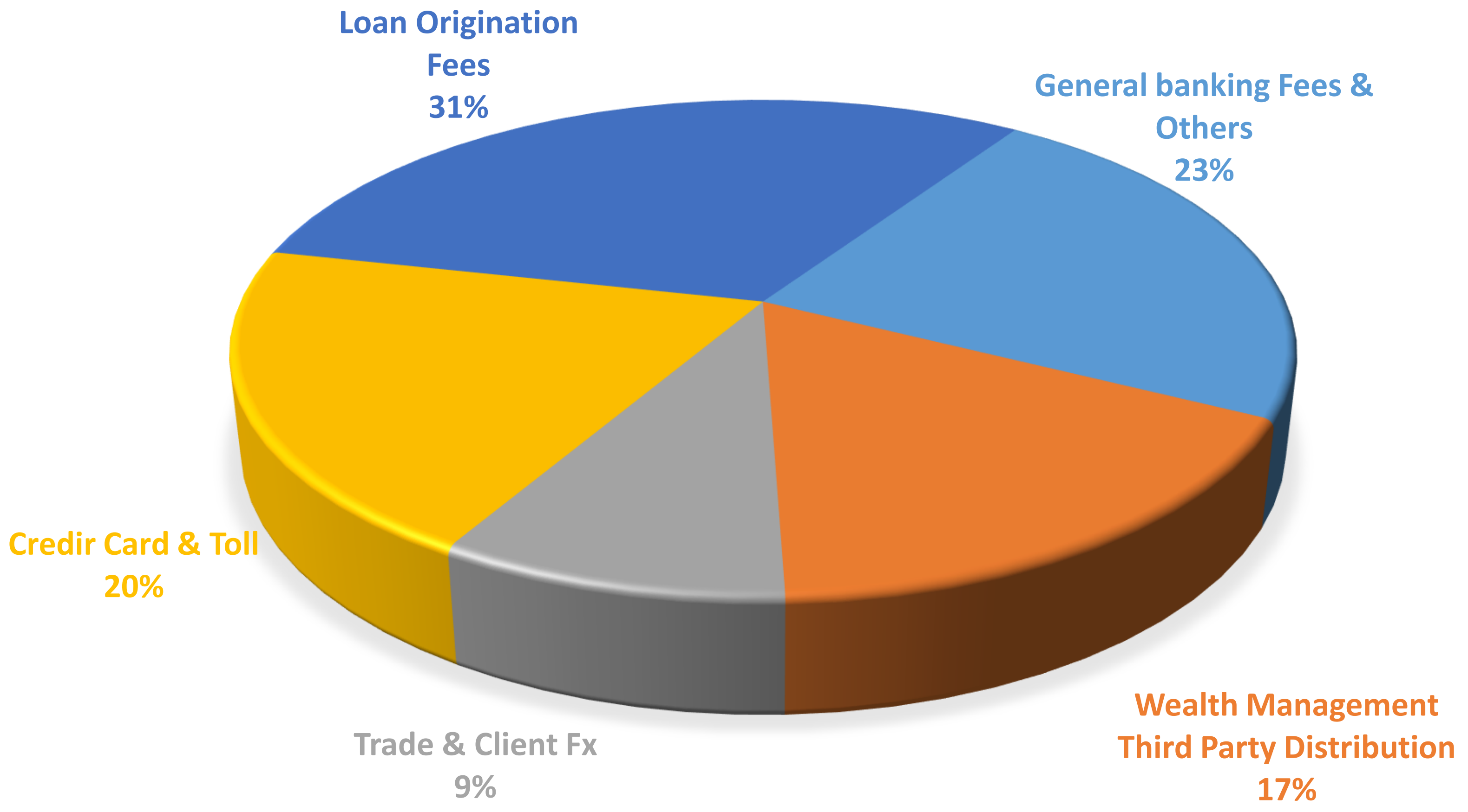


Core PPOP as a % of Average Total Assets ^



^ Excluding trading gains
** Reported Numbers are as per the reported results of respective Financial Years*

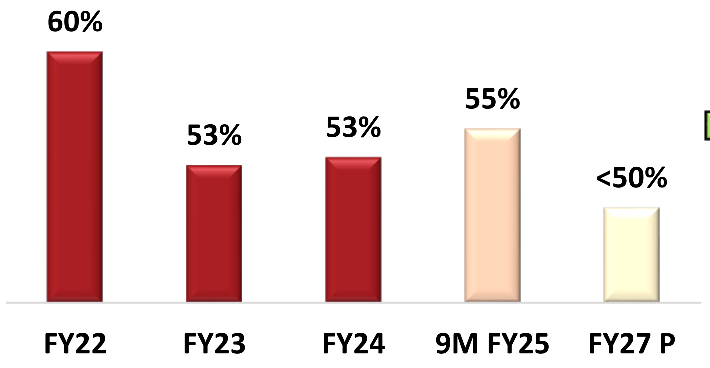
Breakup of Fee & Other Income – 9M FY25



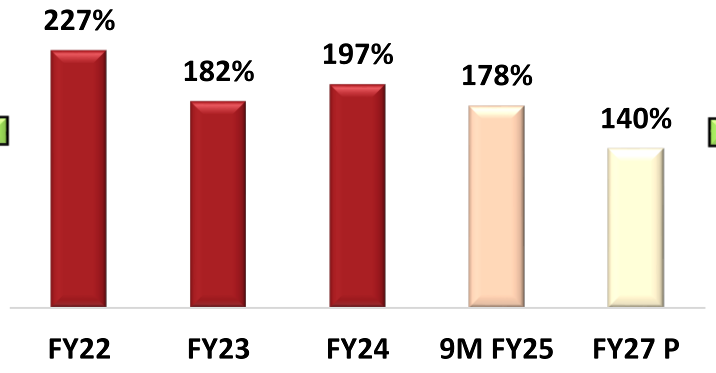
- The Bank has launched and scaled up many fee-based products in the last 5 years.
- Many of these products are in the early stage of their lifecycle and have the potential to grow significantly going forward.
- **92%** of the fee income & other income is from retail banking operations which is granular and sustainable.
- Fee to Average total assets stood at **2.09%** for 9M-FY25

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

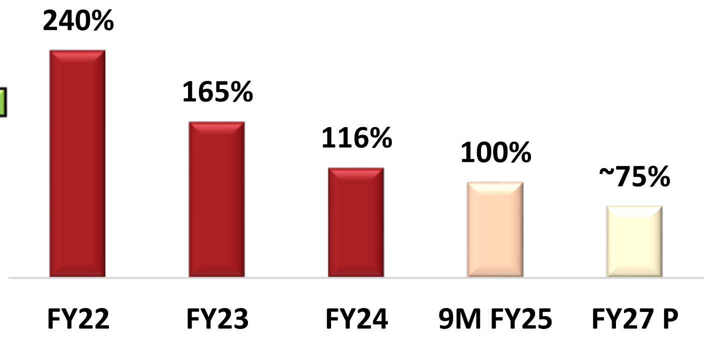
Assets C:I ratio Trend:



Retail Liabilities C:I ratio Trend:

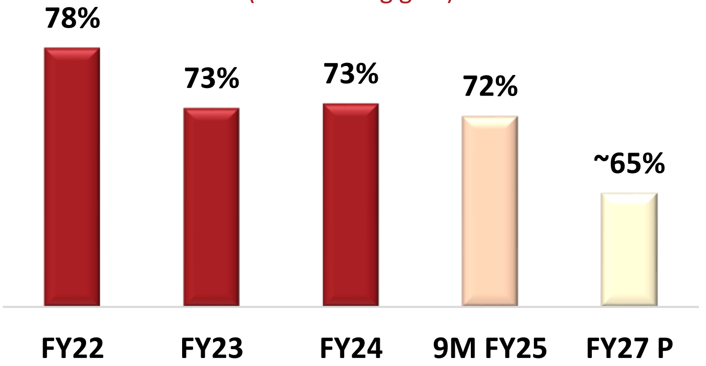


Credit Cards C:I ratio Trend:



Overall Bank C:I ratio Trend:

(excl. trading gain)

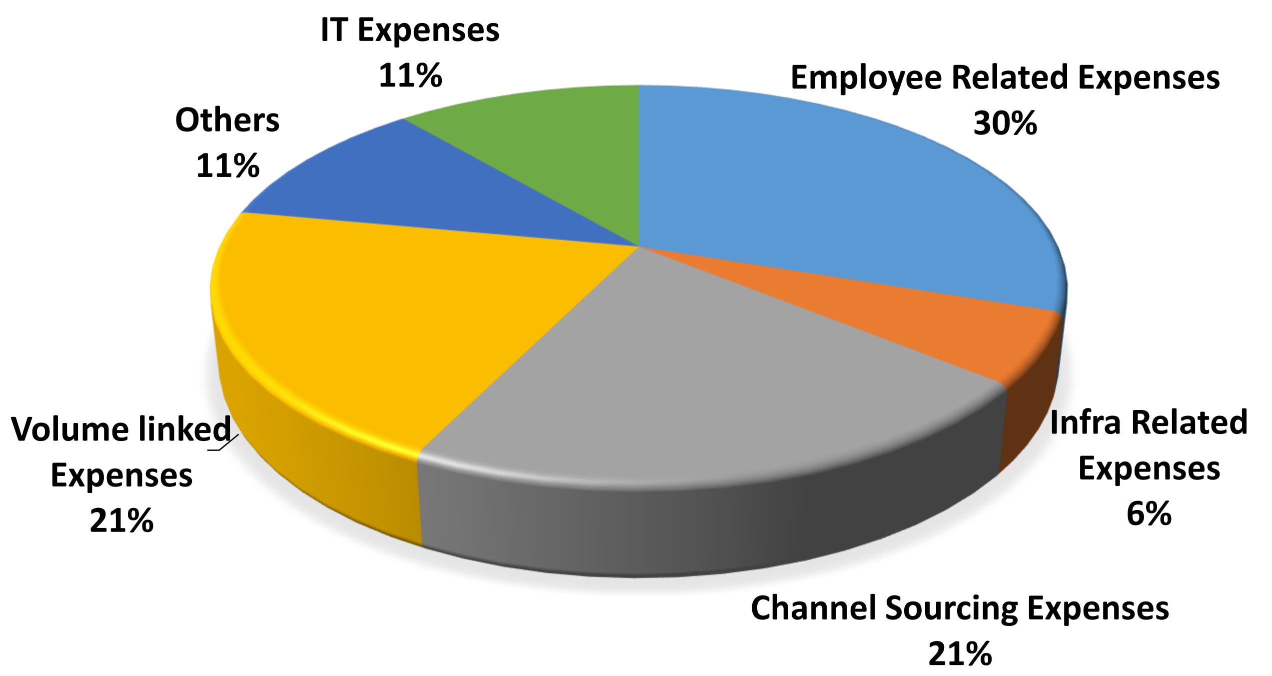


- **Economies of scale will lead to reduction in the cost to income ratio of Assets.**
- **Bank intends to grow branches only about 10% annually against estimated deposit growth of ~25%.**
- **Credit Cards C:I has come down from 240% to 100% in 4 years and expected to reduce further to ~75% with scale by FY27.**
- **At an overall Bank level , the C:I planned to improve to ~65% by FY27 because of scale.**

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. Since, Business Banking Business (working capital financing to small businesses) is a lending business, numbers of this division have been grouped with Assets. The above numbers are based on internal transfer pricing and allocations.

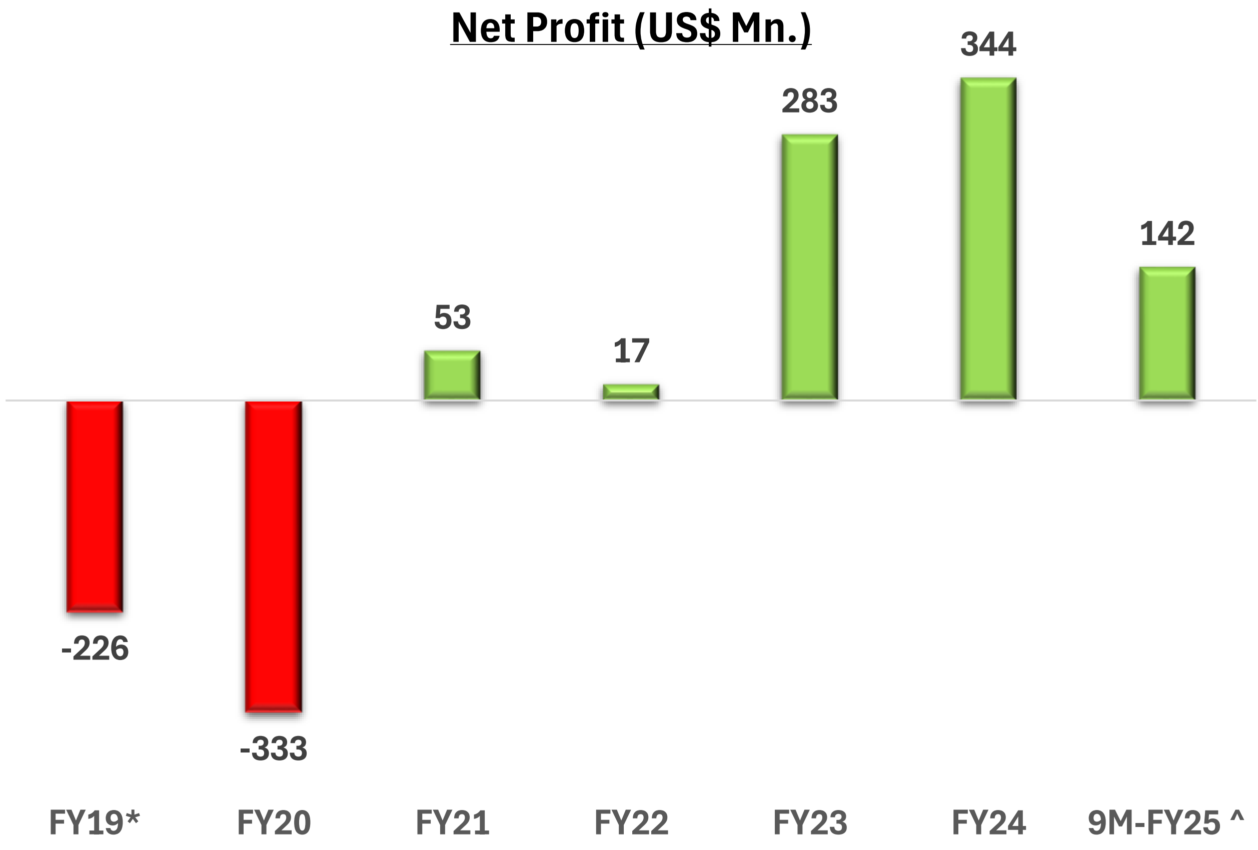
Composition of Operating Expenditure (9M-FY25)



YoY Growth %	Q3-FY24	Q4-FY24	Q1-FY25	Q2-FY25	Q3-FY25	9M-FY25
Customer Deposits	**42.8%**	**41.6%**	**37.8%**	**32.4%**	**28.8%**	**28.8%**
Funded Assets	**24.5%**	**25.1%**	**22.0%**	**21.5%**	**22.0%**	**22.0%**
Employee Cost	28.2%	27.6%	16.0%	19.7%	16.2%	17.3%
Non-Employee Cost	35.7%	30.2%	23.5%	16.8%	16.0%	18.6%
Total Cost	**33.5%**	**29.4%**	**21.1%**	**17.7%**	**16.1%**	**18.2%**

- **Bank beginning to see benefits of operating leverage. In 9MFY 25, Total Business grew by 25% but the Opex increased by only 18.2%.**
- **Customer Deposits grew by 28.8% and Loans and advances grew 22%**
- Volume linked expenses include collection cost, RCU cost, credit administration cost, DICGC premium, credit card reward cost, UPI & RTGS charges etc.
- Channel Sourcing expenses included commissions & charges paid to the channels
- The Bank has incurred set up costs during the last 5 years and plans to reap benefits of the same in the coming years.

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



^ PAT is lower by ~US$ 49 Mn., on account of additional provisions in 9M FY25 on a toll account and micro-finance book

- The core business of the Bank continued to remain profitable despite expenses incrurred in launching many new business lines.
- The Asset Businesses (Retail, Rural, MSME & Wholesale Banking) have been contributing to the profitability of the Bank.
- The overall profitability, however, is dragged by the losses made in the retail liabilities (branch banking) business and credit card business, which are yet to break-even due to their respective high cost to income ratio as they needed significant investments at their nascent stage for building capabilities and differentiation
- In the subsequent slides, such profitability bifurcation is provided for these three key business segments

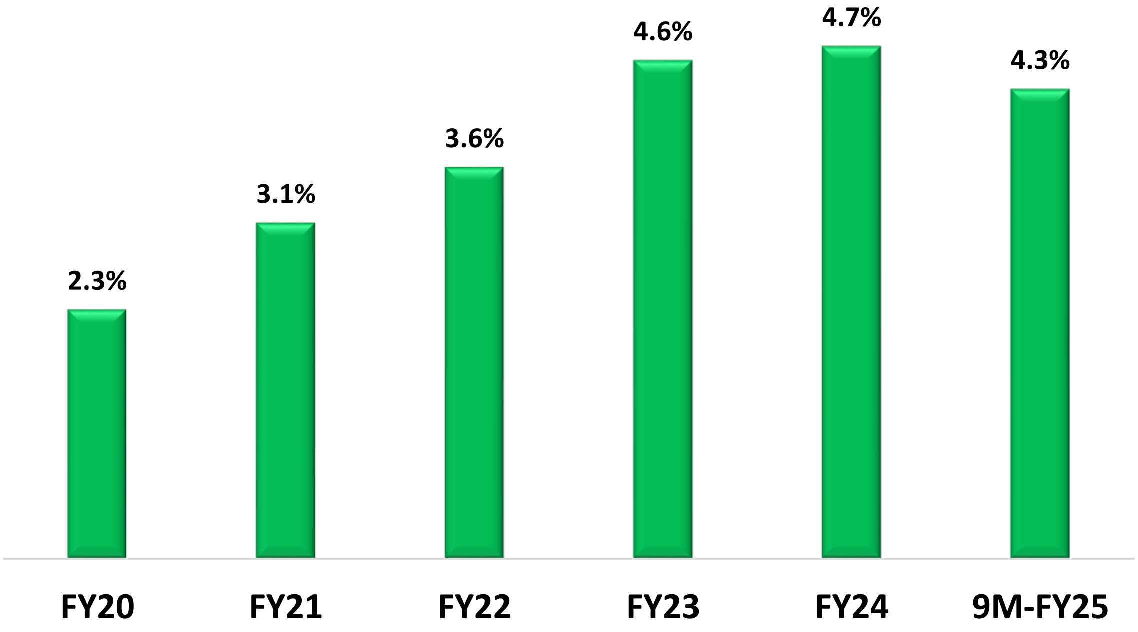
**Reported Profit After tax for FY19*

Assets (Retail Loans & Wholesale Banking) : Profitability

In US$ Mn.

Operating Profit as a % of Average Loan Book (Retail + Wholesale)

Avg. Loan Book	12,698	12,487	13,535	16,802	21,025	24,760
YoY Growth%		**-2%**	**8%**	**24%**	**25%**	**21%**



- Loan Asset Book including the loan book in retail, rural, MSME and corporate loans is the key profitability driver of the Bank.
- On an overall basis, the Profit from this business is masked because of the loss in the liability business (branches, ATM, Technology etc) but these are essential setup cost for setting up a new bank. there are also loss in the set up stage of credit cards business.
- Once the Credit card and Liability business scales up and reaches break even, the profitability of the asset business will translate to PAT at the overall Bank level

Based on internal transfer pricing of the Bank

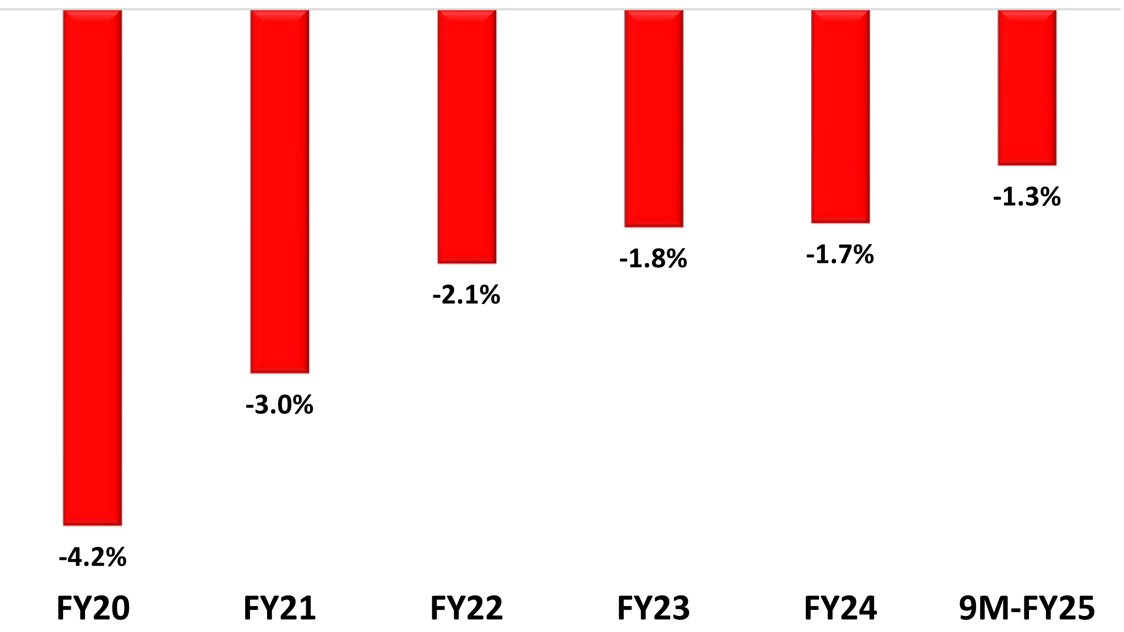
IDFC FIRST Bank

Retail Liabilities Business : Moving towards break even with scale and productivity

In US$ Mn.

Operating Profit as % of Average Retail Deposits

	FY20	FY21	FY22	FY23	FY24	9M-FY25
Avg Retail Deposits	2,701	6,511	8,095	10,653	15,962	21,481
YoY Growth %		141%	24%	32%	50%	39%



- Retail Liabilities generates necessary granular and sticky retail deposits through its branch network
- The Bank has built this segment almost from scratch since merger in December 2018 and invested in building necessary branch infrastructure, people, digital platforms and other capabilities.
- With the help of such infrastructure and capabilities, the Bank has been able to grow its retail deposits by more than 17x, from US$ 1,209 Mn. crore as of Dec 31, 2018 to US$ 21,018 Mn. as of Dec 31, 2024.
- With increasing scale, the Pre-provisioning Operating losses as % of average retail deposits have improved from (4.2%) in FY20 to (1.3%) in 9M-FY25 (annualized)

Based on internal transfer pricing of the Bank

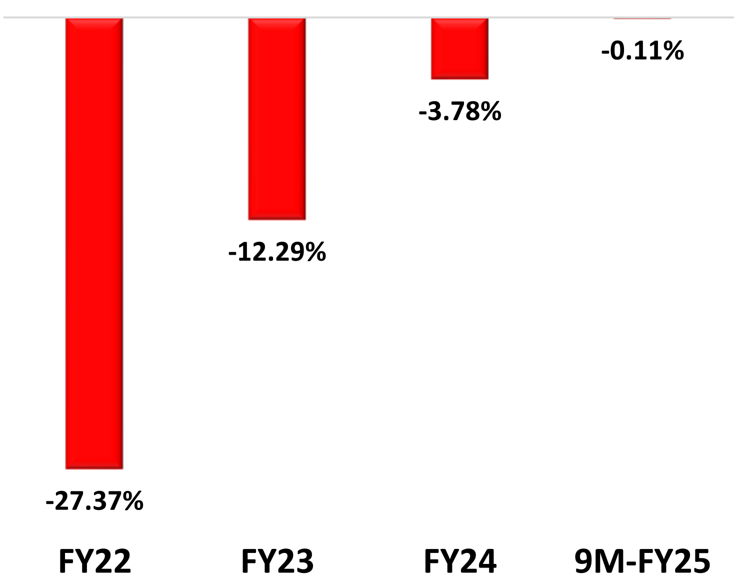
IDFC FIRST Bank

Credit Cards Business: Moving towards break even with scale and productivity

In US$ Mn.

Operating Profit as % of Average Loan Book

Avg. Loan Book	138	302	487	686
YoY Growth%		**119%**	**61%**	**50%**



- Credit Card business was launched during the end of FY21 and has grown significantly since then, issuing more than 3.3 million cards as of Dec 31, 2024.
- Credit Card business has helped the Bank to complete the product suite of the Bank.
- Credit Card business needs significant investment in the initial phase in terms of people, product structuring and innovation, digital capabilities, monitoring and collection framework, promotions, tie-ups and distribution.
- The Bank has been building the credit card business in a completely organic way and has not relied on any third-party for origination.
- In this segment, the Pre-provisioning Operating losses as of average loan book has been reducing with scale as shown in the graph.
- Asset quality of the credit card book continues to be stable with Gross NPA of 1.91% and Net NPA of 0.53%

Based on internal transfer pricing of the Bank

Balance Sheet

In US$ Mn.	Dec-23	Sep-24	Dec-24	Growth (%) (YoY)
Shareholders' Funds	3,657	4,290	4,395	20.2%
Deposits	**21,227**	**26,001**	**27,544**	**29.8%**
- *CASA Deposits*	9,941	12,708	13,149	32.3%
- *Term Deposits*	11,286	13,292	14,395	27.6%
Borrowings	5,245	5,389	5,394	2.8%
Other liabilities and provisions	1,352	1,581	1,719	27.1%
Total Liabilities	**31,481**	**37,261**	**39,052**	**24.1%**
Cash and Balances with Banks and RBI	1,329	1,695	1,843	38.6%
Net Retail and Wholesale Loans & Advances*	**21,570**	**25,448**	**26,423**	**22.5%**
Investments	7,023	8,434	8,942	27.3%
Fixed Assets	291	321	314	7.9%
Other Assets	1,268	1,363	1,531	20.8%
Total Assets	**31,481**	**37,261**	**39,052**	**24.1%**

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

Nine months Income Statement

In US$ Mn.	9M FY24	9M FY25	Growth (%) YoY
Interest Income	2,570	3,150	22.6%
Interest Expense	1,177	1,477	25.5%
Net Interest Income	**1,393**	**1,673**	**20.1%**
Fee & Other Income	487	578	18.9%
Trading Gain	20	17	-13.1%
Operating Income	**1,900**	**2,269**	**19.4%**
Operating Expense	1,368	1,617	18.2%
Pre-Provisioning Operating Profit (PPOP)	**532**	**652**	**22.5%**
Operating Profit (Ex. Trading gain)	**511**	**634**	**23.9%**
Provisions	193	473	144.9%
Profit Before Tax	**339**	**179**	**-47.2%**
Tax	79	37	-53.3%
Profit After Tax	**260**	**142**	**-45.3%**

Profitability Trend of Bank excluding MFI business (Analysis)

Core Operating Profit of the Bank increased 32% excluding the impact of the MFI business. Thus, the core franchise continues to be very strong.

Bank Level Profitability (Excluding – Microfinance Business) – US$ Mn.	9M-FY24	9M-FY25	Growth%
Net Interest Income	1,197	1,492	24.6%
Fee & Other Income	492	578	17.7%
Operating Income	**1,689**	**2,070**	**22.6%**
Operating Expenses	1,287	1,540	19.7%
Pre-Provisioning Operating Profit (PPOP)	**402**	**530**	**32.0%**

Quarterly Income Statement

In US$ Mn.	Q3 FY24	Q2 FY25	Q3 FY25	Growth (%) YoY
Interest Income	916	1,042	1,086	18.6%
Interest Expense	418	485	516	23.6%
Net Interest Income	**498**	**557**	**570**	**14.4%**
Fee & Other Income	171	189	204	19.6%
Trading Gain	6	12	3	-51.7%
Operating Income	**675**	**758**	**777**	**15.1%**
Operating Expense	493	529	572	16.1%
Pre-Provisioning Operating Profit (PPOP)	**182**	**228**	**205**	**12.6%**
Operating Profit (Ex. Trading gain)	**176**	**216**	**202**	**14.6%**
Provisions	76	201	156	104.3%
Profit Before Tax	**106**	**27**	**49**	**-53.6%**
Tax	22	3	10	-57.5%
Profit After Tax	**83**	**23**	**39**	**-52.6%**

Capital Adequacy Ratio

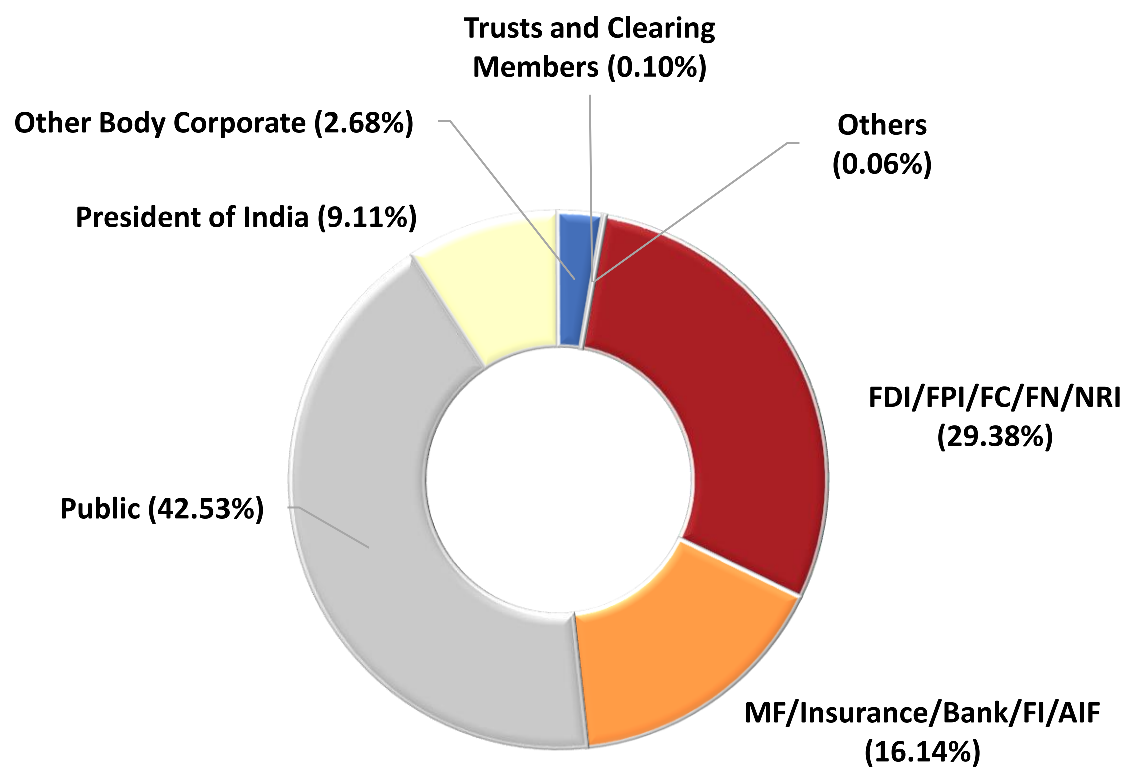
In US$ Mn.	Dec-23	Sep-24	Dec-24
Common Equity^	3,546	4,119	4,222
Tier 2 Capital Funds	706	750	751
Total Capital Funds	**4,252**	**4,869**	**4,973**
Total Risk Weighted Assets	**25,420**	**29,768**	**30,867**
CET-1 Ratio (%)	**13.95%**	**13.84%**	**13.68%**
Total CRAR (%)	**16.73%**	**16.36%**	**16.11%**

^Including the effect of merger with IDFC Limited in Q3 FY25 amounting to US$ 72 Mn.

Shareholding Pattern

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

Shareholding (December,31 2024)



Total No. of shares after merger	*7,320 Mn.*
Book Value per Share (Dec 31, 2024)	*Rs. 51.64* *US$ 0.60*
Basic EPS *(9M-FY25 Annualized)*	*Rs. 2.21* *US$ 0.03*

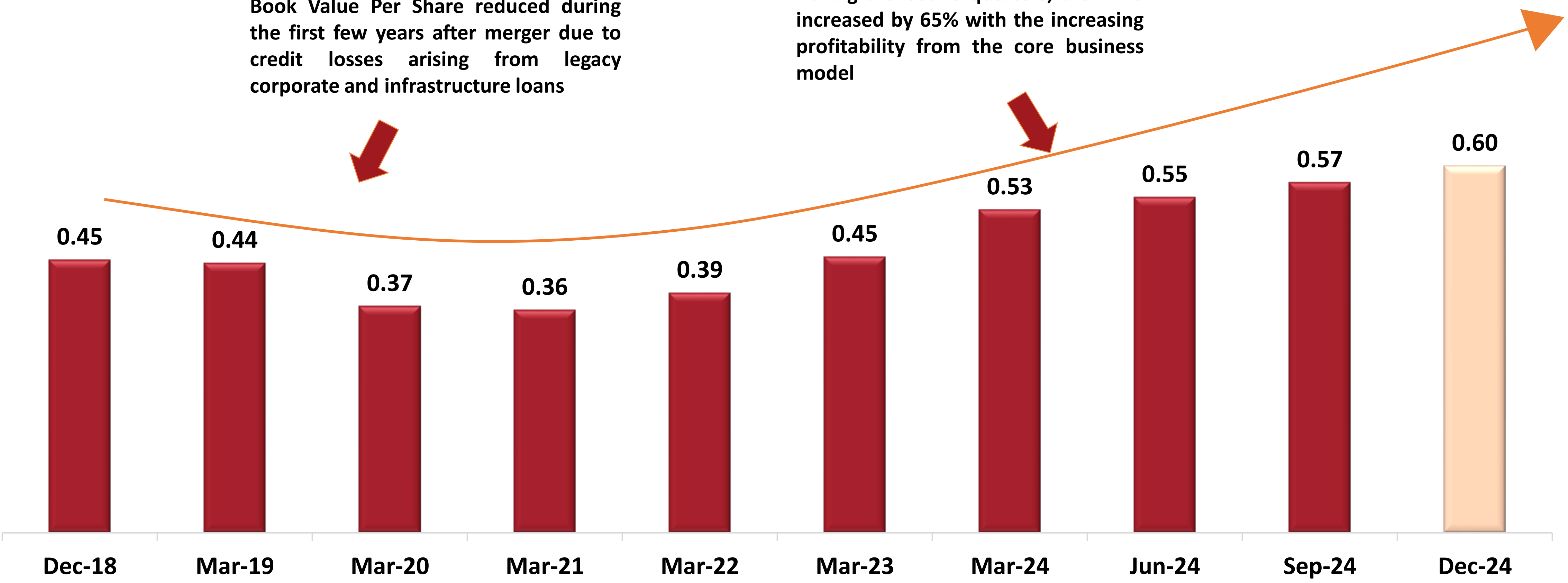
Note: Net Worth of the bank is increased by US$ 72 Mn. in Q3 FY25 post merger with IDFC Limited along with cancellation of 166 Mn. equity shares

BVPS has grew from US$ 0.36 to US$ 0.60 since March 2021

In US$

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

During the last 15 quarters, the BVPS increased by 65% with the increasing profitability from the core business model



Section 8: Credit Rating

Bank's Long Term Credit Rating

Rating Agency	Fixed Deposit
CRISIL	AAA

Rating Agency	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 9: 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 ($15.7bn). 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 ($94m) in equity by 2012, recapitalized the company, and became Chairman and CEO."

Capital First grew its retail loan book from ₹94 crore ($11m) in 2010 to ₹29,600 crore ($3.4b) by 2018, serving 7 million customers with high asset quality. The company turned around from losses of ₹30 crore ($3m) to profits of ₹358 crore ($42m) during this period. Its share price increased from ₹122 in 2010 to ₹845 in 2018, with market cap rising tenfold to ₹8,200 crore ($953m).
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 ₹2,37,074 crore ($27.6b) with significant growth in retail, rural, and MSME finance. Customer deposits increased from ₹38,455 crore ($4.5b) to ₹2,27,316 crore ($26.4b) between 2018 and 2024, while the CASA ratio rose from 8.7% to 47.7%, and NIM increased to 6.1%. The bank turned profitable with a FY24 PAT of ₹2,957 crore ($344m).

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 BHANSALI
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 Company**
- Executive VP in General Electric Company.
- Over 20 years of experience in Arthur Andersen & Co (now Accenture Plc) 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

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 10: Progress on ESG

Our ESG journey

H1 FY23

- ESG adopted into a Board Committee
- **ESG Management and Steering Committees** set up
- ESG formed as a function

H2 FY23

- Improvement in S&P CSA ESG (DJSI) rating (44 from 19)
- 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 targets** announced
- Commenced baselining of financed emissions
- **EV charging facilities** live for employees across three large offices
- Customer awareness campaigns towards energy efficiency
- External awards and recognition for ESG initiatives

H2 FY24

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

9M FY25

- Published the **second Integrated Report**
- **BRSR Core reasonable assurance** obtained
- Became constituent **of FTSE4Good Emerging Index, improved score**
- Launched **Green Deposits**
- Became among the first Banks to become a **PCAF signatory in India**
- **Improved Sustainalytics ESG Risk Ratings to 20.1**
- External assurance on sustainable finance categories
- **3 large offices and 1 branch** featured by Indian Green Building Council for green best practices
- **Second-highest score in Climate Risk Horizons** analysis on climate risk

Key ESG highlights

ENVIRONMENT

- **21%** overall infrastructure **green certified**
- **Corporate HO** and **Vibgyor Towers** in Mumbai **fully powered by green energy**
- **3 large offices and 1 branch** featured by **Indian Green Building Council** for green best practices

SOCIAL

- **1,07,519 community members** positively impacted till Q3 FY 25
- **Over 20lakh learning hours** for employees till Q3 FY25
- Employee engagement on **Mental Health, Sustainable Mobility, Governance Ethics Integrity (GEI)**

GOVERNANCE

- **80% Independent Directors** on Board
- **Second-highest score in Climate Risk Horizons** analysis on climate risk
- **ISO 27001** Certified Information Security Management

SUSTAINABLE FINANCE

- **~2.3 lakh EV two wheelers financed** (live portfolio)
- **3.7 lakh+** Water Sanitation and Hygiene (WASH) loans disbursed (till Q3 FY25)
- **One tree being planted** for every **Home Loan** and **Green Deposits** above US$ 1,162.

Recognitions for ESG Efforts

ABF Retail Banking Awards

Financial Inclusion Initiative of the Year – India Jun 2024

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

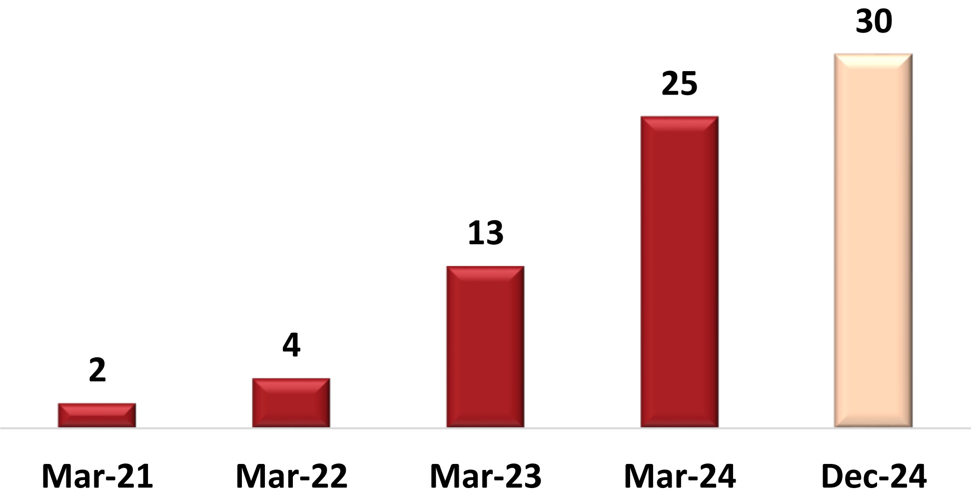
Section 11: Awards and Recognition

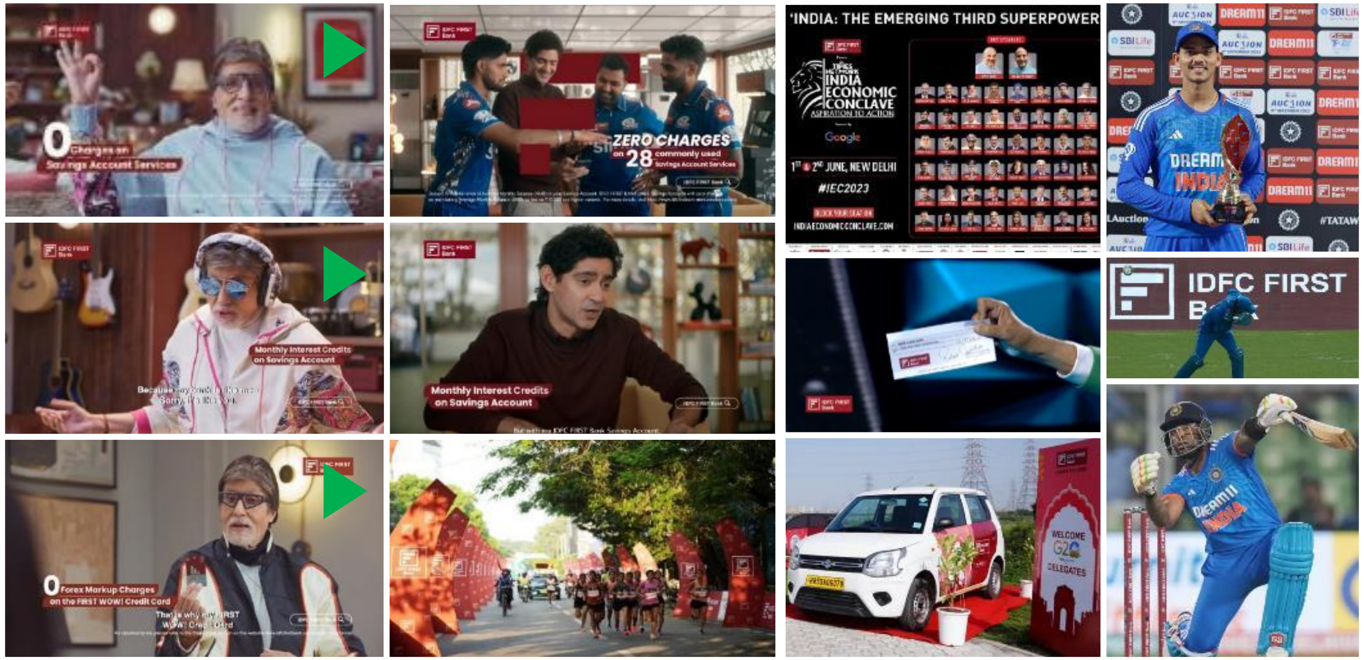
Awards and Recognition


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 December-2024.
- The Bank aspires to improve the TOMA score further going forward

^ *Source: Kantar syndicated brand track study*

IDFC FIRST Bank

We are building a world class bank with:

- Highest levels of corporate governance

- Stable balance sheet growth of ~20%,

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

- High teens ROE

- Contemporary technology and

- High levels of Customer Centricity.

Disclaimer

This presentation has been prepared by and is the sole responsibility of IDFC FIRST Bank (together with its subsidiaries, referred to as the “Company”). By accessing this presentation, you are agreeing to be bound by the trailing restrictions.

This presentation does not constitute or form part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer or recommendation to purchase or subscribe for, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contractor commitment therefore. In particular, this presentation is not intended to be a prospectus or offer document under the applicable laws of any jurisdiction, including India. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. There is no obligation to update, modify or amend this communication or to otherwise notify the recipient if information, opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Certain statements contained in this presentation that are not statements of historical fact constitute “forward-looking statements.” You can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “goal”, “plan”, “potential”, “proforma”, “project”, “pursue”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, among others: (a) material changes in the regulations governing our businesses; (b) the Company's inability to comply with the capital adequacy norms prescribed by the RBI; (c) decrease in the value of the Company's collateral or delays in enforcing the Company's collateral upon default by borrowers on their obligations to the Company; (d) the Company's inability to control the level of NPAs in the Company's portfolio effectively; (e) certain failures, including internal or external fraud, operational errors, systems malfunctions, or cyber security incidents; (f) volatility in interest rates and other market conditions; and(g) any adverse changes to the Indian economy.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. The Company may alter, modify, regroup figures wherever necessary or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes.

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	9M-FY25	Status
Capital	CET – 1 Ratio	16.14%	>12.5 %	13.68%[1]	On Track
	Capital Adequacy (%)	16.51%	>13.0 %	16.11%[1]	On Track
Liability	CASA as a % of Deposits (%)	8.7%	30% (FY24), 50% thereafter	47.7%	Achieved
	Branches (#)	206	800-900	971	Achieved
	CASA + Term Deposits<5 crore (% of Customer Deposits)	39%	85%	82%	On Track
	Certificate of Deposits of % of total deposits & borrowings	17%	<10% of liabilities	3%	Achieved
	Quarterly Avg. LCR (%)	123%	>110%	114%	Achieved
Assets	Retail, Rural and MSME Finance (Net of IBPC)	US$ 4,294 Mn.	US$ 11,628 Mn.	US$ 21,993 Mn	Achieved
	Retail, Rural and MSME Finance as a % of Total Loans & Advances	35%	70%	82%	Achieved
	Wholesale Loans & Advances[2]	US$ 6,601 Mn.	< US$ 4,651 Mn.	US$ 4,770 Mn.	Achieved
	- of which Infrastructure loans	US$ 2,641 Mn.	Nil in 5 years	US$ 296 Mn.	On Track

1. *Including profits for 9M 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	9M-FY25	Status
Asset Quality	Top 10 borrowers as % of Total Loans & Advances (%)	12.8%	< 5%	1.87%	Achieved
	GNPA (%)	1.97%	2.0% - 2.5%	1.94%	Achieved
	NNPA (%)	0.95%	1.0% - 1.2%	0.52%	Achieved
	Provision Coverage Ratio (%)	53%	~70%	73.6%	Achieved
Profitability	Net Interest Margin (%)	3.10%	5.0% - 5.5%	6.14%[1]	Achieved
	Cost to Income Ratio[2] (%)	81.56%	65% ^	71.8%	Delayed
	Return on Asset (%)	-3.70%	1.4-1.6%	0.51%	Delayed
	Return on Equity (%)	-36.81%	13-15%	4.62%	Delayed

1. Gross of IBPC & Sell-down
2. Excluding Trading Gains

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)	4,472	20,521	36%	68,023
- CASA Deposits (US$ Mn)	613	9,941	75%	33,140
- Term Deposits (US$ Mn)	3,858	10,580	22%	34,884
Assets				
Loans & Advances** (US$ Mn)	12,170	22,032	13%	58,140
Total Assets (US$ Mn)	18,246	31,481	12%	81,395
Asset quality				
GNPA %	1.97%	2.04%	-	1.5%
NNPA %	0.95%	0.68%	-	0.4%
Profitability				
Profit (US$ Mn)	-182	260*	-	1,395 – 1,512
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.

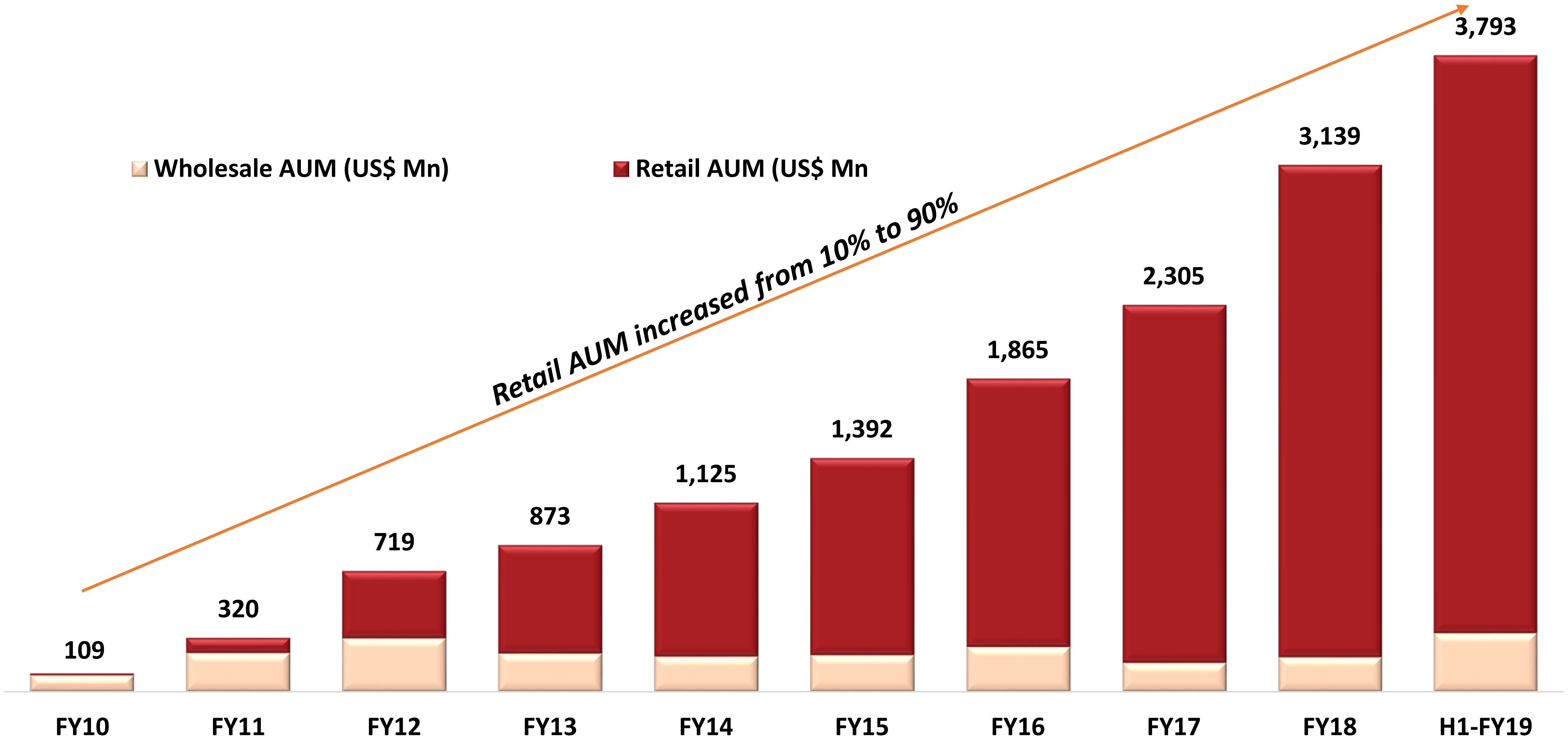
** For 9MFY24*
*** (including Credit Substitutes))*

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

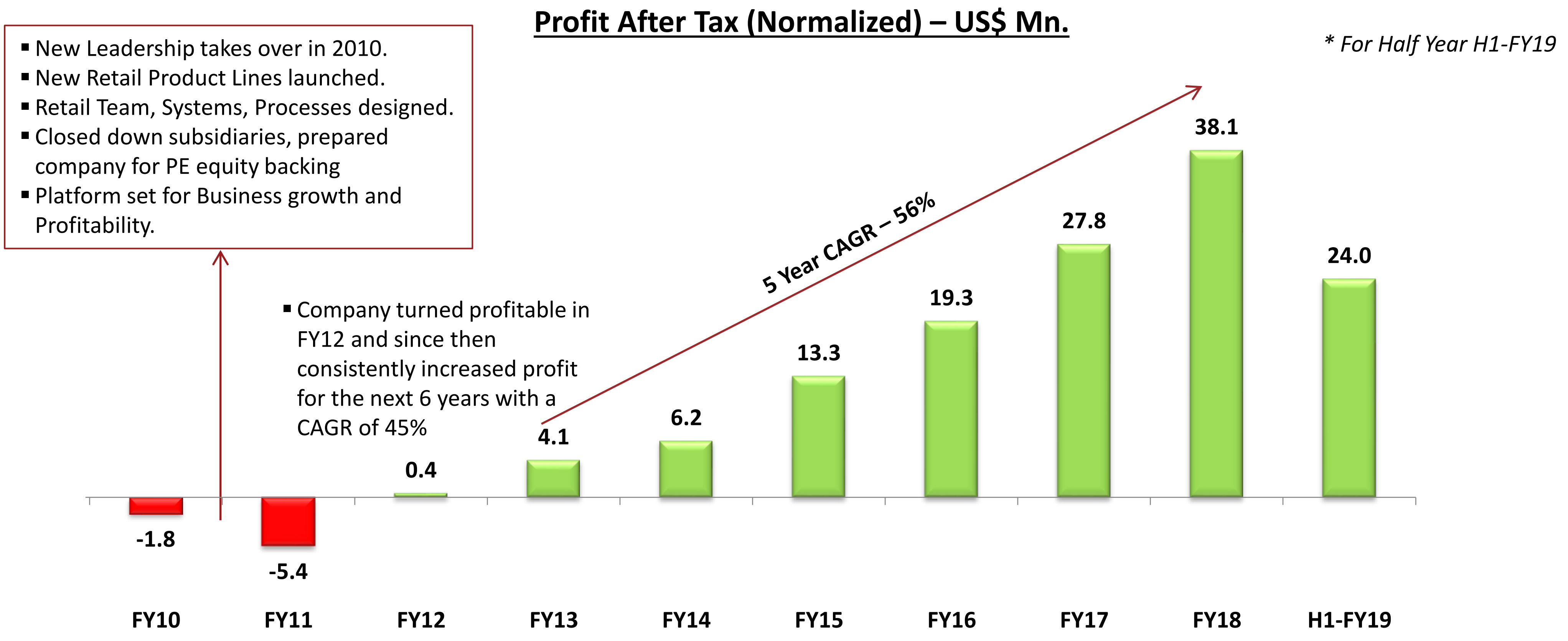
Financial Performance: The Asset Under Management has consistently grown at 5-Year CAGR of 29%



Successful Trajectory of Growth and Profits at Capital First

Financial Performance: Yearly Trend of Profit After Tax

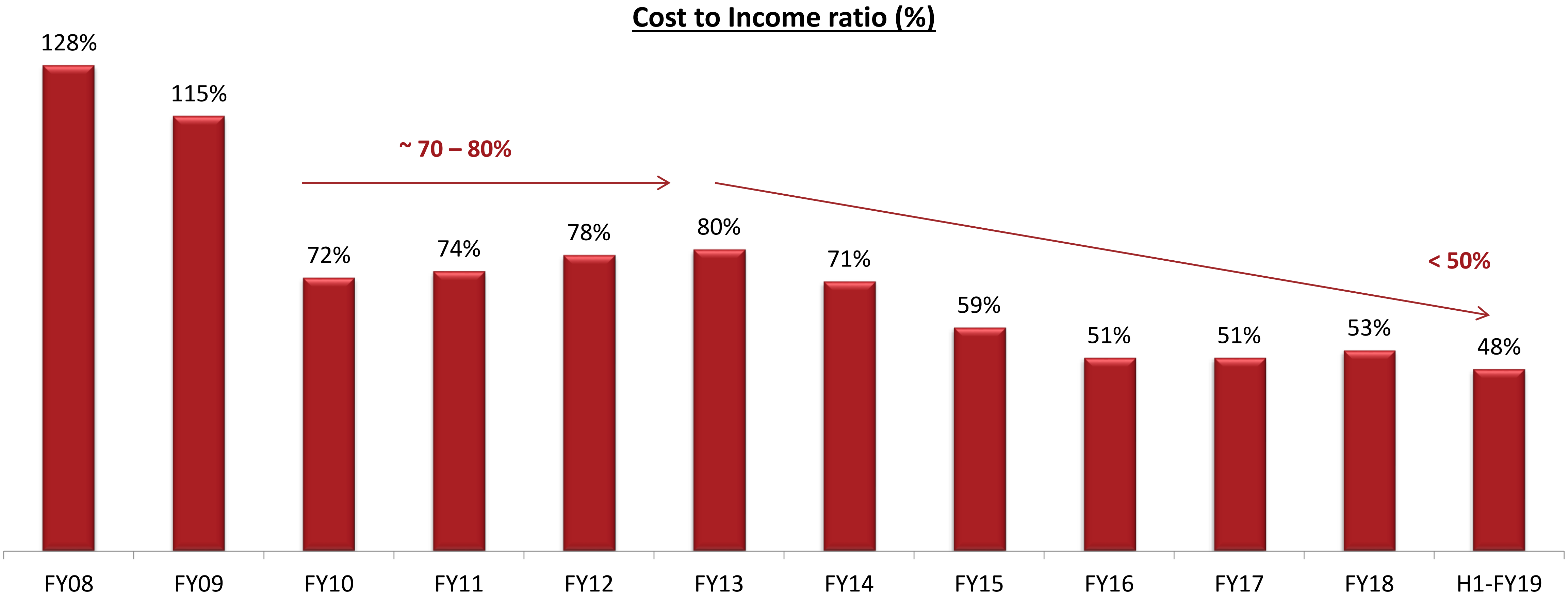
In FY 08 and 09, the Company had made losses. Even after the new leadership took over, for two years the company continued to post losses as the building blocks for new age retail lending were prepared. Once the company got scale, Capital First posted a CAGR growth in profits of 56% for last 5 years.



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.

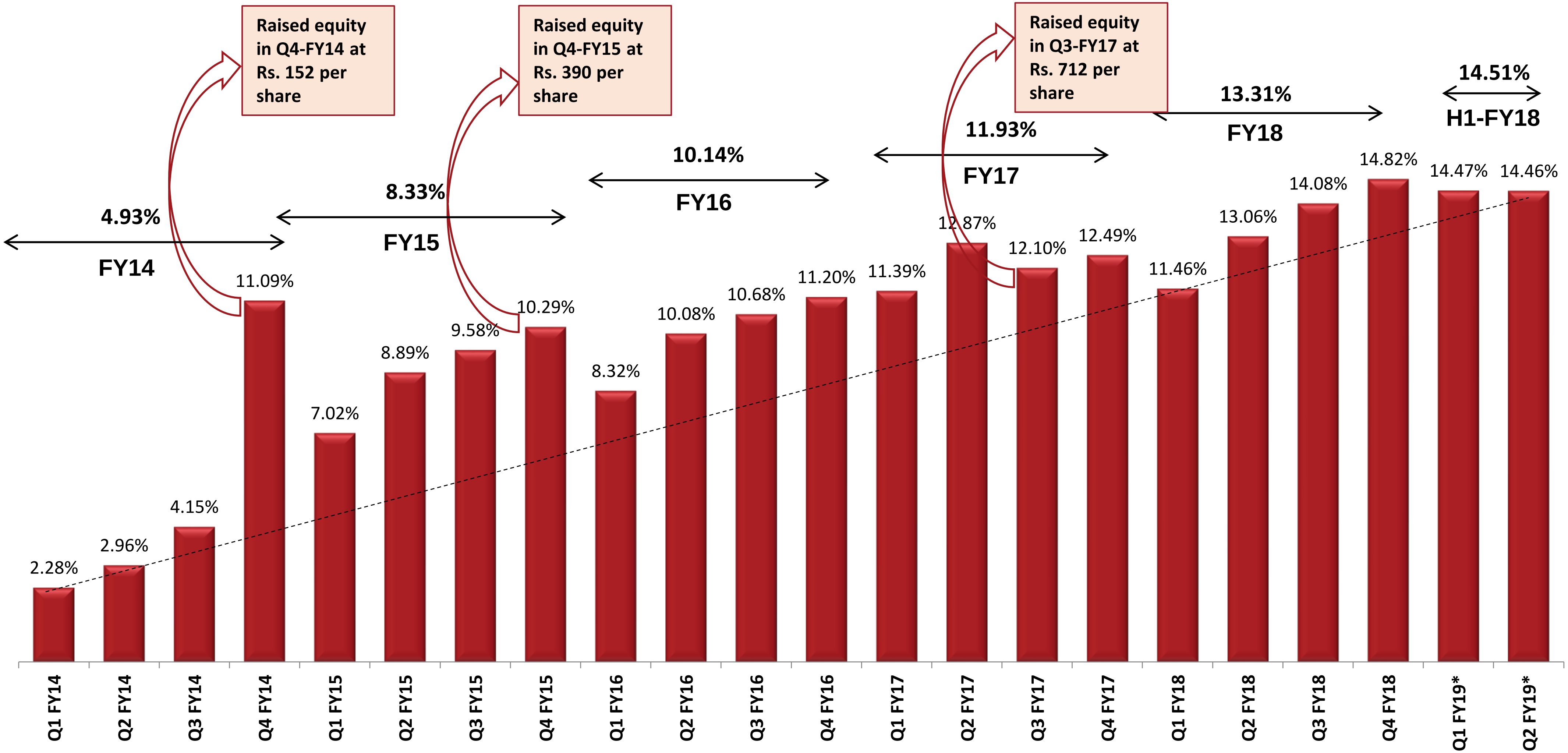
The Cost to Income ratio, which was high at ~130% in the early stages of the company, reduced to <50% once the business model stabilized over the years.



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.

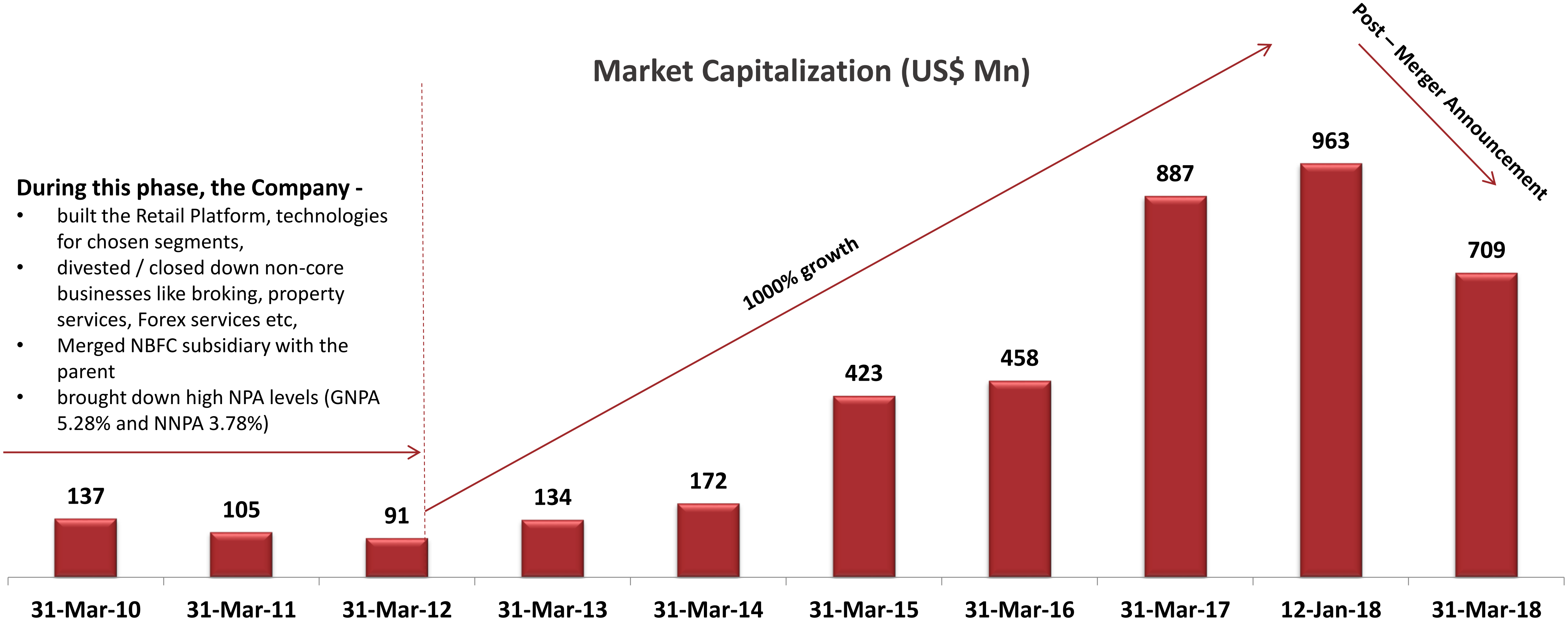
All figures are annualised



*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

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



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

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

Successful Trajectory of Growth and Profits at Capital First

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