Investor Presentation – Q4 FY21

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Key Metrics and our progress vis-à-vis Guidance provided at the time of the merger in Dec 2018

	Particulars	Dec-18 (At Merger)	Mar-19	Mar-20	Mar-21 (YoY %)	Guidance given at the time of merger for FY24-FY25	Status
CAPITAL	Net-worth	Rs. 18,736 Cr	Rs. 18,159 Cr	Rs. 15,343 Cr	Rs. 20,808 Cr (36%)^		
	CET – 1 Ratio	16.14%	15.27%	13.30%	15.62%^		
	Capital Adequacy (%)	16.51%	15.47%	13.38%	16.32%^		
LIABILITIES	CASA Deposits	Rs. 5,274 Cr	Rs. 7,893 Cr	Rs. 20,661 Cr	Rs. 45,896 Cr		
	CASA as a % of Deposits (%)	8.68%	11.40%	31.87%	51.75%	30% (FY24), 50% thereafter	Achieved
	Average CASA Ratio (%)	8.39%	9.40%	27.72%	50.23%		
	Core Deposits as a % of Total Deposits & Borrowings	8.04%	9.49%	27.76%	47.51%	50%	On Track
	Branches (#)	206	242	464	596	800-900	On Track
	Customer Deposits <=5 crore (% of Customer Deposits)	31%	37%	59%	82%	80%	On Track
	Top 20 Depositors concentration (%)	40%	35%	20%	8%	~5%	On Track
	Certificate of Deposits	Rs. 22,312 Cr	Rs. 28,754 Cr	Rs. 7,111 Cr	Rs. 5,964 Cr		On Track

^ Including fresh equity capital raise of Rs. 3000 crore in April 2021. Without the additional capital, the total CRAR and CET-1 ratios are 13.77% and 13.27% respectively as on March 31, 2021.

"On Track" status represents that the Bank is progressing well on the parameter and in confident of achieving the guidance by the defined date

Key Metrics and our progress vis-à-vis Guidance provided at the time of the merger in Dec 2018

	Particulars	Dec-18 (At merger)	Mar-19	Mar-20	Mar-21 (YoY %)	Guidance given at the time of merger for FY24-FY25	Status
ASSETS	Retail Funded Assets	Rs. 36,236 Cr	Rs. 40,812 Cr	Rs. 57,310 Cr	Rs. 73,673 Cr (26%^)	Rs. 100,000 Cr	On Track
	Retail as a % of Total Funded Assets	35%	37%	54%	63%	70%	On Track
	Wholesale Funded Assets	Rs. 56,809 Cr	Rs. 53,649 Cr	Rs. 39,388 Cr	Rs. 33,920 Cr (-14%)	< Rs. 40,000 Cr	On Track
	- of which Infrastructure loans	*Rs. 22,710 Cr*	*Rs. 21,459 Cr*	*Rs. 14,840 Cr*	*Rs. 10,808 Cr (-27%)*	*Nil in 5 years*	*On Track*
	Top 10 borrowers as % of Total Funded Assets (%)	12.8%	9.8%	7.2%	5.9%	< 5%	On Track
	GNPA (%)	1.97%	2.43%	2.60%	4.15%	2-2.5%	On Track
	NNPA (%)	0.95%	1.27%	0.94%	1.86%	1.1.2%	On Track
	Provision Coverage Ratio (%)	52%	48%	65%	55%	~70%	On Track
EARNINGS	Net Interest Margin (%)	3.10%	2.61%	3.91%	4.98%	5-5.5%	On Track
	Cost to Income Ratio (%) without trading gains	81.56%	82.74%	76.86%	78.79%	55%	On Track
	Return on Asset (%)	-3.70%	-1.33%	-1.75%	0.29%	1.4-1.6%	On Track
	Return on Equity (%)	-36.81%	-11.64%	-17.10%	2.73%	13-15%	On Track
	Quarterly Avg. LCR (%)	123%	120%	111%	153%		

^ excluding the ECLGS portfolio of Rs. 1,687 crore as on March 31, 2021

Note: Earnings ratios are quarterly annualized for the quarter ended on Dec-18

"On Track" status represents that the Bank is progressing well on the parameter and in confident of achieving the guidance by the defined date

Results at a glance for Period ended on March 31, 2021:
IDFC FIRST Bank: Strong Strides across all the Strategic Priorities

We are happy to report that we are making strong progress on the guidance since merger.

1. Strong Growth in Retail Assets:

- **Retail Book** increased **26%^ YoY** to **Rs. 73,673 crore** as on March 31, 2021 from **Rs. 57,310 crore** as on March 31, 2020.
- **Retail** constitutes **67%** of funded loan assets as on March 31, 2021 including retail PSL buyouts.
- **Wholesale funded book decreased by 14%** to **Rs. 33,920 crore** as on March 31, 2021 from **Rs. 39,388 crore** as on March 31, 2020
- **Infrastructure loans** (part of wholesale) **decreased by 27%** to **Rs. 10,808** crore as on March 31 2021 from **Rs. 14,840 crore** as on March 31, 2020.
- **Infrastructure loans** are only **9.23%** of total funded assets as on March 31, 2021 as compared to **13.87%** as on March 31, 2020

2. Strong growth in Retail Liabilities

- **CASA Deposits** increased by **122% YOY** to **Rs. 45,896 crore** as on March 31, 2021 from **Rs. 20,661 crore** as on March 31, 2020
- **CASA Ratio** improved to **51.75%** as on March 31, 2021 from **31.87%** as on March 31, 2020.
- **Average CASA Ratio** (calculated on daily CASA balance) also improved to **50.23%** as on March 31, 2021 from **27.72%** as on March 31, 2020.
- **Total Customer Deposits** increased to **Rs. 82,725 crore** as on March 31, 2021 from **Rs. 57,719 crore** as on March 31, 2020, **Y-o-Y increase of 43%**.
- **Top 20 Depositors' concentration** as % to total customer deposits has reduced to **7.75%** as on March 31, 2021 from **20.36%** as on March 31, 2020
- IDFC First Bank Fixed Deposit program have the highest safety rating of **FAAA by CRISIL**

^ excluding the ECLGS portfolio of Rs. 1,687 crore as on March 31, 2021

Results at a glance for Period ended on March 31, 2021:

IDFC FIRST Bank: Strong Strides across all the Strategic Priorities

3. Strong growth in Core Earnings:

a. **Strong NII Growth:** For the full year, the Total Net Interest Income increased by **21%** to **Rs. 7,380 crore** in FY21 from **Rs. 6,076 crore** in FY20. NII for Q4-FY21 grew by 15% YOY to **Rs. 1,960 crore** from Rs. **1,700 crore** in Q4 FY20.

   i. *The NII in Q4-F21 includes the impact of **Rs. 55 crore** on account of interest on interest provision, following the order of the Honorable Supreme Court.*

b. **Strong NIM improvement:** The NIM for the full year FY21 was at **4.98%** as compared to **3.91%** in FY20. Quarterly NIM has improved to 5.09% in Q4 FY21 as compared to 4.61% in Q4 FY20.

c. **Strong growth in Total Income (NII + Fees and Other Income+ Trading Gain):** The total income for the full year increased by **24%** to **Rs. 10,207 crore** in FY21 from **Rs. 8,237 crore** in FY20. Quarterly Total income grew 14% YOY to **Rs. 2,801 crore** in Q4 FY21 from **Rs. 2,451 crore** in Q4 FY20.

d. **Core Pre-Provisioning Operating Profit (excluding Trading gains & impact of interest on interest reversal):** For the full year, the Core PPOP grew by **11%** to **Rs. 1,964 crore** in FY21 from **Rs. 1,764 crore** in FY20. Quarterly Core PPOP de-grew by 1.5% YOY to Rs. 460 crore in Q4 FY21 as compared to Core PPOP of Rs. 468 crore in Q4 FY20.

e. **Provision:** For the full year, Total Provisions stood at **Rs. 2,638 crore** in FY21 as compared to **Rs. 4,754 crore** in FY20. Quarterly provisions for Q4 FY21 was Rs. 603 crore as compared to Rs. 679 crore in Q4 FY20.

   i. *Earlier, Capital First had portfolios like Loan Against Shares with ticket sizes above Rs. 20 lac and Loans with annual interest payments, which were permitted for an NBFC but are not permitted for a Bank. On merger with the Bank, the dispensation was provided by the RBI for the said portfolio which is no longer available. Because of the above, the Bank had to make one time provision of 100% to this outstanding portfolio amounting to Rs. 89 crore in Q4-FY21.*

f. **Profit After Tax:** The Net Profit for the Full year FY21 was **Rs. 452 crore** as compared to **loss of Rs. 2,864 crore** in FY20. Quarterly Net Profit grew by 79% YOY to Rs. 128 crore in Q4 FY21 from Rs. 72 crore in Q4 FY20. Without the impact as mentioned in a(i) and e(i), the Net Profit of the Bank at the normalized tax rate, would be Rs. 140 crore for Q4-FY21 and Rs. 464 crore for FY21.

Results Update: IDFC FIRST Bank: Strong Strides across all the Strategic Priorities

4. Asset Quality of the Bank remains resilient

- Bank's Gross NPA marginally improved by 3 bps to **4.15%** as of March 31, 2021 as compared to **4.18%** as of December 31, 2020 (proforma).
- Bank Net NPA improved by 18 bps to **1.86%** as of March 31, 2021 from **2.04%** as of December 31, 2020 (proforma).
- Bank's Gross & Net NPA were 2.60% and 0.94% respectively as on March 31, 2020 which increased in FY21 due to COVID-19 impact.
- Provision Coverage Ratio (PCR) improved by 388 bps to **56.23%** as of March 31, 2021 from **52.35%** as of December 31, 2020 (proforma). The PCR is at **64.95%** including the additional COVID-19 provision of Rs. 375 crore made in Q4-FY21 and carried forward to FY22.

Asset Quality on Retail Loan Book:

- Retail Asset Gross NPA increased by **13 bps** to **4.01%** as of March 31, 2021 from **3.88%** as of December 31, 2020 (proforma). Retail Asset Net NPA improved by 45 bps to **1.90%** as of March 31, 2021 from **2.35%** as of December 31, 2020 (proforma).
- The GNPA and NNPA as on March 31, 2021 are higher by 175 bps and 77 bps respectively from the Pre-COVID average GNPA and NNPA of 2.27% and 1.13% respectively (details provided in Page no 41). This is considered to be quite normal considering the pandemic situation. The management believes, as the economic activities revive, a significant portion of overdues will be collected bring the GNPA and NNPA back to pre-COVID level.
- The Bank has implemented a list of initiatives, specifically in credit policy and collections to factor for COVID-19 impact on its retail loans and the results of the same have been very positive.
  - *The New to Credit customers represent only 10% of the disbursals (by value) in Q4-FY21 as compared to 18% in Q4-FY19.*
  - *83% of the customers sourced (by value) now in Q4-FY21 has Credit Bureau Score above 700 as compared to 61% in Q4-FY19.*
  - *The overall collection efficiency for standard loans improved every month since July 2020 and in March 2021, it was near 100 % of the pre-covid (Feb-20) levels.*
  - *Going forward, the Bank would continue to actively monitor the portfolio quality and tighten credit standard further in the context of the second wave of COVID-19 pandemic.*

Results Update: IDFC FIRST Bank: Strong Strides across all the Strategic Priorities

5. Strong Capital Adequacy:

- **Capital Adequacy Ratio** of the Bank was strong at **16.32%** with **CET-1 Ratio at 15.62%** including additional equity capital of Rs. 3,000 crore raised through QIP on April 6, 2021, calculated on figures as on March 31, 2021.
- Excluding the capital raised, the capital adequacy as of March 31 would have been 13.77% with CET-1 ratio of 13.27%.

6. Franchise:

- The Branch Network now stands at **596** branches, **592** ATMs and **85 recyclers** across the country as on March 31, 2021.

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IDFC BANK

CAPITAL FIRST

IDFC FIRST Bank

IDFC FIRST Bank was founded by the merger of Erstwhile IDFC Bank and Erstwhile Capital First on December 18, 2018.

Section 1: The Founding of IDFC FIRST Bank..

Erstwhile IDFC BANK

IDFC Limited was set up in 1997 to finance infrastructure focusing primarily on project finance and mobilization of capital for private sector infrastructure development. Whether it is financial intermediation for infrastructure projects and services, whether adding value through innovative products to the infrastructure value chain or asset maintenance of existing infrastructure projects, the company focused on supporting companies to get the best return on investments. The Company's ability to tap global as well as Indian financial resources made it the acknowledged experts in infrastructure finance.

Dr. Rajiv Lall joined the company in 2005 and successfully expanded the business to Asset Management, Institutional Broking and Infrastructure Debt Fund. He applied for a commercial banking license to the RBI in 2013. In 2014, the Reserve Bank of India (RBI) granted an in-principle approval to IDFC Limited to set up a new bank in the private sector.

Following this, the IDFC Limited divested its infrastructure finance assets and liabilities to a new entity - IDFC Bank- through demerger. Thus IDFC Bank was created by demerger of the infrastructure lending business of IDFC to IDFC Bank in 2015.

Contd..

Erstwhile CAPITAL FIRST LIMITED

Mr Vaidyanathan who had built ICICI Bank's Retail Banking business from 2000-2009 and was then the MD and CEO of ICICI Prudential Life Insurance Company in 2009-10, started an entrepreneurial foray to acquire a stake in an existing NBFC with the stated plan to convert the NBFC to a commercial bank focused on financing small businesses.

During 2010-12, he acquired a significant stake in a real-estate financing NBFC through personal leverage, and launched businesses of financing small entrepreneurs and consumers. The NBFC wound down existing businesses and instead started businesses of financing such segments within consumer and micro-entrepreneurs that not financed by existing banks, by using alternative and advanced technology led models.

He built a prototype for such financing (Rs 12000-Rs. 30,000, ~$300-$500), built a loan book of Rs. 770 crore ($130m, March 2011) within a year, and presented the proof of concept to many global private equity players for a Leveraged Management Buyout.

In 2012, he concluded India's largest Leveraged Management Buyout, got fresh equity of Rs. 100 crore into the company and founded Capital First as a new entity with new shareholders, new Board, new business lines, and fresh equity infusion.

Contd..

Section 1: The Founding of IDFC FIRST Bank..

Erstwhile IDFC BANK

Continued from page 11

The bank was launched through this demerger from IDFC Limited in November 2015. During the subsequent three years, the bank developed a strong and robust framework including strong IT capabilities for scaling up the banking operations.

The Bank designed efficient treasury management system for its own proprietary trading, as well as for managing client operations. The bank started building Corporate banking businesses. Recognizing the change in the Indian landscape, emerging risk in infrastructure financing, and the low margins in corporate banking, the bank launched retail business for assets and liabilities and put together a strategy to retailize its loan book to diversify and to increase margins.

Since retail required specialized skills, seasoning, and scale, the Bank was looking for inorganic opportunities for merger with a retail lending partner who already had scale, profitability and specialized skills.

As part of its strategy to diversify its loan book from infrastructure, the bank was looking for a merger with a retail finance institution with adequate scale, profitability and specialized skills.

Erstwhile CAPITAL FIRST LIMITED

Continued from page 11

.. Between March 31, 2010 to March 31, 2018, the Company's Retail Assets under Management increased from Rs. 94 crore ($14m) to Rs. 29,625 crore ($4.3 b, Sep 2018). The company financed seven million customers for Rs. 60,000 crore ($8.5b) through new age technology models.

The company turned around from losses of Rs. 30 crore and Rs. 32 crore in FY 09 and FY 10 respectively, to PAT of Rs. 327 crore ($ 4.7b) by 2018, representing a 5 year CAGR increase of 56%. The loan assets grew at a 5 year CAGR of 29%.

The ROE steadily rose from losses in 2010 to 15% by 2018. The market capitalization of the company increased ten-fold from Rs. 780 crore on in March 2012 at the time of the MBO to over Rs. 8,282 crore in January 2018 at the time of announcement of the merger.

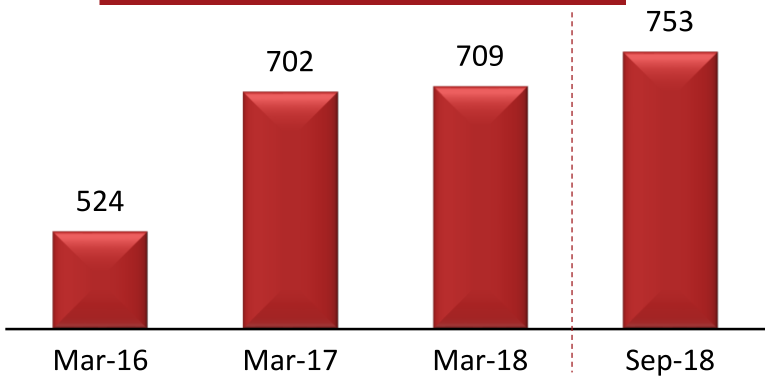
As per its stated strategy, the company was looking out for a banking license to convert to a bank.

Erstwhile Capital First, as part of its stated strategy, was on the lookout for a commercial banking license.

Section 1: Erstwhile IDFC Bank history and track record (pre-merger)

IDFC Limited was an acknowledged leader and expert in financing Infrastructure Sector

Gross Funded Assets (INR bn)

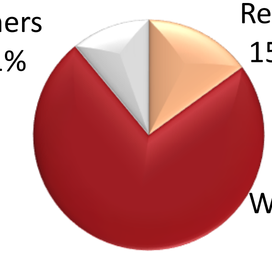


Liabilities (Sep 30,2018)

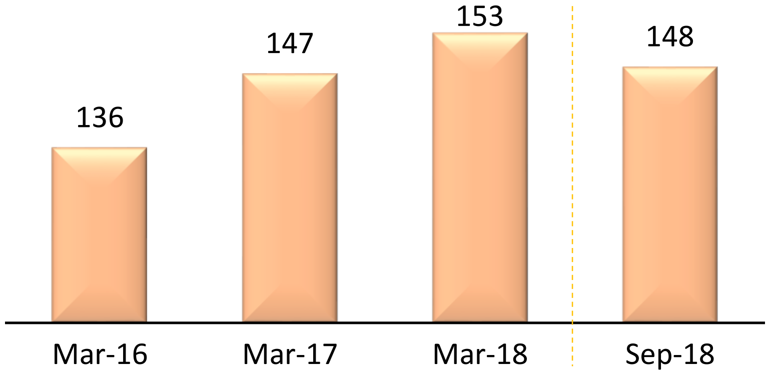
- **CASA balance** was at **Rs. 6,426 crore** out of which Retail CASA was Rs. 2,609 crore
- Total **Term Deposits** was at **Rs. 29,943 crore** with Retail Term Deposits at Rs. 6,804 crore
- CASA Ratio was at **13.3%**
- **Legacy Borrowings** through Long Term Bonds and Infra Bonds were at **Rs. 29,066 crore**
- The Bank had **203 branches**

Gross Funded Assets mix [1]

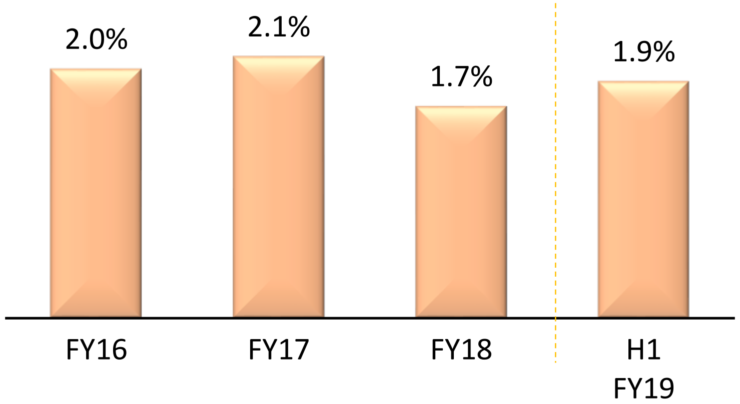
INR 753bn



Net Worth (INR bn)



NIM (%)



Borrowings + Deposits [1] [2]

INR 1,012bn

Erstwhile IDFC Bank was focused on infrastructure financing in India, corporate banking and had took steps to diversify into retail banking

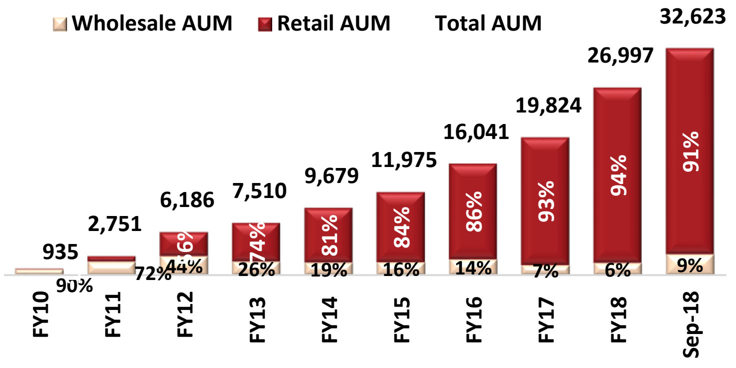
1. As on Sep 30, 2018
2. Others include borrowings, money market borrowings and Certificate of Deposits

Source: Annual Reports, Investor Presentations of IDFC Bank

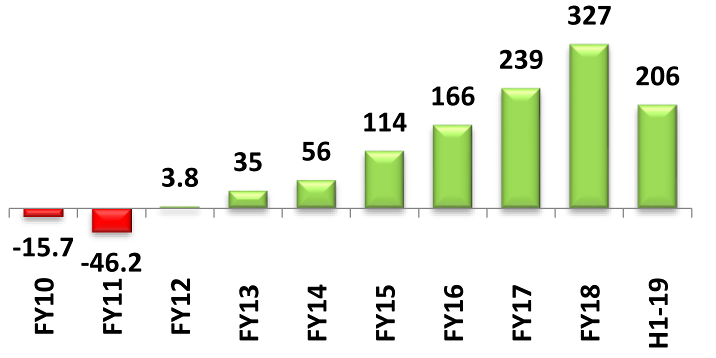
IDFC FIRST Bank

Section 1: Erstwhile Capital First history and track record (pre-merger)

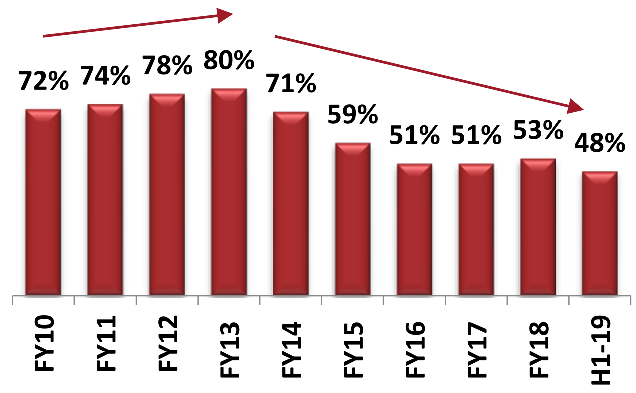
AUM (Rs. Cr)



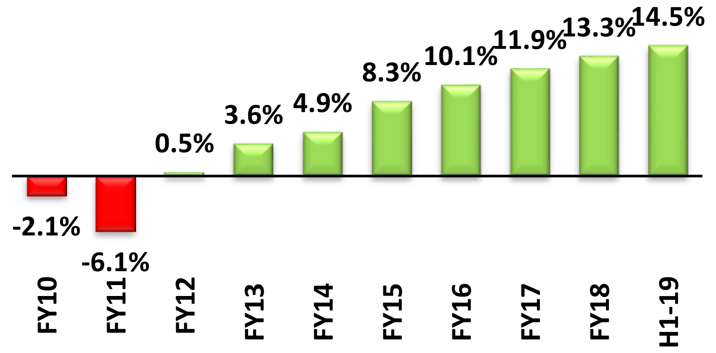
Profit (Rs. Cr)



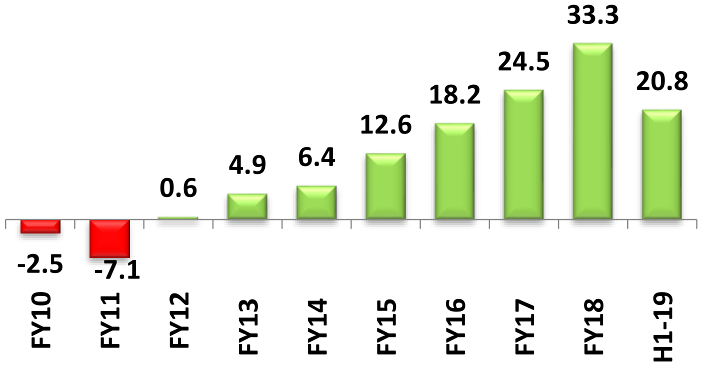
Cost to Income (%)



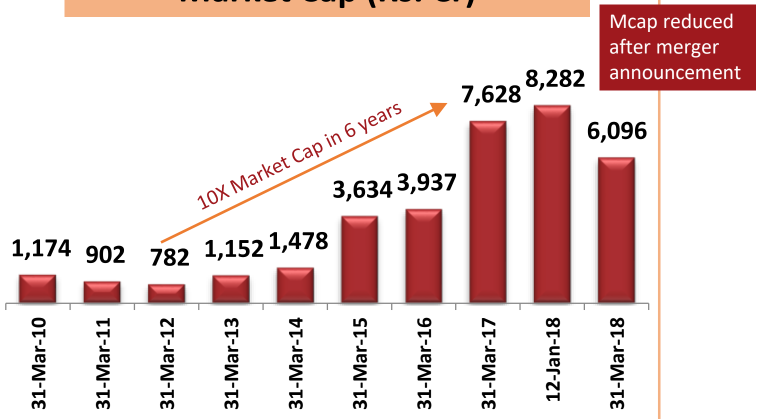
Return on Equity (%)



Earning Per Share (Rs.)



Market Cap (Rs. Cr)



Pre merger - Proforma Financials – P&L (H1 FY19)

In Rs. Crore	Erstwhile IDFC Bank	Erstwhile Capital First	Proforma Total
Funded Assets / AUM	**75,332**	**32,623**	**1,07,955**
Net-Worth	**14,776**	**2,928**	**17,704**
NII	**912**	**1,143**	**2,055**
Fees & Other Income	256	153	409
Treasury Income	31		31
Total Income	**1199**	**1,297**	**2,496**
Opex	1108	616	1,724
PPOP	**91**	**681**	**772**
Provisions	562	363	925
PBT	**-471**	**317**	**(154)**
NIM %	**1.56%**	**8.20%**	**2.85%**
RoA at PBT level %	**(0.75%)**	**2.26%**	**(0.20%)**
RoE % (at normalized level)	**(4.18%)***	**14.51%**	**(1.21%)**
Cost to Income Ratio %	**92.41%**	**47.52%**	**69.09%**

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

Section 1: The Founding of IDFC FIRST Bank..

In January 2018, Erstwhile IDFC Bank and Erstwhile Capital First announced a merger. Shareholders of Erstwhile Capital First were to be issued 13.9 shares of the merged entity for every 1 share of Erstwhile Capital First. Thus, IDFC FIRST Bank was founded as a new entity by the merger of Erstwhile IDFC Bank and Erstwhile Capital First on December 18 2018.

- Post the merger, during the last 2 years, the Bank invested in the people, processes, products, infrastructure and technology to put together all the necessary building blocks of a stronger foundation which is essential for a long-term growth engine.
- The bank restricted loan growth for two years in order to strengthen the liabilities franchise (CASA 8.7% at merger) first.
- Between 2018-2020 the Bank also accounted for legacy Infrastructure and Corporate loans that turned bad post-merger, which resulted in reduction of net worth, and thus the Book Value per share reduced from Rs. 38.4 on December 31, 2018 to Rs. 31.90 on March 31, 2020.
- The COVID 19 crisis struck the system in March - April 2020.
- Because the Bank had successfully raised large quantities of retail CASA deposits prior to COVID19 and had replaced Certificate of Deposits and bulk Corporate Deposits prior to the crisis, the Bank comfortably sailed through the COVID crisis on liquidity.
- Further, the Bank also successfully raised fresh equity of Rs. 2000 crores to strengthen the balance sheet in June 2020.
- The Bank now has a strong retail and CASA deposits franchise (CASA 51.75% as of March 2021) and looks forward for to steady growth from here on.
- Further, the Bank raised additional equity capital of Rs. 3,000 crore through QIP on April 6, 2021.
- We are proud about our heritage of transparent disclosures, high levels of corporate governance, and swift action on dealing with pressing strategic issues and for laying the foundation for future long-term growth.
- We sincerely thank our shareholders for their faith and trust in us during this period.

IDFC FIRST Bank

Section 2: Vision and Mission

Our Vision:

To create a world-class bank in India for larger social good

Our Mission:

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

Organisation Theme Line:

#alwaysyoufirst

When IDFC FIRST Bank was formed with the merger between erstwhile Capital First and erstwhile IDFC Bank, we deliberated a lot on what our founding theme should be and finalised on the theme 'Always You First' - where 'You' refers to our customer. This theme cuts across the entire organisation and binds the bank to a single theme.

<u>Section 2</u>: Key excerpts from MD & CEO's Letter - Annual Report 2019-20

*Theme of 2nd Annual Report after merger: AR 19-20: **"Building a Strong Foundation"***

"The financial year 2019-20 was a year of building the foundation for the Bank. This was a year of non-stop, high octane action at our Bank; we completed the merger, integrated two systems, technology, processes and people, re-defined reporting hierarchies, energised the teams, went all out for retail liabilities (up 157%), grew retail loans (up 40%), changed the composition of the balance sheet, reduced dependence on institutional deposits, reduced Top-20 borrower exposure percentages, reduced Top-20 depositor percentages, dealt with unexpected hits on some wholesale banking accounts, appointed a brand ambassador, dealt with COVID-19 and lockdowns, raised ₹ 2,000 crore of equity capital in the midst of the lockdown, and are submitting this annual report to you from behind screens."

"Growth, you will agree, is not an issue in India. Mid-teens ROE can be built for sure, most good banks have achieved it. Our incremental margins are strong. Our business is highly scalable. We have a very high level of corporate governance. We focus on the customer. I believe it is inevitable that value will be created in this approach."

"Our Bank enjoys an excellent brand image. Q4 FY20 was, without doubt, the most trying period of our lifetime. Global indices crashed 20-25%, and NYSE shut down at lower circuit breakers, twice in March 2020. Our own stock exchanges were crashing by the day due to COVID-19. There was total panic in the markets. At the same time, news about one private sector bank was quite negative and that bank was put on moratorium by the regulatory authorities. You will be happy to note even in a quarter of such chaos, the Retail Deposits of our Bank grew by ₹ 4,658 crore in Q4 FY20 alone, representing a sequential QoQ growth of 16%. Such is the confidence our Bank enjoys in the market."

"Culture is not just about how things get done around here, it's a much longer list such as, about how people conduct themselves in office and in society, how committed they are to the mission, how to resolve conflicts, not using offensive or abusive words, imbibing the organisation's policy that the customer comes first and so on."

IDFC FIRST Bank

Section 3: Loan offerings – IDFC FIRST Bank offers a bouquet of loan products..

.. across varied customer segments including Consumers and MSMEs in different parts of India

Prime Home Loans:
Starting at 6.9% to select Prime Salaried Customer of top corporates, Self-employed customers for buying house property.

Affordable Home Loans:
Smaller ticket size home loans to salaried and self-employed customers for purchasing house property.

Loan Against Property:
Long term loans to MSMEs after proper evaluation of cash flows; against residential or commercial property

New and Pre-owned Car Loan:
To salaried and self-employed customers for purchasing a new car or a pre-owned car

Business Loans:
Unsecured Loans to the self-employed individual or entity against business cashflows

Personal Loans:
Unsecured Loans to the salaried and self-employed customers for fulfilling their financial needs

Consumer Durable Loans:
financing to individuals for purchasing of LCD/LED panels, Laptops, Air-conditioners etc

Two Wheeler Loans:
To the salaried and self-employed customers for purchasing new two wheelers

Micro Enterprise Loans:
Loan solutions to small business owner

JLG Loan for Women:
Sakhi Shakti loan is especially designed as the livelihood advancement for women, primarily in rural areas

Apart from these products, IDFC FIRST Bank also offers Working Capital Loans, Corporate Loans for Business Banking and Corporate Customers in India

<u>Section 3</u>: Since Launch in January 2021, the Bank has issued 1.5 Lac Credit Cards till March 31, 2021

INDUSTRY	*IDFC FIRST Bank Credit Cards customer friendly initiatives*
Multiple Fees (Annual/ Over Limit)	*Lifetime Free (No Annual Fees ever)*
Charges for spending over limit	*No Charges for spends upto 10%**
Static and high interest rates (36% to 48% APR) (since last 30 years)	*Dynamic Interest Rate (9% to 36% APR)$*
Often Complicated Reward Points with T&Cs and Rewards expiry date	*Simple scheme, upto 10X reward points. No expiry. Easy online redemption*
Interest on ATM cash withdrawal from Day 1 Entire outstanding deemed as revolver & charged interest	*Interest-Free Cash Withdrawal (up to next billing cycle or 48 days, whichever is earlier)*

A Credit Card, like no other

Customer friendly card launched by the Bank, keeping in line with the ethos of always customer first.

Lifetime free Credit Card

10X Super Rewarding Program

Super Saver Interest Rate (% APR Starting from 9%)

Interest Free Cash Withdrawal (up to next billing cycle or 48 days, whichever is earlier)

*Spending over limit is usually inadvertent by customers. Hence as a customer friendly measure, the Bank will intimate the customers if their spends are going above limit to avoid any charges incurred by them. $Customer rates depending on algorithm, factoring in credentials, relationship with the bank and many other parameters

Section 3: Product Offerings – Liabilities, Payments and other Services

IDFC FIRST Bank provides wide range of Deposit facilities along with Savings Accounts, Deposit accounts, Wealth Management, Forex Services, Cash Management Services and Insurance services to its customers.

Deposit Accounts:
- ✓ *Savings Account*
- ✓ *Current Account*
- ✓ *Corporate Salary Account*
- ✓ *Fixed Deposit*
- ✓ *Recurring Deposit*

Wealth Management Services, Investments and Insurance Distribution:
- ✓ *Investment Solutions*
- ✓ *Personal Insurance Solutions*
- ✓ *Business Insurance Solutions*
- ✓ *Mutual Funds distribution*
- ✓ *Life, Health and General Insurance distribution*

Payments and Online Services:
- ✓ *Debit Cards & Prepaid Cards*
- ✓ *NACH & BHIM UPI*

Forex Services:
- ✓ *Import and Export Solutions*
- ✓ *Domestic Trade Finance*
- ✓ *Forex Solutions and Remittances*
- ✓ *Overseas Investments & Capital A/C Transactions*

IDFC FIRST Bank

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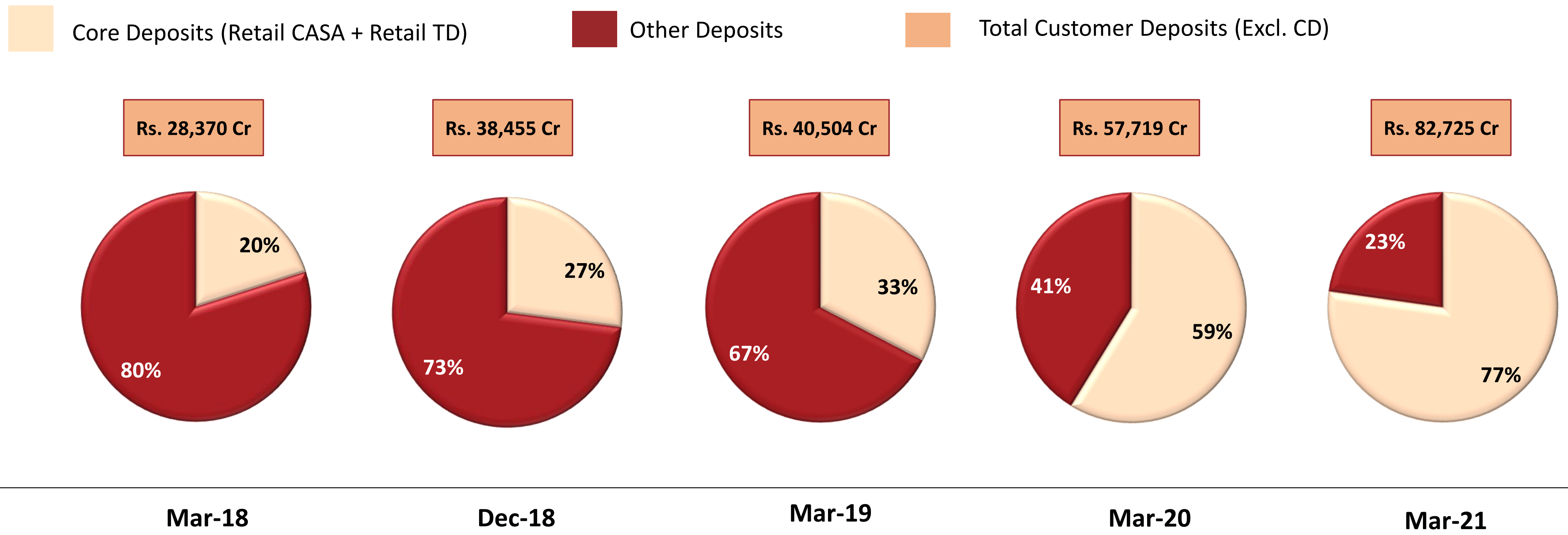
IDFC FIRST Bank

Section 4: The Bank has made strong progress in retailization of Liabilities. Retail liabilities now comprise 77% of customer deposits, up from 27% at merger.

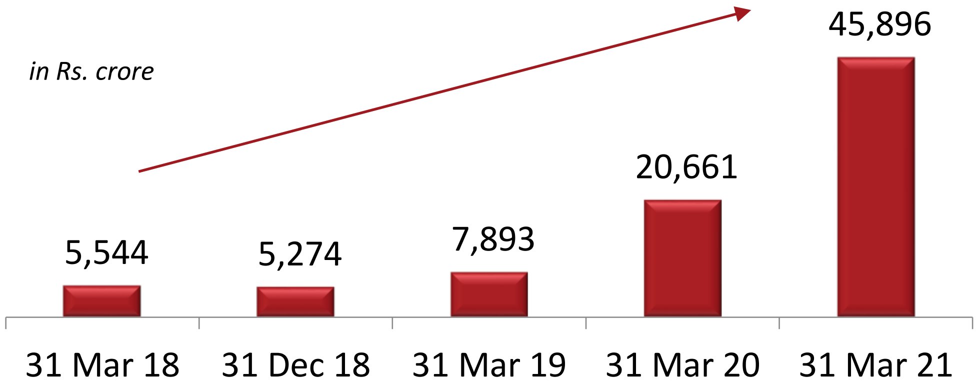
- The Bank is focused for retailization of the liabilities which is reflected in the growth in its Core Deposits.
- Such Deposits are sticky and sustainable in nature in comparison to Corporate Deposits or Certificate of Deposits.
- We are happy to report that the Bank has increased the Core Deposits (Retail CASA + Retail Term Deposits) as a % of Total Customer Deposits of the Bank as on March 31, 2021 to **77%** from **27%** as on December 31, 2018 (merger quarter).
- The Liability Franchise is strong and well diversified across retail depositors.



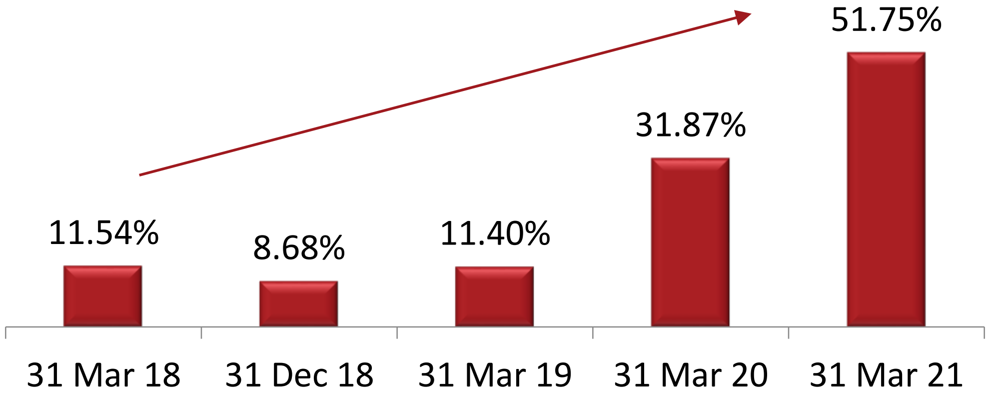
IDFC FIRST Bank

Section 4: The Bank now has a strong and well diversified liability franchise

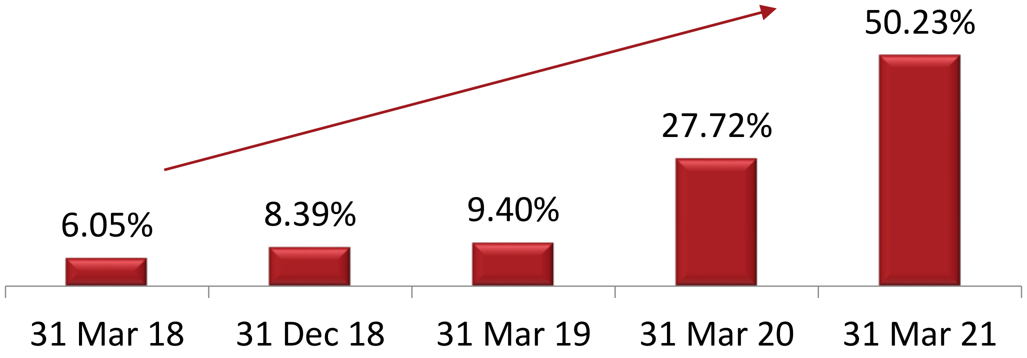
1 **CASA Deposits has grown by Rs. 40,622 crore since merger with YoY growth (FY21) of 122%**



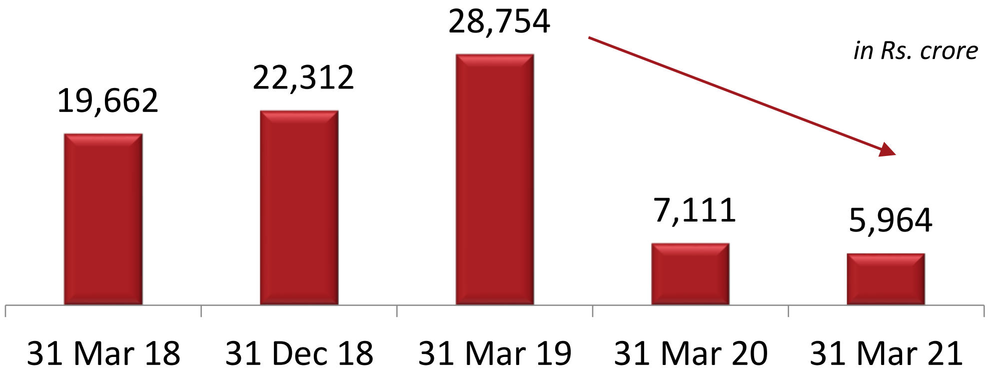
2 **As a result, the CASA Ratio (%) of the Bank has grown from 8.68% (Dec-18) at merger to 51.75% (Mar-21)**



3 **Average CASA Ratio (on daily CASA balances) (%) also shows strong improvement over the years**

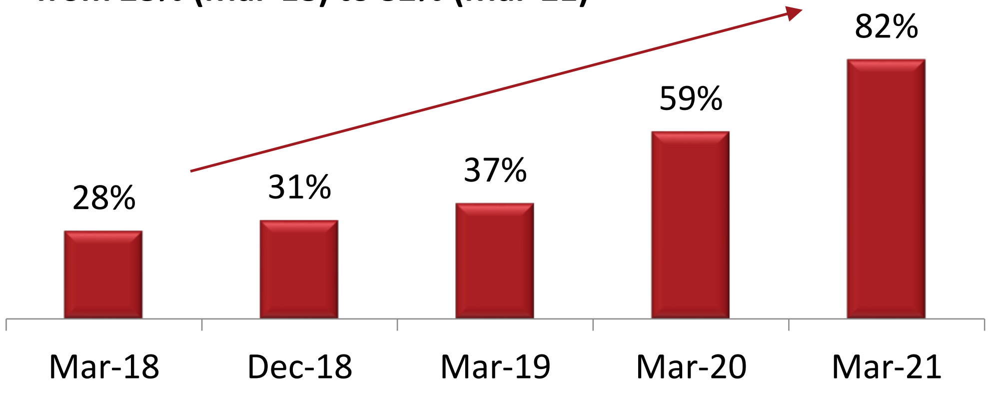


4 **With healthy growth of the Retail Deposits including CASA, the Bank successfully reduced dependency on Certificate of Deposits in the last 2 years**

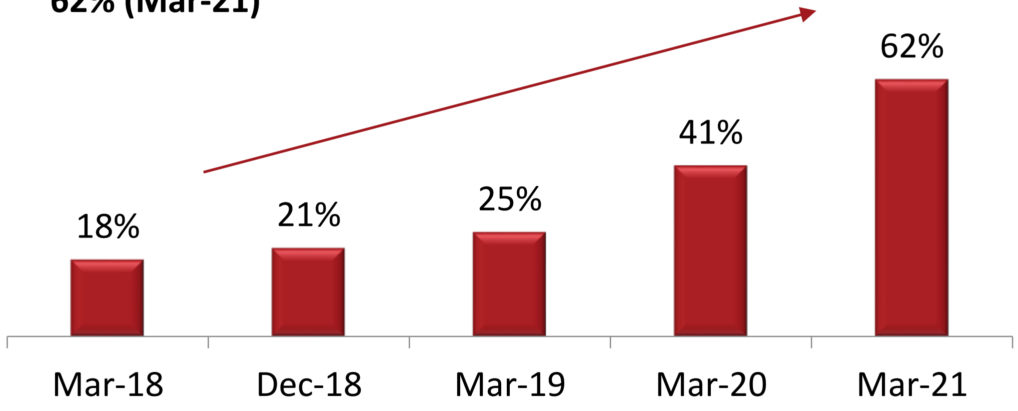


Section 4: Granularization of the Customer Deposits through quality liability franchise

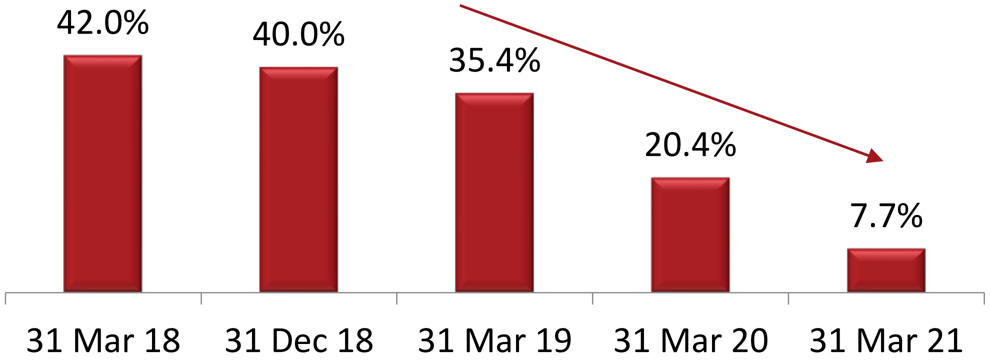
1 As part of the granularization, the Bank increased its Deposits with balance Rs. 5 crore and less, as % of total customer deposits, from 28% (Mar-18) to 82% (Mar-21)



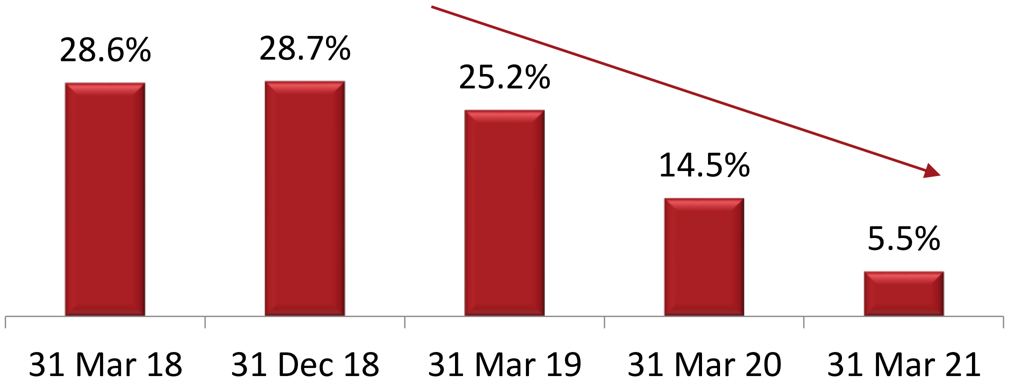
2 Similarly, the Bank increased Deposits with balance Rs. 1 crore and less, as % of total customer deposits, from 18% (Mar-18) to 62% (Mar-21)



3 The Bank reduced the top 20 borrowers' concentration as % of customer deposits from 42.0% (Mar-18) 7.7% (Mar-21), thus curtailing the concentration risk



4 The Bank reduced the Top 10 borrowers' concentration as % of customer deposits from 28.6% (Mar-18) to 5.5% (Mar-21) on similar lines



Section 4: The Bank continues to see strong growth in Retail Deposits. This has reduced the dependence on wholesale deposits and has provided greater stability.

In Rs. Crore	Mar-20	Dec-20	Mar-21	YOY%
Legacy Long Term Bonds	12,013	9,460	7,892	-34%
Legacy Infra Bonds	10,434	9,514	9,508	9%
Refinance	14,738	8,297	15,438	5%
Other borrowings	12,984	8,997	7,618	-41%
Total Borrowings (A)	**50,169**	**36,267**	**40,456**	**-19%**
CASA	20,661	40,563	45,896	122%
Term Deposits*	37,058	36,726	36,829	-1%
Total Customer Deposits (B)	**57,719**	**77,289**	**82,725**	**43%**
Certificate of Deposits (C)	7,111	6,673	5,964	-16%
Money Market Borrowings (D)	7,228	4,538	5,330	-26%
Borrowings + Deposits (A)+(B)+(C)+(D)	**122,227**	**124,768**	**134,475**	**10%**
CASA % of Deposits	31.87%	48.31%	51.75%	
Customer Deposits as % of Borrowings + Deposits	47.22%	61.95%	61.52%	

** Though the customer Term Deposits at Rs. 36,829 crores as of March 31 2021 has not grown YOY, the underlying composition of Terms Deposits have improved substantially. Retail Term Deposits were up 21% over last year and Wholesale Term Deposits were reduced by 21% YOY.*

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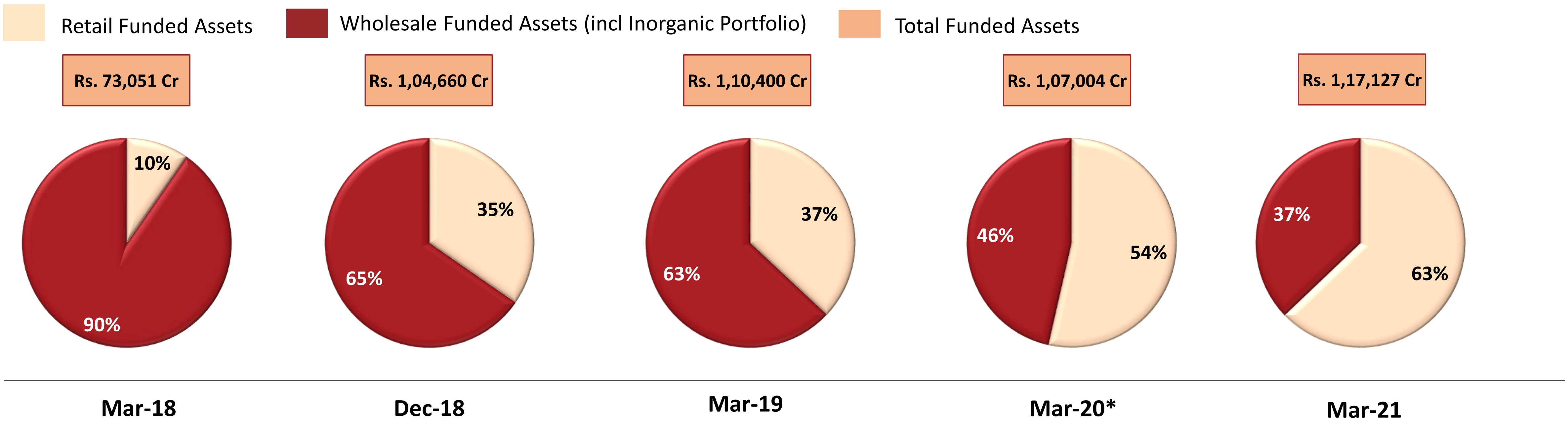
Section 4: Retail loans as a % of total loans has improved to 67% (including Retail PSL buyouts).

- The Bank provides financing for prime home loans, affordable home loans, business banking, loan against property, car loans, consumer durables and other such products to salaried and self – employed individuals and entities which is a large opportunity in India.

- We have strong demonstrated capabilities on this front developed through greenfield efforts over the last 10 years and we have maintained high asset quality, and consistently rising profitability over the years.



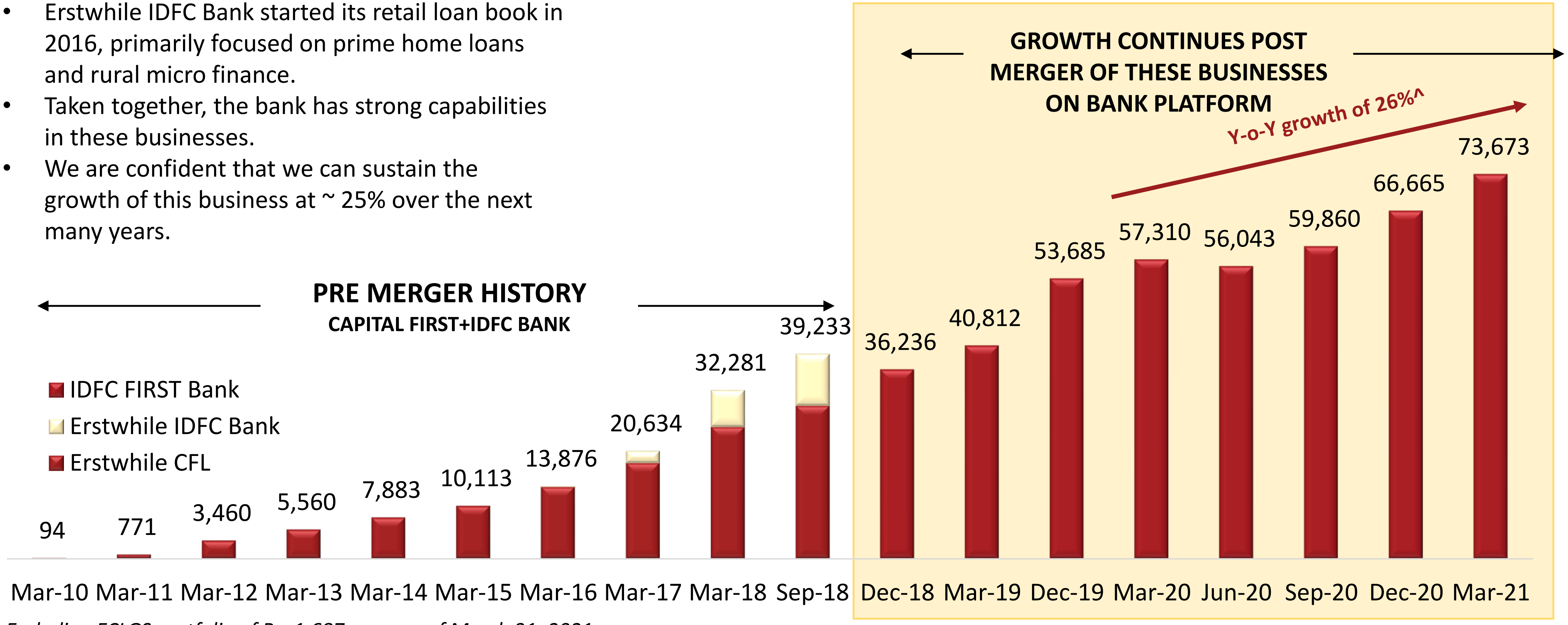
The Bank inorganically acquired portfolio as PSL retail loans. Including this as part of Retail Loan Book, the Retail contribution to the overall Loan Assets is 67% as of March 31, 2021.

**Gross of Inter-Bank Participant Certificate (IBPC) transactions.*

Section 4: Together, the Consumer and SME business has a rich history of 10 years with stable growth and high Asset quality.

All amounts are in Rs. crore unless specified

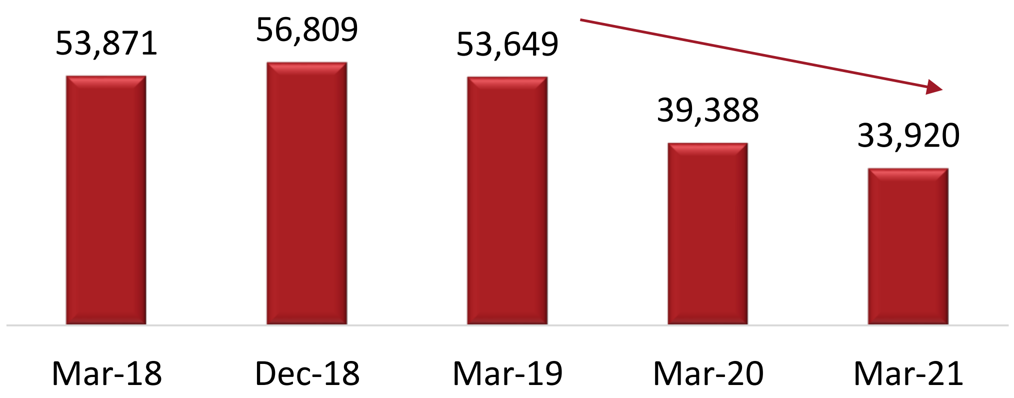
- Capital First was focused on growing the home loans, business loans, Consumer Loans, car loans and loan against property. The retail loan book of erstwhile Capital First grew at CAGR of 35% between FY13 to FY18 to reach Rs. 29,625 crore.
- During this time, asset quality was high with GNPA maintained at 2% and Net NPA maintained at 1%.
- Erstwhile IDFC Bank started its retail loan book in 2016, primarily focused on prime home loans and rural micro finance.
- Taken together, the bank has strong capabilities in these businesses.
- We are confident that we can sustain the growth of this business at ~ 25% over the next many years.



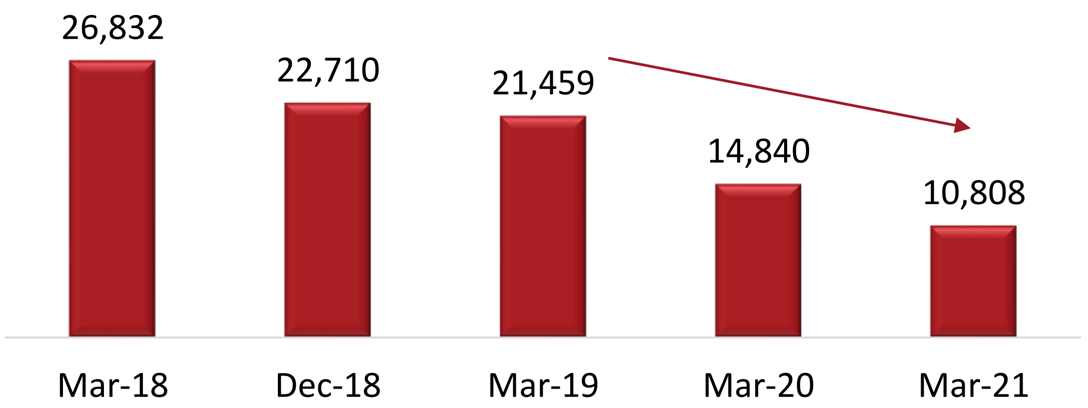
^ Excluding ECLGS portfolio of Rs. 1,687 crore as of March 31, 2021

Section 4: The Bank reduced wholesale, infrastructure loan assets since merger; Top 10 borrowers' concentration reduced.

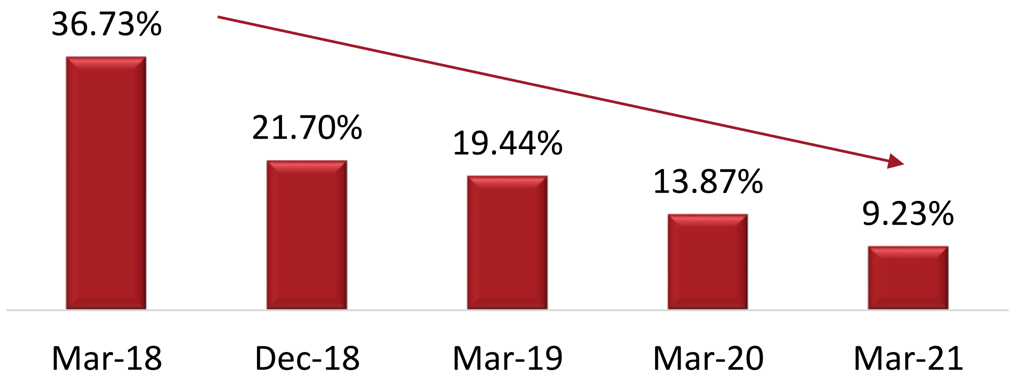
1 **The Bank reduced the wholesale funded assets by CAGR of 29% between Mar-19 and Mar-21**



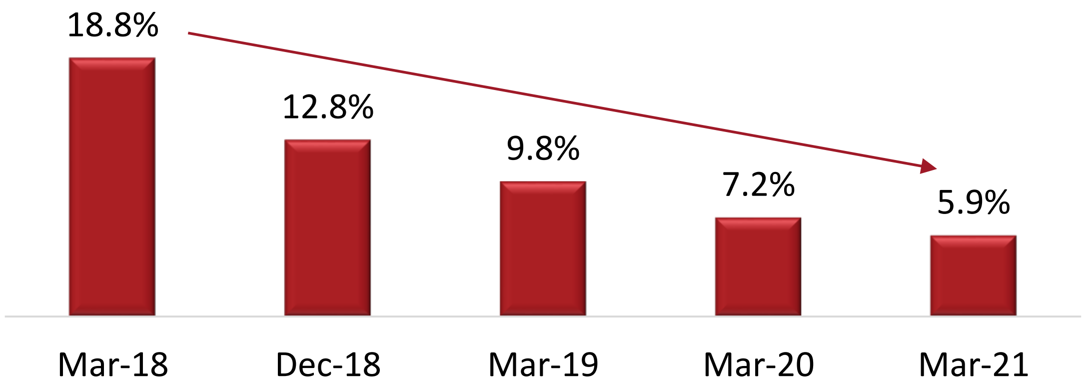
2 **Out of this, infrastructure financing (Rs crore) has reduced by 41% CAGR between Mar-19 to Mar-21**



3 **The Bank reduced Infrastructure financing portfolio as % of total funded assets from 37% (Mar-18) to 9% (Mar-21)**



4 **The Bank also proactively reduced the concentration risk by improving top 10 borrowers' concentration from 18.8% (Mar-18) to 5.9% (Mar-21)**



Section 4: Total Funded Assets Breakup

In Rs. Crore	Mar-20	Dec-20	Mar-21	Growth% (YoY)
Home Loans	7,736	9,367	10,613	37%
Loan against Property	12,578	13,817	15,320	22%
SME Loans	8,871	9,415	10,812	22%
Wheels	8,875	10,162	10,763	21%
Consumer Loans	11,722	13,159	13,949	19%
Credit Card	-	86	428	-
Rural	6,687	7,247	7,658	15%
Others	841	1,714	2,443	190%
Total Retail Funded Assets (Excl. ECLGS Portfolio)	**57,310**	**64,967**	**71,987**	**26%**
ECLGS Portfolio	-	1,699	1,687	-
Total Retail Funded Assets (A)	**57,310**	**66,665**	**73,673**	**29%**
Corporates	24,548	23,207	23,112	-6%
- Conglomerates	*839*	*1,401*	*1,345*	*60%*
- Large Corporates	*1,540*	*1,782*	*1,898*	*23%*
- Emerging Large Corporates	*6,629*	*6,864*	*7,115*	*7%*
- Financial Institutional Group	*12,645*	*10,876*	*10,960*	*-13%*
- Others	*2,894*	*2,283*	*1,794*	*-38%*
Infrastructure	14,840	11,602	10,808	-27%
Total Wholesale Funded Assets (B)	**39,388**	**34,809**	**33,920**	**-14%**
PSL Inorganic (C)	**7,954**	**6,694**	**7,436**	**-7%**
SRs and Loan Converted into Equity (D)	**2,351**	**2,300**	**2,097**	**-11%**
Total Funded Assets (A)+(B)+(C)+(D)	**107,004**	**110,469**	**117,127**	**9%**

Note: The figures above are gross of Inter-Bank Participant Certificate (IBPC) transactions.
The SME Loans include Business Loans, Business Banking, Micro Credit. The Wheels include TW Loans, Car Loans and CV Loans. The Consumer Loans include Consumer Durable Loans, PL including cross-sell loans. Others includes portfolio buyout, trade finance, digital lending etc.

Section 4: Key Strategic Step going forward..

- Thus far, the bank has specialised in providing loans in the affordable segment, where yields have been between 8 to 9%. Our asset quality has been high and experience in the segment has been excellent.
- Based on the strong inflow on retail liabilities into the Bank and surplus liquidity, the Bank has reduced the Savings Rate to 4% for balance below Rs. 1 lac and reduced the peak savings account interest rate to 5%.
- Consequent to the rate reduction of savings accounts, the Bank can now afford to participate in the prime segments of all businesses including the prime home loans to employees of top corporates at a very competitive interest rate starting at 6.9%, in line with market for this segment.
- This will open up a new and large market with higher asset quality for our Bank and set up the Bank for continuous and sustainable book growth as home loans have comparative longer tenure up to 20 years.

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Section 4: Bank maintains strong overall Asset Quality

In Rs. Crore	Dec-19 (Pre-Covid)	Mar-20	Proforma Dec-20 (Post-Covid)	Mar-21 (Post-Covid)	Sequential (QoQ) movement
GNPL	2,511	2,280	4,044	4,303	Increased by Rs. 259 crore
Provisions for GNPL	1,440	1,471	2,117	2,420	Increased by Rs. 303 crore
NNPL	1,071	809	1,927	1,883	Decreased by Rs. 44 crore
GNPA (%)	2.83%	2.60%	4.18%	4.15%	Decreased by 3 bps
NNPA (%)	1.23%	0.94%	2.04%	1.86%	Decreased by 18 bps
Provision Coverage Ratio %	57.35%	64.53%	52.35%	56.23%	Increased by 388 bps

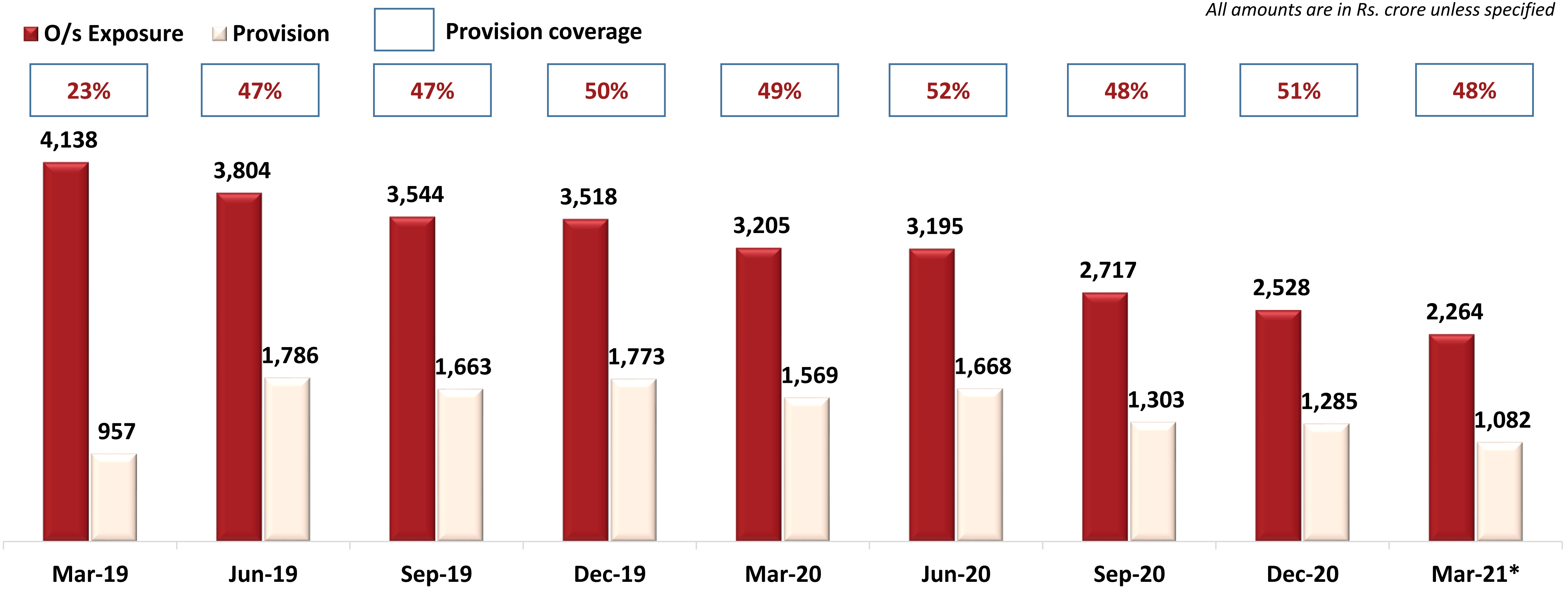
- Earlier, the Supreme Court vide an interim order dated September 03, 2020 had directed to stop NPA classification till further orders. The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Honourable Supreme Court. Accordingly, the Bank has continued with asset classification of borrower accounts as per the extant RBI Instructions.
- Including the additional COVID-19 provision of Rs. 375 crore made in Q4-FY21 and carried forward to FY22, the PCR would be **64.95%** on reported GNPA and NNPA as on March 31, 2021.
- The total restructured (approved & implemented) book including retail and wholesale loans stood at 0.9% of the total funded assets.

Section 4: In addition to declared Wholesale NPA accounts, Bank has proactively identified the following wholesale accounts, which are standard on the books but are stressed or potential NPAs, and taken provisions for the same proactively.

Client Description (Rs. Crore)	O/S Exposure	Provision	PCR%	Comments
Toll Road Projects in MH	873	154	18%	The repayment has been consistently delayed (SMA2) but account is regular as of date.
Thermal Power Project in Orissa	534	534	100%	Account suffers from delayed payments from Discoms. The account is regular as it is benefiting from the RBI Covid schemes. We expect the account to be resolved leading to a positive economic value to the Bank, as the account is fully provided for.
Toll Road (BOT) project in MH	251	13	5%	Operating project, toll is being collected, account is being serviced. <5% of project work unfinished.
Diversified Financial Conglomerate in Mumbai	215	215	100%	Our exposure is to Housing Finance Company belonging to this distressed group. Lending banks are running a process for management change. We expect to partial recovery which will be PnL accretive to us, as the account is fully provided.
Wind Power Projects in AP, GJ, KN, RJ	157	39	25%	Account servicing was earlier delayed. The project is now showing improved financial performance and is servicing debt regularly from cash flows from the project, with DSRA getting built up. However, the sponsor is still undergoing a resolution process.
Logistics Company in Karnataka	100	100	100%	The group is a Bengaluru based Coffee Group, and has been under financial stress. The Bank has initiated legal proceedings against the company.
Solar Projects in RJ	83	-	0%	The projects are performing well and have serviced debt regularly. However, the sponsor entity is undergoing resolution process leading to a deteriorating maintenance of the project. Lenders are putting together a maintenance plan.
Toll Road Projects in TN	34	10	30%	The account has been servicing debt. However, the sponsor entity is undergoing resolution process and the project requires additional cash flows for pending maintenance work.
Wind Power Projects in KN and RJ	17	17	100%	The project is generating required cashflows and is servicing debt. However, the parent entity is undergoing resolution. Repayments have been regular so far.
Total Stressed Pool Identified	**2,264**	**1,082**	**48%**	

Section 4: Exposure to identified Stressed Assets mentioned in previous slide, has reduced by 45% since March 2019

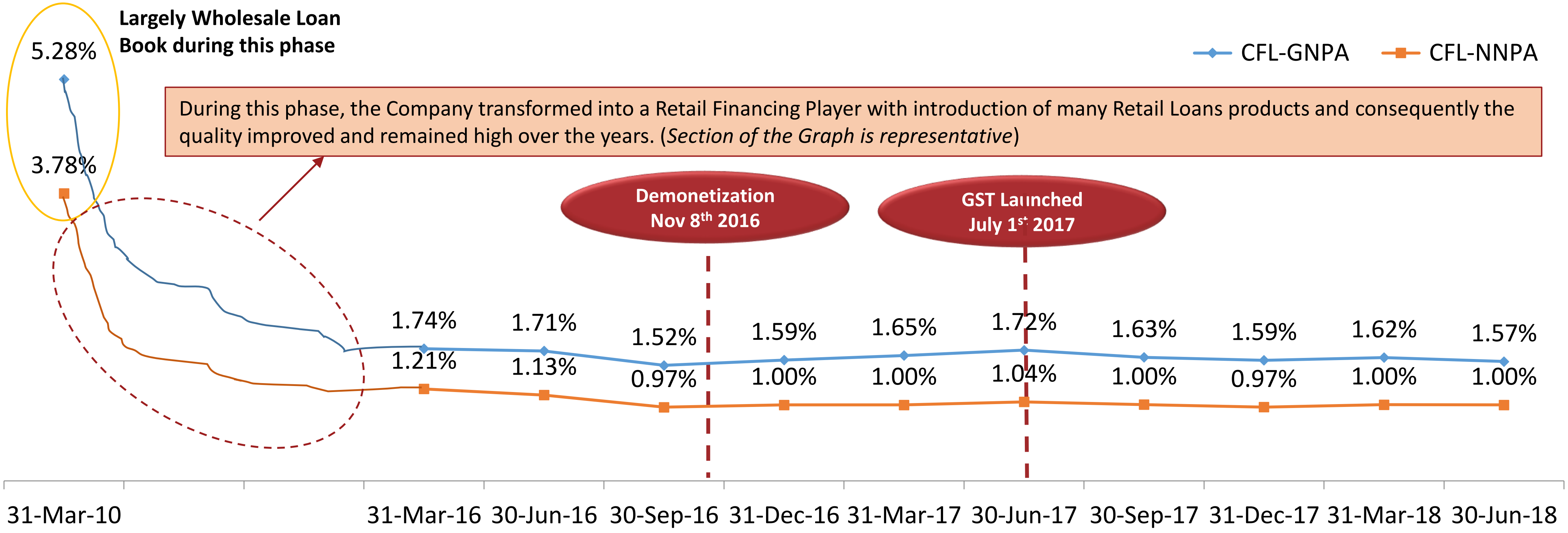
All amounts are in Rs. crore unless specified



*Apart from the accounts mentioned above, the Bank had also marked one large telecom account as stressed and provisioned 15% against outstanding of Rs. 2,000 crore (Funded) and against Rs. 1,244 crore (Non Funded). The said account is current and has no overdues as of March 31 2021.

Section 4: The asset quality trends over the last 8 years at Capital First is displayed below as a demonstration of our trend in asset quality and our capabilities in this space.

Since most of the loan book in the merged entity has been built and seasoned in Capital First prior the merger and the same model is being scaled up now, we present below the asset quality trends of the book in Capital First which have stayed steady over the years, i.e. Gross NPA ~2% and Net NPA ~1%. The portfolio remained stable even after being stress tested through economic slowdown in 2010-2014, demonetization (2016), GST implementation (2017) and economic slowdown in recent times. Hence gives us confidence to grow in future on this strong asset quality model.



Note: NPA recognition norm migrated to 90 dpd effective from 01 April, 2017.

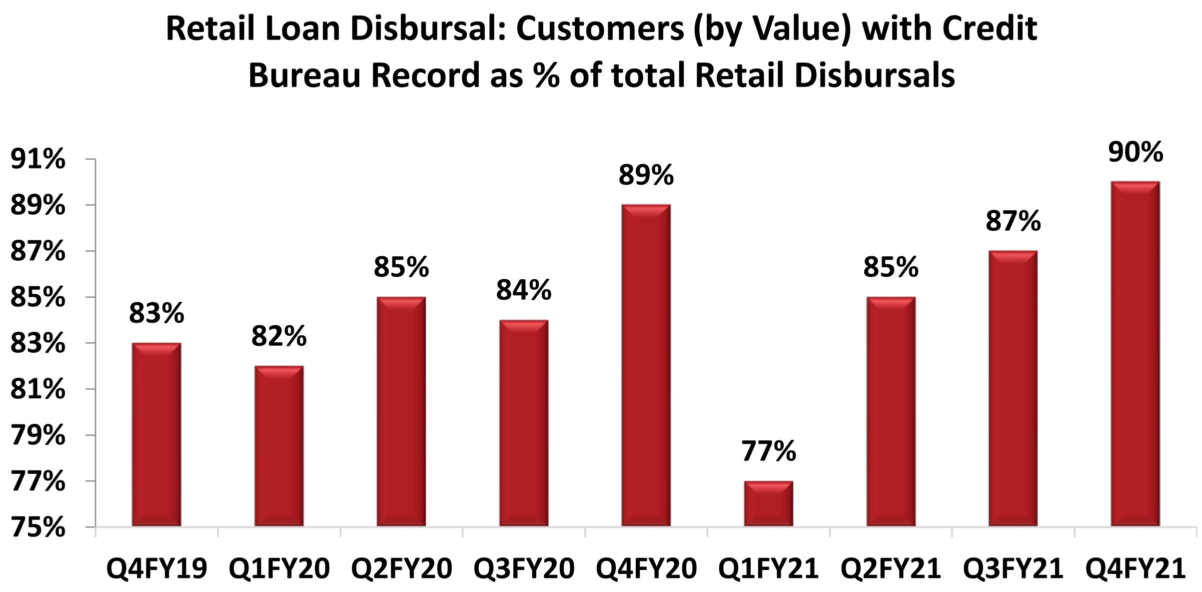
Section 4: Retail Loans - Gross and Net NPA

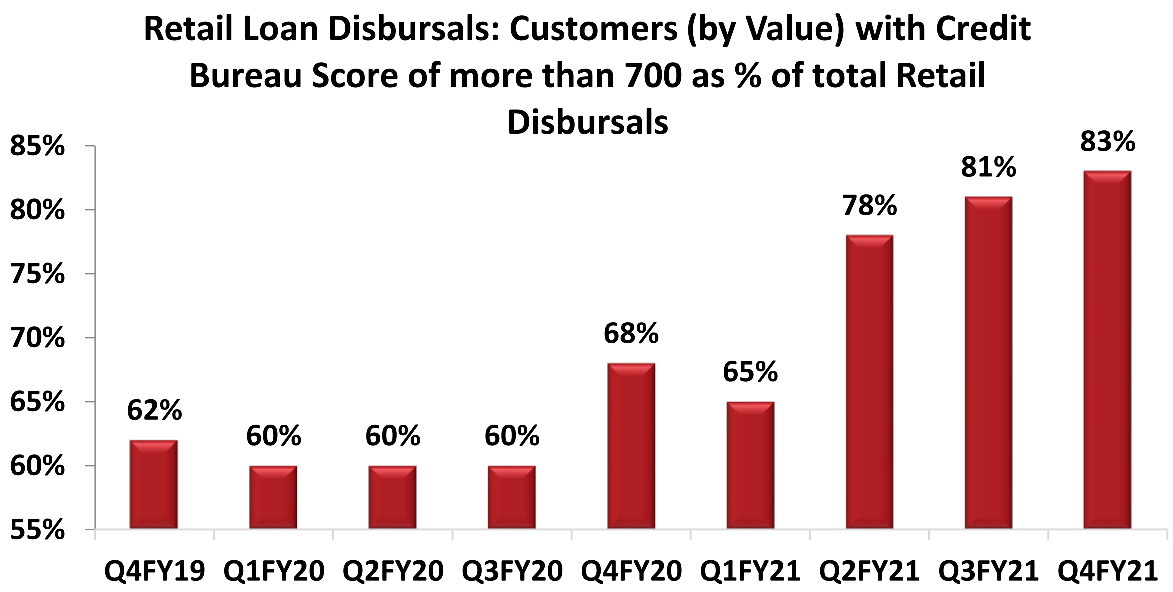
	Long term pre-COVID Average (A) (Mar-19 to Dec-19)	Proforma Dec-20 (B)	Mar-21 (C)	Covid Impact (C – A) (bps)	Sequential (QoQ) Change (C - B) (bps)
Gross NPA - Retail	2.27%	3.88%	4.01%	175	Increased by 13 bps
Net NPA - Retail	1.13%	2.35%	1.90%	77	Decreased by 45 bps
Provision Coverage Ratio (%)	51%	39%	53%	300	Increased by 1319 bps

- In the Pre-Covid time, the Bank was sustainably maintaining the Gross NPA and Net NPA level of the Retail Loan Book around 2.3% and 1.1% respectively. Due to the Covid-19 impact and the subsequent lockdown and moratorium which ended by August 2020, the GNPA and NNPA of the Bank in Retail Loans increased by 175 bps and 77 bps respectively as compared to Pre-Covid average level. This magnitude of increase in NPA levels in considered normal in the context of COVID-19 impact on the banking system.
- The Cheque/ECS/NACH bounce trend over the months has improved since July 2020 and the Bank is confident of getting back to pre-Covid level of GNPA and NNPA in due course, as and when the economy revives to normalcy.

Section 4: Continuous improvement in Retail Loan Underwriting over the years

- The first step in disbursing retail loans is credit policy and underwriting. Even prior to arrival of Covid-19, the bank has been continuously improving its credit underwriting based on experience by tightening its underwriting policy filters.
- This has resulted in increased percentage of customers who have credit track record on the credit bureau. In Q4 FY19, 83% of loan bookings done by the bank (by value) had a credit bureau record, and 17% were new to credit customers. As a result of continuous improvement in underwriting, in Q4 FY21, only 10% customers disbursed are new to credit customers.





IDFC FIRST Bank

Section 4: Incremental controls implemented in the light of COVID-19

- Further, in the light of the Covid-19, the bank has implemented a number of new measures to restrict lending to sectors affected by the pandemic. All new bookings that have been done post-pandemic already factors for pandemic related restrictions for lending to sectors and segments affected by COVID-19. Examples of such initiatives include –
  1. Implemented sector restrictions for underwriting in the COVID-19 affected sectors
  2. Reduction of Authority Limits for Credit Appraisals
  3. Implemented additional caps on individual ticket sizes on incremental loans
  4. Reduced the LTV limits in certain categories
  5. Revised restrictions on collaterals
  6. Revised criteria for bureau score cut-offs and tightened the criteria for number of credit enquiries on the bureau
  7. Increased requirement for FOIR (Fixed Obligations to Income Ratio to estimate the customer's ability to repay monthly instalments)
  8. Increased checking whether the customer has availed moratorium, also subsequent track record
  9. Increased average balance requirements for our average Bank Balance based lending program
  10. Revised preapproved prequalified program with increased scrutiny;
- Consequent to these new criteria and restrictions implemented in the light of Covid-19, the new bookings done post-July 2020 are showing significantly better credit performance (adjusted for like-to-like vintage) as compared to pre-pandemic loan bookings, as these new loan bookings post July 2020 already factor for Covid-19 impacted industries.
- During COVID wave 1, the cheques/ECSs/NACHs bounce increased to 2.5X from the Pre-COVID bounce levels, but when economic revival happened between September 20 to March 21, cheque returns have been dropping consistently and reached to 1.2X of Pre-Covid level in March 2021.
- Collection Efficiency for the Bank has improved every month since July 2020 and in March 2021, the collection efficiency has reached 100% of the Pre-COVID collection efficiency levels.

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Section 4: Income Statement – For the year ended March 31, 2021

In Rs. Crore	FY20	FY21	Growth (%)Y-o-Y
Interest Income	16,308	15,968[1]	-2%
Interest Expense	10,232	8,588	-16%
Net Interest Income	**6,076**	**7,380**	**21%**
Fee & Other Income	1,550	1,622	5%
Operating Income (Excl Trading Gain)	**7,625**	**9,002**	**18%**
Trading Gain	612	1,204	97%
Operating Income	**8,237**	**10,207**	**24%**
Operating Expense	5,861	7,093	21%
Pre-Provisioning Operating Profit (PPOP)	**2,376**	**3,113**	**31%**
Core PPOP (Ex. Trading gain and Interest on interest reversal)	**1,764**	**1,964**	**11%**
Provisions	4,754	2,638[2,3]	-45%
Profit Before Tax	**(2,379)**	**476[4]**	
Tax	486	24[5]	-95%
Profit After Tax	**(2,864)**	**452**	

1. *Includes reversal of Interest on Interest Rs. 55 crore in Q4 FY21 following the Supreme Court order*
2. *Earlier, Capital First had portfolios of Loan Against Shares with ticket sizes above Rs. 20 lac and Loans with annual interest payments, which were permitted for an NBFC, but not permitted in the Bank. On merger with the Bank, the dispensation was provided by the RBI for the said portfolio which is no longer available. Because of the same, the Bank was required to make 100% provision to this outstanding portfolio, and the provisions on this count amounted to Rs. 89 crore in Q4-FY21.*
3. *The provisions included the reversal of provisions of Rs. 324 crores on account of one large telecom account. The Bank created COVID 19 provisions for Rs. 375 crores and carried it into FY 22.*
4. *Without the impact of the point 1 and 2 mentioned above, the PBT for FY21 would be Rs. 620 crore and with normalized tax rate, the corresponding PAT would be Rs. 464 crore for FY21*
5. *Includes de-recognition of DTA on goodwill pursuant to recent changes in Finance Act and benefit on account of DTA reassessment at March 31, 2021*

Section 4: Quarterly Income Statement

In Rs. Crore	Q4 FY20	Q3 FY21	Q4 FY21	Growth% (QoQ)	Growth% (YoY)
Interest Income	4,092	4,101	3,993[1]	-3%	-2%
Interest Expense	2,392	2,209	2,033	-8%	-15%
Net Interest Income	**1,700**	**1,892**	**1,960**	**4%**	**15%**
Fee & Other Income	432	582	600	3%	39%
Operating Income (Excl Trading Gain)	**2,132**	**2,474**	**2,561**	**3%**	**20%**
Trading Gain	319	290	241	-17%	-24%
Operating Income	**2,451**	**2,764**	**2,801**	**1%**	**14%**
Operating Expense	1,664	1,991	2,156	8%	30%
Pre-Provisioning Operating Profit (PPOP)	**787**	**773**	**646**	**-16%**	**-18%**
Core PPOP (Ex. Trading gain and Interest on interest reversal)	**468**	**484**	**460**	**-5%**	**-2%**
Provisions	679	595	603[2,3]	1%	-11%
Profit Before Tax	**107**	**179**	**43[4]**	**-76%**	**-60%**
Tax	36	49	(85)[5]	-272%	-336%
Profit After Tax	**72**	**130**	**128**	**-1%**	**79%**

1. *Includes reversal of Interest on Interest Rs. 55 crore in Q4 FY21 following the Supreme Court order*
2. *Earlier, Capital First had portfolios of Loan Against Shares with ticket sizes above Rs. 20 lac and Loans with annual interest payments, which were permitted for an NBFC, but not permitted in the Bank. On merger with the Bank, the dispensation was provided by the RBI for the said portfolio which is no longer available. Because of the same, the Bank was required to make 100% provision to this outstanding portfolio, and the provisions on this count amounted to Rs. 89 crore in Q4-FY21.*
3. *The provisions included the reversal of provisions of Rs. 324 crores on account of one large telecom account. The Bank created COVID 19 provisions for Rs. 375 crores and carried it into FY 22.*
4. *Without the impact of the point 1 and 2 mentioned above, the PBT for Q4FY21 would be Rs. 188 crore and with normalized tax rate, the corresponding PAT would be Rs. 140 crore for Q4FY21*
5. *Includes de-recognition of DTA on goodwill pursuant to recent changes in Finance Act and benefit on account of DTA reassessment in Q4-FY21*

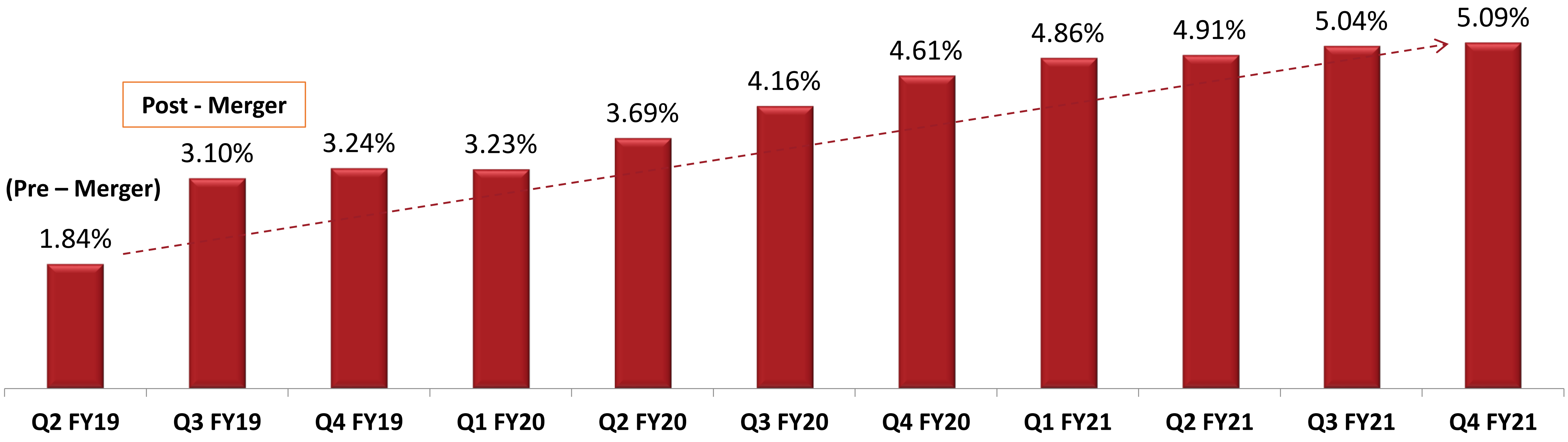
Section 4: Balance Sheet

In Rs. Crore	Mar-20	Dec-20	Mar-21	Growth (%) (Y-o-Y)
Shareholders' Funds	15,343	17,668	17,808	16%
Deposits	65,108	84,294	88,688	36%
- *Retail Deposits*	33,924	58,435	63,894	88%
- *Wholesale Deposits (including CD)*	31,184	25,859	24,795	-20%
Borrowings	57,397	40,805	45,786	-20%
Other liabilities and provisions	11,353	12,909	10,861	-4%
Total Liabilities	**149,200**	**155,676**	**163,144**	**9%**
Cash and Balances with Banks and RBI	4,191	7,141	5,828	39%
Net Funded Assets	98,062	106,263	111,758	14%
- *Net Retail Funded Assets*	54,848	66,731	72,334	32%
- *Net Wholesale Funded Assets**	43,214	39,532	39,425	-9%
Investments	35,841	33,037	36,719	2%
Fixed Assets	1,038	1,233	1,266	22%
Other Assets	10,069	8,003	7,572	-25%
Total Assets	**149,200**	**155,676**	**163,144**	**9%**

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

Section 4: Strong improvement in Net Interest Margin %

- The NIM of the bank has accelerated to **5.09%** post merger (Q4-FY21) despite accounting for reversal of Interest on Interest of Rs. 55 crore.
- Interest income from the loans originated through Business correspondents being booked net of the origination and servicing expense incurred by business correspondents. Effective from Q4 FY21 such income is now booked as gross interest income and the origination expenses pertaining to this book is included in the operating expense line of the Bank. For the fair comparison purposes, the previous period interest income and opex figures, and as a result, the NIM% have been reinstated.
- As per our earlier guidance, we aspire to take it to 5-5.5% in the next 5 years. We are on track for reaching there.



Section 4: Capital Adequacy Ratio, including additional equity capital of Rs. 3,000 crore raised in April 2021, is at 16.32% with CET-1 Ratio at 15.62%

In Rs. Crore	Mar-20	Dec-20	Mar-21	Mar-21 (Incl Capital Raise)
Common Equity	14,690	17,287	16,974	19,988
Tier 2 Capital Funds	90	629	647	887
Total Capital Funds	**14,780**	**17,917**	**17,622**	**20,875**
Total RWA	**110,481**	**125,052**	**1,27,944**	**1,27,944**
CET 1 Ratio (%)	**13.30%**	**13.82%**	**13.27%**	**15.62%**
Total CRAR (%)	**13.38%**	**14.33%**	**13.77%**	**16.32%**

- The regulatory requirement for the Capital Adequacy Ratio is **10.875%** with CET-1 Ratio at **7.375%** and Tier I at **8.875%** as per the RBI Guidelines.
- The Bank has successfully raised Rs. 3,000 crore of equity capital through QIP process by allotting new equity shares to marquee international and domestic investors in April 2021. The process began in the last week in February 2021 and was completed in the first week of April 2021.

IDFC FIRST Bank

Section 5: Board of Directors

With over two decades in financial services in India, V. Vaidyanathan has seen India through many lens – first as a banker (1990-2010, Citibank), then as an entrepreneur (2010-2019, Capital First) and a professional banker again (2019- date, after merging Capital First with IDFC Bank). He worked with Citibank Consumer Banking from 1990-2000, then set up ICICI Group's retail banking from 2000-2009 since its inception, built ICICI Bank's branch network to 1411 branches and 28 million customers, built a large CASA and retail deposits franchise, and built the retail lending businesses including mortgages, auto loans, credit cards and personal credit businesses to Rs. 1.35 trillion ($30 bn). He was appointed at the Board of ICICI Bank in 2006 at age 38. In 2009, he became the MD and CEO of ICICI Prudential Life Insurance Company in India.

In 2010, he quit ICICI Group for an entrepreneurial opportunity to acquire an NBFC with an idea to convert it to a bank focused on consumer and MSME lending. On acquiring equity stake, he shut down all non-core businesses like broking and real estate financing, and instead used the NBFC platform to build MSME and Consumer Financing businesses, based on new technologies and algorithms. Between 2010 to 2018, he grew the loan book from start-up stage to Rs. 29,600 crores (US$4.05 bn), grew the equity capital from Rs. 691 crores (US$118 mn) to Rs. 3,993 crores (US$600 mn), reduced Gross NPA from 5.28% to 1.94%, reduced Net NPA from 3.6% to 1%, acquired 7 million customers, got the long-term credit rating upgraded from A+ to AAA, turned around the company from losses of US$5 mn (2010) to profit of US$50 mn (2018), increased ROE from -6% to +15%, and increased the market cap 10 times from Rs. 780 crores (US$120 mn) to Rs. 8,200 crores (US$1.2 bn) in 8 years. Capital First was growing at a 5-year CAGR of loan growth of 30%, and 55% in PAT between 2013-2018.

Then, in order to secure a commercial banking license, he agreed to merge Capital First with IDFC Bank in December 2018 and took over as the MD and CEO of the merged entity. Since then, between December 2018 to March 2021, he has increased retail loan book from 13.16% pre-merger to 62.89% (Rs. 73,673 crores) of the total funded assets, increased Net Interest margin from 1.84% pre-merger to 5.09%, increased CASA from 8.68% to 51.75%, turned the bank into profitability, and is currently busy converting the bank into a world-class retail bank in India. The bank now has over 10 million customers and loan book of more than Rs. 1 lac crores (~US$14 bn). He believes India provides unlimited opportunity in financial services in India.

During his career, he and his organization have received a number of domestic and international awards including the prestigious CNBC Awaaz Entrepreneur of the year 2020, CNBC Asia's "Innovative company of the year" India Business Leader Awards-2017, "Most Inspirational Leveraged Management Buyout, India 2018" by CFI Awards, "Entrepreneur of the Year" Award at Asia Pacific Entrepreneurship Awards 2017, "Transformational Leader 2018" by CFI Awards UK, "Financial Services Company of the Year, 2018 - VC Circle", "Outstanding contribution to Financial Inclusion, India, 2017" from Capital Finance International, London, "Most Promising Business Leaders of Asia" 2016 by Economic Times, 'Outstanding Entrepreneur Award' in Asia Pacific Entrepreneurship Awards 2016, Greatest Corporate Leaders of India- 2014, Business Today - India's Most Valuable Companies 2016 & 2015, Economic Times 500 India's Future Ready Companies 2016, Fortune India's Next 500 Companies 2016, Dun & Bradstreet India's Top 500 Companies & Corporates 2016 & 2015. During his prior stint, awards included "Best Retail bank in Asia 2001", "Excellence in Retail Banking Award" 2002, "Best Retail Bank in India 2003, 2004, and 2005" from the Asian Banker, "Most Innovative Bank" 2007, "Leaders under 40" from Business Today in 2009, and was nominated "Retail Banker of the Year" by EFMA Europe for 2008.

He is an alumnus of Birla Institute of Technology and Harvard Business School. He has run 23 half-marathons and 8 full marathons.

Section 5: Board of Directors

MR. SUNIL KAKAR - NON-EXECUTIVE NON INDEPENDENT DIRECTOR (REPRESENTING IDFC LIMITED)
Mr. Sunil Kakar is the Managing Director & CEO of IDFC Limited. He started his career at Bank of America where he worked in various roles, covering Business Planning & Financial Control, Branch Administration and Operations, Project Management and Internal Controls. After Bank of America, Mr. Kakar was the CFO at Max New York Life Insurance. He led numerous initiatives including Planning, Investments / Treasury, Finance and Accounting, Budgeting and MIS, Regulatory Reporting and Taxation.

MR. S GANESH KUMAR - INDEPENDENT DIRECTOR
Mr. S Ganesh Kumar was the Executive Director of the Reserve Bank of India. His most recent responsibilities included the entire gamut of Payment and Settlement Systems, creation and development of strategic plans for the Bank and to take care of the external investments and manage the foreign exchange reserves with the central bank. He has rich experience in the Information Technology area and has honed skills in this area of specialisation.

MR. HEMANG RAJA - INDEPENDENT DIRECTOR
Mr. Hemang Raja, is an MBA from Abeline Christian University, Texas, with a major in finance. He has also done an Advance Management Program (AMP) from Oxford University, UK. He has vast experience in the areas of Private Equity, Fund Management and Capital Markets in companies like Credit Suisse and Asia Growth Capital Advisers in India as MD and Head - India. He has served on the executive committee of the board of the National Stock Exchange of India Limited; also served as a member of the Corporate Governance Committee of the BSE Limited.

MR. SANJEEB CHAUDHURI - INDEPENDENT DIRECTOR
Mr. Sanjeeb Chaudhuri is a Board member and Advisor to global organizations across Europe, the US and Asia. He has most recently been Regional Business Head for India and South Asia for Retail, Commercial and Private Banking and also Global Head of Brand and Chief Marketing Officer at Standard Chartered Bank. Prior to this, he was CEO for Retail and Commercial Banking for Citigroup, Europe, Middle East and Africa. He has an MBA in Marketing and has completed an Advanced Management Program.

Section 5: Board of Directors

DR.(MRS.) BRINDA JAGIRDAR - INDEPENDENT DIRECTOR

Dr. (Mrs.) Brinda Jagirdar, is an independent consulting economist with specialization in areas relating to the Indian economy and financial intermediation. She is on the Governing Council of Treasury Elite, a knowledge sharing platform for finance and treasury professionals. She retired as General Manager and Chief Economist, State Bank of India, based at its Corporate Office in Mumbai. She has a brilliant academic record, with a Ph.D. in Economics from the Department of Economics, University of Mumbai, M.S. in Economics from the University of California at Davis, USA, M.A. in Economics from Gokhale Institute of Politics and Economics, Pune and B.A. in Economics from Fergusson College, Pune. She has attended an Executive Programme at the Kennedy School of Government, Harvard University, USA and a leadership programme at IIM Lucknow.

MR. PRAVIR VOHRA - INDEPENDENT DIRECTOR

Mr. Pravir Vohra is a postgraduate in Economics from St. Stephen's College, University of Delhi & a Certified Associate of the Indian Institute of Bankers. He began his career in banking with State Bank of India where he worked for over 23 years. He held various senior level positions in business as well as technology within the bank, both in India & abroad. The late 1990s saw Mr. Vohra as Vice President in charge of the Corporate Services group at Times Bank Ltd. In January 2000, he moved to the ICICI Bank group where he headed a number of functions like the Retail Technology Group & Technology Management Group. From 2005 till 2012 he was the President and Group CTO at ICICI Bank.

MR. AASHISH KAMAT - INDEPENDENT DIRECTOR

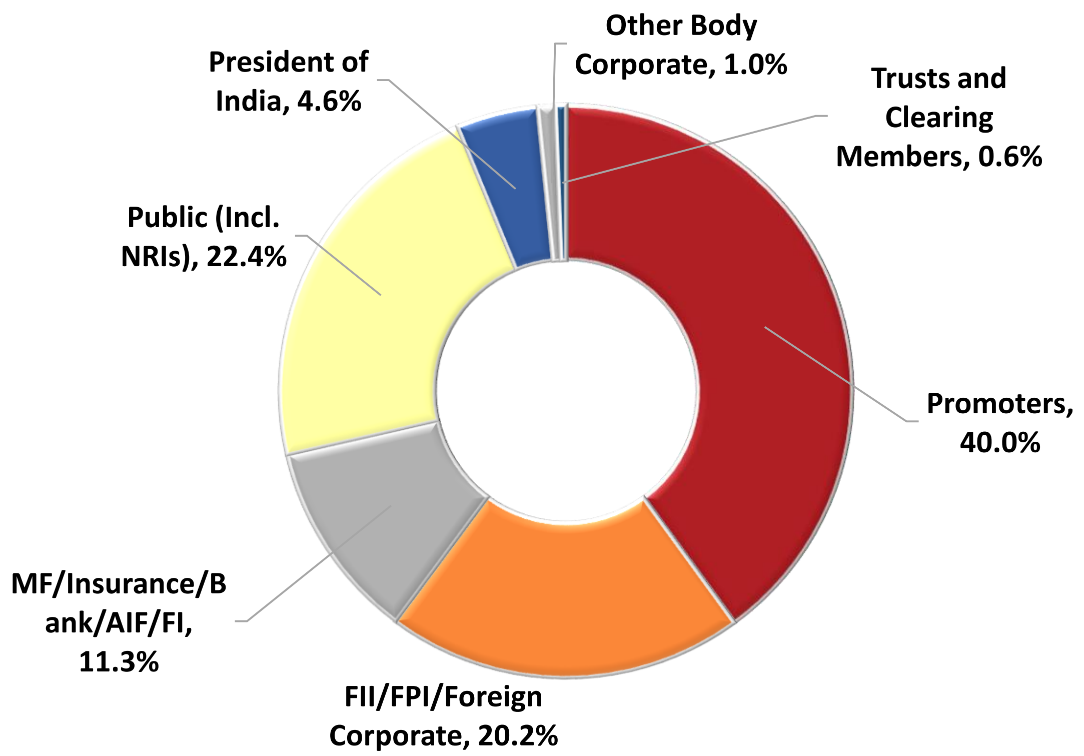
Mr. Aashish Kamat has over 30 years of experience in the corporate world, with 24 years being in banking & financial services & 6 years in public accounting. Mr. Kamat was the Country Head for UBS India, from 2012 until his retirement in January 2018. Prior to that he was the Regional COO/CFO for Asia Pacific at JP Morgan based out of Hong Kong. Before moving to Hong Kong, Mr. Kamat was in New York, where is was the Global Controller for the Investment Bank (IB) at JP Morgan in New York; & at Bank of America as the Global CFO for the IB, and, Consumer and Mortgage Products. Mr. Kamat started his career with Coopers & Lybrand, a public accounting firm, in 1988 before he joined JP Morgan in 1994.

MR. VISHAL MAHADEVIA – NON-EXECUTIVE NON INDEPENDENT DIRECTOR

Mr. Vishal Mahadevia joined Warburg Pincus in 2006 & is a member of the firm’s executive management group. Previously, he was a Principal at Greenbriar Equity Group, a fund focused on private equity investments in the transportation sector. Prior to that, Mr. Mahadevia worked at Three Cities Research, a New York-based PE fund, & as a consultant with McKinsey & Company. He received a B.S. in economics with a concentration in finance & B.S. in electrical engineering from the University of Pennsylvania

Section 5: Shareholding Pattern as of March 31, 2021

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



Total # of shares as of March 31, 2021 : 567.58 Cr
Book Value per Share as of March 31, 2021: Rs. 31.37
Market Cap. as on March 31, 2021: Rs. 31,614 Crore

Key Shareholders *(through their respective various funds and affiliate companies wherever applicable)*	**% Holding**
IDFC Financial Holding Company Limited	39.98
Warburg Pincus through its affiliated entities	9.93
President of India	4.61
ICICI Prudential Life Insurance	4.56
Odyssey 44	4.03
Aditya Birla Asset Management	1.88
Bajaj Allianz Life Insurance	1.62
HDFC Life Insurance Company	1.53
Vanguard	1.62
Ishares	0.66
Wellington	0.46
V Vaidyanathan*	0.55

**On a fully diluted basis, including shares and options, Mr. Vaidyanathan holds 2.33% of the equity of the Bank including shares held in his social welfare trust.*

IDFC FIRST Bank

SECTION 6:

STRATEGY GOING FORWARD FOR THE COMBINED ENTITY

(as declared at merger in December 2018)

- **Key Strategies for the combine entity –**
  - ✓ Asset Strategy
    - *Growth of Assets*
    - *Diversification of Assets*
    - *Gross Yield expansion*
  - ✓ Liability Strategy
    - *CASA Growth*
    - *Diversification of Liability*
    - *Branch Expansion*
  - ✓ Profitability
    - *Expand Net Interest Margin*
    - *Reduce Cost to Income Ratio*
    - *Improve RoA and RoE*
  - ✓ History of Capital First

IDFC FIRST Bank

Section 6: Asset Strategy for IDFC FIRST Bank as guided at the time of merger in December 2018.

- **Growth of Assets:**
  - The Bank plans to grow retail loan assets from Rs. 36,236 crore (December 31, 2018) to over Rs. 100,000 crore in the next 5 years
  - The Bank plans to wind down loans to infrastructure to NIL within five years (Rs. 22,710 as of 31 December 2018).
  - The Bank plans to reduce the total Wholesale loan assets (including the Infrastructure Loans) from Rs. 56,809 crore (December 31, 2018) to Rs. 40,000 crore by March 2020 in order to rebalance and diversify the overall Loan Book. Thereafter, the Bank plans to maintain it at the similar levels for the next 5 years and would grow the business based on opportunities available at the marketplace.

- **Diversification of Assets:** We recognize that loan book of the bank needs to be well diversified across sectors and a large number of consumers. The Bank plans to increase the retail book composition from 34.62% to 70% within 5 years and set the target to take it to 80% thereon.

- **Gross Yield Expansion:** As a result of the growth of the retail loan (at a relatively higher yield compared to the wholesale loans), the gross yield of the Bank's Loan Book was initially guided to increase from 9.4% (as per Q2-FY19, pre-merger) to more than 12% in the next 5 years, however we now upgrade our guidance and project the yield to be at 13.5% in the next 5 years. The bank will expand Housing loan portfolio as one of its important product lines.

Section 6: Liability Strategy for IDFC FIRST Bank as guided at the time of merger in December 2018.

- **CASA Growth:** This is a key focus and growth area for the bank. We plan to increase the CASA Ratio from 8.68% as of December 31, 2018 on a continuous basis year on year and strive to reach 30% CASA ratio within 5 years, and increase it to 40-50% from there on. An array of digital savings & current accounts are planned to be offered to the customer base (more than 7 million customers) of Erstwhile Capital First.

- **Diversification of Liabilities:** We will focus on Retail CASA and Retail Term Deposits in order to diversify the liabilities of the bank. As a percentage of the total borrowings, the Retail Term Deposits and Retail CASA is proposed to increase from 8.04% as of December 31, 2018, to over 50% in the next 5 years and set up a trajectory to reach 75% thereafter.

- **Branch Expansion:** In order to grow Retail Deposits and CASA, the bank plans to set up 600-700 more bank branches in the next 5 years from the branch count of 206 (as of 31 Dec 2018). This would be suitably supported by the attractive product propositions and other associated services as well as cross selling opportunities.

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Section 6: Profitability Goals for IDFC FIRST Bank as guided at the time of merger in December 2018.

- **Net Interest Margin:** The bank plans to expand the NIM to about 5.0% - 5.5% in the next 5 years based on better cost of funds and carefully selecting the product segments where we have strong proven capabilities over the years.
- **Asset Quality:** Over 90% of the Retail Loan Book of the bank constitutes of loan book brought from erstwhile Capital First. The book is seasoned over 8 years across business and loan cycles and has had stable performance throughout, and has been adequately stress tested across significant events such as high interest rate cycle (2010-2014), high inflation rate cycle (2010-2014), Demonetization (2016, where over 86% of the cash of the country was withdrawn overnight), GST implementation (2017, which changed the business environment and methods for MSMEs) and yet asset quality remained high over the period.
- **Cost to Income:** The Bank plans to improve Cost to Income ratio to ~50-55% over the next 5 years, down from ~80% (post merger results, Quarter ended December 31, 2018)
- **ROA and ROE:** With the improvement in the NIM and cost to income ratio, the bank aims to reach the following benchmarks in the next 5-6 years.
    - ROA of 1.4%-1.6%
    - ROE of 13%-15%

Since the business model of Capital First with sustainable and profitable Retail Asset growth is an important part of the business being built in the merged bank, the brief history and the business progression of Capital First are provided further for reference to the investors.

Section 6: Successful Trajectory of Growth and Profits at Capital First

History of Capital First Limited

The Company was first listed on Stock Exchanges in January 2008. Between 2010 to 2012, Mr Vaidyanathan acquired a stake in the company and executed a Management Buyout (MBO) of the Company with equity backing of Rs. 810 crore from Warburg Pincus, and created a new brand and entity called Capital First. As part of the MBO, the company raised fresh equity, reconstituted a new Board and got new shareholders, including open offer to public. A brief history of the company is as follows:

2008-10	The Company was largely in the business of Wholesale Financing, PE, Asset Management, Foreign Exchange and Retail Equity Broking. The total AUM of the Company was Rs. 935 crore of which Retail AUM was 10%, Rs. 94 crore.
2010-11	Mr. V Vaidyanathan joined the Company and prepared the ground for executing a Management Buyout by taking significant corporate actions including divesting Forex JV to JV partner, merging a subsidiary NBFC with itself, by winding down other non core businesses and launching retail businesses in the Company. The Company launched technology driven financial businesses for the consumer and SME segments. The Retail loan book crossed Rs. 700 crore by March 2011. The Company presented this as proof of concept to many global private equity players for Buyout.
2011-12	The company continued to present the concept to prospective PE players throughout the year. The Company undertook additional corporate actions and further wound down non-core business subsidiaries and launched more retail financing businesses. The concept, model and volume of retail financing businesses gained traction and reached to Rs. 3,660 crore, 44% of the overall AUM.
2012-13	Mr. Vaidyanathan secured equity backing of Rs. 810 crore from Warburg Pincus for an MBO and thus Capital First was founded. As part of the transaction an open offer was launched, the Company raised Rs. 100 crore of fresh equity capital, a new Board was reconstituted and a new brand and entity “Capital First” was created.
2013-14	The Company further raised Rs. 178 crore as fresh equity at Rs. 153/ share. It acquired HFC license from NHB and launched housing finance business under its wholly owned subsidiary.
2014-15	Company’s Assets under Management reached Rs. ~12,000 crore and the number of customers financed since inception crossed 10 lacs. The Company raised Rs. 300 crore through QIP at Rs. 390 per share from marquee foreign and domestic investors.
2015-16	The Company received recognition as “Business Today – India’s most Valuable Companies 2015” and “Dun & Bradstreet – India’s top 500 Companies, 2015”. The Company scrip was included in S&P BSE 500 Index.
2016-17	Company’s Assets under Management reached ~ Rs. 20,000 crore and the number of customers financed since inception crossed 4.0 million. The Company raised fresh equity capital of Rs. 340 crore from GIC, Singapore through preferential allotment @ Rs. 712 per share. The Company received recognition as “CNBC Asia – Innovative Company of the Year, IBLA, 2017”, “Economic Times – 500 India’s Future Ready Companies 2016” and “Fortune India’s Next 500 Companies, 2016”.
2017-18	The Company’s Asset Under Management touch ~Rs. 27,000 crore and number of customers financed crossed 6.0 million. The Company received “Best BFSI Brand Award 2018” at The Economic Times Best BFSI Brand Awards 2018 and “Financial Services Company of the Year 2018” at VC Circle Awards 2018. In January 2018, the Company announced the merger with IDFC Bank subject to regulatory approvals.

Section 6: 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.

From 31-March-2010 to 31-Mar-2018, the company has transformed across all key parameters including:

- The total Capital has grown from Rs. 691 crore to Rs. 3,993 crore
- The Assets under Management increased from Rs. 935 crore to Rs. 26,997 crore
- The Retail Assets Under Management increased from Rs. 94 crore to Rs. 25,243 crore
- The long term credit rating has upgraded from A+ to AAA
- The number of lenders increased from 5 to 297
- The Gross NPA reduced from 5.28% to 1.62%
- The Net NPA reduced from 3.78% to 1.00%
- Cumulative customers financed reached over 7 million
- The Net Profit/(Loss) increased from loss of Rs. 32.2 crore in FY 09 to Profit of Rs. 327.4 crore (FY18)

	8-Yr CAGR%	%Growth – FY18
Total Capital	25%	17%
Total AUM	52%	36%
Retail AUM	101%	38%

The 5 year CAGR for key parameters are as follows:

- **Total Asset Under Management** has grown at a CAGR of **29%** from Rs. 7,510 crore (FY13) to Rs. 26,997 crore (FY18)
- **Total Income** has grown at a CAGR of **47%** from Rs. 357.5 crore (FY13) to Rs. 2429.6 crore (FY18)
- **Profit After Tax** has grown at a CAGR of **56%** from Rs. 35.1 crore (FY13) to Rs. 327.4 crore (FY18)
- **Earning Per Share** has grown at a CAGR of **46%** from Rs. 4.94 (FY13) to Rs. 33.04 (FY18)

In summary, **IDFC FIRST Bank** has been building a granular retail deposit and asset franchisee with healthy incremental margins, supported by the digital innovations and analytics platforms. The Bank provides excellent service to its customers under its theme "Customer First".

The Bank is known for its high levels of integrity and Corporate Governance standards and will make every effort to sustain the same.

THANK YOU