IDFC FIRST Bank

Investor Presentation – Q4 FY22

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Management Commentary 1/4

We focused on building a strong platform for the first three years: On merger, we had a large loan book of **Rs. 1,04,660 crore** but very low retail deposits of only **Rs. 10,400 crore**. This had to be addressed. So we slowed down overall loan growth for the first 3 years (loan growth of CAGR 6% FY19 to FY22), and grew deposits strongly (Retail Deposits growth CAGR 72%) to strategically strengthen the Bank. This phase of consolidation is now complete. We have built a strong foundation which we believe will be a springboard for growth from here on.

Loan book to grow from here on: We have made significant progress during the last three years (FY 19-22). We expect the loan book to grow at **~20-25%** on a sustainable basis from here on for the foreseeable future. We have strong and proven competence in building retail lending business with high asset quality (GNPA ~2% and NNPA ~1%), strong margins, and high ROE (~15%, incremental ROE ~20) for over a decade.

All Legacy Accounts provided for, or already disclosed in NPA: We have sufficiently provided for all legacy stressed corporate and infrastructure loans. The share of Infrastructure book has further reduced to **5.2%** of the total Funded Assets from **9.2%** as on March 31, 2021. The spectrum related telecom account BGs issued by the Bank have been released.

High quality of incremental Wholesale Lending: We have sanctioned ~**Rs. 17,500 crores** of loans to new corporate clients since merger and there is nil NPA on this book.

Demonstrated capability to raise Deposits: We have demonstrated our strong capability to raise deposits based on our strong brand, customer first products and excellent service. We grew retail deposits by **Rs. 54,820 crore** to reach **Rs. 68,035 crore** in just three years. This shows that we can comfortably raise deposits as required for expected growth of 20-25% of the loan book.

Management Commentary 2/4

Strong CASA Base: We have built a strong CASA base of ~**50%** which is best in class in the industry. In absolute terms we have grown CASA by ~**Rs. 42,000 crore** in 3 years that demonstrates our capability on this front.

Stable Asset Quality: For retail and commercial loans, which is majority of the book, our GNPA and NNPA has reduced to **2.63%** and **1.15%.** We are confident to continue the downward trajectory in retail NPA to reach our near 10-year long term GNPA and NNPA levels of **2% and 1%** respectively. All input indicators of asset quality (such as cheque bounce, collection efficiency, recoveries, vintage analysis) point to the same.

Strong Capital Position: The bank is strongly capitalised at **16.8%** and has significant headroom for Tier 2 capital, and loan growth.

Strong incremental Unit Economics: Our incremental unit economics of the bank are excellent. Our NIM is over **6%**. Incremental ROE on Retail lending is between 18-20% after adjusting for credit costs and tax. This will show in the P & L in due course.

Diversified fee income: We have developed multiple and diversified streams of income in the bank across Fastag, Cash management, wealth management, wholesale loans, retail loans, insurance distribution, mutual fund distribution and in all businesses we feel we are yet at the start of the journey. We continue to launch new business lines. Retail Fees constitutes **84%** of the total fee income which points to granularity and sustainability of this line item.

Management Commentary 3/4

Strong Growth in Operating Profits: While the loan book grew by only 13% YoY, the Core Operating Profit has risen by **44%** from **Rs. 1,909 crores** in FY 21 to **Rs. 2,753 crores** in FY 22. This clearly demonstrates that our incremental business is highly profitable and we are beginning to see strong improvement in operating leverage. We expect this phenomenon to continue to play out over the next few years, which will result in increase in overall profitability and ROE.

Net Profit for Q4 FY22: The bank posted net profit of **Rs. 343 crores** in Q4-FY22 driven by core operational income. Due to three specific factors (a) legacy high-cost liabilities, (b) retail branch/ ATM/ liabilites set up expenses, and (c) set up of credit cards, there is a net profit impact of **~ Rs. 500 crores**/ quarter. This is reducing every quarter. We expect the drag caused by these three factors to be largely eliminated by FY 25 based on our internal analysis and trends. Adjusted for these, the return on equity of the bank is already at **~15%,** and we expect our return on equity to stabilise at **17-18%** based on calculations of incremental unit economics.

Corporate Governance: Eminent, qualified and experienced Board of Directors. All committees are headed by independent directors except CSR which is headed by the MD and CEO. We say things as they are, with transparent communication, both internal and external, and detailed investor presentation.

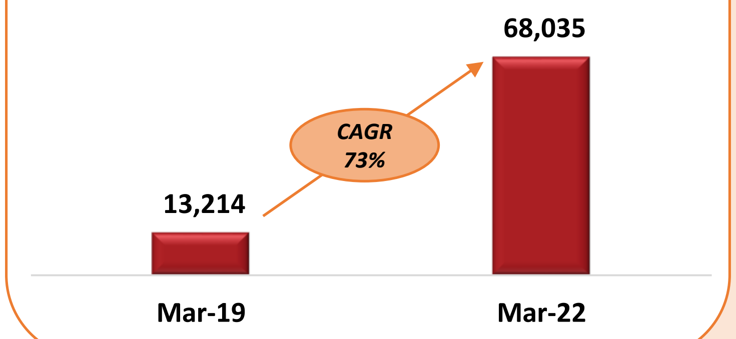
Management Commentary 4/4

Our Customer First Approach: We are built on the foundation of customer-first principles. We believe in being transparent and not in billing the customer fees or charges in small bits and pennies through fine-prints. For instance, unlike common market practice in India and elsewhere, we do not charge non-home branch charges, SMS update fees, IMPS fees, etc. We were the first universal bank to offer monthly interest credit for savings accounts. In credit cards, we were the first bank to introduce low, dynamic pricing, zero interest rate on cash withdrawal till billing date, lifetime Free credit cards, easy online redemption of rewards points, and so on. Similarly, in every product we launch, whether current accounts, fleet cards or wealth management, we are bringing something new and customer-first special to the market. Thus, there are a large number of “customer firsts” we have introduced to the industry. On the lending side, we are attractively priced like regular mainstream banks.

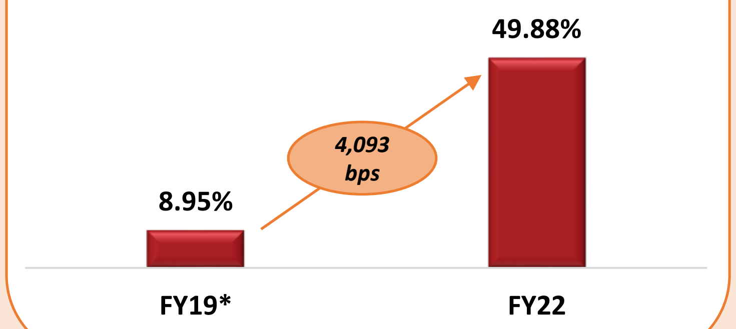
Contemporary Technologies: The bank continues to invest in laying a strong, modular and contemporary technology architecture that will help the bank to simultaneously enable efficiency, resilience, and growth. Our newly launched mobile app based on these technologies is top rated and provides several unique services and experiences to our customers. The Bank continues to strengthen its superior capabilities of predictive analytics in the area of credit underwriting, portfolio management, collection strategy , fraud risk mitigation and other such areas.

Financial Performance Since Merger Year FY19

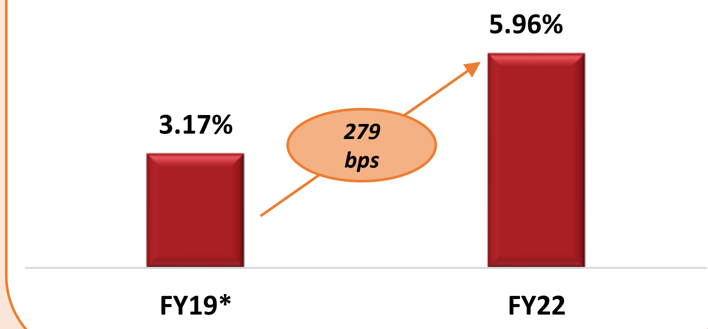
Retail Deposits (In Rs. Cr)



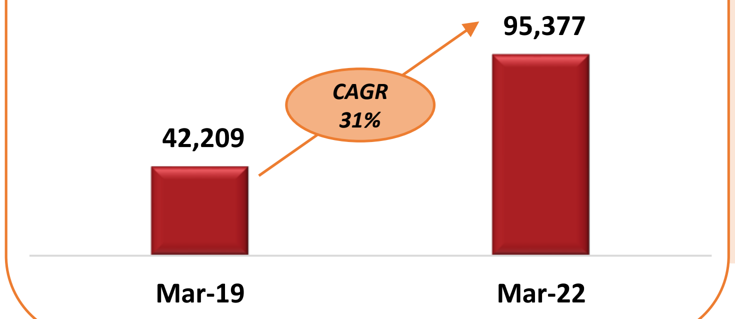
Avg CASA Ratio (%)



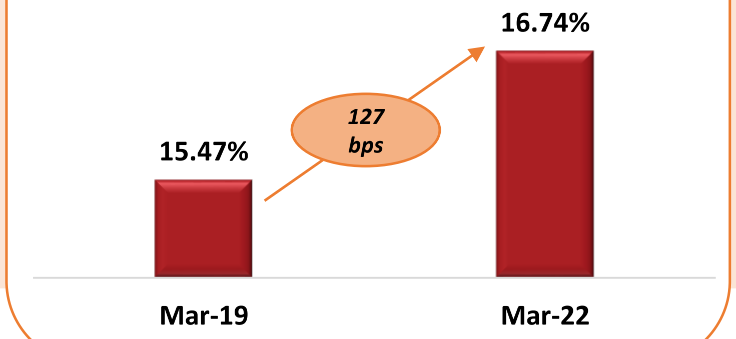
Net Interest Margin (%)



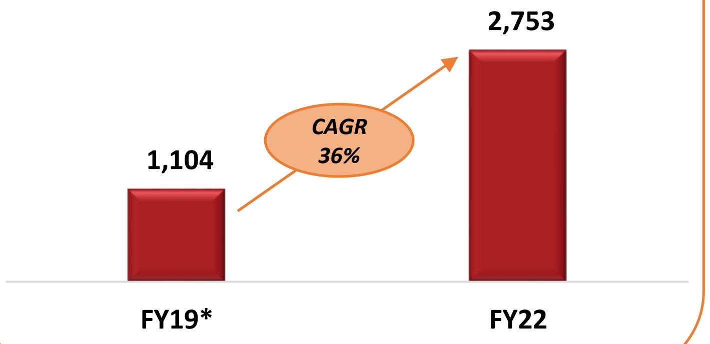
Retail & Commercial Finance (In Rs. Cr)



Capital Adequacy Ratio (%)



Operating Profit (Ex. Trading Gain) (In Rs. Cr)



**Average CASA Ratio is for H2FY19, NIM% and PPOP (ex trading gains) of H2-FY19 are annualized for FY19.*

Key Highlights of FY22 Results

Area	Key Parameters	FY21	FY22	Growth (%/bps)
Assets	Funded Assets	Rs. 1,17,127 Cr	Rs. 1,31,951 Cr	13% ▲
	Retail Funded Assets	Rs. 65,300 Cr	Rs. 83,740 Cr	28% ▲
Deposits	Customer Deposits	Rs. 82,725 Cr	Rs. 93,214 Cr	13% ▲
	Average CASA Ratio (%)	41.50%	49.88%	838 bps ▲
Asset Quality	Asset Quality (GNPA, NNPA) (%)	4.15%, 1.86%	3.70%, 1.53%	45 bps, 33 bps ▼
	Retail & Commercial (GNPA, NNPA) (%)	4.01%, 1.90%	2.63%, 1.15%	138 bps, 75 bps ▼
Capital	Capital Adequacy Ratio (%)	13.77%	16.74%	297 bps ▲
Profitability	Net Interest Margin (%)	5.03%	5.96%	93 bps ▲
	Cost to Income* (%) - Q4	84.18%	76.18%	800 bps ▼
	Core Operating Profit* - FY	Rs. 1,909 Cr	Rs. 2,753 Cr	44% ▲
	Core Operating Profit* – Q4	Rs. 405 Cr	Rs. 836 Cr	106% ▲
	Profit After Tax - FY	Rs. 452 Cr	Rs. 145 Cr	-68% ▼
	Profit After Tax - Q4	Rs. 128 Cr	Rs. 343 Cr	168% ▲

**Excluding trading gain*

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IDFC FIRST Bank was created through Merger of two institutions

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

Prior to this IDFC First Bank was a premier infrastructure Financing Domestic Financial Institution renowned for its contribution to infrastructure in India since 1997.

Capital First was a highly successful consumer and MSME financing entity since 2012 with strong track record of growth, profits and asset quality.

13.9 shares of IDFC Bank were issued for every share of Capital First as part of the merger scheme.

Background information of IDFC Bank

Erstwhile IDFC BANK

- IDFC Limited was set up in 1997 with equity participation from the Government of India, 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, or innovative products to the infrastructure value chain, or asset maintenance of existing infrastructure projects, the company built a substantial franchise and became acknowledged as 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. 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.
- 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 and diversified from infrastructure.
- 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.

The bank was looking for a merger with a retail finance institution with adequate scale, profitability and specialized skills.

Background information of Capital First

Erstwhile CAPITAL FIRST LIMITED

- Mr Vaidyanathan had built ICICI Bank's Retail Banking business between 2000-2009 and was later the MD and CEO of ICICI Prudential Life Insurance Company in 2009-10.
- During 2010-12, he acquired a significant stake in a small real-estate financing NBFC through leverage, wound down the then businesses of broking, wealth and Foreign Exchange, and instead used the NBFC vehicle to start financing consumers (Rs 12000-Rs. 30,000) and micro-entrepreneurs (Rs. 1-5 lacs) who were not financed by existing banks, by using alternative and advanced technology led models.
- Within a year he built a prototype loan book of Rs. 770 crore ($130m, March 2011), and presented the proof of concept to many global private equity players for a Leveraged Buyout (LBO).
- In 2012, he concluded India's largest Leveraged Management Buyout, got fresh equity of Rs. 100 crore into the company and founded Capital First as a new entity with new shareholders, new Board, new business lines, and fresh equity infusion.
- He then turned around the company from losses of Rs. 30 crore and Rs. 32 crore in FY 09 and FY 10 respectively, to PAT of Rs. 327 crore ($ 4.7b) by 2018, representing a 5 year CAGR increase of 56%.
- The loan assets grew at a 5 year CAGR of 35% to reach Rs. 29,625 crore (Sep 2018). The company financed seven million customers for Rs. 60,000 crore ($8.5b) through new age technology models.
- The market capitalization of the company increased ten-fold from Rs. 780 crore on in March 2012 to over Rs. 8,282 crore in January 2018 at the time of announcement of the merger.
- As per its stated strategy, Capital First was looking out for a banking license to convert to a bank when opportunity struck in the form of an offer from IDFC Bank to merge with Capital First, with Mr. Vaidyanathan to become the CEO of the merged bank.

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

Erstwhile IDFC Bank was an eminent institution respected for its corporate governance and its contribution to Indian Infrastructure.

IDFC FIRST Bank History

1997
- IDFC incorporated in Chennai on the recommendation of the Expert Group on commercialization of Infrastructure Projects

2003
- IDFC raises Rs. 893 crore for India's first infrastructure dedicated growth equity fund2.8

2005
- IDFC lists on both NSE & BSE. Raises Rs. 1372 crore of equity capital

2006
- IDFC raises over Rs. 2000 crore for its second infrastructure focused growth equity fund

2007
- Does a QIP raising Rs. 2100 crore
- Acquired SSKL, a leading domestic investment bank and institutional equities firm

2008
- IDFC raises Rs. 700 million in a second growth equity fund and Rs. 930 million in a new asset-class to recycle equity in completed infrastructure projects
- Acquired AMC business of Standard Chartered Bank. Setup an office in Singapore

2009
- IDFC is recognised as a top 5 Lead Arranger for Project Finance Loans in Asha by Dealogic
- IDFC becomes a signatory to UNPRI, CDP and the UNGC Global Compact

2010
- IDFC Investment Bank ranked 2nd in the equity league tables by Bloomberg. IDFC ranked among the top 50 companies in India's S&P ESG Index.
- IDFC launches the National PPP Capacity Building programme to train over 10,000 government officials

2011
- IDFC Mutual Fund ranked 10th in the country by AUM

2012
- IDFC completes 15 years.
- Recognised as the best NBFC for Infrastructure Financing.
- Set up an office in New York, USA.

2013
- IDFC becomes the first signatory to the Equator Principles

2014
- Secured license from RBI

2015
- Launch of IDFC Bank

About IDFC Bank

In 2015, IDFC Bank was formed out of demerger from IDFC Ltd which was one of the biggest infrastructure finance company in India.

The institution diversified into Asset Management, Institutional Broking and Investment Banking. It applied for and acquired a Commercial Banking License from RBI

IDFC Bank created a strong banking framework creating all the necessary systems, risk management, infrastructure, IT architecture and processes for future growth.

It created efficient cash management system and treasury and for managing trading.

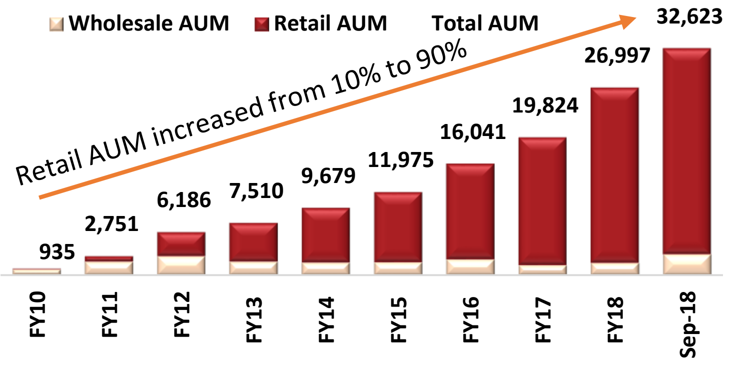
Erstwhile Capital First had a history of strong growth and profitability.

(Rs. Cr)

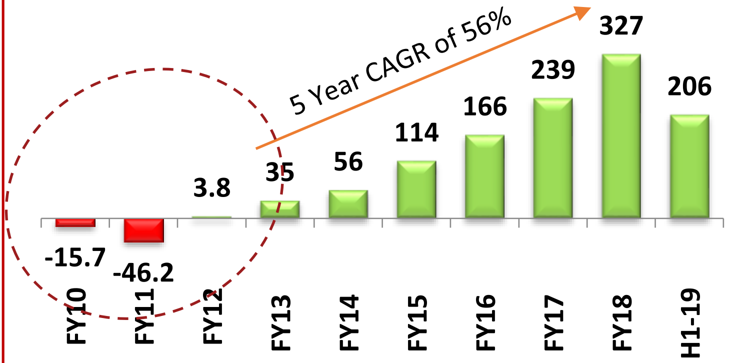
Background

Capital First was a successful NBFC, growing its loan book and net profits at a 5 year CAGR of 29% and 56% respectively, with stable asset quality of Gross NPA of <2% and Net NPA of <1% for nearly a decade.

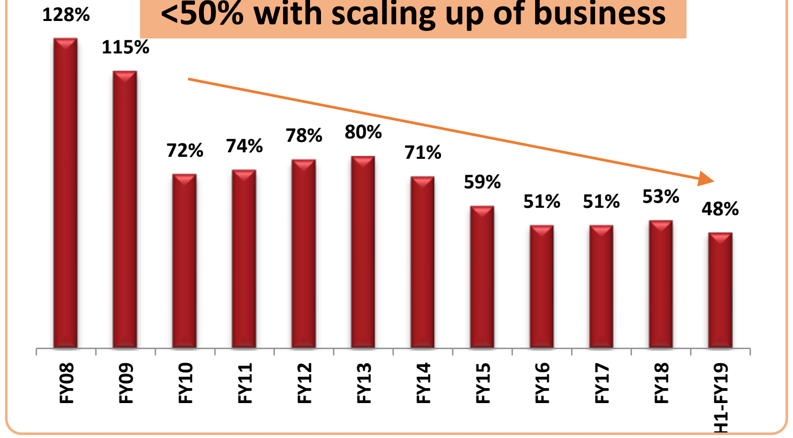
Strong growth in AUM



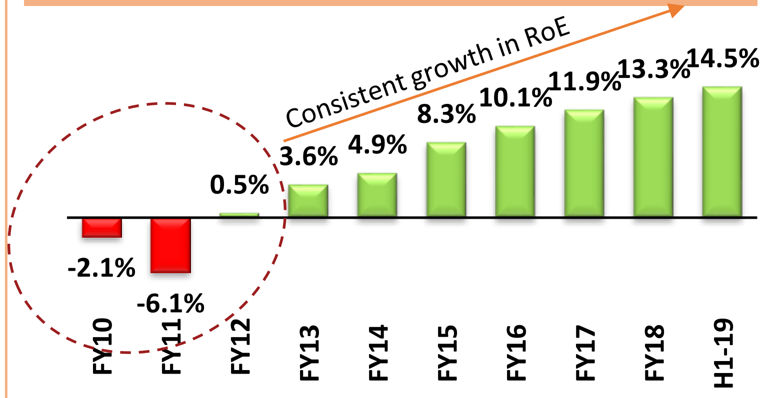
5 Yr PAT CAGR of 56%



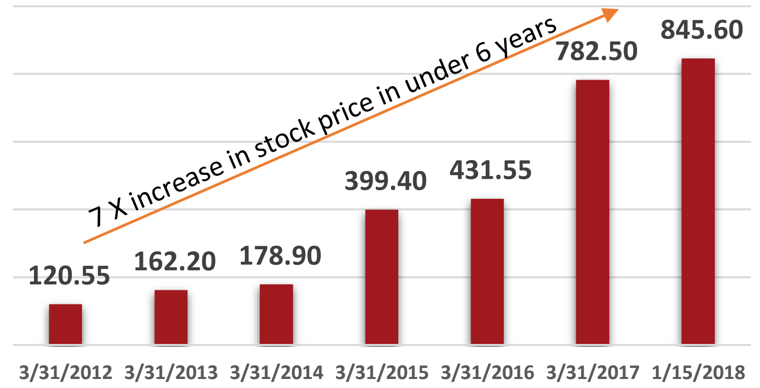
Cost to income came down to <50% with scaling up of business



Continuous Increase in Return on Equity (%)



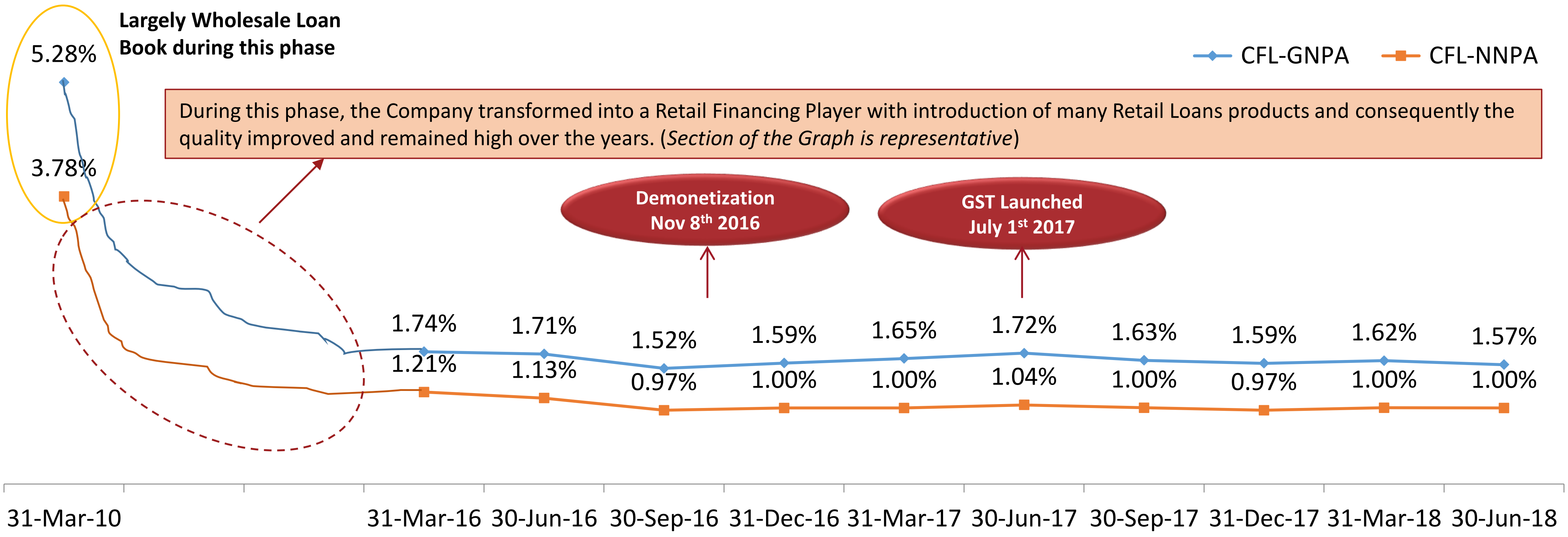
Stock Price increased 7x from Rs. 120 to Rs. 850 in 6 years



Asset quality remained high for close to a decade at Capital First.

We present below the asset quality trends of our bank (including pre-merger history at Capital First) as demonstration of our skills and track record in managing stable and high asset quality, i.e. Gross NPA and Net NPA was maintained at ~2% and 1% respectively over a long time. The portfolio remained stable even after being stress tested through economic slowdown in 2010-2014, demonetization (2016), GST implementation (2017).

After the merger, the bank has been able to move to even safer credit categories like prime home loans because of reduced cost of funds of a bank. Based on the above, we expect to maintain the business at Gross NPA of 2%, Net NPA of 1% and credit costs of ~2% in a stable manner.



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

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

In Rs. Crore	Erstwhile IDFC Bank (H1 FY 19)	Erstwhile Capital First (H1 FY 19)	Proforma Total (H1 FY 19)
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)**
Key Ratios			
NIM %	**1.56%**	**8.20%**	**2.85%**
RoA at PBT level %	**(0.75%)**	**2.26%**	**(0.20%)**
RoE % (at normalized level)	**(4.18%)***	**14.51%**	**(1.21%)**
Cost to Income Ratio %	**92.41%**	**47.52%**	**69.09%**

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

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Vision and Mission of 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."

Our Mission:

"We want to touch the lives of millions of Indians in a positive way by providing them high-quality affordable banking"

- We shared the above seal with our employees to capture our vision.
- In all products we launch, we are driven about one thing: to deliver high-quality affordable banking services.
- Employees' DNA are being coded to be sincere about working in the customer's interest at all times.

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.

Key excerpts from MD & CEO's letter in Annual Report 2019-20

"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."

Vision & Mission of IDFC FIRST Bank

Key Excerpts from MD & CEO's letter in Annual Report 2020-21

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Working on the theme of Customer First, we came up with many unique features as follows:

We advise our product teams to design products in such a way that it is meant to be sold to our "near and dear" ones.

- **Monthly credits:** We have started "monthly" credit of interest on savings accounts, against the industry practice of Quarterly credits. So, our customers earn "interest on interest" monthly on their savings accounts. To the best of our knowledge, no large

21-22 is
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borrowings of our DFI background, and these are the challenges of converting a DFI into a bank. When our Bank will replace this at say, 5.0%, we would save about ₹ 1,000 crore per year on an annuity basis compared to today. This is a legacy issue on the liability side and will go away with time.

When our bank will replace this at say, 5.0%, we would save about ₹ 1,000 crore per year on an annuity basis

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Don't underestimate the power of the 50% CASA Bank with a powerful and tested lending machine attached to it.

I express our sincere thanks to our regulator the Reserve Bank of India who have constantly guided us on our approach and supported us throughout. Our Board members are eminent people with rich experience, have great intellect, highest levels of integrity and have constantly guided the Bank with strategic inputs and towards very high standards of corporate governance.

opportunities.

Reducing our savings account interest rates had another positive side benefit; we can now participate in prime Home loans profitably which has multiplied our market opportunities.

ducing Concentration risk: Deposits from our Top depositors have reduced from 40.0% of customer osits at merger to only 7.7% as of March 31, 2021.

from large corporate accoun
finance company, a finan
Mumbai based Toll Road
based power account, a te
few other such accounts
cycle in infrastructure financ
financial conglomerates go
exposure to the telecom ac
the issues are behind us.

b. **Infrastructure financing**
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and dependence on ecosyst
limited control. We have b
outstanding to infrastructure
merger to ₹ 10,808 crore as

c. **On the Corporate Bank**
implemented good controls
recent portfolio performanc

d. **Significant reduction in th**
list: We have brought down

i. **2- 1- 2 Formula:** We will be targeting a 2-1-2 formula, i.e. Gross NPA of 2%, Net NPA of 1% and provisions of 2% on funded assets on a steady state basis.

We will be targeting a 2-1-2 formula, i.e. Gross NPA of 2%, Net NPA of 1% and provisions of 2% on funded assets

expect mortgage backed loans to form 40% of our loan book in due course.

We expect mortgage backed loans to form 40% of our loan book in due course.

Credit Costs: Our provisions for FY 21-22 is expected to be only 2.5% of the average loan book which is quite reasonable by industry standards, of which a substantial portion has already been

Thus our incremen
is estimated at 18

b. **Strong increme**
Lending busines
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The Bank has wide bouquet of Consumer and MSME loans

.. 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 & 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 cash-flows

Personal Loans:
Unsecured Loans to 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, Bank also offers Working Capital Loans, Corporate Loans, Forex & trade for Business Banking and Corporate customers in India

New Banking App – A one Stop shop for Banking

Key Features of the new App launched by us.

- Fast Payments with Beneficiary name validation
- UPI with linkage to any Bank Account
- Pay to Contacts
- ML based categorisation of transactions
- Income and Expense Analyser for Cash flow analysis
- Instant Online Loans (pre-approved)
- Instant Online Credit Cards (pre-approved)
- Ready to use virtual credit card
- In app Video calling
- Consolidated Investments Dashboard covering MF, Gold Bonds, Deposits, Alternate Investment Funds etc.
- ASBA facility
- 2 click MF investments
- 1 Click OD against FD
- Current Account and Personal Savings Accounts access within same App with single login
- Input and Approver management for MSME transactions

Current Account Offerings

Freedom Current Account

Free Payment and collection.

Free Bulk Upload, virtual accounts, maker checker facility.

CMS Solutions, free setup for UPI,QR and payment gateway.

Merchant Multiplier Account

Specially designed product for retailer/merchants.

Best in class digital platform

Complimentary doorstep banking.

Startup Banking Account.

Specially designed product for startups.

Complimentary doorstep banking.

Free NEFT,RTGS.

Dynamic professional

Specially designed product for professionals – CA, Doctors etc.

Flexible benefits basis multiplier of AMB maintained.

No Setup Charges for UPI, QR And Payment gateway.

Savings Account Offerings

Savings Account
Rs. 25,000 AMB

VISA Signature debit card with free & unlimited ATM cash withdrawals

Senior Citizen SA

Lifetime free health benefits, with doorstep banking & preferential rates on deposits

FIRST Power SA

Segmented offering for women with special offers on Dining, Lifestyle, Healthcare & Fashion

Vishesh Savings Account

Savings account with a RuPay Platinum debit card

Savings Regular
Rs. 10,000 AMB

Savings account with VISA Classic debit card

Minor Savings Account

NIL Average Monthly Balance requirement with linked guardian account

Honour FIRST Defence Account

Defence Salary Accounts for Army, Navy, Airforce, Paramilitary & Veterans

Salary account with Signature Debit card

Unlimited Free ATM withdrawals, Daily POS limits of Rs 6 lakhs

Wealth Management – Customer Segment led Approach

Product Offerings

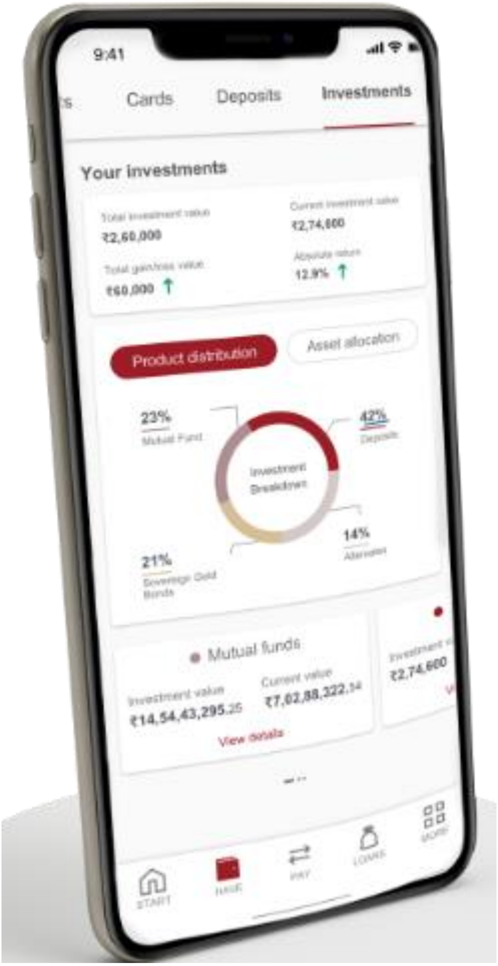
- Campaigns, Rewards and Offers
- Automated Customer Lifecycle Management
- Digital Onboarding

Brands	Segmenting basis customer profile	Wealth Management Solutions	Delivery Model
FIRST Private	HNI & UHNI	Mutual Funds, Bonds, LAS, Pre- IPO Investing, Estate - Inheritance & Succession Planning, Immigration linked Investing, Private Equity & Real Estate AIFs, Broking Services, Offshore Investment Solutions	Full Scale Private Banking
FIRST Wealth	Affluent	Mutual Funds, Gold Bonds, Loan Against Securities, Broking Services	RM Assisted Digital
FIRST Select	Mass Affluent	Goal based investing Insurance	RM Assisted Digital
	Mass	Goal based investing Insurance	DIY Digital

Wealth Management – Differentiated Banking & Wealth Experience

Product Offerings

Easy to use Wealth Management Application



1. ★ On-line Mutual Fund Investing
2. ★ Consolidated Investment Dashboard
3. MF Holdings & Transaction Management
4. Investor Risk Profiling
5. ★ Quant based Research Recommendations
6. ★ Investment Ideas for Mutual Funds
7. Sovereign Gold Bonds
8. IDFC FIRST Demat Account Opening
9. ★ Goal Based Investing
10. ★ Term Insurance Quote Comparison
11. ★ Edit SIP Features – Pause, Change Amount & Date

★ Differentiators – Asia Pacific Banking Apps

Launch of our Credit Card Business was based on Unique Industry First Features

Product Offerings

Customer Segments

- Millennials
- Mass Household
- Emerging Affluent
- Affluent

Core Value Proposition

- Life Time Free Credit Card
- Dynamic lowest interest rate starting from 9% p.a.
- Interest free cash withdrawals
- 10X rewards for higher spends | Never expiring points
- Movie, Travel & Lounge privileges

*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

FIRST Classic

Exceptional value** and **classic features

FIRST Millennia

Uber cool looks** & **slick features

FIRST Select

*Life's **little luxuries***

FIRST Wealth

*All **premium** features for **international traveler***

Since Launch in Jan 2021, the Bank has issued 7+ Lac Credit Cards till March 31, 2022

A Credit Card, like no other

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

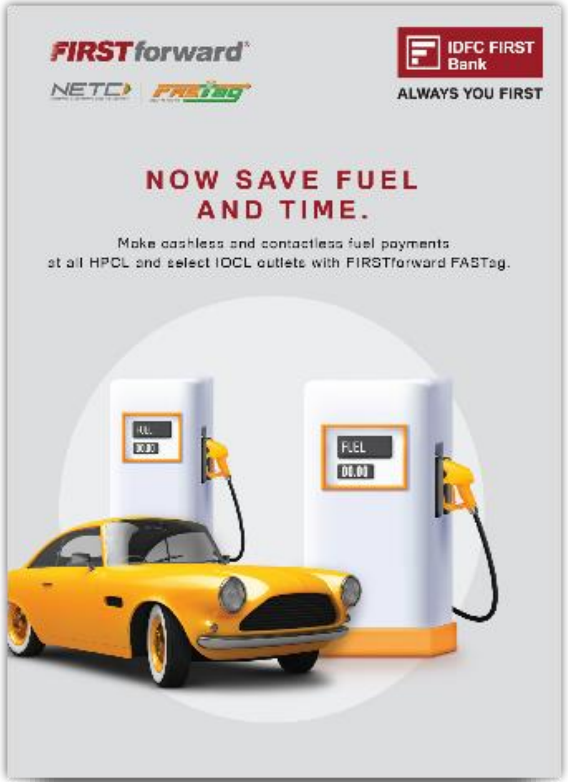
- ✓ Since launch the Bank has issued over 0.7 million cards and that too without any intermediaries.
- ✓ The Credit card is loaded with customer-first features that has made it a huge hit in the market.
- ✓ Activation rate of 73%.

Product Offerings

India’s FIRST FASTAG with Triple Benefits – Toll, Fuel and Parking!

30% Market Share
(Average Daily Toll Value Paid)

Largest Acquirer Bank in NETC



41% Market Share
(Average Daily Toll Value Acquired)

Cash Management Solutions

CMS Solutions are best-in-class, technology-led, client centric customized offerings with seamless experience.

Client Centric Approach

- ✓ Responsive to business requirements
- ✓ Provide Customised solutions
- ✓ Bringing financial & operational efficiency

Differentiated Offering

- ✓ Sector specific solutions with product innovation at core.
- ✓ Extensive reach to provide unified experience across locations
- ✓ Enabling customers to move from physical to digital cost-effective automated solutions

Technology Led

- ✓ Simple, convenient, one channel Banking experience.
- ✓ Comprehensive API banking to provide real time banking
- ✓ Integrated and flexible IT architecture to improve customer's experience

Best-in-Class Cash Management Solutions

Innovative online banking platform

Product Offerings

- ***Completely paperless transactions***

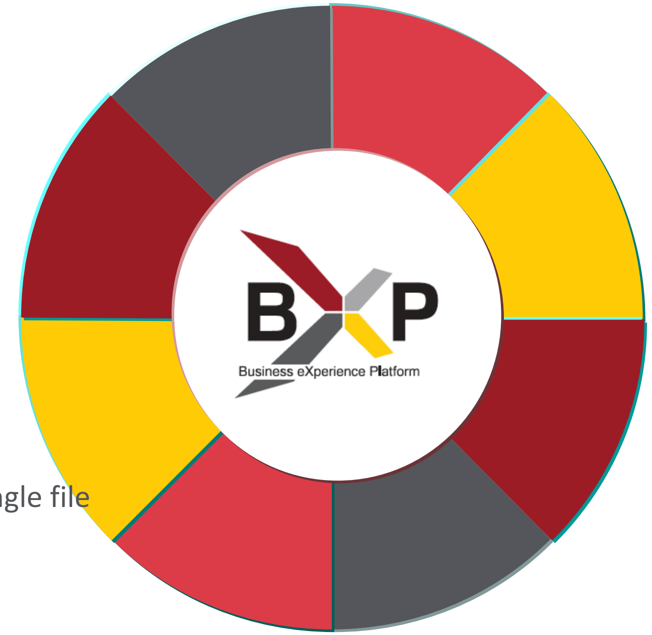
  No physical documentation for any kind of payment

- ***Single-Window Experience for all transactions***

  Unified platform for Cash, Trade, Treasury and Channel Finance

- ***Unified balance position***

  View balances of all your bank accounts (even outside IDFC FIRST BANK) in one screen



- ***Intelligent report builder – Build your Own***

  Pick and choose the required fields required by you

- ***One file any payment***

  Initiate payments across modes through single file

- ***FX rates on a click***

  First-of-its-Kind User Level Functionality for blocking FX rates

- ***Online Trade regulatory reporting***

  Online regularization of I/EDPMS and download of related data

Best-in-Class Cash Management Solutions

A complete product suite

Product Offerings

Receivables Solutions

- Cheque / Cash
- m-Cheque
- Kiosk
- Walk-in (Partner Tieup)
- PG / POS
- Virtual Account
- NACH / eNACH
- UPI
- BBPS Collect
- Fastag

Payment Solutions

- Cheque / DD
- Cash Delivery
- Remote Cheque Printing
- Tax Payments
- BBPS Pay
- Bulk Electronic Payments

Range of CMS Products

Escrow & Liquidity Solutions

- Escrow Structures
- Nodal Solutions
- Penny Drop Solution
- API Alerts
- Flexi Deposit Solutions
- Auto Recon Solutions

Connectivity Solutions

- BXP (Internet Banking)
- Host to Host
- API
- Branch
- WhatsApp Connect

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The Bank now has a strong and well diversified deposits base

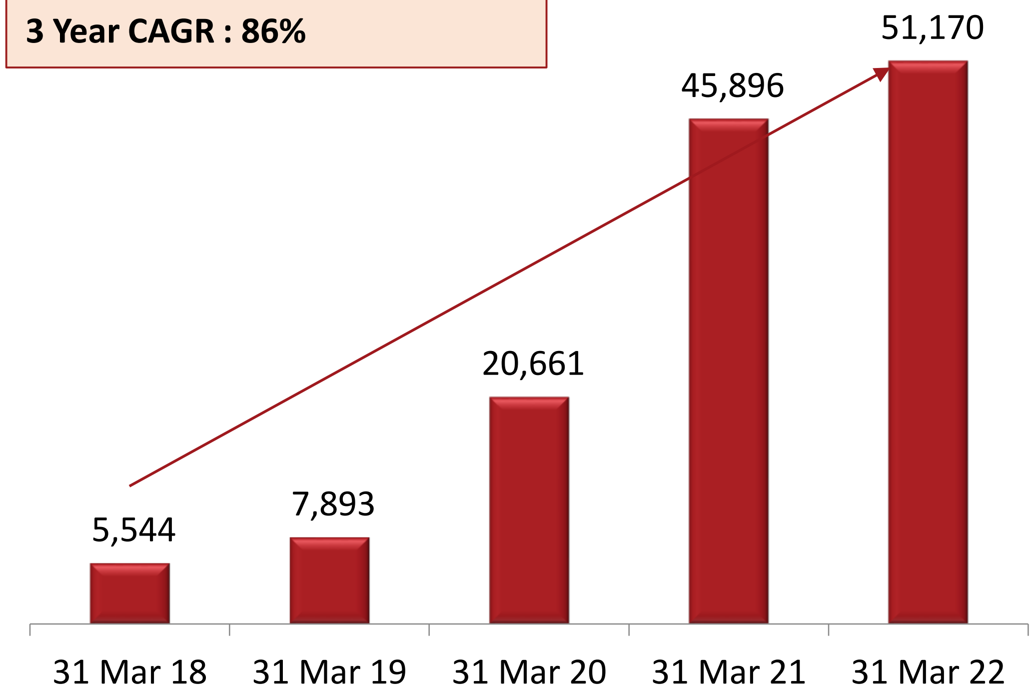
Demonstrated Capability to raise deposits

1 **CASA Deposits has grown by Rs. 45,897 crore since merger with YoY growth of 11% based on strong service levels, attractive pricing, strong brand and excellent customer first products .**

in Rs. crore

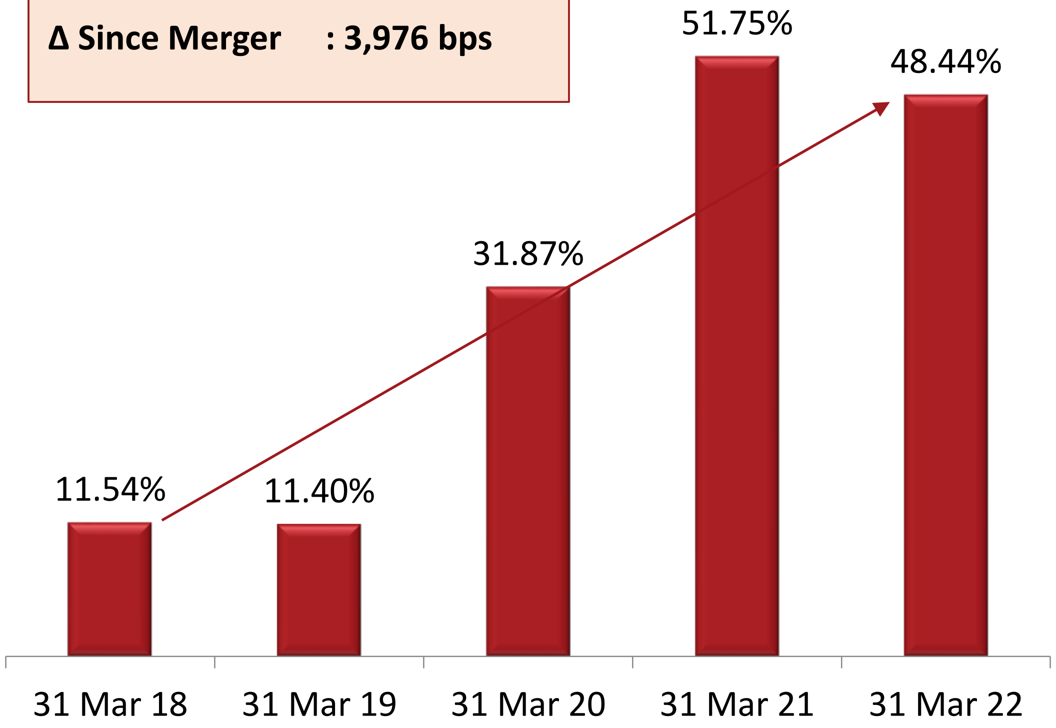
Δ Since Merger : Rs. 45,897 Cr

3 Year CAGR : 86%



2 **As a result, the CASA Ratio (%) of the Bank has grown from 8.68% (Dec-18) at merger to 48.44% (Mar-22)**

Δ Since Merger : 3,976 bps



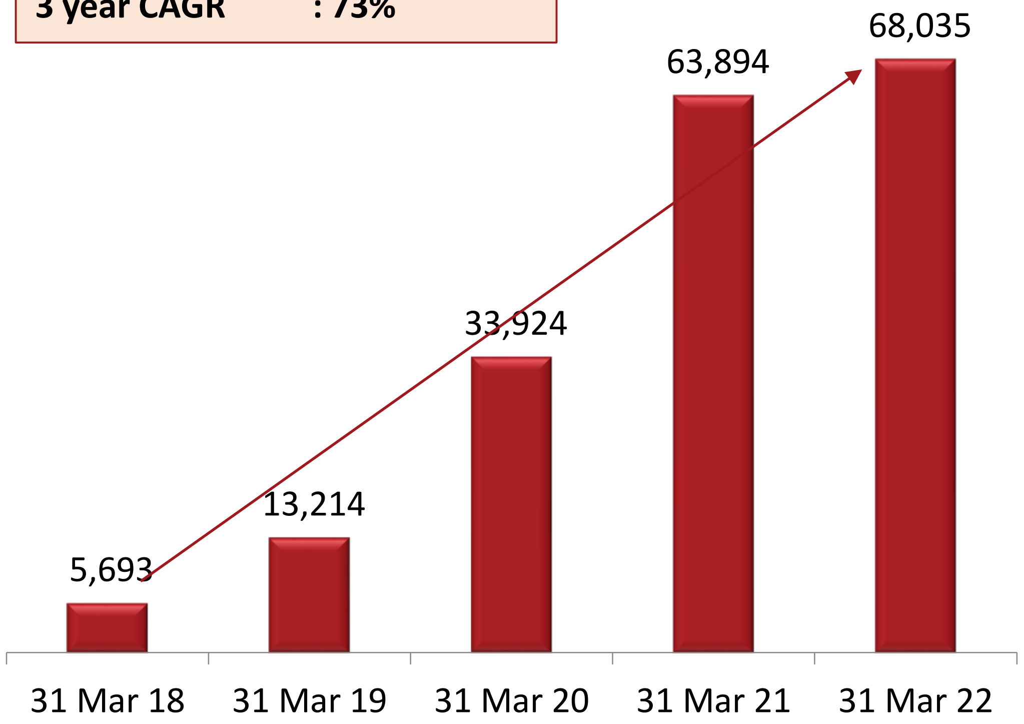
*The Average CASA Ratio of the Bank was **49.88%** for FY22 as compared to **41.50%** for FY21.*

The Bank now has a strong and well diversified deposits base

Demonstrated Capability to raise deposits

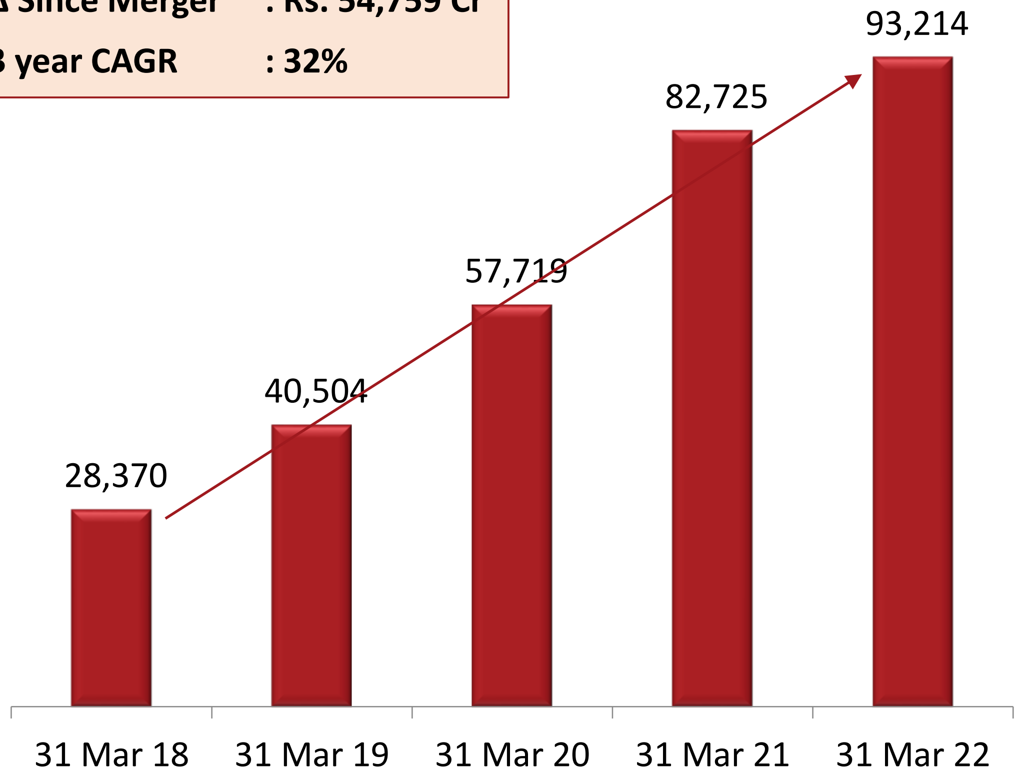
3 **Core Deposits (Retail CASA & Retail Term Deposits) also shows strong improvement over the years based on strong service levels, attractive pricing, and strong brand and excellent customer first products .**

Δ Since Merger	**: Rs. 57,635 Cr**
3 year CAGR	**: 73%**



4 **Customer Deposits has grown strongly since merger. It has grown by 13% during the last year to reach Rs. 93,214 crore**

Δ Since Merger	**: Rs. 54,759 Cr**
3 year CAGR	**: 32%**



Strong growth in retail deposits has reduced the dependence on wholesale deposits and has provided greater stability to the liability side

In Rs. Crore	Mar-21	Dec-21	Mar-22	YoY%
Legacy Long Term Bonds	7,892	7,311	6,663	-16%
Legacy Infra Bonds	9,508	9,357	9,111	-4%
Refinance	15,438	16,561	16,407	6%
Tier II Bonds	-	-	1,500	-
Other borrowings	7,618	5,749	5,701	-25%
Total Borrowings (A)	**40,456**	**38,978**	**39,382**	**-3%**
CASA	45,896	47,859	51,170	11%
Term Deposits	36,829	37,959	42,044	14%
Total Customer Deposits (B)	**82,725**	**85,818**	**93,214**	**13%**
Certificate of Deposits (C)	5,964	6,947	12,420	108%
Money Market Borrowings (D)	5,330	11,814	13,580	155%
Borrowings + Deposits (A)+(B)+(C)+(D)	**134,475**	**143,557**	**158,597**	**18%**
CASA Ratio (%)	51.75%	51.59%	48.44%	
Average CASA Ratio (Yearly)	41.50%	50.54%*	49.88%	

** For the quarter ending Dec-21*

Status of Legacy High Cost Long Term Borrowing as on March 31, 2022

Bank continues to bring down the legacy high cost borrowings

In Rs. Cr	Balance As on Mar-22	Maturity				RoI (%)	Wtd. Res. Tenor (Yrs)
		FY23	FY24	FY25	Beyond FY 25		
Infra Bonds	9,111	1,454	1,189	5,545	922	8.87%	2.12
Long Term Legacy Bonds	6,663	0	1,660	1,306	3,697	9.04%	2.70
Other Bonds	3,539	1,934	765	150	690	8.76%	1.50
Refinance	5,867	3,053	1,884	930	0	8.05%	0.97
Total	**25,181**	**6,442**	**5,499**	**7,931**	**5,309**	**8.71%**	**1.92**

As we replace these high cost borrowings with our incremental cost of ~5%, it will add about ~Rs. 1,000 crore to the net interest income of the bank on an annualized basis in due course.

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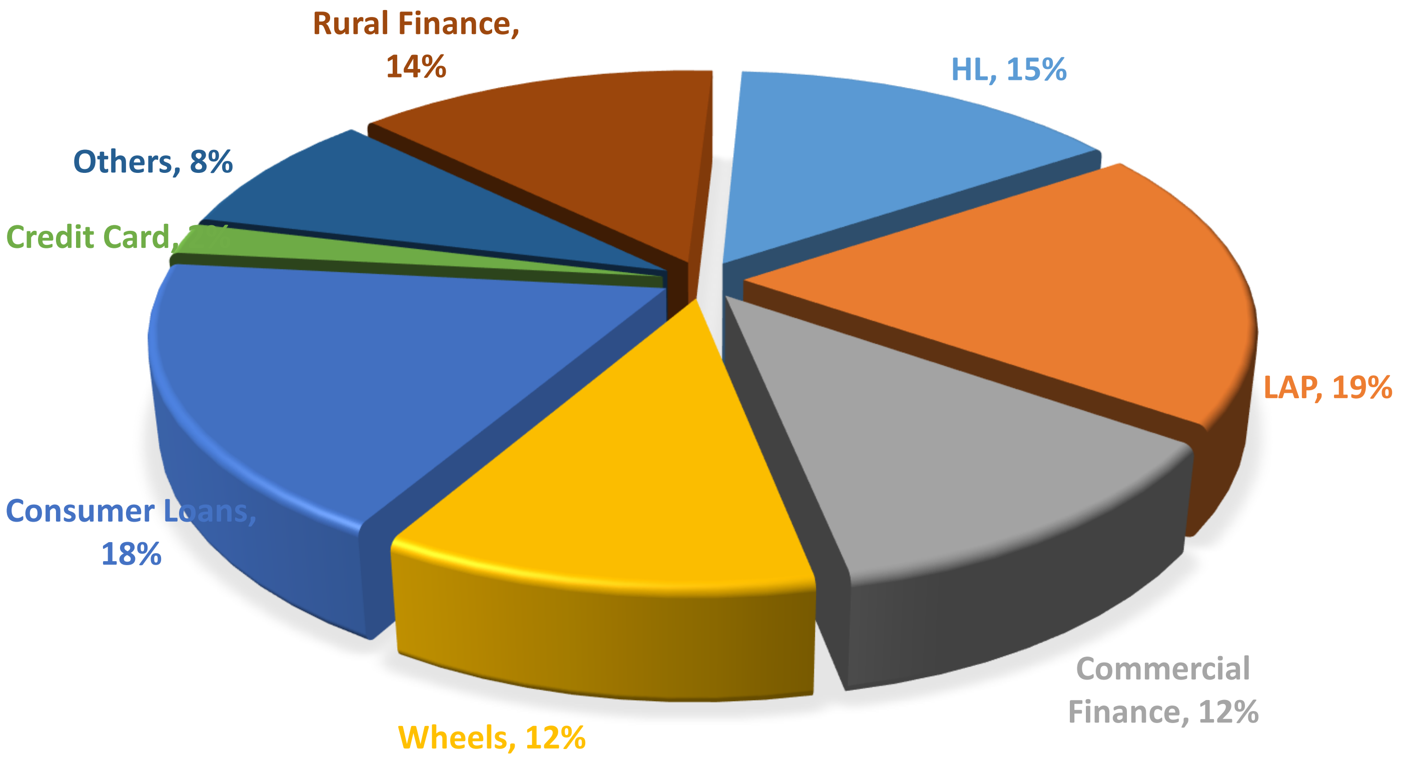
The Bank’s Book is well diversified in large number of businesses

Breakup as % of Retail and Commercial Finance Book



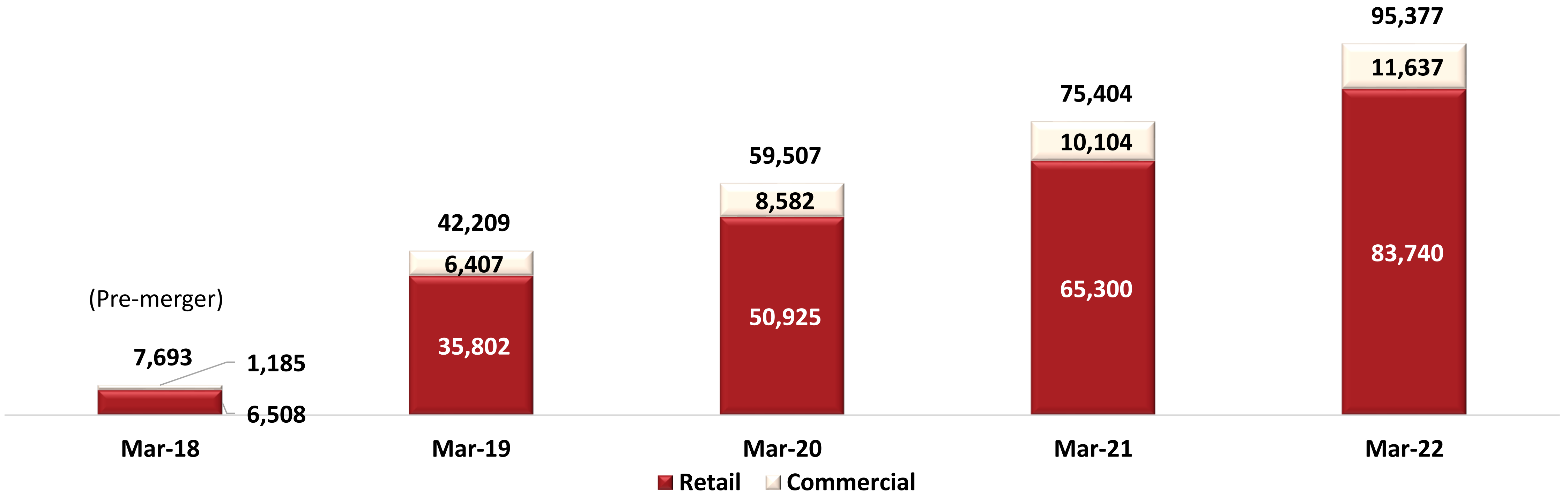
~38% of the Retail and Commercial Finance Book is secured by property as on March 31, 2022.

Update on Funded Assets

Strong & consistent growth in Retail and Commercial Book over the last decade.

The bank has a rich history of growing the loan book in retail and commercial finance with low NPA levels of Gross and Net NPA of ~2% and 1% respectively including the experience of both institutions put together. We have developed deep expertise in this business.

Retail & Commercial Book (Rs crore)



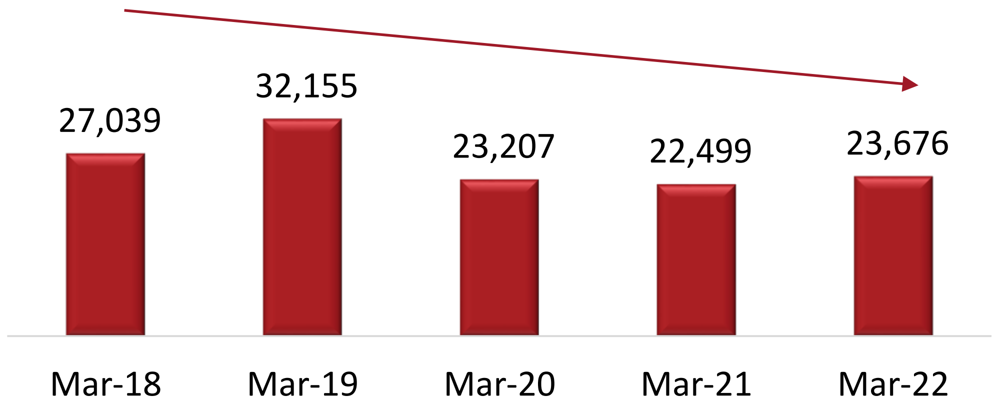
IDFC FIRST Bank

The Bank has reduced concentration risk on the asset side since merger; Top 10 borrowers' concentration reduced significantly

Update on Funded Assets

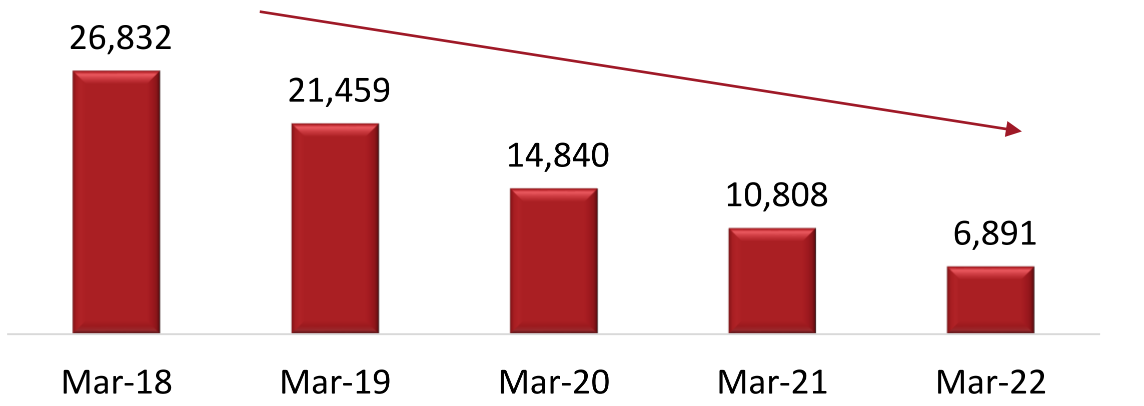
1 **The non-infra corporate funded assets increased by 5% in the last year**

in Rs. crore

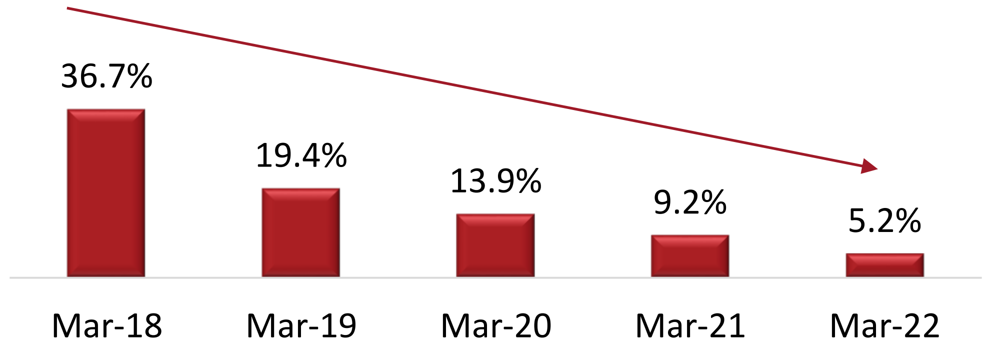


2 **Infrastructure financing (Rs crore) has reduced by 36% in the last year**

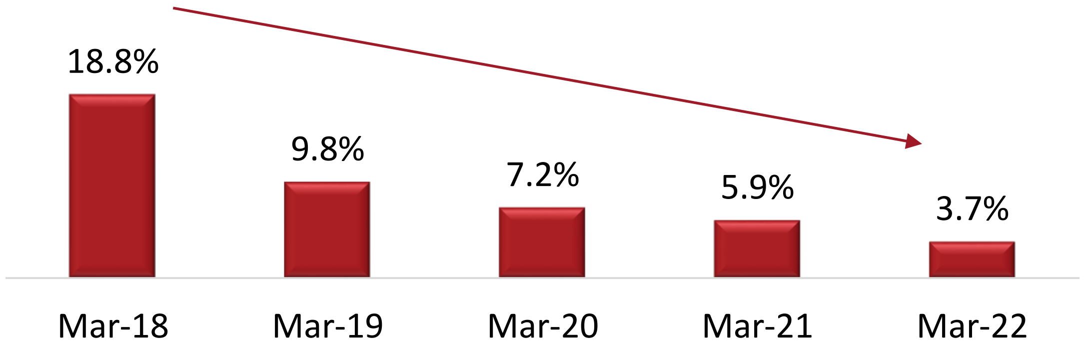
in Rs. crore



3 **The Bank reduced Infrastructure financing portfolio as % of total funded assets from 37% (Mar-18) to 5.2% (Mar-22)**



4 **The Bank also proactively reduced the concentration risk by improving top 10 borrowers' concentration from 18.8% (Mar-18) to 3.7% (Mar-22)**



Funded Assets Breakup

Funded Assets (In Rs. Crore)[1]	Mar-21	Dec-21	Mar-22	Growth YoY%
Retail Book	**65,300**	**75,547**	**83,740**	**28%**
- Home Loan	9,276	11,979	14,106	52%
- Loan Against Property	16,491	17,351	18,142	10%
- Wheels	9,771	10,041	11,037	13%
- Consumer Loans	13,949	15,829	17,429	25%
- Rural Finance[2]	11,523	11,957	12,955	12%
- Digital, Gold Loan and Others	3,862	6,729	8,059	109%
- Credit Card	428	1,662	2,013	370%
Commercial Finance[3]	**10,104**	**10,505**	**11,637**	**15%**
Wholesale Funded Assets	**41,723**	**36,167**	**36,574**	**-12%**
- Corporate	22,499	21,647	23,676	5%
- Infrastructure	10,808	8,051	6,891	-36%
- Others[4]	8,416	6,470	6,007	-29%
Total Funded Assets	**117,127**	**122,219**	**131,951**	**13%**

Note:
1. The figures above are gross of Inter-Bank Participant Certificate (IBPC) transactions.
2 Rural Finance includes funding to Self Help Groups, Kisan Credit Cards and Small Enterprise loans.
3. Commercial Finance includes Business Loans, Commercial Vehicle loans and Trade Advances.
4. Others include Security Receipts, Loan converted into Equity, PTC and RIDF.

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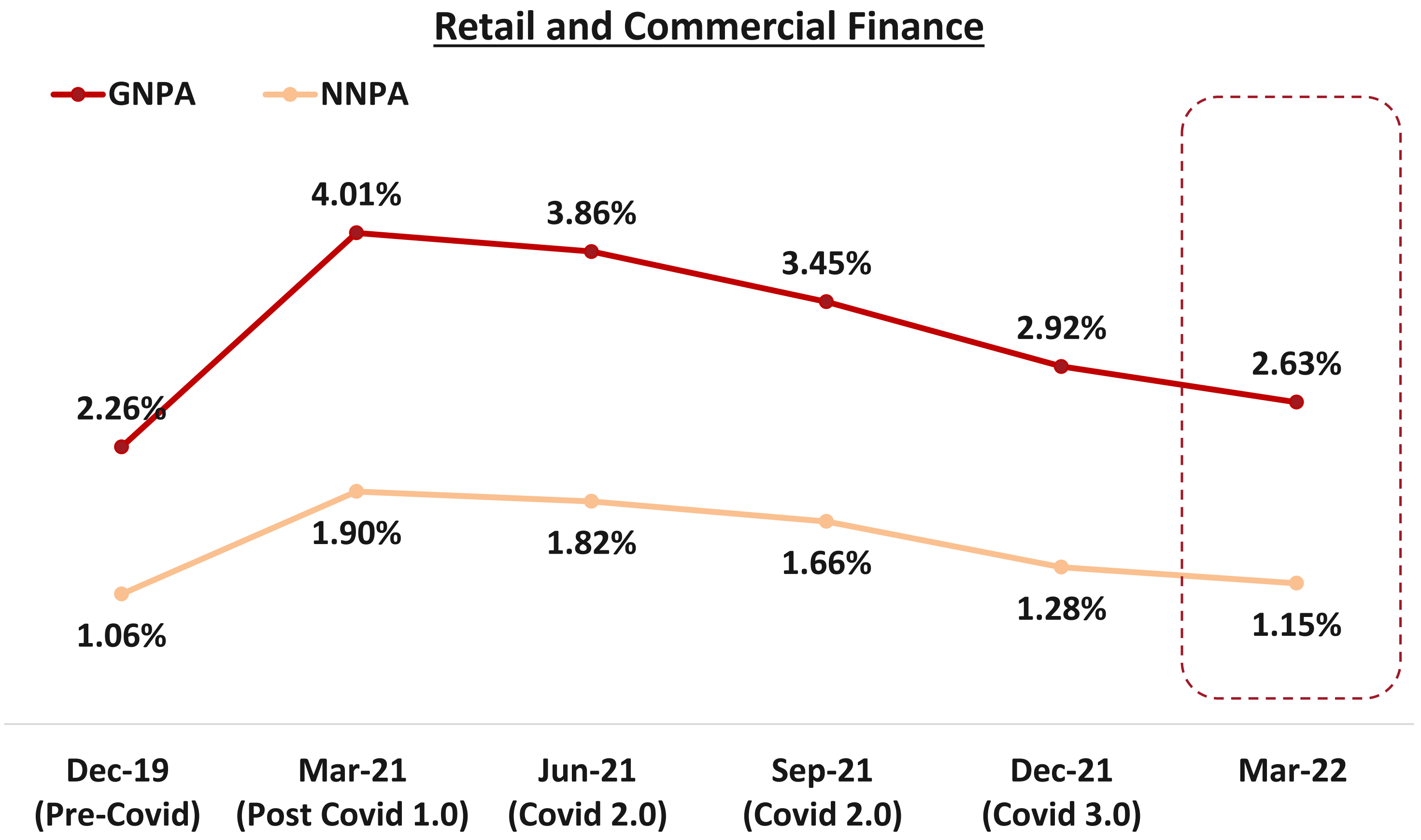
Retail and Commercial Segment asset quality continues to improve sequentially.

Asset Quality

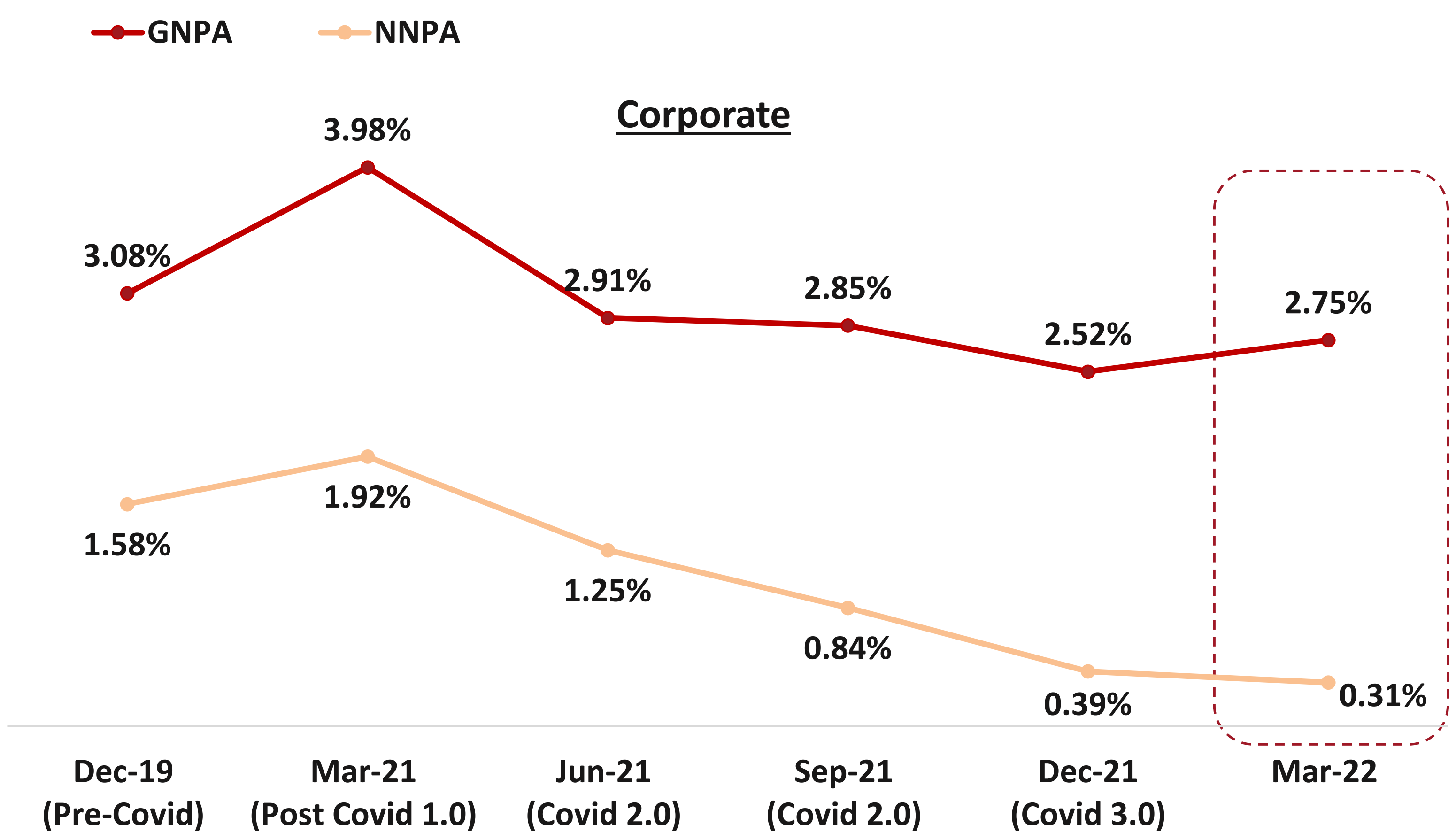


PCR%*	55.35%	57.53%	61.05%	61.37%	68.21%	69.59%

- The GNPA and NNPA of Retail and Commercial Finance has improved by **29 bps** and **13 bps** respectively during the quarter.
- The lead indicators, including improvement in cheque bounces on first presentation, collection efficiency, and recovery rates point to lower NPA and lower credit losses going forward.
- Based on the portfolio analysis of the key indicators, the Bank expects to reduce Gross NPA and Net NPA to pre-COVID levels.

*Includes technical write-offs

Asset Quality of Corporate book (Non-Infra) is stable

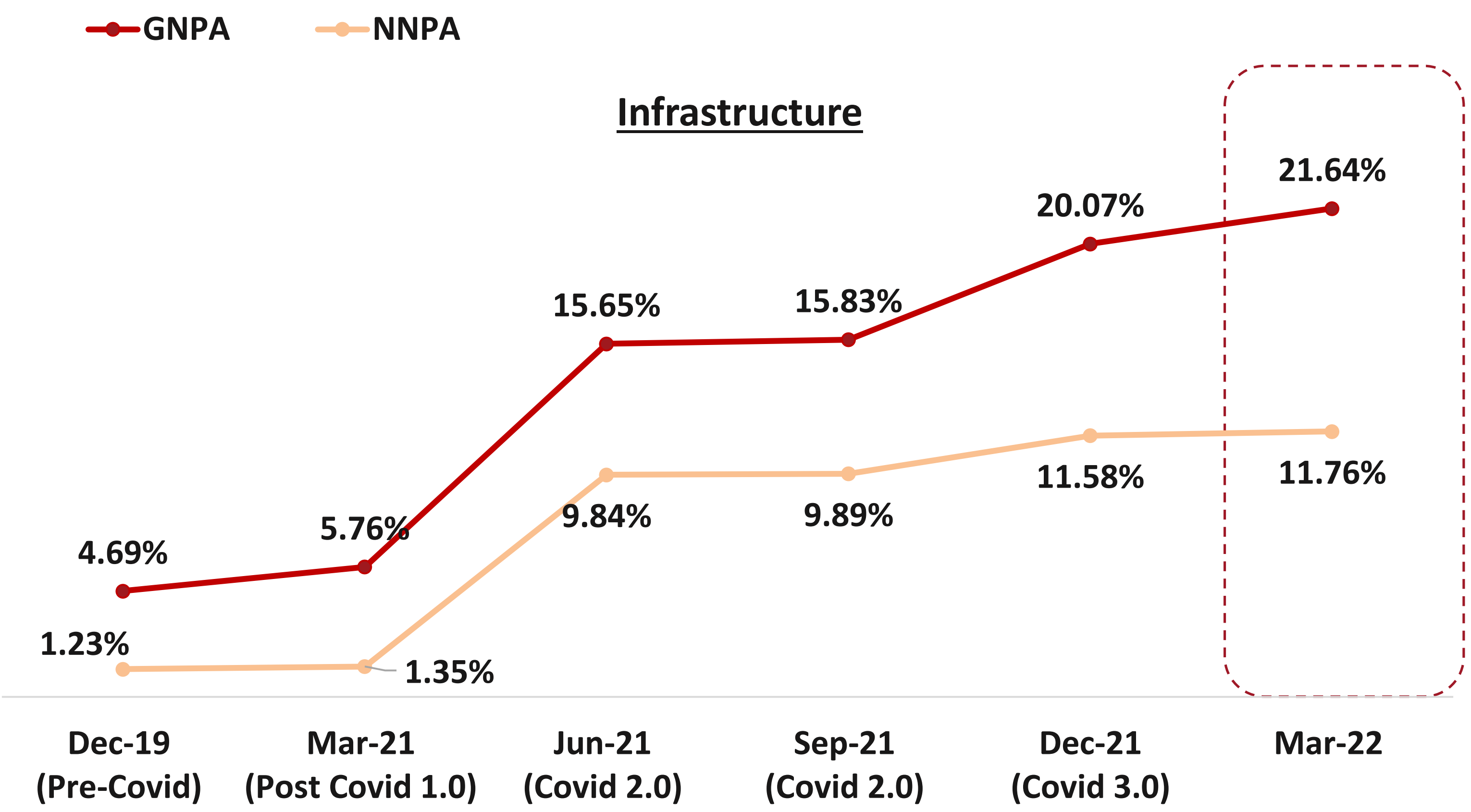


PCR%*	49.61%	72.32%	80.67%	87.43%	92.26%	94.50%

- The Book in the corporate segment has seen improvement in asset quality on a consistent basis since the spike due to COVID-19.
- We follow prudent underwriting, reduction of concentration risk, proper industry and customer selection processes.
- The PCR including technical write-offs on this segment is **94%** as on March 31, 2022.

*Includes technical write-offs

NPA in Infrastructure book is high, but constituted only 5.2% of the Total Funded Assets as on March 31, 2022.

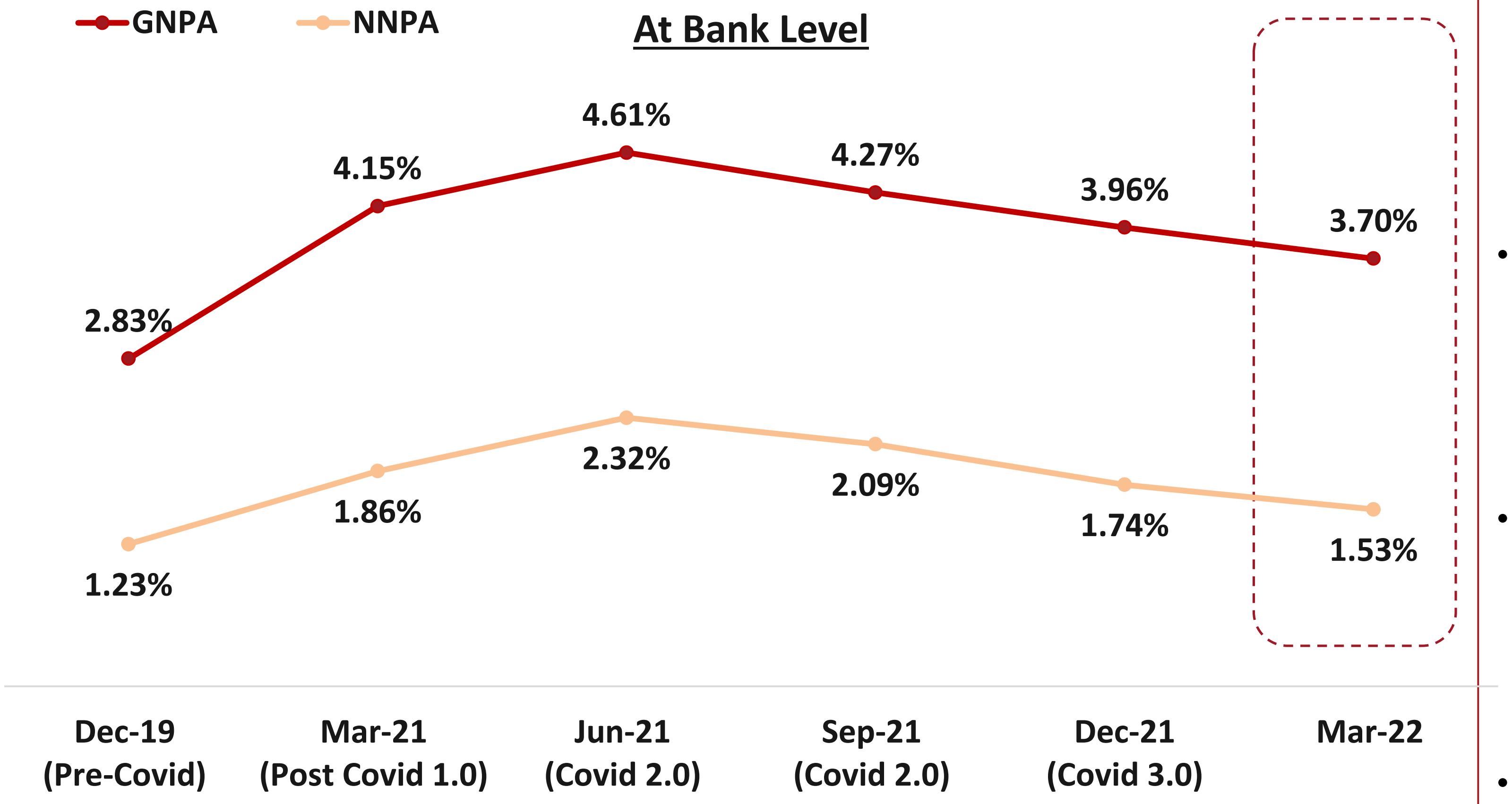


PCR%*	74.64%	77.66%	41.13%	41.67%	47.87%	51.73%

- Infrastructure book continues to decline as planned.
- The infrastructure book has shrunk from **Rs. 22,710 crores** at merger to just **Rs. 6,891 crore**. The GNPA has gone up primarily due to decline in the Infra book during the quarter.
- Excluding the Mumbai-based toll account, the GNPA and NNPA of the Infrastructure Finance would be **9.70%** and **1.62%** respectively with Provision coverage Ratio of **84.6%.**

**Includes technical write-offs*

Overall Asset quality (retail + commercial + wholesale) of the bank continues to improve every quarter



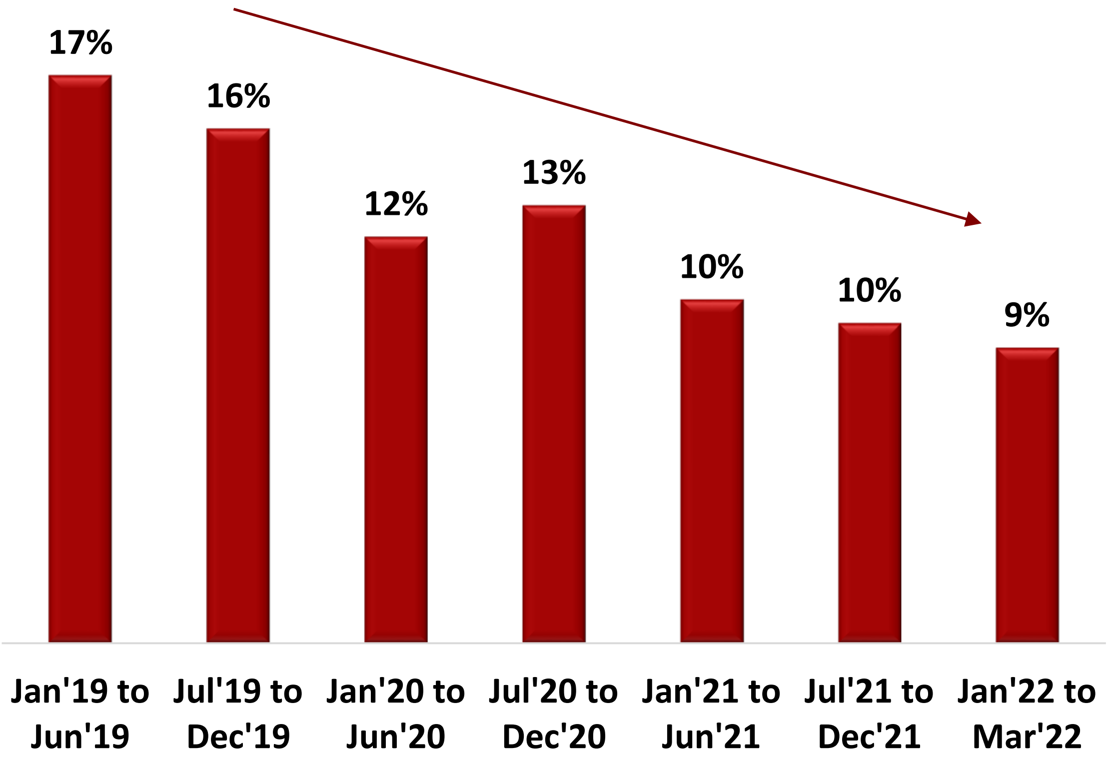
PCR%*	Dec-19 (Pre-Covid)	Mar-21 (Post Covid 1.0)	Jun-21 (Covid 2.0)	Sep-21 (Covid 2.0)	Dec-21 (Covid 3.0)	Mar-22
PCR%*	58.14%	63.57%	61.06%	63.00%	67.16%	70.29%

- The Asset Quality of the Bank has improved as compared to last quarter driven by the improvements in retail, commercial and corporate segments.
- PCR of the Bank excluding technical write-offs improved by **331 bps** to **59.54%** as on March 31, 2022 as compared to **56.23%** as on March 31, 2021.
- PCR including technical write-offs and excluding one large legacy road infrastructure account (toll) which moved to NPA in Q1-FY22 was at **77%** as on March 31, 2022
- Without the one legacy infrastructure (toll) NPA account as mentioned earlier, the GNPA and NNPA would have been **3.04%** and **1.02%**

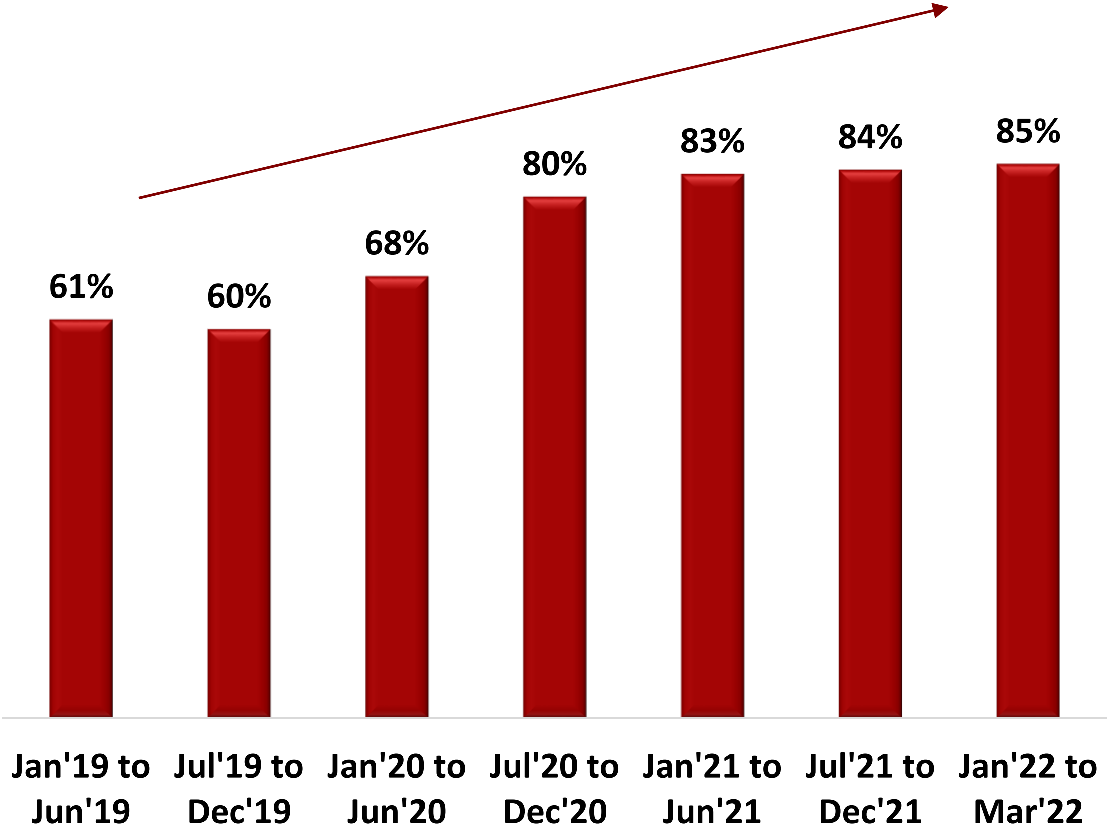
*Includes technical write-offs

In retail loans, key input Indicators are showing improvement, which points to lower delinquency and credit losses in future.

The bank has Improved quality of Sourcing as a result, New to Credit customers as % incremental bookings have reduced from 17% to 9%, indicating improved quality.



Similarly, the Customers having Bureau score > 700 has sharply improved from 61% to 85%.

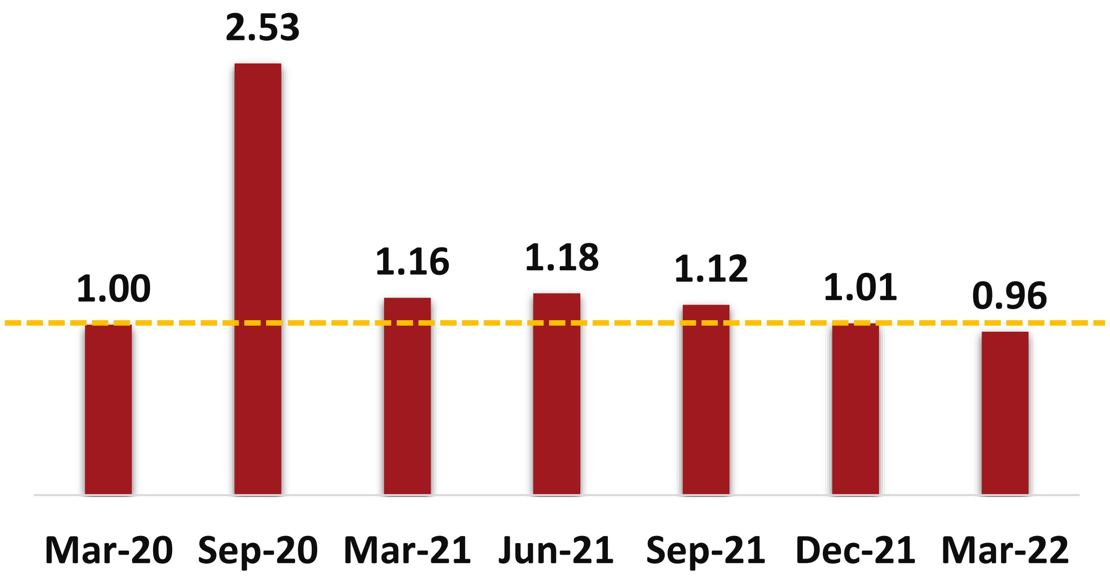


Improved indicators of Credit Quality in retail loans

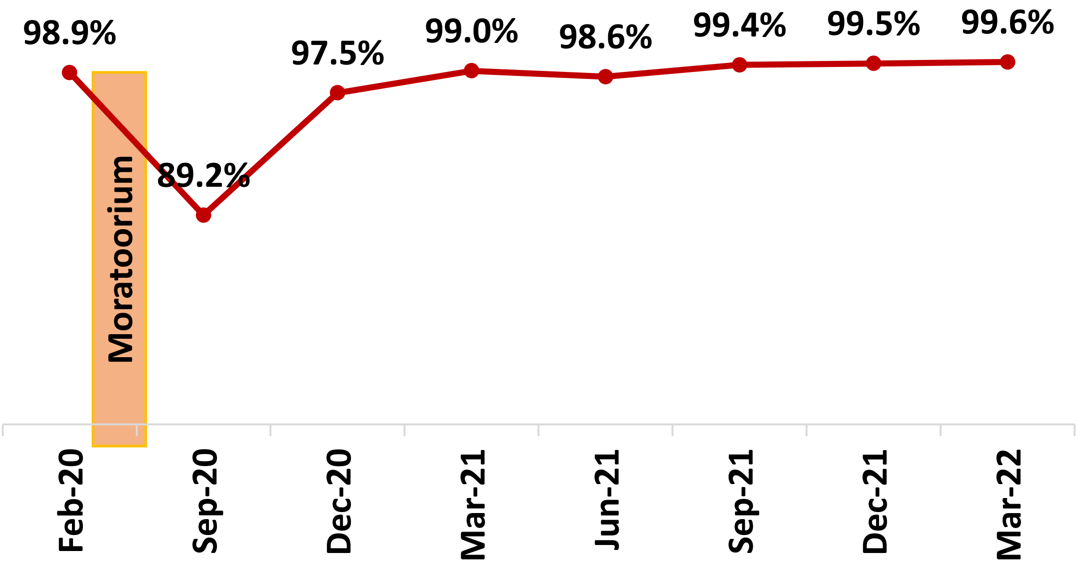
The Bank tracks its Asset Quality on a) Cheque Bounces on Portfolio b) Cheque bounces on new book c) collection on Cheque Bounces d) Recovery on NPA accounts e) Vintage Analysis of the Book

Key quality Indicators showing improvement which points to lower delinquency and credit losses in future. We are improving on all these points. The Bank is confident of meeting the guidance of 2:1:2, i.e. 2% GNPA, 1% NNPA and 2% of Credit Loss, in due course.

Early Bucket cheque Bounce Rates (on Principal Outstanding) is back to Pre-Covid (Mar-20) Levels (x) for urban retail.



Early Bucket Collection Efficiency (urban retail) has surpassed pre COVID levels (Feb 2020).



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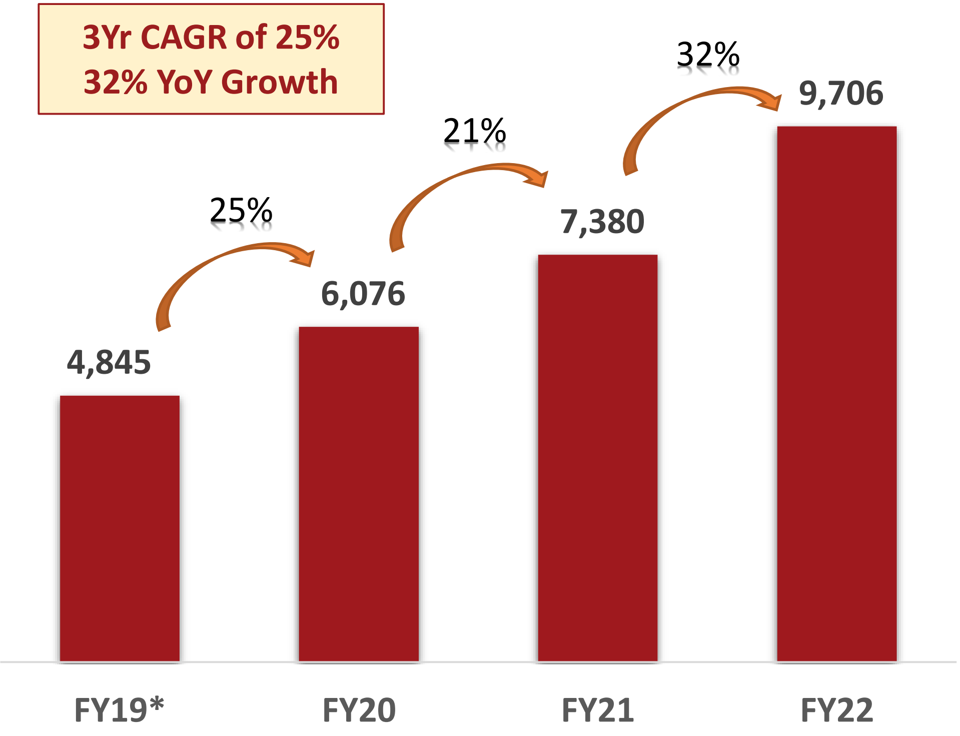
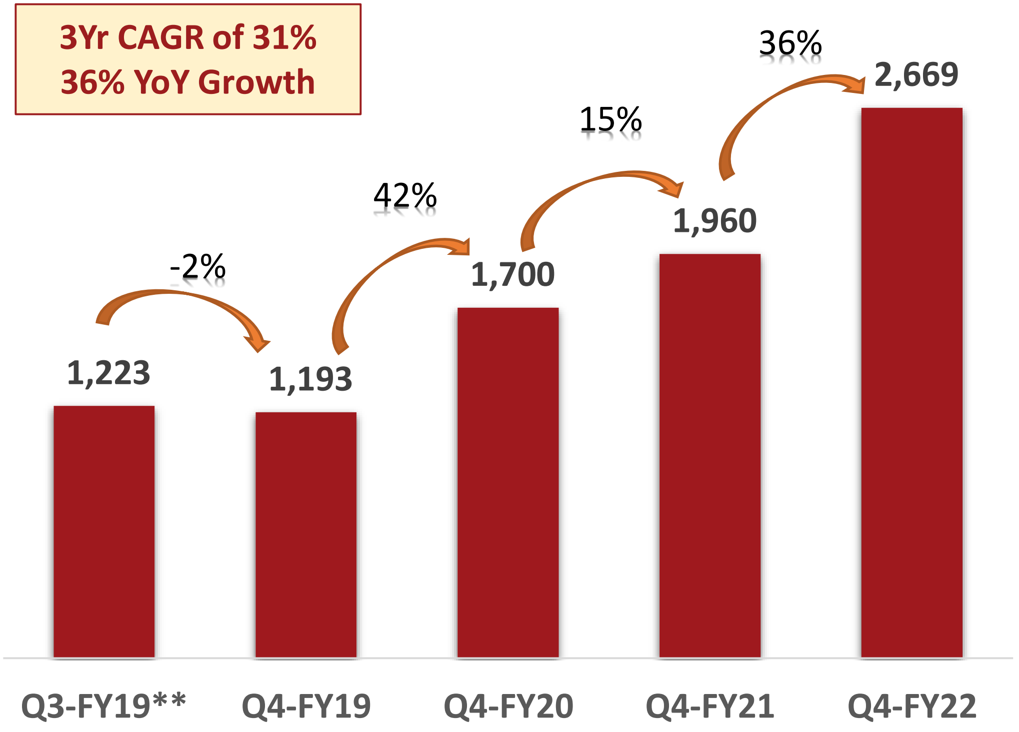
Strong rise in Net Interest Income

Yearly NII (Rs. Cr)



** H2-FY19 actual annualized*

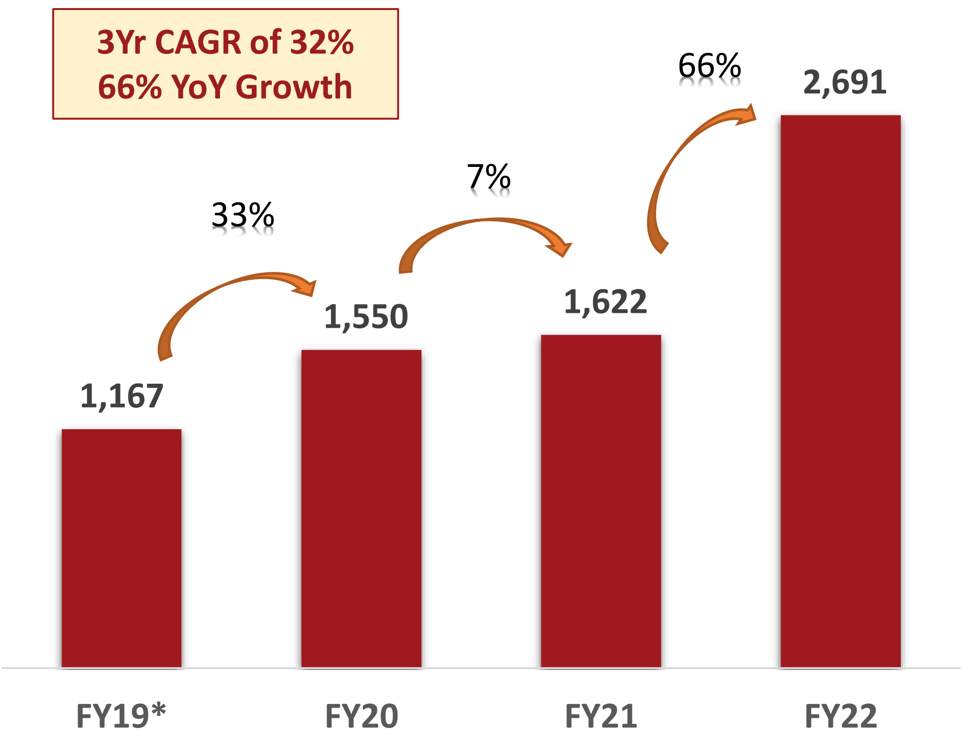
Exit Quarter NII (Rs. Cr)



*** Merger Quarter*

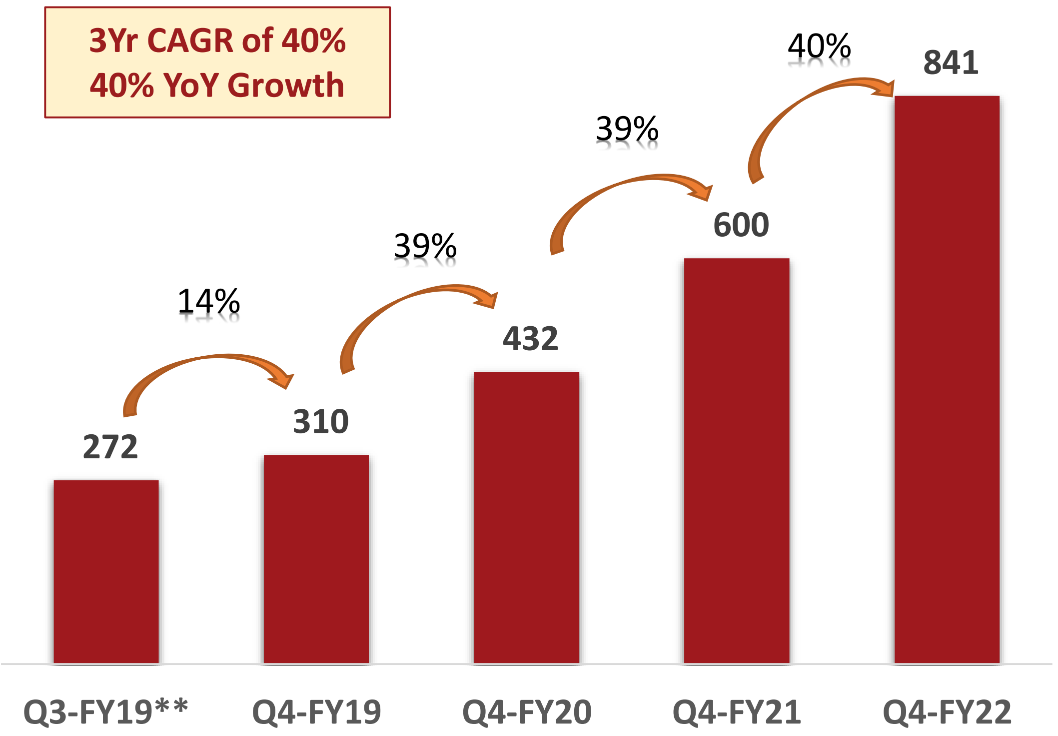
Sustained growth in Fee & Other Income

Yearly Fee & Other Income (Rs. Cr)



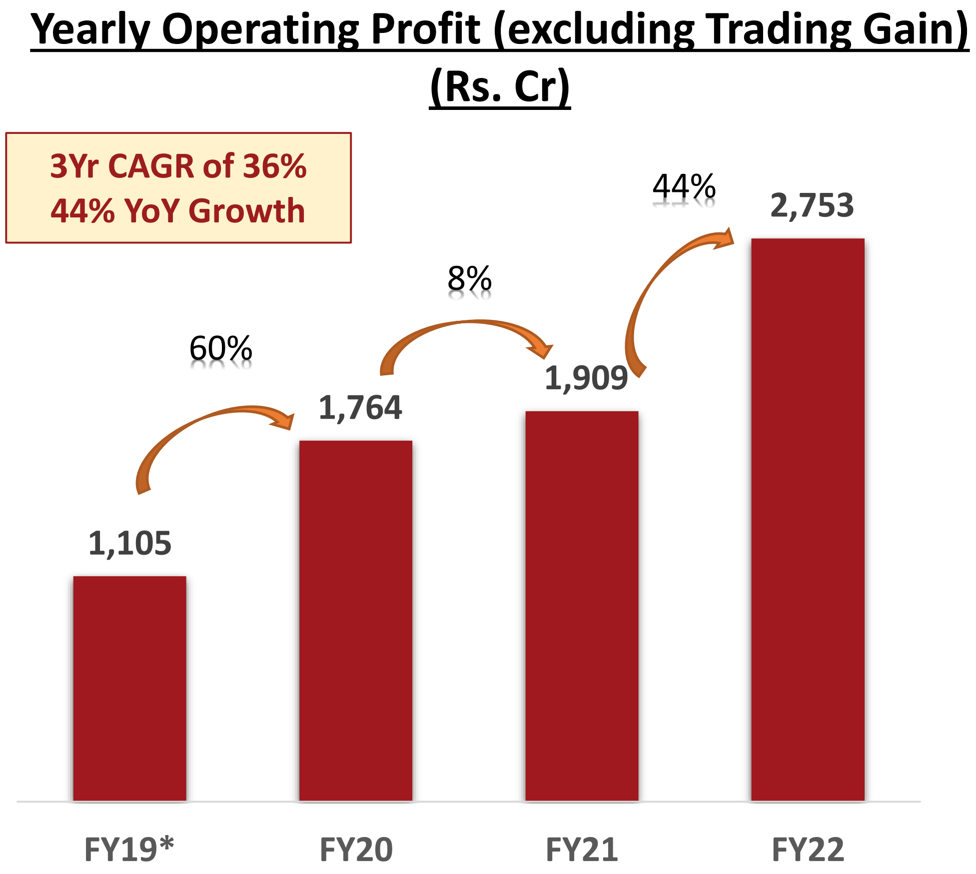
** H2-FY19 actual annualized*

Exit Quarter Fee & Other Income (Rs. Cr)

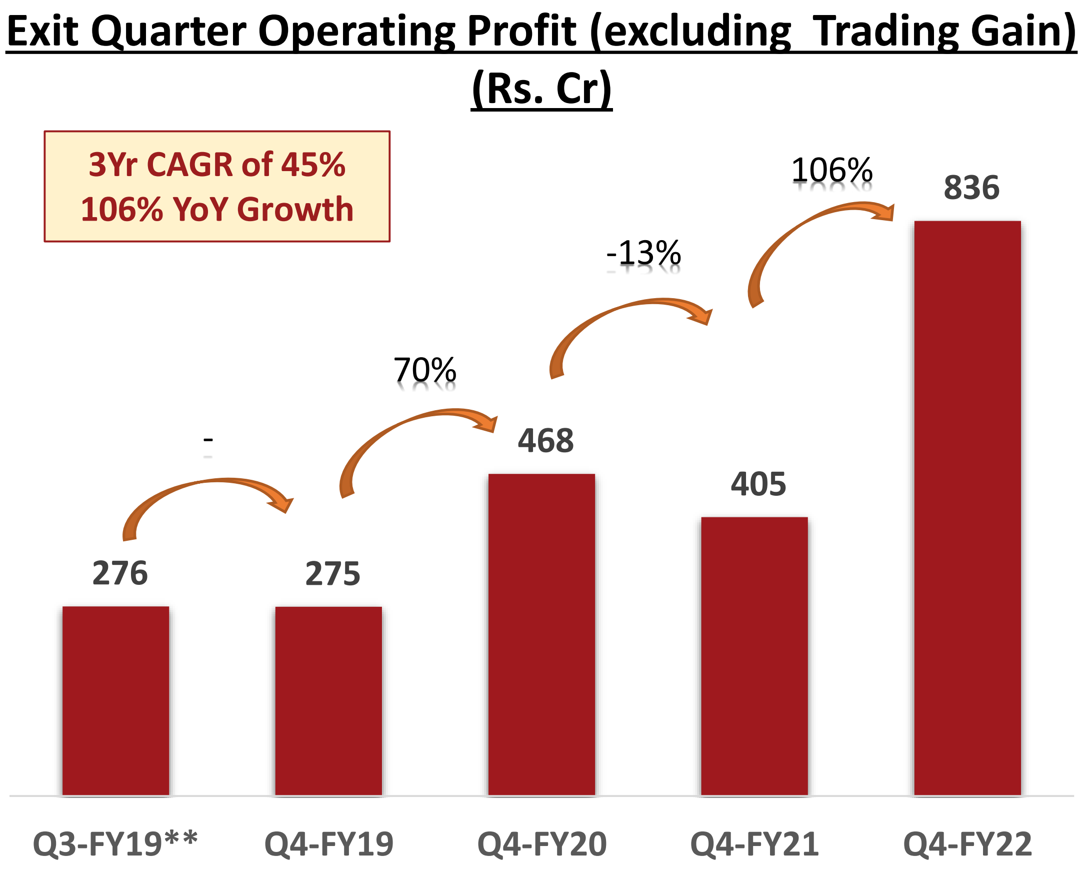


*** Merger Quarter*

Sustained increase in Core Operating Profit (Profit excluding Trading Gain)



* *H2-FY19 actual annualized*



** *Merger Quarter*

Quarterly Income Statement

In Rs. Crore	Q4 FY21	Q3 FY22	Q4 FY22	Growth (%) YoY
Interest Income	3,993	4,429	4,554	14%
Interest Expense	2,033	1,849	1,884	-7%
Net Interest Income	**1,960**	**2,580**	**2,669**	**36%**
Fee & Other Income	600	744	841	40%
Trading Gain[1]	218	25	(9)	-104%
Operating Income	**2,779**	**3,349**	**3,500**	**26%**
Operating Income (Excl Trading Gain)	**2,561**	**3,324**	**3,510**	**37%**
Operating Expense	2,156	2,579	2,674	24%
Operating Profit (PPOP)	**623**	**770**	**827**	**33%**
Operating Profit (Ex. Trading gain)	**405**	**745**	**836**	**106%**
Provisions[1]	580	392	369	-36%
Profit Before Tax	**43**	**378**	**457**	**960%**
Tax	**(85)**	**97**	**114**	**-235%**
Profit After Tax	**128**	**281**	**343**	**168%**

1. As per the RBI guidelines dated 30th Aug, 2021, provisions/write-back for mark-to market depreciation on investments in AFS and HFT has been classified under "Other Income", prior period numbers are reclassed accordingly

Yearly Income Statement

In Rs. Crore	FY21	FY22	Growth (%) YoY
Interest Income	15,968	17,173	8%
Interest Expense	8,588	7,467	-13%
Net Interest Income	**7,380**	**9,706**	**32%**
Fee & Other Income	1,622	2,691	66%
Trading Gain[1]	1,162[2]	531	-54%
Operating Income	**10,164**	**12,928**	**27%**
Operating Income (Excl Trading Gain)	**9,002**	**12,397**	**38%**
Operating Expense	7,093	9,644	36%
Operating Profit (PPOP)	**3,071**	**3,284**	**7%**
Operating Profit (Ex. Trading gain)	**1,909**	**2,753**	**44%**
Provisions[1]	2,595[2]	3,109	20%
Profit Before Tax	**476**	**175**	**-63%**
Tax	24	30	26%
Profit After Tax	**452**	**145**	**-68%**

1. *As per the RBI guidelines dated 30th Aug, 2021, provisions/write-back for mark-to market depreciation on investments in AFS and HFT has been classified under "Other Income", prior period numbers are reclassed accordingly*
2. *During FY21, there was a provision release of Rs. 573 crore on account of sale of investments in two large financial institutions, resulting into an equivalent amount of loss, the provisions and the Trading Gain for FY21 mentioned above are gross of these transactions.*

Balance Sheet

In Rs. Crore	Mar-21	Dec-21	Mar-22	Growth (%) (YoY)
Shareholders' Funds	17,808	20,649	21,003	18%
Deposits	88,688	92,765	105,634	19%
- *CASA Deposits*	45,896	47,859	51,170	11%
- *Term Deposits*	42,792	44,906	54,464	27%
Borrowings	45,786	50,792	52,963	16%
Other liabilities and provisions	10,861	10,027	10,581	-3%
Total Liabilities	**163,144**	**174,232**	**190,182**	**17%**
Cash and Balances with Banks and RBI	5,828	17,567	15,758	170%
Net Funded Assets	111,758	116,422	124,075	11%
- *Net Retail Funded Assets*	73,812	83,837	91,093	23%
- *Net Wholesale Funded Assets**	37,946	32,585	32,983	-13%
Investments	36,719	31,550	41,544	13%
Fixed Assets	1,266	1,333	1,361	7%
Other Assets	7,572	7,360	7,443	-2%
Total Assets	**163,144**	**174,232**	**190,182**	**17%**

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

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- **Capital Adequacy**
- Board of Directors
- Shareholding Pattern

Capital Adequacy Ratio is strong at 16.74% as on March 31, 2022

In Rs. Crore	Mar-21	Dec-21	Mar-22
Common Equity	16,974	19,921	20,199
Tier 2 Capital Funds	647	740	2,525
Total Capital Funds	**17,622**	**20,661**	**22,724**
Total RWA	**1,27,943**	**1,34,296**	**1,35,728**
CET 1 Ratio (%)	**13.27%**	**14.83%**	**14.88%**
Total CRAR (%)	**13.77%**	**15.38%**	**16.74%**

- The Bank is sufficiently capitalized and well above the regulatory requirement for Capital Adequacy Ratio of 11.5%
- During Q4 FY22, the Bank mobilised maiden Tier II Bonds of Rs. 1,500 crore.

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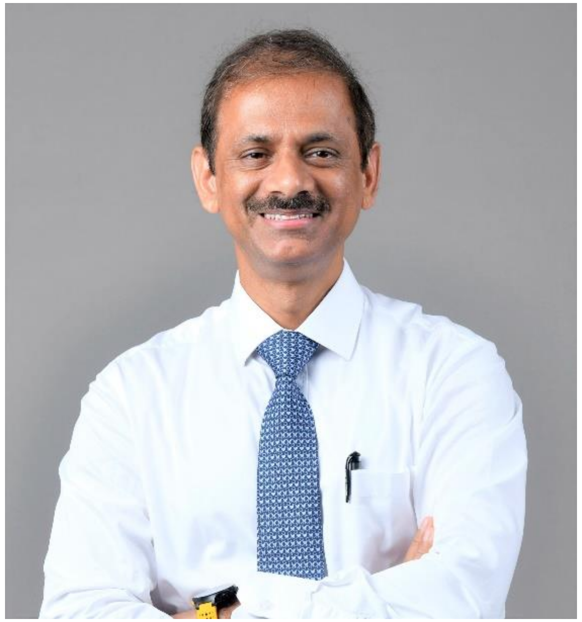
Board of Directors: MD & CEO Profile



Vaidyanathan aspires to create "a world-class bank Indian Bank which offers high-quality affordable and ethical banking for India". He left a Board level position at ICICI group in 2010 and bought shares of a small listed, loss making, real-estate financing NBFC with market cap of Rs. 780 crores. He did so by borrowing Rs. 78 crore, which he raised by pledging the purchased stock and his home as collateral for the leveraged buyout.

He changed the business model to financing micro and small entrepreneurs by use of technology with ticket sizes of $100-$100K, and raised fresh PE backed equity by demonstrating the proof of concept to investors. He renamed the company Capital First and became its Chairman and CEO.

He then turned the company around from losses of Rs. 30 crores ($5m, 2010) to profit of Rs. 358 crore ($ 50m, 2018). The share price of Capital First rose from Rs. 122 (2010) to Rs. 850 (2018) and the market cap increased >10 times from Rs. 780 crores ($120 m, 2010) to Rs. 8200 crores ($1.2 b, 2018). Per stock exchange filings, he bought the NBFC shares at Rs. 162 through leverage, and sold part of his holdings at Rs. 688 in 2017 to close the loan availed to purchase the shares.

Capital First's retail loan grew from Rs. 94 crores ($14m, 2010) to Rs. 29,600 crores ($4 b, 2018) with 7 million customers. Having built Capital First to scale, he looked out for a commercial banking license to convert it to a Bank. In 2018, opportunity struck in the form of an offer for merger from IDFC Bank. Post the merger, and took over as the MD and CEO of the merged bank, renamed IDFC First Bank. Since then he has increased retail and commercial finance book to Rs. 95,377 crores, increased NIM from 2.9% at merger to 6.3%, increased CASA from 8.7% to 48.4%, and turned the bank into profitability.

The vision of IDFC First Bank is "To build a world class bank in India, guided by ethics, powered by technology and be a force for social good."

Earlier, Vaidyanathan worked with Citibank from 1990-2000. He joined ICICI Group in 2000 and set up its retail banking business since inception, took the branch network to 1411, built a large CASA book, and built retail lending including mortgages, auto loans, and credit cards of Rs. 1.35 trillion ($30 bn) by 2009. He joined the Board of ICICI Bank in 2006 at age 38 and became MD and CEO of ICICI Prudential Life Insurance Company at 41.

He has received many domestic and international awards notably CNBC Awaaz "Entrepreneur of the Year" 2020, "Most Inspirational Leveraged Management Buyout, India 2018" by CFI Awards, London, CNBC Asia's "Most Innovative Company of the Year" 2017, "Entrepreneur of the Year" at Asia Pacific Entrepreneurship Award 2016 & 2017, "Most Promising Business Leaders of Asia" by Economic Times. in 2016, Business Today - India's Most Valuable Companies 2016 & 2015, Economic Times 500 India's Future Ready Companies 2016, Fortune India's Next 500 Companies 2016, Dun & Bradstreet India's Top 500 Companies & Corporates 2016 & 2015, "Outstanding contribution to Financial Inclusion, India, 2017" from Capital Finance, London, "Most Promising Business Leaders of Asia" 2016 by Economic Times. He is an alumnus of Birla Institute of Technology and Harvard Business School (Advanced Management Program). He has run 23 half-marathons and 8 full marathons.

Board of Directors

MR. SANJEEB CHAUDHURI – PART-TIME NON-EXECUTIVE CHAIRPERSON (INDEPENDENT DIRECTOR)

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

MR. AASHISH KAMAT - INDEPENDENT DIRECTOR

Mr. Aashish Kamat has over 32 years of experience in the corporate world, with 24 years being in banking & financial services & 6 years in public accounting. He was the Country Head for UBS India, from 2012 until his retirement in January 2018. Prior to that he was the Regional COO/CFO for Asia Pacific at JP Morgan based out of Hong Kong. Before moving to Hong Kong, he was in New York, where is was the Global Controller for the Investment Bank (IB) at JP Morgan in New York; & at Bank of America as the Global CFO for the IB, and, Consumer and Mortgage Products. Mr. Kamat started his career with Coopers & Lybrand, a public accounting firm, in 1988 before he joined JP Morgan in 1994.

DR. (MRS.) BRINDA JAGIRDAR - INDEPENDENT DIRECTOR

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

Board of Directors

MR. 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. PRAVIR VOHRA - INDEPENDENT DIRECTOR

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

MR. S GANESH KUMAR - INDEPENDENT DIRECTOR

Mr. S Ganesh Kumar was the Executive Director of the Reserve Bank of India. He was with the Reserve Bank of India for more than three decades. His most recent responsibilities included the entire gamut of Payment and Settlement Systems, creation and development of strategic plans for the Bank and to take care of the external investments and manage the foreign exchange reserves with the central bank. Mr. Kumar is a post graduate in Management having experience in varied fields such as marketing, market research, banking, finance, law, and Information Technology.

Board of Directors

MR. AJAY SONDHI - NON-EXECUTIVE NON INDEPENDENT DIRECTOR

Mr. Ajay Sondhi, is a 2017 Fellow, Harvard Advanced Leadership Initiative, MBA - Finance from JBIMS, Mumbai University, and B.A. in Economics (Honors) from St. Stephens College, Delhi University. He is a seasoned Financial Services and Board professional with extensive Indian and global experience. Most recently he was Founder & CEO of Sentinel Advisors Pte Ltd, Singapore, a boutique business and strategy advisory firm. He was previously MD and Regional Manager for PWM at Goldman Sachs, Singapore. He has had a long career in banking, and has held several senior leadership roles in the industry in India and overseas.

DR. JAIMINI BHAGWATI - NON-EXECUTIVE NON INDEPENDENT DIRECTOR

Dr. Jaimini Bhagwati is a former IFS officer, economist and foreign policy expert. He received his PhD in Finance from Tufts University, USA. He did his Master's in Physics from St Stephen's College, Delhi and a Master's in Finance from the Massachusetts Institute of Technology, USA. He was the High Commissioner to the UK and Ambassador to the European Union, Belgium and Luxembourg. Dr. Bhagwati has served in senior positions in the Government of India, including in foreign affairs, finance and atomic energy. In his earlier role at the World Bank, he was a specialist in international bond and derivatives markets and was the RBI chair professor at ICRIER. He is currently a Distinguished Fellow at a Delhi based think-tank called the Centre for Social and Economic Progress (CSEP).

MR. VISHAL MAHADEVIA – NON-EXECUTIVE NON INDEPENDENT DIRECTOR

Mr. Vishal Mahadevia joined Warburg Pincus in 2006 & 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.

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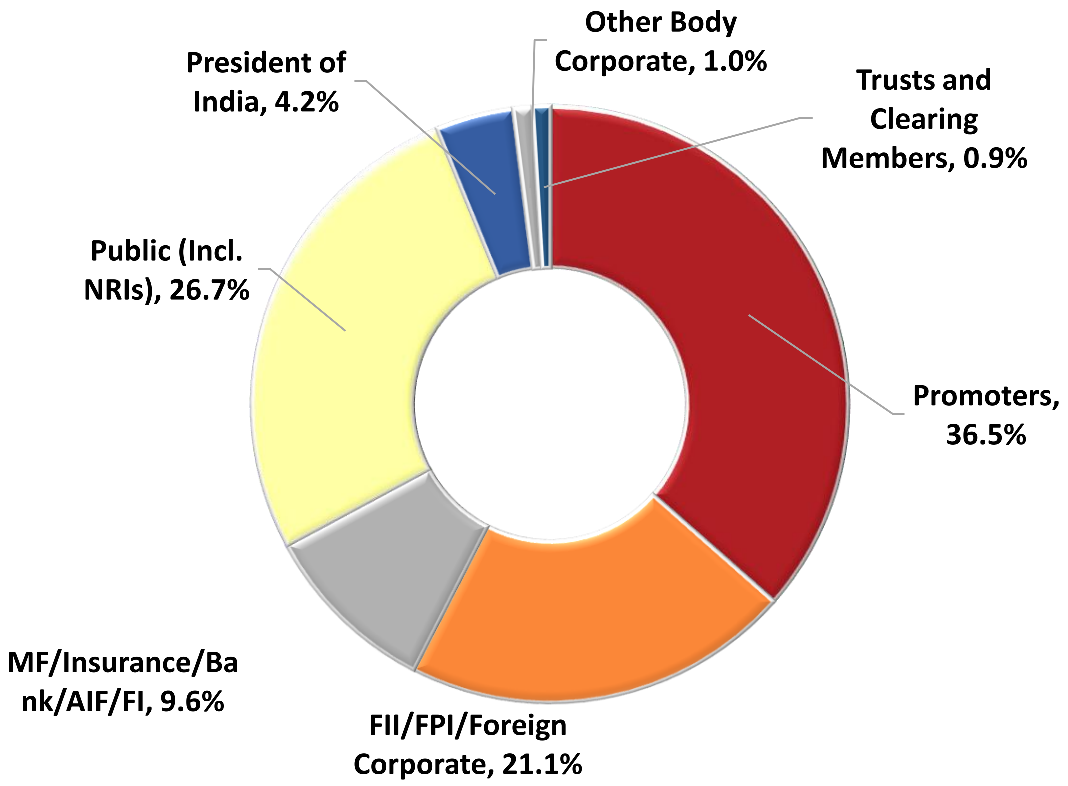
Shareholding Pattern & Key Shareholders as of March 31, 2022

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



Total # of shares as of March 31, 2022 : 621.77 Cr
Book Value per Share as of March 31, 2022: Rs. 33.78
Market Cap. as on March 31, 2022: Rs. 24,684 Crore

Key Shareholders *(through their respective various funds and affiliate companies wherever applicable)*	**% Holding**
IDFC Financial Holding Company Limited	36.49
Warburg Pincus through its affiliated entities	9.07
President of India	4.20
Odyssey 44	3.68
ICICI Prudential Life Insurance	3.30
Vanguard	1.76
Bajaj Allianz Life Insurance	1.20
Baillie Gifford	0.95
Kotak MF	0.87
Ishares	0.73
Aditya Birla MF	0.60
Nippon MF	0.52

On a fully diluted basis, including shares and options, Mr. Vaidyanathan holds 2.25% of the equity of the Bank including shares held in his social welfare trust.

IDFC FIRST Bank

With our Customer Centric Approach, the Bank is

- ✓ Set for Growth.
- ✓ Set for Scale.
- ✓ Set for Profitability.

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THANK YOU

Annexure 1

Progress of Key Parameters against the Target Set after merger in December 2018

We are happy to say that the Bank is performing well on the guidances given at the time of the merger.

	Particulars	Dec-18 (At Merger)	Guidance for FY24-FY25	Mar-22 Latest quarter
CAPITAL	Net-worth	Rs. 18,376 Cr	--	Rs. 21,003 Cr
	CET – 1 Ratio	16.14%	>12.5 %	14.88%
	Capital Adequacy (%)	16.51%	>13.0 %	16.74%
LIABILITIES	CASA Deposits	Rs. 5,274 Cr	--	Rs. 51,170 Cr
	CASA as a % of Deposits (%)	8.68%	30% (FY24), 50% thereafter	48.44%
	Average CASA Ratio (%)	8.39%	--	49.28%
	Branches (#)	206	800-900	641
	CASA + Term Deposits<5 crore (% of Customer Deposits)	39%	85%	84%
	Certificate of Deposits	17%	<10% of liabilities	8%
	Quarterly Avg. LCR (%)	123%	>110%	136%

Some new guidance has been included for greater clarity. No guidance given at the time of the merger has been amended
-- No guidance provided earlier for these parameters

We are happy to say that the Bank is performing well on the guidance given at the time of the merger.

Executive Summary for FY22

	Particulars	Dec-18 (At merger)	Guidance for FY24-FY25	Mar-22 Latest quarter
ASSETS	Retail and Commercial Book	Rs. 36,927 Cr	Rs. 100,000 Cr	Rs. 95,377 Cr (26%)
	Retail and Commercial Book as a % of Total Funded Assets	35%	70%	72%
	Wholesale Funded Assets[1]	Rs. 56,770 Cr	< Rs. 40,000 Cr	Rs. 30,567 Cr (-8%)
	- of which Infrastructure loans	*Rs. 22,710 Cr*	Nil in 5 years	*Rs. 6,891 Cr (-36%)*
	Top 10 borrowers as % of Total Funded Assets (%)	12.8%	< 5%	3.7%
	GNPA (%)	1.97%	2-2.5%	3.70%
	NNPA (%)	0.95%	1.1.2%	1.53%
	Provision Coverage Ratio[3] (%)	53%	~70%	70%
EARNINGS	Net Interest Margin (%)	3.10%	5-5.5%	6.27%
	Cost to Income Ratio[2] (%)	81.56%	55%	76.18%
	Return on Asset (%)	-3.70%	1.4-1.6%	0.77%
	Return on Equity (%)	-36.81%	13-15%	6.67%

1. Excluding Security Receipts, Loan converted into Equity, RIDF and PTC.
2. Excluding Trading Gains
3. Including technical write-offs.

Earnings for Dec-18 and Mar-22 are for the quarter. ()brackets represent YoY growth. Retail and Commercial Book and Wholesale Funded assets are Gross of Inter Bank Participation Certificate.

IDFC FIRST Bank

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

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.

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:

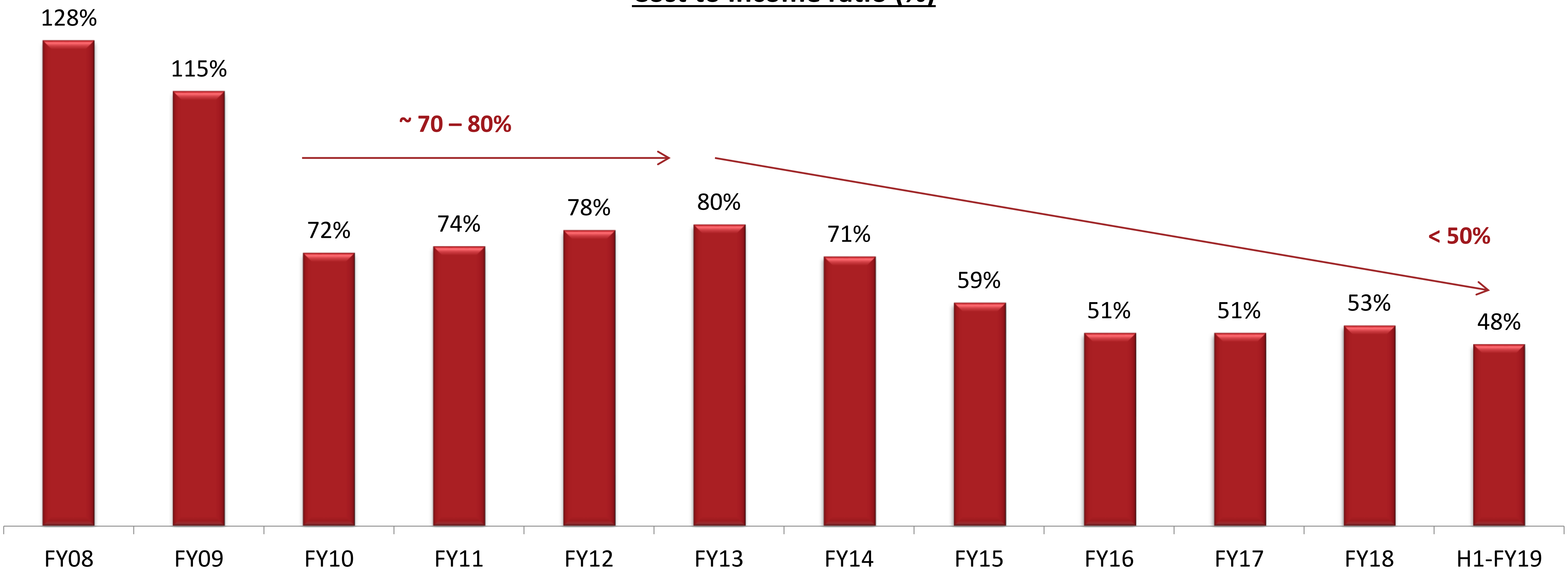
○ **Total Asset Under Management** has grown at a CAGR of	**29%** from Rs. 7,510 crore (FY13) to Rs. 26,997 crore (FY18)
○ **Total Income** has grown at a CAGR of	**47%** from Rs. 357.5 crore (FY13) to Rs. 2429.6 crore (FY18)
○ **Profit After Tax** has grown at a CAGR of	**56%** from Rs. 35.1 crore (FY13)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

Successful Trajectory of Growth and Profits at Capital First

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

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

Cost to Income ratio (%)

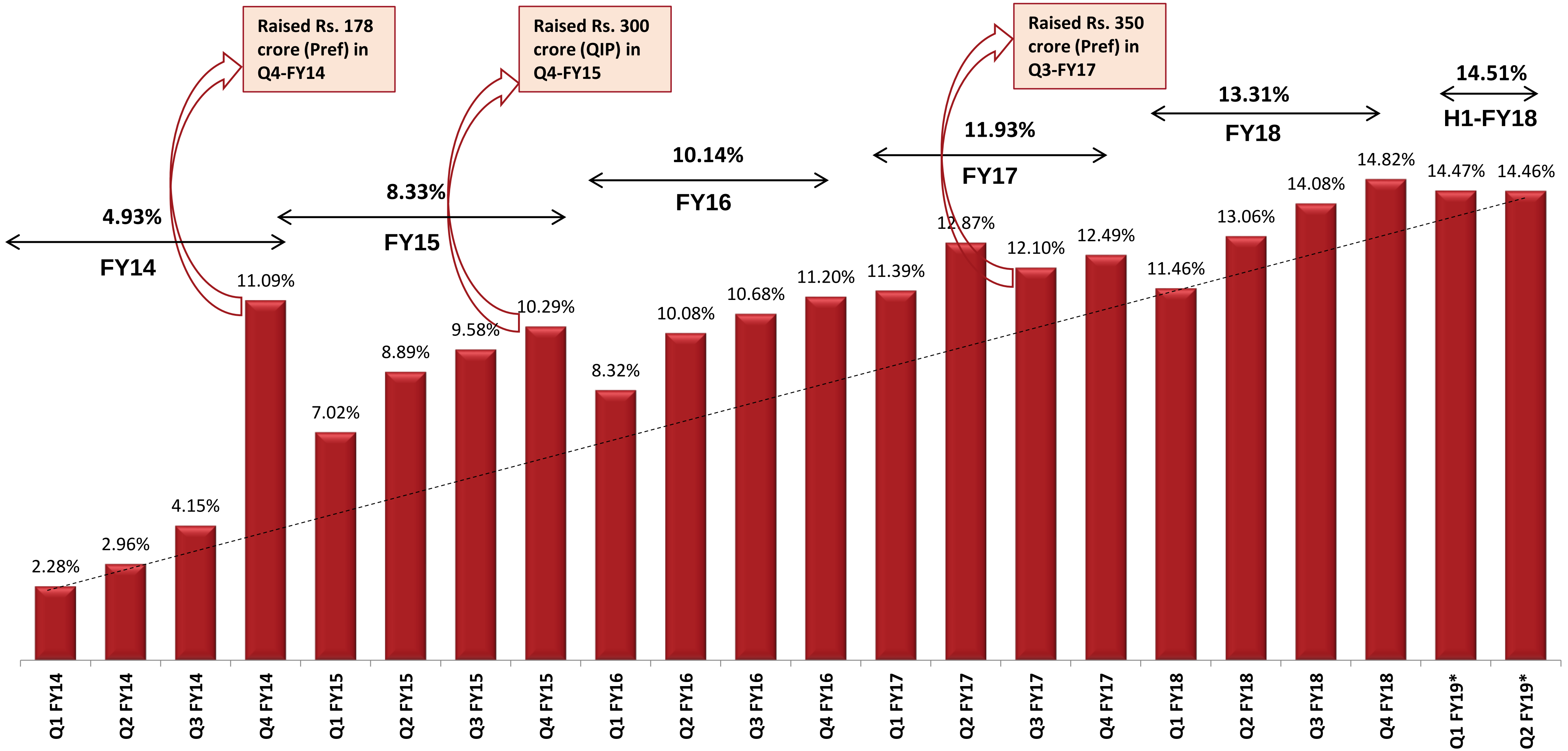


Capital First: the Return on Equity continuously improved over the quarters…

Business Model of 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.

All figures are annualised



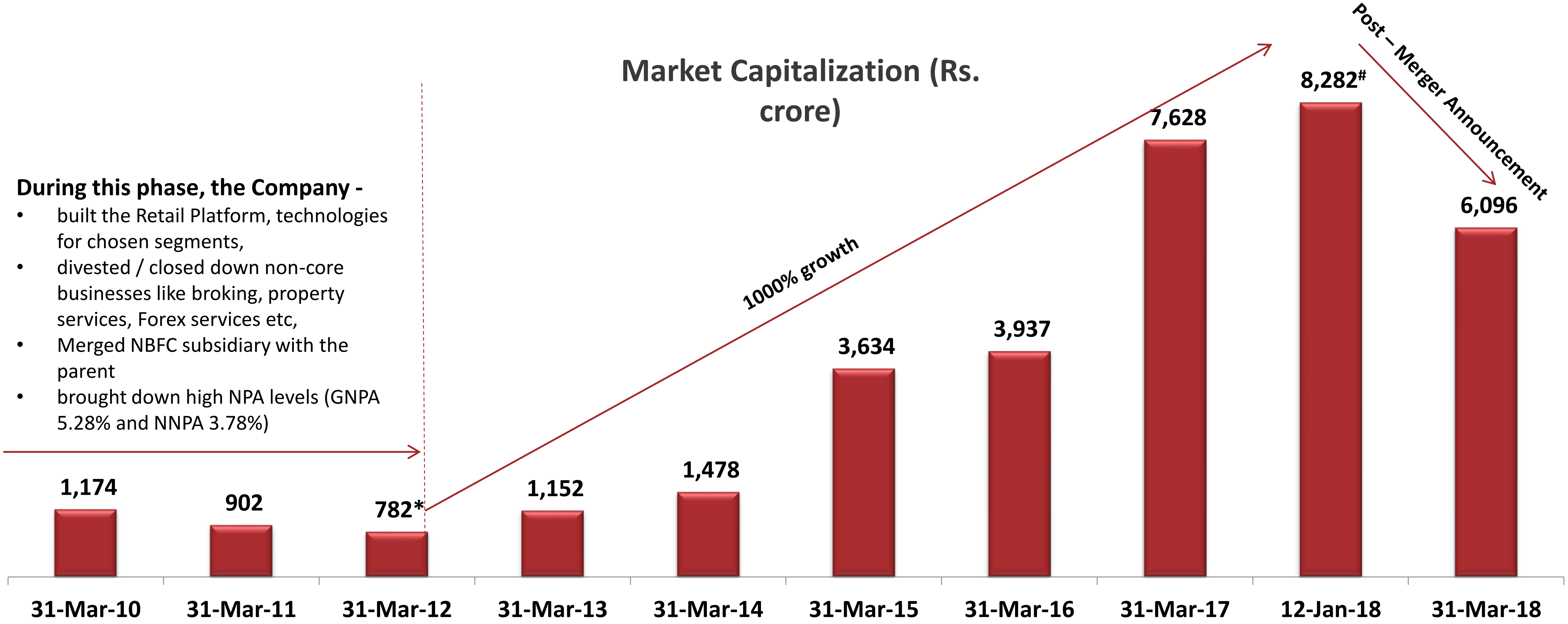
**Highlighted figures are based on Indian AS in comparison to quarterly figures for earlier periods based on Indian GAAP.*

Successful Trajectory of Growth and Profits at Capital First

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

During this phase, the Company -

- built the Retail Platform, technologies for chosen segments,
- divested / closed down non-core businesses like broking, property services, Forex services etc,
- Merged NBFC subsidiary with the parent
- brought down high NPA levels (GNPA 5.28% and NNPA 3.78%)



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

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