# Investor Presentation – Q1 FY26

*July 26, 2025*

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# Our Vision

## BUILDING A WORLD CLASS BANK

**GUIDED BY**
ETHICS

**POWERED BY**
TECHNOLOGY

**BE A FORCE FOR**
SOCIAL GOOD

# Section 1: Progress since merger

# Background: IDFC FIRST Bank created by merger of IDFC Bank and Capital First

IDFC BANK

- **IDFC Bank** was created by infrastructure DFI, IDFC Limited, in 2016. The loan book of IDFC limited was transferred to IDFC Bank at inception in 2016.
- IDFC Bank had assets of ₹75,332 crore, with 86% in wholesale loans in September 2018.
- IDFC Bank was looking to diversify into retail Banking

CAPITAL FIRST

- **Capital First** was an NBFC and had grown AUM from Rs. 934 crores in 2010 to ₹32,623 crore in 2018, of which 90% of loans were in MSME and retail sectors.
- It had a track record of growth, profits and asset quality.
- It was looking to get a bank license.

IDFC FIRST Bank

- **IDFC FIRST Bank** was formed in December 2018 through the merger of IDFC Bank and Capital First.

# Progress since merger (1/4)



We are happy to share that since the merger in December 2018, the Bank has made significant progress on all counts including **Deposit Growth, Loan Growth, Capital Adequacy, Asset Quality and Profitability.**

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

# Progress since merger (2/4)



## Pre-merger Financials (September 30, 2018)

| | Parameters | CAPITAL FIRST | IDFC Bank |
|---|---|---|---|
| BALANCE SHEET | Loan Book | 26,994 | 75,332 |
| | Customer Deposit | 0 | 36,369 |
| | Retail Deposit | 0 | 9,008 |
| | CASA Deposit | 0 | 6,253 |
| | CASA Ratio | 0 | 13.0% |
| | Net Worth | 2,928 | 14,776 |
| PROFITABILITY | NIM % | 8.2% | 1.6% |
| | Core PPOP to Average Asset | 5.0% | 0.1% |
| | Cost to Income | 47.5% | 92.4% |
| | Bank Branches | 0 | 203 |

*Profitability numbers for Sep-18 are for H1 FY19,*

**AUM of Capital First as on 30 September 2018 stood at Rs. 32,623 crore. Funded book was Rs. 26,994 cr. As an NBFC Capital First did not have any deposits.*

# Progress since merger (3/4)



## Post Merger Financials

| | Parameters | Upon merger (31-Dec-2018) | Now (30-Jun-2025) | Change Since Merger |
|---|---|---|---|---|
| BALANCE SHEET | Loan Book | 1,04,660 | 2,53,233 | ▲ 15% CAGR |
| | Customer Deposit | 38,455 | 2,56,799 | ▲ 34% CAGR |
| | Retail Deposit | 10,400 | 2,04,222 | ▲ 58% CAGR |
| | CASA Deposit | 5,274 | 1,27,158 | ▲ 63% CAGR |
| | CASA Ratio | 8.7% | 48.0% | ▲ 5.5X |
| | Net Worth | 18,376 | 38,719 | ▲ 12% CAGR |
| PROFITABILITY | NIM % | 3.1% | 5.7% | ▲ 261 bps |
| | Core PPOP to Average Asset | 0.8% | 2.0% | ▲ 120 bps |
| | Cost to Income | 82.2% | 68.7% | ▼ -1,346 bps |
| | Bank Branches | 206 | 1,016 | ▲ 4.9X |

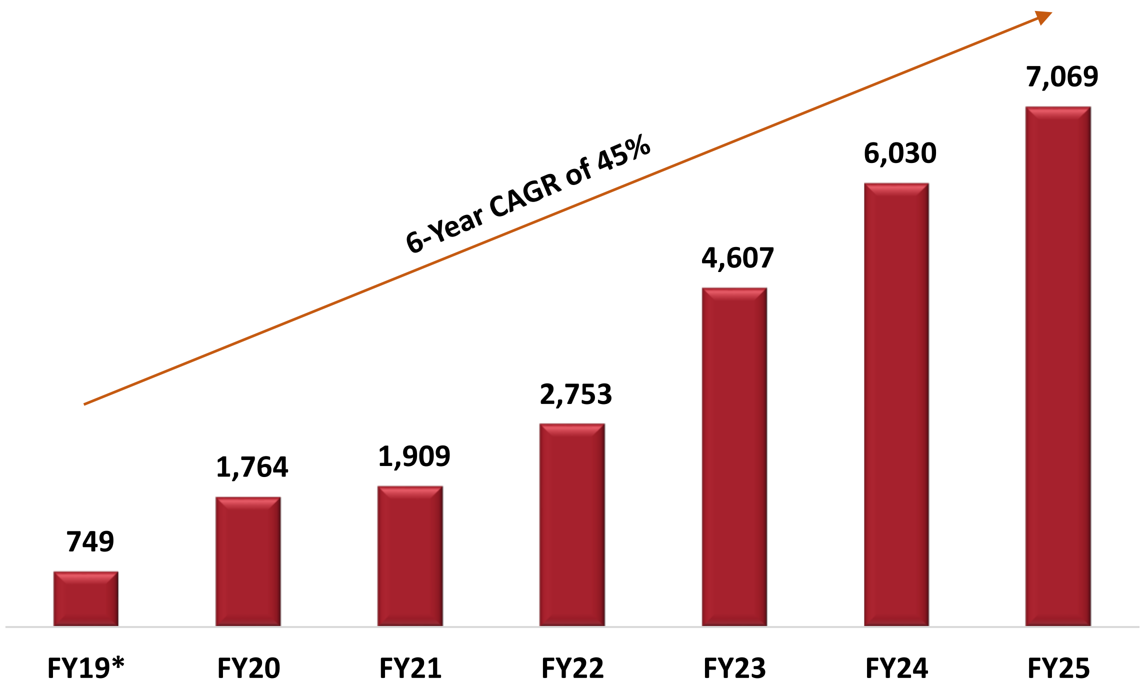
*Profitability numbers for Dec-18 are of Q3 FY19; Jun-25 are of Q1FY26 | NIM is Gross of IBPC & Sell-down for Q1 FY26 | C:I excluding trading gains was 73.8% for Q1 FY26 and 81.6% for Q3 FY19*

# Progress since merger (4/4)

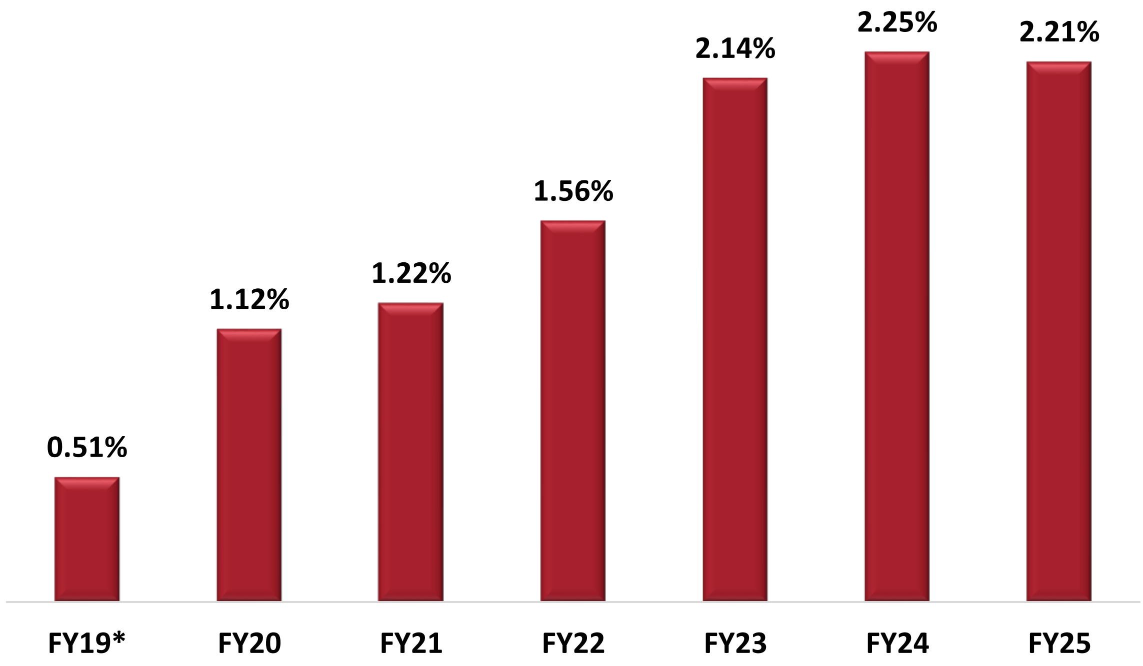


At merger Core Operating Profit as a % of Average Total Assets was **0.51%** which could not cover for normalized credit costs. With scale and profitability, the core operating profit has reached **~2%**, hence Bank has built cushions to absorb credit costs and has become profitable on a structural basis. Bank plans to improve on this trend based on operating leverage going forward.

## Core Pre-provisioning Operating Profit




## Core PPOP as a % of Average Total Assets




* *Reported Numbers are as per the reported results of respective Financial Years | Core Operating Profit is excluding trading gains*



IDFC FIRST Bank

# Section 2: Building a Universal Bank

# Bank has launched and scaled up many new products to position as a Universal Bank



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

| FY18 | FY19 | FY20 – FY25 | | | |
|---|---|---|---|---|---|
| Fixed Deposit | Current Account | Cash Management Service | Credit Card | Forex Solution | Agri / Farmer Loans |
| Transaction Banking | Savings Account | Wealth Management | Prime Home Loans | Tractor Loans | Gold Loan |
| CV Loans | Two-Wheeler | Fast Tag | Digital Loans | New Car Loan | Education Loan |
| Micro Finance | Personal Loan | | | | |
| Business Banking | Used Car Loan | | | | |
| Corporate Banking | Loan Against Property | | | | |
| | Home Loan | | | | |
| | Consumer Durable | | | | |

- Most of businesses are in early stage of their lifecycle.
- The Bank has made investments in people, technology, marketing & distribution, and made necessary system builds for these products.
- These businesses are expected to provide stable profit streams in due course.
- The Bank also scaled up all businesses over the last six years.

# The Bank launched full Suite of Universal Banking Products



### Corporate Lending
Working Capital demand Loans, Cash Credit, Term Loans, Corporate Bonds / NCDs, Foreign Currency Loans

### Supply Chain Financing
Dealer finance, Vendor finance, TREDS, Factoring, Invoice discounting

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

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

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

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


### Retail Lending Solutions
Home Loans, vehicle Loans, Consumer Loans, Education Loans, Personal Loans, Used Car Loans, Gold Loans, Rural Finance, Tractor Finance

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

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

### NRI Banking
NRE Accounts, NRO Accounts, Seafarer Accounts, FCNR Deposits, NRE / NRO Deposits

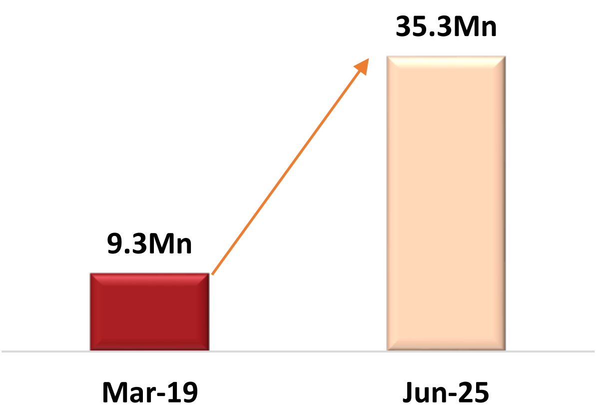
### Wealth Management & Distribution
Wealth Management, Distribution of Life Insurance, General Insurance, Credit Shield, Health Insurance, Mutual Funds, AIFs

### Credit Cards
Wealth Credit Card, Private Credit Card, Millenia Credit Card, WoW Credit Card against Deposits, Corporate Card, HP Fuel Card

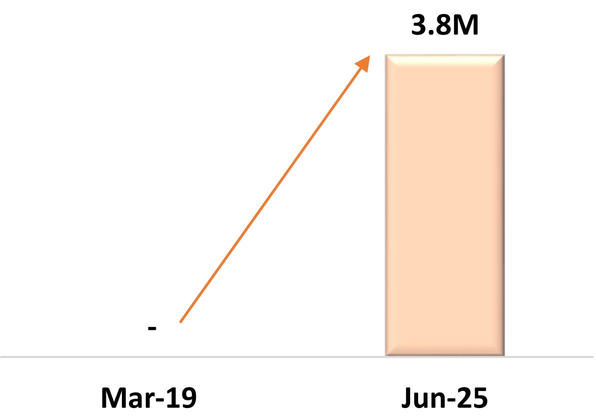
# Successful business launches have helped create a franchise of 35 Mn customers



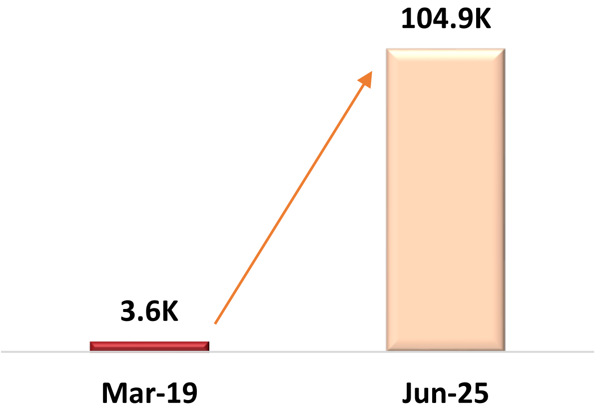
### Total Unique Customers



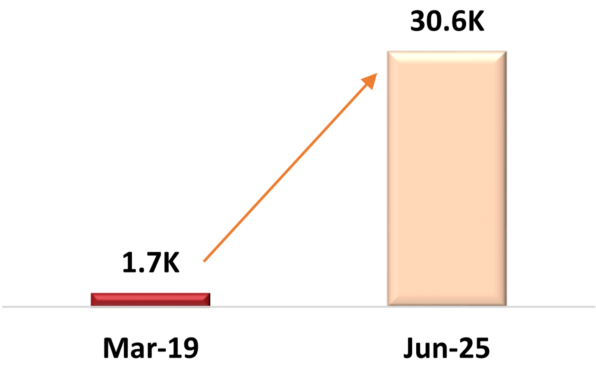

### Credit Cards in Force



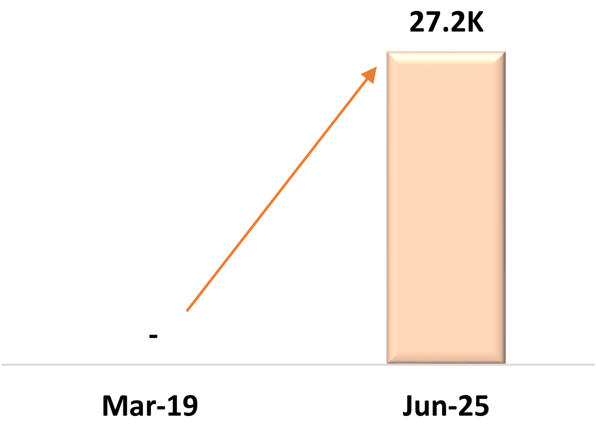

### NRI Customers



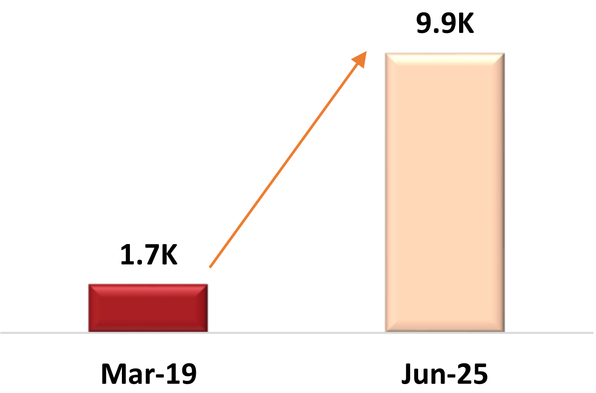

### Private Wealth Customers



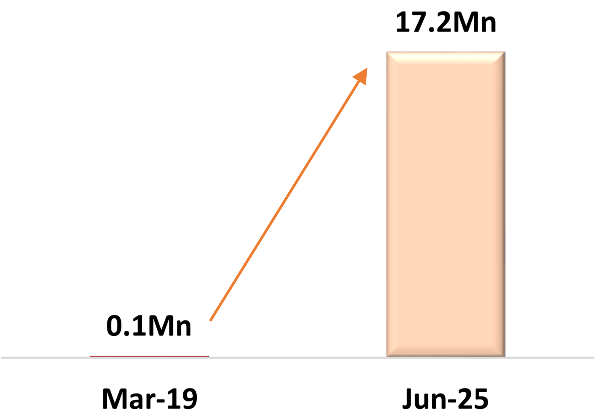

### Start-up Banking Customers



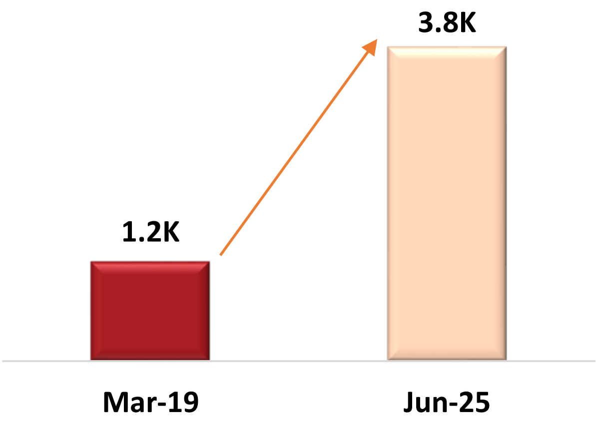

### Business Banking Customers




### FASTag Customers




### CMS Relationships

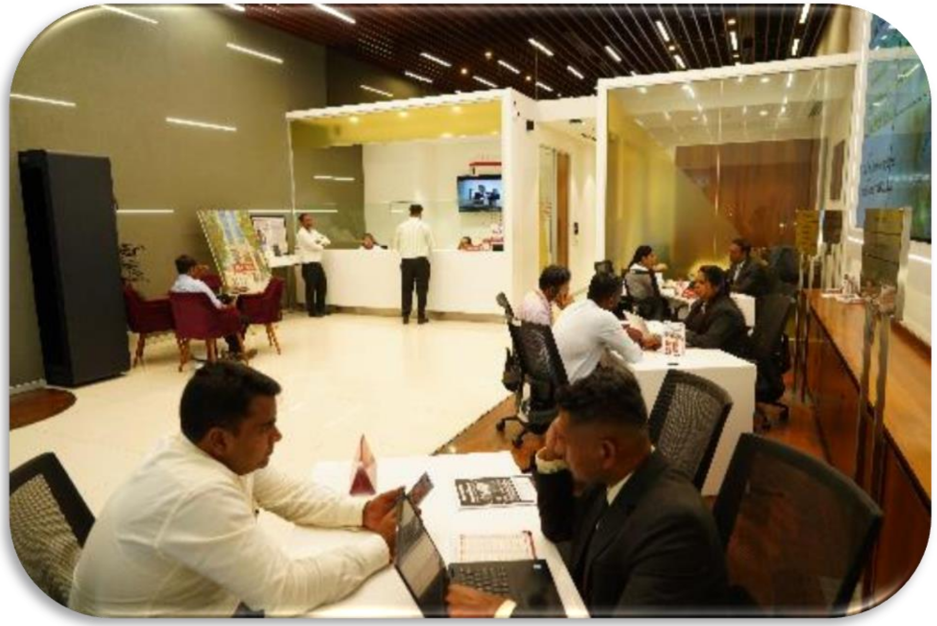



*First Full year of operations for Credit Cards business was FY 21-22*

# Bank has set-up 1,016 branches across India

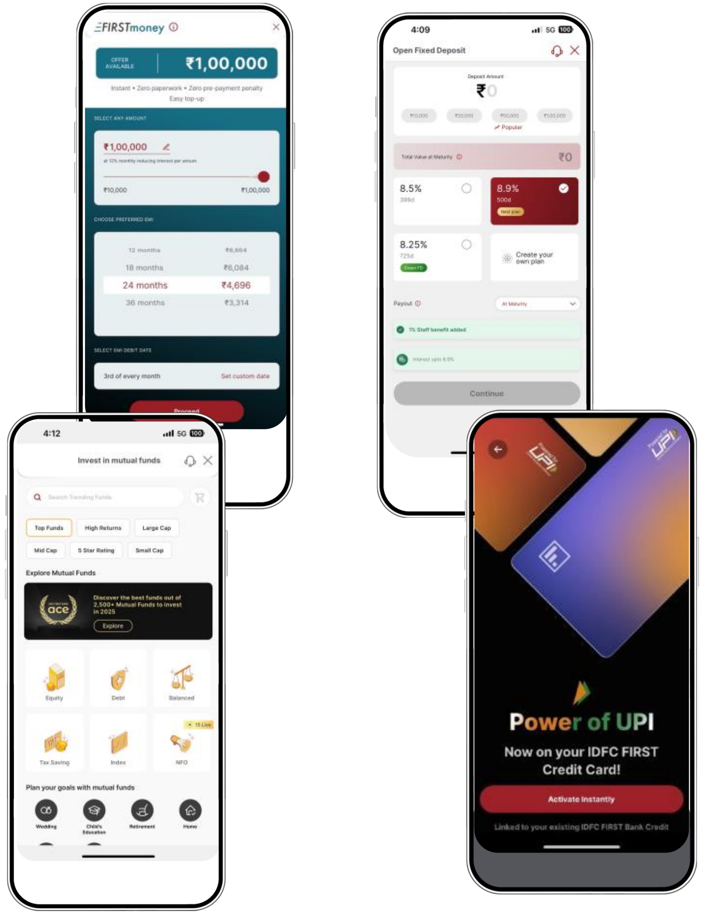


- IDFC FIRST Bank Branches and ATMs are digitally equipped and have customer friendly staff.
- Bank intends to grow the branch network by 10% each year in near term.
- Bank grew its branch network **5X** from **206** branches at merger to **1,016** branches as on June 30, 2025.
- Bank also has International Banking Unit (IBU) at GIFT City, Gandhinagar



# Mobile Banking App with top rating of 4.9 on Google Play and 4.8 on App Store






- Create FD in 2 Clicks
- Digital Personal Loans
- Mutual Funds Investment
- Smart Statement
- UPI On International Number
- Financial Planning
- Wealth Management For All
- Account Aggregator
- Pay Abroad
- Travel & Shop


*Only Indian bank to feature in Global Top-5 Mobile Banking Apps*

The Forrester Digital Experience Review: Indian Mobile Banking Apps, Q4 2024 →

**24 Mn+**
App Registrations

**2M+**
Reviews

4.9 — Google Play

4.8 — App Store

## *Strong growth in Business from our Mobile App*

| 45% | 44% | 31% |
|---|---|---|
| Foreign Remittances (YoY) | UPI Payments (YoY) | Fixed Deposits (YoY) |

*YoY growth is for Q1 FY26 vs Q1 FY25*

# Private Wealth Management: AUM growth of 34% YoY, crossed Rs. 50,000 crore milestone

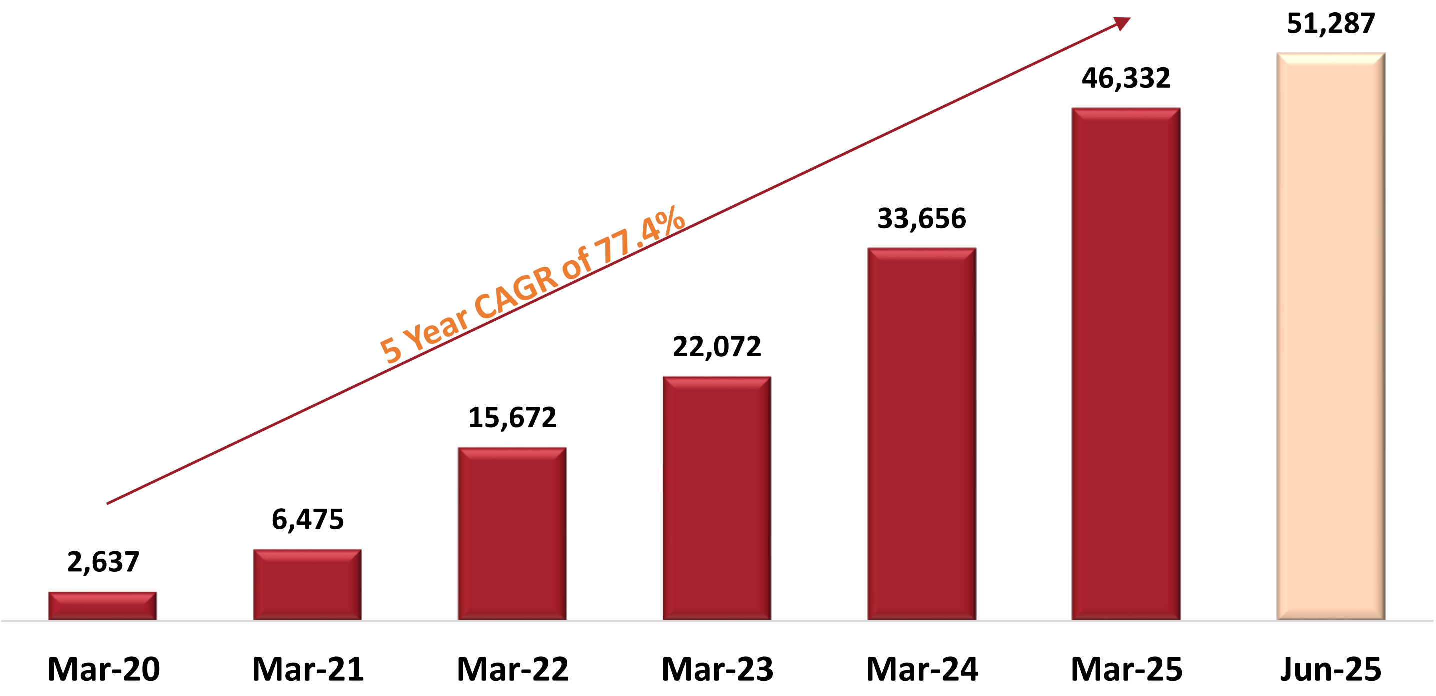


The Bank has successfully created a strong private wealth franchise. Private Banking Book AUM grew **34%** on a YoY basis to **Rs. 51,287 crore**

**Offerings include:**

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

## Private Wealth Book (Deposits & Investments - Rs. Crore)^

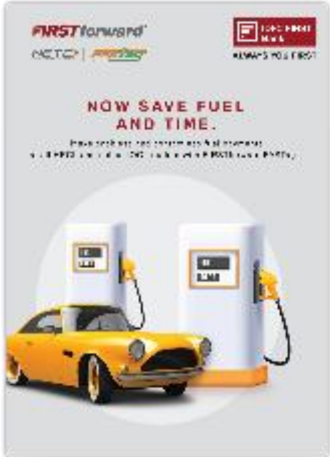



^Includes Demat Rs. 3,969 crores as of June 2025.

# Over 19 Million + FASTags in force

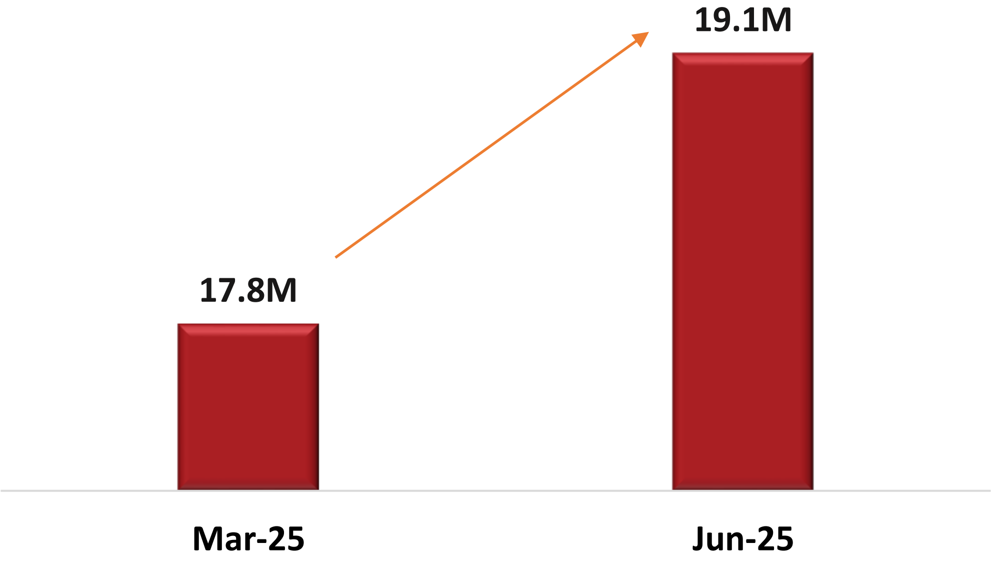


| | |
|---|---|
| **Largest Issuer bank** | **IDFC FIRST is the largest issuer among 38 Issuer banks in NETC with respect to FASTag monthly activation numbers and value processed.** |
| **Acquirer Bank** | **Acquirer Bank with 526 Toll plaza and parking merchants, with 23% market share.** |
| **Issuance Spends** | **Issuance spends has reached Rs. 8,001 crore in Q1 FY26, with 38% market share.** |



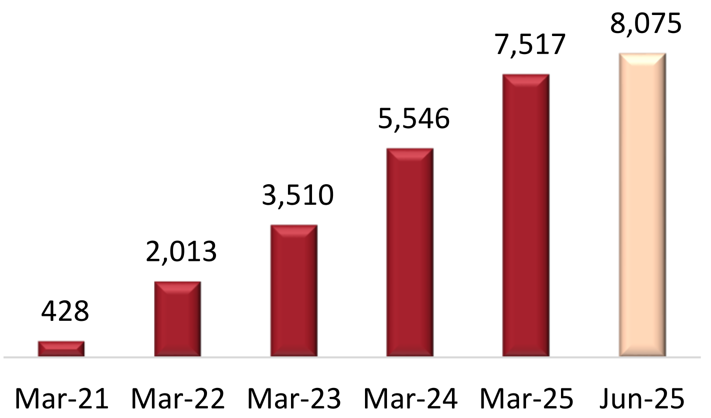
**Number of FASTags (in force)**



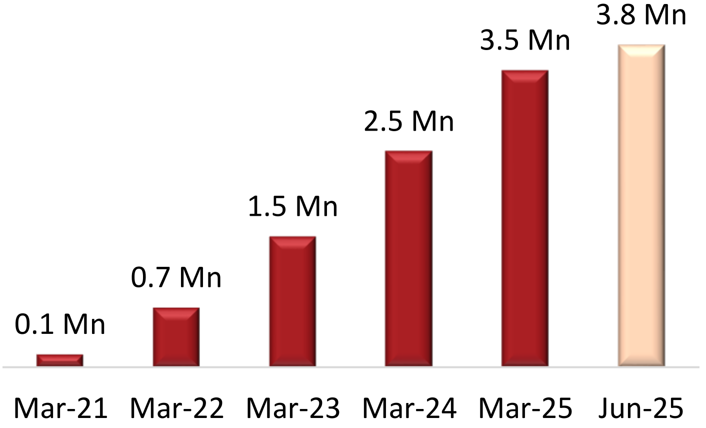
# Credit Cards in force reaches 3.8 million mark



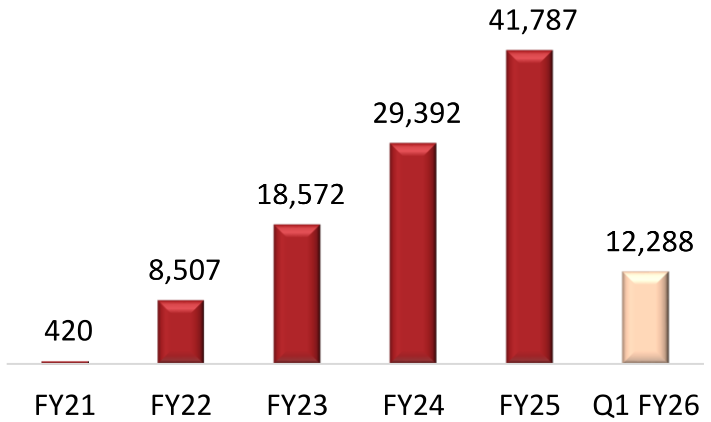
### Credit Card Book (Rs. Crore)




### Credit Cards in force




### Credit Card Spends (Rs. Crore)




## Wide range of card variants matching the multiverse of consumer needs


| Credit builders | GenZ, Millennials | Lifetime free | Metal | Travel enthusiasts | Cobranded partnerships | Commercial | Balance Transfer |
|---|---|---|---|---|---|---|---|

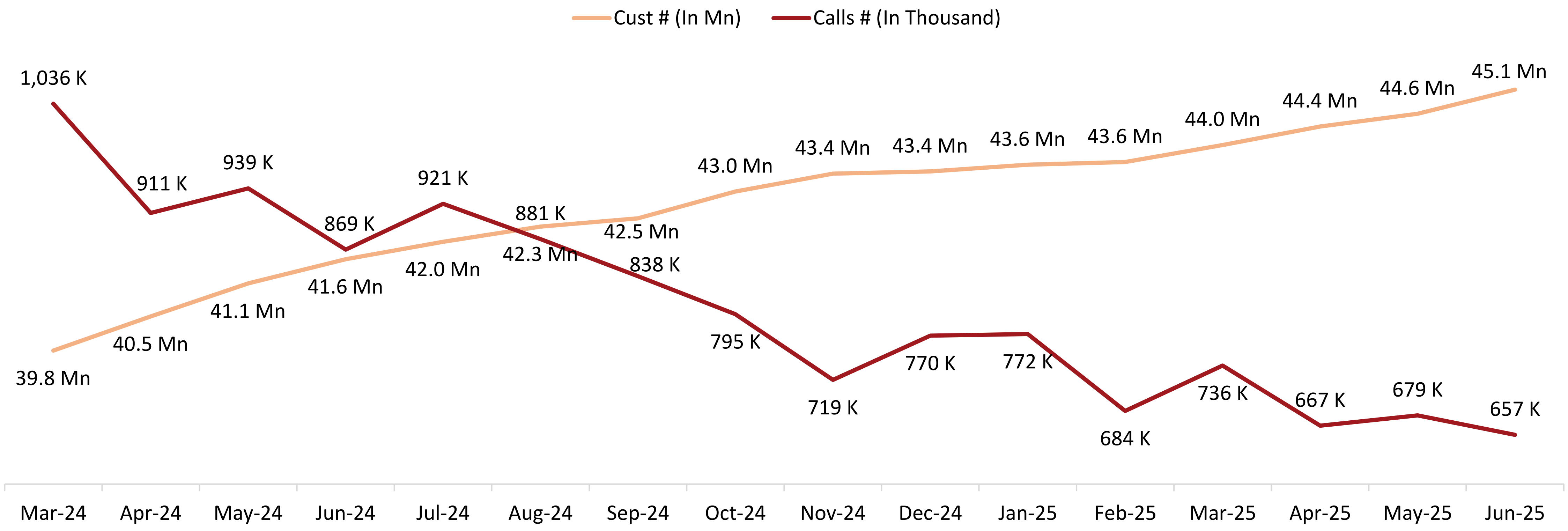


IDFC FIRST Bank

# Digital Capabilities driving efficiency



- Bank undertaking digitisation initiatives across all divisions such as disbursement, processing, collection, deposits, customer service
- This is improving efficiency across the board
- For instance, in the last one year, the bank's business grew **23%** (Assets + Liabilities) while the monthly customer calls at contact center reduced by **24%.** This has led to reduced costs, reduced manpower by **14%** and improved customer service levels




These are not unique customers, but the number of relationships with the bank. Example: if a customer has a credit card and a savings account, it is treated as 2 products

# Section 3: Management Commentary Q1 FY26

# ***Management Commentary Q1-FY26***

- Bank has undertaken a structural transformation over the last few years, reduced Credit Deposit Ratio, and retailised both sides of the balance sheet
- **Deposits** franchise continues to strengthen, Customer Deposits up 26% YoY to Rs. 2,56,799 crore
- Bank maintained strong **CASA** ratio at 48.0%. CASA Deposits grew healthily by 30.2% YoY
- **Loans & Advances** of the bank grew by 21% YoY to Rs. 2,53,233 crore
- **Asset Growth** (82% of the asset growth on YoY basis) contributed by Mortgage loans, Vehicle financing, Business Banking, MSME & Wholesale Loans
- **Credit to Deposit** Ratio further improved to 93.4% as of June 30, 2025, down from 137% since merger
- Marginal increase in GNPA from 1.87% to 1.97% and in NNPA from 0.53% to 0.55%
- **PCR** healthy at 72.3% as of June 30, 2025
- The **MFI loan book** reduced from Rs. 13,239 crore to Rs. 8,354 crore (down 37% YoY), and is now only 3.3% of the overall loan book
- **Collection efficiency** in MFI book improved from 98.1% in Q4-FY25 to 99.0% in Q1-FY26. SMA 1+2 portfolio in MFI business reduced
- Except Microfinance book, rest of book continues to be stable
- **Net Interest Income** (NII) of the Bank grew by 5.1% YoY because repo rate cut was passed on to eligible customers and asset mix changed including reduction of MFI. On the other hand, Term Deposit repricing takes ~9 to 12 months to take effect. NII growth expected to be increase in H2 FY26
- Excluding the impact of MFI business, the NII grew by 11.8% YoY
- **Operating leverage** improved. There was 23% business growth with only 11.0% YoY increase in Operating Expenditure. Core PPOP increased sequentially by 7.8%
- During the quarter, the Bank announced fresh equity capital raise of Rs. 7,500 crore. Process is likely to be completed in Q2-FY26

# Section 4: Deposits and Borrowings

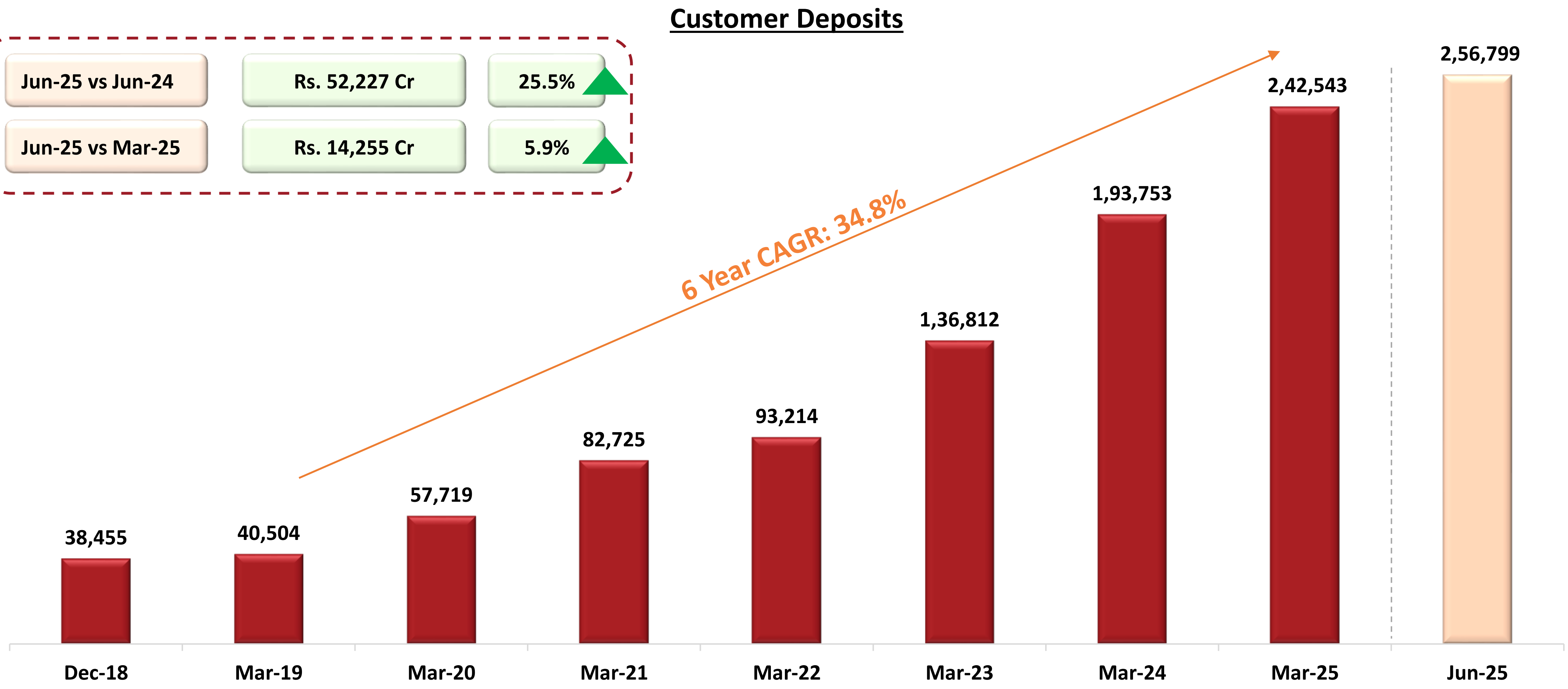
# Total Customer Deposits strong at 26% YoY



**Total Customer Deposits = Retail Customer Deposits + Wholesale Customer Deposits. Excludes Certificate of Deposits.**

| | | |
|---|---|---|
| Jun-25 vs Jun-24 | Rs. 52,227 Cr | 25.5% |
| Jun-25 vs Mar-25 | Rs. 14,255 Cr | 5.9% |

*In Rs. Crore*

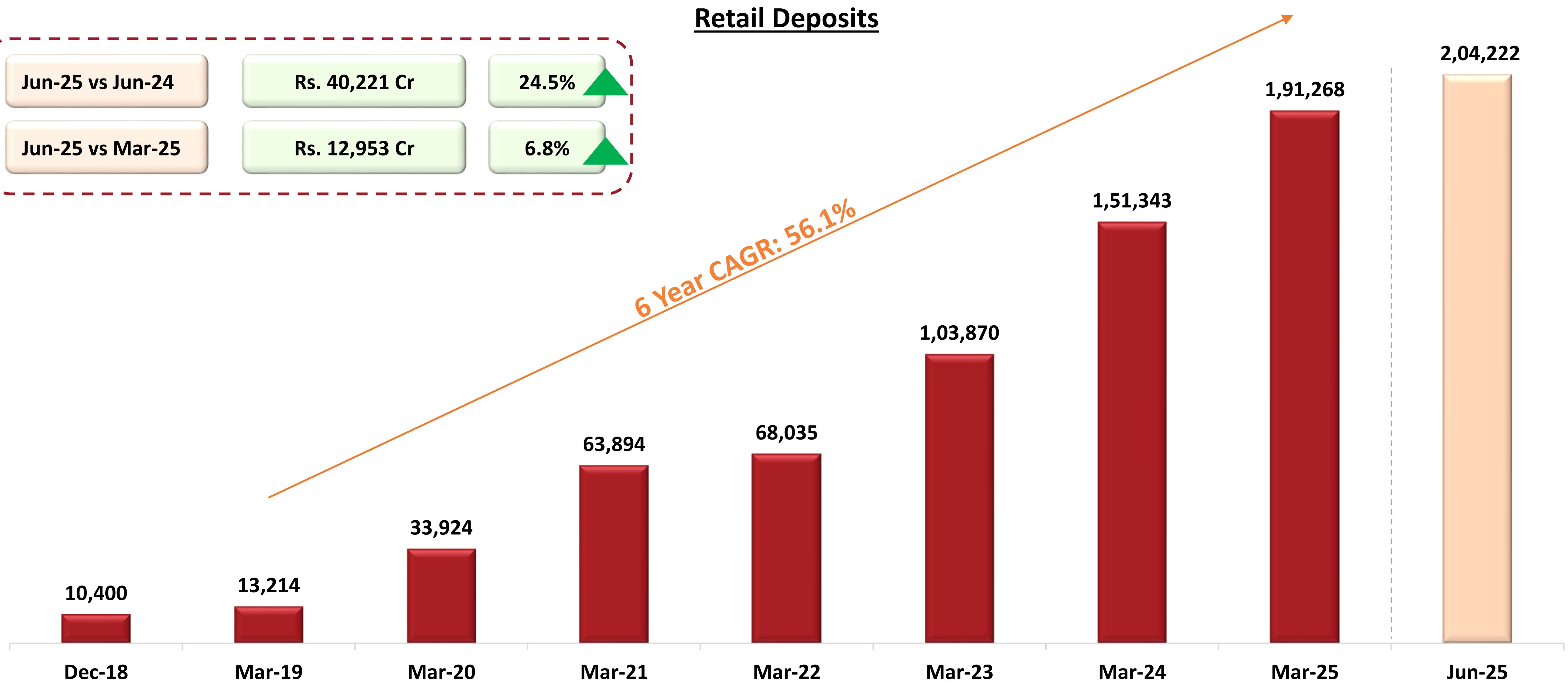


# Retail Deposits growth strong at 25% YoY



| | | |
|---|---|---|
| Jun-25 vs Jun-24 | Rs. 40,221 Cr | 24.5% |
| Jun-25 vs Mar-25 | Rs. 12,953 Cr | 6.8% |

*In Rs. Crore*

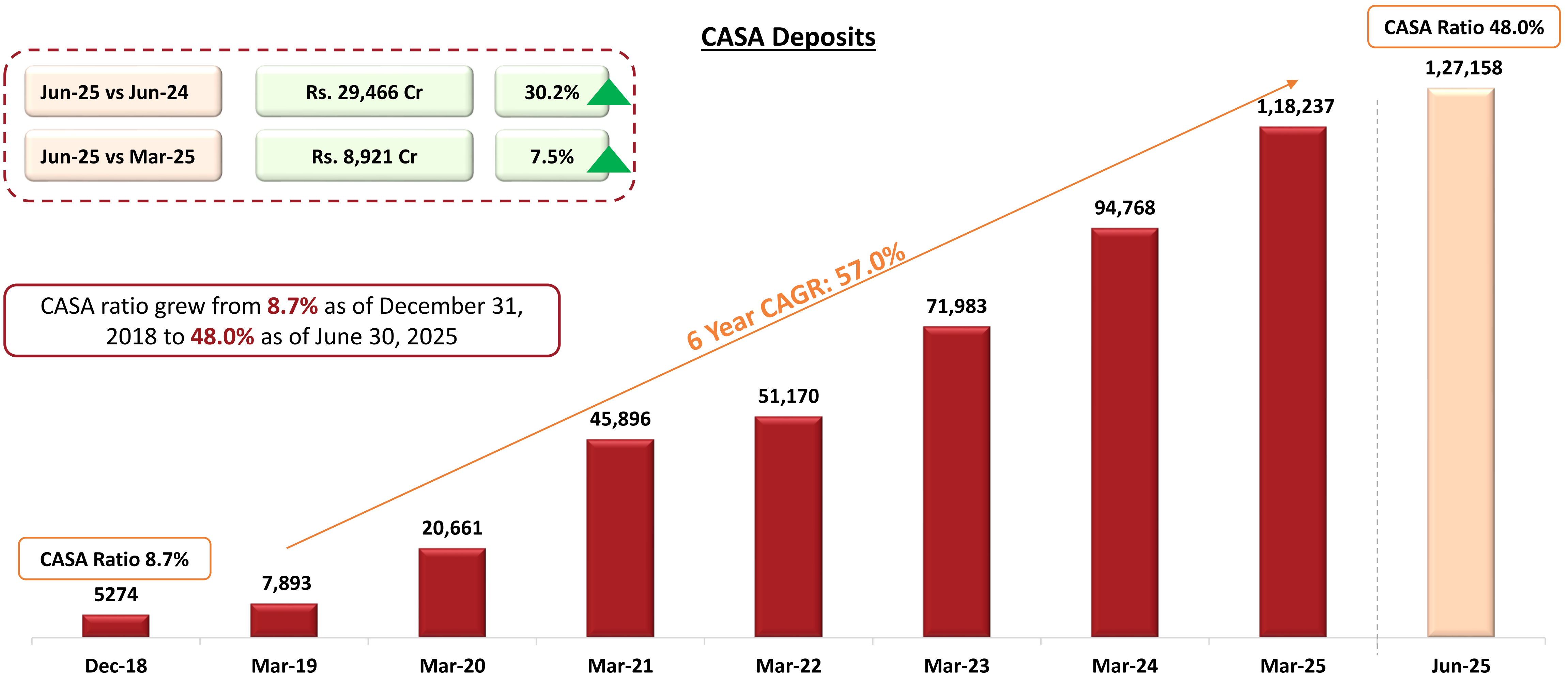


# CASA Deposits growth strong at 30% YoY



| | | |
|---|---|---|
| Jun-25 vs Jun-24 | Rs. 29,466 Cr | 30.2% |
| Jun-25 vs Mar-25 | Rs. 8,921 Cr | 7.5% |

CASA ratio grew from **8.7%** as of December 31, 2018 to **48.0%** as of June 30, 2025

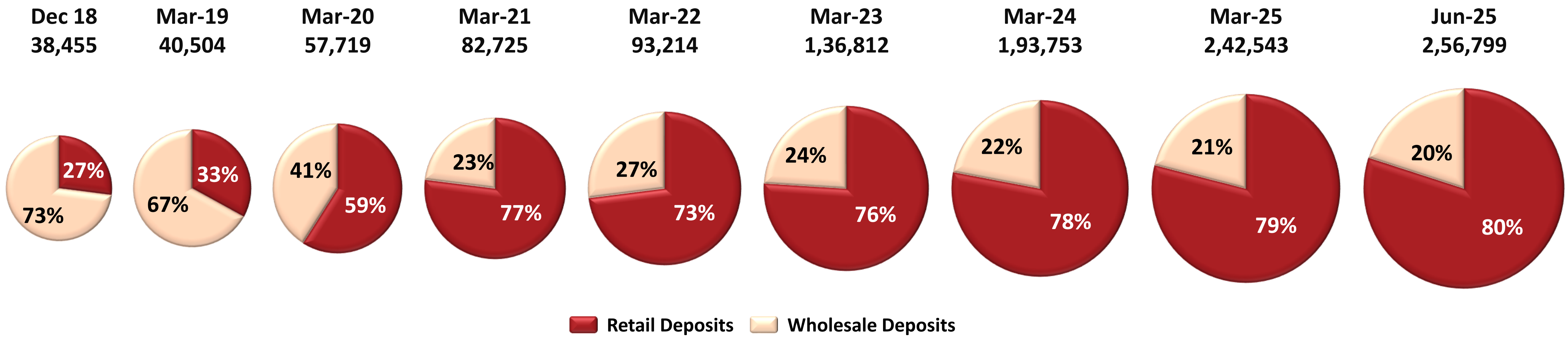


# Bank has a diversified its liabilities base with 80% Retail Customer Deposits



- It is a strategic priority of the Bank to grow retail deposits. Retail Deposit customers are used to transactions, id, passwords, RMs, branch services, Auto Debits, Standing Instruction, EMI debits, MF investing and hence is more stable than bulk deposits.
- Retail deposits have increased from 27% of deposits at merger to 80% currently which has significantly stabilized the deposits side.
- The Bank is confident of sustaining this momentum as it is built on customer experience, contemporary technology platform and strong brand.

**Customer Deposits (Rs. Crore)**



# Deposits & Borrowings Details



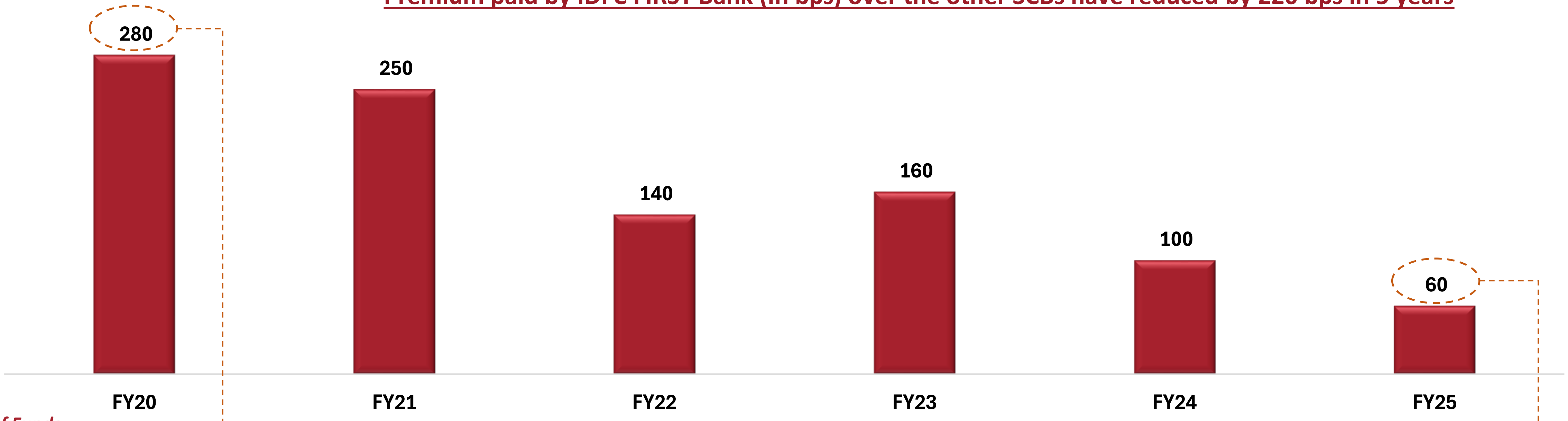
| Particulars (In Rs. Crore) | Jun-24 | Mar-25 | Jun-25 | YoY Growth |
|---|---|---|---|---|
| Legacy Long Term & Infrastructure Bonds | 9,435 | 4,215 | 1,661 | -82.4% |
| Refinance & Other Borrowings | 18,681 | 23,450 | 23,061 | 23.4% |
| Tier II Bonds | 4,500 | 4,500 | 4,500 | - |
| **Total Borrowings** | **32,617** | **32,166** | **29,223** | **-10.4%** |
| CASA Deposits | 97,692 | 1,18,237 | 1,27,158 | 30.2% |
| Term Deposits | 1,06,880 | 1,24,306 | 1,29,640 | 21.3% |
| **Total Customer Deposits** | **2,04,572** | **2,42,543** | **2,56,799** | **25.5%** |
| Certificate of Deposits | 5,095 | 9,522 | 8,173 | 60.4% |
| **Borrowings & Deposits (Excluding money market borrowings)** | **2,42,283** | **2,84,231** | **2,94,194** | **21.4%** |
| Money Market Borrowings | 19,253 | 6,809 | 13,583 | -29.4% |
| **Total Borrowings & Deposits** | **2,61,536** | **2,91,040** | **3,07,777** | **17.7%** |
| **CASA Ratio (%)** | **46.6%** | **46.9%** | **48.0%** | **140 bps** |
| **Average CASA Ratio % (On daily average balance for the quarter)** | **44.5%** | **46.5%** | **45.8%** | **131 bps** |

# Bank raised deposits despite reducing Cost of Funds by 138 bps since merger



- The Bank has reduced Cost of Funds by **138 bps** from **7.80%** at merger to **6.42%** in Q1 FY26, due to increase in CASA ratio from **8.7%** at merger to **48.0%** currently. On QoQ basis, the cost of funds reduced by **9 bps** (calculated on daily average balance).
- Cost of Deposits of the Bank was at **6.37%** for Q1 FY26 as compared to **6.38%** in Q4 FY25, (calculated on daily average balance).
- At time of merger Bank paid **280 bps** over scheduled commercial banks. Over time, the Bank has reduced its Cost of Funds and now pays only **60 bps** over average of Scheduled Commercial Banks.

**Premium paid by IDFC FIRST Bank (In bps) over the other SCBs have reduced by 220 bps in 5 years**



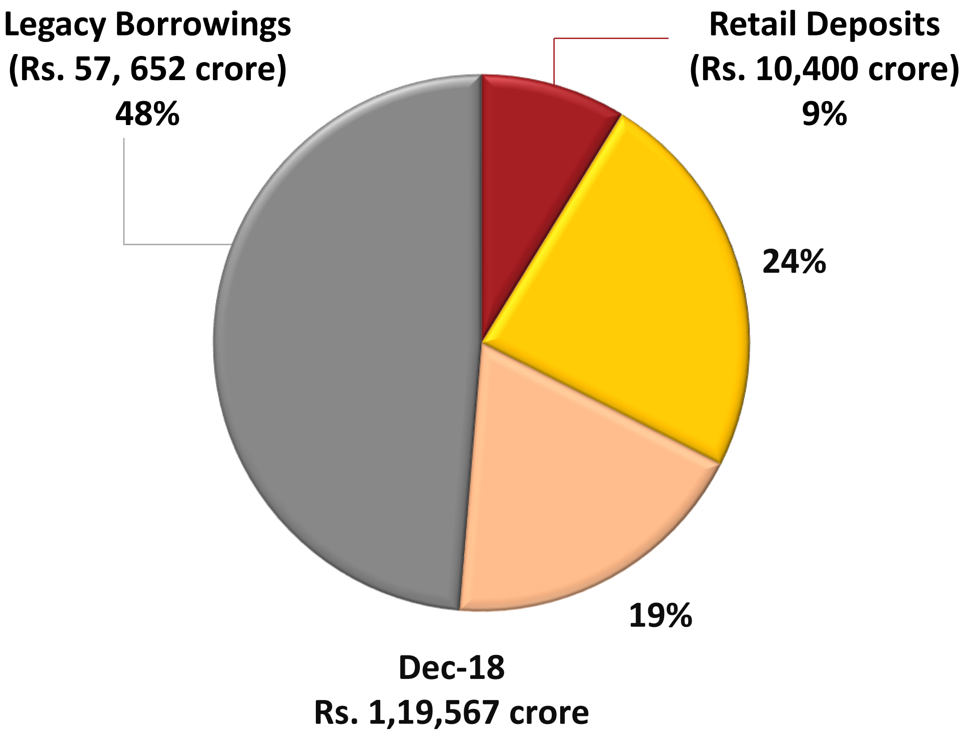

*Cost of Funds*

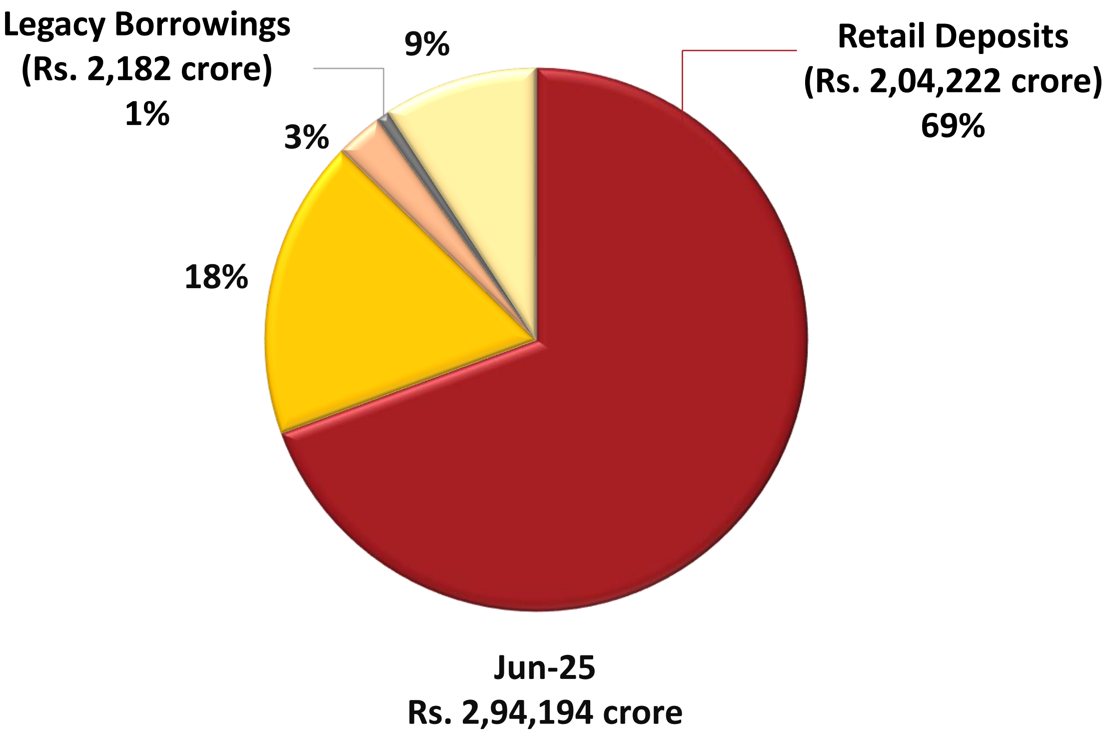
| | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|---|---|
| *IDFC FB* | *7.8%* | *6.7%* | *5.1%* | *5.6%* | *6.1%* | *6.3%* |
| *SCBs* | *5.0%* | *4.2%* | *3.7%* | *4.0%* | *5.1%* | *5.7%* |

*Cost of Funds figures below the graph are calculated as Interest Expenses divided by average of deposits and borrowings (opening and closing); Source: RBI Data*

# Transformation of liabilities towards retail deposits

## Composition of Total Deposits & Borrowings*



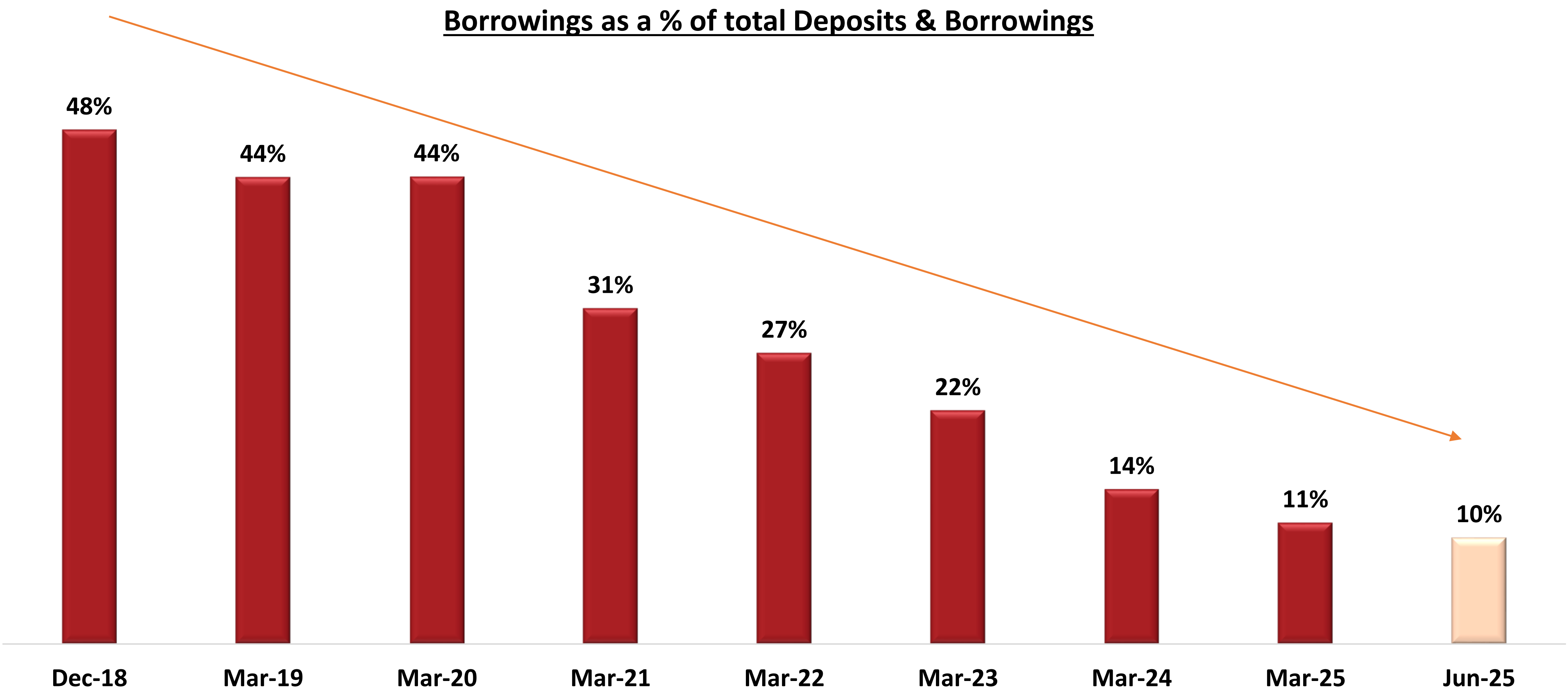

Retail Deposits | Wholesale Deposits | Certificate of Deposits | Legacy Borrowings | Fresh Borrowings (post-merger)

- Retail Deposits as % of Total Deposits & Borrowings increased from **9%** at merger to **69%** currently
- Borrowings reduced from **48%** at merger to below **10%**
- Certificate of Deposits reduced from **19%** at merger to below **3%**

**Borrowings excludes Money market borrowings*

# Retail deposits used to repay legacy borrowings. Borrowings down from 48% to 10%

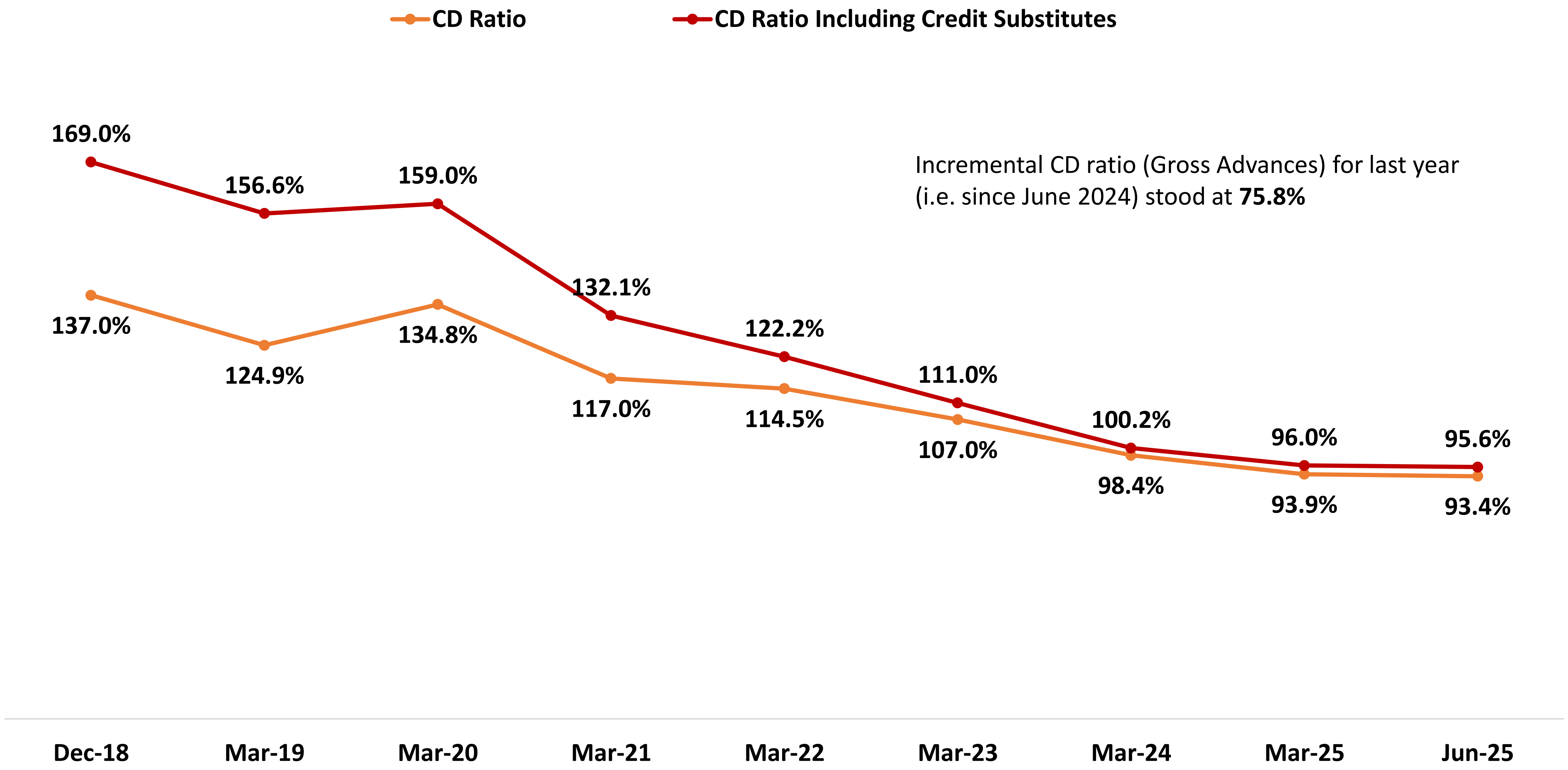





*Borrowings are excluding money market borrowings*

# Credit Deposit Ratio has reduced from 137% to 93%






Incremental CD ratio (Gross Advances) for last year (i.e. since June 2024) stood at **75.8%**

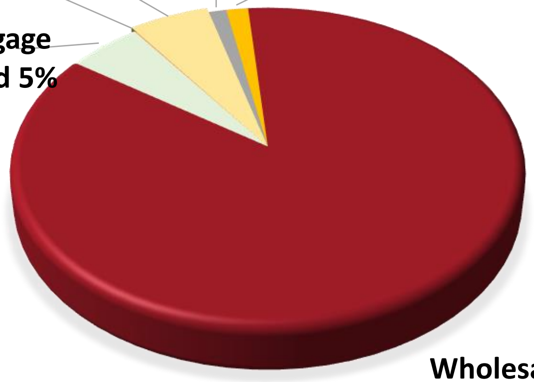
# Section 5: Diversified Loan Portfolio

# Diversified Loan Book

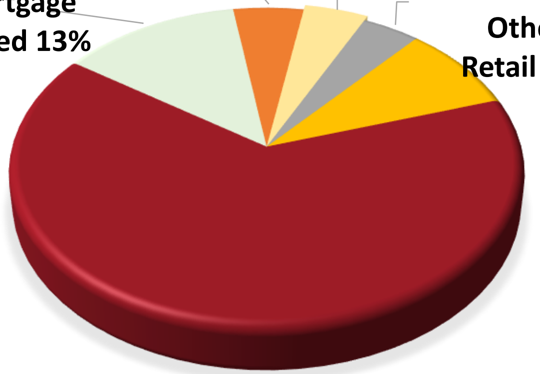


*The Bank has transformed the loan book from a primarily wholesale credit book to a well diversified portfolio including retail, rural, MSME and corporate Banking*

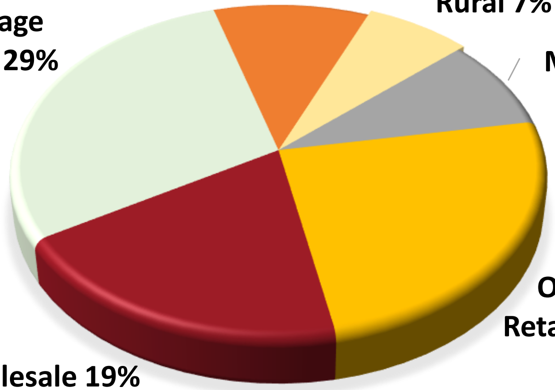
**Pre-Merger**
**September 30, 2018**
**Rs. 75,332 crore**




**At Merger**
**December 31, 2018**
**Rs. 1,04,660 crore**




**Current**
**June 30, 2025**
**Rs. 2,53,233 crore**




- The Bank has reduced **infrastructure loan** as a % of total loan assets from **22%** at merger to below **1% currently**.
- The Bank has improved the **mortgage-backed** loans % of the total loan assets from **13%** at merger to **29% currently**.



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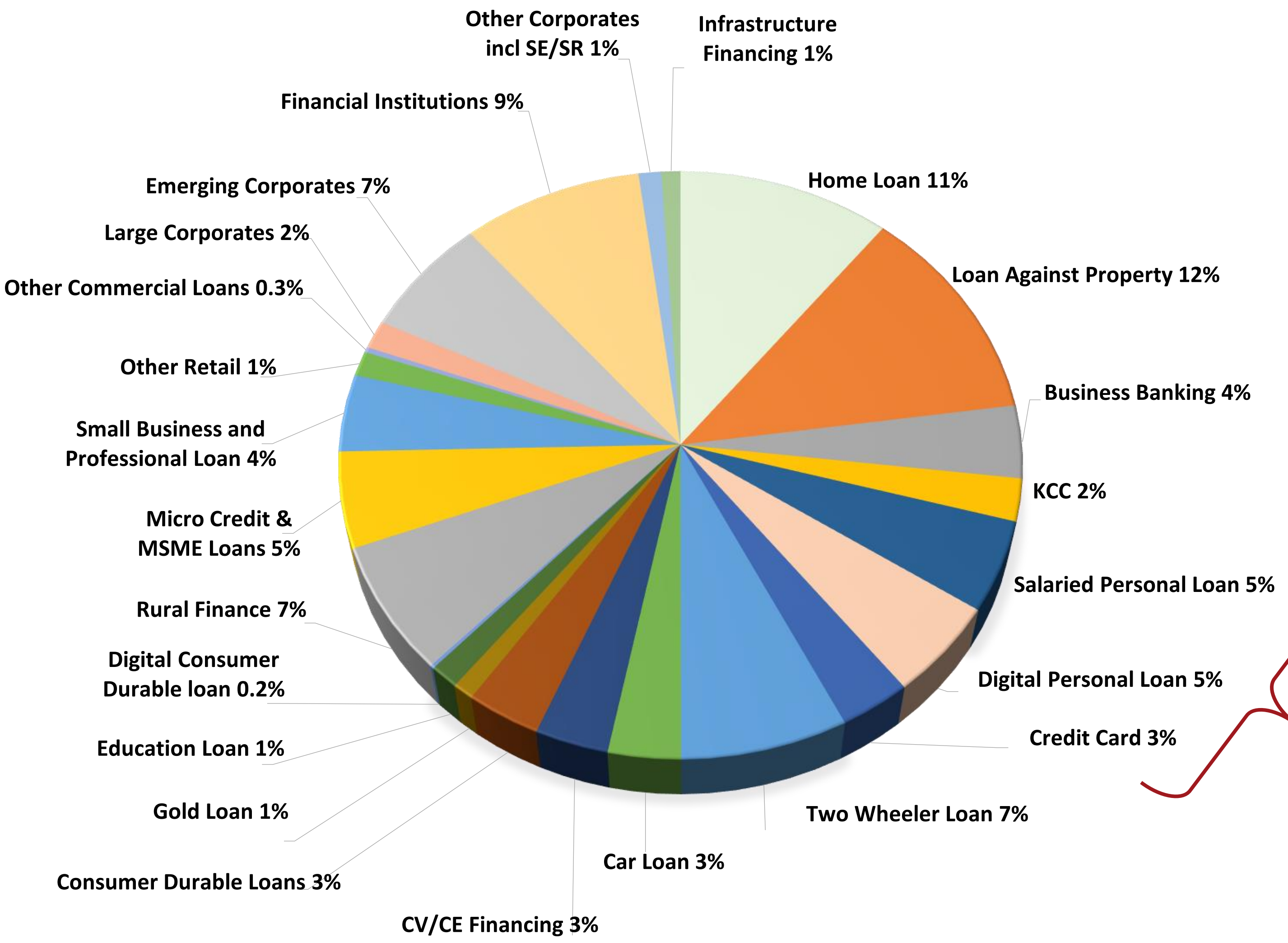
# The Bank has diversified its loan book across more than 25 business lines






**Loan Book: June 30, 2025**
**Rs. 2,53,233 crore**

**13% of total loan book is Unsecured Retail Credit**

**GNPA = 1.86%**
**NNPA = 0.53%**

*NPA Includes Personal loans, Digital loans, education loans & credit cards*



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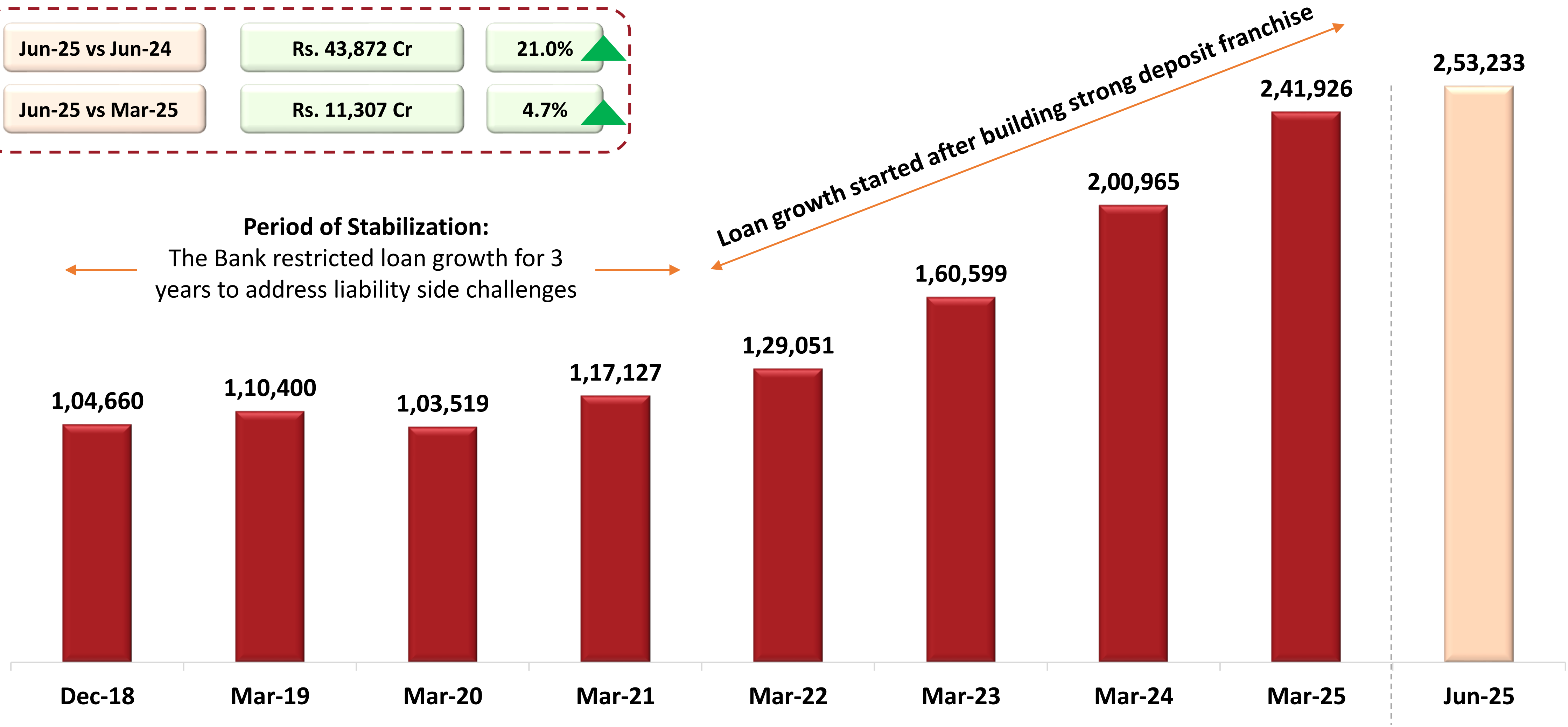
# Loans and Advances Trend



## Loans & Advances

*In Rs. Crore*

| | | |
|---|---|---|
| Jun-25 vs Jun-24 | Rs. 43,872 Cr | 21.0% |
| Jun-25 vs Mar-25 | Rs. 11,307 Cr | 4.7% |




*Loans and Advances include credit substitutes*



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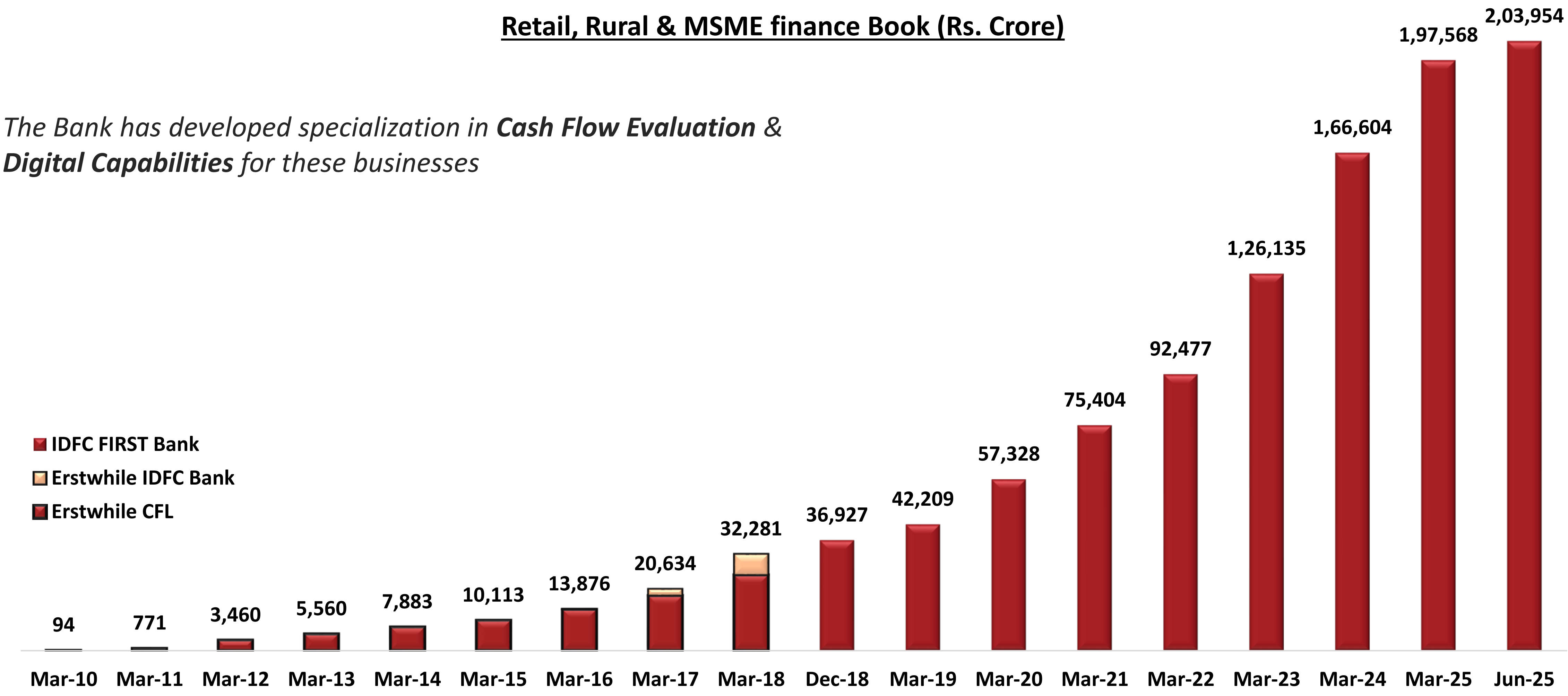
# Bank developed specialization in Retail, Rural and MSME; grown consistently for 15 years



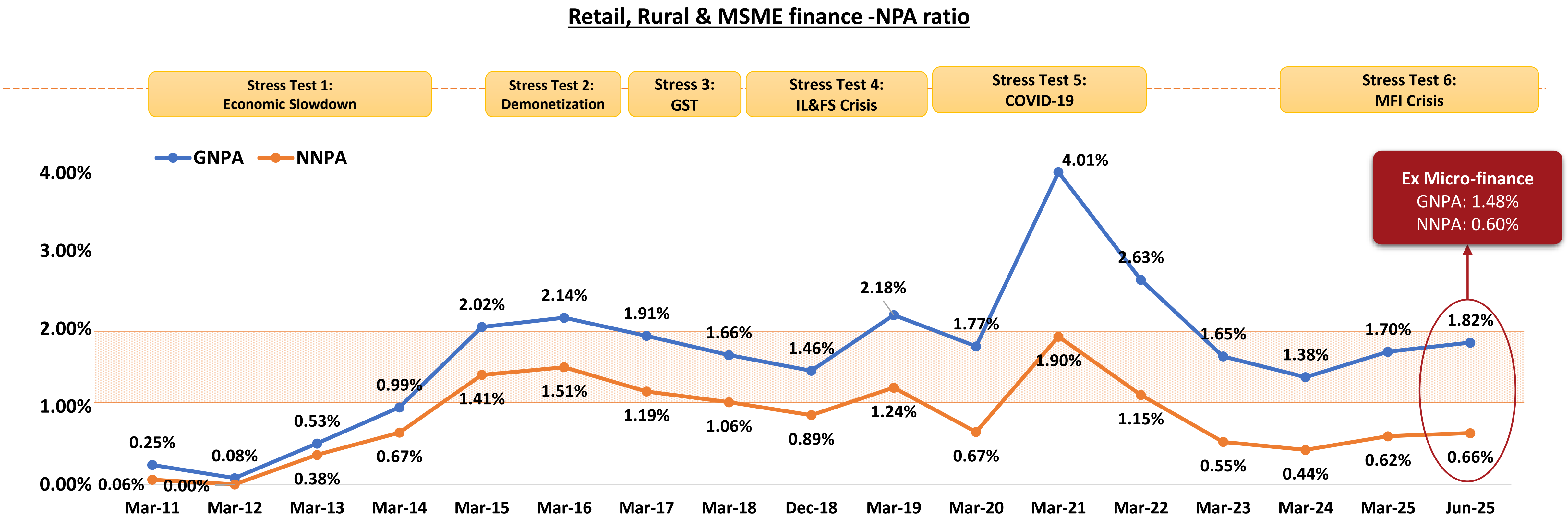
*The Bank has developed specialization in **Cash Flow Evaluation** & **Digital Capabilities** for these businesses*



# Asset Quality: Gross NPA (~2%), Net NPA (~1%) stable over 15 years through cycles



*Credit Costs ~2% of loan book through cycle.*
*Retail, Rural and MSME finance Book was tested through **6 Stress tests** during the last 15 years but the Asset Quality remained strong*





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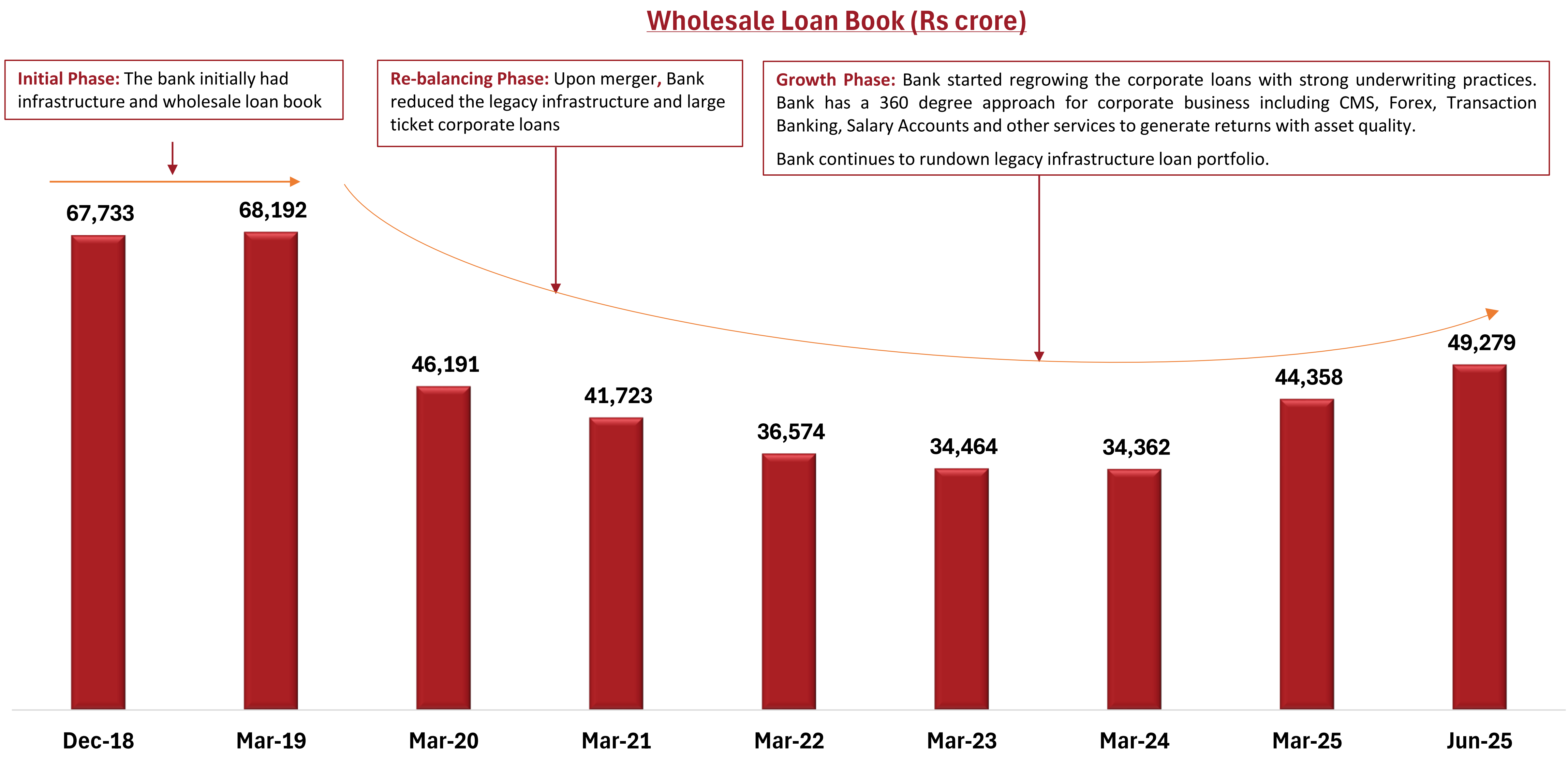
# Wholesale Loan Book growth trend since inception

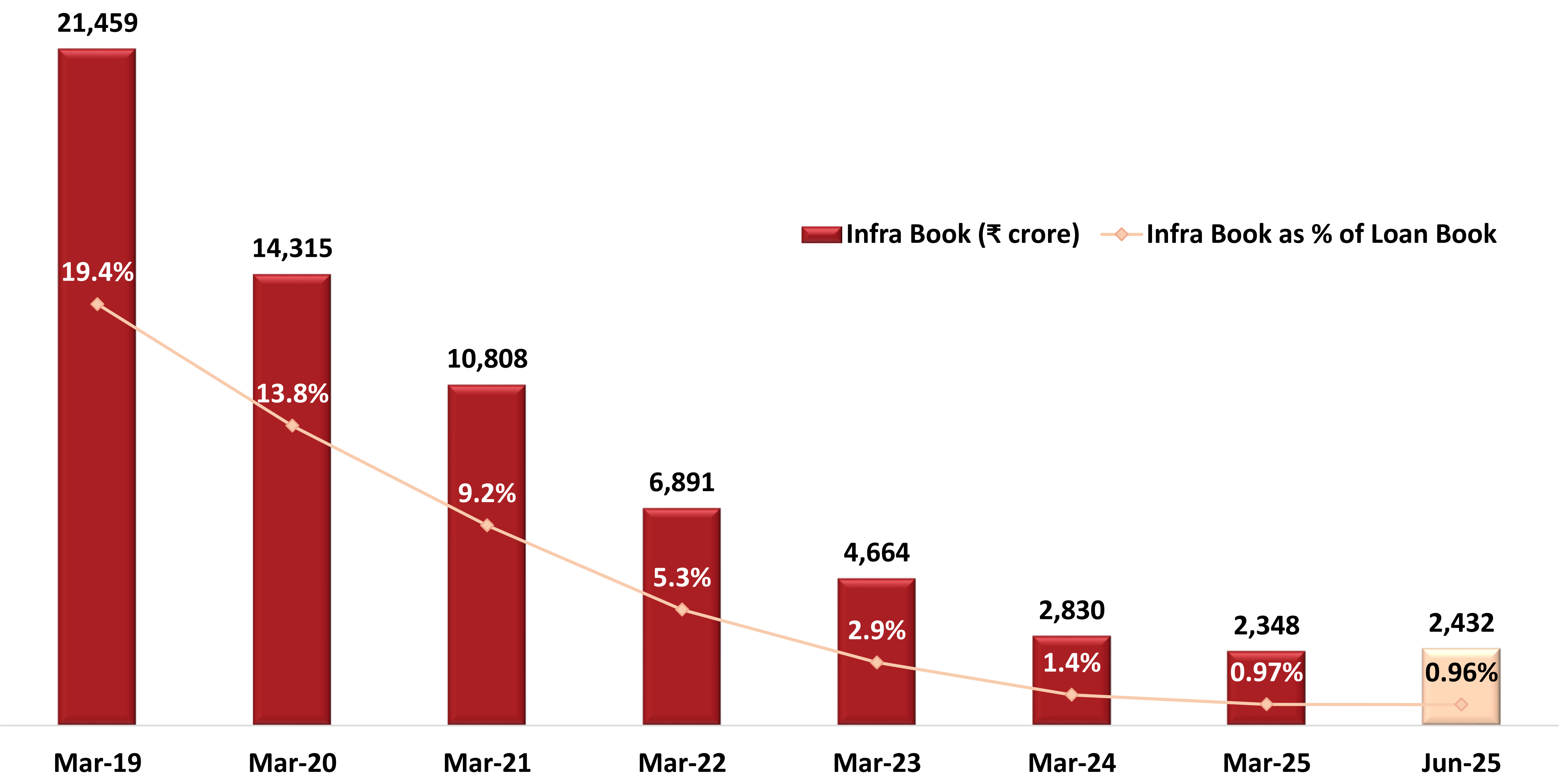



*Corporate loans includes PSL Buyouts, Security Receipts and Loan converted to equity*

# Bank reduced Project infrastructure financing from 19% to 1% of loans



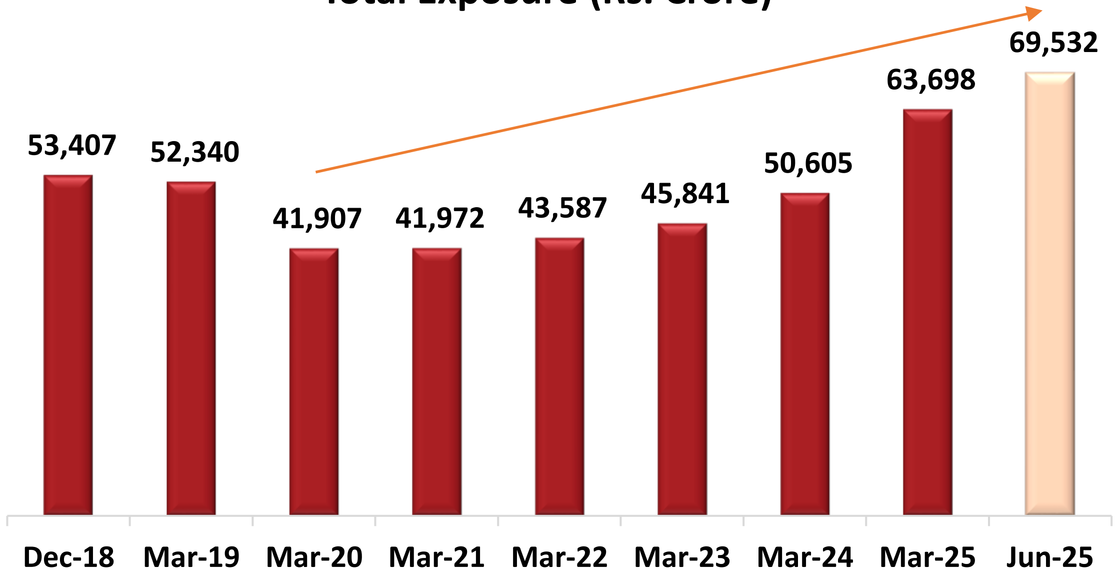
## Infrastructure Finance Book



# Corporate loan exposure (Funded + Non-Funded) and Rating Profile

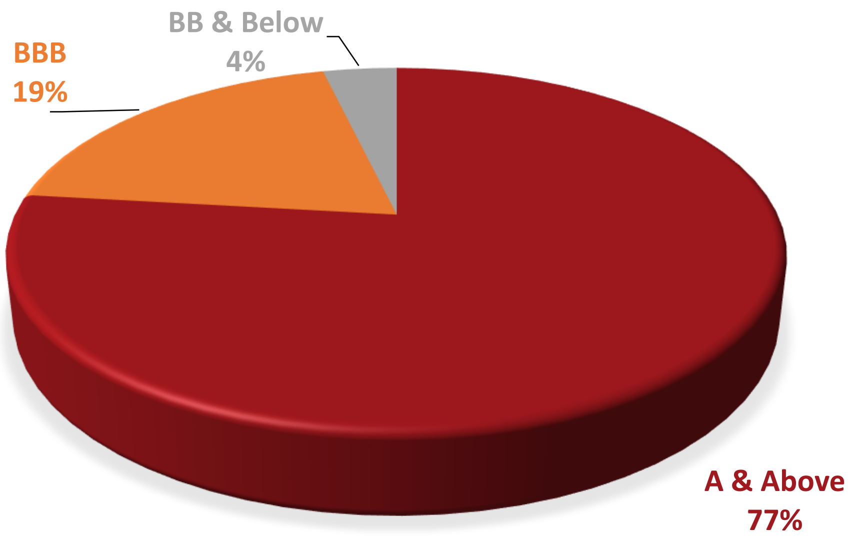


## Total Exposure (Rs. Crore) #




# Excludes Infrastructure, PTC, Equity investments & Security receipts

## Rating wise distribution ^



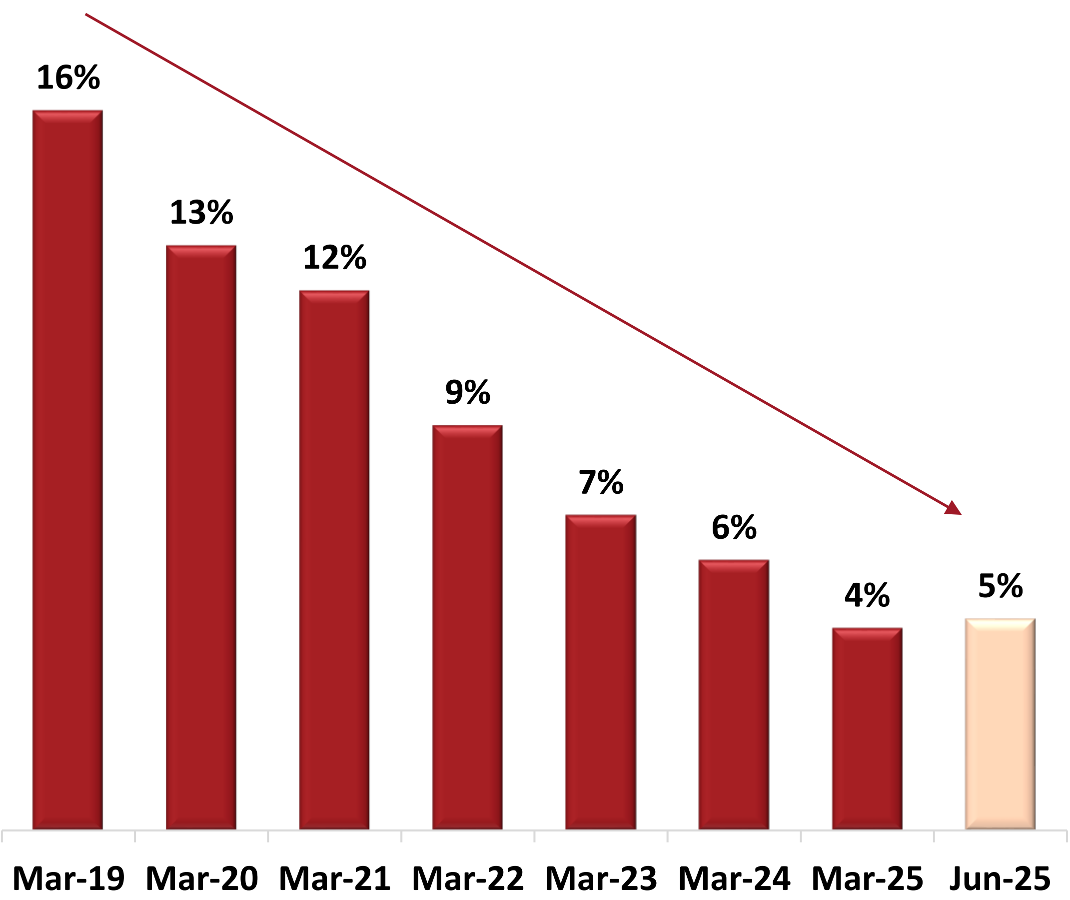

^ *Based on internal rating; BB & Below includes unrated exposure*

- The Corporate Book (FB + NFB) grew by Rs. 18,227 crore in the last 12 months
- The Bank added 193 new borrowers in last 12 months, which also contributed to growth
- New business sourced spread across various sectors viz. Metals, Transport Equipment, Services, NBFCs, EPCs, Food Processing, Wholesale Trading, Chemicals, etc.

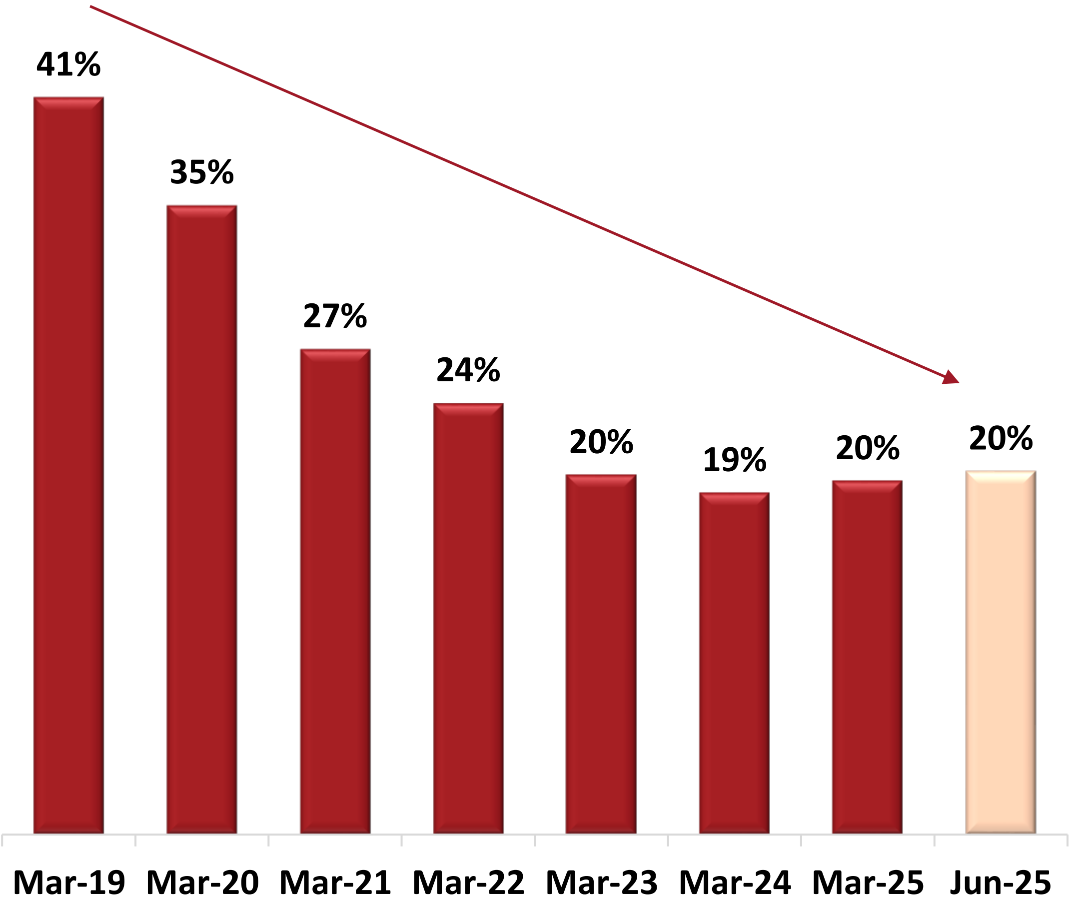
# Bank reduced concentration risk in Wholesale lending



**Also, the exposure to top 20 single borrowers reduced from 16% in Mar-19 to 5% in Jun-25**




**Further, the exposure to top 5 industries also reduced from 41% Mar-19 to 20% in Jun-25 which has further strengthened the balance sheet.**



# YoY Loan Growth driven by Mortgage, Vehicle and MSME & Wholesale Loans



| Gross Loans & Advances (In Rs. Crore) | Jun-24 | Mar-25 | Jun-25 | QoQ (%) | YoY (%) | |
|---|---|---|---|---|---|---|
| **Retail Finance** | **1,25,590** | **1,41,406** | **1,47,502** | **4.3%** | **17.4%** | |
| - Mortgage Loans | 49,387 | 55,568 | 57,804 | 4.0% | 17.0% | ▲ **8,417** 1 |
| *- Home Loan* | *24,658* | *27,191* | *27,236* | *0.2%* | *10.5%* | |
| *- Loan Against Property* | *24,729* | *28,377* | *30,569* | *7.7%* | *23.6%* | |
| - Vehicle Loans | 21,824 | 26,303 | 27,020 | 2.7% | 23.8% | ▲ **5,196** 2 |
| - Consumer Loans | 27,828 | 29,674 | 31,883 | 7.4% | 14.6% | |
| - Education Loan | 2,387 | 3,129 | 3,298 | 5.4% | 38.2% | 4 |
| - Credit Card | 5,938 | 7,517 | 8,075 | 7.4% | 36.0% | 5 |
| - Gold Loan* | 1,314 | 2,183 | 2,409 | 10.4% | 83.4% | 6 |
| - Others | 16,912 | 17,032 | 17,013 | -0.1% | 0.6% | |
| **Rural Finance*** | **24,518** | **24,757** | **23,922** | **-3.4%** | **-2.4%** | |
| - Of which Micro-finance Loans | 13,239 | 9,571 | 8,354 | -12.7% | -36.9% | |
| **Business Finance** | **59,252** | **75,763** | **81,809** | **8.0%** | **38.1%** | ▲ **22,557** 3 |
| - Wholesale Loans ^ | 35,564 | 44,358 | 49,279 | 11.1% | 38.6% | |
| - Business Banking (Working Capital)* | 7,590 | 9,757 | 10,140 | 3.9% | 33.6% | |
| - CV/CE Financing* | 6,674 | 7,525 | 8,317 | 10.5% | 24.6% | |
| - Others | 9,424 | 14,123 | 14,073 | -0.4% | 49.3% | |
| **Total Gross Loans & Advances** | **2,09,361** | **2,41,926** | **2,53,233** | **4.7%** | **21.0%** | ▲ **43,872** |

**82%** of the total growth is contributed primarily through Mortgage loans, Vehicle loans, MSME loans and Wholesale loans.

New businesses launched in the last 3-4 years which are at a scale-up stage with low base

**Rural Finance, CV/CE Financing, Business Banking, Gold Loans, Home Loans (< Rs. 30 Lacs) largely contribute to the PSL requirements of the Bank and hence are focus areas.*

*^ Wholesale Loans include PTC, Equity investments & Security receipts amounting to Rs. 2,423 crore and Infrastructure Book of Rs. 2,432 crore as on June 30, 2025. Others of business finance growth rate includes IBPC run off which was not part of the book in June 24 but is part of the book in June 25.*

*The figures above are net of Inter-Bank Participant Certificate (IBPC) transactions & includes credit substitutes. Lending to commercial banking businesses and MSMEs through working capital loans, business banking, commercial vehicle, trade advances, term loans, security receipts, loan converted to equity etc. have been combined with corporate banking as these are all pertaining to financing businesses. Home Loans, vehicle finance, education loans, gold loans, credit cards, etc have been combined under Retail banking as this represents financing to individuals. Loan against property has been retained as part of retail banking as is the convention in the banking system reporting. Consumer loans include Salaried Personal Loans, Small Business & Professional Loans and Consumer Durable Loans. Others in retail finance include digital personal loans, digital consumer durables loans, retail portfolio buyout etc.*

# Section 6: Strong Risk Management Framework

1. Cash-flow based lending – fundamental basis of Bank's lending

2. EMI / Cheque Bounce (early bucket) return Trend

3. Collection Efficiency Trend

4. SMA – 1+2 Trend

5. Product wise SMA -1+2 trend in Retail, Rural, MSME

7. Asset Quality Summary Separating MFI asset quality and rest of Book

8. NPA Movement

9. Vintage Analysis

10. Trend of Provision Coverage Ratio

# The fundamental underwriting principle of the Bank explained



**A.** The Bank specializes in **cash flow** assessment through bank statement, GST, bureau EMI etc.

**B.** In addition, Bank takes debit instruction for debiting EMI to customer bank account on pre agreed dates.

Combination of **A+B** put together practically works as an escrow.

Microfinance (Joint Liability Group Lending) business is an exception, where Bank does not have debit instructions to Bank account. Collections are done physically by our employees on due dates.

**Cash Flow Assessment**
**(Bank statements, GST filings, Bureau Data etc.)**

\+

**Debit Instruction to Bank**

=

**High Asset Quality**

# 10 Step Stringent Underwriting Process



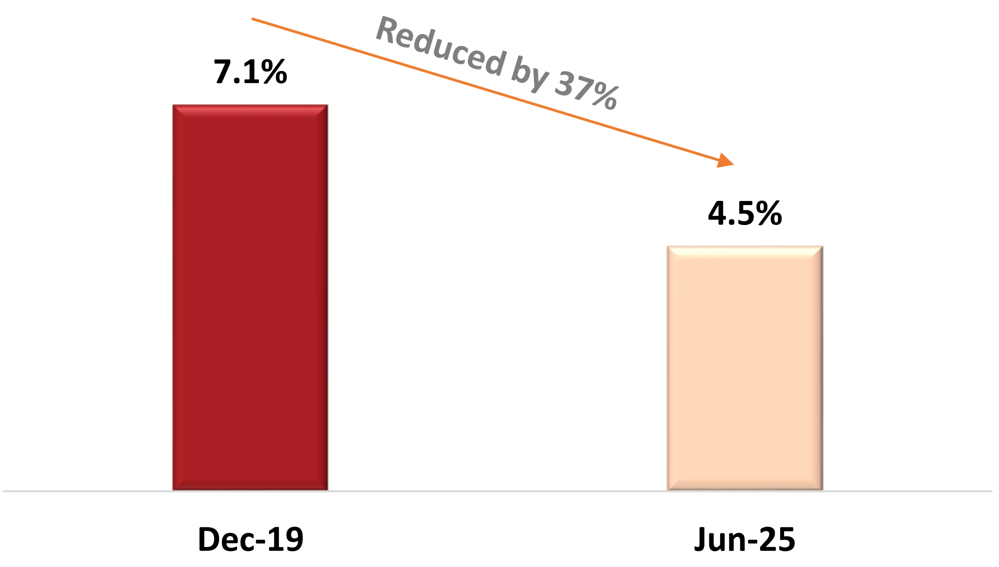
| Step | Check | Description |
|---|---|---|
| 1 | **No Go Criteria** | The Bank evaluates certain quick no-go criteria such as deduplication against existing records, bank validation and minimum credit parameter rules. |
| 2 | **Fraud Check** | Certain file screening techniques, banking transaction checks, industry fraud databases, fraud scorecards and real-time video-based checks are used to identify fraudulent applications |
| 3 | **Field Verification** | The Bank conducts field level verifications, including residence checks, office address checks, reference verification, lifestyle checks and business activity checks. |
| 4 | **Industry Check** | CRILC checks and checks by external entities are conducted to study financials, access to group companies whether legal cases have been filed against the company, disqualification of directors, etc. |
| 5 | **Ratio Analysis** | Detailed financial analysis is performed covering, Ratio analysis, debt to net-worth, turnover, working capital cycle, leverage, etc. |
| 6 | **Title Deed Verification** | Evaluation of title deeds of the property and collateral, legality validity, enforceability etc., |
| 7 | **Cash Flow Analysis** | The bank statement of account is analyzed for business credits, transaction velocity, average balances at different periods of the month, EMI debits, account churning, interest servicing, etc. |
| 8 | **Personal Discussion** | Personal discussion includes establishment of business credentials, clarifications on financials, queries on banking habits and bureau report, & understanding the requirement & end use of funds. |
| 9 | **Credit Scorecard** | The application is then put through scorecards that includes criteria such as leverage, volatility of avg. balances, cheque bounces, profitability and liquidity ratios and study of working capital, etc. |
| 10 | **Credit Bureau Check** | Checking the customer's credit behavior history, no. of credit inquiries, age in bureau, limit utilization, recency of inquiries, level of unsecured debt, etc. |

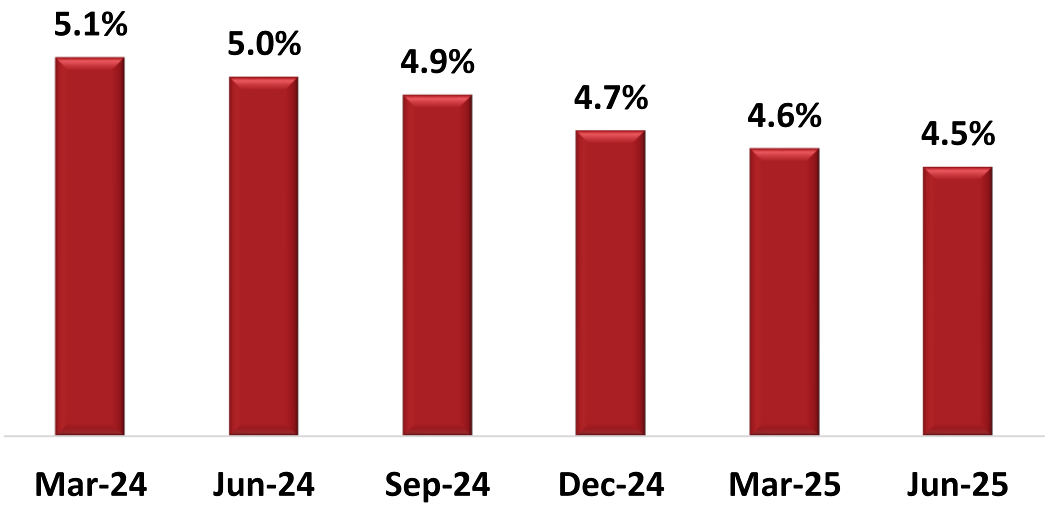
*Note: The underwriting process mentioned above, changes depending on product to product.*

# First EMI returns for insufficient funds



**First EMI returns for insufficient funds has reduced by 37% indicating quality of underwriting has improved consistently**




- First EMI (FEMI) represents Cheque returns in the FIRST month after Booking. It is thus a direct indicator of the Quality of Booking.
- First EMI Bounce Rate for insufficient funds has improved from 4.6% as of Mar-25 by 10 bps sequentially to 4.5% as of Jun-25.
- First EMI Bounce Rate, including insufficient funds and technical bounce, has improved from 5.2% as of Mar-25 by 10 bps to 5.1% as of Jun-25.
- Percentage are on a 12-months trailing basis, as a sustainable performance indicator.

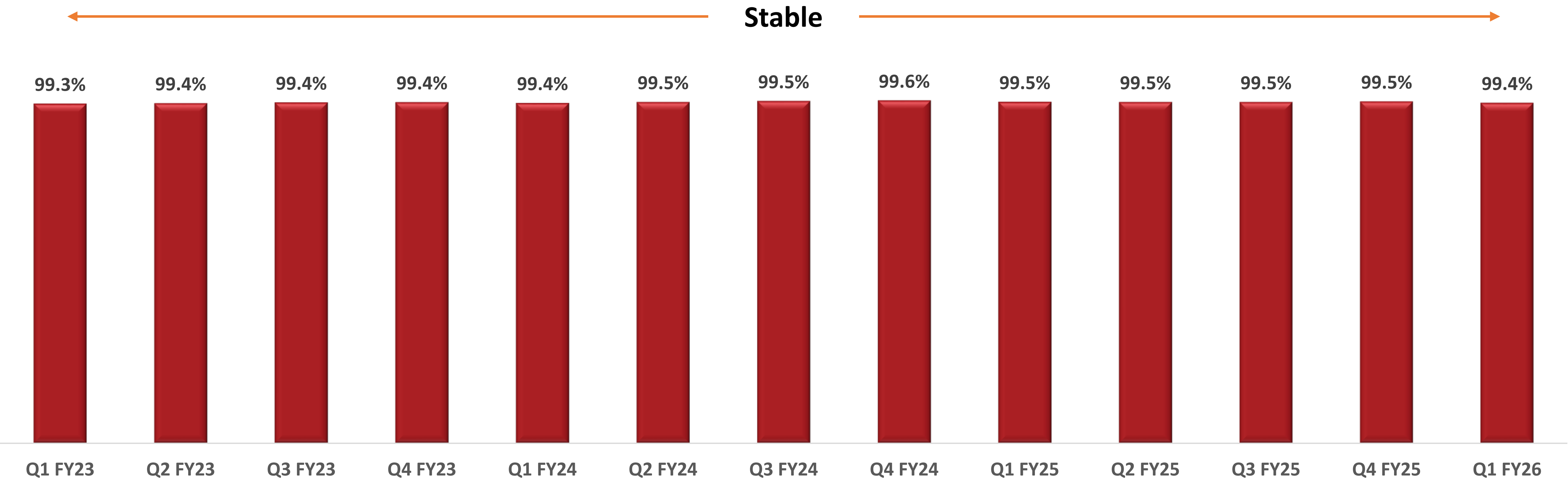
*(EMI returns pertain to Month 1 EMI presentation for Month 0 Booking); the above figures are for Urban Retail Portfolio*

# The Bank collection efficiency stable at 99.4% (Excluding micro-finance)



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

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



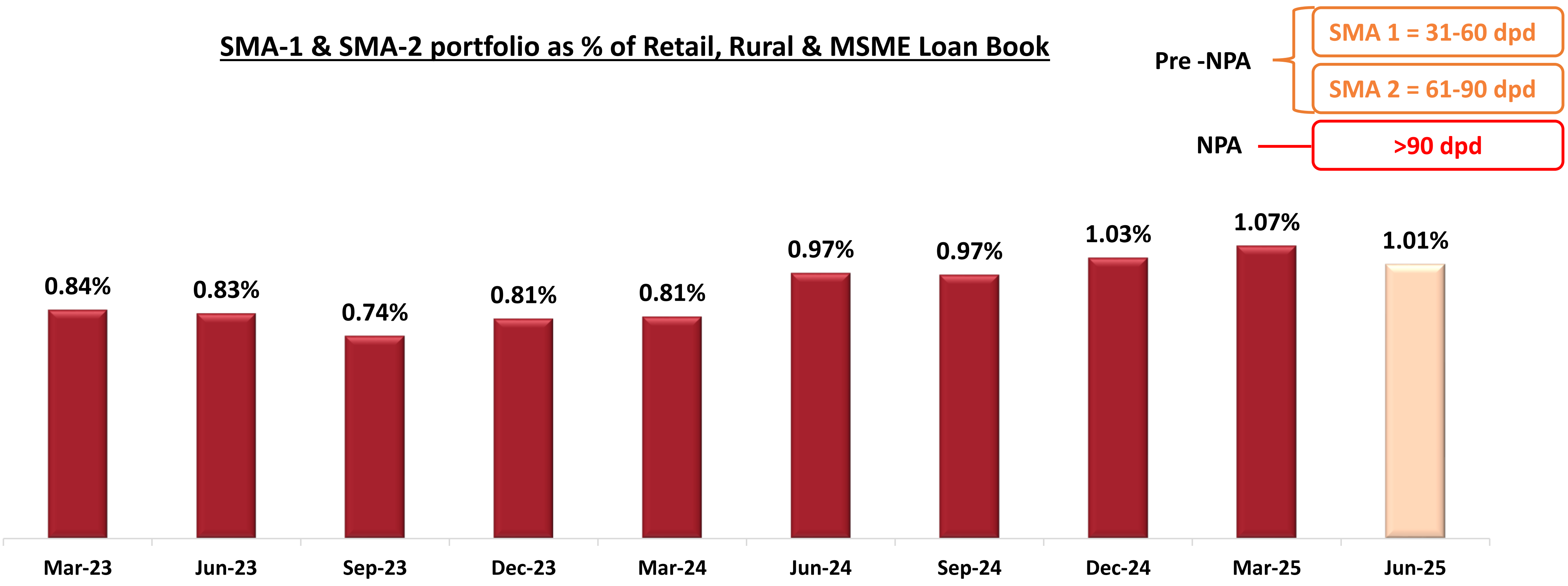

- Numbers pertain to collection efficiency in current bucket in Retail portfolio (excluding rural financing) which is the majority of the Book.
- Except the microfinance portfolio, the collection efficiency is stable for the other rural products

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

# SMA-1 & SMA-2 stable

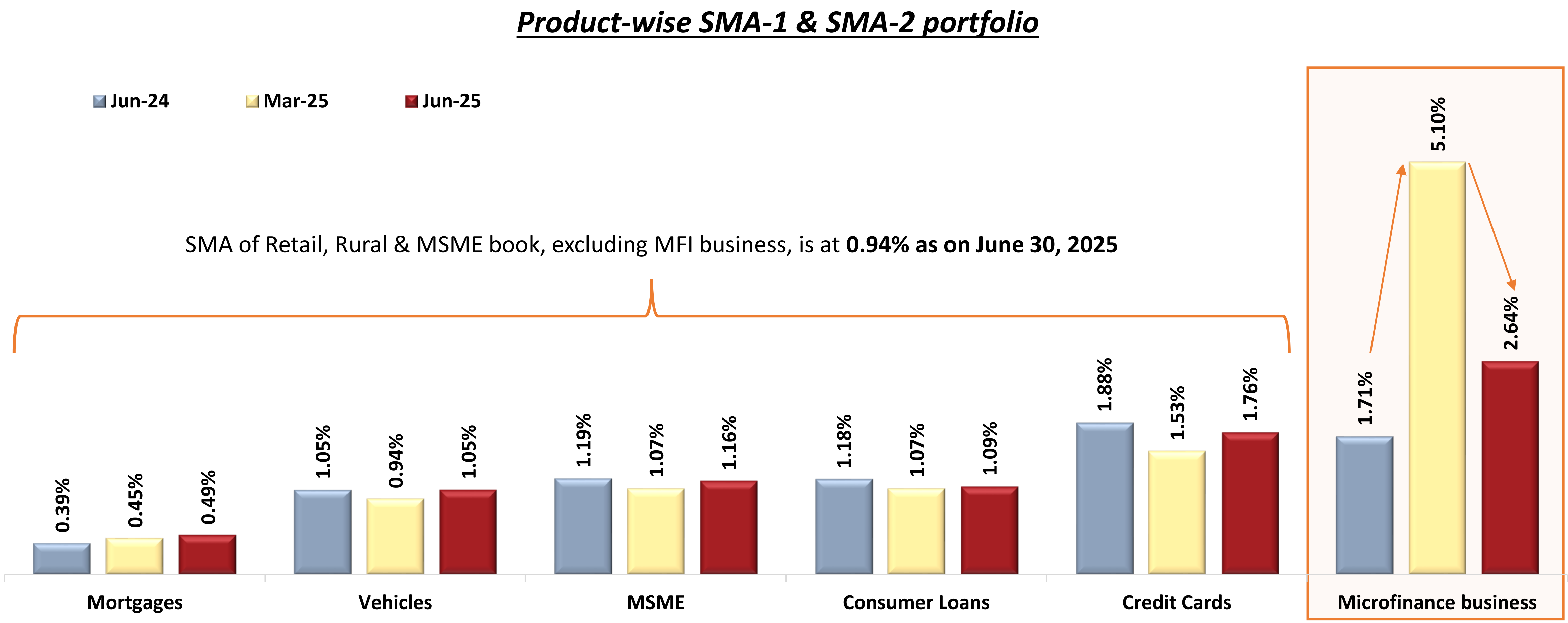


- SMA-1 & 2 for microfinance business reduced from **5.10%** in Mar-25 to **2.64%** as on Jun-25
- SMA-1 & 2 for overall Retail, Rural & MSME portfolio (excluding microfinance) stable at **0.94%** as on Jun-25 vs. **0.91%** in Jun-24 and **0.87%** in Mar-25




*Above numbers are Gross of IBPC*

# SMA position for all products stable, improvement in SMA of MFI Business

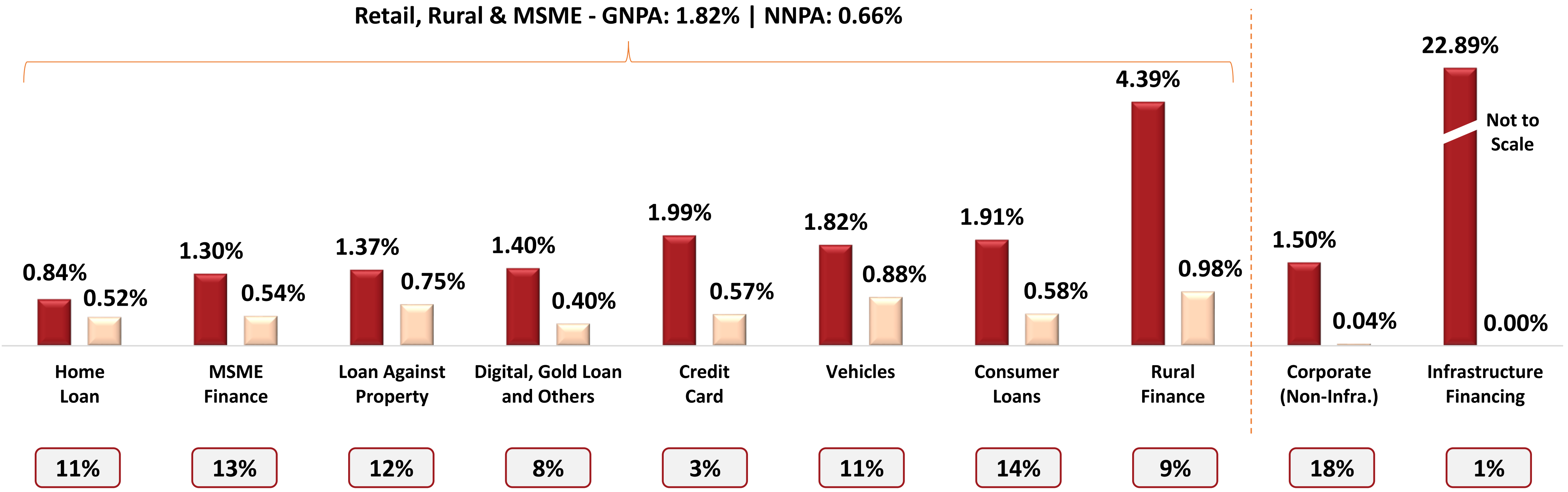



*Above numbers are Gross of IBPC | Consumer loans include consumer durables, personal loans, digital loans and education loans | HL and LAP constitute Mortgages Loans*

# NPA for all products stable (except MFI business)



- Bank's GNPA was at 1.97% and NNPA at 0.55%
- Provision coverage at bank level stood at 72.3%
- Gross and Net NPA of Retail, Rural and MSME finance book stood at 1.82% and 0.66% respectively
- Gross and Net NPA of Microfinance book stood at 9.73% and 2.13% respectively

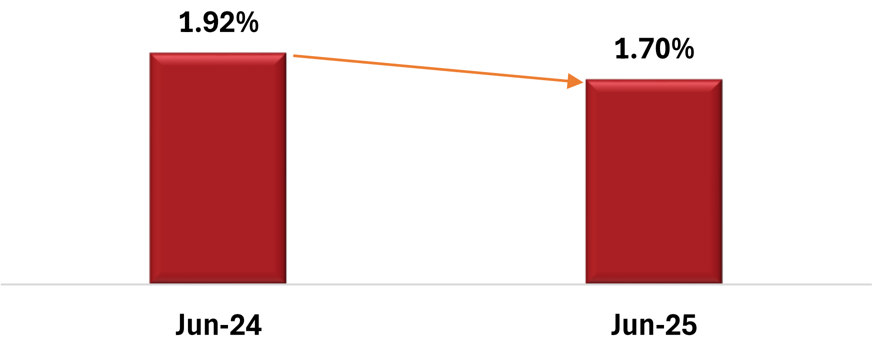



| | Home Loan | MSME Finance | Loan Against Property | Digital, Gold Loan and Others | Credit Card | Vehicles | Consumer Loans | Rural Finance | Corporate (Non-Infra.) | Infrastructure Financing |
|---|---|---|---|---|---|---|---|---|---|---|
| GNPA% | 0.84% | 1.30% | 1.37% | 1.40% | 1.99% | 1.82% | 1.91% | 4.39% | 1.50% | 22.89% |
| NNPA% | 0.52% | 0.54% | 0.75% | 0.40% | 0.57% | 0.88% | 0.58% | 0.98% | 0.04% | 0.00% |
| % of Funded Assets | 11% | 13% | 12% | 8% | 3% | 11% | 14% | 9% | 18% | 1% |

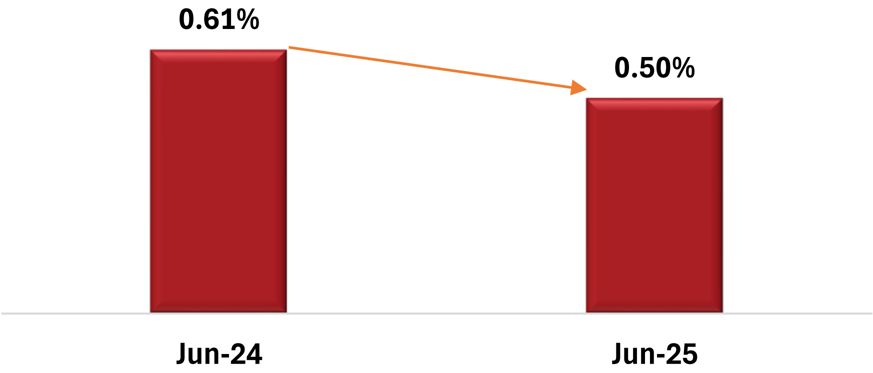
# YoY Asset Quality of the Bank stable (except MFI business)



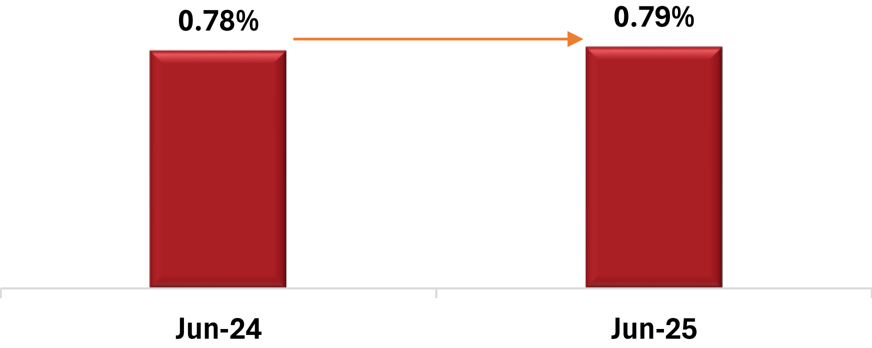
## Gross NPA %



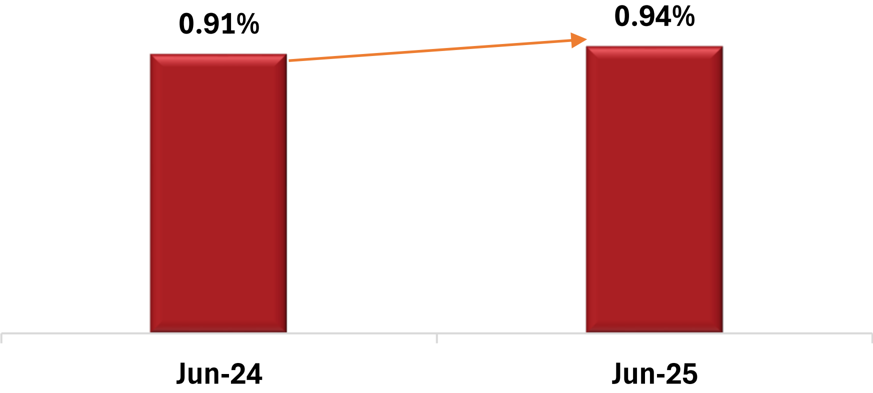

## Net NPA %




## SMA 1+2 (Bank Level)




## SMA 1+2 (Retail, Rural, MSME)



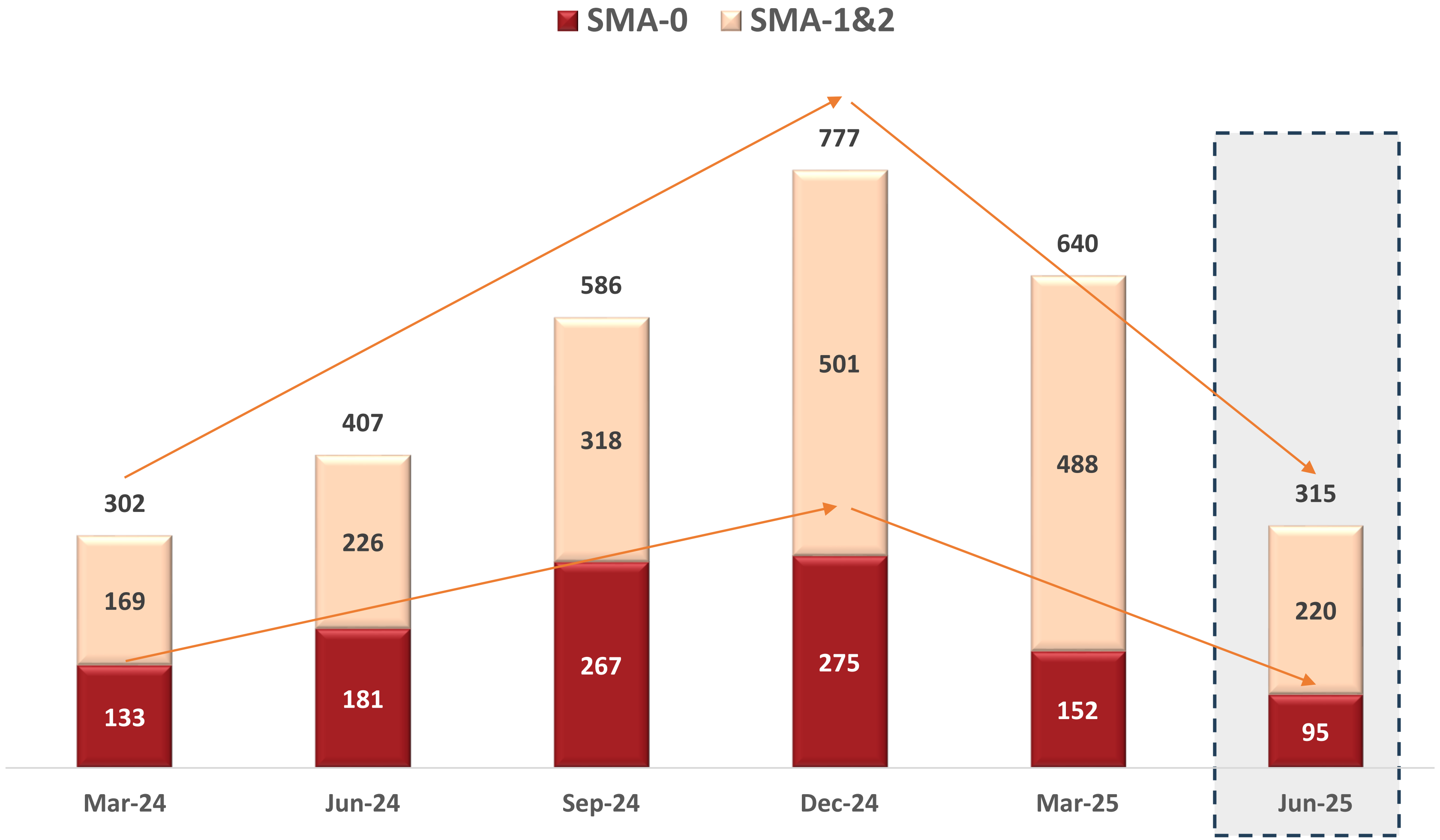

Credit cost# of the Bank (excluding MFI) stood at **2.0%** in Q1 FY26 as compared to **1.8%** in FY25.

Credit costs slightly increased on account of seasonality

*# Excludes one legacy infrastructure toll account*

# SMA 1 & 2 of MFI has declined, indicating lesser slippages for MFI going forward

*In Rs. Crore*




SMA pool peaked in December quarter and since then, SMA-0 and SMA-1&2 pool has declined by **66%** and **56%** respectively which indicates improving portfolio health of microfinance business.

The Bank continues to hold **Rs. 315 crore** as contingency provision on SMA book

# NPA Movement

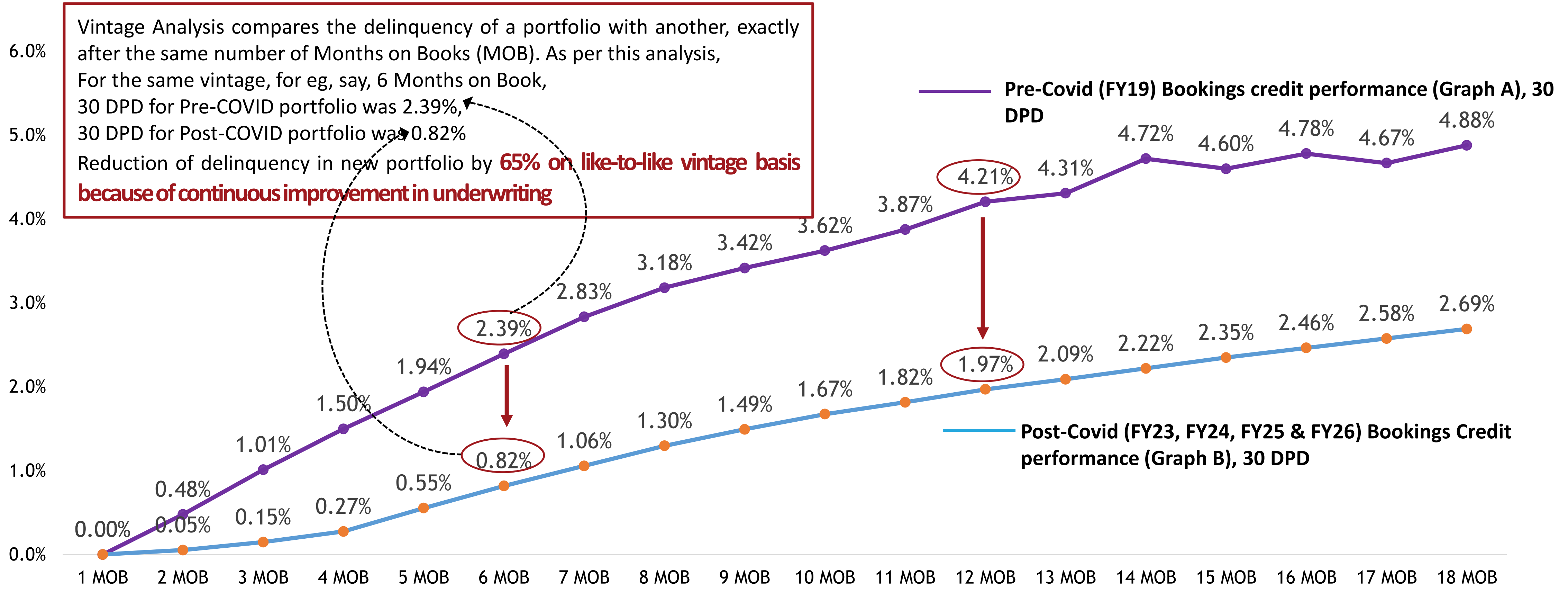
| Description (Rs. Crore) | Q4 FY25 | Q1 FY26 |
|---|---|---|
| Opening NPAs | 4,399 | 4,434 |
| **ADD: Gross additions (Fresh Slippages)** | **2,175** | **2,486** |
| - Other than MFI | 1,603 | 1,972* |
| - MFI | 572 | 514 |
| LESS: Recoveries, Upgrades and others | (655) | (487) |
| **Net Addition** | **1,520** | **1,999** |
| LESS: Write-offs | (1,486) | (1,565) |
| **Closing NPA** | **4,434** | **4,867** |
| Gross NPA (%) | 1.87% | 1.97% |
| Net NPA (%) | 0.53% | 0.55% |

*Includes slippages of ~Rs. 108 crore of an ATM service provider company in Q1FY26 (fully provided)

- Gross slippages (excluding microfinance book) for Q1 FY26 stood at 3.54% as compared to 3.35 % which is average of 4 quarters of FY25

# Vintage Analysis: showing portfolio quality improvement over the year (excluding MFI business)

Q1-FY26

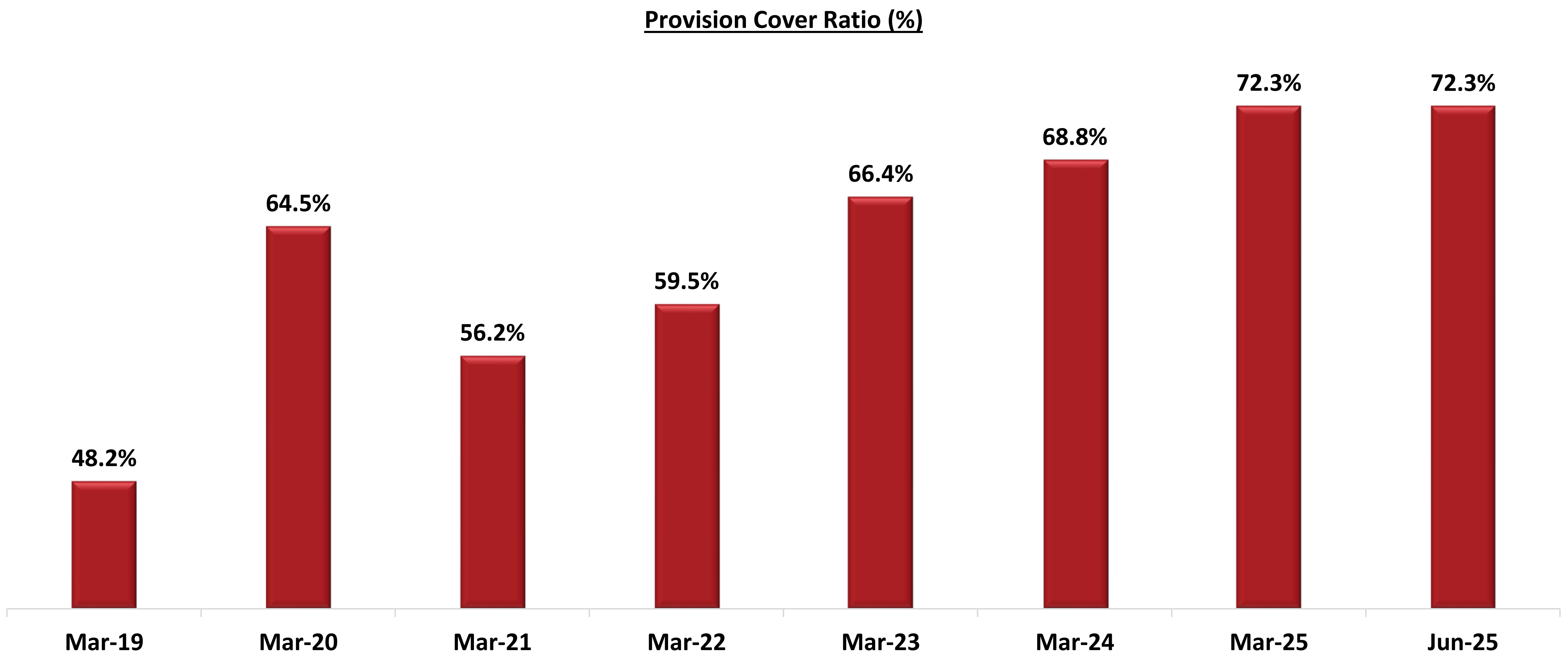



- <u>The Vintage analysis on this graph indicates the expected NPA over the next 3-5 years.</u> The delinquency for the new bookings of Post-COVID for like-to-like vintage is lesser than that booking of Pre-COVID. The past Pre- Covid bookings (Graph A) led to NPA of around 2% and Net NPA of around 1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

# Provision Coverage Ratio improved to 72.3%



Provision coverage improved by **296 bps** from **69.4%** in Jun-24 to **72.3%** in Jun-25, improved from 48.2% in Mar-19




*Provision Coverage (Excluding technical write-offs). Including technical write-off PCR coverage was 91%*

*This section on Microfinance portfolio is provided because of issues in the MFI industry*

# Section 7: Microfinance Business Update

a. Purpose & Objective

b. Trend of Outstanding Book

c. Insured by CGFMU Cover

d. Microfinance Trend in Collection Efficiency

# Micro-finance Loans – Meets Agri and PSL Requirements

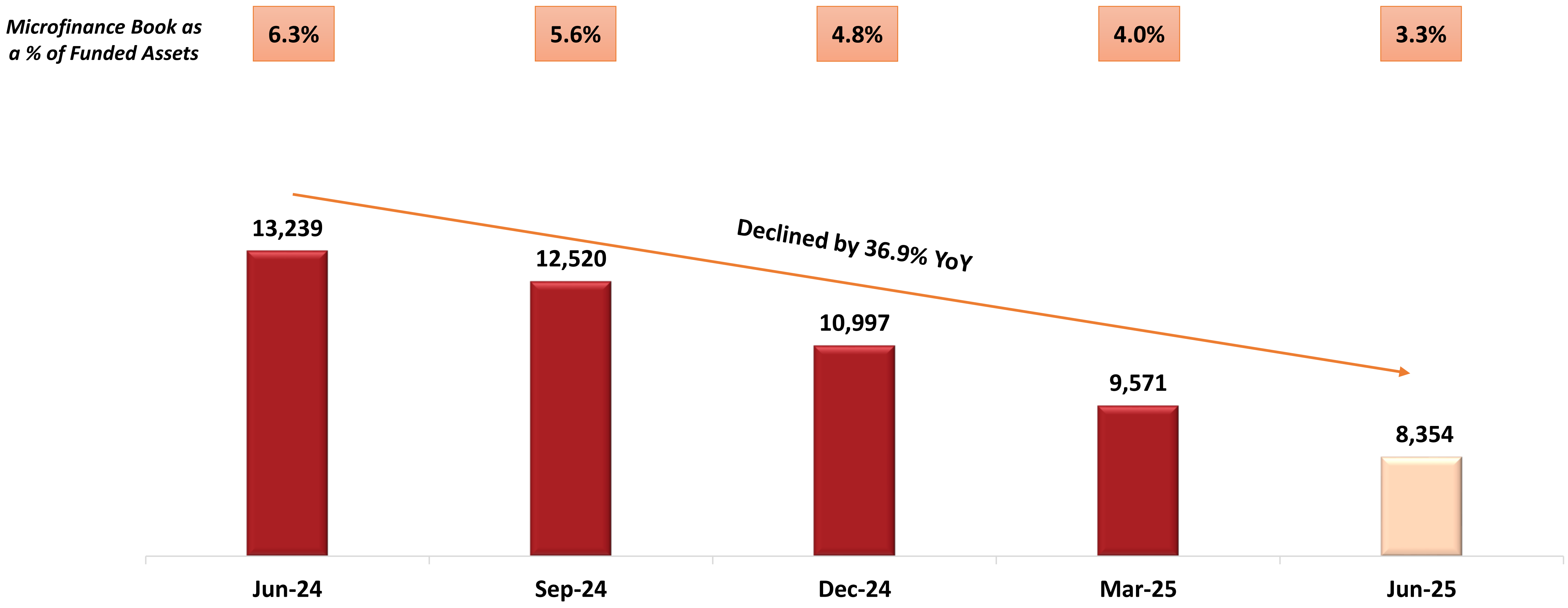


- Small ticket size loans offered to only women borrowers primarily in rural areas for their livelihood generation
- Usually, 10-20 members come together to form a group, who are provided collateral free loans with mutual guarantee among the members.
- Most of the portfolio is eligible for PSL under multiple categories of Agri, Small and Marginal Farmers, Weaker Sections.
- Loans are of ticket size of Rs. 30,000 to Rs. 1 lakh with tenure of 2-3 years.

# Bank's Micro-Finance book has reduced to 3.3% of total funded assets



## Micro-finance Outstanding book (Rs Crore)

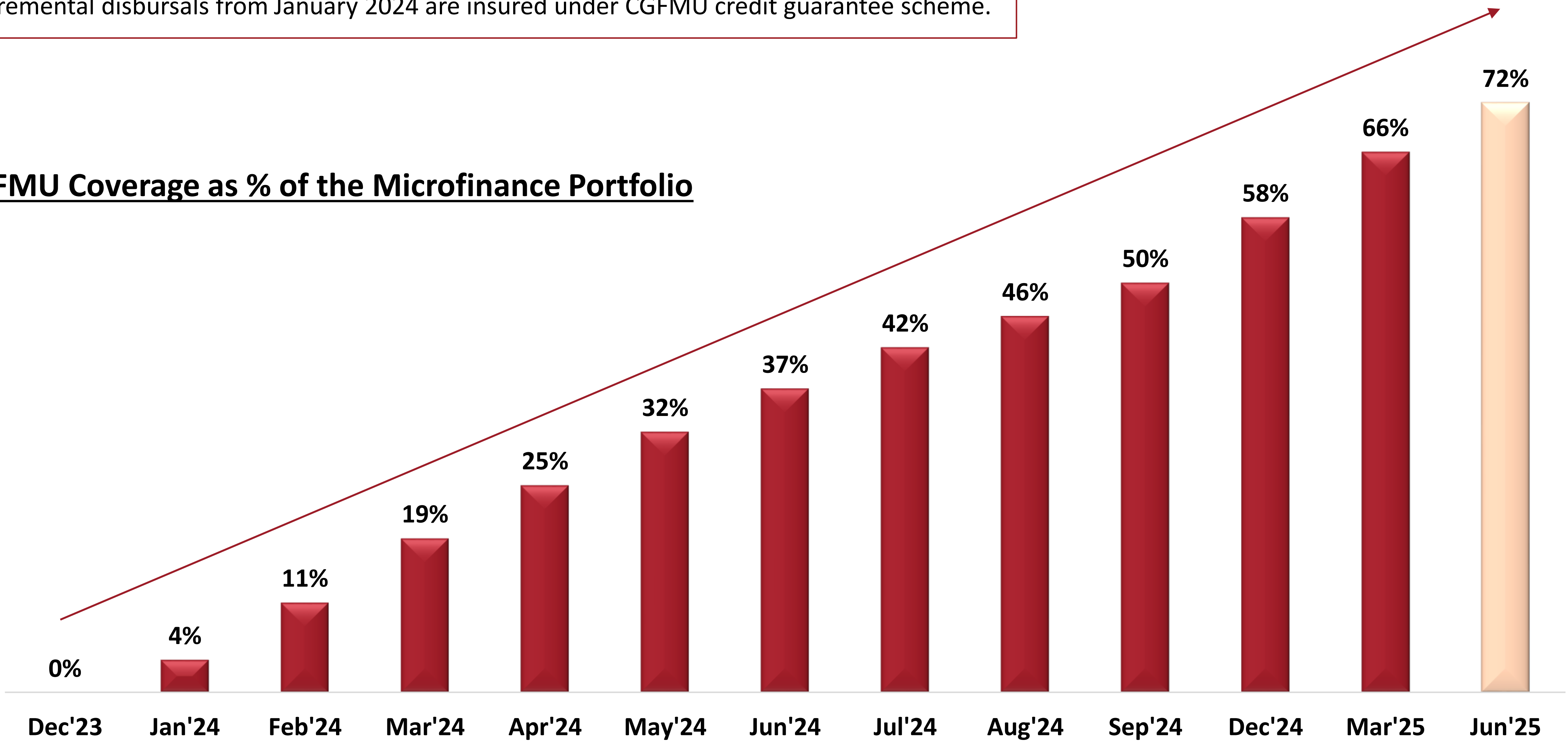



Microfinance Loan disbursements for Q1FY26 were at **Rs. 882 crore** as compared to **Rs. 2,883 crore** in Q1-FY25 and **Rs. 759 crore** in Q4-FY25

# Bank taking CGFMU cover in MFI, cover increased to 72% of MFI portfolio

Incremental disbursals from January 2024 are insured under CGFMU credit guarantee scheme.

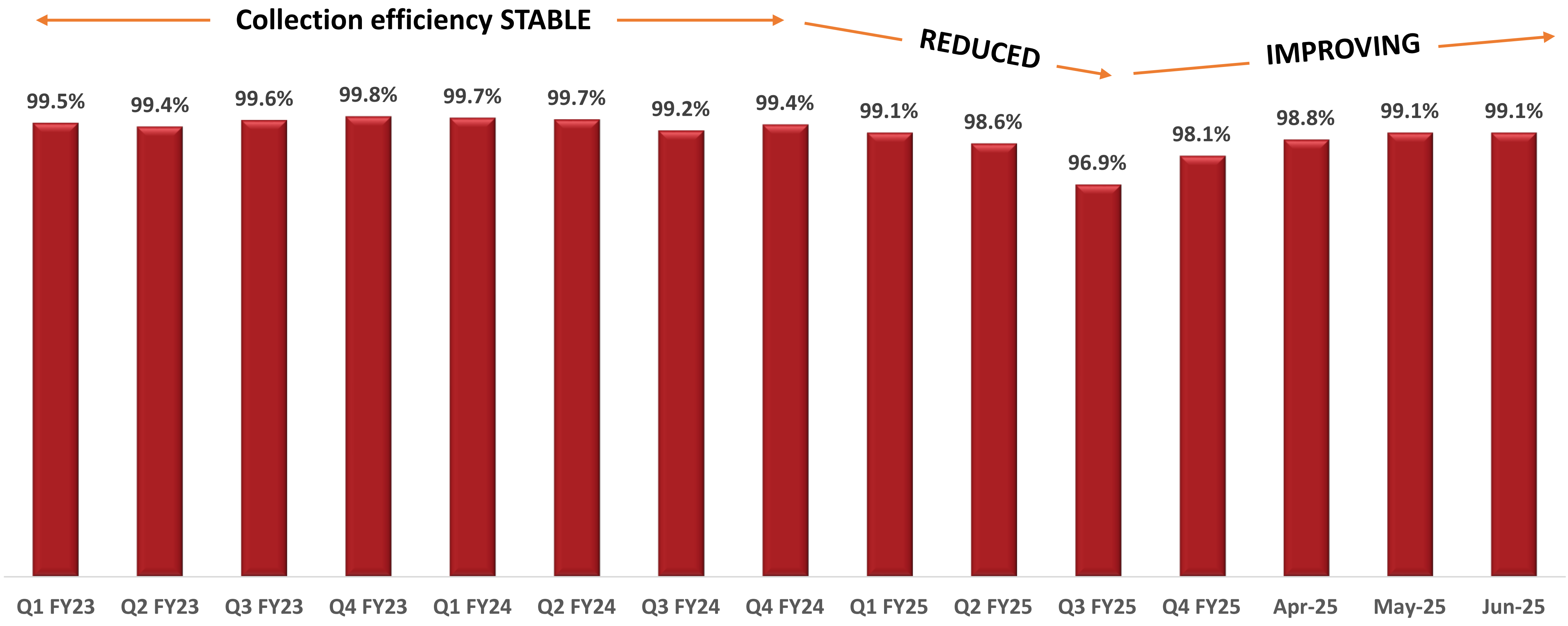
## CGFMU Coverage as % of the Microfinance Portfolio



# MFI Collection Efficiency improved from 98.1% for Q4 FY25 to 99.0% for Q1 FY26



- Collection Efficiency % = (Pos of EMI Collected for the Month)/(Pos of EMI Due for the month)%
- Note: Collections do not include any arrear collections, or prepayment collections in these calculations, and hence represents the true picture of collections efficiency.




*Note: The above figures are quarterly average of monthly collection efficiency for current bucket.*

# Section 8: Profitability & Capital

# Balance Sheet



| In Rs. Crore | Jun-24 | Mar-25 | Jun-25 | Growth (%) (YoY) |
|---|---|---|---|---|
| Shareholders' Funds | 33,443 | 38,078 | 38,719 | 15.8% |
| **Deposits** | **2,09,666** | **2,52,065** | **2,64,971** | **26.4%** |
| *- CASA Deposits* | 97,692 | 1,18,237 | 1,27,158 | 30.2% |
| *- Term Deposits* | 1,11,974 | 1,33,828 | 1,37,813 | 23.1% |
| Borrowings | 51,869 | 38,975 | 42,806 | -17.5% |
| Other liabilities and provisions | 11,840 | 14,701 | 14,928 | 26.1% |
| **Total Liabilities** | **3,06,819** | **3,43,819** | **3,61,424** | **17.8%** |
| Cash and Balances with Banks and RBI | 16,972 | 15,097 | 15,517 | -8.6% |
| **Net Retail and Wholesale Loans & Advances*** | **2,06,030** | **2,38,070** | **2,49,111** | **20.9%** |
| Investments | 70,162 | 75,758 | 80,947 | 15.4% |
| Fixed Assets | 2,724 | 2,663 | 2,653 | -2.6% |
| Other Assets | 10,930 | 12,231 | 13,196 | 20.7% |
| **Total Assets** | **3,06,819** | **3,43,819** | **3,61,424** | **17.8%** |

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

# Quarterly Income Statement



- During Feb-25 to Jun-25 RBI reduced the repo rate by 100 bps, the benefit was provided to loan eligible customers
- The Bank reduced the deposit rates for customers on Fixed Deposits, the full impact of which will take ~9 to 12 months to reflect in P&L
- Hence there is a reduction in NII in Q1 FY26. NII expected to increase towards H2 FY26 post effect of term deposit rate reductions
- MFI book continues to reduce which also impacted income, expected to stabilize in H2 FY26

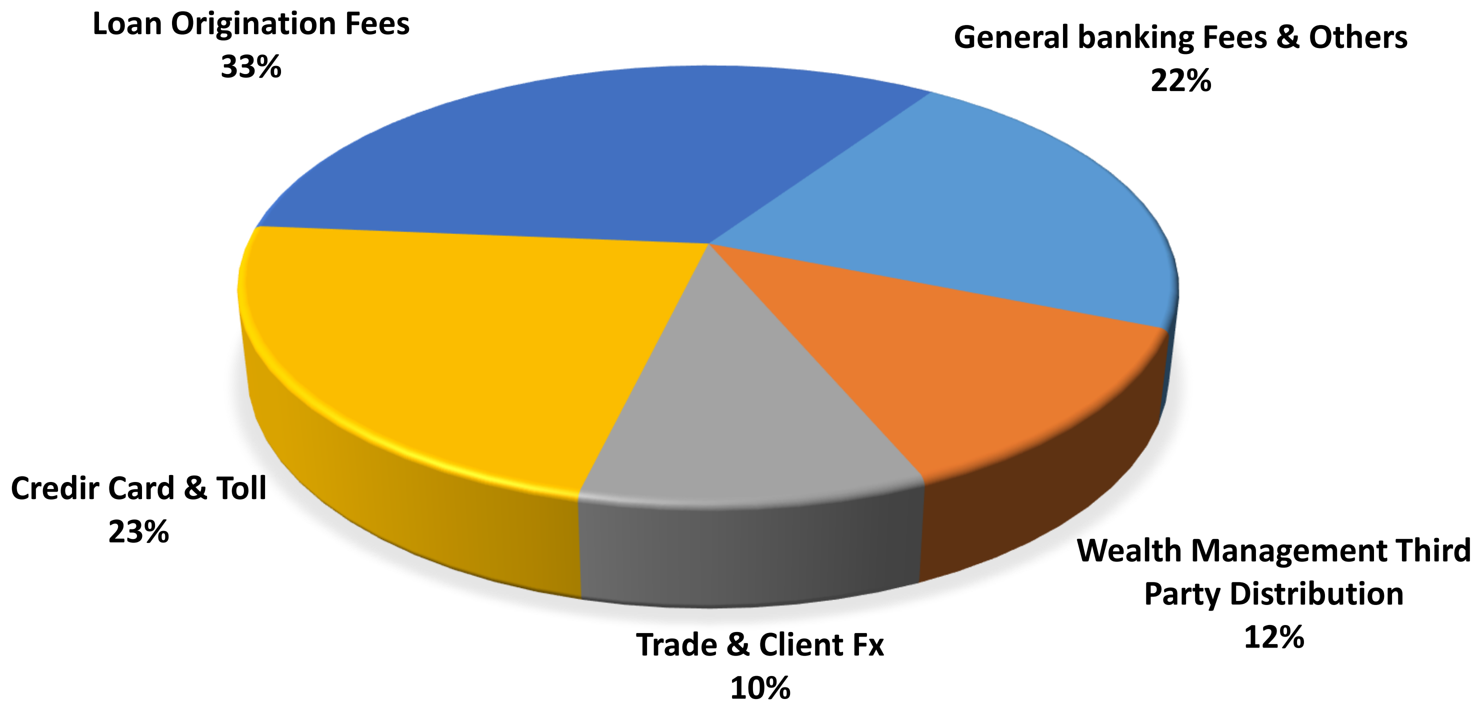
| In Rs. Crore | Q1 FY25 | Q4 FY25 | Q1 FY26 | Growth (%) QoQ | Growth (%) YoY |
|---|---|---|---|---|---|
| Interest Income | 8,789 | 9,413 | 9,642 | 2.4% | 9.7% |
| Interest Expense | 4,094 | 4,506 | 4,709 | 4.5% | 15.0% |
| **Net Interest Income** | **4,695** | **4,907** | **4,933** | **0.5%** | **5.1%*** |
| **Fee & Other Income** | 1,595 | 1,702 | 1,731 | 1.7% | 8.5% |
| Trading Gain | 24 | 194 | 495 | - | - |
| **Operating Income** | **6,314** | **6,803** | **7,160** | **5.3%** | **13.4%** |
| Operating Expense | 4,432 | 4,991 | 4,921 | (1.4%) | 11.0% |
| **Pre-Provisioning Operating Profit (PPOP)** | **1,882** | **1,812** | **2,239** | **23.6%** | **19.0%** |
| **Operating Profit (Ex. Trading gain)** | **1,858** | **1,618** | **1,744** | **7.8%** | **(6.2%)** |
| Provisions | 994 | 1,450 | 1,659 | 14.4% | 66.8% |
| **Profit Before Tax** | **888** | **361** | **580** | **60.7%** | **(34.7%)** |
| Tax | 207 | 57 | 118 | 106.3% | (43.3%) |
| **Profit After Tax** | **681** | **304** | **463** | **52.1%** | **(32.0%)** |

*Excluding microfinance, Net Interest Income for Q1 FY26 increased **11.8%** YoY and core operating income increased by **12.7%** YoY
Net Interest Margin (NIM), calculated on average AUM, was at **5.71%** in Q1-FY26 as compared to **5.95%** in Q4-FY25

# Breakup of Fee & Other Income – Q1 FY26



- **91%** of the fee income & other income is from retail banking operations.
- Fee to Average total assets stood at **2.0%** for Q1 FY26.

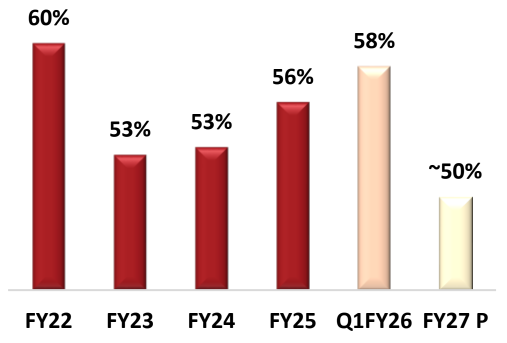


# Targeting to bring down the Cost to Income Ratio over next 2 years

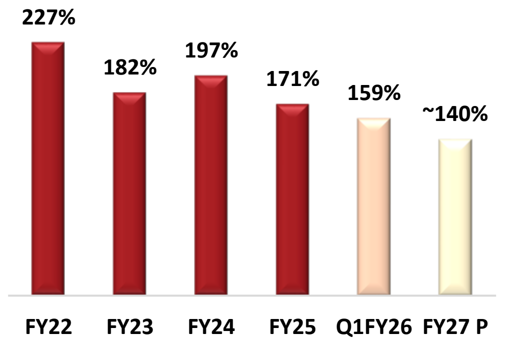


- Below-mentioned businesses contributes towards majority of the Bank's C:I
- Economies of scale will lead to reduction in the cost to income ratio of Assets.
- Bank intends to grow branches only about 10% annually against estimated deposit growth of ~25%.
- Credit Cards C:I has come down from 240% to 96% in ~4 years and expected to reduce further to ~75% with scale by FY27.
- At an overall Bank level , the C:I planned to improve to ~65% by FY27 because of scale.
- Including trading gain, the C:I ratio stood at 68.7% in Q1-FY26

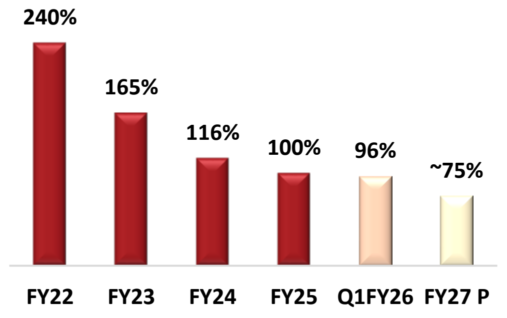
**Assets C:I ratio Trend:**



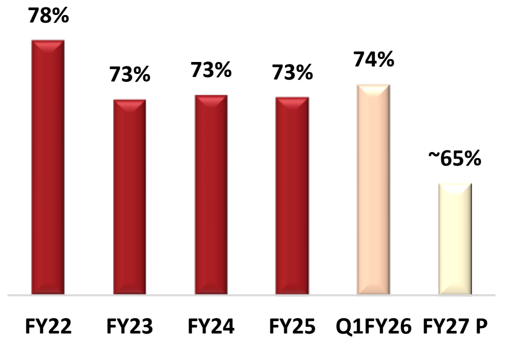

**Retail Liabilities C:I ratio Trend:**




**Credit Cards C:I ratio Trend:**




**Overall Bank C:I ratio Trend:**
(excl. trading gain)



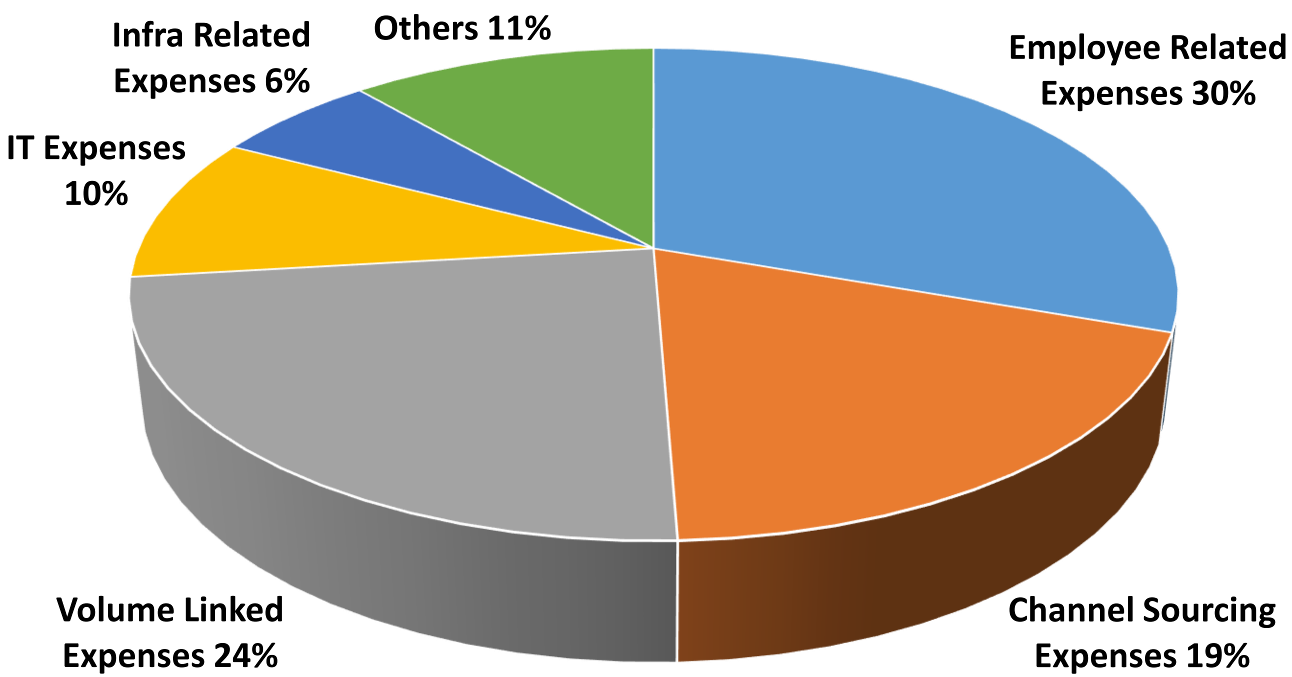

*Notes. 1. Assets include Retail, Rural, MSME, Business Banking and Wholesale Banking. Since, Business Banking Business (working capital financing to small businesses) is a lending business, numbers of this division have been grouped with Assets. The above numbers are based on internal transfer pricing and allocations.*

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

# Composition of Operating Expenditure (Q1 FY26)



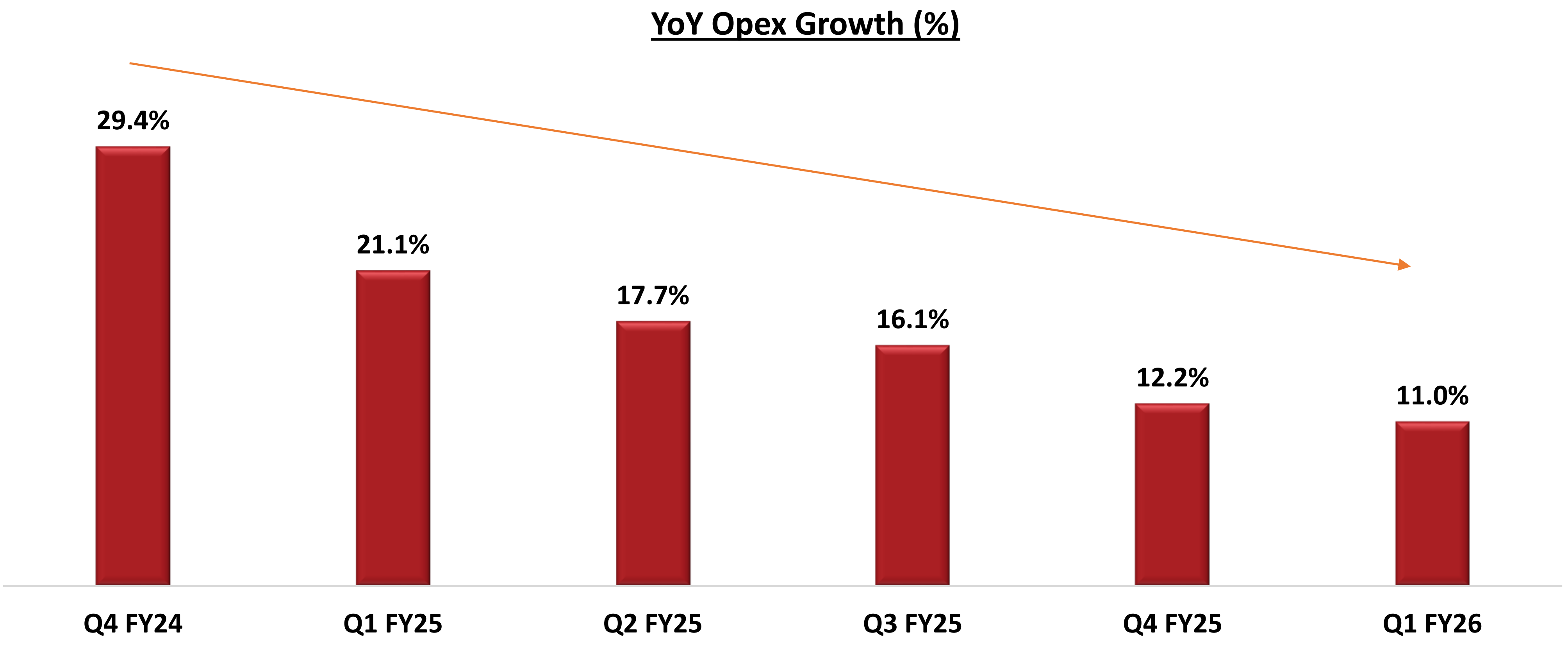
- **Volume linked expenses** include collection cost, RCU cost, credit administration cost, DICGC premium, cards reward cost, UPI & RTGS charges etc.
- **Channel Sourcing expenses** included commissions & charges paid to the channels
- The Bank has incurred set up costs during the last 6 years and plans to get operating leverage of the same in the coming years.



# Growth of Operating expenditure reducing consistently



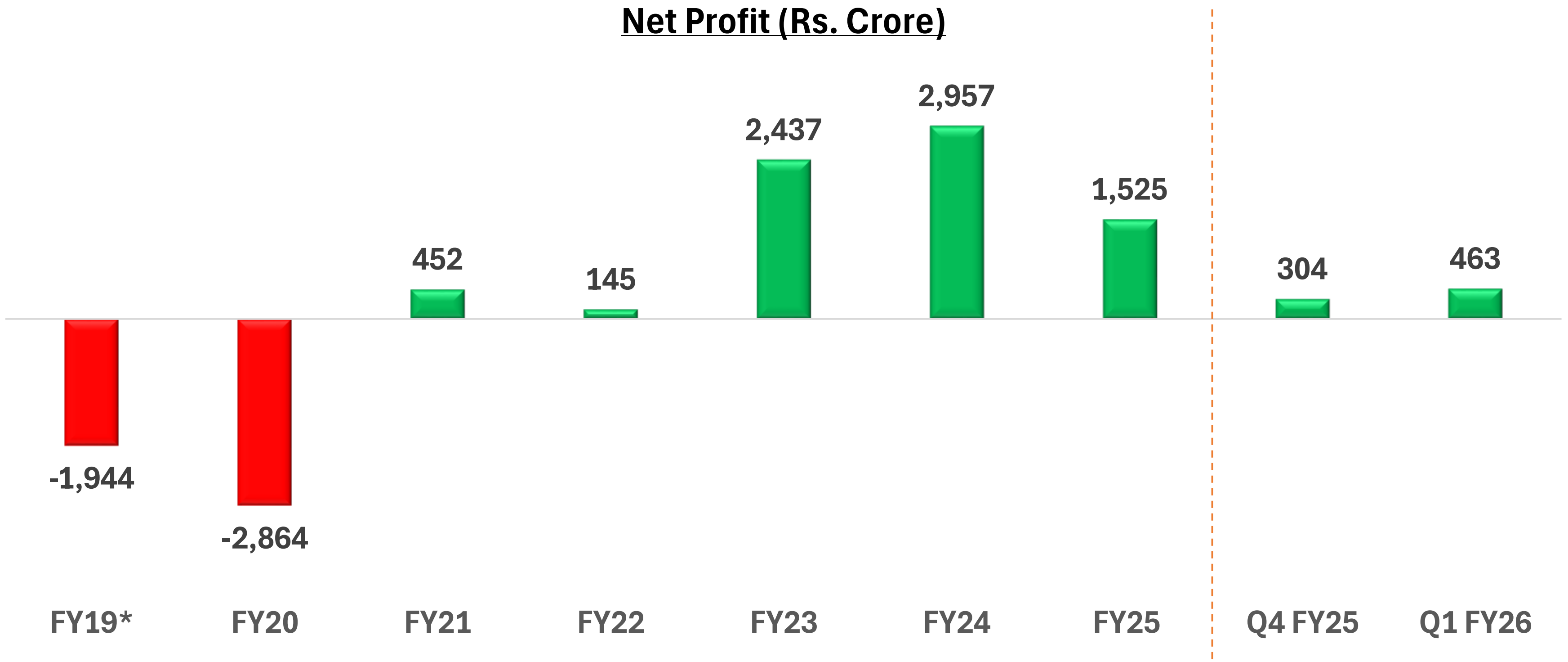
- Bank beginning to see benefits of operating leverage. In Q1FY26. Total Business grew by **5.3% QoQ** but the Opex decreased by **1.4% QoQ**
- Sequentially, Customer Deposits grew by **5.9%** and Loans and advances grew **4.7%**



# Strong growth in profitability; temporarily impacted by MFI crisis



- The Asset Businesses (Retail, Rural, MSME & Wholesale Banking) have strong profitability.
- However, as a new bank since we are investing in building the deposit franchise. Hence Retail Liability business is yet to break-even. Similarly for Credit Cards.
- FY25 and Q1FY26 is primarily impacted by microfinance business
- For Q1 FY26, Return on Assets stood at **0.53%** and Return on Equity stood at **4.83%,** to improve with operating leverage and scale




*Reported Profit After tax for FY19

# Assets (Retail Loans & Wholesale Banking) : Profitability

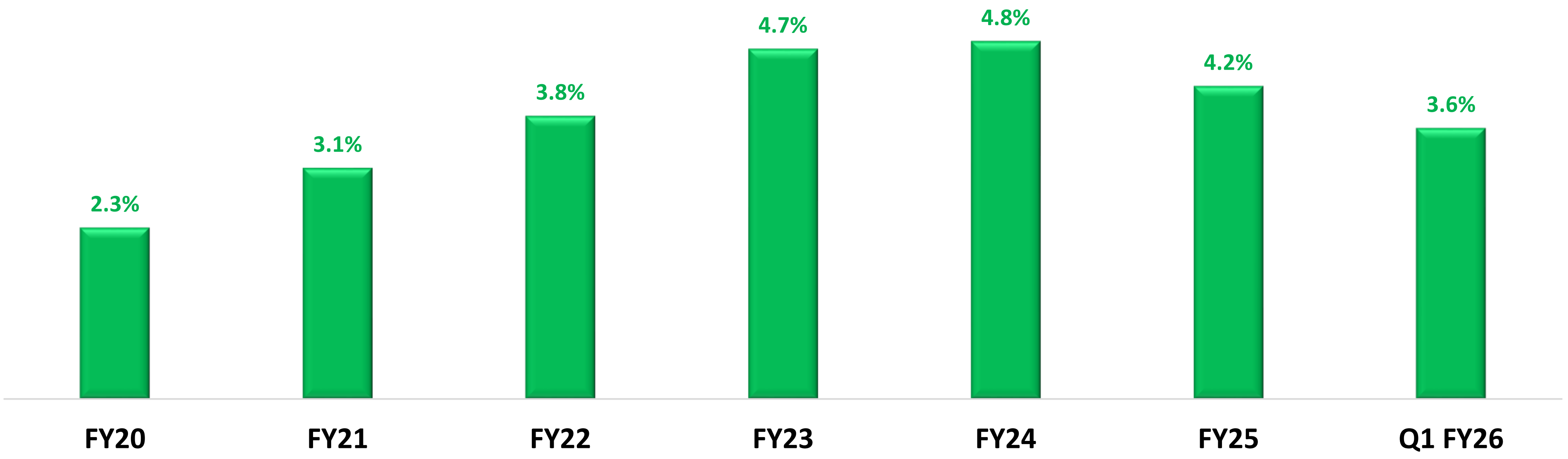


As mentioned earlier, the Asset Businesses (Retail, Rural, MSME & Wholesale Banking) have strong profitability. The reduction in FY25 and Q1FY26 is primarily due to impact of passing on repo rate cut to customers & asset mix change due to steep decline in the micro-finance loan book

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

*Rs. Crore*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Avg. Loan Book** | **1,04,565** | **1,02,598** | **1,11,554** | **1,39,906** | **1,76,804** | **2,14,070** | **2,36,222** |
| **YoY Growth%** | | **-2%** | **9%** | **25%** | **26%** | **21%** | **17%** |




*Based on internal transfer pricing of the Bank*

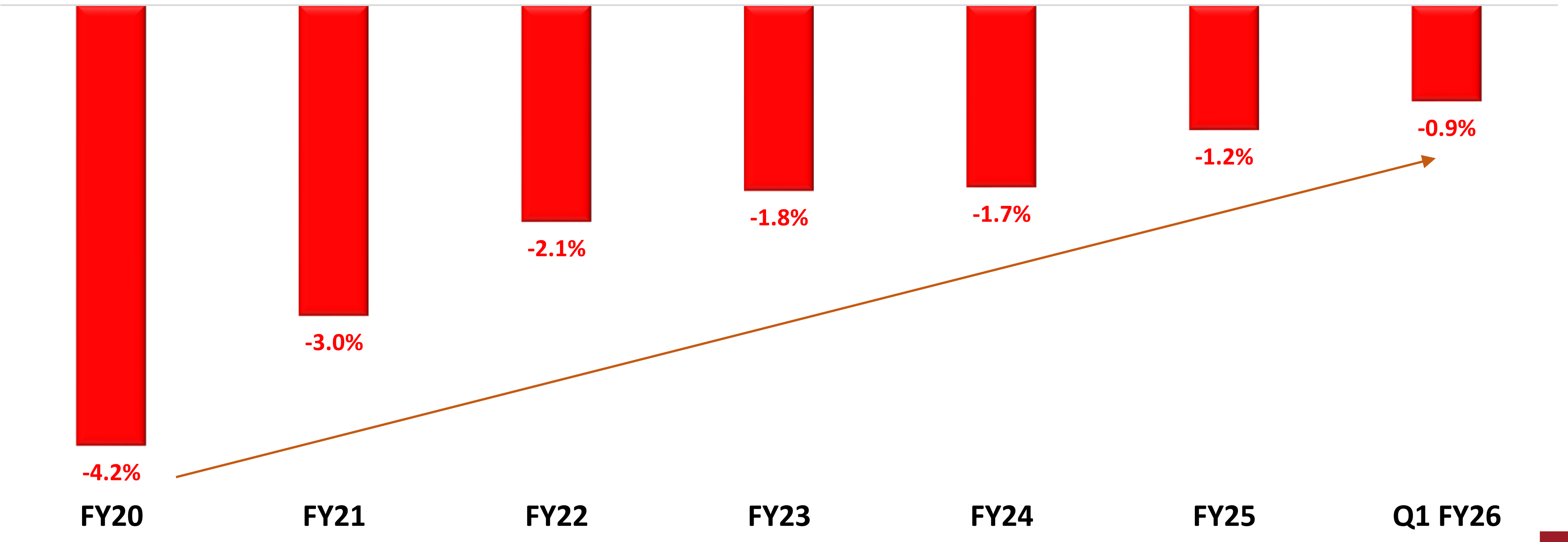
# Retail Liabilities Business : Moving towards break even with scale and productivity

- Being a new Bank, we invested in building necessary branch infrastructure, people, digital platforms and other capabilities.
- The business is yet to break even.
- With increasing scale, Operating losses as % of deposits continues to reduce, trend expected to continue.
- Overall profitability of Bank to be positively impacted with breakeven of deposit business

## Operating Profit as % of Average Retail Liabilities

*Rs. Crore*

| | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | Q1 FY26 |
|---|---|---|---|---|---|---|---|
| **Avg Retail Liabilities** | 23,225 | 55,992 | 69,620 | 91,615 | 1,37,269 | 1,89,426 | 2,20,748 |
| **YoY Growth %** | | 141% | 24% | 32% | 50% | 38% | 28% |




*Based on internal transfer pricing of the Bank; Average Retail Liabilities includes deposits raised through retail banking group*

# Credit Cards Business: Operational Break-even achieved within 4 years



- Credit Card business was launched during the end of FY21. Grown to **3.8 million** cards as of June 30, 2025.
- Credit Card business needs significant investment in the initial phase in terms of people, product structuring and innovation, digital capabilities, monitoring and collection framework, promotions, tie-ups and distribution.
- Asset quality of the credit card book stable with Gross NPA of **1.99%** and Net NPA of **0.57%**
- **Credit Card business has achieved operational break-even in just 4 years indicating a highly successful scale-up**
- Overall profitability of Bank to be positively impacted with profitability of Credit Cards business

## Operating Profit as % of Average Loan Book

*Rs. Crore*

| | FY22 | FY23 | FY24 | FY25 | Q1 FY26 |
|---|---|---|---|---|---|
| Avg. Loan Book | 1,180 | 2,576 | 4,123 | 6,073 | 7,365 |
| YoY Growth% | | 118% | 60% | 47% | 38% |


*Based on internal transfer pricing of the Bank*


IDFC FIRST Bank

# Capital Adequacy Ratio



| In Rs. Crore | Jun-24 | Mar-25 | Jun-25 |
|---|---|---|---|
| Common Equity^ | 32,041 | 36,428 | 37,058 |
| Tier 2 Capital Funds | 6,085 | 6,381 | 6,422 |
| **Total Capital Funds** | **38,126** | **42,808** | **43,480** |
| **Total Risk Weighted Assets** | **2,40,159** | **2,76,473** | **2,89,625** |
| CET-1 Ratio (%) | **13.34%** | **13.17%** | **12.80%** |
| **Total CRAR (%)** | **15.88%** | **15.48%** | **15.01%** |

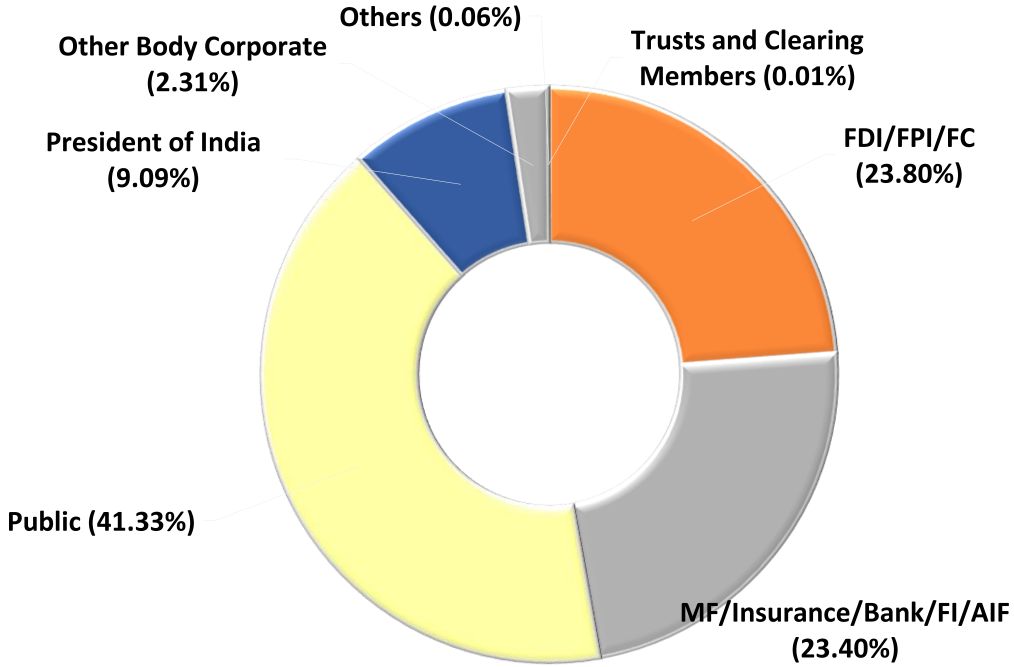
- Post capital raise announced of **Rs. 7,500 crore** and conversion to equity, CRAR and TIER-I would be **17.60%** and **15.38%** (as computed on the financials as of June 30, 2025)
- The Operational Risk RWA computation is re-assessed at the beginning of every year, which impacted CET-1 ratio by **~38bps**

*^Including profits for respective quarters*

# Shareholding Pattern

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

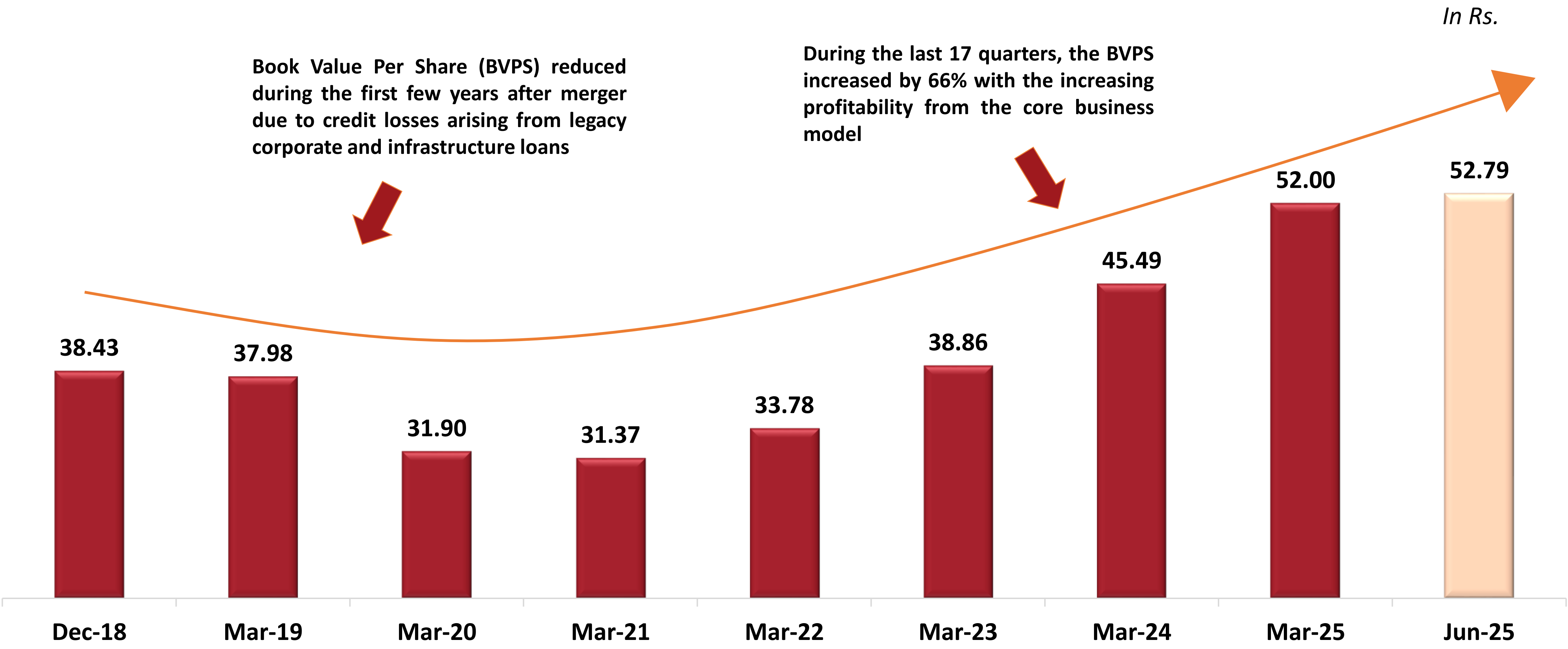
### Shareholding (June 30, 2025)




| | |
|---|---|
| ***Total No. of shares*** | ***733.43 Cr*** |
| ***Book Value per Share (June 30, 2025)*** | ***Rs. 52.79*** |
| ***Basic EPS** (Q1 FY26 Annualized)* | ***Rs. 2.53*** |

# BVPS has grew from Rs. 31.4 to Rs. 52.8 since March 2021






*Post-conversion into equity of the proposed fund raise of Rs. 7,500 crore, BVPS would be ~Rs. 53.6 (computed on numbers as of June 30, 2025)*

# Section 9: Credit Rating

# Bank's Long Term Credit Rating



| Rating Agency | Fixed Deposit |
|---|---|
| CRISIL | AAA |

| Rating Agency | Long Term Credit Rating |
|---|---|
| ICRA | AA+ (stable) |
| India Ratings | AA+ (stable) |
| CRISIL | AA+ (stable) |
| CARE Ratings | AA+ (stable) |

- **AAA** rating by **CRISIL** for its **Fixed Deposit Program**
- Bank's **has Long Term Credit rating AA+ (Stable)** from all major rating agencies

# Section 10: Board of Directors

# Board of Directors: MD & CEO Profile

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

Previously, he worked with Citibank (1990-2000) and ICICI Bank (2000-2010), where he built a large retail banking division, expanding branches to 1,411, grew CASA and retail deposits to ₹ 1 trillion, and grew retail lending, including mortgages, auto loans, MSME and Rural banking to ₹1.35 trillion ($15.7bn). He was appointed to the Board of Directors of ICICI Bank in 2006 at age 38. He later served as MD and CEO of ICICI Prudential Life.

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

He pledged his stock and home to raise funds, renamed the NBFC as Capital First, and transformed it by exiting real-estate financing and focusing on retail & MSME lending using tech-driven algorithms. He demonstrated the Proof-of-Concept to PE firms, raised ₹810 crore ($94m) in equity by 2012, recapitalized the company, and became Chairman and CEO."

Capital First grew its retail loan book from ₹94 crore ($11m) in 2010 to ₹29,600 crore ($3.4b) by 2018, serving 7 million customers with high asset quality. The company turned around from losses of ₹30 crore ($3m) to profits of ₹358 crore ($42m) during this period. Its share price increased from ₹122 in 2010 to ₹845 in 2018, with market cap rose tenfold to ₹8,200 crore ($953m). In 2017, Vaidyanathan sold 1.5% of his personal stake in Capital First to repay the loan used to acquire his ownership. To secure a commercial banking license for Capital First, he merged it with IDFC Bank in 2018 and became the MD and CEO of IDFC FIRST Bank.

Post-merger, the loan book expanded to ₹ 2,53,233 crore ($29.4b) with significant growth in retail, rural, and MSME finance. Customer deposits increased from ₹38,455 crore ($4.5b) to ₹2,56,799 crore ($29.9b) between 2018 and 2025, while the CASA ratio rose from 8.7% to 48.0%, and NIM at 5.7%. The bank turned profitable with a FY25 PAT of ₹1,525 crore ($177m).

He has been recognized by numerous awards including "Banker of the Year 2023" by leading Indian publication Financial Express, Ernst and Young "Entrepreneur of the Year" 2022 for Financial Services, "Entrepreneur of the Year" 2020 by CNBC Awaaz, "Most Inspirational Leveraged Management Buyout, India 2018" by CFI Awards, London, "Most Innovative Company of the Year" 2017 by CNBC Asia, "Entrepreneur of the Year 2016 and 2017" from Asia Pacific Entrepreneurship Award, "Most Promising Business Leaders of Asia" by Economic Times in 2016, Business Today - India's Most Valuable Companies 2016 & 2015, Economic Times 500 India's Future Ready Companies 2016, Fortune India's Next 500 Companies 2016.

# Board of Directors

**MR. SANJEEB CHAUDHURI**
***Chairman & Independent Director***

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

**MR. PRAVIR VOHRA**
***Independent Director***

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

**MR. AASHISH KAMAT**
***Independent Director***

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

**MR. S GANESH KUMAR**
***Independent Director***

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

**MS. MATANGI GOWRISHANKAR**
***Independent Director***

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

**MRS. PANKAJAM SRIDEVI**
***Independent Director***

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

**MR. UDAY BHANSALI**
***Independent Director***

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

**MR. SUDHIR KAPADIA**
***Independent Director***

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

**MR. PRADEEP NATARAJAN**
***Executive Director***

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

# Section 11: Progress on ESG

# Key ESG highlights: Progressing on our sustainability journey



FIRST ENSURE

FIRST ENSURE is IDFC FIRST Bank's Environmental Social and Governance (ESG) identity, under which the Bank undertakes its sustainability initiatives.

| ENVIRONMENT | SOCIAL | GOVERNANCE |
|---|---|---|
| Among the first Banks to launch **Green Deposits** aligned to RBI Framework | **47%** Portfolio aligned to responsible segments | Board-level Committee on CSR & ESG |
| **2.4 lakh+** EV two wheelers financed (live portfolio) | **2,329** Employee volunteering hours in Q1 FY26 | **80%** Independent Directors on Board |
| **31%** carpet area green certified by IGBC & LEED | **2.45 lakh+** Employee learning hours in Q1 FY26 | Board approved GHG Emissions Management Policy |
| **~20%** of large offices* powered by green energy, aligned to Net Zero path | **47,373** new to bank (JLG) women customers added in Q1 FY26 | **ISO 27001** certified Information Security Management |

*>50,000 sq. ft.

PCAF Partnership for Carbon Accounting Financials

IDFC FIRST Bank is one of the first Indian Banks to be a signatory to PCAF to baseline and estimate financed emissions

United Nations Global Compact

IDFC FIRST Bank is an official supporter of the UNGC, actively contributing to UN SDGs

# In leading positions across major ESG ratings



| | S&P Global | Morningstar Sustainalytics* | CRISIL | MSCI | CDP |
|---|---|---|---|---|---|
| Rating | 57 | 20.1 | 68 | A | C |
| SCALE | 0 ---- 100 | 0 ---- 100 | 0 ---- 100 | CCC ---- AAA | F ---- A |

**IDFC FIRST BANK is a constituent of the FTSE4GOOD EMERGING ESG Index[1]**

**IDFC FIRST BANK is ranked second best by Climate Risk Horizons, in its study of 35 Indian Banks, assessing their climate-risk preparedness**

*[1]FTSE4GOOD Emerging ESG Index constituents are companies in emerging markets that meet the globally recognised ESG inclusion standards*

**Lower is better*

# Recognition for ESG Efforts




AFAI

**Outstanding Private Bank in Green Finance (Jan 2025)**

Times Now Climate Awards

**Product Innovation Award (WASH) - Silver (Oct 2024)**


ABF Retail Banking Awards

**Financial Inclusion Initiative of the Year – India (Jun 2024)**


The European

**Most ESG Responsible Banking Service – India (Dec 2023)**


Institute of Directors India

**Golden Peacock Award in ESG - National (Sep 2023)**


Capital Finance International

**Outstanding Commitment - ESG Performance India (Sep 2023)**


UBS Forums

**ESG Rising Star & Sustainability Impact Award (May 2023)**


Transformance Forums

**Best Bank Leading the Way in ESG (Apr 2023)**


Navabharat BFSI Award

**Best Sustainable Bank Strategy (Oct 2022)**


The European

**Social Impact Bank of the Year (Sep 2022)**

# Section 12: Awards and Recognition

# Awards and Recognition











**World's Best Banks 2025 -** Forbes & Statista

**India's Leading Private Bank (Mid) 2025 -** Dun & Bradstreet

**Best Private Sector Bank Award 2025-** M1 TReDS Exchange

**Best MSME Friendly Bank (Private Sector) 2024 –** CIMSME

**Best Mid-Sized Bank Award 2024-** Mint

**Best Innovation in Retail Banking India 2024 -** International Banker

**Best Mobile Banking App 2024 -** CFI

**FE Best Banks Award for Best Savings Product 2024 –** Financial Express

**FE Best Banks Award for Banker Of The Year - 2024 -** Financial Express

**Best Corporate Governance 2023** - World Finance

**India's Leading Private Bank (Mid)** – Dun & Bradstreet (BFSI & FinTech 2024)

**Innovation In Banking** - Aegis Graham Bell ($14^{th}$ edition – 2024)

**Best Digital Bank 2023** - Financial Express India's Best Banks Awards 2023

**Excellence in BFSI 2023 -** National Awards for Excellence

**Dream company to work for HR 2023 -** National Awards for Excellence

**Most Innovative Digital Transformation Bank 2022 -** The European

**Most Promising Brand Awards 2022 -** ET BFSI

**Best Innovative Payment Solution -** Phi Commerce

**Best Consumer Digital Bank in India – 2021 -** Global Finance Magazine

**Best BFSI Brands in Private Bank Category -** ET BFSI

**Most Trusted Brands of India 2021 -** CNBC TV18

**Most Harmonious Merger Award -** The European

**Most Trusted Companies Awards 2021 -** IBC

**ET Most Inspiring CEO Award -** by Economic Times

# IDFC FIRST Bank


**We are building a world class bank with:**

**- Highest levels of corporate governance**

**- Stable balance sheet growth of ~20%,**

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

**- High teens ROE**

**- Contemporary technology and**

**- High levels of Customer Centricity.**

# Disclaimer



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Thank You

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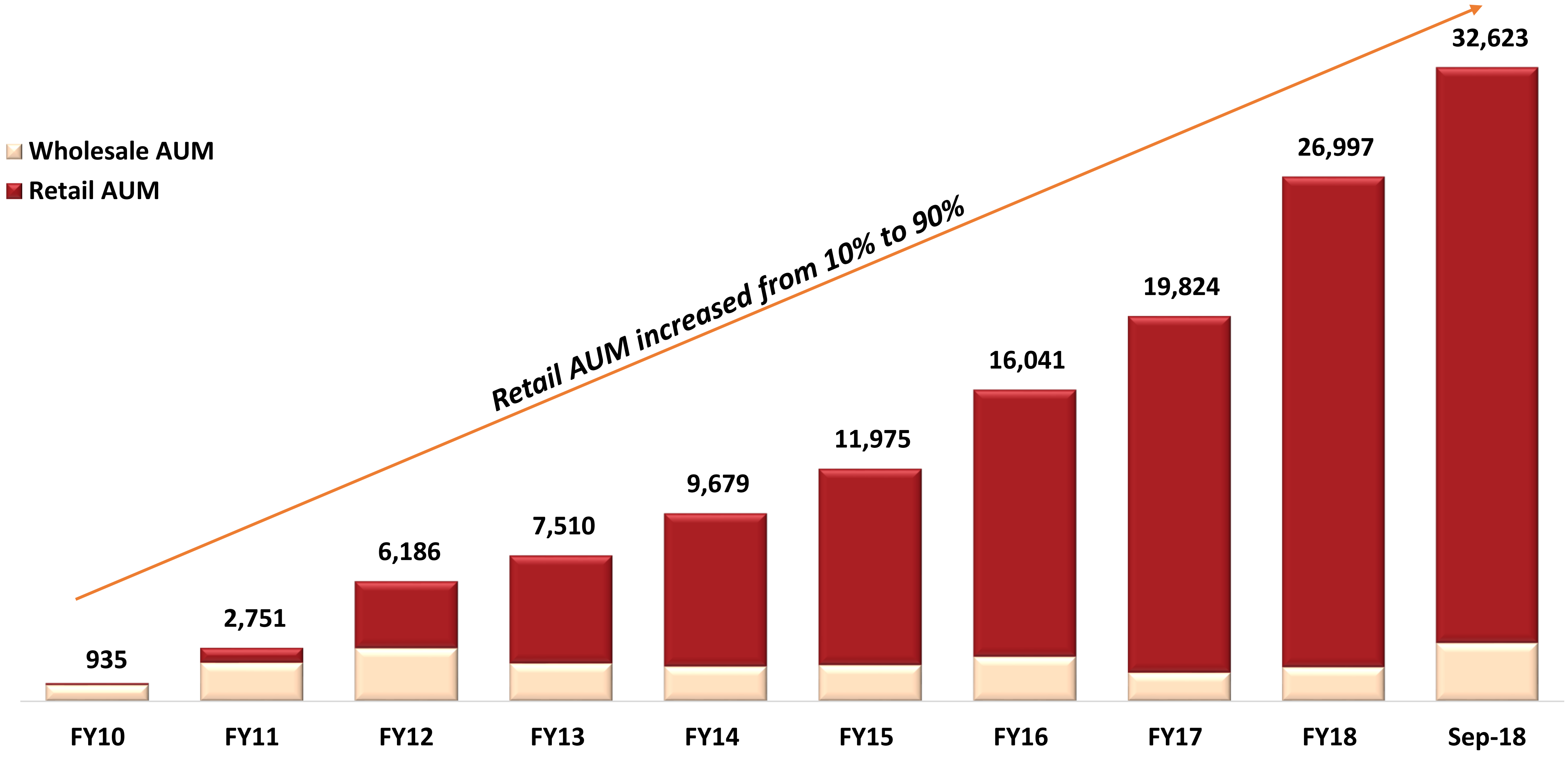
## Annexure

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

# Successful Trajectory of Growth and Profits at Capital First

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

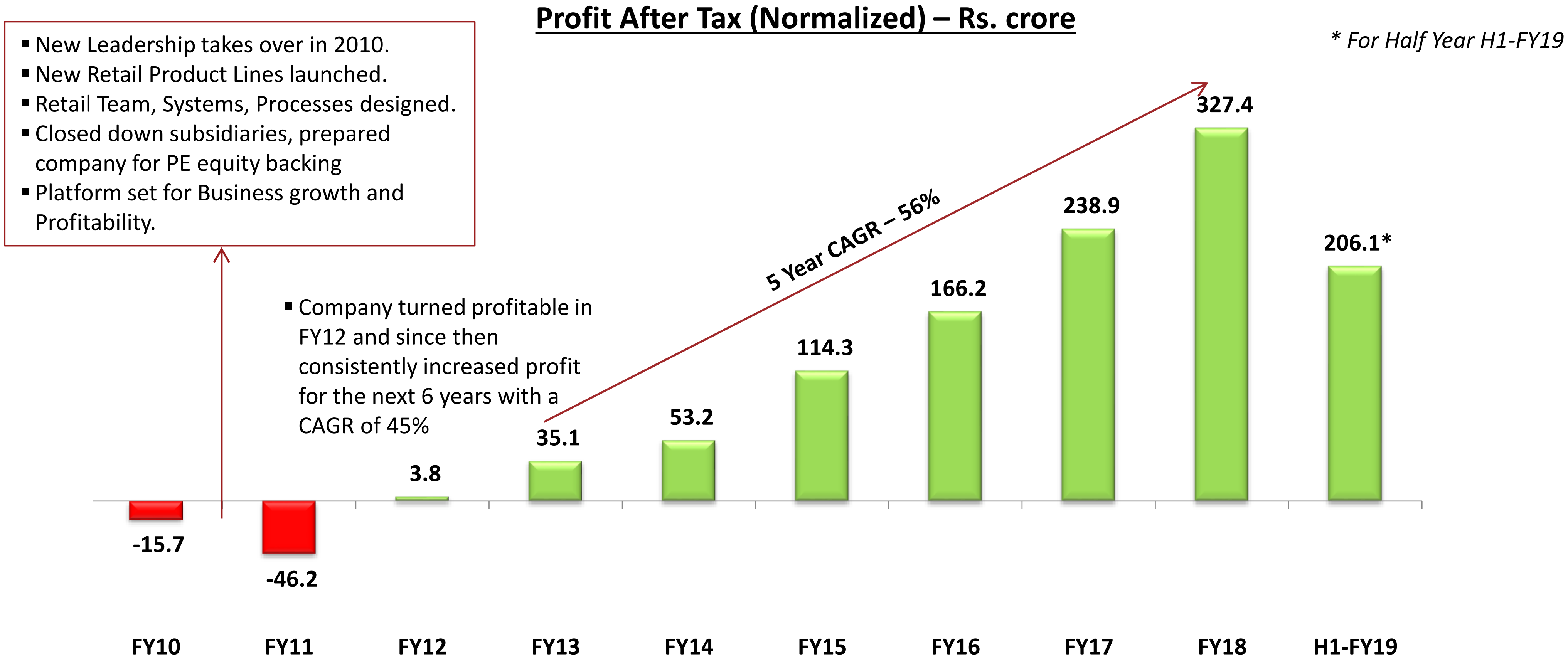




# Successful Trajectory of Growth and Profits at Capital First

*Financial Performance: Yearly Trend of Profit After Tax*

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

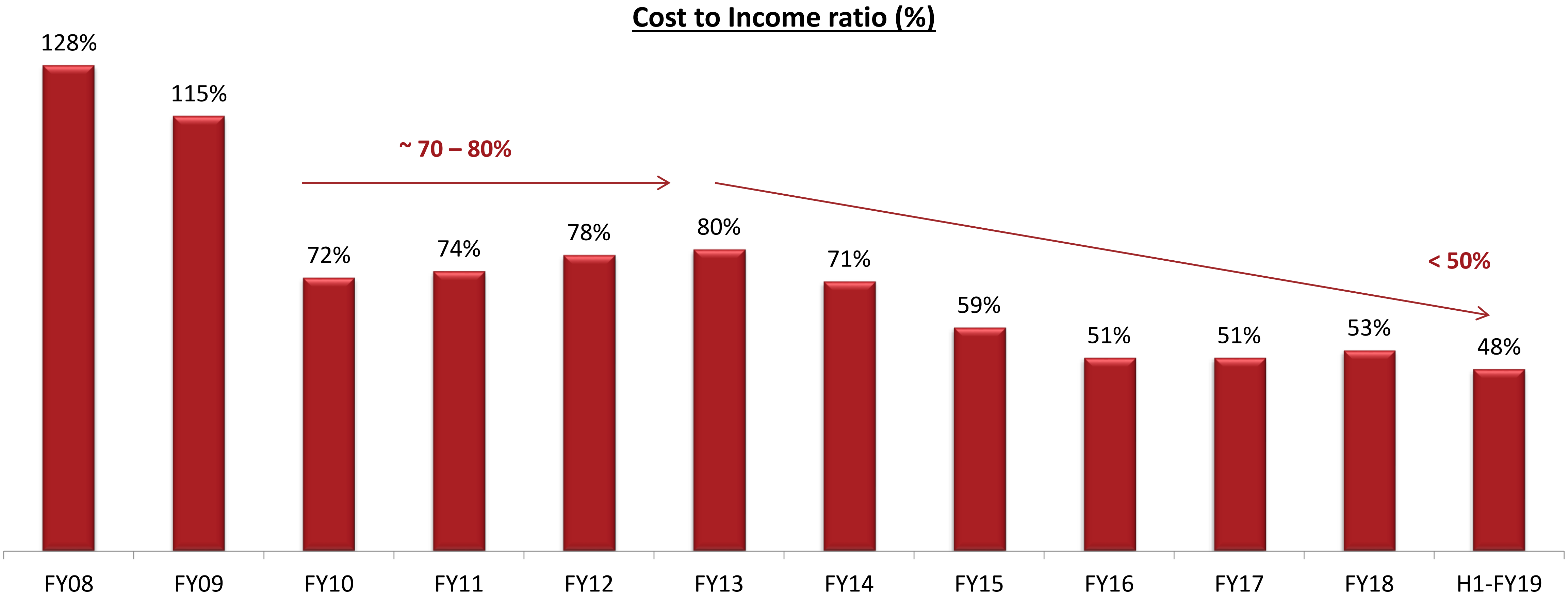


# Successful Trajectory of Growth and Profits at Capital First

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



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



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

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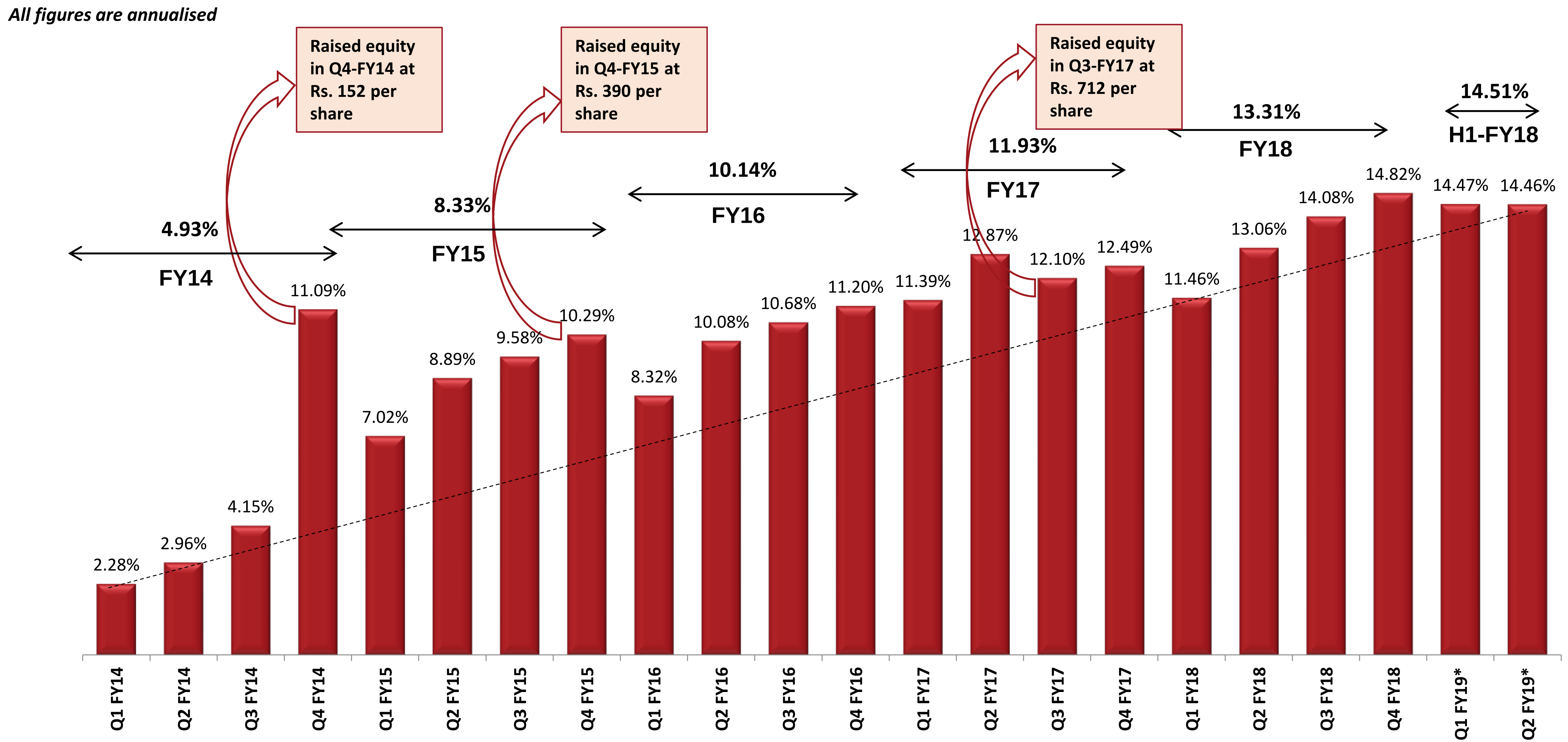


*Highlighted figures are based on Indian AS in comparison to quarterly figures for earlier periods based on Indian GAAP.



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# Successful Trajectory of Growth and Profits at Capital First

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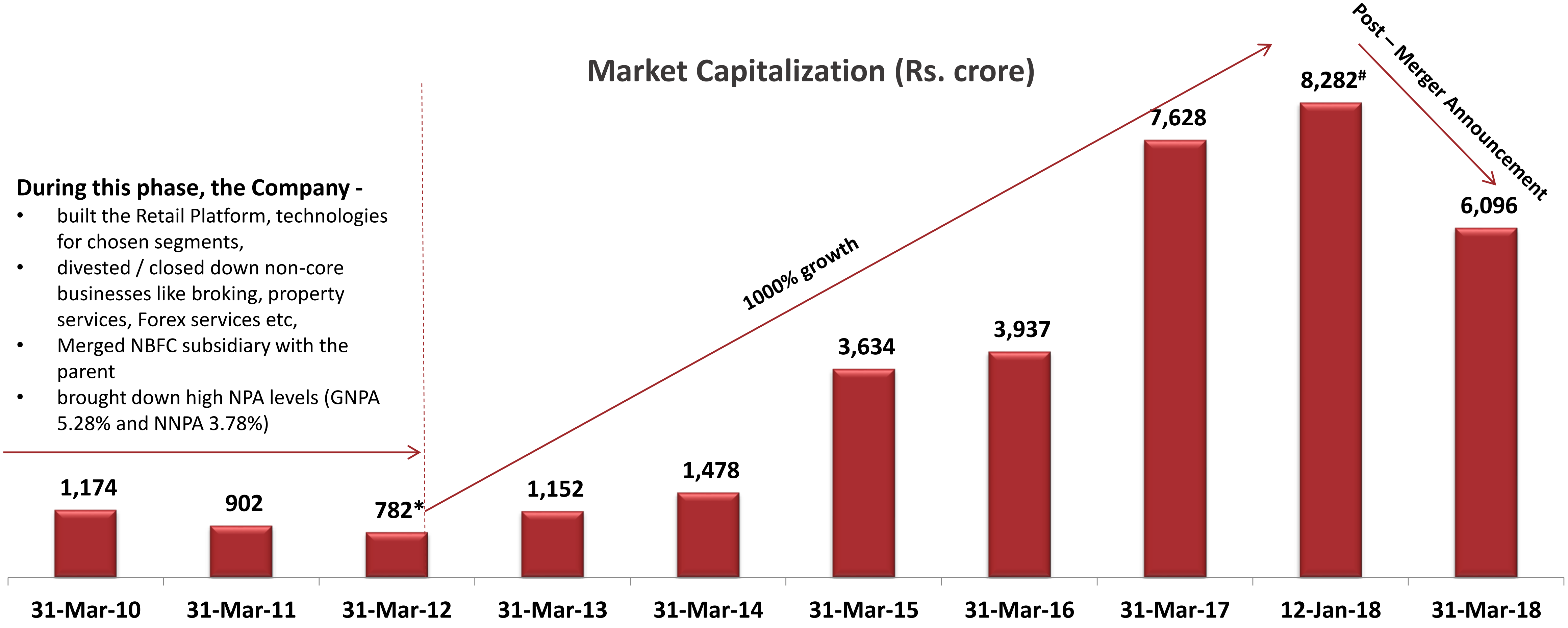
**During this phase, the Company -**

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




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

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

# Successful Trajectory of Growth and Profits at Capital First

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