

IDFC FIRST Bank raises Rs. 1,500 crore of Tier-2 bonds in domestic Indian Bond markets

June 27, 2023: IDFC FIRST Bank, today announced raising Rs. 1,500 crore of Tier-2 bonds in domestic Indian Bond markets.

These privately placed Bonds are issued as unsecured, subordinated, rated, listed, non-convertible, fully paid-up, taxable, redeemable Basel III compliant tier-2 Bonds (in nature of debentures) at a face value of Rs 1 crore each and were raised through private placement on the NSE E-bidding platform.

The Bonds carry a rating of CRISIL AA+/ Stable from CRISIL Ratings Limited and IND AA+/Stable by India Ratings & Research Private Limited. IDFC FIRST Bank Tier-2 bond ratings were recently upgraded (in June 2023) to CRISIL AA+/Stable from CRISIL AA/Positive by CRISIL Ratings Limited.

The participation for the issuance came from domestic Qualified Institutional Investors. The bidding on NSE e-bidding platform witnessed healthy interest from Corporates, Public Pension Funds, Provident funds and insurance companies, and the overall issue was oversubscribed. The unsecured, Tier 2 Bonds were raised for a tenor of 10 years with a call option at the end of five years and carry a coupon of 8.40%.

Including this capital raise, the capital adequacy of IDFC FIRST Bank, as computed on March 31, 2023 financials, would be 17.68%, and will provide greater headroom for growth of the Bank.

About IDFC FIRST Bank

Vision: IDFC FIRST Bank's vision is to build a world-class bank in India that's guided by ethics, powered by technology, and a force for social good.

Philosophy: The Bank has a customer-first philosophy offering high-quality products including current accounts, savings accounts, fixed deposits, retail loans, business loans, corporate banking, cash management solutions, FASTag, wealth management, and 24/7 customer care services. IDFC FIRST bank is one of the select banks to work with the regulator for pilot projects for many banking technology initiatives for India like CBDC, UPI for foreigners etc.

Unique Benefits for customers: The Bank is the first and only bank in India that offers Zero fees for 28 essential services on savings accounts including for ATM cash withdrawals, IMPS, RTGS, NEFT, Cash Deposits and Cash withdrawals at branches, SMS Alerts, Cheque book, Demand Drafts, Pay-order, duplicate statements, etc. IDFC FIRST Bank is the first bank to offer monthly credit on savings accounts, so customers earn more with us. The bank's credit cards have unique features such as lifetime free, never-expiring rewards points, zero interest on cash withdrawal at ATMs and low APR.

Ethics First: IDFC FIRST Bank prioritizes ethics in all our dealings and product design. We believe income earned unethically is not worth earning. The Bank applies a "Near and Dear"

Test in all product design, so that the employees of the Bank serve only such products to customers that they'd want for their own loved ones.

Transformation: IDFC FIRST Bank has transformed from infrastructure to retail banking in four years since merger, increasing CASA ratio from 8.6% to 49.77% (March 31, 2023) and increased retail deposits from 27% to 76% of total deposits, and set up 809 branches and 925 ATMs.

Financial Performance: The Bank recorded a PAT of Rs. 2437 crore (US\$ 301 million) in FY23, with strong Capital Adequacy of 16.82%. The Bank has high asset quality, with retail loans having Gross NPA of 1.65% and Net NPA of 0.55% as of March 31, 2023. Overall Gross NPA including infrastructure is 2.51% and Net NPA is 0.86%.

ESG Goals: The Bank is highly committed to ESG. The Bank has high governance scores, the business lines naturally support social goals, and efforts are ongoing to achieve environmental goals.