

IDFCFIRSTBANK/SD/140/2024-25

July 27, 2024

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C - 1, G - Block  
Bandra-Kurla Complex, Bandra (East)  
Mumbai 400 051

**NSE - Symbol: IDFCFIRSTB****BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai 400 001

**BSE - Scrip Code: 539437**

**Sub.: Investor Presentation – Unaudited Standalone and Consolidated Financial Results (“Financial Results”) of IDFC FIRST Bank Limited (“Bank”) for the quarter ended June 30, 2024.**

Dear Sir / Madam,

Please find enclosed herewith the Investor Presentation in connection with the Financial Results of the Bank for the quarter ended June 30, 2024 (Q1-FY25).

The above information is also being hosted on the Bank’s website at [www.idfcfirstbank.com](http://www.idfcfirstbank.com), in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Please take the above on record.

Thanking you,

Yours faithfully,

For **IDFC FIRST Bank Limited**

**Satish Gaikwad**

**Head – Legal & Company Secretary**

*Encl.: As above*



**IDFC FIRST Bank** | आई डी एफ सी फर्स्ट बैंक

BKC BRANCH

**Investor Presentation – Q1 FY25**

# IDFC FIRST Bank

## Our Vision

TO BUILD A WORLD  
CLASS BANK IN INDIA,

GUIDED BY  **ETHICS,**

POWERED BY  **TECHNOLOGY,**

AND

BE A FORCE FOR  **SOCIAL GOOD**





# TABLE OF CONTENTS

1	Building a Universal Bank	3
2	Deposits and Borrowings	7
3	Diversified Loan Portfolio	18
4	Robust Risk Framework	22
5	Profitability & Capital	37
6	Digital Capabilities	51
7	Credit Rating	57
8	Board of Directors	59
9	Shareholding Pattern	64
10	Progress on ESG	67
11	Awards & Recognition	74

# Section 1: Building a Universal Bank



# Building a world class Universal Bank

## Strengths of the Bank



### Universal Bank

**Universal bank** with pan- India presence & **wide range** of products including Retail, SME, Rural, Corporate, Trade, CMS, Wealth Management, NRI banking and Treasury solutions. **Total business now over Rs. 4 lakh crore (USD 50 billion).**



### Customer Friendly

**Customer First Products** - Zero Fee on all Savings Account services. Credit Cards with online Reward Point redemption, never expiring Reward Points and low APR



### Positive Culture

High level of **Corporate Governance**, customer service digital capabilities and positive work culture



### Granular Deposits

Strong **deposits franchise** growing at 38%, with healthy **CASA ratio of 47%**. Deposits over **Rs. 2 lakh crore (USD 24 billion)**



### Diversified Loan Book

Over 25 business lines. No segment >15% of book. **Loan book over Rs. 2 lakh crore (USD 25 billion)**



### High Asset Quality

**Consistently low GNPA** and NNPA for 14 years. GNPA and NNPA of **1.90%** and **0.59%** respectively



### Contemporary Technology

Bank built on **latest technology stack** that enables great UI UX resulting in excellent customer experience



### Strong Profitability

FY24 Profit After Tax (PAT) at **Rs. 2,957 crore**, up 21% on FY23 PAT of Rs. 2,437 crore, based on strong fundamentals.



### ESG Commitment

Business inherently aligned with ESG goals. Significantly enhanced ESG ratings

# Key Achievements at a glance IDFC FIRST Bank 1.0 (Dec-18 to Mar-24)

We are happy to share that IDFC FIRST Bank has made significant progress on all counts during the last 5 years including **Deposits, Loan, Capital, Assets** and **Leadership Team Building**. This slide summarizes the Key Qualitative and Quantitative Progress at the Bank.

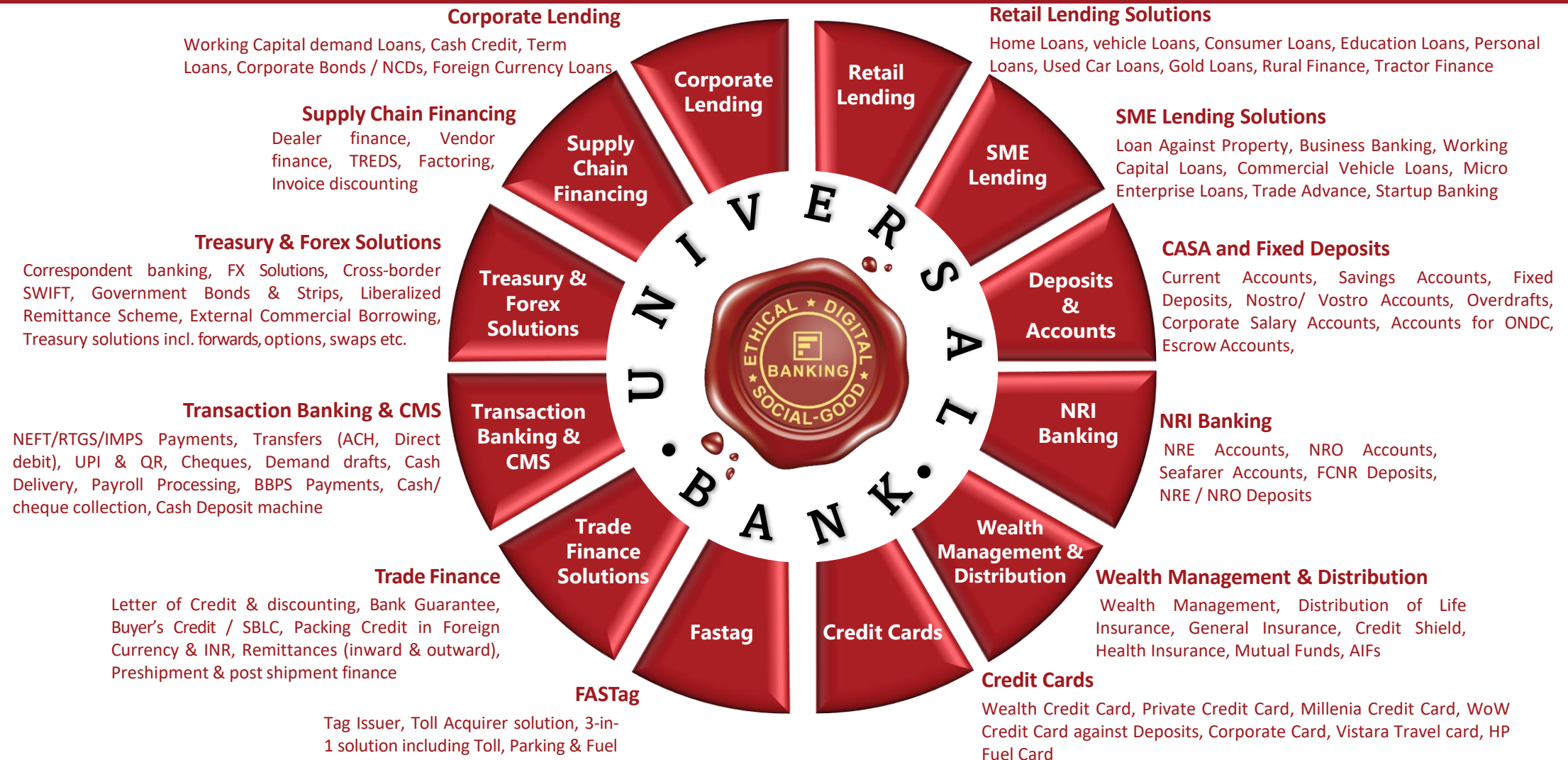
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01. Concluded Smooth Integration of IDFC Bank and Capital First
02. Set the Vision of the Bank
03. Instilled Customer First Philosophy in all facets of the businesses
04. Built a strong Leadership Team with rich experience in Banking
05. Created Robust Risk Management framework and practices across businesses and functions
06. Built Culture of the Bank, driven by Governance and independence of Control Functions
07. Developed an Universal Bank with a comprehensive suite of products and services
08. Built a Strong Brand Image
09. Launched New Products & Services and scaled them up
10. Implemented Contemporary Technology driven by digital innovation & analytics
11. Long Term Credit Rating of the top credit rating agencies in India
12. Strengthened the ESG practices and improved ESG rating

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01. Built Essential Infrastructure - 738 new Branches and 1,052 new ATMs
02. Strengthened Balance Sheet, deposit growth outpaced loan growth for 5 years by wide margin
  - Loan growth at 5-Year CAGR of only 13%
  - Customer Deposits growth at 5-Year CAGR of 37%
03. Transformed Liability Profile by growing retail deposits from 9% to 65% of total deposits & borrowings
  - Repaid ₹ 45,843 crore of Legacy Borrowings & reduced Certificate of Deposits by ₹ 15,489 crore
04. Grew Deposit Franchise to reach ₹ 2,00,000 crore with CASA ratio at 47.2%
05. Diversified Loan Book across more than 25 products; no business more than 15% of the total book
06. Reduced Infrastructure Financing Book from 21.7% to 1.4% of total loan book
07. Reduced RIDF Investments by 73% by growing organic priority sector loan products
08. Maintained Strong Asset Quality and reduced NPA levels (Gross NPA at 1.88% and Net NPA at 0.60%)
09. Improved Provision Coverage Ratio from 52% to 69% (73% excluding infrastructure financing book)
10. Turned around Profitability from net loss of ₹ 1,944 crore (FY19) to net profit of ₹ 2,957 crore (FY24)
11. Increased Capital by 75% to reach ₹ 32,161 crore and maintained capital adequacy at 16.11%
12. Share Price increased by 101% since merger against 57% increase in NIFTY Private Bank index

# The Bank has built a full Suite of Universal Banking Products





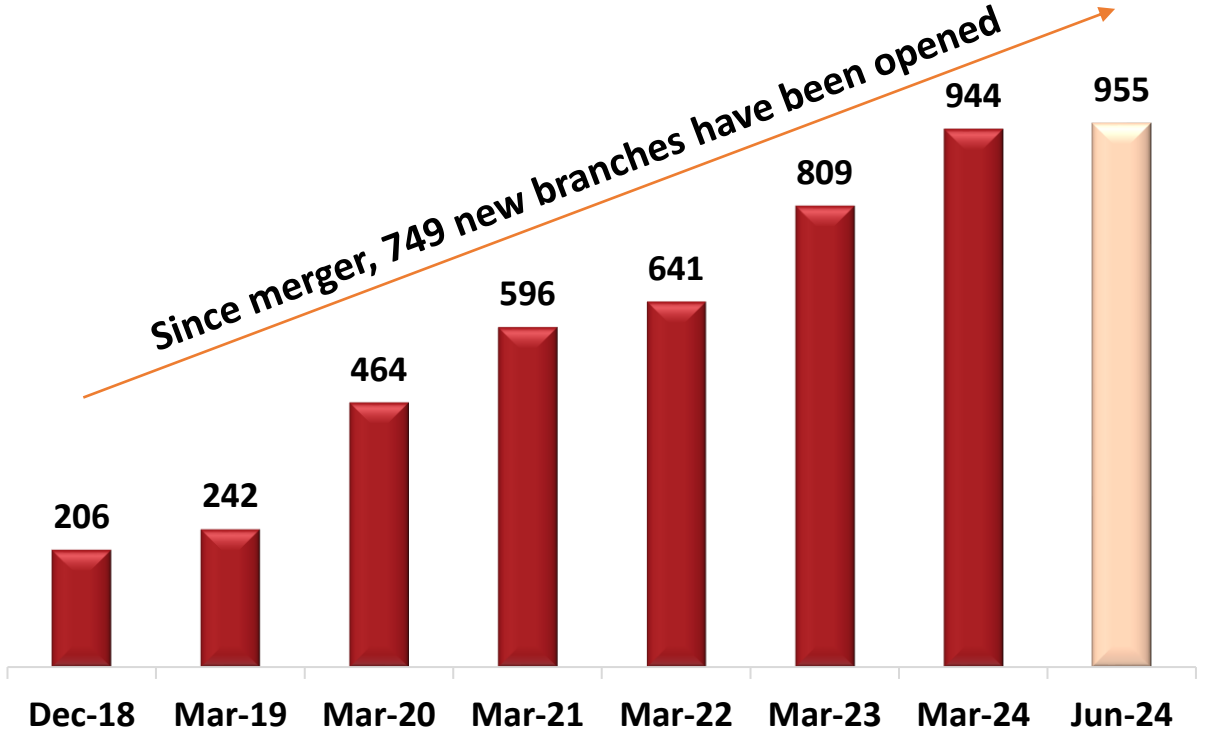
## Section 2: Deposits and Borrowings

- a. Growing Branch Presence
- b. Customer Deposits
- c. Retail Deposits
- d. CASA Deposits
- e. Diversification of Deposits
- f. Summary of Deposits and Borrowings
- g. Legacy High-Cost Borrowings
- h. Credit to Deposit Ratio



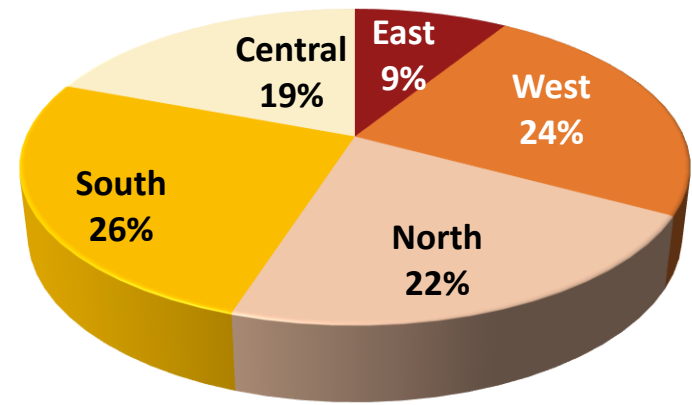
# Growing branch presence across India

Branch network

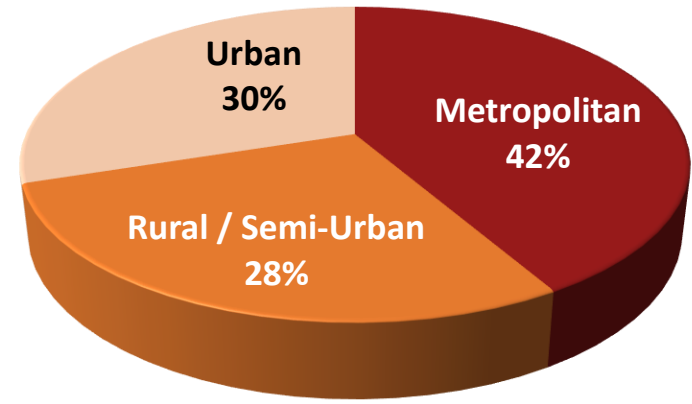


*During Q1FY25, we also opened a branch in Gift City*

Branch Distribution: Region Wise



Branch Distribution: Population Group Wise



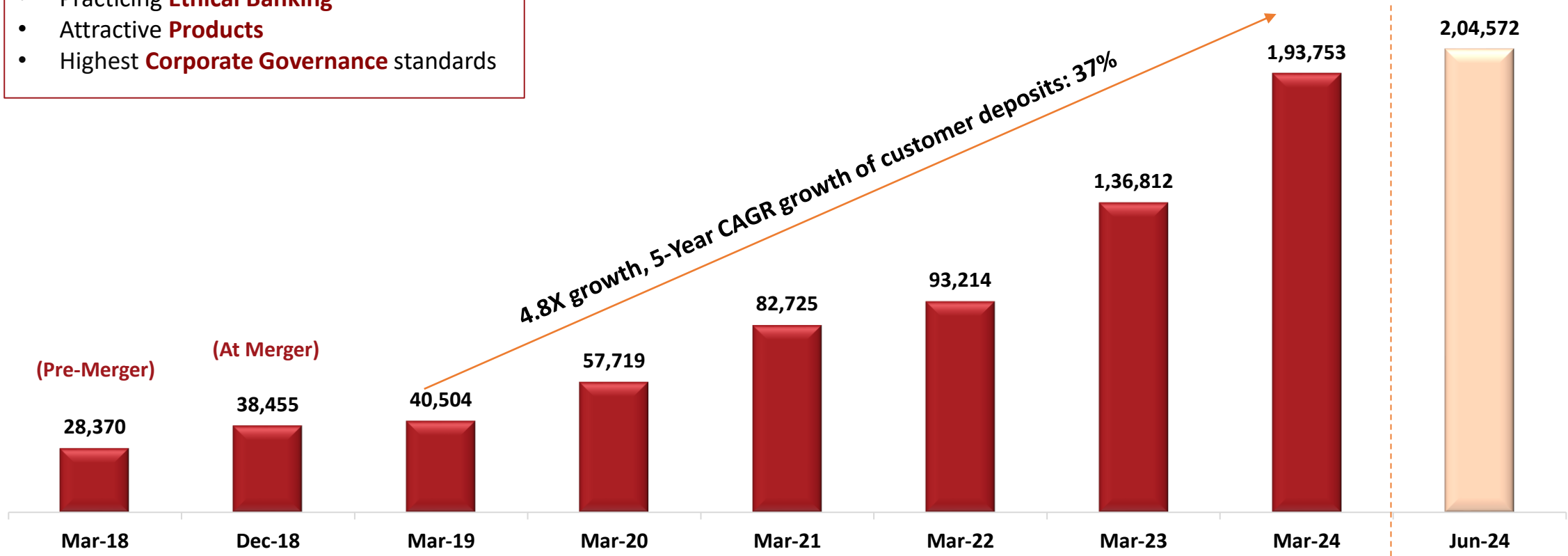
# 38% YoY (June 23 to June 24) growth in Total Customer Deposits against system deposit growth of ~12%

- Built Strong **Deposit Franchise** based on
- High **customer service levels**
  - Strong **Digital capabilities**
  - Practicing **Ethical Banking**
  - Attractive **Products**
  - Highest **Corporate Governance** standards

YoY – Jun-24 vs Jun-23    ↑38%

QoQ – Jun-24 vs Mar-24    ↑ 6%

in Rs. crore

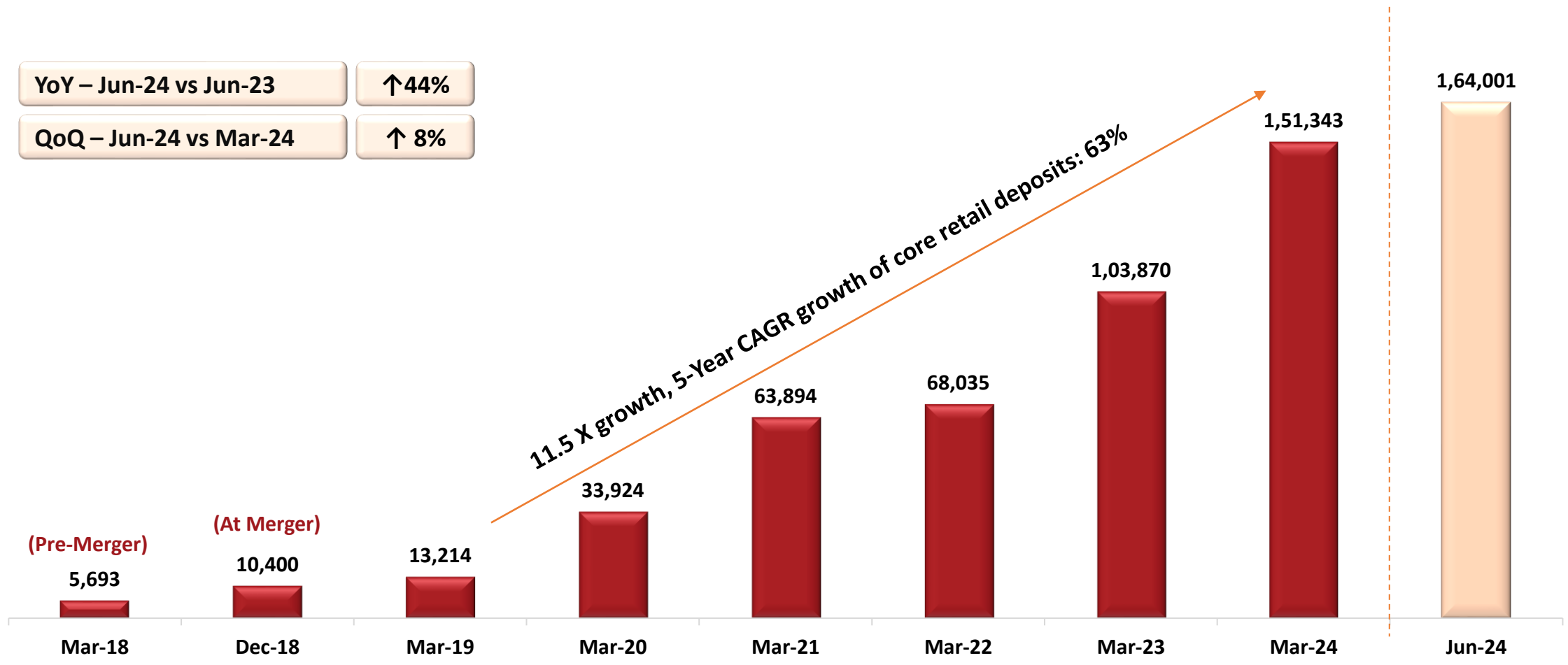


# 44% YoY (June 23 to June 24) Growth in Retail Deposits

in Rs. crore

YoY – Jun-24 vs Jun-23    ↑44%

QoQ – Jun-24 vs Mar-24    ↑ 8%



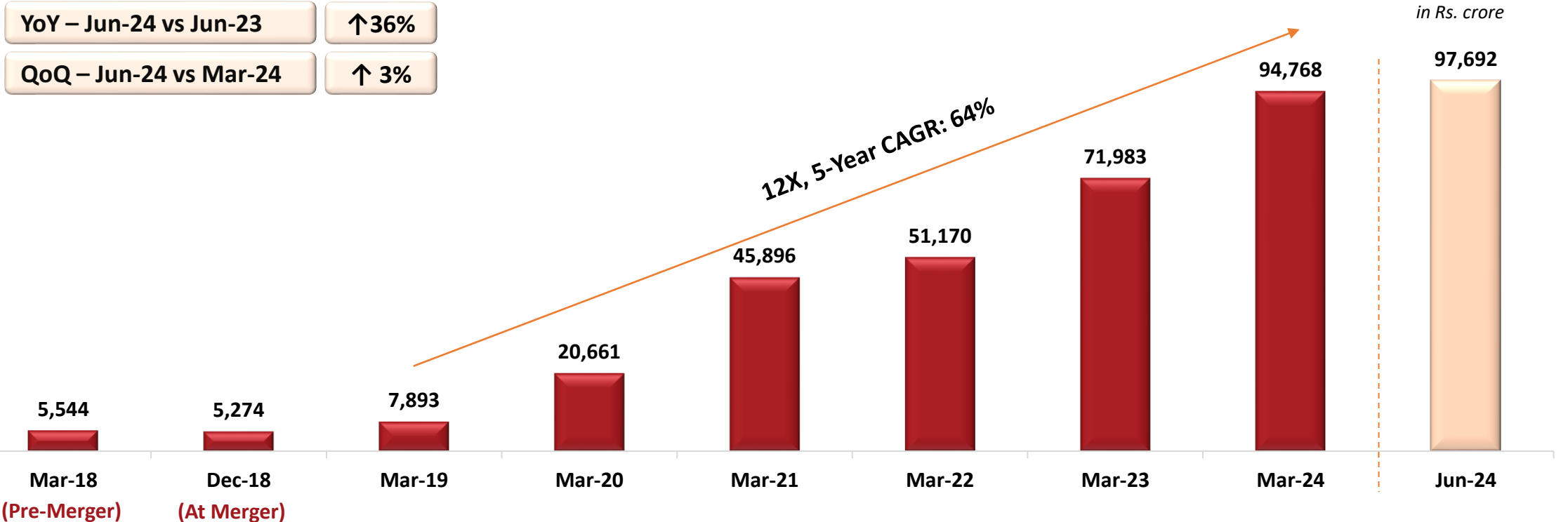


## 36% YoY (June 23 to June 24) growth in CASA deposits

The Bank has been reducing interest rates on savings account since last 3 years. Recently reduced to only 3% for balances up to Rs. 5 lac. Our experience is that savings account is highly dependent on service levels, quality of mobile app, quality of internet banking, brand, relationship management and so on.

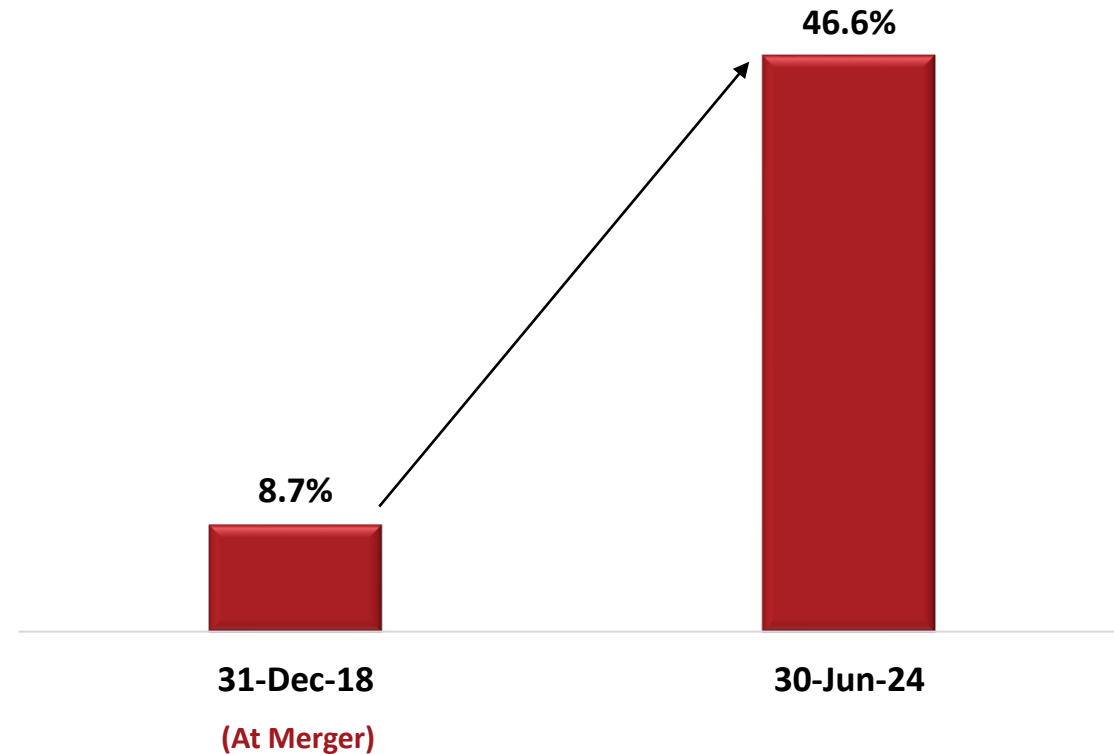
Based on these factors, our deposits continue to rise even after dropping savings account interest rates meaningfully.

Excluding temporary inflow from one government account, which was called out last quarter, the quarterly increase was **6.2%**



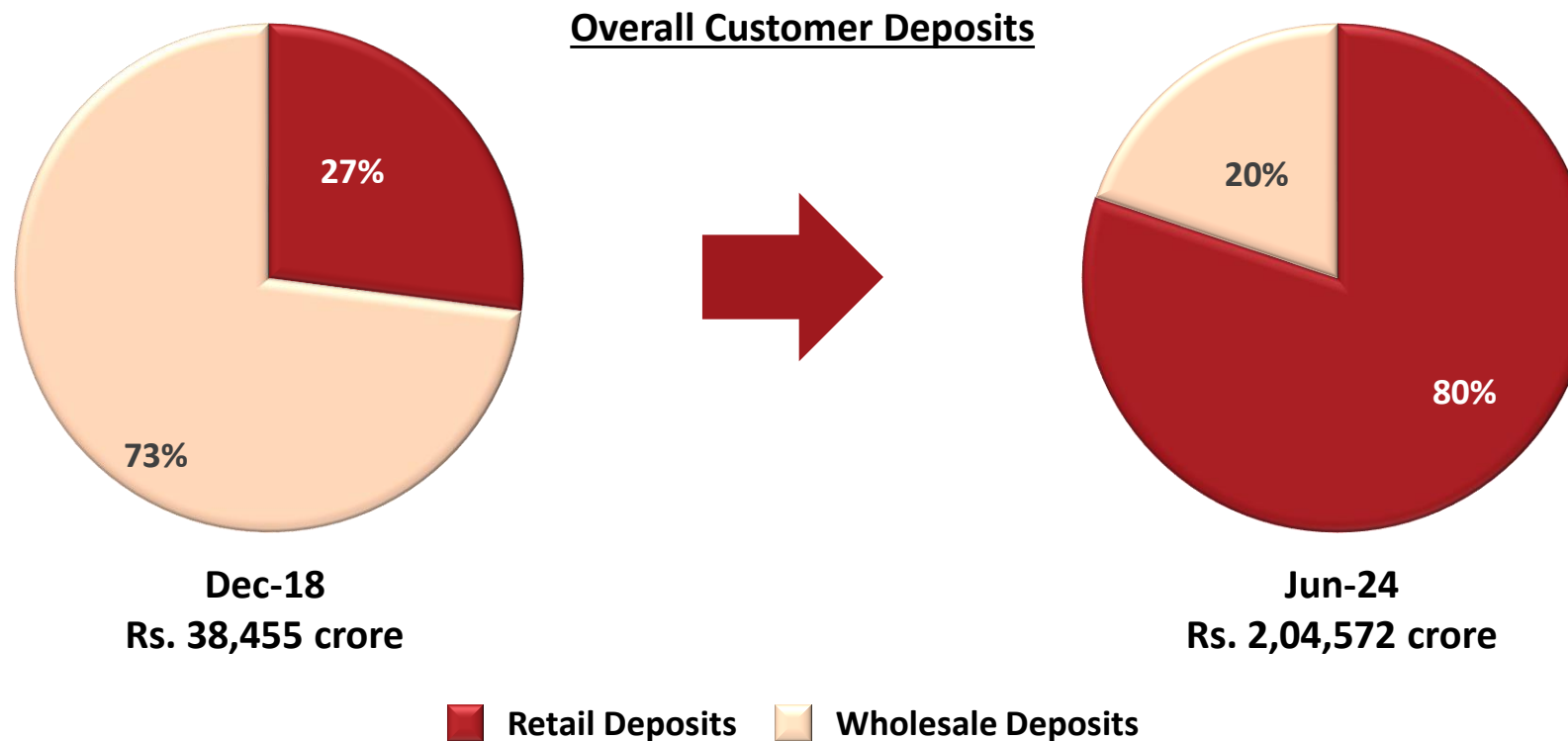
## Healthy CASA Ratio at **46.6%**

- Bank maintained CASA at > 45% for the last 3 years
- Recent trend in CASA:
  - As of March 31, 2022: **48.4%**
  - As of March 31, 2023: **49.8%**
  - As of March 31, 2024: **47.2%**
- Excluding temporary inflow from one government account, which was called out last quarter, the CASA ratio as of March 31, 2024 was 46.5%. Hence Bank has broadly maintained CASA Ratio sequentially.



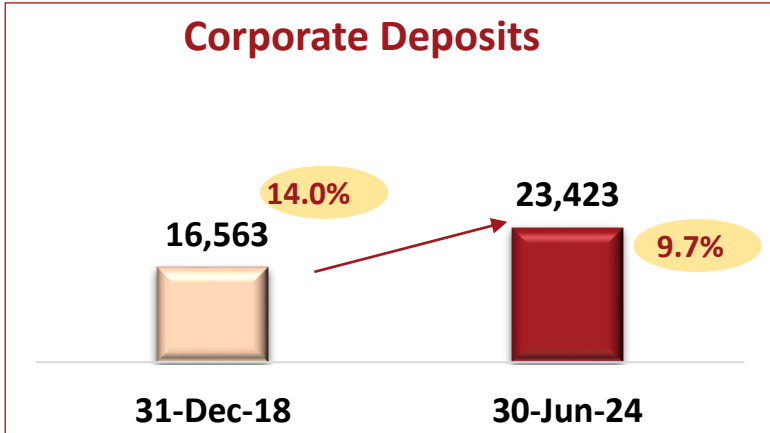
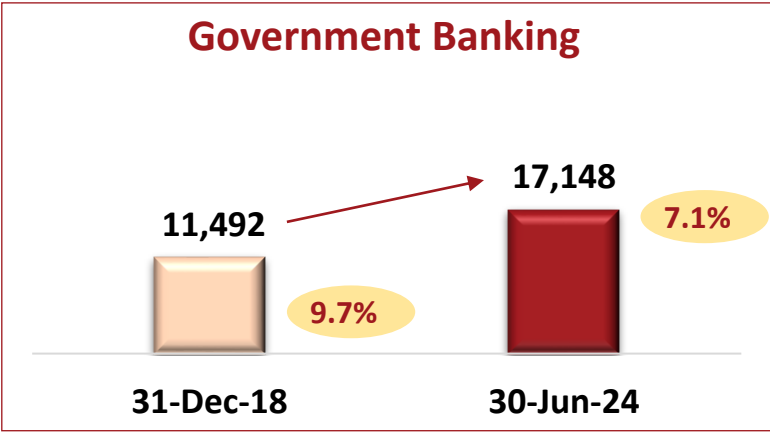
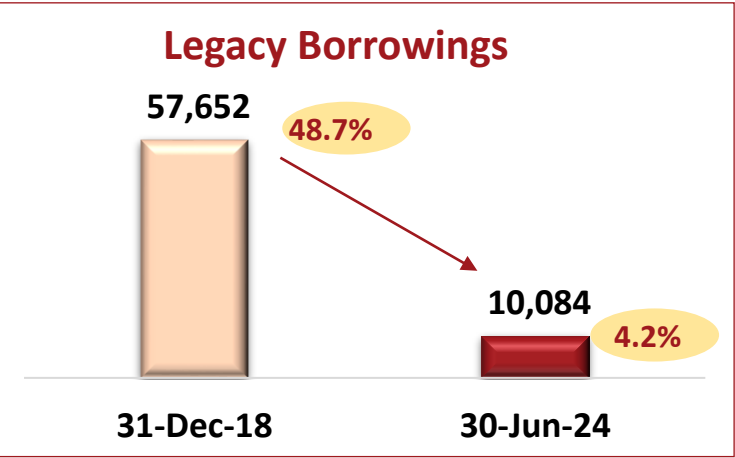
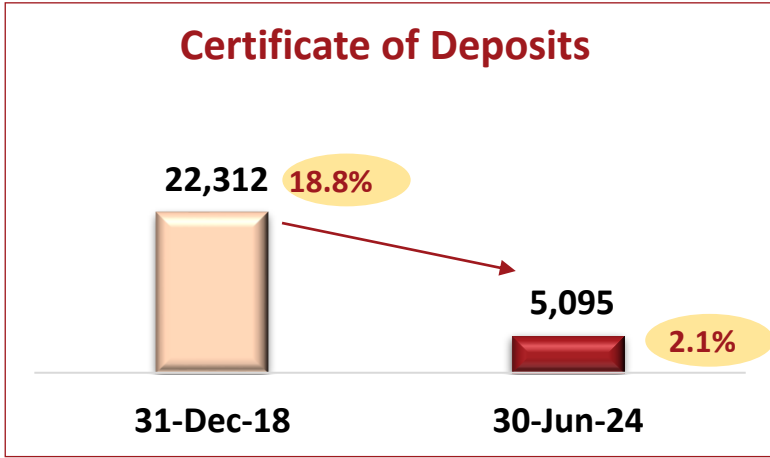
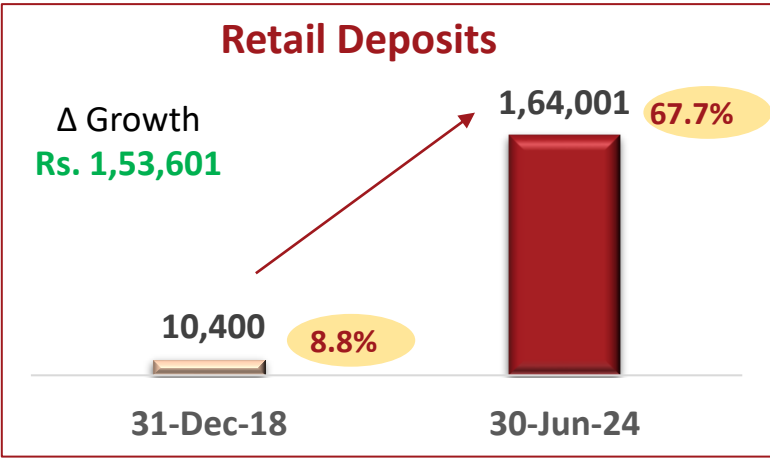
## Bank has a highly Diversified liabilities base with **80%** Retail Customer Deposits

- It is a strategic priority of the Bank to diversify the deposits by raising retail deposits.
- Retail Deposit customers get used to transactions, id, passwords, RMs, branch services, auto debits, SI debit, EMI debits, MF investing etc. and hence is more stable than bulk deposits.
- Retail deposits have increased from 27% of deposits at merger to 80% currently which has significantly stabilized the deposits side.
- Certificate of Deposits (short term money) has come down from Rs. 28,754 crores as of Mar 31, 2019 to Rs. 5,095 crores as of June 30, 2024.



# Since Merger, Bank has repaid Rs. 64,786 crore of Legacy Borrowings and Certificate of Deposits

Bank COF reduced by **132 bps** from 7.79% at merger to 6.47% since merger. Deposits growth continues to be stable.



Bank has developed unique capability to raise retail deposits at scale

Represents % of total deposits & borrowings as of that date excluding money market borrowings





## Deposits & Borrowings Details

The Bank has grown its customer deposits by **38% YOY** driven by the retail deposits which was utilized for repayment of the legacy borrowings and for the growth of assets.

Particulars (in Rs Cr)	Jun-23	Mar-24	Jun-24	YoY growth
Legacy Long Term Bonds	6,148	4,622	4,129	-33%
Legacy Infrastructure Bonds	6,901	5,510	5,306	-23%
Refinance	19,910	16,612	15,456	-22%
Other Borrowings	4,297	2,601	3,225	-25%
Tier II Bonds	4,500	4,500	4,500	0%
<b>Total Borrowings (A)</b>	<b>41,756</b>	<b>33,845</b>	<b>32,617</b>	<b>-22%</b>
CASA Deposits	71,765	94,768	97,692	36%
Term Deposits	76,709	98,985	1,06,880	39%
<b>Total Customer Deposits (B)</b>	<b>1,48,474</b>	<b>1,93,753</b>	<b>2,04,572</b>	<b>38%</b>
Certificate of Deposits (C)	5,953	6,823	5,095	-14%
Money Market Borrowings (D)	13,985	17,091	19,253	38%
<b>Borrowings &amp; Deposits (A) + (B) + (C) + (D)</b>	<b>2,10,168</b>	<b>2,51,512</b>	<b>2,61,536</b>	<b>24%</b>
<b>CASA Ratio (%)</b>	<b>46.5%</b>	<b>47.2%</b>	<b>46.6%</b>	<b>12</b>
<b>Average CASA Ratio % (On Daily Average Balance for the Quarter)</b>	<b>45.7%</b>	<b>45.9%</b>	<b>44.5%</b>	<b>-121</b>

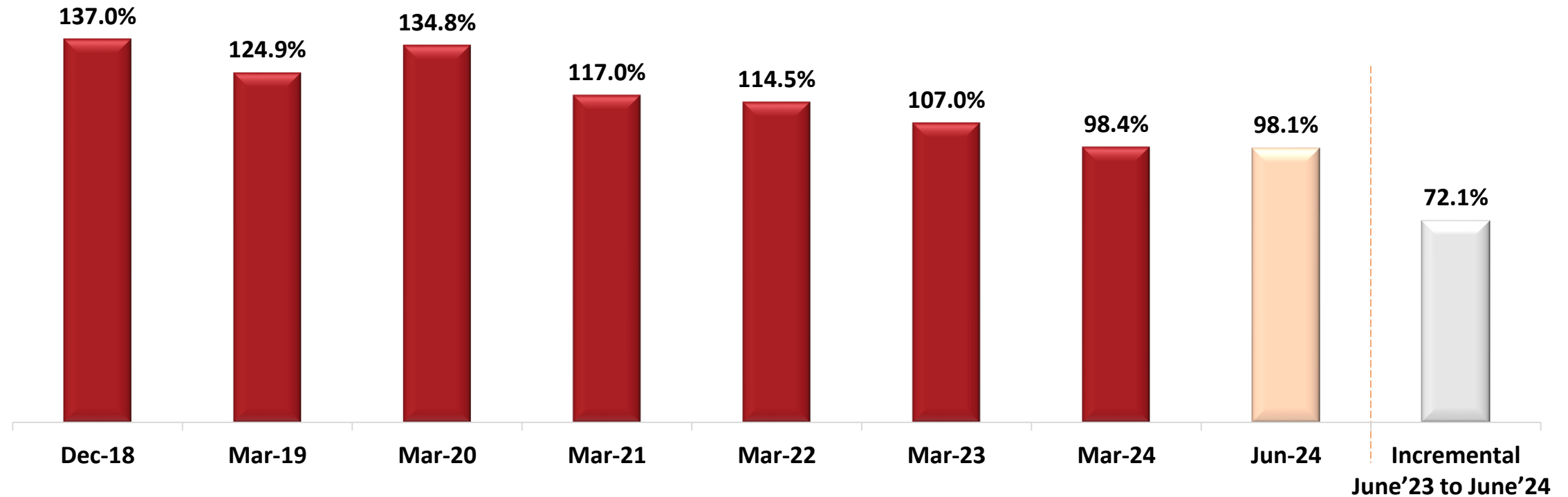
## Bank continues to successfully run down the legacy high cost long term borrowings

- Because we have a DFI background, the legacy borrowings are costing the bank 8.93%. The Bank plans to replace this with low-cost deposits.
- Once the high-cost legacy borrowing gets repaid by FY26, the Bank will require the **deposits only for growing the book**.

In Rs. Cr	Balance		Run off Schedule				RoI (%)
	As on Jun-23	As on Jun-24	Q2-FY25	H2-FY25	FY26	Beyond FY26	
Infrastructure Bonds	6,901	5,306	1,777	2,710	819	-	8.95%
Long Term Legacy Bonds	6,149	4,129	237	394	3,498	-	8.88%
Other Bonds	1,146	648	25	-	298	326	9.13%
Refinance	1,860	-	-	-	-	-	-
<b>Total</b>	<b>16,055</b>	<b>10,084</b>	<b>2,039</b>	<b>3,104</b>	<b>4,614</b>	<b>326</b>	<b>8.93%</b>

## Incremental CD ratio at **72.1%** (June 2023 to June 2024)

- Bank has maintained low incremental CD ratio for five years now, thus the overall CD ratio has come down to below 98.1%
- Credit-Deposit ratio (CD ratio) has improved consistently from 137% to 98.1% since merger
- The bank has a clearly defined strategy to lend less than deposits raised, to reduce the CD ratio.
- Excluding the short-term deposit from one government banking account (already called out last quarter), which flowed out in Q1 FY 25, the incremental credit deposit ratio for Q1 FY 25 was 68.3%

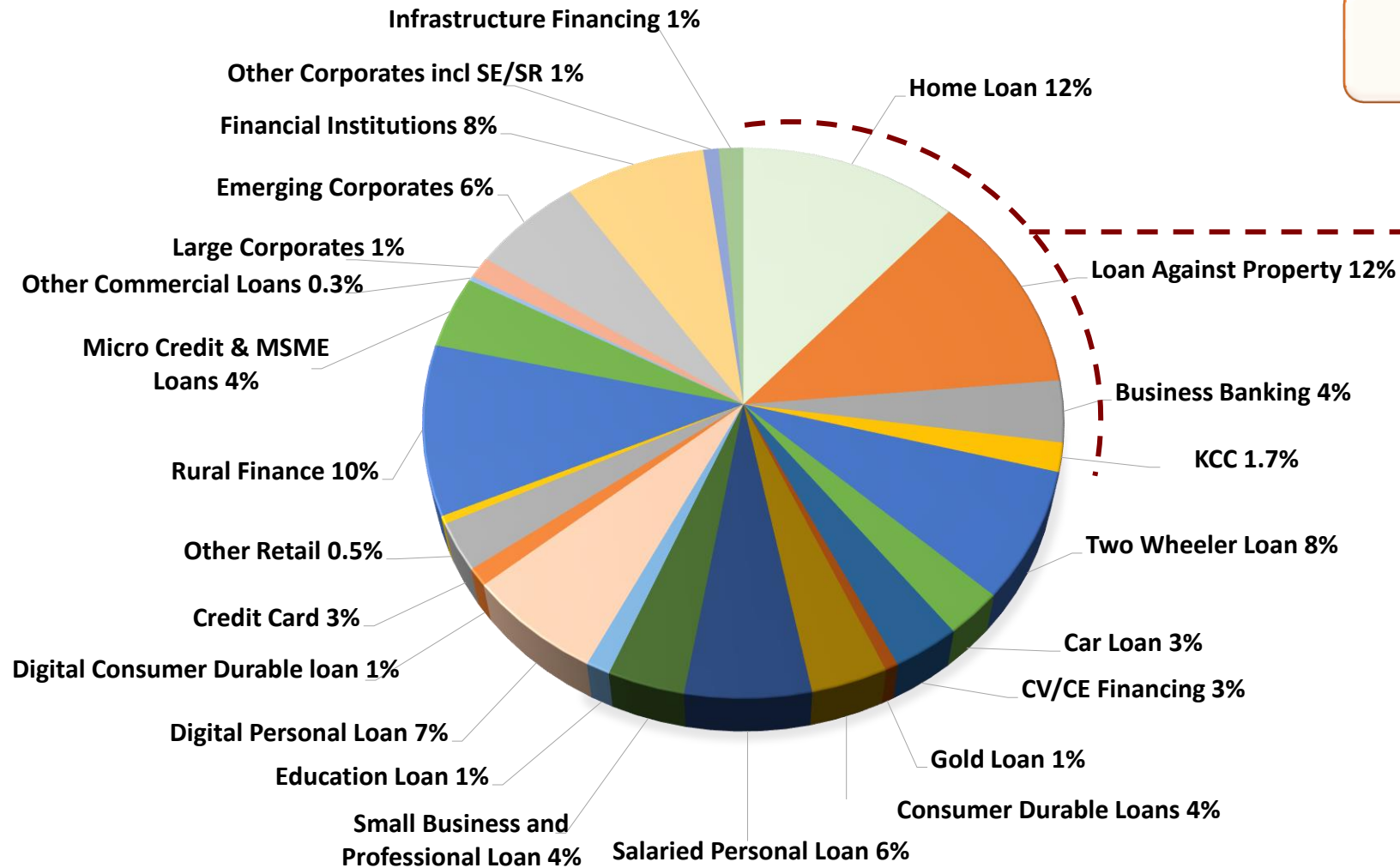


## Section 3: Diversified Loan Portfolio





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

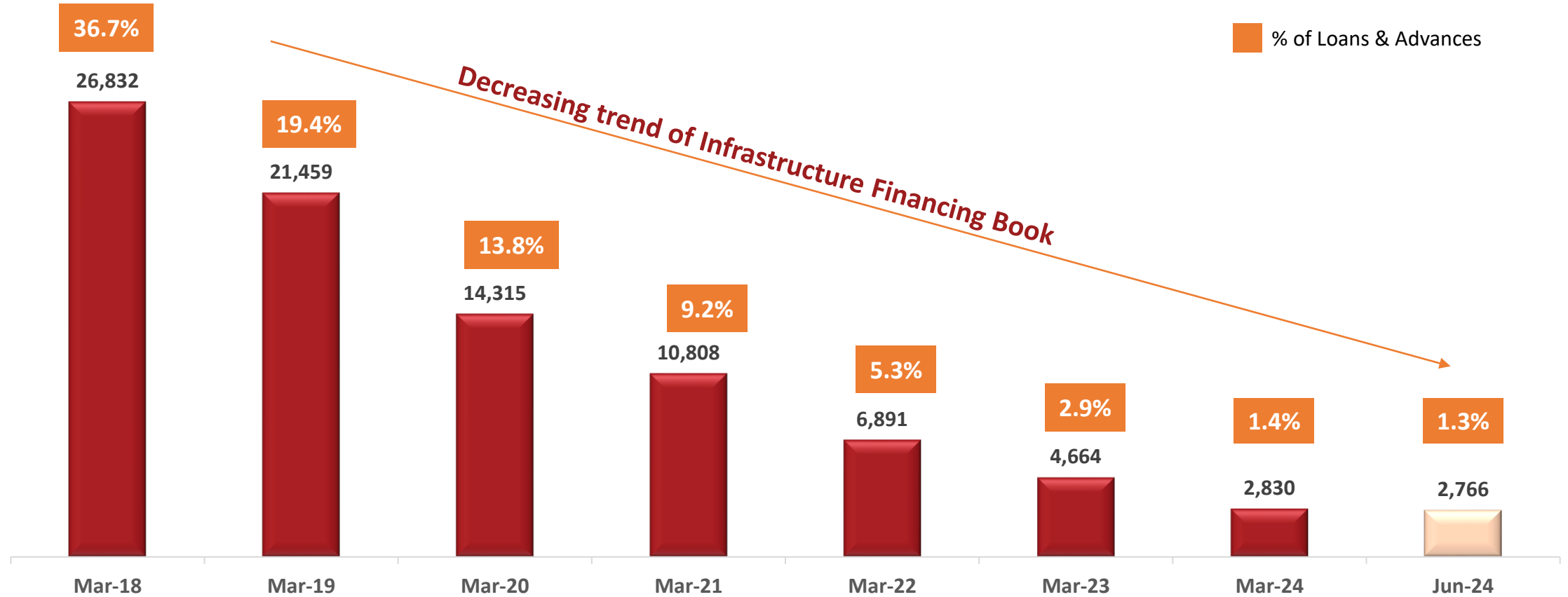


**Loan Book: June 30, 2024**  
**Rs. 2,09,361 crore**

**29% of total loan book Backed by Mortgage**

# Infrastructure Project financing Book reduced from 19.4% to **1.3%** of loans & advances

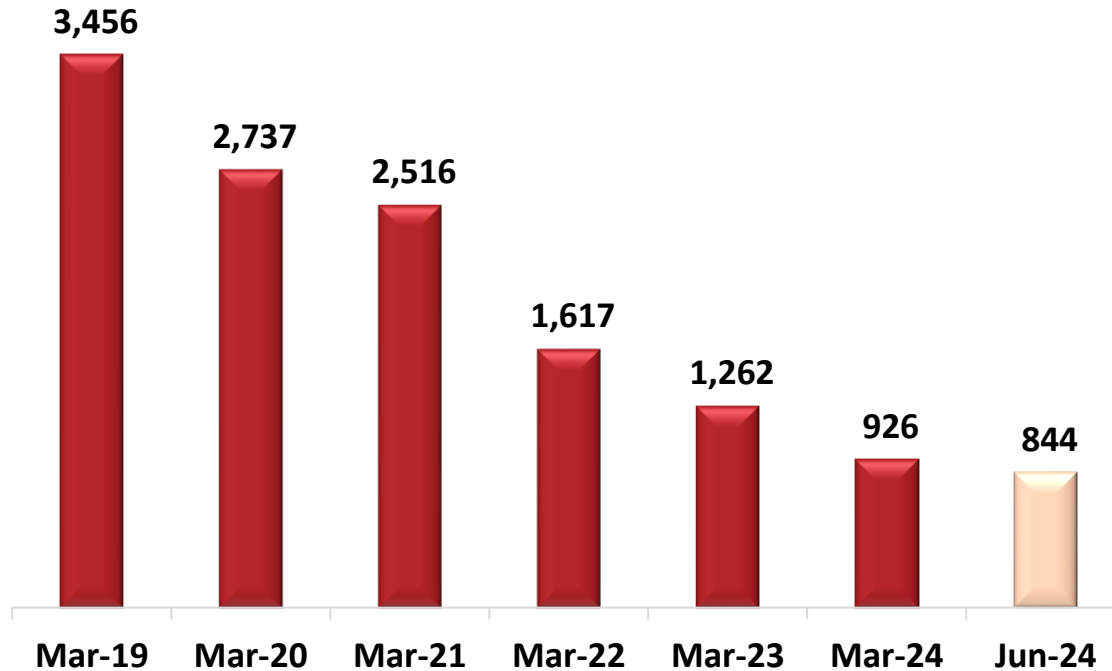
Infrastructure Financing Book (Rs. Crore)



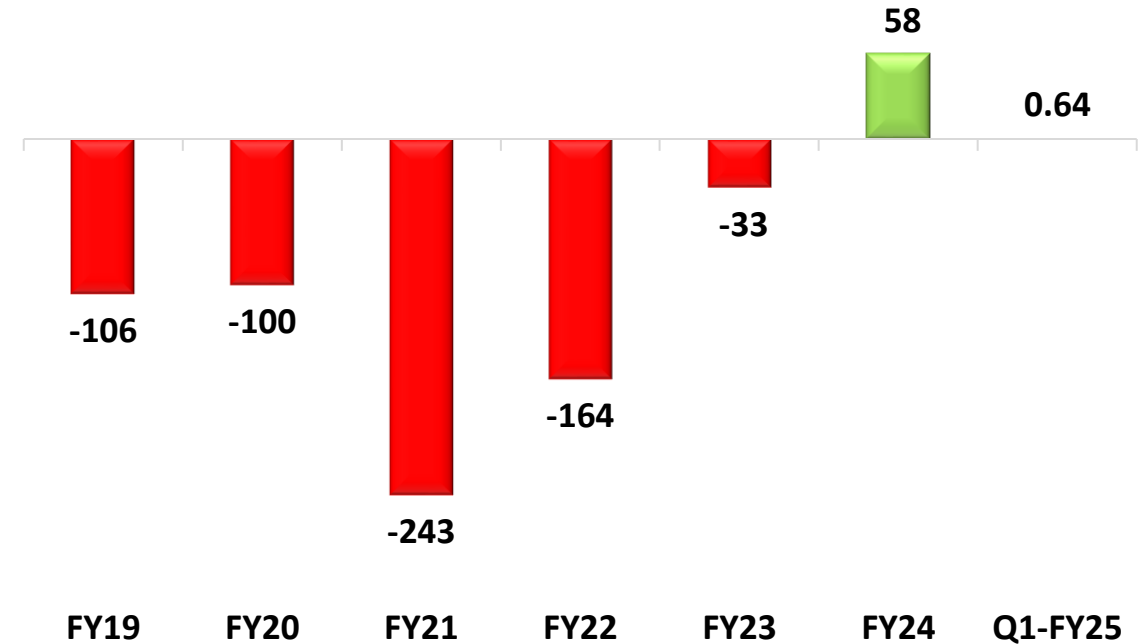
## The Bank has built capability to originate PSL through organic origination

A key progress of the Bank over the last five years is to be able to build capability to originate priority sector loans. Bank has not only filled up the shortfall of PSL but has generated surplus enough to be able to sell PSL Certificate in the market for a fee.

**RIDF Bonds Outstanding (Rs. crore)**



**Net PSLC Cost (Rs. crore)**



Net PSLC Cost = Cost paid for purchasing PSL Certificates less Fee income from selling PSL Certificates

## **4. Robust Risk Management Framework**

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

**b. Trend in Bounce Rates**

**c. Trend in Collection Efficiency**

**d. Vintage Analysis**

**e. Businesses with higher risk behaviour- action taken**

**f. SMA and NPA Ratios in Retail, Rural, SME Book**

**g. Wholesale Credit Risk Management**

**h. Provisioning Policy**





# The fundamental underwriting principle of the Bank explained

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



**Debit Instruction to Bank**



**High Asset Quality**

- The Bank lends on the basis of cash flow assessment –
  - A.** Bank assesses the cash flow of the borrower through bank statement, GST, bureau EMI etc.
  - B.** Bank takes debit instruction mandate for EMI.
- Combination of **A+B** put together practically works as an escrow.
- This is a key reason for the bank portfolio continues to do well through the credit cycles.



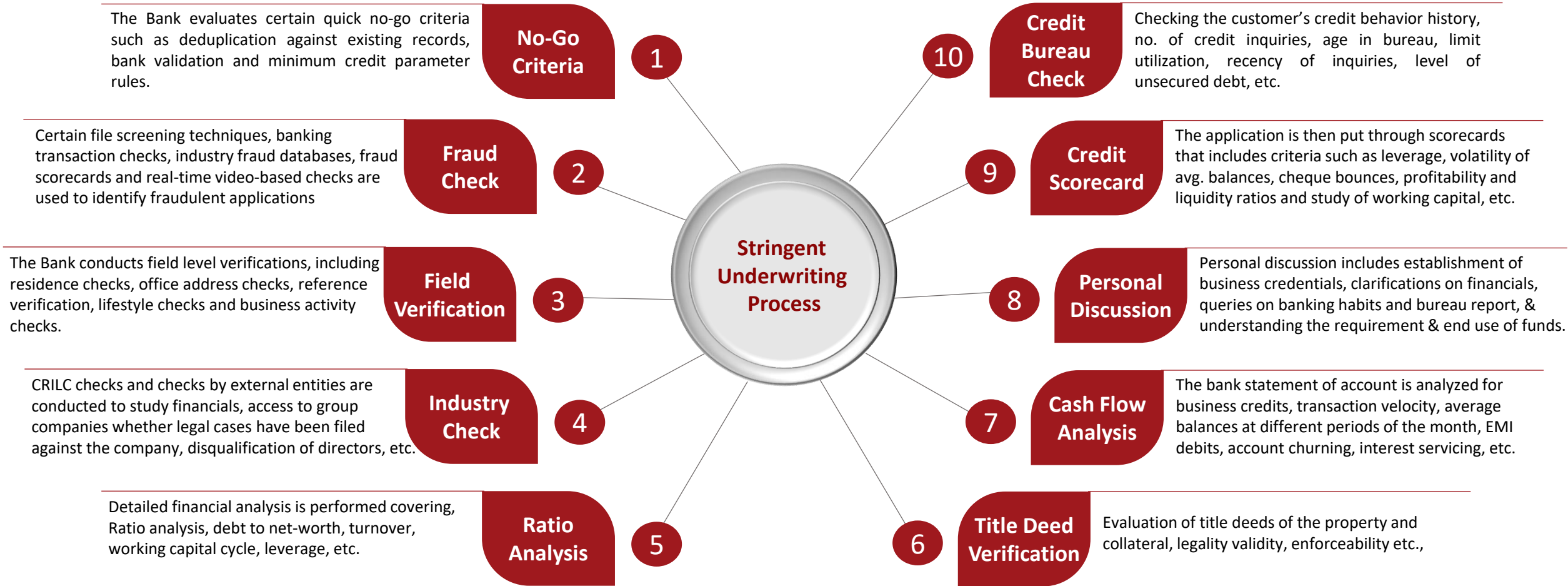
# Risk Management Funnel for Retail, Rural & MSME Loans

<b>Credit Policy</b>	Bank has robust credit policy and underwriting standards driven by data analytics
<b>Quality of On-Boarding</b>	With stringent credit norms, only about <b>40-60%</b> of the loan application are approved, varies by product
<b>Low Cheque Bounces</b>	Good quality onboarding results in the low bounce on presentation. Bank has only <b>5.0%</b> First EMI bounce rate for insufficient funds
<b>High Collection Efficiency</b>	The Bank has high collection efficiency at <b>99.5%</b> (early bucket) which sustained over the last many years at the same level
<b>Low SMA levels</b>	Better underwriting and efficient collections result in better SMA levels across products. SMA 1+2 at <b>~1%</b>
<b>High Asset Quality</b>	GNPA and NNPA at <b>1.46%</b> and <b>0.46%</b> respectively
<b>Lower Credit Cost</b>	Leads to stable credit costs over cycles

*Cheque Bounce is pertaining to Urban Assets. Behaviour of Rural (excluding JLG) is similar*

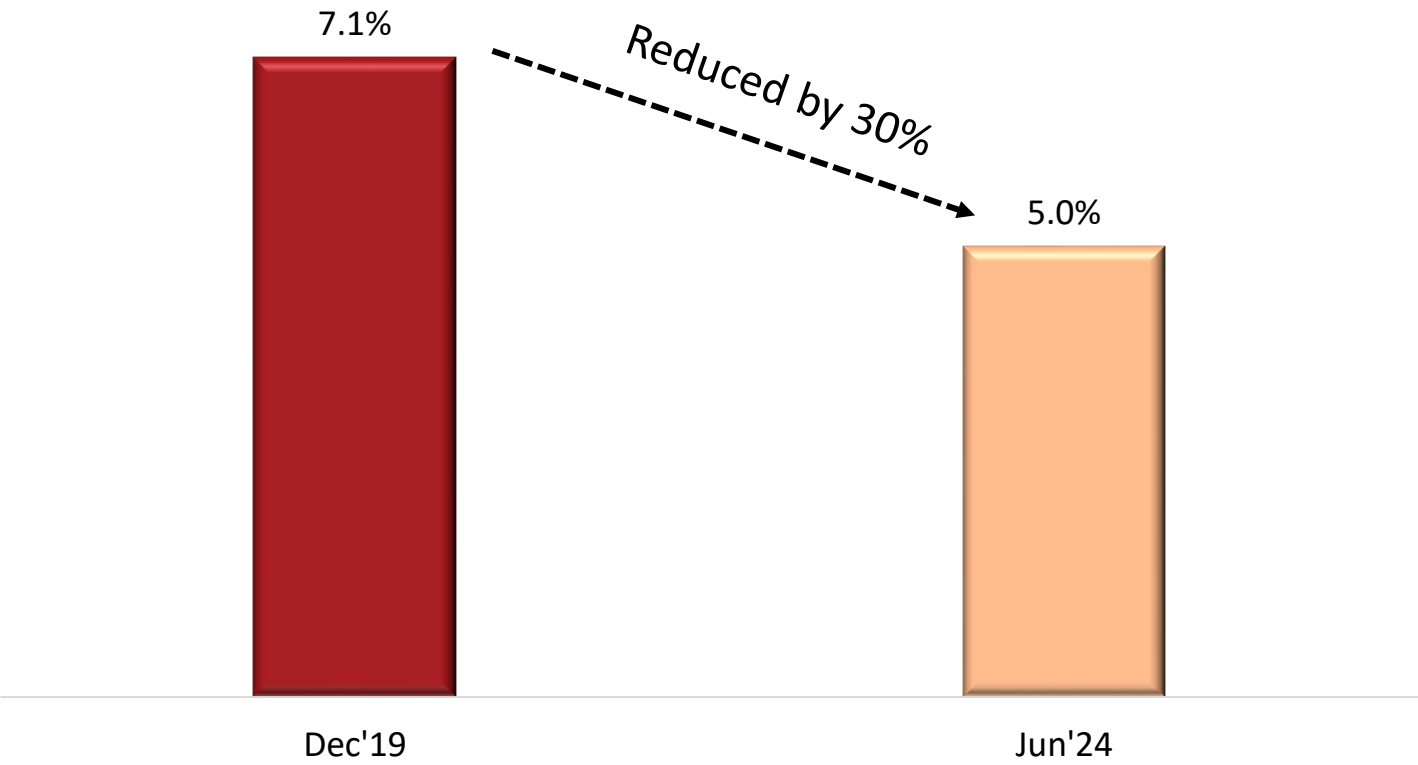


# 10 Step Stringent Underwriting Process



### First EMI Bounce rate on retail, rural and MSME (for insufficient funds) reduced meaningfully

First EMI returns for insufficient funds has reduced by **30%** which indicates quality of underwriting has improved over time (EMI returns pertain to Month 1 EMI presentation for Month 0 Booking)



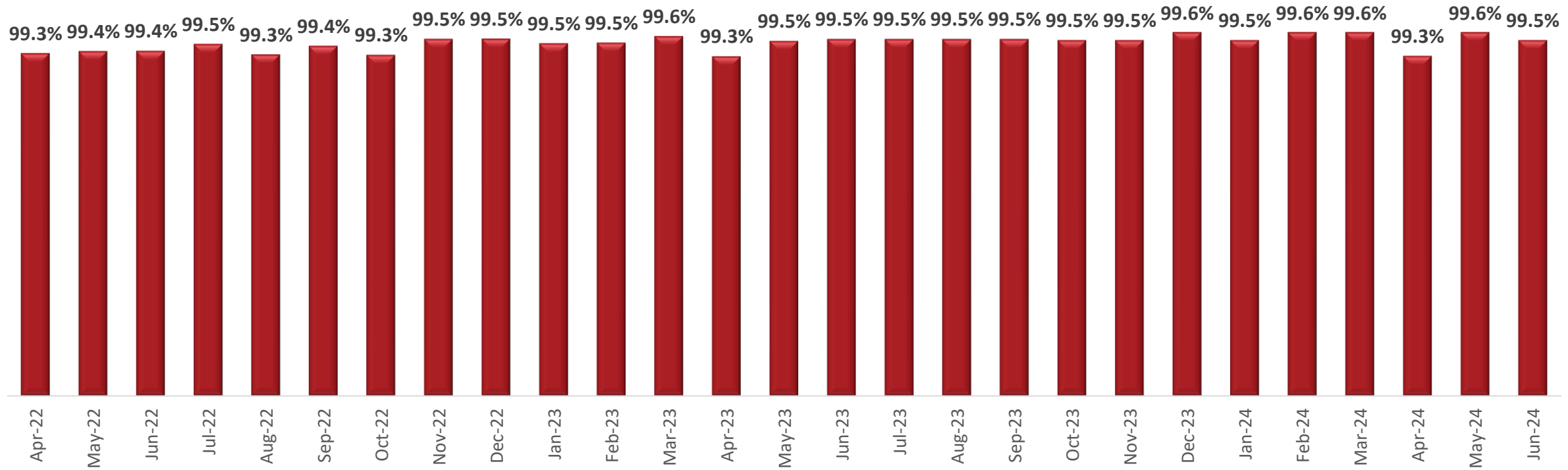
- First EMI (FEMI) represents Cheque returns in the FIRST month after Booking. It is thus a direct indicator of the Quality of Booking.
- First EMI Bounce Rate, including insufficient funds and technical bounce was at 5.9% as of June 2024
- % are on 12 month trailing basis, as a sustainable performance indicator



# The Bank maintains high collection efficiency at 99.5%, steady behaviour

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

Collections does not include any arrear collections, or prepayment collections in these calculations, 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. Similar experience is observed in the Rural financing also, excluding JLG.

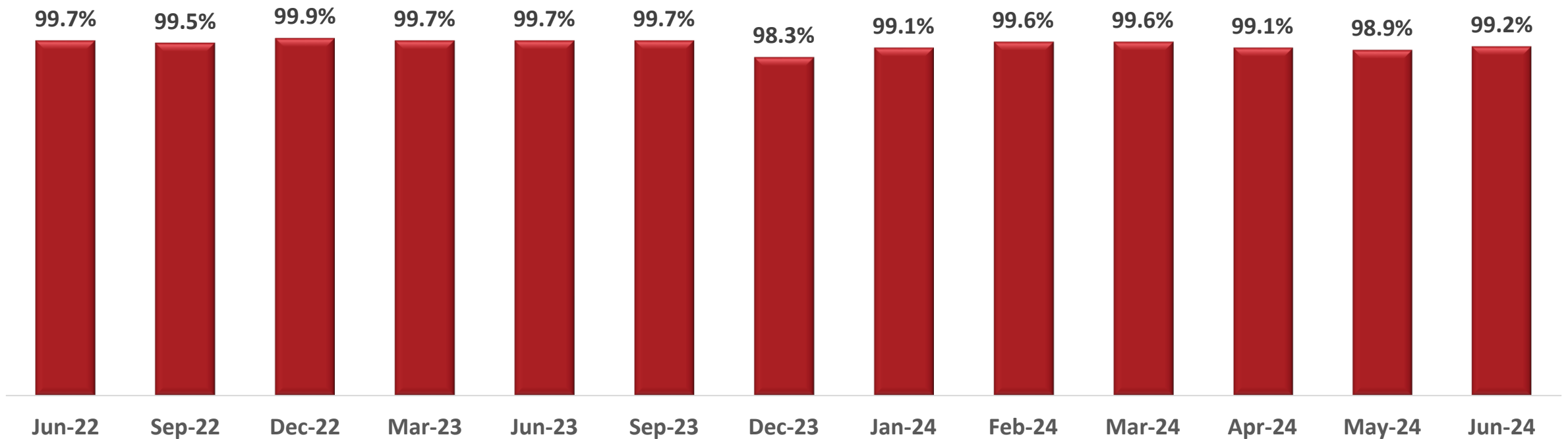


## JLG Collection %

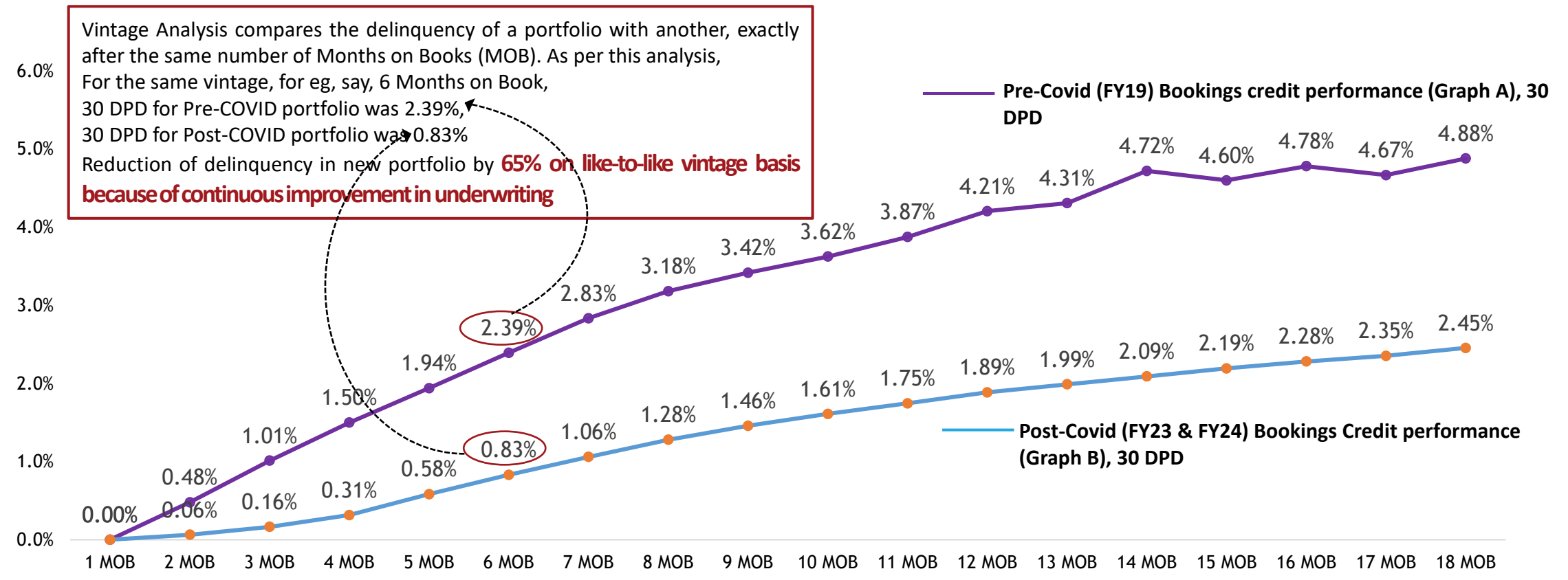
Early bucket Collection Efficiency in JLG has reduced from **99.7%** in Jun-23 to **99.2%** in Jun-24, down by 50 bps

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

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



# Vintage Analysis – Retail, Rural & SME Book, 30 DPD, (excluding JLG).



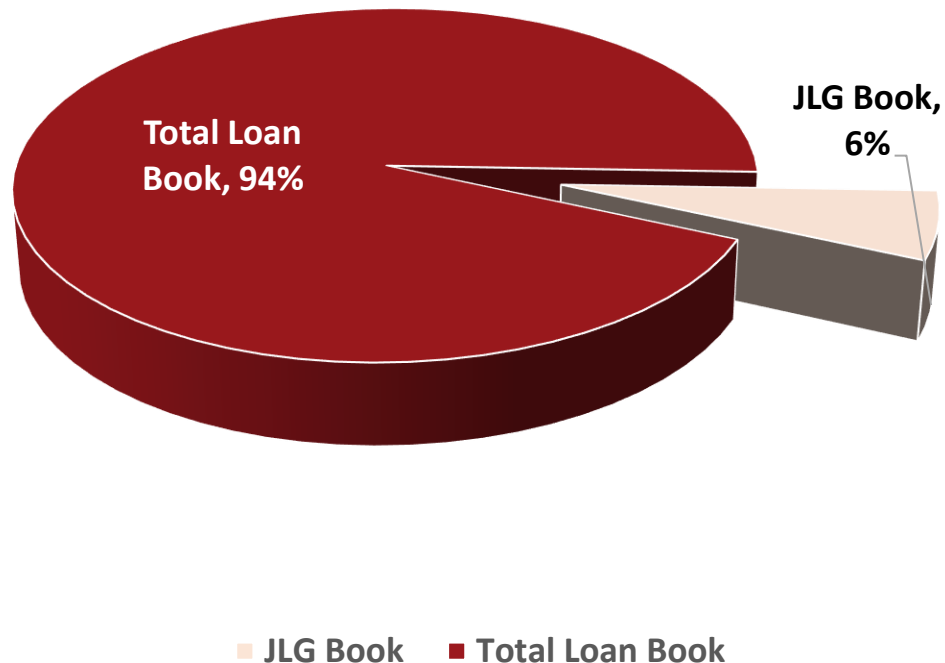
- The Vintage analysis on this graph indicates the expected NPA over the next 3-5 years. The delinquency for the new bookings of Post-COVID for like-to-like vintage is lesser than that booking of Pre-COVID. The past Pre-Covid bookings (Graph A) led to NPA of around 2% and Net NPA of around 1%. Under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





## JLG Portfolio: JLG outstanding portfolio is only 6.1% of the overall loan book

### JLG Book 6% of the overall Loan Book



- The delinquency of Microfinance portfolio increased largely because of massive floods in Tamil Nadu during end of 2023 and also by seasonality.
- The microfinance Book has traditionally had low NPA and had credit cost of about 1.6% (April 22-Dec 23).
- The expected impact of JLG portfolio is range bound, expected to additionally impact Credit cost at over bank level by about 18-20 bps for FY 25
- Floods are a one-off episode.
- The door-to-door lifespan of JLG loan is only about 1-2 years.
- Post January 24, Bank has insured incremental JLG loans with credit guarantee from CGFMU.
- 94% of the book (non-JLG), the asset quality is steady and on expected lines, even factoring for recent seasonal impacts.

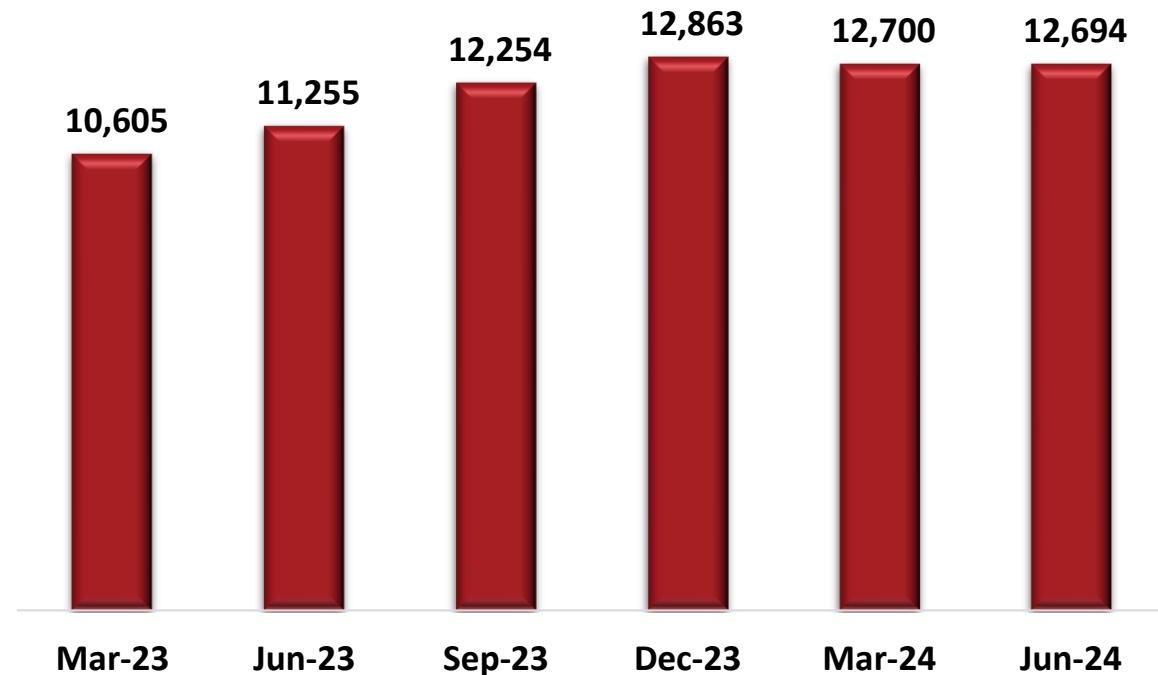
## JLG Portfolio: Interventions undertaken to improve portfolio quality

### Steps taken to improve microfinance portfolio quality

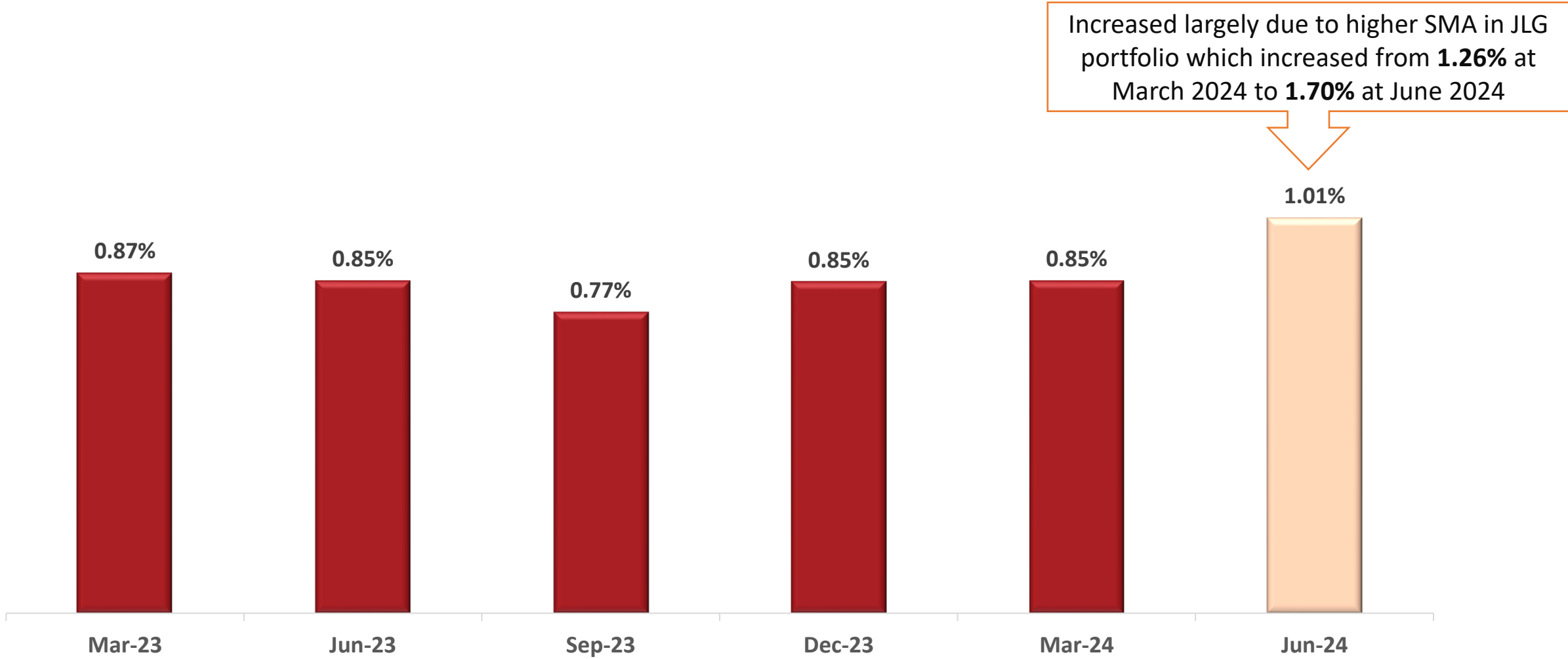
- Bank has moderated the growth on JLG portfolio.
- Policy interventions taken based on leverage study.
- Bank restricting based on number of trade lines, lender count etc.
- Bank implementing new scorecard-based screening
- As mentioned earlier, Bank also insuring the loan book from CGFMU for bookings since January 2024

### JLG Portfolio Outstanding (Rs crore)

The Bank has moderated growth of JLG loan book to 12.8% YoY

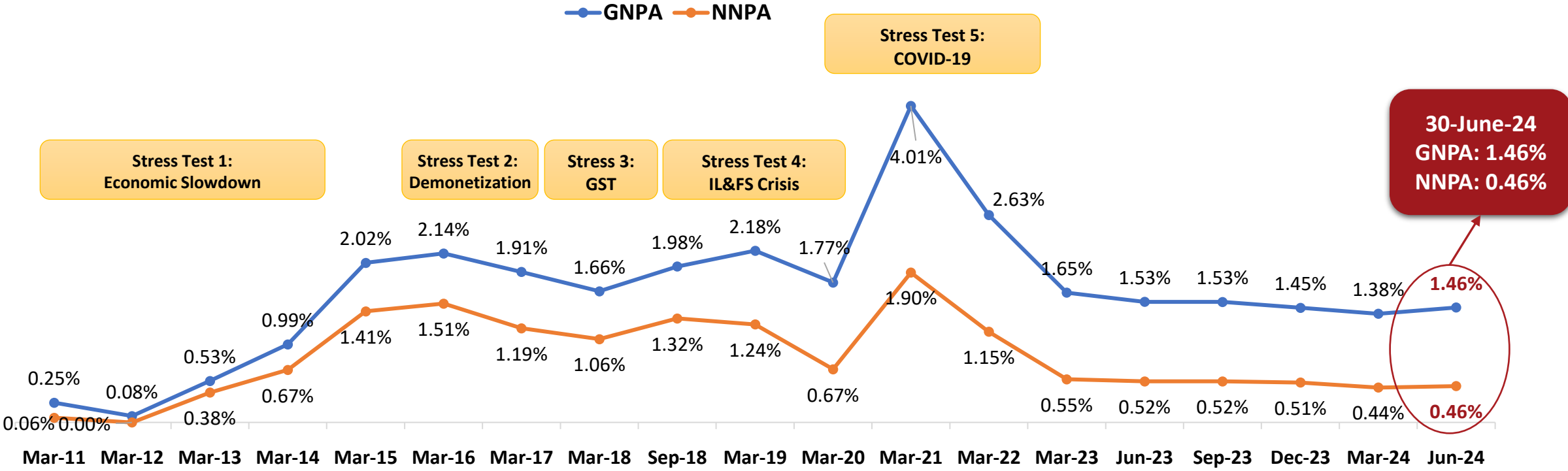


# SMA-1 & SMA-2 portfolio as % of total Retail, Rural & MSME Loan Book



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

- In this segment, asset quality maintained through Economic slowdown, demonetization, GST, ILFS Crisis.
- Even after the pandemic, the portfolio quickly recovered to Gross NPA of ~ 1.5% and NNPA of ~ 0.5%



Note: "Bank" and "Decade" here pertains to combined history of both Capital First and IDFC Bank. The figures till Sep-18 pertains to the retail portfolio at Capital First Limited.



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

Segment	Gross Advances Breakup (Rs. Crore)	Gross NPA	Net NPA
Home Loan	24,658	0.67%	0.31%
Loan Against Property	24,729	1.57%	0.67%
Vehicles	21,824	1.62%	0.63%
Consumer Loans	30,215	1.86%	0.55%
Rural Finance	24,518	1.20%	0.20%
Digital, Gold & Others	18,226	1.91%	0.43%
Credit Cards	5,938	1.89%	0.44%
MSME Finance	23,688	1.30%	0.43%
Corporate (Non-Infra)	29,128	2.46%	0.24%
Infrastructure Finance	2,658	24.75%	14.32%
<b>Overall Bank</b>	<b>2,05,583</b>	<b>1.90%</b>	<b>0.59%</b>
<b>Bank (Excluding Infra)</b>	<b>2,02,924</b>	<b>1.60%</b>	<b>0.43%</b>

### Retail, Rural & MSME

Gross NPA

1.46%

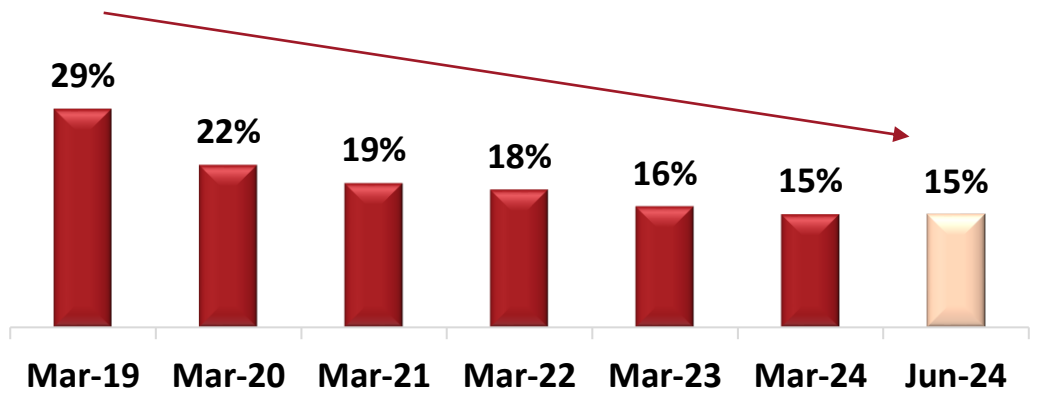
Net NPA

0.46%

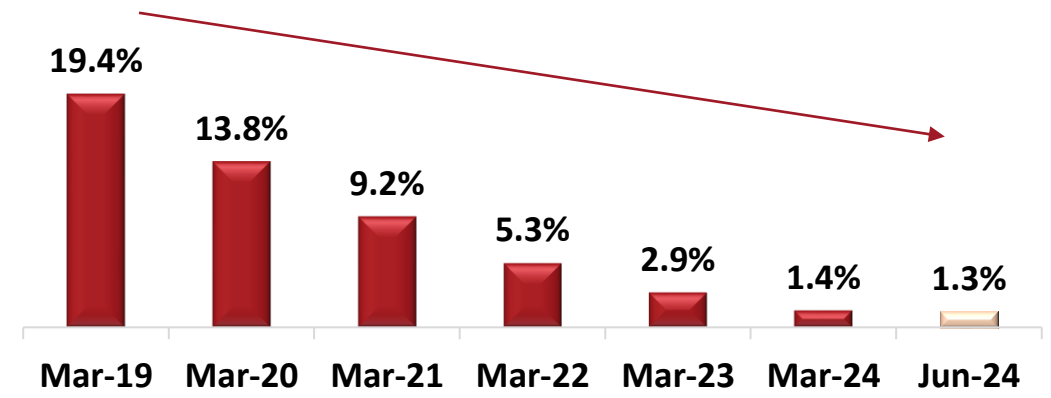
- The significant and growing part of the book, i.e. the Retail, Rural and MSME business financing business has low NPA levels because of high-quality underwriting, credit bureaus, technology, cash-flow based lending capabilities.

### Bank has reduced concentration risk in Wholesale lending

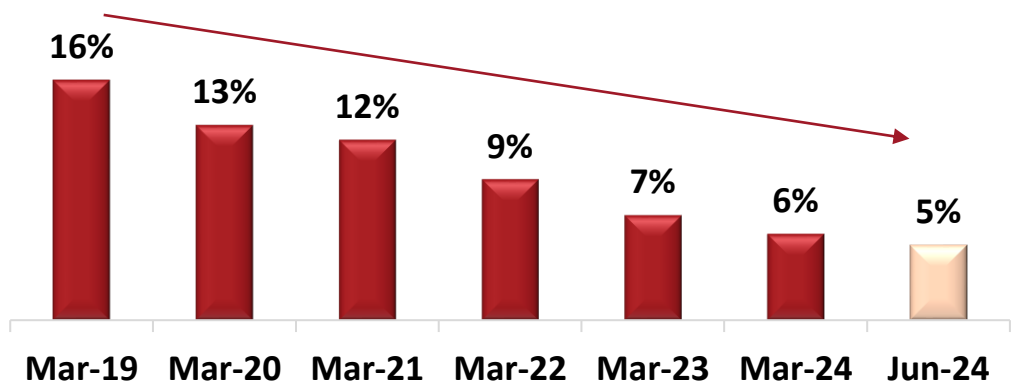
The Bank has reduced its corporate (non-infra) book from 29% in Mar-19 to 15% in Jun-24



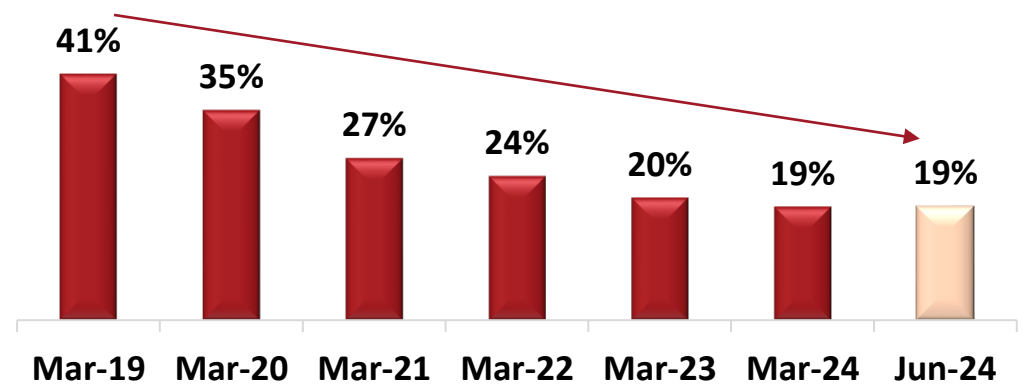
Similarly, the Bank has reduced its infrastructure financing portfolio from 19% in Mar-19 to 1.3% in Jun-24



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



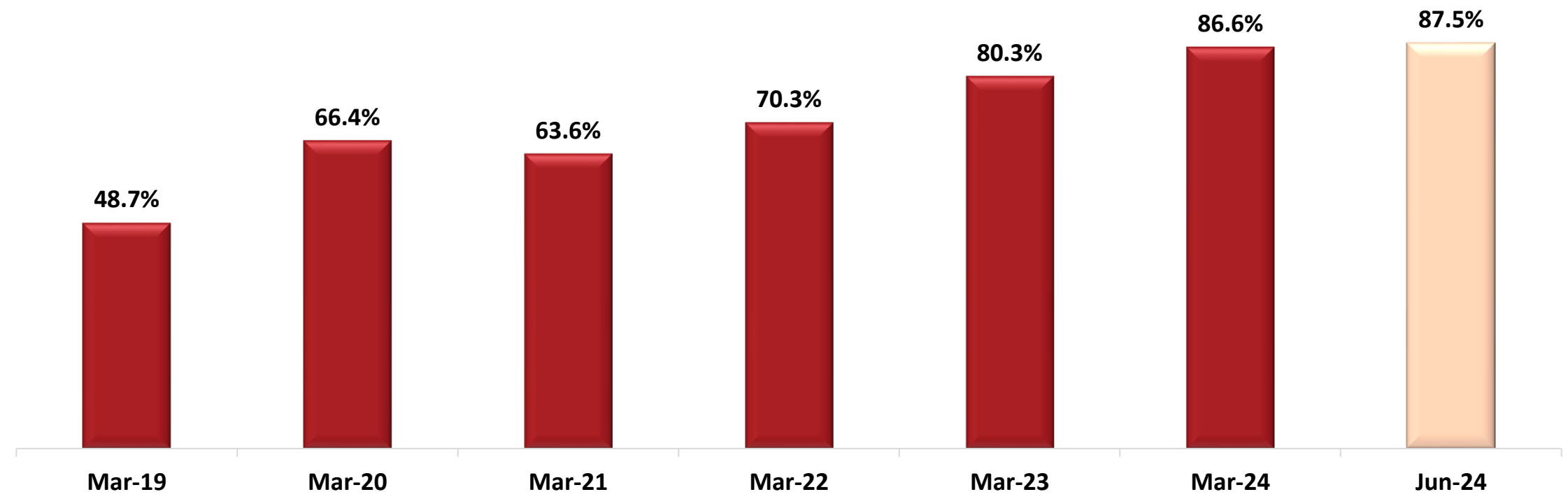
Further, the exposure to top 5 industries also reduced from 41% Mar-19 to 19% in Jun-24 which has further strengthened the balance sheet.



## Provision Coverage Ratio increased to **87.5%**

- Provision Coverage Ratio (excluding technical write-offs) improved to **69.4%** as on June 30, 2024 from **68.8%** as on March 31, 2024
- **Provision Coverage Ratio as mentioned above after excluding infrastructure finance book was at 73.5% as on June 30, 2024**

Provision Coverage (Including technical write-offs)



- Standard Restructured Assets has now become 0.25% of the total assets





## **Section 5: Profitability & Capital**

**a. Net Interest Income**

**b. Fee and Other Income**

**c. Cost to Income**

**d. Trend of Core Operating Profit**

**e. Trend of Profitability and Return Ratios**

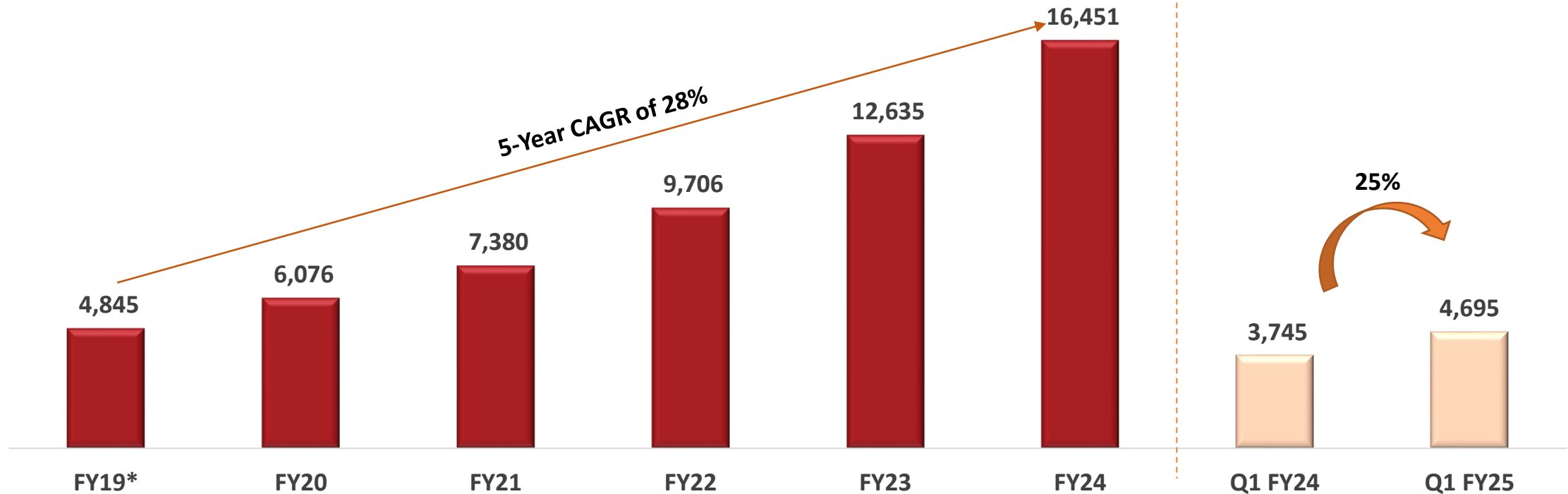
**f. Financial Statements**

**g. Capital Adequacy**



## Strong rise in NII at 5-Year CAGR of 28%

Net Interest Income (In Rs. Crore)

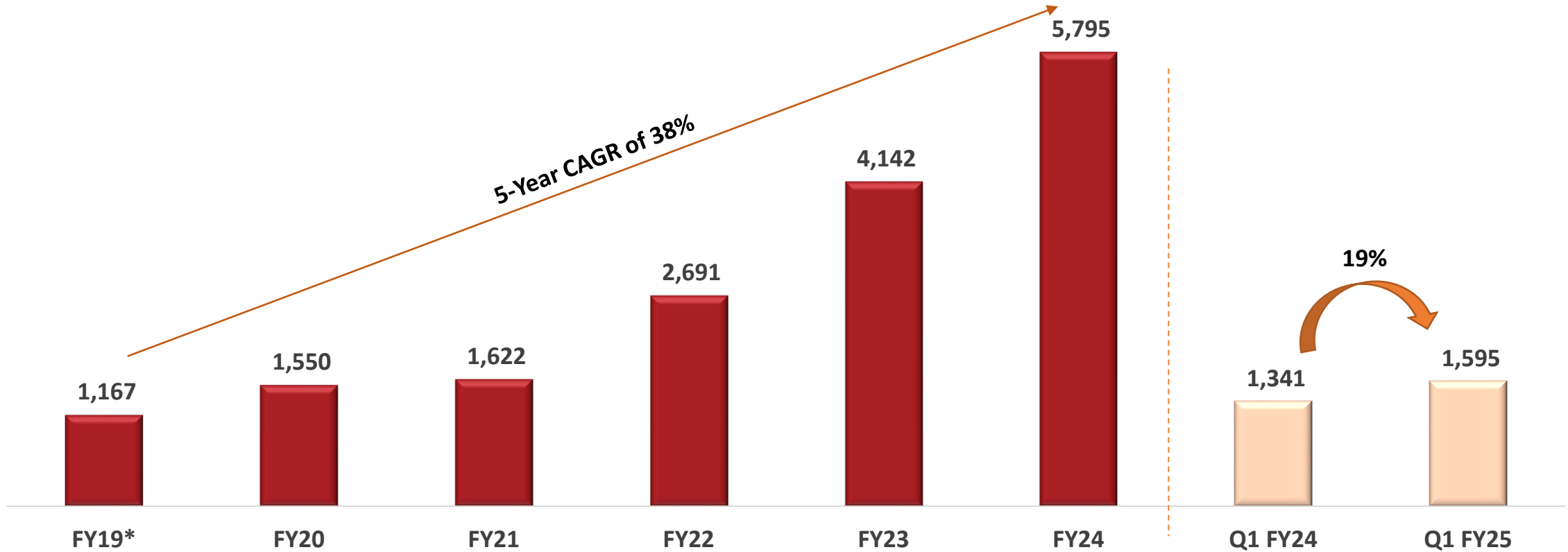


- Net Interest Margin (NIM) on AUM for Q1-FY25 was 6.22% as compared to 6.35% in Q4-FY24; NIM drop was primary due to higher sequential increase in average investment book by 11.8% as compared to 4.6% in average advances which impacted NIM by ~8 bps.
- Cost of Funds for Q1-FY25 was 6.47%, stood stable compared to 6.43% in Q4-FY24.
- Cost of Funds would be ~6.36% if adjusted for Legacy High-Cost Borrowings which will be replaced by the Bank's deposits at normal rate.
- Cost of Funds on total average assets was 5.51% for Q1-FY25

\* H2-FY19 actual annualized

# 19% YoY growth in Fee & Other Income during Q1-FY25

Fee and Other Income (In Rs. Crore)

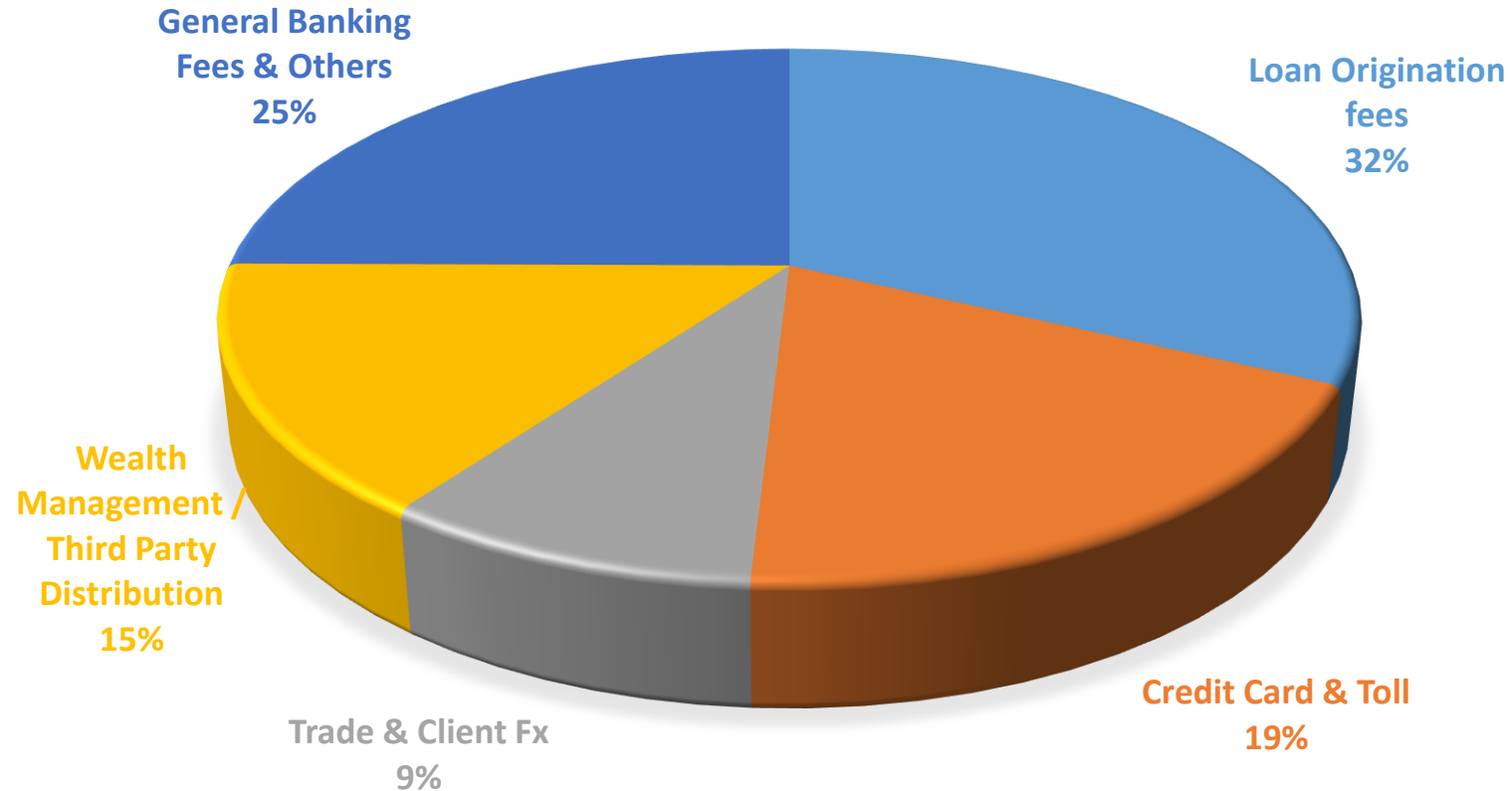


- Fee and other income as a % of total average assets was stable at **2.12%** in Q1-FY25 (FY24 - 2.16%)

\* H2-FY19 actual annualized



## Breakup of Fee & Other Income – Q1-FY25

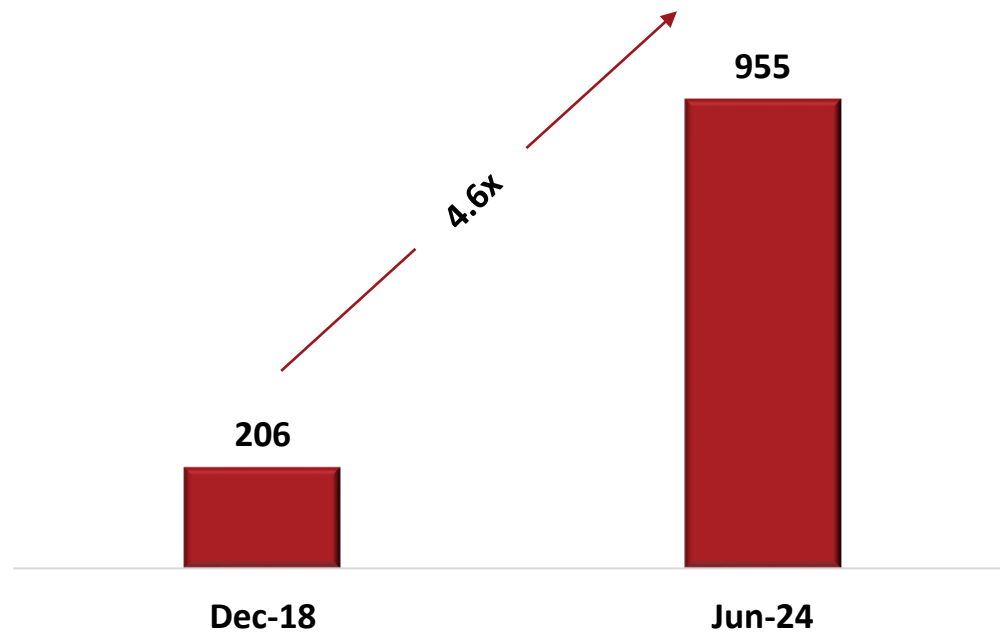


- The Bank has launched and scaled up many fee-based products in the last 5 years.
- Many of these products are in the early stage of their lifecycle and have the potential to grow significantly going forward.
- **92%** of the fee income & other income is from retail banking operations which is granular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

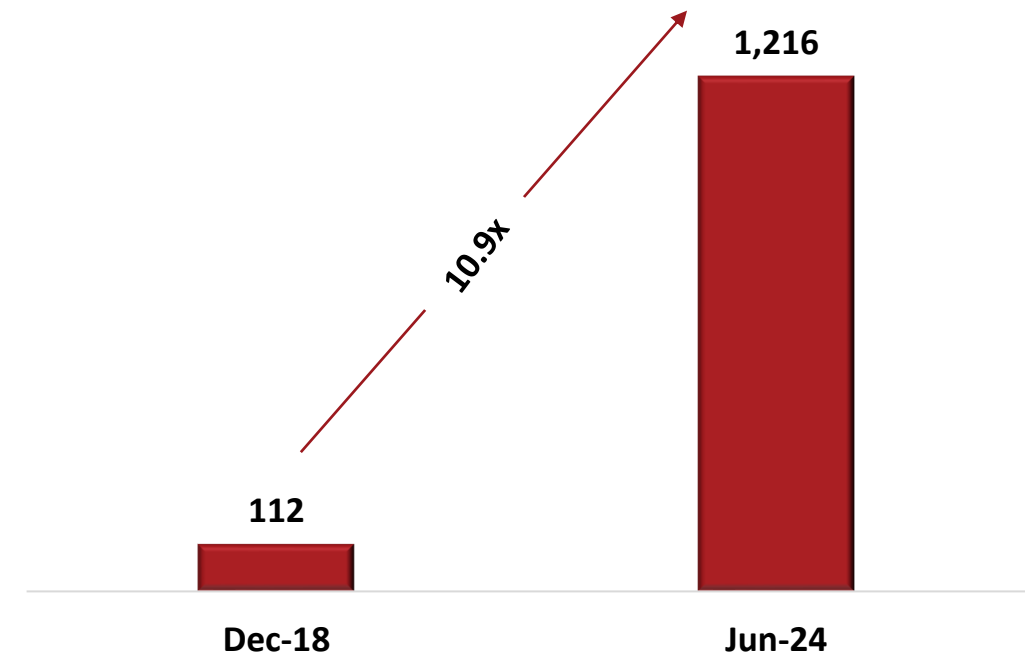
## Cost to Income ratio – Investment Requirements

- At merger, the Bank had a low CASA at 8.68%. Our total deposits & borrowings (excluding money market) were Rs. 1,18,420 crores, of which only Rs. 10,400 crores (8.78%) were retail Deposits and Rs. 1,08,020 crores (91.22%) were institutional borrowing and deposits.
- To address this issue and raise retail deposits, the Bank opened 749 branches and 1104 ATMs since merger
- The Bank also had to incorporate the new technology wave in its business model

### Branches



### ATMs (Including Recyclers)



## Bank has launched and scaled up many new products in the last 2-3 years

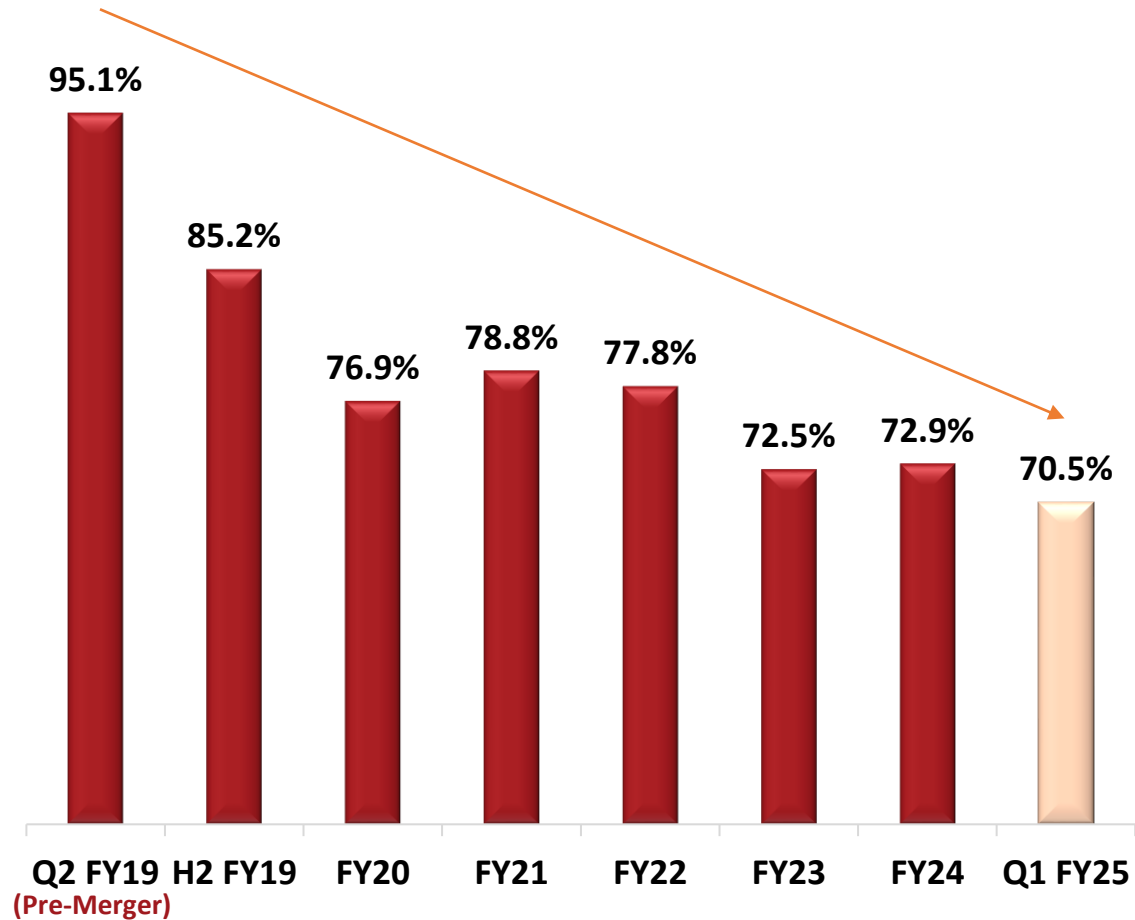
- The Bank has launched many business as mentioned below in the last five years
- Some of businesses are in build out stage, and currently not profitable
- While these businesses drag profitability down currently, in the longer run, these will provide stable profit streams.
- We expect all these businesses to turn profitable with scale.
- These are launched in the long-term interest of our Bank, to build a comprehensive UNIVERSAL banking franchise

Retail Assets	Wholesale and Commercial	Rural Products	Retail Fee Businesses
Prime Home Loans	Commercial Vehicle Loans	Gold Loans	Wealth Management
New Car Loans	Construction Equipment Loans	KCC	FASTag
Credit Card	Cash Management	Agri / Farmer Loans	Forex Card
Digital Loans	Trade Finance	Tractor Loans	
Education Loans	Forex Solutions		
	Transaction Banking		



## Bank has reduced Cost to Income ratio from 95.1% to 70.5%

Core Cost to Income (excluding Trading Gains) Ratio %

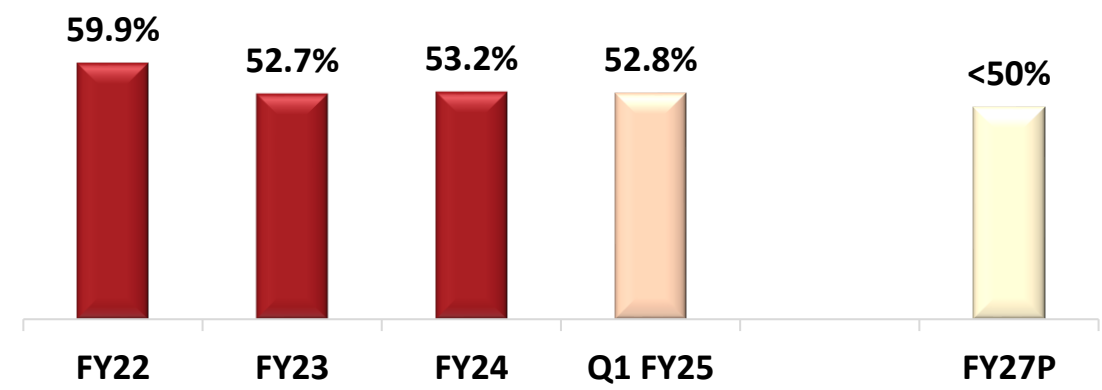


- During the last five years, Bank had to invest in branches, ATMs, people, technology, cyber security, about 15 products to build a universal bank, digitization, infrastructure
- However, the digitization and strategic efforts of the Bank is bearing fruit and has improved the efficiency of the bank manifold and resulted in bringing down the Cost to Income ratio from 95.1% to 70.5%.
- For example, in just five years, deposits per branch has reached Rs. 212 crores which is the league of large private sector banks in India with substantial vintage.
- Similarly, incremental Deposits per branch per year at about Rs. 60 crores is highest among all banks in India, by factor of about 2.5X with peer banks offering similar rates.
- C:I will further reduce with scale and automation.
- We expect Cost to Income Ratio to reduce by ~500 bps to ~ 65% by FY 27 (Segment wise details of expected C:I in subsequent slide)

# Cost to Income Ratio to drop meaningfully over next 3 years: segment wise estimates

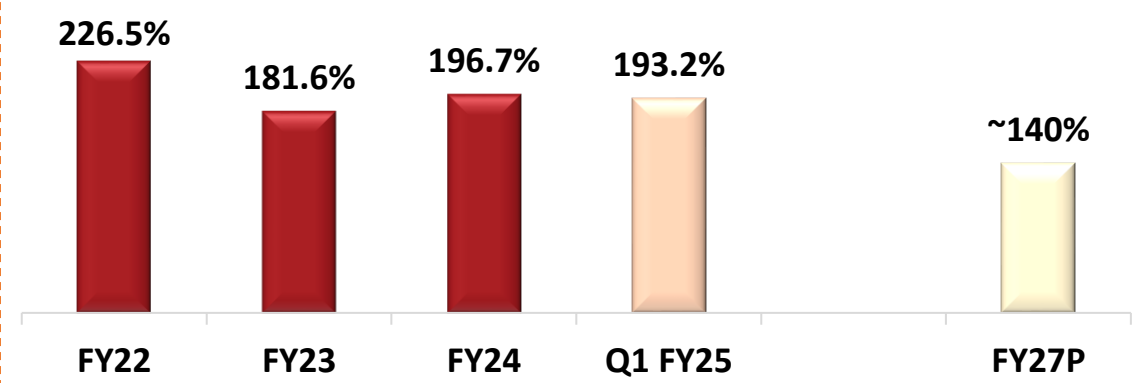
## Assets C:I ratio Trend:

The cost to income in Assets will come down because of economies of scale.



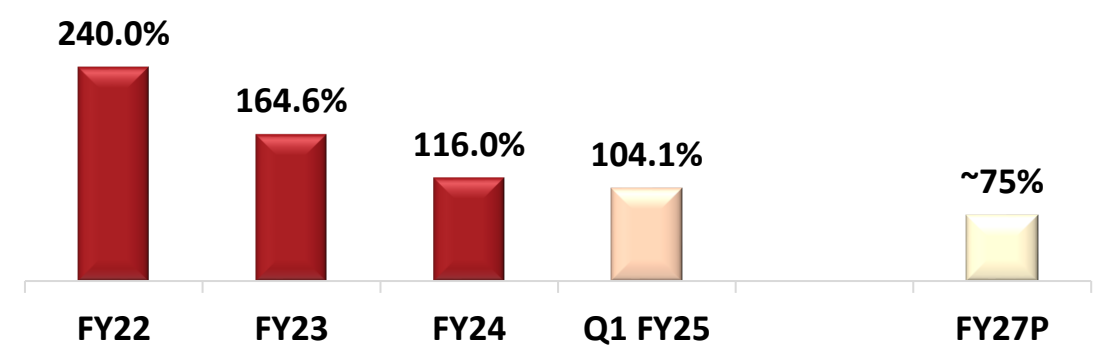
## Retail Liabilities C:I ratio Trend:

Bank requires to grow branches only about 10% annually against estimated deposit growth of ~25%.



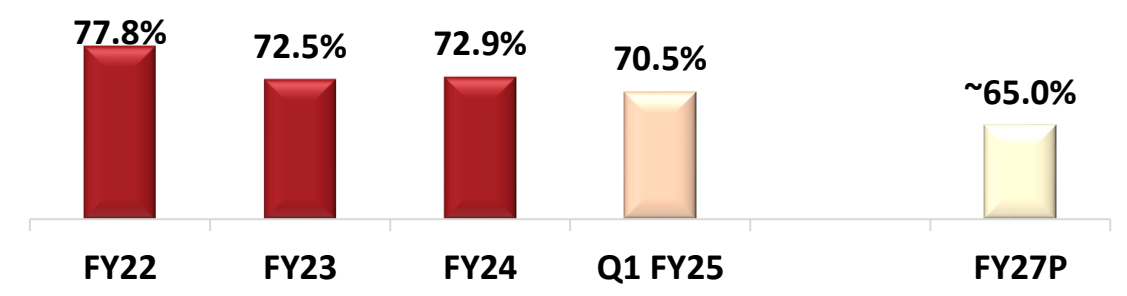
## Credit Cards C:I ratio Trend:

Credit Cards C:I come down from 240% to 116%, will reduce to ~75% with scale by FY27.



## Overall Bank C:I ratio Trend:

Overall is a Summation of above mentioned business segments C:I to improve to ~65% by FY27.



Notes. 1. Assets include Retail, Rural, MSME, Business Banking and Wholesale Banking 2. In Q4 24, Business Banking (working capital) was included as part of Liabilities business as these are run from branches. Since, by nature, it is a lending business, numbers of this division have been grouped with Assets.



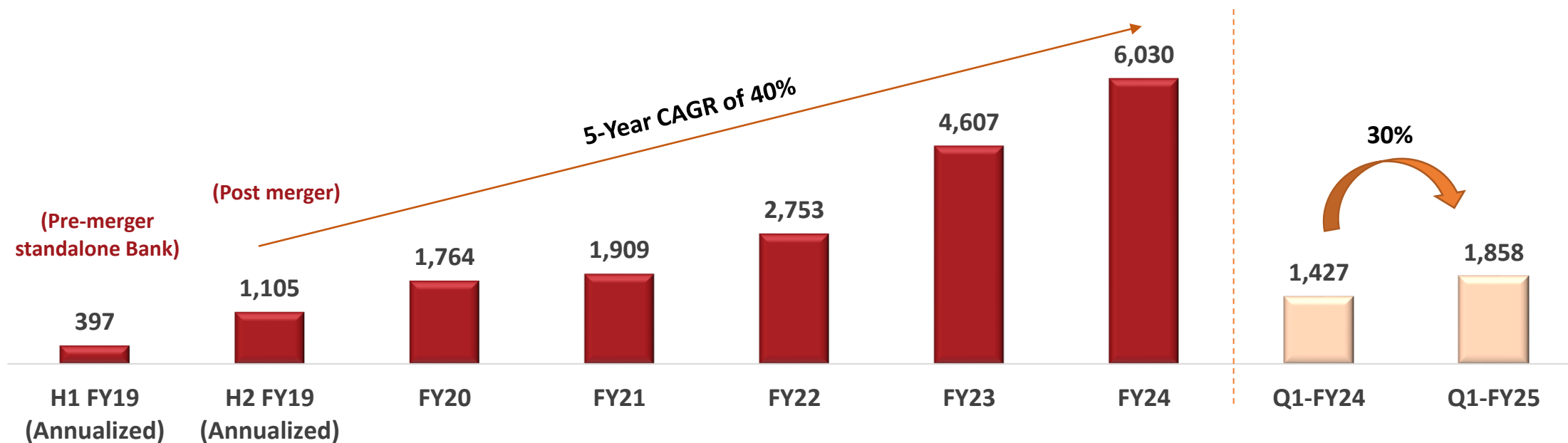


# Core Operating Profit (excluding trading gains)

- The core operating profit (excluding trading gains) of the Bank is growing faster at 40% than the overall balance sheet growth of 13%.
- Demonstrates the power of incremental profitability of the core business model.

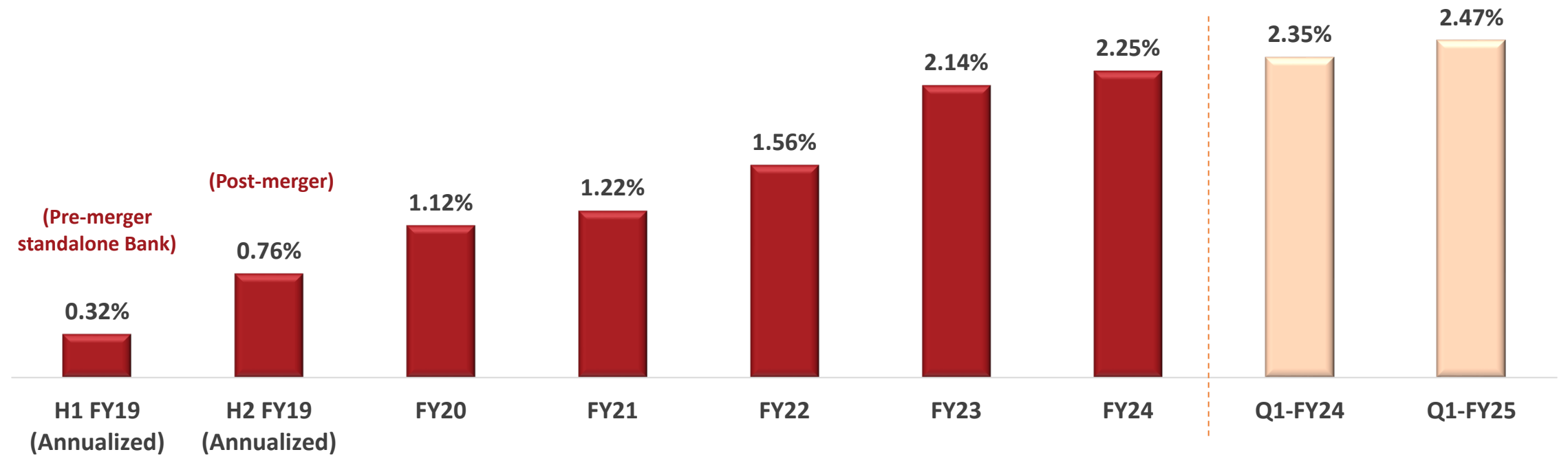
## Core Pre-Provisioning Operating Profit (In Rs. Crore)

**Loan book has grown at a 5Year CAGR of 13%.**  
**The operating profit has grown at the 5Year CAGR of 40%**



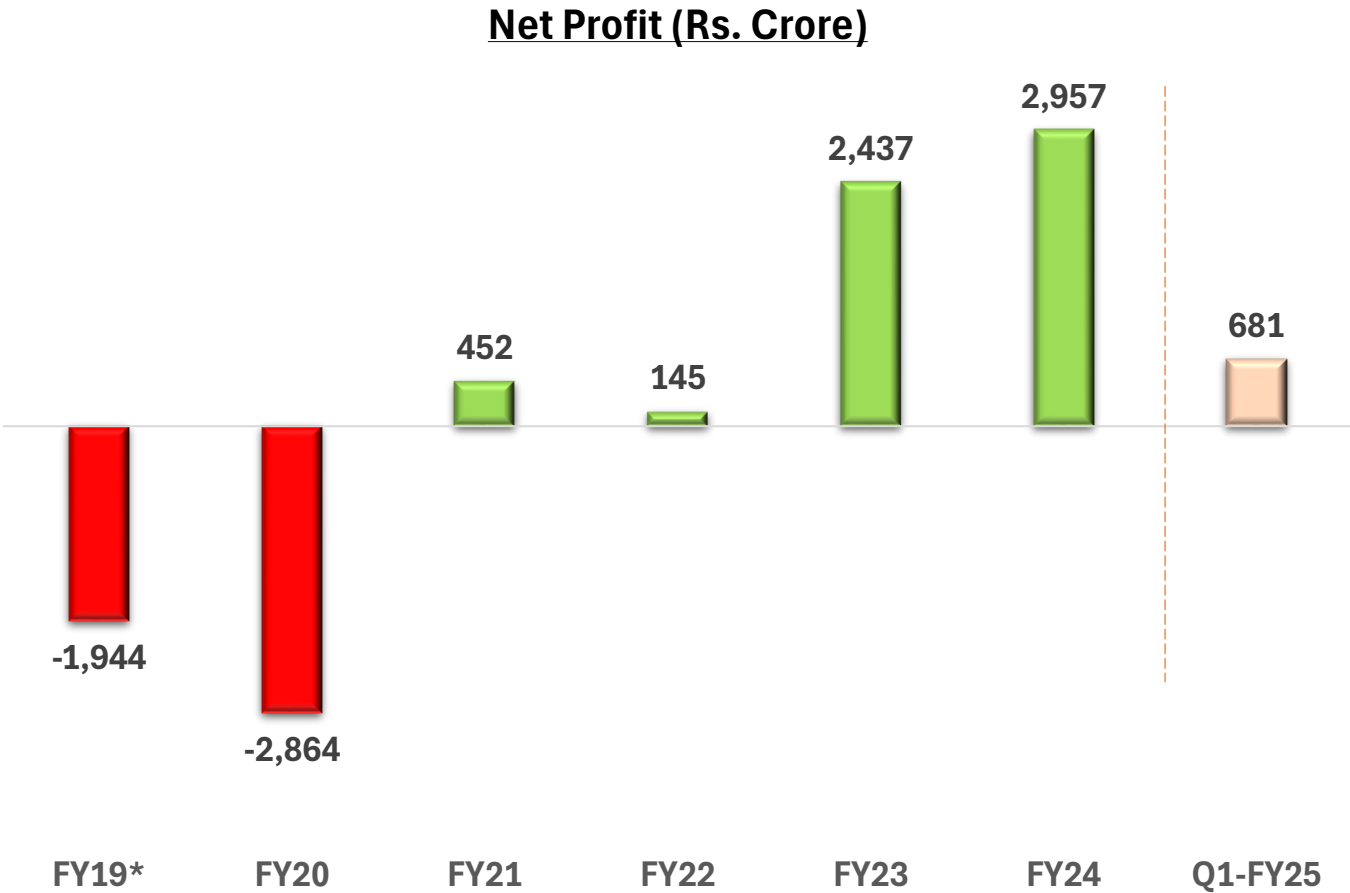
# Core PPOP to Asset has improved from 0.76% to 2.47% in 5 years

Core Pre-Provisioning Operating Profit (PPOP) as a % of Average Total Assets



• The bank has improved the core pre-provisioning operating profit despite investment in growing the bank. This was made possible as the retail lending business is profitable with more than 20% incremental ROE.

# Bank has turned profitable on sustained basis based on strong Operating Profits and low credit costs



- The Bank posted 6 quarters of losses consecutively in FY19 and FY20 due to low operating profits, provision on legacy infrastructure portfolio, large corporate loans and goodwill write-off
- Based on strong incremental business model, the Bank started posting sustainable levels of profitability starting from FY23 and continued the same in FY24

\*Reported Profit After tax for FY19



## Balance Sheet

In Rs. Crore	Jun-23	Mar-24	Jun-24	Growth (%) (YoY)
Shareholders' Funds	26,531	32,161	33,443	26.1%
<b>Deposits</b>	1,54,427	2,00,576	2,09,666	35.8%
- CASA Deposits	71,765	94,768	97,692	36.1%
- Term Deposits	82,662	1,05,808	1,11,974	35.5%
Borrowings	55,741	50,936	51,869	-6.9%
Other liabilities and provisions	12,251	12,442	11,840	-3.4%
<b>Total Liabilities</b>	<b>2,48,950</b>	<b>2,96,115</b>	<b>3,06,819</b>	<b>23.2%</b>
Cash and Balances with Banks and RBI	13,207	12,480	16,972	28.5%
<b>Net Retail and Wholesale Loans &amp; Advances*</b>	1,66,158	1,97,763	2,06,030	24.0%
Investments	56,269	71,540	70,162	24.7%
Fixed Assets	2,285	2,619	2,724	19.2%
Other Assets	11,031	11,713	10,930	-0.9%
<b>Total Assets</b>	<b>2,48,950</b>	<b>2,96,115</b>	<b>3,06,819</b>	<b>23.2%</b>

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

## Quarterly Income Statement

In Rs. Crore	Q1 FY24	Q4 FY24	Q1 FY25	Growth (%) YoY
Interest Income	6,868	8,219	8,789	28%
Interest Expense	3,123	3,750	4,094	31%
<b>Net Interest Income</b>	<b>3,745</b>	<b>4,469</b>	<b>4,695</b>	<b>25%</b>
<b>Fee &amp; Other Income</b>	<b>1,341</b>	<b>1,610</b>	<b>1,595</b>	<b>19%</b>
Trading Gain	73	32	24	-67%
<b>Operating Income</b>	<b>5,159</b>	<b>6,111</b>	<b>6,314</b>	<b>22%</b>
<b>Operating Income (Excl Trading Gain)</b>	<b>5,086</b>	<b>6,079</b>	<b>6,290</b>	<b>24%</b>
Operating Expense	3,659	4,447	4,432	21%
<b>Operating Profit (PPOP)</b>	<b>1,500</b>	<b>1,664</b>	<b>1,882</b>	<b>25%</b>
<b>Operating Profit (Ex. Trading gain)</b>	<b>1,427</b>	<b>1,632</b>	<b>1,858</b>	<b>30%</b>
Provisions	476	722	994	109%
<b>Profit Before Tax</b>	<b>1,024</b>	<b>942</b>	<b>888</b>	<b>-13%</b>
Tax	259	217	207	-20%
<b>Profit After Tax</b>	<b>765</b>	<b>724</b>	<b>681</b>	<b>-11%</b>

- Excluding Trading gains, the net profit for Q1-FY25 de-grew 7% YOY

## Strong Capital Adequacy Ratio

In Rs. Crore	Jun-23	Mar-24	Jun-24
Common Equity	25,630	30,940	32,041 <sup>^</sup>
Tier 2 Capital Funds	6,105	6,367	6,085
<b>Total Capital Funds</b>	<b>31,736</b>	<b>37,307</b>	<b>38,126</b>
<b>Total Risk Weighted Assets</b>	<b>1,87,133</b>	<b>2,31,576</b>	<b>2,40,159</b>
CET-1 Ratio (%)	<b>13.70%</b>	<b>13.36%</b>	<b>13.34%</b>
<b>Total CRAR (%)</b>	<b>16.96%</b>	<b>16.11%</b>	<b>15.88%</b> <b>[17.21%]*</b>

\*Including profits for Q1-FY25 and taking into account the fresh equity capital of **Rs. 3,200 crore** raised in 1<sup>st</sup> week of July 2024, total CRAR as on June 30, 2024 would have been **17.21%** with CET-1 ratio at **14.67%**.

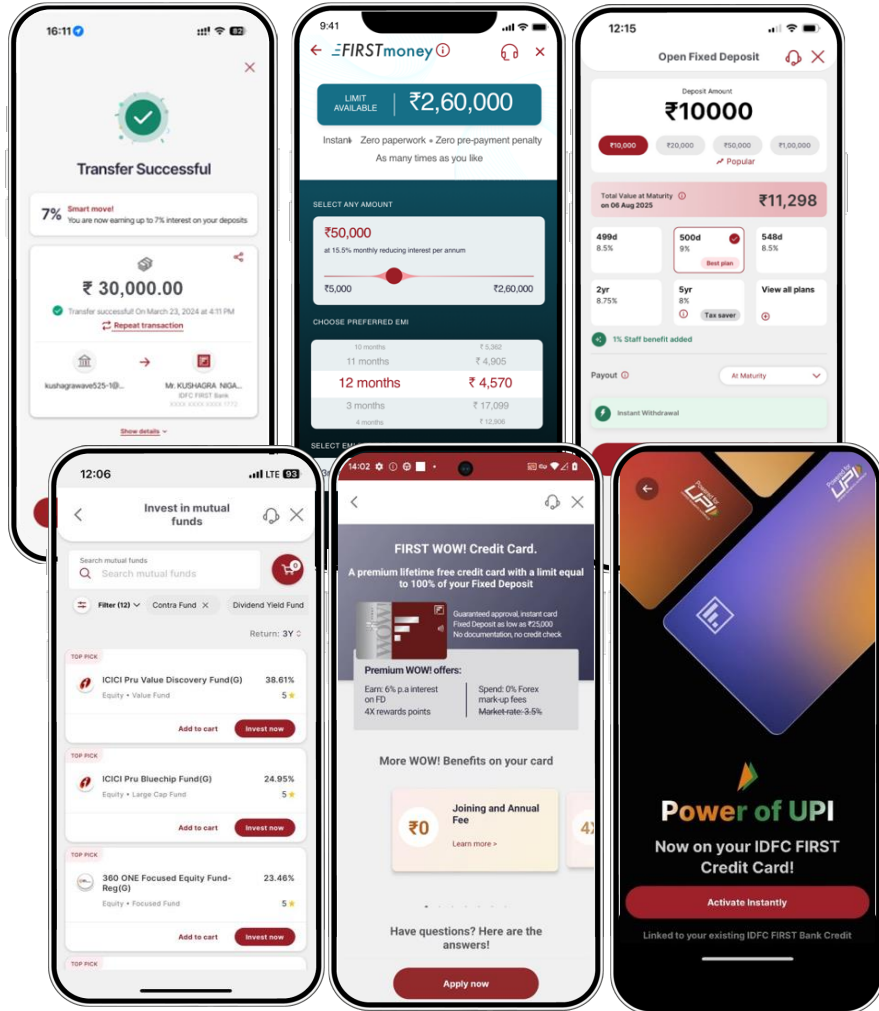
*CET 1 ratio for June-24 includes benefit of **14 bps** due to transition to new investment circular w.e.f April 1, 2024*

<sup>^</sup>including profits for Q1 FY25

## Section 6: Digital Capabilities



# Bank successfully rolled out an advanced Mobile Banking App with top rating of 4.9 on Google Play and 4.8 on App Store



- CREATE FD in 2 CLICKS
- FIRSTMONEY PL – ETB/NTB
- INVEST in MF / IPO
- SMART STATEMENT
- RUPAY CC on UPI
- PAY ABROAD
- RECHARGE & BILL PAY
- ACCOUNT AGGREGATOR
- FINANCIAL PLANNING
- TARVEL & SHOP

**16 M +  
USERS  
ON APP**



*The Forrester Digital Functionality Review: Indian Mobile Banking Apps, Q3 2023 →*

**6 M +  
MONTHLY  
ACTIVE**

**1.2 M +  
MONTHLY  
TRANSACTIONING**



**4.9**



**4.8**



**600 k +  
REVIEWS**





## Strong growth in business volumes from recently launched App



### Mutual Fund Investments

Investments in Mutual Fund (including SIPs) in Q1 FY 25 Increased **425%** on YOY basis



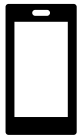
### Personal Loans

Personal Loan from mobile app in Q1 FY 25 increased by **175%** on YOY basis



### Pay Abroad

Foreign Payments from mobile app in Q1 FY 25 increased by **75%** on YOY basis



### UPI Payments

Payment through UPI from mobile app in Q1 FY 25 increased by **49%** on YOY basis



### Retail Payments

Retail Payments from mobile app in Q1 FY 25 increased by **48%** on YOY basis



## Digital Initiatives: Significant traction on electronic platforms

96%

### Digital Transactions

96% of the overall transactions are digital



### POS Transactions (Q1-FY25)

YoY growth of **80%** in volume and **55%** in value

80%

41%

### UPI Transactions (Value)

Growth of ~**41%** for Q1-FY25 over the last year



### FASTag

Over **19 Mn** FASTags issued till June 24

19Mn+

2.7Mn+

### Credit Cards

Over **2.7 Mn+** Credit Cards in force till June 24



### Bharat Bill Payment System

Ranked **3<sup>rd</sup>** amongst 35 biller operating units

3<sup>rd</sup>

49%

### Credit Cards Spends

**49% YoY** Growth during Q1-FY25



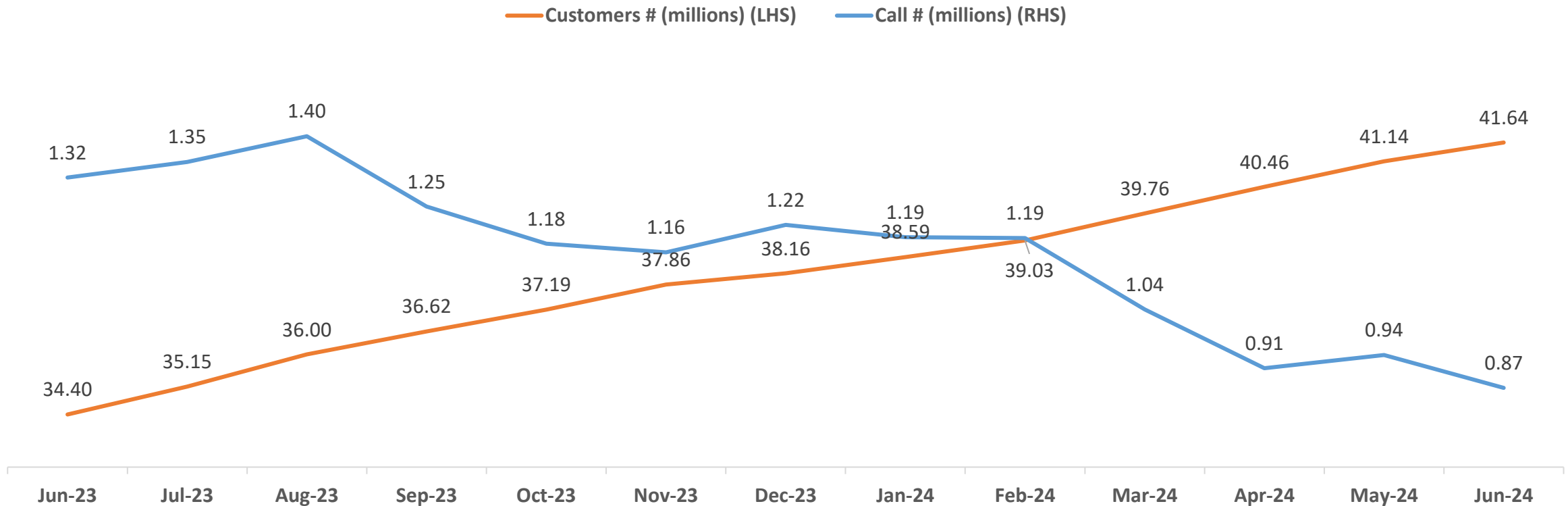
### API Tech Integration for CMS

Growth of **250%** YoY

250%

## Digital initiatives driving efficiency across the Board

- Digitisation initiatives are improving efficiency and customer experience in customer service, disbursement, processing, collection, liabilities, and all divisions.
- For instance, in the last one year, the number of customers increased by 21% while the monthly customer calls at contact center reduced by 34%.



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

## Wealth Management: Driving volume growth empowered by digital capabilities

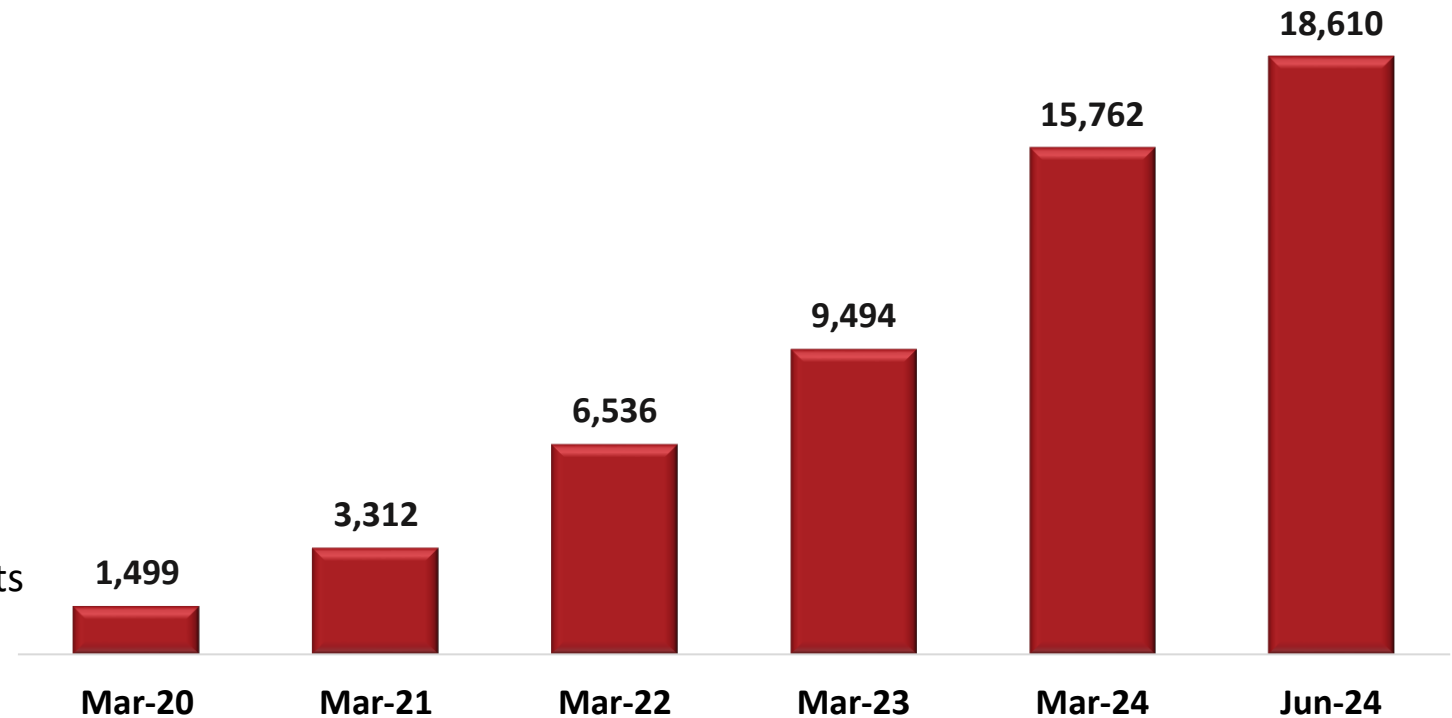
- The Bank has successfully launched Wealth Management
- Wealth Management AUM from scratch to Rs. 18,610 crore in the last 5 years after merger
- In Q1-FY25, the Wealth Management AUM grew by 79% YOY. Ambition to reach Rs. 1 lac crores.

### Wealth Management AUM (Rs. Crore)



#### Our Offerings:

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



## Section 7: Credit Rating



## Bank's Long Term Credit Rating has been recently upgraded by CARE, CRISIL and ICRA

Rating Agency	Long Term Credit Rating	Month of Rating Review
CARE Ratings	AA (stable) to AA+ (stable)	October' 23
CRISIL	AA (stable) to AA+ (stable)	June '23
ICRA	AA (stable) to AA+ (stable)	May '23
India Ratings	AA+ (negative) to AA+ (stable)	December' 22



## Section 8: Board of Directors



## Board of Directors: MD & CEO Profile



Vaidyanathan aspires to create “a world-class Bank, which offers high-quality affordable and ethical banking, for India”.

Mr. V. Vaidyanathan took over as the Managing Director and CEO of IDFC FIRST Bank in December 2018 after the merger of Capital First and IDFC Bank.

He worked with Citibank from 1990-2000. He joined ICICI Bank in 2000 and set up its Retail Banking division. He was appointed to the Board of Directors of ICICI Bank in 2006 at age 38. He took the branch network to 1411, built a large CASA book, and built retail lending including mortgages, auto loans, and credit cards of ₹ 1.35 trillion (\$30 bn) by 2009. He became the MD and CEO of ICICI Prudential Life insurance in 2009.

Chasing an entrepreneurial opportunity, he left the ICICI group in 2010 and acquired about 10% equity in a small, listed, real-estate financing NBFC with a market cap of ₹ 780 crores (\$140m, 2012) with an idea to convert it to a commercial Bank. To raise the required funds of ₹ 78 crores (\$14m), he pledged the purchased stock and his home as collateral.

He then discontinued the NBFC’s existing businesses of Real Estate financing, equity broking, and Forex Business and instead started financing Retail & MSME clients for ₹ 5000 to ₹ 1 crore(\$100-\$200K), using tech-led algorithms.

He demonstrated the proof of concept of Retail and MSME financing to Private Equity players and raised fresh equity of ₹ 810 crores (\$140m) in 2012, recapitalised the company, and became its Chairman and CEO. He then reconstituted the Board and renamed the company Capital First.

Capital First successfully lent to 7 million customers and grew the retail loan book from ₹ 94 crores (\$14 m) in 2010 to ₹ 29,600 crores (\$4 b) by 2018, with high asset quality of Gross and net NPA of around 2% and 1% respectively for over 8 years. Between 2010 and 2018, the Company turned around from losses of ₹ 30 crores (\$5 m) to profit of ₹ 358 crores (\$50 m). The share price increased 7X from ₹ 122 (2010) to ₹ 845 (2018), and the market cap increased 10X from ₹ 780 crores (\$120 m) to ₹ 8200 crores (\$1.2 b).

Since his ownership in the company was acquired by him through leverage, he sold 1.5% of Capital First in 2017 at ₹ 688 a share to partially close the loan taken to acquire the shares.

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. He led the integration of the two institutions and took over as the MD and CEO of the merged bank, renamed to IDFC FIRST Bank.

Since merger in 2018, he has increased the loan book to ₹ 2,09,361 crores (\$25b), of which retail, rural and MSME finance grew to ₹ 1,73,796 crore (\$21b). Between December 2018 to March 2024, the customer deposits increased from ₹ 38,455 crore (\$4.6b) to ₹ 2,04,572 crore (\$24b), CASA ratio increased from 8.7% to 46.6%, NIM increased from 2.9% to 6.2%, and the bank turned into profits (FY 24 PAT = ₹ 2957 crore, \$352m).

He aspires to make IDFC FIRST Bank “a world-class bank Indian Bank, guided by ethics, powered by technology, and a force for Social Good”.

He has received the EY "Entrepreneur of the Year" Award 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 – 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 he was the Global Controller for the Investment Bank (IB) at JP Morgan in New York; & at Bank of America as the Global CFO for the IB, and, Consumer and Mortgage Products. Mr. Kamat started his career with Coopers & Lybrand, a public accounting firm, in 1988 before he joined JP Morgan in 1994.



### **MR. 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.

## Board of Directors



### **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.



### **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 is a member, Banking and Finance Committee, Indian Merchants Chamber and also nominated as member, Depositor Education and Awareness (DEA) Fund Committee by the RBI. 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.



### **MS. MATANGI GOWRISHANKAR - INDEPENDENT DIRECTOR**

Ms. Matangi Gowrishankar, a career business & human resources professional, has over four decades of experience in senior leadership roles in business and HR, both in India and overseas. She is an experienced Independent Director and has worked with large multinational corporations, in diverse sectors like Banking, IT, Financial services, Manufacturing, Sports & Fitness and Oil & Gas. As an Executive Coach, she had worked with a wide range of top leadership individuals and teams across several career stages and is actively involved in coaching and mentoring senior leaders across several organizations. She holds a BA in sociology and a post-graduate degree in Personnel Management and Industrial Relations from XLRI, Jamshedpur.

## Board of Directors



### **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. Mahendra N. Shah – NON-EXECUTIVE NON INDEPENDENT DIRECTOR**

Mr. Mahendra N. Shah was the Group Company Secretary & Group Chief Compliance Officer of IDFC Bank Limited and had been the Group Head - Governance, Compliance & Secretarial and Senior Advisor- Taxation at IDFC Limited for more than two decades. In this role, Mr. Shah was responsible for Secretarial, Governance and Compliance functions for over 26 companies/entities of IDFC Group. Mr. Shah was the Company Secretary & Compliance Officer of IDFC Limited since May 24, 2019 and currently has been the Managing Director of IDFC Limited with effect from August 24, 2022. Prior to joining IDFC in 2001, Mr. Shah worked with International Paper Limited for a period of six years as Director Finance and Company Secretary. He has worked as Head of Taxation in SKF Bearings India Limited. He also worked for a short period with Pfizer Ltd as Finance Officer. He completed his articleship training for CA with M/s. Bansi S. Mehta & Co, CA for 3 years. He is a qualified member of the Institute of Chartered Accountants of India (ICAI), the Institute of Cost & Management Accountants of India (ICWA) and the Institute of Company Secretaries of India (ICSI).



### **MR. VISHAL MAHADEVIA – NON-EXECUTIVE NON INDEPENDENT DIRECTOR**

Mr. Vishal Mahadevia is Head of Asia Private Equity and Co-Head of Financial Services, and a member of the Executive Management Group at Warburg Pincus. Prior to joining Warburg Pincus in 2006, he worked with private equity funds, Greenbriar Equity Group, and Three Cities Research. He also worked as a consultant with McKinsey & Company. He currently serves as a Managing Director of Warburg Pincus Singapore Pte. Ltd. Mr. Vishal is also Director of Warburg Pincus India Private Limited. He received a B.S. in Economics with a concentration in Finance and a B.S. in Electrical Engineering from the University of Pennsylvania.



### **MR. PRADEEP NATARAJAN (EXECUTIVE DIRECTOR)**

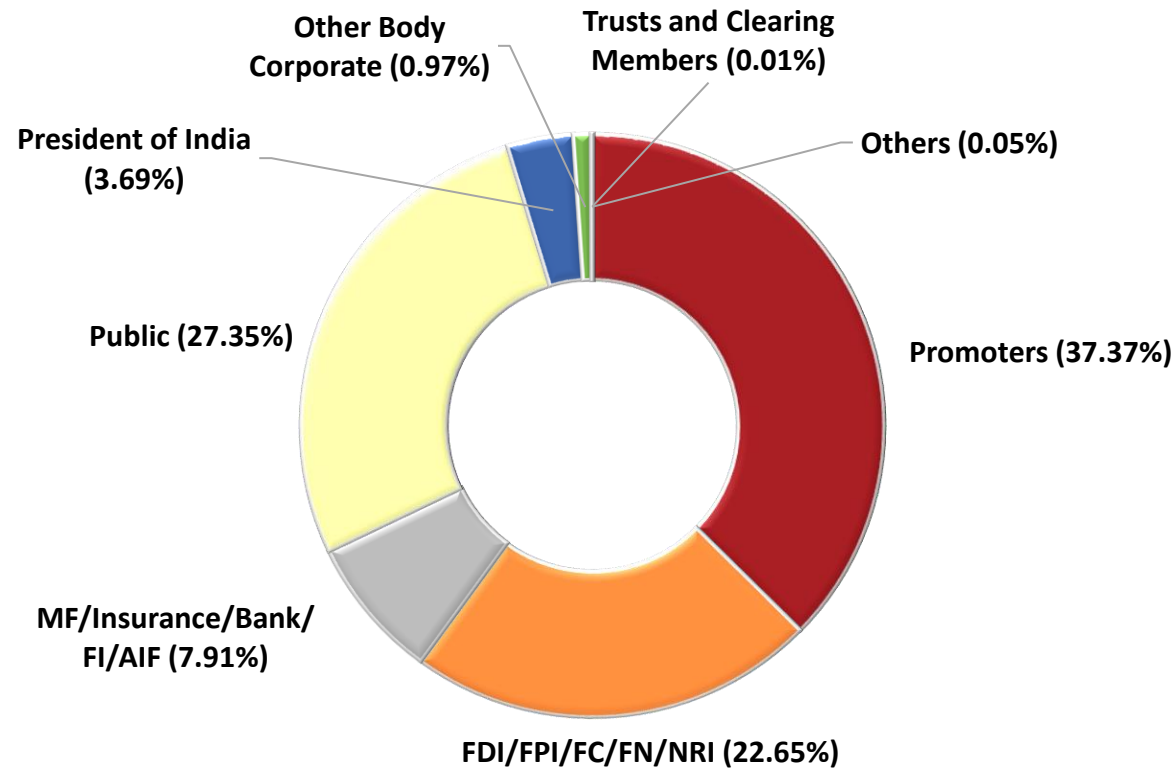
Mr. Pradeep Natarajan has been in a leadership position with IDFC FIRST Bank Limited since its merger in December 2018. Prior to this role he has had stints in reputed organizations such as Standard Chartered Bank, Dell India, Religare Macquarie Wealth Management and Capital First Limited where he held leadership roles. He is a customer focused and respected industry thought leader with a broad expertise in Business Development, Technology, Risk Analytics, Debt Management, Project Management, Customer Service and Marketing. He is a management graduate from Sydenham Institute of Management Studies (batch of 1998) with a Bachelor's degree in Mechanical Engineering, and his professional experience is spread across diverse industry segments such as Banking, Technology & Wealth Management.

## Section 9: Shareholding



# Shareholding Pattern as of June 30, 2024

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



**Total # of shares as of June 30, 2024**

**708.11 Cr**

**Book Value per Share (June 30, 2024) ^**

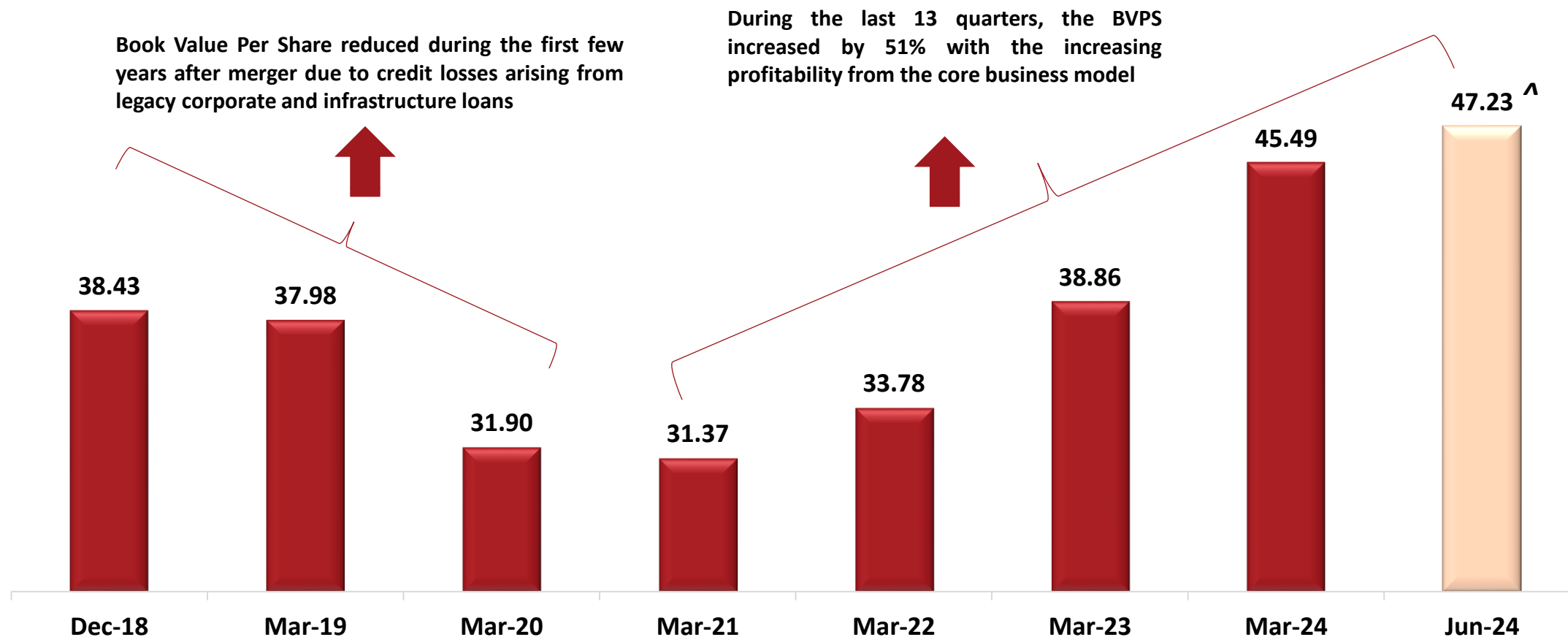
**Rs. 47.23**

**Basic EPS (Q1-FY25 Annualized)**

**Rs. 3.86**

^ During the first week of July 2024 the Bank has successfully raised Rs. 3,200 crore from set of Marquee investors via preferential allotment at an issue price of Rs. 80.63 per share. Considering the same BVPS as on June 30, 2024 would have been Rs. 49.00.

## Growth in book value per share



<sup>^</sup> The Bank raised fresh equity of Rs. 3,200 crore in July 2024 via preferential allotment, considering the same BVPS as on June 30, 2024 would have been Rs. 49.00.

## Section 10: Progress on ESG



# Our ESG Priorities Align with Our Corporate Vision

**Our Vision: To Build A World-Class Bank in India**

Guided by **Ethics**

powered by **Technology**

and be a force for **Social Good**





## ESG Highlights – Q1 FY25

# 21%

office and branch  
area is **green certified**



One tree  
being planted  
for every new  
Home Loan



**Women  
Directors\***  
on Board

\*Both Independent Directors

# ESG course

made mandatory  
for all employees



# ~55%

rural borrowers are women



# 55%

Independent  
Directors on Board

# Environmental and Awareness Initiatives



Green infrastructure



EV charging infra for employees



Customer awareness



EV financing

## Green buildings

- Five Large offices, including the Head Office successfully certified under **ISO 14001 and 45001 certifications** for safety, facilities and environment.
- **IGBC & LEED certification for six of our large offices** across Mumbai, Delhi and Hyderabad.
- **IDFC FIRST Bank Tower HO** (The Square, BKC) has been recertified with highest rating of **IGBC Platinum**.
- **EV charging infrastructure for employees** in three offices; encouraging EV adoption among employees.
- IDFC FIRST HO (The Square, BKC) is fully powered by **Green Energy**.

## Water efficiency

- Optimization of water usage in facilities in key offices.

## EV financing

- **Over 2.10 lakh EV two wheelers financed** (live portfolio).
- **5,500+ EV 3 wheelers financed** in Rural areas for last mile connectivity.
- Launched bicycle financing.
- Leading financier with maximum finance tie ups; introduced industry first end-to-end digital journeys.

## Customer awareness

- Fully digitized customer journeys for multiple products to save paper.

## Building a culture of sustainability

- **Employees** actively involved in the Bank's journey towards sustainability, driving awareness.
- Awareness sessions and workshops for employees on carbon, waste and other environmental and social aspects.

## Social and Governance initiatives

### Diversity

- Accelerating employee diversity through **iBelong** initiative.

### Learning & Development

- Over **4.87 lakh learning hours** for employees in Q1 FY25.
- Mandatory ESG course launched for all employees.

### Responsible lending

- Consciously increasing lending to **socially inclusive and environmentally responsible** sectors.

### Customer access

- Universal bank with **1,008 branches**.

### CSR and community programmes (Q1 FY25)

- Programmes spanning **entrepreneurship, sports, health, education and disaster management initiatives**.
- **4,158 dairy farmers** covered under Shwetdhara Program.
- **2,655 individuals** impacted via Lend A Shoulder employee volunteering.
- **146 children** with intellectual disability supported via early intervention program.
- **60 youth** supported with vocational training program and skilling.
- **10 female football players** supported for sports scholarships under FIRST Foot Forward program.

### Strong and experienced Board

- **11 Board Committees**; majorly chaired and constituted by Independent Directors.
- Highly competent Board with over 30 years of average experience.
- Dynamic and engaged Board, with high frequency of Board meetings.
- **100% average Board attendance**.

### Being customer first

- Unique customer-friendly services, including fee-free services for savings account customers; FIRST Money, a Smart Personal Loan variant, launched with zero foreclosure charges.

### Quality of portfolio

- Stringent Credit and Provisioning Policy.
- Strong Capital Adequacy, LCR, PCR, Credit Rating.

### Information security

- Certified with **ISO 27001** (Information Security Management System).

### Governance around social responsibility

- Information on social parameters **ISO 26000** certified in accordance with ISAE 3000 (revised).

# ESG Commitments, Ratings and Governance

## ESG Commitments

- Annual disclosures published through the Bank's **Integrated Report**, aligned with **Int'l IR framework, GRI and SASB**
- Official Participant of **United Nations Global Compact (UNGC)**
- One of the initial official supporters of **Task Force on Climate-Related Financial Disclosures (TCFD)** (now under IFRS Sustainability) in the Indian Banking sector

## ★ ESG Ratings

★		Sustainalytics ESG Risk Ratings			★	S&P ESG Score (DJSI)			
2024		20.1 <small>Lower is better</small>		↑	2023	48	↑		
2023	2022	26.6	38.8		2022	44			
★		MSCI ESG Ratings		★	CRISIL ESG Score		★	LSEG (Refinitiv) ESG Score	
2023		A		↑	2023	67 (Strong)	↑	2023	63
2021		BBB			2022	62 (Strong)		2022	60



## ESG Governance Structure

### Board Level Committee

- Board Committee: Stakeholders' Relationship, ESG and Customer Service Committee - Chaired by an Independent Board member

### Management Level Committee

- Chaired by MD & CEO
- Drives the strategic integration of sustainability within the Bank
- Constitutes executive members including heads of Group functions

### Steering Committee and Working Group

- Specific working groups with cross-functional composition and expertise responsible for delivering on the ESG agenda
- Facilitated by a dedicated ESG team



# Recognitions for ESG Efforts



Dun & Bradstreet India

Leading Listed ESG Entity  
Mar 2024



The European

Most ESG Responsible Banking  
Service – India Dec 2023



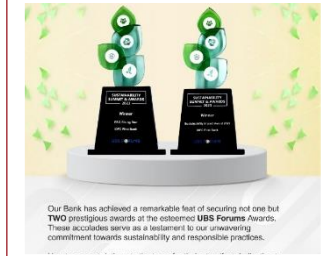
Institute of Directors India

Golden Peacock Award in ESG  
Sep 2023 (National)



Capital Finance International

Outstanding Commitment to  
ESG Performance India Sep 2023



UBS Forums

ESG Rising Star & Sustainability  
Impact Award May 2023



Transformance Forums

Best Bank Leading the Way in  
ESG Apr 2023



ET BFSI Excellence Awards

Best CSR Sustainability Award  
Feb 2023



Navabharat BFSI Award

Best Sustainable Bank Strategy  
Oct 2022



The European

Social Impact Bank of the Year  
Sep 2022



World Finance Organisation

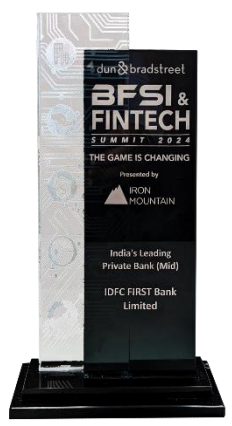
Best Corporate Governance,  
India Jun 2022



## Section 11: Awards and Recognition



# Awards and Recognition



- Best Corporate Governance 2023** - World Finance
- India's Leading Private Bank (Mid)** – Dun & Bradstreet (BFSI & FinTech 2024)
- Innovation In Banking** - Aegis Graham Bell (14<sup>th</sup> edition – 2024)
- Best Digital Bank 2023** - Financial Express India's Best Banks Awards 2023
- Innovative Payment Solution of the Year for FIRSTAP 2023** - Gadgets Now
- Excellence in BFSI 2023** - National Awards for Excellence
- Dream company to work for HR 2023** - National Awards for Excellence
- Best Corporate Governance, India 2022** - World Finance Corporation
- Most Innovative Digital Transformation Bank 2022** - The European
- Most Promising Brand Awards 2022** - ET BFSI
- Social Impact Bank of the Year 2022** - The European
- Best Payments & Collections Solution Award 2021** - Asset Asian Awards
- Best Innovative Payment Solution** - Phi Commerce
- Best Consumer Digital Bank in India – 2021** - Global Finance Magazine
- Best Wealth management provider for Digital CX** - Digital CX
- Excellence in User Experience – Website** - Digital CX
- Best BFSI Brands in Private Bank Category** - ET BFSI
- Most Trusted Brands of India 2021** - CNBC TV18
- Most Harmonious Merger Award** - The European
- Most Trusted Companies Awards 2021** - IBC
- Outstanding Digital CX - Internet Banking (WM)** - Digital CX
- ET Most Inspiring CEO Award** - by Economic Times



# IDFC FIRST Bank

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**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 1**

- **Performance of the Bank against the stated goals**
- **Guidance 2.0**



## The Bank is performing well on the guidance given for FY 25 at the time of the merger

	Particulars	Dec-18 (At Merger)	Guidance for FY24-FY25	Q1-FY25	Status
Capital	CET – 1 Ratio	16.14%	>12.5 %	13.34% <sup>1</sup>	On Track
	Capital Adequacy (%)	16.51%	>13.0 %	15.88% <sup>1</sup>	On Track
Liability	CASA as a % of Deposits (%)	8.7%	30% (FY24), 50% thereafter	46.6%	Achieved
	Branches (#)	206	800-900	955	Achieved
	CASA + Term Deposits<5 crore (% of Customer Deposits)	39%	85%	82%	On Track
	Certificate of Deposits of % of total deposits & borrowings	17%	<10% of liabilities	2%	Achieved
	Quarterly Avg. LCR (%)	123%	>110%	118%	Achieved
Assets	Retail, Rural and MSME Finance (Net of IBPC)	Rs. 36,927 Cr	Rs. 100,000 Cr	Rs. 1,73,796 Cr	Achieved
	Retail, Rural and MSME Finance as a % of Total Loans & Advances	35%	70%	83%	Achieved
	Wholesale Loans & Advances <sup>2</sup>	Rs. 56,770 Cr	< Rs. 40,000 Cr	Rs. 34,275 Cr	Achieved
	- of which Infrastructure loans	Rs. 22,710 Cr	Nil in 5 years	Rs. 2,766 Cr	On Track

1. Including profits for Q1 FY25 and equity from capital raised in 1<sup>st</sup> week of July 2024, CET-1 and total CRAR would be 14.67% and 17.21%, respectively.
2. Excluding Security Receipts, Loan converted into Equity, RIDF and PTC.

Some new guidance has been included for greater clarity. No guidance given at the time of the merger has been amended



## The Bank is performing well on the guidance given for FY 25 at the time of the merger

	Particulars	Dec-18 (At Merger)	Guidance for FY24-FY25	Q1-FY25	Status
Asset Quality	Top 10 borrowers as % of Total Loans & Advances (%)	12.8%	< 5%	1.97%	Achieved
	GNPA (%)	1.97%	2.0% - 2.5%	1.90%	Achieved
	NNPA (%)	0.95%	1.0% - 1.2%	0.59%	Achieved
	Provision Coverage Ratio <sup>1</sup> (%)	53%	~70%	87%	Achieved
Profitability	Net Interest Margin (%)	3.10%	5.0% - 5.5%	6.22% <sup>2</sup>	Achieved
	Cost to Income Ratio <sup>3</sup> (%)	81.56%	65% ^	70.45%	Delayed
	Return on Asset (%)	-3.70%	1.4-1.6%	0.91%	Delayed
	Return on Equity (%)	-36.81%	13-15%	8.32%	Delayed

1. Including technical write-offs.

2. Gross of IBPC & Sell-down

3. Excluding Trading Gains

Note: Earnings for Dec-18 are for the quarter, NIM, ROA, ROE are annualized for the corresponding quarter.

^ guidance for Q4-FY25,



## Guidance 2.0 (FY24 - FY29) [Provided in January 2024]

Particulars	31-Dec-2018	31-Dec-2023	5 Year CAGR (%)	31-Mar-2029
<b>Deposits</b>	<b>First 5 years since after merger</b>			
Branches (#)	206	897	34%	1700-1800
Customer Deposits (Rs Cr)	38,455	176,481	36%	585,000
- CASA Deposits (Rs Cr)	5,274	85,492	75%	2,85,000
- Term Deposits (Rs Cr)	33,181	90,990	22%	3,00,000
<b>Assets</b>				
Loans & Advances** (Rs Cr)	104,660	1,89,475	13%	5,00,000
Total Assets (Rs Cr)	156,916	270,738	12%	7,00,000
<b>Asset quality</b>				
GNPA %	1.97%	2.04%	-	1.5%
NNPA %	0.95%	0.68%	-	0.4%
<b>Profitability</b>				
Profit (Rs Cr)	-1,568	2,232*	-	12,000 – 13,000
ROA %	-	1.2%	-	1.9-2.0%
ROE %	-	10.7%	-	17-18%

- The Bank has exceeded or met or most likely to meet most targets as provided under Guidance 1.0.
- We have a strong proven business model that is incrementally very profitable.
- We are building a world class bank with highest levels of corporate governance, a consistent balance sheet growth of ~20%, with strong asset quality of GNPA < 1.5% and net NPA of < 0.4%, with ROE of 17-18%, with contemporary technology, unique business model, and high levels of Customer Centricity.

\* For 9MFY24

\*\* (including Credit Substitutes)



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## **Annexure 2**

### **Breakup of the loans & advances with YoY growth**



## Analysis of Loans & Advances by nature of business (Personal vs Business finance)

Gross Loans & Advances (In Rs. Crore)	Jun-23	Mar-24	Jun-24	YoY (%)	QoQ (%)
<b>Retail Finance</b>	<b>97,327</b>	<b>1,19,131</b>	<b>1,25,590</b>	<b>29.0%</b>	<b>5.4%</b>
- Home Loan	20,139	22,325	24,658	22.4%	10.4%
- Loan Against Property	20,103	24,247	24,729	23.0%	2.0%
- Vehicle Loans	16,365	20,827	21,824	33.4%	4.8%
- Consumer Loans	22,329	26,499	27,828	24.6%	5.0%
- Education Loans	1,285	2,160	2,387	85.8%	10.5%
- Credit Card	3,893	5,546	5,938	52.5%	7.1%
- Gold Loan*	363	1,029	1,314	262.1%	27.6%
- Others	12,851	16,498	16,912	31.6%	2.5%
<b>Rural Finance*</b>	<b>20,744</b>	<b>23,882</b>	<b>24,518</b>	<b>18.2%</b>	<b>2.7%</b>
<b>MSME &amp; Corporate Finance</b>	<b>49,749</b>	<b>55,122</b>	<b>56,486</b>	<b>13.5%</b>	<b>2.5%</b>
- of which CV/CE Financing*	4,247	6,286	6,674	57.2%	6.2%
- of which Business Banking*	5,354	7,405	7,590	41.8%	2.5%
- of which Corporate Loans	27,662	30,306	31,508	13.9%	4.0%
<b>Infrastructure</b>	<b>3,758</b>	<b>2,830</b>	<b>2,766</b>	<b>-26.4%</b>	<b>-2.3%</b>
<b>Total Gross Loans &amp; Advances</b>	<b>1,71,578</b>	<b>2,00,965</b>	<b>2,09,361</b>	<b>22.0%</b>	<b>4.2%</b>

\* 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

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



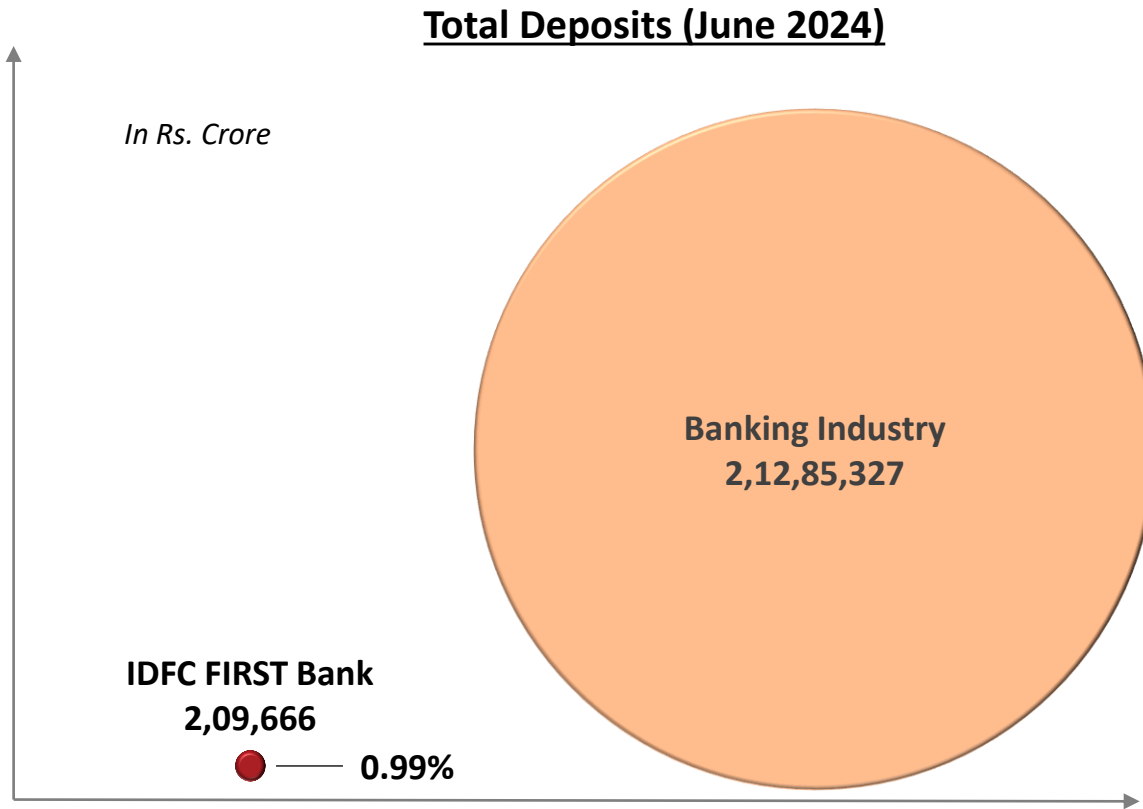


# Annexure 3

## Market Opportunity



# Market Opportunity (Deposits)



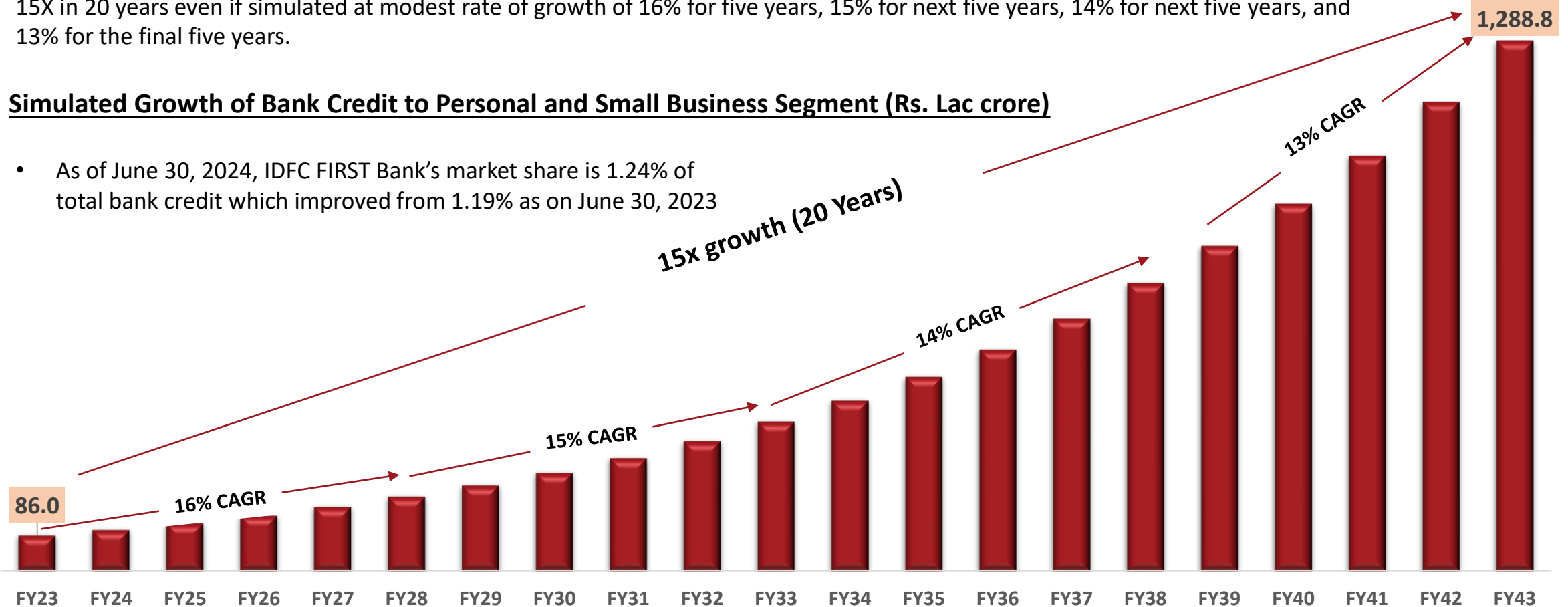
- The Bank has a small share in the overall bank deposits of the country and hence has a significant opportunity for growth.
- The Bank has built necessary capabilities to take advantage of this opportunity which include human capital, brand, distribution and digital innovation.
- The Bank has launched excellent customer friendly products and services for its customers

# Market Opportunity (Retail, Rural & MSME Loans)

Personal credit in India has grown by 15-20% in the last 5 years. Personal Credit to GDP in India is only 19% of GDP which has significant room for growth going forward. (Personal credit refers to credit availed for personal use like home loans, vehicle loans, personal loans etc.) Personal Credit, along with rural finance and small business credit, is Rs. 86 trillion (\$1.1 T), is simulated to grow 15X in 20 years even if simulated at modest rate of growth of 16% for five years, 15% for next five years, 14% for next five years, and 13% for the final five years.

## Simulated Growth of Bank Credit to Personal and Small Business Segment (Rs. Lac crore)

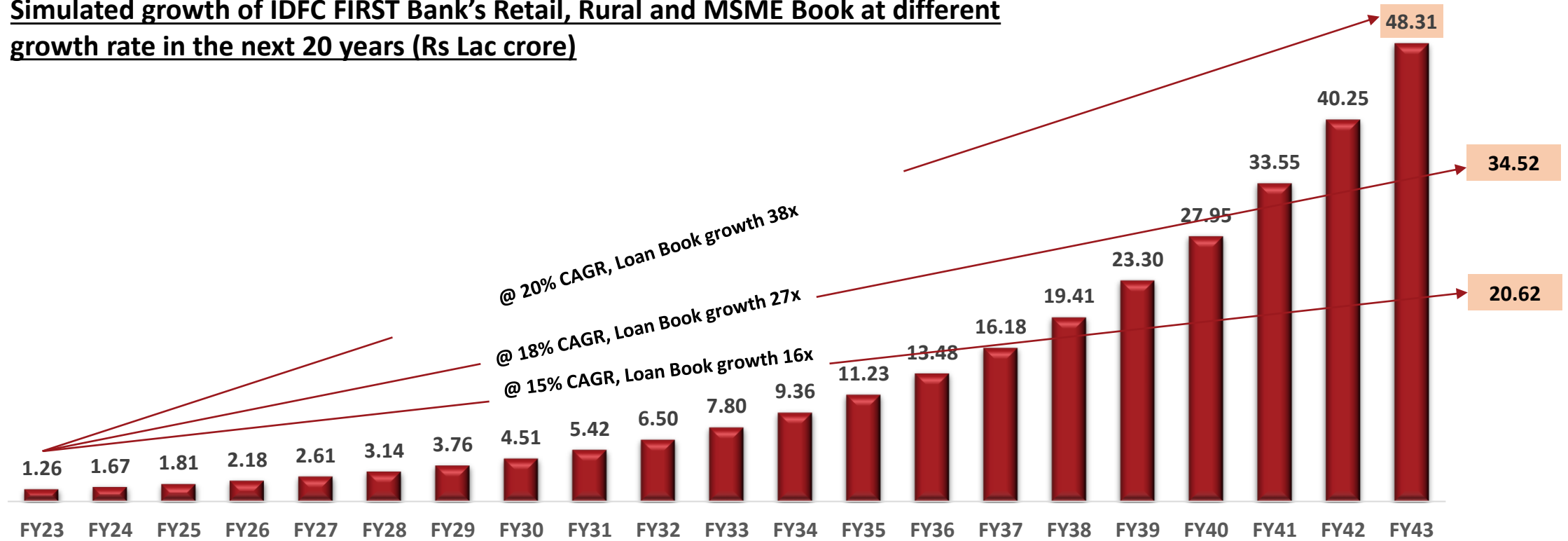
- As of June 30, 2024, IDFC FIRST Bank's market share is 1.24% of total bank credit which improved from 1.19% as on June 30, 2023



# Retail, Rural & MSME Loans: Growth Opportunity for IDFC FIRST Bank

IDFC FIRST Bank has built the requisite capabilities with continuous innovation going forward for capturing this large opportunity provided by the Indian Banking Credit, especially for the Personal and MSME business segments

Simulated growth of IDFC FIRST Bank's Retail, Rural and MSME Book at different growth rate in the next 20 years (Rs Lac crore)



## **Annexure 4**

### **Background of IDFC FIRST Bank – Merger of IDFC Bank and Capital FIRST**



# IDFC FIRST Bank was created by merger of IDFC Bank and Capital First

- **IDFC FIRST Bank** was created by the merger of Erstwhile IDFC Bank and Erstwhile Capital First on December 18, 2018.
- **Erstwhile IDFC Bank** started its operation as a Bank after demerger from IDFC Ltd, a premier, successful infrastructure Financing Domestic Financial Institution since 1997. The loan assets and borrowings of IDFC limited were transferred to IDFC Bank at inception of IDFC Bank.
- **Erstwhile Capital First** was a successful consumer and MSME financing entity since 2012 with strong track record of growth, profits and asset quality.
- On merger, the Bank was renamed **IDFC FIRST Bank**.



On merger, 13.9 shares of IDFC Bank were issued for every share of Capital First as part of the merger scheme in December 2018



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## Annexure 5

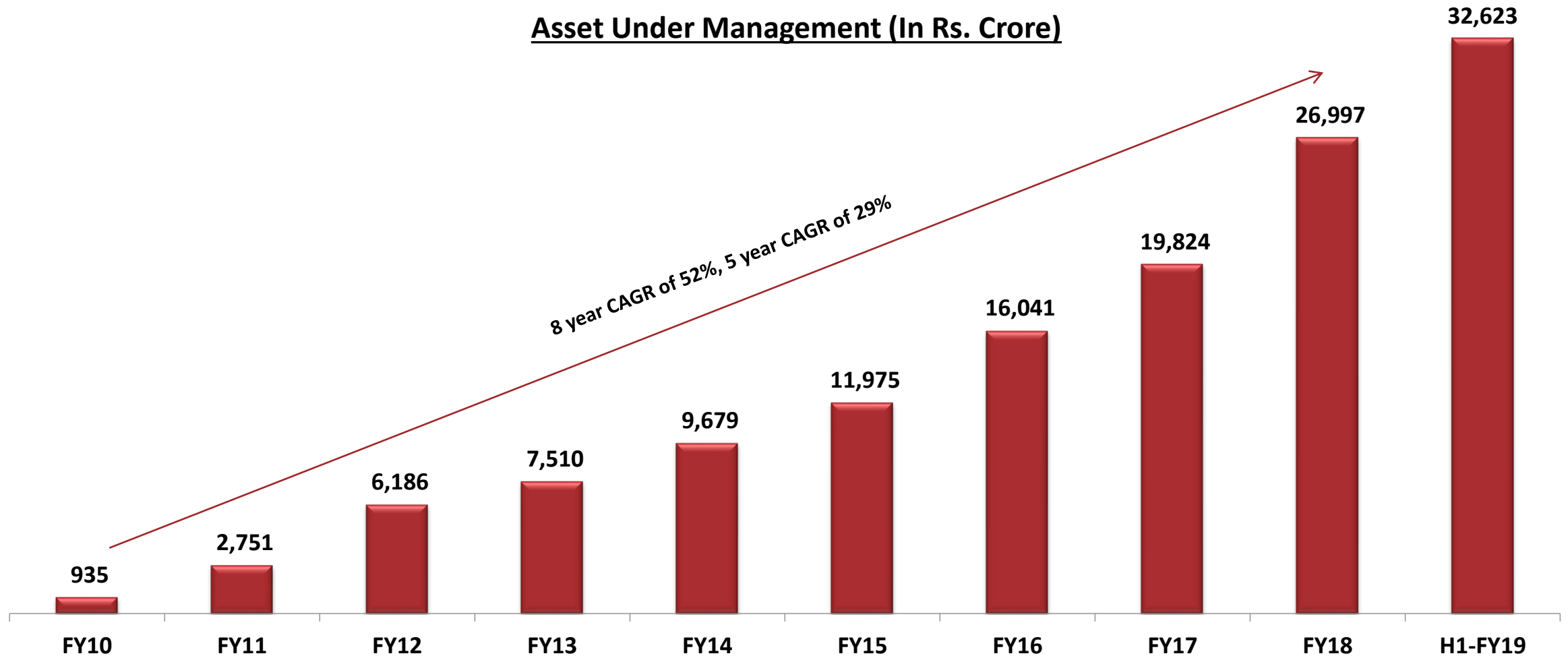
Since the business model of Capital First is an important part of the business being built in the merged bank, the brief history and the progress of Capital First is being provided for ready reference to investors.



# Successful Trajectory of Growth and Profits at Capital First

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

## Asset Under Management (In Rs. Crore)





# Successful Trajectory of Growth and Profits at Capital First

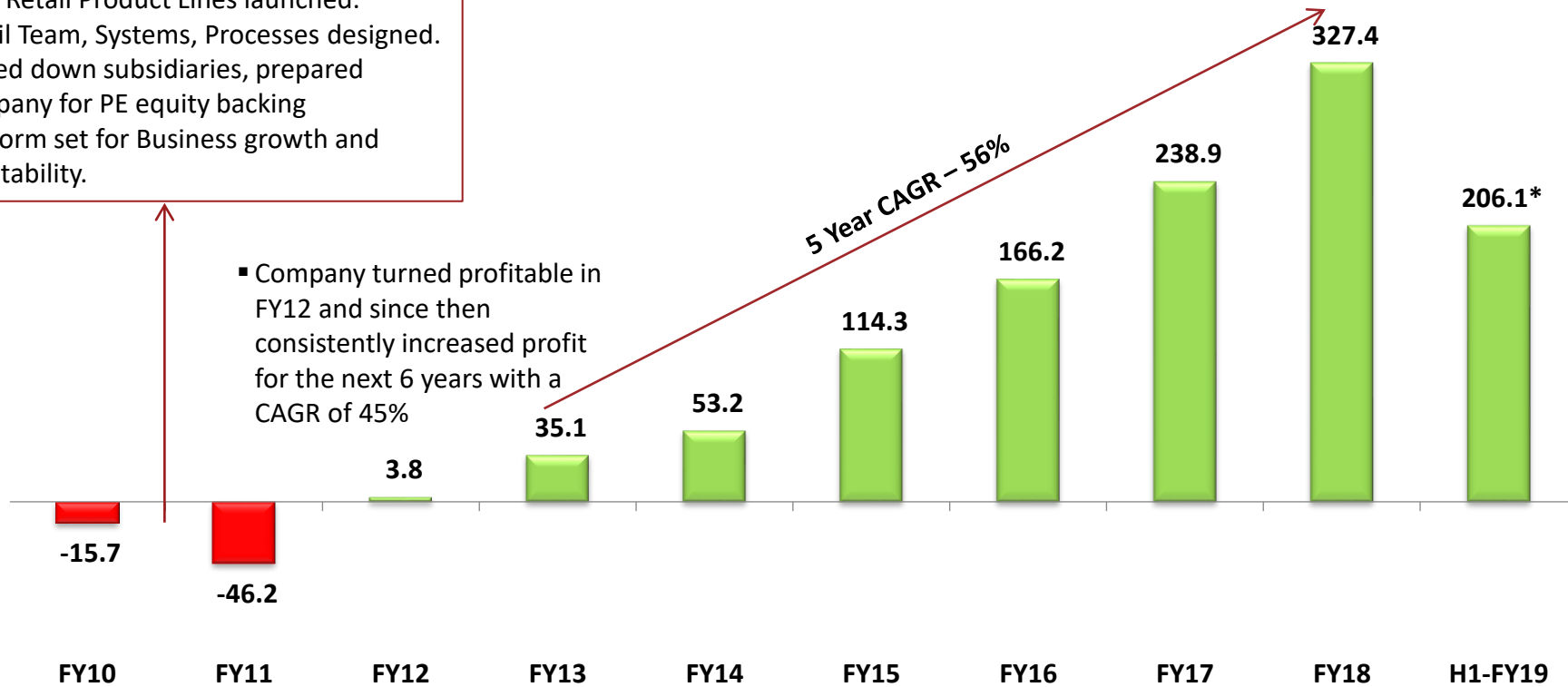
## Financial Performance: Yearly Trend of Profit After Tax

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.

- New Leadership takes over in 2010.
- New Retail Product Lines launched.
- Retail Team, Systems, Processes designed.
- Closed down subsidiaries, prepared company for PE equity backing
- Platform set for Business growth and Profitability.

### Profit After Tax (Normalized) – Rs. crore

\* For Half Year H1-FY19



▪ Company turned profitable in FY12 and since then consistently increased profit for the next 6 years with a CAGR of 45%

5 Year CAGR – 56%

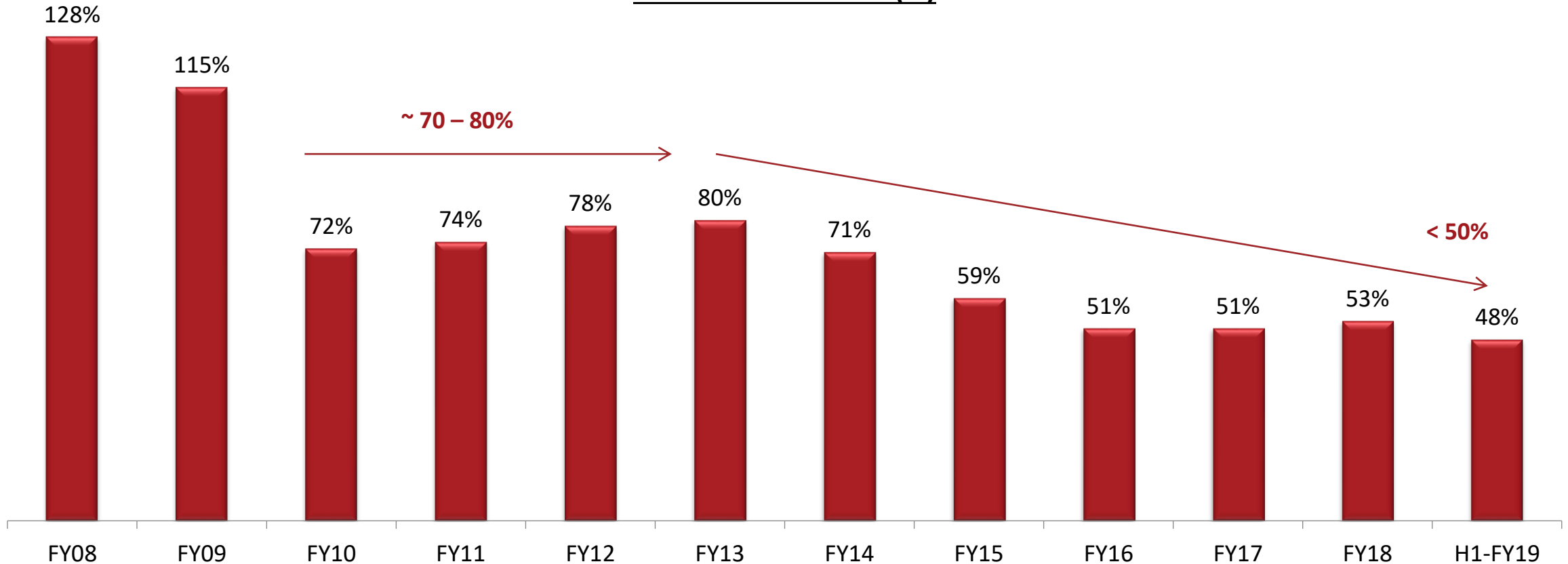


# Successful Trajectory of Growth and Profits at Capital First

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.

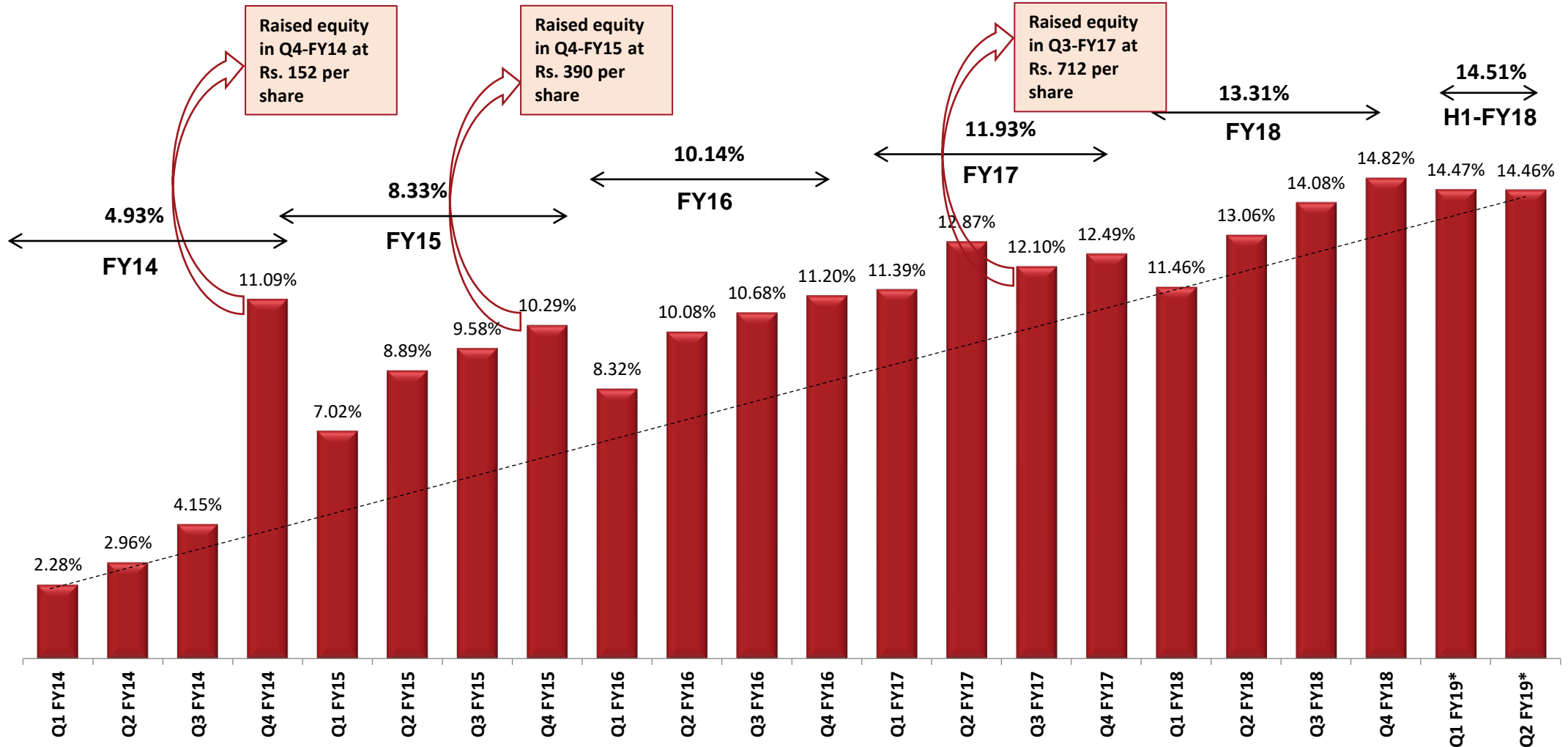
Cost to Income ratio (%)



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

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All figures are annualised

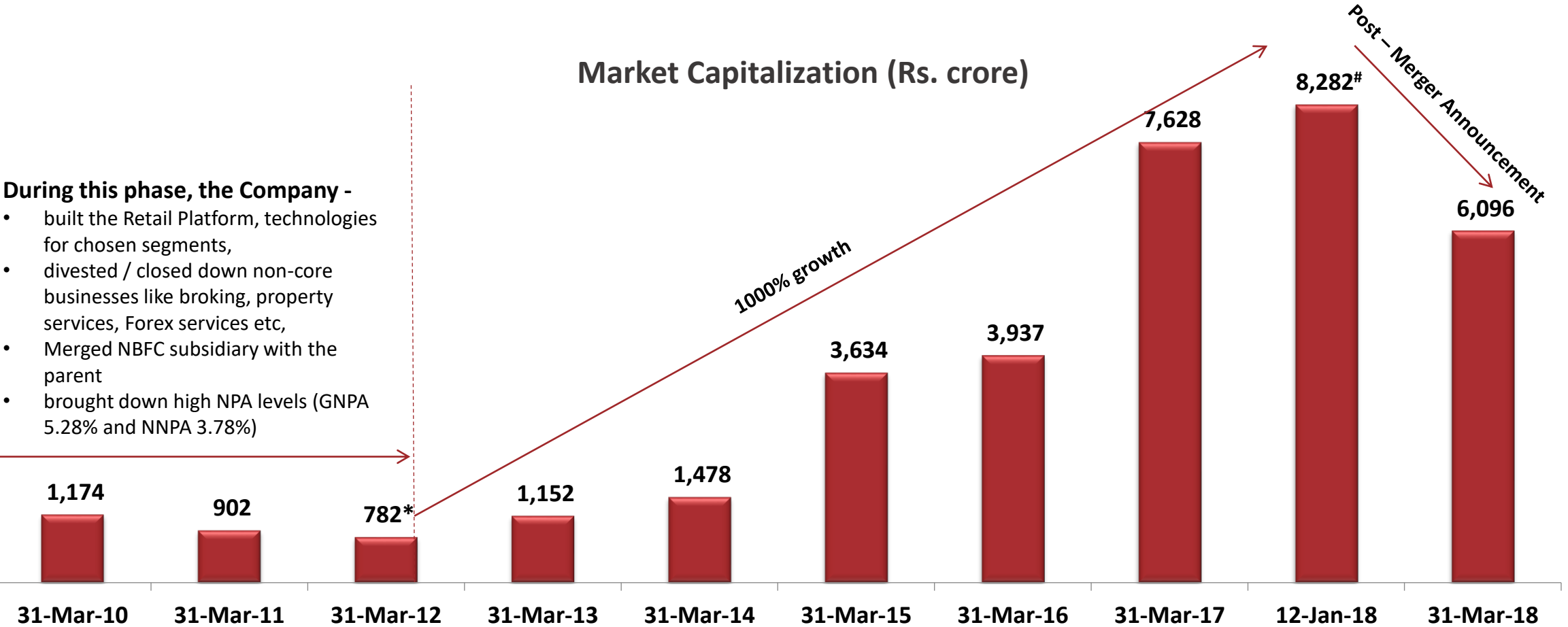


\*Highlighted figures are based on Indian AS in comparison to quarterly figures for earlier periods based on Indian GAAP.

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Market Capitalization (Rs. crore)



**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%)

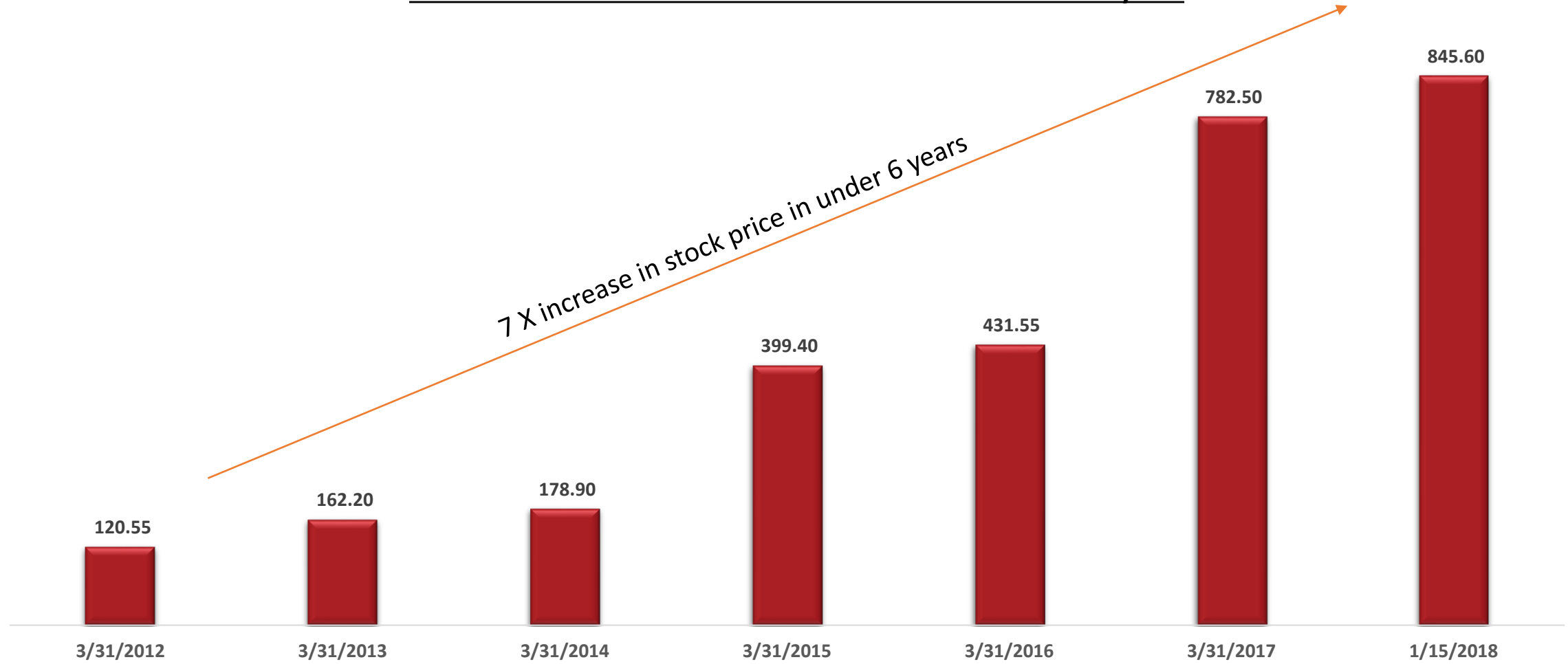
\* Market Cap as on 31-March-2012, the year of Management Buyout  
 # Market Cap on the day before the announcement of merger with IDFC Bank (Jan 13, 2018).



# Successful Trajectory of Growth and Profits at Capital First

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**Stock Price increased 7x from Rs. 120.55 to Rs. 845.60 in 6 years**



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## **Annexure 6**

### **Proforma Financials before merger (H1-FY19)**



## 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)
Loans & Advances / 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
<b>Total Income</b>	<b>1199</b>	<b>1,297</b>	<b>2,496</b>
Opex	1108	616	1,724
<b>PPOP</b>	<b>91</b>	<b>681</b>	<b>772</b>
Provisions	562	363	925
<b>PBT</b>	<b>-471</b>	<b>317</b>	<b>(154)</b>
<b>Key Ratios</b>			
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

