IDFCFIRSTBANK/SD/030/2020-21 May 01, 2020

The Manager-Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051.
Tel No.: 022 – 2659 8237/ 38
NSE - Symbol – IDFCFIRSTB

The Manager-Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001.
Tel No.: 022 – 2272 2039/ 37/ 3121
BSE - Scrip Code – 539437

Sub.: Outcome of the Board Meeting held on May 01, 2020

Ref.: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015:

Dear Sir / Madam,

The Board of Directors at its meeting held today i.e. May 01, 2020 has *inter-alia* considered and approved the following:

1. <u>Issue of Shares on Preferential Basis</u>

Issue, offer and allot **86,24,40,704 (Eighty-Six Crore Twenty-Four Lakh Forty Thousand Seven Hundred and Four) Equity Shares** of face value of Rs.10/- (Rupees Ten only) each fully paid up, **on Preferential Basis**, to the below mentioned **5 ('five')** '**Proposed Allottees**' at a price of **Rs. 23.19/- per Equity Share** (including premium of Rs. 13.19/- per share), total amounting to **Rs. 2,000 Crore** which offer/ issue price is in accordance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations') *(including any statutory modification(s) or re-enactment thereof for the time being in force)*.

Name of the Proposed Investors/ Allottees	Category	Pre-issue Shareholding Structure		No. of Equity Shares to be allotted	Post-issue Shareholding Structure	
		Number	% of shares		Number	% of shares
IDFC Financial Holding Company Limited	Promoter	192,39,61,207	40.00	34,49,76,282	226,89,37,489	40.00
ICICI Prudential Life Insurance Company Limited	Non-Promoter	-	-	25,87,32,212	25,87,32,212	4.56
Dayside Investment Ltd *(affiliated entity of Warburg Pincus)* *	Non-Promoter	55,31,602	0.12	8,62,44,070	9,17,75,672	1.62
HDFC Life Insurance Company Limited	Non-Promoter	-	-	8,62,44,070	8,62,44,070	1.52

Bajaj Allianz Life Insurance Limited	Non-Promoter	1,35,33,000	0.28	8,62,44,070	9,97,77,070	1.76
		Total Shares		**86,24,40,704**		

** Dayside Investments Ltd along with Cloverdell Investment Ltd, both a Warburg Pincus LLC Group entities, together holds 47,72,64,867 equity shares constituting 9.92% of the pre-issue shareholding and 56,35,08,937 equity shares constituting 9.93% of the Post Issue Shareholding of the Bank.*

The total number of paid up equity shares of the bank will be 567,23,43,720 post the issue. The networth of the bank post the issue and as added to the networth as of 31st December 2019 will be Rs. 17,240 crores.

The revised Book Value per Share (BVPS) of the Bank after the capital raise will be Rs. 30.40 compared to Rs. 31.82 as on December 31, 2019. This is calculated on Networth as of 31st December 2019 plus fresh issue of Rs. 2000 crores, and divided by number of shares post issue.

Further, the said preferential allotment shall be subject to approval of the Members of the Bank proposed to be sought through Postal Ballot by way of 'Remote E-Voting' in terms of the applicable Circulars recently issued by MCA *(April 2020)* in view of the current extra-ordinary circumstances due to COVID-19 pandemic requiring social distancing and also in accordance with Chapter V of SEBI ICDR Regulations, SEBI Listing Regulations & other applicable SEBI Regulations, as amended and applicable provisions of the Companies Act, 2013, read with rules and other applicable laws.

Please find enclosed press release in this regard.

2. Increase in Authorised Capital of the Bank

Increase in the existing Authorised Share Capital of the Bank from ₹ 5363,00,00,000/- (Rupees Five Thousand Three Hundred Sixty Three Crore only) divided into 532,50,00,000 (Five Hundred Thirty Two Crore and Fifty Lakh) Equity Shares of ₹ 10/- (Rupees Ten only) each and 38,00,000 (Thirty Eight Lakh) Preference Shares of ₹ 100/- (Rupees One Hundred only) each to ₹ 7538,00,00,000/- (Rupees Seven Thousand Five Hundred Thirty Eight Crore only) divided into 750,00,00,000 (Seven Hundred Fifty Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each and 38,00,000 (Thirty Eight Lakh) Preference Shares of ₹ 100/- (Rupees One Hundred only) each, by creation of additional 217,50,00,000 (Two Hundred Seventeen Crore and Fifty Lakh) Equity Shares of ₹ 10/- (Rupees Ten only) each and consequent alteration of the existing 'Clause V' of the Memorandum of Association of the Bank relating to the Authorised Share Capital.

3. Postal Ballot

Conducting Postal Ballot to seek approval of the Members of the Bank for:

(i) Increase in the existing Authorised Share Capital of the Bank & consequent alteration of its Memorandum of Association; and

(ii) Raising of funds through issue of equity shares on preferential basis (‘Preferential Issue’) to the above mentioned ‘Proposed Investors/ Allottees’.

Further, the Board of Directors accorded its consent to conduct the Postal Ballot process in accordance with the applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder and other applicable laws & regulations and in terms of the General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 (the ‘MCA Circulars’) issued by the Ministry of Corporate Affairs, Government of India (the ‘MCA’) in view of the current extra-ordinary circumstances due to COVID-19 pandemic requiring social distancing.

4. Scrutinizer to the Postal Ballot Process

Appointment of Mr. Mr. B Narasimhan (Membership No. F1303) of M/s. BN & Associates, Practicing Company Secretaries, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

In case of any failure/ inability to scrutinize the ‘Remote E-voting’ by Mr. B Narasimhan, Mr. Venkataraman K (Membership No. A8897), Practicing Company Secretary shall be alternate Scrutinizer to him.

The meeting of the Board of Directors of the Bank commenced at 12:00 noon and concluded at 02:10 p.m.

Please take the above on record and acknowledge receipt of the same.

Thanking you,

Yours faithfully,

For **IDFC FIRST Bank Limited**

SATISH ASHOK GAIKWAD

Digitally signed by SATISH ASHOK GAIKWAD
DN: c=IN, o=Personal, title=6268, pseudonym=32ce1b94c8b644d2d28aa2a622d313b9493b089b, 2.5.4.20=d506d0806a3bdf5eb0d2137692e0c22af4c64e451e400f023db0b8bcf8b4b9d2, postalCode=400078, st=Maharashtra, serialNumber=edce8e92f33ff5ae8664e7ee988f4ffd60f2d8c56e4de31ba1262fd22fde1987, cn=SATISH ASHOK GAIKWAD
Date: 2020.05.01 14:30:53 +05'30'

Satish Gaikwad
Head – Legal & Company Secretary
Encl.: as above

IDFC FIRST Bank's Board approves fresh capital raise of Rs 2000 crore to bolster growth

- *New capital infusion to strengthen the Bank's Capital Adequacy to 15.5% with CET 1 ratio at 15.3% (calculated on December 31 2019 base)*
- *This will enable the Bank to accelerate growth of its deposit and asset franchise, and better serve its customers through expansion of business*

May 1, 2020, Mumbai: IDFC FIRST Bank today announced that it proposes to raise equity capital of Rs. 2,000 crore by way of a preferential issue to marquee investors including ICICI Prudential Life Insurance Company, HDFC Life Insurance Company, Bajaj Allianz Life Insurance, Dayside Investment (Warburg Pincus group), and to its promoter, IDFC Ltd. This is subject to shareholder and other necessary approvals.

The Board of IDFC FIRST Bank, in its meeting held today, considered and approved the proposal to raise of Rs. 2000 crore through a preferential issue of fully paid-up 86.24 crore equity shares at a face value of Rs. 10 each at a price of Rs. 23.19 per equity share, to existing and new investors. The Bank will raise fresh equity capital (qualifying for CET1) of Rs. 800 crore from IDFC Financial Holding Company Ltd, Rs. 600 crore from ICICI Prudential Life Insurance Company Ltd, Rs. 200 crore from Dayside Investment Ltd (Warburg Pincus group), Rs 200 crore from HDFC Life Insurance Company Ltd and Rs. 200 crores from Bajaj Allianz Life Insurance Ltd.

The revised Book Value per Share (BVPS) of the Bank after the capital raise will be Rs. 30.40 compared to Rs. 31.82 as on December 31, 2019. This is calculated on Networth as of December 31, 2019, plus fresh issue of Rs. 2000 crore, and divided by number of shares post issue.

The Bank is already well capitalised with CET 1 of 13.28% at December 31, 2019, which is substantially higher than the regulatory requirements. Post the new equity raise, the Bank's Capital Adequacy will be 15.5% with CET1 at 15.3% (calculated at December 31 2019 base).

The Bank will use this capital to power growth, to continue to invest in liabilities and asset franchise, technology and infrastructure platforms to expand reach, product suite and to improve customer experience.

Mr. V Vaidyanathan, MD & CEO, IDFC FIRST Bank, said, "In one year after merger, the Bank has made strong progress across all strategic priorities and set a strong foundation for growth. Our retail lending was up 32% Y-o-Y and retail deposits up 157% Y-o-Y. NIMs have increased sharply to 3.86% (Q3 FY2020) and are expected to continue increasing. The Bank has built strong intellectual property in its business in a focussed manner and the opportunities for growth for the Bank are unlimited. The new capital with strong Capital Adequacy will enable us to continue to power up growth in the chosen areas. It also empowers us to navigate current market uncertainties from a position of strength."

"We are happy to state that our bank has recently been rated as FAAA by CRISIL for its Fixed Deposit Program of Rs. 50,000 crore which is the highest safety rating by CRISIL in this category. With the new equity capital raise, the position is further strengthened and will help the Bank raise more retail CASA and retail deposits and thereby reduce the overall cost of funds for the Bank."

"We take this opportunity to thank our existing and proposed shareholders for their trust and support and assure you we will leave no stone unturned in building a great bank with strong intellectual property and with the highest levels of corporate governance."

Retail Assets saw stellar growth in the fourth quarter, increasing 32.4% Y-o-Y to Rs. 54,027 crore as on March 31, 2020. Retail loan book as a proportion of total loans has grown from 10% as on March 2018 (pre-merger) to 60% as on March 31, 2020 (including retail PSL) and is running ahead of the 5–year–guidance of 70% given at the time of merger. The Bank has reported strong retail asset quality with Gross NPA of 2.26% and Net NPA of 1.06% as of December 31, 2019.

Retail Deposits also grew strongly at 16% Q-o-Q and 157% Y-o-Y to Rs. 33,898 crore as on March 31, 2020. CASA Deposits grew 28% Q-o-Q and 163% Y-o-Y to Rs. 20,758 crore as on

March 31, 2020. CASA ratio of the bank saw significant improvement, rising from 11.40% as on March 31, 2019 to 32.03% as on March 31, 2020. All numbers pertaining to March 31, 2020, are subject to statutory audit.

In accordance with SEBI ICDR Regulations, the proposed preferential issue to the Qualified Institutional Buyers, will be completed within a period of 15 days from the date of passing the resolution by the shareholders.

The Relevant Date for determining the Floor Price of Equity Shares for the purpose of the Preferential Allotment in accordance with the SEBI ICDR Regulations, is May 04, 2020, i.e. 30 days prior to the date on which the resolution is deemed to be passed i.e. June 03, 2020, the last date specified for receipt of Postal Ballot Form or electronic voting.

About IDFC FIRST Bank

IDFC FIRST Bank was founded by the merger of IDFC Bank and Capital First in December 2018. The Bank provides a range of banking solutions to individuals, SMEs and corporates. The Bank offers latest technology enabled savings and current accounts, NRI accounts, salary accounts, demat accounts, fixed and recurring deposits, rural banking solutions, home and personal loans, vehicle loans, consumer durable loans, small business loans, forex solutions, payment and toll solutions, transaction banking services and wealth management services and high end technology platform solutions to larger corporates. IDFC FIRST Bank has a nationwide presence and operates in the Retail Banking, Wholesale Banking and other banking segments. Customers can choose where and how they want to bank: 464 bank liability branches, 104 full service asset branches, 356 ATMs and 652 rural business correspondent centres across the country, net banking, mobile banking and 24/7 toll free Banker-on-Call service.

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