

# Disclosure as per SEBI Guidelines

## A SUMMARY OF STATUS OF EMPLOYEE STOCK OPTIONS GRANTED

THE POSITION OF THE EXISTING SCHEMES IS SUMMARISED AS UNDER:

Sr. No.	Particulars	IDFC FIRST BANK ESOS 2015
1.	Date of Shareholder's Approval	Date of EGM: December 09, 2014 Date of 1st AGM: September 29, 2015 Date of 2nd AGM: July 27, 2016 Date of 5th AGM: July 25, 2019
2.	Total Number of Options approved under ESOS	As on March 31, 2021, the ESOS pool consisted of 38,47,92,241 Stock Options.
3.	Vesting requirements	Options granted under IDFC FIRST Bank ESOS-2015 would vest not less than one year from the date of grant of such Options.
4.	Exercise Price or Pricing Formula	Exercise Price shall be as decided by the Nomination and Remuneration Committee ('NRC'), subject to a minimum of the face value per share.
5.	Maximum term of Options granted	Options granted under IDFC FIRST Bank ESOS-2015 would vest not less than one year from the date of grant of such Options. The Employee Stock Options granted shall be capable of being exercised within a maximum period of three (3) years from the date of vesting of the respective Employee Stock Options or such other period as may be decided by NRC.
6.	Source of shares	The Scheme is implemented and administered directly by the Bank by way of issue of equivalent Primary shares against exercise of Options.
7.	Variation in terms of ESOS	There is no variation in terms of ESOS during the financial year ended March 31, 2021.
8.	Method used to account for ESOS	Intrinsic Value Method.

The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2020-21 is ₹ 9,73,826/-. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognized in the financial statements for the year 2020-21 would be ₹ 40,05,93,681. The effect of adopting the fair value method on the net income and earnings per share is presented below:

## B ADJUSTED PROFORMA NET PROFIT / LOSS AND EARNING PER SHARE

Particulars	₹ in crore
<b>Net Profit / Loss as reported</b>	<b>452.28</b>
Add: Intrinsic Value Compensation Cost	0.10
Less: Fair Value Compensation Cost	40.06
<b>Adjusted Pro-Forma Net Profit / Loss</b>	<b>412.32</b>
<b>Earning Per Share: Basic</b>	
As Reported (₹)	0.82
Adjusted Pro-Forma (₹)	0.75
<b>Earning Per Share: Diluted</b>	
As Reported (₹)	0.81
Adjusted Pro-Forma (₹)	0.74

## C OPTION MOVEMENT DURING THE YEAR 2020-21

Sr. No.	Particulars	Numbers
1	Number of Options outstanding at the beginning of the year	23,41,93,359
2	Number of Options granted during the year	4,21,32,000
3	Re-instated Stock Options	-
4	Number of Options Forfeited / Surrendered during the year	1,23,02,110
5	Number of Options Vested during the year	1,67,33,550
6	Number of Options Exercised during the year	35,06,135
7	Number of Options Lapsed during the year	7,17,000
8	Total number of shares arising as a result of exercise of options	35,06,135
9	Money realized by exercise of options (₹)	12,91,52,491
10	Number of Options outstanding at the end of the year	25,98,00,114
11	Number of Options exercisable at the end of the year	16,05,84,324

## D WEIGHTED AVERAGE EXERCISE PRICE and WEIGHTED AVERAGE FAIR VALUE OF OPTIONS GRANTED DURING 2020-21

### WEIGHTED AVERAGE EXERCISE PRICE OF OPTIONS GRANTED DURING 2020-21 WHOSE

Sr. No.	Particulars	
a.	Exercise price equals market price (₹)	Nil
b.	Exercise price is greater than market price	Nil
c.	Exercise price is less than market price	21.79

### WEIGHTED AVERAGE FAIR VALUE OF OPTIONS GRANTED DURING 2020-21 WHOSE

Sr. No.	Particulars	
a.	Exercise price equals market price (₹)	Nil
b.	Exercise price is greater than market price	Nil
c.	Exercise price is less than market price	7.66

## E EMPLOYEE-WISE DETAILS OF OPTIONS GRANTED DURING THE FINANCIAL YEAR 2020-21 TO:

### (i) Senior Managerial Personnel

Name	Designation	No. of Options Granted	Exercise Price (₹)
Mr. V. Vaidyanathan	Managing Director & CEO	50,00,000	19.25
Mr. Madhivanan B.	Chief Operating Officer	16,00,000	19.25
Mr. Pradeep Natarajan	Head – Retail Assets	12,50,000	19.25
Mr. Amit Kumar	Head – Retail Liabilities	12,50,000	19.25
Mr. Paritosh Mathur	Head – Wholesale Banking	7,00,000	19.25
Mr. Pankaj Sanklecha	Chief Risk Officer	4,25,000	19.25
Mr. Adrian Andrade	Chief Human Resources Officer	6,00,000	19.25
Mr. Sudhanshu Jain	Chief Financial Officer & Head – Corporate Centre	4,00,000	19.25
Mr. Satish Gaikwad	Head – Legal & Company Secretary	2,50,000	19.25

### (ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year.

Name	Designation	No. of Options Granted	Exercise Price (₹)
Mr. V. Vaidyanathan	Managing Director & CEO	50,00,000	19.25

### (iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Name	Designation	No. of Options Granted	Exercise Price (₹)
NIL	NIL	NIL	NIL

## F METHOD AND ASSUMPTIONS USED TO ESTIMATE THE FAIR VALUE OF OPTIONS GRANTED DURING THE YEAR 2020-21

The fair value has been calculated using the Black Scholes Option Pricing model.

The Assumptions used in the model are as follows:

Sr. No.	Variables	Weighted Avg.
1	Risk Free Interest Rate	5.43%
2	Expected Life (in years)	4.50
3	Expected Volatility	40.35%
4	Dividend Yield	3.35%
5	Weighted Average Price of the underlying share in market at the time of the option grant (₹)	22.59

### ASSUMPTIONS

**Risk-free rate of return:** The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the Options based on the zero-coupon yield curve for Government Securities.

**Time to Maturity:** Bank has estimated the expected life of the Options on the basis of average of minimum and maximum life of the Options. Historical data for early exercise of Options is not available, hence not considered in expected life calculations.

**Volatility:** Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes Options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange of India Limited, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered.

**Expected dividend yield:** The latest dividend declared is considered as the dividend expected to be paid during the vesting period.

**Stock Price:** Being the closing price on the stock exchange with the highest trading volumes on the last working day prior to the date of grant.

No other feature has been considered for fair valuation of Options except as mentioned in 'point F' above.